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REIT Issuer:

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Notice Concerning Guest Rooms Renovation – Hotel Nikko Alivila

Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) informs you that JHR renovated Hotel Nikko Alivila (hereinafter called “Alivila”), one of JHR’s operating assets, as below, and new guest rooms are offered from March 14, 2014.

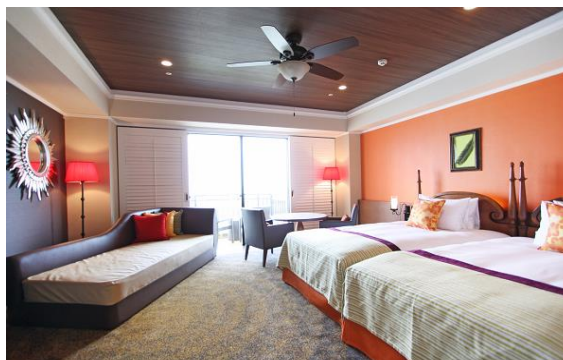
1. Renovation summary

Hotel location	600 Aza Gima, Yomitanson, Nakagami-gun, Okinawa prefecture
Renovated areas	Guest rooms on the 3 rd floor to the 8 th floor of the North Wing and the 3 rd floor to the 5 th floor of the Center Wing (119 guest rooms in total)
Total renovation expenses	Approximately JPY332M
Commencement of renovation	January 14, 2014
Date to offer the renovated areas	March 14, 2014
Renovation detail	The interior finishing and furniture of the guest rooms on the 3 rd floor to the 8 th floors of the North Wing and the 3 rd floor to the 5 th floor of the Center Wing (119 guest rooms in total) were renovated based on the Alivila’s basic design characteristics, Spanish colonial style. The guest rooms with more emphasis on resort were created.

<Before renovation>
Standard twin room



<After renovation>
Premier twin room
(North Wing)



<After renovation>
Superior twin room
(North Wing)



<After renovation>
Superior twin room
(Center Wing)



2. Renovation objectives

Alivila is situated at excellent location with the beach spreading out below and Yomitanson village full of nature. Alivila is enjoying the stable operating performance in the Okinawa resort market.

With the aim of enhancing Alivila's brand power, JHR had renovated the guest rooms in sequence. This time, JHR renovated one hundred nineteen guest rooms that had not been renovated since its opening, and completed renovation of all guest rooms.

This renovation was conducted in line with the Alivila's basic design characteristics, Spanish colonial style, and rich colors of beautiful nature surrounding Alivila such as "Blue sea", "Beautiful flowers" and "The sun of the South" are used in the wallpapers and the carpets, etc. Moreover, a ceiling fan is installed in each renovated room. Alivila offers a higher quality resort experience with these guest rooms.

Taking advantage of this renovation, the renovated guest rooms were upgraded to higher room category and the guest room structure was simplified. JHR aims at raising the guest room unit price as well as profitability through offering these rooms at the category higher than before.

<Information concerning the renovated guest rooms: <http://www.alivila.co.jp/special/guestroom.html> >

In addition, this year is the twentieth anniversary of Alivila and the hotel has planned various anniversary events for greater appeal to customers. One of their efforts is "Music and Dance Performances" event planned by the hotel staffs on every Saturday (Available period: January 4, 2014 through December 27, 2014). All music, songs and dances are played and performed by the hotel staffs, and this event has earned great popularity among hotel guests and local people.

<Information concerning the "Music and Dance Performances": <http://www.alivila.co.jp/news/20131217.html> >

With the cooperation of Alivila, JHR will continuously aim at strengthening the Alivila's brand power and enhancing its profitability.

3. Future prospect

The renovation impact has been included in the operating forecast for the fiscal year December 2014 (January 1, 2014 through December 31, 2014) already announced, thus no change is required.

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