Racing by Local Governments
In Japan
2017
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Presently, horse racing in Japan is classified into 2 categories: racing conducted by the Japan Racing Association (JRA), and racing conducted by local governments on the prefectural and municipal level. JRA racing provides revenue to the national treasury, and racing by local governments provides revenue to certain designated local governments.

European-style horse racing introduced in Japan at the end of the Edo Period
It was in 1861, towards the end of the era of the Tokugawa Shogunate, that Western-style horse racing was introduced into Japan. The first race was conducted in Yokohama under the auspices of the Yokohama Race Club which was formed by a group of foreign residents of that city. This was followed by Western-style races in Tokyo and Hakodate. In 1888, with Japan Race Club (formerly Yokohama Race Club) having put for the first time in Japan one-dollar betting tickets on sale for club-sponsored races in Yokohama, the popularity of Western-style racing grew throughout the country.

Roots of racing by local governments
Racing by local governments developed mainly as a form of public entertainment, from the ceremonial horse racing which had been dedicated since ancient times to local temples and shrines at festivals around Japan. The recorded history of racing in Japan can be traced as far back as 701 A.D., during the reign of the Emperor Mommu. As time passed, horse racing developed into such Imperial Court-sponsored forms as “Kurabe-uma” (“match races”) at Butokuden Pavilion, races for religious ceremonies at Kyoto’s Kamo Jinja, and other shrines, and road races sponsored by court nobles.
19th century race before the emperor MEIJI at UENO Park in TOKYO

Toward the end of the Tokugawa Shogunate era in 1861, the first European–type horse race in Japan took place in Yokohama under the auspices of the Yokohama Race Club which was formed by a group of foreign residents in Yokohama. This was followed by races in Hakodate and Tokyo. In 1888, the Japan Race Club which was evolved from the Yokohama Race Club put one dollar pari-mutuel tickets on sale for club-sponsored races in Yokohama for the first time in Japan.
Racing by Local Governments – An overview
Flourishing under a New Post-War System
A new Horse Racing Law was promulgated after World War II, in 1948. With the dissolution of the Japan Racing Society, which had been established through the unification of a number of race clubs, and which had exclusively operated horse racing in Japan, horse racing which had thus far been officially approved was changed over to a nationally operated form of racing under the direct control of the national government. After that, in 1954, the government established JRA, a semi-governmental corporation, to conduct all aspects of horse racing. This has since developed into the horse racing which is conducted by JRA today. On the other hand, in accordance with the new Horse Racing Law promulgated in 1948, races conducted by private equine organizations at that time were placed under the direct jurisdiction of local governments. In other words, these races were what are referred to today as “racing by local governments”. The operation of horse racing has been changed from the control of private equine organization to that of local governments.
With the revision of the Horse Racing Law in 1962, the National Association of Racing (NAR) was established.

The operation of racing by local governments has been unified, and its foundation made more firm through the establishment of NAR.

Races and racecourses

Structure of horseracing by local governments
Racing by local governments consists of 14 local governments located throughout the country, which serve as organizers of the races held within their jurisdiction. These 14 local governments are comprised of 2 prefectural governments, 2 municipals, and 10 joint-organizations.
NAR is the racing authority that oversees this racing by local governments organized by 14 local governments.

Racecourses
The map shows the location of racecourses in Japan. There are 15 racecourses used for racing by local governments. Of these, the 7 with ☆ are racecourses that hold night races.
The lengths of racecourses of local governments range
from between 1,051 meters and 1,600 meters. Their track width range is from 16 meters to 27 meters and from the home turn to the finish line range is from 194 meters to 386 meters. The maximum number of horses which can run are from between 10 to 16. Thus, they are smaller than JRA courses and bends are comparatively sharp. All of racing by local governments courses have only dirt tracks, with the exception of the Morioka Racecourse.

