

Provisional Translation Only

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Announcement of Operational Results

Sixth Term (ending August 2011)

October, 2011

JAPAN HOTEL AND RESORT

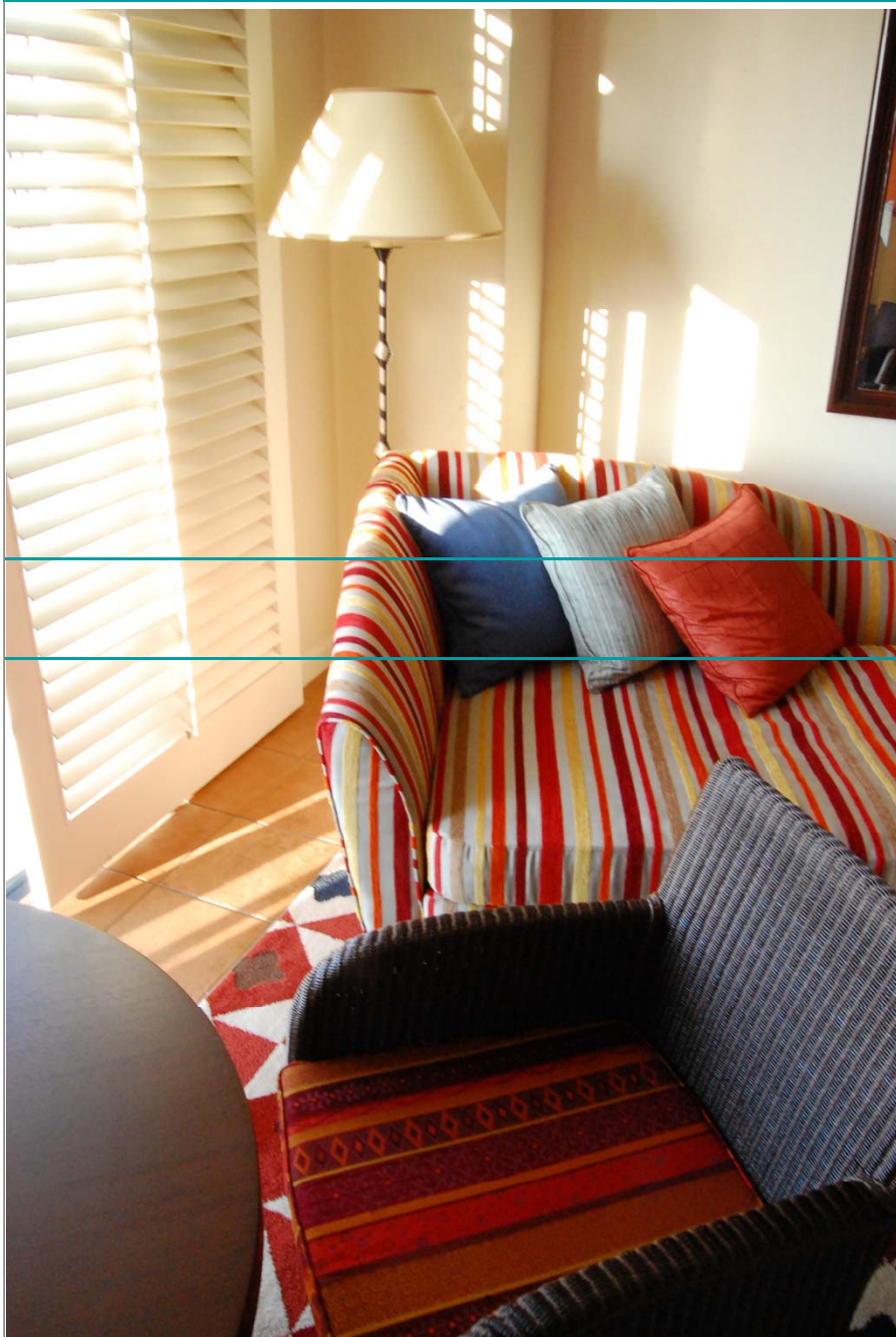
Japan Hotel and Resort, Inc.

<http://www.jhrth.com>

JAPAN HOTEL AND RESORT

Japan Hotel & Resort K.K.

<http://www.jhrkk.com>



Japan Hotel and Resort

1. The dividend per unit in the 6th term (FY2011) is 8,722 yen, down 3,918 yen (31.0%) compared to the 5th term due to the impact of the earthquake disaster.
2. The dividend per unit in the 7th term (FY2012) is expected to be 12,017 yen, up 3,295 yen (37.8%) compared to the 6th term, due to the forecast recovery from the impact of the earthquake disaster, etc.
3. From the 7th term (FY2012), new lease contract linked to GOP will be applied to the five hotels with variable rents.

The Five Hotels with Variable Rents

6th term (FY2011)

1. First half revenues were at almost the same level as last year, falling only ¥36mn (0.4%)
2. Second half revenues decreased by ¥1,436mn (12.7%) compared to last year due to the impact of the earthquake disaster
3. However, March was the low point and since April the trend has been toward recovery (refer below)

(Amount: million yen, rounded off to the nearest million yen)

	March	April	May	June	July	August	September
2011 (this year)	1,341	1,296	1,640	1,387	1,940	2,282	1,727
2010 (last year)	1,843	1,655	1,961	1,572	1,910	2,382	1,755
Change (amount)	△502	△359	△321	△185	30	△99	△28
Change (percentage)	△27.2%	△21.7%	△16.4%	△11.8%	1.6%	△4.2%	△1.6%

7th term (FY2012)

1. First half revenues are expected to decrease by ¥565mn (5.6%) compared to the first half of FY 2011 as some of the impact of the earthquake disaster remains.
2. Second half revenues are expected to increase by ¥1,063mn (10.7%) compared to the second half of FY 2011 due to the recovery from the impact of the earthquake disaster, and other factors.
3. Full-year revenues are expected to increase by ¥498mn (2.5%) and GOP to increase by ¥179mn (3.6%) compared to FY 2011.

Chapter 1	Overview of the Sixth Term (ending August 2011) Annual Results	3
Chapter 2	Highlights of Hotel Performance	9
Chapter 3	Future Investment and Management Policy	17
Appendix		
	A Investor Composition and Unit Price	27
	B Basic Information	31
	C Portfolio Data Book	38
	D Description of Hotels	48

Chapter 1 Overview of the Sixth Term (ending August 2011) Annual Results

Highlights of Annual Results for FY 2011

Japan Hotel and Resort, Inc.

(Amount: million yen)

	FY2009 (Ended August 31, 2009) Actual	FY2010 (Ended August 31, 2010) Actual	FY2011 (Ended August 31, 2011) Actual	Difference FY2011 vs. FY2010
Operating Revenues	5,385	5,626	5,115	△511
Variable Rent Revenues	1,613	1,852	1,212	△640
Operating Expenses	3,119	3,159	3,240	81
Depreciation Costs	1,752	1,782	1,826	44
Loss from Disposal of Fixed Assets	8	32	25	△6
Operating Profit	2,265	2,467	1,874	△592
Non-Operating Profit	△ 1,003	△ 1,129	△950	178
Recurring Profit	1,261	1,338	924	△414
Net Income	1,259	1,336	922	△414
Dividend per Unit (yen)	11,913	12,640	8,722	△3,918
NOI (Note 1)	4,477	4,727	4,229	△497
NOI % (Note 2)	5.3	5.6	4.7	△0.8
FFO (Note 3)	3,020	3,151	2,774	△376
LTV % (Note 4)	42.0	41.6	43.3	1.7
Number of Outstanding Units	105,719	105,719	105,719	0

(Note 1) Net Operating Income (NOI) = Rent Revenues – Rent-related Expenses + Depreciation Costs + Loss from Disposal of Fixed Assets.

(Note 2) NOI % = NOI / Acquisition Price.

(Note 3) Funds from Operation (FFO) = Net Income + Depreciation Costs + Loss from Disposal of Fixed Assets.

(Note 4) Loan to Value (LTV) = Interest-bearing Debt at year-end / Total Assets at year-end.

Full-year Outlook for FY 2012

Japan Hotel and Resort, Inc.

(Amount: million yen)

	FY2011 Half Year (Ended February 28,2011) Actual	FY2012 Half Year (Ended February 29,2012) Forecast	FY2011 Full Year (Ended August 31,2011) Actual	FY2012 Full Year (Ended August 31,2012) Forecast	Difference FY2012 Forecast vs. FY2010 Actual
Operating Revenues	2,894	2,500	5,115	5,490	375
Variable Rent Revenues (Note1,2)	1,007	466	1,212	1,421	209
Operating Expenses	1,559	1,663	3,240	3,293	52
Depreciation Costs	891	927	1,826	1,856	29
Loss from Disposal of Fixed Assets	15	36	25	43	17
Operating Profit	1,294	837	1,874	2,197	322
Non-Operating Profit	△ 470	△ 455	△ 950	△ 924	25
Recurring Profit	824	381	924	1,272	348
Net Income	823	380	922	1,270	348
Dividend per Unit (yen)	-	-	8,722	12,017	3,295
NOI	2,446	2,059	4,229	4,598	369
NOI %	5.8	4.6	4.7	5.2	0.4
FFO	1,730	1,343	2,774	3,170	395
LTV %	41.6	-	43.3	-	-
Number of Outstanding Units	105,719	105,719	105,719	105,719	0

(Note 1) The half-year variable rent revenues for the 6th term (FY2011) are calculated by multiplying the revenues of the five hotels with variable rents by 10%.

(Note 2) The half-year variable rent revenues for the 7th term (FY2012) are calculated by multiplying the GOP in excess of the six-month GOP threshold (¥1,426mn) by 81.5%, and the variable rent revenues for the full 7th term (FY2012) are calculated by multiplying the GOP in excess of the full-year GOP threshold (¥3,351mn) by 81.5%.

Assumptions

- Operating Days for FY2012 are 366 days from September 1, 2011 to August 31, 2012.
- The Projections are based upon the nine properties that the REIT held at the end of the sixth term (FY2011).
- The outstanding debt at the end of the seventh term (FY2012) is expected to be approximately ¥38,951mn.
- Actual operating revenues, recurring profit, net income and dividend per unit may differ from the outlook, depending on the future acquisition or sale of a property, trends in the real estate market, and changes in other conditions surrounding the REIT. The projected dividend is not guaranteed.

(Reference Information)

Variable Rents Calculation

Japan Hotel and Resort, Inc.

<Variable rents from the 7th term (FY2012) onwards> (Note 1)

(Amount: million yen)

	$\left[\begin{array}{ccc} \text{GOP}^{(\text{Note}3)} \text{ of hotels with} & - & \text{GOP} \\ \text{variable rents}^{(\text{Note}2)} & & \text{threshold} \end{array} \right]$	X	81.5%	=	Variable rents received
Full-year	$\left[\begin{array}{ccc} 5,095 & - & 3,351 \end{array} \right]$	X	81.5%	=	1,421

<Variable rents in the 6th term (FY2011) and earlier>

	$\left(\begin{array}{ccc} \text{GOP}^{(\text{Note}3)} \text{ of} & \text{Fixed rents of} & \text{Operators' Fees} \\ \text{hotels with} & \text{hotels with} & \text{(Note 4)} \\ \text{variable rents} & \text{variable rents} & \\ \text{(Note 2)} & \text{(Note 2)} & \end{array} \right)$	X	90%	=	Variable rent cap (Note 5) (a)		Hotel Revenues multiplied by Variable Rent Rate (Note 6) (b)	Variable Rents received (c): Smaller of (a) and (b)
FY 2011 Actual	$\left[\begin{array}{ccc} 4,916 & - & 3,221 & - & 348 \end{array} \right]$	X	90%	=	1,212	<	1,995	1,212
FY 2010 Actual	$\left[\begin{array}{ccc} 5,679 & - & 3,221 & - & 399 \end{array} \right]$	X	90%	=	1,852	<	2,143	1,852
FY 2009 Actual	$\left[\begin{array}{ccc} 5,447 & - & 3,221 & - & 433 \end{array} \right]$	X	90%	=	1,613	<	2,192	1,613
FY 2008 Actual	$\left[\begin{array}{ccc} 6,303 & - & 3,202 & - & 505 \end{array} \right]$	X	90%	=	2,335	>	2,315	2,315

(Note 1) The variable rents for the full 7th term (FY2012) will be calculated based on the new lease contracts applied from September 1, 2011. For details please refer to "About the New Variable Rents Scheme" on page 37.

(Note 2) The hotels with variable rents are the five hotels leased to Hotel Management Japan K.K. (hereinafter "HMJ"): Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila, and Oriental Hotel Hiroshima

(Note 3) GOP (Gross Operating Profit): the remainder after operating expenses have been deducted from hotel revenues.

(Note 4) The operators' fees are the total fees paid to JAL Hotels Co., Ltd. and Abilitas Hospitality Co., Ltd., and are fluctuated along with the revenues and GOP of hotels with which the service is provided.

(Note 5) The variable rent cap is defined as 90% of adjusted GOP (GOP minus the fixed rents and the fees paid to the operators). In our December 14, 2005 regular building lease contract with HMJ, it was agreed that the upper limit of the total variable rents would be this variable rent cap.

(Note 6) Hotel revenue did not reach the revenue threshold for stepping up so the variable rent rate is the standard rate of 10%.

(Reference Information)

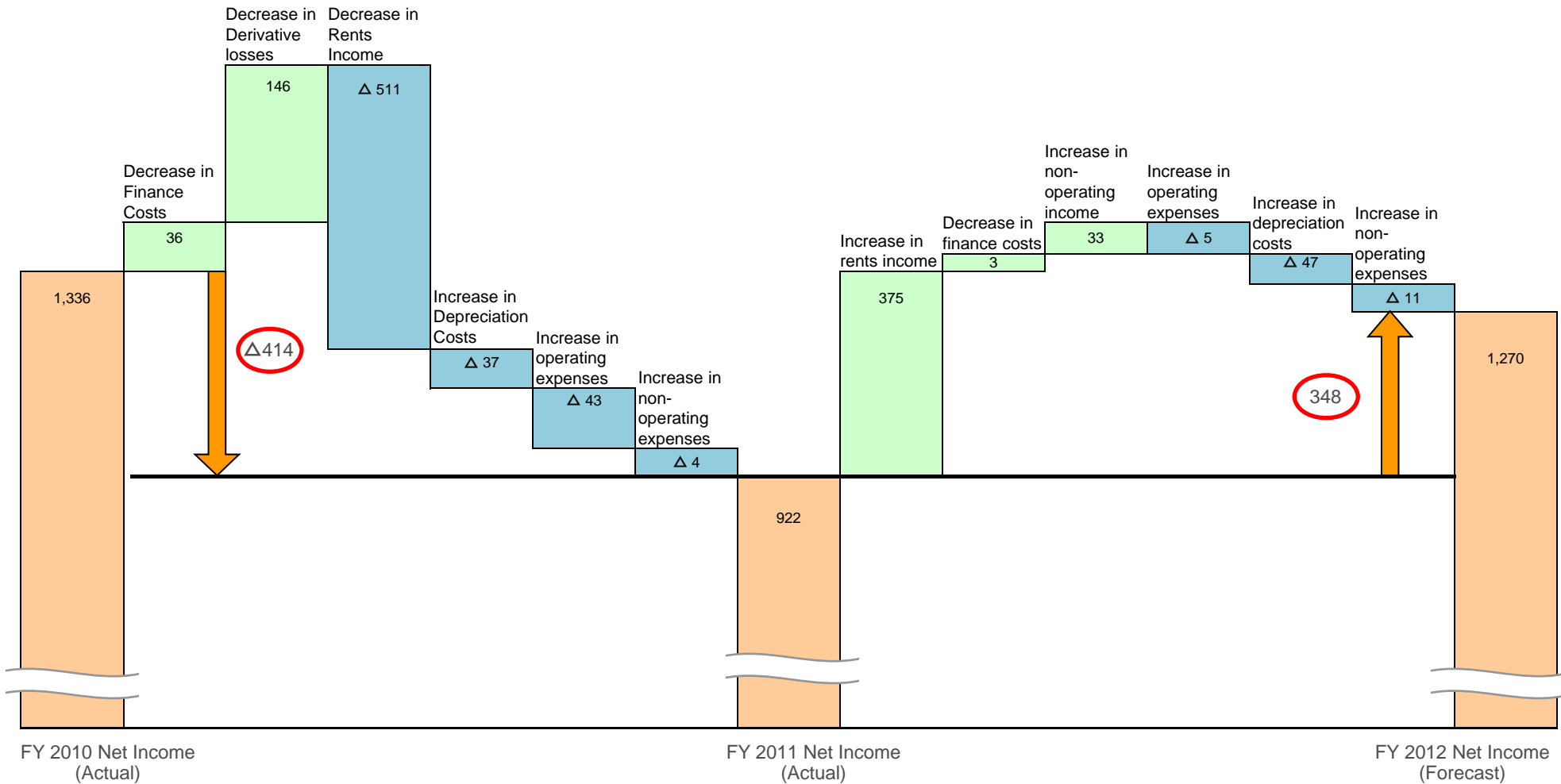
Net Income Comparison

Japan Hotel and Resort, Inc.

5th Term (FY2010) Results VS 6th Term (FY2011) Results

6th Term (FY2011) Results VS 7th Term (FY2012) Forecast

(Amount: million yen)



(Note) Derivative losses arise from the booking of the costs for the paid premiums of the spread interest rate cap transaction; all of the costs were booked by FY2010, so these costs were not incurred in FY2011.

