

Report of Down and Feathers Market in Japan 2021



JDFA Japan Down Products Corporative
Association
Presented by Mr. Masao Yamamoto

The Economy in Japan from 2020 to 2021

In FY 2020, major countries in the world except China(2.3% year-on-year growth) experienced the worst negative real GDP growth rates since the Lehman Shock, due to, for example, implementation of lockdowns in major cities in the world, necessitated by rapid worldwide infection of COVID-19(a negative 3.5% year-on-year growth in the United States and a negative 6.5% year-on-year growth in EU).

The United States and China, which have early developed vaccines and started vaccination in early 2021, are expected to succeed in steadily recovering their economics, as announced by the IMF on April 6(See the table below, showing the revised growth rates).

| Worldwide | Growth rate in 2021 | Growth rate in 2022 |
|-----------|---------------------|---------------------|
| Japan | 3.3% | 2.5% |
| U.S | 6.4% | 3.5% |
| EU | 4.4% | 3.8% |
| China | 8.4% | 5.6% |

The Economy in Japan from 2020 to 2021

In Japan, although the government has declared a state of emergency in April 2020 and has taken various measures, such as economic stimulus measures, the real GDP growth rate was a negative 4.8%, and many sectors, including travel, air transportation, and retailing, were compelled to mark a sharp decrease in profits.

In April 2021, however, the government declared, for the third time, a state of emergency in Tokyo Metropolis and three other prefectures, due to the sharp increase in the number of COVID-19 patients in and after March 2021. The fourth wave of COVID-19 inflection has not diminished, as proven by the fact that on May12, two other prefectures and on May16, three other prefectures were added to the list of prefectures in the state of emergency. There is concern that economic growth would be slow down.

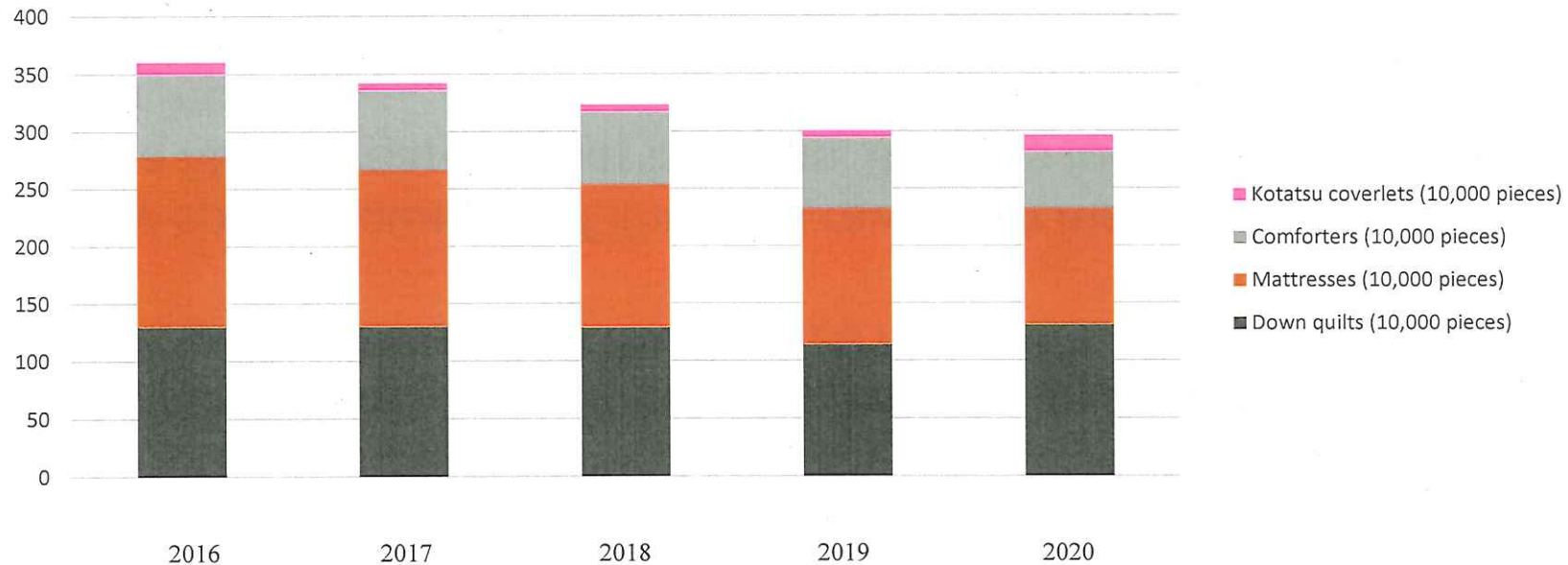
Part1 Latest Situation of Down Quilt Market in Japan



