

## Organic Foods / Health-oriented Foods

February 5, 2018

~ Women who spare no expense in health and beauty drive the market ~

The organic food market is expanding. Major distributors are opening organic specialty shops in the Tokyo metropolitan area, new tradeshows featuring organic life styles are starting, and organic related businesses are becoming more active. These factors are pushed by consumers' rising consciousness towards health, and consumption is supported by women.

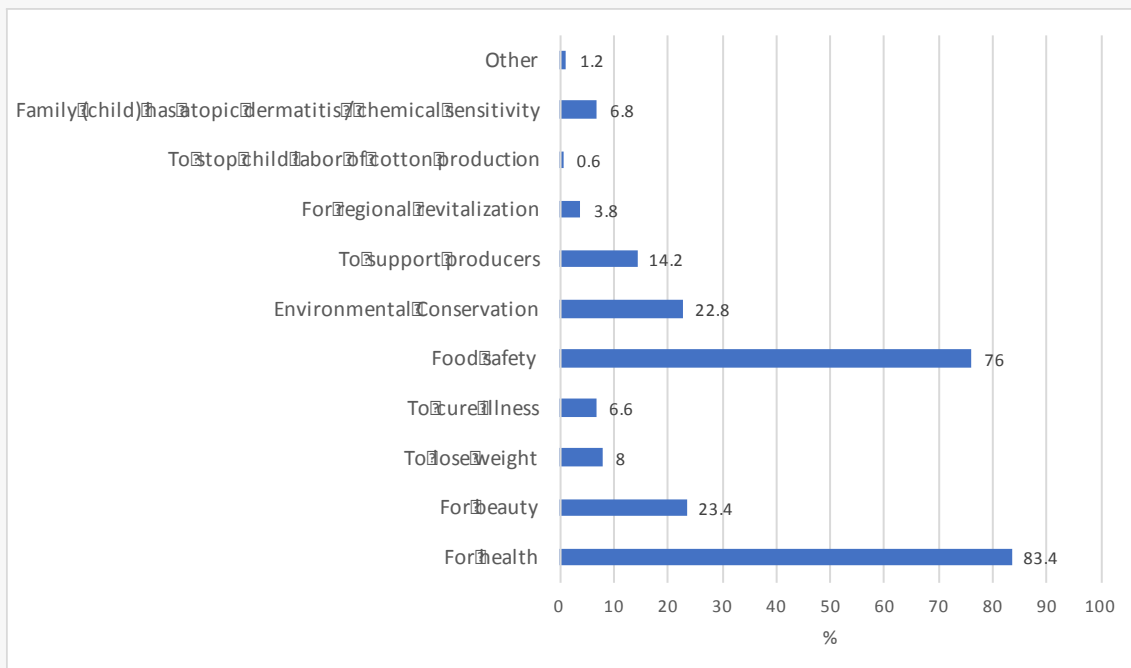
### <Viewing Changes in the Domestic Organic Market from Market Research Results>

A business magazine "Organic Vision" conducted a research targeting 10,000 general consumers. To the question "Have you ever eaten organic products?", about 40% (3,972) answered "yes". This was followed by the question, "How often do you eat organic products?" and received the following answers: "Almost every day (3.2%)", "Few times a week (8.6%)", "About once a week (8.6%)". This shows that about 21% (835) are consuming organic products on a regular basis.

Here are some research results that would become useful when entering the Japanese market.

#### (1) "Why do you buy organic products?" (Multiple answers allowed)

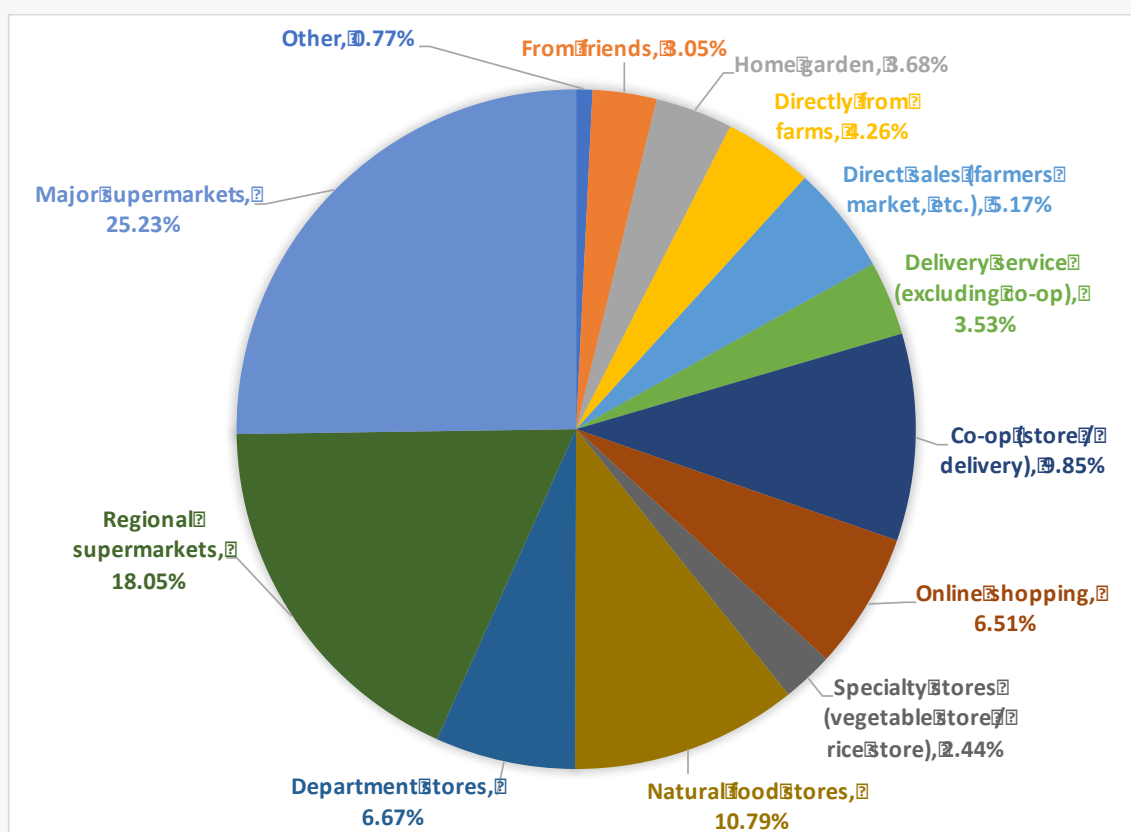
About 80% answered "health" and "safety" followed by "beauty" and "environment". With higher medical expenses and uncertainty of the future, consumers are becoming more protective of themselves. As an easy way of promoting a healthy life, more people are reconsidering their day to day living and food is the central component.



