



JAPAN HOTEL AND RESORT

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.

August 23, 2011

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Notice regarding the Forecast of Business Performance for the Fiscal Year ending August 31, 2012

Japan Hotel and Resort, Inc. (hereinafter “JHR”) hereby provides notice that JHR has decided to announce the forecast of business performance for the fiscal year ending August 31, 2012 (September 1, 2011 – August 31, 2012).

1. The Forecast of Business Performance for the Full Fiscal Year ending August 31, 2012

	Operating Revenues	Operating Profit	Recurring Profit	Net Income	Dividend per Unit (excluding profit surplus dividend per unit) (Note)	Profit surplus dividend per unit
Full Year	5,490 M Yen	2,197 M Yen	1,272 M Yen	1,270 M Yen	12,017 Yen	0 Yen

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

1. About the announcement of the forecast of business performance

As stated in the Notice regarding Revisions to the Forecast of Business Performance for the Fiscal Year ending August 31, 2011, which was separately announced today, revenues for the five hotels with variable rents for the fiscal year ending August 31, 2011 have been recovering from the impact of the Great East Japan Earthquake, but it has not been possible to avoid a fall in revenues compared to FY2010 and the variable rents that JHR receives are also expected to decline substantially relative to FY2010

Given this situation, our investors are showing a high level of interest in our business performance in the new fiscal year. Therefore, we have concluded that quickly disclosing our forecast of business performance in the new fiscal year will meet the demands of our investors, so we hereby announce our forecast for business performance in the fiscal year ending August 31, 2012. (Note 1)

Note: The purpose of this document is to provide the general public with information about the revisions to the forecast by JHR of business performance in the fiscal year ending August 31, 2012. It was not written for the purpose of soliciting investment. Should you intend to make any investment, please do so based on your own judgment and at your own risk.

Note that the assumptions made for the revenues for the five hotels with variable rents are shown in the section titled <Reference>. For the five hotels with variable rents overall, in the first half of the year traveling by individuals is forecast to recover strongly but the Great East Japan Earthquake is expected to continue to have an impact on domestic group demand and demand from foreign visitors to Japan, so revenues are expected to decline by 564 million yen compared to the first half of FY2011 (Note 2). On the other hand, in the second half revenues are expected to increase by 1,165 million yen compared to the second half of FY2011 as the Great East Japan Earthquake no longer has any impact, but the future outlook is uncertain and revenues are expected to decline 373 million yen compared to the second half of FY2010.

- (Note 1) Usually the forecast of business performance in the new fiscal year is announced at the same time as the announcement of the financial results (about October 20), but this year we have brought the announcement forward to today. Note that in future years we plan to announce the forecast by the end of August because we place importance on continuity.
- (Note 2) The figures for the comparisons with the same period in the previous year are comparisons with the forecast values based on the separate release announced today (August 23, 2011).

< Note >

1. The actual results for FY 2012 may differ substantially from the forecast, depending on various factors.
2. JHR does not guarantee the dividend amount in this forecast. If in the future we expect a difference from this forecasted figure greater than a certain amount, we may make a revision to the forecast.

* 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/>

<Reference >

1. Revenues

(Unit: million yen, amounts less than a million yen are rounded off)

5 hotels with variable rent		FY2009		FY2010		FY2011 (Note)		FY2012	
		Actual	Vs.LY	Actual	Vs.LY	Actual As of Aug.23, 2011	Vs.LY	Forecast	Vs.LY
Kobe Meriken Park Oriental Hotel	1 st Half	3,122	△7.5%	3,041	△2.6%	2,814	△7.5%	2,662	△5.4%
	2 nd Half	2,877	△14.6%	2,893	0.5%	2,756	△4.7%	2,774	0.7%
	Full Year	5,999	△11.0%	5,934	△1.1%	5,570	△6.1%	5,437	△2.4%
Oriental Hotel Tokyo Bay	1 st Half	3,448	2.2%	3,189	△7.5%	3,331	4.5%	2,961	△11.1%
	2 nd Half	3,093	△9.2%	3,333	7.7%	2,256	△32.3%	3,055	35.4%
	Full Year	6,542	△3.6%	6,522	△0.3%	5,587	△14.3%	6,016	7.7%
Namba Oriental Hotel	1 st Half	925	△7.4%	866	△6.4%	917	5.9%	863	△5.8%
	2 nd Half	855	△12.4%	967	13.0%	997	3.2%	916	△8.2%
	Full Year	1,781	△9.9%	1,832	2.9%	1,914	4.5%	1,779	△7.1%
Hotel Nikko Alivila	1 st Half	2,303	1.8%	1,947	△15.5%	2,012	3.3%	2,008	△0.2%
	2 nd Half	3,195	△11.0%	3,086	△3.4%	2,861	△7.3%	3,125	9.2%
	Full Year	5,498	△6.1%	5,033	△8.5%	4,873	△3.2%	5,133	5.3%
Oriental Hotel Hiroshima	1 st Half	1,109	12.0%	1,066	△3.9%	999	△6.3%	1,014	1.5%
	2 nd Half	994	2.8%	1,044	5.1%	913	△12.6%	1,079	18.2%
	Full Year	2,103	7.5%	2,110	0.4%	1,912	△9.4%	2,093	9.5%
Total	1 st Half	10,908	△0.8%	10,109	△7.3%	10,073	△0.4%	9,508	△5.6%
	2 nd Half	11,015	△10.5%	11,322	2.8%	9,784	△13.6%	10,949	11.9%
	Full Year	21,923	△6.0%	21,431	△2.2%	19,856	△7.3%	20,458	3.0%

(Note) The figures of FY2011 1st Half are actual, but not audited.

2. GOP

	FY2009		FY2010		FY2011		FY2012	
	Actual	Vs.LY	Actual	Vs.LY	Actual As of Aug.23,2011	Vs.LY	Forecast	Vs.LY
5 Hotels with Variable Rents	5,447	△13.9%	5,679	4.2%	4,784	△15.8%	5,096	6.5%
GOP ratio to Sales	24.8%	△2.3%	26.5%	1.6%	24.1%	△2.4%	24.9%	0.8%

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