**Fixtures / Racing calendar**
There are differences in the schedules of racecourses in the metropolitan areas of Kanto, Tokai, Kansai and Hokkaido, and those of racecourses in other regions. Racecourses in major urban areas and Hokkaido hold their races on weekdays in order to avoid competition with JRA which holds races on Saturdays and Sundays. On the other hand, in regions that are largely unaffected by JRA meetings, our racecourses primarily race on Saturdays and Sundays, when it is easier to attract local fans.

When two or more racecourses are relatively close to each other, the areas they serve become a kind of shared commercial market area. In these cases, therefore, we coordinate the race schedules to avoid races being held on the same day. We also attempt to boost betting sales by using racecourse on their off-days as off-track sales sites. We also do our best to arrange runners so that racehorses can run in all racecourses within the same market area.

In winter, racecourses in Hokkaido and other parts of northern Japan cannot be used for racing due to heavy snowfall. Instead, these are used as off-track sales sites for racecourses in the metropolitan region and other areas. Racehorses belonging to these northern racecourses are also sent to run at racecourses where races are held. This gives local fans more incentive to bet on horses from their own region.
Statistics of Flat Race

There are many races which attract a lot of attention including listed races with high prize money conducted at various racecourses.

Flat races by local governments were held a total of 1,145 race days with about 13,078 races at 13 racecourses in 2017.

At the Himeji racecourse, there was not holding this year.

The number of different horses having run, the overall starts, and the average times of running per year are listed. A total of 128,706 horses ran and the average times of running were 10.7 a horse in 2017.
**Attendance & Turnover (Flat Race)**

The turnover of these races in 2017 was approximately 520.4 billion yen. As for the breakdown of the turnover in 2017, 8.2% is from on-course, 24.8% is from off-course, and 67.0% is from telephone and internet betting. The turnover of online betting amounted to about 349 billion yen and it is a big factor of increasing. In other words, it shows that the on-course turnover has been decreasing over recent years. The NAR developed a new integrated totalizator system and this system has been connected with JRA's general totalizator center system, so it has been possible to bet on the local government races through a membership of JRA’s internet betting system since October 3, 2012.
The average attendance for all flat racing by local governments courses per race day was 2,549 (98.6%), with average turnover of 454 million yen (111.9%). The turnover seems to increase, however, 2017 compared to 1991 fell to about 55%. Gross turnover by racing by local governments as a whole peaked in 1991, when a figure of 982 billion yen was recorded.

10 local governments withdrew from the horseracing business during the 13-year period from 2001 to 2013. After that Japanese economy changed for the better and the financial situation of the racing organizer is gradually recovering every year. In 2017 turnover per day of whole racing organizer amounted to 454 million yen, which is higher than the peak of 419 million yen in 1991.

**Off-track sales**

Sales at racecourses are decreasing year by year, but off-track sales including internet betting are conversely in an upward trend. The ratio between racecourse sales and off-track sales stood at 50:50 in 2001, the ratio of off-track sales has increased greatly year by year since then, in 2017 it was 8:92.
One of the reasons for this is that off-track sales days and races are on the increase between racecourses. Another is that a nationwide system of sales for listed races featuring high-quality racing has been established. A third reason is that telephone and web betting have grown dramatically with the development of systems for providing online race video, odds and other information.

Prize money

It shows the average prize money per race for a thoroughbred flat race and an Anglo-Arab flat race. The race by Anglo-Arab has been already abolished. The average prize money per race for thoroughbred flat race is 1.393 million yen. Along with the recovery of turnover, the amount of prize money has been also recovered little by little.

