

14 September 2017

We request a solution to the
“Exhibition Cancellation Issue”
 due to the Tokyo Olympics

- Because Tokyo Big Sight will be used as the Olympic Media Center for a period of 20 months, the equivalent of 232 exhibitions will be cancelled and 78,000 companies (mostly SME’s) will lose JPY 2 trillion (US\$ 18.2 billion) in revenue (*1)
- We wish for a successful 2020 Tokyo Olympic Games. At the same time, we strongly request the Tokyo Metropolitan Government, the Olympic Committee and the Japanese Government ensure that all the above said exhibitions be allowed to take place on the same scale as usual.

1 . Restricted availability of Tokyo Big Sight

- ① The East Halls, which account for 70% of Tokyo Big Sight’s capacity, will be closed for 20 months, and will be used as a broadcasting facility.
- ② The remaining West Halls and South Halls will also be completely closed during May to September 2020.
- ③ Only an average of 35% of the exhibition space will be available for a 20-month period
 By simple calculation, this means that an exhibition which currently has 1,000 exhibitors will have to be reduced in size to a point where it can accommodate only 350 exhibitors, and the attraction and usefulness of such a show will decrease sharply.

Availability of space at Tokyo Big Sight over 20 months

(as of May 31, 2017)

Exhibition Halls	April 2019 – March 2020												April – November 2020														
	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11							
East Hall (67,380㎡)	Not Available (Used as Media Center)																										
West Hall (29,280㎡)													Not Available (Used as Media Center)														
South Hall (20,000㎡)	Construction															Not Available (for Security Reasons)											
Available Exhibition Space (sqm)	29,280			49,280												0											49,280
Rate of available space for total exhibition area before restriction (96,660㎡)	30%			50%												0%											50%

Average Space Available for 20 months: 35%

2. Countermeasures taken by Tokyo Metropolitan Government (construction of a temporary exhibition center)

- ① The Tokyo Metropolitan Government (TMG) has announced that it plans the **Construction of a temporary exhibition center** as a countermeasure to alleviate the situation that only an average 35% of the exhibition space would be available for a 20-month period.
- ② While this move by TMG is appreciated, **it does not solve the problem**. The reasons are as follows:
 - The size of the temporary exhibition center is **just 1/4 the size of Tokyo Big Sight**, and even combining the space at the temporary exhibition center and the available space at Tokyo Big Sight, the **total available space is still only 54% (average over 20 months)**.
 - Because the temporary exhibition center is **1.5km away from Tokyo Big Sight (a 20-minute walk)**, there are concerns that such a divided exhibition would lose the largest merit of exhibitions which is the gathering of all exhibitors and visitors under one roof. As a result, **the motivation of exhibitors and visitors to participate will decrease drastically, and the exhibition could end up being cancelled**.

(A) Available Exhibition Space at Tokyo Big Sight

Current Tokyo Big Sight Use Plan	Exhibition Halls	April 2019 – March 2020												April – November 2020										
		4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11			
	East Hall (67,380m ²)	Not Available (Used as Media Center)																						
West Hall (29,280m ²)													Not Available (Used as Media Center)											
South Hall (20,000m ²)	Construction												Not Available (for Security Reasons)											
Available Exhibition Space (sqm)	29,280			49,280									0						49,280					

(B) Available Exhibition Space at Temporary Exhibition Center

(1.5km away from Tokyo Big Sight)

	April 2019 – March 2020												April – November 2020										
	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11			
Available Exhibition Space (sqm)	23,200												0 (Not Available)						23,200				

Aggregate Available Space at Tokyo Big Sight (A) and the Temporary Exhibition Center (B)

	April 2019 – March 2020												April – November 2020															
	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11								
Sum of Tokyo Big Sight & New Temporary Exhibition Center (m ²)	52,480			72,480									23,200						0					72,480				
Rate of available space for total exhibition area before restriction (96,660m ²)	54%			74%									24%						0%					74%				

Average Space Available for 20 months: 54%

3 . Huge losses caused by cancellation and downsizing of exhibitions for 20 months

① About 78,000 exhibitors, mostly small and medium-sized enterprises (SMEs), will lose JPY 2 trillion in sales

Over 95% of the exhibitors of the exhibitions held at Tokyo Big Sight are SMEs. These SMEs may have great products, but selling them can be challenging for them because often they do not have an effective marketing channel or sufficient budget to advertise their products. This is why exhibitions, where they can meet tens of thousands of potential buyers, have traditionally been the most important marketing opportunity for them.

