



The Japanese Art Market 2024

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Foreword

The Japanese Art Market 2024 is published as part of the “FY2024 Art Ecosystem Infrastructure Development Promotion Project,” commissioned by the Agency for Cultural Affairs to enhance understanding of Japan’s art market and to visualize its potential. The report was prepared in collaboration with Dr. Clare McAndrew, a cultural economist and founder of Arts Economics.

The report provides an estimate of the Japanese art market by combining data from the dealer and auction sectors in Japan. Data on dealers is from a survey of sales data from 2023 collected from domestic art dealers and auction houses as part of the FY2023 Agency for Cultural Affairs’ commissioned Art Market Research Project with national economic statistics. These include National Accounts (GDP data), Economic Census activity surveys, and the Agency for Cultural Affairs’ Cultural Administration Research and Study (Cultural GDP).

Key Findings

Global and Regional Context

- The Japanese art market reached an estimated \$681 million in sales in 2023, a 10% decline year-on-year from 2022. The market has grown 11% since 2019, outperforming the global market's modest 1% growth.
- Japan ranked as Asia's second-largest art market in 2023, holding a 5% share by value, behind China's dominant 80%.

Dealers and Galleries

- Dealers and galleries generated 68% of total sales (\$460 million), playing a vital role in fostering connections between artists and collectors.
- The market includes over 2,060 dealers and galleries, most located in Tokyo (59%) and the Kanto region (66%).
- According to surveys of the sector in 2023, 63% of dealers and galleries operate some or all of their sales in the primary market, supporting the careers of living artists in Japan.
- Dealers represented an average of 27 artists in 2023, up from 20 in 2022.
- While aggregated dealer sales dropped 9% year-on-year in 2023, smaller dealers with annual turnover under \$500,000 showed growth.

Auction Market

- Auction sales in Japan reached \$221 million in 2023 and remained highly accessible, with 91% of lots sold for prices under \$10,000.
- Japanese artists like Yayoi Kusama continue to achieve significant recognition and premium prices internationally, demonstrating global appreciation of Japanese art.

The Art Market's Economic Impact

- The art market supports over 78,000 jobs across the ecosystem, contributing to Japan's cultural and economic vitality.
- Ancillary spending by the art trade reached \$136 million in 2023, generating a positive contribution to supporting highly skilled professional services employment in Japan.
- Japan's position as a major art importer, with \$457 million worth of art imported in 2023, strengthens its connection to global art hubs like the US and France.

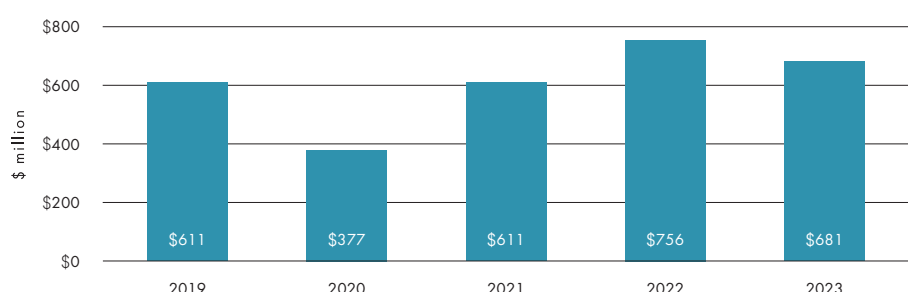
1. The Japanese Art Market

The Japanese art market was estimated to have reached \$681 million in sales in 2023. These estimates include sales of art and antiques carried out by dealers, galleries, and auction houses within Japan. They represent only part of the very significant value added of the Japanese visual arts ecosystem, which also includes a large and growing network of artists, cultural institutions and related ancillary businesses and events.

The value of the art market in Japan fell by 10% year-on-year from a high of \$756 million in 2022, paralleling the global trend of declining sales, with the international art market's value also down 4% (from \$67.8 billion to \$65.0 billion).¹ The COVID-19 pandemic created an exceptionally difficult operating context for the art trade, with restrictions on operations, travel, exhibitions, and events all contributing to a contraction in sales globally of 22% in 2020 to its lowest point since the global financial crisis in 2009. Sales in Japan fell by an even greater 38% in 2020 to \$377 million, with double-digit declines in both the auction and dealer sectors. However, like the global market, values bounced back quickly in 2021, with an even stronger uplift in Japan of 62% to \$611 million, surpassing pre-pandemic values achieved in 2019. This momentum continued in 2022 with a further uplift of almost 24%, however, growth faltered in 2023 as both auction values and reported sales by dealers declined.

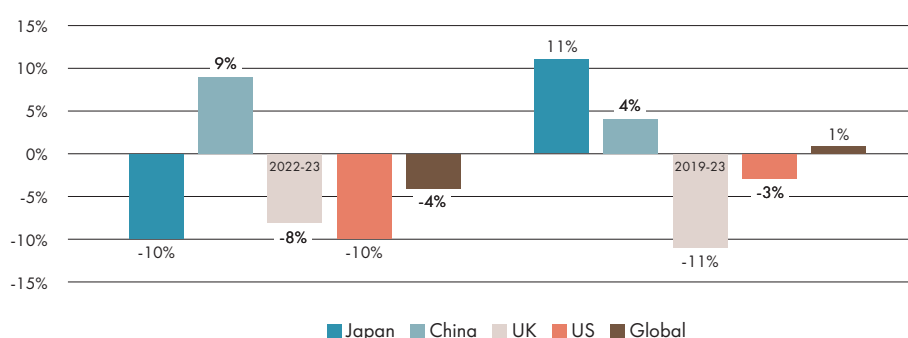
Despite this slowdown in 2023, considering the period from 2019 before the COVID-19 crisis disrupted the market, sales in Japan have increased 11%, against a more moderate global rise of just 1%, and significantly more than major markets such as the US and UK.

Figure 1. Aggregate Sales in the Japanese Art Market



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Figure 2. Change in Sales in Japan versus Global and Major Art Markets



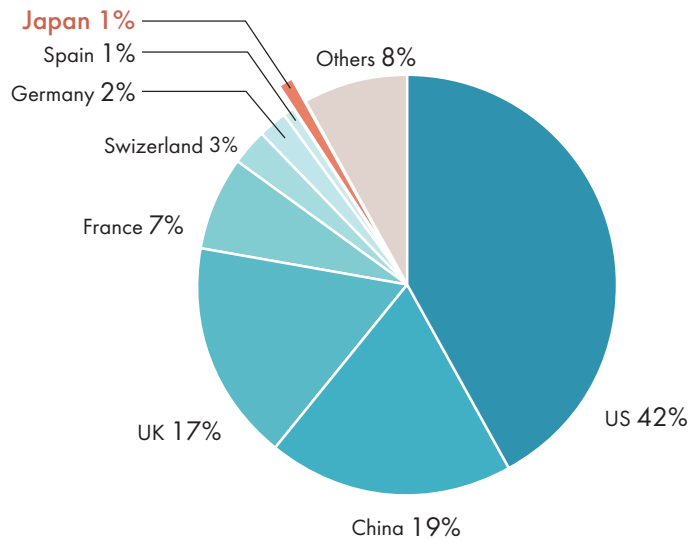
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¹ Global figures for the art market here and throughout the report are from Arts Economics (2024) *The Art Basel and UBS Art Market Report 2024*, available at theartmarket.artbasel.com.

Although Japan’s sales increased more than some of the larger markets, the largest global trade hubs still dominate the international art market, with the US, China and the UK retaining a 77% share by value in 2023. The Japanese market accounted for just 1% of global sales, with this share changing only marginally over the previous five years.

China (including Mainland China and Hong Kong) was the second largest market globally in 2023 with a share of 19% by value, and by far the largest market in Asia. China dominates the art market in Asia, and although definitions of the region vary, it accounted for in excess of 80% of the trade by value, with Japan the second largest market with a share of around 5%.

Figure 3. Global Art Market Share by Value in 2023



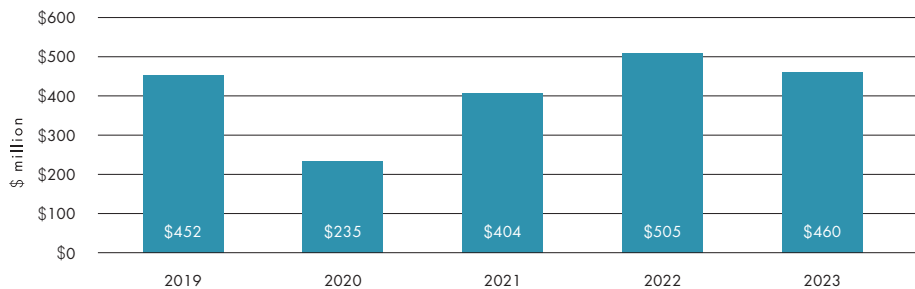
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The figures above include sales of the two main segments of the art market covered in this analysis: dealers/galleries and auction houses. They exclude sales made directly by artists and other agencies, department stores, and other companies and platforms, which make up a considerable segment of value in excess of those cited above.

