

Report

Survey on Business Models for the New Era of the Music Industry

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Mobility and Communications Division

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1. Executive Summary [*]

In the music industry, the popularization of DAW in the 2000s led to the democratization of production and broadened the scope of music production. Then, from the late 2000s to the 2010s, streaming services and SNS became popular, and music produced by ordinary creators was instantly distributed globally on the digital space, resulting in the democratization of distribution. The fandom formation that fan clubs have played a role in, such as the connection between fans through SNS and between fans and artists through closed SNS, is also becoming democratized. From the latter half of the 2010s to the 2020s, "democratization of value distribution" through blockchain and other means is also expected.

On the other hand, looking at the macro-demographic transition, Japan has a declining birthrate and an aging population, and the demographic pyramid is a "melting pot." On the other hand, the global demographic pyramid is a "hanging crane," with a large proportion of the younger generation. Given that this trend will continue in the future, it is essential for Japan to expand its music industry overseas.

Currently, Japanese music that is heard overseas is mainly tie-ups such as anime songs. However, in addition to anime tie-ups, there are also examples of buzz and festivals on SNS. In order to generate such hits, digital marketing is a major premise, and quick fan engagement formation through SNS, such as Generation Z and Generation α , which will become consumers in the future, and marketing based on recommendation algorithms and advanced data analysis have become essential. The "diversity" and "accumulation" of Japanese songs are strong points in overseas expansion, and we can expect even greater leaps through accurate marketing.

One of the foundations of "diversity" is the Vocalo culture. A culture based on the diversity of music that is not limited to singing by people and the creation of N-series such as covers by others was fostered. Global platforms such as Spotify, YouTube, and TikTok have become the center of music distribution, and creators and artists who have been active as Vocalo P and singers are going abroad directly. Since then, he has caught the attention of major labels and paved the way for his major debut.

Based on the above recognition of the current situation, I will first describe the development of a domestic industrial base that serves as a foundation for diversity and accumulation. Business structures and practices that have potential in the streaming era need to be visualized in detail, and if there are problems, they need to be addressed.

Also, from the perspective of fundraising, as a way to raise funds by utilizing existing music, music copyright funds that have been seen in other countries should be carefully examined, and what form can be achieved in a similar manner? From the perspective of raising funds for the production of new music, activities such as crowdfunding and startups developing services that contribute to fundraising in the form of investment in subscription rights should be actively supported.

Next is the acquisition of manpower and human resources. The decline in the population also leads to the phenomenon of music and music event creators, but the quantitative situation is not always understood, so efforts must be made to understand it first. In addition to fostering music industry workers through digital marketing training, the acquisition of digital talent should be encouraged through measures such as the establishment of a system for accepting side workers from other companies and the establishment of a rental transfer system. It is also expected that the number of digital talent in the music industry will increase by providing support to startups and others that handle music tech.

Next, I will describe our awareness of issues related to overseas expansion. In order to promote overseas expansion, it is necessary to first measure the degree of expansion. Billboard's "Japan Songs excl. Japan" charts should be used to accurately identify overseas demand, and monetary indicators

of economic value should be discussed and developed within the industry.

Once the indicators have been developed, it is expected that industry groups and business operators will establish deployment policies for each country and region in which they will be deployed. In order to support the activities of industry groups, the government will collect economic indicators, policies and laws related to music distribution, as well as information related to anime tie-ups, SNS buzz, and participation in local festivals, which are the main methods of overseas expansion of Japanese music, and provide them to industry.

In order to help strengthen the government's ability to collect information, and in order to support the activities of industry groups and businesses overseas, JETRO will assign music specialists to build local communities within and outside the music industry, provide human networks to domestic businesses, support visa acquisition, and collect information. At that time, when developing overseas expansion functions in the local area, JETRO should keep in mind "Cooperation with other industries (Japanese food, games, anime, fashion, etc.)" and "cooperation with other countries" with the hope of achieving comprehensive expansion.

2. Purpose of this study

This study was conducted based on the hypothesis at the start of the study (October 2023) with the following objectives.

Hypothesis and objectives at the start of the study (October 2023) (from the specification of this project)

The global content market is an industry that is expected to grow over the medium to long term, but the growth of the Japanese content market is slowing against the backdrop of the declining birthrate and aging population. On the other hand, there are many Japanese content IPs that have high recognition and reputation, especially in the world, and they seem to have the potential to capture the growth of the global market. Among the content areas, anime, games, and manga have already acquired a certain share of Japanese content overseas, while the music sector has not yet achieved a sufficient share.

The music sector is facing particularly large changes in the global environment amid the post-coronavirus era. In the last few years, the global music market has experienced a rapid increase in digitalization, with subscription models expanding rapidly.

In addition, the use of social networking sites and digital tools has become increasingly important for distribution, creating a globally seamless market. In addition, as the number of creative works created by individual creators has exploded, the methodology for finding new talent has changed.

Along with this supply movement, the movement of content consumers has also changed significantly. In today's age, when all consumers have access to vast amounts of information, not only disposable income but also disposable time allocation by consumers has become a limiting factor in consumption behavior, and factors and mechanisms for maximizing individual utility through the provision of content have become more diverse and complex, such as interactive ways between producers and consumers or between consumers. In addition, these trends may vary according to generations and regions, and it is necessary to respond to such environmental changes on the demand side.

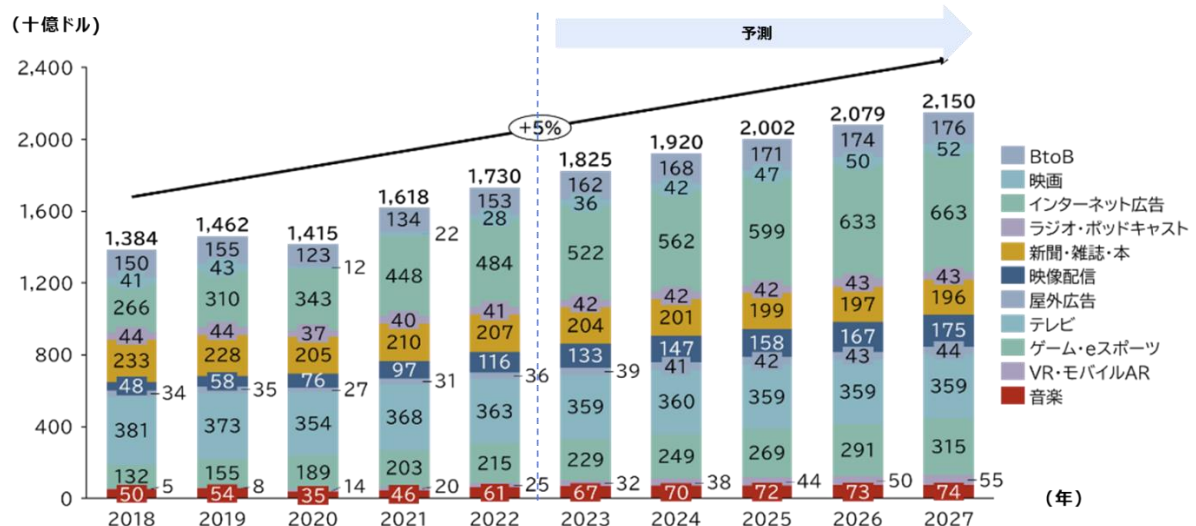
In our country music industry, it is necessary to rapidly respond to such changes in the environment and create artists who can play an active role in the world. In order to achieve this, it is necessary to discuss what measures should be taken by the public and private sectors, taking into account market trends and consumer trends in the music industry in Japan and overseas, and to promptly draw up directions while taking into account new developments in the industry.

3. Overview of the Music Industry in Japan and Overseas

3.1 Overview of the Music Industry in Japan and Overseas

3.1.1 Global

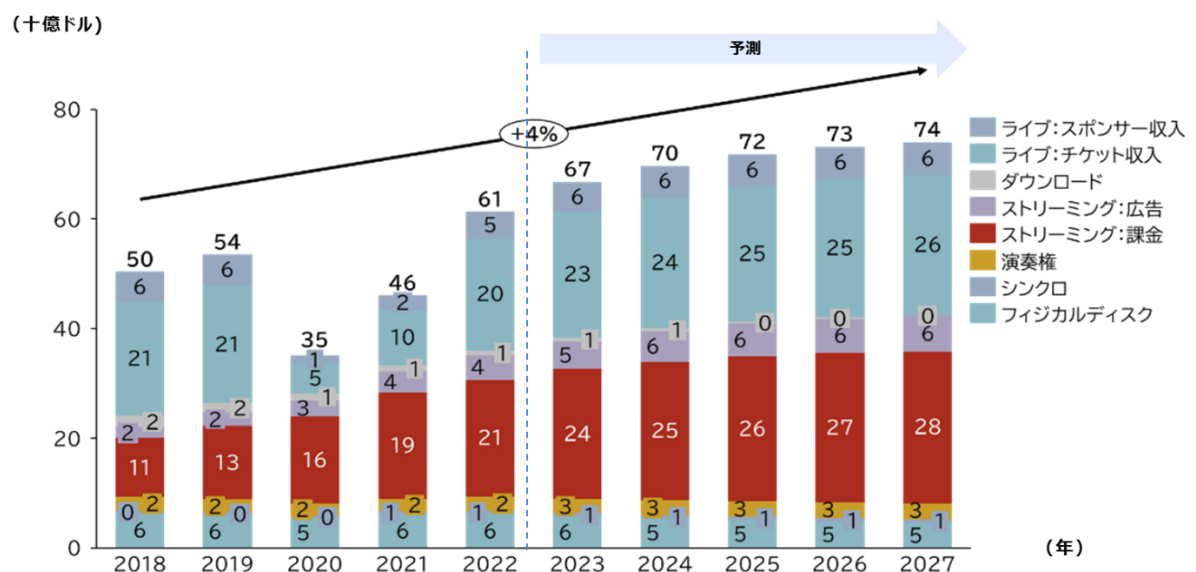
- The global content market was estimated at \$1.73 trillion in 2022, including \$61 billion for music.



Source: PwC Global Entertainment & Media Outlook 2023-2027
<https://www.pwc.com/jp/ja/knowledge/thoughtleadership/outlook.html>

Figure 3-1 Global Content Market Size (2018~2027)

- Of these, streaming services account for \$21 billion in billing revenue and live tickets account for \$20 billion, which is expected to continue to grow.



Source: PwC Global Entertainment & Media Outlook 2023-2027
<https://www.pwc.com/jp/ja/knowledge/thoughtleadership/outlook.html>

Figure 3-2 Global Music Market Size (2018 - 2027)

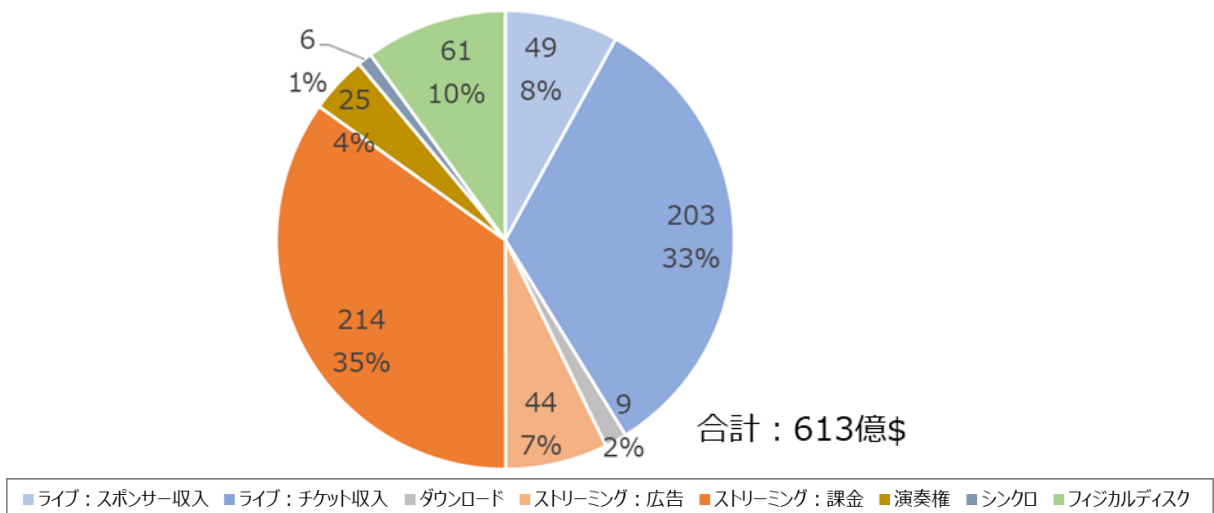


Figure 3-3 Global Music Market Size (2022)

- Although the value added by the global music industry cannot be obtained statistically, according to UNESCO standards, the cultural GDP of the United States is approximately 70 trillion yen (2017), that of Japan is 10.5 trillion yen, that of Germany is 10.2 trillion yen, and that of the United Kingdom is 9.8 trillion yen (2018). Japan's cultural GDP as a percentage of GDP (1.9%) at the time mentioned above is relatively low compared to other countries. [*]1
- The global recording source market is on the rise, with streaming services driving growth from 2014 to 2022. It reached \$26 billion in 2022. The top three recording source markets worldwide were entrenched in the United States, Japan and the United Kingdom from 2019 to 2022. China rose from 10th to 5th from 2018 to 2022. [*]2
- The global live music market continued to grow at a 5% CAGR from 2007 to 2019, but fell sharply in 2020 due to COVID-19. However, it recovered to around \$30 billion in 2023 and is projected to grow at a 4% CAGR from 2023 to 2030. [*]3
- Global music royalty revenue announced by CISAC reached 10.8 billion € in 2022. In 2020 and 2021, royalties for live music in particular decreased due to the coronavirus, but recovered in 2022.

3.1.2 Japan

(1) Market size

- The Japanese content market is estimated to be worth \$111.1 billion in 2022, with music accounting for about \$6.9 billion. Although the size of the music market shrank significantly in 2020, it grew beyond 2019 levels in 2023. The breakdown shows that the size of the live and streaming markets has increased. [*]4

1 Agency for Cultural Affairs Working Report on Calculation of Cultural GDP of Foreign Countries Based on UNESCO Model https://www.bunka.go.jp/tokei_hakusho_shuppan/tokeichosa/bunka_gyosei/pdf/93726301_02.pdf

2 IFPI "Global Music Report2023"

3 Goldman Sachs "Music in the Air Music still sounds good in a macro downturn" <https://www.goldmansachs.com/intelligence/pages/gs-research/music-in-the-air/report.pdf>

4 PwC Global Entertainment & Media Outlook 2023-2027 <https://www.pwc.com/jp/ja/knowledge/thoughtleadership/outlook.html>

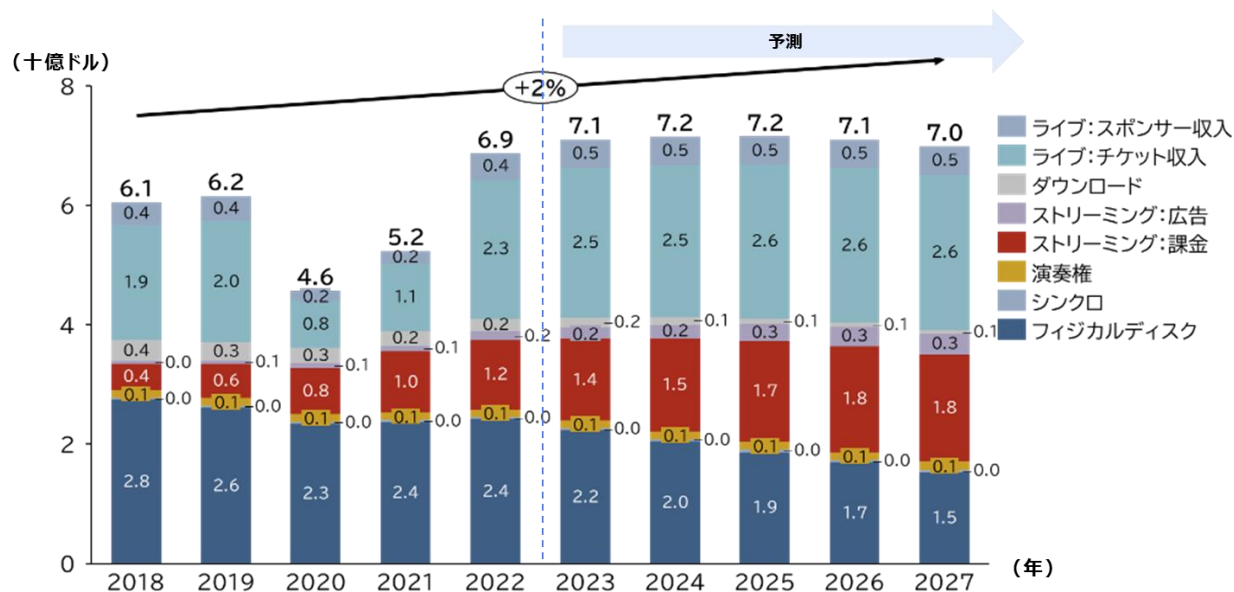


Figure 3-4: Japan Music Market Size (2018 – 2027)

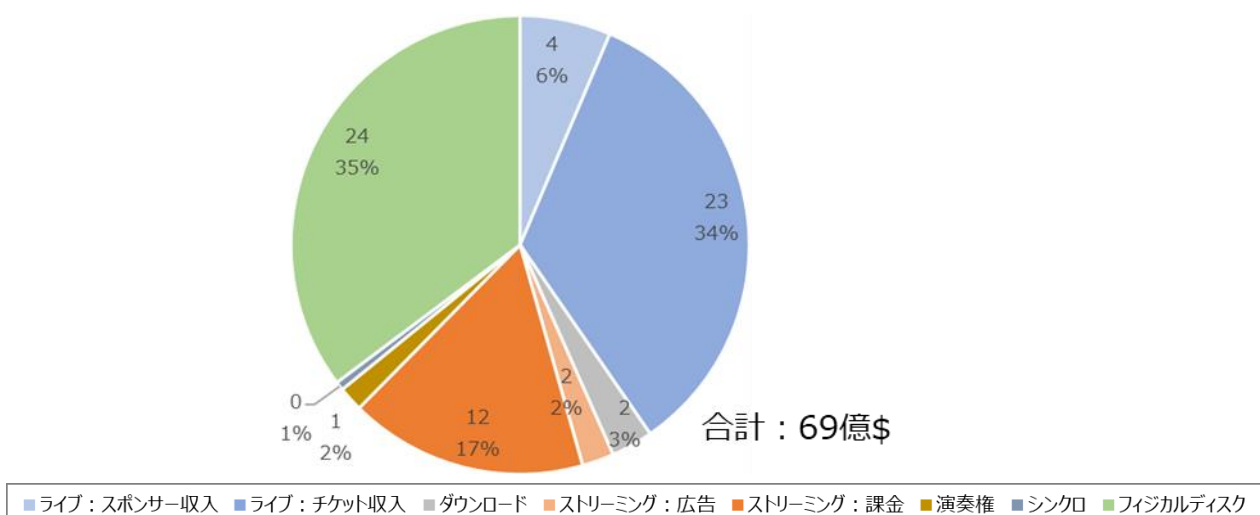


Figure 3-5: Japan Music Market Size (2022)

- The scale of the recording source disc market in Japan remained unchanged from 2013 to 2022, and the market size in 2022 was 307.4 billion yen. The breakdown shows that the decline in audio records and downloads has been compensated by the growth in streaming. [*]5
- According to the 2020 Survey of Economic Structure, the record production industry generated 177.3 billion yen in sales. The music publishing industry generated 29.5 billion yen. Of the entertainment companies, sales of music accounted for 241.1 billion yen. According to the FY 2021 Economic Census Activity Survey, the net added value of the audio information production industry was 76.5 billion yen. [*]6The net added value per worker was 13.92 million

5 RIAJ Japan Record Industry 2023 <https://www.riaj.or.jp/f/pdf/issue/industry/RIAJ2023.pdf>

6 The term "RIAJ" refers to establishments primarily engaged in the planning and production of vinyl records and establishments engaged in the production of radio programs. It should be noted that RIAJ also includes the production of radio programs.

yen, which is higher than the national industry average of 5.28 million yen. [*]7

- The amount of royalties collected by JASRAC has been increasing except in 2020, reaching 129 billion yen in fiscal 2022. In particular, the amount of royalties collected for interactive distribution more than doubled in fiscal 2022 compared to fiscal 2018, and NexTone's copyright management business sales in fiscal 2022 were 8.07 billion yen. [*]8 [*]9
- The Japanese live entertainment market has grown at a CAGR of 8.3% since 2011, but shrank by more than 80% in 2020 due to COVID-19's influence. Since then, however, it has been recovering. The market size in 2023 was 565.2 billion yen, including 394.6 billion yen for music. [*]10

(2) Number of Companies and Employees

- According to the Survey of Current Economic Structure, the number of companies in the record production industry in 2020 was 82, with 2,684 employees, the number of companies in the music publishing industry was 77, with 532 employees, and the number of employees in the box office was 20,813. [*]11 However, although the number of member companies of the Japan Music Publishers Association is 363, it is highly likely that the statistics do not cover the number of companies in the music publishing industry. [*]12 Also, it is important to keep in mind that the group includes companies that perform performances other than music.
- In 2020, 62% of record producers had 4 or fewer employees, while 9% had 100 or more employees. 67% of music publishers had 4 or fewer employees, while 0% had 100 or more employees. [*]13
- There are no statistically appropriate categories for stage technical staff and event support businesses related to live entertainment. According to a survey by the Japan Federation of Stage Technical Staff Associations, as of the end of August 2021, the stage technical staff business had 5,750 companies and 260,900 employees, and the event support business had 100 companies and 400,000 employees. [*]14
- As for production companies, there are a total of 342 regular members of the Japan Music Business Association and the Japan Federation of Music Producers. [*]15
- In the 2020 census, 26,080 people answered that they were musicians, an increase of more than 3,000 since 2010. [*]16
- The total number of employees of copyright management companies is 615, including JASRAC employees and NexTone employees.

7 the Ministry of Internal Affairs and Communications the Ministry of Economy, Trade and Industry, "2021 Economic Census-Activity Survey Results" https://www.e-stat.go.jp/stat-search/files?stat_infid=000040067944

8 JASRAC FY 2018 - FY 2022 Business Report

9 NexTone IR Materials

10 Live Entertainment Research Committee "2023 Live Entertainment White Paper Report"

11 the Ministry of Economy, Trade and Industry Survey on Economic Structure

<https://www.meti.go.jp/statistics/tyo/kkj/result2.html>

12 [Member List | Japan Music Publishers Association](https://mpaj.or.jp/outline/member/list) <https://mpaj.or.jp/outline/member/list>

13 the Ministry of Economy, Trade and Industry Survey on Economic Structure

<https://www.meti.go.jp/statistics/tyo/kkj/result2.html>

14 [Organizational Profile - Japan Federation of Staging Technology Staff Associations](https://staff.or.jp/about/) <https://staff.or.jp/about/>

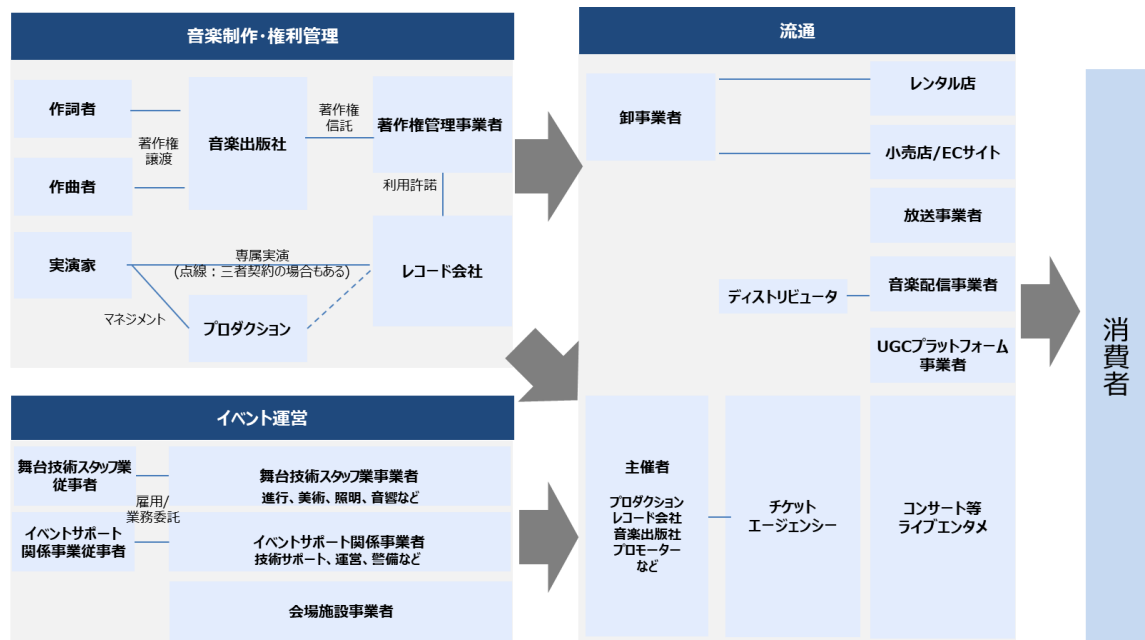
15 Japan Music Business Association, Japan Federation of Music Producers website <https://www.jame.or.jp/member/>,

<http://www.fmp.or.jp/about/seikaiin>

16 Census 2010, 2015, 2020

3.2 Business model of the Japanese music industry

3.2.1 Overview of the supply chain (players) of the music industry



※線は主な契約関係を表す。全体像を示すため簡略化しており、国内の詳細な図は次ページ以降に記載

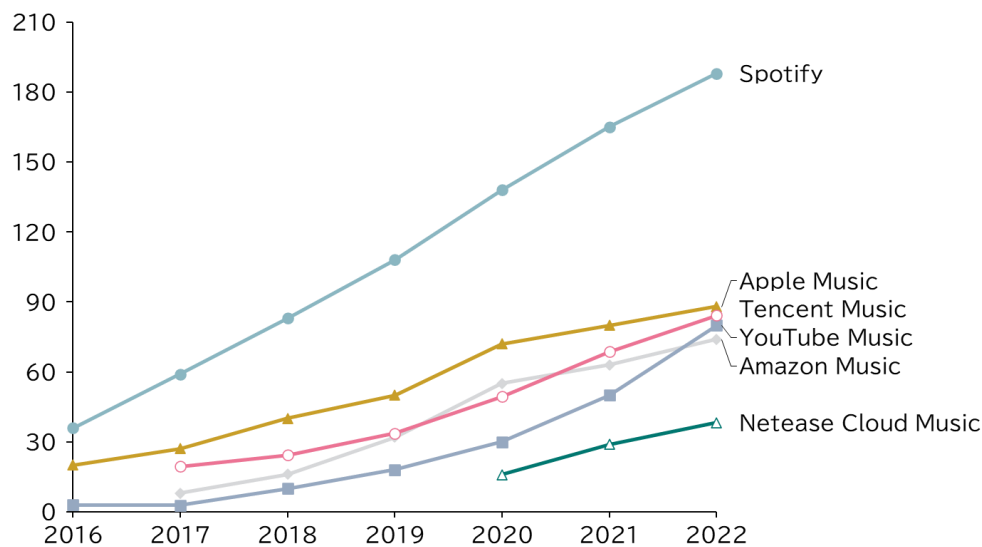
(出所) 情報メディア白書2023、経済産業省「音楽産業のビジネスモデル研究会報告書等を参考にMRI作成

- Global
 - The recording source and music publishing markets account for the majority of sales (Recording source market: 70%; Music publishing market: 60%) in the three major markets (Universal Music Group, Sony, Warner Music Group) combined. [*]17
 - Merlin, which negotiates terms between indie labels and digital services globally, collectively accounts for 15% of the global recording source market. In 2022, Merlin members received 980 million euros from digital services. [*]18
 - Spotify, Apple Music, Amazon Music, YouTube Music, Tencent Music, and Netease Cloud Music are the subscription services with the most paid subscribers globally. Spotify has the most paid subscribers, with more than 180 million subscriptions worldwide in 2022. [*]19

17 Music&Copyright's Blog <https://musicandcopyright.wordpress.com/>

18 Merlin Annual Transparency Report <https://merlinnetwork.org/ja/merlin-board/>

19 Music Streaming App Revenue and Usage Statistics (2024) <https://www.businessofapps.com/data/music-streaming-market/>



Music Streaming App Revenue and Usage Statistics (2024) <https://www.businessofapps.com/data/music-streaming-market/>

Figure 3-6 Global Music Streaming Service Subscriptions (2016-2022)

● Japan

- As of January 2024, there were 18 regular members of the Recording Industry Association of Japan, and these companies are sometimes called 'domestic majors.'. [*]20
- We take Avex and Amuse as examples of major Japanese players.
 - ✧ Avex started importing and selling music records in 1988 and launched its own label, avex trax, in 1990. In fiscal 2021, sales in the music business dropped significantly due to the COVID-19 pandemic, which discouraged the holding of live events. In fiscal 2023, sales were 94.1 billion yen, not 106.6 billion yen in fiscal 2020. In November 2022, the company established "avex Youth," an organization for developing artists, and plans to promote the development of artists. [*]21
 - ✧ Amuse started its business as a private entertainment company in 1977. Revenue dropped significantly in fiscal 2021 due to the COVID-19 pandemic. Sales in fiscal 2023 were 52.5 billion yen, which was not the 58.8 billion yen in fiscal 2020 but is recovering. As a result of the COVID-19 pandemic, the share of the event-related business in sales decreased from 71% to 62%, and the share of the music and video business increased from 19% to 28%, indicating a change in the revenue structure. [*]22
- The IMCJ (Independent Music Coalition Japan), the Independent Recording Industry Association (IRMA), and the Independent Label Council (ILCJ) are trade associations for indie labels. The Japan Net Creators Association (JNCA) is an industry association for net creators that is not limited to music.
- Apple Music is the most popular music service in Japan. In addition, Amazon Music Prime, Amazon Music Unlimited, Spotify, YouTube Music and others have high usage rates, while domestic services have relatively low usage rates. [*]23
- In Japan, major labels, indie labels and management companies provide digital distribution services through their own companies and affiliates. As a digital distributor, TuneCore

20 Japan Recording Industry Association Members <https://www.riaj.or.jp/about/member.html>

21 Avex IR Materials

22 Amuse IR Materials

23 Dentsu Media Innovation Lab Information Media White Paper 2023

Japan's return to labels and artists has been steadily increasing since 2014, reaching ¥12.6 billion in 2022. [*]24

- JASRAC and NextTone are the two major Japanese music rights management companies.

3.2.2 Structure of Revenue Distribution to Stakeholders

- There are two categories of music revenue distribution: distribution related to distribution and distribution based on copyrights and neighboring rights. Among them, there are three types of distribution based on copyrights and neighboring rights: royalties on copyrights, royalties on original discs, and royalties on artists. The distribution ratio for streaming is smaller than that for physical distribution, and the revenue distribution structure has changed.
- Physical (CDs and major labels)
 - Raw disc royalties are 12~16%, of which artist royalties are 1~3%. [*]25 [*]26 Label royalties are about 33%. Distribution is 45%, including 25~27% for retailers. Copyright royalties are 6% (JASRAC). 6% (0.36%) of the royalties are JASRAC fees, and the rest are allocated to music publishers, songwriters and composers. For example, if there is one publisher, one lyricist, and one composer, the distribution is often 2:1:1. [*]27
- Streaming
 - Distribution service provider's profit/other is 22% (30% for Spotify). Aggregator fees are around 11%. Copyright royalties are around 15%. (7.7% to 12% for JASRAC). The sum of the original disc rights and artist's royalties is about the remaining 55%. 9.5% of the royalties (0.73% to 1.14% of the total) are paid by JASRAC, and the rest are allocated to music publishers, songwriters and composers.

24 TuneCore Japan Music Stats <https://www.tunecore.co.jp/music-stats/2022>

25 Royalties paid to original producers based on CD sales and streaming revenue

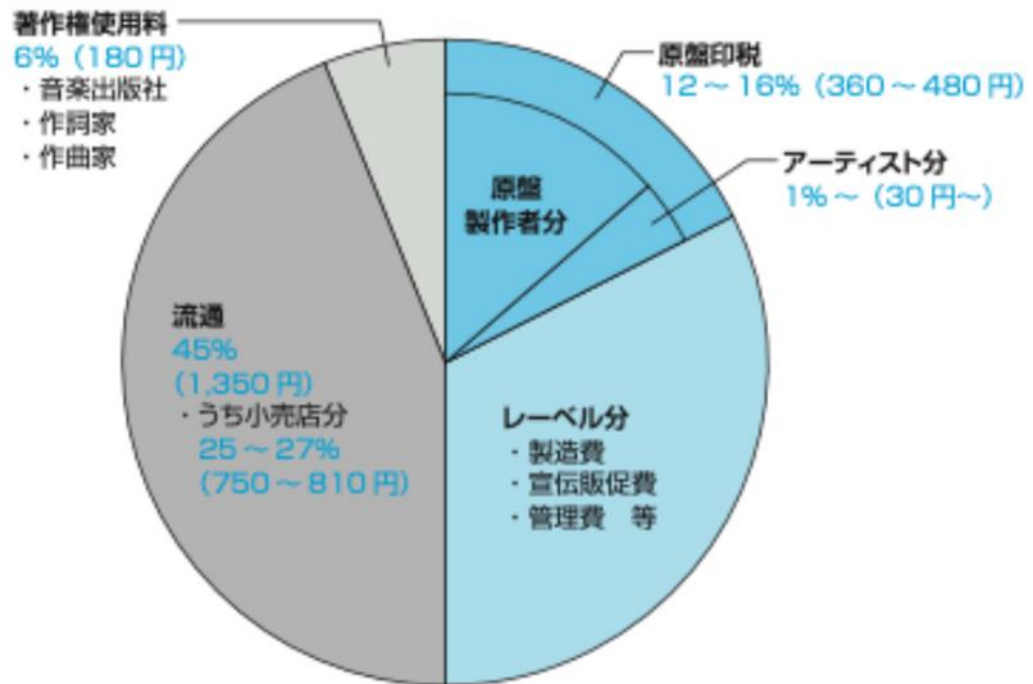
26 Royalties paid to artists based on CD sales and streaming revenue

27 The CISAC Standard Performance Rights Agreement stipulates that, for the protection of authors, the sum of a music publisher's share of a song's royalties must not exceed 50%.

International rules on JASRAC distribution <https://www.jasrac.or.jp/bunpai/charge/column.html>

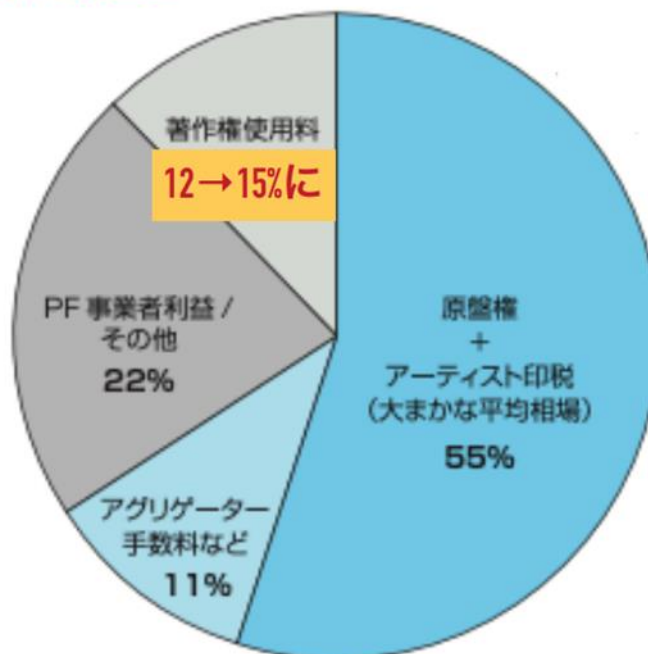
CD時代とサブスク時代の分配率の違い

CD 時代の大まかな分配率



※メジャーレーベルの場合、CD1枚の値段を3,000円（税別）とした場合の内訳（概算）。

サブスク時代の大まかな分配率



※アップル、グーグル等の決済手数料除く

出典：「CD時代の大まかな分配率」は「音楽主義」をもとに作成

Source: Materials of the Content Strategy WG, Intellectual Property Strategy Headquarters 3 submitted by Norikazu Yamaguchi (<https://www.kantei.go.jp/jp/singi/titeki2/contents/wg/dai3/siryou3.pdf>)

Figure 3-7. Differences in distribution rates between the CD era and the subscription era

A case study of revenue sharing in the United Kingdom (organization name as of January 2023)

- In the United Kingdom, an investigation into the impact of streaming on the music industry was launched by the UK Parliament's DCMS (Digital, Culture, Media and Sport) Committee in October 2020. The study was based on interviews with 34 stakeholders and 213 pieces of evidence submitted, and the results were published in July 2021.
- Based on the results of the investigation, relevant ministries and agencies began to respond. The items indicated in the results of the investigation and the results of each ministry's response until February 2024 are as follows.
 - IPO (Intellectual Property Office):
 - ✧ Rights and fair compensation of creators: The results of several studies published between 2023 and 2024 were inconclusive.
 - ✧ Transparency of contracts: A voluntary code of practice was developed. There is no obligation to comply, but the IPO will monitor compliance and review the content in 2026.
 - ✧ Things to do with metadata: We identified a core set of metadata that should definitely be attached and published it in November 2023. Aiming to improve the status of core metadata attachment by May 2025, we set up a meeting of experts and set out what each player in the industry should do.
 - DCMS (Department of Digital, Culture, Media and Sport)
 - ✧ In February 2024, we announced the holding of a working group to examine issues related to proper compensation for creators, referring to the results of research conducted by IPO.
 - CMA (Competition and Markets Authority)
 - ✧ We have been studying the music streaming market since January 2022 and published a report in November 2022. The report said it would not intervene in the market as it stands.

関係機関	2020年	2021年		2022年		2023年		2024年
	後半	前半	後半	前半	後半	前半	後半	前半
英国議会 DCMS(デジタル・文化・メディア・スポーツ)委員会	10月: ストリーミングが音楽業界に与えている影響を調査すると発表	調査	7月: 調査結果を公表	関係省庁 (DCMS, IPO, CMA) が取り組むべき事項を提案		1月: 政府対応状況のフォローアップ調査結果を公表		
DCMS (文化・メディア・スポーツ省)	7回の関係者ヒアリング (計34名) と、提出された213のエビデンスに基づき調査		回答			3月: フォローアップ調査結果への回答を公表	設置を検討	2月: クリエイター報酬WGの設置を発表
IPO (知的財産庁)			9月: 政府の回答を公表	調査		2月: 契約調整と権利返還に関する調査結果を公表	適正な報酬に関する結論は出ていない	2月: クリエイターへの適正な報酬に関する調査結果を発表
透明性WG	下記の調査/データなどを利用 ● 関係者とのインタビュー30回 (匿名が主) ● 音楽家25人への4回のフォーカス・グループ調査 ● 音楽家へのアンケート調査 (700件以上の回答、匿名) ● 2014年から2020年までのストリーミング・データ ● 1991年から2019年までの音楽出版・原盤契約の内容 (Musician Unionから提供、匿名) ● レコード会社の売上 (独立系レコード会社から提供、匿名) ● PRSとMCPSが音楽家に支払った印税のデータ			1月: 第1回WG開催	検討		クリエイターとの契約に関連し開示すべき情報を規定。順守義務はないが、IPOが順守状況をレビューする	8月頃: IPOによるレビュー
メタデータWG				1月: 第1回WG開催	検討		5月: ストリーミングのメタデータに関する英国の業界合意を公表	11月: 業界合意に対するガイダンスを公表
CMA (競争・市場庁)				1月: ストリーミング市場調査開始	調査	11月: 最終調査結果を公表	現状においては市場に介入しないことを発表	2025年5月までにメタデータ整備状況を向上させる道筋 (業界各プレイヤーの実施事項や、専門家会合の設置等) を提示

Source: Compiled based on information published by government agencies. The name of the organization is as of January 2023.

Figure 3-8 Overview of Music Streaming Initiatives in the UK Parliament and Government Agencies

Revenue Sharing through YouTube Content ID [*]28

- YouTube Content ID is YouTube's automated content identification system. Videos uploaded to YouTube are checked against a database of music registered to YouTube by the copyright holder, and if a match is found, a Content ID claim is applied.
- The copyright holder can choose to respond to a Content ID claim in three ways:
 - Block: prevent people from watching videos
 - Monetize: place ads on videos to monetize videos and make money for copyright holders
 - Tracking: Make video statistics visible to rights holders
- If copyright holders choose to monetize, video creators won't make any money. Therefore, in situations where Content ID claims can occur, it is difficult for secondary creation to spread.
- To address this issue, YouTube is offering a beta version of Creator Music, a catalog of songs that video creators can monetize and, in some cases, copyright holders and video creators can share revenue with. [*]29
- In addition to YouTube's efforts, digital distributors are now offering a service that allows copyright holders and video creators to share revenue. For example, TuneCore Japan released a service called TuneCore Creators in October 2023.



Source: TuneCore Japan Press Release [*]30

Figure 3-9 Traditional Revenue Sharing Using YouTube Content ID (Top) and Revenue Sharing Using TuneCore Creators (Bottom)

3.2.3 Revenue Structure of Live Entertainment Business

(1) Global

- According to Goldman Sachs, the typical distribution of revenue from live entertainment worldwide is 10~15% for ticket agencies, 10% for promoters, 10~15% for artist agents, and

28 How Content ID works - YouTube Help <https://support.google.com/youtube/answer/2797370?hl=ja>

29 Getting Started with Creator Music - YouTube Help <https://support.google.com/youtube/answer/11610212?hl=ja>

30 <https://prtimes.jp/main/html/rd/p/000000051.000005829.html>

60~70% for artists. [*]31

- LiveNation, one of the largest live entertainment companies in the world, saw its earnings drop significantly in 2020 due to COVID-19, but rebounded in 2022 to \$1.67 billion in revenue, up from 2019. [*]32
- In North America, a variety of live music costs rose in 2022 compared to 2019 due to higher global prices.

Table 3-1. Changes in North American live music costs (2019 to 2022)

Cost Items	Price in 2019 (U.S. dollars)	2022 prices (U.S. dollars)	Multiples
5K Forklift Rental (1 day)	350	500	1.4
Average hourly wage for private security guards	23.5	29.5	1.3
Daily rental fee for a speaker for an outdoor festival sound system	150~200	450~600	3~4
One roll of sturdy insulating tape	17.79	19.99	1.1
One-week tour bus rental	5,000	10,000	2.0
Shipping costs for a 40 foot container with LED lighting from China	2,000	21,000	10.5

Cost of doing festivals, concerts and tours soared in 2022, a year of big profits and daunting challenges - The San Diego Union-Courtesy of Tribune <https://www.sandiegouniontribune.com/entertainment/music/story/2023-01-08/cost-of-doing-festivals-concerts-and-tours-soared-in-2022-a-year-of-big-profits-and-daunting-challenges>

(2) Japan

- According to a basic survey by the Association of Concert Promoters (ACPC), the number of concert performances and attendance by region in Japan decreased in all regions in 2020, but increased year-on-year since 2021. The return in the number of performances and attendance (from the first half of 2023 to the first half of 2019) varies by region, with Kanto, Kinki, and Tokai having more than 100%. Other regions, on the other hand, have less than 100%. [*]33
 - In the first half of 2023, there were many performances by overseas artists, especially at large-scale venues. Compared to the first half of 2019, only 253.5% of stadiums and 183.3% of arenas participated, but only 67.7% of halls and 63.7% of live music venues participated. In particular, the number of large-scale performances by K-pop artists has increased significantly. [*]34
- There are multiple reasons for the increase in the number of live performances by overseas artists.
 - There is a backlash from the COVID-19 pandemic that prevented live performances.
 - There are more than 15 large-scale venues (more than arenas) in the Tokyo metropolitan

31 Goldman Sachs "Music in the Air Music still sounds good in a macro downturn"
<https://www.goldmansachs.com/intelligence/pages/gs-research/music-in-the-air/report.pdf>

32 LiveNation IR Materials

33 ACPC Basic Research Report https://www.acpc.or.jp/marketing/kiso_detail.php

34 Ditto

area.

*There are also about 2 or 3 venues in major overseas cities such as New York, Los Angeles, and London.

- In Korea, there are few large-scale venues, and Japanese venues are being used by K-pop artists.
- It is difficult to compare ticket prices for concerts because they vary widely, but tickets for concerts by Japanese music artists tend to be relatively cheaper than those for Western music and K-pop artists, even if they are held at the same venue in Korea. In the first half of 2023, the estimated ticket price (total sales divided by total attendance) was 8,747 yen, higher than before the COVID-19 pandemic. One of the reasons for this is the increase in the number of performances by overseas artists. [*]
- The economic ripple effect in the entertainment industry, including live entertainment, is estimated to total 13 trillion yen in 2019. Fests and live performances also have a large economic ripple effect on the region, and depending on the size of the event, the ripple effect on the host region is estimated to be several billion yen. [*]³⁵ [*]³⁶
- Foreign visitors to Japan also participate in music festivals, and according to estimates using a human flow analysis tool, 1.6% of the participants in "SUMMER SONIC 2023 TOKYO," 1.0% of the participants in "SUMMER SONIC 2023 OSAKA," and 0.64% of the participants in "FUJI ROCK FESTIVAL '23" are estimated to be from outside Japan. This percentage does not include foreigners living in Japan. [*]³⁷
- The labor shortage is recognized as a problem in the concert industry. In addition to the labor force decline in Japan as a whole, the following factors are mentioned.
 - The number of live shows is large and the date of the event is biased. Especially, it is concentrated on Saturdays and Sundays.
 - There is an excessive amount of service and stage making.
- Since the COVID-19 pandemic, it has become common knowledge that live shows and broadcasts are a set, and sites have started to fake the broadcast information and conduct phishing scams when live shows are not available. The Metropolitan Police Department and ACPC have issued warnings.

3.2.4 Structure of contracts in the music industry

The contents of contracts between players in the music industry vary, but this section describes the types of contracts that are generally found.

35 Pia Research Institute, Development Bank of Japan Survey <https://corporate.pia.jp/csr/pia-soken/pdf/piasoken-dbj2022.pdf>

36 "Economic Effects .NET <https://economicimpact.net/>, Shangmi Gakuen University" Economic Effects of Rock Festival and Consumer Behavior: A Case Study of Fuji Rock "https://shobi-u.repo.nii.ac.jp/record/666/files/geijutsukiyou29_02ETOH.pdf"

37 Live Entertainment Research Committee "2023 Live Entertainment White Paper Report"

(1) Japan [*]38

- Lyricists and composers sign copyright transfer agreements with music publishers.
- Music publishers (sometimes lyricists and composers themselves) and copyright management companies sign copyright trust agreements.
- Performers sign management agreements with production companies. In recent years, there have been cases of agent contracts.

Table 3-2 Differences between management contracts and agent contracts

Item	Management Agreement	agent contract
functions provided to artists under contract	sales, monetary negotiation, legal risk management and response, media response, schedule management, training and education, staff arrangement, etc.	sales, monetary negotiation (Other functions are separately contracted with other agents if necessary)
Flow of compensation from clients	The client pays the office and the office pays the artist a stipend	The client pays the artist and the artist pays the agent a commission
Artists seen per manager/agent	Relatively few	relatively high
degree of freedom of work from the artist's perspective	relatively low	relatively high
contract period	relatively long	relatively short

Source: Adapted from <https://music-bunker.jp/column/article/blog20-agt-mng.html> etc.

- Performers sign exclusive performer contracts with record companies. Practically speaking, the contract may be a three-party contract between a performer, a record company, and a production company.
 - Based on the custom of the CD era, artist royalties for streaming are generally 1~3%.
 - If you signed an exclusive performer contract before an artist's music was heard on YouTube or TikTok, it's hard to change the contract even if the number of views increases.
- Original producers (music publishers, productions, etc.) sign agreements with record companies to transfer the original.

(2) North America, etc.

- In North America, the contract structure is mainly for artists. Specifically, artists sign contracts with managers, agents, and lawyers. Artists make proposals to record companies to extract production costs.
- As for copyright management, music writers themselves decide whether to entrust music publishers. In cases where music writers themselves manage and hold copyrights, they can buy and sell copyrights and neighboring rights, which will be described later, at the discretion of music writers. In Japan, under the JASRAC system, it is a general rule to trust

38 See the [final printed version of the Microsoft Word -20060606 report \(DOC \(bunka.go.jp\)\)](#), a research and study report on asset evaluation methods for music copyrights, etc. in fiscal 17 year 2004 of the Agency for Cultural Affairs and on funding using such copyrights.

the entire rights to music publishers.

3.2.5 Structure of Music Industry Finance

- In Japan, recording companies bear the cost of producing original discs if they are produced under an exclusive performance contract. When they are produced under a joint original disc contract, music publishers, production companies, recording companies, etc. who conclude the contract bear the cost jointly. [*]39
- In the United States, when an artist concludes a contract for original disc production with a record company, the record company pays the original disc production cost and advance payment. With the original disc production cost and advance payment, an artist contracts with the personnel necessary for original disc production and forms a team for original disc production. After production, the artist transfers the original disc rights to the record company (unlike Japan, this is not an original disc supply contract) and receives royalties from the record company based on the number of copies sold. The royalty rate varies between 9~25% depending on the artist's performance. [*]40At first glance, it appears to be higher than the 1~3% royalty rate for Japanese artists, but since production costs and advance payments are deducted from royalties, the actual royalty rate is lower.
- The production company, record company, music publisher, promoter, etc. that organizes the live entertainment will bear the cost. The cost will be recouped through ticket sales, sponsorship from the sponsor, broadcasting rights fees, merchandise sales, etc.
- With the advent of streaming music distribution services, catalog music has become a source of stable revenue, and metrics related to that revenue (such as the number of views) have become more visible, indicating a change in the structure of financing around the music industry.
- In the past, as a celebrity bond, David Bowie issued 'Bowie bonds' secured by royalty revenue generated by his music. Around the same time, other artists used similar financing methods. [*]41
- In recent years, music copyrights and neighboring rights have been traded at high prices (tens to hundreds of millions of dollars) in several cases each year. In addition to music publishers and record companies, investment funds have also been traded in several cases. [*]42
- Since the 2010s, Royalty Exchange and ANote Music, platforms for trading rights to share profits based on music copyrights and original music rights, have appeared. [*]43 [*]44

39 Agency for Cultural Affairs Research and Study Report on Asset Valuation Methods for Music Copyrights, etc. and Funding Using the Copyrights in Fiscal 17 Final Print of [Microsoft Word -20060606 Report. DOC \(bunka.go.jp\)](https://www.bunka.go.jp/bunka/20060606/Report.DOC)

40 Mizuho Bank Industry Research Department Content Industry Outlook 2022 - Winning Ways of Japanese Companies https://www.mizuho-bank.co.jp/corporate/bizinfo/industry/sangyou/pdf/1069_04.pdf

41 <https://jp.reuters.com/article/idUSKCN0UT0PO/>

42 Nomura Capital Market Quarterly, Winter 2023

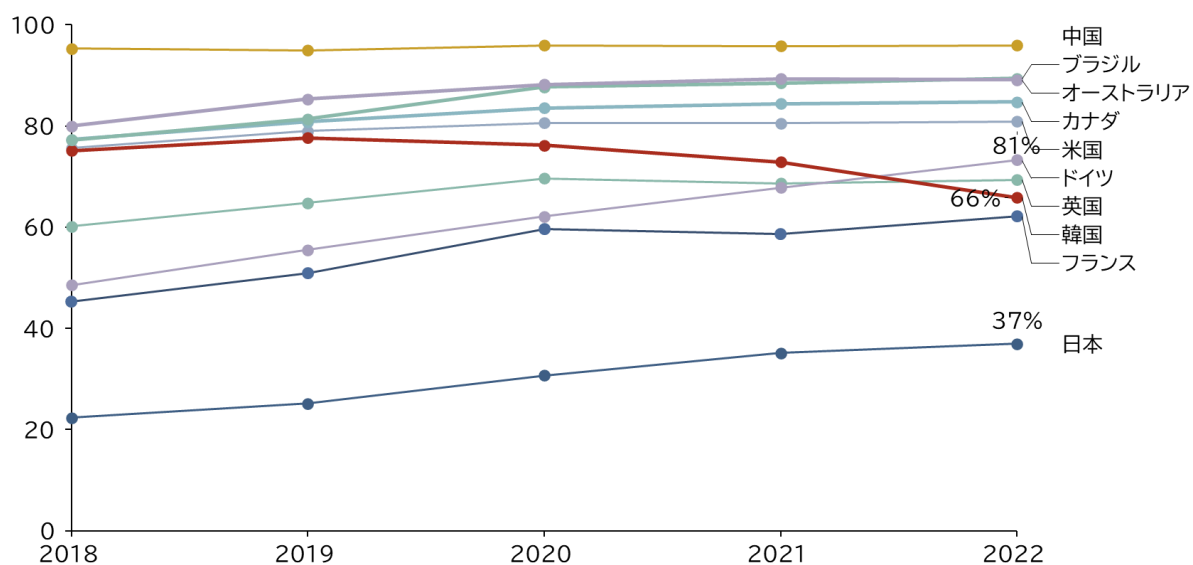
43 <https://auctions.royaltyexchange.com/>

44 <https://www.anotemusic.com/>

- As a service originating in Japan, OIKOS MUSIC, a platform for selling and purchasing rights to share profits generated by music subscription services, launched in 2022. In addition, TWIN MUSIC, a Japanese label based on crowdfunding, has also emerged. [*]45 [*]46
- The difference is that while copyright and neighboring rights transactions by investment funds target artists whose songs have a certain asset value, crowdfunding and fan investments such as OIKOS MUSIC target artists whose songs have not yet been established. The latter is more about fan support and offers investors not only financial rewards but also incentives for fans to enjoy, such as limited merchandise and the right to attend events.
- Interviews with experts did not raise any institutional issues for making music copyrights or neighboring rights into claims in Japan. Earlier, it was pointed out that few people in the Japanese music industry wanted to make music copyrights or neighboring rights into claims.

3.2.6 Digitization ratio of the music industry in each country

- In 2022, the digitization ratio (distribution market divided by total recording source market) of the top 10 countries in the world exceeded 50% except Japan. In particular, China exceeded 95%, while Brazil and Australia accounted for about 90%. In Japan, although the rate increased consistently from 2018 to 2022, it was still 37% in 2022, which is relatively low.



Source: PwC Global Entertainment & Media Outlook 2023-2027
<https://www.pwc.com/jp/ja/knowledge/thoughtleadership/outlook.html>

Figure 3-10 Digitization ratio of recording source markets in the top 10 recording source markets (2018-2022)

- In Korea, the ratio is 66%, but the digitization ratio has been declining since 2019.
- The demand for physical discs as a means of listening to music has decreased, but the demand as a means of owning music and a kind of goods has increased.
 - In Japan, AKB48 started selling CDs, handshake tickets and voting tickets as a set.

45 <https://oikosmusic.jp/>

46 [Twin Music LLC \(TWIN MUSIC LLC\)](#)

- In Korea, CDs have recently been purchased for special benefits such as goods that come with CDs and event applications.
- In the U.S., the LP/EP market has been expanding since 2020.

4. Changes in the distribution structure and trends of music content viewers and consumers

4.1 Consumer trends of music content

4.1.1 Changes in the amount of information and search routes for content faced by consumers (SNS, etc.)

- The number of SNS user IDs worldwide has been consistently increasing, from 1.9 billion IDs in 2014 to 4.6 billion IDs in 2022. The number of hours spent per day has also been increasing, from 1.6 in 2014 to 2.5 hours per day in 2022. [*]47
- TikTok, in particular, saw significant growth in both time spent and number of accounts between 2021 and 2024. As of 2024, TikTok had 34 hours spent per month, which puts it in first place, about 5 hours behind second-place YouTube. Since 2021, Instagram has also seen significant relative growth in both time spent and number of accounts. [*]48
- In Japan, TV had the longest media contact time until 2021, but mobile phones and smartphones became the longest in 2022. In 2022, TV had 143.6 minutes and mobile phones and smartphones had 146.9 minutes. [*]49
- The amount of information consumers face is increasing. For example, daily download traffic per fixed broadband subscription in Japan has been at a CAGR of 23.2% since 2004 and increased to 7,815MB/day in 2023. [*]50
- In Japan, free time, excluding activities such as sleep and work, was on an increasing trend from 1976 to 2001 but has remained flat since 2001. [*]51 Consumers are spending this limited amount of free time, including new services through smartphones. [*]
- A survey conducted in Japan in 2021 found that the percentage of people who answered "of what you get information about, what you value" when considering purchasing products and services, exceeded that of TV and radio programs and advertisements among those in their late teens and 40s. [*]52
- Mass media such as TV and newspapers had a limited number of sources of information, but with the advent of search engines in the 2000s, there was an interactivity that consumers could transmit. In the 2010s, with the advent of SNS and an increase in the number of users, engagement between the receiver and the sender became important. As a result of TikTok's rise in popularity in the 2020s, algorithms control the interface between the receiver and the caller. In other words, this is a time when "attention," such as the amount of time spent watching a recommendation, is more important than engagement.

47 We are social <https://wearesocial.com/uk/>

48 Ibid.

49 Hakuhodo DY Media Partners "Media Fixed Point Survey 2023"

<https://prtimes.jp/main/html/rd/p/000000145.000038657.html>

50 the Ministry of Internal Affairs and Communications "Aggregation and Estimation of Traffic on the Internet in our country"

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.soumu.go.jp%2Fjohotsusintokei%2Ffield%2Fdata%2Fgt010108.xlsx&wdOrigin=BROWSELINK>

51 Results of the 2021 Basic Survey on Social Life "(Statistics Bureau, the Ministry of Internal Affairs and Communications)

52 the Consumer Affairs Agency White Paper on Consumers (Reiwa 4)

https://www.caa.go.jp/policies/policy/consumer_research/white_paper/2022/white_paper_131.html

図表
1



Source: Telecommunication Generation Z, Video, SNS, AI..... Understanding the “Now ” of People and Media Behavior | WebTelecommunication <https://dentsu-ho.com/articles/8802>

Figure 4-1 Changes in the relationship between recipients and callers due to changes in media

- Multi-formatting of content is progressing. In the case of music, rather than randomly using each video format, the strategy of combining multiple functions to guide users is considered to be effective, such as short video as a glimpse of the main story, long video as shoulder content, and premier release at the time of MV release. By creating contact points through short video, earning instant views through premier release, telling various stories about the production of the music rather than the music itself through livestream, and inviting users to submit “dancing” videos, users who have viewed the music can post UGC, thereby creating a cycle in which the video of the music is flooded on the Internet and the opportunity to be discovered increases.
- Since short videos such as TikTok are algorithmically displayed to users, efforts have been made to lure users to relevant content immediately when they receive their interest, for example, by posting summary links of relevant content in short videos.
- In Japan, the ability to broadcast television still remains for generations older than a certain age group. For example, in a questionnaire survey on the sources of information and cognitive pathways used to refer to music, teens and twenty-somethings were more likely to collect information on social networking sites such as YouTube, Twitter, and Instagram and to recognize music, while those in their forties and later were more likely to collect information on television programs and recognize music. [*]53

4.1.2 Information on the attributes of music consumers

- According to a survey conducted by IFIP in 26 countries around the world, the high usage rate of music subscription services is in the younger age group of 16 to 34. There has been no

significant change in the 3 years between 2021 and 2023. [*]54

- In Japan, over the long period between 2009 and 2022, the number of paid listeners has decreased and the number of uninterested listeners has expanded. The number of paid listeners is relatively large among college students, high school students, and working adults in their 20s, but has been declining since around 2020. When comparing junior high school students and working adults in their 20s to their 50s with college students and high school students, the percentage of the disinterested group is higher in the latter group, and there is a gap of about 20 points between the two groups. [*]55
- Women tend to be more interested in music information than men in all periods from 1996 to 2022. In terms of age, people in their 20s are the highest. The percentage of people interested in music information has leveled off to slightly increased across all sex groups. [*]56
- Over the entire period from 1992 to 2022, women tended to be more likely than men to listen to music. As described later in 4.1.3, women accounted for 80% of idol otaku. The percentage of people who often listen to music is the highest among both men and women in their twenties, but the percentage of men in their twenties who choose music as a favorite hobby tends to decrease, while the percentage of women in their twenties has leveled off. [*]57
- The sources of information and cognitive pathways used to refer to music vary by age group. Teens and twenty-somethings are more likely to collect information on YouTube, Twitter, Instagram, and other social networking sites and recognize music. Teens are also more likely to use karaoke or TikTok. People in their 40s and older are more likely to collect information on TV shows or Yahoo! and recognize songs. [*]58
- The number of music programs on terrestrial TV in the Kanto region decreased from 2017 to 2018 and increased from 2018 to 2021. The ratings have been declining since 2017, especially in 2021. [*]59
- Spending on music-related materials and services for six months was 8,543 yen in 2019, but fell more than 3,000 to 5,347 yen in 2020. It returned to 7,098 yen in 2021, but remained almost unchanged at 7,164 yen in 2022. [*]60

4.1.3 Economic Effects and Impact of “Oshikatsu”

- Japan
 - The domestic “otaku” market is estimated to be worth 810.1 billion yen as of fiscal 2023. Anime accounts for 275 billion yen and idols for 190 billion yen, making up the majority of the total. [*]61
 - In the otaku market, idols account for the largest number of people spending time and money. 25.3% of otaku idols answered that they spend more than 10 hours per week and spend more than 50,000 yen per year. About 80% of otaku idols are female, and more than 70% of them are in their 10 s and 30s, with many young women. In addition, about 25% of otaku idols are students, which suggests that relatively many people are able to devote time to otaku activities. In some cases, about 20% of the respondents spend more

54 IFIP Engaging with Music report 2021-2023

55 RIAJ Music Media User Survey Report <https://www.riaj.or.jp/f/report/mediauser/>

56 Hakuodo Life Research Institute Life Fixed Point Survey <https://seikatsusoken.jp/teiten/answer/1125.html>

57 Hakuodo Life Research Institute Life Fixed Point Survey <https://seikatsusoken.jp/teiten/answer/583.html>

58 Hakuodo/Hakuodo DY Media Partners Content Fan Consumption Survey 2023 Music/Personality Character Edition

59 Video Research Ratings Data, White Paper on Information Media 2023

60 RIAJ Survey of Music Media Users <https://www.riaj.or.jp/f/report/mediauser/>

61 Yano Research Institute conducted a survey on the otaku market (2023) https://www.yano.co.jp/press-release/show/press_id/3383

- than 20 hours a week on otaku activities. [*]62
- The percentage of people who spend money on participatory experiences and content that can only be done now tends to be relatively large in the late 10 s to 30 s, while in the 60 s and older, the percentage of people who spend money on participatory experiences and content that can only be done now drops to less than 10%, suggesting that younger people are more willing to push. The percentage of people who spend money on activities supporting celebrities and characters also tends to be larger at younger ages. In the 40 s and older, the percentage of people who spend money on activities supporting celebrities and characters is about 10%. [*]63
 - People who support people tend to have a higher annual household income than those who do not. In a 2021 survey, the average annual household income for those who support people was 6484000 yen and 6074000 yen for those who do not. [*]64
 - People who have "support" in their music, especially women, tend to be interested in products such as clothes, cosmetics, food and beverages through collaboration with "support." [*]65
 - Overseas
 - 18% of U.S. music viewers are Super Fans. " [*]66 "Super Fans" spend more on music than the average music viewer, with 128% more on merchandise and 78% more on physical discs. [*]67
 - Generation Z K-pop and J-pop fans in the U.S. spend \$24 and \$16 per month on merchandise, 140% and 100% more than the average. K-pop fans are 50% more likely to buy merchandise related to music events they didn't attend, and \$30.2 is a reasonable price for a T-shirt. [*]68
 - As we confirmed in Section 3.2.6, the digitalization rate in the U.S. and other countries has increased to about 80%, and growth through streaming is also plateauing. As a result, the phase has shifted to digital marketing using closed SNS and other methods for music consumers such as "Super Fans."

4.2 Distribution Structure of Music Content

4.2.1 Changes in the Distribution of Music

(1) Global

- Global audio streaming is on the rise, reaching 4.1 trillion views in 2023. The total number of audio and video (Official MV, UGC, etc.) streams is 7.1 trillion, of which Japan ranks seventh in the world with 200 billion views. [*]69
- Of the tracks that have been granted IRSC and are streamed globally, only about 0.2% are streamed more than 1 million times a year. In addition, 45.6 million tracks were streamed less

62 Yano Research Institute conducted a consumer survey on otaku (2023) https://www.yano.co.jp/press-release/show/press_id/3382

63 Yano Research Institute for Economic Studies (2021)

64 Hakuodo "Content Fan Consumption Survey 2021" <https://www.hakuodo.co.jp/magazine/94126/>

65 "Actual Survey on Information Collection and Dissemination and Tie-ins of" Suishi "(conducted in February 2022/Tribal Media House)" <https://www.tribalmedia.co.jp/note/research-220906/>

66 "Super Fans" are fans who engage with artists and their content in more than 5 different ways.

67 Luminate Year-End Music Report 2023

68 Ditto

69 Ditto

than once in a year in 2023, accounting for 26.2% of all tracks. [*]70

- In the United States, the consumption of new releases in terms of albums * has remained unchanged, and the consumption of old releases in terms of albums has been on an increasing trend, with the ratio of old releases rising from 65.1% in 2020 to 72.6% in 2023. [*]71
- As the mainstream of music distribution has changed from physical to digital (streaming), digital distributors have emerged that allow artists to distribute their music on streaming services without using the distribution network of record companies. Digital distributors have both labels and artists as customers, and services that have artists as customers are called Artist Direct. The sales and market share of Artist Direct in the global recording source market is on the rise and is estimated to reach \$1.8 billion in 2022, accounting for 5.8%. [*]72
- SNS and UGC (including short videos) platforms are places to listen to music, and also places for users to use music in their posts. YouTube, TikTok and others have a library of audio sources that can be used when posting on their platforms.
- Music distribution in the metaverse, which has been identified as a new place for music distribution, has the following characteristics:
 - It can transcend space so that users from all over the world can gather in the same virtual space. There are also no capacity constraints for venues.
 - The timelessness allows for on-demand gigs.
 - Because it is interactive, you can enjoy not only watching live performances but also communicating with artists and participants.
 - You can sell your avatar's look, emote (movement), digital fashion worn by your avatar, etc., creating a new revenue source for artists and others.

[Example of a live event in the Metaverse]

- At the "Metaverse Music Festival" held in November 2022, MetaTokyo was offered a special area as the only "content partner" in Asia. Kyary Pamyu Pamyu, new school leaders, and others performed to the world. A total of 20,000 people from 101 countries and regions gathered over 4 days during the festival. [*]73
- Roblox is very active in music.
 - Warner Music Group has had artists such as Twenty One Pilots, Why Don't We, Ava Max, David Guetta and Royal Blood working on Roblox. In January 2023, the group announced the launch of Rhythm City, a music-themed social role-play experience on Roblox. [*]74
 - Metallica, Theoz and Twice are also active on Roblox, and Metallica's three-day campaign from April 14, 2023 to 16th saw 21 million visits. [*]75

(2) Japan

- Monthly Spotify fees in Japan are cheaper than in the US, UK and Germany in yen terms. [*]76

70 Ditto

71 NIELSEN MUSIC U.S. 2019 YEAR-END MUSIC REPORT, Luminate Year-End Music Report 2021, 2022, 2023

72 Midia Recorded music market 2022 | Reality bites <https://www.midiaresearch.com/blog/recorded-music-market-2022-reality-bites>

73 MetaTokyo Press Release <https://prtimes.jp/main/html/rd/p/000000010.000098209.html>

74 Warner Music Group Press Release <https://www.wmg.com/news/warner-music-group-announces-the-launch-of-rhythm-city-its-first-persistent-music-experience-on-roblox>

75 21 Million Visits in 3 Days - Metallica's Innovative Roblox Album Launch [metaversemarcom.io](https://www.metaversemarcom.io)

<https://www.metaversemarcom.io/post/21-million-visits-in-3-days-metallica-s-innovative-roblox-album-launch>

76 Spotify Website

Table 4-1. Comparison of monthly streaming service prices by country

国	Spotify月額料金 (Premium Individual, 2024年2月時点)		
	現地通貨	円換算*	対日本倍率
日本	980円	980円	1.0
米国	10.99ドル	1,612円	1.6
英国	10.99ポンド	2,048円	2.1
ドイツ	10.99ユーロ	1,757円	1.8

Source: From various sources with reference to 鈴木 貴歩@エンターテック・コンサルタント「日本の音源市場がいくらデジタル化しても V 字回復しない たった一つの理由」<https://note.com/novaexp/n/n93044aba471a>

- Comparing the ratio of Spotify monthly price to CD album retail price in each country, Japan's ratio is 2.1 times, while the U.S., U.K. and Germany's ratio is about 0.9~1.3 times. In Japan, the value and price of CD albums are increased by adding value.

Table 4-2. Comparison of monthly streaming service prices and CD album prices by country

国	Spotify月額料金 (Premium Individual, 2024年2月時点)	CDアルバム1枚の 平均小売価格 (2022年)	CDアルバム小売価格の Spotify月額料金との倍率 (現地通貨ベース)
日本	980円	2,100円	2.1
米国	10.99ドル	14.5ドル	1.3
英国	10.99ポンド	10.2ポンド	0.9
ドイツ	10.99ユーロ	13.8ユーロ	1.3

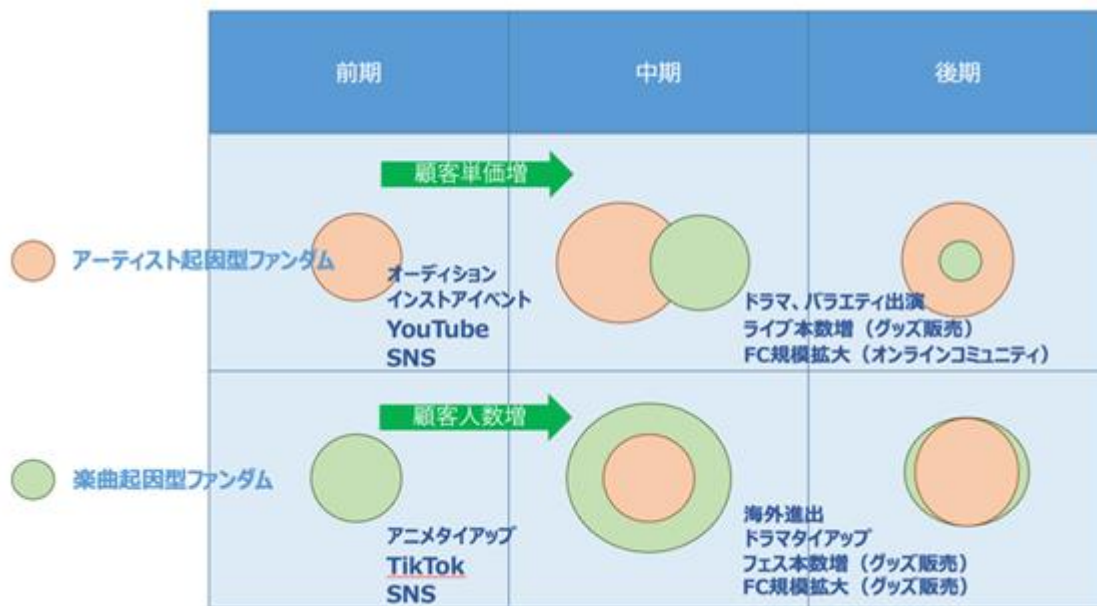
Source: From various sources with reference to 鈴木 貴歩@エンターテック・コンサルタント「日本の音源市場がいくらデジタル化しても V 字回復しない たった一つの理由」<https://note.com/novaexp/n/n93044aba471a> [*]77

- In physical distribution, the visual appearance of the package played a big role in appealing, but in digital distribution, the text data (metadata) about the music plays a big role in properly searching and discriminating by the algorithm.
 - If the metadata of the music is not in English, it will not be searched overseas. Also, depending on the destination country, the metadata must be prepared in that country's language.

4.2.2 Changing the Method of Fandom Formation for Music

- There are two patterns of fandom formation: artist-driven fandom and music-driven fandom.

77 RIAA 2022-Year-End-Music-Industry-Revenue-Report <https://www.riaa.com/wp-content/uploads/2023/03/2022-Year-End-Music-Industry-Revenue-Report.pdf>, ERA 2023 Yearbook https://eraltd.org/media/72554/2023-era-yrbk_120323.pdf, Recording Industry Association of Japan "Resale System for Music CDs" <https://www.riaj.or.jp/f/leg/saihan/>, BVMIMUSIKINDUSTRIE IN ZAHLEN 2022, https://www.musikindustrie.de/fileadmin/bvmi/upload/06_Publikationen/MiZ_Jahrbuch/2022/E.Paper_2023_geschuetzt.pdf



Studio ENTRE 2nd Music Data Marketing Course Report <https://note.com/studio-entre/n/n09727945db02>

Figure 4-2 "Artist-driven fandom" and "Song-driven fandom"

- In Japan, the formation of artist-driven fandom has taken root, starting with idols. For example, audition reality shows have become popular. If the number of fans increases from the audition stage, the number of sales will inevitably increase when the CD is released. The idea is to increase the cost per customer by attracting fans that the artist likes.
- On the other hand, fandom formation based on music is a way to increase fans that like the music itself. The current global chart shows that fandom formation based on music priors is increasing because there are many hit songs through anime tie-ins, TikTok, and SNS.
- Digital tools are increasingly being used to form fandoms. In Japan, fan clubs as closed communities play a role in fandom formation, and official fan club apps are often used. (For example, Ayumi Hamasaki's official fan club app "TeamAyu") [*]78
- In the U.S., instead of creating individual apps, Discord is being used to form closed communities like fan clubs.
 - Audio social networks, such as podcasts, are also open but serve as closed communities because only people who come to listen at certain times get information.
- In Korea, affiliates of four major offices develop and operate digital tools for fandom formation.
 - Weverse
 - ✧ Weverse is a fan community platform that launched in 2019 and is developed and operated by WEVERSE COMPANY, which is 66% owned by HYBE and 33% owned by NAVER. YG artists have been building communities on Weverse since 2021 and SM Entertainment artists since 2023. As of February 2024, the app had over 100 million

78 <https://www.teamayu-app.com/>

downloads, over 10 million monthly active users, over 100 artists, and over 70 million members. [*]79 [*]80

- ✧ Weverse's features include a community for artists and fans to connect, live chat with artists in real time, and streaming concerts. You can also purchase merchandise from the Weverse shop.
- ✧ Weverse is free, but in April 2023 it added Weverse DM, a feature that lets you direct message artists by charging a fee.
- Bubble
 - ✧ Bubble is a platform that allows artists and fans to communicate one-on-one. It is developed and operated by DearU, which is 36.39% owned by SM Entertainment and 18.2% owned by JYP Entertainment. [*]81
 - ✧ It is used by artists affiliated with JYP Entertainment and SM Entertainment.
 - ✧ It has been a paid service since its inception, and it is characterized by being able to communicate with artists one-on-one through direct chat, etc.
 - ✧ DearU announced the establishment of a joint venture company to operate and manage Bubble's Japanese business in collaboration with MUp Holdings. MUp Holdings has more than 300 official fan club platforms including popular artists such as Aimeyon Official Hige dandism and backnumber, as well as artists belonging to TWICE and LAPONE for KPOP, and more than 2 million paid members. [*]82

4.2.3 (Column) Aspirations of Japanese Distributors (TuneCore Japan)

- TuneCore Japan was established in 2012. At the beginning of the project, the goal was to democratize music distribution and create an environment for individual releases.
 - In order to encourage people to share their fans through co-production, the company is offering a split function that allows artists to automatically share the revenue of their music. [*]83
 - Once a song is registered with a service called TuneCore Creators, video creators can select it and use it freely within their YouTube videos. The revenue generated from the video can be shared at a rate determined by the music provider and the music user. Music providers have more opportunities to find their music, music users can easily use their music, and both can monetize. [*]84
- The company makes money from user fees and returns 100% of what it receives from its distribution platform to users, so winning a good deal in rate negotiations doesn't make money. But the return is directly tied to the company's competitiveness, so it continues to negotiate rates with its distribution platform.

