

World Ceramic Tiles Forum – National Context

Japan



National Context – Name of the country

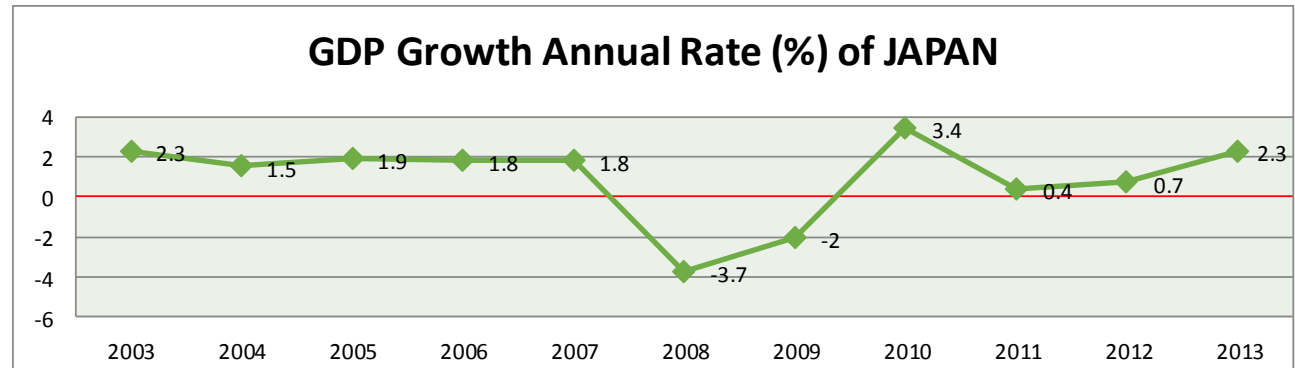
- I. Trend in the construction sector/demand
- II. Trend in production, consumption and trade in ceramic tiles
- III. Latest developments at national level in energy supply regulation and taxation
- IV. Development in standardisation or regulation at national level affecting ceramic tiles
- V. Other national developments relevant to the ceramic tiles sector

I. Trend in the construction sector/demand

JAPAN 2013

Population	127.3 mil.
GDP	\$5,423 bn.
Exports	\$726 bn.
Imports	\$867 bn.

Recovering the economy since 2008



General Economy is recovering.

However, GDP growth from April to June in 2014 is -1.7% annually -6.8%

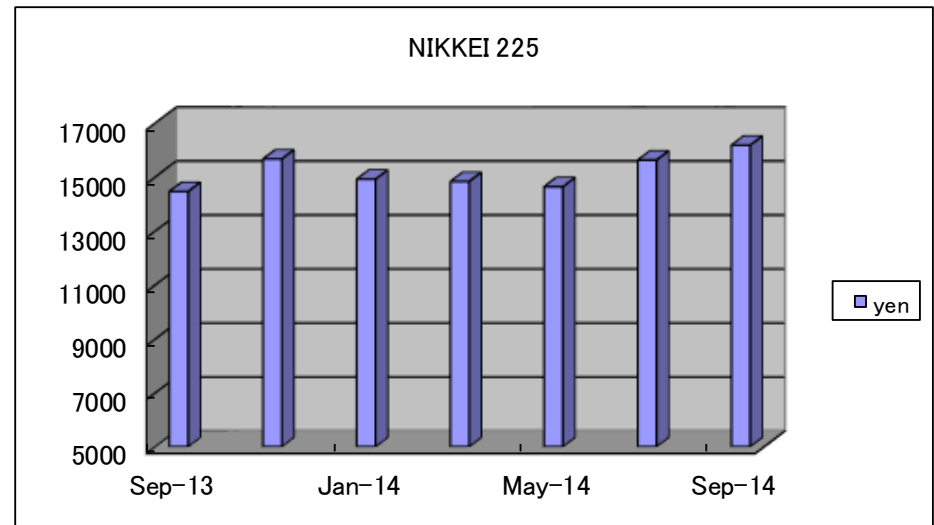
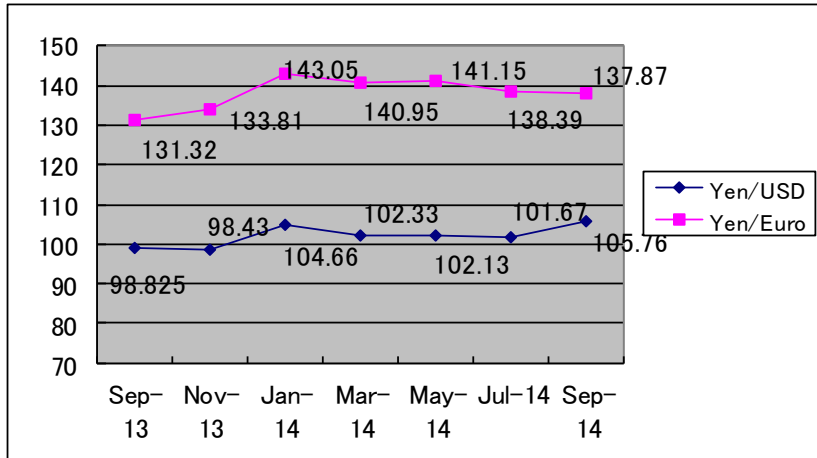
Consumer Tax rate increasing on this April is effected with GDP growth.

