
Overview of Coffee Market in Japan

5th , May 2016
By Kanematsu Corporation

Who is KANEMATSU?



Corporate Name	KANEMATSU CORPORATION
Tokyo Head Office	2-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8005, Japan
President & Chief Executive Officer	Masayuki Shimojima
Established	August 15, 1889 (127 years)
Paid-in Capital	¥27,781 million
Stock Exchange Listings	Tokyo
Main Business Field	Trading in various kinds of commercial products, investment in businesses
Number of Offices	Domestic: Head office 1, Branches 6, Overseas: 39
Number of Employees	Headquarter: 813 Affiliated companies: 6,002

An aerial photograph of a modern, multi-story glass skyscraper with a blue facade, surrounded by greenery and other buildings in an urban setting.

Kanematsu Coffee Team is...

KANEMATSU Coffee Team is belonged to the Food Department and formed by 5 traders (4 in Tokyo + 1 in Osaka), and 1 assistant.



Our annual import volume is 10,000 tons of coffee green beans. Mainly from Brazil, Ethiopia, Indonesia, Guatemala, Colombia, PNG, and Jamaica etc.

Our function is import, storage, and distribute green beans to the roasting companies adding some finance. We do not have our own roasting facility but in many occasion we are dealing roasted beans too, working as a business coordinator.

Agenda of this presentation

Overview of Coffee Market in Japan

1. BASIC UNDERSTANDING

What makes Japanese market unique?

2. STATISTICS

Import history, demand by types

3. CONSUMPTION

Products, occasion, and players

4. Specialty Coffee in Japan

Kanematsu's Specialty Coffee Sales

5. Future Forecast & Suggestion

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Three factors drive Japanese market unique

✓ One person, can have lots of ways of consumption

Men or women, young or old one, has possibility of consume various types of coffees. Drip coffee in the morning, canned coffee when driving, espresso after dinner.

✓ Many opportunities of purchasing coffee product

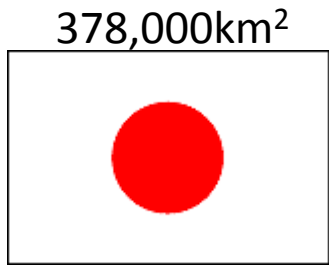
Convenient stores, vending machines, cafes, many outlets are available in town

✓ Rapid movement on new product launch cycle

Due to high competition against retail stores, manufacturer are obliged to make the product cycle shorter

1. BASIC UNDERSTANDING

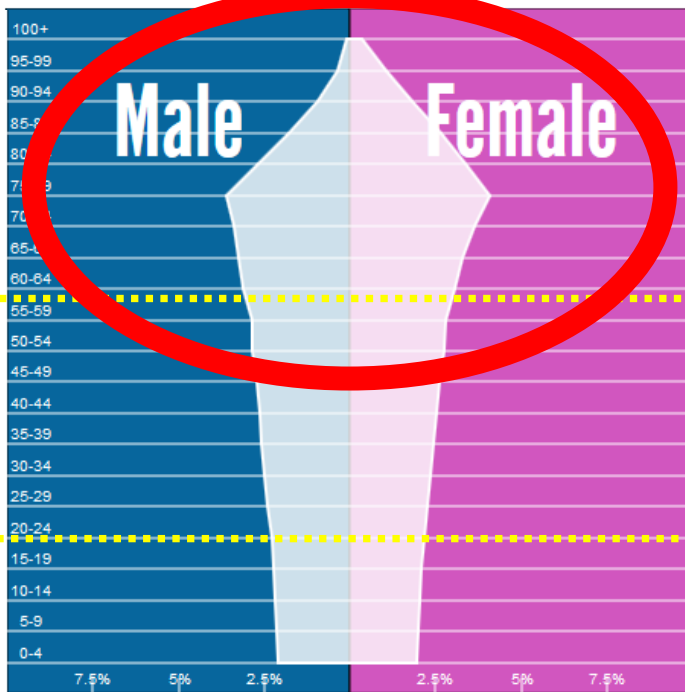
Population



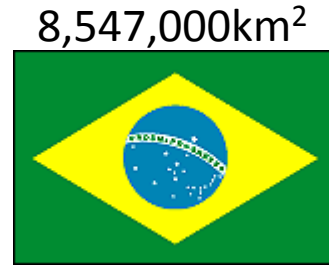
126 million (year 2015)

↓ - 0.19

107 million (year 2050 est)



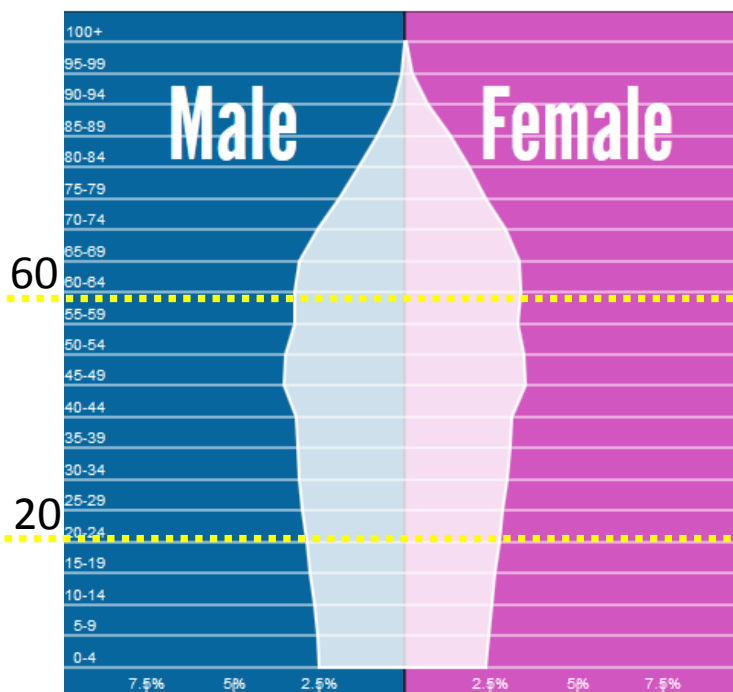
Birth Rate 1.42



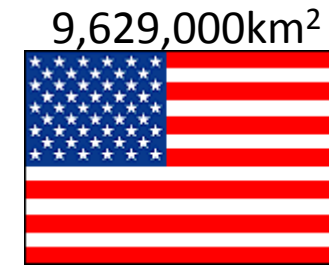
207 million (year 2015)

