# Betting

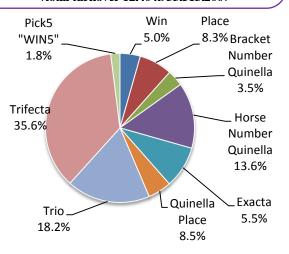
ari-mutuel betting is the sole form of wagering for horse racing in Japan under the Horse racing Law. JRA and local racing authorities are the only organizations authorized by law to legally conduct betting operations on horse racing. As such, there are no legal private bookmakers or betting companies.

However, in accordance with the amended horse racing law (in force from January 1, 2005), which permits subcontracting of business matters related to the running of horse races, JRA is permitted to contract out the offering of bets and the issuance of payouts or refunds to prefectural/municipal governments or private citizens and the prefectural/municipal governments can consign them to other prefectural/municipal governments, JRA, or private citizens.

## **Types of Bets**

As of 2013, JRA offers nine types of bets: win, place, bracket quinella, quinella, quinella place ("wide"), exacta, trio, trifecta and Pick5 "WIN5." As shown in the pie graph, trifecta makes up around 35.6% of total turnover. Of these, bracket quinella is unique to Japan. In the case of bracket quinella, horses entered in a race are first coupled into a total of eight brackets (of one horse or more in each bracket). Fans select two brackets in a quinella-style bet and if one horse from each of those brackets comes in first or second (regardless of order of finish), the bet is a winner. And in April 2011, JRA began offering the new Pick5 "WIN5" wagers, which involve predicting the winners of five designated races each Sunday. The maximum payout is \$600 million.

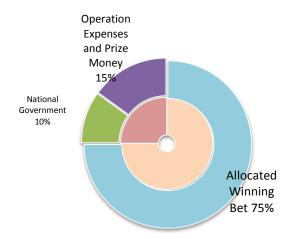
# 2013 JRA Betting Turnover (total turnover \(\frac{\pma}{2}\).404.933.513.200)



### **Deduction Rate**

RA deducts 25% of the total betting turnover, and the remaining 75% is allocated proportionally among winning bettors, depending on the amounts of their bets. Of this 25%, 10% is disbursed to the national government in a payment to the national treasury, and the remaining 15% is allocated to, among other things, operating expenses and prize money.

#### JRA House Take Percentages



## **Off-Course Betting Facilities**

RA has 45 "WINS" off-course betting facilities nationwide and the 10 JRA racecourses which do not hold races also function as off-course betting facilities. Several of these have membership regulations, with restrictions on the number of people permitted in, offering a luxurious, salonstyle environment in which to enjoy horse racing.



Excel floor (fixed capacity system with entry in order of arrival that day and admission charged)



WINS Korakuen

## **Telephone Betting**

RA began offering telephone wagers in 1974. Individual members who have signed a contract have payments of wager amounts and transfers of payouts handled automatically via designated bank accounts. There are four forms of memberships: A-PAT (dedicated bank account for ARS, PAT and IPAT systems), Soku-PAT (Internet bank for I-PAT system), JRA Direct (Credit Card for IPAT system; PC only) and ARS (dedicated bank account for ARS system). As of December 31, 2013, A-PAT had 1,813,996 members, Soku-PAT 1,274,508, JRA Direct 35,252 and ARS 24,590.

#### **ARS (Audio Response System)**

Bettors must use touch-tone styled telephones to place their bet.

### **PAT (Personal Access Terminal)**

This home-use system is designed for use with personal computers, TV game devices, or other related devices that can be directly connected to JRA's PAT system. As well as a method for betting, this system offers information of interest to bettors, such as race entrants, odds and payouts.

#### **IPAT (Internet Betting)**

This system began operations in March 2002 and enables PAT subscribers to place bets easily over the Internet via cell phones, smart phone or personal computers.

Telephone wagers and WINS (including tracks not hosting races) turnover make up 60.5% and 33.1% of JRA's total turnover respectively, accounting for a vast majority of the handle.



IPAT(PC)



IPAT(PC)



IPAT(Smart Phone)

### JRA & NAR Integrated Betting System

In October 2012, JRA and NAR developed a new integrated totalizator system, which connects the two betting centers. This makes it possible to bet on the NAR races through a membership of JRA's internet betting system and NAR racing fans can buy JRA bets at designated NAR racecourses.