



**This English translation is provided for information purpose only. If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.**

November 27, 2014

REIT Issuer:

Japan Hotel REIT Investment Corporation (TSE code: 8985)  
Yukio Isa, Executive Director

Asset Management Company:

Japan Hotel REIT Advisors Co., Ltd.  
Hisashi Furukawa, Representative Director and President

Contact:

Kazuyuki Udo  
Director and Officer  
Management & Planning Office  
Phone: +81-3-6422-0530

Announcement of Sixth Survey Concerning Domestic Travel Trends

Japan Hotel REIT Advisors Co., Ltd., the asset management company of Japan Hotel REIT Investment Corporation, has conducted an opinion poll on domestic travel to analyze trends of “non-resident population” of the tourism market in Japan.

Five surveys have been conducted so far to investigate domestic travel trends during summer and winter. In this sixth survey we investigated domestic travel trends for the year-end and New Year holidays and a whole year in 2015 with respondents of men and women in their twenties through sixties. The survey results are as attached.

Website of Japan Hotel REIT Investment Corporation: <http://www.jhrth.co.jp/>

Website of Japan Hotel REIT Advisors Co., Ltd.: <http://www.jhra.co.jp/>

To newspeople

November 27, 2014

Japan Hotel REIT Advisors Co., Ltd.

The survey on the first year-end and New Year domestic travel since the consumption tax hike to 8%.

## **No impact of consumption tax hike on prospective domestic travelers during year-end and New Year holidays (2014-2015).**

Over 30% of respondents have higher travel budget and some 60% have about the same travel budget for the coming year-end and New Year travel compared to that of last year.

Over 70% of prospective travelers in 2015 plan to keep the same amount of travel budget or increase the budget from this year (2014).

Japan Hotel REIT Advisors Co., Ltd. ("JHRA")\*, the asset management company of Japan Hotel REIT Investment Corporation ("JHR"), the hotel-focused real estate investment trust (J-REIT), has conducted a survey on domestic travel for the year-end and New Year holidays to analyze the trends of non-resident population\*\* in the tourism market in Japan. The respondents of the survey were 520 men and women in their twenties to sixties living in Tokyo metropolitan area (4 prefectures) who are planning on domestic traveling during the year-end and New Year holidays (2014-2015).

The survey results show that among the respondents who traveled domestically during the year-end and New Year holidays last year (2013-2014), over 30% (30.2%) of respondents said they plan to increase their travel budget from last year. Adding about 60% (59.9%) who answered the budget will be about the same as last year, more than 90% (90.1%) said they will keep the same amount of travel budget as last year or increase the budget from last year for the coming year-end and New Year holidays in spite of the consumption tax hike to 8% last April.

Also, over 80% (81.0%) of respondents said they plan on domestic traveling in 2015 as well. Over 70% (72.5%) of these respondents said they plan to keep the same travel budget or increase the budget from last year for their domestic travel in 2015.

\* Head office in Shibuya-ku, Tokyo. Representative Director and President: Hisashi Furukawa.

\*\*Non-resident population is a concept opposite to resident population and represents the number of people who visit the area.

### Main survey results

➤ **Over 90% of respondents said they will increase their budget from last year or keep the same travel budget as last year for this year-end and New Year travel.**

Regarding the question whether the consumption tax hike to 8% have any impact on travel budget for the year-end and New Year travel, among the respondents who traveled domestically during the year-end and New Year holidays last year, 30.2% responded that they will increase their travel budget from last year. Adding 59.9% who answered they will keep the same budget as last year, over 90% (90.1%) of respondents plan to keep the same amount of travel budget as last year or increase the budget from last year in spite of the impact of consumption tax hike. For more detail, please refer to P3.

➤ **One out of every four respondents have a travel budget of JPY50,000 and over/person for year-end and New Year travel.**

Regarding the travel budget per person for this year-end and New Year travel, the most chosen price bracket was "JPY30,000 or over – less than JPY50,000" at 26.7%. Also, one-fourth of the total respondents (25.4%) said their travel budget is JPY50,000 or over. For more detail, please refer to P2.

