

Survey on International Soft Tennis:
*Current Global Perceptions and Sports Marketing
Opportunities in the United States and other
Markets Outside Japan*

Completed for:
Nagase Kenko Corporation

July 2007

Survey on International Soft Tennis

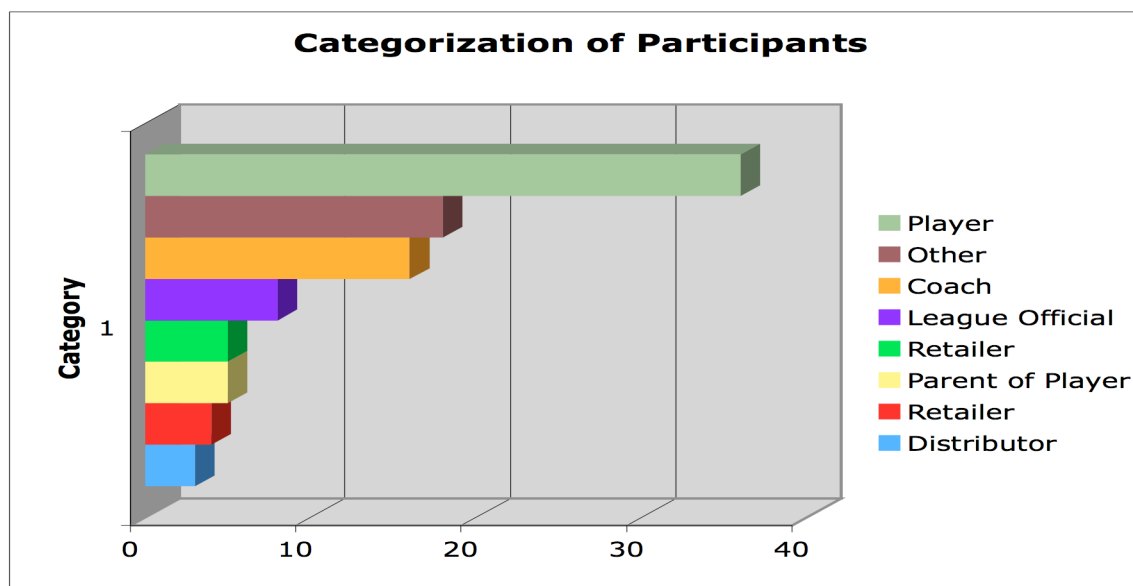
To Assist Nagase Kenko Corp. (NKC) of Japan as it Commences an International Launch of Soft Tennis Products, it Retained KWR International, Inc. (KWR) to Conduct the Following Survey

- After preliminary research, a questionnaire was prepared and approved for distribution;
- A targeted list representing tennis-related leagues, coaches, distributors, parents, publications and other entities related to international tennis was prepared;
- A questionnaire was sent to approx. 2,300 prospects on June 5, 2007 with a reminder on June 15, 2007, who were asked to forward responses by July 1, 2007;
- 47 responses were received -- a response rate slightly over 2%. This compares to the 1% that is considered acceptable for a survey of this kind.
- This is especially positive given increasing difficulty of generating respondents in a “spam-prevalent” world that makes people reluctant to part with information.
- Additional responses were received from other individuals that wanted to make contact with Kenko in relation to their potential interest in Soft Tennis, but who did not complete the actual questionnaire.

From the Data Generated a Number of Primary Conclusions Can be Made

- Soft Tennis is largely unknown outside Japan -- 55%+ of respondents indicating they has NO prior knowledge of sport -- even among this motivated audience with strong ties to tennis.
- After viewing a small amount of basic information, however -- ie, background page and intro video -- 45%+ of respondents noted they they had a GREAT DEAL of interest in the game.
- Respondents have few negative, or in fact any, preconceptions and appear to see Soft Tennis as an “adjunct” rather than a “substitute” sport to tennis.
- At least among adults, Tennis Clubs seem to be the primary sponsor of tennis teams and their play.
- Most are motivated by its ability to allow “Longer Rallies”, “Training” and “Control over Ball”.
- “Quality”, “Performance” and “Durability” considered most important factors motivating tennis equipment purchases with far less emphasis on “Brand Name”, “Price” and “League Endorsement”
- Respondents, however, viewed “Lack of Equipment and “Availability” as primary constraints, emphasizing need for marketing, promotion and outreach to spread knowledge of, and interest in, Soft Tennis, as well as distribution and availability of Soft Tennis products and related programs -- if it is to build a presence in the United States and other foreign markets outside of Japan.
- Almost 50% of Respondents expressed a potential interest in organizing local tournaments and training programs in their areas and two have been eagerly following up since survey was released.
- Similarly, almost 50% of Respondents indicated a desire to have someone call them to discuss Soft Tennis Products, Services and Programs.