2. Dealers and Galleries in Japan

In 2023, just over two thirds (68%) of the sales in the Japanese art market by value were made through galleries and dealers, with an estimated aggregate value of just under \$460 million. Sales in the dealer segment fell by 48% during the pandemic in 2020, but recovered very strongly, with two years' growth leading to values more than doubling to a peak of \$505 million. However, growth slowed in the sector again in 2023, and dealers reported that their sales fell 9% year-on-year, although remaining still just above pre-pandemic 2019.

Figure 4. Estimated Sales by Dealers and Galleries in Japan

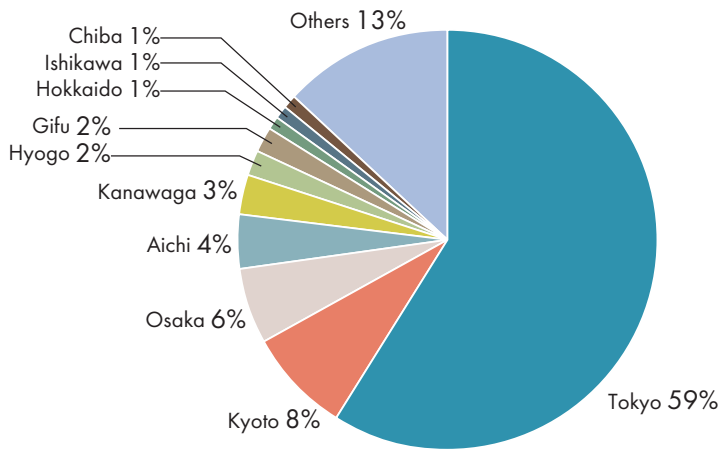


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Structure of the Dealer Market in Japan

In 2023, based on official statistics and other directories, it is estimated that there were just over 2,060 dealers and galleries operating in Japan, including both galleries, stores, and other outlets selling art and antiques. While these businesses are spread throughout the country, the most densely populated area for dealers is Tokyo, with the prefecture accounting for 59% of the total number of businesses, while the Kanto region as a whole accounts for 66%.

Figure 5. Share of the Number of Dealers by Region in Japan



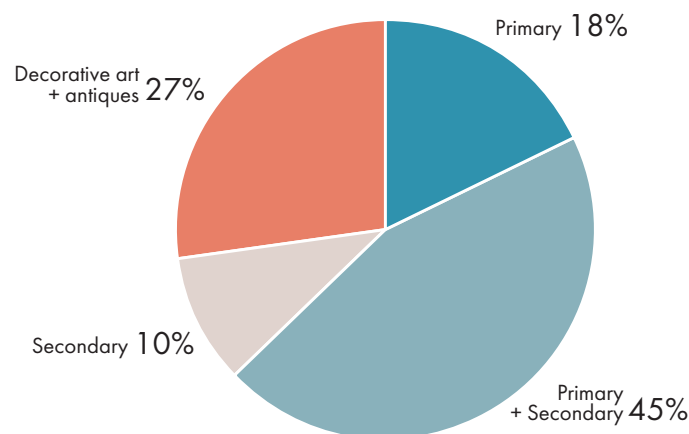
© Arts Economics (2024) with data from the NCAR, Japanese Art Dealers Association, Tokyo Art Beat, and Bijutsutecho

The dealer market globally is made up of primary and secondary market businesses, although the balance of these by number and the structure of their sales varies widely between markets. The primary market is where dealers and galleries sell new works by artists to collectors for the first time, while the secondary market is where these works are subsequently offered for resale usually by dealers, auction houses or other agents. Official statistics are not available for dealer sales by sector, however, surveys of dealers conducted by Arts Economics in 2023 and 2024 with the support of the Agency of Cultural Affairs reveal insights into how sales are structured in the Japanese art market. The dealers surveyed were all based in Japan, with 97% only operating a gallery or galleries in Japan, while 3% also had premises overseas. They were relatively well-established businesses with an average of 40 years in operation and with only 13% of respondents in business for ten years or less. Most respondents (78%) operated from a gallery with a dedicated space for exhibitions, 13% dealt privately from their home or a private office, 4% were online-only businesses, and the remaining 5% were a range of hybrid structures such as artist-run galleries, art clubs and shops.

Among those surveyed in 2023, 18% worked solely in the primary market. The primary market plays a significant role in the development of artists' careers, covering various stages from sales of works by new and emerging artists where prices can be low or variable through to well-established contemporary artists, some of whom have works selling at higher prices. Galleries operating in this segment of the market are often key in establishing the initial sales price for artist's works as well as controlling the supply of works onto the market once prices are established, using gradual increases to help broaden the market for their work. They also often directly support their artists and act as gatekeepers, administrators and promoters, enhancing the longevity of their careers. The share of those working solely in this segment in Japan was around half of the global average (with 38% of dealers surveyed globally operating in the primary market in 2023).

Dealers working exclusively in the secondary market, where works of art are offered for resale, accounted for a 10% share of those surveyed (on par with the global average). A distinctive feature of the art market is the predominance of trade by value in the secondary tier. In the primary marketplace, prices tend to be lower than in the secondary market, as by the time an artist's work reaches the secondary market, the artist's reputation will have been established. Information costs are also lower on the secondary market and buyers are likely to have more and better information concerning the artists and demand for their work, and therefore purchases tend to be less risky. Although making up a lower share of businesses by number, this was evident in Japan with the average annual sales turnover of dealers working only in the secondary market being more than twice that of those in the primary market.

Figure 6. Galleries and Dealers Surveyed in Japan by Market Sector

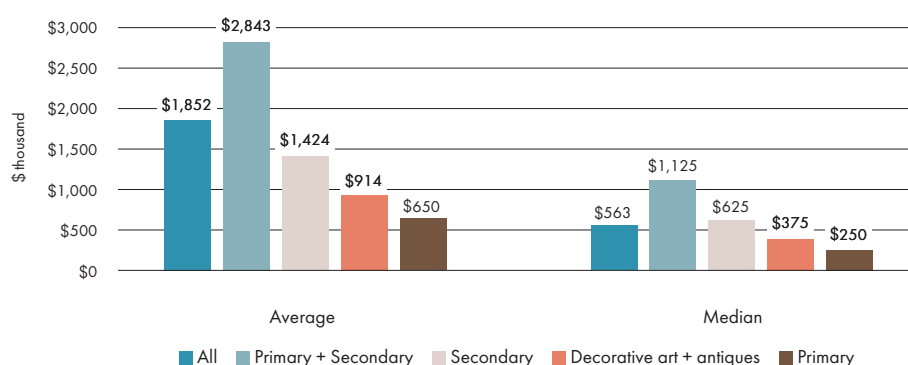


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While some galleries work exclusively in one or the other, many combine primary sales with resales, and a significant 45% of dealers surveyed in Japan operated in both the primary and secondary markets in 2023. This implies that overall a majority of 63% of galleries made at least some of their sales in the primary market supporting living artists' careers in Japan. These dealers had the highest average annual turnover in 2023 at \$2.8 million. While average turnover figures in the sector were influenced by a small number of dealers with very high turnovers, these dealers operating in both markets also had the highest median sales (\$1.1 million, double the average overall).

Around 27% of those surveyed specialised in the decorative arts and antiques sectors, significantly higher than in the global surveys in 2023 (18%). Of those working in these sectors, sales included antiques (33% of the segment's respondents), antiquities and ancient art (32%), decorative art (29%) and other areas such as tea utensils and decorative weapons (6%).

Figure 7. Average and Median Turnover of Surveyed Dealers in Japan

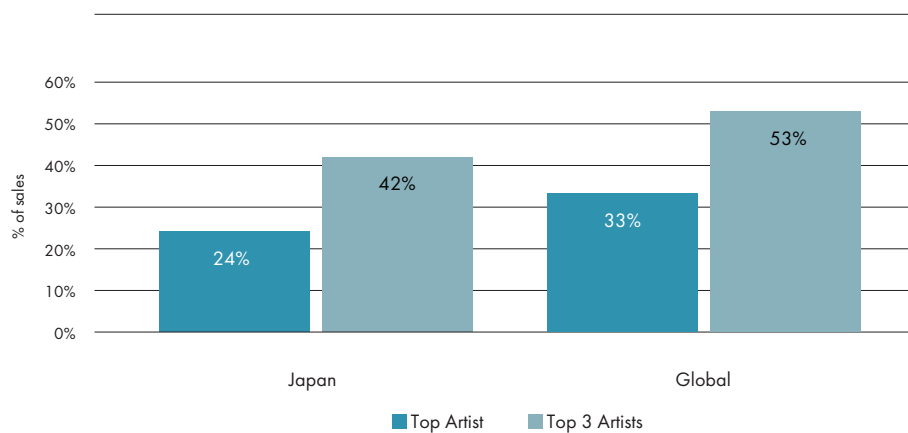


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For the 45% of dealers operating in both markets, the majority of the value of their sales (58%) came from resales on the secondary market, with 42% from primary market transactions. The share of value of sales from primary market transactions has risen over time, however, from 35% in 2022 indicating a possible strengthening in the value of primary market artists for some galleries in Japan.

