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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 May 2014

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

JHR continues 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		May 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	82.9%	3.4%	77.6%	0.2%
	ADR (JPY)	16,336	912	14,049	716
	RevPAR (JPY)	13,547	1,275	10,899	583
	Total revenue (JPY 1M)	465	-20	2,026	8
Oriental Hotel Tokyo Bay	Occupancy rate	95.1%	-0.5%	96.9%	2.7%
	ADR (JPY)	18,128	-951	18,349	852
	RevPAR (JPY)	17,232	-997	17,785	1,306
	Total revenue (JPY 1M)	598	1	2,840	127
Namba Oriental Hotel	Occupancy rate	88.8%	1.1%	89.5%	-1.2%
	ADR (JPY)	12,345	1,932	11,874	1,625
	RevPAR (JPY)	10,964	1,833	10,632	1,334
	Total revenue (JPY 1M)	174	16	839	57
Hotel Nikko Alivila	Occupancy rate	83.9%	10.4%	73.8%	-3.0%
	ADR (JPY)	20,257	-445	18,823	-229
	RevPAR (JPY)	16,987	1,777	13,884	-742
	Total revenue (JPY 1M)	413	41	1,762	-67
Oriental Hotel Hiroshima	Occupancy rate	81.4%	2.0%	74.6%	2.5%
	ADR (JPY)	8,609	-280	8,261	-77
	RevPAR (JPY)	7,012	-46	6,165	152
	Total revenue (JPY 1M)	187	-7	892	36
Total of five hotels	Total revenue (JPY 1M)	1,837	31	8,358	161

**<Hotels operated through management contract>**

Hotel Indicators		May 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)
<b>Ibis Tokyo Shinjuku (*)</b>	Occupancy rate	89.6%	-1.4%	90.6%	-2.0%
	ADR (JPY)	11,170	949	11,400	1,501
	RevPAR (JPY)	10,014	706	10,324	1,160
	Total revenue (JPY 1M)	72	6	360	43
<b>Ibis Styles Kyoto Station (*)</b>	Occupancy rate	83.8%		79.4%	
	ADR (JPY)	9,647		9,487	
	RevPAR (JPY)	8,084		7,537	
	Total revenue (JPY 1M)	58		263	

Note: The sales volumes of both Ibis Tokyo Shinjuku and Ibis Styles Kyoto Station are the sales volumes of 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 values. Therefore, fluctuation compared to the same month last year 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 May

**Kobe Meriken Park Oriental Hotel**

Rooms department continuously attracted domestic and inbound leisure demands and raised occupancy rate and ADR. Room sales exceeded the same month last year. Wedding sales fell below the same month last year and the total 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 JPY20M.

**Oriental Hotel Tokyo Bay**

Thirty year anniversary event of Tokyo Disney Resort (TDR) ended and the number of TDR visitors fell below that of last year. Rooms department implemented flexible pricing strategies to attract customers but ADR fell below the same month last year and room sales fell below the same month last year. Meanwhile, both restaurant and wedding sales exceeded the same month last year and the total food and beverage sales exceeded the same month last year. As a result, the total hotel sales were the same as the same month last year.

**Namba Oriental Hotel**

Both domestic and inbound leisure demand increased and the market has been continuously favorable. Rooms department focused on attracting customers who pay higher rate and room sales exceeded the same month last year. The total hotel sales exceeded the same month last year by approximately JPY16M.

**Hotel Nikko Alivila**

Rooms department attracted customers with flexible pricing strategies and increased occupancy rate. Room sales exceeded the same month last year. Restaurant sales also exceeded the same month last year and the total 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 JPY41M.

**Oriental Hotel Hiroshima**

Rooms department focused on attracting domestic leisure demand and sales were the same as the same month

last year. Restaurant and weddings sales fell below the same month last year and the total 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 JPY7M.

#### Ibis Tokyo Shinjuku

In addition to attract inbound travelers through the operator's booking website, the strategy to increase ADR of domestic leisure customers was successful. Room sales exceeded the same month last year. The total hotel sales exceeded the same month last year by approximately JPY6M.

#### Ibis Styles Kyoto Station

Rooms department strived to attract domestic leisure demand as well as inbound demand mainly through the operator's booking website. The hotel will continuously aim at maximizing the profit through attracting leisure demand.

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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 values 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 values 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 (May) and the same month last year.
- (Note 8) Cumulative total is the cumulative value from the beginning of the term (January) to the month above (May).
- (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 (May) and the sum from the beginning of the last year to the same month last year.