

2020

Advertising
Expenditures
in Japan

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About Dentsu's Advertising Expenditures in Japan

Dentsu's annual report on advertising expenditures in Japan is an estimate of advertising spending in Japan during the calendar year (January to December), representing the advertising media fees and production costs for the traditional media (newspapers, magazines, radio, and television), along with those for the Internet and promotional media categories. It is prepared in cooperation with media companies, production companies, advertising agencies, and various other organizations. Advertising expenditures in the traditional media are also broken down into estimates for 21 industry categories.

Dentsu had used the same methods and category scope in its estimate of expenditures from 1947 through 1986, but in 1987 the scope of the report was expanded beyond the four traditional media, and figures were revised retroactively to 1985. The scope of estimates was revised again in the 2007 report, with figures revised retroactively to 2005. After Japan switched from analog to terrestrial digital broadcasting in 2011, televisions capable of receiving both terrestrial and satellite broadcasts became the norm. Therefore, starting in 2014, advertising expenditures in Television were redefined to include expenditures in both Terrestrial Television and Satellite Media-related advertising. The estimates for digital advertising carried by traditional media companies were included in the report for the first time in 2018, and the provisional estimates for 2017 are not disclosed. The estimates for advertising expenditures for Merchandise-related EC Platforms and Events within Advertising Expenditures in Japan were included in the report for the first time in 2019.

I. Overview of Advertising Expenditures in Japan for 2020

Total advertising expenditures amounted to ¥6,159.4 billion

Japan's advertising expenditures for calendar 2020 totaled ¥6,159.4 billion, a decrease of 11.2% compared with the previous year's figure, reflecting the impact of the global COVID-19 pandemic. This marked the first contraction in overall advertising expenditures in nine years—the previous decrease having occurred in 2011 following the Great East Japan Earthquake and Tsunami. The margin of decrease was second only to that recorded following the global financial crisis in 2009. Internet advertising expenditures continued to grow, driven by Japanese society's accelerating digital transformation.

General Characteristics of Advertising Expenditures during Calendar 2020

1. In 2020 overall advertising expenditures amounted to ¥6,159.4 billion (down 11.2%). Starting in March, owing to the impact of the COVID-19 pandemic, the movement of people was restricted both in Japan and overseas. Following the declaration of a state of emergency in Japan in April, the Japanese economy experienced a significant slowdown. Consumption generated by the inbound visitor market—a key driver in recent years—came to a virtual standstill. People were urged to stay at home, which had a major negative impact on many sectors. Food services, transportation, and leisure in particular were severely affected. The advertising industry was also buffeted by the after-effects of these conditions. As the central government and local governments moved to implement economic policies to deal with the pandemic, and measures were put in place to control its spread, signs of gradual recovery began to appear starting in July. In the October–December quarter, expenditures were returning to levels on a par with the corresponding quarter of 2019. However, over the year as a whole, advertising expenditures were significantly lower compared with the previous year.
2. For the first time in nine years—since the aftermath of the 2011 Great East Japan Earthquake and Tsunami—annual advertising expenditures shrank. It was also the first year a double-digit rate of contraction was recorded since the recession in 2009, triggered by the global financial crisis. The rate of decline was the second highest of any year since Dentsu began compiling estimates in 1947.
3. As large numbers of people refrained from going out or traveling, there was a surge in demand related to staying at home, and the digital transformation of social life greatly accelerated. This was particularly evident in such fields as delivery services, online shopping, online conferencing, online events and seminars, remote working, and cashless payment services. Driven by this trend, Internet advertising expenditures took the lead in staging a recovery, and achieved growth on a full-year basis. Expenditures on digital advertising carried by traditional media companies maintained the double-digit growth seen in the previous year. For advertising and sales promotion campaigns originating in digital media, 2020 was a year of further evolution and growth. In contrast, promotional media spending was substantially lower owing to the impact of the COVID-19 pandemic, which led to the postponement or cancellation of a broad range of events, exhibitions, and conventional advertising and sales promotion campaigns. This included the postponement of the 2020 Tokyo Olympic and Paralympic Games. In traditional media, which run advertising campaigns concomitant with events, advertising expenditure declined significantly.

Advertising Expenditures by Medium for 2020

Media	Advertising Expenditures (¥ billion)	YOY Comparison Ratio (%)	Component Ratio (%)
Traditional Media			
Newspapers	368.8	81.1	6.0
Magazines	122.3	73.0	2.0
Radio	106.6	84.6	1.7
Television	1,655.9	89.0	26.9
Terrestrial Television	1,538.6	88.7	25.0
Satellite Media-related	117.3	92.6	1.9
Subtotal	2,253.6	86.4	36.6
Internet			
Digital advertising carried by traditional media companies ¹	80.3	112.3	1.3
Newspapers Digital	17.3	118.5	0.3
Magazines Digital	44.6	110.1	0.7
Radio Digital	1.1	110.0	0.0
Television Media Digital	17.3	112.3	0.3
Television media-related video advertising	17.0	113.3	0.3
Merchandise-related EC Platforms within Advertising Expenditures in Japan ²	132.1	124.2	2.1
Subtotal	2,229.0	105.9	36.2
Promotional Media			
Outdoor	271.5	84.3	4.4
Transit	156.8	76.0	2.6
Flyers	252.5	70.9	4.1
Direct Mail	329.0	90.3	5.3
Free Newspapers ³	153.9	72.9	2.5
POP	165.8	84.2	2.7
Events ⁴ / Exhibitions / Screen Displays	347.3	61.2	5.6
Subtotal	1,676.8	75.4	27.2
Total	6,159.4	88.8	100.0

Notes: 1. Digital advertising carried by traditional media companies has been estimated since 2018.

2. Advertising expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan started to be estimated in 2019.

3. In 2019, the Free Newspapers/Free Magazines category was integrated with the Telephone Directories category to become the Free Newspapers/Telephone Directories category. In 2020, the category name was changed to Free Newspapers category.

4. In 2019, the Events field was added to estimates for Exhibitions/Screen Displays.

Background to 2020 Advertising Expenditures

1. Japanese Economy Contracts, Reflecting Impact of COVID-19 Pandemic

In 2020, the Japanese economy deteriorated owing to the impact of the global COVID-19 pandemic. During calendar 2020, real GDP contracted at an annual rate of 4.8% (according to preliminary GDP data), marking the first year of decline since real GDP had shrunk 5.7% in 2009, during the aftermath of a global financial crisis. On a quarterly basis, real GDP contracted 0.6% (-2.2% on an annualized basis) in the January–March quarter. In the April–June quarter, when the Japanese government declared a state of emergency in response to the COVID-19 pandemic, real GDP contracted 8.3% (-29.3% annualized), which was the largest quarterly decline in Japan's post-Second World War history. In the July–September quarter, the economy rebounded from the previous quarter's slump, and grew 5.3% (22.7%

annualized). In the October–December quarter, real GDP grew 3.0% (12.7% annualized), recording the second consecutive quarter of significant growth. However, this was still insufficient to make up for the large fall suffered in the April–June quarter. Within domestic demand, although government final consumption expenditure, public investment, and other categories of public demand expanded, private demand fell across the board, including personal consumption, investment in plant and equipment, and housing investment. Net exports were also sluggish, owing to a large decrease in exports.

As a result, during calendar 2020, real GDP shrank at an annual rate of 4.8%, and nominal GDP decreased 3.9%, recording the first annual decline in nine years. The previous full calendar year contraction had been in 2011 (1.6% contraction), during which the economy suffered from the aftermath of the Great East Japan Earthquake. (The above analysis is based on preliminary GDP quarterly data released on February 15, 2021.)

Corporate Earnings Forecasts Indicate Declines in Sales and Profits

For Japan’s fiscal 2020 (April 2020–March 2021), the revenues of listed companies are forecast to decline 9.9% across all industries. Net profits are expected to decrease 33.6% compared with the previous fiscal year.

Employment Conditions Deteriorate

Employment conditions deteriorated accompanying the slump in corporate earnings performance. The annual average unemployment rate in calendar 2020 (seasonally adjusted) was 2.8%, a 0.4 percentage point increase compared with the previous year. This was the first annual average increase in 11 years, since the global financial crisis in 2009. In December 2020, 1.94 million people were registered as being unemployed—a 490,000 year-on-year increase. The average effective opening-to-application ratio for 2020 was 1.18, a 0.42 percentage point decline compared with 2019. The rate of decline exceeded that in 2009 (0.41 percentage point decline) following the global financial crisis. (A ratio in excess of 1.00 means there are more job openings than job seekers.)

Yen Appreciating; Stock Prices on Steep Rise since Fall; Crude Oil Prices Up

In foreign exchange markets, the yen’s appreciating trend continued. This reflected the impact of policies implemented by central banks worldwide to lower interest rates in response to the economic slowdown caused by the pandemic. On December 30, the final day of trading for 2020, the exchange rate closed at ¥103.32/\$1.00, an appreciation of approximately ¥6 compared with the 2019 closing rate.

Stock prices were on a declining trend until March. Subsequently, the trend reversed and stock prices began to rise, underpinned by global monetary easing. Starting in the fall, expectations regarding breakthroughs in COVID-19 vaccine development helped to drive stock prices to the highest levels seen since Japan’s asset bubble burst in the early 1990s. The Nikkei Stock Average closed trading for the year on December 30 at 27,444.17, marking the highest level at market close for the year since 1989.

Although crude oil prices continued to decline, owing to the impact of the pandemic, prices began to recover gradually starting in May. This was underpinned by coordinated actions by the OPEC+ grouping—which includes Russia and other countries outside the Organization of the Petroleum Exporting Countries—to suppress production volumes. The Japan-wide average retail price of regular gasoline rose between mid-June and December, hovering at around ¥130–135 per liter.

2. Domestic Consumption: Many Markets Slump, including Department Stores; Travel, Leisure, and Food Services

Department stores recorded a steep year-on-year sales decline of 25.7% (existing-store basis). Factors driving this slide include temporary store closures and the disappearance of consumption by inbound visitors, both the result of the pandemic. This was the largest annual decrease on record since statistics were first compiled in 1965. Sales at convenience stores recorded a decrease of 4.7% (existing-store basis), marking the first decrease in three years. As people refrained from going out, and working from home became widespread, declines in store visitor numbers—centering on tourist areas and office districts—had a significant impact. Even on an all-store basis, sales at convenience stores were down 4.5%, the first decrease since comparable figures were first produced in 2005. In contrast, sales at supermarkets increased 0.9% (existing-store basis), the first rise in five years. The comparatively solid performance by supermarkets reflects an increase in home-cooked meals, which drove growth in sales of foodstuffs.

The value of domestic shipments of white goods (household electric appliances) increased 1.0% compared with the previous year, marking the fifth consecutive year of growth and recording the highest value since 1997. Although shipments in such major product categories as air conditioners, refrigerators, and washing machines fell below the previous year's level, such products as air purifiers and humidifiers recorded substantial shipment increases, driven by a trend of rising health and hygiene consciousness among consumers. Shipments of air purifiers set a new annual record. Shipments of toasters and hotplates were robust, reflecting greater numbers of people cooking at home. The value of domestic shipments of audio-visual equipment (consumer electronics equipment) fell compared with the previous year. However, shipments of flat panel televisions were robust, driven by large-screen televisions, such as 4K televisions and organic electroluminescent displays (OLEDs).

Domestic sales of new automobiles decreased 11.5% for the year, to 4.59 million vehicles, marking the first time in four years that sales had dipped below five million vehicles. Weakness in demand during the first half of the year was the main factor contributing to the fall in sales. Annual unit sales were at their lowest since 2011 (down 15.1%, approximately 4.21 million vehicles), when they had been impacted by the Great East Japan Earthquake. The decline in new automobile sales dragged down previously robust shipments of drive recorders. Annual domestic unit shipments of these recorders dropped 5.2% year on year.

Annual domestic shipments of mobile phones totaled 32.46 million units, down 2.9% compared with the previous year. Within this total, smartphone shipments were up 1.3%, to 30.07 million units. Domestic shipments of personal computers during the first half of fiscal 2020 (April–September 2020) totaled 7.86 million units, down 0.1% year on year and close to the all-time high set in the previous year. This robust performance was driven by the significant increase in teleworking and online schooling. Domestic shipments of tablet devices during the first half of fiscal 2020 totaled 4.61 million units, up 23.9%. This was a new record high for the first half of a fiscal year. The value of annual domestic shipments of digital cameras (total of fixed-lens and interchangeable-lens cameras) fell 35.7% compared with the previous year.

Housing starts decreased 9.9% year on year, marking the fourth consecutive year of decline. Housing starts for owner-occupied dwellings, rental units, and residential units built for sale all declined. The number of condominium units put on the market fell 12.8% in the greater Tokyo urban area, and declined 15.8% in the Kinki urban areas. The average price per condominium unit sold in the greater Tokyo urban area in 2020 rose 1.7%, to ¥60.83 million.

