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Announcement of the Third Survey Concerning the Domestic Travel Trends

Japan Hotel REIT Advisors Co., Ltd. (hereinafter called “JHRA”), the asset management company of Japan Hotel REIT Investment Corporation (hereinafter called “JHR”), has conducted the opinion polls on the domestic trip to analyze the tendency of “Non-resident population” of the tourism market in Japan.

At the first survey released on June 29, 2012 and the second survey released on December 3, 2012, JHRA had investigated the trends of the domestic trips for the last summer and the last winter through questionnaires. This time, the third survey was conducted on the domestic trip for this summer among men and women in their twenties through their sixties 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 11, 2013

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

People prefer **domestic trip rather than overseas trip** for this summer vacation,
as it does not need a long period.

**More than 30% of men in their thirties and their fifties and women in their twenties
said they will increase the travel expenses.**

**The top three domestic world heritages they would like to visit in future are
“Yakushima Island”, “Ogasawara Islands”, and “Shiretoko”.**

Japan Hotel REIT Advisors Co., Ltd. (“JHRA”)*, the asset management company of Japan Hotel REIT Investment Corporation (“JHR”) which is the hotel-focused investment corporation in J-REIT that has listed stocks on Tokyo Stock Exchange, has performed the opinion poll on the domestic trips this summer. This opinion poll was intended to analyze the tendency of the non-resident population in the tourist spots in Japan, and conducted among one thousand men and women in their twenties to their sixties and over who reside in Tokyo Metropolitan Area (Tokyo, Kanagawa, Saitama and Chiba prefectures).

(*Headquarter: Shibuya-ku, Tokyo. Representative Director and president: Hiroyuki Suzui)

[Topics]

1. 41.3% have planned trip(s) (both domestic and overseas trips) for this summer vacation. 24.4% plan no trip.
2. The biggest reason why they have planned the domestic trip is the domestic trip does not need a long period (48%). The second biggest reason is the interest to the tourist spots in Japan (26.3%).
3. The majority said the number of nights staying in accommodation will be the same as that of the last year, and 36.4% intend to stay longer this summer. Men in their thirties (31.4%), men in their fifties (31.0%) and women in their twenties (30.8%) intend to increase the travel expenses this summer.

4. Onsen (hot-spring resort) is the most popular destination of the domestic trip for this summer vacation among all generations, and theme park ranked second among women in their twenties (20.5%) and men in their thirties(20.0%).
5. The top five world heritages in Japan they have visited before are,
 1. Shrines and Temples of Nikko
 2. Buddhist Monuments in the Horyuji Area
 3. Historic Monuments of Ancient Kyoto
 4. Mount Fuji
 5. Historic Monuments of Ancient Nara
6. One of two people in their forties and over said they have visited Mount Fuji which is the recent topic of conversation because of the registration of the world heritage.
7. The top five domestic world heritages they would like to visit in future (again) are,
 1. Yakushima Island
 2. Ogasawara Islands,
 3. Shiretoko
 4. Historic Monuments of Ancient Kyoto
 5. Itsukushima Shinto Shrine

【Investigation summary】

Investigation method:	On-line investigation
Investigation period:	May 20, 2013 through May 21, 2013
Valid respondents:	1,000 people (100 men and 100 women each in their twenties, thirties, forties, fifties and over sixties) (The respondents of the topic 2 to the topic 4 below are those who have planned the domestic trip this summer.)
Attributes of respondents:	Those who reside in Tokyo Metropolitan Area (Tokyo, Kanagawa, Saitama and Chiba prefectures).

1. 41.3% have planned trip(s) (both domestic and overseas trips) for this summer vacation. 24.4% plan no trip.

According to the gender and age-specific survey results, more than 40% (41.3%) said they have planned either domestic trip or overseas trip, or both of them. Particularly, approximately 60% of women in their twenties (56.3%) and more than 50% of women in their thirties (50.4%) have planned trips, and keen interest in trip is identified.