I. Trend in the construction sector/demand

The New government effects weaker currency and raising stock rate

increase 85% of stock exchange and 26% of currency rate since Oct. 2012.

Currency exchange rate since Sep. 2013



Nikkei exchange since Sep. 2013

I. Trend in the construction sector/demand



Concerned Fact

- Weak yen encourages profit with large company and exporting company.
 - Increase the cost of imported items.
 - The cost of production is increasing
- Increasing Consumer Tax rate effects to pull down the economy
 - Reduce the consumption at this moment.
- Negative trading balance since 2011
 - Profit of 6.5trillion yen in 2011 and lose of 12.2 trillion yen in 2013
 - Stop all nuclear power station and increase importing oil for electricity effected by currency rate.

II. Trend in production, consumption and trade in ceramic tiles

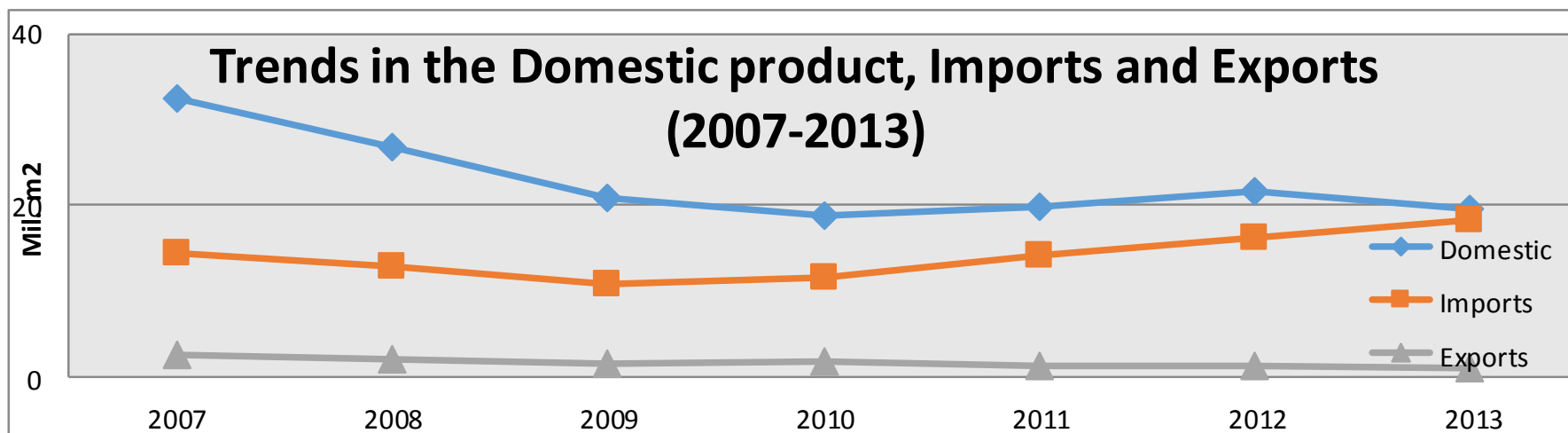
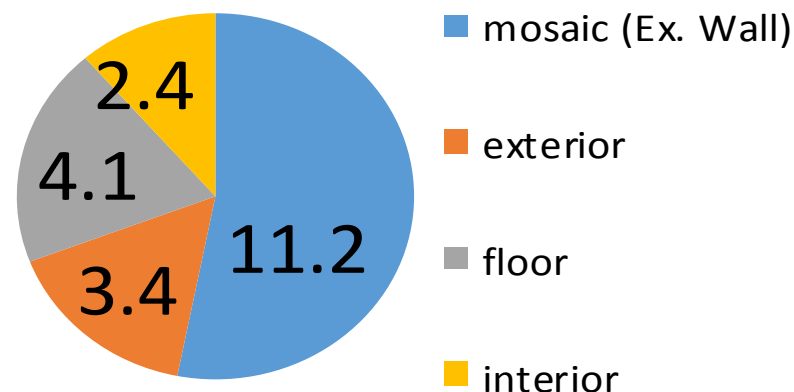


