

Provisional Translation Only

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REIT Issuer:

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Notice regarding Room Renovation in Oriental Hotel Tokyo Bay

Japan Hotel and Resort, Inc. (hereinafter the “JHR”) hereby provides notice that JHR has carried out the following renovation work in Oriental Hotel Tokyo Bay, one of the assets JHR manages, and opened the renovated area to the public on March 15, 2010.

1. Outline of the Work

Address	1-8-2 Mihama, Urayasu-shi, Chiba 279-0011, Japan	
Details of the work	<p>JHR renovated the interiors and the facilities in the 48 guest rooms on the twelfth floor and the Baby Care Room, on the eleventh floor, and renovated 3 guest rooms on the twelfth floor in order to convert them into the kids' playroom.</p> <p>We took care to maintain the image created by the overall design concept of the hotel, “Provence in southern France,” and added a number of features enabling infant children to be safe, secure and hygienic in the hotel, including cork floors that the children can walk on barefoot, low beds. In addition, we put large, comfortable sofas in the rooms in order to create a space in which mothers also can relax and have a special time at the hotel.</p>	
	Before	After
		
	(Room)	(Room)



(Kids'playroom)

The subject of the work	Rooms, Corridor (12F), Baby Care Room (11F)
Total cost of the work	Approximately 140 million yen
Date the work was commenced	January 11, 2010
Date opened to the public	March 15, 2010

2. Objectives of and Reasons for the Renovation

We rebranded this hotel in April 2007 and since the nearby hotels by providing distinctive products in customer needs.

On the eleventh floor of this hotel there are already guest rooms for families with babies ("Baby's Sweet") which are very popular. We believe that due to these renovations the families who have been using Baby's Sweet can be expected to continue using this hotel after their children have grown into infants, meaning that they will become stable customers, thus enabling us to improve LTV(*).

In a market in which competition has been intensifying in recent years, we are maximizing the LTV with the aims of improving the profitability of this hotel and contributing to its growth over the mid/long-term.

It has been aiming to differentiate itself from including services and facilities that are focused on

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(*) Life Time Value: There revenue as a single customer brings into the hotel over the long term

3. Future Outlook

There is no change to the business performance of JHR in the fiscal year ending August 31, 2010 because that already takes into account the impact of the renovations.

*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/>