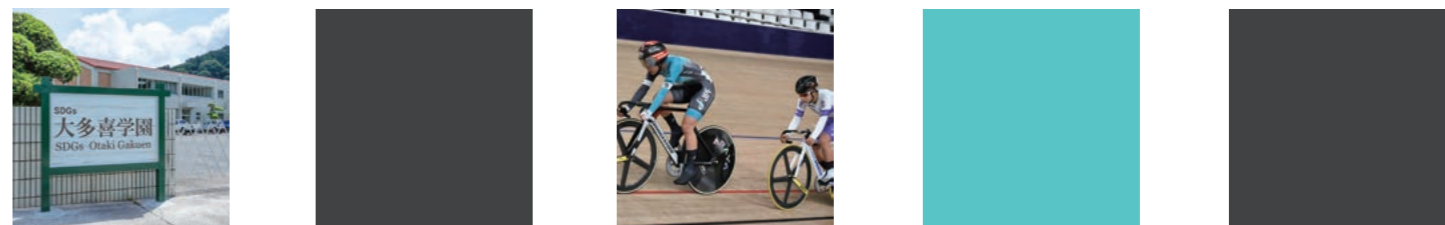


THE FACT BOOK 2022



THE FACT BOOK

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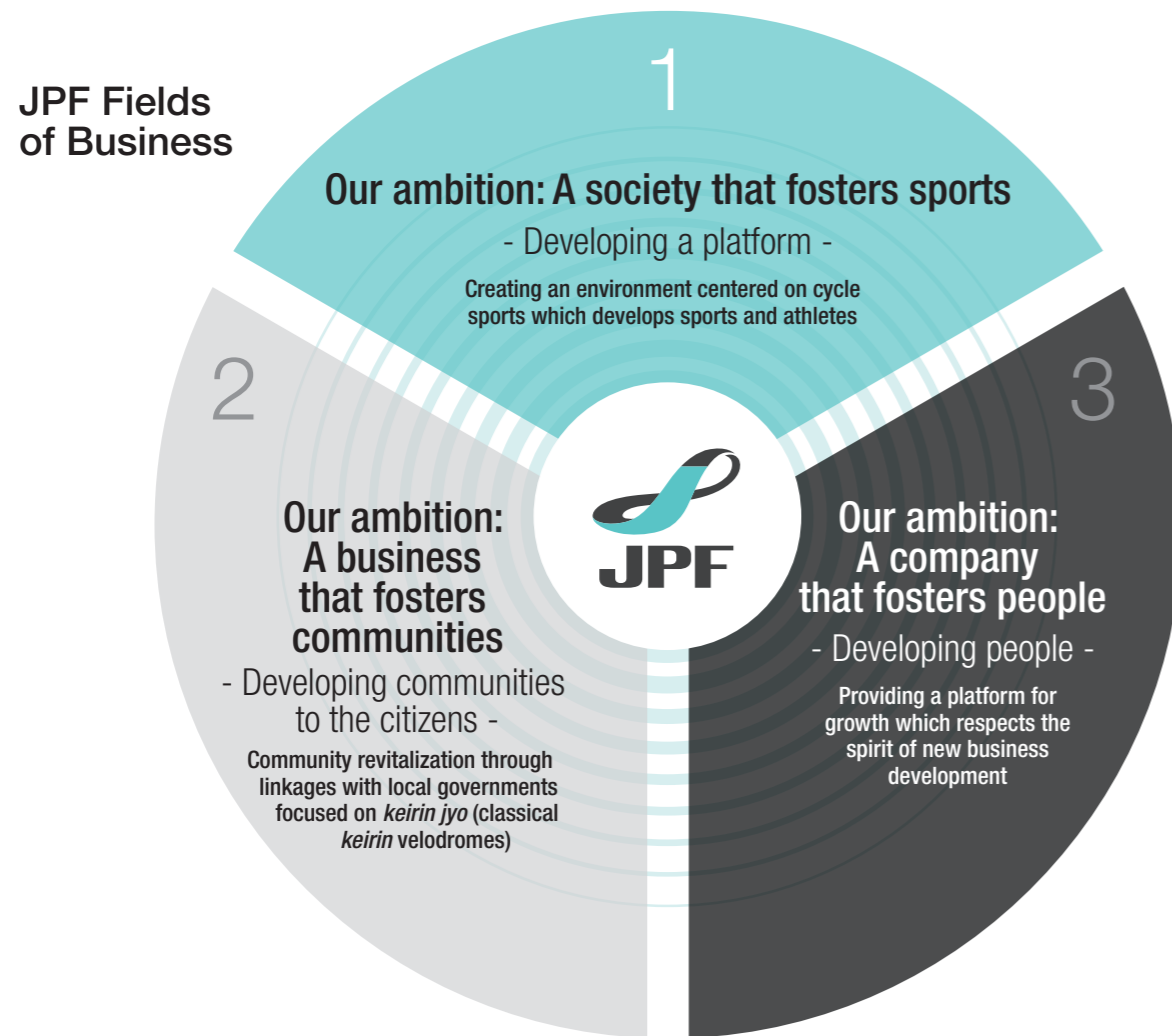
Jump for Positive Future

A Future To Believe In

to grasp with your own hands a future of wanting to live positively
with no fear of failure, believing in your own potential,
and with courage and dynamism
decisively and resolutely always embracing the challenge

We are  JPF





JPF Mission

Promoting a wide range of cycle sports



Our Mission is based on three foundations: Spreading cycle competition as well as training high-performance riders, creating a suitable environment, and youth development. Utilizing our knowledge and networks developed through management of *kōei kyōgi* (government-controlled gambling sports) venues, we will build outwards from *keirin jyo* around Japan to promote cycle sports, making them more familiar to people and an integral part of our lives.

Improving the status of *keirin* and *keirin* riders



As well as making *kōei kyōgi* venues sports facilities grounded in local communities, we aim to improve the status of *keirin* races and cycle athletes by pursuing the growth of cycle sports entertainment. Our initiatives so far include organizing “PIST6,” which is run under international *keirin* rules, as well as *Atarundesu* (“strike it lucky,”) and *Minna-no Keirin* (“cycle racing for everyone”) which have opened up new possibilities in sports betting.

Creating an environment where people and nature coexist

As we work towards building a sustainable society, we are actively engaged in environmental education centered on mountain biking and forest conservation activities. To the children of the future, we will pass on the message of how important it is to protect and be close to nature.



