White Paper on Tourism In Japan

The Tourism Situation in FY2014

Table of contents

(Note) Maps of Japan contained in this report may not necessarily include all territories.

Part I　Tourism Trends in FY2014

Chapter 1　Global Tourism Trends

Section 1　Global Macroeconomic Overview

The global economy was in a state of downturn from 2007 to 2009 owing to the bankruptcy of Lehman Brothers and other factors, but since then the trend in many regions has been toward recovery. Nevertheless, the recovery trends after the recession differs by region to region, as follows.

According to the IMF[1], in the United States, the real economic growth rate was between 1.8% and 3.3% for the three years immediately prior to the bankruptcy of Lehman Brothers, but showed negative growth from 2008 to 2009. The rate improved to 2.5% in 2010, and has remained between 1.6% and 2.3% since then.

The EU[2] faced the sovereign debt crisis, beginning with Greece in 2009, the year after the bankruptcy of Lehman Brothers, and real economic growth rates fell to -4.4%. Although growth improved to 2.0% in 2010 and then moved to 1.8% in 2011, it fell again in 2012 to -0.3%, and the situation remains unstable. The growth rate was positive in 2013 and 2014.

On the other hand, economic growth in emerging countries has remained relatively high, even though the impact of the bankruptcy of Lehman Brothers has been ovserved. For example, China recorded a real economic growth rate of 14.2% in 2007. Even in 2008 and 2009, when the effects of the Lehman bankruptcy were seen, the rate remained at 9%. The growth rate was 9% or 10% until 2011. Although growth momentum decelerated to 7% from 2012. China's standard of growth has nevertheless remained higher than that of any developed country.

The real economic growth rates of the five major countries of ASEAN[3] (Indonesia, Malaysia, the Philippines, Thailand and Vietnam) were from 4.9% to 6.2% from 2005 to 2008. These rates fell to 2.1% in 2009 in the aftermath of the bankruptcy of Lehman Brothers. Since 2010 however, the rates have been back to pre-Lehman levels of between 4.7% and 6.9%.

In other emerging countries such as Latin America and the Caribbean, the real economic growth rate showed a negative growth of -1.3% in 2009, but recovered to 6.0% in 2010, which exceed 5.8% in 2007 before the bunkraptcy of Lehman Brothers. Growth slowed down slightly to 1.3% in 2014.

The real economic growth rate in the Middle East and North Africa dropped to 2.4% in 2009, but remained at 4% or 5% until 2012. The rate has been lower than previous values since 2013, remaining at 2%.

The real economic growth rate of Sub-Saharan Africa was 4.1% in 2009 with no great decline observed, and has since stayed between 4.4% and 6.9%. (Fig. 1)

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1 International Monetary Fund.
2 European Union.
3 Association of South-East Asian Nations.

Fig. 1 Change in the Real Economic Growth Rate for Major Countries and Regions

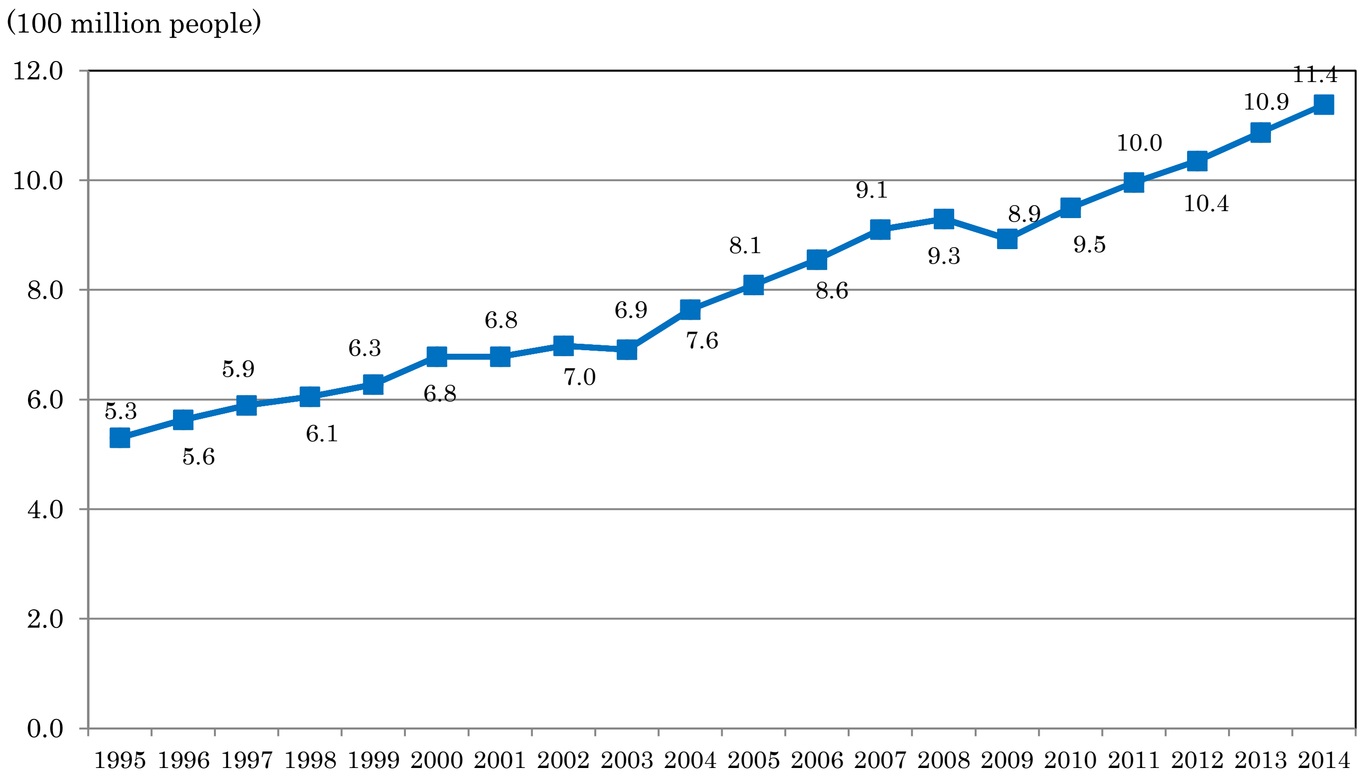
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Japan	1.3	1.7	2.2	-1.0	-5.5	4.7	-0.5	1.5	1.5	0.9
United States	3.3	2.7	1.8	-0.3	-2.8	2.5	1.6	2.3	2.2	2.2
EU	2.3	3.6	3.4	0.7	-4.4	2.0	1.8	-0.3	0.2	1.4
China	11.3	12.7	14.2	9.6	9.2	10.4	9.3	7.7	7.7	7.4
ASEAN (5 countries)	5.4	5.5	6.2	4.9	2.1	6.9	4.7	6.2	5.2	4.7
Latin America and the Caribbean	4.7	5.7	5.8	3.9	-1.3	6.0	4.5	2.9	2.7	1.3
Middle East and North Africa	5.3	6.8	5.8	5.3	2.4	5.5	4.5	4.8	2.3	2.6
Sub-Saharan Africa	6.6	7.0	7.9	6.3	4.1	6.9	5.1	4.4	5.1	5.1

Source: *IMF World Economic Outlook Database* (October 2015)

Section 2 The Global Tourism Situation in FY2014

According to an announcement made by the UNWTO[4] in January 2015, the number of international tourist arrivals in 2014 increased by 51 millions (or 4.7%) from the previous year, with 1.14 billion arrivals recorded. The number of international tourist arrivals fell in the aftermath of the bankruptcy of Lehman brothers in 2009, but showed a consecutive increase for the 5 years after that. (Fig. 2)

Fig. 2 Change in the Number of International Tourist Arrivals

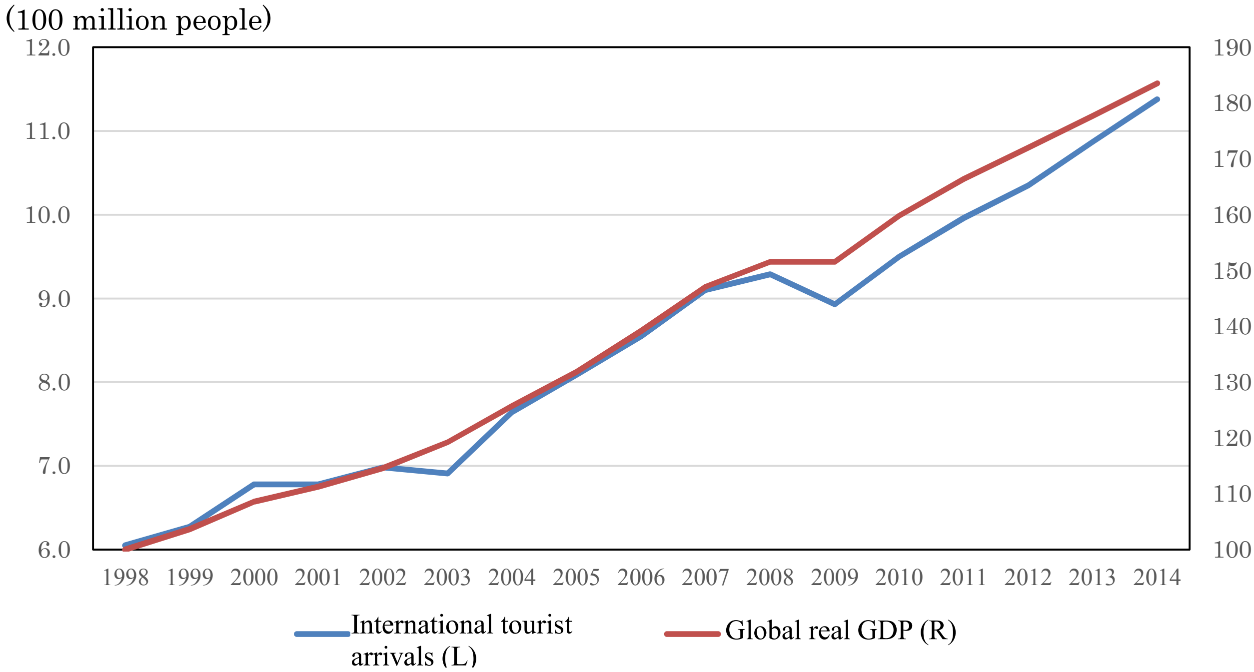


Source: A reference form the UNWTO

4 World Tourism Organization.

A strong correlation is seen between international tourist arrivals and the global real GDP, but international tourist arrivals slightly exceed. (Fig. 3)

Fig. 3　Change in the Number of International Tourist Arrivals and Global Real GDP



Source: References from the UNWTO and the IMF
Note : Real global GDP is expressed in index numbers by using the value in 1998 as 100.

According to an announcement made by the UNWTO in January 2015, the number of international tourist arrivals in Europe has been showing an increasing trend since 2011 and up 22 million in 2014 (+4%) from the previous year, to reach 588 million.

Asia and Pasific welcomed 263 milliom international tourists, 13million up from 2013 (+5%).

The Americas (+8%) saw thr highest relative growth across all world regions in 2014, welcoming 13million more international tourist, increasing the total to 181 million arrivals.

International tourist arrivals in Africa have increased by 2% in 2014, the rigion welcomed atotal of 56million international tourists.

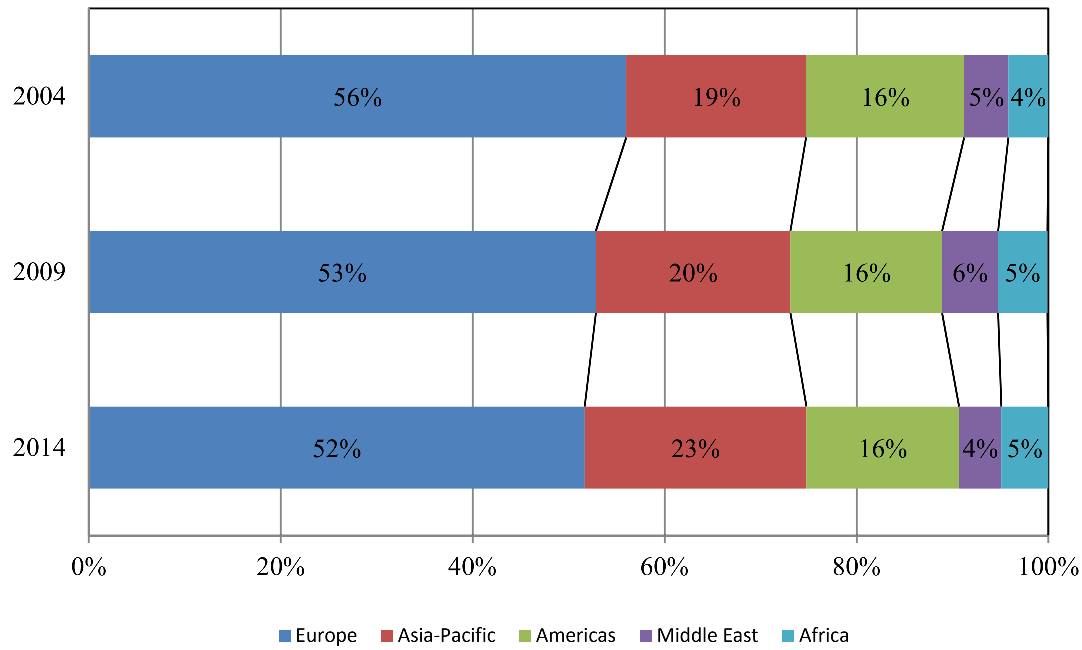
Fig. 4　Number of International Tourist Arrivals by Region (2014)

	Number of international tourist Arrivals (Unit: 10,000 people)	Change from previous year (Unit: 10,000 people)	% change from previous year
Worldwide	113,800	5,100	5%
Europe	58,800	2,200	4%
Asia - Pacific	26,300	1,300	5%
Americas	18,100	1,300	7%
Africa	5,600	100	2%
Middle East	5,000	200	4%

Source: A reference from the UNWTO

Regarding to the regional share of international tourist arrivals, Europe accounts for more than half of all tourists, but this share is gradually shrinking. On the other hand, the share for the Asia‐Pacific has been growing steadily, which expanding to 23% in 2014 from 19% in 2004, showing a remarkable increase. The share for the Americas has been around 16% since 2004. The share for the Middle East and Africa has remained around 5%. (Fig. 5)

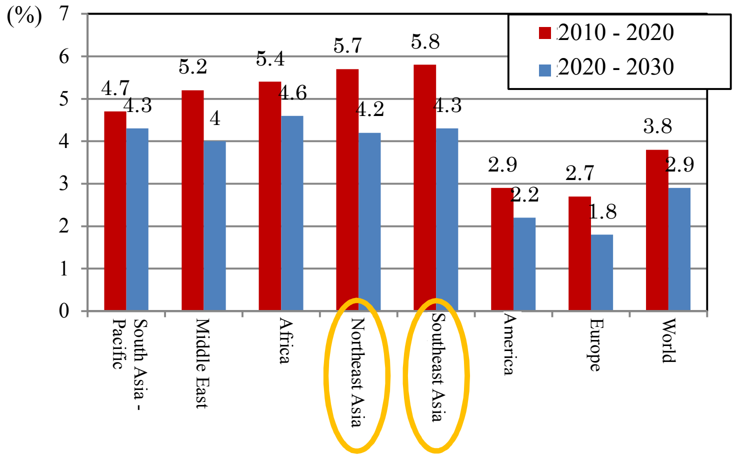
Fig. 5　Share of the Number of International Tourists Arrivals by Region (2004－2014)



Source: A reference from the UNWTO

According to the UNWTO, the number of international tourist Arrivals worldwide will continue to have an upward. As previously mentioned, the Asia‐Pacific region has shown rapid growth in recent years, and some of the highest growth in the world are expected to seen in Northeast and Southeast Asia. (Fig. 6)

Fig. 6　Projection of Average Annual Growth Rate of International Tourist Arrivals

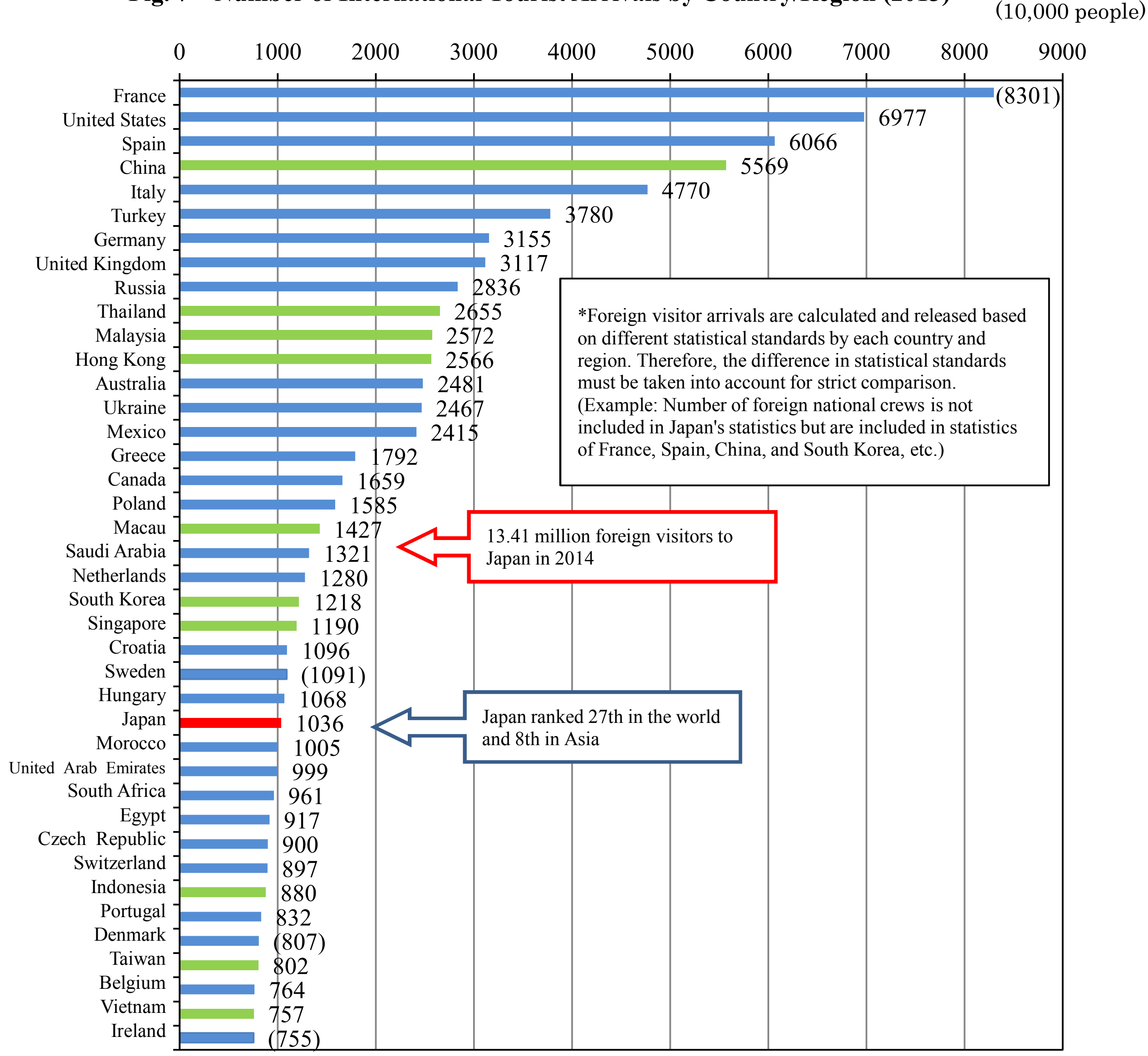


Source: A reference from the UNWTO

Number of foreign visitors arrivals are calculated and released based on different statistical standard by each country and region. Although the difference in statistical standards must be taken into account for strict comparison, France took the lesd with 83.01 millon, and the United States ranked second with 69.77 million, following the previous year in 2013. Spain ranked third with 60.66 million. Number of international tourist arrivals in Japan increased to 10.36 million (ranked 27st (8th in Asia)) from 8.36 million (33rd place (8th in Asia)) in 2012, which rose both in number and ranking.

The number of foreign visitors to Japan in 2014 was 13.41 million, a year-on-year increase of 29.4% andranked 20thin the 2013 ranking. (Fig. 7)

Fig. 7 Number of International Tourist Arrivals by Country/Region (2013)



Source: A JNTO (Japan National Tourism Organization)'s document based on the data of the UNWTO and National tourism offices

Note :

1. 1. Values are provisional as of June 2014.
2. Values for 2012 were used for France, Sweden, Denmark and Ireland because values for 2013 were not available.
3. The values for the Emirate of Abu Dhabi was used for the United Arab Emirates because other values were not available.
4. Aside from South Korea, Japan, Taiwan, and Vietnam, the values used are in principle the number of foreign visitors who stayed for one night or more.
5. Order may vary depending on when the figures are used, since figures for numbers of foreign visitors may be re-announced as they are updated, updated retroactively etc.
6. Number of foreign visitors arrivals are calculated and released based on different statistical standard by each country and region. Therefore the difference in statistical standards must be taken into account for strict comparison

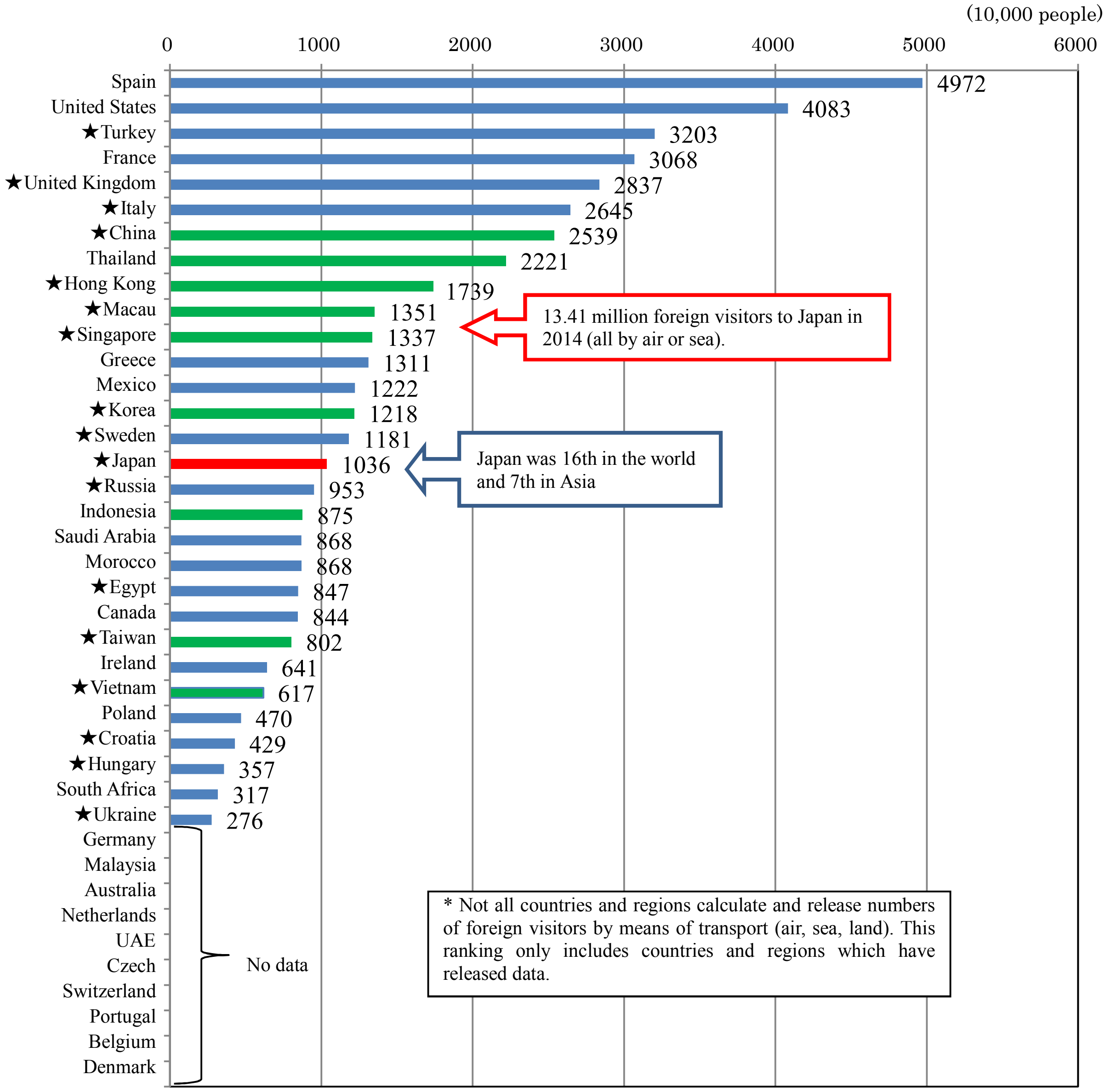
Because Japan is an island country, incoming routes from overseas are limited to air and sea.On the contrary, many countries in Europe on the other hand are connected by land, and there are many foreign visitors by car etc. For the purposes of comparison under equivalent conditions to Japan, Fig. 8 shows numbers of international tourist arrivals by air or sea only.

In 2013, Spain took the lead with 49.72 million, the United States ranked second with 40.83 million, and Turkey ranked third with 32.03 million. Japan ranked 16th in the world (7th in Asia) with 10.36 million.

The number of international tourist arrivals in Japan was 13.41 million in 2014, ranked 11th in the 2013 ranking. (Fig. 8)

It should be noted that the ranking does not include countries and regions in which the number of international tourist arrivals by air or sea are not known.

Fig. 8 Number of International Tourist Arrivals by Air or Sea by Country/Region (2013)



Source: A JNTO's document based on the data of the UNWTO and National tourism offices

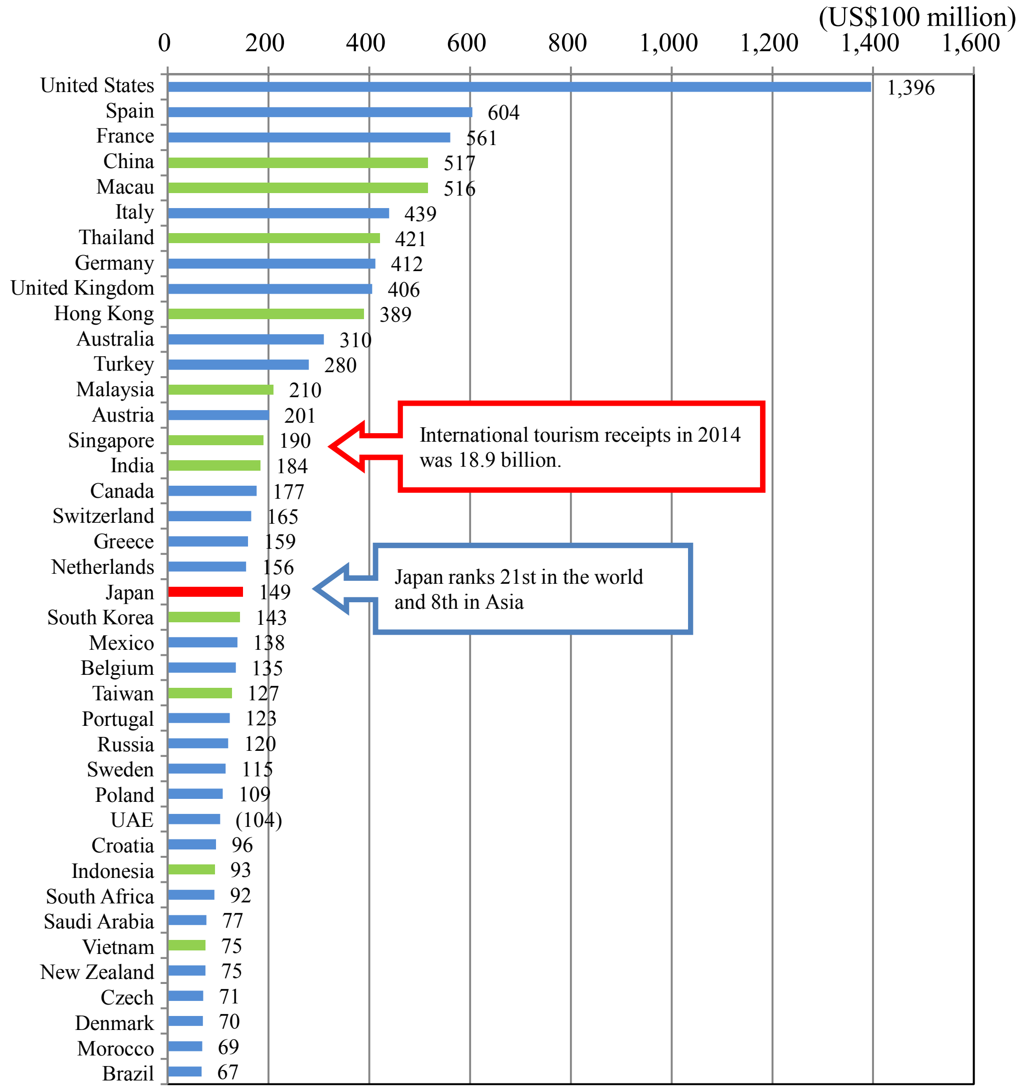
Note :

1. Number of foreign visitors arrivals are calculated and released based on different statistical standard by each country and region. Therefore the difference in statistical standards must be taken into account for strict comparison
2. Values are provisional as of January 2015.
3. Aside from the starred (★) countries and regions, the figures used are in principle the number of foreign tourists who stayed for one night or more.
4. Values are the number of international tourist arrivals entering by air, sea and land minus the number entering by land (car etc.).
5. Numbers of international tourist arrivals by air and sea are unknown for Germany, Malaysia, Australia, the Netherlands, the United Arab Emirates, the Czech Republic, Switzerland, Portugal, Belgium and Denmark, since there are no data by means of transport.
6. Order may vary depending on when the figures are used, since figures for numbers of foreign visitors may be re-announced as they are updated, updated retroactively etc.

Thailand came 7th for international tourism receipt by country and region in 2013, up from 11th place in 2012. The top 4 countries held onto their positions from the previous year (2012). The United States ranked top following thrprevious year (2012) with 139.6 billion dollars, then Spain came second with 60.4 billion dollars and France came third with 56.1 billion dollars. International tourism receipt in Japan decreased to 14.9 billion dollars (21st place (8th in Asia)), down one place from 20th (7th in Asia) with 15.1 billion dollars in 2012. Just looking at Asia, China retained its 2012 lead in terms of international tourism receipt.

Japan's international tourism receipt in 2014 was 18.9 billion dollars. (Fig. 9)

Fig. 9 International Tourism Receipts by Country/Region (2013)

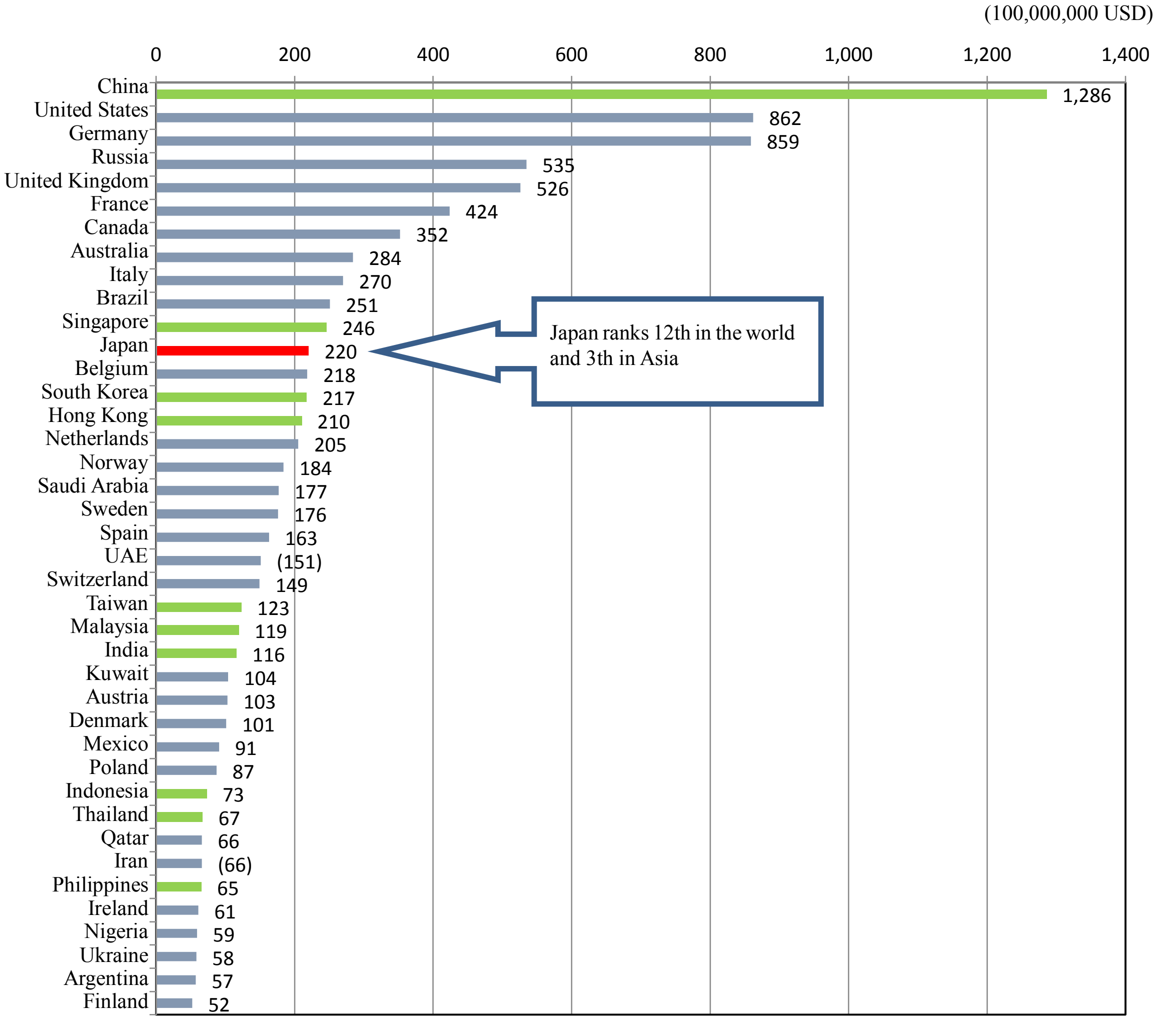


Source: A JNTO's document based on the data of the UNWTO and National tourism offices

1. Values are provisional as of June 2014.
2. The 2012 value was used for the United Arab Emirates, since the 2013 value was not availavle.
3. The Values for international tourism receipt shown here do not include fares for international travel.
4. Values for international tourism receipt may be re-announced, updated retroactively etc. Furthermore, when values for international tourism receipt are converted into US dollars, the results will depend on foreign exchange rates at the time of conversion.Order may therefore vary depending on when the figures are used.

Regarding the international tourism expenditure by country and region in 2013, China stayed in first place from the previous year, with 128.6 billion dollars. The United States came second with 86.2 billion dollars, up one place from third in 2012. Germany was third with 85.9 billion dollars, dropping one place from 2012. International tourism expenditure in Japan was down in both amount and ranking, decreasing to 22 billion dollars (ranked 12th (3rd in Asia)) from 27.9 billion dollars (ranked 8th (2nd in Asia)) in 2012. (Fig. 10)

Fig. 10　International Tourism Expenditure by Country/Region (2013)



Source: A JNTO's document based on the data of the UNWTO and National tourism offices

Note:

1. Values for international tourism expenditure shown here do not include fares for international travel.
2. Values are provisional as of June 2014.
3. The 2012 value was used for Iran, because the 2013 value was not available.
4. Values for international tourism expenditure may be re-announced, updated retroactively etc. Furthermore, when values for international tourism expenditure are converted into US dollars, the results will depend on foreign exchange rates at the time of conversion. Order may therefore vary depending on when the figures are used.

Chapter 2 Tourism Trends in Japan

Regarding Japan's economy in 2013, stock prices rose as a result of the Abenomics' Three Arrows of monetary easing, fiscal stimulus and growth strategy, and according to "The Japanese Economy 2013 - 2014" (December, 2013) of the Cabinet Office, the economy was gradually recovering.

According to "The Japanese Economy 2014 - 2015" (January, 2015) of the Cabinet Office, Japan's economy showed moderate recovery in 2014, backed up by an improving employment and income. However, the rise in consumption tax and import prices affected personal consumption. This overall consumption trend seems to have influenced tourism as well.

Meanwhile, 2014 was a year in which Japan's tourism resources received global recognition. In June, Tomioka Silk Mill and Related Sites (Gunma Prefecture) became the first piece of Japan's Heritage of Industrial Modernization to be registered as a World Cultural Heritage Site by UNESCO. In addition, "Washi, craftsmanship of Japanese hand-made paper" was also registered as a piece of Intangible Cultural Heritage in November. In July, readers of "Travel + Leisure", one of the world's most influential travel magazines, voted Kyoto to be the best city in the world.

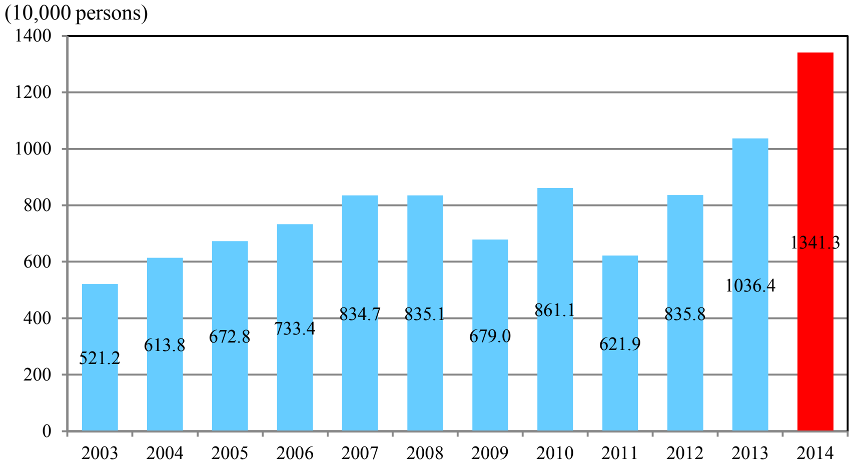
2014 was also a year of enhancing transportation infrastructure. For aviation, the capacity of annual arrivals and departures of international flights during the daytime (from 6 a.m. to 11 p.m.) at Haneda Airport increased by 30,000 starting on March 30th, giving an annual total number of arrivals and departures of 447,000. Furthermore, the Metropolitan Inter - City Expressway from Sagamihara Aikawa IC to Takao IC opened in June, connecting the Kan-Etsu, Chuo and Tomei Expressways. Ports saw developments, too, with the opening of the Naha Port Cruise Terminal in April.

Section 1 Travel to Japan

1 Travel to Japan

The number of foreign visitors to Japan in 2014 was 13.41 million, an increase of 29.4% compared to the previous year, when the number of goreign visitors to Japan exceeds 10 million for the first time. Record highs were therefore achieved for two years in a row. (Fig. 11)

Fig. 11 Change in the Number of Foreign Visitors to Japan



Source: A reference from the JNTO

Under these circumstances, the highest ever annual numbers were recorded for foreign visitors to Japan from many countries and regions.

To begin with, the number of foreign visitors from Asia was 10.61 million, an increased by 33.5% compared to the previous year. Travelers from Asia accounted for 79.1% of the total number of foreign visitors to Japan.

The number of visitors from Taiwan reached 2.83 million, hitting a record high for three consecutive years and achieving the highest annual record in the entire market. Individual travel has been gaining popularity with the spread of LCCs[5], and the share of visitors who visit to Japan more than twice is more than 75%.

The ferry disaster in April caused travelers from South Korea to refrain from international travel by ship, led to the cancellation of school trips etc., and these had an impact on inbound travel to Japan in the first half of the year. However, the summer travel season triggered a recovery in demand for visiting Japan, and the annual number of visitors from South Korea ended up at a record 2.755 million. (The previous record was 2.6 million in 2007.)

The number of visitors from China had remained high since September 2013, and reached a record 2.409 million in 2014, exceeding 2 million for the first time. Inbound demand had stagnated in 2012 and 2013, but showed a drastic recovery in 2014 due to factors such as the calling at Japanese ports of large cruise ships and the expanding new airlines.

The highest ever numbers of visitors were recorded for the six major ASEAN (Association of Southeast Asian Nations) countries Thailand, Singapore, Malaysia, Indonesia, the Philippines, and Vietnam, giving an total of 1.6 million (a year-on-year increase of 39.1%) in 2014.

Hong Kong had been breaking its monthly records for 23 consecutive months since February 2013, and exceeded 0.1 million for the first time in December.

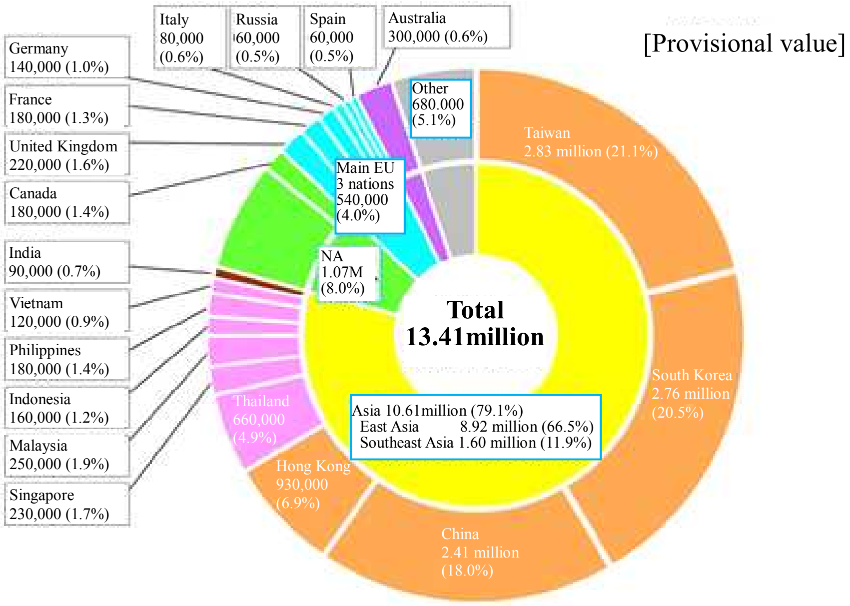
The number of foreign visitors to Japan from Europe reached 1.05 million, exceeding 1 million for the first time. Highest annual numbers were recorded for France, Germany, Italy and Spain. Also, the number of inbound travelers from the three major European countries (the United Kingdom, France and Germany) reached a total of 0.5 million.

The number of visitors from North America likewise showed a positive trend, reaching 1.07 million, exceeding 1 million visitors in a year for the first time.

The annual number of visitors from Australia reached a record high of 0.3 million.

Visitors from other regions included 60,000 from South America and 30,000 from Africa. (Fig. 12)

Fig. 12 Breakdown of the Number of Foreign Visitors to Japan (2014)



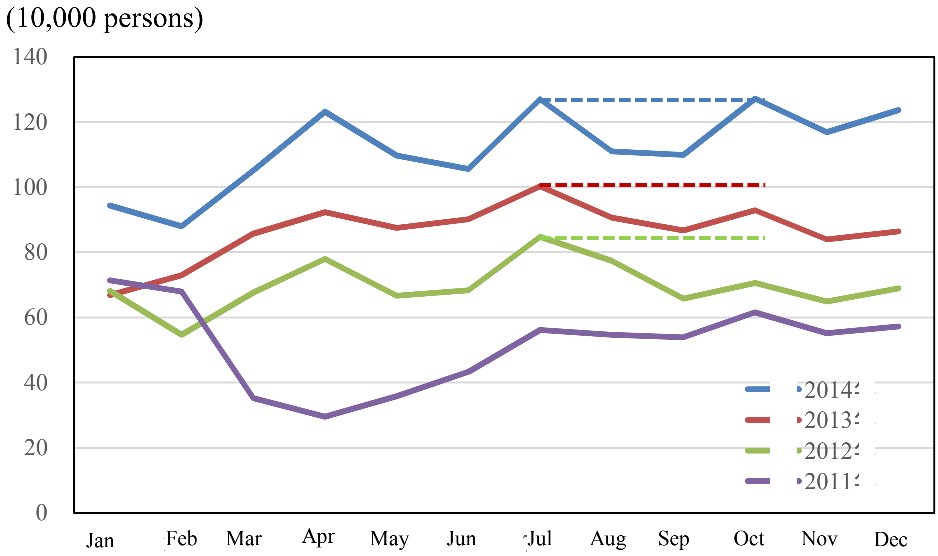
Source: A reference from JNTO
Notes:
1. Values in parentheses indicate share as a percent of all international visitors to Japan.
2. "Other" is Asian, European or other countries/regions not otherwise shown in the pie chart.

[5] Low Cost Carrier.

Regarding monthly trends, March and April in 2011 showed major decline due to the Great East Japan Earthquake, and seasonal fluctuations of 2011 and other period were differented.

In 2012 and 2013, the number of visitors peaked in July and fell below the July to September period in October to December. However, in 2014, the number of visitors peaked in October and rose above the July to September period in October to December. Possible factors for such an increase in the number of foreign visitors to Japan since October are the movement toward a weak yen and the revision of the tax-free system for foreign visitors (expansion of tax-free items). (Fig. 13)

Fig. 13 Seasonal Fluctuation in the Number of Foreign Visitors to Japan



Source: A reference from JNTO

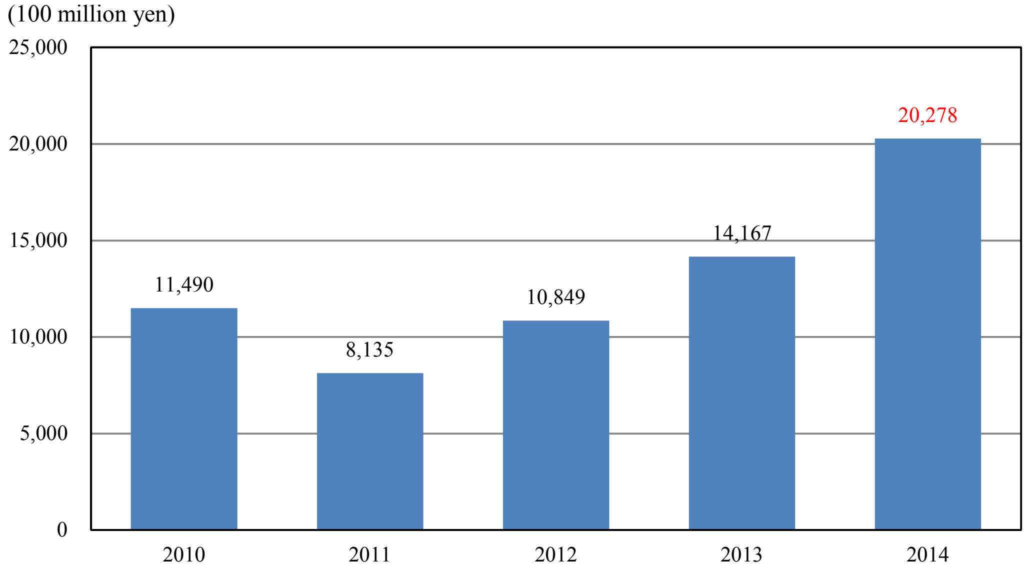
The possible factors for a rapid increase in the number of foreign visitors to Japan since 2011 are as follows.

1. Economic environment:
   Increase in outbound travel owing to economic growth in Asia etc., and a growing perception that Japan is an inexpensive travel destination as a result of yen depreciation.
2. Increased global attention on Japan:
   Hosting of the Tokyo Olympic and Paralympic Games, the registration of Mt. Fuji and the Tomioka Silk Mill and Related Sites as World Cultural Heritage Sites and the listing of Japanese food and washi as pieces of Intangible Cultural Heritage.
3. Implementation of measures to increase numbers of foreign visitors to Japan:
   The result of initiatives taken by the government as a whole, such as the expansion of arrival and departure capacities in metropolitan airports, the drastic relaxation of visa requirements, the revision of the tax-free system for foreign visitors, and the enhancement of the CIQ[6] system.
4. Continued Visit Japan Promotion:
   In addition to the continued Visit Japan Promotion themed around sakura, intensive initiatives in 2014 focusing on sakura, like the participation in international travel expos and advertisement at the foreign countries, lead to the successful establishment of a new peak in the cherry blossom season.

[6] Customs, immigration and quarantine. Necessary procedures for entering and departing the country.

Tourism consumption by foreign visitors to Japan showed a significant growth in the period from 2012 to 2014, passing the 2 trillion yen mark to reach 2.0278 trillion yen. (Fig. 14)

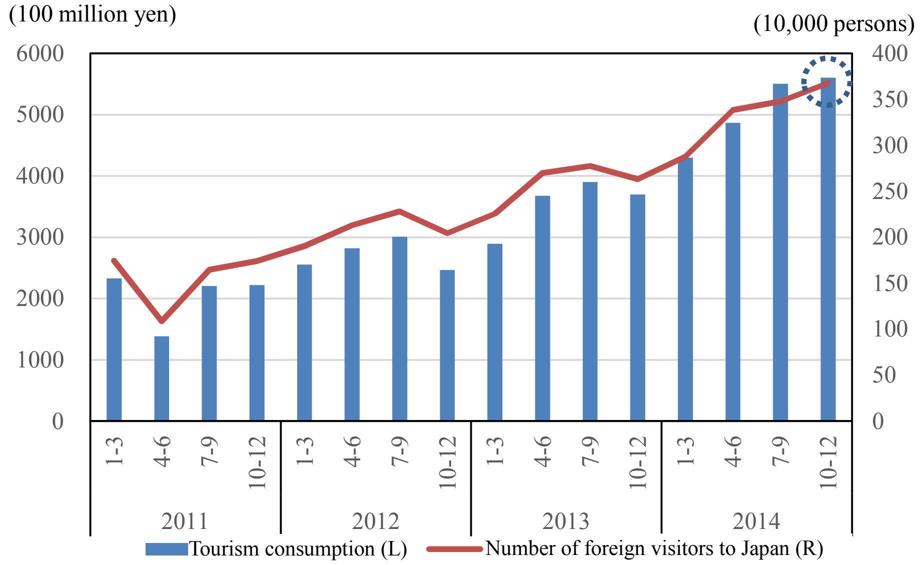
Fig. 14　Change in Tourism Consumption by Foreign Visitors to Japan



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA[7])
Note: Since the survey was not conduted in the period from January to March in 2010, those values have been substituted for by the average of the values calculated from the period from April to December.