<Chart 1: Do you plan stay trip(s) for this summer vacation (going back to hometown exclusive)? (Multiple answers acceptable)>

(Unit: %)

		I have planned domestic trip.	I have planned overseas trip.	No trip has been planned.	Undecided	
All generations		31.7	9.6	24.4	38.5	41.3%
All in their twenties		35.9	14.1	19.9	36.4	56.3%
Twenties	Men	34.0	9.7	22.3	38.8	56.3%
	Women	37.9	18.4	17.5	34.0	
All in their thirties		37.9	9.7	21.4	36.9	50.4%
Thirties	Men	34.0	10.7	22.3	38.8	50.4%
	Women	41.7	8.7	20.4	35.0	
All in their forties		31.6	10.7	22.8	38.3	
Forties	Men	28.2	8.7	28.2	37.9	
	Women	35.0	12.6	17.5	38.8	
All in their fifties		26.7	8.7	30.6	37.4	
Fifties	Men	28.2	9.7	34.0	33.0	
	Women	25.2	7.8	27.2	41.7	
All in their sixties and over		26.7	4.9	27.2	43.7	
Sixties and over	Men	27.2	3.9	26.2	43.7	
	Women	26.2	5.8	28.2	43.7	

2. The biggest reason why they have planned the domestic trip is the domestic trip does not need a long period (48%). The second biggest reason is the interest to the tourist spots in Japan (26.3%).

With reference to the question concerning the reason why they have chosen the domestic trip, approximately 50% (48.0%) of the all respondents said "It does not need a long period." It is noticeable that women in their fifties (61.5%), men in their forties (58.6%), and men in their twenties (57.1%) have chosen this answer. The second reason they chose was "Interest to the domestic tourist spots" (26.3%). Men in their sixties and over (39.3%) and women in their forties (36.1%) have accounted for approximately 40% of this answer.

<Chart 2: What made you plan domestic trip for this summer vacation? (Choose one answer)>

(Unit: %)

		It is cheaper than overseas trip.	It is safe and free from care.	It does not need a long period.	I am interested in the domestic tourist spots.	Other
All generations		7.3	9.5	48.0	26.3	8.9
All in their twenties		8.1	8.1	55.4	21.6	6.8
Twenties	Men	11.4	2.9	57.1	22.9	5.7
	Women	5.1	12.8	53.8	20.5	7.7
All in their thirties		11.5	14.1	39.7	24.4	10.3
Thirties	Men	14.3	20.0	31.4	22.9	11.4
	Women	9.3	9.3	46.5	25.6	9.3
All in their forties		6.2	6.2	52.3	29.2	6.2
Forties	Men	6.9	3.4	58.6	20.7	10.3
	Women	5.6	8.3	47.2	36.1	2.8
All in their fifties		9.1	9.1	49.1	21.8	10.9
Fifties	Men	6.9	17.2	37.9	27.6	10.3
	Women	11.5	0.0	61.5	15.4	11.5
All in their sixties and over		0.0	9.1	43.6	36.4	10.9
Sixties and over	Men	0.0	3.6	46.4	39.3	10.7
	Women	0.0	14.8	40.7	33.3	11.1

3. The majority said the number of nights staying in accommodation will be the same as that of the last year, and 36.4% intend to stay longer this year. Men in their thirties (31.4%), men in their fifties (31.0%) and women in their twenties (30.8%) intend to increase the travel expenses this summer.

With reference to the question concerning the scheduled number of nights staying in accommodation, the majority of the all respondents (57.5%) said the same as that of the last year, and the next is those who intend to stay longer this summer (36.4%).

<Chart 3: Comparison between the number of nights staying in accommodation this year and the last year (multiple answers acceptable)>

(Unit: %)

	I plan to increase.	It is the same as that of last year.	I plan to decrease.	Undecided
All generations	36.4	57.5	13.5	23.9

With reference to the question concerning the trip budget for this year and the last year, the majority of the all respondents (41.3%) said it will be the same as that of the last year. However, 20.8% said it will be increased slightly and 2.8% said it will be increased more than double. 23.6% in total intend to increase the trip budget this summer. On the other hand, 7.0% said it will be decreased slightly and 1.2% said it will be decreased more than double. 8.2% in total intend to decrease the travel budget. According to the gender and age-specific survey results, those who intend to increase the travel budget are men in their thirties (31.4%), men in their fifties (31.0%) and women in their twenties (30.8%).