Community revitalization through linkages with local governments

Through operating and managing *kōei kyōgi* stadiums, we intend to contribute to the development of local communities. We actively promote businesses and social contribution initiatives which bring energy to towns and the people who live there, in a way that only a company which has grown in partnership with local governments can.



The unbroken spirit of new business development

After beginning with photo finish technology and progressing to comprehensive management of *kōei kyōgi* venues, we have expanded the scope of our activities to cover all cycle sports, development of large sports facilities, as well as agriculture, launching new businesses one after the other to continually broaden our fields of operations.



Providing a platform for growth

We will continue to be a company which enables not only the growth of our employees, but also through our businesses enable growth together with everyone involved in them. To that end, we treasure the spirit of new frontiers and our culture of “action over thought,” meaning trying and embracing the challenge of all ideas which come to mind.



JPF’s Medium- to Long-Term Growth Vision

	JPF 1.0 (at inauguration)	JPF 2.0 (Stage 2: Inauguration to Growth)	JPF 3.0 (Stage 3 Inauguration)
	Japan Photo Finish Corporation		JPF Co., Ltd.
Fields of Business	Photo finish business	Promoting cycle sports	Business enabling sport to benefit society
Significance	Operating fair <i>kōei kyōgi</i> (gambling sports)	Bringing energy to communities through sports	Safeguarding the environment for sports promotion and youth development
Company Assets	Photo finish technology	Comprehensive management of <i>kōei kyōgi</i> facilities	Bringing together people and knowledge through diverse business development
Desired Employee Attitude	Spirit of professionalism	Spirit of embracing the challenge	Spirit of new frontiers
Branding	Trustworthiness of technology, and uniqueness as a company	Sporting value of <i>kōei kyōgi</i>	Social innovation focused on cycle sports

Always trying to be the front runner which changes cycle sports

President Shuntaro Watanabe



Supplied by: The Asahi Shimbun Company

■ Work history

- 1990 Graduated from the Department of Law, Faculty of Law, Keio University
- 1996 Attorney registration
- 2002 Opens the Tsubasa Law Offices
- 2007 Appointed as President of Japan Photo Finish Corporation (now JPF Co., Ltd.)
- 2013 Appointed as Arbitrator at the Cycling ADR Center
- 2014 Graduated from the Top Sports Management Course, Graduate School of Sport Sciences, Waseda University
Presented a Master's thesis: "Research on the Role Keirin Jyo Should Play"
- 2017 Managing Director of the Japan Cycling Federation (appointed Director in 2021)
- 2018 Appointed as Representative Director of the Japan Cycle Sports Promotion Association
- 2019 Appointed as Director of the Japan Cycling Association

their perceived nuisance value - decrease the value of the surrounding community. Therefore, in the sense that discontinuing *keirin* and redeveloping the land *keirin jyo* stand on would provide greater income for towns, their value came to be denied. In fact, the case of the Chiba *Keirin jyo* provides a prime example. Situated around ten minutes' walk from Chiba Station, a major terminal station, the former Chiba City mayor announced plans to close the *keirin jyo*, even though it had begun turning a profit. The *keirin jyo*'s value had been denied. This situation generated a strong sense of danger, as people believed that it could cause cycle racing's legitimacy via the right to special legally-permitted sports betting to be lost. As a company involved with the *keirin* industry for many years, in order to fulfill the responsibilities required by the Bicycle Racing Act, we focused on firstly turning the *keirin jyo* we managed into hubs for the spread of cycle sports, and then running *keirin* competitions to international rules.

The reasoning behind these initiatives was that *keirin* held a dominant position at the pinnacle of Japanese cycle sports and that children aspired to it. If we could make the *keirin jyo* themselves hubs for the spread and strengthening of cycle sports where everyone from global elite cyclists to children meet, Japan could at least remain at the top level of global track cycling, and the legitimacy of holding *keirin* events could be maintained.

*Please see the author's thesis "Research on the Role *Keirin jyo* Should Play" for details.



Why expand your fields of business to all cycle sports while focusing on keirin races?

Our company has been involved with the *keirin* industry for many years. In order to fulfill the responsibilities required by the Bicycle Racing Act as a member of the *keirin* industry, we must give *keirin* a presence which is of value to society. To increase the value of *keirin*, it is necessary to create an environment in which *keirin* riders are always delivering world-leading performances.

That means building an environment which continuously develops truly strong cyclists, including the need for a pathway by which children can advance to elite levels, which naturally means we must broaden our fields of business to all cycle sports.

1 Fulfilling the responsibilities required by the Bicycle Racing Act: Making *keirin* itself a presence of value

Article 1, Paragraph 1 of the Bicycle Racing Act states that *keirin* shall "contribute to the promotion of activities such as promoting improvements to and export of bicycles and other machinery, the streamlining of the machine industry, physical

education initiatives, and other activities aimed at improving the public good, as well as work to improve the soundness of local government finances." Based on these objectives, the Act permits *keirin* and also specifies that the sale of betting tickets for bicycle racing is allowed.

In this way, the Bicycle Racing Act expects that *keirin* will - through sports betting - support cycle sports (and furthermore sports overall) in Japan, as well as contribute to the promotion of the bicycle industry etc.

However, while the *keirin* currently held in Japan conducts subsidized projects as the Act provides, they are of a fragmentary nature. It is also difficult to say that the *keirin jyo* form "an environment which continuously develops genuinely strong cyclists." Rather, over the last 70 years, *keirin* has existed statically in terms of tracks, equipment, and rules, to the extent that it has even had negative impacts on Japanese cycle sports.

In addition, *keirin jyo* in urban areas only make a small contribution to local government finances, and - as a result of

2 The need to continuously develop genuinely strong cyclists: Expanding cycle sports in Japan

At the same time as we were taking new initiatives such as the above, I also received the opportunity to make a contribution as Managing Director and Executive Committee Chair of the Japan Cycling Federation. Through this role, I was able to learn about a wide range of cycle competitions other than *keirin* and try them for myself. By doing so, I became keenly aware that for Japan to continuously develop genuinely strong cyclists and consequently remain at the top level of global track cycling, it is necessary for cyclists to raise their skill level by experiencing offroad events - and the distinctive techniques they require - at a young age.

In Europe and North America, well-established pathways have kids experience offroad events (particularly BMX) and then move onto other events including track cycling. In fact, the Union Cycliste Internationale (UCI), the world governing body of cycling, has established BMX world championship categories from elementary school age. However, in Japan offroad events suffer a lack of funding and personnel in comparison to track and road disciplines. I therefore determined that there was no alternative but to personally take the lead in actively promoting the growth and strengthening of cycle sports overall, focusing on offroad events but spanning all age groups, including children.

