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Japanese Art Industry Market Research Report 2020

Organizers: Agency for Cultural Affairs, Art Tokyo Association
Planning and Survey: Art Tokyo Association
Survey Co-organizer: Platform for Arts and Creativity
Survey, Analysis and Report (Section 1): Platform for Arts and Creativity
Survey, Analysis and Report (Section 2): QUICK Corp.

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- Section 1

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- Section 2

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Background and Aims

- While works of art are actively traded and their underlying asset values are recognized for investment opportunities overseas, in Japan, little is known of art as alternative assets despite the world-leading figures in the number of museum visitors. In recent years, however, news on young businesspersons purchasing artworks have increasingly attracted attention from various sectors.
- Court painters and art industry have a long history in Japan. Nevertheless, information for understanding the actual state of the art industry in Japan is still frequently undeveloped and even the scale of the market has yet to be disclosed in a reliable form. Accordingly, Art Tokyo Association, which organizes Art Fair Tokyo, Japan's largest art fair, has partnered with Platform for Arts and Creativity, which offers consulting services related to industrial policy and arts and culture, to conduct and present findings from the Japanese Art Industry Market Research Survey annually since 2016.
- In addition to the analyzing the distribution channel of artworks, this year's report also investigates the changes in auctioned prices of artworks in Japan to study the commercial values, marketability and asset values of such artworks.
- This report consists of the following chapters.
 - Section 1 Trends and Awareness in Purchasing Art
 - Chapter 1: Report Summary
 - Chapter 2: Estimation of Japanese Art Industry Market
 - Chapter 3: Tendencies in Purchasing Art by Segment
 - Chapter 4: Interests Towards Art and Media Platforms
 - Chapter 5: Artwork Imports and Exports
 - Section 2 Changes in Artwork Prices
 - Chapter 1: Report Summary
 - Chapter 2: Analysis of Public Art Auctions in Japan
 - Chapter 3: History of Public Art Auctions in Japan
 - Section 3 Discussion and Future Challenges

Section 1: Trends and Awareness in Purchasing Art

Chapter 1: Report Summary

➔ Research was conducted through online questionnaire survey as in previous years, distributed over the country in terms of gender, age, employment status, personal income and household income.

- The survey is fundamentally based on a questionnaire conducted with respondents supplied by an online questionnaire service. The survey was conducted in two stages: the first survey and second survey. The first survey collected 23,706 samples, a similar amount to previous surveys. The second survey analyzed a defined group of samples from the first set of respondents comprising people who had bought a work of art for 100,000 JPY or more in the past three years.
- As in previous surveys, in order to estimate the scale of the market across the whole of Japan, the first survey was distributed over the country in terms of gender, age (6 groupings), employment status (employed, unemployed), and income (9 classifications of personal income for the employed, 6 classifications of household income for the unemployed) based on 2019 data on the labor force from the Statistics Bureau of the Ministry of Internal Affairs and Communications.
- In addition, since people with high incomes can be considered more likely to buy works of art, more samples were collected from those with higher personal and/or household income than the actual distribution of income, which was then weighted during the analysis according to the distribution across Japan.
- Criteria were set for data from the original collected sample that demonstrated a contradiction or unrealistic result in regard to the amount of a purchase, and then removed from the analysis.

Survey Period	September 25 – September 29, 2020
Survey Method	Online questionnaire survey targeting respondents registered to an online questionnaire service
Valid Samples	First Survey: 23,706 samples Second Survey: 100 samples
Survey Target and Segmentation	First Survey: People who are over 15 years of age Gender, age (6 groupings), employment status (employed, unemployed), personal income (9 classifications), household income (6 classifications) based on 2019 data on the labor force from the Ministry of Internal Affairs and Communications (total of 192 classifications) Second Survey: Respondents to the first survey who bought a work of art for 100,000 JPY or more in the past 3 years
Number of Survey Questions	First Survey: 10 questions Second Survey: 10 questions

Basic Attributes of Respondents to First Survey

→ Similar distribution of gender, age, employment status, personal income and household income to the actual distribution across Japan.

Number and Distribution of Respondents to the First Survey by Segment

Gender					
Category	Simple Aggregate		After Weighting		Distribution in Japan
Male	11,850	50%	8,686	48%	48%
Female	11,856	50%	9,314	52%	52%

Age					
Category	Simple Aggregate		After Weighting		Distribution in Japan
15 – 24 Years Old	1,276	5%	1,662	9%	11%
25 – 34 Years Old	2,776	12%	2,395	13%	12%
35 – 44 Years Old	4,179	18%	2,659	15%	15%
45 – 54 Years Old	4,680	20%	2,973	17%	16%
55 – 64 Years Old	4,889	21%	3,425	19%	14%
65 Years Old and Over	5,906	25%	4,887	27%	32%

Regional Classification					
Category	Simple Aggregate		After Weighting		Distribution in Japan
Hokkaido	1,096	5%	898	5%	4%
Tohoku	1,183	5%	990	5%	7%
Kanto	10,600	45%	7,483	42%	35%
Hokuriku & Chubu	3,564	15%	2,852	16%	18%
Kinki	4,231	18%	3,269	18%	16%
Chugoku	1,016	4%	847	5%	6%
Shikoku	481	2%	400	2%	3%
Kyushu	1,535	6%	1,260	7%	11%

Personal Income (Employed)					
Category	Simple Aggregate		After Weighting		Distribution in Japan
Under 1 Million JPY	2,009	14%	1,933	18%	18%
1 Million - Under 2 Million JPY	1,786	13%	1,914	18%	17%
2 Million - Under 3 Million JPY	1,592	11%	1,751	16%	16%
3 Million - Under 4 Million JPY	1,557	11%	1,633	15%	15%
4 Million - Under 5 Million JPY	1,230	9%	1,192	11%	11%
5 Million - Under 7 Million JPY	1,574	11%	1,312	12%	12%
7 Million - Under 10 Million JPY	1,733	12%	793	7%	7%
10 Million - Under 15 Million JPY	1,525	11%	290	3%	3%
15 Million JPY and Over	1,019	7%	101	1%	1%

Household Income					
Category	Simple Aggregate		After Weighting		Distribution in Japan
Under 3 Million JPY	5,810	25%	5,340	30%	33%
3 Million - Under 5 Million JPY	4,852	20%	4,674	26%	23%
5 Million - Under 7 Million JPY	3,351	14%	3,107	17%	17%
7 Million - Under 10 Million JPY	4,342	18%	2,876	16%	15%
10 Million - Under 15 Million JPY	3,228	14%	1,445	8%	9%
15 Million JPY and Over	2,123	9%	557	3%	3%

Survey Question Topics

➔ **Note that the annual purchased cost of artworks was estimated from the total purchased cost in the past 3 years.**

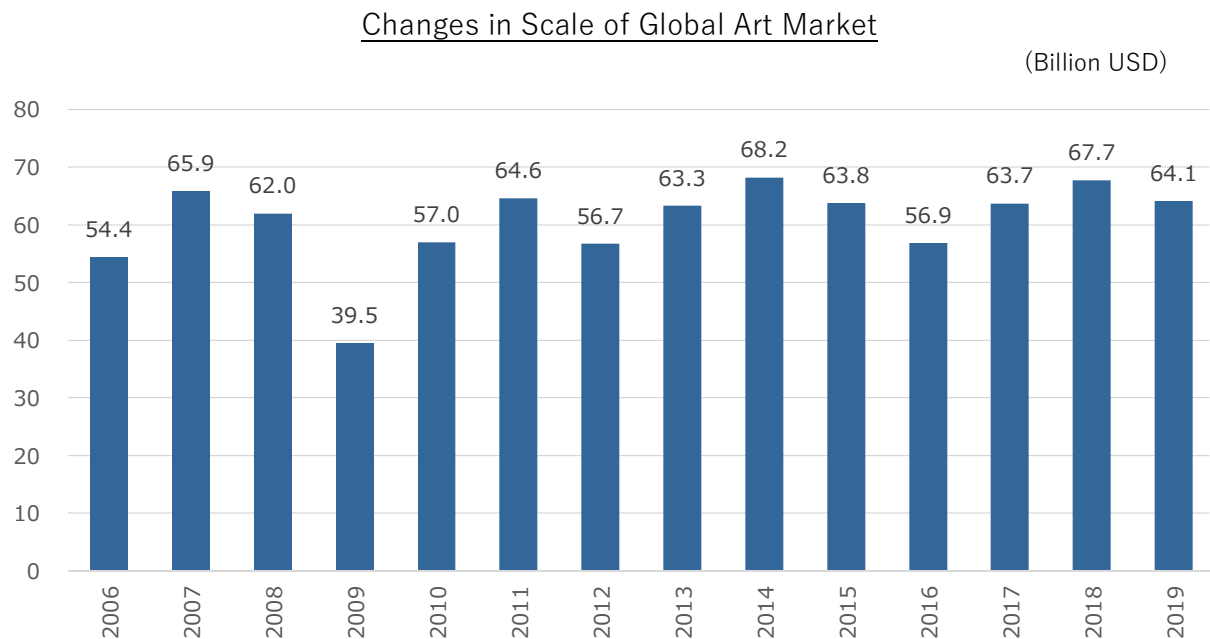
- The following topics were surveyed in order to estimate the scale of Japanese art market industry each year.

Topic	Survey Question
Art Purchasing Experience by Types of Artworks (Lifetime)	<p>Have you ever purchased any of the following products?</p> <p>Please select all that applies.</p> <p>* If you are a representative of an organization, please include those purchased by the organization.</p> <p>* Edition number refers to the number of copies produced.</p>
Purchased Cost by Types of Artwork (Past 3 Years)	<p>How much of the following product have you purchased in the past 3 years?</p> <p>Please select 1 that most applies for each product.</p> <p>* If you are a representative of an organization, please include those purchased by the organization.</p>
Purchased Cost by Sales Channel (Past 3 Years)	<p>What is the total price of artworks purchased at any of the following places, for artworks answered in Q2?</p> <p>Please select 1 that most applies for each sales channel.</p> <p>* If you are a representative of an organization, please include those purchased by the organization.</p> <p>* Works of art include <i>nihonga</i>, <i>yōga</i>, sculptures, prints, contemporary art (2-dimensional, 3-dimensional, installations), photography and video/film (those with edition numbers), ceramics, crafts, calligraphy, hanging scrolls, folding screens</p> <p>* Please exclude replications of famous paintings, merchandise and art books.</p> <p>* Edition number refers to the number of copies produced.</p>
Number of Visits to Art Museums and Museums	<p>How many times in a year do you visit art museums and museums in Japan?</p> <p>Please select 1 that most applies.</p> <p>* Please exclude those with free admission.</p> <p>* If you have visited multiple art museums and museums in 1 day, please count them individually.</p>

Chapter 2: Estimation of Japanese Art Industry Market

Global Art Market Scale

➔ The market has remained at a level of approximately \$60 billion (approximately 7 trillion JPY) in the past 10 years.



Source: adapted from Art Basel and UBS "The Art Market 2017" and "The Art Market 2020"

Definition of Art Industry and Market

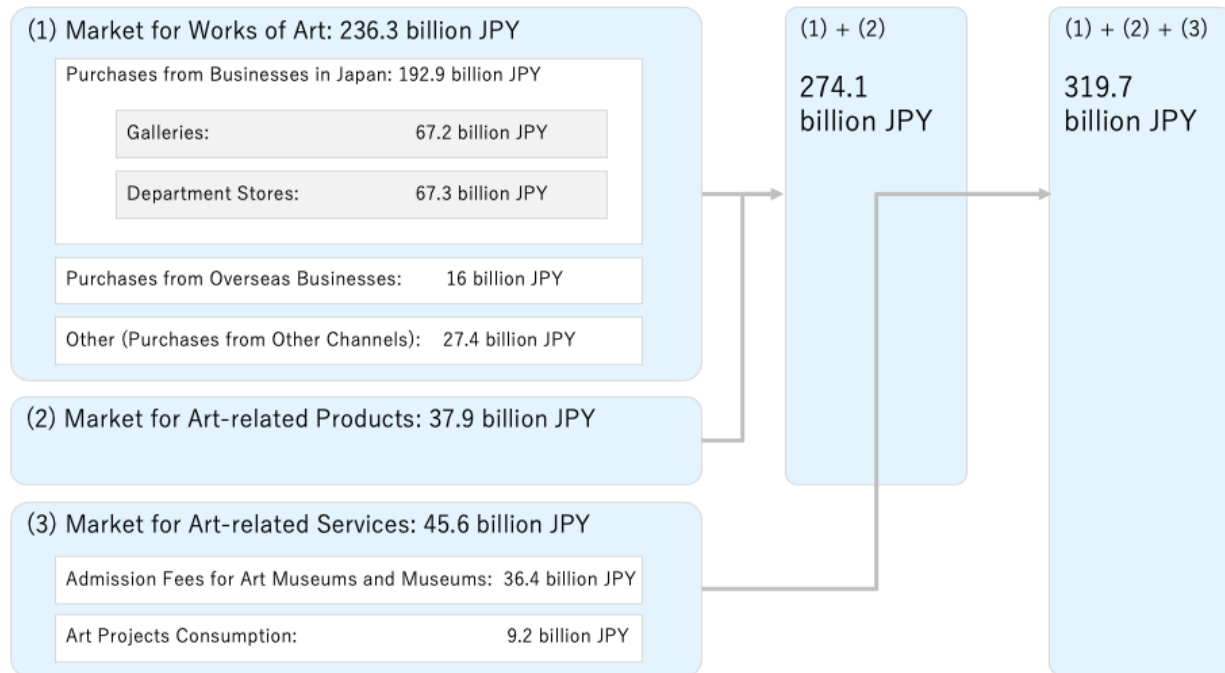
→ The art industry and market were defined through the total values of (1) the market for works of art, (2) the market for art-related products, and (3) the market for art-related services.

Market Type	Estimate Target	Estimate Method
(1) Market for works of art	Purchases of the following kinds of works of art via the following kinds of sales channels by residents of Japan: <ul style="list-style-type: none"> • Galleries, department stores, art fairs, art auctions, museum shops, websites • Works of art (<i>nihonga</i>, <i>yōga</i>, sculptures, prints, contemporary art, photography, video/film, ceramics, crafts, calligraphy, hanging scrolls, folding screens) 	This questionnaire survey
(2) Market for art-related products	Purchases of the following kinds of art-related products by residents of Japan: <ul style="list-style-type: none"> • Posters and postcards of famous paintings • Exhibition catalogues and art books • Merchandise based on famous paintings, sculptures, etc. 	
(3) Market for art-related services	• Admission fees for visits to art museums and museums by residents in Japan	
	• Consumption related to visits to major art projects	Individual reports

- “Admission fees for visits to art museums and museums by residents in Japan” were surveyed in regard to the number of visits (only for events with admission fees) annually for art museums and museums, from which an average admission fee was estimated.
- “Consumption related to visits to major art projects” was estimated by annualizing the direct consumption expenditure for major art festivals (only those with public reports) held since 2017, based on their frequency (biennale: every 2 years; triennale: every 3 years), and then calculating a total.

