

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.

February 10, 2010

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

Inquiries:

Noboru Itabashi

Director, Operations Division

Tel: +81-3-6439-0333

Notice regarding Determination of Interest Rate

Japan Hotel and Resort, Inc., (hereinafter the “JHR”) hereby provides notice that the interest rate of Facility D 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	D	Sumitomo Mitsui Banking Corporation	19,000	February 15, 2011	February 15, 2010– August 13, 2010	1.75727%	Secured
		Mizuho Bank Ltd.					
		The Norinchukin Bank					

【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	Sumitomo Mitsui Banking Corporation	12,753	1.08545% (Note3)	November 13, 2009 — May 14, 2010	November 15, 2012	Interest rate swap (Note4)	Lump- sum payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							
Mid-term	D	Sumitomo Mitsui Banking Corporation	19,000	1.75727%	February 15, 2010— August 13, 2010	February 15, 2011	Spread-type interest rate cap (Note5)	Lump- sum payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							
Mid-term	E	Sumitomo Mitsui Banking Corporation	4,200	2.05273%	September 24, 2009—March 24, 2010	March 24, 2012	—	Lump- sum payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							
Mid-term	F	Sumitomo Mitsui Banking Corporation	1,250	1.75273%	September 24, 2009—March 24, 2010	March 24, 2012	—	Amortization payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							

(Note1) Mid-term: one to five years,

(Note2) The figures are rounded down to the nearest million yen.

(Note3) 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 swap has been 1.9085% because of the conclusion of the interest rate swap contract (fixed interest rate: 1.4585%).

(Note4) The interest rate swap is to be applied with the aforementioned Facility B as the hedged item.

(Note5) 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/>