This is the first year since 1990 (average price: ¥61.23 million.) that the average has risen above ¥60 million.

The travel market suffered a dramatic slump, reflecting the impact of COVID-19. The number of Japanese people making trips overseas decreased 84.2%, while the number of foreign inbound visitors to Japan during calendar 2020 was down 87.1% compared with the previous year. Both the outbound and inbound markets were plunged into a devastating situation starting in March, as the pandemic took hold.

In the movie market, a Japanese anime production became an unprecedented box office smash, setting a new box office record for Japan. However, annual box office revenue overall declined 45.1% year on year, to ¥143.3 billion. This is the lowest level recorded since the current method of calculating total box office revenues was adopted in 2000. This reflects the impact of temporary movie theater closures and a decrease in the number of movie titles to open in theaters. Theme parks also experienced a serious deterioration in operating performance.

In the food services market, annual sales decreased 15.1% compared with the previous year on an all-store basis, marking the largest margin of decrease since the annual survey began in 1994. The fast food market largely was able to make up for the in-store customer decline by increasing take-out and delivery sales, resulting in a relatively small overall rate of decrease. However, there were large declines in sales at family restaurants, pub-restaurants, and *izakaya* (Japanese-style pubs), dinner restaurants, and cafés. In particular, sales at pub-restaurants and Japanese-style pubs fell 49.5%.

3. Events and Hit Products Attracting Significant Attention

Consumption in 2020 slumped owing to the COVID-19 crisis. However, a heightened level of hygiene consciousness among consumers and changes in lifestyles—including working styles—drove a wide variety of hit products and saw the appearance of various products that generated significant interest. Among the list of hit products were functional face masks, antimicrobial sprays and wipes, and highly effective non-alcohol-based disinfectant sprays.

One of the major new consumer trends was an increase in demand for products that help make time spent at home more pleasant and healthy. In the area of foodstuffs, there was growth in sales of instant noodles and frozen meals, which are easy to stockpile. Gourmet frozen foods, aimed at the household market, and dessert products were also popular. Another key consumer trend also attracted attention: digitization. An overarching new lifestyle trend was the move to online-based activities and interaction. This included increases in teleworking, online classes, online medical consultations, and online social drinking. The concept of “workation” entered popular consciousness as a new working style—usually described as working remotely while staying in a popular tourist destination or a resort area.

In the entertainment field, online streaming of live performances became a major new undercurrent. From established names in the entertainment scene to young up-and-coming artists, a large number of live-streaming events were run in 2020. Some drew audiences of more than 100,000 viewers. Digitization also spread to the food service sector. Food delivery services—based on user-friendly online ordering apps—became popular and saw a brisk business.

II. 2020 Advertising Expenditures Classified by Medium

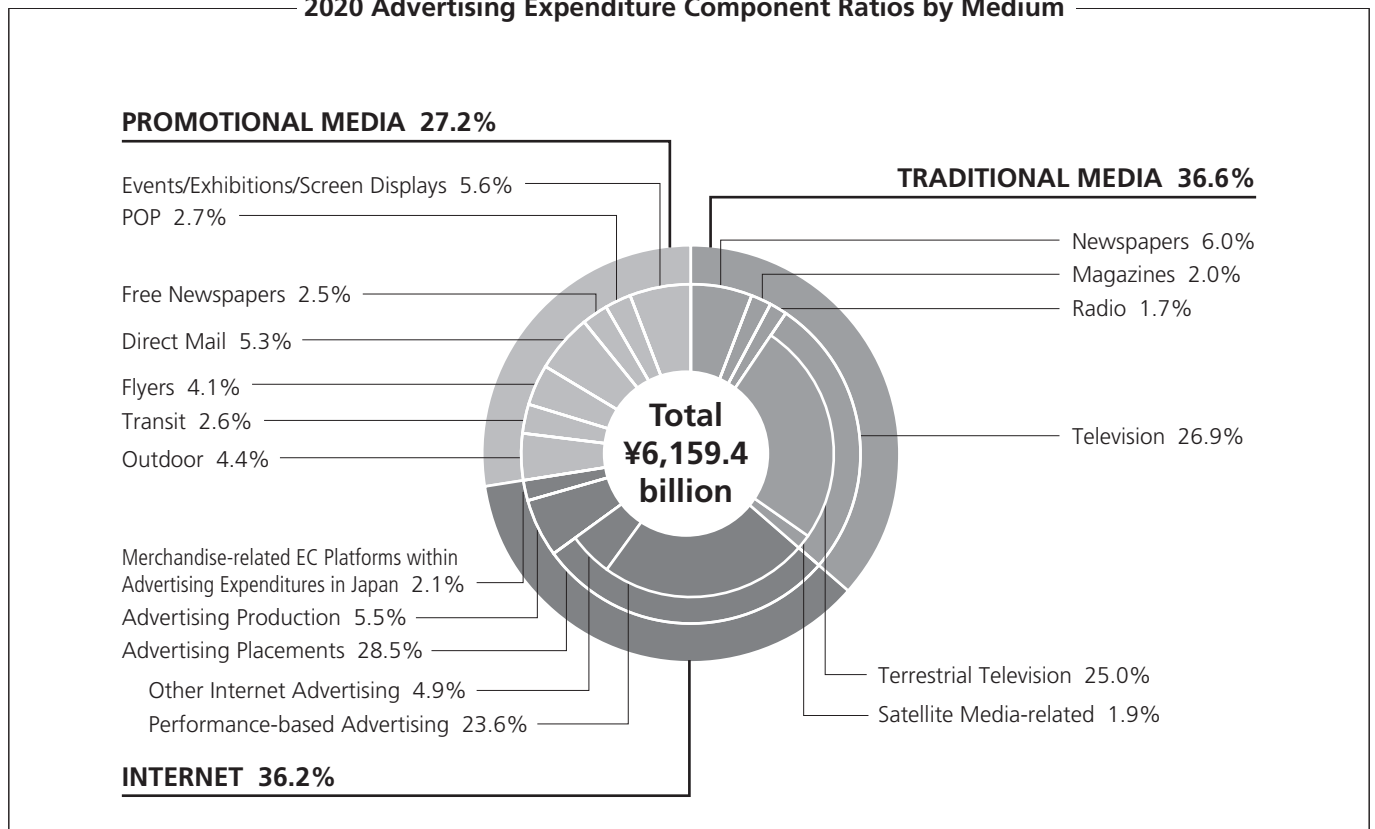
Internet Advertising Expenditures Maintain Previous Year's Growth Momentum Despite Impact of COVID-19

Broken down by medium, Internet advertising expenditures increased 5.9% to ¥2,229.0 billion on a full-year basis, despite having been affected by COVID-19 in the April–June quarter. Internet advertising expenditures have grown consistently since Dentsu began compiling estimates of this medium in 1996. The voluntary curtailment of outdoor activities and travel is driving demand related to staying at home. Digital transformations of social life such as delivery services, online shopping, online conferencing, online events and seminars, remote working, and cashless payment services accelerated all at once, driving recovery and positive growth throughout the year. Amid a decline in overall advertising expenditures, the scale of the Internet advertising market exceeded ¥2.2 trillion, a level commensurate with the overall size of the traditional media market. It accounted for 36.2% of overall advertising expenditures, with Internet advertising medium expenditures—including expenditures in digital advertising carried by traditional media companies amounting to ¥80.3 billion (up 12.3%)—increasing ¥93.7 billion from the previous year to ¥1,756.7 billion (up 5.6%). In addition, ¥132.1 billion (up 24.2%) from Merchandise-related EC Platforms within Advertising Expenditures in Japan contributed significantly to the growth of Internet advertising expenditures.

At the same time, Advertising expenditures for Traditional Media (including Satellite Media-related spending), which were significantly affected by the postponement or cancellation due to COVID-19 of various events and sales promotion campaigns mainly attracting customers to physical locations, amounted to ¥2,253.6 billion (down 13.6%), marking the sixth consecutive year of decline.

Similarly, Promotional Media advertising expenditures decreased substantially to ¥1,676.8 billion (down 24.6%) due to the postponement or cancellation of various events and campaigns, as well as the voluntary curtailment of outdoor activities and travel. Significant declines were evident particularly within Events/Exhibitions/Screen Displays advertising as well as Flyer advertising and Free Newspapers advertising, making it difficult to attract customers.

2020 Advertising Expenditure Component Ratios by Medium



Newspaper Advertising

- Newspaper advertising spending declined 18.9% year on year, to ¥368.8 billion.
- Beginning in March, owing to the impact of the COVID-19 pandemic, newspaper ad placements substantially decreased. This particularly reflects the cancellation or postponement of a wide array of events—including the 2020 Tokyo Olympic and Paralympic Games—and the scaling back of advertising budgets. Although a gradual recovery emerged in the July–September quarter, on a full-year basis advertising expenditures declined.
- By industry category, Information/Communications advertising expenditures rose 7.9% compared with the previous year. There were increases in placements related to online seminars, remote working, and online stores. In contrast, Transportation/Leisure advertising expenditures recorded a steep drop, decreasing 48.9% from 2019 figures. In particular, there were large declines in placements by tour operators and entertainment, arts and cultural facilities, as well as event announcements by newspaper companies.
- With regard to ad hoc ads placements, although some large-scale placements were seen following torrential July rains and flooding in the Kyushu and Tokai regions, overall such placements declined. This reflects the relatively small number of natural disasters in Japan during 2020.
- One notable 2020 trend is the substantial increase in online events and seminars organized by national and regional newspapers. Various new initiatives were seen at regional newspapers. These include not only online seminars, but also the holding of events on YouTube, as linkage with digital media became particularly conspicuous. It is expected that such trends are likely to grow in significance at both national and regional newspapers.

Magazine Advertising

- Magazine advertising spending fell 27.0% year on year, to ¥122.3 billion.
- The estimated value of retail sales of printed publications decreased 1.0%. Although this marks the sixteenth consecutive year of decline, the rate of decrease was the smallest recorded. Broken down by format, books declined 0.9% and magazines 1.1%. Meanwhile, the electronic publications market continued to record robust growth, with sales rising 28.0%. In particular, comic magazines exhibited rapid growth, sales increasing 31.9% and the genre accounting for approximately 90% of the electronic publications market. The combined print and electronic publications market recorded an overall increase of 4.8%, marking the second consecutive year of growth. (Source: January 2021 issue of the publishing-related monthly magazine, *Shuppan Geppo*)
- In magazine advertising expenditures, over the year as a whole, the slow pace of a return to printed media continued. This reflects such factors as a deterioration in the environment for ad placements and sentiment among advertisers, both attributable to falling advertising budgets and an acceleration in the shift to digital media driven by the pandemic, and investment by advertisers directed to in-house digital transformation. Further, from the perspective of overarching media trends, although it is assumed that the digital businesses of publishing companies are performing robustly, a large-scale shift is occurring in the focus of business models, centering on major publishing houses, which are pivoting toward digital and content businesses. Looking ahead, while closely observing the COVID-19 situation and advertising demand among key clients, magazine publishers are expected to respond flexibly to changing needs for, and methods of, promotion, as well as accompanying changes in the value and role of magazine advertising as a printed medium.
- All magazine genres recorded year-on-year falls in advertising expenditures.
- By industry category, although ad placements increased year on year for Home Electric Appliances/AV Equipment, ad spending by Apparel/Fashion, Accessories/Personal Items (which

account for the largest portion of magazine advertising expenditures) and Cosmetics/Toiletries (which accounts for the second-largest share of magazine advertising) continued to decline significantly.

Radio Advertising

- Radio advertising spending declined 15.4% year on year, to ¥106.6 billion.
- Owing to the impact of the COVID-19 pandemic, 2020 radio advertising expenditures declined significantly on a full-year basis. Specifically, this reflects such factors as the postponement of the 2020 Tokyo Olympic and Paralympic Games, cancellation of events organized by radio stations, and decreases in ad placements for other event announcements. There were also decreases in placements by Transportation/Leisure and Distribution/Retailing. In contrast, driven by demand related to people spending more time at home, placements increased for beer and for such categories as Home Electric Appliances/AV Equipment.
- Driven by increased demand for drinking at home, some radio stations conducted programs that combined terrestrial radio broadcasts with online social drinking events. Such programs proved popular.
- Looking ahead, initiatives that combine terrestrial radio broadcasts with digital media are expected to increase. These may include such initiatives as video simulcasts of radio shows and the holding of live-streamed online music events.
- There was an increase in ad campaigns that utilize radiko logs in ad placement planning, and campaigns that use tools for verification of advertising effectiveness (radiko viewer, VR365).

Television Advertising (Terrestrial Television and Satellite Media-related spending)

Television advertising spending fell 11.0% year on year, to ¥1,655.9 billion.

Terrestrial Television spending decreased 11.3%, to ¥1,538.6 billion.

