NEWS JTB

For Immediate Release July 14, 2010

(Translation of Japanese Release No.72)

Travel Trends for Summer 2010 (July 15~August 31)

Summer Travel Motivation Strengthens as Economy Recovers.
--Numbers of Overseas and Domestic Travelers Return to Pre-Lehman Shock Levels.--
Domestic travelers up 4.0% to 74.12 million, Overseas up 8.4% to 2.44 million
--Discounts Encourage Acceptance of Peak Crowding, Reduced ETC Highway Tolls Popular.--
With 86.1% having experienced ETC discounts, many plan their use for summer travel.
--High Yen Exchange Rates Make Europe Popular, Along with Guam, Saipan and China.--

JTB Corp. has just published the outlook for summer holiday travel (from July 15 through August 31) involving at least one night away from home. It is 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 42nd. such survey since the first in 1969, are as follows.

Table 1: Figures for Summer Travel Trends in 2010.

		Summer 2010			Summer 2009	
		Estimated	Change	Difference	Actual	Change
Total no. of travelers		76,560,000	+4.1%	3,030,000	73,530,000	-2.9%
	Domestic	74,120,000	+4.0%	2,840,000	71,128,000	-3.0%
	Overseas	2,440,000	+8.4%	190,000	2,250,000	+0.4%
Avg. spent (domestic)		¥35,300($392)	+2.9%	¥1,000($11.11)	¥34,300($381)	-4.2%
Avg. spent (overseas)		¥218,700($2,430)	+3.0%	¥6,400($71.11)	¥212,300($2,359)	-14.7%
Total expenditure		¥3,150.0bn/$35.00bn	+7.8%	¥227.5bn/$2.53bn	¥2,922.5bn/$32.47bn	-8.3%
	Domestic	¥2,616.4bn/$29.07bn	+7.0%	¥171.6bn/$1.91bn	¥2,444.8bn/$27.16bn	-7.1%
	Overseas	¥533.6bn/$5.929bn	+11.7%	¥55.9bn/$621mn	-¥477.7bn/$5.308bn	-14.4%

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 (but only 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 ¥90/US$.

The Characteristics of Summer Holiday Travel in 2010 (July 15 – Aug. 31)

The Numbers of Summer Travelers, Both Domestic and Overseas, Will Return to Their Levels Before the Lehman Shock.

Consumers' desire to travel is increasing as the economy recovers, so there will be a major recovery in the numbers of travelers from the decline that followed in the recession after the Lehman shock.

The number of domestic travelers will reach 74.12 million (a 4.0% increase), higher than the 73.48 million reached in 2008. There will also be 2.44 million overseas travelers (an 8.4% increase), again comfortably exceeding the 2.24 million level of 2008.

A Silver Lining to the Clouds Overshadowing Travel Expenditures

Company profits are looking healthier, summer bonuses will be slightly higher, and consumers are beginning to show greater readiness to spend on travel.

Our survey of consumers revealed an increase of 3.6 percentage points over the previous year among those who "want to spend more." And while the number wanting to keep expenditure "about the same, with similar numbers of trips and costs" increased by 4.5 points, there were 4.1 points fewer who "want to spend less." There were also fewer respondents citing the "poor economic situation" (4.7 points down) or "family budget limitations" (0.5 points down) as reasons for not wanting to travel. However, average expenditures on both domestic and overseas travel will not recover to the levels seen before the Lehman shock.

Table 2: Intended Changes in Future Travel Expenses

Intentions on Future Travel as of…	June 2010	June 2009	June 2008
Want to spend more	13.9 (+3.6)	10.3 (-2.8)	13.1 (-5.8)
Same, but more trips at lower cost per trip.	13.3 (-1.5)	14.8 (+2.8)	12.0 (+0.1)
Same, but fewer trips at higher cost per trip.	5.8 (-0.7)	6.5 (+0.6)	5.9 (+1.4)
Same, with similar numbers of trips and costs.	35.8 (+4.5)	31.3 (-0.3)	31.6 (-1.2)
Want to spend less.	28.7 (-4.1)	32.8 (-2.4)	35.2 (+8.0)

(Figures are percentages; those in parentheses are the percentage-point changes from the previous year.)

