



SBI Art Auction Co., Ltd. celebrated our 10th anniversary last year since we held our first auction in February 2012. We thank to the tremendous support from all of you.

We have had more than 50 auctions in the last 10 years, and with the increase in transaction value since our first sale. We have received a lot of interests from both Japan and overseas' supporters. We hope that not only those who have participated in our auctions, but also those who have never been interested in art, can start to learn about the wonderfulness of art and the fun of the art market. This annual report is going to show you in details.

With the motto of "Enriching Your Lives through Art", our mission is to expand the Japanese art industry and to contribute the revitalization and the development of the art market. We hope this annual report will be of some help for you to understand the current status of the contemporary art market in Japan.

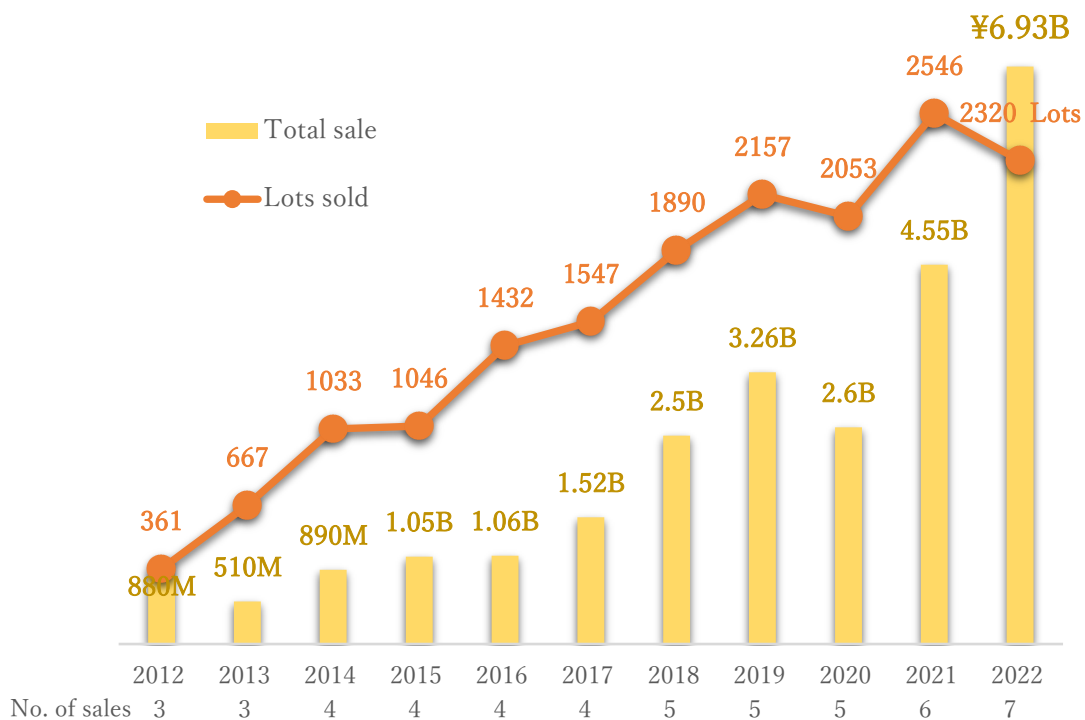


Figure 1: SBI Art Auction's Annual Sale

## Summary

■ Recorded a total of JPY 6.93 billion in sales value, 1.5 times higher than the previous year  
A total of 7 sales were held in 2022. Regardless of the sale format, all auctions achieved remarkable results with the highest average sale through rate (Sold by lot) and the highest sold by value comparing to low estimate. We have achieved the best results ever in 2022.

■ Changes in the price range of successful bids

The most common price range was between JPY 1,000,000 and 4,990,000. Comparing to 2020, the relative ratio has increased (17.9% → 24.5%). In addition, especially in the first half of 2022, due to the increase of the high value lots, the price range also increased to a range between JPY 10 million to 49.99 million. The figures indicated that the purchasing power of high value lots was strengthening. This increase in average price range has led to the outstanding results in 2022.

