

Introduction of the speaker

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- Consultation and promotion of content business
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“Possibilities of Anime Development via New Media”
“Asia/Pacific Regional Seminar on Animation Culture and Industry for Promotion of Cultural Diversity”

HUMANMEDIA
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Outline

- (1) With the introduction of digital media and the Internet, we acquired the concept and business methods that separate media and information distributed via media (content). Anime in Japan is the typical example of content distributed through multiple media sources (cross media).
- (2) Japanese anime is distributed through the media sources of DVDs, Internet, and mobile phones in addition to movies and TV shows.
- (3) In addition, Japan's anime has a deep relationship with the content fields of music, manga (comics), and games.

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- (4) In the world of Japanese anime, the work itself and the characters are used in a dimensional world as character merchandise and contribute to manufacturing industries.
- (5) In the 1970s, young anime fans called “otaku” emerged in Japan at the same time as the introduction of videos. This peculiar group of fans then expanded throughout the world via the Internet.
- (6) The Japanese anime market thus spread throughout the world. At the same time, new business models for anime have emerged on the Internet and mobile phones.

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(1) Industrialisation of Japanese anime from fifty years of movies since the first full-scale anime movie in color

- The first full-scale colour movie *Hakuujaden (Madame White Snake)* by Toei Animation (then Toei Doga) produced 50 years ago marked the beginning of the industrialisation of anime.
- Toei Doga, a subsidiary of Toei, purchased Nihon Doga Animation to fund and establish itself as the “Disney of the Orient.” It was common for movie companies to monopolise the entire production process, filming, distribution, and screening.
- It was a programme-picture style business that produced anime movies based on popular children's manga theatrical versions of TV anime shows.

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Number of Japanese movies, foreign movies, and Japanese anime movies and box office revenue

Classification	Source: Motion Picture Producers Association of Japan, Inc.	1958	1959	1960	1961	1962	1963
No. of movies released	No. of foreign movies released (including foreign anime movies)	168	210	216	229	228	267
	No. of Japanese movies released (non-anime movies)	501	489	546	533	368	354
Unit: film	No. of Japanese anime movies released	3	4	1	2	7	3

Classification	Source: Motion Picture Producers Association of Japan, Inc.	1964	1965	1966	1967	1968	1969
No. of movies released	No. of foreign movies released (including foreign anime movies)	259	264	250	239	249	253
	No. of Japanese movies released (non-anime movies)	333	475	438	401	464	483
Unit: film	No. of Japanese anime movies released	11	12	4	9	10	11

Source: Motion Picture Producers Association of Japan, Inc.

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(2) TV anime shows as the basis for cross-media development

- In 1963, many 30-minute TV anime shows were shown, e.g. Osamu Tezuka's *Tetsuwan Atom (Astro Boy)*, Eiken's *Eight-Man* and *Tetsujin 28-go (Gigantor)* and Toei Animation's *Okami Shonen Ken*
- TV anime shows were produced by independent anime production companies with funding from TV stations and this system became the foundation of the current anime industry structure of cross-media development.
- Character merchandise manufactured by sponsoring companies became popular with children, thus a business model was established where licensing revenues provided additional funding for productions.
- 60% of anime productions are based on popular *manga*, showing the deep relationship between *manga* and anime.

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Number of Japanese animes on TV

	1960	1961	1962	1963	1964
No. of new anime shows started in a given year	1	1	0	8	3
No. of anime shows continuously aired since the previous year	0	0	1	0	8

	1965	1966	1967	1968	1969
No. of new anime shows started in a given year	15	10	17	16	19
No. of anime shows continuously aired since the previous year	6	11	10	14	12

Source: Independent calculation by The Association of Japanese Animations, an intermediary corporation
*In addition to 30-minute serialised anime shows, these numbers include serialised anime shows that are shorter than 30 minutes, non-serialised anime shows, and anime movies that were aired on TV.

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(3) Introduction of VHS and young anime fans called "otaku" during the 70s to 80s.

- In the 70s, the range of anime fans grew from mostly children to middle and high school students, and then to young adults.
- *Uchu Senkan Yamato* was made into a movie in 1977 and earned 2.1 billion yen in revenue, which was the 2nd highest box-office sales. The anime movie *Galaxy Express 999* was No. 1 in box-office sales in 1979, demonstrating outstanding success in a stagnating movie industry. In 1981, *Mobile Suit Gundam* was made into a movie.
- The sales of video recorders and videocassettes in 1976 resulted in a new trend among anime fans, who started recording TV anime shows and collecting anime video cassettes.
- Young anime fans that supported the anime market through TV, movies, and video acquired the nickname "otaku."