2013 Japan Ceramic Tile Sales

Total Sales	455 mil. USD	23 mil. m ²
Domestic market	424 mil. USD	22 mil. m ²
Exports	31 mil. USD	1 mil. m ²



Categories (mil. m²)

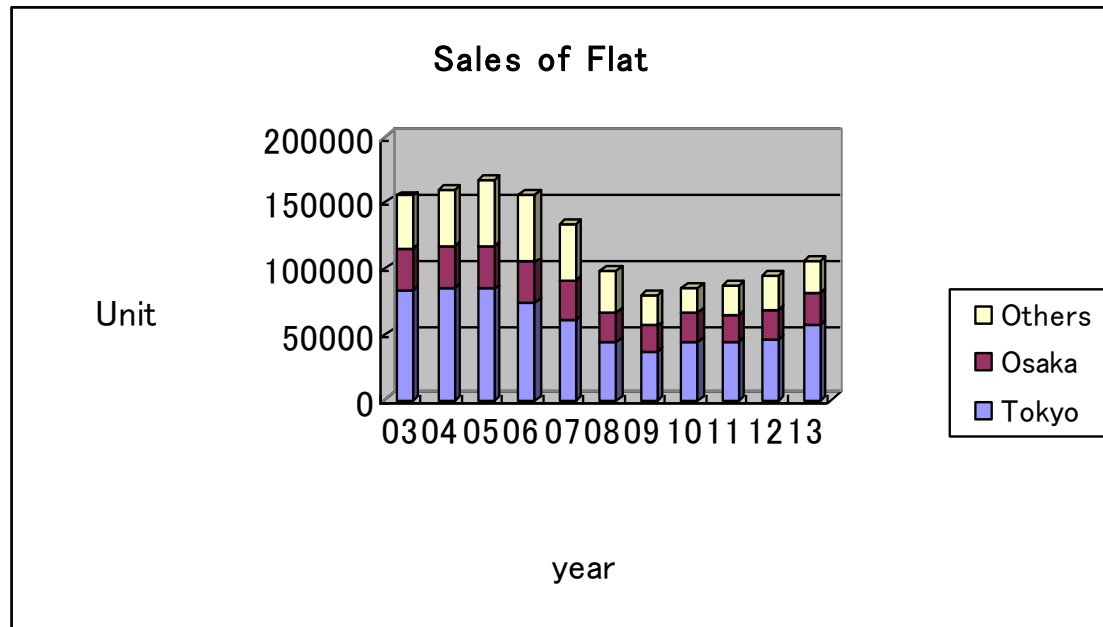


Reference: Trade Statistics of Japan

II. Trend in production, consumption and trade in ceramic tiles

Construction Industry

- Recovering Housing start. 11% increase in 2013 compare to last year before the rising consumption tax.
- 3.6% increase of starting apartment house compare to last year



II. Trend in production, consumption and trade in ceramic tiles



Problem of Ceramic Tile industry

Sales of tiles

- Decrease of 10% year on year for sales of tiles since this April.
- 1) Rising of cost of materials with Weaken Yen
- 2) Decrease the number of installers Decreased 45% of installers last 10 years

Effect of the inspection for external wall tiles every 10 years

Revising of construction law in 2008

High cost for inspection every 10 years

Avoiding to use tiles by some architect

II. Trend in production, consumption and trade in ceramic tiles



Developing the Detached houses market

Promotion to Housing makers to use ceramic tiles for exterior

Increased 22% compare to last year

Increased number of Imported tiles

Increased 4 % this year compare to last year

Mainly for floor tiles

Almost same quantity of tile sales between domestic tiles and imported tiles

Focus on exporting tiles

Used in TV program

Chance for the market of interior and commercial shops

III. Latest developments at national level in energy supply regulation and taxation



Environmental law

- Increase tax rate from 2012
- Apply for all fossil fuels
- Increase the tax rate step by step until 2016
- From 2040 JPY to 2800 JPY in 2016 per 1kl of oil

Government Policy

- Reduce 80 % of Greenhouse gas by 2050
- Regulate for all fossil fuels
- Consider for the target with out nuclear power station

IV. Any development in standardisation or regulation at national level affecting ceramic tiles

Revision of New JIS

Japanese industry standard JIS 5209 was revised this spring.

Focusing on organic adhesive installation method

1. Safeness
2. Environment
3. Installation

Thank you very much