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Announcement of Fourth Survey Concerning Domestic Travel Trends

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

We have conducted opinion polls on domestic travel trends for the summer last year, winter last year and the summer this year at the past three surveys.

This time, JHRA conducted the fourth opinion poll on domestic travel trends for next year targeted on men and women in their twenties through 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

November 25, 2013

Opinion poll on the domestic staying trips for 2014 targeting
on those who reside in the Tokyo Metropolitan Area
(Tokyo, Kanagawa, Saitama and Chiba prefectures)

More than 30% of men and women in their twenties and men in their sixties and over who plan to travel domestically next year (2014) intend to increase travel expenses irrespective of consumption tax hike.

Japan Hotel REIT Advisors Co., Ltd. ("JHRA")^(*) which is the asset management company of Japan Hotel REIT Investment Corporation ("JHR"), the hotel-focused J-REIT that has listed stocks on Tokyo Stock Exchange, has conducted opinion poll concerning the domestic staying trips for next year (2014) to analyze tendency of "non-resident population"^(**1) in tourism market in Japan. Investigation targets were men and women in their twenties to their sixties and over who reside in Tokyo Metropolitan Area. JHRA has conducted opinion polls twice a year since 2012, and this is the fourth investigation.

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

^(**1) Non-resident population is the population of visitors who visit that area and the counterpart concept of resident population that is the population of those who reside in that area. Two key major factors comprise the non-resident population such as (1) Domestic leisure customers and (2) Inbound tourists.

[Topics]

1. With respect to domestic staying trip for 2014, men and women in their twenties, men in their thirties, women in their fifties and men in their sixties and over tend to increase the number of trips, the number of days per trip and the amount of expenses per trip.
2. They are positive about traveling even after consumption tax hike. Approximately 60% (63.1%) said the amount of the travel expenses will be the same as that of this year, and approximately 30% (27.9%) said they would increase the amount of travel expenses compared with this year.
3. Travel destinations of all generations are,
1. Onsen (hot-spring resort), 2. Tourist spot and historic spot, and 3. Theme park.

This investigation was conducted after increase of consumption tax had been determined, and decline in consumption on and after April next year was expected due to this tax increase. In fact, however, more than the majority of those who have planned domestic staying trips said the number of trips, the number of days per trip, and the amount of expenses per trip will be the same as those of this year, and there was no sign of decline. Furthermore, because of changing consumption pattern from “shopping” to “enjoying leisure life” and probably expectation of “Abenomix” effect, there were some people who even intend to “increase” them depending on generation. A steady rise is anticipated in domestic travel demand next year. (See following pages for detail.)

【Investigation summary】

Investigation method:	On-line investigation
Investigation period:	October 17, 2013 through October 18, 2013
Valid respondents:	1,000 people who have planned to travel domestically next year (2014) (100 men and 100 women each in their twenties, thirties, forties, fifties and sixties and over.)
Attributes of respondents:	Those who reside in Tokyo Metropolitan Area such as Tokyo, Kanagawa, Saitama and Chiba prefectures.

1. Men and women in their twenties, men in their thirties, women in their fifties and men in their sixties and over tend to increase the number of trips, the number of days per trip and the amount of expenses per trip on 2014. (See charts 1, 2 and 3).

With reference to the number of domestic staying trips, the number of days per trip and the amount of expenses per trip for next year (2014), more than 50% of each generation answered “the same as those of this year (2013)”. But more than 30% of men and women in generations below answered to “increase” all three of them.

Men and women in their twenties: 35.9% of men and 29.1% of women in their twenties intend to increase the number of staying trips, 25.2% of men and 30.1% of women intend to increase the number of days per trip, and 38.8% of men and 32.0% of women intend to increase the amount of expenses per trip. The results show their positive attitude towards domestic trips.

