

## Provisional Translation Only

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In the event that there is any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

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REIT Issuer:

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

Asset Management Company:

Japan Hotel & Resort K.K.  
Hiroyuki Suzui, Chief Executive Officer

Inquiries:

Noboru Itabashi  
Director, Operations Division  
Tel: +81-3-6439-0333

Notice regarding New Debt Financing

Japan Hotel and Resort, Inc., (hereinafter “JHR”) hereby provides notice that JHR has decided to undertake new debt financing as follows.

## 1. Reason

Our aims are to secure the funds necessary for the repayment of the existing long-term borrowings approaching their maturity date (Facility D) and to ensure the stability of funds procurement. Therefore, we are undertaking the new debt financing in order to diversify our financing sources, lengthen the term of our interest-bearing debt, and disperse our debt maturity.

## 2. Outline of new debt financing

1) Facility G (Mid-term, 3 years)	
(1) Lender	Resona Bank, Ltd. / Sinsei Bank, Ltd.
(2) Loan Amount	5,000 million yen
(3) Interest Rate	3 month TIBOR + 1.30% (Note)
(4) Drawdown Date	February 15, 2011
(5) Payment method	Lump-sum payment on maturity date
(6) Maturity Date	February 15, 2014
(7) Collateral	Secured

2) Facility H (Mid-term, 4 years)	
(1) Lender	Sumitomo Mitsui Banking Corporation Mizuho Bank Ltd. The Norinchukin Bank
(2) Loan Amount	6,998 million yen
(3) Interest Rate	3 month TIBOR + 1.50% (Note)
(4) Drawdown Date	February 15, 2011
(5) Payment method	Lump-sum payment on maturity date
(6) Maturity Date	February 15, 2015
(7) Collateral	Secured

3) Facility I (Long-term, 7 years)	
(1) Lender	American Life Insurance Company
(2) Loan Amount	5,000 million yen
(3) Interest Rate	6 month TIBOR + 2.10% (Note)
(4) Drawdown Date	February 15, 2011
(5) Payment method	Lump-sum payment on maturity date
(6) Maturity Date	February 15, 2018
(7) Collateral	Secured

Note Interest Rate is to be announced once determined.

### 3. Outline of existing borrowings (Facility D)

(1) Lender	Sumitomo Mitsui Banking Corporation Mizuho Bank Ltd. The Norinchukin Bank
(2) Loan Amount	16,998 million yen
(3) Interest Rate	1.69538% (August 13, 2010 – February 15, 2011)
(4) Drawdown Date	February 13, 2009
(5) Payment method	Lump-sum payment on maturity date
(6) Maturity Date	February 15, 2011
(7) Collateral	Secured

### 4. Status of borrowings of the debt financing

(Unit: million yen)

	Before	After	Change
Short-term borrowings (A)	—	—	—
Long-term borrowings to be repaid with in a year (B)	17,498	500	△ 16,998
Long-term borrowings (C)	17,203	34,201	16,998
Total (A)+(B)+(C)	34,701	34,701	—
Investment corporation bonds (D)	2,000	2,000	—
Total (A)+(B)+(C)+(D)	36,701	36,701	—
Other interest-bearing debt (E)	—	—	—
Total interest-bearing debt (A)+(B)+(C)+(D)+(E)	36,701	36,701	—
LTV (Note 2)	41.30%	41.30%	—

Note 1 The figures are rounded down to the nearest million yen.

Note 2 Loan to Value (LTV) = Interest-bearing Debt at year-end / Total asset at year end.

The amounts of total assets at year end are audited amounts as of the end of August, 2010.

### 5. Other Matters Required for Investors to Accurately Understand and Evaluate the Information

There is no change to the content of “Investment Risks” of annual securities reports (in Japanese) filed on November 19, 2010 regarding the bond issuance risk and LTV risk.

\* 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/>