On average, dealers represented 27 artists in 2023, up from 20 in 2022, which could also account for some of the rise in the share of primary market sales values in 2023. It is often the case that only a relatively small number of artists represented by a dealer are commercially successful, and the profit made through the sales of their work is often invested in the careers of others, as a form of cross-subsidization. Japanese dealers reported that 24% of the sales they made in 2023 were from their top-selling artist (down 2% in share year-on-year) and 42% from their top three artists (relatively stable on 2022 at 41%). This implies that over 40% their revenue comes from around 10% of their artists, while their other artists generate smaller sales but still require significant support, exhibition, production and marketing efforts. While this shows a high level of concentration in sales, it is significantly lower than global averages, with dealers reporting that one third of their sales in 2023 came from their top-selling artist and over half from their top three.

Figure 8. Sales Share of Top-Selling Artists Represented by Dealers



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Studies by Arts Economics on the behaviours and spending patterns of HNWI in Japan have shown that collectors hold a minority of works by female artists in their collections (reported as 40% in 2024 against a global average among surveyed HNWI of 44%).² While many collectors are unbiased in their choices of art works in terms of gender, the available supply of works ultimately influences the works they are able to purchase. This trend to lower female ratios was also reflected in the gender breakdown of artists represented by galleries, with dealers reporting that they represented 35% female artists in 2023 versus 65% male (and against 40% female artists in global surveys of the sector). Further, just 20% of their annual turnover came from the sale of works by female artists, again significantly lower than global averages (39% for primary market dealers and 30% for those working in the primary and secondary markets).

Japan's wider economy ranks relatively low on gender balance measures: the Global Gender Balance Index 2024 which is produced by the World Economic Forum ranked it 118th out of 149 countries globally on gender balance, with particularly low scores for economic participation and opportunities, despite having almost parity in terms of educational attainment.³

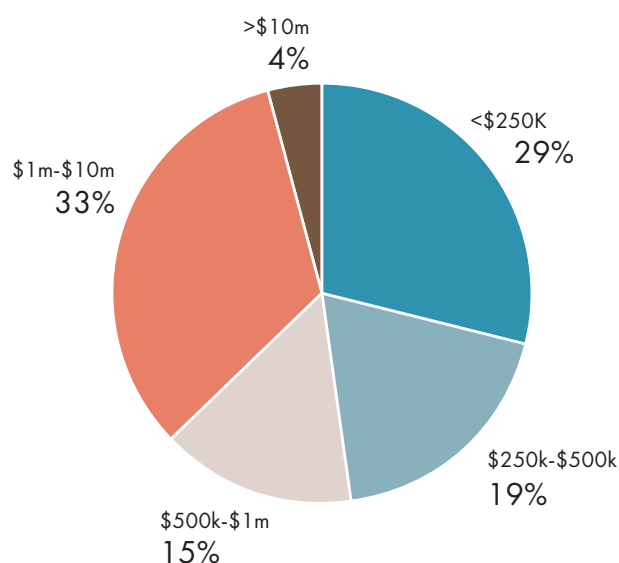
² See Arts Economics (2024) *The Art Basel and UBS Survey of Global Collecting*, available at theartmarket.artbasel.com.

³ See World Economic Forum (2024) *Global Gender Gap 2024, Insight Report* June 2024, available at weforum.org. "Asia" combines countries listed in Southern Asia, Central Asia, Eastern Asia and the Pacific.

Sales by Dealers

As outlined in Figure 7, average sales in 2023 across all dealers surveyed was \$1.9 million. This was skewed upwards by some of the higher turnover dealers and the median was \$562,500. The sample surveyed represents the more established, middle to upper end of the dealer market, being sampled from key gallery associations including JADAN (Japan Art Dealer Association), CADAN (Contemporary Art Dealers Association) and galleries from APCA (Association for the Promotion of Contemporary Art in Japan). Even within this sample, however, there was a range of sales turnovers, with just under half of the sample (48%) reporting sales of under \$500,000 in 2023, while 37% had sales over \$1 million.

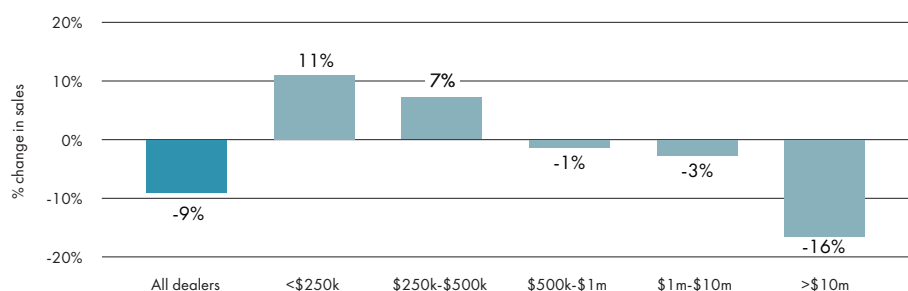
Figure 9. Share of Sampled Dealers by Turnover Level in 2023



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According to the surveyed dealers, sales in the dealer segment fell 9% in 2023, with some of the largest dealers seeing the biggest fall in sales, parallelling trends in the global dealer market. Smaller dealers turning over less than \$500,000 per annum saw the strongest rise in sales including an advance of 11% on average for those with turnover of less than \$250,000.

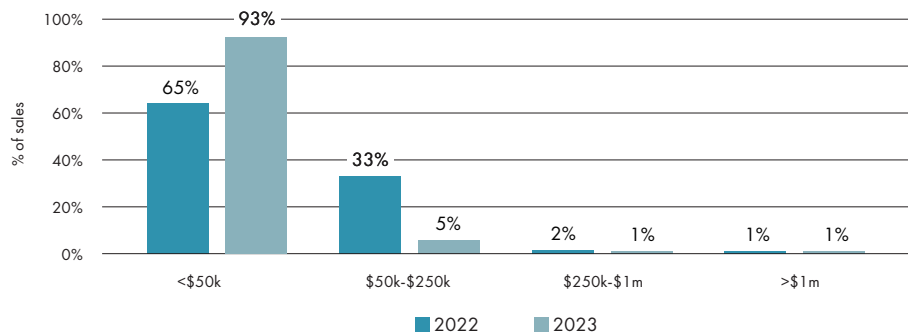
Figure 10. Change in Sales by Dealer Turnover 2022 to 2023



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It is worth noting that the drop in sales in the sector came alongside a rise in the median number of works sold (of 3% from 190 to 195 works or objects) which implies that some of the drop in sales may have been due to lower priced works being sold rather than less sales. This was also reflected in the fact that dealers made a greater share of sales at the lower end of the market in 2023 than in 2022, with sales of works priced at less than \$50,000 accounting for 93% of transactions versus 65% the previous year. The majority of the sales occurring within the sub-\$50,000 segment were for prices under \$10,000 (77% of all sales), while only 1% of transactions carried out by dealers were at prices over \$1 million.

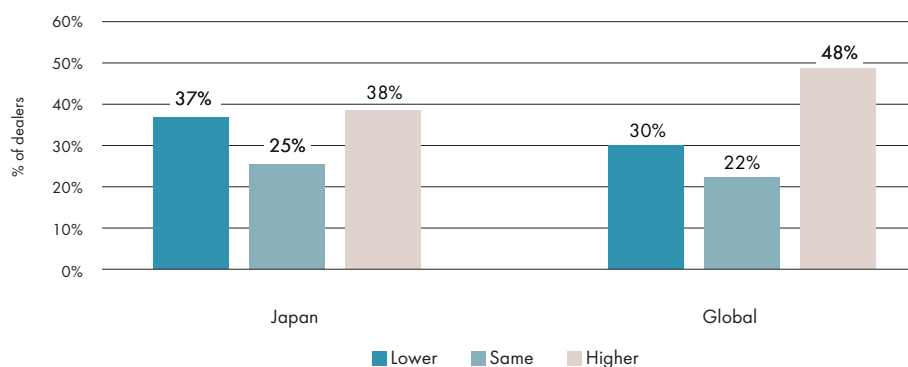
Figure 11. Share of Sales by Dealers by Price Bracket in 2022 and 2023



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While dealer sales declined year-on-year, reflecting on their performance since 2019 before the global COVID-19 pandemic, a relatively balanced share of dealers reported lower and higher turnovers. However, the 37% share of Japanese dealers who reported lower sales since 2019 was larger than the global average (30%). While 70% of dealers worldwide reported their sales were on par or higher than their pre-pandemic level, this share was at 63% in Japan suggesting that the recovery over the last few years has been slower for some.

