JATA News Release
Japan Association of Travel Agents
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June 25,2015

Survey of Travel Market Trends - June 2015, 1st 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 611 registered companies. The results of the 1st quarter (April-June) survey are shown below.

●Overseas travel DI recovered by 2 points in March, reaching -36

※The DI was 1 point over the outlook in the January-March quarter.
※China grew by 9 points, Asia by 8 points. Europe decreased again by 2 points.
※In terms of customer segment, business/technical visits increased by 9 points, incentive travel by 8 points and the school trips dropped by 10 points.

Improvement (9 points) is expected in the next three months

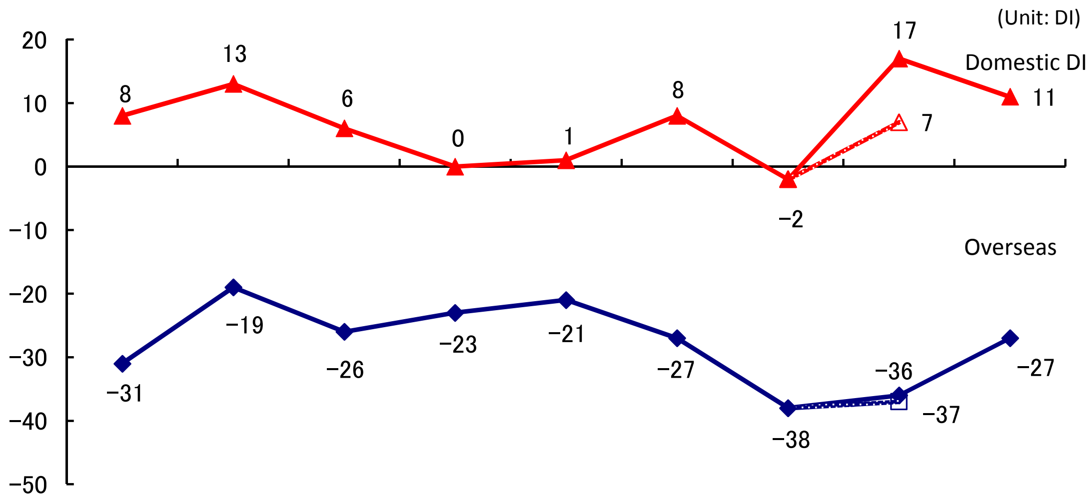
※Europe is expected to grow by 9 points and continue its recovery.

●Domestic travel scored a 19 point growth recovering to +17

※In January-March, domestic travel showed a tendency of recovery exceeding the overlook by 10 points.
※Hokuriku (+22) grew up to 42 points, Kyoto, Osaka and Kobe increased by 21 points, Tokyo by 18 points, all of them showing two-digit growth. Hokkaido (+4) also market a 18- point growth.

The positive growth will continue during the next three months and reach +11

※The launch of Hokuriku Shinkansen continues to create a sense of expectation; the demand for Tokyo, Hokkaido and also Kyoto, Osaka and Kobe is expected to stay at the present level.



	2 years ago Apr.-Jun.	1 1/2 years ago Oct.-Dec.	1 year and 3 months ago Jan.-Mar.	1 year ago Apr.-Jun.	9 months ago Jul.-Sep.	6 months ago Oct.-Dec.	3 months ago Jan.-Mar.	Current Apr.-Jun.	3 months later Jul.-Sep.
Overseas overall	−31	−19	−26	−23	−21	−27	−38	−36 ※−37	−27
Domestic overall	8	13	6	0	1	8	−2	17 ※7	11

※ Outlook as of Mar. 2015

■Overseas travel business conditions at present

Overseas travel exceeded the expected growth by a mere one point, reaching -36.
Asia continues to grow maintaining its leading position. Business/technical visits grew by 9 points and student travel decreased by 10.
Despite continued stagnation, Europe is on the recovery track.

Overall

Demand remained almost as expected, exceeding the forecast by a single point, getting to -36.
In terms of business category, the overall demand was -64, overseas whole sellers scored a low -62 points. Europe (-41) stopped decreasing by falling only by 2 points. China (-64) increased by 9 points and South Korea (-66) by 6 points. Demand for Hawaii (-9) and Asia (-5) keep their leading positions, with Asia increasing by 8 points. In terms of customer segment, business/technical visits (-14) marked a positive growth of 9 points and have shown a recovery from the drop of three months earlier. Incentive visits (-31) also scored an 8-point increase while student travel (-59) stood out due to a 10-point fall.