79 HYBE JAPAN Press Release <https://prtimes.jp/main/html/rd/p/000000279.000045862.html>

80 WEVERSE COMPANY website <https://ja.weverse.co/about>

81 SM Entertainment, JYP Entertainment IR materials

82 MUp Holdings Disclosure Materials https://m-upholdings.co.jp/ir_financer/news/pdf/20230214_muphd_4k30gkla3osa.pdf

83 TuneCore Japan Split - Automatic Revenue Sharing <https://www.tunecore.co.jp/split>

84 TuneCore Japan TuneCore Creators - TuneCore Japan <https://www.tunecore.co.jp/creators-distribution>

4.3 Ticketing system for live music events

- Major Japanese ticket agencies include Pia, Lawson Entertainment, E-Plus and Community Network. Pia is funded by Seven & i Holdings and its affiliates, and Lawson Entertainment is a wholly owned subsidiary of Lawson. [*]85
- The ticketing agency sets up play guides at terminal stations and shopping centers to sell and issue tickets, as well as through convenience store terminals. In some cases, companies that handle the entertainment business set up ticket sections at event venues to sell and issue tickets directly to visitors.
- Tickets are also sold via the Internet, and in some cases, tickets are completed electronically until they are issued, and in other cases, paper tickets are eventually issued. The market size of BtoB-EC ticket sales in 2022 was 558.1 billion yen, which is the same as 558.3 billion yen in fiscal 2019. [*]86In addition, the average monthly ticket spending using the Internet has been on an upward trend, reaching 1,260 yen per month in 2023. [*]87
- Since the spring of 2022, Lawson Entertainment has offered NFT tickets using blockchain technology as "LAWSON TICKET NFT." The company records seat numbers and other information, and the advantage is that the tickets cannot be rearranged or duplicated, creating a demand to keep the tickets as a souvenir. [*]88In December of the same year, it added a function to accept NFT tickets by scanning QR codes at concert venues. [*]89
- Festivals such as SUMMER SONIC and FUJI ROCK FESTIVAL send information on official websites in English, and a system has been established to link to sales pages such as Pia and E-plus, where tickets are sold, and to purchase and exchange them.
- When purchasing tickets for live entertainment in Japan from overseas, there are the following problems.
 - E-plus requires phone number authentication, but the system only allows Japanese numbers, and since overseas numbers are rejected, overseas fans cannot purchase tickets unless they have a Japanese phone number. [*]90
 - E-plus only accepts credit cards issued in Japan. LAWSON TICKET may also not accept cards issued overseas. [*]91 [*]92
 - You may have to join a fan club to buy tickets for live performances by Japanese artists.
- In order to improve economic rationality and prevent illegal resale, dynamic pricing has been introduced both in Japan and overseas. In Japan, it was introduced in "Yahoo! Ticket EXPERIENCE VOL.1" and Ayumi Hamasaki "Ayumi Hamasaki COUNTDOWN LIVE 2019-2020 ~

85 Pia "Securities Report" <https://corporate.pia.jp/ir/finance/data/pdf/2022fy.yukasyoken.pdf>

86 the Ministry of Economy, Trade and Industry "Market Research on Electronic Commerce" Annual Report

87 the Ministry of Internal Affairs and Communications "Household Consumption Survey Results"

88Rocheke NFT <https://l-tike.com/lawsonticket-nft/>

89 SBINFT PRESS RELEASE <https://prtimes.jp/main/html/rd/p/000000073.000013931.html>

90 E-PLUS WEBSITE [https://support-](https://support-qa.eplus.jp/hc/ja/articles/360041176854-%E6%B5%B7%E5%A4%96%E5%9C%A8%E4%BD%8F%E3%81%A7%E3%81%99%E3%81%8C-%E3%83%81%E3%82%B1%E3%83%83%E3%83%88%E3%81%AF%E7%94%B3%E8%BE%BC%E3%82%81%E3%81%BE%E3%81%99%E3%81%8B)

[qa.eplus.jp/hc/ja/articles/360041176854-%E6%B5%B7%E5%A4%96%E5%9C%A8%E4%BD%8F%E3%81%A7%E3%81%99%E3%81%8C-%E3%83%81%E3%82%B1%E3%83%83%E3%83%88%E3%81%AF%E7%94%B3%E8%BE%BC%E3%82%81%E3%81%BE%E3%81%99%E3%81%8B](https://support-qa.eplus.jp/hc/ja/articles/360041176854-%E6%B5%B7%E5%A4%96%E5%9C%A8%E4%BD%8F%E3%81%A7%E3%81%99%E3%81%8C-%E3%83%81%E3%82%B1%E3%83%83%E3%83%88%E3%81%AF%E7%94%B3%E8%BE%BC%E3%82%81%E3%81%BE%E3%81%99%E3%81%8B)

91 Ditto

92 Roche website <https://l-tike.com/guide/pay.html>

Promised Land ~ A.” [93] [94] According to the results of Dynamic Plus, a dynamic pricing service in Japan, the introduction of live music shows a 40~50% increase in revenue. [95]

4.3.1 About the law against illegal resale of tickets

- The Ticket Fraudulent Resale Prohibition Act was enacted in December 2018 and came into effect in June 2019 with the aim of ensuring the proper distribution of tickets through the suppression of resale activities by imposing penalties for fraudulently reselling tickets that meet specific requirements (specified box office tickets). [96]
- The Act stipulates that the following are prohibited activities and does not penalize those who purchase illegally resold tickets for the purpose of entering the venue.
 - Illegal resale of specified box office tickets
 - Acquisition of specified box office tickets for illegal resale (the act of purchasing or purchasing)
- At the 7th Live Entertainment Expo held at Makuhari Messe for three days from February 5, 2020, Atsushi Ishikawa, then a member of the General Affairs Committee of ACPC, made the following announcement. [97]
 - The number of tickets sold on ticket resale sites decreased from about 8.7 million in 17 to about 5.75 million in 19, and the difference between the list price and resale price per ticket was reduced from 55,900 yen in 17 to 8,825 yen in 19.
 - The number of resale tickets purchased increased from 1.89 million in 17 to 2.44 million in 19, and the number of tickets has been revitalized.
- The number of arrests for violations of the Act was 6 in 2020, 10 in 2021, and 13 in 2022. [98]
- One of the operational problems of the Act is the burden of identity verification. There are problems in the trouble of verification and the place where visitors are kept during verification (because it takes a long time to enter the park, it takes a long time to open). Facial authentication is expected to be a smooth way to verify identity, but there is a hurdle in registering biometric information. [99]

93 Yahoo Press Release <https://about.yahoo.co.jp/pr/release/2019/08/29a/>

94 Yahoo Press Release <https://about.yahoo.co.jp/pr/release/2019/11/22a/>

95 Dynamic Plus Website <https://www.dynamic-plus.com/service/%E3%83%80%E3%82%A4%E3%83%8A%E3%83%9F%E3%83%83%E3%82%AF%E3%83%97%E3%83%A9%E3%82%A4%E3%82%B7%E3%83%B3%E3%82%B0%E3%82%B7%E3%82%B9%E3%83%86%E3%83%A0/index.html>

96 Agency for Cultural Affairs "The Law Against Unauthorized Resale of Tickets"

https://www.bunka.go.jp/seisaku/bunka_gyosei/ticket_resale_ban/pdf/93214201_02.pdf

97 ACPC "Bulletin ACPC navi" SPRING, 2020 VOL. 45 https://www.acpc.or.jp/magazine/navi_issue.php?topic_id=368

98 National Police Agency "Annual Crimes" 2020 - 2022

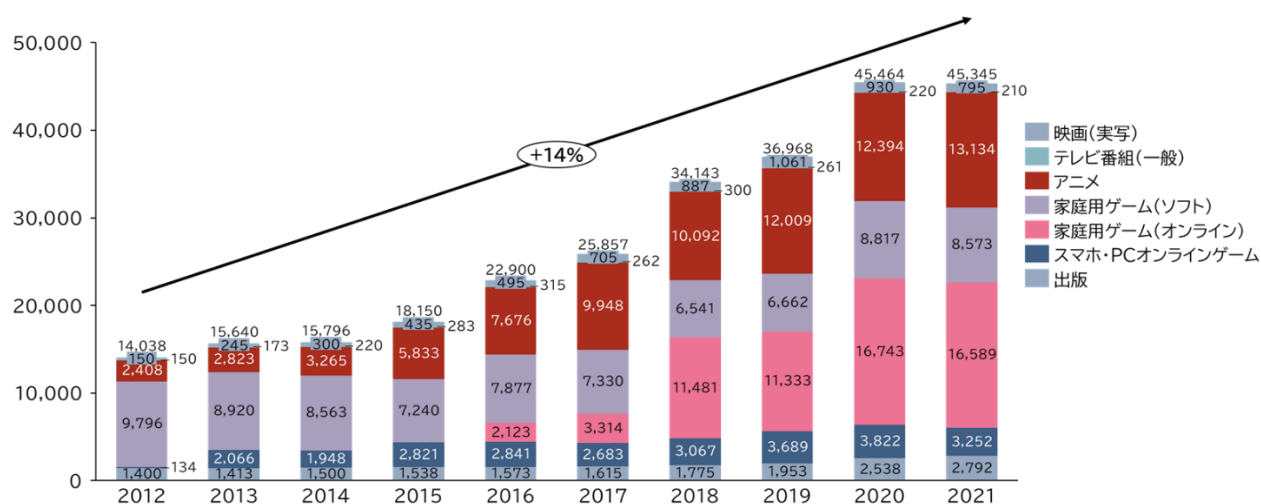
99 NEC Solutions Innovator Website https://www.nec-solutioninnovators.co.jp/sl/face_authentication/event/index.html

5. Trends in Acceptance of Japanese Music Overseas

5.1 Status of Overseas Expansion of Japanese Content

5.1.1 Overseas Market and Export Value of Japanese Content

- Overseas Market of Japanese Content
 - The overseas market of Japanese content is expanding and is estimated to total 4.5 trillion yen in 2021. Anime and home games account for a large portion of the market.



Source: Human Media "Japan and the World Media x Content Market Database 2023"

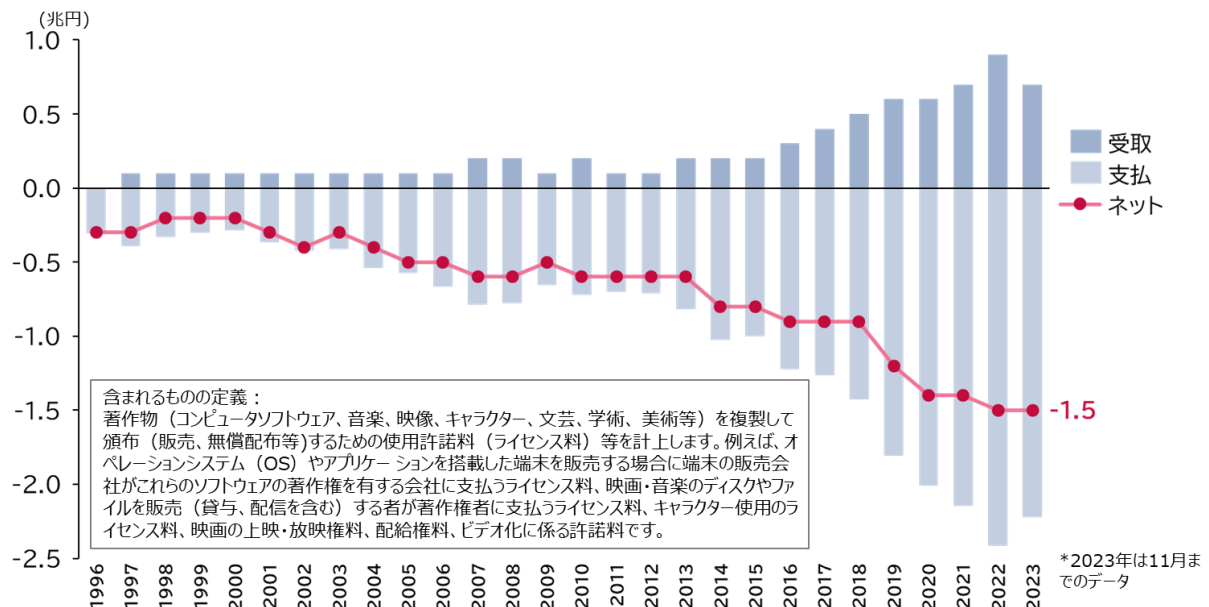
Figure 5-1 Overseas Market Size of Japanese Content (2012-2021)

- The overseas market size of anime has been expanding, and the total overseas sales of anime in 2022 reached a record high of approximately 1.46 trillion yen. Japanese characters such as Pokemon, Hello Kitty and Mario are ranked in about half of the world's top 25 in terms of cumulative income (in US dollars) since the characters were created. [*]100 [*]101
- There is no public data on the size of the overseas music market. [*]102
- Balance of Payments Statistics
 - The balance of payments for royalties has been consistently in the red since 1996, with a deficit of 1.5 trillion yen in 2023 through November.

100 Anime Industry Report 2023 by the Japan Video Association

101 [The 25 Highest-Grossing Media Franchises of All Time](https://www.titlemax.com/discovery-center/money-finance/the-25-highest-grossing-media-franchises-of-all-time/) <https://www.titlemax.com/discovery-center/money-finance/the-25-highest-grossing-media-franchises-of-all-time/>

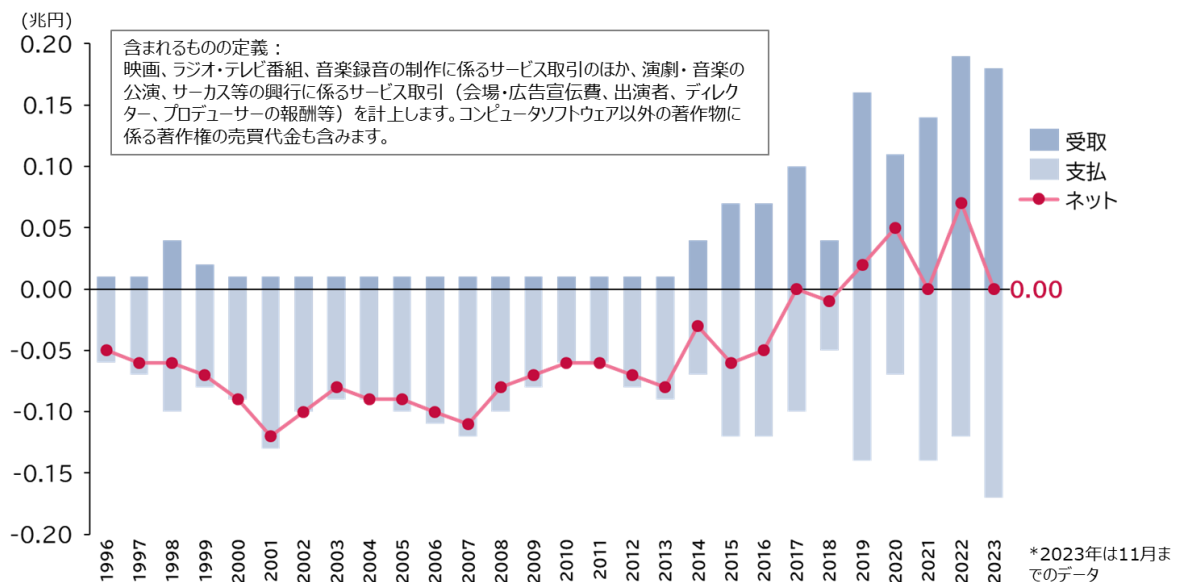
102 Human Media Japan and the World Media x Content Market Database 2023



Source: Balance of Payments Statistics Compiled from Balance of Payments Statistics [https://www.stat-search.boj.or.jp/ssi/cgi-bin/famecgi2?cgi=\\$nme_a000&lstSelection=BP01](https://www.stat-search.boj.or.jp/ssi/cgi-bin/famecgi2?cgi=$nme_a000&lstSelection=BP01)

Figure 5-2 International Receipts and Payments of Copyright Royalties (1996-2023)

- Of the balance of services, the balance of services related to sound, video, and related services has been increasing in both receipt and payment of services related to sound and video, but since 2015, the balance (net) has been improving, and in 2023, the balance was balanced by November.



Source: Balance of Payments Statistics [https://www.stat-search.boj.or.jp/ssi/cgi-bin/famecgi2?cgi=\\$nme_a000&lstSelection=BP01](https://www.stat-search.boj.or.jp/ssi/cgi-bin/famecgi2?cgi=$nme_a000&lstSelection=BP01)

Figure 5-3 International Receipts and Payments for Acoustic Video and Related Services (1996-2023)

● Foreign Receipts to JASRAC

- JASRAC's total of foreign-deposited performances and foreign-deposited recordings has been on a consistent upward trend since fiscal 2018, reaching 1.5 billion yen in fiscal 2022. This is 1.2% of the total distribution amount (125.6 billion yen).

- If the metadata of JASRAC is defective, the copyright royalties cannot be properly obtained from overseas. For example, if there is a mistake in kanji or a mistake in reading romaji (for example, Taro and Tarou), the royalties will not be paid.
- Chinese video and music streaming services do not report their music usage.

5.2 Japanese artists' music heard in overseas markets

- With the spread of streaming services, Japanese music has instantly become available worldwide. There are three main channels through which Japanese artists' music can be heard in overseas markets. Each is not independent, but a combination.
 - Ties with Japanese content that already has a certain market size overseas, specifically games and anime (orange shading in the table below)
 - Buzz on SNS and viral (blue shading in the table below)
 - Participation in overseas festivals (green shading in the table below)

Table 5-1 Spotify Ranking of Japanese Songs Heard Overseas (2017~2023)

年	順位	曲名/アーティスト名	コラボしたタイトル	年	順位	曲名/アーティスト名	コラボしたタイトル
2017	1位	Tokyo Drift (Fast & Furious) / Teriyaki Boyz	映画『ワイルドスピード』(海外)	2019	1位	Tokyo Drift (Fast & Furious) / Teriyaki Boyz	映画『ワイルドスピード』(海外)
	2位	Best Part Of Us / AmPm feat. Michael Kaneko			2位	unravel / TK from 凛として時雨	アニメ『東京喰種トーキョーグール』
	3位	Take What You Want / ONE OK ROCK			3位	Face My Fears - English Version / 宇多田ヒカル、スクレックス	RPG『KINGDOM HEARTS III』
	4位	ユリ!!!オン・アイス / 梅林太郎	アニメ『ユリ!!! on ICE』		4位	ピースサイン / 米津玄師	アニメ『僕のヒーローアカデミア』
	5位	The Beginning / ONE OK ROCK	実写版『るろうに剣心』		5位	シルエット / KANA-BOON	アニメ『NARUTO -ナルト- 疾風伝』
	6位	Inside River #1 / 小瀬村 晶		2020	1位	紅蓮華 / LiSA	アニメ『鬼滅の刃』
	7位	心臓を捧げよ! / Linked Horizon	アニメ『進撃の巨人』		2位	unravel / TK from 凛として時雨	アニメ『東京喰種トーキョーグール』
	8位	レヴェナント / 坂本龍一			3位	シルエット / KANA-BOON	アニメ『NARUTO -ナルト- 疾風伝』
	9位	戦場のメリークリスマス / 坂本龍一			4位	ブルーバード / いきものがかり	アニメ『NARUTO -ナルト- 疾風伝』
	10位	Hicari / 小瀬村 晶			5位	Tokyo Drift (Fast & Furious) / Teriyaki Boyz	映画『ワイルドスピード』(海外)
2018	1位	Tokyo Drift (Fast & Furious) / Teriyaki Boyz	映画『ワイルドスピード』(海外)		6位	ピースサイン / 米津玄師	アニメ『僕のヒーローアカデミア』
	2位	Stillness Speaks / Yuki Sakura			7位	summertime / cinnamons, evening cinema	
	3位	unravel / TK from 凛として時雨	アニメ『東京喰種トーキョーグール』		8位	crossing field / LiSA	アニメ『ソードアート・オンライン』
	4位	ピースサイン / 米津玄師	アニメ『僕のヒーローアカデミア』		9位	狂乱 Hey Kids!! / THE ORAL CIGARETTES	アニメ『ノラガミ ARAGOTO』
	5位	Best Part Of Us / AmPm			10位	Black Catcher / ピッケブランカ	アニメ『ブラッククローバー』
	6位	前前前世 - movie ver. / RADWIMPS	映画『君の名は。』				
	7位	Inside River, Pt. 2 / 小瀬村晶					
	8位	Asphyxia / Cō shu Nie	アニメ『東京喰種トーキョーグール: re』				
	9位	なんでもないや - movie ver.	映画『君の名は。』				
	10位	スパークル - movie ver.	映画『君の名は。』				

年	順位	曲名/アーティスト名	コラボしたタイトル	年	順位	曲名/アーティスト名	コラボしたタイトル
2021	1位	廻廻奇譚 / Eve	アニメ『呪術廻戦』	2023	1位	死ぬのいいわ / 藤井 風	
	2位	紅蓮華 / LiSA	アニメ『鬼滅の刃』		2位	アイドル / YOASOBI	アニメ『推しの子』
	3位	夜に駆ける / YOASOBI			3位	KICK BACK / 米津玄師	アニメ『チェンソーマン』
	4位	unravel / TK from 凛として時雨	アニメ『東京喰種トーキョーグール』		4位	NIGHT DANCER / imase	
	5位	心臓を捧げよ! / Linked Horizon	アニメ『進撃の巨人』		5位	夜に駆ける / YOASOBI	
	6位	Tokyo Drift (Fast & Furious) / Teriyaki Boyz	映画『ワイルドスピード』(海外)		6位	SHOOTING STAR / XG	
	7位	Black Catcher / ビックブランカ	アニメ『ブラックローバー』		7位	LEFT RIGHT / XG	
	8位	シルエット / KANA-BOON	アニメ『NARUTO -ナルト- 疾風伝』		8位	すずめ / RADWIMPS feat. 十明	映画『すずめの戸締まり』
	9位	ブルーバード / いきものがかり	アニメ『NARUTO -ナルト- 疾風伝』		9位	Tokyo Drift (Fast & Furious) / Teriyaki Boyz	映画『ワイルドスピード』(海外)
	10位	怪物 / YOASOBI	アニメ『BEASTARS』		10位	まつり / 藤井風	
2022	1位	死ぬのいいわ / 藤井 風					
	2位	夜に駆ける / YOASOBI					
	3位	The Rumbling / SIM	アニメ『進撃の巨人』The Final Season Part2』				
	4位	廻廻奇譚 / Eve	アニメ『呪術廻戦』				
	5位	紅蓮華 / LiSA	アニメ『鬼滅の刃』				
	6位	残響散歌 / Aimer	アニメ『鬼滅の刃 遊郭編』				
	7位	Tokyo Drift (Fast & Furious) / Teriyaki Boyz	映画『ワイルドスピード』(海外)				
	8位	悪魔の子 / ビグチアイ	アニメ『進撃の巨人 The Final Season Part 2』				
	9位	Black Catcher / ビックブランカ	アニメ『ブラックローバー』				
	10位	unravel / TK from 凛として時雨	アニメ『東京喰種トーキョーグール』				

Source: Compiled from Spotify Japan Ranking

5.2.1 Sorting features from data of Billboard, Spotify, YouTube, etc.

(1) Structure of Billboard chart, etc.

- Billboard charts have different indicators depending on the type of chart.
 - “The Billboard 200” takes into account the number of albums sold, the number of downloads per track converted to albums, and the number of streams played converted to albums.
 - “The Billboard Japan Hot 100” takes into account the actual sales data of packages, the number of downloads sold, the number of streams played, the number of YouTube (MV) views, the number of radio broadcasts, and the number of karaoke songs. [*]103
- By analyzing the occupancy of each song in the metrics that make up the “Billboard Japan Hot 100,” it is possible to determine the type of fandom (see 4.2.2). Specifically, if the total occupancy of the number of packages sold and the number of downloads sold is around 20%, it can be judged as an artist fandom. If the total occupancy of the number of MV plays and streaming plays is around 80%, it can be judged as a music fandom. [*]104
- Analysis of the fandom shows the following:
 - A “hit” can be attributed to an artist, a song fandom, or both.
 - Activating a song fandom is necessary to move the fandom to the next status.
- Japan has a strong physical presence, so forming an artist fandom has its strengths, but activating a song fandom has its challenges. On the other hand, there is a chart of popular songs outside Japan called “Global Japan Songs excl. Japan” which shows that there is a problem in the formation of artist fandom in the global world. [*]105

(2) The acceptance situation in foreign countries, etc. which can be seen from the

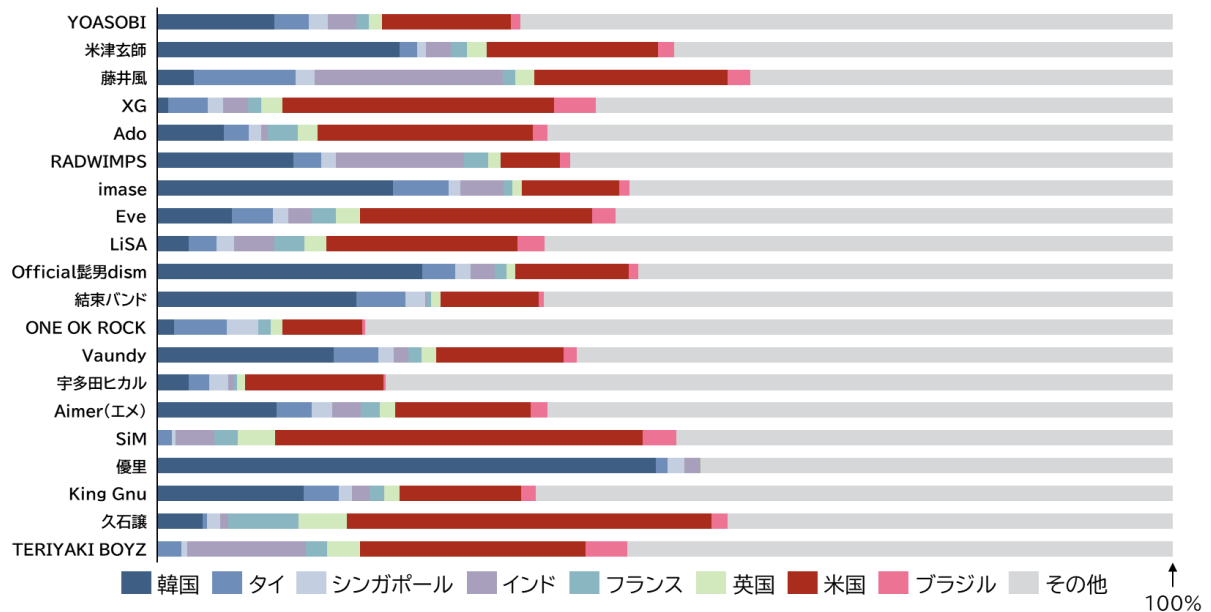
103 Billboard Japan website <https://www.billboard-japan.com/common/about/>

104 Seiji Isozaki “Billboard Japan’s Challenge: Deconstructing the Hit Charts: Reading New Book Data to Accelerate Action” Ritto Music Co., Ltd.

105 Ditto

chart

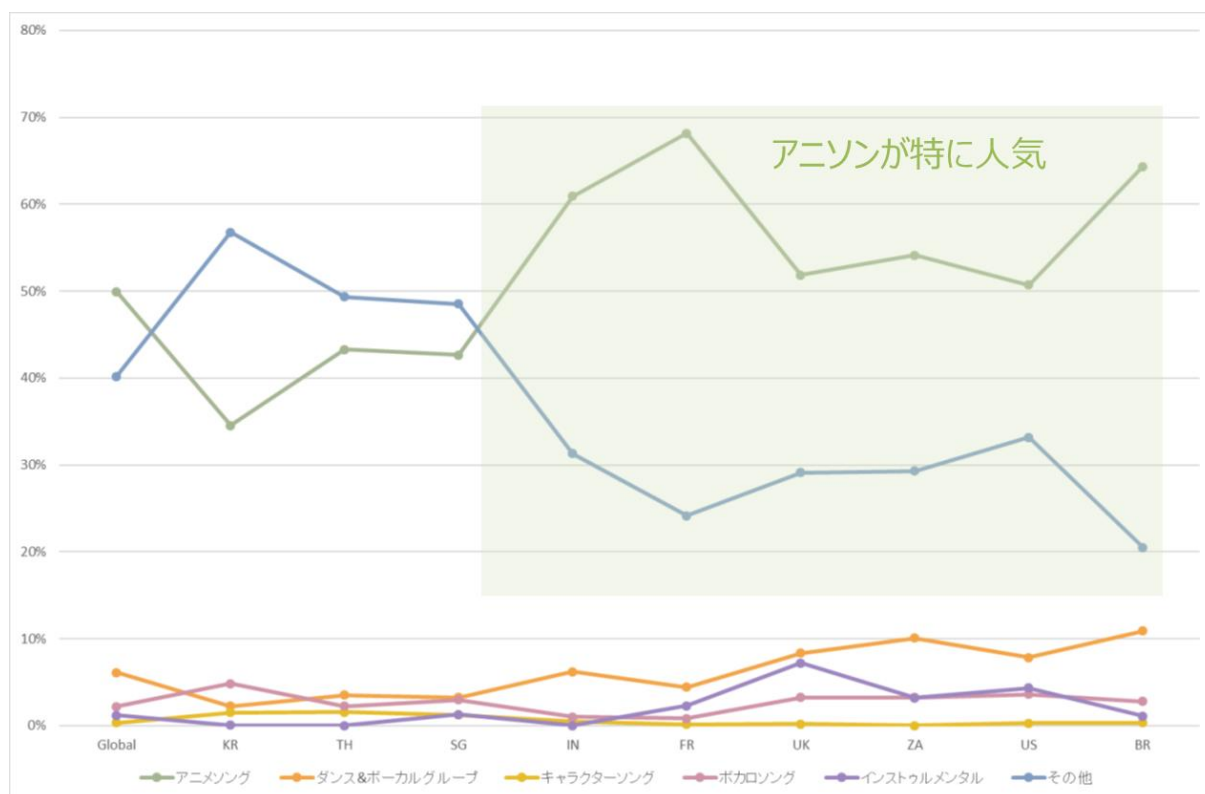
- The acceptance status of Japanese music and the music accepted by each country and region are different. billboard ranking Global Japan Songs excl. Looking at the percentage of points by country for the top 20 artists in Japan from November 25, 2022 to November 23, 2023, the following trends can be seen.
 - Korea and/or the United States account for a high percentage of points.
 - There are artists such as Fujii Kaze and RADWINPS whose points in India are comparable to those in Korea and the United States.



Source: Billboard Global Japan Songs excl. Created with reference to Japan, Top 20 Artists from November 25, 2022 to November 23, 2023

Figure 5-4 Global Popular Japanese Artists Demand by Country (2023)

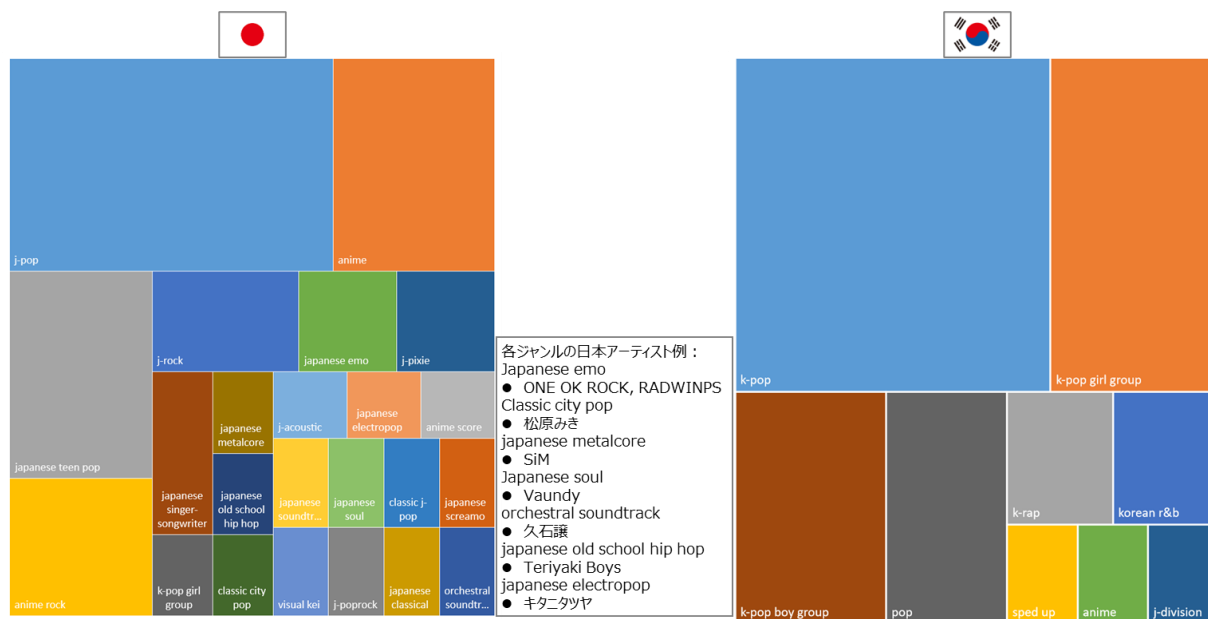
- The level of acceptance of Anime songs also varies by region. Overall, Anime songs are popular globally, especially in regions such as India, France, the United Kingdom, South Africa, the United States, and Brazil. On the other hand, in East and Southeast Asia, such as South Korea, Thailand, and Singapore, songs other than Anime songs are popular.



Source: Hanshin Content Link Co., Ltd. 2023 Global Data Digest Green box and green letters are added.

Figure 5-5: Trends in Anime Inst and Other Occupancies between September 1, 2023 and February 8, 2024

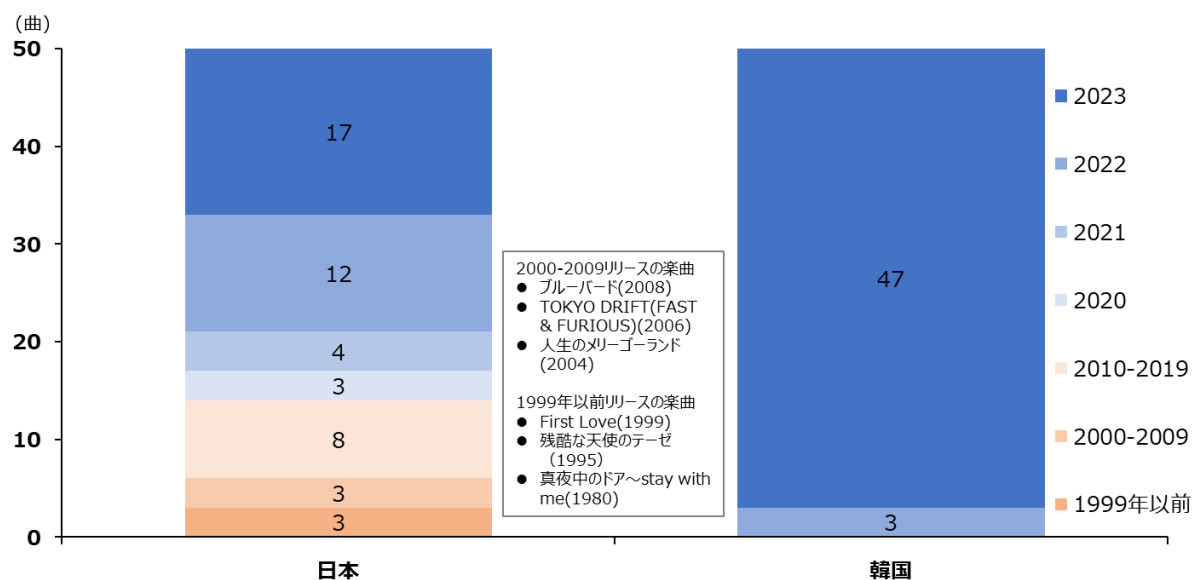
- This suggests the possibility of becoming a hit in Japan by reimporting globally hit songs into Japan. For example, if you look at the Billboard chart of “Bling Bang Bang Born,” the Japanese chart is moving behind the global chart movement. [*]106
- If you compare the genre distribution of globally popular Japanese artists and Korean artists (25 artists/group) on Spotify, Japanese artists have more genres. Korean artists are mostly classified as K-pop, and there is a little bit of rap and R & B, while in Japan there is a lot of city pop, rock, electro-pop, metal, soundtrack, etc.



Source: Japan: Billboard Global Japan Songs excl. Japan Chart, Korea: Spotify Global Chart Created from Spotify API

Figure 5-6 Global Popular Japanese and Korean Artists' Genre Distribution on Spotify (2023)

- Looking at the distribution of release years of the top 50 globally popular Japanese and Korean songs, all Korean songs are new songs released after 2022, while Japan has 21 songs released before 2021. In Japan, 6 songs were released before 2009.



Source: Japan: Billboard Global Japan Songs excl. Japan Chart, Korea: Spotify Global Chart Created from Spotify API

Figure 5-7 Release year distribution of the top 50 globally popular Japanese and Korean songs (2023)

5.2.2 Acceptance of Anime songs (including Drama) and VTuber (background, etc.)

(1) Anime and game music accepted overseas (including Drama)

1) Demand and background

- Among the top 2017~2023 songs of "Japanese Songs Heard Abroad" released by Spotify Japan, 39 out of 65 (total number), or about 60%, are related to Japanese anime, manga, and games (see Table 5 -1).
- Ranking of tie-in anime and play-share cities for the major anime songs appearing in Spotify Japan's "Japanese Songs Heard Abroad" rankings since 2022. [*]107For each anime, the status of the overseas popularity index is as follows.
 - Attack on Titan: In 2021, Parrot Analytics won the Global TV Demand Award for "Most In-Demand TV Series in the World 2021, " given to the TV series with the highest demand from global audiences. [*]108
 - Demon Slayer: In Mexico, "Demon Slayer: The Infinite Train " drew about 800,000 viewers and " "Demon Slayer" Gathering together and going to the swordsmith's village" drew more than 1 million. In Southeast Asia, "Demon Slayer: The Infinite Train " earned about 770 million yen at the box office and drew about 1.54 million viewers, and in Singapore, it was the highest-grossing Japanese animated film of all time. [*]109 [*]110
 - Tokyo Ghoul: Tokyo Ghoul, an anime series, was selected as one of the featured films in "ANIMAGIC 2015, " a festival of anime and manga held in Bonn, Germany, in August 2015. [*]111
 - Chainsaw Man: The best-selling comic book of 2022 in American bookstores. [*]112
 - Oshi no ko: Ranked number one in Anime Corner's Spring Cool 2023 anime rankings. [*]113

107 Anime Industry Report 2022 Summary https://aja.gr.jp/download/anime-industry-report-2022-summary_jp-2-2?wpdmdl=2103&refresh=65c221a734c431707221415

108 Pony Canyon <https://news.ponycanyon.co.jp/2022/02/66501>

109 The Latest Movie of "Demon Slayer" Exceeds 1 million Audiences in Mexico, Showing in Latin America and the Caribbean (Mexico) | Business News - JETRO Overseas News - <https://www.jetro.go.jp/biznews/2023/03/a01407b3a66abea0.html>

110 "Demon Slayer" Movie: Infinite Train Edition "Records Total Worldwide Attendance of 41.35 million People and Total Box Office Revenue of 51.7 billion Yen | Press Release of Aniplex Inc. <https://prtimes.jp/main/html/rd/p/000003008.000016356.html>

111 "Tokyo Kuizane Tokyo Ghoul" has been selected as one of Germany's largest anime and manga festivals! | [VIPO] Japan Image Industry Promotion Organization <https://www.vipo.or.jp/j-lop-plus-case/%E3%83%89%E3%82%A4%E3%83%84%E6%9C%80%E5%A4%A7%E7%B4%9A%E3%81%AE%E3%82%A2%E3%83%8B%E3%83%A1%E3%82%84%E6%BC%AB%E7%94%BB%E3%81%AA%E3%81%A9%E3%81%AE%E7%A5%AD%E5%85%B8%E3%81%AB%E3%80%8C%E6%9D%B1%E4%BA%AC/>

112 ICv2: Full Year 2022 - Top 20 Manga Titles <https://icv2.com/articles/markets/view/53472/full-year-2022-top-20-manga-titles>

113 Spring 2023 Anime of the Season Rankings - Anime Corner <https://animecorner.me/spring-2023-anime-of-the-season-rankings/>

Table 52: Top overseas anime song tie-ins and play-share city rankings

Tie-in anime	Artist name "Song name"	No. 1	No. 2	No. 3	No. 4	No. 5
Attack on Titan	SiM「The Rumbling」	America	Mexico	United Kingdom	Germany	Brazil
	Higuchiai, Son of the Devil	Indonesia	USA	Japan	India	Taiwan
Demon Slayer	LiSA "Red Lotus"	America	Japan	Indonesia	India	Mexico
	Aimer "Reverberant Song"	Japan	USA	Mexico	Indonesia	India
Tokyo Ghoul	TK from Lingtositessignature "unravel"	America	Japan	India	Mexico	Germany
Chainsaw Man	Yonezu Kenshi "KICK BACK"	Japan	USA	Mexico	Indonesia	United Kingdom
Oshi no Ko	YOASOBI "Idle"	Japan	USA	Indonesia	Taiwan	Philippines

(Source) 国内外で人気のアニメソングは海外のどの都市で聴かれている？ - Real Sound | リアルサウンド - [Real Sound | Created from Real Sound](https://realsound.jp/2023/05/post-1333555_2.html)
https://realsound.jp/2023/05/post-1333555_2.html

- Anime songs have a lot of development. If carathons are included, many songs can be created from a single work, and it is also possible to create songs in various units by changing the combination of characters. There is also a method to change the ED song every time, such as Chensorman.
- Anime and game music are not only distributed but also expanded overseas through live entertainment.
 - The world tour of the symphony concert "Sonic Symphony" of the game "Segasonic the Hedgehog" will be held by 3,000~4,000 people around the world. The concert in San Francisco and Seattle was held by 5,000 people, but advance tickets were sold out.
 - SACRA MUSIC, an in-house label specializing in animated music, held "SACRA MUSIC FES." in Brazil and Germany in 2023.
 - The number of core fans who recognized the creators of music rather than the artists increased in Asia, and when Yuki Kajiura performed a live concert in Asia, the tickets sold out immediately.
- A game music category was also established for the Grammy Awards in 2023. [*]114

2) Challenges

- Regarding anime tie-ups, it is difficult from the viewpoint of processing rights and distribution to the local market, because it is impossible to sign a contract with a label that has strong overseas expansion by anime tie-ups, which has an anime distribution network or is on the production committee of anime.
- In China, for example, there is a business custom that when anime is broadcast on TV, it is not broadcast unless all episodes are completed. The cost of producing a single TV animation is large and the production hurdle is high.

114 [New Categories For The 2023 GRAMMYs Announced: Songwriter Of The Year, Best Video Game Soundtrack, Best Song For Social Change & More Changes | GRAMMY.com](https://www.grammy.com/news/2023-grammys-new-categories-songwriter-year-best-video-game-soundtrack-social-impact-special-merit-award-65th-grammy-awards) <https://www.grammy.com/news/2023-grammys-new-categories-songwriter-year-best-video-game-soundtrack-social-impact-special-merit-award-65th-grammy-awards>

- The number of people who have experience in the character business is decreasing, and efforts are decreasing. For example, even though "Demon Slayer" and its Anime songs (OP/ED) became big hits overseas, character songs have not been released.
- Since Netflix's original content is restricted to secondary use for a certain period of time after it is distributed, it is difficult to distribute tie-in music locally with the distribution of Netflix's original anime.
- Every detail of a song needs to be approved by the production committee, which creates a barrier.

(2) (Column) Trends of 'Drama companion music' being heard overseas (JASRAC overseas deposit)

- In the overseas deposit category of the JASRAC Award, 54 of the 60 songs from 2018 to 2023 were drama companion music.
- There are the following composing methods for drama companion music.
 - Film scoring method: Compose music based on the image while viewing the image. This method is used in movies and special dramas.
 - Song selection method: The following method is used in serial dramas and anime series.
 - ◇ Dozens of songs are ordered after a theme is decided in advance, and the writer produces and delivers them.
 - ◇ The directors select the songs according to the scene, edit them and use them.
 - ◇ Instead of a complete package, the songs are delivered separately for each part, such as drums, guitars, bass and songs, in the form of "stem delivery," so that the same song can be muted for each instrument according to the scene.

(3) VTuber Business Impact and Specific Challenges (Hololive EN, Nichijisanji EN)

1) Impact

- Looking at YouTube's global ranking of super chat charges by channel, 59 of the top 100 channels are VTuber channels. The total charge for the 59 channels is 11.4 billion yen (61.5% of the total charge for the top 100 channels).
- The sales of "NIJI SANJI EN," an English-speaking business of ANYCOLOR, which develops "NIJI SANJI," have grown significantly since 2022, reaching 6.4 billion yen in 2023. It accounts for 25% of total sales.
- While Japan has the highest number of VTuber fans per capita, more countries and regions understand English. "hololive English 1st Concert -Connect the World-" held at the YouTube Theater in Los Angeles in 2023, sold out instantly, and the number of fans in English-speaking countries is growing.
- While many VTuber fans abroad seem to be interested in Japanese anime as an extension of Japanese anime culture, they have not been able to reach the general public in particular.

- In the world of VTuber, there is a phenomenon in which viewers process and develop their own distribution in the form of clipped videos. As a result, the content has been spread around the world in multiple languages with subtitles added by fans without official translation. In order to allow fans to freely create derivative works, the VTuber office has released guidelines for creating derivative works and expressed its stance on welcoming such works.

2) Issues

- VTuber's unique international expansion issues include the following, particularly with regard to live events overseas.
 - Synchronous rights exist overseas, and due to the processing of such rights, the range of performance content has narrowed, for example, overseas VTuber can only sing Japanese songs when performing live.
 - There are few VTuber engineers overseas, and they have to bring Japanese staff, but it is difficult to perform overseas frequently because it is difficult to obtain a visa.
 - In some places overseas, the network is weak, so there are cases where the network is drawn individually, which is a cost burden.

5.2.3 Hit by SNS Buzz/Viral

- Buzz on TikTok, YouTube, and other SNS and UGC platforms where music is distributed along with video content has generated hits.
- YouTube and various SNS are blocked in China, and it is essential for artists outside China to use Chinese distribution platforms and SNS when they enter China.

(1) Factors found in hit cases [*]¹¹⁵

Although the success rules of hits by SNS buzz/viral cannot be generalised because of various factors, the factors common to some hit cases are summarized as follows.

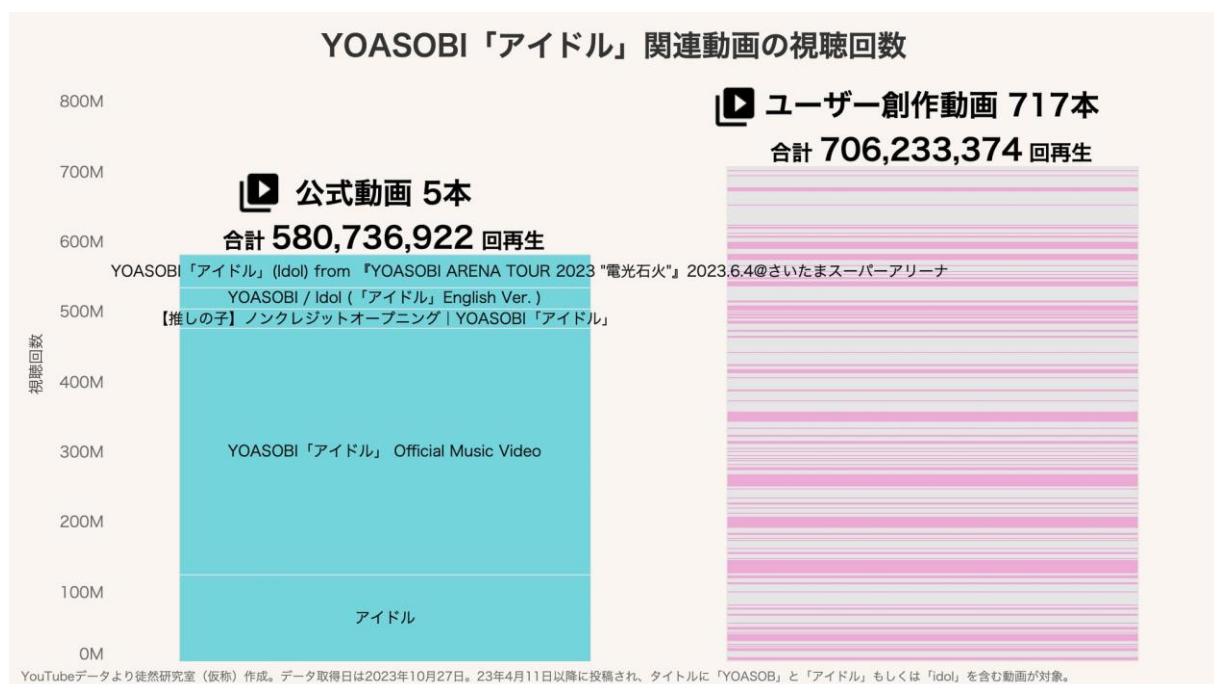
- To create opportunities for buzz by promoting secondary creation, etc.
 - To increase the absolute number of UGC by allowing artists to create secondary creation, and to increase opportunities for buzz. In the process of increasing the number of UGC, influential callers such as other artists and influencers can make the call.
 - ✧ HoneyWorks' "Sorry I'm Cute" had a total of 5 billion views without any tie-ins.

¹¹⁵ In preparing this article, we refer to the following article by Note Tokuriki.

- [Learn why YOASOBI "Idol" was a big hit from elementary school students to global audiences, the iron rule of future hits \(Motohiko Tokuriki\) - Expert - Yahoo! News](https://news.yahoo.co.jp/expert/articles/f70260eb127181f3360331e02eb8382ee04ae9abhttps://news.yahoo.co.jp/expert/articles/364baa2e482fc261804b6405cf2e719d3be3e407) <https://news.yahoo.co.jp/expert/articles/f70260eb127181f3360331e02eb8382ee04ae9abhttps://news.yahoo.co.jp/expert/articles/364baa2e482fc261804b6405cf2e719d3be3e407>
- [TikTok's Potential to Generate Hits Over Time \(Motohiko Tokuriki\) for "Otona Blue" Trend Grand Prize - Expert - Yahoo! News](https://news.yahoo.co.jp/expert/articles/8a17023f701f39ee64817ce37754d963bd0903e2) <https://news.yahoo.co.jp/expert/articles/8a17023f701f39ee64817ce37754d963bd0903e2>
- [Fujii Style Global Hit of "I Like to Die" Could Open Doors for Japanese Artists Abroad \(Motohiko Tokuriki\) - Expert - Yahoo! News](https://news.yahoo.co.jp/expert/articles/415f6955fe606b07ca3e10834caf0f719984ab15) <https://news.yahoo.co.jp/expert/articles/415f6955fe606b07ca3e10834caf0f719984ab15>
- [YOASOBI 'Idol': How Japanese Music Can Win in the World, Learned by Top International Charts \(Motohiko Tokuriki\) - Expert - Yahoo! News](https://news.yahoo.co.jp/expert/articles/19409ecbd07298f9128bd0bee04ccdb247e28251) <https://news.yahoo.co.jp/expert/articles/19409ecbd07298f9128bd0bee04ccdb247e28251>

TikTok's famous Yuraneko and HoneyWorks' official idol ENHYPHEN of Korea choreographed their secondary creations, which triggered the spread.

- Artists take the initiative to provide materials that encourage secondary creations.
 - ✧ Distribute ways of dancing and singing.
 - ✧ To provide materials usable for secondary creation.
 - YOASOBI's "Idol" offers TikTok not only rust, but also multiple parts of the song.
- The company creates songs with a focus on secondary creation.
 - ✧ YOASOBI's 'Idol' has a high level of difficulty in singing, making it a worthwhile song to try 'I tried singing'.



Source: 徒然研究室（仮称）「YOASOBI さん「アイドル」の記録的人気をリツイートネットワークから可視化してみる」
https://note.com/tsurezure_cat/n/ndc0bcb990f1f

Figure 5-8 Number of views of videos related to YOASOBI "Idol"

- ✧ In the case of songs that are tied with anime, etc., the number of posts of "I danced" is increased by adding dance elements to the tie-in, etc., after adding parts that are easy to dance. (Example: "Bling-Bang-Bang-Bang-Born" by Creepy Nuts)
- Reacts quickly to buzz.
 - The artist aims to expand the buzz by responding quickly the moment it becomes a hot topic on social media or enters the Billboard chart.
 - ✧ Fujii Kazu's label immediately uploaded the music to YouTube after "I like to die" was buzzed in Southeast Asia.
 - ✧ As soon as the MAD of "Shin Getter Robo vs. Neo Getter Robo" became popular, YOASOBI covered the story and posted it on social media.
 - ✧ ATARASHII GAKKO! focused on TikTok after their release "Otona Blue" a few years ago became a global sensation, leading to the trend.

(2) Challenges

- Issues in the Transmission System
 - Because there are many systems in which managers and production companies check the contents of posts on SNS, it is difficult for individual artists to send messages quickly.
 - ◇ Depending on the manager and production company, there are many cases in which individual artists check messages at a time because they are concerned about various risks, etc., so it is sometimes difficult for artists to send messages proactively. On the other hand, there are cases in which artists, managers, and producers cooperate to respond promptly to social networking sites, etc., and such efforts may lead to viral or buzz.
 - ◇ There are many cases in which people recognize the importance of digital marketing but do not know how to communicate it. It is difficult to generalize what kind of communication method is desirable because it depends on the artist, the music and the target region, and it is case-by-case. Therefore, it is desirable that each company and artist creator continue trial and error after recognizing its importance.
- Human Resources Issues
 - In some cases, companies such as production companies and labels have little know-how or experience in promoting products overseas. Rather, individual artists have more knowledge in tools and SNS around the world, and there is a possibility that there is a reversal of know-how and literacy between companies and individuals.
 - ◇ In the music industry, the inflow of human resources from outside is scarce, and there are few opportunities to acquire IT human resources. In addition, the necessary human resources image (skill set, etc.) is often not clearly defined.
 - ◇ Although HYBE, the agency of BTS Korea, was a latecomer venture, it used IT, such as providing fan community platform Weverse, to exceed the sales of starting agencies such as SM Entertainment.
 - In order to quickly disseminate information, it is desirable to disseminate information by artists themselves, but in order to do so, artists need to understand the culture of the destination.
 - ◇ Diversity and inclusion (D & I) has become a social problem worldwide. Even in the music industry, artists active in the world are aware of D & I. It is important to keep in mind that careless mention of issues such as religion, sexual orientation, race, and politics can lead to extremely sensitive topics.
 - ◇ Understanding of culture is also necessary in order to work closely with local communities to form a fan economy. (Example: BTS has built a strong foundation by leaning on the Asian American community and embracing it as ARMY.)
 - ◇ Many artists in Korea and other countries can communicate in English smoothly, but

some Japanese artists cannot communicate in English smoothly due to language barriers.

- Issues of awareness about communication
 - Amidst the importance of creating buzz on social media and spreading fans through virals, being tolerant of the secondary creation of music is becoming an essential element. Producers and artists need to have an attitude to utilize the active secondary creation.
 - ◇ There are new developments, such as TOBE announcing in its SNS Guidelines that TOBE does not claim copyright infringement when fans post images and videos sent by TOBE and individual artists on their own SNS, and BE: FIRST announcing that it will grant permission to use "Posting pictures of artists and logos of groups on social media for the purpose of supporting artists."
 - Many artists avoid posting on SNS for fear of flaming.
 - the Ministry of Internal Affairs and Communications has taken comprehensive measures against slander on the Internet, including legal reform, popularization and enlightenment to prevent it, and the establishment of consultation desks. [*]116

5.2.4 Music by Japanese artists who have been evaluated at overseas music festivals

(1) Examples of overseas music festivals

1) USA

- Coachella, one of the largest outdoor music festivals in the United States, has attracted Japanese artists since the COVID-19 pandemic.
 - 2022: Hikaru Utada, Kyary Pamyu Pamyu, Rina Sawayama
 - 2024: YOASOBI, Miku Hatsune, ATARASHII GAKKO!
- In the United States, the power of the Asian American community is growing, and Asian content is spreading. In the past, the Asian community was regarded as Japan, Korea, and China ... but in recent years, it has been recognized as an Asian community.
- In 88rising, a media platform that disseminates Asian culture around the world, Japan, China, Korea, Southeast Asia, and other countries are collectively disseminated as Asian culture.
 - YOASOBI, new school leaders, XG, and others will perform together with K-Pop artists at the music festival "Head In The Clouds" hosted by 88rising.
 - At Coachella in 2022, 88rising held "Head In The Clouds Forever" with Warren Hugh (Indonesia), MILLI (Thailand), BIBI (Korea), NIKI (Indonesia), Rich Bryan (Indonesia), Hikaru Utada (Japan), Jackson Wang (China) and CL & 2NE1 (Korea).

116 the Ministry of Internal Affairs and Communications Measures against Slander and Slander on the Internet
https://www.soumu.go.jp/main_sosiki/joho_tsusin/d_syohi/hiboutyusyou.html

- Instead of being developed individually as J-POP or K-POP, the content has increased its power as a larger Asian culture.

2) China

- Combined with the popularity of Japanese animation, Anime songs is popular in China. On the other hand, development through anime is not likely to increase recognition as an artist. Even though anime is highly recognized, artists themselves are only recognized for their tie-in songs and can only work on a per-song basis afterwards.
- Because of the number of songs, it is difficult for an anime songs artist to perform live alone. Japanese anime songs artists often perform at anime music festivals in China.
- In China, there are still the following situations regarding overseas expansion through music distribution, etc., so overseas expansion through live shows is a relatively transparent way to obtain a reliable price.
 - There is a risk of piracy.
 - It is unclear how music is being used by China's own music and video streaming services.
- On the other hand, if there is a problem in Japan-China relations due to political reasons, even a music event that was scheduled to be held at that time may be cancelled and the event may not be held for about six months. [*]¹¹⁷
- Pre-screening of live events has become more stringent, and in some small venues (live houses), it is required to take a video of a demonstration following the setlist and submit it in advance.

(2) Issues related to overseas expansion through festivals, live performances, etc.

- Overseas expansion through festivals, live performances, etc. involves financial and time issues for artists and related staff to travel overseas from Japan.
 - Especially in the case of North America, it is necessary to ask a lawyer for participation in festivals. The high cost of lawyers is also a hurdle for overseas business.
 - Not only artists but also related staff are charged with travel expenses (travel expenses in addition to airline tickets) and stay in the country.
 - Visas for Japanese artists and related staff to perform overseas are time-consuming and expensive to obtain.
 - Although there are few VTuber technicians overseas and Japanese staff must be taken with them, it is difficult to obtain visas and perform overseas frequently. (Restated)

5.3 How to Measure the Overseas Expansion of the Japanese Music Industry

- There are the following problems in the development of quantitative data on the overseas

¹¹⁷ In recent years, the issue of the Senkaku Islands and the issue of treated water have been affected.

expansion and export of music, and it is difficult to make an index.

- It takes time to reflect JASRAC's overseas deposits.
- In terms of physical exports, there is no classification based on trade statistics that only includes music. [*]118
- The amount returned by music distribution services based on the number of Japanese songs played from countries and regions other than Japan cannot be visualized.
- The United Kingdom and South Korea, which disclose quantitative data on music exports, use the following methods to understand the volume of music exports.
 - South Korea: KOCCA conducted a sample survey (questionnaire) of companies in the music industry. [*]119 In the survey conducted in the second half of 2022, 283 companies from the music industry (34,001 companies in the population) responded, and the total export value of the music industry was estimated based on the responses. The export questions in the questionnaire were common across the content industry, and the following are examples of export types. [*]120
 - ◇ Finished product: A form in which content is produced directly in the form of a finished product and exported, including direct manufacture and export as finished products after obtaining licenses from other entities.
 - ◇ Licensing: a form of exporting only licenses (royalties) without direct production of content
 - ◇ OEM On-Demand: a form of exporting content after receiving orders from overseas companies.
 - ◇ Technology and Services: a form of providing know-how on technology and services necessary for planning and producing content.
 - UK: UK Music has acquired the following for each category within the music industry. [*]121 [*]122
 - ◇ Music creators: In a survey conducted through a copyright management organization (PRS for Music, etc.), we asked the members of the management organization about the percentage of their income from overseas and calculated it by multiplying the total income (obtained from the industry organization). 1,461 responses were received in 2023.
 - ◇ Record companies: using measurements taken by BPI, an industry group.
 - ◇ Recording studios: listening to revenue from customers outside the UK in a survey

118 The Recording Industry Association of Japan has not announced the volume of audio disc exports since 2006.

119 The music industry is divided into the following categories: music event business, music publishing business, record system business, record wholesale and retail business, online music distribution service business, music performance business, and music classroom transportation business.

120 KOCCA "Annual Content Industry Trend Analysis Report for the Second Half of 2022"

<https://welcon.kocca.kr/ko/info/trend/1952911>

121 Digital distributors, physical disc manufacturers and distributors, trade associations, music accountants, music lawyers, physical disc and digital retailers are excluded because of their lack or insignificant contribution to exports.

122 UK music "This is Music Methodology" <https://exxfmt5ydc6.exactdn.com/wp-content/uploads/2023/11/This-Is-Music-2023-Methodology.pdf>

conducted through the industry community.

- ◇ Live events: calculated based on a method to identify the relationship between ticket sales and overall event sales identified in a study by Oxford Economics.
 - ◇ Music publishing: MPA's statistical survey of member companies identifies revenues from outside the UK.
 - ◇ Copyright management: PRS for Music and PPL's international collections.
 - ◇ Management: Estimates based on a survey conducted through MMF, an industry group, and the results of the aforementioned survey of music creators.
 - ◇ Musical instruments: Uses indicators from MIA, an industry group.
- In terms of popularity, it is possible to use the "Global Japan Songs Excl. Japan" published by Billboard and Luminate to measure the share of Japanese music at the top of the global ranking. [The results of the analysis will be discussed at the second workshop.]

5.4 Issues, initiatives, and desired measures for overseas expansion

In Section 5.2, examples and issues are introduced for each route of overseas expansion. In this section, more common issues for overseas expansion obtained from hearings are described.

- Issues in the Approach System
 - Overseas expansion is being tackled by individual efforts of businesses that are active in overseas expansion. It is desirable for Japanese businesses to work together in order to eliminate inefficiencies in procedures with overseas businesses and to enhance their ability to communicate overseas.
- Promotion of people-to-people exchanges between artists and creators
 - There are examples of efforts to build a foundation for overseas expansion on a people-based basis by providing opportunities for overseas creators and Japanese creators to collaborate.
 - There have been examples of efforts to establish a group that includes members with the nationality of the destination and to expand overseas.
 - In these efforts, it is necessary to keep in mind that the systems of copyright contracts for creators and management contracts for artists differ between overseas and Japan.
- Sharing Local Information and Human Networks
 - In order for Japanese companies to expand their business overseas, it is useful to have an organization that surveys local fundamental information (market and regulatory trends) and disseminates it to people in the Japanese music industry.
 - It is desirable to have a local matching function with overseas companies (including Japanese companies that have already expanded overseas) that will be a powerful partner when expanding overseas.
- Formulation of common industry rules

- It is also important for the national government and industry groups to establish standard rules for common issues in procedures, etc. For example, setting up and opening up a model of a contract or a standard method of tax processing.
- Development of overseas bases that can be used jointly
 - Development of overseas bases that can be used jointly by artists, creators, and their associates aiming to expand overseas will reduce costs and create a situation where the associates work in the same space.
- Organizing events that combine trade fairs and live entertainment
 - It is desirable to organize events that combine trade fairs and live entertainment around the world where you can experience Japanese content (not limited to music), Japanese products, food culture, etc.
 - ✧ Korea is implementing the above measures as KCON.
 - ✧ In Japan, Tokyo International Music Market (TIMM) is held to appeal to overseas audiences and to match overseas buyers.
- Support for overseas expansion of new music-related technologies
 - Just as Yamaha synthesizers spread around the world in the past, support for the distribution of technologies and software such as speech synthesis AI could lead to international expansion of the music industry as a whole.
- Target of government measures
 - In the case of financial support, focusing on top artists who have already gone abroad may increase the chances of making a dent in the global market and demonstrate the effectiveness of support for other artists in Japan.

6. Changes in Music Content Production Sites

6.1 Japanese Music Creation Ecosystem

- Japan has developed a unique music creation ecosystem due to the influence of Vocalo culture, which will be discussed later.
 - When human vocalists sing, music creators have to make songs with consideration for the ease of vocal singing, and sometimes they cannot make songs that they really want to make. When VOCALOIDs are used, there is no need to pay attention to vocals, which creates a diversity of songs.
 - Vocalo songs are often based on the assumption that they will be covered by other people, and they are created on the assumption that they will be created in the next stage.
 - They have changed into 'talent-specific type' in which individuals focus on what they are good at. Some people are good at composing but not good at songwriting. The number of production forms that divide labor is increasing.
- Japanese video distribution platforms have implemented functions suitable for the above ecosystem. For example, Nico Nico videos allow users to associate "parent works" with videos. [*]¹²³The association reduces the distribution from child works and grandchild works to parent works. This feature is not implemented on YouTube.

6.2 Changes in the Music Production Environment (DeskTopMusic)

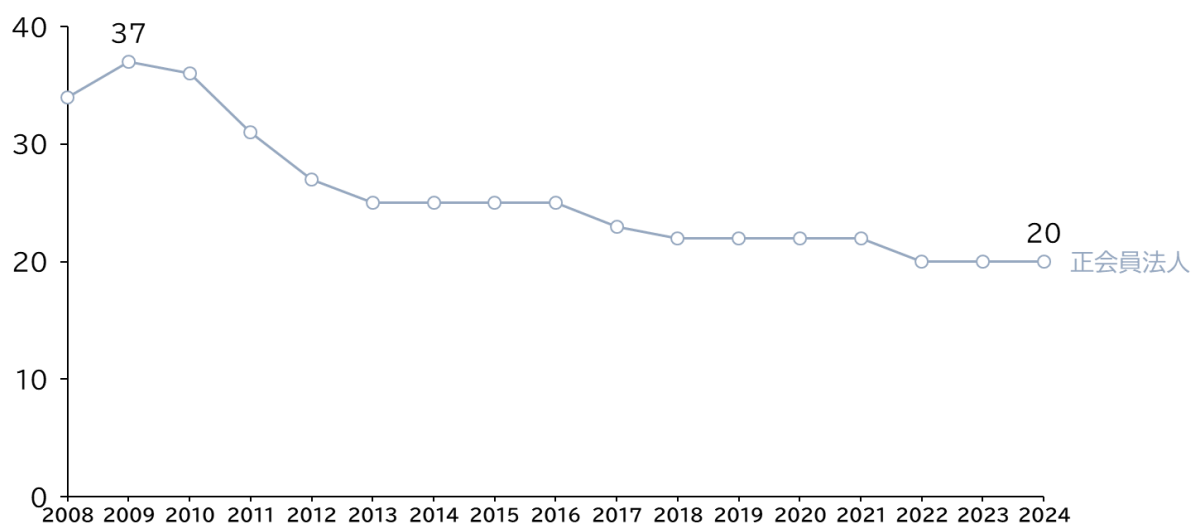
- For many years, recording studios have been used for music production. The following people are involved in recording at recording studios. [*]¹²⁴When you use a recording studio, you pay studio fees and engineer fees. [*]¹²⁵
 - Arranger: Conducts musical arrangements that match the image of the work and the artist when recording accompaniment (shooting).
 - Director: Directs the performance, singing, and balance of both.
 - Recording Engineer: Coordinates and operates equipment in the studio during recording.
 - Mastering Engineer: Finishes and adjusts the recorded sound source.
- On the other hand, with the introduction of DAW, which will be described later, in recent years it has become possible to produce music at home without using a recording studio.
- The number of full-fledged member corporations of the Japan Music Studio Association, a trade association of recording studio operators, had been on a downward trend from 37 corporations in 2009 until around 2013, but remained almost unchanged for 10 years after 2013. [*]¹²⁶

¹²³ https://qa.nicovideo.jp/faq/show/863?site_domain=default

¹²⁴ Refer to the Recording Industry Association of Japan website <https://www.riaj.or.jp/f/leg/makingcd/> and Sony Music Studio website <https://www.sonymusicstudio.jp/s/studio/page/engineers?ima=0521>.

¹²⁵ For example, in the case of Sony Music Studios Tokyo, the recording studio fee is 27,000 yen to 30,000 yen per hour, the recording engineer technical fee is 7,000 yen per hour, and the mastering studio fee is 25,000 yen per hour (including the engineer technical fee of 7,000 yen). (Sony Music Studio website <https://www.sonymusicstudio.jp/s/studio/page/rentalfee?ima=1623>)

¹²⁶ Bulletin of the Japan Music Studio Association (2008 to 2024)



[*]

Source: Bulletin of the Japan Music Studio Association (2008 – 2024)

Figure 6-1: Number of regular members of the Japan Music Studio Association

- Looking at the number of examinees for the certification examinations conducted by the Association, the number of examinees for the Sound Recording Technology Certification Examination, an examination for all aspects of recording studio production, was higher than that for the Pro Tools Technology Certification Examination until 2016, but the number of examinees for the Pro Tools Technology Certification Examination has tended to be higher since 2017. [*]127

6.2.1 Trends in VOCALOID, a DAW that makes it easy for individuals to produce

- DAW
 - Electronic devices and software used to record, edit, and play audio files are called Digital Audio Workstations (DAW). By using DAW, it is possible to produce music without using an instrument.
 - Cubase13, a DAW software for PCs provided by Yamaha's wholly owned subsidiary Steinberg, is available for purchase from 13,200 yen. [*]128
 - The global DAW market was worth \$2.93 billion in 2023 and is expected to grow at a CAGR of 8.85% from 2023 to 2033 to reach \$6.84 billion in 2033. [*]129
 - In some cases, songs produced by DAWs have received international acclaim. For example, Billie Eilish, who won 4 Grammy Awards at the 62 Grammys in 2020, was reported to produce music in her bedroom using equipment and software that cost less than \$3,000 in total. [*]130
- VOCALOID, Etc.

127 Pro Tools is Avid Technology's DAW software

128 Steinberg website <https://www.steinberg.net/ja/cubase/>

129 Spherical Insights "Global Digital Audio Workstation Market" <https://www.sphericalinsights.com/reports/digital-audio-workstation-market>

130 digitalmusicnews.com "Billie Eilish Bedroom Studio Costs Less Than \$3,000" digitalmusicnews.com

- Yamaha has been developing and selling singing synthesis software called "VOCALOID" since 2003. The domestic market for VOCALOID software was 330 million yen in 2023. [*]131
- A person who produces and releases music using VOCALOID is called a VOCALOID P (producer). Creators and artists from VOCALOID P who are adept at utilizing social networking sites and video distribution platforms have become popular overseas because they excel in digital marketing. Global Japan Songs excl. From November 25, 2022 to November 23, 2023 in Japan, YOASOBI (composed by Ayase) ranked first in total artist points, and Kenshi YONETSU was second in total artist points, both from VOCALOID P.
- Vocaloid culture has strong ties with video distribution platforms, and platform companies are also promoting Vocaloid culture.
 - ✧ The VOCALOID Collection, an event set up by Dwango as an anniversary to further develop Vocaloid culture, saw the number of submissions of Vocaloid works increase from about 2,000 in the first winter of 2020 to about 7,100 in the summer of 2023. [*]132 [*]133
 - ✧ In collaboration with Dwango, Billboard has released a chart titled "Niconico VOCALOID SONGS TOP 20" since December 2022. [*]134The chart is based on the number of video views, creation, comments, and likes on Niconico videos. [*]135
 - ✧ YouTube holds an annual YouTube Music Weekend event in 2023 with the theme of "digital native artists" born from the context of Japanese Internet culture using digital technologies such as Vocaloid. [*]136

6.2.2 Trends in Music Activities by VTuber to Expand Creators

- The VTuber business market is estimated to be worth 52 billion yen in 2022, and is expected to reach 80 billion yen by 2023. Goods account for 51.3% of that, followed by live streaming, which accounts for 26.0%. [*]137In some cases, music is seen as a way to expand the market rather than to make a profit directly, because the main income is money from throwing money, goods and events. An event cannot be held without music, but an event can attract fans and sell goods. Also, even people who don't normally use the Internet can hear music, so it can reach a general audience.
- On the other hand, there are VTubers who focus on music. For example, Suisei Hoshimachi performs on YouTube channel "THE FIRST TAKE" where many famous artists appear and "Aso Rock Festival." [*]138 [*]139

131 Yano Research Institute for Economic Research 2023 Cool Japan Market/Otaku Market: Market Analysis Edition

132 Dwango Press Release <https://dwango.co.jp/news/2412083283942658275/>

133 Dwango Press Release <https://prtimes.jp/main/html/rd/p/000000399.000096446.html>

134 <https://blog.nicovideo.jp/niconews/182700.html>

135 <https://www.billboard-japan.com/common/about/>

136 Official Japanese YouTube Blog <https://youtube-jp.googleblog.com/2023/08/youtube-music-weekend-7.html>

137 Yano Institute of Economic Research conducted a survey on the VTuber market https://www.yano.co.jp/press-release/show/press_id/3304

138 Cover Co., Ltd.Official Note <https://note.cover-corp.com/n/n9aaa23b8dc96?gs=b7a59093f995>

139 Aso Rock Festival website <https://aso-rockfes.com/2023/07/20/279/>

- Many VTuber songs are produced by Vocalo P. *Luna of Vocalo P wrote and arranged the aforementioned "comet" by Susei Hoshimachi, and Tatsuya Kitani, who has experience with Vocalo P, wrote and arranged the music for "The celestial sphere and comets straddle the night." [*]140 [*]141
- Music VTuber has appeared outside Japan. In Thailand, for example, a VTuber office called the Algorhythm Project is focusing on music.

6.3 Promotion Methods for Individual Creators

- Now that music can be produced by individuals, creators need to promote their own music. The promotion methods of individual creators are as follows.
 - Using the function of the distribution platform, they check the viewing status of their own music and promote it by themselves through SNS. YouTube and TikTok can check the viewing status of posted videos on the dashboard. As for streaming services, Spotify, for example, offers a feature called Chartmetric that allows individual creators to check the viewing status of their songs. [*]142
 - It uses events held by distribution platforms. Dwango holds the "Niconico Posting Festival" to support creators as platformers. [*]143It has also held an event called "The VOCALOID Collection" since 2020, collecting posts of VOCALOID songs and publishing various rankings. These events also provide a place for major labels to discover new artists.
 - Digital distributors that provide artist direct services may also provide services that support digital marketing and promotion of individual creators. For example, Avex's distribution service "BIG UP!" provides promotional services utilizing Avex's media.
 - It utilizes startups that provide digital marketing support functions for artists.

Examples of digital marketing support for artists

Some of the startups that emerged from the entertainment startup studio StudioENTRE include:

- LAB Co., Ltd.: The company supports an environment where artists can focus on music production by posting on social media and planning strategies for operations, music streaming services, and data analysis. [*]144
- BabyJam Co., Ltd.: The company offers minc, a service that allows artists to ask influential creators on TikTok to use their songs and distribute them for the same amount. [*]145

140 <https://www.youtube.com/watch?v=3cqV5BKJHyk>

141 <https://www.youtube.com/watch?v=zLak0dxBKpM>

142 <https://chartmetric.com/ja>

143 <https://www.nicoevents.jp/>

144 LAB website <https://music-marketing-lab.com/company>

145 Minc website <https://mi-nc.com/artist>

6.4 Team Music Production

- The number of songwriters per song on the Billboard Top10 increased from 2.4 in July 2000 to 4.0 in July 2020, and the number of songwriters working on hit songs is growing. [*]146
- When two or more songwriters work together on a song, it is called co-write. The advantages of co-write include the ability to produce songs from multiple perspectives by taking advantage of the strengths of multiple songwriters, the ability to produce songs that can be accepted overseas by collaborating with overseas songwriters, and the ability to reach fans of each songwriter's music.
- Co-write can be produced professionally or professionally, but a survey conducted by the UK IPO (Intellectual Property Office) in March 2021 found that creators who release from record companies are more likely to produce with multiple people than those who self-release. [*]147
- Co-write can be produced by a specific team, or by many songwriters in a camping style.
 - Warner Chappell Music and BMI have held co-write camps since 2014. More than 300 people from around the world attended the Las Vegas Songwriting Camp in 2023. [*]148
 - TOKA Corporation and Fuji Pacific Music Corporation held 3 TOKA Songwriting Camps from 2021 to 2023. A total of 28 artists and producers from Japan and overseas participated in 2 camps in 2021 and 2022, and a total of 9 songs were released. [*]149
- After the COVID-19 pandemic, an online co-write Camp has also been held. As a domestic example, in May 2021, the music creator community "Co-Writing Farm" held a songwriting camp in an online real hybrid format. [*]150
- In Japan, the aforementioned Vocalo culture has led to a division of labor: Vocalo P, who produces music; a singer who sings music produced by Vocalo P; and a MIX master who mixes sound sources containing songs. On April 1, 2022, the Japan Singing Mix Master Association was established. The number of individual regular members of the Association was 316 as of March 4, 2024. It is assumed that production is done by individuals under a division of labor system. [*]151

6.5 Recent developments in music generation AI (SunoAI, etc.)

- The global music generation AI market was \$294 million in 2023 and is expected to grow at a CAGR of 28.6% through 2032, reaching \$2.66 billion by 2032. [*]152
- Digital distributor DittoMusic polled 1,299 independent artists in 2023, and 59.5% said they were already using AI in their music projects. [*]153
- The major types of music-generating AI are:
 - Those that generate music by selecting mood, genre, tempo, etc.: FIMMIGRAM (TMIK), Soundraw (SOUNDRAW), Flow Machines (Sony), etc.

146 <https://mediaresearch.com/blog/how-the-dna-of-a-hit-has-changed-over-20-years>

147 UK IPO

https://assets.publishing.service.gov.uk/media/61409ba5d3bf7f05b0afebbb/UK_Creators_Earnings_Survey_Raw_Data.xlsx

148 <https://www.wmg.com/news/more-than-300-songwriters-artists-and-producers-from-around-the-world-gathered-for-warner-chappell-musics-annual-las-vegas-writing-camp>

149 https://www.fujipacific.co.jp/news/2023/04/28_36115.html

150 <https://prtimes.jp/main/html/rd/p/000000008.000049648.html>

151 Japan Singing Association website <https://www.mix-shi.org/about-numa>

152 Market.us "Generative AI in Music Market Size" <https://market.us/report/generative-ai-in-music-market/>

153 Ditto Music website <https://press.dittomusic.com/60-of-musicians-are-already-using-ai-to-make-music>

- Those that generate music based on written prompts: Suno AI (Suno Inc), AudioCraft (Meta), MusicLM (Google), etc.
- Those that generate music from videos and images: AmBeat (Yamaha), etc.
- In addition to music, there are voice generation AIs that generate singing voices. For example, Synthesizer V, developed by Dreamtonics, can input melodies and lyrics to create a singing voice. [*]154 Yamaha is also experimenting with VX-β as a higher-level VOCALOID. [*]155 Other products include CeVIO, which uses a speech synthesis engine developed by Techno Speech Co., Ltd. (a venture of Nagoya Institute of Technology). [*]156
- While the use of AI in music production is expected to broaden the scope of music production and inspire creators, there are also risks of copyright infringement by music-generating AI and infringement of publicity rights by speech-generating AI using artists' voices.
 - On April 3, 2023, for example, Drake and The Weeknd's song "Heart on My Sleeve" was released on TikTok, YouTube, Spotify, and more. The song was removed from the PF on April 18 that year. [*]157
- Government agencies and industry associations around the world are working to balance the use of music generation AI with protecting the rights of copyright holders.
 - In January 2024, the European Parliament's Committee on Culture and Education adopted a report entitled "Cultural diversity and the conditions for authors in the European music streaming market." The report calls for clear labelling of AI-generated music, and for viewers to be able to distinguish between human-generated and AI-generated music. [*]158
 - JASRAC released its "Basic Views on Generated AI and Copyright Issues" based on a resolution at its board meeting on July 5. [*]159
 - On January 25, 2024, nine organizations related to creators and artists in Japan established the Music Association Council on AI, which reviews and makes recommendations for the realization of a framework for harmonious use of generative AI based on the philosophy of "for Creators, for Artists." [*]160 [*]161

154 AHS website <https://www.ah-soft.com/synth-v/>

155 <https://VOCALOID.beta.yamaha.com/>

156 CeVIO official website <https://cevio.jp/>

157 [AI song featuring fake Drake and Weeknd vocals pulled from streaming services | Drake | The Guardian](https://www.theguardian.com/music/2023/apr/18/ai-song-featuring-fake-drake-and-weeknd-vocals-pulled-from-streaming-services)
<https://www.theguardian.com/music/2023/apr/18/ai-song-featuring-fake-drake-and-weeknd-vocals-pulled-from-streaming-services>

158 European Parliament Press Release <https://www.europarl.europa.eu/news/en/press-room/20240112IPR16773/music-streaming-sector-eu-must-ensure-just-pay-for-artists-and-fair-algorithms>

159 JASRAC Press Release https://www.jasrac.or.jp/smt/release/23/07_3.html

160 Concert Promoters Association, Japan Association of Music Writers, Japan Association of Music Business Operators, Japan Association of Music Publishers, Japan Federation of Music Producers, Japan Music Copyright Association, Japan Association of Performing Arts Performers Center, Japan Phonographic Society, NexTone Inc.

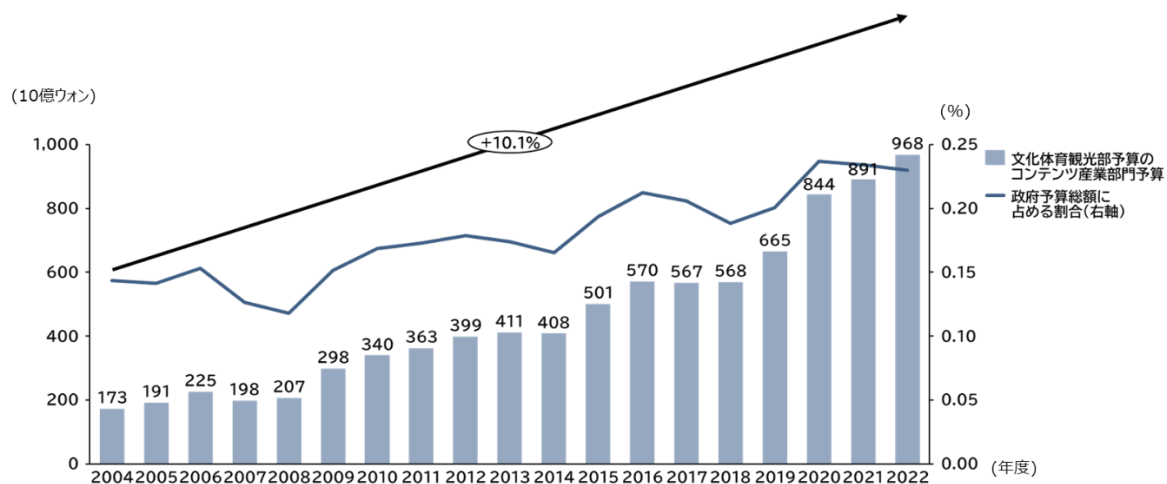
161 Japan Association of Music Business Operators Press Release https://www.jame.or.jp/wordpress/wp-content/uploads/2024/01/20240125_information.pdf

7. Movement in other countries

7.1 Korea

7.1.1 History of the Korean government's support for the music industry

- The Korean government established the Ministry of Culture in 1990 to foster the cultural content industry. In 2008, the Ministry of Culture established the Ministry of Culture, Sports and Tourism to supervise physical education and tourism. As of 2024, the Content Production Bureau, Copyright Bureau and Media Policy Bureau of the Ministry of Culture, Sports and Tourism are in charge of implementing policies related to the content industry.
- Of the budget of the Ministry of Culture, Sports and Tourism, the budget of the Content Industry Division * has been increasing (10.1% CAGR since 2004), reaching 96.8 billion won in fiscal 2022. This accounts for about 0.23% of the total government budget.

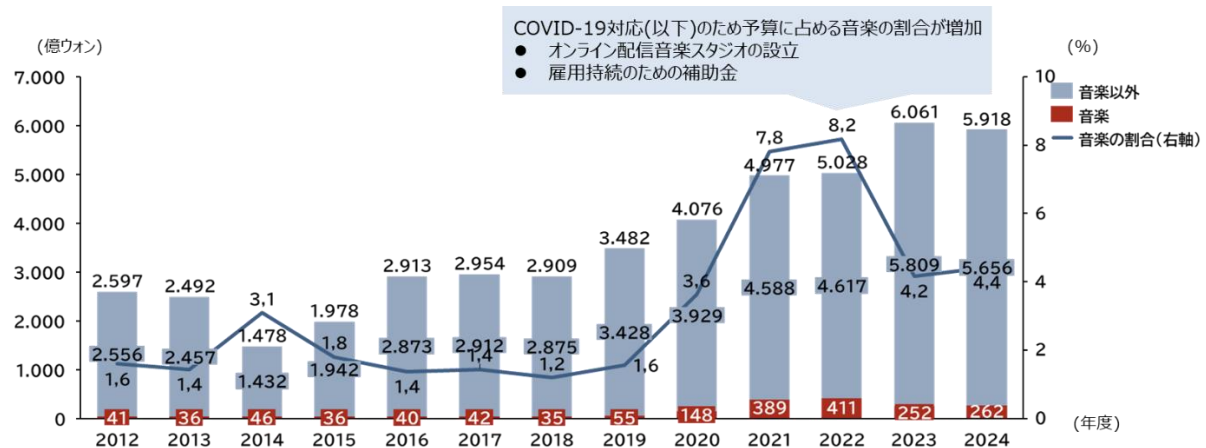


Source: Ministry of Culture, Sports and Tourism, "White Paper on the Content Industry 2022" (2021), "Outline of Budget and Fund Management Plan for Fiscal 2022," and Ministry of Planning and Finance (2022), "Outline of National Budget for Fiscal 2022."

