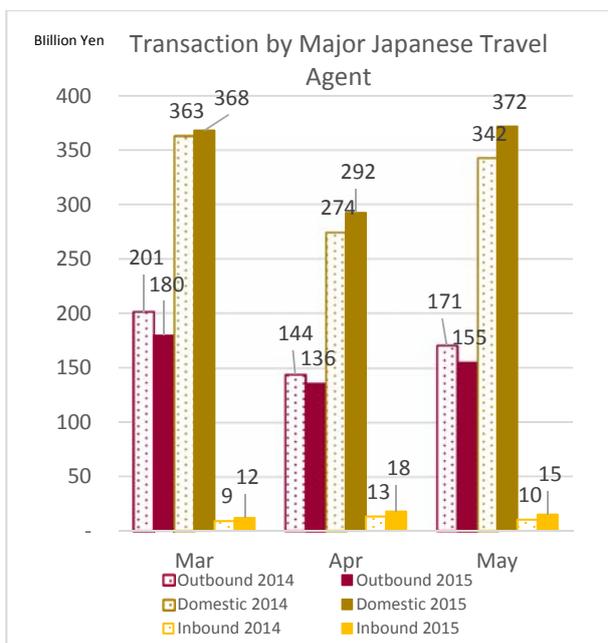
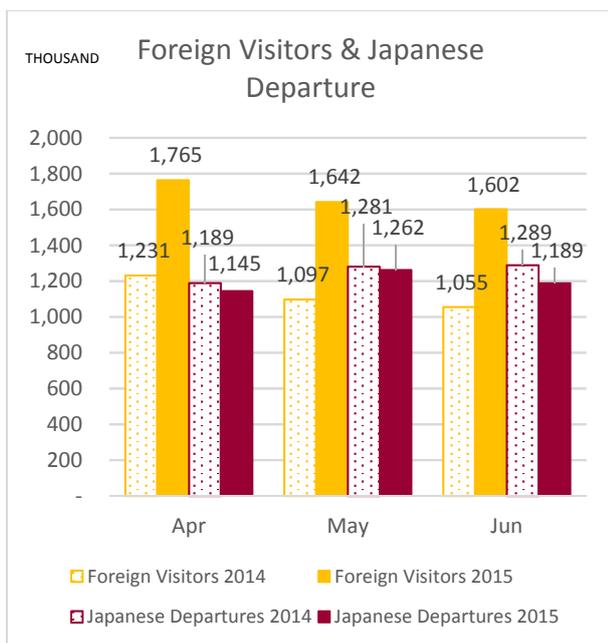


Japan Travel Market & JATA Activity Update

Quarterly Report, April-June 2015 Issue

1. DATA



Foreign tourist arrivals grew by 43.3% in April compared to the same month last year. With this increase, the number of inbound tourists to Japan exceeded 500,000, reaching 1,765,000 and topping 1.7 million for the first time. With the foreign arrivals up by 49.6% in May and 51.8% in June on year-on-year basis, Japan received 1,642,000 and 1,602,000 visitors respectively. Growth during the first half of the year (January-June) was strong compared to last year, reaching a first-ever 9,140,000, which is 2,880,000 more than the first half of 2014 or a 46%

increase. The Japanese overseas departures in April-June were down by 4.9%, continuing the downward trend of the previous term.

Domestic tours grew during the three-month period (year-on-year basis). Overseas travel continued the negative growth trend decreasing by 10.7% in March, 5.6% in April, and 9.2% in May. Foreign arrivals increased by 30% during the three months, with an extraordinary 45.4% rise in May.

2. MARKET TRENDS & TOPICS

Outbound

Market

Major travel agencies experienced a year-on-year decrease of overseas travel sales. The downward trend continued in March (-10.7%), April (-5.6), and May (-9.2%). Sales in general decreased. The drop in travel to Europe has influenced the market as a whole. The influence of disease outbreaks, terrorist attacks, and devaluated yen have maintained the trend of weak consumer's confidence.

Inbound

Market

According to year-on-year sales data provided by major travel agencies, foreign arrivals grew by 32.0% in March, 32.9% in April and 45.4% in May. In addition to the devaluated yen and the popular sakura season, the expansion of flight network, introduction of more visa waiver programs, and the advance of consumer tax exemption system were factors for the increase. East and South Asia consolidated the growth trend, with a stable influx of visitors into Japan.