<Chart 4: What is the travel budget for this summer vacation compared with the last year?>

(Unit: %)

		I plan to increase more than double.	I plan to increase slightly.	It will be the same as that of last year.	I plan to decrease slightly.	I plan to decrease more than double.	I do not know. Or specific amount has not been decided yet.	I did not travel last summer.
All generations		2.8	20.8	41.3	7.0	1.2	15.0	11.9
All in their twenties		6.8	17.6	39.2	9.5	0.0	16.2	10.8
Twenties	Men	2.9	14.3	51.4	5.7	0.0	8.6	17.1
	Women	10.3	20.5	28.2	12.8	0.0	23.1	5.1
All in their thirties		0.0	26.9	37.2	6.4	2.6	16.7	10.3
Thirties	Men	0.0	31.4	34.3	2.9	0.0	17.1	14.3
	Women	0.0	23.3	39.5	9.3	4.7	16.3	7.0
All in their forties		0.0	16.9	46.2	7.7	0.0	15.4	13.8
Forties	Men	0.0	13.8	58.6	3.4	0.0	13.8	10.3
	Women	0.0	19.4	36.1	11.1	0.0	16.7	16.7
All in their fifties		3.6	23.6	47.3	3.6	3.6	10.9	7.3
Fifties	Men	3.4	27.6	41.4	3.4	6.9	17.2	0.0
	Women	3.8	19.2	53.8	3.8	0.0	3.8	15.4
All in their sixties and over		3.6	18.2	38.2	7.3	0.0	14.5	18.2
Sixties and over	Men	7.1	17.9	32.1	10.7	0.0	17.9	14.3
	Women	0.0	18.5	44.4	3.7	0.0	11.1	22.2

4. Onsen (hot-spring resort) is the most popular destination of the domestic trip for this summer vacation among all generations, and theme park ranked second among women in their twenties (20.5%) and men in their thirties(20.0%).

With reference to the question concerning the trip destination, “Onsen” (hot-spring resort) has been chosen among all generations (33.6%) and “Theme park” is the second destination chosen among women in their twenties (20.5%) and men in their thirties (20.0%). With respect to the seaside which is the regular summer tourist resort, only women in their thirties (27.9%) and women in their forties (22.2%) were at 20% level while other generations were at 10% level. One out of five people of these gender and generation will go to the seaside.

<Chart 5: Where is your travel destination this summer? (Choose one answer)>

(Unit: %)

		Theme Park	Onsen (hot-spring resort)	Highland and mountain	Seaside	Tourist spot and historic spot	Gourmet trip	Other
All generations		10.4	33.6	13.5	13.8	16.2	6.7	5.8
All in their twenties		12.2	35.1	10.8	10.8	16.2	9.5	5.4
Twenties	Men	2.9	34.3	11.4	8.6	20.0	17.1	5.7
	Women	20.5	35.9	10.3	12.8	12.8	2.6	5.1
All in their thirties		20.5	29.5	7.7	19.2	12.8	3.8	6.4
Thirties	Men	20.0	40.0	2.9	8.6	14.3	2.9	11.4
	Women	20.9	20.9	11.6	27.9	11.6	4.7	2.3
All in their forties		10.8	24.6	16.9	20.0	13.8	7.7	6.2
Forties	Men	13.8	17.2	27.6	17.2	10.3	3.4	10.3
	Women	8.3	30.6	8.3	22.2	16.7	11.1	2.8
All in their fifties		1.8	36.4	16.4	7.3	23.6	10.9	3.6
Fifties	Men	3.4	27.6	13.8	13.8	24.1	13.8	3.4
	Women	0.0	46.2	19.2	0.0	23.1	7.7	3.8
All in their sixties and over		1.8	45.5	18.2	9.1	16.4	1.8	7.3
Sixties and over	Men	0.0	46.4	21.4	10.7	10.7	0.0	10.7
	Women	3.7	44.4	14.8	7.4	22.2	3.7	3.7

5. The top five world heritages in Japan they have visited before are 1. Shrines and Temples of Nikko, 2. Buddhist Monuments in the Horyuji Area, 3. Historic Monuments of Ancient Kyoto, 4. Mount Fuji, and 5. Historic Monuments of Ancient Nara.

