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Announcement of Monthly Disclosure for August 2014

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for August 2014, JHR informs you of the monthly sales, 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		August 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	90.7%	-1.9%	78.9%	-0.5%
	ADR (JPY)	19,232	1,207	14,806	745
	RevPAR (JPY)	17,449	760	11,680	521
	Sales (JPY 1M)	494	36	3,338	67
Oriental Hotel tokyo bay	Occupancy rate	99.4%	0.9%	97.7%	2.5%
	ADR (JPY)	26,555	-3,655	18,856	-317
	RevPAR (JPY)	26,389	-3,365	18,418	173
	Sales (JPY 1M)	700	-48	4,646	132
Namba Oriental Hotel	Occupancy rate	94.5%	-2.5%	90.0%	-1.7%
	ADR (JPY)	15,114	2,520	12,296	1,761
	RevPAR (JPY)	14,283	2,065	11,065	1,410
	Sales (JPY 1M)	207	19	1,384	98
Hotel Nikko Alivila	Occupancy rate	90.6%	-2.1%	80.4%	0.4%
	ADR (JPY)	56,113	1,124	27,143	-22
	RevPAR (JPY)	50,820	-115	21,826	89
	Sales (JPY 1M)	954	-6	3,873	23
Oriental Hotel Hiroshima	Occupancy rate	88.7%	-2.5%	76.6%	1.4%
	ADR (JPY)	9,786	238	8,433	-3
	RevPAR (JPY)	8,682	-26	6,460	115
	Sales (JPY 1M)	150	-39	1,396	-18
Total of five hotels	Sales (JPY 1M)	2,505	-38	14,637	303

<Hotels with variable rent (others)>

Hotel / Indicators		August 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	94.5%			
	ADR (JPY)	12,100			
	RevPAR (JPY)	11,433			
	Sales (JPY 1M)	118			

<Hotels operated through management contract>

Hotel / Indicators		August 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	92.3%	-0.5%	91.4%	-1.4%
	ADR (JPY)	11,262	898	11,241	1,204
	RevPAR (JPY)	10,390	781	10,278	962
	Sales (JPY 1M)	74	6	577	58
ibis Styles Kyoto Station (*)	Occupancy rate	91.4%		80.7%	
	ADR (JPY)	8,917		9,168	
	RevPAR (JPY)	8,149		7,396	
	Sales (JPY 1M)	58		415	

* The sales of Best Western Hotel Sapporo Nakajima Koen, 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 Nakajima Koen 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 August

Kobe Meriken Park Oriental Hotel

Rooms department focused on attracting domestic leisure demand, and the sales thus exceeded the same month last year. Food and beverage department sales exceeded the same month last year as general 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 JPY36M.

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. General banquet sales and wedding 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 fell below the same month last year by approximately JPY48M.

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 JPY19M.

Hotel Nikko Alivila

With the market being favorable, rooms department implemented pricing strategies to meet demand, but the sales fell below the same month last year because of cancellations due to typhoons that occurred in August. Restaurant sales were down compared to the same month last year from the impact of the typhoon, and food and beverage department sales thus dropped below the same month last year. As a result, the hotel's total sales fell below the same month last year by approximately JPY6M.

Oriental Hotel Hiroshima

Rooms department focused on attracting domestic leisure demand and its sales were the same as the same month last year. Wedding sales fell below the same month last year. Food and beverage department sales thus fell below the same month last year. As a result, the hotel's total sales fell below the same month last year by approximately JPY39M.

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 JPY6M.

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 Nakajima Koen

Rooms department focused on attracting domestic leisure demand as well as inbound demand. 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): 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, ibis Tokyo Shinjuku, and ibis Styles Kyoto Station 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 (August) 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 (August).
- (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 (August) 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/>