Agriculture and Agri-Food Canada
Agriculture et Agroalimentaire Canada

MARKET ACCESS SECRETARIAT
Global Analysis Report

Modern Grocery Retailing
in Japan

March 2016

EXECUTIVE SUMMARY

Japan's grocery retailers experienced a slight sales increase at a compound annual growth rate (CAGR) of 0.81% over the 2010 to 2015 period. The total market size remained constant at the third highest in the world after the United States and China. In 2015, approximately 81% of grocery sales occurred within modern grocery retail channels and the remaining 19% within traditional grocery retail. Among modern grocery retailers, supermarkets represented the largest share, accounting for 45.7% of total sales in 2015. The next largest share was held by convenience stores with 34.8%, but this channel was recorded the highest growth at a CAGR of 4.21% from 2010 to 2015. Forecourt stores, which are usually located in a large, flat, open area in front of the building, represent a very small portion of modern grocery retailers in Japan (Euromonitor, International, 2015).

In 2015, total consumer expenditure was valued at US$2.37 trillion with per capita consumer expenditure of US$18,698.9. More importantly, total expenditure for food and beverages, including alcoholic beverages, reached US$382 billion, accounting for 16.1% of total consumer expenditure. Per capita expenditure for food and beverages was US$3,012.4 including alcoholic beverages expenditure was US$360.1 in the same year (Euromonitor International, 2015).

As Japanese cities have stretched into more and more rural areas, convenience stores and supermarkets have been expanding in these newly developed urban areas, increasing competition within these two channels.

Japanese consumers prefer high-quality food and beverages, which have been encouraging grocery retailers to expand their private labels with higher quality products, but at relatively competitive prices compared to premium products.

CONTENTS

Visit our online library of public reports for more information on this and other markets.

Growing Forward 2
Canada

SOCIO-ECONOMIC PROFILE

Country Overview

The Japanese economy was stagnant during the 2010-2015 period. The economy grew by 0.7% in 2015 after a slight contraction in 2014. In 2011, the country was hit by the Great East Japan Earthquake, triggering a tsunami that caused further damages to infrastructure in north-eastern Japan. However, the country has been slowly recovering from the natural disaster. By 2015, Japan's GDP reached US$4.12 trillion following a real GDP growth rate of 0.6% from 2014 (Euromonitor International, 2016). Japan's economy rebounded from recession in the final quarter of 2014, but growth was weaker than expected.

Consumer Demographics

The total population of Japan dropped to 126.8 million in 2015. By 2025, the number of Japanese citizens over the age of 65 years is expected to increase by 8%, to reach 36.6 million, or approximately 30.2% of the total population. In comparison, a steady decrease will be seen in the proportions of other age segments over the same period, reflecting the burgeoning senior market, as well as the country's low birth rate (Euromonitor International, 2016).

The fact that many Japanese women aspire to fulfil themselves outside of the home, and have more opportunities to do so, has contributed to a low marriage rate, as well as increasing instances of co-habitation without children, and a lower fertility rate. In addition, the number of single-person and couple without children households is expected to increase slightly by 0.12% over the future 2015-2025 period, reaching a total of 28.8 million, while the number of households with more than three people will decline from 10.6 million households in 2015 to 9.4 million households, or approximately -0.64 decline in percentage of the total population over the same period (Euromonitor International, 2016).

Income and Expenditure

Between 2010 and 2015, annual gross income and disposable income both increased slightly with a CAGR of 0.7% and 0.3%. Average annual gross income per capita was US$28,301.8 in 2015 and average disposable income was US$20,340 per capita. It is forecast that annual gross income and disposable income will both increase by a CAGR of 1.72% during the 2015-2020 period, and per capita gross income and disposable income will both grow at a CAGR of 2.1% over the same period (Euromonitor International, 2016).

