

Japan Tennis Association Business Report for FY2017
(April 1, 2017 ~ March 31, 2018)

1. Organizational Management

In Fiscal Year 2017, the Japan Tennis Association (JTA) was managed by Nobuo Kuroyanagi (the president, who was re-elected as the representative director for a two-year term), Tsuyoshi Fukui (a newly elected senior executive director), 19 newly appointed and re-appointed directors and four department heads. The directors met three times (including for the extra-ordinary board meeting held in December) and the councilors met twice (once in June and once at the end of the fiscal year in March). Executive directors and department heads held monthly meetings respectively to share information, discuss executive matters and make decisions about pertinent issues. JTA's 34 expert committees and division offices and the 17 staff members of the secretariat all play important roles in its daily operation. In FY2017, the heads of various departments, committee chairs and committee members were appointed to two-year terms. As it revamped the association's organizational structure upon the election of department heads and committee chairs, JTA established an Olympic Games Preparation Committee to facilitate continued smooth preparations in the lead up to the 2020 Summer Olympic and Paralympic Games in Tokyo.

After the ordinary board meeting in May 2017, the president and the executive directors, along with the expert committee chairs and their department heads, held a joint meeting to share information about the operation of the association. Due to the expansion of JTA's operations and the continuing preparations for the 2020 Olympics, the workload of the secretariat increased. JTA began looking at ways to improve the work environment for the secretarial staff and to make the association more effective in order to make JTA's organizational structure more robust in the mid to long term.

2017 was the year of the Winter Games in Pyeongchang and it also marked the beginning of the three-year period leading up to the Olympic and Paralympic Games in Tokyo. It was a year in which a number of misconduct in the world of sport were witnessed, prompting the Japan Sports Agency and the Japan Sport Council (JSC), an independent administrative agency, to focus on securing integrity in the world of sport. JTA managed our organization and engage in activities based on the guidelines of "Fairness, Teamwork and Globalism" and referred to the "Fair Play Self-check List" issued by JSC. JSC concluded in its assessment report that JTA had met all criteria on the "Fair Play Self-check List" for 2017.

In May, JTA was faced with an unfortunate circumstance, in which a Japanese former professional tennis player was penalized by the TIU (Tennis Integrity Unit -- an international organization for the prevention of corruption in tennis). By September, JTA came up with enhanced policies to prevent illegal and unethical conduct and managed to implement most of them by the end of the year. In addition, JTA's audit office voluntarily monitored and reported on selected topics, and the whistleblower service of the compliance office dealt with compliance-related whistleblowings and consultations. In FY2017, JTA revamped some of the rules related to the management of the organization. These included the ethics code, the

job authority, accounting, secretariat's severance pay-related rules, the rules regarding the protection of personal information, and the standards regarding monetary compensation/daily allowances for officers and non-officers.

Fortunately, we did not have any violations of the ethics code that warranted action during the fiscal year. However, one issue that tested JTA's governance was the question of how to deal with the expected financial ramifications being caused by the temporary relocation of the Japan Open site due to the renovation of the Ariake Tennis Forest Park. In response to this issue, JTA based its actions throughout FY2017 on the four-year financial plan put in place at the end of the previous fiscal year and, accordingly, we carefully examined our operation throughout the fiscal year and also made a careful review of the annual balance sheet and the budget for the following year.

Thanks to the strengthening of its governance and compliance policies since its transformation into a public-interest incorporated foundation in 2012 and its campaign to ensure fair play during matches that had been in place since the preceding fiscal year, JTA was able to manage its operations appropriately in the course of FY 2017. At the meeting of executive directors held in February of this year, JTA reviewed its track record in terms of governance, compliance and enhancement of our policies to ensure fair play from the standpoint of "securing integrity in tennis", thus enabling JTA to use the review as a reference of its management today and in the future.

One important aspect of our effective organizational management is the ability to work efficiently with its regional and prefectural tennis associations. As he did last year, our president visited the nine regional tennis associations during the fiscal year and held hearings with representatives of the regional associations, together with those from prefectural and city associations in the regions, to get feedback from the people in various regions in order to learn more about the current state of tennis in Japan. Furthermore, JTA strengthened its information sharing and cooperation with the Japan Tennis Consortium through periodical exchanges of ideas concerning issues that Japanese tennis is being asked to address. Since tennis is an Olympic and Paralympic sport, 2017 also saw the enhancement of JTA's collaboration with ITF leading up to 2020.

2. Business Operations

JTA's business activities in FY2017 went according to plan. Exceptions were the action taken by TIU against our former player in May, the difficulties faced by some tournaments due to the unusually large amount of rain in the fall, and the withdrawal of Kei Nishikori from the Japan Open due to injury. However, thanks to the efforts and cooperation of all those involved, JTA was able to handle these situations effectively. Furthermore, going through these difficult experiences reaffirmed for us the importance of risk management in running our association.

JTA increased the amount of funding dedicated to supporting TENNIS Play & Stay in local areas and increased the number of TENNIS Play & Stay staff. Thanks to revisions in the elementary school curriculum, the door has been opened for tennis to

be incorporated into the elementary school curriculum starting in 2020. In the circumstances, JTA sent the Tennis P& S instructional booklet to 20,000 elementary schools nationwide for their review, along with a request to consider the inclusion of tennis in their curriculum. Moreover, recognizing the launching of the national system of high school extra-curricular club activity supporters as an institutional reform to help improve the environment for high school tennis, JTA provided pertinent information at training sessions for certified tennis instructors including the annual JTA Conference. Regarding the issue of no acceptance of tennis (loan, not soft) as an official game of the National Junior High School Athletic Tournament organized annually by the All Japan Junior High School Athletic Federation, JTA continued cooperating with the related organizations by focusing on the Chugoku and Kanto regions with the goal of achieving the joint benchmark of 6 memberships out of a total of 9 regions.

