

For Immediate Release

December 14, 2009

(Translation of Japanese Release No.162)

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

### Holiday Sequence Reflected in Mainly Shorter Trips to Closer Destinations.

--Overseas travelers down 4.1% to 565,000 --

**Average Expenditures Drop 15.1% to 193,000 JPY...**

...Under the influence of lower fuel surcharges and fewer days per trip.

**Japanese Domestic Travelers Set to Drop to 28.5 Million (2.5% down).**

Year-end/New-Year ETC discounts to boost travel by car.

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

← 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 Sunday 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 41st such survey since the first in 1969, are as follows.

**Table 1: Estimates**

|  | <b>2009/2010 season</b>                     | <b>%age change</b> | <b>2008/2009 season</b>                     |
|--|---|--------------------|---|
| Total no. of travelers                 | 29.065 million                              | ▲2.5%              | 29.823 million                              |
| Domestic                               | 28.500 million                              | ▲2.5%              | 29.234 million                              |
| Overseas                               | 565,000                                     | ▲4.1%              | 589,000                                     |
| Average expenditure on domestic travel | 32,400 JPY<br>(360 USD)                     | ▲3.6%              | 33,610 JPY<br>(374 USD)                     |
| Average expenditure on overseas travel | 193,000 JPY<br>(2,144 USD)                  | ▲15.1%             | 227,400JPY<br>(2,527 USD)                   |
| Total expenditure                      | 1,032.4 billion JPY<br>(11.471 billion USD) | ▲7.5%              | 1,116.5 billion JPY<br>(12.406 billion USD) |
| Domestic                               | 923.4 billion JPY<br>(10.260 billion USD)   | ▲6.0%              | 982.6 billion JPY<br>(10.918 billion USD)   |
| Overseas                               | 109.0 billion JPY<br>(1.211 billion USD)    | ▲18.6%             | 133.9 billion JPY<br>(1.488 billion USD)    |
| Average length (days)                  | 3.5   | ▲0.2               | 3.7   |

**Notes on the table on the previous page:**

1. Numbers of travelers are cumulative totals; average expenditures are per person.
2. Numbers of domestic travelers are those staying overnight (only for tourism and trips to the family home).
3. Numbers of overseas travelers are of those departing Japan (including business travel).
4. Domestic travel average expenditures comprise all costs incurred during travel, including transport, accommodation, meals and souvenirs.
5. Overseas travel average expenditures include fuel surcharges, transport and meals at the destination. (Fuel charges are 28,900 JPY lower per person than during the same season last year.)
6. USD amounts are given, for information purposes only, based on a rate of 90 JPY/USD.

## **Characteristics of Year-End/New-Year Travel**

(Note: Figures are percentages and/or percentage point changes from the previous year.)

### **The Unfavorable Holiday Sequence Reduces the Lengths of Domestic and Overseas Trips.**

This year, the year-end/New-Year holiday sequence is unfavorable, and the typical holiday will last for the four days from Thursday December 31 through Sunday January 3.

While the Japanese economy is beginning to recover from the effects of the financial crisis that broke in October 2008, the pace of recovery is slow, and winter bonuses are expected to be more than 10% below last year's. The less-than favorable sequence of holidays, combined with strongly negative economic and psychological factors and the effects of domestic deflation, are responsible for the trend towards shorter holidays and closer destinations.

## **Characteristics of Overseas Travel**

### **Departures Peak Dec. 29 & 30. Smart Travelers are Using the Three-day New Year Break (Jan. 9 – 11) to Avoid Peak Rates.**

With January 4 falling on a Monday, fewer travelers will be leaving their departure until the New Year than did so last year, and it looks as if fewer are going overseas (565,000, down 4.1%). LOOK JTB bookings suggest that **departures will cluster around Tuesday Dec.29 and Wednesday Dec.30**. For more remote European destinations the peak starts earlier, on Monday Dec.28, and runs through Wednesday the 30th., while for closer destinations like Korea and Taiwan it starts later, on the Wednesday, and runs through Thursday Dec.31. Those heading for Hawaii or Asian beach resorts will peak on the two central days, Dec.29 and 30.

Departures around the national holiday on Dec.23, when travel costs less, promise to be higher than the previous year for destinations both far and near. There are also many travelers who are postponing their departures until around Wednesday Jan.6, when travel costs fall, to make use of the three-day break from Saturday Jan.9 through the national holiday on the 11th. This shows a clear trend towards price-based selection of departure dates by those able to take time off in the New Year.

