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JETRO Japanese Market Report

—Regulations & Practices—

Sports Wear

CONTENTS

(Yen-Dollar Exchange Rate)

Year	Yen/US$
1993	111
1994	102
1995	94
1996	109
1997	121

Source: "International Financial Statistics," IMF

Introduction

This report will address the sportswear market in Japan, encompassing the following five subcategories: golf wear, ski wear and snowboard wear, tennis wear, training wear (athletic wear) and outdoor wear.

Casual fashion has become a more prominent part of everyday life styles in Japan of late, and sportswear increasingly is worn not only during sporting or athletic activities, but also as part of young people's street fashion and as part of casual fashions among adults. There is a strong crossover tendency between the sportswear and casual wear markets, and as a result, this report will include some casual wear items with a sportswear style and taste.

However, official government statistics on both domestic production and imports classify apparel products by gender, product category, type of textile material, surface finish and by structure (embroidery, lace, or fur trim, etc.). There is no specific category for sportswear. Consequently, this report relies almost entirely on industry sources and trade publications for its information.

The following categories in official customs statistics apply to sportswear items.

HS No.	Articles
61 Articles of apparel and clothing accessories, knitted or crocheted	
6101	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets)
6102	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets)
6105	Men's or boys' shirts
6106	Women's or girls' blouses, shirts and shirt-blouses
6109	T-shirts, singlets and other vests
6110	Jerseys, pullovers, cardigans, waistcoats and similar articles
6112.1	Track suits
6112.2	Ski suits
62 Articles of apparel and clothing accessories, not knitted or crocheted	
6201.9	Men's or boys' anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles
6202.9	Women's or girls' anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles
6211.2	Ski suits

I. Market Overview

A. The Sporting Population of Japan

First of all, it would be instructive to take an overview of the population of sports fans in Japan, who form the basis for the sportswear market. According to the White Paper on Leisure 1998, published by the Leisure Development Center, the sport with the largest participation in Japan is bowling. About one in every three Japanese goes bowling at least once a year. Other popular sports with participation in the 20 million range include general exercise (without equipment), jogging and marathon running, fishing, swimming and golf (including driving ranges).

Table 1 shows participation rates highest among young people in their teens and 20s, which also is the principal target market for sportswear. Young people not only wear sportswear when participating in school or club sports, but also as casual street wear. In contrast, the most common and familiar sports for men in their 50s are golf and fishing.

Table 1 The Sporting Population of Japan (1997)

Sports	No. of Participants (thousands)	Participation Rate (%)	Average Annual Participation Incidents	Annual Equipment & Accessory Expenditure (¥ 1,000)	Age Group with Highest Participation Rate (%)		<Reference> Participation Rate in 1993 (%)
Bowling	34,500	32.3	4.9	2.1	Preteen boys	(53.4)	38.6
Exercise (without equipment)	29,100	27.2	54.0	1.0	Preteen girls	(42.6)	31.6
Jogging and Marathon Running	24,900	23.3	44.6	2.7	Preteen boys	(55.8)	25.8
Fishing	20,000	18.7	11.6	22.0	Men in 50s	(35.0)	18.9
Swimming (in pools)	19,800	18.5	15.7	3.6	Preteen boys	(43.4)	22.7
Baseball	14,800	13.8	15.1	3.3	Preteen boys	(45.9)	20.9
Golf (Driving Range)	14,000	13.1	18.4	-	Men in 50s	(33.5)	18.6
Golf (Golf Course)	13,000	12.2	10.2	54.0	Men in 50s	(27.4)	12.9
Skiing	13,600	12.7	4.7	27.9	Men in 20s	(25.4)	17.0
Snowboarding	3,300	3.1	9.0	48.4	Men in 20s	(16.2)	-
Training	12,300	11.5	47.4	3.5	Preteen boys	(16.2)	12.6
Tennis	9,700	9.1	19.9	7.5	Preteen girls	(16.2)	12.5

Note 1: Participation rate = percentage of population participating in the sport at least once per year
Note 2: No. of participants = estimated population of participants, obtained by multiplying the participation rate by the total population of Japan age 15 and over (106.92 million).
Note 3: Snowboarding was not surveyed in 1993.
Source: White Paper on Leisure '98, Leisure Development Center

Compared with 1993, participation rates are down for virtually every sport, with especially notable declines in bowling, golf (driving range) and skiing. The only sport with steady participation rates over the past five years are fishing and golf, although even these sports have seen average annual participation and equipment and accessory expenditures go down. Japanese people are spending less money on leisure due to the chronic recessionary conditions, and shifting spending to more accessible leisure activities (movies, gardening, video games, etc.). These trends signal a decline in interest in sports participation.

B. Size of the Sporting Goods Market

The sporting goods market in Japan (including sportswear and sports equipment) experienced a period of rapid growth from 1986 through 1991, a time of increased interest in health and leisure activities. But since 1992, after the collapse of the bubble economy, the market has been plagued by sluggish personal consumption and oversupply of sporting goods. The market as a whole staged a minor recovery in 1995 and 1996, aided by a fad in Nike and other brands of sports shoes, the emergence of snowboarding as a popular sport, and a rebound in golf participation. However, the consumption tax hike in April 1997 and financial institution failures and employment worries that followed dealt a severe blow to the sporting goods industry. As of 1997 the size of the market on a retail basis was estimated at ¥2.1 trillion (down 1.4% from the year before).

The two leading categories in the sporting goods field in Japan have been golf and ski equipment and accessories. Of these two categories, the golf market is showing signs of a comeback, but the ski equipment and accessory market has fallen into a structural recession as a result of chronic oversupply, although the growth in snowboarding is notwithstanding. This has reverberated mightily throughout the sporting goods market as a whole.

Table 2 Size of the Sporting Goods Market

Category	1994	1995	1996	1997	'97/96	'97 Share
Golf	436,000	425,000	428,500	431,500	100.7	20.1
Fishing	275,300	290,700	313,100	319,500	102.0	14.9
Athletic Wear	227,300	227,000	222,420	222,600	100.1	10.4
Outdoor	169,765	183,300	191,010	193,900	101.5	9.1
Skiing	305,000	253,000	208,800	165,200	79.1	7.7
Sports Shoes	122,800	136,930	151,050	151,200	100.1	7.1
Snowboarding	49,500	103,800	125,000	142,000	113.6	6.6
Tennis	110,930	100,960	100,650	99,800	99.2	4.7
Other	430,290	436,175	432,100	415,770	96.2	19.4
Total	2,126,885	2,156,865	2,172,630	2,141,470	98.6	100.0

Unit: ¥ million   Source: Yano Economic Research Institute

As is the case with other consumer goods, the main reasons for this slump are the decline in disposable income caused by the recession, and the decline in consumer interest due to uneasiness about the future. However, there are other specific reasons why the sporting goods market has fallen among its target consumer base of young people in their teens and 20s, including the following: (1) the decline in numbers of people in their teens and 20s, resulting from the long-term trend toward the decline in number of children per family, (2) the recession has led to fewer jobs, reduced part-time earnings, and smaller allowances from parents, and (3) more diversified non-sports leisure activities, including overseas travel and personal computers. Because of these factors, consumption of sporting goods has declined conspicuously among these age groups.

Consumer interest in sports and leisure has been in retreat due to the chronic post-bubble recession, but market conditions took an even greater turn for the worse in the second half of 1997, and most people in the industry believe that 1998 will see a further decline. There were a couple of bright spots in 1998 in the form of the Nagano Winter Olympics and the Japan's first-ever qualification for the World Cup soccer finals. However, neither of these events were significant enough to energize the sporting goods market as a whole.

C. Market Trends by Sportswear Category

Table 3 below presents market size estimates by sportswear category, along with a list of principal makers and leading brands.

