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Announcement of Fifth Survey Concerning Domestic Travel Trends

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

Four surveys have been conducted so far to investigate domestic travel trends during summer and winter, and in this fifth survey we investigated domestic travel trends for this summer with men and women in their twenties through seventies and over. 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

June 12, 2014

Opinion poll on domestic travels for this summer vacation
(July through September) targeting those who reside in
the Tokyo Metropolitan area
(Tokyo, Kanagawa, Saitama, and Chiba prefectures)

Despite the consumption tax hike, people tend to **increase travel budget and the number of travel days**
or keep the same amount of budget and the same number of travel days as last year.

“Onsen (hot-spring resort)” is continuously popular travel destination.

Japan Hotel REIT Advisors Co., Ltd. (“JHRA”), the asset management company of Japan Hotel REIT Investment Corporation (“JHR”), the hotel-focused investment corporation of J-REIT on Tokyo Stock Exchange, has performed opinion poll on the domestic travels this summer. This opinion poll was intended to analyze the tendency of “non-resident population”^{*1} in the tourism market in Japan, and one thousand two hundred men and women in their twenties to seventies and over who reside in the Tokyo Metropolitan Area (Tokyo, Kanagawa, Saitama and Chiba prefectures) participated in this investigation. JHR has conducted this type of investigation twice a year and this is the fifth investigation.

^{*1} Non-resident population is a concept opposite to resident population and represents the number of people who visit area. “Domestic leisure customers” and “Inbound travelers” are two key factors that comprise the non-resident population.

[Topics]

<The investigation targets are those who intend to plan overnight travel(s) during this summer vacation (July through September) only.>

1. **People tend to keep the “same budget (including tax) as last year” or “increase the budget from last year.”**
2. **More than 50% of respondents responded to keep the “same number of nights for travel as last year”. More than 40% of men and women in their twenties, women in their thirties and fifties responded to increase the number of nights for travel this year.**

3. **For travel destinations, 1. "Onsen (hot-spring resort)" and 2. "Places of scenic beauty and historic interest" are still firm favorite.**
4. **Men in their twenties, thirties and forties intend to "travel with family" followed by "travel alone".**

Consumption tax hike did not greatly impact on people's travel plan for this summer vacation. People tend to keep the same amount of budget and the same number of travel days as last year or intend to increase them. Domestic travels are increasingly demanded due to changes in Japanese consumption behavior from "material wealth" to "enjoy pastime" and probably benefit of Abenomics which has finally filtered down. Please see the following pages for detail.

<Investigation summary>

Investigation method:	On-line investigation
Investigation period:	May 16, 2014 through May 18, 2014
Valid number of respondents:	1,200 people (100 men and 100 women each in their twenties, thirties, forties, fifties, sixties and seventies and over)
Attribute of respondents:	Those who reside in the Tokyo Metropolitan area (Tokyo, Kanagawa, Saitama and Chiba prefectures).

