

**Provisional Translation Only**

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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	November 13, 2009– May 14, 2010	1.08545%	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 (Note1)	Facility	Lender	Balance (Million Yen) (Note2)	Interest Rate	Applicable Period	Maturity Date	Means of Hedging	Payment Method	Remarks
Mid-term	B	SumitomoMitsui BankingCorporation	12,753	1.08545% (Note3)	November 13,2009– May14,2010	November 15,2012	Interestrateswap (Note4)	Lump-sumpayment	Secured
		MizuhoBankLtd.							
		TheNorinchukin Bank							
Mid-term	D	SumitomoMitsui BankingCorporation	19,000	1.86455%	August 14, 2009– February 15, 2010,	February 15,2011	Spread-type interestrateswap cap (Note5)	Lump-sumpayment	Secured
		MizuhoBankLtd.							
		TheNorinchukin Bank							
Mid-term	E	SumitomoMitsui BankingCorporation	4,200	2.05273%	September24, 2009–March 24,2010	March24, 2012	—	Lump-sumpayment	Secured
		MizuhoBankLtd.							
		TheNorinchukin Bank							
Mid-term	F	SumitomoMitsui BankingCorporation	1,250	1.75273%	September24, 2009–March 24,2010	March24, 2012	—	Amortization payment	Secured
		MizuhoBankLtd.							
		TheNorinchukin Bank							

(Note1) Mid-term:onetofiveyears

(Note2) Thefiguresareroundeddowntothenearestmillionyen.

(Note3) Theinterestrateistheinterestrate(annualrate)ofthevariableinterestrate.SinceNovember16,2007,theinterestratefixedbyinterestrateswapshasbeen1.9085%becauseoftheconclusionoftheinterestrateswapcontract(fixedinterestrate:1.4585%)

(Note4) TheinterestrateswapistobeappliedwiththeaforementionedFacilityBasthehedgeditem.

(Note5) The spread-type interest rate caps purchased on June 23, 2006 are to be applied on an ongoing basis with the aforementionedFacilityDasthehedgeditem.

\*JapanHotelandResort,Inc.Website : <http://www.jhrth.com/>