↓ + 0.31

238 million (year 2050 est)



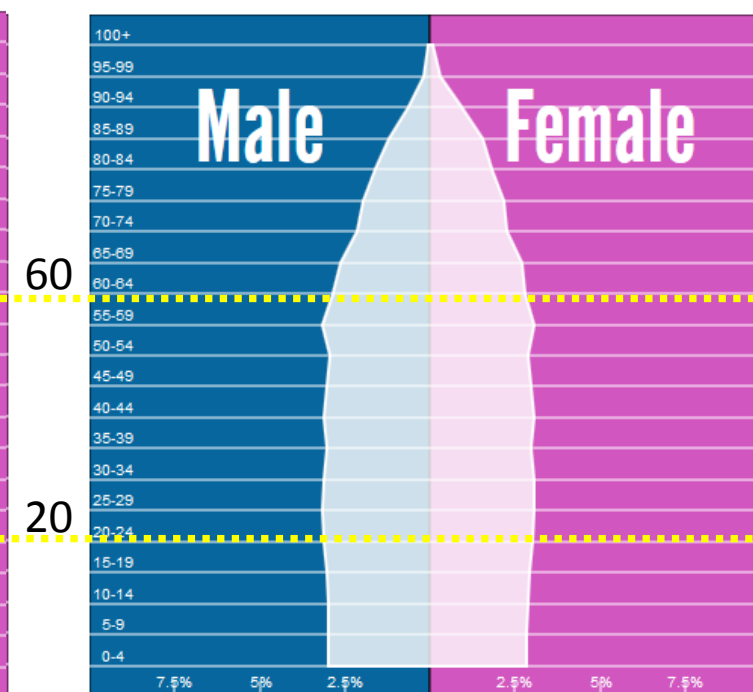
Birth Rate 1.80



321 million (year 2015)

↓ + 0.67

388 million (year 2050)



Birth Rate 1.86

Japan has one of the most aging population in the world.

Data: <https://populationpyramid.net/>

In Japan major part of roasters purchase green beans from trading companies.

Because roasters can enjoy following benefits...

- ✓ Eliminating headache in English communication
- ✓ Hedging risk of Future market and FOREX to Traders
- ✓ Payment, 90 to 120 days after delivery
- ✓ Replacement, if cupping result was bad

Trading Companies "SHOSHA"



International Majors Japan Branch



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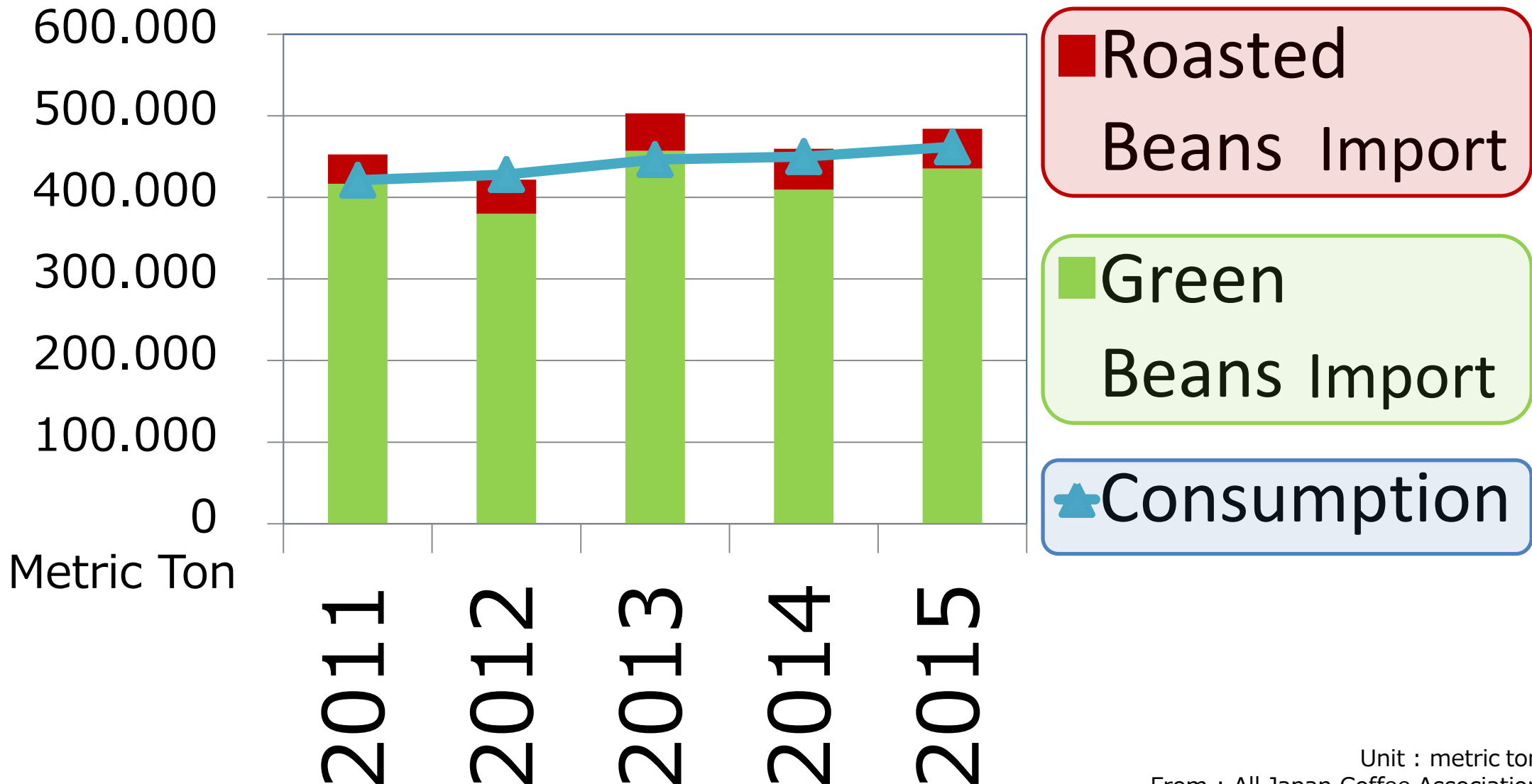
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The statistic of Import/Consumption

