Overview of the Japanese Exhibition Industry

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This report explains the Japanese exhibition industry in an easy-to-understand manner. Overseas stakeholders often inquiries about trends in the Japanese exhibition industry. However, few materials and speech scripts are available that illustrate the Japanese exhibition industry because the Japan Exhibition Association and other groups associated with MICE have been unenthusiastic about disseminating information on the Japanese exhibition industry as a whole. Therefore, this report explains the situation of the Japanese exhibition industry also for people not involved in it. This report is based on my personal understanding and does not reflect the opinions of the Japan Exhibition Association. Feel free to contact me if you have any questions or comments.

"Exhibitions and Fairs in MICE"

Over the past 10 years, the term "MICE" (abbreviation for Meetings, Incentives, Conventions and Exhibitions) or "MICE industry" has been widely used. It is important that "MIC" and "E" have completely different characteristics even though they compose the same term. Since MIC are temporary events, the parties concerned put great energy into inviting or attracting such events. This category includes large events such as the Olympics and World Cup Games as well as international conferences such as UN conferences, academic conferences, and incentive tours. Once such an event has taken place in a particular city or town, it may be a long time until it is held there again. On the other hand, exhibitions are continuously held semiannually, annually or biannually. In comparison, while MIC events profit the parties concerned only during the events because of their temporary characteristic, exhibitions benefit the parties concerned every year. Moreover, exhibitions have a far greater economic ripple effect than other MIC events. The number of exhibitors can reach 100,000 companies and the number of visitors can also be enormous. In addition, following a large number of contracts concluded at exhibitions, the production of goods and the provision of services are started, which leads to new employment and profit. Thus, exhibitions contribute greatly to economic growth.

"Types of Exhibitions and Fairs"

There are various categories of exhibitions and fairs. Firstly, they can be categorized into exhibitions of capital goods, that of consumer goods and fairs of other services and software. Secondly, they can be categorized into exhibitions based on the B-to-B business, the B-to-C business or the B-to-B&C business. In the past, they also used to be categorized into comprehensive fairs (or general exhibitions) and specialized fairs that cover specific industries, but this categorization is not used any more. In Japan, the terms “exhibition” and “fair” are used in a confusing manner. Originally, the term “fair” meant an exhibition of product samples to gain new business opportunities, and the term “exhibition” was used in a slightly broader sense, closer to promotion rather than just intending to instigate business negotiations. In this report, these terms are taken to have the same meaning.

“Brief History of Exhibitions and Fairs in Japan”

In Japan, modern exhibitions and fairs which we can see began around the early 1950s, with an exhibition of office equipment in 1949, and an audio fair in 1952. Japan was short of foreign currency after World War II and so the government and private sector cooperated to promote exports. In April 1954, “the First Japan International Trade Fair (Osaka)” was held in Osaka as a comprehensive fair covering all sectors. This was followed by “the First Japan International Trade Fair (Tokyo)” held in May 1955. From 1960 onward, this exhibition was held in Tokyo and Osaka alternately with the titles of the fairs changed to “the Tokyo International Trade Fair” and “the Osaka International Trade Fair.” Since amusements at that time were limited and not as diversified as those of the present day, the fairs were a popular form of entertainment for Japanese people. The Tokyo International Trade Fair came to an end in 1995, when its 21st fair was held, while the Osaka International Trade Fair ended in 2002, when its 25th fair was held, which marked the end of comprehensive fairs.

The number of specialized fairs focusing on specific industries increased gradually. “The First International Machine Tools Fair” was held in Osaka in 1962, and the second was held in Tokyo in 1964. “The Osaka International Textile Machinery Show” was firstly held in Osaka in 1976. Although Tokyo is now takes the overwhelming lead as a fair city, Osaka was the birthplace of fairs. Since the launch of the above-mentioned fairs, specialized exhibitions and fairs of various industries have been held. A list of the years when the first exhibition or fair of each industry was held until the 1960s follows:

1949: The Office Equipment Exhibition (renamed the Business Show later)
1952: The All Japan Audio Fair
1954: The All Japan Auto Show (the current Tokyo Motor Show)
The Japan International Trade Fair
1956: The Japan Refrigeration and Air Conditioning Equipment Exhibition (renamed the HVAC & RJAPAN later)
1960: The Tokyo Metal Association Big Fair (renamed the Tokyo Metal Association Grand Fair later)
The Maintenance Show
1961: The Japan Welding Show (the current International Welding Show)
1962: The Japan International Machine Tools Fair (Osaka)
The Tokyo Boat Show (renamed the Tokyo International Boat Show later)
The Transport and Stevedoring Machinery Exhibition (renamed the Transport and Packaging Machinery Exhibition later)
The Japan Electronics Industry Exhibition (renamed the Electronics Show later)
1964: The Japan International Machine Tools Fair (Tokyo)
The Japan Packaging Machinery Exhibition (Japan Pack) (renamed the Japan International

Packaging Machinery Show later)

1965, 1966: The Tokyo International Good Living Show

1968: The Coin Machin Show (renamed the Amusement Show later)

The Union of International Fairs (UFI - the Global Association of the Exhibition Industry) was established in Milan in 1925 and now has its headquarters in Paris. As of 2015, it is composed of 670 companies and organizations in total, including 620 exhibition organizers, exhibition venues and supporting companies and 50 organizations. In 1956, the Second Osaka International Trade Fair became the first fair in Asia certified by the UFI. In 1982, the 49th UFI General Meeting was held in Asia, which was the first UFI's general meeting held in the region. After that, the 63rd UFI General Meeting was held in Tokyo in 1996 as the anniversary of the opening of Tokyo Big Sight.