In parallel with the new initiatives regarding *keirin* which I mentioned before, spreading and strengthening cycle sports overall would create a sustainable environment for continuously producing genuinely strong cyclists. As a result, *keirin* itself would be recreated as a high-level and exciting sport, and the people who are enthralled and excited watching it enable generation of revenue streams such as from ticket sales, broadcasting rights, and sponsorship. The increasing status of *keirin* itself would lead to positive impacts on the surrounding environment, contributing to the promotion of genuinely community-grounded sports. I am therefore convinced that doing so ultimately leads to success for our company as well.

In an era of intense questioning of corporate social responsibility, what sort of *raison d'être* are you aiming for as a company?

At JPF, we are engaged in a range of businesses focusing on *keirin* cycle racing. However, we believe that our strengths lie more broadly, in the spirit of always embracing new challenges as well as the ability to take action dynamically based on a flexible mindset unconstrained by existing frameworks or stereotypes.

These strengths could only have been built through a culture - which I have personally emphasized - of never being satisfied with acting out of habit, and of always valuing learning, thinking, and discovering.

Thus, by leveraging strengths such as these we hope to become through our *keirin* businesses and cycle sports businesses a company with the *raison d'être* of providing an environment for *learning* in local communities and throughout Japan.

1 Becoming a company providing an environment for learning by elite athletes and people in sports businesses

The essence of the great 19th-century academic and reformer Fukuzawa Yukichi's "Encouragement of Learning," is, ultimately, that "society will not make progress unless everyone learns." We believe that it is critical for not only elite athletes but also people engaged in sports businesses to take the initiative in learning. This belief stems from the understanding that when elite athletes - who from their standing have a strong influence on society - take the initiative in learning, the path is open to building a better society.

In addition, sports are a critical platform to bring people together, regardless of nationality, ethnicity, gender, or religion, with a value contributing to a diverse society and maintaining peace. There is no question that by learning about the meaning of diversity and peace and then enriching their actions with such concepts, elite athletes can be leaders in the acceptance of diversity and maintaining peace.

We therefore believe that creating an environment for learning by elite athletes and people in sports businesses - or creating

an environment in which people who can learn aspire to become elite athletes or engage in sports businesses - is the social mission of JPF.

In addition, we believe that doing so raises the value of sports and earns sports betting a legitimacy unavailable to simple gambling.

2 Becoming a company providing a platform for learning about Japan's natural environment

As mentioned above, the scope of the Bicycle Racing Act is not limited to cycle sports, but also states "promotion of physical education initiatives" as one aim of *keirin*.

The field of sports (which here we do not distinguish from physical education) does include urban sports, but also many sports best enjoyed in the great outdoors, such as mountain biking, snowboarding, canoeing, surfing, and diving. Making the attractions of such sports enjoyed together with nature widely known is directly connected to deeper understanding of nature and the environment and furthermore being enthralled by it. Sports are intrinsically activities which families can enjoy together, and so enable parents and children to learn by sharing the same excitement. Moreover, I am convinced that increasing the popularity of such sports enjoyed in nature will lead to regional revitalization in a country like Japan where the population is highly concentrated in urban areas.

Inhabited by the most species of organisms in the world, the forests and oceans of Japan are teeming with life. We can make these Japan's greatest assets, and be proud to showcase them to the world. We believe that the social mission of JPF - a company involved in the sports betting business - lies in the way that providing a platform for learning about Japan's natural environment through sports also stimulates *discovering* Japan's rich natural heritage and *thinking* about how we should build a sustainable society.

What I hope for from employees and business partners

Firstly, our employees must be aware of our social responsibility as a company doing business on behalf of local governments, who have the right to sports betting specially permitted under the law. In that sense, if we are - for example - operating a *keirin jyo* for a local government, we need to achieve on their behalf objectives for the public good (such as sports promotion) which would normally be carried out by the local government itself. In other words, simply increasing sales turnover is not necessarily a good thing. I want our employees to be colleagues who are thinking not about how *kōei kyōgi* are currently run or what laws and regulations they are operated under, but instead always thinking about the ideals of how *kōei kyōgi* should be, thinking for themselves and taking action, including even requesting revisions to the law if necessary. I also want them to provide background support to people working in similar ways.

With our business partners, I would like to build relationships where we share each other's visions and embrace the challenge of working toward the ideal state together.



The tires used in *keirin* are about two centimeters wide. This tiny difference affects bets worth hundreds of millions of yen. It naturally also affects the riders' prize winnings. The difference between the purses for first and second place at the year-end *Keirin* Grand Prix (the biggest Japanese *Keirin* Race) is around 80 million yen. Large amounts hang on a mere two centimeters - and in some races, not even that. Victory can be decided by mere millimeters, less than a tire width difference. The phrase "won by a tire width" has far more significance for *keirin* riders than we can even imagine. Because of these tiny margins, it is no exaggeration that *kōei kyōgi* would not be possible without absolute trust in the photo finish system. Ever faster, ever more accurate. The history of progress in photo finish systems is also the history of tenacious employees with a passion for fairness.

A fixation on fair sports photo finish systems



First-generation film slit camera from 1950

Photography plays a major role in determining the winner of many sports with margins of fractions of a second - not only the four *kōei kyōgi* of *keirin*, horse racing, *kyōtei* (boat racing), and *Auto Race* (flat track motorcycle racing), but also many athletics events. Photo finish systems use a specialized imaging device called an electronic slit camera, or a super high-resolution electronic finishing order determination camera, to use its full name. In 1950, our Chairman of the time, Shunpei Watanabe, developed a film slit camera, the forerunner of the electronic slit camera. Slit cameras were originally used in the U.S.A. for military purposes, and Watanabe applied that concept in his development work. Initially called the Photofini Camera, Watanabe obtained a patent in 1951, and after being rated as a leading invention by the Ministry of International Trade and Industry (now the Ministry of Economy, Trade and Industry), it was used at events such as athletics at the Tokyo 1964 Olympics. Film slit cameras required laborious film development after exposure, but through intensive product improvement work to reduce the photo development time as much as possible, Watanabe achieved development times of six to seven seconds. His painstaking efforts included creating a new developing solution and developing film at a different temperature to usual, all in the name of increasing speed.

