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September 25, 2012

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

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Announcement of the monthly disclosure for August 2012

With reference to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for August 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		August 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	94.3%	6.7%	77.5%	4.2%
	ADR (JPY)	16,909	-1,117	13,820	-397
	RevPAR (JPY)	15,946	151	10,713	293
	Total revenue (JPY1M)	481	-8	3,464	-40
Oriental Hotel Tokyo Bay	Occupancy rate	98.9%	-0.7%	92.6%	24.2%
	ADR (JPY)	24,549	2,419	17,024	1,998
	RevPAR (JPY)	24,286	2,240	15,771	5,488
	Total revenue (JPY1M)	667	68	4,391	1,116
Namba Oriental Hotel	Occupancy rate	96.5%	3.6%	85.8%	-2.8%
	ADR (JPY)	11,368	949	9,904	-423
	RevPAR (JPY)	10,974	1,291	8,493	-647
	Total revenue (JPY1M)	177	6	1,216	-75
Hotel Nikko Alivila	Occupancy rate	85.2%	-2.9%	73.0%	1.2%
	ADR (JPY)	54,220	1,066	27,587	457
	RevPAR (JPY)	46,177	-625	20,140	646
	Total revenue (JPY1M)	877	-22	3,604	116
Oriental Hotel Hiroshima	Occupancy rate	88.8%	13.5%	70.4%	8.4%
	ADR (JPY)	8,954	-216	8,186	-379
	RevPAR (JPY)	7,953	1,049	5,766	453
	Total revenue (JPY1M)	164	40	1,338	151
Total of the five hotels	Total revenue (JPY1M)	2,367	84	14,012	1,269

Hotel Indicators		August 2012	Fluctuation compared to previous month (Note 10)	Cumulative Total (Note 8)	Fluctuation of the annual total compared to previous year (Note 9)
<b>Ibis Tokyo Shinjuku</b>	Occupancy rate	84.5%	-1.7%		
	ADR (JPY)	9,311	16		
	RevPAR (JPY)	7,863	-145		
	Total revenue (JPY1M)	55	-1		

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 August

Kobe Meriken Park Oriental Hotel

The rooms department positively sold the price-appealing plans to capture customers with focus on the leisure, and both the occupancy rate and the sales exceeded the same month last year. Both wedding sales and banquet sales also exceeded the same month last year, but restaurant sales fell below the same month last year. Consequently, the overall sales of the food and beverage department fell below the same month last year, and the total hotel sales fell below the same month last year by approximately JPY8M.

Oriental Hotel Tokyo Bay

The strategy to increase ADR was effective and the room sales exceeded the same month last year. Moreover, the wedding sales exceeded the same month last year, and the sales of the food and beverage department exceeded the same month last year. As a result, the total hotel sales exceeded the same month last year by approximately JPY68M.

Namba Oriental Hotel

The rooms department concentrated on capturing the leisure customers and successfully increased both occupancy rate and ADR in comparison with the same month last year. Despite decreased rent from a tenant, the total hotel sales exceeded the same month last year by approximately JPY6M.

Hotel Nikko Alivila

Both occupancy rate and ADR exceeded the same month last year and the rooms department had been in good shape. However, typhoon arrived at the end of August impacted on Okinawa market and occupancy rate and the sales eventually fell below the same month last year. Declined occupancy affected on the restaurant sales and the restaurant sales fell below the same month last year. As a result, the total sales of the food and beverage department fell below the same month last year, and the total hotel sales fell below the same month last year by approximately JPY22M.

Oriental Hotel Hiroshima

In addition to the favorable Hiroshima market, the rooms department positively sold the price-appealing plans to capture mainly the leisure customers, and both the occupancy rate and the sales exceeded the same month last year. The sales of the wedding department and banquet department also exceeded the same month last year, and the sales of the food and beverage department exceeded the same month last year. As a result, the total hotel sales exceeded the same month last year by approximately JPY40M.

### Ibis Tokyo Shinjuku

Renovation took place and some rooms were not available to guests. Therefore, the occupancy rate fell below the previous month and the total hotel sales fell below the previous month by approximately JPY1M.

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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 (August) 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 (August).
- (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 (August) 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 (August) and the previous month.

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