Summary of Balance Sheet

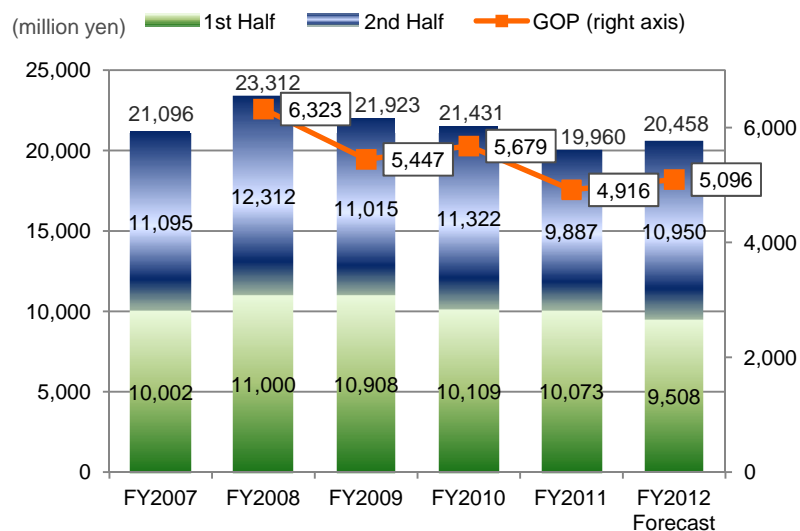
Japan Hotel and Resort, Inc.

	FY2010 (Ended Aug. 31, 2010) (million yen)		FY2011 (Ended Aug. 31, 2011) (million yen)			FY2010 (Ended Aug. 31, 2010) (million yen)		FY2011 (Ended Aug. 31, 2011) (million yen)	
		(%)		(%)			(%)		(%)
ASSETS					LIABILITIES				
Current Assets	5,178	5.8	4,598	5.0	Current Liabilities	20,265	22.8	5,720	6.3
Cash and Bank Deposit	4,599		4,362		Trade and Other Payables	59		269	
Rent Receivable	310		0.2		Long-Term Debts to be repaid within one year	19,500		4,700	
Others	268		235		Account Payable and Other Payables	375		395	
Fixed Assets	83,668	94.2	86,588	94.9	Rents Received in Advance	330		355	
Property and Equipment at Cost	70,700	79.6	73,510	80.6	Others	0.6		0.6	
Building	2,106		1,923		Fixed Liabilities	19,738	22.2	37,046	40.6
Land	884		884		Investment corporation bonds	-		2,000	
Building in Trust	28,254		29,680		Long-Term Debts	17,453		32,751	
Land in Trust	39,454		41,022		Leasehold & Security Deposit Received	2,285		2,295	
Intangible Assets	12,346	13.9	12,368	13.6	TOTAL LIABILITIES	40,003	45.0	42,767	46.9
Investment and Other Assets	621	0.7	709	0.8	EQUITY				
Deferred Assets	8		17		Total Unitholders' Capital	47,514	53.5	47,514	52.1
					Retained Earnings	1,336		922	
					Unrealized Gains or Losses from Deferred Hedge	48,851	55.0	48,436	53.1
TOTAL ASSETS	88,855	100	91,204	100	TOTAL EQUITY	88,855	100	91,204	100

Chapter 2 Highlights of Hotel Performance

Highlights of Hotel Performance

5 Hotels with Variable Rent^(Note1): Revenues & Operating Performance^(Note2)



Operating Data

	FY2007	FY2008	FY2009	FY2010	FY2011
Occ. rate (%)	81.4%	77.6%	75.7%	78.7%	75.7%
ADR (Yen)	19,042	18,172	17,758	16,208	15,757
RevPAR (Yen)	15,500	14,107	13,441	12,749	11,929
GOP (MY)	-	6,323	5,447	5,679	4,916
GOP (%)	-	27.1%	24.8%	26.5%	24.6%

Revenue Results for FY2011 (6th Term)

- Full-year total revenues decreased by ¥1,472mn (6.9%) compared to FY2010.
- In the first half, although ADR decreased occupancy rates increased due to our aggressive sales of products with their price as the selling point and enhancement of sales channels at a time when the economy was bottoming out, so revenues in the room segment increased by ¥132mn (3.5%) compared to the first half of FY2010. In the food & beverages segment, Restaurant Revenues increased due to the rise in room occupancy and our implementation of measures to attract guests but Wedding Revenues decreased due to intensifying competition among competing facilities, so segment revenues decreased by ¥213mn (4.0%) compared to the first half of FY2010. As a result, total revenues decreased by ¥36mn (0.4%) compared to FY2010.
- In the second half, in response to the domestic and overseas decline in demand and temporary closure of Tokyo Disney Resort caused by the Great East Japan Earthquake (hereinafter the "earthquake disaster"), we aggressively solicited evacuation demand from the Kanto area, and substitute demand in order to try to keep the impact of the earthquake disaster to a minimum, but both occupancy rates and ADR decreased, so revenues in the room segment decreased by ¥697mn (14.1%) compared to the same period in FY2010. In the food & beverages segment, the number of guests in the restaurants decreased due to the impact of the earthquake disaster, and although there were additional revenues from wedding banquets related to the opening of the second chapel at the Hotel Nikko Alivila, the other hotels continued to be affected by intensifying competition among competing wedding banquet facilities, so segment revenues decreased by ¥624mn (12.2%) compared to the second half of FY2010. Total revenues decreased by ¥1,436mn (12.7%) compared to FY2010.

Outlook for FY2012 (7th Term) Revenue

- Full-year total revenues are expected to increase by ¥498mn (2.5%) compared to FY2011.
- In the first half, signs of recovery of individual demand are being seen, but group demand is continuing to be affected by the earthquake disaster, so both occupancy rates and ADR are expected to decrease, and room revenues are expected to decrease by ¥230mn (5.9%) compared to the first half of FY2011. In the food & beverages segment, Restaurant Revenues are decreasing due to the fall in room occupancy, and wedding banquets are continuing to be affected by intensifying competition among competing facilities, so segment revenues are expected to decrease by ¥246mn (4.8%) compared to the first half of FY2011. Total revenues are expected to decrease by ¥565mn (5.6%) compared to the first half of FY2011.
- In the second half, both occupancy rates and ADR will increase due to recovery from the impact of the earthquake disaster, so room revenues are expected to increase by ¥611mn (14.4%) compared to the second half of FY2011. In the food & beverages segment, Restaurant Revenues will increase along with a rise in room occupancy, revenues from wedding banquets will increase due to the effects of our marketing policies, so segment revenues are expected to increase by ¥463mn (10.3%) compared to the second half of FY2011. Total revenues are expected to increase by ¥1,063mn (10.7%) compared to the second half of FY2011.

Outlook for FY2012 (7th Term) GOP

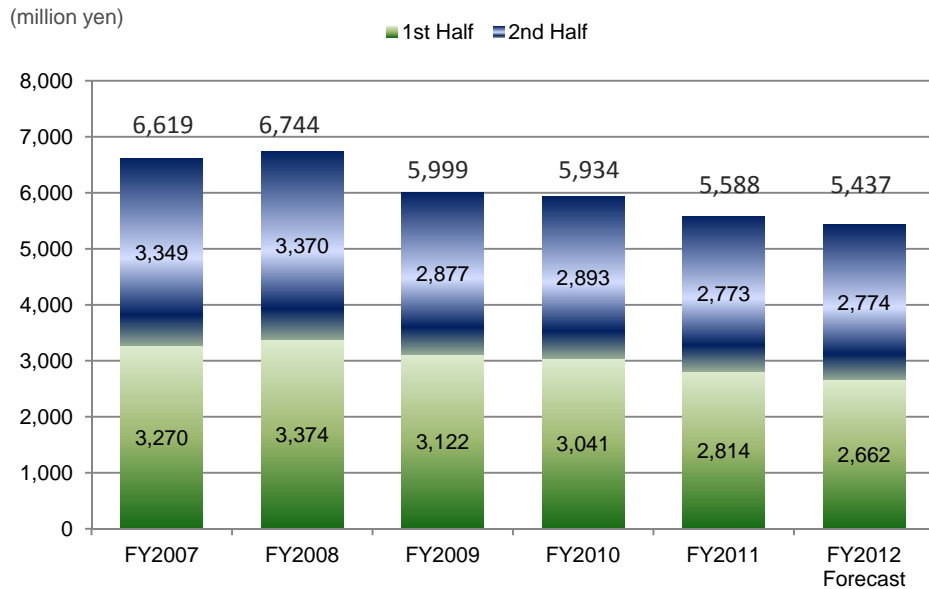
- GOP is expected to increase by ¥179mn (3.6%) compared to FY2011.
- The GOP ratio is expected to improve from 24.6% in FY2011 to 24.9% in FY2012 as a result of a decrease in the total labor costs ratio due to appropriate personnel assignment, and a decrease in the cost ratio due to revisions of suppliers, etc.
- (Reference) Full-year total revenues are expected to decrease by ¥973mn (4.5%) with respect to the fifth term (FY2010), and GOP is expected to decrease by ¥583mn (10.3%). The size of the decrease in GOP is larger than the size of the decrease in revenues because in the fifth term in the tenant segment of the Namba Oriental Hotel HMJ received a cancellation fee and exit penalties from a leaving tenant, and it also reflects the reduction in rents for some tenants in the same segment for the same hotel in the 7th term (FY2012).

(Note 1) The 5 hotels include Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila and Oriental Hotel Hiroshima, all of which are leased to Hotel Management Japan K.K. (hereinafter "HMJ" or "the lessee"). In FY2008 JHR owned the Oriental Hotel Hiroshima for a period of approximately 11 months but revenue, GOP and operating data figures for a 12-month period are used for the comparative analysis. These figures are not audited.

(Note 2) Revenue and operating Data is obtained from the lessee. The data for FY 2012 are a forecast, and the actual results may differ from the forecast, depending on various factors. (Hereinafter, this also applies to all of the hotels.) Please refer to "Basic Terms" on page 47 for the definitions of ADR and RevPAR.

Highlights of Hotel Performance

Kobe Meriken Park Oriental Hotel



Results for FY2011 (6th Term)

- Full-year total revenues decreased by ¥346mn (5.8%) compared to FY2010.
- In the room segment, despite the impact of the earthquake disaster which occurred in the second half, revenues increased by ¥22mn (1.6%) compared to FY2010 because we brought in evacuation demand from the Kanto area and substitute demand such as school trips, etc.
- In the food & beverages segment, general banquet revenues were higher than in the previous year due to stronger orders for new banquets, but wedding banquets were affected by intensifying competition among competing facilities, so segment revenues decreased by ¥395mn (9.4%).

Outlook for FY2012 (7th Term)

- Full-year total revenues are expected to decrease by ¥151mn (2.7%) compared to FY2011.
- In the room segment, occupancy will increase due to recovery from the impact of the earthquake disaster and the sales channel enhancement resulting from our strengthening of marketing, so revenues are expected to increase by ¥37mn (2.6%) compared to FY2011.
- In the food & beverages segment, the number of general banquets will increase due to our strengthening of our marketing structures, and in the restaurant segment the number of guests will increase due to the rise in room occupancy and our measures to attract guests such as event promotions, etc., but the number of wedding banquets will decrease due to the intensifying competition among competing facilities, so segment revenues are expected to decrease by ¥170mn (4.5%) compared to FY2011.

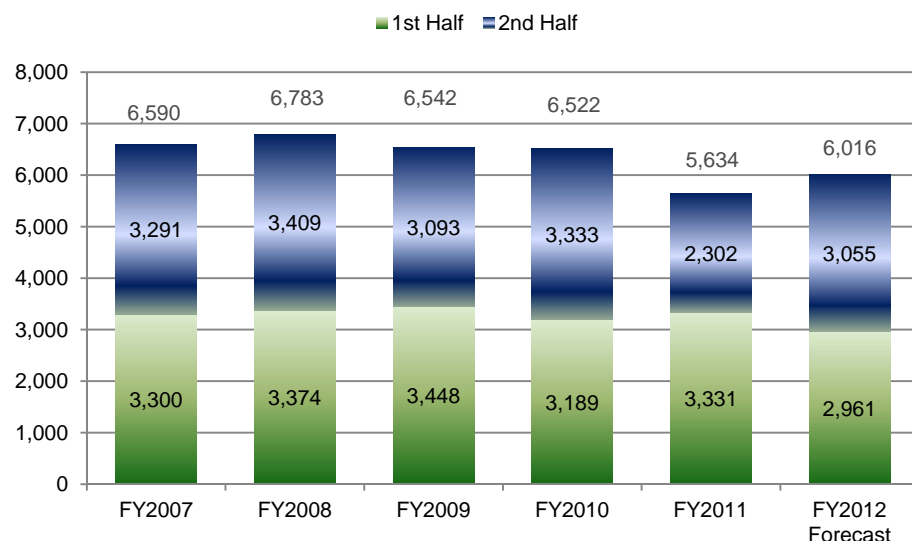
◆ Operating Data

	FY2007	FY2008	FY2009	FY2010	FY2011
Occ. rate (%)	78.4%	78.0%	70.7%	77.5%	77.8%
ADR (Yen)	16,025	15,448	15,472	13,958	14,126
RevPAR (Yen)	12,556	12,049	10,933	10,823	10,994
GOP (MY)	1,330	1,319	891	1,154	1,101
GOP (%)	20.1%	19.6%	14.8%	19.5%	19.7%

Highlights of Hotel Performance

Oriental Hotel Tokyo Bay

(million yen)



◆ Operating Data

	FY2007	FY2008	FY2009	FY2010	FY2011
Occ. rate (%)	80.6%	79.6%	80.8%	88.1%	77.3%
ADR (Yen)	19,446	19,817	18,830	16,673	15,883
RevPAR (Yen)	15,679	15,784	15,205	14,693	12,284
GOP (MY)	1,630	1,708	1,531	1,513	971
GOP (%)	24.7%	25.2%	23.4%	23.2%	17.2%

Results for FY2011 (6th Term)

- Full-year total revenues are expected to decrease by ¥888mn (13.6%) compared to FY2010.
- In the room segment, in the first half at a time when the market was on a recovery path, occupancy rates increased due to our aggressive sale of products matched to demand, so revenues increased by ¥104mn (7.5%) compared to FY2010, but in the second half both occupancy and ADR were lower than in the previous year due to the impact of the temporary closure of Tokyo Disney Resort and decline in demand caused by the earthquake disaster, so full-year revenues decreased by ¥494mn (16.6%).
- In the food & beverages segment, in the first half revenues in the restaurant segment increased due to the increase in room occupancy, and in addition general banquet revenues increased due to our strengthening of marketing so segment revenues were higher than in the previous year, but in the second half Restaurant Revenues decreased due to the impact of the earthquake disaster, and in addition there were postponements and cancellations of general banquets and wedding banquets, so segment revenues for the full year decreased by ¥347mn (11.5%).

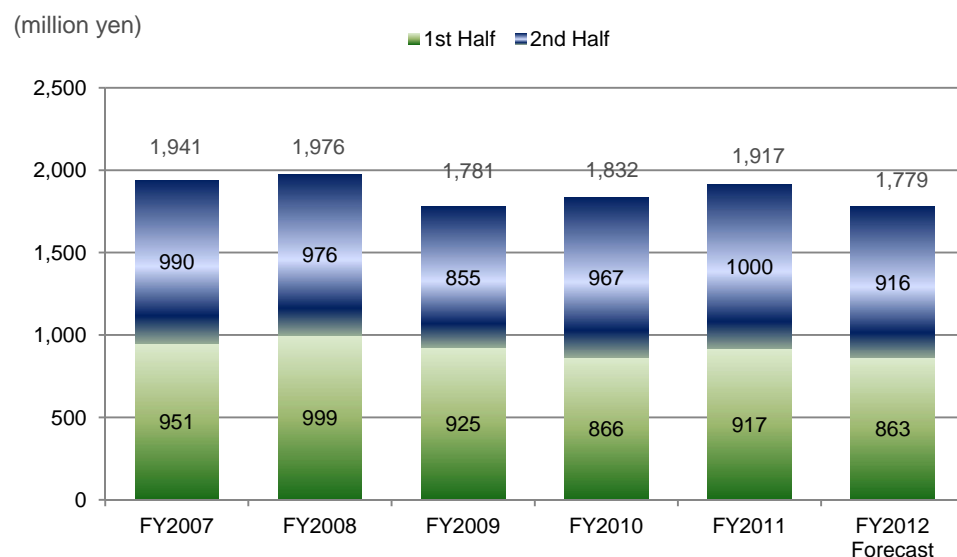
Outlook for FY2012 (7th Term)

- Full-year total revenues are expected to increase by ¥382mn (6.8%) compared to FY2011.
- In the room segment, occupancy and ADR will be higher than in the previous year due to the effects of the events for Tokyo Disney Sea's 10th anniversary and the recovery from the impact of the earthquake disaster, so revenues are expected to increase by ¥245mn (9.9%) compared to FY2011.
- In the food & beverages segment, the number of wedding banquets will be higher than in the previous year due to our strengthening of our marketing and the postponement of weddings from the 6th term to the 7th term, and general banquet revenues will be higher than in the previous year due to our capturing of new customers through our continued strengthening of our marketing, so segment revenues are expected to increase by ¥183mn (6.8%) compared to FY2011.

Highlights of Hotel Performance

Japan Hotel and Resort, Inc.