Estimated Summary of Research Survey 2020

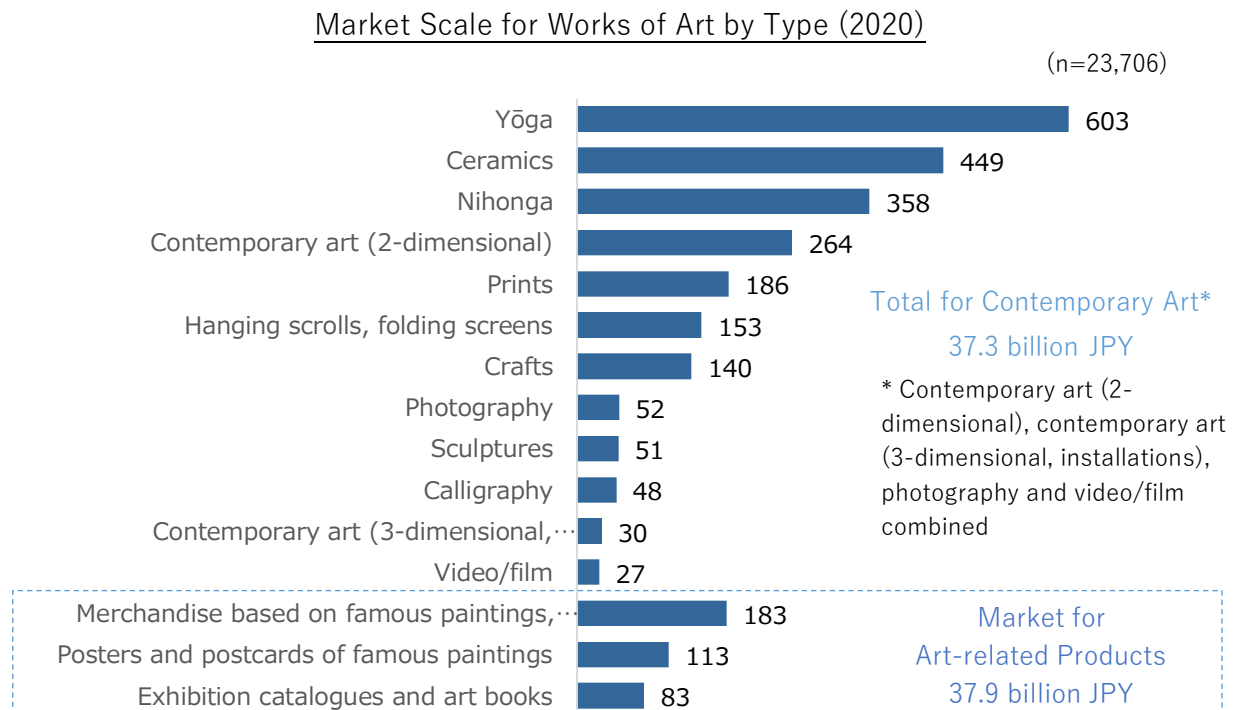
- ➔ (1) Market for works of art – 236.3 billion JPY
- (2) Market for art-related products – 37.9 billion JPY
- (3) Market for art-related services – 45.6 billion JPY



Market Scale for Works of Art by Type

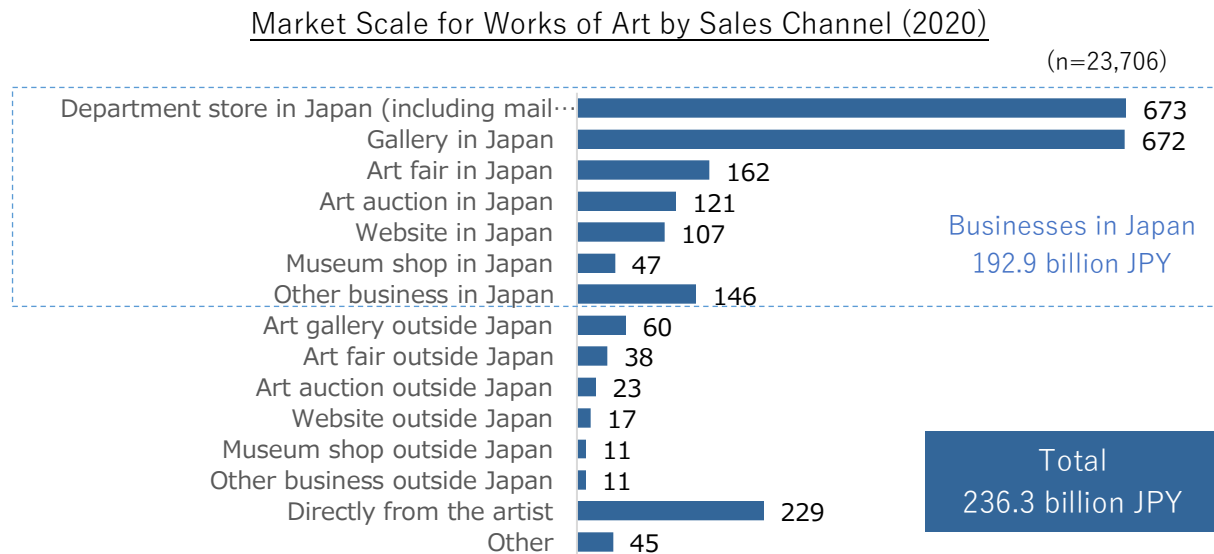
→ *Yōga* and ceramic works were the most purchased.

Note that the figures for purchases by type include duplicates, meaning the total amount for purchases of works of art differs from the total amount of purchases of works of art by sales channel.



Market Scale for Works of Art by Sales Channel

→ Department stores and galleries sales covered over 70% of total sales by businesses in Japan.



* Sales figure for “Art auctions in Japan” used an estimate of the total highest bids for auction houses in Japan, provided by *Artprice.com*.

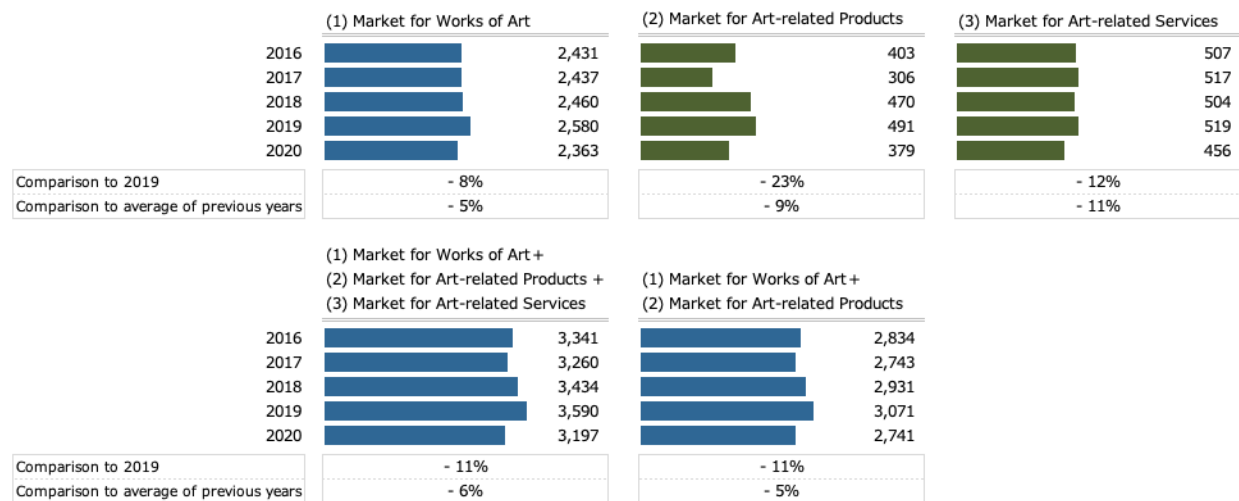
Changes in Market Scale (1/2)

➔ The market scales of (1) works of art, (2) art-related products and (3) art-related services have decreased since 2019.

Data shows that market scales of (1) works of art and (3) art-related services haven't changed significantly in the past 5 years.

- It is speculated that many art-related products are purchased at art museums and museums, which decreased in number of visitors due to the spread of COVID-19 and measures for social distancing, resulting in the overall decrease in market scale for art-related products from the previous year.

(100 million JPY)


















* The blue and green graphs are represented with different scales.

Changes in Market Scale (2/2)

→ Gallery sales has decreased significantly due to the spread of COVID-19. On the other hand, department store sales and direct purchases from artists showed a steady increase. This may be a result of strengthened strategies for selling artworks at department stores, making purchasing more approachable to potential customers through direct sales.

(100 million JPY)

Breakdown of Major Sales Channel for (1) Market for Works of Art

	Gallery in Japan		Department store in Japan (including mail order, outside merchants)		Directly from the artist
2016		792		627	 219
2017		726		685	 280
2018		735		644	 211
2019		982		567	 198
2020		672		673	 229
Comparison to 2019	- 31%		+ 19%		+ 16%
Comparison to average of previous years	- 17%		+ 7%		+ 10%

Breakdown of (3) Market for Art-related Services

Admission Fees for Art Museums and Museums		Art Projects Consumption	
2016	<div><div></div></div> 428	<div><div></div></div> 79	
2017	<div><div></div></div> 427	<div><div></div></div> 90	
2018	<div><div></div></div> 408	<div><div></div></div> 96	
2019	<div><div></div></div> 434	<div><div></div></div> 85	
2020	<div><div></div></div> 364	<div><div></div></div> 92	
Comparison to 2019	- 16%	+ 8%	
Comparison to average of previous years	- 14%	+ 14%	

* The blue and green graphs are represented with different scales.

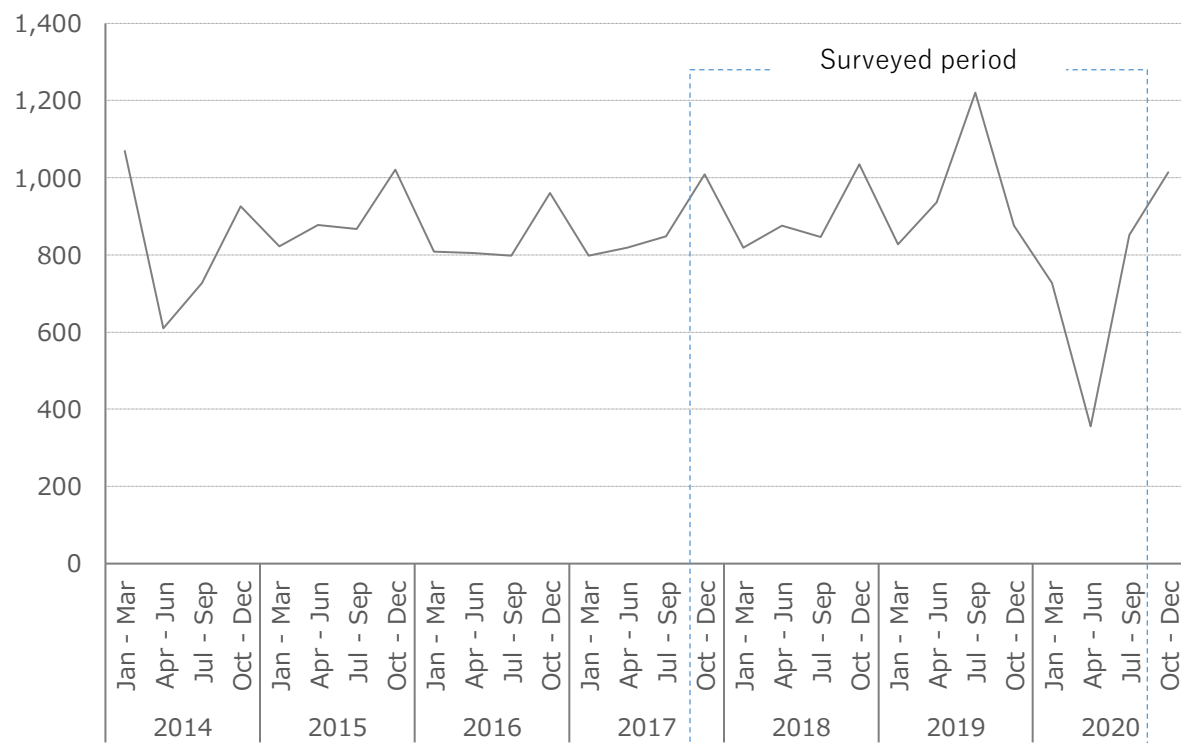
For Reference: Department Store Sales

➔ Steady sales figures for the past 3 years, with the exception of April – June 2020

* Questionnaire survey for Japanese Art Industry Market Research asks for total purchased cost for works of art in the past 3 years.

Changes in Department Store Sales for Works of Art, Jewelry and Precious Metals

(100 million JPY)



Source: adapted from Japan Department Stores Association

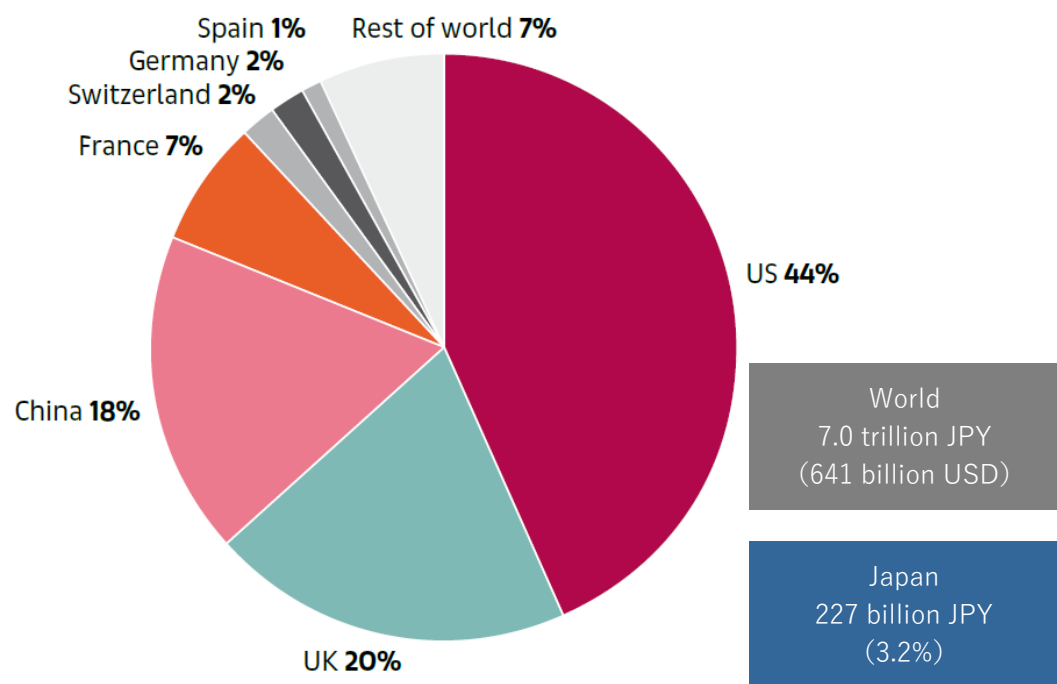
Share within the Global Art Market

→ Sales for works of art in Japan were calculated at 227 billion JPY in last year's survey. If this amount is compared to the scale of the global art market of 7.0 trillion JPY in 2019, we can estimate Japan's share as 3.2%, showing an increase from a share of 2.8% in 2018.

* Note that due to differences in estimation methods and definitions between the market scales of the surveys, this ranking should be treated as only a basic point of reference rather than an exact result.

- Transaction amounts for artworks purchased by Japanese people resident in Japan are estimated in the Japanese Art Industry Market Research Report against estimates of artwork transaction amounts for each country according to global data from "The Art Market 2019" report by Art Basel and UBS.

Scale of Global Art Market by Country (2019)



© Arts Economics (2020)

Source: Art Basel and UBS "The Art Market 2020"

Currency Exchange Rate: 1 USD ≒ 109.47 JPY
based on foreign exchange rate defined by Ministry of Finance Customs Tariff Act Article 4 Paragraph 7
between December 29, 2019 and January 4, 2020

Chapter 3: Tendencies in Purchasing Art by Segment

Overview of the Chapter

- Lately, purchasing works of art has been attracting attention increasingly. However, just like the scale of the art industry market, the actualities of purchasing experiences are yet to be clarified.
- This chapter investigates in detail the respondents' experiences of purchasing works of art, drawing data from the survey result of Japanese Art Industry Market Research 2019 in order to more accurately reflect the purchasing experiences, as the survey result of 2020 showed to be irregular in comparison to previous years due to the spread of COVID-19.
- The scopes of investigation are as follows.
 - Analyzing experiences of buying (at least once) works of art and/or art-related products by age groups, gender, sales channel, types of works purchased, and whether they have purchased in the past 3 years
 - * Art-related products include: Posters and postcards of famous paintings, exhibition catalogues and art books, merchandise based on famous paintings, sculptures, etc.
 - Proportion of total purchased price of artworks and number of respondents who have purchased art by price range, during the past 3 years
 - Relationship between experiences in purchasing works of art and visiting art museums and museums

Art Purchasing Experiences and Purchasing Rate for the Past 3 Years

→ 18.4% of respondents have purchased a work of art at least once, and 9.7% have bought a work of art in the past three years. Both data show that more people have bought art-related products than works of art, with only a slight overlap of segments.

(n=23,280)

Purchasing Experience (2019)

		Art-related Products		Total
		Purchased	Not purchased	
Works of Art	Purchased	7.3%	8.7%	16.0%
	Not purchased	11.1%	72.9%	—
Total		18.4%	—	100.0%

Purchasing Rate for the Past 3 Years (2019)

		Art-related Products		Total
		Purchased	Not purchased	
Works of Art	Purchased	2.4%	3.1%	5.4%
	Not purchased	7.3%	87.3%	—
Total		9.7%	—	100.0%

Purchasing experience: proportion of respondents who have purchased art at least once in their lifetime

Purchasing rate for the past 3 years: proportion of respondents who have purchased art in the past 3 years

Purchasing Rate for Works of Art and Art-related products in the Past 3 Years (by Gender and Age Groups)

→ Works of art were more likely to be purchased by males, whereas art-related products were more likely to be purchased by females.

In terms of gender and age, works of art were most purchased by males in their 30s, and art-related products by females aged between 30 and 59.

(n=23,280)

Purchasing Rate for Works of Art in the Past 3 Years (2019)

20s	30s	40s	50s	60s
4.5%	6.1%	5.2%	5.3%	5.4%

Male	Female
6.0%	4.9%

	20s	30s	40s	50s	60s
Male	5.6%	7.3%	5.8%	5.0%	5.9%
Female	3.4%	4.8%	4.6%	5.7%	5.0%

Purchasing Rate for Art-related Products in the Past 3 Years (2019)

20s	30s	40s	50s	60s
8.2%	11.5%	10.0%	10.8%	9.6%

Male	Female
7.0%	12.2%

	20s	30s	40s	50s	60s
Male	6.0%	8.3%	7.8%	6.8%	7.3%
Female	10.3%	14.7%	12.5%	15.3%	11.5%

* Segments of high and low overall proportions are highlighted in red and blue respectively.

* Art-related products include: Posters and postcards of famous paintings, exhibition catalogues and art books, merchandise based on famous paintings, sculptures, etc.

