

FINEST SOUNDS GUIDEBOOK OF JAPAN

ROADMAP

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1.1 Introduction to the market

Japan is still the second biggest music market in the world (US\$2.7 billion in trade value in 2018). 79% of recorded music sales are physical and 21% are digital. The market share of physical music sales in relation to all sales is the largest in the world. Of the digital sales, streaming counts for 54% followed by downloading 40%. The streaming revenue made over 50% for the first time in 2018. (RIAJ Yearbook 2019)

In 2018, the production value of physical and digital music sales increased 4% to US\$2.7 billion according to a RIAJ (Recording Industry Association of Japan) 2019 report. The increase of the sales value was for the first time in 3 years. The value of vinyl production

increased by 5% in 2018, and the total number of units sold remains small (1,116,000 units).

Arguably, one of the main reasons Japan still retains a relatively strong (physical) recorded music market is the fact that the loyal fans of top idol groups buy physical packages not only to enjoy their music but also to collect non-music attractions that are also contained in the packages. One notable non-music attraction is the ticket for fan meetings. With this ticket fans can enter fan meetings and shake hands of their favorite idols. As such loyal fans end up purchasing dozens of the same CD packages so that they can meet up with their idols over and over. Inclusion of such tickets in CD packages also keeps the per-unit price higher. Thus the high sales volume of physical packages.

When looking at 2018, Japanese domestic music accounted for 88% of all music sales compared to 12% for international artists. Because of the lyric-driven trend, it can be challenging for the songs written in different languages to connect with Japanese fans. Having said that, co-writes of non-Japanese composers with Japanese lyricists should have more opportunities.

- POPULATION (April, 2019): 126,230,000
- 13,857,443 live in Tokyo, Japan's capitol city.
- While Japanese population is decreasing, Tokyo population is increasing.
- GDP: US\$39,300 per capita (2018)

1.2 Record Labels, Licensing and Distribution

Although Japan's market for recorded music has been shrinking there still are many record labels and distributors actively looking for new artists and music from all over the world. While some labels want to get both physical and digital licenses, some others only want to get physical licenses.

While many larger labels decided to seize or slow down their international repertoire licensing/distribution, smaller labels are still active in introducing international repertoire to Japanese music fans. Listed below are the labels that are active in marketing international

repertoire.

- And Records (indie rock & pop)
- Avex Classics International (classical)
- Avex Entertainment (J-pop, Dance etc)
- BANDAI NAMCO Arts (ex-Lantis) (top anisong label)
- Beatink (indie, electronic, etc)
- Bridge (various)
- Bushiroad (game orientated)
- Calentito Music Distribution (various)
- Crown Tokuma Music Distribution (various)
- Crypton Future Media (DTM, Vocaloid)
- Daiki Sound (various)
- Disk Union / DIW (various)
- Dreamusic (various)
- Farm Records (various)
- Flau (alternative)
- Friend Of Mine Records (various)
- Grand Gallery (various)
- Hats Unlimited (classical)
- Hostess Entertainment (alternative, pop, rock)
- Howling Bull (rock)
- Inpartmaint (indie, underground)
- Japan Publications Trading (various)
- King International (various)
- King Records (various)
- Konami Digital Entertainment (game orientated)
- KSR (various)
- LD&K (various)
- Linus Records (various)
- Marquee / Avalon (hard rock)
- Miracle Bus (various)
- Mooreworks (alternative etc)
- Naxos Japan (classical, jazz)
- NBC Universal Entertainment Japan (J-pop, J-rock)
- Nippon Columbia (various)

- Pony Canyon (various)
- P-vine Records (jazz, blues, latin, funk, etc)
- Rallye (indie pop & rock)
- Rambling Records (film soundtrack, lounge, alternative, dance)
- Ratspack Records (various)
- Rimeout Recordings (indie pop & rock)
- Sign-pole Records (various)
- Sony Music Labels (various)
- Space Shower Entertainment (various)
- Spinning Records (heavy metal, rock, EDM)
- Spiritual Beast (heavy metal)
- Teichiku Entertainment / Imperial Records (enka, kayokyoku, etc)
- Thistime Records (various)
- Tower Records (various)
- Toy's Factory (various)
- Trooper Entertainment (heavy metal)
- T-TOC RECORDS (various)
- Tugboat Records (indie)
- Ultra-Vybe (various)
- Universal Music (various)
- Victor Entertainment (various)
- Village Again Association (various)
- Ward Records (heavy metal, jazz, latin, rock, pop)
- Warner Music Japan (various)
- Wave Master / Bullion (rock, punk)
- Wowow Entertainment (rock)
- Yamaha Music Communications (various)
- Yoshimoto Music (Ex- Yoshimoto R&C) (various)

1.3 Music Publishing

Japan's major music publishing companies are mostly owned or partly owned by media companies (e.g. TV networks, radio stations, newspaper publishers, film and TV production

companies), as well as major marketing agencies, artist management companies, and record companies.

