JATA News Release
Japan Association of Travel Agents
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March 21, 2013

Survey of Travel Market Trends - March 2012, 4th quarter

Overseas DI rose by 6 points from December 2012 to -24 and is expected to continue to recover to -16 for the next three months.

***Asia, South Korea and China are expected to continue to recover for the next three months.**

Domestic DI declined to -16 but will recover to -5 for the next three months.

***Tokyo maintained its popularity (+9) with senior customers leading the market (+4).**

■About the Survey of Travel Market Trends

The Japan Association of Travel Agents (JATA) asks all email member companies to register as survey monitors. JATA conducts the quarterly Survey of Travel Market Trends involving 592 registered companies and publishes the results.
The Survey of Travel Market Trends is designed to grasp trends in the travel market based on responses to questions on current conditions 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." For item outside their business scope, respondents select "do not handle." 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" (including "no reply") responses. Finally, each share is processed into the Diffusion Index (DI) by subtracting the percentage of "poor" from the percentage of "good."
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:	February 4(Monday), 2013 to February 20 (Wed), 2013
Registered companies:	592
Responding companies:	315
Response rate:	53.20%

◆Business Classification

The Survey of Travel Market Trends analyzes business conditions based on business content.
A definition of each business classification and the number of survey respondents are shown below.

Designation	Definition	件数
Full-service travel agency	A large-scale travel agency with a national network that provides a full range of travel products	36
Overseas travel wholesaler	A dedicated overseas travel wholesaler	20
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	16
Domestic travel wholesaler	A dedicated domestic travel wholesaler	8
First-tier retail agency	Other than the above, a travel agency with a business volume of 3 billion yen or higher	30
Second-tier retail agency	Other than the above, a travel agency with a business volume of less than 3 billion yen	153
In-house travel agency	A travel agency which mainly handles travel arrangements for its parent company	52

For more information about this survey, contact public relations of JATA.
These data are available at http://www.jata-net.or.jp
TEL: (03) 3592-1244

■Business Activity in the Overseas Travel Market Overall

Overseas DI (-24) surpassed the outlook (-27) slightly.
The outlook over the next three months shows continuous recovery to -16.

Current situation (January-March)

Asia, South Korea, and China are recovering. Hawaii maintains a high level although it appears to have peaked out.

・Tours to China are still stagnant, but Southeast Asia and Europe are offsetting this trend. (Category 1/First-tier retail agency)
・Asia is strong. Cambodia and Malaysia are gaining popularity. (Category 3/Second-tier retail agency)
・Overseas business trips will continue to recover for a while with the improvement of corporate performance resulting from the weak yen and rising share values. Leisure trips that gained momentum in the second half will also continue for a while. (Category 1/Overseas travel wholesaler)
・Overseas overall is -24, up 6 points from the last three-month period (October-December).

Outlook for the next three months (April-June)
Improvement is expected to continue with some movement among senior customers.

・The Golden Week holiday is long this year, and this is promoting sales. The key is when the "weak yen" will begin to impact sales figures. (Category 1/Second-tier retail agency)

・The impact of Chinese and South Korean issues is likely to continue for a while. China is affected by air pollution, in addition to the political issue. The impact on leisure tours is likely to be prolonged. (Category 1/Full-service travel agency)
・Bookings for Golden Week and the year-end and New Year holidays are being made earlier than in usual years because fares are now set and published a full year ahead and longer holiday periods are available this year. Online sales are increasing significantly, and the need for face-to-face selling at travel agencies is also increasing for circle trip arrangements that cannot be completed on the web. (Category 1/Overseas travel wholesaler)
・The outlook for the next three months (April-June) is -16, up by 8 points.

