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

December 18, 2013

Survey of Travel Market Trends - December 2013, 3rd 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 599 registered companies. The results of the 3rd quarter (October-December) survey are shown below.

● Overseas DI improved by 4 points, to -19, from September (-23).

*** Overall DI fell to a level slightly below the previous outlook.**
*** There were signs of improvement primarily in Southeast Asia. Northeast Asia also improved, but other destinations declined slightly.**
*** The strong senior segment continued to grow, and the business/technical visit and incentive segments increased significantly. The family segment declined substantially after the summer.**

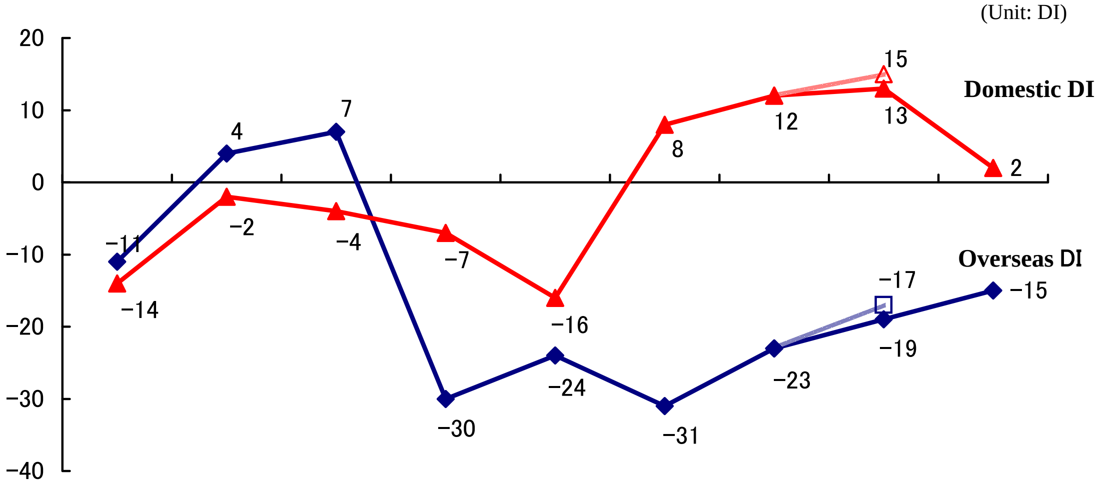
Gradual recovery is expected to continue during the next three months.
*** Hawaii, Asia, and Europe, which are top destinations, declined slightly. Less popular destinations, including Northeast Asia, are improving gradually.**

● Domestic DI continued to grow to +13.

*** Aichi, Gifu, and Mie (for Shikinen Sengu (shrine rebuilding)), San'in, and Kyushu gained popularity.**
*** Hokkaido declined significantly due to the seasonal change. Tokyo retained its popularity.**
*** Employees' tours and other group tours are recovering. The senior segment remained strong. The family segment declined after the summer.**

In the next three months, demand will stop growing, but DI will remain positive.
*** DI will decline on the whole. Last-minute demand among corporations before the consumption tax increase holds some promise.**

(Unit: DI)



	2 years ago Oct.-Dec.	1 1/2 years ago Apr.-Jun.	1 year and 3 months ago Jul.-Sep.	1 year ago Oct.-Dec.	9 months ago Jan.-Mar.	6 months ago Apr.-Jun.	3 months ago Jul.-Sep.	Current Oct.-Dec.	3 months later Jan.-Mar.
Overseas overall	−11	4	7	−30	−24	−31	−23	−19 ※−17	−15
Domestic overall	−14	−2	−4	−7	−16	8	12	13 ※15	2

※ Outlook as of Sep. 2013

■Business Activity in the Overseas Travel Market Overall

DI continued to improve by 4 points, almost achieving the level of the previous outlook.
DI will continue to recover over the next three months.

Summary

DI is improving continuously, albeit gradually. Southeast Asia and other destinations showed movement. Northeast Asia continued to recover gradually although it remained at a lower level. By customer segment, the business/technical visit and incentive segments increased significantly. The student segment will attract attention in the next three months.

Current situation (October-December)

Movement is seen primarily in Southeast Asia. The strong senior, business/technical visit, and incentive segments increased

・Departures in November are sluggish, but departures in October and December (primarily year-end) are very strong. (Category 1/First-tier retail agency)

・Customer companies are active in their overseas business development, and there is no particular sign of "slowdown." (Category 1/In-house travel agency)

retail agency)

・Overseas overall was -19, up 4 points from the previous three months (July-September).

Outlook for the next three months (January-March)

The recovery will continue although it will be gradual. The student segment holds promise.