JATA Activity

This Quality Assurance System assesses quality in the tour operator industry in three categories—corporate governance, service quality and CSR—and seeks to certify exemplary enterprises.



Through the Quality Assurance System we hope to provide travelers to Japan with safe, worry-free, quality trips they can enjoy and make it easier for certified enterprises to appeal to customers. And by increasing the number of certified enterprises we also hope to raise quality across the industry, leading to more travelers visiting Japan and more repeat visitors.

<http://en.tour-quality.jp/>

Domestic

Market

Data provided by major travel agencies indicates that domestic travel grew by 1.5% in March, 6.7% in April and 8.6% in May. Kansai continues to attract a stable flow of visitors. Thanks to the Hokuriku Shinkansen operations, Hokuriku also continues to perform well.

JATA Activity



The promotional video features the Japanese music dance group WORLD ORDER. While the 2014 commercial was produced in Hokuriku, which attracted attention with the extension of the Hokuriku Shinkansen tracks, this year's commercial is staged in Kyushu in April and in Tohoku in July. The performance of WORLD ORDER appeals to young Japanese who are not interested in travel by promoting the beauty of Japan and conveying the fun of "Enjoying Japan to the full" The campaign will continuously increase the appeal to its target audiences.



<http://asobitsukuse.jp/>

3. HOT NEWS

Confirming Intentions to Enhance Private Exchanges Aiming at Development of Japan-China Relations

Friendship Exchange Meeting Held in the Great Hall of the People with the Exchange Delegation Visiting China



The Japan-China Tourism Culture Exchange Delegation visited China with 3,162 participants and participated in the Japan-China Friendship Exchange Meeting held in the Great Hall of the People in the Beijing on May 23. The visit was coordinated by three associations, JATA, All Nippon Travel Agents Association (ANTA), and Japan Travel and Tourism Association. The exchange meeting achieved great results toward an expansion of tourism exchanges between Japan and China. In the meeting, Chinese President Xi Jinping made a speech which stressed the necessity of strengthening

people-to-people exchanges and coordinating conditions and environments to improve and develop the two countries' relations. At another point in the meeting, Mr. Toshihiro Nikai, chairman of ANTA who served as an honorary leader of the delegation, appealed concerning the importance of promoting tourism and cultural exchanges, pointing out that Japan-China relations are supported by deep human relationships at the private level which will be never influenced by the political circumstances of the moment.

In the press conference of the Japan-China Tourism Cultural Exchange Delegation held at the Japanese Embassy in Beijing on May 24, Mr. Hiromi Tagawa, Chairman of JATA indicated strong enthusiasm for developing tours from Japan to the Chinese market in the future, saying, "I hope to make the delegation's visit to China memorable as a new start of Exchanges between Japan and China."

"In addition to existing tourism patterns centering on world heritage sites, we intend to make continuous efforts for disseminating the profound enchantment of China to Japanese people by focusing on the most ideal exchanges, for example, experiencing local living culture, while sparing no effort to see the new China. For example, in Shanghai which has developed as a destination for urban tourism, we would use an approach similar to the one used for European cities," Mr. Tagawa said.

“Towards Five Million People Mutual Exchange” 8th Japan – Taiwan Tourism Summit in Yamagata

JATA, JTTA (Japan Travel and Tourism Association) and the Taiwan Tourism Promotion Bureau held the 8th Japan – Taiwan Tourism Summit 2015 in Yamagata. The summit was held under the theme “Towards Five Million People in Mutual Exchange” over four days.

Sixty-two people from the Taipei Economic and Cultural Representative Office (TECRO), the Tourism Bureau Republic of China (Taiwan), and the Taiwan Visitors Association, and 150 people including Ms. Mieko Yoshimura, Governor of Yamagata Prefecture, representatives of local authorities, transportation companies, accommodation facilities, and travel companies took part in the summit. The participants exchanged information and opinions on the current travel market status and took part in an inspection tour in Yamagata.

JATA’s 59th Regular General Assembly Evolving toward a “Value-Creating Industry”



JATA held its 59th Regular General Assembly and a Board of Directors meeting at Keidanren Hall in Otemachi, Tokyo, on June 24. At the general assembly, the FY2014 business report, financial reports, and the appointment of new directors were approved. The FY2015 business plan and policy recommendations on overseas, domestic, and inbound travel were also reported.

