JATA News Release
Japan Association of Travel Agents
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

September 25, 2013

Survey of Travel Market Trends - September 2013, 2nd 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 605 registered companies. The results of the first quarter (April-June) survey are shown below.

● Overseas DI improved by 8 points, to -23, from June (-31).

*** Hawaii, Asia, and Oceania improved, but Northeast Asia declined despite expectations for recovery.**
*** The family segment improved, but the senior segment remained at the same level.**

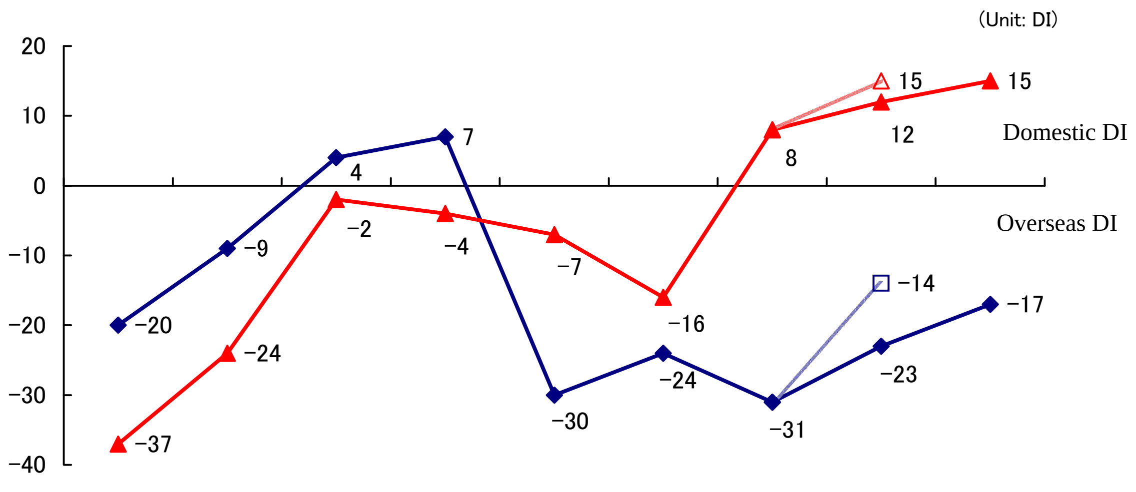
Continuous recovery expected with the autumn travel season approaching
*** Recovery is expected primarily in tours to Asia.**
*** The focus is shifting to the honeymoon and incentive segments in autumn and away from family tours and tours to Hawaii in summer.**

● Domestic DI continued to improve to +12.

*** Domestic DI fell below the previous outlook but continued to improve, maintaining a positive result.**
*** The senior and family segments showed signs of exceeding the outlook, but group tours are on a weak note.**
*** Tokyo remained strong. Shizuoka for Mt. Fuji , San'in for Izumo Shrine, and Aichi, Gifu, and Mie for Ise Shrine have been on a strong note continuously.**

Autumn travel season continued to improve to +15.
*** Tokyo declined but remained positive. Western Japan is recovering gradually. Group tours also hold promise.**

* This survey was conducted before Tokyo was selected for the 2020 Olympic and Paralympic games.



	2 years ago Jul.-Sep.	1 1/2 years ago Jan.-Mar.	1 year and 3 months ago Apr.-Jun.	1 year ago Jul.-Sep.	9 months ago Oct.-Dec.	6 months ago Jan.-Mar.	3 months ago Apr.-Jun.	Current Jul.-Sep.	3 months later Oct.-Dec.
Overseas overall	−20	−9	4	7	−30	−24	−31	−23 ※−14	−17
Domestic overall	−37	−24	−2	−4	−7	−16	8	12 ※15	15

※ Outlook as of June 2013

■Business Activity in the Overseas Travel Market Overall

The recovery was slower than the previous outlook, but DI improved by 8 points.
The outlook over the next three months shows continuous, steady recovery.

Summary

DI fell below the previous outlook but improved by 8 points. Hawaii turned positive. Asia and other destinations showed strength in the summer travel season. However, the recovery of Northeast Asia, which has an overwhelming share of the number of tourists, was slower than the outlook, resulting in a slow recovery as a whole. Oceania continued to improve in spite of the off-season. Some people point out that there is a degree of movement in the honeymoon segment because autumn is approaching. DI is recovering continuously after bottoming out.

Current situation (July-September)

Hawaii is strong, but Northeast Asia's recovery is slow. The senior segment remained at the same level.

・Group tours changed their destinations to domestic ones. (Category 1/First-tier retail agency)
・I feel an upward trend as a whole, but the decline in China and South Korea still has some impact. (Category 1/Overseas travel specialist agency)
・Package and group tours were below the previous year's levels until September, but we have received more group tour bookings for October and thereafter on a year-on-year basis. (Category 1/Overseas travel wholesaler)
・Overseas overall was -23, up 8 points from the previous three-month period (April-June).