It is often said that Japan's economy is built on SMEs, so the cancellation of even one exhibition could lead to a great loss in revenue for SMEs, and some of them could even face bankruptcy. This in turn would have a knock-on negative impact on large companies and lead to a stagnation in Japan's economy.

② Some 1,600 exhibition-services companies will lose about JPY 230 billion in sales, and many of them will go bankrupt (*2)

Around 1,600 exhibition service companies are working at Tokyo Big Sight over a 20-month period. For example, each week over 1,000 craftsmen from booth decorating companies work to set up and dismantle booths for an average exhibition. This cycle of work has been repeated over decades. The materials and equipment they use are specifically tailored for exhibitions, so it is difficult for them to serve a different industry. This means that the cancellation or downsizing of exhibitions could lead to the bankruptcy of these companies.

Moreover, although hotels around Tokyo Big Sight are expected to be completely booked during the Olympic Games, they are also likely to suffer significant loss in revenue due to a huge decrease in the number of guests caused by cancellation/downsizing of exhibitions for the period of 20 months.

③ "Revitalization of industries" will stagnate and global competitiveness decrease

It is not only transactions that take place at exhibitions but also numerous other activities take place between exhibitors and visitors such as new product announcements, meeting new customers, observing industry trends, personnel exchanges, tie-ups and acquisitions. In this way, exhibitions play an important role to promote the revitalization of different industries. Therefore, if exhibitions have to be cancelled or downsized, their essential meaning will be lost, and the global competitiveness of each industry in Japan will be significantly lowered.

④ Exhibitors may seek alternative exhibitions overseas and not return to exhibitions in Japan even after the Tokyo Olympics

Just as automotive-related shows are held in dozens of countries, there are multiple trade shows serving specific industries around the world that compete against each other. Moreover, various countries actively supporting the expansion of their domestic trade shows. This is because the bigger the scale of a trade show, the bigger will be the presence and influence of that country in the global industry and the more competitive the country will be.

If exhibitions in Japan are cancelled or downsized for 20 months, many companies will shift to exhibitions in China, South Korea, Hong Kong and Singapore, etc., and will never come back to Japan. Moreover, once exhibitors switch to a different exhibition, they tend to stick with the new location for a long time: there is no guarantee that they will come back to Japan after the Tokyo Olympic Games.

It has been suggested that the exhibitions that are normally held at Tokyo Big Sight can be downsized in scale, postponed until after the Olympics or held in venues in other cities, etc., but such suggestions are not realistic for the following reasons:

- If exhibitions are significantly reduced in size, the number of visitors would decrease drastically because of the smaller number of exhibiting companies. This would inevitably cause exhibitors to cancel their participation, and there is even the possibility that the exhibition itself would need to be cancelled.
- Other exhibition venues are also mostly fully occupied, making it very difficult for most exhibition organizers to move their exhibitions to regional venues. Makuhari Messe will also be used as an Olympic Arena, and is in reality hardly an alternative.

4. An exhibition is a "market" just like Tsukiji, and so they also deserve an alternative location

At Tokyo's famous Tsukiji fish market, some 1,000 companies have been generating sales of approximately JPY 600 billion for decades. Consequently, they are considered to have a "right to continue their business." This is the reason why the Tokyo Metropolitan Government **decided to relocate the Tsukiji market to Toyosu, a site with the same floor area as the current market.**

Each exhibition that is held at Tokyo Big Sight is effectively a "market" just like the Tsukiji market. The number of exhibitors, visitors and the volume of trade is much larger and more international, and exhibitions deliver a much vaster benefit to the Japanese economy.

Therefore, we consider that **exhibitions should be provided with an alternative venue with the same capacity as Tokyo Big Sight**, just like the case of Tsukiji.

5. The issue will become deeper as the Olympics approach

JEXA conducted a survey of their members in April 2017, six months after the announcement of the plan to build a temporary exhibition center. A total of 86% of the organizers and 89% of the services companies replied that "the problem of exhibitions to be cancelled has not been solved."

In January 2017, JEXA submitted a petition signed by 80,000 people to Tokyo Governor Ms. Koike asking for the issue to be resolved. The number of people signing the petition continues to increase, and reached over 150,000 in August.

The number of people requesting asking for the issue to be properly resolved is increasing as the date of Olympics approaches. There are widespread concerns that this problem will cause serious social and economic issues starting in 2019 when exhibitions will begin to be cancelled or reduced.

