

New Cool Japan Strategy [Outline]

Entering a new phase

Popularity of Japanese Content in the world has become full-fledged

- Overseas expansion is 4.7 trillion yen (more than tripled in 10 years) (In recent years, animation and live-action [movies and dramas] have become major hits)

Expansion and deepening of Japan fans

- Inbound tourism recovered from the COVID-19 pandemic to 25 million visitors (Repeat visitors will exceed 20 million [2019]) → Repeat visitors tend to expect high-experience value
- Inbound tourist spent 5.3 trillion yen (record high)

Popularity of Japanese food in the world has become generalized

- Food is the biggest motivation for visiting Japan. (High level of satisfaction)
- Value-added experience of Japanese food culture itself is important

Growing importance of Japan's Soft power in the current international political and economic climate, and increasing risk of dependence on certain countries and regions

Challenges

PDCA cycles

- No target set for Cool Japan overall and content sector
- Lack of data

Structure to support Cool Japan

- Lack of intelligence function on consumption and market information, etc.

Business models

- Content sector focused on the domestic market
- Weak response to DX

Human resources for Cool Japan

- Insufficient environment for creators
- Lack of business producers

Rebooting Cool Japan Strategy

Establish a virtuous cycle for reinvestment

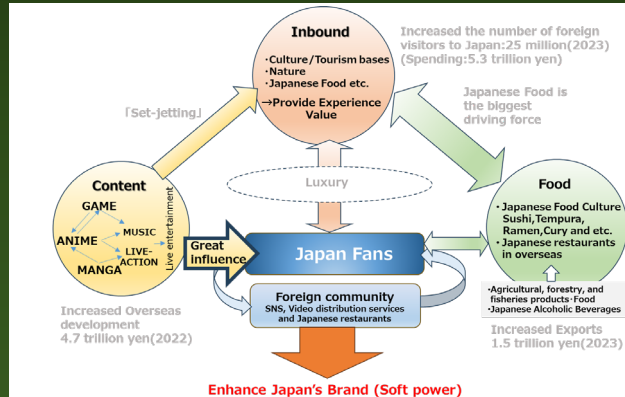
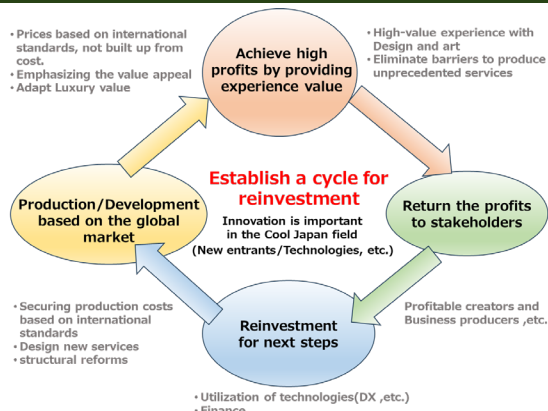
- Create a reinvestment cycle with profits earned/returned to stakeholders by providing rare experience value.
- Based on the premise of overseas markets, build a cycle in which profits are appropriately returned to creators and leading to reinvestment

Expanding Japan fans through a virtuous circle among sectors

- Expand the foreign community of Japan fans by leveraging the ripple effect of content
- Enhance brand value to make Japan an indispensable part of the international community

Growing with the players

- Improvement of environment for creators' activities
- Fostering business producers
- Promotion of new entrants such as startups



- Returning profits to the players leads to attract human resources and promoting new entrants.
- Aim for a spiral expansion of Japan fans through a large increase in the number of foreign players abroad

Basic directions

PDCA cycle with data-driven approach

(Goals: (1) Expand overseas development of content, inbound tourism, food, beauty, etc. to 50 trillion yen [by 2033], (2) Increase favorability by 10%)
 <Reference> Approx. 19 trillion yen (2023 [2022 for overseas development of some content, etc.])