In the October to December periods in 2012 and 2013, travel consumption decreased due to a decrease in the number of foreign visitors to Japan. Meanwhile, travel consumption increased for the same period in 2014 because the number of foreign visitors increased. (Fig. 15)

Fig.15　Quartery Changes in Tourism Consumption by Foreign Visitors to Japan



Source: A reference from JNTO (the number of foreign visitors to Japan);
Consumption Trend Survey for Foreigners Visiting Japan (JTA) (tourism consumption)

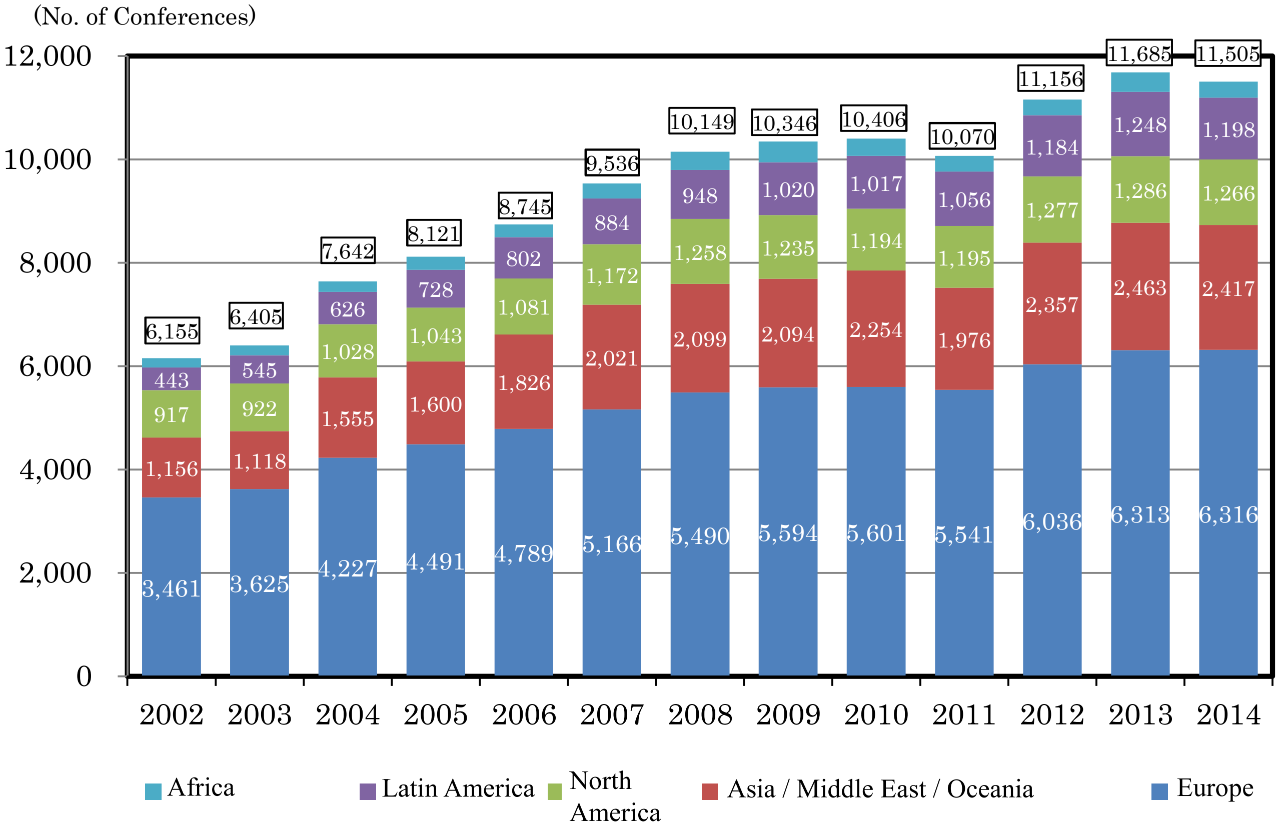
[7] Japan Tourism Agency

2 The Situation of International Conventions

(1) The situation of conventions, worldwide and by region

According to statistics from the International Congress and Convention Association (ICCA[8]), which is run by members of organizations and businesses related to international conferences, the number of international conferences being held worldwide is steadily growing. Regarding the number of conferences held by region, the majority of conferences are held in Europe, where many headquarters of international institutions and academic societies are located; however, the numbers of conferences held in Asia, the Middle East, Oceania and South America shows especially significant growth, with a background factor of rapid economic growth. Numbers of international conferences held in Asia / Middle East / Oceania and South America have increased approximately 1.6-fold and 1.9-fold respectively in the past ten years. (Fig. 16)

Fig.16　Change in the Number of International Conferences held Worldwide, by Region



Source: the ICCA's Statistics Report 2002-2011.

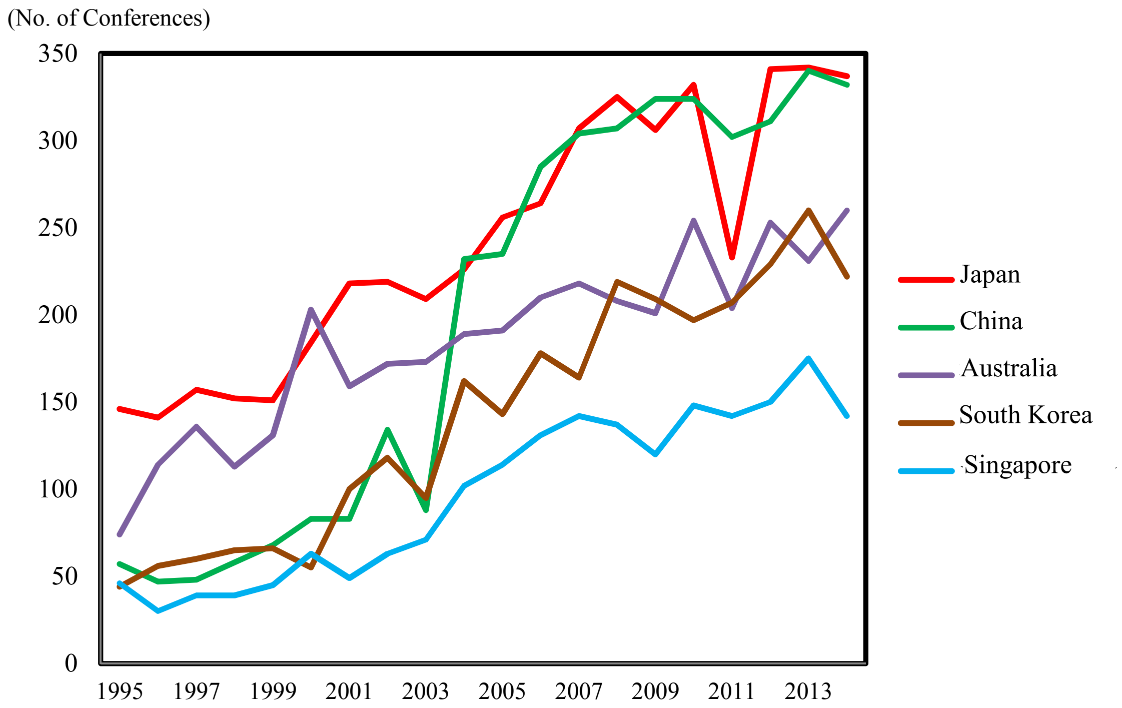
(2) The situation of conferences held in Japan and other major Asian countries

Numbers of international conferences held by country in the Asia - Pacific region have been on the rise in recent years in all five major countries, namely Japan, China, South Korea, Singapore and Australia. (Fig. 17)

Despite the fact that Japan's hosting share of the total number of international conferences held in the five major countries decreased consistently from 40% in 1995 to 27% in 2005 and has remained steady ever since, it has maintained its top position in the region for three years in a row with a share of 26.1%. (Fig. 18)

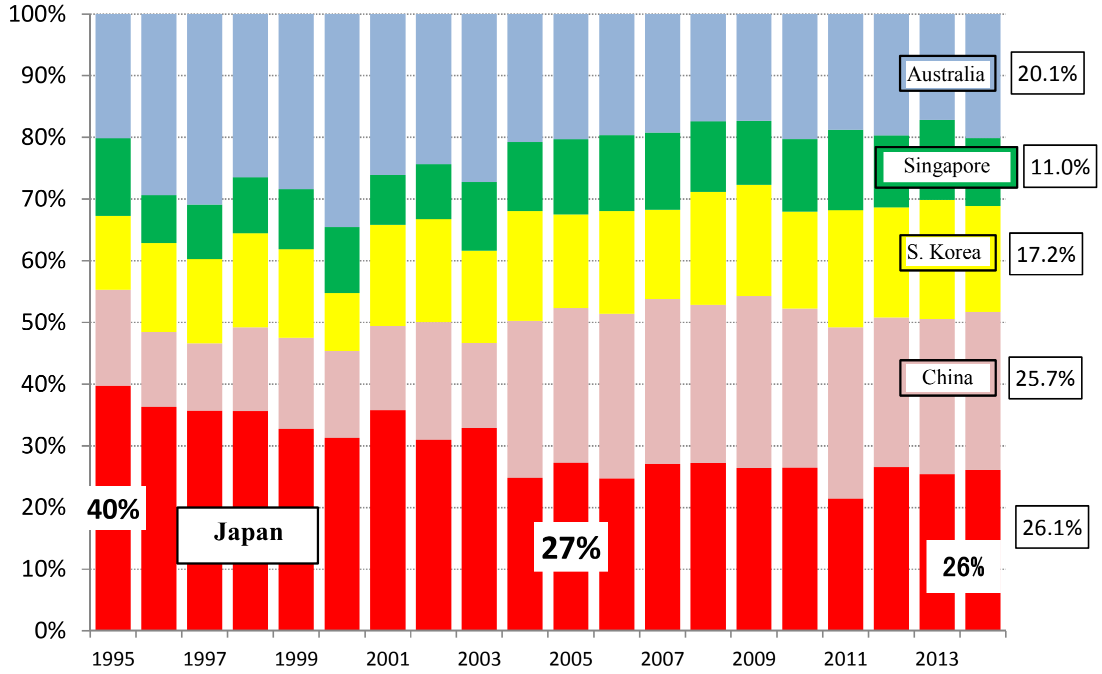
[8] Abbreviation for International Congress and Convention Association.

Fig. 17 Number of International Conferences Held in the Major Countries of the Asia-Pacific Region (1995 - 2014)



Source:A reference from ICCA.

Fig. 18 Change in Japan's Share of the Number of International Conferences Held in Major Countries in the Asia-Pacific Region (1991 - 2012)

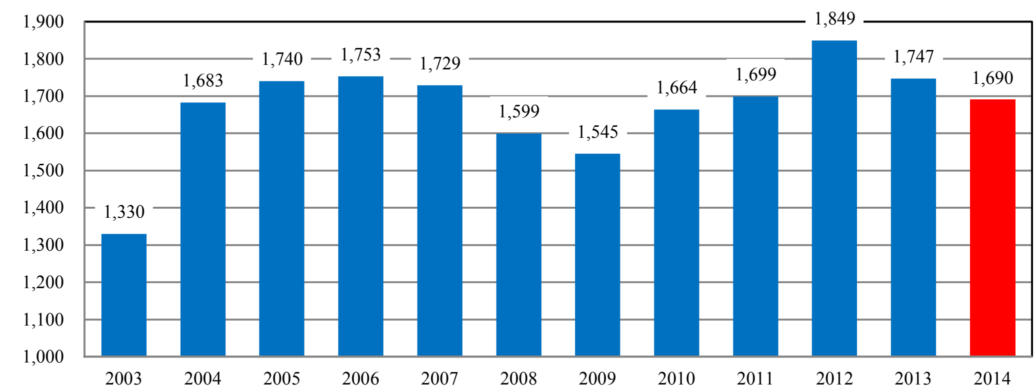


Source:A reference from ICCA.

Section 2 Trends in Japanese Overseas Travel

The number of Japanese overseas travelers in 2014 was 16.9 million (a year-on-year decrease of 3.3%), representing a decline for two years in a row. The decline was mainly attributable to the depreciating yen, which has given rise to feelings that travel is expensive, with increased travel costs including the cost of shopping in the travel destination. (Fig. 19)

Fig.19 Change in the Number of Japanese Overseas Travelers

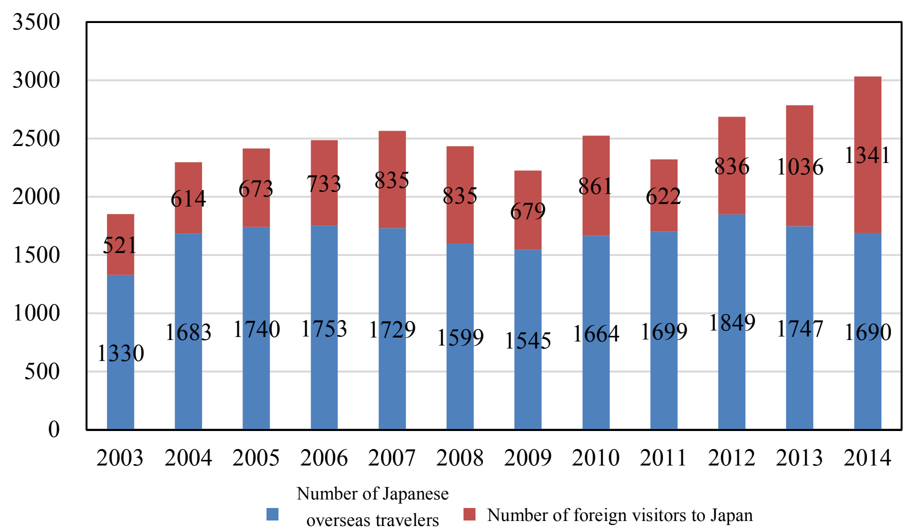


Source: Ministry of Justice

Looking at the number of overseas travelers by country and region in 2014, the number of travelers to South Korea decreased by 0.47 million (year-on year decrease of 17.0 %), to Thailand decreased by 0.27 million (17.6 % decrease) and to China decreased by 0.16 million (5.6% decrease), amounting to an overall decrease 0.9 million for these three countries along. On the other hand, travel to some countries and regions such as Taiwan (a year-on-year increase of 15.0%), Vietnam (7.3% increase) and Hong Kong (2.1% increase) are increasing.

The total of number of foreign visitors and Japanese overseas travelers exceeded 30 million for the first time in 2014. (Fig. 20)

Fig. 20 Change in the Total of Number of Foreign Visitors and Japanese Overseas Travelers

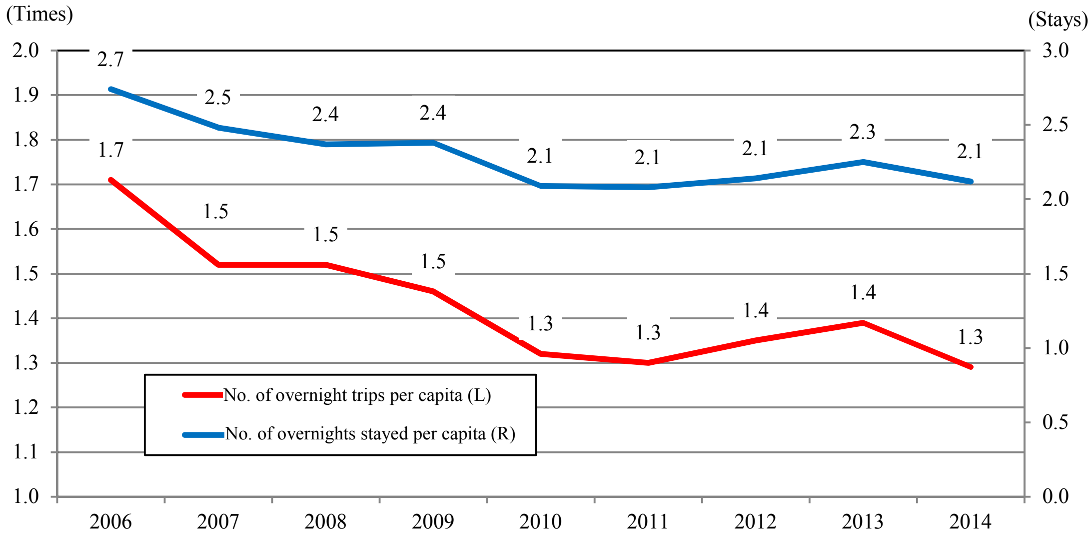


Source: JNTO (for the number of foreign visitors to Japan) and the Ministry of Justice (for the number of Japanese overseas travelers)

Section 3 Trends in Domestic Travel

In 2014, the number of domestic overnight trips taken by Japanese citizen per capita was 1.3 times (a year-on-year decrease of 7.2%), while the number of overnight stays on domestic trips taken by Japanese citizen per capita was 2.1 nights (a year-on-year decrease of 5.8%). Both, the number of domestic overnight trips and the number of overnights stayed on domestic trips per capita had been increasing from 2011 to 2013, decreased in 2014. (Fig. 21)

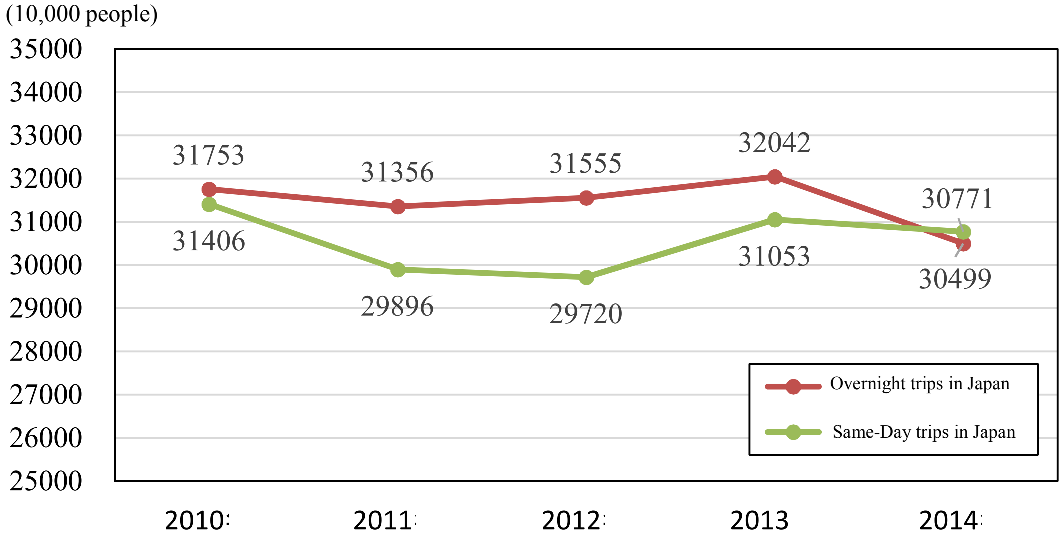
Fig. 21 Change in the Number of Domestic Overnight Trips and the Guest Night



Source: *Survey of Trend in Travel and Tourism Consumption* (JTA)
Note: Figures of 2014 are preliminary.

While the total number of domestic overnight trips increased from 2011 to 2013, it declined to 304.99 million (a year-on-year decrease of 4.8%) in 2014. The total number of domestic same-day trips was 307.71 million (a year-on-year decrease of 0.9%). As with the general consumption trend, this is attributable to factors like that income level did not rise as much as commodity price rise due to rise in import price, backlash caused by last-minute demand and unstable weather. (Table 22)

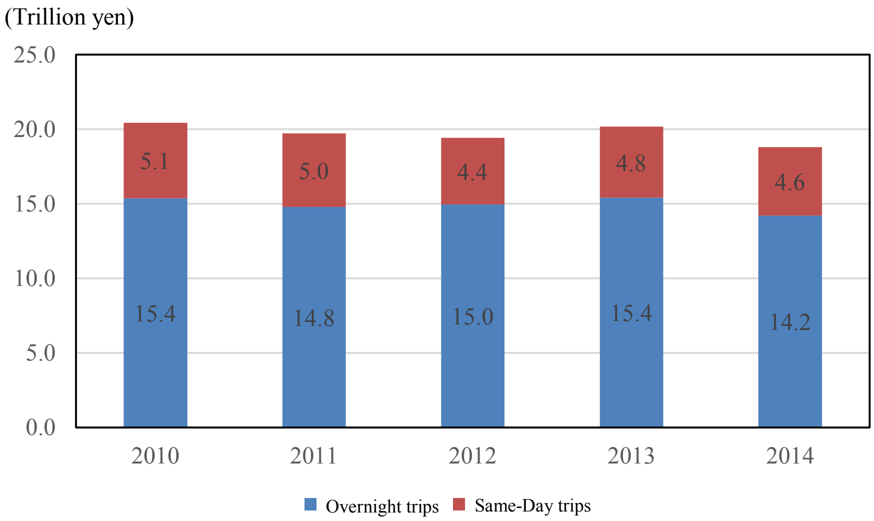
Fig. **22 Change in the Total Number of Domestic Same-Day Trips and Overnight Trips**



Source: *Survey of Trend in Travel and Tourism Consumption* (JTA)
Note: Figures of 2014 are preliminary.

Domestic tourism consumption increased in 2013, but it turn into decreased by 6.8 % to 18.8 trillion yen in 2014. (Fig.23)

Fig. 23 Change in Domestic Tourism Consumption

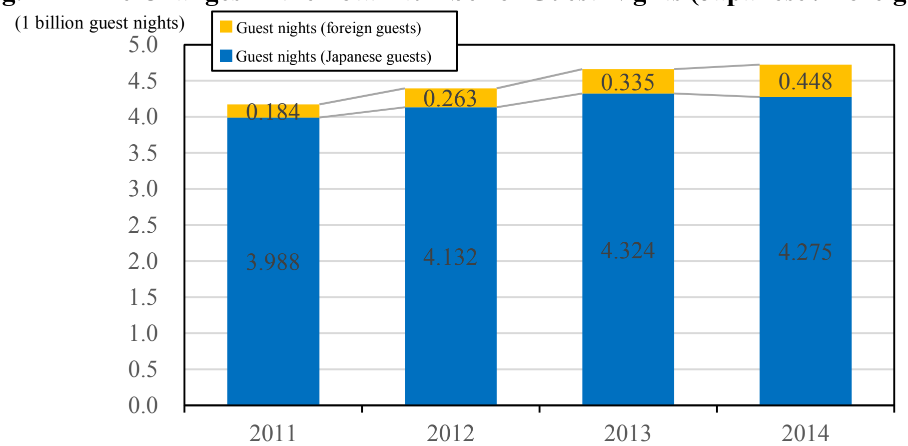


Source: *Survey of Trend in Travel and Tourism Consumption* (JTA)
Note: Figures of 2014 are preliminary.

Section 4 Trend in Overnight Travels

The total number of guest nights in accommodations in Japan was 472.32 million (a year-on-year increase of 1.4%) in 2014. Out of these, the total number of guest nights Japanese was 427.5 million (a year-on-year decrease of 1.1%), and the total number of guest nights foreign was 44.82 million (33.8% increase). The ratio of foreign guests in the total number of guest nights increased to 9.5 %, then, in 2014, the total number of guest nights increased owing to the increase of foreign guest, despite of the decrease of Japanese guests. (Fig. 24)

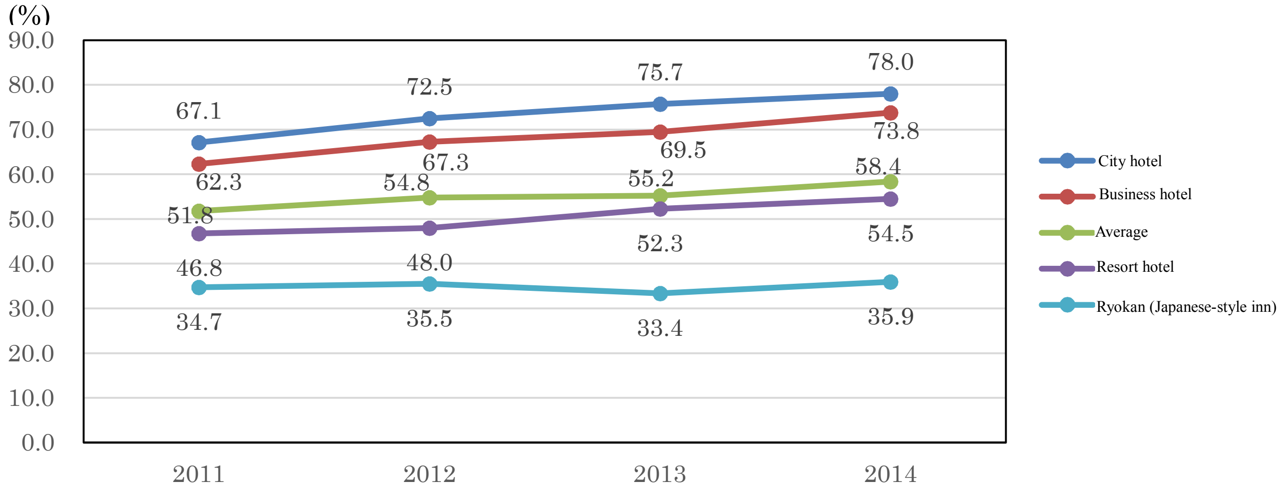
Fig. 24 The Changes in the Total Number of Guest Nights (Japanese / Foreign Visitors)



Source: *Accommodation Survey*(JTA)
Notes: Figures for 2014 are preliminary.

The room occupancy rate during and after 2011 has been on the rise nationwide, and increased from 51.8% in 2011 to 58.4% in 2014. Regarding occupancy rate by type of accommodation, there are increasing trends in city hotels, business hotels and resort hotels, while the rate of ryokans is remaining stable. Particularly, the rates for city hotels and business hotels increased by more than 10 % in the period from 2011 to 2014, reaching 78.0 % and 73.8%, respectively. (Fig. 25)

Fig. 25 Change in Room Occupancy Rates by Accommodation Type

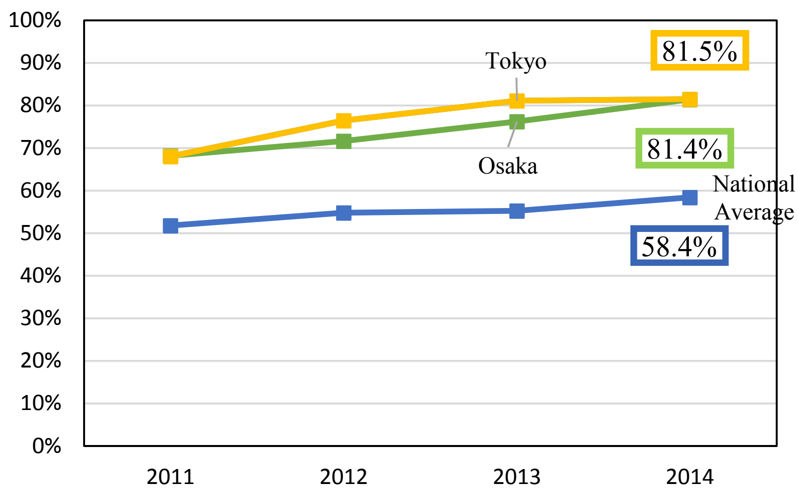


Source: *Accommodation Survey* (JTA)
Note: Figures for 2014 are preliminary.
・Resort hotels: Hotels that are in recreation or resort areas and are chiefly used by tourists.
・Business hotels: Hotels that are chiefly used by people who are traveling on business.
・City hotels: Hotels that are in urban areas but are not resort hotels or business hotels.
(Ryokans (Japanese-style inns) are different from hotels in that ryokans feature Japanese-style rooms, furnishings, etc., whereas hotels have Western-style rooms, furnishings, etc.)

The room occupancy rate of Tokyo and Osaka, in two major urban areas, showed a significant growth from 68.0 % in Tokyo and 68.2 % in Osaka in 2011, to levels exceeding 80 % in 2014, with 81.5% in Tokyo and 81.4 % in Osaka.

The standard deviation of the occupancy rates for the 47 prefectures increased from 7.7 % in 2011 to 10.2 % in 2014, indicating large dispersions in guest room occupancy rates. (Fig. 26)

Fig. 26 Change in Guest Room Occupancy Rates



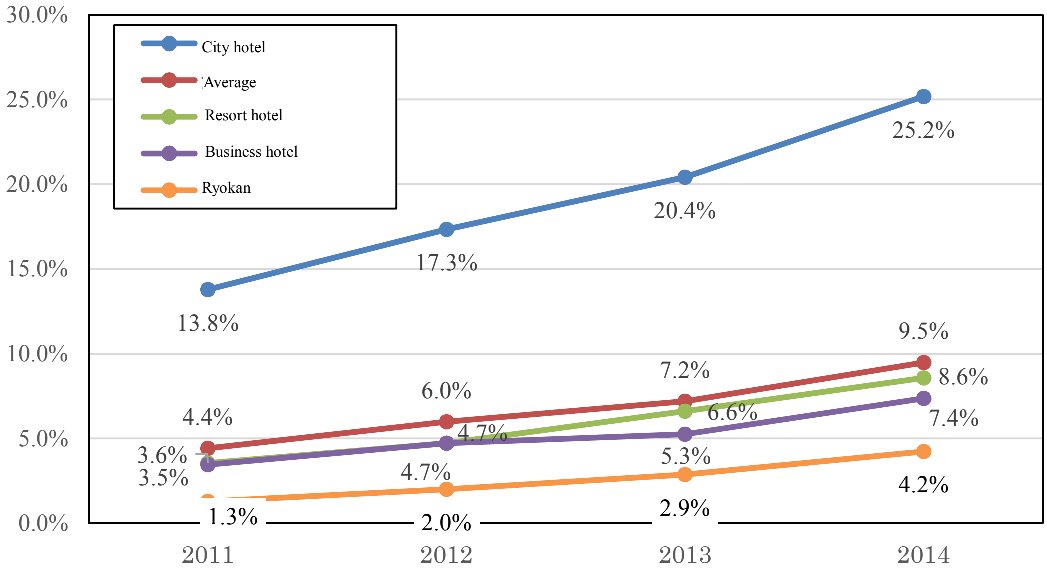
	2011	2012	2013	2014
The standard deviation of the 47 prefectures	7.7%	8.4%	9.6%	10.2%

Source: *Accommodation Survey* (JTA)
Note: Figures for 2014 are preliminary.

The share of foreign visitors in the total number of guest nights in and after 2011 has been on the rise nationwide, increasing from 4.4% in 2011 to 9.5% in 2014.

City hotels have a high ratio of foreign visitors, and the ration increased from 13.8 % in 2011 to 25.2% in 2014, indicating that one out of four guests are foreign visitors. (Fig. 27)

Fig. 27 Changes in the Share of Guest Night for Foreign Visitors by Accommodation Type

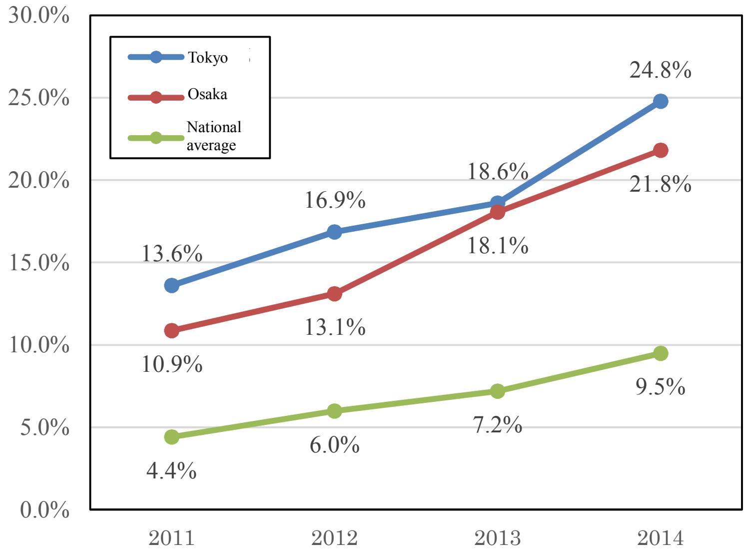


Source: *Accommodation Survey* (JTA)
Note: Figures for 2014 are preliminary.

The ratio of guest night of foreign visitors in the total guest night in Tokyo and Osaka during this period increased by more than 10 percentage points, reaching 24.8 % and 21.8 %, respectively.

The standard deviation of the ratio of foreign guests for the 47 prefectures increased from 2.8% in 2011 to 5.5% in 2014, indicating a large dispersion. (Fig. 28)

Fig. 28 Change in the Share of Guest Night for Foreign Visitors by Prefecture



The standard deviation for the 47 prefectures	2.8%	3.6%	4.1%	5.5%

Source: *Accommodation Survey* (JTA)
Note: Figures for 2014 are preliminary.

Section 5　Recovery from the Great East Japan Earthquake

To give a picture of the situation of recovery from the great East Japan Earthquake in Tohoku region, the total number of overnights guest stayes in the six Tohoku prefectures (Aomori, Iwate, Miyagi, Yamagata and Fukushima), the three most affected Tohoku prefectures (Iwate, Miyagi and Fukushima), each Tohoku prefecture and nationwide in 2010, the year before the Great East Japan Earthquake, have been set to 100 to serve as indices.

1　Guest night of Japanese staying at Tourist-Oriented Accommodations

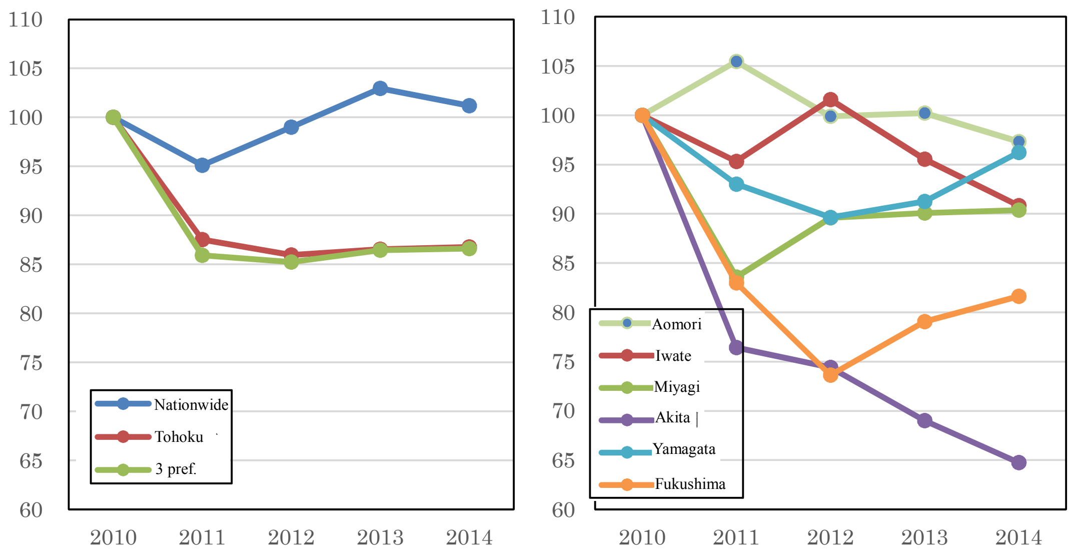
While the total number of guest night of Japanese staying at tourist-oriented accommodation facilities in Japan decreased to 95.1 in 2011, it recovered to 99.0 in 2012, and has been above the pre-disaster level of 2010 ever since.

On the other hand, the numbers for the six Tohoku prefectures and three most-affected Tohoku prefectures dropped to the 80s in 2011 and have since been transitioning close to 90.

Looking at these figures by prefecture, Akita has continued to decline significantly since 2011 and recorded an indexed figure of 64.8 in 2014. Although Fukushima also saw a large decline until 2012, it started to pick up again and was 81.6 in 2014. In Miyagi, the figure declined to 83.6 in 2011, but has recovered to around 90 since then. Iwate saw a decline to 95.3 in 2011 and recovery to above the level of 2010 in 2012, but turned to decline in the following two years and was 90.8 in 2014. While Aomori was the only prefecture with an increase in 2011, it has been on the decline since, and was 97.3 in 2014.

The figures below indicate that the number of　guest night of Japanese staying for tourism in the Tohoku region is low compared to other parts of the country, and particularly low in Akita and Fukushima, and that the Tohoku region as a whole is still facing difficulties to recover domestic tourism. (Fig. 29)

Fig. 29　The Total Number of Guest Night of Japanese at Tourist-Oriented Accommodations
(Change in Index with 2010 as 100)



Source: *Accommodation Survey* (JTA)
Notes:
1. The surveyed accommodations are those that employ at least 10 staff and that have at least 50% of overnight guests staying for tourism.
2. Figures for 2014 are preliminary.

2 Guest Night of Foreign visitors staying at Tourist−Oriented Accommodations

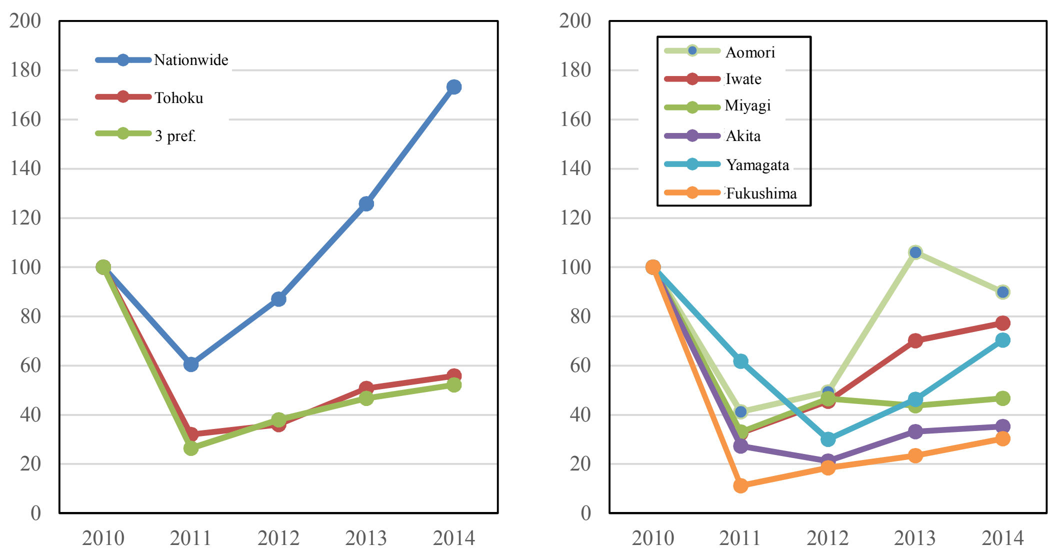
While the total number of guest nights of foreign visitors staying at tourist-oriented accommodation facilities in Japan decreased to 60.5 in 2011, the values have drastically increased since 2012, and recorded 173.2 in 2014, above the level of 2010.

Meanwhile, figures for the six Tohoku prefectures and the three most-affected prefectures significantly declined in 2011, to 32.0 and 26.4, respectively. Although at 55.8 and 55.2 in 2014 these figures were still well below the pre-disaster level of 2010, they have been showing slow signs of recovery since 2012.

Looking at the situation by prefecture, the figure drastically decreased to 11.3 in 2011 in Fukushima, but have been on the rise since then. In Akita, the figure declined to 21.3 in 2012 but has been showing a recovering trend since then. In Miyagi, in spite of a decline to 33.0 in 2011, recovery to 46.6 was seen in 2012, and the figure has been hovering around 40 since then. The figure for Yamagata continued to decline to 30.1 in 2012, but saw a recovery to 70.3 in 2014. Iwate saw a decline to 32.5 in 2011, then recovered to 77.2 in 2014. In Aomori, figures declined to 41.3 in 2011, bounced back to 106.1 in 2013, then declined again to 89.9, below the 2010 level.

The below figures indicate that the situation remains difficult in Fukushima, Akita and Miyagi, but the Tohoku region as a whole is on a path to recovery with regard to foreign overnight guests. (Fig. 30)

Fig. 30 Total Number of Guest Night of Foreign Visitors at Tourist − Oriented Accommodations
(Change in index of 2010 as 100)



Source: *Accommodation Survey* (JTA)
Notes:
1. The surveyed accommodations are those that employ at least 10 staff and that have at least 50% of overnight guests staying for tourism.
2. Figures for 2014 are preliminary.

3 The total Number of Guest Nights at Business People-Oriented Accommodation Facilities

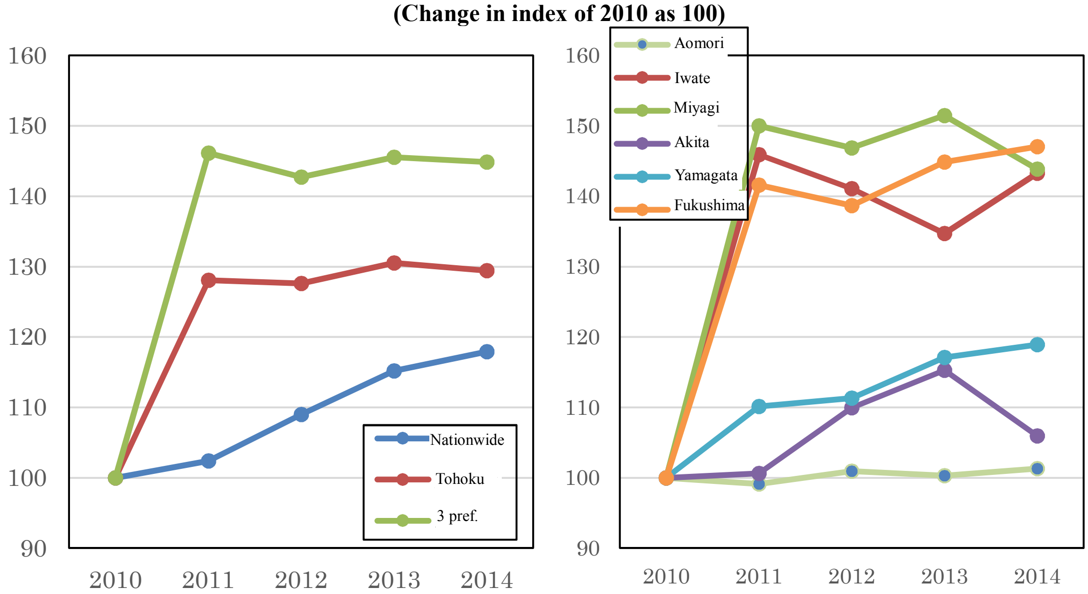
The total number of guest nights at business people-oriented accommodation facilities in Japan has been on the rise since 2010, and was 117.9 in 2014. Figures for the six Tohoku prefectures and the three most-affected prefectures significantly grew in 2011 to 128.0 and 146.2, respectively. Figures for both regions in and after 2012 have remained almost unchanged.

Looking at the figures by prefecture, the levels for the three prefectures of Iwate, Miyagi and Fukushima differ significantly from those for Aomori, Akita and Yamagata. The three prefectures Iwate, Miyagi and Fukushima saw a significant rise, exceeding 140 in 2011, and remained in the140 to 150 range in 2014.

The figure for Yamagata is below the level of these three prefectures, but has been on an increasing trend since 2010, reaching 118.9 in 2014. Although the figure for Akita increased to 115.3 in 2013, it dropped to 105.9 in 2014. In Aomori, there have been no large changes since 2010 and the figure has been transitioning around the 100 level.

In terms of the total number of overnights at business people-oriented accommodation facilities, there is a continued demand related to reconstruction in the three most-affected prefectures, which has resulted in figures which exceed the national level. (Fig. 31)

Fig. 31 Total Number of Overnights at Business People-Oriented Accommodation Facilities
(Change in index of 2010 as 100)

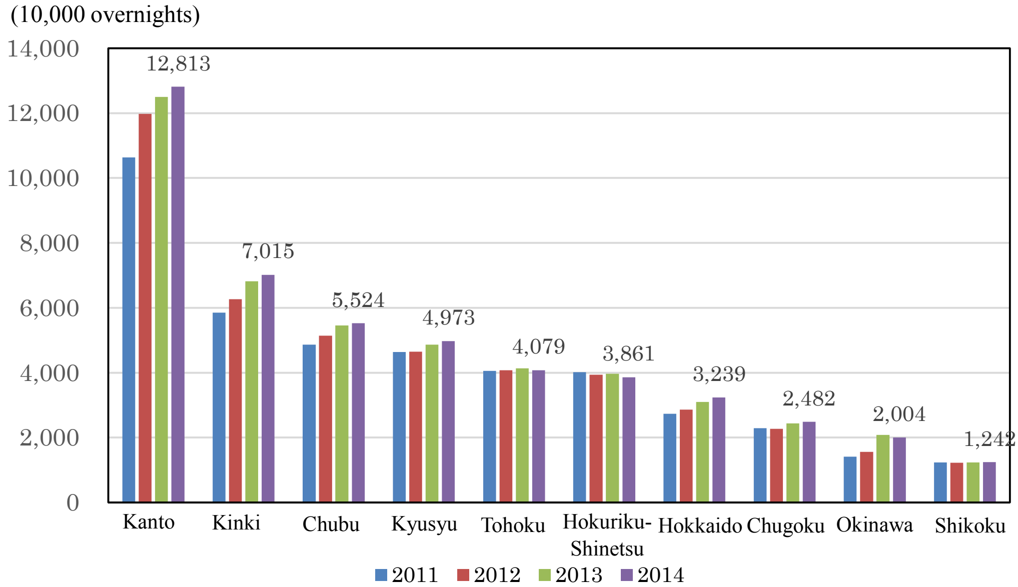


Source: *Accommodation Survey* (JTA)
Notes:
1: The surveyed accommodations are those that employ at least 10 staff and that have less than 50% of overnight guests staying for tourism.
2: Figures of 2015 are preliminary.

Section 6　The Tourism Situation in Regional Areas

The total number of nationwide guest nights in 2014 was 472.32 million (a year-on-year increase of 1.4%). The top three regional blocks were Kanto with 128.13 million overnights (27.1% of the total), Kinki with 70.15 million (14.9% of the total), and Chubu with 55.24 million guest stays (11.7% of the total), accounting for 53.7% of the total number of nationwide guest nights. The number of guest nights in these three regions and in the regions of Hokkaido and Kyushu have been on the increase since 2011. (Fig. 32)

Fig. 32　Total Number of Guest Nights by Regional Blocks

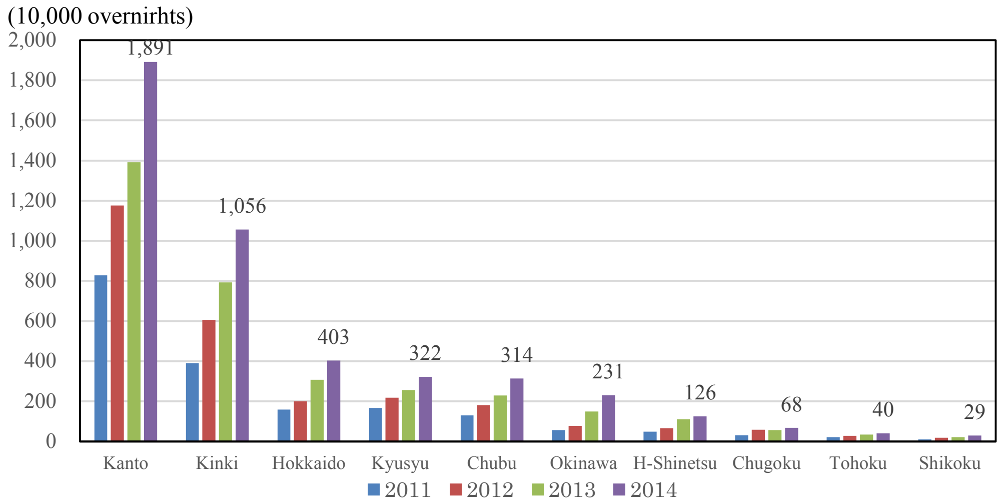


Source: *Accommodation Survey* (JTA)
Note: Figures of 2014 are preliminary.

Of these guests, the total number of guest nights of foreign visitors was 448.2 million (a year-on-year increase of +33.8%). The top 3 numbers of overnights (foreign guests) by region were 18.91 million in the Kanto region (42.2% of the total), 10.56 million in the Kinki region (23.6 of the total), and 4.03 million in the Hokkaido region (9.0% of the total). These accounted for 74.8% of the nationwide number of guest nights of foreign visitors.

In all regions, foreign guests have been showing an increasing trend since 2011. (Fig. 33)

Fig. 33　Total Number of Guest Nights (Foreign Visitors) by Regional Blocks

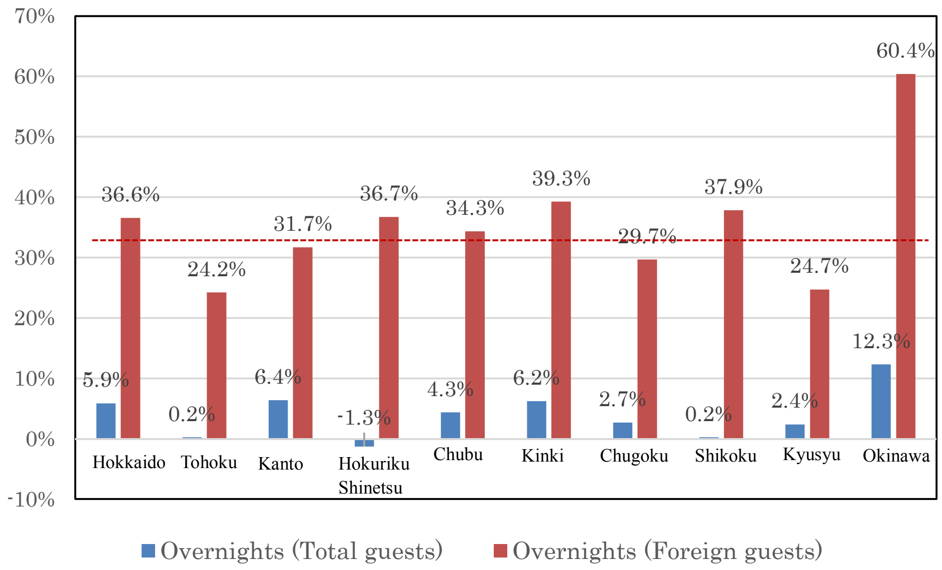


Source: *Accommodation Survey* (JTA)
Note: Figures of 2014 are preliminary.

Okinawa (12.3%), the Kanto region (6.4%) and the Kinki region (6.2%) ranked top for average growth rates during the three years from 2011 to 2014, while the average growth rate in the Hokuriku-Shinetsu region was -1.3%.

High growth rates of over 20% in the total number of guest nights of foreign visitors have been seen in all regions, and in particular Okinawa achieved a remarkable increase of 60.4%. (Fig. 34)

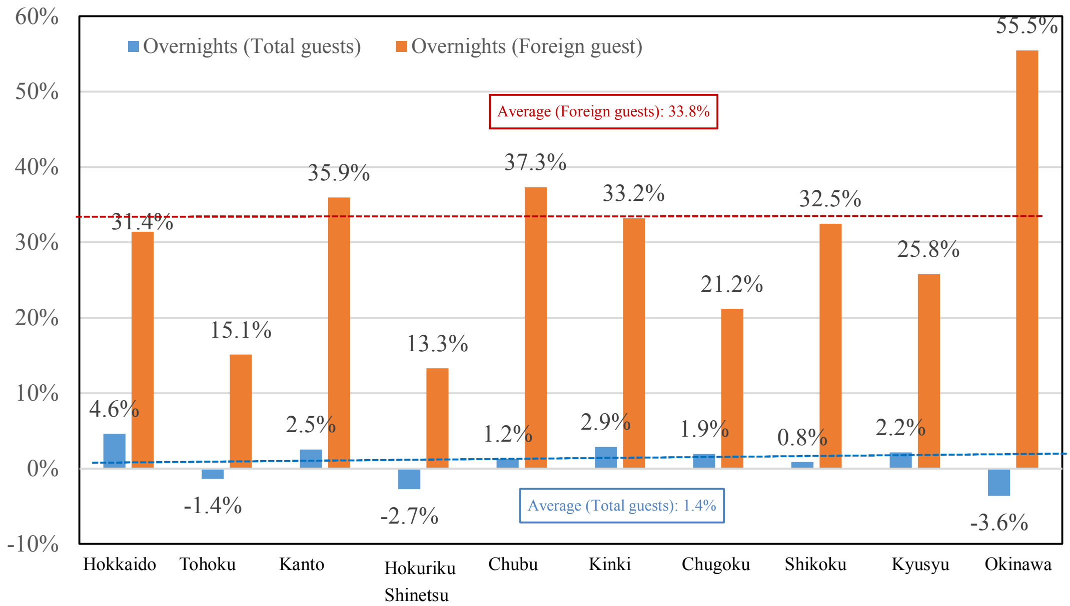
Fig. 34 Growth Rates in the Number of Guest Nights (Total / Foreign Guests)
(Average annual growth rates during the three years from 2011 to 2014)



Source: *Accommodation Survey* (JTA)
Note: Figures of 2014 are preliminary.

