

Mécénat Activities Needed in Japan Today

FY2018 Mécénat Associate
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1 Abstract

Everyday life is filled with culture, including art, theater, dance, music, and film. However, with the exception of commercial projects, it is very rare for a cultural project to be self-financed, and most of such projects are supported by corporations, foundations, governments, and other organizations. This is not unique to Japan, and similar situations can be found all over the world. For cultural organizations operating cultural projects, securing a source of funding is a matter of life and death, and they use a variety of methods to raise funds.

According to a research report on cultural budgets in other countries published in 2017 by Nomura Research Institute,¹ commissioned by the Agency for Cultural Affairs, the cultural budget in Japan has always been a small portion of the national budget (Figure 1), and a comparison of trends over the past 15 years shows no significant fluctuations (Figure 2). However, since this trend is based on the budget of the Agency for Cultural Affairs, it does not include the cultural budgets of local governments, which peaked in 1993 and has been on a downward trend since then.² What should be noted in these two figures is that the cultural budget of France (Figure 1), which has a more ample cultural budget than other countries, is also on a downward trend (Figure 2). In order to continue cultural projects under these circumstances, it is necessary to secure other financial resources. This is where the so-called mécénat activities, or support for cultural activities by corporations, come into the spotlight.

¹ Nomura Research Institute, Ltd. (2015). *Report on the Survey of Cultural Budgets in Other Countries by the Agency for Cultural Affairs in Fiscal Year 2014*

http://www.bunka.go.jp/tokei_hakusho_shuppan/tokeichosa/pdf/h24_hokoku_2.pdf

² The total amount of culture-related expenses for local governments has been on a downward trend since its peak in 1993. The main reason for this is the decrease in cultural facility construction expenses, while expenses for cultural facilities and arts and culture projects have remained almost flat. Excerpt from *Data Collection on Culture and Arts*,

http://www.bunka.go.jp/seisaku/bunkashingikai/seisaku/11/03/pdf/kijyo_2.pdf

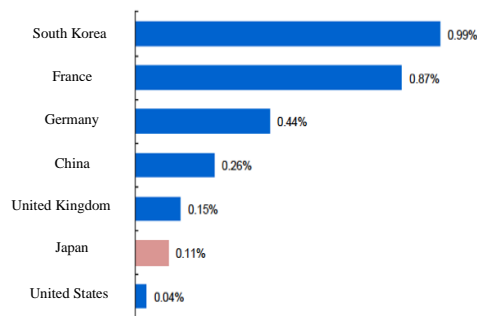


Figure 1: Comparison of cultural budgets as a percentage of national budgets in different countries (FY 2015)

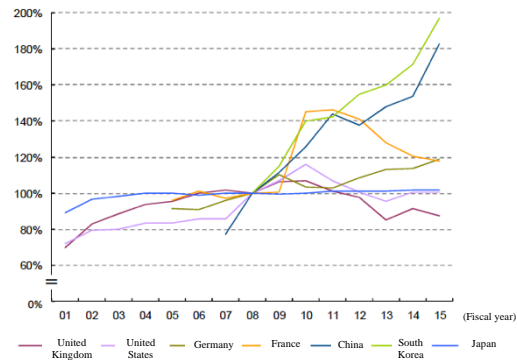


Figure 2: Trends in the amount of each country's cultural budget (with FY 2008 as 100%)

1.1 Definition of mécénat

Mécénat is a French word meaning “support for the arts and culture” and is defined in a French-Japanese dictionary as follows:

mécénat [me-se-na] [masculine noun] patronage, encouragement (of art, literature, science, etc.)³

The concept of mécénat has existed since ancient Greece up to the present day, mainly in Europe, and has undergone a transformation. Let us examine the definition of mécénat in France. The French Law of Arete issued in 1989⁴ defines mécénat as “in-kind support for people and works of public benefit that does not require a direct return”. The Ministry of Culture and Communication of France (Ministère de la Culture et de la Communication) defines mécénat as follows:

Le mécénat est un acte philanthropique qui se traduit par le versement d'un don à un organisme, pour une ou des actions d'intérêt général. Le mécénat se distingue du sponsoring ou parrainage qui se caractérise comme un acte de commerce.⁵

³ Shogakukan Robert French-Japanese Dictionary

⁴ Executive decisions with general or individual effect in French law

⁵ Ministère de la Culture et de la Communication, *Mécénat Culturel, Ce qu'il faut savoir*, 2007 <http://www.culture.gouv.fr/content/download/18924/162433/version/1/file/cequilfautsavoir.pdf>

(Mécénat is a philanthropic action and refers to the provision of funds (donations) for a public benefit activity. Mécénat is to be distinguished from sponsorship or patronage, which are commercial activities.) (Translation and notes are by cited author.)

The boundary between mécénat activities and sponsorship activities is very blurred, but there are two requirements for mécénat activities: Public benefit and donation. In France, a law on mécénat activities was passed in 2003 (known as the Aillagon law⁶), which allows companies that engage in mécénat activities to receive a 60% tax credit if certain conditions are met. So, what exactly are the requirements to qualify as a mécénat activity and receive the tax credit?

The Guidebook on cultural mécénat⁷ published by the Ministry of Culture and Communication of France specifies the requirements in detail.