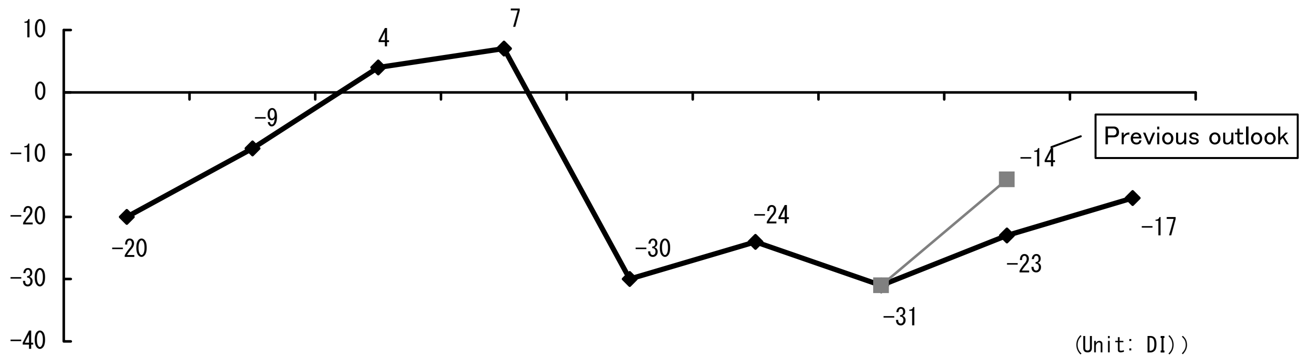
Outlook for the next three months (October-December)

The recovery will continue.

・Business tours to China are not affected by political issues. (Category 1/Second-tier retail agency)
・China and South Korea are hardly selected as destinations for educational/training tours. (Category 1/Second-tier retail agency)
・I heard that Vietnam will hold an event celebrating the 40th anniversary of diplomatic relations in mid-September, when many business persons visit Vietnam and Myanmar. So, I expect much for the next three months. (Category 1/Full-service travel agency)
・The outlook for the next three months (October-December) is -17, up 6 points.

N: valid response
(N=282)

(Unit: DI)



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Overseas overall	-20	-9	4	7	-30	-24	-31	-23 ※-14	-17

※ Outlook as of June 2013

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Full-service travel agency	11	10	25	-43	-21	-42	-26	-11
Overseas travel wholesaler	0	-12	-6	-44	-40	-37	-37	-36
Overseas travel specialist agency	-34	11	5	-20	-25	-25	-6	6
First-tier retail agency	0	47	13	-26	-33	-52	-40	-17
Second-tier retail agency	-13	-7	0	-29	-24	-34	-25	-21
In-house travel agency	-10	16	19	-23	-15	2	-2	-2

◆Trends in Overseas Travel Demand (by destination segment)

Hawaii turned positive, while Asia and Oceania improved, resulting in an improvement as a whole. China and South Korea, which have an overwhelming share of the number of tourists, declined for two consecutive quarters.
In the next three months, demand will continue to recover gradually, primarily in Asia.

- DI improved in four destinations from the previous three months (April-June). Hawaii (+9 points) turned positive, and Oceania (+7 points), USA/Canada (+4 points), and Asia (+1 point) improved. However, DI declined in three destinations against expectations: South Korea (-8 points), China (-5 points), and Micronesia (-2 points). Europe remained at the same level.
- In the next three months (October-December), DI is expected to improve in five destinations: Asia (+7 points), South Korea (+6 points), Micronesia (+4 points), Oceania (+3 points), and China (+2 points), although a decline is expected for two destinations: Hawaii (-5 points) and USA/Canada (-2 points). Europe will remain unchanged.