Sources: Organic Vision

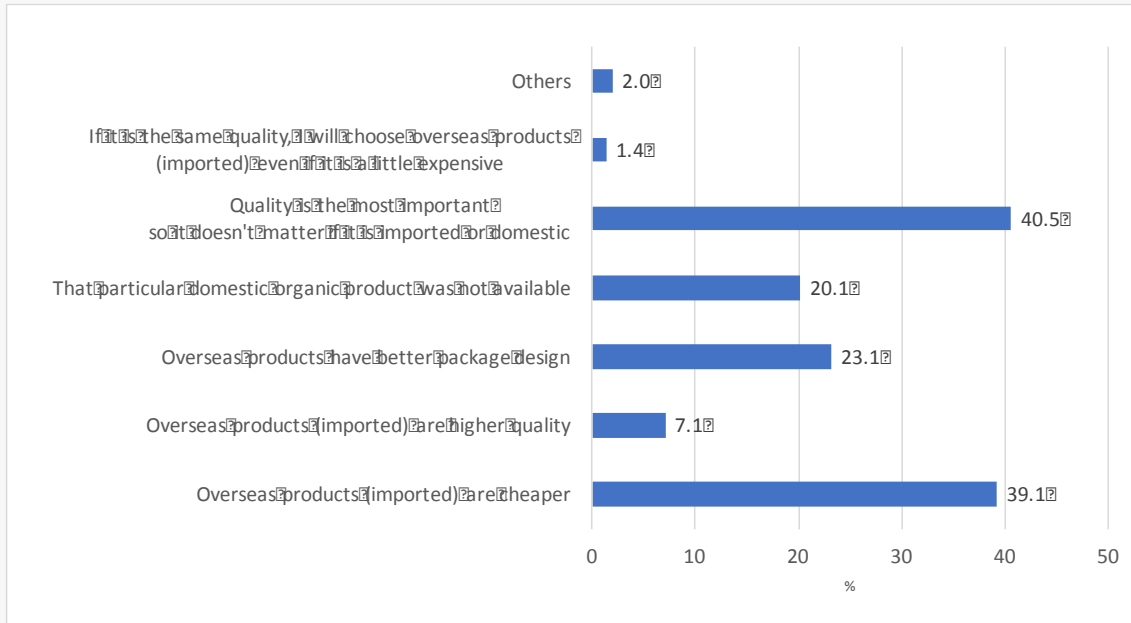
## (2) “Where do you buy organic products?”

About 60% purchase organic products at retail stores. Aeon, a general merchandizing store, launched a private label line dedicated to products with organic certificates. They aim a six-fold increase in the share of organic agricultural products by 2020. In addition to small and medium sized natural / organic specialty stores, general retail stores are starting to handle organic products. Needless to say, the online market is also booming. Oisix who provides home delivery service of vegetables merged with Daichi Wo Mamoru Kai (Chiba City) and started the largest vegetable delivery company in Japan. These activities are backed up by the prospering market.



### (3) “Evaluation of overseas organic food products”

When comparing overseas and domestic organic food products, Japanese consumers value quality the most. The most common opinion was that it doesn’t matter if it is imported or domestic.



### (4) The following 6 categories were the top answers to the question “What information do you value most when purchasing food items including organic?”

Price, genetically modified, place of origin, ingredients, additives, and chemical seasonings.

The biggest challenge of the Japanese food distribution industry is how to provide unique products or items with high added values. Organic and natural are powerful and effective words for marketing. The market continues to expand each year.

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