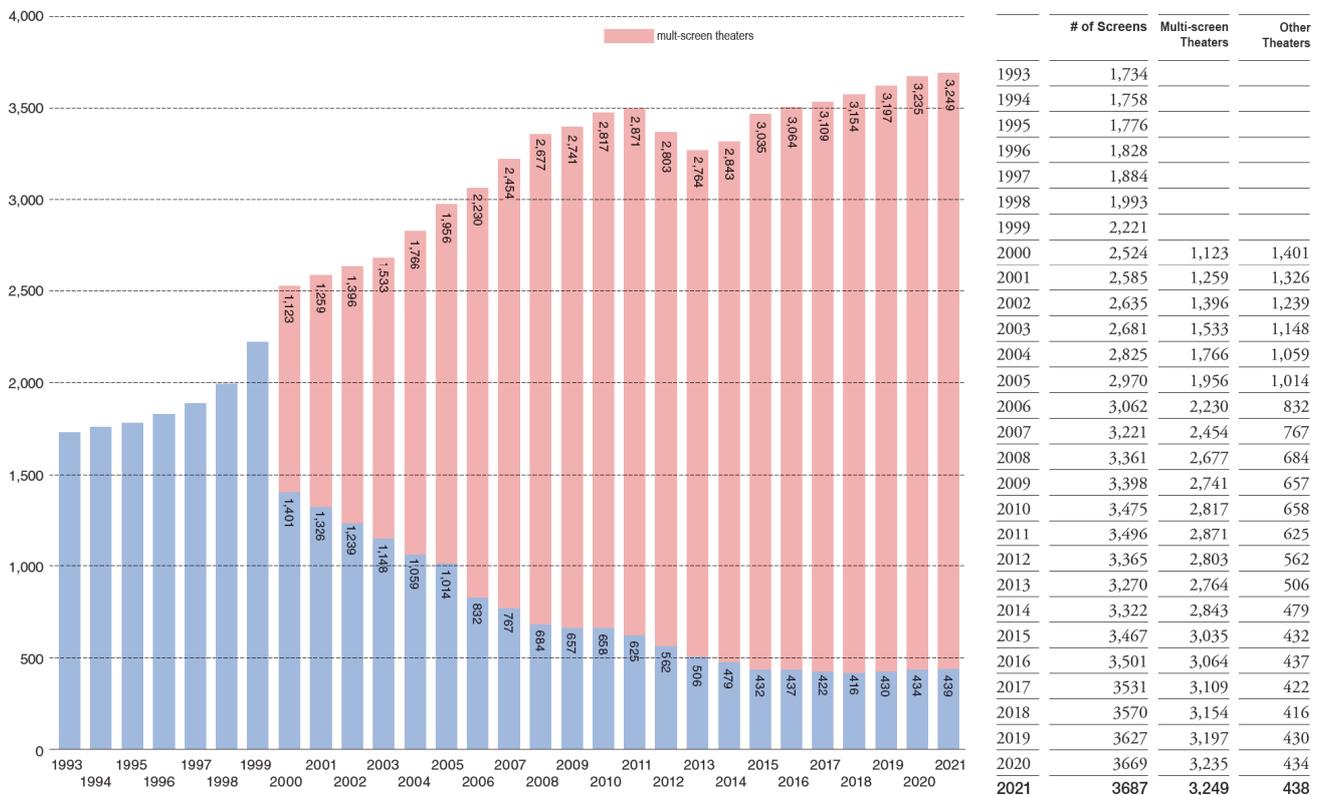


1. General Situation

Two years have passed since life under COVID-19 (Coronavirus Disease 2019) started.