Almost all the publishing companies and the broadcasting media companies have umbrella agreements with JASRAC (the Japanese Society for Rights of Authors, Composers and Publishers), the collective management organization administering music copyrights and collection of royalties in Japan.

Japanese sub-publishers are usually essential for the repatriation of income when publishing recordings in Japan through licensing deals. The music publishers listed below are the ones that have their own international department.

- Amuse
- Avex Music Publishing
- Bad News Music Publishing
- Burning Publishers
- Dentsu Music and Entertainment
- Dreamusic
- Downtown Music Publishing
- EMI Music Publishing
- Fujipacific Music
- Hip Land Music
- Japan Central Music
- J-Wave Music
- Lastrum Music Entertainment
- Lauria Enterprise
- Miracle Bus
- Mr. Music
- Nichion
- Nippon Television Music (NTV Music)
- Seven Seas Music
- Shinko Music Entertainment
- Sony Music Artists
- Sony Music Publishing Japan
- Sunrise Music Publishing
- Taiyo Music

- Teichiku Music
- Toy's Factory Music
- TV Asahi Music
- TV Tokyo Music
- United Future Creators
- Universal Music Publishing
- Victor Music Arts
- Warner/Chappell Music Japan
- Watanabe Music Publishing
- Yamaha Music Publishing
- Zen-On Music

1.4 Retail

Being the world leader in physical sales, Japan still has a large number of music retail chains and stores. Despite online retail sites such as Amazon and sites run by major retail chains (e.g. Tower Records, HMV, Tsutaya), physical retail stores remain popular for purchasing music and related merchandise.

In-store promotion sponsored by record labels is a useful promotional tool in Japan. Radio promotions tend to be less effective as most people commute by public transportation, rather than listen to the radio in their cars.

In most music stores, customers have the option to listen to entire albums before purchasing, while in-store events with artists signings, live performances and talks are also common. Music store staff are generally well informed about their field, which contributes to a healthy retail culture.

- Big Love Records
- Bonjour Records
- Disk Union
- Flake Records
- HMV

- Lighthouse Records
- Pastel Records
- Recofan
- Shinjuku Records
- Shinseido
- Spiral Records
- Tower Records
- Tsutaya
- Yamano Music

1.5 Digital

In 2018, the value of digital music sales increased 13% to US\$581 million, which marked the year-on-year increase for 5 years in a row.

Digital music sales in Japan included large volumes of ringtone downloads directly to mobile phone and thus downloading was the mainstream and streaming services were not. However, in 2018, streaming counted 54% of digital distribution, while download only counted 40%, and for the first time ever streaming sales volume overweighed download sales volume.

No streaming services in Japan officially announce the number of its paid subscribers, but it is widely believed that the services below are listed in the order of subscriber volumes.

1. Apple Music
2. Amazon Prime
3. Line Music (owned by Asia's largest SNS message app company Line along with Universal Music, Sony Music and Avex)
4. Spotify
5. AWA (owned by blogging company Cyber Agent along with Avex Digital)
6. Google Play Music

Deezer launched in Japan only last year and still in its early stage to gain subscribers.

Other streaming services such as Pandora and Tidal are not available in Japan. There are a few other Japan domestic platforms available, such as Ototoy, Mora, Recochoku, and E-Onkyo. Sony Music is launching another hi-def streaming service called Qualitus.

Japan seems to be a few years behind other major territories as far as digitalization is concerned, but Japanese music industry is definitely starting to realize that digitalization is the future and is also the best tool to export Japanese music to overseas markets.

1.6 Concert Promoters

There are over 70 promoters and booking agencies in Japan, as well as venue-based bookings such as Billboard Live (Tokyo and Osaka), Club Citta and Blue Note Japan.