Table 3: Changes in Reasons for Not Wanting to Travel

Reasons and Their Ranking		June 2010		June 2009	
1	Can't get time off work.	29.6	(+0.5)	29.1	(+2.2)
2	It's too crowded.	25.0	(+0.1)	24.9	(- 0.9)
3	Family budget limitations	21.6	(- 0.5)	22.1	(+3.7)
4	The poor economic situation.	20.6	(- 4.7)	25.3	(+3.2)
5	Family concerns prevent it.	19.5	(+2.1)	17.4	(+0.2)

(Figures are percentages with percentage-point changes in parentheses. See also the top ten in Table 11.)

Overseas Departures will Peak August 11 – 13; Domestic, August 12 - 13.

Last year was influenced by Lower House elections at the end of August and a five-day "Silver Week" of holidays in September, but this year has neither and will see overseas departures clustering in the first half of August. Domestically, many will choose to travel over the three-day holiday in July. Those departing for more remote overseas locations like Europe will peak around Wednesday August 11, while those making for closer destinations in Asia, and for Guam & Saipan, look as if they will peak on Thursday and Friday the 12th and 13th.

Domestic travelers, on the other hand, will tend to depart between Friday the 12th and Sunday the 15th, so the overall peak will apparently fall on August 12 - 13.

The Characteristics of Domestic Travel

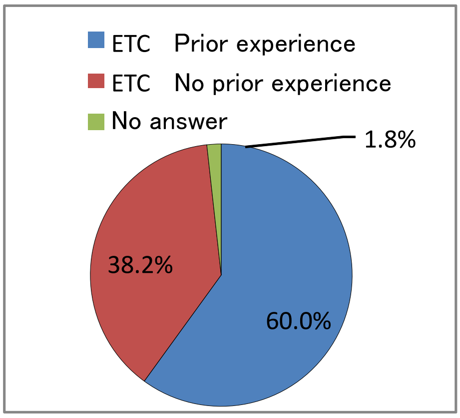
Intentions to Use the Reduced ETC Highway Tolls Are Strong This Summer

Apart from some sections near major cities, highway Electronic Toll Charges (ETC) will be limited to 1,000 yen whatever the distance traveled, with the preferential rates again applying on Saturdays and Sundays throughout the summer. Charges are also being experimentally abolished on 50 sections of 37 routes starting from June 28.

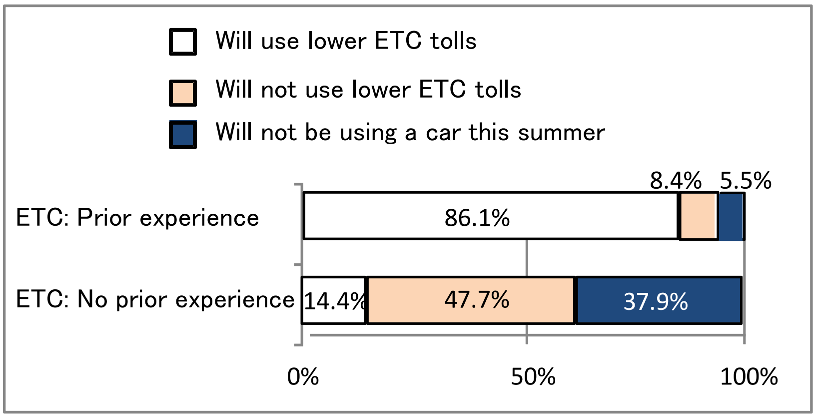
The following graphs show the survey responses when those saying they either "would" or "would probably" travel this summer were asked whether they intended to make use of the lower ETC highway tolls.

Some 60% of those saying they "would" or "would probably" spend at least one night away from home this summer had already made use of lower ETC tolls since March of 2009. Of these, no less than 86.1% said they intended to make use of them again this year. This shows just how strong the intention to make use of lower ETC highway tolls is among those who will be traveling this summer.

Graph 1: Percentage who have used lower ETC tolls (SA)



Graph 2: Do you intend to use lower ETC tolls this summer in your travels? (SA = Single Answers)



Experiential Plans that Assist Children to Grow through Travel are Popular

Summer travel is mainly a family affair, but with Lower House elections at the end of August, and with a five-day holiday sequence in September, the timing of travel was dispersed last year. This summer, Upper House elections will be over before mid-July, when more families are expected to be going on their summer holidays. Travel companies are not restricting their offerings to family discounts but are working to plan tourism that can be experienced by the whole family so catering to the needs of those who take their children with them.