By February 2020, the pandemic situation had become serious, and by the end of March 2020 when the Tokyo government requested people to refrain from going out over the weekends, many distributors of new films had pushed back their release dates and movie house attendance fell by 80 to 90% compared with that in the year before. On April 7th, 2020, a State of Emergency Declaration was issued in 7 prefectures including Tokyo. The Declaration soon extended to the entire nation and all the movie houses in Japan closed. Movie houses closed for an average of 40 days. At the end of November 2020, the number of infections again rose, and at the end of December 2020, more than 1,000 infections were reported in Tokyo. At the beginning of 2021, the second State of Emergency Declaration was issued in Tokyo and 3 other prefectures, and expanded to 7 more prefectures later. According to the Motion Picture Producers Association of Japan's Japanese Film Industry Statistics, the total theater attendance in 2020 was 106,137,000, 54.5% of that in the year before; its box office income was 143,285,000,000 yen, 54.9% of that in the year before.

fig.01 Changes in Number of Screens (1993-2021)



—From Japanese Film Industry Statistics (Motion Picture Producers Association of Japan) and Film Exhibition Yearbook (Japan Community Cinema Center)

In 2021, the pandemic was still spreading, and the State of Emergency Declaration was repeatedly issued in January, April, and July. Around September, the situation was somewhat tamed, and the restrictions over the theater

capacities and operation hours were lifted. In the fall, many film festivals and related events were held, however, by the end of the year, the new Omicron variant spread swiftly and widely, therefore, at the beginning of 2022, the Priority Measures Such As Prevention Of Spread was executed. During the year of 2021, there was no mandate to close all theaters, however, large-scale theaters (mostly multi-screen theaters) in big cities like Tokyo and Osaka were requested to temporarily close, and they stopped operation for nearly one month. Such requests for limited capacities and operation hours continued through the end of September 2021, greatly impacting regular operations. The total theater attendance in 2021 was 114,818,000, an 8% increase from that of the year before; and the box office income was 161,893,000,000 yen, a 13% increase from that of the year before. However, if these numbers are compared with those in 2019, they still reflect a drop of about 40%.

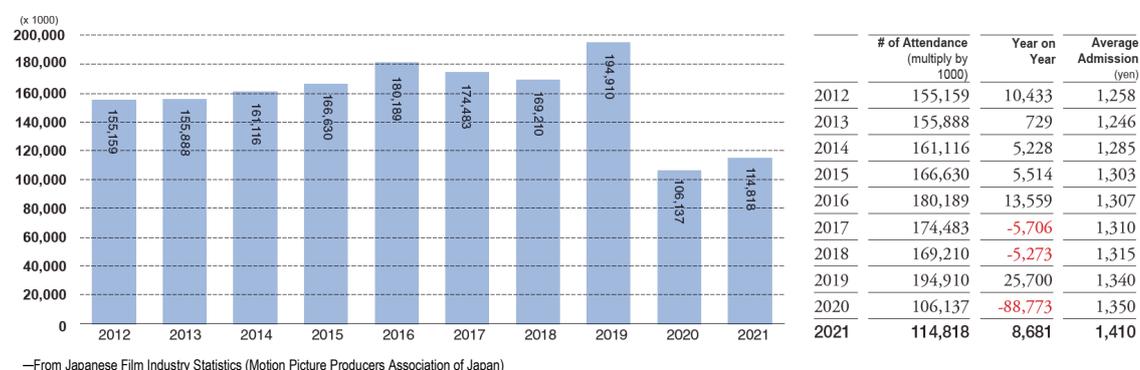
Number of Movie Houses and Screens Nationwide

The number of screens in 2021 was 3,687, an increase by 18 from that in 2020. The number of theaters was 596, increased by one from that in 2020. During the last 10 years from 2012 to 2021, the number of theaters decreased by 44, while the number of screens increased by 322. Multi-screen theaters (Cinema Complex or “Cine-Com”) increased by 42 and by 446 screens, while other types of theaters decreased by 86 and by 124 screens.

Multi-screen theaters have a total of 3,246 screens, 88.1% of the total number of screens in Japan. Since 2011, the number of multi-screen theaters has been larger than that of other types of theaters. In 2021, there were 360 multi-screen theaters, occupying 60% of the total number, and 236 other types of theaters.