Respondents Were Involved with Tennis in Multiple Ways



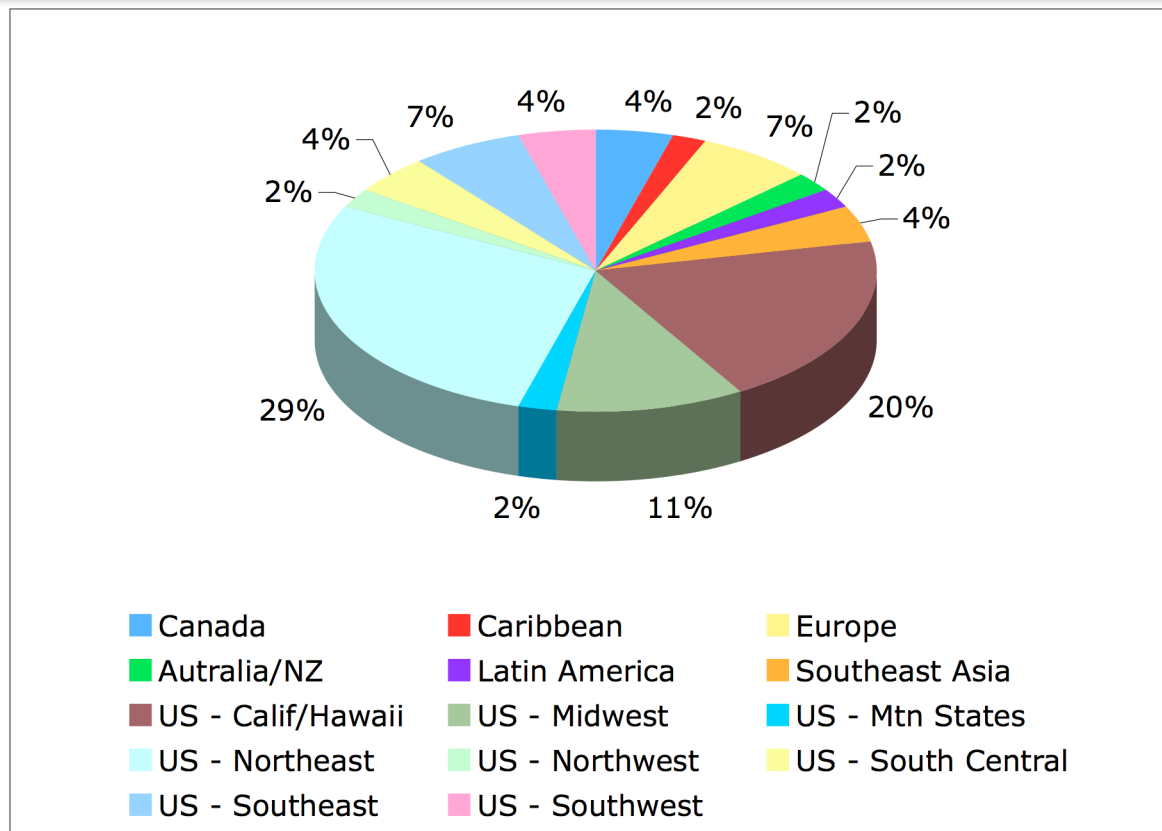
1) How would you best describe your involvement with tennis? (Please check all that apply)

95 choices were selected by 47 respondents, as many survey participants wear more than one hat, i.e., one could conceivably be a retailer, who also serves as a league official while coaching their children's team and plays casually as well.

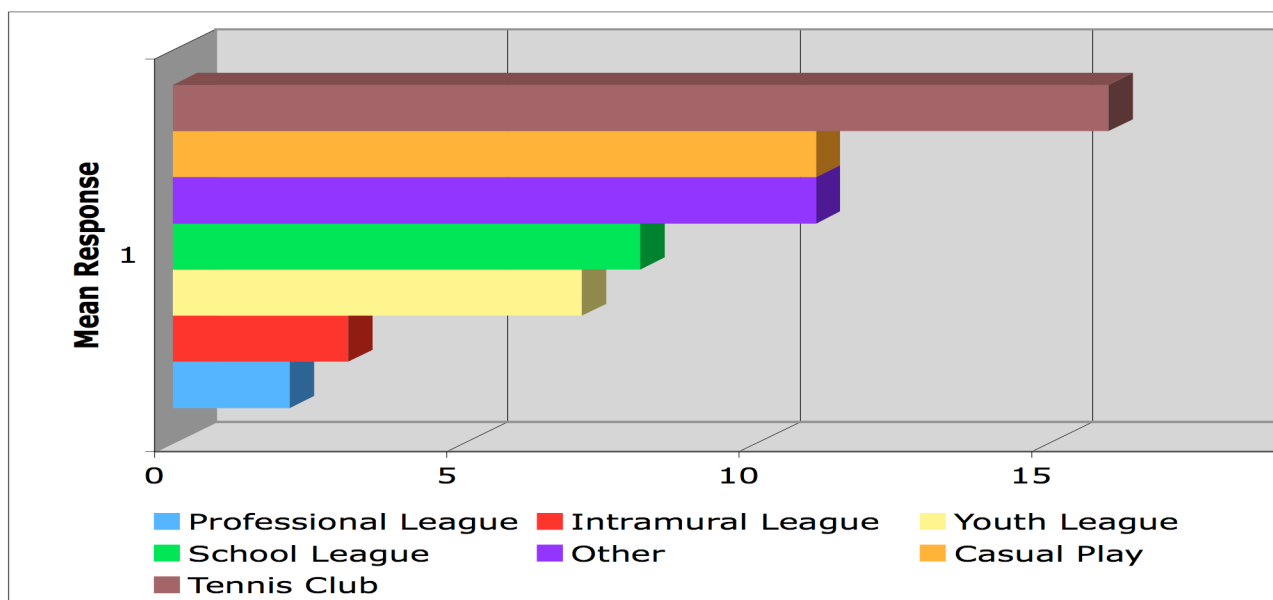
Respondent Comments Included:

1. I would ... like to be involved in soft tennis as a coach and distributor of products in the future. 2. I work for the USTA NorCal office to promote Junior Team Tennis and Junior Tournaments. 3. Trained full-time at the Nick Bolletieri Tennis Academy in Florida. Harvard education in Business. 4. I am involved in the tennis business as a distributor and I am a coach as well. 5. USPTA-PTR-Cardio Tennis Certified Tennis Teaching Professional / USTA National Trainer of Recreational Coach Workshops & Welcome Back to Tennis Events / USTA FL Clinician-Mentor-Schools Specialist.

