

## J-WING TRAVEL

Vol.7 No.302 March 24, 2008

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### Japan's Leading Tourism and Aviation Weekly

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#### **This Week Headline**

- \*GVB puts priority on maintaining flight seat capacity between Japan and Guam
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  - \*JAL collaborates in attracting the Olympics to Tokyo
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#### **\*GVB puts priority on maintaining flight seat capacity between Japan and Guam**

Guam Visitors Bureau (GVB) Japan Office & Sales Manager, Yuji Mitsumori said at an interview with the Wing Travel Weekly that the tourist bureau would first make effort to maintain flight seat capacity between Japan and Guam. Also, he added that it was important to improve a brand image of Guam by continuing re-branding efforts. Through such efforts, GVB is encouraging travel companies to keep offering fair prices of travel products and trying to improve traveler's spending in Guam.

The number of Japanese visitors to Guam in 2007 was down 2.2% to 932,175 over 2006. Mitsumori said, "It is difficult to increase Japanese visitors dramatically under the current outbound travel market condition. However it

is important to fill all of available flight seats today. I understand it is hard to pursue quality and quantity at the same time. By concentrating promotional activities on the target segments, GVB is trying to balance quality with quantity."

This year GVB places 30's to 40's families as a main target and over 50 years old seniors as a sub-target. GVB hopes to ensure quantity with increase of families and to improve quality or spending with increase of wealthy senior travelers. Mitsumori revealed, "Wealthy travelers with annual income of more than 7 million yen have recently increased."

In the meantime, driving their premier strategies, airlines have succeeded in increasing business class passengers on Guam flights. Package tours including business class flights are preferred not only by senior travelers but also by young travelers.

JAL Ways successfully carried 30% more business class passengers on its Guam flights in February than a year ago, while it reduced economy class passengers slightly. The airline has introduced executive class seats on night flights from Narita as well since the first half of 2007.

Northwest Airlines renewed the C class on the latest A330 for its Guam flights to "World Business Class" seats that are the same as seats available on its long-haul international flights.

GVB is actively promoting business class flights to senior travelers or wedding travelers particularly in cooperation with airlines.

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**\*HIS to revise financial forecast downward due to lower overseas tourist demand**

HIS announced on March 17 that it has revised its consolidated financial forecast for both the midterm (November 1 2007 to April 30 2008) and the full year of fiscal year 2008 (November 1 2007 to October 31 2008).

For the midterm financial forecast, HIS has revised sales from 187 billion yen announced on December 21 2007 to 175 billion yen. Also, operating profit and recurring profit have been revised down from 3.3 billion yen to 2.3 billion yen and from 3.8 billion yen to 2.4 billion yen respectively. Net profit has been revised down from 2.3 million yen to 1.5 billion yen.

For the full year, HIS has revised down its financial forecast as follows:

Sales to reduce from 410 billion yen announced on December 21 2007 to 389 billion yen

Operating profit to reduce from 8.1 billion yen announced on December 21 2007 to 6.6 billion yen

Recurring profit to reduce from 9.1 billion yen announced on December 21 2007 to 6.4 billion yen

Net profit to reduce from 5.4 billion yen announced on December 21 2007 to 3.8 billion yen

HIS said that the large downward revision results from lower overseas tourist demand expected due to high fuel surcharges and exchange-rate losses. HIS forecasts additional exchange-rate losses will reach 980 million yen in total, when it evaluates today's sudden change of exchange rate.

HIS has also revised downward its non-consolidated financial forecast from the original forecasts announced on December 21 2007.

<Midterm>

Sales to reduce from 158.4 billion yen to 151 billion yen

Operating profit to reduce from 2 billion yen to 1.2 billion yen

Recurring profit to reduce from 2.2 billion yen to 1.1 billion yen

Net profit to reduce from 1.2 billion yen to 0.6 billion yen

<Full Year>

Sales to reduce from 360 billion yen to 345 billion yen

Operating profit to reduce from 6 billion yen to 4.9 billion yen

Recurring profit to reduce from 6.6 billion yen to 4.55 billion yen

Net profit to reduce from 3.7 billion yen to 2.55 billion yen

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**\*JTB Royal Road Ginza sells a special tour for SQ A380**

JTB Royal Road Ginza, the high-end travel product provider, has begun selling a special tour product using the first Singapore Airline's A380 flight from Narita International Airport on May 20 this year. The tour will visit Singapore and Brunei.