"History of Constructing Exhibition Venues"

No exhibition or fair can be held without a venue.

Until the opening of Tokyo Big Sight, exhibitions including the Tokyo International Trade Fair had been held at the Harumi venue in Koto Ward, Tokyo. The Harumi venue was constructed by Tokyo International Trade Center during the period from 1959 to 1961. It consisted of four pavilions including the East Pavilion, the West Pavilion, the South Pavilion and the New Exhibition Pavilion with a total area of 36,092 square meters. There were also the 20,029 square-meter total area of pavilions including Pavilion A, Pavilion B and Pavilion C constructed by the Tokyo International Trade Fair Commission (the predecessor of the present Tokyo Big Sight Inc.) during the period from 1972 to 1975, bringing the grand total area of these pavilions in the Harumi venue to 56,121 square meters. In Osaka, until the completion of Intex Osaka, the Minato venue had been used, which was constructed by Osaka City. On the Minato venue, Exhibition Pavilion I was constructed in 1956, followed by Exhibition Pavilions II and III. Both in Tokyo and Osaka, large exhibition venues were newly constructed to meet the needs of the time when buildings became obsolete and the economy was rapidly growing.

The following is a chronological list of the years when major exhibition venues were constructed in Japan. Each exhibition venue was extended after its opening. The present exhibition area of each venue is shown in parentheses below.

1972 Ishikawa Industries Exhibition Hall (Ishikawa Pref. 17,718m2)

1973 Port Messe Nagoya (33,946 m2)

1977 West Japan General Exhibition Center (16,517m2)

1979 Ikebukuro Sunshine City Convention Center Tokyo (Tokyo, 12,513m2)

1981 Kobe International Exhibition Hall（Hyogo Pref. 13,600m2）

1982 Twin Messe Shizuoka (Shizuoka Pref. 11,900m2)

1985 Intex Osaka (Osaka Pref. 70,078m2)

1989 Makuhari Messe (Chiba Pref. 72,000m2)

1991 Pacifico Yokohama (Kanagawa Pref. 20,000m2)

1995 Marine Messe Fukuoka (Fukuoka Pref. 8,795m2)

1995 Yume Messe Miyagi (Miyagi Pref. 8,795m2)

1996 Tokyo Big Sight (Tokyo, 80,660m2)
1996 Miyako Messe (Kyoto Pref., 9,763m2)
1997 Tokyo International Forum (Tokyo, 5,000m2)
1998 Gran Messe Kumamoto (Kumamoto Pref. 8,544m2)
2003 Toki Messe (Niigata Pref. 7,800m2)

The above list shows that Japan has only three venues that have an area of more than 70,000 square meters for exhibitions: Tokyo Big Sight, Makuhari Messe and Intex Osaka. These venues are followed by medium exhibition venues that have an area of more than 20,000 square meters for exhibition, including Port Messe Nagoya and Pacifico Yokohama. With regard to exhibition venues that have an area of more than 10,000 square meters, there are the following six venues: Twin Messe Shizuoka, Ishikawa Industries Exhibition Hall, West Japan General Exhibition Center, Kobe International Exhibition Hall, Ikebukuro Sunshine City Convention Center and Marine Messe Fukuoka.
The Japan Exhibition Association always calls for new construction and extension of exhibition venues. The current Japanese exhibition venues are far smaller than the venues in European countries and China, and even smaller than the venues in Korea, Thailand and Singapore. Countries that have a venue with an area of more than 100,000 square meters include China with 11 venues, and Korea, Thailand and Singapore with one venue each. Sao Paulo, where I used to be stationed, is almost as large as Tokyo in terms of population and has three venues with an area of more than 60,000 square meters. Since Japan is aims to attract large numbers of exhibitions, major exhibition venues should be constructed and existing ones extended. In terms of the area of exhibition venues by country, Japan ranks second after China. For details, refer to Chart 4 "The growth in the numbers and areas of exhibition venues in Asia (2014 to 2016)" in the attached sheet.

The following organizations are related to exhibition venues:
(1) The National Exhibition Venue Liaison Council (ZENTENREN)
This council was established in 1982. The original name was "the Liaison Council for Managers and Operators of Exhibitions," and was renamed later. It has 52 member organizations and 62 facilities. This is a nationwide, private organization of operators of public convention facilities aiming for improved efficiency in operating and managing facilities and for contribution to the promotion and development of both national and regional industries and trade, in which 69 organizations participated. The combined exhibition area of the entire council is about 560,000 square meters. This council is operated by MICE JAPAN Co. LTD.
(2) The Large Exhibition Venue Liaison Council (DAITENREN)
This council was established in 1996. The combined exhibition area of the entire council is about 310,000 square meters. It has the following seven members: Tokyo Big Sight, Makuhari Messe, Intex Osaka, Port Messe Nagoya, Pacifico Yokohama, West Japan General Exhibition Center and Marine Messe Fukuoka.