Table 3 Sportswear Market Size by Category and Leading Makers/Brands

	1995	1996	1997	Leading Makers/Brands		
Training and Athletic Wear	206,710	215,095	215,502	Descente, Ltd. (Addidas)	Mizuno Corp. (Super Star)	Goldwin Inc. (Champion Products)
Golf Wear	135,572	142,786	146,912	Descente, Ltd. (Munsingwear)	Mizuno Corp. (Grand Monarch)	World Co., Ltd. (Adabat)
Ski and Snowboard Wear	115,485	99,629	90,603	Phenix Co., Ltd. (Phenix)	Goldwin Inc. (Ellesse)	Descente, Ltd. (Descente)
Tennis Wear	39,184	42,137	44,430	Goldwin Inc. (Ellesse)	Kanebo, Ltd. (Fila)	Yonex Co., Ltd. (Yonex)
Outdoor Wear	29,051	33,123	37,351	Goldwin Inc. (The North Face)	Asics Corp. (Taras Boulba)	Mont Bell Ltd., (Mont Bell)

Unit: ¥million *Source: Trade journals, interviews with leading companies*

1. Training and Athletic Wear

The category of training and athletic wear includes not only ordinary training shirts and pants, but also school and club wear, jogging wear, and wear for soccer, basketball and other specialized sports. The market size of this category is estimated at ¥215.5 billion (1997). This market had been steadily expanding, but since the latter part of 1997 the recession has dampened consumer interest, and this has had a notable effect on this market, and retail store sales are off considerably.

Because of declining number of children per family, the pure competition population has hit a ceiling. The markets for school and club wear and pure competition wear have become mature markets, and this has led to increasingly stiff competition among brands. At the same time, international sports brands such as Addidas and Nike conduct huge promotional campaigns featuring prominent athlete endorsements. Their brand strategy is to cover the entire spectrum from competition use to street wear use in an effort to capture the lead in the training and athletic wear market. Leading Japanese brands such as Mizuno and Asics have had to refocus from a competition-oriented "uniform mentality" to a more fashion-oriented sports and casual wear approach. These makers are now targeting a broader range of consumers interested in health and fitness, including women and older adults.

2. Golf Wear

The decline in the golf market (especially the dramatic drop in corporate golfing) after the collapse of the bubble economy inevitably led to shrinkage of the golf wear market as well. However, since 1995 there has been a minor recovery in this market, owing to demand from individual golfers as well as from senior, women and young golfers, many of whom are new to the golf. As of 1997 the size of the market was estimated at ¥147.0 billion.

Descente solidified its position as a top brand with its Munsingwear line, which is known for its superior shape stability, while Phenix turned out a hit product with its Masters line of perspiration absorbing and rapid drying products. But these few examples notwithstanding, the main contributors to the market turnaround in recent years have been apparel brands. Led by Adabat by World, along with San'ei International's Paris Gates and Kosugi Sangyo's Kenzo Golf, apparel brands posted double-digit growth in 1997.

These apparel brands are noted for emphasizing functional characteristics required for golfing, such as using perspiration absorbing and rapid drying materials and using cuts that make it easier to swing a golf club, while also adding elements of fashion appeal. This expands the range of situations where people can wear these items beyond the golf course, making them part of a total life style look that includes personal accessories. These brands rely for distribution on in-store shops at department stores, with merchandising schemes that emphasize monthly featured products targeted to store sales, along with customer management techniques. Apparel brand sales at major city department stores actually exceed sports brand sales in some cases.

In the spring of 1998 a number of leading European designer brands and apparel brands began to enter the golf wear field, and sporting goods makers are now starting to develop life style oriented brands, signaling a shift from their past product development focus on functionality needed for play.

3. Ski and Snowboard Wear

At its peak the ski wear market reached a size of ¥120 billion, but since the collapse of the bubble economy, the market has been shrinking at double-digit rates year by year. By 1997 the ski wear market had shriveled to just ¥65.0 billion. The five leading brands — Phenix, Goldwin, Descente, Asics and Mizuno — have concentrated their product lines into high-performance and standard models, and have cut production by 10-20% in order to restore the balance between supply and demand. Nevertheless, this has done little to correct the chronic oversupply situation.

In contrast, the number of snowboarders has grown spectacularly in the 1990s, and the snowboard wear market has tripled in size over the last three years (1997: approximately ¥25.0 billion). The main differences between snowboard and ski wear are that snowboard wear incorporates street wear and casual wear design while still offering waterproofing and other functional features, and that snowboard wear is less expensive (about half the price of ski wear). In addition, snowboard fashions that incorporate the functional design characteristics of snowboard wear are becoming widely accepted as street wear and casual wear among young people. They have created a new fashion trend that transcends the boundary of sportswear.

In the early '90s, imports from the United States held sway in the snowboard wear market, but Japanese ski wear makers have gradually gained ground, and by 1997 the market was essentially split in two between products by Japanese makers and under license in Japan, and imported products. Furthermore, as more and more ski slopes authorize snowboarding, there is an increasing number of so-called "cross-board wear" products that can be used for both skiing and snowboarding. In the 97/98 model year, the previously mentioned leading ski wear makers defined about 30% of their production as "cross-board wear." Now, some are concerned that "cross-board wear" will suffer from the same oversupply problems as ski wear.

4. Tennis Wear

The tennis wear market has entered a period of low-level stability, with an estimated market size of ¥44.4 billion in 1997. The leading brand in the market by far is Ellesse (Goldwin Moda), followed by Fila division of Kanebo and Yonex. Ellesse offers products that meet the needs of tennis players by using optimal cuttings for tennis movement along with perspiration absorbing and quick-drying material, but its product line is also suitable for a wider range of occasions, for wear at resorts and before-and-after events as well. Its products evoke the image of Italian casual life style, and the brand owes much of its success to its in-store corners and its shop-in-shop approach at leading retail stores to increasing in-store sales shares.

5. Outdoor Wear

Although the outdoor wear market is smaller than the four categories discussed heretofore, it has been the fastest-growing category over the past three years. In 1997 the market posted annual growth of 12.8%, to an estimated size of ¥37.3 billion. Within the industry, the outdoor wear market is classified into the following three subcategories: (1) mountaineering wear, (2) type-specific outdoor sportswear, and (3) outdoor-style casual wear.

(1) Mountaineering Wear

Since the late 1980s there has been increased interest in health and fitness and in nature and the outdoors, and this led to greater popularity for light mountaineering and hiking. 80% of the target market consists of middle-aged and older adults, some 70% of whom are said to be female. The typical pattern is for participants to go on an outing with friends 2-3 times per month. Recent years have also seen the emergence of exercise walking (power walking) as an extension of exercising and jogging.

(2) Type-Specific Outdoor Sportswear

Typical examples that fit into this subcategory are lure and fly fishing wear (not for ordinary fishing), canoeing wear and mountain biking wear. Of these, the largest market is for lure and fly fishing wear, with estimated participation of 10-20% of the total fishing population of 20 million. Recently these activities have spread to women and children, but there are limits on development of new fishing grounds, and the fishing population is believed to be essentially saturated.

(3) Outdoor-Style Casual Wear

More and more people want to incorporate outdoor wear fashions into their daily life styles, regardless of whether or not they wear those items while participating in outdoor sports. Some of these people are merely responding to a passing fad, but others have made outdoor fashions into a permanent part of their life styles, irrespective of fashion trends.

The leading examples of this trend are L.L. Bean and Eddie Bauer. L.L. Bean has long been popular as a mail order retailer in the United States, but in Japan it engages in storefront sales only (through 11 direct outlet stores). Eddie Bauer combines mail order sales (through Sumisho Otto) with 30 direct outlet stores. Both have grown in a short time to rival the stature of national brands in Japan. Both brands are noted for their high-quality and low-price products and their unconditional return policies and other fine customer service programs.