Figure 7-1: Trends in the contents industry budget of the Ministry of Culture, Sports and Tourism (2004-2022)

- The Korean government enacted the Basic Law for the Promotion of the Culture Industry in 1999 to foster the contents industry. With the revision of the Basic Law for the Promotion of the Culture Industry in 2009, the Korea Content Agency (KOCCA) was established by integrating the content promotion agencies that had been set up in different fields such as broadcasting, games, animation, and music. KOCCA is a content promotion agency under the Ministry of Culture, Sports, and Tourism and is positioned as a quasi-governmental organization.
- In June 2010, KOCCA completely revised the law as the "Content Industry Promotion Law" to adapt to the changing times. The "Content Industry Promotion Law" stipulates that the government is obligated to formulate a 3-year medium- to long-term basic plan for the promotion of the content industry and to formulate an annual implementation plan based on the basic plan.
- The budget for state-subsidized projects of the Korea Content Promotion Agency (KOCCA) is on an increasing trend and is scheduled to reach 591.8 billion won in fiscal 2024. Of this, the budget for music is 26.2 billion won, accounting for 4.4%. Here, the budget for music refers to the budget for music by the music and fashion industry teams. The budget for projects that

support content in general, including music, is included in the non-music budget.



Source: KOCCA prepared from materials for explanatory meetings of support projects each year.

Figure 7-2 KOCCA National Government Subsidies Budget Change (2012-2024)

- KOCCA supports a wide range of projects in the music field, from supporting activities in Japan, to supporting overseas expansion, to supporting the development and expansion of music tech. In many cases, support is limited to individual performers and small and medium-sized enterprises.

Table 7-1: Overview of KOCCA's National Subsidies for Music in FY 2024

区分	事業名	予算額 (億円)	事業内容
国内活動支援	オンライン公演専門スタジオ運営支援	70.2億	KOCCAの支援事業対象となった実演家や企業が共同で利用するオンライン公演専門スタジオ「KOCCA Music Studio」(2021年度予算265億円で設立)の運営。
	オンライン/オフライン音楽コンテンツ開発支援	76.5億	1. オンライン・リアル並行公演制作支援: 公演企画・制作会社に最大4億ウォン、6件前後 2. 新規音源制作、マーケティング、公演支援: レーベルに最大1億ウォン5件前後、最大2億ウォン8件前後 3. 新技術と融合したリアル公演の一部支援: 実演家や中小企業プロダクション(企画数等不明)
	リアル公演開催支援	6億	有料リアル公演を企画する企画・制作会社(中小企業、公共機関、非営利法人に限る)を対象に、公演場所及び設備の賃借料、広報費、ギャラ等を支援。最大7千万ウォンの大型企画、最大4千万ウォンの中小企画を合わせて10企画まで。
	プラットフォームベースのポップス活動支援	20億	国内で活動するデビューから5年未満のポップス実演家(10チーム程度)に対しアルバム制作、ライブクラブ制作、ライブ開催、フェス出演、プラットフォーム連携広報などを支援。
海外展開支援	グローバル・ミュージック・ネットワーク構築支援(MU:CON)	8億	国内外のデリゲート及び業界関係者や一般大衆を対象とした、音楽ショーケースとビジネスマッチングやワークショップを組み合わせた音楽見本市イベント「MU:CON」(会場は韓国)の開催。
	現地インフラを活用した海外展開の支援	54億	1. 海外マーケット連携及びショーケースを運営し、公募で選ばれた実演家最大24チームの現地ビジネスを支援。事前教育及び地域でのオンラインプロモーションも実施する。 2. 海外ツアーの開催や海外フェスへの参加に必要な費用(旅費、広報費等)の支援。 ➢ 海外ツアーの開催: 最大5千万ウォン、8ツアー(大企業及びその関連会社は不可) ➢ 海外フェスへの参加: 最大1千万ウォン、7チーム 3. 2020~2023年に開催されたMU:CONの音楽ショーケースに参加した実演家のうち、海外ビジネスが発生したチームに最大2千万ウォンを10チームまで支援。
その他	ミュージックテック支援	27億	音楽とテクノロジーを組み合わせたサービスを開発または展開したい中小企業、公共機関、非営利法人を対象に、人件費、サーバー及びSWの賃借料、マーケティング費等を支援。企画・開発支援は最大2億ウォン5件前後、展開・マーケティング支援は最大3億ウォンで5件前後。

Source: Compiled from KOCCA's "Fiscal 2024 Support Program Briefing Materials" [*]162

- KOCCA also conducts research on the content industry and publishes reports on overseas markets in the music field. For example, the following reports exist: In addition to Indonesia, we also publish reports on Southeast Asia such as Malaysia, the Philippines, and Mexico.
 - 2022 Indonesian Music Performance Market Trends: [*]163
 - ✧ The Indonesian music performance market is expected to reach a total market size

162 https://www.kocca.kr/download/cop/kocca_business_2024_v1.pdf

163 KOCCA 2022 Indonesian Music Performance Market Trends

https://welcon.kocca.kr/cmm/fms/CrawlingFileDownload.do?atchFileId=FILE_bc347119-efc-4347-bce6-e0c93fe60991&fileSn=1

of 29.2 billion won in 2022, including music performance sponsorship and ticket sales. The average revenue per customer for music is estimated to be around 13,000 won, which is higher than movies with an average price of 6,000 won and lower than sports with an average price of 40,000 won. About 4.5 million people, or about 1.6% of the population, are expected to buy tickets for music events.

- ✧ In May 2022, famous Korean singers such as Red Velvet and NCT Dream have visited Indonesia, including SEVENTEEN and TXT, at the "Arobank Festival," and in December at the end of the year, they are planning "Loving Indonesia 2022," a K-Pop event to invite four K-Pop singers from Muchimapro, a K-Pop promoter. Ticket prices for concerts are at least 1 million rupiah, which is 1/4 of the minimum wage in Jakarta, but K-Pop music performances are sold out every time
- ✧ To appeal to Indonesia's young population, the company organizes music events on various online platforms every year. K-pop has become a ubiquitous culture in Indonesia, especially in the teens and 20s.
- 2022 Indonesian Music Market Trends [*]164
 - ✧ The Indonesian music market will reach about 255.4 billion won in 2022 and is expected to grow at a fast pace until 2025, mainly through streaming. With its purchasing power rising through sustained economic growth, its population reaching 270 million and its live music market growing significantly every year, Jakarta is positioned as a major venue for Korean K-Pop singers on their world tours. Indonesia is geographically located in the maritime region connecting Western European culture and Asia, and has been actively embracing external culture for a long time, maintaining harmony among many cultural regions in its musical styles. Since the 2000s, K-pop has also had a significant impact, producing idol groups in Indonesia. Because of restrictions on the general advertising activities of major tobacco companies, the Indonesian music industry has invested heavily in the local music industry, including large-scale concerts, music festivals, promotions, and community support.
- In addition to music-specific support projects, KOCCA also has a broader content industry focus. Examples include:
 - Establishment and operation of overseas business centers
 - ✧ It operates 15 overseas business centers around the world (including those scheduled to open in 2023) to support Korean content companies' overseas expansion. It plans to open 10 new locations including Osaka in 2024 and expand to 50 by 2027. [*]165 [*]166
 - Content Value Assessment
 - ✧ Based on the "value evaluation model" developed by KOCCA, the feasibility of commercializing content owned by companies will be evaluated. The evaluation results will be compiled into a report and provided to financial institutions that invest in and finance content companies. Financial institutions will make decisions on investment and financing based on the report.
 - ✧ Music was not included in the evaluation when it started in 2016, but it has been included since 2022.
 - Standard Contract

164 KOCCA 2022 Indonesian Music Market Trends

https://welcon.kocca.kr/cmm/fms/CrawlingFileDownload.do?atchFileId=FILE_db5b93a1-cf79-4fe3-8ed7-2efc43eca753&fileSn=1

165 KOCCA 2024 Support Program Briefing Materials https://www.kocca.kr/download/cop/kocca_business_2024_v1.pdf

166 <https://www.mk.co.kr/news/culture/10902125>

- ◇ Standard contracts, such as contracts for transactions between broadcasters and video production companies and contracts for exclusive performers of pop singers, are prepared and published. [*]167KOCCA is also working to promote the use of such contracts, such as making it mandatory for video production projects in the broadcasting sector.
- Setting up and operating a film studio
 - ◇ The company has set up and operated three production centers and studios for small and medium-sized video production companies. One of them, Studio Cube, an indoor set studio, has been used for filming squid games. [*]168

7.1.2 Establishing K-pop in Japan and expanding to the World

- Korea analyzed the position of its entertainment industry and the markets of the U.S., Japan and China very logically, and tried to expand the market in neighboring Japan, which has the world's second largest market, with a view to challenging the U.S. market in the future.
- First, around 2000, BoA, which belongs to SM Entertainment, broke out in Japan. The key word for BoA's success in Japan was localization. Because it was before the Korean Wave and before Winter Sonata was broadcast, the Japanese were not interested in Korea. Therefore, as much as possible, they sold Korea as a Japanese artist without putting Korea on the front. They made their debut while speaking Japanese and understanding Japanese culture.
- Next, around 2005, TOHOSHINKI, a member of SM Entertainment, broke out in Japan. This coincided with the Korean Wave boom after the winter sonata was broadcast on NHK in 2003. Tohoshinki appeared on local stations' morning programs and attracted the audience of women in their 30 s and 40 s. Those fans started bringing their friends and daughters to live shows, and the age group of K-pop fans dropped.
- KBS's music program "Music Bank" is broadcast in more than 100 countries around the world. YouTube has emerged from planting seeds in the world with Music Bank. Seeing it as an opportunity, it aggressively released content for free. After that, the Korea Content Agency (KOCCA) was established, and the overseas business centers of KOCCA formed a network in each country and became a source of global activities.

7.1.3 Initiatives of the Korean Music Industry

(1) Overview of Major Players

- The major players in the Korean music industry are the four major offices (HYBE, SM Entertainment, JYP Entertainment, YG Entertainment) and CJ ENM, an entertainment group company of the conglomerate CJ Group.
- The four major offices have vertically integrated management and label functions. The following offices have capital relationships with IT companies.

167 KOCCA Standard Contract <https://www.kocca.kr/kocca/subPage.do?menuNo=205068>
 168 KOCCA Brochure https://www.kocca.kr/download/cop/kocca_brochure_j_v2.pdf

- Kakao, Kakao Entertainment hold 39.9% of SM Entertainment [*]169
- NAVER holds 8.9% of YG Entertainment [*]170
- Netmarble holds 18.2% of HYBE [*]171
- HYBE had the largest total sales of 1,776.2 billion won in fiscal 2022 at four major offices in Korea. SM Entertainment followed with 850.8 billion won, followed by YG Entertainment and JYP Entertainment with 390.9 billion won and 345.9 billion won, respectively. Other than SM Entertainment, the original disc business has the largest sales, while SM Entertainment has the largest sales of concerts and video content production.
- HYBE, in particular, is expanding overseas through the acquisition of overseas companies. For example, it announced in April 2021 that it had acquired Ithaca Holdings, a U.S. media company owned by Justin Bieber and Ariana Grande, for 1.07 trillion won. [*]172It also announced in February 2023 that it had signed an agreement to acquire a 100% stake in U.S. HIPHOP label QC Media Holdings for 314 billion won. [*]173

(2) cross-industry unions

- As a cross-industry effort in the private sector, KCON, a festival that combines K-pop concerts with a convention where you can experience the Korean lifestyle firsthand, has been held since 2012. It is organized by CJ ENM and planned by Mnet, which is managed by CJ ENM.
- KCON is held in the U.S. (West Coast including LA and East Coast including Newark), Japan and Thailand. The number of people mobilized has been increasing from 12000 in 2012, and about 310,000 people mobilized in 2023, more than in 2019. [*]174

7.2 United States

7.2.1 Music Market Trends

(1) Market Overview

- The U.S. music market was the number one in the world with \$26.3 billion in 2022. Japan, the second largest music market in the world, is about 4 times larger with \$6.9 billion. Streaming services account for most of the revenue and live tickets are expected to grow.

169 SM Entertainment IR Materials <https://www.smentertainment.com/ir/shareholders/>

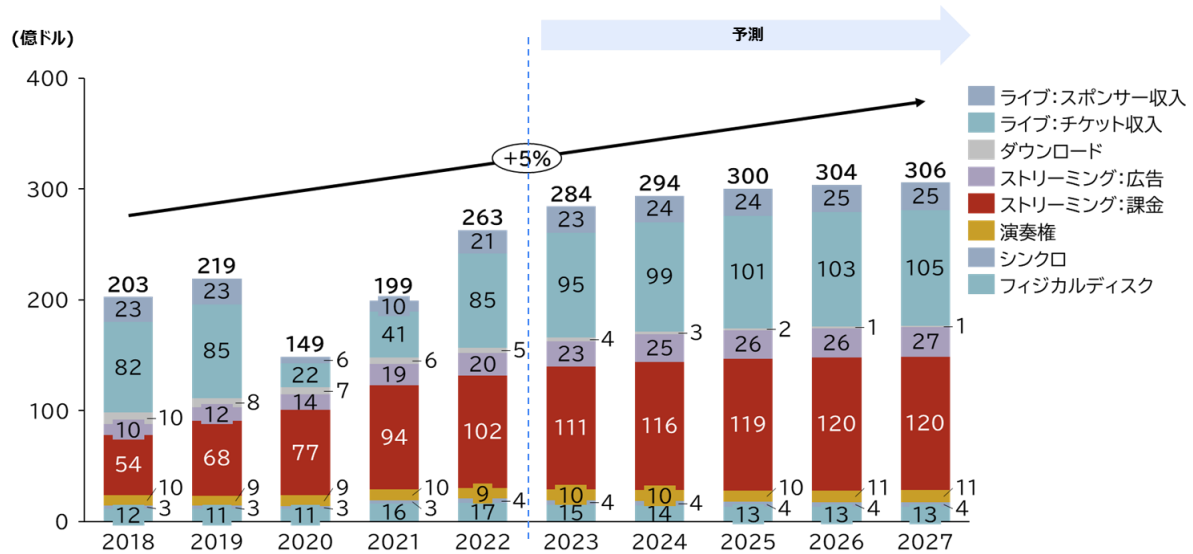
170 YG Entertainment IR Materials <https://dart.fss.or.kr/dsaf001/main.do?rcpNo=20230814002127>

171 HYBE IR Materials

172 <https://www.bloomberg.co.jp/news/articles/2021-04-03/QQYPMPT0G1L701>

173 <https://hybecorp.com/jpn/news/news/2783?companyCode=&page=1>

174 Japan mobilization: <https://prtimes.jp/main/html/rd/p/000001418.000003711.html>, US mobilization: <https://japanese.korea.net/NewsFocus/Culture/view?articleId=237417>, Thailand mobilization:



Source: PwC Global Entertainment & Media Outlook 2023-2027

Figure 7-3 Forecast growth rate of the U.S. music market (2018~2027)

- Popular music genres across the U.S. include R & B/Hip-Hop, rock, pop, country, and Latin. In addition, music in the U.S. is becoming more diverse due to diversity awareness and the BLM movement. For example, the Grammy Awards have a new Best African Performance Award category. [*]175 Music diversity is growing significantly on the East and West coasts, and K-pop and Asian culture are expanding from both sides of the US. The East and West coasts are also areas of heavy music consumption.
- In the United States, there is a lot of content with a global presence, such as movies and TV dramas, and music tied with them can become a global hit. Examples from 2023 include movie soundtracks such as “Spider-Verse” and “Barbie.” [*]176
- In North America, new artists are becoming popular through social media. In particular, short videos such as TikTok have had a significant impact.
 - For example, Jvke posted a video on TikTok during the COVID-19 pandemic, and it got buzzed, which led to a final hit as a song. In just 2 or 3 years, Spotify alone has grown to 24 million monthly listeners, and even though it debuted after the pandemic, it surpassed 1 billion streams as of February 2024. In addition, YouTube, TikTok, and Instagram have combined for 3.5 billion views and more than 15 million followers. [*]177

(2) Live entertainment

- The Coachella Valley Festival (Coachella), one of the largest in the world, is held every year in Indio, California. Coachella2023, held in 2023, attracted more than 500,000 visitors from April 14 to 16 and from 21 to 23. The number of visitors to Fuji Rock Festival '23 was 114,000, which is about 4 times the size. [*]178 [*]179
- Coachella has been available on YouTube since 2011. Coachella's channel has 3.24 million

175 [2024 GRAMMYS: How The New Best African Music Performance GRAMMY Category Is A Massive Win For The World | GRAMMY.com](#)

176 Luminare Year End Report 2023

177 <https://admitone.com/artists/63dd78ddb5813ef3ea53cc38/jvke>

178 [Coachella 2023: Lessons for Event Planners on Planning a Successful Festival. | InEvent Blog](https://inevent.com/blog/marketing/coachella-2023-tips-for-event-planners.html)
<https://inevent.com/blog/marketing/coachella-2023-tips-for-event-planners.html>

179 [FUJI ROCK FESTIVAL '23 | NEWS](https://23.fujirockfestival.com/news/detail/4437) <https://23.fujirockfestival.com/news/detail/4437>

subscribers and 144.35 million views. [*]180The Fuji Rock Festival channel has 443000 subscribers and 20.89 million views. [*]181

- Live performances by famous artists in the U.S. are sometimes made into movies, including backstage performances and backstage performances. Examples from 2023 include Taylor Swift: The Eras Tour and Renaissance: A Film by Beyonce. There have also been remasters of previous live films, including Talking Heads: Stop Making Sense from 2023. In all of these cases, there was a trend for the artists to stream more globally and in the US after the film adaptation. [*]182
- Live tickets in the US are dynamically priced, with more expensive tickets for popular artists and less expensive tickets for less popular artists. Taylor Swift set a Guinness record as the highest-grossing music tour of all time, earning \$1.04 billion on “The Eras Tour”. [*]183

7.2.2 Acceptance of Japanese Songs and Artists

- Ranked among the top 10,000 audio streams in the U.S. in 2023, J-POP has 1.67 billion streams. This is 0.14% of the 1.2 trillion audio streams in the U.S. in 2023. Fans of J-POP have the following characteristics: [*] [*]184
 - 63% are men
 - 95% more likely to be Gen Z than non-fans
 - 94% more likely to identify as LGBTQ than non-fans
- 11 of the top 20 most popular Japanese songs in the U.S. are anime tie-ins
- Looking at artists, popular artists who are not ranked in the list of anime tie-ins include XG and Fujii Kaze.

Table 7-2: Popular Japanese Artists and Songs in the United States (2023)

Ranking of Songs	Name of Songs (Artist name, shaded in anime, game tie-in)	Artist Rank	Artist Name
1	KICK BACK (Yonezu Kenshi)	1	YOASOBI
2	I like to die. (Fujii Kaze)	2	Yonezu Kenshi
3	Idle (YOASOBI)	3	XG
4	TOKYO DRIFT(FAST & FURIOUS) (TERIYAKI BOYZ)	4	Fujii Kaze
5	Running in the Night (YOASOBI)	5	Ado
6	The Rumbling(SiM)	6	BABYMETAL
7	Life’s Merry-Go-Round (Joe Hisaishi)	7	Joe Hisaishi
8	Midnight Door ~stay with me (Miki Matsubara)	8	Eve
9	NIGHT DANCER(imase)	9	SiM
10	SHOOTING STAR(XG)	10	Tomoya Otani
11	Megawariki Tan (Eve)	11	LiSA

180 <https://www.youtube.com/@Coachella>

181 <https://www.youtube.com/@FujiRockFestival>

182 Luminate Year End Report 2023

183 <https://www.guinnessworldrecords.com/news/2023/12/taylor-swifts-eras-tour-breaks-record-as-highest-grossing-music-tour-ever-762285>

184 Luminate Year End Report 2023

Ranking of Songs	Name of Songs (Artist name, shaded in anime, game tie-in)	Artist Rank	Artist Name
12	LEFT RIGHT(XG)	12	RADWIMPS
13	Red Lotus Root (LiSA)	13	Nujabes
14	unravel (TK from Noble Shigure)	14	TERIYAKI BOYZ
15	Undefeatable (feat. Kellin Quinn)	15	Lyn
16	Reverberant Song (Aimer)	16	Linked Horizon
17	Monster (YOASOBI)	17	Lamp
18	Suzume (feat. Jumei.) (RADWIMPS)	18	Miki Matsubara
19	Ao no Sumika (Kitanitatsuya)	19	imase
20	Matsuri Festival (Fujii Kaze)	20	Vickeblanca

Source: Billboard Global Japan Songs excl. Created from Japan chart.

7.3 China and Southeast Asia

7.3.1 Mainland China

- The main monetization methods will include the sale of distribution rights on music platforms, ticket revenue for live performances and livestreams, and merchandise revenue.

(1) Distribution rights sales

- The top music distribution platforms are Tencent (QQ Music, KuGou, Kuwo) and Net-ease (One-E). Traditionally, Japanese artists were licensed exclusively by Tencent, but Tencent was punished for antitrust violations in 2021, and since then, it has spread to other music distribution platforms. Music apps have expanded their social network-like capabilities, with Net-ease in particular looking to build fan communities.
- The share of the video distribution platform is listed in order: iQIYI, Tencent Video, Bilibili Youku, and Mango TV. Baidu's iQIYI, Alibaba's Youku, and Tencent Video are the three major platforms.
 - Bilibili is more two-dimensional, with aspects of being an OTT service and UGC platform. In addition, it is Tomohiro Yamashita, a Japanese, who boasts the top non-Japanese subscribers, including Japanese.
 - Mango TV is run by Hunan TV, which has the No. 1 rating in China, and is aimed at young people and has a strong variety.
- Western services are basically unavailable in mainland China, but only AppleMusic is available. On the platform front, the Chinese government is pretty strict, and it's unlikely that it will be relaxed. On the other hand, music itself is not regulated unless it's a very serious matter, and it is possible to listen to music on platforms in China, and Japanese music is distributed in China

through distributors.

- In the Chinese music industry, digital marketing is more important than in Japan. The major mini video operators include Douyin, Kuaishou, watermelon vision and second beats. Mini-videos make "buzz."

(2) Live entertainment

- Although live entertainment was restricted in China due to the 0 coronavirus policy, 193,300 business performances (including non-music performances) were held nationwide in the first half of 2023, up 400.86% from the same period of the previous year, and box office revenue was 16,793,000,000 yuan, up 673.49% from the same period of the previous year, and the number of spectators was 62236600, up more than 10 times from the same period of the previous year. Among them, 506 large-scale concerts and music festivals were held, and box office revenue was 2497 million yuan, and the number of spectators reached 5.51 million.
[*]185
- Live music venues in China are divided into 4 sizes.
 - Live music venues with 500~1,000 people: They are the easiest to perform in and are the source of music in China. Pre-screening is especially strict, and foreign artists have to film and screen the entire set list of live performances.
 - 1,000~2,500 person theater
 - a large gymnasium (arena)
 - a larger stadium
 - ◇ Live performances in arenas and stadiums must be approved by the Ministry of Public Security in addition to being reviewed by the Ministry of Culture and Tourism.
- This is due to the Sino-Korean issue. Since 2016, when the political situation between the two countries became tense and the ban on Korean culture was imposed, Korean artists were not allowed to perform live in China. Instead of being able to perform live in China, Korean artists visit China for non-singing events such as fan meetings.
- Concert promoters that used to deal with Korean artists are attracting Japanese artists to perform at large venues that were reserved for Korean artists.

7.3.2 Southeast Asia

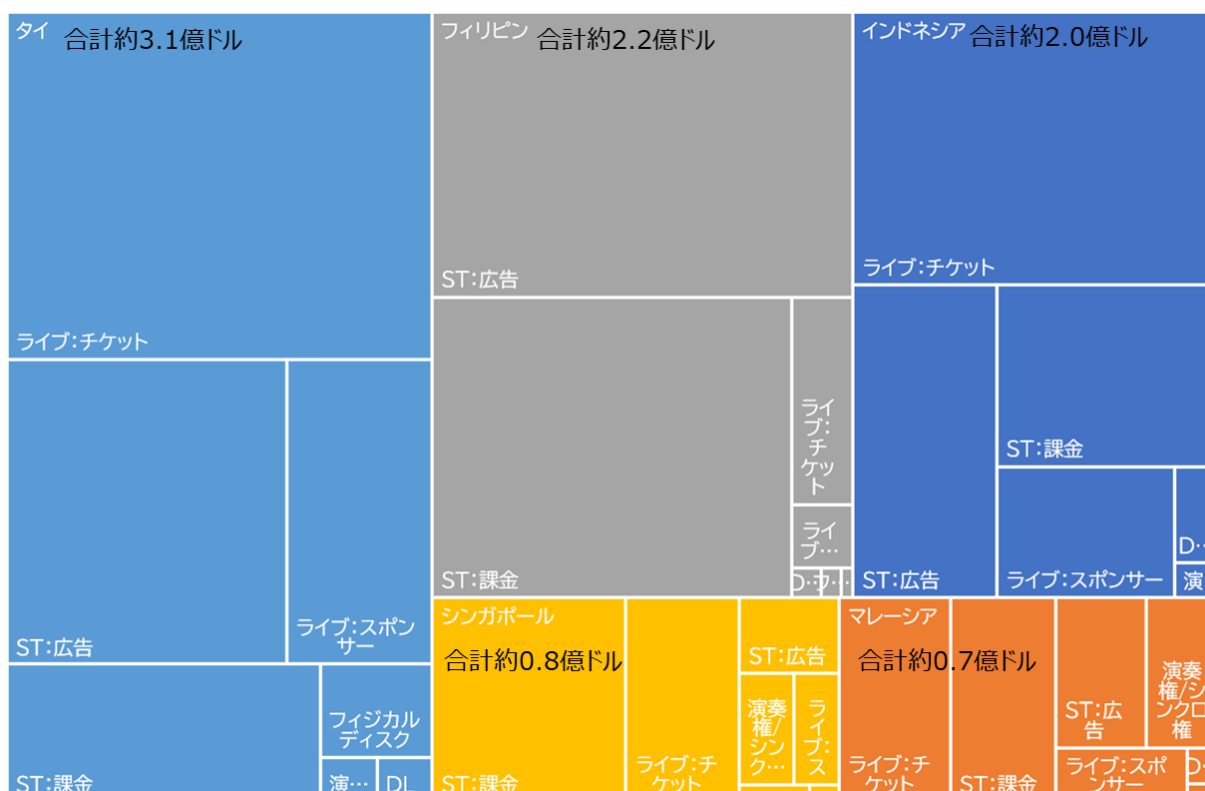
(1) Music Market Trends

- Among Southeast Asia, Thailand, the Philippines, Indonesia, Singapore, and Malaysia had a

185 Association of Chinese Staging Executives 2023
<https://www.capa.com.cn/#/index/NewsDetail?activeName=%E5%B8%82%E5%9C%BA%E8%A7%82%E5%AF%9F&id=1742802016962416641> Half Year National Staging City

combined music market size of \$870 million in 2022. This is about 1/8 of the \$6.9 billion market in Japan in the same period.

- The breakdown of the music market size by country has the following characteristics. Both countries have very small download and physical disk markets, and they account for a larger share of streaming ad revenue than the U.S. and Japan.
 - Thailand: Live ticket revenue and streaming ad revenue.
 - Philippines: Streaming ad revenue, billing revenue and very small live revenue.
 - Indonesia, Malaysia: Live ticket revenue, streaming ad revenue and billing revenue.
 - Singapore: Streaming revenue.



*ST: Streaming.

Source: PwC Global Entertainment & Media Outlook 2023-2027

<https://www.pwc.com/jp/ja/knowledge/thoughtleadership/outlook.html>

Figure 7-4 Southeast Asia Music Market Size and Composition (2022)

- Western companies engaged in the global music business view emerging countries of Africa, South America, and Asia as follows.
 - Africa: Many regions have French as their official language and are geographically close to Europe.
 - South America: Spanish or Portuguese is the official language and there is a general cultural homogeneity across borders.
 - Asia: Although the population is large, there are large linguistic and cultural differences among countries and regions within Asia.
- Although the size of the music market itself is smaller than in developed countries, the large population may contribute to the global popularity of music. Japanese city pop and Fujii Kaze music also seem to have grown in popularity globally, with Southeast Asia as a flashpoint.
- In Southeast Asia, there is a movement to develop music festivals from countries and regions where the music industry has matured. Specifically, the U.S.'s "Rolling Loud" was held in

Thailand in 2023. [*]186Japan's Summer Sonic is also scheduled to be held in Thailand in 2024. [*]187

(2) Japanese Music Acceptance Trends in Southeast Asian Countries

- Looking at the top 10 popular Japanese songs in Thailand and Singapore, there are only 2 anime tie-ups in each country, and the percentage of anime tie-ups is smaller than in the United States. New releases tend to rank easily in Southeast Asia. [*]
- Thailand and Singapore share similarities in both popular songs and artists.

Table 7-3: Popular Japanese Artists and Songs in Thailand (2023)

Ranking of Songs	Name of Songs (The name of the artist and the yellow shading is a tie with anime and games. Only Thailand is ranked with red shading.)	Year of Song Release	Artist Rank	Artist Name (Red shading is only ranked in Thailand)
1	Matsuri Festival (Fujii Kaze)	2022	1	Fujii Kaze
2	I like to die. (Fujii Kaze)	2020	2	YOASOBI
3	NIGHT DANCER(imase)	2022	3	XG
4	Idle (YOASOBI)	2023	4	imase
5	SHOOTING STAR(XG)	2023	5	Natori
6	Overdose (Natori)	2023	6	Ado
7	LEFT RIGHT(XG)	2023	7	Genshi Yonezu
8	KICK BACK (Kenshi Yonezu)	2022	8	RADWIMPS
9	Running at Night (YOASOBI)	2021	9	Eve
10	Maybe (YOASOBI)	2021	10	a band

Source: Billboard Global Japan Songs excl. Created from Japan Chart

Table 7-4: Popular Japanese Artists and Songs in Singapore (2023)

Ranking of Songs	Name of Songs (The name of the artist and the yellow shading is a tie with anime and games. Only Singapore is ranked with red shading.)	Year of Song Release	Artist Rank	Artist Name (Shaded in red only in Singapore)
1	I'd rather die. (Fujii Kaze)	2020	1	YOASOBI
2	Idol (YOASOBI)	2023	2	Fujii Kaze
3	Running at Night (YOASOBI)	2021	3	XG
4	NIGHT DANCER(imase)	2022	4	Ado
5	SHOOTING STAR(XG)	2023	5	RADWIMPS
6	LEFT RIGHT(XG)	2023	6	Kenshi Yonezu
7	First Love (Hikaru Utada)	1999	7	ONE OK ROCK
8	KICK BACK (Kenshi Yonezu)	2023	8	LiSA
9	Gunsei (YOASOBI)	2021	9	imase
10	Matsuri Festival (Fujii Kaze)	2022	10	Eve

Source: Billboard Global Japan Songs excl. Created from Japan Chart

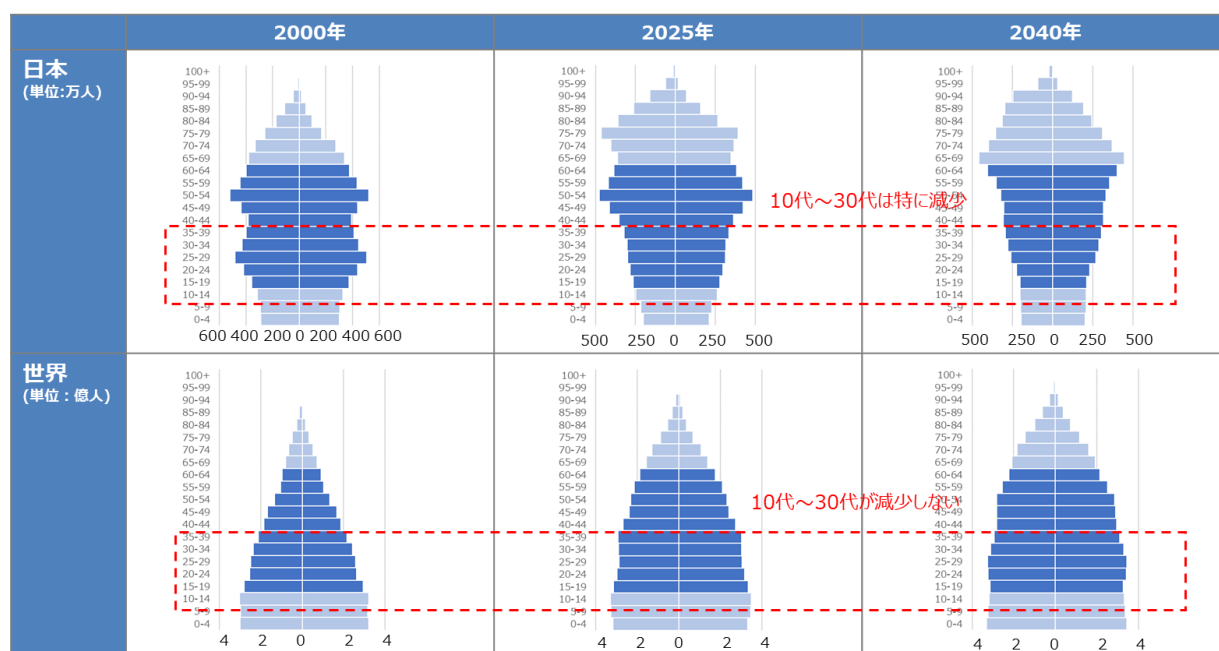
186 <https://rollingloud-japan.com/>

187 <https://www.summersonic.com/news/23-12-27/>

8. What has emerged from this survey (summary)

8.1 Awareness of the current situation based on the survey results

- The popularization of DAW in the 2000s led to "democratization of production" and broadened the base of music production. Later, streaming services and SNS spread from the late 2000s to the 2010s, and democratization of distribution occurred in which songs produced by ordinary creators were instantly distributed globally on the digital space. The fandom formation that fan clubs have played a role in, such as the connection between fans through SNS and the connection between fans and artists through closed SNS, is also democratizing. From the latter half of the 2010s to the 2020s, the democratization of value distribution through blockchain and other means is also expected. [*]
- On the other hand, Japan's population pyramid is a "melting pot." With a declining birthrate and an aging population, the percentage of young people who create new music markets is small. On the other hand, the world's population pyramid is a "floating pyramid," and the percentage of young people is large. Considering that Japan's declining birthrate and aging population, as well as the world's increasing population, will continue over the coming decades from 2020, overseas expansion is essential for the expansion of the music industry as a whole. The decline of the younger generation in Japan also means that the number of music producers and live entertainment producers (such as stage technical staff) will decrease. [*]



Source: PopulationPyramid

Figure 8-1 Population Pyramid Trends in Japan (Top) and the World (Bottom) (2020-2040)

8.1.1 Current Status of Production

- As DAWs have become popular and it is now possible to produce music without using musical instruments, the hurdle for ordinary creators to produce music has been lowered.
- Worldwide, the spread of SNS and the development of remote communication due to the

COVID-19 pandemic have led to the development of collaborative creative activities between artists and creators.

- In Japan, Vocalo P, which produces music for the purpose of having VOCALOID sing, has emerged, fostering a culture based on the diversity of music that is not limited to singing by human vocalists and the creation of N-th series such as covers by others.
- Digitization has made it possible to visualize the way music is heard, and algorithms behind distribution PF and SNS have influenced production.

8.1.2 Current state of distribution

(1) Domestic business model

- With the advent of distribution PF, SNS, and distributors, the release of music became easy and distribution became democratic. Global platforms became the center of distribution (Spotify, YouTube, TikTok, etc.), and creators and artists themselves became able to go overseas directly.
- In order to generate hits, digital marketing was the main premise, and quick fan engagement formation through SNS, marketing based on recommendation algorithms and advanced data analysis became essential. Accordingly, there are the following issues.
 - There is a shortage of digital marketing talent in Japan's traditional music field.
 - There are fans of K-pop, called "masters," who take pictures of live performances and spread them on websites. On the other hand, Japanese production companies have been making more use of the platform with the help of fans, for example, since 2021, production companies have issued guidelines to encourage the spread of official SNS posts. [*]
- In digital marketing, it is necessary to keep in mind the approach to the younger generation, such as Generation Z and Generation α , who will become consumers in the future. These generations are digital natives, and the digital marketing approach is more effective for overseas expansion. [*]
- Distributors and social networks offer distribution functions, including marketing, that can be accessed by individuals. Creators who have made use of these functions have caught the attention of major labels and signed contracts, paving the way for their major debut.
- As the domestic market enters the streaming era while maintaining business practices at the time of package sales and music DL services, it is necessary to carefully consider whether the existing business model can be adjusted.

(2) Overseas expansion

- At present, the tie-ups such as Anime songs are the main music produced in Japan that is heard overseas.
- However, in addition to anime tie-ups, there are also some examples of buzz and festivals on SNS. Digital marketing for overseas audiences is indispensable, but also the value of experience through live entertainment such as overseas performances is becoming important. On the other hand, the development cases seen today are due to the efforts and ingenuity of individual artists and businesses (labels and production companies), and Japan has not been able to develop them collectively.
 - In the United States, there is a trend to see South Korea, Japan, and other Asian countries

collectively at festivals, etc., and there is an option not only to develop them collectively as Japan, but also to develop them collectively as Asia.

- The strength of content including Japanese music is the "diversity" and "accumulation" of creative activities. Tie-ups such as Anime songs have various genres of music, and their popularity is revived by re-development of tie-ups (Rerun, announcement of new series, etc.), so they have a long life. Buzz on SNS also occurs regardless of the newness of the music (even old music). This strength fits in with the trend of rapidly increasing the chances of hearing old music through distribution platforms.

8.2 Awareness of Issues Obtained through the Survey

The following issues were highlighted in response to the current state of awareness presented in 8.1. In both cases, joint efforts by the public and private sectors are necessary, and cooperation between industry's own efforts and administrative support is considered to be important. However, further examination is necessary after discussion.

8.2.1 Development of industrial infrastructure

To maintain and strengthen the "diversity" of Japan's creative activities, which is its strength, and to continue to produce songs and artists that can be developed overseas, it is necessary to develop an industrial infrastructure in Japan.

(1) Detailed visualization of domestic business models [*]

- Since detailed visualization of business structures (practices) that may not fit the streaming era is not available, it is necessary to further clarify the current status and issues related to contracts and revenue allocation in order to clarify the business models that have become practices in the industry.
 - Distribution structure from overseas PF to domestic business operators and distribution structure from domestic business operators to related parties
 - Challenges faced by pre-streaming music due to lack of distribution provisions in contracts at the time
- Given that the number of music consumers in Japan will decrease as the population declines, raising the unit prices of music-related goods and services is an option to help maintain and strengthen the domestic market, which is the foundation of the domestic industry. It is also necessary to visualize in more detail the actual conditions and background factors of monthly streaming fees and ticket prices for live entertainment, which have been suggested to be relatively inexpensive compared to those in other countries. [*]

(2) Promoting Diversification of Funding

- Although streaming makes it possible to visualize the revenue generated by music, and music copyrights and neighboring rights are subject to investment and trading internationally, such a movement has not occurred in Japan because rights are held in a diversified manner.
- While the function of fostering creators and artists (including the funding of activities) is becoming lacking, it is necessary to actively support activities such as crowdfunding, which is a funding method for individuals to create new music, and startups that develop services that

contribute to funding in the form of investing in the original rights of subscription.

- After further investigating the actual conditions of overseas music copyright funds, we will consider how similar efforts can be made in Japan. In addition, with cross-border investment and M & A becoming more common overseas, Japan may also need a boost.

(3) Training and Acquisition of Manpower and Human Resources

- It is expected that the shortage of workers for music and music event makers and their related persons will become serious. Since the trend of workers cannot be properly grasped, efforts should be made to grasp the situation appropriately, such as conducting a new survey, and measures should be taken to compensate for the shortage according to the results. [*]
- In addition to educating current music industry workers on digital marketing, etc., the importance of digital marketing in the music field and what specific tasks are expected to be performed should be promoted, so that new graduates and mid-career workers with a background in digital can be hired. In addition, as a way to attract talent with a background in digital to the music industry, the GOJ will provide support to startups and others handling music tech. [*]
- In order for the music industry to acquire talent for immediate employment, the GOJ will develop a system to accept second-tier talent from other companies and establish a rental transfer system. [*]
- Looking ahead to overseas expansion, which will be described later, it is desirable for both artists and producers to have a background in languages and other cultures from the viewpoint of timely information dissemination, so the GOJ will consider training programs for both. Considering that overseas expansion by individuals is possible, it is desirable that individual creators and artists can also take courses.

8.2.2 Promotion of overseas expansion

(1) Development of international expansion indicators

- In order for the country to promote overseas expansion of the music industry, it is essential to have indicators that show the extent of such expansion.
- Charts of music are available as indicators of overseas demand for Japanese music. Billboard's Japan Songs excl. Charts that can accurately grasp overseas demand, such as the Japan chart, are being developed.
- Monetary indicators of economic value should be developed through discussion within the industry. For example, the following policies or combinations thereof can be considered.
 - Existing indicators (such as JASRAC overseas deposits) should be used. [*]
 - Data digitized and available for transactions within the industry should be inventoried and identified. For example, the amount and share of Japanese music streaming revenue by country and region may be considered. [*]
 - The government and industry associations will conduct a fixed-point survey of overseas sales and number of customers (e.g., overseas live attendance) for businesses in the music industry (for example, in the case of South Korea, the survey is based on a declaration). [*]

(2) Formulation of guidelines and provision of information to businesses in order to achieve the indicators

- Guidelines for achieving the indicators should be specified for each country and region to which they will be deployed.
- In the above setting, in addition to economic indicators such as GDP, population, purchasing power, and policies and laws related to music distribution, the following information should be collected and analyzed in relation to anime tie-ups, SNS buzz, and participation in local festivals, which are the main methods for overseas deployment of Japanese music.
 - Acceptance of Japanese content and products that can be tied with music (Consumption of anime, information on business-to-consumer companies operating locally, information on events held in Japan, etc.)
 - Information on local Japanese and Asian communities
 - Distributed PFs and SNS and their usage
 - Information on local festival events and live entertainment venues
- In addition to the above, it would be even more desirable if it were possible to collect information on overseas development sites, such as guidelines on costs for local development and information on people and institutions to contact. [*]
- Based on the above information, industry groups and business operators should indicate the position of each country and region (Making profit in the country/region as a whole, or not making money in the country/region as a whole, but taking advantage of other countries/regions, etc.) and formulate appropriate indicators and guidelines.
- The government will strengthen its ability to collect and analyze the above information and provide it to industry in order to support the activities of industry groups and business operators.

(3) Development of overseas expansion functions in the field

- METI plans to assign content specialists to JETRO in the FY 2023 supplementary budget to support overseas expansion of the content industry and to promote the establishment of a core network in local markets. In supporting the music industry through such efforts, it is necessary to take continuous efforts while paying attention to the following. [*]
 - Determine specific support content and set KPIs for the activities in light of the support content. Support content may include building local communities within and outside the music industry, providing human networks to domestic businesses, assisting in obtaining visas, and gathering information that contributes to (2). [*]
 - Personnel with knowledge and experience in the music industry will be assigned. The UK Department for Business and Trade has a Music Specialist with more than 30 years of experience in the music industry. [*]¹⁸⁸
- In developing overseas expansion functions in the UK, we will keep "cooperation with other industries" and "cooperation with other countries" in mind.
 - Cooperation with other industries: We expect cooperation with Japanese industries that

¹⁸⁸ <https://www.widedays.com/phil-patterson>

are popular in Japan. For example, Japanese food, games, anime, fashion, etc., and holding events (Japanese version of KCON "JCON") that integrate music and trade fairs. In addition, even though Japan has formed a music fandom through anime tie-ups, it has not been connected to an artist fandom. Therefore, cooperation with major overseas media is also necessary. [*]

- Cooperation with other countries: Cooperation with Asian music and artists that are accepted overseas, such as K-pop, is expected. In the United States in particular, it is possible to increase its presence at festivals and other events by organizing as Asia. By promoting cooperation in Asia, where the population is large, we can expect synergies from the face-to-face development.

Report

Survey on Business Models for the New Era of the Music Industry

March 2024

Mitsubishi Research Institute, Inc.
Mobility and Communications Division

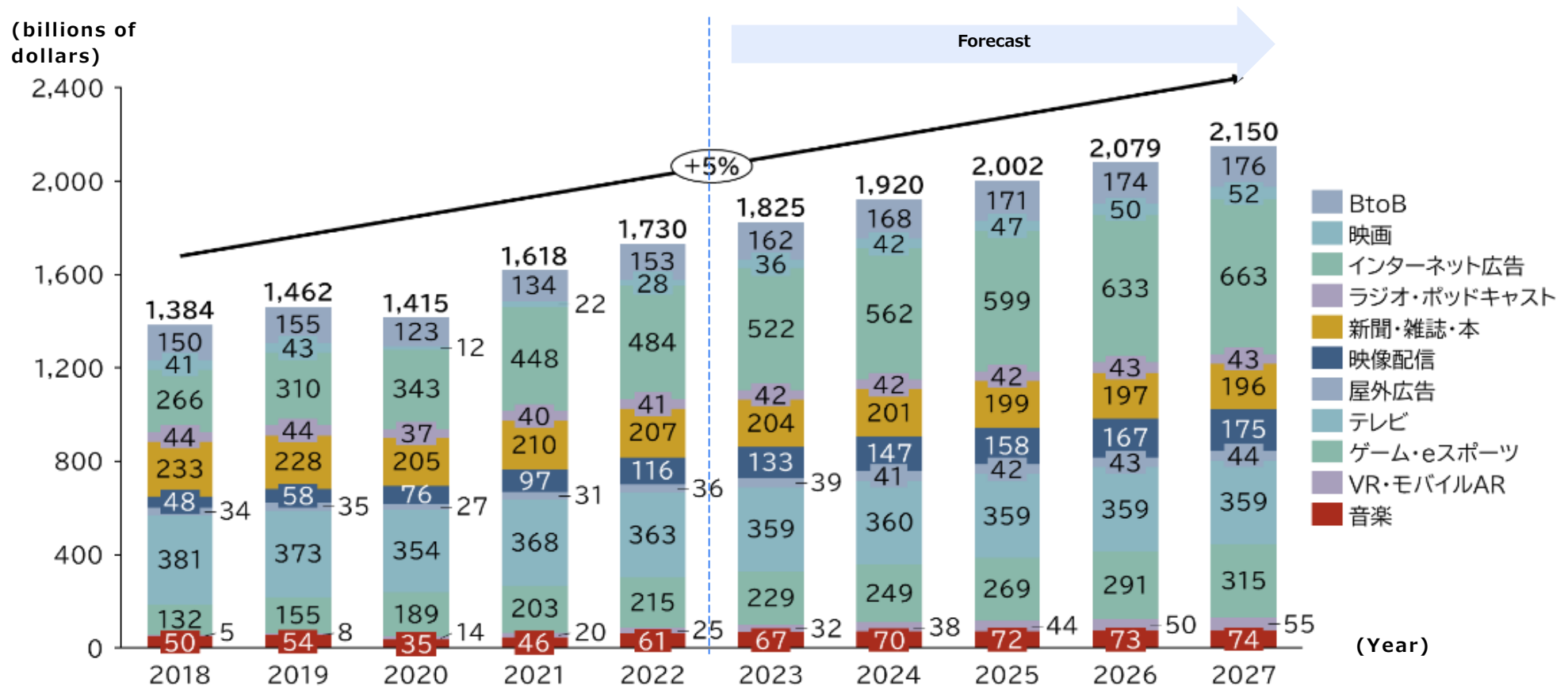
Appendix

3. Overview of the domestic and overseas music industry

Market Size Global Content Market Size

- PwC expects the global content market to expand at a CAGR of 5% from 2018 to 2027.
- The global content market is estimated to be worth \$1.73 trillion in 2022, including \$61 billion for music.

Global Content Market Forecast Growth (2018~2027)

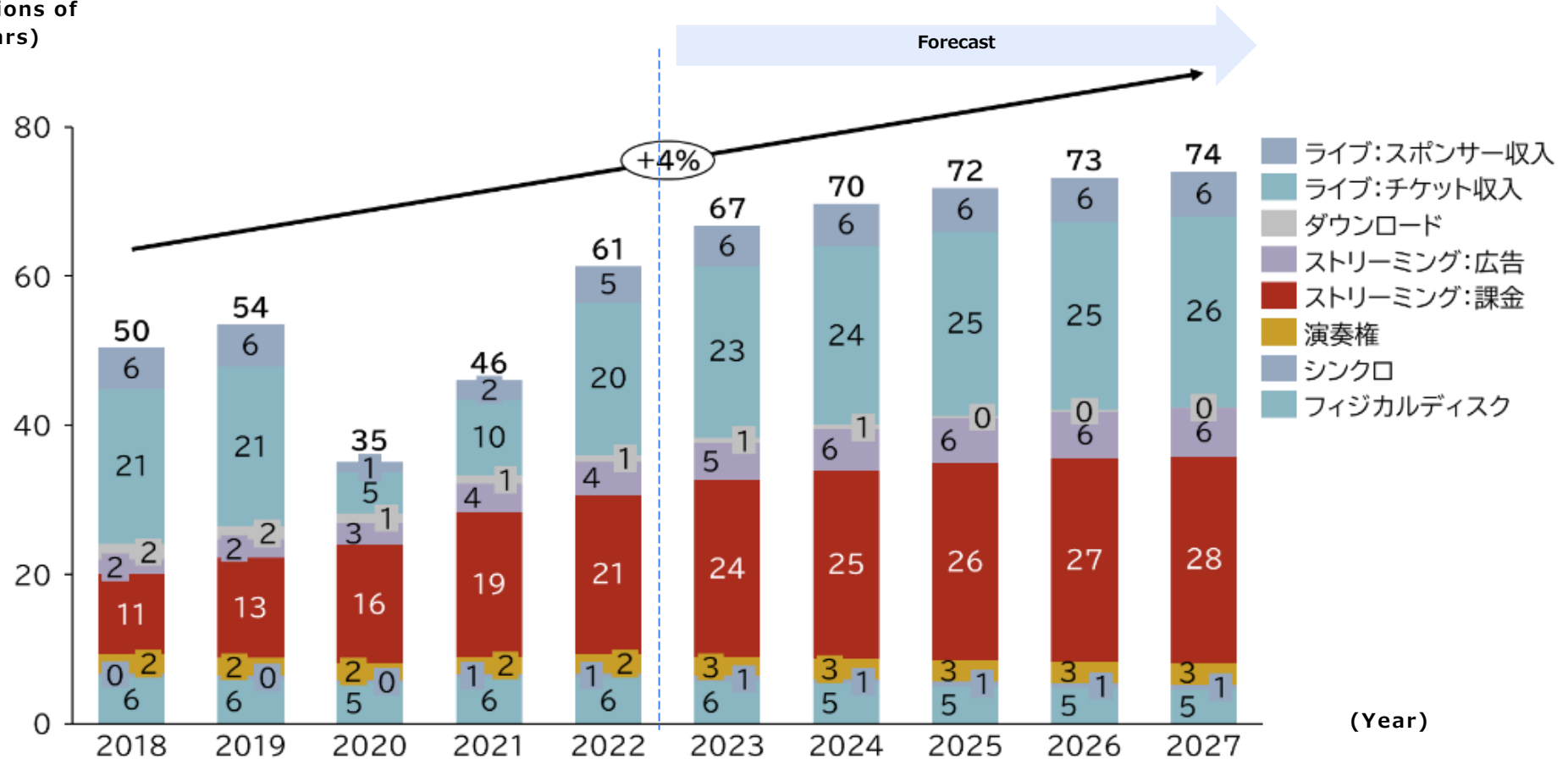


Market Size Global Music Market Size

- PwC predicts that the global music market will expand at a CAGR of 4% from 2018 to 2027.
- Streaming services account for the lion's share of the revenue from billing and live tickets, and it expects that to continue to grow.

Global Music Market Forecast Growth (2018~2027)

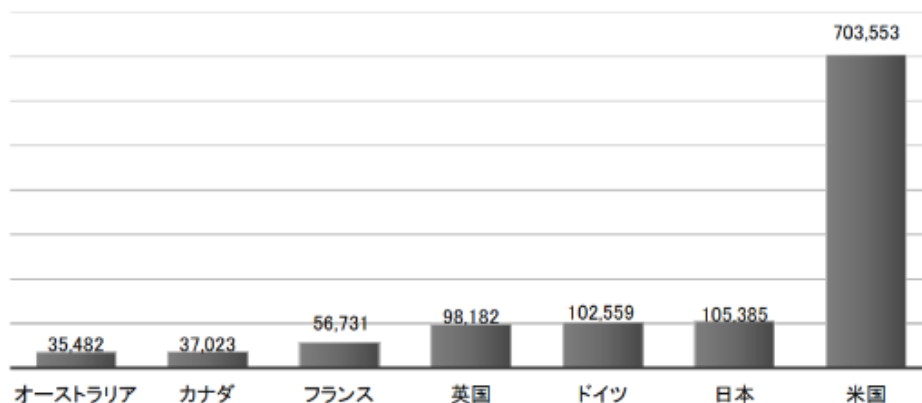
(billions of dollars)



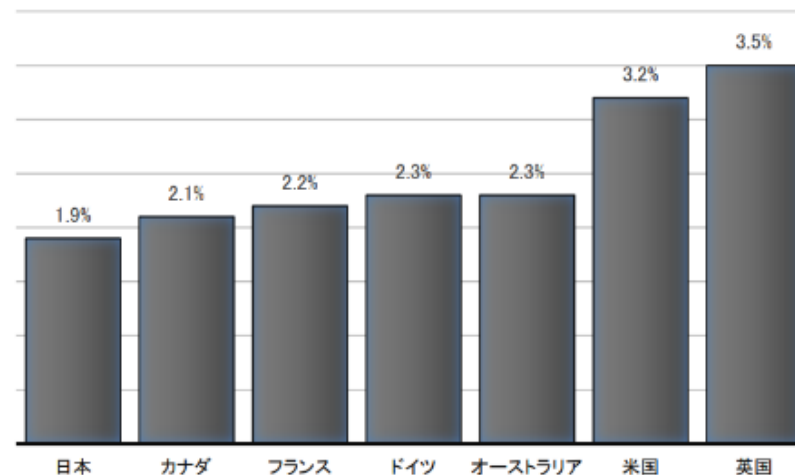
Comparison of Value Added Cultural GDP by Country

- Comparing the total cultural GDP adjusted according to UNESCO standards in fiscal 2018 by country, the United States has the largest amount at 70 trillion yen, followed by Japan, Germany and the United Kingdom at about 10 trillion yen.
- Japan's ratio of cultural GDP to GDP (1.9%) is relatively low compared to other countries.

Comparison of cultural GDP by country
based on UNESCO standards (Billions of
yen)



Comparison of cultural GDP by country
based on UNESCO standards
Ratio to GDP



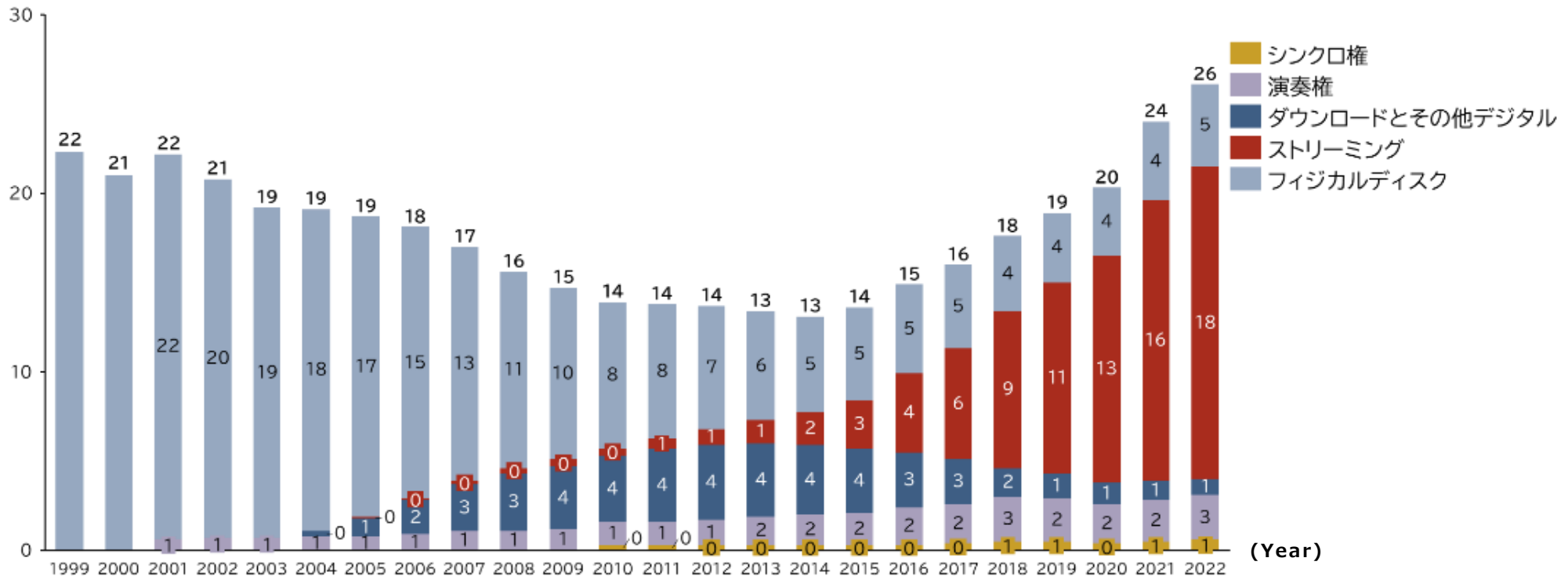
*Estimated year is 2017 for France and the United States, 2018 for others

Global Recording Source Market

- The global recording source market was on the rise from 2014 to 2022, reaching \$26 billion in 2022.
- The breakdown shows that streaming services are driving growth, while others are declining or flat.

Global Original Recording Market (1999-2022)

(billions of dollars)

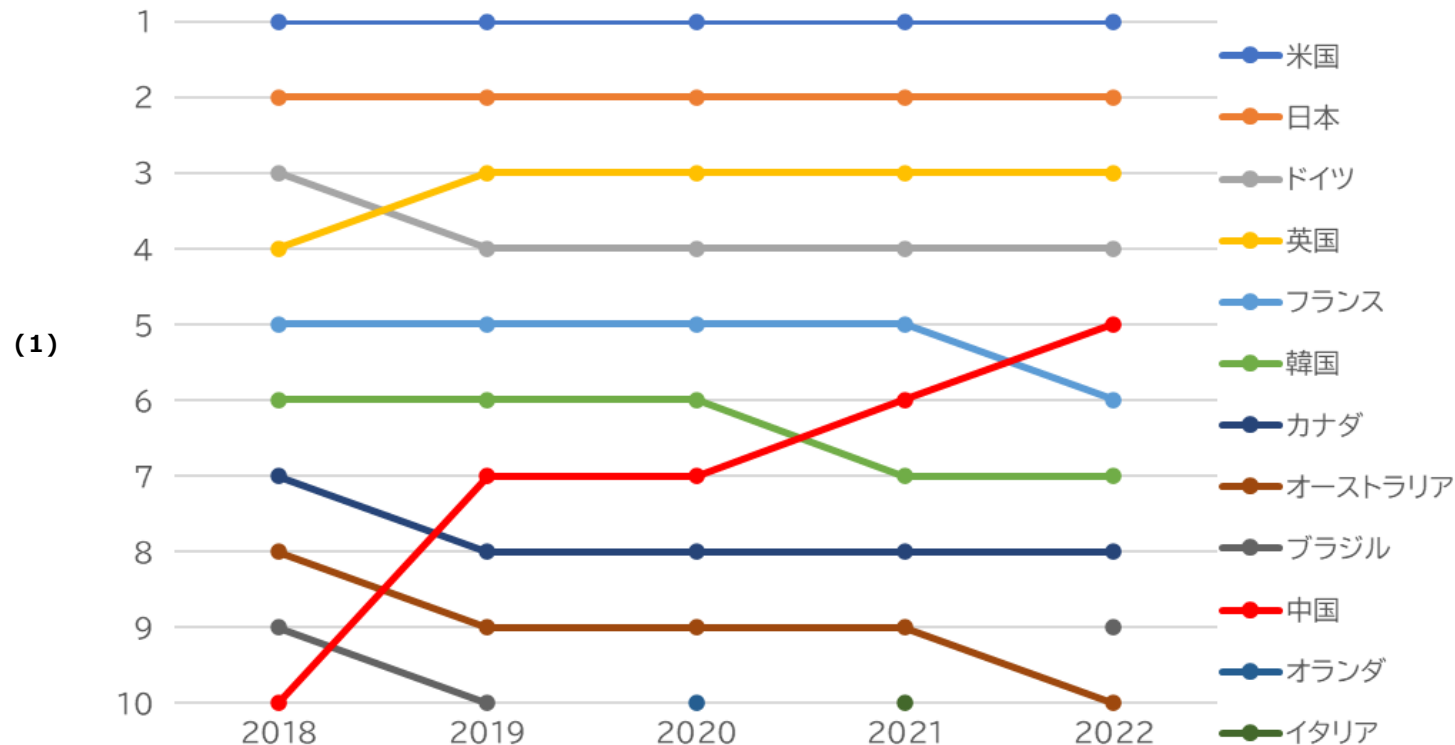


Source: IFPI "Global Music Report2023"

Music Sales Ranking by Market Size Country (Top 10)

- According to the IFPI(International Federation of the Phonographic Industry) Top 10 ranking of music sales by country, from 2019 to 2022, the Top 3 was fixed in the United States, Japan, and the United Kingdom.
- While the ranking of many countries was fixed, China moved up from 2018 (10th) to 2022 (5th).

Music Sales Ranking by Country (Top 10. 2018 – 2022)

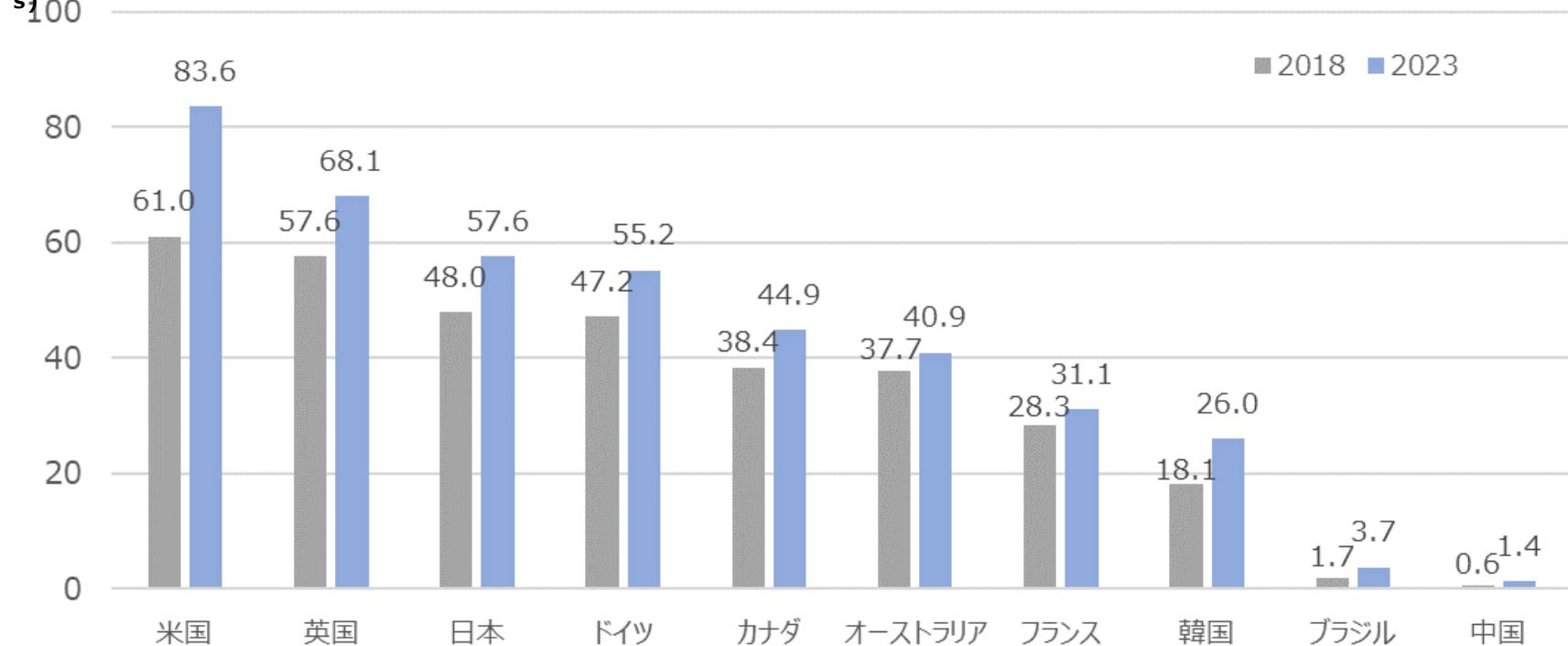


market size per capita music market size

- Although the per capita music market in Brazil and China is growing at a high rate, its value is relatively small compared with other countries, and it is more than 10 times larger than that in countries such as the United States, the United Kingdom and Japan.

Per capita music market size (2018, 2023)

(Dollar
s)



source)

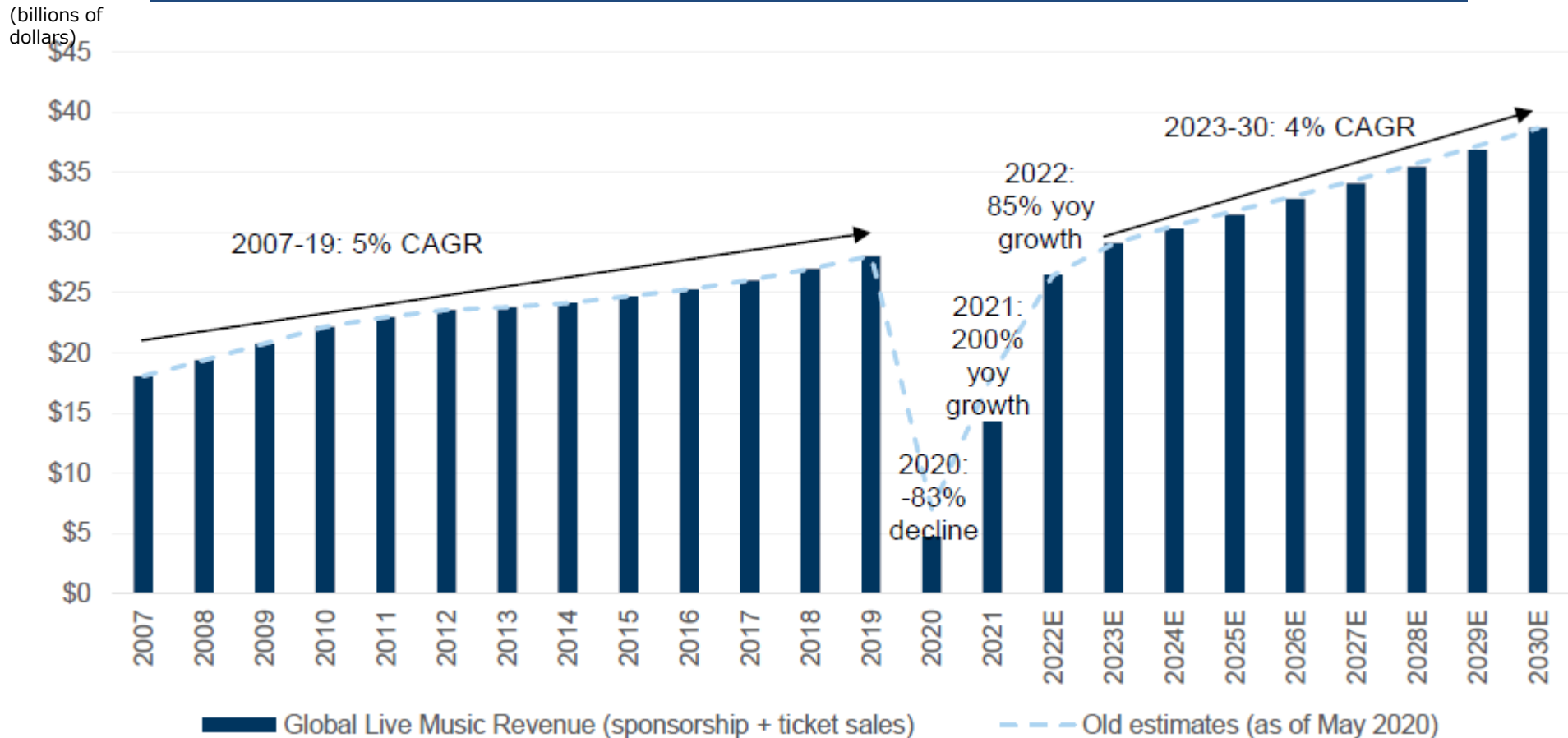
Market Size: PwC Global Entertainment & Media Outlook 2023-2027 <https://www.pwc.com/jp/ja/knowledge/thoughtleadership/outlook.html>

Population: United Nations, Department of Economic and Social Affairs, Population Division (2022). World Population Prospects: The 2022 Revision

global live music market

- The global live music market continued to grow at a CAGR of 5% from 2007 to 2019, but fell sharply in 2020 due to COVID-19.
- However, it recovered to around \$30 billion in 2023 and is expected to grow at a CAGR of 4% from 2023 to 2030.

Global Live Music Market Trends (2007-2030)

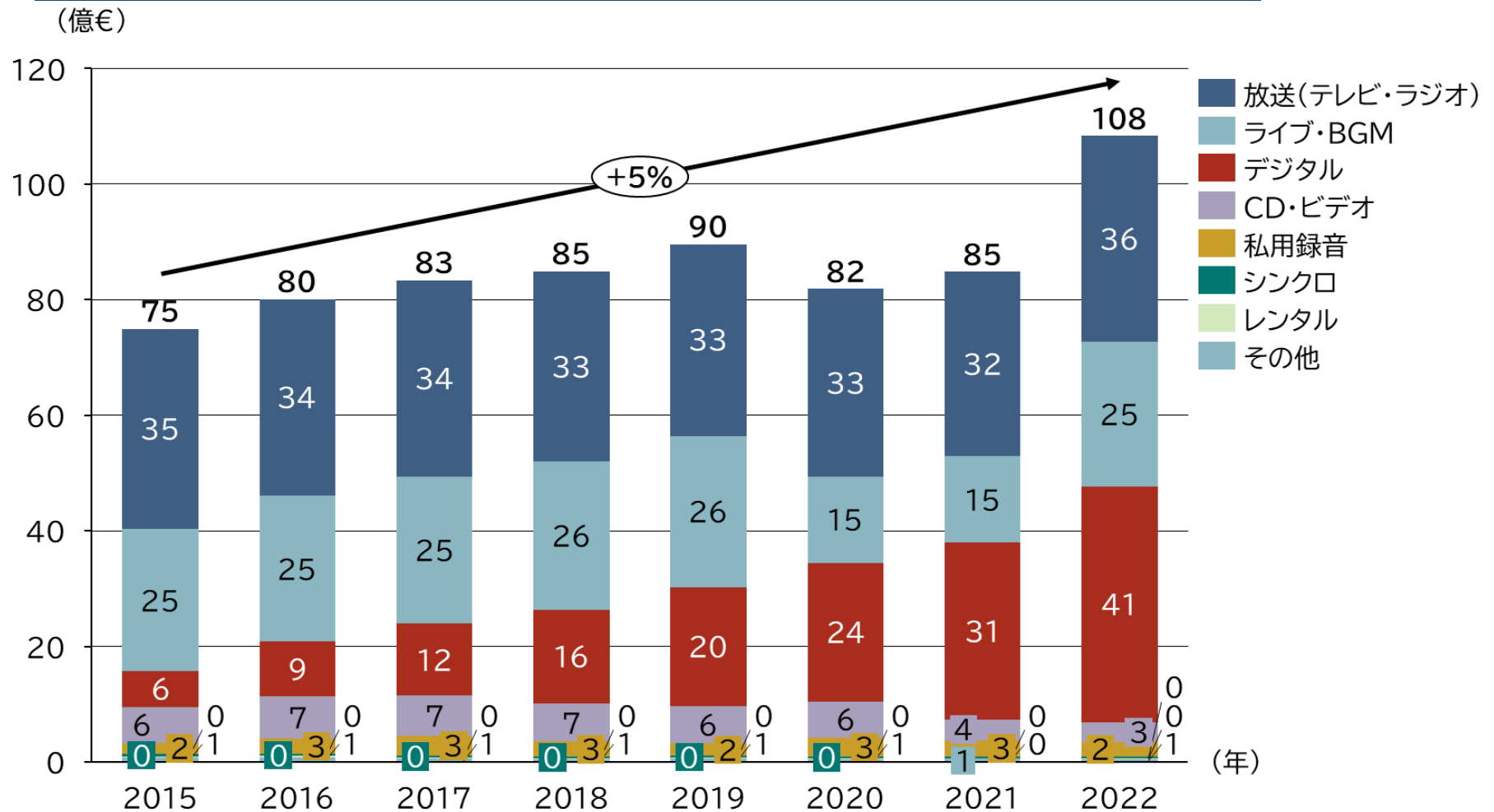


Source: Goldman Sachs "Music in the Air Music still sounds good in a macro downturn" <https://www.goldmansachs.com/intelligence/pages/gs-research/music-in-the-air/report.pdf>

Amount of copyright royalties collected on music around the world

- According to the CISAC(International Confederation of Societies of Authors and Composers) report, worldwide music royalties amounted to 10.8 billion € in 2022.
- In 2020 and 2021, due to the coronavirus, royalties for live music in particular decreased, but recovered in 2022.

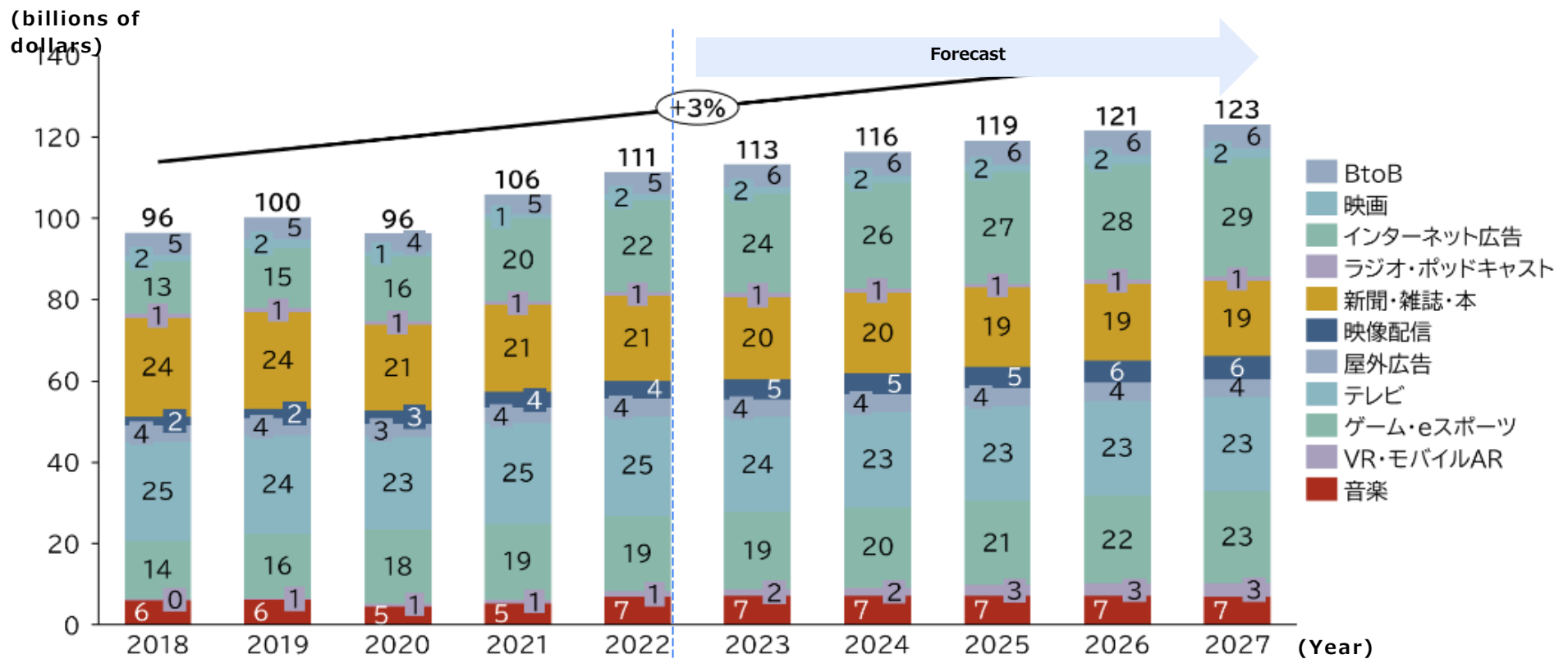
CISAC 's collection of royalties for music (2015 – 2022)



Market Size Japan Content Market Size

- PwC predicts that the Japanese content market will expand at a CAGR of 3% from 2018 to 2027.
- The Japanese content market is estimated to be worth \$111.1 billion in 2022, with music accounting for about \$7 billion.

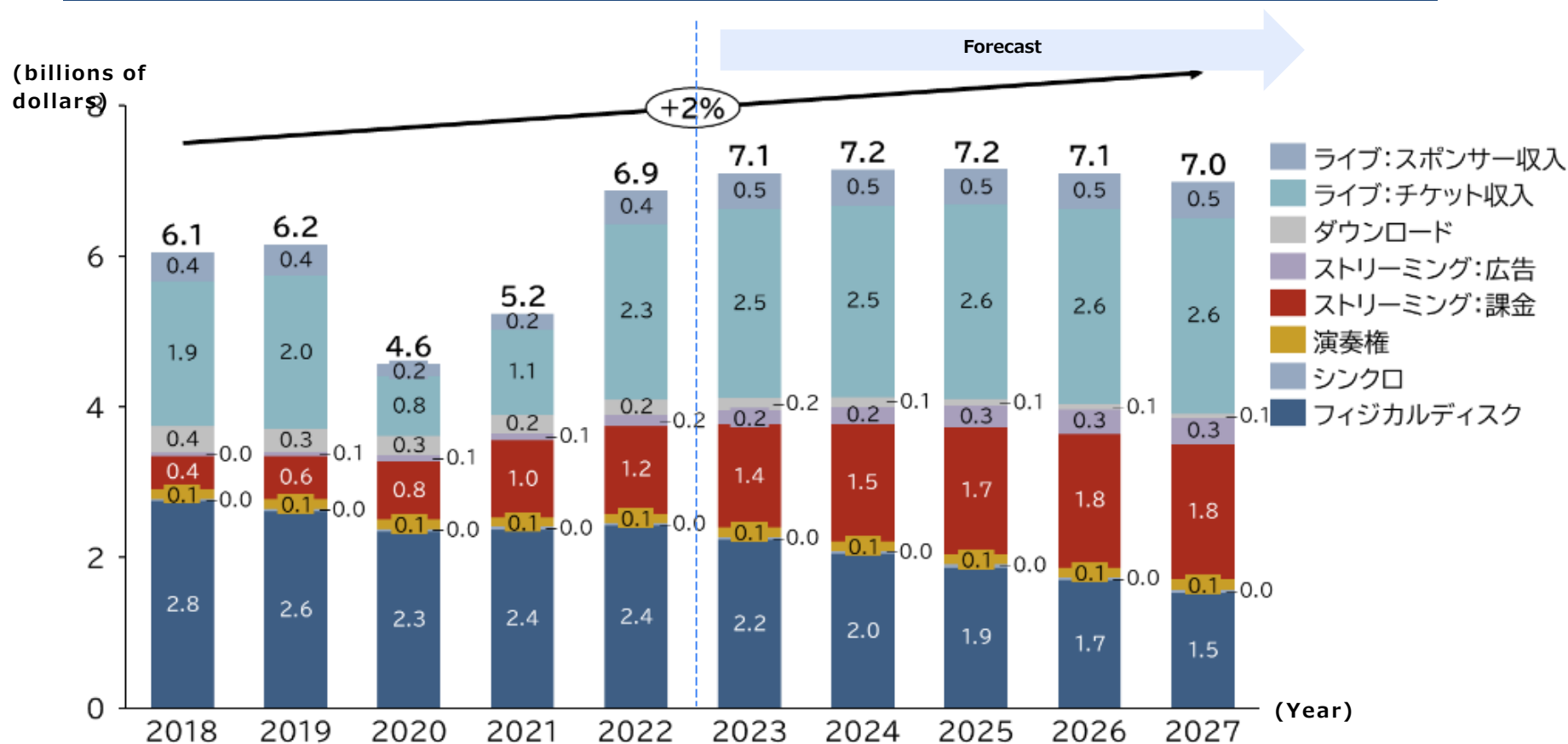
Japan Content Market Estimates and Forecasts (2018~2027)



Market size Japanese music market size

- PwC predicts that the Japanese music market will expand at a CAGR of 2% from 2018 to 2027, which is a low growth rate compared to the overall content (previous page).
- Despite a significant contraction in 2020, the music market was worth \$6.9 billion in 2022, growing above 2019 levels. The breakdown shows that the live and streaming markets are growing in size.

