



This is an English translation of summarized financial results prepared for reference purposes only. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.

February 21, 2013

Financial Report for the Fiscal Period Ended December 31, 2012 (April 1, 2012 - December 31, 2012)

Japan Hotel REIT Investment Corporation

Listing: Tokyo Stock Exchange
Securities code: 8985
URL: <http://www.jhrth.co.jp/>
Representative: Yukio Isa, Executive Director

Asset management company: Japan Hotel REIT Advisors Co., Ltd.
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Scheduled date to file Securities Report: March 22, 2013
Scheduled date to commence dividend payment: March 22, 2013

Preparation of supplementary material on financial report: Yes

(Amounts truncated to the nearest million yen)

1. Summary of financial results for the fiscal period ended December 31, 2012 (April 1, 2012 - December 31, 2012)

(1) Operating results

(Percentages show changes from the previous period)

	Operating income		Operating profit		Ordinary income		Current net profit	
Fiscal period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2012	7,283	408.8	2,595	246.0	1,412	197.5	19,031	—
March 31, 2012	1,431	0.8	750	(6.2)	474	(3.9)	473	(3.9)

	Current net profit per unit	Return on equity (ROE)	Ordinary income to total assets	Ordinary income to operating income
Fiscal period ended	Yen	%	%	%
December 31, 2012	9,711	41.1	1.5	19.4
March 31, 2012	680	2.0	1.0	33.2

(Note 1) We have divided one investment unit into twelve effective on April 1, 2012. Current net profit per unit is calculated based on the premise that the investment unit was divided at the beginning of the fiscal period ended March 31, 2012. Furthermore, current net profit per unit for the fiscal period ended December 31, 2012 is calculated based on the average number of investment units during the fiscal period.

(Note 2) Because of the changed fiscal period, the fiscal period ended December 31, 2012 has the irregular financial settlement period that is from April 1, 2012 through December 31, 2012 (nine months). Accordingly, current net profit for the fiscal period ended December 31, 2012 is not the annualized net profit.

(Note 3) Current net profit for the fiscal period ended December 31, 2012 includes gain on negative goodwill (18,578 million yen) due to the merger, transfer loss resulted from the real estate dispositions (1,393 million yen) and impairment loss (958 million yen).

(2) Cash distributions

	Dividend per unit (Dividend from excess of earnings exclusive)	Total dividends	Dividend from excess of earnings per unit	Total dividend from excess of earnings	Payout ratio	Dividend to net assets
Fiscal period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
December 31, 2012	1,427	3,012	0	0	15.8	4.3
March 31, 2012	8,166	473	0	0	100.0	2.0

(Note 1) Current net profit for the fiscal period ended December 31, 2012 includes gain on negative goodwill of 18,578 million yen recorded under extraordinary income and it is not the source of the dividend. The source of dividend is calculated by adding provision for dividends to unappropriated retained earnings after deducting gain on negative goodwill.

(Note 2) Because of the changed fiscal period, the fiscal period ended December 31, 2012 has the irregular financial settlement period that is from April 1, 2012 through December 31, 2012 (nine months). Accordingly, dividend per unit for the fiscal period ended December 31, 2012 is not the annualized dividend. The annualized dividend per unit calculated under the certain conditions is 1,621 yen.

(Note 3) Payout ratio shows figures that have been calculated using the following formula, rounding off to one decimal place:

$$\text{Total dividends (excluding total dividends from excess of earnings)} / \text{Current net profit} \times 100$$

(3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2012	139,623	69,010	49.4	32,686
March 31, 2012	46,773	23,635	50.5	33,941

(Note) We have divided one investment unit into twelve effective on April 1, 2012. Net assets per unit are calculated based on the premise that the investment unit was divided at the beginning of the fiscal period ended March 31, 2012. Furthermore, net assets per unit for the fiscal period ended December 31, 2012 are calculated based on the number of investment units issued at the end of the fiscal period.

(4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2012	4,334	(11,349)	8,927	8,922
March 31, 2012	846	(40)	(602)	3,024

2. Forecasts of results for the fiscal period ending December 31, 2013 (January 1, 2013 - December 31, 2013)

(Percentages show changes from the previous period)

(Percentages show changes from the previous period)										
	Operating income		Operating profit		Ordinary income		Current net profit		Dividend per unit (Dividend from excess of earnings exclusive)	Dividend from excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Six months ending June 30, 2013	4,228	—	1,933	—	1,185	—	1,185	—	—	—
Fiscal period ending December 31, 2013	9,795	34.5	5,045	94.4	3,517	149.0	3,515	(81.5)	1,670*	0

(Reference) Forecasted current net profit per unit (for the fiscal period ending December 31, 2013): JPY1,665.-

*The allowance for the dividend, JPY10M, is scheduled to be the source of this dividend.

3. Other

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

- Changes in accounting policies due to revisions to accounting standards and other regulations: No change
- Changes in accounting policies due to other reasons: Changed

- c. Changes in accounting estimates: No change
- d. Restatement of prior period financial statements after error corrections: No change

(2) Number of units issued

- a. Total number of units issued at end of period (including treasury units)

As of December 31, 2012	2,111,281 units
As of March 31, 2012	58,031 units
- b. Number of treasury units at end of period

As of December 31, 2012	0 unit
As of March 31, 2012	0 unit

*** Status of audit procedures**

As of the time of disclosure of this financial report, audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act of Japan are incomplete.

*** Appropriate use of forecasts of results and other special items**

- Due to a change to the fiscal year-end, the fiscal period ended December 31, 2012 has the irregular financial settlement period of nine months (from April 1, 2012 to December 31, 2012), which differs from the period of the fiscal period ended March 31, 2012 (from September 1, 2011 to March 31, 2012). Our future calculation period will be changed to twelve months, with the fiscal year-end on December 31 and the interim fiscal year-end on June 30.
- Forward-looking statements presented in this financial report including forecasts of results are based on information currently available to us and on certain assumptions we deem to be reasonable. As such, actual operating and other results may differ materially from these forecasts due to a number of factors. Furthermore, we do not intend to guarantee any dividend amount by these forecasts.