Figure 12. Share of Dealers by Change in Sales 2023 versus 2019



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Costs and Profitability

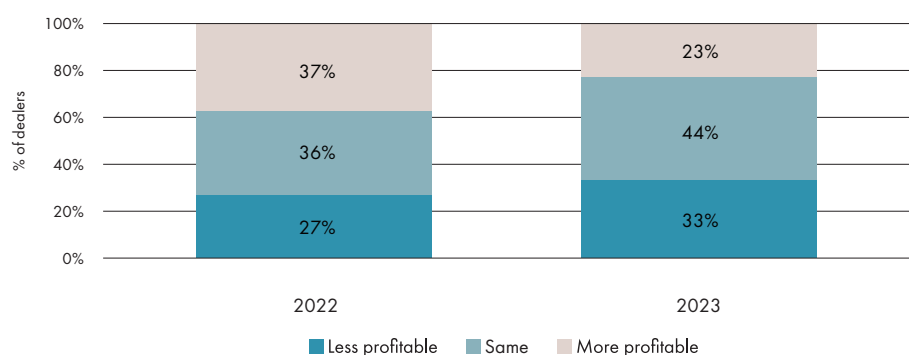
Aside from lower sales in 2023, dealers worldwide have had to deal with rapidly rising costs which have impacted on their profitability. Japan's economy recorded more moderate inflation than many others, and has remained among the lowest of the G7 economies in terms of annual inflation rates: at 3.3% in 2023 and significantly less than the US (4.1%), the UK (7.3%), France (5.7%) and other major art economies.⁴ However, this is the highest rate of inflation since 1991 in Japan, and dealers operating in international markets and those participating at fairs and events around the world, have also been subjected to rising costs outside the region.

Compounding the issue of rising costs, dealers in Japan also have a slower cycle of sales compared to many other industries, with the average time taken from entry to inventory to sale being around 11 months. 18% of dealers in Japan reported that their average inventory to sales turnover was more than 2 years (versus 15% globally), although this was down from 26% in 2022, possibly facilitated by the greater concentration of lower priced sales in the sector which may move more quickly or require less consideration and promotion to some collectors.

All of these factors affected the profitability of dealers. During the recovery of sales after the pandemic in 2021, many galleries maintained profitability through leaner cost structures, including attending fewer events and fairs compared to 2019. As the market regained a fuller events schedule in 2022, and inflation ramped up in many regions, many dealers came under pressure, although there was still a higher share of dealers in Japan becoming more profitable than those seeing declines. But in 2023, there was an increase again in the share of businesses struggling to maintain their bottom line and overall:

- 33% were less profitable than they were in 2022 (up by 6% year-on-year);
- 44% were around the same as 2022; and
- 23% were more profitable than in 2022 (down by 15% versus 2022, and less than the 29% reported globally).

Figure 13. Change in Profitability Versus Previous Year in 2022 and 2023



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⁴ Data on inflation is from the IMF Global Economic Outlook Database (2024), available at imf.org.

3. Art Fairs in Japan

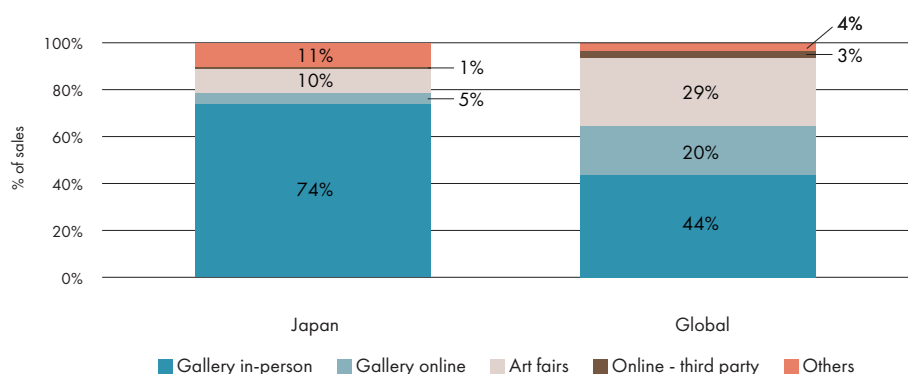
Aside from changes in the value of sales, how dealers reach buyers and the sales channels they use has also fluctuated in the last few years. Prior to the pandemic, the number of art fairs taking place around the world had seen significant expansion and these events had become a central channel for sales for dealers globally, accounting for over 40% of their total in 2019. As most events were cancelled in 2020 as the pandemic took hold, this share declined substantially (to 13%), with a compensating rise in online sales. While these shares then fluctuated during 2021 and 2022 as a more normal schedule of events gradually resumed, it was clear by 2023 that there were more permanent changes in the market and that dealers were pursuing sales along both online and offline channels. The share of sales at art fairs for dealers globally in 2023 was reported as 29%.

Art fairs are an important channel for dealer sales in Japan also, although the share of sales made at fairs was significantly lower than some of their global peers at only 10% in 2023. Analysing the breakdown of sales by dealers in Japan based on the average share by value weighted by dealer turnover:

- 74% were gallery sales (transactions that were from or facilitated by an in-person visit to their gallery or premises);
- 5% were online-only gallery sales (sales carried out online-only without viewing in person through the dealers' website, social media channels, or email);
- 10% were through fairs including 8% from fairs in Japan and 2% from overseas events (plus a tiny 0.01% from online-only fairs);
- 1% through third-party online sales (sales carried out entirely online facilitated by a third-party company or platform, other than an art fair); and
- 11% through other means.

Figure 14 shows clearly that gallery-centred sales play a much more central role for Japanese dealers than their global peers, with significantly less emphasis on both online sales and art fairs.

Figure 14. Share of Dealer Sales by Value by Sales Channel in 2023



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Galleries are not only the most central source for current sales, but also a key way in which Japanese dealers source new buyers. Dealers were asked to report their greatest source of new buyers in 2023, and walk-ins at their galleries were the most popular choice (28%), followed by their websites (18%) and art fairs (15%, around half the share reported by dealers globally in 2023, who reported art fairs as their top source).

Focusing on their art fair exhibitions, 30% of Japanese dealers reported that they did not exhibit at any art fairs from 2021 through to 2023. Of those that did, the average number of events was four in 2023, stable on 2022, but up by one fair since 2021. These averages mask the fluctuations for individual businesses, however, and compared with the 2022:

- 29% of dealers reported that they did a higher number of fairs in 2023 than 2022 (between one and four)
- 11% did less (between one and three)
- 60% did around the same number.

Some dealers commented that they wished to do more art fairs, particularly overseas events, but due to the impact of exchange rates and the high costs to travel and exhibit at events, they were “proceeding with care”. Some noted that they had seen an increase in the number of visitors at the events they had exhibited at, and that these included a rise in younger collectors and attendees. However, others felt the number of high-net-worth individuals (HNWIs) at events had decreased.

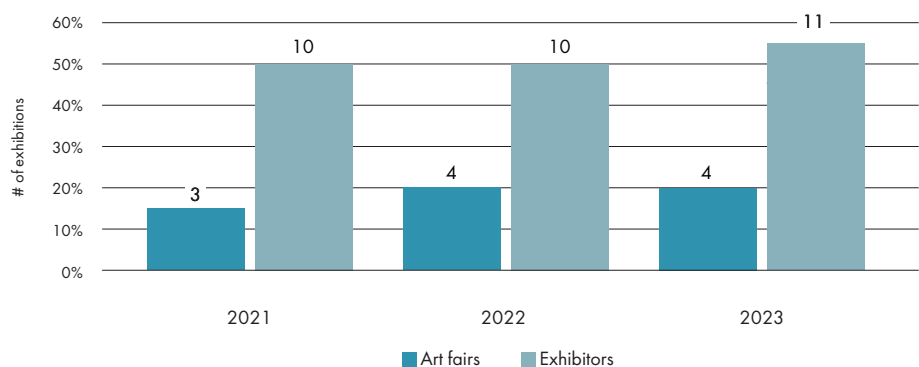
Arts Economics, in collaboration with UBS, surveyed over 3,660 HNWIs in 2023 that were active in the art market across 14 different regional art markets, including 200 in Japan. These surveys showed that Japanese HNWIs attended four art fairs in 2023, including two local events and two overseas events (increasing by one overseas event on 2022), slightly lower than the average across all of the markets of six events. However, their attendance at gallery exhibitions was higher than average at ten (including four local and six overseas gallery exhibitions) against the overall international average of eight.⁵

In terms of gallery exhibitions, a smaller share of dealers (18%) reported not having held any gallery shows in the three-year period, and for the remainder, the number of exhibitions rose from 10 in 2021 to 11 in 2023. In this case, of those dealers doing exhibitions, compared to 2022:

- 28% of dealers reported doing more exhibitions in 2023 (ranging from one to nine additions);
- 63% did a stable number year-on-year;
- 9% did less than the previous year (with a reduction of between one and five exhibitions).

⁵ See Arts Economics (2024) *The Art Basel and UBS Survey of Global Collecting*, available at theartmarket.artbasel.com.