The total number of overnights guest stayed in 2014 by regional block, increases from2013 were seen in Hokkaido, Kinki, Kanto, Kyushu, Chugoku, Chubu and Shikoku. The number of overnights foreign guest stayed rose in all regions. Notably, Okinawa had a high growth rate of over 50%. (Fig. 35)

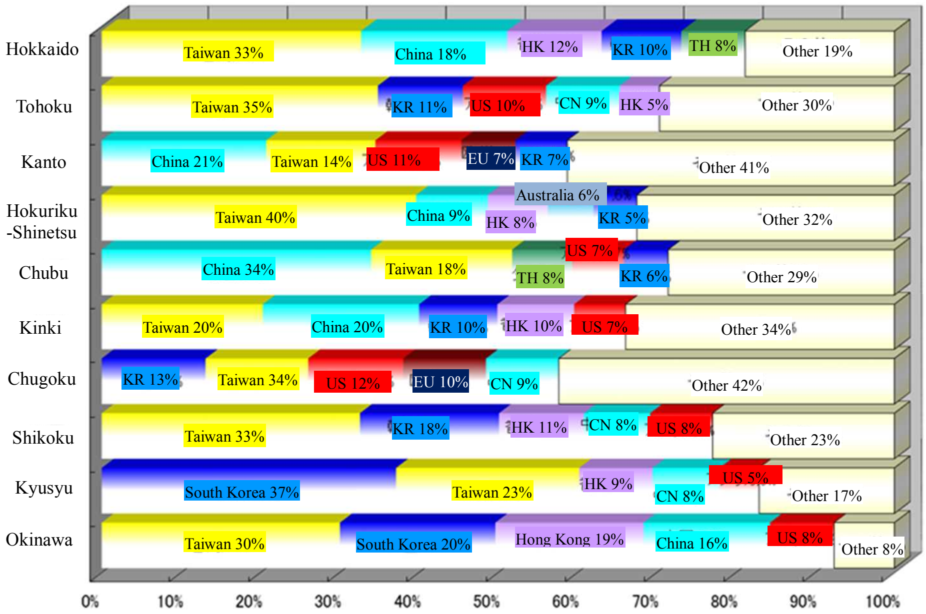
Fig. 35 Year-on-year Change of the Number of Guest Nights (Total / Foreign Guests) by Regional Blocks



Source: *Accommodation Survey* (JTA)
Note: Figures of 2014 are preliminary.

Looking at the share of guest night nights of foreign visitors stayed by regional block in 2014, Hokkaido, Tohoku, Hokuriku - Shinetsu, Kinki, Shikoku and Okinawa received many guests from Taiwan, while Chugoku and Kyushu received many guests from South Korea, and Kanto and Chubu received many guests from China. (Fig. 36)

Fig. 36 Share of Guest Nights (Foreign Guests) in 2014 for Each Regional Block, by Country and Region



* The EU in the figure above indicates Germany, the United Kingdom and France.

Source: *Accommodation Survey* (JTA)
Note: Figures of 2014 are preliminary.

Regional blocks are analyzed as follows.

1 Hokkaido

An increase in the total number of guest nights is considered to be the result of long-stay initiatives implemented in each region and the reopening of suspended air routes from Kansai and Chubu since the summer (Memanbetsu - Itami, Kushiro - Chubu, Obihiro - Chubu).

An increased number of calls at ports by foreign cruising ships and newly established international air routes are thought to have contributed to the increase in the total number of guest nights of foreign visitors.

2 Tohoku

As for the number of guest nights that demand for accommodation for tourism is on a slight recovery trend. The number of foreign guest nights of foreign visitors is steadily increasing.

3 Kanto

Factors which are considered to have contributed to the increase in the total number of guest nights of foreign visitors include: the registration of Tomioka Silk Mill and Related Sites on the list of World Heritage Sites; a tendency toward depreciation of yen; and, following the revision of the tax-free program for foreign travelers, an increase in numbers of foreign visitors to Tokyo, where are most of the tax-free shops in Japan.

4 Hokuriku-Shin'etsu

The increase in the number of guest nights of foreign visitors is attributable to the popularity of the Tateyama Kurobe Alpine Route and Kenrokuen among visitors from Taiwan, and of ski resorts such as Hakuba, Shiga, Nozawa and Myoko among visitors from Australia.

5 Chubu

The total number of guest nights rose slightly. The increase in the total number of guest nights of foreign visitors is attributable to active initiatives implemented by the local government and tourism stakeholders, and the expansion of the target regions of the Shoryudo Project to add Southeast Asia to Greater China (China, Taiwan and Hong Kong).

6 Kinki

The ratio of the number of guest nights of foreign visitors in the total number of guest nights is increasing, and numbers of overnight guests from Taiwan, China, Hong Kong and the Southeast Asian countries are steadily increasing.

In FY2014, Kansai International Airport recorded the highest figures to date for both international arrivals and departures including LCCs (95,000), and also the highest number of foreign visitors to date (6.99 million). Also, Universal Studios Japan achieved a record high number of visitors as a result of opening of new attractions, etc.

7 Chugoku

The slight increase in the total number of guest nights is considered to be the result of the tourism promotion event “Setouchi Shimanowa 2014”, which was held for the 7 months from March to October 2014 in the island areas of Hiroshima and Ehime Prefectures.

As for the shares of foreign overnight guests by market, guests from Taiwan, Australia, China and France have increased in particular, owing to projects to attract visitors such as the Chugoku Region Inbound Forum conducted as a collaboration between regions.

8 Shikoku

The total number of guest nights increased slightly as a result of the Setouchi Shimanowa 2014 event conducted with the Chugoku region.

The increase in the number of guest nights of foreign visitors is attributable to initiatives implemented to attract foreign visitors such as the ALL SHIKOKU Rail Pass, a ticket for all railways in Shikoku freely.

9 Kyushu

The increase in the total number of guest nights is considered to be a result of the increased number of hotels in prefectures along the Kyushu Shinkansen, all lines of which came into full operation in FY2011.

The total number of guest nights of foreign visitors continues to show an increasing trend, driven by positive tendencies in the ASEAN markets, such as the Thailand market (where the effects of the relaxation of visa requirements and the emergence of LCC services continue to be seen), the Hong Kong market (where destinations are diversifying around the needs of repeat visitor segments), the Chinese market etc.

10 Okinawa

The opening of Painushima Ishigaki Airport and expanded air routes are considered to have contributed to the increase in the total number of guest nights.

The number of guest nights of foreign visitors also increased, owing to the opening of new international terminals at Naha Airport, the commencement of passenger terminal services for cruise ships at Naha Port, and the accompanying growth in the number of airline routes and calls at port by cruise ships.

Section 7　Initiatives for Tourism Promotion in Regional Areas

Initiatives to attract domestic and overseas tourists and to promote destinations are being implemented nationwide. Below are initiatives being taken in regional blocks.

1　Hokkaido

○ Initiatives to achieve a wide-area dispersion of tourists

Many foreign tourists visit the Niseko region (Rankoshi-cho, Kutchan-cho and Niseko-cho), which is recognized as one of the best places for powder snow in the world. The region has been making collaborative efforts to establish a Niseko brand throughout the four seasons in and out of Japan, and in July 2014, a tourism area development program was approved. The region now aims to create a unique international coexistence resort culture under the brand concept of NISEKO, My Extreme.

The Kushiro Marsh, Akan and Mashu tourism area is the first place in Japan to have introduced pictograms and multilingual descriptions of food ingredients in restaurants and accommodations, and has been working on food quality control and information dissemination.

In addition, the tourism area was selected by the JTA to participate in the project to develop receptive environments, and developed a framework to make traveling even more enjoyable, including excursion routes and overnight stays themed on Ainu culture.

In April 2015, the tourism area development project Mizu-no-Kamui Tourism Area, themed on water circulation and coexistence with nature, was approved.

In Kikonai-cho, a town in southern Hokkaido planned to become the first stop for the Hokkaido Shinkansen, established a shinkansen Kikonai Station Promotion Council with eight other towns, with the aim of leveraging the shinkansen to increase numbers of visits and extend lengths of stays in the area. In FY2014 proposals for further improvements were formulated, such as creating guidelines for developing receptive environments related to travel by foreign nationals and assessing tourist information signboards from the point of view of foreign visitors.

○ Hokkaido Snow Travel Expo 2015 in SAHORO

In March 2015, the largest event in Asia, the Hokkaido Snow Travel Expo 2015 in SAHORO, was held in the Sahoro Resort of Shintoku-cho.　This expo is a business convention held to push Hokkaido forward as a world-class snow resort, and was held for the fourth time.

The Expo was held over three days and invited 39 travel agencies and media representatives from 15 countries and regions, including the leading ski tourism markets of Australia, North America and Europe, as well as Asia.

The distinguishing feature of the event is that participants can actually experience the on-season snow resort, and fully experience the outstanding quality of a snow resort in Hokkaido.

During the previous business convention held in March 2014, 506 business negotiations led to the securing of 4,551 visitors, and this time, the numbers are expected to be even higher.

2　Tohoku

○ Initiatives to revive tourism

Four years on from the Great East Japan Earthquake, and notwithstanding differences between prefectures, the number of tourists including foreign visitors is steadily recovering in the Tohoku region, a fact which reflects the success of the initiatives that have been implemented. In FY2014, the Tohoku District Transport Bureau, Tohoku Tourism Promotion Organization, local governments, tourism businesses and local communities worked together on various initiatives within and outside Japan for the further recovery of tourism.

○ Japan Tohoku Six Prefectures Thanksgiving Festival

A Japan Tohoku Six Prefectures Thanksgiving Festival was held in Taipei through concerted efforts from stakeholders. The festival was a chance for Tohoku to express its gratitude to Taiwan for all the support it received for areas affected by the Great East Japan Earthquake, and to show how successfully the region was revitalizing.

With 150 stakeholders from various organizations including the Tohoku District Transport Bureau, the Tohoku Bureau of Economy, Trade and Industry, the Tohoku Tourism Promotion Organization and each Tohoku prefecture, over 40,000 participants came to the event over the four days. Visitors were able to experience traditional art performances and cultural programs and try 60 different types of Japanese sake. The "Gratitude Boards" from the venue, on which people wrote messages of encouragement and hope, were displayed in Sendai Station for a month after the event.

Greetings from Tohoku stakeholders at the opening ceremony

"Gratitude Boards" covered with messages

3 Kanto

○ Full-scale operation of a wide-area tourism cooperation campaign

The hosting the Olympic and Paralympic Games in 2020 will be taken as an opportunity to put a wide-area tourism cooperation campaign into full-scale operation in Kanto from FY2015, with the aim of developing cooperation between public and private tourism-related organizations. For this purpose, the 1st Promotion Council for Wide-Area Tourism Cooperation Campaign in Kanto was established and held in April 2015. This is the first organization in Kanto for wide-are cooperation on tourism between the public and private sectors. Further dissemination of attractive aspects of the Kanto region to foreign visitors and the development of receptive environments are expected to result from the establishment of the Council.

As an initial project for this cooperation, seminars on public wireless LAN[9] environments were held in April 2014. In July, a symposium on wide-area tourism cooperation in Kanto was held to exchange opinions and information between the government, industry and academia in the Kanto region. Furthermore, a contest to plan inbound wide-area excursion routes was held targeting students in universities, colleges, high schools and special schools in the eight Kanto prefectures of Tokyo, Kanagawa, Chiba, Saitama, Gunma, Ibaraki, Tochigi, Yamanashi and neighboring prefectures, to disseminate the appealing history and culture of the Kanto region overseas. Seishin Gakuen High School's "Modern Seminar for Learning from Entrepreneurship" won the grand prize.

[9] Local Area Network. A network for exchanging data by connecting computers, communication devices and printers within a building or area using cables and wireless systems.

【Grand Prix】

○ Theme: Road of Silk (Route of the Silk Industry)
- Modern Seminar for Learning from Entrepreneurship, Seishin Gakuen High School
“Voyage de soie du Japon”

4 Hokuriku-Shin’etsu

○ “The project with the united efforts of the government and the private sector” for the extension of the Hokuriku Shinkansen to Kanazawa

The extension of the Hokuriku Shinkansen to Kanazawa in March 2015 is expected to attract more visitors than before. “The Grand Circle Project “(worked on by the Hokuriku-Shin’etsu District Transport Bureau, 7 prefectures along the Hokuriku Shinkansen ,and the Japan Railway companies),took the initiative and created Area maps (in 6 languages).This project invited 54 travel agencies from 9 target countries to Japan, participated in travel expos (in 4 countries), and placed ads on websites etc., all to promote visits from overseas(especially Europe, the United States, Australia, and Southeast Asia)

"Explore Japan" Shinkansen Area map

○ Projects using features of the Hokuriku-Shin’etsu region

For initiatives to attract foreign skiers, ski stakeholders in the Hakuba, Nozawa Onsen, Shiga Kogen and Myoko Kogen areas are targeting English-speaking countries like Australia, the United Kingdom, Singapore and Hong Kong, while ski stakeholders in the Yuzawa / Tokamachi areas are targeting Southeast Asia. By promoting high-grade snow and a diversity of courses, these areas aim to raise their popularity and strengthen their brand power, and establish themselves as attractive international ski resort areas.

○ Countermeasures to harmful rumors about the Mt. Ontake eruption and the earthquake in northern Nagano

The Mt. Ontake eruption on September 27, 2014, caused travelers to cancel accommodation and tours, even outside the directly affected area. Various initiatives were implemented to prevent further damage from harmful rumors by providing accurate information, such as the thorough provision of accurate information to domestic travelers and the dissemination of accurate information to foreign visitors through the JNTO website. Also, when an earthquake struck northern Nagano on November 22, 2014, the JNTO's Sydney Office sent e-mails to about 120 travel agencies in Australia.

5 Chubu

There is wide cooperation between various public and private organizations in the region on the Shoryudo Project, with objectives including consistency in overseas promotions and developing receiving environments for foreign visitors, all in order to increase numbers of foreign visitors to the 9 prefectures in the Chubu and Hokuriku regions. The Shoryudo Project Promotion Council, the promotional organization behind the project, was praised for its pioneering initiatives in creating wide-area excursion routes and so on, and received the 6th Japan Tourism Agency Commissioner Award.

○ Promotion of the Shoryudo Project

When the Shoryudo Project started in 2012, a target figure of 4 million annual overnights foreign guest stayed was set. However, with the initial target having been achieved in 2014, a new target of 6 million overnights by 2017 has been set, and the Council is now actively working to achieve it.

In 2014, in view of strengthening promotional activity directed toward the Southeast Asian markets, a Shoryudo mission team was sent to Malaysia to promote visa exemptions and direct flights to Centrair, and a Shoryudo Top 100 Four Seasons Tourist Destinations document was created in four languages, including Thai.

Seminars on measures for creating receptive environments for Muslim travelers were conducted, and a Takayama-Hokuriku Area Tourist Pass was issued jointly by multiple transportation operators to help facilitate intermodal transport for foreign visitors.

Furthermore, the Shoryudo Superior Sake Road featuring 120 sake breweries was launched in cooperation with the National Tax Agency and the Bureau of Economy, Trade and Industry, in order to leverage sake breweries as tourism resources and increase the popularity and promote the export of alcoholic beverages made in Japan.

New concept image of Shoryudo

6 Kinki

○ **Formulation of a wide-area tourism strategy in Kansai**

Kansai is an attractive region that has many items of historical and cultural heritage (including five which are listed as World Heritage Sites), and is rich in such tourism resources as traditional arts, festivals and food cultures. Also, with transportation infrastructures like the airport and railways continuing to develop, there is potential for about further leaps of progress through tourism measures implemented by bringing the whole of the Kansai region together.

With several global sports events, for example the Rugby World Cup 2019, the 2020 Olympic and Paralympic Games, and the Kansai World Masters Games 2021, due to be held consecutively, the Kansai Economic Federation established a wide-area tourism research group with participation from public and private organizations including the Kinki District Transport Bureau and Kinki Regional Development Bureau, and a document of "Kansai Wide-Area Tourism Strategies" was compiled in January 2015.

Targets for 2020 set for Kansai were 8 million foreign visitors to the region, a total of 20 million overnight and 1 trillion yen of tourism consumption by foreign visitors. To achieve these targets, it was decided that all regions of Kansai would jointly pursue initiatives along the following two main lines: 1) The dissemination of information to attract tourists to Kansai (enhancement / dissemination of the Kansai brand, establishment of a tourism portal website, overseas broadcasts of TV programs introducing Kansai, promotion); 2) The promotion of developing attractive tourism areas in Kansai (development of receptive environments, including the issuing of "Kansai One Pass" (provisional name), a transportation pass for all Kansai regions), development of new content and programs, and development of marketing data).

THE FLOWER OF JAPAN
KANSAI

"Hanayaka Kansai" Logo

7 Chugoku

○ Initiatives to promote tourism in the Seto Inland Sea

The Seto Inland Sea Tourism Partnership Promotion Council was established by representatives from the Kinki District Transport Bureau (DTB), Kobe DTB, Chugoku DTB, Shikoku DTB and Kyushu DTB, to promote wide-area cooperative measures in the Setouchi region to promote tourism around the Seto Inland Sea.

On October 31, 2014, the Seto Inland Sea Tourism Partnership Promotion Council met in Miyajima, Hiroshima, where the director-generals of five bureaus attended to reaffirm the active implementation of wide-area inbound initiatives to draw in cruise ships to the Setouchi region, such as Setouchi cruise seminars & hands-on omotenashi training, updated Setouchi cruise maps showing locations of ports of call and research and dissemination of information toward the launch of 'Setouchi tourism sightseeing model courses' which make full use of public transportation.

○ **"Cycling Shimanami"**

The Setouchi Shimanami Kaido (total length 70km) was name by CNN Travel as one of the seven most incredible bike routes in the world in June 2014, and recently, the term "sacred place for cyclists" is becoming established for the route. Cycling Shimanami, one of the largest international cycling events ever held in Japan, took place along the Setouchi Shimanami Kaido on October 26, 2014, and welcomed 8,000 cyclists, including 600 cyclists from overseas. The event is planned to be held regularly, and can be expected to see further development as a major feature to attract inbound tourism.

8 Shikoku

○ **Initiatives related to the 1200th anniversary of the sacred places of Shikoku (pilgrimages)**

An advisory meeting was held to discuss the promotion of distributing community-based tourism products utilizing the "pilgrimage to the seven sacred places" in the western district of Kagawa Prefecture.

Sixteen model routes, including time schedules and dining information, have been established to help tourists go on pilgrimage tours of 88 sacred places by public transportation, and published in brochure form. The brochures will be distributed to tourists through tourist information centers and transportation hubs in order to increase the popularity of Shikoku pilgrimages and make them easier to access.

○ **Initiatives to promote tourism around the Seto Inland Sea**

The Setouchi Triennale arts festival is held every three years, and is organized by the Setouchi International Art Festival Executive Committee. Major facilities built for the arts festival and pieces of art created for it remain on each island, and even in years between festivals the “ART SETOUCHI” brand is used to disseminate information and attract tourists, who continue to visit them as a tourism resource.

9 Kyushu

Various initiatives has been implemented, such as the promotion of tourism utilizing various transportation modes, the wide-area development of tourism destinations and the consideration of tourism promotion measures for remote islands. Furthermore, the development of receptive environments (free public wireless LANs etc.) by each local government and overseas promotions conducted by both the public and private sectors have been progressing, and the number of foreign visitors to Kyushu in 2014 was 1,675,154, a year-on-year increase of 33.2% and a record high for the third year in a row. The growth rate in the number of visitors from Hong Kong, the ASEAN and European markets significantly exceeded the national average. The number of calls at port by foreign cruise ships was the highest on record.

○ Promoting the use of rental cars to foreign visitors

In response to the needs of the increasing numbers of foreign visitors traveling individually (i.e., as FITs)[10], the national government (the Kyushu District Transport Bureau), local governments (7 prefectures and 3 government ordinance cities in Kyushu) and the Kyushu Tourism Promotion Organization jointly conducted a campaign under the slogan, "Drive around Kyushu in a Rental Car!". A flat-rate discount "Kyushu Expressway Pass" was sold to foreign visitors from October to December 2014 in collaboration with the West Nippon Expressway, and 2,821 uses were recorded.

Drive Campaign Leaflet

○ Tourism promotion for remote islands

Kyushu has about one-third of all of Japan's inhabited remote islands, and revitalizing these regions through the promotion of tourism is becoming a priority issue. In November 2014, a symposium on the development of tourist destinations on Kyushu's remote islands was held in the Amami Islands of Kagoshima Prefecture, as part of a study being carried out by the Kyushu District Transport Bureau for measures to promote tourism to remote islands. At the symposium, information on the current situation and issues as well as future directions for the Amami Islands were shared, and a joint declaration about the promotion of tourism to the Amami Islands was made by the islands' 12 towns and villages.

Symposium on the development of tourist destinations on Kyushu's remote islands, held in the Amami Islands

○ Decision on logo and sales copy of Kyushu for the promotion of inbound tourism

In June 2014, the second Kyushu Tourism Strategy Committee (Chairman Susumu Ishihara, the executive chairperson of Kyushu Tourism Promotion Organization) selected a logo and sales copy for use in promoting worldwide Kyushu's hot springs, food, nature, omotenashi and other points of attraction the region is proud of. Overseas promotions are being developed through cooperation between each prefecture and businesses, with the aim of creating unified image for Kyushu.

Relax & Rejoice
ONSEN ISLAND KYUSHU
JAPAN

Logo and sales copy

[10] Foreign Individual Tourist.

10 Okinawa

Against a background of expanding airline routes, construction of a second runway at Naha Airport etc., Okinawa is working to enhance its receptive environment for visitors and continues to implement promotional activities. New record highs were achieved for numbers of both domestic and foreign visitors to the prefecture.

Under these circumstances, the momentum of tourism in Okinawa is expected to continue. One issue for the prefecture is off seasons, and activities like resort weddings are being promoted to increase numbers of visitors during these periods.

○ Promotion of resort weddings

Okinawa conveyed its attractiveness as a resort by inviting TV shows and wedding magazines, holding mock weddings in popular chapels of the prefecture and photo weddings on the beach and proposing combined honeymoon-travel plans, in order to promote resort weddings in Okinawa particulary to the younger generations of China and South Korea, where access to Okinawa has improved through new airline routes.

Photo wedding

(Note) In this section, "region" refers to the jurisdiction of the respective District Transport Bureau etc.
Tohoku region (Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima)
Kanto region (Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Yamanashi)
Hokuriku‐Shinetsu region (Niigata, Toyama, Ishikawa, Nagano)
Chubu region (Fukui, Gifu, Shizuoka, Aichi, Mie)
Kinki region (Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama)
Chugoku region (Tottori, Shimane, Okayama, Hiroshima, Yamaguchi)
Shikoku region (Tokushima, Kagawa, Ehime, Kochi)
Kyushu region (Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima)

Part Ⅱ　Expanding Inbound Tourism Consumption and Changing Industries and Regions

Since the Visit Japan Project started in 2003, the number of foreign visitors to Japan has been on the rise, reaching 13.41 million in 2014. The expansion of inbound tourism deepens mutual understanding through international exchange, and results in the strengthening of soft power that builds more confidence and sympathy toward Japan. In addition, it has a positive effect to the economy. In recent years, consumption by foreign visitors to Japan during their stay has been rapidly growing, and exceeded 2 trillion yen in 2014. As a result, inbound consumption has become a powerful element which has a certain impact on the Japanese economy.

Given such a trend, there have been moves among various industries and regions to try to draw in inbound tourism consumption.

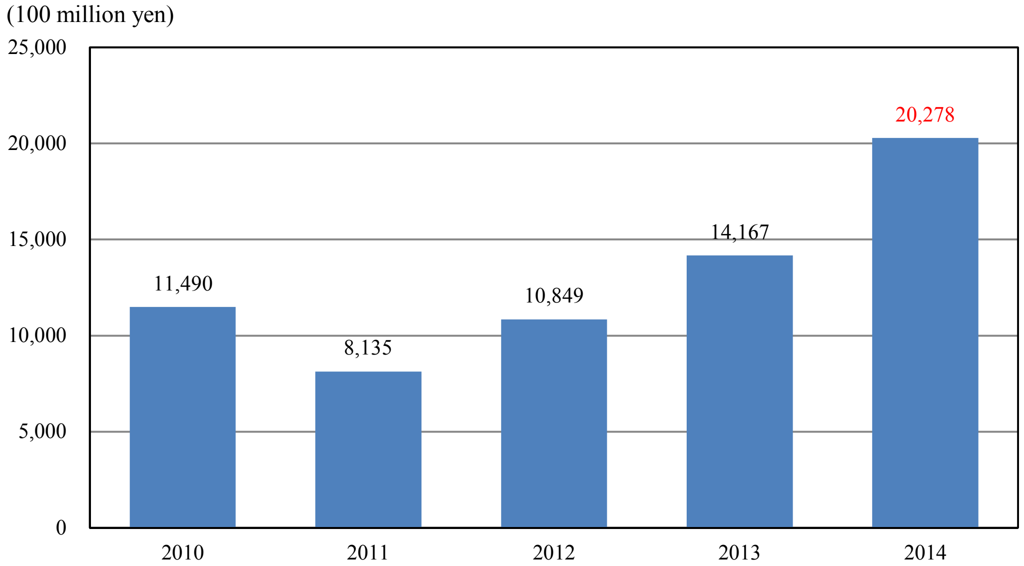
In Part Ⅱ, recent trends in inbound tourism consumption, the factors behind the rapid growth seen in recent years and the changes in industries and regions in line with the expansion of inbound tourism consumption are analyzed.

Chapter 1 The Current Situation of Recent Inbound Tourism Consumption

Section 1 Change in Inbound Tourism Consumption

Tourisim consumption by foreign visitors to Japan dropped to 813.5 billion yen when the Great East Japan Earthquake struck in 2011, but subsequently saw significant growth and reached 2.0278 trillion yen in 2014, an expansion by a factor of 2.5 in three years. (Fig. 37)

Fig. 37　Change in Tourism Consumption by Foreign Visitors to Japan (Reprinted)



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA[11])
Note: Since the survey was not conduted in the period from January to March in 2010, those values have been substituted for by the average of the values calculated from the period from April to December.

[11] Japan Tourism Agency

Section 2　Trend in the International Balance of Payments

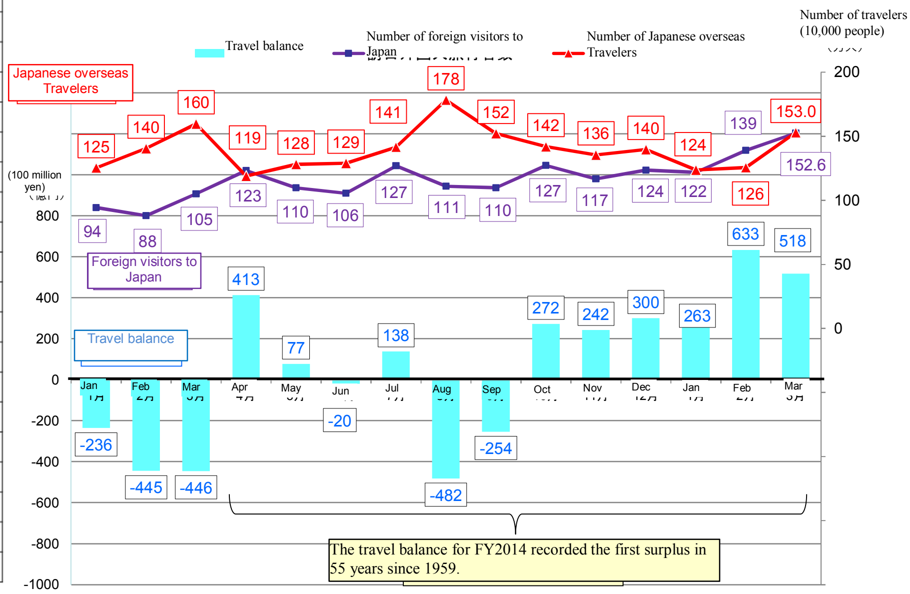
For the international balance of payments, tourism consumption by foreign visitors in Japan are regarded as "receipts" in the same way as exports, and tourism consumption by Japanese travelers abroad are regarded as "payments" in the same way as imports. Consumption like this which accompanies international travel is covered in the travel balance in the international balance of payments.

The travel balance showed a deficit of more than 3 trillion yen in 2000. However, travel payments, which had exceeded 4 trillion yen in 2005, had shrunk to about 2 trillion yen in 2014. On the other hand, travel receipts have soared since 2011, and reached 1.9974 trillion yen in 2014. As a result of these changes, the travel balance deficit fell to 44.1 billion yen in 2014.

Looking at the results by month for 2014, the single month of April saw a surplus for the first time in the 44 years since 1970, the year the World Expo was held in Osaka. Thereafter surpluses were recorded three months in a row from October to December, indicating a stable positive trend. The travel balance for FY2014 was 209.9 billion yen, the first surplus in 55 years, the previous one having been in 1959. (Fig. 38)

Fig. 38　Change in Travel Balance since 1996 and Monthly Movements since January 2014

Year	Travel balance (100 million yen)
1996	▲ 35,880
1997	▲ 34,651
1998	▲ 32,739
1999	▲ 33,287
2000	▲ 30,730
2001	▲ 28,168
2002	▲ 28,879
2003	▲ 23,190
2004	▲ 29,189
2005	▲ 27,659
2006	▲ 21,409
2007	▲ 20,199
2008	▲ 17,631
2009	▲ 13,886
2010	▲ 12,875
2011	▲ 12,963
2012	▲ 10,617
2013	▲ 6,545
2014	▲ 441



Sources:
1. *Balance of International Payments* (Ministry of Finance),
2. *Number of Foreign Visitors to Japan* (JNTO, Japan National Tourism Organization)
3. *Statistical Survey on Legal Migrants* (Ministry of Justice)

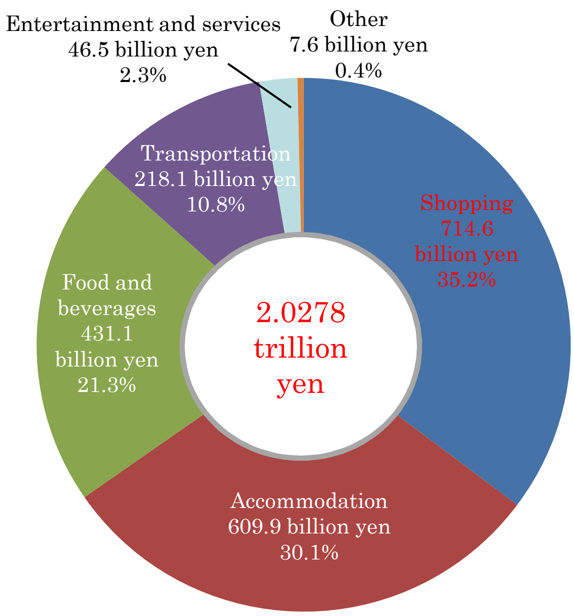
Notes: For travel balance, values from January to December 2014 are second preliminary estimates, and values before 2013 are revised values.

Section 3　Consumption Status by Item

1　Consumption status by item

The breakdown of tourism consumption by item in 2014 shows that the highest figure was shopping at 714.6 billion yen, accounting for 35.2% of the total figure and exceeding accommodation (609.9 billion yen (30.1%)). (Fig. 39)

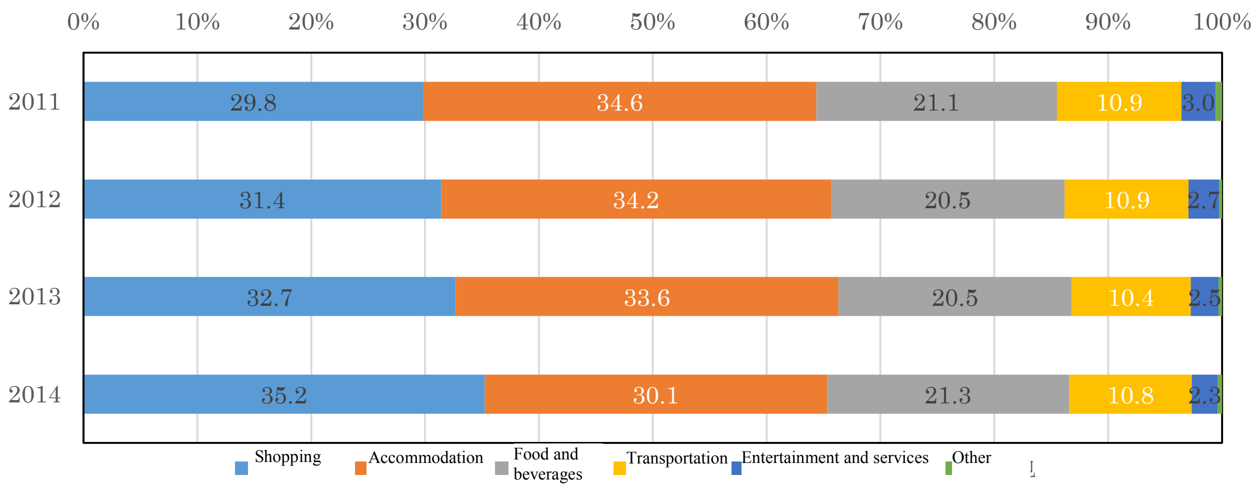
Fig. 39　The breakdown of Tourism Consumption by Foreign Visitors to Japan by Item (2014)



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

The recent growth in the number of foreign visitors from Asia, who rank high in shopping expenditure, is considered to have been a factor behind the increase in the share of shopping expenditure. On the other hand, accommodation is showing a declining trend. (Fig. 40)

Fig. 40　Tourism Consumption by Item, Including Shopping, Accommodation and Food and Beverages

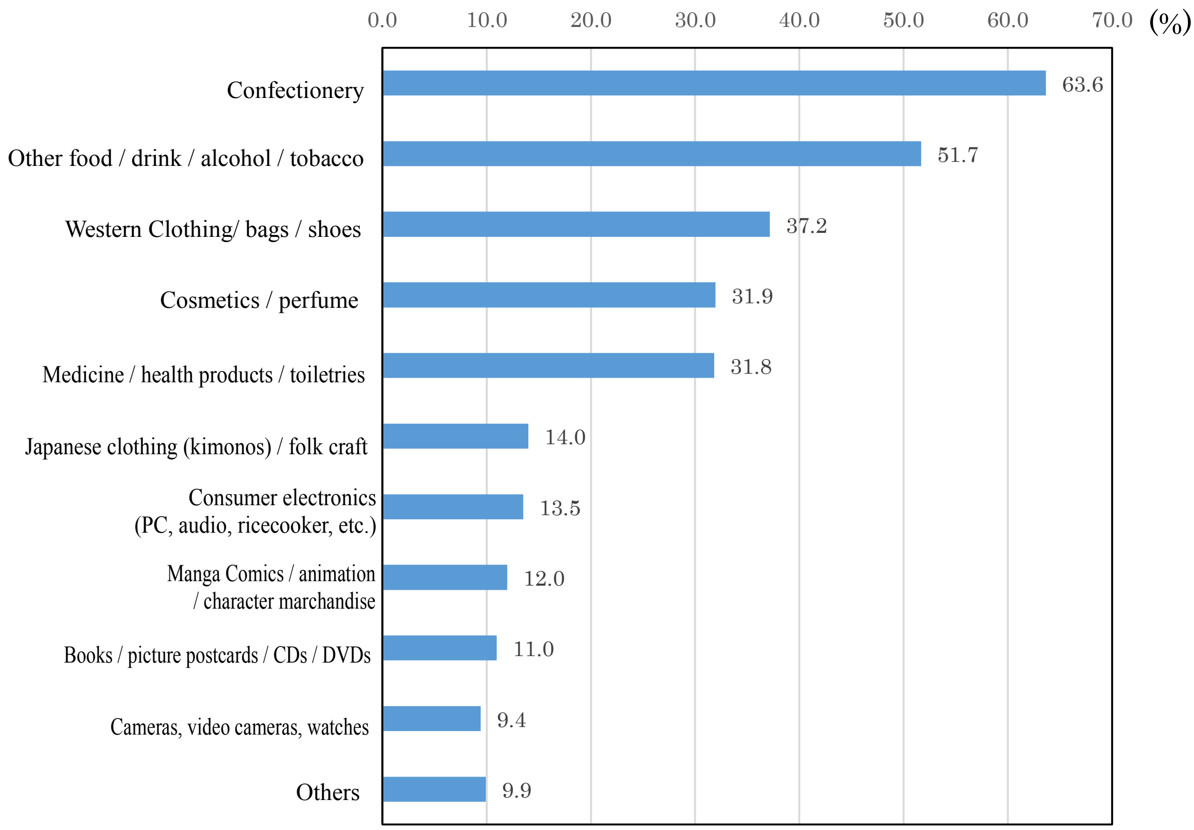


Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)
Note: "Other" includes medical fees, tuition fees, call charges for mobile phones and so on.

2 Consumption Status by Product for Shopping

Looking at purchase rates by product, purchase rates related to food exceeded 50%. (63.6% for "confectionery" and 51.7% for "other food, drink, alcohol & tobacco".) Third came "Western clothing, bags, shoes" at 37.2%, fourth was "cosmetics, perfume" at 31.9% and fifth was "medicine, health products, toiletries" at 31.8%. (Fig. 41)

Fig. 41 Purchase Rate by Product (2014)



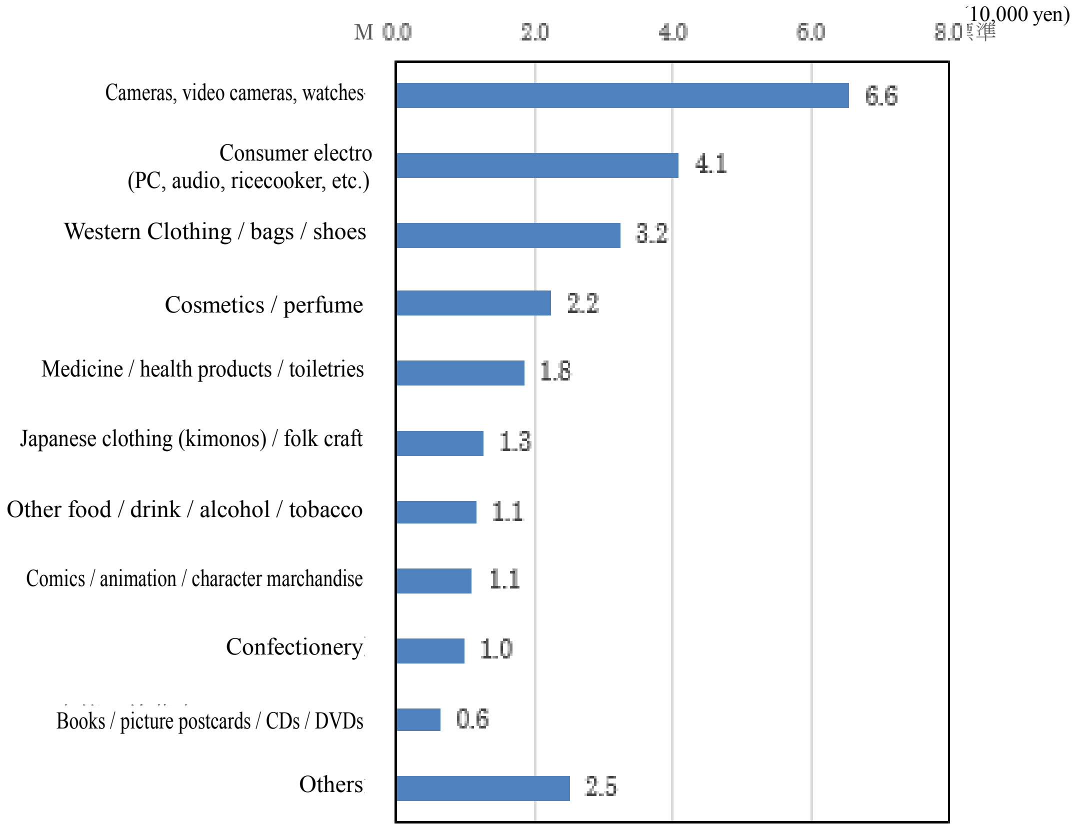
Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

Note: "Purchase rate" is the proportion of tourists who purchased the product.

With regard to average expenditure per purchaser, the highest category was "cameras, video cameras, watches" at 66,000 yen. Second was "consumer electronics" at 41,000 yen, followed by "Western clothing, bags, shoes" in third place at 32,000 yen.

Figures for "confectionery" and "other food, drink, alcohol & tobacco", products which more than half of all visitors purchased, were 10,000 and 11,000, respectively. (Fig. 42)

Fig. 42 Average Expenditure per Purchaser, by Product (2014)

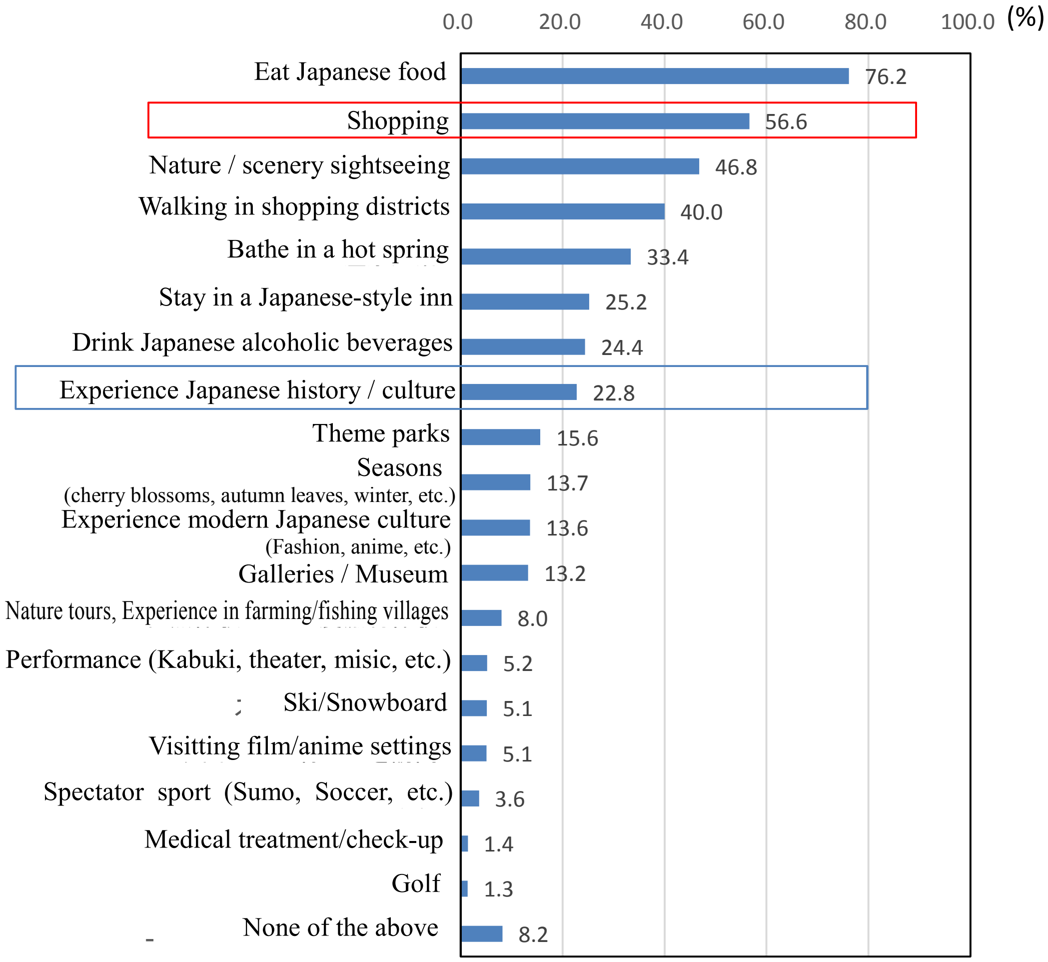


Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)
Note: "Average expenditure per purchaser" indicates the average expenditure per purchaser on the product.

Section 4 Consumption Status by Country and Region

The most common motive cited by foreign visitors for their visits to Japan is "Eat Japanese food" at 76.2%, followed by "Shopping" at 56.6% in second place. "Experience Japanese history and traditional culture" ranked eighth, at 22.8%. (Fig. 43)

Fig. 43 Motive cited by foreigners (2014)



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

With regard to ratios by country / region for foreign visitors who cited shopping as a motive for visiting Japan, Thailand (74.1%) is at the top, followed by Hong Kong (69.6%), China (68.0%), Taiwan (66.9%), Singapore (59.1%), Vietnam (58.2%), Malaysia (57.5%), the Philippines (51.9%) and Indonesia (50.0%), which means Asian countries / regions account for all the top places in the ranking.

Meanwhile, the top countries / regions in terms of the ratio of "Experience Japanese history and culture" responses are in Europe and North America: France (46.3%), the United States (43.7%) and Canada (43.0%), followed by Australia (41.0%). The ratio for this motive is over 40% for these four countries. (Fig. 44)

Therefore, the difference in consumption behavior by country / region stated below reflects the differences in motive for visiting Japan.

Fig. 44 Motive for Visiting Japan by Country / Region (2014)

(Unit: %)

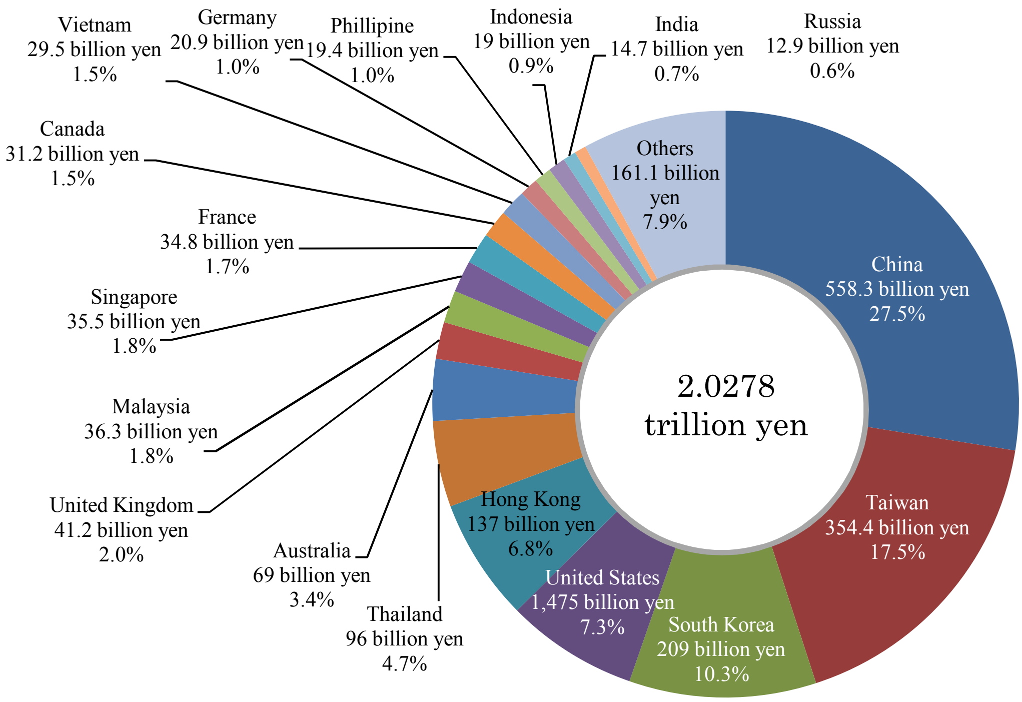
Eat Japanese food		Shopping		Nature / scenery sightseeing		Experience Japanese history / culture	
Thailand	83.9	Thailand	74.1	Taiwan	55.1	France	46.3
France	83.4	Hong Kong	69.6	Hong Kong	53.1	United States	43.7
Singapore	82.9	China	68.0	China	52.7	Canada	43.0
Canada	80.2	Taiwan	66.9	Australia	52.3	Australia	41.0
Hong Kong	79.8	Singapore	59.1	Vietnam	50.9	Russia	39.8
Vietnam	79.7	Vietnam	58.2	Thailand	50.5	United Kingdom	37.8
United States	78.8	Malaysia	57.5	United States	48.8	Vietnam	33.4
Australia	78.5	Philippines	51.9	Canada	48.7	Germany	31.6
Germany	77.4	Indonesia	50.0	Singapore	48.7	Indonesia	30.4
United Kingdom	76.8	Australia	47.1	France	48.3	Thailand	27.9
Russia	76.6	Russia	46.5	United Kingdom	44.8	Philippines	26.8
Taiwan	76.2	Canada	46.1	Malaysia	44.1	India	26.4
Indonesia	75.5	India	44.8	Indonesia	43.6	Singapore	25.0
Philippines	74.9	South Korea	44.3	Philippines	43.0	Malaysia	24.2
South Korea	73.8	France	42.5	Russia	38.2	Taiwan	20.6
Malaysia	72.7	United States	39.0	Germany	36.0	China	16.2
China	72.6	United Kingdom	37.6	India	34.3	Hong Kong	14.2
India	56.2	Germany	30.7	South Korea	28.9	South Korea	12.2
Other	79.4	Other	41.3	Other	52.0	Other	38.9

Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)
Note:. Countries / regions are indicated by color: East Asia, Other part of Asia (Southeast Asia), Europe and the United States.