"The Japanese Government Initiative for the Development of the Exhibition Industry"

Here, I briefly explain the administration of the exhibition industry in Japan. For the administration of tourism, the Japan Tourism Agency of the Ministry of Land, Infrastructure and Transport and Tourism drafts tourism policies, and the Japan National Tourism Organization (JNTO, a national tourism organization) executes these policies. In other words, they are in charge of operations equivalent to the "MIC" of the term MICE. Meanwhile, exhibitions and fairs, equivalent to the "E" of the term MICE, are mainly handled by the Creative Industries Division of the Commerce and Information Policy Bureau, the Ministry of Economy, Trade and Industry. Although officers used to be in charge of the Tokyo and Osaka International Trade Fairs at the General Affairs Division of the International Trade Bureau, no one was responsible for the entire exhibition industry. There was a division responsible for international expositions, but that division also covered other areas. Thus, in Japan, there have been no competent and powerful organizations to support and promote the development of exhibitions and no independent administrative agency to follow up exhibition and fair policies. Japan External Trade Organization (JETRO) is responsible for organizing participants in overseas fairs and domestic exhibitions and for international exposition business, but is not concerned with any policies relating to the exhibition industry. In the past, the Tokyo and Osaka International Trade Fairs received large subsidies via JETRO, but those were for the purpose of supporting developing nations, not for supporting the exhibition industry. As stated above, there has been a significant difference in the energy that the government puts into the tourism industry and that into the exhibition industry. This may be because exhibition organizers have been listed in industry categories only relatively recently while tourism has been recognized as an industry for a long time.

"Outline of Exhibitions and Fairs in Japan"

Below, I describe five key points of exhibitions and fairs in Japan.
The first point is that the ratio of promotion-based exhibitions is high. In Europe, exhibitions and fairs originate from markets, as shown in each language's word for "market," such as *fair* (English), *foire* (French), *feria* (Spanish), *fiera* (Italian) and *messe* (German). At markets, goods are purchased and sold. Exhibitions and fairs are places for negotiations and concluding contracts. In contrast, Japanese people placed less importance on exhibitions than Europeans because Japan had a different distribution system characterized by long channels in which goods flow from manufacturers to consumers via a first wholesaler, a second wholesaler and a retailer. This distribution system has been gradually simplified recently, however, the tradition of the long distribution channels still exists. A promotion-based exhibition is not for concluding contracts but for exchanging business cards, obtaining catalogues and exchanging opinions, and actual business negotiations take place after the exhibition. For overseas exhibitors, this means that it takes a considerable time to become known in the Japanese market. The Japanese market is large and attractive, but exhibitors need to continuously participate in an exhibition for three to five years to be successful. This characteristic of exhibitions in Japan is gradually changing because of fiercer competition in the exhibition industry, which is leading to more exhibitions and fairs held by private organizers transitioning from promotion-based exhibitions to negotiation-based exhibitions. Even exhibitions held by industrial sectors, which used to be promotion-based, are trying to understand the needs of participants and place more emphasis on the results of negotiations because organizers would be harshly criticized if there were no opportunities for negotiations. Exhibitors, who have put their energy into participating in the exhibition, are justified in seeking specific results, and

therefore more of them now consider cost effectiveness important. In this regard, a large number of Japanese companies disburse the exhibition participation expenses from publicity and advertising expenses while most European companies disburse them from sales promotion expenses. The disbursement of publicity and advertising expenses is, like social expenses, changeable depending on conditions such as whether the economy is in a period of boom or bust. In contrast, since sales promotion expenses are necessary for a company, the disbursement of these expenses is not affected by economic conditions. In the face of increasingly fierce competition among domestic sponsors and with China, Hong Kong, Korea and Singapore, Japan needs to continue this transition to negotiation-based exhibitions.

The second point is that compared to Japanese exhibitions, many European exhibitions are based on a clear concept and exhibits that are outside a category are not allowed. A list of exhibits must be submitted in advance to ensure that any exhibit not conforming to a specific concept is not displayed. For example, when I worked for JETRO and tried to have the ceramics made in Mizunami City of Gifu Prefecture exhibited in the section for high-grade ceramics of "Ambiente" by Messe Frankfurt, the sponsor checked the exhibit samples in advance and only after a thorough examination were those ceramics finally allowed to be displayed. "Maison and Objet" held in Paris is also known for its thorough screening in advance. Meanwhile, exhibition organizers in Japan do not usually carry out such strict screening and are more tolerant. For example, there might be a wine-tasting counter at a booth not related to the food business, or a foot-massage counter at a booth unrelated to health and relaxation. Also, while European fairs are held for the purpose of exhibiting samples and prohibit or limit spot sales, Japanese fairs even allow spot-sales counters. An increasing number of sponsors are placing emphasis on concept-oriented exhibitions and has not been completely implemented yet in Japan and also in many other Asian countries. Even in Europe, some exhibitions are not strictly concept-oriented. However, this trend is clearly observed in China, where competition is fierce.

The third point is that there are only a small number of international fairs. Since business can be fully conducted within the vast Japanese domestic market, little attention has been paid to overseas markets. The situation is the same in the United States. However, because the market size of the United States is far larger than that of Japan, overseas exhibitors come to participate in the U.S. exhibitions without any promotion being carried out. In Europe, where countries share borders and export dependency is high, large numbers of international fairs are held. Although Japan had no definition of an international exhibition before, the third-party certification system of exhibitions was established and this system defined an international exhibition as one with 10% of the total exhibitors or 5% of the total visitors participating from abroad. While it is true that the definition of an international fair or exhibition slightly differs from country to country, UFI and ISO also adopted the definition of "one with 10% of the total exhibitors or 5% of the total visitors participating from abroad" as the international standard. The 2016-2017 version of "*Specialized Fairs in Japan*," an exhibition directory that has been published annually by JETRO both in Japanese and English since 1987, shows that 63 cases of the 416 total exhibitions listed in this directory have titles including terms such as *kokusai*, international and Asia, which amount to only 15% of the total number of exhibitions. Of these cases, the number of fairs that conform to the above-mentioned definition is estimated to be far less.