Namba Oriental Hotel



◆ Operating Data

	FY2007	FY2008	FY2009	FY2010	FY2011
Occ. rate (%)	88.4%	86.8%	75.5%	81.2%	86.7%
ADR (Yen)	10,300	10,649	10,365	9,478	10,171
RevPAR (Yen)	9,104	9,248	7,827	7,698	8,814
GOP (MY)	1,114	1,099	963	1,020	1,059
GOP (%)	57.4%	55.6%	54.1%	55.7%	55.3%

Results for FY2011 (6th Term)

- Full-year total revenues increased by ¥84mn (4.6%) compared to FY2010.
- In the room segment, demand from foreign visitors to Japan decreased due to the impact of the earthquake disaster which occurred in the second half, but revenues increased by ¥115mn (14.5%) compared to FY2010 because we brought in evacuation demand from the Kanto area.
- In the food & beverages segment the earthquake disaster had an effect but we brought in domestic demand as a result of our continuing implementation of marketing policies, and as a result revenues increased by ¥6.8mn (4.7%) compared to FY2010.
- In the tenant segment, there was no longer the cancellation fee and exit penalties we received from a leaving tenant in the previous year, so revenues decreased by ¥39mn (4.7%) compared to FY2010.

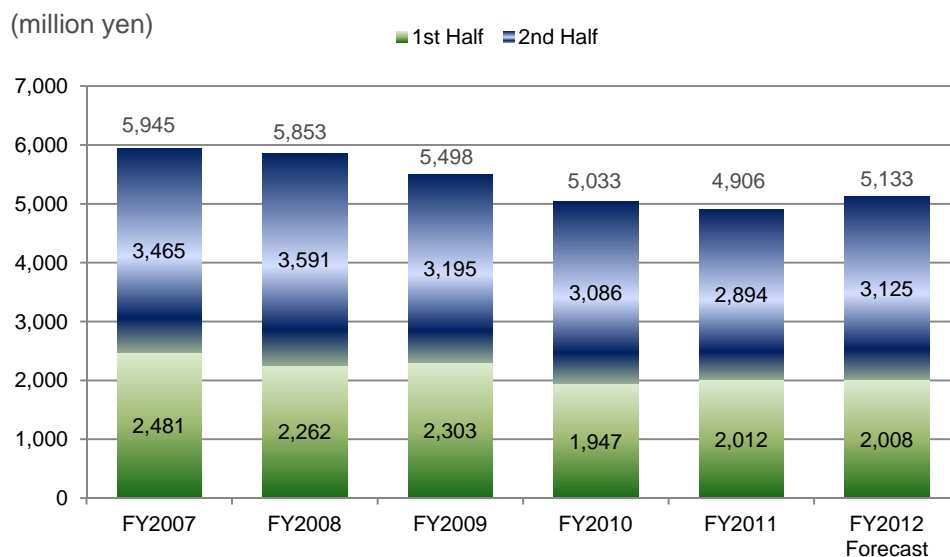
Outlook for FY2012 (7th Term)

- Full-year total revenues are expected to decrease by ¥138mn (7.2%) compared to FY2011.
- In the room segment, we will recover from the impact of the earthquake disaster, but there will no longer be the evacuation demand from the Kanto area that we captured in the second half of the previous year, so revenues are expected to decrease by ¥80mn (8.8%) compared to FY2011.
- In the food & beverages segment, guest room occupancy will decrease but the number of guests will increase due to our strengthening of marketing to agents, etc., so revenues are expected to increase by ¥8mn (5.3%).
- In the tenant segment, revenues are expected to decrease by ¥63mn (7.8%) compared to FY 2011 as a result of the revisions to some tenant contracts.

Highlights of Hotel Performance

Japan Hotel and Resort, Inc.

Hotel Nikko Aliviva



Results for FY2011 (6th Term)

- Full-year total revenues decreased by ¥127mn (2.5%) compared to FY2010.
- In the room segment, in the first half occupancy rose due to our aggressive sales of products with their competitive price as the selling point, so revenues were also higher than in the previous year, but the number of visitors to Okinawa Prefecture decreased due to the impact of the earthquake disaster which occurred in the second half; furthermore there were cancellations due to the impact of the major typhoon in August, so full-year revenues decreased by ¥141mn (4.7%) compared to FY2010.
- In the food & beverages segment, general banquet revenues decreased due to the impact of the earthquake disaster, but there was new income related to the wedding facilities (the second chapel, etc.) that we opened in the second half adjacent to the hotel, so segment revenues increased by ¥37mn (2.4%) compared to FY2010.

Outlook for FY2012 (7th Term)

- Full-year total revenues are expected to increase by ¥227mn (4.6%) compared to FY2011.
- In the room segment the level of demand is expected to increase due to our recovery from the impact of the earthquake disaster and implementation of tourism campaigns by the government, we will strengthen our marketing to web agents and existing travel agencies, and in addition we will bring in room demand related to the second chapel, so revenues are expected to increase by ¥119mn (4.2%) compared to FY2011.
- In the food & beverages segment, segment revenues are expected to increase by ¥75mn (4.7%) compared to FY2011 due to an increase in wedding banquet income related to the second chapel.

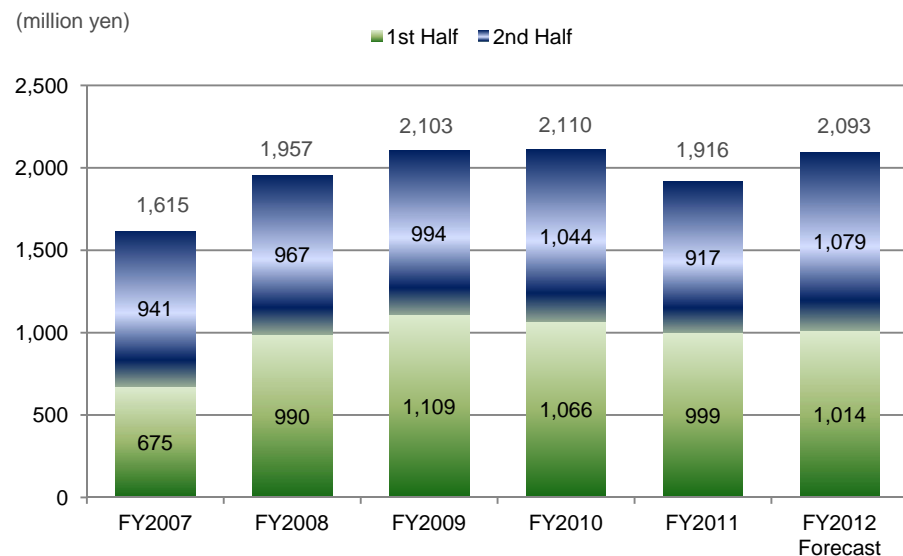
◆ Operating Data

	FY2007	FY2008	FY2009	FY2010	FY2011
Occ. rate (%)	80.4%	77.4%	75.6%	70.0%	70.9%
ADR (Yen)	27,197	28,347	27,561	26,773	25,178
RevPAR (Yen)	21,859	21,934	20,837	18,754	17,857
GOP (MY)	1,933	1,933	1,743	1,650	1,506
GOP (%)	32.5%	33.0%	31.7%	32.8%	30.7%

Highlights of Hotel Performance

Japan Hotel and Resort, Inc.

Oriental Hotel Hiroshima (Note)



Results for FY2011 (6th Term)

- Full-year total revenues decreased by ¥194mn (9.2%) compared to FY2010.
- In the room segment, room demand declined due to the intensification of price competition and the impact of the earthquake disaster, so revenues decreased by ¥68mn (11.6%) compared to FY2010.
- In the food & beverages segment, as the earthquake disaster continued to have an impact, general banquet revenues were higher than in the previous year due to our strengthening of marketing, but the number of wedding banquets decreased due to the impact of the entry of new competitors, and as a result segment revenues decreased by ¥139mn (9.5%).

Outlook for FY2012 (7th Term)

- Full-year total revenues are expected to increase by ¥177mn (9.2%) compared to FY2011.
- In the room segment, we will bring in leisure demand due to our recovery from the impact of the earthquake disaster and the effects of the guest room renovations we implemented in the 6th term, and in addition we will enhance our sales channels with the objective of bringing in group demand, so as a result revenues are expected to increase by ¥60mn (11.8%).
- In the food & beverages segment, both the number and unit prices of general banquets will increase due to our strengthening of marketing, and the number of wedding banquets will increase due to our renovations of the third floor and 23rd floor banquet halls in the 6th term and our strengthening of marketing, so their revenues will be higher than in the previous year and segment revenues are expected to increase by ¥121mn (9.2%).

◆ Operating Data

	FY2007	FY2008	FY2009	FY2010	FY2011
Occ. rate (%)	-	63.4%	71.8%	71.4%	65.1%
ADR (Yen)	-	8,853	9,043	8,951	8,675
RevPAR (Yen)	-	5,611	6,497	6,388	5,644
GOP (MY)	-	264	320	340	279
GOP (%)	-	13.5%	15.2%	16.1%	14.6%

(Note) JHR acquired this property during FY2008 but, for the comparative analysis, revenue and operating data figures for FY2007 and FY2008 are shown based on information obtained from the seller. These figures are not audited.

(Reference Information)

Japan Hotel and Resort, Inc.

1. Hotel Revenues (By Hotel)

(Unit: million yen, amounts less than a million yen are rounded off)

		FY2009		FY2010		FY2011		FY2012	
		Actual	Vs. LY	Actual	Vs. LY	Actual	Vs. LY	Forecast	Vs. LY
Kobe Meriken Park Oriental Hotel	1 st Half	3,122	△7.5%	3,041	△2.6%	2,814	△7.5%	2,662	△5.4%
	2 nd Half	2,877	△14.6%	2,893	0.5%	2,773	△4.1%	2,774	0.0%
	Full Year	5,999	△11.0%	5,934	△1.1%	5,588	△5.8%	5,437	△2.7%
Oriental Hotel Tokyo Bay	1 st Half	3,448	2.2%	3,189	△7.5%	3,331	4.5%	2,961	△11.1%
	2 nd Half	3,093	△9.2%	3,333	7.7%	2,302	△30.9%	3,055	32.7%
	Full Year	6,542	△3.6%	6,522	△0.3%	5,634	△13.6%	6,016	6.8%
Namba Oriental Hotel	1 st Half	925	△7.4%	866	△6.4%	917	5.9%	863	△5.8%
	2 nd Half	855	△12.4%	967	13.0%	1,000	3.4%	916	△8.4%
	Full Year	1,781	△9.9%	1,832	2.9%	1,917	4.6%	1,779	△7.2%
Hotel Nikko Alivila	1 st Half	2,303	1.8%	1,947	△15.5%	2,012	3.3%	2,008	△0.2%
	2 nd Half	3,195	△11.0%	3,086	△3.4%	2,894	△6.2%	3,125	8.0%
	Full Year	5,498	△6.1%	5,033	△8.5%	4,906	△2.5%	5,133	4.6%
Oriental Hotel Hiroshima	1 st Half	1,109	12.0%	1,066	△3.9%	999	△6.3%	1,014	1.5%
	2 nd Half	994	2.8%	1,044	5.1%	917	△12.2%	1,079	17.7%
	Full Year	2,103	7.5%	2,110	0.4%	1,916	△9.2%	2,093	9.2%
Total	1 st Half	10,908	△0.8%	10,109	△7.3%	10,073	△0.4%	9,508	△5.6%
	2 nd Half	11,015	△10.5%	11,322	2.8%	9,887	△12.7%	10,949	10.7%
	Full Year	21,923	△6.0%	21,431	△2.2%	19,960	△6.9%	20,458	2.5%

2. Hotel GOP

	FY2009		FY2010		FY2011		FY2012	
	Actual	Vs. LY	Actual	Vs. LY	Actual	Vs. LY	Forecast	Vs. LY
5 Hotels with Variable Rents	5,447	△13.9%	5,679	4.2%	4,916	△13.4%	5,096	3.6%
GOP ratio to Sales	24.8%	△2.3%	26.5%	1.6%	24.6%	△1.9%	24.9%	0.3%

Chapter 3 Future Investment and Management Policy

Perception of the Market Conditions

■ General Market Conditions

- It seems likely that Japan's economy will continue to follow a moderate recovery path going forward, but concerns regarding changes in the world economy and employment and income conditions remain.

■ Hotel Market Conditions

- A full-scale recovery in demand for hotels is expected due to the recovery in domestic individual travel demand that has already occurred, and also due to the recovery of demand for domestic group travel and demand by foreign visitors to Japan, and the resumption of events and festivals by companies and industrial groups
- In the mid/long term (i) increasing travel demand by the baby-boomer generation and (ii) an increase in the number of foreign travelers visiting Japan as a result of government policies to promote a tourism-based country are expected



Agile business management with even closer attention to market trends than before is necessary

Maintaining/improving the competitiveness of our hotels and the asset values is also needed in order to gain returns in the time of economic recovery

Basic Policies

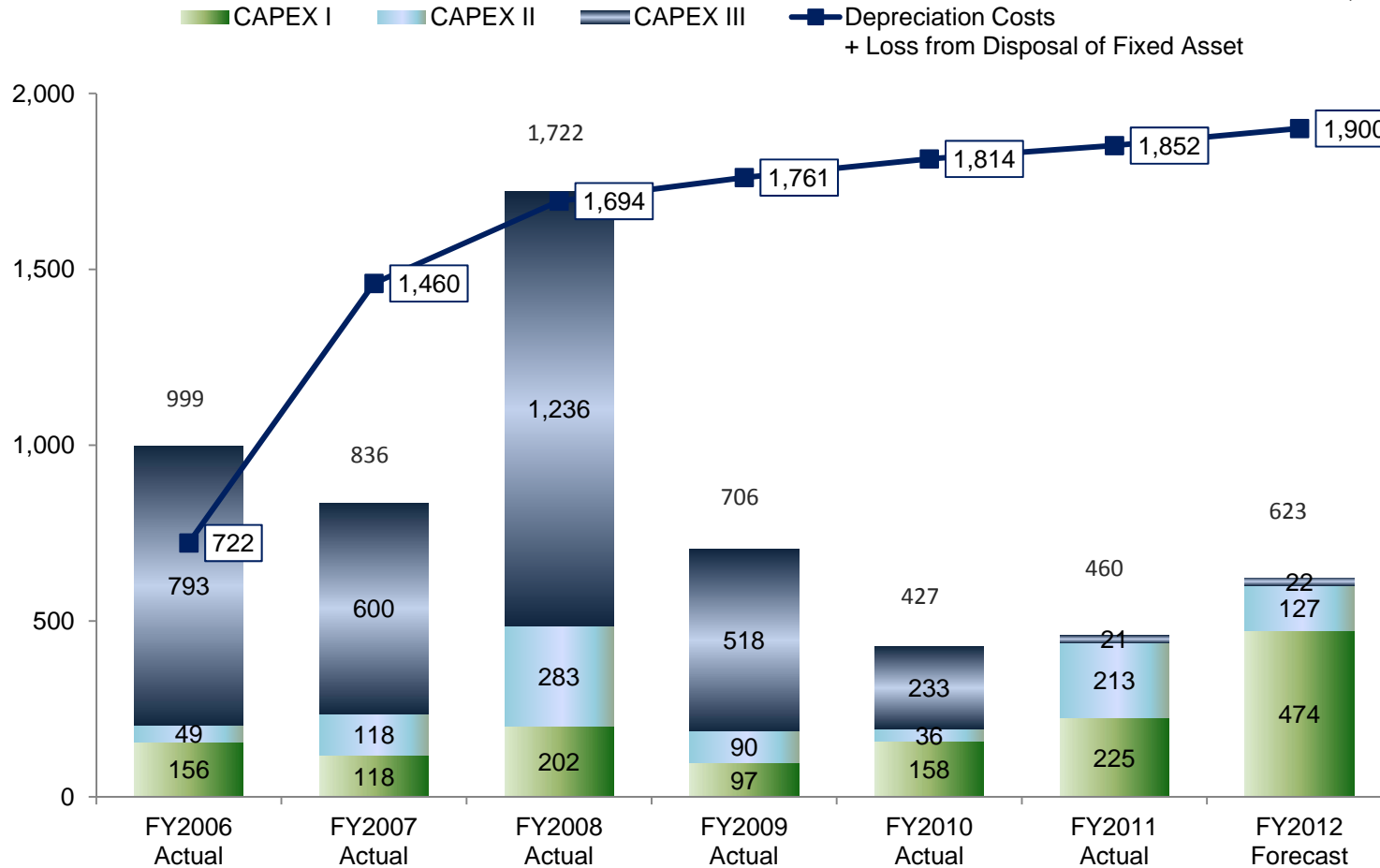
Through a deep understanding of the hotel business, hands-on management and a strong cooperative relationship with the operators, the goal of the REIT is to maximize the mid/long-term value of the hotel and generate outstanding investment returns



- ◆ We will carefully monitor revenues and GOP so that profitability at each property will be improved
 - In order to develop from "price competition" to "value competition," intensively discuss with the lessee and the hotel operators, and request implementation (when necessary, provide recommendations or support)
- ◆ Maximization of the profitability of the five hotels with variable rents
 - In order to respond to travel demand by the baby-boomer generation and demand from foreign travelers visiting Japan, add "services, etc. unique to regions or hotels" to our "global level service," discuss analyses of and quick responses to changing customer needs with the lessee and the hotel operators, and request implementation
 - Implement the capital expenditure plan to respond to changes in the operating environment: carefully select and implement strategic CAPEX that maintains short-term income and leads to strengthened competitiveness in the mid/long term
 - Drive forward the repositioning / rebranding project

CAPEX Trend and Plan

(Amount: million yen)



- The renovation of the guest rooms of Nikko Alivila planned for FY 2007 slipped into FY 2008, and CAPEX in FY2008 increased as a result.

