The Growth Impact of Japanese Animation IP and its Related By-industries on Its Economy

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Abstract. The Japanese anime industry holds a pivotal position in the global intellectual property market and has become an important engine driving domestic and international economic development. This industry has built a complete industrial chain covering multiple fields such as animation production, derivative product development, game linkage, and theme tourism. With its rich creative content and strong market appeal, it has created remarkable economic benefits and occupies about 60% of the global animation market share. Numerous well-known anime IPs have demonstrated long-lasting commercial vitality, with derivative sales becoming the core path of their commercialization. In addition, the anime industry has greatly promoted employment growth, effectively facilitated the overseas export of Japanese culture, and significantly enhanced the country's soft power. The secret to its success lies in the deep integration of creative talents, strict copyright protection system, and flexible cross industry cooperation models, which provide valuable experience and inspiration for the development of the global cultural industry.

Keywords: Japanese animation industry, economic development, cultural economy, derivatives market, soft power.

1 Introduction

In recent years, the IP industry has rapidly emerged around the world, and the Japanese animation industry has become one of the most representative cases. Japanese animation not only occupies an important position in the domestic market, but also leads the global cultural industry. Its international output is huge, accounting for 60% of the global animation broadcast market and as high as 80% in the European market. According to Netflix's 2020 report, about one-third of users worldwide have watched Japanese animation, showing its wide influence in the European, American and Asian markets. In addition, Japan's animation industry (including films, TV series, merchandise and events) is expected to be worth $20 billion (2.9 trillion yen) by 2022, accounting for nearly half of all revenues[1], further promoting the global expansion of the industry.

The success of Japanese animation IP depends not only on the animation works themselves but also on a huge secondary industry chain, including peripheral prod-

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ucts, games, movies, theme parks, and cultural tourism. For example, the global merchandise sales of "One Piece" exceeded 200 billion yen (about 1.3 billion US dollars) in 2022, and the derivative income of the "Dragon Ball" series also far exceeds the animation box office, covering toys, clothing and games. According to the 2024 Animation Industry Report released by the Japan Animation Association, the Japanese animation market will reach 3.3 trillion yen in 2023, of which the sales of peripheral products will reach 700.8 billion yen [2], showing the important position of derivatives in the overall industry. Strong market demand and fan consumption have promoted creative production and attracted continuous investment in technology and capital.

At the domestic economic level, the animation industry has become an important part of Japan's national economy, with annual total revenue ranking sixth in Japan's economy, even surpassing the export revenue of traditional industries such as steel. Government support and a sound copyright legal system have provided strong guarantees for the global operation of animation IP. The rapid development of the animation industry has not only promoted the improvement of Japan's cultural soft power, but also enhanced Japan's competitiveness in the international market. Through the global dissemination of animation, Japan has expanded its cultural export income and used animation as a carrier to promote cultural diplomacy and enhance national influence.

In summary, the development experience of Japanese animation IP shows that cultural industries not only have significant economic value but can also become an important pillar of national soft power. Its successful model provides experience for other countries in the development of cultural industries and economic growth.

2 Economic Contribution of Japanese Animation IP

2.1 Contribution of Animation IP to Japan's Local Economy

Animation IP has had a profound impact on the development of Japan's economy. 10 years ago, animation became one of the three pillars of Japan's economy, demonstrating its important position in the national economy. The animation industry also affects all aspects of Japanese people's lives. From the perspective of employment areas that are closest to people's lives, the animation industry has undoubtedly brought significant employment relief effects to Japanese society. The creation and production of animation works cover a series of links such as research and development, design, drawing, publicity, and sales, and each link requires a large amount of human resources investment. Therefore, the vigorous development of the animation industry not only creates abundant employment opportunities but also strongly promotes the overall development of the national economy.