Purchasing Experiences and Purchasing Rates by Types of Art

➔ Ceramic works accounted for the highest proportion in both segments.
In comparison to lifetime purchasing experiences, recent trends show that works of contemporary art and crafts are being purchased increasingly in the past 3 years.

Purchasing Experiences and Purchasing Rates by Types of Art

(n=23,280)

		① Purchasing experience	② Purchasing rate for the past 3 years	For reference: ② / ① ¹
Works of Art	Ceramics and Crafts	8.0%	3.1%	0.38
	Ceramics	6.8%	2.5%	0.36
	Crafts	2.9%	1.1%	0.37
	Contemporary art ²	4.2%	1.6%	0.38
	Contemporary art (2-dimensional)	2.3%	0.6%	0.26
	Photography	1.5%	0.8%	0.52
	Contemporary art (3-dimensional, installations)	0.6%	0.3%	0.46
	Video/film	0.6%	0.3%	0.45
	Yōga	3.4%	0.8%	0.23
	Hanging scrolls and folding screens	3.0%	0.7%	0.22
	Prints	2.6%	0.5%	0.21
	Nihonga	2.3%	0.8%	0.33
	Calligraphy	1.6%	0.5%	0.32
	Sculptures	0.7%	0.2%	0.26
For reference:	Posters and postcards of famous paintings	14.2%	7.2%	—
Art-related	Exhibition catalogues and art books	9.9%	4.8%	—
products	Merchandise based on famous paintings, sculptures, etc.	6.4%	3.4%	—

1. ②Purchasing rate for the past 3 years / ①Purchasing experience

It can be inferred that the larger the ratio, the more likely the products have been bought in the past 3 years

2. The category contemporary art combines contemporary art (2-dimensional), contemporary art (3-dimensional, installations), photography and video/film.

* The blue and green graphs are represented with different scales.

Purchasing Experiences and Purchasing Rates by Types of Art, Gender and Age Groups

➔ Works of contemporary art were mostly purchased by males aged between 20 and 39. Males in their 30s also showed the most interest in works of ceramics and crafts.

(n=23,280)

Purchasing Rates of Contemporary Art* in the Past 3 Years (2019)

20s	30s	40s	50s	60s	
2.2%	2.8%	1.8%	1.4%	0.8%	
Male	Female				
1.9%	1.3%				
	20s	30s	40s	50s	60s
Male	2.9%	3.7%	2.0%	1.4%	1.1%
Female	1.6%	1.9%	1.6%	1.4%	0.6%

Purchasing Rates of Ceramics and Crafts in the Past 3 Years (2019)

20s	30s	40s	50s	60s
1.6%	3.1%	2.8%	3.4%	3.4%
Male	Female			
4.9%	1.6%			

	20s	30s	40s	50s	60s
Male	1.6%	3.5%	3.1%	3.2%	3.4%
Female	1.6%	2.8%	2.5%	3.7%	3.3%

* The category contemporary art combines contemporary art (2-dimensional), contemporary art (3-dimensional, installations), photography and video/film.

* Segments of high and low overall proportions are highlighted in red and blue respectively.

Purchasing Rate in the Past 3 Years by Sales Channel

➔ Galleries in Japan accounted for the highest purchasing rate. Museum shops in Japan also showed a high purchasing rate despite its small market scale.

Purchasing Rate in the Past 3 Years by Sales Channel (2019)

(n=23,280)

Purchases in Japan	Gallery in Japan		1.9%
	Museum shop in Japan		1.7%
	Department store in Japan (including mail order, outside merchants)		1.4%
	Art fair in Japan		1.1%
	Website in Japan		1.1%
	Art auction in Japan		0.3%
	Other business in Japan		0.7%
Purchases outside Japan	Museum shop outside Japan		0.3%
	Gallery outside Japan		0.2%
	Website outside Japan		0.1%
	Art fair outside Japan		0.1%
	Art auction outside Japan		0.0%
	Other business outside Japan		0.1%
Others	Directly from the artist		0.8%
	Others		0.3%

Purchasing Rate in the Past 3 Years by Sales Channel, Gender and Age group

➔ Galleries were most visited by respondents in their 30s when purchasing artworks in the past three years, whereas department stores were visited by those aged between 30 and 49, and between 60 and 69. However, despite the wide range of age groups purchasing at department stores, the purchasing rates at galleries were higher for all segments. Males in their 30s showed high purchasing rates in both sales channels.

(n=23,280)

Purchasing Rates in Galleries in Japan during the Past 3 Years (2019)

20s	30s	40s	50s	60s
1.6%	2.6%	1.7%	1.9%	1.6%

Male	Female
2.1%	1.8%

	20s	30s	40s	50s	60s
Male	2.0%	3.1%	2.0%	1.8%	1.4%
Female	1.3%	2.2%	1.2%	2.1%	1.7%

Purchasing Rates in Department Stores in Japan during the Past 3 Years (2019)

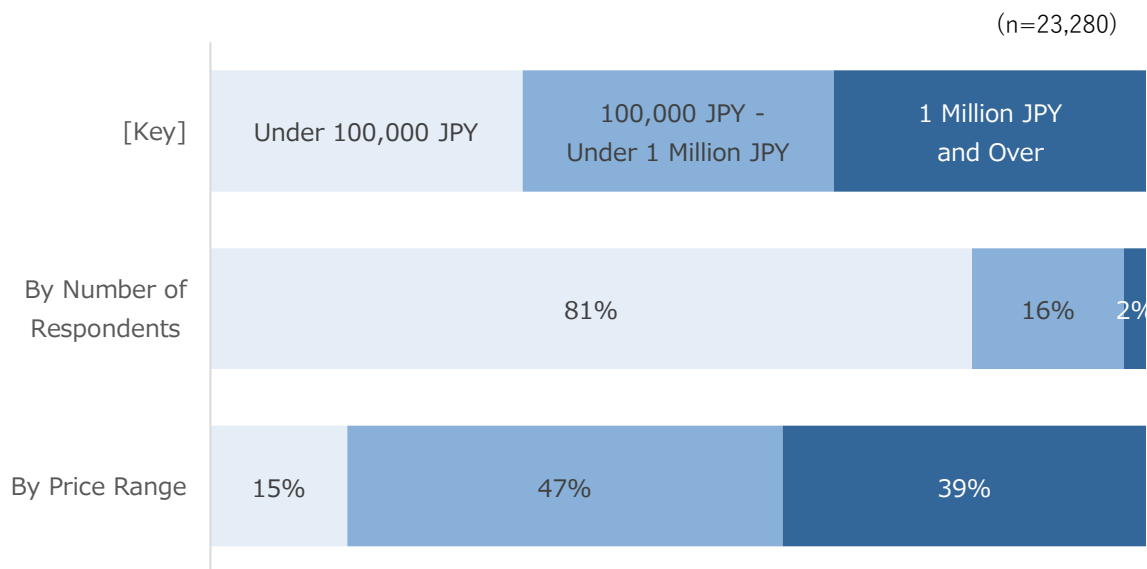
20s	30s	40s	50s	60s	
1.0%	1.5%	1.5%	1.2%	1.5%	
Male	Female				
1.5%	1.2%				
	20s	30s	40s	50s	60s
Male	1.2%	2.0%	1.7%	1.2%	1.7%
Female	0.9%	1.1%	1.3%	1.3%	1.4%

* Segments of high and low overall proportions are highlighted in red and blue respectively.

Proportion of Total Purchased Price of Artworks and Number of Respondents by Price Range During the Past 3 Years

➔ Only 18% of respondents purchased artworks of over 100,000 JPY, but the purchased cost of those artworks accounts for 85% of total purchase cost of artworks bought in the past 3 years.

Proportion of Total Purchased Price of Artworks and Number of Respondents (2019)

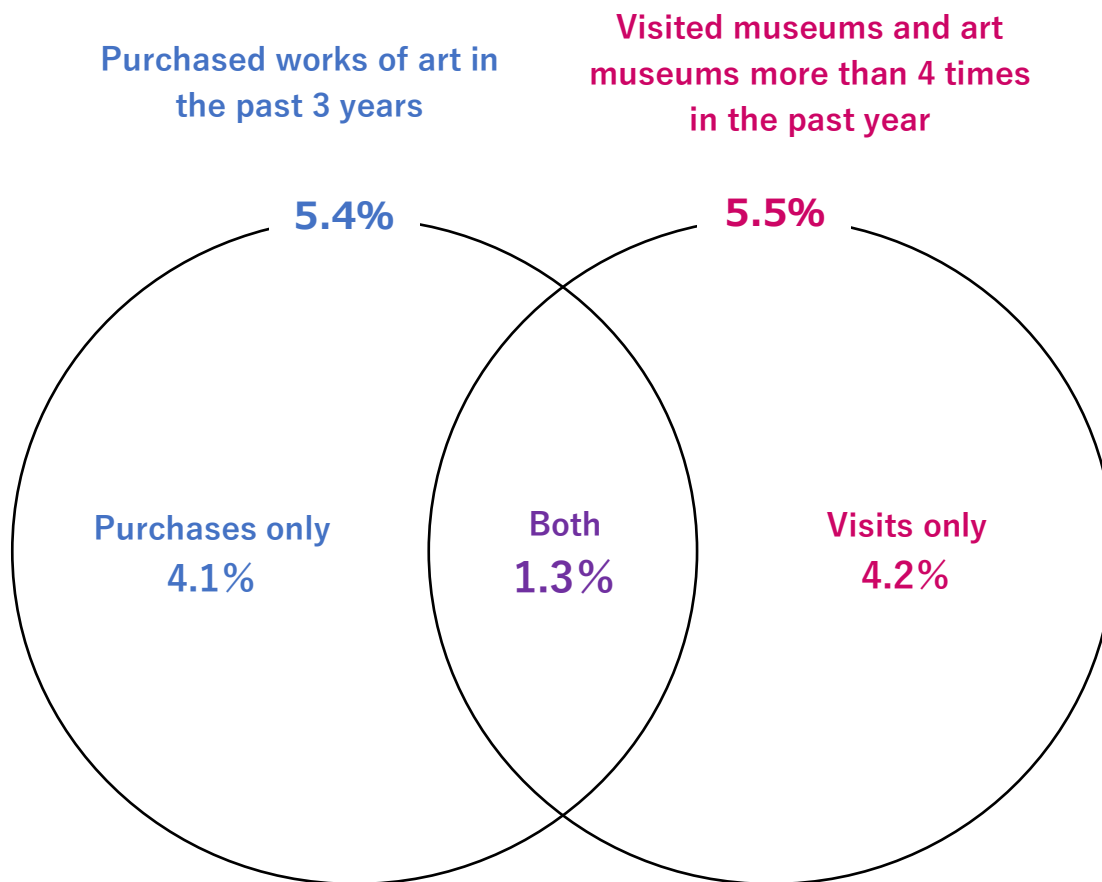


Relationship between experiences in purchasing works of art and visiting art museums and museums

→ Data shows little overlap between those who “purchased works of art in the past 3 years” and those who “frequently visited museums and art museums in the past year”.

This implies that increased number of people visiting exhibitions does not necessarily result in increased number of people purchasing artworks.

(n=23,280)



* 16.0% have purchased works of art in the past

* 37.5% have visited museums/art museums more than once in the past year
19.9% have visited museums/art museums more than twice in the past year

Chapter 4: Interests Towards Art and Media Platforms

Overview of the Chapter

- In recent years, trends in exhibition that attracts people's attention are gradually changing. While exhibitions of famous overseas museums and artists continue to attract the public attention, some exhibitions that are not widely featured on mass media are gaining popularity and attracting visitors through social media.
- In addition to fixed topics to assess annual changes in the art industry market, we identify specific topics each year for survey and analysis. In 2020, we studied the features of exhibitions people are interested in and the media they refer to.
- The survey topics are as follows.

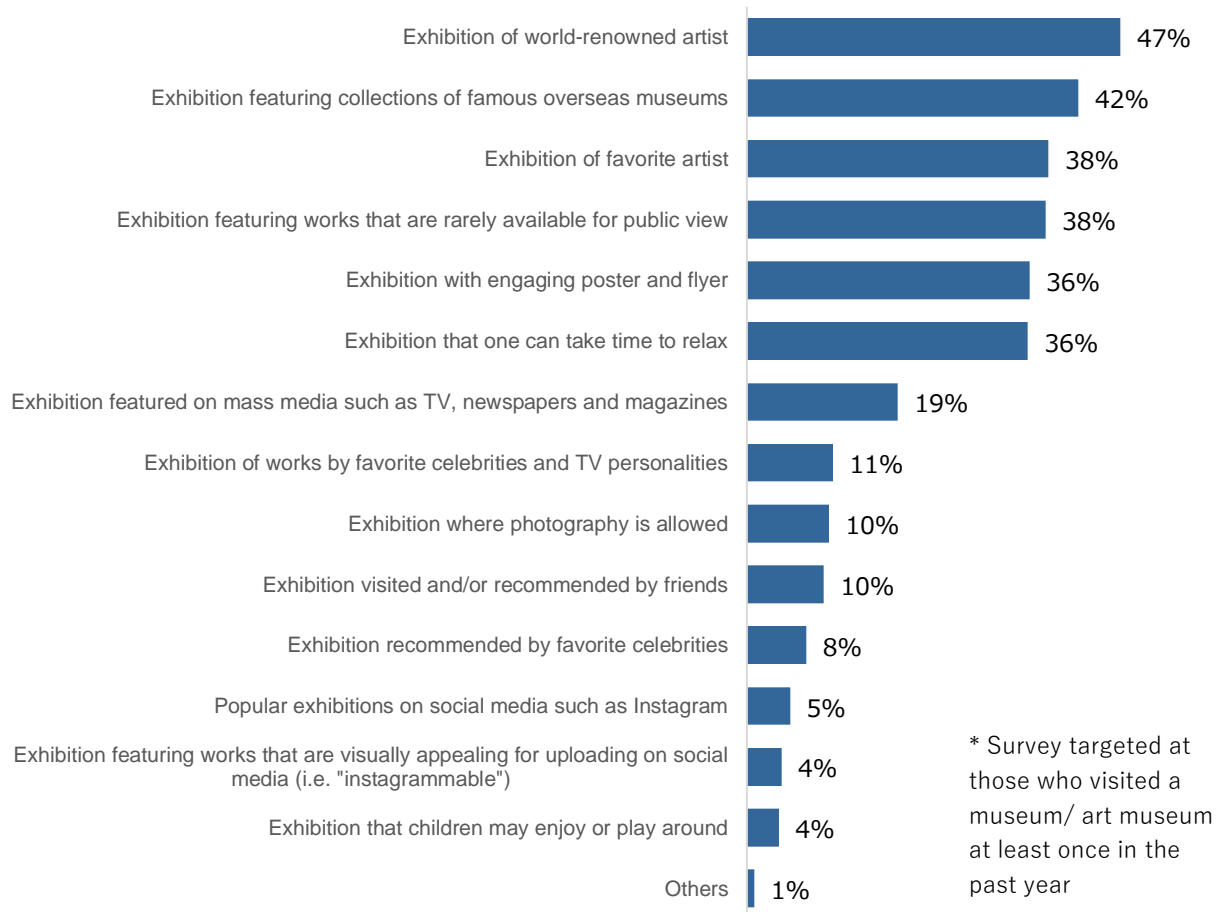
Topic	Survey Question
Interests in Art	What aspects of art are you interested in? Please select all that applies. If none applies, please select "Not interested in art".
Interests in Exhibitions	What features of art exhibitions interest you and make you want to visit? Please select all that applies. If none applies, please select "Not interested in art exhibitions".
General Media Platforms	What media platforms do you frequently make use of? Please select all that applies. Then, select one that you make the most use of.
Art Media Platforms	Through what media platforms did you gain access to art exhibition information in the past year? Please select all that applies.
Personal Income	How much is your personal income, including any bonus, non-recurring incomes and pensions?
Household Income	How much is your household income, including any bonus, non-recurring incomes and pensions?

Features of Exhibitions that Interests All Age Groups

→ Respondents were mostly interested in “exhibitions of world-renowned artists” and “exhibitions featuring collections of famous overseas museums”.