Present situation (April – June) With more or less the same figures as the previous quarter, there will be no surprises. Hawaii and Asia keep leading

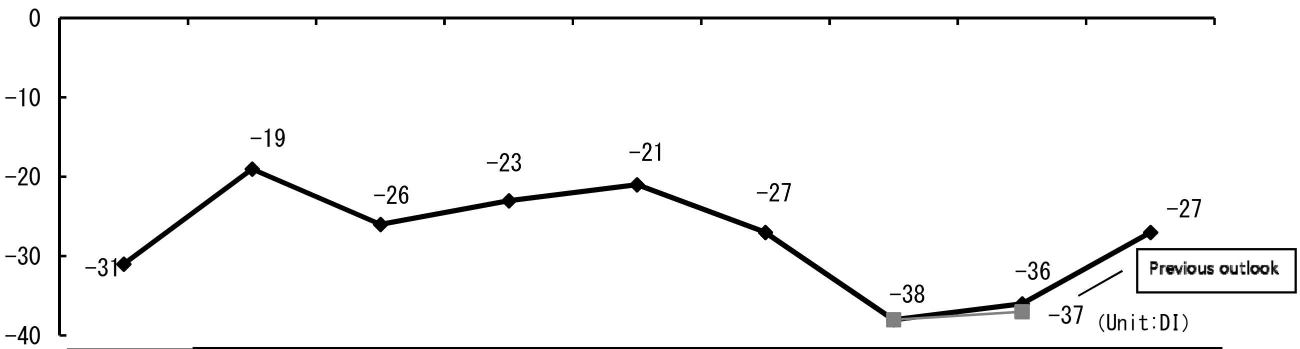
・Due to the travel advisory regarding the threat of terrorism by IS, technical visits to Europe have been suspended (1st tier full service travel agency);
・Demand for overseas travel is getting active; however, due to inbound travel, securing airplane seats is difficult (1st tier overseas travel wholesaler)
・Demand for Europe is recovering slowly. Southeast Asian beaches and other destinations are popular. China, South Korea have not shown significant growth (1st tier in-house travel agency)
・Overseas travel overall has improved by 2 points compared to the previous 3 months (January – March) and is up to -36.

Overlook for the next three months (July – September) Recovery of Europe

・Customers are gradually returning to Europe. France and Britain, however, will continue to lag behind. Asian beaches remain popular (1st tier in-house agency)
・Family travel to Hawaii and other resort destinations is expected to grow. Travel to the U.S.A., a relatively safe destination in terms of terrorism threats, will grow (2nd tier retailing agency)
・Demand for destinations considered safe is on the increase (3rd tier in-house agency)
・Demand during the next three months will grow by 9 points, reaching -27

N: valid response
(N=318)

(Unit:ＤＩ)



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Full-service travel agency	−26	−20	−33	−31	−34	−56	−64	−28
Overseas travel wholesaler	−21	−53	−50	−50	−50	−74	−62	−48
Overseas travel specialist agency	22	−10	−11	15	26	6	−11	18
First-tier retail agency	−24	−16	−14	−4	−42	−64	−32	−28
Second-tier retail agency	−24	−31	−27	−30	−38	−37	−36	−32
In-house travel agency	−8	−11	−2	0	2	−16	−19	−15

◆Trends in Overseas Travel Demand (by destination segment)

At present, it seems that Europe's decline has broken off.
Hawaii, Asia continue to lead. China is on the recovery track.
The next three months will see an overall recovery, including Europe.

- In comparison with the previous quarter (January-March), Europe and Micronesia continue to decline with each recording a 2-point fall. Oceania, too, decreased by 4 points. There is a tendency of a break-off from Europe's continued decline. Hawaii (+2 points) and Asia (+8 points) keep their positions as destinations in the high demand. China (+9) and South Korea (+6) showed a slow recovery.
- During the next three months, Asia and South Korea will not change. Demand in general will be better than at present as Europe (+9) and Micronesia (+6) are becoming more active. Many destinations, including Hawaii (+1), America & Canada (+4) Oceania (+3), and China (+2) will be on the increase.