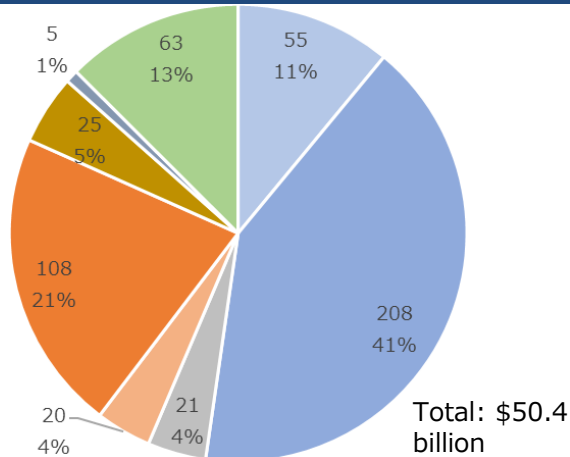
Japan Music Market Estimates and Forecasts (2018~2027)



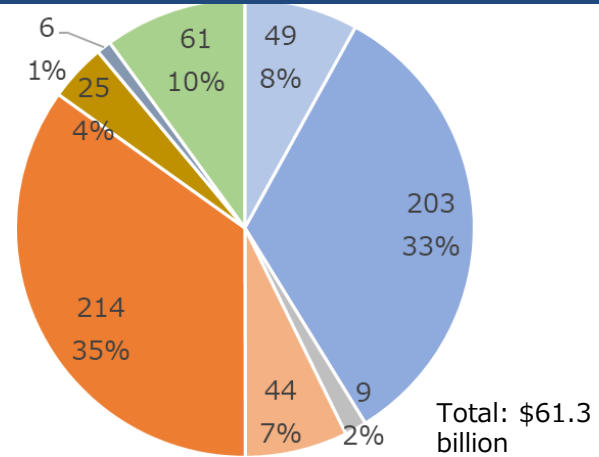
Market size Japanese music market size

- As of 2022, the global music market accounted for a large share of the billable streaming market and live ticket revenue.
- In Japan, the billable streaming market is growing significantly, although the share of physical discs remains high in 2022.

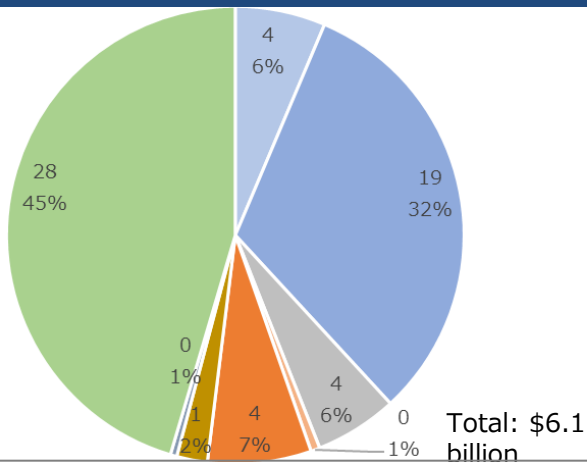
Global music market (2018)



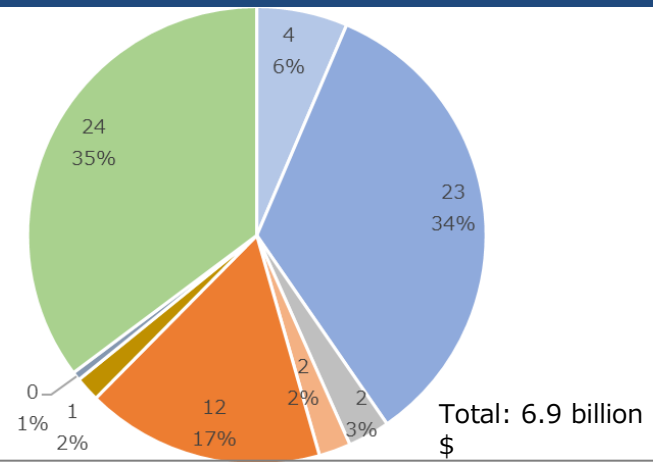
Global music market (2022)



Japanese music market (2018)



Japanese music market (2022)



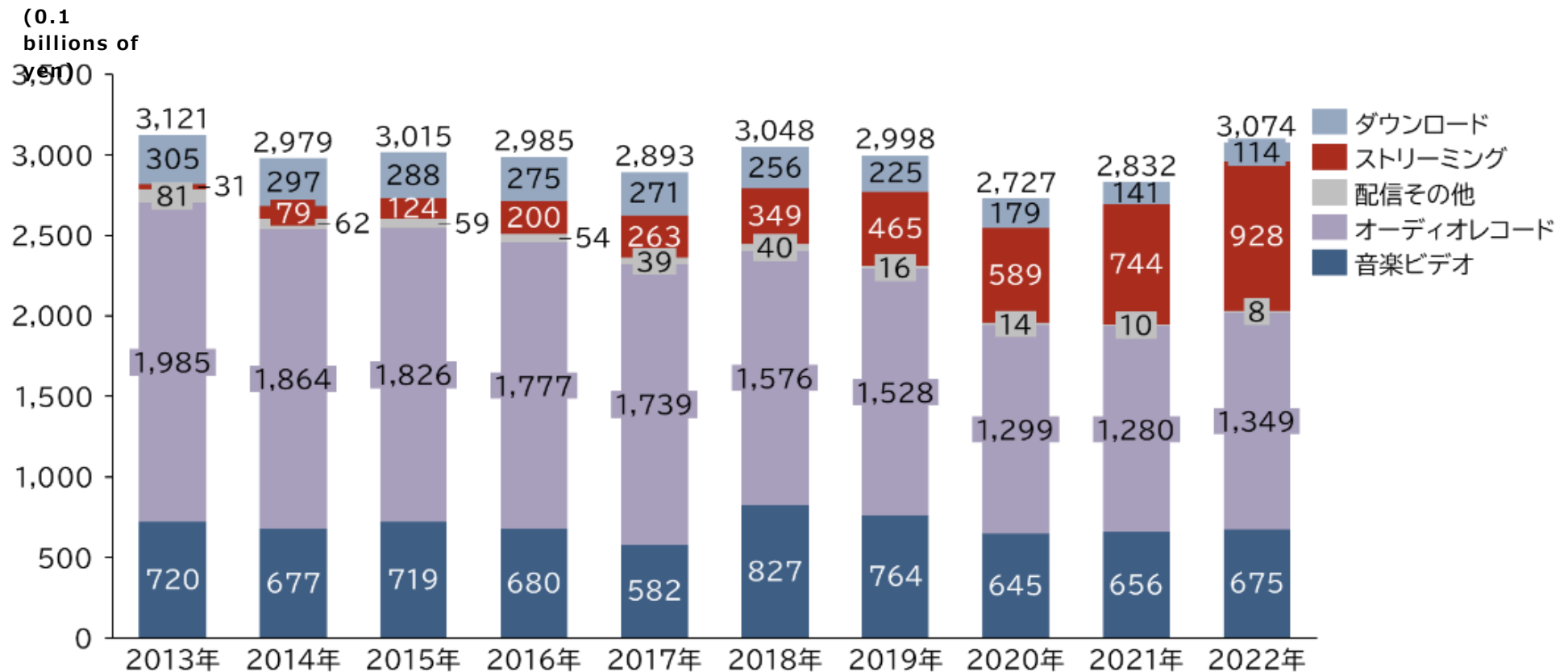
*All units are \$100 million

■ Live: Sponsor Revenue ■ Live: Ticket Revenue ■ Download ■ Streaming: Advertising ■ Streaming: Charging ■ Performance Rights ■ Synchro ■ Physical Disk

Market size Japanese recording source market

- The size of the recording source market in Japan remained unchanged from 2013 to 2022, and the market size in 2022 was 307.4 billion yen.
- The breakdown shows that the decline in audio records and downloads has been compensated by the growth in streaming.

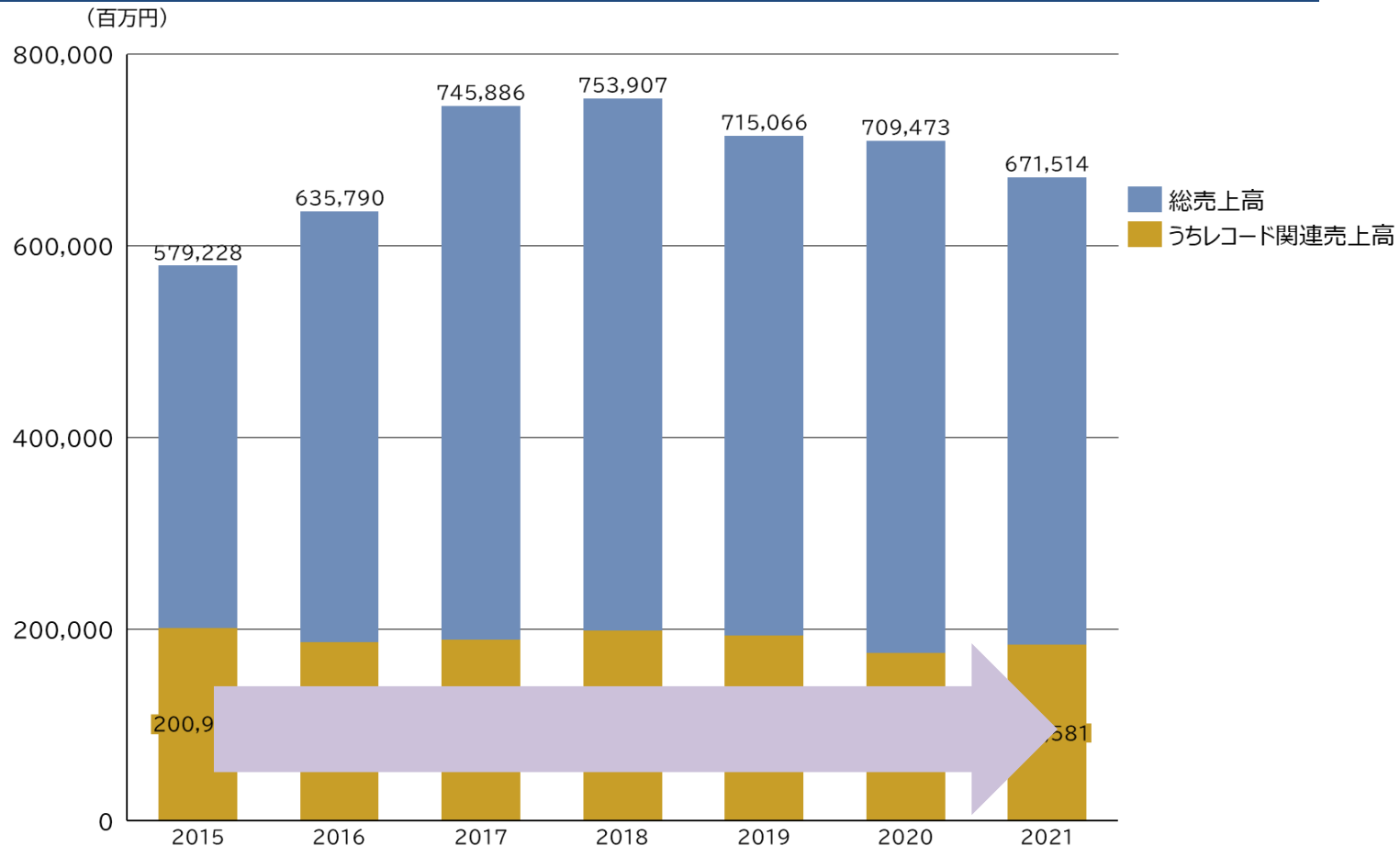
Japan Original Recording Market (2013~2022)



Sales of domestic record makers

- Of record makers' sales, record-related sales were flat to declining, at about ¥183.6 billion in 2021.

Major Domestic Record Manufacturers' Total Sales (2015 to 2021)

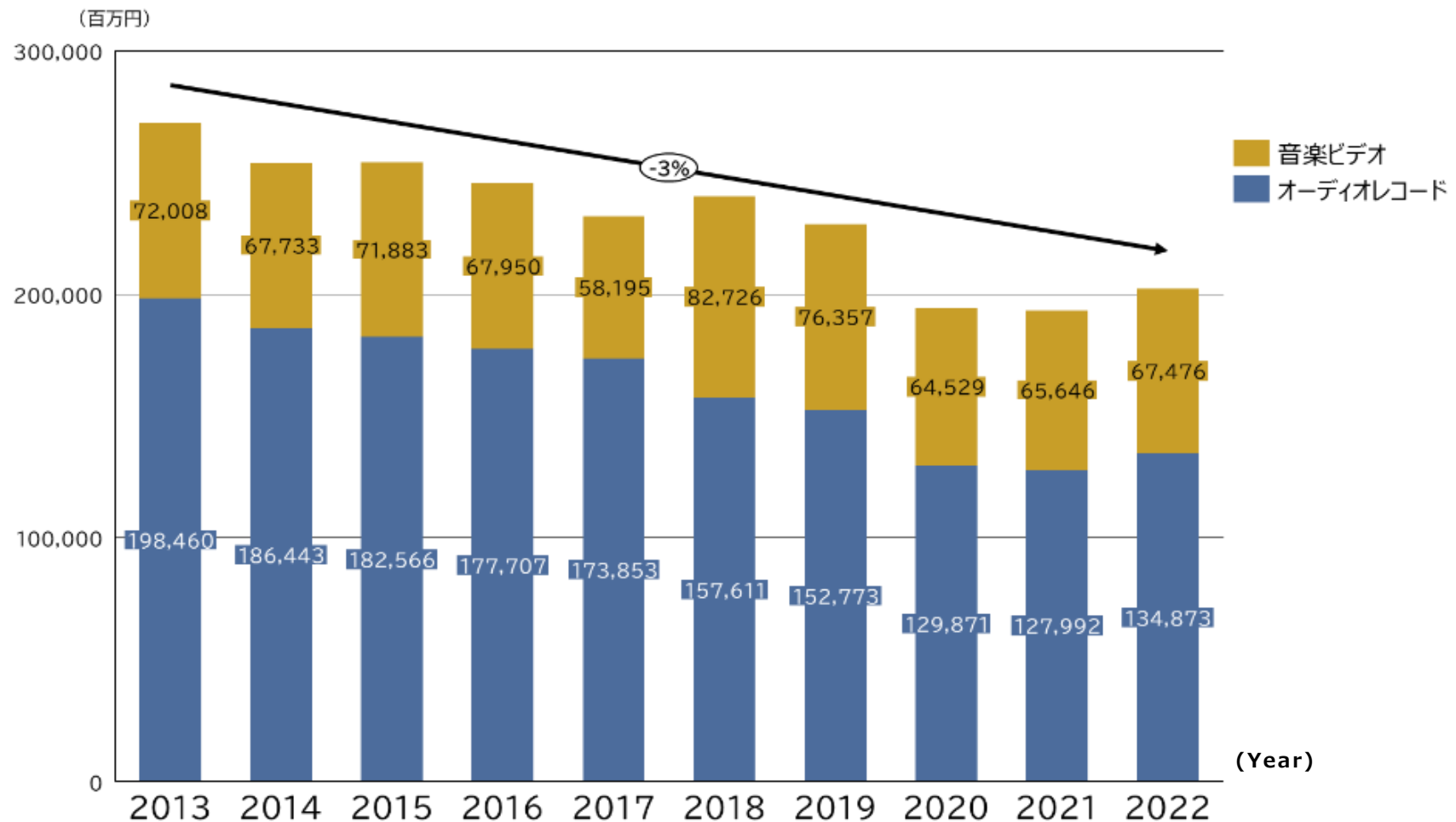


*Total number of companies surveyed in the Monthly Record Special Report. Record-related sales are total sales of CDs, vinyl records, and music tapes.

Production value Music video record production value

- The value of music video and record production decreased every year from 2013 to 2020. In particular, it dropped significantly from 2019 to 2020.
- There was a recovery trend from 2020 to 2022.

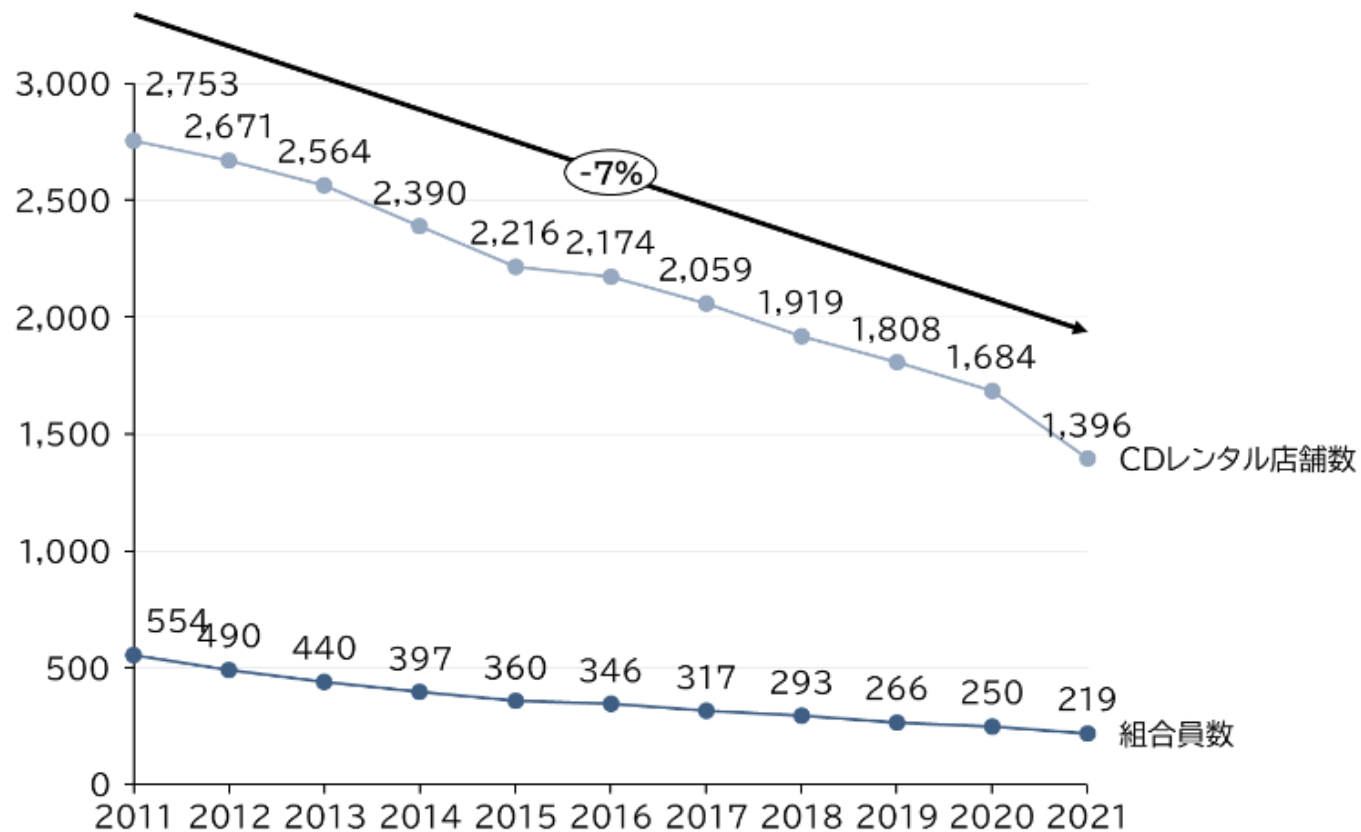
Domestic music video and record production (2013-2022)



Number of Stores CD Rental Stores

- The number of CD rental stores for members of Japan Compact Disc/Video Rental Commercial Association (CDVJ) has been on a consistent downward trend from 2011 to 2021.

Number of CD rental stores for CDVJ members (2011-2021)

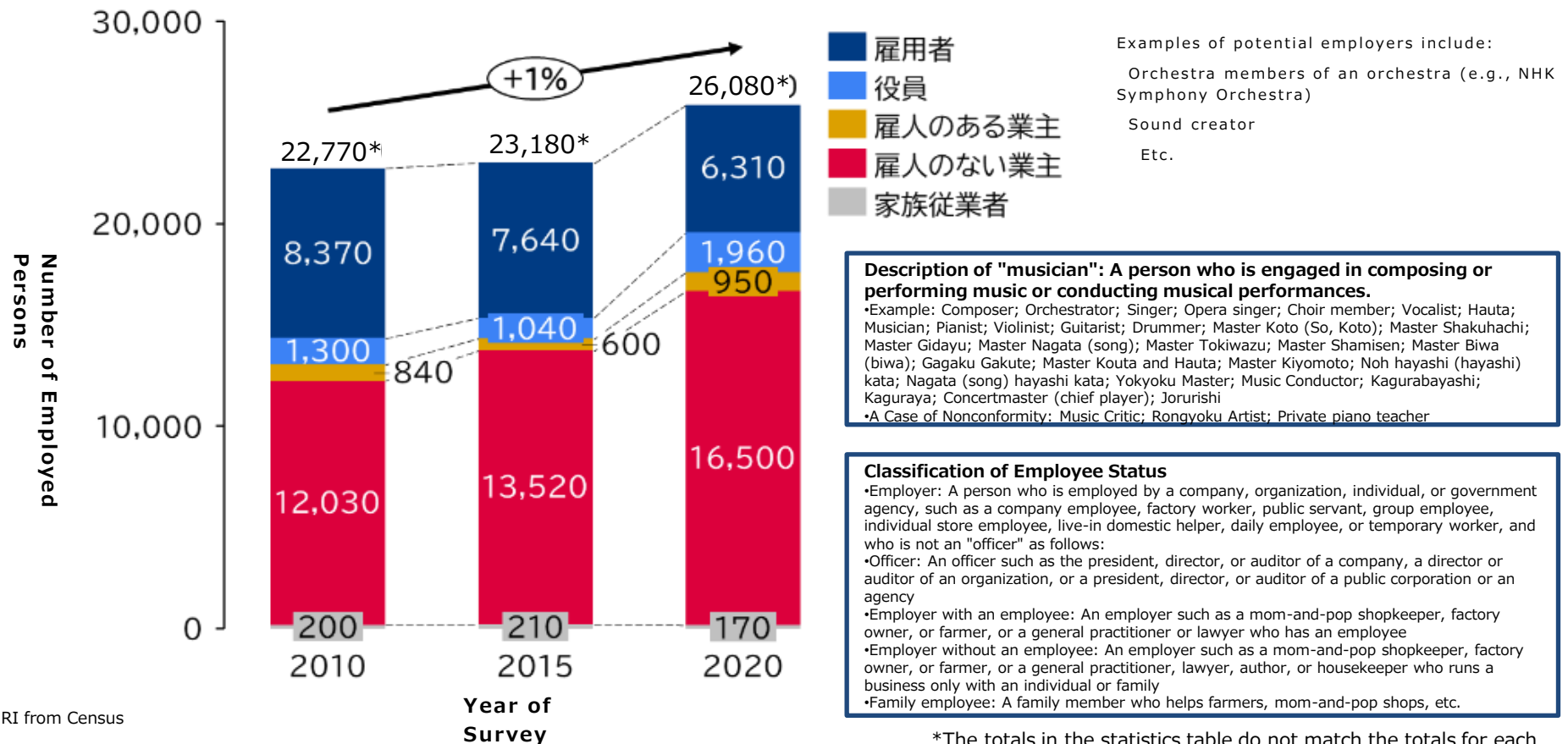


Source: Japan Compact Disc/Video Rental Commercial Association materials http://www.cdvnet.jp/modules/stats/index.php/member_store.html

Number of Musicians in the Labor Market by Employee Status

- According to the Census, the number of "musicians" specified in the Japanese Standard Classification of Occupations has been on an increasing trend from 2010 to 2020, with 26,080 as of 2020.
- By category of employee status, the number of employees has been on the decline, while the number of industries without employees (such as sole proprietors) has been on the increase.

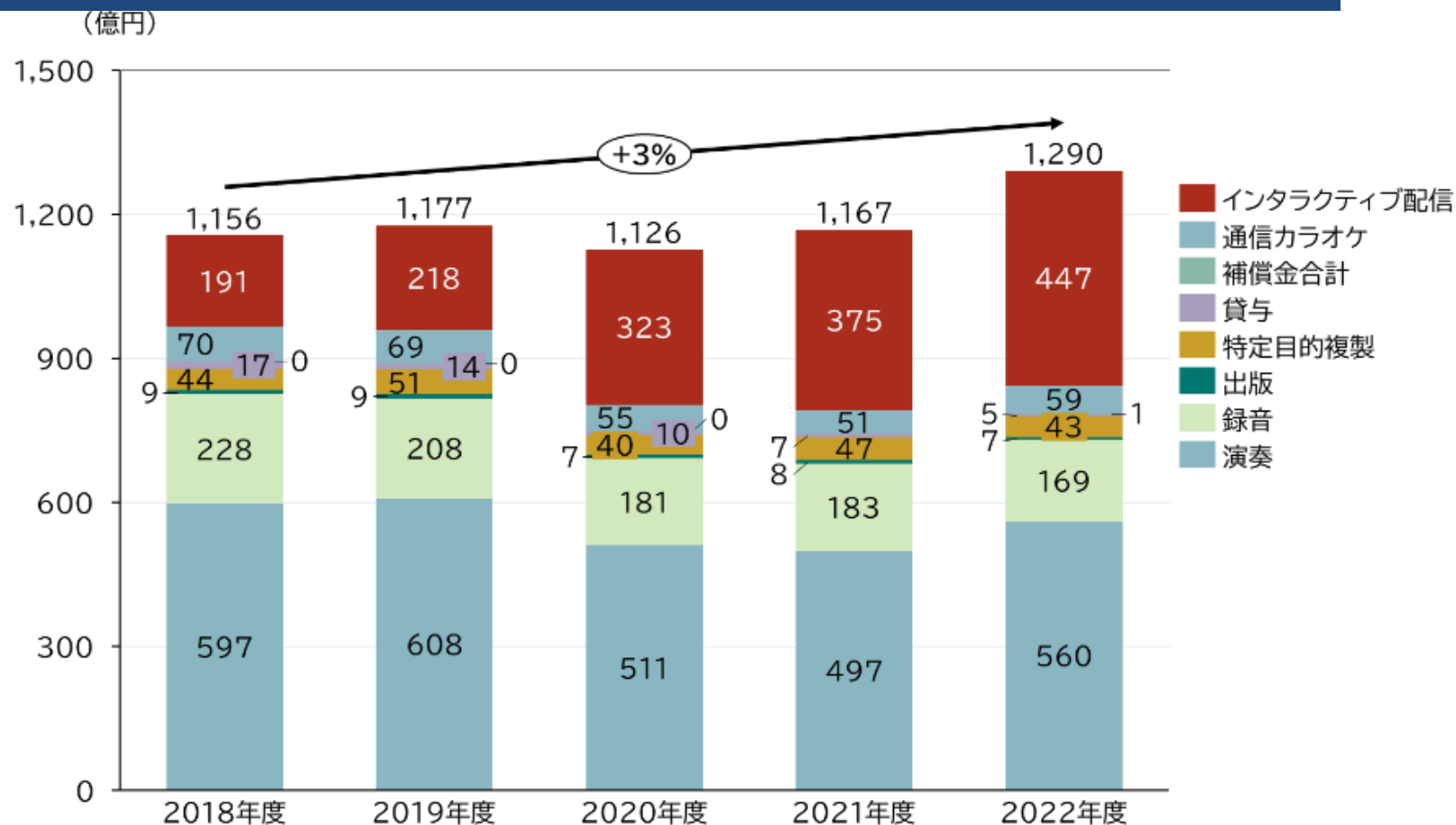
Trends in "Musicians" in the Census by Category of Employee Status



Amount of royalties collected in Japan (JASRAC)

- The amount of royalties collected by JASRAC has been increasing except in 2020, and reached 129 billion yen in FY 2022.
- In particular, the amount of royalties collected for interactive distribution more than doubled in FY 2022 compared to FY 2018.

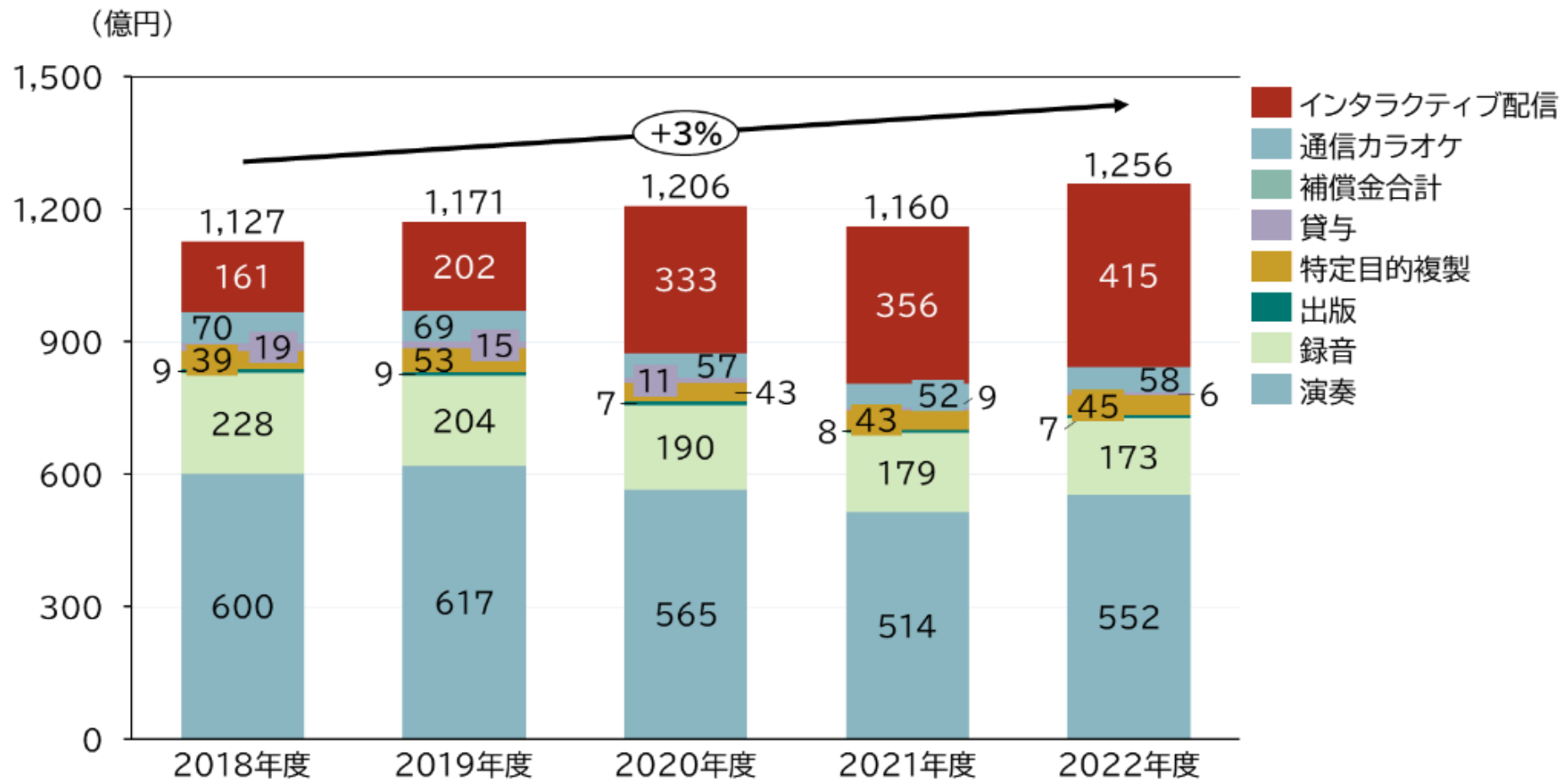
JASRAC's royalties collected in FY 2018 to FY 2022



Distribution of royalties, etc. in Japan (JASRAC)

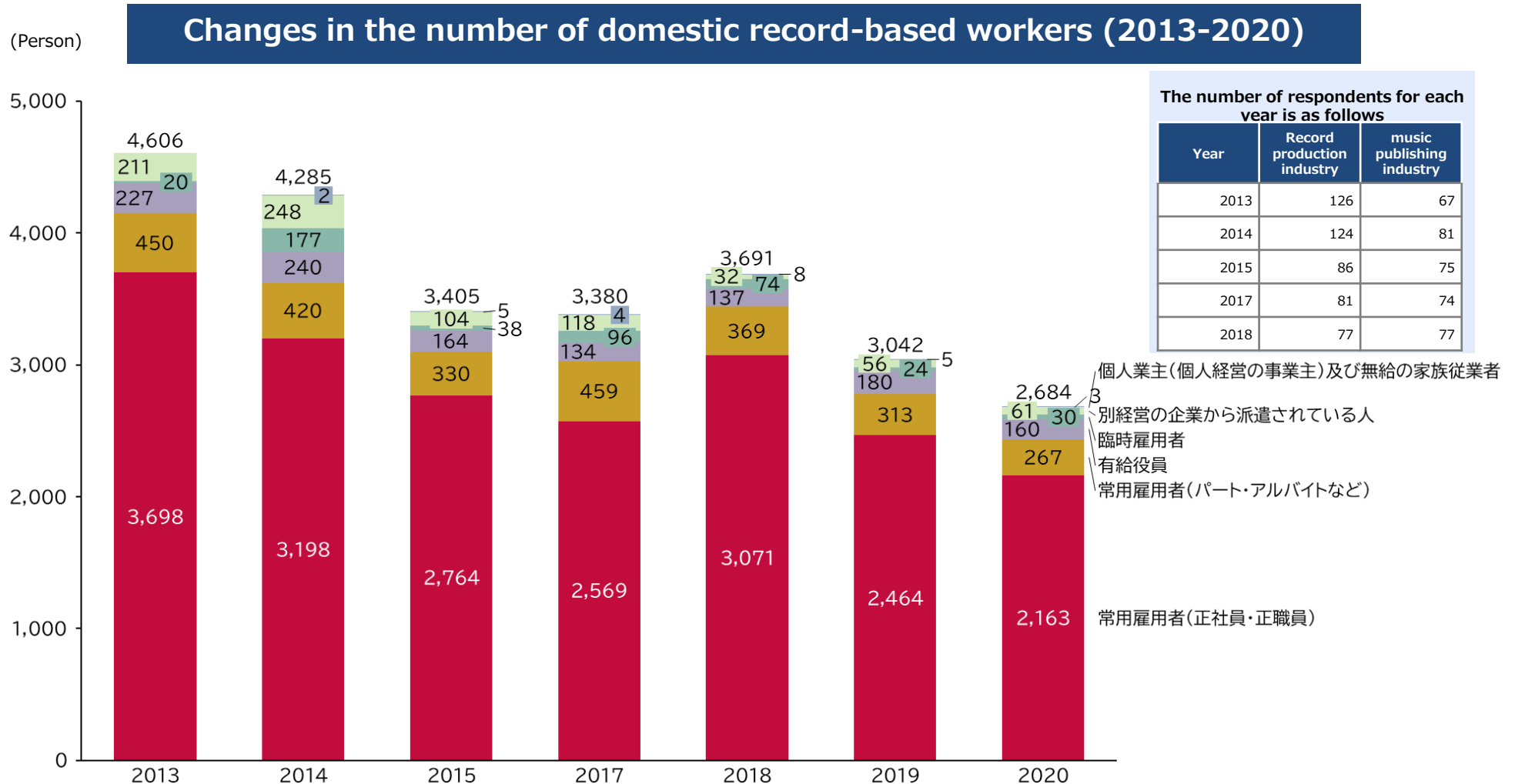
- JASRAC's distribution of royalties, etc. has the same trend as the amount collected (previous page).

JASRAC's distribution of royalties, etc. (FY 2018 to FY 2022)



Number of employees based on domestic records

- The number of domestic record-based employees was 2,684 in 2020.
- The number of regular employees has been on a downward trend since 2013.

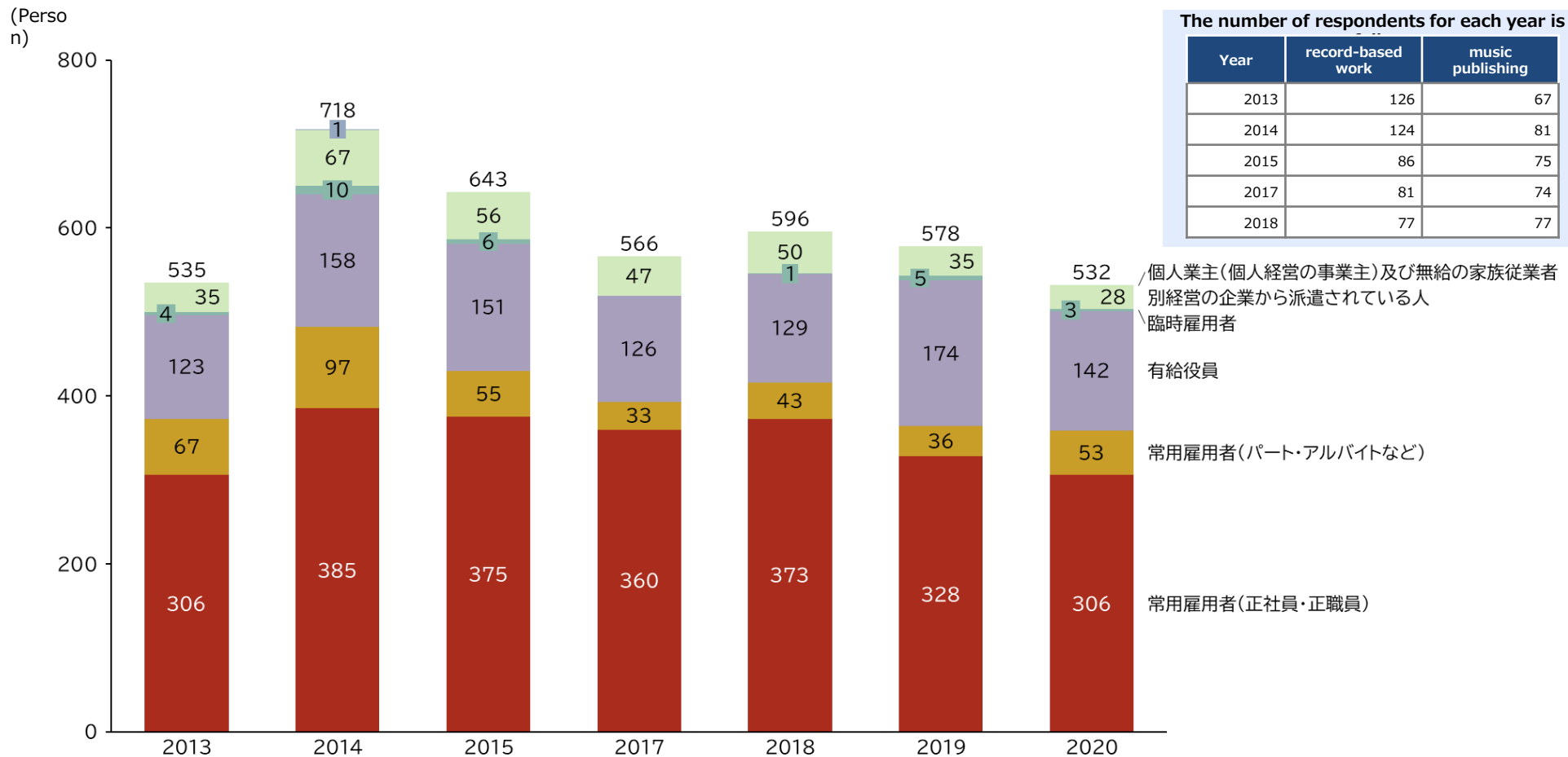


Source: the Ministry of Economy, Trade and Industry Survey of Specified Service Industries (No data for 2016, up to 2018) <https://www.meti.go.jp/statistics/tyo/tokusabizi/result-2.html>, the Ministry of Economy, Trade and Industry Survey of Economic Structure (since 2019) <https://www.meti.go.jp/statistics/tyo/kkj/result2.html>

Number of employees of domestic music publishers

- The number of employees in the domestic music publishing industry was 532 in 2020. However, there are 363 members of the Japan Music Publishers Association and 77 respondents to the statistics, so there is a high possibility that the statistics do not capture the appropriate figures.
- The number has been decreasing since 2014.

Number of employees in the domestic music publishing industry (2013-2020)

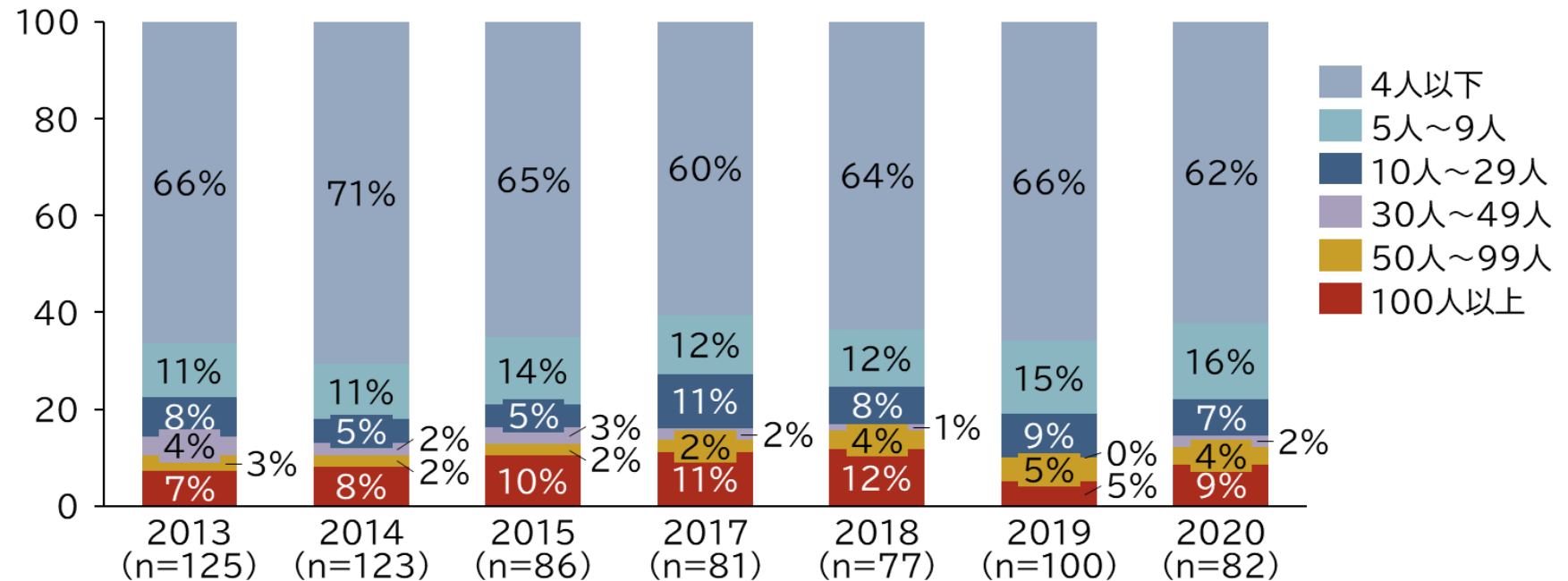


Source: the Ministry of Economy, Trade and Industry Survey of Specified Service Industries (No data for 2016, up to 2018) <https://www.meti.go.jp/statistics/tyo/tokusabizi/result-2.html>, the Ministry of Economy, Trade and Industry Survey of Economic Structure (since 2019) <https://www.meti.go.jp/statistics/tyo/kkj/result2.html>

Distribution of labor market operators by size (record-based work)

- The distribution of the record production industry by business size shows no significant trend over time, with the largest number of businesses having 4 or fewer employees.
- In 2020, 62% of businesses had 4 or fewer employees. On the other hand, 9% of businesses had 100 or more employees.

Distribution of businesses in the record production industry by employee size (2013-2020)

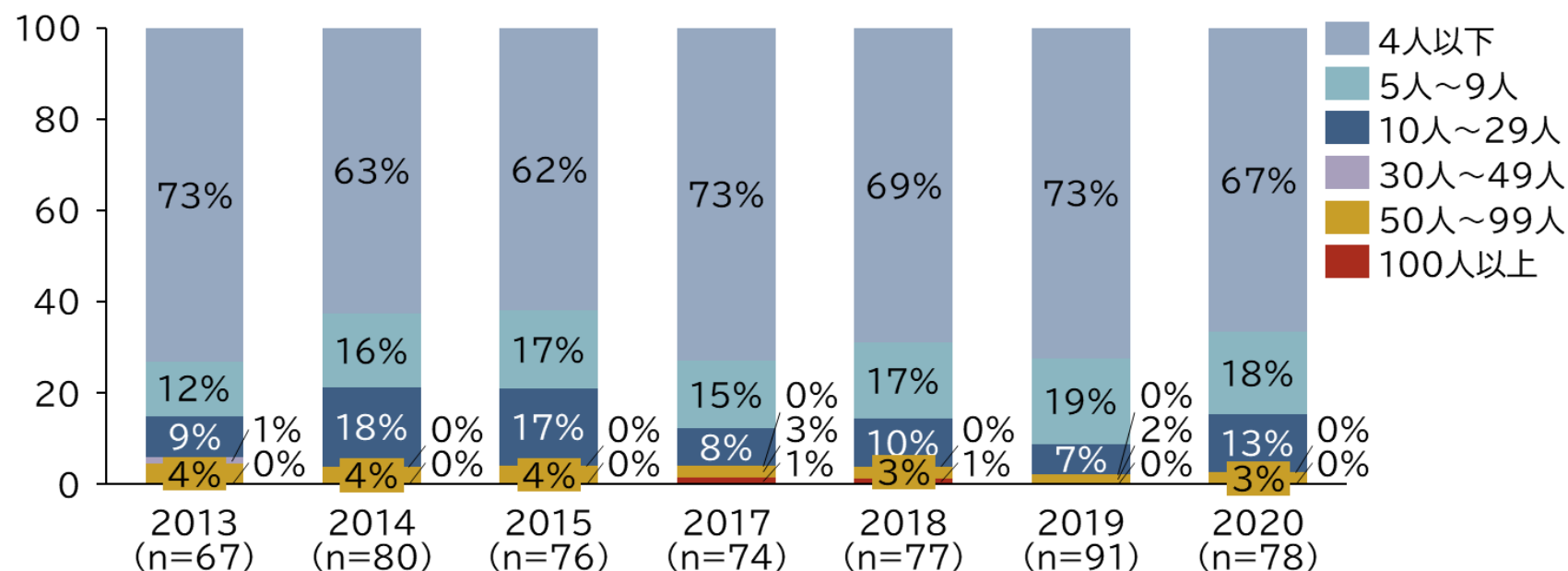


Source: the Ministry of Economy, Trade and Industry Survey of Specified Service Industries (No data for 2016, up to 2018)
<https://www.meti.go.jp/statistics/tyo/tokusabizi/result-2.html>,
the Ministry of Economy, Trade and Industry Survey of Economic Structure (since 2019) <https://www.meti.go.jp/statistics/tyo/kkj/result2.html>

Distribution of Labor Market Businesses by Size (Music Publishing Industry)

- The distribution of the music publishing industry by business size shows no significant trend over time, with the largest number of businesses having 4 or fewer employees.
- Unlike the record production industry, very few businesses have more than 100 employees.

Distribution of Businesses in the Music Publishing Industry by Employee Size (2013-2020)



Source: the Ministry of Economy, Trade and Industry Survey of Specified Service Industry (No data for 2016, up to 2018)

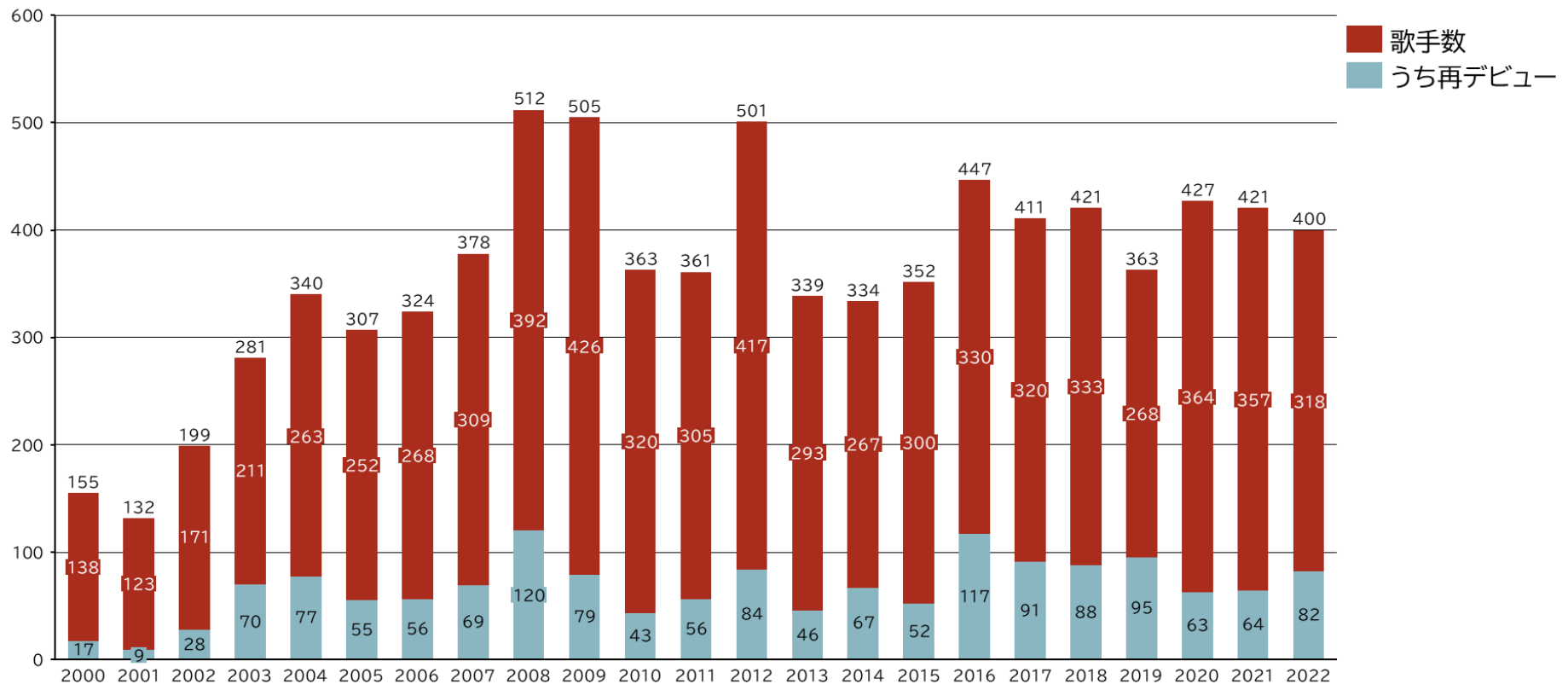
<https://www.meti.go.jp/statistics/tyo/tokusabizi/result-2.html>,

the Ministry of Economy, Trade and Industry Survey of Economic Structure (since 2019) <https://www.meti.go.jp/statistics/tyo/kkj/result2.html>

Number of domestic debut artists in the labor market

- The number of debut artists in Japan has been flat to slightly decreasing since 2016, with 400 in 2022.
- Of these, the number of re-debuts has tended to increase since 2016 compared to 2010 to 2015.

Number of domestic debut artists (2000-2022)



Number of stage technical staff in the labor market, etc.

- According to the Japan Federation of Stage Technical Staff Associations, there are 5,850 companies nationwide that operate the stage technical staff business, and the number of workers is estimated to be about 600,000.
- There are more stage technical staff workers than freelancers, and 1.9% of them are freelancers.

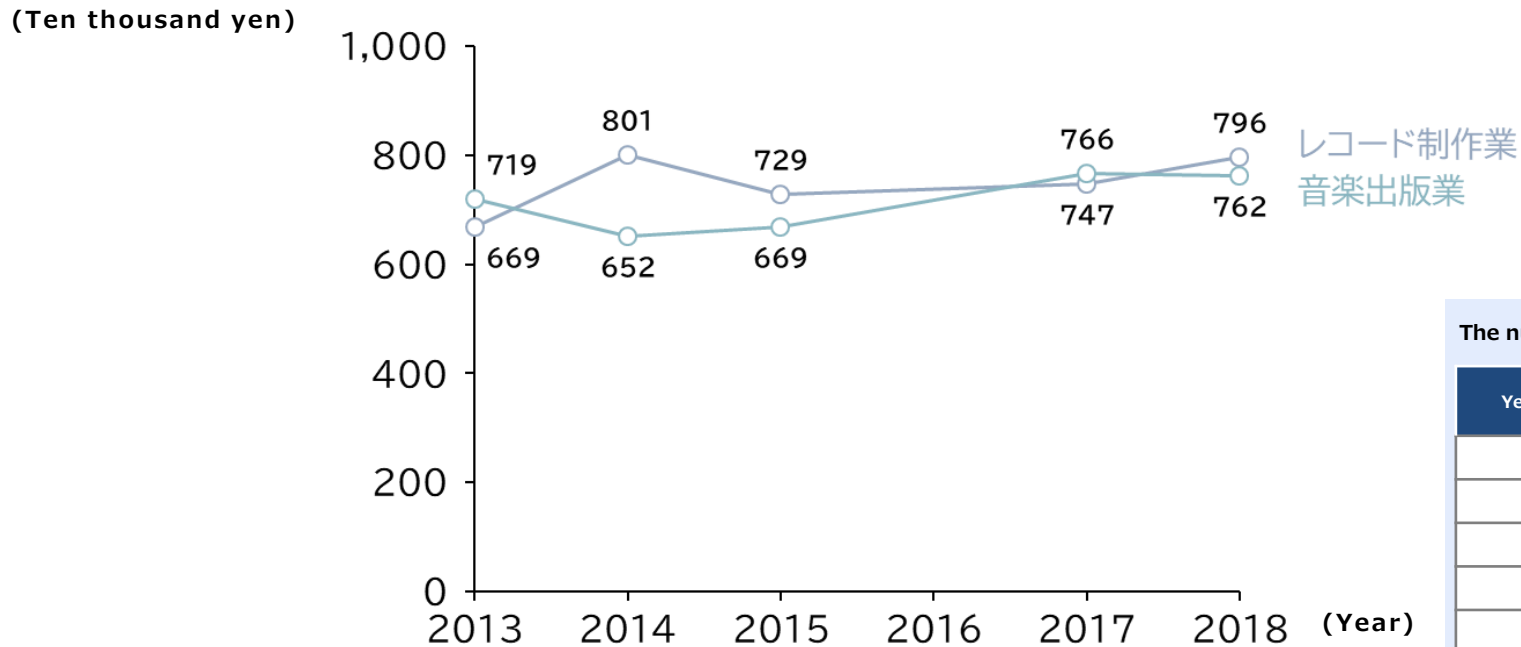
Number of business operators and stage technical staff workers (as of the end of August 2021)

Project	Number of Companies	Number of Stage Technical Staff		
		Number of Employees	Freelance	Total
Stage Director Progress-related business	50 companies	500 companies	1,400 companies	1,900 companies
Business related to art props	5,000 companies	145,000 companies	4,000 companies	149,000 companies
Lighting business	400 companies	40,000 companies	3,000 companies	43,000 companies
Acoustic-related business	300 companies	10,000 companies	3,000 companies	13,000 companies
Event Support related business (stage technical support) (operation) (security)	100 companies	400,000 companies		400,000 companies
Technical Staff Business Total	5,850 companies	595,500 companies	11,400 people	606,900 people

Labor Market Salary Payment

- Annual salary payments * per person in the recording industry and the music publishing industry have remained almost unchanged to slightly increased from 2013 to 2018, with 7.96 million yen in the recording industry and 7.62 million yen in the music publishing industry as of 2018.
*This refers to the annual total amount of wages and salaries including tax (Includes income tax and social insurance premiums.) paid to employees at a business site, including paid executives.

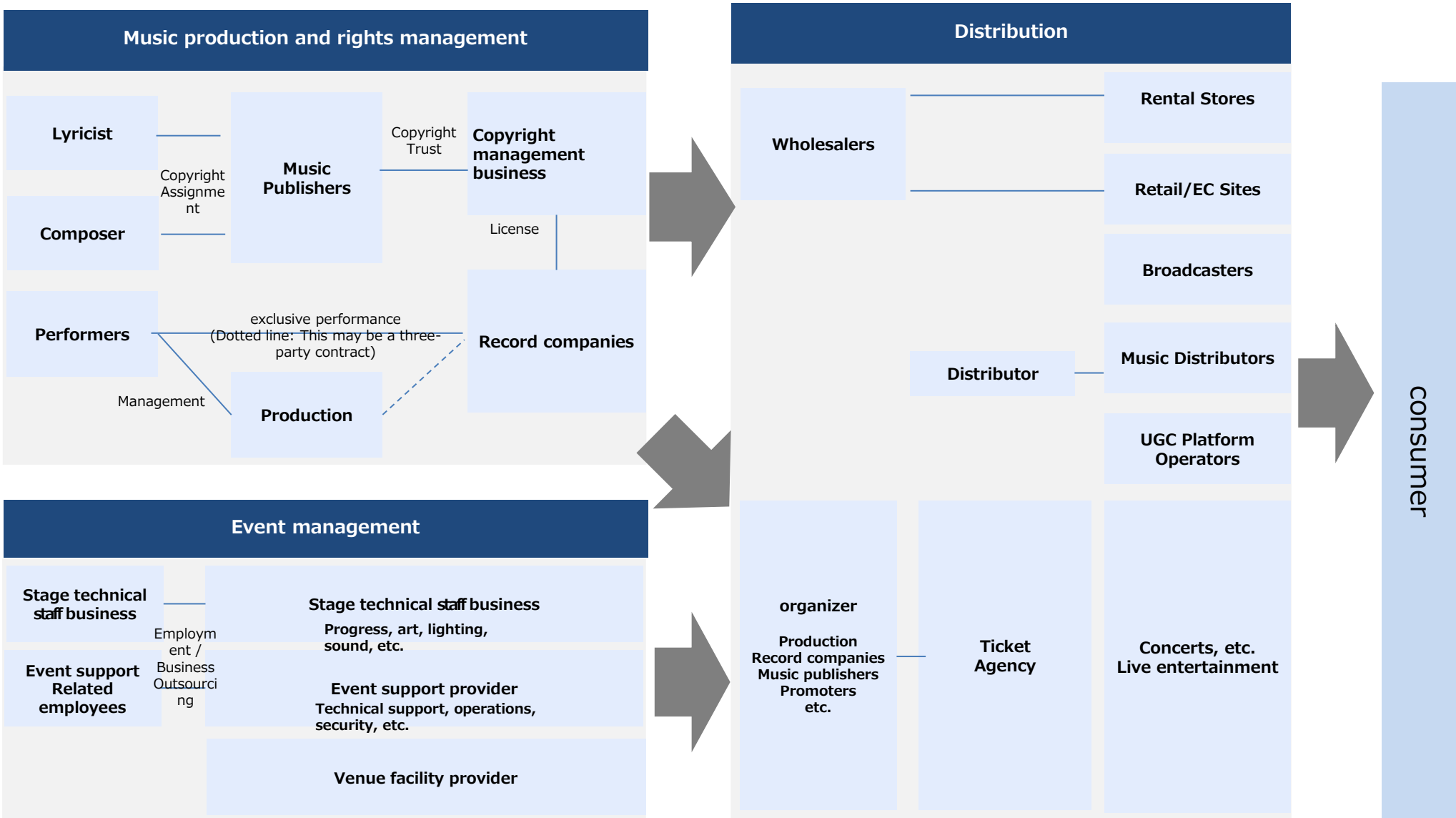
Annual salary paid per person in the record-based work and music publishing industry (2013-2018)



The number of respondents for each year is as follows

Year	Record Production	Music Publishing
2013	126	67
2014	124	81
2015	86	75
2017	81	74
2018	77	77

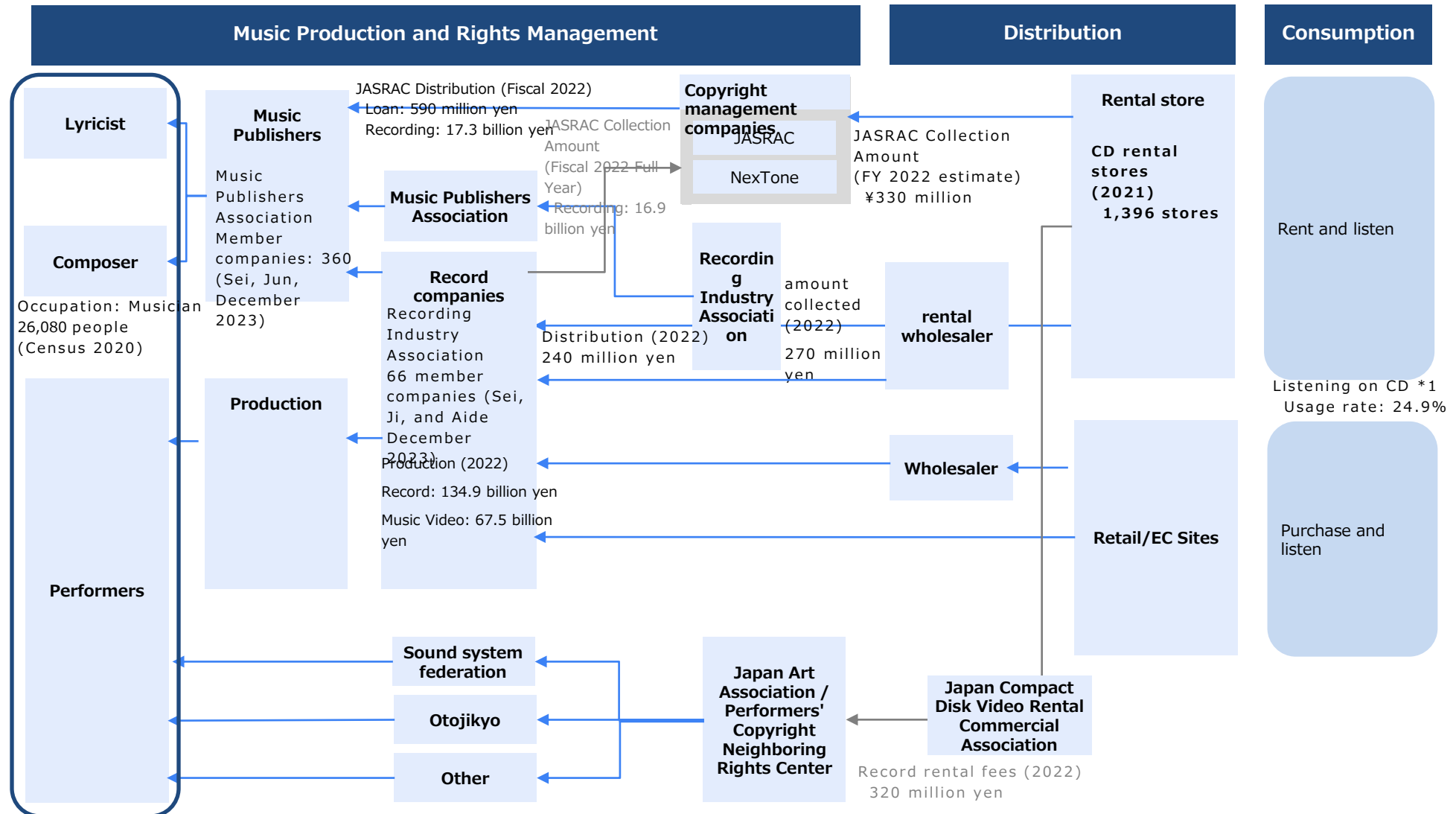
Overview of the Music Industry



*Lines represent major contractual relationships. It is simplified to show the overall picture, and detailed domestic figures are shown on the following pages.

Source: White Paper on Information and Media 2023, the Ministry of Economy, Trade and Industry prepared MRI with reference to the report of the Business Model Study Group of the Music Industry, etc.

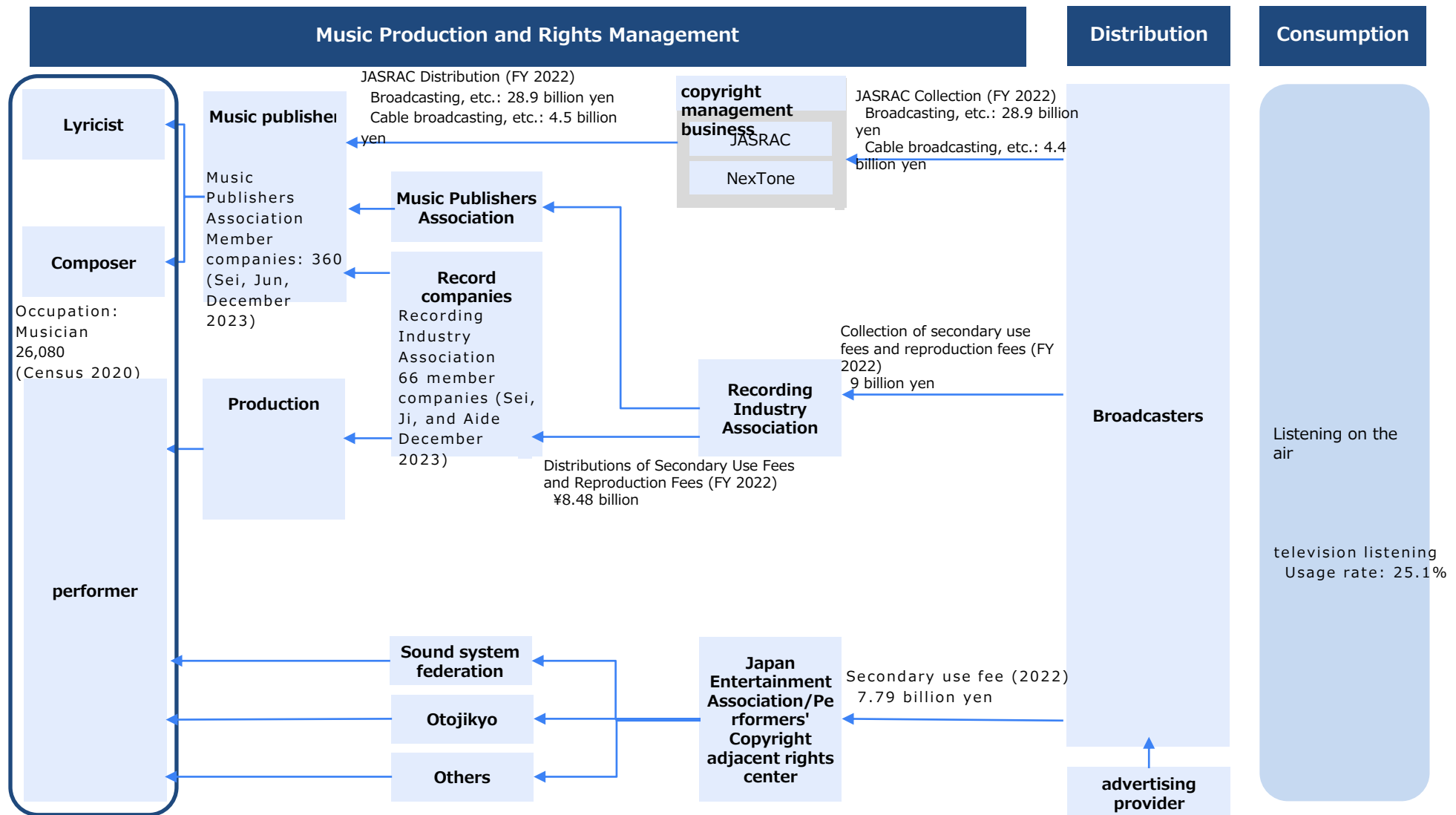
Structure of the Music Industry (Japan) Physical Disk



The arrow indicates the main flow of funds. When lines overlap, they turn gray.
Source: MRI prepared with reference to White Paper on Information Media 2023, etc.

*1 Based on the RIAJ2022 Survey of Music Media Consumers

Use of structured broadcasting by the music industry (Japan)

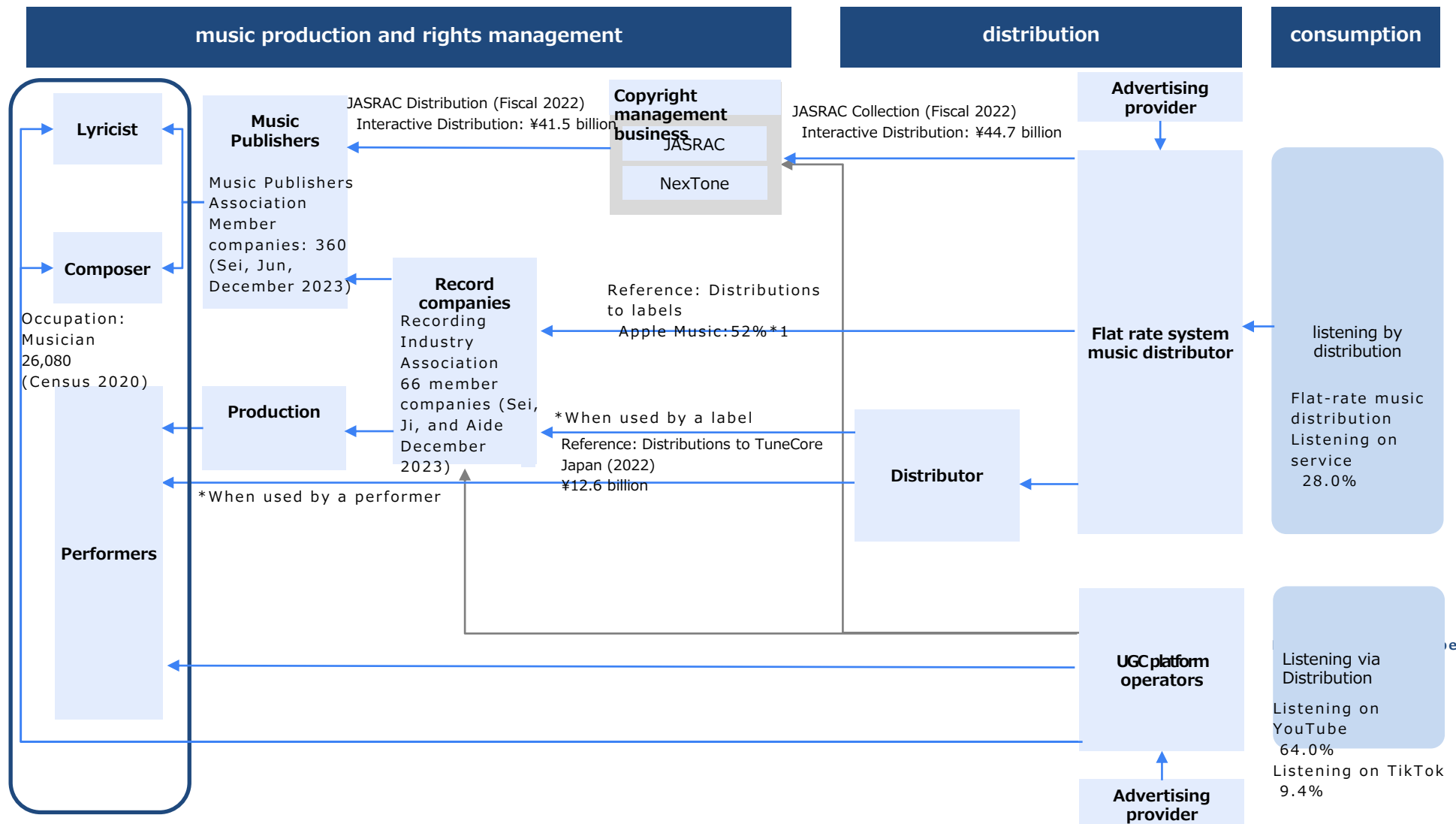


RIA12022 Survey of Music Media Consumers

The arrow indicates the main flow of funds.

Source: MRI prepared with reference to White Paper on Information Media 2023, etc.

Structural distribution in the music industry (Japan)



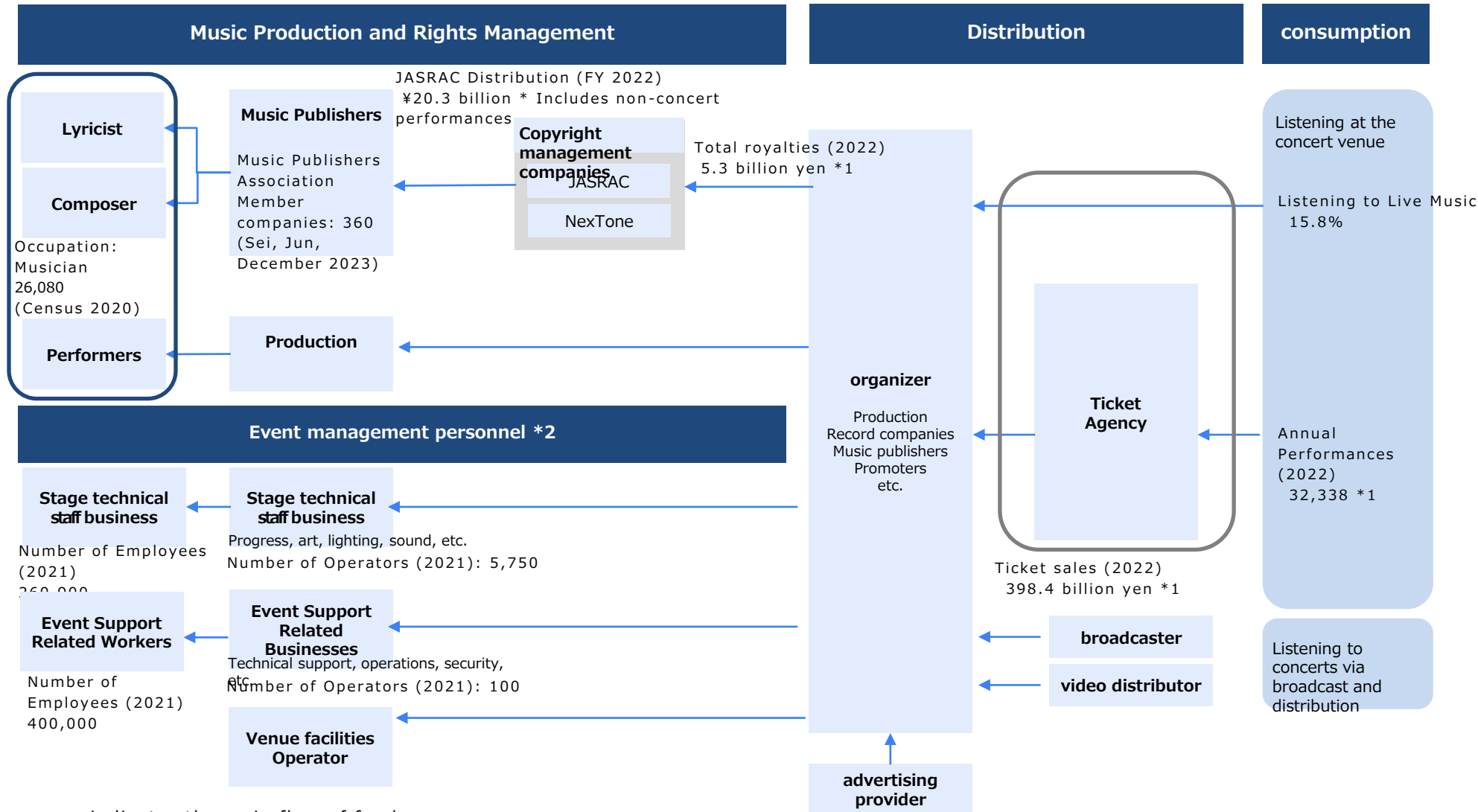
The arrow indicates the main flow of funds. When lines overlap, they turn gray.

Source: MRI prepared with reference to White Paper on Information Media 2023, etc.

*1: <https://artists.apple.com/ja-jp/support/1124-apple-music-insights-royalty-rate>

RIAJ2022 Survey of Music Media Consumers

Structure of the Music Industry (Japan) Live Entertainment



Source: MRI prepared with reference to White Paper on Information Media 2023, etc.

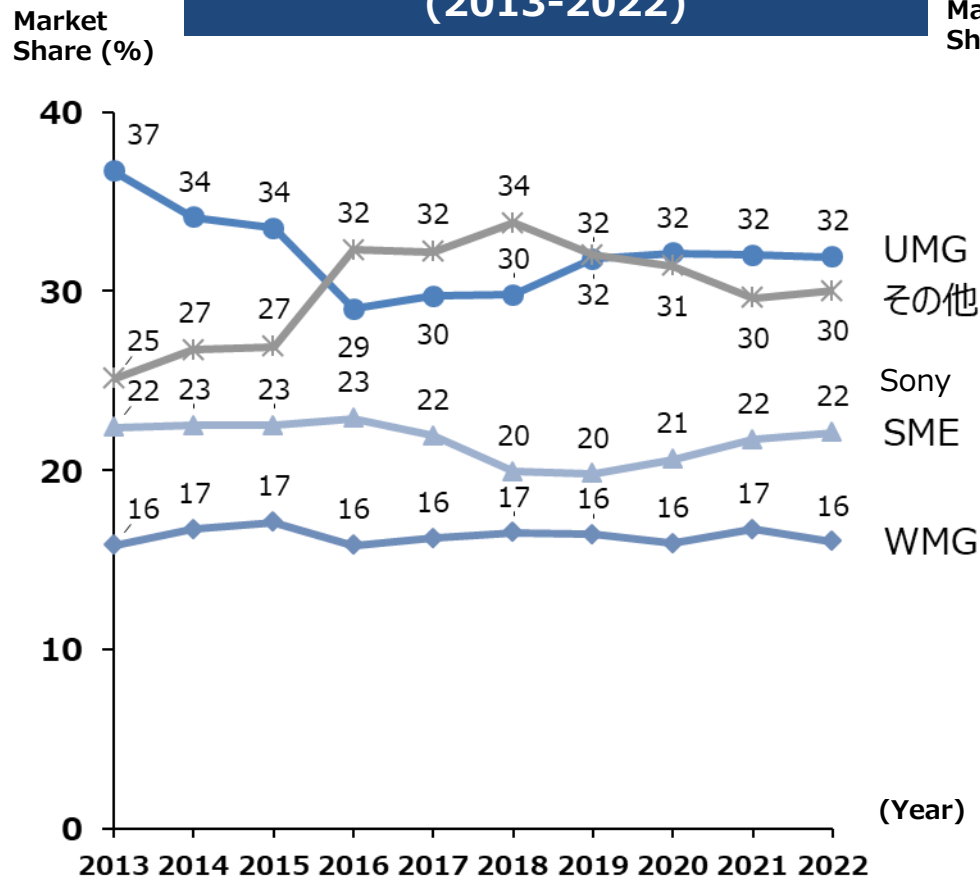
*1: Refer to the Basic Survey of Concert Promoters Association (ACPC)

*2: Refer to the data of Japan Federation of Staging Technology Staff Associations

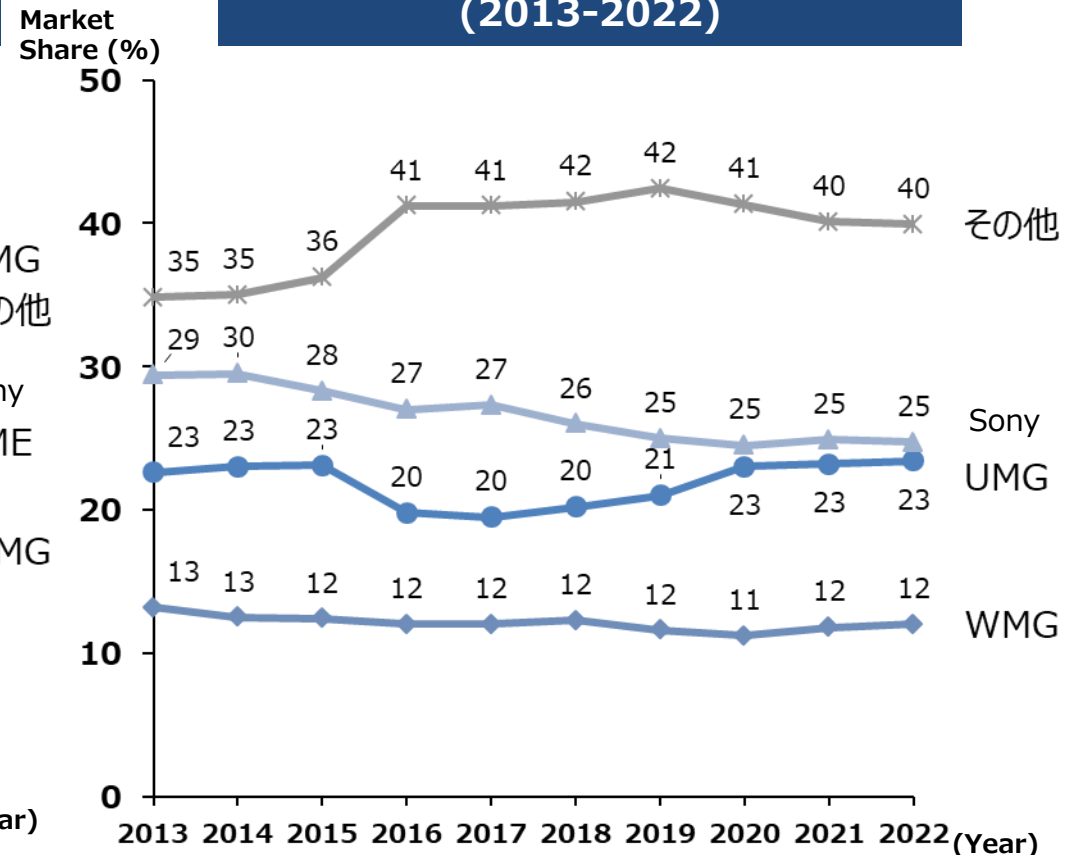
Global sales share of the three major music majors

- The recording source market and the music publishing market together account for the majority of sales in the three major markets (UMG: Universal Music Group, Sony, WMG: Warner Music Group).