There were concerns that the number of theaters stopping their operation would increase because of their temporary closing and the decrease of the audiences due to the COVID-19 pandemic. However, the number of the permanently closed theaters in 2020-2021 was 13 (6 multi-screen theaters and 7 other types of theaters), lower than the average of past statistics. In April 2020, Lemiere Akita in Akita City was closed; and in May 2020, Tsuruoka Machinaka Kinema in Tsuruoka City, Yamagata Prefecture, announced its closing. Both theaters have reopened in different forms. On the other hand, in 2020-2021, 12 new multi-screen theaters and 9 other types of theaters opened (including relocations and renewal openings).

fig.02 Changes in Attendance (2012-2021)



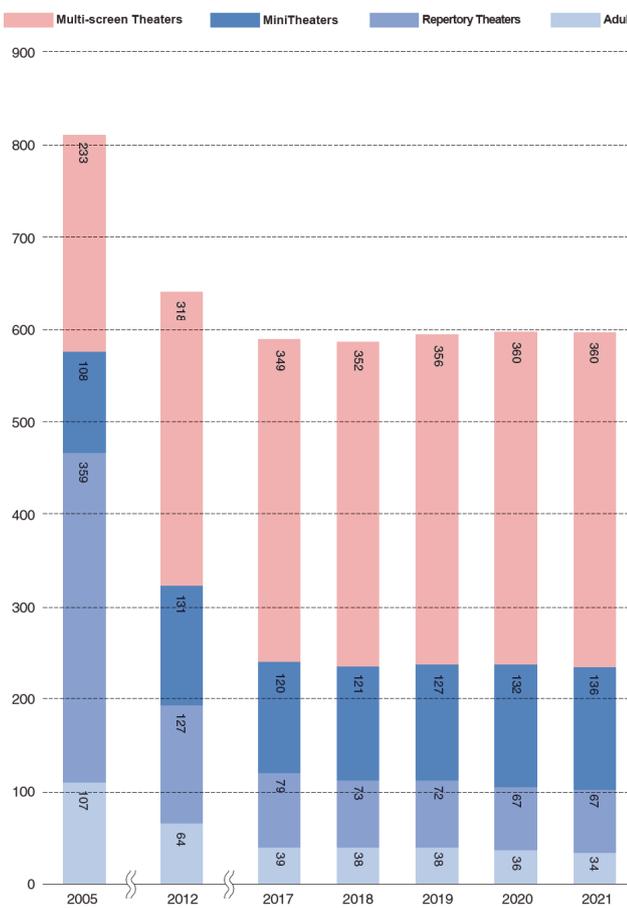
Attendance

In 2021, as was described above, the Japanese nationwide theater attendance was 114,818,000, 108.2% of that in 2020, and the total box office income was 161,893,000,000 yen, 113 % of that in 2020. The box office income of

Japanese films was 128,339,000,000 yen, not as large as that of 2019, however, larger than the 122,029,000,000 yen of 2018 and has recovered steadily. However, the attendance of foreign films has drastically dropped and its box office income in 2021 was smaller than that in 2020, making the ratio of Japanese film box income vs. foreign film box income 80% vs. 20% (until 2019, the ratio was 55% vs.45%).

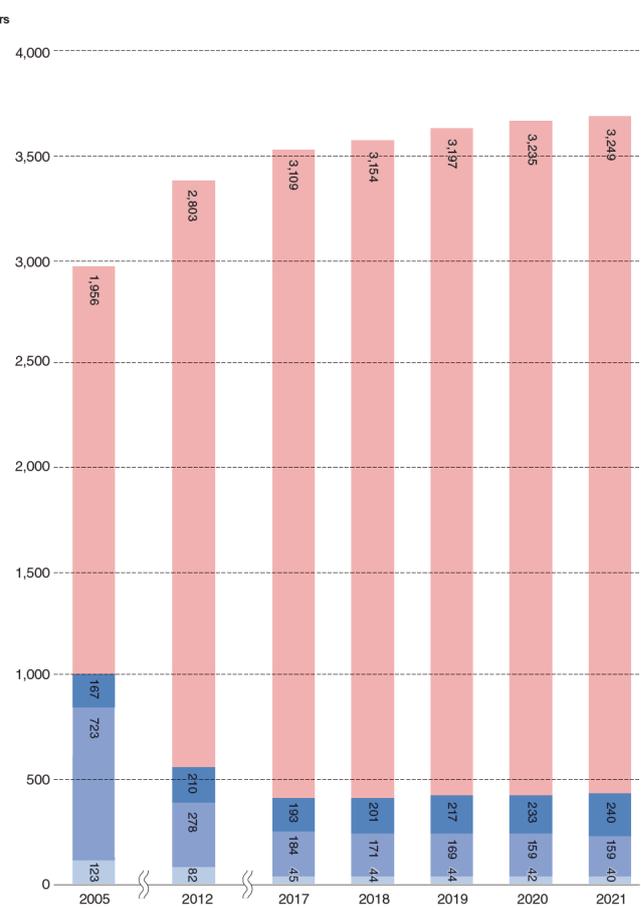
In addition, the average admission had been around 1,300 yen for several years, however, it became 1,410 yen in 2021, close to 100 yen increase from 1,315 yen of 2018. It is considered that due to the COVID-19 pandemic, the share of the senior population and children in the box office income decreased and the proportion of the regular film-goers with no discount price increased.

