1. The Current Situation and Trend of Film Exhibition General Situation by Tamaki Tsuchida

According to the statistics released by Eiren in 2016, the total box office income from 1,149 films was about 235,500 million yen, which was 1.085 times more than that of the year before. 610 Japanese films were released, making 148,600 million yen (123.5% of that of the year before), while 539 foreign films were released, making 86,900 million yen (89.8% of that of the year before). The box office income has in general been increasing, and during the last several years, Japanese films have been doing better than imported films. One major factor came from some films that did enormously well, e.g., YOUR NAME and SHIN GODZILLA.

From the late 1980s to the 1990s, imported films seemed to be doing better than Japanese films. The domestic film market share saw its peak in the early 1960s when it occupied 80% of the total released films. Since then, its share has been decreasing, and in 2003, its share was less than 30%. The Japanese films were considered to be dark, difficult, and uncool, compared with Hollywood films. During the last ten years, more people began to go see Japanese films and it is wonderful that movie houses are crowded. Not many countries have more than 60% market share of their domestic films, being overshadowed by Hollywood films. France and the United Kingdom are such countries as their governments support their domestic film productions. In Japan, the government support for domestic film production is meager, therefore, the situation in Japan is quite unique.

Domestic film production can be further analyzed. Only 42 films out of 610 made more than 1,000 million yen. These 42 films made 116,700 million yen total, occupying 50% of the Japanese film market in general, and 80% of the total domestic film market of 148,600 million yen. Only 8 film companies released these 42 films, and Toho released 25 (23 with no partners).

From the film industry's point of view, this situation seems to be unusual. Only a handful film companies, (7% of the total number of companies) monopolizes the market, generating 80% of the revenue, while the remaining 93% of the companies share the remaining 20% box office income with films. This is the same when imported films were added. A total of 61 films each made more than 1,000 million yen, and these 61 films together made 17,789 million yen, occupying 76% of the whole box office. Only 6% of the 1149 films released in Japan in 2016 made three fourth of the whole box office income. The disparity has been further enlarged between the commercially successful films handled by major studios and others that disappear quickly without drawing any attention. The production and release scales have been polarized.

This phenomenon deprives us of the opportunity to select films from a wide range. A film completes when viewers see it. The release and screening will complete this process. Currently, most screens in Japan belong to multi-screen theaters, making their selection more effective economically but monolithic in content. The kind of films screened and how they are appreciated become less diversified and the opportunities for viewers to relate themselves to films have been decreasing.

Nonetheless, films keep being produced. On the surface, in this standardized field, we need to look for the way to relate ourselves to films, outside of the polarized formula of the new and old films, domestic and imported films, major and independent productions, cities and local areas, commercial releases and non-profit exhibitions. The wealth of the film industry cannot be limited to its economic factors. On the other hand, we will be able to gain a true insight over the hardship facing us today when we look beyond the film's value as a cultural property. We should not solely depend on the concept of the film's release as commercial action, but we should look at the diversity of film and its tasks in the framework of the "film exhibition" where film meets our society.

What Are the Movie Theaters

– Proposal for the Definition According to What Kind of Films They Show

When you mention the place where a film is screened, you usually think about a movie theater. Movie theaters differ in hardware (facilities) and in software (screened films). So far, such terms have been used referring to "movie theaters" as multi-screen theaters, independent theaters, local commercial theaters, single-program theaters, repertory theaters, mini-theaters and art-houses. This is a quite ambiguous and nebulous classification. A strict classification and definition on movie houses has been eluded because the study and research on film from economic and industrial point of view has not attracted much attention in academia. On the other hand, it is not easy to analyze statistics. We have been unable to capture its details due to the difficulty with the concept of "commercial release," an idiosyncratic problem with the Japanese film industry. Simplistic statistic comparison may not mean much if we do not take some factors into our consideration such as the price levels, population change in each age group, whether there are commercially successful films or not, and the trend of people's taste. There are certain elements that cannot be calculated easily in the Japanese film industry such as how to share the box office income among theaters, distributors and producers; and the number of non-paying viewers.

