



Australian Government
Australian Trade Commission

Jewellery to Japan.

Trends and opportunities

The market

The jewellery industry in Japan covers a diverse range of products from precious metals and gems, to personal ornaments and decorative costume jewellery. The traditional sector of the market occupies 70 per cent, however, this is changing rapidly in accordance with the **demand for unique and unusual designs to suit the younger generation** (whose market occupies 16 per cent but is expected to increase rapidly over the coming years).

Japan's jewellery industry relies on imports for virtually all of its raw material supplies. While pearls, quartz and onyx are produced in Japan, precious stones or metals used in jewellery are not. Japanese-made jewellery is known for its precise and careful workmanship and jewellers mostly use 18 carat gold. Sixty per cent of set jewellery is made of white precious metals such as platinum and white gold.

Medium and small sized businesses such as jewellery specialty stores and jewellery and watch retailers account for 65 per cent of the entire retail market. There are a few very large businesses in the industry, however, businesses from other industries such as apparel makers and major retailers, have moved into the jewellery market. **There are almost 30,000 jewellery stores in Japan, divided into five categories:**

- ≠ Stores (independent and chain stores)
- ≠ Department stores
- ≠ Supermarkets
- ≠ Manufacturers or primary wholesalers
- ≠ Other store types such as mail-order, cosmetics, and apparel companies

Rings are the most frequently purchased jewellery items, including engagement rings and wedding rings, and account for 40 per cent and 60 per cent of market volume, respectively. Almost all engagement rings are diamond rings.

Fashion rings using coloured stones have enjoyed steady sales growth. However, as many consumers wear two or more rings, **there is a shift in demand toward necklaces and earrings**. These products account for 40 per cent and 33 per cent of the total jewellery market, respectively.

Young women want gemstones that fit into their daily fashion look so this has given coloured stones and semi-precious stones a much larger role in the jewellery market. This pattern of consumer preferences should see fashions extend into other areas that will bring jewellery more into the realm of fashion.

Major chain stores such as Jewellery Miki and Tsutsumi are doing their own product development, targeting fashion jewellery at teenagers and young adults. Jewellery Miki uses 9k and 14k gold in their product range.

Sales in department stores are currently stagnant, whereas smaller specialty stores are gaining a larger share of the jewellery retail channel.

Opportunities

Major Australian companies that have achieved success in Japan's jewellery industry focus on high quality designer opals and black and boulder opal stones as their primary goods. The Australian diamond industry has also seen success in Japan. However, opportunities also exist for lower priced jewellery suited to the youth sector.

Australia is recognised as a supplier of high quality gemstones, such as opals, South Sea Pearls and pink diamonds.

Specific opportunities include:

- ≠ **Opals** are the target market for women in their 40s and 50s, as they are the wealthiest group and can afford to purchase opals. Generally, black and boulder opals are purchased as loose stones and the settings are selected

after purchase. Opals are not popular among young women who perceive that the design and colour are more suited to an older image and the high price is also a deterrent. Less expensive opals such as white opals, boulder matrix beads, doublets, and triplets are more suitable for this generation.

- ✎ **Pink diamonds** are popular for engagement and marriage rings, particularly set together with white diamonds in platinum rather than gold. Pink diamonds are very popular for women in their 20s and 30s and colour preferences in Japan are for settings in silver (platinum) instead of gold.
- ✎ **Silver jewellery** is preferred by teenagers and those in their early 20s, in particular branded jewellery such as Chrome Hearts and Bill Wall Leather (BWL) from the USA. There are opportunities for Australian jewellery manufacturers in Japan if they can establish brand image.
- ✎ **Japanese cultured pearls** are well known internationally and often worn by the Japanese royal family making them highly desired items by Japanese consumers. South Sea pearls are also popular and the Japanese prefer pinkish pearls and increasingly, natural golden.

Fashion preferences are changing as individualism gains popularity in society. The Japanese market is one of choice, and analysts suggest there is a market for **niche groups with unique and unusual designs**.

More information

For further information please contact Austrade on 13 28 78 or email info@austrade.gov.au

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