At the general assembly, Mr. Hiromi Tagawa, chairman of JATA, cited in his speech JATA’s three missions in this drastically changing era: (1) Evolving toward a value-creating industry, (2) stimulating new demand, and (3) promoting a tourism nation. He explained that JATA is promoting initiatives for these missions.

Ten action plans were incorporated in the policy proposal for overseas travel.

1. Popularization of an effective holiday system;
2. Internationalization of young people;
3. Revitalization of local areas through internationalization;
4. Promotion of safe travel;
5. Introduction of international standards for customer protection and quality of travel products;
6. Support for the improvement of the “soft” infrastructure through ODA programs;
7. Improvement of the leadership in the field of international tourism (strengthening of the competitive power);
8. Training of personnel who can work in global business;
9. Develop Japan Travel Week into a platform for international travel exchange;
10. Improve infrastructure and administrative systems to facilitate free travel.

2016, the Milestone “STEP” year for the Tourism EXPO Japan As a Year for the Grand Design of the Overall Project Frame



The Tourism EXPO Japan Promotion Office outlined the Tourism EXPO Japan 2015 at a news conference held in ZEN-Nittsu Kasumigaseki Bldg, Kasumigaseki Tokyo on May 28th. JATA Chairman Mr. Hiromi Tagawa, who also serves as Chairman of the Tourism EXPO Japan Steering Committee, talked about the “EXPO” which will be held as a comprehensive year. The “2015 year follows the 2014, which was the “hop” year and precedes the “jump” year of 2016, which the Steering Committee are determined to a milestone year in the preparation for the 2020 Tokyo Olympics.

JATA Tourism EXPO Japan 2015

- Date : September 24 through September 27, 2015
- Venue : Tokyo Big Sight and Marunouchi Area, Tokyo
- Program :
 - International Tourism Forum
 - Venue : Big Sight Conference Tower, Marunouchi JP Tower
 - Outbound and Domestic Business Meetings, Media Meeting
 - Venue : Tokyo Big Sight East Exhibition Hall
 - Travel Showcase
 - Venue : Tokyo Big Sight East Exhibition Hall 1-5

Paving the road to “Global Standard Tourism”

Japanese travel agents operate on the basis of the “General terms and conditions of travel contracts.” The Travel Agency Law postulates that to conduct travel business travel agencies have to prepare and submit for the approval of the Commissioner of the Japan Tourism Agency a travel contract with terms and conditions which ensure strict consumer protection. However, the general terms and conditions of travel contracts have also been criticized for preventing travel agents from responding to and acting in accordance with international business practices.

While engaging in consumer protection activities JATA holds a firm belief that aligning with global business practices will improve the overseas travel market in Japan and thus has stood for the relaxation of the requirements imposed on travel agencies applying for approval of their travel contracts.

The conditions described below have been relaxed as a result.

1. Order-made package tours for groups and individual travelers: revision of the guarantee of tour itinerary

When the “Hotel List” (a list of overseas hotels compiled by the travel agency) is published in the tour pamphlet and the travel agency upgrades the initially booked hotel, the agency will not have to pay compensation to the customer for the change. (This, however, will be the case only when both hotels are included in the “Hotel List.”) This change rescinds the “compensation payment for the change of hotel” and as a result improves hotel booking conditions.

2. Group package tours: revision of the terms and conditions regarding cancelation charges

Under the new terms and conditions it will be possible to charge customers with the airfare for tours starting from and ending in Japan (limited to APEX, PEX, and LCC fares) as cancellation fee for tour cancellations made by them. This revision will avert “multiple simultaneous reservations” and reservations made “just in case.” In addition to the change described in (1) above, the revision of the terms and conditions of cancelation charge is expected to result in making feasible hotel and air seat reservations only.

3. The above changes will be included in the general terms and conditions of travel contracts. Travel agents, however, have to obtain a supplementary approval from the Commissioner of the Japan Tourism Agency to become eligible to implement them.

* Applications will be accepted by local authorities in charge of travel business authorization (district transport bureaus) from August 1st, 2015.

* Travel agents that have obtained a supplementary approval can implement the relaxed terms and conditions from October 1st, 2015 onward.

4. AROUND THE WORLD

The following is a list of courtesy calls to JATA from April to June 2015.

