

Provisional Translation Only

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Japan Hotel and Resort, Inc. (TSE code: 8981)

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Notice regarding the Monthly Disclosure of Hotel Performance Results for July 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 July 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 hotel lessee.

Hotel / Indicator		2010 July (FY 2010)	Change from the same month of FY 2009 (Note 6)	(Reference) Cumulative total (Note 7)	(Reference) Change in cumulative total from FY 2009 (Note 8)
Kobe Meriken Park Oriental Hotel	Occupancy Rate (%)	80.4%	10.6%	76.2%	7.5%
	ADR (Yen)	13,273	-600	13,691	-1,651
	RevPAR (Yen)	10,669	987	10,437	-110
	Total Revenues (Million Yen)	434	-28	5,440	-31
Oriental Hotel Tokyo Bay	Occupancy Rate (%)	88.6%	20.6%	87.4%	6.8%
	ADR (Yen)	15,439	-1,741	16,120	-2,251
	RevPAR (Yen)	13,678	1,998	14,085	-711
	Total Revenues (Million Yen)	501	31	5,904	-87
Namba Oriental Hotel	Occupancy Rate (%)	79.6%	5.0%	80.6%	5.7%
	ADR (Yen)	9,893	261	9,410	-953
	RevPAR (Yen)	7,874	688	7,585	-175
	Total Revenues (Million Yen)	155	9	1,657	35
Hotel Nikko Alivila	Occupancy Rate (%)	80.3%	-2.5%	68.0%	-7.3%
	ADR (Yen)	40,205	-1,795	23,321	-1,048
	RevPAR (Yen)	32,295	-2,475	15,869	-2,483
	Total Revenues (Million Yen)	644	-42	4,090	-521

Oriental Hotel Hiroshima	Occupancy Rate (%)	74.3%	5.8%	70.1%	-0.5%
	ADR (Yen)	9,023	284	8,855	-79
	RevPAR (Yen)	6,708	718	6,208	-101
	Total Revenues (Million Yen)	176	33	1,958	2
Total	Total Revenues (Million Yen)	1,910	3	19,050	-602

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

Kobe Meriken Park Oriental Hotel

In the room segment, although ADR was lower than in the same month of FY2009, occupancy rates were higher than in the same month of FY2009 as there was no impact of the swine influenza compared to the same month of FY2009 and therefore revenues were higher than in the same month of FY2009. In the food & beverages segment, restaurant revenues were higher than in the same month of FY 2009 due to a recovery of unit price per guest and revenues from general banquets were also higher than in the same month of FY 2009, but revenues for the overall segment were lower than in the same month FY 2009 due to the decrease in the number of weddings. As a result, the total revenues of the hotel were approximately 28 million yen lower than in the same month of FY2009.

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

In the room segment, due to our aggressive sales of low-price products, occupancy rates were higher than in the same month of FY2009 although ADR was lower than in the same month of FY2009 and therefore revenues were higher than in the same month of FY2009. In the food and beverages segment, restaurant revenues were higher than in the same month of FY2009 due to the increase in the number of restaurant guests resulting from the rise in room occupancy, but revenues from weddings were lower than in the same month of FY2009 due to the decrease in the number of weddings and therefore revenues for the overall segment were lower than in the same month of FY2009. As a result, the total revenues of the hotel were approximately 31 million yen higher than in the same month of FY2009.

Namba Oriental Hotel

In the room segment, both of occupancy rates and ADR were higher than in the same month of FY2009 because demand from overseas visitors to Japan showed a recovery and there were no impact of the swine influenza compared to the same month of FY2009, so revenues were higher than in the same month of FY2009. In the food and beverages segment, restaurant revenues were higher than in the same month of FY2009 because measures to attract guests that we have been carrying out such as revising the menus were successful and due to the increase in the number of restaurant guests resulting from the rise in room occupancy. As a result, the total revenues of the hotel were approximately 9 million yen higher than in the same month of FY2009.

Hotel Nikko Alivila

In the room segment, continuing on from last month the number of visitors to the main island of Okinawa was higher than in the same month of FY2009 and we have been carrying out our aggressive sales of low-priced products, but both of occupancy rates and ADR were lower than in the same month of FY2009 and revenues were also lower than in the same month of FY2009. In the food & beverages segment, revenues were lower than in the same month of FY2009 due to the decrease in the number of restaurant guests resulting from the decline in the room occupancy. As a result, the total revenues of the hotel were approximately 42 million yen lower than in the same month FY2009.

Oriental Hotel Hiroshima

In the room segment, both of occupancy rates and ADR were higher than in the same month of FY2009 because there was no impact of the swine influenza compared to the same month of FY2009 and we enhanced our channels for the attracting guests, so revenues were higher than in the same month of FY2009. In the food & beverages segment, revenues from weddings were higher than in the same month of FY 2009 due to the increase in the number of weddings and revenues from general banquets were also higher than in the same month of FY 2009 because there was no impact of the swine influenza compared to the same month of FY2009, so revenues for the overall segment were higher than in the same month of FY2009. As a result, the total revenues of the hotel were approximately 33 million yen higher than in the same month of FY2009.

- (Note 1) The above comments were prepared based on information provided by the lessee to the asset management company, and have been provided simply as 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.
- (Note 2) 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.
- (Note 3) ADR (Average Daily Rate):

$$\text{Total room revenues during a certain period (excluding service charge)} / \text{Total number of rooms sold to the guests during the same period.}$$
- (Note 4) RevPAR (Revenue Per Available Room):

$$\text{Total room revenues during a certain period} / \text{Total number of rooms in service to the guests during the same period.}$$
- (Note 5) 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.
- (Note 6) The change from the same month of FY 2009 is the change between the month under review and the same month in FY 2009.
- (Note 7) The cumulative total is the cumulative values from the beginning of the term under review to the month under review.
- (Note 8) 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/>