

Provisional Translation Only

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Notice regarding the Monthly Disclosure of Hotel Performance Results for July 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 July 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 July (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 (%)	74.0%	-6.4%	76.9%	0.7%
	ADR (Yen)	14,860	1,587	13,713	22
	RevPAR (Yen)	10,997	328	10,549	112
	Total Revenues (Million Yen)	468	33	5,098	-343
Oriental Hotel Tokyo Bay	Occupancy Rate (%)	85.8%	-2.8%	75.3%	-12.1%
	ADR (Yen)	14,337	-1,103	15,115	-1,006
	RevPAR (Yen)	12,294	-1,385	11,377	-2,709
	Total Revenues (Million Yen)	456	-44	5,035	-869
Namba Oriental Hotel	Occupancy Rate (%)	98.4%	18.8%	86.1%	5.5%
	ADR (Yen)	11,053	1,160	10,147	737
	RevPAR (Yen)	10,878	3,004	8,733	1,148
	Total Revenues (Million Yen)	179	25	1,745	88
Hotel Nikko Alivila	Occupancy Rate (%)	85.3%	5.0%	69.3%	1.3%
	ADR (Yen)	38,190	-2,014	21,880	-1,440
	RevPAR (Yen)	32,587	292	15,170	-699
	Total Revenues (Million Yen)	678	34	4,007	-84

Oriental Hotel Hiroshima	Occupancy Rate (%)	63.1%	-11.2%	64.1%	-6.0%
	ADR (Yen)	8,461	-562	8,621	-233
	RevPAR (Yen)	5,340	-1,369	5,528	-680
	Total Revenues (Million Yen)	159	-17	1,793	-165
Total	Total Revenues (Million Yen)	1,940	30	17,677	-1,372

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

Kobe Meriken Park Oriental Hotel

In the room segment, the impact of the Great East Japan Earthquake (hereinafter the “earthquake disaster”) has lessened, and we brought in demand primarily from leisure customers so ADR increased and as a result revenues were higher than in the same month of FY2010. In the food and beverages segment, general banquet revenues were lower than in the same month of FY2010 due to the decrease in the unit price of each banquet, but wedding revenues were higher than in the same month of FY2010 as a result of an increase in the number of banquets due to a month’s lag, 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 33 million yen higher than in the same month of FY2010.

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

The room segment has recovered well from the impact of the earthquake disaster, but ADR remains weak 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 and in addition 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 44 million yen lower than in the same month of FY2010.

Namba Oriental Hotel

In the room segment, the impact of the earthquake disaster has lessened and in addition we were able to bring in demand arising from evacuations from the Kanto area (*) so 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 25 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 impact of the earthquake disaster has lessened and we attracted customers using products with their price as the selling point, so occupancy rates were higher than in the same month of FY2010 and as a result revenues were also higher than in the same month of FY2010. In the food and beverages segment, restaurant revenues were higher than in the same month of FY2010 due to the increase in the number of hotel guest and wedding revenues were higher than in the same month of FY2010 due to the increase in the number of banquets, 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 34 million yen higher than in the same month of FY2010.

Oriental Hotel Hiroshima

In the room segment, the impact of the earthquake disaster has lessened but due to the impact of our competitors, and because there is no longer the special demand from the academic society that we recorded in FY2010, both occupancy rates and ADR were lower than in the same month of FY2010, and so revenues were lower than in the same month of FY2010. In the food and beverages segment, wedding revenues were lower than in the same month of FY2010 as a result of a decline in the unit price for each wedding due to price competition, 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 17 million yen lower 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/>