

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.

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REIT Issuer:

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

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Notice regarding Determination of Interest Rate

Japan Hotel and Resort, Inc. (hereinafter the “JHR”) hereby provides notice that the interest rate of Facility G, Facility H, and Facility I for the applicable period has been determined as follows. Please refer to the press release dated February 9, 2011 for details.

Term	Facility	Lender	Balance (Million Yen)	Maturity Date	Applicable Period	Interest Rate (Annual Rate) (Note)	Remarks
Mid-term	G	Resona Bank, Ltd.	5,000	February 15, 2014	February 15, 2011 – May 15, 2011	1.64000%	Secured
		Shinsei Bank, Ltd.					
Mid-term	H	Sumitomo Mitsui Banking Corporation	6,998	February 15, 2015	February 15, 2011 – May 15, 2011	1.84000%	Secured
		Mizuho Bank Ltd.					
		The Norinchukin Bank					
Long-term	I	American Life Insurance Company	5,000	February 15, 2018	February 15, 2011 – May 15, 2011	2.55000%	Secured

(Note) It does not include the annual rate of depreciation of financing fees.

【Reference】

Status of interest-bearing debt

Term (Note 1)	Facility	Lender	Balance (Million Yen) (Note 2)	Interest Rate	Applicable Period	Maturity Date	Means of Hedging	Payment Method	Remarks
Mid-term	B	Sumitomo Mitsui Banking Corporation	12,753	0.90077% (Note 3)	November 15, 2010 – May 13, 2011	November 15, 2012	Interest rate swap (Note 4)	Lump- sum payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							
Mid-term	E	Sumitomo Mitsui Banking Corporation	4,200	1.87077%	September 24, 2010 – March 24, 2011	March 24, 2012	—	Lump- sum payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							
Mid-term	F	Sumitomo Mitsui Banking Corporation	750	1.57077	September 24, 2010 – March 24, 2011	March 24, 2012	—	Amortization payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							
Mid-term	G	Resona Bank Ltd.	5,000	1.64000%	February 15, 2011 – May 13, 2011	February 15, 2014	—	Lump- sum payment	Secured
		Shinsei Bank, Ltd.							
Mid-term	H	Sumitomo Mitsui Banking Corporation	6,998	1.84000%	February 15, 2011 – May 13, 2011	February 15, 2015		Lump- sum payment	Secured
		Mizuho Bank Ltd.							
		The Norinchukin Bank							
Long-term	I	American Life Insurance Company	5,000	2.55000%	February 15, 2011 – August 15, 2011	February 15, 2018	—	Lump- sum payment	Secured

(Note 1) Short-term: shorter than one year. Mid-term: one to five years. Long-term: five years or longer.

(Note 2) The figures are rounded down to the nearest million yen.

(Note 3) The interest rate is the interest rate (annual rate) of the variable interest rate. Since November 16, 2007, the interest rate fixed by interest rate swaps has been 1.9085% because of the conclusion of the interest rate swap contract (fixed interest rate: 1.4585%)

(Note 4) The interest rate swap is to be applied with the aforementioned Facility B as the hedged item.

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