Stationed Primarily In North America with Additional Participation Around the World



Most Respondents Were Affiliated With Teams Sponsored by Tennis Clubs

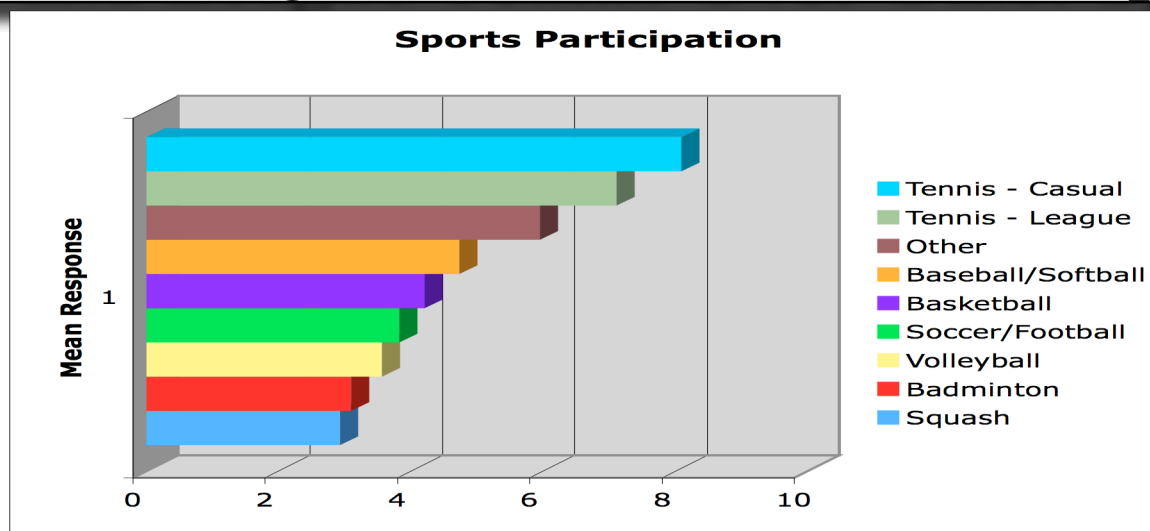


3) If you are involved with a tennis team, is it sponsored by: (Please check all that apply)

Tennis Clubs were far and away the most popular choice. Within the “Others” category, seven respondents indicated they participated in tennis through a USTA affiliation.

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Most Respondents Focused their Attention on Casual and League Tennis Over Other Sports



4) What is your interest in playing the following sports? (Please rate on a scale of 1-10, one indicating no interest at all and 10 indicating a great deal of interest)

With a mean of 8.09 for Casual Tennis and 7.11 for League Tennis, respondents expressed far more enthusiasm for these sports than Baseball/Softball (4.73), Basketball (4.21), Soccer/Football (3.82), Volleyball (3.56), Badminton (3.10) and Squash (2.93). This should not be surprising given that the focus of this survey was on tennis. In the other category respondents spoke of skiing, swimming, golf, ballroom dancing, volotennis, surfing, hiking and bicycling.

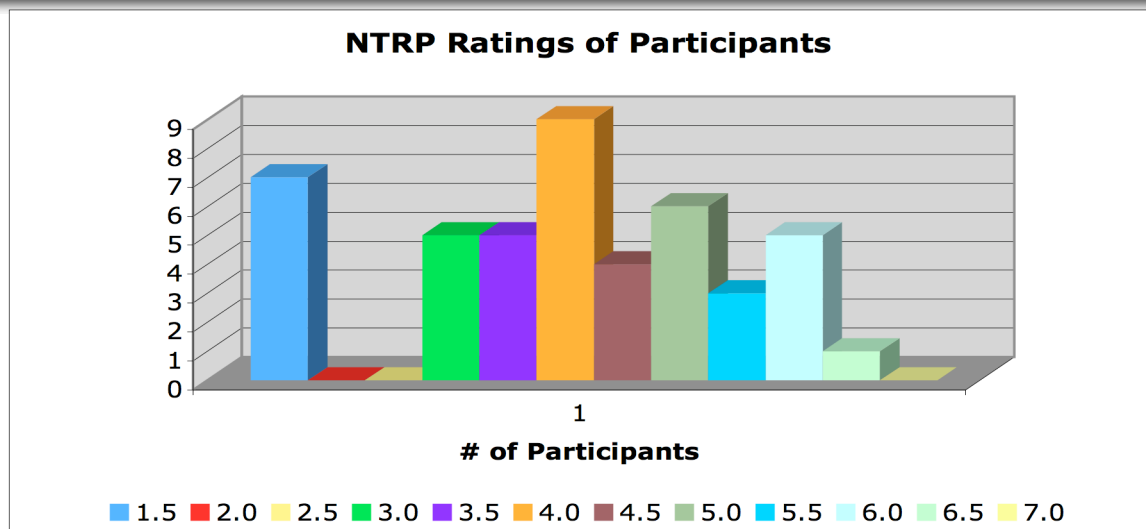
Respondents Devote Approximately 9.17 Hours a Week to Playing or Participating in Tennis Games During a Typical Season

5) On average, how many hours a week do you devote to playing or participating in tennis games during a typical season?