In terms of 2015 expenditures, Japanese people spent the most on housing (24.7% of total expenditure), followed by food and non-alcoholic beverages (14.2%) and Miscellaneous Goods and Services (13.4%). These three categories will likely remain the top three expenditures over the 2016-2020 period. Total expenditure for food and beverages, including alcoholic beverages, was valued at US$382 billion in 2015, with estimated per capita expenditure for food and non-alcoholic beverages at US$2,652.3, and US$360.1 for alcoholic beverages. During the 2015 -2020 period, expenditure for food and non-alcoholic beverages is expected to increase by a CAGR of 1.51%, and expenditure on alcoholic drinks is forecast to increase by a CAGR of 0.93%. An element that will affect consumer expenditures in 2016 is a sales tax increase in 2014 from 8% to 10%, and another tax hike has been planned to implement in 2017, which will make Japanese consumers more price sensitive (Euromonitor International, 2016).

CONSUMER TASTES AND PREFERENCES

The quality and freshness of food is held in high regard among consumers, leading Japan to become a leader in the consumption of organic food. Product selection has been diversified alongside consumption growth, resulting in a slight decrease in price. While Japanese consumers are influenced by price, they are unlikely to compromise the quality and freshness of food products for more affordable pricing. Therefore, the consumption of organic food and drinks is expected to increase continuously over the

2016-2020 period (Euromonitor International, 2015).

Although Japan remains one of the largest food importers, genetically engineered (GE) foods are not popular in the country. Trust in the food supply is very important to Japanese consumers. In response to consumer expectations, any food product in the Japanese market that contains GE ingredients must be labelled in compliance with local regulations (The Ministry of Agriculture, Forestry and Fisheries of Japan, 2012).

Increases in single-person or two-person (usually couples without children) households, as well as a fast-paced lifestyle, have led to growing popularity of convenient and simple meal options. Therefore, many convenience stores and supermarkets offer diverse selections of chilled ready meals and noodle soups. Most of these chilled foods are for immediate consumption (within a day or two) since they are made with fresh ingredients. Modern grocery retailers have also developed a wide range of private label meals, meal centres, and side dish items featuring many well-known international cuisines and special regional items, in response to consumers' demand for convenience.

Japanese food includes various types of local and international cuisines. Some cuisines from other countries, integrating authentic Japanese flavour, are well naturalized. For example, curry and rice, called kare-raisu in Japan, originally from India, is quite popular among the Japanese. There are a number of foodservice outlets specializing in curry dishes, as well as many packaged foods, including ready meals, side dishes and snacks, with curry and curry flavour. Another example of this trend is pasta. In general, noodles are popular with the Japanese, whether they are traditional Japanese-style noodles such as soba or ramen, or Italian pasta. In recent years, various types of pasta and pasta sauces were introduced to the market, further establishing the popularity of pasta among the Japanese. The other popular international cuisines are French and Korean dishes, which can be easily found at foodservice outlets in the retail sector, and in packaged food products.

GROCERY SHOPPING TRENDS

Due to confidence in brand names, Japanese consumers have generally preferred to purchase famous brand name food products. However, more consumers have been making their selections based on the quality and price of the product in recent years. In addition, young consumers are less focused on buying grocery products based on brand names. While many consumers prefer lower-priced quality products, many others demand premium quality. To appeal to these consumers, private labels introduced an increasing number of premium products at a slightly higher price than their comparable standard items. Enhanced food safety, quality, and freshness are the main marketing themes for these premium products.

Along with the growing number of single-person households, there has been an increasing demand for convenience foods such as ready-to-eat, processed and semi-prepared meals for easier consumption at home, which ensures an appropriate portion for individual consumption. These trends are evident in many supermarkets and convenience stores in Japan (Euromonitor International, 2015).

The growing popularity of smartphones and tablets in Japan is likely to drive internet shopping, affecting internet-based grocery sales in the near future. Despite a very small portion of the total grocery retail market, internet grocery retailing has become popular among Japanese consumers, as they seek a more convenient alternative to in-store grocery shopping. Internet grocery shops are usually operated by major convenience and supermarket chains under their popular banners (Euromonitor International, 2015), as Japanese consumers are expected to shop more at convenience stores and chained supermarkets, while seeking better quality options with reasonable prices. In addition, due to the aging population and an increasing number of working mothers and small household units, portioned products, internet shopping, and delivery services will continue to grow in popularity.