Enhance international competitiveness as a key industry

Pursue high profits by competing on experience value

Intelligence Enhancements

Expand field collaboration and strengthen dissemination

Content

Current situation and challenges

- Overseas expansion reached a record high of 4.7 trillion yen (in 2022).
→ It is comparable in scale to the exports of the steel industry, nearly as large as the exports of the semiconductor industry.
- It is important to secure production costs and profits that can compete internationally, return profits to creators and ensure an environment for autonomous activities, and secure business human resources for overseas expansion.

Games (2.8 trillion yen)

Developing human resources capable of handling new IP, XR and 3D is important

Animation (1.5 trillion yen)

Lack of funds and human resources. Important to nurture creators, strengthen negotiating power and support business development

Manga/Publishing (0.3 trillion yen)

Mainly paper-based for overseas development. Marketization through anti-piracy measures and digital distribution is an issue

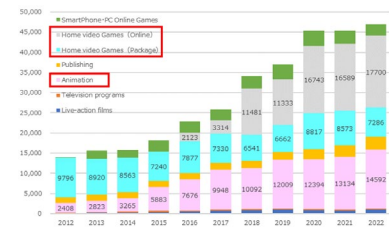
Live-action (0.1 trillion yen)

Production environment, accounting and labor environment, and human resource development on an international level are important

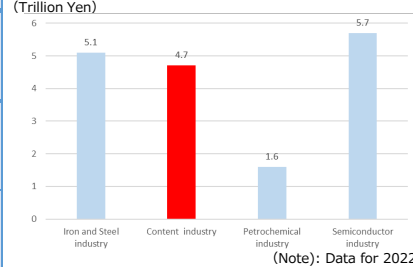
Music/live entertainment (numbers unknown)

Structural change in line with digital is important, overseas expansion of live entertainment, data development

Overseas expansion of the Japanese content industry



Comparison of the scale of Japanese industry's exports and others



Future initiatives

PDCA cycle with the content industry as a key industry

Target for overseas expansion of the content industry: 20 trillion yen (by 2033); improve data necessary to check progress

Enhance business development capabilities overseas

Support for promotion and localization, strengthening of intelligence functions, promotion of location incentives, and development of bases*
*National Center for Media Arts, etc.

Structural reforms to accommodate the latest digital business

Support for digitalization and DX, structural reforms to accommodate digital business models, and appropriate compensation returns

Strengthen human resources to support the content industry

Unearth and support the activities of outstanding individual creators, optimize transactions in content production, and develop content human resources

Strengthen measures against piracy through public-private partnerships

Enhancement of efforts to address serious piracy damage, particularly in foreign markets, strengthen outreach abroad (e.g., dispatch of public-private missions)

Strengthen public-private partnerships

Review and share the progress status, discuss future policies, and visualize and list the menu of measures through the establishment of a public-private consultation council

Cross-cutting initiatives (inbound tourism, food, luxury, etc.)

Current situation and challenges

- Inbound tourism recovered steadily from COVID-19. Foreign travel spending to Japan: 5.3 trillion yen (record high).
It is important to take overtourism measures according to the quality of DX and experiential value and the actual conditions of each region.
- Exports of agricultural, forestry, and fishery products: 1.5 trillion yen (2023: record high).
- Import restrictions are a problem in some areas. Diplomatic efforts and diversification are important.
- As the number of repeat customers increases, various experiential value-added and high value-added by strengthening luxury and innovation are important.

Future initiatives

Promote value-added experiences and high value-added services

- Support for the development of high value-added experience-based services in local communities, etc., and a mechanism for earning revenue at international-level prices

Develop new and expand markets by appealing value

- Appealing to and disseminating values such as sustainability and health consciousness

Strengthen design and art functions*

- Attract international art fairs and auctions to Japan
*Improve the quality of customer experience and enhance the value of content discontinuity

Strengthen innovation/talent development

- Utilize technology, support new entrants/startups
- Strengthen human resource development in business design, guide, DX, etc.

Address international political and economic risks

- Diversification through the development of new export areas and high value-added products

Strengthen the ability to disseminate information overseas in order to increase the number of Japan fans

- Fixed-point observation of Japan fans
- Disseminate information through "top sales" and at Expo 2025 Osaka, Kansai, Japan