



## **Japanese Art Industry Market Research Report 2021**

**Domestic Art Market Estimated at ¥218.6 billion**

**Good Times for Galleries, Bad Times for Department Stores. Overall Decline of 3%**

**Art Index for Analyzing Art as Asset-based Product**

Now in its sixth year, the Japanese Art Industry Market Research Survey 2021 was conducted, organized by Art Tokyo Association and produced by aTOKYO.

Based on purchasing trends from around 20,000 samples, the overall scale of the Japanese art market is estimated to be ¥218.6 billion. This is a decline of around 8.4% from the previous year. Compared to the declines of more than 20% experienced by art markets in Europe and North America, it is a relatively modest decrease.

As a result, Japan's share of the global art market (approximately \$60 billion, or ¥7 trillion) in 2020 is estimated to be 3.2% (with ¥227 billion in sales).

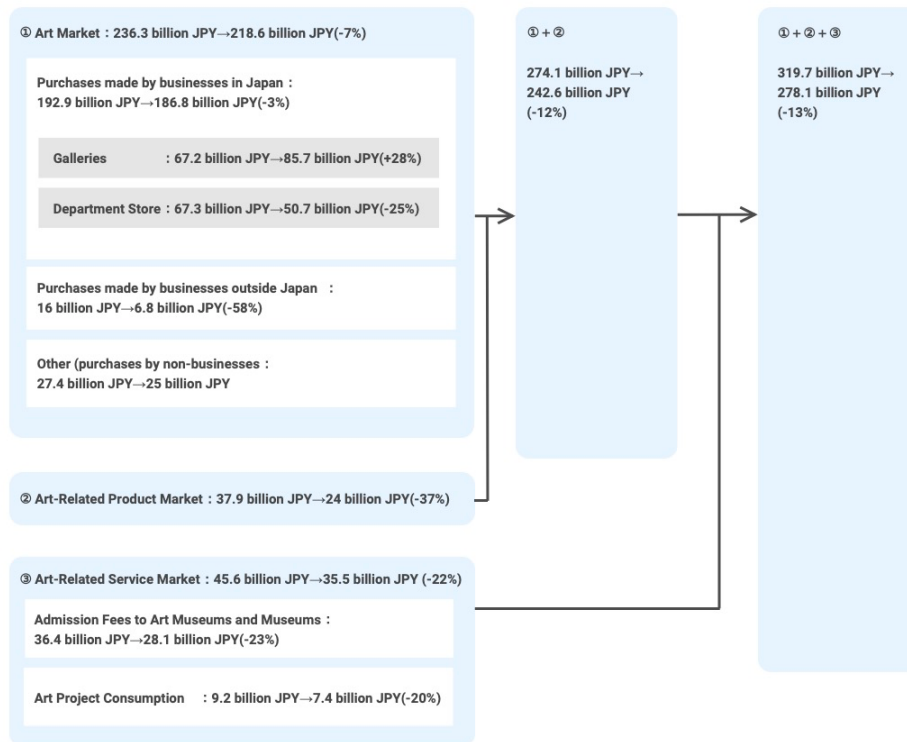
The survey also surveyed the relationship between viewing and purchasing art, and considered contributions to the expansion of the exhibitions market.

In addition to noting trends from the questionnaire responses, the survey examined and analyzed past price trends for artworks, and considered the value of art as an asset. It newly analyzed data from art auctions in Japan, and concluded that artworks have a fixed underlying asset value, as opposed to crafts and artworks that depreciate with time, and can be regarded as assets.

### **1.1: Market for Artworks, Art-Related Products, and Art-Related Services**

The market for the Japanese art industry is estimated at ¥218.6 billion in terms of what is defined as the market for "works of art" (antiques, *yoga*, sculpture, contemporary art, etc.). Alongside this, the market for "art-related products" (merchandise, catalogues, etc.) is ¥24 billion, and the market for "art-related services" (including art museum admission fees and consumption expenditure at art festivals held in Japan) is ¥35.5 billion. The total amount for these three markets together is ¥278.1 billion.