- The fall in terrestrial television advertising expenditure reflects the impact of cuts in advertising budgets accompanying the COVID-19 pandemic.
- Program sponsorship revenues were affected by a decrease in ad placements. This reflects the postponement or cancellation of many major sports competitions. They include the postponement of the 2020 Tokyo Olympic and Paralympic Games, the second round of Asian qualifiers for the FIFA World Cup Qatar 2022™, and the opening of the Japanese professional baseball season. In addition, there was the cancellation or holding without spectators of professional golf tournaments. Ad placements were also affected by advertisers' moves to reduce fixed expenses, which were driven by a slump in operating performance. By region, over the full year, program sponsorship advertising expenditures in all eight main regions fell below the previous year's level.
- Spot advertising expenditures began the year by recording slight year-on-year decreases. However, in the April–June quarter, there were large decreases in almost all industry categories excluding Government/Organizations. This reflected the impact of the declaration of a state of emergency that ran from April 7 until May 25. The July–September quarter was also weak, although signs of a recovery began to emerge. The October–December quarter saw trends indicating the resumption of economic activities, which contributed to increases in Information/Communications and Automobiles/Related Products. By region, over the full year, spot advertising expenditures in all eight main regions decreased compared with the previous year.
- In April 2020, Japan's public broadcaster, NHK, launched its NHK Plus service, which includes online simulcasts of its terrestrial services. Commercial broadcasters are already steadily building their user bases for catch-up TV streaming services. Hence, it appears probable that

advertisers, while considering balancing the placement of ads on broadcast television and streaming services, will take into account the various viewing styles.

Satellite Media-related spending fell 7.4% year on year, to ¥117.3 billion.

- In March 2020, one BS digital broadcasting free-to-air channel closed, resulting in one less channel.
- Although the direct marketing-related advertising market was strong, driven by increased demand related to people spending more time at home due to the pandemic, ad placements—excluding direct marketing ads—declined.
- Owing to the impact of the pandemic, many events were canceled (particularly sporting events), adversely affecting broadcasting revenues.

Advertising production costs for the traditional media fell 8.8% year on year, to ¥257.5 billion.

- Production costs for terrestrial TV commercials, which represent the largest part of advertising production costs for the traditional media, amounted to ¥195.7 billion (down 6.8%). The March–April period became the turning point marking a complete change in circumstances for the advertising production market, owing to the impact of the pandemic. Specifically, the postponement of the 2020 Tokyo Olympic and Paralympic Games announced in March and the declaration of a state of emergency in April were key triggers. Advertisers and production houses initially responded by postponing or canceling shooting and editing schedules. This progressed to altering underlying campaigns. Subsequently, there was a gradual shift to remote planning and production operations as a means of preventing cross infection. Although there were concerns early on during the pandemic that the impact on production would be even greater than that experienced in the aftermath of the global financial crisis (mid-2007 to early 2009), signs of recovery began to emerge in October.
- By industry category, only Government/Organizations achieved an increase compared with the previous year, while the remaining 20 industry categories contracted. Declines in industry categories occupying leading positions in traditional media advertising expenditures also affected advertising production costs. This includes categories such as Information/Communications, Foodstuffs, and Cosmetics/Toiletries. In particular, there was a large decrease in advertising production costs for Transportation/Leisure, owing to the impact of the state of emergency, which restricted the non-essential and non-urgent movement of people. Other categories to record large decreases include Apparel/Fashion, Accessories/Personal Items, and Precision Instruments/Office Supplies. These all saw online sales become the dominant marketing channel as people switched to remote working.

Looking at the quarterly breakdowns of advertising expenditures in the traditional media (including Satellite Media-related spending), all four quarters of 2020 recorded lower expenditure compared with the corresponding period of the previous year. However, the rate of decline began to improve in the July–September quarter.

(YOY, %)

	2019 (Full Year)	H1 Jan.–Jun.	H2 Jul.–Dec.	Q1 Jan.–Mar.	Q2 Apr.–Jun.	Q3 Jul.–Sep.	Q4 Oct.–Dec.
Advertising Expenditures in the Traditional Media (including Satellite Media- related spending)	96.6	98.1	95.0	98.6	97.6	97.0	93.1
	2020 (Full Year)	H1 Jan.–Jun.	H2 Jul.–Dec.	Q1 Jan.–Mar.	Q2 Apr.–Jun.	Q3 Jul.–Sep.	Q4 Oct.–Dec.
	86.4	85.3	87.5	94.3	75.6	81.4	93.2

Advertising Production Costs for the Traditional Media

(Excluding Satellite Media-related spending)

Note: Production costs are included in the advertising expenditures in newspapers, magazines, radio, and terrestrial television.

Quarterly Breakdown of 2020 Advertising Expenditure Growth in the Traditional Media

Internet Advertising

- Internet advertising spending rose 5.9%, to ¥2,229.0 billion.
- This is the combined total of Internet advertising medium expenditures (including digital advertising carried by traditional media companies), Merchandise-related EC Platforms within Advertising Expenditures in Japan, and Internet advertising production costs.

Internet Advertising Medium Expenditures rose 5.6%, to ¥1,756.7 billion.

Please see “2020 Advertising Expenditures in Japan: Detailed Analysis of Expenditures on Internet Advertising Media” (D2C Inc., Cyber Communications Inc., Dentsu Inc., and Dentsu Digital Inc.), released in March 2021. The report provides a breakdown and an analysis of Internet advertising media expenditures based on, for example, ad category and transaction method.

- The impact of the pandemic led to a slump in consumption and ad placements. That said, the recovery was faster than that in other media, and Internet advertising media expenditures increased 5.6% year on year.
- Within Internet advertising media expenditures, performance-based advertising amounted to ¥1,455.8 billion (up 9.7%). Reflecting demand driven by people spending more time at home, there were increased opportunities for consumer contact with social media, online shopping, and video-on-demand services. Demand for performance-based advertising thus increased, centering on large-scale advertising platforms. Further, there was an advance in the use of performance-based advertising on digital media carried by traditional media companies.
- With regard to performance-based advertising, the model deployed for ad ordering and placement—using an online management system provided by the media operator—is adaptable to the remote working situation of advertisers and advertising agencies. This sales mode was also a factor supporting growth and, when viewed over the entire year, the rate of growth remained continuously high.

Expenditures in digital advertising carried by traditional media companies (part of Internet advertising media expenditures) increased 12.3% year on year to ¥80.3 billion.

- Expenditures in digital advertising carried by traditional media companies continued to exhibit double-digit growth.
- Newspaper Digital: ¥17.3 billion (up 18.5%)
Newspaper digital continued to record robust growth. This partly reflects the pandemic’s impact, which contributed to increases in page views on newspaper publishers’ digital properties. Although placements of reserved advertising decreased from March through June, due to the impact of the pandemic, site page views increased, underpinned by the reliability of newspaper articles. As a result, revenues from performance-based advertising rose. Starting in July, reserved advertising began to recover. In particular, there was a conspicuous increase in placements by IT industry categories related to remote working. Sales were robust from online seminars, tie-up advertising, and other initiatives aimed at promoting understanding. Hence, the credibility of newspaper sites was a factor underpinning strong advertising sales. Future growth is anticipated in areas such as ad placements by industry categories related to remote working and online seminars revenue.
- Magazine Digital: ¥44.6 billion (up 10.1%)
Starting in the April–June quarter, when the impact of the pandemic began to appear, there was a particularly large increase in page views on the main web properties of magazine publishers. In particular, online magazines saw substantial growth, centering on comic magazines. As advertising models, the range of business operations continued to expand.

These include online seminar planning, online events, production of content for advertiser sites, utilization of social media, video production, and content distribution planning. This triggered the medium- to long-term growth of the publishing industry, and caused a major transformation in magazine operations, anticipating the business environment during and after the pandemic.

- Radio Digital: ¥1.1 billion (up 10.0%)

Radio digital advertising expenditures achieved double-digit sales growth, as radiko audio ads attracted considerable attention. This was driven by the impact of the pandemic, which led to growth in radiko audience ratings. Although in-person events decreased, there was an increase in radio and online events, and initiatives that combined radio with social media. Hence, ad placements accompanying such events and programs grew. Driven by attention generated in the global audio market—specifically through the entry into the podcast field of major platform operators—Japanese radio stations are expected to increase their focus on podcast-related operations.

- Television Media Digital: ¥17.3 billion (up 12.3%)

Within television media digital, television media-related video advertising grew to ¥17.0 billion in 2020 (up 13.3%), thus continuing the growth seen to date. The Tver catch-up TV service—which launched a renewed system in July—achieved robust growth in the number of users, underpinned by the strength of content derived from terrestrial broadcast television. There was also strong growth in the use of TVer on household televisions. Further evolution of the service is expected, as some broadcasters begin simulcast streaming trials in 2021.

Advertising Expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan rose 24.2%, to ¥132.1 billion.

- In addition to the continuation of growth to date, within an environment affected by the pandemic, merchandise-related e-commerce (EC) platforms fulfilled a vital social role. Underpinned by this, advertising expenditures on Merchandise-related EC Platforms also continued to exhibit a high growth rate in 2020.
- As people refrained from going out and out-of-home consumption decreased, purchasing activity via EC channels became more prevalent and expanded. At the same time, there was an increase in advertising aimed at promoting product purchases using EC platforms.
- As EC platforms became essential consumer tools, platform operators began offering a range of ad types and data utilization methods. In tandem with growth in EC channel purchasing activity, EC platform advertising expenditures are expected to increase further.

Note: “Advertising expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan” is defined as advertising expenditures within a platform by store operators on that platform. In this context, “platform” refers to EC platforms on which merchandise is sold, such as household appliances, miscellaneous goods, books, clothing, and office supplies (in this report, these are called “Merchandise-related EC Platforms”). This does not carry the broader meaning of overall “Internet advertising expenditures for the purpose of sales promotion in the EC field.”

Promotional Media Advertising

Internet Advertising Production Costs rose 1.4%, to ¥340.2 billion.

- Such factors as changes in Internet usage caused by the pandemic, together with a digital shift in corporate activities, drove increased demand for Internet advertising production. However, in addition to budget restraints, there were times when production operations were restricted, such as the inability to conduct photo shoots featuring advertising materials. This means that overall product costs rose only slightly. The flow of marketing activities carried out by companies based on owned media (in-house-operated sites) continued unchanged, while operations linked to social media and various types of advertising became prevalent.

- Promotional Media advertising expenditures declined 24.6% year on year, to ¥1,676.8 billion.

Outdoor advertising expenditures fell 15.7%, to ¥271.5 billion.

- Outdoor advertising decreased significantly in 2020 owing to the impact of the pandemic (and, in particular, people refraining from going out).
- The impact on advertisements that are part of short-term campaigns was greater than that on long-term contracts. Subsequent to the declaration of a state of emergency, there was a substantial decrease in short-term signs and large-screen displays on short-term contracts. Revenues from advertising at urban commercial facilities also fell significantly due to reduced operating hours and the cancellation of events.
- In contrast, large-screen displays on long-term contracts performed strongly. A large-screen display was erected in a prominent location in Tokyo's Shibuya area for the exclusive use of a beverage manufacturer. In addition, full-scale operations were launched by media companies that sell ad placements, based on the number of ad impressions, by utilizing location data. Although there was a decline in large-screen display ad placements, the new initiatives helped stem the fall.
- Expenditures for long-term signs also decreased, reflecting the impact of advertisers' reduced advertising budgets. However, with regard to the production of signboards, some companies exceeded the previous year's level, driven by orders from categories including automobile dealerships.
- Accompanying advances in LED lighting technology, price adjustments, and a preference for saving energy, the trend away from analog and neon signs to LED signs and large-screen LED displays is becoming increasingly strong. There has been a considerable increase in the number of instances in which a large-screen LED display has been installed in a location previously occupied by a signboard, while displays of video advertisements have begun. In contrast, stores are often choosing to install neon signs and other types of conventional signage, as part of a deliberate strategy to emphasize unique store design.
- For large-screen displays and other digital signage, there has been an increase in the use of sales based on the number of ad impressions, similar to Internet advertising and ads targeting smartphones. It is expected that Internet advertising companies will increasingly enter the large-screen display market. If the Tokyo Olympic and Paralympic Games go ahead, 2021 may see a boost in momentum for large-screen displays and other digital signage.

Transit advertising expenditures declined 24.0% year on year, to ¥156.8 billion.

- Railways experienced a decrease in passenger numbers owing to the impact of the pandemic. Consequently, expenditures on almost all media types decreased, including in-car aisle-hanging posters, station posters, and ads placed beside railroad car doors. Digital signage—which had grown robustly since the medium was established—also recorded a

large decrease in expenditures.