Although many say that growth in the outdoor wear market came to a halt in the second half of 1997, this is a field where consistent growth can be expected over the long term. There are three main reasons why this is the case. First of all, the outdoors itself is connected with nature and therefore appeals to the ecological mentality. Second, it accords well with the interest in health and fitness among middle-aged and older adults. Third, participation in outdoor activities is an effective means of fostering family communication, which is likely to be viewed as more important in the future.

D. Leading Maker/Brand Trends

The main trends among leading sportswear makers and brands in Japan are as follows.

- Descente, Ltd.

  Descente, Ltd. is the leading maker in the sportswear market in Japan, with sales of over ¥100 billion. In addition to its Descente brand, the company also markets Addidas brand and the Munsingwear line of golf wear. Beginning in 1997, Addidas adopted a unified worldwide logo and has sought to develop a unified brand image revolving around its footwear products. Addidas was one of the official sponsors of the World Cup Soccer in France, and it also has active promotional campaigns in basketball and running shoes and apparel using world-class athlete endorsers. Separately from its competition wear in various fields, Addidas offers its Club Addidas line for the casual wear market.

  However, Addidas headquarters in Germany has announced plans to shift its marketing strategy from reliance on sole agency importers to establish local subsidiaries. Thus, its 27-year-long sole agency contract with Descente is scheduled for termination at the end of 1998, an event that sends shock waves throughout the industry. Descente is preparing to replace the Addidas brand in 1999 and thereafter with another prominent brand and its own original brand of merchandise.

- Mizuno Corp.

  In the fall of 1997, Mizuno began marketing in Japan and 18 European countries of a unified worldwide line of athletic wear known as Mizuno International, and the program expanded to the United States and other countries in Asia as of 1998. The product line targets competitive athletes and covers not only game and match wear but also before-and-after wear.

- Goldwin Inc.

  As of 1998, Goldwin's top brand, Champion Products, has added to its existing athletic style line (for serious athletes in club sports as well as fun sports for recreational athletes) a lineup of sports style products. Characterized as weekend life style wear for the athlete, this line of sportswear is noted for its wearability and sense of ease and freedom that is reminiscent of everyday casual wear.

- Asics Corp.

  The company's Jumsy line that was launched in 1996 has grown into a leading new jersey brand. By incorporating the latest fashion trends into Asics' formerly competition oriented products, this line has expanded into the realm of casual wear.

- Hit Union Co., Ltd.

  Puma, the company's top brand, has seen the Puma Junior line take over nearly half its sales. With in-store corners in some 40 stores, mainly department stores, it has become an important brand even in children's wear departments. Moreover, the company has leveraged the popularity of its strong area of soccer by launching a team wear order campaign that has signed up more than 1,000 teams.

- Nike Japan Corp.

  Nike is the leading brand of sports shoes in Japan. In 1997 Nike created a stir in the golf wear field by signing Tiger Woods as an endorser. The company is seeking to enlarge its share of the sportswear market by creating a total image incorporating both shoes and sportswear products.

The newly founded Addidas Japan Corp., which began operations in April 1998, will begin direct marketing in Japan in spring 1999. It will combine three new direct outlet stores with sales through wholesalers, and the company has announced an initial fiscal year sales goal of ¥25.0 billion.

E. Trends in Imports of Sportswear Related Products

Table 4 presents statistics on trends in imports of sportswear related products over the past five years. The category of coats includes anoraks and ski jackets, while the category of sweaters includes sports wear items such as jerseys and sweat shirts. It is not possible, however, to discern exclusively sportswear trends from these statistics, so a detailed analysis of sportswear imports is not possible. It is clear, though, that imports of sports-related apparel have grown steadily year by year in the 1990s. Their total value has grown from ¥459.6 billion in 1990 to ¥522.9 billion in 1993 and to ¥782.8 billion in 1996. However, imports were down in 1997 by 7.5% from the year before, to ¥724.3 billion, reflecting the economic recession in Japan.

In any case, there is a pronounced trend toward borderlessness in every stage of making and handling sportswear and casual wear products, from materials procurement to design, production and distribution. In the future, the basic approach of Japanese makers will be to select the optimal place of production for each product and each brand. Foreign makers are increasingly seeking to reduce price differentials between Japan and other countries by producing in Asian countries for direct delivery to Japan. From now on it will become impossible to ignore imported products when speaking of the sportswear market in Japan. Japanese consumers care most about product quality, brand style and image, and they tend not to be aware of where a product was physically produced. They accept imported products from Asia in the same way as products made domestically in Japan.

Table 4 Trends in Imports of Sportswear Related Products (Overall)

<Value Basis>

HS No.	Articles		1993	1994	1995	1996	1997	'97/'93	'97 Share
6101 6102	Knitted Apparel	Overcoats	10,726	13,583	18,815	20,951	26,420	+146.3	3.6%
6105 6106		Shirts and blouses	73,186	79,099	80,700	105,781	105,311	+43.9	14.5%
6109		T-shirts and singlets	69,655	76,778	103,669	114,669	95,069	+36.5	13.1%
6110		Sweaters	252,972	301,442	320,976	364,894	372,672	+47.3	51.5%
6112.1		Track suits	12,571	11,259	8,577	9,700	6,512	-48.2	0.9%
6112.2		Ski suits	16	14	11	21	7	-57.0	0.0%
6201.9 6202.9	Woven Apparel	Other coats	95,009	87,181	98,605	157,759	112,767	+18.7	15.6%
6211.2		Ski suits	8,775	9,516	10,178	9,010	5,558	-36.7	0.8%
Total			522,910	578,872	641,531	782,784	724,316	+38.5	100.0%

<Volume Basis>

HS No.	Articles		1993	1994	1995	1996	1997	'97/'93	'97 Share
6101 6102	Knitted Apparel	Overcoats	7,437	7,619	10,265	11,356	12,619	+69.7	1.5%
6105 6106		Shirts and blouses	137,325	151,260	153,802	162,249	143,224	+4.3	16.9%
6109		T-shirts and singlets	285,664	309,692	406,643	362,301	295,526	+3.5	35.0%
6110		Sweaters	241,114	284,585	311,978	335,035	328,551	+36.3	38.9%
6112.1		Track suits	15,350	13,204	9,487	9,484	5,986	-61.0	0.7%
6112.2		Ski suits	4	2	1	2	1	-77.5	0.0%
6201.9 6202.9	Woven Apparel	Other coats	55,781	56,784	58,334	81,801	58,375	+4.7	6.9%
6211.2		Ski suits	1,535	1,946	2,263	2,097	1,168	-23.9	0.1%
Total			744,208	825,093	952,773	964,324	845,450	+13.6	100.0%

Units: Value = ¥ million, Volume = 1,000 articles
Source: Japan Exports & Imports, Ministry of Finance

Statistics show that China has an overwhelming lead as an exporter of sportswear to Japan, accounting for 68.7% of all imports on a volume basis and 61.7% on a value basis. As discussed previously, not only have leading Japanese sporting goods makers and apparel makers shifted much of their production to China, but European and American makers have done so as well, so they can export the output from these factories directly to Japan. In 1997, exports from the EU, the United States and R.O. Korea fell by double digits compared to a year earlier. The only country to record growth in its exports to Japan, notably, was Vietnam.

