

For Immediate Release

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Travel Trends for Summer 2008 (July 15~August 31)

**With the G8 Hokkaido Toyako Summit Over, It's Summer Vacation Time!
Attention Focuses on Tokyo Disneyland's 25th Anniversary & the Beijing Olympics.**

--Families make for Guam to experience Nature with their children--

--More selective travelers fly and cruise the seas of Europe--

--Higher fuel surcharges hinder overseas travelers; 170,000 (7%) fewer this year--

--Pleasant sea breezes attract many to Disneyland Resorts' 25th Anniversary Events--

JTB Corp. has just published travel trends for the summer holiday period from July 15 through August 31. They are based on a questionnaire survey of 1,200 respondents, bookings with JTB Group companies, airline reservations, and travel industry trends. The results of this, the 40th such survey since the first in 1969, are as follows.

Table 1: Figures for Summer 2008 and 2007

	Summer 2008	Change	Difference	Summer 2007	Change
Total no. of travelers	75,750,000	-1.1%	-870,000	76,620,000	+0.1%
Domestic	73,500,000	-0.9%	-700,000	74,200,000	+0.1%
Overseas	2,250,000	-7.0%	-170,000	2,420,000	-1.8%
Avg. spent (domestic)	¥35,800(\$338)	-1.1%	-¥400(\$3.77)	¥36,200(\$342)	+1.4%
Avg. spent (overseas)	¥240,000(\$2,264)	+3.4%	¥8,000(\$75.47)	¥232,000(\$2,189)	+4.0%
Total expenditure	¥3,171.3bn/\$29.92bn	-2.3%	-¥76.1bn/\$717.9m	¥3,247.4bn/\$30.64bn	+1.6%
Domestic	¥2,631.3bn/\$24.82bn	-2.0%	-¥54.7bn/\$516.0m	¥2,686.0bn/\$25.34bn	+1.5%
Overseas	¥540.0bn/\$5.094bn	-3.8%	-¥21.4bn/\$201.9m	¥561.4bn/\$5.296bn	+1.9%

Notes: Numbers of travelers are cumulative totals, averages spent are per individual traveler per journey.

Averages for overseas travel include fuel surcharges but exclude locally purchased excursions and souvenirs, etc. Domestic bookings, however include these.

All dollar amounts are calculated, for information purposes only, at ¥106/US\$.

In the following text, numbers in parentheses are annual percentage (or percentage point) changes.

The Characteristics of Summer Holiday Travel in 2008

(July 15 through August 31; figures in parentheses are percentages of previous year)

1. Economic Uncertainties and Fuel Surcharges Cause Domestic Travelers to Decline for the First Time in Four Years and Overseas Travelers for the Second Straight Year.

Economic Background: At this point, concerns over economic prospects are beginning to dominate. While summer bonuses remain at or only slightly below last year's level, consumers are becoming very uneasy about the rises in the cost of food and other daily necessities and the soaring price of gasoline. Bookings with travel companies for package tours are generally running below last year for this summer season. These consumer concerns are reflected in our survey results: fewer people want to increase their spending on travel (down 5.8 percentage points) than want to spend less (up eight points), as shown in appended Table 7: "Intended Changes in Future Travel Expenses" see excerpt below.

Ref: Excerpted from Table 7: Intended Changes in Future Travel Expenses

	As of June 2008	As of June 2007	As of June 2006
Want to spend more	13.1% (-5.8)	18.9% (+0.3)	18.6% (+1.9)
Want to spend less	35.2% (+8.0)	27.2% (+0.1)	27.1% (+8.0)

(Figures in parentheses are the percentage-point changes from the previous year)

Fuel Surcharges: The fuel surcharges imposed on overseas air fares increased rapidly in 2008, generally doubling over those for the previous year's summer season. Summer is the season for much family travel, and the surcharge over and above the other costs of travel for a family of four to Hawaii requires them to spend an extra ¥160,000. This is not confined to the summer season. Recently, increases in fuel surcharges are causing last-minute changes of plan, with some people going over to domestic travel.

