JATA News Release Japan Association of Travel Agents
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Survey of Travel Market Trends - March 2014, 4th quarter

The Japan Association of Travel Agents (JATA) asks all member companies to register as survey monitors. JATA conducts the quarterly Survey of Travel Market Trends involving 589 registered companies. The results of the 4th quarter (January-March) survey are shown below.

●Overseas DI deteriorated by 7 points, to -26, from December (-19)

***DI seems to be taking a break overall as the off-season approaches. Instead of posting improvement for the third consecutive period, it is declining.**
***While there is an increase in Hawaii, there are slight decreases in Asia, South Korea, US, and Canada. Conditions in Thailand are also having an impact.**
***There is movement in the student segment. There was a reactionary drop in business trips, technical trips, and incentive trips. The senior segment remained strong.**

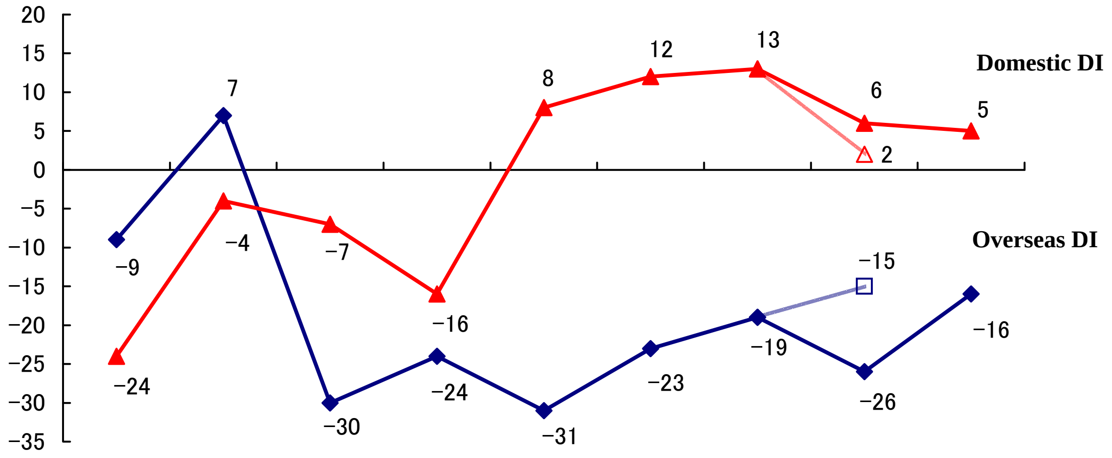
Recovery is expected in the next three months.
***Hawaii and Oceania, which improved in the previous period, will decline slightly, and other destinations will be in an uptrend overall.**

●Domestic DI dropped 7 points but was still 6 points above the previous outlook

***Aichi, Gifu, and Mie (for Shikinen Sengu (shrine rebuilding)) and San'in and Tohoku are undergoing adjustments.**
***Tokyo continues to be popular, and Okinawa turned positive.**
***Among group trips, the recovery in the educational segment continues. The senior segment remains positive.**

In the three-month outlook, current levels should be maintained, but there is concern about the consumption tax increase and an accompanying decline in demand.
***While destinations that had been trending favorably slackened, the educational segment shook free of the confusion following the Great East Japan Earthquake.**

(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	-9	7	-30	-24	-31	-23	-19	-26 ※-15	-16
Domestic overall	-24	-4	-7	-16	8	12	13	6 ※2	5

※ Outlook as of Dec. 2013

■Business Activity in the Overseas Travel Market Overall

DI dropped 7 points (-26), halting the improvement of the two previous periods.
Improvement is expected in the next three months.

Summary

Moderate improvement was expected for the third consecutive period, but despite expectations, DI declined. Hawaii turned positive, and improvement was seen in Oceania. However, due to political instability in Thailand, Asia was weak overall. South Korea declined, and China was unchanged while Taiwan put up a good show. Among customer segments, there was movement in the student segment, but it was below the outlook. In the next three months, a another shift toward recovery is anticipated.

Current situation (January-March)　　Taking a break overall. Slack movement generally except in student segment.

・Business travel continues to be firm. Reservations for leisure travel are sagging due in part to the weakening yen. In Asia, China and South Korea are sluggish, and Thailand, which was satisfactory last year, has experienced a large decrease due to domestic conditions. (Category 1/Overseas travel agency)

・China and South Korea continue to be in a slump. Purchases of durable consumer goods are strong prior to the consumption tax increase, but consumers will take a wait-and-see attitude starting in April, causing a weakening of momentum.