Table 5 <u>Leading Exporters of Sportswear Related Products to Japan</u>

<Value Basis>

HS No.	Article		China	E U	R.O. Korea	U. S. A.	Vietnam	Thailand
6101 6102	Knitted Apparel	Overcoats	19,599	1,788	341	1,324	1,132	461
6105 6106		Shirts and blouses	44,469	14,298	14,412	7,671	5,029	5,769
6109		T-shirts	44,157	6,566	6,930	22,345	1,550	3,650
6110		Sweaters	248,919	43,878	29,108	15,774	6,382	4,268
6112.1		Track suits	5,584	52	90	8	372	196
6112.2		Ski suits	0	5	1	0	0	0
6201.9 6202.9	Woven Apparel	Other coats	79,386	4,521	2,675	3,822	9,762	2,952
6211.2		Ski suits	4,986	9	54	6	318	0
Total			447,101	71,117	53,612	50,950	24,545	17,296
Share			61.7%	9.8%	7.4%	7.0%	3.4%	2.4%
Annual Growth (%)			+2.1	- 31.7	- 27.7	- 13.8	+38.0	+4.1

<Volume Basis>

HS No.	Article		China	E U	R.O. Korea	U. S. A.	Vietnam	Thailand
6101 6102	Knitted Apparel	Overcoats	10,612	172	153	288	548	256
6105 6106		Shirts and blouses	73,060	4,219	28,468	5,344	11,065	6,361
6109		T-shirts	195,801	3,925	23,721	32,598	6,371	12,891
6110		Sweaters	248,124	8,807	32,621	10,772	6,596	4,083
6112.1		Track suits	5,488	15	48	7	261	81
6112.2		Ski suits	0	1	0	0	0	0
6201.9 6202.9	Woven Apparel	Other coats	46,826	375	895	685	5,258	963
6211.2		Ski suits	1,031	1	17	2	71	0
Total			580,942	17,516	85,923	49,696	30,171	24,636
Share			68.7%	2.1%	10.2%	5.9%	3.6%	2.9%
Annual Growth (%)			- 1.5	- 29.8	- 28.7	- 23.2	+11.4	- 9.0

Units: Value = ¥ million, Volume = 1,000 articles *Source: Japan Exports & Imports, Ministry of Finance*

F. Trends in Domestic Production of Sportswear Related Products

Table 6 presents statistics on trends in domestic production of sportswear related products over the past five years. Domestic production has declined on both a value and a volume basis in every category. The reasons, as stated previously, are the slump in the market, combined with the fundamental shift to offshore production on the part of Japanese makers seeking to cut production costs.

Table 6 Trends in Domestic Production of Sportswear Related Products

<Value Basis>

	1993	1994	1995	1996	1997	'97/'93	'97 Share
Overcoats	10,866	10,727	10,530	10,071	9,720	-10.5	3.6%
Jumpers	20,423	17,686	17,938	15,578	15,973	-21.8	5.9%
Trousers (slacks and golf trousers)	76,160	66,915	61,536	57,197	50,956	-33.1	18.7%
Sweaters	71,616	66,943	60,878	58,967	58,441	-18.4	21.4%
Sports shirts and polo shirts	72,245	71,326	70,784	69,897	62,320	-13.7	22.9%
T-shirts	74,550	72,888	73,339	69,914	64,581	-13.4	23.7%
Training shirts	7,053	7,255	7,926	7,099	6,327	-10.3	2.3%
Training pants and tights	4,492	4,535	4,737	3,618	3,433	-23.6	1.3%
Ski wear	925	487	360	322	233	-74.8	0.1%
Other sportswear (Uniform)	3,183	882	1,130	740	582	-81.7	0.2%
Total	341,513	319,644	309,158	293,403	272,566	-20.2	100.0%

<Volume Basis>

	1993	1994	1995	1996	1997	'97/'93	'97 Share
Overcoats	200,199	195,061	190,645	189,719	183,744	- 8.2	20.3%
Jumpers	124,262	100,374	98,986	89,603	87,525	-29.6	9.7%
Trousers (slacks and golf trousers)	244,406	230,779	206,938	195,094	169,748	-30.5	18.8%
Sweaters	282,914	262,495	239,731	233,668	235,374	-16.8	26.0%
Sports shirts and polo shirts	155,298	147,487	147,723	156,426	125,353	-19.3	13.9%
T-shirts	93,166	89,931	89,582	87,337	81,607	-12.4	9.0%
Training shirts	14,472	15,007	16,632	15,040	13,708	- 5.3	1.5%
Training pants and tights	6,330	6,706	7,328	5,640	5,217	-17.6	0.6%
Ski wear	9,116	4,599	3,253	1,961	1,480	-83.8	0.2%
Other sportswear (Uniform)	4,808	1,034	1,225	1,020	861	-82.1	0.1%
Total	1,134,971	1,053,473	1,002,043	975,508	904,617	-20.3	100.0%

Unit: Value = ¥ million, Volume = 1,000 articles *Source: Textile Industry Restructuring Agency*

II. Distribution

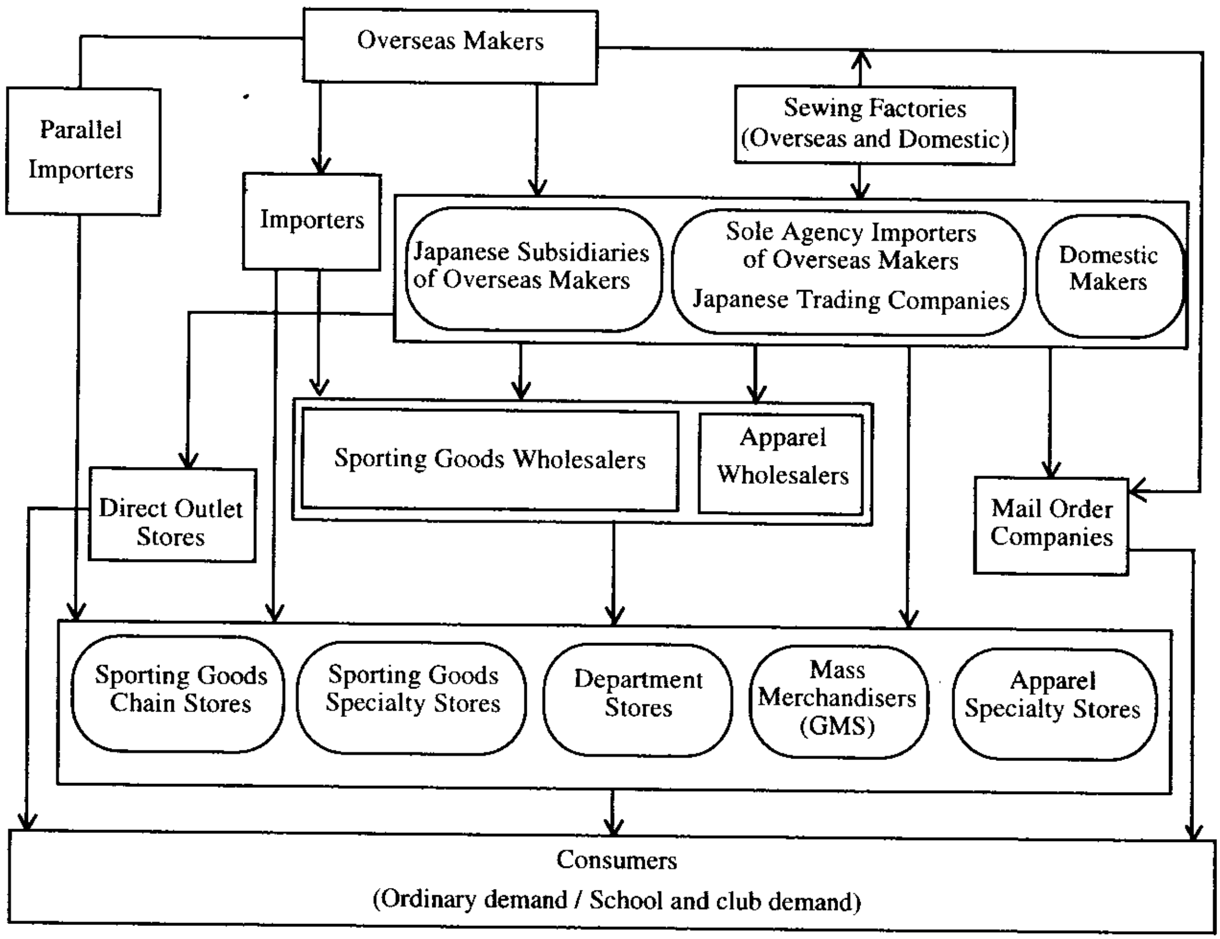
A. Distribution Channels

Distribution of sportswear products occurs through (a) sporting goods channels (from a domestic maker or foreign maker's Japanese subsidiary or sole agency importer via sporting goods wholesalers to retail stores), (b) direct sales channels, from sporting goods makers directly to retail stores (including makers' own outlet stores), and (c) apparel channels. The choice of sales channel depends on the brand strength, price range and product category of each product, regardless of whether it is imported or made in Japan.