Features of Exhibitions that Interests All Age Groups (2020)

(n=7,941)



* The question was given the following examples when surveyed:

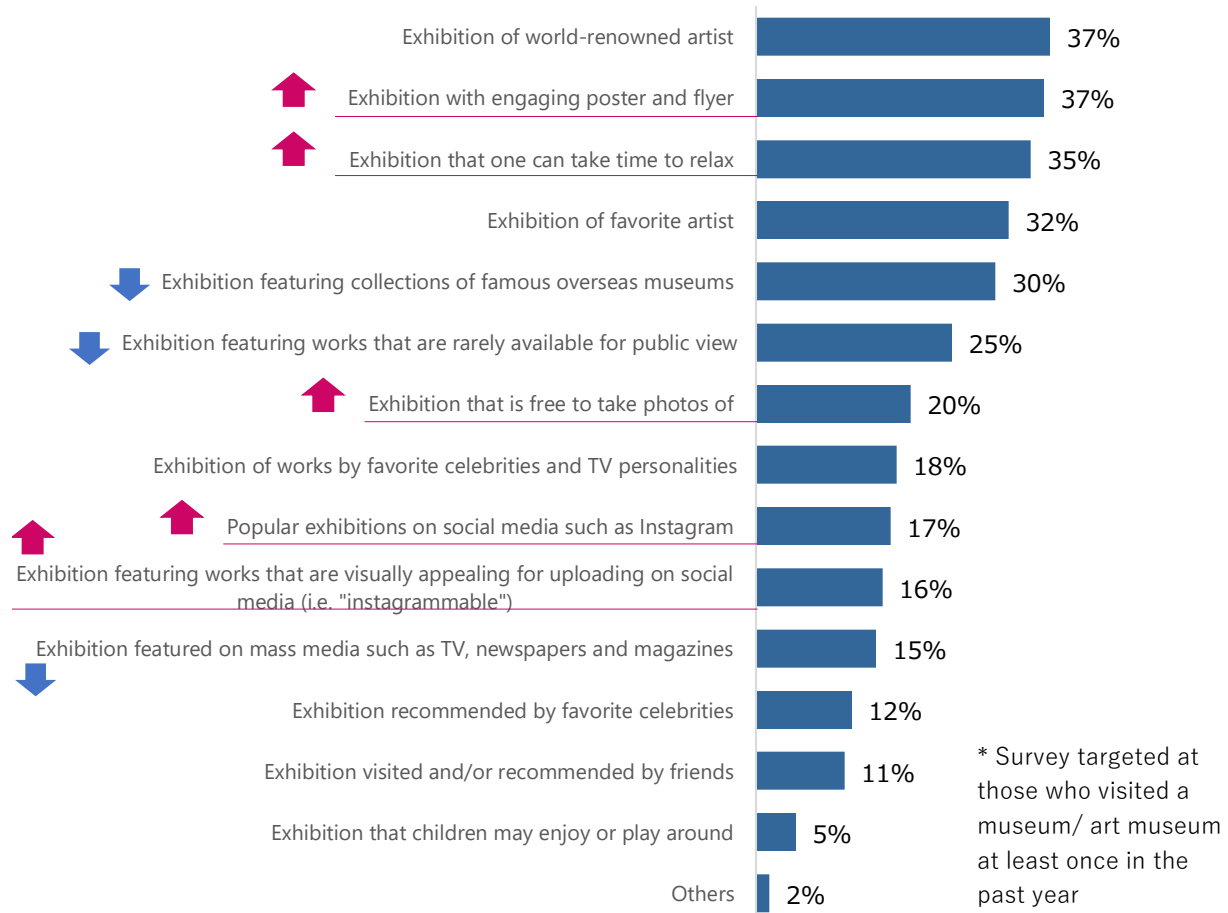
- Exhibition of world-renowned artists
e.g.: Monet, Vermeer, Munch, etc.
- Exhibition featuring collections of famous overseas museums
e.g.: Musée du Louvre, Musée d'Orsay, etc.
- Exhibition featuring works that are rarely available for public view
e.g.: “gokaicho”, exhibitions of national treasures, etc.
- Exhibition of works by celebrities and TV personalities
e.g.: Noritake Kinashi, COOKIE, Satoshi Ohno, etc.

Features of Exhibitions that Interests Females in their 20s

→ Females in their 20s were more likely to make decisions based on their values and engagements within their community, as compared to the overall data of all age groups and gender.

Features of Exhibitions that Interests Females in their 20s (2020)

(n=384)



Features of Exhibitions that Draw Interests by Gender and Age Groups

➔ The younger generations showed more interests towards taking photos at exhibitions, and to exhibitions that are popular on social media. On the other hand, they showed less interests towards exhibitions of famous artists and collections of famous museums than other age groups.

■ Common answers among older age groups

	Exhibition of world-renowned artist		Exhibition featuring collections of famous overseas museums		Exhibition of favorite artist		Exhibition featuring works that are rarely available for public view		Exhibition featured on mass media such as TV, newspapers and magazines	
20s	25%	37%	20%	30%	20%	32%	21%	25%	16%	15%
30s	31%	44%	28%	41%	29%	37%	28%	33%	13%	12%
40s	34%	49%	32%	47%	28%	45%	32%	43%	15%	15%
50s	41%	52%	36%	49%	34%	43%	35%	42%	17%	17%
60s	50%	59%	43%	54%	37%	47%	38%	47%	18%	24%
70s	50%	62%	43%	51%	36%	49%	41%	47%	27%	28%

■ Common answer among younger age groups (especially males)

	Exhibition where photography is allowed	
20s	16%	20%
30s	11%	11%
40s	11%	11%
50s	9%	7%
60s	11%	7%
70s	12%	6%

■ Common answers among younger age groups (especially females)

	Popular exhibitions on social media such as Instagram		Exhibition featuring works that are visually appealing for uploading on social	
20s	11%	17%	9%	16%
30s	9%	10%	8%	6%
40s	5%	7%	5%	5%
50s	5%	4%	3%	2%
60s	2%	2%	2%	1%
70s	2%	2%	1%	1%

■ Common answers among females

	Exhibition with engaging poster and flyer		Exhibition that one can take time to relax	
20s	29%	37%	29%	35%
30s	25%	40%	31%	39%
40s	27%	41%	31%	36%
50s	35%	42%	29%	38%
60s	35%	40%	34%	41%
70s	32%	38%	32%	42%

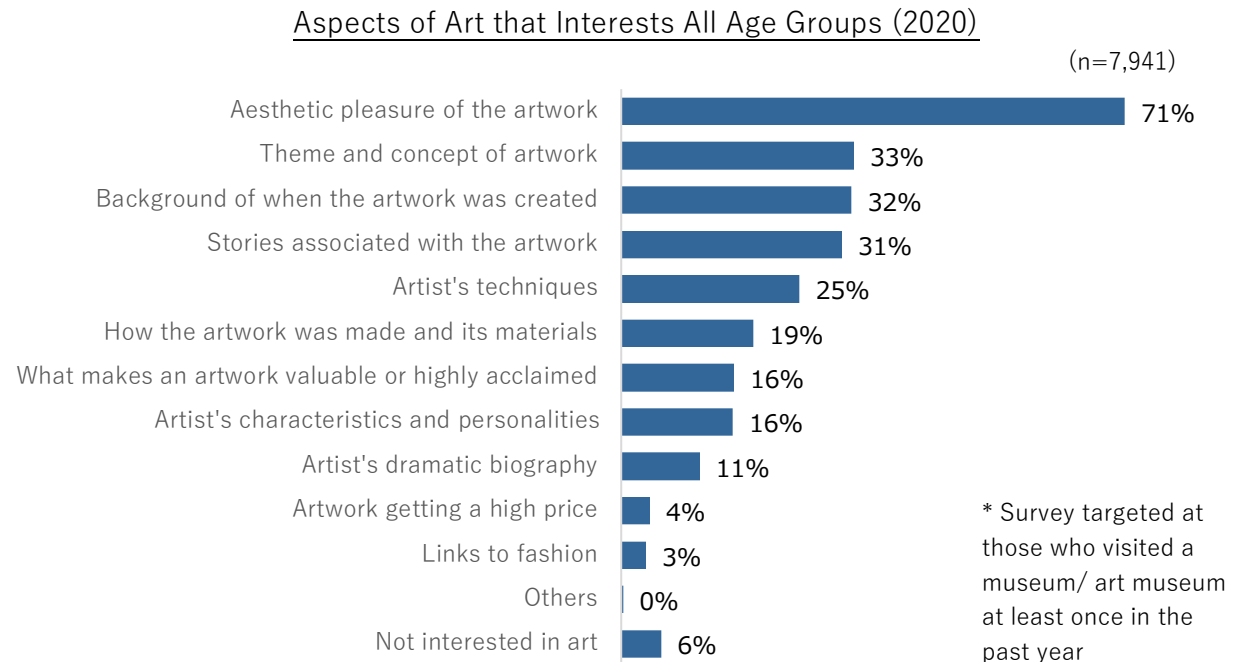
Left: Males Right: Females

(n=7,941)

* Survey targeted at those who visited a museum/ art museum at least once in the past year

Aspects of Art that Interests All Age Groups

→ Vast majority of respondents were interested in the aesthetics pleasure of the artwork itself, and significant sectors were interested in the concept, background and story of the artwork.



Aspects of Art that Interest Different Gender and Age Groups

➔ Lower age groups were less interested in the background context of the artwork, and females were more inclined to be interested in the artist.

■ Most common among older age groups

	Aesthetic pleasure of the artwork	
20s	50%	59%
30s	55%	69%
40s	57%	73%
50s	66%	78%
60s	74%	83%
70s	75%	83%

■ Most common among younger age groups

	How the artwork was made and its materials	
20s	24%	23%
30s	24%	24%
40s	18%	22%
50s	15%	17%
60s	13%	19%
70s	13%	16%

■ Most common among younger age groups (especially males)

	Artwork getting a high price	
20s	11%	4%
30s	11%	3%
40s	5%	4%
50s	6%	1%
60s	3%	2%
70s	3%	2%

■ Common answers among younger age groups (especially female)

	Stories associated with the artwork		Links to fashion	
20s	31%	43%	5%	8%
30s	32%	44%	6%	9%
40s	29%	38%	4%	5%
50s	24%	36%	2%	3%
60s	22%	31%	1%	2%
70s	23%	30%	1%	2%

■ Common answers among females

	Theme and concept of artwork		Artist's characteristics and personalities		Artist's dramatic biography	
20s	33%	42%	19%	23%	7%	12%
30s	31%	38%	14%	16%	11%	15%
40s	34%	37%	14%	19%	10%	13%
50s	33%	35%	14%	16%	7%	14%
60s	29%	31%	14%	16%	6%	14%
70s	25%	31%	14%	15%	6%	13%

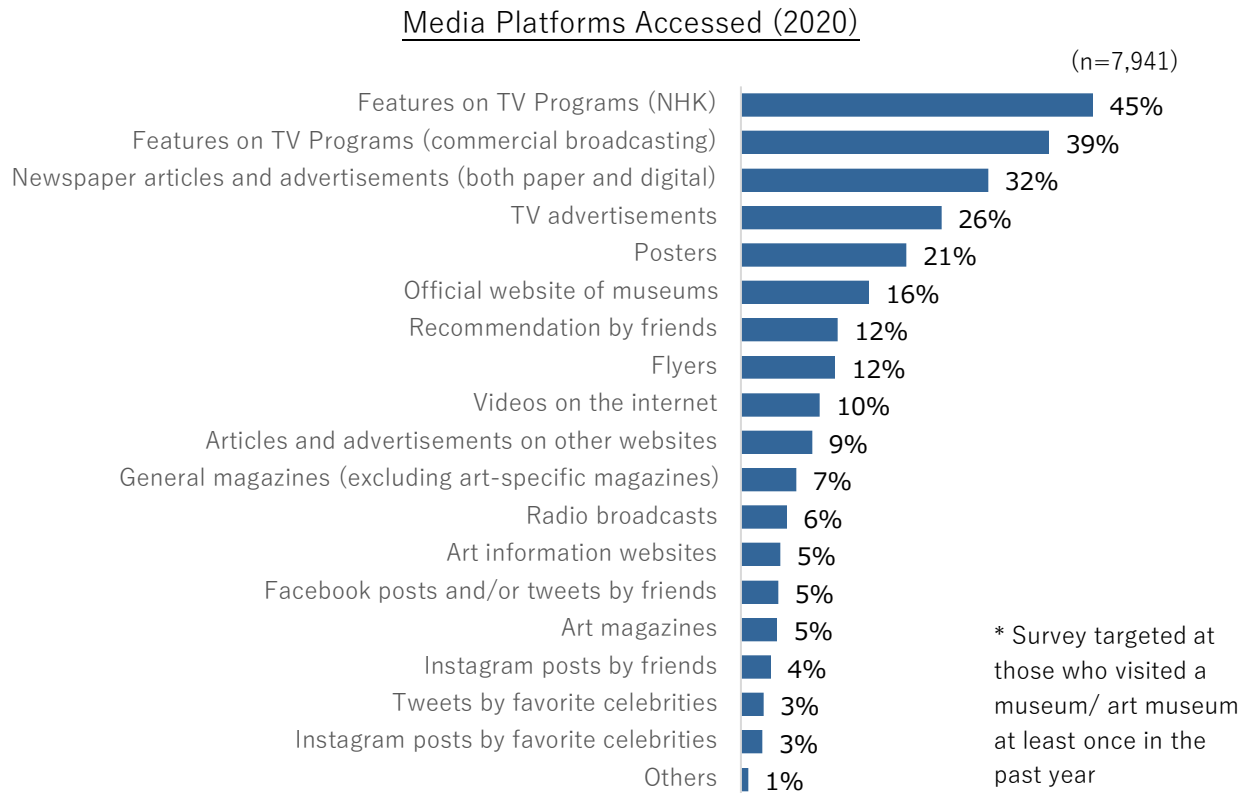
Left: Males Right: Females

(n=7,941)

* Survey targeted at those who visited a museum/ art museum at least once in the past year

Media Platforms Accessed for Exhibition Information for All Age Groups

➔ Mass media such as TV broadcasters and major newspapers agencies that often organize exhibition continue to hold a strong influence.



* The question was given the following examples and notes when surveyed:

- Videos on the internet
e.g.: YouTube, Amazon Prime Video, niconico, etc.
- Websites for art-related content
e.g.: artscape, Tokyo Art Beat, CINRA, Bijutsu Techo website
- Articles and advertisements on other websites
excludes official websites of museums and websites dedicated for art-related information

Media Platforms Accessed for Exhibition Information by Gender and Age Groups (1/2)

➔ Older age groups were more likely to be influenced by programs on NHK and newspapers, and elderly females in particular by posters and museum websites.

■ Most accessed by older age groups

	Features on TV Programs (NHK)		Newspaper articles and advertisements (both paper and digital)	
20s	30%	19%	10%	9%
30s	36%	25%	17%	12%
40s	37%	38%	20%	18%
50s	44%	40%	31%	29%
60s	57%	55%	43%	43%
70s	61%	62%	56%	52%

Left: Males Right: Females

(n=7,941)

* Survey targeted at those who visited a museum/ art museum at least once in the past year

■ Most accessed by older age groups (especially females)

	Posters		Official website of museums		Flyers		Recommendation by friends	
20s	11%	21%	13%	13%	7%	12%	11%	11%
30s	15%	21%	12%	16%	6%	13%	8%	7%
40s	17%	24%	17%	19%	10%	14%	6%	11%
50s	19%	26%	15%	18%	12%	16%	5%	15%
60s	19%	24%	16%	18%	9%	15%	8%	18%
70s	19%	28%	16%	18%	8%	18%	12%	22%

Media Platforms Accessed for Exhibition Information by Gender and Age Groups (2/2)

➔ The younger the age group, the more likely they were to access social media for exhibition information.

■ Most accessed by younger age groups

	Instagram posts by friends		Facebook posts and/or tweets by friends		Tweets by favorite celebrities		Instagram posts by favorite celebrities	
20s	7%	15%	11%	10%	10%	8%	9%	9%
30s	8%	9%	9%	8%	5%	6%	6%	6%
40s	4%	4%	6%	6%	5%	3%	4%	2%
50s	2%	3%	4%	5%	1%	1%	1%	1%
60s	0%	2%	2%	2%	0%	1%	0%	1%
70s	1%	1%	2%	1%	1%	0%	1%	1%

■ Most accessed by male

	Videos on the internet	
20s	16%	11%
30s	14%	11%
40s	14%	7%
50s	13%	7%
60s	10%	7%
70s	13%	7%

Left: Males Right: Females

(n=7,941)













































































* Survey targeted at those who visited a museum/ art museum at least once in the past year

■ For reference: Others

	Features on TV Programs (commercial broadcasting)		TV advertisements		Art magazines		General magazines (excluding art-specific magazines)		Art information websites	
20s	31%	28%	29%	24%	6%	3%	7%	4%	5%	4%
30s	42%	35%	24%	29%	6%	7%	9%	10%	5%	6%
40s	36%	39%	23%	27%	6%	3%	10%	6%	9%	8%
50s	42%	41%	24%	26%	4%	6%	10%	8%	5%	5%
60s	41%	44%	24%	30%	4%	4%	8%	6%	5%	4%
70s	42%	42%	17%	28%	5%	3%	5%	4%	3%	3%

Media Platforms Accessed for Exhibition Information by Region

→ While residents in Tokyo were more likely to access information through posters and museum websites, residents outside Tokyo were more disposed to TV advertisements.

	Tokyo	Area A	Area B	Area C
Features on TV Programs (NHK)	 46%	 48%	 43%	 40%
Features on TV Programs (commercial broadcasting)	 39%	 41%	 39%	 37%
Newspaper articles and advertisements (both paper and digital)	 30%	 34%	 32%	 28%
Posters	 25%	 22%	 20%	 17%
TV advertisements	 21%	 25%	 28%	 29%
Official website of museums	 20%	 18%	 13%	 14%
Recommendation by friends	 13%	 13%	 13%	 10%
Flyers	 13%	 13%	 12%	 9%
Articles and advertisements on other websites	 11%	 8%	 9%	 8%
Videos on the internet	 10%	 11%	 10%	 8%
General magazines (excluding art-specific magazines)	 9%	 7%	 7%	 6%
Art information websites	 7%	 5%	 4%	 5%
Facebook posts and/or tweets by friends	 6%	 4%	 5%	 4%
Radio broadcasts	 6%	 6%	 6%	 6%
Art magazines	 5%	 5%	 4%	 5%
Instagram posts by friends	 5%	 4%	 4%	 2%
Tweets by favorite celebrities	 3%	 3%	 3%	 2%
Instagram posts by favorite celebrities	 3%	 3%	 3%	 2%
Others	 0%	 1%	 1%	 1%

* Categorized into 3 areas based on the population of each prefecture.

