

Provisional Translation Only

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**Notice regarding Revisions to the Forecast of Business Performance
for the Fiscal Year ending August 31, 2011**

Japan Hotel and Resort, Inc. (hereinafter “JHR”) hereby provides notice that JHR has decided to revise the forecast of business performance for the fiscal year ending August 31, 2011 (September 1, 2010 – August 31, 2011). Please refer to the 5th term (ended August 2010) Announcement of Operational Results for details.

1. Revision to the Forecast of Business Performance for the Full Fiscal Year ending August 31, 2011

	Operating Revenues	Operating Profit	Recurring Profit	Net Income	Devidend per Unit (excluding profit surplus dividend per unit)	Profit surplus dividend per unit
Previous forecast (A)	5,639 M Yen	2,409 M Yen	1,519 M Yen	1,517 M Yen	14,358 Yen	0 Yen
Revised forecast (B)	TBD	TBD	TBD	TBD	TBD	TBD
Change (C)= B – A	- M Yen	- M Yen	- M Yen	- M Yen	- Yen	- Yen
Change (D)= C/A	- %	- %	- %	- %	- %	- %

(Note) Forecasted number of issued investment units at the end of the fiscal year: 105,719

2. Reason for the Rvisions to the Forecast of Business Performance

Due to the 2011 Tohoku earthquake and tsunami that occurred on March 11, 2011, the business environment surrounding the hotels owned by JHR, including accommodation demand, banquet demand, etc., has changed substantially. Furthermore, the revenues of JHR are strongly affected by the variable rents linked to hotel revenues, so the revenues are expected to fluctuate by more than 5% from the dividends announced last time, therefore we will make a revision to the forecast of business performance. Furthermore, because of the aforementioned circumstances, uncertainty remains regarding the future forecast, so as of the current date calculation of the revenue forecast is difficult, and therefore the forecast for business performance for the fiscal year ending August 2011 will be determined at a later date.

We plan to announce the forecast of JHR's business performance promptly after carrying out further detailed investigations and examinations of the impact of the aforementioned events on the revenues from hotels owned by JHR.

3. Others

As of the current date, physical damage to the hotels owned by JHR due to the 2011 Tohoku earthquake and tsunami has occurred in two properties, and the approximate cost of that damage is expected to be 57 million yen for the Oriental Hotel Tokyo Bay and one million yen in the Daiwa Roynet Hotel Akita.

Hotel	Operational Status
Kobe Meriken Park Oriental Hotel	Normal operation
Oriental Hotel Tokyo Bay	Partial operation of the accommodation facilities and restaurant facilities. Normal operation of the banquet facilities
Numba Oriental Hotel	Normal operation
Hotel Nikko Alivila	Normal operation
Nara Washington Hotel Plaza	Normal operation
Hakata Nakasu Washington Hotel Plaza	Normal operation
Daiwa Roynet Hotel Akita	Normal operation
Oriental Hotel Hiroshima	Normal operation
Hakone Setsugetsuka	Normal operation

* 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/>