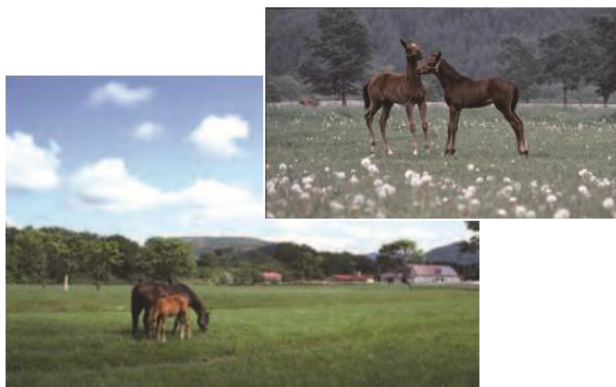


Horse Racing-Related Activities

When Western-style horse racing was first introduced to Japan by the foreign residents of Yokohama during the 1860s, most racehorses were domestic breeds, with some imports from Shanghai and other parts of China. During the 1870s, a few thoroughbreds were imported from the United States for the first time for use as breeding stock. The breeding industry in Japan began in earnest in 1907 when, with the assistance of the Mitsubishi Conglomerate, a thoroughbred stallion and 20 broodmares were imported from the United Kingdom to stand at Koiwai Farm. With the subsequent authorization of horse racing and the regulation of racing programs and other racing related affairs, horse racing in Japan started to take off, and the number of domestically bred racehorses increased as the thoroughbred breeding industry developed. Although the breeding industry suffered a near fatal blow during the closing days of World War II, horse racing along with society started on the long road to recovery after the war. As racing activities surpassed their pre-war prosperity, the number of foals bred increased to over 10,000, an unequaled number in the history of horse racing in Japan.

Since 1995, however, the industry has been in a gradual decline. In 1997, the number of thoroughbred foals fell to around 8,000, and its number in 2012 was just about 6,800 - the ninth consecutive year of decline.

Bloodstock Sales in Japan are conducted by the Japan Bloodhorse Breeders' Association (JBBA) in cooperation with various local breeders' associations, and by the Japan Racing Horse Association (JRHA) who conducts the famous public auction, "JRHA Select Sale." As the number of thoroughbreds born decreases, horses are sold at a higher price at the sales, and the number of unsold racehorses has gradually begun to decrease.



Although the number of thoroughbreds has decreased, the breeding standards - as well as their expectations for the foals - have been getting higher every year. The establishment of the Japan Cup in 1981 resulted in the breeding industry setting a goal for producing faster and stronger horses that could hold their own worldwide. One of the goals of the Japan Cup was to bring forth steady improvement of the domestic-bred horses through the introduction of superior stallions and broodmares from overseas. This program has borne fruit to a point where the winners of GI races in some of the world's leading racing nations have been produced in Japan. As a result Japanese-bred horses are increasingly drawing attention on the global racing stage.

Breeding

Breeding Regions and Number of Farms

Breeding regions are located from the island of Hokkaido up north to the island of Kyushu in the south. Traditional breeding areas include Tokachi, Hidaka and Iburi in Hokkaido and Aomori, Iwate, Miyagi, Fukushima, Tochigi, Chiba, Miyazaki and Kagoshima prefectures throughout the rest of Japan.

As of 2013, there were 959 farms with thoroughbred broodmares stabled. The Hidaka area of Hokkaido is home to the most at 794. If the Tokachi and Iburi areas are included, Hokkaido's total comes to 862, which accounts for some 90% of the nationwide total.

Breeding is expanding in Hokkaido, which has a cool, dry climate and plenty of space, while the industry has been shrinking in areas near tracks and in warm, humid Kyushu. The emphasis in these areas has turned to training.

Stallions

During 2013, there were 223 thoroughbred stallions registered at stud in Japan. 78 of these were foreign-bred and 145 Japanese-bred. Approximately 89% of these stallions are standing in the main Hokkaido breeding region.