GROCERY RETAIL SECTOR OVERVIEW

Japan's overall retail sector experienced a slight sales increase by a CAGR of 1.16% over the 2010-2015 period, as did grocery retail by a CAGR of 0.8%. Japan's grocery sales account for approximately 30% of the total retail market, and this proportion will likely remain the same during the 2016-2020 period (Euromonitor International, 2016).

Japan's grocery retail sector was valued at US$284.7 billion in 2015, and only US$11.3 billion increase occurred during the 2010-2015 period. While a decrease in consumption could have contributed to this stagnancy, the drop in traditional grocery retail sales, which declined by a CAGR of -4.1% during the 2010-2015 period, was also a significant factor (Euromonitor International, 2015).

Total sales of modern grocery retailers were valued at US$229.3 billion in 2015. Convenience stores experienced healthy growth with a CAGR of 4.2% from 2010 to 2015, reaching total value sales of US$99.1 billion. Supermarkets maintained the highest grocery sales of any retail format with US$130 billion in 2015, with a CAGR of 0.9% between 2010 and 2015 (Euromonitor International, 2015).

Sales in Japan's grocery sector will likely continue to decrease at a CAGR of -0.1% over the 2015 to 2019 period and end up with value sales of US$283.2 billion by 2019. Over the same period, modern grocery retailers are likely to experience a stagnant value sale with a CAGR of 0.4% to reach US$233.2 billion by 2019, while traditional grocery retailer sales will continue to contract at a CAGR of -2.5% to US$50 billion (Euromonitor International, 2015).

Within the modern grocery retail channels, forecourts and supermarkets will also continue to experience further sales decline respectively. In contrast, convenience stores are likely to experience a moderate increase in value sales to reach US$104.7 billion by 2019 (Euromonitor International, 2015).

Japan's Grocery Retail Market Size by Distribution Formats
- Retail Value Sales (Historic/Forecast) in US$ Billions

Category	2013	2014	2015	2016	2019	CAGR % 2010-2015	CAGR % 2015-2019
Grocery retailers total	**281.4**	**285.3**	**284.7**	**284**	**283.2**	**0.8**	**-0.1**
Modern grocery retailers	222.1	228	229.3	230.3	233.2	2.2	0.4
Convenience stores	92.7	97.1	99.1	100.8	104.7	4.2	1.4
Forecourt retailers	0.2	0.2	0.18	0.18	0.17	-4.6	-1.4
Supermarkets	129.2	130.8	130	129.4	128.3	0.9	-0.3
Traditional grocery retailers	59.4	57.3	55.4	53.7	50.0	-4.1	-2.5
Food/drink/tobacco specialists	24.9	23.8	23.0	22.2	20.4	-5.0	-3.0
Independent small grocers	20.1	19.2	18.4	17.7	16.2	-4.6	-3.1
Other grocery retailers	14.4	14.2	14.0	13.8	13.4	-1.7	-1.1

Source: *Euromonitor International, 2015, 2016.*
Exchange rate: *A fixed exchange rate at constant prices is applied for both historic and forecast data at J¥1.00 = US$119.7*
**** CAGR:*** *compound annual growth rate*
******* *Related Actual data for the year 2015 is currently not available through Euromonitor International*

DISTRIBUTION FORMATS

Distribution Format Overview

Japanese grocery retailers focus on the easy accessibility of their stores, taking consumer demographics and needs into consideration. Therefore, convenience stores and supermarkets have expanded to become widely available in many areas in the country, except for very remote rural areas. This geographic strategy enables convenience stores and supermarkets to improve or maintain their market share. This trend is forecast to continue in the near future.

