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Announcement of the monthly disclosure for July 2012

With reference to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for July 2012, JHR informs you of the monthly sales volume, occupancy rate of the rooms department, ADR and RevPAR as below:

JHR continues the monthly disclosure for the hotels that have paid the variable rent and agreed with the monthly disclosure.

Hotel Indicators		July 2012	Fluctuation compared to the same month last year (Note 7)	Cumulative Total (Note 8)	Fluctuation of the annual total compared to previous year (Note 9)
Kobe Meriken Park Oriental Hotel	Occupancy rate	78.1%	4.1%	75.1%	3.9%
	ADR (JPY)	13,645	-1,215	13,255	-277
	RevPAR (JPY)	10,659	-337	9,952	317
	Total revenue (JPY1M)	439	-29	2,983	-31
Oriental Hotel Tokyo Bay	Occupancy rate	87.6%	1.9%	91.7%	27.9%
	ADR (JPY)	15,932	1,595	15,843	2,440
	RevPAR (JPY)	13,958	1,664	14,532	5,971
	Total revenue (JPY1M)	503	47	3,723	1,048
Namba Oriental Hotel	Occupancy rate	86.5%	-11.9%	84.2%	-3.7%
	ADR (JPY)	9,875	-1,178	9,660	-653
	RevPAR (JPY)	8,545	-2,334	8,132	-929
	Total revenue (JPY1M)	153	-26	1,038	-81
Hotel Nikko Alivila	Occupancy rate	86.1%	0.8%	71.2%	1.7%
	ADR (JPY)	38,954	763	22,953	645
	RevPAR (JPY)	33,543	956	16,351	849
	Total revenue (JPY1M)	686	8	2,726	138
Oriental Hotel Hiroshima	Occupancy rate	70.8%	7.7%	67.8%	7.7%
	ADR (JPY)	8,089	-372	8,040	-414
	RevPAR (JPY)	5,730	391	5,448	367
	Total revenue (JPY1M)	185	27	1,174	111
Total of the five hotels	Total revenue (JPY1M)	1,966	26	11,645	1,185

Hotel Indicators		July 2012	Fluctuation compared to previous month (Note 10)	Cumulative Total (Note 8)	Fluctuation of the annual total compared to previous year (Note 9)
Ibis Tokyo Shinjuku	Occupancy rate	86.2%	-5.2%		
	ADR (JPY)	9,294	979		
	RevPAR (JPY)	8,008	411		
	Total revenue (JPY 1M)	56	5		

Note: The sales volume of Ibis Tokyo Shinjuku is the sales volume of the hotel business only and the rent from the non-hotel tenant(s) is not inclusive. We were not able to obtain approval from the former lessee to disclose their sales data. Therefore, fluctuation compared to the same month last year, cumulative total and the fluctuation of the annual total compared to the previous year are not available.

Comments from Japan Hotel REIT Advisors Co., Ltd. (Asset Management Company)
concerning the actual performance of July

Kobe Meriken Park Oriental Hotel

In order to cover the declined leisure sales caused by the Great East Japan Earthquake (hereinafter called “earthquake”), the rooms department implemented the flexible rate strategy and the occupancy rate exceeded the same month last year. However, ADR did not reach the level of the same month last year and the sales of the rooms department fell below the same month last year. The weddings sales fell below the same month last year and the departmental profit of the food and beverage department fell below the same month last year. As a result, the total hotel sales fell below by approximately JPY29M compared with the same month last year.

Oriental Hotel Tokyo Bay

In association with the recovery from the earthquake last year, the sales of both the rooms department and the food and beverage department exceeded the same month last year and the total hotel sales exceeded by approximately JPY47M compared with the same month last year.

Namba Oriental Hotel

In order to cover the vacancy brought by the normalized rooms demand (Namba Oriental Hotel enjoyed the high occupancy last year because of the earthquake evacuation needs.), the rooms department focused on the leisure customers and inbound. However, both occupancy rate and ADR did not reach the level of the same month last year and the rent of the non-hotel tenant was reduced partially. As a result, the total hotel sales fell below by approximately JPY26M compared with the same month last year.

Hotel Nikko Alivila

The number of those who came to Okinawa islands exceeded the same month last year, and the occupancy rate and ADR exceeded the same month last year. As a result, the sales of the rooms department exceeded the same month last year. However, the number of the weddings did not reach the level of the same month last year thus the total departmental profit of food and beverage department fell below the same month last year. The total hotel sales exceeded by approximately JPY8M compared with the same month last year.

Oriental Hotel Hiroshima

The hotel efforts to expand the customers channels with focus on the leisure customers were rewarded by increased occupancy compared with the same month last year, and the room sales exceeded the same month last year. Both the numbers of weddings and banquets also exceeded the same month last year and the sales

of the food and beverage department also exceeded the same month last year. As a result, the total hotel sales exceeded by approximately JPY27M compared with the same month last year.

Ibis Tokyo Shinjuku

Demands of the domestic leisure customers are raised from June to July every year thus the hotel focused on attracting the leisure customers mainly through the travel agencies. ADR exceeded the same month last year while occupancy rate fell below, and the total hotel sales exceeded by approximately JPY5M from the previous month.

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- (Note 1) The above comments have been made based on the information the asset management company had obtained from the lessees. It has only been provided as a reference that indicates the general tendency. Please note that the numerical figures and information shown on the comments above have neither been audited nor been the subject of the independent verification of the asset management company. Each numerical figure, accuracy or the completeness of the information are not guaranteed.
- (Note 2) The numerical figures of each month have not been audited, therefore, the sum above may be different from the total sales for six months or twelve months that will be later shown on the annual securities report. The sales of each month may also differ from that of the annual securities report to be shown later.
- (Note 3) Occupancy rate: Divide the number of rooms sold during the certain period by the number of available rooms during the same period
- (Note 4) ADR (Average Daily Rate): Divide the total room sales during a certain fixed period (excluding service charge) by the total No. of rooms sold for the same period. Ibis Tokyo Shinjuku does not request the service charge.
- (Note 5) RevPAR (Revenue Per Available Room): Divide the total room sales of the certain fixed period by the number of available rooms for sale for the same period. It is the same as ADR x occupancy rate
- (Note 6) Occupancy rate: Round off to second decimal place. ADR & RevPAR: Round off to first decimal place. Sales volume: Less than JPY1M has been rounded off.
- (Note 7) Fluctuation compared to the same month last year means the fluctuation between the month (July) and the same month last year.
- (Note 8) Cumulative total is the cumulative values from the beginning of the term (January) to the subject month (July).
- (Note 9) Fluctuation of the annual total compared to previous year means the fluctuation between the sum from the beginning of the term (January) to the subject month above (July) and the sum of the beginning of the last year to the same month last year.
- (Note 10) Fluctuation compared to previous month is the fluctuation between the subject month (July) and the previous month.

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