Analyzing economic growth from the perspective of industrial structure can help one more thoroughly understand the reasons for economic growth. As the birthplace of the animation industry, Japan's comics industry has gradually evolved into an economic complex (ACG) in which comics, animations, and games are integrated and developed together after years of development. This integrated development model of comics, animation, and games has not only greatly increased the added value of the

industry but also effectively extended the industrial chain, making the output value of animation derivatives account for more than 70% [3].

2.2 The Expansion and Influence of Animation IP on Overseas Markets

The animation industry is one of Japan's most important export industries. Japanese animation producers attach great importance to exploring overseas markets. Some early works were exported to the North American market at the beginning of their broadcast. Japanese animation producers began to target the Asian market in the 1970s. Classic animation works such as "Demon Slayer", "ONE PIECE", "NARUTO", and "Crayon Shin-chan" have become famous all over the world and still maintain extremely high popularity and influence [4].

The reason why the Japanese animation market can occupy a leading position in the world is due to its complete industrial chain and advanced business model. These advantages have not only promoted the prosperity of the animation industry itself but also spawned a huge derivative industry, forming a significant "snowball effect". The popularity of various animation IPs overseas remains high, forming a scale effect, and the overseas fan consumer group continues to expand, which enables the industry value to be continuously explored. This kind of sustainable operation can give rise to more works with higher scale production and operation success rates, thus obtaining more stable income.

3 Economic Impact of Japanese Animation-related Secondary Industries

3.1 Economic Contribution of the Derivatives Market

The Japan Animation Association divides the statistical data of the Japanese animation market into two categories. One is the animation industry market, which refers to the narrow animation industry with animation creation and production as the core. The other is the animation industry market, which covers the broad animation industry, including circulation, toy manufacturing, and related terminal industries. According to the 2023 Animation Industry Report released by the Japan Animation Association, the scale of the Japanese animation market in 2023 will reach 3.3 trillion yen, a year-on-year increase of 14.3%, setting a historical high. Among them, the market scale of peripheral sales is 700.8 billion yen, a year-on-year increase of 4.71% [5]. This is just one type of derivative sale. The total derivative market accounts for about 24.2% of the overall market. From these sets of data, it can be seen that the scale of the animation derivative market is very large.

Behind this huge market scale is the core position of derivatives in the animation industry chain. For example, Detective Conan has been popular around the world for 30 years, and there are countless related peripheral products. Whether it is handicrafts such as badges and figurines or daily necessities such as cups and clothes, fans are

willing to pay for them. A large part of the reason is sentiment. Many Conan fans are no longer young, but they still buy related products because they miss their childhood memories. In recent years, cross-border cooperation has become a major trend in the Japanese anime peripheral market. The 2020 theatrical version of Demon Slayer: Mugen Train is the box office champion in Japanese film history. The "Tanjiro-flavored steamed buns" jointly launched by the film producer and Lawson Supermarket sold more than 1 million copies in 3 days. Many designs of the co-branded T-shirt series launched with Uniqlo were sold out on the day of launch [4]. Another example is the recently popular Chiikawa. Miniso, which first launched a pop-up store in China in collaboration with Chiikawa to sell peripherals, has long been crowded with young people. One pop-up store sold 8 million yuan in three days. It then took advantage of the opportunity to open pop-ups in multiple cities across the country and sell Chiikawa peripherals in online live broadcast rooms. The highest sales of a live broadcast were 1 million to 2.5 million yuan [6].

The derivative products of the Japanese anime industry include toys, clothing, licensed products of anime characters, electronic game development, anime music copyright income, and profits from entertainment venues such as anime theme parks. The diversity of derivative products can meet the needs of consumers at different levels. Combined with the long cycle of the anime industry, these derivative products can create huge profits.

The success of these IPs has not only driven the development of related industries such as toy manufacturing and clothing design but also created a large number of employment opportunities and promoted domestic consumption and export trade in Japan. It can be seen that the Japanese anime derivative market has become an important engine for economic growth and has also enhanced Japan's influence in the global cultural market.

