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JETRO Japanese Market Report

– Regulations & Practices –

Coffee

CONTENTS

(Yen-Dollar Exchange Rate)

Year	Yen/US$
1992	127
1993	111
1994	102
1995	94
1996	109

Source: "International Financial Statistics," IMF

Introduction

This report will discuss the following product categories.

Green (unroasted) coffee beans:

Green coffee beans are stripped of their outer skin, flesh and inner skin, and then are dried or subjected to other refining processes. Since Japan produces no coffee beans, it relies on imports for its entire supply. Most coffee beans are imported unprocessed (as green beans), and then are roasted, ground and blended before being shipped into the domestic market. Classified into caffeinated and decaffeinated varieties.

Regular coffee:

Roasted coffee beans, and ground roasted beans. Classified into caffeinated and decaffeinated varieties.

Instant coffee:

Coffee ingredients are made into a concentrate and then dissolved in hot or cold water for drinking.

Coffee extracts and essences:

Coffee extract is taken out of the coffee bean and made into a concentrate. It is used for commercial or processing purposes in canned coffee, and as an ingredient of coffee candy and other confections.

Coffee is classified as follows in official customs statistics. Green coffee beans and regular coffee are subclassified into caffeinated and decaffeinated varieties. Coffee extracts and essences and preparations made from coffee are subclassified into sugared and sugarless varieties. Instant coffee includes extracts, essences and concentrates (HS No. 2101.11-210) and preparations made from the foregoing (HS NO. 2101.12-121).

HS No.	Description
0901.11, 0901.12	Coffee, not roasted
0901.21, 0901.22	Coffee, roasted
2101.11	Extracts, essences and concentrates of coffee
2101.12	Preparations with a basis of extracts, essences or concentrates or with a basis of coffee

Coffee beans are divided into three major varieties: arabica, robusta, and liberica. The most widely distributed varieties in Japan are arabica and robusta. Most of the beans used in regular coffee in Japan are arabica beans. Table 1 classifies these beans according to the main places of origin and varieties.

Table 1 Characteristics of Coffee Beans by Variety

Variety	Place of Origin	Characteristics
Mocha	Arabia	Distinctive aroma, slightly acidic taste, full bodied
Brazilian	South America	Moderate flavor, moderate acidity and bitterness, rich aroma
Colombian	South America	Sweet aroma, gentle acidity, smooth body
Venezuelan	South America	Light acidity, mild aroma, distinctive bitterness
Guatemalan	Central America	Sweet aroma, refined acidity, excellent flavor
Mexican	Central America	Moderate acidity and aroma, gentle and elegant flavor
Costa Rican	Central America	Excellent aroma, moderate acidity, elegant flavor
Blue Mountain	Jamaica, West Indies	High quality coffee with excellent balance
Kona	Kona District, Hawaii	Strongly acidic, sweet aroma
Robusta	Indonesia and Africa	Strongly acidic, distinctive aroma
Mandheling	Sumatra, Indonesia	Full-bodied gentle bitterness, elegant flavor
Kilimanjaro	Tanzania	Strongly acidic, sweet aroma, elegant flavor

Ⅰ. Market Overview

A. Consumption of Coffee and Coffee Beverages

Coffee consumption increased dramatically beginning in the late 1970s, and by 1982 total consumption of regular coffee and instant coffee on a volume basis surpassed that of green tea, Japan's traditional beverage. By 1987, Japanese people drank more regular coffee alone than green tea, which showed that coffee had established itself as the non-alcoholic beverage of preference for most people in Japan. On a value basis, the size of the market for regular coffee and instant coffee is estimated at about ¥250 billion.

In the soft drink field as well, canned coffee beverage consumption exceeds that of cola and fruit juice, making it the most popular soft drink of all. Canned coffee beverages are a unique feature of Japanese culinary culture, and the market for canned coffee beverages is estimated at some ¥700 billion. They account for 22.6% of estimated total coffee bean consumption (on a green coffee bean basis).

Table 2 Trends in Consumption of the Non-Alcoholic Beverages

	1987	1992	1993	1994	1995	1996
Regular Coffee	103,144 (100)	122,670 (119)	124,783 (121)	140,693 (136)	140,242 (136)	141,064 (137)
Instant Coffee	42,308 (100)	38,683 (91)	41,044 (97)	39,176 (93)	38,754 (92)	41,111 (97)
Green Tea	98,108 (100)	96,362 (98)	97,276 (99)	90,707 (92)	90,806 (93)	99,096 (101)
Black Tea	8,649 (100)	14,079 (163)	12,693 (147)	14,208 (164)	17,832 (206)	16,582 (192)
Canned Coffee Beverage	1,575 (100)	2,120 (135)	2,342 (149)	2,211 (140)	2,228 (141)	2,226 (141)
Other Coffee Beverage	73 (100)	255 (349)	58 (79)	204 (279)	240 (329)	257 (352)
Cola Beverage	935 (100)	1,165 (125)	1,080 (116)	1,155 (124)	1,130 (121)	1,112 (119)
Other Carbonated Beverage	1,836 (100)	1,810 (99)	1,800 (98)	2,007 (109)	1,831 (100)	1,786 (97)
Fruit Juice Beverage	2,238 (100)	2,219 (99)	2,081 (93)	2,135 (95)	1,981 (89)	1,892 (85)

Note: Parenthesized totals indicate index with 1987 as 100.
Units: Regular and instant coffee, green tea, black tea = tons; Soft drinks = 1,000 kℓ
Source: Upper columns = Ministry of Agriculture, Forestry and Fisheries;
Lower columns = The Japan Soft Drinks Association

According to statistics from the International Coffee Organization (ICO), per capita annual coffee consumption in Japan totaled 2.83 kg on a green bean basis in 1996. If we assume that a single cup of coffee contains 10 g on a green bean basis, this represents coffee consumption of 0.78 cups per day.