The fourth point is that the released figures on the number of visitors to exhibitions are unreliable. The fair superpowers of Germany and France have established a consensus that the correct number of visitors or exhibitors must be announced to organizers, exhibitors and visitors, in the understanding that such announcements will help strengthen their international competitiveness. Looking at countries outside Europe, however, the third-party certification of exhibitions is not being implemented on a large scale. Even the United States has not reached any consensus, and the third-party certification system has not adequately developed yet. In Asia, a third-party certification system has not been widely adopted in Singapore or Korea, either. In China, there is not even any mention of the third-party certification system on exhibition websites. Instead, however, a large number of exhibitions are certified by UFI. The number of fairs certified by UFI is as follows: of the total of 934 exhibitions, there were 89 exhibitions in China; 35 exhibitions in Korea; 11 exhibitions in Singapore; 107 exhibitions in Germany; and 23 exhibitions in France. Japan has only 2 exhibitions certified by UFI. The third-party certification system in Japan was started in Fiscal 2012. The number of exhibitions certified by this system is growing gradually with 8 exhibitions in Fiscal 2012, 10 exhibitions in Fiscal 2013, 8 exhibitions in Fiscal 2014, and 18 exhibitions in Fiscal 2015.

In Japan, there is no consensus on whether visitor-based or visit-based counting should be adopted. Even in the case of visit-based counting, a count is often taken for every entry and exit although a count should normally be taken only for one visit per day. The number of visitors is often inflated in the case of an organizer's announcement, meaning that exhibitors and visitors are not regarded as important by sponsors in Japan. Japanese exhibitors do not protest against this point, and seem unconcerned.

The fifth point is the variety of types of exhibition organizers. Japanese exhibition organizers can be categorized into the following six groups: private organizers, organizers in industrial sectors, organizers in the publishing and newspaper sectors, organizers that own exhibition venues, municipal governments and governmental agencies, and executive committees. According to the announcement made by POP Inc., the details of exhibition organizers of the total of 714 exhibitions (multiple counting) held in 2014 are as follows:

Type of Organizers	Number of exhibitions	Share %
Private & public industrial associations, cooperatives	293	41%
Press, Publishing , Broadcasting	93	13%
Local governments, governmental agencies, academies	31	4%
Private organizers	212	30%
Organizing committees	78	11%
Others	7	1%
Total	714	100%

A detailed explanation follows:

(1) Private sponsors:

There are two types of private sponsors: foreign-owned and Japanese-owned organizers. Major examples of foreign-owned sponsors are: Reed Exhibitions Japan Limited. (sponsoring Manufacturing World Japan, World Smart Energy Week, Japan IT Week, and others); UBM Japan Co., Ltd. (Call Center/CRM Demo & Conference, Health Industry Show); Mesago Messe Frankfurt Corporation (Interior Lifestyle Living, Beauty world); and EJK Japan, Ltd. (International Food Ingredients & Additives Exhibition and Conference). Reed and UBM were originally media companies and engaged in publishing and organizing exhibitions, but in Japan they focus on the exhibition business. Meanwhile, major examples of Japanese-owned sponsors are: Business Guide-Sha, Inc. (Tokyo International Gift Show); ICS Convention Design, Inc. (International Nanotechnology Exhibition and Conference); Japan Management Association (FOODEX, Japan Home & Building Show); Tradeshow Organizers Inc. (*Ramen* Expo, Japan National Local Specialties Expo). This group of sponsors is enthusiastic about expanding the scale of exhibitions and entering a new industry because of their specialization in or focus on the exhibition business. The advantages of this group are that they work to attract high-quality visitors as well as exhibitors and that they place great emphasis on setting up places for negotiations. With the importance of this category of sponsors increasing year by year, this category is the key to the future of the Japanese exhibition industry.

(2) Organizers in industrial sectors and association:

The second category is the organizers in industrial sectors and associations. There is an overwhelmingly large number of sponsors that fall under this category, with the statistics laid out above showing that this category amounts to about 40%. Meanwhile, "Specialized Fairs in Japan 2016-2017," published by JETRO, shows that 82 exhibitions of the total number of exhibitions listed in this directory are sponsored by industrial sectors, accounting for 19%. Major sponsors in this category are: Japan Machine Tool Builders' Association, famous for sponsoring "Japan International Machine Tool Fair (JIMTOF)"; Japan Automobile Manufacturers Association, Inc., famous for sponsoring "Tokyo Motor Show"; Japan Packaging Institute, sponsoring "Tokyo International Packaging Exhibition"; and the Japan Food Machinery Manufacturers' Association, sponsoring "International Food Machinery & Technology Exhibition (FOOMA JAPAN)." Also in the United States and Germany, industrial sectors play an important role. In Germany, *messe* companies are aligned with industrial associations to hold exhibitions, while exhibitions in the United States are mostly operated by outsourced sponsoring companies although the industrial sectors also host a large number of exhibitions. The problem for this category is that, while the management of exhibitions may be stable, an entry into a new industry is considerably difficult because of its limited sectors and therefore scale expansion is the only key to growth. Another problem is that exhibiting companies now think about cost effectiveness whereas exhibitors used to participate in exhibitions because of a strong sense of camaraderie in relations between industrial associations and their member companies. With these above-mentioned problems, the future success of this category depends on whether organizers can attract foreign exhibitors to expand the scale and whether sponsors can bring high-quality visitors to exhibitions from home and abroad, particularly from home. It is expected that the number of cosponsored exhibitions will increase in which industrial sector organizers and private exhibition organizers become aligned to cohost an exhibition.