Note CAPEX I : Replacement of equipments and facilities required for maintaining the asset value of properties.
 CAPEX II : Purchase of fixtures, furniture, and equipment required for operating hotels, unrelated to their building frame or facilities.
 CAPEX III : Strategic renovation of guest rooms, banquet halls and restaurants with the view to maintain and increase hotel competitiveness.

CAPEX (Capital Expenditure Plan)

Japan Hotel and Resort, Inc.

5 Hotels with Variable Rents: Major CAPEX III (Note)

(): expenditures, million yen

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012 Plan
Kobe Meriken Park Oriental Hotel	<ul style="list-style-type: none"> • 12-13F Guest Rooms (189) • Restaurant (51) 	<ul style="list-style-type: none"> • 10-11F Guest Rooms (222) • Restaurant Pier (98) 	<ul style="list-style-type: none"> • Brides Room (68) • Banquet(46) 	-	-	-	-
						■ ■ ■ Repositioning Project →	
Oriental Hotel Tokyo Bay	<ul style="list-style-type: none"> • 9-10F Guest Rooms (145) • Banquet (59) 	<ul style="list-style-type: none"> • 7-8F Guest Rooms (171) • Restaurant (58) 	<ul style="list-style-type: none"> • 5-6F Guest Rooms (210) • Lobby (60) 	-	<ul style="list-style-type: none"> • Chapel (77) • 12F Guest Rooms (135) 	-	-
						■ ■ ■ Rebranding Project →	
Namba Oriental Hotel	<ul style="list-style-type: none"> • 7-8F Guest Rooms (93) 	<ul style="list-style-type: none"> • Restaurant (40) 	-	-	<ul style="list-style-type: none"> • 4F Guest Rooms and corridors on 4, 5 and 6F (20) 	-	-
Hotel Nikko Alivila	<ul style="list-style-type: none"> • Suite Rooms (32) • Restaurant (155) 	-	<ul style="list-style-type: none"> • 3-8F Guest Rooms (479) 	<ul style="list-style-type: none"> • 1-6F South and West Guest Rooms (361) 	-	-	-
Oriental Hotel Hiroshima	N/A	Acquired in October 2007	<ul style="list-style-type: none"> • 7-18F Guest Rooms (347) • Tenant Floor (23) 	<ul style="list-style-type: none"> • 3F,4F Banquet (138) 	-	<ul style="list-style-type: none"> • 3F Banquet and Corner Guest Double Rooms (21) 	<ul style="list-style-type: none"> • 19F Guest Rooms (22)
						■ ■ ■ Rebranding Project →	
CAPEX III TOTAL	793	600	1,236	518	233	21	22

(Note) We converted the corner double guest rooms in the Oriental Hotel Hiroshima into twin rooms in February 2011.

External Growth

Short, medium and long-term external growth strategies

Japan Hotel and Resort, Inc.

Perception of the Market Conditions

■ Trends in the Hotel Investment Market

- Immediately after the earthquake disaster there was a mood of restraint, but there were no major changes around the time of the earthquake disaster, and falls in the prices of highly scarce, prime hotels were limited due to investment from Asia and expectations of improvements in hotel income
- Regarding the hotel trading market going forward, due to nonrecourse loans, etc. to hotels reaching maturity, and the expectations of improvements in hotel income, the gap between the price perceptions of sellers and buyers is expected to shrink, and the number of transactions is expected to increase
- The acquisition of specific properties, and the timing of such acquisitions, will be determined carefully by closely examining the profitability and stability of individual properties, and the environment for fund procurement



Select and acquire prime properties with stable cash flow and growth potential in the medium- to long-term

After acquisition, cooperate with the operator to encourage internal growth

Basic Policies

Ensure stable revenues, and aim to acquire properties with the focus on construction of a portfolio with internal growth potential
In the mid/long-term, aim to build a portfolio which consciously maintains a balance between five items: by grade, by type, by region, by year-built and by rent type (fixed or variable)



Essential Conditions

Hotels that can bring in “domestic leisure customers” and “leisure customers visiting Japan”

Hotels that are expected to increase revenues through operational improvements

- Target investments to hotels which are superior in both hard and soft aspects
- Regarding the hotel type, target major investments to city hotels and resort hotels for which a certain amount of management know-how is necessary and barriers to new entry to the market are high
- Target investments in business hotels to those which can bring in leisure demand as well
- Regarding areas, target investments to leisure destinations and places travelers stop at on the way to their final destination

* “Leisure demand” means demand for tourism, shopping, movies and theater, exchanges of traditions and cultures, concerts, accommodation, meals, experiences of nature, marine sports, golf, skiing, summer getaways, winter getaways, etc.

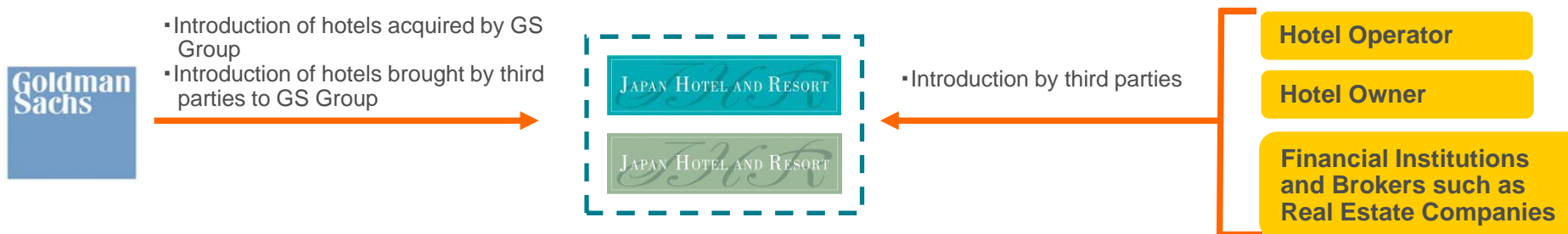
<Points to focus on in the short term>

1. Taking into consideration the profitability and stability, etc. of individual properties, we will make careful judgments while focusing on the funds procurement environment
2. Regions: Tokyo, Osaka, Kyoto, Fukuoka, Hokkaido, Okinawa and Hakone

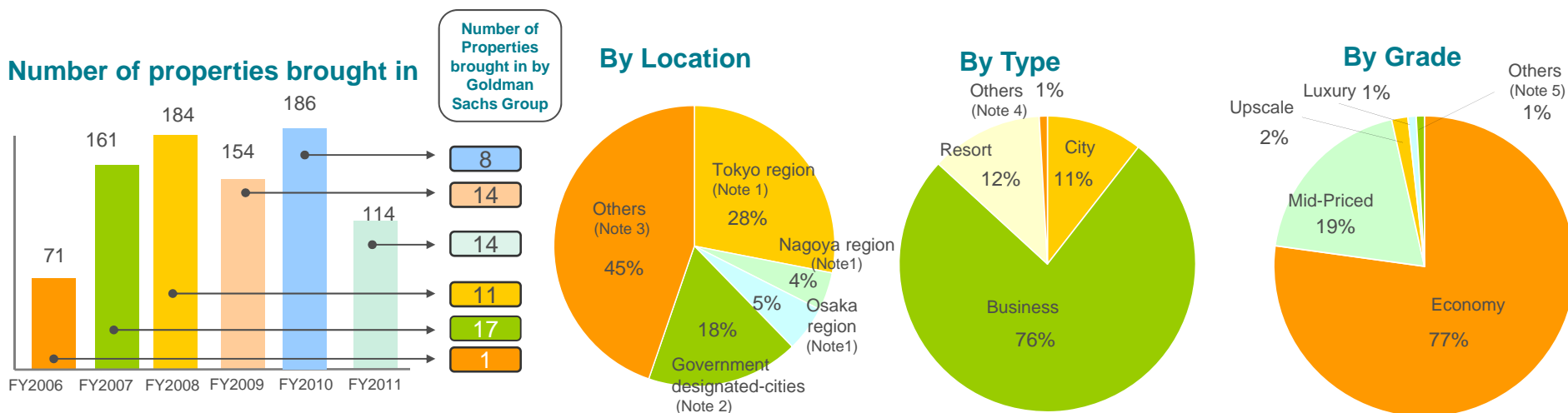
External Growth

Potential Opportunities to Acquire Properties

- The asset management company searches and acquires properties using its own expertise and strong network in hotel investment, and also using the pipeline agreement with the Goldman Sachs Group (GS Group), which has a wealth of know-how in hotel investments and operations



- A total of 114 properties were brought in during the 6th term (September 2010 to August 2011), 72 properties fewer than the properties brought in during the 5th term. In particular, the number of properties brought in decreased temporarily after the earthquake disaster. Furthermore, the characteristic feature was the decline in the number of large city type and resort type properties.



(Note 1) The Tokyo region includes Tokyo, Kanagawa, Saitama and Chiba prefectures; the Nagoya region includes Aichi, Gifu and Mie prefectures, and the Osaka region includes Osaka, Kyoto, Nara, and Hyogo prefectures.

(Note 2) Government-designated cities exclude those within the three major districts.

(Note 3) "Others" includes properties located outside the three major regions and government-designated cities, and properties whose details were not disclosed when they were brought in.

(Note 4) "Others" in the By Type graph include properties under development for which the type of hotel to be constructed has not been determined and properties whose details were not disclosed when brought in.

(Note 5) "Others" in the By Grade graph include properties under development for which the grade of hotel to be constructed has not been determined and properties whose details were not disclosed when brought in.

Perception of the Market Conditions

Financial institutions continue to have a strict attitude toward lending to hotels in some respects, but it is possible to get financing depending on the price, rate of return and quality of new properties.



Stable financial foundation under strong relationship with the existing lenders

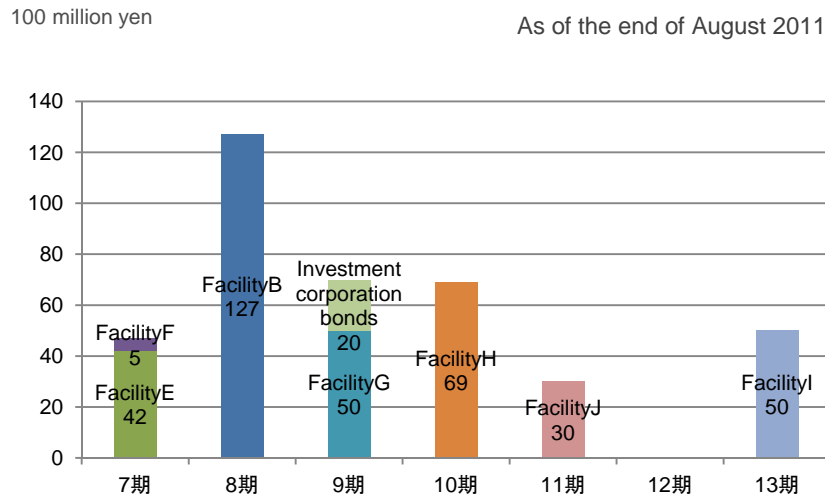
Basic Policies

Management placing importance on ensuring financial soundness and stability
 Maintain conservative Loan to Value (LTV) levels: target of 30%-50%

Initiatives in FY2012

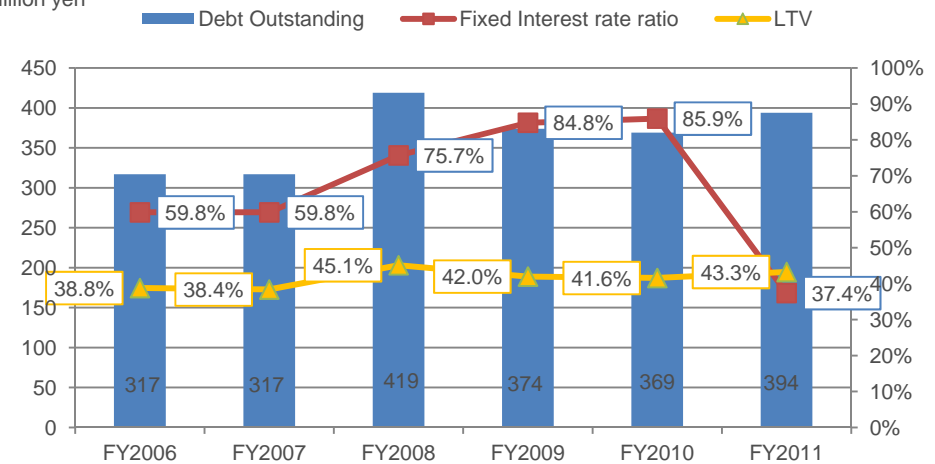
We will aim to lengthen the terms of our borrowings (taking into consideration the balance with costs), disperse our debt maturity, strengthen our bank formation, and reduce our borrowing costs.

Debt Outstanding by Maturity



Debt Outstanding and LTV Ratio

100 million yen



- Long-term fixed interest-bearing liabilities are borrowings with a reduced risk of interest rises caused by interest swap and cap transactions and investment corporation bonds
- The year-end loan to value ratio (LTV) is the interest-bearing debt at year-end (amount of borrowings at year-end + the investment corporation bonds balance at year-end)/total assets at year-end.

List of Debts

<As of the end of August, 2011>

Term (Note 1)	Facility	Lenders	Balance (Million Yen)	Interest rate (Note 2)	Borrowing Date	Maturity Date	Remarks
Medium-term	Facility B	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Norinchukin Bank	12,753	1.909%	August 24, 2007	November 15, 2012	Secured and non-guaranteed
Medium-term	Facility E	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Norinchukin Bank	4,200	1.850%	March 24, 2009	March 24, 2012	Secured and non-guaranteed
Medium-term	Facility F	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Norinchukin Bank	500	1.550%	March 24, 2009	March 24, 2012	Secured, non-guaranteed, and amortization payment
Medium-term	Facility G	Resona Bank, Ltd. Shinsei Bank, Ltd.	5,000	1.639%	February 15, 2011	February 15, 2014	Secured and non-guaranteed
Medium-term	Facility H	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Norinchukin Bank	6,998	1.839%	February 15, 2011	February 15, 2015	Secured and non-guaranteed
Long-term	Facility I	American Life Insurance Company	5,000	2.545%	February 15, 2011	February 15, 2018	Secured and non-guaranteed
Medium-term	Facility J	The Tokyo Star Bank, Limited	3,000	2.039%	March 24, 2011	March 24, 2016	Secured and non-guaranteed
Total			37,451				

(Note 1) Short-term refers to borrowings for a term of less than one year, medium-term refers to borrowings for a term of one year to less than five years, and long-term refers to borrowings for a term of five years or longer.

(Note 2) The interest rate figures show the interest rate in the most recent interest calculation period for each facility, rounded to three decimal places. They do not include the annual rate of depreciation of financing fees and arrangement fees. The figure for Facility B also takes into consideration the effects of interest rate swaps.

List of Investment Corporation Bonds

	Date of issuance	Maturity date	Balance (million yen)	Interest rate	Remarks
First time unsecured investment corporation bonds	December 28, 2010	December 27, 2013	2,000	2.11%	Unsecured and non-guaranteed

Conditions of Interest Rate Hedging

Facility	Balance (Million Yen)	FY2010	FY2011	FY2012
B	12,753	Interest rate swap (until Nov. 15, 2012)		

Status of Credit Rating

Rating Agency	Type of Rating	Rating	Rating Outlook
R&I	Issuer Rating	A-	Stable

Perception of the Market Condition

- Lack of depth in the J-REIT investor base
 - The J-REIT investor base is unbalanced so share prices are volatile and no market has been formed for the original middle return investment products.



Improve the satisfaction of existing investors through appropriate information disclosure

Construct a broad investor base

Basic Policies

Prompt disclosure of information that is easy to understand, based on the principles of timeliness, accuracy, and continuity.



Initiatives in FY2012 (7th term)

- Improvement of the satisfaction of existing investors
 - Maintain and improve the quality of monthly information disclosure
 - Enrich disclosure contents of forecasting results
 - Proactive utilization of feedback through IR activities
- Expansion of the investor base
 - Institutional investors: in addition to individual visits, study the possibility of holding site visit events at the hotels
 - Foreigners: Translate some of our web site into English
 - Individuals: participation in explanation meetings and IR events for individuals, utilization of the full range of media, introduction of the investor benefit program, study the possibility of offering site visit tours to the properties

Investor Benefit Program - Questionnaire Results [June 2010 to May 2011]

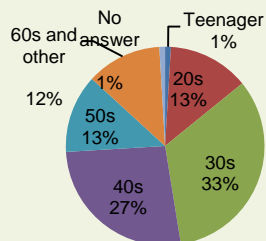
Japan Hotel and Resort, Inc.