Japan ranks third in the world in annual coffee consumption behind the United States and Germany. However, Japan has much lower per-capita consumption than other developed countries, which means that there is considerable room for future growth.

Table 3 Annual Coffee Consumption and Per-Capita Coffee Consumption (1996)

Annual Coffee Consumption		Country Name	Per-Capita Consumption
First	18,038	U. S. A.	4.10
Second	9,775	Germany	7.16
Third	5,922	Japan	2.83
Fourth	5,531	France	5.69
Fifth	4,731	Italy	4.95

Units: Annual coffee consumption = 1,000 bags; Per-capita consumption = kg
Source: Coffee Related Statistics, All Japan Coffee Association

Demand for coffee in Japan, both regular coffee and instant coffee, may be classified by mode of use into commercial use, home use, and industrial use (for making canned coffee drinks and other coffee-based beverages, plus confections). Estimates of coffee consumption on a green bean basis put the ratio of regular coffee to instant coffee at 65:35 out of total consumption in 1996. In 1992 the breakdown of regular coffee consumption by mode of use was split almost evenly between commercial, home, and industrial use. But canned coffee beverage makers switched from instant to regular coffee in 1994, and by 1996 the ratio of industrial usage rose to 41.3% of regular coffee total consumption. Since home use has also been growing steadily, regular coffee has posted overall growth of 22.6% from 1992 through 1996.

Instant coffee is used primarily in the home, with 80% going to home use. Instant coffee consumption had been declining, under pressure from the growing popularity of regular coffee for home use. However, retail price reductions in 1996 increased demand for instant coffee in the home use area. And in the industrial use area, there was an increase in PET bottled coffee beverages made from imported coffee extract. Together these trends led to an increase in consumption of 3.5% over the year before.

Table 4 Trends in Estimated Coffee Consumption on a Green Bean Basis

		1992	1993	1994	1995	1996	96/92
Regular Coffee	Commercial Use	1,109 (35.2)	1,050 (31.3)	1,066 (28.1)	1,022 (26.5)	991 (25.6)	-10.6
	Home Use	1,028 (32.6)	1,196 (35.6)	1,240 (32.7)	1,267 (32.9)	1,280 (33.1)	+24.5
	Industrial Use	1,016 (32.2)	1,113 (33.1)	1,483 (39.1)	1,565 (40.6)	1,595 (41.3)	+57.0
	Total (Annual Change)	3,153 (+0.5)	3,359 (+6.5)	3,789 (+12.8)	3,854 (+1.7)	3,866 (+0.3)	+22.6
Instant Coffee	Commercial Use	197 (9.0)	175 (7.7)	160 (7.5)	152 (7.5)	135 (6.4)	-31.5
	Home Use	1,609 (73.8)	1,734 (76.6)	1,727 (80.8)	1,667 (82.0)	1,701 (80.8)	+5.7
	Industrial Use	373 (17.1)	355 (15.7)	250 (11.7)	214 (10.5)	268 (12.7)	-28.2
	Total (Annual Change)	2,179 (-6.7)	2,264 (+3.9)	2,137 (-5.6)	2,033 (-4.9)	2,104 (+3.5)	-3.4

Note 1: Parenthesized totals show percentage of total for the indicated year.
Note 2: Classification change in 1994 reclassifies some home use consumption as commercial use (office use).
Note 3: Instant coffee totals include imported extract.
Unit: 1,000 bags x 60 kg Source: Coffee Related Statistics, All Japan Coffee Association

B. Green Coffee Bean Imports

Imports of green coffee beans, which serve as raw material for making regular coffee, instant coffee and coffee beverages, grew steadily from 1992 onward, reaching an all-time high of 345,280 tons in 1994. In addition to the upward spike in prices in 1995, the Kobe earthquake dealt a severe blow to the many coffee roasters and processors in the Osaka and Kobe area. The combined effect was a 13.0% drop in imports on a volume basis from the year before. However, imports recovered again in 1996, rising by 8.8% from a year earlier to 326,914 tons.

Two severe frosts in Brazil led to soaring prices on green beans in 1994 and 1995. Since that time prices have tended to be high, and as a result, imports on a value basis for 1996 totaled about ¥98 billion. The average price per ton in 1996 was ¥279,635, up by 47.4% from1992.

The three leading exporters of green coffee beans to Japan are Colombia, Brazil, and Indonesia. Together they account for 60.9% of all imports on a volume basis.

The International Coffee Association (ICA), of which Japan is a member, has established an export quota system that limits the export volume of member producer nations to stabilize international prices. But since October of 1989 the export quota system has been suspended. Beginning in 1993, the Alliance of Coffee Producing Countries (ACPC) established an inventory holding system the purpose of which was to adjust producer nation export limits while maintaining a balance between supply and demand.