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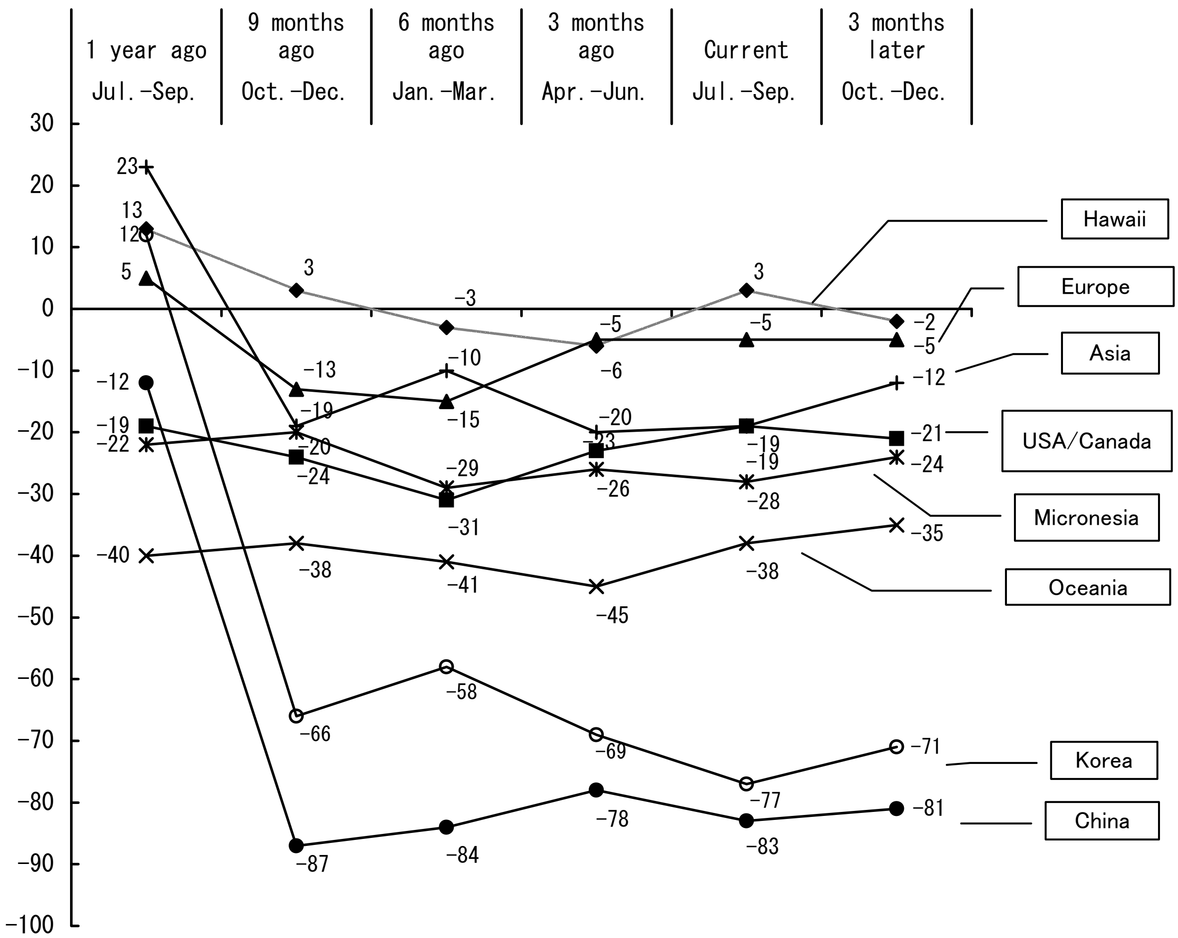

(Unit: DI)

	1 year ago Jul.-Sep.	9 months ago Oct.-Dec.	6 months ago Jan.-Mar.	3 months ago Apr.-Jun.	Current Jul.-Sep.	3 months later Oct.-Dec.
Hawaii	13	3	-3	-6	3	-2
USA/Canada	-19	-24	-31	-23	-19	-21
Europe	5	-13	-15	-5	-5	-5
Oceania	-40	-38	-41	-45	-38	-35
Micronesia	-22	-20	-29	-26	-28	-24
China	-12	-87	-84	-78	-83	-81
Asia	23	-19	-10	-20	-19	-12
(of which, South Korea)	12	-66	-58	-69	-77	-71

◆Trends in Overseas Travel Demand (by destination segment)

The family segment showed significant movement, and the senior segment showed sustained strength. The female office worker, student, and business/technical visit segments also improved, but the incentive and honeymoon segments are on a weak note.
In the next three months, the senior and honeymoon segments hold promise.

- DI improved from the previous three months (April-June) in three segments. The family segment (+18 points) improved significantly in addition to the student (+6 points) and female office worker (+5 points) segments. The incentive (-4 points) and honeymoon (-1point) segments declined. The senior and business/technical visit segments sustained strength.
- In the next three months (October-December), DI will improve in the honeymoon (+7 points), incentive (+6 points), senior (+4 points), and business/technical visit (+2 points) segments, although the student (-1 point) segment will decline slightly and the family segment (-11 points) will show a double-digit decline in a rebound from the summer holiday season. The female office worker segment will remain unchanged.