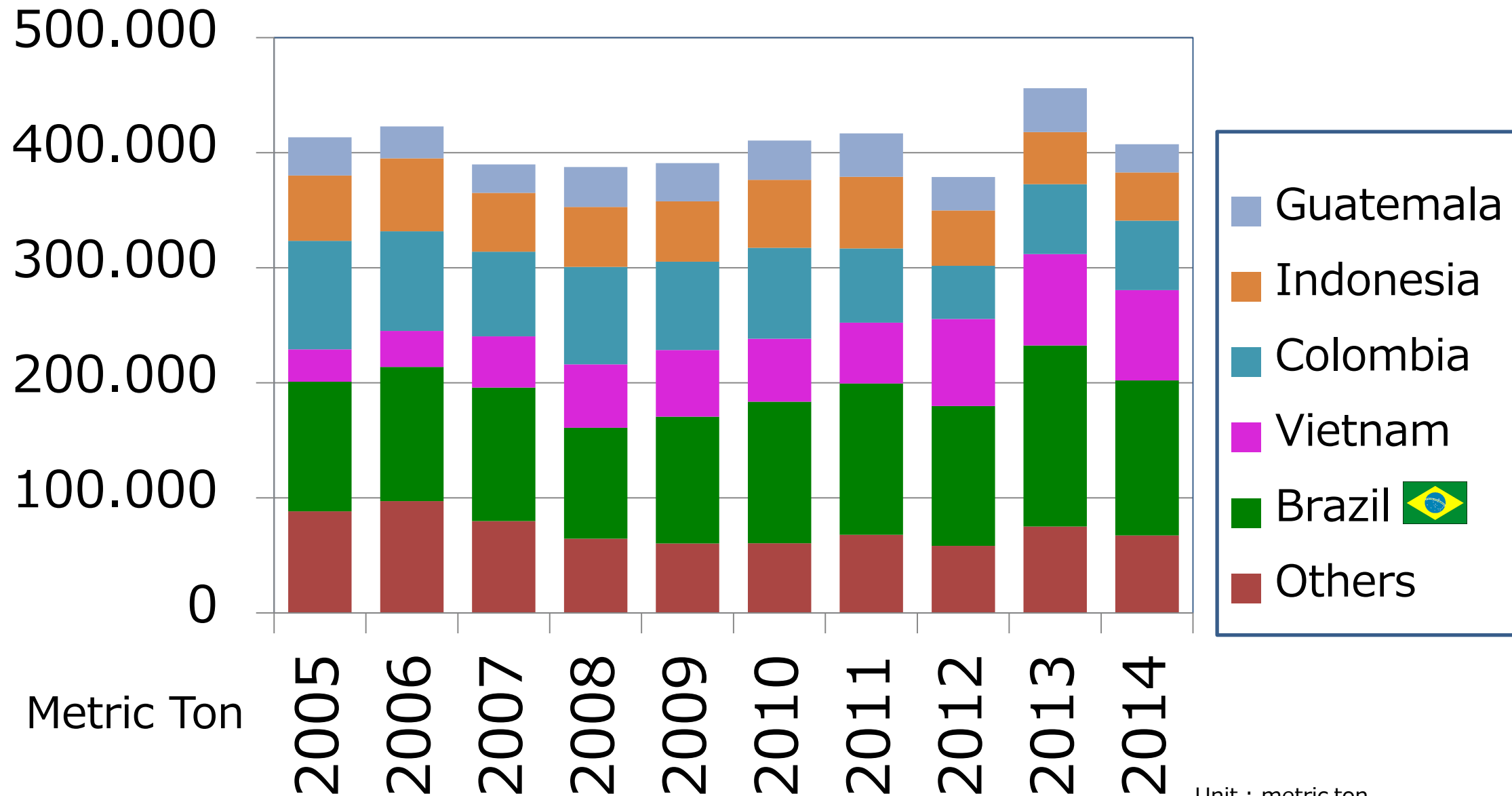
Recent 10 years, annual GB import is **400,000MT** in average.
4th largest consuming country after USA, Brazil, & Germany



