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Announcement of Monthly Disclosure for October 2014

With respect to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for October 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		October 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	84.8%	-1.5%	80.1%	-0.4%
	ADR (JPY)	15,693	1,647	14,851	757
	RevPAR (JPY)	13,311	1,188	11,900	548
	Sales (JPY 1M)	462	-13	4,187	6
Oriental Hotel tokyo bay	Occupancy rate	98.6%	-0.1%	97.9%	2.1%
	ADR (JPY)	19,673	-1,860	18,841	-738
	RevPAR (JPY)	19,388	-1,854	18,450	-308
	Sales (JPY 1M)	626	-38	5,800	12
Namba Oriental Hotel	Occupancy rate	93.8%	-0.1%	90.6%	-1.2%
	ADR (JPY)	13,481	2,498	12,451	1,849
	RevPAR (JPY)	12,648	2,331	11,277	1,546
	Sales (JPY 1M)	190	23	1,749	136
Hotel Nikko Alivila	Occupancy rate	81.7%	2.2%	81.6%	1.2%
	ADR (JPY)	17,454	-407	26,049	-42
	RevPAR (JPY)	14,268	53	21,245	291
	Sales (JPY 1M)	366	-23	4,740	39
Oriental Hotel Hiroshima	Occupancy rate	80.5%	0.9%	77.3%	1.0%
	ADR (JPY)	8,562	70	8,445	-3
	RevPAR (JPY)	6,894	134	6,532	82
	Sales (JPY 1M)	228	33	1,776	-14
Total of five hotels	Sales (JPY 1M)	1,872	-18	18,252	178

<Hotels with variable rent (others)>

Hotel / Indicators		October 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	93.9%			
	ADR (JPY)	7,240			
	RevPAR (JPY)	6,801			
	Sales (JPY 1M)	73			

<Hotels operated under management contract>

Hotel / Indicators		October 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	77.9%			
	ADR (JPY)	9,449			
	RevPAR (JPY)	7,364			
	Sales (JPY 1M)	83			
ibis Tokyo Shinjuku	Occupancy rate	95.8%	0.6%	91.9%	-1.1%
	ADR (JPY)	11,547	1,066	11,231	1,115
	RevPAR (JPY)	11,067	1,088	10,320	914
	Sales (JPY 1M)	79	8	723	68
ibis Styles Kyoto Station	Occupancy rate	94.4%		83.2%	
	ADR (JPY)	9,697		9,167	
	RevPAR (JPY)	9,154		7,623	
	Sales (JPY 1M)	66		536	
Mercure Hotel Okinawa Naha	Occupancy rate	78.7%			
	ADR (JPY)	8,673			
	RevPAR (JPY)	6,829			
	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, ibis Styles Kyoto Station, and Mercure Hotel Okinawa Naha did not agree with disclosure of numerical values. Therefore, fluctuation compared to the same month last year, cumulative total, 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 October

Kobe Meriken Park Oriental Hotel

In addition to both domestic and inbound leisure demand, rooms department also saw strong business demand. Strategies to increase ADR worked well and rooms department sales thus exceeded the same month last year. As for food and beverage department, although wedding sales exceeded the same month last year, both general banquet 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 JPY13M.

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. General banquet sales exceeded the same month last year, but wedding sales dropped compared to 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 went down compared to the same month last year by approximately JPY38M.

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 and 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 JPY23M.

Hotel Nikko Alivila

Although the hotel tried to attract customers by flexible pricing strategies, it was hit by room cancellations due to a typhoon that struck the hotel in October. Rooms department sales thus remained around the same level as the same month last year. Both general banquet sales and wedding sales fell below the same month last year, and food and beverage department sales thus dropped compared to the same month last year. As a result, the hotel's total sales fell below the same month last year by approximately JPY23M.

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. 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 JPY33M.

Best Western Hotel Sapporo Nakajima Koen

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

Mercure Hotel Sapporo

In addition to domestic leisure demand, rooms department strived to attract inbound leisure demand. Since JHR acquired the hotel on September 30, 2014, the hotel has been continuing to aim at maximizing its profit through attracting both domestic and inbound leisure demand.

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 JPY8M.

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 continues to aim at maximizing its profit through attracting leisure demand.

Mercure Hotel Okinawa Naha

In addition to domestic leisure demand, rooms department strived to attract inbound leisure demand. Since JHR acquired the hotel on September 30, 2014, 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 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, 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 (October) 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 (October).

(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 (October) 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/>