Convenience Stores

Convenience stores in Japan are similar to North American supermarkets, just on a smaller scale. They sell a diverse range of packaged grocery products including chilled ready meals, and ready-to-eat packs of fresh fruit and vegetables (they do not usually sell raw produce). In 2015, convenience stores, such as 7-Eleven and AEON, fared better than any other distribution channel in Japan. Located on almost every street corner in Japan, convenience stores registered positive sales growth of 23% during the 2010-2015 period and are forecast to continue this growth with a CAGR of 1.4% from 2015-2019. Since these stores are extremely prevalent in the Japanese market, and competition between stores and companies is high, retailers are focused on providing more services and products to meet Japan's changing demographics. The top three leading convenience store retailers in 2015 were 7-Eleven Japan, AEON, and Lawson. The positive growth of these retailers is attributed to an increase in store openings in 2014. The most popular products in convenience stores are processed foods and ready meals, and many convenience store companies offer diverse private label packaged foods ranging from economy to premium. In addition, major players, such as 7-Eleven and AEON, have started home delivery services which cater to elderly consumers and Japanese working mothers (Euromonitor International, 2016).

Supermarkets

Supermarkets in Japan are one of the major places for consumers to purchase fresh food, including meat, seafood, vegetables, and fruit, along with many selections of packaged food. The Japanese supermarket industry is already being affected by the aging population as elderly consumers prefer to shop for groceries closer to home rather than travelling the longer distances to supermarkets. In addition, the supermarket industry in Japan is also being impacted by the growing influence of convenience stores, which has left supermarket retailers competing for demand amidst shrinking demand. There are a number of other problems affecting the Japanese supermarket industry, some of which are the weakening value of the yen, a tax hike in 2014, stiffer competition from other retailers in different channels, increases in construction and energy costs, and the decreasing demand for fresh and packaged food (Euromonitor International, 2014).

Department Stores

The low exchange value of the Yen along with various promotional packages caused a surge of inbound tourists into Japan in 2015, and had a positive effect on Japan's department store industry due to increasing duty-free sales. The rising increase in department store sales is linked to the gradual recovery of the Japanese economy. This industry is trying to capitalize on the convenience trend by opening a greater number of small format department stores. The focus of these small format stores is to provide various sundries and food items aimed at convenience-seeking consumers who prefer Isetan Mitsukoshi. The Japanese department store channel experienced consistent increase in sales from 2011-2014. Based on 2015 Retail Asia-Pacific Top 500 rankings, 6 out of the top 10 retail giants in Asia Pacific region come from Japan. Daiei, the department store under AEON Group, ranking at the second place among all the retailers, has achieved US$36.5 billion value sales in 2014 (Euromonitor International, 2015).

MARKET SHARE BY COMPANY

Seven & I Holdings Co. Ltd. leads all grocery retailers with their popular brand of 7-Eleven which holds 12.2% of the overall grocery retail market share. They also had the most retail outlets (7-Eleven) with just 17,919 outlets in 2015. Combined, the top five companies (just looking at their major brands) of Seven & I Holdings Co. Ltd. (7-Eleven), Lawson Inc. (Lawson), FamilyMart Co. Ltd. (Family Mart), AEON Group (MaxValu) and Uny Group Holdings Co. Ltd. (Circle K) accounted for 27.2% of the total market share in 2015 (Euromonitor International, 2016).

As the Japanese grocery market contracted over the 2011-2014 period from 325,988 outlets to 316,139 outlets, competition among grocery retailers became high. This encouraged the major retail groups to increase their outlet numbers by segmenting geographical coverage per outlet, contributing to the growth of convenience stores. This strategy is expected to continue during the 2015-2019 period, causing continued and intense competition amongst the over 50,000 convenience store outlets in Japan (Euromonitor International, 2015).

