

For Immediate Release

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Travel Trends for Summer 2009 (July 15~August 31)

Consumers Take “Sensible” Summer Holidays, Reflecting Economic Realities.

- Last-minute bookings do well, up on previous year each week after mid-June.--
- The travel peak is further dispersed, with more traveling in early July and September.--
- Bargain plans for families and half-fares for children prove highly popular.--
- Reduced highway tolls encourage long journeys home and more travel.--

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 planning to spend at least one night away from home, bookings with JTB Group companies, airline reservations, and travel industry trends. The results of this, the 41st. such survey since the first in 1969, are as follows.

Table 1: Figures for Trends in Summer, 2009.

	Summer 2009			Summer 2008	
	Estimated	Change	Difference	Actual	Change
Total no. of travelers	74,430,000	-1.7%	-1,280,000	75,710,000	-1.2%
Domestic	72,330,000	-1.6%	-1,150,000	73,480,000	-1.0%
Overseas	2,100,000	-5.8%	-130,000	2,230,000	-7.9%
Avg. spent (domestic)	¥33,100(\$356)	-7.5%	-¥2,700(\$29.03)	-¥35,800(\$385)	-1.1%
Avg. spent (overseas)	¥214,000(\$2,301)	-14.1%	-¥35,000(\$376.34)	¥249,000(\$2,677)	+7.3%
Total expenditure	¥2,843.5bn/\$30.60bn	-10.7%	-¥342.4bn/\$3.68bn	-¥3,185.9bn/\$34.25bn	-1.9%
Domestic	¥2,394.1bn/\$25.74bn	-9.0%	-¥236.5bn/\$2.54bn	-¥2,630.6bn/\$28.29bn	-2.1%
Overseas	¥449.4bn/\$4.832bn	-19.1%	-¥105.9bn/\$1.139bn	-¥555.3bn/\$5.971bn	-1.1%

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

Numbers of domestic travelers include all those using overnight accommodation (both tourists and those visiting the family home) while those for overseas travelers are the numbers of departures (including business travelers).

Averages expenditures on domestic travel include all travel-related expenses (transport, accommodation, meals and souvenirs, etc).

Average expenditures on overseas travel include fuel surcharges but not local purchases such as souvenirs.

All dollar amounts are calculated, for information purposes only, at ¥93/US\$.

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

The Characteristics of Summer Holiday Travel in 2009

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

1. **From Mid-June, Each Week has Seen More Bookings than the Previous Year, but Domestic Summer Travelers Decline for Second Straight Year, Overseas for Third.**

Economic Situation: There are signs that the recession is bottoming out, and personal consumption is showing the favorable effect of demand encouraged by tax-breaks on ecologically sound cars and a point system that effectively discounts similar electrical household goods. However, summer bonuses promise to be sharply lower, and consumers are in a strongly defensive mood, so the economic situation is still far from favorable for travel.

This is the background against which our survey revealed increases only in those who wanted either to take “more trips at lower cost per trip” (up 2.8 percentage points) or to take “fewer trips but at higher cost per trip” (up 0.6 points) while keeping expenditures the same. In other words, consumers who cannot afford to spend more will choose more carefully, see Table 2 below. On the other hand, the economic situation was reflected in increases of those who cited the “poor economic situation” (up 3.2 points to 25.3%) or “family budget limitations” (up 3.7 points to 22.1%) as reasons for not wanting to travel, see Table 3 on the following page.

Table 2: Intended Changes in Future Travel Expenses

Intentions on Future Travel as of...	June 2009		June 2008		June 2007	
Want to spend more	10.3	(-2.8)	13.1	(-5.8)	18.9	(+0.3)
Same, but more trips at lower cost per trip.	14.8	(+2.8)	12.0	(+0.1)	11.9	(+2.0)
Same, but fewer trips at higher cost per trip.	6.5	(+0.6)	5.9	(+1.4)	4.5	(-0.9)
Same, with similar numbers of trips and costs.	31.3	(-0.3)	31.6	(-1.2)	32.8	(-2.4)
Want to spend less.	32.8	(-2.4)	35.2	(+8.0)	27.2	(+0.1)

(Figures are percentages; those in parentheses are the percentage-point changes from the previous year. Totals are less than 100% because some respondents did not answer.)