Most international sports brands and leading Japanese sports brands use a combination of (a) and (b). These makers have varying approaches to wholesalers (agents), depending on their distribution strategies. (1) Some make only limited use of wholesalers, and mainly do business directly with retail stores. (2) Some distribute both through wholesalers and direct sales, utilizing each for its own particular advantages. (3) Some mainly use wholesalers but do business direct with some large specialty chain stores.

In apparel channels (c), leading apparel makers operate themselves as manufacturer wholesalers, and they have their own sales networks. Accordingly, apparel wholesalers play a relatively small role than sporting goods wholesalers, and mostly carry only standard product items for small and medium-sized retail stores outside the major cities.

Figure 1 Sportswear Distribution Channels



Most international sports brands and leading Japanese sports brands have in-store shops at department stores and major sporting goods specialty stores, which allows makers to exercise direct sales management over their own products. Makers themselves have opened direct outlet stores (concept shops, flagship shops) in central shopping districts and suburban shopping malls. These strategies make it possible for makers to offer a total brand image directly to consumers. Thus, a maker-led approach to distribution predominates.

Nevertheless, large sporting goods specialty chain stores with annual sales of over ¥100 billion have enormous impact and power, and they hold the upper hand in business dealings with makers. Some of these stores are developing private brands and contracting for production themselves, thereby strengthening their channel dominance.

B. Changes in Distribution Structure

According to the Census of Commerce, a survey conducted by the Ministry of International Trade and Industry in June 1997, there are a total of 19,299 sporting goods retailers in Japan. This represents the first time in 15 years that the total has dropped below 20,000. There is a conspicuous decline in the number of retail stores with fewer than 10 employees. Moreover, annual sales on a value basis declined for the first time since the survey series began in 1952, while total retail floor area grew to an all-time high.

The reason for these developments are the arrival one after another of foreign-owned sports and outdoor accessory shops. The pioneer in this field was Sports Authority, which opened its first store in Nagoya in 1996 and by 1997 had opened seven stores with floor areas of 4,000-5,000 square meters. The excellent performance turned in by these stores has prompted the company to speed up the pace of its future store opening plans. By 2003-2005 it aims to have 100 stores in Japan and annual sales of ¥120 billion. Next after Sports Authority came Foot Locker, the largest athletic footwear retailer in the United States. Foot Locker opened its first store in Funabashi City, Chiba Prefecture, in September 1997 (with 350 square meters devoted exclusively to sports shoes and sportswear), and by 2002 the company plans to have 300 stores in Japan. Athlete's Foot has also announced plans to open 100 stores in the 100 square meter range over the next three years from 1998 onward.

To counter this trend, leading Japanese sports specialty chain stores are expanding the size of the new stores they open. For example, Alpen Co., Ltd., the largest such chain store in Japan with annual sales of roughly ¥150 billion, opened the third Sports Depot outlet in December 1997. This new type of store offers an all-season full line of sports items in the largest one-floor retail store space in Japan. The company has announced plans to open some 15 stores every year, mainly in business population centers of 300,000 to 500,000 in size, and it aims to make ordinary sports items (sportswear and shoes) into the third pillar of its business, after ski and snowboard, and golf. In addition, more and more companies from other industries are moving into the sporting goods and sportswear field, and with sporting goods distribution becoming increasingly globalized and borderless, large retail stores more and more find themselves in competition mainly with one another.

These trends have diminished the position of sporting goods wholesalers, which once were pivotal players in sporting goods distribution. These wholesalers are being forced to reassess the functions and roles they perform. In addition, makers, wholesalers, and small and medium-sized sporting goods specialty stores that have held onto their old ways find they cannot survive in the face of changing distribution patterns and price competition, and they are being forced to retrench.

C. Key Distribution Channels by Category

- Training and Athletic Wear

  These products are carried not only by sports specialty chain stores, but also by a wide range of channels, including provincial sporting goods stores (mainly school and club wear) and mass merchandisers (mainly everyday wear items). In addition, sales channels are diversifying as young people increasingly use these products as street use fashion wear.

- Ski and Snowboard Wear

  Nowadays some 90% of ordinary sporting goods specialty stores have pulled out of ski wear and ski accessories. The bulk of all sales are concentrated in large sports specialty chain stores with retail floor areas of 1,000 square meters and up.

- Golf Wear

  The main sales channels are department stores and golf specialty stores. Department stores often feature a shop-in-shop for apparel brands and sports brands.

- Tennis Wear

  The main sales channel is sporting goods specialty stores, followed by department stores.

- Outdoor Wear

  These products are sold at sporting goods specialty stores, as well as at specialty stores for each product subcategory (fishing shops, marine sports shops, bike shops, etc.) and department stores. However, foreign-owned outdoor shops (Eddie Bauer, L.L. Bean, etc.) are mounting a strong challenge in this field.

D. Customary Business Practices

1. Business Terms

Sporting goods wholesalers sign authorized agency contracts with multiple makers, and they function as financing, inventory control, and physical distribution intermediaries between makers and retailers (mainly small and medium-sized sporting goods specialty stores). In the past, sporting goods wholesalers mostly employed a follow-up type business model, in which they monitored retail store sales and then restocked items that sold well. Customarily it was allowed to return unsold merchandise to the manufacturer. Terms of payment typically were by "*tegata,*" a form of promissory note, payable in 90-120 days. However, recently international brands have been bypassing wholesalers and doing business directly with sporting goods stores. In particular, Nike's "future order system" (under which retailers order products six months ahead of when they go on sale, purchase the inventory outright with no return privileges and pay for it in cash) is sending major shock waves through the sporting goods distribution field.

2. Pricing Mechanisms

Pricing differs according to the sales channel and the transaction volume involved, but the standard practice is for a gross profit of 12% for the wholesaler and 23% for the retailer.

III. Import Procedures and Regulations

A. Tariff Rates

Tariff rates on apparel products, including sportswear, are broadly classified into those made from knitted material (HS No. 61) and from woven materials (HS No. 62). They are subclassified by gender, product categories (coats, shirts, etc.), textile material (wool, cotton, artificial fibers, etc.), surface processing (plastic, rubber coating, etc.), structure (embroidery, lace, fur present, etc.) and place of origin.

Table 6 presents an outline of tariff rates on sportswear related products. The WTO rates are applied for imports from World Trade Organization (WTO) member nations, and general rates for non-member nations. Preferential rates are applied for imports from developing countries and regions, including Hong Kong, Singapore, Thailand and India, under Generalized System of Preferences. Imports from the Least Less Developed Countries, including Bangladesh and Cambodia, are tariff free.

B. Laws and Regulations at the Time of Import

There are no regulations on the importation of sportswear, and they are not subject to any type of approval or prior confirmation requirements. However, the Customs Tariff Law prohibits the importation of fake brand-name articles and other items that infringe trademarks or design rights. Import prohibited items are either returned, destroyed or voluntarily discarded, although in some cases they may result in criminal charges being filed.

1. Import Prohibited Items by the Customs Tariff Law

- Counterfeit coins (faked, altered or illegally copied)
- Products which infringe trademark or design rights
  (including copies of foreign name brand sportswear or designs that mimic those of well-known designer's work)

Regulatory Agency: Planning and Legal Division, Customs and Tariff Bureau, Ministry of Finance

2. Laws Against Unjustifiable Premiums and Misleading Representation

The law establishes place of origin label standards so that consumers will not mistake a Japanese-made product for a foreign-made product, and so they can readily identify the place of origin. Products with vague, confusing or misleading labeling regarding the place of origin may not be imported into Japan. The place of origin is regarded as the country where work was performed to fundamentally transform an item into the product as it is. In the case of knitted articles, the place of origin is regarded as the place of knitting (including linking), while for woven articles the place of origin is regarded as the place of weaving.