Chart 1: Overview of Japanese Art Industry Market

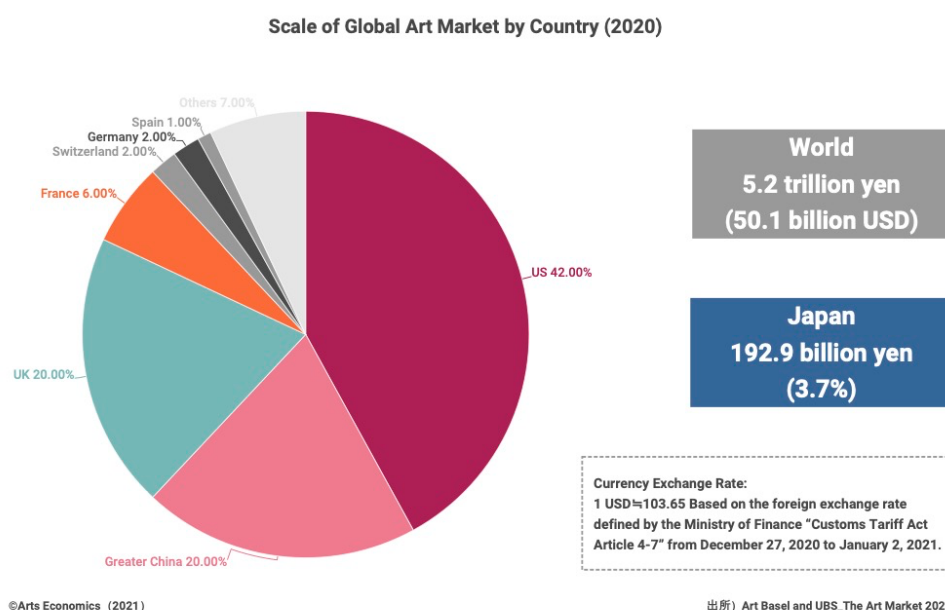


Source: Japanese Art Industry Market Research Survey 2021 (aTOKYO, Platform for Arts and Creativity)

## 1.2: Share of Global Art Market

Japan's share of the global art market was estimated at 3.2% in 2019. In 2020, the domestic market was estimated to be ¥236.3 billion, corresponding to a 3.7% share of the 2020 global art market (approximately \$60 billion, or ¥7 trillion). This indicates a rise in the global presence of the market in Japan, where the impact of the coronavirus pandemic has been relatively limited.

Chart 2: Changes in Each Market Scale



Source: Japanese Art Industry Market Research Survey 2021 (aTOKYO, Platform for Arts and Creativity)

Global art market survey period: January–December 2020

### 1.3: Artwork Purchasing Aims: Comparison with High-Value Buyers (over ¥1 million in 3 Years)

As forecast in the aforementioned survey, high-value buyers tend to purchase art for the purposes or adding to their collection or supporting a particular artist, as opposed to the general aims of buyers to purchase art to decorate an interior or as a gift. The number of high-value buyers (collectors) is growing steadily. It is certain that the direction of growth for the Japanese art market will be determined by the future fluctuation of the artworks that they are buying.

Chart 3: Changes in Each Market Scale

(Large purchase: n=58)

	All buyers	Large purchase
To collect	15	50
To decorate living space (including when living space is used for work-from-home)	32	46
Liked it and bought it on impulse	29	33
To support the artist	8	21
To deepen own and family's knowledge of art	6	13
To build a relationship with the artist	3	13
To decorate store or office	3	8
To use as a practical object	20	8
To serve as a memento	17	8
Investment/Management	2	8
To give as a present	9	4
Had to buy it to maintain a relationship	6	0
Other	3	4
No special reason	7	0

Source: Japanese Art Industry Market Research Survey 2021 (aTOKYO, Platform for Arts and Creativity)

### 2.1: Prototype Art Index for 3 Art Groupings

Based on the demonstration of art's underlying asset value in last year's survey report, this year's has proposed an art index for statistically analyzing price data and understanding the state of the market. Screening the top 50% of artists in terms of sale value from auction prices and then calculating deemed acquisition prices per year and artist, the index is calculated by treating the values for 2006 as 1,000 and classifying in terms of three main categories (Domestic Art, Contemporary Art, Foreign Art).

Chart 4: Art Index (per Category)

#### Domestic Art

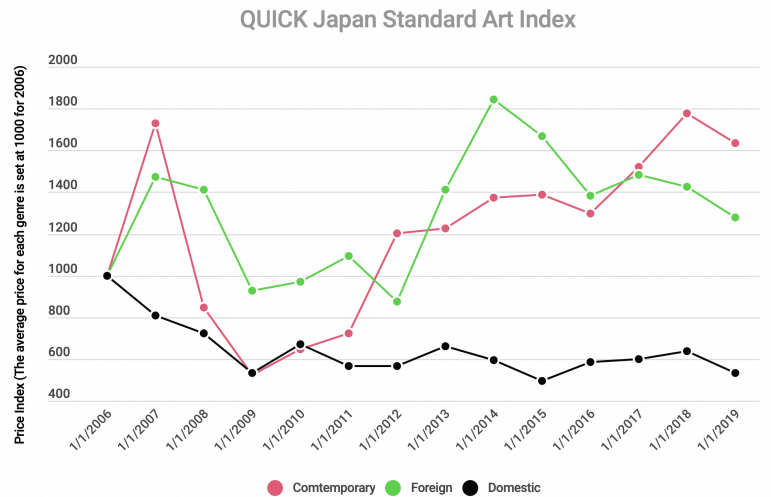
This category includes artists whose work has market liquidity in terms of circulating domestically in Japan. The market in Japan for this category is significant and robust, but there are relatively few sales in overseas markets.