- Airport advertising expenditures were down overall. In particular, ad placements at international terminals fell significantly, reflecting a large drop in the number of visitors to the terminals, owing to restrictions on entry to Japan.
- By industry, placements for beverages and liquor decreased. In contrast, placements increased for games, social media video streaming services, and cloud computing services.
- The number of campaigns conducted in March 2020 and their scale were both large, driving growth in expenditures in each major regional market and leading to year-on-year growth for the January–March quarter. However, following the declaration of a state of emergency in April, there was a dramatic decrease in client ad placements in transit advertising media. This can be attributed to such factors as people refraining from going out, except to make essential or urgent trips, the cancellation of events, and the postponement of product launches. In particular, with regard to international airports, advertisers that had previously made ad placements targeting demand from inbound visitors withdrew from the market.
- Construction projects for the renewal of major railway stations are due to be completed, giving rise to new and relaunched advertising space. Some media owners have begun trials for variable advertising rates based on people flow data and train user data during the COVID-19 crisis, and ad sales based on this concept are expected to grow during 2021.
- Taxi advertising saw a substantial decrease in such media as existing taxi wrapping. Although taxi screen display ad sales also declined temporarily, through the introduction of advertising rates based on ad impressions, cancellations declined in favor of placements for lower amounts, which helped to support the market. In fall 2020, the market began to recover, the focus being on prime ad space. Some taxi operators, for example, experienced major full-year business growth compared with the previous year. Further growth is expected during 2021.

Flyer advertising expenditures fell 29.1%, to ¥252.5 billion.

- The declining trend in flyer advertising was greater in 2020 than for the previous year.
- Factors contributing to this trend include decreased newspaper print-runs and a decline in placements of large-size flyers. Added to this was the impact of the pandemic, which resulted in many advertisers in the Distribution/Retailing industry refraining from placing orders for flyer ads.
- Looking at ad placements over the year, January–February saw a slight decrease. Placements fell significantly beginning in April, particularly after the state of emergency was declared. However, a gradual recovery was discernible toward the end of the year.
- By industry, companies in Distribution/Retailing—which is the most active category for flyer advertising—had no choice but to refrain from placing ads so as to avoid store crowding. This situation persisted, reflecting the impact of the pandemic. Other categories recording decreases include food services, travel and accommodations, amusement and other service industries, education and culture, finance and insurance, as well as real estate. Meanwhile, categories expecting increases include direct marketing and specialist purchasing stores, communications-related items, health-related products, and financial products—driven by the favorable performance of financial markets.
- Although harsh conditions for flyer advertising are expected to persist, as remote working becomes firmly established, the amount of time spent at home by men is likely to rise. Although flyer advertising to date mainly has been seen and used by women, there are now increased contact opportunities for men. Driven by this change in flyer exposure, it is thought

that it could be potentially beneficial were there a realignment of the industry categories according to which placements of flyer advertising are made.

Direct Mail advertising expenditures fell 9.7%, to ¥329.0 billion.

- Although the impact of the pandemic gradually began to be felt starting around February 2020, in the period from April through May—when there was a state of emergency—there was a succession of direct mail campaign postponements and cancellations, and the market was plunged into extremely harsh conditions. In particular, those direct mail campaigns designed to draw customers into stores saw a substantial drop as people refrained from going out. Starting in July, although there was a gradual reappearance of campaigns related to consumer durables (automobile dealerships), the campaigns that were fashion related, such as those for men’s clothing, and travel related, centering on sightseeing, were greatly affected by the pandemic. In contrast, there was comparatively little impact on direct mail targeting individuals, as well as on deliveries of unaddressed direct mail targeting specific geographic areas. In particular, reflecting demand created by people spending more time at home, there were strong performances by direct marketing (including health foods), education-related (such as online tutoring schools), and real estate and housing facilities (such as home renovation). Further, public announcements (notifications from central and local government agencies) also increased. There was an increase in recognition of the utility of direct mail as a medium for providing buyers with the final piece of encouragement needed to close a contract or finalize a purchase. This includes use of direct mail as a method for guiding customers to a product or company web site. Another active area was direct mail advertising for the purpose of initiating business discussions in combination with offering companies various online seminars.
- Personalized direct mail continues to be a key to successful campaigns. Typical of these are the wide variety of materials used, as well as the small lot sizes, precise delivery timing, and speedy production.

Note: The direct mail production-related market, which is not included within Advertising Expenditures in Japan, was estimated at ¥105.3 billion in 2020 (down 12.4% year on year)

Free Newspapers advertising expenditures declined 27.1%, to ¥153.9 billion.

- Since 2020, the Free Newspapers category includes free newspapers, free magazines, and telephone directories. After the change in the frequency with which telephone directories are published, it was hard to estimate advertising expenditures using the previous method. Thus, estimates for telephone directory advertising expenditures have been combined with those for free newspapers.
- Over the year as a whole, expenditures decreased. In particular, reflecting the impact of the pandemic, various advertising and promotional programs, such as samplings, events, and seminars, were postponed or canceled. Consequently, expenditures in the April–June quarter were significantly down. However, beginning in July, signs of recovery gradually began to emerge.
- For publications distributed from stands at railway stations, a large decline was seen owing to people staying at home following the declaration of a state of emergency. In addition, temporary suspension of the publication of a number of magazine titles had a significant impact on the decline. Publications that are delivered directly to homes by post performed relatively strongly in terms of print-runs. Such publications have deep-rooted strength due to their close links to local communities.

- Free newspapers that focus on local information saw a succession of ad placement cancellations or postponements by Transportation/Leisure and Food Services/Other Services. In contrast, ad placements for delivery services were robust.
- Targeted media-type publications saw an acceleration in the shift to digital. Online events and seminars increased, and this became a new source of revenue.

POP advertising expenditures fell 15.8%, to ¥165.8 billion.

- In 2020, POP advertising expenditures decreased substantially, reflecting the impact of the pandemic, which prevented stores from undertaking aggressive in-store merchandising. Further, many manufacturers postponed or canceled new product launches, which also had an impact on expenditures.
- POP campaigns that include a demonstration, as well as a hands-on or experiential aspect—which had been expected to make significant inroads—faced a situation in which execution became all but impossible. This was due to stores’ focus on minimizing physical contact.
- Meanwhile, faced with the situation of not being able to provide demonstration sales or face-to-face interaction with customers, some stores turned to such alternatives as the installation of small-screen monitor-based POP displays, and remote customer interaction via in-store digital signage.
- For small and large supermarkets, 2020 was a year characterized by special demand driven by the COVID-19 crisis. However, for POP advertising, many campaigns were abandoned. Although drug stores were affected temporarily by the pandemic, new initiatives were seen in digitization. These include product explanations utilizing digital signage, thereby minimizing contact between staff and customers, and the use of QR codes to help customers easily access product websites. Demonstration of cosmetics using augmented reality technology was offered using not only dedicated equipment, but also smartphones.

Events/Exhibitions/Screen Displays advertising expenditures slid 38.8%, to ¥347.3 billion.

- Expenditures decreased significantly owing to the postponement or cancellations of a large number of events and exhibitions due to the impact of the pandemic. This includes the postponement of the 2020 Tokyo Olympic and Paralympic Games. In particular, in light of government policies, private shows that planned to host several tens of thousands of visitors, and sports events including marathons, were not able to proceed as planned during the April–August period. Nearly all such events either altered their method of operation (by restrictions on entry numbers, downsizing of events, etc.), were canceled, or were postponed. However, subsequently there was a gradual increase in events being held online. This was not limited to single-company events, but included large-scale annual exhibitions that went online. In the October–December quarter, a recovery relative to previous quarters began to emerge.
- In the field of venue development, including company showrooms and cultural facilities, some venues opened after modifying their scale or schedule. However, there was a decline in demand for refurbishment of such facilities as specialty stores, hotels, and theme parks.
- In 2020, events in Advertising Expenditures in Japan totaled ¥108.9 billion (down 39.6%).
- In the area of video, although budgets remained tight, new demand emerged in such areas as online streaming, remote production, and the use of cutting-edge technology.
- Cinema advertising was substantially down, reflecting the impact of the pandemic. Annual box office revenues for 2020 fell 45.1%,* to the lowest level on record, owing to such factors as theaters suspending operations for more than a month after the declaration of a state of emergency in April, and the postponement of major planned theater releases of overseas movies.

- Driven by a new box office record for a Japanese anime film, cinema advertising was able to win a large number of new clients.

* Materials released in January 2021 by the Motion Picture Producers Association of Japan, Inc.

Additional Information

Other notable advertising-related markets

Commercial printing market: ¥1,750.0 billion (down 12.1% year on year)

Within this market, posters, flyers, and pamphlets continued to decline, generating revenues totaling ¥1,050.0 billion (down 14.6%)

Posting market: ¥115.6 billion (down 4.2% year on year)

Driven by the momentum of demand for all-household pamphlet deliveries, the posting market had grown until the previous year. However, during the period from March to May 2020, owing to the impact of the pandemic, there was a significant fall in advertising aimed at attracting customers. Despite this, as a sales promotion tool and method of public notification, it gradually recovered, and the second half of the year returned to levels in line with the previous year. The main industry categories that performed well include direct marketing, home delivery services, tutoring schools, hair removal beauty services, real estate and housing facilities (including renovation), specialist purchasing stores, and government administration public relations. In contrast, food services and gyms continued to face harsh conditions. Looking ahead, as a method of covering deliveries to all households in a specific area, steady growth is expected in markets with close local community links. It is likely that this market will see progress in collaboration with such promotional media as free magazines delivered to households in local communities, unaddressed direct mail advertising, and flyer advertising.

III. 2020 Advertising Expenditures Classified by Industry (Traditional Media Only, Excluding Satellite Media-related Spending)

Spending increased in one industry category—Government/Organizations

Advertising expenditures increased in one of the 21 industry categories surveyed during 2020, and declined in 20 categories. (The 2019 survey shows that expenditures were higher in three of the 21 industry categories, but lower in 18 categories.) The expenditures increase was in Government/Organizations (up 6.8%) on increased placements by advertising organizations, government offices, and local autonomous bodies.

Expenditures declined in the following 20 industry categories: Precision Instruments/Office Supplies (down 47.4%) on a large fall in placements for wristwatches and magnifying-glass spectacles, and decreased placements for corporate branding advertisements and digital cameras; Transportation/Leisure (down 44.6%) on a large fall in placements for travel companies, events and seminars, concerts, leisure facilities and theme parks, movies, and hotels and Japanese inns (*ryokan*), and decreased placements for sports competitions; Apparel/Fashion, Accessories/Personal Items (down 28.9%) on a large decline in placements for women's clothing, and jewelry and accessories, and decreased placements for men's clothing; Automobiles/Related Products (down 21.5%) on a substantial decrease in advertising for SUVs, and fewer placements for sedans, minivans, and vans; Education/Medical Services/Religion (down 16.9%) on decreased placements for preparatory and tutoring schools, vocational and specialist schools, and schools; Energy/Materials/Machinery (down 13.9%) on a large decrease in placements for gasoline, and fewer placements for corporate branding advertisements; Finance/Insurance (down 13.5%) on a substantial decrease in placements for direct-marketed medical insurance products and credit cards, and fewer placements for life insurance; Home Electric Appliances/AV Equipment (down 13.4%) on decreased placements for audio equipment, and air conditioners; Real Estate/Housing Facilities (down 13.0%) on fewer placements for corporate branding advertisements, general housing, and real estate brokerages; Classified Ads/Others (down 13.0%) on a decrease in classified ad placements (newspaper classified ads); Publications (down 12.2%) on a decrease in placements for specialist hobby magazines, women's magazines and home magazines, and other publications (English-language learning materials and textbooks); Foodstuffs (down 12.2%) on decreased placements for curry, olive oil, and health foods; Cosmetics/Toiletries (down 11.0%) on a decrease in placements for foundation, skin toners, sunscreen products, and direct-marketed cosmetic lines for women; Hobbies/Sporting Goods (down 10.9%) on fewer placements for golf goods (clubs and balls), game consoles, and audio recordings; Food Services/Other Services (down 10.5%) on decreased placements for temporary job placement agencies, corporate branding advertisements, and wigs for women; Distribution/Retailing (down 10.5%) on decreased placements for shopping malls, department stores, and convenience stores; Beverages/Cigarettes (down 6.2%) on a decrease in placements for diet and nutritional drinks, canned coffee, and colas; Pharmaceuticals/Medical Supplies (down 5.7%) on a decrease in placements for analgesics and antipyretics, and denture-related products; Information/Communications (down 5.0%) on a decline in placements for smartphones, and mobile communications services; and Household Products (down 2.1%) on a decrease in placements for plastic wrap and aluminum foil, other paper products (wet tissues), and water purifiers.