Ref: Trends in Summer Fuel Surcharges (JAL return fares in JPY)

	2005	2006	2007	2008		
	JPY	JPY	JPY	JPY	Change (%)	Increase (JPY)
Korea	1,400	2,600	3,400	7,000	205.9	3,600
China	1,400	6,000	8,200	17,000	207.3	8,800
Guam & Saipan, the Philippines, Taiwan	2,600	7,800	10,400	21,000	201.9	10,600
Thailand, Malaysia, Singapore, Indonesia	7,200	13,000	17,400	40,000	229.9	22,600
Hawaii	10,000	16,000	17,400	40,000	229.9	22,600
US Mainland, Europe, Middle East, Oceania	10,000	16,000	24,000	56,000	233.3	32,000
Brazil	10,000	23,000	31,000	64,000	206.5	33,000

Numbers: Increases in the prices of various commodities, concerns over the economic outlook and burgeoning fuel surcharges have exerted a baleful influence on the families who constitute the mainstream of summer travel demand. The number of overseas travelers is expected to decline to 2.25m (down 7% from the previous year) and that of domestic travelers to 73.5m (down 0.9%). This is the first such drop in four years for domestic travelers, and the second year in succession for a decline in overseas travelers.

However, in view of the fact that 25% of questionnaire respondents who said that they intended to travel or would probably do so had not yet set a departure date suggests that changes in the economic situation and promotional activities by travel companies may have a considerable effect one way or the other on the final numbers.

Concerning travel to China, the influence of the Beijing Olympics is not particularly large. However, they will certainly cause heightened interest, so after the Olympics are over there are hopes of recovery from the decline in travel to China that followed the devastating earthquake in Sichuan Province.

Expenditures: Average expenditures per person on overseas travel, under the influence of actual increases in hotel charges and the decline of the yen against currencies other than the US dollar (particularly against the Euro), and healthy demand for more expensive travel to Europe and the United States, are expected to rise by ¥8,000 (3.4%) to ¥240,000 (\$2,264).

In contrast, due to soaring increases in the price of gasoline and rising prices for various commodities, demand for travel to Hokkaido, Tohoku and other more remote destinations within Japan is sluggish, and should reduce average expenditures by ¥400 (down 1.1% on the previous year) to ¥35,800 (\$338). Note that the increase of ¥30 per liter in the price of gasoline from the previous year amounts to an increase of about ¥2,400 per night's accommodation. However, when considered in terms of a family of four traveling together, the increase per person is only some ¥600 each, and this is probably being absorbed in the overall costs of travel.

Clearer Polarization: As detailed above, increases in the cost of living and fuel surcharges are influencing families, depressing numbers and encouraging less expensive, shorter trips.

On the other hand, those who have clear preferences and the affluence to indulge them are being very little influenced. Fly & Cruise tours of the Mediterranean, etc., with price tags of about ¥800,000 (\$7,500) are attracting healthy demand.

2. Characteristics of Domestic Travel

Tokyo Disney Resorts® Celebrate 25th Anniversary.

Celebrations started on April 14 and on July 8 the third Disney Hotel (Tokyo Disneyland Hotel®) opened. Day-return visitors from the Tokyo area and those from further away are showing strong demand for travel company package tours. Those who enjoyed their visits as children are now taking their own children to enjoy the fun, and fans are increasing among the elderly.

Thrilling Experiential Family Travel.

Families have long enjoyed their summer experiences of Nature, which can include hot-air balloon flights or white-water rafting in Hokkaido. There are also unusual attractions such as making musical boxes together or special experiences in tie-ups with hot-spring resorts. The “new tourism” urged by the Ministry of Land, Infrastructure, Transport and Tourism is also a prolific source of attractive family travel options.

World Heritage Sites and Natural Treasures

Japan is blessed with many World Heritage sites, and specialist guides help to make their attractions evident, contributing to a minor boom. Traditional pilgrimages to its Buddhist temples (far too many to be reached in a single trip) also draw people repeatedly back to the Island of Shikoku.

3. Characteristics of Overseas Travel

Experiencing Nature in Guam & Saipan

Itineraries offering half-price for children in Guam & Saipan are proving very popular. There are also special experiential events in the summer season that delight parents and children. Comparatively low fuel surcharges add to the attractions for families traveling together.

Fly & Cruise Packages for Europe

High-end “Fly & Cruise” packages are proving extremely popular. Offering cruises about a week long in the Mediterranean, Aegean or Adriatic Seas, they are drawing selective travelers with many previous trips to Europe behind them. Foreign cruise liners give them a taste of “the real thing” and the whole trip is over within ten days or so. Popularity is growing rapidly year after year.