Area A: Saitama, Chiba, Kanagawa, Aichi, Osaka, Hyogo

Area B: Hokkaido, Miyagi, Ibaraki, Tochigi, Gunma, Niigata, Nagano, Gifu, Shizuoka, Kyoto, Okayama, Hiroshima, Fukuoka

Area C: Others

Chapter 5: Artwork Imports and Exports

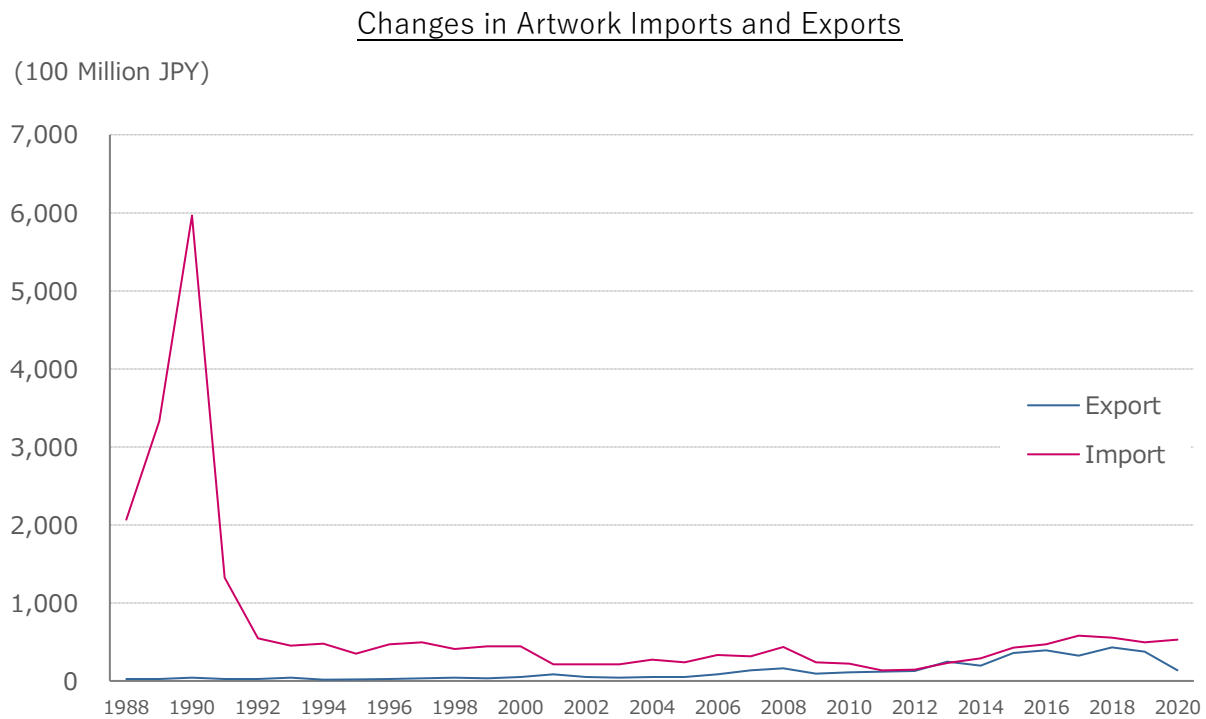
Overview of the Chapter

- The analysis of state of artwork imports and exports utilizes the Ministry of Finance’s official trade statistics and examines artworks according to 4 defined categories of “calligraphy and paintings”, “collages and similar decorative panels”, “prints (copperplates, woodblocks, lithographs, etc.)”, and “sculptures, clay figures, cast figures, and similar sculptural items”.

Code	Definition	
9701.10	Calligraphy and paintings (only works directly made by hand; excludes processed items that are decorated or painted by hand as well as designs/plans and sketches)	Artworks are defined within these 4 categories
9701.90	Collages and similar decorative panels	
97.02	Prints (copperplates, woodblocks, lithographs, etc.)	
97.03	Sculptures, clay figures, cast figures, and similar sculptural items (regardless of material)	

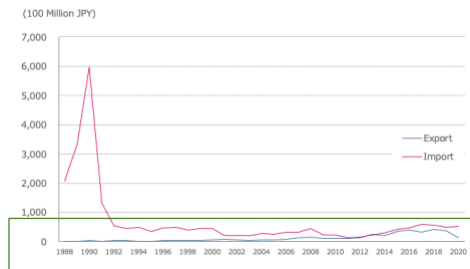
State of Imports and Exports

➔ Artwork imports and exports showed steady figures since 2014, but artwork exports decreased drastically in 2020.



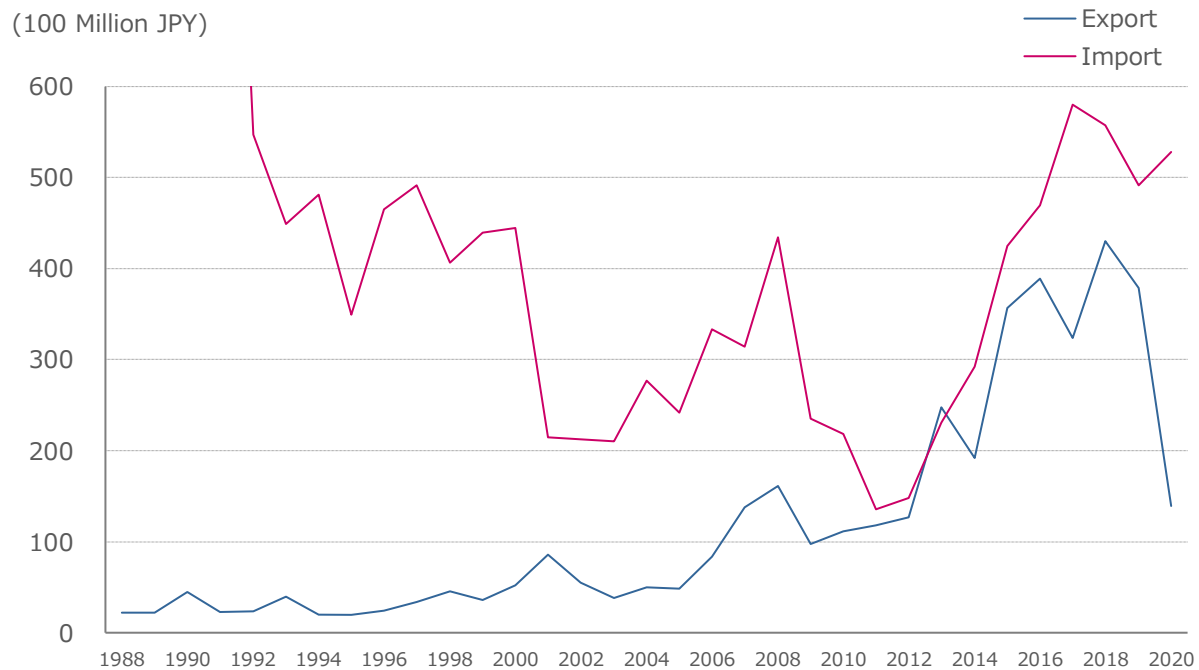
Source: Ministry of Finance trade statistics (adapted)

For Reference: Changes in Artwork Imports and Exports



Enlarged to scale of 60 billion JPY

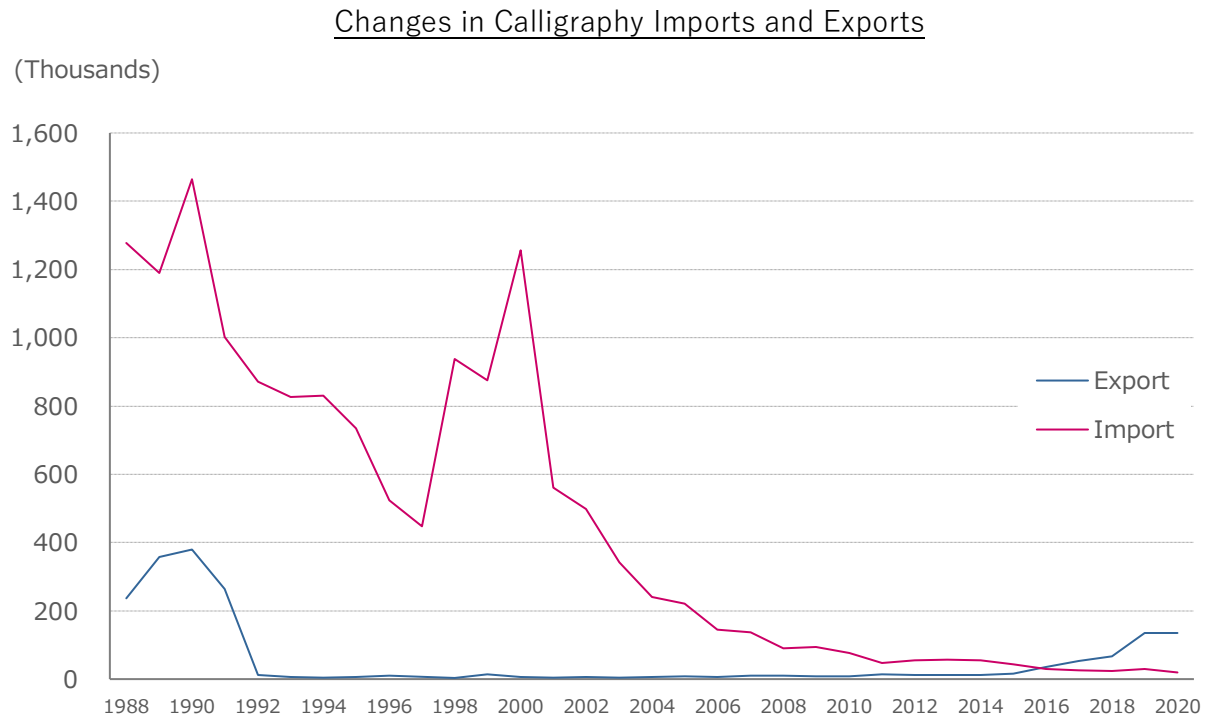
Changes in Artwork Imports and Exports (Enlarged)



Source: Ministry of Finance trade statistics (adapted)

Changes in Calligraphy Imports and Exports

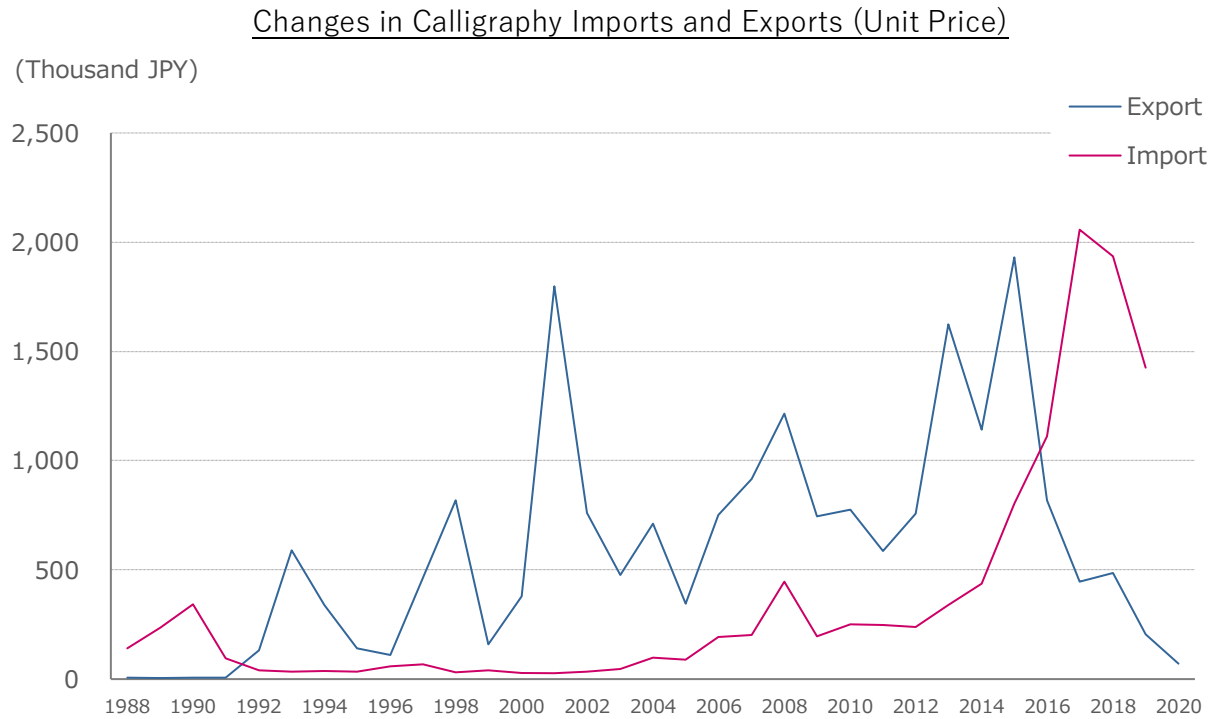
➔ Exports have continued to show growth.



Source: Ministry of Finance trade statistics (adapted)

Changes in Unit Price of Calligraphy Imports and Exports

➔ Unit prices for both imports and exports declined.



Source: Ministry of Finance trade statistics (adapted)

Section 2: Changes in Artwork Prices

Chapter 1: Report Summary

Investigation and analysis of trading data in Japanese art auction market in the past 30 years

□ 1.1 Introduction

In order to investigate and analyze the changes in artwork prices, it is necessary to collect the data of (1) product details, (2) trading year and (3) traded prices. This research analyzes data from public art auctions in Japan, as the data previously mentioned is only available for public auctions.

While the competitive sale system of public auctions existed from long ago for the seller to sell the product at the best price, it also plays a significant role in publicly announcing the value of such products.

In terms of the art market, the auction is also a place where art collectors could sell and purchase artworks directly, when the value of artworks exceeded the limits for galleries and art dealers are able to participate as market makers. As it is difficult to collect over-the-counter trading data of galleries including those made at art fairs, the following section will refer to data collected from art auctions to investigate the changes in artwork prices.

The publicly-open permanent art auction market in Japan is thought to have started in 1990. By confirming the 30-year history and market formation process with data, we will examine the structure and issues of the market, and consider why differences exists when compared with the much larger art markets outside Japan.

□ 1.2 Basic concept of survey method and data

- About data collection

Of the auction houses headquartered in Japan (hereinafter referred to as auction houses), this survey targeted art auction houses whose winning bids are announced on the internet. The total amount of data collected consists of approximately 520,000 items, however this does not represent all available data as some auction houses in Japan do not digitize or disclose the winning bids. In addition, as the collected information does not represent all annual data, and as auction houses do not guarantee the integrity of the data, company names and organization names will not be disclosed.

- Data period to be analyzed

The period of data collected is from 1990 to 2019. When the data surveyed were examined from the standpoint of statistical analysis, it was determined that the population after 2006 was suitable for analysis.

This is due to factors —such as the appropriate amount of data and the opening of new auction markets— which were comprehensively considered when applying the analysis method used this time. In the analysis after Chapter 1.3, data before 2006 is also mentioned, but it is limited to simple descriptive statistics; for detailed statistical analysis, the sample population is from 2006 onwards. In addition, from among the approximately 520,000 items of data collected this time, the number of listings that meet the classification criteria shown “Classification of works to be surveyed” were narrowed down below to 199,605 items (173,019 data after 2006) to be analyzed.

- About price data

The price data used in this survey is not the “successful bid price” published by each art auction company. In auctions, fees, storage, transportation, insurance, and other expenses are generally incurred with respect to the winning bid, and the costs are often 15% or more of the winning bid. This time, in order to perform various analyzes with a realistic amount paid by the winning bidder, the following numerical values were set, and the “acquisition price” as a price index was calculated. However, of the various expenses, the costs related to transportation and storage were excluded because they vary considerably depending on the size, weight, fragility, and overpricing of artwork which received a winning bid, as well as whether it was shipped or not.

- Acquisition price = winning bid + commission + insurance fee

- ☐ Winning bid: Successful bid price announced by each auction house
- ☐ Commission: Average amount of commissions of each auction company as of August 2020 (13.4884731% of the winning bid)
- ☐ Insurance fee: After conducting interviews about various kinds of art insurance rates and business customs for movable property insurance, the insurance fee was defined as 1% of the winning bid in this research.

- Classification of works to be surveyed

At the art auction, a wide range of types of artworks, furniture, antiques, etc. are traded. The purpose of this research is to consider the price formation mechanism of artwork considered to be asset-based among the total number of artworks distributed in the art auction market.

Therefore, even in the art auction market, the surveyed works were limited to 5 types of mainly paintings and three-dimensional works as follows: *nihonga*, Japanese *yōga*, contemporary art, overseas works (such as Impressionist works), and other works of art (interior art, prints, sculpture, etc.).

