JATA News Release
Japan Association of Travel Agents
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June 26, 2013

Survey of Travel Market Trends - June 2013, 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 662 registered companies. The results of the first quarter (April-June) survey are shown below.

● Overseas DI declined by 7 points, to -31, from March.

*** Europe, USA/Canada, and Hawaii are recovering, but the recovery of Northeast Asia and other short-distance destinations is slow, especially South Korea.**
*** Travelers may have shifted their short-distance destinations to domestic destinations. By customer segment, the senior, business/technical visit, and incentive segments showed some movement.**

Overseas DI is expected to improve by 17 points for the next three months because summer is approaching.

*** The family segment and Hawaii hold promise.**
*** Concerns include trends in individual income, elections, exchange rates and fuel surcharges.**

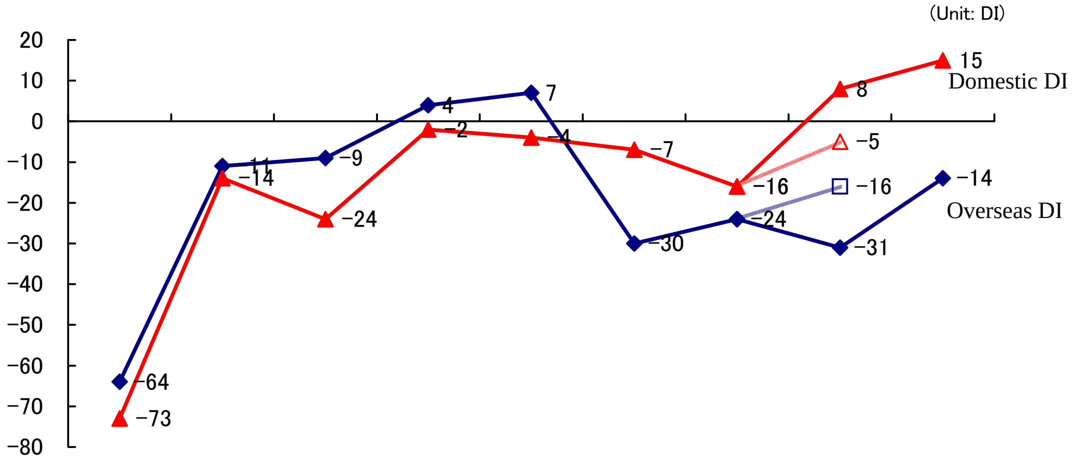
● Domestic DI improved by 24 points, to +8, the first positive result in 23 quarters since the July-September 2007 period.

*** Domestic DI surpassed the previous outlook substantially with Tokyo leading the market. Tohoku also recovered significantly, by 33 points.**
*** Senior customers are very willing to travel, while education-related tours and other group tours remain stable.**
*** Customers tend to have a clear purpose for tours, such as visits to core events and facilities (Shikinen Sengu Ceremony of Izumo Taisha and Ise Jingu shrines, Tokyo Skytree, and the 30th anniversary of Tokyo Disney Resort).**

Domestic DI will continue to grow by +15 for the next three months because summer will arrive soon.

*** Family tours in summer hold promise.**

(Unit: DI)



	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	−64	−11	−9	4	7	−30	−24	−31 ※−16	−14
Domestic overall	−73	−14	−24	−2	−4	−7	−16	8 ※−5	15

* Outlook as of March 2013

■Business Activity in the Overseas Travel Market Overall

Overseas DI declined contrary to the previous upward outlook.
The outlook over the next three months holds promise because the summer travel season is approaching.

Summary

DI resumed a downward trend against an expectation for recovery after bottoming out in the October-December period. Europe, USA/Canada, and other destinations showed improvement primarily among senior customers, but Asia, which has an overwhelming share of the number of tourists, was not as strong as expected, with glaring weakness in South Korea. The family segment and Hawaii hold promise because summer will arrive soon.

Current situation (April-June)

South Korea is recovering only slowly. There is a strong demand for Europe, USA/Canada, etc., among senior customers.

・Tours to Hawaii and Europe are selling well, but South Korea remains weak. The total result cannot offset this weakness. (Category 1/Full-service travel agency)

・Business worsened from the previous year due to the short Golden Week holiday. (Category 1/First-tier retail agency)

・"Shopping" destinations (Guam and South Korea) are growing only modestly, probably due to the weak yen. (Category 1/First-tier retail agency)

・Overseas overall was -31, down 7 points from the last three-month period (January-March).