The quantity of down quilt production in Japan stood at 1.31 million sheets in 2020, an 15.2% year-on-year increase. On the other hand, the import volume increased to 2.42 millions sheets, up 0.06 million sheets from 2019(a 2.5% year-on-year increase). Imported down quilts account for 65% of total quantity of marketed down quilts.

1) Production Volume of Futons from 2016 to 2020

| Year | Down quilts (10,000pieces) | Mattresses (10,000 pieces) | Comforters (10,000 pieces) | Kotatsu coverlets (10,000 pieces) | Total (10,000 pieces) |
|------|-------------------------------|-------------------------------|-------------------------------|---|--------------------------|
| 2016 | 130 | 148 | 72 | 10 | 360 |
| 2017 | 130 | 136 | 70 | 6 | 342 |
| 2018 | 129 | 124 | 64 | 6 | 323 |
| 2019 | 114 | 118 | 62 | 6 | 300 |
| 2020 | 131 | 101 | 50 | 14 | 296 |



(10,000 pieces)

2) Import of Raw Down Materials from 2018 to 2020

The quantity of imported raw down materials stood at 3,268tons in 2020, a large increase of 12.5% from 2019. Average unit price was 4,434 yen per KG, a large decrease of 30.8% from 2019.

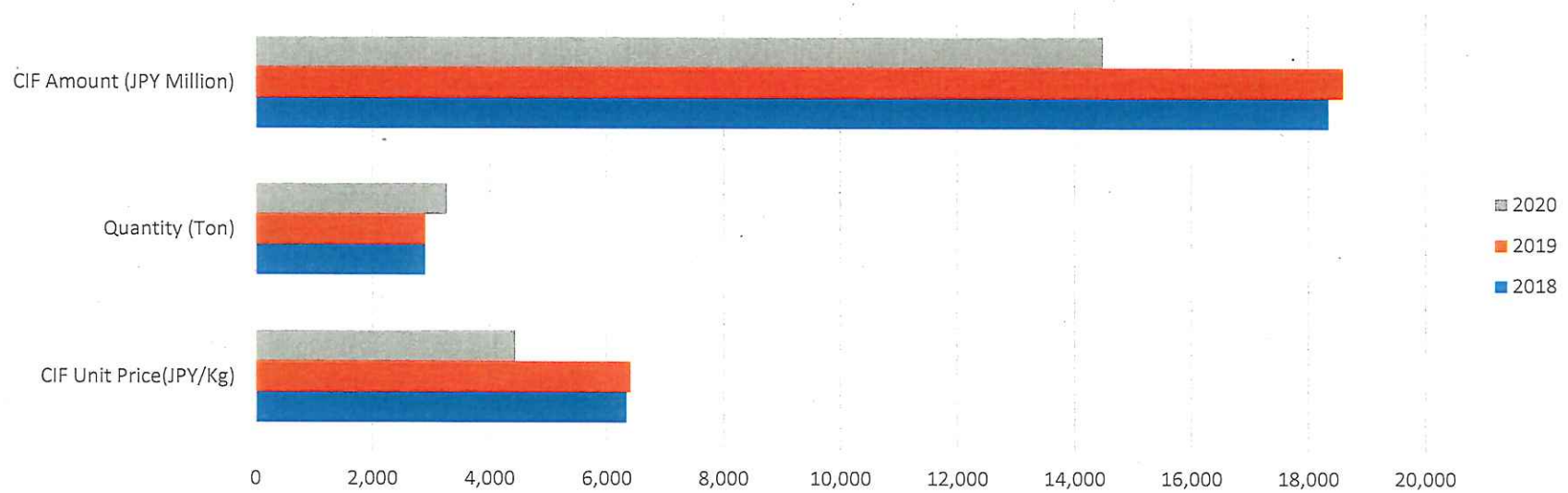
Country-specific quantity of imported raw down materials was 1,598tons for China, a 59.5% year-on-year increase, 970tons for Taiwan, a 17.8% year-on-year increase.



