

Report of Down and Feathers Market in Japan 2020



Japan Down Products Corporative Association(JDFA)

Presented by Mr. Masao Yamamoto

The Economy in Japan from 2019 to 2020

In FY2019, slowdown of the Chinese economy, caused by the trade war initiated by the Trump administration, had negative impacts in the world economy. Growth rates in Europe and oil producing countries were placed under pressure and the hiking of consumption tax rates in Japan, effective October 2019, prevented recovery of consumption. Furthermore, unusually warm winter caused a rapid decrease in the sales of bedding goods in December and thereafter.

In such environment, the massive outbreak of pneumonia patients in Wuhan, China was reported in December 2019, and infection of this novel corona virus has spread around the world, despite the implementation of lockdown in Wuhan, effective January 23, 2020.

On March 11, the WHO declared that COVID-19 can be characterized as a pandemic (a worldwide spread). The infection immediately spread in northern Italy in late February. Europe and the U.S became the epicenter of infection and Asia is still troubled by the infection. In Japan, the number of COVID-19 patients rapidly increased in late March. Prime Minister Abe declared the state of emergency for all prefectures on April 16 and demanded citizens to stay at home and refrain from reporting to workplaces until May 6.

Various COVID-19 countermeasures, such as lockdown, closing of factories, work-from-home, are being implemented in various areas, including Europe, the U.S, and India. However, there is concern that the world economy would experience a downturn that is far more serious than the Lehman Shock.

The Economy in Japan from 2019 to 2020

On April 14, 2020, when the number infected by COVID-19 in the world exceeded 1.9 million (7,600 patients or more in Japan) in mid-April, the International Monetary Fund(IMF), referring to the possibility that we would experience the worst recession since the Great Depression, made a significant downward revision to its previous outlook for the world economy issued in January 2020, from a positive 3.3% growth to a negative 5.9% growth. This consists of a negative 5.2% growth for Japan, a negative 5.9% growth for the U.S , a negative 7.5% growth for EU, and a positive 1.2% growth for China. The IMF said that the future economic outlook is extremely uncertain, and presented four scenarios for the impacts of COVID-19. In the best-case scenario, where economic activities restart in the latter half of 2020, the world economy is forecast to grow by 5.8% at the maximum in 2021.

As of end May, the number infected by COVID-19 in the world exceeded 6 million(16,600 patients or more in Japan).We hope things return to normal as soon as possible.

A significant year-on-year decrease is expected for the sales of down products in FY2020, due to negative impacts of unusually warm winter and excessive inventory, as well as weaker demand from consumers. In such serious recession, the sales of down products in the autumn and winter are expected to decrease significantly from the same period in 2019, which will likely cause manufacturers, sales agents, and marketing companies to strive for “survival of the fittest”.

