

Functional Foods / Health-oriented Foods

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INTRODUCTION

Consumer's awareness to health is rising. Well-known products such as citric acid, collagen, glucosamine and hyaluronic acid are popular.

Citric acid is used in dietary supplements and sports drink as it is said to help recover from fatigue and absorb calcium. Starting from China, it is imported from Austria, Columbia, United States, and



Uruguay. China is one of the largest citric acid producing countries. Below are the data for imported citric acid and glucosamine.

Import Statistics of Citric Acid (Unit: kg/1,000yen)

Country	2008		2009		2010			
	Quantity	Amount	Quantity	Amount	Quantity	YY	Amount	YY
China	35,876,766	4,658,857	32,517,851	3,529,465	36,232,083	111%	3,432,572	97%
Austria	2,546,875	449,733	2,109,125	397,029	3,293,460	156%	456,806	115%
Colombia	355,625	42,929	403,525	60,244	287,800	71%	41,883	70%
U.S.A	438,667	85,988	324,631	93,781	93,530	29%	28,676	31%
Uruguay	136,235	20,057	179,719	39,302	93,321	52%	22,191	56%
Belgium	100,000	14,161	68,000	11,663	67,250	99%	10,780	92%
Australia	53,746	10,307	28,807	5,766	33,171	115%	6,063	105%
Canada	-	-	-	-	32,000	-	6,429	-
Korea	6,018	2,238	19,584	5,980	21,147	108%	6,627	111%
Germany	5,255	6,351	10,532	14,589	2,215	21%	2,380	16%
Other country	965,228	108,809	4,506	3,117	1,625	36%	1,413	45%
Total	40,484,415	5,399,430	35,666,280	4,160,936	40,157,592	113%	4,015,820	97%

Sources: Compiled from Ministry of Finance "Import Customs Statistics".

Import Statistics of Glucosamine (Unit: kg/1,000yen)

Country	2008		2009		2010			
	Quantity	Amount	Quantity	Amount	Quantity	YY	Amount	YY
U.S.A	1,010,890	1,022,190	721,226	596,505	716,571	99%	755,700	127%
China	114,959	377,285	201,658	365,177	334,847	166%	1,700,272	466%
Slovakia	134,500	33,436	235,500	49,102	184,625	78%	47,534	97%
Indonesia	238,500	58,968	173,000	32,066	179,000	103%	46,808	146%
Germany	123,499	549,671	71,056	426,014	116,231	164%	383,040	90%
U.K.	312	52,251	201	1,461	105,200	520 times	32,528	22 times
France	58,076	211,013	44,550	133,037	33,750	76%	105,879	80%
Switzerland	90,016	2,184,852	12,336	111,318	29,113	236%	240,311	216%
Holland	-	-	184	2,879	12,000	65 times	8,816	306%
Hungary	121,782	141,128	26,772	253,973	10,854	41%	106,113	42%
Other country	140,529	694,279	37,807	653,125	30,069	79%	551,983	85%
Total	1,911,281	5,183,945	1,497,434	2,367,805	1,729,406	115%	3,864,055	163%

Sources: Compiled from Ministry of Finance "Import Customs Statistics".

Dietary supplements are divided into two. One is an overall supplement with vitamins and minerals, and the other is purpose & solution oriented supplement. For example, supplements that help maintain healthy eyes for people who are in front of the computer

contain blueberries. Dietary supplements with brindleberry (Garcinia Cambodia) will help accelerate metabolism. To gain energy and stamina, there are products blended with arginine and cordyceps sinensis saccardo. There are healthy drinks to advance health that includes propolis and fucoidan.

Domestic multifunctional foods are as listed below

- Soybean multifunctional foods such as soybean bars and carbonated soybean drinks are attracting attention. "SOY JOY" from Otsuka group and "SOYSH" a carbonated soybean drink are new products containing all the functions of soybeans.
- A dairy lactobacillus drink, "Yakurt" sells over an average of 30 million per day (monthly) in the world. "Mil Mil" is a yogurt drink fermented for the first time in the world with lactobacillus bifidus particular to milk.
- AGF (Ajinomoto General Foods) found out about coffee oligosaccharide, which have health functions that helps intestinal regulation, and produced "Blendy Stick Cafe Au Lait Morning Style."
- Kaneka started selling "Reduced Form Coenzyme Q10" in 2010 and it is proved by animal testing to prevent Influenza A virus.
- Tujiseiyu's main force is the beauty drink that includes moisturizing component called ceramide, along with collagen that gives flexibility to the skin, elastin peptide, vitamin C and B.
- Lonza Japan is selling "L-Carnitine", which is good for improving neutral fat. It is included in many types of foods such as drinks, jelly, and supplements.

Recently, mail orders are increasing as a way of selling the product. With mail orders, the success rate is high because it explains each of the products' features carefully over and over again, allowing the "single article appeal" to stay fixed in the consumer's minds. In single article appeal, it is important to show the individuality of the company and its



functional items that are limited to that company. With functional items, one is something direct like supplements, and the other is something indirect like foods and drinks that include those items. In the health foods industry with many ambiguous points, "evidence" used to be the keyword. From now on, in addition to data and words, it is important that the consumers could "feel" the direct effect of the product.