Dans le contexte du mécénat, l'entreprise donatrice peut toutefois bénéficier de certaines contreparties, dans des limites d'une disproportion marquée entre le montant du don et ce qu'elle en retire en terme direct de communication. Le don ouvre droit à une réduction d'impôt qui est matérialisée par un reçu fiscal émis par l'organisme bénéficiaire (document Cerfa.n°11580*02). [...] Pour les entreprises (article 238 bis - 1 du CGI*) : une réduction d'impôt de 60 % du montant de leur don effectué en numéraire, en compétence ou en nature, et retenu dans la limite de 0,5 % du chiffre d'affaires HT, avec la possibilité, en cas de dépassement de ce plafond, de reporter l'excédent au titre des cinq exercices suivants.

(Even within the context of mécénat, donating companies can receive benefits as long as they are within the limits indicated between the amount of the donation and the publicity benefits. Tax credits can then be obtained by submitting tax receipts from the donating organization for the donation. Businesses can receive a 60% deduction of the donation amount, provided that the amount does not exceed 0.5% of gross receipts (excluding tax). If that limit is exceeded, the right to the tax credit may be carried over to five fiscal years.) (Translation and notes by cited author)

Pour les entreprises : les contreparties en termes de communication sont admises à hauteur de 25 % du montant du don, sans plafonnement. Exemple : une entreprise qui fait un don de 10 000 € pourra bénéficier de contreparties à hauteur de 2 500 € ; si elle donne 100 000 €, les contreparties seront de 25 000 €. Il pourra s'agir de la présence du logo ou du nom de l'entreprise dans la communication de l'opération mécénée, d'entrées gratuites, de remise de catalogues, de mise à disposition d'espaces, etc.... (Those companies involved with mécénat are entitled to a benefit equivalent to 25% of the total amount of the donation. For example, if a company donates 10,000 euros, it will receive 2,500 euros worth of benefits. The benefits may include the use of the company's name and logo in public relations media, invitations, catalogs, and free use of the organization's space.) (Translation and notes by cited author)

⁶ Loi n° 2003-709 du 1 août 2003 relative au mécénat, aux associations et aux fondations (1) <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000791289>

⁷ Ministre de la Culture et de la Communication, *Mécénat Culturel, Ce qu'il faut savoir*, 2007 <http://www.culture.gouv.fr/content/download/18924/162433/version/1/file/cequifautsavoir.pdf>

In other words, according to the above definition of French law, if the benefits received in return for sponsorship are within 25% of the sponsorship amount, the activity is considered a mécénat and tax credits can be received. However, it is difficult to calculate the advertising value of the logo, and there are many unclear aspects regarding the screening process. For example, if a company sponsors a professional soccer team and its name appears prominently in spot commercials, it is clear that the benefit would not fit within the 25% limit, and the activity itself would be considered a commercial activity, not a mécénat activity, since the public benefit of the activity itself is questionable. On the other hand, in the case of a donation for the restoration of a museum, even if the company's name is exposed in a corner of an exhibition room, it is highly likely to be recognized as a mécénat activity in terms of public interest and the value of the benefit.

Next, let us examine the definition of mécénat in Japan. How does the Association for Corporate Support of the Arts (hereinafter referred to as the “Mécénat Council”), Japan's only intermediary support organization specializing in mécénat, define the term mécénat?

“About the word ‘mécénat’ - ...In Japan, when the Japan-France Arts and Culture Summit - Culture and Corporations was held in 1988 and the Mécénat Council was established in 1990, the term ‘mécénat’ was introduced to mean support for arts and culture as part of social contribution, rather than seeking immediate sales promotion and advertising effect, and it became well known to the public. Later, as the term spread through the mass media, it was increasingly used in a broader sense to refer to social contribution activities conducted by corporations.”⁸

The Mécénat Council now uses the definition of corporate support for arts and culture, as well as activities aimed at a wide range of social creation, including regional revitalization, education, welfare, and international

⁸ The Association for Corporate Support of the Arts website, *What is Mecenas?*
<https://www.mecenas.or.jp/ja/introduction/post/about/>

exchange, through the promotion of arts and culture, in its external documents and other materials.⁹

Compared to France, mentioned above, the concept of mécénat came into use in Japan in 1990, which is very recent, and since the word mécénat has not been translated into Japanese and spread as a foreign loan word written in katakana, we can see that it is interpreted in a very broad sense. The requirements for application of the tax credit system in Japan are strictly set (see next section for details), and it is not appropriate to draw a line between mécénat and sponsorship on the basis of applicability. Currently, it is left to the discretion of the person in charge to determine whether or not an activity qualifies as a mécénat in Japan. As mécénat activities become more common in Japan, the definition of mécénat and the criteria for distinguishing mécénat from sponsorship may gradually become clearer. This report compares figures extracted from statistical data for France and Japan, but it should be noted that the background and circumstances surrounding mécénat activities in each country are different, and these figures are provided for reference purposes only.

1.2 Trends in the number of companies involved in mécénat (Comparison between France and Japan)

While France is known for its extensive cultural support, like other countries, there has been a noticeable trend toward cutting cultural budgets (see Figure 2 above), and the enactment of the Aillagon law has also provided a boost, leading to an increase in the number of companies engaged in mécénat activities and a diversification of their activities. According to an article published in the French newspaper *Les Echos*, the total number of such

⁹ Definition of mecenat as stated in the *FY2018 Survey on the actual status of corporate mecenat activities* conducted by the Mecenat Council

companies that have benefited from tax credits in the 15 years since 2004 appears to have quadrupled (from 1 billion euros to 4 billion euros).¹⁰

According to the report for 2018 of ADMICAL (Association for the promotion of commercial and industrial mécénat)¹¹, the mécénat council in France, between 2010 and 2016, the number of companies that paid sponsorships in the category of mécénat increased 2.5 times (from 28,000 to 73,500). The amount of sponsorships also increased 1.8 times between 2010 and 2016 (from €945 million to €1.7 billion). This growth in numbers is not limited to major corporations but is the result of the contributions of a great variety of companies, regardless of size. Even small and medium-sized enterprises recorded an increase of 20% between 2014 and 2016. Thus, we can say that the number of companies engaged in mécénat in France is increasing. (Figure 3 is also taken from the same report.)