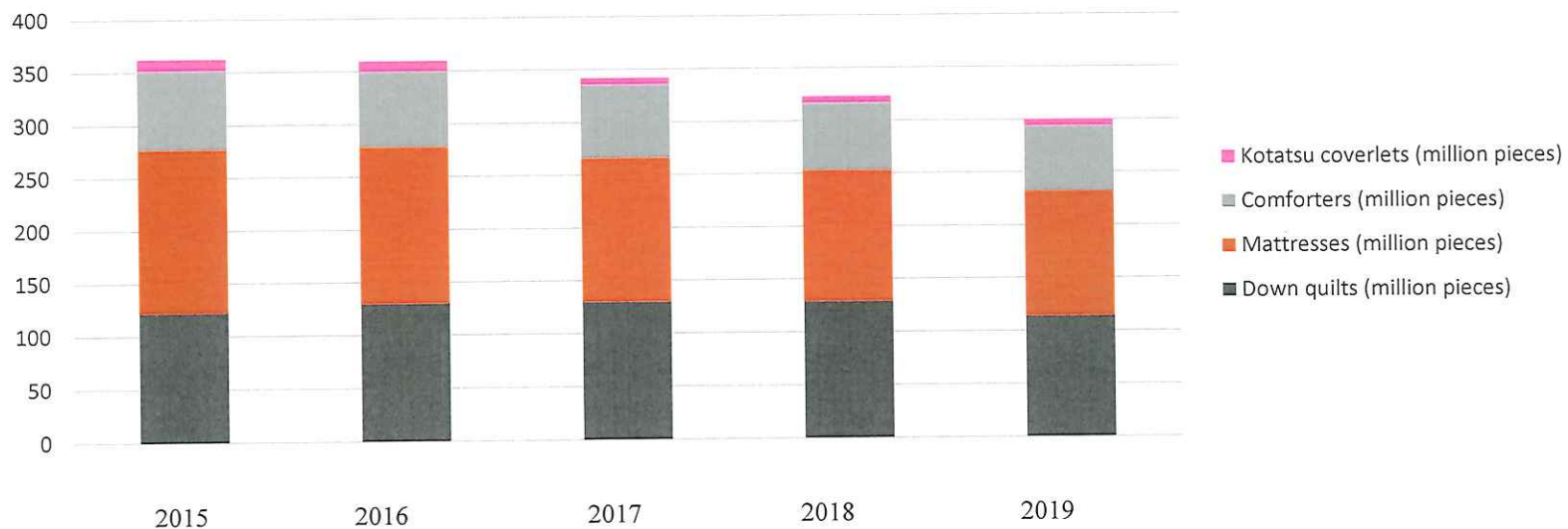
Part1 Latest Situation of Down Quilt Market in Japan



The quantity of down quilt production in Japan stood at 1.14 million sheets in 2019, an 11.5% year-on-year decrease. On the other hand, the import volume, which had been increasing rapidly in recent years, significantly decreased to 2.36 millions sheets, down 0.6 million sheets from 2018(a 20.3% year-on-year decrease). Imported down quilts account for 68% of total quantity of marketed down quilts.

1) Production Volume of Down Quilts from 2015 to 2019

| Year | Down quilts (million pieces) | Mattresses (million pieces) | Comforters (million pieces) | Kotatsu coverlets (million pieces) | Total (million pieces) |
|------|---------------------------------|--------------------------------|--------------------------------|--|---------------------------|
| 2015 | 122 | 155 | 75 | 11 | 363 |
| 2016 | 130 | 148 | 72 | 10 | 360 |
| 2017 | 130 | 136 | 70 | 6 | 342 |
| 2018 | 129 | 124 | 64 | 6 | 323 |
| 2019 | 114 | 118 | 62 | 6 | 300 |



(million pieces)

2) Import of Raw Down Materials from 2017 to 2019

The quantity of imported raw down materials stood at 2,904tons in 2019, a slight increase of 0.3% from 2018. Average unit price was 6,406 yen per KG, a slight increase of 1.1% from 2018.

