

Provisional Translation Only

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Reference: Notice regarding the Initiative by the Hotels in the Kobe and Osaka Area

Two hotels owned by Japan Hotel and Resort, Inc. (hereinafter “JHR”), the Kobe Meriken Park Oriental Hotel and the Namba Oriental Hotel (hereinafter “the two Kansai hotels”), are implementing a “Revival Campaign” jointly with the hotel operator Archon Hospitality K.K. and the two other group hotels operated by Archon Hospitality K.K., with the aim of adding as much vitality and vigor as possible to the economies of Kobe and Osaka, which are in a severe recession due to the swine influenza outbreak. JHR believes that this initiative by these hotels will contribute to revitalizing the regional economies, so we have made this announcement for your reference only.

Note that due to the impact of the influenza outbreak there have been cancellations and postponements, etc., primarily in the room and general banquet segments. We will announce the cost of this impact and related information separately through upcoming monthly disclosures, etc.

Please refer to the following websites for details.

- * Archon Hospitality K.K.: <http://www.archonhospitalityasia.com/>
- * Kobe Meriken Park Oriental Hotel: <http://www.kobe-orientalhotel.co.jp/>
- * Namba Oriental Hotel: <http://www.nambaorientalhotel.co.jp/>

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