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Introduction

With more than three hundred millions of albums sold per year, the Japanese music market is the second largest in the world. Nevertheless, it remains difficult for foreign production, and more specifically for European productions to establish a solid market base, due to cultural, structural and historical reasons.

Though the hope of easily developing a career for a European artist usually remains at the state of fantasy, the knowledge of certain Japanese specificities can allow developing strategies and building a network easing the process of introducing European artists in Japan.

The evolution and growth of retailing, music edition on all new technological supports (audio, digital or music downloading from the internet for computers or mobile phones), promotion, festivals and the media indicate a growing interest of the Japanese public for music novelty.

Hence, the arrival of European artists on the Japanese market is currently welcome, especially if Japanese rules and music market situation are respected, but mostly by accepting to invest in long term benefits and insure a constant presence for the professionals and the public.

Companies in Japan

Japan is known for its unique and deeply rooted culture which appears at every level of society, mingling tradition and modernity in a way which often surprises the foreign eye.

Therefore, it seems important to describe some important features of Japanese companies' organisation and how they operate.

A Few Rules

In Japan, a person's behaviour is defined according to the situation in which one can be confronted. Implicit and explicit rules, formal and informal, vary according to a situation. Nevertheless, in working conditions and concerning work relations, a person's behaviour obeys to specific rules.

Work relations and work organisation is based on a strong hierarchy principle. Hence, the organization and repartition of the tasks within a company is systematically submitted to a superior and controlled at every level of the process by the entire group. Therefore, the hierarchy imposed by the system implies that every decision has to be approved by a superior.

Furthermore, according to the Japanese' way of thinking, each project has to be built in a given order which cannot be questioned. Even though this method slows down the realisation, it prevents and anticipates all possible problems in the execution by thinking and researching ahead about any possible aspect of a project. This method implies that each and every individual will "double-check" every detail to make sure that everything is in the right order.

This systematic control of the work, while in process; though it may seem particularly tedious and slow, enhance and insure precision in the realisation of tasks, and is an essential component of Japanese working methods.

These rules by their informal aspect are difficult to comprehend but nevertheless central in establishing work relations with Japanese companies.

In Japanese companies, regardless of the size of the administration or the working place, the employees will often give the impression of being gathered in a small space. In a society in which the group prevails on the individual, the physical proximity on working places facilitates communication; hence, it is inappropriate for one not to be part of the group intentionally.

Furthermore, Japanese politeness rules imply a certain form of reserve on working places. Showing respect and thoughtfulness towards co-workers in order to avoid conflicts of any nature is important.

Moreover, since Japanese people usually take seven days of vacations per year and spend on average thirteen hours per day at their office or with their colleagues, the notion of personal life and the amount of time not spent at work is almost non-existent. It is also important to mention that thanks to wireless technological progress, Japanese people can have their office email directly transferred to their cellular phones; therefore, it seems normal for Japanese people to work after working hours. Hence, Japanese people have trouble understanding why Europeans can be absent for more than five days in a row.

These few Japanese habit examples are often the source of misunderstandings between Japanese and Europeans. Though foreign partners are generally not expected to be part of this complex structure, a good understanding of the Japanese habits, which are the basis of the good functioning of Japanese companies, is one of the key elements in the exchanges with Japanese companies. Since the organization and operation of social and professional relations are directly related to these elements, it appears central for a foreign professional to possess a good knowledge and understanding of Japanese habits when working with Japan.

Contract Negotiations

Traditionally and as opposed to other Asian countries, there is no real notion of negotiation in Japan, which can often be a source of conflict between Japanese and European partners.

The Japanese tradition emphasizes the importance of the relation between two groups, and also gives great importance to the unsaid. European professionals have to keep in mind that in Japanese language and way of thinking, information is often eluded and rather contained in the context than explicitly put forward; which is one of the reasons why Japanese people avoid categorical statements.

While Japanese professionals would try to understand the meaning of what is not said during a negotiation, European professionals tend to put the accent on exactly what is said and understood by their partners.

European views on that matter tend to perceive negotiation in terms of a game in which one has to win over the other in a competitive way. The Japanese perception of negotiation tries to avoid confrontational relations in a more complex and subtle way. For instance, when a Japanese record label discuss the terms of authors rights or advance payment in cash, the amount offered will intentionally be important to insure the financial security of the group and reveal the group intentions and objectives. On the contrary, the western way would tend to intentionally make a low offer which would have to be negotiated.

Furthermore, the success of a negotiation depends on the thorough preparation and a good knowledge of the diverse possible opportunities, alternatives and implications. The details regarding where the negotiations will stand, the deadlines and the order in which problems have to be taken care of, are agreed on by the different partners, in order to ease the contract signature. This central preparation is one of the tasks in which Japanese professionals excel; it has to be considered as a sort of informal negotiation which establish the preferences of the interlocutors avoiding confrontational situations during the negotiations. Therefore, the final consensus is the result of a long process which was gradually established.

Since the goal is to establish a contract which would satisfy both partners, negotiations in Japan are perceived and led to insure a long term relation between the partners. Therefore, the importance given to agreement is a key element in the verbal negotiation process, but also in professional relationships.

When negotiating with a Japanese partner, certain attitudes and habits have to be avoided, in order to guarantee and provide success:

- Trying to change the terms of a matter which has already been agreed on.
For instance, unexpected new expenses often appear while realizing and organising a project. Nevertheless, Japanese way of working and preparation are such that any change in a budget is always analysed before. Therefore, Japanese partners have trouble dealing with changes which were not presented from the beginning. Hence, it is better for European interlocutors to thoroughly prepare and study every possible aspect of a project before presenting it to a Japanese partner.

- Demonstrate a lack of internal organisation.
A lack of organisation within a group can seriously affect an agreement with Japanese partner. Japanese companies avoid as much as possible to let a disagreement with the company be noticed by their partners. It is perceived as a lack of seriousness which often leads to the retraction of the partners.

- Lacking transparency.
In negotiating a license contract, some European record labels can be negotiating the same contract with different Japanese record labels. It is important to inform all the Japanese partners of such a situation. If one of the Japanese partners was to be suddenly informed that the contract has been signed with another record label, which he was not aware of, it can have serious consequences on working with Japanese record labels. The Japanese partners would interpret it as a sort of betrayal in the relation which was established before.

After presenting a few general rules about professional relationships with Japanese companies, the main topic of this export handbook can now be studied and the Japanese music market presented.

The Japanese music market specificities and then the different actors of the music industry will be introduced.

I. Japanese Market Specificities

The Japanese economy has gone through great mutations for the past few years. Nevertheless, this market presents a number of specificities, both linked to the structure of the economy or to the sensitivity of this market, generating an impressive pace of trend evolution. Being extremely competitive and saturated, this market can seem difficult to penetrate. Nevertheless, such access is not impossible if a number of factors are taken into account.

A. Musical Diversity

The Japanese music market can be distinguished by the variety of musical styles or categories it offers. The music offer is divided in two markets, namely Japanese productions and foreign productions, and reveals how tremendously competitive. Japanese productions are

1. Japanese Productions

- Enka

Traditional Japanese music, also known as Enka, remains a highly profitable category; even though it concerns a very small proportion of the Japanese public.

This category can be compared to the one of "French chanson" though this category has not experienced any real musical innovation lately.

In Japanese people's mind, this category is often assimilated and associated with the idea of tradition, and is mostly designed for a public whose age is often over fifty. Greatly related to the Karaoke culture, the marketing and sales methods used for this category differ from the ones used for the rest of Japanese music productions, for instance a karaoke version is available on every enka single sold.

- J-Pop

The word J-Pop is a term which needs to be defined, for it possesses several meanings.

The original meaning refers to a particularly commercialised music genre, in which record companies invest an impressive promotion and marketing work.

Related to the "Idol" culture, which, to respond to the public's demand, creates stars to which millions of fans will identify, J-Pop includes most Japanese productions, except for jazz and electronic music without lyrics. This category owes its success to the association of an artist with a defined image and fashionable style.

The more general meaning designates all the Japanese productions. Lately, Japanese rock productions, which are also classified as J-Pop, have known strong sale progression. Though the term J-Pop is associated with these productions, the quality of Japanese rock is remarkable and appeals to a public fond of rock from every country.

