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Announcement of Monthly Disclosure for March 2018

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for March 2018, JHR informs you of the monthly sales, occupancy rates, ADR, and RevPAR of rooms department of three hotel groups as below. For each hotel’s track record of hotel operations, please check JHR’s website (Note 1).

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

Hotel / Indicators		March	Fluctuation compared with the same month last year (Note 9)	Change in fluctuation compared with the same month last year	Cumulative total (Note 10)	Fluctuation of the cumulative total compared with last year (Note 11)	Change in fluctuation of the cumulative total compared with last year
The Eleven HMJ Hotels	Occupancy rate	90.4%	1.5%	1.7%	85.5%	0.0%	0.0%
	ADR (JPY)	16,045	220	1.4%	14,842	479	3.3%
	RevPAR (JPY)	14,502	434	3.1%	12,696	410	3.3%
	Sales (JPY 1M)	3,496	31	0.9%	8,995	78	0.9%
The Six Accor Hotels	Occupancy rate	85.0%	-2.1%	-2.4%	87.5%	-1.4%	-1.6%
	ADR (JPY)	11,036	450	4.3%	11,697	459	4.1%
	RevPAR (JPY)	9,376	158	1.7%	10,232	244	2.4%
	Sales (JPY 1M)	525	15	2.9%	1,619	33	2.1%
The Six the b Hotels	Occupancy rate	93.8%	1.6%	1.8%	90.1%	1.1%	1.3%
	ADR (JPY)	9,425	-178	-1.8%	9,263	-84	-0.9%
	RevPAR (JPY)	8,838	-11	-0.1%	8,342	29	0.4%
	Sales (JPY 1M)	240	0	0.1%	656	4	0.6%
Total of Three Hotel Groups	Occupancy rate	89.6%	0.7%	0.8%	86.6%	-0.2%	-0.2%
	ADR (JPY)	14,032	241	1.8%	13,337	395	3.1%
	RevPAR (JPY)	12,575	312	2.5%	11,549	321	2.9%
	Sales (JPY 1M)	4,260	46	1.1%	11,271	115	1.0%

<Special Items>

Inbound demand continued to be firm as the number of inbound visitors to Japan recorded the highest in March. Many of the hotels owned by JHR in major local cities steadily attracted inbound leisure demands, and therefore RevPAR of these hotels continues to grow. On the other hand, in a part of cities such as Tokyo, ADR growth is sluggish due to the impact of new supply and other factors.

In order to maximize RevPAR, each hotel continues to implement various measures such as expanding sales plans and changing client segments.

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- (Note 1) Please check JHR's website below for each hotel's track record of hotel operations.
<http://www.jhrth.co.jp/en/portfolio/review.html>
- (Note 2) The Eleven HMJ Hotels are Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila, Oriental Hotel Hiroshima, Okinawa Marriott Resort & Spa, ACTIVE-INTER CITY HIROSHIMA (Sheraton Grand Hiroshima Hotel), Holiday Inn Osaka Namba, Hilton Tokyo Narita Airport, International Garden Hotel Narita and Hotel Nikko Nara (With regard to Hotel Centraza Hakata which is leased by HMJ group company, major renovation works (hereinafter the "Renovation") which need to close entire hotel operation are scheduled from October 2018 to the end of March 2019. Therefore, numbers for Hotel Centraza Hakata are not included in Eleven HMJ Hotels as the hotel operation will be suspended during the Renovation. For track record of the hotel, please check JHR's website mentioned above.). The Six Accor Hotels are ibis Tokyo Shinjuku, ibis Styles Kyoto Station, ibis Styles Sapporo, Mercure Sapporo, Mercure Okinawa Naha, and Mercure Yokosuka. The Six *the b* Hotels are the *b* akasaka-mitsuke, the *b* ikebukuro, the *b* ochanomizu, the *b* hachioji, the *b* hakata, and the *b* suidobashi. Also, the Total of Three Hotel Groups is the total of The Eleven HMJ Hotels, The Six Accor Hotels, and The Six *the b* Hotels.
- (Note 3) 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.
- (Note 4) Numbers for each month and numbers and information shown in the comments have not been audited nor been the subject of the independent verification of the asset management company. Therefore, no guarantee is made as to the accuracy or completeness of the numbers and information. Also, the amount that is a sum total of each month may be different from total sales for the six-month or full year 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. The numbers of The Eleven HMJ Hotels, The Six Accor Hotels, The Six *the b* Hotels, and Total of Three Hotel Groups are calculated by the asset management company based on numbers provided by lessees, etc.
- (Note 5) Occupancy rate: The number of rooms sold during the period is divided by the number of rooms available during the same period.
- (Note 6) 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. Holiday Inn Osaka Namba, the six Accor hotels, and the six *the b* hotels do not request service charges.
- (Note 7) 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 8) 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 9) Fluctuation compared with the same month last year means the fluctuation between the concerned month (March) and the same month last year.
- (Note 10) Cumulative total is the cumulative total from the beginning of the period (January) to the concerned month (March).
- (Note 11) 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 (March) and the cumulative total from the beginning of the period last year (January) to the same concerned month (March) last year.
- (Note 12) For track record of hotel operations of hotels which JHR acquired in 2017, numbers provided by previous owners, etc. are used for calculation.
- (Note 13) Sales are only from hotels and exclude rent from non-hotel tenants.

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