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 17, 2015

Survey of Travel Market Trends - December 2015, 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 594 registered companies. The results of the 3rd quarter (October-December) survey are shown below.

●Overseas Travel DI decreased by 2 points from the previous quarter (-38), falling to -40

※The sales fell 7 points short of the forecast and general travel agencies reported a big decrease of 19 points compared to the previous quarter.
※Oceania grew by 13 points, South Korea by 12 points and Asia by 3 points. Hawaii decrease by 7 points.
※Analysis by customer segment shows that family travel dropped by 9 points and honeymoon and incentive travel by 8 points each.

○During the next three months, the DI is expected to increase by 1 point, up to -39

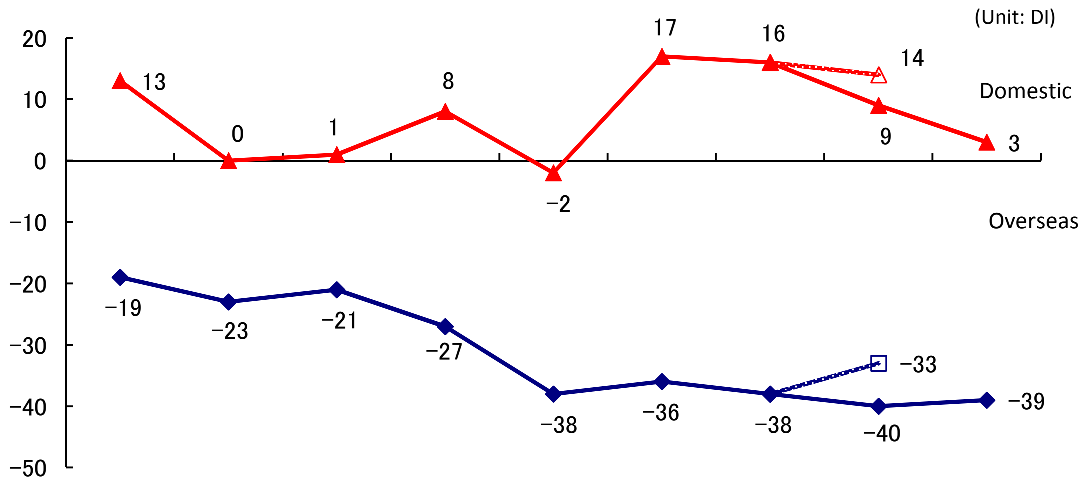
※Hawaii and Micronesia will expand by 4 points each while Oceania is expected to improve by 2 points. Europe will continue the downward trend decreasing by another 5 points.

●The DI of domestic travel scored a 7-point smaller gain compared to the previous quarter (+16) falling to +9

※The DI of domestic travel fell 5 points short of the forecast and all business categories except in-house agencies experienced a downturn compared to the previous quarter.
※Kyoto, Osaka and Kobe consolidated their position with 26 points, Hokuriku with 19 points, Tokyo with 9 points and Kinki with 7 points. Hokkaido stood out with a 13-point decrease.

○During the next three months, the DI of domestic travel is expected to remain in the domain of positive growth despite experiencing some decrease down to +3

※Thanks to the popularity of the Hokuriku shinkansen services Hokuriku will maintain its two-digit growth. Kyoto, Osaka and Kobe as well as Tokyo are expected to grow, too.



	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	−19	−23	−21	−27	−38	−36	−38	−40 ※−33	−39
Domestic overall	13	0	1	8	−2	17	16	9 ※14	3

※ Outlook as of September 2015

■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 594 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 6(Friday) to 25(Wednesday), 2014
Registered companies:	594
Responding companies:	299
Response rate:	50.3%

◆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	34
Overseas travel wholesaler	A dedicated overseas travel wholesaler	18
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	10
First-tier retail agency	Other than the above, a travel agency with a business volume of 3 billion yen or higher	24
Second-tier retail agency	Other than the above, a travel agency with a business volume of less than 3 billion yen	142
In-house travel agency	A travel agency which mainly handles travel arrangements for its parent company	54

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

■Business Activity in the Overseas Travel Market Overall

In the third quarter, overseas travel fell short of the outlook by 2 points, reaching -40.
Oceania grew by 13 points. Family travel dropped by 9 points and honeymoon and incentive travel by 8 points each.
General travel agencies experienced a decrease to -68, overseas travel whole sellers were down to -61and 1st tier retail agencies were down to -57.