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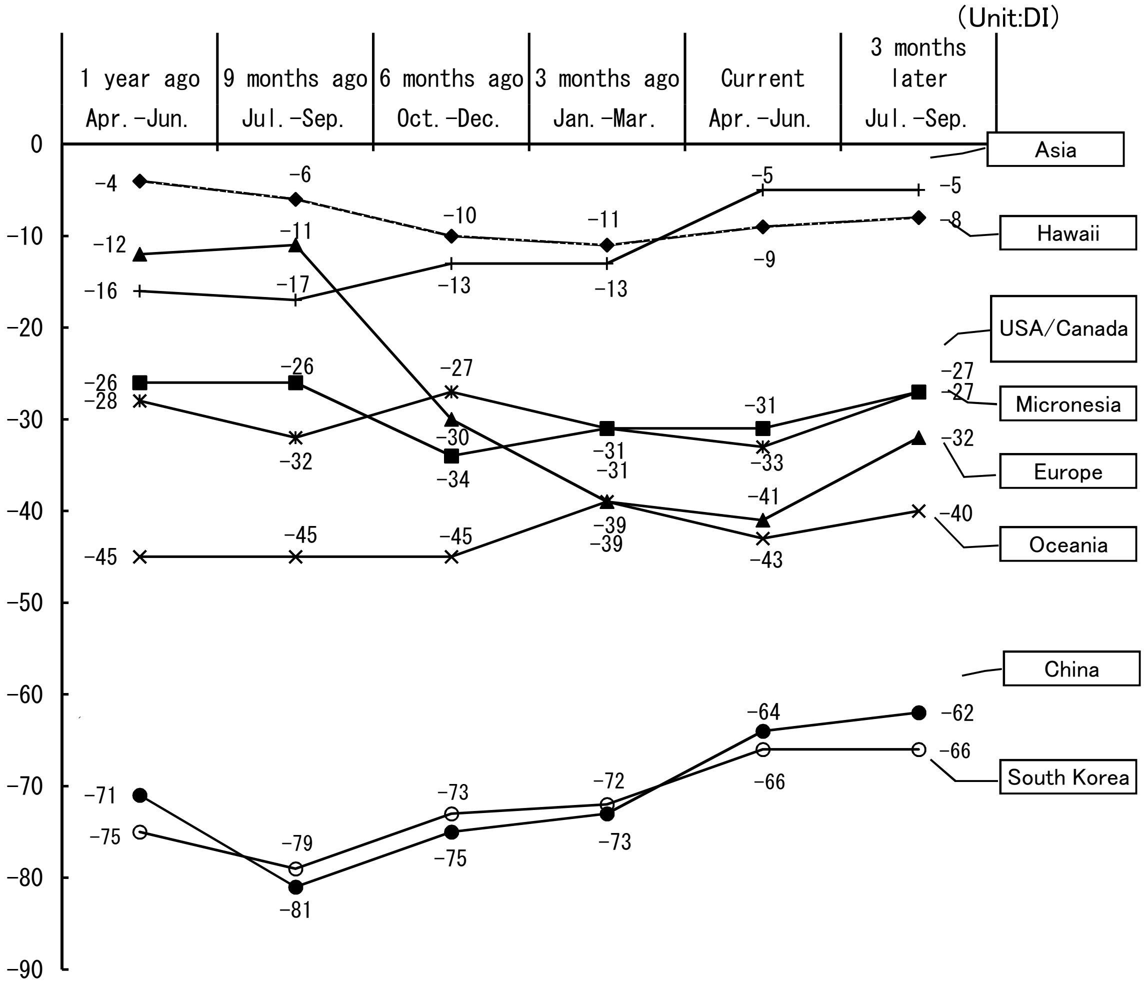

(Unit:DI)

	1 year ago Apr.-Jun.	9 months ago Jul.-Sep.	6 months ago Oct.-Dec.	3 months ago Jan.-Mar.	**Current Apr.-Jun.**	3 months later Jul.-Sep.
Hawaii	−4	−6	−10	−11	**−9**	−8
USA/Canada	−26	−26	−34	−31	**−31**	−27
Europe	−12	−11	−30	−39	**−41**	−32
Oceania	−45	−45	−45	−39	**−43**	−40
Micronesia	−28	−32	−27	−31	**−33**	−27
China	−71	−81	−75	−73	**−64**	−62
Asia	−16	−17	−13	−13	**−5**	−5
of which, South Korea	−75	−79	−73	−72	**−66**	−66

◆Trends in Overseas Travel Demand (by customer segment)

Trends in demand for overseas travel (by customer segment)
The business/technical visits and incentive travel which fell previously have recovered.
The student and honeymoon segments decreased. Other segments remain at previous levels.
The next three months will see the recovery of all segments.

- The business/technical visits, which declined sharply in the previous quarter, grew by 9 points and recovered. The 8-point increase in incentive travel stands out. Other segments, including honeymooners (-4), family (-1), working women (-1), students (-10) and seniors (-2), decreased with the sharp decrease in student travel standing out.
- During the next quarter (July-September), family (+12) and working women (+9) are expected to make a notable recovery. Students (+8), seniors (+7), incentive (+6), business/technical visits (+5), and honeymooners (+3) will all grow.