Respondents are active during a typical season -- though the 9.17 hours registered -- was far lower than the 19 hours registered during a similar survey conducted by KWR for NKC several years ago asking how much time that audience devotes during a typical season to playing and participating in baseball games. This may indicate a less “fanatical” following or perhaps that tennis is less guided than baseball by seasons and is played throughout the year.

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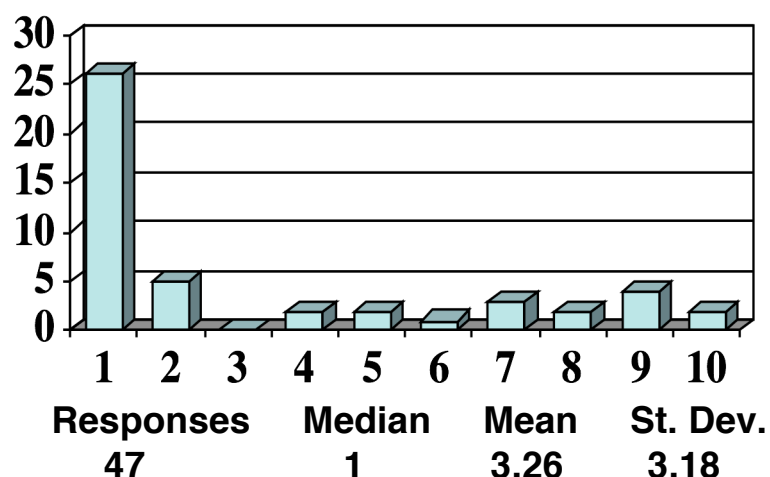
There was a Wide Range of Expertise Among Respondents Regarding Tennis Ability, Though Most Have A Fair Amount of Proficiency or Better



6) Please indicate your NTRP rating as a Tennis Player (Please rate on a scale of 1-10, one indicating no interest and 10 indicating a great deal of interest)

Over 60% percent of respondents accorded themselves a 4.0 rating or better. A 4.0 rating is defined as ... “you have dependable strokes, including directional control and depth on both forehand and backhand sides on moderate-paced shots. You can use lobs, overheads, approach shots and volleys with some success and occasionally force errors when serving. Rallies may be lost due to impatience. Teamwork in doubles is evident.”

The Majority of Respondents Have No Prior Knowledge of Soft Tennis



7) Before completing this survey, did you have any prior knowledge of the Japanese sport of Soft Tennis? (Please rate on a scale of 1-10, one indicating no knowledge at all and 10 indicating a great deal of knowledge)

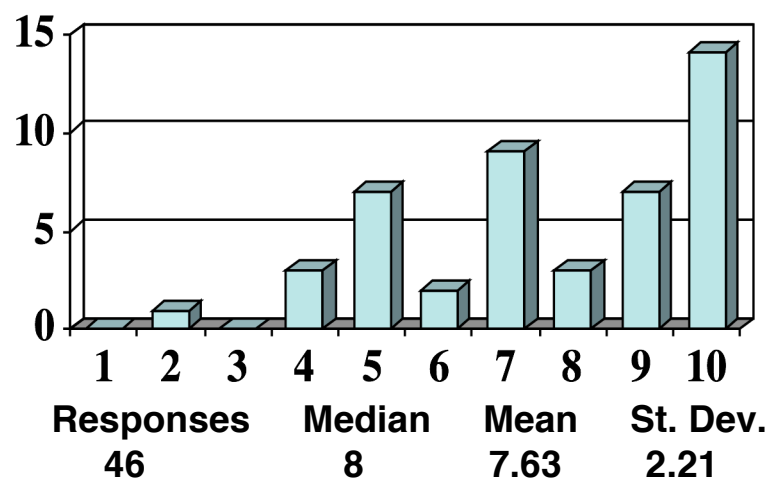
While the deviation was large given the existence of a few people with strong knowledge -- 55%+ of respondents -- indicated the lowest ranking, indicating they had NO prior knowledge of the sport. This is highly significant and indicates there are few preconceptions to be overcome in any marketing effort.

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- “ My friend told me about it.”
- “ Played it in Japan casually many years ago.”
- “ Mom played in college in Japan.”
- “ Looking at a new programme for children in schools using soft balls.”
- “ Look’s like fun.”
- “ This seems it could be a great tool in working with youth and seniors to start them in tennis. All ages could use.”
- “ Would be fun to play, but I don't see spending a lot of time on it, and I don't know where I could play it in California. Can you play it on hard courts?”
- “ I would also like to be involved in soft tennis as a coach and distributor of products in the future.”