Unit : metric ton
From : All Japan Coffee Association

Top 5 countries of green coffee beans /Japan imports

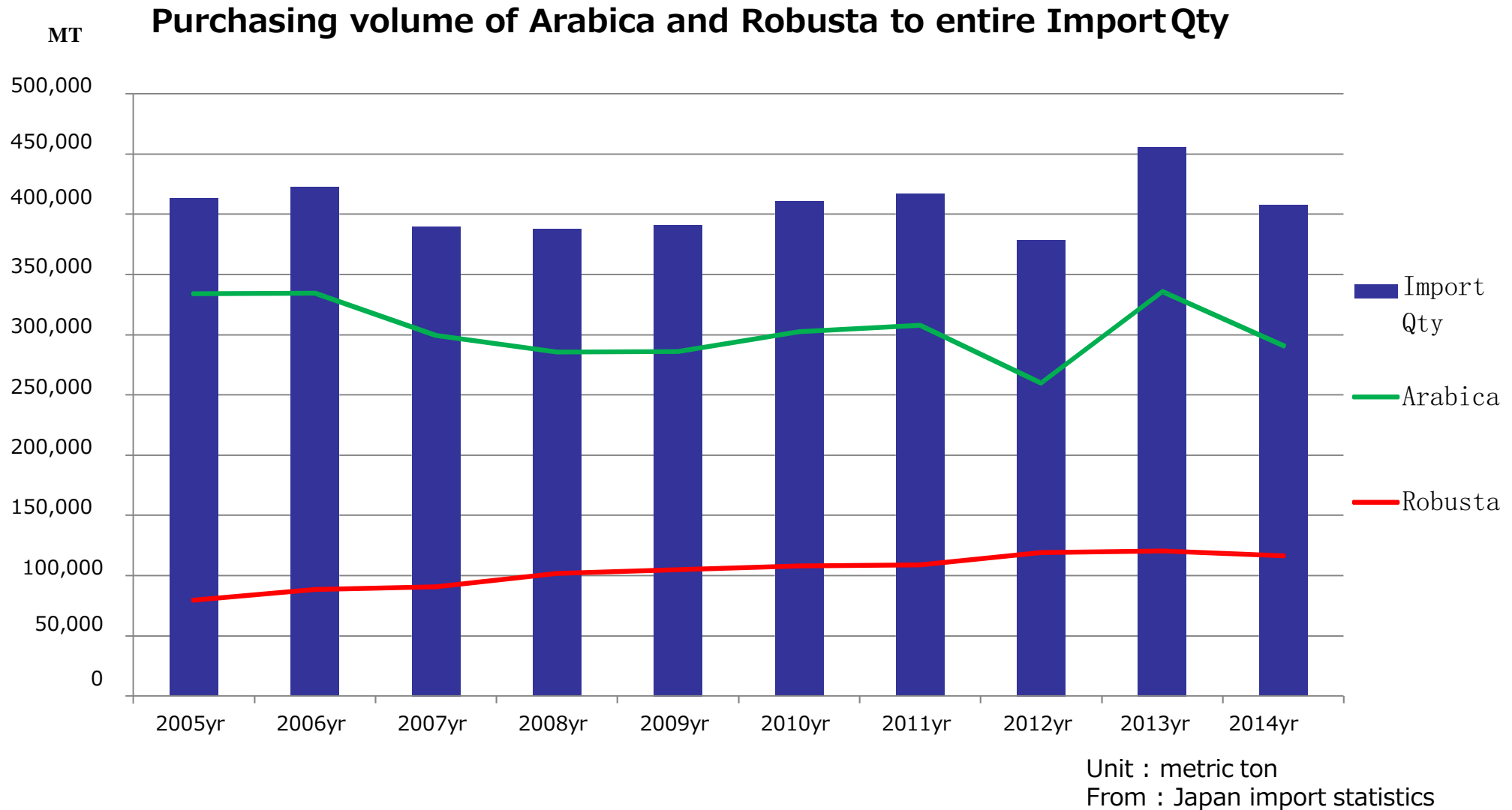
Brazil covers 30% and 2 millions of bags for a decade



Unit : metric ton
From : Japan import statistics

Purchasing volume of Arabica and Robusta

Roughly Japan imports Arabica 75% : Robusta 25%



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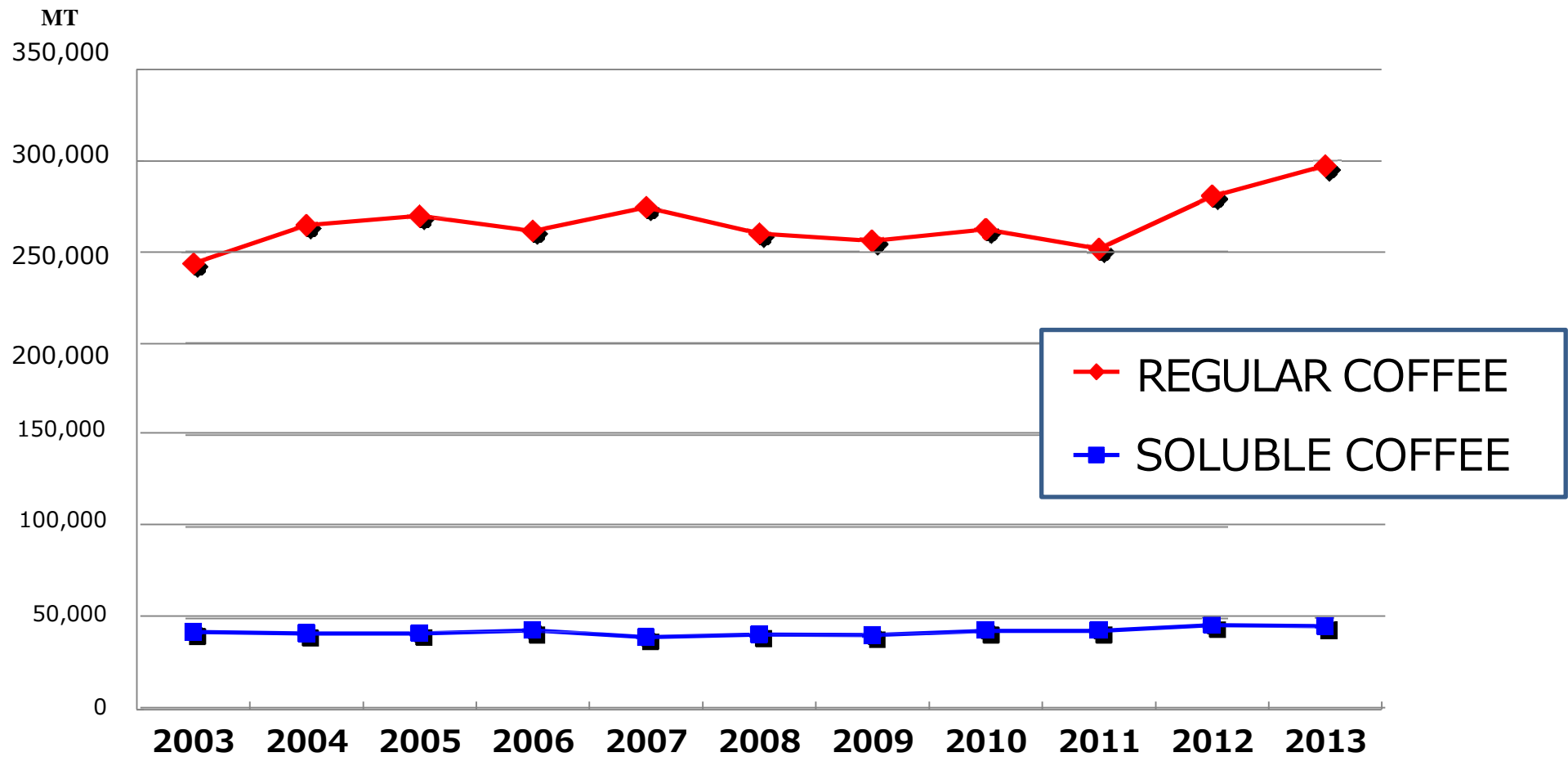
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Outline of consumption of Regular & Soluble Coffee