Japan's Grocery Retailers by Brand and Company Share - % of Retail Value Sales

Brand	Company name (GBN*)	2011	2012	2013	2014	2015
7-Eleven	Seven & I Holdings Co Ltd	9.7	10.4	11.1	11.6	12.2
Lawson	Lawson Inc	5.1	5.3	5.2	5.2	5.3
Family Mart	FamilyMart Co Ltd	4.1	4.3	4.6	4.9	5.1
MaxValu	AEON Group	2.3	2.4	2.5	2.6	2.7
Circle K	Uny Group Holdings Co Ltd	1.8	1.8	1.7	1.8	1.9
Life	LIFE Corp	1.5	1.5	1.5	1.6	1.7
Yamazaki Shop	Yamazaki Baking Co Ltd	1.7	1.7	1.6	1.6	1.5
Seiyu	Wal-Mart Stores Inc	1.5	1.5	1.5	1.5	1.5
Sunkus	Uny Group Holdings Co Ltd	1.7	1.7	1.5	1.5	1.4
York	Seven & I Holdings Co Ltd	1.2	1.3	1.3	1.4	1.4
Maruetsu	Maruetsu Inc, The	1.0	0.9	1.0	1.0	1.0
Ministop	AEON Group	1.0	1.0	1.0	1.0	1.0
Valor	Valor Co Ltd	0.9	0.9	0.9	0.9	0.9
Heiwado	Heiwado Co Ltd	0.9	0.9	0.9	0.9	0.9
Izumi	Izumi Co Ltd	0.8	0.8	0.8	0.9	0.9
Okuwa	Okuwa Co Ltd	0.8	0.9	0.9	0.8	0.8
PIAGO	Uny Group Holdings Co Ltd	0.8	0.8	0.8	0.8	0.8
Kasumi	AEON Group	0.6	0.7	0.7	0.7	0.8
Daily Yamazaki	Yamazaki Baking Co Ltd	0.6	0.6	0.6	0.6	0.6
Lawson Store 100	Lawson Inc	0.6	0.6	0.6	0.6	0.6
Tokyu Store	Tokyu Corp	0.6	0.6	0.6	0.6	0.6
Seicomart	Seicomart Co Ltd	0.5	0.5	0.5	0.5	0.5
Sunny	Wal-Mart Stores Inc	0.5	0.5	0.4	0.4	0.4

Source: *Euromonitor International, 2016* ****GBN:*** *Global Brand Name*

MAJOR GROCERY RETAIL TRENDS

Consumer Segmentation

The aging population appears to be the most influential element of Japan's consumer market. However, the increasing proportion of single women and one- or two-person households are equally important consumer demographics. To appeal to these groups, grocery retailers implemented targeted marketing strategies, such as expanding store outlets in easily accessible locations. In addition, single people or couples without children tend to buy fewer items and smaller quantities per purchase, but shop more frequently. Therefore, Japanese grocery retailers are opening an increasing number of small- to medium-sized stores to ensure full coverage across most cities, except in very rural areas. More and more retailers are expanding delivery services to better accommodate singles and the senior population. Considering heavy traffic in the city centres, outlets in geographically convenient places ensure retailers can offer timely delivery, while increasing accessibility for shoppers.

The other significant consumer trend in Japan's grocery retail sector is a result of changing gender roles in Japan. Although women were the main purchasers of groceries in the past, as women pursue careers, their influence upon other retail sectors is increasing. As a result, Japanese companies are focusing marketing strategies on these female consumers. For example, convenience stores introduced premium private label products that were designed to appeal to women and older consumers, who are both perceived to favour higher-quality products. The items include chilled ready meals such as bento boxes and salads, as well as desserts and meals that can be boiled in a bag.

Price Polarization - Premiumization vs. Discounting

As income inequality gaps widen in Japan, grocery retailers are introducing products at opposite ends of the price spectrum. This is also evident within private label products, with an increasing number of items claiming to be either premium or economy. The increasing health and safety concerns related to mass-produced food amongst Japanese consumers generates the interest of private label manufacturers, since Japanese consumers normally perceive private label products made by their trusted grocery store as safe and of good quality. As a result, private label products are not seen as "cheap," but rather, as a range of quality products that are simply less expensive than brand name options. However, among families with children and low-income households, discounted packaged foods are becoming popular.

Even though discount deals have grown in popularity, the word "cheap" is not a preferred marketing campaign among grocery retailers. Therefore, for product marketing, quality is key, which emphasizes the origin of products or ingredients. Furthermore, discounting is often offered through loyalty card programs, a strategy that has been popular among major grocery retail groups in Japan. In recent years, this trend spread to the traditional grocery retail channel as well. Japan's major co-operative wholesalers and independent mom-and-pop shops have launched loyalty card programs that provide customized offers to their members, including discounts and special deals.