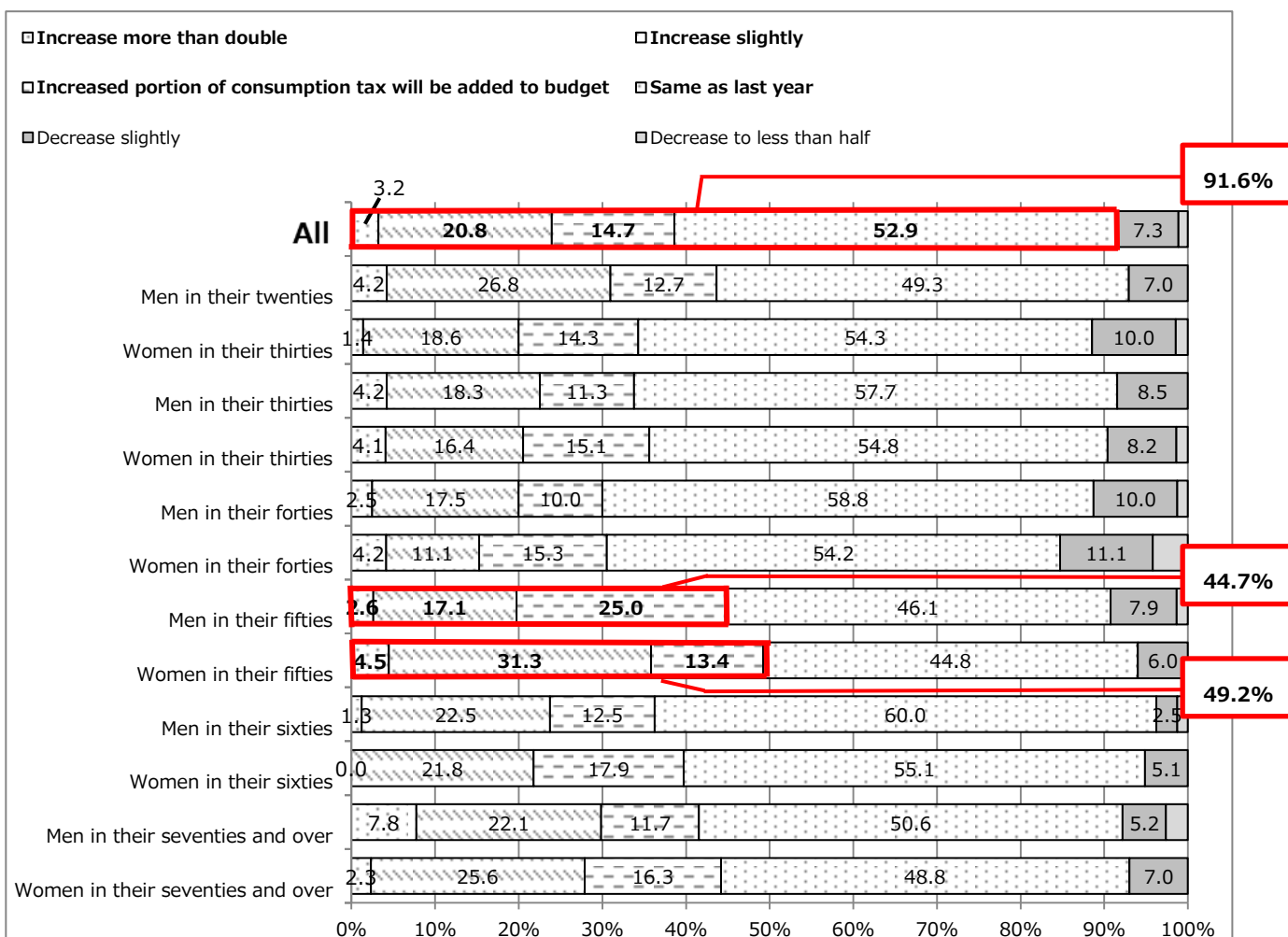
1. More than 50% of respondents (52.9%) responded to keep the same amount of budget (including tax) for the domestic overnight travel(s) for this summer vacation. Approximately 90% of respondents intend to "keep the same level as last year" or "increase". "Decrease slightly" and "Decrease to less than half" accounted for 7.3% and 1.1%, respectively.

49.2% of women and 44.7% of men in their fifties said "Increased portion of consumption tax will be added to budget" "Increase budget slightly" and "Increase budget more than double" in total. It is notable that men and women in their fifties intend to increase the budget. The above 49.2% is the highest percentage in all ages.

<Chart 1> How much do you budget for your overnight travel for this summer vacation (July through September) including tax in comparison with last year? If you plan multiple travels, please totalize. If you have not fixed your budget yet, please select nearest number.

*Those who did not travel during last summer vacation (July through September) was excluded.

(Unit: %)



2. More than 50% of respondents responded to keep the same number of nights for travel as last year. More than 40% of men and women in their twenties and women in their thirties and fifties intend to increase the number of nights for travel.

With respect to the number of nights for travel during this summer vacation (July through September) and the last summer vacation, 55.9% said "the same as that of last year" followed by "increase from last year (35.2%)". Particularly, **more than 40% of men in their twenties (40.0%), women in their twenties (46.3%), women in their thirties (44.6%) and women in their fifties (42.6%) said "increase from last year".**

<Chart 2> (1) Did you do domestic overnight travel during the last summer vacation (July through September)? If you did, how many nights did you stay? (2) How many nights do you plan to stay for domestic overnight travel for this summer vacation (July through September)? If you have not fixed your plan yet, please give us nearest number of nights.

The numbers of nights for travel responded by each respondent for last summer vacation and this summer vacation were compiled and the results were classified into three categories such as “increase from last year”, “same as that of last year” and “decrease from last year”.

*Those who did not do overnight travel during the last summer vacation (July through September) were excluded.