Amount of Use

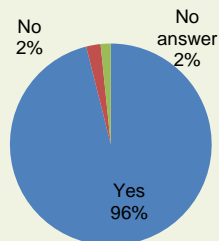
Hotel	Accommodation		Restaurants	
	No. of coupons used	No. of users	No. of coupons used	No. of users
Kobe Meriken Park Oriental Hotel	125	325	332	724
Oriental Hotel Tokyo Bay	390	1,337	604	1,932
Namba Oriental Hotel	61	215	37	45
Hotel Nikko Alivila	135	608	255	710
Oriental Hotel Hiroshima	97	165	112	294
Total	808	2,650	1,340	3,705

Accommodation

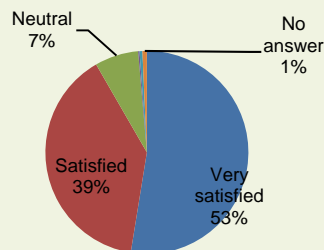
Age Group



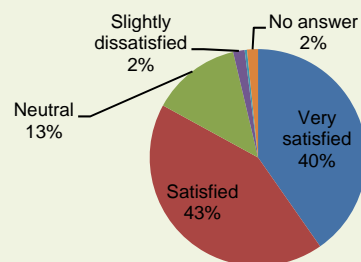
Recommended to friend(s)



Service

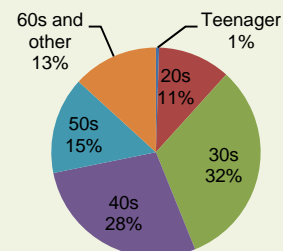


Guest rooms, fixtures, decorations

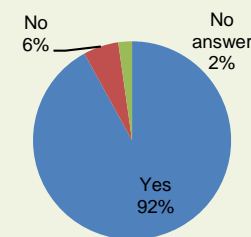


Restaurants

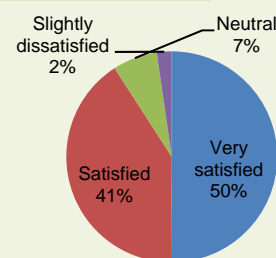
Age Group



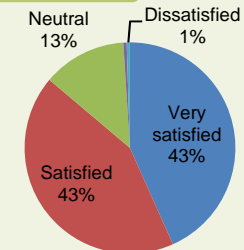
Recommended to friend(s)



Services



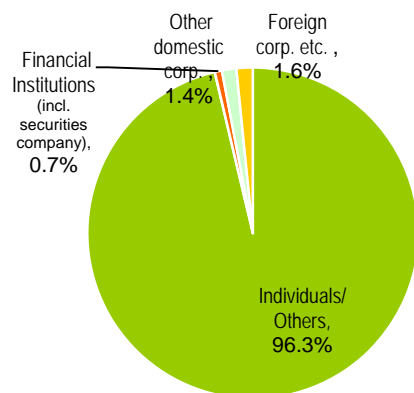
Flavor



Appendix A Investor Composition and Unit Price

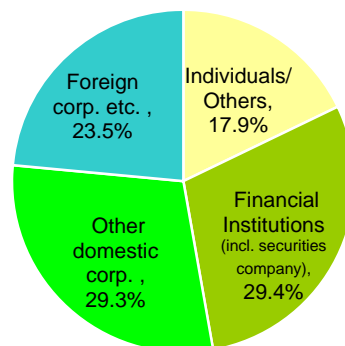
Units Held by Attribute

Number of investors (Note1)



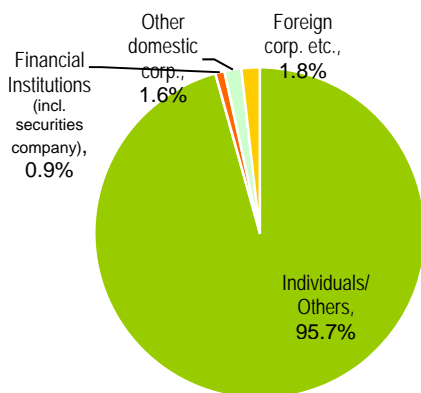
Aug. 31, 2011

Number of investment units held (Note1)

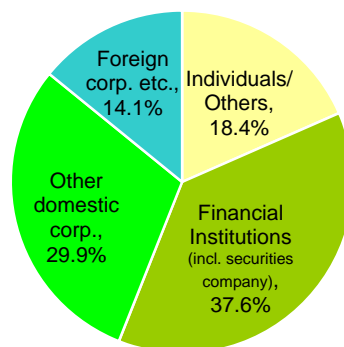


Unit-holder details (as of August 31, 2011)

	Investors		Units	
	Number	%	Number	%
Individuals/Others	4,994	96.3%	18,877	17.9%
Financial Institutions (incl. securities company)	38	0.7%	31,038	29.4%
Other domestic corp.	74	1.4%	30,947	29.3%
Foreign corp. etc.	82	1.6%	24,857	23.5%
Total	5,188	100.0%	105,719	100.0%



Aug. 31, 2010



Top 10 Investors (as of August 31, 2011)

No.	Name	# of Units Held	(%) (Note4)
1	Green Investment Co., Ltd. (Note2)	14,219	13.44
2	Japan Hotel Alliance Co., Ltd. (Note3)	9,150	8.65
3	Trust & Custody Services Bank, Ltd (Securities Inv. Trust A/C)	8,725	8.25
4	Japan Trustee Services Bank, Ltd. (Trust Account)	8,156	7.71
5	The Nomura Trust and Banking Co., Ltd (Inv. Trust A/C)	6,880	6.50
6	Shikoku Railway Company	5,301	5.01
7	The Master Trust Bank of Japan, Ltd. (Trust Account)	4,227	3.99
8	Nomura Bank (Luxembourg) S.A.	3,904	3.69
9	Goldman Sachs International	3,211	3.03
10	Morgan Stanley & Co. LLC	2,183	2.06

(Note 1) The ratios of the number of investors and number of investment units held to the total are rounded off to the first decimal place.

(Note 2) Green Investment Co., Ltd. is a wholly owned subsidiary of the Goldman Sachs Group, and acquired 200 units when the REIT was established, and additionally acquired 14,019 units issued on February 3, 2009.

(Note 3) Japan Hotel Alliance Co., Ltd. is a wholly owned subsidiary of the Goldman Sachs Group, and has transferred its assets to the REIT. It has purchased and holds 9,150 units in the REIT that were issued on February 15, 2006 through the private placement.

(Note 4) The ratio of investment units held to the total number of investment units issued is rounded down to the second decimal place

Submission of Large Volume Holdings Reports (as of September 30, 2011)

Japan Hotel and Resort, Inc.

1. Goldman Sachs Japan Co., Ltd. (Submission to Kanto Local Finance Bureau: November 19, 2010)

Submitter and Joint Holders	Number of Units Held	Shareholdings (%)
Goldman Sachs International	236	0.22
Japan Hotel Alliance Co., Ltd.	9,150	8.66
Green Investment Co., Ltd.	14,219	13.45
Total	23,605	22.33

2. Shikoku Railway Company (Submission to Shikoku Local Finance Bureau: April 3, 2009)

Submitter (Large Volume Holder)	Number of Units Held	Shareholdings (%)
Shikoku Railway Company	5,495	5.20
Total	5,495	5.20

3. The Sumitomo Trust & Banking Co., Ltd. (Submission to Kinki Local Finance Bureau: February 7, 2011)

Submitter and Joint Holders	Number of Units Held	Shareholdings (%)
Nikko Asset Management Co., Ltd.	6,256	5.92
Total	6,256	5.92

4. Mizuho Trust & Banking Co., Ltd. (Submission to Kanto Local Finance Bureau: August 4, 2011)

Submitter and Joint Holders	Number of Units Held	Shareholdings (%)
Mizuho Trust & Banking Co., Ltd.	453	0.43
Mizuho Asset Management Co., Ltd.	8,272	7.82
Shinko Asset Management Co., Ltd.	2,450	2.32
Total	11,175	10.57

5. DIAM Co., Ltd. (Submission to Kanto Local Finance Bureau: February 2, 2011)

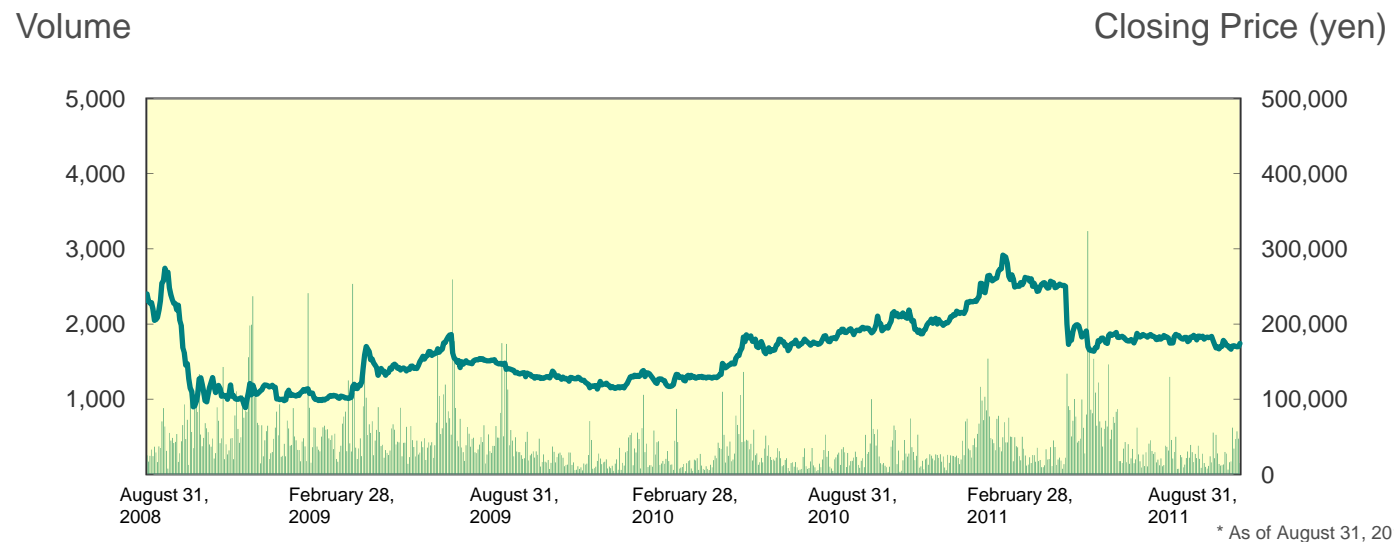
Submitter (Large Volume Holder)	Number of Units Held	Shareholdings (%)
DIAM Co., Ltd.	3,369	3.19
Total	3,369	3.19

6. Dalton Investments LLC (Submission to Kanto Local Finance Bureau: September 22, 2011)

Submitter (Large Volume Holder)	Number of Units Held	Shareholdings (%)
Dalton Investments L.L.C.	6,523	6.17
Total	6,523	6.17

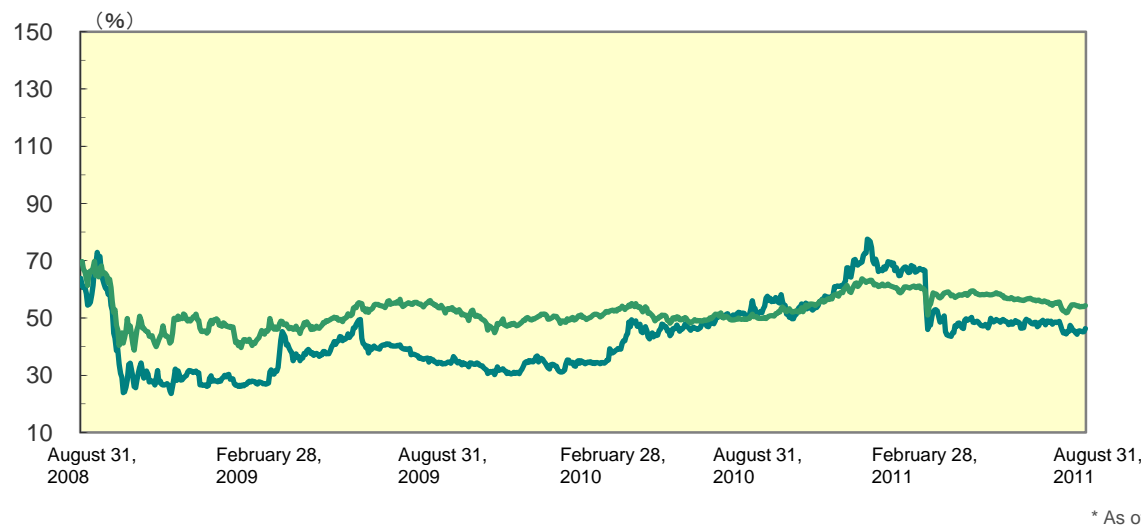
JHR Unit Price/ Trade Volume

■ Volume
— Closing Price



TSE REIT Index/ JHR Unit Price

— JHR
— TSE REIT Index



Appendix B Basic Information

Portfolio Map (As of the end of August 2011)



Portfolio Name	Type	Grade	Appraisal Value (million yen) (1)	Acquisition Price (million yen) (2)	Investment Ratio(%) (2)	Year Built	Numbers of Room (3)
① Kobe Meriken Park Oriental Hotel	City Hotel	Upper Middle	11,400	11,400	12.8	Jul 1995	319
② Oriental Hotel Tokyo Bay	City Hotel	Mid-Priced	20,700	19,400	21.8	May 1995	503
③ Namba Oriental Hotel	Business Hotel	Mid-Priced	15,000	16,700	18.7	Mar 1996	257
④ Hotel Nikko Alivila	Resort Hotel	Luxury	19,300	19,700	22.1	Apr 1994	396
⑤ Nara Washington Hotel Plaza	Business Hotel	Mid-Priced	2,050	1,800	2.0	Mar 2000	204
⑥ Hakata Nakasu Washington Hotel Plaza	Business Hotel	Mid-Priced	3,720	3,880	4.4	Mar 1995	247
⑦ Daiwa Roynet Hotel Akita	Business Hotel	Economy	1,930	2,278	2.6	Jun 2006	221
⑧ Oriental Hotel Hiroshima	City Hotel	Upper Middle	7,240	9,900	11.1	Sep 1993	227
⑨ Hakone Setsugetsuka	Resort Hotel	Mid-Priced	4,060	4,059	4.6	Oct 2006	158
Portfolio Total			85,400	89,117	100.0	—	2,532

(Note 1) Appraisal value as of Aug 31,2011.

(Note 2) The investment ratio is calculated using the acquisition price and is rounded off to the first decimal place.

(Note 3) The number of rooms is the number of available rooms (excluding rooms used by the hotel itself for a long time) as of the end of Aug 2011.

Value of Properties (As of the end of August 2011)

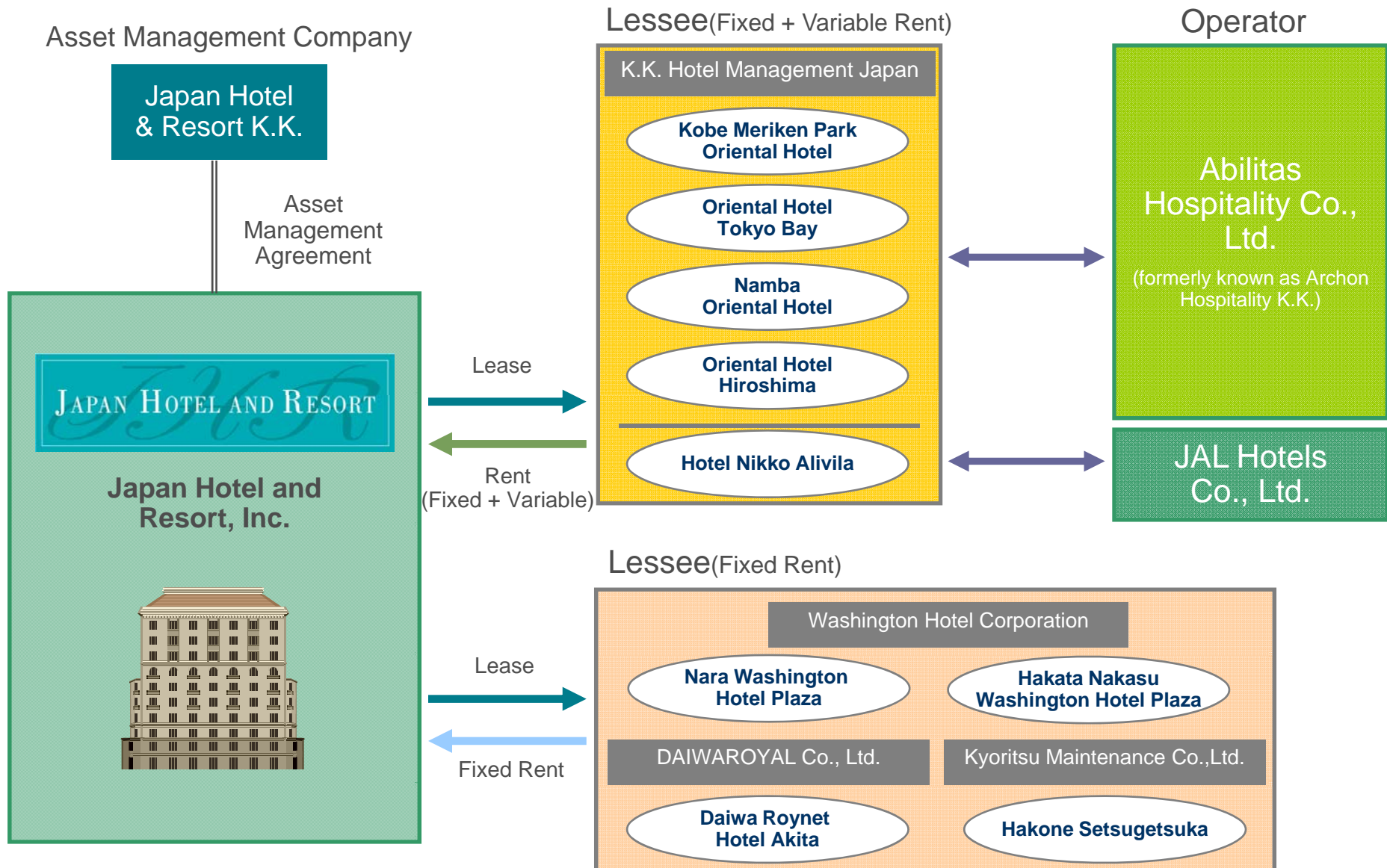
Japan Hotel and Resort, Inc.