The Japanese public is able to distinguish the diverse styles, even though the presentation of the Japanese productions in record shops is organised and classified in alphabetical order rather than by style.

Furthermore, a type of J-Pop was created by absorbing and remaking foreign production. For instance, since the Japanese public seem to prefer buying music sung in Japanese, the Japanese professionals very quickly create and provide marketing programs for bands or singers that look amazingly alike foreign bands or singers. The image is kept and the musical style remains roughly the same, but the songs are interpreted in Japanese and produced in Japan; hence much easier to commercialize and tour in Japan. This ability to recreate a Japanese version of a foreign artist's image, not only responds to the public demand, but also reduces the cost of promotion and touring plans in Japan which represents a very efficient and appealing competitive aspect.

2. Foreign Productions

The distinction and classification by music styles are principally used for foreign productions. Far and foremost, five main music categories can be distinguished. Once again, in Japan the image associated with a musical style has an important role in the development of a music category or artist. Nevertheless, the Idol Culture mentioned previously, is not and cannot be systematically applied to foreign artists.

- World Music

The world music category is an expanding market in Japan. This new tendency can be explained by Japan's recent attempt to open up to foreign cultures. The Japanese public seems to be particularly interested in the mix of traditional local music and new modern sonorities.

In that matter, Europe possesses a great advantage since it is very representative of cultural pluralities, synonymous of exoticism and sophistication.

In Japan, genres such as Portuguese, "fado" or French "chanson" are considered as World music. As far as marketing is concerned, this classification can create target problems, more specifically for the distribution of European celebrities who benefit from a strong potential in Japan. But since they are categorised as world music, artists are restricted to a particular audience, less important than it could have been if categorised otherwise.

- Jazz

The Jazz category often suffers from being stereotyped and reduced to a very particular image. Often associated with classical Jazz formations such as trios or quartets, this category finds itself a pool of fans particularly aware and informed.

Nevertheless, when associated with ethnic sounds this category has been the center of a growing interest on the Japanese public's behalf. It is probably the reasons why the Gypsy Jazz category has grown more and more popular over the past couple of years. Furthermore, the regular organisation and growing success of concerts or tours of Gypsy Jazz music largely contributes to the interest Japanese public has been showing for this particular style.

- Electronic Music

This category has a particularly vague definition. It includes a multitude of sub-categories. It is very frequent to find in record shops, names of sub-categories created especially for an artist, easily recognisable by the extensive use of slash. It is therefore useless to try to differentiate all the possible combinations. Nevertheless, it is important to mention that electronic music is still a market with an important potential for European productions.

The electronic music productions, which experience the best sales growth, can be associated either with highly commercialised productions (which depend mostly on the artist's popularity), or with productions designed for a highly aware public who thoroughly follow the trend in that matter.

- Rock

Recently Rock has known significant progress in sales and remains a substantial value on the Japanese market. The Japanese public has shown interest for Pop-Rock. Nevertheless, this market is difficult to access for European productions, considering the fact that Pop-Rock is commonly associated and assimilated with Anglo-Saxon culture and image. For the past five years, though the sales record still maintains itself; the Japanese public's interest in Punk/Metal Rock has shifted to softer rock, such as British Pop Rock.

- Hip-hop / R'nB / Reggae

This category, which is still strongly associated with the American culture, has dominated the market for the past few years. Nevertheless, the Hip-Hop and Rn'B productions imported in Japan have not experienced the same sales success. The public's interest seems to have shifted from these two categories towards Reggae music, which has shown great sales increase in 2003 and 2004.

B. Music Demand

The Japanese public is confronted by an overwhelming choice of music productions and derivative products. Therefore, the public behaviour as far as consumption is concerned, greatly differs from the one observed in Europe. It is one of the reasons why trend evolves at a very high pace.

1. The Japanese Public

The Japanese public possesses its own habits. Once again, the differences can be partly explained by cultural differences.

It is essential to mention the importance Japanese society gives to material things, for they are "physical details". This behaviour can be perceived through Japanese people's sentimental attachment to objects representative of a period of their life. Hence, the artists, their albums and their image are also linked to the phenomena of identification. The evolution of the public's tastes and preferences are parallel and dependent on the artists' career evolution.

The presence and evolution of an artist on the Japanese scene are two components which are essential in maintaining the interest and curiosity of the Japanese public. The Japanese artists, on that matter, possess a great advantage since they are already physically present in Japan. It is then easier for the Japanese public to identify themselves to these artists.

Furthermore, the Japanese public, which can be qualified as "aware and informed", possesses the impressive ability of being fascinated or passionate about an artist or a musical genre. The extensive search for information about an artist or genre is the main characteristic of this feature. The regularity with which Japanese fans follow an artist or a musical genre very often surprises foreign artists in Japan.

Though the Japanese public has an impressive ability to be passionate about an artist, regardless of the country of origin, an artist's career in Japan depends on the right equilibrium with the evolution of its productions. On one hand, the artist has to be present enough to satisfy the Japanese public's curiosity; but paradoxically, the too frequent presence of a foreign artist on the Japanese territory can quickly lead to banality. The promotion and success of an artist is the result of a subtle balance, which must be considered thoroughly to avoid mistakes.

2. Trend Evolution pace

The Japanese society consumption habits can also be applied to the music market. Trends in Japan change at a tremendous velocity.

A relation between the trend evolution velocity and the media coverage can easily be established to explain the trend changes. The trend evolution velocity generates the necessity for the Japanese record companies to follow and even anticipate the tendency. In that matter, an impressive promotional work is done by these companies. This promotional work includes the search of synchronisation contracts, a financial support of the promotional events, but also a real work of adaptation of the foreign products to the Japanese public's demands.

The technological innovations, more specifically the one achieved in the wireless communication phone area, greatly increase the trend evolution velocity. For instance, the marketing and promotion work of a new song is highly covered by the media. This media coverage is often synonymous to success but it may also have the secondary effect of rapidly making the product obsolete.

C. Cultural Specificities

The music market in Japan is highly studied and the resulting marketing often implies adaptation of foreign products to Japanese specificities.

As seen previously, a band which could have been considered original and unique could very likely have been "cloned" in Japan. Based on the same principle and except for some rare cases, in Japan most products have to be adapted to the Japanese public's demand. This adaptation often implies a certain number of modifications on the presentation of the product and sometimes on its content; for the product to be interesting in terms of sales on the Japanese market.

Hence, the specificities of a Japanese licensed album release have to be explained. In Japan, every album with a license contract is submitted to a "make-over" in order to respond to the Japanese public's demands. Systematically, a translation of all the lyrics and bonus tracks are added. A change of the images contained in the booklet can sometimes be done if the product does not correspond enough to the Japanese public's demands. It is frequent to find an extra booklet containing articles and information about the artist or the musical genre. The Japanese public is particularly sensitive to the image, presentation and meaning of music.

There are two types of imported albums in Japan. "Traditional imports" and "arranged imports" are available in Japanese record shops.

The "arranged imports" are in fact traditional imports to which an extra booklet with translations has been added. The graphic aspect and the tracks order remain the same, as the ones available on the market of origin; but their prices are slightly higher than the one of the traditional imports. The price difference between the arranged imports and the traditional imports does not seem to stop the Japanese public from buying these albums, since the Japanese public seems to prefer buying the arranged versions.

D. Legal Specificities

Foreign investments in Japan, formerly controlled and regulated, were no longer submitted to legal restriction since 1992. Furthermore, customs taxes on imported products vary between one and two percent, which are one of the lowest rates compared to European countries.

Nevertheless, a certain number of legal specificities remain.

1. Import Law of June 2004

This law, which was voted on June 3rd, 2004, aims at regulating the influx on the Japanese market of Japanese artists' albums coming from the Asian market, particularly from China, Taiwan and Korea.

The Asian markets have in common a certain number of artists, due to the geographical and cultural proximity. In the case of Japanese artists, since the imported albums are slightly cheaper than the licensed albums on the Japanese market, the importation of Japanese artists' albums licensed in another Asian country has experienced a growing level of competition, due to this price difference. This law on imports, which will come into force on January 1st 2005, does not affect the European imports. Nevertheless, and considering the fact that this law concerns all the imports regardless of their origin, it may greatly alter the Japanese music market.

