

“White Paper on Leisure”, Leisure Market is Expanding

Leisure market trend and consumer’s attitude toward their leisure activities can be captured by the “White Paper on Leisure” published every August by the Japan Productivity Center. A Summary is released in later July prior to its publication. The White Paper for 2015 is the 39th version since first published in 1977 and it covers both genders from the age of 15 to 79 with responses from 3,325 people.

Point 1

Size of leisure market increased for two years in a row

The tourism sector attributed to the increase of the overall market size

- The size of the leisure market in 2014 increased by 0.6% YoY to JPY 72.9 trillion, for two years in a row. ‘Tourism’ increased by 5.0 % YoY, being the leading force of the expanding market size. Among the sectors, ‘Travel in Japan’ increased sharply and ‘Amusement Parks’ also increased. ‘Hotels’ recorded double digit increase as the number of foreign travelers to Japan increased.
- Meanwhile, ‘Sports’ increased by 0.7% YoY as sales of sporting goods and watching sports increased. ‘Entertainment’ remained subdued, increased marginally by 0.1% YoY as the recovery in public gambling such as horse racing was offset by the continuing fall in sales of pachinko (Japanese pinball game), TV games and penny arcades. ‘Hobby’ decreased by 1.8% YoY, as the increase in movies and music concerts was offset by the fall in sales of cameras, audio equipment, DVD and books. As a whole, relatively stable growth was seen in “outdoor leisure activities”.

Point 2

“Travel in Japan” remained as the most popular leisure

“Walking” is gaining popularity

- Analysis of popularity of leisure activities by category shows “Travel in Japan” as the most popular by the estimated number of people participating, for 4 consecutive years. Other than this, “Window shopping” and “Shopping complex & Outlet malls” were ranked 5th and 6th, respectively. According to the “White Paper on Leisure”, “Walking” is gaining popularity as the number of people participating in activities such as “Strolling”, “Picnic, Hiking and Outdoor Walking” are increasing.

Top 10 Leisure Activities by Number of Participants (Comparison of 2014 to 2013)

2013		
	Types of Leisure Activities	million
1	Travel in Japan	55.9
2	Driving	46.9
3	Eating-out (Excluding daily meals)	44.7
4	Reading (Just for leisure)	44.4
5	Movies (Excluding on TV)	37.8
6	Shopping complex & Outlet Malls	36.9
7	Window shopping	35.4
8	Zoo, Aquarium etc.	35.0
9	Karaoke	33.6
10	Lottery	33.3



2014		
	Types of Leisure Activities	million
1	Travel in Japan	54.0
2	Eating-out (Excluding daily meals)	50.0
3	Reading (Just for leisure)	49.9
4	Driving	48.7
5	Window shopping	45.1
6	Shopping complex & Outlet Malls	44.3
7	Movies (Excluding on TV)	40.5
8	Zoo, Aquarium etc.	36.9
9	Strolling	36.3
10	Watching Video	35.9

(Source) SMAM, based on the Japan Productivity Centre

■ Travel demand is increasing steadily

According to the “Sales of Tourism Transactions Handled by Major Travel Agents” released by the Japan Tourism Agency, both April and May sales were positive YoY as inbound travel offset the decrease of outbound travel due to the weaker yen. Travel demand is showing a steady growth.

■ Leisure expenditure to increase as wage hike is expected

Leisure expenditure growth is anticipated as a further hike in wages are expected in the future. Leisure related markets such as consumption and services are expected to be buoyant.

Disclaimer

Please read this disclaimer carefully.

- This material is for non-Japanese institutional investors only.
- The research and analysis included in this report, and those opinions or judgments as outcomes thereof, are intended to introduce or demonstrate capabilities and expertise of Sumitomo Mitsui Asset Management Company, Ltd. (hereinafter “SMAM”), or to provide information on investment strategies and opportunities. Therefore this material is not intended to offer or solicit investments, provide investment advice or service, or to be considered as disclosure documents under the Financial Instruments and Exchange Law of Japan.
- The expected returns or risks in this report are calculated based upon historical data and/or estimated upon the economic outlook at present, and should be construed no warrant of future returns and risks.
- Past performance is not necessarily indicative of future results.
- The simulated data or returns in this report besides the fund historical returns do not include/reflect any investment management fees, transaction costs, or re-balancing costs, etc.
- The investment products or strategies do not guarantee future results nor guarantee the principal of investments. The investments may suffer losses and the results of investments, including such losses, belong to the client.
- The recipient of this report must make its own independent decisions regarding investments.
- The opinions, outlooks and estimates in this report do not guarantee future trends or results. They constitute SMAM’s judgment as of the date of this material and are subject to change without notice.
- The awards included in this report are based on past achievements and do not guarantee future results.
- The intellectual property and all rights of the benchmarks/indexes belong to the publisher and the authorized entities/individuals.
- This material has been prepared by obtaining data from sources which are believed to be reliable but SMAM can not and does not guarantee its completeness or accuracy.
- All rights, titles and interests in this material and any content contained herein are the exclusive properties of SMAM, except as otherwise stated. It is strictly prohibited from using this material for investments, reproducing/copying this material without SMAM’s authorization, or from disclosing this material to a third party.

Registered Number: Kanto Regional Finance Bureau (KINSYO) No.399
Member of Japan Investment Advisers Association and the Investment Trusts Association, Japan
© Sumitomo Mitsui Asset Management Company, Limited

