

This English translation is provided for information purposes only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.

December 19, 2014

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 November 2014

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

JHR continues monthly disclosure of hotels that paid variable rent, etc. and whose hotel lessees, etc. have agreed with the monthly disclosure (hereinafter called “Hotels with variable rent” or the “Hotels operated under management contract”) as follows.

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

| Hotel / Indicators | | November 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 | 83.7% | -2.5% | 80.5% | -0.6% |
| | ADR (JPY) | 16,766 | 1,733 | 15,030 | 847 |
| | RevPAR (JPY) | 14,033 | 1,071 | 12,092 | 595 |
| | Sales (JPY 1M) | 556 | 48 | 4,743 | 53 |
| Oriental Hotel tokyo bay | Occupancy rate | 99.2% | 0.6% | 98.0% | 2.0% |
| | ADR (JPY) | 21,508 | -273 | 19,083 | -699 |
| | RevPAR (JPY) | 21,342 | -151 | 18,710 | -294 |
| | Sales (JPY 1M) | 716 | 27 | 6,516 | 39 |
| Namba Oriental Hotel | Occupancy rate | 91.6% | -2.8% | 90.7% | -1.4% |
| | ADR (JPY) | 15,408 | 3,255 | 12,719 | 1,975 |
| | RevPAR (JPY) | 14,117 | 2,639 | 11,532 | 1,644 |
| | Sales (JPY 1M) | 197 | 21 | 1,945 | 157 |
| Hotel Nikko Alivila | Occupancy rate | 80.1% | 6.4% | 81.4% | 1.7% |
| | ADR (JPY) | 16,145 | 345 | 25,174 | -63 |
| | RevPAR (JPY) | 12,924 | 1,284 | 20,498 | 381 |
| | Sales (JPY 1M) | 372 | 41 | 5,112 | 79 |
| Oriental Hotel Hiroshima | Occupancy rate | 85.3% | -3.7% | 78.1% | 0.6% |
| | ADR (JPY) | 9,244 | 621 | 8,523 | 57 |
| | RevPAR (JPY) | 7,886 | 212 | 6,653 | 94 |
| | Sales (JPY 1M) | 261 | 22 | 2,038 | 8 |
| Total of five hotels | Sales (JPY 1M) | 2,102 | 159 | 20,355 | 337 |

<Hotels with variable rent (others)>

| Hotel / Indicators | | November 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 Nakajima Koen | Occupancy rate | 85.6% | | | |
| | ADR (JPY) | 6,509 | | | |
| | RevPAR (JPY) | 5,575 | | | |
| | Sales (JPY 1M) | 58 | | | |

<Hotels operated under management contract>

| Hotel / Indicators | | November 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) |
|-----------------------------------|----------------|---------------|---|---------------------------|--|
| Mercure Hotel Sapporo | Occupancy rate | 58.7% | | | |
| | ADR (JPY) | 8,951 | | | |
| | RevPAR (JPY) | 5,255 | | | |
| | Sales (JPY 1M) | 60 | | | |
| ibis Tokyo Shinjuku | Occupancy rate | 93.9% | 0.2% | 92.1% | -1.0% |
| | ADR (JPY) | 11,593 | 626 | 11,264 | 1,071 |
| | RevPAR (JPY) | 10,880 | 615 | 10,371 | 888 |
| | Sales (JPY 1M) | 76 | 5 | 799 | 73 |
| ibis Styles Kyoto Station | Occupancy rate | 97.5% | 11.0% | 84.4% | |
| | ADR (JPY) | 14,383 | 1,536 | 9,708 | |
| | RevPAR (JPY) | 14,017 | 2,911 | 8,198 | |
| | Sales (JPY 1M) | 95 | 20 | 631 | |
| Mercure Hotel Okinawa Naha | Occupancy rate | 76.9% | | | |
| | ADR (JPY) | 8,864 | | | |
| | RevPAR (JPY) | 6,819 | | | |
| | Sales (JPY 1M) | 66 | | | |

* The sales of Best Western Hotel Sapporo Nakajima Koen, Mercure Hotel Sapporo, 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 lessees, etc. of Best Western Hotel Sapporo Nakajima Koen, Mercure Hotel Sapporo, and Mercure Hotel Okinawa Naha did not agree with disclosure of numerical value. Therefore, fluctuation compared to the same month last year, cumulative total, and fluctuation of the cumulative total compared to last year are unavailable. Regarding ibis Styles Kyoto Station, the previous lessee did not agree with disclosure of numerical value. Therefore, fluctuation of the cumulative total compared to last year is unavailable.

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

Kobe Meriken Park Oriental Hotel

Rooms department attracted both domestic and inbound leisure demand, thereby increasing ADR. Rooms department sales thus exceeded the same month last year. As for food and beverage department, both wedding sales and restaurant sales exceeded the same month last year. Food and beverage department sales as a whole exceeded the same month last year. As a result, the hotel's total sales exceeded the same month last year by approximately JPY48M.

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 dropped below the same month last year. In food and beverage department, general banquet sales, wedding sales, and restaurant sales all exceeded the same month last year. Thus food and beverage department sales as a whole exceeded the same month last year. As a result, the hotel's total sales exceeded last year by approximately JPY27M.

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. This has led to an increase in 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 JPY21M.

Hotel Nikko Alivila

With the market being favorable, rooms department has implemented a strategy to increase ADR on days with high demand. Thus, both occupancy rate and ADR improved compared to the same month last year. Rooms department sales thus exceeded the same month last year. Both restaurant sales and wedding sales exceeded the same month last year, and thus food and beverage department sales as a whole exceeded the same month last year. As a result, the hotel's total sales exceeded the same month last year by approximately JPY41M.

Oriental Hotel Hiroshima

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

Best Western Hotel Sapporo Nakajima Koen

In addition to domestic leisure demand, rooms department strived to attract groups of inbound tourists. The hotel plans to be rebranded and reopened as ibis Styles Sapporo on December 27, 2014. The hotel continues to aim at maximizing its profit through attracting both domestic and inbound leisure demand.

Mercure Hotel Sapporo Rooms department strived to attract groups of foreign tourists as well as domestic leisure demand. The hotel continuously strives to attract customers by targeting domestic and inbound leisure demand and aims at maximizing its profit.

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 JPY5M.

ibis Styles Kyoto Station

Amid the favorable market due to a fall foliage season, in addition to attracting domestic leisure demand, rooms department also focused on appealing to inbound leisure demand mainly through the operator's booking website. This has led to an increase in occupancy rate and 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 JPY20M.

Mercure Hotel Okinawa Naha

In addition to domestic leisure demand, rooms department strived to attract inbound leisure demand. The hotel has been continuing to aim at maximizing its profit through attracting both domestic and inbound leisure demand.

(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 from the six-month or annual sales total stated in the annual securities report to be submitted later. Sales of each month may also differ from 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): Total rooms revenue for a certain period (excluding service charges) is divided by the total number of rooms sold during the period. Best Western Hotel Sapporo Nakajima Koen, Mercure Hotel Sapporo, ibis Tokyo Shinjuku, ibis Styles Kyoto Station, and Mercure Hotel Okinawa Naha do not request service charges.

(Note 5) RevPAR (Revenue Per Available Room): Total rooms revenue for a certain period (excluding service charges) is divided by the total number of available rooms during the 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 (November) 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 (November).

(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 (November) 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/>