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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

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Announcement of Monthly Disclosure for February 2014

With reference to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for February 2014, JHR informs you of the monthly sales volume, occupancy rate, ADR, and RevPAR of rooms department as below.

JHR continues the monthly disclosure for the hotels that have paid the variable rent, etc. and agreed with the monthly disclosure as follows:

<Hotels with variable rent>

Hotel Indicators		February 2014	Fluctuation compared to the same month last year (Note 7)	Cumulative total (Note 8)	Fluctuation of the annual total compared to last year (Note 9)
Kobe Meriken Park Oriental Hotel	Occupancy rate	69.8%	-0.4%	69.0%	-0.4%
	ADR (JPY)	12,076	-568	12,848	215
	RevPAR (JPY)	8,435	-445	8,866	92
	Total revenue (JPY 1M)	339	17	683	19
Oriental Hotel Tokyo Bay	Occupancy rate	98.3%	-0.4%	96.9%	2.5%
	ADR (JPY)	15,091	1,651	15,682	1,593
	RevPAR (JPY)	14,832	1,568	15,191	1,896
	Total revenue (JPY 1M)	451	16	968	48
Namba Oriental Hotel	Occupancy rate	92.1%	-3.0%	89.2%	-1.4%
	ADR (JPY)	10,648	961	11,062	1,435
	RevPAR (JPY)	9,804	597	9,867	1,149
	Total revenue (JPY 1M)	152	4	317	19
Hotel Nikko Alivila	Occupancy rate	62.0%	-16.1%	61.9%	-7.8%
	ADR (JPY)	14,398	-786	17,050	-136
	RevPAR (JPY)	8,931	-2,936	10,548	-1,423
	Total revenue (JPY 1M)	237	-63	542	-60
Oriental Hotel Hiroshima	Occupancy rate	73.7%	4.6%	68.1%	3.8%
	ADR (JPY)	8,100	117	8,016	127
	RevPAR (JPY)	5,967	450	5,459	390
	Total revenue (JPY 1M)	165	14	316	36
Total of five hotels	Total revenue (JPY 1M)	1,343	-12	2,826	61

<Hotels operated through management contract>

Hotel indicators		February 2014	Fluctuation compared to the same month last year (Note 7)	Cumulative total (Note 8)	Fluctuation of the annual total compared to last year (Note 9)
Ibis Tokyo Shinjuku (*)	Occupancy rate	94.0%	-2.0%	87.8%	-2.6%
	ADR (JPY)	12,230	1,793	11,522	1,798
	RevPAR (JPY)	11,493	1,472	10,118	1,325
	Total revenue (JPY 1M)	74	9	137	18
Ibis Styles Kyoto Station (*)	Occupancy rate	79.7%			
	ADR (JPY)	7,615			
	RevPAR (JPY)	6,069			
	Total revenue (JPY 1M)	40			

Note: The sales volumes of both Ibis Tokyo Shinjuku and Ibis Styles Kyoto Station are the sales volumes of the hotel business only, and rent from the non-hotel tenant(s) is not included. The previous operator of Ibis Styles Kyoto Station did not agree with disclosure of numerical figures. Therefore, fluctuation compared to the same month last year, cumulative total and fluctuation of the annual total compared to last year are not available.

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

Kobe Meriken Park Oriental Hotel

Rooms department focused on attracting leisure demand with flexible pricing policy, but business demand fell below the level of the previous year (e.g., demand from learned society) and room sales fell below the same month last year. Meanwhile, wedding sales exceeded the same month last year and the food and beverage sales exceeded the same month last year. As a result, the total hotel sales exceeded the same month last year by approximately JPY17M.

Oriental Hotel Tokyo Bay

In addition to the ripple effect of the thirty year anniversary event of Tokyo Disney Resort, rooms department's strategy to raise ADR was successful. Room sales exceeded the same month last year. Wedding sales fell below the same month last year and the food and beverage sales fell below the same month last year. As a result, the total hotel sales exceeded the same month last year by approximately JPY16M.

Namba Oriental Hotel

Domestic leisure demand and inbound demand increased and accommodation market was continuously favorable. Rooms department focused on attracting customers who can pay higher unit price and raised ADR. Room sales exceeded the same month last year. As a result, the total hotel sales exceeded the same month last year by approximately JPY4M.

Hotel Nikko Alivila

Approximately one third of the entire guest rooms were not available due to closure for renovation, and room sales fell below the same month last year. Restaurant sales also fell below the same month last year due to the renovation impact, and food and beverage sales fell below the same month last year. As a result, the total hotel sales fell below the same month last year by approximately JPY63M.

Oriental Hotel Hiroshima

Rooms department focused on attracting domestic leisure customers and increased occupancy rate and ADR.

Room sales exceeded the same month last year. Banquet and wedding sales also exceeded the same month last year, and food and beverage sales exceeded the same month last year. As a result, the total hotel sales exceeded the same month last year by approximately JPY14M.

Ibis Tokyo Shinjuku

In addition to attracting inbound travelers through the operator's booking website, the strategy to increase ADR of domestic leisure customers was successful. ADR increased and room sales exceeded the same month last year. As a result, the total hotel sales exceeded the same month last year by approximately JPY9M.

Ibis Styles Kyoto Station

Rooms department strived to attract domestic leisure customers as well as inbound travelers mainly through the operator's booking website. The channel to attract customers is on its way to be ready after the rebranding, and the hotel continuously aims at maximizing the profit at the earliest possible date.

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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, etc. 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 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 above 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 during the same period. Ibis Tokyo Shinjuku and Ibis Styles Kyoto Station do not request service charge.
- (Note 5) RevPAR (Revenue Per Available Room): Divide the total room sales during the certain fixed period by the total available rooms for sale during the same period. It is the same as ADR x Occupancy rate.
- (Note 6) Occupancy rate is rounded off to the first decimal place and the first decimal place is rounded off for ADR and RevPAR. Sales volume is rounded off to the nearest one million yen.
- (Note 7) Fluctuation compared to the same month last year means the fluctuation between the month (February) and the same month last year.
- (Note 8) Cumulative total is the cumulative values from the beginning of the term (January) to the month above (February).
- (Note 9) Fluctuation of the annual total compared to last year means the fluctuation between the sum from the beginning of the term (January) to the month above (February) and the sum from the beginning of the previous year to the same month last year.