The great racehorse and stallion Sunday Silence (USA),

who died in August 2002, was Japan's leading sire for 13 consecutive years from 1995 to 2007. His influence as a stallion has been passed on to his foals. Of domestic stallions, 59 of those sired by Sunday Silence were used for covering 2,441 mares in 2013. The number increases to 85 (and 4,816 mares) when including stallions with a Sunday Silence bloodline in the second generation pedigree, which accounts for 43% of all mares covered in 2013. The top four sires, in terms of the number of mares covered, in 2013 were Deep Impact (JPN) with 246, Kurofune (USA) 216, Daiwa Major (JPN) 209 and Rulership (JPN) 208. Deep Impact and Daiwa Major are foals of Sunday Silence.

Broodmares

If we look at the number of broodmares in Japan, the figures reached a peak of about 15,287 in 1991. These figures underwent a transition in the late 1990s, when it fell to 12,000 and remained around that level until 2003. The

numbers began to gradually decrease from that point up until 2013, when the actual number of broodmares reached 9,092.

Foals

Japan bred fewer than 1,000 thoroughbreds a year through the 1940s and 50s. However, as the economy grew rapidly and horse racing developed, the number rose steadily to reach 10,188 foals during 1992.

An annual level in the upper 8,000s for foal crop had been maintained since 1997, but a declining trend began in 2003 and, as a result, 6,828 thoroughbred foals were registered in 2013. This is approximately the same number of foals as that of the late 1970s. This is a result of shifting from quantity to quality, as well as the steep decline in the demand for thoroughbreds caused by the closure of a number of Racing by Local Governments racecourses.



Deep Impact ©J.Fukuda



Johannesburg ©JBBA



King Kamehameha ©M.Ueda



Empire Maker ©JBBA

Promotion of Equestrian Culture, livestock industry

Japan has many festivals that feature horses. Horse racing organizations carefully preserve these forms of culture related to horses and undertake assistance in various forms to ensure that this heritage continues. A few examples follow below.

Yabusame Shinto Ceremony (Japanese Archery on Horseback)

This Shinto ceremony is very gallant with a tradition of over 800 years. Wearing samurai hunting uniforms of the Kamakura era, archers mount horses and, galloping swiftly on horseback, release arrows from their bows to hit three targets in a row. When this is achieved, they receive loud applause from the many attending fans.

Yabusame is well known in foreign countries, as many foreign tourists can be seen among the audience. This Shinto ceremony is held twice a year on the spring equinox and autumn equinox to appease the spirits of their ancestors.



Soma Nomaoui (Soma Wild-Horse Roundup)

Dating back over a millennium, the Soma wild horse roundup originated as a form of military training in which horses were used as a new military force. They were released in a pasture and were rounded-up by soldiers. The horses were then presented at a shrine as part of the festival rites. Succeeding generations of Soma clan leaders continued this rite dating from 1323 to the Meiji Restoration.

Held every July, the Soma Nomaoui festival was designated an important national intangible folk culture treasure in 1978.



Dakyu (Horseback Lacrosse)

Begun by the Mizuno lords of the ancient Yamagata fief, this richly traditional horseback lacrosse is part of the Horetsu Shrine's annual festival events in Yamagata Prefecture.

Groups of five or six riders are divided into red and white teams and try to put balls called "agedama," which are marked with the Chinese character for ten, into the goal. This is a two-team, horseback contest in which the red team attempts to



scoop up red balls using nets mounted on poles and put them through the goal's round opening while the white team does the same with white balls. A bell is rung to announce goals made by the white team. Inversely, a drum is beat when goals are made by the red team. The Imperial Household Agency, Yamagata Prefecture's Horetsu Shrine, and Hachinohe, Aomori Prefecture, still carry on this tradition today.

Horohiki (Synchronized Equestrian Pennant Display)

It is said that Heian-era warriors used pennants on the battlefield as protection against arrows. The Imperial Household Agency's equestrian division carries on this traditional cultural event.

Horohiki is performed by two riders mounted on Yamato era saddles, each with a 10-meter-long pennant secured to his/her back.

The horses' gait quickens from a walk to a trot and then to a gallop. Their legs move in unison (i.e., the same legs moving at the same time). The two riders release the long pennants a little, until they are fully deployed. A green and white pennant symbolizes the spring season, while a red and white pennant symbolizes the fall.