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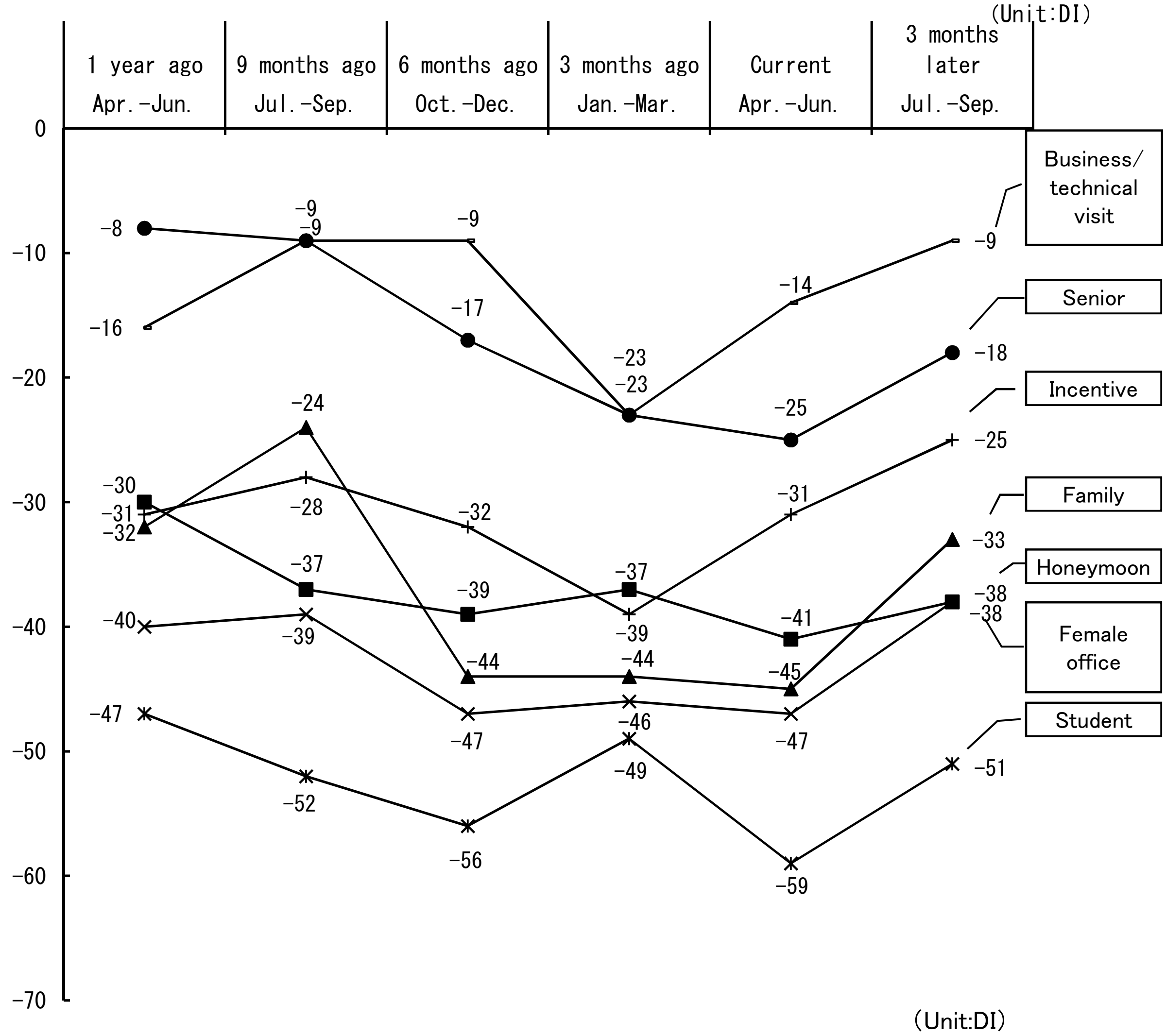

(Unit:DI)

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Honeymoon	−30	−37	−39	−37	**−41**	−38
Family	−32	−24	−44	−44	**−45**	−33
Female office worker	−40	−39	−47	−46	**−47**	−38
Student	−47	−52	−56	−49	**−59**	−51
Senior (*)	-8	-9	-17	-23	**-25**	-18
Incentive (**)	-31	-28	-32	-39	**-31**	-25
Business/technical visit	-16	-9	-9	-23	**-14**	-9

* 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 member companies to register as survey monitors. JATA conducts the quarterly Survey of Travel Market Trends involving 611 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:	May 19 (Tuesday),2015 to June 03(Wednesday),2015
Registered companies:	611
Responding companies:	351
Response rate:	57.40%

◆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	Number of companies
Full-service travel agency	A large-scale travel agency with a national network that provides a full range of travel products	41
Overseas travel wholesaler	A dedicated overseas travel wholesaler	21
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	17
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	28
Second-tier retail agency	Other than the above, a travel agency with a business volume of less than 3 billion yen	170
In-house travel agency	A travel agency which mainly handles travel arrangements for its parent company	62

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