1 Consumption Status by Country / Region (in general)

By country / region, the consumption of the top 5 countries / regions exceeded 100 billion yen.
China took the lead with 558.3 billion yen (27.5% of the total), Taiwan ranked second with 354.4 billion yen (17.5% of the total), and South Korea ranked third with 209 billion yen (10.3% of the total). The total consumption of these three countries / regions accounts for more than 50% of the total consumption. The United States ranked fourth with 147.5 billion yen (7.3% of the total) and Hong Kong ranked fifth with 137 billion yen (6.8% of the total). (Fig. 45)

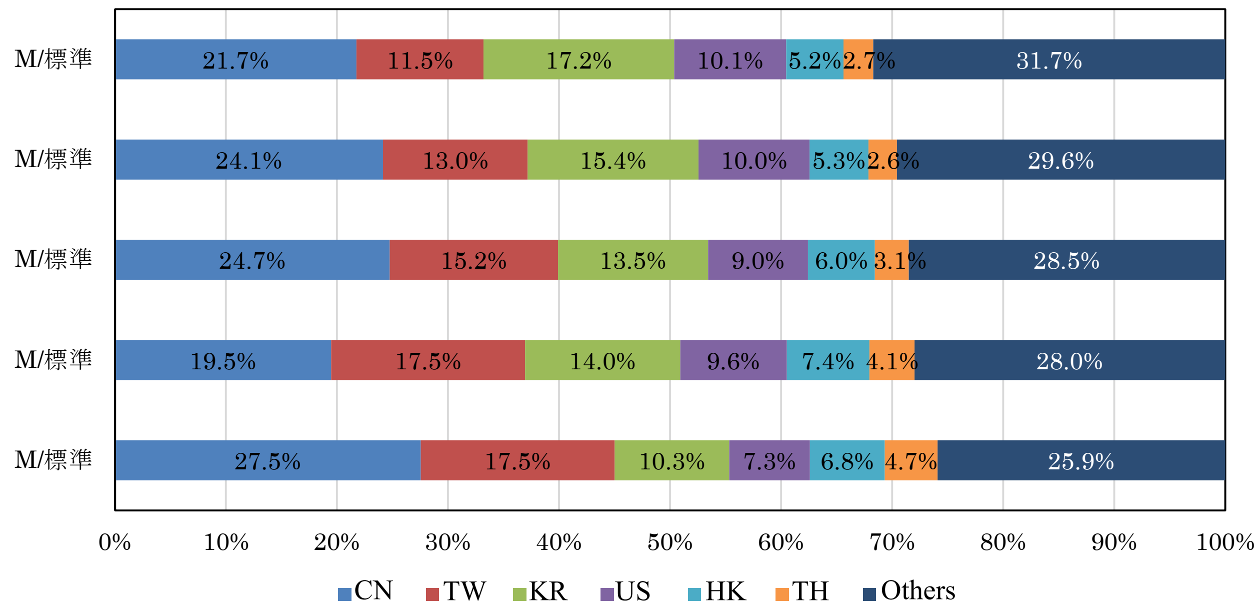
Fig. 45 Consumption Status by Country / Region



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

China has remained in first place since 2010. The breakdown shows that consumption for Taiwan and Thailand is on a rising trend, while it is declining for South Korea and the United States. (Fig. 46)

Fig. 46 Share of Tourism Consumption by Country / Region



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

2 Consumption Status by Item, by Country / Region

Below are the comparisons of consumption per foreign visitors by item.

Shopping expenditure for Chinese nationals amounts to 127,443 yen, which is rather large compared with other countries / regions. Vietnam ranked second with 88,814 yen. Russia ranked third with 63,056 yen. Thailand ranked fourth, followed in order by Hong Kong, Malaysia, Taiwan and Singapore. Thus, the Asian countries / region occupy the top rankings.

Australia ranked first for accommodation expenditure with 93,484 yen, the United Kingdom ranked second with 81,094 yen, and France ranked third with 77,827 yen. The United States ranked fourth, followed in order by Canada, Russia and Germany, which means, in contrast, countries / regions outside Asia occupy the top rankings.

Vietnam ranked first with 54,361 yen for expenditure for food and beverages, Australia ranked second with 52,308 yen and India ranked third with 47,536 yen.

Australia ranked first for transportation expenditures with 33,755 yen, France ranked second with 33,052 yen, and the United Kingdom ranked third with 28,562 yen.

With regard to expenditure for entertainment and services, Russia ranked first with 8,884 yen, Australia ranked second with 7,614 yen, Vietnam ranked third with 5,596 yen. These expenditures are lower than those for other items, remaining below 10,000 yen.

Vietnam's higher rank of expenditure on shopping, food and beverages is considered to be affected by the high rate (34.7%) of long-term stays (from 21 days to less than a year) for company training etc.[12]. (Fig. 47)

Fig. 47 Consumption by Item, Including Shopping, Accommodation and Food and Beverages (2014)

[12] Data based on the JTA's Consumption Trend Survey for Foreigners Visiting Japan.

(Units: yen / person)

Shopping		Accommodation		Food and beverages		Transportation		Entertainment and service	
China	127,443	Australia	93,484	Vietnam	54,361	Australia	33,755	Russia	8,884
Vietnam	88,814	United Kingdom	81,094	Australia	52,308	France	33,052	Australia	7,614
Russia	63,056	France	77,827	India	47,536	United Kingdom	28,562	Vietnam	5,596
Thailand	56,133	United States	71,783	United Kingdom	46,360	India	26,225	Thailand	5,494
Hong Kong	51,584	Canada	71,496	France	45,677	Canada	24,902	France	4,864
Malaysia	47,500	Russia	68,779	United States	42,343	Germany	24,577	Canada	4,334
Taiwan	46,501	Germany	65,762	Canada	40,963	United States	24,481	United Kingdom	3,793
Singapore	45,485	Vietnam	63,739	Russia	40,296	Vietnam	23,725	Indonesia	3,673
Australia	39,082	India	62,668	China	39,483	Russia	20,544	Malaysia	3,642
Indonesia	37,563	Singapore	52,619	Singapore	38,897	Indonesia	18,582	Taiwan	3,598
Philippines	34,011	Malaysia	46,990	Germany	33,884	Malaysia	18,422	United States	3,564
France	33,233	Hong Kong	45,937	Hong Kong	31,747	China	15,668	Germany	3,422
India	28,884	China	44,661	Thailand	28,358	Singapore	15,555	Hong Kong	3,181
Canada	28,748	Thailand	40,803	Malaysia	28,105	Hong Kong	15,361	Singapore	2,984
United Kingdom	27,087	Indonesia	37,301	Philippines	26,866	Thailand	14,899	China	2,812
United States	22,905	Taiwan	37,021	Taiwan	25,267	Taiwan	12,568	South Korea	2,371
Germany	21,095	Philippines	30,986	Indonesia	21,840	Philippines	11,284	India	2,178
South Korea	20,137	South Korea	24,820	South Korea	19,147	South Korea	9,112	Philippines	2,134
Other	38,193	Other	73,255	Other	50,652	Other	28,763	Other	4,782

Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)
Note: Countries / regions are indicated by color. East Asia, Other parts of Asia (Southeast Asia), Europe and the United States.

3 Consumption Status by Product for Shopping by Country / Region

Products for shopping differs by country / region.

The purchase rate for confectionery, cameras / video cameras / watches, consumer electronics, cosmetics / perfume, medicine / health products / toiletries, clothing / bags / shoes have a high share in Asian countries / regions. The purchase rate for China is especially high, ranking first for confectionery, cameras / video cameras / watches, consumer electronics, cosmetics / perfume and ranking second for other food / drink / alcohol / tobacco and medicine / health products / toiletries.

On the contrary, Europe and the United States have high purchase rates for products related to Japanese culture like Japanese clothing (kimonos) / folk craft and books / picture postcards / CDs / DVDs, etc. Manga comics / animation / character marchandise purchased by many tourists from France, Hong Kong, Taiwan and China. France ranked first for these three product categories: Japanese clothing (kimonos) / folk craft, books / picture postcards / CDs / DVDs, and manga comics / animation / character marchandise. (Fig. 48)

Fig. 48 Purchase rate by Product by Country / Region (2014)

(Unit: %)

Confectionery		Other food, drink, alcohol & tobacco		Cameras / video cameras / watches		Consumer Electrics (PC, audio, rice cooker, etc.)		Cosmetics / perfume		Medicine / health products / toiletries	
China	76.5	France	55.3	China	26.1	China	36.7	China	62.8	Taiwan	61.3
Taiwan	75.3	China	54.9	Vietnam	22.2	Vietnam	24.2	Thailand	49.7	China	50.2
Singapore	73.2	Singapore	54.0	Philippines	16.2	India	17.8	Vietnam	43.0	Hong Kong	43.2
Thailand	72.9	Taiwan	53.1	India	13.5	Russia	17.4	Hong Kong	37.0	Vietnam	33.2
South Korea	70.2	Malaysia	52.7	Russia	12.7	Taiwan	11.8	Taiwan	31.9	Russia	20.0
Vietnam	66.3	Australia	52.0	Thailand	12.0	France	10.5	Russia	31.1	South Korea	19.2
Hong Kong	64.2	South Korea	51.3	Indonesia	11.8	Indonesia	10.4	Malaysia	25.3	Singapore	16.4
Philippines	58.9	Hong Kong	51.2	Malaysia	10.6	Thailand	9.9	South Korea	24.7	Thailand	14.5
Indonesia	55.9	Philippines	50.4	Australia	7.1	Philippines	9.3	Philippines	24.4	Malaysia	12.9
Russia	48.2	United Kingdom	50.2	Singapore	6.5	Malaysia	9.1	Singapore	23.6	Australia	8.6
Malaysia	48.2	Canada	49.9	Hong Kong	6.1	Hong Kong	8.8	Indonesia	16.5	Canada	7.9
Australia	42.9	Russia	47.2	United Kingdom	5.6	Canada	8.7	Australia	12.7	United Kingdom	7.2
India	42.1	United States	46.3	Canada	5.1	Singapore	7.9	India	9.5	France	6.2
United Kingdom	39.6	Germany	46.0	France	4.9	United Kingdom	7.4	Canada	9.4	Philippines	6.2
France	37.2	Thailand	44.9	Taiwan	4.7	Australia	7.1	United Kingdom	9.3	Indonesia	6.2
Canada	34.9	Indonesia	44.4	South Korea	3.1	Germany	5.3	France	7.8	United States	5.3
United States	32.1	Vietnam	43.4	Germany	2.7	United States	5.1	Germany	7.2	Germany	2.5
Germany	29.1	India	36.9	United States	1.8	South Korea	3.5	United States	5.0	India	2.3
Other	29.8	Other	55.1	Other	8.6	Other	10.9	Other	12.3	Other	4.2

Japanese clothing (kimonos) / folk craft		Western Clothing / bags / shoes		Manga comics / anime / character marchandise		Books / postcards / CDs / DVDs,	
France	35.1	Hong Kong	59.5	France	22.1	France	24.6
Canada	30.0	Malaysia	47.3	Hong Kong	16.0	United Kingdom	16.6
United Kingdom	28.1	China	44.5	Taiwan	14.6	United States	16.3
United States	26.4	Singapore	43.7	China	13.7	Australia	16.1
Australia	25.5	Thailand	43.6	Australia	12.3	Canada	15.2
Indonesia	24.6	Taiwan	43.3	Canada	11.8	Taiwan	13.6
Russia	22.4	Philippines	42.5	Indonesia	10.0	Hong Kong	12.6
Malaysia	19.3	Vietnam	41.4	United Kingdom	9.9	Germany	12.5
India	17.2	Australia	39.8	United States	9.9	Russia	12.0
Germany	17.2	Russia	39.2	South Korea	9.8	China	11.9
Philippines	14.9	Indonesia	34.9	Thailand	9.3	Vietnam	8.5
Vietnam	14.7	Canada	34.4	Russia	8.2	Malaysia	8.4
Singapore	14.3	India	29.5	Germany	8.0	Thailand	8.3
Thailand	12.6	France	27.4	Singapore	7.4	Indonesia	7.0
Hong Kong	12.2	South Korea	24.2	Philippines	7.3	Singapore	6.3
China	11.5	United Kingdom	22.6	Malaysia	6.6	India	5.6
Taiwan	10.8	United States	20.0	Vietnam	4.7	South Korea	4.5
South Korea	6.0	Germany	18.3	India	2.7	Philippines	3.2
Other	27.1	Other	29.3	Other	10.5	Other	13.2

Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

Note: Countries / regions are indicated by color. ☐ East Asia, ☐ Other parts of Asia (Southeast Asia), ☐ Europe and the United States.

4 Shopping Locations by Country / Region

As a whole, supermarkets / shopping centers, airport duty-free shops, convenience stores and department stores show rates over 50%. 34.4% of visitors shop at tourit souvenir shop.

South Korea shows a low rate of shopping at department stores, at 29.2%.

China shows a high rate of 39.5% with regard to shopping at consumer electronics stores (Akihabara, etc.).

Many visitors from Thailand, Vietnam and India tend to shop at 100 Yen shops.

The rate of shopping at airport duty-free shops, convenience stores, and department stores is below 50% for Europe and the United States. (Fig. 49)

Fig. 49 Shopping Locations by Country / Region (2014)

(Unit: %)

	All	S. Korea	Taiwan	Hong Kong	China	Thailand	Singapore	Malaysia	Indonesia	Philippines	Vietnam	India
Supermarkets / shopping center	64.6	56.0	75.7	75.6	74.2	68.2	68.6	64.3	58.7	60.5	78.5	57.1
Airport duty-free shops	55.7	49.8	72.6	56.7	78.9	57.0	63.1	51.8	41.9	32.9	37.2	25.6
Convenience stores	52.8	51.3	64.8	61.5	53.3	51.2	50.2	50.7	37.8	48.7	38.9	31.7
Department stores	52.6	29.2	62.0	73.3	68.1	73.5	59.6	55.6	48.4	48.3	52.2	34.2
Tourist souvenir shops	34.4	17.8	48.4	43.3	33.6	32.7	33.7	38.2	39.5	27.4	23.7	18.0
Fashion boutiques	19.3	8.4	23.4	33.1	27.5	22.4	22.2	21.1	11.5	15.7	17.2	6.6
100 Yen shops	18.5	14.4	17.0	18.5	16.3	42.3	19.5	23.5	24.4	27.3	40.9	34.7
Consumer electronics stores	17.5	7.1	15.8	11.2	39.5	14.7	11.1	14.5	18.5	16.3	25.4	23.9
Railway station boutiques	15.1	5.4	23.8	20.9	16.8	17.7	16.2	11.8	12.9	6.6	12.5	7.1
Outlet malls	14.0	9.5	19.7	26.7	16.6	20.6	11.4	11.7	9.3	6.7	9.1	5.8
Others	6.2	7.6	5.5	4.6	5.3	4.3	4.0	5.2	3.0	5.6	8.4	4.1
Accommodation facilities	6.1	3.0	10.9	9.8	5.6	9.6	5.1	3.3	3.2	1.9	2.3	3.2
Not purchased anything	5.2	6.2	0.7	0.7	0.5	0.6	1.4	2.7	2.7	7.4	2.3	14.4

(%)

	U.K.	Germany	France	Russia	U.S.	Canada	Australia
Supermarkets / shopping center	40.8	43.5	55.2	67.3	40.6	48.0	53.8
Airport duty-free shops	30.2	27.6	37.7	38.9	23.5	32.2	28.9
Convenience stores	41.3	30.8	38.2	38.2	42.1	45.6	55.5
Department stores	41.6	28.9	46.4	48.2	35.6	47.1	52.5
Tourist souvenir shops	30.8	22.7	40.3	39.3	35.8	39.4	35.5
Fashion boutiques	14.5	9.0	20.1	32.8	10.3	15.7	20.7
100 Yen shops	16.9	11.8	21.6	27.2	15.5	21.7	21.1
Consumer electronics stores	14.1	10.1	17.8	26.5	8.8	15.7	14.6
Railway station boutiques	9.1	8.5	15.2	15.4	11.1	10.1	12.8
Outlet malls	6.2	2.5	5.1	10.6	5.4	6.6	8.4
Others	5.9	6.1	7.7	7.4	8.7	6.8	7.5
Accommodation facilities	3.7	2.5	3.9	9.1	4.1	4.8	9.0
Not purchased anything	20.8	23.8	7.0	5.2	19.8	12.5	12.4

Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

Note:

1. Countries / regions are indicated by color. □East Asia, □Other parts of Asia (Southeast Asia), □Europe and the United States.
2. Ratio: □over 50%, □from 30% to 50%

5 Payment Method by Country / Region

With regard to payment by credit card, foreign visitors from Europe and the United States have a high ratio and more than half of the visitors from these countries / regions use credit cards. On the other hand, the ratio is below 50% for some of the Asian countries / regions.

In particular, China shows a high ratio of payment by Debit Card. This may be a result of the increasing popularity of the UnionPay Card. (Fig. 50)

Fig. 50 Difference in Method of Purchase and Payment by Country / Region (2014)

(Unit: %)

	All	S. Korea	Taiwan	Hong Kong	China	Thailand	Singapore	Malaysia	Indonesia	Philippines	Vietnam	India
Cash	95.8	96.6	98.3	97.4	94.8	96.4	97.3	98.1	97.7	97.1	97.2	93.7
Credit card	50.5	41.0	46.2	51.4	51.9	48.4	58.5	47.1	36.9	35.8	31.1	42.8
Debit card (Union Pay Card etc.)	6.9	0.7	1.0	1.7	32.0	0.8	1.1	1.3	0.8	0.2	1.6	4.2
Transportation IC card (Edy, Suica etc.)	1.2	0.1	1.4	1.1	0.9	0.8	1.5	1.5	1.2	1.1	1.8	2.1
Traveler's cheque	0.2	0.2	0.2	0.1	0.2	0.0	0.0	0.3	0.3	0.0	0.0	2.2

	U.K.	Germany	France	Russia	U.S.	Canada	Australia
Cash	94.5	87.1	92.6	90.0	90.0	94.1	92.7
Credit card	64.0	71.8	65.4	54.6	68.5	68.2	68.5
Debit card (Union Pay Card etc.)	4.3	0.3	1.3	4.7	2.2	1.9	4.3
Transportation IC card (Edy, Suica etc.)	2.0	2.8	2.6	1.4	2.1	2.8	1.2
Traveler's cheque	0.4	0.5	0.2	0.0	0.1	0.3	0.5

Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

Note:

1. Countries / regions are indicated by color. East Asia, Other parts of Asia (Southeast Asia), Europe and the United States.
2. Ratio: over 90%, from 50% to 90%, from 30% to 50%

Chapter 2 Factors for Expansion of Inbound Tourism Consumption

In this chapter, the factors behind the rapid growth in recent inbound tourism consumption will be considered by focusing on the foreign visitors to Japan from Asia, who account for large proportion in the inbound consumption.

Firstly, an increase in individual income can be given as a factor behind expanding inbound consumption by visitors from Asia.

Secondly, the differences in the consumption environment in terms of quality and prices should be mentioned when comparing Asian countries / regions to Japan. The expansion of inbound consumption is due to the increasing sense that Japanese products are inexpensive, especially with regard to high-end products, for example because Japanese products have are reliable quality, there is a move toward yen depreciation along and the range of items exempt from consumption tax within the consumption tax-free system for foreign visitors has expanded.

Furthermore, the Visit Japan Promotion to expand inbound consumption can be considered a factor that has encouraged a willingness to buy among foreign visitors. (Fig. 51)

In this chapter, the above-mentioned factors, such as income (hereinafter, income factor), quality of Japanese products (hereinafter, quality factor), and price (hereinafter, price factor), will be discussed.

Fig. 51 Main Factors for the Expansion of Inbound Tourism Consumption

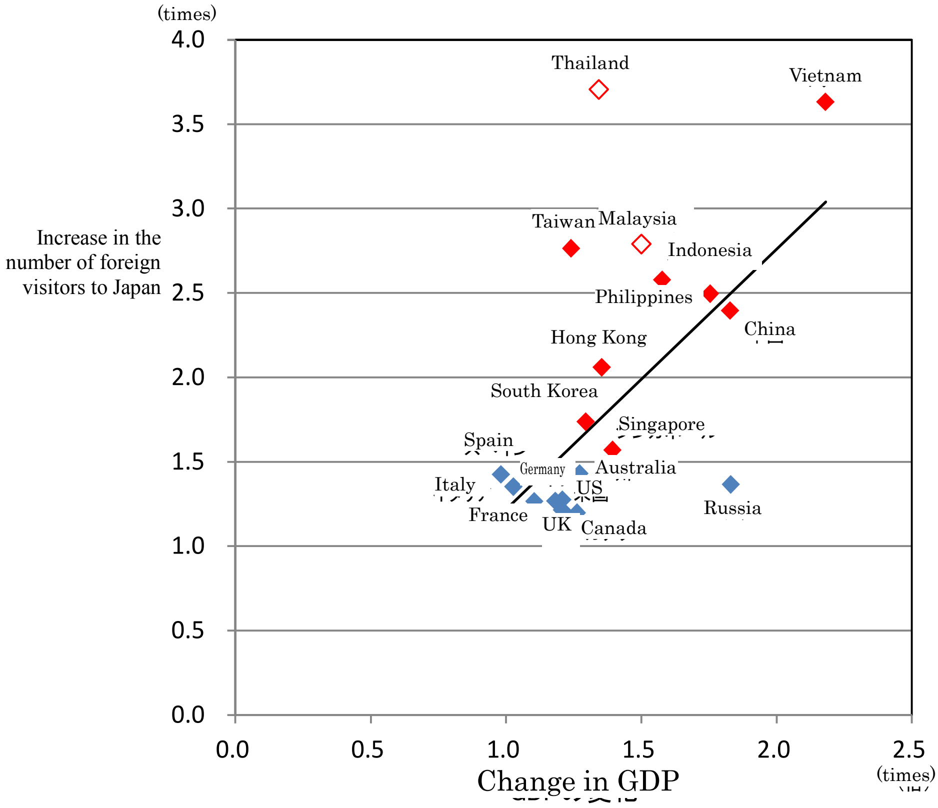
Income factor	An increase in individual income due to economic growth.
Quality factor	A strong trust in the quality of Japanese products.
Price factor	A sense that Japanese products are inexpensive is growing, mainly for high-end products.
Factors for the sense that Japanese products are inexpensive.	➢ A move toward yen depreciation. ➢ An expansion of the range of items exempt from consumption tax etc.
Other	Implementation of Visit Japan Promotion focusing on shopping.

Section 1 Income Factor

An income rise in a country / region is considered to be a factor which will increase the number of visitors to Japan, as well as the expenditure of those visitors.

With regard to foreign countries / regions with the many visitors to Japan, the plot of changes in GDP and the changes in the number of visitors to Japan shows a tendency in which an increase in GDP leads to an increase the number of visitors. Also, the plot indicates that numbers of visitors from Asian countries / regions with large GDP growth are increasing. Please note that Thailand and Malaysia are excluded from drawing approximate line, since visa exemptions were put in place for both countries in July 2013, and this may have caused the rapid increase in the number of visitors to Japan from these two countries. (Fig. 52)

Fig. 52 Correlation between GDP growth and the number of foreign visitors to Japan (2009 - 2014)



Source: References from IMF (GDP) amd Japan National Tourism Organization (number of foreign visitors to Japan)
Note: GDP for 2014 is an expectancy.

Section 2 Quality Factor

The Consumption Trend Survey for Foreigners Visiting Japan by JTA shows the most satisfying product purchased and the reason. Each product were purchased for different reasons, but "good quality" ranked first place for most products if "good taste" for confectionery is taken to mean "good quality".

The answer "made in Japan" accounts for 26.9% for consumer electronics, 11.8% for cosmetics / perfume, 6.9% for medicine / health products / toiletries, and 4.7% for clothing / bags / shoes.

The result shows that foreign visitors to Japan, mainly from Asia, trust made-in-Japan products and there is an awareness that they can purchase products with better quality in Japan than those available in their own countries / regions. (Fig. 53)

Fig. 53 Reasons for Purchasing a Satisfactory Product by Foreign Visitors to Japan

(Unit: %)

Confectionery		Consumer electronics (PC, audio, ricecooker, etc.)		Cosmetics / perfume		Medicine / health products / toiletries		Clothing / bags / shoes	
Tastes good	68.5	Good quality	35.2	Good quality	37.9	Good quality	65.6	Good / pretty / beautiful design	39.1
Good for a souvenir / I was asked to buy it	16.0	Made in Japan	26.9	Reasonable price / cheaper than at home	25.2	Reasonable price / cheaper than at home	10.9	Reasonable price / cheaper than at home	27.1
Good / pretty / beautiful design	3.6	Reasonable price / cheaper than at home	20.6	Made in Japan	11.8	Good for a souvenir / I was asked to buy it	8.4	Good quality	17.0
Can't get it in my own country	2.6	Can't get it in my own country	3.9	Good for a souvenir / I was asked to buy it	8.9	Made in Japan	6.9	I like this brand / product	5.2
Traditional / unique to Japanese	2.3	Good / pretty / beautiful design	2.9	I like this brand / product	6.6	Can't get it in my own country	2.7	Made in Japan	4.7

Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

Section 3 Price Factor

In the question regarding the reasons for purchase above, the ratio of choosing "Reasonable price / Cheaper than at home" was 27.1% for clothing / bags / shoes, 20.6% for consumer electronics, 25.2% for cosmetics / perfume, and 10.9% for medicine / health products / toiletries.

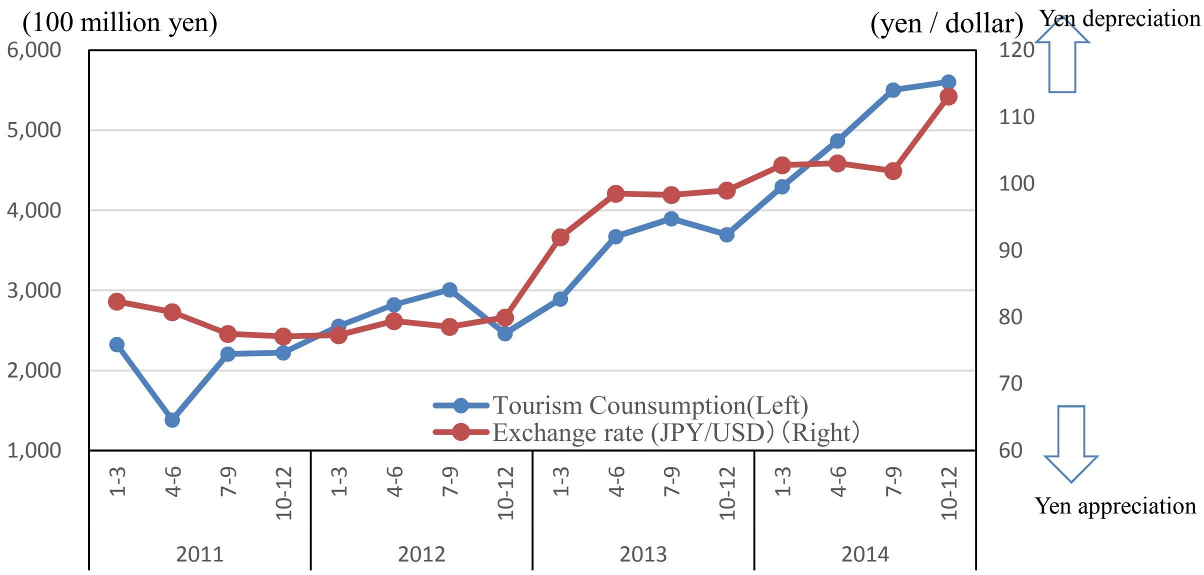
With regard to consumption by foreign visitors in Japan, the sense that Japanese products are more inexpensive compared with the visitors' own countries / regions has been growing, particularly for high-end products. This is owing to the change in foreign exchange rates and the expansion of the range of items exempt from consumption tax.

Hereafter, foreign exchange rates and the tax-free system on consumption tax will be outlined and influences will be discussed.

1 Foreign Exchange Rates

The yen-to-dollar rate has been transitioning toward yen depreciation since the end of 2012. During the same period, travel consumption by foreign visitors showed an increase. The Visit Japan Promotions targeting rapidly growing countries in Asia, the relaxation of visa requirements for Southeast Asia, the expansion of the tax-free system and moving towards yen depreciation has led to the increase in the number of visitors to Japan and the sense that Japanese products are inexpensive, which are attributable to the growth in travel consumption per person. (Fig. 54)

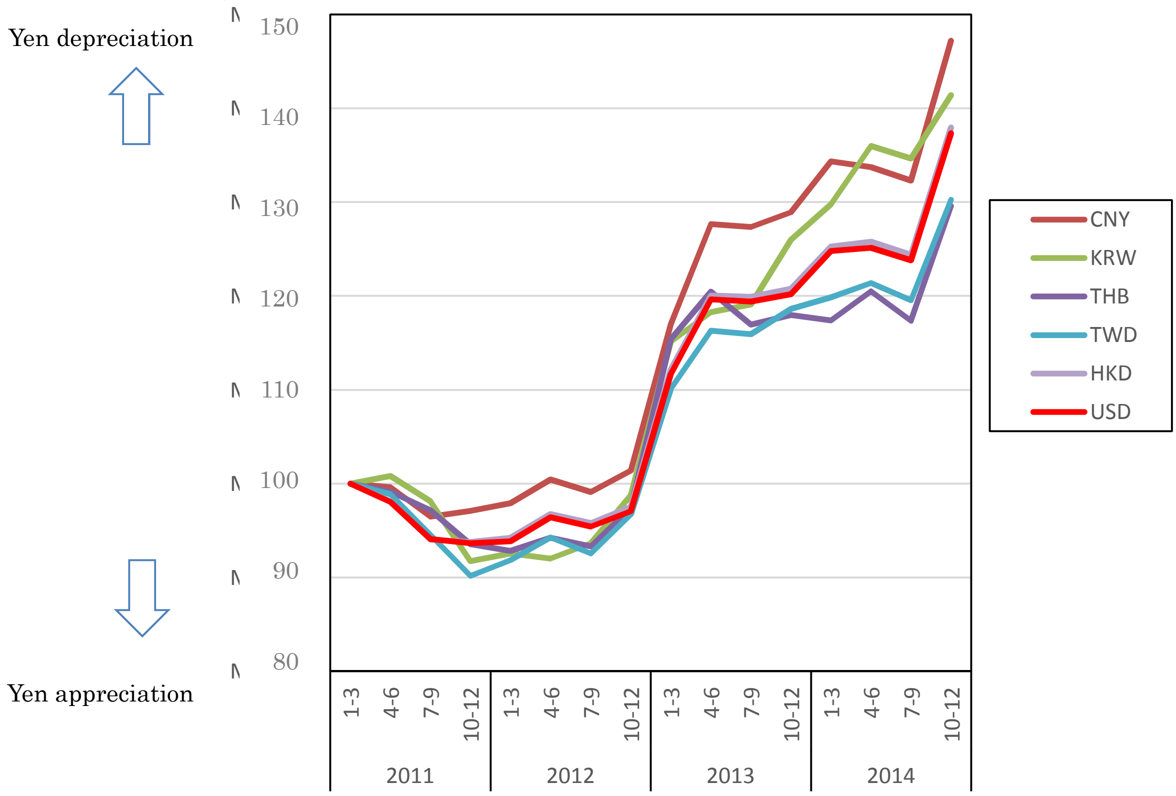
Fig. 54 Change in Travel Consumption by Foreign Visitors to Japan and Foreign Exchange Rates



Source:
Tourism Consumption - *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)
Exchange Rate - Bank of Japan's BOJ Time-Series Data Search

Looking at the change in the quarterly foreign exchange rates of the US dollar and the local currencies of five Asian countries / regions (Chinese yuan, Korean won, Taiwan dollar, Hong Kong dollar, Thai baht) against the yen, the yen depriciate against all currencies from 2011 to 2014, albeit with slight differences for each currency. (Fig. 55)

Fig. 55 Trend in Yen vs. Dollar and Five Asian Local Currencies



Note: Figures for January to March in 2011 were indexed as 100.

2 Tax-Free System for Foreign Visitors in Japan

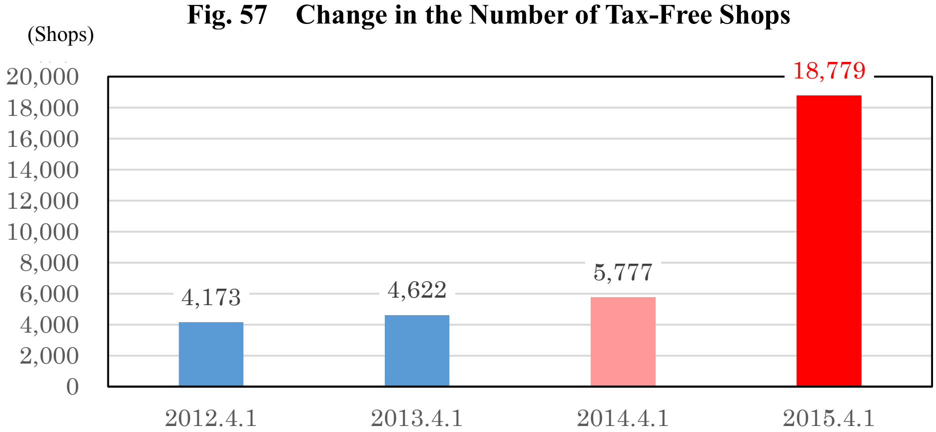
In the FY 2014 tax system reform, the tax-free system on consumption tax for foreign visitors to Japan was revised. As shown in Fig. 56, the system was revised to include consumables (food, beverages, medicines, cosmetics and other consumables) that were previously not exempt from tax within the scope of tax-free sales based on the premise that certain fraud prevention measures, and would be carried out from October 2014. (Fig. 56)

Fig. 56 Overview of the Expansion of the Range of Consumption Tax-Free Items

Moreover, the FY2014 tax system reform made forms more flexible and simplified procedures. Designated forms are no longer required for "Purchase proof document" and "purchaser's written oath", as long as all required items are filled in.

The rapid growth in the number of foreign visitors and the above-mentioned revision of the tax-free system have led to a sudden increase in the number of tax-free shops since 2014, almost tripling from 5,777 on April 1, 2014 to 18,779 on April 1, 2015 (a year-on-year increase of 225.1%). (Fig. 57)

Fig. 57 Change in the Number of Tax-Free Shops



Source: A reference from the National Tax Agency.

Looking at the change in the number of tax-free shops by prefecture from April 1, 2014 to April 1, 2015, the number grew by a factor of more than 5 in 20 prefectures, 18 of which were outside the three major metropolitan areas. (Fig. 58)

Fig. 58 Distribution of Tax-free Shops by Prefecture

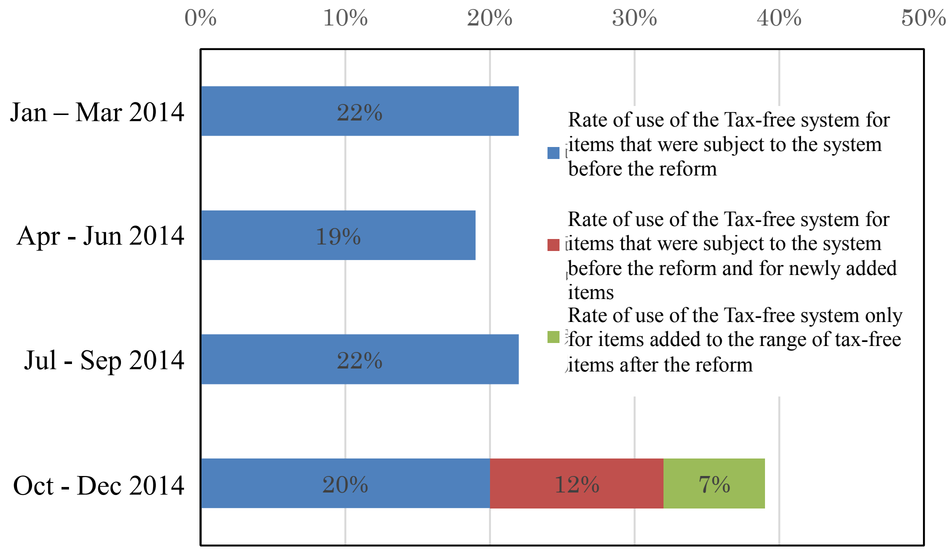
	Number of shops		Increase	Growth rate
	Apr. 1, 2014	Apr. 1, 2015		
Sapporo Regional Taxation Bureau	283	1132	849	400.0%
Hokkaido	283	1132	849	400.0%
Sendai Regional Taxation Bureau	81	486	405	600.0%
Aomori	5	61	56	1220.0%
Iwate	2	49	47	2450.0%
Miyagi	58	267	209	460.3%
Akita	2	23	21	1150.0%
Yamagata	5	39	34	780.0%
Fukushima	9	47	38	522.2%
Kantoshinetsu Regional Taxation Bureau	274	1158	884	422.6%
Ibaraki	34	149	115	438.2%
Tochigi	34	134	100	394.1%
Gunma	16	66	50	412.5%
Saitama	93	500	407	537.6%
Niigata	46	132	86	287.0%
Nagano	51	177	126	347.1%
Tokyo Regional Taxation Bureau	2674	7356	4682	275.1%
Chiba	197	801	604	406.6%
Kanagawa	229	994	765	434.1%
Tokyo	2238	5469	3231	244.4%
Yamanashi	10	92	82	920.0%
Kanazawa Regional Taxation Bureau	99	279	180	281.8%
Toyama	68	129	61	189.7%
Ishikawa	29	142	113	489.7%
Fukui	2	8	6	400.0%
Nagoya Regional Taxation Bureau	365	1382	1017	378.6%
Gifu	28	152	124	542.9%
Shizuoka	95	352	257	370.5%
Aichi	194	672	478	346.4%
Mie	48	206	158	429.2%

	Number of shops		Increase	Growth rate
	Apr. 1, 2014	Apr. 1, 2015		
Osaka Regional Taxation Bureau	1267	4126	2859	325.7%
Shiga	27	115	88	425.9%
Kyoto	187	772	585	412.8%
Osaka	852	2316	1464	271.8%
Hyogo	180	701	521	389.4%
Nara	13	122	109	938.5%
Wakayama	8	100	92	1250.0%
Hiroshima Regional Taxation Bureau	126	603	477	478.6%
Tottori	6	49	43	816.7%
Shimane	1	19	18	1900.0%
Okayama	31	169	138	545.2%
Hiroshima	68	310	242	455.9%
Yamaguchi	20	56	36	280.0%
Takamatsu Regional Taxation Bureau	50	217	167	434.0%
Tokushima	2	22	20	1100.0%
Kagawa	25	88	63	352.0%
Ehime	19	79	60	415.8%
Kochi	4	28	24	700.0%
Fukuoka Regional Taxation Bureau	422	1262	840	299.1%
Fukuoka	371	1011	640	272.5%
Saga	24	84	60	350.0%
Nagasaki	27	167	140	618.5%
Kumamoto Regional Taxation Bureau	54	431	377	798.1%
Kumamoto	15	99	84	660.0%
Oita	15	93	78	620.0%
Miyazaki	10	68	58	680.0%
Kagoshima	14	171	157	1221.4%
Okinawa Regional Taxation Office	82	347	265	423.2%
Okinawa	82	347	265	423.2%
Total	5777	18779	13002	325.1%

Source: A reference from the National Tax Agency (as of April 2, 2015).

The percentage of use regarding the tax-free program for consumption tax transitioned around 20% during the terms Jan. - Mar., Apr. - Jun. and Jul. - Sept., but showed a significant rise during Oct. - Dec. The rise is attributable to the doubling in the use of the tax-free shopping system as a result for example of the expansion of the range of tax-free items set out by the FY2014 tax system reform (Fig. 59)

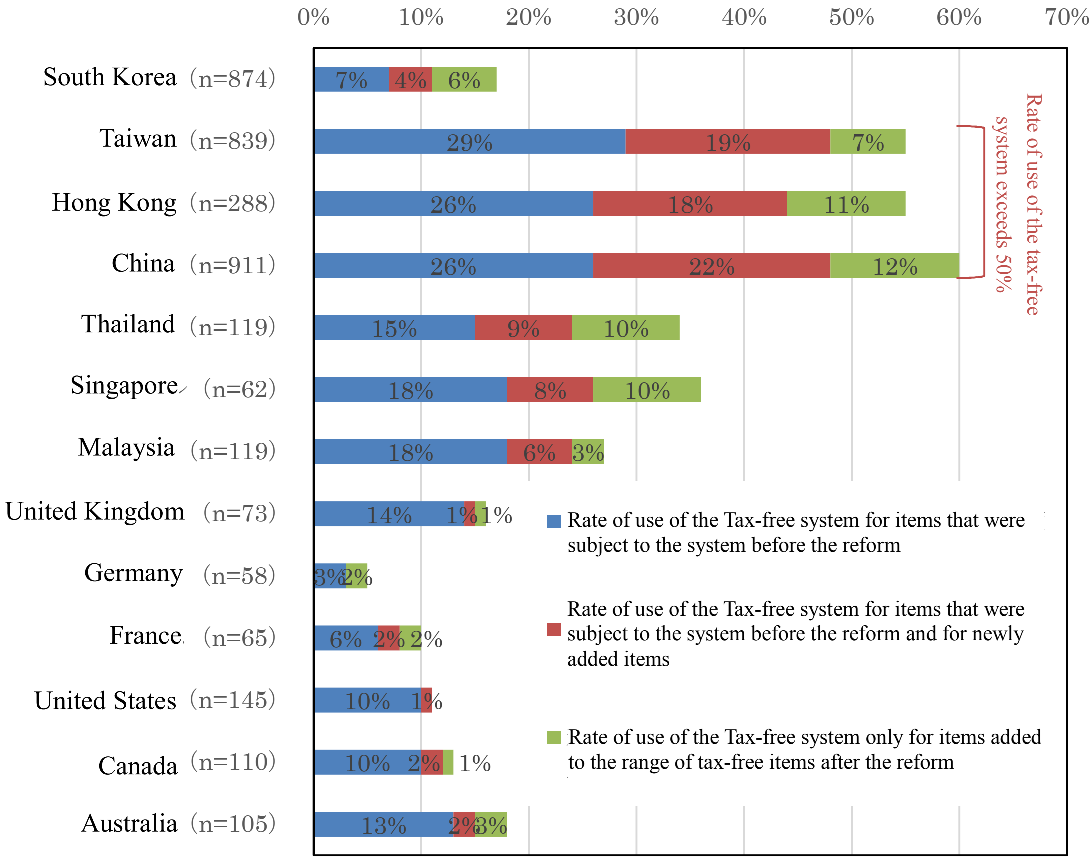
Fig. 59 Change in Use of the Tax-free system Due to the Expansion of the Range of Tax-free Items (2014)



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

The rate of use of the tax-free program by country / region was 60%, 55% and 55% for travelers from China, Hong Kong and Taiwan respectively, with all three countries exceeding 50%. The rate of use is high for travelers from Asian countries / regions, with rates over 30% for travelers from Thailand and Singapore. On the other hand, not even 20% of travelers from Europe, the United States and Australia have been using the system. As shown in Fig. 48, this shows that travelers from Europe, the United States and Australia shop less than travelers from Asian countries. (Fig. 60)

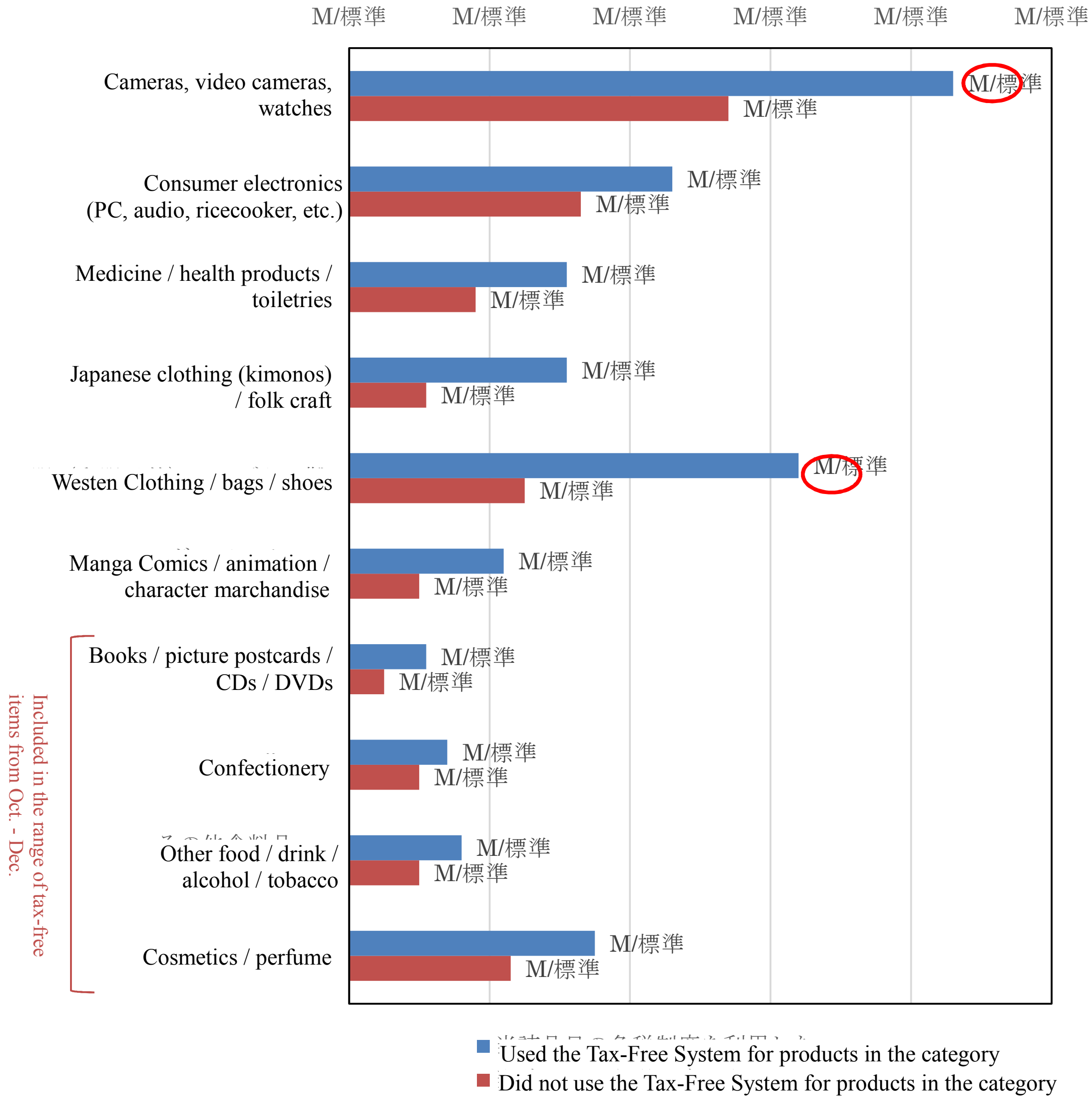
Fig. 60 Status of Use of the Tax-free Program by Country / Region for Oct. - Dec. 2014



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)
Note: Aggregate of countries / regions with more than 50 samples.

For all items, travelers who use the tax-free system spend more than travelers who do not use the program.
Expenditure on western clothing / bags / shoes was 64,000 yen for travelers using the tax-free program. This was 39,000 yen higher than that for travelers not using the system. Also, expenditure on cameras, video cameras, watches was 86,000 yen for travelers using the tax-free system. This was 32,000 yen higher than that for travelers not using the system. (Fig. 61)

Fig. 61 Differences in Expenditure Resulting from Use of the Tax-free System



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

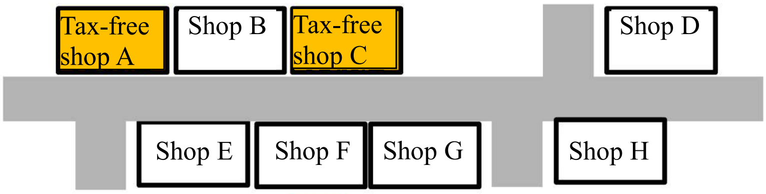
Furthermore, from the perspective of increasing numbers of tax-free shops and improving convenience, starting from April 1, 2015, the FY2015 tax system reform established a permit system for tax-free shop based on the assumption that tax-free shops will entrust all tax-free procedures to a third party who has a tax-free procedure counter, and a notification system related to tax-free shops at ports visited by oceangoing cruise ships.

① Establishment of a system of tax-free shops which entrust tax-free procedures to a third-party

A permit system was established based on the assumption that tax-free shops will entrust all tax-free procedures conducted inside the shop to a third party who has a tax-free procedure counter. At the tax-free counter, the amount spent on purchases in each shop can be added together to make a determination regarding the minimum purchase amount. (However, general goods and consumables must be added separately.) This will resolve problems such as anxieties about the language barrier and complicated procedures, and lead to the introduction of more tax-free shops in regional shopping streets and improved convenience with regard to tax-free shopping for foreign visitors. Regional revitalization can be expected to result from the growth in consumption.

[Before revision]

Tax-free shops are limited to several shops and have not spread to the shopping street as a whole.



Japan. Tax-free Counter

[After revision]

① Shops can outsource tax-free procedures to an operator who installs the Tax-free counter. As a result, more shops will obtain permission to operate as a tax-free shop and the shopping street can attract foreign visitors as one team.

② Foreign visitors can easily enjoy tax-free shopping since they can perform tax-free procedures at the Tax-Free Counter collectively for items purchased in several shops, and the total amount spent in all the shops can be added to the minimum applicable amount.

- Growth in consumption can be expected from improved convenience with regard to tax-free shopping for foreign visitors.

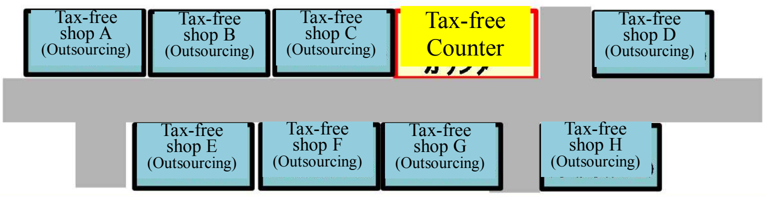
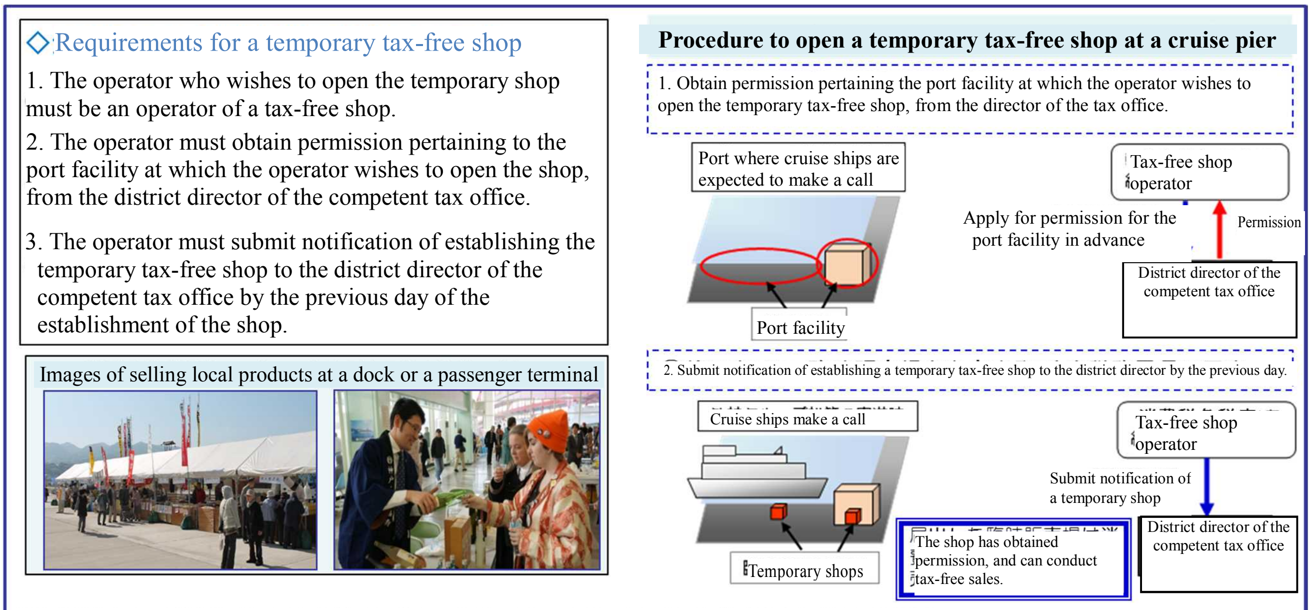


Image of a tax-free counter in a shopping street

② Establishment of a notification system related to tax-free shops at ports visited by oceangoing cruise ships

An entity already operating a tax-free shop can establish a temporary tax-free shop within a port facility by submitting a notification with details about the establishment of the tax-free shop, including the period and location. The notification can be submitted to the director of the district tax office by the day before the shop is established, provided permission has been obtained from same in advance. This will facilitate the temporary establishment of tax-free shops on cruise piers (cruise ship docks, passenger terminals etc.). Purchase of local specialties by foreign visitors will be promoted on cruise piers from which travelers can bring tax-free items directly aboard ship after purchase, and regional development will be encouraged.