Record Source Market Sales Market Share Trend (2013-2022)



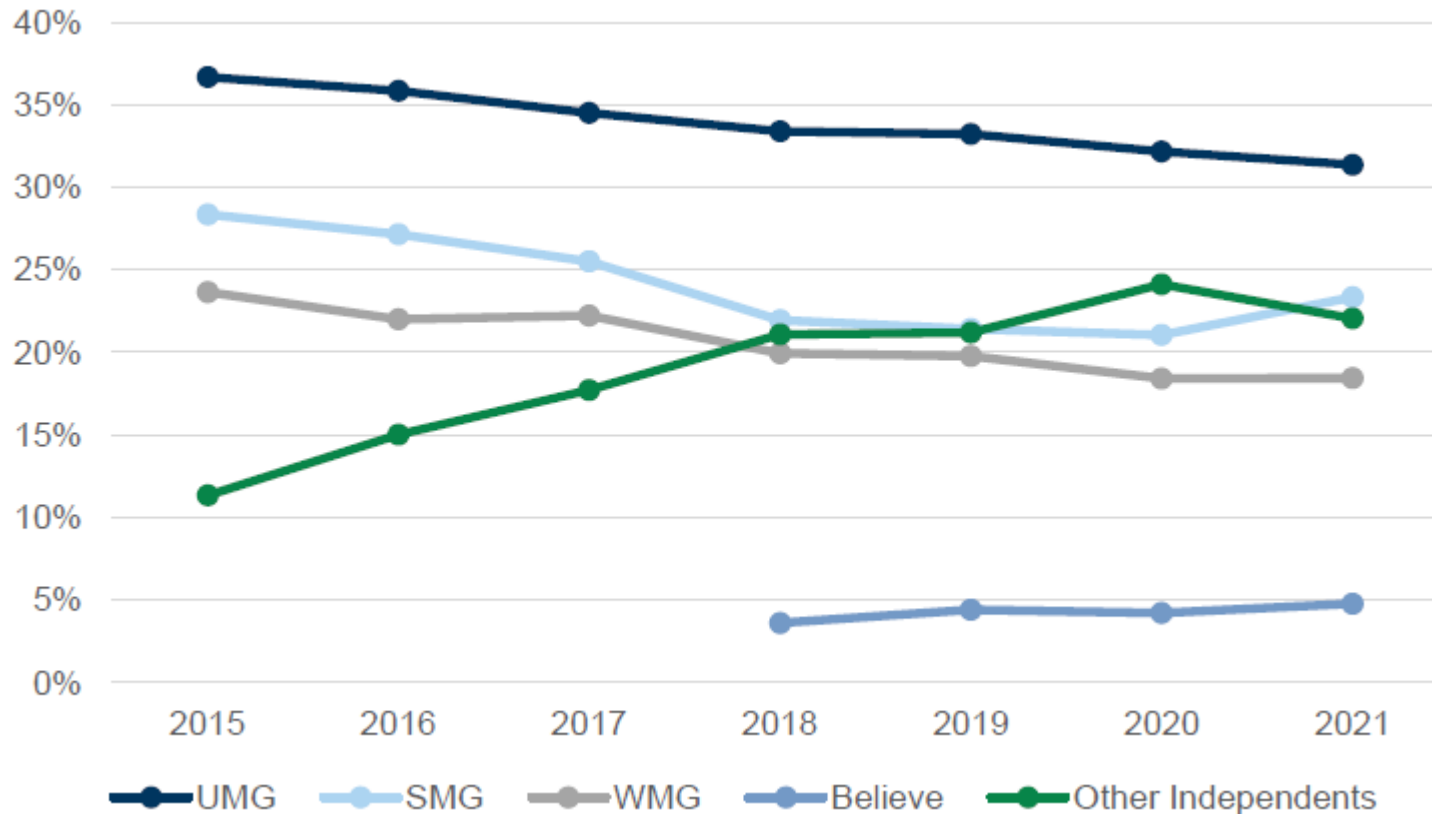
Music Publishing Market Sales Market Share (2013-2022)



Global streaming revenue share of the three major music majors

- The three major music majors collectively earn over 70% in streaming revenue.
- However, Believe (a digital music company with TuneCore under its control) has about 5% of the streaming market. The share of other indies has been growing since 2015.

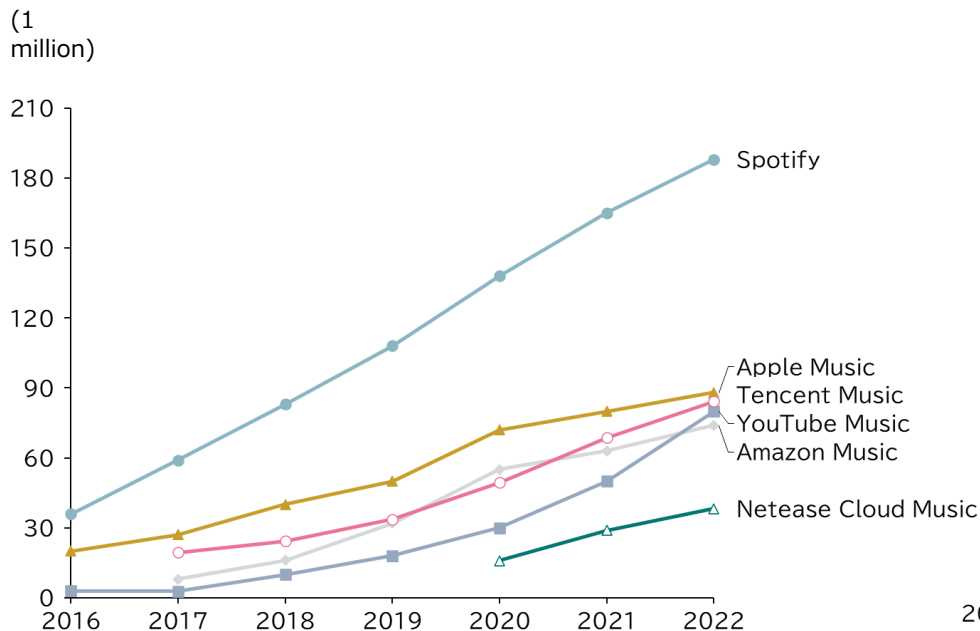
Share of streaming revenue



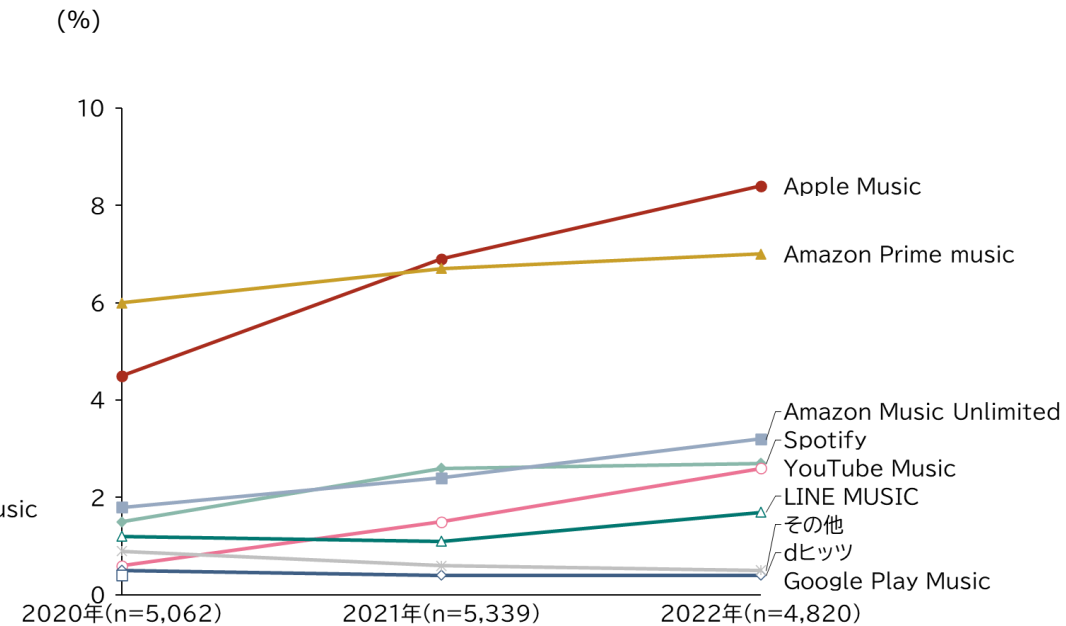
Subscription Trends for Music Distribution Services in Japan and Overseas

- Spotify, Apple Music, Amazon Music, YouTube Music, Tencent Music, and Netease Cloud Music are among the subscription services with the most paid subscribers globally. Spotify has the most paid subscribers with more than 180 million subscriptions worldwide.
- In Japan, Apple Music and Amazon Prime Music have high usage rates, while domestic services have relatively low usage rates.

Global Music Distribution Services Subscriptions (2016-2022)



Music Distribution Service in Japan Subscription utilization (2020-2022)



Source: Music Streaming App Revenue and Usage Statistics (2024) <https://www.businessofapps.com/data/music-streaming-market/>
Japan: White Paper on Information Media 2023

Major services in the country of digital distributors

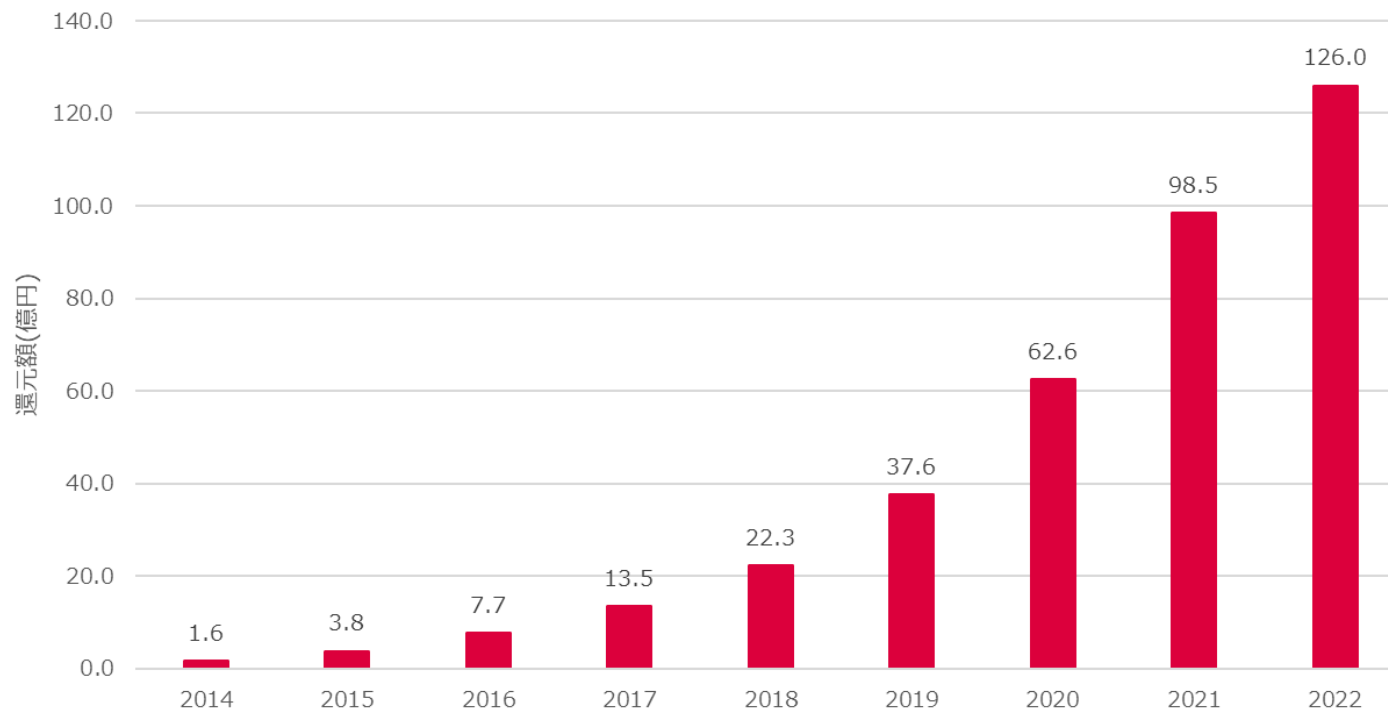
- In Japan, major labels, indie labels and management companies provide digital distribution services through their own companies and affiliated companies.

Service name	When the service started in Japan	Operating company	Features, etc.
The Orchard	2019	The Orchard Japan	● The Orchard Japan is a joint venture between Sony Music Entertainment (SME) and The Orchard (U.S.), a music distribution company with 45 offices worldwide. ● Not only distribution functions, but also promotions using SME resources
NexTone Digital Content Distribution Service	2003	NexTone	● The management company is a copyright management company. ● As of the end of March 2023, 1,061,862 copies were handled.
BIG UP	2016	Avex	● Provides opportunities to participate in media PR, analog record creation on Qrates, and auditions ● 20,520 artists and 141 labels as of December 2023
Eggs Pass	Started as TOWER CLOUD in 2020, renamed in 2023	Eggs	● Operating companies funded by Recochoku and Tower Records ● In addition to distribution, Tower Records also offers CD sales and live performances
early Reflection	2021	Pony Canyon	● Not only distribution functions, but also promotions.
SPACE SHOWER FUGA	2021	SPACE SHOWER FUGA	● The operator is a joint venture between FUGA (Netherlands), which provides distribution systems, and Space Shower Network 51%.
Tune CoreJapan	2012	Tunecore Japan	● The operating company is a joint venture between the world's largest music distribution company "TuneCore, Inc. (US)" and Wano Co., Ltd. ● 12.6 billion yen was returned to artists and labels in 2022

Distributor TuneCore Japan

- Digital distributor TuneCore Japan's return to labels and artists has been on the rise since 2014, reaching 12.6 billion yen in 2022.

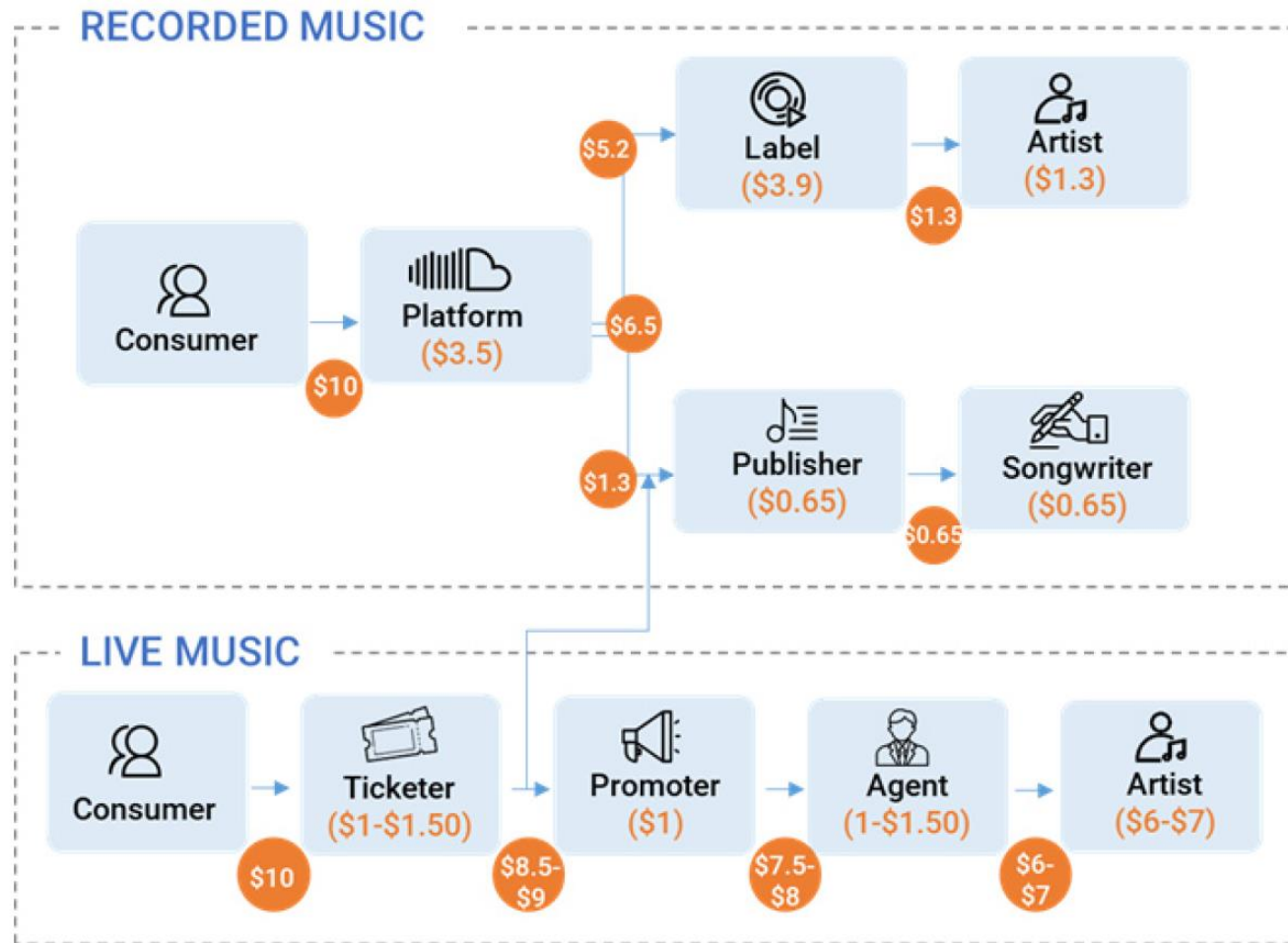
Return to TuneCore Japan labels and artists



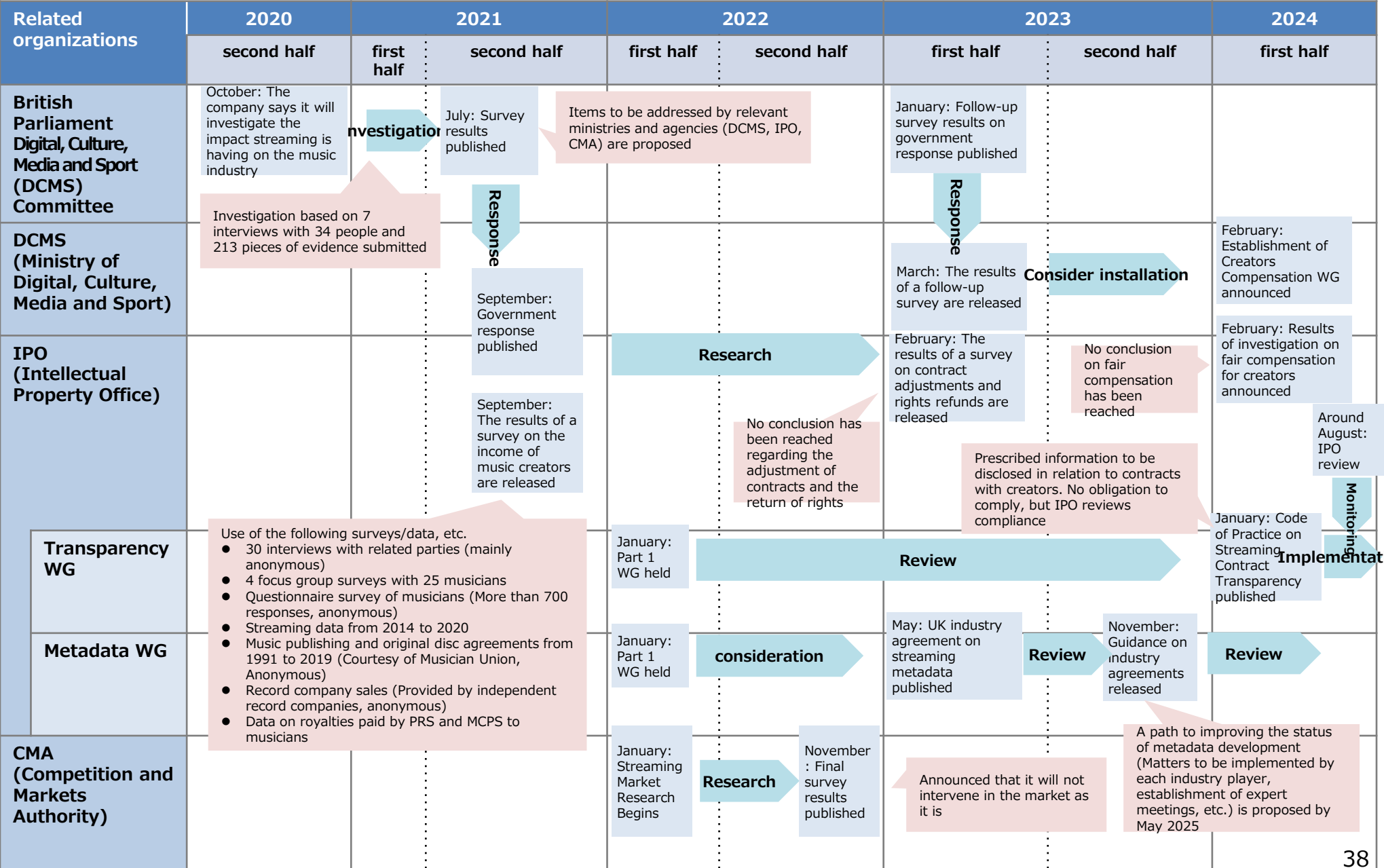
Structure of Revenue Distribution to Stakeholders (Worldwide)

- Globally, labels and distribution platforms receive the lion's share of revenue in the recording source market (streaming), and performers receive the lion's share of revenue in the live market.

Revenue Sharing in the Music Industry (streaming, live)



Overall approach to music streaming in the UK Parliament and government

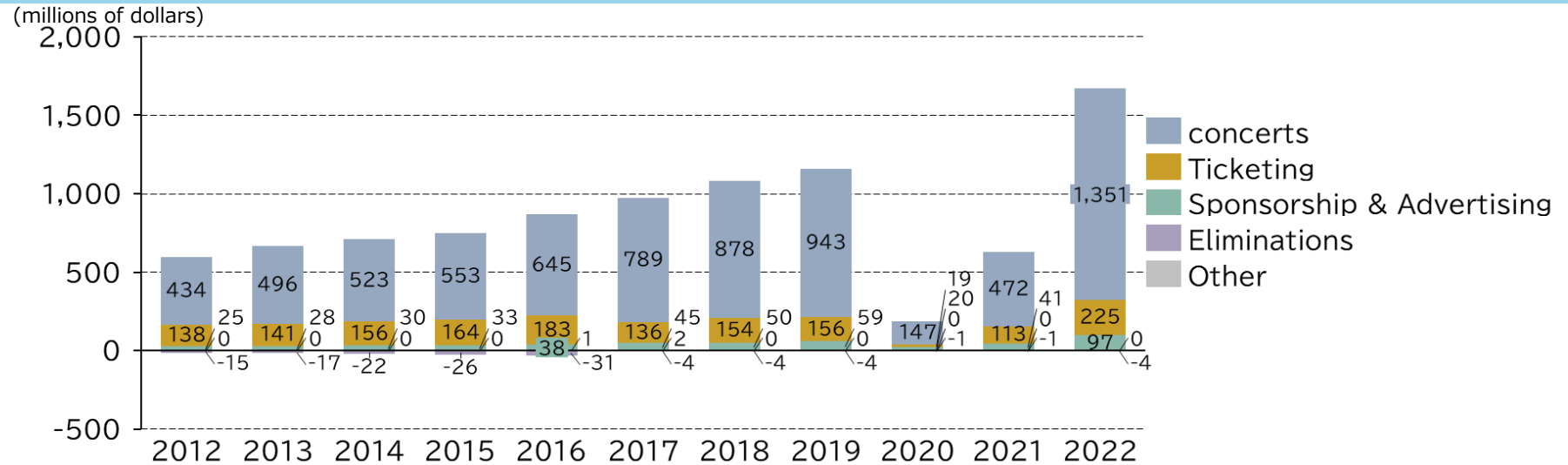


Source: Adapted from various sources. The names of ministries and agencies are as of January 2023.

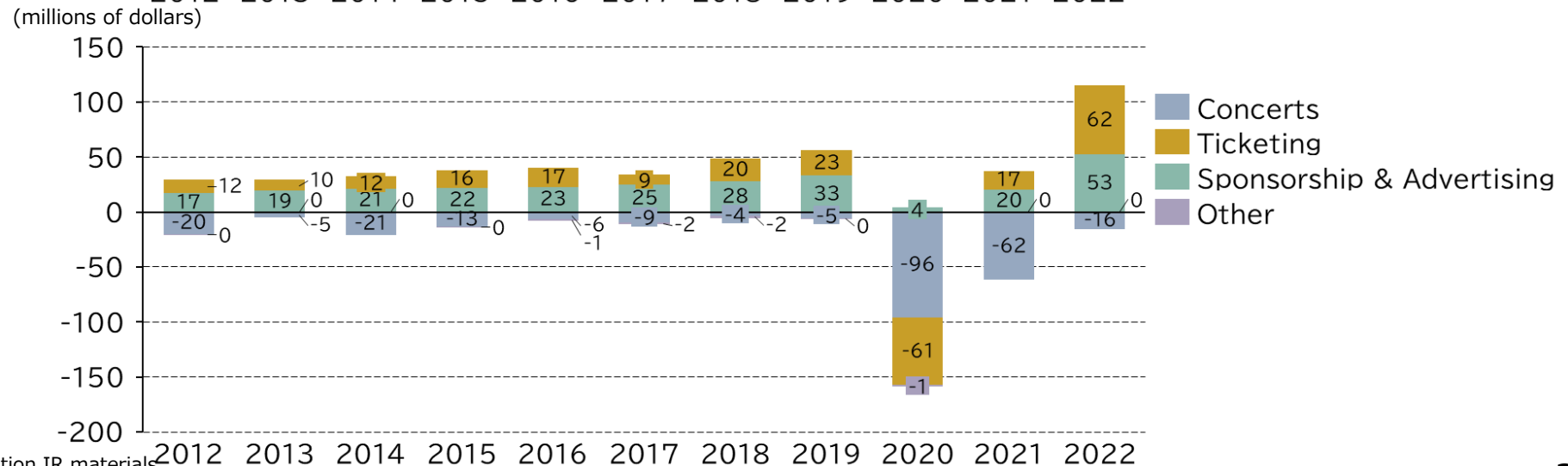
Live Nation Sales and Profit

- Live Nation, one of the world's largest live entertainment companies, saw its earnings fall sharply in 2020 due to COVID-19, but rebounded in 2022 to \$1.67 billion in revenue.
- Concerts, which make up the bulk of its revenue, are not profitable, and profits come from tickets, sponsorship and advertising.

Sales



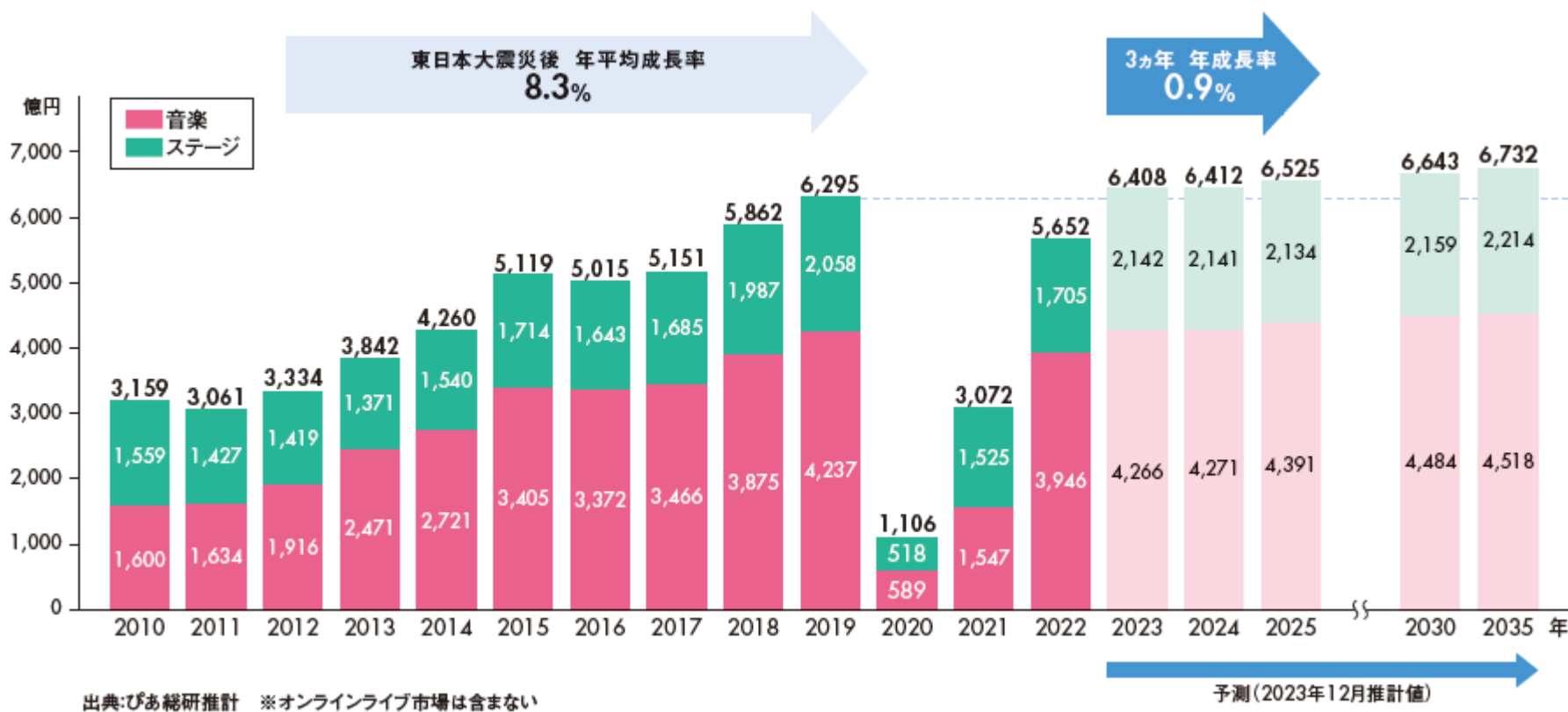
Profit



Domestic Live Entertainment Market

- The domestic live entertainment market has grown at a CAGR of 8.3% since 2011, but shrank by more than 80% in 2020 due to COVID-19.
- Since then, however, it has been recovering. The live entertainment market was worth 565.2 billion yen in 2023, of which 394.6 billion yen was for music.

Domestic Live Entertainment Market Trends (2010-2035)



Economic impact of self-restraint in music events

- The economic impact of refraining from music events due to the spread of the novel coronavirus is estimated to be 3 trillion yen for all events.
- Of this, the direct effect of music events is 482.2 billion yen, and the loss including ripple effects is 902.8 billion yen.

Economic impact of refraining from events due to the spread of the coronavirus

Type			Number of cancellations and postponements	Number of participants per event (1000)	direct effect (Japan Development Bank Estimates 100 million yen)	economic loss (Japan Development Bank Estimates 100 million yen)	economic loss per transaction (0.1 billions of yen)	number induced by an employer (People)
Entertainment	Music/Cultural Events	Live music performances/musicals, plays, etc.	12,705	1.2	4,822	9,048	0.7	338
	Festivals	Events organized by local governments	1,116	71.4	9,160	17,411	15.6	776
Sports	Professional sports Events	Professional Baseball	435	15.9	1,385	2,688	2.3	24
		J. League	486					
		B. League	229					
MICE	Conferences, trade fairs, exhibitions and promotions	International conferences, trade fairs and exhibitions	235	2.9	580	1,109	4.7	27
Total			15,206	7.5	15,947	30,256	1.9	1,165

economic ripple effect of music events

- The total economic ripple effect of the domestic entertainment industry is estimated to be 13 trillion yen, including direct demand and ripple effects.
- The economic ripple effect of the music/stage industry is 7.2 trillion yen.

Economic ripple effect of the domestic entertainment industry

Classification	Number of Mobilizations (10,000)	Direct demand for admission, transportation, food and drink ...A		Primary + secondary spillover effects of direct demand ...B (0.1 billions of yen)	production induction coefficient	economic ripple effect ...A+B (0.1 billions of yen)
		admission fee (0.1 billions of yen)	Other (0.1 billions of yen)			
Music/Stage	8,283	6,295	20,900	45,000	Theater: 1.71 Kogodan: 1.61 *1.60~2.15	72,195
Movies	19,491	2,612	8,700	18,600	1.87	29,912
Sports	3,788	1,600	5,300	11,400	1.61	18,300
Other	4,100	900	3,000	6,279	1.61	10,179
Total customer attraction		11,407	37,900	81,279		130,586

- Definition of "entertainment industry that attracts customers": An industry that holds performances such as concerts, plays, movies, and sporting events, thereby attracting audiences whose main purpose is to watch and watch the performances.
- Target genre of "entertainment industry that attracts customers": The performances of "music," "stage," "movies," "sports," and "other events" that are held in Japan and require admission fees.
- Other events: art exhibitions, exhibitions, cultural events, fireworks displays, live viewing, VR, stage greetings, etc.

Economic Effects on Domestic Music Event Areas

- Domestic music events (live performances and festivals) have an economic ripple effect throughout the country, including the host region.
- Depending on the size of the event, the ripple effect to the host region is estimated to be in the billions of yen, and the ripple effect nationwide is estimated to be in the tens to hundreds of billions of yen.

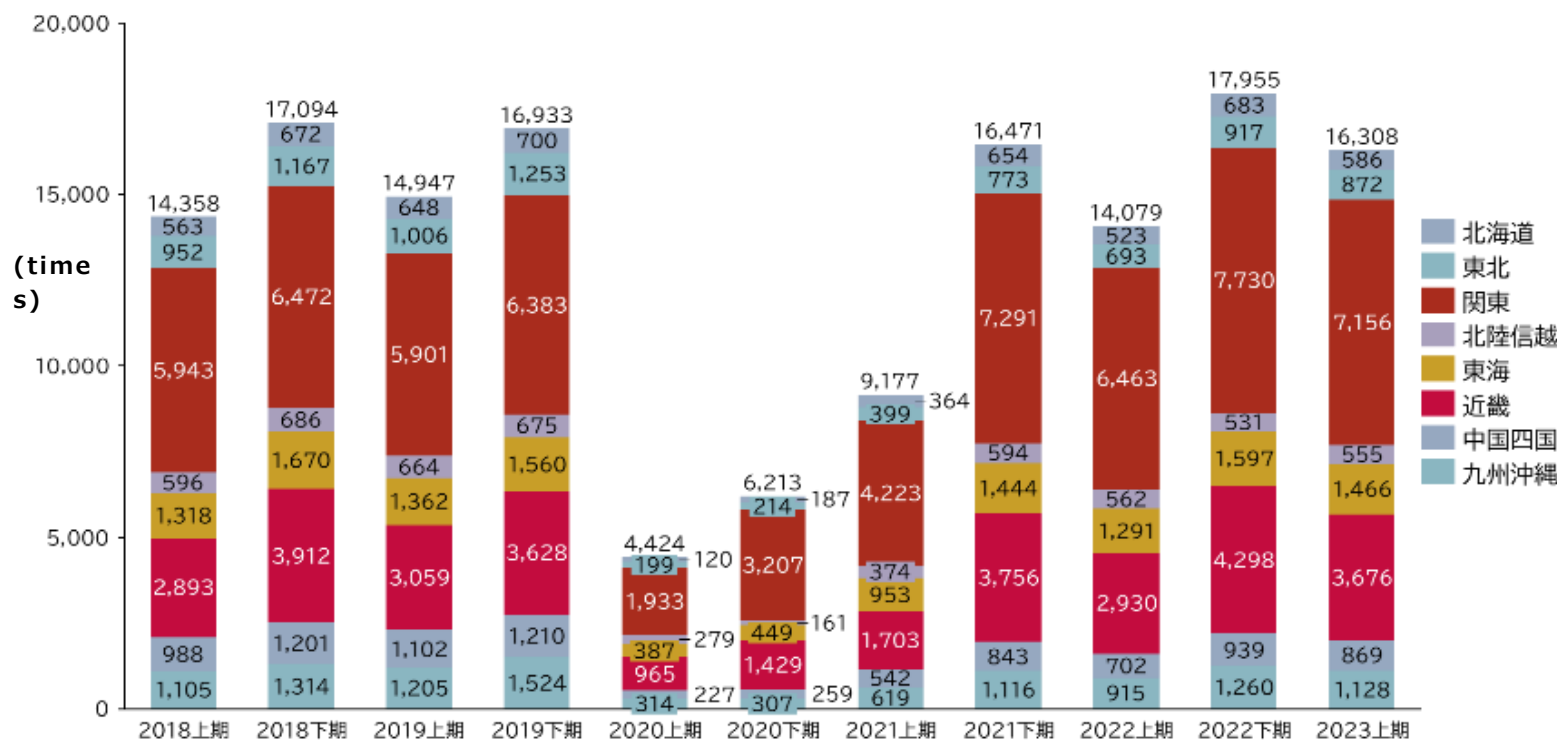
Economic Effects of Domestic Music Events on Regions

Event Name	Duration	Economic ripple effect (billion yen)		Regional name
		nationwide	region	
Chigasaki Live 2023 *Southern All Stars live event, not a festival	September 2023 27-28, September 30, October 1	179.6	59.6	Kanagawa Prefecture
FUJI ROCK2021	August 20-22, 2021 * Held due to the COVID-19 pandemic	117	63.3	Niigata Prefecture
RISING SUN ROCK FESTIVAL 2018 in EZO	August 2018, 10-12	102.2	57.1	Hokkaido
RISING SUN ROCK FESTIVAL 2017 in EZO	August 2017, 11 - 12	99.1	56.2	Hokkaido
VIVA LA ROCK 2016	May 2016 28-29	52.5	22	Saitama Prefecture
FUJIROCK2015	July 2015, 24 - 26	151.7	71	Niigata Prefecture

Number of live entertainment concerts by region

- According to a basic survey by the Association of Concert Promoters (ACPC), the number of concert performances by region in Japan decreased in all regions in 2020, but has increased year-on-year since 2021.
- The value of the first half of 2023 compared to the first half of 2019 (return width) differs by region, with Kanto, Kinki, and Tokai regions exceeding 100%. Other regions, on the other hand, are below 100%.

Number of concerts by region (2018 to the first half of 2023)



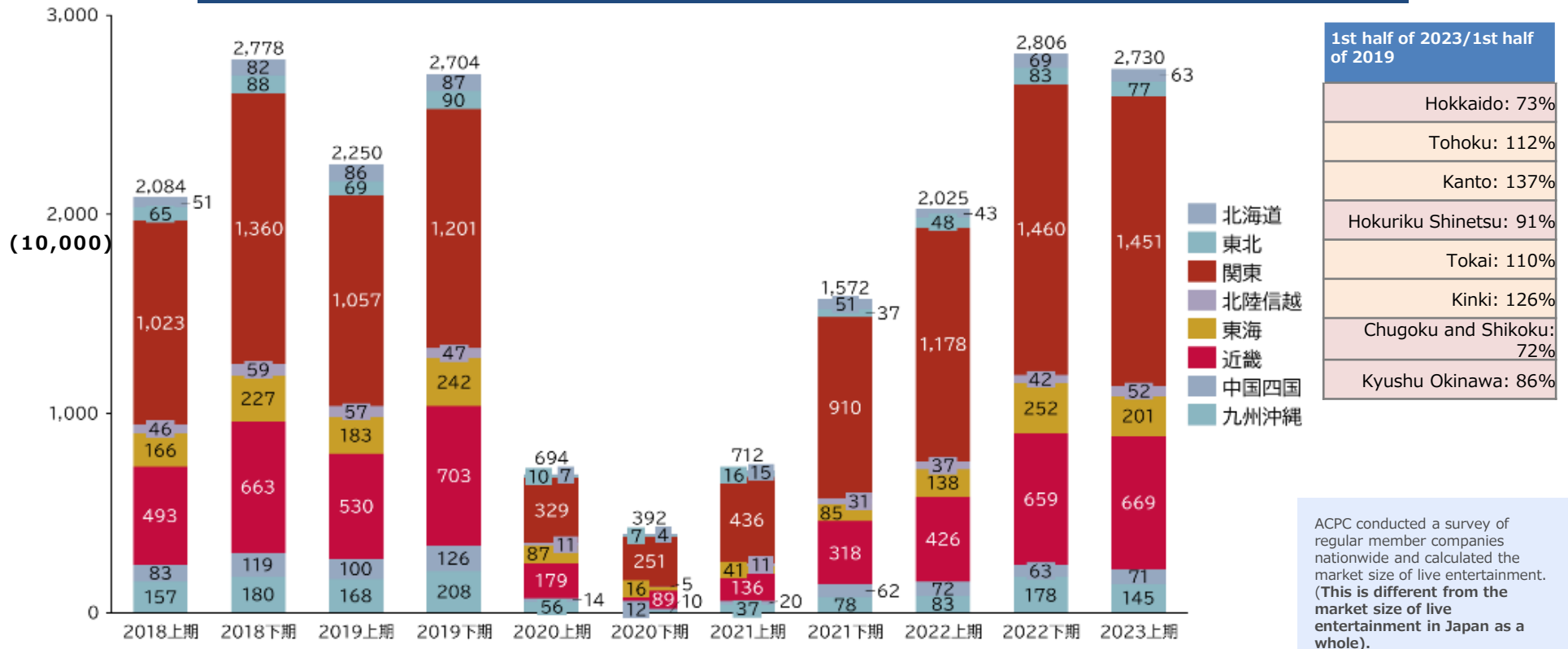
1st half of 2023/1st half of 2019	
Hokkaido:	90%
Tohoku:	87%
Kanto:	121%
Hokuriku Shinetsu:	84%
Tokai:	108%
Kinki:	120%
Chugoku and Shikoku:	79%
Kyushu Okinawa:	94%

ACPC conducted a survey of regular member companies nationwide and calculated the market size of live entertainment. (This is different from the market size of live entertainment in Japan as a whole).

Number of Concert Performances by Live Entertainment Region

- According to the ACPC Basic Survey, the number of concert performances in Japan by region decreased in all regions in 2020, but increased year-on-year since 2021.
- The value of the first half of 2023 compared to the first half of 2019 (return width) varies by region, with Tohoku, Kanto, Tokai, and Kinki regions exceeding 100%. In particular, Kanto and Kinki regions exceeded 125%. On the other hand, other regions accounted for less than 100%.

Number of Concert Performances Mobilized by Region (2018 to the first half of 2023)

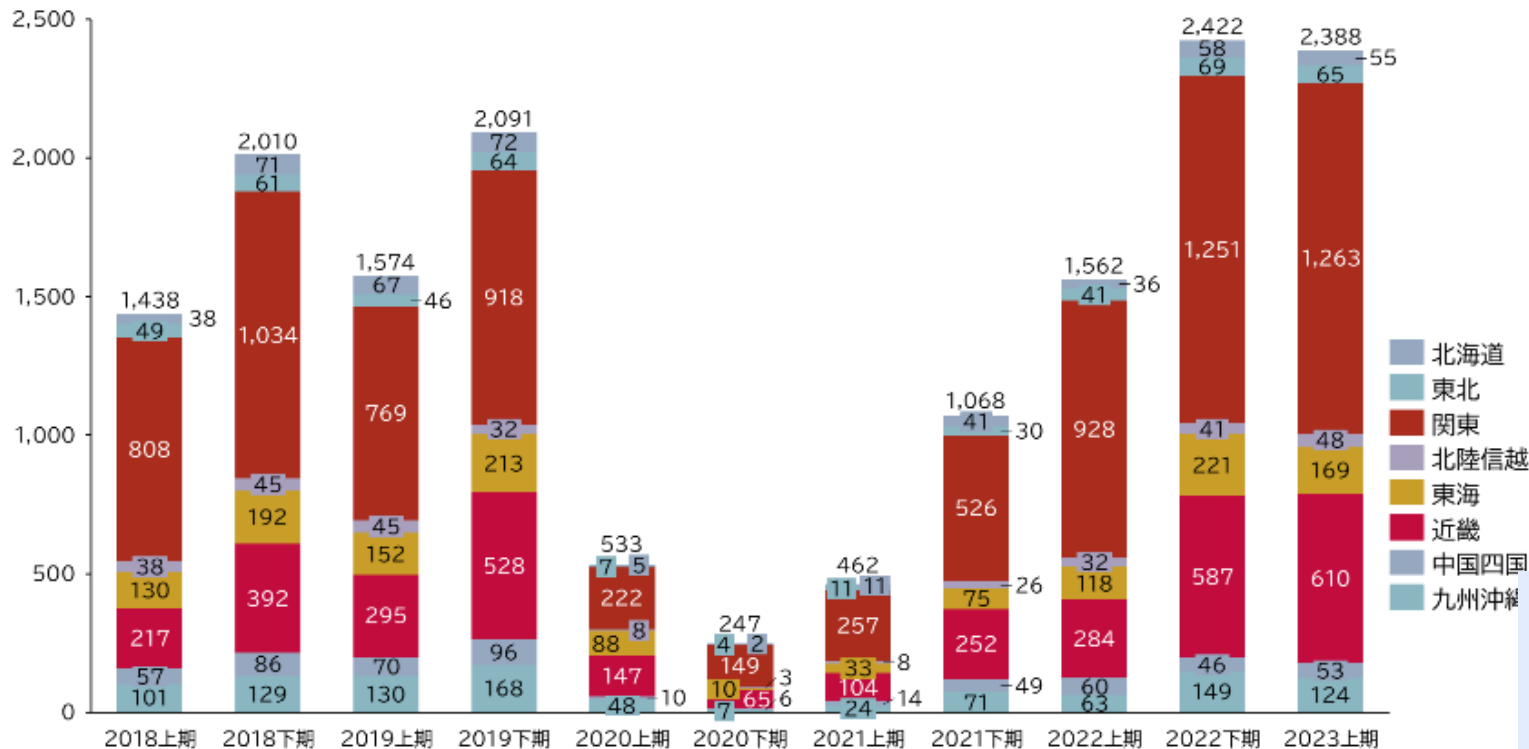


Live Entertainment Concert Sales by Region

- According to the ACPC Basic Survey, the value of concert performance sales by region in Japan decreased in all regions in 2020, but increased year-on-year since 2021.
- The value (return range) of the first half of 2023 compared to the first half of 2019 differs by region, with Tohoku, Kanto, Hokuriku Shin-Etsu, Tokai, and Kinki exceeding 100%. In particular, Kanto exceeded 150% and Kinki exceeded 200%. On the other hand, other regions accounted for less than 100%.

Sales of concert performances by region (2018 to the first half of 2023)

(0.1 billions
of yen)



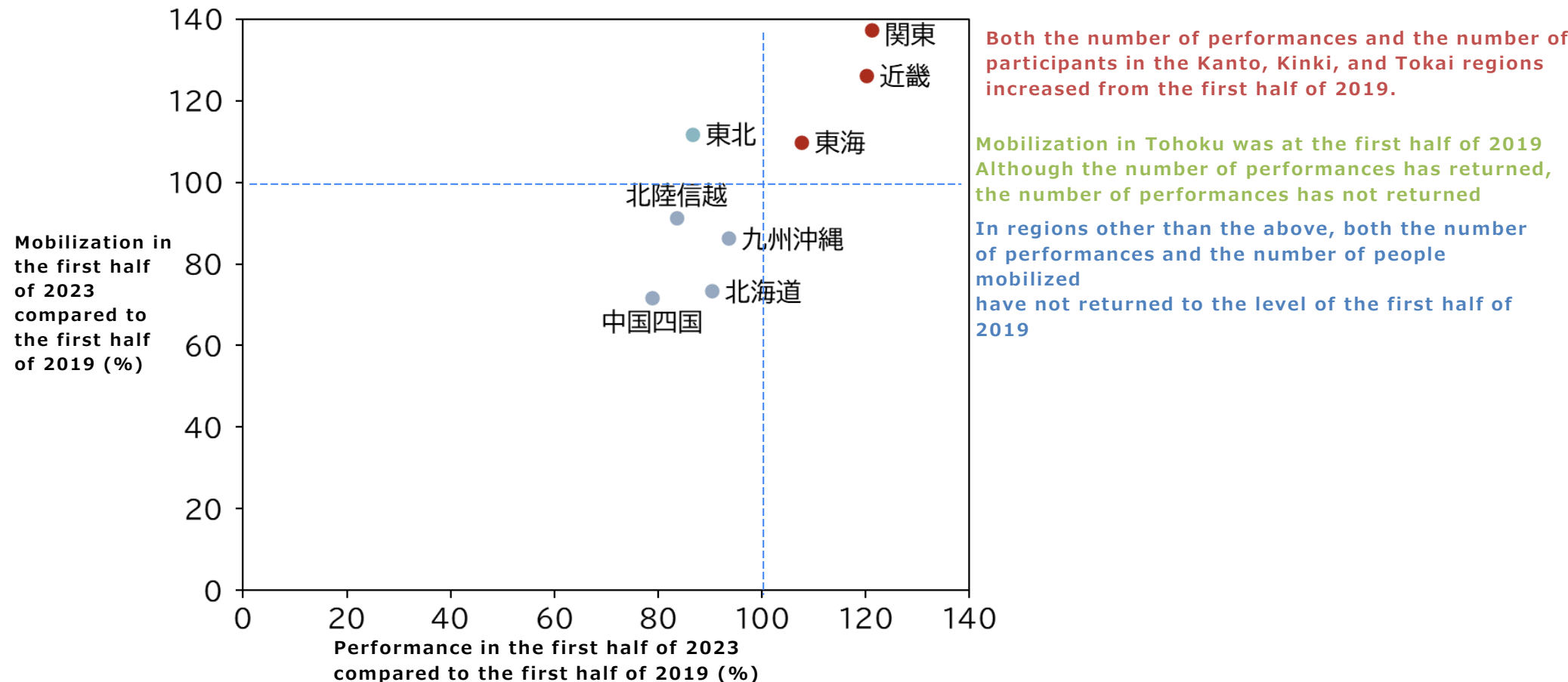
1st half of 2023/1st half of 2019	
Hokkaido:	81%
Tohoku:	142%
Kanto:	164%
Hokuriku Shinetsu:	107%
Tokai:	111%
Kinki:	207%
Chugoku and Shikoku:	76%
Kyushu Okinawa:	95%

ACPC conducted a survey of regular member companies nationwide and calculated the market size of live entertainment. (This is different from the market size of live entertainment in Japan as a whole).

Comparison of Concert Performance by Live Entertainment Region Before and After Corona

- The return in the number of performances and mobilizations in the first half of 2023 compared to the first half of 2019 varies by region.
- The return in the number of performances and mobilizations exceeds 100% in the Kanto, Kinki, and Tokai regions. In Hokkaido, Hokuriku Shinetsu, Chugoku Shikoku, and Kyushu Okinawa, the return in the number of performances and mobilizations exceeds 100%.

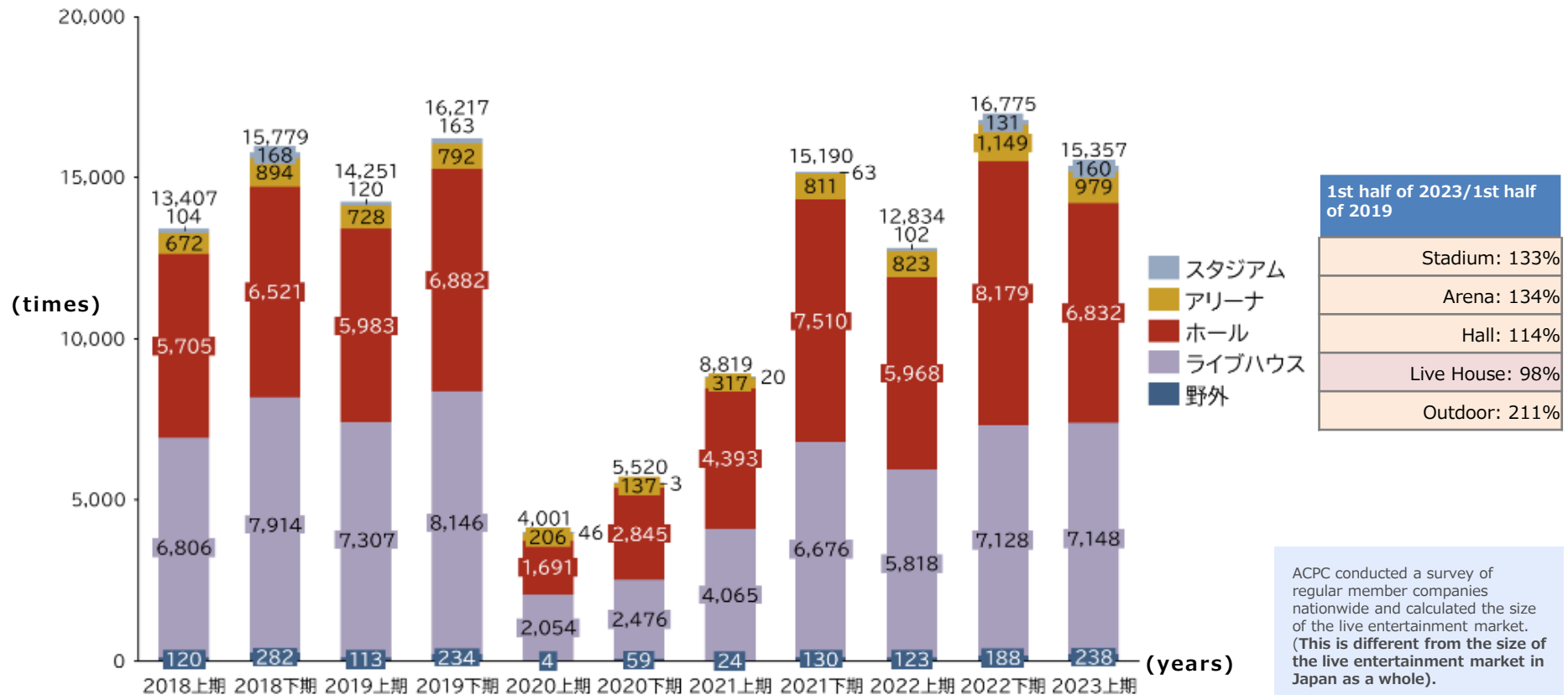
Number of concerts (vertical axis) and mobilizations (horizontal axis) by region in the first half of 2023 compared to the first half of 2019



Number of performances by live entertainment venue size (type)

- According to the ACPC Basic Survey, the number of performances by venue size (type) was 6,832 for halls and 7,148 for live music venues in the first half of 2023.
- The return width in the first half of 2023 compared to the first half of 2019 differed by venue size (type), with outdoor performances being as large as 211%, followed by stadiums and arenas at around 130%.

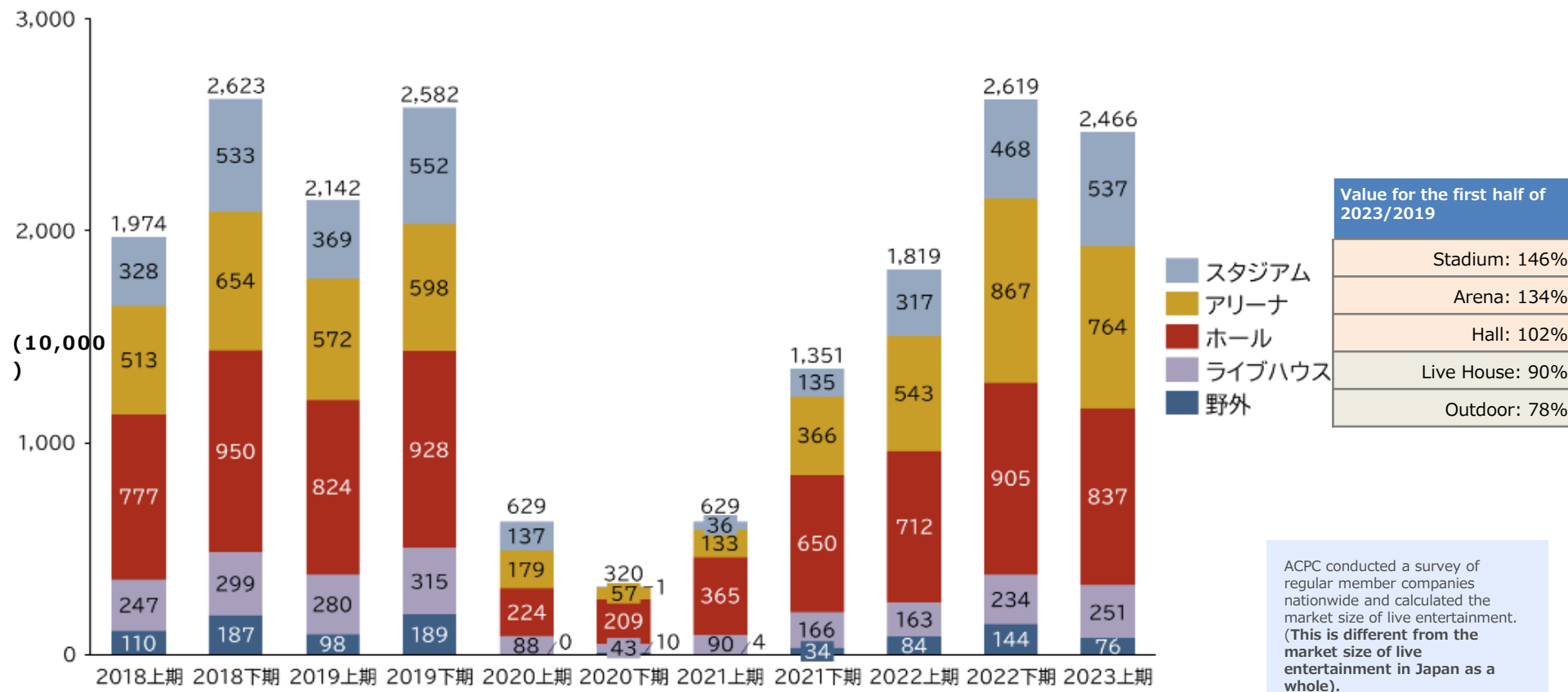
Number of performances by venue size (2018 to the first half of 2023)



Mobilization by Live Entertainment Venue Size (Type)

- According to the ACPC Basic Survey, the number of people who participated by venue size (type) was 8.37 million in halls, 7.64 million in arenas, and 5.37 million in stadiums in 2023.
- The return range in the first half of 2023 compared to the first half of 2019 varied by venue size (type): stadiums and arenas exceeded 130%, while live music venues accounted for 90% and outdoor venues 78%.

Number of performances by venue size (2018 to the first half of 2023)



New stadiums and arenas

- Many new stadiums and arenas are scheduled to open in Japan between 2023 and 2025.

Stadiums and arenas scheduled to open in Japan between 2023 and 2025

Category	Prefecture	Name of the facility	Opening time	Capacity (people)
Stadium	Shizuoka Prefecture	Shimizu S-Pulse New Stadium	Scheduled for Spring 2024	20,000~30,000
	Hiroshima Prefecture	Hiroshima Prefectural Central Park Soccer Stadium	2024/2/1	28,500
	Ehime	Imabari Satoyama Stadium	2023/1/29	5,300
	Nagasaki Prefecture	Nagasaki Stadium City	2024/10/14	20,000
Arena	Hokkaido	ES CON FIELD HOKKAIDO	2023/3/30	35,000
	Aomori Prefecture	Aomori City General Gymnasium	2024/7/1	5,000
	Iwate Prefecture	Kitagin Ball Park	2023/4/1	20,000
	Gunma Prefecture	OTA ARENA	2023/4/6	5,000
	Chiba Prefecture	Lala arena TOKYO-BAY	Scheduled for spring 2024	10,000
	Tokyo	TOKYO GIANTS TOWN	March 2025	2,600
		TOYOTA ARENA TOKYO	Fall 2025	10,000
		Tokyo Setagaya (temporary) Kamiyoga Park Sports Facility	End of FY 2024	-
	Kanagawa Prefecture	Yokohama BUNTAI	2024/4/1	5,000
		K Arena Yokohama	2023/9/29	20,000
	Aichi Prefecture	Aichi International Arena	Summer 2025	17,000
	Hyogo Prefecture	Kobe Arena	Scheduled for April 2025	10,000
	Kagawa Prefecture	Anabuki Arena Kagawa	Scheduled for March 2025	10,000
	Saga Prefecture	SAGA Arena	2023/1/1	Fixed 6,300+ 2,100 in arena, total 8400
	Nagasaki Prefecture	HAPPINESS ARENA	2024/10/14	6,000

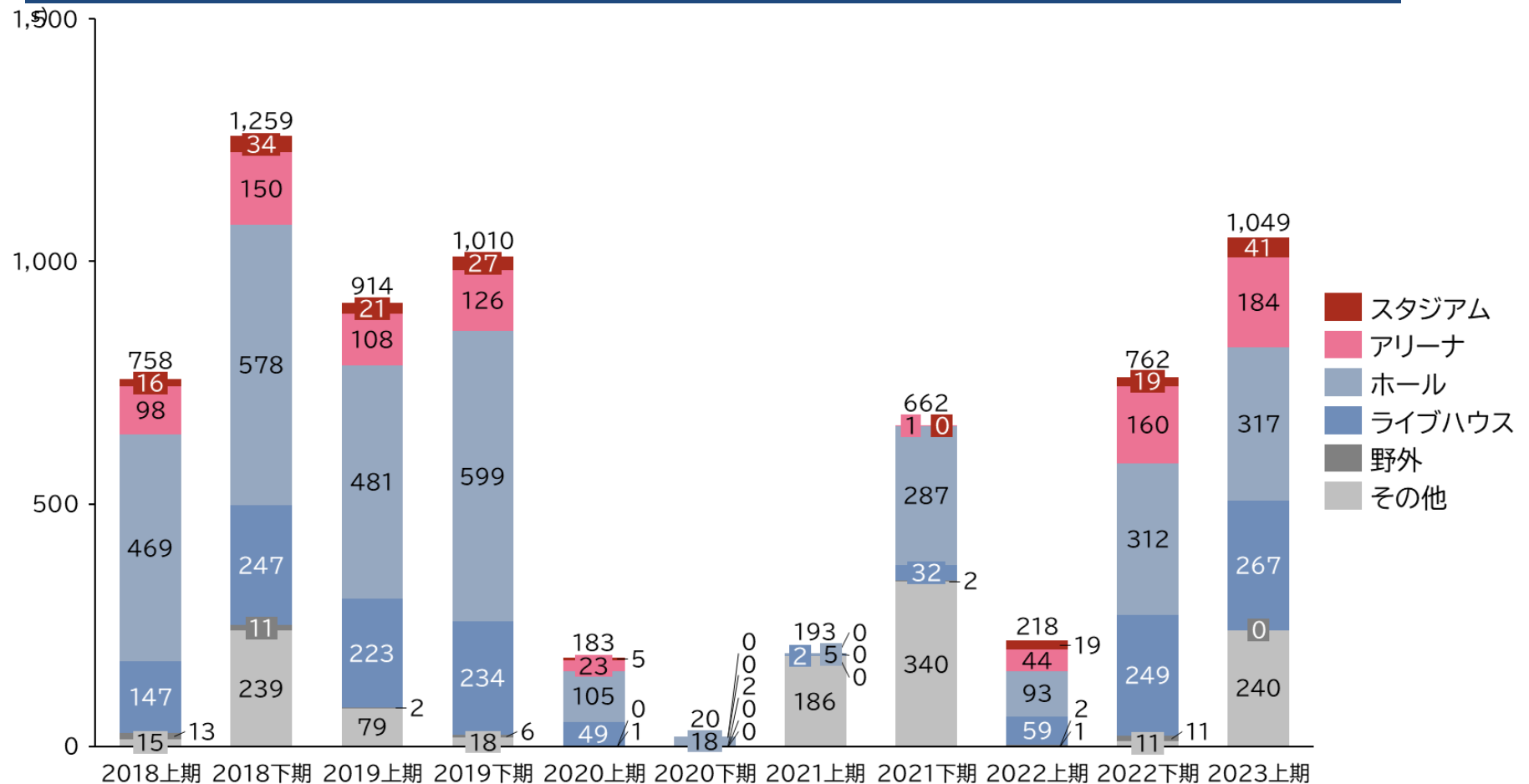
*Not all applicable facilities are covered

Source: MRI based on various data

Concerts held in Japan by overseas artists

- The number of concerts held in Japan by overseas artists is decreasing and the number of concerts held in stadiums, arenas and live music venues is increasing compared to before the COVID-19 pandemic.

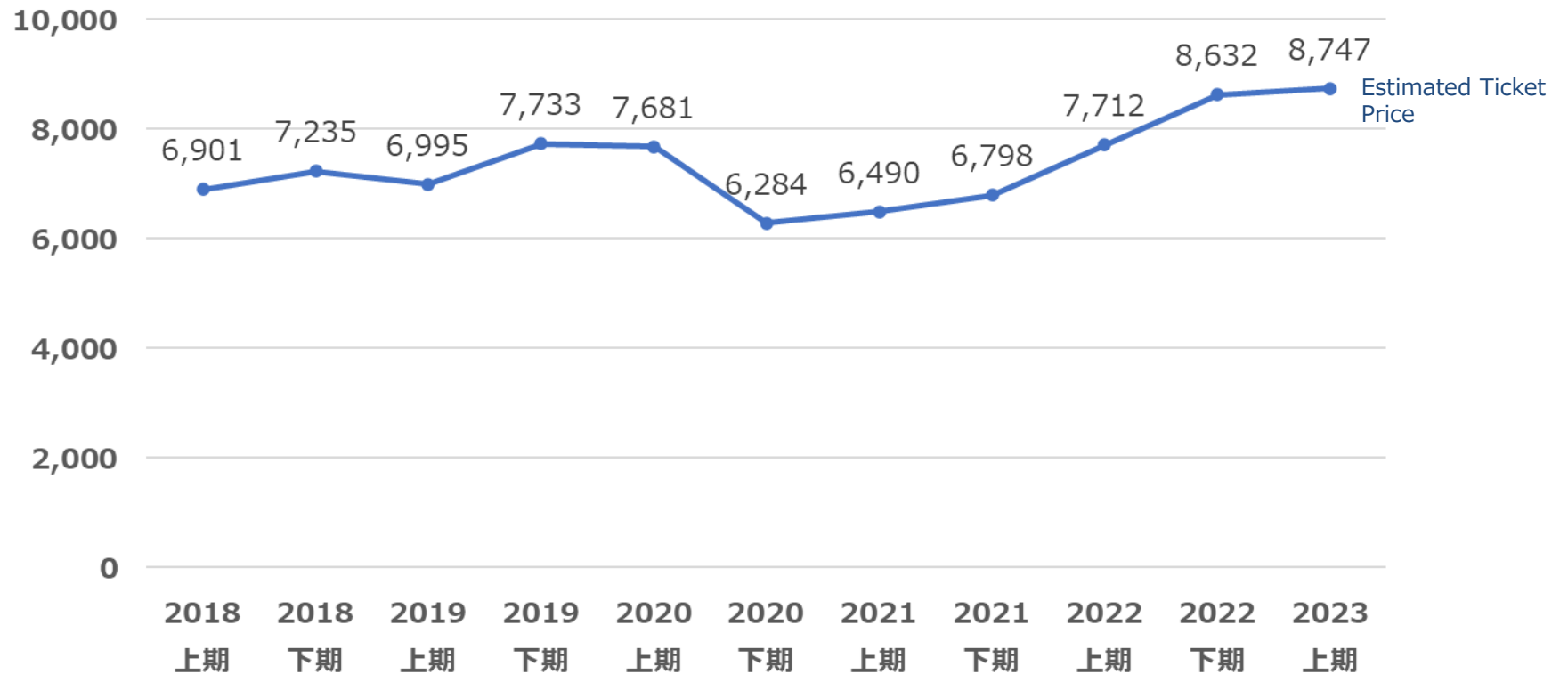
Number of performances by overseas artists by venue size (2018 to the first half of 2023)



Changes in estimated ticket prices for domestic concerts

- The estimated ticket price for the first half of 2023 was 8,747 yen.
- The estimated ticket price declined significantly in the second half of 2020, but has been on an upward trend since 2020.

Ticket prices for concerts held at Tokyo Dome from October to December 2023



Ticket prices by artist attribute

- It is difficult to compare ticket prices for concerts because they vary widely, but even for concerts held at the same venue, tickets for concerts by Japanese music artists tend to be relatively cheaper than those for Western music and K-pop artists.

Ticket prices for concerts held at Tokyo Dome from October to December 2023

Classification	Date	Name of the artist/concert	Ticket price
Western music	2022/10/26	Bruno Mars	9,800~128,000
	2022/11/30	KISS	15,000~25,000
	2022/12/04	Maroon 5	9,800~100,000
K-POP	2022/11/13	NiziU	11,000~12,000
	2022/11/27	SEVENTEEN	12,650~13,200
J-POP	2022/11/08	Sakurazaka 46	9,800
	2022/11/20	King Gnu	8,000~12,000
	2022/12/11	Keisuke Kuwata	11,000
	2022/12/17	Sexy Zone	8,200~16,400
	2022/12/21	EXILE	12,100
	2022/12/25	KinKi Kids	10,300
	2022/12/29	Hey! Say! JUMP	9,500
	2022/12/31	Johnny's Countdown 2022 - 2023	9,800

Examples of transactions involving financial music copyrights

- In recent years, there have been several cases of music copyrights and neighboring rights being traded at high prices every year.
- In addition to music publishers and record companies, there have been several cases of trading by investment companies

Major cases of trading of music copyrights and neighboring rights (since 2020)

Timing	Seller	Subject	Amount *	Buyer
November 2020	Big Machine Records	Original rights to six Taylor Swift albums	US \$300 million	ShamrockCapital
December 2020	Neil Young	Music publishing rights for 50% (590 songs) of all songs	US \$150 million	Hipgnosis Songs Fund
December 2020	Bob Dylan	Music publishing rights for all songs (600 or more)	US \$300 million ~ 400 million	Universal Music
December 2020	Stevie Nicks	80% of all music rights	US \$100 million	Primary Wave
January 2021	Ryan Tedder	Majority of music publishing rights for songs composed for other artists and for his own group since 2016	US \$200 million	KKR
March 2021	Paul Simon	All music publishing rights (including Simon & Garfunkel era)	US \$250 million	Sony Music
July 2021	Prince's Heir	About 42% of Prince's estate, including music rights	US \$100 million ~ 300 million	Primary Wave
October 2021	Tina Turner	Original and music publishing rights, neighboring and portrait rights	US \$68 million	BMG
December 2021	Bruce Springsteen	Original music rights and music publishing rights	US \$550 million	Sony Music
January 2022	David Bowie's estate	all music publishing rights held by the estate	more than US \$250 million	Warner Music
January 2022	Bob Dylan	All rights reserved	US \$200 million or more	Sony Music
February 2022	Sting	ThePolice and all of his songs as a solo artist	US \$300 million or more	Universal Music
February 2022	Neil Diamond	Original disc rights and music publishing rights for all songs (including 110 unreleased songs)	Unknown	Universal Music
May 2022	Justin Timberlake	Music rights to all 200 songs	US \$100 million	Hipgnosis Songs Capital (Blackstone)
November 2022	ShannonRubicam, GeorgeMerrill	Music rights to approximately 60 songs by ShannonRubicam and George Merrill, including WhitneyHouston hits	US \$50 million ~ 100 million	Primary Wave/ Brookfield Asset Management

Platform for trading distribution claims

- Since the 2010s, there have been platforms for trading the right to claim the distribution of revenue based on music copyrights and original disc rights.

Examples of platforms that trade distribution claims

Service name	Service provider	Service start time	Subject of transaction	Overview
Royalty Exchange	Royalty Exchange (United States)	2011	To music copyrights and original disc rights Right to claim distribution of proceeds based on	- An auction-based marketplace that matches artists who want to raise money by selling music rights with investors who expect future copyright revenue generated by their music. - As of December 2023, there were more than 1800 transactions. As of 2020, there were more than \$84 million in transactions.
ANote Music	ANote Music (Luxembourg)	2021	To music copyrights and original disc rights Right to claim distribution of proceeds based on	- Exchange using blockchain technology. An investor bids in an auction. The period, the number of units, and the minimum price are fixed, and after the auction, the right to purchase is obtained in order of the highest value, but the selling price is the lowest offer price among the right holders. At the time of listing, ANote Music sets the minimum amount based on the past three years. - You can bid from as low as a few €. - As of the end of 2022, investors have achieved an average annual yield of 9.63% after trading above 21 million €.
Royalty Bank MARKETPLACE	Royalty Bank (Japan)	2022	To music copyright and original board rights To claim distribution of profits based on	- A marketplace where you can invest in royalty distribution claims generated by music and comics. Not an auction type. The money invested goes to creators and other rights holders. - You can invest from 1000 yen per unit.
OIKOS MUSIC	OIKOS MUSIC (Japan)	2022	Right to claim distribution of revenue generated by music subscription service	- A platform for selling and purchasing OIKOS (subscription rights) for sound sources. It is not an auction type. The buyer gets a share of the revenue generated by the music subscription service. They also get exclusive content and can participate in exclusive events. - They can invest from 1000 yen per unit. - The sales revenue of OIKOS will be returned to artists and creators.

Source: <https://auctions.royaltyexchange.com/>, <https://www.anotemusic.com/>, <https://voices.k2match.com/anote-music-the-mainstage-for-music-investment/>, <https://oikosmusic.jp/>, <https://www.royaltybank.jp/>

Finance and other financing methods

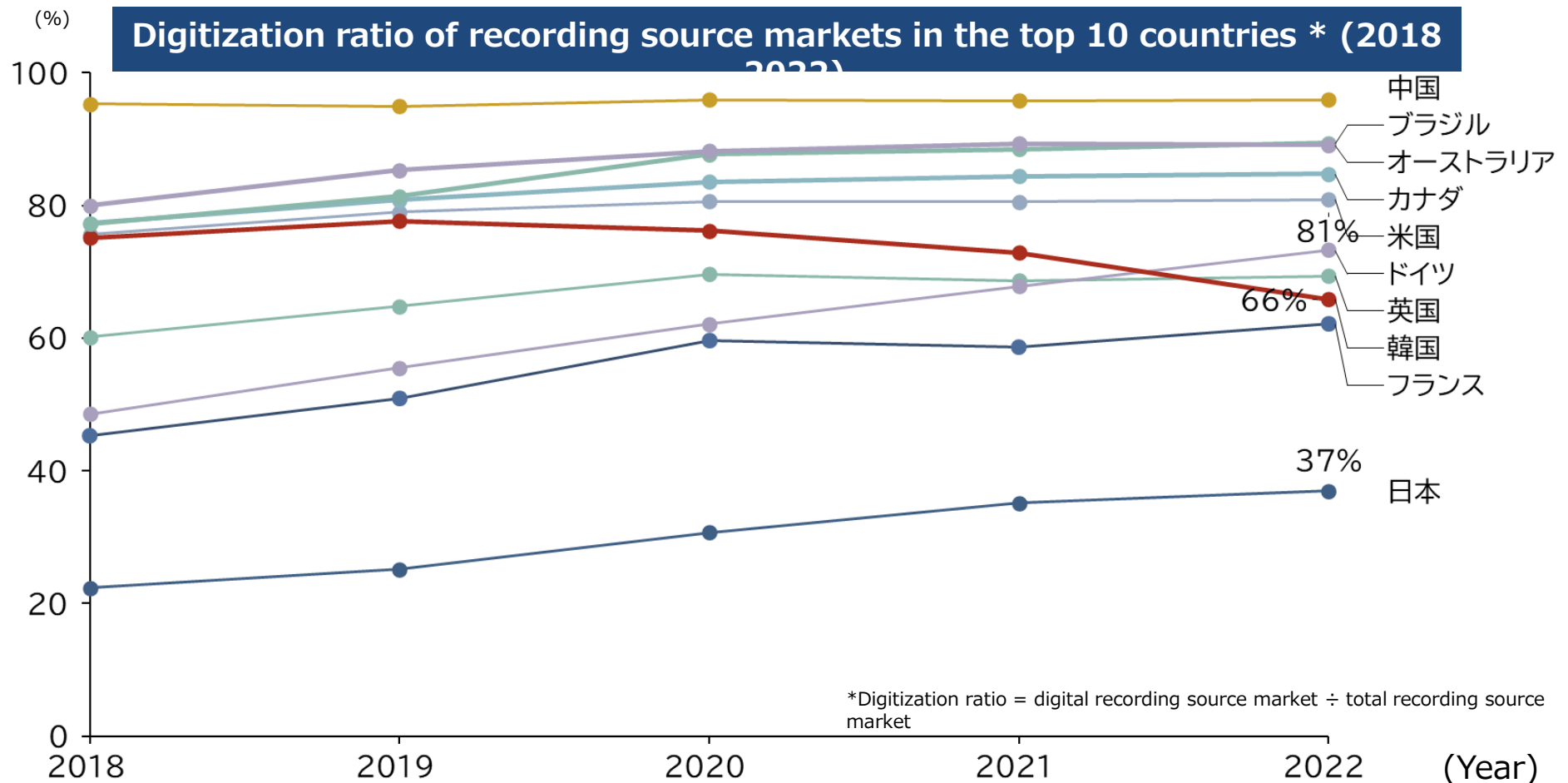
- In 1997, David Bowie issued "Bowie bonds" backed by royalty revenue generated by his music. Around the same time, other artists used similar financing techniques.
- There are examples of crowdfunding to raise money for music production.

Examples of Other Funding Methods for Music

Funding Method	Examples	Overview
Celebrity Bond	David Bowie Bond	● In 1997, David Bowie issued the Bowie Bond, a 10 year asset-backed security with a yield of 7.9%, backed by 15 years of future royalty income on his early pre- 1990 album (25 songs, 300 songs). He sold all of it to insurance and finance giant Prudential Financial, raising \$55 million. ● In February 1997, ratings agency Moody's gave Bowie bonds an A3 rating based on historical performance of assets and other factors. However, it was downgraded to Baa3 in 2004 and liquidated in 2007. *After David Bowie, Iron Maiden, James Brown, Rod Stewart and others raised similar funds.
Crowdfunding	To the artists on the label Crowdfunding	● TWIN MUSIC is the only crowdfunding label in Japan. ● The original board is created by crowdfunding, and the rights of the original board belong to the artist himself, and the copyright of the artist photo, jacket photo, etc. belongs to the artist himself. ● It is possible to invest from 1000 yen per unit.
	dedicated music crowdfunding service	● It is a crowdfunding service specialized in nuevo crowd funding music operated by nuevo company (Japan). ● It is a "purchase-type" crowdfunding service, and since the purchaser receives a return on the purchase, the original rights are normally owned by the artist himself or his agency/label/publisher. ● As of 2023, there were 100,000 registered users and the total amount of distribution reached more than 1 billion yen.