Regular (Roasted & Ground) Coffee **85%** : Soluble **15%**



Data From The All Japan Coffee Association

For what usage, is coffee consumed in Japan ?

Each category has volume of 1/3 of total consumption roughly



Coffee Product Types

Many coffee related derivative products make Japanese market unique

Roasted & Ground



Drip Bags



Soluble & 3 in 1



PET Bottles



Ready to Drink (Canned & Chilled*)



Numbers of Retail locations in Japan



2,500,000



VENDING MACHINE



44,000

CONVENIENT STORE



39,000

SUPERMARKET



5,500

COFFEE SHOP CHAIN



33,500

Shell GAS STATION

Data: from Website of the Association of each category

Consumption Occasion for Home usage

Super Markets and Department store provides a lot of occasions and varietal product to be chosen for coffee consumers.

Super Markets

- ✓ AEON group
- ✓ Seven & I group
- ✓ Uny group

39,000
locations



AEON

 **セブン&アイ HLDGS.**

Department store

Mitsukoshi / Isetan Group

- ✓ Takashimaya
- ✓ Hankyu / Hanshin Group
- ✓ Sogo etc...

250
locations



 **Takashimaya**



ISETAN

Consumption Occasion for Café & Restaurant

✓ Coffee Shops

DOUTOR
EXCELSIOR CAFFÉ

1,345



STARBUCKS®

1,034

UCC