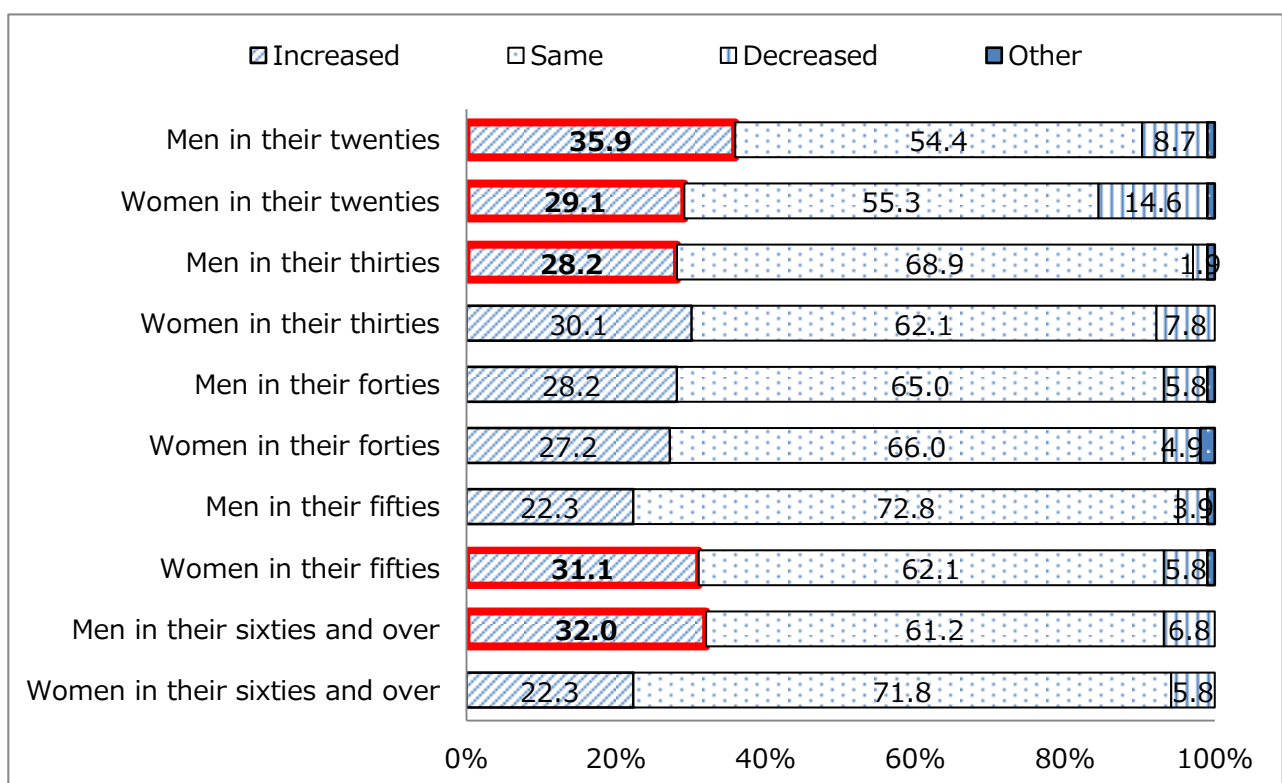
Men in their thirties: While approximately 20% of women in their thirties intend to increase both the number of days per trip and the amount of expenses per trip, 28.2% and 25.2% of men in their thirties intend to increase the number of domestic staying trips and the number of days per trip respectively. Moreover, 26.2% of men in their thirties intend to increase the amount of expenses per trip.

Women in their fifties: While approximately more than 70% of men in their fifties said “the same as those of this year” for all three of them, 31.1% of women in their fifties intend to increase both the number of domestic trips and the number of days per trip. Moreover, 26.2% of women in their fifties intend to increase the amount of expenses per trip. The results show their positive attitude towards domestic trips.

Men in their sixties and over: While women in their sixties and over who intend to increase all three of them accounted for approximately 20%, 32.0% and 25.2% of men in their sixties and over intend to increase the number of domestic staying trips and the number of days per trip respectively. Moreover, 30.1% of men in their sixties and over intend to increase the amount of expenses per trip. The results show their positive attitude towards domestic trips.