ACE JTB packages offer "experience of the unknown" at the destination, and are selling educational travel that will stimulate children's curiosity. One of the aims is to deepen the bonds between parents and children by their shared experiences.

The 1,300th Anniversary of the Heijo-kyo Capital, Historical Figures and the Setouchi International Art Festival.

The celebration in April to mark the 1,300th anniversary of the transfer of Japan's capital to Nara will bring many visitors to Nara and Kyoto, and a "Festival of Lights" is planned for late August. The historical figure of Ryoma Sakamoto, featured in a popular year-long TV serial, is attracting visitors to the Kochi area where he was active and interest will later move on to Kyushu and Nagasaki as his story unfolds. Seven islands of the Setouchi (Japan's inland sea) will be linked in an Arts Festival—a new kind of event that is also expected to attract many visitors.

Women Railways Lovers, Young and Old…

Railways have many women fans, and this summer their enthusiasm for steam locomotives and other memorabilia of the great age of rail will be catered for. In some cities they will even be able to select hotel rooms with a view of the local tracks!

The Characteristics of Overseas Travel

Europe More Popular as High Yen Exchange Rates Make it Look a Bargain

This summer, travel to Hawaii, Guam & Saipan is popular. Korea, so close and convenient, also remains very popular. And it looks as if many more will be crossing over to China for the Shanghai International Expo.

But attention is focusing on the merits of high yen exchange rates against the cheaper Euro and Pound Sterling, which give Europe an advantage. This year, packages that take in the tourist attractions of Switzerland, Germany and France are proving particularly popular.

Travel companies are offering children's rates for overseas family travel, and LOOK JTB products with "Junior Discount" prices for all those under 18 are enjoying healthy bookings.

Table 4: Exchange Rates (in Yen) as of June Each Year

	2010	2009	2008	2007
US Dollar	90.32	97.01	107.42	124.26
Euro	112.17	137.03	169.57	167.14
GB Pound	138.55	163.54	216.35	250.88
Korean Won	7.66	7.71	10.39	13.52
Chinese Yuan	13.17	14.01	15.58	--

Information: Tokyo International Currency Exchange/TT Selling
(according to the Bank of Tokyo-Mitsubishi UFJ

Overseas Travel Expenditures Up ¥6,400 (3.0% year-on-year)

Despite the high proportion of travel to closer destinations such as Korea, China, Guam & Saipan, the proportion of travel to remote destinations including Europe is tending to increase, and the average expenditure per person will be higher than last year. Exchange rates for the yen are also higher than last year, but Airline fuel surcharges are also rising, and promise to take average expenditure per person ¥6,400 higher than last year to a total of ¥218,700.

Table 5: Trends in Fuel Surcharges (for JAL, return trips, in Yen)

Destinations	2010	2009	2008	2007
Korea	1,000	0	7,000	3,400
China	5,000	0	17,000	8,200
Hong Kong	5,000	0	21,000	3,200
Taiwan	5,000	0	21,000	10,400
Guam & Saipan	6,000	0	21,000	10,400
Thailand, Singapore, Malaysia.	9,000	0	40,000	17,400
Hawaii, Indonesia	12,000	0	40,000	17,400
U.S., Europe, the Middle East, Oceania.	21,000	0	56,000	24,000

Variety of Choice is Enriched by New Routes and Charter Flights

In March, Emirates and Etihad Airways both commenced operations at Narita International Airport. These Middle Eastern airlines are popular for their superior services, and attract interest among travelers headed for Dubai, Turkey and beyond to Europe.

In summer, numerous charter flights avoid transfers by flying direct to their destinations, and many tours have been arranged using them for Croatia, Slovenia, Poland and Alaska among others destinations.

This summer will also see flights from Haneda Airport to Guam complemented by charter flights departing Haneda for Hawaii. Package tours featuring the convenience of Haneda departures are proving popular.

Table 6: Bookings for LOOK JTB Packages (as of June 25)

Dep. Date	Asia	China	Hawaii	Guam, Saipan	North America	Europe	Oceania
July 16 – Aug. 6	106.3	117.7	123.8	144.5	267.0	120.3	166.2
Aug. 7 - 15	144.6	118.3	140.1	179.7	177.1	114.6	202.6
Aug. 16 - 31	114.3	193.3	116.8	159.7	149.0	124.2	126.6

(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.)