Table 5 Trends in Imports of Green Coffee Beans (by Leading Exporting Countries)

Volume Basis

	1992	1993	1994	1995	1996	96/92
Total	293,422	312,524	345,280	300,563	326,914	(+ 11.4)
(Annual Change)	(-2.5)	(+ 6.5)	(+ 10.5)	(- 13.0)	(+ 8.8)	
Colombia	53,793	60,477	75,604	58,686	70,505	(+ 31.1)
	(18.3)	(19.4)	(21.9)	(19.5)	(21.6)	
Brazil	71,516	75,542	78,086	69,003	67,005	(- 6.3)
	(24.4)	(24.2)	(22.6)	(23.0)	(20.5)	
Indonesia	62,424	62,596	65,257	48,475	61,504	(- 1.5)
	(21.3)	(20.0)	(18.9)	(16.1)	(18.8)	
Ethiopia	15,385	18,821	20,794	14,134	19,751	(+ 28.4)
	(5.2)	(6.0)	(6.0)	(4.7)	(6.0)	
Guatemala	12,196	15,782	22,503	19,185	17,971	(+ 47.3)
	(4.2)	(5.0)	(6.5)	(6.4)	(5.5)	

Value Basis

	1992	1993	1994	1995	1996	96/92
Total	59,640	56,900	96,333	102,510	97,955	(+64.2)
(Annual Change)	(-23.1)	(-4.6)	(+69.3)	(+6.4)	(-4.4)	
Average Price Per Ton	203,257	182,066	279,000	341,060	299,635	(+47.4)
Colombia	10,942	10,908	21,722	20,910	23,452	(+114.3)
	(18.3)	(19.2)	(22.5)	(20.4)	(23.9)	
Brazil	14,683	13,585	21,500	24,083	21,477	(+46.3)
	(24.6)	(23.9)	(22.3)	(23.5)	(21.9)	
Indonesia	9,279	8,458	17,986	14,323	13,522	(+45.7)
	(15.6)	(14.9)	(18.7)	(14.0)	(13.8)	
Ethiopia	4,513	4,444	5,889	5,093	5,856	(+29.8)
	(7.6)	(7.8)	(6.1)	(5.0)	(6.0)	
Guatemala	2,590	2,885	5,709	6,609	5,530	(+113.5)
	(4.3)	(5.1)	(5.9)	(6.4)	(5.6)	

Note : Parenthesized totals in country rows show percentage of total for the indicated year.
Units: Volume = tons, Value = ¥ million, Average price per ton =¥
Source: Japan Exports & Imports, Ministry of Finance

C. Coffee Product Imports and Percentage of Domestic Supply

Most regular coffee is produced in Japan. Finished product imports account for only around 2% of the market. However, imports rose by about 50% on a volume basis from a year earlier, to 3,338 tons, thereby compensating for a slight drop in domestic production to result in an all-time record supply of 141,064 tons.

Imports accounted for 14.7% (6,056 tons) of the total supply (41,111 tons) of instant coffee in 1996. Most instant coffee imports consist of bulk imports by coffee makers. Imports tend to rise and fall in counterpoint to rises and falls in domestic production.

Table 6 Trends in Domestic Supplies of Coffee Products

Volume Basis

		1992	1993	1994	1995	1996	96/92
Regular Coffee	Domestic Production	120,589 (+1.5)	122,096 (+1.2)	138,354 (+13.3)	138,111 (-0.2)	137,726 (-0.3)	+14.2
	Imports	2,081 (+9.2)	2,687 (+29.1)	2,339 (-13.0)	2,131 (-8.9)	3,338 (+56.6)	+60.4
	Total	122,670 (+1.6)	124,783 (+1.7)	140,693 (+12.8)	140,242 (-0.3)	141,064 (+0.6)	+15.0
Instant Coffee	Domestic Production	33,651 (-1.0)	35,217 (+4.7)	33,669 (-4.4)	32,486 (-3.5)	35,055 (+7.9)	+4.2
	Imports	5,032 (-14.1)	5,827 (+15.8)	5,507 (-5.5)	6,268 (+13.8)	6,056 (-3.4)	+20.3
	Total	38,683 (-2.9)	41,044 (+6.1)	39,176 (-4.6)	38,754 (-1.1)	41,111 (+6.1)	+6.3

Value Basis

		1992	1993	1994	1995	1996	96/92
Regular Coffee	Domestic Production	265,177 (+1.5)	268,491 (+1.2)	304,243 (+13.3)	303,709 (-0.2)	302,862 (-0.3)	+14.2
	Imports	1,755 (-11.3)	1,958 (+11.6)	1,728 (-11.7)	2,130 (+23.3)	3,463 (+62.6)	+97.3
	Total	266,932 (+1.4)	270,449 (+1.3)	305,971 (+13.1)	305,839 (-0.0)	306,325 (+0.2)	+14.8
Instant Coffee	Domestic Production	157,036 (-1.0)	164,344 (+4.7)	157,120 (-4.4)	151,599 (-3.5)	163,587 (+7.9)	+4.2
	Imports	5,103 (-15.6)	5,155 (+1.0)	5,174 (+0.4)	7,490 (+44.8)	7,445 (-0.6)	+45.9
	Total	162,139 (-1.5)	169,499 (+4.5)	162,294 (-4.3)	159,089 (-2.0)	171,032 (+7.5)	+5.5

Note 1: Parenthesized totals show annual percentage change.
Note 2: Domestic production of regular coffee does not include canned coffee beverages, confections, or other industrial use.
Units: Volume = tons, Value = ¥ million
Source: Estimates by Foods and Marketing Bureau, Ministry of Agriculture, Forestry and Fisheries

D. Leading Exporters of Coffee Products to Japan

Imports of regular coffee came to a total of 3,338 tons in 1996, up a significant 56.6% from a year earlier. This increase is believed due to a temporary phenomenon, the imports by Ajinomoto General Foods, Inc. (AGF) of Maxim Europack from Canada in bubble vacuum-sealed packaging (since AGF set up a domestic production operation, and as of 1997 began doing in-house production).