2. Tie In

Synchronisation, also called tie-ins, is the use of a song for a commercial, TV series or a movie. It is a particularly efficient promotional tool in Japan. Considering the fact that the Japanese public is particularly influenced by television, the habits related to tie-in are different compared to Europe.

While European artists are generally reluctant to be associated with commercial products or television series, Japanese artists are very well aware of the impact a tie-in can have on one's career or sales.

Frequently, songs used in tie-in end up at the top of music charts within a couple of weeks. This is the reason why, except for a few cases, artists are not remunerated for tie-ins; since they consider it a privilege in terms of sales and celebrity.

When synchronised with a TV series, the rights are collected by the subsidiary editor of the channel network, which takes care of redistributing it to the entitled structure.

E. Economic and Fiscal Specificities

1. Saihan Law

The Saihan Law, voted in 1953, imposes a fixed retail price for a minimum of two years after release or re-release. This law concerns all the material products made in Japan, in relation with the entertainment or cultural industry (books, videos, disc, etc.)

As far as the music industry is concerned, this law imposed a fixed retail price for all the licensed albums of national or international repertoire for a minimum of two years.

The Saihan Law enhances stability and competitiveness for the small retailers, which can then keep a certain profit margin. Highly controversial because of its anti-competitive aspect, this law is supported by the JARSAC and RIAJ.

2. Taxes

In 1997, the tax on consumption was raised from 3 to 5% on every product without distinction. Though this rise was supposed to be temporary, it is still applied. In Japan, taxes are not systematically included in the posted price, but since 2004, music retailers have posted prices which include taxes.

F. Boundaries and Obstacles

The Japanese market possesses a number of boundaries and obstacles which can be avoided, but which are a slowdown for a foreign newcomer.

The two main obstacles are the language barrier and a de facto protectionism.

1. Language Barrier

Japanese language is one of the main barriers to the importation of foreign music in the Japanese territory. Even though Japanese society has changed tremendously during the past decades and tries to put the emphasis on the learning of foreign languages, Japanese people still have a lot of difficulty with foreign languages, which is one of the reasons why Japanese record companies work so thoroughly on the rewriting of the album booklets and presentations.

The language barrier mostly generates communication problems between professionals. Though most Japanese music professionals are acquainted with foreign culture and language, the level of “fully” fluent English speakers remains relatively low. Hence, it is important to make sure that both partners fully understand each other. Therefore, it is better to repeatedly recapitulate all along the organisation process to avoid misunderstandings.

2. De facto Protectionism

A de facto protectionism or the natural inclination of the Japanese public to prefer national productions can be observed on the Japanese market.

As far as artist promotion is concerned, and as mentioned previously, the physical presence of an artist through tours or concerts on Japanese territory is essential and necessary to establish a strong fan and market basis.

Furthermore, television appearances have a capital importance. The Japanese public, which watches television four hours per day on average, is particularly influenced by this medium. Japanese artists have an undeniable advantage since they can very easily appear in entertainment programmes.

Though the Japanese public has an impressive ability to be passionate about an artist, regardless of the country of origin; an artist’s presence is an indisputable component in his/her career, especially for the promotional impact it has.

Therefore, European artists are confronted with two problems: their popularity in Japan and a problem of costs.

European artists are generally less popular in Japan than in their country of origin, thus they represent a bigger risk for Japanese promoters and record labels.

Therefore, European artists are dependent on their popularity in Japan but, in order to be able to establish a career in Japan, it is necessary for these artists to be able to come and perform in Japan; which they can hardly do because of their budding popularity and the risk it represents as far as an investment is concerned.

Furthermore and paradoxically, the too frequent presence of a foreign artist on the Japanese territory can quickly lead to banality. The promotion and success of an artist is the result of a subtle balance, which must be considered thoroughly to avoid mistakes.

Due to all these factors the Japanese public tends to naturally prefer Japanese productions, which contributes to the de facto protectionism effect which can be observed on the Japanese music market.

G. Institutions

The Japanese music industry gathers a great number of institutions and official structures.

1. J.A.S.R.A.C. (Japanese Society for Right of Authors, Composers and Publishers)

Founded in 1939, this non-profit organisation controls the repartition and redistribution of authors, composers and publishers' rights. Furthermore, the JARSAC is in charge of managing derivate rights, such as mechanical rights.

This organisation has a quasi-monopole on all the rights related to music.

In the matter of oeuvres reciprocal management, it is also in charge of the international catalogues rights according to the agreements signed with its international partners. Member of the CISAC (Confederation Internationale des Sociétés d'Auteurs et de Compositeurs), which counts a hundred and ninety-nine bodies of authors' rights in a hundred and three countries, JARSAC has a central role in the enhancement of its members' status and oeuvre protection.

2. C.R.I.C. (Copyright Research and Information Centre)

Founded in 1959, this non-profit organisation is specialised in researching and analysing every matter related to authors' rights.

The twenty nine members of the CRIC represent most of the organisations working in relation with the music industry. This centralisation and concentration of the different organisations into one facilitate the organisation of conferences about authors' rights and problems linked to authors' rights and new technologies.

3. F.M.P. (Federation of Music Producers)

This organisation, which was originally founded in an informal way in order to promote and protect artists' rights, became official in 1986. This organisation is structured as a federation, which counts two hundred and twenty five society members.

4. Geidanko

Founded in 1965, this association gathers sixty seven organisations representing dancers, musicians, actors, etc.

In 1971, this association was entitled by the Cultural Affairs Agency to receive funding through rental taxes of recorded material.

5. J.A.M.E. (Japan Association of Music Enterprises)

Founded in 1963 by the producers, in order to enhance their social status and modernise the field of activities related to music; this association was acknowledged for its help to the music industry in 1980. This association is in charge of intellectual property protection. JAME works in collaboration with other international organisations to develop a common axis of research for conferences.

6. A.C.P.C (All Japan Concert Tour Promoters Conference)

Founded in 1990, this association establishes studies and research related to copyright laws. These researches serve as a basis for the annual conference. Four times per year an edition of the results are sent to their subscribers.

This association works in close collaboration with the Ministry of Education and the Ministry of Culture in order to promote renewal and diversity on the Japanese Music scene. ACPC also participates in social prevention, by collaborating in the organisation of the annual event of Act against Aids.

7. M.P.A (Music Publisher Association of Japan)

Founded in 1973, this organisation, which officially gathers two hundred and sixty members, has as its mission to support and follow its members at every level of development; from creation and musical promotion, to authors' rights protection and recording production.

8. R.I.A.J. (Recording Industry Association of Japan)

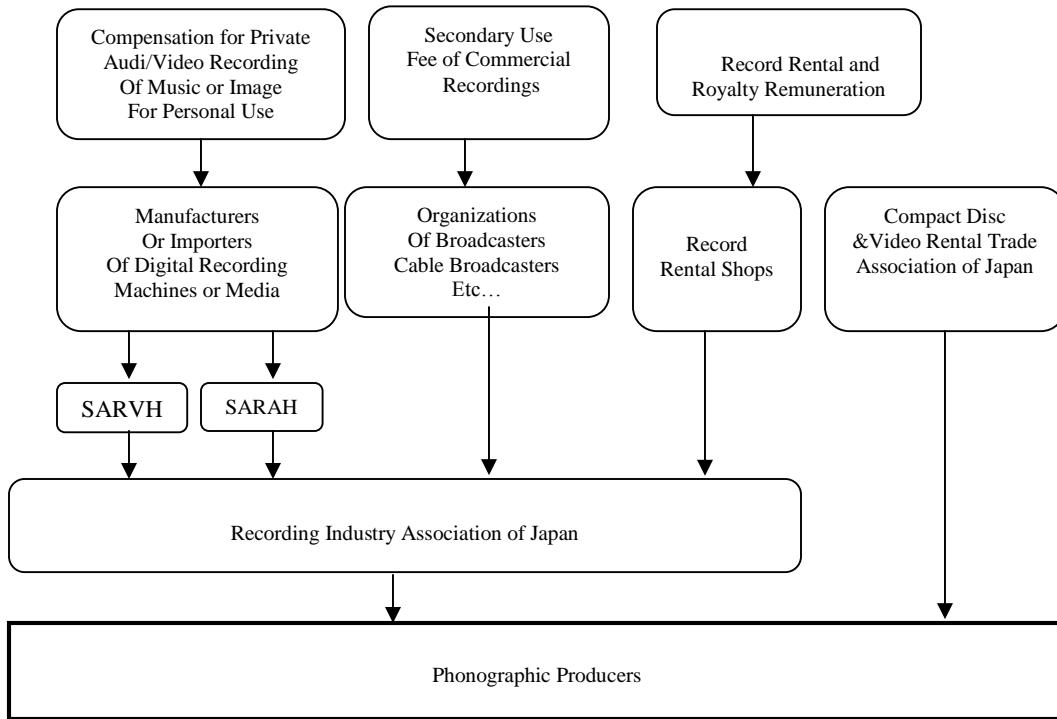
Founded in 1942, this organisation gathers forty one member companies. Its main purpose is to protect the rights of the member producers and all the rights related to the latter. This association is a member of the IFPI (International Federation of Phonographic Industry), which gathers one thousand and five hundred producers and distributors in seventy-six countries.