(3) Sponsors in the publishing and newspaper sectors:
The third category is the sponsors in the media industry with major examples being: Nikkei Inc. and Nikkei Business Publications, Inc., famous for sponsoring "Eco-Products" and "Japan Shop"; Nikkan Kogyo Shimbun Ltd., sponsoring "International Robot Exhibition"; and Fuji Sankei Business I, sponsoring "Renewable Energy Exhibition." In addition to general and financial newspapers, trade papers for specific industries should not be forgot, including The Senken Shimbun Company, Japan Food Journal Co. Ltd., Food Chemicals Newspaper Inc. This category is ahead of other categories in terms of publicity because of its established media. The launch of a new exhibition, however, could be restricted because of its limited sectors although such restriction may not be as severe as the restriction that could be imposed on industrial sectors. The attraction of high-quality visitors would require ingenuity in this category in addition to the use of mass media.

(4) Organizers that own exhibition venues:
The fourth category is the case in which an owner of an exhibition venue becomes an organizer, with major examples being: Tokyo Big Sight Inc., sponsoring "Japan International Machine Tool Fair (JIMTOF)" and "Security & Safety Trade Expo"; Makuhari Messe, Inc., sponsoring "Doki Doki Free Market" and "Japan Halal Expo"; Intex Osaka, sponsoring "Asian Food Show" and "Zhejiang Export Fair"; and West Japan General Exhibition Center, sponsoring "West Japan Manufacturing Technology Innovation Fair". In Germany, there is an exhibition organizer that owns a large exhibition venue in each region, for examples: Hannover Messe, Messe Frankfurt, and Messe Düsseldorf. In the future, as the operating rate of exhibition venues rises, the demand for launching new exhibitions sponsored by the owners of exhibition venues is expected to rise gradually.

(5) Municipal governments and governmental agencies:
The fifth category is the case in which exhibitions are sponsored by municipal governments and governmental agencies. As an example, the Tokyo Metropolitan Government organizes "Tokyo International Industry Exhibition", and the Organization for Small and Medium Enterprises and Regional Innovation sponsors "New Value Creation Exhibition" and "Small and Medium Enterprise Exhibition".

(6) Executive committees:
The names of exhibition organizes frequently resemble "Executive Committees for XX Exhibition." Various forms of executive committees are possible. As examples, a private sponsor invites external experts such as university professors and prominent persons from industrial circles to form an executive committee for smooth organization and operations of exhibitions, or several organizations are aligned for cooperation. The advantages of this category are that cooperation can be easily obtained from several persons and organizations aiming for a successful exhibition and that seminars arranged in an exhibition could become more attractive with the names of experts and specialists listed as the members of an executive committee. The disadvantage is that decision making could become slow because "Too many cooks spoil the broth," as the saying goes.

“Trend in Exhibitions and Fairs in Japan”

(1) Scale of the exhibition industry

Statistics on exhibitions in Japan are not always well-established. In some countries, the government, an industrial association, or an exhibition or fair organizer collects statistics. In Japan, however, no entity collects statistics relating to exhibitions systematically. In this situation, the entity that most actively prepares the statistics relating to exhibitions is POP Inc., which publishes the specialized magazine “The Japan Exhibition News” every other week and yearbooks about exhibitions and also periodically releases statistics relating to exhibitions and fairs. JETRO has been publishing “*Specialized Fairs in Japan*” annually since the late 1980s, but the main purpose of this directory is to introduce the content of exhibitions, not for statistics. Some people argue that the Japan Exhibition Association should prepare statistics, but this is not feasible because this Association does not cover all exhibition organizers.

Looking at the trend in the Japanese exhibition industry, the data released from POP Inc. shows that 685 exhibitions were held in 2014. (Like the statistics laid out above, the number of exhibitions fluctuates every year, and it is not clear what standard is used for selection of exhibitions.) Although detailed analysis is difficult due to the fluctuation in the number of exhibitions depending on the way of collecting data, the number of exhibitions held in Japan has been around the 600-exhibition mark to the 700-exhibition mark. The total number of exhibitors is 104,532 companies, with the number of exhibitors per exhibition being as small as 153 companies on average. The total number of booths is 151,261, with the number of booths per exhibition is 221 booths.

Trend of Japanese Exhibitions (2003 to 2014)

Source: POP Inc.

