

Tokyo Luxury Hotel Competition Heats up:

Ritz-Carlton Tokyo Opens

■ **Suites at 2.1 million yen per night**

American owned Ritz Carlton Tokyo opened on March 30 in the new Tokyo Midtown development in the Roppongi area of Tokyo.

■ **Domestic competitors welcome the opening with upgrades of their own.**

With suites from 2,100,000 JPY(18,400 USD) per night and a pool that offers a bird's eye view of central Tokyo, the Ritz-Carlton Tokyo is targeting affluent customers from Japan and abroad. With the planned September opening of the

Tokyo Midtown Tower

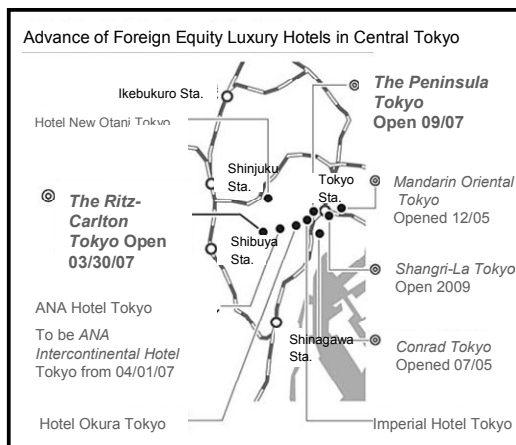


Hong Kong owned Peninsula Tokyo in the Hibiya area, the advancement of foreign luxury hotel brands in central Tokyo is continuing. Competition in the industry is heating up as domestic luxury brands, such as the Imperial Hotel Group, upgrade their rooms in response. (Ito Tsuyoshi)

■ **Targeting the top 1-2%**

Occupying the top 9 floors (45-53F) The Ritz-Carlton Tokyo is at the center of the TokyoMidtown complex, the highest

building in central Tokyo at 248 meters. The 300 square meter suites on the 53rd floor are the highest priced in Japan at 2.1



million JPY per night according to hotel consultants Ota Publications. The swimming pool and fitness center are located on the 46th floor. The lowest rank rooms at the Ritz-Carlton Tokyo start from 68,250 JPY (600 USD).

At a press conference on the 29th, Ritz-Carlton Company President, Simon F. Cooper announced that, the hotel targets the top 1-2% of affluent consumers. According to Cooper, the Japanese market is in excellent shape, and the Ritz-Carlton would like to consider expanding to other areas in the country such as Kyoto, Fukuoka and Hakkone.

■ Relaxation of Regulations

The opening of foreign luxury hotel brands in central Tokyo has continued progressively since 2005, when relaxations in regulations allowed buildings previously zoned for office space only to also include hotel rooms and residences. According to an industry source, as a result of these changes, Japanese developers found foreign luxury brands easier to entice into large scale developments, as the cost of land for development was greatly reduced. The number of foreign visitors to Japan has also steadily increased, further bolstering foreign luxury hotel brands. The number of foreign visitors to Japan in 2006 was 7.3 million up 2 million from 2003. According to a hotel business

Ritz-Carlton Tokyo



consultant, this larger number of foreign travelers, coupled with the improved economic outlook and increased interest in luxury hospitality by female office workers and domestic affluent consumers has led to a doubling in the number of

luxury hotel rooms (40,000 JPY+ per night) in the city to 1,500 rooms.

■ Established brands react

Established domestic competitors have been quick to react. The New Otani Hotel Tokyo is remodeling the suites on the top floors of their main building as part of an effort to attract more overseas businessmen. The Imperial Hotel Group is continuing with a 17 billion JPY(149 million USD) remodeling of rooms and restaurants that begun 5 years ago, as well as increasing the number of suites

All Nippon Airways Hotels has concluded a full partnership agreement with global luxury hotel operator InterContinental Hotels Group (IHG). It is believed that by using a shared reservation system the group will be able to attract more IHG users from overseas to the hotels in Japan.

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<http://www.yomiuri.co.jp/tabii/news/2007/0330tb02.htm?from=os2>