Overall

Overseas travel got down to -40, seven points short of the forecast. General travel agencies experienced a big drop of 19 points, down to -68; overseas travel whole sellers decreased to -61 and 1st category retailers were down to -57. Oceania, grew by 13 points up to -34 and despite its still weak position, South Korea increased by 12 points. Asia scored a three- point growth reaching -17. Hawaii could did not consolidate its leading position and dropped by 7 points. Europe got down to -43 by losing 3 points and China to -64 after a 2-point decrease. A look at the market segments shows that travel by working women (office ladies) grew by 2 points to -48 and the student segment recorded a single point growth reaching -61. At the same time, the family travel decreased by 9 points down to -50, honeymoon travel and incentive visits by 8 points falling to -46 and -39 respectively.

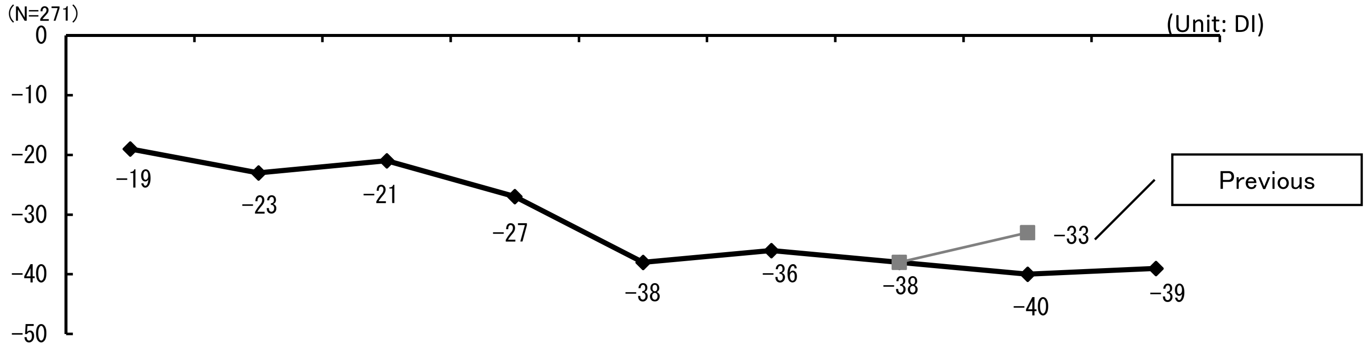
Present situation (October-December) **Hawaii continues to lead, Oceania grows**

・After the terrorist attacks in Paris, group and individual travel to Europe has seen tour cancellations (1st tier/General travel agency)
・The unfavorable succession of holidays in the end/beginning of the year has influenced overseas tour bookings (1st tier/ Overseas whole seller)
・Hawaii, Guam and Taiwan are popular. Due to the terrorist attacks, demand for Europe is sluggish (1st tier/Retailer 2)
・Overseas travel has declined by two points compared to the previous quarter (July-September) and is down to -40.

Outlook for the next three months (January-March) **Hawaii is expected to keep its leading position, Oceania will grow and Europe will continue to slide down**

・Thanks to the weak yen, inbound travel demand is strong, leading to difficulty in securing air seats for overseas tours (1st tier/ General travel agency)
・Australia is finally on the road to recovery. It seems that the larger number of direct flights has had a positive impact (1st tier/ Retailer 1)
・The shift from Europe to the Hawaii which has no security issues has become obvious (1st tier/Retailer 2)
・In the next three months, outbound travel will expand by 1 point up to -39.

N: valid response
(N=271)



(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	−19	−23	−21	−27	−38	−36	−38	−40 ※−33	−39

※ Outlook as of September 2015

	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	−33	−31	−34	−56	−64	−49	−68	−47
Overseas travel wholesaler	−50	−50	−50	−74	−62	−55	−61	−44
Overseas travel specialist agency	−11	15	26	6	−11	−12	−6	−6
First-tier retail agency	−14	−4	−42	−64	−32	−45	−57	−22
Second-tier retail agency	−27	−30	−38	−37	−36	−39	−37	−48
In-house travel agency	−2	0	2	−16	−19	−26	−19	−27

