

Survey of Travel Market Trends—March 2011, the fourth quarter

Increased in Overseas for 3 consecutive quarters.

- Overseas: Student segment increased by a large margin.
- Domestic: East Japan such as Tokyo, Kanto and Tohoku increased by a large margin.

■About the Survey on Travel Market Trends

JATA (Japan Association of Travel Agents) asked all member companies to register as survey monitors and 596 companies did so. The quarterly Survey on Travel Market Trends seeks to grasp trends in the market based on responses to a questionnaire on conditions now and those anticipated over the next three months.

The survey asks participating companies to rate their sales results for each destination and customer segment by choosing from three categories: "good," "average" and "poor". Respondents indicate "do not handle" for items outside their business scope. Each share of "good," "average" and "poor" is then divided respectively by the denominator, which is equal to the total number of responses minus the "do not handle" and "no reply" responses. Finally each share is processed into the Diffusion Index (DI).

The highest possible index figure is +100, and the lowest is -100.

◆Survey Overview

- Survey area : Japan nationwide
- Survey target : JATA member company management
- Survey method : Internet survey
- Survey period : From Tuesday, February 7, 2012 to Tuesday, February 21, 2012
- Registered companies : 596
- Responding companies : 299
- Response rate : 50.2%

◆Business Classification

The JATA Survey on Travel Market Trends analyzes business conditions based on business content.

A definition of each business classification and the number of respondents

Business Classification

Designation	Definition	Respondents
Full-service travel agency	A large-scale travel agency with a national network that provides a full range of travel products	30
Overseas travel wholesaler	A dedicated overseas travel wholesaler	24
Overseas travel specialist agency	A travel agency with a business volume of more than 5 billion yen, 80% of which is related to overseas travel	15
Domestic travel wholesaler	A dedicated domestic travel wholesaler	11
First-tier retail agency	Other than the above, a travel agency with a business volume of 3 billion yen or higher	26
Second-tier retail agency	Other than the above, a travel agency with a business volume of less than 3 billion yen	140
In-house travel agency	A travel agency which mainly handles travel arrangements for its parent company	53

For more information about this survey, contact public relations of JATA

The data available at <http://www.jata-net.or.jp>

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Business Activity for the Overseas Travel Market Overall

DI increased in 3 consecutive periods since last June when the effect of the disaster was remarkable and now is at the level of before that time.
It surpassed the previous outlook (-16) and the market is active.

Current situation

It increased by 2 point from 3 months ago (Oct.-Dec.) and now -9. Strong yen and fuel surcharge encouraged short-haul destination Asia to go up. Long-haul destinations such as America/Canada and Europe went down. Student segment increased by a large margin due to graduation season.

- Inexpensive, short-haul/stay destinations are on the recovery though America and Europe still suffer. -Overseas travel wholesaler
- Students are either to travel overseas 2-3 times a year or not to travel at all. -Second-tier retail agency
- Short-haul destinations are good, middle to long-haul destinations are not due to high fuel surcharge. -Second-tier retail agency
- Overall travel demands are on the up though some are bad depending on the destinations. -Overseas travel wholesaler
- Corporate travels are low, they tend to travel with low fare. -Overseas travel specialist agency

Outlook for next 3 months (April to June)

It increases by 2 point and is -7. Strong yen keeps Asia strong, it will also encourage Europe and America/Canada in season go up. Good news is enhanced demand by LCC in business. High fuel surcharge would come to slow down.