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.... Yet Once Offered Basic Information (Background Page and Intro Video) Respondents Were Very Open to the Sport



8) Please rate your relative interest in Soft Tennis? (Please rate on a scale of 1-10, one indicating no interest at all and 10 indicating a great deal of interest)

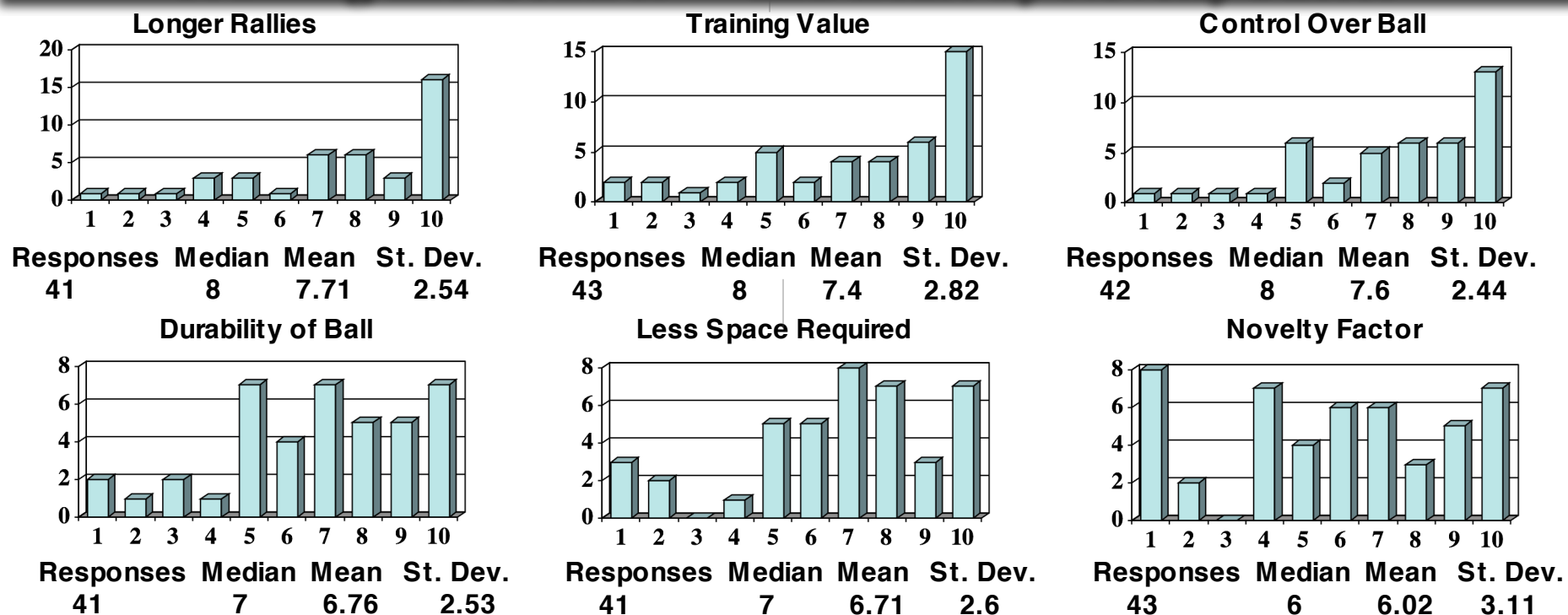
The dramatic shift in sentiment from the prior question which measured prior knowledge of Soft Tennis to this one asking about relative interest in the sport -- from 55%+ on the lowest "1" rating to 30%+ on the highest "10" rating after providing some basic background information -- clearly indicates the potential of the sport and the importance of building awareness about the game.

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- “ I would also like to be involved in soft tennis as a coach and distributor of products in the future.”
- “ Would be fun to play, but I don't see spending a lot of time on it, and I don't know where I could play it in California. Can you play it on hard courts?”
- “ This seems it could be a great tool in working with youth and seniors to start them in tennis. All ages could use it.”
- “ Looks like fun.”
- “ Looking at a new programme for children in schools using soft balls.”
- “ ... similar to the new 36/60 tennis program being launched by USTA. A larger, nerf-type ball with smaller racquets and a smaller court.”

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Respondents Were Most Motivated by --- Longer Rallies, Better Training and Control --- and Least by Novelty Factor



9) Please rate the following as reasons motivating your potential interest in Soft Tennis (Please rate on a scale of 1-10, 1 indicating no importance, 10 indicating extreme amount of importance)