River cruises along the Danube from Budapest (Hungary) to Regensburg (Germany), or visiting the castles and vineyards of the Rhine, are also recently growing in popularity.

Rediscovering America!! More Accompanied Tours to the West Coast...

Despite the general softening of the overseas travel market, it looks as if we will see the first year-on-year growth of travel to the U.S. for some time. For a number of years, packages to the U.S. have largely offered just the air travel and hotel accommodation, leaving the traveler to stay in one or more cities. But more recently, touring holidays are starting to experience a revival. Travel within the United States, unless by airplane, can be troublesome for Japanese visitors, so accompanied trips from San Francisco to Yosemite and Los Angeles are being offered again. The efficiency and security of having an experienced tour conductor is helping many Japanese people to rediscover the pleasures of travel in the U.S.

Survey Methodology

Survey locations	200 throughout Japan
Survey period	June 4 through 16, 2008.
Respondents	Individuals of both genders throughout Japan between the ages of 15 and 79
Sample size	1,200 individuals (six from each of 200 locations)
Subjects	Those intending to spend at least one night away from home in the period July 15 through August 31, 2008.
Method	200 specialist interviewers conducting personal interviews using a questionnaire form (100% response rate).

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Table 2: Summer Travelers in 2008 by Destination

	2008	2007	%age Change
Total	2,254	2,426	-7.0%

Asian Subtotal	1,147	1,303	-11.9%
China	240	379	-36.6%
Korea	288	276	+4.3%
Taiwan	130	136	-4.4%
Hong Kong	99	99	+0.0%
Thailand	114	123	-7.3%
Singapore	57	62	-8.0%
Indonesia	80	80	+0.0%
Malaysia	30	31	-3.2%
Others	109	117	-6.8%

N. American Subtotal	616	615	+0.1%
Hawaii	206	214	-3.7%
Guam & Saipan	165	161	+2.4%
US Mainland	204	198	+3.0%
Canada	41	42	-2.3%

European Subtotal	345	352	-1.9%
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Oceania Subtotal	105	113	-7.0%
Australia	74	80	-7.5%
New Zealand	15	16	-6.2%
South Pacific	16	17	-5.8%

Others (Africa, Middle East, Central & South America)	41	43	-4.6%
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Units: thousands

Table 3: Traveling Companions

	%	Change from Previous Year
With family	65.7	-0.5
With children (up to junior high school)	34.6	-1.0
Just husband and wife	15.8	+0.5
Three generations	8.6	+1.1
Others (mothers & daughters, etc.)	6.7	-1.1
Family and friends/acquaintances	9.6	+3.9
With friends/acquaintances	12.8	-7.4
Group (from work, etc.)	1.7	-0.2
Alone	7.9	+4.1

Table 4: Purposes of Travel (top ten)

Rank	Purpose(s) (Multiple Answers)	%age	Change
1	Visit ancestral home, family.	20.7	-0.5
2	Relax at hot springs, resorts.	13.8	+1.6
3	Relax at the beach, go swimming.	11.9	+3.6
4	Enjoy nature & scenery.	11.4	-2.4
5	Spend time with the family/friends.	11.1	+1.6
6	Visit theme parks, leisure facilities.	9.9	+1.1
7	Enjoy delicious food.	4.4	-0.5
8	Go hiking, climbing or camping.	3.2	-0.7
9	Visit famous & historic places.	2.5	-3.4
10	Relax in highlands, avoid the heat.	2.0	-0.4

Table 5: Length of Trips

Length of Trip	%age	Change
Two days, one night.	42.2	+9.1
Three days, two nights.	29.4	-6.8
Four days, three nights.	14.8	-0.8
Five days, four nights.	3.5	-0.8
Six days, five nights.	5.2	+1.5
Seven days, six nights.	0.5	-1.2
Eight days, seven nights.	2.0	+0.3
Eight nights or more	2.1	-1.1

Table 6: The Top Ten Reasons for Not Traveling (multiple answers)

Reasons and Their Ranking		%	Change
1	Can't get time off work.	26.9	-1.7
2	It's too crowded.	25.8	+3.0
3	The poor economic situation.	22.1	+7.8
4	Family budget limitations	18.4	+1.3
5	Family concerns prevent it.	17.2	-0.4
6	Prefer to travel earlier or later.	15.1	+2.8
7	Holiday dates didn't agree.	10.2	+1.7
8	Have something better to do.	9.2	-0.9
9	It's too much trouble.	8.9	--
10	It's too expensive.	7.9	+1.7