Good Coffee Smile



650

TULLY'S
COFFEE

588



199



CAFÉ de CRIÉ

160

✓ Fast Foods



3,300

MOSBURGER

1,412

mister
Donut

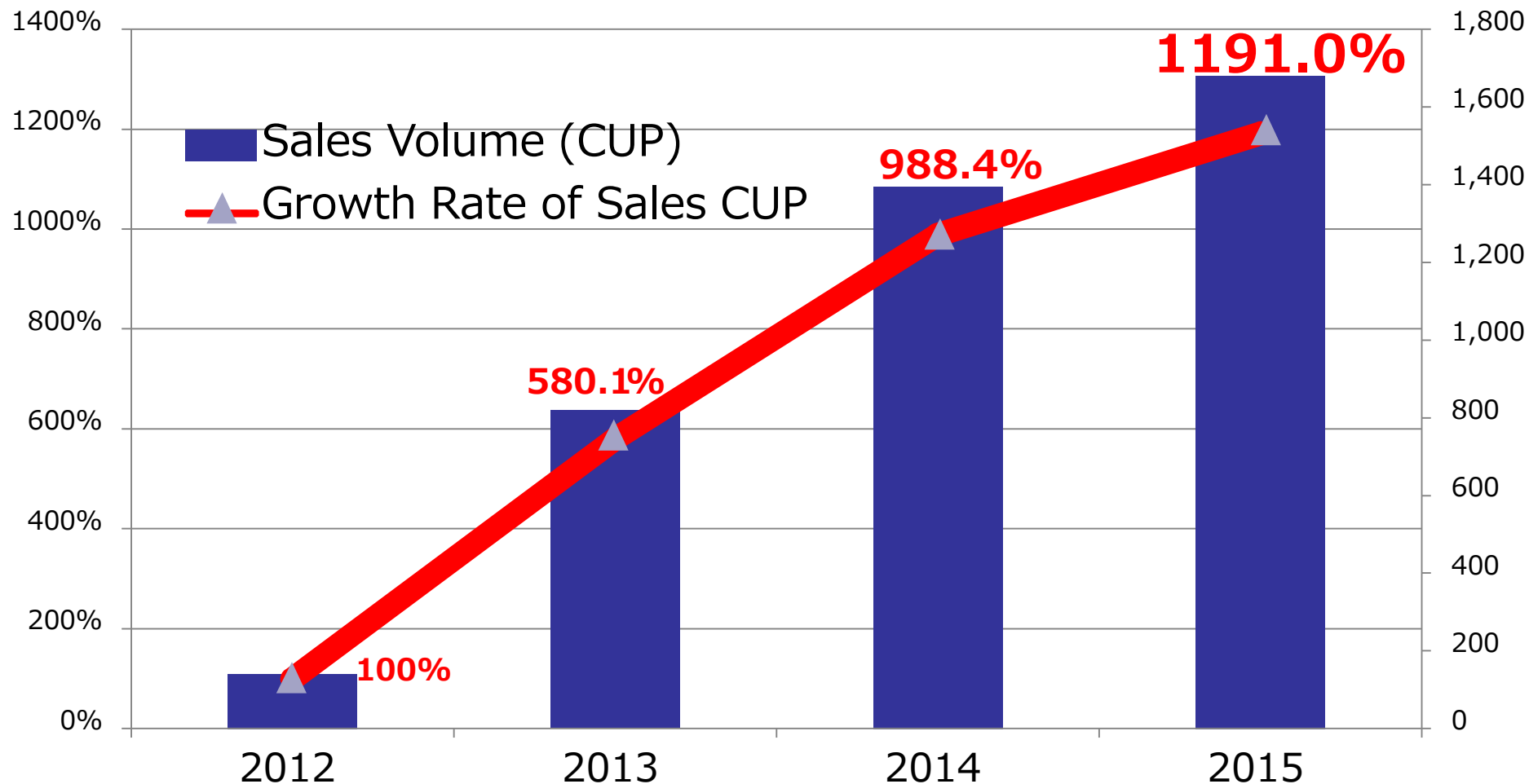
1,377

Data: Internet Navar Matome 2012 (<http://matome.naver.jp/odai/2133896164731497801>),
or website of each service provider

Market trend of Drip Machine at Convenient Stores

Growth Rate of Drip Machine at Convenient Stores

Million cups per year



Market Share In Regular Coffee Consumption

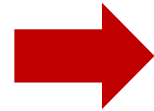


New Consumption Occasion at Convenience Stores

Casher



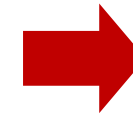
**Order Coffee &
Get a cup**
(ice included if you
order ice coffee)



Coffee Dripper



**Drip Coffee by
Machine**



HOT

or



COLD





Prices of coffee at Convenient store

Drip coffee, small size

Store					
Price (JPY)	100	100	100	100	100

-----Comparison-----

JPY 100 = R\$ 3.20

JPY 100 = US\$ 0.90



= 120



= 220

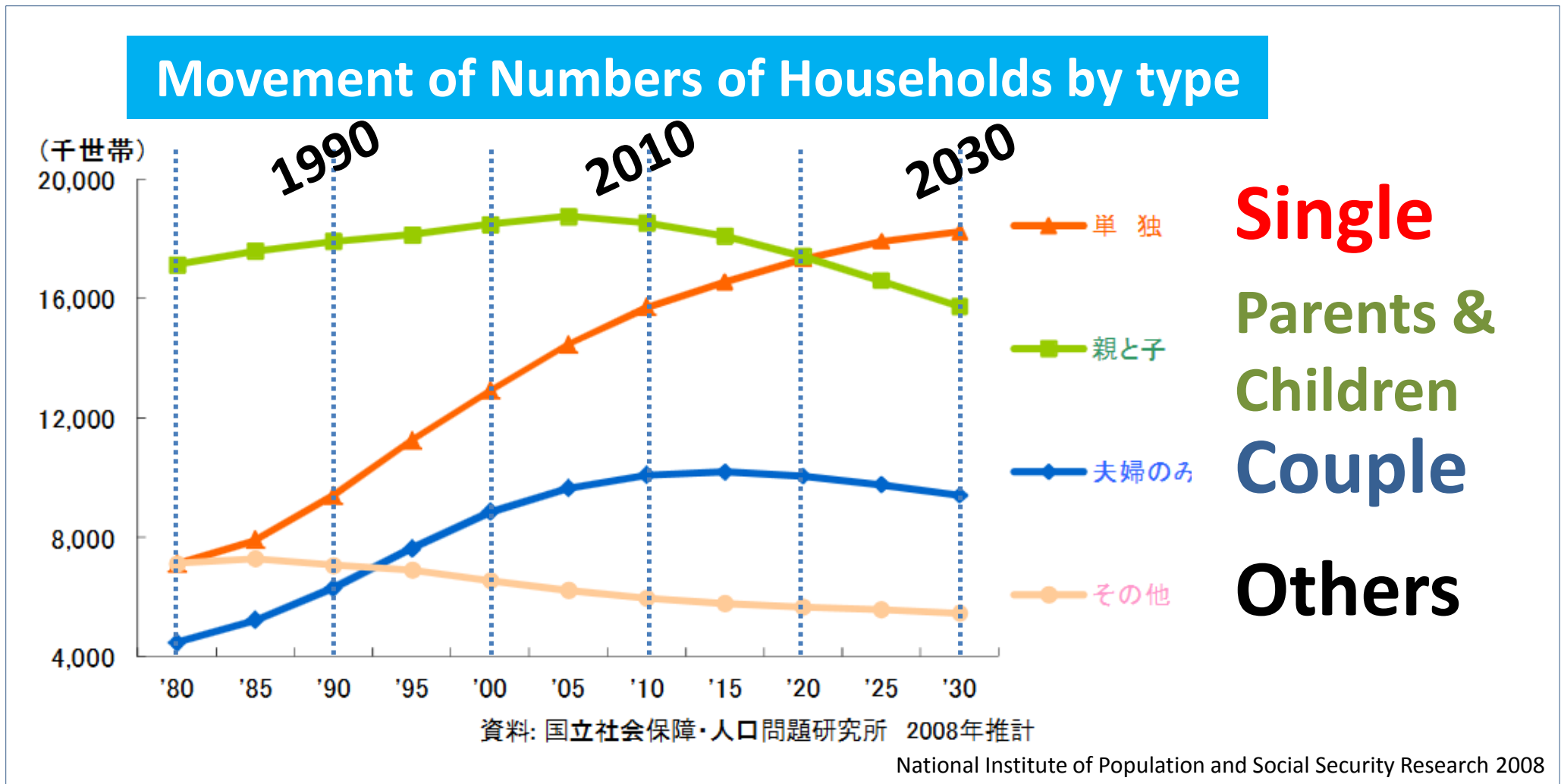


= 280



STARBUCKS®

By 2030, only “single households” to increase



Not only capsules, but also the other types of “single serves” might have chance due to availability of many options of products.