Regulatory Agency: Fair Trade Commission

Table 7 Tariff Rates on Sportswear Related Products

		Article			Rate of Duty: General	WTO 12/31/98	WTO 1/1/99	Preferential	Temporary
Knitted Apparel	Containing embroidery	Overcoats, shirts, T-shirts, jerseys, pullovers, cardigans, vests and track suits			16.8%	14.4%	13.9%	(~12/31/98) ●7.2% ×Free (1/1/99 ~) ●6.95% ×Free	
Knitted Apparel	Containing embroidery	Ski suits	Of synthetic fibres		16.8%	14.4%	13.9%	(~12/31/98) ●7.2% ×Free (1/1/99 ~) ●6.95% ×Free	
Knitted Apparel	Containing embroidery	Ski suits	other		16.8%	13.4%	12.6%	(~12/31/98) ●6.7% ×Free (1/1/99 ~) ●6.3% ×Free	
Knitted Apparel	Other	Overcoats, shirts, T-shirts and track suits			14%	12.8%	12.5%	(~12/31/98) ●6.4% ×Free (1/1/99 ~) ●6.25% ×Free	
Knitted Apparel	Other	Jerseys, pullovers, cardigans and vests	Of cotton	Trainers	14%	12.8%	12.5%	(~12/31/98) ●6.4% ×Free (1/1/99 ~) ●6.25% ×Free	
Knitted Apparel	Other	Jerseys, pullovers, cardigans and vests	Of cotton	Other	14%	12%	11.6%	(~12/31/98) ●6% ×Free (1/1/99 ~) ●5.8% ×Free	
Knitted Apparel	Other	Jerseys, pullovers, cardigans and vests	Of synthetic fibres	Trainers	14%	12.8%	12.5%	(~12/31/98) ●6.4% ×Free (1/1/99 ~) ●6.25% ×Free	
Knitted Apparel	Other	Jerseys, pullovers, cardigans and vests	Of synthetic fibres	Other	14%	12.8%	12.5%	(~12/31/98) ●6.4% ×Free (1/1/99 ~) ●6.25% ×Free	
Knitted Apparel	Other	Jerseys, pullovers, cardigans and vests	Of synthetic fibres	Other: Of acryl	14%	12%	11.6%	(~12/31/98) ●6% ×Free (1/1/99 ~) ●5.8% ×Free	
Knitted Apparel	Other	Ski suits		Of synthetic fibres	14%	12.8%	12.5%	(~12/31/98) ●6.4% ×Free (1/1/99 ~) ●6.25% ×Free	
Knitted Apparel	Other	Ski suits		other	14%	11.8%	11.2%	(~12/31/98) ●5.9% ×Free (1/1/99 ~) ●5.6% ×Free	
Woven Apparel	Containing furskin	Overcoats, rain coats and ski suits			16%	(17.1%)	(16.4%)	8% ×Free	
Woven Apparel	Other	Overcoats, rain coats and ski suits			11.2%	(12%)	(11.6%)	5.6% ×Free	

Source: Customs Tariff Schedule of Japan 1998

< How to Interpret Tariff Table >

Tariff rates are applied in the following sequence: preferential, WTO, temporary, general. However, preferential rates are applied only when the imports meet certain conditions stipulated by statue or administrative regulation. WTO rates are applied if those rates are lower than the temporary rates or the general rates.

The mark ● put to certain preferential rates denotes Prior Allotment Items. *The mark × put to certain preferential rates denotes these rates are applicable only to goods originated in the Least Less Developed Countries.*

C. Laws and Regulations at the Time of Sale

All sportswear sold in Japan, whether made in Japan or imported, must conform to the following requirements.

1. Law for Control of Household Products Containing Harmful Substances

The law established content standards for substances present in textile products that may cause harm to the skin (such as formalin). Textile products with a formalin content of 75 ppm or greater may not be sold in Japan. This requirement also applies to imported products.

Regulatory Agency: Planning Division, Environmental Health Bureau,
Ministry of Health and Welfare

2. Household Goods Quality Labeling Law

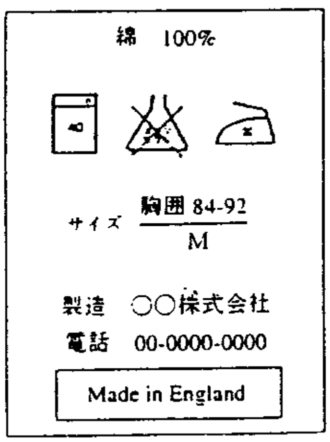
Textile products are required to have labeling in a specified format that indicates textile content, shrinkage factor, flame resistance, household laundry procedures and other care instructions, dimensions, moisture resistance and the name of the indicator.

Regulatory Agency: Product Safety Division, Industrial Policy Bureau,
Ministry of International Trade and Industry

Required Items in Labeling

- Textile content labeling must indicate the names of the textile materials and their proportion, using standard textile names.
- Household laundry procedures and other care instructions shall be indicated using standardized graphical symbols, for washing, bleaching, etc. specified under Japanese Industrial Standards (JIS).
- Labeling must include the name, address and telephone number of the entity responsible for the labeling

Examples of labeling based on the Household Goods Quality Labeling Law



3. Product Liability Law

The Product Liability Law imposes responsibility for indemnification on manufacturers, processors, and importers of products that cause harm to human life and limb or damage to property as a result of product defects. Under provisions of the law, a defect is not simply as a deficiency in product quality, but rather as a failure to provide a commonly accepted level of product safety. In the case of imports, it is the importer who bears the responsibility of indemnification.

Regulatory Agency: Consumer Affairs Division, Industrial Policy Bureau, Ministry of International Trade and Industry

4. Japanese Industrial Standard (JIS)

In Japan, apparel size labeling is expressed as "basic body sizes" (nude sizes) as stipulated by Japan Industrial Standards (JIS), which were adopted to be compliant with ISO standards. If apparel imported from abroad comes with ISO size labeling attached, in principle this labeling should be conformant with JIS labeling. However, JIS labeling is directed only at consumers, whereas ISO labeling is directed not only at consumers, but also at laundry operators and dry cleaners, and it uses different pictorial labeling in the care instructions. Accordingly, it is common to attach separate JIS pictorial labeling to imported apparel products even when they already come with ISO pictorial labeling.

5. Fair Trade Code (Voluntary Labeling Requirements in the Sporting Goods Industry)

The Fair Trade Conference of Sporting Goods, which covers five sporting-goods-related trade organizations, defines the following which apply to the manufacture and sale of sporting goods: (1) items that must appear on labeling, (2) specific labeling standards to prevent the use of labeling that misleads consumers or employs vague expression, and (3) rules governing improper labeling. These are voluntary regulations for the sporting goods industry that apply to member companies of the Conference. While they are not legally binding on non-members, when the law is enforced they are considered equivalent to a Fair Trade Code, the legal effect of which often extends to non-members.

Sporting goods to be covered (sportswear products excerpted)

Sports Category	Product Name
Baseball and softball	Uniforms
Tennis and badminton	Apparel (shirts, shorts, skirts, one-piece items, slacks)
Table tennis	Uniforms
Track and field (including jogging)	Apparel (shirts and pants)
Ball sports	Apparel (shirts and pants)
Skiing	Apparel (jackets, one-piece items, ski pants)
Mountaineering and camping	Apparel (mountaineering long-sleeved shirts and knickerbockers)
Golf	(golf wear not covered)

Required Label Items

The following specific label items must appear on the item itself, in catalogues, in instruction manuals, at the store, and on posters or flyers.