Digitization ratio of the music industry in each country

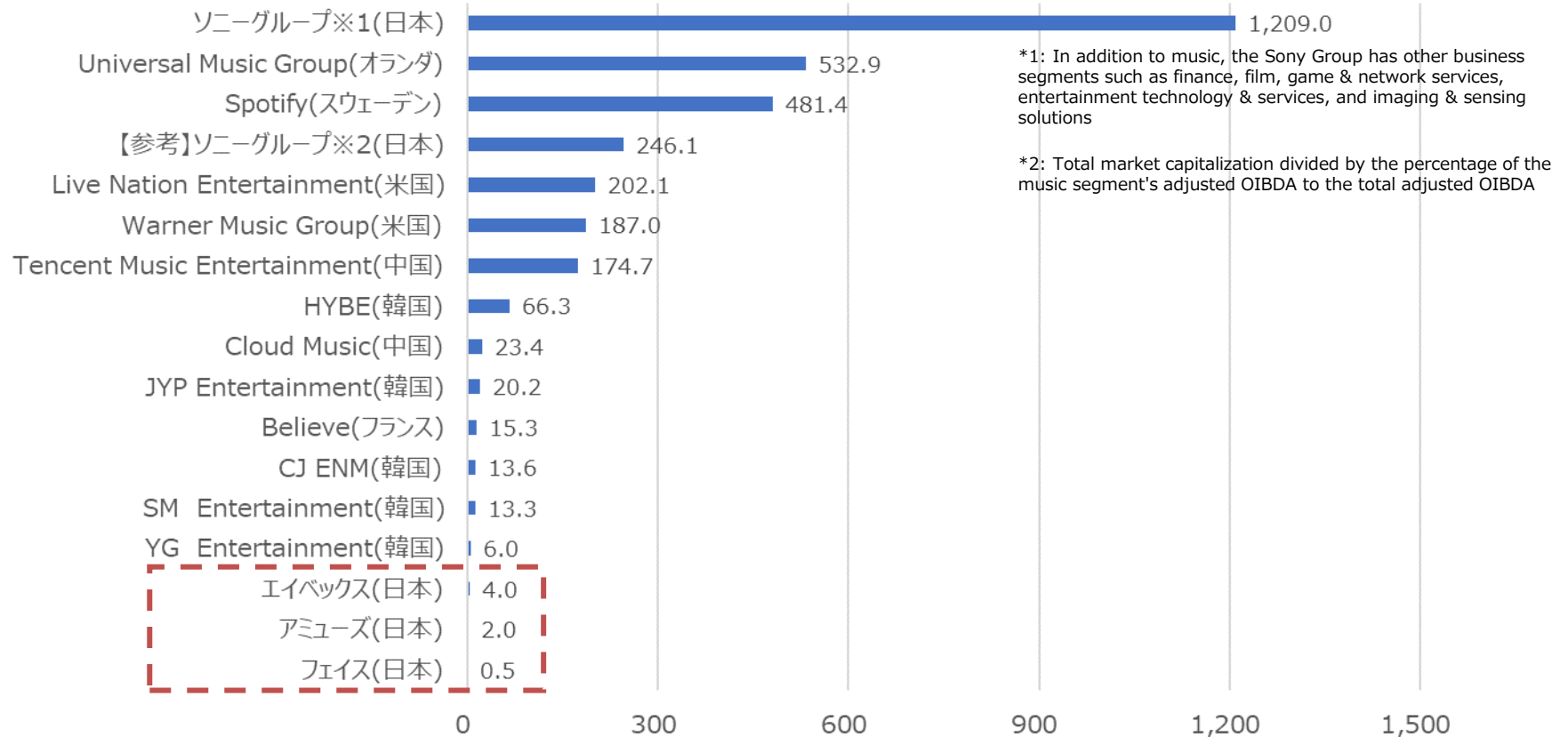
- In 2022, the digitization ratio (distribution market divided by the total recording source market) of the top 10 countries in the global recording source market exceeded 50% except for Japan. In particular, China exceeded 95%, while Brazil and Australia accounted for about 90%. Japan had a relatively low 37%.
- South Korea had 66%, but its digitalization ratio has been declining since 2019.
- The United States, which has the world's largest recording market, had a relatively high 81%, but it has been flat for several years.



Market capitalization of major players in the music industry

- Looking at the market capitalization of the major players in the global music industry, the Japanese players are the Sony Group (which also has non-music business segments) and are relatively small compared to the players in Europe, the United States, China and South Korea.

Market capitalization of major players in the global music industry (in dollars as of February 2024)



Note: The name of the country added to the name of the company is the location of the head office.

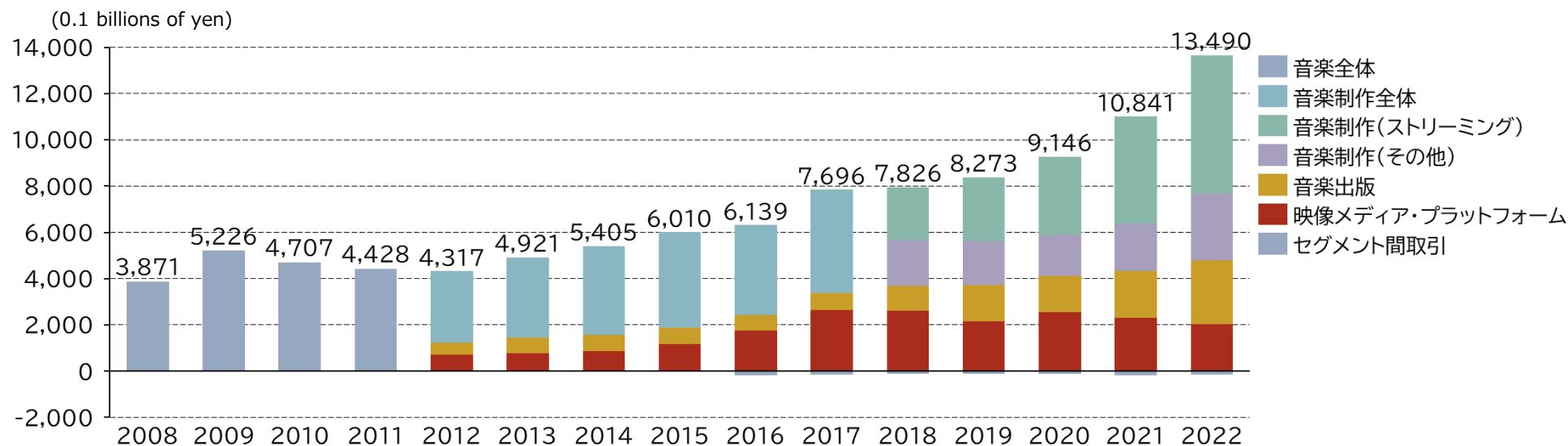
Source: Based on data from Bloomberg as of February 14, 2024

(0.1 billions of dollars)

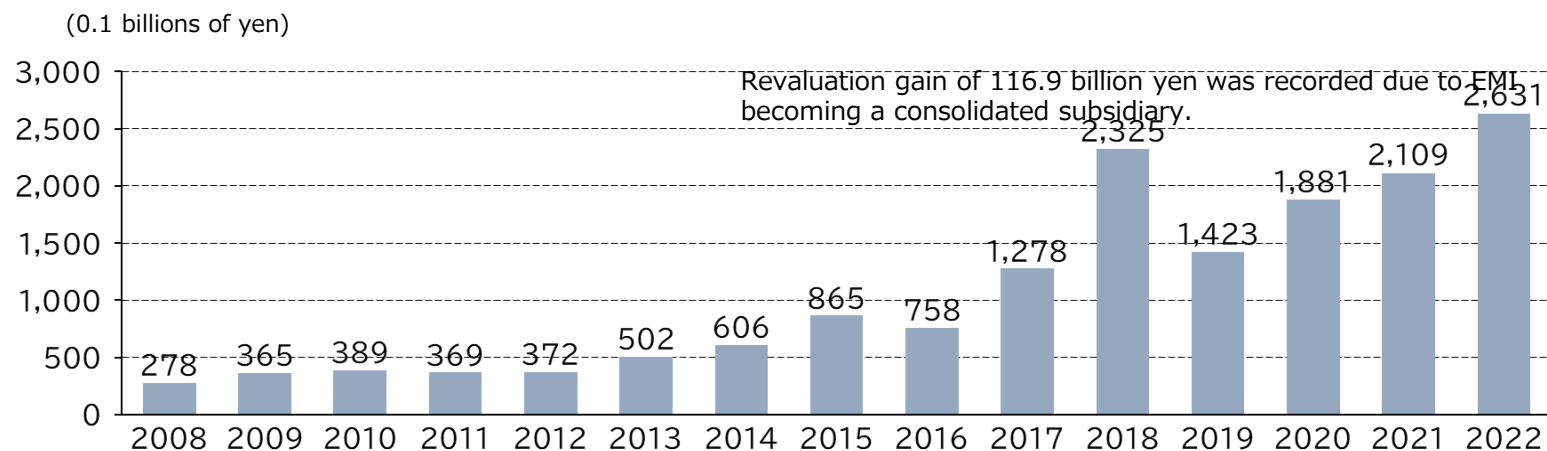
Sony Group (Music Segment) Sales and Operating Income

- Both sales and profits are on the rise. In terms of sales, the growth of music production (streaming) is particularly strong.

Sales



Operating Income

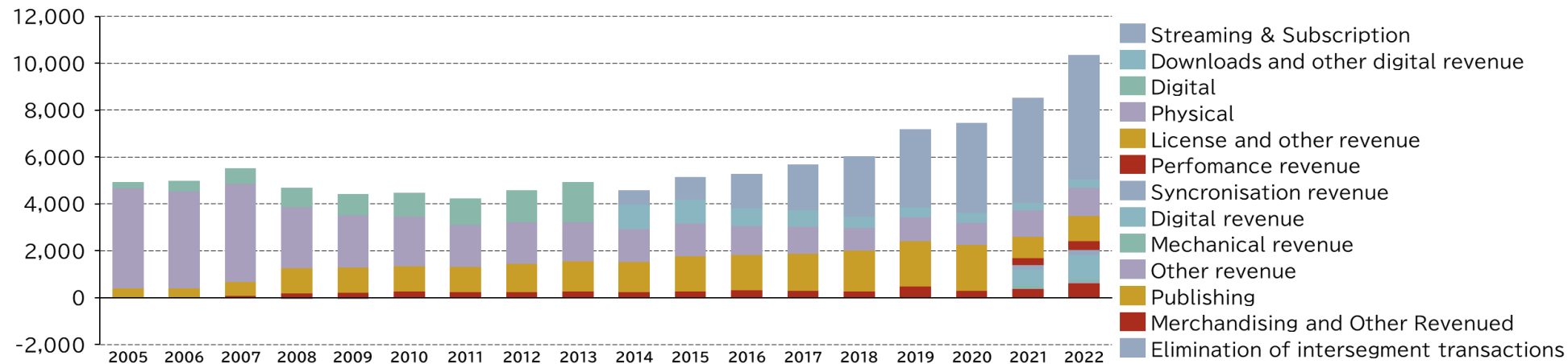


Universal Music Group Sales and EBITDA

- Both sales and EBITDA are on the rise. In terms of sales, the growth of Streaming & Subscription is particularly strong.
- Recorded accounts for the majority of operating income.

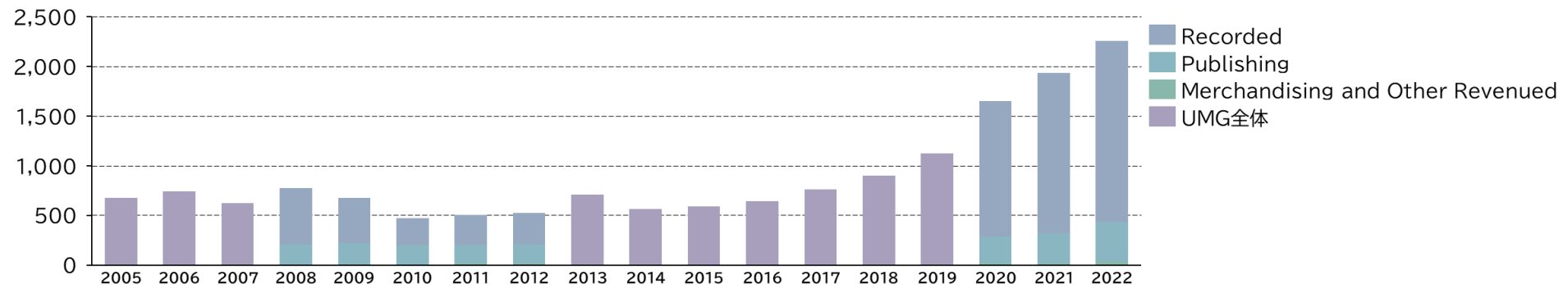
Sales

(1 million €)



EBITDA

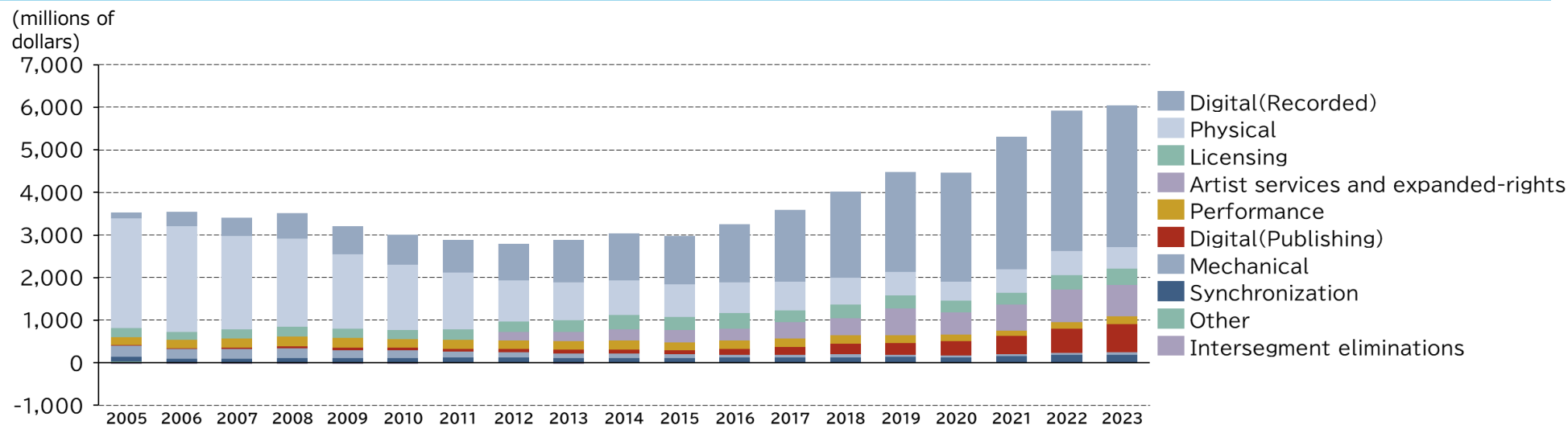
(1 million €)



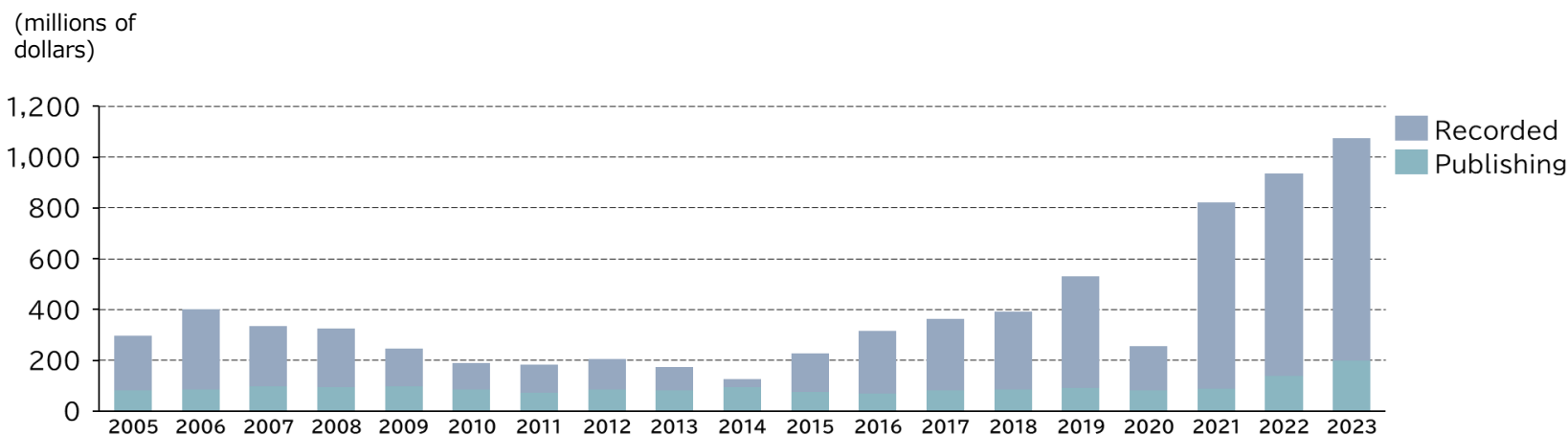
Warner Music Group Sales and Operating Income

- Compared to Sony and Universal, sales and operating income declined significantly in 2020, but both have been on the rise since 2021.
- Recorded accounts for most of the operating income.

Sales



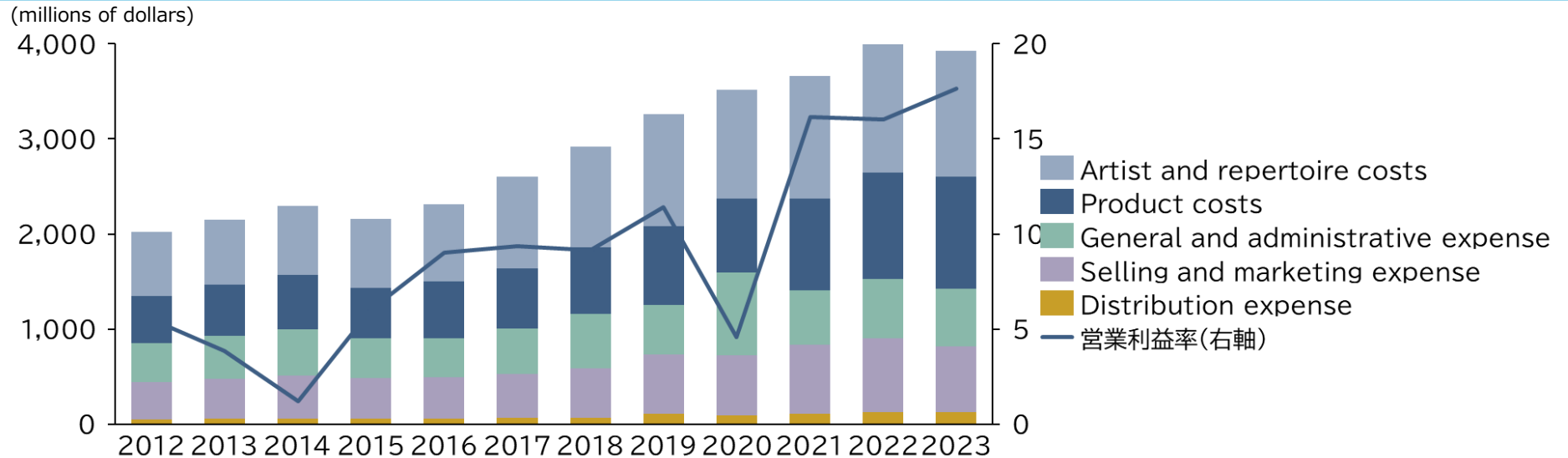
Operating Income



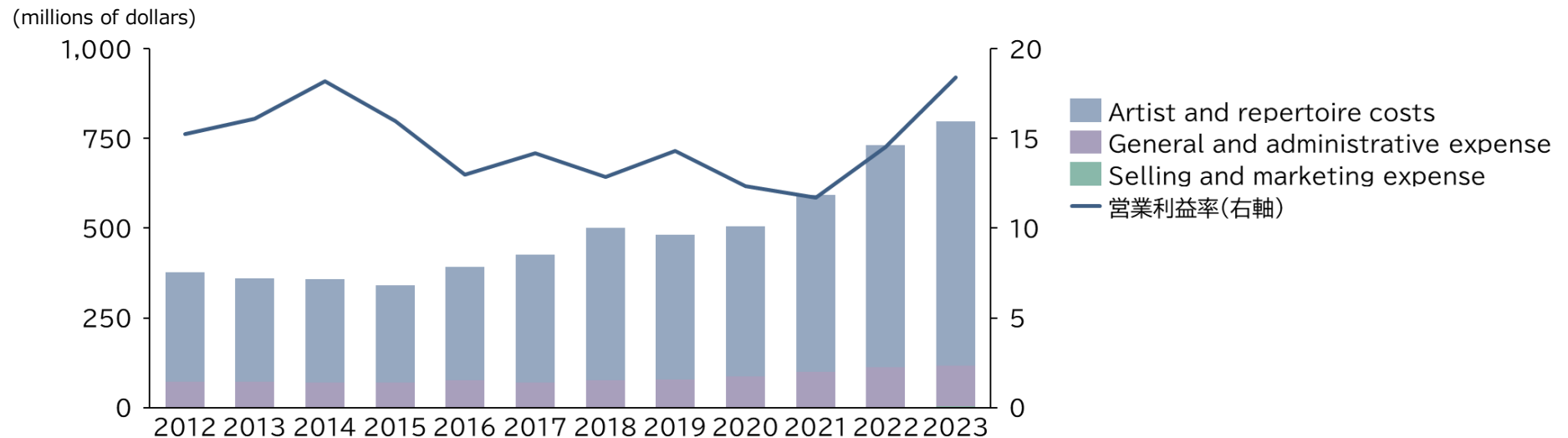
Warner Music Group expenses

- Artist and repertoire (A & R) costs and production costs are large in the original recording segment, and A & R costs are large in the music publishing segment.
- Operating profit margins in the original recording segment are improving, while those in the music publishing segment are flat.

Recording source



Music publishing

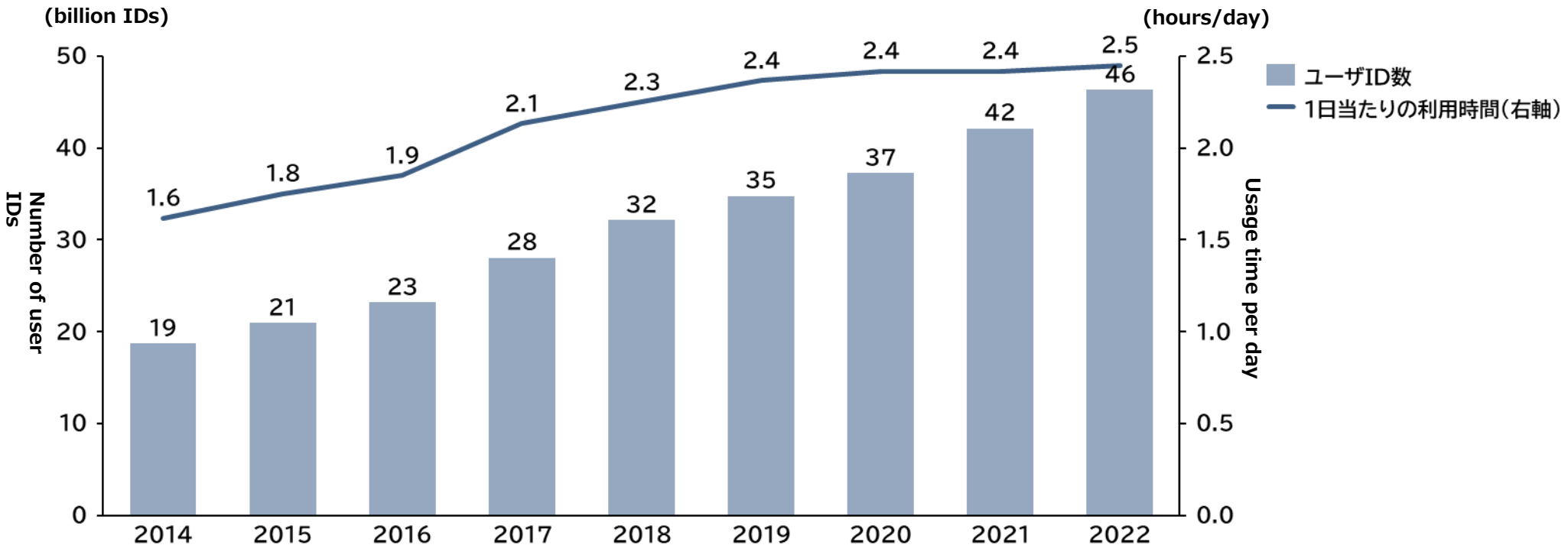


4. Trends in the audience and consumers of music content and changes in distribution structure

Number of SNS user IDs and usage time worldwide

- The number of SNS user IDs worldwide has been steadily increasing, reaching 4.6 billion accounts in 2022.
- The number of hours spent per day has also been increasing, reaching 2.5 hours per day in 2022.

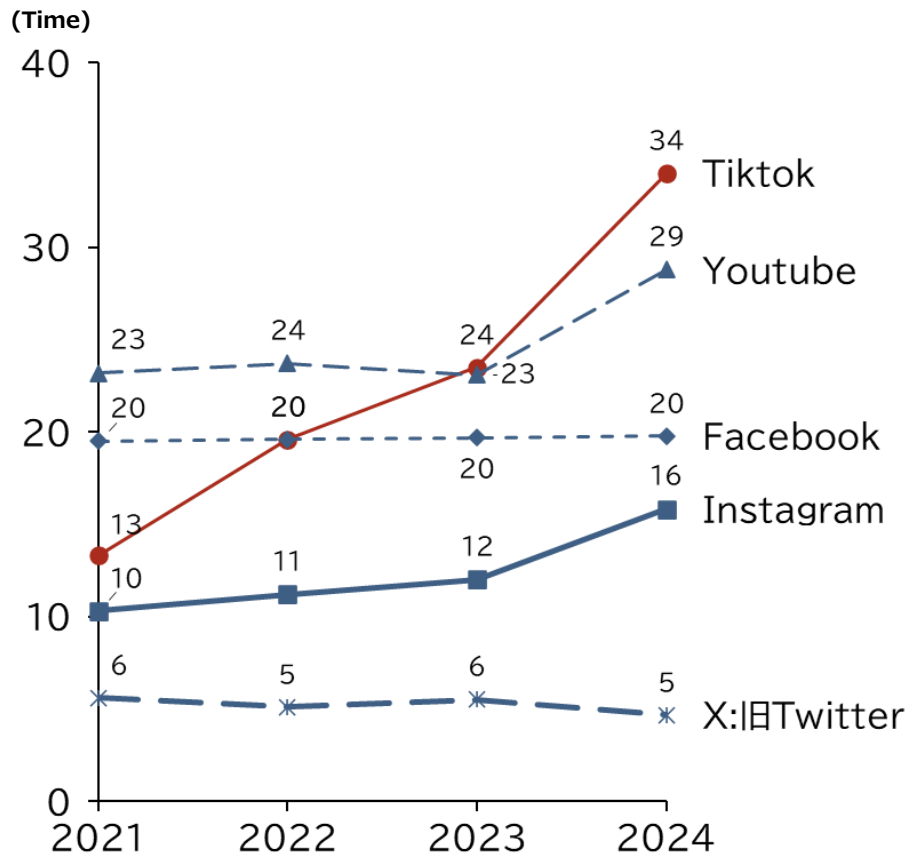
Number of SNS user IDs worldwide and hours spent per day (2014-2022)



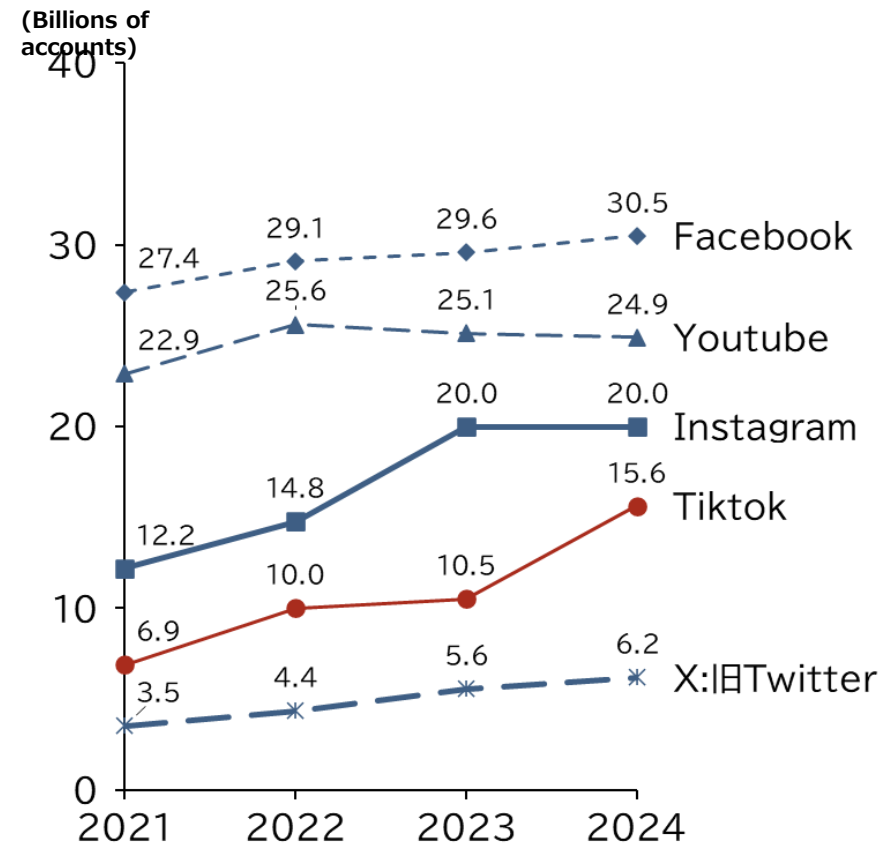
Time spent using each SNS and number of accounts

- TikTok's usage time and number of accounts grew significantly between 2021 and 2024. In particular, TikTok's usage time was 34 hours per month in 2024, which puts it at number one, about 5 hours behind second-place YouTube.
- Looking at the comparison from 2021, Instagram has also seen a relatively large increase in both usage time and number of accounts.

Global: Usage time per month for each SNS (2021-2024)

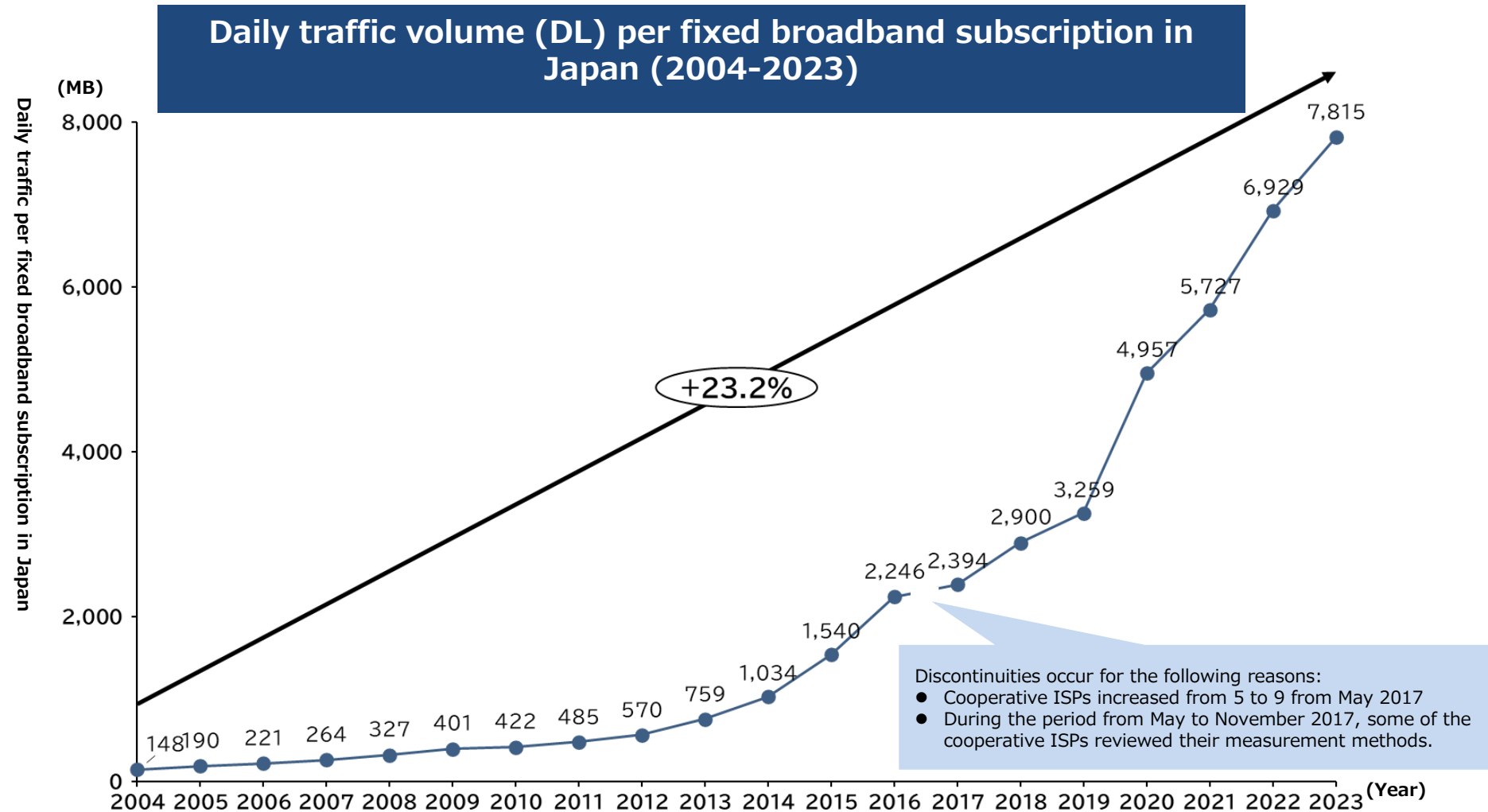


Global: Number of accounts for each SNS (2021-2024)



Daily traffic per fixed broadband subscription in the country

- The daily download traffic per fixed broadband subscription has been at a CAGR of 23.2% since 2004 and increased to 7,815MB/day in 2023.

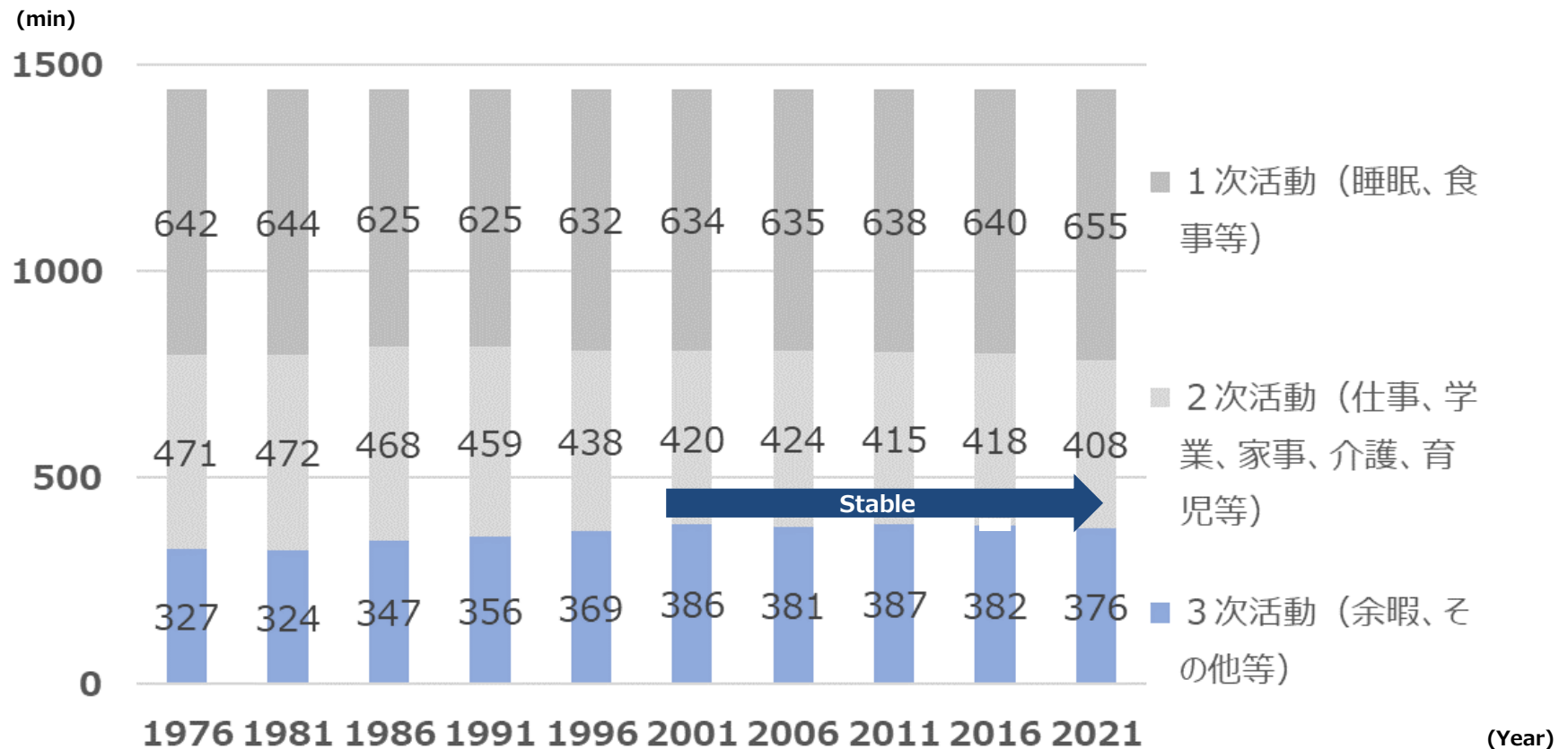


Source: the Ministry of Internal Affairs and Communications "Aggregate and Estimate of Traffic on the Internet in our country"
<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.soumu.go.jp%2Fjohotsusintokei%2Ffield%2Fdata%2Fgt010108.xlsx&wdOrigin=BROWSELINK>

Number of hours per day in Japan by activity

- Tertiary activities (time excluding primary activities such as sleep and secondary activities such as work) tended to increase from 1976 to 2001, but have remained flat since 2001.

Trends in the number of hours per day by activity in Japan (1976-2021)

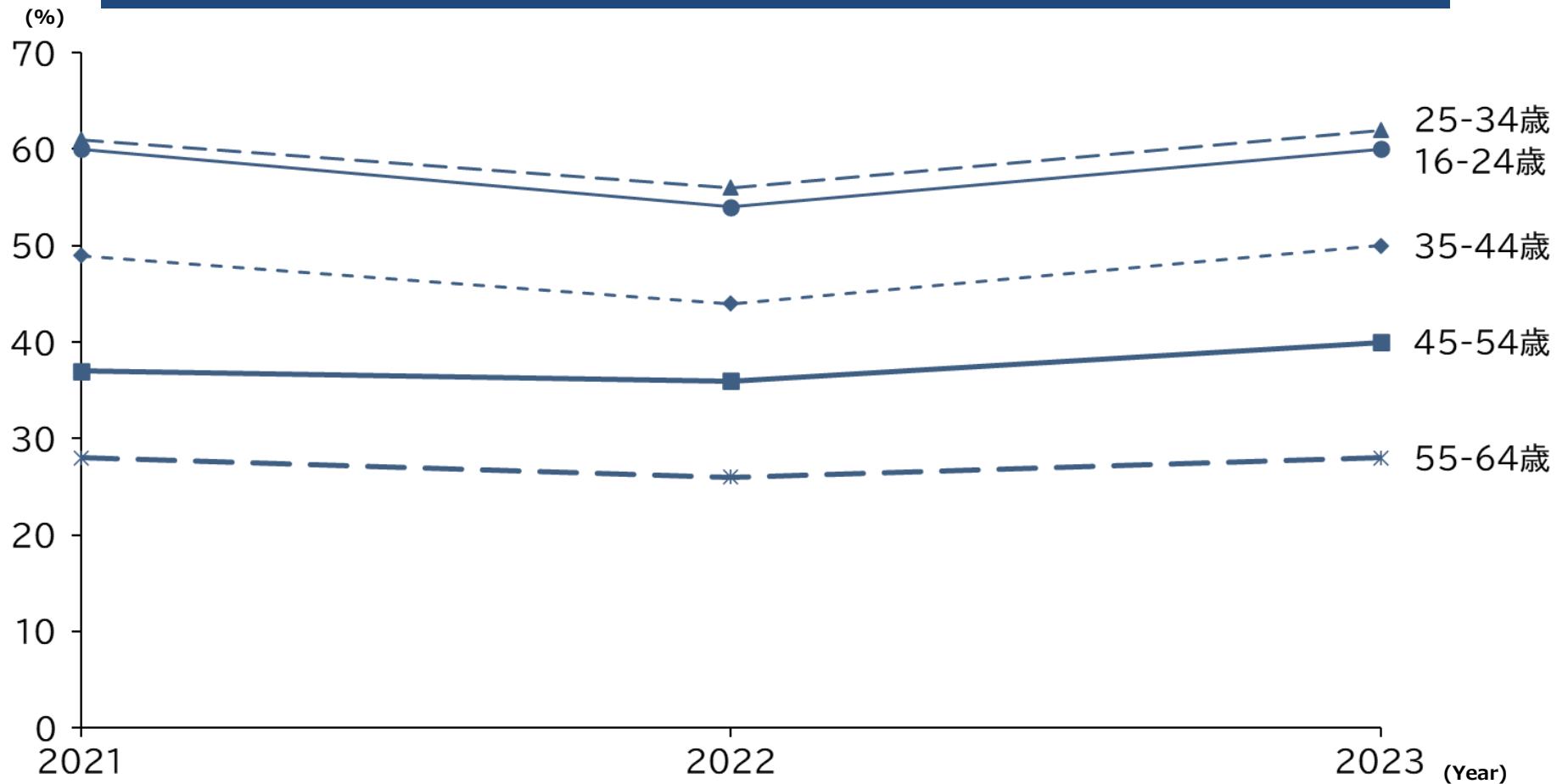


Source: Results of the 2021 Basic Survey on Social Life (Statistics Bureau, the Ministry of Internal Affairs and Communications)

Music Subscription Service Utilization by Global Age

- According to a survey conducted by IFIP in 26 countries around the world, music subscription services are used more frequently in younger age groups, between 16 and 34.
- There has been no significant change in the 3 years between 2021 and 2023.

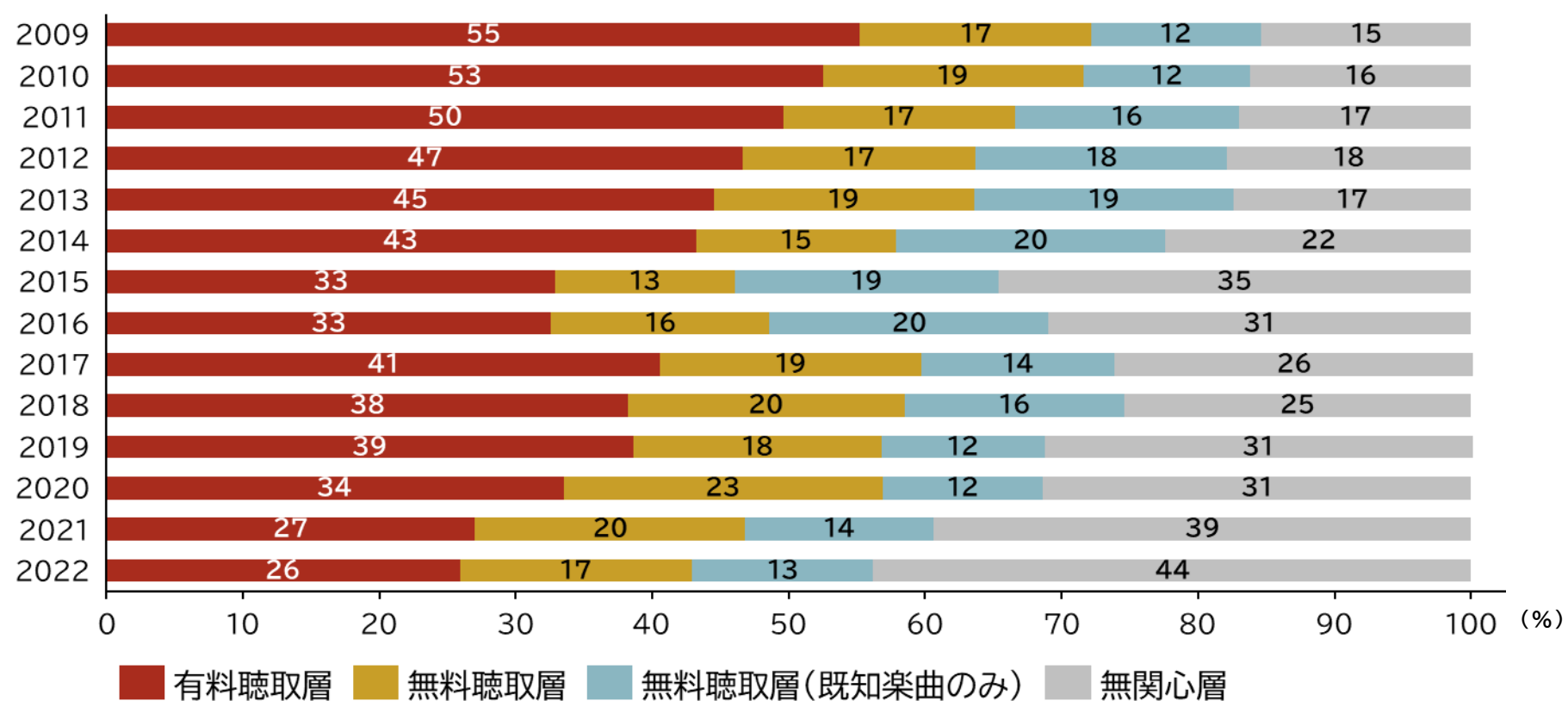
Global music subscription service usage by age group (2021-2023)



Changes in the way people interact with domestic music (by age and year)

- From 2009 to 2022, the number of paid listeners decreased and the number of uninterested listeners increased.

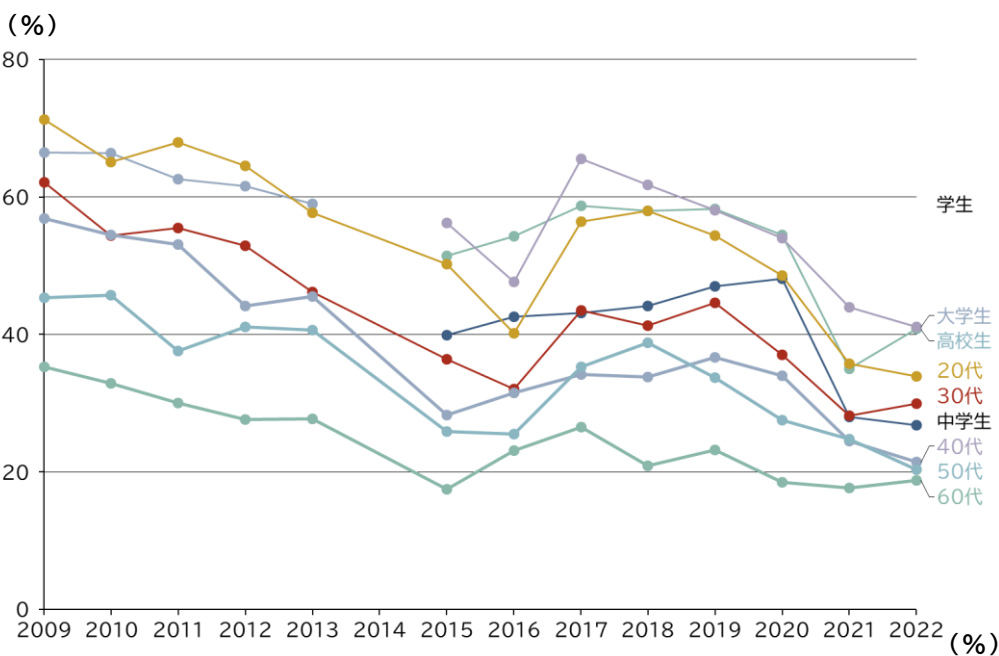
Changes in the way people interact with music over time and by age group



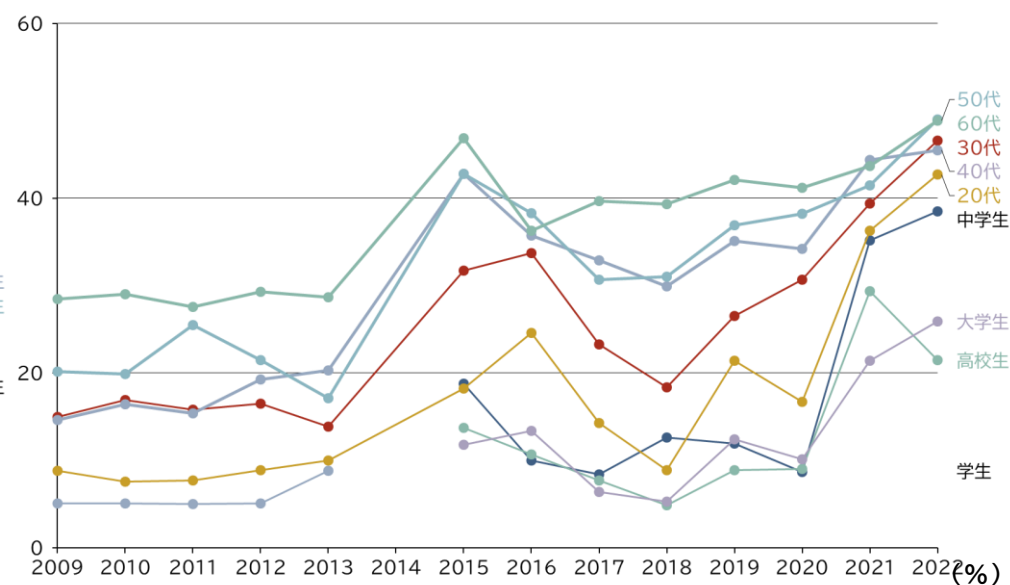
Changes in the way people interact with domestic music (by age and year)

- The number of paid listeners is relatively large among college students, high school students, and adults in their 20s, but has been declining since around 2020.
- Among junior high school students, adults in their 20s through their 50s, and college students and high school students, the percentage of disinterested listeners is about 20 percentage points higher.

Percentage of Paid Audience by Age Group (2009-2022)



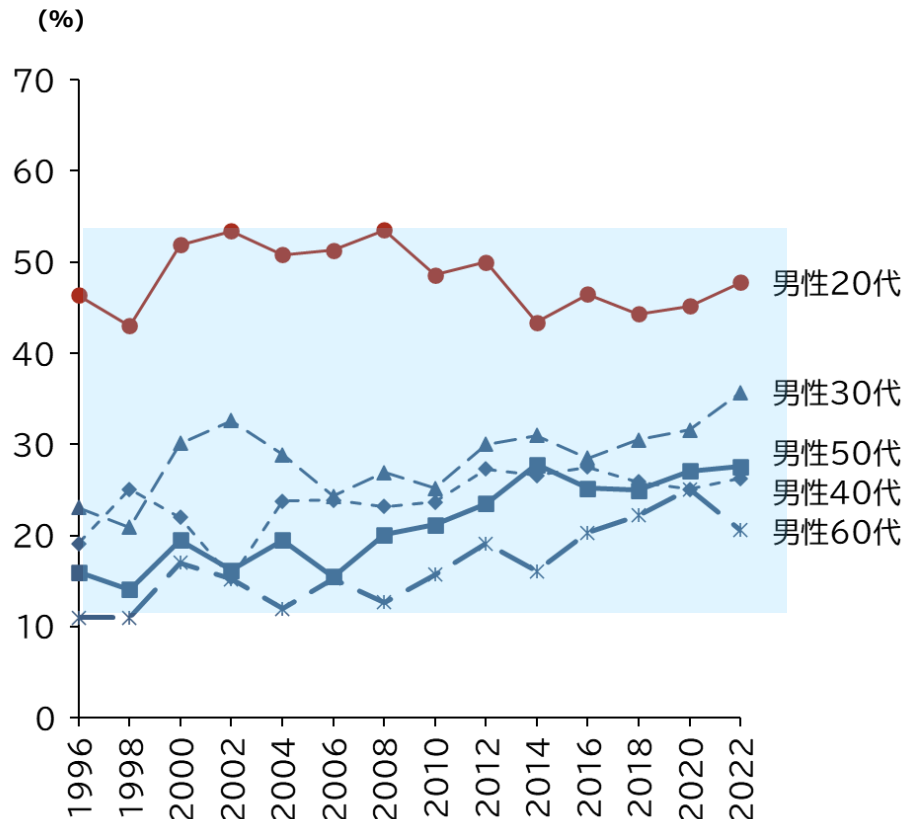
Percentage of Indifferent Audience by Age Group (2009-2022)



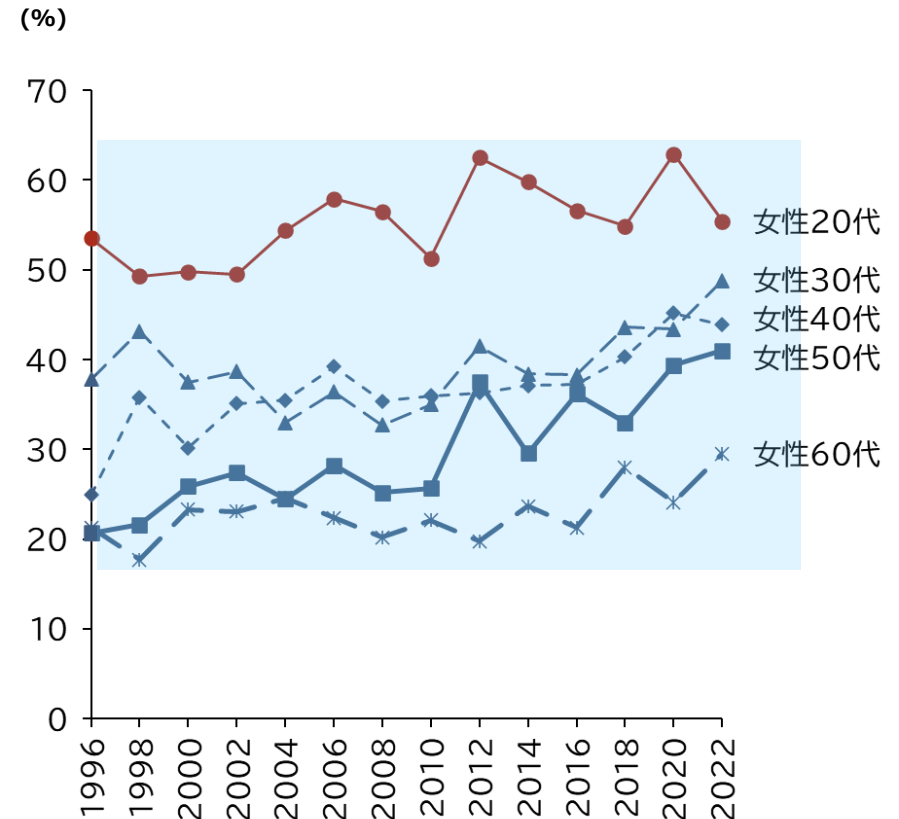
Percentage of people interested in domestic music information

- Over the entire period, women tend to be more interested in music information than men.
- The percentage of people interested in music information for all age groups has remained flat to slightly increased.

Male: Percentage of people interested in music information (1996-2022)



Female: Percentage of people interested in music information (1996 -2022)

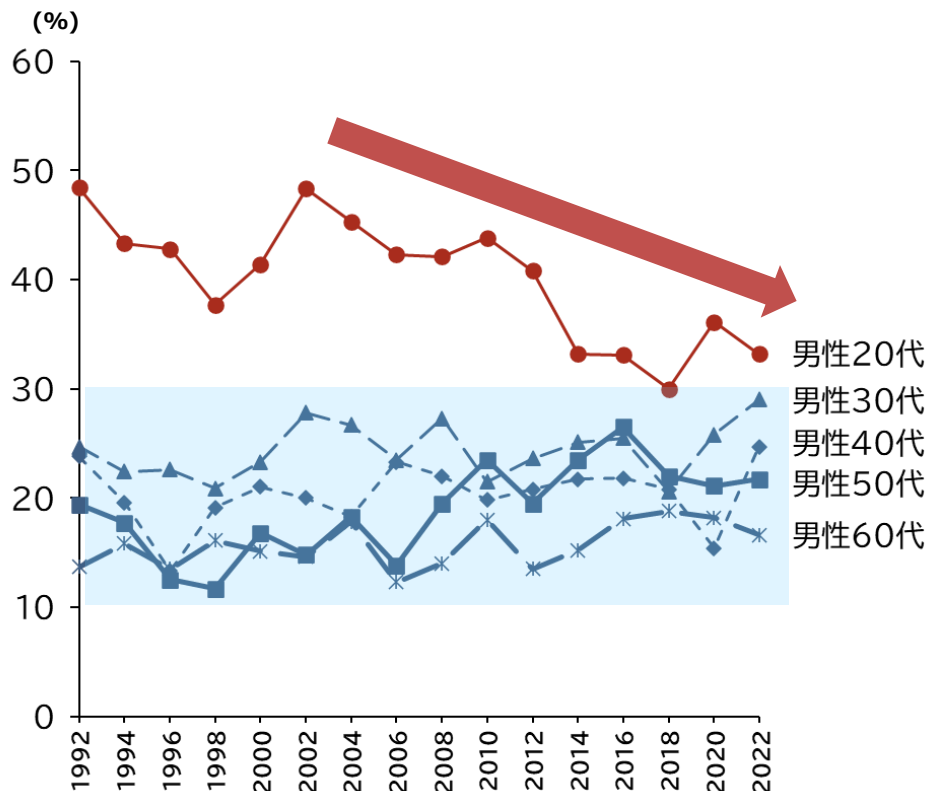


Percentage of people who answered "What kind of information are you interested in?" to the question in the Hakuodo Life Research Institute Lifestyle Points Survey (questionnaire)

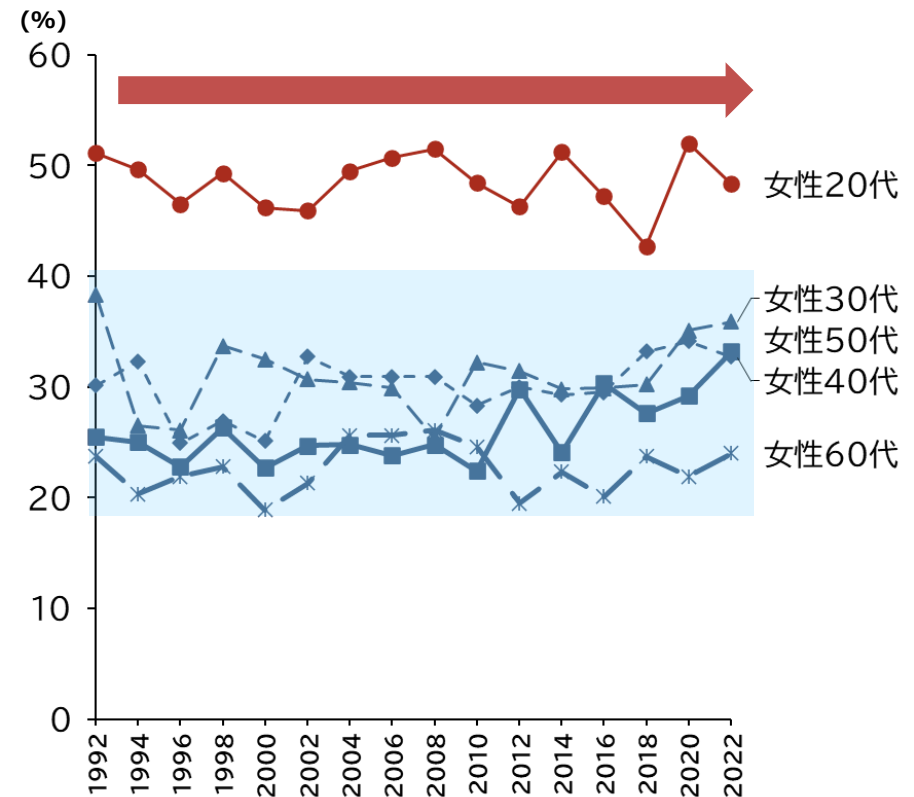
Selection rate for listening to music as a domestic "favorite hobby"

- Over the entire period, women tend to be more likely than men to listen to music.
- Both men and women are most likely to listen to music in their twenties, but the selection rate is decreasing for men in their twenties, while it has leveled off for women in their twenties.

Trends in men's preference for listening to music as a favorite hobby (1992-2022)



Trends in women's preference for listening to music as a favorite hobby (1992 -2022)



Percentage of respondents who answered "What is your favorite sport or hobby?" in the Hakuhodo Life Research Institute Lifestyle Points Survey (questionnaire)

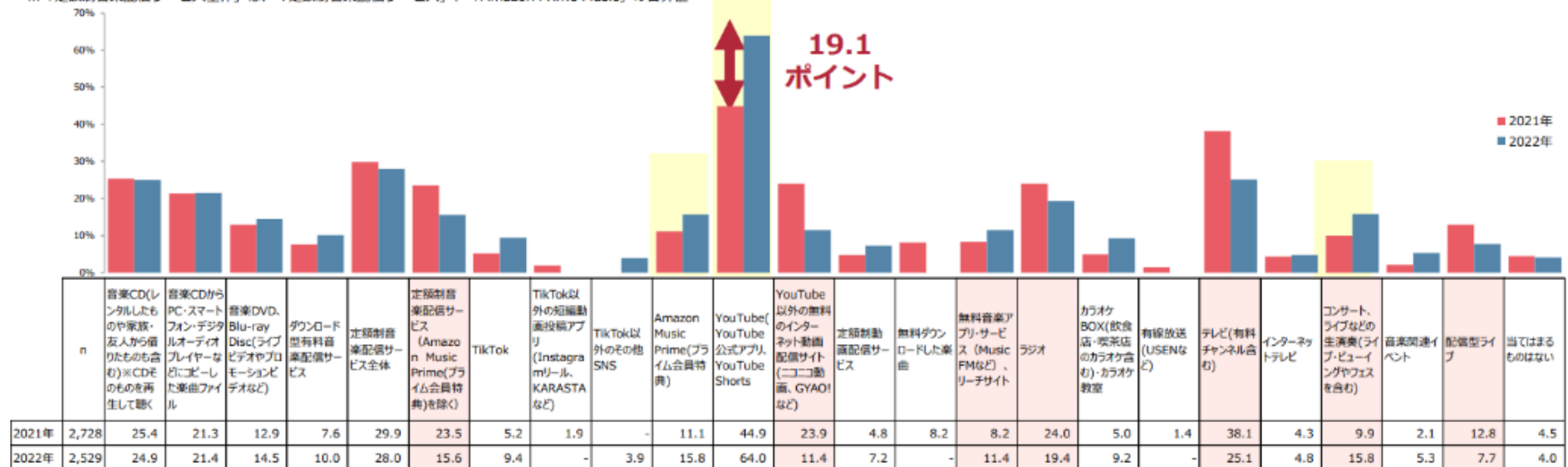
Consumption Trends Music Listening Methods (2021 and 2022)

- In 2022, YouTube was the most popular music listening method at 64.0%, followed by subscription music services at 28.0%, television at 25.1%, and music CDs at 24.9%.
- YouTube usage increased 19.1 percentage points from 2021, while TV usage decreased 13.0 percentage points.

Music Listening Methods (2021 and 2022)

SC3 この半年間に、音楽を楽しむために利用した商品やサービスは何ですか？当てはまるものを全てお選びください。(MA) ※直近半年間、音楽視聴者ベース (SC2=1~3)

※「定額制音楽配信サービス全体」は、「定額制音楽配信サービス」、「Amazon Prime Music」の合算値



※ピンク色塗りつぶしの選択肢は2021年度から2022年度にかけて変更したものを合算した値。合算する選択肢のいずれかを選んでいる場合に合算

①定額制音楽配信サービス (Amazon Music Primeを除く) = 定額制音楽配信サービス (Amazon Music Primeを除く) + Spotifyフリープラン・LINE MUSICフリープラン・YouTube Music(無料)

②YouTube以外の無料インターネット動画配信サイト = ニコニコ動画+YouTube、ニコニコ動画以外のインターネット動画配信サイト

③無料音楽アプリ・サービス、リーチサイト = 無料音楽アプリ、サービス+リーチサイト

④ラジオ = AM・FMラジオ+インターネットラジオ ⑤テレビ (有料チャンネル含む) = テレビ+テレビの有料チャンネル

⑥コンサート、ライブなどの生演奏 = 単独のアーティストによるコンサート、ライブ等の生演奏+複数のアーティストによるコンサート、ライブ等の生演奏 ⑦配信型ライブ = 無料配信型ライブ+有料配信型ライブ

Consumption Trends Music Listening Methods (Comparison by Sex and Age)

- In 2022, YouTube was the most popular listening method for all sexes and ages.
- Teens and twenty-somethings are more likely to listen on TikTok.
- Women in their teens and twenties are more likely to listen to live music, such as concerts and live performances, than other sex and age groups.

Music Listening Methods (Comparison by Sex and Age Group in 2022)

SC3 この半年間に、音楽を楽しむために利用した商品やサービスは何ですか？当てはまるものを全てお選びください。(MA) ※直近半年間、音楽視聴者ベース (SC2=1~3)

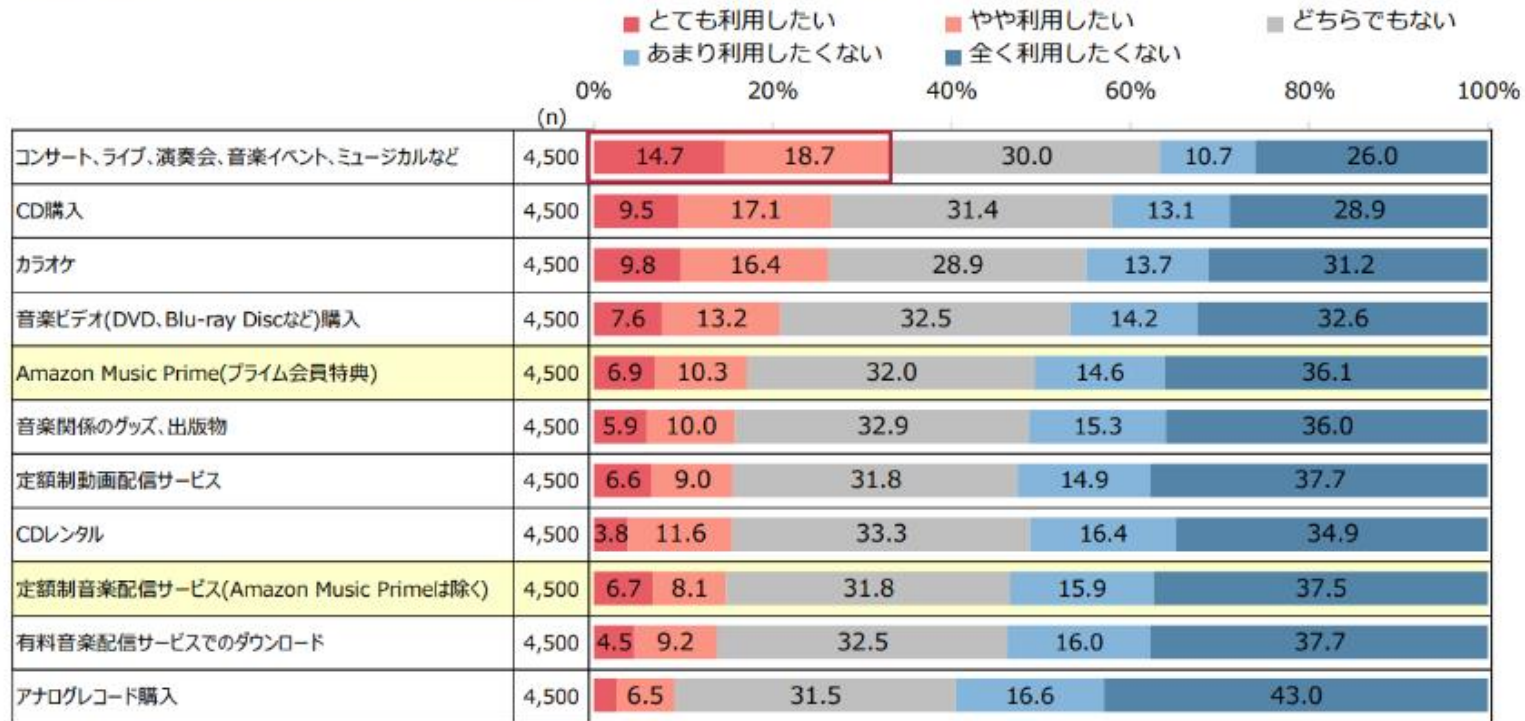
		音楽CD(レンタルしたものや家族・友人から借りたものも含む)※CDそのものを再生して聴く	音楽CDからSPC・スマートフォンのデジタルオーディオプレイヤーなどにコピーした楽曲ファイル	音楽DVD、Blu-ray Disc(ライブビデオやプロモーションビデオなど)	ダウンロード型有料音楽配信サービス	定額制音楽配信サービス全体	定額制音楽配信サービス (Amazon Music Prime(Amazon Music Primeを除く))	Amazon Music Prime(プライム会員特典)	TikTok	TikTok以外のSNS	YouTube	YouTube以外のインターネット動画配信サイト (ニコニコ動画、GYAO! など)	無料音楽アプリ・サービス (Music FMなど)、リーチサイト	定額制動画配信サービス	ラジオ	テレビ(有料チャンネル含む)	インターネットテレビ	カラオケBOX(飲食店・喫茶店のカラオケ含む)・カラオケ教室	音楽関連イベント	コンサート、ライブなどの生演奏(ライブ・ビューイングやフェスを含む)	配信型ライブ	当てはまるものはない
男性 12-19歳	166	15.3	15.6	9.3	7.9	33.7	21.7	16.4	20.0	8.8	71.9	18.1	16.4	9.4	9.4	15.5	8.7	14.9	5.0	13.1	7.1	2.7
男性 20代	198	19.0	16.4	12.1	12.9	38.4	29.9	15.1	10.3	2.8	65.6	18.6	10.9	12.9	12.4	25.3	6.9	12.4	8.9	14.5	7.8	1.4
男性 30代	207	20.8	29.5	12.5	15.9	32.7	23.1	16.3	7.2	4.4	68.7	13.8	14.6	13.2	14.9	19.9	6.7	10.4	4.8	11.7	7.6	4.5
男性 40代	265	27.9	24.7	15.9	11.2	25.5	11.2	16.0	3.5	3.4	59.9	12.3	10.3	5.2	24.7	21.6	6.0	9.1	4.3	12.1	9.1	2.6
男性 50代	214	27.4	24.5	14.9	9.1	28.0	9.6	22.9	5.2	0.8	60.0	7.4	12.5	5.7	27.8	28.3	2.0	4.2	3.7	10.4	4.0	5.8
男性 60代	233	29.2	24.7	12.0	5.3	22.9	8.1	18.4	2.5	-	62.3	10.8	13.3	6.3	33.2	29.2	6.8	2.4	2.3	7.9	2.5	5.5
女性 12-19歳	181	30.3	22.3	20.7	8.6	36.7	25.7	12.9	36.3	14.7	75.2	14.3	16.3	6.0	9.8	25.8	3.4	21.7	10.8	28.5	17.6	4.2
女性 20代	205	24.6	21.4	21.3	17.5	46.4	28.8	22.2	23.8	8.4	72.9	13.2	13.5	8.6	11.5	20.3	6.7	14.7	11.6	24.8	15.2	1.7
女性 30代	186	25.8	17.4	16.6	11.7	28.2	17.3	14.0	6.3	3.7	62.3	9.6	8.8	4.2	16.2	19.5	2.4	7.2	4.7	21.1	4.3	6.2
女性 40代	257	24.2	19.5	12.4	7.8	16.1	7.7	8.8	2.8	1.9	63.7	6.2	11.1	5.0	18.5	27.7	0.5	6.6	3.5	14.2	6.1	4.5
女性 50代	230	26.9	21.4	14.2	5.1	20.5	6.8	16.0	3.0	0.9	53.4	8.7	7.6	8.2	20.3	28.0	5.0	8.0	4.0	17.9	7.1	5.2
女性 60代	187	24.3	17.0	11.9	8.4	14.1	4.7	10.1	1.2	-	56.9	6.8	3.2	3.0	27.6	37.9	2.9	3.2	2.1	17.4	5.7	4.0

How to listen to music you want to use in the future (2022)

- The percentage of people who would like to use it in the future (the sum of "I would like to use it very much" and "I would like to use it somewhat" in the figure below) was highest for concerts and live performances, at 33.4%. The next highest was CD purchase (26.6%) and karaoke (26.2%).
- This suggests that people are more willing to use real and physical listening methods than online listening methods.

How to listen to music you want to use in the future (2022)

Q32 下記のサービスや商品について、あなたが今後利用したいと思うものとして当てはまるものをそれぞれお選びください。(SM)



※3%未満のスコアラベルは非表示

※「とても利用したい」+「やや利用したい」の合計値順でソート

Consumption trends: Sources of music information and cognitive pathways

- There are differences in the information sources and cognitive pathways used to refer to music by age group.
- Teens and twenty-somethings are more likely to collect information on YouTube, Twitter, Instagram, and other social networking sites and recognize music. Teens are also more likely to use karaoke or TikTok.
- People in their 40s and older are more likely to collect information on TV shows or Yahoo! and recognize songs.

Top: Sources of information about music
Bottom: Sources of information about new artists, songs, and events related to music (2023)

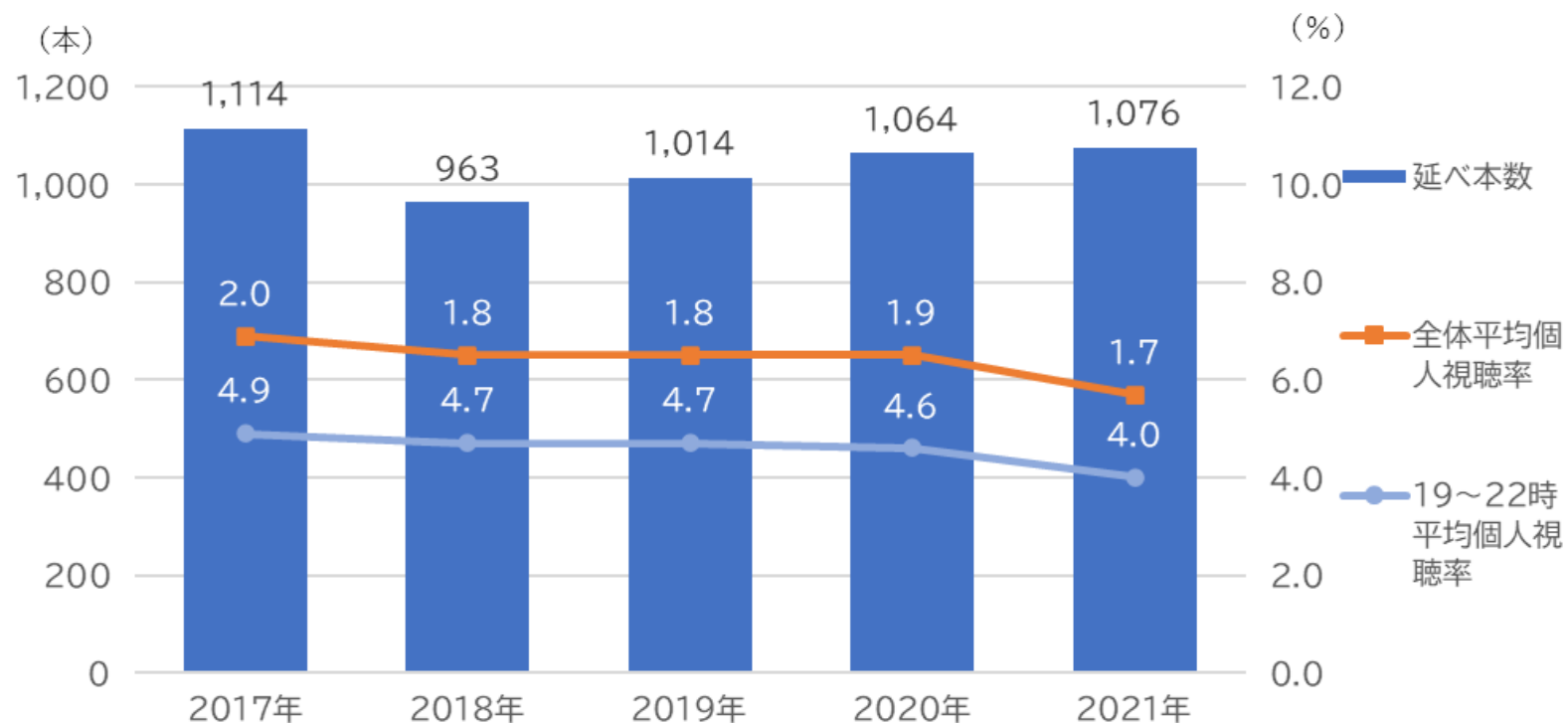
	テレビ番組	テレビCM	YouTube	アーティストの公式サイト	Twitter	友人・家族のロコミ	Yahoo!	Instagram	アーティストの公式アカウント	Apple Music	ラジオ番組・広告	その他のWebニュース、ニュースサイト	新聞記事・広告	友人・家族とのカラオケ	レコード会社・レーベルの公式サイト	Spotify/Spotify Premium	音楽専門誌	Amazonプライムビデオ	有名人・タレントなどのSNS公式アカウント・ブログ	Amazon Music Prime	TikTok	Line	Amazon	CD・DVD販売している音楽専門店
全体	41.4	38.4	35.3	21.9	19.4	16.1	16.0	14.6	13.2	8.1	7.7	7.1	6.3	6.2	5.9	5.8	5.7	5.6	5.5	5.3	5.2	5.2	4.7	4.6
15-19歳 全体	29.2	34.6	48.9	23.2	33.7	20.3	7.0	26.7	17.5	12.1	4.8	3.8	5.4	15.6	7.0	8.6	5.7	3.2	8.9	4.4	18.7	9.5	2.9	3.5
20代全体	29.4	35.7	37.9	19.6	28.8	13.6	7.7	21.2	14.2	16.6	3.3	3.0	4.2	7.9	5.6	7.2	5.1	4.9	6.5	4.2	8.0	5.6	2.6	2.1
30代全体	38.8	38.9	40.1	20.6	22.3	16.8	13.6	15.1	12.9	8.4	6.4	5.5	2.5	6.5	5.9	6.2	4.9	6.0	4.9	5.7	4.2	3.9	2.7	3.2
40代全体	43.5	41.4	32.7	23.8	15.7	16.6	17.4	13.5	15.6	6.1	7.7	7.8	4.5	4.2	4.7	6.4	6.1	4.9	5.8	6.3	3.3	4.4	3.8	5.8
50代全体	50.2	37.3	29.3	23.8	14.8	14.4	22.1	10.8	13	5.2	10.8	10.3	6.9	4.8	8.2	4.5	6.6	5.6	5.6	5.2	2.2	6.0	7.4	7.3
60代全体	51.2	40.6	29.7	20.0	8.1	16.8	23.6	6.0	7.0	2.3	11.9	10.4	14.7	2.8	4.2	2.8	5.5	8.1	2.8	5.7	1.5	3.6	8.5	4.5
全体	30.6	24.6	23.7	11.6	12.2	10.8	9.3	7.6	6.8	5.1	4.9	3.5	3.4	3.6	2.4	4.0	3	2.6	2.3	2.7	3.3	2.4	2.1	2.4
15-19歳 全体	21.6	22.9	34.0	10.8	21.6	13.7	3.2	13.0	8.6	7.3	2.5	1.3	2.9	9.8	3.2	5.4	2.5	1.3	3.2	2.2	13.7	5.1	1.3	2.2
20代全体	18.9	24.1	25.9	10.0	17.8	7.9	4.2	11.2	8.0	10.7	1.4	0.9	2.4	4.2	1.9	5.2	2.4	1.9	2.6	1.7	5.1	2.3	1.2	0.9
30代全体	29.7	25.8	28.9	11.7	14.9	11.2	6.9	8.9	7.4	6.0	4.0	2.9	1.5	3.4	1.8	4.7	2.2	2	2.5	2	2.7	2.2	1	1.2
40代全体	32.7	27.3	21.7	14.1	9.6	11.0	11.3	6.7	7.8	4.1	5.4	4.4	2	2.3	1.9	3.9	3.8	2.9	3.3	3.5	1.7	2	2.2	3.6
50代全体	37.7	21.6	17.7	11.4	9.0	10.3	13.0	5.4	5.6	2.8	7.3	5.1	3.2	3.1	3.1	3.7	3.5	2.6	1.4	3.2	1.1	2.6	3.1	3.4
60代全体	38.2	24.8	19.1	10.6	4.9	12.3	14.0	3.2	4.0	0.9	7.4	5.3	8.7	1.5	2.8	1.3	3.2	4.2	1.1	3.4	0.9	1.1	3.6	2.8

Source: Hakuodo/Hakuodo DY Media Partners "Content Fan Consumption Survey 2023 Music/Personality Character Edition"

Media terrestrial television music program

- The number of music programs on terrestrial television in the Kanto region decreased from 2017 to 2018, and has been increasing from 2018 to 2021.
- The viewership of music programs on terrestrial television in the Kanto region has been decreasing since 2017, especially in 2021.

