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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)
Yukio Isa, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.
Hisashi Furukawa, Representative Director and President

Contact:

Kazuyuki Udo
Director and Officer
Management & Planning Office
TEL: +81-3-6422-0530

Announcement of Monthly Disclosure for July 2014

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

JHR continues monthly disclosure for hotels that paid the variable rent, etc. and whose hotel lessee, etc. has agreed with the monthly disclosure (hereinafter called “Hotels with variable rent” or the “Hotels operated through management contract”) as follows.

<Hotels with variable rent (HMJ's five hotels)>

Hotel Indicators		July 2014	Fluctuation compared to the same month last year (Note 7)	Cumulative total (Note 8)	Fluctuation of the cumulative total compared to last year (Note 9)
Kobe Meriken Park Oriental Hotel	Occupancy rate	77.8%	-1.0%	77.2%	-0.3%
	ADR (JPY)	14,300	36	14,045	677
	RevPAR (JPY)	11,127	-109	10,837	486
	Sales volume (JPY1M)	420	22	2,844	31
Oriental Hotel tokyo bay	Occupancy rate	98.6%	4.4%	97.4%	2.8%
	ADR (JPY)	17,905	-1,677	17,708	214
	RevPAR (JPY)	17,649	-797	17,252	691
	Sales volume (JPY1M)	580	22	3,946	180
Namba Oriental Hotel	Occupancy rate	91.1%	-2.4%	89.3%	-1.5%
	ADR (JPY)	12,511	2,127	11,860	1,646
	RevPAR (JPY)	11,396	1,689	10,594	1,315
	Sales volume (JPY1M)	180	16	1,177	79
Hotel Nikko Alivila	Occupancy rate	93.2%	4.5%	78.9%	0.8%
	ADR (JPY)	38,604	83	22,282	-62
	RevPAR (JPY)	35,972	1,822	17,587	119
	Sales volume (JPY1M)	729	32	2,919	29
Oriental Hotel Hiroshima	Occupancy rate	78.3%	1.9%	74.8%	2.0%
	ADR (JPY)	8,242	60	8,199	-34
	RevPAR (JPY)	6,456	204	6,136	136
	Sales volume (JPY1M)	200	22	1,246	21
Total of five hotels	Sales volume (JPY1M)	2,108	114	12,132	341

<Hotels with variable rent (others)>

Hotel Indicators		July 2014	Fluctuation compared to the same month last year (Note 7)	Cumulative total (Note 8)	Fluctuation of the cumulative total compared to last year (Note 9)
ibis Tokyo Shinjuku (*)	Occupancy rate	94.8%	0.2%	91.3%	-1.5%
	ADR (JPY)	11,087	849	11,238	1,249
	RevPAR (JPY)	10,508	822	10,262	988
	Sales volume (JPY1M)	75	7	502	52
ibis Styles Kyoto Station (*)	Occupancy rate	82.6%		79.1%	
	ADR (JPY)	8,762		9,211	
	RevPAR (JPY)	7,234		7,286	
	Sales volume (JPY1M)	52		357	

<Hotels operated through management contract>

Hotel Indicators		July 2014	Fluctuation compared to the same month last year (Note 7)	Cumulative total (Note 8)	Fluctuation of the cumulative total compared to last year (Note 9)
Best Western Hotel Sapporo Nakajimakoen	Occupancy rate	97.0%			
	ADR (JPY)	11,405			
	RevPAR (JPY)	11,064			
	Sales volume (JPY1M)	113			

* The sales volumes of both ibis Tokyo Shinjuku and ibis Styles Kyoto Station are the sales of hotel business only, and rent from non-hotel tenant(s) is not included. The previous operators, etc. of Best Western Hotel Sapporo Nakajimakoen and ibis Styles Kyoto Station did not agree with disclosure of numerical values. Therefore, fluctuation compared to the same month last year and fluctuation of the cumulative total compared to last year are unavailable.

