

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 22, 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

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Notice Concerning Planned Change of the Statutory Auditor in the Asset Management Company

Japan Hotel and Resort, Inc. (hereinafter “JHR”) hereby provides notice that the company to which it entrusts the management of its assets, Japan Hotel & Resort K.K., held its Board of Directors meeting today, in which a resolution was passed to propose the change of the Statutory Auditor described below to the unit-holders as a subject matter of the Extraordinary Meeting of Unit-holders to be held on December 29, 2011.

Details

- (1) The Statutory Auditor that plans to take up the position (dated December 29, 2011)

Statutory Auditor (part-time) Hiroyuki Aoki

(The career history of the Statutory Auditor that plans to take up the position is in the supplement.)

- (2) The Statutory Auditor that plans to retire (dated December 29, 2011)

Statutory Auditor (part-time) Shunichiro Yanagi

This change of Statutory Auditor will be notified to the Commissioner of the Financial Services Agency in accordance with the provisions of the Financial Instruments and Exchange Act and to the Governor of Tokyo in accordance with the provisions of the Building Lots and Buildings Transaction Business Act.

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

Note: The purpose of this document is to provide the general public with information about the revisions to the forecast by JHR of business performance in the fiscal year ending August 31, 2011. It was not written for the purpose of soliciting investment. Should you intend to make any investment, please do so based on your own judgment and at your own risk.

Supplement 1

Position	Name	Career Highlights	
Statutory Auditor (part-time)	Hiroyuki Aoki (Born August 2, 1969)	September 1994	Deloitte & Touche LLP, New York Office, Auditing Department
		June 1997	Ingersoll Rand Headquarters, Auditing Department
		November 2001	Arthur Andersen LLP (now known as KPMG Tax Corporation)
		July 2002	Vice-President
		January 2008	Ripplewood Holdings LLC, Hotel Investment Group Director and Executive Officer Tokyo Venture Gear Co., Ltd.
		November 2011	Representative Director RE Capital Services Japan Co. Ltd. (Note1) (current position)
		December 2011	Statutory Auditor (part-time) Japan Hotel & Resort K.K.(Planned)

(Note 1) RE Capital Services Japan Co. Ltd. is a wholly owned company of SC Management III Pte. Limited in RECAP Group. (Note2)

(Note 2) For details on RECAP Group, see the “Notice Concerning the Change of Parent Company (Including Other Related Company) of the Asset Management Company” dated December 22, 2011.