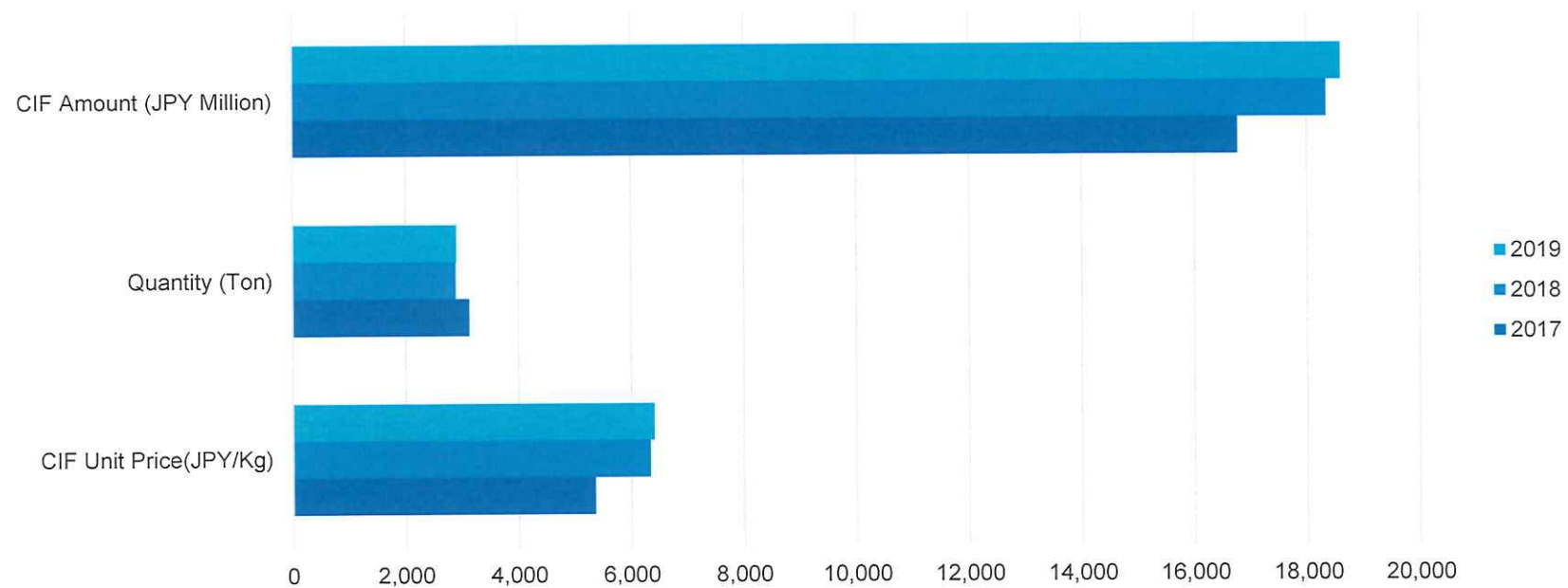
Country-specific quantity of imported raw down materials was 1,002tons for China, a 27.4% year-on-year increase, 823tons for Taiwan, a 25.6% year-on-year decrease, 244tons for Hungary, a 24.6% year-on-year increase, and 141tons for Poland, a 36.1% year-on-year decrease. China and Taiwan together account for 63% of total quantity.



2) Import of Raw Down Materials from 2017 to 2019 in Japan

| Country | Quantity(Kg) | | | CIF Amount(Thousand JPY) | | | CIF Ave. Unit Price(JPY/Kg) | | |
|--------------|------------------|------------------|------------------|--------------------------|-------------------|-------------------|-----------------------------|--------------|--------------|
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| China | 1,039,052 | 786,638 | 1,001,790 | 4,896,243 | 4,618,811 | 5,201,043 | 4,712 | 5,872 | 5,192 |
| Taiwan | 1,032,412 | 1,091,395 | 823,285 | 4,259,753 | 5,308,863 | 3,902,824 | 4,126 | 4,864 | 4,741 |
| Poland | 260,921 | 221,272 | 141,325 | 2,368,509 | 2,357,643 | 1,790,943 | 9,077 | 10,655 | 12,673 |
| France | 247,761 | 180,683 | 179,388 | 1,236,682 | 1,124,952 | 1,222,654 | 4,991 | 6,226 | 6,816 |
| Hungary | 242,044 | 196,123 | 244,369 | 1,737,982 | 1,584,449 | 2,474,222 | 7,180 | 8,079 | 10,125 |
| Burgaria | 85,486 | 96,828 | 112,749 | 423,695 | 636,896 | 721,455 | 4,956 | 6,578 | 6,399 |
| Canada | 56,380 | 12,180 | 12,040 | 315,133 | 78,141 | 81,582 | 5,589 | 6,416 | 6,776 |
| Ukraine | 43,901 | 113,131 | 94,966 | 453,508 | 890,608 | 765,488 | 10,330 | 7,872 | 8,061 |
| Russia | 39,897 | 54,167 | 65,760 | 372,277 | 609,095 | 834,250 | 9,331 | 11,245 | 12,686 |
| Spain | 33,737 | 47,009 | 54,993 | 179,637 | 297,400 | 357,679 | 5,325 | 6,326 | 6,504 |
| Germany | 19,871 | 26,086 | 13,939 | 138,315 | 192,674 | 119,285 | 6,961 | 7,386 | 8,558 |
| Vietnam | 12,080 | 45,740 | 143,540 | 27,751 | 230,257 | 865,100 | 2,297 | 5,034 | 6,027 |
| Iceland | 1,195 | 1,081 | 700 | 264,742 | 232,998 | 142,538 | 221,541 | 215,539 | 203,626 |
| Other | 17,830 | 23,801 | 15,454 | 100,217 | 184,021 | 126,015 | 5,620 | 7,732 | 8,154 |
| TOTAL | 3,132,567 | 2,896,134 | 2,904,298 | 16,774,444 | 18,346,808 | 18,605,078 | 5,355 | 6,335 | 6,406 |

