

**Provisional Translation Only**

**This English translation of the Japanese original is provided solely for information purposes. In the event that there is any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.**

April 21, 2009

REIT Issuer:

Japan Hotel and Resort, Inc. (TSE code: 8981)  
Hiroyuki Suzui, Executive Director

Asset Management Company:

Japan Hotel & Resort K.K.  
Hiroyuki Suzui, Chief Executive Officer

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Notice regarding a change of rating

We hereby provide notice of a change of rating for Japan Hotel and Resort, Inc. (hereinafter “JHR”) according to the press release issued by Moody’s Investors Service on April 21, 2009 as follows:

1. Details of the Change of Rating

(Before)

Rating Agency	Type of Rating	Rating
Moody’s	Issuer Rating	Baa2 (Rating Outlook : –) (Note)

(Note) Under review for possible downgrade

(After)

Rating Agency	Type of Rating	Rating
Moody’s	Issuer Rating	Baa3 (Rating Outlook : Stable)

2. Reasons:

The press release from Moody’s contains the following statement. “The downgrade reflects Moody’s concerns that alleviating the company’s asset concentration may take some time, as Moody’s initially expected, and that JHR’s cash flows will remain vulnerable to the economic downturn. The rating also takes into account that JHR’s unsecured debt is subordinated to its loans. Moody’s issuer ratings are opinions of an entity’s ability to honor senior unsecured financial obligations and contracts.”

Please refer to the Moody’s website for details. <http://www.moodys.co.jp/>

- \* The Japanese original was distributed to the press clubs in the Tokyo Stock Exchange, Ministry of Land, Infrastructure and Transport.
- \* Japan Hotel and Resort, Inc. website: <http://www.jhrth.com/>