JTA believes that maintaining the foundations of and enhancing the environment for strengthening and promoting the popularization of tennis are key missions of JTA. In this regard, JTA, in cooperation with regional and prefectural tennis associations, established the junior JPIN with a view to initiate a test run of the program in April 2018 and a junior ranking system. JTA believes that the launch of the junior JPIN relates to the guidelines – Fairness, Teamwork and Globalism – set forth by the association in the sense that it will help create a fair competitive environment for Japanese junior tennis players as a result of JTA’s joint work with member associations to bring Japan to the global standard in the field of junior ranking.

Regarding player development, a mid- to long-term strategic plan was eventually formulated in March this year and goals leading up to the Olympic and Paralympic Games in 2020 and beyond were determined. In addition to overseas tours for special junior development, NTC training camps, and the Shuzo Challenge (all of which are funded by the JTA), JTA implemented various support systems for the current national team as well as the next generation of players and made provisions for the development and support of promising athletes utilizing public subsidies and commissions. Furthermore, based on a memorandum of mutual cooperation between JTA and FFT (Federation Francais de Tennis), signed in September 2016, three female players from our U22 National Team and two JTA coaches attended FFT’s national training center and participated in a joint training session with French players in the same age group.

This March, JTA selected Kei Nishikori and Naomi Osaka as MPAs (Medal Potential Athletes) for the Olympic Games in Tokyo from the pool of players who made next year’s national teams. In 2017, our Davis Cup team beat Brazil in the World Group playoff only to lose to Italy in the first round of the World Group. As a result, they will play again in the World Group playoff in 2018.

Japan won the finals of the Fed Cup Asia/Oceania Group 1 in February of this year and advanced to the World Group 2 playoff. On April 21st and 22nd of this year, Japan claimed victory over Great Britain in a playoff and accomplished a return into the World Group 2. In the juniors division, Japan found success for the first time since 2012, placing third in the World Junior Boys 14 and Under, and in 2017, Japan won both boys’ and girls’ ITF Asia 12 and Under. Naomi Osaka won the championship at Indian Wells in March. It was the first win by a Japanese woman in one of the

premier mandatory events that rank immediately below the Grand Slams, and thus great news for women's tennis in Japan.

The case of illegal betting and match-fixing by a Japanese former player reaffirmed the importance of educating junior players in the ethics of tennis, as well as the value of adhering to "The Five-point Self-Judgement Principle," which JTA had been working to implement since the preceding year. After the national tournaments of all age groups last summer, "The Five Rules of Self Judgement" directive and the "Handshake, Greeting and Fair Play" movement were combined into one directive. Last year, at the meeting of executive directors in September, JTA reaffirmed its commitment to preventing illegal and/or unethical conduct and to continuing to promote fair play by encouraging players to engage in such activities at all levels — juniors, students, adults and seniors.

JTA's training sessions are designed for players who are registered as professionals and certified instructors. In response to the request of the central sport agency to improve governance and compliance, JTA addressed compliance in our training sessions and seminars, including the JTA Conference.

Since FY 2016, JTA worked hard to remedy the situation where registered professional tennis players had not completed the designated obligatory face-to-face educational training session. As a result, JTA was able to achieve a satisfactory result in this respect in FY 2017. Since April of last year, everyone is required to complete mandatory pre-registration training via e-learning before applying for registration as a professional. There also has been a change in automatic renewal of membership based on automatic debit of the registration fee. Starting in December, every player is required to complete the e-learning session prior to renewing his or her registration annually.

In FY2017, JTA also started implementing strategies to mitigate heat stroke at tournaments among players, coaches/trainers, and tournament staff. JTA publicized the five basic rules for preventing heat stroke and distributed fans with the five rules printed on them at junior tournaments during the height of the summer heat, which were well received. Furthermore, the way in which matches at junior tournaments are played during the summer was re-evaluated and the All Japan Junior and All Japan Junior High School Doubles tournaments changed the way the matches were played to reduce the incidence of heat stroke. We also prepared for the establishment of a JTA-certified tennis trainer provision as part of our efforts to enhance policies for ensuring the safety and security of players during tournaments.

To meet the demands of globalization, JTA put into practice some concrete programs based on the memorandum of cooperation we made with FFT. JTA also hosted the East Asian Junior Team Tennis during the All Japan Tennis Championships and, in August, created and promoted a JTA website in English, which provides basic information about the JTA. In February ITF established an ITF transition tour that will begin operations in 2019. This could impact international tournaments held in Japan as well as the career paths of tennis players who seek to play internationally. Starting with the meeting of international tournament directors, held in Japan in February, JTA began to lay the groundwork for more changes to come.

Since FY2012, JTA has been conducting research on the tennis environment in order to supply basic information regarding tennis as a JSC-subsidized project. In FY2017 JTA also conducted studies to update our data about tennis courts, and administered a questionnaire to managers of public facilities about indoor sport programs in order to promote the spread of TENNIS Play & Stay locally. Additionally, JTA researched the general educational benefits of TENNIS Play & Stay. The outcome of these studies was compiled and published in the FY2017 report on the tennis environment in Japan.

Renovation work at Ariake Tennis Forest Park started at the end of November 2017 and JTA will move to a new office near the new National Stadium in May 2019. With that in mind, JTA began preparations for the upcoming move by securing storage space for documents related to the history of tennis, items needed to run tournaments and events, and financial documents. Our association will celebrate its 100th year on March 11th, 2022, and it was decided at the meeting of the Board of Directors in December to establish a special committee in charge of commemorating JTA's 100th anniversary