Normally imports of regular coffee come almost exclusively from the United States. When the economy was good there would be a substantial volume of imports of MJB large-size packs. From 1994 onward, imports from the United States have been falling year by year. As a result, imports in 1996 were only 1,377 tons, down by 19.5% from 1992.

Table 7 Trends in Imports of Regular Coffee (by Leading Exporting Countries)

Volume Basis

	1992	1993	1994	1995	1996	96/92
Total (Annual Change)	2,081 (+9.2)	2,687 (+29.1)	2,339 (-13.0)	2,131 (-8.9)	3,338 (+56.6)	(+60.4)
U. S. A.	1,711 (82.2)	2,166 (80.6)	1,837 (78.5)	1,430 (67.1)	1,377 (41.3)	(-19.5)
Canada	3 (0.1)	2 (0.1)	- (0.0)	130 (6.1)	1,338 (40.1)	(+44,500.0)
Belgium	68 (3.3)	36 (1.3)	68 (2.9)	99 (4.6)	134 (4.0)	(+97.1)
U. K.	4 (0.2)	36 (1.3)	48 (2.1)	77 (3.6)	118 (3.5)	(+2,850.0)
Brazil	7 (0.3)	33 (1.2)	97 (4.1)	140 (6.6)	93 (2.8)	(+1,228.6)
Italy	55 (2.6)	27 (1.0)	36 (1.5)	32 (1.5)	80 (2.4)	(+45.5)

Value Basis

	1992	1993	1994	1995	1996	96/92
Total (Annual Change)	1,755 (-11.3)	1,958 (+11.6)	1,728 (-11.7)	2,130 (+23.3)	3,463 (+62.6)	(+97.3)
Average Price Per Ton	843,345	728,694	738,777	999,531	1,037,338	(+23.0)
U. S. A.	1,368 (77.9)	1,498 (76.5)	1,129 (65.3)	1,166 (54.7)	1,191 (34.4)	(-12.9)
Canada	2 (0.1)	1 (0.1)	- (0.0)	100 (4.7)	988 (28.5)	(+49,300.0)
Belgium	123 (7.0)	61 (3.1)	142 (8.2)	238 (11.2)	341 (9.8)	(+177.2)
U. K.	21 (1.2)	166 (8.5)	168 (9.7)	279 (13.1)	500 (14.4)	(+2,281.0)
Brazil	7 (0.4)	17 (0.9)	55 (3.2)	92 (4.3)	69 (2.0)	(+885.7)
Italy	41 (2.3)	26 (1.3)	31 (1.8)	31 (1.5)	99 (2.9)	(+141.5)

Note : Parenthesized totals in country rows show percentage of total for the indicated year.
Units: ¥ million (Average price per ton : ¥) Source: Japan Exports & Imports, Ministry of Finance

Nearly all imports of instant coffee consist of bulk imports by domestic coffee makers. Brazil and Colombia together account for over 50% of those imports on a volume basis. Imports have a strong tendency to fluctuate in relation to domestic production. In 1995 imports compensated for a deficit in domestic production, and as a result, imports posted double digit growth.

Table 8 Trends in Imports of Instant Coffee (by Leading Exporting Countries)

Volume Basis

	1992	1993	1994	1995	1996	96/92
Total	5,032	5,827	5,507	6,268	6,056	(+20.3)
(Annual Change)		(+15.8)	(-5.5)	(+13.8)	(-3.4)	
Brazil	1,613	1,704	1,989	1,857	1,859	(+15.3)
	(32.1)	(29.2)	(36.1)	(29.6)	(30.7)	
Colombia	1,182	1,665	1,290	1,631	1,653	(+39.8)
	(23.5)	(28.6)	(23.4)	(26.0)	(27.3)	
Germany	660	841	540	690	774	(+17.3)
	(13.1)	(14.4)	(9.8)	(11.0)	(12.8)	
Ecuador	1,613	860	988	1,181	773	(-52.1)
	(32.1)	(14.8)	(17.9)	(18.8)	(12.8)	
Malaysia	-	-	-	277	390	-
	-	-	-	(4.4)	(6.4)	
U. S. A	340	398	255	287	321	(-5.6)
	(6.8)	(6.8)	(4.6)	(4.6)	(5.3)	

Value Basis

	1992	1993	1994	1995	1996	96/92
Total	5,103	5,155	5,174	7,490	7,445	(+45.9)
(Annual Change)		(+1.0)	(+0.4)	(+44.8)	(-0.6)	
Brazil	1,152	1,107	1,513	1,998	1,965	(+70.6)
	(22.6)	(21.5)	(29.2)	(26.7)	(26.4)	
Colombia	1,099	1,369	1,129	1,919	2,056	(+87.1)
	(21.5)	(26.6)	(21.8)	(25.6)	(27.6)	
Germany	1,111	1,156	784	1,150	1,353	(+21.8)
	(21.8)	(22.4)	(15.2)	(15.4)	(18.2)	
Equador	1,152	394	675	994	592	(-48.6)
	(22.6)	(7.6)	(13.0)	(13.3)	(8.0)	
Malaysia	-	-	-	232	346	-
	-	-	-	(3.1)	(4.6)	
U. S. A.	668	655	415	551	625	(-6.4)
	(13.1)	(12.7)	(8.0)	(7.4)	(8.4)	