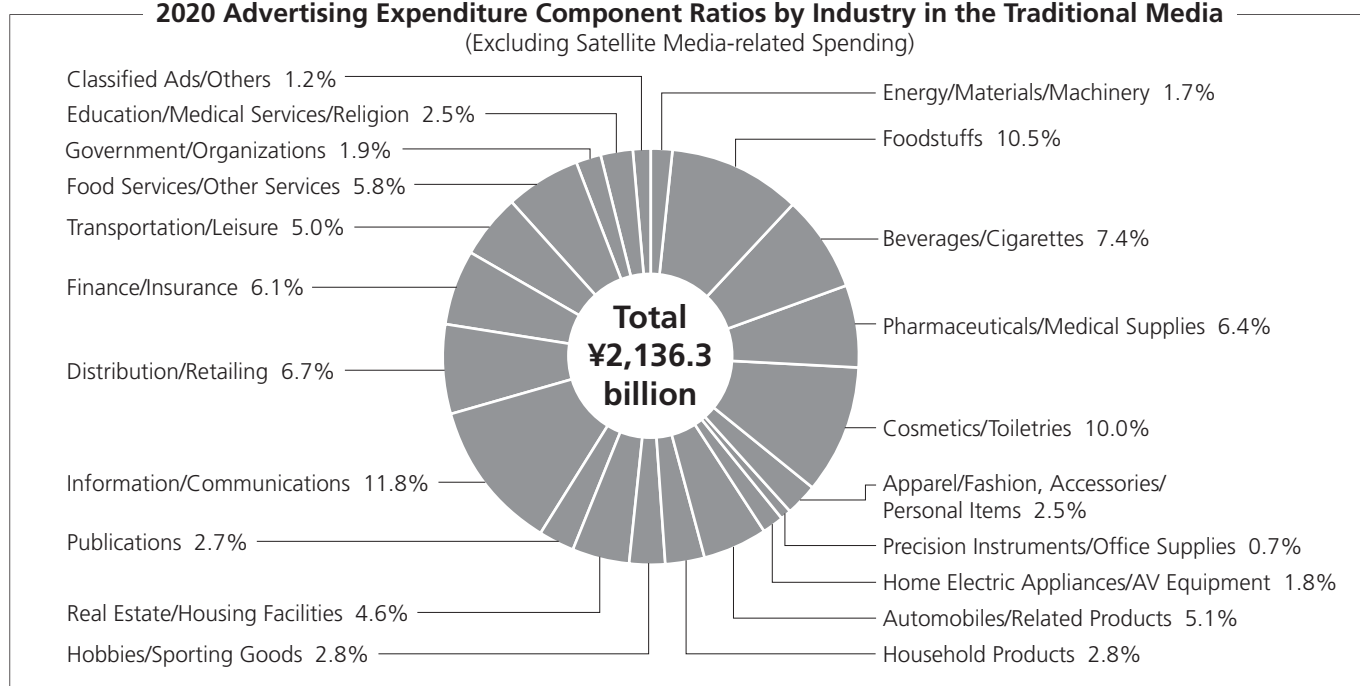
Industry Categories Recording Significant Increase or Decrease in 2020
(Traditional media only, excluding satellite media-related spending)

(%)

Industry Categories That Recorded Increased Spending				Industry Categories That Recorded Decreased Spending			
	YOY Change	Share of Total Spending	Share of Total Increase Amount		YOY Change	Share of Total Spending	Share of Total Decrease Amount
Government/Organizations	106.8	1.9	100.0	Information/Communications	95.0	11.8	12.0
				Foodstuffs	87.8	10.5	10.7
				Cosmetics/Toiletries	89.0	10.0	10.2
				Beverages/Cigarettes	93.8	7.4	7.5
				Distribution/Retailing	89.5	6.7	6.8

Note: Share of total increase (decrease) amount indicates contribution to the total increase (decrease) amount. Although the table usually includes the top five industry categories as ranked by the percentage year-on-year change for both increase and decrease in spending, in 2020 only one industry category recorded year-on-year increases.

2020 Advertising Expenditure Component Ratios by Industry in the Traditional Media
(Excluding Satellite Media-related Spending)



Breakdown of Advertising Expenditures by Industry

- 1. Energy/Materials/Machinery:** Down 13.9%, with a 1.7% component ratio.
 - After the previous year's increase, the trend reversed
 - Large decrease in placements for gasoline
 - Placements for corporate branding advertisements and industrial equipment decreased
 - By medium, decrease in terrestrial television and all other traditional media

- 2. Foodstuffs:** down 12.2%, with a 10.5% component ratio.
 - After the first increase in three years, the trend reversed
 - Placements for curry and olive oil decreased
 - Decrease in placements for health foods and candy/caramels, which had been robust in 2019
 - Placements for direct-marketed dietary supplements continued to be strong
 - By medium, decrease in terrestrial television and all other traditional media

- 3. Beverages/Cigarettes:** Down 6.2%, with a 7.4% component ratio.
 - Third consecutive year of decrease
 - Decrease in placements for diet and nutritional drinks, and canned coffee
 - Placements for colas and flavored mineral waters decreased.
 - Fewer placements for *shochu* (a distilled liquor), champagne, and sake
 - Similar to the previous year, placements robust for pre-mixed cocktails, and other fermented liquor (beer-like alcoholic beverages)
 - By medium, decrease in terrestrial television and all other traditional media

- 4. Pharmaceuticals/Medical Supplies:** Down 5.7%, with a 6.4% component ratio.
 - Second consecutive year of decrease
 - Fewer placements for analgesics and antipyretics, and denture-related products
 - Placements for contact lenses, laxatives, and general cold medicines decreased
 - Similar to the previous year, decrease in placements for spectacles
 - Continuing on from the previous year, placements robust for supporters and masks
 - By medium, decrease in terrestrial television and all other traditional media

- 5. Cosmetics/Toiletries:** Down 11.0%, with a 10.0% component ratio.
 - Fourth consecutive year of decrease
 - Placements decreased for foundation and skin toners
 - Fewer placements for sunscreen products and direct-marketed cosmetic lines for women
 - Placements for toilet cleaners and laundry detergents decreased
 - Placements increased significantly for hair growth agents, which had been in a slump
 - By medium, decrease in newspaper and terrestrial television placements

- 6. Apparel/Fashion, Accessories/Personal Items:** Down 28.9%, with a 2.5% component ratio.
 - Seventh consecutive year of decrease
 - Large decrease in placements for women's clothing, jewelry, and accessories
 - Placements for men's clothing and corporate branding advertisements decreased
 - Continuing on from the previous year, placements for stockings and tights were robust
 - By medium, decrease in terrestrial television and all other traditional media

7. Precision Instruments/Office Supplies: Down 47.4%, with a 0.7% component ratio.

- Second consecutive year of decrease
- Substantial decrease in placements for wristwatches and magnifying-glass spectacles
- Decrease in placements for corporate branding advertisements and digital cameras
- By medium, decrease in terrestrial television and all other traditional media

8. Home Electric Appliances/AV Equipment: Down 13.4%, with a 1.8% component ratio.

- Fourth consecutive year of decrease
- Fewer placements for audio equipment and air conditioners
- Placements down for home-use massage machines, which had been strong in 2019
- Placements increased for hairdressing and beauty equipment
- By medium, decrease in newspaper and terrestrial television placements

9. Automobiles/Related Products: Down 21.5%, with a 5.1% component ratio.

- Third consecutive year of decrease
- Substantial decrease in placements for SUVs
- Placements for sedans, minivans, and vans decreased
- Continuing the 2019 trend, placements for K-cars (engine displacement up to 660cc) were robust
- By medium, decrease in terrestrial television and all other traditional media

10. Household Products: Down 2.1%, with a 2.8% component ratio.

- Third consecutive year of decrease
- Placements for plastic wrap and aluminum foil decreased
- Fewer placements for other paper products (wet tissues) and water purifiers
- Similar to the previous year, placements for deodorizers and furniture were robust
- By medium, decrease in newspaper, magazine, and radio placements

11. Hobbies/Sporting Goods: Down 10.9%, with a 2.8% component ratio.

- Fourth consecutive year of decrease
- Placements for golf goods (clubs and balls) decreased
- Fewer placements for game consoles and audio recordings
- Continuing the 2019 trend, placements for game software and fitness goods were robust
- By medium, decrease in terrestrial television and all other traditional media

12. Real Estate/Housing Facilities: Down 13.0%, with a 4.6% component ratio.

- Third consecutive year of decrease
- Decrease in placements for corporate branding advertisements and general housing
- Placements for real estate brokerages and condominiums decreased
- Within housing equipment, placements decreased for kitchen units and toilets
- Placements increased for bath units, household fixtures, and housing renovation
- By medium, decrease in terrestrial television and all other traditional media

- 13. Publications:** Down 12.2%, with a 2.7% component ratio.
- Eighth consecutive year of decrease
 - Placements decreased for specialist hobby magazines, which had been strong in 2019
 - Decrease in placements for women’s magazines and home magazines, and other publications (English-language learning materials and textbooks)
 - Substantial increase in placements for corporate branding advertisements
 - By medium, decrease in terrestrial television and all other traditional media
- 14. Information/Communications:** Down 5.0%, with an 11.8% component ratio.
- Third consecutive year of decline
 - Placements for smartphones and mobile communication services decreased
 - Fewer placements for commercial broadcasters
 - Continuing on from 2019, placements for web content and online stores were robust
 - By medium, decrease in terrestrial television placements
- 15. Distribution/Retailing:** Down 10.5%, with a 6.7% component ratio.
- Sixth consecutive year of decrease
 - Placements decreased for shopping malls and department stores
 - Fewer placements for convenience stores
 - Continued robust placements for mail-order services
 - By medium, decrease in terrestrial television and all other traditional media
- 16. Finance/Insurance:** Down 13.5%, with a 6.1% component ratio.
- Second consecutive year of decrease
 - Substantial decrease in placements for direct-marketed medical insurance products and credit cards—which had been robust in the previous year
 - Fewer placements for life insurance and general insurance products
 - Increase in placements for medical insurance and direct-marketed automobile insurance
 - By medium, decrease in newspaper and terrestrial television placements
- 17. Transportation/Leisure:** Down 44.6%, with a 5.0% component ratio.
- Fifth consecutive year of decrease
 - Large decrease in placements for travel companies
 - Placements for events and seminars, and concerts were down significantly
 - Substantial decrease in placements for leisure facilities and theme parks, movies, and hotels and Japanese inns (*ryokan*)
 - By medium, decrease in terrestrial television and all other traditional media
- 18. Food Services/Other Services:** Down 10.5%, with a 5.8% component ratio.
- Second consecutive year of decrease
 - Placements for temporary job agencies and corporate branding advertisements decreased
 - Fewer placements for wigs for women and hair pieces for men
 - Increase in placements for other services and restaurants
 - By medium, decrease in terrestrial television and all other traditional media

19. Government/Organizations: Up 6.8%, with a 1.9% component ratio.

- Second consecutive year of increase
- Increased placements by advertising organizations, government offices, and local autonomous bodies
- Fewer placements for various organizations, and political parties and political organizations
- By medium, increase in terrestrial television placements

20. Education/Medical Services/Religion: Down 16.9%, with a 2.5% component ratio

- Second consecutive year of decrease
- Placements decreased for preparatory and tutoring schools, and vocational and specialist schools
- Fewer placements for schools, correspondence education, and English conversation and language schools
- Placements increased for home medical care and nursing care services
- By medium, decrease in terrestrial television and all other traditional media

21. Classified Ads/Others: Down 13.0%, with a 1.2% component ratio.

- Thirteenth consecutive year of decrease since 2008
- Substantial decrease in placements for classified advertisements (help-wanted ads and other classified ads)
- Placements increased for corporate group advertising
- By medium, newspaper placements continued to decline