However, it should be noted that the criteria for these classifications are based on how artwork within the art auction market were classified.

For example, in the art auction market, some of the overseas works are sold at contemporary art auctions, or due to changes in the style of the artist, works of a certain period are classified as Japanese *yōga*, while works of a certain period may be classified as contemporary art. In other words, we acknowledge that there are cases in which there is a great disagreement with regards to the art history theory. However, the purpose of this research is not to focus on each individual work, but to take a bird's-eye view of the art auction market in Japan from an econometric perspective and deepen the understanding of the characteristics of the market structure itself. Therefore, as a general rule, the classification in the auction market is used as it is.

Chapter 2: Analysis of Public Art Auctions in Japan

Characteristics of winning bids in the auction market (1/4)

Table 1 summarizes the number of listings, number of successful bids, number of non-successful bids, successful bid rate, and acquisition price by year of transaction.

Both the number of listings and the number of successful bids is increasing year by year, and in particular, a rapid increase in the number of listings can be observed between 1998 and 1999 and between 2005 and 2006.

There were 164,140 successful bids for the entire period, with a successful bid rate of 82%, however the successful bid rate has been on a slight downward trend since 2010. The average acquisition price plummeted in the 1990s and bottomed out in 2001 and 2009. Since 2010, the average acquisition price has been in the range of 570 (thousand JPY) to 889 (thousand JPY), with the average during this period is 721 (thousand JPY). The price dispersion is extremely large, and the standard deviation is 3 to 5 times the mean value from the coefficient of variation.

It can be concluded that the price range of artworks are extremely dispersed.

Table 1. Descriptive statistics by year of transaction 1

Trading year	Number of listings	Number of successful bids	Number of non-successful bids	Successful bid rate	Acquisition price (thousand JPY)		
					Average	Standard Deviation	Coefficient of Variation
1990	102	83	19	0.81	77,660	69,379	0.89
1991	240	118	122	0.49	20,587	36,809	1.79
1992	400	258	142	0.64	5,166	7,994	1.55
1993	370	261	109	0.71	6,432	14,943	2.32
1994	469	349	120	0.74	3,975	6,626	1.67
1995	471	369	102	0.78	3,112	4,237	1.36
1996	517	395	122	0.76	4,296	8,459	1.97
1997	584	465	119	0.80	2,957	5,306	1.79
1998	708	615	93	0.87	2,952	5,254	1.78
1999	1,423	1,323	100	0.93	2,448	6,575	2.69
2000	1,969	1,830	139	0.93	2,129	11,172	5.25
2001	3,774	3,605	169	0.96	997	3,389	3.40
2002	3,439	3,295	144	0.96	1,196	4,190	3.50
2003	3,953	3,790	163	0.96	1,075	3,566	3.32
2004	4,036	3,914	122	0.97	1,657	9,632	5.81
2005	4,131	4,006	125	0.97	1,862	10,350	5.56
2006	9,649	8,806	843	0.91	855	3,630	4.25
2007	12,208	10,853	1,355	0.89	926	5,793	6.26
2008	10,801	8,868	1,933	0.82	726	2,957	4.07
2009	10,828	8,950	1,878	0.83	508	2,416	4.76
2010	12,495	10,107	2,388	0.81	621	3,738	6.02
2011	12,004	9,400	2,604	0.78	570	1,876	3.29
2012	11,199	8,621	2,578	0.77	628	2,600	4.14
2013	11,308	9,511	1,797	0.84	744	2,803	3.77
2014	12,642	10,127	2,515	0.80	760	3,831	5.04
2015	13,856	11,160	2,696	0.81	703	4,078	5.80
2016	13,358	10,261	3,097	0.77	744	3,179	4.27
2017	13,998	10,740	3,258	0.77	806	3,222	4.00
2018	14,928	11,825	3,103	0.79	889	5,142	5.78
2019	13,745	10,235	3,510	0.74	694	3,131	4.51
Entire period	199,605	164,140	35,465	0.82	939	5,173	5.51

Characteristics of winning bids in the auction market (2/4)

Analysis of Quartiles

When each value of the dataset is arranged in the order of smallest to largest number, quartile divides the dataset into 4 equal distributions, where the 3 points marking the divisions are known as the lower quartile (Q1), middle quartile (Q2, also called the median) and upper quartile (Q3) from the smallest value, and is commonly used to assess the distribution of data points.

Table 2 organizes the quartiles of the acquisition prices of the winning bids by transaction year, similar to Table 1. The entire period includes 50% of the winning bids between the lower quartile 80 (thousand JPY) and the upper quartile 481 (thousand JPY), with a median of 172 (thousand JPY). Up and down fluctuations in prices can be observed in most years, but in recent years the null hypothesis that price distributions are the same in 2015, 2016, and 2017 cannot be rejected.

Therefore, it can be said that 2010 is a period when prices are relatively stable, as can be seen from the changes in the median.

Table 2. Descriptive statistics by year of transaction 2

Trading year	Acquisition price (thousand JPY)					Interquartile range
	Minimum value	Lower quartile	Median	Upper quartile	Maximum value	
1990	6,411	25,760	45,795	114,488	286,221	88,728 -
1991	1,717	5,037	8,129	17,173	251,875	12,136 *
1992	572	1,832	3,091	5,724	105,329	3,892 *
1993	458	1,374	2,519	5,266	119,068	3,892 *
1994	229	1,145	2,175	3,893	70,983	2,748 *
1995	366	985	1,775	3,435	34,347	2,450 *
1996	343	1,053	1,832	3,664	68,693	2,611
1997	229	801	1,374	2,977	64,114	2,176 *
1998	149	710	1,431	2,862	46,940	2,152
1999	6	309	756	1,946	100,750	1,637 *
2000	6	103	343	1,374	412,159	1,271 *
2001	6	86	183	550	59,534	464 *
2002	29	137	263	801	98,460	664 *
2003	11	126	229	630	75,562	504 *
2004	23	137	263	801	309,119	664 *
2005	11	149	298	939	354,914	790 *
2006	3	74	149	481	177,457	407 *
2007	6	74	160	458	354,914	384
2008	2	69	149	458	128,227	389 *
2009	3	63	126	343	154,559	280 *
2010	1	63	137	343	251,875	280 *
2011	1	69	149	378	42,361	309 *
2012	3	74	149	412	125,937	338 *
2013	5	80	172	458	105,329	378 *
2014	2	74	160	435	206,079	361 *
2015	1	71	160	435	269,048	364
2016	3	74	160	458	131,662	384
2017	2	74	160	458	109,909	384
2018	6	69	160	458	251,875	389 *
2019	6	63	126	366	143,111	303 *
Entire period	1	80	172	481	412,159	401

Characteristics of winning bids in the auction market (3/4)

1. Light distribution on the left side

Figure 1 shows a histogram of the price distribution over the entire period. However, the horizontal axis is expressed in common logarithmic scale. Even in logarithmic prices, the distribution cannot be said to be symmetrical with the left hem of the distribution is light and the right hem heavy.

The cost of organizing auctions must be taken into consideration for the factors for this distribution; products under certain price are unlikely to be listed as they cannot cover the costs for holding auctions.

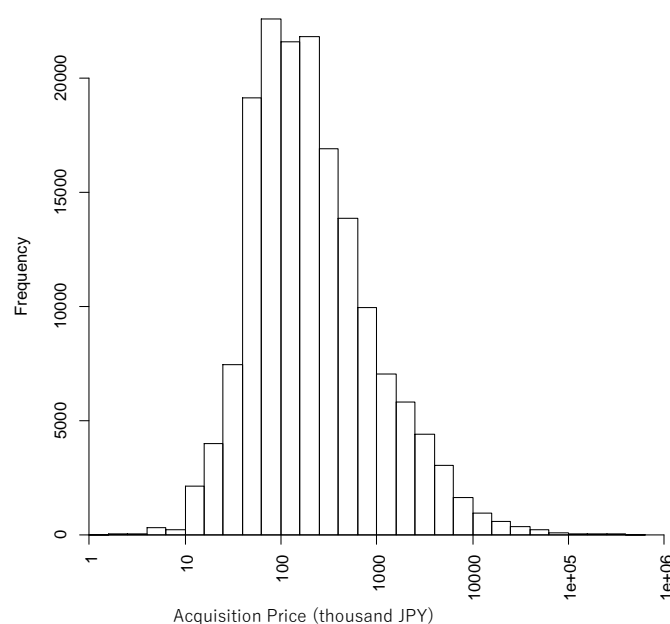
2. Right-skewed distribution

Consumption and investment, not limited to art, depend on the purchasing power of consumers. In many cases, the distribution of income and assets, which indicates people's purchasing power, shows a heavy distribution on the right side, so it can be said that the distribution of acquisition prices also reflects this.

3. Concentrated around the average

It is also noteworthy that the data is concentrated too close to the average value, but as will be described later, considering the formation of the Japanese art auction market, which started with the characteristics of an inter-dealer transaction market, it is more natural to consider the existence of inter-dealer transactions between art galleries rather than the average purchase capacity of general auction participants (buyer side). If so, the art auction market functions as one of the places art galleries use to stock up on wares.

Figure 1. Distribution of acquisition price (1990-2019)



Characteristics of winning bids in the auction market (4/4)

Analysis of Boxplot

Figure 2 shows the change of the acquisition price via boxplot. Note that the vertical axis is presented in common logarithmic scale in order to accurately grasp the characteristics of the market that would otherwise be too difficult with a graph based on a simple acquisition price because of the large price range. A boxplot is made by drawing a box with the lower and upper quartile and marking the median value inside the box. As shown in Figure 1, the data for acquisition price shows a right-skewed distribution. Here, the “whiskers” above and below the boxes represents “upper quartile + $1.5 \times$ (interquartile range)” and “lower quartile – $1.5 \times$ (interquartile range)” respectively. In addition, there are observations made above the upper whisker range, which shows that there are outliers of very expensive acquired price almost every year of the observed period.

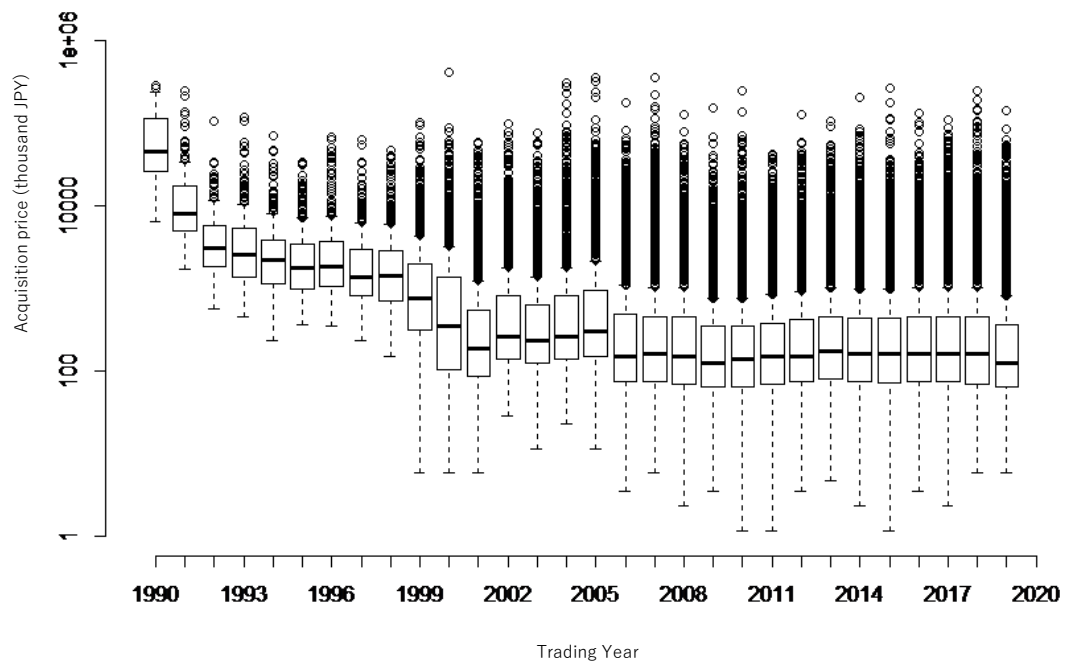
Artworks with underlying asset values

In each year, some observation points exceeding the upper limit (upper quartile) of the boxplot were observed; these are understood to include works with extremely high acquisition prices.

Considering the results of Figure 1, together with the assumption that price determination is based on supply and demand and usually depends on the the buyer’s asset distribution, it is possible to consider the existence of a certain number of big collectors.

Artworks with high acquisition prices can be understood as having underlying asset values that independent of the market circumstances.

Figure 2. Changes in distribution of acquisition price (1990-2019)



Characteristics of acquisition price by types of artworks and size (1/5)

Analysis of auctioned prices after 2006

As shown in Table 1, a sufficient number of auction listings were not observed in the 1990s and early 2000s, and the number of auction houses was limited to one.

Data from multiple auction houses have been available since 2006, and the observed data are large enough. Since the data size after 2006 is 87% of the total period (173,019 listings, 139,464 successful bids), the characteristics of the acquisition price will be clarified using the data after 2006.

Characteristics of acquisition price by types of artworks and size (2/5)

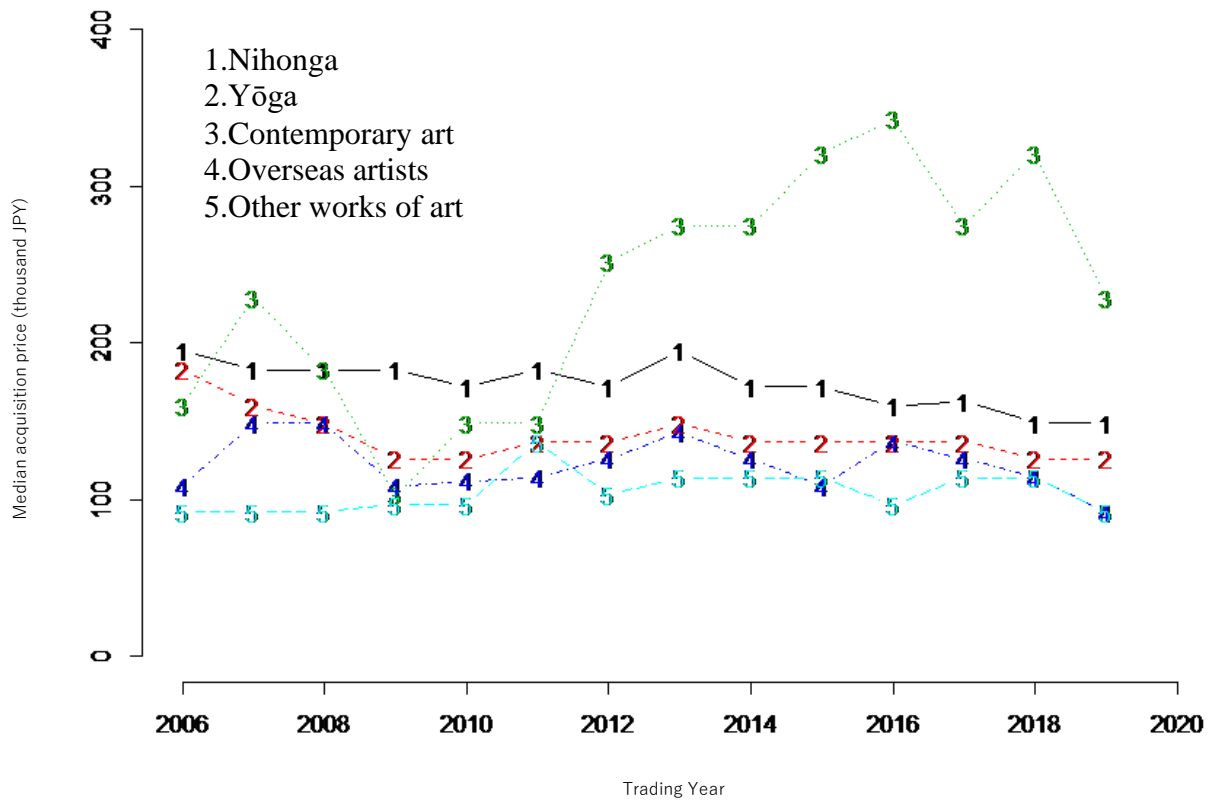
Notable figures for contemporary art

Table 3 shows the number of successful bids and the acquisition price aggregated by five genres. The genre with the highest number of successful bids is “2: Japanese Western-style painting”, which accounts for 33% of the total. The genre with the highest acquisition price is “3: Contemporary Art” (average 1,223 (thousand JPY), median 229 (thousand JPY)).

Table 3. Descriptive statistics by genre					
Types of artworks	Number of successful bids	Acquisition price (thousand JPY)			
		Average	Median	Standard deviation	Coefficient of variation
1 <i>Nihonga</i>	37,229	734	172	3,377	4.60
2 <i>Yōga</i>	45,794	604	137	2,541	4.21
3 Contemporary art	24,686	1,223	229	5,851	4.78
4 Overseas artists	12,981	877	120	4,603	5.25
5 Other works of art	18,774	296	103	1,275	4.31
All	139,464	732	149	3,673	5.01

Figure 3 shows the changes in the median acquisition price of the five genres from 2006 to 2019. It can be seen that “1: *nihonga*” and “2: *yōga*” are on a downward trend, and “3: Contemporary art” has skyrocketed since 2012 and has maintained a high level.

