

Provisional Translation Only

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Notice regarding Introduction of Investor Benefit Program

Japan Hotel and Resort, Inc. (hereinafter the “JHR”) hereby provides notice that today JHR has decided to introduce an investor benefit program as follows.

1. Objectives of the Introduction of an Investor Benefit Program

JHR is introducing this investor benefit program (hereinafter “the Benefit Program”) with the objectives of improving the satisfaction of JHR’s current investors and attracting potential investors.

2. Outline of the Investor Benefit Program

- (1) Eligible investors
Investors recorded in the Register of Investors as of the last day of each of JHR’s interim financial periods (the last day of February) shall be eligible, with each investor eligible for the Benefit Program regardless of the number of investment units the investor owns.
- (2) Details of benefits
JHR will distribute five room discount coupons offering a 50% discount on the list price and five restaurant discount coupons offering a 20% discount on the list price to each investor.
- (3) Eligible hotels
The hotels that can use the discount coupons are the five hotels owned by JHR and leased to K.K. Hotel Management Japan (hereinafter the “Lessee”): Kobe Meriken Park Oriental Hotel, Oriental Hotel Tokyo Bay, Namba Oriental Hotel, Hotel Nikko Alivila and Oriental Hotel Hiroshima.
- (4) Expected Issuing Time and Validity Period of the Discount Coupons
 - Expected Issuing time:

JHR plans to issue the discount coupons in late May each year.
 (JHR plans to issue the first discount coupons in late May 2010, to investors recorded in the Register of Investors as of the last day of February 2010)

- Validity period:
 The one year period from June 1 of the year of issuance of the discount coupon to May 31 of the following year. (Note 1)

3. Payment of Costs

JHR and the Lessee have reached an agreement to the effect that JHR will pay the operating costs of the program (the cost of printing and posting the discount coupons, etc.) and the Lessee will bear the nominal cost of the discounts. Not that the Lessee is classified as a party with an potential conflict of interest in the asset management company, the prescribed approvals for a transaction with the party as stipulated in the in-house rules of the asset management company, "Regulations on Transactions Involving a Potential Conflict of Interest," were obtained.

4. Future Outlook

JHR will make an announcement regarding the impact of the Benefit Program on business performance, including our forecast for business performance in the fiscal year ending August 31, 2010, at the time of the announcement of the financial results for the fiscal year ending August 31, 2009 (planned for October 22, 2009). Furthermore, there is no change to the business performance of JHR in the fiscal year ending August 31, 2009 because that already takes into account the impact of the Benefit Program.

(Note 1) JHR plans to establish Golden Week, the summer holiday period, Christmas, the New Year holiday period and any days which are expected to have high occupancy rates, etc. as periods to which these benefits do not apply. The periods to which these benefits do not apply may differ for each eligible hotel.

(Note 2) The details of the operating rules of this benefit program will be announced at a later date, as soon as they have been decided.

(Note 3) The implementation, details, etc. of this benefit program may change at a later date.

*The Japanese original was distributed to the prescribers in the Tokyo Stock Exchange, Ministry of Land, Infrastructure and Transport.

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