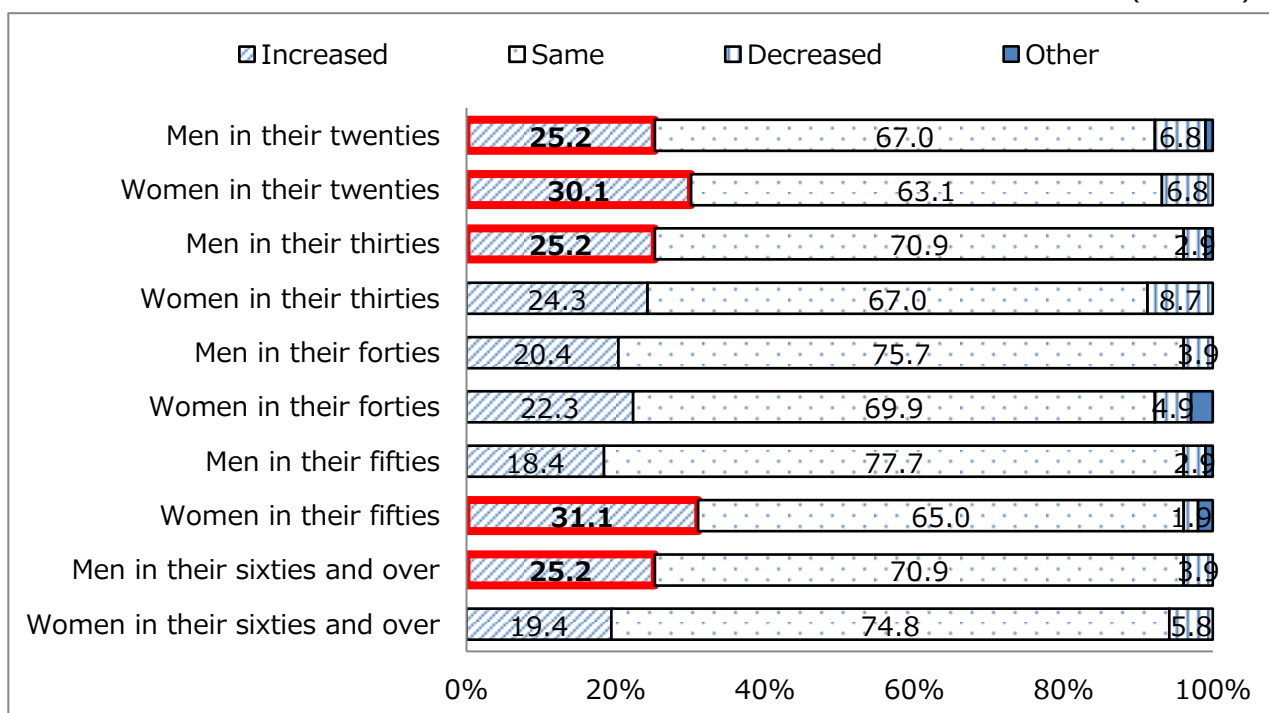
<Chart 1: With respect to the number of domestic staying trips for next year (2014), how will it be compared with this year (2013)?>

(Unit: %)