2) Import of Raw Down Materials from 2017 to 2019 in Japan



| | CIF Unit Price(JPY/Kg) | Quantity (Ton) | CIF Amount (JPY Million) |
|------|------------------------|----------------|--------------------------|
| 2019 | 6,406 | 2,904 | 18,605 |
| 2018 | 6,335 | 2,896 | 18,347 |
| 2017 | 5,355 | 3,132 | 16,774 |

3) Import of Down Quilts from 2017 to 2019 in Japan

The quantity of imported down quilts stood at 2.36 million sheets in 2019, a significant decrease of 20.3% from 2018. However, average unit price was 3,775 yen per sheet, a 5.2% year-on-year increase.

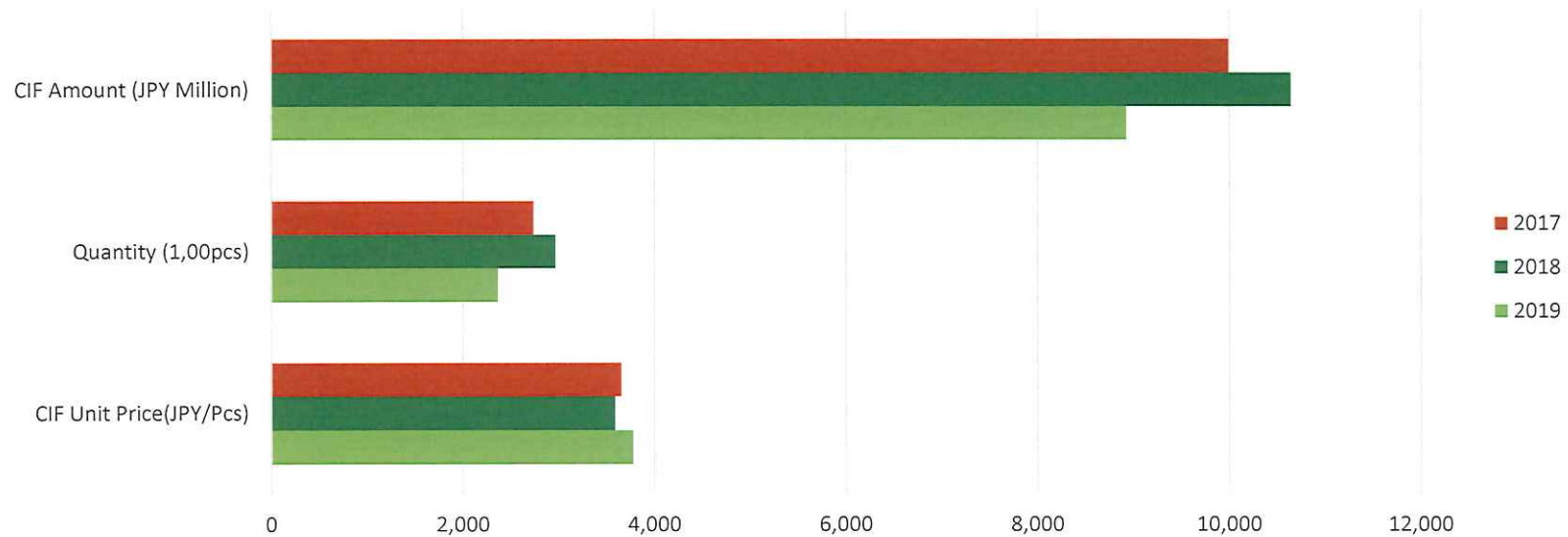
Country-specific quantity of imported down quilts was 2.11 million sheets for China, a 20.6% year-n-year decrease, and 0.23 million sheets for Vietnam, a 20.1% year-on-year decrease. China and Vietnam together account for 99.9% of total quantity.