Expansion of Internet-Based Retail

A fixed exchange rate at constant prices is applied for both historic and forecast data at J¥1.00 = US$119.7

Sales through internet retailing in Japan expanded significantly, with a CAGR of 10.5% during the 2010-2015 period, reaching US$65.2 billion* in 2015. Total sales of food and drink through internet retail were valued at US$5.5 billion* in 2015, with a CAGR of 7.8% during the 2010-2015 period. Online sales of food and beverage products are expected to increase at a CAGR of 8.7% during the 2015-2019 period, reaching a total value of US$7.4* billion, while overall sales within Japan's total grocery retail sector are expected to decline (Euromonitor International, 2015).

The development of Japan's internet retail market is due to reliable logistical systems, low internet fraud rates, and overall convenience along with the rapid growth and penetration of smartphones and tablets. In relation to the grocery retail sector, companies are realizing that there is room to grow through the internet-based market, and are taking advantage of these new opportunities.

Environmentally Friendly Strategies

Environmental management programs are voluntary in Japan, but many retail companies develop and implement their own strategies and measure performance against their own criteria, to appeal to Japanese consumers' environmental awareness. The major corporate social responsibility activities among grocery retailers in Japan are focused on addressing environmental concerns. Common trends among the major companies reflect their commitment to reducing carbon-dioxide emissions in their stores, as well as production and logistical activities. Food recycling programs are also common social responsibility initiatives undertaken by Japanese retailers. Recognizing the environmental impact and economic losses generated from food waste disposal, some major grocery retailers, including 7-Eleven, Circle K Sunkus and Lawson, have launched food recycling programs. Under this program, retailers collect food products from their outlets that are close to or past their expiry dates, which are then used to produce animal feed, compost, industrial products, or fuels by external organizations, or the grocery retailers' joint venture companies.

Another example of environmentally friendly strategies adopted by Japanese retailers is the use of energy-efficient or recyclable goods within their stores. New stores are built with eco-friendly materials, and older locations are renovated to utilize energy efficient products, or alternative energy sources. For example, in 2010 FamilyMart opened an eco-friendly store which included LED lighting, solar-powered systems, and electric car chargers in the parking lot. Circle K Sunkus is also building eco-friendly stores, with energy-efficient equipment and facilities designed to reduce electricity use. In addition, the AEON Group has been the leading retailer in the development of holistic corporate standards on purchasing policies.

Product Introductions and Packaging

Retailers' environmental initiatives can also be found in new product introductions. For example, the AEON Group sells a selection of products that are certified by the Marine Stewardship Council (MSC). This certification guarantees that fish and seafood products are made of the fish caught in a sustainable way. The line of products includes Alaskan Red salmon, salmon roe, salted mackerel and seasoned cod roe. Additionally, the AEON Group has introduced a brand called Topvalu Kyokan Sengen, which is a line of eco-products marketed as respecting the "4Rs:" reduce, reuse, recycle, and return. This line of products is sold at economy prices, with the purpose of demonstrating to consumers that environmentally friendly products can be affordable (AEON, 2012).

Concerns related to environmentally friendly product packaging are also being addressed by initiatives in Japan's top five retailers. Circle K Sunkus is working towards reducing the use of packaging materials such as cardboard and vinyl, since they are placed in the garbage after products are delivered to stores. Additionally, 7-Eleven Japan is working towards reducing the waste caused by food packing materials. Since 2007, 7-Eleven boxed meals are more often being sealed with tape, instead of completely wrapped in plastic.