Broadcast status of music programs on terrestrial television (Kanto region, 2017 – 2021)

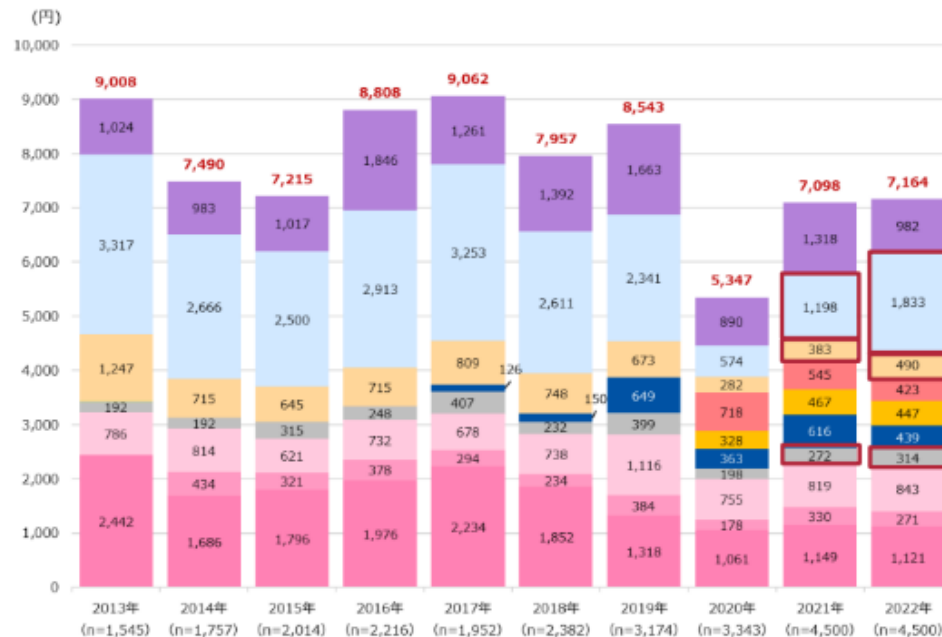


Spending on music-related materials and services (2022)

- Spending on music-related materials and services was 8,543 yen in 2019, but decreased by more than 3,000 to 5,347 yen in 2020.
- It returned to 7,098 yen in 2021, but remained almost unchanged at 7,164 yen in 2022.

Spending on music-related materials and services (2022)

Q9 この半年間に音楽関連の商品・サービスについてどの程度お金を使いましたか？(SM,n=4,500)



	2021年 (円)	2022年 (円)	増減率 (%)
合計	7,098	7,164	100.9
音楽関係のグッズ、出版物	1,318	982	74.5
コンサート、ライブ、演奏会、音楽イベント、ミュージカル等の入場料	1,198	1,833	153.1
カラオケ	383	490	128.0
有料配信型ライブ	545	423	77.6
月額制動画配信サービス	467	447	95.6
月額制音楽配信サービス	616	439	71.3
有料音楽配信サービスでのダウンロード	272	314	115.3
音楽ビデオ (DVD、Blu-ray Disc等) 購入	819	843	102.9
CDレンタル	330	271	82.2
CD購入	1,149	1,121	97.6

※増減率：2022年÷2021年

※2022年度調査より、下記の通り選択肢を調整。したがって過去10年分のグラフとの比較には2022年度の選択肢で比較。

1.「有料音楽放送」「Amazon Music Prime」を選択肢から削除 2.2021年度までの「月額制音楽配信サービス[ラジオ/音楽チャンネル型聴き放題]」を「月額制音楽配信サービス」に合体

3.2021年度までの「音楽関係のグッズ (アーティスト関連グッズ、Tシャツなど)、ファンクラブ会費」と「音楽関係出版物 (音楽雑誌など)」を「音楽関係のグッズ、出版物」として合体

※「CDレンタル」の聴取は2014年から、「月額制音楽配信サービス」の聴取は2017年から、「有料配信型ライブ」の聴取は2020年から

Domestic Otaku Market Size

- The percentage of people who spend money on activities to support celebrities and characters (the percentage of "very true" and "somewhat true" shown in the figure below) tends to be larger at younger ages.

Market size trends in 14 major fields of the domestic "otaku" market (2019-2023)

Item	FY 2019	FY 2020	FY 2021	FY 2022	(0.1 billions of yen)
					FY 2023 (Forecast)
Anime *1	3,000	2,750	2,650	2,850	2,750
Idle *2	2,610	1,400	1,500	1,650	1,900
Doujinshi *2	855	741	800	932	1,058
Plastic Model *3	292	383	415	548	570
Doll *3	312	327	346	434	480
Cosplay costume *3	350	240	250	265	280
Voice Synthesis *2	-	-	-	213	246
Indie Games *2	-	-	28	196	243
Toy Gun *3	105	115	118	127	130
Professional wrestling *2	143	120	110	120	130
Maid concept cafe, cosplay related services *4	119	88	95	103	112
Model railway *3	116	102	104	107	110
Survival Games *4	85	90	92	91	92
Total	7,987	6,356	6,508	7,636	8,101

*1: Based on manufacturer's sales, *2: Based on user's consumption, *3: Based on domestic shipment, *4: Based on facility operator's sales

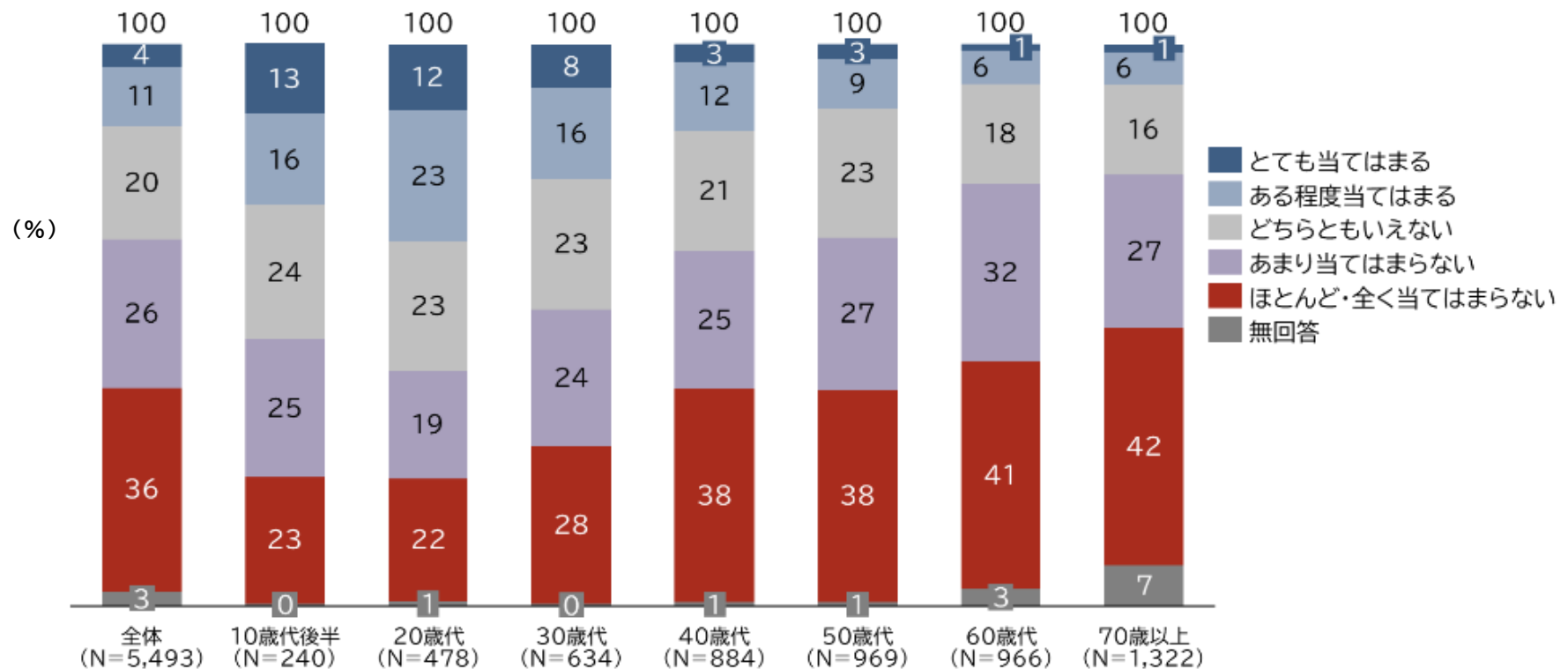
Note 1. "Indie games" and "speech synthesis" are fields that cannot be compared with previous years due to the review of market definitions.

Note 2. "Speech synthesis" mainly consists of speech synthesis software such as vocaloid software, speech reading software, voice changer software, and sales of goods (goods) related to characters set in these software.

Consumption trends Consuming experiences that can only be done now

- The percentage of people who spend money on participatory experiences and content that can only be done now ("very true" and "somewhat true" in the figure below) tends to be relatively large in the late 10 s and 30 s.
- Over the 60 s, less than 10% of people spend money on participatory experiences and content that can only be done now.

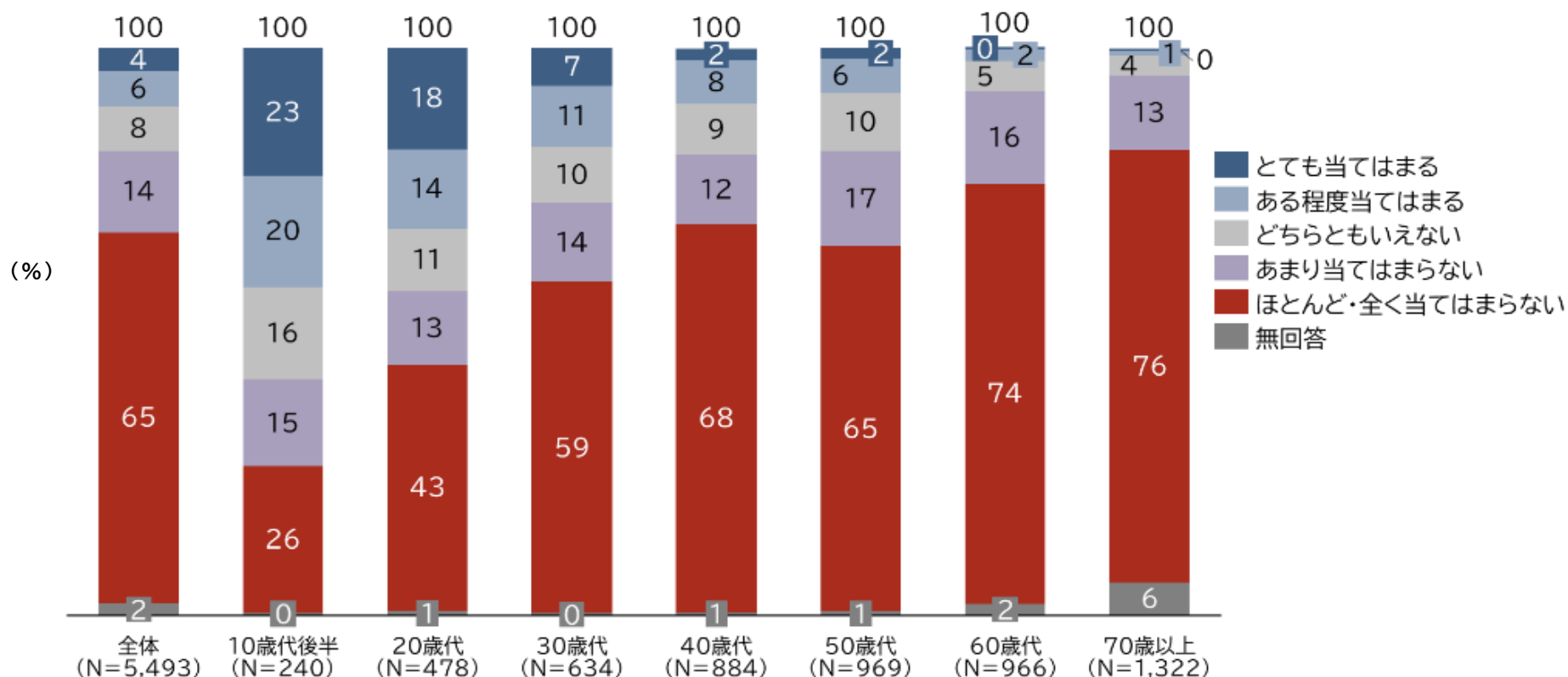
**Percentage of people who spend money on participatory experiences and content that can only be done now
(By age group, 2021)**



Consumption trend Consumption for supporting celebrities and characters

- The percentage of people who spend money on activities to support celebrities and characters (the percentage of "very true" and "somewhat true" shown in the figure below) tends to be larger at younger ages.
- In the 40 s and older, the percentage of people who spend money on activities to support celebrities and characters is about 10%.

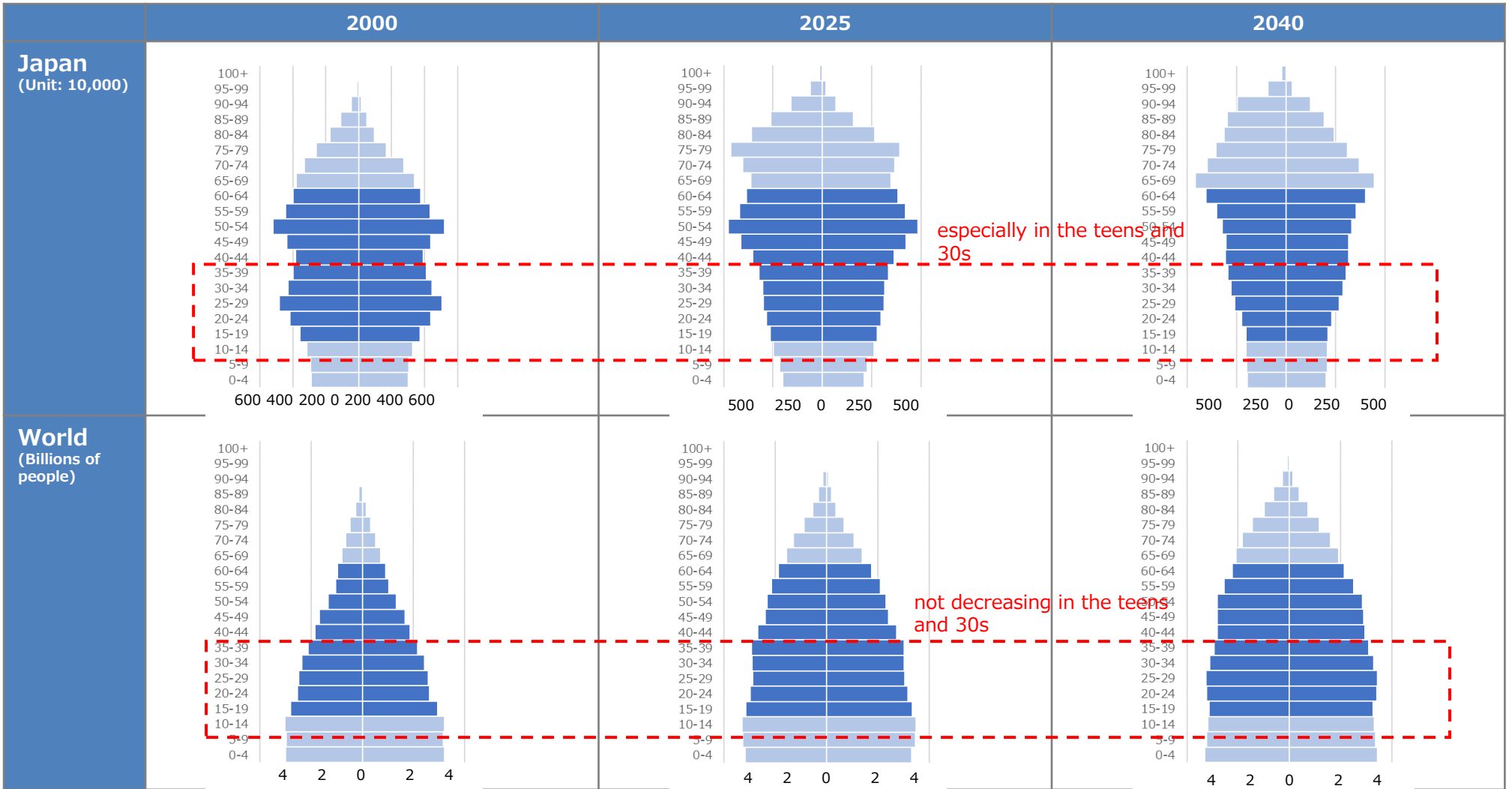
Percentage of people who "spend money on activities to support celebrities and characters" (By age group, 2021)



Demographic trends in Japan and the world

- While Japan's population pyramid is a "melting pot," the world's population pyramid is a "hanging crane." This is expected to become more pronounced in the future.

Changes in the Population Pyramid of Japan (Top) and the World (Bottom) (2000-2040)



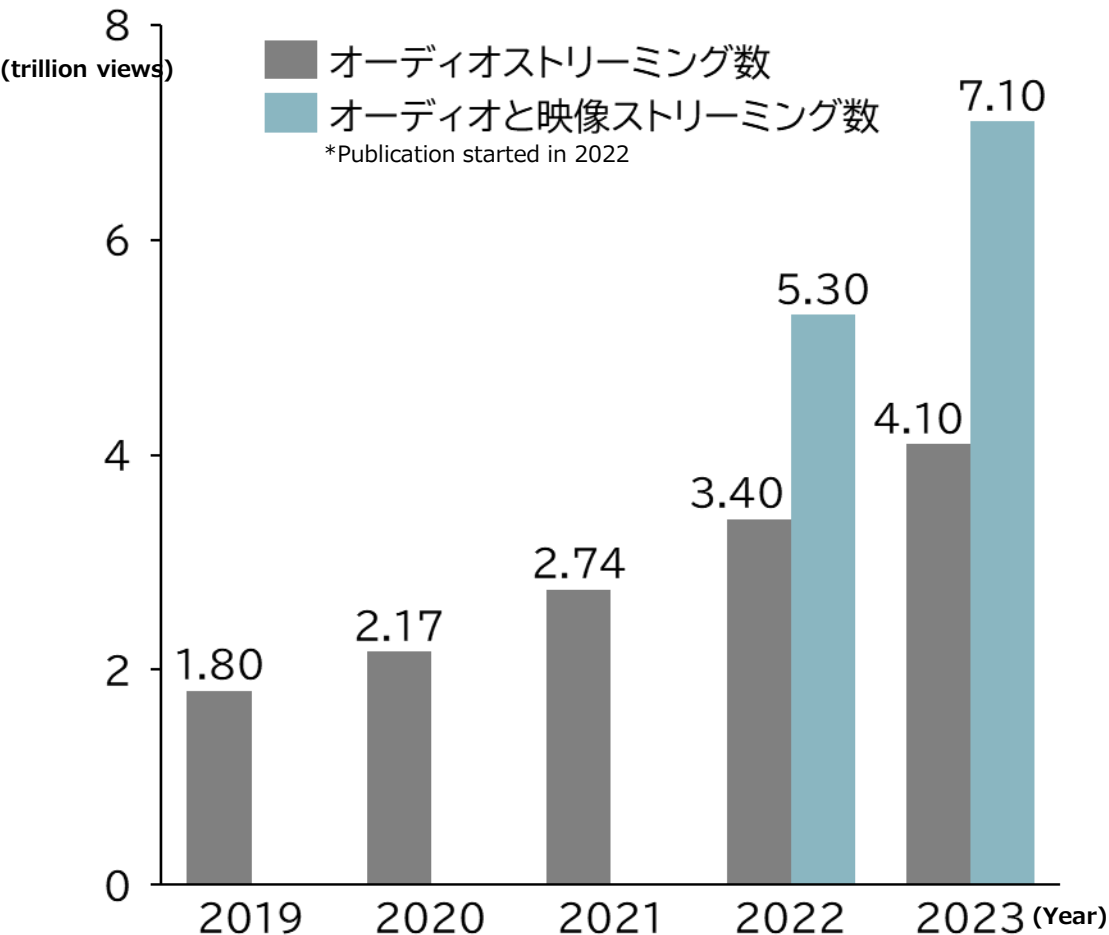
Source: PopulationPyramid

Dark blue is the working-age population (15 to 65 years old).

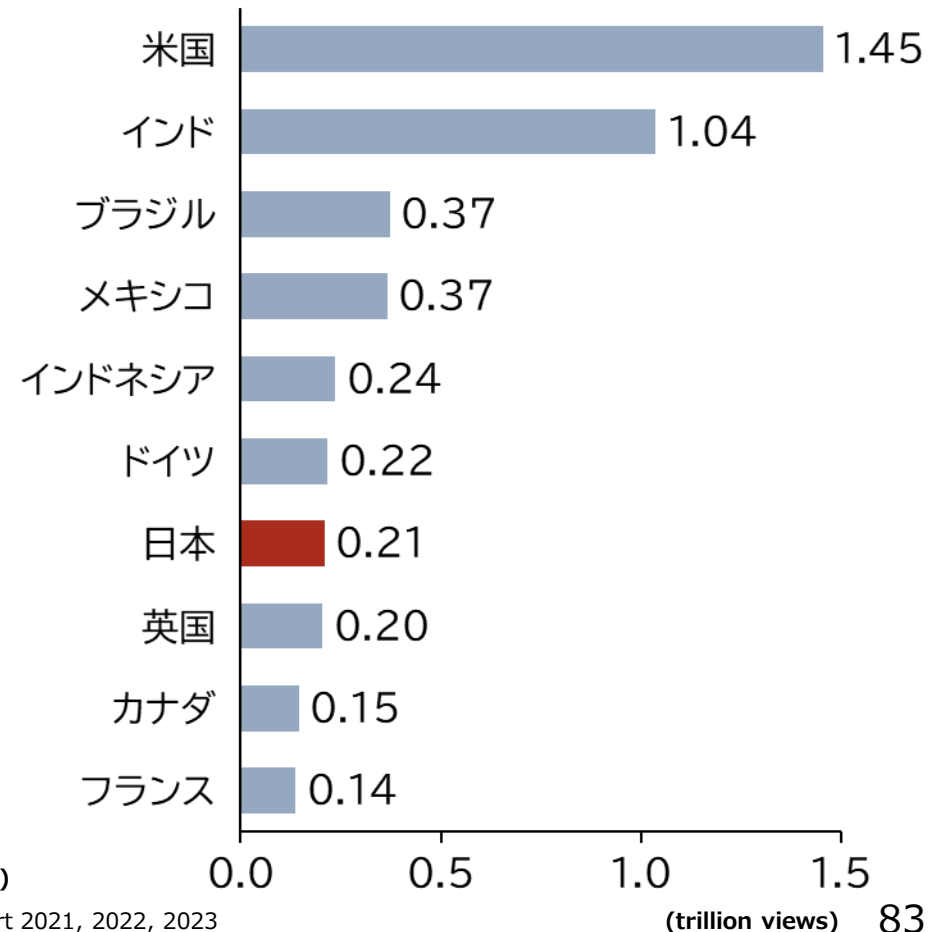
Global Streaming Trends

- Global audio streaming numbers are on the rise, reaching 4.1 trillion views in 2023. The total number of audio and video streams is 7.1 trillion, of which Japan ranks seventh in the world with 200 billion.

Trends in Global Streaming Numbers (2019-2023)



Number of audio and video streams Top 10 countries (2023)



Global Track Count Distribution by Streaming Playback Count

- Tracks streamed more than 1 million times a year globally account for about 0.2% of the total, down 0.04 points from 2022 in 2023.
- 45.6 million tracks were streamed less than once in a year in 2023, accounting for 26.2% of all songs.

Global Track Count Distribution by Streaming Playback Count (2022-2023)

1 year global views	2022		2023		2023 tracks ÷ 2022 tracks
	Number of Tracks (IRSC)	Percentage of total	Number of tracks (IRSC)	Percentage of total	
1 billion times or more	15	0.00001%	10	0.00001%	67%
100 million ~1 billion times	3,000	0.002%	2,600	0.0015%	87%
10 million ~ 100 million times	43,000	0.027%	38,800	0.022%	90%
1 million ~ 10 million times	327,000	0.21%	298,000	0.17%	91%
100,000 ~ 1 million times	1,600,000	1.0%	1,500,000	0.9%	94%
1000 ~ 100,000 times	20,000,000	12.6%	19,800,000	11.4%	99%
101~ 1000 times	29,400,000	18.6%	30,000,000	17.3%	102%
11~100 times	40,000,000	25.2%	42,700,000	24.6%	107%
1~10 times	29,090,476	18.4%	33,900,000	19.5%	117%
0 times	38,009,524	24.0%	45,600,000	26.2%	120%

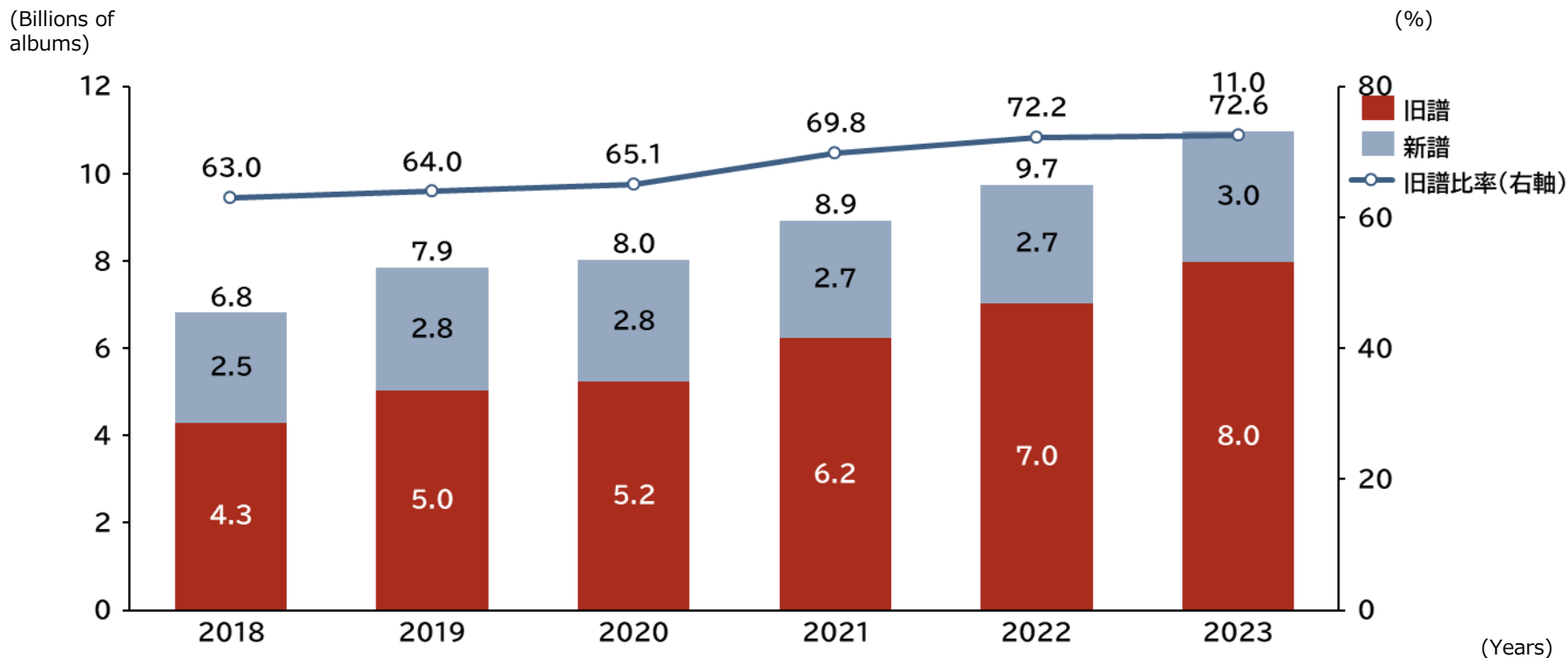
Source: 2022: 38M tracks on music streaming service were played ZERO times in 2022. <https://www.musicbusinessworldwide.com/38-million-tracks-on-music-streaming-service-were-played-zero-times-in-2022-elon-musks-book/>

2023: Created from Luminate Year-End Music Report 2023.

Changes in the ratio of new and old albums consumed in the United States

- In the United States, the consumption of new releases in terms of albums * has remained unchanged, and the consumption of old releases in terms of albums has been on an increasing trend, with the ratio of old releases rising from 65.1% in 2020 to 72.6% in 2023.

Changes in the ratio of new and old albums in the U.S. (2020-2023)

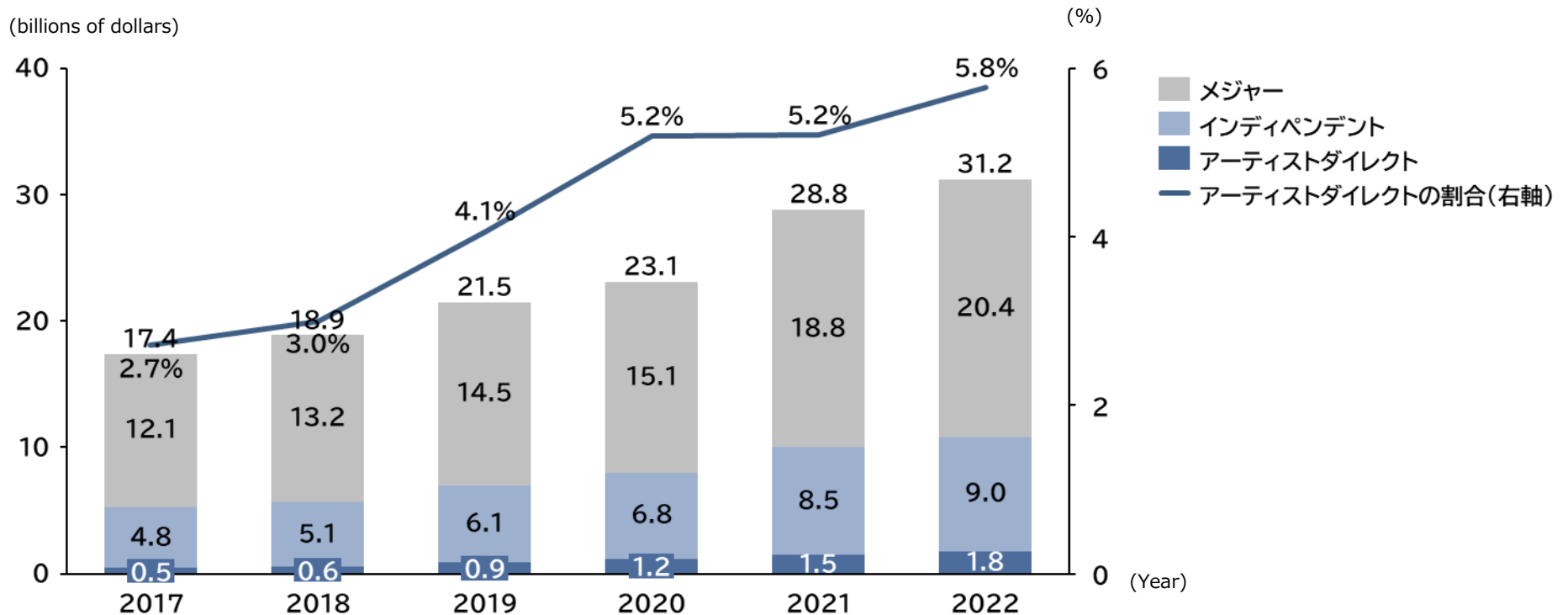


*The consumption in terms of albums is calculated as follows: charged streaming 1,250 plays =1 album, free (advertising) streaming 3,750 plays =1 album, 10 track downloads =1 album.
Old records are songs that have been released for more than 18 months.

Artist Direct's share of the global recording source market

- The sales and market share of Artist Direct in the global recording source market is on an increasing trend and is estimated to reach \$1.8 billion in 2022, accounting for 5.8%.

Trends in Artist Direct's share of the global recording source market (2017-2022)



Comparison of monthly streaming service prices by country

- Spotify monthly fees in Japan are cheaper than those in the US, UK and Germany in yen terms.
- Spotify's monthly fees were announced in July 2023 in some countries and regions, but the price was not subject to a price increase in Japan.

Comparison of monthly streaming service fees by country

Country	Spotify Monthly Fee (Premium Individual, as of February 2024)		
	Local Currency	Yen Conversion *	Ratio to Japan
Japan	980 yen	980 yen	1.0
United States	\$10.99	¥1,612	1.6
United Kingdom	10.99 lb	2,048 yen	2.1
Germany	10.99 euros	1,757 yen	1.8

*TTM data for the month of January 2024 from <https://www.murc-kawasesouba.jp/fx/lastmonth.php> quoted by Mitsubishi UFJ Research & Consulting
1 dollar =146.65 yen, 1 pound =186.36 yen, 1 euro =159.86 yen

Source: Takeo Suzuki @ Entertech Consultant "Only one reason why the Japanese sound source market is not recovering in a V-shape no matter how much it is digitized"
<https://note.com/novaexp/n/n93044aba471a>

Comparison of monthly streaming service prices and CD album prices by country

- When comparing the ratio of monthly Spotify prices to retail CD album prices, the ratio in Japan is 2.1 times, while the ratio in other countries is about 0.9~1.3 times.
- It is important to note that Japan adds value to CD albums, increasing their value and price.

Comparison of monthly streaming service prices and CD album prices by country

Country	Spotify Monthly Fee (Premium Individual, As of February 2024)	of one CD album the average retail price (2022)	CD album retail price multiplied by Spotify monthly price (Local currency basis)
Japan	980 yen	2,100 yen	2.1
United States	\$10.99	\$14.5	1.3
United Kingdom	10.99 lb	10.2 pounds	0.9
Germany	10.99 euros	13.8 euros	1.3

*TTM data for the month of January 2024 from <https://www.murc-kawasesouba.jp/fx/lastmonth.php> quoted by Mitsubishi UFJ Research & Consulting
1 dollar = 146.65 yen, 1 pound = 186.36 yen, 1 euro = 159.86 yen

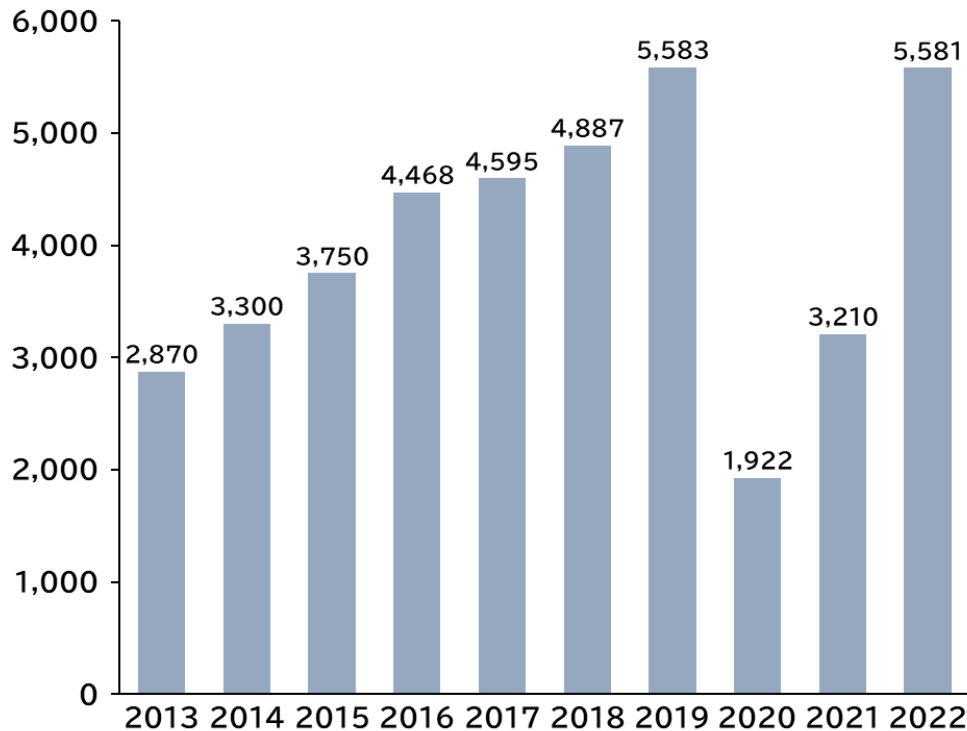
Source: Takeo Suzuki @ Entertech Consultant "Only one reason why the Japanese sound source market is not recovering in a V-shape no matter how digitized it is" <https://note.com/novaexp/n/n93044aba471a>. Adapted from Spotify website, RIAA 2022-Year-End-Music-Industry-Revenue-Report <https://www.riaa.com/wp-content/uploads/2023/03/2022-Year-End-Music-Industry-Revenue-Report.pdf>, ERA 2023 Yearbook https://eraltd.org/media/72554/2023-era-yrbk_120323.pdf, Japan Recording Industry Association "Resale system for music CDs" <https://www.riaj.or.jp/f/leg/saihan/>, BVMIMUSIKINDUSTRIE IN ZAHLEN 2022, https://www.musikindustrie.de/fileadmin/bvmi/upload/06_Publikationen/MiZ_Jahrbuch/2022/E_Paper_2023_geschuetzt.pdf.

Status of online ticket transactions

- The ticket sales BtoB-EC market was 558.1 billion yen in 2022.
- The average monthly ticket spending using the Internet has been on an upward trend, reaching 1,260 yen per month in 2023.

Market Size of Ticket Sales BtoC-EC (2013-2022)

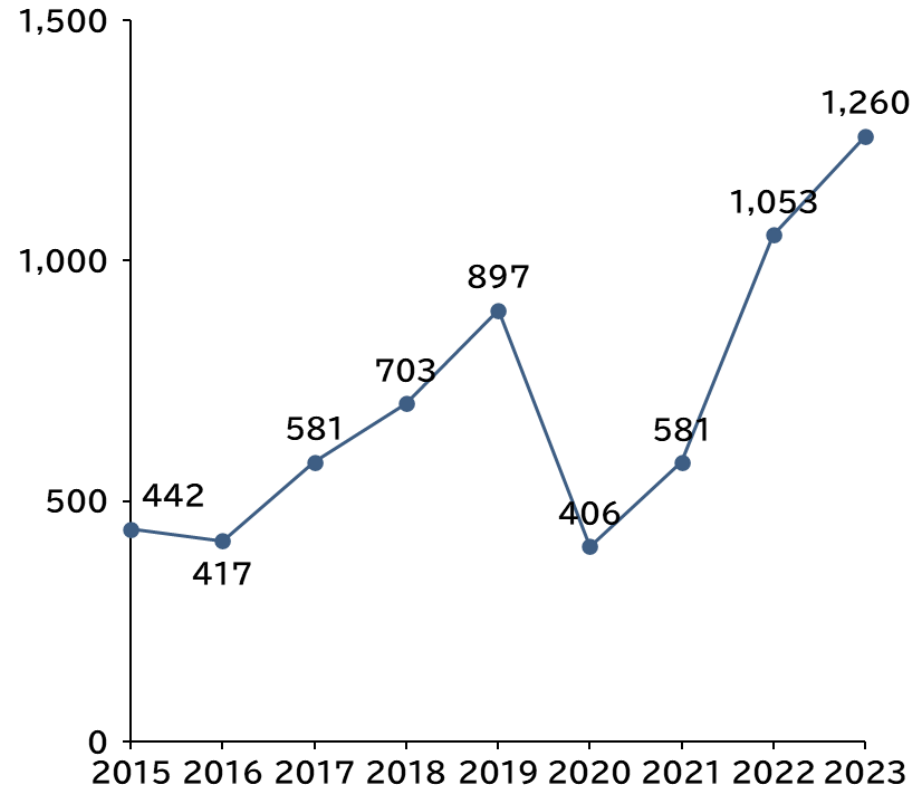
(0.1 billions of yen)



(Note)The BtoC-EC market size is the amount of EC transactions between companies and consumers. It does not include CtoC transactions between individuals using the Internet, such as Internet auctions and flea services.

Ticket Spending Using the Internet Monthly Average (2015-2023)

(Yen)



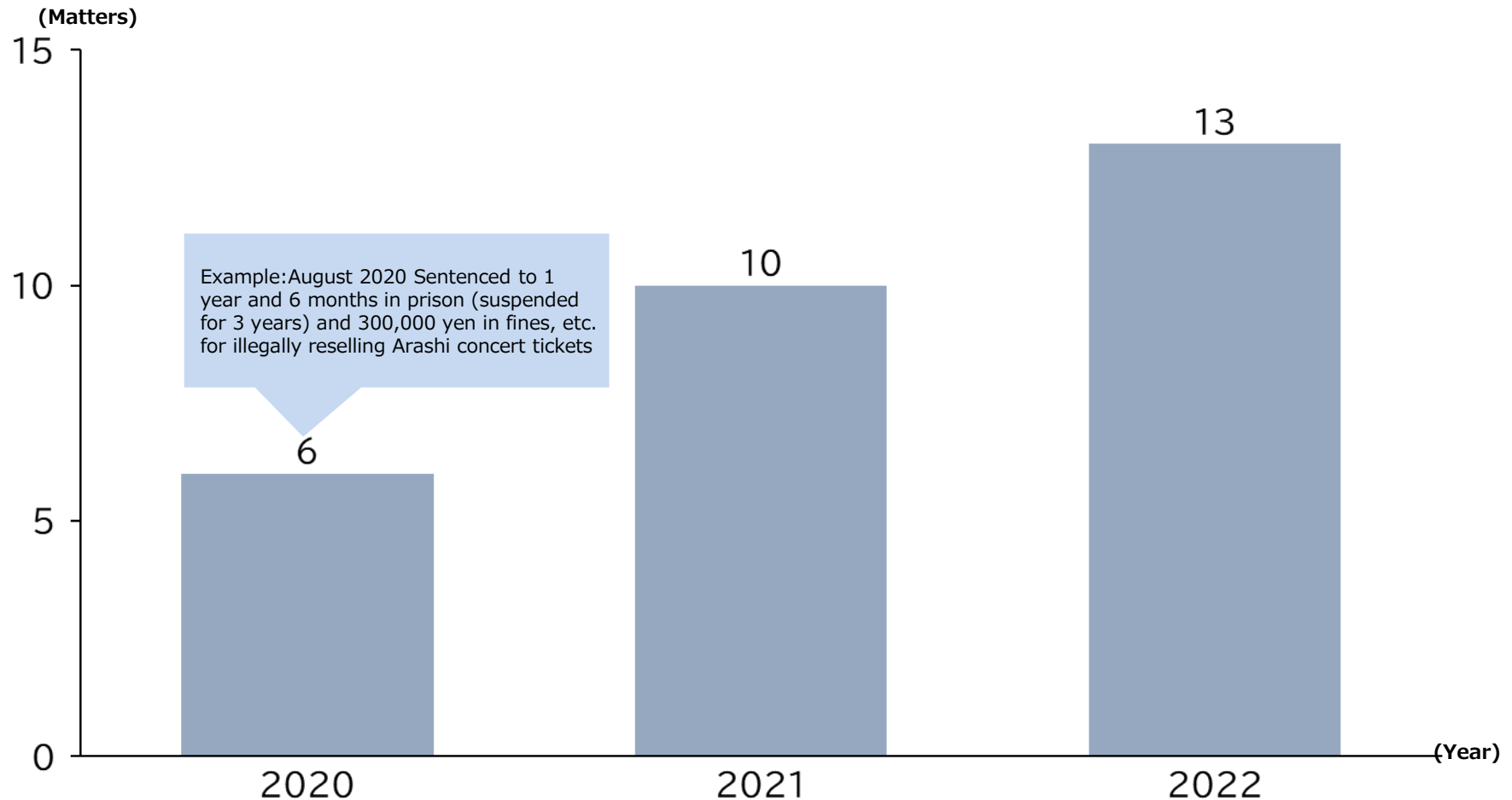
(Note)Working households among households with two or more persons nationwide. Tickets include movies, plays, concerts, and sports.

(Year)

Number of arrests for violation of the Ticket Fraudulent Resale Law

- The number of arrests for violations of the Anti-Unauthorized Resale of Tickets Act, which came into force in June 2019, was 6 in 2020. By 2022, the number had risen to 13.

Number of arrests for violations of the Ticket Fraudulent Resale Law (2020-2022)



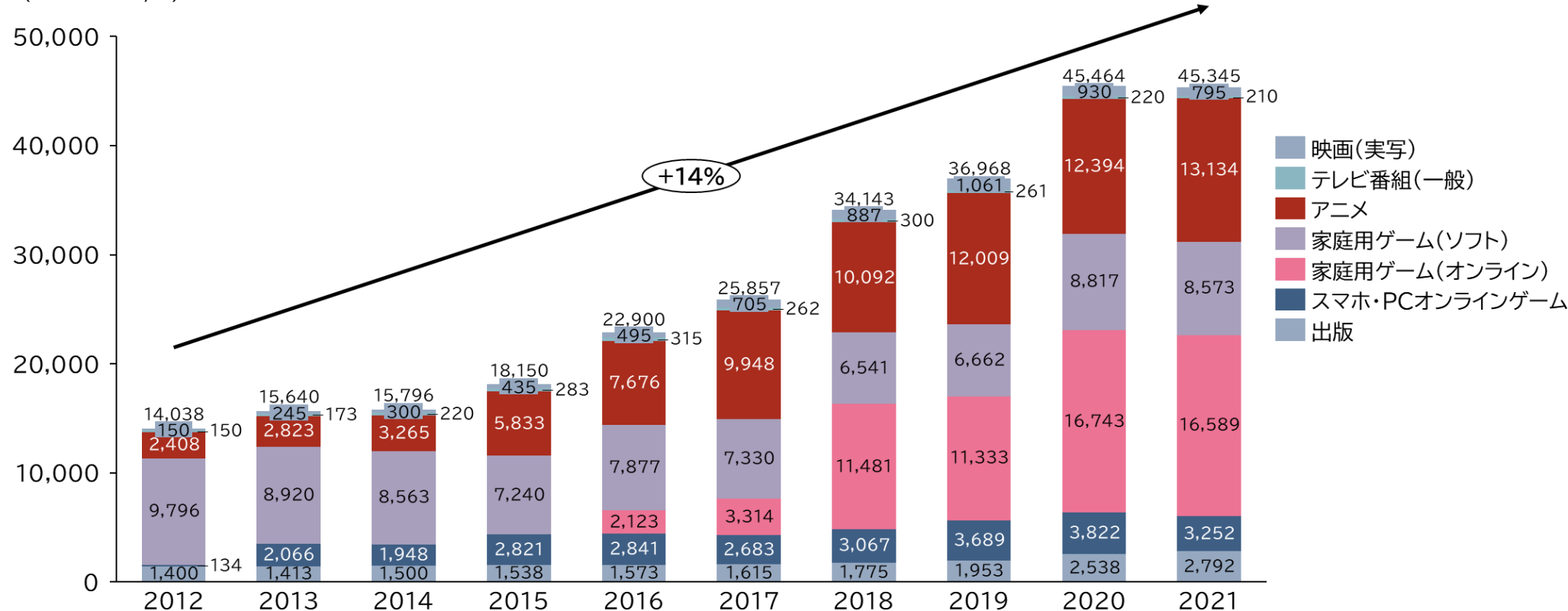
5. Trends in the acceptance of Japanese music overseas

Overseas market size of content

- The overseas market size of Japanese content has been expanding, with a total of 4 in 2021. It is estimated to be 5 trillion yen.
- Anime and home games account for a large portion of the total.

Overseas Market Size of Japanese Content (2012-2021)

(0.1 billions of yen)

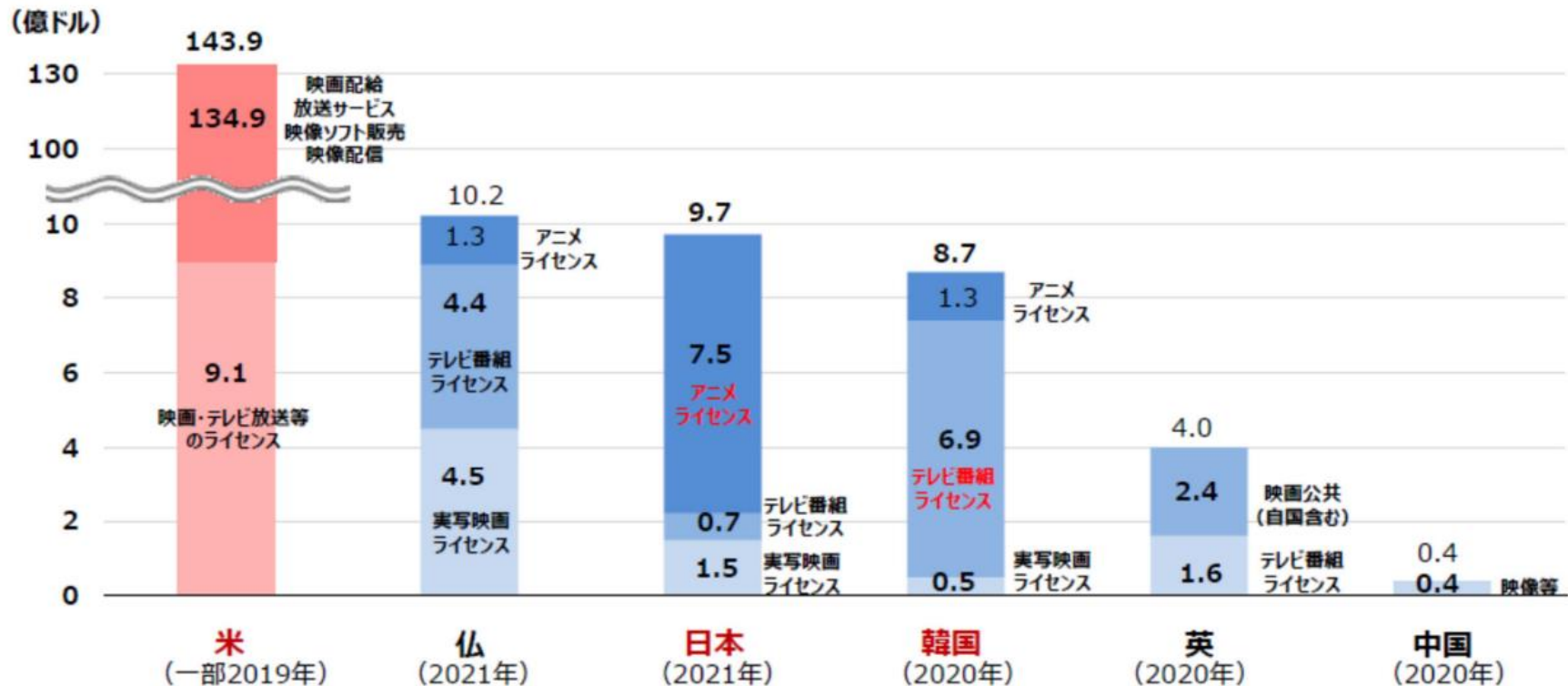


Source: Human Media "Japan and the World Media x Content Market Database 2023"

Comparison of overseas revenue from video

- The United States has the largest overseas revenue from video, at \$14.4 billion. Japan's overseas revenue from video is \$970 million, with animation accounting for 80%.

Overseas revenue from video in major countries



(Note) Note that the breakdown of overseas expansion methods is not clear for some statistics, so it is not possible to simply compare them.

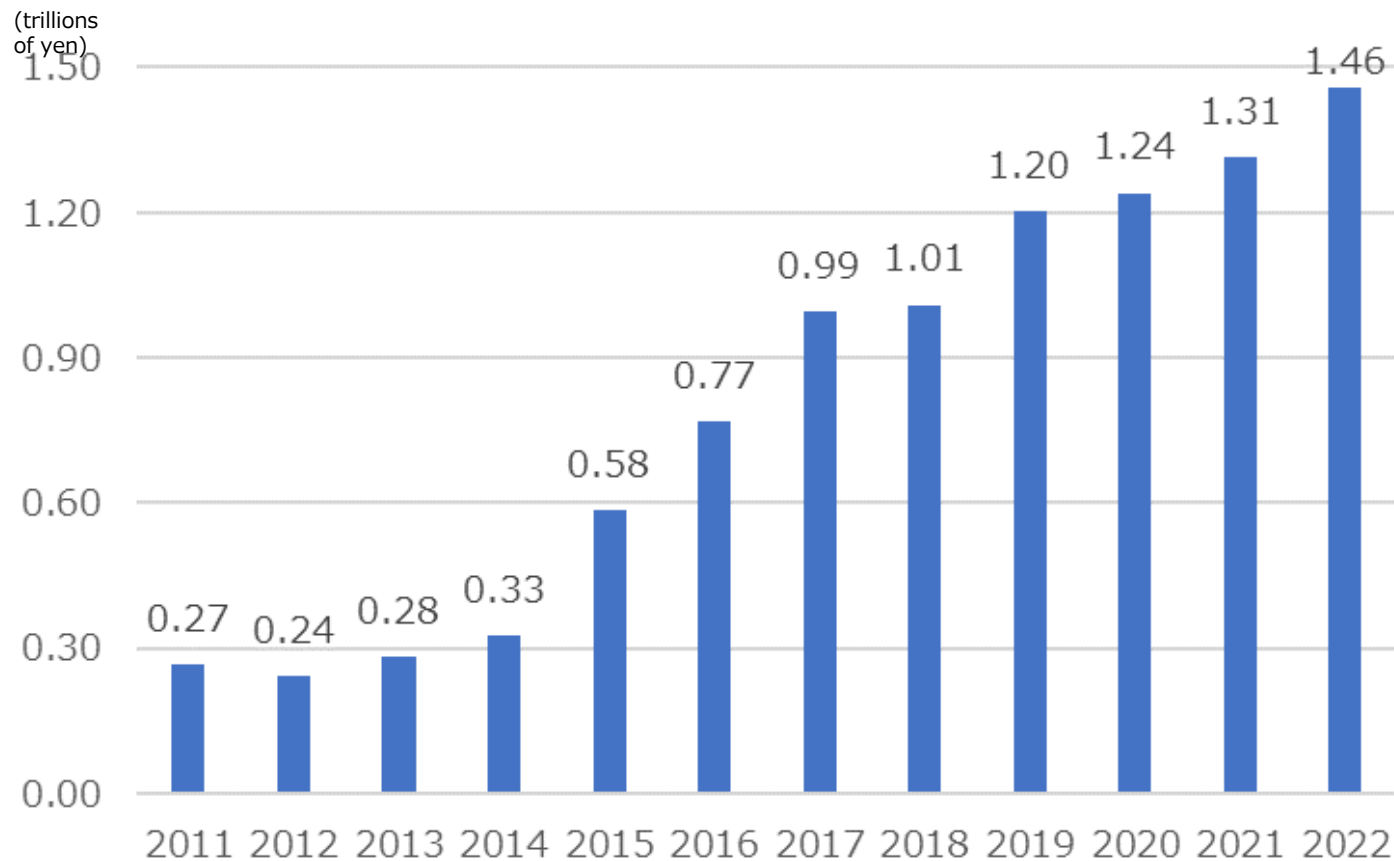
No statistics were available on the breakdown of overseas revenues from U.S., Chinese, and British video by animation.

Source: New Capitalism Realization Conference (23) (October 25, 2023) Source: 1 https://www.cas.go.jp/jp/seisaku/atarashii_sihonsyugi/kaigi/dai23/shiryoku1.pdf

overseas anime market size

- The overseas market for anime is on an expanding trend, with total overseas sales of anime reaching a record high of about 1.46 trillion yen in 2022.

Overseas market for anime (2011-2022)

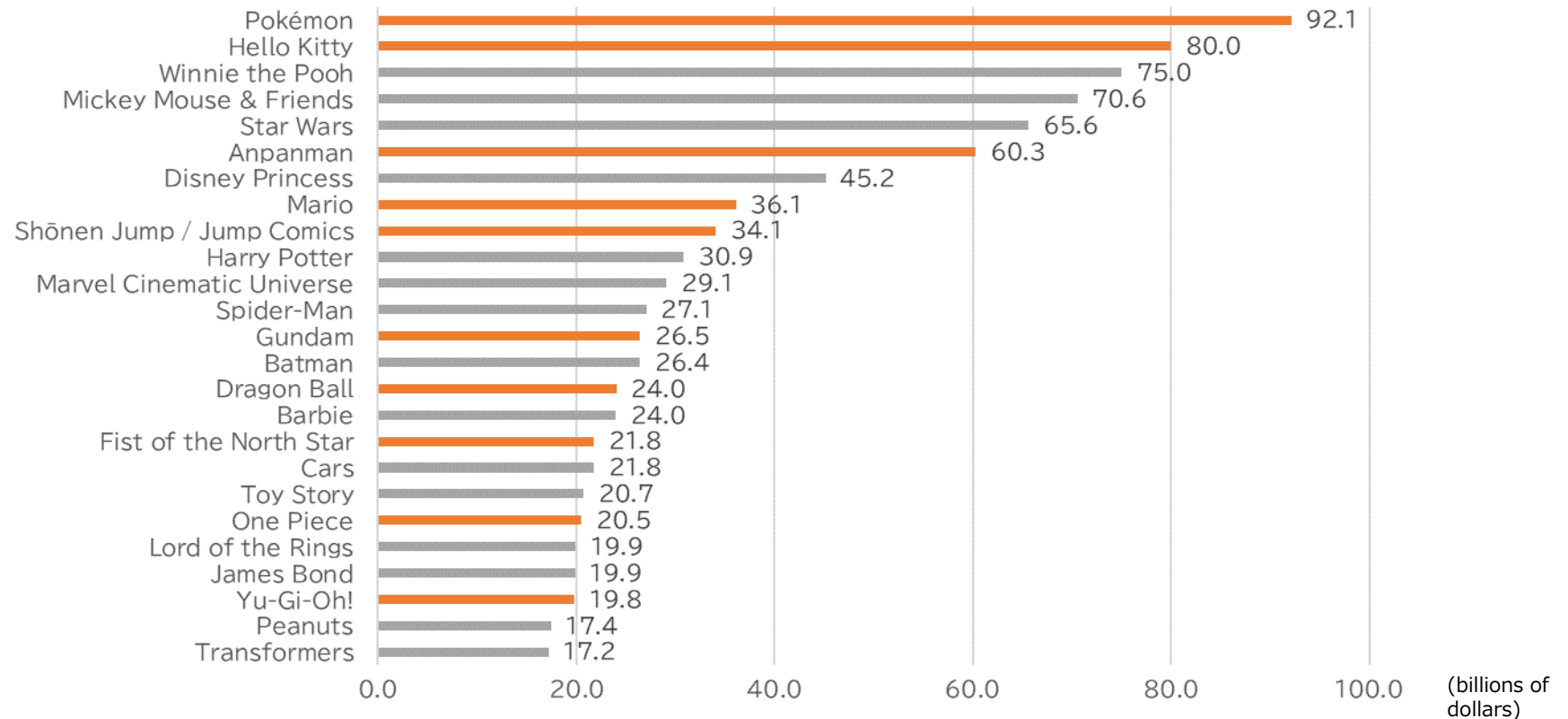


Source: (1 company) Compiled based on the Anime Industry Report 2023 of the Japan Animation Association

Income associated with character IP

- Japanese characters such as Pokemon, Hello Kitty and Mario are ranked in about half of the world's top 25 in terms of cumulative income (in US dollars) since the characters were born.

Cumulative income related to character IP (until 2018)

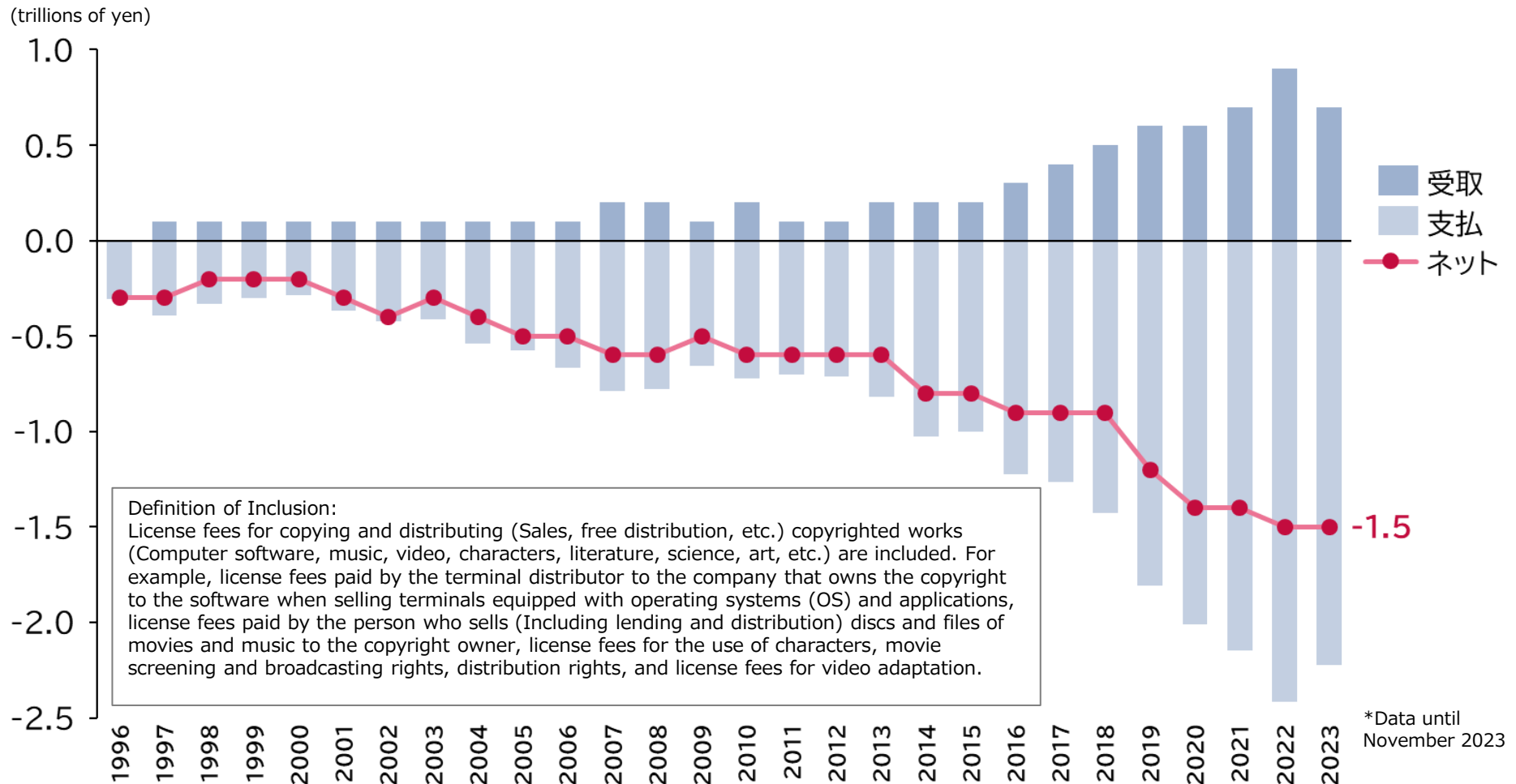


Source: <https://www.titlemax.com/discovery-center/money-finance/the-25-highest-grossing-media-franchises-of-all-time/>

Royalties and commissions on services

- The balance of payments for royalties has been consistently in the red since 1996, and the deficit has widened.

International Receipts and Payments of Royalties (1996-2023)



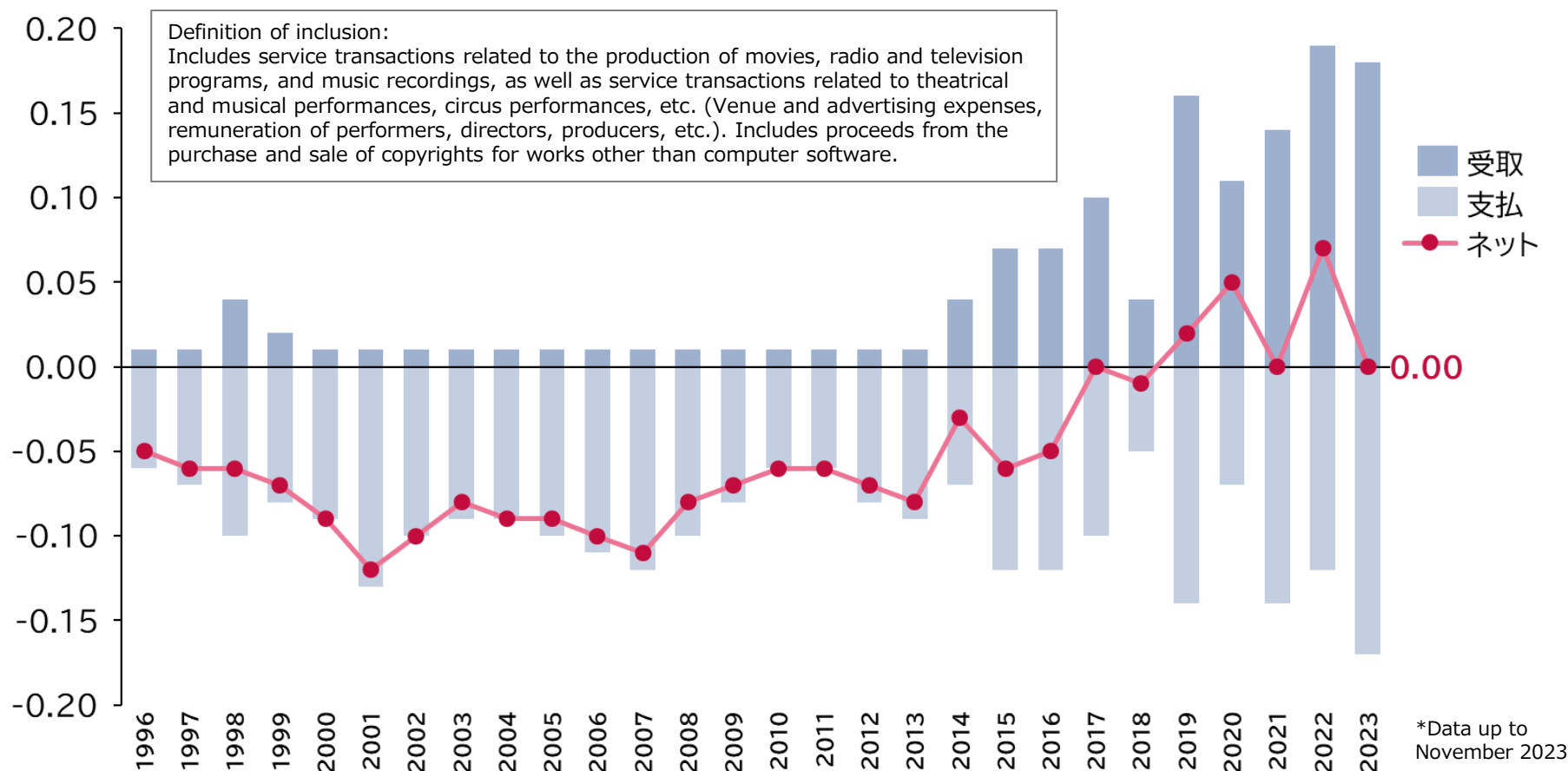
Source: Balance of Payments Statistics [https://www.stat-search.boj.or.jp/ssi/cgi-bin/famecgi2?cgi=\\$nme_a000&lstSelection=BP01](https://www.stat-search.boj.or.jp/ssi/cgi-bin/famecgi2?cgi=$nme_a000&lstSelection=BP01)

Service Income and Expenditures Market Regulations for Audio/Visual and Related Services

- Although both receipts and payments for audio/visual and related services have been increasing, the net balance has been improving since 2015.

Trends in international receipts and payments for audio/visual and related services (1996-2023)

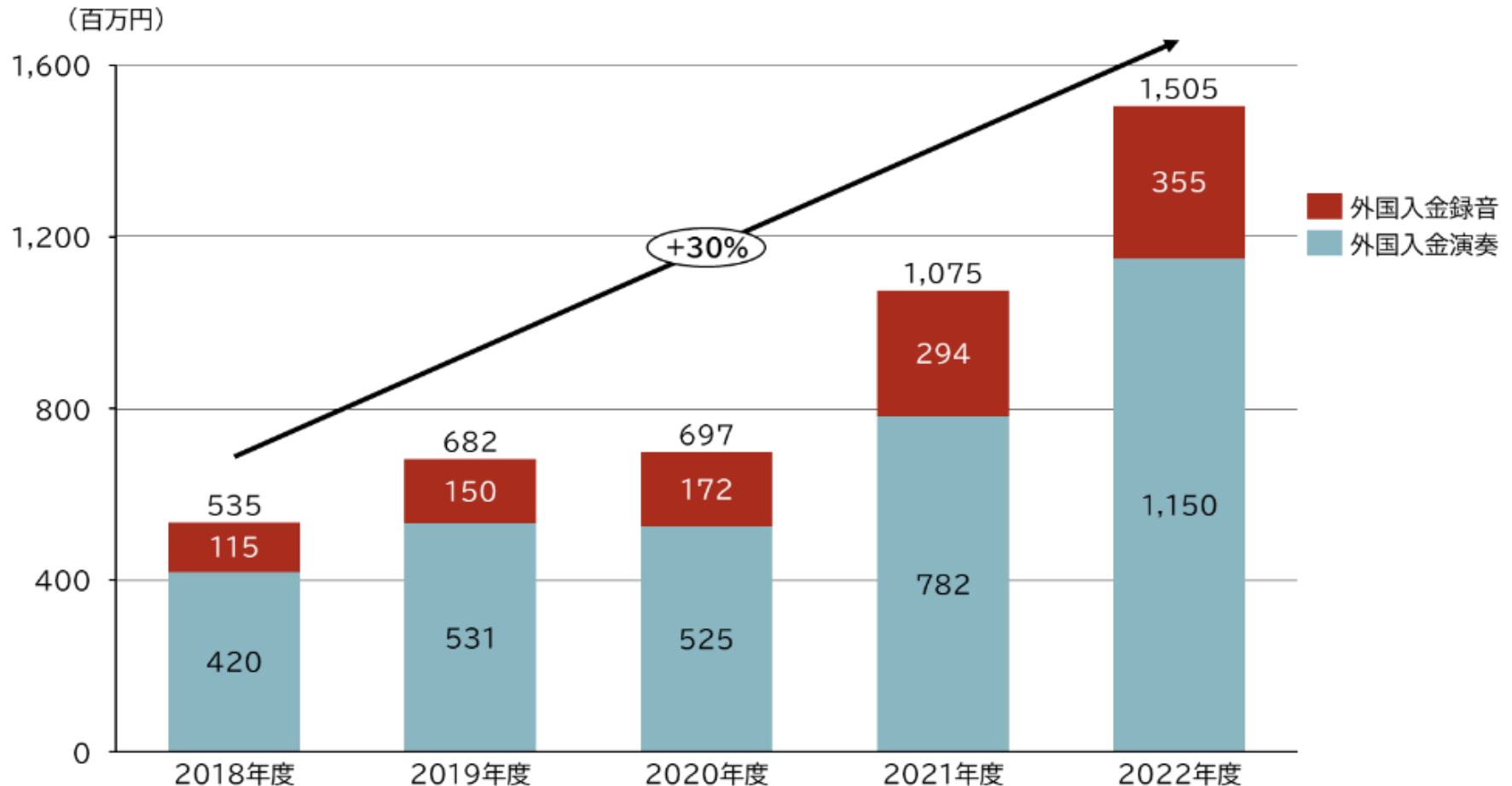
(trillions of yen)



Distribution of Royalties, etc. in Japan (JASRAC) Foreign Receipts

- Among JASRAC royalty distributions, foreign receipt of musical performances and foreign receipt of sound recordings has been on an increasing trend since FY 2018, reaching ¥1.5 billion in FY 2022. This is 1.2% of the total distribution (¥125.6 billion).

Foreign receipts (FY 2018 – 2022) out of JASRAC royalty distributions



Spotify Trends of Japanese Songs Heard Overseas [1/2]

- Among the top "Japanese Songs Heard Abroad" songs published by Spotify Japan, 39 out of 65 (total), or about 60%, are related to Japanese anime, manga, and games (shaded in the middle).
- Shaded in green are songs developed at overseas festivals and live shows, and shaded in blue are songs created by buzz on SNS.

Spotify ranking of Japanese songs heard overseas (2017~2023) * Continued on next page

Year	Rank	Song/Artist Name	Collaborative Title
2017	1st Place	Tokyo Drift (Fast & Furious)/Teriyaki Boyz	Movie "Wild Speed" (Overseas)
	2nd place	Best Part Of Us/AmPm feat. Michael Kaneko	
	Third place	Take What You Want/ONE OK ROCK	
	Fourth place	Yuri!!! On Ice Cream/Rintaro Ume	Anime "YURI!!! on ICE"
	5th	The Beginning/ONE OK ROCK	Live-action version of "Rurouni Kenshin"
	Sixth place	Inside River #1/Akira Ozemura	
	7th	Give your heart! / Linked Horizon	Anime Attack on Titan
	8th	Revenant/Ryuichi Sakamoto	
	9th	Merry Christmas on the battlefield/Ryuichi Sakamoto	
	10th	Hicari/Akira Kosemura	
2018	1st place	Tokyo Drift (Fast & Furious)/Teriyaki Boyz	Movie "Wild Speed" (Overseas)
	2nd place	Stillness Speaks/Yuki Sakura	
	3rd place	unravel/TK from Noble Shigure	Anime "Tokyo Kuichoku Tokyo Ghoul"
	4th place	Peace Sign/Yonezu Genshi	Anime "My Hero Academia"
	5th place	Best Part Of Us/AmPm	
	6th place	Previous Previous life - movie ver. / RADWIMPS	Movie "What's your name?"
	7th	Inside River, Pt. 2/Akira Ozemura	
	8th	Asphyxia/Cô shu Nie	Anime "Tokyo Kuizane Tokyo Ghoul: re"
	9th place	Nothing - movie ver.	Movie "What's your name?"
	10th place	Sparkle - movie ver.	Movie "What's your name?"

Year	Rank	Song/Artist Name	Collaborative Title
2019	1st Place	Tokyo Drift (Fast & Furious)/Teriyaki Boyz	Movie "Wild Speed" (Overseas)
	Second place	unravel/TK from Noble Shigure	Anime "Tokyo Kuizane Tokyo Ghoul"
	3rd place	Face My Fears - English Version/Hikaru Utada, Skrillex	RPG『KINGDOM HEARTS III』
	4th place	Peace Sign/Yonezu Genshi	Anime "My Hero Academia"
	5th place	Silhouette/KANA-BOON	Anime "Naruto Shippuden"
2020	1st place	Red Lotus/LISA	Anime "Demon Slayer"
	2nd place	unravel/TK from Noble Shigure	Anime "Tokyo Kuizane Tokyo Ghoul"
	3rd place	Silhouette/KANA-BOON	Anime "Naruto Shippuden"
	4th place	Bluebird/Ikimonogakari	Anime "Naruto Shippuden"
	5th	Tokyo Drift (Fast & Furious)/Teriyaki Boyz	Movie "Wild Speed" (Overseas)
	6th	Peace Sign/Yonezu Genshi	Anime "My Hero Academia"
	7th place	summertime/cinnamons, evening cinema	
	8th place	crossing field/LISA	Anime Sword Art Online
	9th	Madness Hey Kids!/THE ORAL CIGARETTES	Anime "Noragami ARAGOTO"
	10th place	Black Catcher/Bikke Blanca	Anime Black Clover

Spotify Trends of Japanese Songs Heard Overseas [2/2]

Spotify ranking of Japanese songs heard overseas (2017~2023)

Year	Rank	Song/Artist Name	Collaborative Title
2021	1st Place	Megawariki Tan/Eve	Anime "JUJUTSU KAISEN"
	Second place	Red Lotus/LiSA	Anime "Demon Slayer"
	3rd place	Running at night/YOASOBI	
	4th place	unravel/TK from Noble Shigure	Anime "Tokyo Kuizane Tokyo Ghoul"
	5th	Give your heart! / Linked Horizon	Anime "Attack on Titan"
	6th	Tokyo Drift (Fast & Furious)/Teriyaki Boyz	Movie "Wild Speed" (Overseas)
	7th	Black Catcher/Bikke Blanca	Anime Black Clover
	8th	Silhouette/KANA-BOON	Anime "Naruto Shippuden"
	9th place	Bluebird/Ikimonogakari	Anime "Naruto Shippuden"
	10th place	Monster/YOASOBI	Anime "BEASTARS"
2022	1st place	Dying is good/Fujii style	
	Second place	Run at night/YOASOBI	
	3rd	The Rumbling/SiM	Anime "Attack on Titan" The Final Season Part2
	4th place	Keicho Kizan/Eve	Anime "JUJUTSU KAISEN"
	5th	Red Lotus/LiSA	Anime "Demon Slayer"
	6th	Reverberant Song/Aimer	Anime "Demon Slayer Yukaku Edition"
	7th	Tokyo Drift (Fast & Furious)/Teriyaki Boyz	Movie "Wild Speed" (Overseas)
	8th	Son of the Devil/Higuchiai	Anime Attack on Titan The Final Season Part 2
	9th	Black Catcher/Bikke Blanca	Anime Black Clover
	Number 10	unravel/TK from Noble Shigure	Anime "Tokyo Kuizane Tokyo Ghoul"

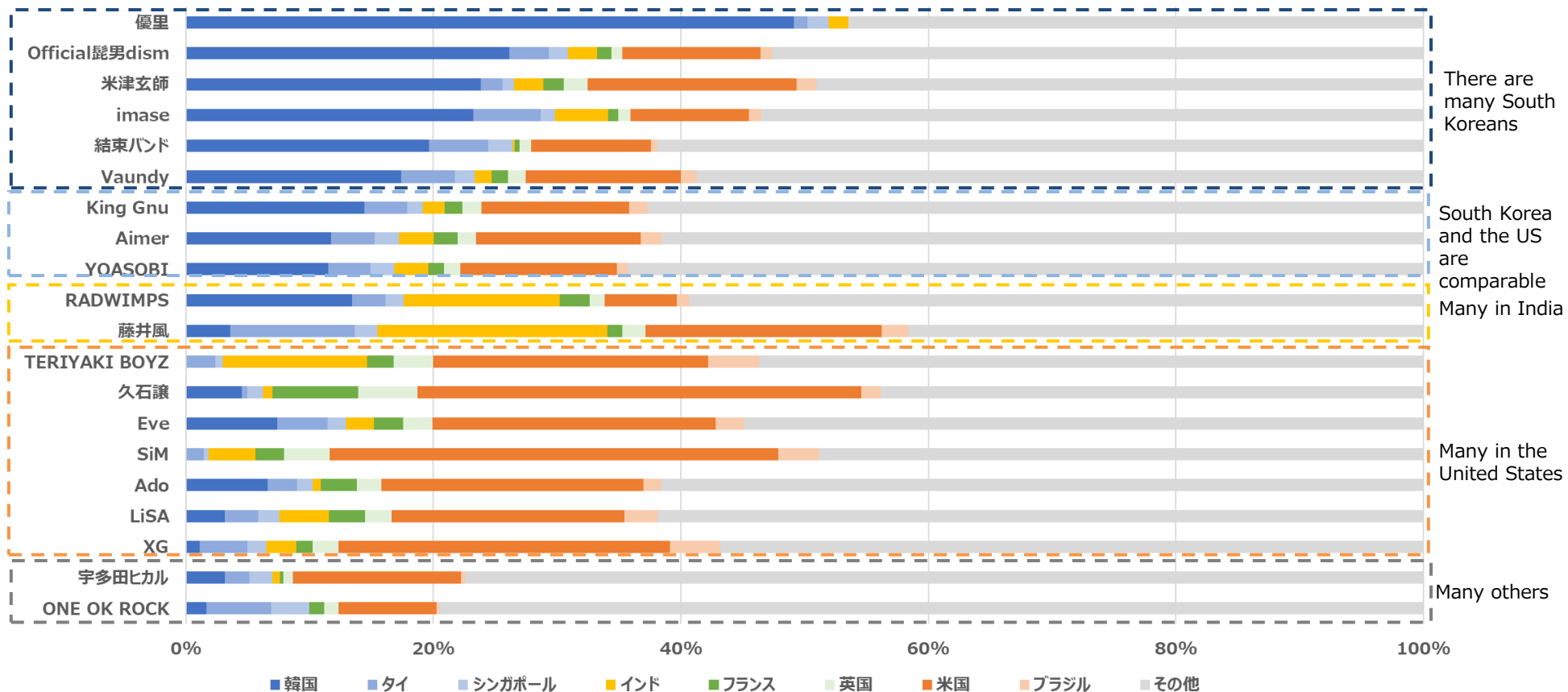
Year	Rank	Song/Artist Name	Collaborative Title
2023	No. 1	Dying is good/Fujii style	
	2nd	Idol/YOASOBI	Anime "Sushi no Ko"
	3rd place	KICK BACK/Yonezu Genshi	Anime "Chensorman"
	4th place	NIGHT DANCER/imase	
	5th	Running at Night/YOASOBI	
	6th	SHOOTING STAR/XG	
	7th	LEFT RIGHT/XG	
	8th	Suzume/RADWIMPS feat. Jumei	Movie "Suzume Tokimari"
	9th place	Tokyo Drift (Fast & Furious)/Teriyaki Boyz	Movie "Wild Speed" (Overseas)
	10th place	Matsuri Festival/Fujii Style	

Of the blue shading, 'I like to die' is described in detail in the latter part.

