Yano Research Institute

March 18, 2015

RESEARCH SUMMARY

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Jewelry Market in Japan: Key Research Findings 2015

◆ Research Outline

Yano Research Institute has conducted a study on the market of jewelries and luxury products with the following conditions:

1. Research period: January to December, 2014
2. Research target: Jewelry specialized store chains, market players such as department stores, luxury shops handling watches and jewelries, Kimono shops, and imported jewelry brand companies
3. Research methodologies: Face-to-face interviews by the specialized researchers, and mail-in questionnaire researches

What are jewelries in this research?

The jewelries in this research apply to products made of gold or platinum, some decorated with diamonds, gems and pearls. Also included in this category are those jewelry products and expensive watches all or part of them made of silver or with semiprecious stones.

◆ Key Findings

■ Domestic Jewelry Retail Market in 2014 Attained 972.6 Billion Yen, 101.1 % on Y-o-Y Basis, Slightly Increased from Preceding Year

The domestic jewelry retail market in 2014 continued the growth, though slightly, 101.1% from the previous year to attain 972.6 billion yen. Last-minute surge in sales in the first quarter were larger than expected to exceed the plunge in April and beyond.

■ Sales of Expensive Jewelries Soared Before Tax Increase, Raising Unit Price

Not only the riches but also general people contributed in making the expensive jewelry market to flourish. Diamonds and gems with good quality, and jewelries with gold or platinum ground metals have sold well especially in the department stores. This was partly due to the efforts by the retailers who gave special events to raise more opportunities for the customers to buy jewelries before the tax increase. On the other hand, however, such last-minute purchase before tax increase has deprived the bridal jewelry market of the demands in April and beyond, which led the market to lead a negative growth throughout the year.

■ High Stock Prices Projected to Support Stable Market Until Tokyo Olympic Games to be Held in 2020

The domestic jewelry retail market is likely to end up at 964.8 billion yen in 2015, 99.2% of the size in the preceding year, but to recover in 2016 to achieve 989.9 billion yen, 102.6% of the size of the previous year, due to another last-minute surge in sales before 2017, when additional consumption tax increase is scheduled. Also, the market is expected to be stable for the time being, owing to rising domestic consumption towards the Tokyo Olympic Games to be held in 2020 and increasing tourists from overseas to expand inbound consumption.

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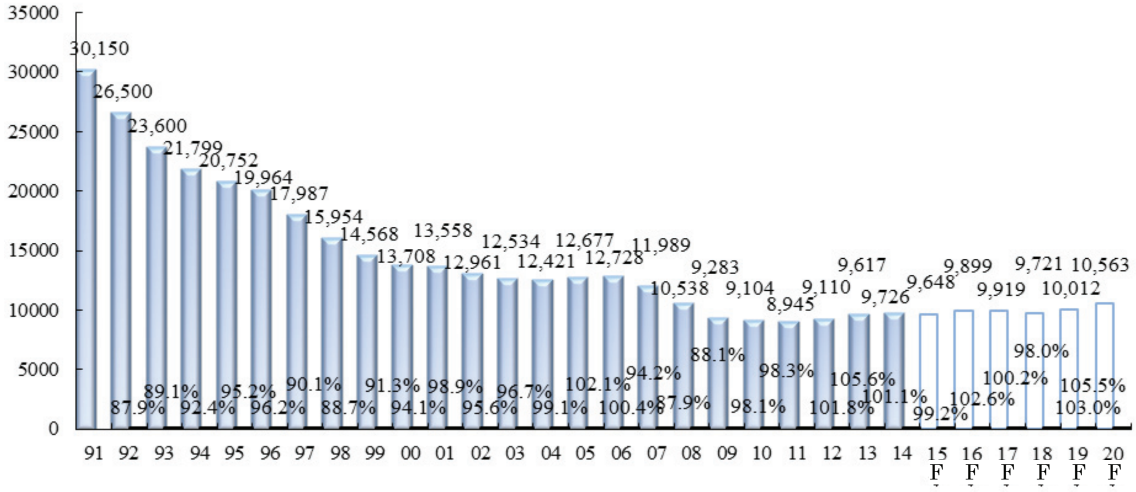
■ **Figure 1: Transition of Size of Jewelries and Luxury Products Market**



Notes:

1. Figures are based on retail value.
2. “F” stands for Forecast.