The tour offers "Suite Class," which is superior to the conventional first class for the first time in the airline industry, for two couples and business class for three couples. Also, it includes suite rooms of prestige Empire in Brunei and Raffles in Singapore.

The six-days tour is offered at 950,000 yen for a business class flight and at 1,540,000 yen for a suite class flight.

Singapore Airlines began operating A380 on Sydney flights on October 25 last year for the first time in the world, followed by Singapore-London flights on March 18. Narita will be the third destination for the airline's A380, and the first flight will arrive at Narita at 8:30 on May 20 this year.

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### **\*CPA places its Haneda charters as the first step for scheduled services**

Cathay Pacific Airways (CPA) General Manager Japan James Woodrow said at a press conference in Tokyo, "We hope that Haneda will be an international flight destination from Hong Kong in the future." The airline will serve charter flights between Hong Kong and Haneda Airport in April and May this year, using the special time zone of late night and early morning for international charter flights. The charter services will probably open the door for the future scheduled flights between Hong Kong and Haneda.

CPA expects that the charters will meet inbound travelers from Hong Kong to Tokyo in April and outbound travelers from Tokyo to Hong Kong during the Golden Week period in May. The aircraft arriving at Haneda in early morning is supposed to stay at the airport until departure in late night. Woodrow said, "We understand it is not an ideal operation. If departure slots of Haneda are available daytime, we will be able to serve more effective flights, like today's

special charters to Seoul or Shanghai."

CPA expects new departure slots for international flights will be available at Haneda in 2010, and Woodrow added that the airline would address it in that case.

CPA Marketing & Sales Manager Japan Stephen Wong commented again that CPA would keep considering serving charters to Haneda in the future. "The charters can allow travel agents to produce two days and three nights tours, which will possibly create a new market," he emphasized.

CPA, together with its subsidiary Hong Kong Dragon Airlines, served a total of 103 charters to 16 airports of Japan.

CPA will continue its promotion campaign "Escape to Hong Kong," which has been developed since April 2005, even after April this year, targeting young females and seniors.

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### **\*New JAL Ways president is unofficially decided**

JAL Ways, one of the JAL Group, has decided that Hiroyasu Omura (56 years old), Chairperson of co-op JALOP, would take office as new president. His presidency will officially begin after approved in the general meeting of stockholders and Board of Directors in June this year.

Omura joined JAL in April 1974 and had served JAL International as executive for human resources from April 2004 to the end of March 2006. The current President Katsumi Chiyo will move to president of JAL Hotels.

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### **\*JAL collaborates in attracting the Olympics to Tokyo**

JAL has agreed with Tokyo 2016 Olympic Games Bid Committee for cooperation in the air transport field as an official partner for the bid

activities. The contract will be valid until October 2 2009. According to the agreement, JAL will be able to use the name of "TOKYO 2016 Official Partner" exclusively.

JAL was only an official airline of Japan from the Nagano Olympics in 1998 to the Athens Olympics in 2004. For the Beijing Olympics this year, JAL is supporting to transport athletes, other related persons and necessary cargos as an official partner.

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**\*Kansai still suffered from reduction of Japanese international flight passengers**

Kansai International Airport Co. recently reported that the number of international flight passengers in February this year was 875,260, almost the same as February 2007. While the number of Japanese passengers on international flights continued decreasing by 3% to 571,200 over the same month 2007, the number of foreign passengers was again up 5% to 263,860. Transits were 40,200, 5% more than a year ago.

The number of domestic flight passengers in February this year was largely up 12% to 440,791 over February 2007 mainly because of new services by Star Flyer and some flights shifted from Itami Airport.

In total, Kansai handled 1,316,051 passengers in February this year, 3% more than a year ago.

Kansai operated 10,446 aircraft take-offs and landings in February this year, 16% more than a year ago, broken down into 6,361 for international flights (up 13%) and 4,085 for domestic flights (up 20%). The monthly result of international flights consisted of 4,846 for passenger flights (up 7%), 1,383 for cargo flights (up 36%) and 132 for others (up 17%).

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Published every Monday by The WING Aviation Press (Koku Shimbun Sha).

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Subscription Rates: Overseas: One year \$ 215.00, Half year \$125.00

Domestic (including tax): One year 26,000 Yen, Half year 15,000 Yen

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