

**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.**

July 6, 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 Outlook

Japan Hotel and Resort, Inc. (hereinafter “JHR”) hereby provides notice that Rating and Investment Information, Inc. (hereinafter “R&I”) has changed the issuer rating outlook of JHR to Negative from Stable today following the Notice Regarding Revisions to the Forecast of Business Performance for the Fiscal Year ending August 31, 2009 issued by JHR on July 3, 2009 as follows. Please inquire to R&I for details about the definitions of ratings.

Rating Agency	Type of Rating	Rating	Rating Outlook
R&I	Issuer Rating	A	Stable → Negative

Please refer to the R&I’s website for details: <http://www.r-i.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/>