Table 7: Intended Changes in Future Travel Expenditures (in the survey month)

Expressed Intentions on Future Travel	June 2008		June 2007		June 2006	
Want to spend more	13.1	(-5.8)	18.9	(+0.3)	18.6	(+1.9)
Same, but more trips at lower cost per trip.	12.0	(-0.1)	11.9	(+2.0)	9.9	(-11.7)
Same, but fewer trips at higher cost per trip.	5.9	(+1.4)	4.5	(-0.9)	5.4	(+1.6)
Same, with similar numbers of trips and costs.	31.6	(-1.2)	32.8	(-2.4)	35.2	(-2.5)
Want to spend less.	35.2	(+8.0)	27.2	(+0.1)	27.1	(+8.0)

Note: Figures are percentages, those in parentheses are percentage point changes from the previous year. Totals do not reach 100% because some respondents did not answer.

Table 8: Trends in Summer Travel 1991~2008

	No. of Travelers (thousands)			Average Cost (in yen)		Total Cost
	Total Amounts	Domestic	Overseas	Domestic	Overseas	(bn yen)
	% prev. yr.	% prev. yr.	% prev. yr.	% prev. yr.	% prev. yr.	% prev. yr.
1991	75,510	73,360	215	41,770	256,300	36,140
	5.1%	5.1%	1.9%	10.1%	-5.7%	12.3%
1992	75,840	73,630	222	43,455	248,867	37,513
	0.4%	0.4%	3.4%	4.0%	-2.9%	3.8%
1993	72,610	70,320	229	40,014	220,745	33,199
	-4.3%	-4.5%	3.4%	-7.9%	-11.3%	-11.5%
1994	79,160	76,610	255	38,599	219,200	35,158
	9.0%	8.9%	11.2%	-3.5%	-0.7%	5.9%
1995	78,820	75,740	308	39,037	209,200	36,002
	-0.4%	-1.1%	20.7%	1.1%	-4.6%	2.4%
1996	80,250	77,120	313	38,092	223,100	36,362
	1.8%	1.8%	1.8%	-2.4%	6.6%	1.0%
1997	82,540	79,360	318	38,300	217,100	37,307
	2.9%	2.9%	1.7%	0.5%	-2.7%	2.6%
1998	83,560	80,470	309	37,534	202,800	36,466
	1.2%	1.4%	-3.0%	-2.0%	-6.6%	-2.3%
1999	85,640	82,480	316	36,333	199,695	36,277
	2.5%	2.5%	2.3%	-3.2%	-1.5%	-0.5%
2000	85,810	82,580	323	35,243	201,827	35,622
	0.2%	0.1%	2.2%	-3.0%	1.1%	-1.8%
2000 (revised)	74,230	71,590	264	35,832	206,065	31,094
2001	75,620	72,960	266	35,115	210,149	31,210
	1.9%	1.9%	0.8%	-2.0%	2.0%	0.4%
2002	76,120	73,690	243	33,654	213,091	29,978
	0.7%	1.0%	-8.6%	-4.2%	1.4%	-3.9%
2003	75,350	73,470	188	33,923	222,893	29,113
	-1.0%	-0.3%	-22.6%	0.8%	4.6%	-2.9%
2004	74,900	72,420	248	34,975	208,851	30,509
	-0.6%	-1.4%	31.9%	3.1%	-6.3%	4.8%
2005	76,040	73,650	239	35,300	214,600	31,128
	1.5%	1.7%	-3.6%	0.9%	2.8%	2.0%
2006	76,570	74,100	247	35,716	223,100	31,977
	0.7%	0.6%	3.3%	1.2%	4.0%	2.7%
2007	76,620	74,200	242	36,200	232,000	32,474
	0.1%	0.1%	-1.8%	1.4%	4.0%	1.6%
2008	75,750	73,500	225	35,800	240,000	31,713
	-1.1%	-0.9%	-7.0%	-1.1%	3.4%	-2.3%

Note: Until 2000, the summer season was taken as July 1 through August 31, but from 2001 this was changed to July 15 through August 31. The figures for 2000 (only) have been revised to reflect this change.