・Medium- and long-distance destinations like Hawaii and Europe are satisfactory, but Asia, which is a close destination, is in poor condition. (Category 1/First-tier retail agency)

・Overseas travel generally declined by 7 points compared to the previous three months (October-December), to -26.

Outlook for the next three months　　The market will reverse and head toward recovery.

・Senior segment travel to Europe is strong. (Category 1/Comprehensive travel agency)

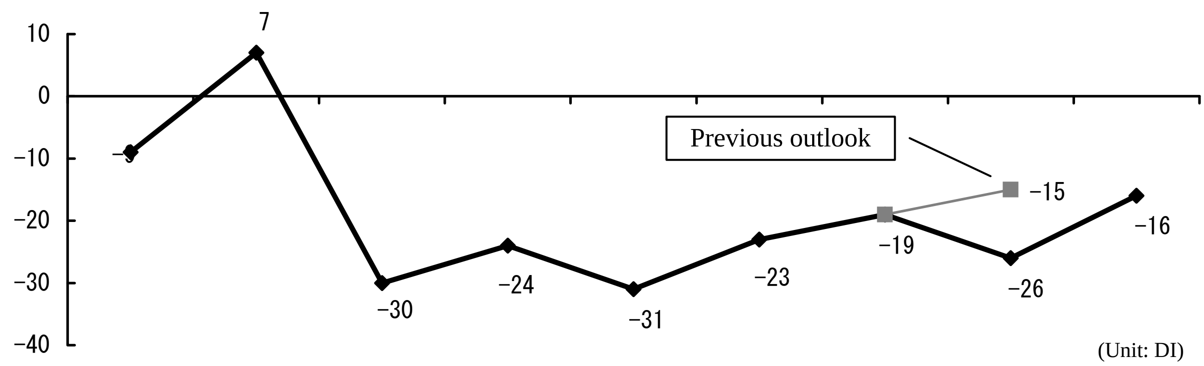
・Departures from Haneda are growing favorably. (Category 1/First-tier retail agency)

・During periods when seats are difficult to reserve due to inbound volume, it seems that the fares change compared to before. In the future, flights in both directions will be brisk because demand for inbound and outbound flights will be balanced and the number of flights will be increased. (Category 1/Second-tier retail agency)

・In the next 3 months, DI will rise 10 points, to -16.

N: valid response
(N=289)

(Unit: DI)



(Unit: DI)

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※ Outlook as of Dec. 2013

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Full-service travel agency	25	-43	-21	-42	-26	-26	**-20**	-12
Overseas travel wholesaler	-6	-44	-40	-37	-37	-21	**-53**	-42
Overseas travel specialist agency	5	-20	-25	-25	-6	22	**-10**	5
First-tier retail agency	13	-26	-33	-52	-40	-24	**-16**	-17
Second-tier retail agency	0	-29	-24	-34	-25	-24	**-31**	-21
In-house travel agency	19	-23	-15	2	-2	-8	**-11**	-7