Outlook for the next three months (July-September)

The overseas travel market will recover on the whole. Europe and Hawaii will show a positive DI.

・Tours to pro-Japanese Southeast Asian countries (Thailand, Vietnam, Malaysia, etc.) are growing. (Category 1/In-house travel agency)

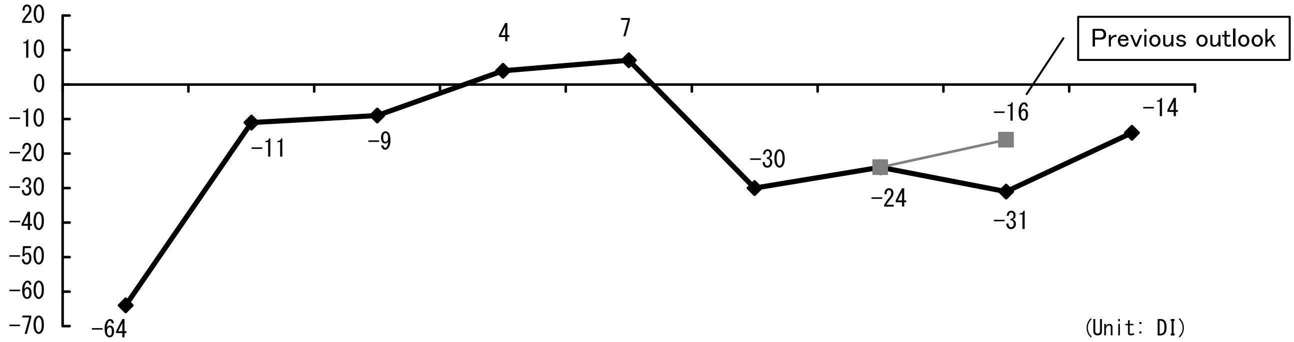
・The impact of Chinese and South Korean diplomatic issues is prolonged. Tours to these destinations are expected to remain at the same level or exceed the previous year since the issues came up last summer. Meanwhile, tours to Europe are selling well as a result of stimulation of active senior customers. (Category 1/Full-service travel agency)

・Use of business class is increasing among group tours. (Category 1/Second-tier retail agency)

・The outlook for the next three months (July-September) is -14, up 17 points.

N: valid response
(N=309)

(Unit: DI)



(Unit: DI)

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＊Outlook as of March 2013

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Full-service travel agency	16	11	10	25	−43	−21	−42	−18
Overseas travelwholesaler	−8	0	−12	−6	−44	−40	−37	−20
Overseas travelspecialist agency	−23	−34	11	5	−20	−25	−25	15
First-tier retail agency	11	0	47	13	−26	−33	−52	−7
Second-tier retail agency	−25	−13	−7	0	−29	−24	−34	−20
In-house travel agency	−6	−10	16	19	−23	−15	2	−2