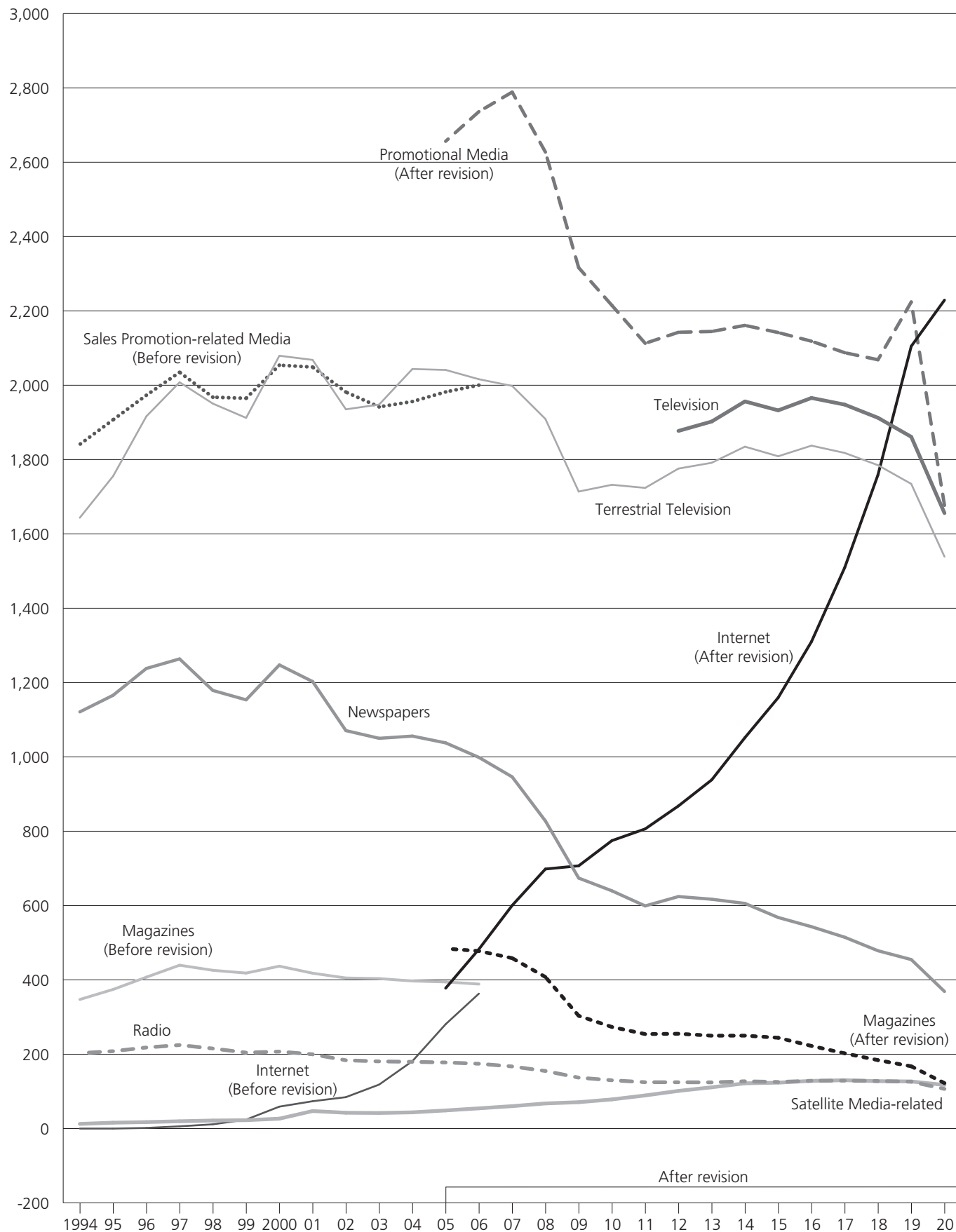
Advertising Expenditures and Japan's GDP (1994–2020)

Year		Advertising Expenditures (A)		Gross Domestic Product (B)		A / B (%)
		Advertising Expenditures (¥ billion)	Compared to Previous Year (%)	GDP (¥ billion)	Compared to Previous Year (%)	
1994		5,168.2	100.8	495,743.4	102.5	1.04
1995		5,426.3	105.0	521,613.5	102.1	1.04
1996		5,771.5	106.4	535,562.1	102.7	1.08
1997		5,996.1	103.9	543,545.4	101.5	1.10
1998		5,771.1	96.2	536,497.4	98.7	1.08
1999		5,699.6	98.8	528,069.9	98.4	1.08
2000		6,110.2	107.2	535,417.7	101.4	1.14
2001		6,058.0	99.1	531,653.9	99.3	1.14
2002		5,703.2	94.1	524,478.7	98.7	1.09
2003		5,684.1	99.7	523,968.6	99.9	1.08
2004		5,857.1	103.0	529,400.9	101.0	1.11
2005	Before revision	5,962.5	101.8	532,515.6	100.6	1.12
2006		5,995.4	100.6	535,170.2	100.5	1.12
2005	After revision	6,823.5	102.9	532,515.6	100.6	1.28
2006		6,939.9	101.7	535,170.2	100.5	1.30
2007		7,019.1	101.1	539,281.7	100.8	1.30
2008		6,692.6	95.3	527,823.8	97.9	1.27
2009		5,922.2	88.5	494,938.4	93.8	1.20
2010		5,842.7	98.7	505,530.6	102.1	1.16
2011		5,709.6	97.7	497,448.9	98.4	1.15
2012		5,891.3	103.2	500,474.7	100.6	1.18
2013		5,976.2	101.4	508,700.6	101.6	1.17
2014		6,152.2	102.9	518,811.0	102.0	1.19
2015		6,171.0	100.3	538,032.3	103.7	1.15
2016		6,288.0	101.9	544,364.6	101.2	1.16
2017		6,390.7	101.6	553,073.0	101.6	1.16
2018		6,530.0	102.2	556,189.6	100.6	1.17
2019		6,938.1	106.2	561,266.9	100.9	1.24
2020		6,159.4	88.8	539,313.5	96.1	1.14

- Notes:** 1. The method for estimating "Advertising Expenditures in Japan" was modified in 2007, retroactive to 2005.
2. Please see page 33 for details regarding the above revision.
3. The above figures for GDP are taken from the Cabinet Office's "Annual Report on National Accounts," and, from 1995 onward, "Quarterly Estimates of GDP" (preliminary GDP quarterly data released on February 15, 2021).
4. All the above figures are for the calendar year.

Advertising Expenditures by Medium (1994–2020)

(¥ billion)

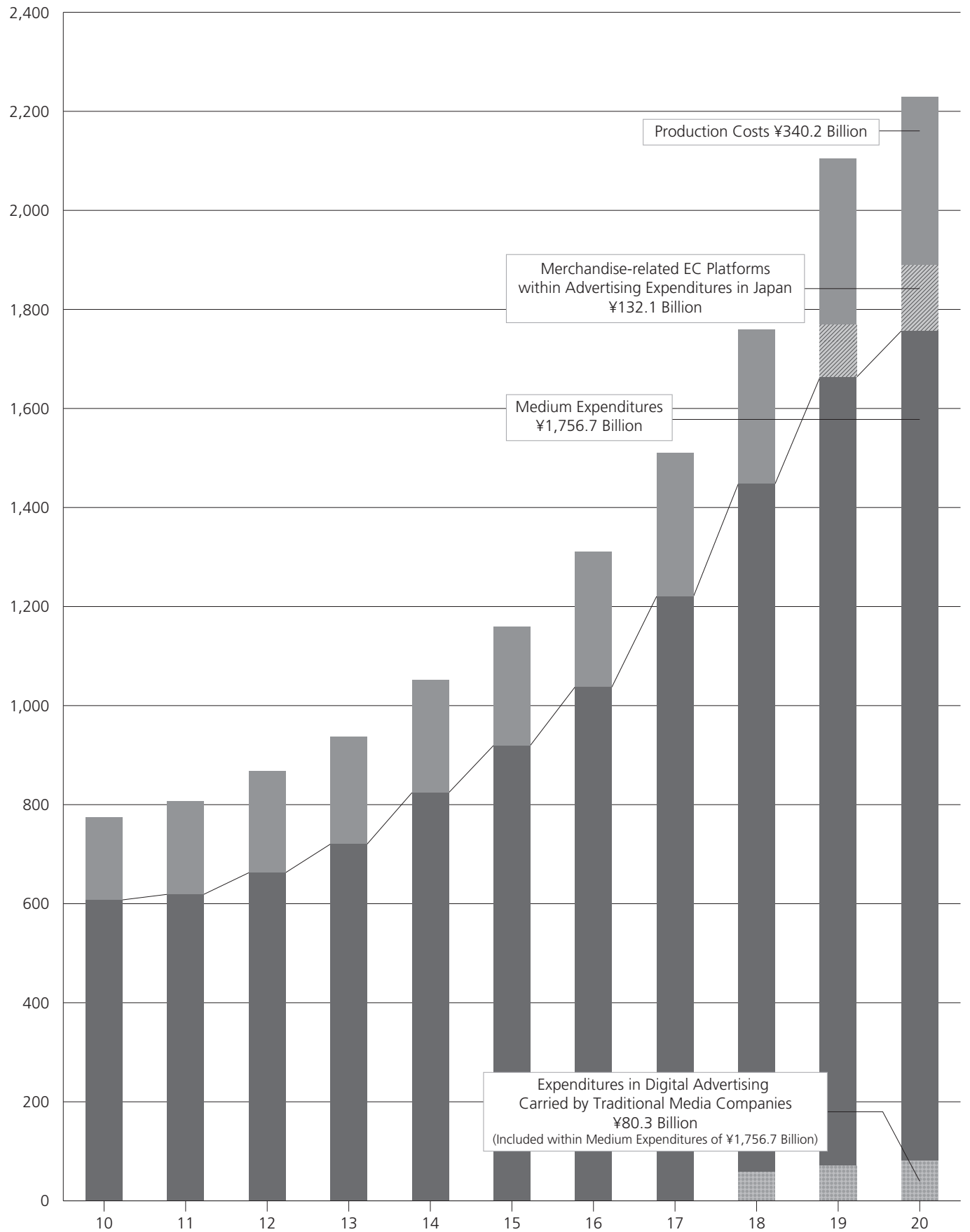


Media	Newspapers		Magazines		Radio		Television						Internet		Sales Promotion-related Media /Promotional Media		
	Year	¥ Billion	Comparison Ratio (%)	¥ Billion	Comparison Ratio (%)	¥ Billion	Comparison Ratio (%)	¥ Billion	Comparison Ratio (%)	Terrestrial Television	Comparison Ratio (%)	Satellite Media-related	Comparison Ratio (%)	¥ Billion	Comparison Ratio (%)	¥ Billion	Comparison Ratio (%)
1994		1,121.1	101.1	347.3	101.6	202.9	96.0	–	–	1,643.5	103.4	12.5	105.0	–	–	1,840.9	98.7
1995		1,165.7	104.0	374.3	107.8	208.2	102.6	–	–	1,755.3	106.8	15.8	126.4	–	–	1,907.0	103.6
1996		1,237.9	106.2	407.3	108.8	218.1	104.8	–	–	1,916.2	109.2	17.4	110.1	1.6	–	1,973.0	103.5
1997		1,263.6	102.1	439.5	107.9	224.7	103.0	–	–	2,007.9	104.8	19.6	112.6	6.0	375.0	2,034.8	103.1
1998		1,178.7	93.3	425.8	96.9	215.3	95.8	–	–	1,950.5	97.1	21.6	110.2	11.4	190.0	1,967.8	96.7
1999		1,153.5	97.9	418.3	98.2	204.3	94.9	–	–	1,912.1	98.0	22.5	104.2	24.1	211.4	1,964.8	99.8
2000		1,247.4	108.1	436.9	104.4	207.1	101.4	–	–	2,079.3	108.7	26.6	118.2	59.0	244.8	2,053.9	104.5
2001		1,202.7	96.4	418.0	95.7	199.8	96.5	–	–	2,068.1	99.5	47.1	177.1	73.5	124.6	2,048.8	99.8
2002		1,070.7	89.0	405.1	96.9	183.7	91.9	–	–	1,935.1	93.6	42.5	90.2	84.5	115.0	1,981.6	96.7
2003		1,050.0	98.1	403.5	99.6	180.7	98.4	–	–	1,948.0	100.7	41.9	98.6	118.3	140.0	1,941.7	98.0
2004		1,055.9	100.6	397.0	98.4	179.5	99.3	–	–	2,043.6	104.9	43.6	104.1	181.4	153.3	1,956.1	100.7
2005	Before revision	1,037.7	98.3	394.5	99.4	177.8	99.1	–	–	2,041.1	99.9	48.7	111.7	280.8	154.8	1,981.9	101.3
2006		998.6	96.2	388.7	98.5	174.4	98.1	–	–	2,016.1	98.8	54.4	111.7	363.0	129.3	2,000.2	100.9
2005	After revision	1,037.7	98.3	484.2	99.3	177.8	99.1	–	–	2,041.1	99.9	48.7	111.7	377.7	148.0	2,656.3	103.6
2006		998.6	96.2	477.7	98.7	174.4	98.1	–	–	2,016.1	98.8	54.4	111.7	482.6	127.8	2,736.1	103.0
2007		946.2	94.8	458.5	96.0	167.1	95.8	–	–	1,998.1	99.1	60.3	110.8	600.3	124.4	2,788.6	101.9
2008		827.6	87.5	407.8	88.9	154.9	92.7	–	–	1,909.2	95.6	67.6	112.1	698.3	116.3	2,627.2	94.2
2009		673.9	81.4	303.4	74.4	137.0	88.4	–	–	1,713.9	89.8	70.9	104.9	706.9	101.2	2,316.2	88.2
2010		639.6	94.9	273.3	90.1	129.9	94.8	–	–	1,732.1	101.1	78.4	110.6	774.7	109.6	2,214.7	95.6
2011		599.0	93.7	254.2	93.0	124.7	96.0	–	–	1,723.7	99.5	89.1	113.6	806.2	104.1	2,112.7	95.4
2012		624.2	104.2	255.1	100.4	124.6	99.9	1,877.0	–	1,775.7	103.0	101.3	113.7	868.0	107.7	2,142.4	101.4
2013		617.0	98.8	249.9	98.0	124.3	99.8	1,902.3	101.3	1,791.3	100.9	111.0	109.6	938.1	108.1	2,144.6	100.1
2014		605.7	98.2	250.0	100.0	127.2	102.3	1,956.4	102.8	1,834.7	102.4	121.7	109.6	1,051.9	112.1	2,161.0	100.8
2015		567.9	93.8	244.3	97.7	125.4	98.6	1,932.3	98.8	1,808.8	98.6	123.5	101.5	1,159.4	110.2	2,141.7	99.1
2016		543.1	95.6	222.3	91.0	128.5	102.5	1,965.7	101.7	1,837.4	101.6	128.3	103.9	1,310.0	113.0	2,118.4	98.9
2017		514.7	94.8	202.3	91.0	129.0	100.4	1,947.8	99.1	1,817.8	98.9	130.0	101.3	1,509.4	115.2	2,087.5	98.5
2018		478.4	92.9	184.1	91.0	127.8	99.1	1,912.3	98.2	1,784.8	98.2	127.5	98.1	1,758.9	116.5	2,068.5	99.1
2019		454.7	95.0	167.5	91.0	126.0	98.6	1,861.2	97.3	1,734.5	97.2	126.7	99.4	2,104.8	119.7	2,223.9	107.5
2020		368.8	81.1	122.3	73.0	106.6	84.6	1,655.9	89.0	1,538.6	88.7	117.3	92.6	2,229.0	105.9	1,676.8	75.4