Table 3: Top Ten Reasons for Not Wanting to Travel

Reasons and Their Ranking		%	Change
1	Can't get time off work.	29.1	+2.2
2	The poor economic situation.	25.3	+3.2
3	It's too crowded.	24.9	-0.9
4	Family budget limitations	22.1	+3.7
5	Family concerns prevent it.	17.4	+0.2
6	Prefer to travel earlier or later.	14.2	-0.9
7	Holiday dates didn't agree.	11.6	+1.4
8	Have something better to do	9.3	+0.1
9	Traveling is too much trouble.	8.3	-0.6
10	The summer is an expensive time to travel.	6.9	-1.0

(Figures are percentages; the total exceeds 100% because of multiple answers.)

Last-Minute Bookings are Strong.

The spread of the new strain of swine influenza in Japan caused many to refrain from making business trips or holding meetings and events in May and early June, so summer bookings fell behind those of normal years. There were also many postponements or cancellations of school trips and overseas studies.

This slow start to travel bookings has had the effect of greatly boosting last-minute bookings. Each week since mid-June, travel companies have seen healthy bookings that considerably exceed those made in the same week the previous year. The delay in bookings also made it easier than usual to secure preferred bookings, further encouraging the last-minute trend. Our consumer survey revealed that 30% of those responding either that they intended to travel or would probably do so had not yet booked.

Fewer will Travel this Year than Last.

While the healthy last-minute bookings give room for hope, the number of domestic travelers seems unlikely to reach last year's level, and will probably fall 1.6% to 72.33 million. For overseas travel, where the numbers include those departing on business trips, corporate cost-cutting measures are causing sharp reductions in business travel, taking the total to an estimated 2.1 million, well below the previous year (5.8% down). This figure is, of course, subject to further major variation from the effects of political, social and financial changes and the weather.

Average Expenditure on Overseas Travel to Drop 35,000 JPY (-14.1%)

From July, most airlines have abandoned fuel surcharges, and the international recession has put downward pressure on room rates and air fares. These factors, and the strength of the JPY against other currencies, along with increases in travel to closer destinations such as

Korea and Micronesia, suggest that average expenditures on overseas travel will drop to 214,000 JPY or 2,301 USD, fully 35,000 JPY or 376 USD (-14.1%) below the previous year. (Of this, 21,000 JPY or 226 USD is accounted for by fuel surcharges.)

Domestic travel is seeing the effects of aggressive summer-special discounts from the airlines. Tolls on Japan's expressways are also being reduced even on some weekdays in August, so more people will probably choose to travel to the family home by car. The increase in factors that expand consumer options for travel products and departure dates is enabling consumers to make sensible summer travel plans, and reducing their average expenditures by 2,700 JPY or 29 USD (-7.5%) to about 33,100 JPY or 356 USD.

Table 4: Trends in Summer Fuel Surcharges (JAL, return flights, JPY)

Destinations	2009	2008	2007
Korea	0	7,000	3,400
China	0	17,000	8,200
Guam, Saipan, the Philippines, Taiwan.	0	21,000	10,400
Hawaii, Thailand, Malaysia, Indonesia	0	40,000	17,400
U.S., Europe, the Middle East, Oceania.	0	56,000	24,000

Bookings Strong in Early July and September.

One characteristic of travel this summer is the large number of bookings being made outside the survey period, in early July and September. This indicates a growing preference to avoid the crowded peak period, with its higher charges, for less-expensive departure dates in early July and September.

The fact that this year there will be a five-day holiday sequence from Saturday September 19 through the national holiday on Wednesday September 23 was soon realized and led to strong bookings. Travel costs for this five-day period are on the high side, but the certainty of being able to take time off work has encouraged growing numbers to use it not only for trips to closer destinations in Asia and Micronesia but also as the nucleus for longer trips to Hawaii and Europe, etc.

Table 5: Bookings for LOOK JTB Packages (as of July 3)

Departure Date	Asia	Hawaii	Guam, Saipan	N. America	Europe	Oceania
July 1 - 17	115.4	111.1	108.4	41.2	98.8	47.8
Sep. 1 - 18	105.3	122.7	116.9	87.3	136.0	86.0
Sep. 19 -23	334.9	199.9	258.7	155.5	228.5	298.8

(The figures are the numbers of people making bookings in the designated period expressed as a percentage of those booking in the same period the year before.)

2. Characteristics of Domestic Travel

Reduced Tolls for Expressways

This year, the ceiling of 1,000 JPY (approx. 9.30 USD) that applies to all linked expressway and other road tolls paid using the electronic toll collection (ETC) system has been extended from weekends to four additional weekdays in August. This is expected to encourage long-distance driving, for example by scattered family members visiting the ancestral home, as is common at this season. Our questionnaire revealed that 32.2% of respondents would use the reduced tolls to make more daytrips to remoter locations, and 19.4% would use them to visit places that high tolls had previously made too expensive. People who stayed overnight last year were also much more likely than those who made no such trips to make even more trips this year or to visit places that high tolls had previously made too expensive.

