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REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)

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Announcement of the monthly disclosure for January 2014

With reference to the business performances of the hotels owned by Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) for January 2014, 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.

**<Hotels with variable rent>**

Hotel Indicators		January 2014	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	68.2%	-0.5%	68.2%	-0.5%	
	ADR (JPY)	13,561	938	13,561	938	
	RevPAR (JPY)	9,255	578	9,255	578	
	Total revenue (JPY1M)	344	1	344	1	
Oriental Hotel Tokyo Bay	Occupancy rate	95.6%	5.1%	95.6%	5.1%	
	ADR (JPY)	16,230	1,503	16,230	1,503	
	RevPAR (JPY)	15,515	2,192	15,515	2,192	
	Total revenue (JPY1M)	517	32	517	32	
Namba Oriental Hotel	Occupancy rate	86.6%	0.1%	86.6%	0.1%	
	ADR (JPY)	11,459	1,893	11,459	1,893	
	RevPAR (JPY)	9,924	1,648	9,924	1,648	
	Total revenue (JPY1M)	165	15	165	15	
Hotel Nikko Alivila	Occupancy rate	61.7%	-0.3%	61.7%	-0.3%	
	ADR (JPY)	19,457	-9	19,457	-9	
	RevPAR (JPY)	12,008	-56	12,008	-56	
	Total revenue (JPY1M)	305	3	305	3	
Oriental Hotel Hiroshima	Occupancy rate	63.1%	3.2%	63.1%	3.2%	
	ADR (JPY)	7,927	136	7,927	136	
	RevPAR (JPY)	5,000	335	5,000	335	
	Total revenue (JPY1M)	151	21	151	21	
Total of the five hotels		Total revenue (JPY1M)	1,483	73	1,483	73

<Hotels operated through management contract>

Hotel indicators		January 2014	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)
<b>Ibis Tokyo Shinjuku (*)</b>	Occupancy rate	82.3%	-3.1%	82.3%	-3.1%
	ADR (JPY)	10,791	1,791	10,791	1,791
	RevPAR (JPY)	8,875	1,192	8,875	1,192
	Total revenue (JPY 1M)	63	8	63	8
<b>Ibis Styles Kyoto Station (*)</b>	Occupancy rate	59.6%			
	ADR (JPY)	8,115			
	RevPAR (JPY)	4,835			
	Total revenue (JPY 1M)	36			

Note: The sales volumes of both Ibis Tokyo Shinjuku and Ibis Styles Kyoto Station are the sales volumes of the hotel business only and the 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 January

Kobe Meriken Park Oriental Hotel

Rooms department attracted leisure demand with flexible pricing strategy based on demand and increased ADR. Room sales exceeded the same month last year. Though restaurant sales exceeded the same month last year, general banquet and wedding sales fell below the same month last year, and food and beverage sales fell below the same month last year. As a result, the total hotel sales were almost the same as those for the same month last year.

Oriental Hotel Tokyo Bay

In addition to the event(\*) effect of Tokyo Disney Resort, the hotel's strategy to raise ADR was successful to increase occupancy rate and ADR. Room sales exceeded the same month last year. Though restaurant sales exceeded the same month last year, general banquet and wedding sales fell below the same month last year, and food and beverage sales fell below the same month last year. As a result, the total hotel sales exceeded the same month last year by approximately JPY32M.

(\*)The thirty year anniversary event of Tokyo Disney Resort

Namba Oriental Hotel

Domestic leisure demand and inbound demand have increased and the market has been favorable. The hotel strived to attract customers who can afford higher rate and increased ADR. Room sales exceeded the same month last year, and the total hotel sales exceeded the same month last year by approximately JPY15M.

Hotel Nikko Alivila

Rooms department attracted customers with flexible pricing strategies and strived to minimize the renovation(\*) impact as much as possible. Room sales were almost the same as those for the same month last year. Both restaurant and 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 JPY3M.

(\*) Some guest rooms have been under renovation since the middle of January.

### Oriental Hotel Hiroshima

Rooms department sought to attract domestic leisure customers and increased occupancy rate and ADR. Room sales exceeded the same month last year. Wedding sales also 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 JPY21M.

### Ibis Tokyo Shinjuku

In addition to attracting inbound travelers through the operator's booking website, the strategy to increase ADR of domestic leisure customers was successful. ADR increased and room sales exceeded the same month last year. The total hotel sales exceeded the same month last year by approximately JPY8M.

### Ibis Styles Kyoto Station

January is off season in Kyoto but the hotel strived to attract both domestic and inbound leisure customers through broadened channels. After rebranding, the hotel has propelled reorganizing/restructuring the hotel operation system with the aim to maximize 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 (January) 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 (January).
- (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 (January) and the sum of the beginning of the last year to the same month last year.