Year	Number of exhibitions	Number of exhibitors (Number of exhibitors per exhibition)	Number of stands (Number of stands per exhibition)
２００３	５７４	７２，１２７（１２６）	１４１，５３６（２４７）
２００４	５１６	７０，１２４（１３６）	１４６，３３９（２８４）
２００５	５２８	８５，６５５（１６２）	１６８，６６２（３１９）
２００６	６９２	９６，８０８（１４０）	１８５，７１０（２６８）
２００７	７２１	１１７，７１３（１６３）	２０５，９５０（２８６）
２００８	６２１	１０２，９７４（１６６）	１７４，７６２（２８１）
２００９	６０３	１０２，２２７（１７７）	１５５，８９７（２５９）
２０１０	６１１	１０８，４０３（１５４）	１３８，４２２（２２７）
２０１１	５７３	８８，４６９（１４７）	１３５，１６５（２３６）
２０１２	６１０	８９，４７６（１２６）	１３３，８３４（２１９）
２０１３	６５５	９５，５７４（１４６）	１３６，５６３（２０８）
２０１４	６８５	１０４，５３２（１５３）	１５１，２６１（２２１）

(2) Types of industries

For the sake of convenience, I consider the data of the exhibitions of production goods separately from the data of consumer goods. Chart 1 in the attached sheet shows the changes in the numbers of exhibitions of production goods by sector. In 2014, 291 exhibitions in total were listed, with the ranking by industry as follows: (1) IT Office Equipment; (2) Environment and Energy; (2) General Industrial Machinery; (4) Electronics and Electronic Parts; (5) Magnetic, Optical and Image Processing Equipment; (5)Machine Components,Parts & Industrial Materials,(7) Chemical, Pharmaceutical and Bio equipment; (8) Communications and Broadcasting Equipment; (9) Manufacturing, Designing and Controlling Equipment; (9) Metalworking equipment and Machine tools; (10) Food Processing, Packaging and Logistics Machinery; (10) Automobile Maintenance Equipment and Parts; and (10) Measuring, Analyzing, Chemical and Inspection equipment. As expected, this data is suitable for Japan, a great manufacturing country. In the past 10-year span, the number of exhibitions of IT Office Equipment and Environment and Energy has been increasing.

Chart 2 shows the changes in the numbers of the exhibitions of consumer goods. In 2014, 394 exhibitions were listed, with the ranking by industry as follows: (1) Food and Beverages; (2) Health, Welfare and Beauty; (3) D.I.Y., Pets and Hobbies; (4) Housing, Building Maintenance and Building Materials; (5) Gifts, Goods for Everyday Life; (5) Automobiles and Motorcycles; (7) Distribution, Retails and Merchandise; (8) Fashion and Leather Goods; (9) Hospital and Medical Services; (9) Sports and Leisure; and (9) Floriculture, Horticulture and Exteriors. Looking at the changes over the past 10 years, the numbers of exhibitions of Food and Beverages, Health, Welfare and Beauty, and of Hospital and Medical Services have been surging.

(3) Situation in exhibitions by region

In this section, I examine the data to understand in which region exhibitions have been held in Japan. The data from POP Inc. as laid out above shows the number of exhibition venues by region, the total area of exhibitions by region and the number of exhibitions by region as follows: of the total of 270 exhibition venues, the Kanto region has 113 venues accounting for 41.9%, the Chubu region 46 accounting for 17.0% and the Kinki region 42 accounting for 15.6%, with all the figures in these three regions reaching about 75% of the entire number of venues. With regard to the total area of exhibition, the Kanto region accounts for 36.6%, the Kinki region 19.5% and the Chubu region 18.8%, all of which in total amount to 75% of the entire exhibition area with an overwhelming share. As to the number of exhibitions, of the total of 528 exhibitions, the Kanto region hosted 413 exhibitions accounting for 79.2%, the Kinki region 56 accounting for 10.6% and the Chubu region 28 accounting for 5.3%, with all the figures in these three regions occupying 95% of all exhibitions. These three regions have large exhibition venues: the Kanto region has Tokyo Big Sight, Makuhari Messe and Pacifico Yokohama while Osaka has Intex Osaka and Nagoya has Port Messe Nagoya. For this reason, major exhibitions have concentrated in these three regions, particularly in the Kanto region. As a recent trend, however, more and more exhibitions that used to be held in the Kanto region are now also held in Osaka, Nagoya and Fukuoka. I expect this trend to grow in the future.

Exhibition Venues and Number of Exhibitions by Regions Source: POP INC.

Region	Number of Exhibition Facilities (Share %)	Total Area of Exhibition (Share %)	Number of Exhibitions (Share %)
Kanto Region	113 (41.9%)	427,423m2 (36.0%)	418 (79.2%)
Kinki Region	42 (15.6%)	227,584m2(19.5%)	56(10.6%)
Chubu Region	46(17.0%)	219,325m2(18.8%)	28(5.3%)
Kyushu Okinawa Region	24(8.9%)	131,101m2(11.2%)	17(3.2%)
Chugoku Shikoku Region	19(7.0%)	53,634m2(4.6%)	1(0.2%)
Hokkaido Tohoku Region	26(9.6%)	107,675m2(9.2%)	7(1.4%)
Total	270(100.0%)	1,166,741m2(100.0)	528(99.9%)

(4) Japan's exhibition industry in Asia

Next, I explain Japan's position in the Asian exhibition industry by using the statistical data (UFI) for comparison that was used by Mr. Ye, the chairperson of the Asian Federation of the Exhibition and Convention Association (AFECA) in the keynote speech at the Japan Exhibition Forum (JEF) hosted by the Japan Exhibition Association on December 6, 2015 at Tokyo Big Sight. Chart 3, titled "The area of sales at exhibitions in Asia (2010-2014)," shows that the area of sales in Japan was 2,026,750 square meters in 2014, ranking second in Asia and following China's 10,443,000 square meters. China has an overwhelming share with its area of sales being about five times larger than that in Japan, followed by Hong Kong, Korea, India, Taiwan, Australia, Thailand, Singapore and Malaysia. This chart also shows that Hong Kong, Korea and India are competing fiercely with each other at the 900,000-square-meters mark. Looking at the growth in the area of sales during the period from 2010 to 2014, the average growth rate of all of Asia is 20.1%, surpassed by Macao, Taiwan, Singapore and Indonesia with the growth rate of these countries exceeding the 30% mark, and also by the Philippines, Thailand, China, Pakistan, Malaysia, India and Vietnam. The growth rate of Japan is only 5.1%, being sluggish along with Hong Kong's growth rate of 7.4%.