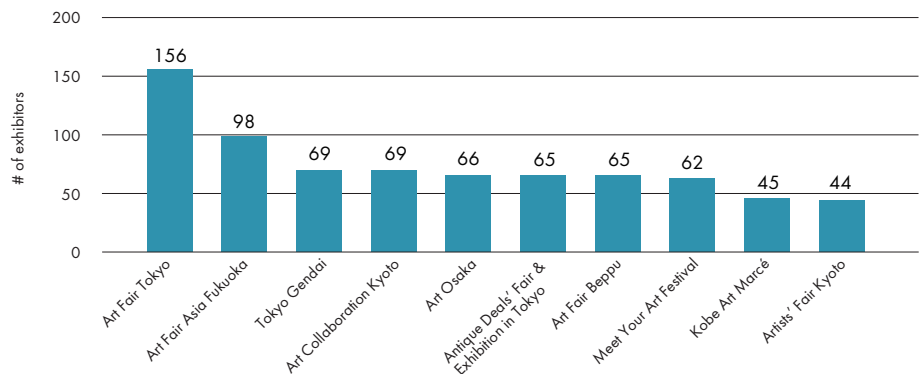
Figure 15. Average Number of Art Fair and Gallery Exhibitions 2021-2023



© Arts Economics (2024)

Research by the Art Market Research Project of the Agency for Cultural Affairs showed that there were at least 25 established art fairs currently operating in Japan. Art Fair Tokyo is the oldest and largest art fair in Japan, having started in 2005 and with 156 exhibitors in its 2024 edition and covering a wide range of works from antiques to Contemporary art. Other major events include Art Fair Asia Fukuoka which had 98 exhibitors, as well as Tokyo Gendai and Art Collaboration Kyoto with 69 each.

Figure 16. Number of Exhibitors in 2024 at the 10 largest Japanese Art Fairs



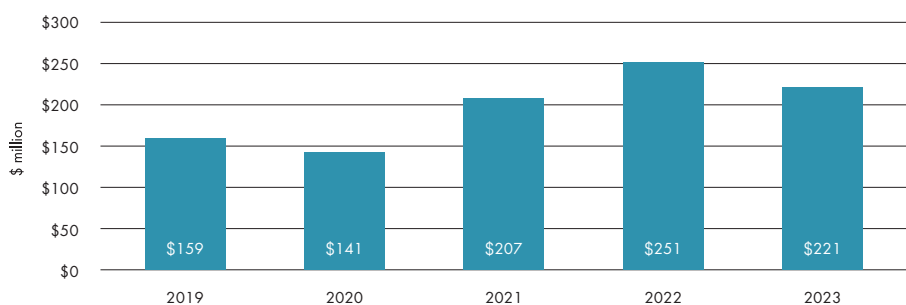
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4. Auction Houses in Japan

Auction sales accounted for the remaining one third of the aggregate value of the Japanese art market in 2023. While there are numerous auction companies and platforms in Japan selling a variety of products, there are about 15 established companies that exclusively focus on art, antiques and collectibles and were active in making regular sales in 2023. Based on the published data available from these companies, sales across all categories reached just under \$221 million in 2023.⁶

Auction sales declined during the pandemic, however, the drop in value (at -11%) was considerably less than in the dealer market, with some smaller auctions able to continue successfully online. Sales revived strongly in 2021, advancing by 46% to \$207 million, and growth continued in 2022, with values rising 21%, buoyed by a small number of high priced sales. However, like the dealer sector, sales growth slowed in 2023, with aggregate values declining by 12% in US dollar terms to \$221 million, but remaining well in excess of their level prior to the pandemic in 2019.

Figure 17. Sales of Art and Antiques in the Auction Sector in Japan



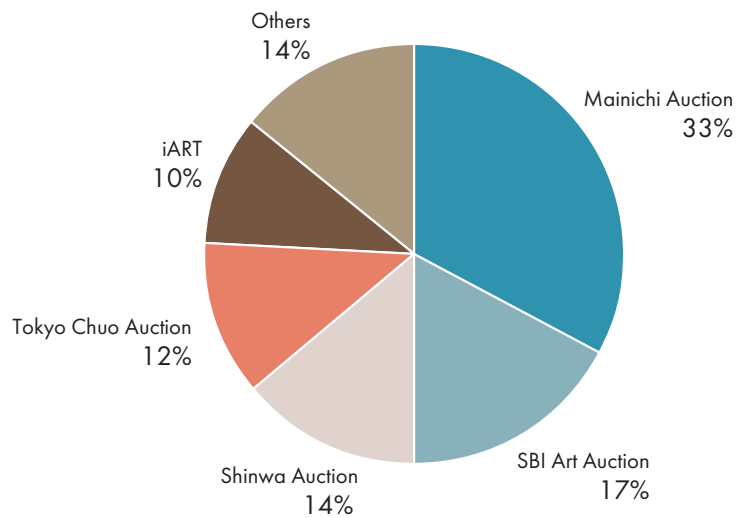
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The largest auction company (based on published sales in 2023) was Mainichi Auction, which accounted for 33% of the market by value, and with the top five companies having a combined share of 86%. The dominance of Mainichi Auctions was driven by the vast number of lots sold by the company, with over 21,000 lots sold in 2023, over 90% of which were at prices less than \$10,000 (and just over half below \$1,000). The next largest auction house by volume was Shinwa Auctions with just over 2,500 lots sold (with most also at prices below \$10,000). The number of sales held by these companies varied widely also, with Mainichi holding the most (45 in total), followed by Shinwa and Tokyo Chuo Auction (11 each), SBI Art Auction (7) and the remaining companies with 5 or less sales with published results.

It is estimated that there were close to 41,800 lots sold in Japan at auction across all categories, from about 53,800 offered, with 22% of all works offered being bought-in house after failing to make their reserve price or unsold. This buy-in rate was heavily influenced by the higher rate of buy-ins at Mainichi auctions of 31%, with other companies with considerably lower sales volumes having a smaller share of unsold works, such as Tokyo Chuo (1%), SBI Art Auction (10%), and Shinwa Auction (17%).

⁶ Sales are based on the published information gathered from nine of the 15 auction companies, with the other companies data unpublished or incomplete (and added conservatively at 5% of the total). Data includes sales of art, antiques and some collectibles but excludes categories not relevant to this study such as wine and liquor auctions.

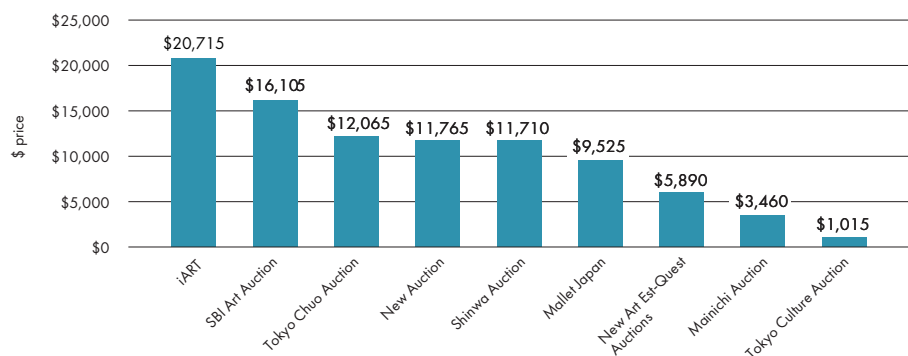
Figure 18. Market Share by Value of Japan's Largest Art Auction Companies 2023



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Unlike the global auction market where a very high proportion of value is accounted for by sales of works of art priced at over \$1 million, Japanese auctions tend to operate at significantly lower price levels. Although average auction prices have very limited interpretive value due to the very different types of works sold, as an indication of the lower operating levels, the average price of work sold at auction in Japan in 2023 was around \$6,200 versus \$43,330 globally at fine art auctions. These averages ranged from \$1,015 at Tokyo Culture Auction up to a high of \$20,715 at iART in 2023.

Figure 19. Average Price of Lots Sold at Selected Japanese Auction Houses in 2023



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The majority (98%) of works sold at auction in Japan in 2023 were for prices below \$50,000 with most of those below \$10,000 (91%), and almost half for less than \$1,000. There is also a high share of works sold globally at this level at auctions worldwide, with 93% of transactions in fine art auctions across international markets being in the sub-\$50,000 price segment. However, globally these lots only account for a small minority of 12% of values, versus in Japan, where lots for under \$50,000 account for half the value of the market.

Further up the price spectrum, works sold at higher levels of over \$1 million accounted for a tiny share of less than half of percent (0.03%) of transactions by number at Japanese auctions in 2023 and 7% of aggregate

sales values, versus 55% of the value of global fine art auction sales. Only four auction houses in Japan sold works for over the \$1 million mark in 2023, with only nine published lots in total. Among these top lots in 2023 were a Qing Dynasty Qianlong vase sold at Tokyo Chuo’s Autumn auctions for JPY 460 million or \$3.3 million, a set of golden tea making utensils from the 1500s at Shinwa Auctions for JPY 345 million or \$2.5 million, and a French Impressionist work by Pierre-Auguste Renoir, *Après le Bain* (c. 1901), which sold for JPY 276 million or \$2.1 million at iART Auction.