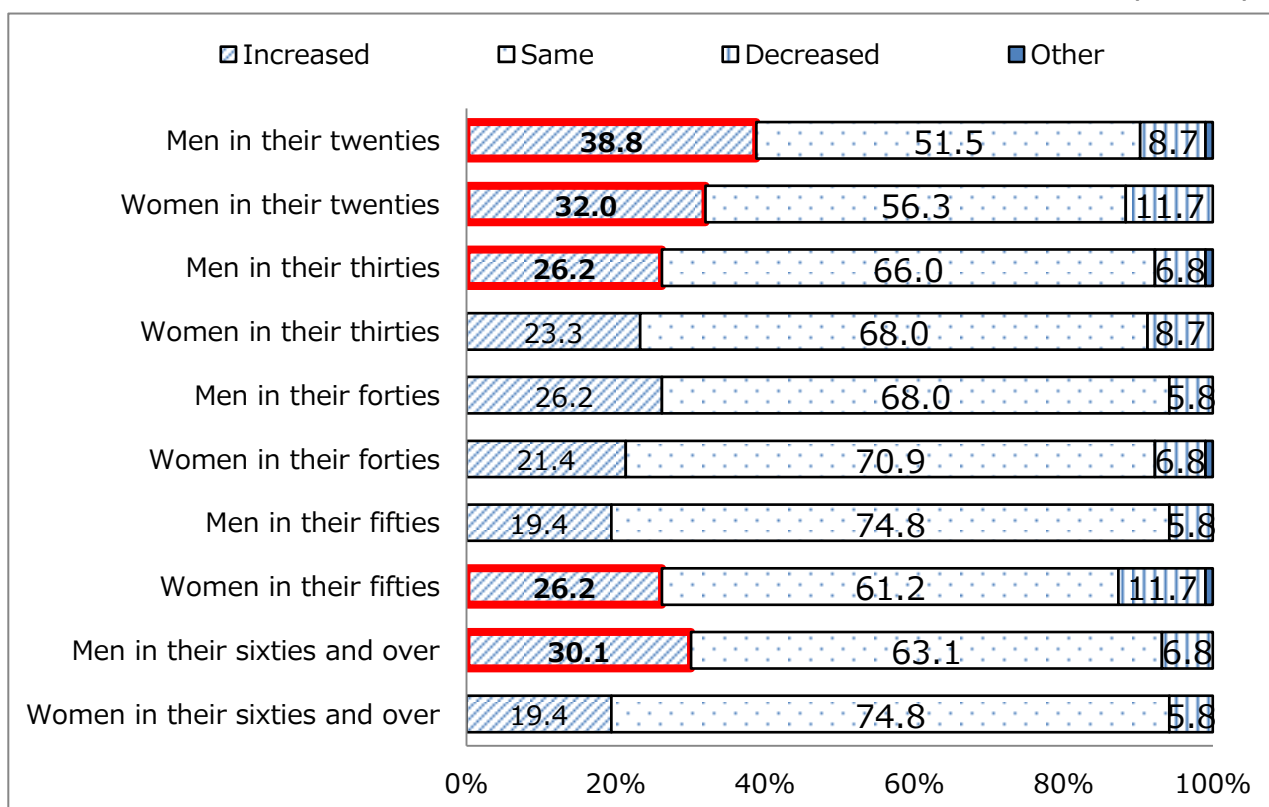
<Chart 2: With respect to the number of days per trip for next year (2014), how will it be compared with this year (2013)? (Please give us average.)>

(Unit: %)



<Chart 3: With respect to the amount of expenses per trip for next year (2014), how will it be compared with this year (2013)? (Please give us average.)>

(Unit: %)



2. Even after consumption tax is raised, approximately 60% of respondents (63.1%) intend to spend the same travel budget as that of this year, and approximately 30% of respondents (27.9%) intend to increase it. The results show their positive attitude. (See chart 4, 5 and 6).

Consumption tax is scheduled to be raised on April 2014. Answers of the respondents were classified into two periods such as “before tax hike” which is from January 2014 to March 2014 and “after tax hike” which is after April 2014. Those who intend to travel “before tax hike” accounted for 33.3% while 77.8% intend to travel “after tax hike”. It is understood that there are more than a certain number of people who intend to travel after the tax hike.

<Chart 4: When do you plan to travel domestically next year (2014)? (Multiple answers acceptable)>

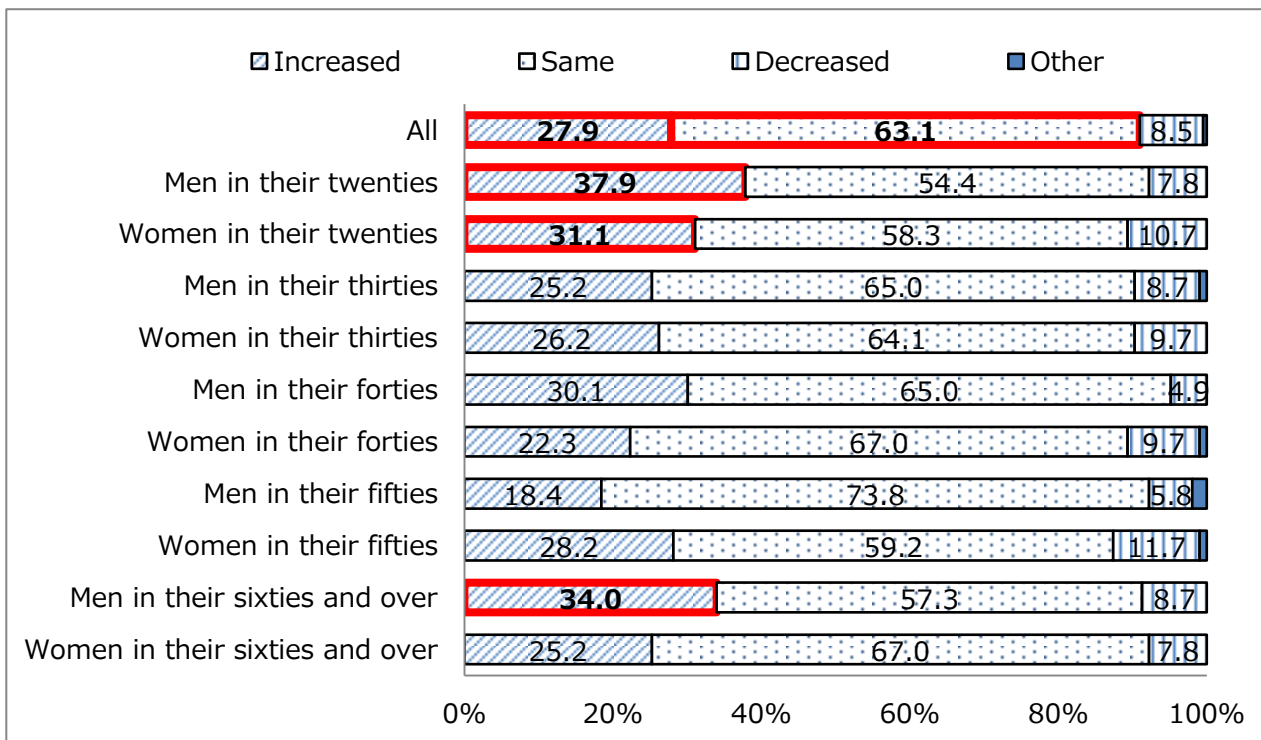
(Unit: %)			
	Before tax hike	After tax hike	Other
All	33.3	77.8	21.5