- Notes:** 1. The method for estimating “Advertising Expenditures in Japan” was modified in 2007, retroactive to 2005.
2. Advertising expenditures in Television were redefined in 2014, retroactive to 2012, to include expenditures in both Terrestrial Television and Satellite Media-related advertising.
3. Since 2018, digital advertising carried by traditional media companies has been added to estimates for Internet Advertising Expenditures. Since 2019, advertising expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan have been added to estimates for Internet Advertising Expenditures.
4. Since 2019, Events advertising expenditures have been added to estimates for Promotional Media advertising expenditures.

Breakdown of Advertising Expenditures for Internet-related Spending (2010–2020)

(¥ billion)



Year	Internet Advertising Expenditures		Internet Advertising Medium Expenditures											Internet Advertising Production Costs		New Category from 2019	
			New Category from 2012		Expenditures in Digital Advertising Carried by Traditional Media Companies							Merchandise-related EC Platforms within Advertising Expenditures in Japan					
	Performance-based Advertising's* Share of Total		Newspaper Digital	Magazine Digital	Radio Digital	Television Media Digital	Television media-related video advertising										
	¥ Billion	Comparison Ratio (%)						¥ Billion	Comparison Ratio (%)	¥ Billion	Comparison Ratio (%)	¥ Billion	Comparison Ratio (%)	¥ Billion	Comparison Ratio (%)	¥ Billion	Comparison Ratio (%)
2010	774.7	109.6	607.7	111.5	246.0	–								167.0	103.0		
2011	806.2	104.1	618.9	101.8	285.3	116.0								187.3	112.2		
2012	868.0	107.7	662.9	107.1	339.1	118.9								205.1	109.5		
2013	938.1	108.1	720.3	108.7	412.2	121.6								217.8	106.2		
2014	1,051.9	112.1	824.5	114.5	510.6	123.9								227.4	104.4		
2015	1,159.4	110.2	919.4	111.5	622.6	121.9								240.0	105.5		
2016	1,310.0	113.0	1,037.8	112.9	738.3	118.6								272.2	113.4		
2017	1,509.4	115.2	1,220.6	117.6	940.0	127.3								288.8	106.1		
2018	1,758.9	116.5	1,448.0	118.6	1,151.8	122.5	58.2	–	13.2	33.7	0.8	10.5	10.1	310.9	107.7		
2019	2,104.8	119.7	1,663.0	114.8	1,326.7	115.2	71.5	122.9	14.6	40.5	1.0	15.4	15.0	335.4	107.9	106.4	–
2020	2,229.0	105.9	1,756.7	105.6	1,455.8	109.7	80.3	112.3	17.3	44.6	1.1	17.3	17.0	340.2	101.4	132.1	124.2

Notes: 1. The method of breaking down Internet advertising medium expenditures was modified in 2012, and data through 2010 has been estimated retroactively.

* Performance-based advertising refers to advertising methods that utilize platforms to process vast amounts of data for the automatic or instantaneous optimization of advertising. Typical examples include search engine advertising and certain ad networks, as well as the recently developed DSPs, ad exchanges, and SSPs. Performance-based advertising does not include such methods as ad space sales, tie-up ads, or affiliate advertising.

- i. Data through 2011 for search engine advertising includes some performance-based advertising that, strictly speaking, does not fall within the scope of search engine advertising.
- ii. Online ad networks refer to arrangements under which multiple web sites that want to host advertisements are aggregated together to create a network for ad distribution.
- iii. Demand-side Platforms (DSPs) are systems that help advertisers optimize the effectiveness of their online advertising.
- iv. Ad exchanges are services that facilitate the sale of online media advertising inventory with prices set through bidding from multiple ad networks.
- v. Supply-side Platforms (SSPs) are systems that help media companies to optimize the effectiveness of their online advertising.

2. Since 2018, digital advertising carried by traditional media companies has been added to estimates for Internet Advertising Medium Expenditures.
3. Since 2019, advertising expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan have been added to estimates for Internet Advertising Expenditures.
4. For details on Internet advertising media expenditures, analyzed by such parameters as ad category, please refer to the press release dated March 10, 2021, entitled, "2020 Advertising Expenditures in Japan: Detailed Analysis of Expenditures on Internet Advertising Media."

APPENDIX 4 Traditional Media Only (Excluding Satellite Media-related Spending)

Advertising Expenditures by Industry (2018–2020)

Industry	Advertising Expenditures (¥10 million)			Comparison Ratio (%)		Component Ratio (%)		
	2018	2019	2020	2019	2020	2018	2019	2020
Energy / Materials / Machinery	3,911	4,228	3,639	108.1	86.1	1.5	1.7	1.7
Foodstuffs	25,449	25,505	22,406	100.2	87.8	9.9	10.3	10.5
Beverages / Cigarettes	17,453	16,771	15,735	96.1	93.8	6.8	6.7	7.4
Pharmaceuticals / Medical Supplies	14,832	14,411	13,590	97.2	94.3	5.8	5.8	6.4
Cosmetics / Toiletries	26,279	24,029	21,384	91.4	89.0	10.2	9.7	10.0
Apparel / Fashion, Accessories / Personal Items	8,354	7,536	5,357	90.2	71.1	3.2	3.0	2.5
Precision Instruments / Office Supplies	3,154	2,691	1,416	85.3	52.6	1.2	1.1	0.7
Home Electric Appliances / AV Equipment	4,782	4,500	3,896	94.1	86.6	1.9	1.8	1.8
Automobiles / Related Products	14,025	13,918	10,925	99.2	78.5	5.4	5.6	5.1
Household Products	6,399	6,158	6,031	96.2	97.9	2.5	2.5	2.8
Hobbies / Sporting Goods	7,352	6,680	5,950	90.9	89.1	2.8	2.7	2.8
Real Estate / Housing Facilities	12,171	11,316	9,841	93.0	87.0	4.7	4.6	4.6
Publications	6,803	6,526	5,732	95.9	87.8	2.6	2.6	2.7
Information / Communications	28,491	26,563	25,234	93.2	95.0	11.1	10.7	11.8
Distribution / Retailing	16,157	15,969	14,300	98.8	89.5	6.3	6.4	6.7
Finance / Insurance	15,207	15,083	13,054	99.2	86.5	5.9	6.1	6.1
Transportation / Leisure	19,469	19,214	10,643	98.7	55.4	7.6	7.7	5.0
Food Services / Other Services	14,023	13,816	12,360	98.5	89.5	5.4	5.6	5.8
Government / Organizations	3,006	3,905	4,170	129.9	106.8	1.2	1.6	1.9
Education / Medical Services / Religion	6,928	6,501	5,400	93.8	83.1	2.7	2.6	2.5
Classified Ads / Others	3,265	2,950	2,567	90.4	87.0	1.3	1.2	1.2
Total	257,510	248,270	213,630	96.4	86.0	100.0	100.0	100.0

APPENDIX 5 Traditional Media Only (Excluding Satellite Media-related Spending)

Advertising Expenditures by Industry in the Traditional Media (2019–2020)

(Unit: ¥10 million)

Media Industry	Newspapers			Magazines			Radio			Terrestrial Television			Total		
	2019	2020	Comparison Ratio (%)	2019	2020	Comparison Ratio (%)	2019	2020	Comparison Ratio (%)	2019	2020	Comparison Ratio (%)	2019	2020	Comparison Ratio (%)
Energy / Materials / Machinery	481	441	91.7	117	91	77.8	261	249	95.4	3,369	2,858	84.8	4,228	3,639	86.1
Foodstuffs	5,312	4,546	85.6	970	831	85.7	1,220	1,093	89.6	18,003	15,936	88.5	25,505	22,406	87.8
Beverages / Cigarettes	1,385	1,158	83.6	617	485	78.6	447	349	78.1	14,322	13,743	96.0	16,771	15,735	93.8
Pharmaceuticals / Medical Supplies	1,787	1,647	92.2	363	281	77.4	992	760	76.6	11,269	10,902	96.7	14,411	13,590	94.3
Cosmetics / Toiletries	2,235	1,977	88.5	2,238	1,647	73.6	338	340	100.6	19,218	17,420	90.6	24,029	21,384	89.0
Apparel / Fashion, Accessories / Personal Items	724	668	92.3	4,063	2,796	68.8	57	36	63.2	2,692	1,857	69.0	7,536	5,357	71.1
Precision Instruments / Office Supplies	348	234	67.2	811	530	65.4	69	64	92.8	1,463	588	40.2	2,691	1,416	52.6
Home Electric Appliances / AV Equipment	192	168	87.5	391	403	103.1	79	88	111.4	3,838	3,237	84.3	4,500	3,896	86.6
Automobiles / Related Products	753	522	69.3	518	410	79.2	1,100	835	75.9	11,547	9,158	79.3	13,918	10,925	78.5
Household Products	816	770	94.4	465	376	80.9	201	173	86.1	4,676	4,712	100.8	6,158	6,031	97.9
Hobbies / Sporting Goods	856	725	84.7	956	676	70.7	252	236	93.7	4,616	4,313	93.4	6,680	5,950	89.1
Real Estate / Housing Facilities	2,006	1,635	81.5	604	443	73.3	638	540	84.6	8,068	7,223	89.5	11,316	9,841	87.0
Publications	4,154	3,891	93.7	139	118	84.9	540	311	57.6	1,693	1,412	83.4	6,526	5,732	87.8
Information / Communications	2,509	2,706	107.9	655	550	84.0	1,020	1,042	102.2	22,379	20,936	93.6	26,563	25,234	95.0
Distribution / Retailing	6,297	5,488	87.2	740	510	68.9	721	521	72.3	8,211	7,781	94.8	15,969	14,300	89.5
Finance / Insurance	1,413	1,147	81.2	371	295	79.5	639	642	100.5	12,660	10,970	86.7	15,083	13,054	86.5
Transportation / Leisure	7,588	3,878	51.1	1,402	810	57.8	1,106	792	71.6	9,118	5,163	56.6	19,214	10,643	55.4
Food Services / Other Services	1,463	1,322	90.4	392	275	70.2	1,699	1,442	84.9	10,262	9,321	90.8	13,816	12,360	89.5
Government / Organizations	1,310	1,094	83.5	280	204	72.9	740	728	98.4	1,575	2,144	136.1	3,905	4,170	106.8
Education / Medical Services / Religion	1,734	1,336	77.0	601	453	75.4	406	352	86.7	3,760	3,259	86.7	6,501	5,400	83.1
Classified Ads / Others	2,107	1,527	72.5	57	46	80.7	75	67	89.3	711	927	130.4	2,950	2,567	87.0
Total	45,470	36,880	81.1	16,750	12,230	73.0	12,600	10,660	84.6	173,450	153,860	88.7	248,270	213,630	86.0

Component Ratio of Media Expenditures by Industry and Industry Expenditures by Medium for 2020

(Unit: %)