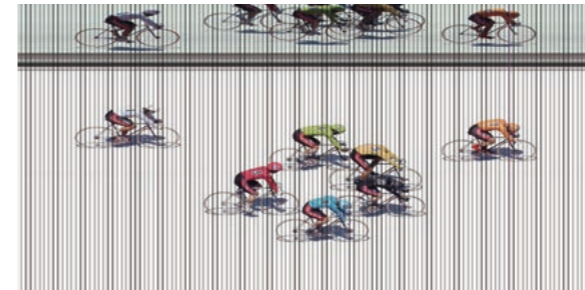
Revolutionary advance from film to digital

Including the transition from the original film to digital systems, electronic slit cameras have been upgraded through around ten generations so far. Electronic slit cameras which we newly developed were used for the first time at the Tokuyama Boat Racing Course in 1978. The fundamental layouts of film and electronic cameras are the same, but the transition to digital has replaced the physical slit (a gap of 0.03mm) and film with a sensor. Film slit cameras have a slot between the lens and the camera, and - after careful positioning on the finish line - take slit photographs by feeding and exposing the film at a speed matching the pace of the moving subjects. By contrast, electronic slit cameras continuously take and digitally process images (approximately 2,000 frames per second) of the finish line which are the width of a human hair. The latest slit cameras can theoretically take up to 10,000 images per second. The transition from film to digital systems has significantly reduced the time taken until images are displayed. As film cameras require time to develop the film, determination took around three to four seconds - but modern digital cameras enable the commissaires (judges) to determine the finishing order instantly.



Current digital slit camera

A history of photo finishing two million races over 60+ years

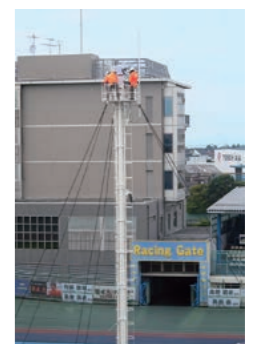


A *keirin* photo finish capturing even a tire's width

Determining the finishing order in *kōei kyōgi* is a massive responsibility, as it has financial implications for both the riders and the spectators. Our staff certainly feel the heavy responsibility and pressure, making comments such as "I work every day with the attitude of going to the track to take finish line photos even if I had a hole in my stomach or I had to crawl there" and "I often have ominous dreams such as forgetting to take the finish line photos, or that the staircase to my bedroom has disappeared." Finish line photos are of critical importance in *kōei kyōgi* races such as *keirin*, but, surprisingly, a race has never gone undecided because the photos could not be taken. This proud record is thanks to the painstaking efforts of our staff. They check the equipment every day without fail, and - despite working in an imaging environment affected by complex interrelationships between factors such as the season, weather, and time of day - apply the experience and techniques they have accumulated over many years to maintain imaging quality. Working on the basis of 40 *keirin jyo* around Japan, around 20,000 *keirin* races are held every year, and we photograph all of them. Continually producing the same output is no ordinary achievement, and passing on that technology is also no mean feat. Thanks particularly to the highly-professional attitude of each and every one of our staff maintaining high quality standards, we have won and retained the trust of industry stakeholders for many years. Today and every day, our staff are working in the background, imaging with responsibility to make this vast number of races possible.

Judging video: Supported by practiced craftsmanship

Keirin requires determination in terms of both the finishing order and rule violations. It is the commissaires who determine (called judging) what is a rule violation. The commissaires refer to video taken of the races in making their decisions. Directly after each race, they check the video and decide if there was a rule violation and if penalties are to be imposed. In most instances, we take this race video and supply it to the commissaires as well as produce the tape review video for spectators. Imaging is carried out by 360-degree swiveling cameras positioned on top of a tower around 20 meters tall located in the center of the banking, called the center pole camera system. Filming of the race is carried out by human operators who track the riders' movements, and must capture the entire field from first to last. Moreover, this video models the sight lines of the respective corner commissaires, with cameras installed as an extension of each corner commissaire building. Even though a race only lasts a few minutes, this work demands intense concentration and accurate operation, filling staff with tension. After race filming is completed, the video is edited according to instructions from the commissaires, creating tape review video based on the judging results. The tape review video is generally broadcast before the next race starts, so all of this work must be completed between races. Carrying out this series of tasks quickly and accurately is made possible by thoroughly-designed procedures and trained operators, with precise video editing enabled particularly by knowledge and understanding of the judging process.



Inspection work on the 20-meter tall center pole

Keirin is said to be the most unpredictable and deeply fascinating of the *kōei kyōgi*. On the other hand, it is a fact that the spotlight has been constantly shone on the gambling aspect of *keirin*, and as a consequence its spectacle and fascination as a sport have not been sufficiently communicated. We are conducting a wide range of initiatives to increase the popularity of cycling more broadly. These include exposing people to the diversity of cycle sports, such as BMX, Road cycling, and *keirin*, which is incidentally one of a small number of Olympic sports originating in Japan. Through these encounters, we will create opportunities for people to experience the joy of watching (as a spectator) and riding (participating in cycle competitions) cycling, with the overarching aim of building a deeply-rooted cycling culture such as exists in Europe.

Promoting a wide range of cycle sports

In leading cycling countries, rider training structures utilizing an athlete development pathway system are now becoming the standard. A growing number of elite riders experience offroad events such as mountain biking and BMX - which require learning advanced biking skills to cope with the unstable trail surfaces - at a young age and then transition to track or road disciplines. Buying into this global trend, we have been actively building pump tracks at *keirin jyo* around Japan so that children can experience offroad biking from a young age. In addition, we have worked to provide a platform for learning basic cycling skills through BMX events via initiatives such as building the BMX Freestyle Park at the Kyoto Mukomachi *Keirin jyo* and the BMX Racing Academy project at the Hiroshima *Keirin jyo*. We are also broadening the scope of our initiatives via the Japan Cycle Sports Promotion Association, to which we provide funding. From 2020, with the aim of promoting mountain biking events, we have undertaken operation of an urban mountain biking competition at Chiba Park, the Eliminator and Cross-Country Short Circuit Events National Championship. Furthermore, in 2021, we began the Top Cyclist Academy project for leading riders from 9 to 14 years old. We are pursuing the many possibilities in cycle competitions by creating programs - based on an athlete development pathway - oriented toward developing future Japanese representative riders.