Major Promoters and booking agencies for International Artists include:

- Billboard Japan
- Blue Note Japan
- Club Citta
- Cotton Club
- Creativeman Production
- H.I.P. (Hayashi International Promotion)
- Kyodo Tokyo International
- Live Nation Japan
- Min-On Concert Association
- NHK Enterprise
- Office Ohsawa
- Plankton
- Seven God Production
- Smash Corporation
- The Music Plant
- UDO Artists
- Yellow Forest

1.7 Management and PR

Artist management companies in Japan tend to discover and develop artists rather than to sign them when they are already established. They mostly handle everything from artist management to PR for the artist, as well as overseeing their label work.

It is rare for an international artist to sign with Japanese management, mostly due to the language differences and the long travelling distance. If that happens, however, the artist would be categorized as a “domestic artist” and required to create music according to what the label and the management see as suitable for the Japanese market.

Hiring independent PR is rare. Almost all labels and management companies in Japan handle PR in-house, except for a small number of indie labels and management companies.

1.8 Media, print and online

There are few music programs on national TV, and most networks prefer to show domestic or globally known artists.

Most music programs and channels are available on-demand with satellite TV, cable and online. MTV, Space Shower TV and other music channels play international music. However, K-pop remains more popular than other international genres. Most international music performances and music videos are available through the same networks.

There are 6 public TV networks in Japan:

- NHK (Japanese Broadcasting Corporation)
- NNN (Nippon News Network) & NNS (Nippon Television Network Systems)

- JNN (Japan News Network)
- FNN (Fuji News Networks) & FNS (Fuji Network Systems)
- ANN (All-Nippon News Networks)
- TXN (TV Tokyo Network / TX Network)

Satellite and cable TV that feature international artists include:

- Music Air
- Music On! TV
- MTV Japan
- Space Shower TV

FM radio stations in Japan are not specialized in any specific genre of music and are considered to be “all-genres” including “talk.” AM stations in Japan tend to be all talk and/or infomercial.

The FM stations still host signature radio programs with specific music profiles. A morning show on one radio station may feature all J-pop music, an afternoon show on the same station may feature all international rock and pop, and a Sunday morning show may feature all Hawaiian music, e.g.

For radio promotion, it is essential to get a song chosen for “heavy rotation.” Since all public radio stations are connected through umbrella networks, most stations tend to play similar music and choose the same song for their power play. However, the importance of radio as a promotional platform has decreased during recent years due to the popularity of YouTube, Tik Tok and other digital platforms. There is also an increased focus on talk shows rather than music shows.

FM stations known to be international music orientated include;

- Alfa station
- Bay FM
- FM Fuji
- FM NACK5

- FM Port
- FM Yokohama
- J-Wave

Many Japanese print publications have been discontinued or converted into online-only magazines over the past decade.

Those online magazines specialized in music and entertainment mainly feature artist interviews and reviews, as well as gossip. Most subscribers and viewers are music fans since several magazines require special apps and the commitment of monthly subscriptions. As elsewhere, light users often prefer social networking sites and social media with free and easy access.

The music oriented online services include;

- Barks (the biggest music news website in Japanese) <https://www.barks.jp/>
- Burrn! <https://burrn.online/>
- GekiRock <https://gekirock.com/>
- InRock <http://www.inrock.co.jp/>
- Latina <http://www.latina.co.jp/>
- Musicman (music business website) <http://www.musicman-net.com/>
- Natalie <https://natalie.mu/>
- NME Japan <https://nme-jp.com/>
- Ototoy <https://ototoy.jp/top/>
- Player <http://www.player.jp/index.html>
- Qetic <https://qetic.jp/>
- Record Collectors <http://musicmagazine.jp/rc/>
- Rockin' On <https://rockinon.com/>
- Strange Days <http://www.strange-ds.com/>
- Young Guitar <https://youngguitar.jp/web>

Regarding Social Media Services in February 2019, LINE remains the most popular communication tool in Japan, with 78 million users of all age groups and all genders, followed by Twitter with 45 million users (mainly 20's). The list goes on with Instagram with

29 million users, Facebook with 28 million users, and TikTok with 10 million users. TikTok came into the scene only a couple of years ago and is already the favorite of teenagers in Japan. It is basically a platform for short (15 second) version of YouTube UGCs. Teenagers love to video-shoot themselves dancing and playing along with their favorite songs and upload to TikTok.

YouTube may not be considered as a social media but is definitely the most influential promotion channel for music in Japan, with 62 million active views. While the value gap issue makes YouTube unfriendly to the music industry, they remain heavily relying upon YouTube's accessibility to the target market.

1.9 Music Industry Organizations

Another organization for indie labels called IMCJ was newly founded in 2018. PROMIC, who sponsors annual event TIMM, changed its name to JMCE in early 2019.