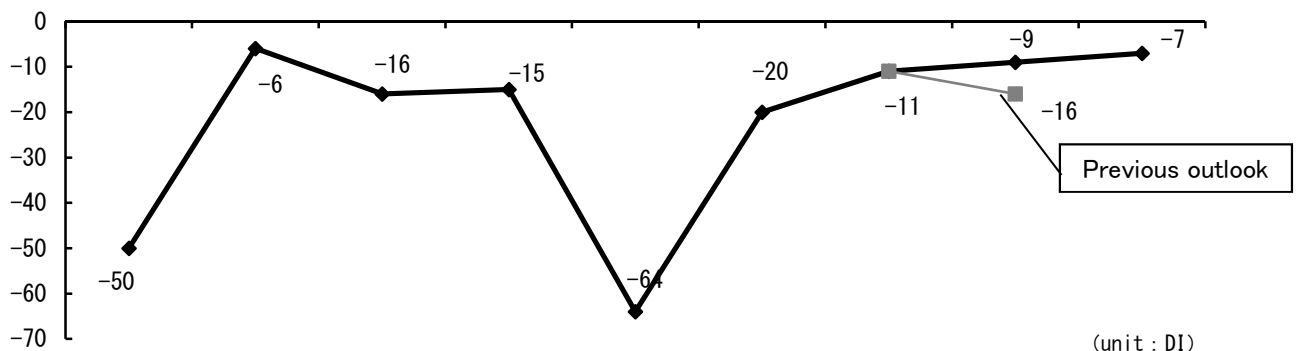
- A chance of enhancing demand in the market is big due to LCCs in business. -Full-service travel agency
- Expo in Yeosu and Korean boom are our hope to send travelers to Korea. -Overseas travel specialist agency
- Strong yen is a good factor for the market as a whole, however it came to extreme level for economy. -Second-tier retail agency
- Europe segment kept its low score is now on the up. -Overseas travel wholesaler

Summary

A year has passed since the disaster, strong yen pushed travel demand. Continuing high fuel surcharge cancels the effect for long-haul destinations. Overall Overseas DI went up only 2 points. In the Next 3 Months, it will go up slowly.

N: valid response
(N=273)

(unit : DI)



(unit : DI)