Table 8 <u>Required Label Items for Sporting Goods</u>

Required Item	Requirement for Maker or Importer			Requirement for Retailer	
	Catalogue	Products	Instruction Manual	Products at Store	Flyer
1. Manufacturer name and trademark	○	○		○	○
2. Product name and model	○	○	○	○	○
3. Materials	○	○		○	
4. Dimensions or specifications	○	○		○	
5. Country of origin	○	○		○	
6. Description of accessories	○		○	○	○
7. Usage warning (only when required)	○		○		
8. Company name or personal name, address and telephone number	○		○		○
9. Date of issuance	○				
10. Contacts for after-sales service and customer inquiries	○		○		
11. Retail price				○	○
12. Processing cost (only when required)				○	○
13. Sales quantity or sales term limitation, if applicable					○
14. Other items as required by regulation	○	○		○	

Source: The Fair Trade Conference of Sporting Goods

IV. Recommendations for Market Access

Foreign brands in the Japanese sportswear market may be broadly classified according to three main approaches, as described below.

(1) Finished goods imports
A trading company, apparel maker, sporting goods maker, wholesaler or foreign brand Japanese subsidiary imports the product as finished goods and distribute it into the retail channels.

(2) Production under license in Japan
A licensee makes the product in Japan or another Asian country under a license contract for sale in Japan.

(3) SPA (Specialty retailer of Private label Apparel)
An apparel maker, sporting goods maker or foreign brand Japanese subsidiary imports the product as finished goods, and markets through the company's own direct outlet store or franchise shop as a private brand.

Overseas makers planning to enter the Japanese market have to start by deciding what form of access would be most effective in relation to the company's size, its product characteristics and its marketing strategy. Regardless of which approach is taken, though, all foreign sportswear makers should bear in mind the following recommendations for access to the Japanese market.

- The importance of sizing

  When importing finished goods, one of the key issues that must be faced is the difference in body types between foreigners and Japanese. Especially among older adults and women, even if they find the design of imported sportswear appealing, when the sizing does not fit well, they often refuse to buy the products. One American outdoor wear maker that has succeeded in Japan says in this regard that "makers have to employ sizing for the Japanese market because of differences in the size and shape of the bust, hips and thighs, among women in particular. This is true even with outdoor wear, which tends to be made large."

  The future of the Japanese market rests on hopes for growth in the sporting population among middle-aged and older adults. However, there is greater body type variation among older adults than among the young, and for imported sportswear to capture this market, it will have make sure even more than in the past that sizing matches Japanese people's body types. One large retailer says that "foreign brand A was designed in the United States and produced in China, but older adult customers find that if the shoulder size fits, the sleeves and the body are too long, so the brand doesn't fit well at all. The brand is losing sales because it doesn't offer sizes that fit Japanese people's bodies."

- The importance of product quality control

  The basic attributes demanded of apparel products in the Japanese market are good stitching, strength, and other basic product quality traits. If a product fails to offer good and consistent product quality (no variation in quality), it will not be accepted no matter how well designed or inexpensive it may be.

  Japanese consumers are known for applying more stringent product quality standards than their counterparts in Europe and the United States. They are especially finicky about product finishing and detailing. Products with fraying at the seams, loose fabric or stains are treated as defective in Japan, even if these have no impact on the functionality of the product. Makers need to have in place a product inspection system at the time of shipment in order to eliminate variations in product quality. The Product Liability Law went into effect in 1995 makes importers responsible as sellers of the products they import, and this has led to even greater emphasis than in the past on quality control, in all product areas.

- Developing materials suited to the climate of Japan

  All five of the sportswear product categories covered in this survey are presumably intended for outdoor use. Accordingly, they need to have basic functionality suited to the climate of Japan (warm, humid, and rainy). Features long considered essential for outdoor wear and ski wear (water repellency, heat retention, aeration, rapid drying, light weight) are now being incorporated into golf wear and tennis wear. Thus, demand for higher-performance materials is growing. For example, when snowboarding was first beginning several years ago, most snowboard wear was imported as finished goods from the United States. American imports do not perform well in the characteristic wet snow of Japan (the wear would get drenched when the snowboarder fell down). Because of this, products by Japanese makers have steadily increased their market shares. The leader in the field of high-performance materials is Gore-Tex, but its high cost is problematic, and there is an acute need for new lower-cost material.

- Understanding the characteristics of the Japanese market

  Japan has clearly defined sales seasons, and if a delivery delay causes a product to miss the start of the season, it can be a fatal problem. The apparel industry as a whole faces the issue of the need for quick response to best-selling product trends, and one of the commonly cited reasons for avoiding carrying imports is the excessive risk of delivery delays due to distance and differences in customary practices.

  Moreover, in the case of sportswear, spring and early fall items from Europe and the United States often do not work for Japan. For example, American spring apparel tends to be made of light materials, but since temperatures are still low in Japan during springtime, makers should use the same material but substitute spring-like colors to accommodate the needs of the Japanese market. Early market entrants that have found success in the Japanese market have almost invariably done so by picking out the products that appeal to Japanese people's tastes from the U.S. headquarters' product line. However, another key to their success has been to license production locally for part of their apparel product line in order to get a better match to the Japanese market.

- Channel strategy

  Channel strategy can have a major impact on sales. In Japan, all the various channels, including department stores, mass merchandisers, sporting goods specialty stores and mail order, have different brand image identities. For example, it almost never happens that a brand once sold at a mass merchandiser would subsequently be sold at a department store. In the case of sportswear in particular, it is difficult to sell the same brand simultaneously at a competition-oriented specialty store and at a fashion-oriented department store. Attention also has to be paid to the balance within the same territory between sports specialty chain stores and independent stores. It is possible to avoid channel conflict within the same territory by altering the category of products, taking into consideration the characteristics of various stores.

• Establishing partnerships

Regardless of whether a foreign maker chooses finished goods imports, production under license or SPA, it is extremely important to establish a partnership with a Japanese company in order to succeed in the Japanese market. By establishing a partnership with a company that is going to be seriously engaged in market development over the long term, a foreign maker can keep its new product development and marketing efforts in tune with market changes.

• Long-term approach to marketing strategy

Unless a brand is already well-known around the world, quality design and workmanship will not be enough to yield substantial sales short-term sales in the Japanese market. It takes time, and needs a long-term approach, in order to realize success. For instance, it takes several hundred million yen in advertising to establish and brand or product image in the minds of distributors and consumers in the short run. However, it is possible to use lower-cost means of getting the word out on a product, such as press releases and the Internet. If continued over time, these methods can help get the product well-established in the market.

• Developing niche markets

It takes brand strength and capital resources to sell large quantities of ordinary fashion wear. In addition, leading makers of sportswear items such as jackets and pants rely heavily on development of high-performance materials. However, there remain a number of niche markets between categories and accessories and underwear. There are numerous examples of small foreign makers who have entered the Japanese market with excellent products that offer high functionality and convenience.

Many believe it will be difficult for the sportswear market in Japan to rebound to its size during the economic boom years of the late 1980s. Most Japanese makers and trading companies are pessimistic about growth prospects for their customers. Nevertheless, it is precisely at times like this, when the market has run out of steam when the need is greatest for high added-value products and fresh brands. Any maker that meets the basic market requirements described heretofore has a chance of finding success in the Japanese market.

Appendix 1. Trade Fairs and Exhibitions

The only comprehensive trade fair in the sporting goods industry is the "International Fair for Sports and Leisure," which is held twice annually in the spring and fall. In the latest trend, however, the venue for order placement is shifting from the trade fair to the makers' own in-house exhibitions. Thus, the national scale trade fair is loosing of its significance. As the trade fair for specific category, "Snowboard Japan," organized by Snowboard Industrial Federation of Japan and "International Sport Fishing Exhibition," organized by Japan Fishing Tackle Manufacturer's Association are listed, in addition to "Japan Golf Fair," as described below. But, neither of them are specialized for sportswear.

