

**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.**

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REIT Issuer:

Japan Hotel and Resort, Inc. (TSE code: 8981)  
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Notice regarding Determination of Interest Rate

Japan Hotel and Resort, Inc. (hereinafter the “JHR”) hereby provides notice that the interest rate of Facility B for the applicable period has been determined as follows.

Term	Facility	Lender	Balance (Million Yen)	Maturity Date	Applicable Period	Interest Rate (Annual Rate)	Remarks
Mid-term	B	Sumitomo Mitsui Banking Corporation	12,753	November 15, 2012	May 15, 2009 – November 13, 2009	1.14636%	Secured
		Mizuho Bank Ltd.					
		The Norinchukin Bank					

(Note ) The figures are rounded down to the nearest million yen.

【For Reference】

Status of interest-bearing debt

Term (Note 1)	Facility	Lender	Balance (Million Yen) (Note 2)	Interest Rate	Applicable Period	Maturity Date	Means of Hedging	Payment Method	Remarks
Mid-term	B	Sumitomo Mitsui Banking Corporation	12,753	1.14636% (Note 3)	May 15, 2009 – November 13, 2009	November 15, 2012	Interest rate swap (Note 4)	Lump- sum payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							
Mid-term	D	Sumitomo Mitsui Banking Corporation	19,000	1.98167%	February 13, 2009 – August 14, 2009	February 15, 2011	Spread-type interest rate cap (Note 5)	Lump- sum payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							
Mid-term	E	Sumitomo Mitsui Banking Corporation	4,200	2.14917%	March 24, 2009 – September 24, 2009	March 23, 2012	—	Lump- sum payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							
Mid-term	F	Sumitomo Mitsui Banking Corporation	1,500	1.84917%	March 24, 2009 – September 24, 2009	March 23, 2012	—	Amortization payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							

(Note 1) Short-term: shorter than one year, Mid-term: one to five years, Long-term: five years or longer.

(Note 2) The figures are rounded down to the nearest million yen.

(Note 3) The interest rate is the interest rate (annual rate) of the variable interest rate. Since November 16, 2007, the interest rate fixed by interest rate swaps has been 1.9085% because of the conclusion of the interest rate swap contract (fixed interest rate: 1.4585%)

(Note 4) The interest rate swap is to be applied with the aforementioned Facility B as the hedged item.

(Note 5) The spread-type interest rate caps purchased on June 23, 2006 are to be applied on an ongoing basis with the aforementioned Facility D as the hedged item.

\* Japan Hotel and Resort, Inc. Website : <http://www.jhrth.com/>