3) Import of Down Quilts from 2017 to 2019 in Japan

| Country | Quantity(Piece) | | | CIF Amount(Thousand Yen) | | | CIF Ave. Unit Price(Yen/Kg) | | |
|-------------|-----------------|-----------|-----------|--------------------------|------------|-----------|-----------------------------|--------|--------|
| | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| China | 2,573,458 | 2,662,634 | 2,113,667 | 8,914,711 | 8,942,850 | 7,597,249 | 3,464 | 3,359 | 3,594 |
| Vietnam | 146,225 | 286,785 | 229,007 | 733,720 | 1,260,174 | 799,102 | 5,018 | 4,394 | 3,489 |
| Germany | 4,800 | 8,737 | 7,118 | 217,767 | 317,849 | 283,606 | 45,368 | 36,380 | 39,843 |
| USA | 3,951 | 7,043 | 5,040 | 26,359 | 55,770 | 49,033 | 6,671 | 7,919 | 9,729 |
| Taiwan | 3,092 | 1,227 | 0 | 6,004 | 22,021 | 0 | 1,942 | 17,947 | 0 |
| Denmark | 2,928 | 802 | 7,676 | 46,704 | 8,315 | 141,547 | 15,951 | 10,368 | 18,440 |
| Poland | 25 | 273 | 816 | 1,478 | 13,773 | 10,390 | 59,120 | 50,451 | 12,733 |
| Switzerland | 306 | 246 | 204 | 13,862 | 17,088 | 10,946 | 45,301 | 69,463 | 53,657 |
| Finland | 130 | 42 | 333 | 5,500 | 2,324 | 24,194 | 42,308 | 55,333 | 72,655 |
| Austria | 88 | 40 | 0 | 9,165 | 301 | 0 | 104,148 | 7,525 | 0 |
| Other | 1,918 | 387 | 964 | 20,555 | 5,039 | 10,055 | 10,717 | 13,020 | 3,745 |
| TOTAL | 2,736,921 | 2,968,216 | 2,364,825 | 9,995,825 | 10,645,504 | 8,926,122 | 3,652 | 3,586 | 3,775 |

3) Import of Down Quilts from 2017 to 2019 in Japan



| | CIF Unit Price(JPY/Pcs) | Quantity (1,000pcs) | CIF Amount (JPY Million) |
|------|-------------------------|---------------------|--------------------------|
| 2019 | 3,775 | 2,365 | 8,926 |
| 2018 | 3,586 | 2,968 | 10,645 |
| 2017 | 3,652 | 2,736 | 9,995 |

Part 2 Major Initiatives Taken by JDFA Over the Last Year



1) JBA Traceability Audit System (J-TAS)

The JBA Traceability Audit System was put into operation last year as the final measure to counter origin deceptions. According to the Japan Bedding Goods Association (JBA), which is its operational body and the upper organization of JDFA, 39 companies around the world have participated in J-TAS as of May 31, 2020.