In the "Research Report of the Current Situation of the Specific Service Industries in 2014: Film" (Published by the Research and Statistic Group under the Minister of Economy, Trade and Industry [hereafter: METI], September 2015), the movie theaters are classified by three categories:

1) Theater Grouping;

2) How Films Are Screened at the Theater; and

3) Locations.

The Classification of the Movie Theaters in the "Research Report of the Current Situation of the Specific Service Industries in 2014: Film"

1) The Theater Grouping

a) Film Production and Distribution Company Direct Operations: Theaters operated by the companies of the film production and distribution;

b) Film Production and Distribution Company Groups: Theaters operated by the companies financed by the film production and distribution companies;

c) Independent Release Company Operations: Independently operated companies' theaters, not part of the above group;

d) Foreign Finance Groups: Theaters operated by the companies financed for more than one third of their total budget (note by Tsuchida: in 2017, there is none applied to this category in Japan);

e) Operations by Companies of Other Industries: Theaters operated by the companies primarily engaged in other business than film production, distribution and release (theaters operated by playground operation companies and private railway companies as part of their business);

f) Others: Theaters operated by corporations, groups and individuals other than the above; theaters operated by collaborations, etc.

2) How Films Are Screened at the Theaters

a) Multi-screen theaters:

multi-operation theaters including more than six screens which share the box office, entrance, lobby, concession and projection booth in one building or facility;

b) Others (including one program theaters): One program theaters or facilities including more than one such a theater but not being multi-screen theaters

3) Locations and Environment

Locations

a) In vicinity of the railway stations

b) Inside the cities (in the main streets or office areas)

c) At the roadside (not inside the cities but along the main highways)

d) Others (those not included above, such as the ones in the shopping malls in the suburbs

Attaching facilities

a) Multiple-operations (around shopping malls)

b) Multiple-facilities (around leisure facilities)

c) Others (not included above)

"Theater Grouping" refers to the body of the managing operations.

"Film Production and Distribution Company Direct Operations" is currently dominant in Japan, including big film production companies distributing films mostly produced by their own, i.e., TOHO Cinemas, Shochiku Multiplex Theaters (MOVIX), and T-Joy. "Operations by Companies of Other Industries" includes AEON Cinemas and 109 Cinemas, and the content of their programming and the way their films are screened are common with those of multi-screen theaters, although the managing companies are different. When multi-screen theaters opened in Japan, "Foreign Finance Groups," e.g., Warner Mycal Cinemas and United Cinemas, were dominant, however, all the foreign companies withdrew from Japan and these theaters were acquired or merged by the Japanese big capitals.

The classification by "system" is effective from the point of view of the "service industry," however not in the analysis of theaters according to their programming, because as we described, almost the same films are screened at "Film Production and Distribution Company Direct Operations," "Foreign Finance Group" and "Operations by Companies of Other Industries." On the other hand, "Independent Release Companies" and "Others" include a number of theaters screening films different from each other.

This report by JCCC classifies theaters in four categories: Multi-screen theaters; mini- and repertory theaters; conventional theaters; and adult theaters.

According to this classification, "mini-theaters" are defined as the small-scaled theaters programming films independently for more than a half of a year, or classic films or new films after their commercial releases (so-called "repertory theaters").

"Mini" refers to the scale of a theater. In the 1980s when such theaters opened in Japan, many movie theaters had a capacity of 500-1,000 seats. Currently, the average capacity of mini-theaters is 100-200 seats, and many of multi-screen theater's screening rooms hold the same capacity of seats. Therefore, the theater capacity cannot be used for comparison. The significance of mini-theaters was their programming, screening a variety of films from all over the world at the theaters called "art houses," "indie theaters," and "repertory theaters." Because of the high yen exchange rate making purchasing of foreign film rights easy, and the growing packaging market of video and DVD, a number of foreign films were released and screened. However, recently, the names of famous directors and the festival awards will not attract audiences. These mini-theaters of great tradition screening excellent films need to reassess their business from the point of view of the relationship between film and audience trends.