Children who aim to be future elite cyclists

New *Keirin*, New Era begins



A PIST6 race held under international rules

The TIPSTAR DOME CHIBA is an international-standard cycling arena featuring a wooden 250-meter track. It is a sports entertainment facility emphasizing performances and art, and revolutionizes the previous *keirin* image as a gambling venue. Its core concept is for a broad cross-section of people - such as sports fans, cycling fans, and *keirin* fans - to enjoy *keirin* as a sport, and aims to develop a wide range of cycle competitions, beginning with Japan's home-grown discipline of *keirin*. Another major feature of this project is building operational systems so that our company could manage events on a fully in-house basis, including a new business model of centralized betting systems and establishing a competition operation company for hosting *keirin*. Leading riders from Japan and overseas have been attracted to 250 *keirin*, so as well as conveying the fun of racing to many people, we can also expect increased competitiveness from individual riders through enabling greater racing experience. In the future, we will invite international riders to compete on the international-standard track and host globally-recognized competitions and races, thus also making use of the dome as a hub for the spread of cycle competitions. We will be hosting track academies principally for students in Chiba Prefecture there, meaning that a further role of the TIPSTAR DOME CHIBA is for creating programs leading from community sports facilities to strengthening the national team. It represents a major step toward increasing the competitiveness of Japanese cycling as well as making cycle competitions major sports in Japan.

Atarundesu : Advanced sports betting

Atarundesu ("strike it lucky") is a product created using a system called accumulator betting which operates within the scope of the law governing *Auto Race* motorcycle racing (the *Auto Racing Act*). It can be considered an advanced example of adeptly utilizing the features of *kōei kyōgi* law. Specifically, the payout rates of the "*Takarakuji*" lottery or "*Sports Kuji*" betting are limited by law to no more than 50%, but the payout rates of *kōei kyōgi* are 70% or more, providing a clear advantage. Other features include guaranteed winners at a high probability (one person among 4,096) and even people without knowledge of *Auto Race* being able to purchase *Atarundesu*, leading to successfully building a regular customer base across a wide age range (20s to 40s). Purchasers have a low awareness that they are buying *kōei kyōgi* betting tickets, helping to clear a psychological barrier to gaining new *Auto Race* fans. *Atarundesu* is also creating synergistic effects by developing a new customer base who will go to the stadium via people purchasing betting tickets as an entry point and then gaining interest in *Auto Race* as a sport. The business knowhow gained through *Atarundesu* - which has established a new form of *Sports Kuji* betting - is also the first step in creating the new forms of sports betting we are aiming for in the future, making it a valuable role model for the industry as well. In addition, a portion of the revenue from *Atarundesu* is contributed to local government finances, assisting with promotion of the machine industry and improving social welfare, making *Atarundesu* also part of our company's CSR activities.



"*Atarundesu*" accumulator betting for *Auto Race*

Wave pool business aiming for community revitalization through sport



Wave pools: A novel type of resort which can be enjoyed by beginners through to professionals.

We are often asked by people both inside and outside the company why JPF is involved in surfing-related businesses. Wave pools are leisure facilities which feature artificially-generated waves for surfing, and are gaining attention worldwide as a new type of surf resort. As more and more attention is paid to surfing in Japan as well - particularly after Japanese surfers won medals at the Tokyo 2020 Olympics - there is surely no question this is a business with high future potential. However, JPF is not only engaging in wave pool initiatives due to their business potential. As we broaden our fields of operation from revitalizing *keirin jyo* to promoting cycle sports, we have been strengthening our connections with local communities, developing facilities which are essential to local residents and businesses. Our wave pool initiatives are an extension of that business philosophy. They are not simply facilities for surfing; rather, they are symbolic of JPF's business development policy, in that these initiatives ultimately lead to creation of new communities by the presentation of a new beach culture contributing to community revitalization and promoting inward migration. We have stolen a march on our competitors by making large advance investments in joint-venture businesses with Wavegarden - a Spanish company which is a world leader in delivering a wide range of wave types and efficient operation systems - and securing exclusive negotiating rights for the Japanese market. Beginning with cycle sports, we are working to create a new sports culture in Japan, of which the large wave pools project is a flagship business.

Kōei kyōgi - the starting point of our business - was a national project launched with the aim of rebuilding local economies after the war.

The history of our company - which has played a part in the growth of *kōei kyōgi* - can certainly be called a history of moving forward together with local communities.

The profit earned has supported the foundations of local government finances and provided expansive green spaces which enrich the lives of local residents. How we can utilize *keirin jyo* to make a social contribution for the benefit of local communities is a point we have continued to think seriously about, a perspective which we believe is nurtured by our history together with local communities.

JPF's hope is that *keirin jyo* will continue to be an essential presence for local communities.

Opening *Keirin* venues and *Auto Race* stadiums to the local community



Strider classes for kindergarten-age children held regularly at each *keirin jyo*

The historical background to *kōei kyōgi* in Japan is of operation by local governments to generate valuable sources of finance for post-war reconstruction. However, it is also undeniable that *kōei kyōgi* have faced many issues such as gambling addiction as well as facilities operation and maintenance budgets becoming squeezed. JPF does not stop with contributing to local government finances through *keirin* sales turnover, but - by reimagining *keirin jyo* as sports facilities open to a broad cross-section of the local community - aims to make them hubs for the spread of cycling culture. Anyone who is interested in cycling and track events can participate in cycle clubs operated by JPF. Our staff - including current and past *keirin* riders - provide patient guidance and support to riders from those beginning as a hobby to those aiming to turn professional. Utilizing the banking of the *keirin jyo* - which enables safely riding and racing at speed - we aim to increase the number of people participating in cycle competitions, which will in turn cultivate the cycle competition fan base. Doing so will provide many benefits from spreading cycling travel safety awareness to improving cycling culture. We also regularly hold a wide range of events, such as kick bike races, cycle clubs, and classes for kids learning to ride without training wheels, which help people of all ages make bicycles a familiar part of their lives.

The possibilities in youth development that cycle sports aim for

Bicycles have always been used by many people as a tool for their first independent travel at a young age. Moreover, they are not only a means of transport, as even bicycles which are not overly sporty can be at times used for competition and fun, always serving as a means to bring people together ever since childhood. The impact that cycle sports as an extension of these activities have on young people is not only measured in terms of increased physical capability or improved health, but also in fostering communication skills through engagement with local residents as well as friends and coaches experiencing the same sport throughout the world. In addition, cycle sports - which people can engage in regardless of gender, age, or disability - are believed to foster compassion for others and a generosity of spirit which recognizes a diversity of values. It is said that we humans develop around 80% of our adult neurological functions by the age of six years old, and therefore, we hold events which provide opportunities for riding sports cycles to children of pre-school and elementary school age. Through linkages with our related organization the JCSPA, we regularly operate three schools with different target groups and content: the Basis BMX School, BMX Academy, and the Top Cyclist Academy. We aim to support the sound mental and physical growth of young people through cycle sports.



