

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.

June 23, 2011

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 the Monthly Disclosure of Hotel Performance Results for May 2011

We hereby announce results of the monthly total revenues, the guest room occupancy rates in the room segment, the ADR, and the RevPAR of Japan Hotel and Resort, Inc. (hereinafter “JHR”) for May 2011 as follows. JHR will continue to provide monthly disclosures about the hotels with payments of variable rents for which we are able to obtain consent for disclosure from Hotel Management Japan K.K., the hotel lessee.

| Hotel / Indicator | | 2011 May (FY 2011) | Change from the same month of FY 2010 (Note 6) | (Reference) Cumulative total (Note 7) | (Reference) Change in cumulative total from FY 2010 (Note 8) |
|-------------------------------------|------------------------------|--------------------------|--|--|---|
| Kobe Meriken Park Oriental Hotel | Occupancy Rate (%) | 83.3% | 7.6% | 77.4% | 2.0% |
| | ADR (Yen) | 14,722 | -526 | 13,732 | -190 |
| | RevPAR (Yen) | 12,263 | 726 | 10,622 | 138 |
| | Total Revenues (Million Yen) | 531 | -77 | 4,229 | -344 |
| Oriental Hotel Tokyo Bay | Occupancy Rate (%) | 53.5% | -35.9% | 74.9% | -12.0% |
| | ADR (Yen) | 13,643 | -4,042 | 15,575 | -891 |
| | RevPAR (Yen) | 7,301 | -8,504 | 11,659 | -2,639 |
| | Total Revenues (Million Yen) | 393 | -212 | 4,197 | -693 |
| Namba Oriental Hotel | Occupancy Rate (%) | 89.0% | 8.7% | 83.8% | 2.9% |
| | ADR (Yen) | 10,340 | 7 | 10,023 | 618 |
| | RevPAR (Yen) | 9,198 | 904 | 8,404 | 789 |
| | Total Revenues (Million Yen) | 164 | 4 | 1,403 | 47 |
| Hotel Nikko Alivila | Occupancy Rate (%) | 67.1% | -7.2% | 67.8% | 1.5% |
| | ADR (Yen) | 23,781 | 100 | 19,999 | -1,584 |
| | RevPAR (Yen) | 15,949 | -1,631 | 13,565 | -757 |
| | Total Revenues (Million Yen) | 381 | -37 | 3,026 | -104 |

| | | | | | |
|--------------------------|------------------------------|-------|--------|--------|--------|
| Oriental Hotel Hiroshima | Occupancy Rate (%) | 65.1% | -4.9% | 64.7% | -5.7% |
| | ADR (Yen) | 8,802 | -925 | 8,741 | -159 |
| | RevPAR (Yen) | 5,727 | -1,081 | 5,653 | -613 |
| | Total Revenues (Million Yen) | 172 | 2 | 1,495 | -123 |
| Total | Total Revenues (Million Yen) | 1,640 | -321 | 14,350 | -1,217 |

Comments from Japan Hotel & Resort K.K. (Asset Management Company) about the May results:

Kobe Meriken Park Oriental Hotel

In the room segment, due to the impact of the Great East Japan Earthquake (hereinafter the “earthquake disaster”) demand declined particularly among business customers but we succeeded in bringing in alternative demand for school trips, etc. so occupancy rates increased and revenues were higher than in the same month of FY2010. In the food and beverages segment, revenues from general banquets were higher than in the same month of FY2010 as a result of the rise in the unit price per banquet but wedding revenues were lower than in the same month of FY2010 due to the decline in the number of weddings so revenues for the overall segment were lower than in the same month of FY2010. As a result, the total revenues of the hotel were approximately 77 million yen lower than in the same month of FY2010.

Oriental Hotel Tokyo Bay (Former Shin-Urayasu Oriental Hotel)

In the room segment, revenues were lower than in the same month of FY2010 due to the impact of the earthquake disaster. In the food and beverages segment, revenues for the overall segment were lower than in the same month of FY2010 due to both the postponements and cancellations of wedding banquets, and due to the decline in the number of hotel guests after the earthquake disaster. As a result, the total revenues of the hotel were approximately 212 million yen lower than in the same month of FY2010.

Namba Oriental Hotel

In the room segment, although the number of foreign visitors to Japan decreased due to the impact of the earthquake disaster, but we were able to bring in demand arising from evacuations from the Kanto area (*). As a result, revenues were higher than in the same month of FY2010. In the leasing segment, revenues were lower than in the same month of FY2010 because there was no longer the impact of the exit penalties income we had recorded in the same month of FY2010 when a tenant had left the hotel. As a result, the total revenues of the hotel were approximately 4 million yen higher than in the same month of FY2010.

(*) Demand arising from evacuations from the Kanto area caused by the earthquake disaster aims to ensure reservation of guest rooms as places for evacuees to stay. Therefore, in some cases, this demand does not entail actual accommodation.

Hotel Nikko Alivila

In the room segment, the number of hotel guests decreased due to the impact of the earthquake disaster and occupancy rates were lower than in the same month of FY2010, so revenues were lower than in the same month of FY2010. In the food and beverages segment, restaurant revenues were lower than in the same month of FY2010 due to the decline in the number of hotel guests, so revenues for the overall segment were lower than in the same month of FY2010. As a result, the total revenues of the hotel were approximately 37 million yen lower than in the same month of FY2010.

Oriental Hotel Hiroshima

In the room segment, both ADR and occupancy rates were lower than in the same month of FY2010 due to the impact of earthquake disaster, so revenues were lower than in the same month of FY2010. In the food and beverages segment, restaurant revenues were lower than in the same month of FY2010 due to the decline in the number of hotel guests but wedding revenues were higher than in the same month of FY2010 as a result of the rise in the unit price per banquet so revenues for the overall segment were higher than in the same month of FY2010. As a result, the total revenues of the hotel were approximately 2 million yen higher than in the same month of FY2010.

- (Note 1) The above comments were prepared based on information provided by the lessee to the asset management company, and have been provided simply as reference information regarding overall trends. Please note that the figures and information seen within the comments have not been subject to procedures such as audits, etc., and cannot be examined independently by the asset management company, and the accuracy as well as completeness of individual figures and content cannot be guaranteed.
- (Note 2) Since the figures for each month have not undergone procedures such as audits, etc., the amount that is the total of each month may not match that of the six-month and one-year revenue totals in the mid-term reports and financial reports submitted later. Furthermore, the figures may differ from the revenues for each month in the mid-term reports and financial reports.
- (Note 3) ADR (Average Daily Rate):

$$\text{Total room revenues during a certain period (excluding service charge)} / \text{Total number of rooms sold to the guests during the same period.}$$
- (Note 4) RevPAR (Revenue Per Available Room):

$$\text{Total room revenues during a certain period} / \text{Total number of rooms in service to the guests during the same period.}$$
- (Note 5) Occupancy rate is rounded off to the first decimal place. ADR & RevPAR are rounded off to the nearest yen. Revenues are rounded off to the nearest million yen.
- (Note 6) The change from the same month of FY 2010 is the change between the month under review and the same month in FY 2010.
- (Note 7) The cumulative total is the cumulative values from the beginning of the term under review to the month under review.
- (Note 8) The change in cumulative total from FY 2010 is the change between the cumulative value from the beginning of the term under review to the month under review, and the cumulative value from the beginning of FY 2010 to month under review in FY 2010.

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