

Provisional Translation Only

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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 the Monthly Disclosure of Hotel Performance Results for March 2010

We hereby announce results of the monthly total revenues, the guest room occupancy rates in the room segment, the ADR, and the RevPAR of Japan Hotel and Resort, Inc. (hereinafter "JHR") for March 2010 as follows. JHR will continue to provide monthly disclosures about the hotels with payments of variable rents for which we are able to obtain consent for disclosure from Hotel Management Japan K.K., the hotellessee.

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Hotel/Indicator		2010 March (FY2010)	Change from the same month of FY2009 (Note 6)	(Reference) Cumulative total (Note 7)	(Reference) Change in cumulative total from FY2009 (Note 8)
Kobe Meriken Park Oriental Hotel	Occupancy Rate (%)	78.6%	7.5%	74.8%	0.5%
	ADR (Yen)	12,853	-1,583	14,016	-1,675
	RevPAR (Yen)	10,105	-158	10,485	-1,180
	Total Revenues (Million Yen)	476	-48	3,518	-129
Oriental Hotel Tokyo Bay	Occupancy Rate (%)	91.7%	1.1%	87.1%	-2.4%
	ADR (Yen)	19,625	-3,644	16,519	-2,201
	RevPAR (Yen)	18,003	-3,096	14,384	-2,363
	Total Revenues (Million Yen)	610	-82	3,799	-341
Namba Oriental Hotel	Occupancy Rate (%)	83.4%	2.6%	80.4%	0.0%
	ADR (Yen)	9,812	-566	9,252	-1,319
	RevPAR (Yen)	8,179	-198	7,438	-1,062
	Total Revenues (Million Yen)	181	25	1,046	-35
Hotel Nikko Alivila	Occupancy Rate (%)	71.3%	-6.2%	63.2%	-10.8%
	ADR (Yen)	21,139	-591	21,772	-463
	RevPAR (Yen)	15,073	-1,770	13,756	-2,690
	Total Revenues (Million Yen)	382	-38	2,328	-393

Oriental Hotel Hiroshima	Occupancy Rate(%)	73.0%	7.8%	70.6%	-1.6%
	ADR(Yen)	8,627	-229	8,864	-80
	RevPAR(Yen)	6,296	524	6,256	-203
	Total Revenues(Million Yen)	193	22	1,260	-21
Total	Total Revenues(Million Yen)	1,843	-120	11,951	-919

Comments from Japan Hotel & Resort K.K. (Asset Management Company) about the March results:

Kobe Meriken Park Oriental Hotel

In the room segment, although ADR was lower than in the same month of FY 2009, due to our aggressive sales of low-priced products occupancy rates were higher than in the same month of FY 2009 so we maintained revenues at the same level as in the same month of FY 2009. In the food & beverages segment, the number of wedding banquets declined due to the impact of the entry of new competitors to the market so revenues from wedding banquets were lower than in the same month of FY 2009 and revenues for the overall segment were lower than in the same month of FY 2009. As a result, the total revenues of the hotel were approximately 48 million yen lower than in the same month of FY 2009.

Oriental Hotel Tokyo Bay (Former Shin-Urayasu Oriental Hotel)

In the room segment, although occupancy rates were higher than in the same month of FY 2009, ADR was lower than in the same month of FY 2009 due to the impact of price competition among competing facilities and there was also the impact of the stop in sales due to the renovation of the guest rooms on the 12th floors and there were lower revenues than in the same month of FY 2009. In the food & beverages segment, revenues from wedding banquets were lower than in the same month of FY 2009, and therefore revenues for the overall segment were also lower than in the same month of FY 2009. As a result, the total revenues of the hotel were approximately 82 million yen lower than in the same month of FY 2009.

Namba Oriental Hotel

In the room segment, demand from overseas visitors to Japan showed a recovery and by bringing in those guests who had been staying in the same month of FY 2009, but due to the delay in the recovery of ADR revenues were lower than in the same month of FY 2009. In the food & beverages segment, restaurant revenues were higher than in the same month of FY 2009 because measures to attract guests that we have been carrying out, such as revising the menus, etc. were successful. Furthermore, in the tenant segment, revenues were higher than in the same month of FY 2009 because we received exit penalties from a tenant. As a result, the total revenues of the hotel were approximately 25 million yen higher than in the same month of FY 2009.

Hotel Nikko Alivila

In the room segment, although continuing on from last month the number of visitors to the main island of Okinawa was higher than in the same month of FY 2009, demand weakened for the high-priced products that we offered in anticipation of demand over the spring vacation so occupancy rates were lower than in the same month of FY 2009 and revenues were also lower than in the same month of FY 2009. In the food & beverages segment, revenues were lower than in the same month of FY 2009 mainly because of the decrease in the number of hotel guests. As a result, the total revenues of the hotel were approximately 38 million yen lower than in the same month of FY 2009.

Oriental Hotel Hiroshima

In the room segment, we enhanced our channels for attracting guests and brought in more demand and occupancy rates were higher than in the same month of FY 2009, and therefore revenues were higher than in the same month of FY 2009. In the food & beverages segment, revenues from wedding banquets were higher than in the same month of FY 2009 due to an increase in the number and unit price of wedding banquets, and restaurant revenues were also higher than in the same month of FY 2009 due to the increase in the number of people using the restaurants resulting from our enhanced marketing. Therefore, revenues for the overall segment were higher than in the same month of FY 2009. As a result, the total revenues of the hotel were approximately 22 million yen higher than in the same month of FY 2009.

- (Note1) The above comments were prepared based on information provided by the lessee to the asset management company, and have been provided simply as a reference information regarding overall trends. Please note that the figures and information seen within the comments have not been subject to procedures such as audits, etc., and cannot be examined independently by the asset management company, and the accuracy as well as completeness of individual figures and content cannot be guaranteed.
- (Note2) Since the figures for each month have not undergone procedures such as audits, etc., the amount that is the total of each month may not match that of the six-month and one-year revenue totals in the mid-term reports and financial reports submitted later. Furthermore, the figures may differ from the revenues for each month in the mid-term reports and financial reports.
- (Note3) ADR (Average Daily Rate):

$$\text{Total room revenues during a certain period (excluding service charge)} / \text{Total number of rooms sold to the guests during the same period.}$$
- (Note4) RevPAR (Revenue Per Available Room):

$$\text{Total room revenues during a certain period} / \text{Total number of rooms in service to the guests during the same period.}$$
- (Note5) Occupancy rate is rounded off to the first decimal place. ADR & RevPAR are rounded off to the nearest yen. Revenues are rounded off to the nearest million yen.
- (Note6) The change from the same month of FY 2009 is the change between the month under review and the same month in FY 2009.
- (Note7) The cumulative total is the cumulative values from the beginning of the term under review to the month under review.
- (Note8) The change in cumulative total from FY 2009 is the change between the cumulative value from the beginning of the term under review to the month under review, and the cumulative value from the beginning of FY 2009 to month under review in FY 2009.

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