### **Higher Yen Exchange Rates (cheaper US\$) and Lower Fuel Surcharges Help Travelers**

The value of the yen, which rapidly appreciated against various other currencies starting in October of 2008, is still holding up and this has combined with major reductions in fuel surcharges to greatly reduce

the cost of travel. The Dubai debt crisis reinforced the trend towards higher yen exchange rates (and/or lower US dollar rates) and this can only have a favorable effect on Japanese overseas travelers. Costs are now running 15.1% lower than a year ago, and it looks as if travelers in the US dollar area, and in the areas of Asian currencies closely linked to the dollar, will be spending more on purchases made while traveling. The persistence of high exchange rates for the yen against the Korean Won will make Korea an even more popular destination than last year, when it registered explosive growth.

Other distinctive destinations in 2009 included Egypt, whose submerged archeological treasures were displayed for the first time outside Europe in Japan, and Alaska, where charter flights took many to see the aurora borealis.

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

| <b>Date/Currency</b> | <b>100 KRW</b> | <b>1 HKD</b> | <b>1 TWD</b> | <b>1 USD</b> | <b>1 EUR</b> | <b>1 GBP</b> |
|----------------------|----------------|--------------|--------------|--------------|--------------|--------------|
| Dec. 1 '08 (Mon.)    | 6.67           | 12.73        | 2.87         | 96.31        | 122.10       | 150.22       |
| Dec. 1 '09 (Tue.)    | 7.64           | 11.58        | 2.67         | 87.41        | 131.21       | 145.99       |

\*TWD rate as of November 27

**Fuel Surcharges (for JAL) Return Flights, in JPY.**

| <b>Period/Destination</b> | <b>Korea</b> | <b>China, Hongkong, Taiwan.</b> | <b>Guam</b> | <b>Hawaii</b> | <b>Thailand, Malaysia, Singapore.</b> | <b>N. America Europe, Oceania.</b> |
|---------------------------|--------------|---------------------------------|-------------|---------------|---------------------------------------|------------------------------------|
| Oct, - Dec. 2008          | 8,000        | 21,000                          | 26,000      | 44,000        | 40,000                                | 66,000                             |
| Oct, - Dec. 2009          | 600          | 3,000                           | 4,000       | 8,000         | 6,000                                 | 14,000                             |

**Characteristics of Domestic (Japanese) Travel**

**Automobile Usage Increases with Ongoing ETC Discounts. Tourist Destinations with Good Highway Access See More Visitors.**

Our questionnaire revealed a large increase in respondents who intend to use their cars for travel at the year-end/New-Year season (68.4% of the total, up 9.8% from the previous year).

The discounts from standard highway tolls that have applied since March 2009 at weekends and on longer holidays will not apply at year end but will in the New Year, from Jan. 1 – 5. Those completing their return journeys by toll roads within the year will not benefit, but those returning in the New Year will, and this seems certain to encourage the use of private cars.

Bookings for ACE JTB domestic packages suggest that tourist destinations with good access from highway interchanges, even if fairly remote from major cities, will do well, so ETC discounts appear to be influencing destination selection.

The questionnaire showed Dec.30 as the peak departure date with 18.4% leaving home on that day (up 4.7%), followed by Dec.31 with 16.1% (up 1.9%). On the other hand, while there were more departures on New Year's day, with 10.9% of the total (up 2.3%), there were fewer on Jan.2 with 9.8% (down 6.4%) and on Jan.3 with 6.3% (down 3.3%). The unfavorable holiday sequence means that the discount in highway tolls will not lead to a large increase in those departing at year end.

## **More Choose to Holiday at Home or Nearby, Reflecting a Desire to Economize and the Unfavorable Holiday Sequence.**

The questionnaire showed that companions on year-end/New-Year travel were largely “Family” with 67.8% (down 0.7%), although a closer looks shows only 35.6% (2% less than last year) traveling with their children (see Table 3).

Among reasons for travel (see Table 4) “Because I do every year” topped the list as it did last year, with 52.9% (2.1% up) but “To spend time at the family home” at 33.9% was 6.7% down, “To spend time with the family” at 26.4% was 4.6% down and “To enjoy the New Year mood” at 8.0% was 6.2% down from the previous year.