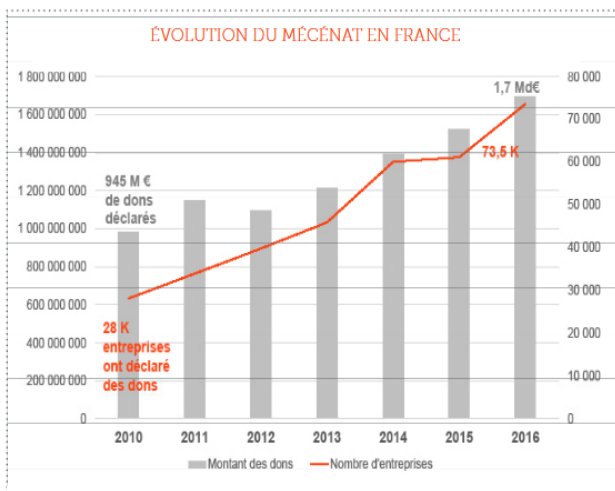


Figure 3: Trends in mécénat in France

Bar graph: Donation amount, line graph: Number of companies

Trends in average amount of total Mécénat activity expenses per company and total activity expenses

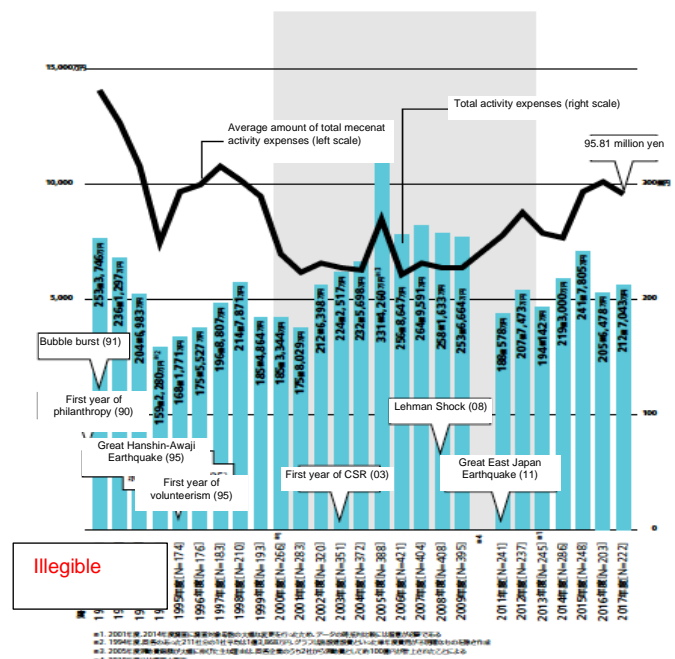


Figure 4: Trends in average amount of total mécénat activity expenses per company and total activity expenses

¹⁰ Martine Robert, *Mécénat :15 ans de succès pour la loi Aillagon mais des adaptations en vue*, 2018, <https://www.lesechos.fr/industrie-services/services-conseils/mecenat-15-ans-de-succes-pour-la-loi-aillagon-mais-des-adaptations-en-vue-136304>

¹¹ ADMICAL, *LE MÉCÉNAT D'ENTREPRISE EN FRANCE, Baromètre Admical Octobre 2018* http://admical.org/sites/default/files/uploads/etude_mecenat_dentreprise_en_france_-_2018_vf_.pdf

Source: *FY2018 Survey on the actual status of corporate mécénat activities, the Association for Corporate Support of the Arts*¹²

On the other hand, in Japan, since the late 1980s, “the social environment surrounding companies has undergone major changes, such as internationalization, informatization, and an aging society with a declining birthrate. In addition, reflection on economic supremacy led to the rapid spread of the idea that companies, as citizens constituting society, should address social issues and contribute to the benefit of society as a whole In 1990, the Association for Corporate Support of the Arts (hereinafter referred to as the ‘Mécénat Council’) was established, and public understanding of corporate social contribution activities, including support for the arts and culture - so-called ‘mécénat’ - gradually spread, and it became common for top management to regard social contribution activities as an issue to be considered in management.”¹³ In the 2000s, corporate social responsibility (CSR) has become an issue, and CSR activities have become an indispensable part of the business activities of major companies. According to the Mécénat Council, total expenses for mécénat activities in 2018 were 21.2 billion yen. Next, let us examine the trends in total expenses for the activities (Figure 4). While there was a significant drop from 2009 to 2011 due to the impact of the Lehman Shock (2008) and the Great East Japan Earthquake (2011), it can be seen that there has been a generally increasing trend since 2012.

Having compared the situation in France and Japan, there is no doubt that the number of companies engaged in mécénat activities in both countries is on the rise.

In understanding the fundamental structure of mécénat in Japan, we must not forget the historical event of the collapse of the bubble economy. The

¹² The Association for Corporate Support of the Arts. *the 2018 Survey of Mécénat Activities, Mécénat Report 2018*

https://www.mecenat.or.jp/_data/introduction/research/uploads/MecenatReport2018.pdf

¹³ The Association for Corporate Support of the Arts. (2003, p. 13). *Mecenat white paper series, Mecenat Management*

bursting of the bubble economy dealt a serious blow to mécénat activities, as cultural budgets are heavily influenced by the economic situation.