H.E. Mr. Ismail Khairat, Ambassador of Egypt to Japan, visited Mr. Hiromi Tagawa, Chairman of JATA, on April 7th, Tuesday

http://www.jata-net.or.jp/about/jata/visit/2015/150407_egypt.html#egypt

Mr. David Goldstein, President and CEO of Canadian Tourism Commission, made a courtesy call to Mr. Yoshinori Ochi, Director of the Board and Secretary General of JATA, on April 17th, Friday

http://www.jata-net.or.jp/about/jata/visit/2015/150417_canada.html#canada

Ms. Oyunkhorol. D, Minister of Environment, Green Development and Tourism of Mongolia, made a courtesy call to Mr. Jungo Kikuma, Vice-Chairman of JATA, on April 23rd, Thursday

http://www.jata-net.or.jp/about/jata/visit/2015/150423_mongolia.html#mongolia

Zen-Nittu Kasumigaseki Bldg., 3-3 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-0013, Japan
PHONE:[+81] 3 3592 1244 FAX[+81] 3 3592 1268 URL <http://www.jata-net.or.jp>

Mr. Tewolde Gebremariam, Chief Executive Officer, Ethiopian Airlines, visited Mr. Tasturo Nakamura, President of JATA, on April 24th, Friday

http://www.jata-net.or.jp/about/jata/visit/2015/150424_ethiopia.html#ethiopia

Ms. He Xi Qing, Vice Governor, the People's Government of Hainan Province of People's Republic of China, visited the Headquarters of JATA on May 14th, Thursday

http://www.jata-net.or.jp/about/jata/visit/2015/150514_china.html#china

Mr. Mehmet Sirri Ozen, Secretary General of the West Mediterranean Development Agency, Turkey, visited JATA Headquarters on May 15th, Friday

http://www.jata-net.or.jp/about/jata/visit/2015/150515_turkey.html#turkey

Mr. Joe Tarzi, President & CEO of San Diego Tourism Authority met with Mr. Jungo Kikuma, Vice-Chairman of JATA, on May 20th, Wednesday

http://www.jata-net.or.jp/about/jata/visit/2015/150520_usa.html#usa

Mr. Hiromi Tagawa, Chairman of JATA, met with Mr. Frank Bainimarama, Prime Minister of Fiji, on May 20th, Wednesday

http://www.jata-net.or.jp/about/jata/visit/2015/150520_fiji.html#fiji

Ms. Gwendolyn S. Batoon, Tourism Attache, Department of Tourism, Tokyo Office, Philippine Embassy, visited the Headquarters of JATA on May 25th, Monday

http://www.jata-net.or.jp/about/jata/visit/2015/150525_philippines.html#philippines

His Excellency Mr. Ahmed KHALEEL, Ambassador of the Republic of Maldives in Japan, visited Mr. Tatsuro Nakamura, President of JATA, on June 3rd, Wednesday

http://www.jata-net.or.jp/about/jata/visit/2015/150603_maldives.html#maldives

Ms. Leanne Coddington, CEO of Tourism and Events Queensland, and representatives of the travel industry and regional tourism authorities of Queensland, visited the headquarters of JATA on June 10th, Wednesday

http://www.jata-net.or.jp/about/jata/visit/2015/150610_australia.html#australia

Mr. Ma Ling Yu, Deputy Director of Tianjin Municipal Tourism Bureau, visited JATA on June 15th, Monday

http://www.jata-net.or.jp/about/jata/visit/2015/150615_china.html#china

Zen-Nittu Kasumigaseki Bldg., 3-3 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-0013, Japan
PHONE:[+81] 3 3592 1244 FAX[+81] 3 3592 1268 URL <http://www.jata-net.or.jp>

H.E. Mr. Farhad Khlif, Ambassador of the Republic of Tunisia in Japan, met Mr. Hiromi Tagawa, Chairman of JATA, on June 17th, Wednesday

http://www.jata-net.or.jp/about/jata/visit/2015/150617_tunisia.html#tunisia

Mr. David Ige, Governor of the State of Hawaii, visited the Headquarters of JATA on June 19th, Friday

http://www.jata-net.or.jp/about/jata/visit/2015/150619_hawaii.html#hawaii

H.E. Ms. Andrijana Cvetkovikj, Macedonian Ambassador in Japan, visited Mr. Tatsuro Nakamura, President of JATA, on June 19th, Friday

http://www.jata-net.or.jp/about/jata/visit/2015/150619_macedonia.html#macedonia