Note : Parenthesized totals in country rows show percentage of total for the indicated year.
Units: Volume = tons, Value = ¥ million Source: Japan Exports & Imports, Ministry of Finance

E. Coffee Demand in the Coffee Beverage Market

Canned coffee beverages are Japanese people's favorite beverage, although consumption has leveled off on a volume basis since reaching the 2.0 million kℓ level in 1992. The challenge facing coffee beverage makers now is how to stimulate further demand. They are trying to attract consumers seeking more of an authentic coffee taste by appealing more to consumer perceptions and preferences for particular varieties of beans, and by using distinctive production methods to bring out the flavor. In addition, makers are using larger quantities of coffee beans per can to respond to consumers preference for more of real coffee taste.

An area of future emphasis and attention is likely to be coffee beverages in PET bottle containers. Accordingly, coffee bean usage can be expected to increase in this sector.

Table 9 Characteristics of Leading Brands of Canned Coffee Beverages (Variety of Coffee Bean / Production Method Used)

Company Name	Brand Name	Variety of Coffee Bean / Production Method Used
Coca-Cola (Japan) Co., Ltd.	Georgia	Emerald mountain, Ipanema, etc.
Pokka Corporation	Mr.	Deozidization method
UCC Ueshima Coffee Co., Ltd.	UCC	Colombian supremo, Ethiopia mocha / TTND method
Nestle Japan Limited	Nescafé	Colombian Santa Marta 100%, Kenyan 100%, etc. / CTB extraction method
Kirin Beverage Corporation	JIVE	Coarse-ground flannel-drip method
Asahi Soft Drinks Corporated	Wonda	Five-stage semi-direct flame roasted beans / anti-oxidizing low-temperature extraction method
The Calpis Food Industry Co., Ltd.	Blendy	Carefully selected beans, 20% more than usual, arabica 100% / low-temperature extraction method
Sapporo Breweries Co., Ltd.		Organic Mexican bean Tollan 100% / Jamaican 60% + Honduran beans, Caribbean beans, etc.
Ito En, Ltd.		Fully ripened large Kilimanjaro 100%

Note: Compiled from canned coffee beverage labeling.

Ⅱ. Distribution

A. Green Coffee Beans

After being imported by trading companies, green coffee beans are distributed to various makers (and to so-called green coffee wholesalers) for use in making regular coffee, instant coffee, canned coffee, and for industrial use (beverages or confections containing coffee). Table 4 lists the estimated consumption by mode of usage on a converted green bean basis for 1996. The estimates indicate that the most frequent use is in regular coffee with 38.0%, followed by instant coffee with 30.8% and canned coffee with 22.6%.

Figure 1 Distribution Channels for Green Coffee Beans

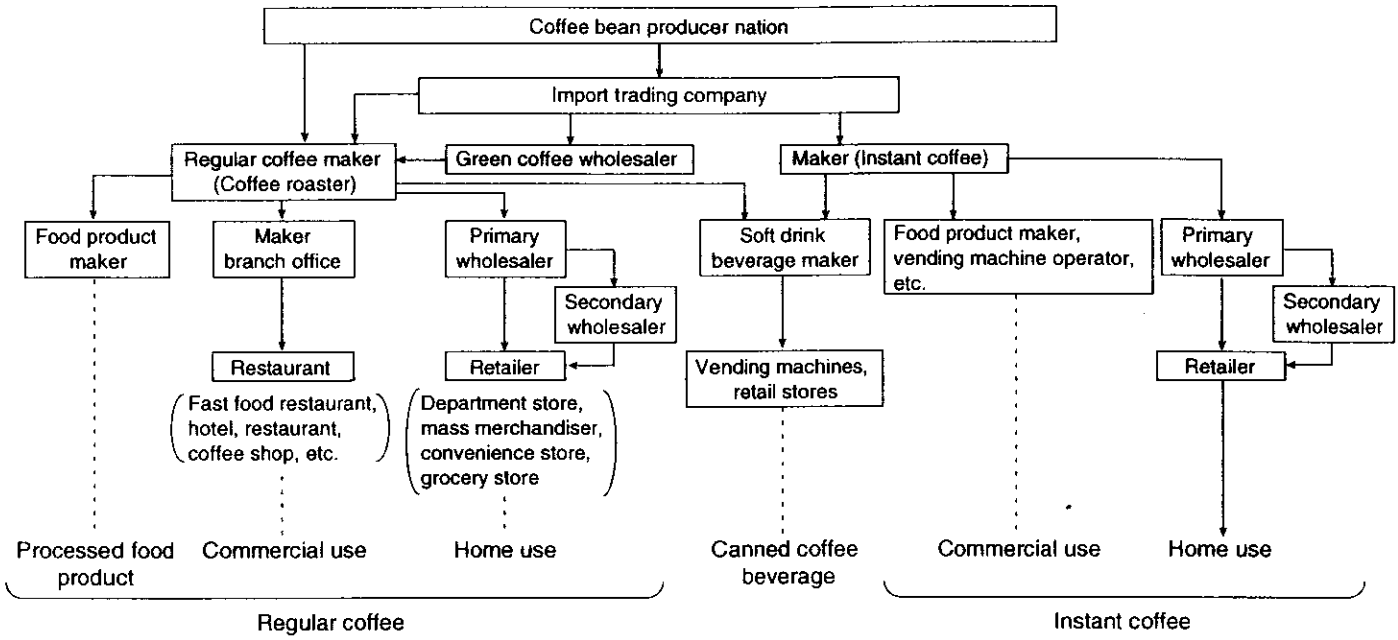


Table 10 Estimated Coffee Consumption by Mode of Use, Green Coffee Bean Basis (1996)