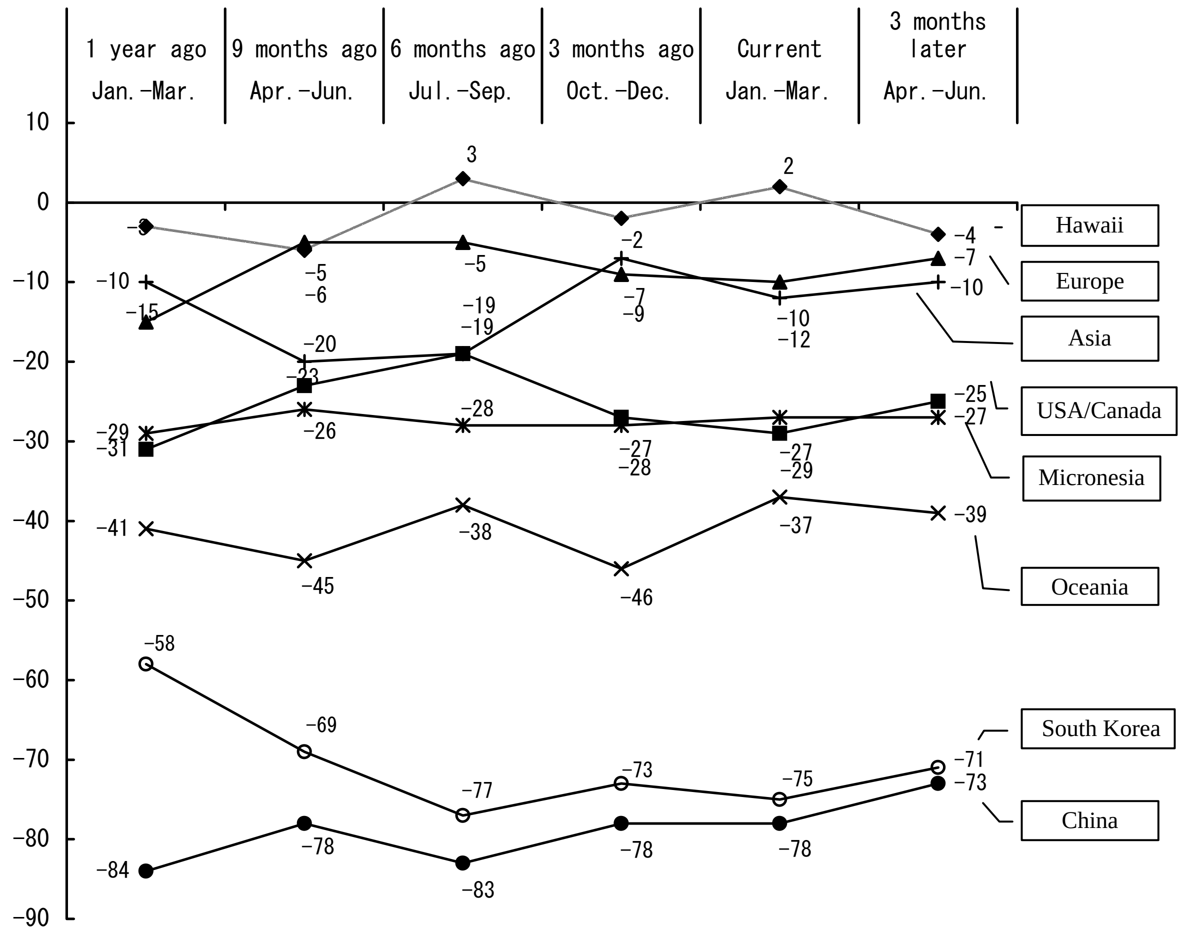
◆Trends in Overseas Travel Demand (by destination segment)

A slight decline occurred in major destinations in the volume zone of Asia, including South Korea. Hawaii turned positive and maintained a satisfactory level. During the next three months, improvement is expected, except for Hawaii and Oceania, which will experience a correction.

- Currently, Hawaii (+4 points) has again shifted to positive territory compared to the previous three months (October-December), and Oceania (+9 points) significantly improved, while Micronesia (+1 point) increased slightly. There were slight decreases in Asia (-5 points), South Korea (-2 points), US and Canada (-2 points), and Europe (-1 points). China remained unchanged.
- In the next 3 months (April-June), China (+5 points), South Korea (+4 points), US and Canada (+4 points), Europe (+3 points), and Asia (+2 points) will improve. Some destinations will experience a correction from the increase in the previous period, such as Hawaii (-6 points) and Oceania (-2 points). Micronesia will remain unchanged.

N: valid response
(N=289)

(Unit: DI)



(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	-3	-6	3	-2	**2**	-4
USA/Canada	-31	-23	-19	-27	**-29**	-25
Europe	-15	-5	-5	-9	**-10**	-7
Oceania	-41	-45	-38	-46	**-37**	-39
Micronesia	-29	-26	-28	-28	**-27**	-27
China	-84	-78	-83	-78	**-78**	-73
Asia	-10	-20	-19	-7	**-12**	-10
（of which, South Kore	-58	-69	-77	-73	**-75**	-71