“In the past 10 years or so, a significant change has taken place in the people in charge of mécénat activities. Because of the recession, the people in charge of mécénat have improved their management skills, as they have been striving to achieve high-quality activities by applying their wisdom and ingenuity within the constraints of the recession. During the bubble era, the organizers of large-scale sponsored events were not able to accumulate information and know-how because they had to purchase packaged programs with large budgets and outsourced the entire operation to contractors. Based on the lessons learned, those in charge were involved in the operation of the mécénat activities themselves to understand the needs and develop the program. In addition to working with a limited budget, staff, and time to provide the kind of mécénat that society demanded of their company, they also made efforts to explain and persuade others within the company about the significance of their activities.”¹⁴

It can be imagined that the majority of companies, armed with ample funds during the bubble era, threw their support activities to outside contractors without deeply pursuing the significance of sponsorship. After the burst of the bubble economy, in order to continue their activities using the greatly reduced budget, the people in charge of mécénat activities had to squeeze out their wisdom and continue their activities while reducing the scale thereof. This led to an increase in the number of independent projects and operations, which will be discussed later in Chapter 2. The shift from external support to independent projects and operations is based on this historical fact.

¹⁴ The Association for Corporate Support of the Arts (2003, p. 14). *Mecenat white paper series, Mecenat Management*

Having mentioned tax credits in France in the previous section, what is the structure of tax credits in Japan? In Japan, if one wishes to claim an income tax credit or tax deduction, it is necessary to donate to a public service corporation to which the tax credit is applied. To become an accredited organization, it is necessary to submit donations for the past five years and receive accreditation from the Cabinet Office. The list of accredited organizations¹⁵ gives the impression that there are more social service organizations than cultural organizations. It is possible for museums operated by public service corporations to be accredited, but as mentioned above, there are requirements such as submitting a list of donations for the past five years. Therefore, a newly established art festival or a newly opened museum cannot become an accredited organization in its first year. In addition, donors cannot in principle receive other benefits (e.g., PR benefits) when receiving the tax credit, so it is not easy to develop a direct linkage with corporate PR and marketing strategies. It has long been said that a culture of donation has not taken root in Japan, and the current tax credit system, which does not reflect the opinions of users (donors and applicants), seems to be one of the factors hindering the spread of a donation culture.

The deduction is calculated as follows.

<p>■ Income deduction: Total amount donated during the year from January to December* - 2,000 yen = Donation deduction</p> <p>■ Tax deduction: (Total donation* - 2,000 yen) x 40% = Special tax deduction for donations**.</p> <p>* Donation amount is limited to 40% of annual income</p> <p>** Special tax deduction for donations is limited to 25% of income tax amount¹⁶</p>

2 Purpose and background of research

Having thus compared the situation surrounding mécénat in France and Japan, what are the differences in the forms of support in both countries? In

¹⁵ The Cabinet Office, *List of public service corporations and non-profit organizations eligible for tax*
https://www.cao.go.jp/others/koeki_npo/koeki_npo_zeigakukoujyohojin.html

¹⁶ The Association for Corporate Support of the Arts, *Fund for Culture*
<https://culfun.mecenat.or.jp/guide/subsidy.html>

France, ADMICAL divides mécénat activities into the following three categories:

1. Financial support (Mécénat financier): Financial support for projects of public interest. The most popular mécénat activity regardless of the size of the company. 92% of the companies based in France are engaged in this activity. It accounts for 84% of the total expenses of corporate mécénat activities in France.
2. Material support (Mécénat en nature): Provision or lending of assets for projects of public interest. 39% of the companies based in France are implementing this support. (This type of mécénat is more common in the case of major companies, at 42%, and 39% for small and medium-sized companies). It accounts for 3% of the total expenses of corporate mécénat activities in France.
3. Human support (Mécénat de compétence): The lending of employees' abilities to projects of public interest. Employees can engage in mécénat activities during working hours. The system is implemented by 20% of the companies based in France. The system requires internal coordination, which means that only companies of a sufficient size are able to implement it. It accounts for 13% of the total expenses of corporate mécénat activities in France.¹⁷ (Translation and notes are by cited author.)

What is the situation in Japan? According to the Mécénat Report 2018¹⁸ published by the Mécénat Council, among companies that provide support and contribute to other organizations, 63% provide financial support, 25.9% provide human support (manpower), and 27% provide material support (12.5% provide facilities, 9.1% provide products and services, 5.4% provide technology and know-how). (See Figure 5 on the next page.)

¹⁷ ADMICAL website, *Les différentes formes de mécénat*: <http://admical.org/node/90>

¹⁸ The Association for Corporate Support of the Arts, *the 2018 Survey of Mécénat Activities, Mécénat Report 2018*

<https://www.mecenat.or.jp/data/introduction/research/uploads/MecenatReport2018.pdf>

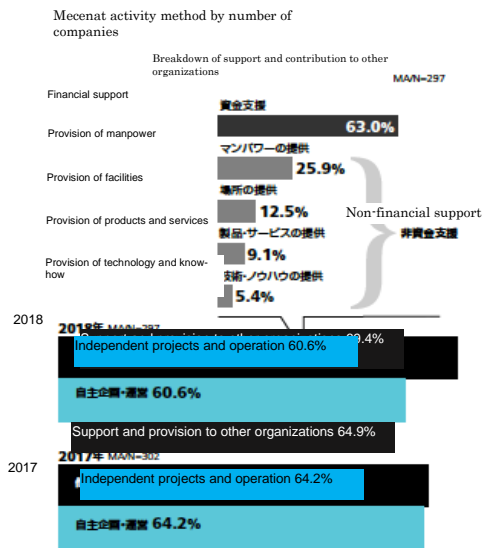


Figure 5: Methods of mécénat activities

	France	Japan
Financial support	92%	63%
Material support	39%	27%
Human support	20%	25.9%

Figure 6: Comparison of Japan and France in the methods of mécénat activities
(The table was prepared by the author)

*Figures of Japan are a breakdown of 69.4% of the support and provision to other organizations

While more than half of the mécénat activities in Japan are funded by financial support as well, the fact that more than 90% of companies in France provide financial support (Figure 6) suggests that mécénat activities in Japan are even more diversified than in France.

