

## Expansion of “Inbound Tourism Consumption” will continue

“Inbound Tourism Consumption” is the consumption made by foreign travelers in Japan. We can see the trend of “Inbound Tourism Consumption” according to the “Consumption Trend Survey for Foreigners Visiting Japan” by the Japan Tourism Agency, which is released every three months. The amount of consumption by foreigners traveling in Japan (Inbound Tourism Consumption) is estimated according to this survey. We can also grasp the duration and objective, patterns of movement during their stay.

### Point 1

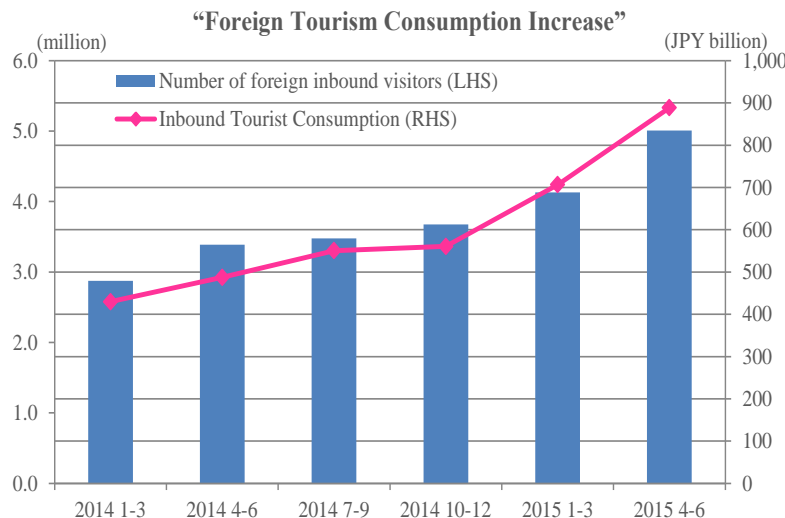
## Inbound Tourism Consumption of April-June period was up 82.5% Benefits are spreading to sectors beyond retail

- According to the statistics “Consumption Trend Survey for Foreigners Visiting Japan” announced on July 31, by the Japan Tourism Agency, Inbound Tourism Consumption of the April-June period was JPY 888.7 billion, up 82.5% compared to the same period the year before. If we look into the countries/areas the travelers come from, travelers from mainland China make up 40%. The amount they spent was JPY 358.1 billion, 3.2 times the amount spent during the same period the year before. Consumption by travelers from Taiwan (+57.9%, Y-on-Y), Korea (+42.0%, Y-on-Y) and Hong Kong (+85.3%, Y-on-Y) also have grown larger.
- If we look into items/category of consumption, purchase of goods was up 2.3 times to JPY 385.6 billion, compared to the amount spent during last year’s same period. Lodging, food/dining, transportation, entertainment/services and others were all up over 50%. Due to the growth in “Inbound Tourism Consumption”, the benefits are spreading to sectors beyond retail, such as to hotels, transportation, etc.

### Point 2

## Number of foreign travelers at pace of over 18 million a year Impact of the plunge in the Chinese Stock Market should be limited

- According to the statistics “Visitor Trends” announced on July 22, by the Japan National Tourism Organization (JNTO), the number of foreign visitors during the January-June period was 9.14 million, up by 46%, which can be calculated as a pace of over 18 million people a year. The Japanese Government has set a goal for accepting 20 million visitors by the year 2020, but due to the strong growth, it may reach this goal as early as 2016.
- If we look into the countries/areas, China (Mainland) is the largest with 23.8% of the total visitors, followed by Korea with 19.9% and Taiwan with 19.6%. There have been worries of the stock market plunge in China, but there is much room for additional monetary easing and expansive fiscal policy implementation. Once the Chinese stock market stabilises, the impact should be limited. The number of visitors from other areas is also expected to grow, resulting in steady growth.



(Note) Data period is from Jan.-Mar. 2014 to Apr. – Jun. 2015.  
(Source) SMAM, based on Japan Tourism Agency

## Expansion of “Inbound Tourism Consumption” will continue to underpin spending

### ■ Benefits in corporate financial reporting

The expansion of “Inbound Tourism Consumption” has brought benefits to the April-June period financial reporting of cosmetics, department stores and transportation companies. “Inbound Tourism Consumption” has grown into a promising market for domestic demand related companies.

### ■ Growth in number of visitors will continue toward the Tokyo Olympics

The Japanese Government’s “attract foreign visitors” policy will continue to be strengthened towards the 2020 Tokyo Olympics. It is anticipated that the support towards consumption from the expansion of “Inbound Tourism Consumption” will continue.

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