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Japanese anime video and DVD shipments and sales (sales + rental) (1983~)

	1983	1984	1985	1986
Anime VHS amount (sales+rental) sold (unit: VHS)	-	-	-	-
Japanese anime VHS sales (sales+rental) sold (unit: million yen)	2,604	5,394	5,105	7,505

	1987	1988	1989	1990
Anime VHS amount (sales+rental) sold (unit: VHS)	-	-	-	-
Anime VHS sales (sales+rental) sold (unit: million yen)	9,620	12,511	22,094	22,425

	1991-2001	1992	1993	1994
Japanese anime VHS amount (sales+rental) sold (unit: VHS)	7,859,615	8,841,455	12,027,557	14,493,014
Japanese anime VHS sales (sales+rental) sold (unit: million yen)	38,864	42,161	49,001	56,099

	1995	1996	1997	1998-2002
Japanese anime VHS amount (sales+rental) sold (unit: VHS)	19,436,254	22,518,812	19,296,679	17,747,261
Japanese anime VHS sales (sales+rental) sold (unit: million yen)	71,568	74,784	67,283	61,640

Source: Research report from the Japan Video Software Association

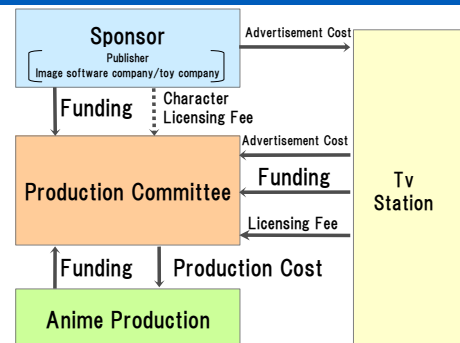
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(4) Anime's utilisation of cross-media, such as games and manga and expansion of the character merchandise market for children in the 90s

- The Nintendo game software *Pocket Monster (Pokémon)* was simultaneously made into a card game, anime, and manga. It became a huge hit in 1997.
- In 1999, *Pocket Monster (Pokémon)* was released in the United States. Since its release, Pokémon earned more than ¥3 trillion in sales worldwide.
- The production committee style of the joint investment by TV stations, manga publishers, image software companies, and toy companies was established as the common anime production system.
- Japan's anime business soon established cross-media development and character business development.

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Organization of production committee



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Transition of anime character merchandise market in Japan (2001-2006)

(100 million yen)	2001	2002	2003	2004	2005	2006
Total sales	16300	16000	17000	16420	16100	16018
Size of anime character merchandise market in Japan	5700	4350	4308	4617	5049	5235

Source: "CharaBiz DATA 2001-2006" published by Character Databank Co., Ltd. Edited Hiromichi Masuda, Human Media Co., Ltd.

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(5) Establishment of global anime fans in the late 90s through the Internet.

- The Internet first exhibited its influence in the growth of anime fans rather than the anime business.
- The growth of the Internet resulted in a drastic expansion of fans all over the world and the emergence of "otaku-like fans" overseas.
- Vocabulary terms such as "otaku," "cosplay," "kawaii," "moe," as well as "manga" and "anime" are recognised around the world and have become part of the global youth culture called "Japan Cool."
- Anime that targets children is also available globally, and now more than 60% of anime on air worldwide is produced in Japan (research by the Korean government). *Pokémon* is broadcast in 68 countries and *Crayon Shin-Chan* is seen in 46 countries.

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- The word "Dragon Ball" became the most searched word on Internet.
- Popularity in Japanese anime led to new problems, such as illegal uploading of anime videos on a community-based website called Fanzine and distribution of plagiarised videos called MAD images on video upload websites such as YouTube.

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(6) How did the Internet and mobile phones change Japanese anime, which aims to become a global business?

- In the late 90s, *Neon Genesis Evangelion* became a mega hit on Japanese TV and further expanded the otaku market with DVD sales.
- In 1997, *Princess Mononoke* by Hayao Miyazaki was number one in box office sales as a Japanese movie. In 2001, *Spirited Away*, also by Hayao Miyazaki, exhibited unprecedented popularity and broke many existing box office records. The movie received worldwide recognition, such as winning an Academy Award in the United States and the Golden Bear Award at the Berlin International Film Festival.