Among reasons for not traveling (see Table 6) the top places were again taken by “Prefer to relax with the family” (40.4%, 1.7% up), “It’s too crowded” (27.7%, 1.6% down), and “Can’t take time off work, etc.” (20.9%, 0.4% down), while the general situation is reflected in slight increases in “The economy is in poor shape” (5.8%, up 0.8%) and “Lower bonus” (4.8%, up 3.0%).

### **Survey Methodology**

|                  |   |
|------------------|---|
| Survey locations | 200 locations throughout Japan. Stratified comparative distribution.  |
| Survey period    | Nov. 4 through 16, 2009.  |
| Respondents      | Males and females between the ages of 15 and 79.  |
| Sample size      | 1,200 individuals (six at each of the 200 locations )   |
| Content          | Travel plans involving at least one night away from home departing between Dec. 23, 2009, and Jan. 3, 2010. |
| Method           | Individual surveys conducted by specialist staff using a questionnaire (100% response) on personal visits.  |

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**Table 2: Estimates of Overseas Travelers at the Year-End/New-Year Season**

(Dec. 23, 2009 through Jan. 3, 2010, Units; thousands)

|   |                    | 2009/2010  | 2008/2009  | % of Previous Year |
|---|--------------------|------------|------------|--------------------|
| <b>Overall Total</b>                                    |                    | <b>565</b> | <b>589</b> | <b>95.9%</b>       |
| <b>Asian Total</b>                                      |                    | <b>353</b> | <b>359</b> | <b>98.3%</b>       |
|   | Korea              | 111        | 106        | 104.7%             |
|   | China              | 88         | 88         | 100.0%             |
|   | Hong Kong          | 29         | 30         | 96.7%              |
|   | Taiwan             | 32         | 35         | 91.4%              |
|   | Thailand           | 22         | 24         | 91.7%              |
|   | Singapore          | 19         | 20         | 95.0%              |
|   | Indonesia          | 14         | 15         | 93.3%              |
|   | Malaysia           | 10         | 10         | 100.0%             |
|   | Others             | 28         | 31         | 90.3%              |
| <b>North American Total</b>                             |                    | <b>31</b>  | <b>36</b>  | <b>86.1%</b>       |
|   | US Mainland        | 28         | 33         | 84.8%              |
|   | Canada             | 3          | 3          | 100.0%             |
| <b>Hawaii</b>   |                    | <b>42</b>  | <b>45</b>  | <b>93.3%</b>       |
| <b>Guam, Saipan</b>                                     |                    | <b>46</b>  | <b>47</b>  | <b>97.9%</b>       |
| <b>European Total</b>                                   |                    | <b>67</b>  | <b>72</b>  | <b>93.1%</b>       |
| <b>Oceania Total</b>                                    |                    | <b>19</b>  | <b>21</b>  | <b>90.5%</b>       |
|   | Australia          | 13         | 14         | 92.9%              |
|   | New Zealand        | 3          | 3          | 100.0%             |
|   | S. Pacific Islands | 3          | 4          | 75.0%              |
| <b>Other (Middle East, Africa, Latin America, etc.)</b> |                    | <b>7</b>   | <b>9</b>   | <b>77.8%</b>       |

## The Results of the Survey (Tables 3 to 8)

**Table 3: Travel Companions** (single answers)

|  | %    | Change<br>(%pt.) |
|--|------|------------------|
| Family   | 67.8 | ▲0.7             |
| Children (through Junior Hi)                             | 35.6 | ▲2.0             |
| Married couple only                                      | 16.1 | + 0.9            |
| Others (mothers & daughters,<br>three generations, etc.) | 16.1 | + 0.4            |
| Family, friends & acquaintances                          | 8.0  | ▲1.1             |
| Friends & acquaintances                                  | 12.6 | + 1.4            |
| Group (fellow workers, etc.)                             | 0.0  | ▲1.0             |
| Alone  | 8.0  | + 0.4            |

**Table 4: Reasons for Travel** (multiple answers)

|  | %    | Change<br>(%pt.) |
|--|------|------------------|
| 1 Because I do every year                    | 52.9 | + 2.1            |
| 2 To spend time at the family home           | 33.9 | ▲6.7             |
| 3 To spend time with the family              | 26.4 | ▲4.6             |
| 4 To relax at a resort or hot springs, etc.  | 12.6 | ▲0.1             |
| 5 It's the only time we can travel together. | 12.6 | + 1.4            |
| 6 It's the only time for long journeys       | 9.8  | + 1.8            |
| 7 To enjoy Nature and scenery                | 9.2  | + 3.1            |
| 8 To enjoy the New Year mood                 | 8.0  | ▲6.2             |
| 9 To eat good food                           | 7.5  | ▲4.2             |
| 10 To visit theme or amusement parks         | 4.6  | ▲1.5             |