Guidance is available from professional cycle sports athletes and coaches

The SDGs Otaki Communication Center: An experiment in connecting sports and communities



A community-grounded SDGs hub utilizing the buildings of the former Fusamoto Elementary School

Nestled in the mountains of south-eastern Chiba Prefecture, Otaki Town is known for its abundant greenery and historical heritage such as Otaki Castle. However, agriculture and forestry - long the mainstays of the town's economy - face many issues, including a declining and aging workforce, lack of people to take over the land, slumping commodity prices, and intensifying competition from imports. JPF has launched the SDGs Otaki Gakuen charitable foundation, which brings companies together as a "corporate community center," a platform for collaboration and sharing information. It does not aim to earn profit as a standalone business, but instead promotes sustainable initiatives with a view to the entire related social and lifestyle environment. Its fields of activity are widespread, from agriculture and forestry to energy and developing infrastructure for sports. Here, local governments, residents, and companies join together to engage in community-originating participatory SDGs initiatives. New concepts unbounded by traditional business frameworks include building cycling roads through forested mountains, which provide an environment for sports while also preserving forest resources. Such ideas entail local people building attractive localities and lifestyle spaces by their own hands, by doing so creating employment locally, encouraging inward migration, and bringing energy back to the area. The challenge which JPF and Otaki Town council have embraced has only just begun.

JPFagri: Initiatives for agriculture supporting nutrition

Our efforts in partnership with Otaki Town are not limited to the SDGs Otaki Gakuen. We are working on the advanced utilization of agricultural land in the town, and - as well as preventing land from falling idle and into disrepair - promoting year-round initiatives relating to agricultural land, not just rice paddies. Established in the 2021 financial year, JPFagri's principles are "learning from the vast nature of the Boso region and growing together," and has begun producing rice from agricultural land in Otaki Town. Our "Tadakatsu Rice" - named after samurai general Honda Tadakatsu, who was one of the Four Heavenly Kings of the Tokugawa and the lord of Otaki Castle - is for sale at roadside stations in Chiba Prefecture and the "Marché" store at TIPSTAR DOME CHIBA, as well as planned for provision at the Dome's athlete dining room. As well as the above activities, we are also beginning to experiment with natural cultivation methods which do not use pesticides or fertilizers. We aim to create a sustainable business through methods such as diversification of agriculture into processing and distribution and becoming a corporation qualified to own cropland.



Branded rice harvested in Otaki Town

Many of JPF's businesses are completely novel initiatives. If the future is merely an extension of the past, the probability of success or failure can be predicted - but in an unknown field of business, everyone is searching in the dark. At JPF, we treasure the spirit of new frontiers above all; in an unknown field, if you have time to stop and agonize about something, then just try and see how it goes - take that first step into a new world for us. We provide everyone here - even new employees - with significant authority and responsibility, encouraging them to resolutely embrace the challenges ahead. Ultimately, the company will always take responsibility for whatever happens. Our trust in our employees and the bold decisions they take have driven many of our new businesses and the company as a whole, making these valued traditions for JPF.

Training programs rich in variety

We hold a wide range of training to encourage the growth of our employees. Our skill programs are tailored to the experience level of employees, including new induction training, mid-level employee training, and leadership group training. In addition, we work with the Minami-Alps Mountain Bike Club - who are engaged in improving mountainous areas - for staff to actually ride mountain bikes in the hills, experience creating courses, and learn about the Club's activities (such as building relationships of trust with the local community, developing trails on behalf of local governments, and riding initiatives). This training resonates with our social mission of bringing energy to communities through *kōei kyōgi* and the spread of cycle sports. In addition, we hold regular agricultural training, which - by engaging in primary industries such as agriculture and forestry - aims to deepen understanding of nutrition and nature as well as increase employees' life experience through activities far removed from regular work. Past successes include helping plum farmers for several weeks during the harvesting season to experience picking, sorting, and dispatch work. As our Group companies have begun agriculture-related businesses, we plan to further broaden the scope of agricultural training in the future. In the above ways, we do not only conduct traditional classroom-based skill training, but provide rich training programs across a range of fields.



Employees constructing forest paths as part of their training

Working as a rider-employee: Kisato Nakamura



Ms. Kisato Nakamura, a Tokyo Olympian

When I joined JPF, I was aiming to make the Tokyo 2020 Olympics, but at the time I was a long way off the level needed. That's when the challenge of JPF and myself began. As I was working at the Chiba *Keirin jyo*, I was naturally able to train on the track, but also borrow the weight training and stationary bike equipment that the *keirin jyo*'s resident riders use. Cycle sports require specialized equipment, so that was a huge help for me. Sometimes I watched the other riders train, which was also a big encouragement for me. Above all, the messages of support I received before the Olympics from everyone at the Chiba Office, the Chiba *Keirin jyo*, and in fact all our offices around Japan provided a huge boost to me. As the Olympics approached, the company created a base of operations for me at Izu, where the Games events were held. Telling me to "just focus on the Olympics and do your best," their support helped me to intensify my focus. Many employees also came to Izu to support me on the day of my event. In the future, I want to make Chiba - centered on the TIPSTAR DOME CHIBA - a second hub after Izu for high-performance cycling in Japan. In terms of broadening the popularity of cycle sports, I believe that the new PIST6 is the key to growing the number of *keirin* and cycle competition fans. Through my current work in commenting and PR, I want to connect people to *keirin* and cycle sports.

Making the most of a career as a *keirin* rider: Kenichi Yamano

I was inspired to utilize my experience by joining JPF after the company began comprehensive management of the Toyama *Keirin jyo* in 2010. My current role involves coordinating the four core *keirin* jobs at the TIPSTAR DOME CHIBA (commissaire, programming, bike inspection, and rider management), engaging with the riders and other various stakeholders as an official. Understanding the attitudes of the riders and stakeholder organizations is not always easy, but I make the most of my experience as a former rider and current management team member. Unlike while I was a rider - when I just had to think about my own performance - I now have to pay attention to and think about what is happening around me, and - looking more broadly at the *keirin* industry as a whole - think about what would benefit the company. This change in perspective has contributed significantly to my personal growth. To new employees coming on board and current (especially young) staff at JPF: if you receive an opportunity, embrace the challenge without fear of failure. That's what you will learn the most from, and JPF is a company which provides many opportunities to take on a challenge. I want people to put their hands up and take the initiative in trying something new. To our experienced staff, please support our young employees so they can take the lead. I am one of those veteran team members, and I will follow up on my words so our young staff can perform on the leading edge.