fig.03 Changes in Number of Theaters/Sites according to Theater Types



	2005	2012	2017	2018	2019	2020	2021	2012 → 2021
Multi-screen Theaters	233	318	349	352	356	360	360	42
Mini Theaters	108	131	120	121	127	132	136	5
Mini Theaters	83	92	87	88	93	95	99	7
Repertory Theaters	18	20	15	15	15	15	15	-5
Former Conventional Theaters	7	19	18	18	19	22	22	3
Conventional Theaters	359	127	79	73	72	67	67	-60
Conventional Theaters	355	118	70	64	63	57	55	-63
Conventional Theaters Opening after 2005	4	9	9	9	9	10	12	3
Adult Film Theaters	107	64	39	38	38	36	33	-31
Non Multi-screen Theaters	574	322	238	232	237	235	236	-85
Total	807	640	587	584	593	595	596	-44

fig.04 Changes in Number of Screens according to Theater Types



	2005	2012	2017	2018	2019	2020	2021	2012 → 2021
Multi-screen Theaters	1,956	2,803	3,109	3,154	3,197	3,235	3,249	446
Mini Theaters	167	210	193	201	217	233	240	30
Mini Theaters	135	159	150	158	171	178	183	24
Repertory Theaters	21	22	16	16	16	16	17	-5
Former Conventional Theaters	11	29	27	27	30	39	40	11
Conventional Theaters	723	278	184	171	169	159	159	-119
Conventional Theaters	714	255	164	151	150	139	136	-119
Conventional Theaters Opening after 2005	9	23	20	20	19	20	23	0
Adult Film Theaters	123	74	45	44	44	42	39	-35
Non Multi-screen Theaters	1,013	562	422	416	430	434	438	-124
Total	2,969	3,365	3,531	3,570	3,627	3,669	3,687	322

—From Japanese Film Industry Statistics (Motion Picture Producers Association of Japan) and Film Exhibition Yearbook (Japan Community Cinema Center)

Changes in Number of Theaters and Screens according to Theater Type

– Multi-screen Theaters (Cinema Complex/Cine-Com)

There are 360 multi-screen theaters with 3,249 screens, more than any other type of theater and occupying 88.1% of the total number of screens (3,687). During the last 10 years, multi-screen theaters increased by 42 and screens by 446. From 2000 to 2008, roughly 20-30 multi-screen theaters were added annually, but after 2009, the pace has slowed down to 5-6 new theaters every year. In 2021, Theatas (Aeon Cinema) Shinsaibashi and TOHO Cinemas Seven Park Amami in Osaka Prefecture, Aeon Cinema Shin-Rifu in Miyagi Prefecture, Aeon Cinema Kawaguchi in Saitama Prefecture, and Aeon Cinema Hakusan in Ishikawa Prefecture opened. On the other hand, in 2022, Cinema Sunshine Daikaido in Matsuyama City, Ehime Prefecture, and Alex Cinema in Shiga Prefecture closed.

– Conventional Theaters

During the last 10 years, conventional theaters have decreased by 60 and by 119 screens, falling to 67 theaters and 159 screens in 2021. During the period from 2010 to 2013, digitalization in film exhibition spread, and conventional theaters that could not afford big-scale facility investment to change from film projection to digital cinema projection began to close, and 15-20 theaters closed every year. Currently, the situation has stabilized.