(Amount: million yen)

Hotel	Type	Grade	Total Number of Rooms	Appraisal Value								Value at Balance Sheet (Note1)	Acquisition Price	
				as of Aug 31, 2008		as of Aug 31, 2009		as of Aug 31, 2010		as of Aug 31, 2011				
				Appraisal Value	CAP Rate	Appraisal Value	CAP Rate	Appraisal Value	CAP Rate	Appraisal Value	CAP Rate	as of Aug. 31, 2011	Price	CAP Rate
Kobe Meriken Park Oriental Hotel	City	Upper Middle	319	13,800	5.5%	12,800	5.8%	12,100	6.0%	11,400	6.0%	10,304	11,400	5.4%
Oriental Hotel Tokyo Bay	City	Mid-Priced	503	20,900	5.1%	20,300	5.3%	19,800	5.4%	20,700	5.4%	18,200	19,400	5.2%
Namba Oriental Hotel	Business	Mid-Priced	257	17,900	4.7%	16,800	5.0%	16,100	5.2%	15,000	5.2%	16,239	16,700	5.0%
Hotel Nikko Alivila	Resort	Luxury	396	21,600	6.0%	20,400	6.2%	19,700	6.3%	19,300	6.3%	19,353	19,700	6.2%
Nara Washington Hotel Plaza	Business	Mid-Priced	204	1,970	6.0%	2,070	6.2%	2,050	6.3%	2,050	6.3%	1,598	1,800	6.2%
Hakata Nakasu Washington Hotel Plaza	Business	Mid-Priced	247	4,060	5.2%	3,960	5.5%	3,710	5.9%	3,720	5.9%	3,762	3,880	5.5%
Daiwa Roynet Hotel Akita	Business	Economy	221	2,090	5.5%	1,990	5.8%	1,960	6.0%	1,930	6.0%	2,148	2,278	5.2%
Oriental Hotel Hiroshima	City	Upper Middle	227	9,780	5.5%	8,800	5.8%	7,650	6.2%	7,240	6.2%	10,086	9,900	5.3%
Hakone Setsugetsuka	Resort	Mid-Priced	158	—	—	—	—	—	—	4,060	6.4%	4,185	4,059	6.4%
Total			2,532	92,100		87,120		83,070		85,400		85,879	89,117	

(Note1) The book value as of the end of August 2011 includes values of real estate and real estate investment trusts, machinery, fixtures, facilities and equipment.

JHR Structure



Portfolio Diversification

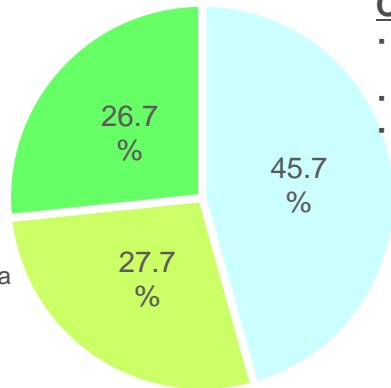
Breakdown by Type (Note1)

Resort Hotel

- Hotel Nikko Alivila
- Hakone Setsugetsuka

Business Hotel

- Namba Oriental Hotel
- Nara Washington Hotel Plaza
- Hakata Nakasu Washington Hotel Plaza
- Daiwa Roynet Hotel Akita



City Hotel

- Kobe Meriken Park Oriental Hotel
- Oriental Hotel Tokyo Bay
- Oriental Hotel Hiroshima

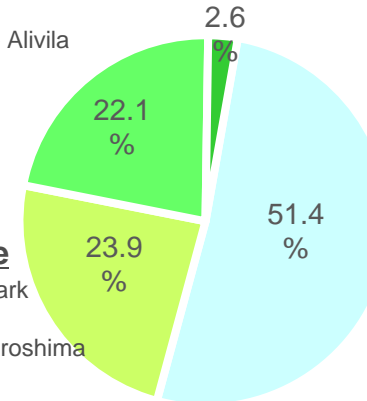
Breakdown by Grade (Note1)

Luxury

- Hotel Nikko Alivila

Upper Middle

- Kobe Meriken Park Oriental Hotel
- Oriental Hotel Hiroshima



Economy

- Daiwa Roynet Hotel Akita

Mid-Priced

- Oriental Hotel Tokyo Bay
- Namba Oriental Hotel
- Nara Washington Hotel Plaza
- Hakata Nakasu Washington Hotel Plaza
- Hakone Setsugetsuka

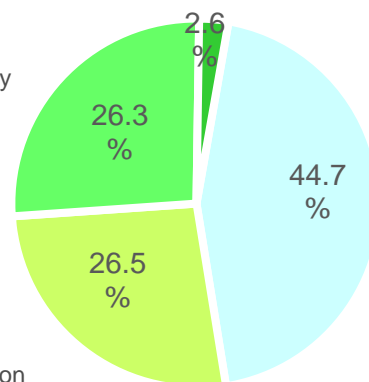
Breakdown by Region (Note1)

Kanto

- Oriental Hotel Tokyo Bay
- Hakone Setsugetsuka

Kyushu-Okinawa

- Hotel Nikko Alivila
- Hakata Nakasu Washington Hotel Plaza



Hokkaido-Tohoku

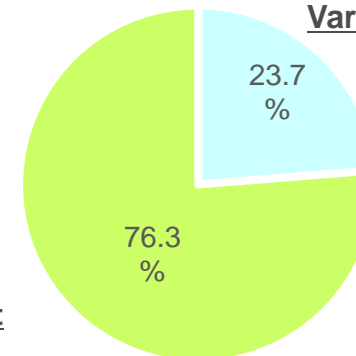
- Daiwa Roynet Hotel Akita

Kinki-Chugoku

- Kobe Meriken Park Oriental Hotel
- Namba Oriental Hotel
- Nara Washington Hotel Plaza
- Oriental Hotel Hiroshima

Breakdown by Rent type (Note2)

Variable Rent



Fixed Rent

(Note 1) Each graph represents ratio based on acquisition prices.

(Note 2) The ratio is based on variable rents in FY 2011.

Scheme of Variable Rents with Stepped-up (The current variable rents scheme applied until the end of August 2011)

Japan Hotel and Resort, Inc.

	Annual Fixed Rents (¥mn)	Variable rent scheme*			CAPEX borne by JHR (Note1)	
		Standard Rate	Stepped-up Rate	Revenue Threshold for Stepping up (¥mn)		
Kobe Meriken Park Oriental Hotel	3,000	Applied to the amount up to the revenue threshold for stepping up	Applied to the amount in excess of the revenue threshold for stepping up	Annual Amount 21,440	CAPEX I & CAPEX II & CAPEX III	
Oriental Hotel Tokyo Bay						
Namba Oriental Hotel		10% of the above amount	30% of the above amount			
Hotel Nikko Alivila						
Oriental Hotel Hiroshima (acquired in October 1, 2007)	221	Applied to the amount up to the revenue threshold for stepping up	Applied to the amount in excess of the revenue threshold for stepping up	Annual Amount 2,204		
						10% of the above amount
Nara Washington Hotel Plaza	134	N/A				CAPEX I only
Hakata Nakasu Washington Hotel Plaza	259					
Daiwa Roynet Hotel Akita	138					
Hakone Setsugetsuka	294					

* The upper limit of total variable rents (sum of rents based on the standard rate and the stepped-up rate) of the above five hotels is a variable rent cap calculated for the five hotels.

$$\text{Variable rent cap} = (\text{GOP}^{\text{(Note2)}} \text{ of the five hotels} - \text{Fixed rents from the five hotels} - \text{Fees to operators}) \times 90\%$$

(Note 1) CAPEX I : Replacement of equipments and facilities required for maintaining the asset value of properties.

CAPEX II : Purchase of fixtures, furniture, and equipment required for operating hotels, unrelated to their building frame or facilities.

CAPEX III : Strategic renovation of guest rooms, banquet halls and restaurants with the view to maintain and increase hotel competitiveness.

(Note 2) GOP (Gross Operating Profit): Total departmental profit minus unallocated expenses.

About the New Variable Rents Scheme (Note1)

(applied from September 2011)

Japan Hotel and Resort, Inc.

	Annual fixed rents (¥mn)	Variable rents scheme		CAPEX borne by JHR <small>(Note 4)</small>
		Variable rents	GOP threshold <small>(Note 2, 3)</small> (¥mn)	
Kobe Meriken Park Oriental Hotel	3,221 * The total amount has not changed	The amount of the total GOP of the five hotels that exceeds the GOP threshold on the right multiplied by 81.5%	Annual Amount 3,351	CAPEX I & CAPEX II & CAPEX III
Oriental Hotel Tokyo Bay				
Namba Oriental Hotel				
Hotel Nikko Alivila				
Oriental Hotel Hiroshima				
Nara Washington Hotel Plaza	134	N/A		CAPEX I only
Hakata Nakasu Washington Hotel Plaza	259			
Daiwa Roynet Hotel Akita	138			
Hakone Setsugetsuka	294			

* The new formula for calculating the variable rents is as follows.

$$\text{Annual variable rents} = (\text{Annual total GOP of the five HMJ hotels} - \text{the GOP threshold (3,351 million yen)}) \times 81.5\%$$

(Note 1) JHR terminated the regular building lease contract concluded with Hotel Management Japan K.K., which was originally due to expire on February 14, 2012, on August 31, 2011 in order to avoid inconvenience due to changes in the contract conditions during the fiscal year of JHR, and has also decided to re-sign a new regular building lease contract with HMJ that will be applied from September 1, 2011.

(Note 2) GOP (Gross Operating Profit): Total departmental profit minus unallocated expenses.

(Note 3) We do not anticipate that the above GOP threshold amount will change through the contract period of the new lease contract. The contract period for new regular building lease contract is 8 years from September 1, 2011 to August 31, 2019.

(Note 4) CAPEX I: Replacement of equipment and facilities required for maintaining the asset value of properties.

CAPEX II: Purchase of fixtures, furniture, and equipment required for operating hotels, unrelated to their building frame or facilities.

CAPEX III: Strategic renovation of guest rooms, banquet halls and restaurants with a view to maintaining and increasing hotel competitiveness.

Appendix C Portfolio Data Book

Monthly Hotel Indicators

5 hotels with Variable Rents

Japan Hotel and Resort, Inc.

Fiscal Year		Year ending August 2011 (FY2011)														
Year	2010	2010	2010	2010	2011	2011	1st Half Total	2011	2011	2011	2011	2011	2011	2011	2nd Half Total	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb		Mar	Apr	May	Jun	Jul	Aug			
Occupancy Rate	87.9%	86.1%	79.6%	76.2%	74.6%	75.8%	80.1%	61.3%	52.6%	69.2%	72.0%	82.3%	90.4%	71.4%	75.7%	
ADR (Yen)	15,745	15,203	13,833	16,063	12,912	12,213	14,413	14,091	14,006	14,926	12,328	18,983	25,157	17,240	15,757	
RevPAR (Yen)	13,846	13,089	11,018	12,242	9,632	9,258	11,541	8,642	7,368	10,322	8,876	15,631	22,748	12,311	11,929	
Total Revenues (Myen)	1,755	1,986	1,727	1,749	1,466	1,390	10,073	1,341	1,296	1,640	1,387	1,940	2,282	9,887	19,960	
Rooms							3,913							4,245	8,158	
Food & Beverages							5,066							4,509	9,576	
Shops							210							255	465	
Tenant							583							573	1,155	
Others							301							305	606	
GOP(Myen)							2,325							2,591	4,916	

Fiscal Year		Year ended August 2010 (FY2010)														
Year	2009	2009	2009	2009	2010	2010	1st Half Total	2010	2010	2010	2010	2010	2010	2010	2nd Half Total	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb		Mar	Apr	May	Jun	Jul	Aug			
Occupancy Rate	78.4%	81.4%	75.4%	74.0%	66.1%	76.2%	75.2%	80.8%	80.1%	79.3%	78.6%	81.9%	91.5%	82.1%	78.7%	
ADR (Yen)	17,724	15,265	14,527	15,948	12,971	11,870	14,805	15,846	13,518	16,494	13,104	19,105	25,288	17,475	16,208	
RevPAR (Yen)	13,891	12,422	10,957	11,801	8,572	9,044	11,134	12,797	10,827	13,082	10,307	15,641	23,148	14,341	12,749	
Total Revenues (Myen)	1,692	1,924	1,882	1,753	1,396	1,462	10,109	1,843	1,655	1,961	1,572	1,910	2,382	11,322	21,431	
Rooms							3,781							4,942	8,723	
Food & Beverages							5,279							5,134	10,413	
Shops							194							269	462	
Tenant							576							633	1,209	
Others							279							345	624	
GOP(Myen)							2,356							3,322	5,679	

Fiscal Year		Year ended August 2010 (YF2010) VS Year ended August 2011(FY2011)													
Month	Sep	Oct	Nov	Dec	Jan	Feb	1st Half Total	Mar	Apr	May	Jun	Jul	Aug	2nd Half Total	Total
Occupancy Rate	9.6%	4.7%	4.2%	2.2%	8.5%	Δ0.4%	4.9%	Δ19.4%	Δ27.5%	Δ10.2%	Δ6.7%	0.5%	Δ1.1%	Δ10.7%	Δ3.0%
ADR (Yen)	Δ 1,979	Δ 62	Δ 694	115	Δ 59	343	Δ 392	Δ 1,755	488	Δ 1,568	Δ 776	Δ 122	Δ 131	Δ 235	Δ 451
RevPAR (Yen)	Δ 45	667	60	440	1,060	214	407	Δ 4,155	Δ 3,459	Δ 2,761	Δ 1,430	Δ 10	Δ 400	Δ 2,030	Δ 820
Total Revenues (Myen)	62	62	Δ155	Δ4	70	Δ71	Δ36	Δ502	Δ359	Δ321	Δ185	30	Δ99	Δ 1,436	Δ 1,472
Rooms							132							Δ 697	Δ 565
Food & Beverages							Δ213							Δ 624	Δ 837
Shops							17							Δ 14	3
Tenant							7							Δ 61	Δ 54
Others							22							Δ 40	Δ 18
GOP(Myen)							Δ31							Δ 731	Δ 762

(Note) Occupancy rate is rounded off to the first decimal place. Revenue is rounded off to the nearest million yen, and ADR & Rev PAR are rounded off to the nearest yen.

Monthly Hotel Indicators

Kobe Meriken Park Oriental Hotel

Japan Hotel and Resort, Inc.

Fiscal Year		Year ending August 2011 (FY2011)														
Year	2010	2010	2010	2010	2011	2011	1st Half	2011	2011	2011	2011	2011	2011	2011	2nd Half	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb	Total	Mar	Apr	May	Jun	Jul	Aug	Total	Total	
Occupancy Rate	86.7%	88.3%	82.8%	89.6%	66.5%	61.4%	79.4%	74.7%	61.4%	83.3%	76.0%	74.0%	87.6%	76.2%	77.8%	
ADR (Yen)	12,966	13,891	13,084	15,787	12,050	12,149	13,478	13,876	14,140	14,722	12,390	14,860	18,026	14,789	14,126	
RevPAR (Yen)	11,240	12,261	10,835	14,140	8,019	7,456	10,707	10,364	8,676	12,263	9,420	10,997	15,795	11,276	10,994	
Total Revenues (Myen)	448	608	511	518	372	358	2,814	445	439	531	401	468	490	2,773	5,588	
Rooms							681							729	1,410	
Food & Beverages							1,963							1,854	3,817	
Shops							51							55	107	
Tenant							31							31	63	
Others							87							104	191	
GOP(Myen)							542							559	1,101	

Fiscal Year		Year ended August 2010 (FY2010)														
Year	2009	2009	2009	2009	2010	2010	1st Half	2010	2010	2010	2010	2010	2010	2010	2nd Half	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb	Total	Mar	Apr	May	Jun	Jul	Aug	Total	Total	
Occupancy Rate	71.3%	74.9%	73.3%	82.9%	70.7%	71.6%	74.2%	78.6%	78.5%	75.7%	80.3%	80.4%	91.7%	80.9%	77.5%	
ADR (Yen)	15,851	14,530	14,184	16,271	12,485	11,480	14,228	12,853	11,964	15,248	12,156	13,273	16,344	13,714	13,958	
RevPAR (Yen)	11,304	10,876	10,391	13,485	8,821	8,216	10,550	10,105	9,387	11,537	9,767	10,669	14,986	11,091	10,823	
Total Revenues (Myen)	491	567	611	538	406	429	3,041	476	447	608	434	434	493	2,893	5,934	
Rooms							672							717	1,389	
Food & Beverages							2,218							1,994	4,212	
Shops							45							49	94	
Tenant							31							31	63	
Others							75							102	177	
GOP(Myen)							600							555	1,154	

Fiscal Year		Year ended August 2010 (YF2010) VS Year ended August 2011(FY2011)													
Month	Sep	Oct	Nov	Dec	Jan	Feb	1st Half	Mar	Apr	May	Jun	Jul	Aug	2nd Half	Total
Occupancy Rate	15.4%	13.4%	9.6%	6.7%	Δ4.1%	Δ10.2%	5.3%	Δ3.9%	Δ17.1%	7.6%	Δ4.3%	Δ6.4%	Δ4.1%	Δ4.6%	0.3%
ADR (Yen)	Δ 2,886	Δ 638	Δ 1,099	Δ 483	Δ 435	669	Δ 750	1,024	2,176	Δ 526	234	1,587	1,682	1,075	168
RevPAR (Yen)	Δ 65	1,385	444	655	Δ 802	Δ 760	157	259	Δ 711	726	Δ 346	328	809	185	171
Total Revenues (Myen)	Δ43	41	Δ100	Δ20	Δ34	Δ71	Δ227	Δ32	Δ8	Δ77	Δ33	33	Δ4	Δ 119	Δ 346
Rooms							10							12	22
Food & Beverages							Δ255							Δ 140	Δ 395
Shops							6							7	13
Tenant							Δ0							Δ 0	Δ 0
Others							12							2	14
GOP(Myen)							Δ58							5	Δ 53

(Note) Occupancy rate is rounded off to the first decimal place. Revenue is rounded off to the nearest million yen, and ADR & Rev PAR are rounded off to the nearest yen.