Bargain Plans are Popular.

The airlines are offering discounts for early booking and certain blocks of flight times, addressing the needs of both business travelers and tourists. Travel companies are offering discounts for families, and JTB also offers coupons, typically for 5,000 or 2,500 JPY, exchangeable for meals or sight-seeing, etc. Half fares are also being extended from infants not yet in school right up to junior high school students as a way of supporting visits to the Kansai region.

The Solar Eclipse and Yokohama's 150th Anniversary

Much interest is focusing on the solar eclipse predicted for Wednesday July 22. A total eclipse will only be visible from islands south of the Japanese mainland, and while some Japanese will be going there, others will go overseas for a better view.

The 150th anniversary celebrations of the opening of the port of Yokohama are running from April 28 through September 27, and many of the associated events and attractions are proving very popular.

3. Characteristics of Overseas Travel

Simple, Convenient Trips to Korea and Half-Fare Tours for Children are Popular; High Yen Exchange Rates Encourage Upgrades.

The popularity of Korea as a convenient destination at which to enjoy the benefits of higher exchange rates for the JPY continues unabated. People are tending to use the purchasing power of the JPY to upgrade their hotel accommodation, and LOOK JTB tours to Korea with higher grade hotels tend to be snapped up first.

Family plans with children up to junior high school going for half fare and pre-school infants for just 100 JPY (less than one USD) are very popular, and while overall bookings to Guam, Saipan and Hawaii are still not quite running at last year's levels, the bookings for packages with children at half price are already selling far better this year than last.

Once into July, additional discount plans and special options are being announced, such as a 50,000 JPY (538 USD) upgrade from economy to business class for Bali Island.

Free of Fuel Surcharges, Repeat Travelers are Making for Hawaii and Europe.

The almost complete abolition of fuel surcharges from July is reviving demand for Hawaii and Europe, particularly among frequent (repeat) travelers. LOOK JTB bookings show the popularity of connecting rooms and condominium-type accommodation, more of which are on offer this year. In Europe, Italy remains very popular, as do local cruises, along with direct charter flights to join tours of Norway's Fjords and of Croatia and Slovenia.

Tour Values Overcome Fears of the New Swine Influenza.

Travel companies that voluntarily withdrew tours to Mexico following guidance from Japan's Ministry of Foreign Affairs under the influence of the new swine 'flu epidemic reinstated them in the second half of June. The LOOK JTB package "At last, Cancun!" designed to jump-start demand sold out in only four days. So while concerns over the new strain of 'flu remain, consumers are not prepared to pass up a bargain.

It is probably not too late, even now, to make up for the dip in demand caused by the late start if we provide convincing tour package content at bargain prices.

Survey Methodology

Survey locations	200 throughout Japan
Survey period	June 3 through 15, 2009.
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, 2009.
Method	Specialist interviewers conducting personal interviews using a questionnaire form (100% response rate).

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Table 6: Summer Travelers in 2009 by Destination (July 15 – August 31)

	2009	2008	%age Change
Total	2,100	2,230	-5.8%

Asian Subtotal		1,149	1,209	-5.0%
	China	290	315	-7.9%
	Korea	304	284	+7.0%
	Taiwan	118	126	-6.3%
	Hong Kong	94	98	-4.1%
	Thailand	83	107	-22.4%
	Singapore	52	57	-8.8%
	Indonesia	74	78	-5.1%
	Malaysia	35	37	-5.4%
	Others	99	107	-7.5%

N. American Subtotal		523	556	-5.9%
	Hawaii	178	186	-4.3%
	Guam & Saipan	142	145	-2.1%
	US Mainland	169	187	-9.6%
	Canada	34	38	-10.5%

European Subtotal		308	324	-4.9%
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Oceania Subtotal		82	101	-18.8%
	Australia	60	71	-15.5%
	New Zealand	11	15	-26.7%
	South Pacific	11	15	-26.7%

Others (Africa, Middle East, Latin America)		38	42	-9.5%
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*Total includes business trips

Units: thousands

*Figures for 2008 derived from various national tourist agency publications of Japanese visitors and Japanese Immigration Authority Statistics.