Among the conventional theaters, more theaters (Utsunomiya Hikari-za, Chiba Gekijo, Shiojiri Higashi-za, Nagano Roxie, Cinex, etc.) began to present mini-theater-like programs in order to maintain clear differences from multi-screen theater programming. Also, there have been increasing examples of different organizations taking over closed conventional theaters and employing mini-theater-like programming (Ueda Eigeki, Onari-za, Yokohama Cinemarine, Takada Sekaikan, Toyooka Gekijo, Theater Shiema, Hida Liberte, etc.). On the other hand, “new” types of conventional theaters began to open (Alve Theater in Akita, Cinema Sunrise Hitachi, Okawa Cinema Hall in Fukuoka, etc.), and it has been difficult to sort out theaters in the existing categories of “multi-screen theaters,” “conventional theaters” and “mini-theaters and repertory theaters.”

– Mini- Theaters and Repertory Theaters

The total number of mini-theaters and repertory theaters together was 136 theaters with 240 screens; an increase of 5 theaters and 30 screens during the last 10 years. In 2021, Cinema Neko in Ome City, Tokyo, and Ebisu Cinema in Tanba City, Hyogo Prefecture, opened. In addition, Miyazaki Kinema-kan moved to a new location and renovated the theaters, reopening with 4 screens. Tsuruoka Machinaka Kinema was once closed in 2020, however, has been endeavoring to reopen, and in October to December 2021, it conducted pre-opening screenings. In 2022, new theaters opened including Onozawa Cinema in Masuda City, Shimane Prefecture, K2 Shimokita Ekimae Cinema in Shimokitazawa, Tokyo, and Kino Cinema Kobe Kokusai (taking over Kobe Kokusai Shochiku in Hyogo Prefecture).

Different from usual theaters, Zig Theater opened by renovating a former elementary school building in Yurihama-cho in Tottori Prefecture and started screenings in July 2021 (about once a month). In Akita, a similar screening organization, Out Crop Cinema, opened. Movements to create a place for screenings, different from the conventional “business,” should be increasing from now on.

While new screening venues have been created, a pioneer mini-theater, Iwanami Hall (in Jimbo-cho, Tokyo), at the beginning of 2022, made an announcement that it will close at the end of July, 2022, creating shock waves inside

and outside of Japan. It made the public realize the seriousness of the impacts of the COVID-19 pandemic over activities in arts and culture. Furthermore, in February 2022, Toyooka Gekijo in Toyooka City, Hyogo Prefecture, made an announcement that at the end of August, it will close for a while.

During the last 10 years, the number of adult film theaters has decreased, falling to one half their previous number. They decreased to 33 theaters and 39 screens.

fig.05 Changes in Number of Theaters and Screens according to Theater Types in Each Region