Figure 20. Share of Value and Volume of Sales at Japanese Art Auctions in 2023

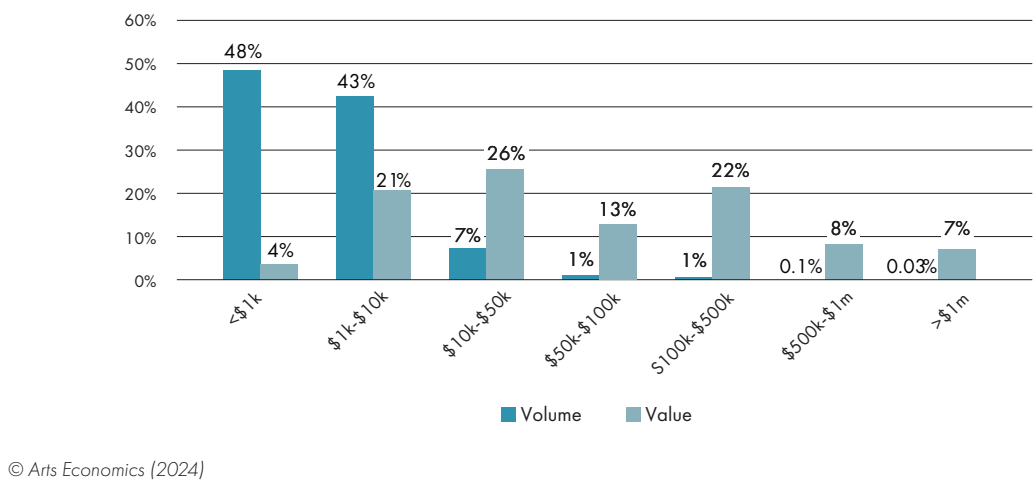
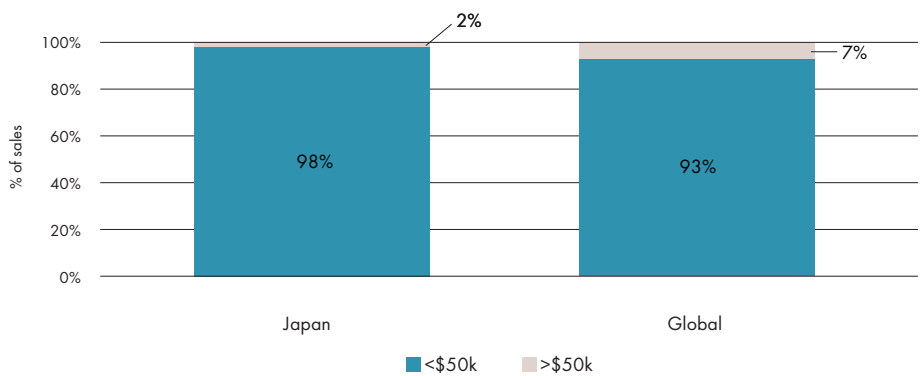
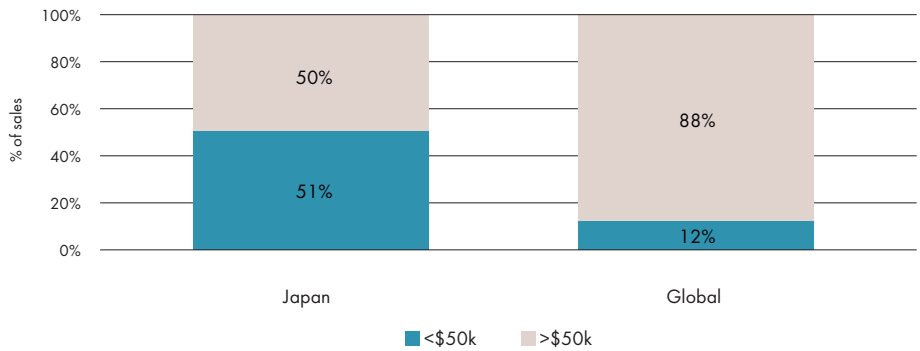


Figure 21. Share of Auction Sales at Prices Under and Over \$50,000 in Japan Versus Global Fine Art Auctions in 2023

(a) Share of Volume



(b) Share of Value



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Works by Western artists have often been among the highest priced fine art lots sold at Japanese auctions. Considering only fine art auctions (excluding decorative arts, antiques, and collectibles), 21 of the top 50 highest priced lots sold at Japanese auctions going back to the early 1990s to the present were non-Japanese artists, and they made up six out of the top ten lots ever sold by price. These include the sale in 2022 of Andy Warhol's *Silver Liz (Ferus Type)* (1963) for a price, including the buyer's premium, of just under \$21 million at Shinwa Auctions, helping to boost the market's growth that year.

Table 1. Highest Priced Fine Art Lots Sold at Auction in Japan (Hammer Price, Excluding Premium)

	Artist	Name of Work	Hammer Price	Year	Auction House
1	Andy Warhol	Silver Liz (Ferus Type) (1963)	\$18.9m	2022	Shinwa Auction
2	Pablo Picasso	Tête de Femme en Pleurs (1939)	\$9.1m	2018	iART
3	Yayoi Kusama	Pumpkin (1981)	\$3.9m	2021	Mainichi Auction
4	Pablo Picasso	Man holding a Flag (1969)	\$3.5m	2007	New Art Est-Ouest
5	Tsuguharu Foujita	Petites Filles avec la Veste de l'Artiste (1958)	\$2.4m	2021	iART
6	Yayoi Kusama	Pumpkin (1991)	\$2.3m	2021	New Art Est-Ouest
7	Pierre-Auguste Renoir	Deux Sirenes (1916)	\$2.0m	2018	Mainichi Auction
8	Claude Monet	Dahlias (1883)	\$2.0m	1989	Ader-Picard-Tajan
9	Pierre-Auguste Renoir	Gabrielle Reprisant (1908)	\$1.9m	2015	Mainichi Auction
10	Yayoi Kusama	Flowers That Bloom Tomorrow (2010)	\$1.8m	2021	New Art Est-Ouest

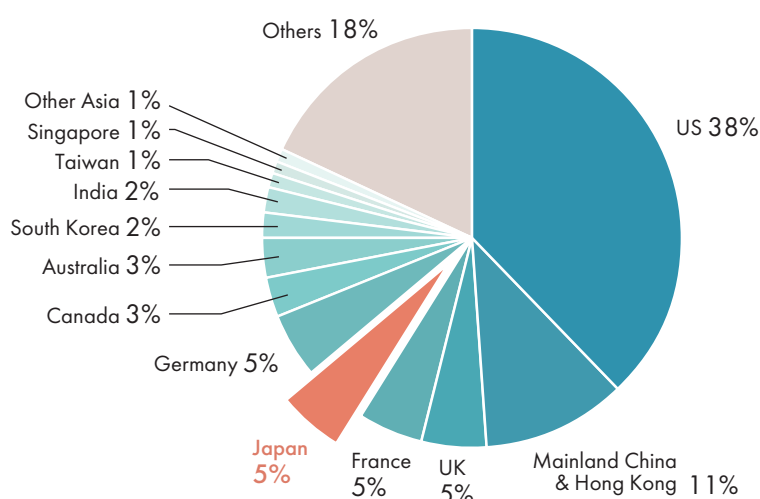
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Works by Japanese artists such as Yayoi Kusama and Tsuguharu Foujita have also reached increasingly higher prices in recent years, both within and outside of Japan. Yayoi Kusama was the ninth highest grossing artist at auctions worldwide in 2023, however, only 12% of her almost \$176 million market was accounted for by sales in Japan, even though these lots accounted for around one third of the total sold by number of transactions. This share has fallen over time from 17% in 2013 as demand for her works internationally has escalated. Higher prices for her works are also often achieved at auction sales outside Japan, with only 13 of the 202 works sold for a hammer price of over \$1 million by Kusama sold at auction in Japan. This is even more exaggerated for other contemporary artists such as Yoshitomo Nara, with just 3% of sales by value in Japan in 2023, despite these sales accounting for over one quarter of lots sold, stressing the lower price context of the Japanese auction market. However, away from the contemporary sector, the local auction market in Japan has more dominance for some older artists, including accounting for 42% of sales by value for Tsuguharu Foujita in 2023 (and 46% of lots) and all of the lots sold for 20th century painter Matazō Kayama.

5. Cross-Border Trade

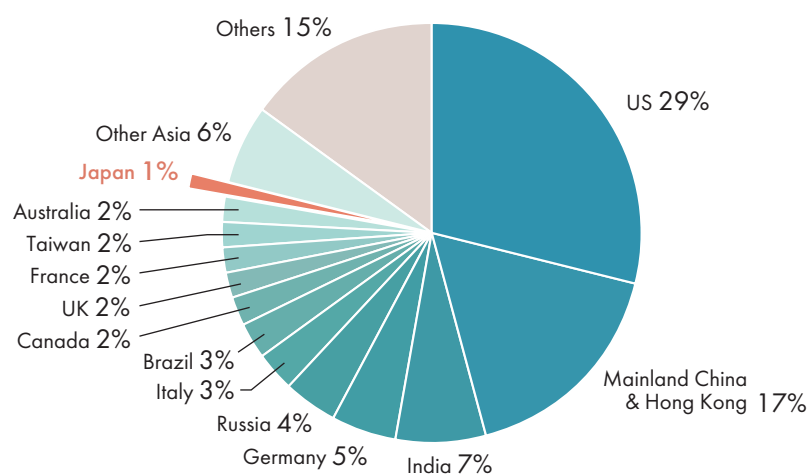
Apart from the domestic trade in art, Japan has played an important role in the global market as an art purchaser. Japan has been one of the biggest centres in Asia for high-net-worth wealth historically and remained the second largest centre of the millionaire population in the region in 2023 (and fifth largest globally). The distribution of wealth in Japan is, however, more balanced than some other larger economies with wealth within Japan less concentrated at the very top end, and considerably lower wealth inequality than other large Western economies such as the US or UK.⁷ Japan has a lower share of just 1% of the world's billionaires in 2024 and 1% of global wealth in this segment, versus regions such as the US, with 29% by population and 40% wealth and China (including Mainland China and Hong Kong) with 17% population and 12% wealth.