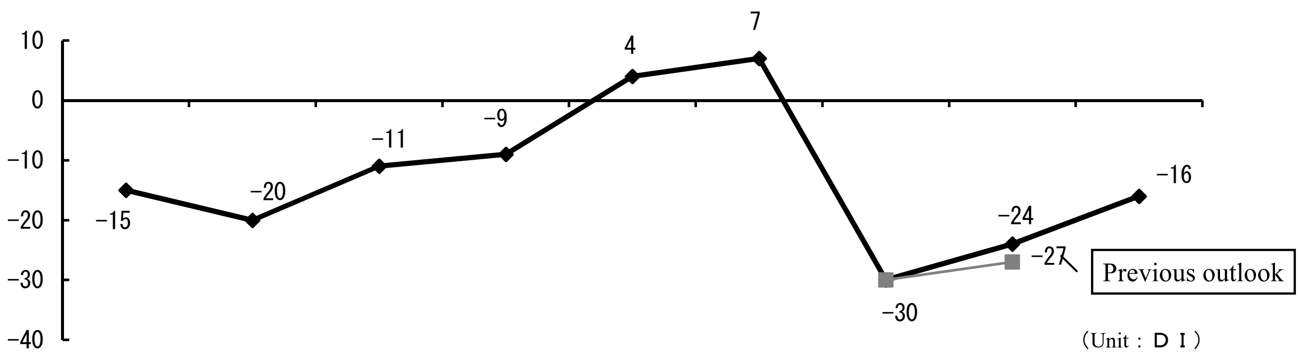
Summary

DI is recovering primarily in Asia. However, South Korea and China are recovering in different aspects. Europe and USA/Canada appear to have reached a plateau, but further improvement can be expected in the future. Hawaii is still decreasing slightly but maintains a high level. DI is improving in general, although it is not as strong as the previous year.

N: valid response

(N=289)

(Unit：ＤＩ)



(Unit：ＤＩ)

	2 years ago Apr.-Jun.	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	-15	-20	-11	-9	4	7	-30	**-24** ***-27**	-16

* Outlook as of December 2012

	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	10	16	11	10	25	-43	**-21**	-6
Overseas travel wholesaler	-41	-8	0	-12	-6	-44	**-40**	-35
Overseas travel specialist ager	7	-23	-34	11	5	-20	**-25**	-12
First-tier retail agency	8	11	0	47	13	-26	**-33**	-12
Second-tier retail agency	-33	-25	-13	-7	0	-29	**-24**	-22
In-house travel agency	-19	-6	-10	16	19	-23	**-15**	-2

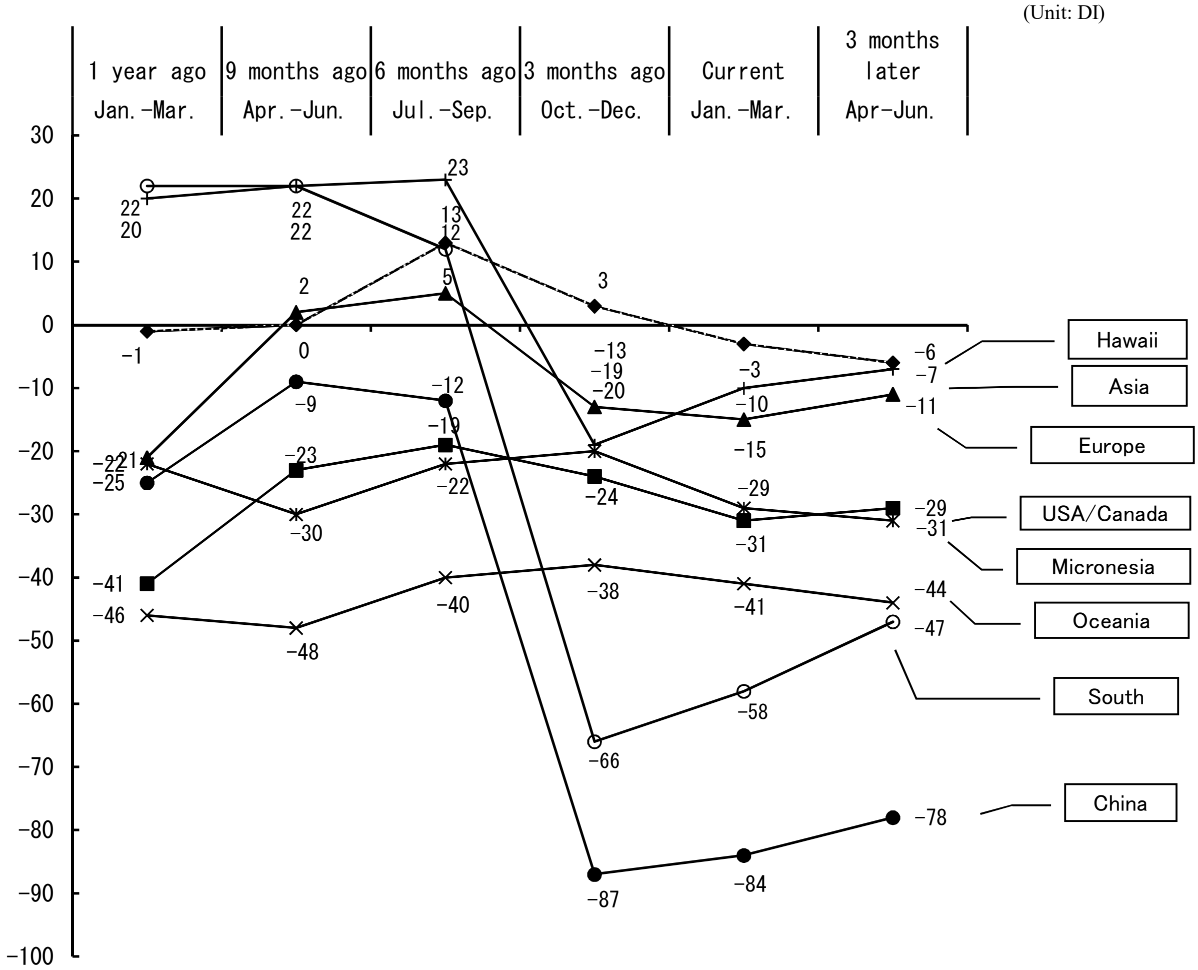
◆**Trends in Overseas Travel Demand (by de**stination segment)

