

RUNNING FOOTWEAR MARKET GREW +5.8% IN 2019

<SPORTS FOOTWEAR/APPAREL MARKET RESEARCH REPORT>

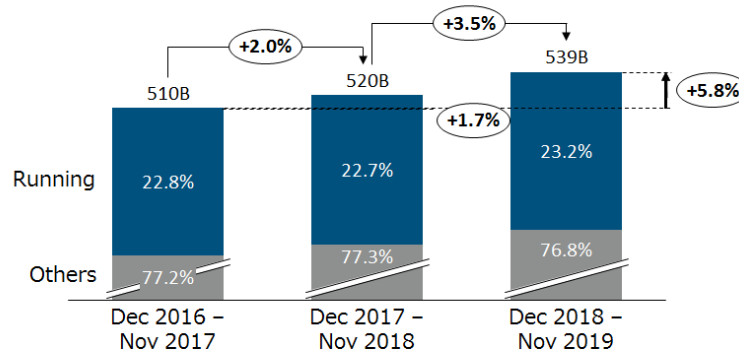
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NPD JAPAN LTD.

NPD Japan Ltd. (Representative of Thomas Lynch, Minato-ku, Tokyo), which provides the sports footwear and apparel market consumer data service "Japan Sports Tracker ^{*1}", has released running footwear ^{*2} market trend analysis report on January 21st, 2020. In this analysis report, we can see the following. The size of the Japanese sports footwear market (incl. "sport inspired" casual sneaker: sport performance, sport leisure & outdoor footwear) was 539 billion yen, grew +3.5% from December 2018 to November 2019, of which the running footwear market accounted for 23.2%, grew +5.8% year-on-year. The growth was driven by men as the wearer and high-priced products worth over ¥ 11,000.

Running footwear market size in 2019 is about 125 billion yen, up 5.8%

The size of the sports footwear market (excl. age 0-12) in 2019 (from December 2018 to November 2019) was 539 billion yen, up 3.5% from the same period of the previous year (Chart 1). The market has grown for the second consecutive year, up 2.0% from the previous year. Of these, running footwear (including mid- and long-distance track and field athletic shoes) accounted for 23.2%, and in 2019 (YE Nov'19) increased by 5.8%, far exceeding the growth of the sports footwear market. Running footwear grew 1.7% in 2018, indicating a sharp increase in 2019.

<Chart 1> Sports footwear market (excl. age 0-12)
 *incl. sport inspired" casual sneaker: sport performance, sport leisure & outdoor footwear
 Running/Others share
 Market size Growth rate



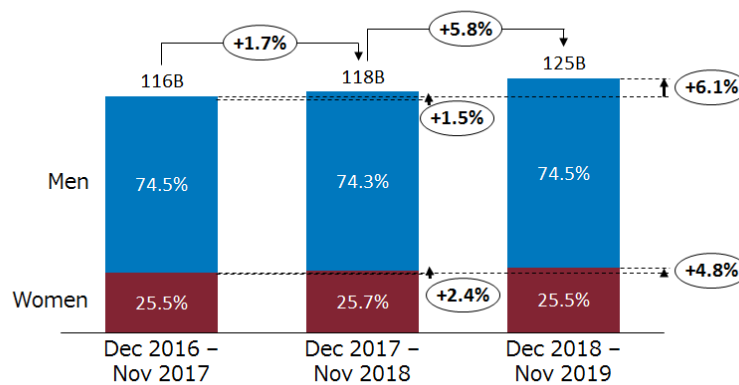
* The definition of "running footwear" includes "special shoes for medium and long distance athletics".

Source : NPD Sports Tracker

The running footwear market is growing rapidly at 125 billion yen, led by men

The size of the running footwear market (excl. age 0-12) in 2019 (YE Nov'19) was 125 billion yen. The growth rate in 2019 (YE Nov'19) increased by 5.8% as described above, but by gender of wearers (Chart 2), men who accounted for about 3/4 increased 6.1% and women who accounted for 1/4 increased +4.8%. This means that men are driving market growth.

<Chart 2> Running footwear market (excl. age 0-12)
 Wearer gender share / Market size Growth rate



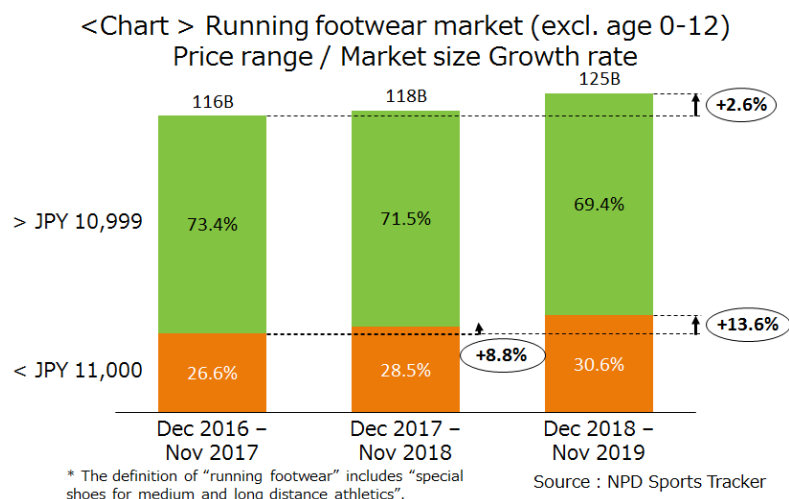
* The definition of "running footwear" includes "special shoes for medium and long distance athletics".

Source : NPD Sports Tracker

Significant growth in sales of high-priced footwear over 11,000 yen (up 13.6%)

Looking at the breakdown of the market size of running footwear by price range during the same period (Chart 3), products purchased at 10,999 yen or less accounted for

69.4% of sales, up 2.6% from the same period of the previous year. On the other hand, products purchased for 11,000 yen or more accounted for only 30.6%, but increased significantly by +13.6% versus year ago. The previous year increased by 8.8%, and the market share increased by 4 points compared to two years ago.



In the ever-growing Japanese sports footwear market, running footwear is driving growth alongside casual footwear. Of these, "lightweight" running footwear accounted for about two-thirds of sales, and sales increased sharply in 2019 (YE Nov '19).

"In recent years, the speed and strength of athletes who wear thick sole shoes (lightweight and high quality shoes) made of carbon material in relay road races and marathons have been remarkable." said Takuma Kato, NPD Japan's Sports Division Account Manager. In such a situation, the foreign media have reported that "the possibility that the platform footwear may be banned by World Athletics", and it should be noted that, even in the Japanese market, With price and high-quality footwear also contributing to the expansion of the market, competition in the running footwear market will undoubtedly intensify in a situation where product development using carbon or probably other alternative materials is becoming more active."

***1 Japan Sports Tracker**

This is the only consumer panel database in Japan that can grasp consumer purchasing behavior nationwide in the sports footwear and apparel market in chronological order. Get comprehensive information on product and consumer trends needed to identify market trends and opportunities and increase sales. Analyze the performance of your products and competitors at the category, brand and item level.

URL: <http://www.npdjapan.com/solutions/sports/>

***2 Running footwear**

The definition of "running footwear" in this report includes "middle and long distance athletics shoes".