Figure 22. Share of Global Millionaire Population 2023



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Figure 23. Share of Global Billionaire Population 2024

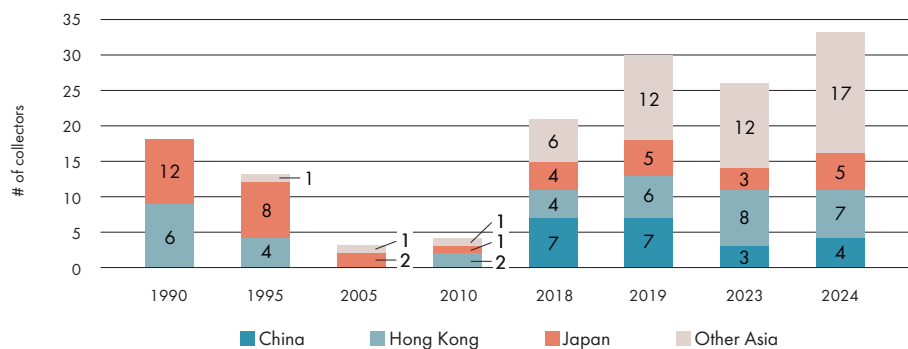


© Arts Economics (2024) with data from Forbes

⁷ Based on the Gini coefficient, a statistical measure of wealth inequality used to assess a region's wealth distribution, Japan ranked around 98 out of 172 countries for having the most unequal distribution of wealth reported by the World Bank, versus 35 in the US and 69 in the UK. See the *Gini Index*, available at data.worldbank.org.

Japanese collectors have been important historically in the art market, driving the boom in art sales in the late 1980s, and although their visibility waned during the next 20 years, their private and institutional buying has been ongoing albeit at lower levels. There are a number of high profile Japanese collectors that participate in international and local sales appearing regularly in some of the most widely published collectors lists. ARTnews, a US-based publication, has published a list of the top 200 collectors annually since 1990, which allows some comparisons of their changing backgrounds and whereabouts over time. In ARTnews Top 200 Collectors Japanese collectors represented five of the top names in 2024, with Asia as a whole representing 33 entries, its highest ever level. However, despite the rising number in Asia, the share of Japanese collectors within Asia and their number on the list has more than halved since 1990s, when there was 12 listed - far outnumbering representation from anywhere else in the region.

Figure 24. Number of Asian Collectors on Top 200 List, Selected Years



© Arts Economics (2024) with data from ARTnews

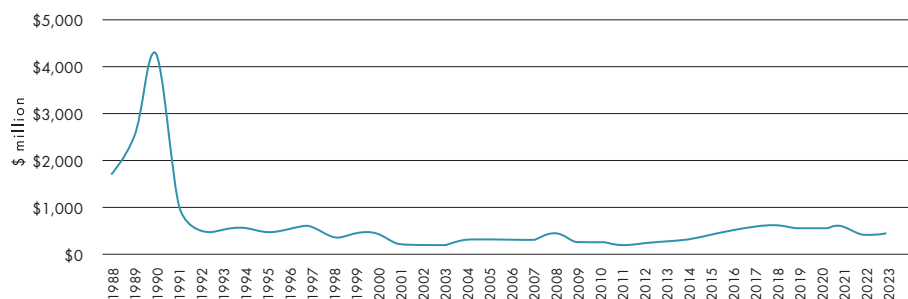
While the US and Europe were the dominant markets for both buying and selling art throughout recent centuries, in the late 1980s it was Japanese collectors that drove sales, and were instrumental in the market's boom (and subsequent recession) in that period. From 1986 to 1991, the Japanese economy underwent an asset price bubble in which property prices and the stock market became greatly inflated. In the post war period, Japan had one of the highest economic growth rates in the world, averaging around 8% per annum from the 1960s to 1980s. As a result of macroeconomic policies pursued by the government during the 1970s, Japan had a large stock of savings, significant trade surpluses, and an appreciating Yen. When combined with concurrent financial deregulation, this fuelled aggressive speculation, especially in the Tokyo Stock Exchange and the property market. Both reached historical heights around the end of 1989, while land prices in major cities rose by over 200% in the 20-year period from 1970 to 1990, leading to an unprecedented price bubble in the property market.

With an accumulation of wealth from property and stocks and a powerful Yen with which to buy US dollar- and British pound-denominated art in the US and Europe, the late 1980s saw very strong Japanese buying, mainly in the relatively well-known Impressionist and Post-Impressionist sectors. This was very much a demand-induced bubble, largely fuelled by the inflation-driven escalation of wealth in the property market. As art prices soared and returns and dividends on stock markets started to contract, speculators began to enter the market, adding fuel to a market already overheating.

The surplus cash of these Japanese buyers was often combined with relatively little experience on the part of new purchasers, alongside high-risk financing and other transactions using art assets. As a result, prices rose sharply, with huge sums being paid for even mid and lower-tier works. Dealers and auction houses noted that in 1990, at the height of the boom, Japanese buyers were responsible for around one-third of all bidding at auctions (successful and not successful), with the remaining two-thirds of buyers being from the US and Europe.

By 1990, Japan was the largest importer of art in the world with a share of 30% of world imports by value – greater than the UK and US. This was very much a one-way, inward flow of purchasing, with Japan’s exports of art accounting for less than 0.1% of the world total at the time. However, this dominance was relatively short-lived, and changes in policy to deal with inflation meant that the property bubble abruptly ended in late 1989. By the end of 1990, the art boom was also over. As other asset markets began to collapse, Japanese buyers who had been supporting the market withdrew from art sales, often because of a collapse of liquidity caused by other unrelated investments, removing an estimated one-third of market’s global buying power with a sharp reduction in demand and supply. Auction catalogues thinned, dealers noted a drop-off in buyer interest, and the market stagnated with global sales falling by nearly 65% in the space of one year. Although the market slowly built back sales over the next 15 years, Japanese international buying was much less prominent, and never regained the same level of imports even in nominal terms.

Figure 25. Imports of Art and Antiques to Japan from 1988 to 2023



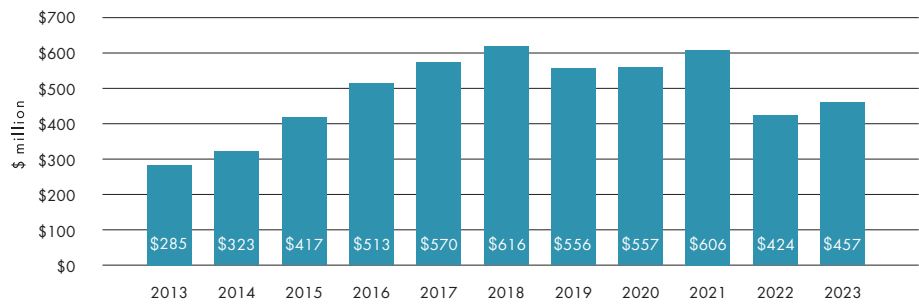
©Arts Economics (2024) with import data from UN Comtrade

Although never nearing their peak in 1990 of \$4.3 billion, imports have seen growth in more recent years, reaching a high \$616 million in 2018, doubling in value over five years. However, they subsided again since that point, with \$457 million worth of art imported to the market in 2023, mainly from France (27%), the US (25%) and Austria (13%).

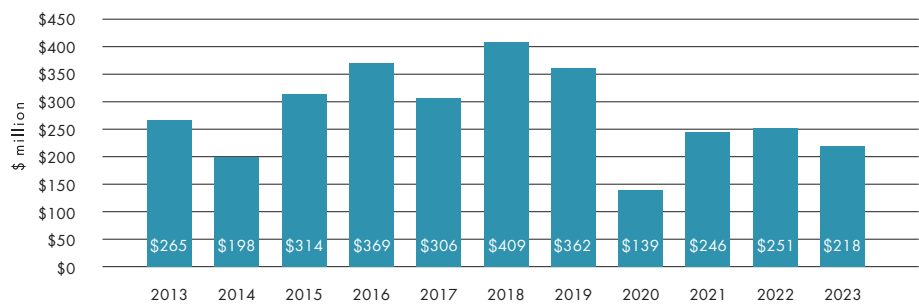
In every year from the late 1980s to 2023, Japan has been a net importer of art, importing more art from overseas than it sends out into the international market. Exports of art and antiques valued at \$218 million were dispatched from Japan in 2023, with key destination markets being China (29% including Mainland China and Hong Kong), the US (24%) and South Korea (11%). Export values peaked in 2018 at \$409 million, however, in 2023 at close to half that level they were lower than their value ten years previous in 2013 and around half the value of imports.

