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Notice Concerning Guest Room Renovation of Namba Oriental Hotel

This is to inform you that Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) has renovated its operating asset, Namba Oriental Hotel (hereinafter called “NOH”), as below. The renovated guest rooms will be available from August 1, 2013.

1. Construction summary

Hotel location	2-8-17 Sennichimae, Chuo-ku, Osaka						
Construction detail	The four corner rooms on the fifth floor to the eighth floor have been renovated to the modern corner triple room in Japanese style with the room concept of “Tenderness of Japan and warmth of Osaka”. <table border="1"> <thead> <tr> <th>Before renovation</th><th>After renovation</th></tr> </thead> <tbody> <tr> <td></td><td></td></tr> <tr> <td></td><td></td></tr> </tbody> </table>	Before renovation	After renovation				
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Renovated guest rooms	Four corner rooms on the fifth floor to the eighth floor
Renovation cost in total	Approximately JPY10M
Start of renovation	July 14, 2013
Available date for service	August 1, 2013

2. Renovation purpose

NOH had mainly provided the one-bed rooms with focus on the business customers since opening in 1996. However, the sightseeing resources with the distinctive Osaka characters such as the amusement district “Doutonbori” and the comedy theater “Yoshimoto Namba Grand Kagetsu” are accessible on foot from NOH, and NOH has a great potential to capture the leisure demand. In order to increase the earnings capacity with the leisure demand, JHR has renovated the original guest rooms to two-bed and three-bed rooms by taking advantage of the hotel location, and repositioned (*1) NOH as the leisure customers oriented hotel with cooperation of NOH.

This time, JHR renovated the guest rooms with one bed and two beds to three beds, and created the new space to improve the customer satisfaction with the new room concept, “Tenderness of Japan and Warmth of Osaka”. At the center of the guest room is the Japanese-style space with the bamboo flooring and Tatami mat made by the natural Japanese papers that is easily appealing to not only family and friends but also the foreign guests.

Furthermore, “thirty selected items” (*2) are prepared in the rooms such as the amenity that makes the guests feel Osaka, and the former guest rooms have been reborn into the guest rooms with the unique NOH taste.

Taking advantage of this renovation opportunity, JHR will not only strengthen to attract attentions of both domestic and foreign leisure customers to newly renovated rooms but also strive to capture the leisure customers through the efforts of the entire hotel to improve the earnings capacity.

(*1) Repositioning: The repositioning is the strategy to change the positioning in the market without changing the hotel brand.

(*2) Please visit the website of NOH for detail of the “thirty selected items”.

3. Outlook going forward

The renovation impact has already been included in the operating forecast of JHR announced for FY12/2013 (January 1, 2013 through December 31, 2013). Therefore, no change is required.

* Website of Japan Hotel REIT Investment Corporation: <http://www.jhrth.co.jp/>

<Reference>

*The official website of NOH (Introduction of the concept room): (Japanese Only)

<http://www.nambaorientalhotel.co.jp/plan/planopenpage.html>