	Green Coffee Bean Consumption	
Regular coffee	2,271	38.0%
Instant coffee	1,836	30.8%
Canned coffee beverage	1,348	22.6%
Other industrial use	515	8.6%
Total	5,970	100.0%

Note: The category of instant coffee includes imported extract. Unit: 1,000 bags x 60 kg
Source: Coffee Related Statistics, All Japan Coffee Association

The size of the retail coffee product market in Japan in 1996 is estimated at around ¥1 trillion. Canned coffee accounts for the preponderance of this total with ¥700 billion, followed by instant coffee with ¥120-130 billion, regular coffee with ¥100-120 billion, and PET bottled coffee with ¥30 billion.

B. Regular Coffee

Most of the regular coffee distributed in Japan comes from imported green coffee beans that are roasted domestically. The three leading coffee makers -- UCC Ueshima Coffee Co., Ltd., Key Coffee Inc., and Art Coffee Co., Ltd. -- together have more than 40% of the market. These leading makers have their own coffee plantations in producer nations, and also provide technical guidance to those nations. Thus, while engaging in development importing of the raw materials, they import green coffee beans that conform to their own specifications through import trading companies.

Almost all other coffee makers (roasters) are medium-sized and small businesses. These coffee makers purchase beans from green coffee bean wholesalers, then they roast the beans, grind them, and supply them variously for commercial use (in restaurants, etc.), for home use (packaged and selling by weight), and for industrial use (in making canned and PET bottled coffee beverages and confections). Estimates of regular coffee consumption by mode of use (on a green bean basis) put commercial use at 25.6%, home use at 33.1%, canned coffee beverage use at 28.9%, and other industrial uses at 12.3%. Finished product imports of regular coffee amount to only 2.4% of the market as a whole, but they follow the same distribution channels as described above for domestically roasted coffee.

<Commercial Use>

In most cases, coffee roasters roast beans and supply the regular coffee to coffee shops, hotel, restaurants, and other food service businesses within the same day. In the past, the leading users of commercial use coffee were coffee houses, but after reaching a peak in 1981, the number of coffee houses and the volume of coffee consumption at coffee houses have both steadily declined. In contrast, ever since Dotour Coffee opened in 1980, these low-priced chain coffee shops have emerged as a major presence. Moreover, family restaurants and fast food restaurants have sought to offer better-tasting coffee as part of their menus.

The latest trend in the coffee house market has been the proliferation of *expresso* coffee. Normally in Japan the term "coffee" refers to blend coffee, and most of the coffee served at coffee houses and restaurants consists of blend coffee or American-style coffee (brewed weaker than other coffee). The fad for things Italian in recent years has led women consumers in particular to embrace thick-bodied foaming style coffees such as *expresso* and *cappucino* that are unlike ordinary blend coffee. *Expresso* and *cappucino* has made its way onto the menus not only of coffee houses, but also hotel, restaurants, family restaurants, and fast food shops.

This trend has led to an increase in roasted coffee imports from Italy, the home of *expresso*-style coffee. Suntory Foods Limited started selling a label of coffee called *Illy* especially for use in making *expresso*, working together with *Illy Caffé*, a leading Italian maker of *expresso* coffee. Suntory supplies this *expresso* coffee mainly to upscale restaurants and hotels. In addition, Kataoka & Co., Ltd. is now importing *Lavazza*, the number one brand of Italian *expresso* coffee, for a wide range of uses including commercial use, home use, and gift purchase use. Giving further momentum to this trend was the opening of the first outlets of the U.S.-based coffee house chain, Starbucks Coffee Japan, Ltd. A detailed discussion will appear hereafter, but as of the end of 1997 a total of 11 Starbucks outlets were operating in Japan, and competitors have shown a keen interest in Starbucks' store design and management operations.

<Home Use>

Most regular coffee for home use is distributed through wholesalers. Generally it is supplied from coffee makers through processed food wholesalers to department stores, mass merchandisers, and grocery stores. Regular coffee is supplied in a variety of forms. Mass merchandisers and grocery stores usually carry coffee in cans or bags (200 g or 400 g containers). Department stores and supermarkets sell face-to-face by weight, while coffee shops sell ungrounded beans that they will grind for customers on the spot. The three leading coffee makers (UCC Ueshima Coffee Co., Ltd.; Key Coffee Inc.; and Ajinomoto General Foods, Inc. (AGF)) account for just over 35% of the market.

The market for regular coffee for home use has been growing steadily, reflecting the trend for consumers to eat at home more often and to prefer more authentic blends of coffee. Home use coffee consumption now exceeds commercial use coffee consumption. The introduction of easy to handle bagged coffee along with large size packs (1 kg) that are relatively less expensive per unit have also helped expand the market. Bagged coffee has enabled supermarkets to offer their own private label brands, and it has expanded distribution channels to include discount stores and mail order companies. Bagged coffee has long been the norm in commercial use coffee, but it was slow to gain acceptance in the home use market because of concerns about storage and freshness. However, now there are packs with special valves to release gas buildup after roasting, along with vacuum-sealed packaging. Both of these types of packaging help keep coffee from becoming more acidic. As a result, bagged coffee outsold canned coffee in 1997, and now has grown to a 65% share in the home use regular coffee market. Japanese people now drink regular coffee almost every day, and product turnover is comparatively faster than in the past. Another major factor in the acceptance of bagged coffee has been the adoption as of April 1997 of the Law for Promotion of Sorted Collection and Recycling of Containers and Packaging, which has prompted consumers and makers alike to become more aware of waste processing considerations.