(Unit: %)

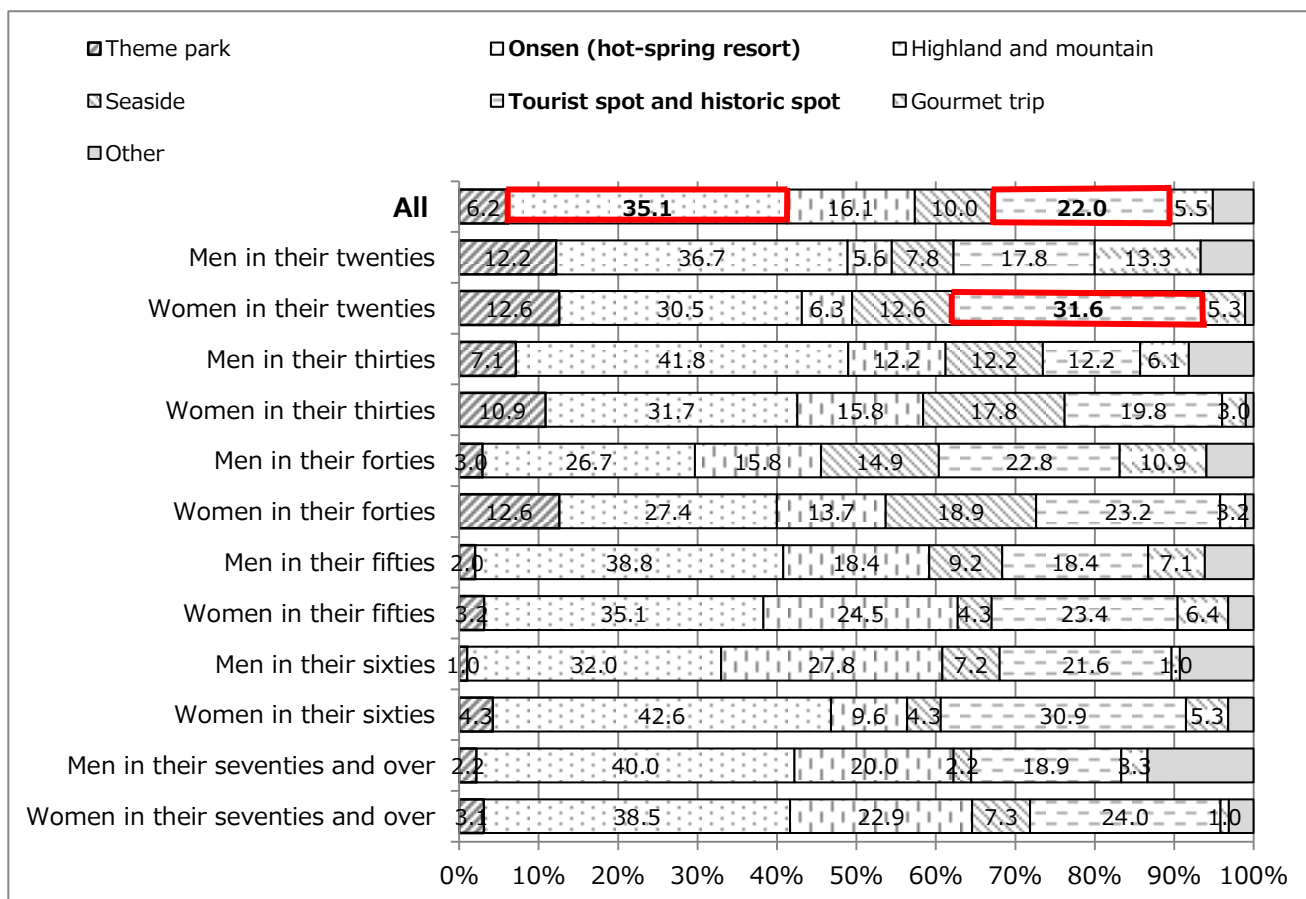
	Increase from last year	Same as that of last year	Decrease from last year
All	35.2	55.9	8.9
Men in their twenties	40.0	50.0	10.0
Women in their twenties	46.3	42.1	11.6
Men in their thirties	38.8	59.2	2.0
Women in their thirties	44.6	41.6	13.8
Men in their forties	34.7	60.4	4.9
Women in their forties	31.6	57.9	10.5
Men in their fifties	32.7	60.2	7.1
Women in their fifties	42.6	48.9	8.5
Men in their sixties	26.8	63.9	9.3
Women in their sixties	29.8	61.7	8.5
Men in their seventies and over	27.8	63.3	8.9
Women in their seventies and over	27.1	61.5	11.4

3. For travel destinations, 1. Onsen (hot-spring resort) (35.1%), 2. Places of scenic beauty and historic interest (22.0%) are still firm favorite.

All people except for women in their twenties selected “Onsen (hot-spring resort)” as their favorite travel destination and 31.6% of women in their twenties selected “Places of scenic beauty and historic interest”. Those who selected “Onsen (hot-spring resort)” in the last year’s investigation also accounted for the largest group (33.6%), and it is proven that Onsen is important travel destination of domestic travelers.