- ACPC (All Japan Concert & Live Entertainment Promoters Conference)
- FMPJ (The Federation of Music Producers Japan)
- ILCJ (Independent Label Council of Japan)
- IMCJ (Independent Music Coalition Japan)
- IRMA (Independent Records and Musicians Association)
- JAME (Japan Association of Music Enterprises)
- JASRAC (Japanese Society for Rights of Authors, Composers and Publishers)
- JMCE (Japan Music Culture Export)
- JNCA (Japan Net Creators Association)
- MPAJ (Music Publishers Association of Japan)
- MPN (Music People's Nest)
- RIAJ (Recording Industry Association of Japan)

1.10 Industry Networking Events

- Content Tokyo <https://www.content-tokyo.jp/ja-ip.html>
- Hokuo Music Fest
- No Maps <https://no-maps.jp/>
- Slush Tokyo <https://tokyo.slush.org/>
- TIMM (Tokyo International Music Market) <https://www.timm.go.jp/jp/>

1.11 Sources

RIAJ Yearbook 2019

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<extension://oemmndcblldboiebfnladdacbfmadadm/https://www.riaj.or.jp/f/pdf/issue/industry/RIAJ2019.pdf#page=1>

We Love Social

<https://blog.comnico.jp/we-love-social/sns-users>

Social Media Lab

<https://gaiax-socialmedialab.jp/post-30833/>

1.12 Update to the Roadmap at May 19, 2019

The biggest phenomenon that happened in Japan's music scene in 2019 was the retirement of Namie Amuro. She started her singing career at the age of 15, and only 25 years later she decided to completely retire from the show business. Her last album "Finally" (3CD+DVD package, Yen4,300) has sold some 2.5 million packages, and the DVD to include her final live stages has sold some 2 million copies. On top of these music products, her merchandising and cosmetic lines she was collaborating were also top

sellers, and over all the economic effect of her retirement was reportedly 50 billion Yen. Through her career, Namie Amuro was considered not only as a diva, but also a fashion/trend leader, and in some cases she was social phenomenon herself.

Namie Amuro was also the kind of singer who does not write own songs. Many songwriters of course tried to place their demos with her, including songwriters from overseas. So her retirement means one less outlet (very nice outlet) for non-Japanese songwriters.

Coincidentally, Arashi, the top selling boys' idol group from Jonny's Company, announced their retirement at the end of 2020. Arashi, although they remain active until the end of next year, is another group that doesn't write songs for themselves. Their retirement will also reduce the placement opportunities for non-Japanese songwriters.

With the huge success of Namie Amuro's "Finally" album, however, the sales value of physical music packages in 2018 was about 158 billion Yen that was 9% decrease from the previous year. (With her tour DVD "Finally" the sales volume of music video products in 2018 was 83 billion Yen that was 42% increase from the previous year.) Japan has been known to be the last market for physical sales but CD seems to sell less and less every year. The good selling CDs are by Japanese artists anyway and it was not a big issue for international artists. There were still chances for non-Japanese songwriters for placing their songs with top selling artists such as Namie Amuro and Arashi but such opportunities are shrinking now. There seem to be only negative news for non-Japanese repertoire for the time being, but the digitalization of music entertainment, which is starting to occur now, probably a few years behind other countries, should bring a great opportunity for non-Japanese repertoire.

For years, CDs are considered as one of artists' merchandising, not necessarily to enjoy music but rather to enjoy being loyal fans of favorite artists. That is why only a few selected artists, with big loyal fan base, could sell CDs. In other words, international artists, indie artists, or newcomers could not sell CDs as their fan base are not strong. Now with the digitalization of music scene, where even the light fans and pure music lovers could find and enjoy their favorite music for reasonable price, the game plan would be totally changed. Japanese music fans will have better and broader opportunities to be introduced to new music, whether Japanese or non-Japanese. The artists and songs that had very limited access to Japanese music market should have quicker and more direct access to

the potential fans in Japan.

The music industries outside of Japan should consider approaching not only the Japanese music industry but also Japanese music fans directly. For international artists and repertoire, the available outlets are not only licensing deals with record labels and sub-publishing deals with music publishers. There are more opportunities outside of music industry, i.e. synchs with anime and games, endorsements, bespoke music, tie-in with brands from your own countries, and many of them can be taken care of from your home. The key is the network of people and information. And your core fans in Japan can be the first guiding lights to escort you.