When we classify theaters and draw attention to their statistic changes, the urgent task seems to consider the difference between the "conventional theaters" and "mini-theaters." Conventional theaters are primarily in local cities and according to the category made by the METI, they belong to the "Film Production and Distribution Company Groups" and "Independent Release Company Operations." The majority of these theaters used to screen the films of their parent film production and distribution companies before mini-theaters opened in Japan.

When we see the local map of theaters according to their classification, during the ten years between 2005 and 2015, the numbers of the screens and sites of mini-theaters did not change much except those in Tokyo, while the number of conventional theaters in local cities dramatically decreased. The reasons behind this may be complicated. One reason should be the decline of the main street business in local cities where these conventional theaters were located. As the center of the local cities was losing its vitality, people stopped going to movies. On the other hand, as multi-screen theaters in the suburbs at shopping malls began to spread, the film viewers began to select films from a wide range and watch films in a comfortable facility. The big production and distribution companies seem to change their focus in this trend.

Entertainment and the way they spend their free time depend on people's life style, therefore, the theater's location and accessibility affect the prosperity of films in each area. The difference in film business between metropolitan areas and local cities has been pointed out, however, we should reassess the role of movie houses in the context of urban and community designs.

Note 1. In the "Film Exhibition Activities Almanac 2010" domestic movie houses are classified and defined as follows:

*Major multi-screen theaters: Multi-screen theaters operating nationwide including United Cinemas, Warner Mycal, Shochiku Multiplex Theaters (MOVIX), TOHO Cinemas, Kadokawa Cineplex, Toho Recreation (109 Cinemas), Colona, Sasaki Enterprise (Cinema Sunshine), collaboration with AEON and other companies;

*Local multi-screen theaters: Multi-screen theaters set up by enterprises in local area;

*Major theaters: Theaters operated directly by film studios such as Shochiku, Toho, Toei and others;

*Locally operated theaters: theaters operated by local operation companies;

*Mini-theaters: the small-scaled theaters programming films independently for more than a half of a year, or classic films or new films after their commercial releases (so-called "repertory theaters"); and

*Adult-theaters

The films screened at the theaters of major and local multi-screen theaters are not much different from each other, and we can put these together as "multi-screen theaters." Today, it is hard to distinguish between the classification between major theaters, locally operated theaters and mini-theaters, however, we single out mini-theaters as ones operating and programming Japanese and foreign films independently from production companies. Other theaters are defined as "conventional theaters."

The Habit of Watching Movies

According to Eiren's 2017 report on the Japanese film general situation, the box office income in 2016 continued to grow, making a total of three years in a row, and the theater attendance increased by eight percent to 180,180,000. The last time we saw this scale of attendance was 42 years ago in 1974. It has been a long time since the studio system collapsed and the film industry began to decline. However, after the attendance hit bottom with 119 million in 1996, attendance has been gradually increasing.

The highest attendance in Japan was 1,127,450,000 in 1958, and the number of the movie theaters was at its peak of 7,457 in 1960. Since then, both the number of theaters and attendance kept going down. In 1993 when multi-screen theaters opened in Japan, the number of theaters (screens) was 1,734, and attendance was 125,600,000. One of the major factors for the decrease was probably the spread of television, making the status of film relatively lower in the selection for entertainment. However, film occupies fairly high in the Japanese people's consciousness in what to do with their free time.

According to the "White Paper on Leisure in 2016" released by Japan Productivity Center, the Japanese market for free-time activities is 72,299,000 million yen (in 2015). Film may occupy merely a small space in this huge market. However, if we compare the number of the participants in each item, it went as follows: 1) domestic travel (55 million people); 2) eating out (43.9 million people); 3) driving (43.4 million people); 4) reading books (42.3 million people); 5) films (excluding TV programs) (36.6million people); 6) shopping malls/outlet malls (36.2 million people); 7) zoos/botanic gardens/aquariums (34.6 million people); 8) listening to music (33.4 million people); 9) walking (32.9 million people); and 10) karaoke (31.6 million people).

Film has a 35.3% share of people's wish list of what to do with their free time. These statistics show that Japanese are still interested in going to movies, and that they can easily do this. However, if we look at the number of the people who actually went to movies, their percentage is not particularly high. The average annual participation frequency of watching films (including those at home) during their free time is 8. Compared with the music listening by online, CD, records, tape and FM (57.9), western and ballroom dancing (49.7), playing western music (38.7), and gardening (37.4), film occupies a small part in their daily life.