(*1) A cruise ship refers to a ship that transport passengers between regions inside and outside a country.
(*2) A temporary shop refers to a shop which is established for a certain period of time to provide products to passengers by a ship that transports passengers between regions inside and outside a country.
(*3) The operators must perform tax-free procedures at their temporary shops within the port facility, for which they have obtained permission.

Overview of the notification system for temporary shops within port preclearance facilities

Section 4 Other Factors

In order to enhance inbound consumption, Visit Japan Promotions overseas, promotions in Japan, and dissemination of information on tax-free shops (tax-free shops logo, website, etc.) were all implemented under the Visit Japan (VJ) Project. The implementation of these measures is also considered to have contributed to the expansion of inbound consumption.

1 Visit Japan Promotions Overseas

Overseas promotions to encourage shopping tourism, including the tax-free program, were implemented.

In Taiwan, we participated in a big travel fair held in September 2014 and promoted the benefits of shopping in Japan directly through the booth. Also, in Hong Kong we placed advertisements in magazines in the form of comics explaining the tax-free system and introducing tax-free shops in Japan.

2 Promotions in Japan

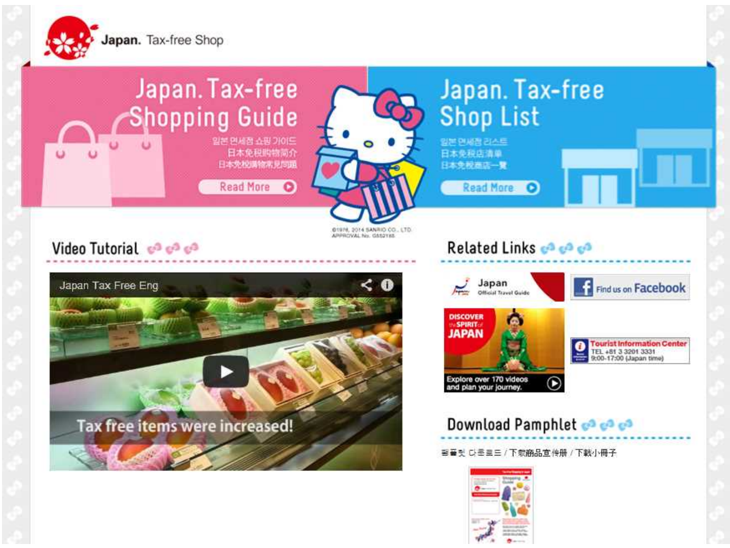
From December 2014 to February 2015, the Japan Shopping Festival was held in the cities of Hokkaido, Tohoku, Kanto, Chubu, Kansai, Fukuoka, and Okinawa to generate demand for visiting Japan during the winter season. The festival included events and discount sales for limited time periods at department stores and shopping centers etc., including tax-free shops. More than 400 facilities and 20,000 shops participated in this event.

3 Dissemination of information on tax-free shops

A logo for raising awareness and branding tax-free shops was created, and launched in January 2014. This logo made it easier for foreign visitors to identify tax-free shops.

Japan. Tax-free Shop

Also, a website for tax-free shops was launched on October 1, 2015, which made it possible for people to search for tax-free shops. This website is available in English, Traditional / Simplified Chinese and Korean.



Chapter 3　Change in Industries / Regions Trying to Capturing Inbound Tourism Demand

In response to the recent expansion of inbound tourism, there have been moves toward trying to capture inbound demand not only in tourism-related industries but also in a wider range of businesses and regions. Also, rural areas are aiming to revitalize and develop their regions by drawing in inbound tourism.

In this chapter, the changes in industries / regions which are accompanying their moves to capture inbound tourism demand will be introduced.

Section 1　Industries

The move toward trying to capture inbound tourism demand is expanding not only among conventional tourism-related industries like travel, accommodation and transportation, but also among various industries like manufacturing, retail and finance. Also, pilot programs etc. utilizing ICT undertaken by multiple enterprises and so on are being conducted to explore new business opportunities.

A wide range of demand is being anticipated in this way, and therefore, tourism-related industries which represent the starting point for receiving foreign visitors are expected to play roles as key industries in Japan.

1　Manufacturing Industry

Recent expansion in inbound consumption is leading to an increase in domestic production. As mentioned above, good quality is listed as a reason for purchasing products, which means made-in-Japan products are highly regarded by foreign visitors. With the expansion of inbound consumption, many manufacturers are enhancing their production capacity in domestic factories, and this has resulted in maintaining levels of domestic employment (in particular in regions where factories are located).

Example : KOSÉ Corporation

Cosmetics in the medium to high price range have a favorable reputation among foreign visitors to Japan and this led to these products achieving their highest ever business performance in March 2015. As a result, a new production facility in Isezaki, Gunma Prefecture was constructed to respond to the growing need for products. Recent trends for the company in question were welcomed by the stock market, and the company's stock price rised by more than 50% in the period from the beginning of the year to April 6.

2　Retail Industry

Many retail industries have been making efforts to target foreign visitors to Japan against a background of significant growth in shopping expenditure mainly among visitors from Asia. Large retailers like department stores, supermarkets and consumer electronics stores enhanced their receptive environment for foreign visitors by taking the following measures in response to the expansion of the range of items exempt from consumption tax on October 1st, 2014.

- Improvement and expansion of tax-free counters
- Improvement of POS systems to reduce tax-free procedures
- Introduction of free public wireless LANs
- Enhancement of multilingual staffing, etc.

Inbound consumption at department stores has been growing rapidly since October, with annual sales for 2014 with the exemption of consumption tax reaching 73 billion yen.[13]

Many companies in other areas of business, for example consumer electronics stores, are also showing increasing sales along with the exemption of consumption tax. In addition, some outlet malls have expanded their sales areas in anticipation of increasing sales.

Example: Isetan Mitsukoshi Holdings Ltd.

While department stores are generally showing a positive response to inbound consumption, Isetan Mitsukoshi Holdings announced that it will open duty free shops in the city rather than in airports starting from

[13] Japan Department Stores Association's "Sales and Visitors' Trend of Foreign Tourists for February 2015 [Preliminary]". Survey targets: 54 stores.

2015, in order to improve convenience for inbound and outbound travelers. A joint venture company will be established with Japan Airport Terminal Co., Ltd., Narita International Airport Corporation and NAA Retailing Corporation, all of which are involved in duty-free sales, and the first city duty-free shop outside Okinawa is scheduled to open in Ginza.

3 Financial Industry

With the promotion of inbound tourism for regional development drawing more and more attention, cooperation among government financial institutions and regional financial institutions etc. has been advancing in order to provide financial support for tourism-related businesses.

Also, services for foreign visitors have been improving. Up to the present, there have been complaints by foreign visitors about withdrawing cash during their stay, since credit cards issued overseas with different reading mechanisms cannot be used in most Japanese ATMs[14]. Some financial institutions have already started to develop ATMs that enable cash withdrawals using credit cards issued overseas, and the main banks have also announced that they will develop ATMs that accept foreign credit cards. Similar announcements have been made by financial institutions run by convenience stores and supermarkets, indicating progress in the facilitation of ATMs.

Example: Seven Bank, Ltd.

Seven Bank, Ltd. started its service of accepting cards issued overseas in July 2007, in order to improve convenience for foreign visitors.

Installation of ATMs in tourist areas (Takayama, Gifu Prefecture, etc.), station buildings, airports and transportation hubs like parking areas is progressing. Also, the bank has included 9 languages on the transaction screen since January 2014. These efforts led to 3.59 million uses of cards issued overseas in 2014 (a 56% increase compared to the previous year).

4 Transport Industry

Independent travelers[15] account for 66.7% of the overall number of foreign visitors to Japan, and most of them carry their own large luggage (suitcases etc.) while traveling around Japan. If delivery services for golf bags, skiing equipment etc., which are commonly used in Japan, spread among foreign visitors, this will increase the convenience of travel, and improvements in satisfaction level can be expected.

Some transport businesses are making an effort to promote services that enable tourists to travel hands-free by establishing parcel delivery service counters in transportation hubs such as major airports and stations. Service menus include delivery of suitcases etc. from transportation hubs to a neighboring hotel, delivery of souvenirs from commercial facilities to a hotel or a transportation hub, temporary deposit services for baggage at transportation hubs, and staff at parcel delivery counters can speak English etc.

Example 1: Sagawa Express Co., Ltd.

In March 2014, Sagawa Express Co., Ltd. established a parcel delivery counter inside Tokyo Station and started a temporary deposit service for baggage and a service offering same-day delivery of baggage to accommodation, in order to improve convenience for tourists sightseeing in Tokyo.

The parcel delivery counter at Tokyo Station has lots of information displayed in English, so it is easy for foreign tourists to drop by. Also, staff who wear happi coats speak English, and some of them speak Chinese or Korean. Baggage items received by 11 o'clock in the morning will be delivered on the same day for destinations within the 23 wards of Tokyo.

The parcel delivery counter at Tokyo Station handled 430 thousand parcels (including use by Japanese travelers) from March 2014 to February 2015.

Example 2: Yamato Transport Co., Ltd.

Yamato Transport Co., Ltd. has started a service delivering parcels on the same day to hotels and ryokans in Aichi, Gifu and Mie Prefectures (excluding some areas) if they are received by 11 o'clock in the morning, coinciding with the opening of the Tourist Information & Service at Chubu Centrair International Airport. (The

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[14] Abbreviation for automated teller machine. Automatic cash depositing / dispensing machines for banks etc.

[15] The ratio of those who answered self-arranged trip or independent travel using a package tour in the question about how their trip was arranged in the Consumption Trend Survey for Foreigners Visiting Japan by the JTA.

service started in October, 2014.) Special bilingual (Japanese / English) invoice forms are available. In addition, the Tourist Information & Service offers travel information on the Shoryudo area, providing explanations in English, Chinese and Korean, and leaflets on each destination at the counter.

5 Travel Industry

Traditionally, Japanese travel agencies have focused their services on Japanese tourists traveling overseas and domestic travel, but frameworks for selling travel products directly to foreign tourists have been developing recently with the recent abrupt growth in the number of foreign visitors to Japan.

There is a trend of active planning and selling of Japanese travel products abroad through affiliation or M&A with overseas businesses and other domestic businesses, and of developing systems and sales networks that meet the various needs of foreign travelers.

Example 1: JR EAST VIEW Travel Service Co., Ltd.

This company created and sold travel products which combined Tokyo with rural ski resorts, targeting foreign visitors. It also established consortia with local travel agencies in Taiwan, Hong Kong and other Asian countries / regions in order to distribute travel products. As a result, the number of product sales increased by a factor 2.2 to 30,000 people compared to the previous year.

Example 2: H.I.S.ANA Navigation JAPAN Co., Ltd. (Abbreviation: HAnavi.)

H.I.S. Co., Ltd. and ANA Sales Co., Ltd. established a joint venture company in November 2014 with the aim of creating demand for travel to Japan and revitalizing regional areas of Japan.

The company provides individual Japan tours that will respond to the various needs of foreign visitors to Japan by offering ANA’s dimestic flight network, a free combination of hotels in Japan through H.I.S.'s accommodation reservation site and the overseas branch network.

6 Accommodation Industry

Guestroom occupancy rates in urban areas are growing significantly with increasing guest stays. Capital investment is vigorous particularly in Tokyo, with the prospect of a considerable increase in the number of guestrooms in 2015, and this tendency is spreading out to suburban areas.

In addition, all facilities are improving their receptive environments for foreign visitors by enhancing free public wireless LANs and multilingual handling of inquiries, etc.

Furthermore, strong promotions are being carried out mainly in Asia, where the number of visitors to Japan is significantly increasing, in order to attract foreign tourists by establishing sales hubs, holding business conventions, broadcasting TV commercials and jointly selling products with affiliates overseas etc.

7 Generation of New Business

Making use of ICT is essential for marketing, which is in turn important for improving satisfaction levels among foreign visitors and further expanding inbound consumption.

For this purpose, pilot programs utilizing big data are being encouraged to explore new business opportunities by offering apps on mobile phones to foreign visitors, to build a picture of attributes, travel behaviors etc.

Also, some venture companies are developing apps to support the activity of foreign visitors during their stays in Japan.

Example: TRAVEL JAPAN Wi-Fi Project

Wire and Wireless Co., Ltd. started a joint project with 16 companies / local governments in December 2014. This project provides free access to over 200 thousand public wireless LAN hotspots located all around Japan, and a smartphone app that distributes sightseeing / facility information for foreign visitors to Japan. The app allows companies / local governments participating in the project to distribute information, and also to acquire information on the attributes, travel routes etc. of foreign visitors who have given their consent. Implementing marketing analysis based on the information will improve services for foreign visitors and lead to the generation of new business.

Section 2 Region

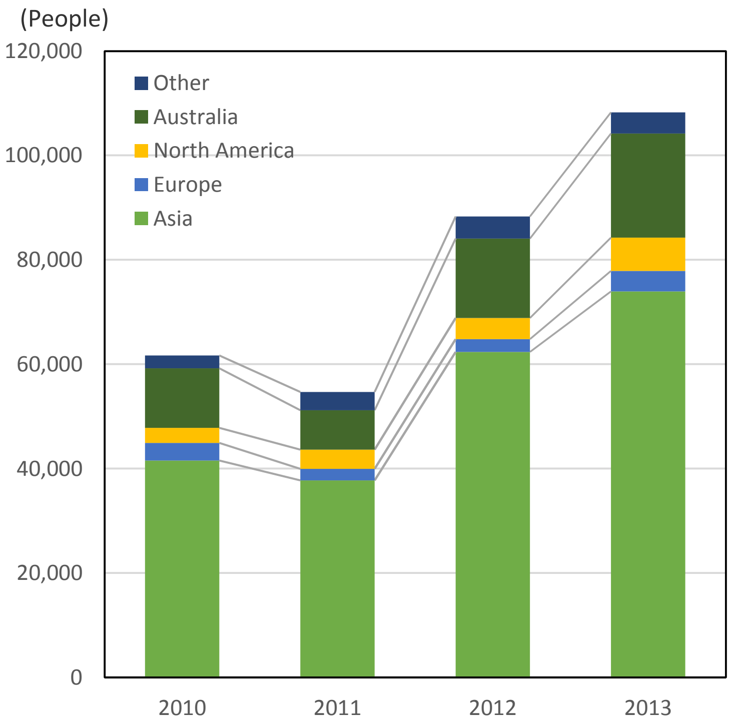
1 Niseko, Hokkaido

Using the opportunity of the rising popularity of the town among ski enthusiasts from Australia, Niseko started to promote the attractiveness of powder snow in 2005 by inviting the Australian media, and as a result, numbers of skiers from Australia have increased. Moreover, outdoor sports activities like rafting, canoeing, golfing and mountaineering have been developing in recent years.

Niseko has taken on four foreign national staff to conduct promotions by phone to foreign travel agencies and distribute newsletters (in English, Korean, German etc.) to 500 travel agencies in response to the needs of various countries. The town has been actively developing its environment for receiving foreign tourists, and has improved the communication environment compared to 10 years ago, with for example over 80% of restaurant menus now being in multiple languages.

As a result, more skiers from Hong Kong, South Korea, China, Taiwan, Thailand and Malaysia as well as Australia are visiting Niseko, with the number of overnights foreign guest stayed reaching 108,000 in 2013, a 76% increase from 2010. (Fig. 62)

Fig. 62 Change in the Number of Overnights (Foreign Guests)



Source: A reference from the Niseko Tourism and Commerce Department.

The number of foreign residents in Niseko is also on the rise, with over a hundred registered foreign nationals at each end of the business year since 2008. In response, an old play school was renovated and opened as the Hokkaido International School Niseko in January 2012.

2 Hirosaki, Aomori Prefecture

Hirosaki in Aomori Prefecture is working with tourism and economic bodies to strengthen measures for increasing the number of foreign visitors. With the promotion of attracting foreign tourists set as one of the pillars of the city's management plan, a City Inbound Promotion Council was established jointly by tourism, commerce and industry, and accommodation bodies.

The majority of foreign overnight guests in Hirosaki are from Taiwan, China and South Korea, and sightseeing maps in English, Traditional Chinese, Simplified Chinese and Korean have already been produced. In September 2014, promotional leaflets were made in five languages, including Thai, to increase numbers of tourists from Southeast Asian countries. At a business convention held in Tokyo in the same month, negotiations were conducted with 23 companies from 12 countries. The Mayor of Hirosaki visited Vietnam and Thailand in

November to promote the attractive aspects of Hirosaki directly to local travel agencies.

The number of overnights foreign guest stayed in Hirosaki in 2013 significantly increased to 5,324 from 3,620 in 2010.

3 Hiraizumi, Iwate Prefecture

Chuson-ji Temple, Motsuji Temple, Kanjizaioin ruins, Muryokoin ruins and Mt. Kinkei of Hiraizumi of Iwate Prefecture were registered on the list of World Heritage sites as the "Hiraizumi – Temples, Gardens and Archaeological Sites Representing the Buddhist Pure Land" in June 2011. The number of foreign visitors reached 18,000 in 2008, but decreased to a level below 4,000 as a result of the Great East Japan Earthquake in March 2011.

Hiraizumi had been active in displaying multilingual signs before the earthquake, and formulated a Hiraizumi Town Sign Plan in 2008. Hiraizumi is aiming to attract tourists in cooperation with neighboring regions, as there are only a few accommodation facilities in the town. As part of its cooperation with Ichinoseki City, the town meticulously checked all the guide displays on the route to the World Heritage sites from Ichinoseki Station in FY2009, and produced its Guidelines for Multilingual Guide Displays for Developing Receptive Environments for Foreign Tourists in Hiraizumi and Ichinoseki. With regard to cooperation with other neighboring regions, the creation of an excursion route connecting the worst affected areas along the Pacific coast is moving forward. In FY2012, the route was further refined through a check conducted using foreign national monitors. Furthermore, brochures for foreign tourists on how to ride buses are being distributed to buses around major tourist areas.

As a result of these efforts, the number of foreign visitors has exceeded 14,000 in 2014, and recovered to the level prior to the disaster in 2010.

4 Yamanashi Prefecture

Starting with a media invitation targeting the French market in July 2013, assertive promotions of Yamanashi and Mt. Fuji have been carried out toward China, Taiwan, Hong Kong, Malaysia, Indonesia, Thailand and the United States.

In addition, an international sports event, ULTRA TRAIL Mt. FUJI (UTMF), has been held every year since 2012 with the cooperation of two prefectures and 10 municipalities. This is the world's first sister event to the L'Ultra-trail du Mont-Blanc held in Europe, which is the most prominent event in the world in this field. The number of participants reaches around 1,000, 207 of whom are from 40 different countries. There are ten aid stations along the course from which people can watch and cheer. The event has over 1,000 volunteer staff.

As a result, the number of overnights foreign guest stayed in Yamanashi in 2014 grew rapidly to 940,000, from 250,000 in 2011.[16]

5 Toyama Prefecture and neighbouring region

Since 2005, Toyama Prefecture has been inviting overseas media and travel agents to spread information about the attractiveness of the Snow Valley in spring and autumn colors of leaves in fall. Promotions have been especially active for Taiwan, which is the largest market, for example with large-scale outdoor advertisement campaigns such as running wrapping trains on the Taipei subway, and inviting the media and famous bloggers to spread the word. Furthermore, in order to attract tourists during the winter period when the Alpine Route and the Kurobe Gorge are closed, promotion of winter tourism resources, like the snowy landscape, skiing and snow games in addition to hot springs and gastronomic attractions, is being enhanced. Toyama also took the initiative to raise awareness among the Chinese people with regard to the Shoryudo Project being conducted jointly by the Chubu and Hokuriku regions, and thereby promote travel to Japan.

While the number of foreign visitors to the Tateyama Kurobe Alpine Route was 128,000 in 2008, this dropped to 46,000 in 2011 with the impact of the bankruptcy of Lehman Brothers and the Great East Japan Earthquake. However, the number recovered to a record high of 171,000 in 2014 as a result of these kinds of efforts.[17]

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16 Based on the JTA's Accommodation Survey.

17 Based on research conducted by Tateyama Kurobe Kanko Co., Ltd.

6 Noto, Hosu, Ishikawa Prefecture

Both Miyachi and Sakeo districts in Noto, Hosu, Ishikawa Prefecture have experienced high rates of population aging and depopulation problems. The Shunran-no-Sato Executive Committee was established in 1996 in order to revitalize agriculture and life in the villages, under the slogan, "Green Stock: Pass on water and green to the future generations." The Executive Committee worked to turn the village into a place where visitors from cities could feel refreshed, by offering agricultural and strawberry picking experiences in nature of “satoyama”, countryside forest and agriculture fields. "Shunran-no-Yado", the first farm guest house, opened as a lodging in 1997. Intimate hospitality was provided to guests by only receiving one group per day, and welcoming them with traditional local foods in a home with an irori fireplace and Goemon bath. The opening of farm guest houses has expanded from the Miyachi and Sakeo districts to the neighboring Mizuho district, and there are currently 30 farm guest houses altogether.

The registration of Noto's Satoyama and Satoumi as Globally Important Agricultural Heritage sites in June 2011 and a broadcast by the BBC in October that year raised awareness of the destination worldwide, and the number of foreign visitors is steadily increasing. In particular, the number of visitors from Israel rose sharply in 2014. A travel agency with strong Israeli connections included this destination in one of its tours, and as a result 419 visitors from Israeli had visited the region by May 10, 2014, accounting for 90% of the total number of foreign visitors.

7 Takayama, Gifu Prefecture

The old castle town and commercial villages from the Edo period are well preserved in Takayama, Gifu Prefecture, and the place is sometimes called "Hida's Little Kyoto". Takayama has the largest area among all Japan's cities, and is blessed with an abundance of nature, including of course the Northern Alps. The city hosts the Takayama Festival (consisting of the Sanno Festival in April and Hachiman Festival in October), which is acknowledged as one of the "Three Most Beautiful Festivals in Japan". Along with these tourism resources, Takayama has been promoting its development into a town where a foreign tourist can comfortably travel alone. In 1986, Takayama was declared an "International Tourism City", and the Hida Takayama International Association was established the following year.

With regard to the development of its receptive framework, the city started to set up tourist information signboards in both Japanese and English in 1986.

The number of foreign visitors has steadily increased as a result of continuing development of the receptive environment for foreign visitors. For example, conversation guides in five foreign languages (English, French, German, Korean and Chinese) were prepared in 1990.

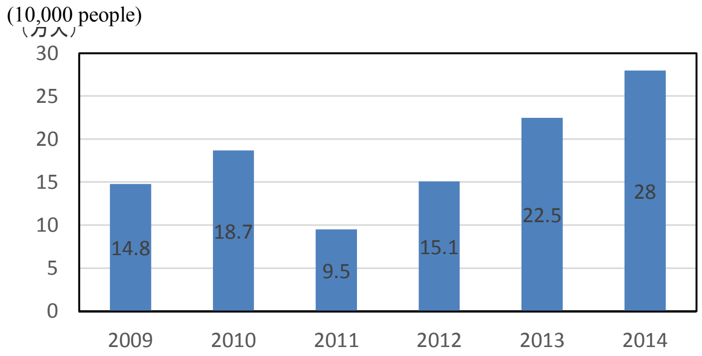
Also, with regard to tourist information on its website, the city launched an English site in 1996, Traditional Chinese and Korean sites in 2002, a Simplified Chinese site in 2003, German, French and Italian sites in 2004 and a Thai site in 2008. There are now sites in 11 languages.

These efforts were well received, and Hida Takayama was listed in Michelin Green Guide Japan as a three star destination in 2009.

The city now provides walking maps in 9 languages, sightseeing leaflets in 6 languages and web pages in 11 languages.

While the population of Takayama is 920,000 as of January 1, 2015, the city received 280,000 foreign visitors in 2014, more than 3 times its population. (Fig. 63)

Fig. 63 Change in the Number of Foreign Overnight visitors in Takayama



Source: *Takayama City's Tourism Statistics 2014*

8 Wakayama Prefecture

Some regional authorities have also been making good use of the expansion of the tax-free system mentioned above as a golden opportunity to attract foreign visitors and promote their regions.

Wakayama Prefecture made a manual about how to apply for permission to open a tax-free shop, held meetings to explain the revised tax-free program and worked on more than 200 shops separately in order to enable their operators within the prefecture to use the new system effectively. Besides, the prefecture strengthened its responsiveness to inquiries from shops by setting up consultation windows.

Dissemination of information on tax-free shops was also reinforced through guidebooks and overseas promotions. Furthermore, the unified logo was used for branding and to raise awareness of the tax-free shops.

As a result, the number of tax-free shops in Wakayama increased rapidly from 8 to 100 in the space of one year, starting from April 1, 2014. According to research conducted by Wakayama Prefecture, most of the tax-free shops are located in Wakayama City in 2014, but other cities and towns like Hashimoto, Kainan, Tanabe, Gobo, Arita and Shirahama have also started to grant permission for tax-free shops, which demonstrates regional expansion. Also, most of the main offices of these tax-free shops are located in other prefectures as of 2014, but many local operators whose main offices are located within Wakayama have also been granted permission. Efforts by Wakayama Prefecture to increase the number of tax-free shops is generating regional expansion and diversifying operators.

9 Hatsukaichi, Hiroshima Prefecture

Hatsukaichi, Hiroshima Prefecture, there is the Miyajima World Heritage site, has implemented initiatives to encourage more foreign tourists to visit.

Hatsukaichi pushed forward with alignment with Kyoto City and Okayama Prefecture, believing that increasing Japan's domestic tour / excursion potential as a whole will be an effective way to attract more tourists to the city. For example, the city established the Kyoto-Hiroshima Tourism Promotion Council, implemented travel agency invitation projects, prepared joint leaflets and carried out joint projects to attract tourists from overseas. Also, a tourism friendship city alignment was established with Mont Saint-Michel, which has many features in common with Miyajima.

Furthermore, the Hiroshima YMCA, having been consigned to undertake overseas promotion projects by Hatsukaichi, dispatched foreign staff who worked on planning promotional projects etc. as staff exclusively attached to the city.

The number of foreign visitors in Hatsukaichi reached 119,000 in 2013 as a result of these efforts[18].

10 Iya, Tokushima Prefecture

The Nishi-Awa to Mt. Tsurugi / Yoshino River tourism area made efforts to establish a regional brand with the concept "'1,000 years of hide-and-seek'... Further back in time the deeper you go."

Old houses (in Ochiai Village) with thatched roofs, which are regional tourism resources, have been renovated and are being rented out as accommodation. There are 6 such accommodation facilities at present, but the number is planned to be increased.

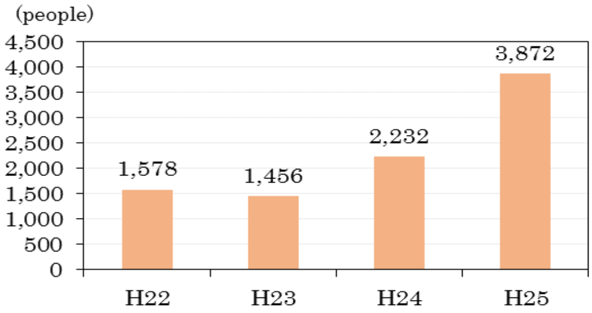
Initiatives were carried out to promote tourism through which visitors would stay and mix with local people,

18 Data based on research by Hatsukaichi City

such as bonnet bus tours through which tourists could come into contact with the way of life in the mysterious land that is the "Ochiai District", tours which visit trackless highland villages in the interior of that mysterious land, overnight tours for limited numbers of staying guests, and early morning tours.

The initiatives have progressed smoothly every year, and have proved successful, with the Iya District, which has been at the center of them, seeing an increasing trend in the number of foreign visitors. The number of foreign visitors in 2013 was 3,872, which represented a 1.7-fold year-on-year increase, and in 2014, there have been 2,555 foreign visitors in the first half of the year alone, indicating growth at a pace which will exceed the previous year's figure. (Fig. 64)

Fig. 64 Change in the Number of Foreign Overnight Guests



Source: A reference from Oboke-Iya Ittemiru-kai (Association).
Note: Total number of overnight guests for 5 accommodation facilities.

11 Kyushu

Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki and Kagoshima Prefectures, Fukuoka City and the Kyusyu Tourism Promotion Organization made a joint application in February 2013, as a result of which the island was designated as a Regional Revitalization Comprehensive Special Zone, which will facilitate making use of regional resources. Kyushu Asia Tourism Island Special Zone Guides have also been introduced. In principle, persons who wish to carry out travel-related guide work in foreign languages for foreign nationals in exchange for payment of a fee must pass the Licensed Guide Interpreter examination and obtain the Licensed Guide Interpreter qualification. But it has been made possible to carry out interpreter guide work in foreign languages in exchange for payment of a fee within the Comprehensive Special Zone (within Kyushu) by completing training jointly implemented by the seven prefectures of Kyushu, Fukuoka City and the Kyushu Tourism Promotion Organization, passing an oral examination exclusive to Kyushu and being registered by the Prefectural Governor of Fukuoka. In the Kyushu Asia Tourism Island Comprehensive Special Zone, training for Special Zone Guides for the Chinese and Korean languages began in FY2013 and for Special Zone Guides for the Thai language in FY2014, and the combined number of successful trainees for both FYs was 145 (93 for Chinese, 44 for Korean , 8 for Thai).

12 Okinawa Prefecture

In Okinawa, the development of facilities to receive large cruise ships is progressing at Naha Port Passenger Ship Terminal, Hirara Port Integrated Intermodal Transportation Terminal and Ishigaki Port Passenger Ship Terminal. Against a background of an expanding cruise market in Asia, and particularly China, cruise liner companies which had mainly operated in Europe, the United States and the Mediterranean have in recent years been expanding their routes to include Asia, and in Okinawa Prefecture, the cost of calling at port is being subsidized through projects related to attracting cruise liners. Furthermore, the Okinawa Convention and Visitors Bureau and port managers are working together to develop Port Sales. For example, in FY2013, the Naha Port Authority visited Taiwan, Hong Kong and the Chinese province of Guangdong and succeeded in attracting charter cruises operated by Chinese travel companies. They also participated in the Seatrade Europe event held in Germany, and succeeded in attracting charter cruises from Korea.

As a result of these kinds of activities, there were 162 calls at port in 2014 (preliminary figure), and 203 scheduled for 2015[19].

[19] According to documents of the Okinawa General Bureau of the Cabinet Office.

Appendix

Contents

Appendix-1 International Tourist Arrivals and Tourism Receipts, by Region

(Units: upper (10,000 persons), lower (million US dollars))

Region \ Category (Year)	2012 Tourist Arrivals / Tourism Receipt	2012 Change YoY	2012 Share	2013 Tourist Arrivals / Tourism Receipt	2013 Change YoY	2013 Share
Europe	53,438	3.6%	51.6%	56,344	5.4%	51.8%
	454,047	-2.7%	42.1%	489,253	7.8%	42.2%
Americas	16,272	4.3%	15.7%	16,794	3.2%	15.5%
	212,911	7.6%	19.8%	229,179	7.6%	19.8%
Asia - Pacific	23,353	6.9%	22.6%	24,807	6.2%	22.8%
	329,090	10.2%	30.5%	358,923	9.1%	31.0%
Africa	5,295	6.6%	5.1%	5,580	5.4%	5.1%
	34,325	5.0%	3.2%	34,216	-0.3%	3.0%
Middle East	5,168	-5.4%	5.0%	5,157	-0.2%	4.7%
	47,462	2.2%	4.4%	47,276	-0.4%	4.1%
Total	103,526	3.5%	100.0%	108,682	5.0%	100.0%
	1,077,835	3.4%	100.0%	1,158,847	7.5%	100.0%

Source: *Tourism Highlights 2015* (UNWTO)
Note:YoY means "year on year".

Appendix-2 Balance of Payments for International Tourism (2013)

(Units: million US dollars)

	Revenues	Expenditures	Balance
United States	139,569	86,200	53,369
Spain	60,435	16,300	44,135
Thailand	42,080	6,700	35,380
Hong Kong	38,940	21,000	17,940
Italy	43,912	27,000	16,912
France	56,098	42,400	13,698
Austria	20,106	10,300	9,806
Malaysia	21,018	11,900	9,118
India	18,397	11,600	6,797
Mexico	13,819	9,100	4,719
Australia	30,979	28,400	2,579
Poland	10,938	8,700	2,238
Indonesia	9,337	7,300	2,037
Switzerland	16,547	14,900	1,647
Taiwan	12,677	12,300	377
United Arab Emirates	(9,204)	(13,200)	-3,996
Netherlands	15,580	20,500	-4,920
Singapore	18,953	24,600	-5,647
Sweden	11,485	17,600	-6,115
Japan	14,934	22,000	-7,066
South Korea	14,272	21,700	-7,428
Belgium	13,500	21,800	-8,300
Saudi Arabia	7,651	17,700	-10,049
United Kingdom	40,597	52,600	-12,003
Canada	17,656	35,200	-17,544
Brazil	6,711	25,100	-18,389
Russia	11,988	53,500	-41,512
Germany	41,211	85,900	-44,689
China	51,664	128,600	-76,936

Source: Data from the JNTO (original sources are from the UNWTO and each countries' national tourist organization).
Note: The 2012 value was used for United Arab Emirates because the 2013 values were unknown.

Appendix-3 Japan's Balance of Payments for International Tourism

(Units: 100 million yen)

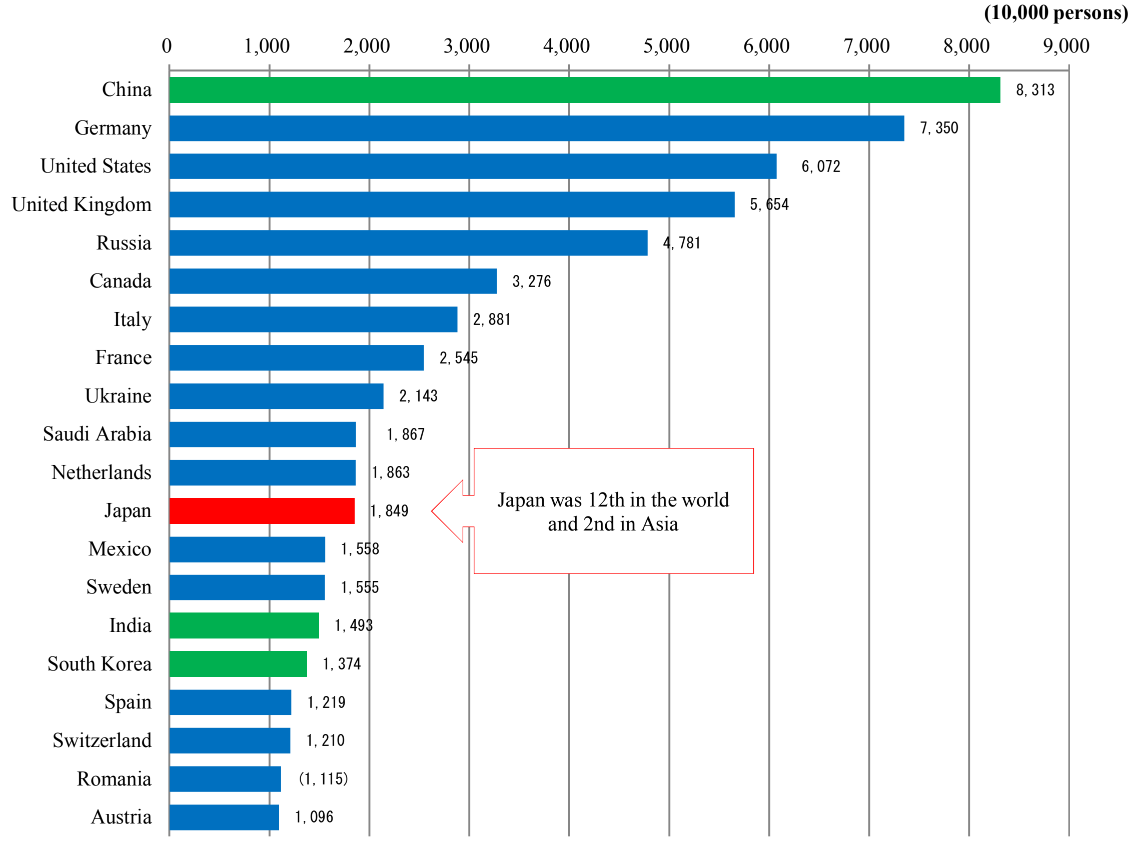
Category \ Year		2007	2008	2009	2010	2011	2012	2013	2014
Balance of payments for international tourism (not including passenger transport)	Credit	10, 990	11, 186	9, 641	11, 586	8, 752	11, 631	14, 766	19, 975
	Debit	31, 189	28, 818	23, 527	24, 462	21, 716	22, 248	21, 311	20, 416
	Net Balance	△ 20, 199	△ 17, 631	△ 13, 886	△ 12, 875	△ 12, 963	△ 10, 617	△ 6, 545	△ 441
Balance of payments for international tourism (including passenger transport)	Credit	14, 610	14, 254	11, 702	13, 461	9, 976	12, 920	16, 498	22, 067
	Debit	43, 843	40, 274	32, 487	34, 393	31, 673	32, 661	31, 452	30, 233
	Net Balance	△ 29, 233	△ 26, 020	△ 20, 785	△ 20, 932	△ 21, 697	△ 19, 741	△ 14, 954	△ 8, 166
Balance of trade	Credit	800, 236	776, 111	511, 216	643, 914	629, 653	619, 568	678, 290	741, 016
	Debit	658, 364	718, 081	457, 340	548, 754	632, 955	662, 287	766, 024	845, 032
	Net Balance	141, 873	58, 031	53, 876	95, 160	△ 3, 302	△ 42, 719	△ 87, 734	△ 104, 016

Source: A reference from the Ministry of Finance

Notes:

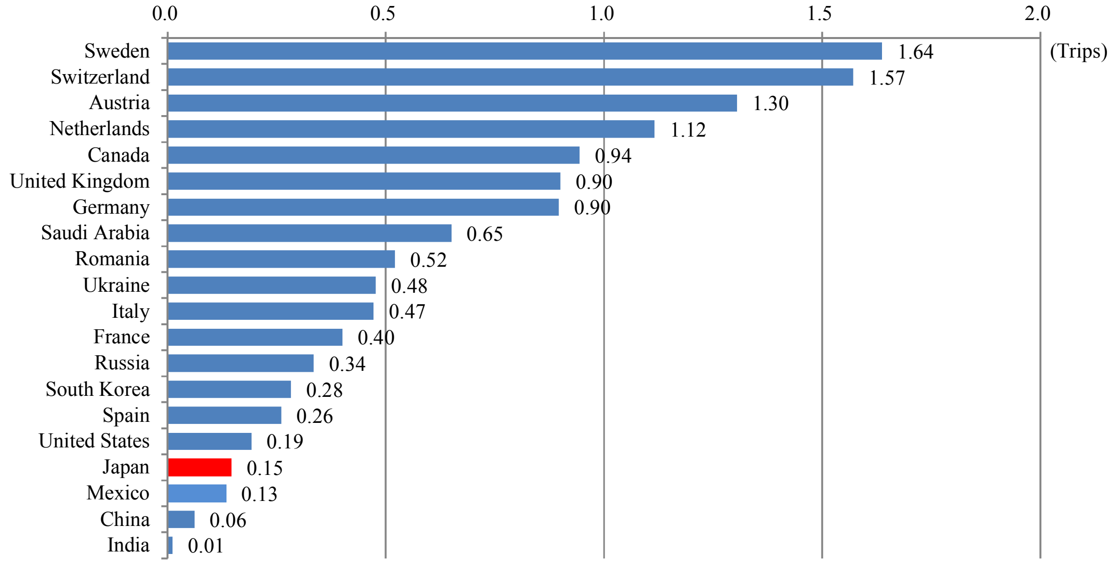
1. The "Net balance of international tourism" was calculated by the JTA based on the following definition:
   The "Net balance of international tourism (not including passenger transport)" is the balance of tourism payments indicated by the statistics on international payments. The "balance of payments on international tourism (including passenger traffic)" is the result of adding to the above-mentioned balance of tourism payments the balance of receipts and payments for services involved in passenger transport extracted from the balance of payments for transport.
2. △ indicates a deficit.
3. Values for 2014 are preliminary.

Appendix-4 International Outbound Traveler Rankings (2012)



Source: *Compendium of Tourism Statistics Data 2010–2014 2016 Edition* (UNWTO).
Note: Values are preliminary as of June 2014.

Appendix-5 Number of Trips taken per capita by the Top 20 Countries for Outbound International Travelers (2012)



Source: *Compendium of Tourism Statistics Data 2010 – 2014 2016 Edition* (UNWTO), *State of World Population 2014* (UNFPA), and *Handbook of Data on Foreign Visitors to Japan* (JNTO)

Notes:

1. Calculated by dividing the country's population by the number of outbound international travelers.
2. Figures are preliminary as of June 2014.

Appendix-6 Number of International Conferences Held in each Country (2014)

Ranking	Country	(Conferences)
1	United States	831
2	Germany	659
3	Spain	578
4	United Kingdom	543
5	France	533
6	Italy	452
7	Japan	337
8	China	332
9	Netherlands	307
10	Brazil	291
11	Austria	287
12	Canada	265
13	Australia	260
14	Sweden	238
15	Portugal	229
16	Switzerland	226

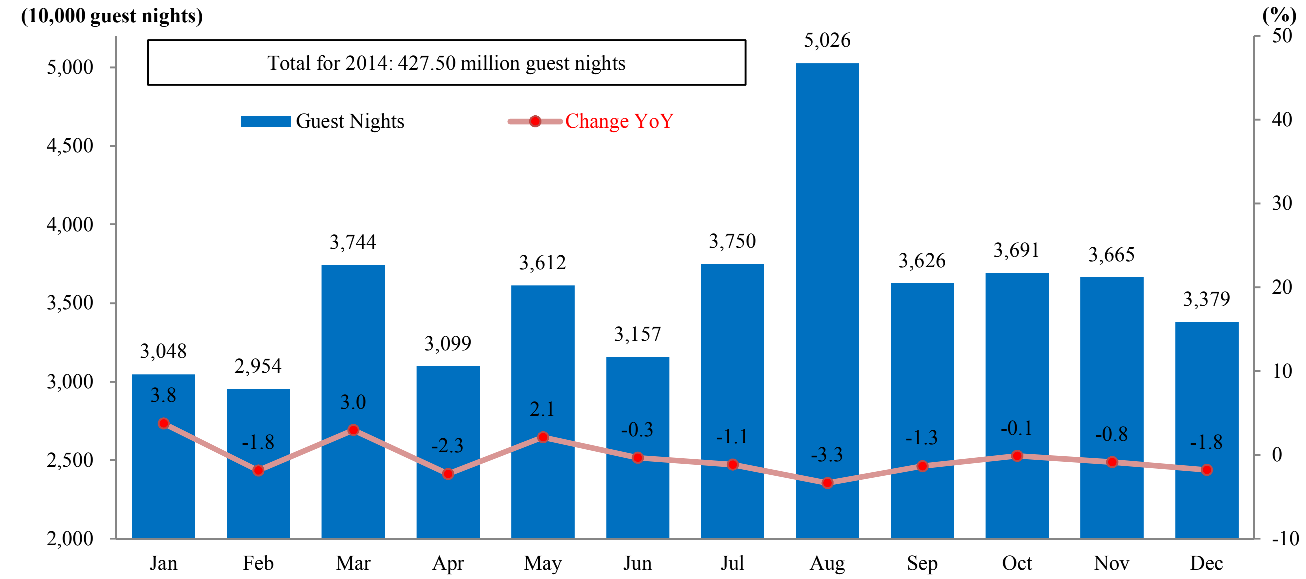
Source: Statistics of ICCA(International Comgress and Convention Association).

Appendix-7 Ranking in the Number of International Conferences Held in the Asia-Pacific Region, by City (ICCA 2014)

2014 Ranking in the Asia-Pacific and Middle East regions	2014 Ranking in the World	Cities	2014 Number of conferences
1	7	Singapore	142
2	14	Beijing	104
3	15	Seoul	99
4	16	Hong Kong	98
5	20	Taipei	92
6	22	Tokyo	90
7	25	Sydney	82
8	28	Kuala Lumpur	79
9	29	Bangkok	73
		Shanghai	73
11	37	Melbourne	61
12	44	Dubai	56
13	54	Kyoto	47
14	58	Jeju	41
15	66	Paris	38
16	67	Brisbane	37
17	69	Busan	35
		New Delhi	35
26	125	Sapporo	19
30	134	Yokohama	18
34	152	Nara	16
		Okinawa	16
38	164	Fukuoka	15
		Kobe	15
47	200	Nagoya	11
49	222	Osaka	10

Source: Statistics of ICCA(International Comgress and Convention Association).

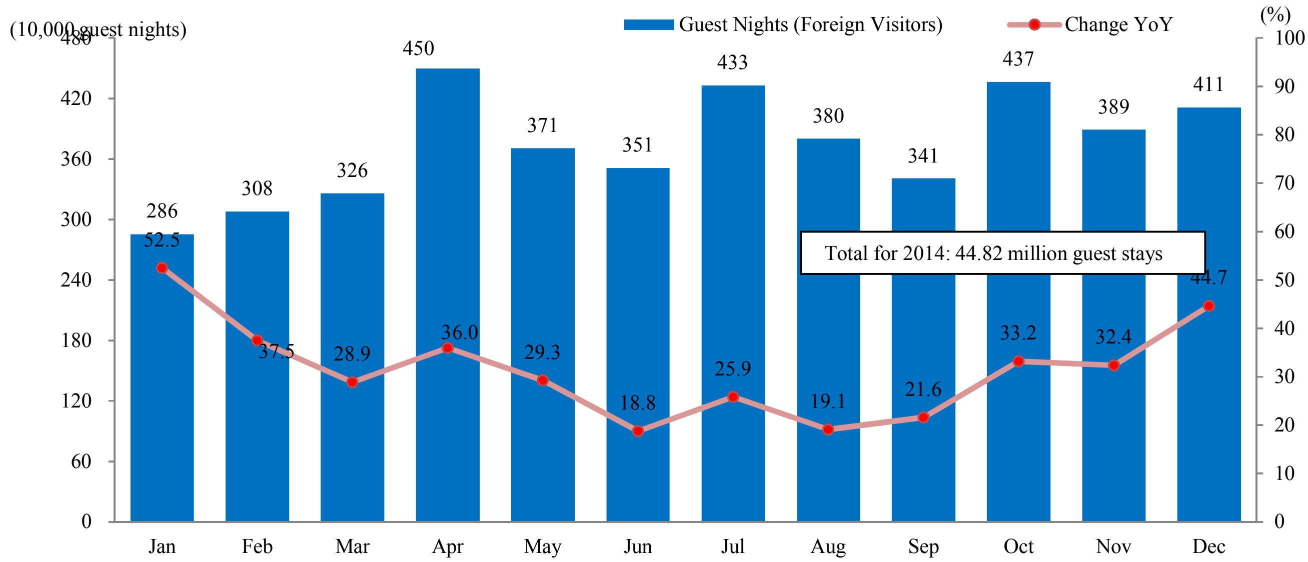
Appendix-8 Number of Guest Nights(Japanese) by Month (2014)



Source*: Accommodation Survey* (JTA)

Note: Figures of the acccomodation guests are preliminary. Final figures will be subject to change slightly.

Appendix-9 Number of Guest Nights (Foreign Visitors) by Month (2014)



Source*: Accommodation Survey* (JTA)

Notes:

1. "Foreign national" refers to anyone who does not maintain an address in Japan.
2. Figures of the acccomodation guests are preliminary. Final figures are subject to change slightly.