Making the most of his experience as a former *keirin* rider to carve out a new career

Taking a global perspective by holding dual roles with the Japan Cycling Federation (JCF): Mami Saito



Adaptability to different environments is a strength of mine

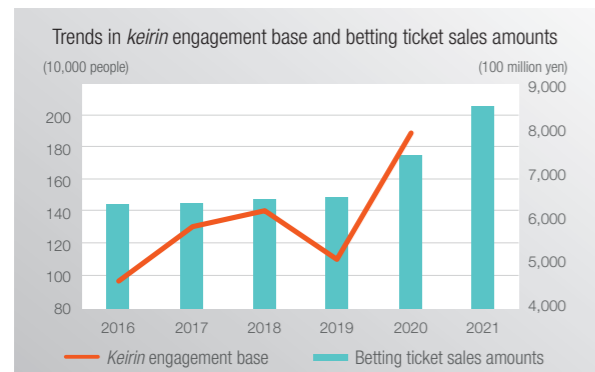
I joined JPF after graduating from university, and for two years I learned comprehensive venue management at the Sanyō *Auto Race* stadium. Since 2018, I have been seconded to the Japan Cycling Federation (JCF), which supervises cycle competitions in Japan, carrying out management work at a domestic competition organization. When I began my secondment, to be honest I didn't really understand what the aims of the JPF promoting cycle competitions were. However, I've had the chance to be involved with a range of cycling disciplines including track events through my work at the JCF, and become aware of the relationship with the initiatives JPF is taking. The greatest learning for me was realizing that activities such as cycle clubs, kids' BMX schools, and holding track MTB event competitions - born from the utilization of *keirin jyo* as community sports facilities - are important activities supporting the peak of the so-called pyramid, which is formed by rider development and holding national championships that the JCF is in charge of. Being my first engagement in cycle competitions there were many confusing aspects and work I was unsure about, but I am grateful for the approach of JPF, which emphasizes the growth not only of the company but of each individual employee. Utilizing my strengths in the English language and adapting to different environments, in the end I was able to experience the Tokyo Olympics - the ultimate sporting environment - as the track sports Japanese national team manager. I keenly felt how great it is to - working within limited resources - make the most of your knowledge to build a successful project.

The pandemic buoyed the *keirin* market!?

2020 and 2021 were tumultuous years due to the COVID-19 pandemic. Industries such as hospitality and leisure suffered major adverse effects, and pachinko parlors closed one after the other. But what about the *keirin* market?

You might imagine that - as people could not go to the venues (such as *keirin jyo* and betting ticket sales centers) when being asked to refrain from going outside - sales turnover would have plunged. In fact, not only was the *keirin* market not adversely affected, but sales turnover significantly increased. In recent years, total sales turnover in the *keirin* market has increased thanks to the higher number of races being held. But even though total sales turnover grew slightly, sales turnover per race had continued to follow a decreasing trend. However, despite the number of races held in 2020 decreasing approximately 6% due to COVID-19, total sales turnover increased by approximately 13% compared to the previous year. In 2021, influenced by the number of races being back to those of a regular year, total sales turnover increased by approximately 14% compared to the previous year, a similar buoyancy to 2020. The previous few years, sales turnover in the *keirin* market had been increasing slightly by 1% to a few percent annually, so the last two years could be called an unusual situation. But why - when people could not come to a place like a *keirin jyo* where they would be in close proximity - had sales increased so much?

One factor contributing to the significant increase in sales turnover was likely the increased *keirin* engagement base (number of people who watch and enjoy *keirin*) thanks to the broader take-up of internet betting. Total sales of betting tickets in *keirin jyo* and off-track decreased in 2020 by approximately 27% compared to the previous year, and decreased again by around 4% in 2021. By contrast, sales of betting tickets online increased in 2020 by approximately 46% compared to the previous year, and increased by around a further 22% in 2021. This significant increase in internet betting may have driven an increase in the *keirin* engagement base and therefore led to higher sales turnover in the *keirin* market.

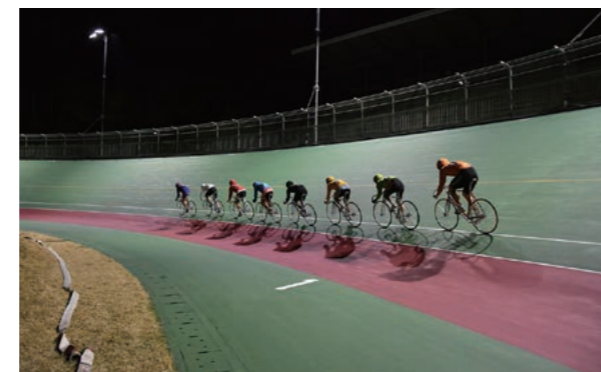


Reference materials: Japan Productivity Center, 2021 survey report on Leisure, "State of leisure time and industry/market trends" Source: JPF estimated values

In fact, looking at the most recent "White Paper on Leisure," the *keirin* engagement base grew from 1.1 million people in 2019 to 1.9 million people in 2020, an increase of as much as 800,000 people. The introduction of the internet betting system in response to the broad uptake of smartphones may have by chance had a synergistic effect with the need to stay at home, creating a buoyancy rarely seen in recent years.

Another reason for buoyancy in the *keirin* market may be the change in the times of day that races are held. *Keirin* races are divided into four categories depending on the time of day: Races held from 9AM to around 2.30PM are called "morning races," 10.30AM to around 5PM are "regular races," 3.30PM to 8.30PM are "night races," and 8.30PM to 11.30PM are "midnight races," the last of which are held without spectators. Regular races account for nearly half of all *keirin* races, but in recent years, the sales turnover per race has continued to decrease. In response, the number of regular races has been decreased, with more morning, night, and midnight races held instead. These measures resulted in improved sales turnover per race, and likely contributed to the buoyancy in the *keirin* market. In fact, even though the number of morning, night, and midnight races held has increased, sales turnover per race has also increased. It may be the case that, due to race times being broadly later in the day, people who cannot watch *keirin* broadcasts during the daytime on weekdays can now watch them after work. These measures relating to race times likely created a synergistic effect with the internet betting system mentioned above, further contributing to the buoyancy in the *keirin* market. However, there is also the viewpoint that the rapid increase in sales turnover has been driven by the same users winning on one race and staking their winnings on the next race, repeating this pattern from morning until late at night; in other words, that the number of new users has not increased much.

In any case, it is important to go back to basics, communicating the attractions of *keirin* both purely as a sport and for sports betting, continuing initiatives to uncover new users and prevent existing users drifting away.