This is prominent in its comparison with those in foreign countries. The average number of films Japanese go to see annually is 1.3, while that in Korea is 4.2, in USA 3.9, and in France 3.1. When Japanese attendance was at its peak in 1958, the average number of films Japanese saw annually was 12.3 (Japanese population then was around 92 million, and the total attendance was 112, 7 million), 10 times more than that of today. Recently, the way people watch movies have been diversified and they still watch movies, but their opportunities to go to see movies at theaters during their free time have been decreasing.

The number of screens in Japan in 2016 was 3,427, twice as many as that in 1993. However, the attendance has not been doubled. Multi-screen theaters have increased while theater sites have been decreasing, particularly commercial and adult theaters. A recent spike in numbers may be an exception due to a few unusual commercial successes.

Also, multi-screen theaters are located in and around big cities. From 2005 to 2015, multi-screen theaters in the three largest metropolitan areas increased while both the numbers of screens and sites decreased in the areas of small populations. It is not an exaggeration that in local small and middle-sized cities there are no film theaters. The disparity of accessibility to theaters between big cities and other areas is shown in the annual average number of watched movies in each prefecture (in 2014). In this age of diversified entertainment forms, not watching films does not mean the lack of information. However, in terms of interest in film and its cultural diversity, there is a gap between metropolitan and other local areas. If only multi-screen theaters are selecting the programming for film viewing, the options become standardized, and people's image of film will be also become standardized.

Various Theaters

Today, movie houses mean multi-screen theaters to many people. There is no clear definition of a multi-screen theater. In the above mentioned METI's report, it is defined as a multi-operation theater including more than six screens, while in the reports of Eiren and JCCC, it is defined as a multi-operation theater including more than five screens at one location under one managing entity. These multiple screens share the box office, entrance, lobby, concession and projection booth. All the ticket-holders are replaced at each show, and there is no standing room, making these theaters very different from other theaters. In Japan, this type of theater is called "cinema complex" while in foreign countries, it is often called "multiplex" or "Cineplex." In Japan, the first multi-screen theater, Warner Mycal Cinemas Ebina (currently AEON Cinemas Ebina), opened in April 1993. (Some other sources cite that Komaki Corona Theaters in Aichi prefecture or Cinecitta in Kanagawa prefecture opened first.) Afterwards, the number of screens began to increase, eventually driving many companies to change their theaters to ones with multi-screens.

If you were born in 1993, you are currently 24 years old. If we say that your memories go back to the time when you were six years old, Japanese under 30 years old can be described as the "generation born of multi-screen theater," and to them, a movie house means a multi-screen theater. Their seats are comfortable, the screen is huge, and all the seats are assigned upon a ticket purchase. From this point of view, the conventional theaters must be inconvenient and outdated.

Movie theaters supported by big capital enjoy an advantage in terms of the facilities and system. However, as we described before, the overwhelming majority of multi-screen theaters in the market directly result in the standardization of programming, causing a serious problem. If multi-screen theaters do not do a good business with a film over the first weekend, this film will be screened less from then on. Sometimes, its screenings can be limited early in the morning or late at night, or stopped altogether. This means if a film is not expected to be successful at the box office or if it is produced on a big budget, it is harder to screen it at a multi-screen theater. On the other hand, if such a film does well at the box office in metropolitan areas, it will be screened in other local theaters under the same management, making its box office success even larger. However, this does not happen often.

Therefore, if you do not expect a film to do well in box office at the first theater, you have to go to a mini-theater or others, not at a multi-screen theater. However, currently, not many films are successful in expanding its run to local cities (a long-run). In addition, mini-theaters and conventional theaters have been decreasing, and it is hard to run a modest film. LOVE, ROSIE (2014) and IN THIS CORNER OF THE WORLD (2016) started at a mini-theater, then, expanded to multi-screen and other theaters in local areas, but they are exceptions. The division between multi-screen theaters and mini-theaters, which existed before, has changed its form.