Appendix-10 Accommodation Guests (Total/Foreign Visitors), Bed Occupancy Rate and Room Occupancy Rate, by Prefecture (2014)

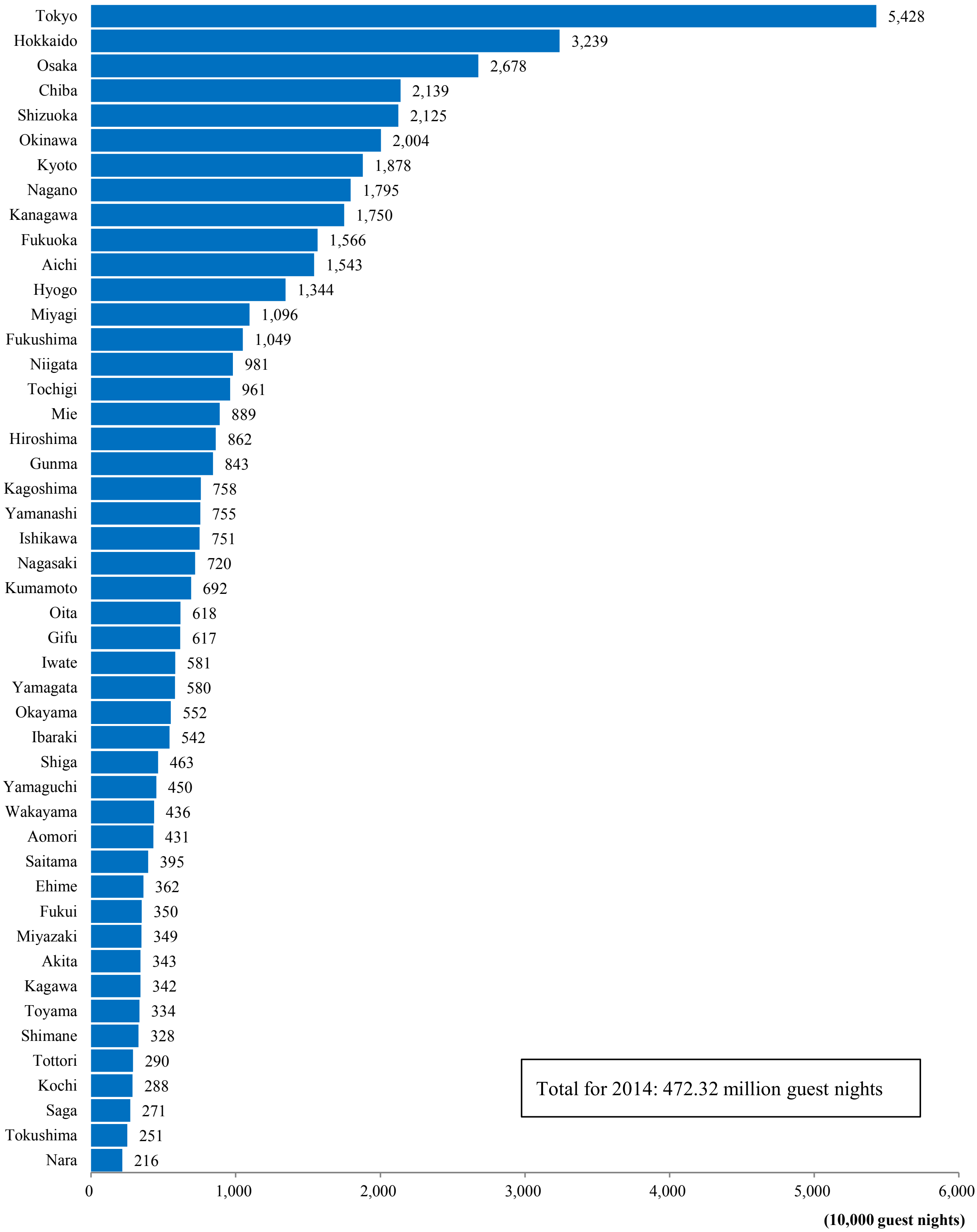
	Accommodation Guests (Total) (10,000 guest nights)	Accommodation Guests (Foreign Visitors) (10,000 guest nights)	Bed Occupancy rate	Room Occupancy rate
Nationwide	47,232	4,482	37.9%	57.7%
Hokkaido	3,239	403	40.9%	58.4%
Aomori	431	7	30.7%	48.3%
Iwate	581	7	30.8%	51.6%
Miyagi	1,096	13	41.2%	62.5%
Akita	343	4	27.6%	47.4%
Yamagata	580	5	24.7%	47.0%
Fukushima	1,049	4	28.0%	49.2%
Ibaraki	542	9	32.8%	51.5%
Tochigi	961	16	30.6%	48.4%
Gunma	843	11	30.5%	46.4%
Saitama	395	9	42.8%	65.0%
Chiba	2,139	275	51.4%	67.4%
Tokyo	5,428	1,345	67.3%	80.6%
Kanagawa	1,750	132	49.6%	65.3%
Niigata	981	13	22.3%	39.8%
Toyama	334	13	27.8%	48.3%
Ishikawa	751	34	35.0%	55.7%
Fukui	350	3	22.9%	36.5%
Yamanashi	755	94	23.3%	42.9%
Nagano	1,795	65	20.9%	34.8%
Gifu	617	66	30.3%	46.4%
Shizuoka	2,125	80	33.1%	50.2%
Aichi	1,543	149	48.7%	67.2%
Mie	889	16	29.6%	45.9%
Shiga	463	23	30.8%	50.8%
Kyoto	1,878	341	51.6%	71.0%
Osaka	2,678	584	73.0%	80.5%
Hyogo	1,344	66	34.7%	54.8%
Nara	216	14	24.4%	42.3%
Wakayama	436	29	26.1%	39.7%
Tottori	290	5	28.2%	49.1%
Shimane	328	3	33.1%	54.0%
Okayama	552	11	35.3%	56.8%
Hiroshima	862	44	42.5%	63.3%
Yamaguchi	450	5	40.2%	59.2%
Tokushima	251	4	30.3%	52.9%
Kagawa	342	15	31.1%	51.8%
Ehime	362	7	31.9%	54.4%
Kochi	288	4	25.1%	43.7%
Fukuoka	1,566	133	49.4%	66.4%
Saga	271	8	27.7%	50.5%
Nagasaki	720	50	35.8%	56.3%
Kumamoto	692	51	31.9%	52.2%
Oita	618	37	36.2%	53.4%
Miyazaki	349	17	33.5%	47.4%
Kagoshima	758	27	36.4%	51.7%
Okinawa	2,004	231	48.1%	64.2%

Source: *Accommodation Survey* (JTA)

Notes:

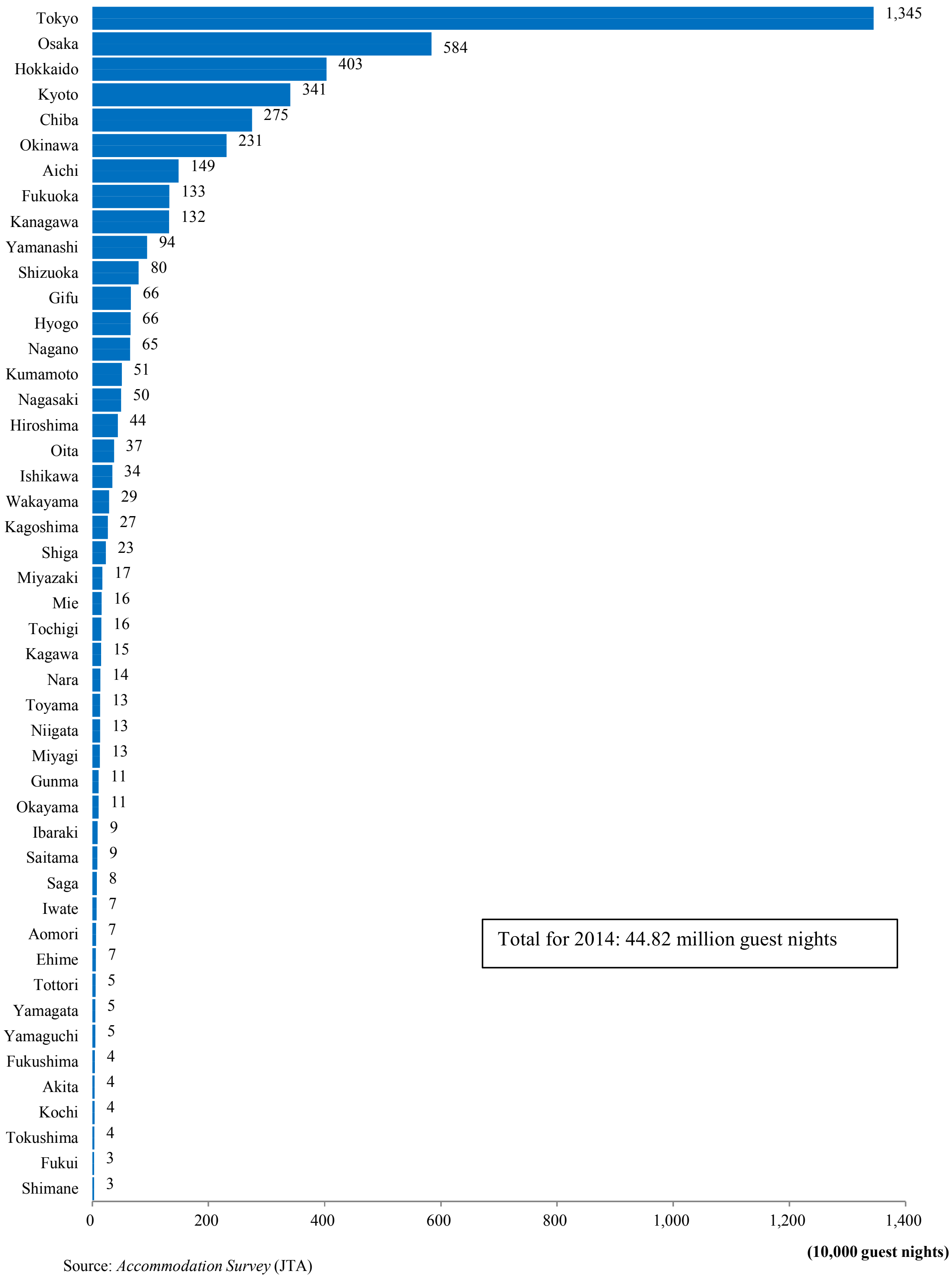
1. "Foreign visitors"refers to anyone who does not maintain an address in Japan.
2. "Foreign visitors"includes foreign visitors of unknown countries/regions (origin).
3. The bed occupancy rate is the rate of the number of accommodation guests compared to full guestroom capacity. For example, if one guest stayed in a guestroom with two guest capacity, the bed occupancy rate would be 50%.
4. The guestroom occupancy rate is the utilization rate of guestrooms compared to total guestrooms. For example, if one of an accommodation's two guestrooms were occupied, the guestroom occupancy rate would be 50%.
5. Accommodation guests (total) include foreign visitors.
6. Figures in the table are preliminary. Final figures are subject to change slightly.

Appendix-11 Total Guest Nights by Prefecture (2014)



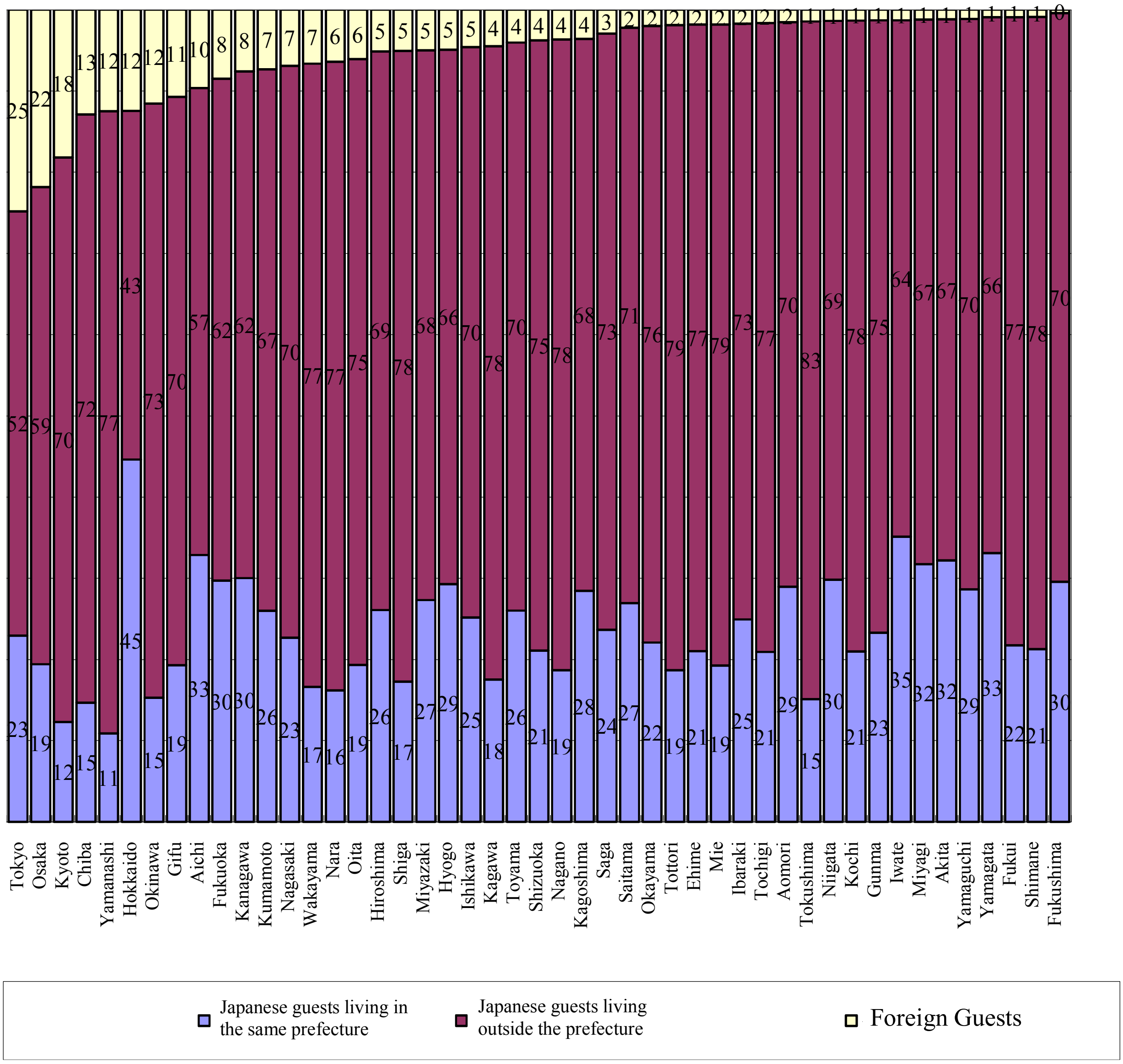
Source: *Accommodation Survey* (JTA)
Note: Figures in the graph are preliminary. Final figures are subject to change slightly.

Appendix-12 Guest Nights (Foreign Visitors) by Prefecture (2014)



Source: *Accommodation Survey* (JTA)
Note:
1. The term "foreign visitors" refers to those who do not have an address within Japan.
2. Figures in the graph are preliminary. Final figures are subject to change slightly.

Appendix-13 Share of Guest Nights, by Prefecture (2014)

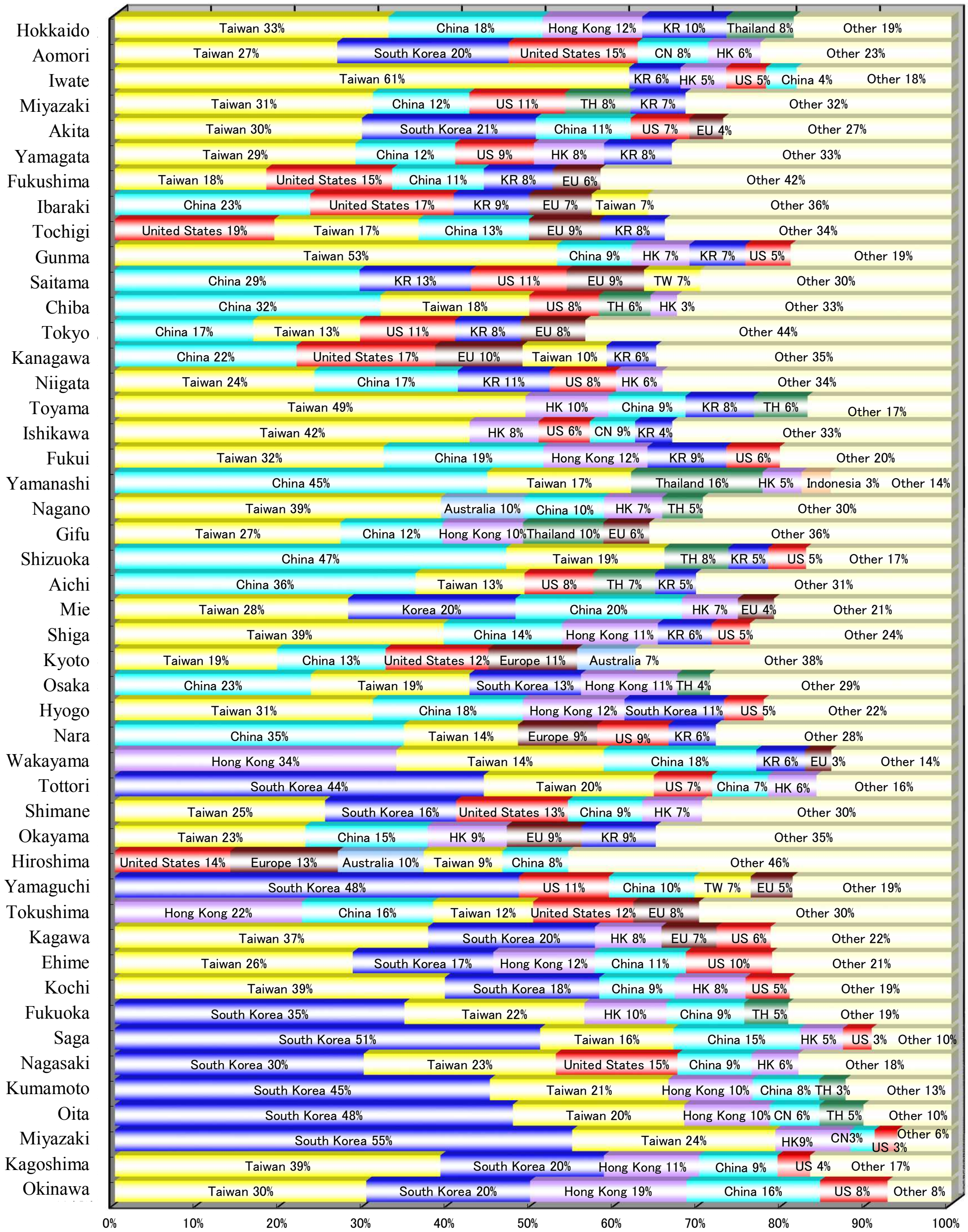


Source: *Accommodation Survey* (JTA)

Notes:

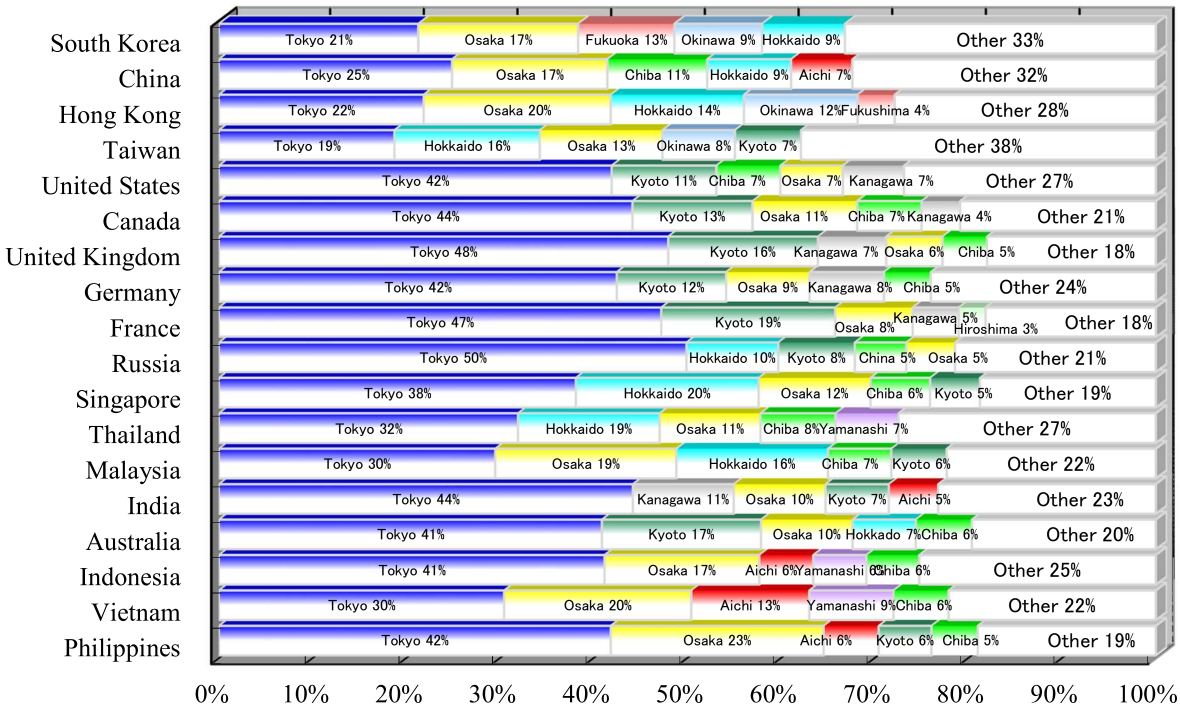
1. The unknown portion of Japanese nationals who stayed overnight by inside/outside the prefecture was calculated by prorating the ratio by inside/outside the prefecture and allocating the results to each prefecture.
2. The term "foreign nationals' refer to those who do not have an address within Japan.
3. Figures in the graph are preliminary. Final figures will be subject to change slightly.

Appendix-14　Breakdown of Guest Nights(Foreign Visitors) by Prefecture (2014)



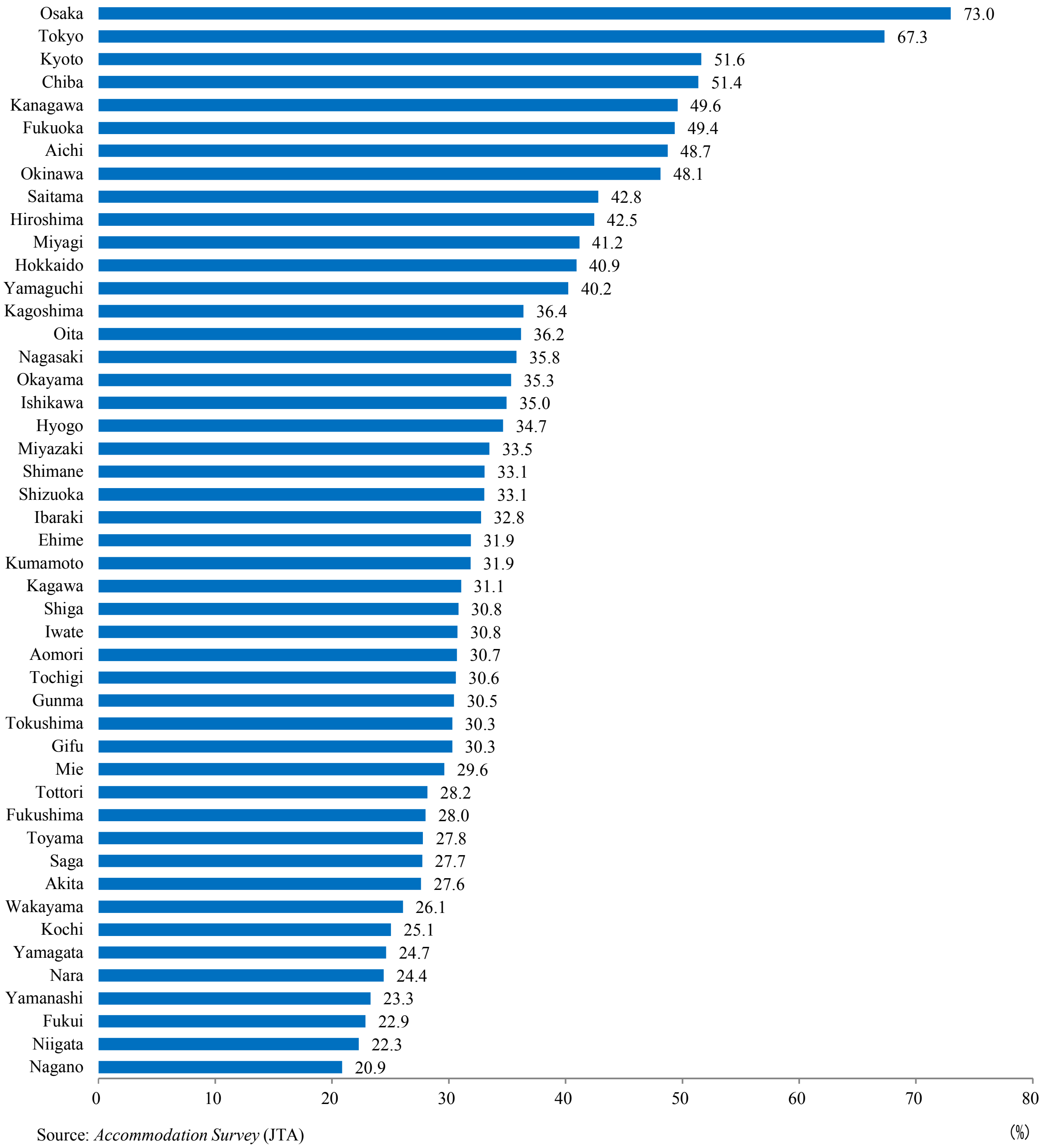
Source: *Accommodation Survey* (JTA)
Notes:
1. The term "foreign visitors" refers to those who do not have an address within Japan.
2. "Europe" refers to Germany, the United Kingdom and France.
3. This results are based on the survey of the facilities with at least 10 employees.
4. Figures in the graph are preliminary. Final figures are subject to change slightly.

Appendix-15 Top 5 Prefectures in Total Guest Nights (Foreign Visitors) by Country/Region (2014)



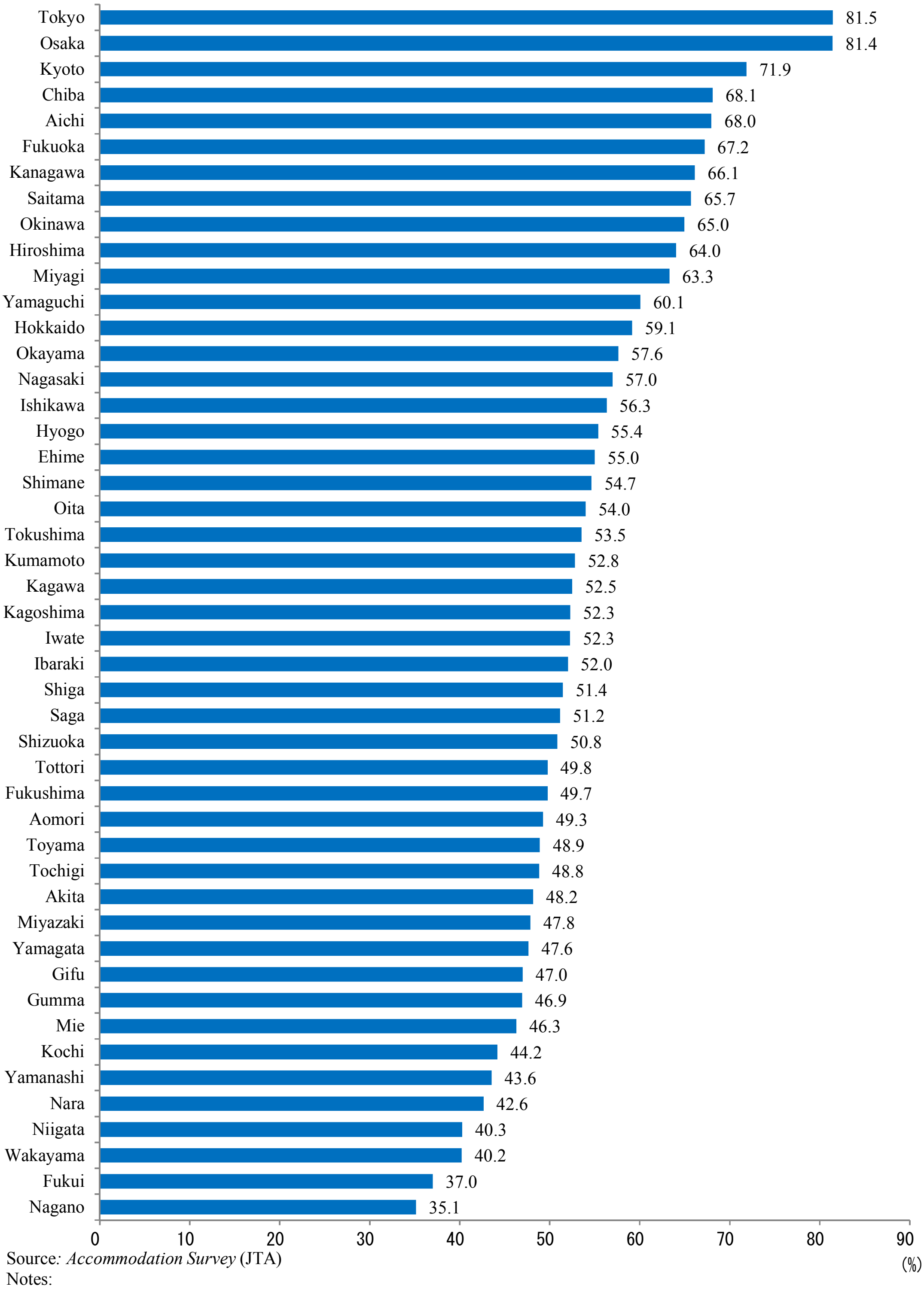
Source: *Accommodation Survey* (JTA)
Notes:
1. The term "foreign visitors" refers to those who do not have an address within Japan.
2. This result is based on the survey of the facilities with at least 10 employees.
3. Figures in the graph are preliminary. Final figures will be subject to change slightly.

Appendix-16 Accommodation Bed Occupancy Rate by Prefecture (2014)



Source: *Accommodation Survey* (JTA)
Notes:
1. The term "bed occupancy" refers to the occupancy ratio of the number of guests who stay overnight to the number of beds. For example, if one guest stays in a guest room with two beds, the bed occupancy is 50%.
2. Figures in the graph are preliminary. Final figures will be subject to change slightly.

Appendix-17 Accommodation Guest Room Occupancy Rate by Prefecture (2014)



Source: *Accommodation Survey* (JTA)

Notes:

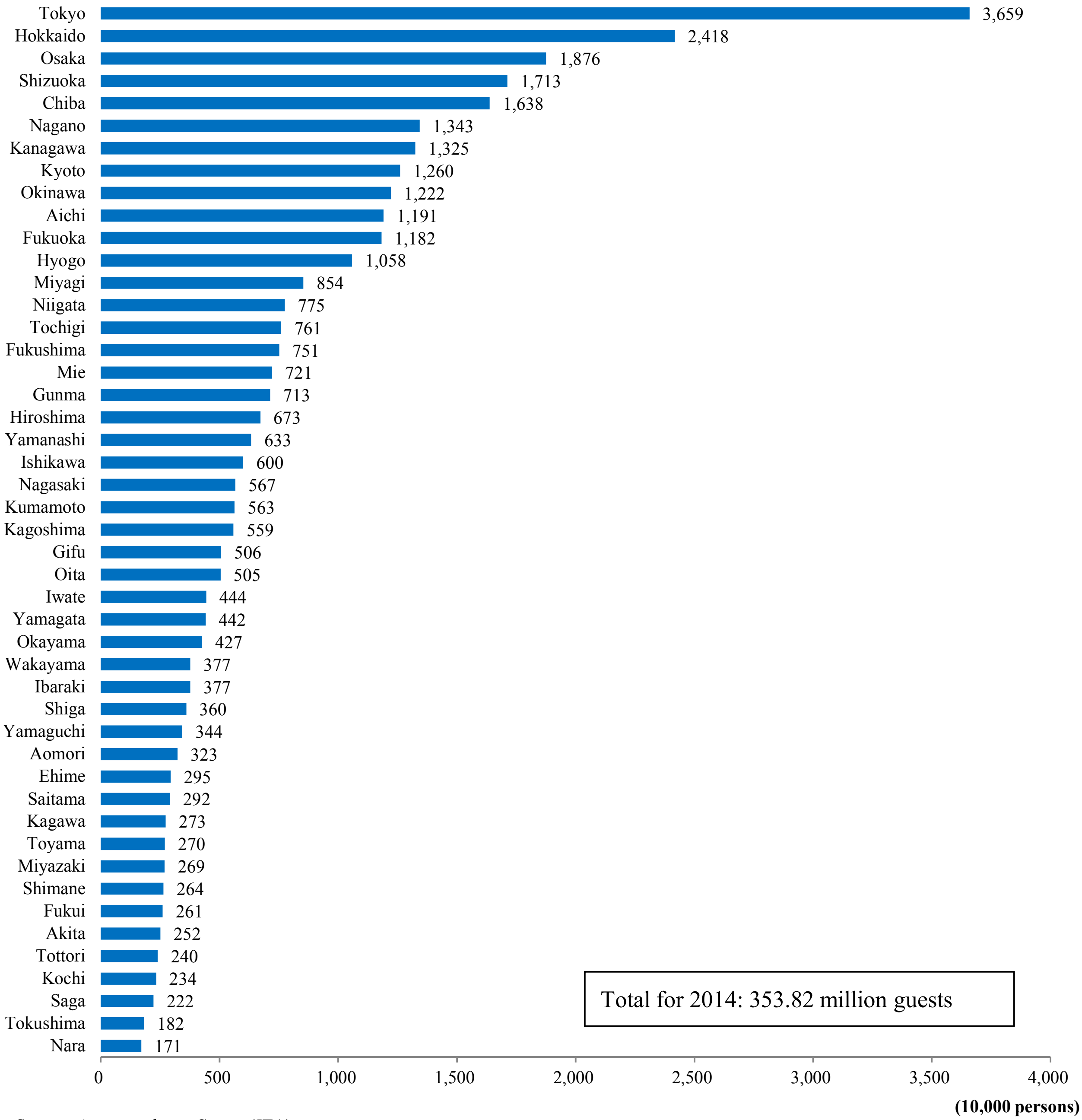
1. The term "guest room occupancy" refers to the occupancy ratio of the number of rooms occupied to the total number of rooms. For example, one of two guest rooms is occupied, the guest room occupancy is 50%.
2. Figures in the graph are preliminary. Final figures will be subject to change slightly.

Appendix-18 Actual Number of Guest, Average Nights per Person (Total/Foreign Visitors) by Prefecture (2014)

	Actual number of guests (persons)	Average nights per guest	Actua number of foreign guests (persons)	Average nights per foreign guest
Total	353,820,000	1.33	28,528,360	1.57
Hokkaido	24,179,510	1.34	2,966,020	1.36
Aomori	3,225,160	1.34	43,390	1.52
Iwate	4,438,430	1.31	56,760	1.32
Miyagi	8,538,230	1.28	92,850	1.40
Akita	2,517,260	1.36	26,160	1.49
Yamagata	4,416,190	1.31	36,410	1.42
Fukushima	7,511,120	1.40	28,190	1.48
Ibaraki	3,770,790	1.44	53,710	1.74
Tochigi	7,608,680	1.26	115,720	1.35
Gunma	7,126,090	1.18	90,900	1.20
Saitama	2,916,640	1.35	49,090	1.78
Chiba	16,380,600	1.31	2,170,180	1.27
Tokyo	36,591,950	1.48	6,679,240	2.01
Kanagawa	13,246,950	1.32	893,880	1.48
Niigata	7,747,160	1.27	89,700	1.48
Toyama	2,702,220	1.24	109,970	1.22
Ishikawa	5,997,580	1.25	272,430	1.26
Fukui	2,608,530	1.34	22,120	1.41
Yamanashi	6,334,860	1.19	891,450	1.06
Nagano	13,433,220	1.34	439,460	1.48
Gifu	5,064,050	1.22	524,300	1.26
Shizuoka	17,125,280	1.24	664,240	1.20
Aichi	11,912,760	1.29	1,037,640	1.43
Mie	7,214,600	1.23	115,570	1.39
Shiga	3,600,890	1.29	180,790	1.29
Kyoto	12,597,140	1.49	1,894,340	1.80
Osaka	18,758,400	1.43	3,699,590	1.58
Hyogo	10,584,620	1.27	491,580	1.33
Nara	1,707,670	1.27	91,580	1.51
Wakayama	3,774,090	1.16	250,350	1.15
Tottori	2,395,980	1.21	42,860	1.28
Shimane	2,640,200	1.24	20,060	1.41
Okayama	4,267,060	1.29	81,340	1.34
Hiroshima	6,725,410	1.28	278,310	1.59
Yamaguchi	3,435,900	1.31	35,210	1.42
Tokushima	1,819,890	1.38	27,790	1.28
Kagawa	2,732,610	1.25	125,720	1.21
Ehime	2,947,480	1.23	51,190	1.28
Kochi	2,335,870	1.23	25,570	1.49
Fukuoka	11,823,440	1.32	914,140	1.45
Saga	2,219,920	1.22	65,930	1.20
Nagasaki	5,670,420	1.27	371,410	1.33
Kumamoto	5,632,200	1.23	405,770	1.25
Oita	5,046,920	1.22	311,440	1.20
Miyazaki	2,685,950	1.30	131,050	1.32
Kagoshima	5,587,770	1.36	209,870	1.28
Okinawa	12,222,330	1.64	1,353,070	1.71

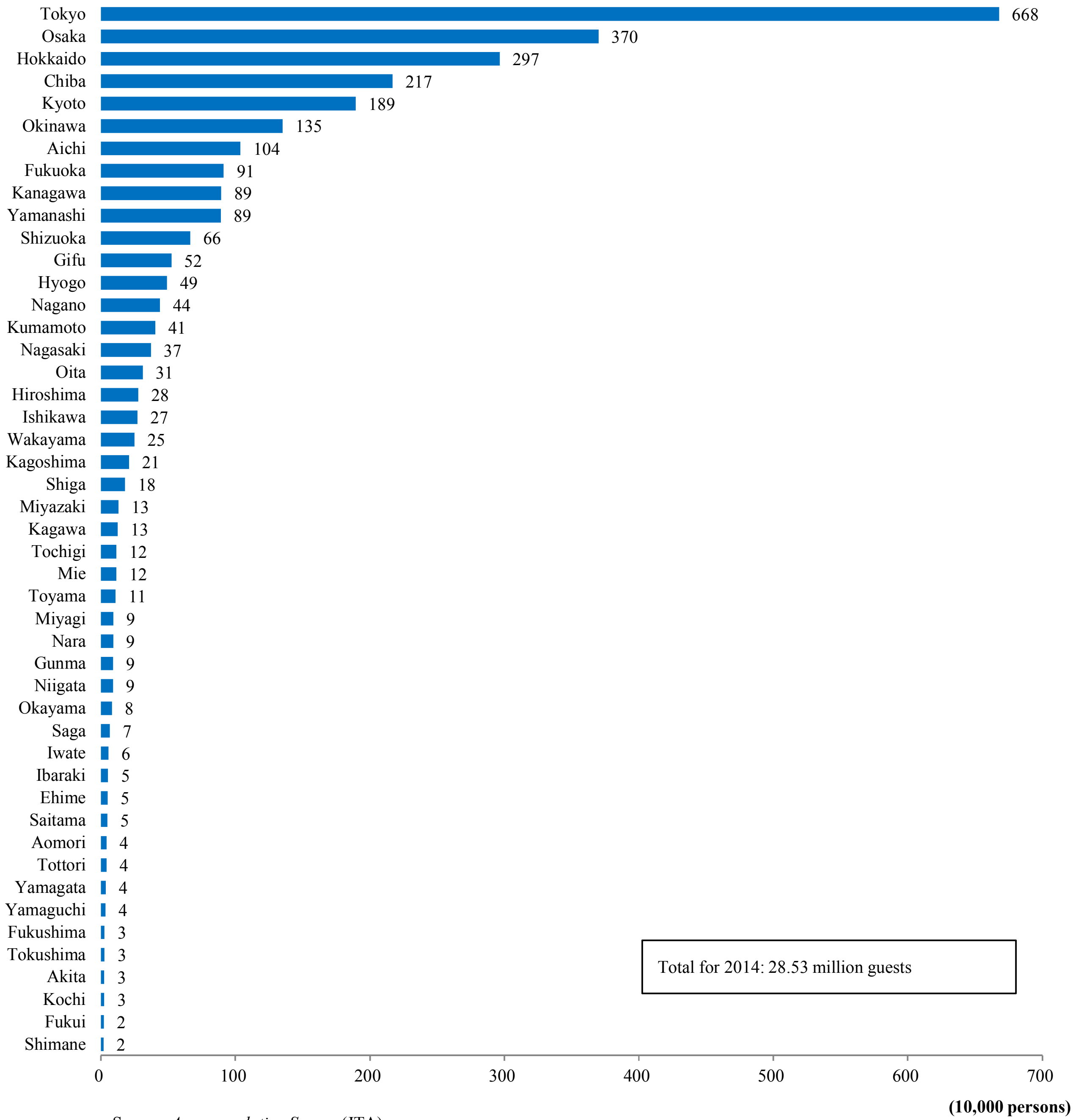
Source: *Accommodation Survey* (JTA)
Notes:
1: The term "foreign nationals" refer to those who do not have an address within Japan.
2: "Average nights" refer to the average nights per person who stay in a same accommodation.
3: Figures in the actual total guest nights include those of foreign nationals.
4: Figures in the graph are preliminary. Final figures will be subject to change slightly.

Appendix-19　Actual Number of Guests by Prefecture (2014)



Source: *Accommodation Survey* (JTA)
Note: Figures in the graph are preliminary. Final figures will be subject to change slightly.

Appendix-20 Actual Number of Foreign Guests by Prefecture (2014)



Source: *Accommodation Survey* (JTA)
Notes:
1. The term "foreign visitors" refer to those who do not have an address within Japan.
2. Figures in the graph are preliminary. Final figures will be subject to change slightly.

Appendix-21 Number of Visitors and Tourism Consumption, by Prefecture

Prefecture	Visitors (10,000 trips)	Tourism consumption (100 million yen)
Hokkaido	5290	7941
Aomori	1305	1478
Iwate	1136	1546
Miyagi	2446	2740
Akita	1168	1595
Yamagata	1816	1843
Fukushima	2216	3034
Ibaraki	3224	2376
Tochigi	4187	4443
Gunma	2889	2424
Saitama	9937	3412
Chiba	8934	11797
Tokyo	51264	52463
Kanagawa *1	-	-
Niigata	3534	3224
Toyama *1	-	-
Ishikawa	1635	2882
Fukui *1	-	-
Yamanashi	2968	3643
Nagano	3761	5752
Gifu	3844	2659
Shizuoka	4714	6290
Aichi	10344	6667
Mie	3715	3968
Shiga	1864	1700
Kyoto	6129	6521
Osaka *2	-	-
Hyogo	7034	5970
Nara	1985	1288
Wakayama	1166	1369
Tottori	1001	1220
Shimane	1377	1335
Okayama	1228	1386
Hiroshima	2285	2263
Yamaguchi *1	-	-
Tokushima	1044	1134
Kagawa *1	-	-
Ehime	1311	1118
Kochi	590	925
Fukuoka *1	-	-
Saga	1292	1210
Nagasaki	1645	2586
Kumamoto *1	3403	3622
Oita	1756	2072
Miyazaki	1518	1545
Kagoshima	1671	3284
Okinawa	1069	5003

Source: *Inbound Tourism Statistics based on on the Common Standard* of individual prefectures
Notes:
1. Data for Kanagawa, Toyama, Fukui, Yamaguchi, Kagawa, Fukuoka and Kumamoto are still being compiled.
2. Osaka Prefecture has yet to adopt the common standard for its statistics.

Appendix-22 Japanese Overseas Travelers by Country / Region (Statistics from Receiving Countries (Regions))

	Destination	Standards	2008		2009		2010		2011		2012		2013	
			Persons	Change YoY (%)	Persons	Change YoY (%)	Persons	Change YoY (%)	Persons	Change YoY (%)	Persons	Change YoY (%)	Persons	Change YoY (%)
Asia	China	N/F/V	3,446,117	-13.4	3,317,459	-3.7	3,731,200	12.5	3,658,200	-2.0	3,518,153	-3.8	2,877,500	-18.2
	South Korea	N/F/V	2,378,102	6.4	3,053,311	28.4	3,023,009	-1.0	3,289,051	8.8	3,518,792	7.0	2,747,750	-21.9
	Hong Kong	R/F/V	1,324,797	0.0	1,204,490	-9.1	1,316,618	9.3	1,283,687	-2.5	1,254,602	-2.3	1,057,033	-15.7
	Taiwan	R/F/V	1,086,691	-6.8	1,000,661	-7.9	1,080,153	7.9	1,294,758	19.9	1,432,315	10.6	1,421,550	-0.8
	Thailand	N/F/T	1,153,868	-9.7	1,004,453	-12.9	993,674	-1.1	1,127,893	13.5	1,373,716	21.8	1,536,425	11.8
	Singapore	R/F/V	571,040	-3.9	489,987	-14.2	528,817	7.9	656,417	24.1	757,116	15.3	832,845	10.0
	Vietnam	R/F/V	393,091	-4.5	359,231	-8.6	442,089	23.1	481,519	8.9	576,386	19.7	604,050	4.8
	Malaysia	R/F/T	433,462	17.9	395,746	-8.7	415,881	5.1	386,974	-7.0	470,008	21.5	513,076	9.2
	Macao	R/F/V	366,920	22.6	379,241	3.4	413,507	9.0	396,023	-4.2	395,989	0.0	290,622	-26.6
	Indonesia	R/F/T	546,713	7.4	475,766	-13.0	418,971	-11.9	412,623	-1.5	450,687	9.2	479,305	6.3
	Philippines	R/F/T	359,306	-9.0	324,980	-9.6	358,744	10.4	375,496	4.7	412,474	9.8	433,705	5.1
	India	N/F/T	145,352	-0.1	124,756	-14.2	168,019	34.7	193,525	15.2	220,015	13.7	220,283	0.1
	Cambodia	R/F/V	163,806	1.1	146,286	-10.7	151,795	3.8	161,804	6.6	179,327	10.8	206,932	15.4
	Maldives	N/F/T	38,193	-7.1	36,641	-4.1	38,791	5.9	35,782	-7.8	36,438	1.8	39,463	8.3
	Laos	N/F/V	31,569	6.0	28,081	-11.0	34,076	21.3	37,833	11.0	42,026	11.1	48,644	15.7
	Nepal	N/F/T	23,383	-13.6	22,445	-4.0	23,332	4.0	26,283	12.6	28,642	9.0		
	Myanmar	N/F/T	10,881	-30.4	13,809	26.9	16,186	17.2	21,321	31.7	47,690	123.7	68,761	44.2
	Mongolia	N/F/V	15,036	-13.1	11,496	-23.5	14,279	24.2	15,336	7.4	17,642	15.0	18,751	6.3
	Sri Lanka	R/F/T	10,578	-25.9	10,931	3.3	14,998	37.2	20,951	39.7	26,085	26.7	31,505	20.8
	Pakistan	N/F/T	8,294	-24.8	6,705	-19.2	7,090	5.7	9,918	40.1	8,242	-16.9		
	Bangladesh	N/F/T	N.A.	–	N.A.	–	N.A.	–						
Oceania	Guam	R/F/T	850,034	-8.7	825,129	-2.9	893,667	8.3	824,005	-7.8	929,229	12.8	893,118	-3.9
	Australia	R/F/V	457,232	-20.2	355,456	-22.3	398,188	12.0	332,700	-16.4	353,993	6.4	328,890	-7.1
	Northern Mariana Islands	N/F/V	213,299	6.6	191,111	-10.4	185,032	-3.2	142,946	-22.7	153,259	7.2	141,747	-7.5
	New Zealand	R/F/V	102,482	-15.8	78,426	-23.5	87,735	11.9	68,963	-21.4	72,080	4.5	74,560	3.4
	Palau	R/F/V	30,018	2.8	26,688	-11.1	29,318	9.9	37,800	28.9	39,353	4.1	35,037	-11.0
	New Caledonia	R/F/T	20,225	-24.4	18,926	-6.4	18,534	-2.1	18,455	-0.4	17,430	-5.6	15,674	-10.1
	Tahiti	R/F/T	18,769	-19.2	16,353	-12.9	13,761	-15.9	12,990	-5.6	12,989	0.0	13,175	1.4
	Fiji	R/F/T	21,918	-3.9	14,975	-31.7	12,011	-19.8	9,616	19.9	7,069	-26.5	7,314	3.5
Central Asia, Middle East and North Africa	Turkey	N/F/V	149,731	-11.3	147,641	-1.4	195,404	32.4	188,312	-3.6	203,592	8.1	174,150	-14.5
	Morocco	N/F/T	15,607	-7.7	19,149	22.7	24,366	27.2	22,861	-6.2	30,306	32.6		
	Jordan	N/F/V	13,810	7.7	13,052	-5.5	19,052	46.0	12,829	-32.7	15,321	19.4		
	Bahrain	N/F/V	N.A.	–	N.A.	–	N.A.	–	17,129	-				
	Israel	R/F/T	14,506	35.9	9,768	-32.7	13,957	42.9	14,112	1.1	16,011	19.1		
	Armenia	R/F/T	11,110	9.5	11,900	7.1	11,730	-1.4	12,973	10.6	12,968	0.0		
	Oman	N/HA/T	10,275	33.1	12,953	26.1	8,982	-30.7	6,989	16.9				
	Tunisia	N/F/T	11,206	-1.8	11,073	-1.2	13,385	20.9	3,120	-76.7	8,002	156.5		
	Saudi Arabia	N/F/T	14,590	17.3	6,539	-55.2	9,210	40.8	16,410	78.2	11,803	-28.1		
	Syria	N/F/V	8,325	19.6	8,764	5.3	11,600	32.4	3,174	-76.2				
	Kazakhstan	R/F/V	5,013	-4.0	4,292	-14.4	4,528	5.5	4,720	6.6	6,049	28.2		
	Kuwait	N/F/V	6,215	-5.1	4,606	-25.9	4,959	7.7	4,798	-3.2	5,291	10.3		
Africa	Egypt	N/F/V	108,225	-16.5	92,409	-14.6	126,393	36.8	27,635	-78.1	39,008	41.2		
	South Africa	R/F/T	27,621	-13.3	20,513	-25.7	27,577	34.4	26,284	-4.7	34,415	30.9		
	Nigeria	N/F/V	26,087	11.1	27,130	4.0	27,340	0.8	26,300	-3.8	41,988	59.7		
	Zimbabwe	R/F/V	14,803	14.3	18,389	24.2	18,593	1.1	32,784	76.3	18,032	-45.0		
	Kenya	R/F/V	7,411	-41.8	10,150	37.0	10,866	7.1						
	Zambia	R/F/T	4,241	-12.3	5,373	26.7	8,341	55.2	11,346	36.0	3,535	-68.8		
	Madagascar	N/F/T	7,500	1.4	1,627	-78.3	1,960	20.5	2,925	49.2				
Europe	France	R/F/T	674,000	-3.4	697,000	3.4	595,977	-14.5	621,541	4.3	732,283	19.6		
	Germany	R/AA/T	597,655	-9.7	537,984	-10.0	605,231	12.5	642,542	6.2	734,475	14.3		
	Spain	R/F/T	237,493	-31.4	229,856	-3.2	332,930	44.8	334,314	0.4	362,081	5.6	374,175	3.3
	Italy	N/F/T	283,819	-11.5	320,591	13.0	340,210	6.1	314,239	-7.6	353,547	12.5		
	Switzerland	R/HA/T	277,657	-14.4	275,505	-0.8	297,562	8.0	275,923	-7.3	295,991	7.3		
	United Kingdom	R/F/V	238,910	-22.3	235,471	-1.4	223,000	-5.3	237,000	6.3	242,700	2.4	221,000	-8.9