	2021		2012		2012→2021		2020→2021		
	Theaters	Screens	Theaters	Screens	Theaters	Screens	Theaters	Screens	
Hokkaido/Tohoku									
Multi-screen Theaters	39	303	38	285	1	18	-1	-6	Population in Hokkaido/Tohoku 2021 13,750,731 2012 14,614,078 2012→2021 -863,347 -5.9%
Mini Theaters	8	20	12	23	-4	-3	0	-1	
Conventional Theaters	15	34	23	41	-8	-7	0	-1	
Adult Film Theaters	3	3	5	5	-2	-2	0	0	
Non-multi-screen Theaters	26	57	40	69	-14	-12	0	-2	
Total	65	360	78	354	-13	6	-1	-8	
Kanto									
Multi-screen Theaters	122	1,145	108	985	14	160	1	10	Population in Kanto 2021 43,554,864 2012 42,630,499 2012→2021 924,365 2.2%
Mini Theaters	58	96	57	90	1	6	2	2	
Conventional Theaters	17	35	35	70	-18	-35	0	-1	
Adult Film Theaters	4	7	11	15	-7	-8	0	0	
Non-multi-screen Theaters	79	138	103	175	-24	-37	2	1	
Total	201	1,283	211	1,160	-10	123	3	11	
Chubu									
Multi-screen Theaters	69	637	63	573	6	64	0	-2	Population in Chubu 2021 21,003,951 2012 21,598,079 2012→2021 -594,128 -2.8%
Mini Theaters	21	33	18	26	3	7	0	0	
Conventional Theaters	9	26	25	57	-16	-31	-1	-1	
Adult Film Theaters	9	9	13	14	-4	-5	-1	-1	
Non-multi-screen Theaters	39	68	56	97	-17	-29	-2	-2	
Total	108	705	119	670	-11	35	-2	-4	
Kinki									
Multi-screen Theaters	56	519	46	413	10	106	1	10	Population in Kinki 2021 22,194,325 2012 22,684,275 2012→2021 -489,950 -2.2%
Mini Theaters	18	39	19	32	-1	7	0	0	
Conventional Theaters	13	35	22	57	-9	-22	1	1	
Adult Film Theaters	10	11	18	20	-8	-9	-1	-1	
Non-multi-screen Theaters	41	85	59	109	-18	-24	0	0	
Total	97	604	105	522	-8	82	1	10	
Chugoku/Shikoku									
Multi-screen Theaters	31	248	27	210	4	38	0	0	Population in Chugoku/Shikoku 2021 10,842,702 2012 11,434,563 2012→2021 -591,861 -5.2%
Mini Theaters	11	18	11	16	0	2	1	2	
Conventional Theaters	6	13	15	36	-9	-23	0	0	
Adult Film Theaters	2	2	5	6	-3	-4	0	0	
Non-multi-screen Theaters	19	33	31	58	-12	-25	1	2	
Total	50	281	58	268	-8	13	1	2	
Kyushu/Okinawa									
Multi-screen Theaters	43	397	36	337	7	60	1	10	Population in Kyushu/Okinawa 2021 14,169,598 2012 14,553,639 2012→2021 -384,041 -2.6%
Mini Theaters	20	34	14	23	6	11	-1	1	
Conventional Theaters	7	16	7	17	0	-1	0	0	
Adult Film Theaters	5	7	12	14	-7	-7	-1	-1	
Non-multi-screen Theaters	32	57	33	54	-1	3	-2	0	
Total	75	454	69	391	6	63	-1	10	
Nationwide									
Multi-screen Theaters	360	3,249	318	2,803	42	446	2	22	Nationwide Population 2021 125,516,171 2012 127,515,133 2012→2021 -1,998,962 -1.6%
Mini Theaters	136	240	131	210	5	30	2	4	
Conventional Theaters	67	159	127	278	-60	-119	0	-2	
Adult Film Theaters	33	40	64	74	-30	-35	-3	-3	
Non-multi-screen Theaters	236	439	322	562	-85	-129	-1	-1	
Total	596	3,688	640	3,365	-43	322	1	21	

—Populations: From Population Statistics (Ministry of Internal Affairs and Communications Statistics Bureau) Every year as of October 1
 —# of Theaters and Screens: From Japanese Film Industry Statistics (Motion Picture Producers Association of Japan) and Film Exhibition Activities Almanac (Japan Community Cinema Center)

Changes in Number of Theaters and Screens according to Region

In 2021, the total number of movie theaters in Japan was 596, decreasing by 44 during the last 10 years. Meanwhile, the total number of screens in Japan has increased by 322 to 3,687.

In each region, the number of screens has increased. In all the regions except Kanto Region, populations have decreased. Regions with the greatest decrease include Hokkaido/Tohoku (5.9%) and Chugoku/Shikoku (5.2%), larger than others. When comparing each region's ratio of screens to that of population, the number of screen in the Chubu and Kyushu/Okinawa Regions were more than 1% higher than that in other regions. In Kyushu/Okinawa Region, the number of theaters and that of screens have both increased during the last 10 years, and their screen to population ratio has increased by almost 2%.

Multi-screen theaters have increased in almost all regions in both the number of theaters and the number of screens. The pace of increase has been slow since 2009, compared with that of the period between 2000 and 2008 when 20-30 theaters opened annually. Nonetheless, during the last 10 years, both numbers have largely increased in some regions: in the Kanto Region (by 14 theaters and 160 screens); in the Kinki Region (by 10 theaters and 106 screens); and these numbers show that in big cities multi-screen theaters have increased. In both the Chubu Region (by 6 theaters and 64 screens) and in the Kyushu/Okinawa Region (by 7 theaters and 60 screens), these numbers have significantly increased.