In Japan, mécénat activities are divided into two categories: independent projects and operation, and support for other organizations (Figure 5). France, on the other hand, does not classify them in these categories. This is because, in the first place, self-organized events such as concerts bearing the name of a company are not considered tax credits because they do not constitute an act of donation and are therefore not considered part of mécénat activities. In France, it seems that in many cases, corporate foundations take the lead in organizing independent projects. However, cultural activities led by corporate foundations are not limited to France, but also take place in many other countries around the world, including Japan. A comparison of independent projects and operation and support for other organizations in Japan in Figure 5 shows that the percentage of independent projects and operation had been increasing every year since FY2007, but in this FY2018 survey, there was again an increasing trend toward support for other

organizations. One of the reasons for the increase in the proportion of self-organized projects is that, amid the trend of budget cuts after the bubble economy (see 1-2), there has been a demand for activities that are tied to the company's own business. Since many of the major companies that engage in mécénat activities are stock companies, we often hear that they are required to provide explanations for their spending on mécénat activities. It is easy to imagine that if the mécénat activities are directly related to the company's core business, it is easier to explain and to obtain approval for fundraising.

It is not necessarily true that the ideal form of mécénat activities is to conduct independent projects that make the most of one's core business. For example, there are some disadvantages in the case of independent projects, such as the fact that they are not tax-deductible because they do not constitute an act of donation. It is necessary to analyze the pros and cons of each method of mécénat activity from various perspectives.

In Chapters 1 and 2, we have introduced the situation surrounding mécénat activities while making comparisons with the situation in France. We have learned that mécénat activities have developed independently in Japan and France, reflecting their respective histories and cultural policies, and that the importance of mécénat activities is increasing year by year in both countries, despite the differences in the circumstances surrounding mécénat activities. As each country has its own unique background in mécénat activities, it is necessary not to simply imitate the practices of other countries, but to seek ways to adapt them to the systems in their own countries, while incorporating what can be learned from them. In the research to be introduced in the next chapter, we will focus on the pros and cons of both independent projects/operation and support/provision to other organizations, and especially how they are intertwined with the core business, in order to explore the theme: Mécénat activities that are needed in Japan today.

3 Research method

Three companies were selected for their activities in both independent projects and support/provision to other organizations, and the field was limited to facilitate comparisons. We limited our selection to companies that support art festivals or exhibitions, which have recently become a trend in Japan, and to companies that continue to support mécénat activities on a long-term basis, rather than providing a one-shot project. Questions were then posed to those in charge of CSR and projects based on the following research items.

- | |
|--|
| A) Support project |
| B) Period of support |
| C) Form of the support |
| D) Reasons for continuing to support this project and for continuing to collaborate with external partners |
| E) Comparison with their independent projects (internal and external evaluations) |
| F) Internal evaluation methods for mécénat activities |
| G) The ideal mécénat activity in the opinion of the person in charge |

4 Case studies

4.1 FUJIFILM Corporation (hereinafter referred to as “Fujifilm”)

The current FUJIFILM Corporation, a Japanese precision equipment manufacturer founded in 1934 as Fuji Photo Film Co., Ltd., manufactures and sells not only cameras and digital cameras, but also pharmaceuticals, medical equipment, cosmetics and health foods.

“The Fujifilm Group contributes to society through its business activities and actively interacts with local communities as a corporate citizen to contribute to the sustainable development of society. Taking advantage of the characteristics of its business, the Fujifilm Group is engaged in many unique activities such as archiving (record preservation) of cultural assets and works of art, reproduction and utilization of traditional documents, provision of medical equipment to emerging countries and disaster sites, educational

support in emerging countries, and assistance in producing enlarged textbooks for weak-sighted children.”¹⁹

In parallel with its social contribution activities, Fujifilm opened the Fujifilm Photo Salon gallery in Ginza in 1957, and when its headquarters moved to Tokyo Midtown in 2007, it established FUJIFILM SQUARE with a Museum of Photographic History and other facilities



Figure 7: Exterior of Fujifilm Square

and holds nearly 100 planned exhibitions a year. Based on its CSR policy of proposing enriched lifestyles through its business, the company holds three types of exhibitions: public exhibitions, special exhibitions, and other co-sponsored/cooperative photo exhibitions. Naturally, all exhibitions are related to the photography that is the core business of the company.