China, South Korea, and Asia continue to recover.
Micronesia, Hawaii, and USA/Canada grew weaker in a continuous decline, although they were strong until last summer.
In the next three months, Europe and USA/Canada are expected to turn around and improve gradually.

- DI improved in Asia (+9 points), South Korea (+8 points), and China (+3 points) compared to the previous three months (October-December) when these destinations declined significantly. However, more destinations showed a decline with Micronesia down by 9 points, USA/Canada by 7 points, Hawaii by 6 points, Oceania by 3 points, and Europe by 2 points.
- In the next three months (April-June), South Korea (+11 points), China (+6 points), Europe (+4 points), Asia (+3 points), and USA/Canada (+2 points) will recover gradually, although a continued decline is expected in Hawaii (-3 points), Oceania (-3 points), and Micronesia (-2 points) .

N: valid response
(N=289)

(Unit: DI)



(Unit: D I)

	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	-1	0	13	3	-3	-6
USA/Canada	-41	-23	-19	-24	-31	-29
Europe	-21	2	5	-13	-15	-11
Oceania	-46	-48	-40	-38	-41	-44
Micronesia	-22	-30	-22	-20	-29	-31
China	-25	-9	-12	-87	-84	-78
Asia	20	22	23	-19	-10	-7
(of which, South Korea)	22	22	12	-66	-58	-47