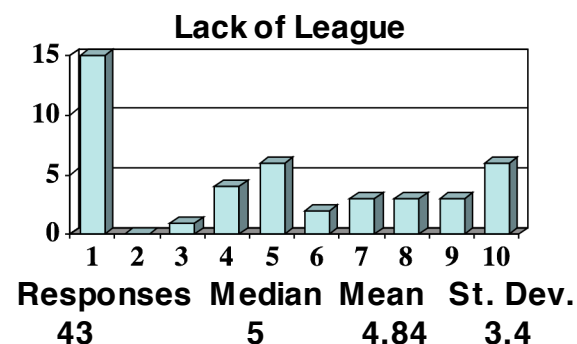
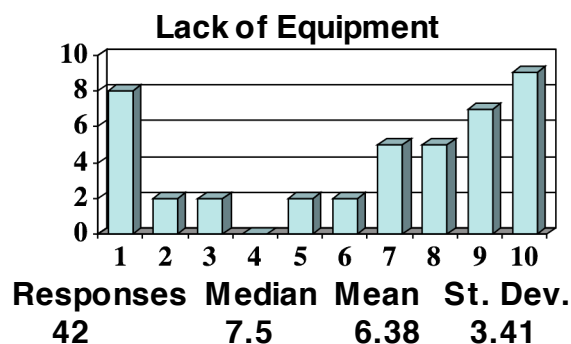
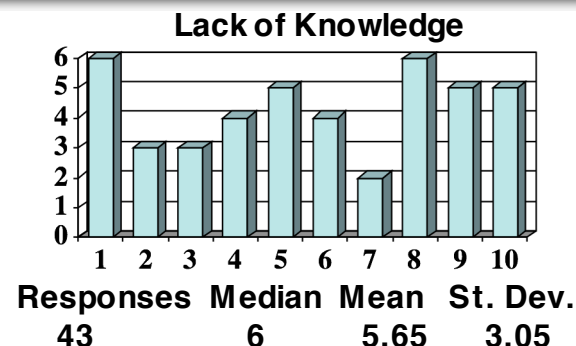
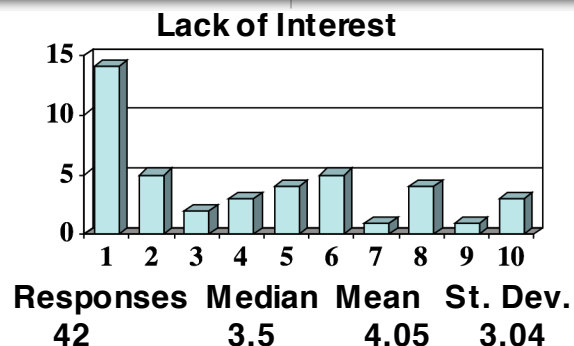
Respondents were fairly uniform in selecting the top three factors as reasons motivating their potential interest in Soft Tennis, with about a third of those respondents indicating a maximum “10” ranking. There was far more divergence of opinion about durability, space and novelty factor as factors that would motivate their potential interest.

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- “ It is a good business opportunity.”
- “ Fun to play and a little different.”
- “ Great intro to standard tennis”
- “ I would also like to be involved in soft tennis as a coach and distributor of products in the future.”
- “ In tennis I like long rallies, because they help me get a work-out.”
- “ Also good for senior citizens.”

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When Evaluating Restraints, Respondents Were Most Concerned About Lack of Equipment Yet Less Uniform in Responses



10) Please rate the following as reasons that constrain your potential interest in Soft Tennis (Please rate on a scale of 1-10, 1 indicating no importance, 10 indicating extreme amount of importance)

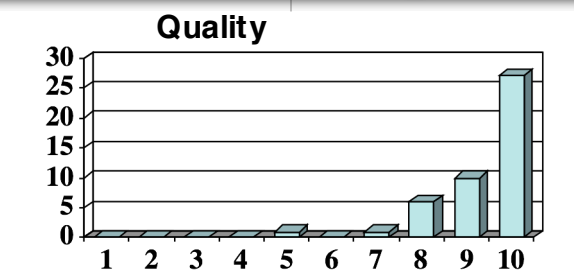
While lack of equipment and knowledge were rated as the primary concerns, the extremely high deviation in responses indicates a lack of uniformity and indecisiveness in the responses.

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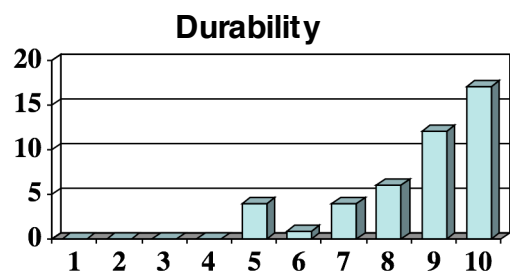
- “ Lack of organized opportunities.”
- “ Access.”
- “ I need equipment. Lots of tennis courts and tennis players (including my kids and their friends) around here”
- “ Getting access to soft balls and the cost.”

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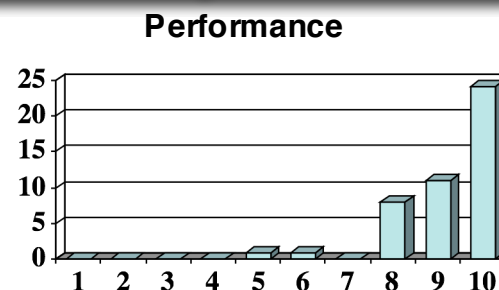
Quality, Performance and Durability are The Most Important Factors Motivating Purchases -- Followed by Availability



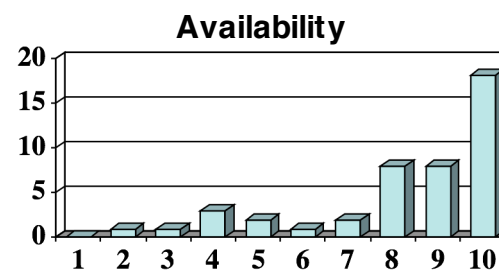
Responses Median Mean St. Dev.
45 10 9.33 1.04