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Japanese anime DVD shipments and sales (sales + rental) (1998 – 2007)

	1998	1999	2000	2001	2002
DVD amount sold (unit: DVD)	259,579	2,234,462	6,443,666	9,684,386	14,172,917
DVD sales sold (unit: million yen)	1,258	10,406	30,274	44,871	59,602
	2003	2004	2005	2006	2007
DVD amount sold (unit: DVD)	13,323,683	14,038,808	21,321,500	21,455,202	20,524,344
DVD sales sold (unit: million yen)	64,089	60,704	91,382	93,687	89,012

Source: Research report from the Japan Video Software Association

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Top 10 box office sales for anime movies and Top 10 DVD sales

Rank	Title	Box office revenue (100 million yen)	Released year
1	<i>Howl no Ugoku Shiro (Howl's Moving Castle)</i>	169	2005
2	<i>Pokémon: Advance Generation ~ / other</i>	45	2003
3	<i>Pokémon: Advance Generation Rekku no Houmonsha (Destiny Deoxys) / other</i>	44	2004
4	<i>Pokémon the Movie Advance Generation Mew to Hado no Yuusha Lucario (Lucario and the Mystery of Mew)</i>	43	2005
5	<i>Meitantei Conan (Detective Conan): Meikyu no Jujiro (Case Closed: Crossroad in the Ancient Capital)</i>	32	2003
6	<i>Doraemon: Nobita no Wannyan Jiku-Den (Nobita's Wannyan Space-Time Odyssey) / other</i>	30	2004
7	<i>Meitantei Conan (Detective Conan): Gin-yoku no Kijutsushi (Case Closed: Magician of Silver Sky)</i>	28	2004
8	<i>Doraemon: Nobita no Fushigi Kaze Tsukai (Nobita and the Wind Wizard)</i>	25	2003
9	<i>Meitantei Conan (Detective Conan): Suihisen-jo no Inbo (Case Closed: Strategy Above the Depths)</i>	22	2005
10	<i>One Piece the Movie: Dead-end no Boken (Dead End Adventure)</i>	20	2003

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DVD (source: ORICON almanac/2003-2005)

Rank	Title	Number of DVDs sold	Released year (fiscal year)
1	<i>Sen to Chihiro no Kamikakushi (Spirited Away)</i>	2,174,481	2002/2003
2	<i>Kaze no Tani no Nausicaa (Nausicaa Valley of the Wind)</i>	454,617	2004
3	<i>Tenku no Shiro Laputa (LAPUTA: Castle in the Sky)</i>	436,773	2002/2003/2004
4	<i>Neko no Ongaeshi (The Cat Returns) / Ghiblies Episode 2</i>	221,820	2003
5	<i>Tonari no Totoro (My Neighbor Totoro)</i>	192,114	2003/2004
6	<i>Mononoke Hime (Princess Mononoke)</i>	160,170	2002
7	<i>Innocence Standard Edition</i>	136,770	2004
8	<i>Kido Senshi Gundam SEED 13 (Mobile Suit Gundam SEED 13)</i>	86,128	2004
9	<i>Kido Senshi Gundam SEED 1 (Mobile Suit Gundam SEED 1)</i>	71,081	2003
10	<i>Hagane no Renkinjutsushi vol. 1 (Fullmetal Alchemist vol. 1)</i>	64,992	2004

- Since 2000, the anime business productions have been made through risk-shared investments to production committees. The anime industry, as an investment target with revenues from multiple media, began receiving investments from external channels, such as specific work funds, while overseas investments began to flow in.
- The size of the current anime market in Japan is approximately 250 billion yen, but the sales share from anime distribution through the Internet and mobile phones still remains low. Additional income of anime producers includes about 18 billion yen from character licensing fees and about 20 billion yen from overseas sales revenue.

Breakdown of the domestic market for Japanese anime

(100 million yen)	2004 -2005	2005 - 2006
Sales of anime video software	971	1,267
Advertisement revenue from TV anime shows	800	979
Anime video distribution	26	46
Box office revenue of Japanese anime movie (within top 20)	274	226
Total	2,071	2,518

- Image distribution providers refer to online distribution of anime in Japan as killer content, and there are many distribution websites. The largest distribution website is the Bandai Channel, and anime production companies such as Toei Animation and TMS Entertainment carry out their own distribution businesses.
- mobile phone-based anime distribution website Marugoto Anime developed a unique method by obtaining distribution licenses from many TV anime shows.

Internet/mobile phone-related revenue in the member companies of the Association of Japanese Animations (2002 – 2006)

	Unit: million yen
2002	613
2003	647
2004	1,003
2005	1,343
2006	2,306

Source: Independent calculation of Association of Japanese Animations, an intermediary corporation

- Makoto Shinkai 's *Hoshinokoe (Voices of a Distant Star)* 2002, attracted the attention of Internet users and was made into DVD and established a new business style for a new indie production and sales method.
- *Kaeru Otoko Shokai*, which was produced in rural Japan using Flash animation was shown on TV and the big screen in 2006.
- In the same year, another Flash anime titled *Yawaraka Sensha* was released by Livedoor Net Anime and gained popularity on the Internet and became widely popular as character merchandise sales as well.
- The wave of using new media spread to anime made by major companies such as Kadokawa Group. The success of *Suzumiya Haruhi no Yuutsu (The Melancholy of Haruhi Suzumiya)* was due to the broadcast on a small TV station and online PR.