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(N=282)

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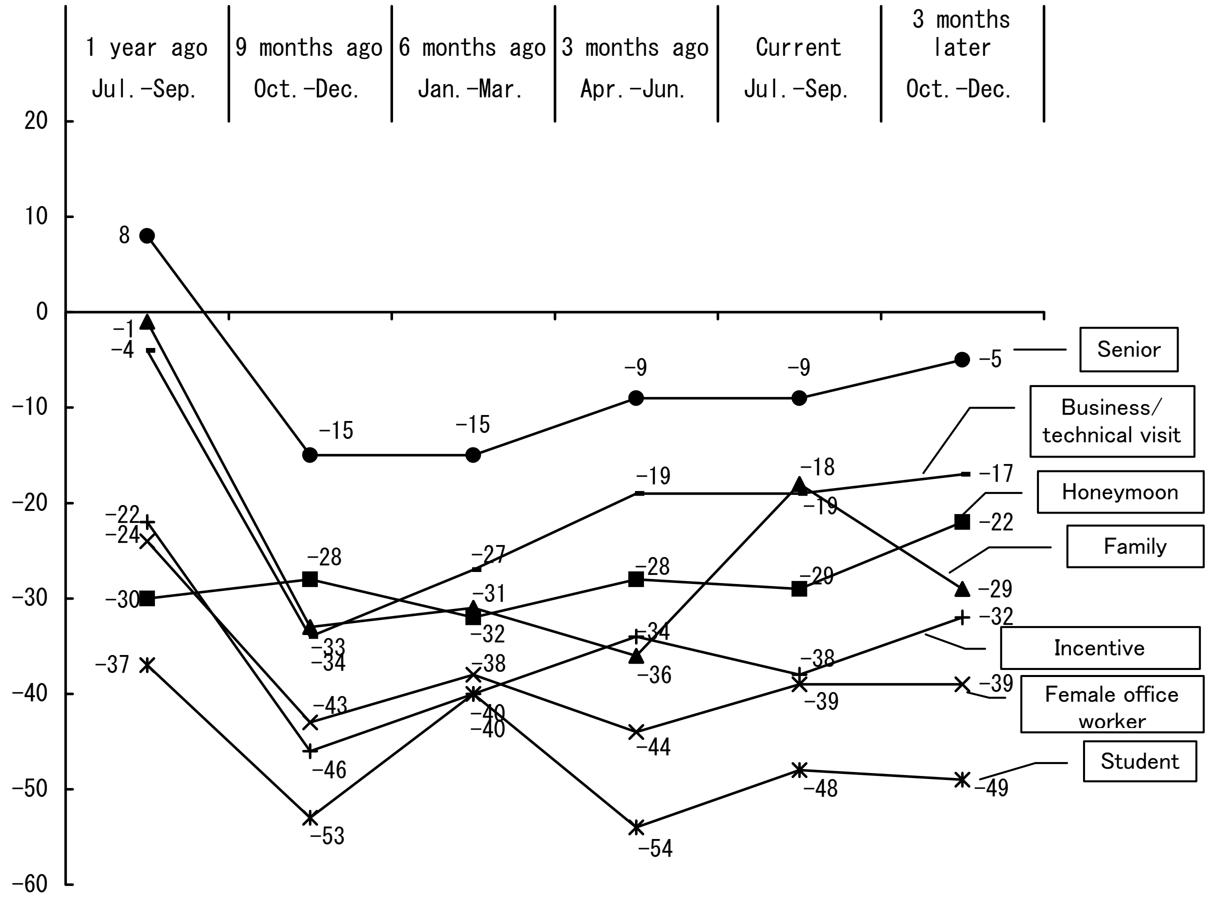

(Unit: DI)

	1 year ago Jul.-Sep.	9 months ago Oct.-Dec.	6 months ago Jan.-Mar.	3 months ago Apr.-Jun.	Current Jul.-Sep.	3 months later Oct.-Dec.
Honeymoon	-30	-28	-32	-28	**-29**	-22
Family	-1	-33	-31	-36	**-18**	-29
Female office worker	-24	-43	-38	-44	**-39**	-39
Student	-37	-53	-40	-54	**-48**	-49
Senior (*)	8	-15	-15	-9	**-9**	-5
Incentive (**)	-22	-46	-40	-34	**-38**	-32
Business/technical visit	-4	-34	-27	-19	**-19**	-17

* 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 605 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:	August 1 (Thursday), 2013, to August 23 (Friday), 2013
Registered companies:	605
Responding companies:	305
Response rate:	50.40%

◆Survey Overview

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	Number
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	22
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	7
First-tier retail agency	Other than the above, a travel agency with a business volume of 3 billion yen or higher	31
Second-tier retail agency	Other than the above, a travel agency with a business volume of less than 3 billion yen	144
In-house travel agency	A travel agency which mainly handles travel arrangements for its parent company	49

For more information about this survey, contact public relations of JATA.
These data are available at http://www.jata-net.or.jp
TEL: [+81] 3 3592 1244