	2 years ago Jan.-Mar.	1 1/2 years ago Jul.-Sep.	1 year and 3 months ago Oct.-Dec.	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct.-Dec.	Current Jan.-Mar.	3 months later Apr.-Jun.
Overseas Overall	-50	-6	-16	-15	-64	-20	-11	-9	-7

Outlook a/s of December 2011

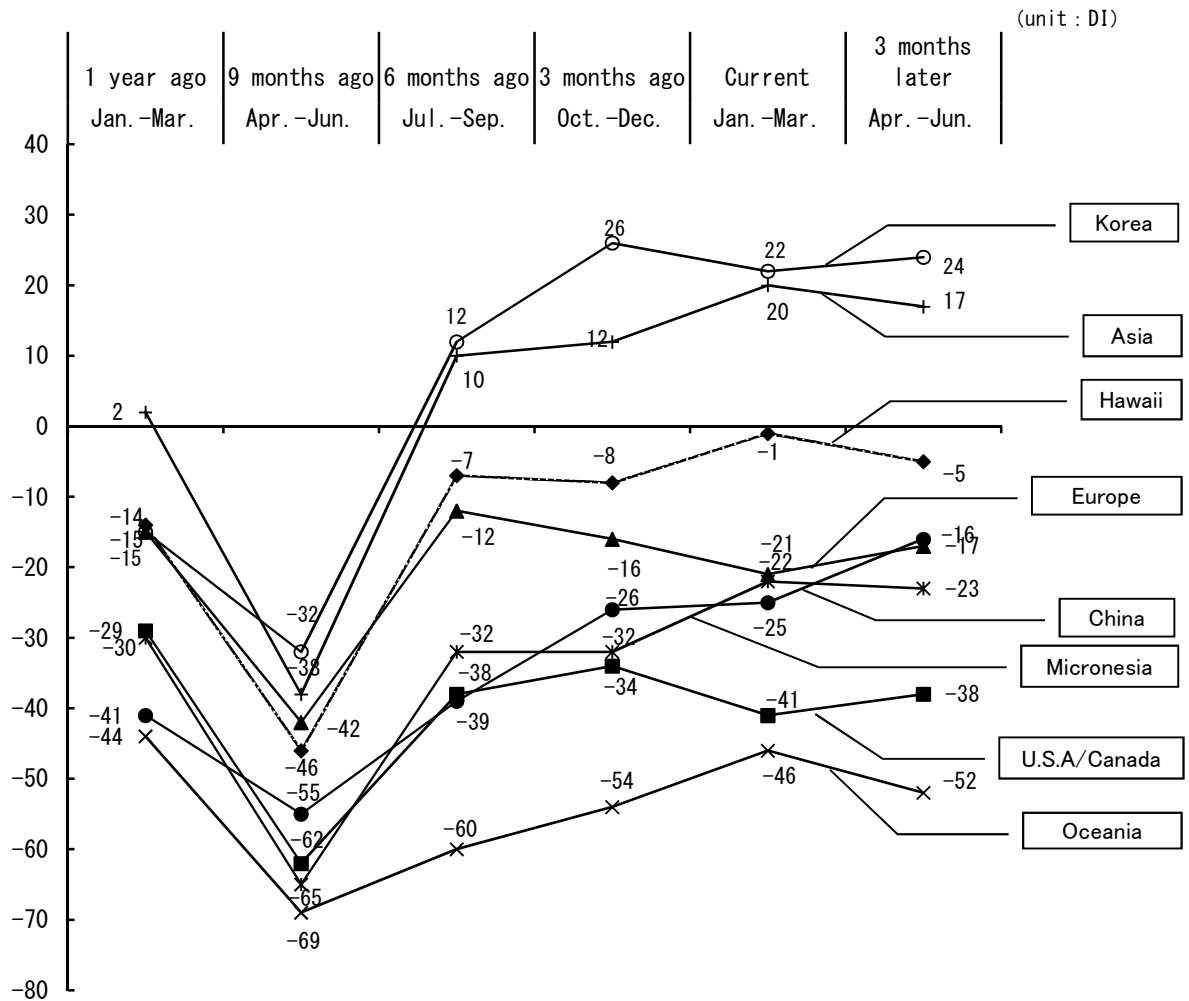
	1 1/2 years ago Jul.-Sep.	1 year and 3 months ago Oct.-Dec.	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct.-Dec.	Current Jan.-Mar.	3 months later Apr.-Jun.
Full-service travel agency	21	14	-6	-72	10	16	11	25
Overseas travel wholesaler	-15	0	-4	-78	-41	-8	0	0
Overseas travel specialist ag	9	-7	0	-45	7	-23	-34	-7
First-tier retail agency	16	8	-23	-81	8	11	0	-18
Second-tier retail agency	-23	-39	-26	-65	-33	-25	-13	-11
インハウス	-2	2	2	-43	-19	-6	-10	-8