#### Contemporary Art

This category features artists who make contemporary art and whose work circulates outside Japan. Unlike the Domestic Art category, the works have international market liquidity.

#### Foreign Art

This category comprises overseas artists who do not belong to the Contemporary Art category. The artworks covered by this category are bought and sold internationally and belong to types of art other than contemporary art. Though the volume of circulation for modern artworks and so on is lower than contemporary art, these works are sold in international markets and have ample liquidity.



Source: Japanese Art Industry Market Research Survey 2021 (aTOKYO, QUICK Corp)

## 2.2: Comparison of Prototype Art Index with Existing Index (S&P 500 Stock Market Index)

A strong positive correlation was observed between the Contemporary Art category of the prototype art index and leading stock market index S&P 500. Both indicate continuing growth since 2009, with S&P 500's drops in 2008 and 2018 preceding similar drops in the Contemporary Art index in 2009 and 2019. This shows that the art index changes in a way that lags behind what is happening in the financial markets.

Chart 5: Art Index (per Category)

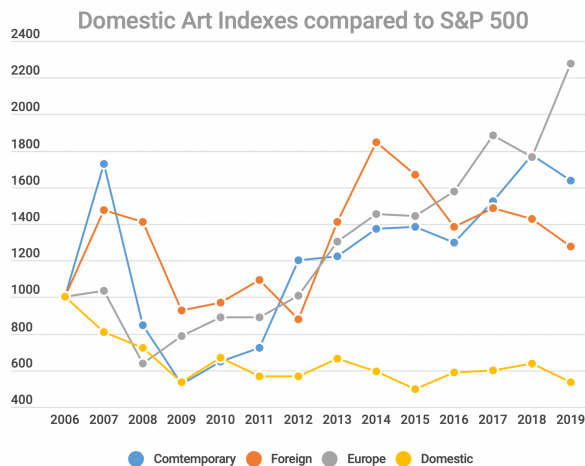


Table 1: Correlation between S&P 500 and Each Art Index

Contemporary	Foreign	Domestic
0.76	0.45	-0.35

Source: Japanese Art Industry Market Research Survey 2021 (aTOKYO, QUICK Corp)

We will continue to organize this survey on a regular basis in order to accurately grasp the state of the art market in Japan, and provide beneficial information not only for art professionals but also art collectors and users that looks ahead to the future expansion of the art industry. In addition to surveying trends as a marketing resource, we will widen the areas of the survey to include analysis of prices and portfolios to measure risk and return of art as a commercial product. We aim to go beyond the needs of art industry professionals in and outside Japan, and provide survey results that can be utilized effectively for art collectors and users more generally to gain the trust and credibility necessary for the art market in Japan to grow and expand in the future.

### Part 1 Design

Survey Method	Online questionnaire targeting respondents registered to an online questionnaire service
Survey Period	Friday, August 20–Monday, August 23, 2021
Survey Target	1st survey: Collected data on sex/gender, age, employment status (employed/unemployed), income (personal income for employed, household income for unemployed), distributed across Japan and classified based on government statistics 2nd survey: People who bought a work of art for the first time after April 2020
Valid Samples	1st survey: 24,959 samples 2nd survey: 93 samples

### Part 2 Design

Survey Method	Collected and analyzed final prices of artworks sold at a Japanese auction house
Target Period	2006–2019
Survey Target	Screening of top 50% of artists in terms of trading value from artworks sold at auction
Sample	199,605

### Survey Overview

Survey Name	Japanese Art Industry Market Research Survey 2021
Report Name	Japanese Art Industry Market Research Report 2021
Organizers	Agency for Cultural Affairs, Art Tokyo Association
Produced by	aTOKYO
Survey Design, Analysis, Report	Platform for Arts and Creativity, QUICK Corp
Supported by	the Agency for Cultural Affairs, Government of Japan in fiscal 2021

Japanese Art Industry Market Research Survey website: <https://artmarket.report/>

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