In addition, sales have been brisk for regular coffee in the form of so-called cassette coffee and single-serving coffee bags. Kataoka & Co., Ltd. introduced a brand label Mon Café aimed at the gift purchase market, and although it has only a 5% market share, its sales have been growing in recent years at supermarkets and convenience stores. In September 1997 Key Coffee Inc. launched its "Drip-On" paper cassette product, and it is expected that this product will further energize the market.

Also, after making a major impact in the commercial market, *expresso* coffee is starting to show growth in the home use market as well.

C. Instant Coffee

Because instant coffee production requires special manufacturing technology and facilities, there are only three companies in Japan (Nestle Japan Limited, AGF, and Takasago Coffee Co., Ltd.) who produce instant coffee from the green bean stage onward in-house. Of these three, Nestle Japan commands roughly 70% of the market, and together with second-place AGF, the combination accounts for 80-90% of the market. Other makers either import powder in bulk and package it in Japan, or import it as a finished product in the original packaging. About 80% of all instant coffee is used in the home. It is distributed through agents and authorized dealers for instant coffee makers to secondary and tertiary wholesalers, and then on to mass merchandisers and other types of retail stores.

Instant coffee consumption tends to fluctuate in concert with the retail price. Thus, in 1995 instant coffee consumption dropped because of a 10-13% price increase prompted by higher prices on coffee

beans from overseas the year before. Then the opposite happened in 1996, as coffee bean prices went back to their former levels and instant coffee prices fell as a result, leading to higher consumption levels. Shipments totaled 41,111 tons in 1996 (including 6,056 tons that were imported). This was the largest total in the last five years, although it still falls short of the peak level reached in 1988. Instant coffee consumption appears to have leveled off under competitive pressure from regular coffee for home use.

Instant coffee makers are taking various steps to stimulate more demand and expand consumption. Makers are developing *cappucino* and other types of novel instant coffee mixes in addition to traditional blend coffee. They are also launching channel-specific products exclusively for convenience stores. Nestle in particular is targeting the young adult segment, which shops frequently at convenience stores and has distinctive coffee drinking patterns, seeking to energize the market by introducing instant coffees designed specifically for certain types of coffee brews, such as black coffee and *café au lait* specialty instants.

D. Industrial Use (Coffee Beverages)

Canned coffee beverages use 22.6% of the coffee consumed in Japan on a green bean basis, and they account for about 70% of the market for finished coffee products in Japan. This makes it a very sizable market indeed. Since coming on the scene in 1969, the market for canned coffee beverages has grown substantially, pursued not only by coffee makers but by soft drink makers as well. Canned coffee beverages now represent the most important product in this category, with more than 30% of the total soft drink market. In the past canned coffee beverages were made primarily from instant coffee and imported coffee extract. However, makers switched over to regular coffee in 1994. Now the aforementioned Big Three regular coffee makers also sell their own canned coffee beverages, but other canned coffee beverage makers (soft drink makers) get supplies of regular coffee from these regular coffee makers and coffee roasters such as Unicafe Inc. and Tokyo Allied Coffee Roasters Co., Ltd.

The leader in the canned coffee beverage market is Coca-Cola (Japan) Co., Ltd. (leading brand label: Georgia), with a market share of just over 44%. The next leading makers are Suntory Limited (Boss), Daido (Daido), UCC Ueshima Coffee Co., Ltd. (UCC), Pokka Corporation (Mr.), and Nestle Japan Limited (Nescafé). More than 70% of all canned coffee beverages are sold in ¥110 cans through nationwide vending machine networks. Part of the reason for the popularity of these drinks is their accessibility; consumers can find a vending machine almost anywhere, anytime. The leading makers conduct massive advertising and promotional campaigns to enhance their brand images and expand sales. Recently, they are also differentiating their products based on the variety of coffee bean or production method used (see Table 9).

In the past, canned coffee beverages mostly came in 250 *mℓ* cans (using at least 2.5 g but less than 5 g of coffee on a green bean basis per 100 g content volume). However, now that more consumers want beverages with the aroma, body, and flavor of real coffee, 160-200 *mℓ* cans (with 5 g or more of coffee on a green bean basis per 100 g content volume) have become the norm. In 1996, 160-200 *mℓ* cans accounted for just under 70% of all sales. At the same time, milk-rich canned *café au lait* and canned *cappucino* have gained popularity among women consumers in particular, though with less added sugar than traditional for these drinks.

Another new area of growth is in the market for 900 *mℓ* to 1.5 *ℓ* PET bottles of coffee beverages. The volume is still rather small, but consumption is growing mainly of low-sugar type coffee beverages for indoor family use drinks.