The Development of race systems

Traditionally, JRA and racing by local governments held races separately within their circles. However, in more recent years, both sides have begun collaborating and coordinating their efforts to implement exchange race that is intended to promote all areas of horseracing in
Japan. And in 1973, Oi Racecourse held its first invitational race that allows JRA horses to run. Since then, the number of these races has increased. Furthermore, amid growing momentum toward the establishment of a race system, the Dirt Race Grading Committee was set up in 1996 to make appropriate selections of excellent dirt horses without distinction between JRA and racing by local governments. As a result, major dirt races throughout the country were ranked and “Graded Dirt Races” came to be implemented. After that, the Japanese Graded Race Committee was set up in 2008, and now both turf and dirt races in Japan are graded by this committee. In 2017, there were 40 dirt races by local governments which were graded by this committee. And these races are also noted in the International Cataloguing Standards. Ratings of each runner were prepared as a foundation for ranking for Graded Dirt Races and from 1998, each runner was assigned a certain number of pounds in the JPN Thoroughbred Rankings.

**Promotion**

**Collaboration and coordination among racing organizers**

--- **Expansion of commercial market areas**---

In the past, organizers of racing by local governments used to take care of betting sales within narrow local areas based on the prefecture when the racecourse was located, as prescribed by the Horse Racing Law. However, the legal requirements and other regulations were eased, since there are limits to sales within an area with a limited population. Now it is the norm for organizers of racing by local governments in neighboring areas to collaborate in mutual off-track sales, as a way of boosting sales. Meanwhile, with the introduction “listed races” mentioned just now, more and more racing by local governments organizers have been joining forces in promoting off-track sales nationwide. This has given rise to a system of nationwide off-track sales for principal races, with particular focus on listed races.
Attractive racing programs
- JBC races (LR)
(JBC Classic, JBC Sprint, JBC Ladies' Classic)—
Financially troubled organizers of racing by local governments got support by breeders. The 1st JBC (Japan Breeding Farms’ Cup) races were held at Oi Racecourse on October 31st, 2001.

These races, based on the model of the Breeders’ Cup in United States and created from an initiative by breeders, consist of three races, namely the JBC Classic, JBC Sprint and JBC Ladies’ Classic.
In principle, JBC races are held in turn by organizer of local governments.
As total prize money, the Classic offers 136 million yen (≒US$1,200,000). It is the highest amount in racing by local governments. The Sprint offers 102 million yen (≒US$900,000), Ladies’ Classic offers 69.7 million yen (≒US$620,000).

As the first attempt for this race they are due to be held at KYOTO racecourse by JRA on November 4th in 2018.

--- Derby Series and other racing series ---

JRA’s Tokyo Yushun (Japanese Derby) is a very popular race among racing fans, as the pinnacle of racing for 3-year-olds in spring. As well as this, several different Derby races for 3-year-olds are held in racing by local governments. With the exception of some fans, however, interest in these is not very high, partly because the prize money is low compared to JRA Derby and nationwide recognition is also low.

Therefore, racing by local governments across Japan has been divided into 6 districts, and steps have been taken to adjust schedules so that “Derby races” for 3-year-olds are held over a continuous 6-day period at six racecourses. Since 2007, this event has been turned into “Series of Derby Week” to raise its profile, and we are striving to expand nationwide off-track sales. Derby Week has been renewed to “Derby Series” with 8 races in 2017.
Generally speaking, the price of fillies is not higher than that of the price of the colts in the market. Because the prize money for racing by local governments is smaller than that of JRA, in theory, the local circuit is more likely to attract fillies (rather than colts) as its racing resource. We have focused on this characteristic of local racing, and in an effort to attract and produce high-quality fillies, we have initiated the “GRANDAME-JAPAN” series since 2010. This is a coined word with the meaning "Future Grande (Great) + Dam (Mother)". In this series, NAR selects the most outstanding performing filly/mare from each age group, and to provide incentive prize money for that filly/mare.

Also, another characteristic of NAR racing is that the majority of racecourses are shorter than 1,200 meters per lap. Hence, a race with around only one time of corner is usually on 1,000 meters. With this feature of NAR racing, we have initiated a nationwide series is called “Super Sprint Series” since 2011.
Besides these, we are taking steps to develop other plans unique to racing by local governments. The “Mirai Yushun”, in which specially selected races for 2-year-olds had been combined in a series. With these and other measures, we are striving to provide attractive horseracing programs and expand nationwide off-track sales.