Midnight *keirin*, whose popularity is increasing further due to the COVID-19 pandemic

"Can't simply watch and enjoy it": The global cycling boom and the necessity of cycling education

The COVID-19 pandemic has completely changed our behavior patterns. One of those changes is avoiding the "three Cs" of infectious disease transmission: closed spaces, crowds, and close contacts. In order to avoid the three Cs, working from home as well as refraining from going outside for nonessential and non-urgent purposes have increased.

Amid these trends, cycling has boomed. Bicycles are not only a means of transport, but are also useful ways of commuting while avoiding the three Cs as well as making up for lost exercise due to refraining from going outside. Reasons such as the above have caused a worldwide cycling boom, to the extent that supply has at times been unable to keep up with the sudden increase in demand.

A country where the cycling boom has accelerated particularly quickly is France. The home of the Tour de France has made promoting the use of bicycles a national-level priority. For example, a subsidy system has been introduced covering - when satisfying certain criteria - costs related to purchasing a bicycle, and plans are being advanced in each region to build long-distance cycle paths covering 100 km or more.

The demand for bicycles is also growing in Japan. The astounding growth in cycle sales is evident in, for example, the February 2021 financial accounts of major cycle retailer ASAHI CO.,LTD., which showed a 16.0% increase in sales and a 71.3% increase in operating profit compared to the same month the previous year. In addition, the June 2021 interim consolidated accounts of major cycling components manufacturer SHIMANO INC. showed a 65.2% increase in sales and a 79.5% increase in final profit compared to the same month the previous year. Such figures provide insight into just how buoyant the bicycle market is.

The uptake of cycling is also closely linked to greater environmental and health awareness. The benefits of cycling, including not using energy resources, creating no emissions, and providing exercise, are likely to lead demand to continue increasing in the future.

However, we cannot simply watch and enjoy this worldwide cycling boom. More and more people taking up cycling leads to concerns about cycle-related accidents also increasing. According to a survey by the Tokyo Metropolitan Police Department*, in 2021 there were 13,332 bicycle accidents in Japan, an increase of 1,889 compared to the previous year. In Japan, a cyclist who collides with a pedestrian may be subject to a large claim for damages. In 2008, a tragic accident occurred in which a bicycle ridden by an elementary-school student collided with an elderly person, causing the latter to suffer severe aftereffects. In court, the minor's mother - who was deemed to be the injuring party - was ordered to pay 95 million yen in damages.

Because bicycles are so easy to ride, we tend to forget that they are classified as light vehicles under the Japanese Road Traffic Act, so riders have an obligation to adhere to the Act. However, unlike automobiles, there is no licensing system for bicycles, making it possible to ride one without learning about the Road Traffic Act or riding etiquette. This is why accidents or violations of etiquette by cyclists sometimes become a social issue. Precisely because bicycles are so accessible to anyone, is it not essential to have the opportunity to learn cycling etiquette and transport safety rules?

As well as adhering to rules and etiquette, it is also important to acquire basic bike riding skills. Learning bike skills helps riders to both avoid causing accidents and protect themselves from accidents happening to them. In particular, children learning riding techniques at the ages when their motor skills are still developing significantly reduces the risk of cycle accidents. Once we have created an environment in which people can enjoy cycling in safety and security and the cycling population is increasing - in both the senses of a means of transport and cycle sports - then Japan would likely be accepted as a great cycling country for the first time.

*Tokyo Metropolitan Police Department, "Trends in Bicycle Accidents (in 2021)" https://www.keishicho.metro.tokyo.lg.jp/about_mpd/jokyo_tokei/tokyo_jokyo/bicycle.files/001_03.pdf (Date of most recent access: 15 March 2022)



Rental cycles freely available to anyone, which are increasingly popular in European cities



Cycle safety classes for children held regularly at each *keirin jyo*

Need to know: The surprising relationship between the COVID-19 pandemic and cycling

Latest Industry News
Need to know: The surprising relationship between the COVID-19 pandemic and cycling

Corporate overview

Trading name	: JPF Co., Ltd.
Capital	: 30 million yen
Number of employees	: 766 (as at December 2021)
Established	: 1951

History

1939	Company founder Shunpei Watanabe was involved in research on photo finish technology as the head of the photography subcommittee of the scientific facilities working group of the organizing committee for the Tokyo 1940 Olympics (which were ultimately canceled due to the outbreak of World War II).
1949	Japan Sports Photo Finish Association founded. Photo finish work begins at Kawasaki <i>Keirin jyo</i> (classical <i>Keirin</i> velodrome).
1950	Photo finish slit camera invented. Approved as a "leading invention" by the Ministry of International Trade and Industry (now the Ministry of Economy, Trade and Industry).
1951	Company reorganized into Japan Photofini Corporation. Subcontracting of photo finish work begins at Utsunomiya <i>Keirin jyo</i> .
1957	Company name changed to Japan Photo Finish Corporation. (from Japan Photofini Corporation)
1964	In charge of photo finish work for the athletics, cycling, and rowing events at the Tokyo 1964 Olympics.
1968	At the Tokyo Metropolitan Government Leading Inventions Exhibition, "Racing Finishing Order Determination Device" receives the Director-General's Award from the Science and Technology Agency.
1992	Electronic slit cameras developed by JPF used at the Barcelona 1992 Olympics. In charge of photo finish work for the athletics, cycling, rowing, and canoe events.
2008	JPFagri Corporation established.
2009	JPF Innovations Corporation established.
2010	Total management work at the Toyama <i>Keirin jyo</i> begins.
2013	Total management work at the Chiba <i>Keirin jyo</i> begins. 2010 Total management work at the Matsusaka <i>Keirin jyo</i> begins.
2014	Total management work at the Funabashi <i>Auto Race</i> stadium begins. (Funabashi <i>Auto Race</i> stadium closed in 2016.) Total management work at the Sanyō <i>Auto Race</i> stadium begins.
2015	Total management work at the Hiroshima <i>Keirin jyo</i> begins. Accredited as a Tokyo Sports Promotion Company by the Governor of Tokyo.
2017	President Shuntaro Watanabe appointed Managing Director of the JCF. Total management work at the Kyoto Mukomachi <i>Keirin jyo</i> begins. <i>Atarundesu</i> Corporation established.
2018	President Shuntaro Watanabe appointed Chair of the Japan Cycle Sports Promotion Association.
2021	Company name changed to JPF Co., Ltd. (from Japan Photo Finish Corporation). Total management work at the Nagoya <i>Keirin jyo</i> begins. PIST6 Corporation established.

Network