Figure 3. Changes in median acquisition price by types of artworks

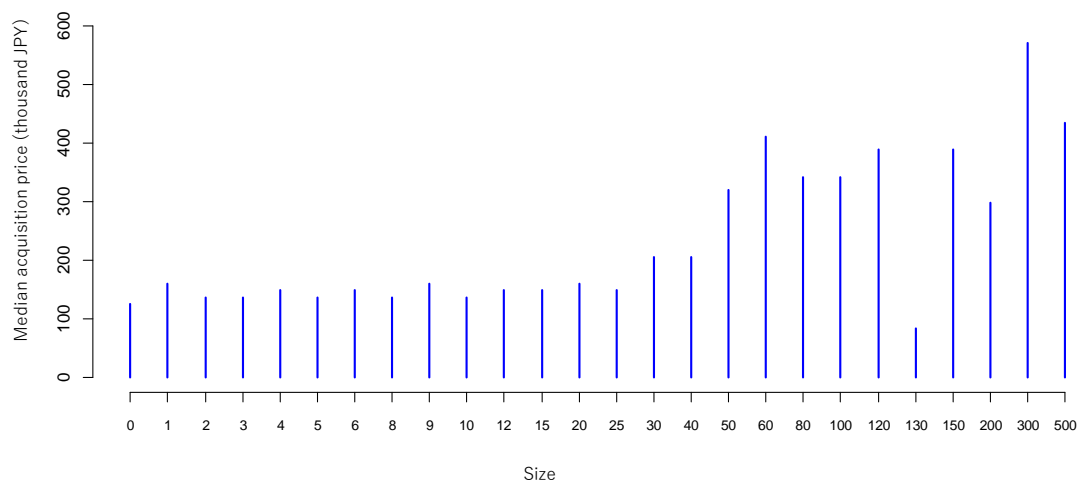


Characteristics of acquisition price by types of artworks and size (3/5)

Prices rise as size increases

Figure 6 shows the median acquisition price by size (frame size). The median is 137 (thousand JPY) for size 0-3, 137 (thousand JPY) for size 4-10, 172 (thousand JPY) for size 12-50, and 366 for size 60-500. It is (thousand JPY). A trend can be observed showing that the larger the size, the higher the acquisition price tends to be.

Figure 6. Median acquisition price by size



Characteristics of acquisition price by types of artworks and size (4/5)

Nihonga and *yōga* are circulated in smaller sizes compared to contemporary art

Tables 3, 4, and 5 show the cross tabulation of size and genre for the number of successful bids divided into three time points.

The sizes were categorized into 4 types: 0-3, 4-10, 12-50, and 60-500. More than half of *nihonga* and *yōga* are size 4-10.

For contemporary art, size 4-10 and size 12-50 are both about 40%. More than half of overseas artists are size 12-50. About 30% of other works of art are size 0-3, and in recent years, the ratio of size 4-10 has increased and the ratio of size 12-50 has decreased.

Table 3. Cross tabulation of size and artwork type for the number of successful bids (%) (2006-2009)

Size	<i>Nihonga</i>	<i>Yōga</i>	Contemporary art	Overseas artist	Other art
0-3	6	14	13	7	29
4-10	56	62	40	32	34
12-50	35	21	43	58	35
60-500	2	2	4	3	2
Total	100%	100%	100%	100%	100%

Table 4. Cross tabulation of size and artwork type for the number of successful bids (%) (2010-2014)

Size	<i>Nihonga</i>	<i>Yōga</i>	Contemporary art	Overseas artist	Other art
0-3	5	15	14	8	35
4-10	54	61	41	33	40
12-50	38	22	41	56	23
60-500	2	2	4	3	1
Total	100%	100%	100%	100%	100%

Table 5. Cross tabulation of size and artwork type for the number of successful bids (%) (2015-2019)

Size	<i>Nihonga</i>	<i>Yōga</i>	Contemporary art	Overseas artist	Other art
0-3	6	14	13	8	31
4-10	53	63	39	33	46
12-50	39	21	43	56	22
60-500	2	2	5	3	1
Total	100%	100%	100%	100%	100%

Characteristics of acquisition price by types of artworks and size (5/5)

Downward trend in larger sizes of *nihonga* and *yōga* works

Tables 6, 7, and 8 show the median acquisition price by size and genre for three time points.

In *nihonga* and *yōga*, the prices of small sizes (sizes 0-3 and 4-10) are stable, but those of large sizes (sizes 12-50 and 60-500) are on a downward trend.

In contemporary art, prices are rising uniformly at all sizes.

For overseas artists, there is almost no change in sizes 0-3, but a downward trend in prices can be observed in sizes 12-50 and 60-500. In other works of art, prices fell at sizes 0-3 and 60-500, while prices at sizes 4-10 and 12-50 were relatively stable.

Table 6. Median acquisition price (thousand JPY) (by size and artwork type, 2006-2009)

Size	<i>Nihonga</i>	<i>Yōga</i>	Contemporary art	Overseas artist	Other art
0-3	126	126	172	97	137
4-10	172	137	172	109	92
12-50	252	206	160	137	74
60-500	561	343	653	1717	406

Table 7. Median acquisition price (thousand JPY) (by size and artwork type, 2010-2014)

Size	<i>Nihonga</i>	<i>Yōga</i>	Contemporary art	Overseas artist	Other art
0-3	137	126	240	97	126
4-10	149	137	206	114	109
12-50	229	160	195	126	97
60-500	412	229	458	607	183

Table 8. Median acquisition price (thousand JPY) (by size and artwork type, 2015-2019)

Size	<i>Nihonga</i>	<i>Yōga</i>	Contemporary art	Overseas artist	Other art
0-3	137	114	252	97	114
4-10	137	137	298	97	103
12-50	183	149	275	114	97
60-500	229	126	836	343	183

Characteristics of acquisition price by artist

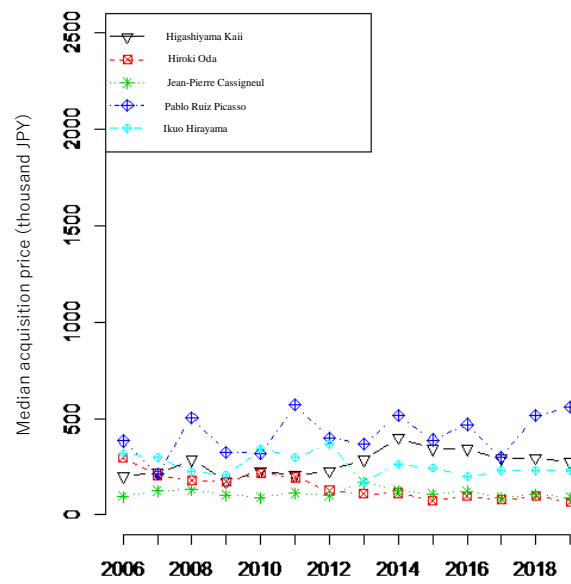
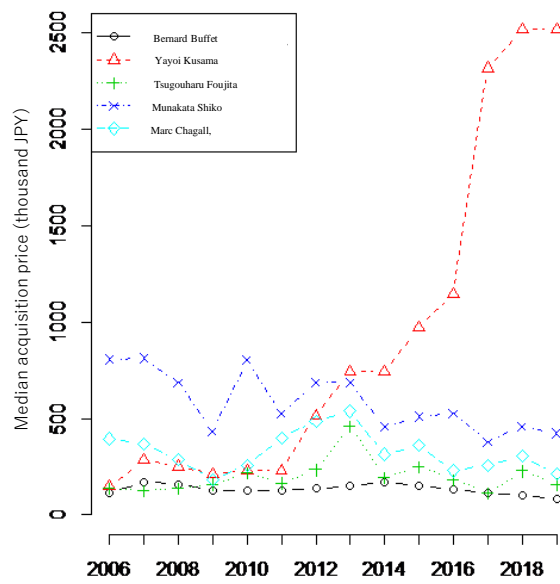
Acquisition price of works by Yayoi Kusama rises, while others decrease steadily

Table 9 shows the volatility of the annual average price for the top 10 artists with the highest number of successful bids during the period from 2006 to 2019. It can be seen that while the acquisition price of Yayoi Kusama's works is skyrocketing, Tsuguharu Foujita, Shikō Munakata, Kaii Higashiyama, Hiroki Oda, and Ikuo Hirayama are on a downward trend. The number of artists who made a successful bid in the auction market since 2006 was 3833, and the number of artists whose total acquisition price adjusted by price level exceeded 1 billion JPY was 20 (median 1,497 thousand JPY). Figure 7 shows the median annual acquisition price of the top 10 artists with the highest number of successful bids from 2006 to 2019.

Table 9. Price volatility and total acquisition price of artists with a large number of successful bids

Artist name	Number of successful bids	Price volatility (Per year, %]	Total acquisition price (1 billion JPY]
Bernard Buffet	2,693	-0.4	2.93
Yayoi Kusama	2,311	18.9	6.98
Tsuguharu Foujita	2,209	-4.5	4.49
Munakata Shikō	1,759	-1.7	2.20
Marc Chagall	1,717	-1.3	2.22
Kaii Higashiyama	1,502	-7.8	2.81
Hiroki Oda	1,499	-12.2	0.29
Jean-Pierre Cassigneul	1,416	4.9	0.70
Pablo Picasso	1,385	1.1	2.11
Ikuo Hirayama	1,326	-2.5	1.28

Figure 7. Changes in acquisition price (median) by artist



Chapter 3: History of Public Art Auctions in Japan

Characteristics of price formation by age group in the Japanese art auction market

1. 1990-1994 Birth of the art auction market

□ Overview of the market

Due to the bubble economy, which is said to have started around 1988, the prices of fine art rose worldwide, and the prices of fine art have continued to rise in the Japanese art market, centering on *nihonga*, *yōga*, and Impressionist paintings. In the height of that, during 1989, a major gallery dealing in *nihonga* and *yōga* established what came to serve as the mother of trader exchange meetings, the Shinwa Art Auction (hereinafter referred to as Shinwa Auction), and in September of the following year 1990, the first full-scale art auction was held in Japan. Good results were seen at the first sale, masterpieces by *nihonga* artists and *yōga* artists representing Japan were exhibited, and of the 102 exhibited works, 13 *nihonga* artists' and four *yōga* artists' works were sold for 100 million JPY or more. However, the winning bid rate was 81%, which could be said to be a result of some uncertainty.

The uncertainty was due to signs of the collapse of the global bubble from around May 1990, and at the second sale held in February 1991, the winning bid was over 100 million JPY out of 85 exhibited works. There were only two *nihonga* artists, Kaii Higashiyama and Yasushi Sugiyama, and only one *yōga* artist, Ryōhei Koiso. The winning bid rate also ended at a sluggish 54%. At the 3rd sale held in May of the same year, works with an expected bid price of 100 million JPY or more were already not being exhibited, and among the 84 exhibited works, the only *nihonga* artist whose work made a successful bid for 10 million JPY or more was Shinsui Itō, and the only *yōga* artist, was Takeshi Hayashi. In addition, the successful bid rate continued to be sluggish at 57% like at the previous sale. At the September sale, one year after the first sale, the number of exhibited works dropped sharply to 75, of which Yasushi Sugiyama was the only artist whose work made a successful bid for 100 million JPY or more. The winning bid rate was 32%, indicating the bursting of the bubble. At the October 1994 sale, four years after the first sale, the winning bid rate improved to 74%, but the only piece of work with an expected winning bid of 100 million JPY or more was Hishida Shunsō (unsuccessful bid). Of the 145 works exhibited, the four *nihonga* artist who made a successful bid for more than 10 million JPY were Kaii Higashiyama, Kagaku Murakami, Misao Yokoyama, and Tomioka Tessai. There were also only four *yōga* artists, Ryūzaburō Umehara, Zenzaburō Kojima, Kaoru Yamaguchi, and Tsuguharu Foujita.

Following that, the price of artwork had fallen due to the bursting of the bubble economy and the market price continued to be sluggish.

□ Artists representing the period

Nihonga (living): Kaii Higashiyama, Matazō Kayama, Ikuo Hirayama, Tatsuo Takayama, Yasushi Sugiyama, Gensou Okuda

Nihonga (deceased): Taikan Yokoyama, Gyoshū Hayami, Kagaku Murakami, Uemura Shōen

Yōga (living): Tadahiko Nakayama, Noriyuki Ushijima, Kazumasa Nakagawa

Yōga (deceased): Ryūzaburō Umehara, Ryōhei Koiso, Shikanosuke Oka, Kaoru Yamaguchi

Characteristics of price formation by age group in the Japanese art auction market

2. 1995-1999 Market adjustment period

□ Overview of the market

Due to the collapse of the bubble that began in the latter half of 1990, the prices of fine art plummeted worldwide, and centering on *nihonga*, *yōga*, and Impressionist paintings the prices of fine art continued to plummet in the Japanese art market.

The market entered an adjustment phase from around 1994, and at the sale in September 1995, there were no works exhibited for more than 100 million JPY, and the only *nihonga* artist who sold for more than 10 million JPY out of 139 exhibited works was Gensou Okuda. Although there were only two *yōga* artists, Kagaku Murakami and Takeshi Hayashi and Kotaro Migishi, the winning bid rate was 87%, which was a good sale. This indicates that the bottom of art prices, which had been declining to as low as to one tenth, was coming into view. Even after that, the trend of sluggish art prices continued, but the rate of decline was shrinking. Looking at the works exhibited at the auction, the number of exhibited *nihonga* and *yōga* made by the established greats, mainly those seen during the bubble era, had decreased, and emerging artists such as Hiroshi Senju, who did not belong to existing circles, began to appear.

On the other hand, what was the state in the West? According to the November 1999 edition of the “White Paper on the World Economy-Long-term Expansion and Problems of the American Economy-“ (Economic Planning Agency), “The American economy began to recover in March 1991, and underwent an eight-year, seven-month period of economic growth continuing to October 1999. To support this, a clear recovery trend in the Western art market is apparent from around 1997. The auction market also performed well, with Monet’s “Water Lily Pond and Waterside Path” being sold at the highest bid of 18 million GBP, three times the expected bid price, at the Sotheby’s London sale in June 1998. The works of international artists such as Tsuguharu Foujita, Takanori Ogisu, Vlaminck, Utrillo, and Chagall, who had connections with the well-performing Western art market, were now on sale at the Japanese auction market.

Even at the sale in September 1999, there were no works exhibited for more than 100 million JPY, and of the 234 exhibited works, only the works of two *nihonga* artists, Kagaku Murakami and Taikan Yokoyama, were sold for more than 10 million JPY, and the only three of the *yōga* artists were Shikanosuke Oka, Ryūzaburō Umehara and Katsumi Ukita. However, the winning bid rate was 87%, which was a favorable sale, and while showing a recovery trend, this suggests that the market was still in an adjustment phase compared to the Western art market.

□ Artists representing the period

Nihonga (declined): Yasushi Sugiyama, Tatsuo Takayama, Eien Iwahashi, Gensou Okuda

Nihonga (new): Hiroshi Senju

Yōga (declined): Ryūzaburō Umehara, Ryōhei Koiso, Tadahiko Nakayama

Yōga (new): Tsuguharu Foujita, Takanori Ogisu

Overseas (new): Maurice de Vlaminck, Maurice Utrillo, Pablo Picasso, Bernard Buffet, Marc Chagall

Characteristics of price formation by age group in the Japanese art auction market

3. 2000-2004 Adjusted market, IT bubble, and the emergence of contemporary art

□ Overview of the market

Prices remained sluggish after 2000, but at the sale in September 2000, 248 works were exhibited, of which the five *nihonga* artists who sold for more than 10 million JPY were Kiyokata Kaburagi, Matsuzono Uemura, Taikan Yokoyama, Kansetsu Hashimoto, and Yumeji Takehisa, and the three *yōga* artists were Tsuguharu Foujita, Shikanosuke Oka, and Yuzo Saeki. The winning bid rate was 87%, which was a good sale. During the sale, contemporary artists such as Toshinobu Onosato and Jiro Yoshihara were present, which could be seen as a response to the growing contemporary art market overseas.

At the sale in September 2001, the works of five *nihonga artists*, Ikuo Hirayama, Matazō Kayama, Shinsui Itō, Chikukyō Ono, and Yuki Ogura, were sold for more than 10 million JPY for 231 items, and the five *yōga* artists were Tsuguharu Foujita, Yuzo Saeki, Takeshi Hayashi, Takanori Ogisu, and Saburōsuke Okada, and one overseas artist was Georges Luau. In addition to the winning bid rate of 86%, it was a lively sale operating in a high price range. This is thought to be the effect of the boom caused by the IT bubble from 1999 to 2000, and one should consider that the art market has also benefited slightly. Due to the impact of the recession from 2002 to 2003 after the collapse of the IT bubble, the successful bid rate was 88% at the sale in September 2002, but only two artists made a successful bid for 10 million JPY or more. However, at the sale in September 2003, the number of artists who made a successful bid for 10 million JPY or more returned to seven, although the winning bid rate dropped to 83%.