➤ **Over 70% of prospective travelers in 2015 plan to keep the same travel budget as this year (2014) or increase the budget from this year.**

Over 80% (81.0%) of respondents plan to travel domestically in 2015. Among these respondents, 54.4% plans to keep the same travel budget as this year (2014) and 18.1% plans to increase the budget from this year. That means over 70% (72.5%) of prospective travelers in 2015 are positively thinking about traveling. As for the reason to keep the same amount of travel budget or increase the budget over last year, 85.9% responded that "they intend to set aside travel budget in spite of economic trends and consumption tax hike." For more detail, please refer to P4-P5.

<Contact for this survey>

Japan Hotel REIT Advisors Co., Ltd. Public Relations (at Kyodo Public Relations Co., Ltd.) Yashiro and Ito  
TEL: 03-3571-5258 FAX: 03-3574-0316 E-mail: jhra-pr@kyodo-pr.co.jp

# Survey on Domestic Travel during Year-End and New Year Holidays (2014-2015)

## <Summary of Survey in Detail>

### Summary of survey

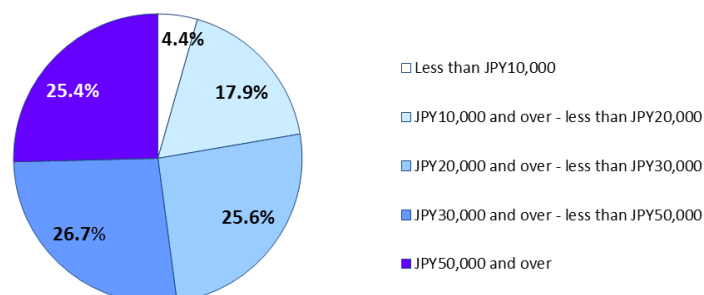
Method	Online survey
Area	Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, Saitama) (4 prefectures)
Target	Total 520 men and women in their twenties to sixties who are planning on domestic traveling during year-end and New Year holidays (December 2014 – January 2015) . *Men and women in equal number. *Ages from 20s to 60s are equally separated into 5 groups.
Period	October 24, 2014 (Fri) – October 25, 2014 (Sat)

### (1) One out of every four respondents have a travel budget of JPY50,000 and over/person

With regards to the travel budget for year-end and New Year travel per person, the range of “JPY30,000 and over – less than JPY50,000” accounted for the most at 26.7%, with “JPY20,000 and over – less than JPY30,000” following at 25.6%. Also, a quarter of the respondents said they have a budget of JPY50,000 and over (25.4%).

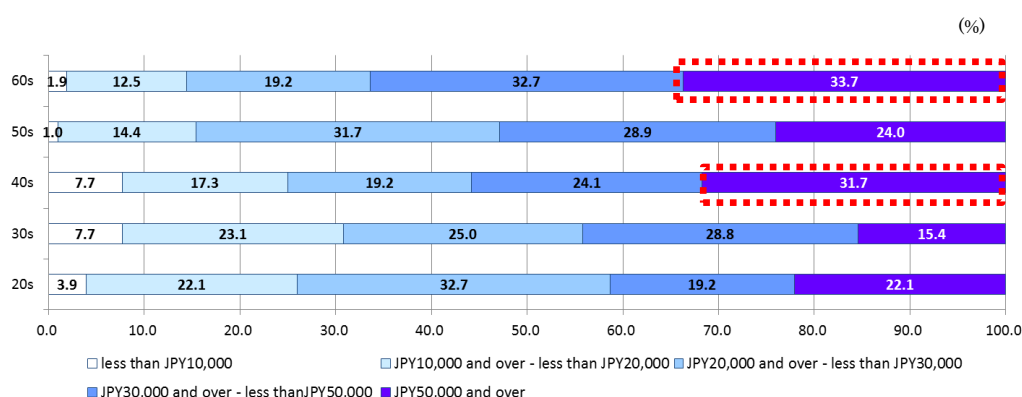
### (Data 1) Travel budget for domestic travel during year-end and New Year holidays (N =520)

Q This is a question for those who are planning to take an overnight trip during year-end and New Year holidays (2014-2015). How much do you plan for your budget per person for the domestic travel? (Please include accommodation charges, travel costs, meals, and other expenses.)