Then, the next year’s travel budget was questioned after making introductory remark that “This is a question after consumption tax is raised”. “The same as that of this year” and “increase than that of this year” accounted for 63.1% and 27.9% respectively, and they accounted for almost 90%. Meanwhile, those who answered “decrease than that of this year” accounted for only 8.5%. According to the gender and age-specific results, those who intend to increase the travel budget are men in their twenties (37.9%), men in their sixties and over (34.0%) and women in their twenties (31.1%). Further, how much they intend to increase the travel budget was questioned to those who had answered to increase. Women in their forties (26.1%), men in their sixties and over (22.9%) and men in their twenties (20.5%) are high-ranking respondents who intend to increase the budget more than double.

■ **After consumption tax is raised on April 2014,**

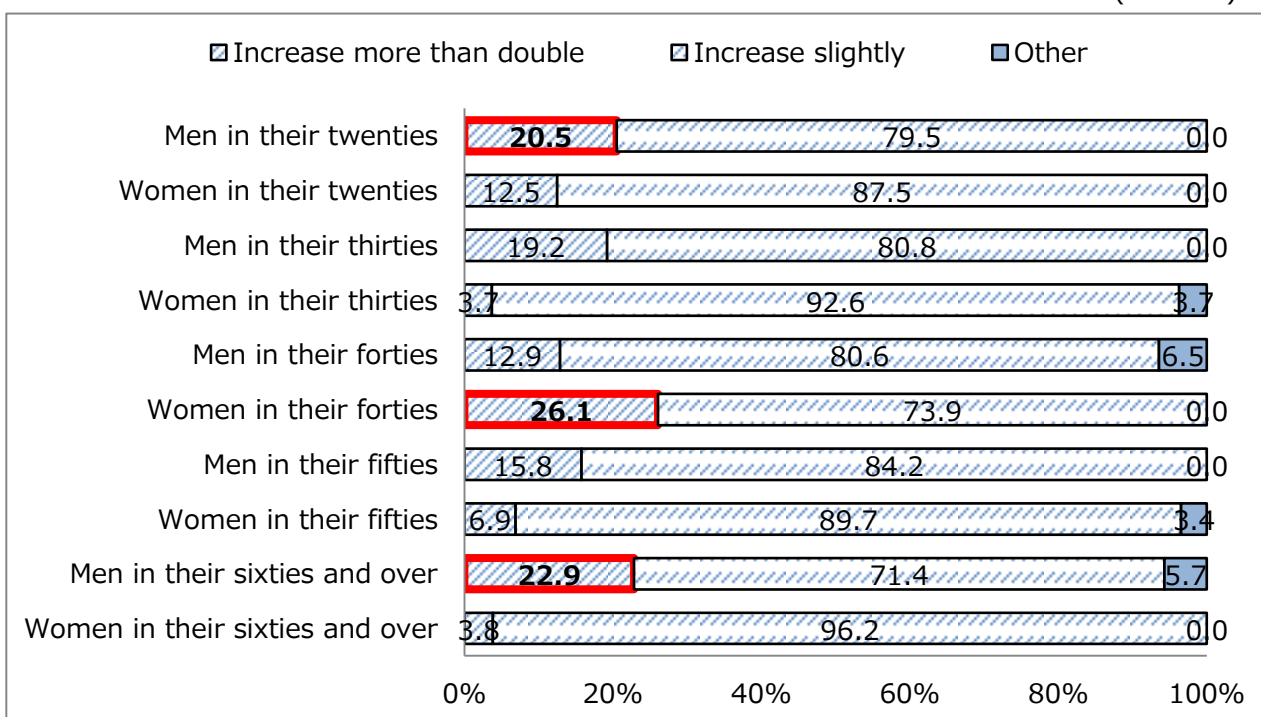
<Chart 5: What will your domestic travel budget be next year (2014) compared with this year (2013)? >