9. S.A.R.A.H

(Society for Administration of Remuneration for Audio recording)

Founded in 1993, this organisation is in charge of collecting the compensatory taxes paid by the manufacturers of audio material. These funds are given to the RIAJ, which redistributes them to the different actors of the Music Industry.

Copyrights Funds Flow



Source: RIAJ, 2004

II. The Japanese Music Market

The music industry market in Japan is an ultra competitive market due to the multitude and amount of actors; whether it concerns producers, publishers, distributors or tour and concert promoters.

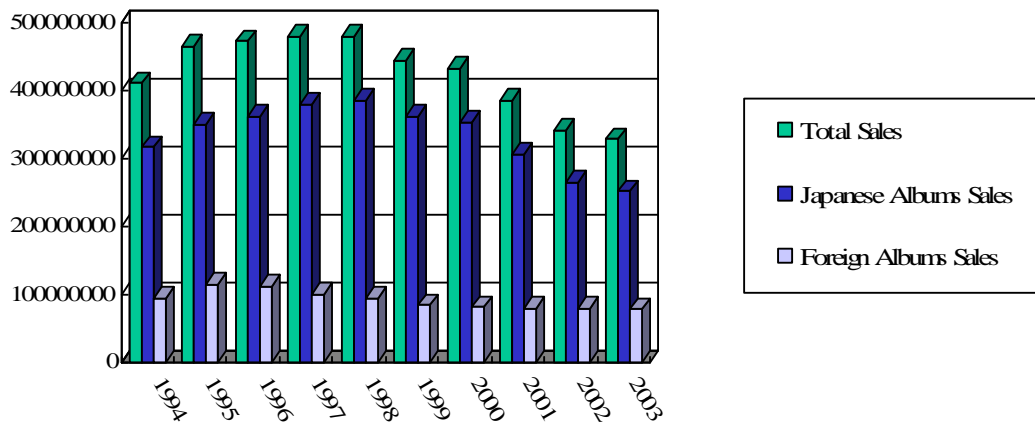
A. Global Situation and Evolution

The Japanese music market suffers from the same slow downs as the world music market. The uninterrupted decrease in the sales since 1998 shows the crisis which the music market is going through. The Japanese market is extremely saturated in terms of offer, which pushes the music professionals to always be ahead of the new tendencies.

Nevertheless, it remains the second world market to possess a high number of particularities. For instance, the dominance of local production on the Japanese market is relatively stable compared to European markets.

Furthermore, the evolution of the Japanese music market seems to be highly dependent on technological progress, the ultra competitiveness of a multitude of actors and the changes in the Japanese society.

Album Sales over the Past Decade



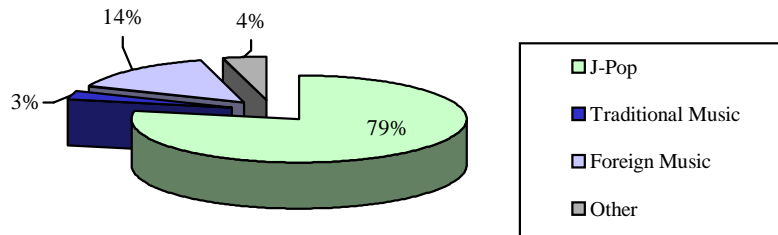
year	Album Total Sales		Japanese Albums Sales		Foreign Albums Sales		Market Share (%)	
	Number of copies sold	Comparison with the following year (%)	Number of copies sold	Comparison with the following year (%)	Number of copies sold	Comparison with the following year (%)	Japanese Music	Foreign Music
	410 450 000	98	316 727 000	94	93 722 000	116	7 7	2 3
	465 515 000	113	351 100 000	111	114 415 000	122	7 5	2 5
	472 305 000	101	361 093 000	103	111 212 000	97	7 6	2 4
	480 706 000	102	380 571 000	105	99 955 000	90	7 9	2 1
	480 177 000	100	386 388 000	101	93 788 000	94	8 0	2 0
	444 351 000	93	361 241 000	93	83 110 000	89	8 1	1 9
	433 140 000	97	352 875 000	98	80 265 000	97	8 1	1 9
	385 083 000	89	306 546 000	87	78 537 000	98	8 0	2 0
	342 348 000	89	263 968 000	86	78 379 000	100	7 7	2 3
	328 387 000	96	251 038 000	95	77 349 000	98	7 6	2 4

Source: RIAJ, 2004

This chart shows the albums' sales fluctuation over the past ten years. Though a general slowdown can be observed, the relationship between foreign music and Japanese music remains roughly the same.

The following diagram presents the relationship between album sales according to origin and style in 2003. These data includes albums, singles and vinyls' sales.

Sales by Music Categories in 2003



Source: Original Confidential, Jan. 2004

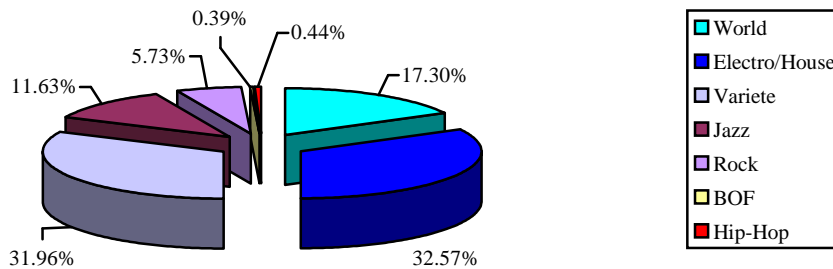
In comparison with Japanese music productions which often reach the million copies sold, foreign music production, European music productions included, hardly ever reach this number.

Best European Music Sales in 2003

Group / artist	Album	Number of copies	Country
Radiohead	Hail to the Thief	113.991	UK
Sarah Brightman	Harem	107.876	UK
Donots	Amplify the Good Times	42.009	Germany
Enya	Best Of	40.090	Ireland
Blur	Think Tank	39.849	UK
Craig David	Slicker than your Average	39.178	UK
Las Ketchup	Las Ketchup	64.851	Spain
Ace of Base	Da Cappo	33.264	Sweden
Mando Diao	Bring Em In	32.745	Sweden
Pleymo	Rock	14.000	France

Source: Original Confidential, Jan. 2004 and Bureau Export of French Music in Tokyo.

Example of a EU country sales: France



Source: Bureau Export Tokyo, February 2004

NB: The figures indicated above are not official figures. They are the result of a survey led by the French Music Export Office in Tokyo with the collaboration of the record companies. They are only mentioned to inform the music professionals about the evolution and tendencies of the Japanese market.

B. Tendencies

As indicated before, the Japanese market evolves at a very fast pace. Therefore, it is complicated to draw definitive conclusions about some global indicators, such as sales figures or awards attributed to artists, which can only give an idea of a general tendency. However, it seems important to show the main tendencies.

1. The Japan Gold Disc Awards

The Japan Gold Disc Awards were created in 1987 by the RIAJ. The Japan Gold Disc Awards annually attributes awards to the artists or songs with the highest sales between January 21st of the ongoing year and January 31st of the following year.

The chart below indicates the awards attributed in 2003. These results reflect some tendencies and successes of music in 2003.