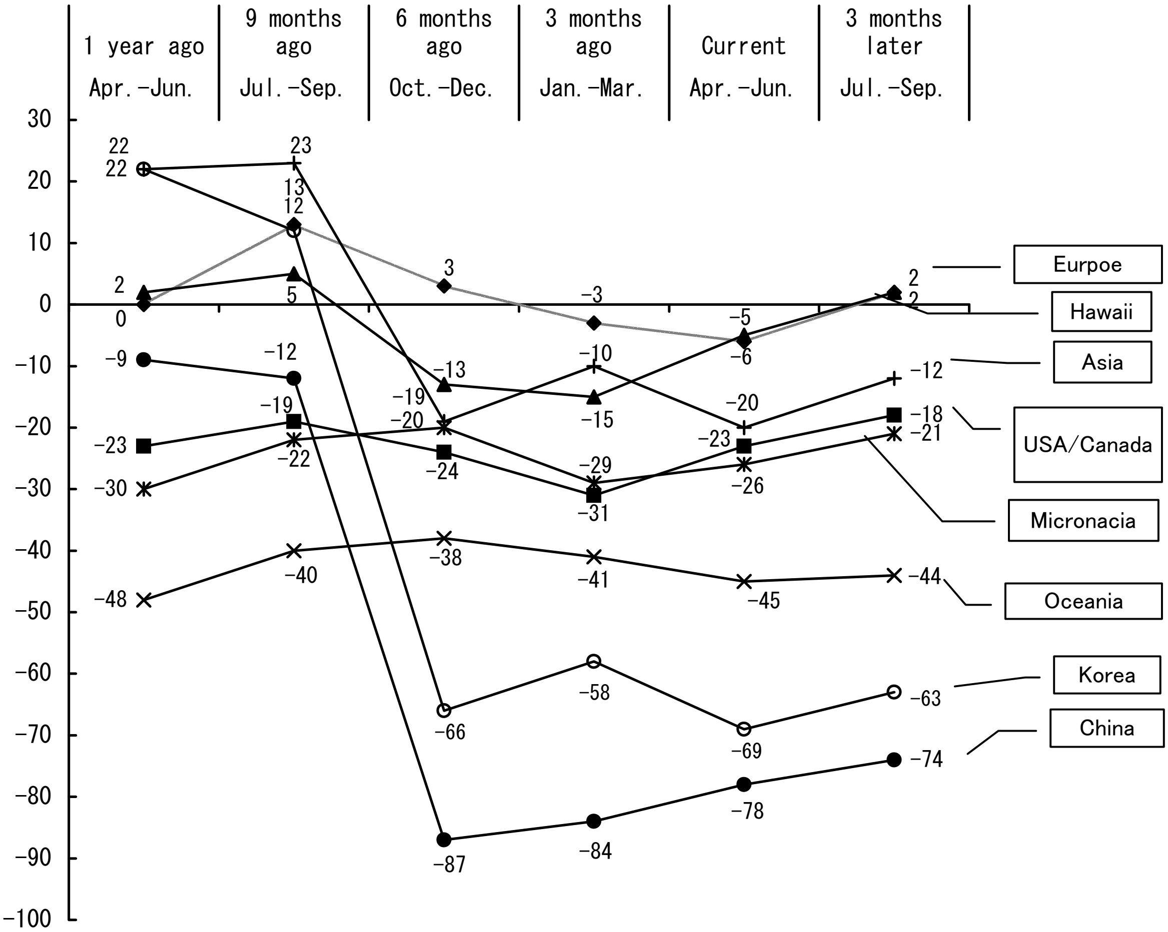
◆Trends in Overseas Travel Demand (by destination segment)

Europe, USA/Canada, Micronesia, and China are recovering. However, Asia, especially South Korea, Australia, and Hawaii, are declining.
In the next three months, demand will recover on the whole, and Europe and Hawaii will post a positive result.

- DI improved in four destinations: Europe (+10 points), USA/Canada (+8 points), China (+6 points), and Micronesia (+3 points), but declined in four destinations: South Korea (-11 points), Asia (-10 points), Oceania (-4 points), and Hawaii (-3 points) compared to the previous three months (January-March).
- In the next three months (July-September), DI is expected to improve in all destinations: Hawaii (+8 points), Asia (+8 points), Europe (+7 points), South Korea (+6 points), Micronesia (+5 points), USA/Canada (+5 points), China (+4 points), and Oceania (+1 point).

N: valid response
(N=309)

(Unit: DI)



(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	0	13	3	-3	-6	2
USA/Canada	-23	-19	-24	-31	-23	-18
Europe	2	5	-13	-15	-5	2
Oceania	-48	-40	-38	-41	-45	-44
Micronesia	-30	-22	-20	-29	-26	-21
China	-9	-12	-87	-84	-78	-74
Asia	22	23	-19	-10	-20	-12
(of which, South Korea)	22	12	-66	-58	-69	-63

◆Trends in Overseas Travel Demand (by customer segment)

DI showed some movement in the business/technical visit, incentive, senior, and honeymoon segments, but the student, female office worker, and family segments are stagnant.
In the next three months, the family segment holds promise while the senior and honeymoon segments are expected to maintain their underlying strength.

- DI declined markedly in the student segment (-14 points) compared to the previous three months (January-March). However, the business/technical visit (+8 points), senior (+6 points), incentive (+6 points), and honeymoon (+4 points) segments improved although there was a decline in the female office worker (-6 points)
- In the next three months (July-September), the family (+20 points) segment is expected to improve substantially. The student (+12 points) and female office worker (+10 points) segments will rise and offset the negative results in the current period. The senior (+6 points), honeymoon (+3 points), and business/technical visit (+1 point) segments will also improve. The incentive segment will remain unchanged.