Monthly Hotel Indicators

Oriental Hotel Tokyo Bay

Japan Hotel and Resort, Inc.

Fiscal Year		Year ending August 2011 (FY2011)													
Year	2010	2010	2010	2010	2011	2011	1st Half Total	2011	2011	2011	2011	2011	2011	2nd Half Total	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb		Mar	Apr	May	Jun	Jul	Aug		
Occupancy Rate	97.9%	97.6%	94.8%	90.1%	87.5%	91.1%	93.2%	44.4%	17.9%	53.5%	68.1%	85.8%	99.6%	61.8%	77.3%
ADR (Yen)	15,114	18,124	16,369	18,878	14,091	12,845	15,981	14,156	12,410	13,643	11,529	14,337	22,130	15,738	15,883
RevPAR (Yen)	14,798	17,690	15,521	17,008	12,330	11,706	14,890	6,291	2,217	7,301	7,855	12,294	22,046	9,723	12,284
Total Revenues (Myen)	513	649	612	585	510	462	3,331	262	211	393	382	456	599	2,302	5,634
Rooms							1,489							989	2,478
Food & Beverages							1,585							1,096	2,681
Shops							1							0	1
Tenant							137							128	265
Others							120							89	209
GOP(Myen)							724							247	971

Fiscal Year		Year ended August 2010 (FY2010)													
Year	2009	2009	2009	2009	2010	2010	1st Half Total	2010	2010	2010	2010	2010	2010	2nd Half Total	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb		Mar	Apr	May	Jun	Jul	Aug		
Occupancy Rate	89.7%	93.2%	84.8%	88.1%	76.4%	85.4%	86.3%	91.7%	82.5%	89.4%	91.1%	88.6%	96.2%	89.9%	88.1%
ADR (Yen)	16,608	17,716	17,010	18,262	13,368	11,895	15,955	19,625	14,706	17,685	13,791	15,439	22,103	17,354	16,673
RevPAR (Yen)	14,893	16,518	14,429	16,097	10,208	10,160	13,766	18,003	12,135	15,805	12,558	13,678	21,262	15,610	14,693
Total Revenues (Myen)	439	632	605	597	474	442	3,189	610	486	605	513	501	618	3,333	6,522
Rooms							1,384							1,587	2,971
Food & Beverages							1,552							1,476	3,028
Shops							1							1	2
Tenant							139							141	279
Others							113							128	241
GOP(Myen)							708							805	1,513

Fiscal Year		Year ended August 2010 (YF2010) VS Year ended August 2011(FY2011)													
Month	Sep	Oct	Nov	Dec	Jan	Feb	1st Half Total	Mar	Apr	May	Jun	Jul	Aug	2nd Half Total	Total
Occupancy Rate	8.2%	4.4%	10.0%	1.9%	11.1%	5.7%	6.9%	Δ47.3%	Δ64.6%	Δ35.9%	Δ22.9%	Δ2.8%	3.4%	Δ28.2%	Δ10.8%
ADR (Yen)	Δ 1,494	408	Δ 642	616	723	951	26	Δ 5,469	Δ 2,296	Δ 4,042	Δ 2,262	Δ 1,103	27	Δ 1,616	Δ 790
RevPAR (Yen)	Δ 96	1,172	1,092	911	2,121	1,546	1,124	Δ 11,712	Δ 9,917	Δ 8,504	Δ 4,702	Δ 1,385	784	Δ 5,887	Δ 2,409
Total Revenues (Myen)	73	17	8	Δ12	36	20	142	Δ349	Δ275	Δ212	Δ131	Δ44	Δ19	Δ 1,030	Δ 888
Rooms							104							Δ 598	Δ 494
Food & Beverages							33							Δ 380	Δ 347
Shops							Δ0							Δ 1	Δ 1
Tenant							Δ1							Δ 13	Δ 14
Others							7							Δ 39	Δ 32
GOP(Myen)							16							Δ 558	Δ 542

(Note) Occupancy rate is rounded off to the first decimal place. Revenue is rounded off to the nearest million yen, and ADR & Rev PAR are rounded off to the nearest yen.

Monthly Hotel Indicators

Namba Oriental Hotel

Japan Hotel and Resort, Inc.

Fiscal Year		Year ending August 2011 (FY2011)													
Year	2010	2010	2010	2010	2011	2011	1st Half Total	2011	2011	2011	2011	2011	2011	2nd Half Total	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb		Mar	Apr	May	Jun	Jul	Aug		
Occupancy Rate	82.9%	79.5%	85.5%	84.0%	78.2%	79.4%	81.6%	86.1%	89.8%	89.0%	93.5%	98.4%	92.9%	91.6%	86.7%
ADR (Yen)	9,460	9,902	9,896	10,090	9,496	9,487	9,731	10,751	10,580	10,340	10,170	11,053	10,419	10,558	10,171
RevPAR (Yen)	7,841	7,871	8,464	8,473	7,431	7,530	7,939	9,257	9,503	9,198	9,513	10,878	9,683	9,674	8,814
Total Revenues (Myen)	150	154	156	166	151	140	917	162	161	164	163	179	171	1,000	1,917
Rooms							406							503	909
Food & Beverages							84							67	151
Shops							-							-	-
Tenant							402							402	804
Others							24							28	52
GOP(Myen)							515							544	1,059

Fiscal Year		Year ended August 2010 (FY2010)													
Year	2009	2009	2009	2009	2010	2010	1st Half Total	2010	2010	2010	2010	2010	2010	2nd Half Total	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb		Mar	Apr	May	Jun	Jul	Aug		
Occupancy Rate	72.8%	85.3%	84.0%	84.6%	75.5%	76.6%	79.9%	83.4%	85.8%	80.3%	78.3%	79.6%	88.0%	82.5%	81.2%
ADR (Yen)	9,640	8,555	9,409	9,472	9,025	8,835	9,152	9,812	9,520	10,333	8,953	9,893	10,145	9,788	9,478
RevPAR (Yen)	7,016	7,299	7,908	8,017	6,813	6,769	7,311	8,179	8,164	8,294	7,011	7,874	8,923	8,079	7,698
Total Revenues (Myen)	138	145	148	158	141	136	866	181	151	159	146	155	175	967	1,832
Rooms							374							420	794
Food & Beverages							71							73	144
Shops							-							-	-
Tenant							394							450	844
Others							27							24	50
GOP(Myen)							477							543	1,020

Fiscal Year		Year ended August 2010 (YF2010) VS Year ended August 2011(FY2011)													
Month	Sep	Oct	Nov	Dec	Jan	Feb	1st Half Total	Mar	Apr	May	Jun	Jul	Aug	2nd Half Total	Total
Occupancy Rate	10.1%	Δ5.8%	1.5%	Δ0.7%	2.7%	2.8%	1.7%	2.7%	4.1%	8.7%	15.2%	18.8%	5.0%	9.1%	5.4%
ADR (Yen)	Δ 181	1,347	488	618	472	652	579	939	1,060	7	1,217	1,160	274	770	694
RevPAR (Yen)	826	572	556	456	617	762	629	1,078	1,338	904	2,502	3,004	760	1,594	1,115
Total Revenues (Myen)	12	10	8	8	10	4	51	Δ18	10	4	17	25	Δ4	33	84
Rooms							32							83	115
Food & Beverages							13							Δ 6	7
Shops							-							-	-
Tenant							9							Δ 48	Δ 39
Others							Δ3							4	2
GOP(Myen)							38							1	39

(Note) Occupancy rate is rounded off to the first decimal place. Revenue is rounded off to the nearest million yen, and ADR & Rev PAR are rounded off to the nearest yen.

Monthly Hotel Indicators

Hotel Nikko Alivila

Japan Hotel and Resort, Inc.

Fiscal Year		Year ending August 2011 (FY2011)														
Year	2010	2010	2010	2010	2011	2011	1st Half	2011	2011	2011	2011	2011	2011	2011	2nd Half	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb	Total	Mar	Apr	May	Jun	Jul	Aug	Total		
Occupancy Rate	89.8%	80.9%	57.1%	48.7%	72.2%	74.1%	70.4%	56.2%	65.2%	67.1%	66.5%	85.3%	88.0%	71.5%	70.9%	
ADR (Yen)	25,657	18,594	16,864	22,116	16,253	14,881	19,257	20,862	20,045	23,781	17,714	38,190	53,155	30,914	25,178	
RevPAR (Yen)	23,048	15,042	9,627	10,772	11,729	11,034	13,553	11,731	13,070	15,949	11,781	32,587	46,803	22,091	17,857	
Total Revenues (Myen)	485	387	271	276	317	276	2,012	302	332	380	303	678	899	2,894	4,906	
Rooms							1,071							1,775	2,846	
Food & Beverages							745							860	1,606	
Shops							158							199	358	
Tenant							-							-	-	
Others							37							60	97	
GOP(Myen)							397							1,109	1,506	

Fiscal Year		Year ended August 2010 (FY2010)														
Year	2009	2009	2009	2009	2010	2010	1st Half	2010	2010	2010	2010	2010	2010	2010	2nd Half	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb	Total	Mar	Apr	May	Jun	Jul	Aug	Total		
Occupancy Rate	74.1%	73.9%	57.8%	44.6%	47.1%	74.7%	61.8%	71.3%	80.7%	74.2%	70.7%	80.3%	91.6%	78.2%	70.0%	
ADR (Yen)	30,978	20,485	19,235	24,073	20,106	15,825	21,898	21,139	18,539	23,681	18,342	40,205	54,398	30,563	26,773	
RevPAR (Yen)	22,944	15,148	11,125	10,734	9,465	11,829	13,531	15,073	14,955	17,580	12,975	32,295	49,838	23,893	18,754	
Total Revenues (Myen)	459	384	303	266	244	291	1,947	382	384	418	316	644	943	3,086	5,033	
Rooms							1,069							1,917	2,987	
Food & Beverages							687							882	1,569	
Shops							147							219	367	
Tenant							-							-	-	
Others							43							68	111	
GOP(Myen)							395							1,256	1,650	

Fiscal Year		Year ended August 2010 (YF2010) VS Year ended August 2011(FY2011)														
Month	Sep	Oct	Nov	Dec	Jan	Feb	1st Half	Mar	Apr	May	Jun	Jul	Aug	2nd Half	Total	
Occupancy Rate	15.8%	6.9%	Δ0.7%	4.1%	25.1%	Δ0.6%	8.6%	Δ15.1%	Δ15.5%	Δ7.2%	Δ4.2%	5.0%	Δ3.6%	Δ6.7%	0.9%	
ADR (Yen)	Δ 5,321	Δ 1,891	Δ 2,371	Δ 1,956	Δ 3,854	Δ 944	Δ 2,641	Δ 277	1,506	100	Δ 627	Δ 2,014	Δ 1,243	351	Δ 1,595	
RevPAR (Yen)	104	Δ 106	Δ 1,498	37	2,264	Δ 795	22	Δ 3,342	Δ 1,885	Δ 1,631	Δ 1,194	292	Δ 3,035	Δ 1,802	Δ 897	
Total Revenues (Myen)	26	3	Δ32	10	73	Δ15	65	Δ79	Δ53	Δ37	Δ13	34	Δ43	Δ 192	Δ 127	
Rooms							2							Δ 143	Δ 141	
Food & Beverages							59							Δ 22	37	
Shops							11							Δ 20	Δ 9	
Tenant							-							-	-	
Others							Δ6							Δ 8	Δ 14	
GOP(Myen)							2							Δ 146	Δ 145	

(Note) Occupancy rate is rounded off to the first decimal place. Revenue is rounded off to the nearest million yen, and ADR & Rev PAR are rounded off to the nearest yen.

Monthly Hotel Indicators

Oriental Hotel Hiroshima

Japan Hotel and Resort, Inc.

Fiscal Year		Year ending August 2011 (FY2011)													
Year	2010	2010	2010	2010	2011	2011	1st Half Total	2011	2011	2011	2011	2011	2011	2nd Half Total	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb		Mar	Apr	May	Jun	Jul	Aug		
Occupancy Rate	70.0%	74.1%	74.3%	65.9%	57.5%	61.0%	67.2%	60.8%	53.0%	65.1%	60.1%	63.1%	75.3%	63.0%	65.1%
ADR (Yen)	8,777	8,873	8,920	8,894	8,297	8,577	8,743	8,783	8,597	8,802	7,626	8,461	9,170	8,604	8,675
RevPAR (Yen)	6,148	6,577	6,631	5,865	4,768	5,235	5,875	5,337	4,560	5,727	4,581	5,340	6,904	5,417	5,644
Total Revenues (Myen)	159	188	178	204	116	153	999	170	154	172	139	159	123	917	1,916
Rooms							266							249	515
Food & Beverages							689							632	1,321
Shops							-							-	-
Tenant							12							12	24
Others							33							24	57
GOP(Myen)							148							131	279

Fiscal Year		Year ended August 2010 (FY2010)													
Year	2009	2009	2009	2009	2010	2010	1st Half Total	2010	2010	2010	2010	2010	2010	2nd Half Total	Total
Month	Sep	Oct	Nov	Dec	Jan	Feb		Mar	Apr	May	Jun	Jul	Aug		
Occupancy Rate	77.0%	72.6%	78.5%	69.3%	59.3%	64.2%	70.2%	73.0%	69.6%	70.0%	63.0%	74.3%	85.0%	72.6%	71.4%
ADR (Yen)	9,465	8,985	9,161	8,691	8,455	8,475	8,906	8,627	8,295	9,726	8,194	9,023	9,812	8,994	8,951
RevPAR (Yen)	7,287	6,524	7,190	6,024	5,014	5,439	6,249	6,296	5,776	6,809	5,163	6,708	8,335	6,526	6,388
Total Revenues (Myen)	165	197	216	195	131	163	1,066	193	188	170	164	176	153	1,044	2,110
Rooms							282							300	582
Food & Beverages							751							709	1,460
Shops							-							-	-
Tenant							12							12	24
Others							21							24	44
GOP(Myen)							177							164	340

Fiscal Year		Year ended August 2010 (YF2010) VS Year ended August 2011 (FY2011)													
Month	Sep	Oct	Nov	Dec	Jan	Feb	1st Half Total	Mar	Apr	May	Jun	Jul	Aug	2nd Half Total	Total
Occupancy Rate	△6.9%	1.5%	△4.1%	△3.4%	△1.8%	△3.1%	△3.0%	△12.2%	△16.6%	△4.9%	△2.9%	△11.2%	△9.7%	△9.6%	△6.3%
ADR (Yen)	△ 687	△ 112	△ 241	203	△ 158	102	△ 163	156	303	△ 925	△ 568	△ 562	△ 642	△ 390	△ 276
RevPAR (Yen)	△ 1,139	53	△ 559	△ 159	△ 246	△ 204	△ 373	△ 959	△ 1,216	△ 1,081	△ 582	△ 1,369	△ 1,431	△ 1,109	△ 744
Total Revenues (Myen)	△6	△9	△39	10	△15	△9	△67	△24	△34	2	△25	△17	△29	△127	△194
Rooms							△17							△51	△68
Food & Beverages							△63							△77	△139
Shops							-							-	-
Tenant							0							0	0
Others							12							1	13
GOP(Myen)							△29							△32	△61

(Note) Occupancy rate is rounded off to the first decimal place. Revenue is rounded off to the nearest million yen, and ADR & Rev PAR are rounded off to the nearest yen.

Rent Revenues and Expenses

(Amount: thousand yen) Japan Hotel and Resort, Inc.