Also, by age group, 31.7% of respondents in their forties, the age group of people working proactively, and 33.7% of respondents in their sixties, retirees enjoying their second life, plan to take trips during the year-end and New Year holidays with the travel budget of JPY50,000 and over.

### (Data 2) Travel budget for domestic travel during year-end and New Year holidays (by age) (each age group N=104)

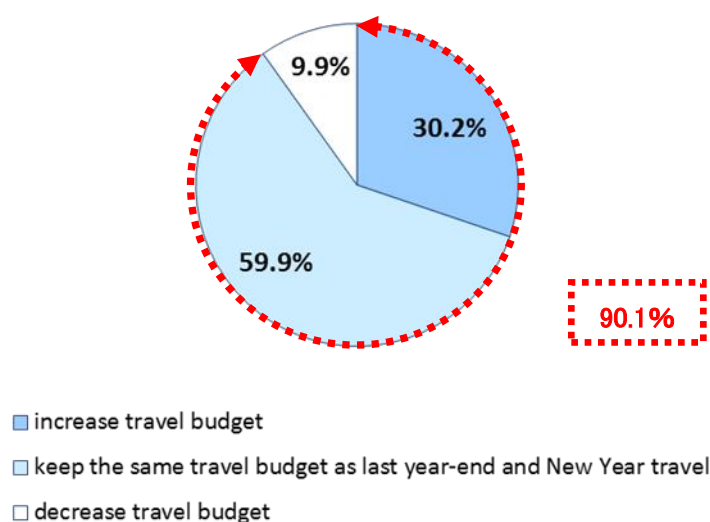


**(2) Over 90% of respondents said they will increase their travel budget from last year or keep the same amount of travel budget as last year for this year-end and New Year travel.**

As for the question whether the consumption tax hike to 8% have any impact on travel budget for the year-end and New Year domestic travel, among the respondents who traveled domestically during the year-end and New Year holidays last year, 30.2% responded that they will increase their travel budget from last year. Adding 59.9% who answered they will keep the same budget as last year, over 90% (90.1%) of respondents plan to keep the same amount of travel budget as last year or increase the budget from last year in spite of the impact of consumption tax hike.

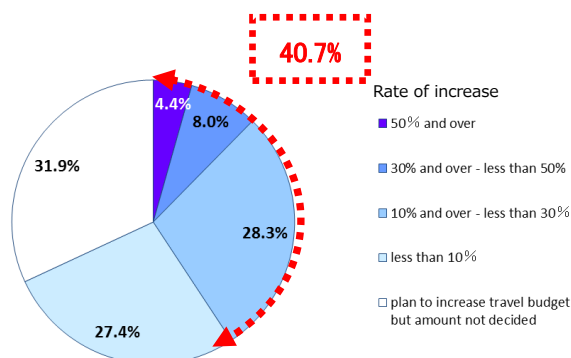
**(Data 3) Comparison of year-end and New Year travel budget between last year and this year (N=374)**

Q This is a question for those who took a domestic overnight trip during the year-end and New Year holidays last year (December 2013-January 2014). Please let us know the impact of the consumption tax hike to 8% in April 2014 on your travel budget for the coming year-end and New Year travel.



Also, among the respondents who answered they will “increase travel budget,” over 40% (40.7%) said the increasing rate will be more than 10% from last year’s budget, showing they will substantially raise the budget for this year-end and New Year holiday travel.

**(Data 4) Rate of increase of travel budget for the year-end and New Year holidays travel (over last year) (N=113)**



As for the budget items that contribute to the increase in travel budget, “change in the destination”(41.6%) came at the top, followed by “change in the grade of accommodation (hotel/ryokan (Japanese inn))”(36.3%), “content of meals” (32.7%), and “timing of traveling (also consider expensive peak period)” (31.0%).

#### (Data 5) Budget items to consider increasing (N=113)

Q This is a question for those who answered to “increase travel budget” for the year-end and New Year travel.  
Please answer what budget items you would consider increasing. (Multiple answers allowed.)