19 companies from the European block, 8 companies from the Asian block and 12 companies from Japan.

Starting from the goods for the 2020 autumn/winter season, down quilts bearing J-TAS labels, i.e., those with origin guarantees, will be sold in the Japanese market. Accordingly, we request non J-TAS companies to promptly join J-TAS and accept the audit.

2) Measures against fake down, such as Glue Down

1. Development to date:

①At the IDFB plenary meeting in Tallinn, 2018, JDFA raised this issue related to Glue Down. Similar reports were also provided by our counterparts in South Korea and IDFL.

②At the IDFB plenary meeting in Lu'an, 2019, the China Feather & Down Industrial Association(CFDIA) provided a report on the Glue Down assessment method. We(JDFA) also provided explanation on the progress in the assessment.

③At the technology exchange seminar in the 3-party Down Products Meeting among China/Taiwan/Japan held in Tainan in September 2019, CFDIA & JDFA provided updates on the Glue Down assessment method, which were followed by concentrated discussions. The three parties mutually confirmed their agreement on information sharing and detection of sham manufacturers emitting Glue Down.



2. Publication of “Testing Method for Detecting fake Down”

Since June, 2018, the JDFA Technical Committee has been examining the testing methods for detecting fake down, such as Glue Down. Since then, various amendments have been made and the following conclusion was reached.

Testing methods consist of Appearance Evaluation and Microfiche Evaluation.

1) Appearance Evaluation

- ① Clump of down and feathers
- ② Status of fiber in down and feathers
- ③ Compression and recovery of down and feathers

2) Microfiche Evaluation

- ① Residual foreign matter in the down
- ② Residual landfowl fiber etc in the down

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3. Establishment of the Safety and Health Testing Method

In July 2018 after IDFB plenary meeting was held in Tallinn in June 2018, the Safety And Health Committee in JDFA was launched to supplement the testing methods for detecting Glue Down, The Committee was participated by five specialized testing institutions.

- 1) **Kaken Test Center**
- 2) **Boken Quality Evaluation Institute**
- 3) **Japan Textile Products Quality and Technology Center**
- 4) **Nissenken Quality Evaluation Center**
- 5) **Umou Science Lab**

As a result, in July 2019, the JDFA Testing Method was published, covering a wide range of subjects, from health check of down to Viable Bacteria Count Test. Furthermore, from the perspective of safety check of down, the Zebrafish Embryo Toxicity Test was published ,as a draft testing method of the JDFA Testing Method.

3) Revisions of JDFA Gold Label quality standards

1. Revisions to the turbidity standards for the Gold Label

Taking into consideration the quality of recently imported down materials, the turbidity standards for the Gold Label, the quality standards of JDFA, will be revised for the top-two labels, effective April, 2021.

| Gold Label | Down Content | Down Power | Turbidity |
|------------|--------------|---------------|-----------------|
| Premium | 93% or more | 440dp or more | 1,000mm or more |
| Royal | 90% or more | 400dp or more | 1,000mm or more |
| Excel | 80% or more | 350dp or more | 500mm or more |
| New | 50% or more | 300dp or more | 500mm or more |

2. Established the quality standards for recycling down

In August 2019, JDFA set force the quality standards for recycled down installed in down quilts generally sold in the market. The turbidity standard was set at 1,000mm or more. Quality standards other than turbidity are as follows:

- ①Content :Must comply with the Household Goods Quality Labeling Act administered by the Consumer Affairs Agency
- ②Down Power :250dp or more
- ③Oxygen Number:4.8mg or less
- ④Specie : No indication allowed
- ⑤Origin : No indication allowed



3. Preparation for revision to JIS terms & testing method

Major Changes in this JIS revision are as follows:

① Definition of Down

At least three barbs growing from one scantily sketched down core

② Definition of Residual Matter

Less than 3mm length of down, feather and fiber in addition to foreign matter

③ Fill Power(Down Power)

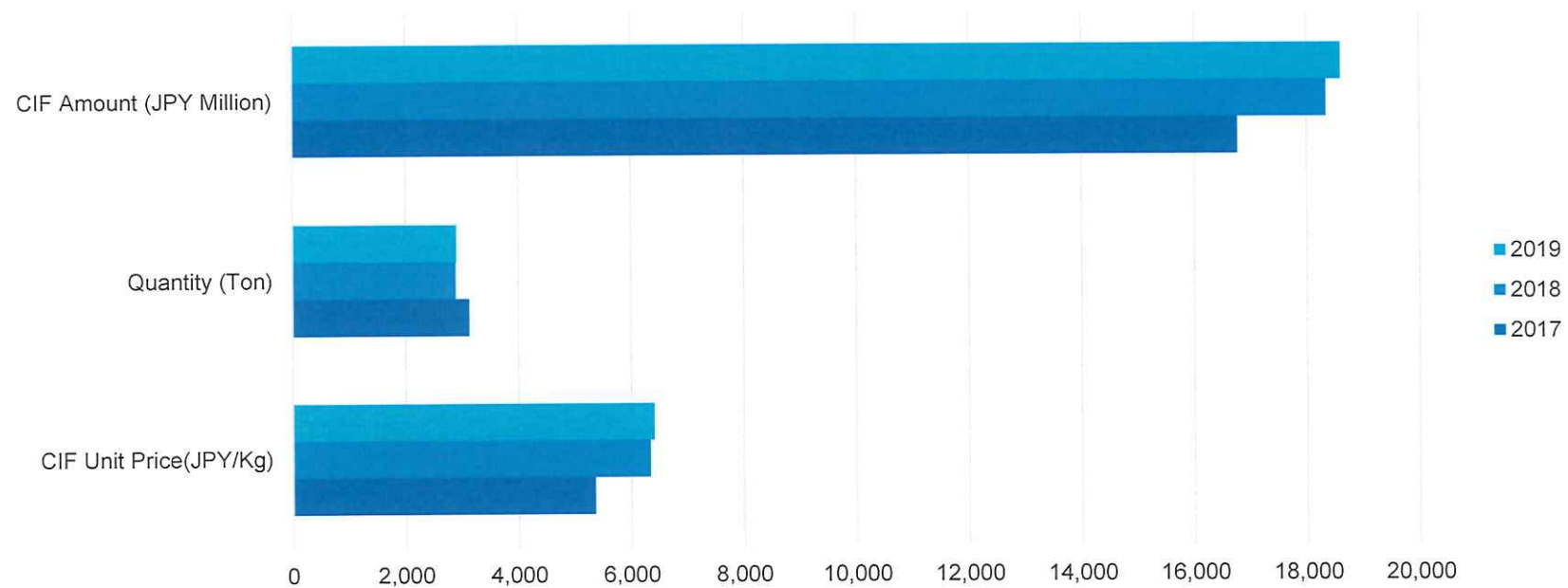
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JIS revision draft will be submitted by end of 2021. We are planning to obtain approval for these revisions by June, 2022.



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4) Measures taken by JDFA for activating the sales of quilt

Due to the impact of COVID-19, the Japanese economy is rapidly declining, as seen in the sudden drop of GDP. Against the backdrop of weak economic outlook, the consumers market for bedding goods has rapidly deteriorated. In order to overcome this crisis, JDFA has provided its members with following tools as sales promotion measures for the 2020 autumn/winter season.

①DVD containing Gold Label sales promotion video(Disclosed via JDFA YouTube channel and JDFA website from June1st)

URL: <https://youtu.be/xSs4RmBJSxs>

②Gold Label sales promotion brochures

③Gold Label sales promotion leaflets



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