Major retailers are also involving consumers in their attempts to reduce the environmental impacts of company activities. In 1991, the AEON Group began a campaign requesting that consumers bring their own shopping bags or baskets, and this campaign was extended in 2000. By 2007, a national campaign to stop giving away free plastic bags was initiated and implemented in approximately 773 AEON Group stores. The AEON Group was motivated to implement these programs in an attempt to reduce the use of petroleum, and reduce carbon dioxide emissions from its activities. Circle K Sunkus has taken a different approach, focusing on reducing the environmental effects of plastic bags by making them thinner, which utilizing less material (AEON and Circle K Sunkus, 2012).

PRODUCT EXAMPLES

The following are some examples of products launched through modern grocery retail channels in Japan between June 2015 and January 2016, from the Mintel Global New Products Database (2016).

Assorted Snack

Company: Seven & I Holdings
Brand: Seven & i Premium
Price (US$): 0.91
Category: Snacks
Launch Type: Relaunch
Date Published: Jan 2016
Packaging: Flexible sachet, Metallised Film
Claims: Convenience, Positioning, Natural, Ethical and Environmental, Premium, Economy

Product Description: Seven & i Premium Assorted Snack has been reformulated and repackaged. It contains three types of bean snack and four types of rice snacks, and retails in a 69g pack.

Unfiltered Mild Ale

Company: Seven & I Holdings
Brand: Seven & i Premium
Price (US$): 1.91
Category: Alcoholic Beverages
Launch Type: New Product
Date Published: Jul 2015
Packaging: Glass Coloured Bottle
Claims: Convenience, Positioning, Natural, Ethical and Environmental, Premium

Product Description: Seven & i Gold Unfiltered Mild Ale is said to have bright aroma of ale and mild and unique texture achieved by avoiding filtering. The product retails in a 305ml bottle.

Beef in Demi-Glace Sauce

Company: Lawson
Brand: Lawson Select
Price (US$): 3.37
Category: Processed Fish, Meat & Egg Products
Launch Type: New Variety/Range Extension
Date Published: Jun 2015
Packaging: Flexible plastic stand-up pouch
Claims: Convenience, Positioning, Natural, Ethical and Environmental

Product Description: Lawson Select Beef in Demi-Glace Sauce comprises soft-cooked beef with red wine demi-glace sauce. It is free from artificial colourings and preservatives, and can be prepared in the microwave or boiling water. The product retails in a 170g pack.

Source for all: *Mintel, 2016*

Maple Danish
Company: Aeon
Brand: Aeon Topvalu
Price (US$): 1.11
Category: Bakery
Launch Type: Relaunch
Date Published: Jun 2015
Packaging: Flexible Plastic PP
Claims: Convenience, Positioning, Natural, Ethical and Environmental, Premium, Economy

Product Description: Aeon Topvalu Maple Danish has been reformulated and repackaged. The product features sheets of pastry matured in low temperature for long time, and filled with maple sheet. The product, which can be toasted for a crispy texture and maple aroma, is made with high quality Canadian wheat and Canadian maple syrup. It is free from yeast food and emulsifier. The product retails in a new 2 x 82g pack and is also available in a 5-ct. pack.

Blueberry Mix Smoothie
Company: Kagome
Brand: Kagome Yasai Seikatsu 100
Price (US$): 1.39
Category: Juice Drinks
Launch Type: New Variety/Range Extension
Date Published: Dec 2015
Packaging: Carton, Board plastic lined
Claims: Convenience, Positioning, Natural, Ethical and Environmental, No Additives/Preservatives, High/Added Fibre, Low/No/Reduced Sugar, Low/No/Reduced Sodium

Product Description: Kagome Yasai Seikatsu 100 Blueberry Mix Smoothie is made with vegetables required for half a day, which is 175g. It also contains dietary fibre and is claimed to have a thick texture with no added sugar, sweeteners or thickeners. It has a 55% vegetable juice content and 44% fruit juice content with 1% dietary fibre. The product retails in a 330ml carton.