6. We still have time! Let's aim for a Fundamental Solution

Solution 1 Building a temporary exhibition center with the same capacity as Tokyo Big Sight (100,000 SQM) in the greater Tokyo area. (*5)

If there is no way to change the plan to use Tokyo Big Sight as the media centre for the Olympic Games, the only possible solution is to construct a temporary venue with the same capacity in the greater Tokyo area.

Possible candidate sites for such a temporary venue are the vicinity of Haneda Airport, the Yokohama Minato Mirai district, Yamashita Futo, and Makuhari Messe. The most ideal site is the

disaster prevention park that is located right next to Tokyo Big Sight. This will be the best solution if the government decides to do so.

Some experts have advised that with the latest technologies, it would be possible to build a venue within one year with a construction cost of JPY10 to 20 billion. Several domestic and overseas companies have expressed an interest in funding part of the construction cost if the facility could continue to be used after the Olympic Games.

There are many people who think if it would prevent the loss of JPY 2 trillion, the investment of JPY 20 billion to build the venue is a rational choice and would benefit the interest the citizens of Tokyo and Japan.

Solution 2 Building the Media Center in a location other than Tokyo Big Sight

The current plan is to completely re-purpose Tokyo Big Sight into a media centre and then restore it for use as an exhibition venue after the Olympic Games. This has never been done for a previous Olympics.

There are many experts who are concerned that the conversion of Tokyo Big Sight into a media center, and then restoring it back to an exhibition facility would cost a huge amount of money. Given the size of the cost, the current plan should be reviewed and the building of a new media centre somewhere else than Tokyo Big Sight should be considered.

Experts have advised that it would be possible to build a media centre of 60,000 to 80,000 square meters within in one year and with a construction budget of 25 billion yen. Some of the possible locations are, like the temporary venue, the vicinity of Haneda Airport, Yokohama Minato Mirai district, and the disaster prevention park. Other suitable locations have been put forward and we welcome other suggestions in addition to those mentioned above.

Finally

We sincerely wish to ask leaders in the political, governmental and economic circles to consider the matter not only as an issue just for the exhibition venue and exhibition industry, but also as an issue encompassing the revitalization and development of Japan's economy, and to commit themselves to resolving this issue from this wider perspective.

- End of Statement -

(General Incorporated Association) Japan Exhibition Association

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and JEXA member companies (excluding exhibition venues)



(*1) 1. The number of exhibitions cancelled in the 20 months: 232 exhibitions

Tokyo Big Sight officially announced the annual number of exhibitions held in the facility as 304 in April 2017. The number of exhibitions during the 20 months would be 506 (304 exhibitions/12 months x 20 months^{*1}). By simple calculation, the number of cancelled exhibitions would be 232 (506 exhibitions x 46%^{*2})

2. The number of companies that would be unable to exhibit during the 20 months: 78,261 companies

According to JEXA, 102,080 Japanese companies annually exhibit at the exhibitions held at Tokyo Big Sight. Thus, the number of exhibitors in 20 months is calculated to be 170,133 (102,080 companies/12 months x 20 months)^{*3}, and the number of companies that would be unable to exhibit would be 78,261 (170,133 companies x 46%^{*2})

3. The sales amount lost during the 20 months: JPY 2.07 trillion

"Sales" refers to Tokyo Big Sight's official reports in which "Sales Amount at Exhibition" is defined as the sales amount of JPY 2.7 trillion generated through new business opportunities created at exhibitions. Thus, JPY 2.07 trillion is to be lost in revenue (2.7 trillion/12 months x 20 months=JPY 4.5 trillion, JPY 4.5 trillion x 46%=JPY 2.07 trillion)

(*2) The number of services companies and their sales amount lost during the 20 months: 1,666 companies/JPY 232.1 billion

According to JEXA, 1,000 companies annually provide services to the exhibitions held at Tokyo Big Sight. Thus, 1,666 companies would be affected by the 20 months of shut-down (1,000 companies/12 months x 20 months=1,666 companies^{*3}) The annual sales amount refers to official statements by Tokyo Big Sight and Tokyo Metropolitan Office (July 2007), defining the amount as JPY 302.8 billion a year.

It is calculated to be JPY 232.1 billion (JPY 302.8 billion/12 months x 20 months=JPY 504.6 billion, 504.6 billion x 46%= JPY 232.1 billion)

^{*1} Exhibitions with multiple editions are counted by their number of editions.

^{*2} Unavailable space rate is estimated in the chart Page 2.

^{*3} Companies with multiple participation are counted by the number of times they participate.

Please visit the JEXA website if you are:

- ① **A company/organization that agrees with this Official Announcement, or**
- ② **An individual who agrees to sign the petition**

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