Term	Kobe Meriken Park Oriental Hotel			Oriental Hotel Tokyo Bay			Namba Oriental Hotel			Hotel Nikko Alivila			Nara Washington Hotel Plaza (Note1)		
	FY2010	FY2011	Var.	FY2010	FY2011	Var.	FY2010	FY2011	Var.	FY2010	FY2011	Var.	FY2010	FY2011	Var.
Operating Days	365	365	0	365	365	0	365	365	0	365	365	0	365	365	0
Acq. Price	11,400,000			19,400,000			16,700,000			19,700,000			1,800,000		
Total Rent Revenues ①	1,090,530	916,927	△ 173,602	1,230,014	1,008,404	△ 221,610	958,344	916,342	△ 42,001	1,392,148	1,255,014	△ 137,134	154,000	154,000	0
Fixed Rent Revenues	576,645	576,645	-	666,302	666,302	-	799,960	799,960	-	957,093	957,093	-	152,000	152,000	-
Variable Rent Revenues	512,915	339,312	△ 173,602	563,712	342,102	△ 221,610	158,384	116,382	△ 42,001	435,055	297,921	△ 137,134	-	-	-
Other Revenues	969	969	-	-	-	-	-	-	-	-	-	-	1,000	1,000	0
Total Rent Expenses ②	781,898	789,166	7,267	666,147	639,147	△ 26,999	272,001	279,381	7,379	565,742	560,283	△ 5,458	64,000	64,000	0
Insurance	4,726	4,230	△ 496	5,746	5,074	△ 671	2,659	2,371	△ 287	4,430	3,922	△ 508	1,000	0	0
Land Lease Payment	241,877	241,877	-	-	-	-	-	-	-	19,999	19,999	-	-	-	-
Other Lease Payment	34,410	32,408	△ 2,002	-	-	-	-	-	-	64,149	64,149	-	-	-	-
Building Maintenance Fee	960	960	-	960	960	-	960	960	-	1,920	1,920	-	3,000	3,000	-
Trust Fee	2,916	2,850	△ 66	2,916	2,850	△ 66	2,916	2,850	△ 66	4,633	4,100	△ 533	1,000	1,000	0
Property Tax	69,136	68,274	△ 862	128,731	124,523	△ 4,207	101,801	103,162	1,360	72,467	71,702	△ 764	13,000	13,000	0
Depreciation ③	426,164	426,133	△ 31	490,551	490,578	26	162,200	167,899	5,699	395,810	391,180	△ 4,629	42,000	42,000	0
Loss from Disposal of Fixed Assets ④	-	9,130	9,130	31,570	13,014	△ 18,556	628	283	△ 345	230	1,308	1,077	-	-	-
Other Expenses	1,705	3,302	1,596	5,670	2,146	△ 3,523	834	1,854	1,019	2,100	2,000	△ 99	1,000	2,000	0
Operating Profit ⑤ (=①-②)	308,631	127,760	△ 180,870	563,867	369,256	△ 194,611	686,342	636,961	△ 49,381	826,405	694,730	△ 131,675	90,000	90,000	0
NOI ⑥ (=③+④+⑤)	734,795	563,023	△ 171,771	1,085,990	872,849	△ 213,140	849,171	805,144	△ 44,027	1,222,447	1,087,219	△ 135,227	132,000	132,000	0
NOI % (Annualized ⑥/ Acq. Price)	6.45%	4.94%	△ 1.51%	5.60%	4.50%	△ 1.10%	5.08%	4.82%	△ 0.26%	6.21%	5.52%	△ 0.69%	7.38%	7.39%	0.01%

(Note 1) The lessees of Nara Washington Hotel Plaza, Hakata Nakasu Washington Hotel Plaza and Daiwa Roynet Hotel Akita did not agree to disclose rents in thousand yen. Thus, the figures of those hotels are rounded down to the nearest million yen.

Rent Revenues and Expenses

(Amount: thousand yen) Japan Hotel and Resort, Inc.

Term	Hakata Nakasu Washington Hotel Plaza (Note1)			Daiwa Roynet Hotel Akita (Note1)			Oriental Hotel Hiroshima			Hakone Gora Onsen, Tokinoyu, Setsugetsuka			Total		
	FY2010	FY2011	Var.	FY2010	FY2011	Var.	FY2010	FY2011	Var.	FY2010	FY2011	Var.	FY2010	FY2011	Var.
Operating Days	365	365	0	365	365	0	365	365	0	-	161	161	365	365	0
Acq. Price	3,880,000			2,278,000			9,900,000			4,059,000			89,117,000		
Total Rent Revenues ①	259,000	260,000	0	138,000	138,000	-	403,413	337,355	△ 66,057	-	128,975	128,975	5,626,759	5,115,758	△511,001
Fixed Rent Revenues	259,000	259,000	-	138,000	138,000	-	221,004	221,004	-	-	128,971	128,971	3,771,640	3,900,611	128,971
Variable Rent Revenues	-	-	-	-	-	-	182,409	116,351	△ 66,057	-	-	-	1,852,476	1,212,070	△640,406
Other Revenues	-	0	0	-	-	-	-	-	-	-	4	4	2,642	3,076	433
Total Rent Expenses ②	71,000	74,000	2,000	76,000	72,000	△ 3,000	216,096	219,147	3,050	-	40,652	40,652	2,714,390	2,738,686	24,295
Insurance	1,000	0	0	1,000	0	0	2,538	2,255	△ 283	-	415	415	23,311	21,161	△ 2,150
Land Lease Payment	-	-	-	-	-	-	-	-	-	-	-	-	261,876	261,876	-
Other Lease Payment	-	-	-	-	-	-	-	-	-	-	-	-	98,560	96,558	△ 2,002
Building Maintenance Fee	3,000	3,000	-	3,000	4,000	0	960	960	-	-	-	-	16,186	17,158	972
Trust Fee	1,000	1,000	0	-	-	-	2,916	2,850	△ 66	-	349	349	19,566	17,949	△ 1,616
Property Tax	15,000	14,000	0	14,000	9,000	△ 4,000	48,772	48,270	△ 501	-	-	-	464,384	454,183	△ 10,200
Depreciation ③	49,000	51,000	1,000	56,000	56,000	0	159,617	161,214	1,596	-	39,638	39,638	1,782,513	1,826,995	44,482
Loss from Disposal of Fixed Assets ④	-	-	-	-	-	-	-	2,077	2,077	-	-	-	32,430	25,813	△ 6,616
Other Expenses	1,000	3,000	1,000	0	0	0	1,290	1,518	227	-	157	157	15,560	16,986	1,426
Operating Profit ⑤ (=①-②)	187,000	185,000	△ 1,000	61,000	65,000	3,000	187,316	118,208	△69,107	-	88,413	88,413	2,912,369	2,377,072	△535,296
NOI ⑥ (=③+④+⑤)	236,000	237,000	0	118,000	122,000	3,000	346,934	281,500	△65,433	-	128,051	128,051	4,727,312	4,229,881	△497,430
NOI % (Annualized ⑥/ Acq. Price)	6.11%	6.11%	△0.00%	5.19%	5.36%	0.17%	3.50%	2.84%	△0.66%	-	3.15%	3.15%	5.56%	4.75%	△0.81%

(Note 1) The lessees of Nara Washington Hotel Plaza, Hakata Nakasu Washington Hotel Plaza and Daiwa Roynet Hotel Akita did not agree to disclose rents in thousand yen. Thus, the figures of those hotels are rounded down to the nearest million yen.

$$\text{ADR (Average Daily Rate)} \times \text{Occupancy Rate} = \text{Rev PAR (Revenue Per Available Room)}$$

■ Total room revenues during a certain period (excl. service charge) / Total rooms sold during the same period

■ Total rooms sold during a certain period / Total number of available rooms during the same period

■ Total room revenues during a certain period / Total number of available rooms during the same period

$$\text{GOP (Gross Operating Profit)}$$

$$= \text{Total departmental (Note1) profit} - \text{Unallocated expenses}$$

(Note1) Rooms, food & beverages, shops, tenants and others

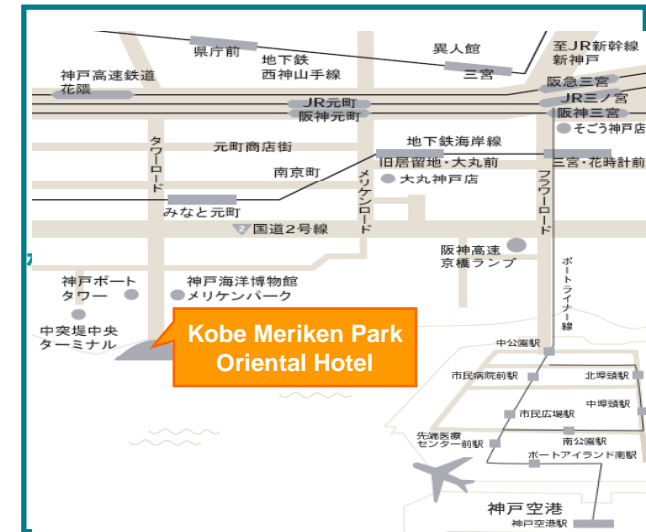


: Commonly used performance indicators for hotels

Appendix D Description of Hotels

Kobe Meriken Park Oriental Hotel

Japan Hotel and Resort, Inc.



Overview

- Located on the center of Kobe and about 1.5km southwest of Sannomiya
 - Located on the pier of Meriken Park and surrounded by harbor and commercial facilities, serving demand for the urban resort experience
- With 319 rooms, a variety of restaurants and banquet facilities that can be used for weddings
- All rooms have a balcony. There is an independent seaside chapel outside. The structure of the property is ideal for an urban resort

Growth Story

- The highly unique location and the impressive exterior make this a landmark of Kobe. The hotel is utilizing these strengths to establish a unique market position that is not swayed by its competition.
- To this end the hotel is strengthening its brand power, building its competitiveness in each segment, and improving the overall performance of the hotel, based on the hotel concept of “a resort hotel in Kobe that you will want to visit again and again to get away from your daily life and refresh yourself” that it established in the repositioning project.
- In particular in the room segment, it will strengthen its marketing structures and switch to more efficient operation, to ensure stable income for the entire hotel.

Asset Overview

Appraisal Value as of Aug 31, 2011		¥ 11.4 bn
Form of Ownership	Land	Lease
	Building	Condo Ownership
Land	Location	Chuo-ku, Kobe
	Size	22,660.09m ²
Building	Structure/Floor	S/ 14 floors
	Year Built	July, 1995
	Total Floor Space	31,899.07m ²
Hotel Lessee	K.K. Hotel Management Japan	
Operator	Abilitas Hospitality Co., Ltd.	
PML		11.6%

Oriental Hotel Tokyo Bay

Japan Hotel and Resort, Inc.



Overview

- Partner hotel of Tokyo Disney Resort (TDR), directly linked to JR Shin-Urayasu Station by a pedestrian deck
- Urban hotel with 503 rooms. There are also dining and banquet facilities that can be used for weddings
- Unique structure including a chapel in the hotel atrium
- The Baby's Sweet concept guest rooms designed for families with babies are particularly popular, and along with the 12th floor guest rooms that we renovated in the 5th term(FY2010) (the Kiddy Sweets), the hotel won the Kids Design Award for the first time as a hotel facility.

Growth Story

- The hotel has been proceeding with initiatives in repositioning and rebranding since 2005. The results are notable, and the indicators for competitiveness are steadily improving.
- As a part of its repositioning and rebranding initiatives in the 5th term(FY2010), it renovated some guest rooms to convert them into guest rooms for families with infant children (the Kiddy Sweets), in order to improve the customer life time value.
- Moreover, it is strengthening its marketing and raising the level of its services, as it aims to maximize the overall performance of the hotel.

Asset Overview

Appraisal Value as of Aug 31, 2011		¥ 20.7 bn
Form of Ownership	Land	Owned
	Building	Owned
Land	Location	Urayasu-city, Chiba
	Size	9,914.00m ²
Building	Structure/Floor	SRC-S-RC/ 12 floors and 2 basement floors
	Year Built	May, 1995
	Total Floor Space	44,833.11m ²
Hotel Lessee	K.K. Hotel Management Japan	
Operator	Abilitas Hospitality Co., Ltd.	
PML		14.2%

Namba Oriental Hotel

Japan Hotel and Resort, Inc.



Overview

- Located in the Namba area, one of the major downtown areas in Osaka
- Arcade in the Sennichimae shopping district and many restaurants and amusement facilities in the surrounding area
- Osaka attractions, Shinsaibashi and Dotonbori, are within walking distance
- All 257 rooms have double or twin beds. The rooms are larger than those of standard economy hotels
- Many tenant facilities besides guestrooms

Growth Story

- The hotel possesses the strength of attracting not only business customers, but also inbound and other leisure customers.
- In order to take full advantage of this strength the hotel will take the opportunity provided by the guest room renovations it implemented in the 5th term(FY2010) to expand sales channels, bring in leisure demand which is expected to continue growing in the future, and make itself a key revenue source.
- The restaurants are gaining more attention with their menus conscious of local production and consumption. In the future, the customer appeal will be continuously strengthened with the introduction of new products, etc.

Asset Overview

Appraisal Value as of Aug 31, 2011		¥15.0 bn
Form of Ownership	Land	Owned
	Building	Owned
Land	Location	Chuo-ku, Osaka
	Size	4,505.23m ²
Building	Structure/Floor	S-SRC/ 9 floors and 1 basement floor
	Year Built	March, 1996
	Total Floor Space	19,364.33m ²
Hotel Lessee	K.K. Hotel Management Japan	
Operator	Abilitas Hospitality Co., Ltd.	
PML		13.4%

Hotel Nikko Alivila

Japan Hotel and Resort, Inc.



Overview

- Located on the west-side of the Onna-son area in Okinawa
- Not contiguous to a highway; the surrounding area is quiet and provides exclusivity
- A variety of dining facilities and a banquet hall that can be used for weddings
- Beach can be viewed from all 396 rooms

Growth Story

- This hotel is widely popular as an A-class resort in Okinawa, Japan's most famous resort area.
- The hotel is enhancing its service aspects while also enhancing the safety and comfort of the facility, in order to establish a position as the only hotel in Okinawa that is of the highest quality.
- In "soft" aspects, the hotel is differentiating itself from its competitors by being responding to travel needs of time-enjoying expenditures. Examples include enhancing its "edutainment" program in which participants can experience the bountiful nature of Yomitan-son and local culture.

Asset Overview

Appraisal Value as of Aug 31, 2011		¥19.3bn
Form of Ownership	Land	Owned/ Lease
	Building	Owned
Land	Location	Yomitan-son, Nakagami-gun, Okinawa
	Size	67,038.05m ²
Building	Structure/ Floor	SRC-S-RC / 10 floors and 1 basement floor
	Year Built	April, 1994
	Total Floor Space	38,024.98m ²
Hotel Lessee		K.K. Hotel Management Japan
Operator		JAL Hotels Co., Ltd
PML		7.3%

Oriental Hotel Hiroshima

Japan Hotel and Resort, Inc.



Asset Overview

Appraisal Value as of Aug 31, 2011		¥ 7.2bn
Form of Ownership	Land	Owned
	Building	Owned
Land	Location	Hiroshima-city, Hiroshima
	Size	1,792.84m ²
Building	Structure/Floor	SRC/23 floors and 2 basement floors
	Year Built	September, 1993
	Total Floor Space	13,752.22m ²
Hotel Lessee	K.K. Hotel Management Japan	
Operator	Abilitas Hospitality Co., Ltd.	
PML		10.7%

Overview

- Located on Heiwa Odori, the main street in Hiroshima
- Rebranding from Hiroshima Washington Hotel in October 2006
- Acquired on October 1, 2007
- Converted into a stylish urban hotel by a famous designer
- Became a member of the Preferred Hotel Group in FY2010. The hotel becomes the first hotel in Japan to be selected for the "Sterling Design" category of hotel.

Growth Story

- The hotel is promoting its "cultural strategy" with a concept for the hotel that goes beyond having a role as merely a hotel to becoming a space that transmits the culture of Hiroshima and therefore a place where people who seek top quality art, design, music, and cuisine gather.
- The hotel will aim to further deepen its cultural strategy, and will strive to expand its customer segments through the strengthening of its operational base.
- In addition, taking full advantage of the strength of having two world heritage sites in the prefecture, it is focusing its efforts on bringing in foreign tourist demand by expanding its sales channels, etc.

Nara Washington Hotel Plaza

Japan Hotel and Resort, Inc.

- Located in international tourist site “Nara”, the surrounding area is a downtown area
- Relatively new facilities compared with competitors
- Operated by the Washington Hotel



Asset Overview		
Appraisal Value as of Aug 31, 2011		¥ 2.0bn
Form of Ownership	Land	Owned
	Building	Owned
Land	Location	Nara-city. Nara
	Size	2,322.28m ²
Building	Structure/ Floor	S/ 7 floors
	Year Built	March, 2000
	Total Floor Space	5,385.82m ²
Hotel Lessee	Washington Hotel Corporation	
PML		13.7%

Hakata Nakasu Washington Hotel Plaza

Japan Hotel and Resort, Inc.

- Located in “Fukuoka” where demand is being created for both business and leisure
- Located in “Nakasu”, one of Kyushu’s most thriving areas
- Operated by the Washington Hotel



Asset Overview		
Appraisal Value as of Aug 31, 2011		¥ 3.7bn
Form of Ownership	Land	Owned
	Building	Owned
Land	Location	Hakata-ku, Fukuoka
	Size	1,128.46m ²
Building	Structure/ Floor	S/ 12floors
	Year Built	March, 1995
	Total Floor Space	5,692.24m ²
Hotel Lessee	Washington Hotel Corporation	
PML		8.2%

Daiwa Roynet Hotel Akita

Japan Hotel and Resort, Inc.

- Business demand in Akita
- Close to Kawabata-dori, the largest downtown in Akita
- Operated by Daiwa Royal, which runs series of Roynet Hotels
- New building built in June 2006



Asset Overview		
Appraisal Value as of Aug 31, 2011		¥ 1.9bn
Form of Ownership	Land	Owned
	Building	Owned
Land	Location	Akita-city, Akita
	Size	1,540.15m ²
Building	Structure/Floor	S/ 14 floors
	Year Built	June, 2006
	Total Floor Space	7,539.52m ²
Hotel Lessee		Daiwa Royal Co., Ltd
PML		6.4%

Hakone Gora Onsen, Tokinoyu, Setsugetsuka

Japan Hotel and Resort, Inc.



- Located in Hakone Town, which is very accessible from the Tokyo Metropolitan Area
- Recently-built hotel completed in October 2006 and opened in November 2006
- It is a highly competitive facility which in addition to the hot spring bathhouses and private open-air bathing facilities, is also equipped with open-air baths in each of the guest rooms
- Lump-sum lease to Kyoritsu Maintenance Co., Ltd.

Asset Overview

Appraisal Value as of Aug 31, 2011		¥4.0bn
Form of ownership	Land	Owned
	Building	Owned
Land	Location	Hakone-machi, Ashigarashimo-gun, Kanagawa-ken
	Size	10,478.89m ²
Building	Structure/floor	RC/5 floors and 1 basement floor
	Year Built	October 2006
	Total Floor Space	10,655.03m ²
Hotel Lessee	Kyoritsu Maintenance Co., Ltd.	
PML		14.4%

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Financial product trading company

Director of Kanto Finance Bureau (Financial Product) No. 333

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