

Toy Market in Japan: Key Research Findings 2013

◆ **Research Outline**

Yano Research Institute has conducted a study on the domestic market of toys and game contents with the following conditions:

1. Research period: From October to December, 2013
2. Research targets: Manufacturers, wholesalers, and retailers related with toys and game contents
3. Research methodologies: face-to-face interviews by the specialized researchers, survey via telephone, and mail-in questionnaire

<What is Toy Market?>

The toy market in this research indicates a market that consists of the following nine items:

- 1) Electronic toys, 2) toys for building scale models/toys for hobbies, 3) boy characters & toys, 4) girl characters & toys, 5) analog games, 6) soft toys or stuffed toys, 7) basic toys (education toys, blocks, etc.), 8) seasonal & miscellaneous toys, and 9) TV games.

◆ **Key Findings**

■ **Domestic Toy Market (Nine Items) for FY2012 Shrank by 2.0% from Previous Year**

Size of the domestic toy market (major nine toy items) in FY 2012 scaled down by 2.0% from the previous year to mark 709.6 billion yen, based on the shipment volume of manufacturers. There are following factors for the decline: The software for TV games has largely fallen from the prior fiscal year due to emerge of games for smartphones; Decreasing needs of analog games that had temporarily surged in the aftermath of the great earthquake when people refrained from having fun outside; and The sales of trading card game items are unfavorable. On the other hand, the sales of toys for building scale models/toys for hobbies, and soft or stuffed toys have expanded and boosted the entire toy market to rise by 2.0% on year-over-year basis.

■ **Market Forecast: Domestic Toy Market for FY2013 to Decline for Six Consecutive Years**

Size of the domestic toy market (major nine toy items) in FY 2013 is anticipated to largely decline by 7.1%, or 659.0 billion yen, based on the shipment volume of manufacturers. This will make the market to decline for the six consecutive years. The fall is due to the shrinkage, from both aspects of software and hardware, of the TV game market which is one of the largest within the entire toy market, Also declining are electronic toys, analog games, and seasonal toys, scaling down the market size as a whole.

However, there are some signs of recovery, seen from the generally favorable results of toys for building scale models/toys for hobbies, basic toys, and soft or stuffed toys, in addition to emerge

of those toys that look like smart phones and of hit products from character toys. These factors may improve the entire toy market for the better.

◆ Report format

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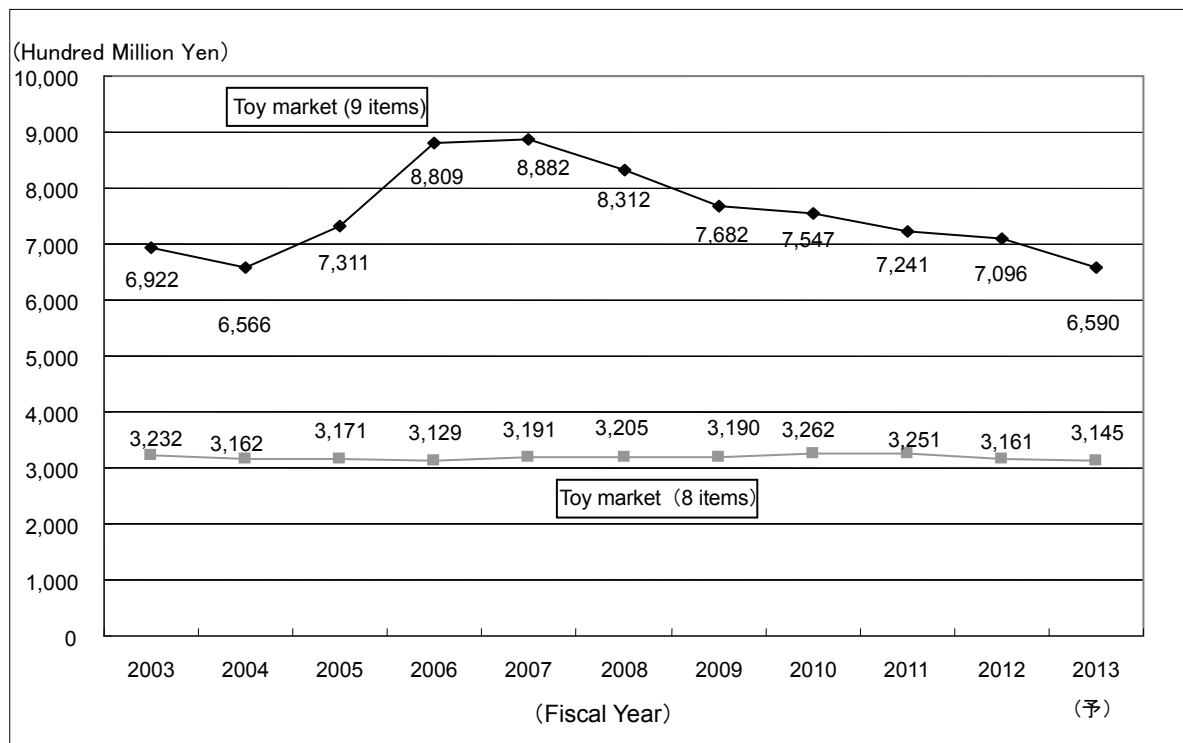
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■ Figure 1: Transition of Size of Domestic Toys Market



Notes:

1. The figures are based on the shipment values of manufacturers
2. “Eight items” of toys indicates “electronic toys”, “toys for building scale model/toys for hobbies”, “boy characters & toys”, “girl characters & toys”, “analog games”, “soft toys or stuffed toys”, “basic toys (education, blocks, etc.)”, “seasonal & miscellaneous toys”. Nine items indicates the above eight items plus “video games”.

