NEWS JTB

For Immediate Release December 15, 2008

(Translation of Japanese Release No.141)

Travel Trends for Year-End/New-Year (Dec. 23~Jan. 3)

Taking Off Dec. 29 & 30 Makes a 9-Day Sequence

--Overseas travelers down 4.6% to 580,000 but year-end departures strong--

High Yen Rates Help Short Trips to Nearby Asian Destinations, Longer Ones to Europe.

--Domestic travelers match last year's numbers, up 0.1% to 29.32 million--

Low Gasoline Prices Encourage Families to Drive Home and Visitors to Stay at Hot Springs

12/22	23	24	25	26	27	28	29	30	31	1/1	2	3	4	5	6
M	NH	W	Th	F	Sa	Su	M	Tu	W	NH	F	Sa	Su	M	Tu

◄—— Survey period (departure base) ——►

JTB Corp. has just published a survey of travel trends involving at least one overnight stay for the year-end New-Year season (from the national holiday on Dec. 23 through Saturday Jan. 3 on a departure basis). The survey was based on a questionnaire completed by 1,200 respondents, bookings with JTB Group companies and airline reservations, and industry trends, etc. The results of this, the 40th such survey since the first in 1969, are as follows.

Table 1: Estimates

		2008/2009 season	%age change	2007/2008 season
Total no. of travelers		29.900 million	▲0.0%	29.911 million
	Domestic	29.320 million	+0.1%	29.303 million
	Overseas	580,000	▲4.6%	608,000
Average expenditure on domestic travel		33,700 JPY (362.4 USD)	▲1.5%	34,210 JPY (367.8 USD)
Average expenditure on overseas travel		229,000 JPY (2,462 USD)	+5.2%	217,700JPY (2,341 USD)
Total expenditure		1,120.9 billion JPY (12.053 billion USD)	▲1.2%	1,134.8 billion JPY (12.202 billion USD)
	Domestic	988.1billion JPY (10.625 billion USD)	▲1.4%	1 ,002.5 billion JPY (10.780 billion USD)
	Overseas	132.8billion JPY (1.428 billion USD)	+0.3%	132.4 billion JPY (1.424 billion USD)
Average length (days)		3.7	▲0.2	3.9

Note: In the table on the previous page, overseas travel expenditures are the average amounts for bookings with JTB and do not include expenditures overseas such as souvenirs.
Also, USD amounts are given, for information purposes only, based on a rate of 93 JPY/USD.

Characteristics of Year-End/New-Year Travel

(**Note:** Figures in parentheses are comparisons with the previous year.)

Taking Dec. 29 & 30 Off Creates a 9-day Holiday Sequence, with Both Domestic and Overseas Departures Healthy.

The typical year-end/New-Year holidays this year are the **five days from Wednesday Dec.31 through Sunday January 4, one day shorter than the previous year's sequence. However, taking off Dec.29 and 30 creates a nine-day sequence.**

One influence of the financial crisis stemming from the U.S. sub-prime loan problem has been to reduce year-end bonuses for the first time in six years. While this is exerting unusually strong negative financial and psychological influences on year-end/New-Year travel, a nine-day holiday sequence has undeniable attractions for those who find it difficult to take so much time off at any other season. The fact that the holiday sequence ends on January 4 does mean that more departures for both overseas and domestic trips are taking place before the New Year.

Characteristics of Overseas Travel

Year-End Departures Healthy for Medium-to-Long Distance Trips

With comparatively fewer departures in the New Year, the numbers going overseas promise to decline below the previous year to 580,000 (-4.6%). However, if we include Friday Dec. 26 as the evening of departure, there are six days before the New Year, and it appears that more people this year than last will be making use of this period to go overseas at the end of the year. This tendency shows clearly in LOOK JTB bookings: as of November 28, **there were some 3% more people planning to depart between December 23 (a national holiday) and Wednesday December 31 than did last year.**

It looks as if the overseas departure peak for Europe, taking advantage of the long holiday sequence, will be from Friday Dec. 26 through Sunday Dec. 28; for closely neighboring countries like Korea and Taiwan, it will be from Dec. 26 through Wednesday the 31st; and for medium-distance destinations like Hawaii and Asian beach resorts, the peak will be from Dec. 26 through Monday the 29th. Departures are peaking a little earlier because even if it means them spending New Year's day overseas, there are many travelers who will choose to take advantage of the more attractive prices available for earlier departures in this peak season. This appears to be typical of those who choose to take advantage of longer holidays for their travel.