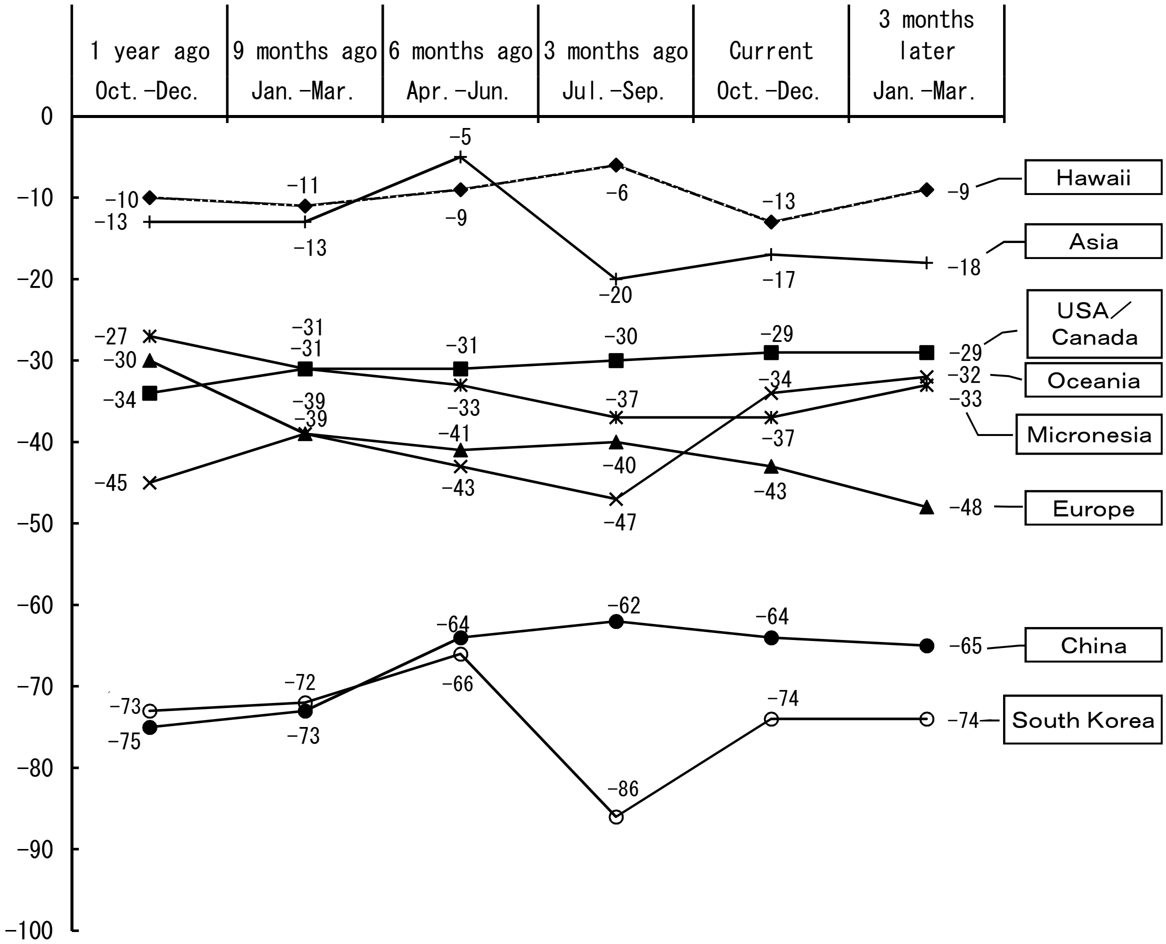
◆Trends in Overseas Travel Demand (by destination segment)

At present, Oceania's growth stands out. Hawaii and Asia have consolidated their leading positions.
Demand for the USA and Canada is slow. Europe has declined but South Korea, though still weak, has improved its position.
In three months, Hawaii and Micronesia will continue to move upwards while the trend of low demand for Europe will persevere.

- Currently, Oceania is 13 points up from the previous quarter (July-September). Hawaii, which recorded a drop of 7 points, keeps its high position. Asia grew by three points and maintains its status. South Korea, despite of its comparatively low position, made a big step upwards by recording 12 points. Europe fell by 3 points and demand for China is sluggish (decreased by 2 points). The USA and Canada grew by one point each while Micronesia is still slow.
- In the next quarter (January-March) the USA and Canada are not expected to change, China and Asia will decrease by 1 point each and South Korea will maintain its current status. Hawaii and Micronesia are expected to record 4 positive points each, consolidating their positions. Oceania will take the road to recovery gaining 2 points while Europe will continue to slide downwards.

N: valid response
(N=271)

(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	−10	−11	−9	−6	−13	−9
USA/Canada	−34	−31	−31	−30	−29	−29
Europe	−30	−39	−41	−40	−43	−48
Oceania	−45	−39	−43	−47	−34	−32
Micronesia	−27	−31	−33	−37	−37	−33
China	−75	−73	−64	−62	−64	−65
Asia	−13	−13	−5	−20	−17	−18
(of which, South Korea)	−73	−72	−66	−86	−74	−74