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

Kobe Meriken Park Oriental Hotel

Rooms department focused on attracting domestic and inbound leisure demand by implementing aggressive pricing strategies that meet demand. However, sales fell below the same month last year as the occupancy rate fell below the same month last year. Food and beverage department sales exceeded the same month last year as banquet sales and wedding sales exceeded the same month last year. As a result, the hotel's total sales exceeded the same month last year by approximately JPY22M.

Oriental Hotel Tokyo Bay

With the end of Tokyo Disney Resort's thirtieth anniversary event, rooms department implemented flexible pricing strategies to attract customers, but ADR fell below the same month last year. Rooms department sales thus fell below the same month last year. Banquet sales, wedding sales and restaurant sales each exceeded the same month last year. Food and beverage department sales thus exceeded the same month last year. As a result, the hotel's total sales exceeded the same month last year by approximately JPY22M.

Namba Oriental Hotel

With domestic and inbound leisure demand increasing and the market being favorable, rooms department focused on attracting customers who pay higher rates. Rooms department sales thus exceeded the same month last year. As a result, the hotel's total sales exceeded the same month last year by approximately JPY16M.

Hotel Nikko Alivila

Rooms department attracted customers through flexible pricing strategies, and the sales thus exceeded the same month last year although there was an impact from typhoon that occurred in July. Restaurant sales exceeded the same month last year, and food and beverage department sales thus exceeded the same month last year. As a result, the hotel's total sales exceeded the same month last year by approximately JPY32M.

Oriental Hotel Hiroshima

Rooms department focused on attracting domestic leisure demand. Rooms department sales thus exceeded the same month last year. Wedding sales exceeded the same month last year. Food and beverage department sales thus exceeded the same month last year. As a result, the hotel's total sales exceeded the same month last year by approximately JPY22M.

ibis Tokyo Shinjuku

Rooms department attracted domestic and inbound leisure demand, and thereby increased ADR. Rooms department sales thus exceeded the same month last year. As a result, the hotel's total sales exceeded the same month last year by approximately JPY7M.

ibis Styles Kyoto Station

Rooms department focused on attracting domestic leisure demand as well as inbound demand mainly through the operator's booking website. The hotel will regularly aim at maximizing profit through attracting leisure demand.

Best Western Hotel Sapporo Nakajimakoen

Rooms department focused on attracting domestic leisure demand as well as inbound demand. Even after the property acquisition by JHR on July 9, 2014, the hotel continuously strives to attract customers centering on attracting domestic and inbound leisure demand, aiming at maximizing its profit.

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- (Note 1) The comments above have been prepared based on information the asset management company had obtained from the lessees, etc. and are only provided as a reference of general trends. Please note that the numerical figures and information shown in the comments have neither been audited nor been the subject of the independent verification of the asset management company. No guarantee is made as to the accuracy or completeness of the numbers and information.
- (Note 2) Each month's numbers have not been audited; therefore, the amount that is a sum total of each month may be different to the six-month or annual sales total stated in the annual securities report to be submitted later. Sales of each month may also differ to that stated in the annual securities report.
- (Note 3) Occupancy rate: The number of rooms sold during the period is divided by the number of rooms available during the same period.
- (Note 4) ADR (Average Daily Rate): A certain period's rooms department sales total (excluding service charge) is divided by the total number of rooms sold during the same period. Best Western Hotel Sapporo Nakajimakoen, ibis Tokyo Shinjuku and ibis Styles Kyoto Station do not request service charge.
- (Note 5) RevPAR (Revenue Per Available Room): A certain period's rooms department sales total is divided by the total number of rooms available during the same period. It is the same as multiplying ADR by occupancy rate.
- (Note 6) Occupancy rate is rounded off to the first decimal place. ADR and RevPAR are rounded off to the nearest whole number. Sales are rounded off to the nearest million yen.
- (Note 7) Fluctuation compared to the same month last year means the fluctuation between the concerned month (July) and the same month last year.
- (Note 8) Cumulative total is the cumulative total from the beginning of the period (January) to the concerned month (July).
- (Note 9) Fluctuation of cumulative total compared to last year means the fluctuation between the cumulative total from the beginning of the period (January) to the concerned month (July) and the cumulative total from the beginning of the period last year to the same concerned month last year.

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