The variety of betting methods —

At present, there are eight standard types of betting available for racing by local governments. There are Win, Show, bracket number Quinella, horse number Quinella, Exacta, Quinella Place, Trio and Trifecta. Due to differences in the functions of the totalizator system, however, there is some variance among organizers in the systems of betting available. We introduced a new type of betting which can be purchased on the internet, Pick 5 in January 2010.
**Distribution of sales profits — In the case of 2016**

About the use of proceeds from betting by local governments, the deduction rate is set by each type of the bet. However, a ratio for total sales is 73.5%. Accordingly, 24.8% of sales proceeds are received by each organizer. 0.4% are shares of the local government. 1.2% are subsidy to NAR. 0.1% are invested to the Japan Finance Corporation for Municipal Enterprises, which is a Government sponsored corporation that provides low-interest financing to local governments.

**The National Association of Racing (NAR)**

NAR was established in 1962 as a public entity based on the Horse Racing Law, with the objective of “Promoting the smooth conduct of racing by local governments and contributing to improvement and breeding of horses and other livestock.”

NAR currently consists of nine departments. Aside from those departments, there is an executive committee and other external board committees that discuss and decide on a variety of measures regarding the agreements with the local public authorities that host racing by local governments mainly to ensure fairness and transparency of its business.

When it receives an application of owner registration for racing by local governments, NAR examines the owner’s qualifications, obtains an evaluation from the Owner’s Registration Screening Committee and then makes a decision on whether or not to license the ownership. Although NAR currently has approximately 4,500 registered owners, the number of new registered owners has not increased recently. It is an important task that NAR gets more new owners.
Currently, NAR has received registrations for approximately 10,000 racehorses for flat racing. The Horse Racing Law provides that only trainers and jockeys that have received NAR licenses can engage training or riding for racing by local governments.

NAR dispatches specialist advisors that include stewards, starters and other experts to each racing by local government’s racecourses with the cooperation of local organizers. At the same time, NAR works to implement fair racing to integrate racing rules.

Furthermore, we have the Racing Education Center in Nasu, Tochigi Prefecture to educate jockey candidates for racing by local governments.

Every spring and autumn, the center accepts some 15
people that have passed testing from applicants ranging from 15-years old junior high school graduates to 20-years-old adults. The training period lasts two years and includes a five-month practical training period under the guidance of a trainer with whom the candidate will become affiliated. Center has a track of 1100 meters in circumference with four riding grounds and a riding hall. There are uphill training track, stables where 160 horses can be stabled, a veterinary clinic, a farriery and facilities for communal living, accommodations for various activities and so on.

---Project for the improvement and multiplication of horses, and for the promotion of the livestock industry---

NAR implements support projects aimed at livestock organizations located throughout the country in order to contribute to the improvement of breeding of horses and other livestock improvements which is one objective of racing by local governments. In 2016, NAR granted as subsidies 589 million yen in total to these 97 projects. And recently we are addressing to promote the care of Thoroughbred horses during their lifetime. In addition NAR provides subsidies to the Laboratory of Racing Chemistry which conducts doping control of race horses. NAR provides subsidies to the Horse Racing Protection Foundation of Japan which conducts investigations of crimes committed by horserace personnel. NAR provides subsidies to the Regional Horse Racing Benefit Society which operates mutual aid programs for trainers, jockeys and groom. Moreover, since 2005, support projects have been available for various measures designed to boost sales by racing by local governments. Specifically, we support the creation of nationwide data management systems, race video
network systems and so on as well as the installation of new facilities enabling evening races to be held.