Destinations Near and Far (Korea, Taiwan and Europe) Helped by Higher Yen Exchange Rates (cheaper Korean Won, US Dollar and Euro)

The rapid appreciation in the value of the yen against various other currencies that began in October of this year and is still continuing has encouraged overseas travel. LOOK JTB bookings for the year-end/ New-Year period show favorable trends for nearer Asian destinations like Korea and Taiwan, and for Guam, etc. Year-end departures for Europe that make use of the long holiday sequence are also healthy. The Euro had been riding high for so long that meals and other purchases in Europe are now looking like bargains.

From October, foreign currency sales at JTB sales outlets have been registering double-digit annual increases, showing how sensitively overseas travelers are reacting to rising Yen exchange rates.

(Ref: Tokyo Foreign Exchange Market/TTS rate, according to the Bank of Mitsubishi-Tokyo UFJ)

	1 USD	1 GBP	1 EUR	100 KRW	1 HKD	1 TWD
Dec. 3 ’07 (Mon.)	111.91	232.04	163.99	12.24	14.67	3.41
Aug. 1 ’08 (Fri.)	108.79	217.76	169.39	10.85	14.24	3.52
Dec. 3 ’08 (Wed.)	**94.00**	**142.46**	**119.55**	**6.56**	**12.43**	**2.87**

*TWD rate as of November 28

Characteristics of Domestic (Japanese) Travel

No Change in How People Spend the New Year! The Economy has Little Effect; Domestic Travel Virtually the Same as Last Year

Our questionnaire revealed (as shown in Table 4 on Page 6) that when respondents were asked why they traveled at the year-end/New Year period the reply “Because I do every year” was in top place with 50.8% (+10.8%), followed by “To spend time with the family” with 40.6% (+0.6%) and “To enjoy the New Year mood” with 14.2% (+0.5%) among those registering increases over the previous year. There were also increases among those who responded “It’s the only time we can travel together” at 11.2% (+0.5%) and “It’s the only time for long journeys” at 8.0% (+0.2%), etc. Among reasons for not traveling (see Table 6 Page 7) the most common responses continue to be “Prefer to relax with the family,” “It’s too crowded,” and “Can’t take time off work, etc.” It looks as if the way people choose to spend this season is little affected by economic factors, and that domestic travel, including visits to the family home, will continue at about the level of the previous year.

With Gasoline Prices Sharply Down, People are Expected to Use their Cars for Longer Journeys

After astronomical rises in gasoline prices this summer, we are now seeing sharp drops in the average nationwide price to levels that are already more than 20 yen per liter below those a year earlier. In Greater Tokyo, regular gasoline is only 110 yen per liter, a price that is even lower than in April this year, when Japan’s gasoline tax temporarily expired, and a level last seen in August 2005.

For families who hesitated to drive far in the summer holidays because of soaring gasoline costs, this season is an excellent chance to use the car to drive to the family home or to visit faraway places.

Our survey was performed in early November, and there were few signs of increasing car use by then, but the perennially popular Tokyo Disney Resort is holding special events to mark its 25th anniversary, and from mid-November the roads surrounding the resort began to suffer frequent traffic jams. Cars are expected to be used for more and longer drives over the year-end/New-Year season.   .

(Ref: Average retail price of regular gasoline per liter in Japan)

(Source: the Institute of Energy Economics, Oil Information Center)

2008			**2007**	**2006**	**2005**	
Dec. 1	Aug. 4	Apr. 7	Nov. 26	Nov. 27	Nov. 28	Aug. 1
123.3 JPY	185.1 JPY	131.2 JPY	150.1 JPY	135.7 JPY	130.0 JPY	127.5 JPY

Survey Methodology

Survey locations	200 locations throughout Japan. Stratified comparative distribution.
Survey period	Nov. 5 through 17, 2008.
Respondents	Males and females between the ages of 15 and 79.
Sample size	1,200 individuals (6 at each of the 200 locations)
Content	Travel plans involving at least one night away from home departing between Dec. 23, 2008, and Jan. 3, 2009.
Method	Individual surveys conducted by specialist staff using a questionnaire (100% response) on personal visits.