Responses Median Mean St. Dev.
44 9 8.64 1.57



Responses Median Mean St. Dev.
45 10 9.2 1.12



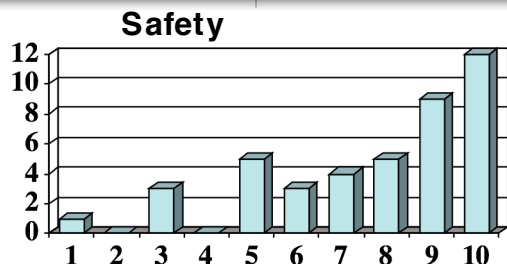
Responses Median Mean St. Dev.
44 9 8.25 2.21

11) Please rate the importance of the following factors when purchasing tennis and other sporting goods equipment (Please rate on a scale of 1-10, 1 indicating not at all important, 10 indicating extremely important)

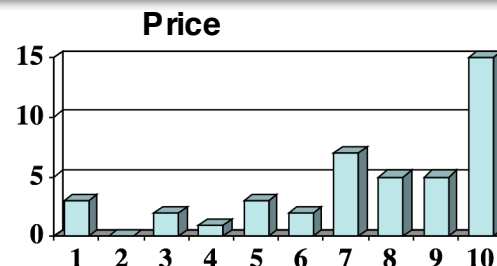
While respondents are looking for high-quality, high-performance and durable products -- a description that applies well to NKC soft tennis products -- availability also remains a key concern.

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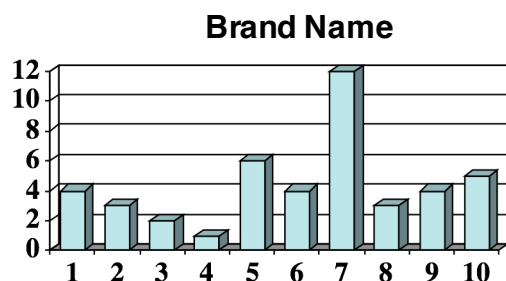
.... Safety and Price, with the Need for Brand Name Recognition and League Endorsement Having Far less Importance



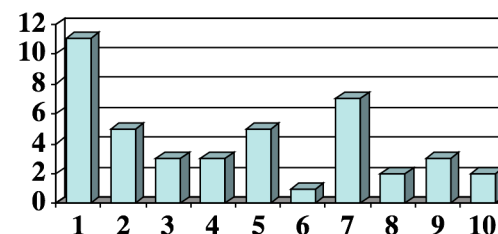
Responses Median Mean St. Dev.
42 8.5 7.67 2.41



Responses Median Mean St. Dev.
43 8 7.53 2.72



Responses Median Mean St. Dev.
44 7 6.09 2.72



Responses Median Mean St. Dev.
42 4 4.4 2.99

Please rate the following as reasons that constrain your potential interest in Soft Tennis (Please rate on a scale of 1-10, 1 indicating no importance, 10 indicating extreme amount of importance)

Safety and price also registered relatively high ratings, yet the higher standard deviations indicate less uniformity among respondents as to the importance of these factors.

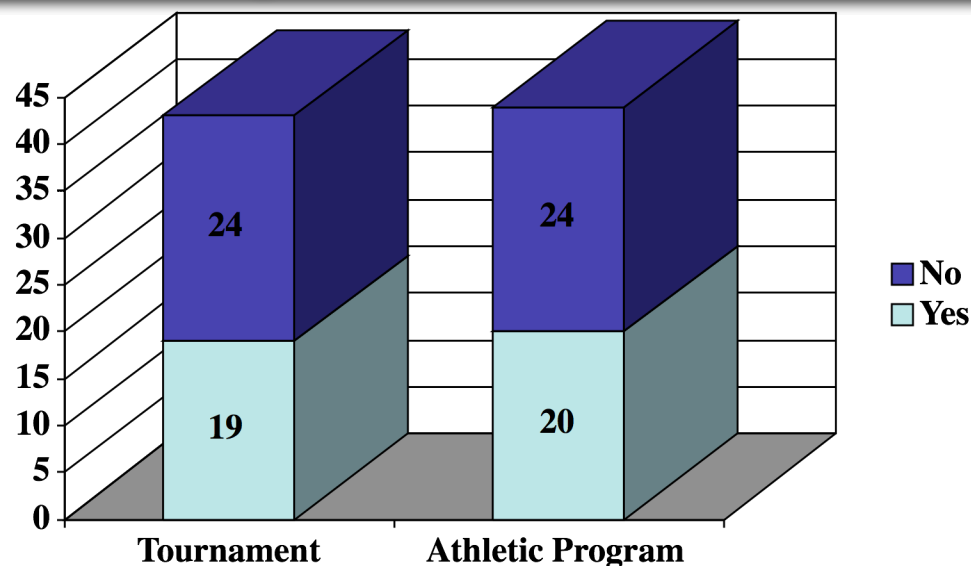
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12) Is there anything about tennis in your country/region that makes it unique or different from how it is played in other parts of the world?

1. Mostly hard courts, weather is usually good. 2. We play all-year round. 3. Lots of Hard Courts over here. 4. There are star ball tournaments and short court clinics that are starting to pop up around the valley. 5. No. Just a lot of players! 6. Lots of people play all year round in Northern California. 7. It is very nice to do it in Holland. 8. High Altitude. 9. In Northern California, there is probably more tennis activity than in most places in the USA (as is the case with Hawaii, Southern California, and Florida). 10. Weather.