The number of theaters other than multi-screen theaters and their number of screens both decreased in each region. However, except in the Hokkaido/Tohoku Region, the numbers of mini-theaters and repertory theaters together in other regions have increased during the last 10 years. During this period, more than 40 mini-theaters and repertory theaters together opened. Outside of big cities like Tokyo, Osaka, Nagoya, Kyoto, and Hiroshima, more mini-theaters opened in small- and middle-sized cities, towns, and villages whose populations are less than 200,000, such as Odate City (Onari-za), Naka City (Amaya-za), Ome City (Cinema Neko), Joetsu City (Takada Sekaikan), Ueda City (Ueda Eigeki/Traum Raise), Tanba City (Ebisu Cinema), Masuda City (Onozawa Cinema), Karatsu City (Theater Enya), and Okinawa City (Theater Donuts and Cine Plaza House 1954).

On the other hand, the number of conventional theaters and that of screens have decreased during the last 10 years: in the Kanto Region, by 18 theaters and 35 screens; in the Chubu Region, by 16 theaters and 31 screens; in the Kinki Region, by 9 theaters and 22 screens; and in the Chugoku/Shikoku Regions, by 9 theaters and 23 screens. During the last 10 years, many multi-screen theaters have opened in big cities, and in Tokyo, Nagoya, Shizuoka, Osaka, Hyogo, Hiroshima and so on, conventional theaters have disappeared in the city centers.

The number of adult film theaters has decreased in all regions. In March 2020, an old theater with more than 60 years of history, the Ekimae Cinema in Kanazawa City, closed.

There are notable issues of the film exhibition activities in 2020 and 2021 under the COVID-19 pandemic, not included in the numbers of the data. One of them is the rise of activities to support mini-theaters whose economic basis are weak and their survivals were in crisis under the spread of COVID-19. Directors such as Ryusuke Hamaguchi and Koji Fukada created the "Mini-Theater Aid Fund," raising 331,025,487 yen through crowdfunding from supporters and sending the money to mini-theaters all over Japan. The "SAVE the CINEMA" movement encouraged requests for emergent support of mini-theaters and presented them to the Japanese governments and their agencies. They collected a total of 91,659 signatures, and kept engaged in lobbyist activities, resulting in

the Agency for Cultural Affairs to include mini-theaters for the support targets of the “Continuing Support Projects for Culture and Arts Activities.”

These activities have been continued after 2021 in different forms. They have been expanded to more inclusive movements to create an organization to support and promote the film industry and film culture covering production, distribution, exhibition (screenings), education, and preservation (the Japanese version of CNC). They are also promoting activities to cope with the problems of inferior labor conditions of culture and arts organizations revealed under the COVID-19 pandemic, harassments, and gender unbalances at productions.

It is important that the Agency for Cultural Affairs began to support mini-theaters.

Following the above-mentioned support projects, in 2021, a new support system was established entitled “ARTS for the Future! The Support Project to Enhance Culture and Arts Activities In Order to Overcome COVID-19 (AFF).” This support project is different from previous ones, being more practical and suitable for mini-theaters keeping their activities year around, and many theaters and exhibitors applied and received AFF’s supports. Thanks to these, a number of diverse programs of special screenings and related events took place from summer to autumn of 2021 despite the fact that the COVID-19 pandemic was still spreading. This resulted in changing the way of thinking of the people who operate mini-theaters and film exhibitions.

Luckily, so far, the decrease of attendance and box office income due to the COVID-19 pandemic has not had a significant impact on the number of theaters and screens or the closing of many theaters. However, it is considered that the effects of COVID-19 will continue for a long time.

Moreover, Russia’s invasion of Ukraine in February 2022 has shown tragic situations not easily solved. This could have influence over film exhibition activities as well as psychological effects. At the same time, the world does not stop, and details like the deadline for digital cinema projectors is approaching, so we continue to move forward.