The Japan Gold Disc Award 2003

Category	National		International	
	Artist	Record Label	Artist	Record Label
Artist of the Year	Hamasaki Ayumi	Avex	Joshi Junigaku Bou	Platia Entertainment
Breakout of the Year	175R	EMI	Stacie Orrico	EMI

Categorie	National			International		
	Artist	Title	Record Label	Artist	Title	Record Label
Best Song	SMAP	Sekai ni hitotsu no Hana	JVC	Hayley Westenra	Amazing Grace	Universal
Rock Album of the Year	Rip Slyme	Time to Go	Warner	Evanescence	Fallen	Sony
Pop Album of the Year	Nakashima Mika	Love	Sony	t.a.T.u	t.a.T.u	Universal

Source: RIAJ, 2004

2. New Technical Audio Support

a. Music DVD

In 2003, music DVD sales have risen by 53 % in comparison with 2002. This rise can be explained by the growing amount and diversity of Music DVD magazines offered in convenience stores. More and more frequently, record companies publish DVD to compensate for the sale drop of traditional compact discs. Live performance DVDs are still a growing market.

Furthermore, and like in Europe, it is getting increasingly common to add video bonus tracks on new albums and new digital supports.

b. Cellular and Wireless Communication

In Japan, 63% of the population has a cellular phone (this proportion is even higher for the 20-30 years old). According to a survey led by the French Economic mission, there were 88.3 millions subscribers in May 2004, eighty percent of which have an internet mobile connection, and twenty three percent have the capacity to stock data in the same way as a small computer. The four principal cellular phone companies are: NTT Docomo, Vodafone, AU and Tuka. In Japan, the technological level of cellular phones is superior to the one

available in Europe, since each cell phone possesses the same characteristics as a laptop computer connected to the Internet. Each subscriber can be attributed an email address.

Japanese people use their cellphones to such extend (especially emails) that cellular phone companies have launched commercial campaigns to encourage Japanese people not to use their cellular phones while in the public transportation.

For the Music Industry, cellular communication represents a very profitable market. It is possible to download ring tones identical to a song, but also its video.

Every time a customer downloads a song, all the pieces of information related to the album release are downloaded at the same time. Newsletters subscriptions and advertisement are also available since the Japanese public is fond of these kinds of services.

The ring tone popularity is such that record companies now use this medium as a promotional tool by making available ring tones even before the release of a song or album.

C. The Music Industry Actors

1. Record Companies

In Japan, the Major companies are based on the same model as the Japanese traditional one, whereas independent record labels can have a more flexible functioning.

a. Major Companies

As far as the exports of European artists in Japan is concerned, it is important to mention that an artist signed to a major company gives priority to the equivalent major company in Japan.

Furthermore, and considering that a licensed album release remains the majors' decision, it is sometimes difficult to free an artist from its contract with a major.

If a major is not willing to use its privilege, an authorisation must be provided by the major so that the artist can sign a license contract with another record company. However, from a strategic point of view, it is more profitable to put a limited amount of imported albums on the market rather than invest in a license release. Therefore, it is common for the majors to put out a limited amount of imported albums without any promotional plan, which reduces the costs and also prevents the major from giving up its rights to a potential success.

- BMG Japan

BMG (Bertelsmann Music Group) Entertainment is part of the German group Bertelsmann. In Japan, BMG took over the Japanese record company Fun House, in July 1999. In 2003, BMG Fun House was in possession of 3.5% of the Japanese music market. It is also important to mention that the merger with Sony Music Group does not concern the Japanese territory, where their respective catalogues remain separate.

- Universal Music

Universal Music is part of Vivendi/Universal Group. Universal Music, which was associated until 2003 with Victor Music, a subsidiary of JVC, did not possess its own distribution network.

In 1999, though the company name was changed from Universal/Victor to Universal Music, it still benefited from the distribution network of Victor Music. It was only in 2004 that Universal Music uses its own distribution network, independently from Victor Music and

JVC group. In 2003, Universal Music was in possession of 10.8% of the Japanese music market shares.

- Sony Group

The Japanese group, mostly known for its electronic products, was in possession of 17% of the music market in 2003.

In 2001, the group restructured its subdivisions into: Sony International, Sony Music Japan, Sony Music Records, Epic Records Japan, Kioon Records, and Sony Music Associated Records. It is important to mention that Columbia is not part of Sony Music Group in Japan.

- Toshiba-EMI

Based in the United Kingdom, the group EMI includes the EMI Music division. In Japan, Toshiba-EMI possesses publishing companies, record companies, the HMV record stores chain and Dillon bookstores. In 2003, Toshiba-EMI possessed 7.5% of the music market shares. Toshiba-EMI is composed of seven major record labels, four of which are exclusively dedicated to international repertoire (Capitol, Virgin, Strategic and EMI International).

- Warner Music Japan

Based in the United States, the group was in possession of 12.7% of the world music market shares. Warner Music Group, which is part of the Time Warner AOL conglomerate, has been active in Japan since 1970, when it associated with the Japanese Pioneer. In 1989, Warner Music Group took over Pioneer's shares, becoming the first fully western group to possess a subsidiary in Japan: Warner Music Japan. In 2003, Warner Music Japan possessed 4.7% of the Japanese music market. Unfortunately, Warner Music Japan released only very few licensed albums of European artists.

b. Independent Record Labels

There is an impressive number of independent record labels in Japan. The weight of these record labels is particularly important, considering that some of them are real competitors for the major companies. Nevertheless, two types of independent record labels can be distinguished.

- The Major Independents

1. Avex Inc.

Though considered as an independent record label, this group was in possession of 15.1% of the Japanese music market in 2003; it is therefore a major rival for the major companies.

The success of this independent record label can be explained by its specialisation in Asian artists and control over the entire process linked to the music industry. Avex Inc possesses subdivisions in charge of the production, distribution and artists' management. Considering that J-Pop represents 80% of the Japanese music market, this group has a considerable influence and weight on the Japanese music market.

2. JVC (Victor Entertainment)

JVC, which is partly owned by Matsushita electronic products, was restructured in 2004. The publishing group Victor Music Publisher, which was formerly independent, was integrated into the JVC group; allowing JVC to be in control of the whole production process. JVC group also has a management subdivision for Japanese artists only. In 2003, JVC possessed 9.6% of the Japanese music market.

3. Toys Factory

Founded in 1989, this record label can be compared to Avex Inc. because of its specialisation in J-Pop. When created, Toy Factory had an international repertoire relatively important, but in 2002, the group suffered from a cut down in investments in the international repertoire and the agreements with the British record labels Ninja Tune and Mo'Wax. Nevertheless, it is important to mention that an international division specialised in Rock and Metal still exists. In 2003, this independent record label possessed 2.1% of the Japanese music market.

4. Vermillon Records

This independent record label possessed 3.5% of the Japanese music market in 2003. Once again, this record label is exclusively specialised in J-Pop. As far as the exportation or importation of European artists is concerned, this record label is not a central actor; nevertheless it illustrates the importance of the J-Pop market in Japan.

5. Nihon Columbia

In Japan, this record label has no connection with Sony Group. Furthermore, it is important to mention that in October 2003, the group took over V2 and possesses 2.1% of the Japanese music market. This record label has an international repertoire of medium importance.

6. Pony Canyon

Pony Canyon belongs to Nippon Broadcasting System Company, whose main office is located in Japan. Nevertheless, Pony Canyon possesses subsidiaries in many countries, such as the United States, the United Kingdom and Asian countries. In 2003, Pony Canyon, whose catalogue is 20% foreign, possesses 2% of the Japanese music market.