Industry	Media Expenditures by Industry					Industry Expenditures by Medium				
	Newspapers	Magazines	Radio	Terrestrial Television	Total	Newspapers	Magazines	Radio	Terrestrial Television	Total
Energy / Materials / Machinery	1.2	0.7	2.4	1.9	1.7	12.1	2.5	6.9	78.5	100.0
Foodstuffs	12.3	6.8	10.3	10.4	10.5	20.3	3.7	4.9	71.1	100.0
Beverages / Cigarettes	3.1	4.0	3.3	8.9	7.4	7.4	3.1	2.2	87.3	100.0
Pharmaceuticals / Medical Supplies	4.5	2.3	7.1	7.1	6.4	12.1	2.1	5.6	80.2	100.0
Cosmetics / Toiletries	5.4	13.5	3.2	11.3	10.0	9.2	7.7	1.6	81.5	100.0
Apparel / Fashion, Accessories / Personal Items	1.8	22.9	0.4	1.2	2.5	12.5	52.2	0.7	34.6	100.0
Precision Instruments / Office Supplies	0.6	4.3	0.6	0.4	0.7	16.5	37.5	4.5	41.5	100.0
Home Electric Appliances / AV Equipment	0.5	3.3	0.8	2.1	1.8	4.3	10.3	2.3	83.1	100.0
Automobiles / Related Products	1.4	3.3	7.8	5.9	5.1	4.8	3.8	7.6	83.8	100.0
Household Products	2.1	3.1	1.6	3.1	2.8	12.8	6.2	2.9	78.1	100.0
Hobbies / Sporting Goods	2.0	5.5	2.2	2.8	2.8	12.2	11.3	4.0	72.5	100.0
Real Estate / Housing Facilities	4.4	3.6	5.1	4.7	4.6	16.6	4.5	5.5	73.4	100.0
Publications	10.6	1.0	2.9	0.9	2.7	67.9	2.1	5.4	24.6	100.0
Information / Communications	7.3	4.5	9.8	13.6	11.8	10.7	2.2	4.1	83.0	100.0
Distribution / Retailing	14.9	4.2	4.9	5.1	6.7	38.4	3.6	3.6	54.4	100.0
Finance / Insurance	3.1	2.4	6.0	7.1	6.1	8.8	2.3	4.9	84.0	100.0
Transportation / Leisure	10.5	6.6	7.4	3.3	5.0	36.4	7.6	7.5	48.5	100.0
Food Services / Other Services	3.6	2.2	13.5	6.1	5.8	10.7	2.2	11.7	75.4	100.0
Government / Organizations	3.0	1.7	6.8	1.4	1.9	26.2	4.9	17.5	51.4	100.0
Education / Medical Services / Religion	3.6	3.7	3.3	2.1	2.5	24.7	8.4	6.5	60.4	100.0
Classified Ads / Others	4.1	0.4	0.6	0.6	1.2	59.5	1.8	2.6	36.1	100.0
Total	100.0	100.0	100.0	100.0	100.0	17.3	5.7	5.0	72.0	100.0

Eleven-year Trends in Advertising Expenditures by Industry (2010–2020)

(Unit: ¥10 million)

Industry	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Energy / Materials / Machinery	3,429	2,724	2,624	2,490	2,560	2,664	3,755	4,054	3,911	4,228	3,639
Foodstuffs	28,804	26,619	28,329	27,209	26,350	27,069	28,012	27,744	25,449	25,505	22,406
Beverages / Cigarettes	21,786	19,621	20,987	20,688	21,096	19,373	18,354	18,497	17,453	16,771	15,735
Pharmaceuticals / Medical Supplies	14,597	14,354	14,847	14,745	14,992	14,647	15,265	14,738	14,832	14,411	13,590
Cosmetics / Toiletries	28,792	27,687	28,783	27,985	29,551	28,426	28,845	27,291	26,279	24,029	21,384
Apparel / Fashion, Accessories / Personal Items	10,129	10,818	11,645	11,732	11,382	11,067	9,961	9,163	8,354	7,536	5,357
Precision Instruments / Office Supplies	2,942	2,630	2,886	2,834	3,050	3,347	2,884	2,561	3,154	2,691	1,416
Home Electric Appliances / AV Equipment	7,337	5,449	5,412	5,533	5,926	5,444	5,970	5,288	4,782	4,500	3,896
Automobiles / Related Products	13,163	12,981	16,473	16,710	17,277	15,380	14,459	14,683	14,025	13,918	10,925
Household Products	6,506	6,421	6,496	6,856	7,242	6,714	6,456	6,560	6,399	6,158	6,031
Hobbies / Sporting Goods	12,314	11,061	10,853	10,227	9,414	7,951	7,966	7,875	7,352	6,680	5,950
Real Estate / Housing Facilities	10,294	10,445	10,869	11,503	11,804	11,209	11,964	13,032	12,171	11,316	9,841
Publications	9,267	8,949	9,216	8,988	8,769	8,486	8,080	7,798	6,803	6,526	5,732
Information / Communications	22,091	22,200	24,525	24,332	26,091	27,433	28,401	28,891	28,491	26,563	25,234
Distribution / Retailing	18,226	18,694	20,297	19,273	19,374	18,984	18,121	16,361	16,157	15,969	14,300
Finance / Insurance	15,383	14,121	14,499	16,762	16,437	15,973	15,759	15,050	15,207	15,083	13,054
Transportation / Leisure	21,118	19,527	21,123	20,976	21,172	21,635	20,784	20,116	19,469	19,214	10,643
Food Services / Other Services	13,867	12,356	12,896	14,229	14,504	14,638	14,395	13,482	14,023	13,816	12,360
Government / Organizations	4,082	10,873	3,327	3,149	3,380	3,296	3,326	3,057	3,006	3,905	4,170
Education / Medical Services / Religion	8,177	7,579	7,823	8,069	7,717	7,342	6,941	6,822	6,928	6,501	5,400
Classified Ads / Others	5,186	5,051	4,050	3,960	3,672	3,562	3,432	3,317	3,265	2,950	2,567
Total	277,490	270,160	277,960	278,250	281,760	274,640	273,130	266,380	257,510	248,270	213,630

Sources of Media Expenditures

Traditional Media	Advertising spending in the traditional media of newspapers, magazines, radio, and television.
Newspapers	Advertising rates of national daily and trade newspapers, and advertising production costs.
Magazines	Advertising rates of national monthly, weekly, and specialized magazines, and advertising production costs.
Radio	Time rates and production costs of private broadcasting stations nationwide and commercial production costs (but not including event-related costs).
Television	
Terrestrial Television	Time rates and production costs of private terrestrial broadcasting stations nationwide and commercial production costs (but not including event-related costs).
Satellite Media-related	Advertising expenditures for satellite broadcasts, CATV, and teletext (placement and production costs).
Internet	Ad placement costs (media costs) on Internet sites and apps (including Merchandise-related EC Platforms) and related production costs (banner ads, video ads, advertorials on social media platforms, etc.).
Digital advertising carried by traditional media companies	Total of newspapers digital, magazine digital, radio digital, and television digital ads.
Newspaper Digital	Internet advertising expenditures for digital ad space offered by newspaper companies. Not included in newspaper advertising expenditures.
Magazine Digital	Internet advertising expenditures for digital ad space offered by magazine companies. Not included in magazine advertising expenditures.
Radio Digital	Internet advertising expenditures for digital ad space offered by radio media companies. Not included in radio advertising expenditures.
Television Media Digital	Internet advertising expenditures for digital ad space offered by television media companies (including satellite media-related expenditures). Not included in television media advertising expenditures.
Television media-related video advertising	Internet advertising expenditures for video streaming-type media, including catch-up TV services and simulcast services.
Merchandise-related EC Platforms within Advertising Expenditures in Japan	Internet advertising expenditures for advertisers with stores and advertising transactions carried out by those advertisers for products on merchandise-related EC platforms. These expenditures do not comprise the overall Internet advertising expenditures in the EC platforms category.
Promotional Media	Advertising expenditures for sales promotion-related media.
Outdoor	Production and placement costs for short- and long-term billboards, neon signs, LED signs, outdoor video screens, etc.
Transit	Placement costs for transit advertisements in trains, buses, taxis, airports, and other public transportation.
Flyers	Insertion costs for flyers in newspapers nationwide.
Direct Mail	Postage and private delivery costs for direct mail.
Free Newspapers	Advertising costs for free newspapers, magazines, and telephone directories.
POP	Production costs for point-of-purchase displays.
Events / Exhibitions / Screen Displays	Production costs for sales promotion, pop-up stores, sports events, PR events, exhibitions, expositions, and PR venues; production and screening costs for cinema advertising and promotional videos, etc.

Notes: 1. The method for estimating “Advertising Expenditures in Japan” was modified in 2007, and the data for 2005 and 2006 have been retroactively revised.

Contents of the revision:

- (1) The range of “Magazines” included in the traditional media was expanded to include a wider variety of specialty magazines, local magazines, etc.
 - (2) “Internet” advertising expenditures include estimated production costs.
 - (3) The “Sales Promotion” medium was renamed “Promotional Media,” and the breakdown within it was revised.
 - (4) “Outdoor” was revised to include outdoor video screens and poster boards along with billboards and neon signs.
 - (5) “Transit” was revised to include airports and taxis along with trains and buses.
 - (6) In “Flyers,” the nationwide insertion costs for flyers were revised.
 - (7) In addition to postal fees, “Direct Mail” was revised to include delivery fees charged by private delivery companies.
 - (8) Estimated advertising expenditures for “Free Newspapers/Free Magazines” are included in the figures.
2. Since 2018, digital advertising carried by traditional media companies has been added to estimates for Internet Advertising Expenditures.
 3. Since 2019, advertising expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan have been added to estimates for Internet Advertising Expenditures, and Events advertising expenditures have been added to estimates for Exhibitions/Screen Displays.
 4. In 2019, the Free Newspapers/Free Magazines category was integrated with the Telephone Directories category to become the Free Newspapers/Telephone Directories category. In 2020, the category name was changed to Free Newspapers category.

Breakdown of Industry Categories

Energy / Materials / Machinery	Electricity, gas, petroleum products, paper, steel, chemical materials, agricultural machinery, construction and civil engineering machinery, machine tools, store equipment.
Foodstuffs	Dairy products, meat products, seasonings, bread, confectioneries, health foods and beauty-related food products, dietary supplements, processed foods.
Beverages / Cigarettes	Alcoholic beverages, non-alcoholic beverages, tobacco products.
Pharmaceuticals / Medical Supplies	Medicines, medical supplies, health drinks, eyeglasses.
Cosmetics / Toiletries	Skin and hair products, makeup and other cosmetics, shampoos and conditioners, razors and razor blades, electric toothbrushes, dentifrices, soap, detergents, feminine hygiene products, disposable diapers.
Apparel / Fashion, Accessories / Personal Items	Clothing, fabrics, home-use textile products, shoes, handbags, umbrellas, jewelry and accessories.
Precision Instruments / Office Supplies	Timepieces, cameras, digital cameras and other optical equipment, office supplies, stationery.
Home Electric Appliances / AV Equipment	Electric cooking appliances and household appliances, home air-conditioning equipment, audio-visual equipment (including digital video cameras), lighting fixtures, hairdressing and beauty equipment.
Automobiles / Related Products	Automobiles, motorcycles, motor scooters, bicycles, motorboats, tires, car navigation systems.
Household Products	Petroleum/gas-related equipment, bedding, interior decoration products, furniture, memorial goods, kitchen accessories, insecticides, mothballs and other insect repellents, air fresheners, deodorizers.
Hobbies / Sporting Goods	Hobby products, game machines and software, audio-visual software, gardening supplies, pet foods, pachinko machines and "pachi-slo" slot machines, sporting goods.
Real Estate / Housing Facilities	Land, housing and other buildings, materials used in building, household fixtures such as toilets, bathtubs, bathroom sink units and kitchen units, solar power generation systems and hot water systems.
Publications	Newspapers, magazines, books, language study materials, other publications.
Information / Communications	Computers, computer-related products, computer software, mobile phones, tablet computers, telephone services, communications facilities and services, the Internet, web content, mobile device content, online stores, online games, broadcasting.
Distribution / Retailing	Department stores, supermarkets, convenience stores, direct marketing businesses, high-volume retailers, shopping centers, other retailers.
Finance / Insurance	Banks, securities firms, insurance firms, consumer finance and credit card companies, electronic money, lotteries, Internet banking.
Transportation / Leisure	Transportation facilities and services, travel and hotels, sports and leisure facilities, publicly managed racing, movies, concerts and various events.
Food Services / Other Services	Restaurants, door-to-door delivery and moving services, beauty salons, rental businesses, temporary job placement agencies, wedding planning, security services, legal services, wigs and hairpieces.
Government / Organizations	Government offices, local autonomous bodies, political parties, foreign government offices, advertising organizations, various other organizations. (Organizations operating within a single industry are classified under that industry.)
Education / Medical Services / Religion	Schools, preparatory and tutoring schools, vocational schools, correspondence education, medical-service organizations, medical and nursing services, nursing homes, religion.
Classified Ads / Others	Classified ads (newspaper and magazine), ad-hoc ads, personal notices, multi-advertiser messages, corporate group advertising.

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