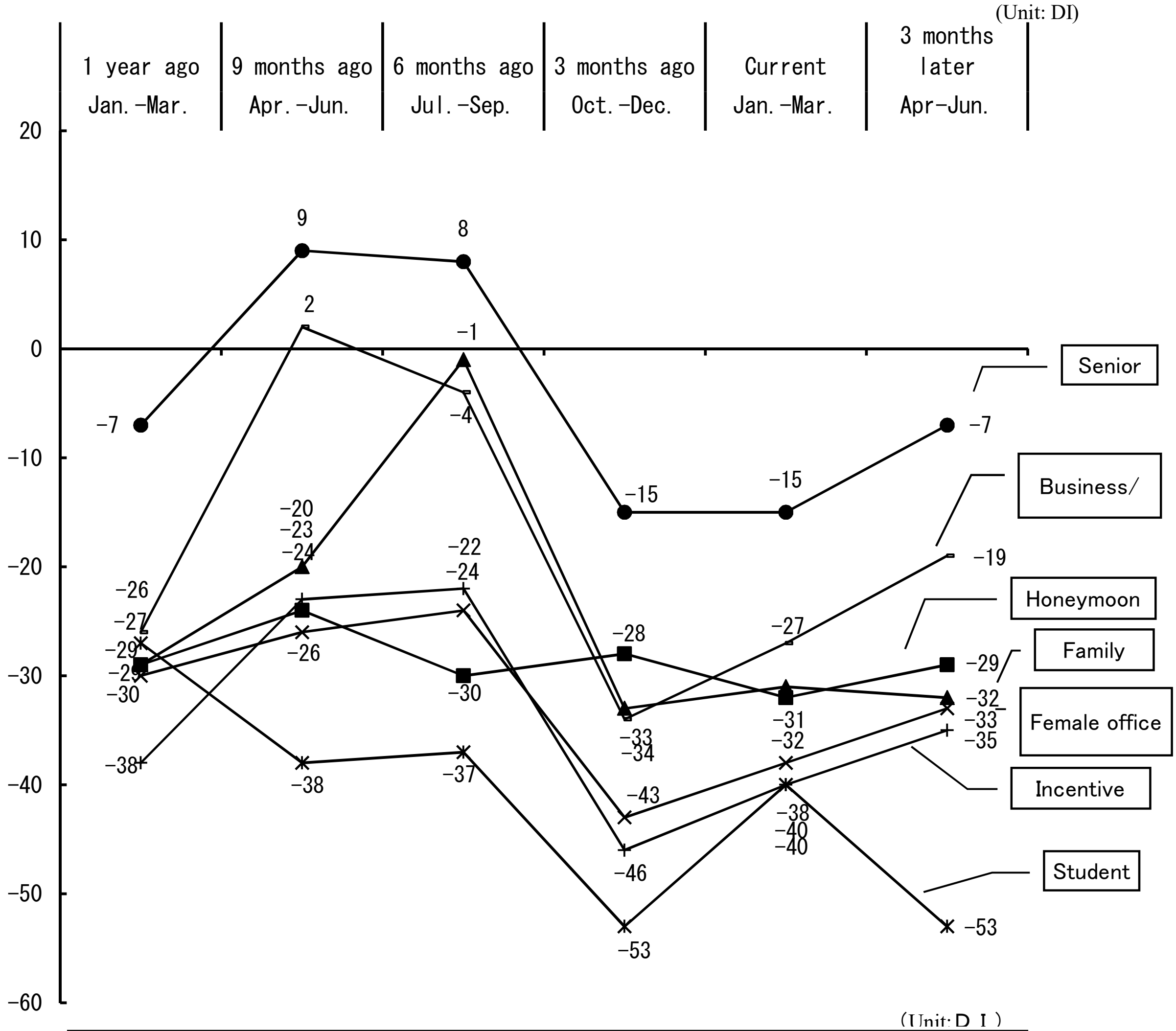
◆Trends in Overseas Travel Demand (by customer segment)

DI is recovering gradually.
The student segment increased by 13 points, but the honeymoon segment is weak, displaying a decline of 4 points.
In the next three months, the business/technical visit, incentive, and female office worker segments are expected to improve for two consecutive periods.

- DI is generally recovering from the previous three months (October-December), including the student segment (+13 points), except for a slight decline in honeymoons (-4 points). The senior segment is unchanged.
- In the next three months (April-June), the business/technical visit (+8 points), senior (+8 points), incentive (+5 points), and female office worker (+5 points) segments are expected to increase for two consecutive periods. The honeymoon (+3 points) and family (-1 point) segments will stay at their current levels. Only the student segment (-13 points) will decline by two digits.

N: valid response
(N=289)

(Unit: DI)



(Unit: D.I.)

	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	−29	−24	−30	−28	−32	−29
Family	−29	−20	−1	−33	−31	−32
Female office worker	−30	−26	−24	−43	−38	−33
Student	−27	−38	−37	−53	−40	−53
Senior (*)	−7	9	8	−15	−15	−7
Incentive (**)	−38	−23	−22	−46	−40	−35
Business/technical visit	−26	2	−4	−34	−27	−19

* Senior: Customers aged 60 or older.
** Incentive: Travel offered as an incentive to business and organization employees.