Thoroughbred life after retirement

In 1973, the Japan Bloodhorse Breeders' Association (JBBA) established a welfare program that enables champion horses to live out the final years of their lives in ease after completing stud/broodmare service following the completion of an active career. The Bloodhorse Training Center also started a subsidy program from 1996 to place famous retired horses at privately owned farms for public viewing (and Japan Association for International Racing and Stud Book (JAIRS) took over the duty from 2013).

Participation in International Racing Conference

Asian Racing Conference

Japan's advocacy led to the inauguration of the Asian Racing Conference (ARC), whose objectives are the promotion of horse racing, goodwill and mutual understanding among Asian nations based on exchanges among members.

The first conference took place in Japan in May 1960. The 32nd conference was held in Tokyo in November 2008 and the 33rd in Sydney in April 2010. There are now 21 member countries belonging to the primary racing association in Asia. At the 28th conference in Bangkok in 2001, it was decided to change the name of the Asian Racing Conference to the Asian Racing Federation (abbreviated as ARF) with ARC designating the conferences only.

Dr. Koji Sato, JRA Presidential Counselor for Foreign Affairs, became the Chairman of ARF in 2009, with Australia and New Zealand as the co-vice chairmen. Australia is also concurrently undertaking the responsibilities of secretariat.

The 35th ARC was held in May 2014 in Hong Kong, and the 36th ARC is scheduled to be held in Mumbai, India in early 2016.



Asian Stud Book Conference (ASBC)

Japan proposed to India the establishment of the Asian Stud Book Conference (ASBC) in 1993. The first ASBC was then held jointly by Japan and India on the day preceding the 1995 Asian Racing Conference (ARC), which was held in India. The following guidelines were established under a new system and co-chaired by India and Japan.

- Subsequent ASBCs will be held on the day immediately before any ARC.
- Japan assumes the responsibilities of ASBC secretariat.

The 9th ASBC meeting was held in Tokyo in November 2008 and the 10th meeting was held in Sydney in April 2010. Only the Indian and Japanese stud books were internationally approved by the International Stud Book Committee (ISBC) from among the participating countries at the time of the first ASBC meeting in 1995. Today, there are 13 Asian countries with stud books that have been approved by ISBC. The 11th ASBC was held in July 2012 in Istanbul, and the 12th ASBC is scheduled for May 2014 in Hong Kong.



International Conference of Racing Analysts and Veterinarians (ICRAV)

The Conference of Racing Analysts and Veterinarians (ICRAV) is an advisory organization that confers on issues of racehorse dope testing and veterinary treatment. They also propose technical measures to the International Federation of Horse racing Authorities (IFHA).

ICRAV is made up of a panel of experts that makes proposals on issues related to horse racing, from such fields as body analysis, veterinary treatment and other measures, to the Advisory Council on Prohibited Substances, a sub-organization of the IFHA executive committee.

To date, ICRAV has discussed definitions of prohibited substances, the establishment of thresholds for prohibited substances, doping tests for jockeys and other related matters and submitted recommendations to IFHA on these topics.

The 16th meeting was held in Tokyo in 2006. The 19th meeting was held in September 2012, in Philadelphia, USA, and the 20th meeting is scheduled for September 2014 in Mauritius.

International Breeders' Meeting (IBM)

The IBM is the only international conference in which the world's leading thoroughbred breeding nations participate. It is held once every one or two years. The meeting provides a common venue for the exchange of views between the breeding industries of the world and for discussions covering the various aspects of thoroughbred breeding and distribution.

The IBM has its historical origins in bilateral meetings that were held periodically between Irish and British breeders' associations in the 1950s and 1960s. France joined in 1968 and the U.S. in 1978. The organization now comprises 14 full-member nations, including Argentina, Australia, Brazil, Canada, Chile, France, Germany, Ireland, Italy, Japan, New Zealand, South Africa, the U.K. and the U.S. The meeting in 2006 was held in Tokyo, with the most recent conference in Newmarket, England in July 2012.

International Federation of Horse racing Authorities (IFHA)

Japan has attended meetings of the International Federation of Horse racing Authorities' global racing conference annually since 1973. This international conference is held once a year in Paris in conjunction with the Prix de l'Arc de Triomphe. Japan has since been named to the executive council of the federation's leadership committee, as a member representing Asia. As the standard of horse racing in Japan has risen, the country's responsibilities in the worldwide racing society have become heavier.