Hiroshima Oyster Ajillo
Company: Aeon
Brand: Aeon Topvalu
Price (US$): 4.36
Category: Processed Fish, Meat & Egg Products
Launch Type: New Variety/Range Extension
Date Published: Dec 2015
Packaging: Can, Metal Steel
Claims: Convenience, Positioning, Natural, Ethical and Environmental, Economy

Product Description: Aeon Topvalu Hiroshima Oyster Ajillo is an aromatic product simmered in garlic and olive oil. It retails in a 70g pack

Source for all: *Mintel, 2016*

FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in Japan**
  http://www.tradecommissioner.gc.ca/eng/offices-japan.jsp

- **Find a Trade Commissioner**
  www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

For additional intelligence on this and other markets, the complete library of Global Analysis reports can be found under *Statistics and Market Information* at the following link, arranged by sector and region of interest:

- ats-sea.agr.gc.ca

For additional information on FOODEX 2015, please contact:

- **Ben Berry**, Deputy Director
  Trade Show Strategy and Delivery
  Agriculture and Agri-Food Canada
  ben.berry@agr.gc.ca

RESOURCES

Asian Productivity Organization. "Green Purchasing Initiatives by AEON Co., Ltd."
www.apo-tokyo.org/gp/e_publi/survey_gpp/japan_aeon_case.pdf
Accessed: 07 November 2012

Aeon. "Environmental and Social Initiatives"
http://www.aeon.info/export/sites/renewal/common/images/en/environment/report/e_2012pdf/e_all.pdf
Accessed: 2012

Circle K Sunkus. "Corporate Social Responsibility - Environmental Activities"
http://www.circleksunkus.jp/english/csr/ea/
Accessed: 2012

Japan National Tourism Organization. "2015 Foreign Visitors & Japanese Departures"
https://www.jnto.go.jp/eng/ttp/sta/PDF/E2015.pdf
Accessed: 2016

Euromonitor International, Database, 2015, 2016

Analysis:

- "Japan: Country Profile" October 2015
- "Economies and Consumers Review" October 2015
- "The 12th edition of the Retail Asia-Pacific Top 500" July 2015
- "Grocery Retailers in Japan" March 2015
- "Internet Retailing in Japan" March 2015

- “Consumer Lifestyles - Japan” September 2014
- “Consumer Lifestyles in Japan: Consumer spending slump after sales tax rise, but will there be lasting impact on shopping behaviour?” May 2014
- "Mixed Retailers in Japan” February 2014
- "Packaged Food in Japan" January 2014
- "Ready Meals in Japan" January 2014

Mintel Global New Products Database, 2015, 2016

FamilyMart. (2012). “CSR - Environmental Protection Activities” http://www.family.co.jp/english/csr/environmental.html Accessed: 22 October 2012

KPMG. “Grocery Retailing in Asia Pacific” http://www.kpmg.com/CN/en/IssuesAndInsights/ArticlesPublications/Documents/Retailing-Asia-Pacific-200610.pdf Accessed: 22 October 2012

Lawson. (2012). “Corporate Social Responsibility” http://lawson.jp/en/csr/ Accessed: 22 October 2012

The Ministry of Agriculture, Forestry and Fisheries of Japan. “Labeling Standard for Genetically Modifie Foods” http://www.maff.go.jp/e/jas/labeling/modified.html

Seven & I Holdings. (2012). “Corporate Social Responsibility Report.” http://www.7andi.com/dbps_data/_template_/_user_/_SITE_/localhost/_res/en/csr/csrreport/pdf/2011_all.pdf Accessed: 22 October 2012

MODERN GROCERY RETAILING IN JAPAN

Global Analysis Report

Prepared by: Mengchao Chen, Co-op Student

Photo Credits
All photographs reproduced in this publication are used by permission of the rights holders.
All images, unless otherwise noted, are copyright Her Majesty the Queen in Right of Canada.

To join our distribution list or to suggest additional report topics or markets, please contact:

Agriculture and Agri-Food Canada, Global Analysis
1341 Baseline Road, Tower 5, 3rd floor
Ottawa, ON
Canada, K1A 0C5
E-mail: MAS-SAM@AGR.GC.CA

The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada (AAFC) assumes no liability for any actions taken based on the information contained herein.

Agriculture and Agri-Food Canada provides this document and other report services to agriculture and food industry clients free of charge.

STAY CONNECTED