Fujifilm is a special sponsor of the KYOTOGRAPHIE Kyoto International Photography Festival held in Kyoto, one of the few international photography festivals in Japan. This led us to select Fujifilm as the interview site for this research. KYOTOGRAPHIE is an art event launched in 2013 by its French and Japanese co-founders with the aim of showcasing the best photographic works from around the world. Fujifilm has been a sponsor of the event since its inception, but its support is not limited to funding; the company also provides venues and participates in planning. For example, for TOKYOGRAPHIE held in Tokyo in 2018 as a spin-off project, Fujifilm Square was provided as the venue and was involved in the artist selection process from an early stage. This is a rare example of a partnership that has continued in a progressive manner, even as the major Japanese companies that were involved in the project at its inception have left one by one. We

¹⁹ FUJIFILM Holdings website
<https://www.fujifilmholdings.com/ja/sustainability/activityreport/socialcontribution2018/index.html>

interviewed the director of Fujifilm Square, who is one of the persons in charge of the KYOTOGRAPHIE project, and a public relations representative.

Date of interview: January 25, 2019

Interviewed with: Fujifilm Corporation

Tomoaki Shimada, Senior Expert of Advertising Division, Fujifilm Square Director

Kunio Aoyama, Sales Group Manager, Optics & Electronic Imaging Division

Mai Sunayashiki, Advertising Division Manager



Figure 8: TOKYOGRAPHIE Opening Program

A) Support project: KYOTOGRAPHIE

(and spin-off project TOKYOGRAPHIE)

B) Period of support: Continued annually from 2013

C) Form of the support: Financial sponsorship, material support

Examples of support:

- Providing a venue
- Cooperation in publicity and artist selection

The first phase consisted mainly of financial support and was limited to the lending of actual products such as instant cameras. From 2017 (phase 2), the number of joint projects increased. Specifically, a venue was provided for a traveling exhibition in Tokyo, and at the same time, support began to be provided in the selection of participating artists.

D) Reasons for continuing to support this project and for continuing to collaborate with external partners

- It is consistent with our company's CSR policy.
- The desire to nurture young photographers.
- Easier to obtain internal consensus because it is directly related to the company's core business.
- Can reach content that cannot be reached by our company alone.
- Can learn by absorbing the ways of doing things outside the company (in fact, collaborative projects with external partners are increasing).
- Can arouse the interest of young employees.

E) Comparison with their independent projects (internal and external evaluations)

In terms of the number of visitors and the response on social media tools, it was not much different from the regular exhibition, but we were able to welcome a new set of visitors.

F) Internal evaluation method

In Fujifilm Square, the evaluation will be based on the number of visitors, questionnaires, public relations effectiveness, and whether or not it is consistent with the CSR policy. Within the business units, evaluation will be based on the following items:

- Number of people reached
- How many future users are included in the audience of those reached
- Whether the presence of new products is growing

G) The ideal mécénat activity in the opinion of the person in charge (Mr. Aoyama)

It is important to link corporate branding and mécénat activities, and it is necessary to link the three elements together: the company/organization, society (users), and culture. It is also important to understand the history and

role of the company and to take advantage of the company's strengths. In the case of Fujifilm, we try to contribute to providing opportunities for artists to showcase their work, and to use our strengths (printing technology and know-how in exhibition lighting) in the exhibitions.

4.2 The Dai-ichi Life Insurance Company, Limited (hereinafter referred to as "Dai-ichi Life")

The Dai-ichi Life Insurance Company, one of Japan's leading insurance companies, is engaged in social contribution activities based on three central initiatives that have an affinity with the life insurance business: promotion of health, creation of a prosperous society for future generations, and preservation of the environment. In particular, the company is known for its long-term support of music and art. In 2001, it was awarded the grand prize in the Mecenat Award conducted by The Association for Corporate Support of the Arts for its special sponsorship of the VOCA exhibition and management of the Dai-ichi Life Gallery, and in 2009 for its support of the music activities of the NPO Triton Arts Network based at Dai-ichi Seimei Hall. In these ways, Dai-ichi Life is providing ongoing support for the VOCA exhibition in the field of fine arts. The VOCA is an exhibition that introduces unknown and outstanding talents from all over Japan. The VOCA exhibition executive committee asks museum curators, journalists, researchers, and others nationwide to recommend young artists under the age of 40, and the artists are invited to exhibit new two-dimensional artwork based on these recommendations. Since its inception in 1994 until now, Dai-ichi Life has continued to be a special sponsor of the exhibition. Although not particularly closely related to the company's core business, we were intrigued by the fact that the company has been able to continue its support for such a long period of time and therefore selected it as the subject of this interview.

Date of interview: March 1, 2019

Interview with:

The Dai-ichi Life Insurance Company,
Limited

Nanako Izumi, Manager of DSR Promotion
Office



Figure 9: Exhibition view at Dai-ichi Life Gallery

- A) Support project: VOCA exhibition
- B) Period of support: From 1994
- C) Form of the support: Financial, material, and human support

Examples of support

- Participation in the executive committee (but selection of nominees and evaluation of works are left to other committee members)
- Collection of VOCA award-winning artwork
- Presentation of prize money to VOCA exhibition winners
- Providing opportunities for award-winning artists to hold solo exhibitions at the Dai-ichi Life Gallery



Figure 10: VOCA2019 entrance

- D) Reasons for continuing to support this project and for continuing to collaborate with external partners

Since Dai-ichi Life itself was involved in the founding of this art exhibition in 1994 with the aim of fostering and supporting young artists of international caliber, we continue to support it while respecting the wishes of its founding members. In addition, since it is difficult for an insurance company to hold and operate an art exhibition of the same scale and content, we consider it meaningful that the exhibition is held by an art museum. Also, being an insurance company, it is restricted from engaging in any business other than the insurance business.

E) Comparison with their independent projects (internal and external evaluations)

*Since the VOCA exhibition is the only art-related project within the company, it is not possible to make a clear-cut comparison between independent and external projects. However, the same VOCA project will be compared between the exhibition held at the Dai-ichi Life Gallery located in the company building and the VOCA exhibition held at the Ueno Royal Museum.