**Promotion for Racing and Livestock Industry**

- **Racing Industry**
  - The Laboratory of Racing Chemistry
  - The Horse Racing Protection Foundation
- **Livestock Industry**
  - The Regional Horse Racing Benefit Society
  - Livestock Organizations

**NAR GRAND PRIX**

Each year, NAR holds the “NAR GRAND PRIX”, which give horses, trainers, jockeys and so on a special award.
Friendly international exchange

—International races—

The first international invitation race conducted by the local government was held in 1978. Mary Bacon who is a lady jockey of The United States rode at Oi Racecourse. Steve Cauthen jockeyed there in the following year. The international invitation races known as the “Ladies Cup” were held for four consecutive years in the first half of the 1980’s, with female jockeys from Europe, the United States, Canada and Japan competing with one another at Mizusawa, Kaminoyama and Niigata Racecourses.

During the five-year period from 1989 to 1993 at racecourses located in different regions in Japan, NAR conducted “International Queen Jockey Series”, for which Japanese female jockeys rode together with female jockeys invited from the United States, Canada, the United Kingdom, France, Australia and New Zealand, for the purpose of promoting technical exchange among female jockeys and international friendship.

During the 16 year period from 1982 to 1997, Niigata Racecourse invited jockeys from the Republic of Korea to hold the Japan-Korea Challenge Cup races, and held exchange races, cooperating with the Republic of Korea to alternately invite jockeys from the two nations each year. In 1995, Oi Racecourse formed a relationship of friendship and cooperation with Santa Anita Park of the United States. Tokyo Metropolitan Racing Association (Oi Racecourse) invited jockeys who usually ride on the California circuit. The friendship Jockey Series has raced for several years.

In recent years, foreign jockeys who are issued short-term licenses by NAR or JRA have been increasing. They have opportunities to ride in the exchange race between JRA racing and racing by local governments including the graded dirt races and other races at local government racecourses in Japan.
Tokyo Metropolitan Racing Association (TCK) and Korea Racing Authority had been continued an international exchange race to promote development and a friendly relationship of each other’s horseracing business.

In 2014, not only Japanese horses but also the Singaporean horses were invited to a race in Seoul, and was named “Asian challenge cup”. The race was held at Seoul Horse Park on August, Choegang Schiller (USA) (Korean horse) won a clear-cut victory. The next race was held at Oi racecourse on October, Satono Tiger (JPN) (Japanese horse) gained speed at the inside of good position on the home straight and won.

International exchange races had been held once a year at each racetrack from 2013 to 2016.
The TOKYO DAISHOTEN (Total Purse: 136 million yen Right Handed, 2,000 meters Dirt/ about 10 furlongs, 3yo & up) to be held at Oi Racecourse was approved as a Grade 1 race by the Japanese Graded Race Committee in 2010.

In 2017, there were no nominated horses from foreign countries. “Copano Rickey (JRA)” finished his career by winning TOKYO DAISHOTEN. JRA’s horses were strong and occupied a high rank. This race was delivered to overseas two countries (Australia and New Zealand), and accepted bets in separate pool.

OI RACECOURSE
Ban-ei (Draft Horse Racing)

In addition to flat races are unique draft races, called Ban-ei races, which are held only in Obihiro-City, Hokkaido region. These races are run by such heavy horses as the sturdy Percherons, Bretons and Belgians, which pull a sleigh weighing from about half a ton to one ton, along a 200-meter separated straight track with two humps. The dynamic Ban-ei races, which enjoy a large following, originated as a popular game among local people in horse-breeding areas in Hokkaido and Tohoku.

Draft horses registered by NAR are on the decrease year by year because of a decline in breeding. The Hokkaido government authorizes Ban-ei horse racing as the Hokkaido inheritance as the one which it should keep in the coming ages. The Ban-ei horse racing is a style of the only horse racing in the world.
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Graded Race by Local Governments in 2017

Listed Races by Local Governments in 2017

An asterisk (*) indicates a registered horse by JRA.
THE NATIONAL ASSOCIATION OF RACING
2-2-1 AZABUDAI MINATO-KU, TOKYO 106-8639, JAPAN
Phone: +81-3-3583-6849  Fax: +81-3-3585-0481
E-mail: intl@nar.keiba.go.jp  URL: http://www.keiba.go.jp/