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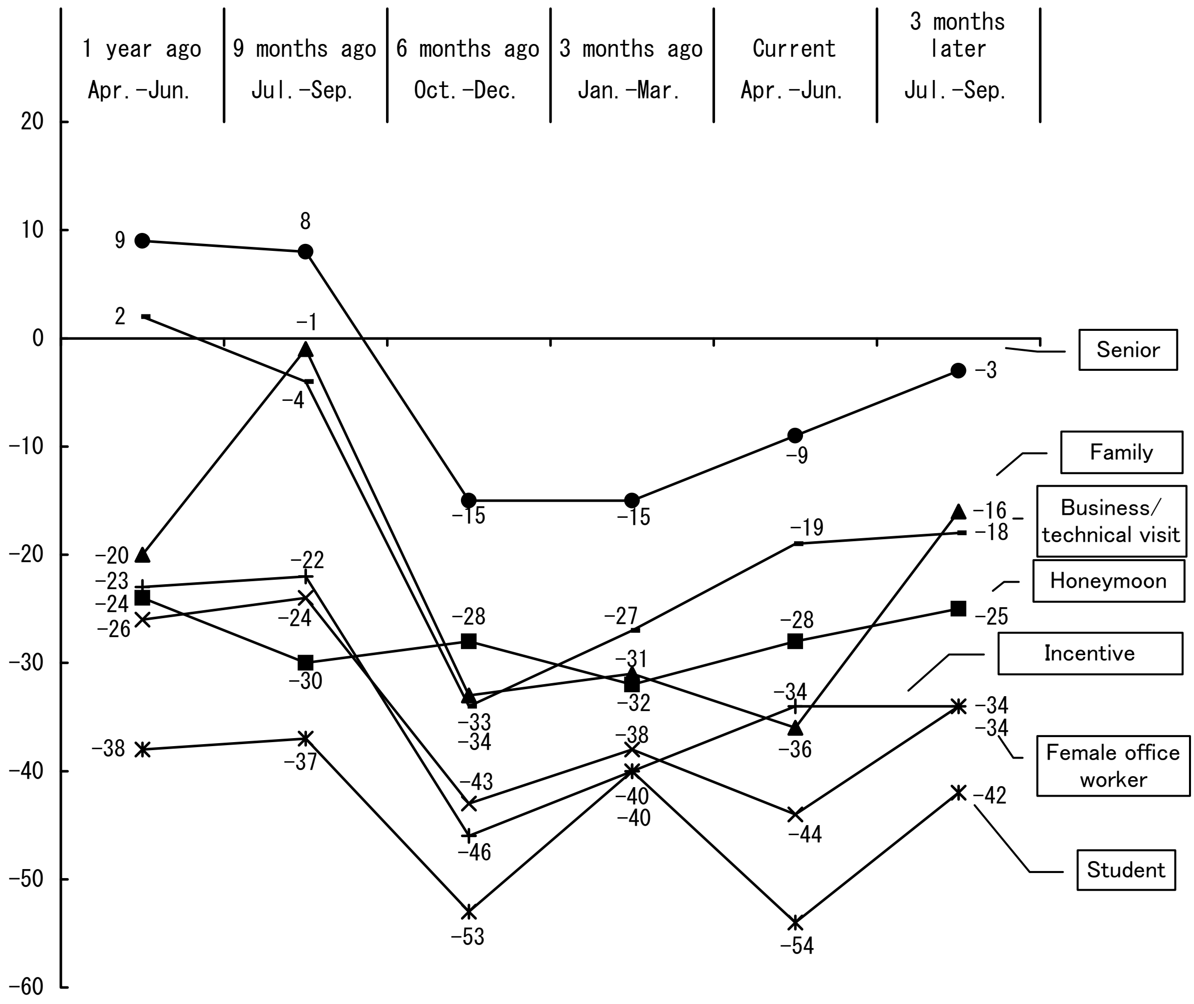

(Unit: DI)

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Honeymoon	-24	-30	-28	-32	-28	-25
Family	-20	-1	-33	-31	-36	-16
Female office worker	-26	-24	-43	-38	-44	-34
Student	-38	-37	-53	-40	-54	-42
Senior (*)	9	8	-15	-15	-9	-3
Incentive (**)	-23	-22	-46	-40	-34	-34
Business/technical visit	2	-4	-34	-27	-19	-18

* 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 622 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 item 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 23(Thursday), 2013 to June 7 (Friday), 2013
Registered companies:	622
Responding companies:	337
Response rate:	54.10%

◆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	件数
Full-service travel agency	A large-scale travel agency with a national network that provides a full range of travel products	40
Overseas travel wholesaler	A dedicated overseas travel wholesaler	31
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	13
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	156
In-house travel agency	A travel agency which mainly handles travel arrangements for its parent company	48

For more information about this survey, contact public relations of JATA.
These data are available at http://www.jata-net.or.jp
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