**Table 5: Length of Trip** (single answers)

|                  | %    | Change<br>(%pt.) |
|------------------|------|------------------|
| 2 days 1 night   | 30.5 | + 1.1            |
| 3 days 2 nights  | 32.2 | + 4.3            |
| 4 days 3 nights  | 19.0 | ▲2.8             |
| 5 days 4 nights  | 7.5  | + 0.4            |
| 6 days 5 nights  | 2.9  | ▲0.1             |
| 7 days 6 nights  | 1.1  | + 0.1            |
| 8 days 7 nights  | 3.4  | ▲0.2             |
| 8 nights or more | 2.9  | ▲1.6             |

**Table 6: Reasons for Not Traveling** (multiple answers)

|    |  | %    | Change |
|----|--|------|--------|
| 1  | Prefer to relax with the family.       | 40.4 | + 1.7  |
| 2  | It's too crowded.                      | 27.7 | ▲ 1.6  |
| 3  | Can't take time off work, etc.         | 20.9 | ▲ 0.4  |
| 4  | Travel is expensive.                   | 17.3 | ▲ 2.0  |
| 5  | Our relatives live not far away.       | 16.7 | ▲ 3.0  |
| 6  | No particular reason.                  | 12.8 | ▲ 2.8  |
| 7  | Family budget limitations.             | 10.9 | ▲ 0.3  |
| 8  | Domestic situation.                    | 9.7  | ▲ 2.8  |
| 9  | Concerns over future livelihood.       | 6.9  | + 0.6  |
| 10 | The economy is in poor shape.          | 5.8  | + 0.8  |
| 11 | I have other things to do than travel. | 5.0  | ▲ 2.9  |
| 12 | Bonus decreased.                       | 4.8  | + 3.0  |
| 13 | Family holidays, etc., clashed.        | 4.7  | ▲ 1.0  |
| 14 | On health grounds.                     | 4.4  | ▲ 0.5  |

**Table 7: Changes in Motivation to Travel** (in the survey month, changes in parentheses)

|                                    | This Year<br>2009/2010 | Last Year<br>2008/2009 | Year Before<br>2007/2008 |
|------------------------------------|------------------------|------------------------|--------------------------|
| Would like to spend more           | 12.8 (+ 2.0)           | 10.8 (+ 2.8)           | 8.0 (+ 0.2)              |
| Would like to spend about the same |                        |                        |                          |
| More trips at lower unit cost      | 8.5 (▲ 1.8)            | 10.3 (+ 1.9)           | 8.4 (+ 2.4)              |
| Fewer trips at higher unit cost    | 4.0 (▲ 2.1)            | 6.1 (▲ 0.5)            | 6.6 (+ 0.6)              |
| Same cost and frequency of trips   | 41.4 (+ 5.6)           | 35.8 (▲ 3.9)           | 39.7 (+ 0.2)             |
| Would like to spend less           | 26.7 (▲ 5.1)           | 31.8 (+ 0.9)           | 30.9 (▲ 3.5)             |

**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 8: Trends in Published Numbers for Year-End/New-Year Travel 1992– 2009**

| Year      | Travelers (thousands)<br>(and % of previous year) |          |          | Average Expenditure<br>(per person, Yen) |          | Total<br>Expenditure<br>(billions of Yen) | No. of Days<br>(& change from<br>previous year) |
|-----------|---|----------|----------|--|----------|---|---|
|           | Total   | Domestic | Overseas | Domestic                                 | Overseas |   |   |
| 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%                                     | 0.0   |
| 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   |
|           | 99.5%   | 99.7%    | 93.8%    | 100.1%                                   | 103.4%   | 99.6%                                     | + 0.1   |
| 2008/2009 | 29,823  | 29,234   | 589      | 33,610                                   | 227,400  | 1,116.5                                   | 3.7   |
|           | 99.7%   | 99.8%    | 96.9%    | 98.2%                                    | 104.5%   | 98.4%                                     | - 0.2   |
| 2009/2010 | 29,065  | 28,500   | 565      | 32,400                                   | 193,000  | 1,032.4                                   | 3.5   |
|           | 97.5%   | 97.5%    | 95.9%    | 96.4%                                    | 84.9%    | 92.5%                                     | - 0.2   |

**Note:** The surveys commenced in 1969.