Figure 26. International Trade in Art and Antiques Japan 2013 to 2023

a. Imports



b. Exports



©Arts Economics (2024) with import data from UN Comtrade

These trade figures indicate that Japan has remained a largely domestic market, with most cross-border trade focused on buying from abroad. While a healthy flow of imports and exports is crucial to encouraging trade and boosting value, these findings align with those from the dealer survey which showed that much of their sales by value are focused domestically: of the sales made by dealers in 2023, a reported 84% by value were to buyers in Japan.

6. Economic Impact

All of the activities described above in the art and antiques trade in Japan make a significant contribution to the Japanese economy, through sales, spending and employment. The market also directly hosts and indirectly supports an increasing range of events, including international art fairs and exhibitions which generate substantial economic activity and additional revenues in ancillary industries. All of these activities make a positive and significant contribution to GDP as well as to fiscal revenues for the government, which, although beyond the scope of the current study, can be measured and assessed over time.

Art Market Employment

The Japanese art and antiques market is made up of a number of mainly small, knowledge-intensive businesses. Focusing only on those businesses that sell art and antiques exclusively, it is very conservatively estimated that there were just over 2,080 businesses operating in the art market in 2023, directly supporting over 12,675 jobs. This figure underestimates the economic impact of the market through employment, as it does not include those businesses in the auction or retail sector that sell art alongside other goods and services.

Although businesses vary, according to dealer surveys carried out by Arts Economics in 2023, the average number of employees per business in the dealer sector in Japan was 6.⁸ This average was influenced by a small number (4%) of larger businesses employing over 30 people, while just over one third of the sample were operating as either sole traders or in small partnerships of two people. Based on the average number of employees and the total number of galleries operating in 2023, there were in the region of 12,370 people working in the dealer market in Japan.

As noted above, there were around 15 auction houses focusing exclusively on fine art, decorative art and antiques. Based on global median of around 20 people for the second-tier auction sector, the estimated total numbers employed in the auction sector in 2023 could be estimated at around 300.

These figures do not include a number of other associated areas of employment that are directly supported by the art market, notably artists, who rely on a strong domestic market in order to sustain a living. As noted above, surveys of the dealer sector in Japan showed that 63% of business worked in the primary market dealing with the first sales of artists, either solely operating in this sector, or alongside sales in the secondary market. Census data indicates that there were 47,320 visual artists in Japan in 2020, including sculptors, painters and craft artists, all of whom rely on a healthy market for art in order to generate income.⁹

The market also works closely with cultural institutions and museums throughout Japan. As of 2021, there were 5,771 museums in total, throughout Japan (including both officially registered museums and facilities similar

⁸ Data on the gallery sector is based on surveys by Arts Economics for *The Art Market 2023, An Art Basel and UBS Report*, available at theartmarket.artbasel.com.

⁹ The 2020 Population Census also indicated that there were a further 201,000 designers, 69,170 photographers and videographers working in creative and commercial careers, alongside many other individuals in teaching and other work who may also be artists but not registered as such in the Census. See Statistics Bureau of Japan (2021) 2020 Population Census, available at stat.go.jp.

to museums) and of these, 1,060 were art museums, which were estimated to employ over 18,000 people.¹⁰ Events such as art fairs also generate significant employment, including over 200 employees in the top ten events and a wider pool of casual and related labour.

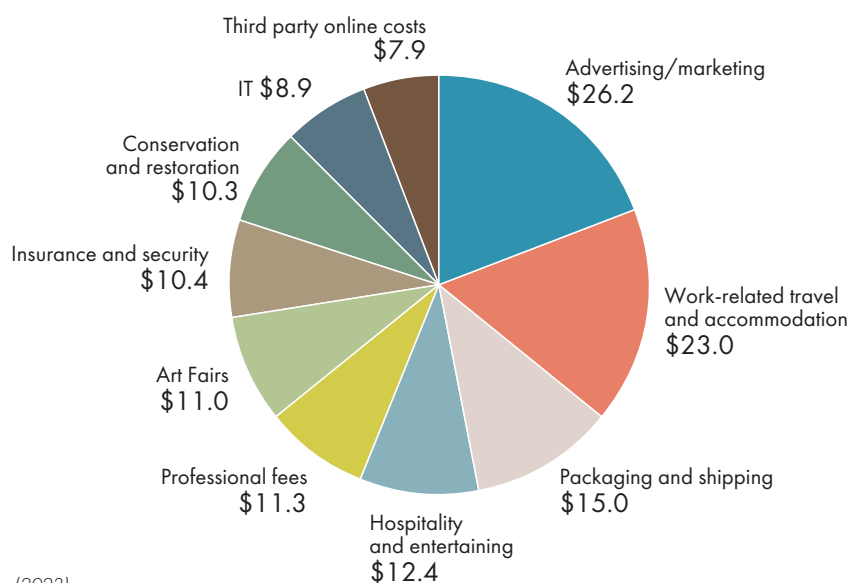
In other words, aside from the 12,675 jobs within the art trade, the wider art market also supports at least 65,520 further jobs in these directly connected areas, or close to 78,200 in total.

Ancillary Spending

Apart from generating its own revenue and employment, the art market also generates employment in many ancillary industries and support services. The art trade uses a range of external support services which are often highly specialized, niche industries and would not exist without it. Highly specialised skills such as conservation and restoration are fostered by the art trade, and have developed into specialized industries of their own, with their own academic and training infrastructure. In other fields such as insurance, packing and shipping, while services are used in many industries, the art trade has encouraged high value niche businesses within these areas to cater for the specialized needs of buyers and sellers in the art market. The art and antiques market in Japan therefore supports and nurtures specialized skills that might not thrive without its support.

Based on surveys of the sector globally and in Japan in 2023, it is conservatively estimated that the annual expenditure by the art trade in Japan on ancillary services and products was around 20% of its turnover on average, which amounted to \$136 million.¹¹ Although more research would be required to produce a precise estimate of the number of jobs supported by this spending, it is clear that it generates a positive contribution to supporting a highly skilled professional services employment in Japan.

Figure 27. Estimated Ancillary Expenditure by the Japanese Art Trade 2023 (\$ million)



© Arts Economics (2023)

¹⁰ According to official statistics from the System of Social and Demographic Statistics Prefectural Data Basic Data, there were 1,305 museums in Japan covering both art and other sectors, including 805 public institutions, employing staff of just over 22,600. The latest published figures relate to 2021 and show an increase in the number of museums by 17% over 20 years from 1,120 in 2002. In addition, they report a further 4,466 facilities similar to museums (available at e-stat.go.jp), which have grown more moderately by about 5%.

¹¹ Data is based on responses from Japanese dealers in surveys by Arts Economics on ancillary expenditure in 2023, as well as the percentages reported in ancillary spending categories by second-tier auction houses in wider global research.

The expenditure and employment figures above do not include ancillary spending and activities of artists, museums or other arts institutions, or by art fair and events companies in these sectors, all of which add significantly to the economic impact of the sector.

Another factor important to consider is that when all those employed in the market and its related industries spend their earnings (wages, salaries, profits, rent and dividends) in the economy, this in turn also generates revenue and employment in a range of industries in the Japanese economy. These positive ramifications throughout the economy work via a ripple or “multiplier” effect: there is not only the direct and indirect impact of the art trade increasing income throughout the economy (from increased employment), but also wider effects as a proportion of this increased income is re-spent on other goods and services. The appropriate size of a multiplier applied to calculate indirect or induced effects depends on the extent of linkages between the activities and their supply chain, and the greater the linkages, the larger the multiplier will be. Estimates of the size of the multiplier vary in input–output analysis studies that average 1.5 for tourist events, but often much higher (two to three) for art specific events and industries.

Finally, the art market and its related activities also make a direct and measurable contribution to the Japanese budget through the taxes and levies it pays on sales, employment incomes and profits. All of these factors, and the ripple effects throughout the economy are critical in measuring the full impact of the art market. While this research has made a first step into measuring the size of sales and employment in the sector, more research is needed to outline the full and outsized economic, social and cultural impact of this industry, which delivers value and returns disproportionate to its size.

Acknowledgments

We would like to express our sincere gratitude to JADAN (Japan Art Dealer Association), CADAN (Contemporary Art Dealers Association), APCA (Association for the Promotion of Contemporary Art in Japan), and NCAR (National Center for Art Research) for their invaluable support and cooperation in providing materials and other assistance during the writing and research of this report.

Credits

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Title:	The Japanese Art Market 2024
Publication Date:	December 17, 2024
Author:	Dr. Clare McAndrew
Publisher:	Cultural Economy and International Affairs Division, Agency for Cultural Affairs, Government of Japan
Project Title:	Commissioned Project by the Agency for Cultural Affairs, Government of Japan "FY2024 Art Market Research, Art Ecosystem Infrastructure Development Promotion Project"
Contracted by:	AMCN Inc.
Cooperation:	Tokyo Art Beat (Art Beat, Inc.), East Asia Art Association, FUJIHANE LLC, Relay Relay LLP
Agency for Cultural Affairs:	HAYASHI Yasuta
Bureau:	DOI Miho, TAKABU Naoko, KAWADA Moeko, SHIMADA Yuko
Design:	TAKABU Naoko