■ Growing presence of young collectors

Looking at the ratio of successful bidders by age, those under 40 years of age accounted for 60% of the total. Not only that the contemporary art we sold was a good match for young collectors, we also can see that the young generation is becoming more active in purchasing art, which we believe it can lead to a brighter future for the Japanese art market.

■ As a market trendsetter, we continue to create artists' world records and to introduce young artists in our sales

In addition to further boosting the market prices of well-established artists, we also actively discover talented young artists whose works had not previously been sold at auctions. We will strive to contribute to the revitalization of the Japanese art market.

## SBI's 2022 auction

In 2022, we held a total of seven sales, including on-site auctions, live stream auctions, and hybrid auctions (with both on-site and live stream). Out of 2,320 lots, the average sell-through rate (Sold by lot) was 96.8%, the total amount including Buyer's Premium was JPY 6.93 billion. The average Sold by value (low estimate) was 245.4%. The sales value soared due to the increase in the average price per artwork (152.2% compared to the previous year).

Table 1: 2022 Sales Overview

(You can check the details of each sale by clicking the hyperlinks on the sale date and the total sales' figures)

Date (2022)	Sale type	No. of lots	Total sales	Sell-through rate
JAN 28-29	Hybrid	492	¥1.09B	99.80%
MAR 12	On-site	75	¥1.28B	98.70%
APR 15-16	Live stream	397	¥340M	97.50%
MAY 27-28	On-site	297	¥1.42B	96.00%
JUL 15-16	Hybrid	329	¥850M	93.90%
SEP 16-17	Live stream	422	¥490M	96.40%
OCT 28-29	On-site	308	¥1.46B	95.10%

Since its introduction in August 2020, when the auction was held for the first time in Japan without audiences in the saleroom, the live stream auction has undergone repeated technical improvements. It is as popular as the conventional on-site auctions. It is now established as a usual form of auction due to its convenience. For example, the average successful bid rate for live stream auctions held in 2022 was 96.95%, which the average successful bid rate for on-site auctions was 96.6%. Both type of sales shared a comparable result. Similar comparable result also can be found when comparing with the average sold by value, live stream auctions was 230% and on-site auctions was 220%. In addition, in our 2022 sale, bidders who participated in the live stream auctions made successful bids for high-priced lots have been significantly increased. It seems that the barrier between actual and online is being removed gradually.

A total of 4,971 clients participated in the sale. The overseas participants are from 36 countries outside Japan. Due to the growing interests in the contemporary art market recent years, the

average ratio of new participants compares to the number of participants per sale is 37.5%.

In total, there were 1,163 successful bidders. 70% were from domestic bidders while 30% were from overseas. This result showed the strength of bidding in Japan comparing to overseas bidders. The breakdown of overseas bidders was 68% in Asia, 17% in Europe and 13% in the United States. Within Asia, Taiwan, Hong Kong and South Korea accounted for 30% each. In addition to the steadiness of Taiwan and Hong Kong, South Korea's purchasing power continued to support the market growth. By age group, 60% of the successful bidders are in their 40s or below. The presence of young clients is significantly increasing.