Listening to Japanese music outside Japan

- billboard ranking Global Japan Songs excl. Looking at the percentage of points of artists appearing in Japan by country, there are many artists with many points in Korea and the United States, but there are some artists such as Fujii Fu who do not, and there is no specific trend.

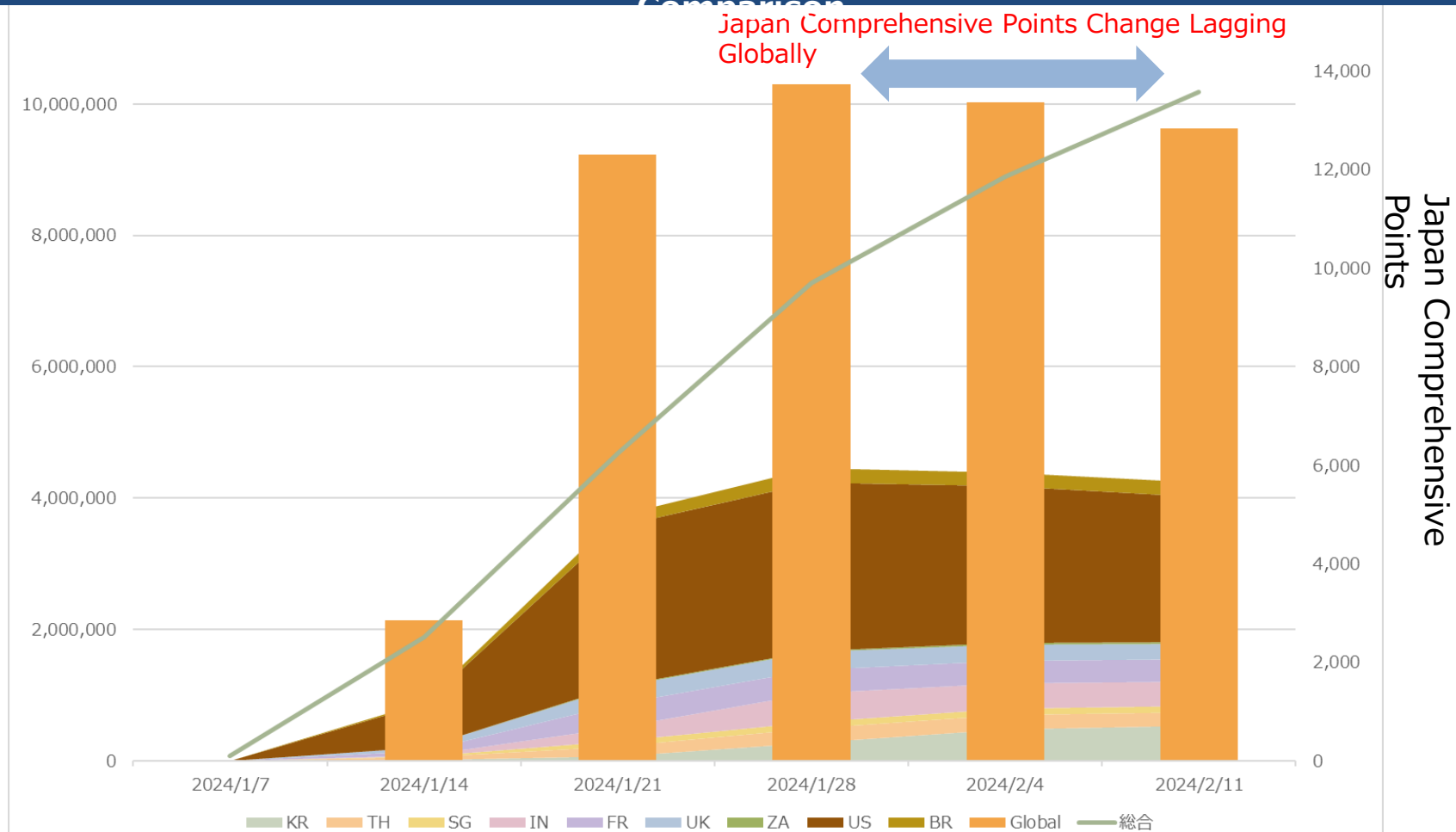
Demand for Globally Popular Japanese Artists by Country (2023)



billboard Chart Action Global Japan Comparison

- Looking at the transition of “Bling Bang Bang Born” on the Billboard chart, the movement of the Japanese chart has been delayed by the movement of the global chart.
- It is suggested that it may become a hit in Japan by reimporting the hit in the global chart.

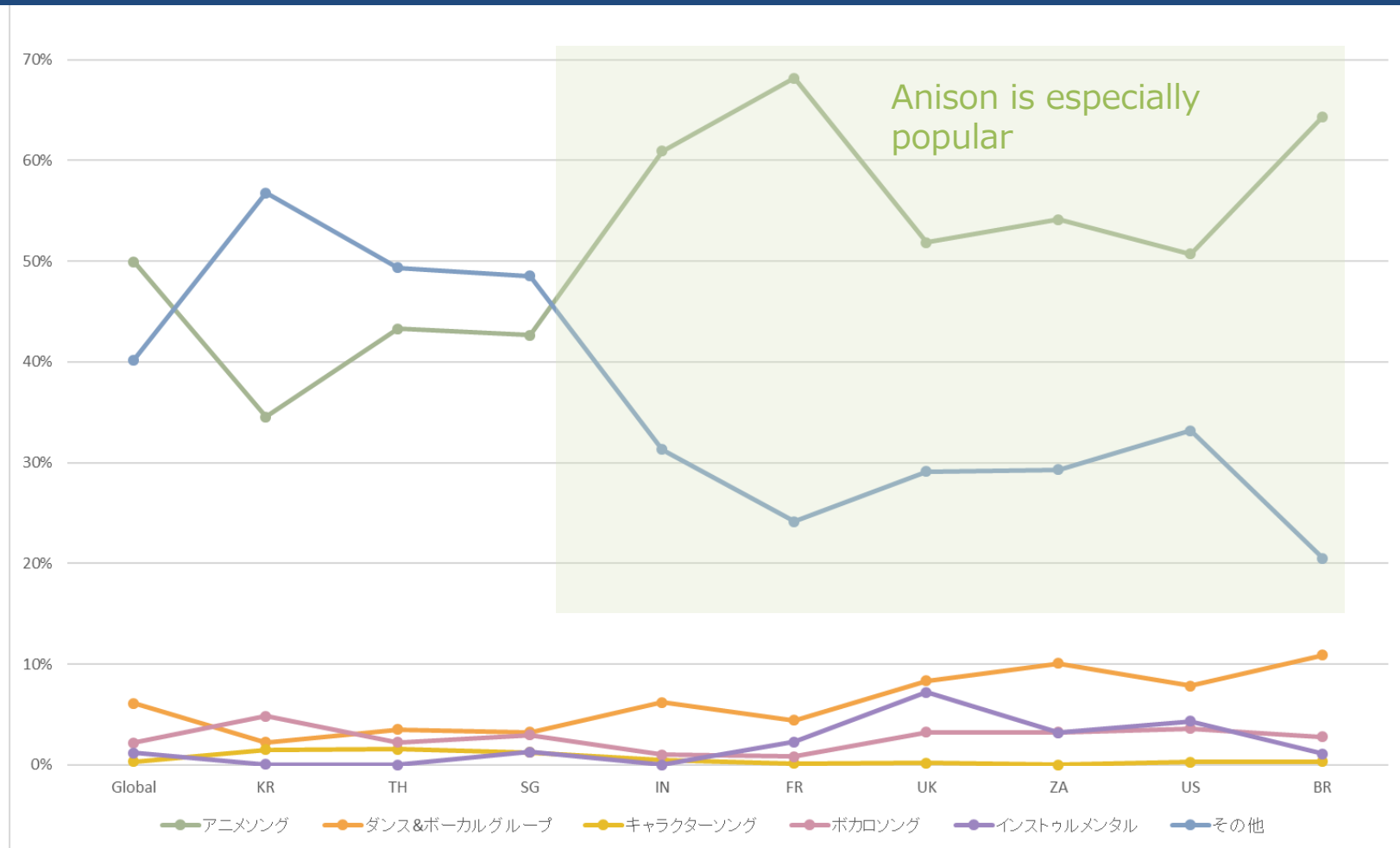
“Bling Bang Bang Born” Global Points by Country and JP Comprehensive Point Action



billboard Chart Demand for Anime Songs by Region

- Other than anime songs in Korea, Thailand, and Singapore, anime songs dominate other countries.
- Anime songs are especially popular in India, France, and Brazil.

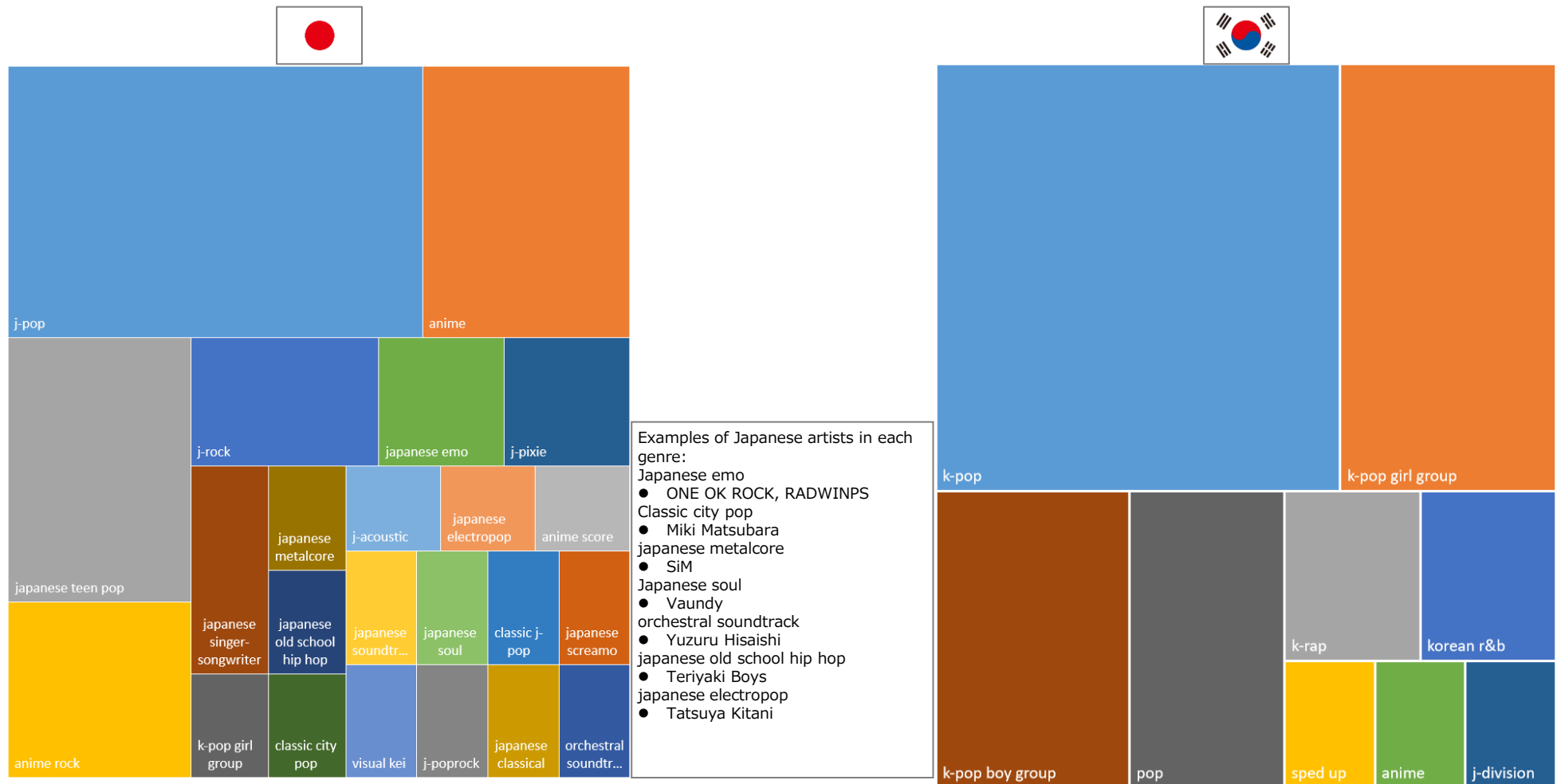
Occupancy of Anime Inst and Others between September 1, 2023 and February 8, 2024



Genre Distribution of Globally Popular Japanese and Korean Artists

- When comparing the genre distribution of globally popular Japanese and Korean artists (Top 25 Artists and Groups) on Spotify, Japanese artists have a more diverse genre distribution.

Genre Distribution of Globally Popular* Japanese and Korean Artists (Top 25 Artists/Groups) (2023)



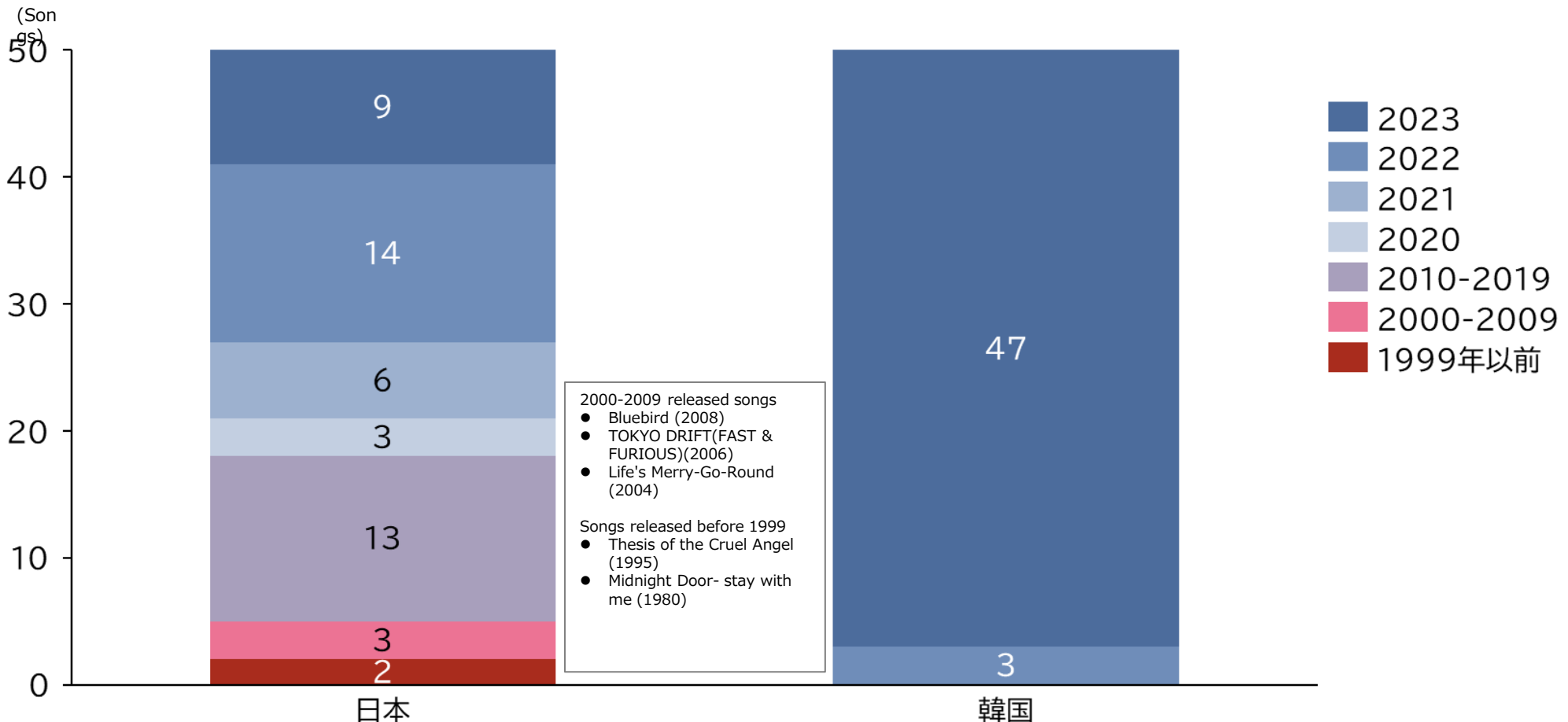
*Japan is Billboard Global Japan Songs excl. The top 25 artists and groups with high points from November 25, 2022 to November 23, 2023 were selected based on Japan. South Korea selected artists ranked on Spotify's Top200 global chart in 2023. 1 Artists may be assigned multiple genres.

Source: Billboard Global Japan Songs excl. Japan Chart, Spotify Global Chart Created from Spotify API

Distribution of Release Years of Globally Popular Japanese and Korean Songs

- Looking at the release year distribution of the top 50 globally popular songs from Japan and South Korea in 2023, all Korean songs were new songs released after 2022, while Japan had 27 songs released before 2021. In Japan, 5 songs were released before 2009.

Distribution of Release Years of Globally Popular* Japan-Korea Songs (Top 50) (2023)



*Japan is Billboard Global Japan Songs excl. 50 songs with high points were extracted from November 25, 2022 to November 23, 2023 by referring to Japan. South Korea extracted the top 50 songs streamed per week on Spotify's 2023 Top200 global chart.

JASRAC Award for Overseas Receipts

- In the JASRAC Award's overseas deposit category, 54 of the 60 songs from 2018 to 2023 were accompanied by plays.

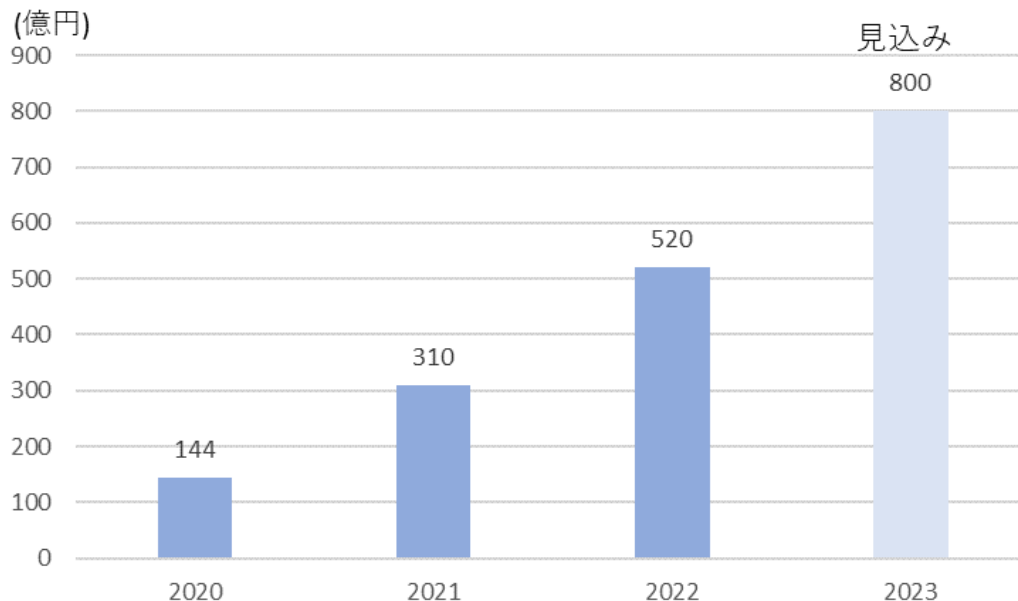
JASRAC Award's overseas deposit category (2018-2023) * Gray indicates music other than accompanied by plays.

Year of Award	Ranking	Song name	Year of award	Ranking	Song name	Year of award	Ranking	Song name
2023	1	Naruto Shippuden BGM	2021	1	Naruto Shippuden BGM	2019	1	Dragon Ball Z BGM (TV)
2023	2	HUNTER×HUNTER BGM	2021	2	The theme of the new and unjust battle	2019	2	Pokemon BGM
2023	3	Black Clover BGM	2021	3	BLEACH BGM	2019	3	UFO Robogrendizer BGM
2023	4	NARUTO BGM	2021	4	Fun Moomin Ichiya BGM	2019	4	TEARS
2023	5	Dress BGM	2021	5	NARUTO BGM	2019	5	Naruto Shippuden BGM
2023	6	BORUTO- BOLT -NARUTO NEXT GENERATIONS BGM	2021	6	One Punch-Man BGM	2019	6	Sailor Moon BGM
2023	7	Demon Slayer BGM	2021	7	Bay Blade Burst BGM	2019	7	Pen Painapaw Appauppen
2023	8	Demon Slayer BGM	2021	8	Tears	2019	8	Cheese Sweet Home BGM
2023	9	Dress BGM	2021	9	Theater Naruto Shippuden BGM	2019	9	Yokai Watch BGM
2023	10	My Hero Academia BGM	2021	10	Seven Deadly Sins BGM	2019	10	The theme of the new and unjust battle
2022	1	Naruto Shippuden BGM	2020	1	Naruto Shippuden BGM	2018	1	Dragon Ball Z BGM (TV)
2022	2	Dress BGM	2020	2	Theater Naruto Shippuden BGM	2018	2	Attack on Titan BGM
2022	3	NARUTO BGM	2020	3	The theme of the new and unjust battle	2018	3	Pokemon BGM
2022	4	Dress BGM	2020	4	Attack on Titan BGM	2018	4	op.1
2022	5	HUNTER×HUNTER BGM	2020	5	Bay Blade Burst BGM	2018	5	Theatrical version of FAIRY TAIL, Phoenix Priestess BGM
2022	6	Seven Deadly Sins BGM	2020	6	Pempainappo-Appo-Pen	2018	6	TEARS
2022	7	Dragon Ball Super Brolly BGM	2020	7	BLEACH BGM	2018	7	BGM IANAKIKO
2022	8	Half Moon Serenade	2020	8	TEARS	2018	8	PAC-MAN AND THE GHOSTLY ADVENTURES BGM
2022	9	Pokemon BGM	2020	9	Joyful Moomin Ichika BGM	2018	9	Famous dog Jolie BGM
2022	10	Dragon Ball Super BGM	2020	10	FAIRY TAIL BGM	2018	10	Movie Doraemon Shin Nobita no Omakai - Peko and the Five Explorers - BGM

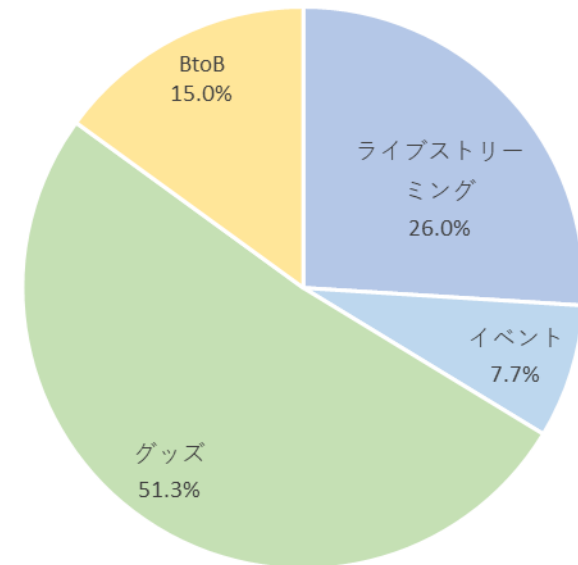
VTuber Business Market Size

- The market size of VTuber business is estimated to be 52 billion yen in 2022 and will reach 80 billion yen in 2023.
- Goods is the largest market segment in 2022 with 51.3%, followed by live streaming with 26.0%.

VTuber Market Size Trend (2020-2023)



Composition by VTuber Market Segment(2022)

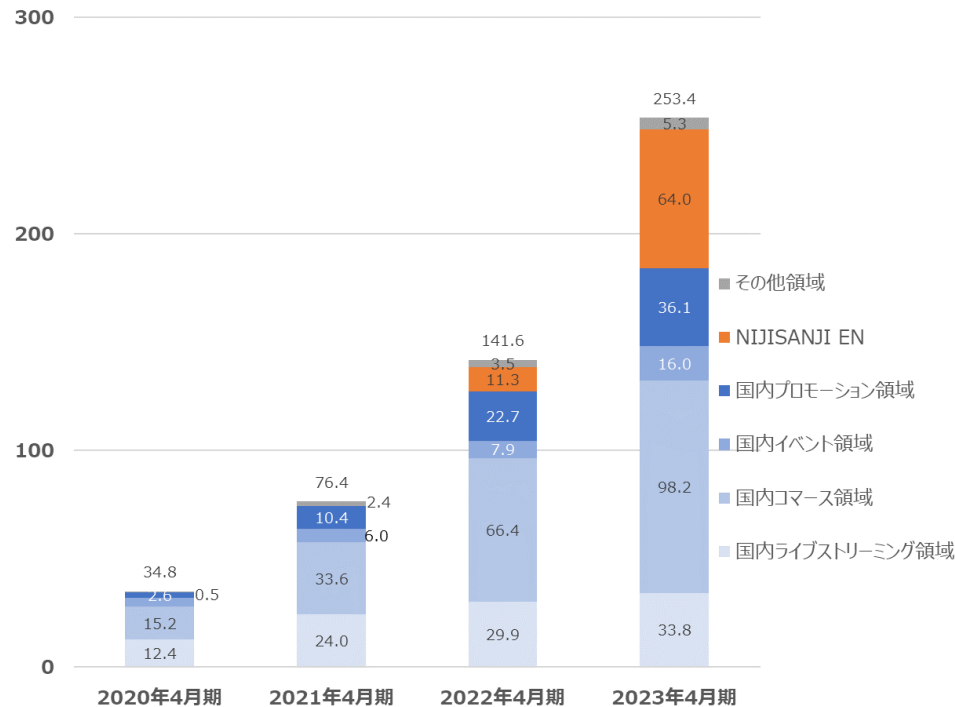


VTuber Office Sales Composition

- For both Cover and ANYCOLOR, sales related to merchandising and commerce accounted for the largest proportion of sales.
- From 2019 to 2020, sales and distribution were almost the same, but it can be seen that sales related to sales have increased significantly since then.

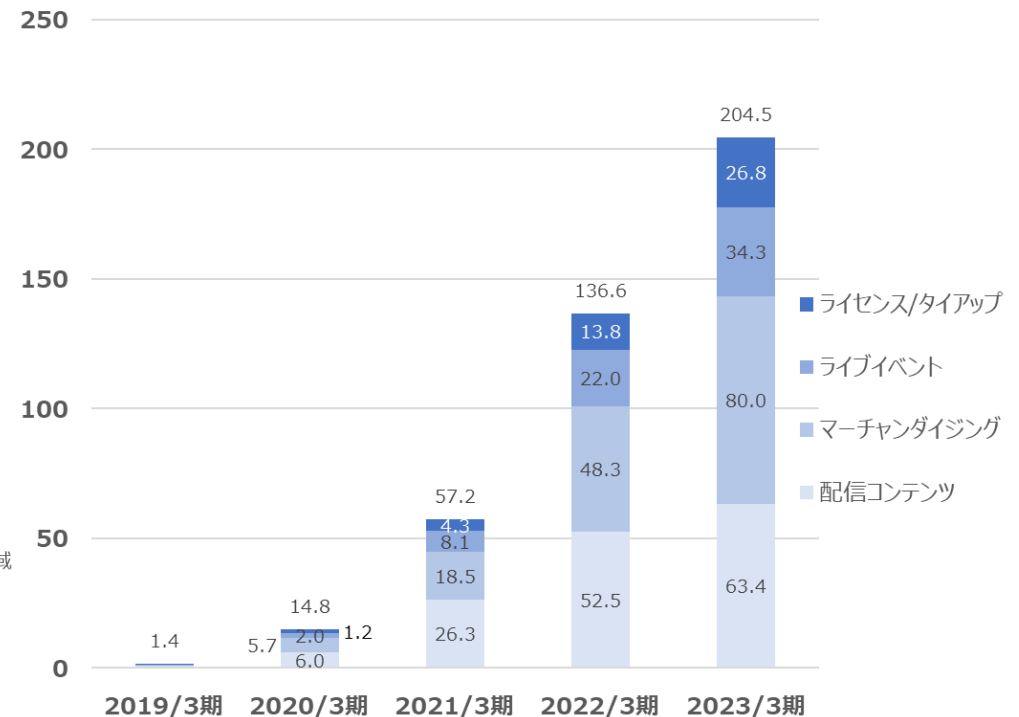
ANYCOLOR Sales Structure (2020-2023)

(0.1 billions of yen)



Cover Sales Structure (2019-2023)

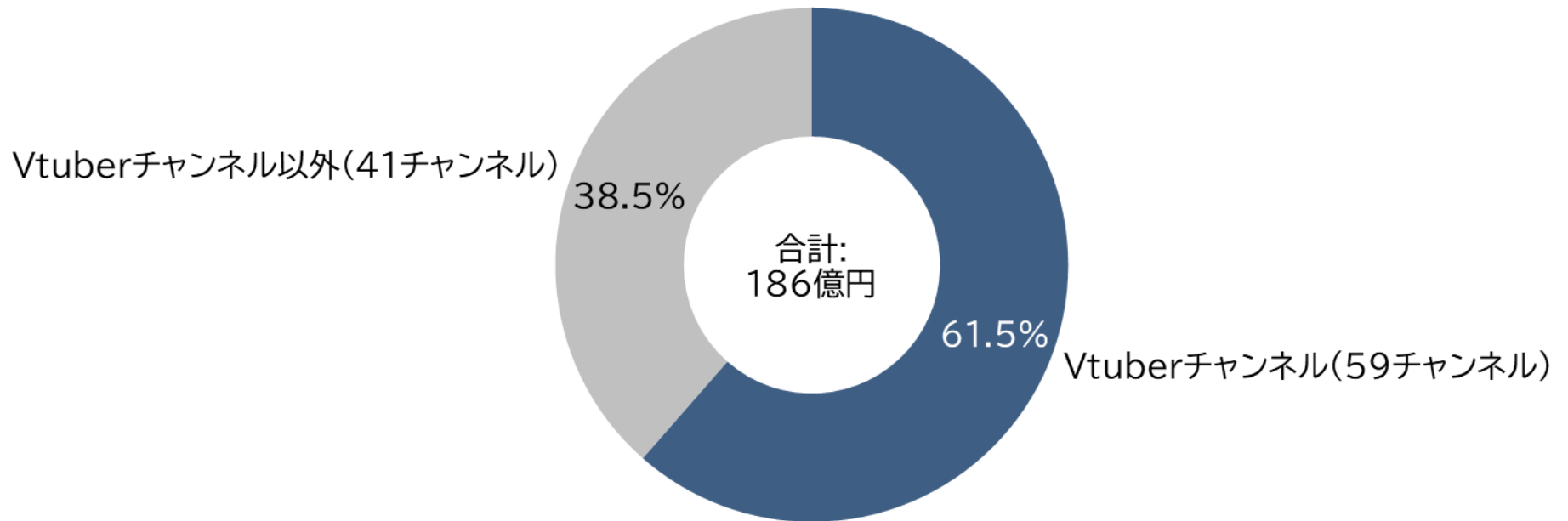
(0.1 billions of yen)



VTuber Channel Billing Status

- According to YouTube's ranking of the amount of super chat charges by channel, 59 of the top 100 channels are VTuber channels.
- The total amount of charges for the 59 channels is 11.4 billion yen (61.5% of the top 100 channels).

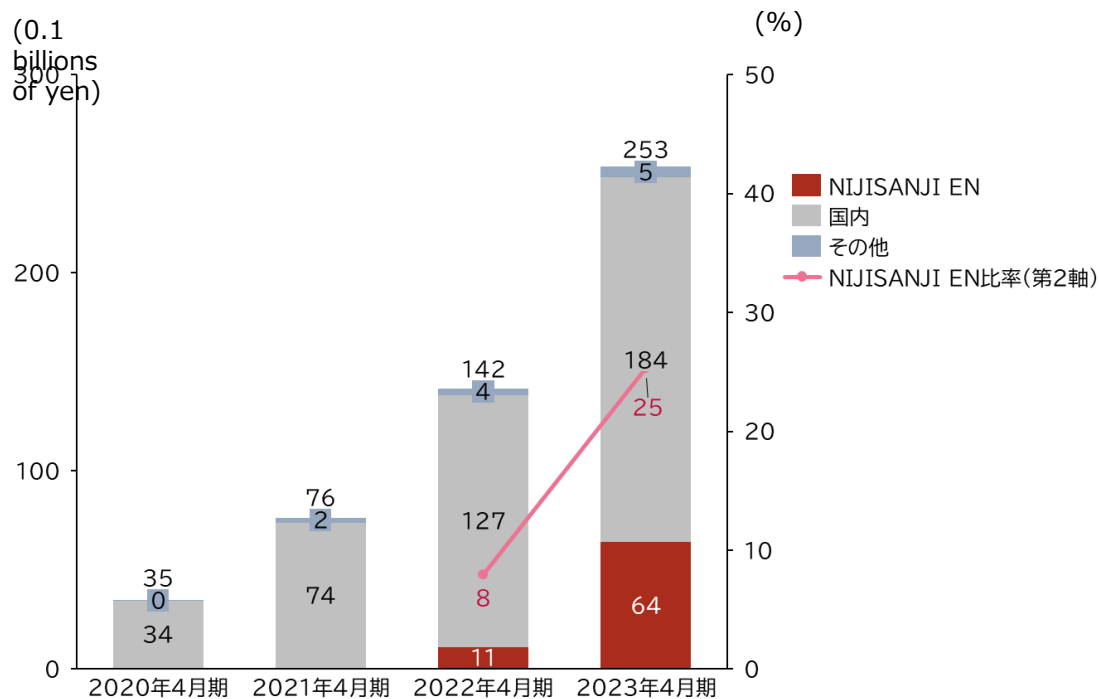
Breakdown of the Top 100 YouTube Channel Super Chat Charges (Cumulative total from January 10, 2020 to January 17, 2024)



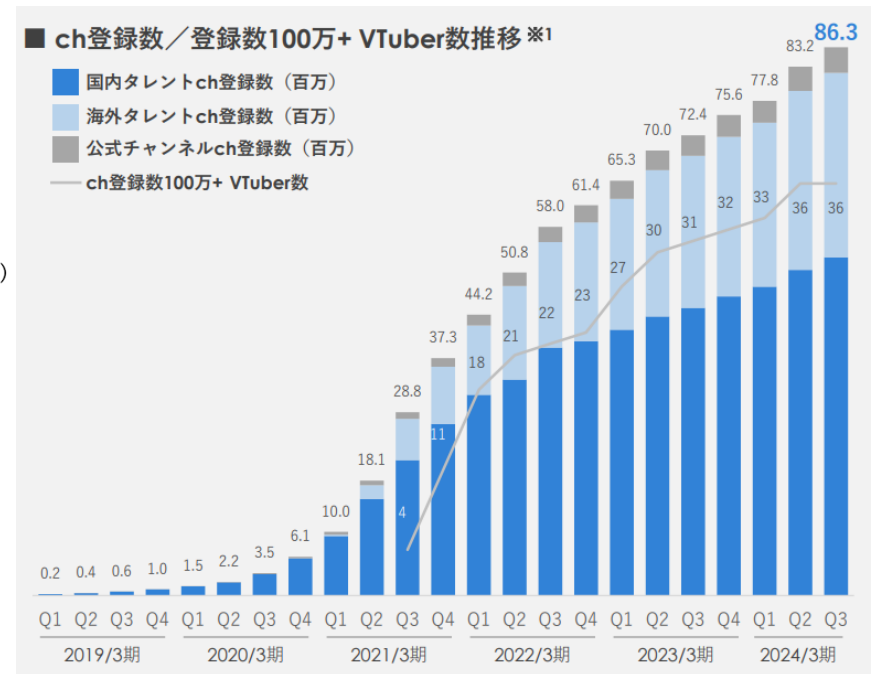
Overseas expansion of VTuber business

- Sales of "NIJISANJI EN," an English-speaking business of ANYCOLOR, which operates "Nijisanji," have grown significantly since 2022, reaching 6.4 billion yen in 2023. It accounts for 25% of total sales.
- The number of YouTube channel subscribers of foreign talents supported by the cover of "Hololive" has been steadily increasing.

ANYCOLOR's NIJISANJI EN Sales Trend (2020-2023)



Number of Ch registered / 1 million registered + number of VTubers under cover (middle of 2019 - 2024)

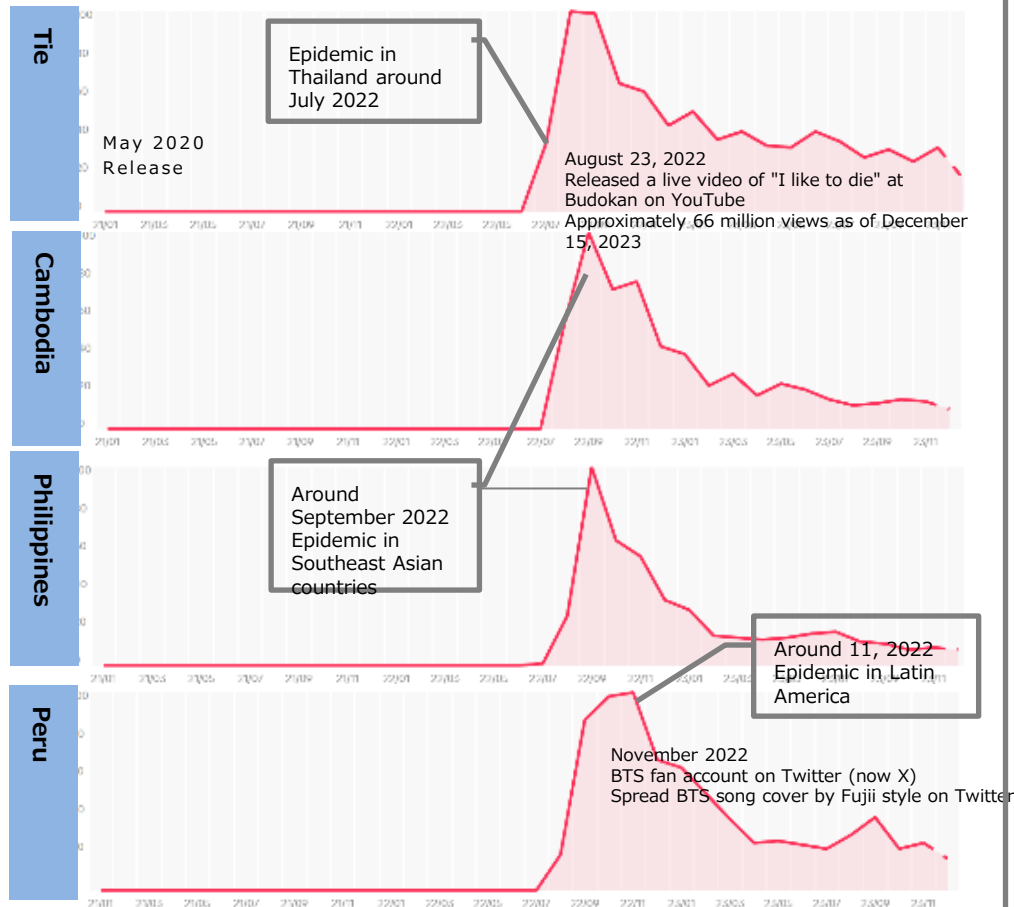


In March 2024, the company announced plans to open COVER USA, its first overseas base.

*"Other" includes sales from non-English-speaking countries
 Source: MRI prepared from ANYCOLOR 6th Annual Securities Report https://ssl4.eir-parts.net/doc/5032/yo_ho_pdf/S100RHOV/00.pdf
 Cover 3. Financial Results for the Fiscal Year Ending March 2024
<https://contents.xj-storage.jp/xcontents/AS05169/2ad075fc/b6fe/4acc/aaae/fd43516090a8/140120240208530190.pdf>

A Case of a Viral Hit: It's Good to Die (Fujii Style)

Changing Interest in #shinunogae_wa on TikTok
(The vertical axis is a relative index with a peak of 100 during the period) * 1



- Fujii's song "I Like Dying " (released in May 2020) topped Spotify's list of the most played songs by domestic artists overseas in 2022 and 2023.
- According to Tokuriki * 2, the key points of the song's success are as follows:
 1. Trending on TikTok
 2. Rising rankings on music streaming services
 3. Responding to rapid overseas buzz
 4. Dissemination of the person in English
 5. Further spread by BTS fans
- If you look at the change in interest in #shinunogae_wa **TikTok** **became popular in Thailand around July 2022, then peaked in Southeast Asia around September and Latin America around 11.**
- After it became popular in Thailand in July, artists and labels released related videos on YouTube and artists themselves shared information in English.
- In addition, in November 2022, a fan account of BTS spread a cover of BTS music by Fujii Kaze on Twitter (now X), suggesting that a **connection between Fujii Kaze fans and BTS fans was formed.**
- Based on the Spotify Weekly Top200 ranking from December 8, 2022 to December 7, 2023, **the song had about 130 million views globally, including 25 million in Japan, and about 80% of the views were overseas.** ※3

Source: * 1TikTok Creative Center https://ads.tiktok.com/business/creativecenter/hashtag/shinunogae_wa

*2 Tokuriki Motohiko "The worldwide hit of Fujii-style 'I like to die' may open the door for Japanese artists to go abroad"<https://news.yahoo.co.jp/expert/articles/415f6955fe606b07ca3e10834caf0f719984ab15>

*3 MRI tabulation using Spotify Weekly Top200 ranking data

Artist Network Fujii Kaze Example

- By analyzing the network of artists on Spotify who are listed as "related" to an artist, you can see what other artists their fans are listening to (and how fandoms are formed).
 - In the case of Fujii Kaze, the network has been established with Awesome City Club, Hoshino Gen, aiko, Tokyo Incident, and STUTS, and it shows that he is broadly connected to Jpop and Jrock artists of the 1990s and 2020s.
- *It is important to note that the figure below is as of December 2021, before the popularity of "I like to die."

Artist network using Spotify data (example of Fujii Kaze)

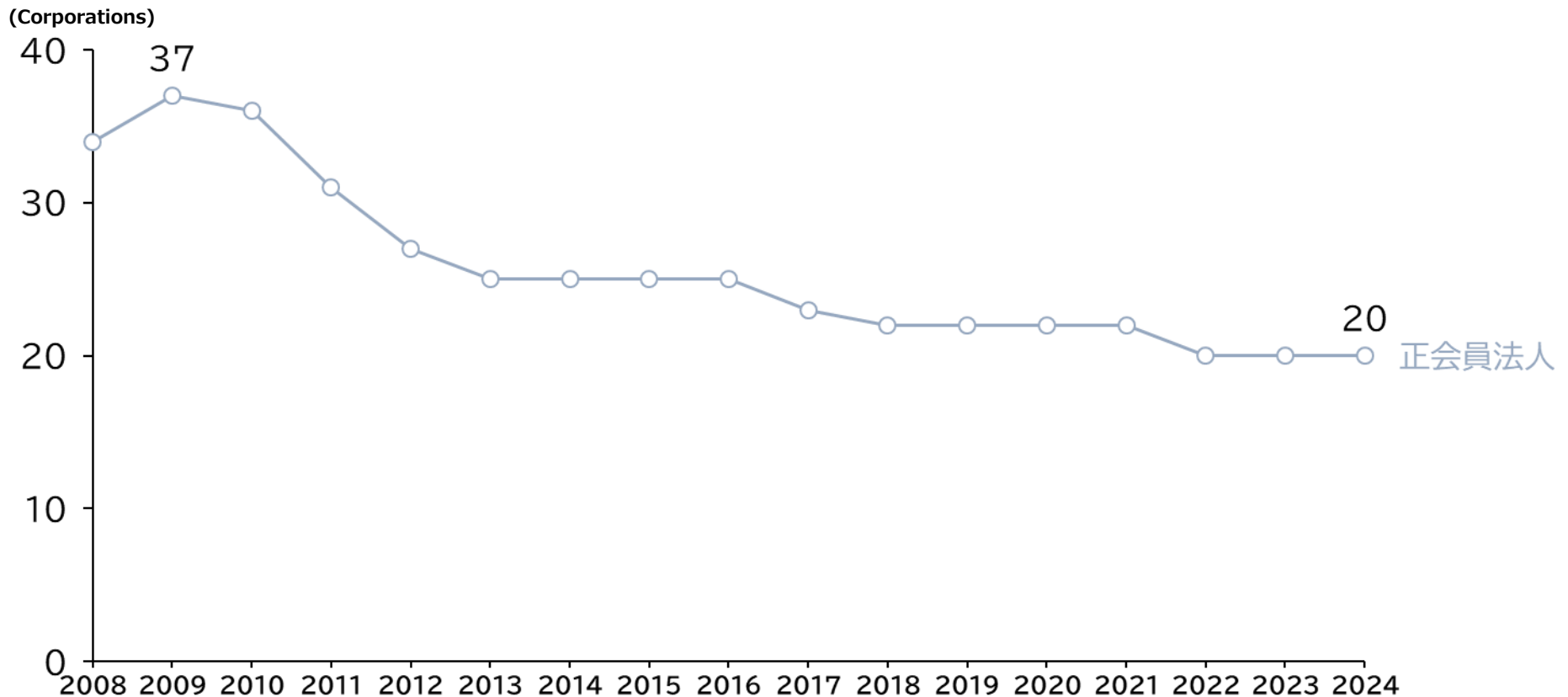


6. Changes in music content production sites

Number of regular members of the Japan Music Studio Association

- The number of regular members of the Japan Music Studio Association has been declining from 37 in 2009 to 20 as of January 2024.

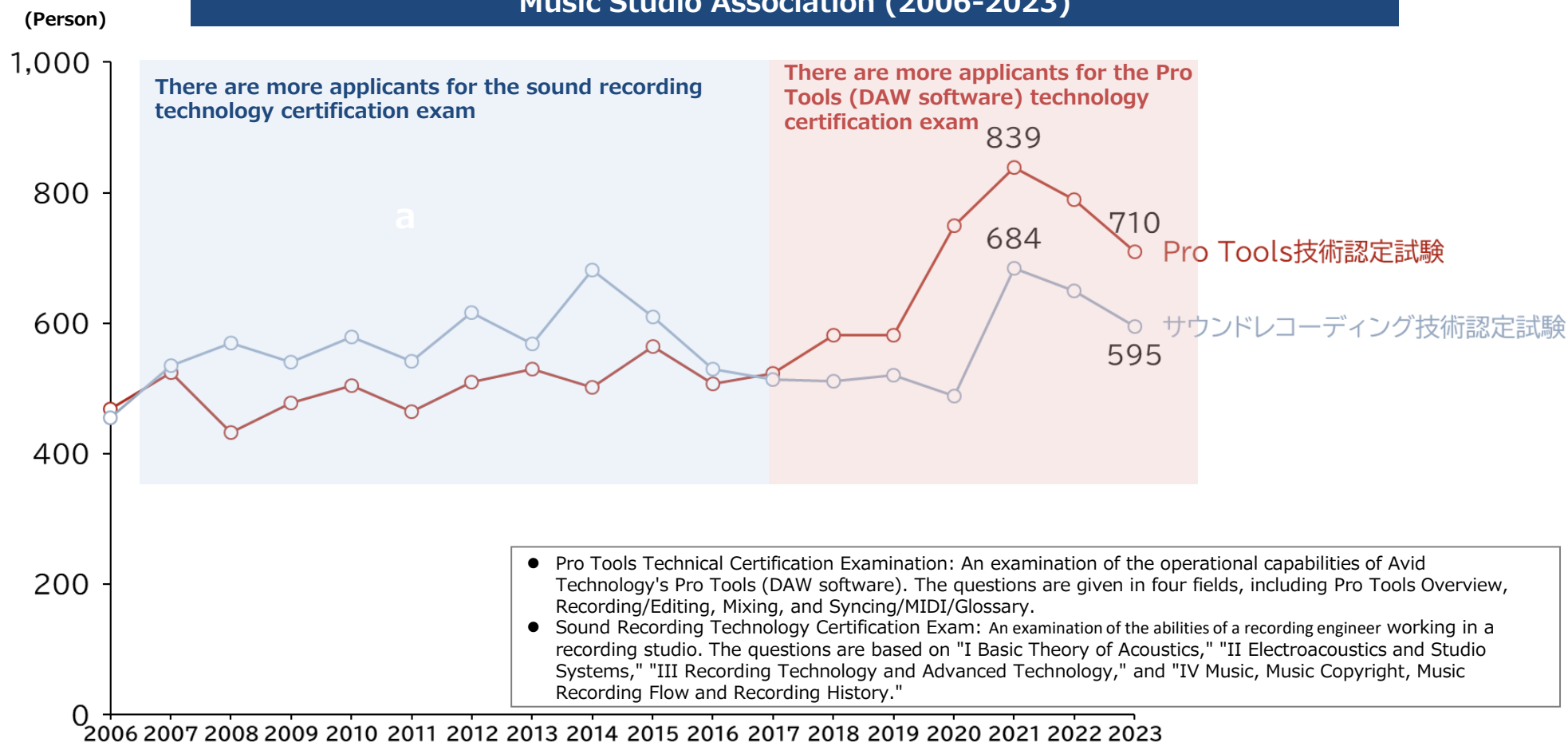
Number of regular member corporations of the Japan Music Studio Association
(2008-2024)



Changes in the number of applicants for certification examinations conducted by the Japan Music Studio Association

- Until 2016, there were more applicants for the Sound Recording Technology Certification Exam, which covers all aspects of recording studio production, than for the Pro Tools (DAW software) technology certification exam, but since 2017, the number of applicants for the Pro Tools (DAW software) technology certification exam has tended to be higher.

Number of examinees for certification examinations conducted by the Japan Music Studio Association (2006-2023)

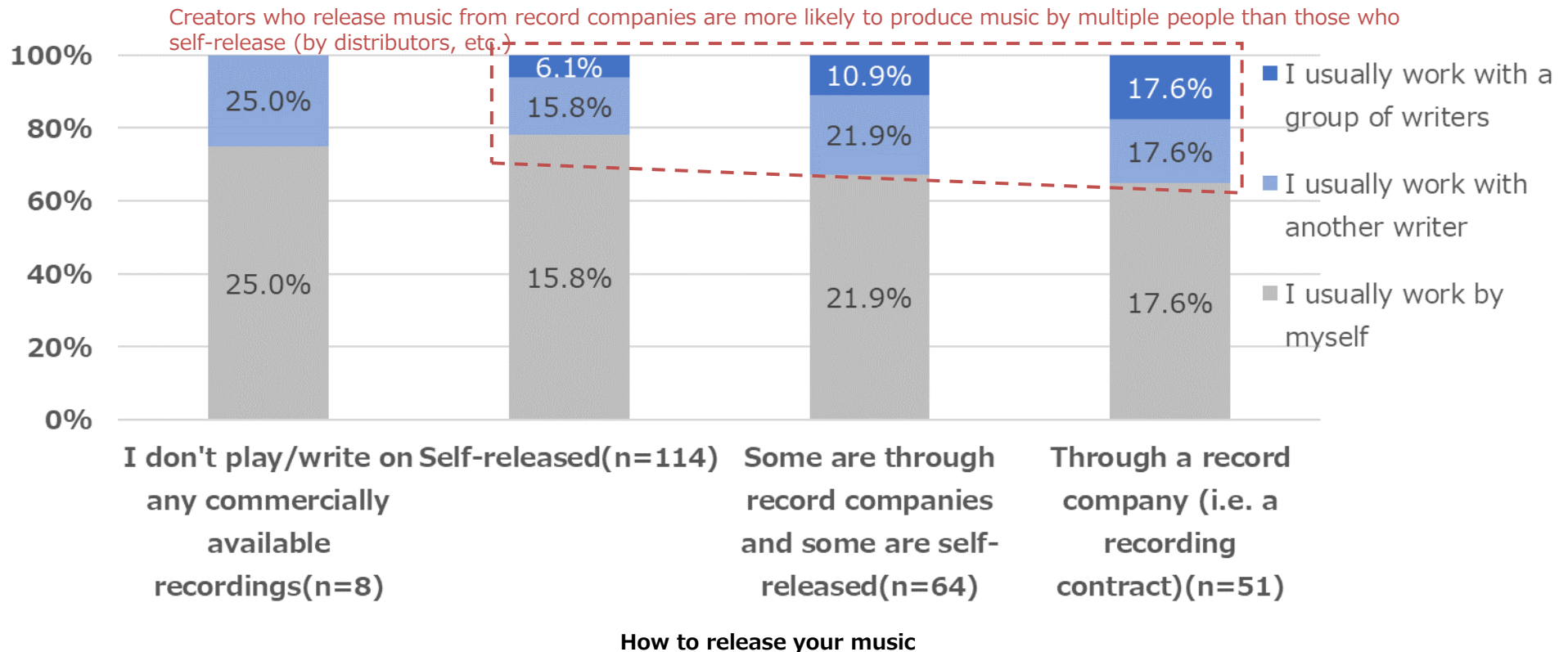


Team Music Production (UK)

- According to a survey of music creators in the U.K., creators who release music from record companies are more likely to produce music by multiple people than those who self-release (by distributors, etc.).

Production system of music creators in the U.K. [by type of music release]

(2021)

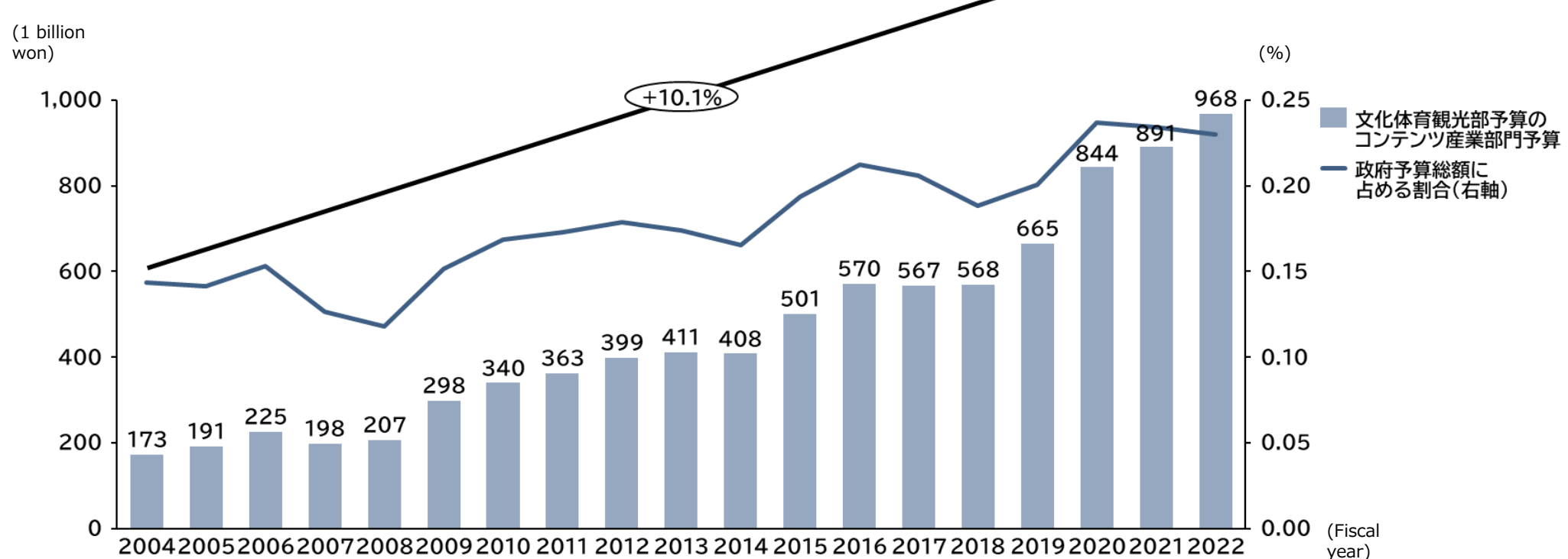


7. movements in other countries

Changes in the Korean Content Industry Division Budget

- Of the Ministry of Culture, Sports, and Tourism's budget, the content industry sector * has been on an increasing trend (10.1% CAGR since 2004), reaching 96.8 billion won in fiscal 2022. This accounts for about 0.23% of the government's total budget.

Changes in the contents industry budget of the Ministry of Culture, Sports and Tourism (2004-2022)



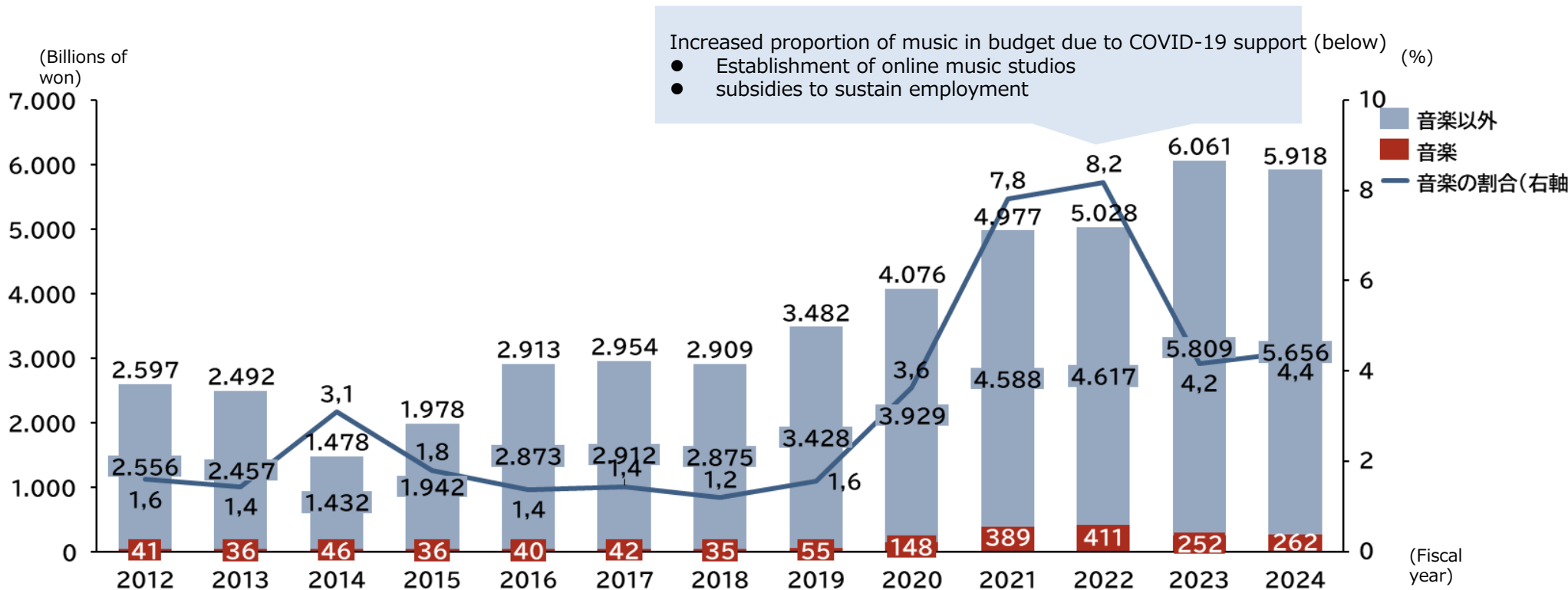
Note: The content industry budget means the sum of the budgets of the Content Policy Bureau, Copyright Bureau, and Media Policy Bureau in the budget of the Ministry of Culture, Sports, and Tourism.

Source: Compiled from the Ministry of Culture, Sports, and Tourism's "White Paper on the Content Industry 2022" (2021), the "Outline of the Fiscal 2022 Budget and Fund Management Plan," and the Ministry of Planning and Finance's (2022) "Outline of the Fiscal 2022 National Budget."

Changes in the Korean KOCCA Budget

- The budget of the Korea Content Agency (KOCCA) for government subsidy projects is on the rise and is scheduled to reach 591.8 billion won in fiscal 2024. Of this, the budget for music is 26.2 billion won, accounting for 4.4% *.

Changes in KOCCA's budget for government subsidies (2012-2024)



*The music budget refers to the music budget of the music and fashion industry team. The budget of the business that supports content in general, including music, is included in the non-music budget.

Source: Compiled from the annual KOCCA briefing materials on support projects

Overview of KOCCA's Music Support Program

- KOCCA has a wide range of support projects in the music field, from supporting activities in Japan, to supporting overseas expansion, to supporting the development and expansion of music tech. Most of the support is limited to individual performers and small and medium-sized companies.

Overview of KOCCA Music Support Program in 2024

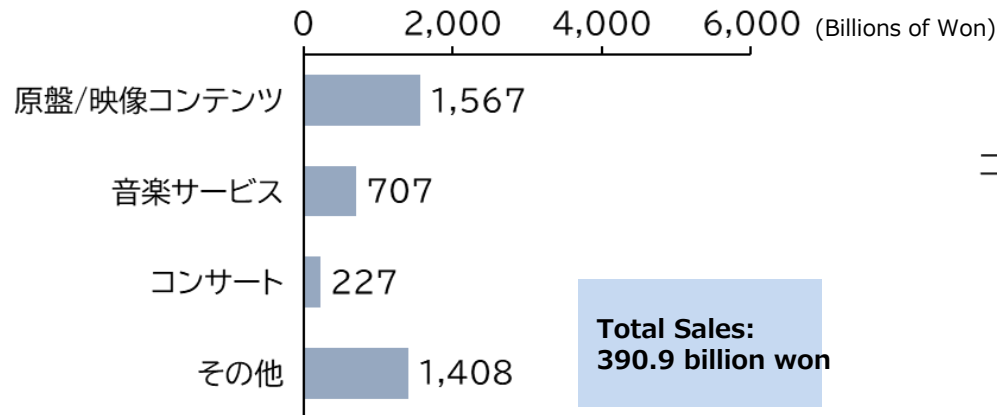
Classification	Business Name	Budget (Won)	Business
Support for Domestic Activities	Support for Online Performance Studio Operations	7.02 billion	Operation of KOCCA Music Studio (established with a budget of 26.5 billion won in fiscal 2021), an online performance studio used jointly by performers and companies that are the targets of KOCCA's support projects.
	Online/Offline Music Content development assistance	7.65 billion	- Support for online and real parallel performance production: Up to 400 million won for performance planning and production companies, around 6 productions - Support for new music production, marketing, and performances: Up to 100 million won for labels, around 5 productions, up to 200 million won for labels, around 8 productions - Support for real performances blended with new technology: Performers and small business productions (number of projects unknown)
	Support for real performances	600 million	For planning and production companies (Limited to small and medium enterprises, public institutions, and non-profit corporations) that plan paid real performances, support is provided for rent of performance places and facilities, publicity costs, and galleries. Large-scale plans up to 70 million won, up to 40 million won Including medium- and small-size plans up to 10 won.
	platform-based pop music activity support	2 billion	Support for the production of albums, live clips, live performances, festival appearances, and platform collaboration publicity for pop performers (10 teams) who have been active in Japan for less than 5 years since their debut.
Overseas expansion Support	Global Music Network construction support (MU: CON)	800 million	Music trade fair event "MU: CON" (the venue is Korea), which combines music showcase with business matching and workshops, is held for domestic and overseas delegates, industry insiders and the general public.
	Support for overseas expansion utilizing local infrastructure	5.4 billion	- Support the local business of up to 24 teams of performers selected through open recruitment by operating overseas market partnerships and showcases. Pre-education and local online promotions will also be conducted. - Support for expenses necessary for organizing overseas tours and participating in overseas festivals (Travel expenses, publicity expenses, etc.). - Overseas tours: Up to 50 million won, 8 tours (not for large companies or their affiliates) - Participation in overseas festivals: Up to 10 million won, 7 teams - Among the performers who participated in the music showcase of MU: CON held from 2020 to 2023, up to 20 million won was given to 10 teams who experienced overseas business.
Others	Music Tech Support	2.7 billion	Support for labor costs, server and software rentals, and marketing costs for small businesses, public institutions, and non-profit corporations that want to develop or deploy services that combine music and technology. Support for planning and development is around 5 projects worth up to 200 million won, and support for development and marketing is around 5 projects worth up to 300 million won.

Sales Composition of Four Major Korean Offices

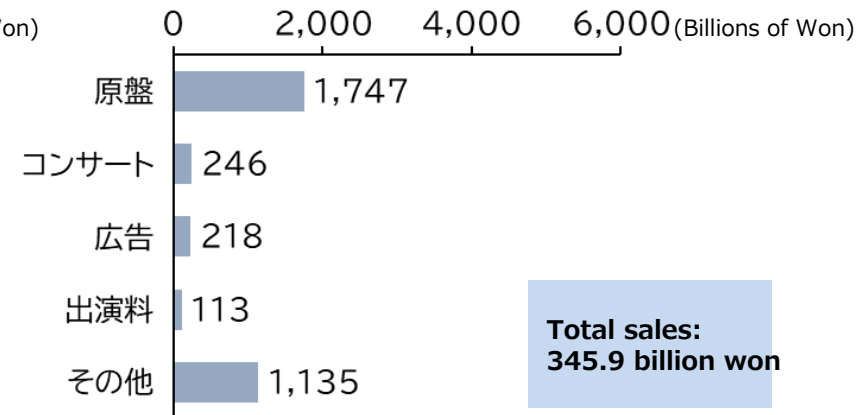
- HYBE has the largest total sales of FY2022 at 1,776.2 billion won.
- All other offices except SM Entertainment have the largest sales of original discs, while SM Entertainment has the largest sales of concerts and video content production.

Sales Composition of 4 Major Offices in Korea (FY2022)

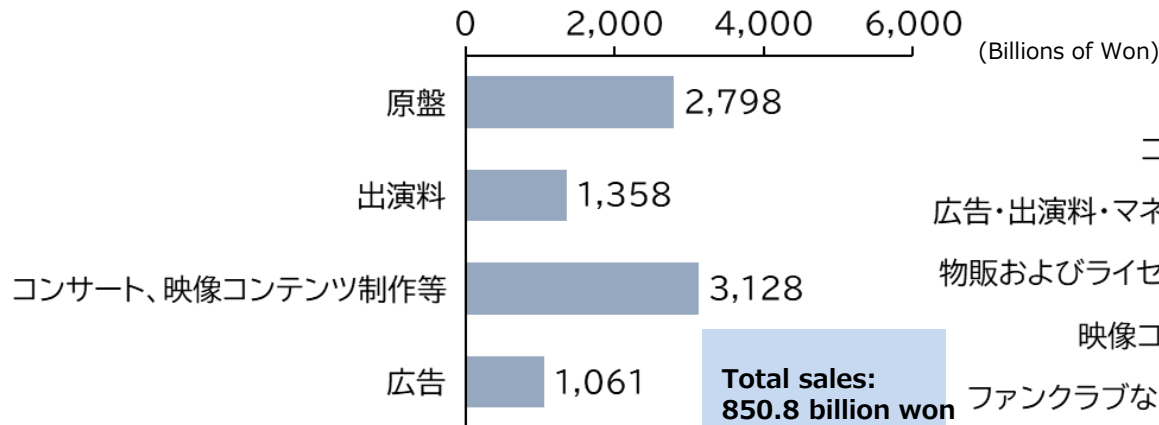
YG Entertainment



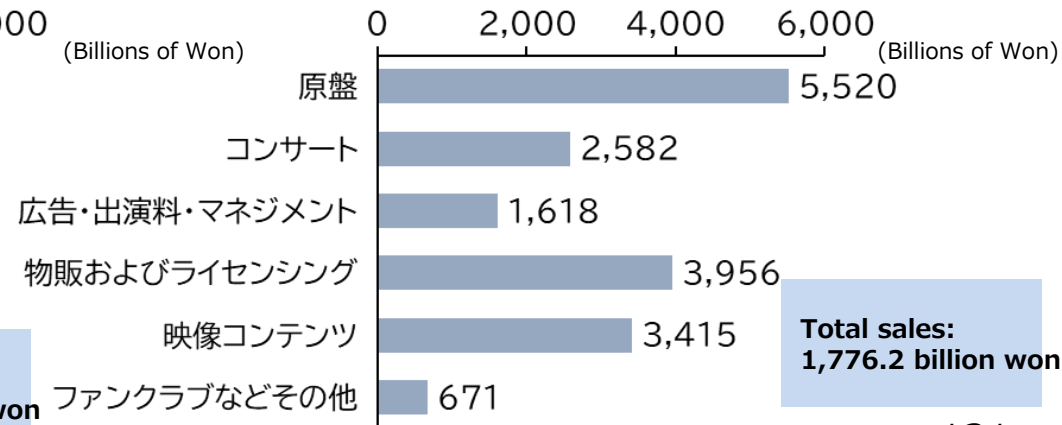
JYP Entertainment



SM Entertainment



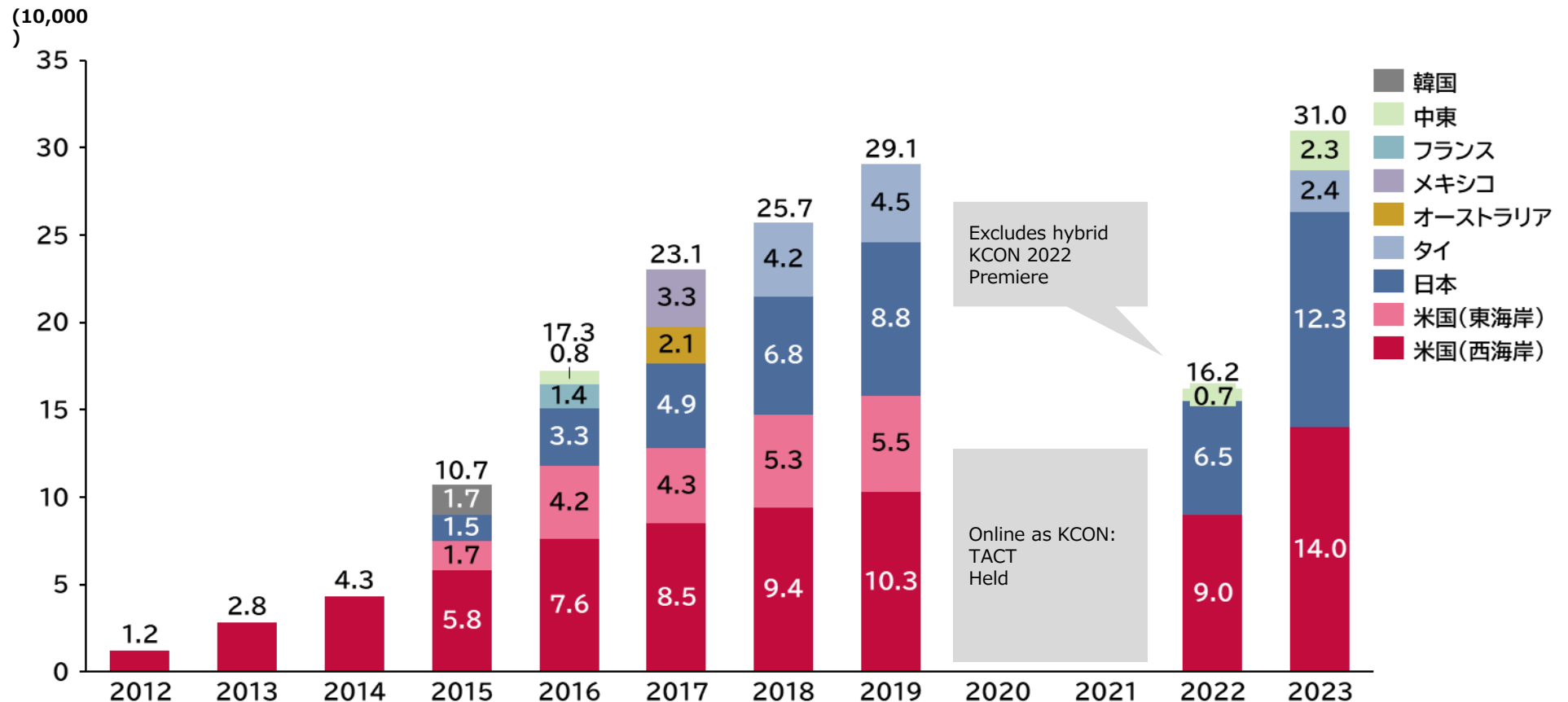
HYBE



Number of Korean KCON Mobilizations

- KCON is a festival that combines K-pop concerts with a convention where you can experience the Korean lifestyle firsthand, and is held in the U.S. (LA and Newark), Japan and Thailand.
- It is organized by CJ ENM and planned by Mnet, which is managed by CJ ENM. The number of people mobilized has been increasing since 2012, when it was 12000. In 2023, it mobilized about 310,000 people, more than in 2019.

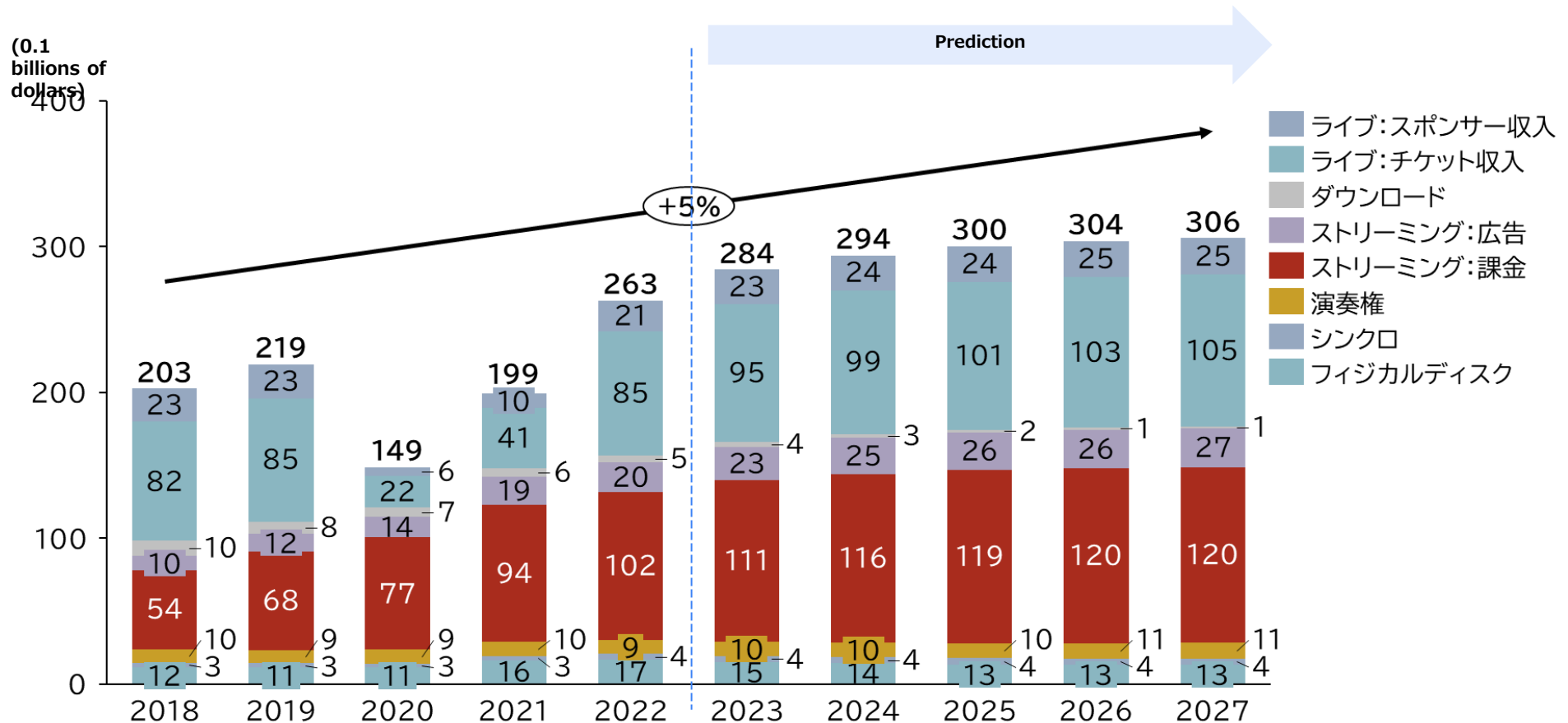
Trends in KCON Mobilization (2012-2023)



Changes in the size of the U.S. music market

- PwC predicts that the U.S. music market will expand at a CAGR of 5% from 2018 to 2027.
- Streaming service billing and live ticket revenue make up the bulk of the revenue, and it expects that to continue to grow.

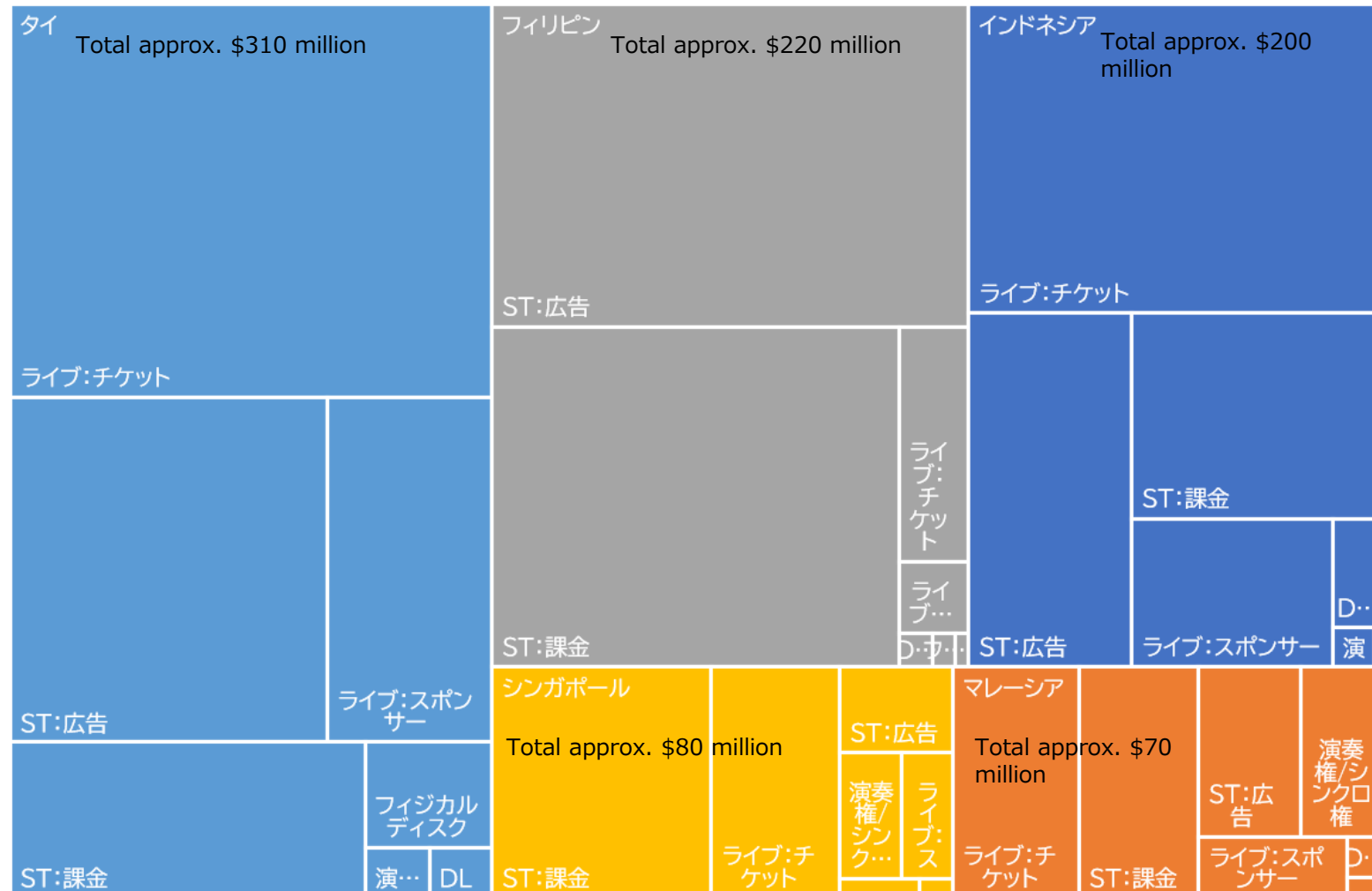
US Music Market Forecast Growth (2018 ~ 2027)



Market size structure in Southeast Asia

- PwC expects the US music market to expand at a CAGR of 5% from 2018 to 2027.
- Streaming services account for most of the revenue from billing and live tickets, and it expects that to continue to grow.

US Music Market Forecast Growth (2018 ~ 2027)



二次利用未承諾リスト

令和5年度コンテンツ海外展開促進事業
(音楽産業の新たな時代に即したビジネスモデルの在り方に関する実態調査) 調査報告書

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株式会社三菱総合研究所

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