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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

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Announcement of the monthly disclosure for October 2013

With reference to the business performance of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for October 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 and agreed with the monthly disclosure.

Hotel Indicators		October 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	86.3%	1.1%	80.5%	1.4%
	ADR (JPY)	14,047	-476	14,093	186
	RevPAR (JPY)	12,123	-255	11,352	344
	Total revenue (JPY1M)	475	-22	4,182	-220
Oriental Hotel Tokyo Bay	Occupancy rate	98.6%	2.4%	95.8%	2.3%
	ADR (JPY)	21,534	3,212	19,579	2,527
	RevPAR (JPY)	21,242	3,617	18,758	2,812
	Total revenue (JPY1M)	664	64	5,788	289
Namba Oriental Hotel	Occupancy rate	93.9%	-0.1%	91.8%	4.9%
	ADR (JPY)	10,983	1,270	10,601	745
	RevPAR (JPY)	10,317	1,187	9,731	1,165
	Total revenue (JPY1M)	167	8	1,613	87
Hotel Nikko Alivila	Occupancy rate	79.6%	-6.6%	80.3%	5.1%
	ADR (JPY)	17,861	190	26,091	-62
	RevPAR (JPY)	14,215	-1,019	20,954	1,289
	Total revenue (JPY1M)	388	-24	4,701	254
Oriental Hotel Hiroshima	Occupancy rate	79.6%	4.2%	76.3%	5.3%
	ADR (JPY)	8,492	148	8,448	245
	RevPAR (JPY)	6,760	468	6,450	623
	Total revenue (JPY1M)	196	11	1,790	91
Total of the five hotels		1,891	36	18,074	502

Hotel Indicators		October 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	95.2%	18.3%	93.0%	8.8%
	ADR (JPY)	10,481	1,053	10,116	1,076
	RevPAR (JPY)	9,979	2,727	9,406	1,799
	Total revenue (JPY 1M)	71	20	656	136

Note: The sales volume of Ibis Tokyo Shinjuku is the sales volume of the hotel business only and the rent from the non-hotel tenant(s) is not included.

Comments from Japan Hotel REIT Advisors Co., Ltd. (Asset Management Company)
concerning the actual performance of October

Kobe Meriken Park Oriental Hotel

While rooms department positively attracted domestic and foreign leisure customers through flexible pricing strategies, business demands declined (e.g., the needs of academic societies) and room sales fell below the same month last year. Though restaurant sales and banquet sales exceeded those of the same month last year, wedding sales fell below the same month last year due to decrease in number of wedding banquets. Thus, 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 JPY22M.

Oriental Hotel Tokyo Bay

The effect of the thirty years anniversary event of Tokyo Disney Resort continued and the rooms department's strategy to raise ADR were also successful. Room sales exceeded the same month last year. The restaurant sales also exceeded the same month last year and the 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 JPY64M.

Namba Oriental Hotel

Both domestic leisure customers and inbound travelers were increasing and reservation status was in good shape. Thus, rooms department set higher rate and raised ADR without decreasing occupancy. Room sales exceeded the same month last year and the total hotel sales exceeded the same month last year by approximately JPY8M.

Hotel Nikko Alivila

The Okinawa market was in good shape. The hotel controlled pricing based on demand and reservation status was favorable. However, typhoon hit Okinawa in October and room sales fell below the same month last year due to many cancellations. Restaurant sales were also affected by typhoon and 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 JPY24M.

Oriental Hotel Hiroshima

Rooms department focused on domestic leisure customers and raised both occupancy rate and ADR. Room sales exceeded the same month last year. While restaurant sales and banquet sales fell below the same month last year, wedding sales exceeded the same month last year, and 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

JPY11M.

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 jointly effective. Both occupancy rate and ADR increased and room sales exceeded the same month last year (The same month last year was affected by the guest room renovation.) The total hotel sales exceeded the same month last year by approximately JPY20M.

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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 does not request the 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 (October) and the same month last year.
- (Note 8) Cumulative total is the cumulative values from the beginning of the term (January) to the subject month (October).
- (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 subject month above (October) and the sum of the beginning of the last year to the same month last year.