Survey Methodology

Survey locations	200 throughout Japan
Survey period	June 2 through 14, 2010.
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, 2010.
Method	Specialist interviewers conducting personal interviews using a questionnaire form (100% response rate).

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Table 7: Summer Travelers in 2010 by Destination (July 15 – August 31)

		2010	2009	%age Change
Total		**2,440**	**2,250**	**+8.4%**
Asian Subtotal		**1,442**	**1,330**	**+8.4%**
	China	418	364	+14.8%
	Korea	408	372	+9.7%
	Taiwan	118	113	+4.4%
	Hong Kong	109	97	+12.4%
	Thailand	82	108	-24.1%
	Singapore	64	56	+14.3%
	Indonesia	80	71	+12.7%
	Malaysia	40	35	+14.3%
	Others	123	114	+7.9%
North American Subtotal		**527**	**486**	**+8.4%**
	Hawaii	180	163	+10.4%
	Guam & Saipan	164	148	+10.8%
	US Mainland	155	149	+4.0%
	Canada	28	26	+6.2%
European Subtotal		**345**	**325**	**+6.2%**
Oceania Subtotal		**80**	**68**	**+17.6%**
	Australia	56	45	+24.4%
	New Zealand	10	9	+11.1%
	South Pacific	14	14	0.0%
Others (Africa, Middle East, Latin America)		**46**	**41**	**+12.2%**

*Total includes business trips and trips home Units: thousands

*Figures for 2009 derived from various national tourist agency publications of Japanese visitors and Japanese Immigration Authority Statistics.

Table 8: Traveling Companions

		%	Change from Previous Year
With family		65.8	+0.6
	With children (up to junior high school)	35.0	+0.2
	Just husband and wife	14.7	-1.0
	Three generations	8.4	+0.8
	Others (mothers & daughters, etc)	7.7	+0.6
Family and friends/acquaintances		5.9	-2.2
With friends/acquaintances		18.5	+1.3
Group (from work, etc.)		1.5	-0.3
Alone		5.5	+0.3

Table 9: Purposes of Travel (top ten)

Rank	Purpose(s) (Multiple Answers)	%tage	Change
1	Visit ancestral home, family.	21.5	-2.8
2	Enjoy nature & scenery.	16.7	+4.4
3	Relax at hot springs.	12.5	+0.7
4	Relax at the beach, go swimming.	9.5	-1.1
5	Visit theme parks, leisure facilities.	7.3	-3.0
6	Spend time with family & friends.	7.0	-0.4
7=	Visit famous & historic places.	4.8	-1.1
7=	Go hiking, climbing or camping.	4.8	+0.9
9	Enjoy delicious food	4.0	-0.2
10	Theater, events, sports (spectator).	2.6	-0.6

Table 10: Length of Trips

Length of Trip	%tage	Change
Two days, one night.	36.3	-5.5
Three days, two nights.	37.6	+4.7
Four days, three nights.	14.9	+1.9
Five days, four nights.	3.5	+0.3
Six days, five nights.	2.6	-1.1
Seven days, six nights.	0.2	-0.8
Eight days, seven nights.	2.0	+0.8
Eight nights or more	1.8	-0.9

Table 11: Reasons for Not Wanting to Travel

Reasons and Their Ranking		%tage	Change
1	Can't get time off work.	29.6	+0.5
2	It's too crowded.	25.0	+0.1
3	Family budget limitations	21.6	-0.5
4	The poor economic situation.	20.6	-4.7
5	Family concerns prevent it.	19.5	+2.1
6	Prefer to travel earlier or later.	13.7	-0.5
7	Holiday dates didn't agree.	12.4	+0.8
8	Traveling is too much trouble.	9.4	+1.1
9	Have something better to do.	8.9	-0.4
10	The summer is an expensive time to travel.	8.2	+1.3

Table 12: Past Trends in Summer Travel

	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
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	224	35,800	249,000	3,188
	-1.2%	-1.0%	-7.4%	-1.1%	7.3%	-1.9%
2009	73,530	71,280	225	34,300	212,300	2,923
	-2.8%	-3.0%	0.4%	-4.2%	-14.7%	-8.3%
2010	76,560	74,120	244	35,300	218,700	3,150
	4.1%	4.0%	8.3%	2.9%	3.0%	7.8%