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Almost Half of Survey Respondents Expressed an Interest in Organizing/Sponsoring Soft Tennis Tournaments and Training Programs in their Local Area

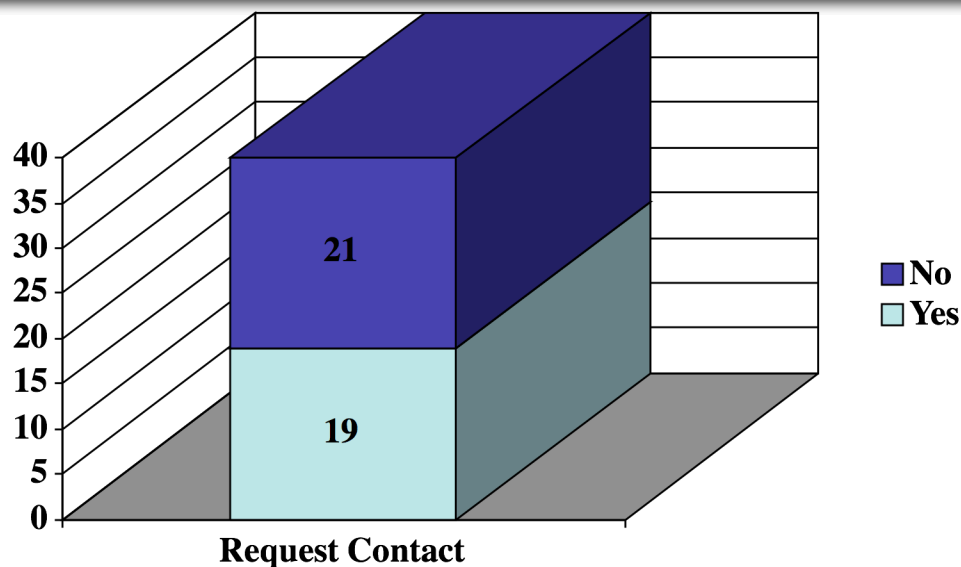


13) Are you potentially interested in organizing/sponsoring a soft tennis tournament or athletic/training program in your area?

While respondents who completed survey can be seen as predisposed to show an interest in Soft Tennis, this represents strong positive interest that that can be used to build awareness and availability of Soft Tennis and related products within US and other foreign markets.

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Similarly Almost 50% of Respondents Would Like Someone to Contact Them to Discuss Soft Tennis Products, Programs and Services



14) Would you be interested in having someone contact you about Nagase Kenko products, programs or services?

While respondents who elected to complete survey can be seen as predisposed to show an interest in Soft Tennis, this can be seen as strong positive interest that needs to be followed up.

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15) Can you suggest any dealers or retailers in your area who might have an interest in carrying soft tennis products?

1.I have knowledge of several retail stores and tennis clubs that sell tennis products that I have sold tennis equipment to before. 2.Swetka's Tennis Shop in Mountain View, Pro Tennis in Menlo Park, Tennis Anywhere in Los Gatos. 3.Raquet World 4.All About Tennis; Tennis Cabana multiple locations in the greater Phoenix area 5.City Sport 6.Big Five in Rancho Santa Margarita, CA Sports Chalet 7.I have a retail establishment that could help build the sport. 8.I need to try it myself first. 9.Waikato tennis Pro Shop 10.Big 5 Sporting Goods (chain) Lombardi Sports (in San Francisco) 11.Local sporting goods shops such as: McCully Bike Waipahu Raquet 12.Montclair Sporting Goods in Montclair, CA Plaza Tennis in Albany, CA Valley Sporting Goods in Modesto, CA Winner's Circle in Berkeley, CA Pro Tennis in Menlo Park, CA Home Court in Dublin, CA 13. BSN Sports Hibbert Sports 14.Target young and Pee Wee Tennis 15.Tennis Express Westheimer Houston, TX.

The names listed above are indicative of many possible outlets recommended by survey participants.

About 25% of Respondents Expressed an Interest in Submitting Articles of Developing Cross-Linking Arrangements with the [kenkosofttennis.com](http://www.kenkosofttennis.com) Web Site.

16) Are you interested in submitting soft tennis-related articles, pictures and information for posting on the new <http://www.kenkosofttennis.com> Internet site?

Seven respondents noted an interest in submitting articles/info.

17) Would you be interested in developing a cross-linking arrangement between the <http://www.kenkosofttennis.com> and your own tennis-related website?

Eleven respondents noted an interest in developing cross-linking arrangements.

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19) Please include any final comments below:

1. Looks like a very useful ball for coaching everyone. 2.Thank you for allowing me to participate in this survey. 3. I'd like to try it. 4.Let's work together to grow this sport in the USA! 5.I am very interested in soft tennis. We have been introducing tennis in team tennis league formats that use progression balls on shorter courts. We are always looking for balls that suit our needs. Here is a link to our website with information about our 6-TENNIS program. 6. I am looking forward to testing this new product - soft tennis balls. 7. I could not watch the movie, but I am interested. 8.I look forward to trying out the soft tennis balls.

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Nagase Kenko Corporation invites inquiries from companies interested in incorporating Soft Tennis within their marketing, corporate citizenship, and public affairs programs, as well as leagues, teams, coaches, players, sporting goods companies and other potential alliance partners with an interest in promoting greater participation in youth sports and Soft Tennis around the world.

For more information, please contact:

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