	Austria	R/AA/T	200,791	-12.5	191,321	-4.7	206,217	7.8	220,691	7.0	261,261	14.3		
	Croatia	R/AA/T	143,704	66.3	163,400	13.7	147,119	-10.0	131,630	-10.5	155,088	17.8		
	Czech Republic	N/AA/T	123,275	-9.7	114,777	-6.9	133,052	15.9	121,663	-8.6	136,557	12.2		
	Netherlands	R/HA/T	114,400	-11.2	99,300	-13.2	119,000	19.8	110,500	-7.1	136,300	23.3		
	Belgium	R/AA/T	94,948	-8.2	74,509	21.5	75,976	2.0	86,778	14.2	111,690	22.2		
	Russia	N/F/V	86,237	3.1	74,159	-14.0	78,188	5.4	76,204	-2.5	86,806	13.9	102,408	18.0
	Hungary	N/AA/T	75,261	-20.7	71,124	-5.5	76,862	8.1	69,724	-9.3	77,093	10.6		
	Finland	R/AA/T	80,180	-2.8	65,949	-17.7	68,747	4.2	75,680	10.1	91,783	21.3		
	Portugal	R/AA/T	63,486	-4.5	57,641	-9.2	61,690	7.0	60,700	-1.6	64,578	10.4		
	Sweden	R/AA/T	50,020	-3.4	45,549	-8.9	48,377	6.2	46,718	-3.4	45,723	-2.1		
	Slovenia	N/AA/T	39,733	62.1	48,182	21.3	40,428	-16.1	35,292	-12.7	41,398	17.2		
	Poland	N/F/T	42,000	-11.6	35,000	-16.7	60,000	71.4	45,000	-25.0	40,000	-11.1		
	Denmark	R/AA/T	33,233	-3.9	30,726	-7.5	33,837	10.1	20,687	-38.9	24,267	17.3		
	Norway	N/F/T	29,000	-9.4	25,000	-13.8	28,000	12.0	27,000	-3.6				
	Slovenia	N/AA/T	13,743	1.8	11,351	-17.4	11,523	1.5	8,865	-23.1	10,117	14.1		
	Ireland	R/F/T	14,000	-12.5	11,000	-21.4								
	Romania	R/F/V	13,095	-15.6	10,345	-21.0	12,333	19.2	13,544	9.8	14,252	5.2		
	Bulgaria	R/F/V	9,830	-19.1	8,458	-14.0	9,969	17.9	10,236	2.7	11,148	8.9		
	Iceland	N/AA/T	11,205	3.8	12,454	11.1	9,842	-21.0	12,683	28.9	21,571	70.1		
	Lithuania	R/AA/T	9,349	2.7	7,599	-18.7	7,654	0.7	8,528	11.4	9,465	11.0		
	Estonia	R/AA/T	6,862	0.9	7,253	5.7	7,235	-0.2	8,732	20.7	8,778	0.5		
	Greece	N/F/T	10,926	-62.0	6,765	-38.1	10,021	48.1	10,125	1.0	8,841	-12.7		
	Latvia	R/AA/T	6,043	-0.4	6,690	10.7	5,428	-18.9	5,843	7.6	7,322	25.3		
	Ukraine	R/F/T	6,437	-6.8	5,439	-15.5	6,206	14.1	7,585	22.2	8,528	12.4		
	Monaco	N/HA/T	6,017	-6.6	5,124	-14.8	4,526	-11.7	4,997	10.4	5,576	11.6		
	San Marino	N/F/V	3,170	-4.1	N.A.	–	N.A.	–	3,590	-16.1	2,933	-18.3		
North America	United States	R/F/T	3,249,578	-8.0	2,918,268	-10.2	3,386,076	16.0	3,249,569	-4.0	3,698,073	13.8	3,730,287	0.9
	(Hawaii)	R/F/T	1,175,199	-9.4	1,168,080	-0.6	1,239,307	6.1	1,241,805	0.2	1,465,654	18.0	1,523,302	3.9
	Canada	R/F/V	287,198	-16.4	205,639	-28.4	243,040	18.2	218,813	-10.0	240,000	9.7	238,474	-0.6
Latin America	Mexico	N/F/T	69,716	-3.0	52,229	-25.1	66,164	26.7	72,338	9.3	85,687	18.5	97,226	13.5
	Brazil	R/F/T	81,270	28.2	66,655	-18.0	59,742	-10.4	63,247	5.9	73,102	15.6		
	Peru	R/F/T	46,059	15.5	40,018	-13.1	30,604	-23.5	43,794	43.1	56,526	29.1		
	Argentina	N/F/T	N.A.	–	N.A.	–								
	Chile	N/F/T	15,553	6.0	13,129	-4.4	14,261	8.6	12,693	-11.0	15,059	18.6	14,651	-2.7
	Bolivia	N/HA/T	8,631	25.9	8,035	-6.9	6,683	-16.8	7,813	16.9	11,873	52.0		
	Guatemala	N/F/V	6,521	-4.0	5,110	-21.6	7,081	38.6	6,956	-1.8	8,853	27.3		
	Cuba	R/F/V	5,550	-16.5	5,460	-1.6	6,372	16.7	5,420	-14.9	7,348	35.6		
	Colombia	N/F/V	5,302	8.9	4,987	-5.9	4,312	-13.5	4,769	10.6	5,578	17.0		
	Ecuador	N/F/V	5,533	16.2	4,868	-12.0	5,106	4.9	5,113	0.1	5,342	4.5		
	Costa Rica	N/F/T	5,368	-1.3	4,746	-11.6	5,026	5.9	4,758	-5.3	5,117	7.5		
	Panama	R/F/V	6,475	13.8	3,133	-51.6	3,988	27.3	4,525	13.5	5,043	11.4		

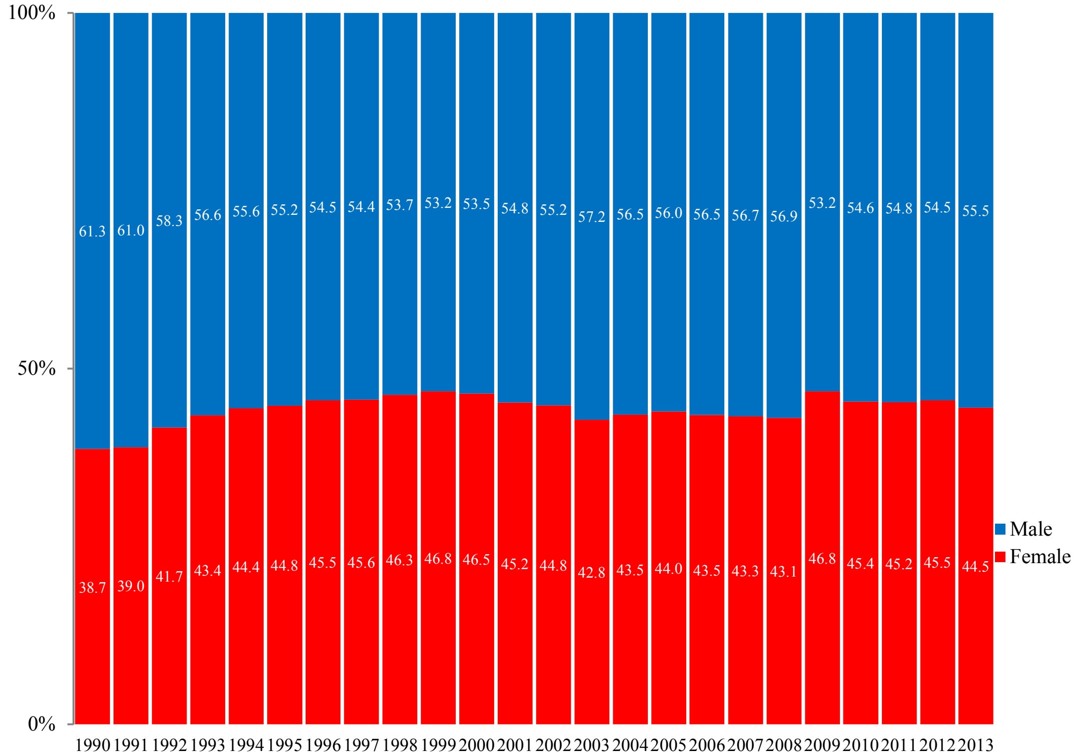
Source: References from UNWTO, PATA, tourism bureaus and statistics bureaus of each countries

◆ **Remarks: Standards**

R: Reported by residence / N: Reported by nationality / F: Frontier arrivals / AA: Arrivals in registered tourist accommodations / HA: Arrivals in hotels /AN: Nights in registered tourist accommodations / HN: Nights spent in hotels / V: Both same-day and overnight visitors / T: Overnight visitors only

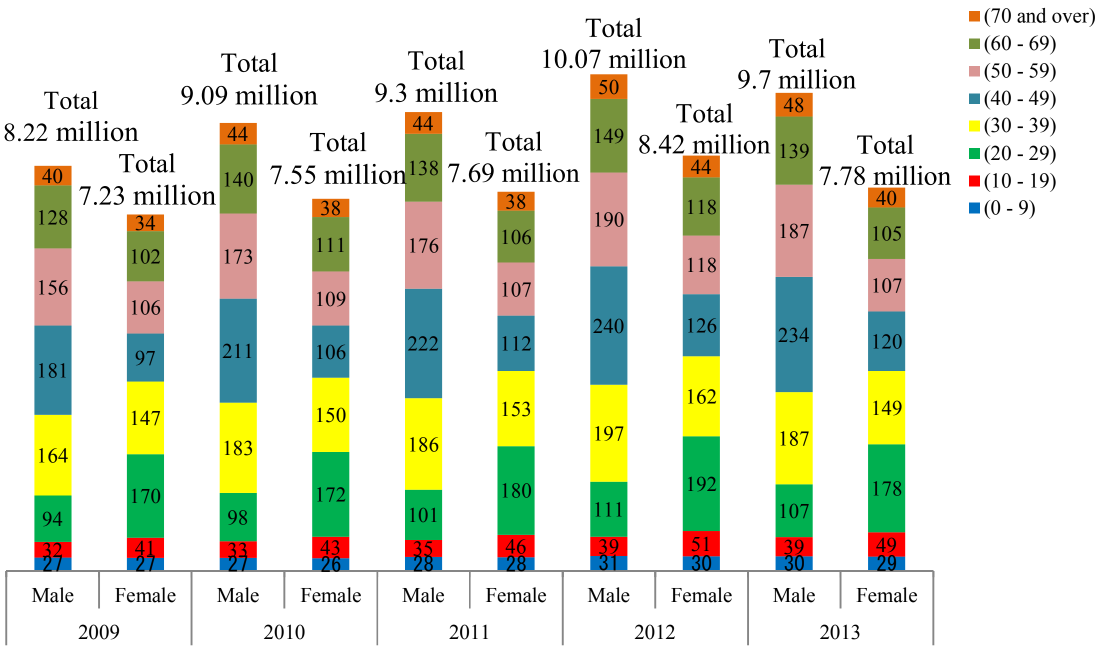
(Note)
1. Countries / regions shown in the table contains are those for which the number of visiting Japanese nationals exceeds 5,000 persons.
2. Since data in the table are a mixture of frontier arrivals, hotel arrivals etc. and standards for collecting data vary, figures cannot be compared as though they are the same indicator. Particular caution is required for comparisons involving the data for Europe.
3. Besides arrivals for the 50 states and the District of Columbia, the data for the United States also includes arrivals for the Northern Mariana Islands, Guam, American Samoa, Puerto Rico, the U.S. Virgin Islands etc.
4. The data for Hawaii is included in the data for the United States.
5. Saipan belongs to the Northern Mariana Islands.
6. All data for Peru is provisional.
7. The numbers of Japanese nationals who visited North Korea, Uzbekistan, the United Arab Emirates, Qatar, Luxembourg, Malta, Belize, Haiti, the Sudan,Mozambique, Namibia, Côte d'Ivoire and Senegal are unknown.
8. Values for each country may be retroactively changed for because of changes from estimate to decision levels, modifications to statistical standards, data inconsistencies etc.
9. Values in the table are provisional as of June 2014.

Appendix-23 Share of Japanese Overseas Travelers by Gender



Source: A reference from the Ministry of Justice

Appendix-24 Number of Japanese Overseas Travelers by Age and Gender



Source: A reference from the Ministry of Justice

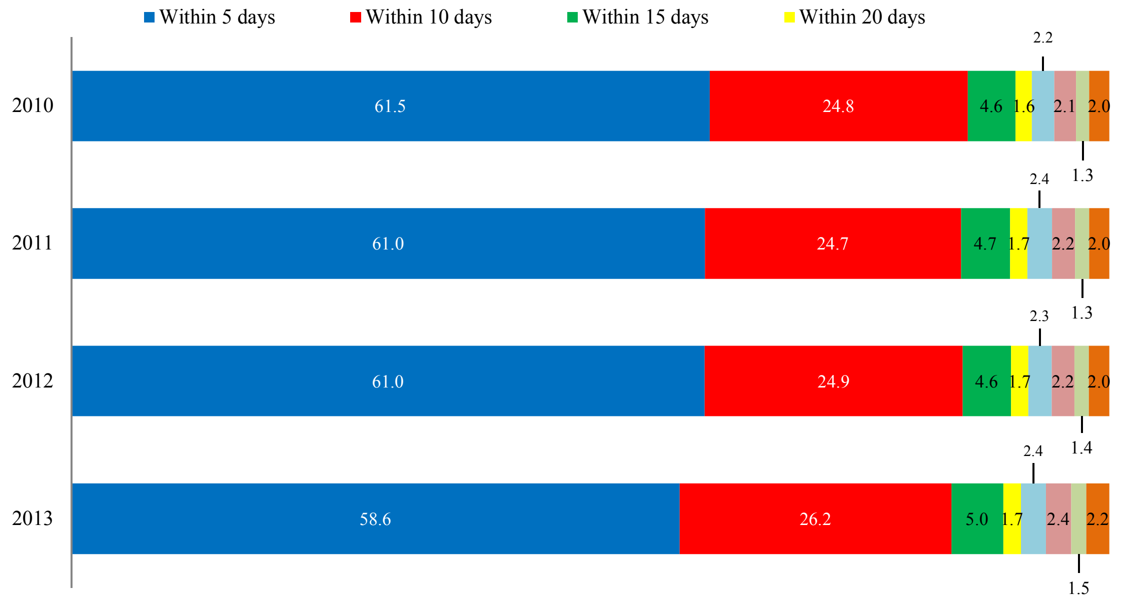
Appendix-25　Passenger Traffic for Departing Japanese Traveler

(Units: 1,000 persons)

Port / Year	By air									By sea	Total
	Subtotal	New Chitose	Narita International	Tokyo International (Haneda)	Chubu	Kansai	Fukuoka	Naha	Other local airports		
2007	17,107	102	9,548	466	1,974	3,688	679	49	602	188	17,295
	(98.9)	(0.6)	(55.2)	(2.7)	(11.4)	(21.3)	(3.9)	(0.3)	(3.5)	(1.1)	(100.0)
2008	15,791	90	8,751	640	1,782	3,337	633	42	516	196	15,987
	(98.8)	(0.6)	(54.7)	(4.0)	(11.1)	(20.9)	(4.0)	(0.3)	(3.2)	(1.2)	(100.0)
2009	15,240	103	8,281	780	1,576	3,184	676	46	595	205	15,446
	(98.7)	(0.7)	(53.6)	(5.1)	(10.2)	(20.6)	(4.4)	(0.3)	(3.9)	(1.3)	(100.0)
2010	16,450	114	8,713	1,194	1,640	3,349	732	45	663	187	16,637
	(98.9)	(0.7)	(52.4)	(7.2)	(9.9)	(20.1)	(4.4)	(0.3)	(4.0)	(1.1)	(100.0)
2011	16,798	132	7,590	2,606	1,617	3,389	816	56	592	197	16,994
	(98.8)	(0.8)	(44.7)	(15.3)	(9.5)	(19.9)	(4.8)	(0.3)	(3.5)	(1.2)	(100.0)
2012	18,280	155	8,320	2,838	1,669	3,623	918	61	697	210	18,491
	(98.9)	(0.8)	(45.0)	(15.3)	(9.0)	(19.6)	(5.0)	(0.3)	(3.8)	(1.1)	(100.0)
2013	17,308	137	8,052	2,664	1,530	3,439	861	58	568	165	17,473
	(99.1)	(0.8)	(46.1)	(15.2)	(8.8)	(19.7)	(4.9)	(0.3)	(3.3)	(0.9)	(100.0)

Source: A Reference from the Ministry of Justice
Note: Figures in parenthesis refer to the share (%) of individual airport(s).

Appendix-26　Japanese Overseas Travelers' Duration of Stay



Source: A reference from the Ministry of Justice
Note: Calculated based on the number of returning Japanese nationals whose duration of stay was no more than 6 months.

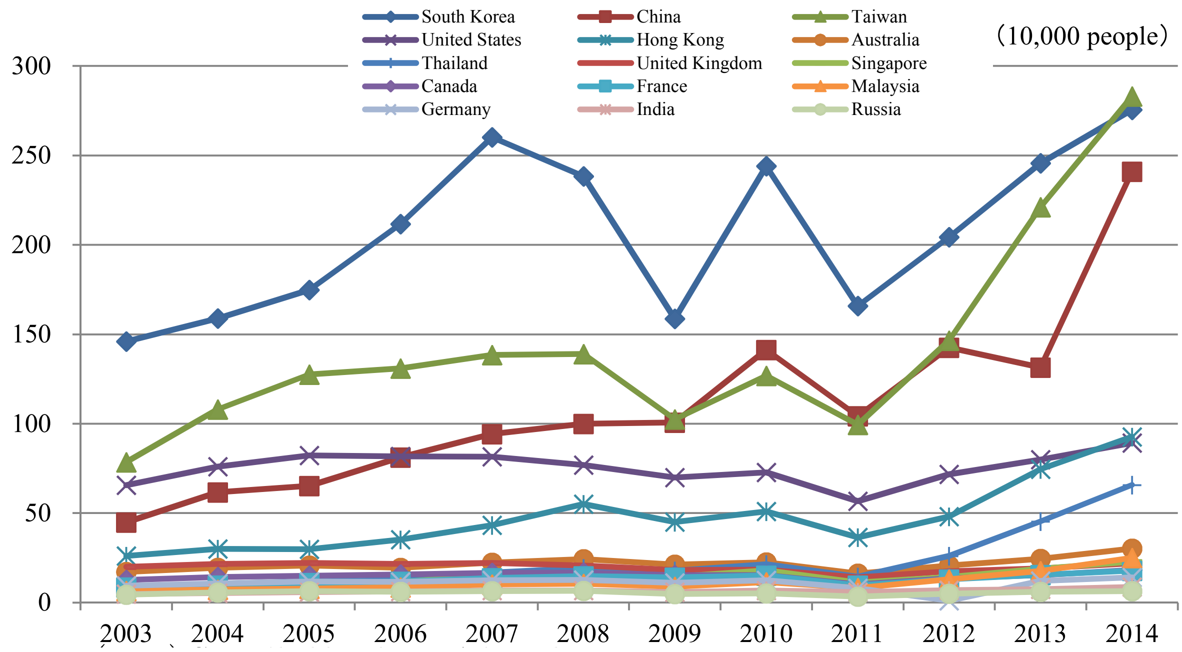
Appendix-27 Change in the Number of Foreign Visitors to Japan by Country / Region

Region	Country / Region	2008 Persons	2008 Share (%)	2008 Change YoY (%)	2009 Persons	2009 Share (%)	2009 Change YoY (%)	2010 Persons	2010 Share (%)	2010 Change YoY (%)
North America	United States	768,345	9.2	94.2	699,919	10.3	91.1	727,234	8.4	103.9
	Canada	168,307	2.0	101.4	152,756	2.2	90.8	153,303	1.8	100.4
	Mexico	24,194	0.3	85.8	16,454	0.2	68.0	19,248	0.2	117.0
	Others	6,279	0.1	90.5	5,488	0.1	87.4	6,111	0.1	111.4
	Subtotal	967,125	11.6	95.1	874,617	12.9	90.4	905,896	10.5	103.6
South Americ	Brazil	20,981	0.3	111.3	16,899	0.2	80.5	21,393	0.2	126.6
	Others	17,586	0.2	96.9	16,582	0.2	94.3	18,088	0.2	109.1
	Subtotal	38,567	0.5	104.2	33,481	0.5	86.8	39,481	0.5	117.9
Europe	United Kingdom	206,564	2.5	93.1	181,460	2.7	87.8	184,045	2.1	101.4
	France	147,580	1.8	107.1	141,251	2.1	95.7	151,011	1.8	106.9
	Germany	126,207	1.5	100.8	110,692	1.6	87.7	124,360	1.4	112.3
	Italy	56,243	0.7	104.1	59,607	0.9	106.0	62,394	0.7	104.7
	Russia	66,270	0.8	103.2	46,952	0.7	70.8	51,457	0.6	109.6
	Spain	40,852	0.5	122.0	42,484	0.6	104.0	44,076	0.5	103.7
	Netherlands	34,487	0.4	103.6	31,186	0.5	90.4	32,837	0.4	105.3
	Sweden	30,129	0.4	101.1	26,384	0.4	87.6	29,188	0.3	110.6
	Switzerland	24,364	0.3	101.5	23,091	0.3	94.8	26,005	0.3	112.6
	Belgium	15,773	0.2	106.4	13,899	0.2	88.1	15,981	0.2	115.0
	Denmark	14,486	0.2	101.3	13,116	0.2	90.5	14,606	0.2	111.4
	Ireland	12,513	0.1	91.5	10,450	0.2	83.5	10,738	0.1	102.8
	Others	111,255	1.3	100.3	99,513	1.5	89.4	106,468	1.2	107.0
	Subtotal	886,723	10.6	101.0	800,085	11.8	90.2	853,166	9.9	106.6
Africa		24,498	0.3	104.7	20,621	0.3	84.2	22,665	0.3	109.9
Asia	South Korea	2,382,397	28.5	91.6	1,586,772	23.4	66.6	2,439,816	28.3	153.8
	China	1,000,416	12.0	106.2	1,006,085	14.8	100.6	1,412,875	16.4	140.4
	Taiwan	1,390,228	16.6	100.4	1,024,292	15.1	73.7	1,268,278	14.7	123.8
	Hong Kong	550,190	6.6	127.3	449,568	6.6	81.7	508,691	5.9	113.2
	Thailand	191,881	2.3	114.6	177,541	2.6	92.5	214,881	2.5	121.0
	Singapore	167,894	2.0	110.6	145,224	2.1	86.5	180,960	2.1	124.6
	Malaysia	105,663	1.3	104.7	89,509	1.3	84.7	114,519	1.3	127.9
	Indonesia	66,593	0.8	103.8	63,617	0.9	95.5	80,632	0.9	126.7
	Philippines	82,177	1.0	91.8	71,485	1.1	87.0	77,377	0.9	108.2
	India	67,323	0.8	99.6	58,918	0.9	87.5	66,819	0.8	113.4
	Others	149,065	1.8	116.2	140,990	2.1	94.6	163,584	1.9	116.0
	Subtotal	6,153,827	73.7	100.4	4,814,001	70.9	78.2	6,528,432	75.8	135.6
Oceania	Australia	242,031	2.9	108.8	211,659	3.1	87.5	225,751	2.6	106.7
	New Zealand	33,682	0.4	97.0	31,567	0.5	93.7	32,061	0.4	101.6
	Others	3,275	0.0	92.7	2,987	0.0	91.2	3,060	0.0	102.4
	Subtotal	278,988	3.3	107.0	246,213	3.6	88.3	260,872	3.0	106.0
No nationality		1,107	0.0	117.8	640	0.0	57.8	663	0.0	103.6
Total		8,350,835	100.0	100.0	6,789,658	100.0	81.3	8,611,175	100.0	126.8

Region	Country / Region	2011 Persons	2011 Share (%)	2011 Change YoY (%)	2012 Persons	2012 Share (%)	2012 Change YoY (%)	2013 Persons	2013 Share (%)	2013 Change YoY (%)	2014 Persons	2014 Share (%)	2014 Change YoY (%)
North America	United States	565,887	9.1	77.8	716,709	8.6	126.7	799,280	7.7	111.5	891,668	6.6	111.6
	Canada	101,299	1.6	66.1	135,355	1.6	133.6	152,766	1.5	112.9	182,865	1.4	119.7
	Mexico	13,080	0.2	68.0	18,502	0.2	141.5	23,338	0.2	126.1	30,436	0.2	130.4
	Others	4,780	0.1	78.2	5,835	0.1	122.1	6,597	0.1	113.1	7,348	0.1	111.4
	Subtotal	685,046	11.0	75.6	876,401	10.5	127.9	981,981	9.5	112.0	1,112,317	8.3	113.3
South Americ	Brazil	18,470	0.3	86.3	32,111	0.4	173.9	27,106	0.3	84.4	32,310	0.2	119.2
	Others	13,292	0.2	73.5	19,040	0.2	143.2	22,824	0.2	119.9	24,563	0.2	107.6
	Subtotal	31,762	0.5	80.4	51,151	0.6	161.0	49,930	0.5	97.6	56,873	0.4	113.9
Europe	United Kingdom	140,099	2.3	76.1	173,994	2.1	124.2	191,798	1.9	110.2	220,060	1.6	114.7
	France	95,438	1.5	63.2	130,412	1.6	136.6	154,892	1.5	118.8	178,570	1.3	115.3
	Germany	80,772	1.3	65.0	108,898	1.3	134.8	121,776	1.2	111.8	140,254	1.0	115.2
	Italy	34,035	0.5	54.5	51,801	0.6	152.2	67,228	0.6	129.8	80,531	0.6	119.8
	Russia	33,793	0.5	65.7	50,176	0.6	148.5	60,502	0.6	120.6	64,077	0.5	105.9
	Spain	20,814	0.3	47.2	35,207	0.4	169.2	44,461	0.4	126.3	60,542	0.5	136.2
	Netherlands	23,450	0.4	71.4	30,266	0.4	129.1	33,861	0.3	111.9	39,866	0.3	117.7
	Sweden	21,806	0.3	72.2	30,458	0.4	139.7	36,206	0.3	118.9	40,125	0.3	110.8
	Switzerland	16,410	0.3	63.1	24,329	0.3	148.3	28,322	0.3	116.4	33,150	0.2	117.0
	Belgium	10,708	0.2	67.0	14,608	0.2	136.4	16,558	0.2	113.3	18,934	0.1	114.3
	Denmark	10,821	0.2	74.1	13,594	0.2	125.6	15,065	0.1	110.8	17,901	0.1	118.8
	Ireland	8,294	0.1	77.2	10,358	0.1	124.9	11,258	0.1	108.7	12,596	0.1	111.9
	Others	72,839	1.2	69.1	101,739	1.2	139.7	122,205	1.2	120.1	142,125	1.1	116.3
	Subtotal	569,279	9.2	66.7	775,840	9.3	136.3	904,132	8.7	116.5	1,048,731	7.8	116.0
Africa		19,361	0.3	85.4	24,725	0.3	127.7	26,697	0.3	108.0	28,336	0.2	106.1
Asia	South Korea	1,658,073	26.7	68.0	2,042,775	24.4	123.2	2,456,165	23.7	120.2	2,755,313	20.5	112.2
	China	1,043,246	16.8	73.8	1,425,100	17.1	136.6	1,314,437	12.7	92.2	2,409,158	18.0	183.3
	Taiwan	993,974	16.0	78.4	1,465,753	17.5	147.5	2,210,821	21.3	150.8	2,829,821	21.1	128.0
	Hong Kong	364,865	5.9	71.7	481,665	5.8	132.0	745,881	7.2	154.9	925,975	6.9	124.1
	Thailand	144,969	2.3	67.5	260,640	3.1	179.8	453,642	4.4	174.0	657,570	4.9	145.0
	Singapore	111,354	1.8	61.5	142,201	1.7	127.7	189,280	1.8	133.1	227,962	1.7	120.4
	Malaysia	81,516	1.3	71.2	130,183	1.6	159.7	176,521	1.7	135.6	249,521	1.9	141.4
	Indonesia	61,911	1.0	76.8	101,460	1.2	163.9	136,797	1.3	134.8	158,739	1.2	116.0
	Philippines	63,099	1.0	81.5	85,037	1.0	134.8	108,351	1.0	127.4	184,204	1.4	170.0
	India	59,354	1.0	88.8	68,914	0.8	116.1	75,095	0.7	109.0	87,967	0.7	117.1
	Others	141,300	2.3	86.4	184,249	2.2	130.4	248,799	2.4	135.0	332,981	2.5	133.8
	Subtotal	4,723,661	76.0	72.4	6,387,977	76.4	135.2	8,115,789	78.3	127.0	10,819,211	80.7	133.3
Oceania	Australia	162,578	2.6	72.0	206,404	2.5	127.0	244,569	2.4	118.5	302,656	2.3	123.8
	New Zealand	23,996	0.4	74.8	31,853	0.4	132.7	36,954	0.4	116.0	41,622	0.3	112.6
	Others	2,576	0.0	84.2	3,256	0.0	126.4	3,363	0.0	103.3	3,061	0.0	91.0
	Subtotal	189,150	3.0	72.5	241,513	2.9	127.7	284,886	2.7	118.0	347,339	2.6	121.9
No nationality		493	0.0	74.4	498	0.0	101.0	489	0.0	98.2	660	0.0	135.0
Total		6,218,752	100.0	72.2	8,358,105	100.0	134.4	10,363,904	100.0	124.0	13,413,467	100.0	129.4

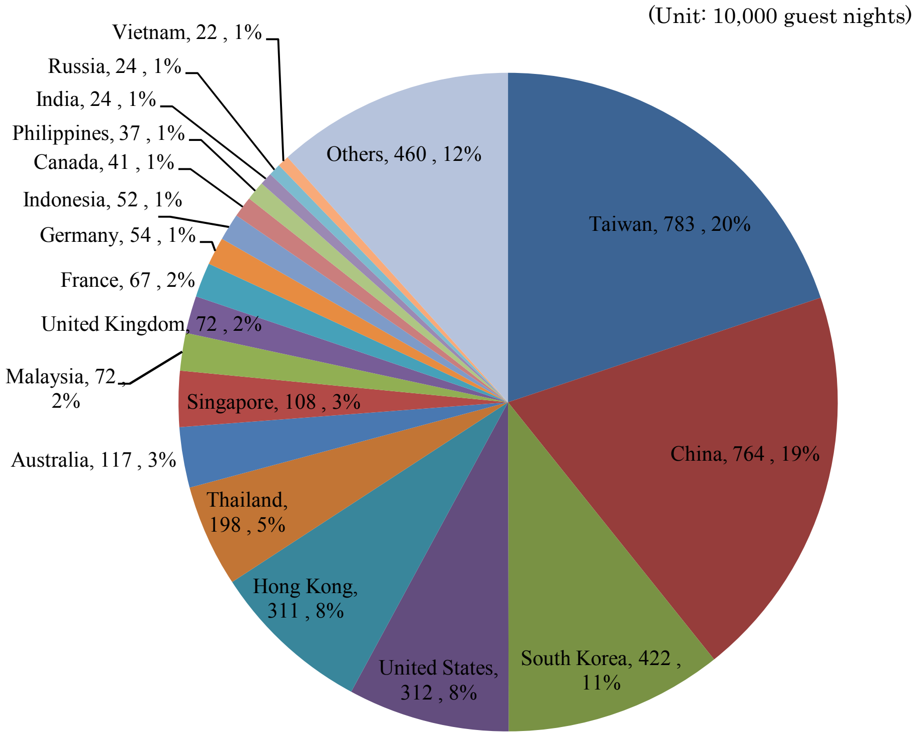
Source: A reference from the Japan National Tourism Organization (JNTO).
Note: The values for 2014 are preliminary values.

Appendix-28 Change in the Number of Foreign Visitors to Japan by Country / Region



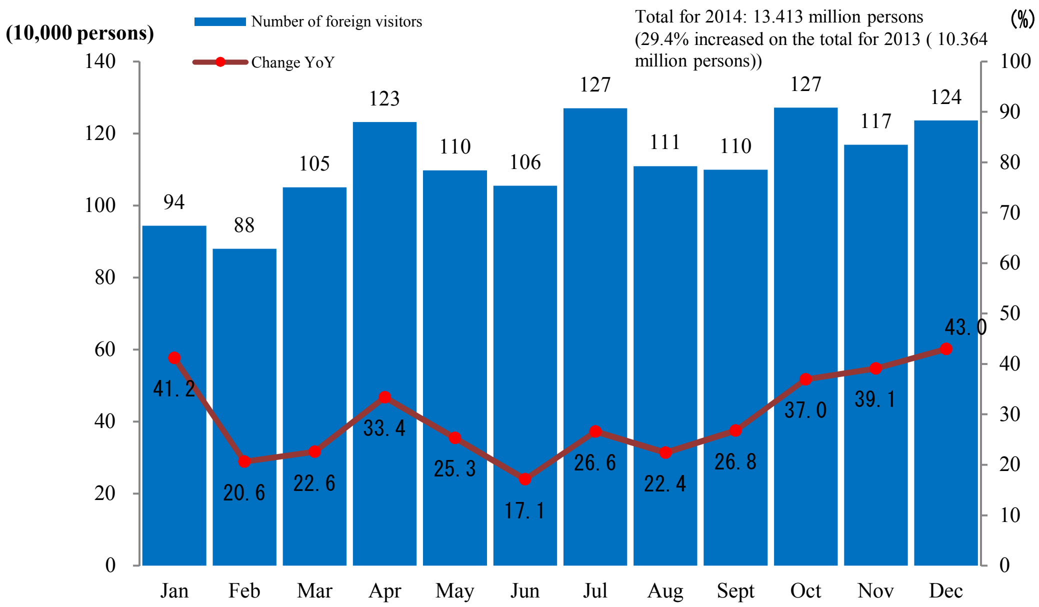
Source: A reference from the JNTO
Note Figures of 2014 are preliminary.

Appendix-29 Total Guest Nights(Foreign Visitors) by Country / Region (2014)



Source: *Accommodation Survey* (JTA)
Notes:
1. The term "foreign visitors" refers to anynoe without an address within Japan.
2. The survey was for facilities with at least 10 employees.
3. Figures of 2014 are preliminary. Final figures are subject to change slightly.

Appendix-30 Change in the Number of Foreign Visitors to Japan by Month (2014)



Source: A reference from the JNTO

Appendix-31 Change in the Top Destinations for Foreign Visitors to Visit

(%)

	2007		2008		2009		2010		2011		2012		2013		2014	
1	Tokyo	58.2	Tokyo	58.9	Tokyo	58.8	Tokyo	60.3	Tokyo	50.6	Tokyo	51.3	Tokyo	47.3	Tokyo	51.4
2	Osaka	25.8	Osaka	25.0	Osaka	24.4	Osaka	26.1	Osaka	25.2	Osaka	24.0	Osaka	25.1	Osaka	27.9
3	Kyoto	21.8	Kyoto	21.4	Kyoto	20.6	Kyoto	24.0	Kyoto	16.7	Kyoto	17.3	Kyoto	18.9	Kyoto	21.9
4	Kanagawa	16.3	Kanagawa	16.0	Kanagawa	16.7	Kanagawa	17.8	Kanagawa	11.8	Kanagawa	12.7	Kanagawa	11.2	Kanagawa	12.3
5	Chiba	11.4	Chiba	11.8	Chiba	12.7	Chiba	15.0	Fukuoka	9.7	Chiba	9.8	Chiba	9.6	Chiba	11.7
Total Visitor Rate		235.0		234.3		230.2		248.4		192.9		198.8		201.5		214.3

Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA) and JNTO's Visitor Arrival Survey (JNTO)
Notes:
1. The visit rate is calculated by dividing the number of people who responded that they visited the certaion area during their trip by the total number of responses, and then multiplying by 100.
2. The total visit rate is the sum of the visit rates for all prefectures.
3. Data up to 2007 is for fiscal years, and data for 2008 and later is for calendar years.
4. Data cannot be directly compared with past results because the JNTO's Visitor Arrivals Survey has been used up to 2010 and the Consumption Trend Survey for Foreigners Visiting Japan has been used for 2011 and later.

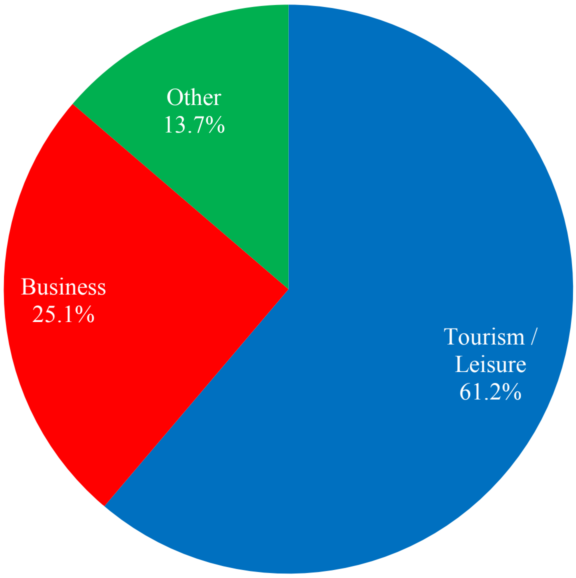
Appendix-32 Change in the Prefecture of Foreign Visitors to Japan, by Purpose

(Units: Persons)

Persons	Total	Tourists	Business Travelers and Others
2007	8,346,969 [100.0] (113.8)	5,954,180 [71.3] (118.3)	2,392,789 [28.7] (104.0)
2008	8,350,835 [100.0] (100.0)	6,048,681 [72.4] (101.6)	2,302,154 [27.6] (96.2)
2009	6,789,658 [100.0] (81.3)	4,759,833 [70.1] (78.7)	2,029,825 [29.9] (88.2)
2010	8,611,175 [100.0] (126.8)	6,361,974 [73.9] (133.7)	2,249,201 [26.1] (110.8)
2011	6,218,752 [100.0] (72.2)	4,057,235 [65.2] (63.8)	2,161,517 [34.8] (96.1)
2012	8,358,105 [100.0] (134.4)	6,041,645 [72.3] (148.9)	2,316,460 [27.7] (107.2)
2013	10,363,904 [100.0] (124.0)	7,962,517 [76.8] (131.8)	2,401,387 [23.2] (103.7)
2014	13,413,467 [100.0] (129.4)	10,880,604 [81.1] (136.6)	2,532,863 [18.9] (105.5)

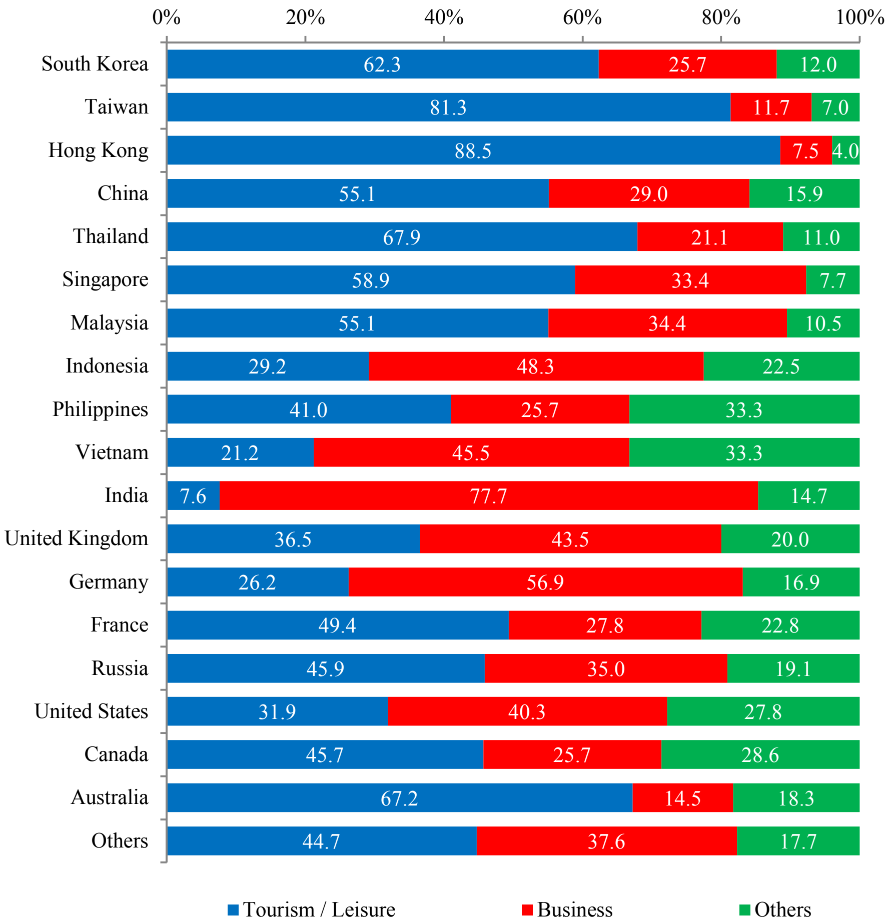
Source: A reference from the JNTO
Note: Each [ ] refers to the ratio of tourists (or business travelers and others) to the total number of foreign visitors to Japan, and each ( ) refers to the year-on-year change (%.)

Apprndix-33　Share of Foreign Visitors to Japan by Purpose (2014)



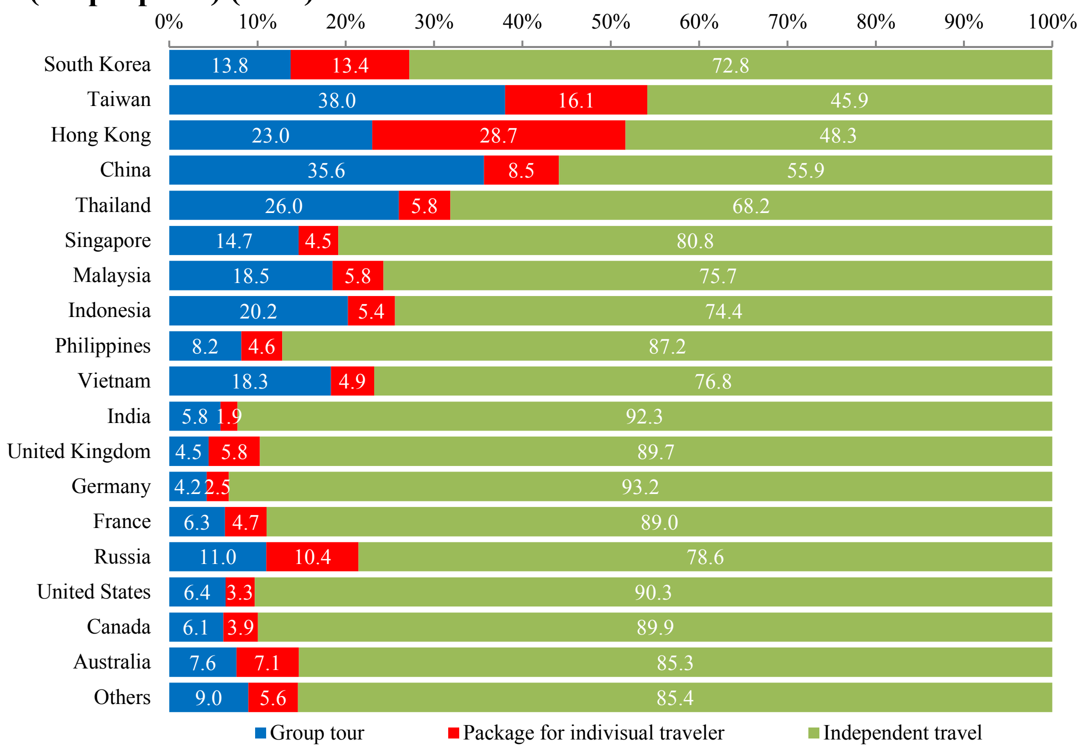
Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

Appendix-34　Breakdown of Foreign Visitors to Japan by Purpose and by Country / Region (2014)



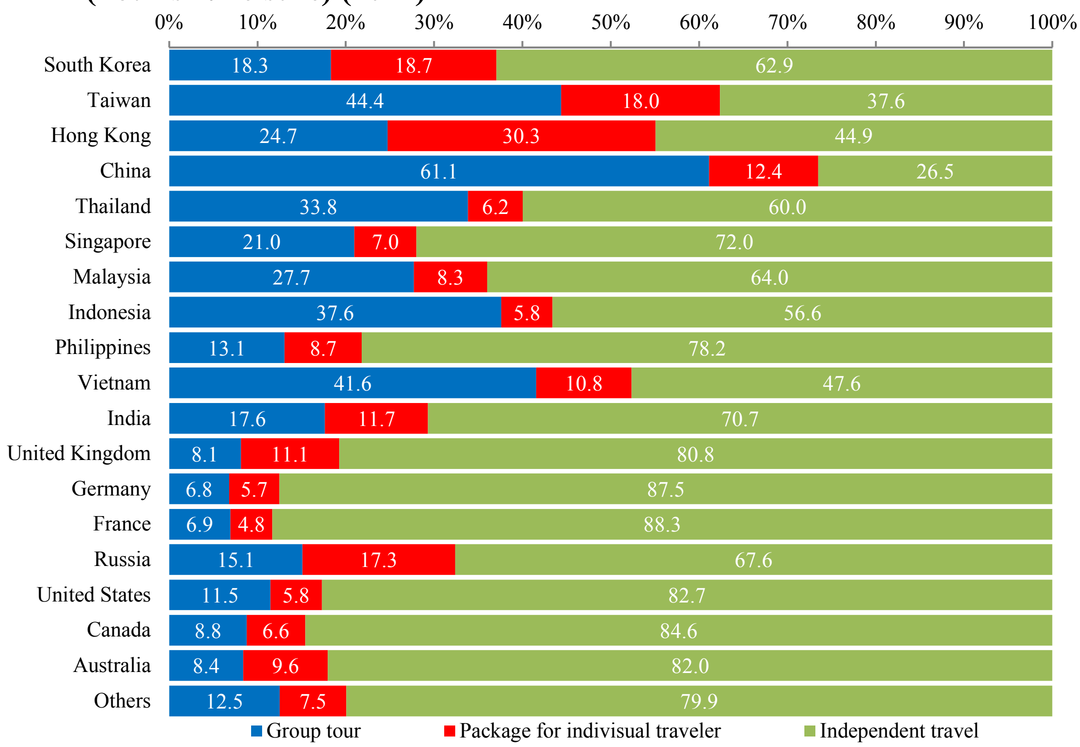
Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

Appendix-35 Breakdown of Foreign Visitors to Japan by Travel Format and by Country / Region (All purposes) (2014)



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

Appendix-36 Share of Foreign Visitors to Japan by Travel Format and by Country / Region (Tourism/Leisure) (2014)



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

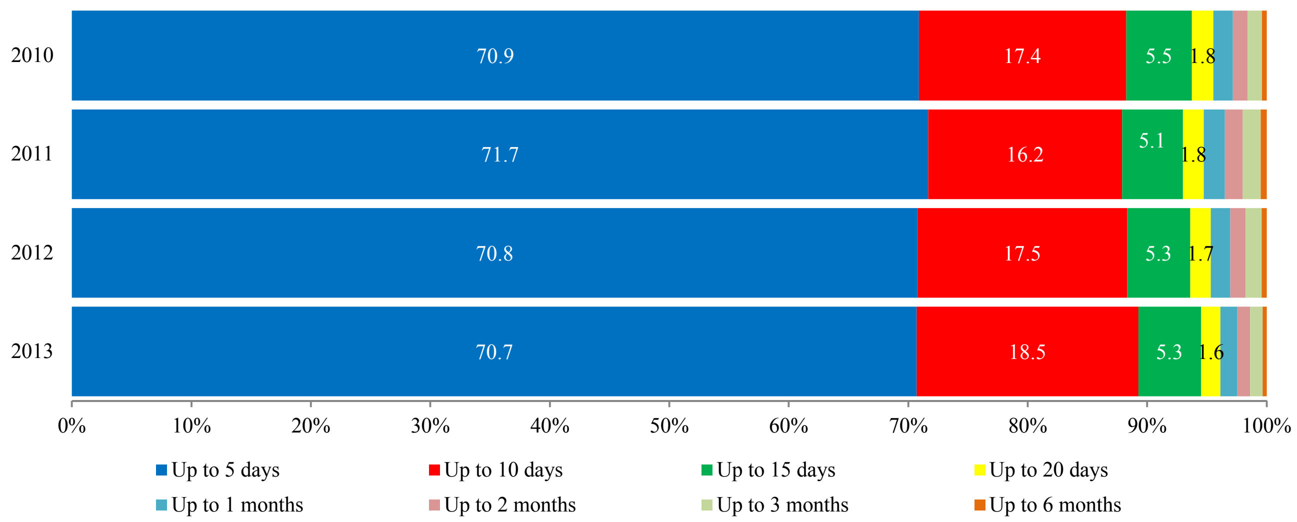
Appendix-37 Change in Passenger Traffic for Foreign Visitors

(Units: 1,000 persons)

Year \ Port	By air: Subtotal	By air: New Chitose	By air: Narita	By air: Haneda	By air: Chubu	By air: Kansai	By air: Fukuoka	By air: Naha	By air: Other regional airports	By sea	Total
2007	8,486	301	4,376	441	596	1,647	433	84	608	666	9,152
	(92.7)	(3.3)	(47.8)	(4.8)	(6.5)	(18.0)	(4.7)	(0.9)	(6.6)	(7.3)	(100.0)
2008	8,448	311	4,283	533	596	1,641	426	106	550	698	9,146
	(92.4)	(3.4)	(46.8)	(5.8)	(6.5)	(17.9)	(4.7)	(1.2)	(6.0)	(7.6)	(100.0)
2009	7,147	298	3,789	512	415	1,349	320	88	376	435	7,581
	(94.3)	(3.9)	(50.0)	(6.8)	(5.5)	(17.8)	(4.2)	(1.2)	(5.0)	(5.7)	(100.0)
2010	8,741	363	4,196	751	507	1,745	484	140	555	703	9,444
	(92.6)	(3.8)	(44.4)	(8.0)	(5.4)	(18.5)	(5.1)	(1.5)	(5.9)	(7.4)	(100.0)
2011	6,682	290	2,820	908	417	1,339	407	163	338	453	7,135
	(93.6)	(4.1)	(39.5)	(12.7)	(5.8)	(18.8)	(5.7)	(2.3)	(4.7)	(6.4)	(100.0)
2012	8,567	390	3,562	1,098	476	1,792	561	231	458	605	9,172
	(93.4)	(4.3)	(38.8)	(12.0)	(5.2)	(19.5)	(6.1)	(2.5)	(5.0)	(6.6)	(100.0)
2013	10,637	506	4,263	1,293	574	2,323	687	374	616	618	11,255
	(94.5)	(4.5)	(37.9)	(11.5)	(5.1)	(20.6)	(6.1)	(3.3)	(5.5)	(5.5)	(100.0)

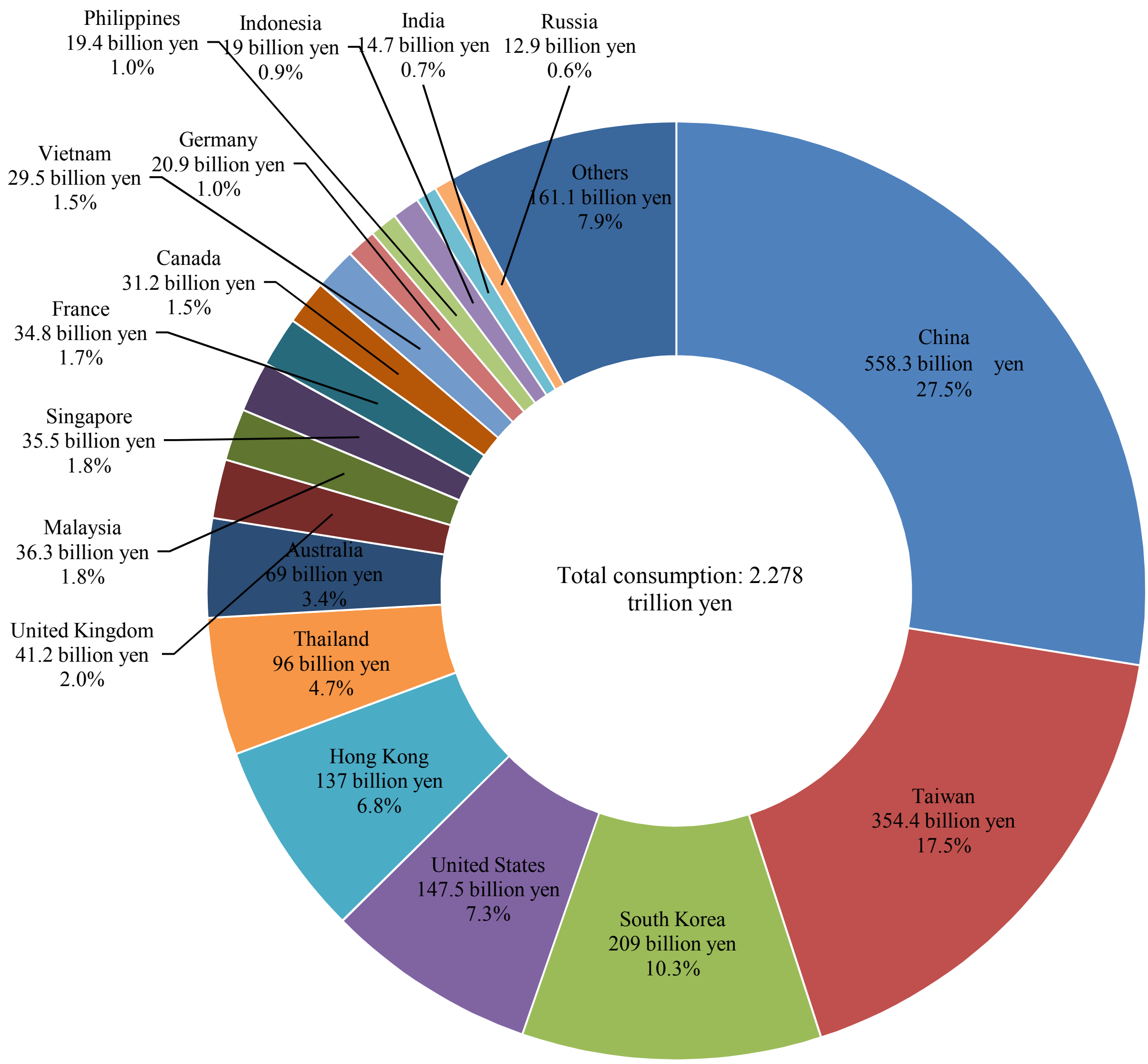
(Note)
Source: A reference from Ministry of Justice
Notes:
1. ( ) refers to the share (%).
2. The number of foreign visitors in Figure I-1-2-7 is the result of subtracting the number of foreign nationals residing in Japan from the number of legal entrants obtained from data by nationality collected by the Ministry of Justice (i.e., the number of entrants who possessed a passport issued in each country in question), and then adding the number of foreign national travelers who made a temporary landing in Japan. The numbers in said figure and in the above table are therefore not the same.

