

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 E and Facility F 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	E	Sumitomo Mitsui Banking Corporation	4,200	March 24, 2012	March 24, 2010 – September 24, 2010	1.95727% (Note 2)	Secured
		Mizuho Bank Ltd.					
		The Norinchukin Bank					
Mid-term	F (Note 1)	Sumitomo Mitsui Banking Corporation	1,250	March 24, 2012	March 24, 2010 – September 24, 2010	1.65727% (Note 2)	Secured
		Mizuho Bank Ltd.					
		The Norinchukin Bank					

(Note 1) Facility F: JHR will pay back 250 million yen on each principal repayment maturity date (every year on March 24 and September 24)

(Note 2) This is the interest rate calculated by adding the spread to the basic interest rate (6-month TIBOR). It does not include the annual rate of depreciation of financing fees.

【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	Interestrate swap (Note4)	Lump- sumpayment	Secured
		MizuhoBankLtd.							
		TheNorinchukin Bank							
Short-term	D	SumitomoMitsui BankingCorporation	19,000	1.75727%	February15, 2010– August13, 2010	February 15,2011	Spread-type interestrate cap (Note5)	Lump- sumpayment	Secured
		MizuhoBankLtd.							
		TheNorinchukin Bank							
Mid-term	E	SumitomoMitsui BankingCorporation	4,200	1.95727%	March24,2010 – September24, 2010	March24, 2012	—	Lump- sumpayment	Secured
		MizuhoBankLtd.							
		TheNorinchukin Bank							
Mid-term	F	SumitomoMitsui BankingCorporation	1,250	1.65727%	March24,2010 – September24, 2010	March24, 2012	—	Amortization payment	Secured
		MizuhoBankLtd.							
		TheNorinchukin Bank							

(Note1) Short-term: shorter than one year. 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/>