International Fair for Sports and Leisure

Frequency / Dates : Twice a year (spring and fall) (February 25-27, 1998; August 25-26, 1998)
(February 24-26, 1999; Fall - undecided)

Site : Tokyo Big Sight (Tokyo International Exhibition Center)

Exhibits : Sporting goods & tools, sports equipment, sportswear, sports and leisure-related products

Visitors : 10,593 (February 1998), 3,482 (August 1998)

Scope of Previous Fairs : Exhibitors / 271 (February 1998), 25 (August 1998)

Total number of booths / 1,401 (February 1998), 579 (August 1998)

Organizer : The Sports Industries Federation

Contact : Nougaku Shorin Bldg. 3F, 3-6 Kanda Jinbo-cho, Chiyoda-ku, Tokyo 101-0051
TEL: 03-5276-0141 FAX: 03-5276-0288

Japan Golf Fair

Frequency / Dates : Once a year (February 12-14, 1998; February 9-11, 1999)

Site : Tokyo Big Sight (Tokyo International Exhibition Center)

Exhibits : Golf equipment and accessories, golf wear, information about golf industry, golf seminar, golf lesson, fashion show

Visitors : 42,358 (1998)

Scope of Previous Fairs : Exhibitors /163 (1998)
Total number of booths / 442 (1998)

Organizer : Japan Golf Goods Association

Contact : 6-11-11 Soto-Kanda, Chiyoda-ku, Tokyo 101-0021
TEL: 03-3832-8589 FAX: 03-3832-8594

Appendix 2. Organizations

(1) Government Agencies

Product Safety Div., Industrial Policy Bureau, Ministry of International Trade and Industry
1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo 100-8901
TEL: 03-3501-1511 FAX: 03-3501-6201

(2) Related Organizations

The Sports Industries Federation
Nougaku Shorin Bldg. 3F, 3-6 Kanda Jinbo-cho, Chiyoda-ku, Tokyo 101-0051
TEL: 03-5276-0141 FAX: 03-5276-0288

Association of Japan Sporting Goods Industries
Misaki Bldg. 9F, 3-28-9 Kanda Ogawa-machi, Chiyoda-ku, Tokyo 101-0052
TEL: 03-3219-2041 FAX: 03-3219-2043

The Sporting Goods Wholesalers Association of Japan
Amano Bldg. 3F, 3-5-25 Minami-Senba, Chuo-ku, Osaka 542-0081
TEL: 06-6251-1267 FAX: 06-6251-3125

The Sporting Goods Importers Association of Japan
3-27 Kanda Jinbo-cho, Chiyoda-ku, Tokyo 101-0051
TEL: 03-3265-0901 FAX: 03-3265-0805

Tokyo Sporting Goods Wholesalers Association
Tokyo Sports Kaikan 5F, 5-8-6 Asakusabashi, Taito-ku, Tokyo 111-0053
TEL: 03-3866-7079 FAX: 03-3865-7139

The Fair Trade Conference of Sporting Goods
Misaki Bldg. 4F, 3-28-9 Kanda Ogawa-machi, Chiyoda-ku, Tokyo 101-0052
TEL: 03-3219-2531 FAX: 03-3219-2533

Japan Golf Goods Association
6-11-11 Soto-Kanda, Chiyoda-ku, Tokyo 101-0021
TEL: 03-3832-8589 FAX: 03-3832-8594

(3) Manufacturers (Brand Suppliers)

Descente, Ltd.
1-11-3 Dogashiba, Tennoji-ku, Osaka 543-0033
TEL: 06-6774-0371 FAX: 06-6774-2605

Mizuno Corp.
3-22 Kanda Ogawa-cho, Chiyoda-ku, Tokyo 101-0052
TEL: 03-3233-7037 FAX: 03-3233-7210

Goldwin Inc.
2-20-6 Shoto, Shibuya-ku, Tokyo 150-8517 TEL: 03-3481-7200 FAX: 03-3481-7228

Asics Corp.
4-10-11 Kinshi, Sumida-ku, Tokyo 130-0013 TEL: 03-3624-7576 FAX: 03-3624-2537

Nike Japan Corp.
Tennoz Isle Yusen Bldg. 12F, 2-2-20 Higashi-Shinagawa, Shinagawa-ku, Tokyo 140-0002
TEL: 03-3450-5127 FAX: 03-3450-5731

Phenix Co., Ltd.
5-32-10 Sendagaya, Shibuya-ku, Tokyo 151-8582
TEL: 03-5366-7711 FAX: 03-3341-7725

Fila Div., Kanebo, Ltd.
Kanebo Bldg. 3F, 3-20-20 Kaigan, Minato-ku, Tokyo 108-0022
TEL: 03-5446-3472 FAX: 03-5446-3478

Yonex Co., Ltd.
3-23-13 Yushima, Bunkyo-ku, Tokyo 140-0002
TEL: 03-3836-1221 FAX: 03-3839-6835

Spalding Japan Inc. (License Division)
1-5-18 Shinkawa, Chuo-ku, Tokyo 104-0033 TEL: 03-3206-2006 FAX: 03-3206-2019

Reebok Japan Inc.
7-2-1 Hongo, Bunkyo-ku, Tokyo 113-0033
TEL: 03-3818-2234 FAX: 03-3818-5509

L. L. Bean Japan Inc.
7F, 2-14-2 Ikebukuro, Toshima-ku, Tokyo 171-0014
TEL: 03-3983-6644 FAX: 03-3983-6832

Eddie Bauer Japan Inc.
4, 5F, 17-1 Nihonbashi Hakozaki-cho, Chuo-ku, Tokyo 103-0015
TEL: 03-5641-3762 FAX: 03-3836-3763

Hit Union Co., Ltd.
4-5-26 Ageshio, Tennoji-ku, Osaka 543-0002
TEL: 06-6773-1133 FAX: 06-6772-5603

(4) Leading Wholesalers / Retailers

Ishii Sport Inc.
1-58-1 Yoyogi, Shibuya-ku, Tokyo 151-0053
TEL: 03-5350-0561 FAX: 03-5350-0565

SSK Corporation, Tokyo Branch
3-16-1 Kotobuki, Taito-ku, Tokyo 111-0042
TEL: 03-3843-9111 FAX: 03-3845-2490

J. Osawa Co., Ltd.
4-2-8 Shibaura, Minato-ku, Tokyo 108-0023
TEL: 03-3455-0111 FAX: 03-3798-4628

Tomoe Co., Ltd.
6-18-6 Asakusa, Taito-ku, Tokyo 111-0032
TEL: 03-3874-3147 FAX: 03-3874-2439

Alpen Co., Ltd.
5-25-1 Meieki, Nakamura-ku, Nagoya 450-0002
TEL: 052-583-6320 FAX: 052-583-6370

Shinseido Co., Ltd.
Toyo Tokei Bldg. 6F, 3-11-2 Amanuma, Suginami-ku, Tokyo 167-0032
TEL: 03-3393-5154 FAX: 03-5397-2418

Victoria Co., Ltd.
2-5 Kanda Ogawa-machi, Chiyoda-ku, Tokyo 101-0052
TEL: 03-5282-7755 FAX: 03-5282-7756

Minami Corporation
3-6-4 Kanda Nishiki-cho, Chiyoda-ku, Tokyo 101-0054
TEL: 03-3295-5503 FAX: 03-3293-6390

Mega Sports Co., Ltd.
1-14-9 Kakigara-cho, Nihonbashi, Chuo-ku, Tokyo 104-0014
TEL: 03-5644-3666 FAX: 03-5644-3668

Sportsium Co., Ltd.
2-2-5 Senba Chuo, Chuo-ku, Osaka 541-0055
TEL: 06-6262-4510 FAX: 06-6262-4518