Chart 4, titled "The growth in the numbers and areas of exhibition venues in Asia (2014-2016)," shows that the exhibition area of venues in Japan is 358,658 square meters with 13 venues while that in China is 5,526,693 square meters with 105 venues, which is 15.3 times as large as Japan's area. Although Japan ranks second in Asia, India and Korea also have an area of more than 300,000 square meters. The growth rate in the exhibition area of venues during the period from 2014 to 2016 shows that the growth rates of emerging countries including Indonesia, Pakistan and Taiwan are remarkable, followed by those of Australia, Thailand and China. In Japan, since the expansion of Tokyo Big Sight and the construction of exhibition venues in Aichi Prefecture and Okinawa Prefecture are being planned, the growth rate of the exhibition area is expected to rise. It is important to understand that Asian countries are always aware of the position of each own country in Asia and the world. Japan tends to be "the frog in the well that knows nothing of the ocean" because of its vast market. The parties concerned with the exhibition industry need to have a global mindset.

(5) Trend in launching a new exhibition

The launch of new exhibitions is essential to the development of the exhibition industry. A newly-launched exhibition would prove the dynamism of the industry. POP Inc. has been releasing a list of newly-launched exhibitions since 2014, which reveals several remarkable points.

The first point is that some exhibitions have been expanded into regional areas by major sponsors. Most cases see expansions into Osaka but also into Nagoya and Fukuoka in some cases. In particular, the expansion into Osaka by Reed Exhibitions Japan is extraordinary. As examples, Reed launched "International Smart Grid Expo" in 2014 and "Medical Japan" in 2015. In 2016, it also introduced several exhibitions in "World Smart Energy Week Osaka," "Highly-functional Material World Osaka 2016" and "Kansai Office Expo 2016." In addition, it commenced "the Kansai Expo for Restaurant Opening and Restaurant Equipment" in "Kansai Gaishoku Business Week" sponsored by Tradeshow Organizers Inc. "Cycle Mode Ride Osaka 2016" sponsored by Television Osaka Inc. is also going to be held in 2016.

In Nagoya, Reed also launched "Mechanical Components & Materials Technology Expo" in "Manufacturing World Nagoya," and several other exhibitions in "Design Engineering & Manufacturing Solutions Expo Nagoya." Fukuoka was also noticeable for the following new launches of exhibitions: "Beauty World Japan Fukuoka" organized by Mesago Messe Frankfurt; "Kyushu Food Gaishoku Business Week 2014," sponsored by Tradeshow Organizers Inc., which consisted of seven exhibitions including "Kyushu *Ramen* Expo"; "the First Kyushu Housing Materials and Equipment Fair," sponsored by Japan Management Association; and "SAFETEC 2016 (the First Western Japan Disaster Prevention and Crime Prevention Risk Management Exhibition in Kitakyushu)," sponsored by Nikkan Kogyo Shimbun Ltd. In Sapporo, Nikkei Business Publications, Inc. commenced "Cloud Days Sapporo 2015/Big Data Expo Sapporo 2015." Although exhibitions used to be concentrated in Tokyo, Chiba and Yokohama, the expansion of exhibitions into the regions is noteworthy, with major fair sponsors recently holding exhibitions in regional areas.

Secondly, as a small-scale exhibition may not be profitable or even lose money and a limited number of exhibitors would not be able to attract visitors, it is extremely difficult to start a new exhibition independently, so a newly-launched exhibition is mostly held on a small scale as an annex to an existing exhibition at first and focus such a new exhibition on a specialized sector. This type of exhibition is usually titled is as follows: "The first XX exhibition as an annex to the OOth YY exhibition." This method is used by Reed, Japan Management Association, Business Guide-Sha, Inc. and ICS Convention Design, Inc. With this method, exhibitions are less likely to be unsuccessful and organizers can expand the scale of such a new exhibition step by step.

Thirdly, a group of specialized goods and services relating to an existing exhibition is more likely to be chosen for newly-launched exhibitions. The chart below illustrates that each sponsor of these first exhibitions has exerted their full ingenuity. Sectors relating to solutions and software, food and housing, aging society, fashion, health and beauty, disaster prevention, and high technology (regenerative medicine and drones) are likely candidates.

Chart 1: Changes in the Numbers of Exhibitions of Production Goods by Sector (2004-2014)

Sector	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
IT Office Equipment	27	26	30	23	20	24	23	28	43	34	44
Environment and Energy	9	22	28	27	28	26	30	35	37	38	40
General Industrial Machinery and Cross-industrial Areas	34	40	46	47	46	45	47	31	27	32	40
Electronics and Electronic Parts	13	13	17	14	15	18	22	25	23	21	24
Magnetic, Optical and Image Processing Equipment	14	13	15	22	20	23	19	20	23	23	21
Machine Component, Parts and Industrial Materials	15	14	18	20	19	22	23	24	25	26	21
Chemical, Pharmaceutical and Bio Equipment	7	14	13	21	15	17	13	21	12	15	14
Communications and Broadcasting Equipment	18	12	28	23	21	15	9	7	7	12	12
Manufacturing, Designing and Controlling Equipment	7	2	2	3	5	6	9	14	9	12	11
Metalworking Equipment and Machine Tools	7	8	6	8	6	7	11	7	10	13	10
Food Processing, Packaging and Logistics Machinery	15	12	9	8	9	7	10	7	14	17	10
Automobile Maintenance Equipment and Parts	—	—	—	—	—	8	8	6	9	10	10
Measuring, Analyzing, Chemical and Inspection Equipment	8	11	14	13	12	12	12	12	10	12	10
Total	204	209	258	265	253	254	257	264	282	295	291

*The total includes figures of sectors not categorized in the above chart.

