

This English translation is provided for information purposes only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.

September 26, 2016

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

Kaname Masuda, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.

Hisashi Furukawa, Representative Director and President

Contact:

Makoto Hanamura

General Manager

Investor Relations Department, Operations Division

TEL: +81-3-6422-0530

Announcement of Monthly Disclosure for August 2016

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for August 2016, JHR informs you of the monthly sales, occupancy rates, ADR, and RevPAR of rooms department as below.

JHR continues to announce monthly disclosure of hotels from which JHR receives variable rent or income based on management contracts and whose lessees, etc. have agreed with the monthly disclosure.

<The Five HMJ Hotels>

Hotel / Indicators		August	Fluctuation compared with the same month last year (Note 7)	Change in fluctuation compared with the same month last year	Cumulative total (Note 8)	Fluctuation of the cumulative total compared with last year (Note 9)	Change in fluctuation of the cumulative total compared with last year
Kobe Meriken Park Oriental Hotel	Occupancy rate	85.4%	1.5%	1.8%	76.4%	-4.4%	-5.5%
	ADR (JPY)	21,574	-2,028	-8.6%	17,804	1,431	8.7%
	RevPAR (JPY)	18,428	-1,374	-6.9%	13,601	368	2.8%
	Sales (JPY 1M)	482	-11	-2.3%	3,390	51	1.5%
Oriental Hotel tokyo bay	Occupancy rate	99.9%	0.5%	0.5%	95.8%	-1.8%	-1.8%
	ADR (JPY)	26,619	627	2.4%	20,347	1,137	5.9%
	RevPAR (JPY)	26,581	745	2.9%	19,494	747	4.0%
	Sales (JPY 1M)	677	-25	-3.6%	4,716	49	1.0%
Namba Oriental Hotel	Occupancy rate	97.6%	6.8%	7.5%	92.9%	0.0%	-0.1%
	ADR (JPY)	21,760	225	1.0%	20,198	4,112	25.6%
	RevPAR (JPY)	21,248	1,692	8.7%	18,758	3,811	25.5%
	Sales (JPY 1M)	268	14	5.6%	1,920	253	15.2%
Hotel Nikko Alivila	Occupancy rate	94.0%	2.5%	2.8%	83.9%	-1.1%	-1.3%
	ADR (JPY)	62,337	3,025	5.1%	29,913	1,903	6.8%
	RevPAR (JPY)	58,580	4,346	8.0%	25,088	1,286	5.4%
	Sales (JPY 1M)	1,071	64	6.3%	4,261	111	2.7%
Oriental Hotel Hiroshima	Occupancy rate	92.2%	2.5%	2.8%	79.9%	1.1%	1.4%
	ADR (JPY)	11,950	1,156	10.7%	9,514	689	7.8%
	RevPAR (JPY)	11,021	1,337	13.8%	7,603	649	9.3%
	Sales (JPY 1M)	190	-6	-2.9%	1,405	38	2.8%
Total of five hotels	Sales (JPY 1M)	2,688	35	1.3%	15,692	501	3.3%

<The HMJ Group Hotels>

Hotel / Indicators		August	Fluctuation compared with the same month last year (Note 7)	Change in fluctuation compared with the same month last year	Cumulative total (Note 8)	Fluctuation of the cumulative total compared with last year (Note 9)	Change in fluctuation of the cumulative total compared with last year
Okinawa Marriott Resort & Spa	Occupancy rate	95.0%	0.4%	0.4%	85.7%		
	ADR (JPY)	42,880	-1,298	-2.9%	21,327		
	RevPAR (JPY)	40,742	-1,076	-2.6%	18,273		
	Sales (JPY 1M)	668	-18	-2.6%	2,763		
ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel)	Occupancy rate	87.8%			84.1%		
	ADR (JPY)	21,830			17,281		
	RevPAR (JPY)	19,170			14,536		
	Sales (JPY 1M)	266			1,855		
Hotel Centraza Hakata	Occupancy rate	91.7%					
	ADR (JPY)	10,520					
	RevPAR (JPY)	9,646					
	Sales (JPY 1M)	198					
HOTEL VISTA GRANDE OSAKA	Occupancy rate	97.2%					
	ADR (JPY)	20,154					
	RevPAR (JPY)	19,597					
	Sales (JPY 1M)	194					