2) Import of Raw Down Materials from 2018 to 2020 in Japan

| Country | Quantity(Kg) | | | CIF Amount(Thousand JPY) | | | CIF Ave. Unit Price(JPY/Kg) | | |
|----------|--------------|-----------|-----------|--------------------------|------------|------------|-----------------------------|---------|---------|
| | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
| China | 786,638 | 1,001,790 | 1,597,819 | 4,618,811 | 5,201,043 | 5,704,499 | 5,872 | 5,192 | 3,570 |
| Taiwan | 1,091,395 | 823,285 | 970,033 | 5,308,863 | 3,902,824 | 3,332,369 | 4,864 | 4,741 | 3,435 |
| Poland | 221,272 | 141,325 | 95,214 | 2,357,643 | 1,790,943 | 1,187,249 | 10,655 | 12,673 | 12,469 |
| France | 180,683 | 179,388 | 163,680 | 1,124,952 | 1,222,654 | 936,937 | 6,226 | 6,816 | 5,724 |
| Hungary | 196,123 | 244,369 | 142,322 | 1,584,449 | 2,474,222 | 1,327,915 | 8,079 | 10,125 | 9,330 |
| Burgaria | 96,828 | 112,749 | 73,086 | 636,896 | 721,455 | 432,696 | 6,578 | 6,399 | 5,920 |
| Canada | 12,180 | 12,040 | 15,920 | 78,141 | 81,582 | 111,933 | 6,416 | 6,776 | 7,031 |
| Ukraine | 113,131 | 94,966 | 33,166 | 890,608 | 765,488 | 297,801 | 7,872 | 8,061 | 8,979 |
| Russia | 54,167 | 65,760 | 37,144 | 609,095 | 834,250 | 455,686 | 11,245 | 12,686 | 12,268 |
| Spain | 47,009 | 54,993 | 48,288 | 297,400 | 357,679 | 226,853 | 6,326 | 6,504 | 4,698 |
| Germany | 26,086 | 13,939 | 910 | 192,674 | 119,285 | 10,258 | 7,386 | 8,558 | 11,273 |
| Vietnam | 45,740 | 143,540 | 85,020 | 230,257 | 865,100 | 354,288 | 5,034 | 6,027 | 4,167 |
| Iceland | 1,081 | 700 | 416 | 232,998 | 142,538 | 66,055 | 215,539 | 203,626 | 158,786 |
| Other | 23,801 | 15,454 | 5,141 | 184,021 | 126,015 | 45,388 | 7,732 | 8,154 | 8,829 |
| TOTAL | 2,896,134 | 2,904,298 | 3,268,159 | 18,346,808 | 18,605,078 | 14,489,927 | 6,335 | 6,406 | 4,434 |

Import of Raw Down Materials from 2018 to 2020 in Japan



| | CIF Unit Price(JPY/Kg) | Quantity (Ton) | CIF Amount (JPY Million) |
|------|------------------------|----------------|--------------------------|
| 2018 | 6,335 | 2,896 | 18,347 |
| 2019 | 6,406 | 2,904 | 18,605 |
| 2020 | 4,434 | 3,268 | 14,490 |

3) Import of Down Quilts from 2018 to 2020 in Japan

The quantity of imported down quilts stood at 2.42 million sheets in 2020, a slight increase of 2.5% from 2019. However, average unit price was 3,217 yen per sheet, a 14.8% year-on-year decrease.