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Table 2: Estimates of Numbers Traveling at the Year-End/New-Year Season

(Dec. 23, 2008 through Jan. 3, 2009, Units; thousands)

		2008/2009	2007/2008	% of Previous Year
Overall Total		**580.0**	**608.0**	**95.4%**
Asian Total		**332.0**	**342.0**	**97.1%**
	Korea	91.0	73.0	124.7%
	China	60.0	78.0	76.9%
	Hong Kong	38.0	35.0	108.6%
	Taiwan	45.0	42.0	107.1%
	Thailand	26.0	40.0	65.0%
	Singapore	17.0	18.0	94.4%
	Indonesia	17.0	17.0	100.0%
	Malaysia	11.0	10.0	110.0%
	Others	27.0	29.0	93.1%
North American Total		**38.0**	**42.0**	**90.5%**
	US Mainland	35.0	38.0	92.1%
	Canada	3.0	4.0	75.0%
Hawaii		**51.0**	**56.0**	**91.1%**
Guam, Saipan		**47.0**	**47.0**	**100.0%**
European Total		**77.0**	**81.0**	**95.1%**
Oceania Total		**27.5**	**31.0**	**88.7%**
	Australia	19.5	22.0	88.6%
	New Zealand	4.0	4.5	88.9%
	S. Pacific Islands	4.0	4.5	88.9%
Other (Middle East, Africa, Latin America, etc.)		**7.5**	**9.0**	**83.3%**

The Results of the Survey (Tables 3 to 9)

Table 3: Travel Companions (single answers)

		%	Change (%pt.)
Family		68.5	+1.6
	Children (through Junior Hi)	37.6	▲0.9
	Married couple only	15.2	+2.0
	Others (mothers & daughters, three generations, etc.)	15.7	+0.5
Family, friends & acquaintances		9.1	+1.3
Friends & acquaintances		11.2	+0.5
Group (fellow workers, etc.)		1.0	+1.0
Alone		7.6	▲4.1

Table 4: Reasons for Travel (multiple answers)

		%	Change (%pt.)
1	Because I do every year	50.8	+10.8
2	To spend time with the family	40.6	+0.6
3	As a service to the family	31.0	—
4	To enjoy the New Year mood	14.2	+0.5
5	To relax at a resort or hot springs, etc.	12.7	▲7.3
6	To eat good food	11.7	▲1.0
7	It's the only time we can travel together	11.2	+0.5
8	It's the only time for long journeys	8.0	+0.2
9	To enjoy Nature and scenery	6.1	▲3.2
10	To visit theme or amusement parks	6.1	▲1.2

Table 5: Length of Trip (single answers)

	%	Change (%pt.)
2 days 1 night	29.4	+2.6
3 days 2 nights	27.9	▲2.3
4 days 3 nights	21.8	+6.2
5 days 4 nights	7.1	▲2.7
6 days 5 nights	3.0	▲4.3
7 days 6 nights	1.0	▲1.4
8 days 7 nights	3.6	+1.6
8 nights or more	4.5	▲0.4

Table 6: Reasons for Not Traveling (multiple answers)

		%	Change
1	Prefer to relax with the family	38.7	▲10.2
2	It's too crowded.	29.3	▲5.2
3	Can't take time off work, etc.	21.3	+1.8
4	Our relatives live not far away.	19.7	—
5	Travel is expensive.	19.3	▲2.8
6	No particular reason	15.6	+5.0
7	Domestic situation	12.5	▲1.3
8	Family budget limitations	11.2	▲1.0
9	I have other things to do than trave.l	7.9	+1.8
10	Concerns over future livelihood	6.3	—
11	Family holidays, etc., clashed.	5.7	▲0.3
12	The economy is in poor shape.	5.0	▲4.2
13	On health grounds	4.9	+0.9
14	Gasoline is still expensive.	3.1	—

Table 7: Under What Conditions Would You Travel? (multiple answers)

		%
1	If salary or bonus increased	40.4
2	The present economic situation has nothing to do with travel.	21.6
2	I don't particularly want to travel.	21.6
4	If concerns over pensions, etc. eased.	20.3
5	If gasoline dropped to 100 yen/liter	18.2
6	If there were no fuel surcharges.	11.9
7	If world prospects were brighter	9.7
8	If I had no concerns over bankruptcy	8.4
9	If the economic situation stabilized	8.3
10	If my personal assets were restored	3.8

