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MPA REPORT: Japan Online Video Consumer Insights & Analytics

- Anime and local live action dominate Japan streaming
- TVer soars to ~30% of premium online video viewership in Q4 2022 with Prime Video in second place at under 20%
- SVOD net new subscriber growth slows to its lowest since 2015
- Future growth dependent on higher quality premium live action and continued anime licensing, along with Korean content

(SINGAPORE, FEB 24, 2023) The *Japan Online Video Consumer Insights & Analytics* report by Media Partners Asia (MPA) leverages its subsidiary AMPD Research's large-scale platform through a partnership with Japan's Intage, measuring 25,000 online users across all devices and screens. With 68% of measured first-title demand in 2022, local content played a critical role in bringing new users and subscribers to platforms. Japanese anime led content categories with 45% of measured premium video viewership in CY 2022 while driving monetization with >30% of first title viewership in the SVOD category. Japanese live action came in second in CY 2022, accounting for 22% and 33% of premium category and SVOD first title consumption, respectively while US content trended at 16% and 13%, respectively with Korean at 12% and 17%, driving customer acquisition most notably on Netflix, followed by Disney+.

SVOD net new subscriber additions have significantly slowed from an average of 6-9 million between 2018 and 2021 to 3.1 million in 2022, the lowest since 2015.

Commenting on Japan's SVOD industry, MPA executive director said Vivek Couto said:

"SVOD household penetration is still only at 45% and there is significant room for growth in the future, driven by anime (largely non-exclusive), premium live action and Korean content and in certain cases, sports. The opportunity going forward for the SVOD category in particular is to elevate the quality of live action content alongside continued investment in licensing popular anime."

Lead analyst and head of content insights Dhivya T said:

"Licensed local non-anime content contributed a quarter of first-title demand on Amazon Prime Video and Netflix in 2022 while the contribution of local originals to first title demand is starting to grow especially on Netflix with releases such as First Love, JoJo's Bizarre Adventure and Alice in Borderland S2."

Premium video viewership grew 8% Q/Q to reach 31 billion minutes in Q4 with SVOD at 55% share; AVOD, 34%; and freemium, 11%. The top 4 platforms had 66% share in Q4 led by premium AVOD market leader TVer (29%), Amazon Prime Video (18%), Rakuten TV (10%) and Netflix (9%), U-Next (8%) and Abema TV (7%).

TVer's engagement growth was driven by prime-time TV dramas, variety shows and news. TVer is poised for a strong 2023 with its first original title (variety program "Homage Goro Match").

In the SVOD space, Amazon Prime Video maintained leadership, ending 2022 with more than 16 million customers but annual growth has slowed. Netflix ended with 7.2 million customers and around 15% market share.
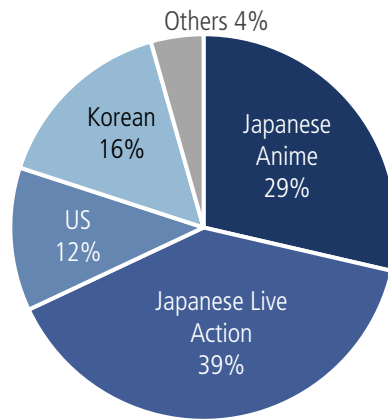
Disney+ grew in 2H 2022 from a relatively low base reaching almost 3.4 million subs at year-end with its kids franchises driving viewership. Local horror series Gannibal made a strong debut on Disney+ in Dec. 2022.

Leading local players include U-Next whose viewership is driven by Japanese anime, Asian dramas, and adult content. Having announced its acquisition of Paravi, U-Next will overtake local SVOD leader Hulu Japan in subs with an estimated 3.7 million subs as of end 2022 including Paravi.

JAPAN PREMIUM VIDEO VIEWERSHIP BY CONTENT CATEGORY (2022)

Others 5%

Korean 12%

US 16%

Japanese Live Action 22%

Japanese Anime 45%
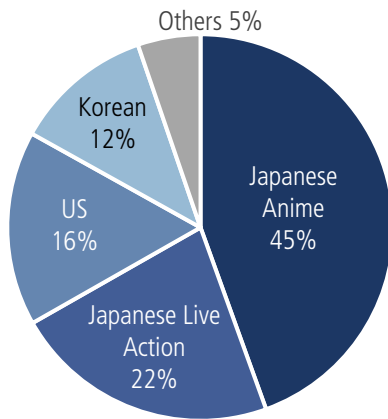
JAPAN FIRST-TITLE VIEWERSHIP BY CONTENT CATEGORY (2022)

Others 4%

Korean 16%

US 12%

Japanese Live Action 39%

Japanese Anime 29%

Note: (1) Measured platforms include Amazon Prime Video, Disney+, Hulu Japan, Netflix, TVer and U-Next.
(2) First-title viewership refers to new user demand, aggregated across measured platforms.
Source: AMPD Research

This Report & Methodology

This report, entitled Japan Online Video Consumer Insights & Analytics leverages MPA's proprietary AMPD Research Platform to evaluate consumer behavior and usage patterns across VOD media services in Japan. The report includes analysis and profiles of 16 unique OTT video platforms focusing on paying subscribers, monthly active users, streaming minutes, average daily time spent, viewer profiles and demographics. Title-level content analysis is provided for five major platforms – Amazon Prime Video, Disney+, Hulu Japan, Netflix, TVer and U-Next.

For this report, the platform passively measured real consumption on all android and IOS devices in Japan in 2022 with a sample size of 25,000 sourced from our in-market research partner Intage Group (ITG), Japan's largest market research institute.

About AMPD Research (AMPD)

Founded by Media Partners Asia (MPA) in 2019, AMPD captures real consumer data to provide deep insights across the digital ecosystem with a focus on the fast-growing global streaming economy. AMPD has a footprint across 13 global markets. Critically, working with Reality Mine technology, AMPD is the only global platform with available title-level reporting for streaming platforms capturing all consumption. AMPD uses passive measurement and proprietary software to measure consumer behavior and generate reliable app / platform metrics across mobile android, iOS and PCs platforms. AMPD reports and custom-made research projects include the analysis of more than 100 online video platforms and cover several use cases across Advertising, Content, Connectivity, Commerce, Gaming, Music & Video sectors.

About Media Partners Asia (MPA)

Media Partners Asia (MPA) is the leading independent provider of research, advisory and consulting services across media, telecoms, sports and entertainment industries in the Asia Pacific and the Middle East. We provide customized research with strategic recommendations to help clients launch new products & services, enter new markets, as well as acquire and sell businesses. MPA reports are used and sourced by local, regional and global companies for strategic planning and equity & debt transactions. We also offer dedicated primary research through subsidiary AMPD Research to measure consumer behavior across the digital economy, including online video and gaming. MPA also hosts the APOS Summit, the defining voice for the Asia Pacific media, telecoms, sports and entertainment industry.

For more details, visit **www.media-partners-asia.com**

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