・The senior segment is as active as before. Expensive, longer-distance tours are selling well. (Category 1/In-house travel agency)

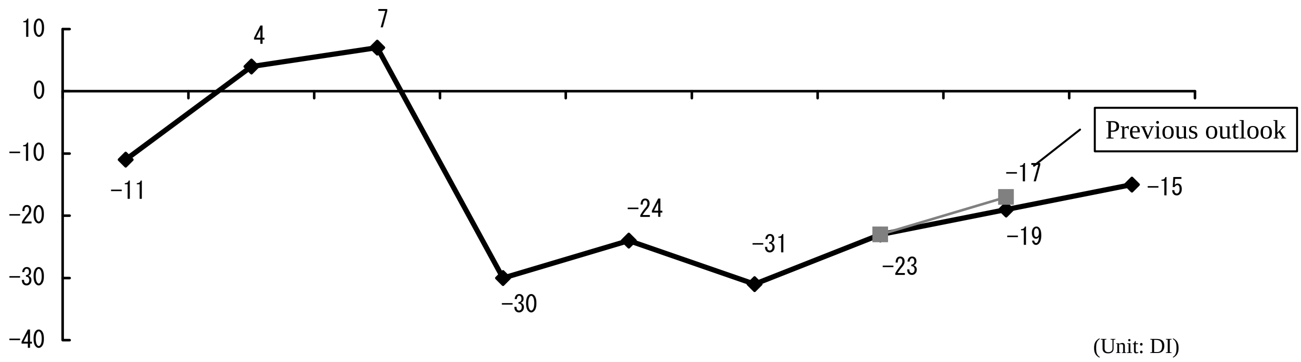
・Incentive tours and business-related tours show signs of gradual recovery. (Category 1/Overseas travel wholesaler)

・In the student segment, foreign language training tours, internship programs, etc., tend to attract attention. (Category 1/Second-tier retail agency)

・The outlook for the next three months (January-March) is -15, up 4 points.

N: valid response
(N=294)

(Unit: DI)



(Unit: DI)

	2 years ago Oct.-Dec.	1 1/2 years ago Apr.-Jun.	1 year and 3 months ago Jul.-Sep.	1 year ago Oct.-Dec.	9 months ago Jan.-Mar.	6 months ago Apr.-Jun.	3 months ago Jul.-Sep.	**Current Oct.-Dec.**	3 months later Jan.-Mar.
Overseas overall	-11	4	7	-30	-24	-31	-23	**-19** **※-17**	-15

※ Outlook as of Sept. 2013

	1 1/2 years ago Apr.-Jun.	1 year and 3 months ago Jul.-Sep.	1 year ago Oct.-Dec.	9 months ago Jan.-Mar.	6 months ago Apr.-Jun.	3 months ago Jul.-Sep.	**Current Oct.-Dec.**	3 months later Jan.-Mar.
Full-service travel agency	10	25	-43	-21	-42	-26	**-26**	-16
Overseas travel wholesaler	-12	-6	-44	-40	-37	-37	**-21**	-28
Overseas travel specialist agency	11	5	-20	-25	-25	-6	**22**	17
First-tier retail agency	47	13	-26	-33	-52	-40	**-24**	-13
Second-tier retail agency	-7	0	-29	-24	-34	-25	**-24**	-19
In-house travel agency	16	19	-23	-15	2	-2	**-8**	-9