7. King Records

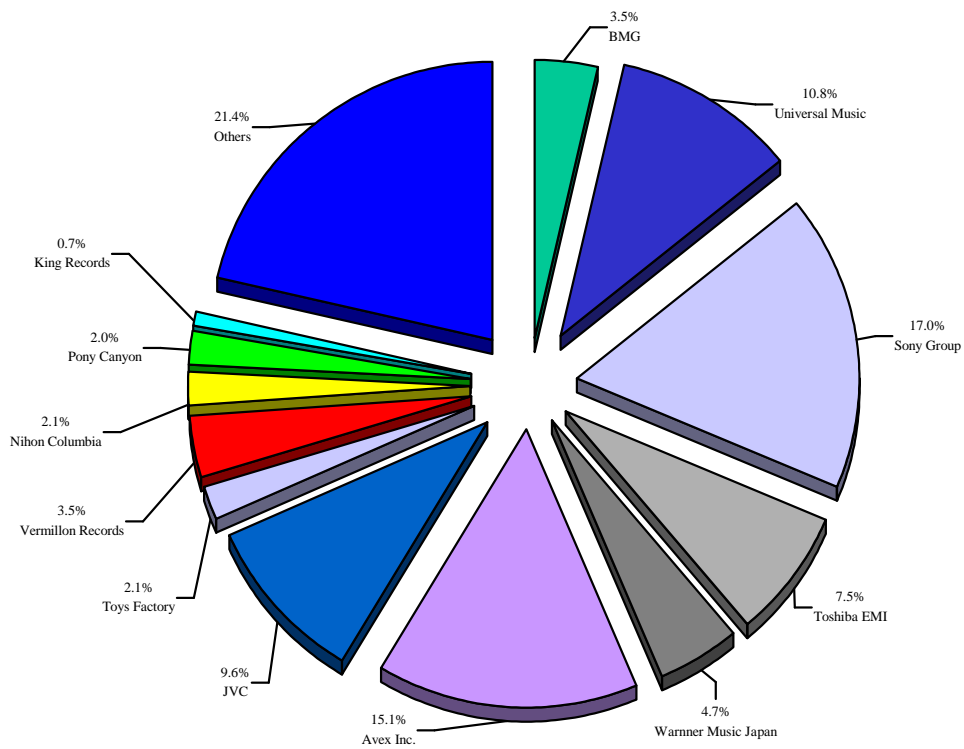
The most important book and magazine publisher created King Records in 1931. Its products are distributed by more than ten thousand retailers in Japan. King Records also distributes forty record labels and about twenty local labels such as Konami, which publishes video games music and original soundtracks. The department King Records International, founded in 1990, directly imports albums produced by more than a hundred foreign record labels. In 2003, this record label possessed 0.7% of the Japanese music market.

- The Small Independents

There is an impressive number of small independent record labels, which are particularly active, despite the lack of financial means. These small independent record labels are at the origin of the Japanese musical scene renewal. Altogether, they represent 21.4% of the market. These record labels, which achieve a fastidious and minuscule work,

are the best representatives of Japanese music in foreign countries. Furthermore, since they are not restrained by the local market demands and thank to their musical specificities and specialties, these labels seems to be able to export their artists with more success than major companies or major independent record labels.

Market Share Repartition by Record Companies in 2003



Source RIAJ, 2004

2. Publishers and Sub-Publishers

a. Publishers

In Japan, the relations between the publishers and the artists are particular. Commonly, Japanese artists first sign with a manager. Then, the manager starts searching for contracts with record companies and publishers. Hence, the manager is a central actor in an artist's career.

Therefore, a Japanese artist will always have a record company, which may vary according to each album, and a publisher, which generally remains the same. This publisher insures the protection of this artist's rights. Like the manager and the record company, the publisher searches for tie-in contracts with advertising agencies, television producers and movie producers.

b. Sub-Publishers

The Japanese sub-publishers' work has to be distinguished from the publishers' one. Tie-in contracts for foreign artists are the main income of the Japanese sub-publishers, though sub-publishers benefit from JASRAC's support. Therefore, Japanese sub-publishers work in close collaboration with advertising agencies, television and movie producers.

Japanese sub-publishers also establish contracts with publishers in order to use and protect foreign artists' rights on the Japanese territory.

Though sub-publishers ensure the promotion of artists in Japan, it is not customary for sub-publishers to financially support promotional events related to an album release or tour.

Furthermore, Japanese sub-publishers were one of the firsts to show interest in cellular phones ring tones business. Nowadays, more than a hundred sub-publisher websites exist, on which ring tones can be downloaded.

Japanese sub-publishers are entitled to use their artists' songs for cellular phones ring tones. Contracts between artists and sub-publishers specifically drawn for ring tone use purpose are becoming an increasing habit.

3. Distributors

a. Record Stores

There are a few record store chains in Japan: HMV, Tower Records, Shinseido, Tsutaya, Virgin Mega store and Wave are the most important ones.

These record stores chains offer an impressive variety; and particularly HMV, Tower Records and Virgin Mega store which invest significant means in the presentation of the albums and artists in their stores. These record stores demonstrate particularly eclectic choices and variety in the products offered to the public.

Furthermore, thanks to the Saihan law, there is a multitude of independent retailers. Tokyo is known for having an incredible number of very active vinyl's retailers. The public's interest for rarities allows these small retailers to remain competitive.

b. Karaoke

Though the karaoke phenomenon is not as popular in Europe as it is in Japan, karaoke is considered as a social activity widely spread in Japan. On average, Japanese

people go once a week to karaoke bars. This great communication and promotional tool generated 99 700 million yens profit in 2003 (750 million euros).

c. Online Retailers

The technological progresses of Internet and the increase in use of the Internet have allowed the tremendous increase of online sale websites. Websites such as Mora directly link the consumers with the record labels official websites, where the price for downloading a track varies between 150 yens and 210 yens (approximately 1, 5 euro).

Though Japanese people are still reluctant to using online payments, the cash on delivery payment system or payment systems available in convenience stores provide a certain security, which has made Japanese consumers confident enough to purchase online.

According to a survey led by ORICON, among people who have not downloaded music from the Internet, thirty four percent of them prefer physical support including a booklet. Finally, like in the rest of the world, the lack of interoperability between downloaded songs and MP3 players (via DRM protocols) more and more discourages the public to download music.

d. Other Shops

An increasing number of shops, which have no direct and real relation to the music industry, specialise in very different styles and sell compilations or discs. These fashionable places attract young costumers with strong purchasing power, which are not actually interested in the music itself but rather by the style, presentation or image associated with the product.

III. Live Performance

Live performances in Japan are organised and function in a very particular way, and more specifically through the role of the promoters

A. Promoters

Except for some very rare cases, such as the one of classical music, which is often financed by large private sponsors, such as Suntory or Asahi Corporation, live performances are financed by private promoters, who are willing to take a certain amount of financial risks.

Commonly, promoters and record labels collaborate on the organisation of live performances. On one hand, promoters are in charge of promoting and organising the event itself, with the support of the record company; while, on the other hand, record companies are in charge of the artist's promotion in relation to the event.

It is important to mention that in Japan, since both promoters and record companies ensure promotion, the promotional work around an artist and/or an event is an essential point. Therefore, promoters and record label companies have important communication networks and close relations with the media/the press (general and specialised), radio and television networks; but also record stores and fashionable places (cafes, restaurants, clothe stores, etc.)

B. Practical Difficulties

The coordination and organisation of festivals, concerts or tours in Japan are affected by a certain amount of factors. The distance, the working methods differences, the language barrier mentioned previously often handicap European record labels, promoters and managers in exporting their artists in Japan.

1. Working Methods

As seen previously, the working methods differences affect the organisation of events for foreign artists. It is important to take into consideration these factors and give Japanese partners the necessary time to organise these events. The European record label companies, promoters and managers who wish to export their artists have to consider and adjust their schedules according to these differences to facilitate organisation and enhance good relations; especially when first collaborating with Japanese promoters or record labels.

2. Japanese Language

Once again, the language barrier is a handicap in organising and coordinating events. Since Japanese people still have a relatively low knowledge of English, it is important to make sure that both partners fully understand each other. Therefore, it is better to repeatedly recapitulate all through the organisation process, to avoid misunderstandings.

3. Costs

Japan is known for being an extremely expensive country. It is also important to take into account this factor while organising or negotiating an event. The level of investment required for the organisation of events is much superior than the one required in Europe.

Therefore, It is not possible to organise events, concerts or tours without the financial support of all the partners of a project.

European record labels, promoters and managers who wish to export their artists have to be aware of this budget difference, be prepared and willing to financially support their artist.

C. Festivals

In Japan, an impressive number of festivals exist; presenting them all would be unnecessary since most of them do not host foreign artists. Therefore, the festivals presented and described below are the main Japanese festivals which regularly host European artists.

It is necessary to focus and collaborate with the festivals promoters; for it reduces the costs of promotion and live performances, but also gives the artists the possibility to benefit from the communication networks the festivals already have.

Furthermore, festivals have a tremendous influence on the Japanese public and Japanese music market; the collaboration with the promoters is vital for European artists' exportation in Japan.