<The Six Accor Hotels>

Hotel / Indicators		August	Fluctuation compared with the same month last year (Note 7)	Change in fluctuation compared with the same month last year	Cumulative total (Note 8)	Fluctuation of the cumulative total compared with last year (Note 9)	Change in fluctuation of the cumulative total compared with last year
Mercure Sapporo	Occupancy rate	95.0%	1.5%	1.6%	82.8%	3.5%	4.4%
	ADR (JPY)	14,575	1,038	7.7%	12,197	935	8.3%
	RevPAR (JPY)	13,839	1,194	9.4%	10,094	1,166	13.1%
	Sales (JPY 1M)	139	5	3.7%	832	66	8.6%
ibis Styles Sapporo	Occupancy rate	90.6%	-1.5%	-1.6%	88.9%	1.8%	2.1%
	ADR (JPY)	14,325	701	5.1%	10,159	609	6.4%
	RevPAR (JPY)	12,975	430	3.4%	9,029	714	8.6%
	Sales (JPY 1M)	136	6	4.4%	762	74	10.8%
ibis Tokyo Shinjuku	Occupancy rate	91.9%	-3.4%	-3.5%	76.9%	-16.2%	-17.4%
	ADR (JPY)	11,823	379	3.3%	12,441	694	5.9%
	RevPAR (JPY)	10,864	-36	-0.3%	9,563	-1,368	-12.5%
	Sales (JPY 1M)	77	0	-0.5%	534	-75	-12.4%
ibis Styles Kyoto Station	Occupancy rate	98.0%	3.5%	3.7%	96.1%	7.6%	8.5%
	ADR (JPY)	11,119	774	7.5%	11,076	1,299	13.3%
	RevPAR (JPY)	10,895	1,115	11.4%	10,645	1,987	23.0%
	Sales (JPY 1M)	82	10	13.9%	624	132	26.8%
Mercure Okinawa Naha	Occupancy rate	89.6%	0.6%	0.7%	82.9%	2.1%	2.6%
	ADR (JPY)	13,387	560	4.4%	11,152	1,377	14.1%
	RevPAR (JPY)	11,995	578	5.1%	9,240	1,349	17.1%
	Sales (JPY 1M)	111	4	3.7%	697	99	16.6%
Mercure Yokosuka	Occupancy rate	89.8%	-6.3%	-6.5%	89.7%		
	ADR (JPY)	13,671	1,115	8.9%	12,374		
	RevPAR (JPY)	12,274	216	1.8%	11,099		
	Sales (JPY 1M)	88	-2	-2.1%	728		
Total of six hotels		Sales (JPY 1M)	632	22	3.7%	4,177	

<The Six *the b* Hotels>

Hotel / Indicators		August	Fluctuation compared with the same month last year (Note 7)	Change in fluctuation compared with the same month last year	Cumulative total (Note 8)	Fluctuation of the cumulative total compared with last year (Note 9)	Change in fluctuation of the cumulative total compared with last year
the b akasaka-mitsuke	Occupancy rate	84.0%	-7.4%	-8.1%	88.2%		
	ADR (JPY)	11,553	596	5.4%	12,096		
	RevPAR (JPY)	9,699	-311	-3.1%	10,674		
	Sales (JPY 1M)	37	-1	-3.4%	320		
the b ikebukuro	Occupancy rate	83.5%	-9.9%	-10.6%	89.3%		
	ADR (JPY)	10,984	378	3.6%	11,114		
	RevPAR (JPY)	9,170	-736	-7.4%	9,922		
	Sales (JPY 1M)	50	-5	-8.4%	428		
the b ochanomizu	Occupancy rate	90.5%	4.9%	5.8%	90.4%		
	ADR (JPY)	10,488	-119	-1.1%	11,004		
	RevPAR (JPY)	9,492	415	4.6%	9,950		
	Sales (JPY 1M)	21	1	4.4%	176		
the b hachioji	Occupancy rate	91.3%	-4.2%	-4.4%	90.4%		
	ADR (JPY)	7,952	405	5.4%	7,458		
	RevPAR (JPY)	7,260	54	0.7%	6,740		
	Sales (JPY 1M)	51	0	-0.6%	392		
the b hakata	Occupancy rate	92.2%	-5.3%	-5.4%	94.6%		
	ADR (JPY)	8,118	1,618	24.9%	7,697		
	RevPAR (JPY)	7,485	1,148	18.1%	7,278		
	Sales (JPY 1M)	41	6	17.7%	313		
the b suidobashi	Occupancy rate	87.0%	-0.1%	-0.1%	86.1%		
	ADR (JPY)	11,153	1,060	10.5%	11,412		
	RevPAR (JPY)	9,707	909	10.3%	9,828		
	Sales (JPY 1M)	30	3	9.7%	239		
Total of six hotels		Sales (JPY 1M)	230	4	1.5%	1,868	