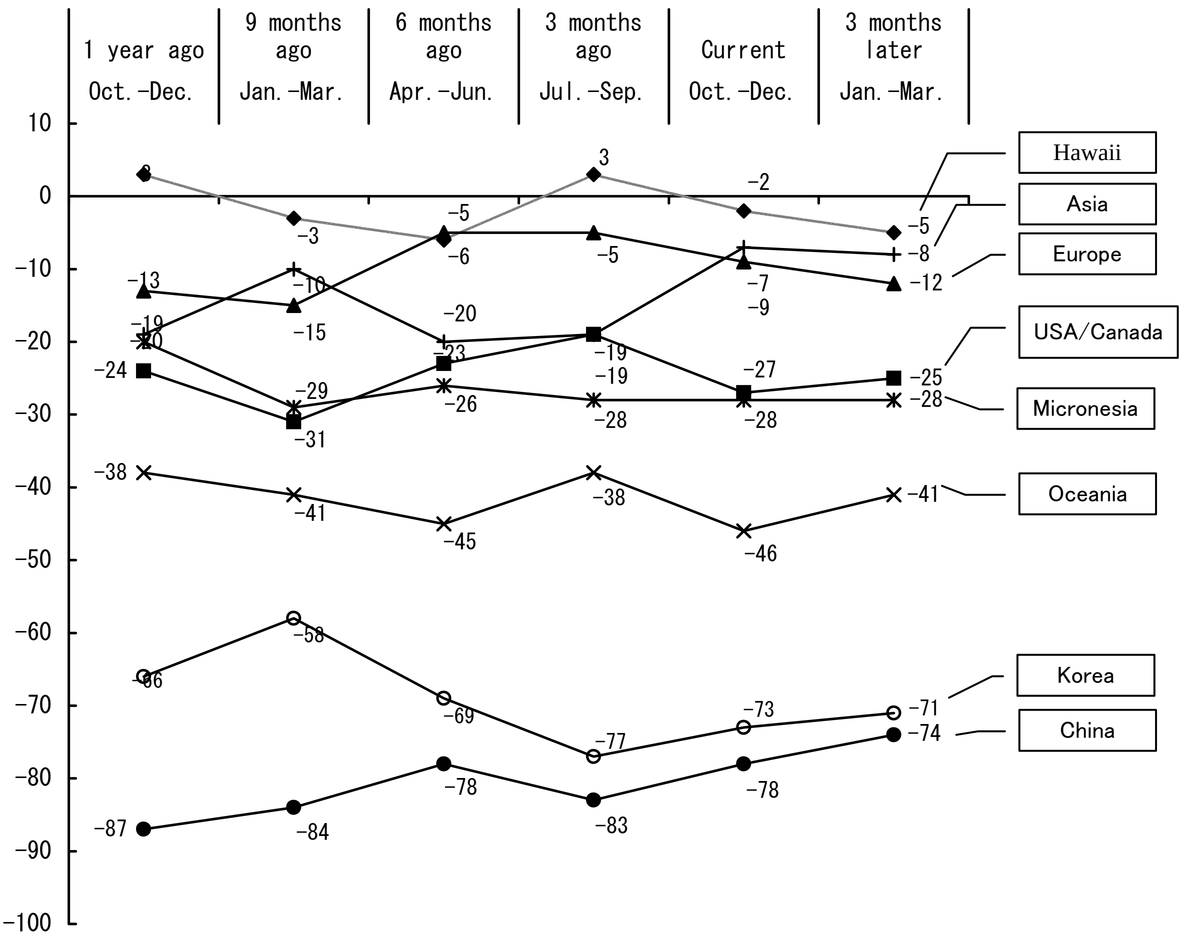
◆Trends in Overseas Travel Demand (by destination segment)

DI surged in Asia while other top destination segments declined slightly.
South Korea and China are recovering gradually from a slump.
In the next three months, there will be no major change, but four low-level destinations are expected to improve.

- DI declined in four destinations from the previous three months (July-September), excluding Asia (+12 points): USA/Canada (-8 points), Oceania (-8 points), Hawaii (-5 points), and Europe (-4 points). China (+5 points) and South Korea (+4 points) improved from a slump while Micronesia remained at the same level.
- In the next three months (January-March), lower-level Oceania (+5 points), China (+4 points), South Korea (+2 points), and USA/Canada (+2 points) will improve. Hawaii (-3 points) and Europe (-3 points), which were strong previously, will continue to decline, and Asia (-1 point) will also decline slightly. Micronesia will remain at the same level.

N: valid response
(N=294)

(Unit: DI)



(Unit: DI)

	1 year ago Oct.-Dec.	9 months ago Jan.-Mar.	6 months ago Apr.-Jun.	3 months ago Jul.-Sep.	**Current Oct.-Dec.**	3 months later Jan.-Mar.
Hawaii	3	−3	−6	3	**−2**	−5
USA/Canada	−24	−31	−23	−19	**−27**	−25
Europe	−13	−15	−5	−5	**−9**	−12
Oceania	−38	−41	−45	−38	**−46**	−41
Micronesia	−20	−29	−26	−28	**−28**	−28
China	−87	−84	−78	−83	**−78**	−74
Asia	−19	−10	−20	−19	**−7**	−8
(of which, South Kore	−66	−58	−69	−77	**−73**	−71