(Unit: %)



<Chart 6: This is a question to those who answered to increase. How much do you intend to increase next year (2014) compared with this year (2013)? >

(Unit: %)



3. Travel destinations of all generations are 1. Onsen (hot-spring resort), 2. Tourist spot and historic spot, 3. Theme parks (See chart 7).

The most common travel destination of all generations is “Onsen (hot-spring resort)”, which is the same as that of the last opinion poll concerning the domestic trips of the summer vacation this year (2013).^(*2) It is noticeable that men in their sixties and over (53.4%) and men in their fifties (52.4%) are particularly fond of Onsen. “Tourist spot and historic spot” are the second popular travel destination of all generations, and the third popular travel destinations of each generations excluding “other” are as follows:

1. “Theme park” and “gourmet trip” for men and women in their twenties (11.2%)
2. “Theme park” for men and women in their thirties (13.6%)
3. “Theme park” and “Seaside” for men and women in their forties (9.2%).

“Highland and mountain” are the third popular travel destination of men and women in their fifties (6.3%) and in their sixties and over (8.3%). The results show that people were grouped into two categories by generation such as “City pursuit” and “Countryside pursuit”.

(*2) Survey conducted by JHRA during the period from May 20, 2013 to May 21, 2013. It targeted on 1,000 men and women in their twenties to the sixties and over who reside in Tokyo Metropolitan Area.

<Chart 7: What is the purpose of your trip? (Chose the most matching purpose (or destination))>
(Unit:%)

		Theme Park	Onsen (hot-spring resort)	Highland and mountain	Seaside	Tourist spot and historic spot	Gourmet trip	Other
All		7.7	42.5	7.3	5.8	21.5	5.9	9.3
All	Men	7.2	42.5	6.8	6.8	20.8	6.2	9.7
	Women	8.2	42.5	7.8	4.9	22.1	5.6	8.9
All in their twenties		11.2	38.8	3.4	3.9	25.2	11.2	6.3
Twenties	Men	11.7	32.0	6.8	2.9	26.2	9.7	10.7
	Women	10.7	45.6	0.0	4.9	24.3	12.6	1.9
All in their thirties		13.6	39.8	9.7	6.3	15.5	7.3	7.8
thirties	Men	9.7	39.8	7.8	7.8	16.5	9.7	8.7
	Women	17.5	39.8	11.6	4.9	14.6	4.9	6.7
All in their forties		9.2	40.3	8.7	9.2	19.5	4.4	8.7
Forties	Men	12.6	35.0	6.8	11.6	21.4	3.9	8.7
	Women	5.8	45.6	10.7	6.8	17.5	4.9	8.7
All in their fifties		2.4	44.2	6.3	5.4	26.2	3.4	12.1
Fifties	Men	1.9	52.4	4.9	6.8	21.4	2.9	9.7
	Women	2.9	35.9	7.8	3.9	31.1	3.9	14.5
All in their sixties and over		1.9	49.5	8.3	4.4	20.9	3.4	11.6
Sixties and over	Men	0.0	53.4	7.7	4.9	18.4	4.9	10.7
	Women	3.9	45.6	8.7	3.9	23.3	2.0	12.6

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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