<Special items>
Oriental Hotel Hiroshima

Rooms department sales exceeded those of the same month last year since the hotel attracted domestic and inbound leisure demand and the hotel was in high demand due to an inter-high school athletic competition and other events held in the Chugoku region until the middle of August 2016. On the other hand, since food and beverage department sales fell below those of the same month last year, the hotel's total sales dropped below those of the same month last year.

ibis Styles Kyoto Station and the b suidobashi

The hotels attracted inbound leisure demand in the higher-rate segment. As a result, the total sales of the hotels exceeded those of the same month last year.

the b hakata

The hotel attracted domestic and inbound leisure demand in the higher-rate segment. As a result, the hotel's total sales exceeded those of the same month last year.

*The sales of Mercure Sapporo, ibis Styles Sapporo, ibis Tokyo Shinjuku, ibis Styles Kyoto Station, the b akasaka-mitsuke, the b ikebukuro, the b hachioji, the b hakata, and ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel) are the sales of hotel business only, and rent from non-hotel tenant(s) is not included. The previous lessees, etc. of Mercure Yokosuka, Okinawa Marriott Resort & Spa, and the six *the b* hotels did not agree with disclosure of numerical value. Therefore, fluctuation of the cumulative total compared with last year is unavailable for these hotels. The previous lessees, etc. of ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel), Hotel Centraza Hakata, and HOTEL VISTA GRANDE OSAKA did not agree with disclosure of numerical value. Therefore, fluctuation compared with the same month last year and fluctuation of the cumulative total compared with last year are unavailable for these hotels.

- (Note 1) The comments above have been prepared based on information the asset management company had obtained from the lessees, etc. and are only provided as a reference of general trends. Please note that the numerical figures and information shown in the comments have neither been audited nor been the subject of the independent verification of the asset management company. No guarantee is made as to the accuracy or completeness of the numbers and information.
- (Note 2) Each month's numbers have not been audited; therefore, the amount that is a sum total of each month may be different from the six-month or annual sales total stated in the annual securities report to be submitted later. Sales of each month may also differ from that stated in the annual securities report.
- (Note 3) Occupancy rate: The number of rooms sold during the period is divided by the number of rooms available during the same period.
- (Note 4) ADR (Average Daily Rate): Total rooms revenue for a certain period (excluding service charges) is divided by the total number of rooms sold during the period. HOTEL VISTA GRANDE OSAKA, the six Accor hotels, and the six *the b* hotels do not request service charges.
- (Note 5) RevPAR (Revenue Per Available Room): Total rooms revenue for a certain period (excluding service charges) is divided by the total number of available rooms during the period. It is the same as multiplying ADR by occupancy rate.
- (Note 6) Occupancy rate is rounded off to the first decimal place. ADR and RevPAR are rounded off to the nearest whole number. Sales are rounded off to the nearest million yen.
- (Note 7) Fluctuation compared with the same month last year means the fluctuation between the concerned month (August) and the same month last year.
- (Note 8) Cumulative total is the cumulative total from the beginning of the period (January) to the concerned month (August).
- (Note 9) Fluctuation of cumulative total compared with last year means the fluctuation between the cumulative total from the beginning of the period (January) to the concerned month (August) and the cumulative total from the beginning of the period last year to the same concerned month (August) last year.

* Website of Japan Hotel REIT Investment Corporation: <http://www.jhrth.co.jp/en/>