<Chart 3> Where is your destination for your domestic overnight travel during this summer vacation (July through September)? (Please select the major destination if you go multiple places.)

(Unit: %)



4. Men in their twentieth, thirties and forties intend to “travel with family” followed by “travel alone”. The majority response from women in all ages is “travel with family”.

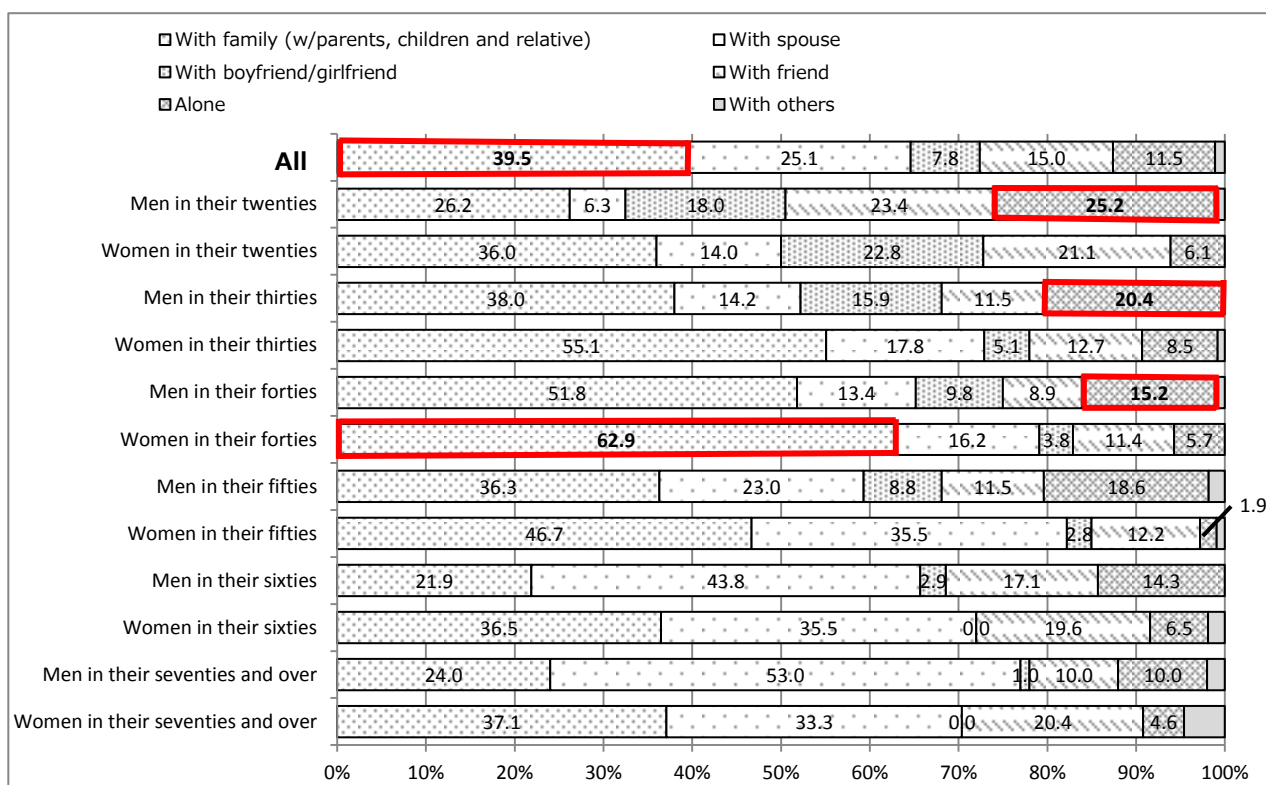
The respondents mostly intend to “travel with family (with parents, children, and relative)” (39.5%). More than 60% of women in their forties (62.9%) travel with family. According to gender and age, men in their twenties, thirties and forties travel with family followed by “travel alone”. The past investigation showed inclination of men in their twenties to travel alone (16.0%)*² compared with other ages, and their tendency to travel alone has been intensified further.

*² Investigation conducted by JHRA (November 6, 2012 through November 8, 2012)

<Chart 4> With whom will you do overnight travel during this summer vacation (July through September)? If you have not decided yet, please give us the most likely person(s).

*Those who did not do overnight travel during the last summer vacation (July through September) were excluded.

(Unit: %)



【Contact for this investigation】

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Corporate summary of JHRA

JHRA (<http://www.jhra.co.jp/>) is an asset management company of JHR (<http://www.jhrth.co.jp/>) whose stocks have been listed on Tokyo Stock Exchange (Securities code: 8985).

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Date of establishment: August 10, 2004

Capital: JPY300M

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