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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

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Announcement of Monthly Disclosure for December 2013

With reference to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for December 2013, JHR informs you of the monthly sales volume, occupancy rate, ADR and RevPAR of rooms department as below.

JHR continues the 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		December 2013	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	86.7%	2.1%	81.5%	1.5%
	ADR (JPY)	17,981	17	14,526	200
	RevPAR (JPY)	15,585	385	11,844	380
	Total revenue (JPY1M)	520	-6	5,210	-255
Oriental Hotel Tokyo Bay	Occupancy rate	97.0%	1.0%	96.1%	2.1%
	ADR (JPY)	23,789	3,322	20,125	2,656
	RevPAR (JPY)	23,069	3,420	19,349	2,924
	Total revenue (JPY1M)	705	56	7,182	419
Namba Oriental Hotel	Occupancy rate	90.8%	1.5%	91.9%	4.3%
	ADR (JPY)	12,811	1,673	10,918	868
	RevPAR (JPY)	11,637	1,690	10,037	1,231
	Total revenue (JPY1M)	184	14	1,972	114
Hotel Nikko Alivila	Occupancy rate	59.3%	5.4%	78.0%	4.6%
	ADR (JPY)	23,538	1,202	25,127	98
	RevPAR (JPY)	13,953	1,919	19,594	1,230
	Total revenue (JPY1M)	343	31	5,375	287
Oriental Hotel Hiroshima	Occupancy rate	77.7%	1.0%	77.5%	5.3%
	ADR (JPY)	8,227	-221	8,446	190
	RevPAR (JPY)	6,390	-87	6,545	586
	Total revenue (JPY1M)	225	7	2,254	117
Total of the five hotels	Total revenue (JPY1M)	1,976	102	21,994	682

<Hotels operated through management contract>

Hotel indicators		December 2013	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)
Ibis Tokyo Shinjuku (*)	Occupancy rate	90.1%	9.3%	92.8%	9.3%
	ADR (JPY)	10,762	970	10,240	1,086
	RevPAR (JPY)	9,700	1,793	9,502	1,860
	Total revenue (JPY 1M)	69	14	795	166
Ibis Styles Kyoto Station (*)	Occupancy rate	69.0%			
	ADR (JPY)	9,566			
	RevPAR (JPY)	6,599			
	Total revenue (JPY 1M)	47			

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

Kobe Meriken Park Oriental Hotel

Rooms department successfully increased both occupancy rate and ADR through attracting business demand (leaned society, etc.) as well as leisure demand, and room sales exceeded the same month last year. Although banquet sales exceeded the same month last year, restaurant sales and 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 JPY6M.

Oriental Hotel Tokyo Bay

The hotel enjoyed ripple effect of the thirty years anniversary event of Tokyo Disney Resort and rooms department's strategy to raise ADR was jointly successful. Room sales exceeded the same month last year. Both restaurant sales and banquet 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 JPY56M.

Namba Oriental Hotel

The accommodation market has been continuously favorable, backed by increased domestic leisure demand and inbound demand. Rooms department strived to attract customers who can pay higher unit price and increased both occupancy rate and ADR. Room sales exceeded the same month last year, and the total hotel sales exceeded the same month last year by approximately JPY14M.

Hotel Nikko Alivila

The number of visitors to Okinawa islands exceeded the same month last year and rooms department strategically raised ADR. Both occupancy rate and ADR exceeded the same month last year and room sales exceeded the same month last year. Both restaurant sales and banquet 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 JPY31M.

Oriental Hotel Hiroshima

Rooms department focused on attracting domestic leisure customers with flexible pricing strategies. Though occupancy rate exceeded the same month last year, ADR dropped and room sales fell below the same month last year. Wedding sales exceeded the same month last year and the total sales of food and beverage department exceeded the same month last year. As a result, the total hotel sales exceeded the same month last year by approximately JPY7M.

Ibis Tokyo Shinjuku

In addition to attracting inbound travelers through the operator's booking website, the strategy to increase ADR of the domestic leisure customers was successful. Both occupancy rate and ADR increased and room sales exceeded the same month last year. As a result, the total hotel sales exceeded the same month last year by approximately 14M.

Ibis Styles Kyoto Station

In association with rebranding, rooms department refurbished booking website and worked on modifying the existing agreements with travel agencies. The hotel strived to attract both domestic demand and inbound demand. It may take some time to reorganize/restructure the sales system but the hotel aims for maximizing the revenue at the earliest possible date.

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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 figures 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 figures 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 for 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 of the certain fixed period by the total available rooms for sale for 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 (December) and the same month last year.
- (Note 8) Cumulative total is the cumulative values from the beginning of the term (January) to the month above (December).
- (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 (December) and the sum of the beginning of the last year to the same month last year.