Promoters start organising and looking for potential artists at least four months before the approximate date of the event.

The promotion of summer festivals starts usually around the beginning of May. Radios, televisions, specialised magazines and record stores participate to the promotion of

these events. The summer festivals promotion is so intensively covered by the media that it is impossible for the Japanese public not to be aware of the existence of these festivals and of their programmes.

1. Fuji Rock and Asagiri

These two festivals are organised by the largest Japanese promoter: Smash. Founded in 1983, Smash is the Japanese promoter which possesses the largest means; and whose festivals are the most popular ones, since Smash was the first Japanese promoter to organise outdoor music festivals.

a. The Fuji Rock Festival

Created in 1996, the annual festival is held in Naeba, by the end of July. This festival is considered as one of the biggest music event of the summer with the Summer Sonic Festival. The Fuji Rock Festival gathers one million people on average over three days.

Organised around eight stages, this festival hosts more than a hundred and fifty artists every year. This festival offers particularly interesting possibilities for European artists due to its popularity. The promoter Smash has shown a growing interest for Pop, Rock, Electro, Hip-Hop and World music artists. Therefore, World music and electronic music European artists have higher chances of being selected for this event.

b. The Asagiri Jam Festival

Created in 2001, this festival is somehow the small version of the Fuji Rock Festival. The Asagiri Jam Festival is held every year by Mount Fuji by the end of September. This festival gathers on average eighty thousand people over two days. The Asagiri Jam Festival, which hosts about fifty artists every year, is organised around two stages: an electronic music stage, and a Rock/World music stage.

2. Summer Sonic and Sonic Mania

These two festivals are organised by the other big promoters in Japan: Creative Men. In 2000, the growing popularity of rock music gave enough reason for Creative Men to copy Smash' s outdoor festival concept and create two outdoor rock festivals.

a. Summer Sonic Festival

Created in 2000, this two-day festival, which is usually held at the beginning of August in Tokyo and Osaka, gathers approximately a hundred and thirty thousand people at the WTC Stadium and the Intex of Osaka; and at the Chiba Marine Stadium, the Makuhari Messe and the Makuhari Messe Event Hall of Tokyo. This festival hosts about a hundred artists every year, who usually perform in the two cities. For the Summer Sonic Festival, the promoter is particularly interested by Pop, Rock/Metal, Electronic and Hip-Hop music artists.

b. Sonic Mania Festival

Based on the same concept as the one of the Summer Sonic Festival, the Sonic Mania Festival is held both in Osaka and Tokyo by the end of January. Created in 2001, this festival hosts about thirty Rock and Metal Music artists who perform in front of thirty thousand people every year.

3. Electronic Music Festivals

Electronic music is still particularly popular in Japan. A number of Japanese electronic music artists are known worldwide for their talent, creativity and originality. Recently, an increasing number of electronic music festivals have been organised in Japan; some of which host foreign artists.

a. Metamorphose

Created in 2001, by the promoter of the same name, the Metamorphose festival is held every year in Naeba by the end of August, and gathers approximately ten thousand people over two days. Metamorphose hosts about forty electronic music artists, who are given the possibility to perform on one of the three outdoor stages.

b. Wire

Wire, which was created in 1999, by the Japanese artist Takyu Ishino, is held in the Yokohama Arena around mid-July. This festival hosts about twenty artists every year. This festival exists thanks to the personal initiative of Takyu Ishino and benefits from the support of several sponsors.

c. Electraglide

Created in 2000 by the promoter BeatInk., Electraglide is an electronic music festival held every year at the Makuhari Messe of Tokyo, but also in Osaka. This two-day festival hosts about twenty artists every year.

d. Sonar

In 2004, the Spanish concept of the Sonar Festival was copied by the promoter Third Ear. This festival which will be held on the 9th and 10th of October 2004 at the Ebisu Garden Hall, has programmed about thirty artists for this event.

4. Jazz Festivals

Jazz festivals attract a public of connoisseurs, as mentioned previously. Furthermore, since Jazz music is often associated with the image of a cosy atmosphere, there is no jazz equivalent of the Fuji Rock Festival or Summer Sonic Festival.

Nevertheless, three important Jazz festivals are organised every year: the Tokyo Jazz Festival, the Mount Fuji Jazz Festival and the Gypsy Summer.

a. Tokyo Jazz Festival

Created in 2002 by the NHK (National Television and Radio network), this Jazz festival is held every year by the end of August and gathers about a hundred thousand Jazz fans. The Tokyo Jazz Festival benefits from the extremely good and prestigious reputation of the NHK, and from the communication network NHK possesses.

This festival benefits from a very good reputation and therefore only accepts artists with established careers in Japan.

b. Mount Fuji Jazz Festival

Created in 1986 by the promoter Kyodo Tokyo, this Jazz festival, which had been cancelled after its tenth edition, was restored in 2002. The Mount Fuji Jazz Festival usually has a prestigious program and only accepts internationally established artists.

c. Gypsy Summer

Created in 1999 by the promoter Plankton, this itinerant festival of Gypsy Jazz travels through Japan by the end of August. The Gypsy Summer festival hosts a couple of fanfare and gypsy jazz bands from Eastern Europe.

The growing success of gypsy Jazz style gave the opportunity to the promoter Plankton to organise an itinerant festival in Japan. Nevertheless, it is important to mention that the growing success of this music style is partially due to the success of some foreign movies, such as *Swing* of Tony Gatlif, which are themed around the gypsy culture.

IV. The Media

Japanese society is particularly saturated as far as media coverage is concerned. The media have an undeniable power and influence on which the Japanese music market is dependent. Regarding television, press, Internet and to a lesser extent radio, their influence and power over the evolution of the music market is tremendous. Therefore, it is important to present the main media actors and their functioning.

A. Television

Since Japanese people watch television four hours per day on average, the Japanese public is greatly influenced by this medium. Though the NHK Network is considered to be the leading network in terms of information, the private networks, which offer mostly entertainment programs, are leaders in terms of market shares.

1. The Public Sector

Technically, there is no real public sector in Japan. Nevertheless, the NHK is in control of a national network. The Japanese television network is divided into two: the NHK network and local networks according to the region.

The NHK network is composed of two channels: NHK1 (general), and NHK3 (educational), which are broadcasted all over Japan. NHK channels broadcast very few commercials, and are financed by annual television taxes.

Nevertheless, and as far as music programmes are concerned, most of NHK music programmes are dedicated to classical and traditional Japanese music.

It is possible for European artists to have their videos broadcast on the NHK network. The educational channel NHK3 broadcasts a number of foreign language learning programmes. These programmes sometime have sections dedicated to the cultural aspects and tendencies in a particular country; which can be an opportunity for European artists to have their video broadcast.

For the Japanese public, the seniority and reputation of NHK is synonymous of quality and seriousness. Therefore, the choice of the videos broadcast in these programs is thoroughly considered.

2. The Private Sector

More diverse than the public sector, the private sector is dominant on the television network market and is the biggest income source of this market. The private sector is composed of five local television networks.

These television networks mainly broadcast entertainment programmes. Some programmes, known as “Dramas” are particularly popular among the Japanese public, regardless of the age or gender. Dramas are mini-series of approximately twelve episodes produced only for television. As seen previously, the tie-in contracts for these programmes are the most interesting ones for the music professionals since it is the most efficient promotional tool available.

Entertainment programmes, such as games or music programmes are broadcast on a daily basis. The regular appearances of Japanese artists in these programmes represent the best promotional tool and the main advantage Japanese artists have over European artists. These appearances also enhance a sustainable relation and ensure the Japanese public’s loyalty.

3. Cable Network

The cable and satellite television networks are developing; nevertheless, the cable network development is not homogenous and often varies according to the area. As far as music channels are concerned, the main channels are: MTV Japan, Space Shower TV and Music on TV (formerly View sic). Space Shower TV and Music on TV both have programmes which are more focused on J- Pop than MTV, which remains more international.

The programmes of these channels are generally entirely dedicated to music, and broadcast videos, music documentaries, music news and weekly music charts.

B. Radio

Though divided into two sectors in the same way the television networks are, the radio network and its variety are not as diverse as the one offered in Europe. This can be explained by the difficulty and complexity of the procedure to obtain the broadcasting licenses, which are delivered by the telecommunication and post Ministry.