VOCA-related exhibitions held at the Dai-ichi Life Gallery are open only on weekday afternoons, and the number of exhibited works is limited due to the size of the space, which limits the number of visitors compared to the VOCA exhibition held at the Ueno Royal Museum. There is no doubt that the number of visitors to this exhibition is significantly different from that of the Ueno Royal Museum. For the exhibition at the Ueno Royal Museum, invitations are distributed to sales representatives and other divisions within the company, and the company uses the tickets as a sales and presentation tool, inviting customers and often receiving positive responses. The event also serves as an opportunity to inform employees about the company's social contribution activities. The trend over the past couple of years has been for the Social Contribution Division and the Sales Division to get closer and cooperate with each other. Some of the works collected by Dai-ichi Life are also exhibited permanently at various venues in the head office (e.g., lobby spaces).

F) Internal evaluation methods for mécénat activities

No numerical evaluation criteria have been established. The evaluation criteria are based on whether the activities contribute to the development of Dai-ichi Life's character, culture, and the arts, in accordance with the policy for social contribution activities.

G) The ideal mécénat activity in the opinion of the person in charge

The company considers it meaningful to support mécénat activities from a long-term perspective in order to create a next-generation society and to improve quality of life (QOL), so it intends to continue and further develop its activities in the future.

In addition, it appears that even if the person in charge changes (usually every four to five years) due to personnel transfers or other reasons, the passion for the project is also passed on to the next person to take charge.

4.3 BEAMS Co., Ltd. (hereafter referred to as “BEAMS”)

Founded in 1976, BEAMS is a multi-brand store that sells imported and original clothing and accessories, and also manufactures and sells original clothing and accessories. Since its founding, BEAMS has consistently offered both appealing and cutting-edge lifestyles. The company's philosophy is: Creating culture through products. Since the company started as a multi-brand store, it has curation skills, expertise in manufacturing clothing and accessories, and (since it is a place that introduces the latest trends) the ability to function as a media outlet that transmits information to the public. The company is engaged in social contribution activities that leverage these three major strengths. Especially outstanding is the aspect of editing and disseminating good products that already exist in the world.

In its CSR activities, BEAMS is working to solve problems and provide cultural support from the perspective of fashion and culture. Among its many projects, the one that caught our attention is the special sponsorship of Dogo Onsenart, an annual art festival held at the Dogo Onsen hot spring in Matsuyama City. Despite being held in a rural area, the festival is known for its uniqueness and the high quality of the selected artists, and BEAMS has

been contracted to produce novelty goods to be distributed at the festival. The stylish goods, which mix tradition and art, are very popular and help to attract more visitors. This new form of collaboration, which has not previously existed in conventional art festivals in Japan, is drawing industry attention.

Date of interview: March 7, 2019

Interview with:

BEAMS Co., Ltd.

Hiroshi Doiji, General Manager of Advertising and Public Relations Management Division, Office of the President, Communication Director

Masaaki Kodama, New Business Division, New Business Department, Office of the President

Manager and person in charge of CSR



Figure 11: Yukata produced by BEAMS in 2017 for Dogo Onsen Annex Asuka-no-Yu

A) Support project: Dogo Onsenat

B) Period of support: From 2014

C) Form of the support: Material support, human support

Examples of support

- Production of novelty goods
- PR cooperation

The person in charge of CSR actively visits the site and interacts with the executive committee members and local entrepreneurs. There is also enthusiastic cooperation with media tours conducted by the organizers, which invite media from Tokyo during the festival period. They also help to publicize the event by placing flyers in BEAMS stores.

D) Reasons for continuing to support this project and for continuing to collaborate with external partners

BEAMS' style is to create something interesting by combining external projects with the company's expertise. By reinterpreting projects and activities that already exist and creating something new, new forces are generated. Such synergy is the reason why we continue to collaborate with external partners.

E) Comparison with their independent projects (internal and external evaluations)

Almost all projects are external projects.

F) Internal evaluation methods for mécénat activities

The most important thing is the impact on our customers and general consumers. We do not seek results in terms of numbers.

G) The ideal mécénat activity in the opinion of the person in charge (Mr. Kodama)



Figure 12: DOGO ART 2015 and BEAMS exclusive bath bag

Ideally, the person in charge of the project should be passionate about the project and rather than try to compensate for the deficiencies of the partner, work together by combining the good aspects of each. Activities should be carried out by utilizing the strengths of the company (in the case of BEAMS, strengths such as planning ability and networks). It is important to visit the site and be proactively involved in the event, rather than simply providing financial support.

5 Consideration—from the results of the survey

In the case studies in Chapter 4, we have compared the efforts of three companies. Since the companies differ in terms of business type, scale, and the events they support, it is not easy to make simple comparisons, and there is no denying that some of the comparisons are somewhat forced, but the following are common points drawn from the research results.

I. Clear purpose of support

The commonality of the three companies' initiatives is that the purpose of the support is clear. In the case of Fujifilm and BEAMS, the main focus is on conducting business that leverages the companies' strengths, while in the case of Dai-ichi Life, the decision to provide support is based on the firm objective of creating an affluent society for the next generation. This highlights the necessity of clarifying the purpose in continuing social contribution and cultural support over a long period of time.

II. Close communication with host organizations

It was impressive that all three companies were actively involved with the external hosting organizations. They communicate closely with the host organization and are actively involved in the executive committee. Through communication, they seem to be able to identify what the host organizations want and what they can do to cooperate with them as a company, thus making it possible to build a developing relationship with them.