Table 8: Changes in Motivation to Travel (in the survey month, changes in parentheses)

		2008/2009		2007/2008		2006/2007	
Would like to spend more		10.8	(+2.8)	8.0	(+0.2)	7.8	(▲4.7)
Would like to spend about the same							
	More trips at lower unit cost	10.3	(+1.9)	8.4	(+2.4)	6.0	(+0.5)
	Fewer trips at higher unit cost	6.1	(▲0.5)	6.6	(+0.6)	6.0	(+1.3)
	Same cost and frequency of trips	35.8	(▲3.9)	39.7	(+0.2)	39.5	(+0.7)
Would like to spend less		31.8	(+0.9)	30.9	(▲3.5)	34.4	(+4.0)

Note: In the above tables, the lack of replies from some respondents means that the totals do not add up to 100% even for single answers.

Table 9: Trends in Published Numbers for Year-End/New-Year Travel 1991 – 2009

Year	Travelers (thousands) (and % of previous year)			Average Expenditure (per person, Yen)		Total Expenditure (billions of Yen)	No. of Days (& change from previous year)
	Total	Domestic	Overseas	Domestic	Overseas		
1991/1992	31,152	30,690	462	44,854	284,000	1,507.8	4.1
	110.4%	110.5%	104.8%	100.9%	93.4%	110.2%	0.0
1992/1993	25,446	24,980	466	43,720	262,000	1,214.2	4.1
	81.7%	81.4%	100.9%	97.5%	92.3%	80.5%	+0.1
1993/1994	25,403	24,870	533	40,379	239,000	1,131.6	4.2
	99.8%	99.6%	114.4%	92.4%	91.2%	93.2%	+0.1
1994/1995	26,755	26,200	555	37,458	229,000	1,108.3	3.8
	105.3%	105.3%	104.1%	92.8%	95.8%	98.0%	-0.4
1995/1996	27,227	26,620	607	35,666	225,800	1,086.5	4.0
	101.8%	101.6%	109.4%	95.2%	98.6%	98.0%	+0.2
1996/1997	28,754	28,070	684	36,370	242,120	1,186.5	4.5
	105.6%	105.4%	112.7%	102.0%	107.2%	109.2%	+0.5
1997/1998	28,931	28,295	636	35,820	243,570	1,168.4	3.9
	100.6%	100.8%	93.0%	98.5%	100.6%	98.5%	-0.6
1998/1999	28,332	27,701	631	34,750	224,550	1,104.3	3.8
	97.9%	97.9%	99.2%	97.0%	92.2%	94.5%	-0.1
1999/2000	27,567	27,106	461	33,986	222,152	1,023.6	3.7
	97.3%	97.9%	73.1%	97.8%	98.9%	92.7%	-0.1
2000/2001	29,885	29,230	655	36,766	223,284	1,220.8	3.5
	108.4%	107.8%	142.1%	108.2%	100.5%	119.3%	-0.2
2001/2002	30,227	29,727	500	37,216	216,927	1,214.8	3.7
	101.1%	101.7%	76.3%	101.2%	97.2%	99.5%	+0.2
2002/2003	29,254	28,653	601	35,390	225,170	1,149.4	3.9
	96.8%	96.4%	120.2%	95.1%	103.8%	94.6%	+0.2
2003/2004	29,296	28,710	586	34,576	224,940	1,124.5	3.7
	100.1%	100.2%	97.5%	97.7%	99.9%	97.8%	-0.2
2004/2005	29,358	28,739	619	34,472	195,923	1,112.0	3.6
	100.2%	100.1%	105.6%	99.7%	87.1%	98.9%	-0.1
2005/2006	29,931	29,303	628	34,093	199,449	1,124.3	3.8
	102.0%	102.0%	101.5%	98.9%	101.8%	101.1%	+0.2
2006/2007	30,048	29,400	643	34,160	210,510	1,139.7	3.8
	100.4%	100.3%	102.4%	100.2%	105.5%	101.4%	0.0
2007/2008	29,911	29,303	608	34,210	217,700	1,134.8	3.9
	99.6%	99.7%	94.6%	100.1%	103.4%	99.6%	+0.1
2008/2009	29,900	29,320	580	38,700	229,000	11,209	3.7
	100.0	100.1	96.4	98.5	105.2	98.8	-0.2

Note: The surveys commenced in 1969.