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Announcement of Monthly Disclosure for September 2014

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for September 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 lessees, etc. have 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		September 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	85.3%	1.1%	79.6%	-0.3%
	ADR (JPY)	14,322	-67	14,749	650
	RevPAR (JPY)	12,223	108	11,740	475
	Sales (JPY 1M)	387	-48	3,725	19
Oriental Hotel tokyo bay	Occupancy rate	99.3%	1.2%	97.9%	2.4%
	ADR (JPY)	17,862	-2,871	18,746	-604
	RevPAR (JPY)	17,743	-2,611	18,343	-133
	Sales (JPY 1M)	528	-82	5,174	50
Namba Oriental Hotel	Occupancy rate	92.0%	1.2%	90.2%	-1.3%
	ADR (JPY)	12,592	1,856	12,329	1,772
	RevPAR (JPY)	11,580	1,832	11,122	1,457
	Sales (JPY 1M)	175	15	1,559	113
Hotel Nikko Alivila	Occupancy rate	90.7%	7.2%	81.5%	1.1%
	ADR (JPY)	26,194	338	27,027	11
	RevPAR (JPY)	23,748	2,178	22,038	319
	Sales (JPY 1M)	502	39	4,374	62
Oriental Hotel Hiroshima	Occupancy rate	80.1%	-2.1%	77.0%	1.0%
	ADR (JPY)	8,411	-80	8,431	-12
	RevPAR (JPY)	6,736	-239	6,491	76
	Sales (JPY 1M)	152	-29	1,548	-47
Total of five hotels	Sales (JPY 1M)	1,743	-106	16,380	196

<Hotels with variable rent (others)>

Hotel / Indicators		September 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	94.6%			
	ADR (JPY)	10,325			
	RevPAR (JPY)	9,770			
	Sales (JPY 1M)	96			

<Hotels operated through management contract>

Hotel / Indicators		September 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	91.5%	-0.4%	91.4%	-1.3%
	ADR (JPY)	10,805	429	11,193	1,119
	RevPAR (JPY)	9,890	347	10,236	895
	Sales (JPY 1M)	68	2	645	60
ibis Styles Kyoto Station	Occupancy rate	91.7%		81.9%	
	ADR (JPY)	8,599		9,098	
	RevPAR (JPY)	7,882		7,449	
	Sales (JPY 1M)	54		470	

* 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 September

Kobe Meriken Park Oriental Hotel

In addition to attracting both domestic and inbound leisure demand by flexible price strategies, rooms department also steadily drew business demand. Rooms department sales thus exceeded the same month last year. As for food and beverage department, although general banquet sales exceeded the same month last year, wedding sales and restaurant sales fell below the same month last year. Food and beverage department sales, as a whole, dropped below the same month last year. As a result, the hotel's total sales fell below 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 fell below the same month last year. General banquet sales exceeded the same month last year, but both wedding sales and restaurant sales fell below the same month last year. Food and beverage department sales thus dropped compared to the same month last year. As a result, the hotel's total sales went down compared to the same month last year by approximately JPY82M.

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 JPY15M.

Hotel Nikko Alivila

Due to the pricing strategies that rooms department had implemented to meet demand, the occupancy rate and ADR increased. Although the hotel had an impact of typhoons that struck the hotel in September, rooms department sales exceeded the same month last year. General banquet sales and restaurant sales each 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 JPY39M.

Oriental Hotel Hiroshima

Rooms department focused on attracting domestic leisure demand but occupancy rate and ADR decreased compared to the same month last year. Rooms department sales thus fell below the same month last year. Both general banquet sales and restaurant sales dropped below the same month last year. Food and beverage department sales thus were down compared to the same month last year. As a result, the hotel's total sales fell below the same month last year by approximately JPY29M.

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 JPY2M.

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 continue to aim at maximizing profit through attracting leisure demand.

Best Western Hotel Sapporo Nakajima Koen

Rooms department focused on attracting domestic leisure demand. The department strived to attract group of foreign tourists as well. The hotel continuously strives to attract customers centering on drawing 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 (September) 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 (September).
- (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 (September) 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/>