III. The advantage of partnering with external events is the contents

The ability to collaborate with contents that cannot be produced by the company alone is clearly a major advantage of partnering with an external organization. It was clear that they are not looking for definite results such as an overwhelming increase in the number of visitors but are attracted to the idea of collaborating with contents that cannot be created within the company. In the case of Fujifilm, the impression was that the company has a

good mix of independent and external business. There is no need to limit themselves to one or the other, and if possible, doing both is an option.

IV. Not seeking only numerical results

The three companies indicated that they are not looking for numerical results, although stock companies are accountable to their shareholders and are required to clearly explain why they are engaged in the business they conduct. Rather, they consider whether their activities are in line with their own CSR policies and whether they are contributing to society.

6 Conclusion

Current status of art events in Japan

Recently, the number of international art festivals in Japan, such as biennials and triennials, has been increasing. Many of these art events are led by local governments with major objectives such as regional revitalization, but a few years after their launch, many of them come to an end due to serious problems in attracting visitors and funding. Support from the national and local governments is often cut off after a few years, and corporate support is indispensable for these events to survive while growing in scale. For example, Fujifilm and BEAMS, which were interviewed in this research, can serve as models of how to go beyond mere financial sponsorship and develop in a way that benefits both the company and the event, making good use of the expertise of each company. In any case, cooperation between corporations and cultural organizations is indispensable for the future development of the cultural industry in Japan.

Comparison of mécénat activity methods - advantages and disadvantages

Although it is not appropriate to draw a conclusion as to which is superior in terms of the comparison between independent projects/operation and support/provision to other organizations, which was one of the objectives of

the research, there is no doubt that the latter has the major advantage of reaching out to contents that the company cannot produce on its own. The reason why it has been able to run a high-quality exhibition like the VOCA exhibition for 26 years is likely thanks in part to the fact that it is led by outside experts. In the case of independent projects, the advantage is that it is easier to create a project that makes the most of one's core business, but in many cases, the project itself may become a rut. It is not easy for non-professionals in content production to create new projects, and it is also difficult to obtain budgets. It is not necessary to completely eliminate independent projects, but it would be beneficial for the company to have a good balance of collaborative projects with external partners. However, it is also necessary to carefully select the organizations with which to collaborate. If, as was the case during the bubble era, the event is entirely outsourced to an advertising agency or event company, there will be many expenses other than the original sponsorship fee. If possible, it would be ideal to directly support the organization that manages the event. Depending on the organization, it may also be possible for the company to receive a tax credit, so it is necessary to select a partner with this in mind. Some participants (Mr. Aoyama of Fujifilm, for example) commented that it is easier to persuade the company to hold an external event than to hold an in-house event, because the significance of the event is often vehemently questioned because it is an independent project, making it impossible to realize or continue the event. Since organizations that hold art events generally think differently than corporate employees, it would be an opportunity to come in contact with new ways of thinking. They may even find an idea for starting a new project within the company. As Mr. Kodama of BEAMS says, the activities that combine the good aspects of each other and work together are ideal.

The importance of creating a solid policy

In some cases, such as the interviewed companies Fujifilm and BEAMS, it is possible to support other organizations by taking advantage of their own

strengths, so everything seems to depend on the idea. As mentioned earlier, the number of art events is increasing, and individuals and organizations are taking the initiative to create various events outside the field of art. It may be easier than ever before to find an event where a company can make the most of its characteristics. In the case of business categories where it is difficult to link with events, it is necessary to establish a clear policy and continue activities based on this policy for a long period of time, as is the case with Dai-ichi Life. For example, many companies set their CSR goals with reference to the Sustainable Development Goals (SDGs) adopted at the 2015 UN Summit,²⁰ but if all companies engage in similar mécénat activities, there is a risk that the diversity of mécénat activities will be lost together with the individuality of the company. Bearing in mind that mécénat activities are an effective means of corporate branding, time should be spent on determining their own unique policies. If the success of mécénat activities is defined as the achievement of results that satisfy both the recipient and the giver of support, then the creation of a solid policy at the outset should be indispensable to its success.

A “hybrid” mécénat activity unique to Japan

In France, there is a clear distinction between mécénat and sponsorship, but in Japan, the difference between the two is blurred and often confused. However, if this situation is to be viewed as an opportunity and is considered as a Japan's unique mécénat activity, it is necessary to conduct mécénat activities that make the most of the core business (through “hybrid” mécénat activities) while also including many commercial elements. In this way, not only the CSR budget but also the budgets of marketing, public relations, and business divisions could be applied. The mécénat activities of Fujifilm and BEAMS, which we covered in this report, can be categorized as “hybrid” mécénat activities. The key is for the company and the cultural organization

²⁰ Ministry of Foreign Affairs of Japan, *What is the SDGs?*
<https://www.mofa.go.jp/mofaj/gaiko/oda/sdgs/about/index.html>

to work closely together to create a good project. In this way, they can play a complementary role to each other. The way artists perceive society will be helpful to companies when considering new projects, and conversely, cultural organizations may find it easier to market sponsorships and secure project budgets by learning about the needs and perspectives of the corporate side. And if corporate sponsorships increase, it will be possible to expand the scale of the event and develop it into an internationally competitive event.

Japanese people have always been adept at dissolving foreign culture into their own cultural base to create their own unique culture. By taking advantage of these characteristics, we hope to see an increase in the number of collaborative projects between corporations and cultural organizations through “hybrid” mécénat activities unique to Japan, and an increase in the number of attractive cultural events throughout Japan that are competitive on an international level.

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