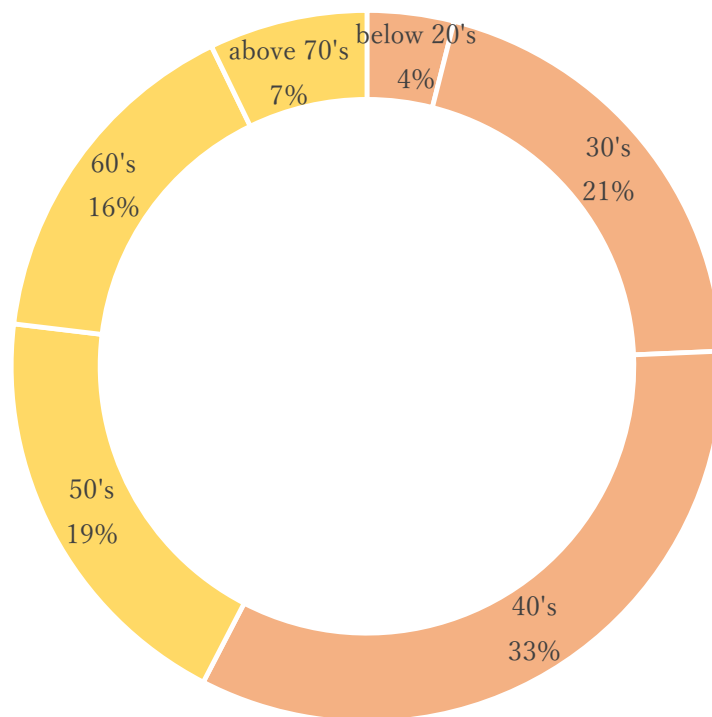


Figure 2: Percentage of Successful Bidders by Age Group in 2022 (With regard to the corporate clients, its representatives or person in charges are counted in each applicable age group.)

## "Tokyo Contemporary: Redefined" 2022

Every year, in addition to our Modern and Contemporary Art auction and LIVE STREAM AUCTION, we also plan and implement special sale. Following the wine sale in 2020 and Japan's first NFT art sale in 2021, the year 2022 was the first time SBI collaborated with Japan's largest international art fair "Art Fair Tokyo" to help further develop the Japanese art market. A special sale "Tokyo Contemporary: Redefined" was held at the same time as the fair. Numerous gallery participations which represent primary market in the art fair with auction house which its presence is increasing in the secondary market; working side by side under one roof at Tokyo International Forum filled the festive enthusiasm to the Tokyo's spring art scene.

"Tokyo Contemporary: Redefined" sale featured 75 selected works by major artists in the contemporary art market both in Japan and overseas, including Andy WARHOL, Yves KLEIN, Oscar MURILLO, KAWARA On and LEE U-fan. Its standout hammer result was approximately JPY 1.28 billion with 98.7% sold by lot. The top lot was KUSAMA Yayoi's "INFINITY NETS" with a winning bid of JPY 161 million.

In conjunction with the sale, SBI invited Mr. Kiichi Kitajima of Art Fair Tokyo to hold a talk session titled "Japanese art market viewed from the financial market's perspective". Mr. Kitajima, who has a solid background in finance, provided some valuable information of the current status and the prospects of Japanese art market.

In March this year, as the same as 2022, we will hold a curated sale at Tokyo International Forum at the same time as "Art Fair Tokyo". A talk with a new theme will also be hosted along with the sale.



Image 1, 2 : View of special sale "Tokyo Contemporary: Redefined"

## Top 3 lots in 2022

Here are the top 3 lots – Ranking in different categories.

### ■ Top 3 - Highest value

Table 2: Top 3 - Highest value in 2022

	Artist	Title	Price realized	Bidding method chosen by the successful bidder
1	ROKKAKU Ayako	<i>Untitled</i>	JPY 184,000,000	Online bidding
2	KUSAMA Yayoi	<i>INFINITY NETS</i>	JPY 161,000,000	Online bidding
3	KUSAMA Yayoi	<i>Butterfly [TWWEN]</i>	JPY 155,250,000	Online bidding

ROKKAKU Ayako's 100 x 150cm canvas work topped the highest value rankings. It was sold for JPY 184 million, 4.6 times of the low estimate, set a new world record for the artist at auction in Japan and overseas. KUSAMA Yayoi's acrylic paintings ranked second and third. The result proves the artist's longstanding popularity. It is worth to mention that all the top three lots' successful bids were made through our online bidding system. In the past, works in the high value price range exceeding JPY 100 million were mainly by telephone or on-site bidding. Now that the Covid crisis has passed, it seems that the psychological barriers to online bidding have been removed regardless of the price range.

