

Provisional Translation Only

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Notice Regarding Revisions to the Forecast of Business Performance and Merger Dividend for Japan Hotel and Resort, Inc. (dissolved in the merger) for the Deemed Fiscal Period Ending March 31, 2012 (September 1, 2011 - March 31, 2012)

Japan Hotel REIT Investment Corporation hereby provides notice that the business performance forecast previously announced on February 16, 2012 by former Japan Hotel and Resort, Inc. (old JHRö), the corporation dissolved in the merger, for the fiscal year ending in March, 2012 are now revised as follows.

1. Revised Forecast of Business Performance for the Deemed Fiscal Period Ending March 31, 2012 (September 1, 2011 to March 31, 2012)

	Operating Revenues	Operating Profit	Recurring Profit	Net Income	Merger Dividend per Unit (excluding dividend in excess of earning) (Note 1)	Dividend in Excess of Earning
Previous forecast (A)	3,130 M Yen	1,001 M Yen	477 M Yen	476 M Yen	4,509 Yen	0 Yen
Revised forecast (B)	3,209 M Yen	1,132 M Yen	609 M Yen	608 M Yen	5,755 Yen	0 Yen
Change (C)= (B) - (A)	78 M Yen	131 M Yen	131 M Yen	131 M Yen	1,246 Yen	0 Yen
Change (D)= (C)/(A) (Note 2)	2.5 %	13.1 %	27.6 %	27.6 %	27.6 %	0 %

(Note 1) The number of issued investment units outstanding at the end of the fiscal period: 105,719 units (before split)

(Note 2) The above figures are rounded down to million yen or yen. Percentages are rounded off to the first decimal place.

2. Reason for the Revision

In the process of closing the old-JHR accounts, the revenue and GOP for the five hotels with variable

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rents for the deemed fiscal period (Sept 1, 2011 to Mar. 1, 2012) turned out to be higher than previously forecasted. Aside from that, the cost of merger was smaller than expected.

As a result, five (5) % or bigger deviation is expected in the business performance from the previous forecast announced on Feb. 16, 2012. For this reason, we have revised the forecast of merger dividend per unit.

For the list of the 5 hotels with variable rent, rent calculation, definition of GOP, hotel revenue and hotel GOP, please refer to 〇Reference〇.

< Note>

The above forecast is based on the current results and the amount of merger dividend to be actually paid may differ from the above. The forecast does not guarantee actual payment.

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

<Reference>

(1) Calculation of variable rents

Rents for the five (5) hotels with variable rent for the deemed fiscal period are calculated based on the memorandum on the change of lease agreements with Hotel Management Japan K.K. concluded on February 16, 2012.

Variable Rent = [(i) Total GOP for five (5) hotels (Note 2) - (ii) GOP threshold] × 81.5%

<Variable Rent for the Deemed Fiscal Period Ending March 31, 2012>

	Total GOP for Five (5) Hotels	GOP Base Amount	Variable Rent
	(i)	(ii)	((i) - (ii) × 81.5%
Deemed Fiscal Period	3,044	2,019	836

in million yen
(rounded down to million yen)

(Note 1) These five hotels includes Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila, and Oriental Hotel Hiroshima.

(Note 2) GOP (Gross Operating Profit) is hotel revenues less operating expenses such as (1) cost of sale, (2) salaries, wages and employee benefits, (3) supplies, (4) other operational costs, (5) general administrative costs, (6) advertising, (7) repairs and maintenance, (8) utilities, (9) insurances, (10) taxes, (11) loan-loss reserves, (12) other direct cost of hotel operations.

(2) Hotel Revenues

in million yen

(Amounts less than a million yen are rounded off.)

Revenues of Five (5) Hotels with Variable Rent		4 th Term		5 th Term		6 th Term		Deemed Fiscal Period (7 th Term) (Sep. 2011 — Mar. 2012)		
		Actual	Year-on-year	Actual	Year-on-year	Actual	Year-on-year	Previous Forecast (Note 1)	Revised Forecast	Change
Kobe Meriken Park Oriental Hotel	1st Half	3,122	(7.5%)	3,041	(2.6%)	2,814	(7.5%)	—	—	—
	2nd Half	2,877	(14.6%)	2,893	0.5%	2,773	(4.1%)	—	—	—
	Full Year	5,999	(11.0%)	5,934	(1.1%)	5,588	(5.8%)	3,241	3,275	1.0%
Oriental Hotel Tokyo Bay	1st Half	3,448	2.2%	3,189	(7.5%)	3,331	4.5%	—	—	—
	2nd Half	3,093	(9.2%)	3,333	7.7%	2,302	(30.9%)	—	—	—
	Full Year	6,542	(3.6%)	6,522	(0.3%)	5,634	(13.6%)	4,013	4,089	1.9%
Namba Oriental Hotel	1st Half	925	(7.4%)	866	(6.4%)	917	5.9%	—	—	—
	2nd Half	855	(12.4%)	967	13.0%	1,000	3.4%	—	—	—
	Full Year	1,781	(9.9%)	1,832	2.9%	1,917	4.6%	1,040	1,055	1.4%
Hotel Nikko Alivila	1st Half	2,303	1.8%	1,947	(15.5%)	2,012	3.3%	—	—	—
	2nd Half	3,195	(11.0%)	3,086	(3.4%)	2,894	(6.2%)	—	—	—
	Full Year	5,498	(6.1%)	5,033	(8.5%)	4,906	(2.5%)	2,560	2,577	0.7%
Oriental Hotel Hiroshima	1st Half	1,109	12.0%	1,066	(3.9%)	999	(6.3%)	—	—	—
	2nd Half	994	2.8%	1,044	5.1%	917	(12.2%)	—	—	—
	Full Year	2,103	7.5%	2,110	0.4%	1,916	(9.2%)	1,216	1,239	1.8%
Total	1st Half	10,908	(0.8%)	10,109	(7.3%)	10,073	(0.4%)	—	—	—
	2nd Half	11,015	(10.5%)	11,322	2.8%	9,887	(12.7%)	—	—	—
	Full Year	21,923	(6.0%)	21,431	(2.2%)	19,960	(6.9%)	12,070	12,294	1.4%

(Note 1) The previous forecast for the deemed fiscal year was announced in the press release “Notice Regarding Revisions to the Forecast of Business Performance and Dividend for the Fiscal Year Ending August 31, 2012 (September 1, 2011 to August 31, 2012)” dated February 16, 2012.

(3) Hotel GOP

GOP for Five (5) Hotels with Variable Rents	4 th Term		5 th Term		6 th Term		Deemed Fiscal Period (7 th Term) Sep. 2011 — Mar. 2012)		
	Actual	Year-on-year	Actual	Year-on-year	Actual	Year-on-year	Previous Forecast (Note 1)	Revised Forecast	Change
Total of Five (5) Hotels with Variable Rents	5,447	(13.9%)	5,679	4.2%	4,916	(13.4%)	2,949	3,045	3.3%
GOP Ratio to Sales	24.8%	(2.3%)	26.5%	1.6%	24.6%	(1.9%)	24.4%	34.9%	1.5%

(Note 1) The previous forecast for the deemed fiscal period was announced in the press release “Notice Regarding Revisions to the Forecast of Business Performance and Dividend for the Fiscal Year Ending August 31, 2012 (September 1, 2011 to August 31, 2012)” dated February 16, 2012.

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