

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.

December 29, 2011

REIT Issuer:

Japan Hotel and Resort, Inc. (TSE code: 8981)
Kaname Masuda, Executive Director

Asset Management Company:

Japan Hotel & Resort K.K.
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Notice Concerning the Completion of Change of Parent Company (Including Other Related Company) of the Asset Management Company

Japan Hotel and Resort, Inc. (“JHR”) hereby announces that the transfer of shares of Japan Hotel & Resort K.K. (“JHRKK”), JHR’s asset management company, and the transfer of shares of the other related company, have been completed as announced in the “Notice Concerning the Change of Parent Company (Including Other Related Company) of the Asset Management Company” dated December 22, 2011.

Details

1. Change of Parent Company of the Asset Management Company

The change in the major shareholders as a result of the sale of 3,400 issued ordinary shares (100% of the total number of issued shares) of the asset management company:

Previous holder of the shares	MLQ Investors, L.P., a wholly owned company of Goldman Sachs Group, which is the current sponsor of JHR
New holder of the shares	Rockrise Sdn Bhd (“Rockrise”), a wholly owned subsidiary of Real Estate Capital Asia Partners II L.P. (“RECAP II”)
Date of change	December 29, 2011

2. Change in Number of Investment Units Held by Major Unitholders of JHR

The change in the number of investment units held by the major unitholders as a result of the sale of 23,369 issued investment units of JHR (approximately 22.1% of the total number of issued investment units):

Previous holder of the units	Goldman Sachs Group
New holder of the units	Taiyo Investment Special Purpose Corporation, an SPC belonging to the RECAP Group
Date of change	December 29, 2011

3. Transfer of All Shares of JHR's Important Lessee

The change in the major shareholders as a result of the sale of the issued ordinary shares (100% of the total number of issued shares) of Hotel Management Japan K.K.:

Note that Hotel Management Japan K.K. is a lessee for the JHR's five hotels with payments of variable rents and, therefore, is an extremely important lessee for JHR.

Previous holder of the shares	Goldman Sachs Group
New holder of the shares	Symphony Luck Sdn Bhd, an SPC belonging to the RECAP Group
Date of change	December 29, 2011

For details about RECAP II, Rockrise and the RECAP Group, please refer to "4. Profile of RECAP Group (the New Sponsor)" and <Table 1> and <Table 2> in the "Notice Concerning the Change of Parent Company (Including Other Related Company) of the Asset Management Company" dated December 22, 2011.

4. Impact Due to this Change

For the influence on JHR's performance for the deemed fiscal period ending March 2012 (from September 1, 2011 through March 31, 2012), this has not yet been determined at this time but will be disclosed upon determination.

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