### ■ Top 3 – Sold by value (from low estimate)

Table 3: Sold by value (from low estimate) in 2022

	Artist	Title	Price realized	Sold by value
1	IMAI Ulala	<i>Cooking in 3min</i>	JPY 19,550,000	3,258%
2	TAKEDA Teppei	<i>PAINTING OF PAINTING 012</i>	JPY 48,300,000	3,220%
3	SATOH Naritaka	<i>Star 9</i>	JPY 4,140,000	2,070%

Sold by value from low estimate reflects the degree of attention in the market. In 2022, the highest growth rate was seen from a 2018 canvas works of IMAI Ulala. She paints “striking scenes that grab our hearts in the course of our daily lives” with a warm gaze. We received many inquiries and bids from collectors in Japan and overseas for this particular work. It fetched JPY 19.55 million, exceeding the low estimate by 32 times. The runner-up was TAKEDA Teppei's

panel work which graced the cover of SBI's 54th sale catalogue. Although it was the artist's first auction in Japan and overseas, it recorded the highest number of bids in 2022.

■ Top 3 first-timer at SBI

Table 4: Top 3 first-timer in 2022

	Artist	Year of birth	Title	Price realized
1	TAKEDA Teppei	1978	<i>PAINTING OF PAINTING 012</i>	JPY 48,300,000
2	TOMOZAWA Kotao	1999	<i>slime XXXII</i>	JPY 3,910,000
3	MITOBE Nanae	1988	<i>Elizabeth II</i>	JPY 1,150,000

Some first-timers have achieved good results at sale in 2022 due to the high degree of attention. There are many young artists who embody the current status of Japanese contemporary art and they are full of potential, such as TOMOZAWA Kotao (b. 1999) and MITOBE Nanae (b. 1988). As an auction house specialized in contemporary art, we hope that we can play a role in introducing unknown talented artists from Japan and Asia to the world.

■ Top 3 popular works on social network

Table 5: Social network engagement ranking in 2022 (The top 3 lots from the aggregated engagement rate. The rate consists of likes, comments, saves and shares for posts on our official Instagram account)

	Artist	Title	Price realized
1	KYNE	<i>Untitled</i>	JPY 6,555,000
2	Backside works.	<i>MANEATER gold</i>	JPY 6,095,000
3	TIDE	<i>PLAY at HOME</i>	JPY 6,900,000

SBI's Instagram account has over 14,500 followers (as of December 13, 2022). In 2022, we received a total of 26,186 likes 🇺🇸 on 425 posts. KYNE, Backside works., TIDE and other street art works received strong responses. SBI publishes not only still images of exhibited works but also a variety of contents, including videos of previews and actual auctions. We will continue to focus on social network platform not only as a promotional tool but also as a communication tool for our followers.



## SBI's 2023 auction

### ■ Our first half auction schedule

The first auction in 2023 will be held on January 28th and 29th in a hybrid format. In March 2023, a special sale will be held at the Tokyo International Forum at the same time as "Art Fair Tokyo". We will continue to hold auctions in April and May. We are currently accepting consignments for these auctions now. Please feel free to contact SBI for estimates.

Date (2023)	Deadline for consignment	Sale title	Venue
JAN 27-28	Application closed	LIVE STREAM + MODERN AND CONTEMPORARY ART	Hillside Forum
MAR 11	Application closed	Tokyo Contemporary: Redefined	Tokyo International Forum
APR 14-15	mid-February	LIVE STREAM	(live streaming)
MAY 26-27	mid-March	MODERN AND CONTEMPORARY ART	Hillside Forum

### ■ Notice of office relocation

Due to the expansion of our business, we will move our office from the current 7th floor to the 6th floor in the Ariake TFT Building from February 2023. New facilities will include a LIVE studio and gallery space. We will take this opportunity to further improve our services for you and we appreciate your continued support.