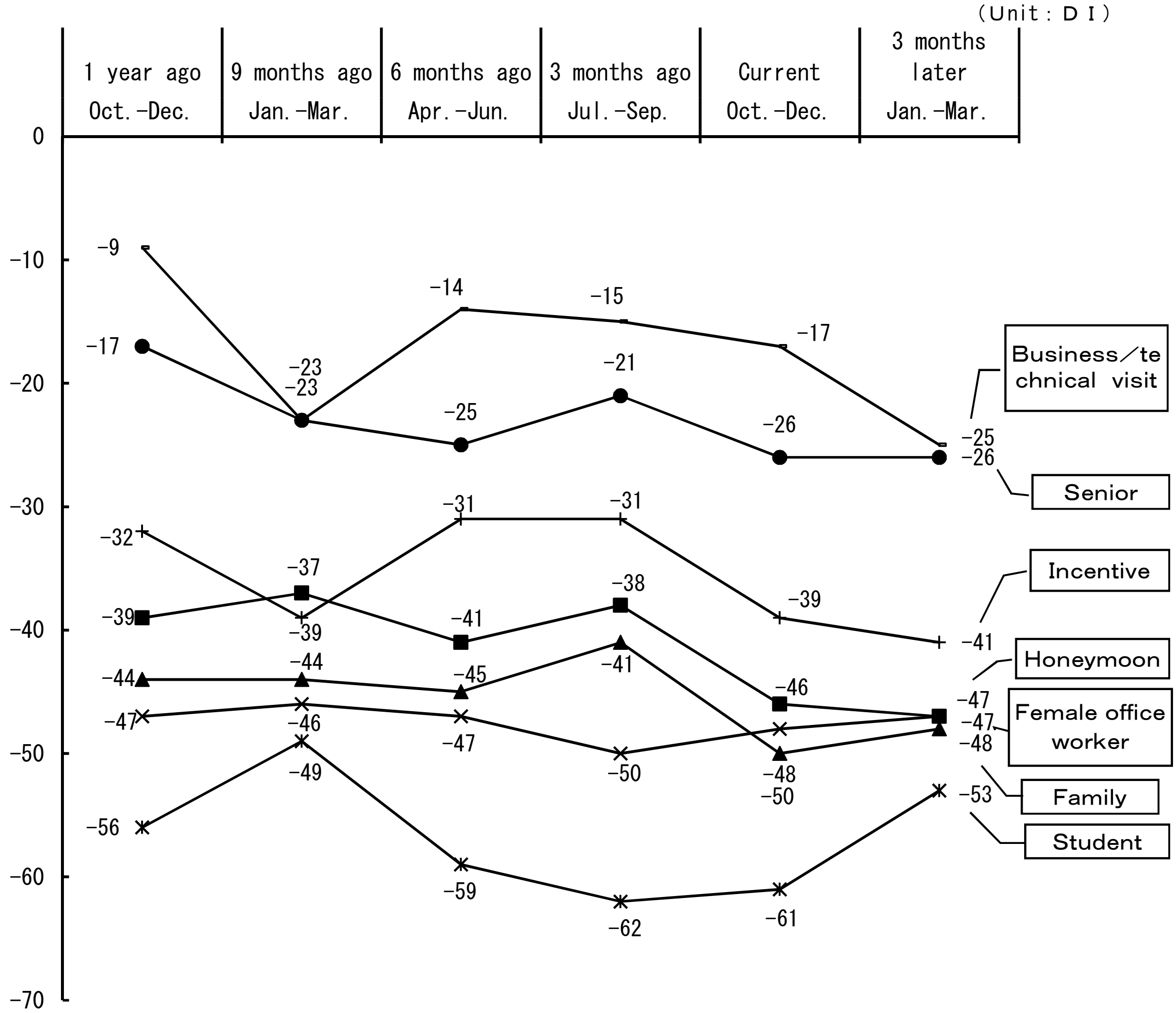
◆Trends in Overseas Travel Demand (by customer segment)

Working women (Office ladies or OL) and student travel is on the increase at present.
The family, honeymoon and incentive travel segments have recorded a big decline each.
In three months, the student segment will continue to recover despite its low position.

- Compared to the previous quarter, working women (OL) grew by 2 points, students by 1 point despite their weak position. The family segment decreased by 9 points, the honeymoon and incentive visits are 8 points down each. The high-ranking senior segment dropped by 5 points and the business/technical visits by 2 points.
- During the next quarter (January-March), the student segment is expected to gain 8 points and get on the road to recovery. The high-ranking business/technical visits are expected to make a leap downwards, falling by 8 points. Senior travel will maintain its current status while the family segment will begin to recover by gaining 2 points. Honeymoon visits are likely to lose a point, which is seen as a stop to the negative growth. The decline of the incentive visits will continue, with the segment losing further 2 points. Travel demand by working women (OL) will increase 1 point, remaining somewhat low.

N: valid response
(N=271)

(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	-39	-37	-41	-38	**-46**	-47
Family	-44	-44	-45	-41	**-50**	-48
Female office worker	-47	-46	-47	-50	**-48**	-47
Student	-56	-49	-59	-62	**-61**	-53
Senior (*)	-17	-23	-25	-21	**-26**	-26
Incentive (**)	-32	-39	-31	-31	**-39**	-41
Business/technical visit	-9	-23	-14	-15	**-17**	-25

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