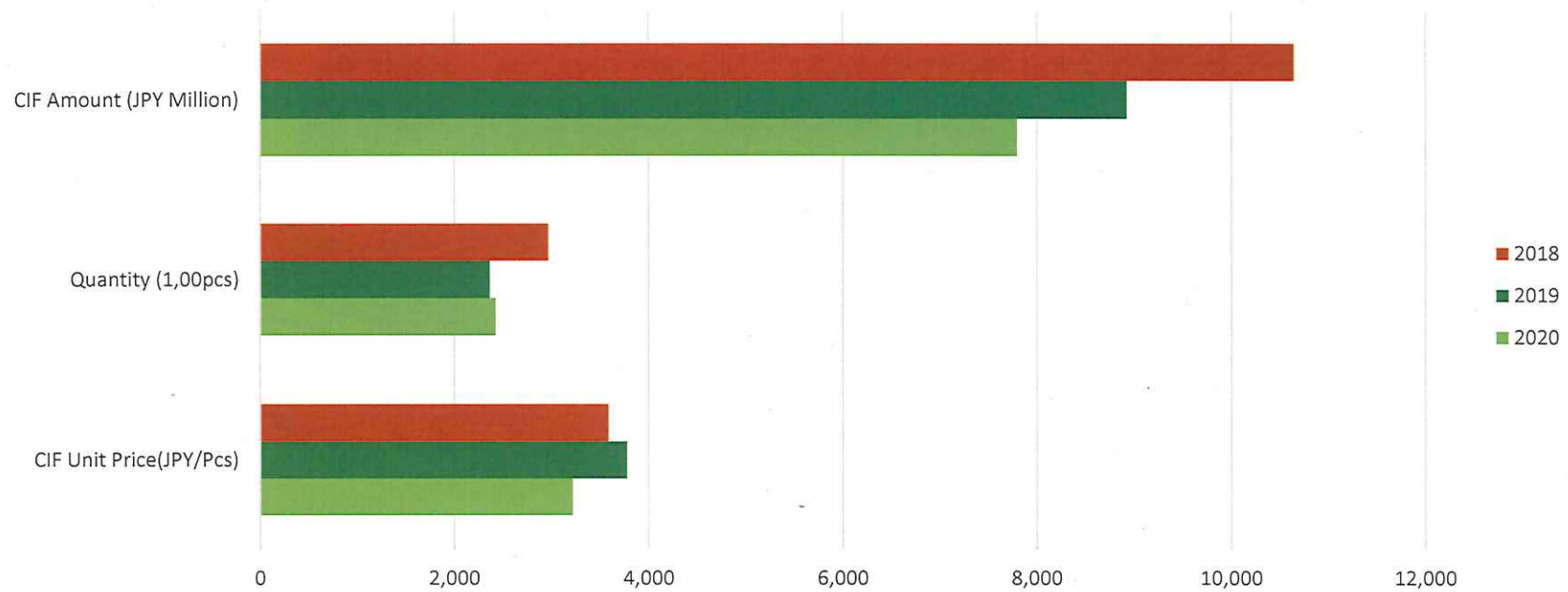
Country-specific quantity of imported down quilts was 1.94 million sheets for China, a 8.3% year-on-year decrease, and 0.47 million sheets for Vietnam, a 204% year-on-year increase.