However, looking at the adjusted market as a whole, it can be said that the art market from 2000 to 2004 was generally stable, although this was not accompanied by a significant price increase.

□ Artists representing the period

<i>Nihonga</i> (regular artist):	Taikan Yokoyama, Kaii Higashiyama, Ikuo Hirayama, Matazō Kayama, Shikō Munakata
<i>Yōga</i> (regular artist):	Tsuguharu Foujita, Takanori Ogisu, Ryūzaburō Umehara
Contemporary Art (New):	Toshinobu Onosato, Jiro Yoshihara

Characteristics of price formation by age group in the Japanese art auction market

4. 2005-2009 Impact of Lehman Shock and Creation of Contemporary Art Market

□ Overview of the market

Following the relatively strong trend of the art market from 2000 to 2004, the volume of art transactions in the auction market had increased from 2005, and the winning bid rate remained high. The overseas art market was also booming, especially in contemporary art, and this trend could be seen in the 2005 sale.

At the sale in September 2005, 181 works were exhibited, of which the works of five *nihonga* artists, Ikuo Hirayama, Taikan Yokoyama, Matazō Kayama, Yasushi Sugiyama, and Seison Maeda, were sold for more than 10 million JPY. For *yōga*, 6 works by five artists, Takanori Ogisu, Hanjirō Sakamoto, Ryūsei Kishida, Ryūzaburō Umehara, and Rei Kamoi, sold for more than 10 million JPY. And among overseas artists, in addition to Picasso's oil painting which sold for over 100 million JPY, four works by four artists, including Vlaminck, Kees van Dongen, Picasso, and Jean Fautrier sold for over 10 million JPY. The winning bid rate was also extremely strong at 92%. In particular, the exhibition of works by foreign contemporary artists such as Jean Fautrier, Sam Francis, and Antoni Clavé attracted attention, supporting the growth of contemporary artists overseas in the market. The strong art market continued until 2007, and in April 2007, as if riding on the breakthrough of the contemporary art market overseas, the first auction dedicated to contemporary art was held at Shinwa Auction.

At the first contemporary art sale in April 2007, 120 works were exhibited, of which the artists who sold for more than 10 million JPY were Yoshitomo Nara, Takanobu Kobayashi, and Hisashi Tenmyouya. In addition to Yayoi Kusama, Yoshitomo Nara, Takashi Murakami and other artists who were already been highly esteemed in the Western art market, Yoshishige Saito, Lee Ufan, Cai Guo-Qiang, Mitsuo Kano, Kumi Machida and others also made their appearance. The winning bid rate was extremely strong at 96%. The second contemporary art sale was also held in 2007 in November, with 120 works exhibited, of which eight works of the five artists, Yayoi Kusama, Lee Ufan, Tatsuo Miyajima, and Ishida Tetsuya and Andy Warhol were sold for more than 10 million JPY. Yayoi Kusama's acrylic / canvas work ultimately did not receive a winning bid, but did boom with an expected winning price of up to 60 million JPY. The winning bid rate was astonishing at 99%. In the midst of this expansion of the art market, the Lehman shock occurred in 2007, and the art market was affected worldwide from the latter half of 2008 to 2009.

At the Shinwa Auction's contemporary art sale in April 2008, 354 works were exhibited and the winning rate was 91%, of which four Japanese artists who sold for more than 10 million JPY were Yoshitomo Nara, Yayoi Kusama, and Kazuo Shiraga and Akira Yamaguchi, and the only overseas artist was Lucio Fontana. However, at the Shinwa Auction's contemporary art sale held in Macao in November 2008, the sale

situation deteriorated rapidly with 296 exhibited works and a successful bid rate of 52.4%. At the contemporary art sale held jointly with wine and design in December, the winning bid rate for contemporary art was 70%, and the average winning bid was 70,000 JPY. After that, the Shinwa Auction no longer held a single contemporary art sale, but held it together with *nihonga* and *yōga*.

□ Artists representing the period

<i>Nihonga</i> (regular artist):	Taikan Yokoyama, Kaii Higashiyama, Ikuo Hirayama, Matazō Kayama, Shikō Munakata, Hiroshi Senju
<i>Yōga</i> (regular artist):	Tsuguharu Foujita, Takanori Ogisu, Ryūzaburō Umehara
Contemporary art (new):	Yayoi Kusama, Yoshitomo Nara, Lee Ufan, Kazuo Shiraga, Yoshishige Saito

Characteristics of price formation by age group in the Japanese art auction market

5. 2010–2014 Recovery of the global art market and breakthrough of the contemporary art market

□ Overview of the market

After the Lehman shock, the Japanese art market remained sluggish. The *nihonga* and *yōga* market, which had been sluggish since before the Lehman shock, was not significantly affected by the Lehman shock, and was exhibited at the 2009 Shinwa auction at a sale centered on *nihonga*, *yōga*, and Impressionist painting. There were 122 works and a winning bid rate of 90%. The contemporary art market, which had grown rapidly before the Lehman shock, fell sharply due to the slump in the global art market. Here, the large gap was revealed between the Japanese market, centered on *nihonga* and *yōga*, and the contemporary art market, which was linked to the world art market.

In 2010, the Western art market shows a rapid recovery from the decline caused by the Lehman shock. The *nihonga* and *63oga* markets continued to show a flat or downward trend, but the contemporary art market plotted an upward trend in response to the rapid growth of the global art market.

Since 2009, the Shinwa Auction has shown a de facto withdrawal from contemporary art, returning to a sale centered on *nihonga* and *yōga*. On the other hand, in February 2012, witnessing the breakthrough of contemporary art worldwide, SBI Auction was established as an auction company specializing in contemporary art.

At the first SBI sale in February 2012, 92 works were exhibited, one of Ryōhei Koiso's *63oga* works was exhibited, but all the others consisted of contemporary artworks. The successful bid rate was 81.5%, and the average successful bid price was 5.36 million JPY (including the successful bid fee). Of these, Yayoi Kusama and Lee Ufan sold for more than 10 million JPY, followed by Kazuo Shiraga for 7.13 million JPY. Among them, Yayoi Kusama's "Infinity Nets WHXOTLO" was sold for over 100 million JPY.

At the Shinwa Auction sale in September 2012, 85 works were exhibited, and 3 contemporary pieces of artwork by Lee Ufan and Sadamasa Motonaga were exhibited, but the remainder of works were in the genre of *nihonga*, *yōga*, and works by overseas artists. The winning bid rate was 86% and the average winning bid was 2.03 million JPY. Of these, Kagaku Murakami was the only artist who made a successful bid for more than 10 million JPY. There was not much change in the faces of the artists exhibiting *nihonga* and *yōga*, but six works by Hiroshi Senju were exhibited, and five of them were sold over the winning bid price limit, and the declined *nihonga* works were remarkable. It revealed the appearance of popular new items in the market.

□ Artists representing the period

<i>Nihonga</i> (regular artist):	Taikan Yokoyama, Kaii Higashiyama, Ikuo Hirayama, Matazō Kayama, Shikō Munakata, Hiroshi Senju
<i>Yōga</i> (regular artist):	Tsuguharu Foujita, Takanori Ogisu, Ryūzaburō Umehara
Contemporary art (regular artist):	Yayoi Kusama, Yoshitomo Nara, Lee Ufan, Kazuo Shiraga

Characteristics of price formation by age group in the Japanese art auction market

6. 2015-2019 Japan's contemporary art market connected to the world and the actual state of the market

□ Overview of the market

In the global art market from 2015 to 2019, prices continued to rise, centered on contemporary art. In the Japanese art market, there was no major change in the situation of the growth of contemporary art and the stagnation of the *nihonga* and *yōga* markets. In the *nihonga* and *yōga* markets, aside from artists like Hiroshi Senju who exhibited a small number of new items, regular artists continued to exhibit. While the situation remained stationary, the contemporary art market was closely connected to the world art market and took advantage of this, to continually introduce new items.

At the SBI sale in January 2015, 279 items were exhibited and the winning bid rate was 81.5%. Of these, the works of regular artists such as Yayoi Kusama, Yoshitomo Nara, Takashi Murakami, Lee Ufan, Kazuo Shiraga, and Sadamasa Motonaga accounted for 21% of the total sale, while the percentage held by overseas artists increased to 38%. The other 41% were exhibited by new items such as Ayako Rokkaku and Aya Takano, and by re-evaluation of old artists such as Atsuko Tanaka, Tadanori Yokoo, and Kishio Suga. Similar trends were seen elsewhere, with the SBI sale in October 2019 showing only 10% of the 209 exhibited works (successful bid rate 91.4%) of Japanese artists. The ratio of overseas artists accounted for 90%. New items, which accounted for 41% in 2015, have disappeared from the listing, with the exception of Ayako Rokkaku, Tomoo Gokita, Mr. Haroshi, etc.

At a surface level, this phenomenon can be attributed to the absorption of the Japanese contemporary art market by the overseas contemporary art market, and the vulnerability of artists from Japan producing new items. Digging deeper, there is evidence for the decline in the Japanese art market. The top 30 high-priced works which sold for more than 200 million JPY between 2015 and 2019 by the two regular artists in the contemporary art market, Yayoi Kusama and Yoshitomo Nara, were all bought and sold at auctions in Europe, the United States and Asia. Therefore, in Japan, the average winning bid price at SBI's sale, which gave the impression of winning alone, was in the 1 to 2 million JPY range, which reflected the art scene of a local market where small works were traded compared to overseas. In addition, new items continuously appear in the market one after another, and there is a phenomenon that artworks often they disappear in a few short years after a sudden price jump, which also reflects the aspect of speculative transactions hidden in the contemporary art boom.

□ Artists representing the period

<i>Nihonga</i> (regular artist):	Taikan Yokoyama, Kaii Higashiyama, Ikuo Hirayama, Matazō Kayama, Shikō Munakata, Hiroshi Senju
<i>Yōga</i> (regular artist):	Tsuguharu Foujita, Takanori Ogisu, Yasuo Kazuki
<i>Yōga</i> (declined):	Ryūzaburō Umehara
Contemporary Art:	Yayoi Kusama, Yoshitomo Nara, Lee Ufan, Kazuo Shiraga, Ayako Rokkaku, KAWZ, Tomoo Gokita

Differences between the overseas (Western) art market and the Japanese market

Changes in the distribution system overseas

Currently, most of the works that are widely recognized internationally as works of art have roots in the history of Western art that continues from Greek and Roman art. *Nihonga*, and Chinese and Taiwanese traditional art national paintings using brush ink, pigments, and other techniques belonging to the history of Eastern art are positioned as secondary in the Western art market. The mainstream art of Western art history roots is distributed in the international art market, while the sub-stream art is distributed only in the country-specific sales of major international auctions or in the domestic market of the home country.

Yōga, which are mainly painted on oil and canvas, are often thought of as one of the mainstream works of art in the history of Western art, but in the first place, their existence is somewhat antithetical to that of *nihonga* and as such are not regarded as mainstream works. The exceptions are Tsuguharu Foujita and Takanori Ogisu, who have traveled to France and have been active in the mainstream local art scene, so they are incorporated into the international art market, but other than that, the works of *yōga*, which have been mainly active in the art world within Japan, are positioned as sub-class art like *nihonga*.

Against this background, in the international art market in Europe and the United States, art with roots in Western art history has been mainly traded, and in the Japanese market, works of *nihonga* and *yōga* have been mainly traded. In addition, Western art, especially Impressionists works such as those represented by Renoir had been actively imported during the long postwar economic growth leading to the bubble economy, has also been distributed as a main product in the Japanese art market (often classified as an “overseas artist” in this research). In other words, in the Japanese art market, *nihonga*, *yōga*, and internationally distributed Western art for the domestic market (sub-stream) have been traded. The market price of sub-class art works is greatly influenced by the economic conditions of the country. During the bubble economy of the 1980s, the prices of *nihonga* and *yōga*, which were the mainstays of the Japanese art market, soared, and the prices of Impressionist paintings also rose sharply. When the bubble burst in the early 1990s, the market prices of *nihonga* and *yōga* began to plummet, and the prices of overseas works of Impressionist brands, which are classified as overseas works of art, also began to drop significantly due to the sharp drop in demand by the Japanese.

In the mid-1990s, Western economies began to improve. Along with this, the Western art market also showed signs of recovery, and from around 1995, high-priced bids for Impressionists and modern art began to be observed. In such a movement, the market price of contemporary art works, which had been even more sluggish than the Impressionists, showed an upward movement, and since 2005, it has occupied the leading role in the market, replacing the Impressionists. It is believed that the reason for the rise of contemporary art may have been due to the replacement of assets. Investors who lost money on the sale of Impressionist works due to the bursting of the bubble were trying to recover the loss by directing the proceeds of the sale to low-priced works that may generate

profits in the future. In addition, behind the long-term inflow of investment funds into contemporary art was the depletion of supply in the market for Impressionists and modern art works.

The abundant supply of works to the market of contemporary art appealed to investors as an investment asset. Contemporary art was a genre in which countries in the non-Western art history area could participate because various styles were allowed without being bound by the traditional Western art history. Therefore, while Japan was suffering from the aftereffects of the bubble collapse, contemporary art has been actively introduced in China, South Korea, Hong Kong, Singapore, and other Asian countries, which have achieved economic growth and along with its development as a new international art piece, has led to the birth of a variety of contemporary artists in those countries. The situation of new emerging artists represented the continual supply of art which may rise in value in the future, but could be purchased at a low price in the present, providing investors with a new investment environment, and supported for the development of contemporary art to this day.

Differences between the overseas (Western) art market and the Japanese market

Changes in the distribution system in Japan

In Japan, the market share of *nihonga* and *yōga* in the art market is too large, and contemporary art is not regarded as a main work and has hardly been distributed. After the burst of the bubble economy, the art market was unable to ride the wave of global economic growth, and the economic downturn of the so called lost two decades continued. Due to the economic downturn facing the art market, the art market shrank sharply and could not ride the wave of contemporary art spreading around the world. Nevertheless, in the 2000s, following the global trend of contemporary art, the Japanese art market began to treat works of contemporary art as an important product. In 2006, Shinwa Art Auction, which mainly deals with *nihonga* and *yōga*, started selling contemporary art, and in 2012, SBI Art Auction, which specializes in works of contemporary art, was established. Japan had finally come into contact with the international art market.

While the market prices of *nihonga* and *yōga* for the domestic market, which had no contact with the international art market, continued to be sluggish, contemporary art work that suddenly gained the status of international art are in Europe and the United States managed to increase its market by expanding sales channels centered on art fairs and auctions in Japan and Asia. In 2018, contemporary art works overtook the total amount of both *nihonga* and *yōga* in the total trading value in the Japanese auction market.

It is presumed that the decline of *nihonga* and *yōga*, and the rise of contemporary art will continue, but neither *nihonga* nor *yōga* will disappear. It is predicted that these markets will continue to exist, similar to the market for antique art focusing on works of deceased artists. On the other hand, many young artists with backgrounds in the techniques of *nihonga* and oil painting do not belong to the traditional art galleries when engaging in their creative activities; rather, they present their works at galleries dealing with contemporary artists. Their works, which add modernity to traditional methods, are highly regarded as unique contemporary art works. Such a new movement originated from Hiroshi Senju, who is the only existing artist of *nihonga* to be ranked within the top 20 in total trading value at Japanese auctions, and may indicate the future of *nihonga*.

Section 3: Discussion and Future Challenges

□ Art as marketable products

Art itself cannot be considered marketable products. If a work of art is treated as interior objects that fills the walls and other spaces, it would eventually be outmoded just as any other consumer goods such as furniture would be. However, some artworks considered masterpieces rise in market values when their auctioned prices are observed over a long period of time, which suggest that they hold a certain social value.

Since 2016, we have been conducting the “Japanese Art Industry Market Research” as an approach to investigate art as marketable products. While some may refuse to believe the idea that works of art are marketable products, this research has revealed over the years just how much artworks were being purchased, as well as their marketable factors that lead to the purchase. The 2020 research found that art museums and media that organizes exhibitions are distorting the awareness of such factors.

It is often said that the scale of the Japanese art market is much smaller to those of American and European countries, which may be due to the difference in marketability of artworks. In European, American countries and in china, art and its nature as marketable product is widely recognized, with a solid tax system for works of art. It is not only necessary to change the public awareness of art as marketable products along with museums and the media, but also to provide foundation for demonstrating its asset value through analyzing the changes in artwork prices.

For the first time, the 2020 research has investigated and analyzed the changes in art auction prices where products are classified into the categories works of art and works of arts and crafts, and works of art have proved its underlying asset values.

The distribution channel of artworks is equally important as its marketable factors. It is confirmed in this research that department stores and art galleries account for the two largest sales channels for works of art. While art galleries act as market makers standing in between the product side and market side, it is crucial for galleries to contribute in increasing the customers’ assets in order to expand the scale of Japanese art market in the future. Galleries would also require funds to be able to handle businesses for artworks with high prices. As for department stores, it still needs to be clarified to what extent they contribute towards making the public aware of the asset values of art.

In closing, we wish to continue to investigate the marketable values and sales channel of art and contribute towards the further development of Japanese art market.

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