■ **Table 1: Transition of Size of Toys Market for Nine Items**

	FY2011		FY2012		FY2013 (Forecast)	
	hundred million yen	% (Y-on-Y)	hundred million yen	% (Y-on-Y)	hundred million yen	% (Y-on-Y)
Electronic toys	416	95.0 5.7	404	97.1 5.7	395	97.8 6.0
Toys for building scale models/Toys for hobbies	452	100.4 6.2	464	102.7 6.5	478	103.0 7.3
Toys for boys	1,058	99.8 14.6	976	92.2 13.8	952	97.5 14.4
Toys for girls	270	108.0 3.7	265	98.1 3.7	277	104.5 4.2
Games (analog games)	125	102.5 1.7	120	96.0 1.7	116	96.7 1.8
Seasonal & miscellaneous toys	286	92.9 3.9	290	101.4 4.1	280	96.6 4.2
Basic toys	536	102.5 7.4	528	98.5 7.4	529	100.2 8.0
Educational toys and toys for infants	455	103.4 6.3	460	101.1 6.5	475	103.3 7.2
Jigsaw puzzles	81	97.6 1.1	68	84.0 1.0	54	79.4 0.8
Soft toys or stuffed toys	108	97.3 1.5	114	105.6 1.6	118	103.5 1.8
TV games	3,990	93.1 55.1	3,935	98.6 55.5	3,445	87.5 52.3
Total	7,241	95.9 100.0	7,096	98.0 100.0	6,590	92.9 100.0

[estimated by Yano Research Institute]

Note:

3. The figures are based on the shipment values of manufacturers.
4. Since some of the figures are rounded, some ratio may not match.
5. Please see Reference in the next page on details of each item.

■ **Table 2: Transition of Size of Toys Market by Attention-Getting Item**

	FY2011		FY2012		FY2013 (Forecast)	
	hundred million yen	% (Y-on-Y)	hundred million yen	% (Y-on-Y)	hundred million yen	% (Y-on-Y)
High targeted toys	864	100.9	879	101.7	884	100.6
Trading card games	516	125.2	456	88.4	440	96.5
Toys packaged with confectioneries	465	100.4	476	102.4	480	100.8
Toys in capsules	200	105.3	198	99.0	200	101.0
Figure toys	307	104.8	310	101.0	310	100.0
Online games	720	95.6	727	101.0	735	101.1
Games available in mobile/smart phones	3,148	140.5	4,300	136.6	5,300	123.3

Notes:

6. “High targeted toys” indicate overall toys that target adults. They are included in each eight items, except for “TV games”.
7. “Trading card games” are included in “toys for boys” or “games (analog games)”.
8. “Toys packaged with confectioneries,” “Toys in capsules,” “Figure toys,” “online games,” “Games available in mobile/smartphones” are not the targets of this research, but their market size are calculated separately in the report as noteworthy topics.
9. The market size for “High targeted toys,” “Trading card games,” “Toys packaged with confectioneries,” “Toys in capsules” and “Figure toys” are calculated based on the shipment value of manufacturers. “Online games” and “Games available in mobile phones/smart phones” are calculated based on the sales of businesses.
11. “Online games” indicate games that can be played on the displays of PCs through internet.

■ **Reference:**

Category	Products included in each category
1. Electronic toys	Electronic games, electronic soft toys, PC for kids, Handy Karaoke (high-targeted toys included)
2. Toys for building scale models	Plastic models, radio control models, model guns, other toys for hobbies (high-targeted toys included)
3. Toys for boys, boy-character toys	Boy-character toys, toy radio controls, other toys for boys (most of trading card games and high-targeted toys included)
4. Toys for girls, girl-character toys	Girl-character toys, dress-up dolls, other toys for girls (high-targeted toys included)
5. Games (analog)	Board games, analog games, general games (some trading card games and high-targeted toys included)
6. Soft toys	Soft toys or stuffed toys, dolls and others (high-targeted toys included)
7. Basic toys	Educational toys, toys for babies and infants, blocks, toy vehicles, jigsaw puzzles etc (high-targeted toys included)
8. Seasonal & miscellaneous toys	Dolls and toys for seasonal or traditional festivals, fireworks, and other toys
9. TV games	TV game hardware, mobile game devices, TV game software (some online games included)