3.2 Integration of Animation and Tourism Industry

With the rise of the experience economy, tourists are no longer satisfied with traditional travel methods, but are more inclined to look for tourism products with high participation, strong entertainment and innovation. Under this trend, more and more tourists prefer "creative tourism" that can experience the local cultural atmosphere, and the Japanese animation-related tourism industry has also emerged.

The Japanese animation tourism industry has taken shape, and there are three typical types: one is "memorial hall type" animation tourism. For example, the "Fujiko Fujio Memorial Museum" in Kawasaki City; the second is "commodity type" animation tourism. For example, the Japanese Akihabara Anime Style Street is famous for selling animation derivative products; the third is "pilgrimage type" animation tourism [7]. As one of the "memorial hall type", Japan's theme park economy has also flourished due to animation IP, such as the "Ghibli Park" in Tokyo and the "Universal Studios Super Nintendo World" in Osaka, which attract a large number of domestic and foreign tourists every year, further increasing cultural tourism income. Take the anime series Lucky Star as an example. The Takagami Shrine, where Kagami Hiiragi and his family live was based on the Washinomiya Shrine. After the series became

popular, Washinomiya Shrine naturally became a famous pilgrimage site in Japan. Since 2010, the Washinomiya Chamber of Commerce has launched special activities for anime fans (such as otaku matchmaking). During the New Year period in 2011, the number of visitors to the shrine reached 470,000, a 400% increase over 2007, and the direct economic benefits exceeded 100 million yen [7]. According to statistics, the number of visitors that year accounted for 14% of the total number of visitors. This shows that Japanese anime is deeply tied to its tourism industry.

3.3 The Development of the Animation Industry and Its Economic Impact

The Japanese animation industry started in the early 20th century and has gone through several stages of development. It has gradually expanded from the domestic market to the world and has become an important part of culture and economy. In the 1960s, with the innovation of Osamu Tezuka and others, the animation industry began to take shape and entered its golden age. In the 1980s and 1990s, with the popularity of television animation and the success of blockbusters such as "Dragon Ball" and "Saint Seiya", anime began to become a global phenomenon.

After entering the 21st century, Japanese anime further internationalized through digital technology and Internet platforms. Japanese anime has become a global cultural phenomenon, attracting a large number of international fans [8].

Economically, the animation industry has made a huge contribution to Japan. According to statistics, the scale of the Japanese animation market reached 3.3 trillion yen in 2023, covering multiple fields, such as television animation, movies, comics, and games. Anime has not only created a large number of jobs but also promoted the development of the derivative market and tourism [9,10]. The Japanese animation market has continued to grow in the past few years, with a growth rate of 14.3% in 2023, a record high.

Overall, the Japanese animation industry not only plays an important role in cultural communication, but also has become one of the important pillars of the Japanese economy, which has a profound impact on the global economy.

4 Conclusion

In general, the development of Japan's animation industry has not only driven the growth of the local economy but also strengthened its cultural soft power, occupying an irreplaceable position in the global market. Its successful experience provides valuable reference for the development of cultural industries in other countries.

Among them, in-depth exploration of national cultural resources and the creation of unique national cultural brands have become the key to promoting the development of cultural industries. As a country's unique spiritual wealth, national culture has huge commercial value and cultural influence in its connotation and form of expression. Only by transforming this cultural resource into a cultural IP with broad market influence can it bring huge economic effects.

As an important part of the current cultural and creative industry, the animation industry must also pay attention to the development of secondary industries. For example, the development of animation peripheral products, the creation of virtual idols, and game adaptation are all potential commercial value points. If marketing can be carried out correctly, investment and resource allocation can be accurate, and the secondary industries of the animation industry will provide a strong impetus for the dissemination and development of cultural IP.

In short, creating a unique cultural IP with commercial potential requires the joint efforts of the government, enterprises, creative talents and the whole society. Japanese animation is advancing comprehensively and systematically, from the cultivation of creativity to the protection of copyright, and from the linkage development of the main industry to the secondary industry. Therefore, it can stand out in the fierce global cultural market and build its unique cultural brand.

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