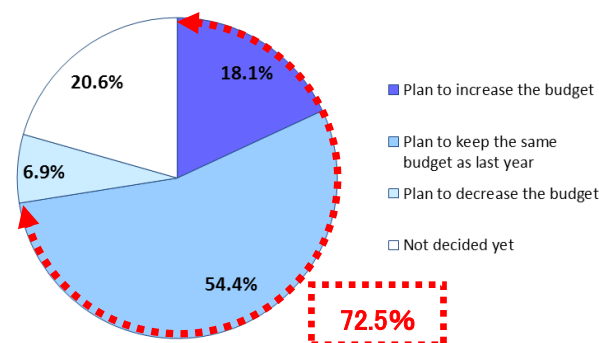
Rank	Budget items to consider increasing	(%)
1	Destination of travel	41.6
2	Grade of accommodation (hotel/ryokan (Japanese inn))	36.3
3	Content of meals	32.7
4	Timing of traveling (also consider expensive peak period)	31.0
5	Number of nights to stay	27.4
6	Grade of room in hotel/ryokan (Japanese inn)	26.5
7	Means of transportation	22.1
8	Seating grade of transportation	8.8
9	Optional tours at destination	7.1
10	Others	3.5

#### (3) Over 70% of prospective travelers in 2015 plan to keep the same travel budget as last year or increase the budget from last year.

Over 80% (81.0%) of survey respondents plan to travel domestically in 2015. Among these respondents, 54.4% plan to keep the same travel budget as this year (2014) and 18.1% plans to increase the budget from this year. That means among respondents, over 70% (72.5%) of prospective travelers in 2015 are positively thinking about traveling.

#### (Data 6) Travel budget for 2015 (N=421)

Q This is a question for those who are planning to take a domestic overnight trip in 2015.  
The further hike in consumption tax is under debate. How do you think your total travel budget for 2015 will change compared to that for this year (2014)? (Single answer.)



**(4) 85.9% of respondents keep travel budget in spite of economic trends and consumption tax hike.**

As for the reason why respondents will keep the same amount of travel budget as 2014 or more for 2015, 85.9% of respondents cited that travel budget is something they intend to set aside in spite of economic trends and consumption tax hike. The result shows that whatever the conditions of surrounding environments are, people have a high expectation for domestic travel whether traveling with family member(s), a boyfriend or a girlfriend, friend(s), or alone.

**(Data 7) Budget items to consider increasing (N=305)**

Q For those who answered they “plan to increase” or “plan to keep the same amount of” total travel budget for domestic travel in 2015, please let us know the reasons. (Multiple answers allowed.)

Rank	Budget items to consider increasing	(%)
1	I plan to set aside travel budget in spite of economic trends and consumption tax hike	85.9
2	I feel economy is recovering	10.5
3	Others	6.9

In this survey, while the consumption tax hike to 8% has become an increasing burden on household expenditure, with regards to the travel budget for the year-end and New Year travel, over 90% (90.1%) of respondents who traveled domestically during the year-end and New Year holidays last year answered that they will “increase the travel budget from last year” or “keep the same budget as last year.” Also, over 80% (81.0%) of all survey respondents also plan to travel domestically in 2015. And over 70% (72.5%) among them plan to keep the same budget or more from this year (2014). The result of the survey shows that respondents put emphasis on setting aside leisure expenses in spite of economic trends and consumption tax hike.

---

**Japan Hotel REIT Advisors Co., Ltd.**

“Japan Hotel REIT Advisors Co., Ltd.” (<http://www.jhra.co.jp/>) is the asset management company of Japan Hotel REIT Investment Corporation (<http://www.jhrth.co.jp/>) (Securities Code: 8985) that is listed on Tokyo Stock Exchange.

Location: Ebisu Neonato 4F, 4-1-18 Ebisu, Shibuya-ku, Tokyo 150-0013

Establishment: August 10, 2004

Capital: JPY300M

Representative Director and President: Hisashi Furukawa

\*This material is intended to provide information only and should not be construed as a solicitation to buy any securities or recommendation to transact any securities. Please make any investment decisions at your own judgment.

<Contact for this survey>

Japan Hotel REIT Advisors Co., Ltd. Public Relations (at Kyodo Public Relations Co., Ltd.) Yashiro and Ito  
TEL: 03-3571-5258 FAX: 03-3574-0316 E-mail: [jhra-pr@kyodo-pr.co.jp](mailto:jhra-pr@kyodo-pr.co.jp)