Due to the technological progress and new technologies available in Japan, such as the possibility of downloading music from a personal vehicle via internet and satellite connection, the use and popularity of this medium has been decreasing over the past few years.

Furthermore, programmes on the radio are traditionally not as music-oriented as in Europe. The few music programmes are often dedicated to oldies rather than newly released songs.

C. Press

Japanese people read on average four times more than Europeans do. Regarding information and promotion: magazines, newspapers and mangas are therefore an influential medium and a key element for the music industry.

1. General Press

a. Daily Press

The daily press, which is commonly divided into a national news section and a local news section, is reserved for an adult public due to the level of reading required. The complexity of the Japanese language and the impressive number of Chinese characters used in the daily press eliminate a large part of the Japanese public who has not benefited from a college education.

Therefore, only a small portion of the Japanese readers regularly buy daily newspapers. On average, these readers buy and read one or two newspaper per day.

The main daily newspapers such as the Asahi Shinbun, the Yomiuri Shinbun and the Nikkei Shinbun dedicate a rather large section to cultural novelties, such as exhibitions, concerts and cultural manifestation. Nevertheless, the information and choice of the events mentioned can be perceived as conservative and serious, since they are often only related to Japanese traditional culture.

b. Weekly and Monthly Press

Though more specific, the weekly and monthly press reaches a wider public according to its age, sex or occupation. Magazines, which are mainly focused on leisure activities and interests, are more popular than the daily press.

As seen previously, Japanese people work more than twelve hours per day and often spend more than two hours per day in public transportations. It is frequent to see Japanese people spend long hours reading magazines in bookstores or convenient stores without buying them.

The Japanese public follows thoroughly the new fashions and music tendencies. Therefore, the general press often publishes articles about actors, designers or artists. Recently, the increasing numbers of collaborations between music artists and fashion designers have been the topic of many published articles, which often opens the door to popularity for these artists.

2. Specialised Press

Japan offers a very impressive variety of magazines specialised in music. Within this category, two subcategories can be distinguished: the general music magazines and the ultra-specialised magazines.

Among the general music magazines, three are considered to be the basic: Oricon, Bounce and HMV.

- Oricon (Original Confidence)

This bimonthly professional magazine was first published in 1967. It is the equivalent of the American Billboard. The focus is put on the music charts, the sales of albums, singles and DVDs. Articles analysing the music market and interviews are also the basis of this magazine.

- Bounce and Musee

These two magazines, published monthly by Tower Records, are free and available in every Tower Records store in Japan. Information about album releases, artists' interviews and articles about music events are the main focus.

Musee, which focuses on classical and jazz music, possesses a large section dedicated to articles and artists' interviews.

Bounce, which focuses on international and national music, has a section entirely dedicated to new album releases. This section distinguishes Japanese music from foreign music. Bounce, Musee and Tower Records, which are very active in promoting artists, are also particularly independent from record label company. The main appeal of these two magazines is their eclectic choice of articles and artists' interviews.

- HMV

Based on the same concept as the one of Bounce, HMV is a free monthly magazine available in every HMV store. HMV magazine emphasises on articles and interviews, rather than album releases.

Just as Bounce and Tower Records, HMV magazine and HMV stores are also very active as far as promotion is concerned and are very independent.

Ultra-Specialised Magazines

To respond to the Japanese public's demands, there are a great number of ultra-specialised magazines. Magazines specialised on one particular music style, or music category or even instrument are available. These magazines reach a very particular public of fans.

List of the Main Music Magazines Reference

Jazz Music:

Adlib

Jazz Life

Swing Journal

Underground Music:

After Hour
Cookie Scene
Ok Fred

Hip-Hop Music:

Blast
BMR (R&B/Hip-Hop)

Electronic Music:

Floor.Net
Juice
Loud
Remix

Rock Music:

Burrn (Metal)
Cross Beat
Rockin'on
Snoozer

Pop Music:

Barf Out
Beikoku Ongaku

World Music:

Latina
Music Magazine

Music Material:

Sound and Recording Magazine

New Album Releases:

CD Journal

D. Internet

In Japan, sixty percent of the households own a computer connected to the Internet; to which the sixty three percent of the population who own a cellular phone connected to the Internet must be added. These figures show the development of Internet in Japan.

Internet is a medium which seems to push away communication boundaries every day. Japan technological advances have pushed further these boundaries, making Internet the most important communication medium. Ring tones downloads; online shops and official

websites of magazines, record labels, music festivals and artists are the new promotional tools for the record companies.

Japanese people's curiosity and their interest in rare pieces of information have turned Internet into an endless source of information, with almost three millions Japanese websites related to music.

As seen previously, Japanese people can be connected to the Internet from their cellular phones, and surf on the web in the same way as from a computer. An increasing number of Japanese websites offer the possibility of watching videos and live performances. The Japanese public interest for visual material is such that Japanese music websites almost all contain videos and live performance video sections.

Furthermore, Japanese websites almost systematically offer computer and cellular phone versions for information downloading.

Though traditional audio-digital technologies such as compact discs are still very popular in Japan, Internet and new audio-digital technologies, such as MP3 and I Pod, are becoming increasingly popular, which announces the increasing use of this technology; hence its importance in the coming years.

Conclusion

In the global context of crisis and restructuring of the music industry, European music possesses a number of appealing qualities for the Japanese public, such as its image and diversity.

Furthermore, the enthusiasm and dynamism of the European record labels are particularly appreciated by the Japanese music professionals.

The image of Europe, which often remains associated with the one of the sixties, is nevertheless closely connected to the one that the fashion industry presents. Sophistication, romanticism and subtlety are still an image, which can be exploited and developed in collaboration with all the representatives of the European image in Japan.

In that matter, electronic music possesses a great advantage. Electronic music, which is often perceived as the leader of new trends, offers a lot of potential opportunities for European artists and is financially interesting for Japanese promoters due to the relative low costs implied in an electronic artist's venue.

European music potential in Japan is undisputable. The cultural gap and the lack of understanding are often the only factors which affect relations between Europeans and Japanese interlocutors, especially concerning the working methods.

Annex Document

Marketing and Presentation

As mentioned previously, since the Japanese public attaches importance to the visual aspect of a product, the presentation of albums is a central aspect in marketing.

The booklets' graphics are thoroughly studied. This work represents a great investment in time; due to the time required for the texts translation and research for articles and biographies. Though most of the promotion and marketing budget is dedicated to the advertising space in the media, the amount of work necessary for the booklets design is a real investment which is part of the promotion budget.

Promotion

The promotional work around a new album release is taken care of by the Japanese record labels. The promotion plan is activated one to two months before the album release. Therefore, the promotion preparation starts at least four months before the release, preferring pre-release promotion to post-release promotion. The Japanese record companies are in charge of buying advertising space in the media; and the entire organisation around an album release promotion is left to them.

Nevertheless, it is important to mention that the promotional work is the result of a close collaboration between managers, record labels and publishers (sub-publishers for foreign artists)

License and Distribution Contract Search

Unless having already a list of established contacts in Japan, the best method to establish a work relation with a Japanese record label company is to first contact them via email. Spamming should be avoided since Japanese people particularly dislike this method.

It is necessary to explain in details the nature and purpose of the project but also the objectives. Japanese working methods are such that a vague or poorly detailed project can lead to an unsuccessful collaboration.

Furthermore, it is important to keep in mind that in Japan, a project is only presented when all the details have been studied and measured. Therefore, it is pointless to present a project in embryo.

As far as enquiry is concerned, European partners can enquire about their project two weeks to a month after delivery. If a Japanese record label company does not contact its European partner, or if the Japanese partner ignores the enquiry: it means that the Japanese record company is not interested in licensing an album. In Japan, though it may seem particularly impolite and awkward to Europeans, it is less rude to ignore a request than giving a negative answer.

Once the contact has been established and the project presented to the Japanese interlocutor, sending the product is the second step. As mentioned previously, since the redesigning of an album booklet is a considerable time investment, Japanese partners greatly appreciate when albums are sent at least four months before the Japanese release date, but also before the release in the country of origin to avoid the influx of imported albums. A late Japanese release date can affect the licensed album sales on the Japanese territory, and repel a Japanese record company in investing in a license release. It is even more important to respect and give enough time to small record labels which do not always have established networks for translation and packaging design.