Sources: The data was compiled by POP Inc., which the Japan Exhibition Association processed.

Chart 2: Changes in the Numbers of Exhibitions of Consumer Goods by Sector (2004-2014)

Sector	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Food and Beverages	21	19	26	37	26	33	33	32	37	34	51
Health, Welfare and Beauty	17	24	30	27	25	20	18	20	21	26	31
D.I.Y., Pets and Hobbies	30	18	26	25	23	22	18	19	23	19	25
Housing, Building Maintenance and Building Materials	29	36	57	63	46	39	27	20	27	24	24
Gifts, Goods for Everyday Life	14	12	16	17	13	14	18	13	12	15	22
Automobiles and Motorcycles	28	30	42	51	43	22	20	17	17	17	22
Distribution, Retails and Merchandise	6	6	10	11	10	9	16	22	18	17	21
Fashion and Leather Goods	22	30	26	30	17	22	25	20	18	26	21
Hospital and Medical Services	10	9	10	13	12	11	13	15	13	15	17
Sports and Leisure	18	20	18	18	15	19	27	13	23	20	17
Floriculture, Horticulture and Exteriors	13	16	15	17	13	17	19	13	14	14	17
Safety and Disaster Prevention	9	8	16	12	12	9	9	8	8	11	15
Clocks, Eyeglasses, Jewels and Cameras	15	15	17	15	12	14	11	14	11	12	15
Stationery, Education and Books	14	11	18	16	15	9	10	12	10	10	14
Total	314	319	434	456	368	349	354	309	328	360	394

*The total includes figures of sectors not categorized in the above chart.

Sources: The data was compiled by POP Inc., which the Japan Exhibition Association processed.

Chart 3: Sales Areas at Exhibitions in Asia (2010-2014)

Country	Estimated Growth Rate (%)	Estimated Sales Area per Year for 2014	Estimated Sales Area per Year for 2013	Estimated Sales Area per Year for 2012	Estimated Sales Area per Year for 2011	Estimated Sales Area per Year for 2010
Macao	108.4	197,500	143,000	72,500	84,500	94,750
Taiwan	41.2	779,250	716,250	629,250	619,250	552,000
Singapore	33.0	332,500	329,250	308,250	286,500	250,000
Indonesia	32.2	221,750	203,000	189,750	178,000	167,750
The Philippines	28.3	164,500	151,250	145,000	139,500	128,250
Thailand	27.2	550,000	506,250	464,250	462,500	432,500
China	22.6	10,443,000	9,719,750	8,996,000	8,733,750	8,517,500
Pakistan	22.5	81,750	77,000	72,500	70,750	66,750
Malaysia	21.1	321,000	300,000	296,000	273,500	265,000
India	20.5	920,000	854,750	810,750	789,000	763,750
Vietnam	20.3	170,250	158,750	150,250	143,250	141,500
Korea	14.8	924,750	854,500	826,750	820,250	805,750
Australia	8.7	574,000	556,250	536,750	522,750	528,000
Hong Kong	7.4	934,750	906,000	876,500	880,000	870,000
Japan	5.1	2,026,750	1,977,000	1,932,750	1,873,000	1,928,250
Total	20.2	18,641,750	17,453,000	16,307,250	15,876,500	15,511,750

*Sources: UFI, The trade industry in Asia, June 2015, AFECA.

Chart 4: Growth in the Numbers and Areas of Exhibition Venues in Asia (2014-2016)

Country	Number of Exhibition Venues as of 2014	Indoor area of Exhibition Venues for 2014 (Gross)	Indoor area of Exhibition Venues for 2015 (Gross)	Indoor area of Exhibition Venues for 2016 (Gross)	Growth Rate (2014-2016)
Indonesia	9	106,094	164,694	164,694	55.2%
Pakistan	2	26,958	37,191	37,191	38.0%
Taiwan	5	117,178	154,818	154,818	32.1%
Australia	10	137,042	137,042	177,042	29.2%
Thailand	9	222,984	222,984	256,984	15.2%
China	105	4,796,192	5,526,692	5,526,692	15.2%
Japan	13	355,658	358,658	358,658	0.8%
India	16	319,892	319,892	319,892	0%
Korea	12	308,368	308,368	308,368	0%
Singapore	4	219,970	219,970	219,970	0%
Hong Kong	2	149,820	149,820	149,820	0%
Macao	2	76,715	76,715	76,715	0%
Malaysia	4	71,292	71,292	71,292	0%
Vietnam	4	33,793	33,793	33,793	0%
The Philippines	3	26,257	26,257	26、257	0%
Total	200	6,968,214	7,808,187	7,882,187	13.1%

*Sources: UFI, The trade fair industry in Asia, June 2015, AFECA.   Unit: Square Meters