Appendix-38 Change in Foreign Visitors to Japan by Duration of Stay



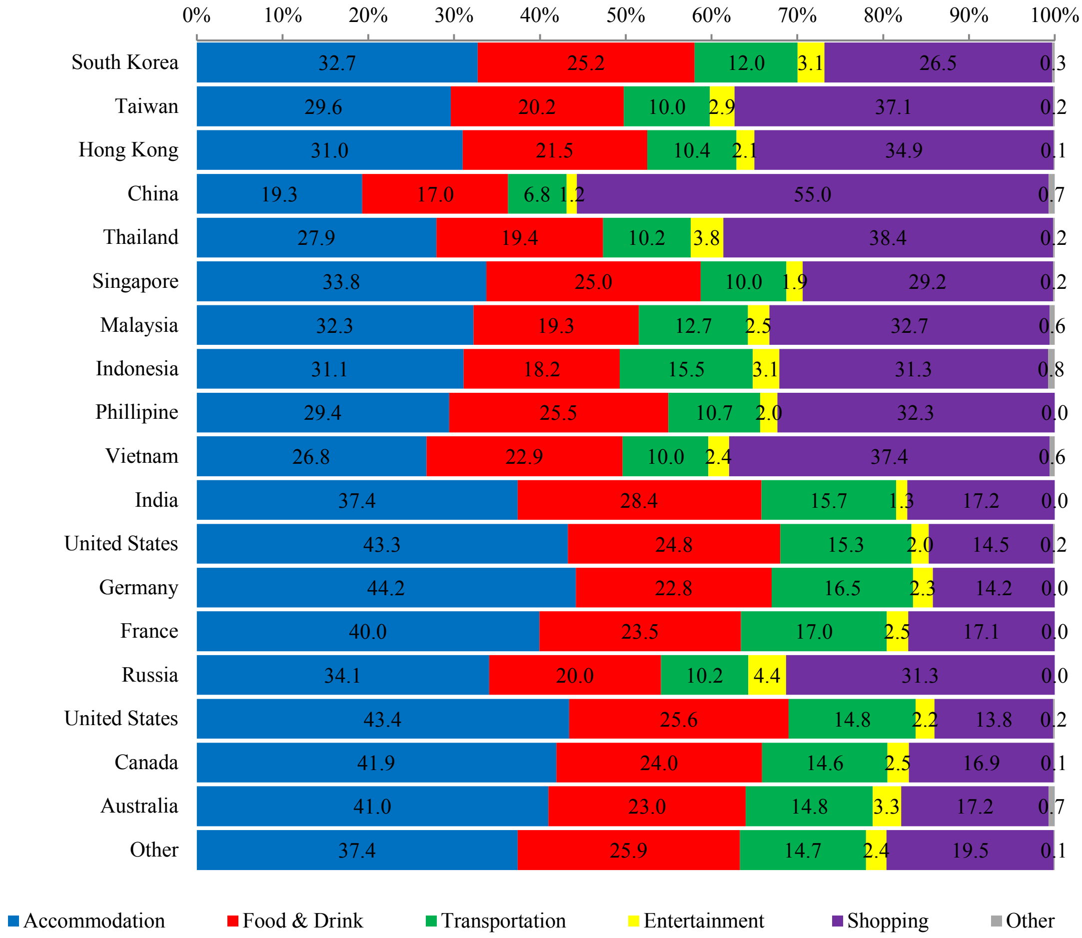
Source: A reference from the Ministry of Justice
Note: The survey was for those staying in Japan for up to 6 months.

Appendix-39　Tourism Consumption of Foreign Visitors to Japan by Country / Region (2013)



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

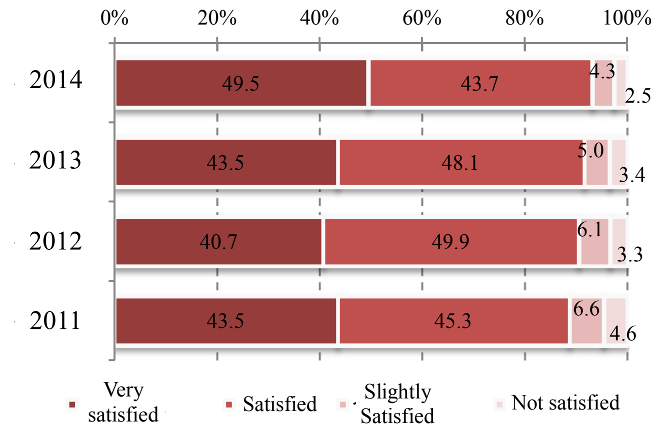
Appendix-40 Breakdown of Foreign Visitors' Travel Expenditure in Japan by Country/Region



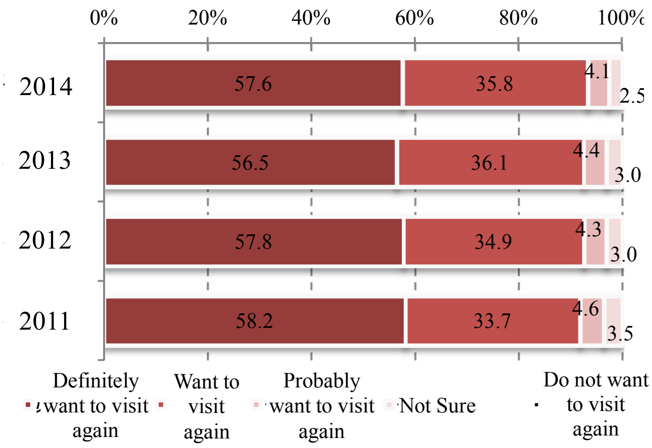
Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)
Note: Travel spending is the sum of the amount spent in Japan as package tour participation fees and other spending while in Japan.

Appendix-41 Satisfaction and Intent of Revisiting Japan of Foreign Visitors

Satisfaction of visiting Japan



Intent of re-visiting Japan



Source: *Consumption Trend Survey for Foreigners Visiting Japan* (JTA)

Appendix-42 Tourism Consumption by Japanese Travelers per Person per Trip

(Yen / person per trip)

			2011	2012	2013
Domestic travel	Overnight trip		47,149	47,444	48,094
		Tourism / recreation	53,166	52,938	53,647
		Visiting family/friends	38,787	39,148	39,143
		Business	42,963	43,923	45,178
	Day trips		16,567	14,972	15,383
		Tourism / recreation	16,314	15,211	15,335
		Visiting family/friends	17,730	15,607	16,409
		Business	16,357	13,587	14,678
Overseas travel			249,522	242,340	253,284
	Tourism / recreation		241,758	240,941	271,144
	Visiting family/friends		214,820	231,738	236,302
	Business		280,674	250,122	210,511

Source: *Japan National Tourism Survey* (JTA)
Note: Consumption on "Overseas Travel" includes both consumption within Japan and overseas.

Appendix-43　Estimated Tourism Consumption (2013)

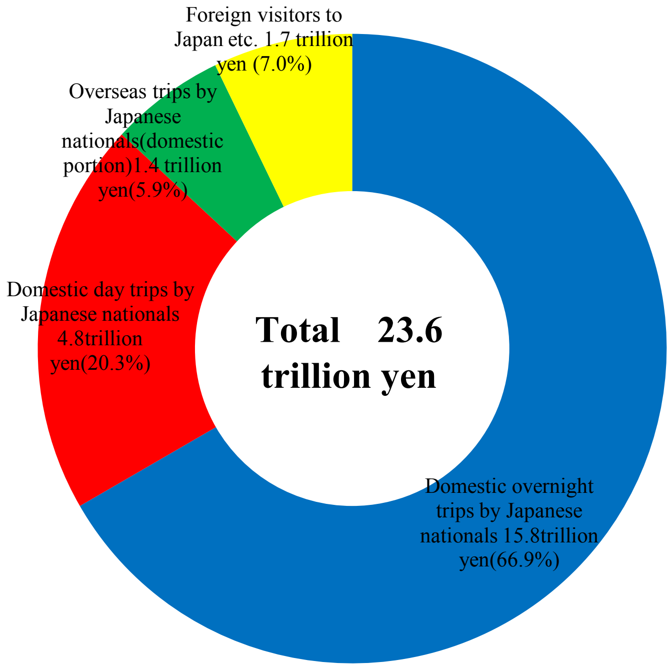
(Units: billion yen)

Item	a Overnight trips (domestic)	b Day trips (domestic)	c Overseas trips (domestic portion)	d=a+b+c Travel by Japanese nationals (domestic portion)	e Travel by foreign visitors to Japan	f=d+e Travel consumption in Japan
Travel consumption (during and before/after travel)	15,751	4,771	1,388	21,909	1,650	23,559
Change YoY	2.7%	7.3%	-2.6%	3.3%	27.7%	4.7%
Expenditure before/after travel	2,347	797	349	3,493		
Expenditure before travel	2,226	747	330	3,303		
Expenditure after travel	121	50	18	190		
Expenditure during travel	12,999	3,973	1,039	18,012		
Travel company revenue	246	34	170	451		
Transportation	5,065	2,024	749	7,838		
Accommodation	3,328	0	20	3,348		
Food and beverages	1,748	540	21	2,309		
Gifts/Souvenior and shopping	1,890	921	70	2,882		
Admissions fees	541	398	0	939		
Other	182	55	8	245		
Vacation home rent	404	0	0	404		

g Overseas travel (overseas portion)	h=d+g Travel by Japanese nationals (including overseas)
3,153	25,062

Source: Research on Economic Impacts of Tourism in Japan (JTA)

Appendix-44　Breakdown of Internal tourism consumption by type of tourism(2013)



Source: *Japan National Tourism Survey* (JTA), *Balance of Payments (confirmed)* (Ministry of Finance and Bank of Japan)

Appensix-45　Economic Impacts of Tourism Consumption in Japan (2013)

	Travel consumption (final demand)	Ripple effect on production (Units: trillion yen)			Effect on added value (Units: trillion yen)			Effect on employment (Units: 10,000 persons)		
		Direct effect	Ripple effect(direct +primary effect)	Ripple effect(direct + primary +secondary effect)	Direct effect	Ripple effect(direct +primary effect)	Ripple effect(direct + primary +secondary effect)	Direct effect	Ripple effect(direct +primary effect)	Ripple effect(direct + primary +secondary effect)
Economic ripple effect from tourism consumption in Japan (2013)	23.6	22.4	38.9	48.8	11.3	19.4	24.9	224	341	419
Share of all industries *		2.4%	4.2%	5.1%	2.4%	4.0%	5.2%	3.3%	5.0%	6.2%
Multiplier (ripple effect/direct effect)			1.7	2.2		1.7	2.2		1.5	1.9
2012 estimates	22.5	21.5	37.3	46.7	10.9	18.6	23.8	213	325	399
Change YoY (2013/2012)	4.9%	4.2%	4.2%	4.4%	4.3%	4.3%	4.5%	5.3%	5.0%	5.0%

* Figures are for all industries

2013 output	2013 GDP (nominal)	2013 payroll employment
927.7 trillion yen	480.1 trillion yen	64,740,000 people

(Units: billion yen)

		Effective Tax Rate	Direct effect	Ripple effect: Direct effect + primary effect	Ripple effect: Direct + primary effect + secondary effect
Indirect taxes		5.0%	568	971	1,246
Direct taxes	Individual	14.2%	862	1,435	1,778
	Corporate	25.9%	473	938	1,324
Total			1,903	3,344	4,348
Share of 2013 tax revenue (85.3 trillion yen)			2.2%	3.9%	5.1%

Source: *Research Study on Economic Impacts of Tourism in Japan* (JTA)
Note: 2013 tax revenues represent the total of national tax revenues (paid) and local tax revenues (estimated).

Appendix-46　Economic Impacts of Tourism Consumption on Japan (2013)

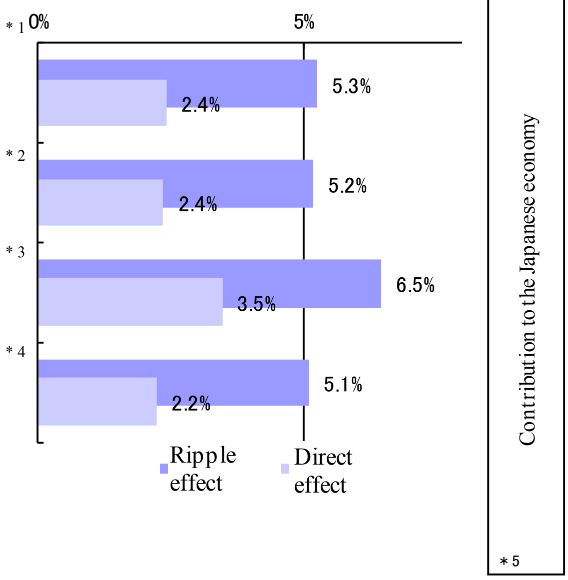
Travel consumption 23.6 trillion yen (direct effect on domestic industries:22.4 trillion yen)

Direct effect

Effect on added value	11.3 trillion yen	(2.4% of GDP)
Effect on employment	2.24 million persons	(3.5% of total employment)
Effect on tax revenue	1.9 trillion yen	(2.2% of total tax revenue)

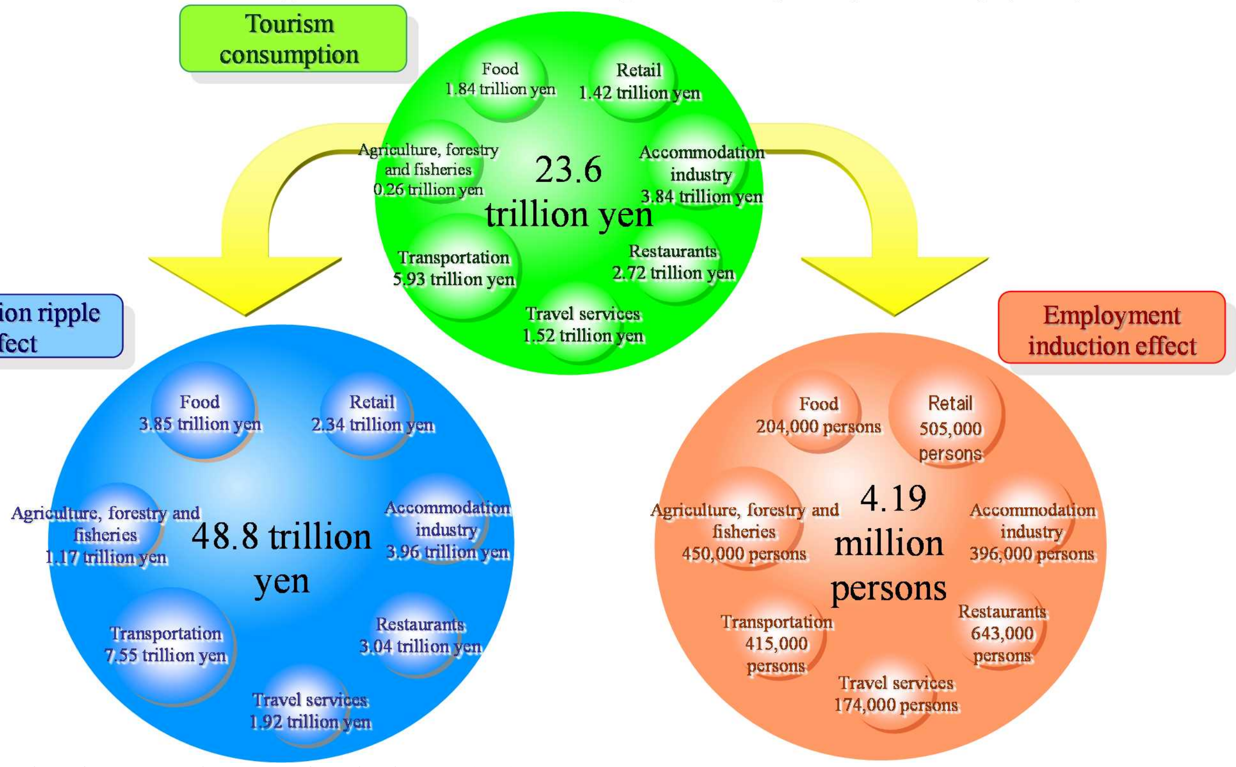
Ripple effect

Ripple effect on production (induced production value)	48. 8 trillion yen
Effect on added value (induced gross added value)	24.9 trillion yen
Effect on employment (induced employment)	4.19 million persons
Effect on tax revenue <estimated> (induced tax revenue)	4.3 trillion yen



Source: *Research Study on Economic Impacts of Tourism in Japan* (JTA)
Notes:
1. Corresponds to output of 945.8 trillion yen from National Accounts of Japan (2014)
2. Corresponds to nominal GDP of 486.9 trillion yen from National Accounts of Japan (2014)
3. Corresponds to payroll employment of 65.14 million persons from National Accounts of Japan (2014).
4. Corresponds to 92.9 trillion yen of the total of national tax and local tax revenues (2014)
5. "Contribution" stands for the share of the total market.

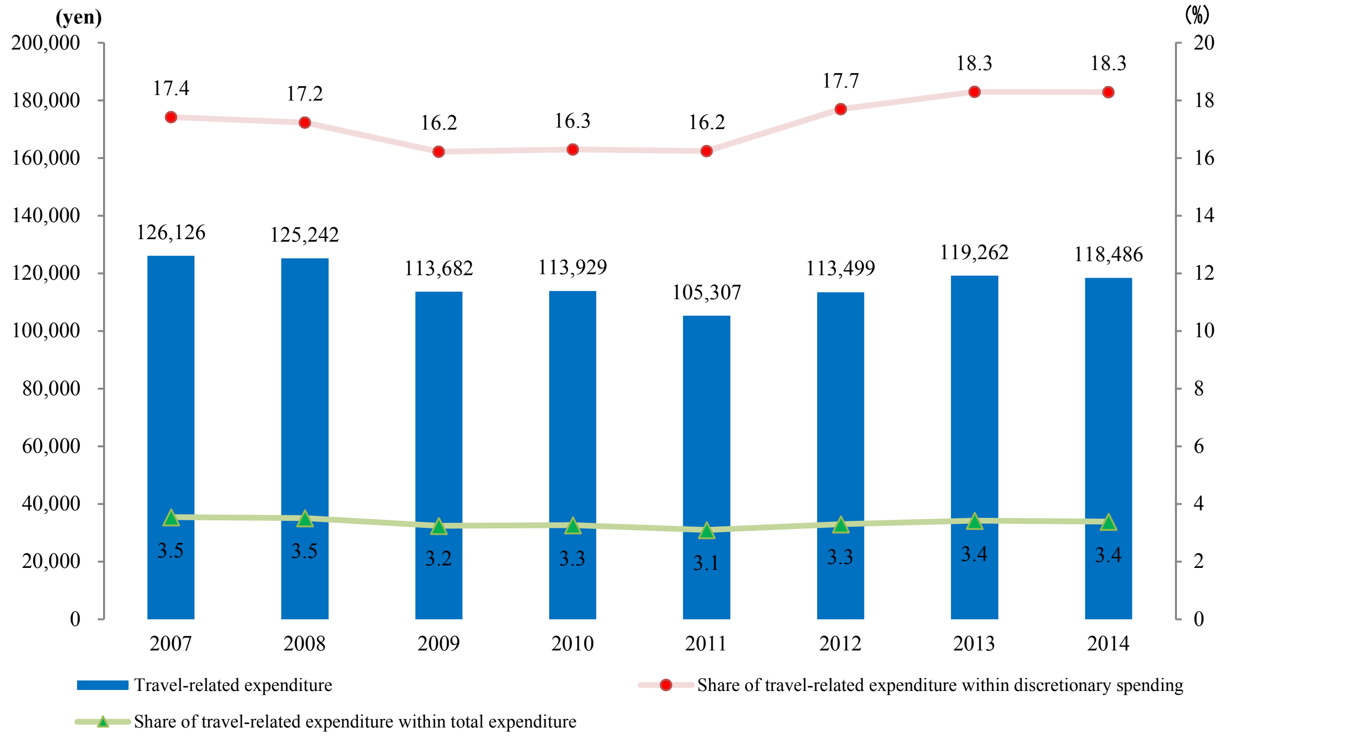
Appendix-47　Economic Impact of Tourism Consumption on Japan by Industry (2013)



Source: Research Study on Economic Impacts of Tourism in Japan (JTA)

Note: The ripple effect on production illustrates the extent of resulting impacts of a new demand generated on all industries. For example, when travel/tourism spending arises, the ripple effect reflects new productions generated in the whole industry by the sales of raw materials (intermediate goods) and the salary increase of employees working for companies supplying such raw materials.

Appendix-48 Change in Travel-related Expenditure per household



Source: *Household Finances (housefolds with at least two members, excluding households involved in agriculture, forestry and fisheries)* (Statistics Japan)

Notes:

1. "Discretionary spending" refers to the amount spent on dining out, durable goods such as TVs/personal computers, educational entertainment such as books and sports equipment.
2. "Travel-related spending" refers to the amount spent on accommodations (hotels and tour packages), transportation (railway fares, airfare, toll roads, and fares for other transport) and travel bags.

Appendix-49 Change in Passenger Traffic in Japan by Transportation Means

(Units: million people)

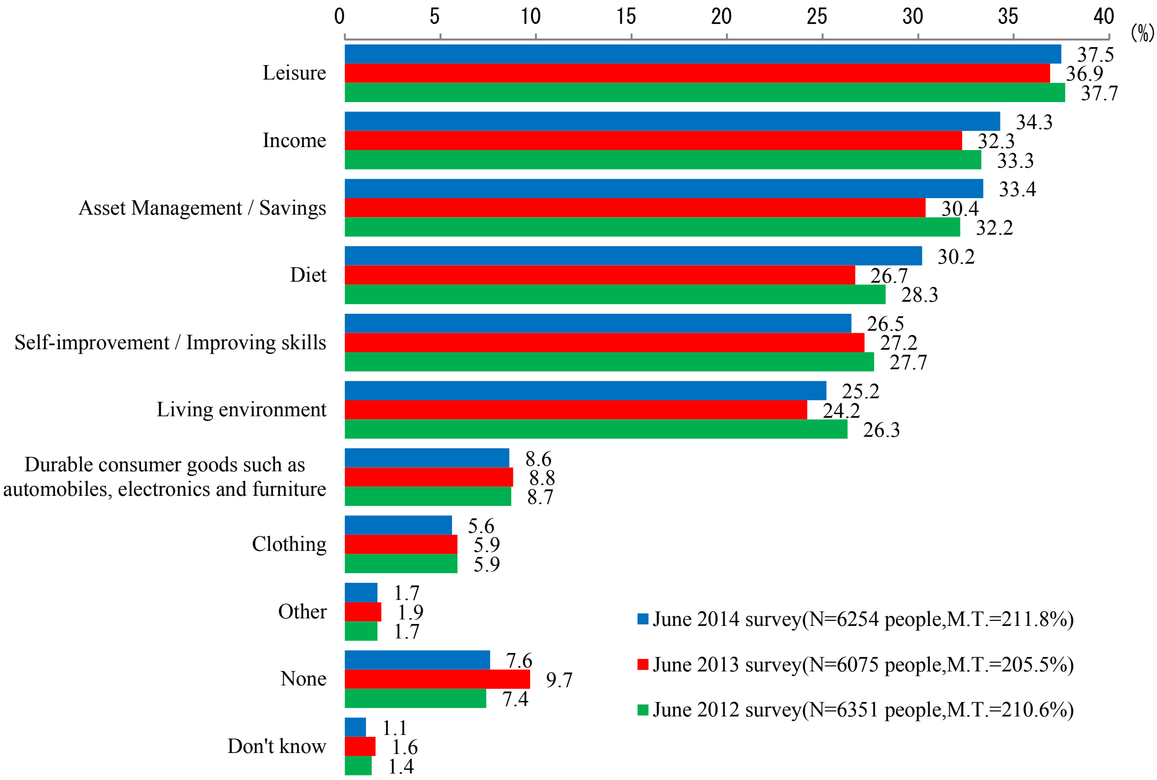
Category / Year		Railway						Airplane	Ferry
			Japan Railway			Private railways			
				Non-train pass(included in total)	Shinkansen(included in total)		Non-train pass(included in total)		
Passengers	2006	22,129	8,740	3,352(0.7)	303(0.8)	13,389	5,946(1.1)	96(2.0)	3.1(△6.2)
	2007	22,680	8,924	3,454(3.1)	313(3.2)	13,756	6,144(3.3)	96(△0.8)	3.0(△2.1)
	2008	23,021	9,026	3,501(1.3)	316(0.8)	13,995	6,294(2.4)	93(△2.8)	2.8(△8.6)
	2009	22,738	8,853	3,373(△3.6)	290(△8.2)	13,885	6,208(△1.4)	84(△9.6)	2.4(△13.7)
	2010	22,796	8,876	3,380(0.2)	295(2.0)	13,920	6,262(0.9)	84(0.5)	2.2(△6.5)
	2011	22,466	8,755	3,291(△2.6)	299(1.2)	13,711	6,091(△2.7)	78(△8.0)	2.2(△1.9)
	2012	23,099	8,957	3,439(4.5)	320(7.1)	14,142	6,358(4.4)	85(9.5)	2.2(△0.2)
	2013	23,281	9,019	3,492(1.5)	329(2.7)	14,262	6,401(1.6)	91(7.1)	2.3(2.7)
	2014	23,734	9,165	3,535(1.2)	339(3.2)	14,569	6,448(0.7)	95(3.9)	2.2(△4.1)

Source: Monthly Economic Report (March issue, 2015) (MLIT)

Notes:

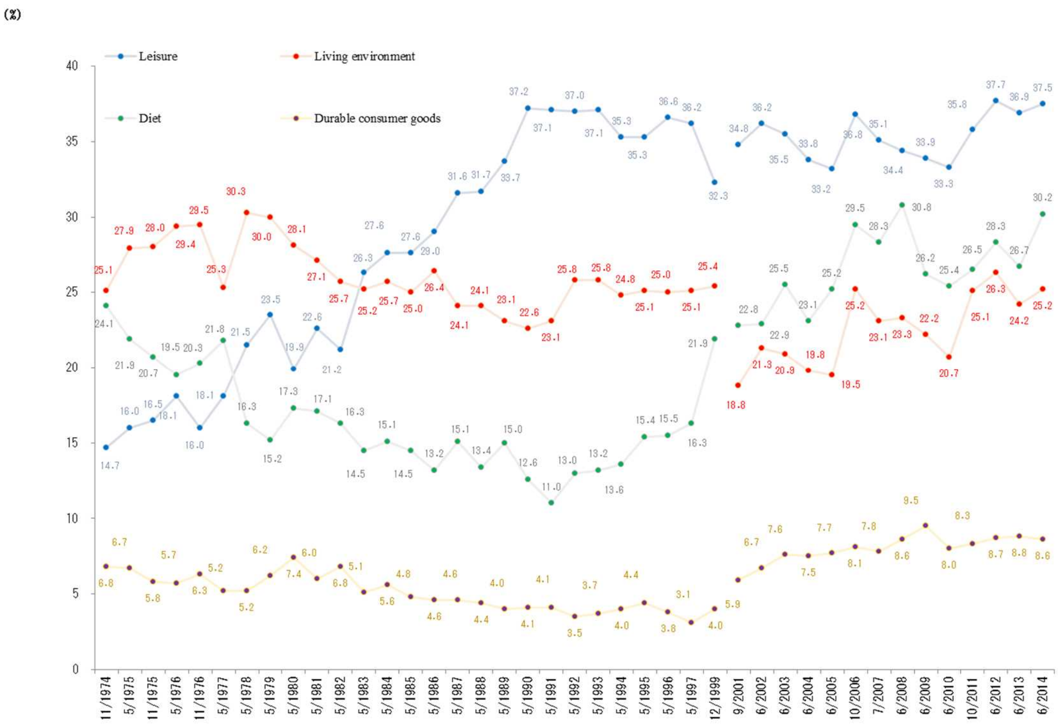
1. Figures in ( ) indicate the percentage year on year, and the mark △ indicates a decrease.
2. Figures in 2014 are preliminary.
3. Figures for ferry service indicate the passengers for long-distance travel.

Appendix-50　Priorities in the Near Future Foci



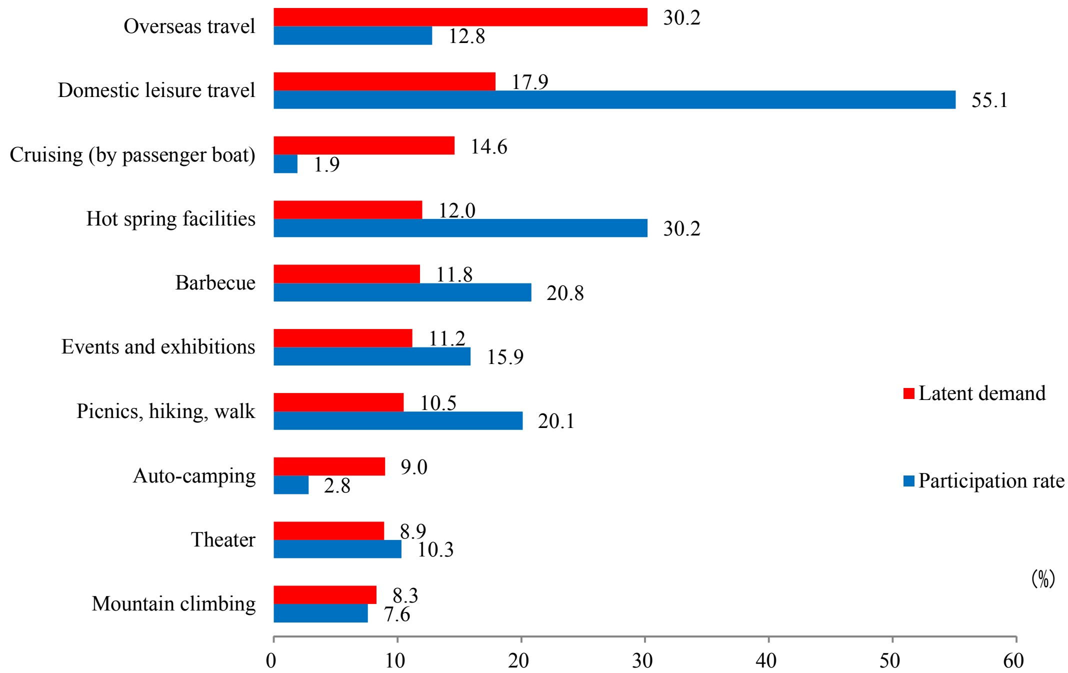
Source: *Public Opinion Survey Concerning People's Lifestyles* (Public Relations Office, Minister's Secretariat, Cabinet Office)

Appendix-51　Trend of Priorities in the Near Future



Source: *Public Opinion Survey on National Lifestyle* (Public Relations Office, Minister's Secretariat, Cabinet Office)
Notes:
1 . "Durable consumer goods" refers to automobiles, electronics, furniture and other durable consumer goods.
2. Direct comparisons may not be drawn between the results of 1999 or before and 2001 or after , because only one response was allowed in the 1999 surveys or before, whereas multiple answers were allowed from 2001.

Appendix-52 Top 10 Leisure Activities for Potential Demand (2013)



Source: *White Paper of Leisure 2015* (Japan Productivity Center)
Note: "Latent demand (%)"= the percentage of those who wish to participate in an activity - the percentage of those who have participated in the activity.

Appendix-53 Satisfaction with Current Lifestyle (2014)

	Applicable persons	Satisfied			Dissatisfied			Neither	Don't know
			Satisfied	Overall satisfied		Somewhat dissatisfied	Dissatisfied		
Units	Persons	%	%	%	%	%	%	%	%
Total	6,254	70.3	9.5	60.8	29.0	23.0	5.9	0.7	0.1
[Gender]									
Male	2,901	69.5	8.0	61.5	29.9	23.2	6.7	0.5	0.1
Female	3,353	70.9	10.8	60.1	28.2	22.9	5.3	0.9	0.1
[Age]									
20 to 29	436	79.1	16.3	62.8	20.6	17.2	3.4	0.2	-
30 to 39	827	70.7	9.4	61.3	28.5	23.8	4.7	0.7	-
40 to 49	1,128	69.6	7.2	62.4	30.0	24.6	5.4	0.4	-
50 to 59	1,073	65.4	7.5	58.0	33.6	27.7	5.9	0.7	0.3
60 to 69	1,429	68.8	8.3	60.5	30.5	23.4	7.1	0.7	-
70 and over	1,361	73.0	12.1	60.9	25.9	19.2	6.8	1.0	0.1
[Gender / Age]									
Male	2,901	69.5	8.0	61.5	29.9	23.2	6.7	0.5	0.1
20 to 29	200	78.0	14.5	63.5	22.0	19.0	3.0	-	-
30 to 39	379	70.4	8.2	62.3	28.8	23.2	5.5	0.8	-
40 to 49	504	68.8	7.5	61.3	31.0	25.8	5.2	0.2	-
50 to 59	492	65.4	5.7	59.8	33.7	26.0	7.7	0.4	0.4
60 to 69	703	67.3	7.0	60.3	32.1	23.8	8.4	0.6	-
70 and over	623	72.6	9.1	63.4	26.8	19.7	7.1	0.6	-
(Female)	3,353	70.9	10.8	60.1	28.2	22.9	5.3	0.9	0.1
20 to 29	236	80.1	17.8	62.3	19.5	15.7	3.8	0.4	-
30 to 39	448	71.0	10.5	60.5	28.3	24.3	4.0	0.7	-
40 to 49	624	70.2	6.9	63.3	29.2	23.6	5.6	0.6	-
50 to 59	581	65.4	9.0	56.5	33.4	29.1	4.3	1.0	0.2
60 to 69	726	70.2	9.5	60.7	28.9	23.0	5.9	0.8	-
70 and over	738	73.4	14.6	58.8	25.2	18.7	6.5	1.2	0.1

Source: *Public Opinion Survey on National Lifestyle* (June 2015) (Public Relations Office, Minister's Secretariat, Cabinet Office)

Appendix-54 Working Hours and Salary in the Accommodation Industry (2014)

Divigion		Enterprize size:10 employees or more						
		Age	Length of Service	Actual number of Scheduled Hours Worked	Actual number of Overtime Worked	Contractual Cash Earnings	Scheduled Cash Earnings	Annual Special Cash Earnings
Units		years	years	hours	hours	1,000 yen	1,000 yen	1,000 yen
Accommodation industry		41.4	8.8	171	11	250.8	232.1	290.5
Gender	Male	43	10.0	173	12	282.2	260.7	355.5
	Female	39	7.0	170	10	206.0	191.1	197.7
School Careers	Graduates of junior high schools	53.8	10.6	171	10	221.0	206.3	168.0
	Graduates of senior high schools	43.5	8.9	173	11	235.9	218.9	223.4
	Graduates of higher professional schools or junior colleges	36.6	8.4	170	13	259.7	236.7	356.4
	Graduates of universities	39.2	8.6	170	10	283.6	264.3	406.0
Age	- 19	19.1	0.9	172	11	169.1	157.2	35.0
	20 to 24	22.7	2.2	170	12	190.1	172.9	150.1
	25 to 29	27.5	4.3	170	15	217.0	195.5	250.2
	30 to 34	32.4	6.3	170	14	244.0	220.6	297.0
	35 to 39	37.6	8.6	172	15	266.9	241.6	352.1
	40 to 44	42.4	10.9	172	12	289.4	266.2	420.9
	45 to 49	47.4	12.1	173	10	302.3	284.0	409.2
	50 to 54	52.5	13.2	172	9	295.7	279.7	398.7
	55 to 59	57.5	13.5	173	8	282.7	269.0	312.3
	60 to 64	62.4	12.1	171	8	219.5	207.6	139.3
	65 to 69	66.8	11.3	170	6	194.2	185.5	97.4
	70 -	73.1	14.6	168	5	172.0	166.0	25.8
Reference: Whole industry		42.1	12.1	163	14	329.6	299.6	841.6
Gender	Male	42.9	13.5	164	17	365.7	329.6	972.0
	Female	40.6	9.3	162	9	255.6	238.0	574.0
School Careers	Graduates of junior high schools	50.2	14.2	169	17	266.6	236.7	401.3
	Graduates of senior high schools	43.8	13.0	165	16	294.2	262.0	640.5
	Graduates of higher professional schools or junior colleges	39.9	10.5	163	11	297.0	272.6	726.5
	Graduates of universities	40.2	11.7	161	13	400.0	370.0	1212.7
Age	- 19	19.1	0.9	169	13	186.6	168.2	111.9
	20 to 24	23.0	2.3	165	14	222.2	198.0	347.9
	25 to 29	27.5	4.5	163	17	263.0	230.3	605.4
	30 to 34	32.5	7.1	163	17	298.8	262.5	717.2
	35 to 39	37.6	10.1	163	17	333.0	295.9	838.0
	40 to 44	42.5	13.2	163	15	360.4	325.4	976.4
	45 to 49	47.4	15.9	163	13	389.3	357.7	1,121.4
	50 to 54	52.4	18.8	163	11	399.4	372.6	1,181.7
	55 to 59	57.4	20.8	163	10	383.6	360.8	1,089.7
	60 to 64	62.3	17.7	164	8	280.6	266.5	551.6
	65 to 69	66.8	15.1	166	7	263.7	253.1	337.6
	70 -	73.3	19.2	167	4	262.8	255.2	278.3

Source: *Basic Survey on Wage Structure FY 2015* (Ministry of Health, Labour and Welfare)

Notes:

1. The above figures represent data for general employees (not including part-time workers) among regular employees who are employed by private businesses with 10 or more regular employees.
2. Figures for "Actual nunber of scheduled hours worked", "Actual nunber of overtime worked", "Contractual cash earnings" and "Scheduled cash earnings" are data for June 2014.
3. "Annual special cash earnings" means "special salaries such as bonuses and terminal allowances for the single year from January to December 2013".

Appendix-55 Aggregated Data on Businesses - Cross-Industrial Aggregated Data (Sales (Revenue) etc.)

Standard industrial classification of minor industries	Number of establishments	Number of employees (persons)	Sales (revenue) (million yen)	Number of employees per establishment (persons)	Sales (revenue) amount per business (10,000 yen)	Sales (revenue) amount per employee (10,000 yen)
M Accommodations, eating and drinking services	526743	3954420	19048300	7.5	3654	491
75 Accommodations	40034	534905	4419870	13.4	11473	843
750 Establishments engaged in administrative or ancillary economic activities	193	2027	-	10.5	-	-
751 Ryokans, hotels	32540	485635	4045618	14.9	12507	841
752 Common lodging houses	1664	8970	42550	5.4	2574	476
753 Boarding houses	1068	3142	13897	2.9	1305	444
759 Miscellaneous lodging places	4472	33142	305691	7.4	9098	1039
75Z Lodging places, n.e.c.	97	1989	12115	20.5	12489	609
76 Eating and drinking places	444668	2993187	12361318	6.7	2801	420
760 Establishments engaged in administrative or ancillary economic activities	1438	24830	-	17.3	-	-
761 Eating places, except specialty restaurants	45367	423519	1767773	9.3	3925	422
762 Specialized restaurants	127927	1018336	4728652	8	3714	468
763 “Soba" and “udon"(Japanese noodles) restaurants	25397	163249	602929	6.4	2380	372
764 “Sushi" bars	20224	196826	926697	9.7	4608	479
765 Drinking houses and beer hall	80924	419763	1820314	5.2	2259	437
766 Bars, cabarets and night clubs	65086	224133	660693	3.4	1017	296
767 Coffee shops	54812	232488	792563	4.2	1450	343
769 Miscellaneous eating and drinking places	23493	290043	1061696	12.3	4553	371
77 Food take out and delivery services	38584	396963	2072414	10.3	5458	533
770 Establishments engaged in administrative or ancillary economic activities	226	3946	-	17.5	-	-
771 Food take out services	9923	65949	325056	6.6	3293	497
772 Food delivery services	28435	327068	1747358	11.5	6219	541
M2 Food take out and delivery services, n.e.c.	3457	29365	194699	8.5	5632	663
M2Z Unspecified restaurants, take-aways or catering services	3457	29365	194699	8.5	5632	663
N Living-related and personal services and amusement services	385295	1879275	36934707	4.9	9700	2031
79 Miscellaneous living-related and personal services	41631	304199	8238470	7.3	20305	2836
790 Establishments engaged in administrative or ancillary economic activities	137	2037	-	14.9	-	-
791 Travel sub-agency	7390	72493	5594860	9.8	78032	8169
80 Services for amusement and recreation	37813	631625	24533603	16.7	67330	4066
800Establishments engaged in administrative or ancillary economic activities	454	6956	-	15.3	-	-
801 Cinemas	407	14068	154621	34.6	39145	1116
802 Perfomances (except otherwise claasified), theatrical comranies	1905	27547	788684	14.5	41907	2890
80A Cinemas, Performance and entertainment,n.e.c	-	-	-	-	-	-
803 Bycycle, house, motorcar and motorboat race track operations and companies	679	18573	1834110	27.4	292522	10367
804 Sports facilities	9848	195017	1454327	19.8	15066	773
805 Public gaedens and amusement parks	938	54444	572568	58	66269	1066
806 Amusment and recreation facilities	14442	233358	18480238	16.2	132484	8324
809 Miscellaneous amusement and recreation service	9140	81662	1249054	8.9	13774	1549
NZ Living-related and personal services and amusement services,n.e.c	1890	13037	118502	6.9	6270	909

Source: *Basic Economic Census FY 2014* (MIC, METI)

Appendix-56 Share of GDP in Each Industry (2013)

	GDP by economic activity (units: billion yen)	Share of GDP (units: %)
Agriculture, forestry and fisheries	5,753.3	1.2
Mining	310.5	0.1
Manufacturing	88,283.9	18.4
Foods	12,852.4	2.7
Textiles	559.2	0.1
Pulp / paper	2,094.6	0.4
Chemicals	7,301.7	1.5
Petroleum / coal products	4,993.8	1.0
Ceramic / stone / clay products	2,672.9	0.6
Iron / steel	6,438.6	1.3
Non-ferrous metals	1,557.6	0.3
Metal products	4,659.7	1.0
General machinery	10,024.6	2.1
Electric machinery	11,140.7	2.3
Transportion equipment	12,045.8	2.5
Precision machinery	1,526.9	0.3
Clothing / personal commodities	648.6	0.1
Lumber / wood products	767.1	0.2
Furniture	587.7	0.1
Printing	2,355.5	0.5
Leather / leather products	116.7	0.0
Rubber products	1,165.4	0.2
Other manufacturing	4,774.6	1.0
Construction	27,913.7	5.8
Electricity, gas, heat supply and water	8,381.7	1.7
Electricity	3,729.4	0.8
Gas / water / heat supply	4,652.3	1.0
Wholesale / retail	69,099.2	14.4
Wholesale	39,696.3	8.3
Retail	29,402.9	6.1
Financial / insurance	21,514.2	4.5
Real estate	56,180.7	11.7
Housing	49,253.3	10.3
Other real estate	6,927.4	1.4
Transportation	23,254.7	4.8
Information and communications	26,645.3	5.5
Communications	10,828.3	2.3
Broadcasting	1,556.6	0.3
Information services / video picture, sound and character information production	14,260.4	3.0
Services	94,871.7	19.8
Public services	30,876.7	6.4
Professional and business services	34,061.2	7.1
Personal services	29,933.7	6.2

Added value for travel consumption	11,405.0	2.4

Sources: *Research Study on Economic Impacts of Tourism in Japan* (JTA) for added value according to travel spending, and *System of National Accounts* (Cabinet Office) for other figures.

Notes:

1. The added value according to travel spending has been based on the tourism satellite account, calculated by multiplying the domestic production for consumed goods and services by the percentage of the added-value.
2. Pink-colored figures indicate that the GDP of such industries fall under the ratio of the added-value according to travel spending to GDP.

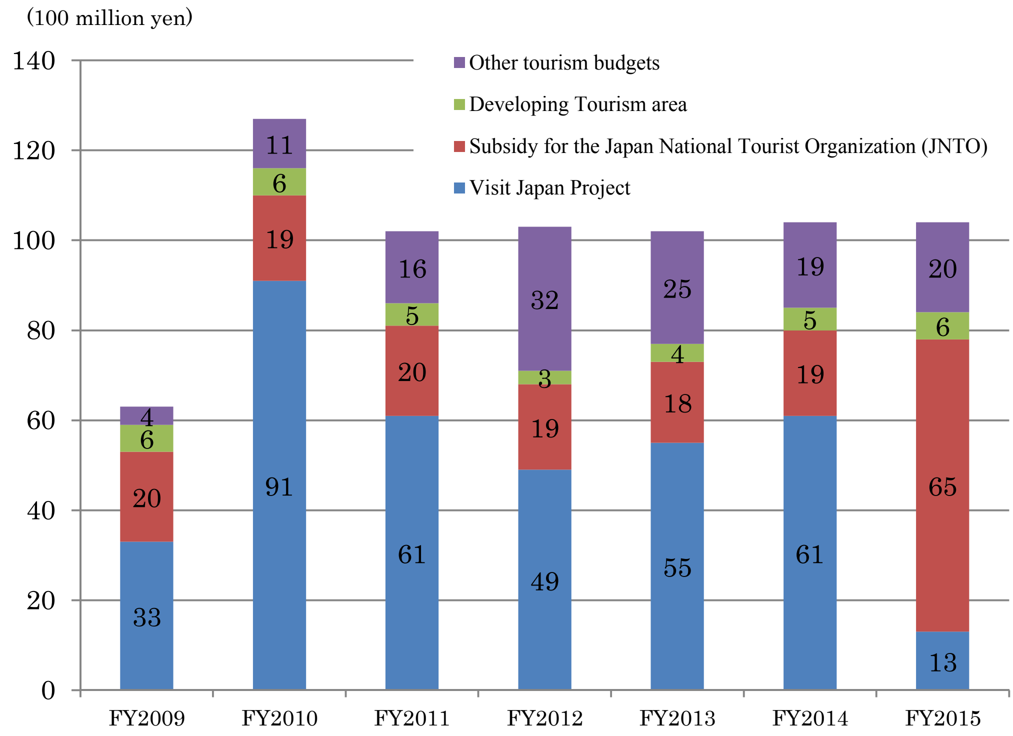
Appendix-57 Budget for the JTA (FY2015)

	FY2015 Budget (A)	Previous Year's Budget (B)	Change YoY factor (A/B)
1. Promotion of inbound policies in preparation for the era of receiving 20 million visitors to Japan	**8,451**	**8,497**	**0.99**
Promotional programs for inbound travelers (Visit Japan Project) *	1,297	6,106	0.95
Inviting and holding international conferences (MICE) *	190	450	
Operating support funds for the Japan National Tourist Organization (JNTO) *	6,542	1,912	
Projects to create wide-area excursion routes	304	0	New
Survey on tourism trends among foreign visitors to Japan using ICT	100	0	New
Enhancement and reinforcement of the tour guide interpreter system	20	19	1.05
Projects to support the broadcast overseas of content that will contribute to regional economic revitalization	0	0	-
Exclusive to the previous fiscal year	0	11	Eliminated
2. Support for the development of tourist regions	**628**	**522**	**1.20**
Projects to create attractiveness in tourist destinations leveraging local resources	290	0	New
Support projects for branding tourist destinations	257	274	0.94
General support for creating business in tourist destinations	44	72	0.61
Survey of tourism region trends	38	39	0.96
Emergency measures to promote regional tourism ("Furusato Holidays" promotion etc.)	0	0	-
Exclusive to the previous fiscal year	0	136	Eliminated
3. Promotion of the tourism industry	**62**	**60**	**1.03**
Projects to promote universal tourism	35	37	0.96
Projects to improve management of and dissemination of information on ryokans	27	0	New
Emergency measures to promote regional tourism (human resource development etc.)	0	0	-
Exclusive to the previous fiscal year	0	24	Eliminated
4. Development of tourism statistics	**460**	**429**	**1.07**
5. Other (administrative costs, etc.)	**309**	**302**	**1.02**
Total	**9,910**	**9,811**	**1.01**

Total amount including restoration framework	**10,390**	**10,359**	**1.00**

* Except for some parts which the JTA will continue to conduct, the JNTO will be the leading organization for the Visit Japan Project and the Promotion of Inviting and Hosting MICE, both of which were implemented by the JTA until FY 2014. These changes are in accordance with the basic policies on the reform of incorporated administrative agencies (Cabinet decision, December 24, 2013).

Appendix-58　Change in JTA's Budget



(Note)
Except for some parts which the JTA will continue to conduct, the JNTO will be the leading organization for the Visit Japan Project and the Promotion of Inviting and Hosting MICE, both of which were implemented by the JTA until FY 2014. These changes are in accordance with the basic policies on the reform of incorporated administrative agencies (Cabinet decision, December 24, 2013).