◆Trends in Overseas Travel Demand (by destination segment)

Micronesia increased by 10 points, Oceania, Asia and Hawaii went up to close to 2 digit level.
 On the other hand, America/Canada, Europe and Korea decreased.
 In the Next 3 Months, China will still be on the up. Both China and Korea will remain DI

- Compare to 3 months ago (Oct.-Dec.), Micronesia showed 2 digit increases (10 points). Other increased destinations are; Oceania (8 points), Asia (8 points), Hawaii (7 points) and China (1 point). On the other hand, America/Canada in winter season decreased by 7 points and Europe did by 5 points.
- In the Next 3 Months (Apr.-Jun.), China will go up by 9 points, Europe by 4 points, America/Canada by 3 points and Korea by 2 points. Demand for Asia is still big and DI will remain positive.

N: valid response
(N=273)



(unit : DI)

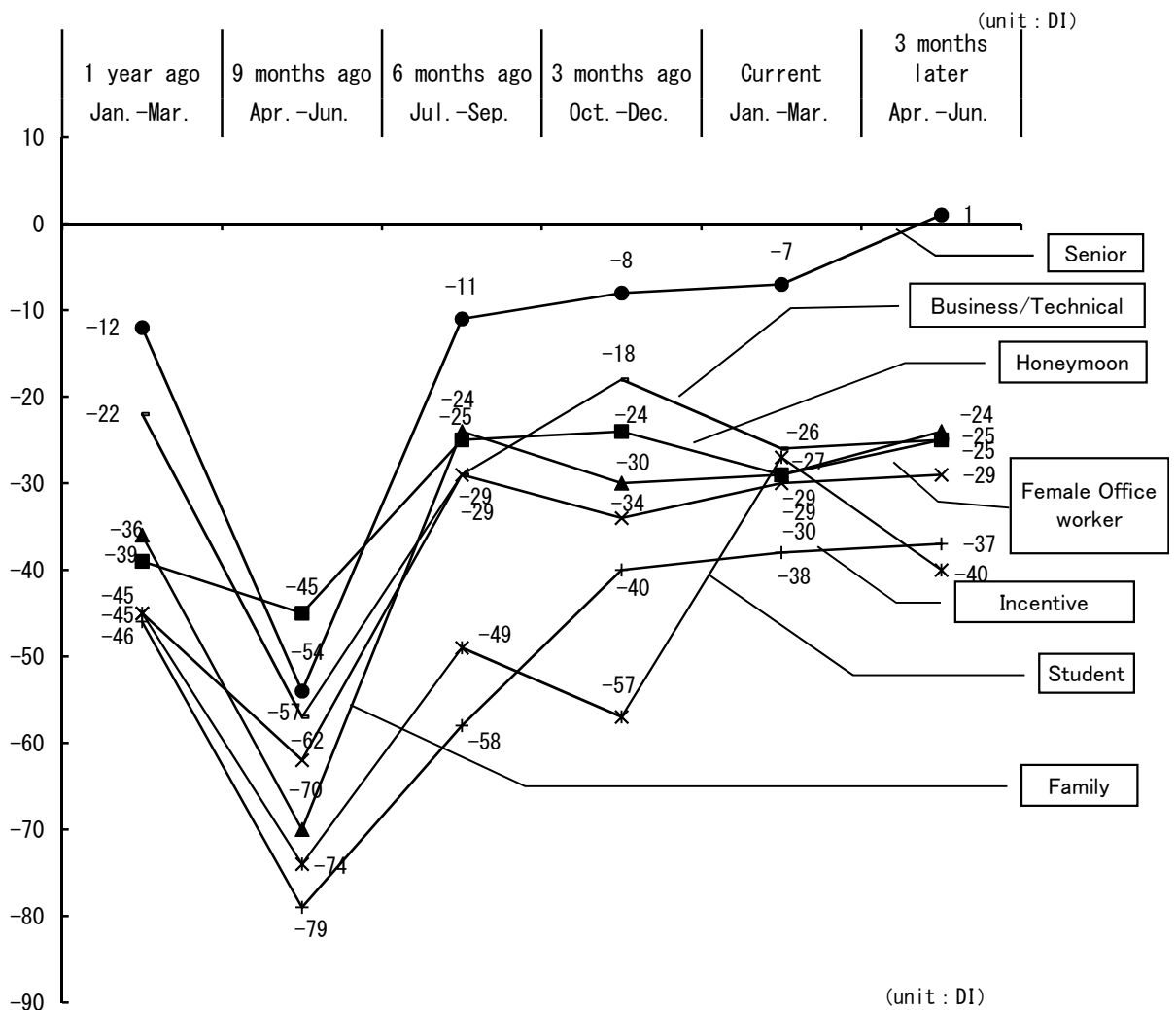
	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct.-Dec.	Current Jan.-Mar.	3 months later Apr.-Jun.
Hawaii	-14	-46	-7	-8	-1	-5
U. S. A/Canada	-29	-62	-38	-34	-41	-38
Europe	-15	-42	-12	-16	-21	-17
Oceania	-44	-69	-60	-54	-46	-52
Micronesia	-30	-65	-32	-32	-22	-23
China	-41	-55	-39	-26	-25	-16
Asia	2	-38	10	12	20	17
(within Korea)	-15	-32	12	26	22	24

◆ Trends in Overseas Travel Demand (by customer segment)

Student increased sharply by 30 points due to graduation travel.
In the 3 Months, all customer segments will go up except Student. Senior will turn DI

- Compare to 3 months ago, Student increased sharply by 30 points due to graduation travel season. Female Office worker who enjoy shopping with strong yen went up by 4 points, Incentive did by 2 points and senior did by 1 point. On the other hand, Business/Technical visit went down by 8 points, Honeymoon did by 5
- In the Next 3 Months (Apr.-Jun.), Students currently jumped remarkably will drop by 13 points though all other segments will increase. Senior will go up by 8 points, Family by 5 points, Honeymoon by 4 points. Especially Senior DI will finally turn positive. The Active Senior (over 65 years of age) who refrained from traveling last year are to express their hope for the demand in the market.

N : valid response
(N=273)



	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct.-Dec.	Current Jan.-Mar.	3 months later Apr.-Jun.
Honeymoon	-39	-45	-25	-24	-29	-25
Family	-36	-70	-24	-30	-29	-24
Female Office Worker	-45	-62	-29	-34	-30	-29
Student	-45	-74	-49	-57	-27	-40
Senior (*)	-12	-54	-11	-8	-7	1
Incentive (**)	-46	-79	-58	-40	-38	-37
Business /technical visit	-22	-57	-29	-18	-26	-25

*Senior: Customers aged 60 or over.

**Incentive: Travel offered as an incentive to business and organization employees.