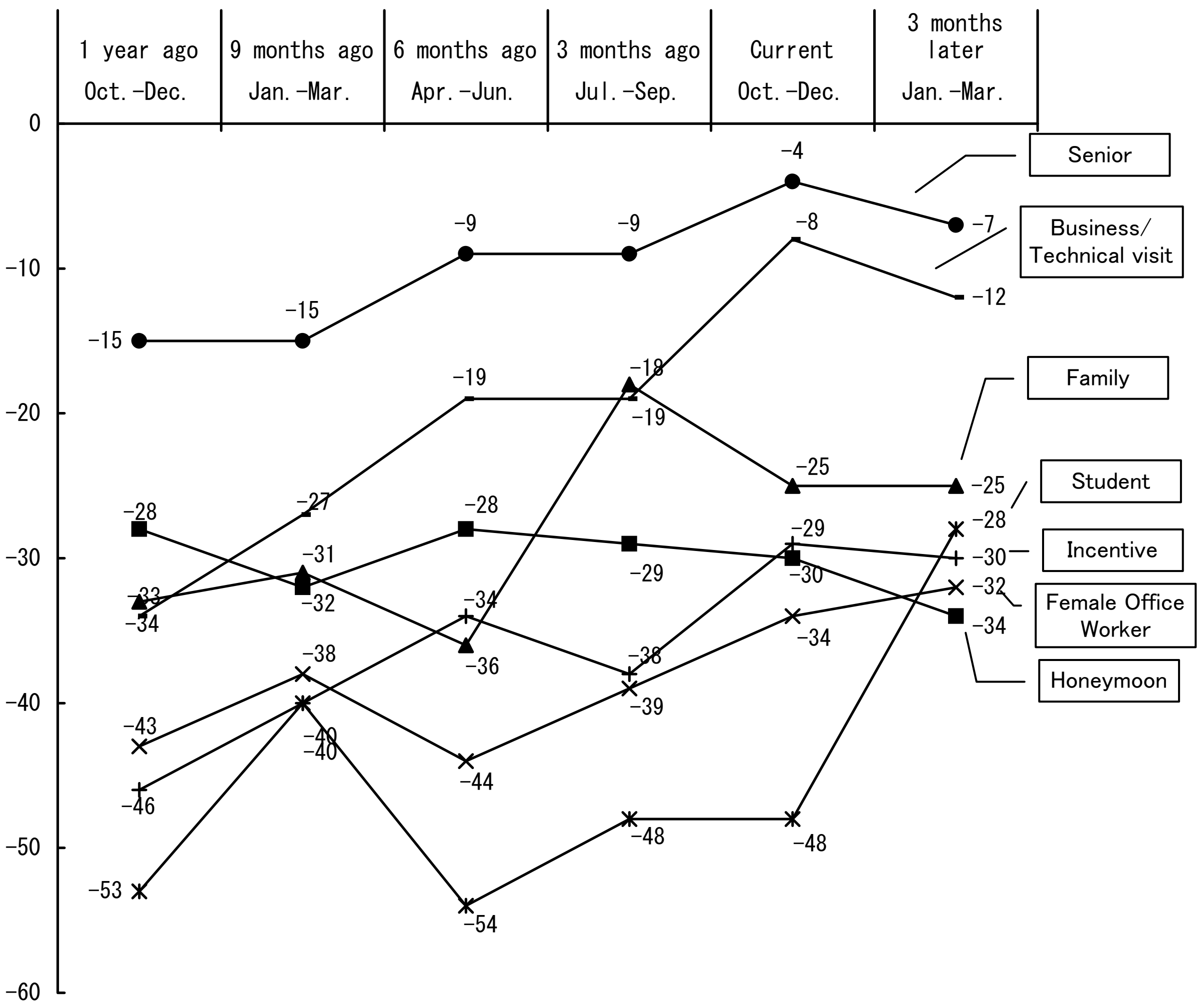
◆Trends in Overseas Travel Demand (by customer segment)

The senior segment remained stronger than other segments. Corporate-related segments, including the business/technical visit and incentive segments, showed movement. The family segment declined after strong movement in the summer .

- DI improved from the previous three months (July-September) in the business/technical visit segment (+11 points), incentive segment (+9 points), female office worker segment (+5 points), and senior segment (+5 points). The family segment (-7 points) declined after strong movement in the summer. The honeymoon segment (-1 point) and the student segment remained at the same level.
- In the next three months (January-March), the student segment (+20 points) will increase significantly. The other segments will not change significantly: the female office worker segment (+2 points), family segment (no change), incentive segment (-1 point), senior segment (-3 points), honeymoon segment (-4 points), and business/technical visit segment (-4 points).

N: valid response
(N=294)

(Unit: DI)



(Unit:DI)

	1 year ago Oct.-Dec.	9 months ago Jan.-Mar.	6 months ago Apr.-Jun.	3 months ago Jul.-Sep.	**Current Oct.-Dec.**	3 months later Jan.-Mar.
Honeymoon	−28	−32	−28	−29	**−30**	−34
Family	−33	−31	−36	−18	**−25**	−25
Female office worker	−43	−38	−44	−39	**−34**	−32
Student	−53	−40	−54	−48	**−48**	−28
Senior (*)	−15	−15	−9	−9	**−4**	−7
Incentive (**)	−46	−40	−34	−38	**−29**	−30
Business/technical visit	−34	−27	−19	−19	**−8**	−12

* 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 599 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:	November 1 (Friday), 2013, to November 19 (Tuesday), 2013
Registered companies:	599
Responding companies:	320
Response rate:	53.40%

◆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	Respondents
Full-service travel agency	A large-scale travel agency with a national network that provides a full range of travel products	34
Overseas travel wholesaler	A dedicated overseas travel wholesaler	28
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	18
Domestic travel wholesaler	A dedicated domestic travel wholesaler	12
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	141
In-house travel agency	A travel agency which mainly handles travel arrangements for its parent company	56

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