

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.

June 23, 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

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Regarding Transaction with Party with Potential Conflict of Interest

Japan Hotel and Resort, Inc. (hereinafter the “JHR”) has approved the following transaction with a party with a potential conflict of interest as stipulated in Japan Hotel & Resort K.K.’s (hereinafter the “Asset Management Company”) “Regulations on Transactions Involving a Potential Conflict of Interest,” based on the aforementioned regulations, and JHR hereby provides notice of details of this transaction as follows.

Details of the Transaction

JHR has decided to place an order for the repair work with Fujita Corporation, a party with a potential conflict of interest.

Outline of repair work:	
Address of Hotel	Oriental Hotel Hiroshima 6-10 Nakamachi, Naka-ku, Hiroshima-shi, Hiroshima-ken
Details of the renovations:	Pump renewal
Total cost of the work:	3.96 million yen (Planned)
Planned work schedule:	Beginning of July, 2010 (Planned)

As of June 22, 2010

Outline of a party with a potential conflict of interest	
Trading Name	Fujita Corporation
Location of Head Office	4-25-2 Sendagaya, Shibuya-ku, Tokyo
Representative	President Takeji Ueda
Paid-in Capital	14 billion yen
Major Shareholder	Fujita Holdings Co., Ltd.
Description of Business	Construction work, planning, designing, construction management, consulting

Relationship of JHR and the asset management company	Fujita Corporation is an affiliated company owned by MLQ Investors L.P., the sole shareholder of the Asset Management Company, and therefore it is classified as a party with a potential conflict of interest as stipulated by the voluntary rules of the Asset Management Company.
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*Japan Hotel and Resort, Inc. Website : <http://www.jhrth.com/>