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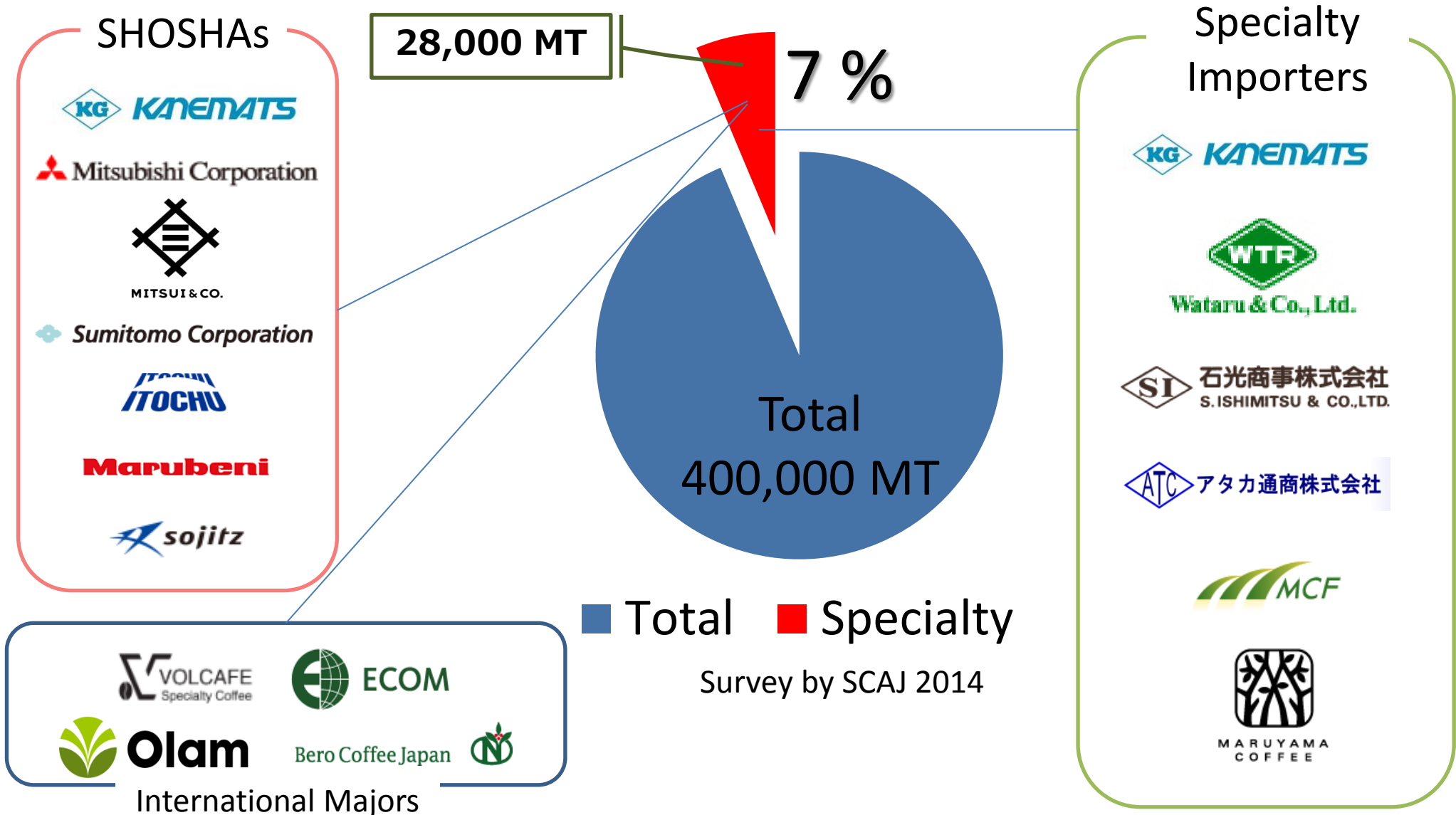
4. SPECIALTY COFFEE IN JAPAN

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Market Size of Specialty Coffee in Japan

According to the survey of SCAJ, Specialty Coffee covers 7% of its market share of total green bean import



Who uses Specialty Coffee?

Other than industrial roasters (total 28,000MT),
10%* of Specialty Coffees go to 4,000 micro roasters.