With reference to the question concerning the world heritage they have visited before, “Shrines and Temples of Nikko” (58.9%), “Buddhist Monuments in the Horyuji Area” (55.0%), and “Historic Monuments of Ancient Kyoto” (52.9%) are the top three world heritages more than 50% of the respondents have visited before (See the chart of Topic 6 below).

6. One of two people in their forties and over said they have visited Mount Fuji that is the recent topic of conversation because of the registration of the world heritage.

With reference to the Mount Fuji that is the recent topic of conversation because of the registration of the world heritage, approximately 50% of the all respondents (47.2%) said they have visited before. Particularly, more than 50% of those in their forties through their sixties and over said they have visited before.

<Chart 6: Have you ever visited the domestic world heritages before? Choose those you have visited (multiple answers acceptable). >

(Unit: %)

	Shrines and Temples of Nikko	Buddhist Monuments in the Horyuji Area	Historic Monuments of Ancient Kyoto	Mount Fuji	Historic Monuments of Ancient Nara
All generations	58.9	55.0	52.9	47.2	42.3
All in their twenties	46.1	39.3	42.2	31.1	32.5
All in their thirties	49.0	41.7	47.6	41.7	34.5
All in their forties	56.8	56.8	48.1	52.4	36.4
All in their fifties	67.0	67.0	62.1	54.9	50.5
All in their sixties and over	75.7	70.4	64.6	55.8	57.8

7. The top five world heritages they would like to visit in future (again) are 1. Yakushima Island, 2. Ogasawara Islands, 3. Shiretoko, 4. Historic Monuments of Ancient Kyoto, and 5. Itsukushima Shinto Shrine

With reference to the question concerning the world heritages they would like to visit in future (again), 41.3% of the all respondents said “Yakushima Island” and the natural heritages have accounted for the top three world heritages in Japan they would like to visit in future. People tend to be interested in the natural heritage than the cultural heritage. In particular, more than 50% of women in their forties (55.3%) hope to visit “Yakushima Island” while approximately 40% of other generations hope to visit.

<Chart 7: Which domestic world heritages would you like to visit the most in future (again)?
(Choose up to three domestic world heritages)>

(Unit: %)

		Yakushima Island	Ogasawara Islands	Shiretoko	Historic Monuments of Ancient Kyoto	Itsukushima Shinto Shrine
All generations		41.3	24.5	20.7	17.3	16.7
All in their twenties		37.4	22.3	19.9	19.4	20.4
Twenties	Men	32.0	23.3	17.5	16.5	17.5
	Women	42.7	21.4	22.3	22.3	23.3
All in their thirties		37.4	24.8	20.9	16.0	21.4
Thirties	Men	33.0	24.3	22.3	8.7	14.6
	Women	41.7	25.2	19.4	23.3	28.2
All in their forties		49.5	25.2	20.4	14.6	14.1
Forties	Men	43.7	33.0	22.3	9.7	6.8
	Women	55.3	17.5	18.4	19.4	21.4
All in their fifties		42.7	27.2	21.4	14.6	14.1
Fifties	Men	40.8	31.1	27.2	13.6	13.6
	Women	44.7	23.3	15.5	15.5	14.6
All in their sixties and over		39.3	22.8	20.9	21.8	13.6
Sixties and over	Men	35.0	24.3	21.4	26.2	16.5
	Women	43.7	21.4	20.4	17.5	10.7

Summary of 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 has listed stocks on Tokyo Stock Exchange.

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