Editor’s Message

Hau‘oli Makahiki Hou!

From all of us at Hawaii Tourism Japan, we wish you and your family a very prosperous New Year!

Hawaii Tourism Japan has created new advertising images with the tag lines which reflect uniqueness of each island:

カウアイ島：はじめてなのに、どうして懐かしいのか。
マウイ島：夢かと思う景色がある。
モロカイ島：手つかずの景色が、生きている。
ラナイ島：つくられていない、という上質。
ハワイ島：自然の力を、私の力へ。
オアフ島：いつ来ても、かわらない。いつ来ても、あたらしい。

We humbly ask for all of your continuous support as we continue to expand Hawaii tourism opportunities in Japan. You are more than welcome to contact us regarding any questions, suggestions and/or updates.

Mahalo nui loa!

Market Conditions and Trends

Economy

The state of Japan’s economy continues to show progressive signs of heading towards their goal of two percent inflation.

- Japanese government approved a record spending budget for fiscal year 2014/2015 amounting to $920 billion USD (95.9 trillion yen) aimed at improving their public debt and further growing the economy.
Prime Minister Abe announced that the additional sales tax increase from 8% to 10% in 2015 will be under careful consideration, especially during July to September of 2014, in order to determine the extent of its economic impact.

Exchange rate between Japanese yen and United States dollar showed additional changes reaching historic low of 104 JPY to USD which has not been experienced since 2008.

Unemployment in Japan maintained at 4.0% in November 2013.

**Outbound Travel Market**

Outbound travel from Japan indicates similar trends with previous months as challenges persist with neighboring Asian Nations.

- Popularity of LCC and their efforts in providing opportunities to travel to short-haul destinations have become more prominent in December supported by Vanilla Air.
- Daily flights between Narita to Okinawa and Narita to Taipei began operations on December 20 and, with the New Year Holidays, captured 81.2% and 91.1% load factors respectively.
- Additionally looking to expand from two aircrafts to ten aircrafts by fiscal year 2015 which can service not only domestic routes but international flights including Taiwan, Hong Kong, South Korea, and China.

**Consumer Trends**

The results relating to Japanese consumers taking paid vacation and holiday spending have been analyzed by Expedia Japan and “Nicheee,” a Japanese television research company, respectively.

- Based off a 24 country survey of 8,219 people conducted by Expedia Japan, Japan was seen as the country that took the least amount of their paid vacation time at only seven of their eighteen days (39%) as well as had the highest amount of employees who took no paid vacation at all at 17%.
- A different study conducted by Nicheee indicated that approximately 30% of the 1,500 surveyed were planning on purchasing a year end gift for themselves averaging at a price of approximately $863.55 (86,355 yen).

**Travel Trends**

In relation to the year-end holidays for the Japan market, this year was very favorable as many people could take as many as nine days off beginning from December 28.

- These conditions allowed for many Japanese consumers to travel domestically and abroad during their New Year Holidays with reports anticipating a rise of 50,000 departures alone from Narita on the 28 alone with nearly 177,000 rise in departures by the end of the year.
- Additionally results conducted by a survey done by HIS regarding these travels indicated the following results as the overall top 10 destinations for new year travel with last year ranking in parenthesis:

<table>
<thead>
<tr>
<th>1. Honolulu (1)</th>
<th>6. Singapore (6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Seoul (2)</td>
<td>7. Hong Kong (7)</td>
</tr>
<tr>
<td>3. Taipei (4)</td>
<td>8. Shang Hai (10)</td>
</tr>
<tr>
<td>5. Guam (3)</td>
<td>10. Paris (11)</td>
</tr>
</tbody>
</table>

**Media Trends**

Media trends from Japan have revealed influential media channels that will be effective in reaching younger Japanese consumers.

- Nielsen conducted surveys relating to the internet usage of Japanese consumer during January and October and have found that many consumers have shifted to accessing the internet from smart phone or tablets over personal computers.
The following sites have also been ranked as the most influential media that is shared through Twitter and include the following:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yahoo! News</td>
</tr>
<tr>
<td>2.</td>
<td>MSN Sankei News</td>
</tr>
<tr>
<td>3.</td>
<td>Asahi Shimbun Digital</td>
</tr>
<tr>
<td>4.</td>
<td>Natalie</td>
</tr>
<tr>
<td>5.</td>
<td>Niconico News</td>
</tr>
<tr>
<td>6.</td>
<td>Nikkei Online</td>
</tr>
<tr>
<td>7.</td>
<td>IT Media</td>
</tr>
<tr>
<td>8.</td>
<td>Yomiuri Online</td>
</tr>
</tbody>
</table>

**Airlift**

Japan’s airlift situation shows airlines working together to improve service and island distribution to their consumers, but are also experiencing affects from rising costs.

- Hawaiian Airlines and China Airlines have engaged in a joint mileage program for flights leaving after December 15 that will allow for passengers to more smoothly connect with neighbor island flights
- ANA announced Japan domestic flight rates will rise 2% in 2014 beginning from March 7 which is the first rise in 6 years
- Fuel surcharges are on the rise for all airlines servicing Hawaii averaging nearly $130 for a one way ticket

**Trade Events**

**Hawaiian Airlines Fukuoka FAM Tour (12/8-12/13)**

To further support the Hawaiian Airlines Fukuoka route and to improve the island distribution of the Japanese travelers, HTJ supported this Hawaiian Airlines FAM tour focused on Maui and Oahu. A total of eight travel agents from Fukuoka and one Hawaiian Airlines staff accompanied this tour to provide first-hand experience of traveling and experience the unique nature activities found on both islands.

Agents began to really feel a deeper connection with nature on both Maui and Oahu and became more confident in their ability to communicate effectively with consumers interested in traveling to these islands.

**HTJ Facebook**

Total fans reached nearly 26,500 (26,495) during December surpassing our annual goal of 25,000 fans by the end of 2013. The amount of fan based activity through likes, shares, and comments on posts had declined this month with more people spending time with their family during the holiday season.
Upcoming Events

**Travel Trade & Media Projects**

- **01/12-14**: Hiroshima Soratabi 2014 (12& 13 Consumer; 14 Travel Trade Seminar)
- **01/14-17**: HTA Brand Manager Ms. Wakai Tour Operator office visits
- **01/21-26**: Delta Fukuoka & Center Japan FAM tour
- **01/30**: Hawaii Day in Sapporo
- **January**: Island Chapter Meetings
- **02/03 - 07**: Media Blitz in Tokyo
- **02/19 - 20**: Hawaiian Airlines Hiroshima Kagoshima Study Session

**Radio Promotion (monthly)**

- **FM North Wave (Hokkaido)**: Every Sunday 15 min (9:00-9:15)
- **RKB (Fukuoka)**: Every Sunday 10 min (17:50-18:00)
- **InterFM (Tokyo & Yokohama)**: Every Saturday 120 min (8:00-10:00)
- **Date FM (Sendai)**: Every Thursday 10 min (16:35-16:45)
- **Shonan Beach FM (Kanagawa)**: Every Saturday 10 min (9:00-9:10)

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Thank you for reading our HTJ Newsletter!
Should you have any questions, please refer to our contact information below.

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