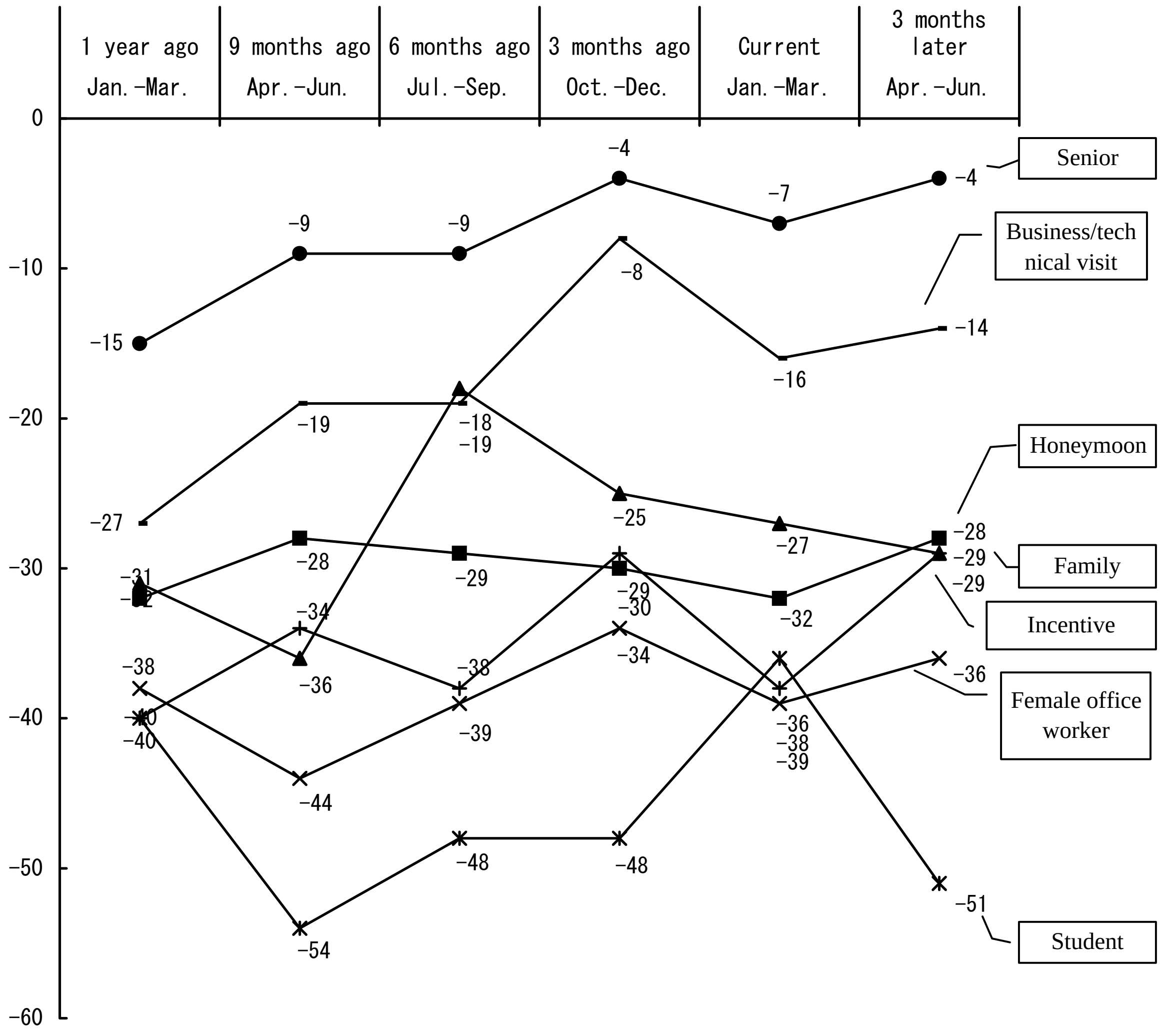
◆Trends in Overseas Travel Demand (by customer segment)

The market seemed to be taking a break overall, but the senior segment remained strong.
The student segment showed double-digit growth.
In the next three months, the student segment will experience a correction, but generally the market will improve.

- Compared to the previous three months (October-December), the double-digit growth in the student segment (+12 points) stands out. Aside from that, the market generally declined: incentive segment (-9 points), business/technical visit segment (-8 points), female office worker segment (-5 points), senior segment (-3 points), honeymoon segment (-2 points), and family segment (-2 points).
- In the next three months (April-June), the following segments will increase: incentive segment (+9 points), honeymoon segment (+4 points), female office worker segment (+3 points), senior segment (+3 points), and business/technical visit segment (+2 points). There will be a large reduction in the student segment (-15 points) due to a correction from the previous period, but the family segment (-2 points) will decline only slightly.

N: valid response
(N=289)

(Unit: DI)



(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.
Honeymoon	-32	-28	-29	-30	**-32**	-28
Family	-31	-36	-18	-25	**-27**	-29
Female office worker	-38	-44	-39	-34	**-39**	-36
Student	-40	-54	-48	-48	**-36**	-51
Senior (*)	-15	-9	-9	-4	**-7**	-4
Incentive (**)	-40	-34	-38	-29	**-38**	-29
Business/technical visit	-27	-19	-19	-8	**-16**	-14

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

■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 589 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 items 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 3 (Monday), 2014 to February 19 (Wednesday), 2014
Registered companies:	589
Responding companies:	314
Response rate:	53.30%

◆Business classificatio

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	Respondents
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	19
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	21
Domestic travel wholesaler	A dedicated domestic travel wholesaler	10
First-tier retail agency	Other than the above, a travel agency with a business volume of 3 billion yen or higher	32
Second-tier retail agency	Other than the above, a travel agency with a business volume of less than 3 billion yen	141
In-house travel agency	A travel agency which mainly handles travel arrangements for its parent company	55

For more information about this survey, contact JATA's Public Relations Committee.
These data are available at http://www.jata-net.or.jp
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