3) Import of Down Quilts from 2018 to 2020 in Japan

| Country | Quantity(Piece) | | | CIF Amount(Thousand Yen) | | | CIF Ave. Unit Price(Yen/Kg) | | |
|-------------|-----------------|-----------|-----------|--------------------------|-----------|-----------|-----------------------------|--------|--------|
| | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 |
| China | 2,662,634 | 2,113,667 | 1,937,892 | 8,942,850 | 7,597,249 | 5,791,570 | 3,359 | 3,594 | 2,989 |
| Vietnam | 286,785 | 229,007 | 467,705 | 1,260,174 | 799,102 | 1,609,644 | 4,394 | 3,489 | 3,442 |
| Germany | 8,737 | 7,118 | 5,201 | 317,849 | 283,606 | 205,500 | 36,380 | 39,843 | 39,512 |
| USA | 7,043 | 5,040 | 4,644 | 55,770 | 49,033 | 38,237 | 7,919 | 9,729 | 8,234 |
| Taiwan | 1,227 | 0 | 100 | 22,021 | 0 | 257 | 17,947 | 0 | 2,570 |
| Denmark | 802 | 7,676 | 5,968 | 8,315 | 141,547 | 115,313 | 10,368 | 18,440 | 19,322 |
| Poland | 273 | 816 | 531 | 13,773 | 10,390 | 7,363 | 50,451 | 12,733 | 13,866 |
| Switzerland | 246 | 204 | 39 | 17,088 | 10,946 | 1,539 | 69,463 | 53,657 | 39,462 |
| Finland | 42 | 333 | 46 | 2,324 | 24,194 | 4,319 | 55,333 | 72,655 | 93,891 |
| Austria | 40 | 0 | 0 | 301 | 0 | 0 | 7,525 | 0 | 0 |
| Other | 387 | 964 | 1,220 | 5,039 | 10,055 | 23,343 | 13,020 | 3,745 | 19,134 |
| TOTAL | 2,968,216 | 2,364,825 | 2,423,346 | 10,645,504 | 8,926,122 | 7,797,085 | 3,586 | 3,775 | 3,217 |

Import of Down Quilts from 2018 to 2020 in Japan



| | CIF Unit Price(JPY/Pcs) | Quantity (1,000pcs) | CIF Amount (JPY Million) |
|------|-------------------------|---------------------|--------------------------|
| 2020 | 3,217 | 2,423 | 7,797 |
| 2019 | 3,775 | 2,365 | 8,926 |
| 2018 | 3,586 | 2,968 | 10,645 |

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 in 2019 as the final measures to counter origin deceptions. According to the Japan Bedding Goods Association(JBA), which is its operational body and the upper organization of JDFA, 41 companies around the world have participated in J-TAS as of May31, 2021.

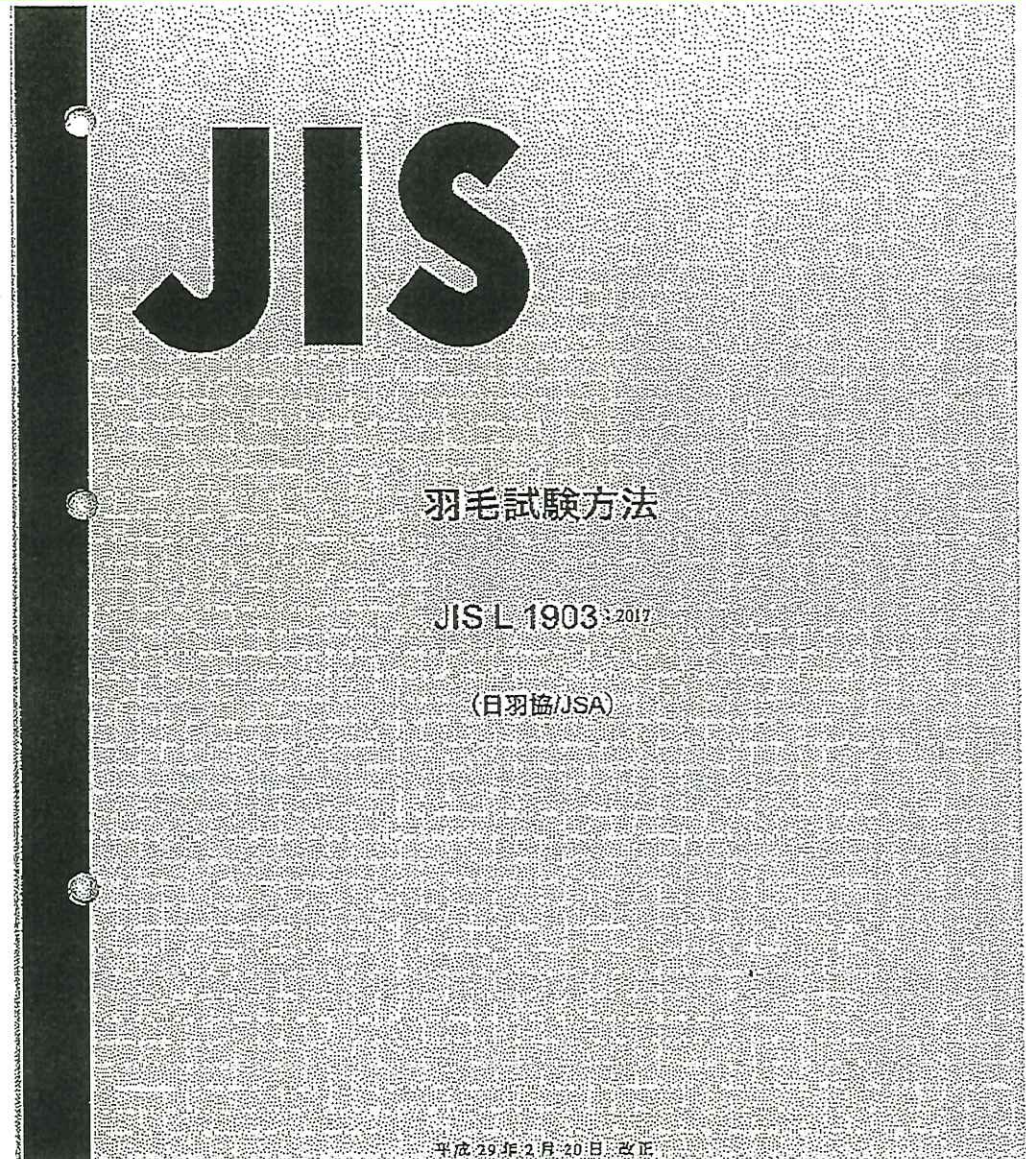
21 companies from European block, 9 companies from Asian block and 11 companies from Japan.