The film exhibition environment of multi-screen theaters not only kills other theaters, but makes their own programs less diverse. When several major companies release their films at the same time, most screens all over Japan run these films. A recent Kogyo Tushinsha box office record in Japan for the weekend of Saturday and Sunday, March 11th and 12, 2017, listed 6 of the top 10 films (MOANA, DORAEMON: NOBITA's SOUTH POLE ADVENTURE, LA LA LAND, CHEER LEADERS, and ASSASSIN'S CREED, ULTRAMAN ORB) in their third week, and these 6 occupy 1,729 screen, about 50% of the total screens in Japan.

The number of film released keeps increasing but many films disappear without being noticed. People can watch only a handful of commercially successful films at multi-screen theaters. Not many people are able to go to see a film weekday mornings or late at night. Multi-screen theaters certainly contributed to the nationwide standardization of the film release system by their digitalization, however, they seem to become a big obstacle in terms of accessibility to diverse films. At this point, the number of screens of multi-screen theaters is becoming saturated in each area, and there is a limitation of its growth. We need to diversify the films to be released by not showing the same films everywhere.

Diverse Programming and Appreciation

We have to pay attention to how wide our selection of films to watch is in our environment when multi-screen theaters are standardizing the image of movie houses. The "movie theaters" we have been describing so far are not the only places we watch and appreciate films. For example, at the beginning of this chapter, we presented Eiren's statistics of box office income and number of the films released in Japan, but they do not include "non-movie theaters."

"Non-movie theaters" refers to the public and private auditoriums equipped by projection facilities, film festivals and independent screenings. JCCC defines the followings as "cinematheques" hosting screenings regularly using the public support: National Film Center of the National Museum of Modern Art, Tokyo; Kawasaki City Museum; Kyoto Film Museum; Kobe Art Village; Hiroshima City Cinematographic and Audio-Visual Library; Yamaguchi Center for Arts and Media; Fukuoka City Museum, and others. In addition, there are more screenings taking place at museums, libraries, and audio-visual center libraries.

Of course, these screenings at public facilities are operated on a non-profit basis and although they charge admissions and paying fees to clear screening rights, they may not be equal to a commercial run where an adult pays 1,800 yen for a film. However, these screenings offers the opportunities to appreciate films by playing roles formerly filled by conventional and repertory theaters in the areas where movie houses are disappearing, and screening films which are difficult to present at multi-screen theaters. In this sense, they are important. We must consider who and how to develop audiences in the areas with no movie theaters in order to increase the number of film-goers.

Also there are a number of film festivals, big and small, all over Japan, screening both domestic and imported films. For example, the 29th Tokyo International Film Festival (in 2016) screened 231 films, and Yamagata International Documentary Film Festival 2015 screened 169 films. Among them, there are new films (those within three years after their release) and classics. Film festival screenings are different from the regular "release" based on the box office operation; however, as a window for the audiences to access films, they play the same role as movie houses. They provide society with diverse films and information. When we use the wealth of film exhibition as an index, film festivals also need to be included, although until now they were considered to be transit "events." A new type of film exhibition began to take place at cafés, beach houses and private houses (see JCCC ed. "The Report of the Workshop and Symposium on Film Exhibition Promotion Policy" (2015)).

With film exhibition no longer limited to just movie houses, the forms of film screening and appreciation has been widely changing. Upon the release of AVATAR in 2009, the number of movie theaters capable of 3D presentations largely increased. Today, 4D presentations can be seen, mostly at multi-screen theaters. 4D offers sensory experiences in order to enhance verisimilitude of the viewer's film experience. They offer vibrations of the seats, winds, smells, water splashes, and so on. In Japan two formats are employed, 4DX (CJ 4DPLEX, Co. Ltd.) and MX4D (MediaMation, Co. Ltd.). In addition, some theaters provide "explosive sounds" and "extreme sounds" upon screenings, using high quality audio facilities in order to enhance the viewer's experience by auditory elements. This makes these theaters unique and different from what you experience watching films at home. The movie theaters seek their unique factors.