Table 7: Traveling Companions

		%	Change from Previous Year
With family		65.2	-0.5
	With children (up to junior high school)	34.8	+0.2
	Just husband and wife	15.7	-0.1
	Three generations	7.6	-1.0
	Others (mothers & daughters, etc)	7.1	+0.4
Family and friends/acquaintances		8.1	-1.5
With friends/acquaintances		17.2	+4.4
Group (from work, etc.)		1.8	+0.1
Alone		5.2	-2.7

Table 8: Purposes of Travel (top ten)

Rank	Purpose(s) (Multiple Answers)	%tage	Change
1	Visit ancestral home, family.	23.3	+2.6
2	Enjoy nature & scenery.	12.3	+0.9
3	Relax at hot springs.	11.8	-2.0
4	Relax at the beach, go swimming.	10.6	-1.3
5	Visit theme parks, leisure facilities.	10.3	+0.4
6	Spend time with family & friends.	7.4	-3.7
7	Visit famous & historic places.	5.9	+3.4
8	Enjoy delicious food.	4.2	-0.2
9	Go hiking, climbing or camping.	3.9	+0.7
10	Theater, events, sports (spectator).	3.2	+0.7

Table 9: Length of Trips

Length of Trip	%tage	Change
Two days, one night.	41.8	-0.4
Three days, two nights.	32.9	+3.5
Four days, three nights.	13.0	-1.8
Five days, four nights.	3.2	-0.3
Six days, five nights.	3.7	-1.5
Seven days, six nights.	1.0	+0.5
Eight days, seven nights.	1.2	-0.8
Eight nights or more	2.7	+0.6

Table 10: Trends in Summer Travel 1992~2009

	No. of Travelers (in thousands)			Average Cost (in yen)		Total Cost
	Total Number	Domestic	Overseas	Domestic	Overseas	(bn yen)
	% of prev. yr	% of prev. yr	% of prev. yr	% of prev. yr	% of prev. yr	% of prev. yr
1992	75,840	73,630	222	43,455	248,867	3,751
	0.4%	0.4%	3.4%	4.0%	-2.9%	3.8%
1993	72,610	70,320	229	40,014	220,745	3,320
	-4.3%	-4.5%	3.4%	-7.9%	-11.3%	-11.5%
1994	79,160	76,610	255	38,599	219,200	3,516
	9.0%	8.9%	11.2%	-3.5%	-0.7%	5.9%
1995	78,820	75,740	308	39,037	209,200	3,600
	-0.4%	-1.1%	20.7%	1.1%	-4.6%	2.4%
1996	80,250	77,120	313	38,092	223,100	3,636
	1.8%	1.8%	1.8%	-2.4%	6.6%	1.0%
1997	82,540	79,360	318	38,300	217,100	3,731
	2.9%	2.9%	1.7%	0.5%	-2.7%	2.6%
1998	83,560	80,470	309	37,534	202,800	3,647
	1.2%	1.4%	-3.0%	-2.0%	-6.6%	-2.3%
1999	85,640	82,480	316	36,333	199,695	3,628
	2.5%	2.5%	2.3%	-3.2%	-1.5%	-0.5%
2000 (revised)	74,230	71,590	264	35,832	206,065	3,109
2001	75,620	72,960	266	35,115	210,149	3,121
	1.9%	1.9%	0.8%	-2.0%	2.0%	0.4%
2002	76,120	73,690	243	33,654	213,091	2,998
	0.7%	1.0%	-8.6%	-4.2%	1.4%	-3.9%
2003	75,350	73,470	188	33,923	222,893	2,911
	-1.0%	-0.3%	-22.6%	0.8%	4.6%	-2.9%
2004	74,900	72,420	248	34,975	208,851	3,051
	-0.6%	-1.4%	31.9%	3.1%	-6.3%	4.8%
2005	76,040	73,650	239	35,300	214,600	3,113
	1.5%	1.7%	-3.6%	0.9%	2.8%	2.0%
2006	76,570	74,100	247	35,716	223,100	3,198
	0.7%	0.6%	3.3%	1.2%	4.0%	2.7%
2007	76,620	74,200	242	36,200	232,000	3,247
	0.1%	0.1%	-2.0%	1.4%	4.0%	1.6%
2008	75,710	73,480	223	35,800	249,000	3,186
	-1.2%	-1.0%	-7.9%	-1.1%	7.3%	-1.9%
2009	74,430	72,330	210	33,100	214,000	2,843
	-1.7%	-1.6%	-5.8%	-7.5%	-14.1%	-10.7%

Note: Until 2000, the period was July 1 through August 31 but from 2001 this was changed to July 15 through August 31.

Note: For 2000 only, the figures have been recalculated for the period July 15 through August 31.