If you are not J-TAS member yet, we request again to promptly join J-TAS and accept the audit.

2) Revision of "JIS Glossary of terms in feathers"

In November 2020, JDFA subscribed to a public offering by JSA (Japanese Standards Association) for drafting revisions to the "JIS Glossary of terms used in feathers", including definitions of down and "Testing methods for feathers" associated therewith, in order to protect consumers from inappropriate feathers, such as Glue Down and crushed feathers. The proposed revisions were adopted in January 2021.

In response to this move, a committee for drafting JIS, composed of consumer bodies, user bodies, down and feathers manufacturer bodies, and testing institutions, was established in April 2021.



2)-2 Contents of JIS Revision

Revision of Glossary of terms JIS L 0216

| No | Item | Main Revision |
|----|-----------------------------------|--|
| 1 | Down | <ul style="list-style-type: none">➤ Least three barbs connected at one point.➤ If the length of down is less than 3 mm, it will be residual matter. |
| 2 | Down fiber Feather fiber | <ul style="list-style-type: none">➤ If the length of fiber is less than 3 mm, it will be residual matter. |
| 3 | <u>landfowl</u> feathers fiber | <ul style="list-style-type: none">➤ Add definition. |
| 4 | damaged feather | <ul style="list-style-type: none">➤ Add damage rate. |

1

3) Revision of the quality standard for Gold Label by JDFA

Among the quality standards for the Gold Label, the standards for turbidity of both Premium Gold and Royal Gold were revised, from "500mm or more" to "1,000mm or more", effective April 2021, taking into account the quality of recently-imported raw down materials and quality standards for recycled down and feathers which were set forth in July 2019.

| Gold Label | 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 |

4) Sales promotion activities for down quilts by JDFA

After proposing to JDFA members, DVDs and leaflets/brochures for promoting sales of down quilts in May 2020, the following videos were posted on the JDFA website and YouTube. Specifically, videos titled “Points to Check Before Purchasing Down Quilts” were published in four versions by December 2020 and those titled “Down Quilts Storage, Handling Method, Cleaning, Reform” were published in four versions by April 2021.



Thank you for your kind attention