Such facilities adding these unique factors require capital. In contrast, there is a new type of screening that does not require specialized equipment, called "participation screening." This is a presentation asking the viewers to participate in film by singing along during the screening in the theater, or bringing in psyllium and pen lights in order to enjoy film like at live music or concerts. In 2014 when FROZEN was released, this new way of presenting with the viewers singing along during the screening drew much attention. Today, KING OF PRISM BY PRETTY RHYTHM (released in January 2016) and other animated films, are presented with the viewer's participation encouraged. It used to be theaters asked their audience to "keeping silent" to be well mannered, but now, the viewer's consciousness has changed and film appreciation itself has become an experience, like a live music concert or other event.

The way to use theaters has also been changed and ODS works have been increasing. ODS (Other Digital Stuff) refers to the recordings or live broadcasting of stage productions, concerts, sports and events other than films (live broadcasting pieces are not included in Eiren's statistics). Recording pieces of Kabuki stage productions (starting in January 2005), the performances at Metropolitan Opera Theater (starting in December 2006), and stage productions of Shin-Kankakuha Theater called "geki-cine" (starting in September 2004) have been screened regularly. Recently, live broadcast pieces and concerts have been increasing, and they sometimes attract more viewers than films. In order to minimize business risk, pieces often handle a genre that already supports a large fan base, and presenting at under utilized movie houses provides new opportunity for both the ODS creator and movie house. According to Dentsu Soken's "White Paper on Information and Media 2017," ODS's box office income in 2015 was around 1,537 million yen, still a small portion of the whole film box office income, but it has been growing dramatically. If you can extend your view and not limit your idea of a movie house as a place just to watch movies, it will be valuable to consider using ODS as a new way to construct a new community through movie houses.

Last Note

As we have seen, the disparity in the film box office market becomes clear. Most of the film production, distribution and theater operation companies have a hard time. This urges us to change our views. The concept and difference between "commercial films" and "artistic and cultural films" have been blurred and there have been many kinds of encounters between film and people. In this sense, we should go beyond the definition of "theater operation" and use the concept of "film exhibition" on film.

It is hard to create and develop new audiences if we are bound by the conventional knowledge and experience because the form of film appreciation has been diversified. If we only depend on the capitalist logics, we may gain a short term economic effect but we cannot attain a resourceful film culture and film market. What kind of roles and functions does film play in our society? Shouldn't we discuss publicly, engaging both public and private sectors, those with big capital and not, cities and local areas, by working together? Film exhibition should become a gateway for all fields connecting film and society.

Political theorist Junichi Saito argues that in Japan the word "public" has three different concepts (in "The Public Frontier in Thinking"[Iwanami Shoten, 2000]):

1) Meaning "official" relating to the national diet: The government activities towards its people through their laws and policies. The terms, e.g., public enterprises, public investment, public education, public safety and so on, are used in this sense, suggesting power and obligation.
2) Meaning "common" applying to all people: This category refers to common interest, properties, norms and interests. The terms, e.g., public interest, public welfare and public order are used in this sense. They do not belong to specific kind of interest, however, suggest collective power forcing individuals to give up their rights and repressing them.
3) Meaning "open" to everyone: This refers to the space and information that do not decline anyone's access. The terms, e.g., public parks and access to public information, are used in this sense. They do not suggest any negative elements, however, in the "public" nature in this sense suggests that they are supposed to be open but are closed.

If we apply the above theory of "public" nature to film exhibition, we should seek a kind of film exhibition open at every level.

We have to think about film promotion as a national policy, and proclaim the conservation of tradition of film art and film culture. However, the above-mentioned “public nature” in the first two categories suggests that film guarantees equality in every element. A cinematic work should be unique and free, extending your images.

Film exhibition in individual works and forms is indeed diverse, as we have seen in this report. Every factor should be recognized as unique and respected, making film attractive to many people. The discussion on the “public nature” of film should be on how to further extend its openness. Film exhibition will make this point clearer than film production or preservation. As we described before, the information and analysis of film exhibition has given us an impression that it is exclusive because of its complicated and difficult aspects. Beyond various positions, we should collect the knowledge and experience in film exhibition and share the tasks in order to establish a new network.

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