* estimation by KANEMATSU

UCC
Good Coffee Smile

KEY COFFEE

Coffee Please.
AGF

ネスレ
Nestle
Good Food, Good Life

BIG ROASTERS

HAMAYA
Study time since 1924

OGAWA COFFEE

ART COFFEE

KALDI

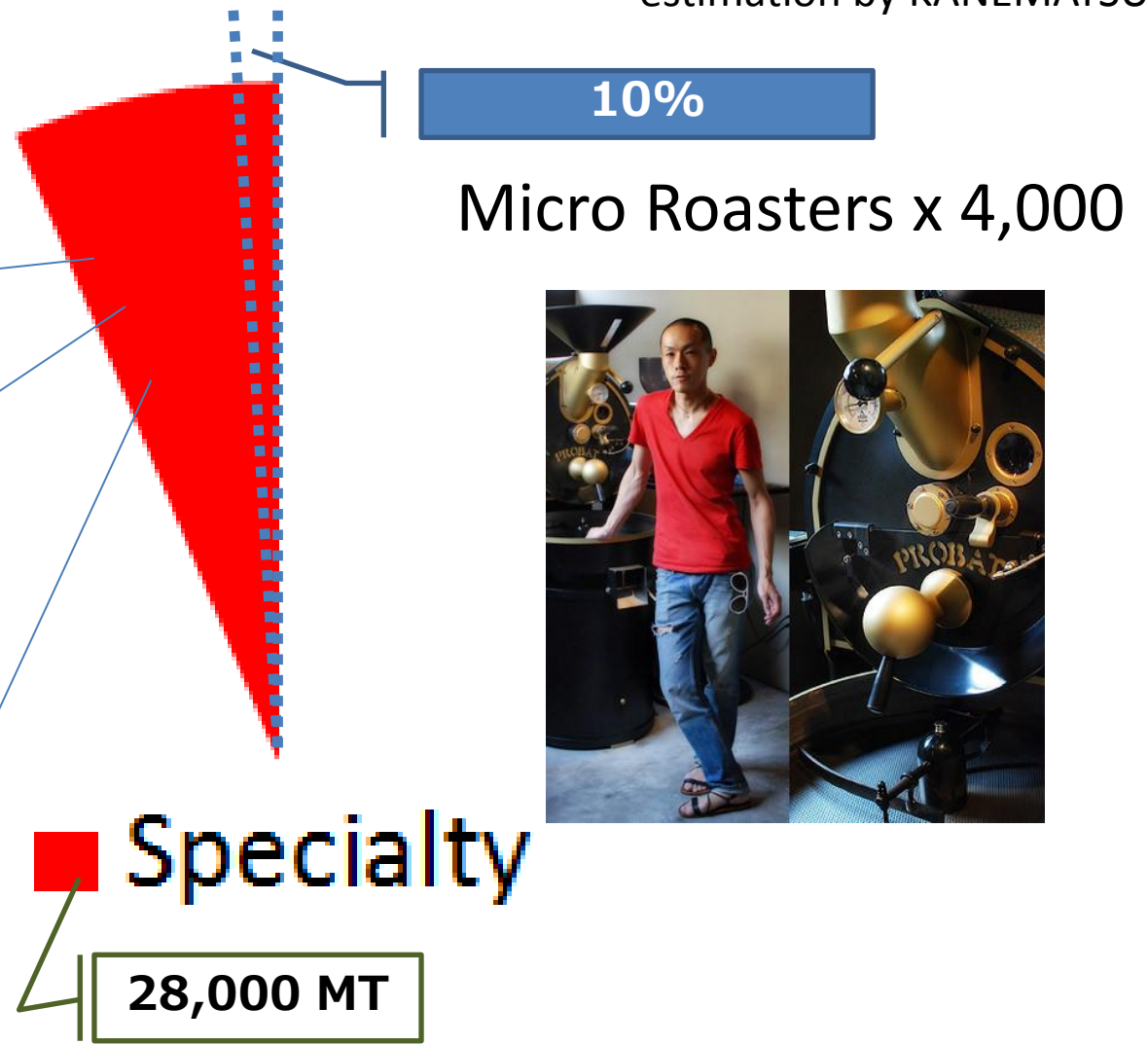
MEDIUM SIZED ROASTERS

ALLIED COFFEE ROASTER

UNICAFÉ

MJB
since 1881 San Francisco

PRIVATE LABEL ROASTERS



Our "COFFEE NETWORK" system

Delivery within 2 DAYS after the click

COFFEE NETWORK
Life with specialty coffee

DATERRA Daterra Sustainable Espresso
エスプレッソのための最高級生豆を 24kg 真空パックでお届け

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PANAMA
Cafetalera Fernandez
Gran Del Val Typica

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- 2016年03月29日 ★ルワンダ・コーバックより新商品ニャムウエンダ&カピリジ入荷★
- 2016年03月03日 ☆今後の商品予定/ブラジル・ダテラ農園☆
- 2016年01月27日 ◎ルワンダ コパカマ・ブルボン 入荷◎
- 2016年01月18日 ☆ダテラ農園 NY2/3 新規販売☆
- 2015年12月25日 【復旧しました】20kg軽量パッケージについて

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USER VOICE

口コミ情報
評判が今一つですが、私の

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ISSUE 1 that  will face : Aging Society

The group of over 60s will grow and their quality requirement will become higher and developed. Brazil, that has varietal production sight, can be able to supply what the society demands. It is important to invest in specialty coffee production technology in order to compete with the other origins of coffee production.

ISSUE 2 that  will face : Increasing Single Household

The category of single serve product will increase from now on, too. Brazil, like it has been for now, will maintain its important role for Japan to supply good volume and stable quality coffee.

QUESTION & ANSWER

YUJIRO TAKEI
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Appreciation

Born in Kyoto/Japan 1910
Settled in Brazil 1932
Established JACTO 1949

Invention of Coffee
harvesting machine 1979



Mr. SHUNJI NISHIMURA



Jacto

Jacto é a melhor do agronegócio de Melhores e Maiores 2014



Recomende



3.058 views



0



Salvar notícia

Divulgação/Jacto





FUNDAÇÃO
SHUNJI NISHIMURA
DE TECNOLOGIA

2011

Donation to Sao Paulo estate



Faculty of Technology

1982

**Colégio Técnico
Agrícola de
Pompéia**



College of Agriculture & Technology

2012

Donation to Federation of the
Industry



School of Industrial Training

END

YUJIRO TAKEI
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