Ⅲ. Import Procedures and Regulations

A. Tariff Rates

Green coffee beans are duty free at customs. Regular coffee, instant coffee, and coffee extracts and essences are subject to different tariff rates for each product category according to the country of origin. The WTO rates are applied to imports from World Trade Organization (WTO) member nations, and general rates are used for non-members nations. Preferential rates are applied for imports from developing countries and regions such as Brazil, Colombia, Indonesia. Coffee imported from Least Less Developed Countries such as Ethiopia, Tanzania are tariff free (mark "x" in the column of preferential rate). The Uruguay Round agreement stipulates that by the year 2000 tariffs shall be reduced to 10% on regular coffee, 8.8% on instant coffee, and 15% on extracts and essences (sugar free).

Table 11 Tariff Rates on Coffee

HS No.	Description	Tariff Rates			
		General	WTO		Preferential
0901.11 0901.12	Green coffee beans	Free	(Free)		
0901.21 0901.22	Regular coffee	20%	14.7%		10% ×Free
2101.11-210 2101.12-121	Instant coffee	12.3%	11.7%		
2101.11-100 2101.12-110	Extracts, essences and concentrates of coffee, and preparations with a basis of extracts, essences or concentrates or with a basis of coffee (containing added sugar)	24%	(26%)		15% ×Free
2101.11-290 2101.12-122	Extracts, essences and concentrates of coffee, and preparations with a basis of extracts, essences or concentrates or with a basis of coffee (containing no added sugar)	16%	(18.3%)		Free

Source: Customs Tariff Schedules of Japan 1997

< How to Interpret Tariff Table >

Tariff rates are applied in the following sequence: preferential, WTO, temporary, general. However, preferential rates are applied only when the imports meet certain conditions stipulated by statute or administrative regulation. The WTO rates are applied if those rates are lower than the temporary rates or the general rates. Parenthesized rates are not actually applied in practice.
The mark " x " put to certain preferential rates denotes these rates are applicable only to goods originated in Least Less Developed Countries.

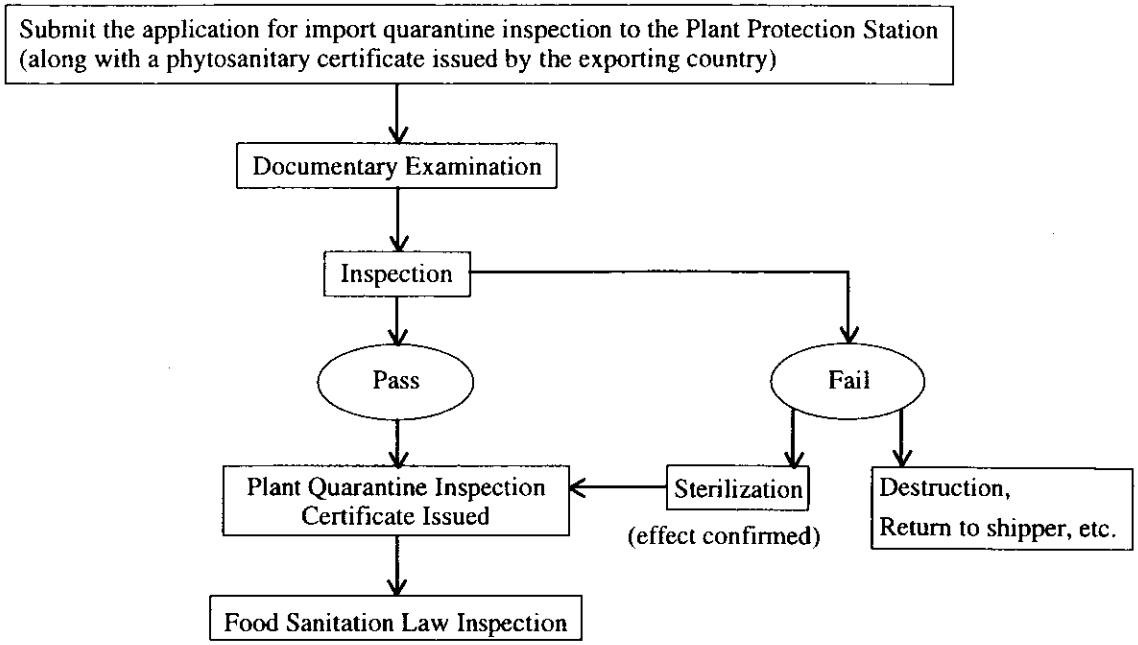
B. Plant Protection Law Regulations

Green coffee beans imports are subject to provisions of the Plant Protection Law. Importers must submit an "Application for Import Inspection of Plants and Import-prohibited Articles" to the Plant Protection Station at the designated ports of entry along with a "Phytosanitary Certificate" issued by the competent plant protection agency of the exporting country. Importers must also submit the cargo for inspection by a plant quarantine officer.

If any soil is not attached to the plant, and no inspect pests are detected during the inspection, a "Plant Quarantine Inspection Certificate" is issued, then they proceed to the Food Sanitation Law inspection. Upon request by the importer, the plant quarantine inspection and the food sanitation inspection can be

performed simultaneously. If during an inspection a pest is detected, the cargo must undergo fumigation in a sealed warehouse for 48 hours. The cargo is then re-inspected to make sure all pests have been completely destroyed, after which a "Plant Quarantine Inspection Certificate" is issued. If it proves impossible to completely kill all inspect pest organisms, the cargo must be destroyed or returned to the shipper.

Figure 2 Procedures Required under the Plant Protection Law



Regulatory Agency Contact:
Plant Protection Division, Agricultural Production Bureau, Ministry of Agriculture, Forestry and Fisheries

C. Food Sanitation Law Regulations

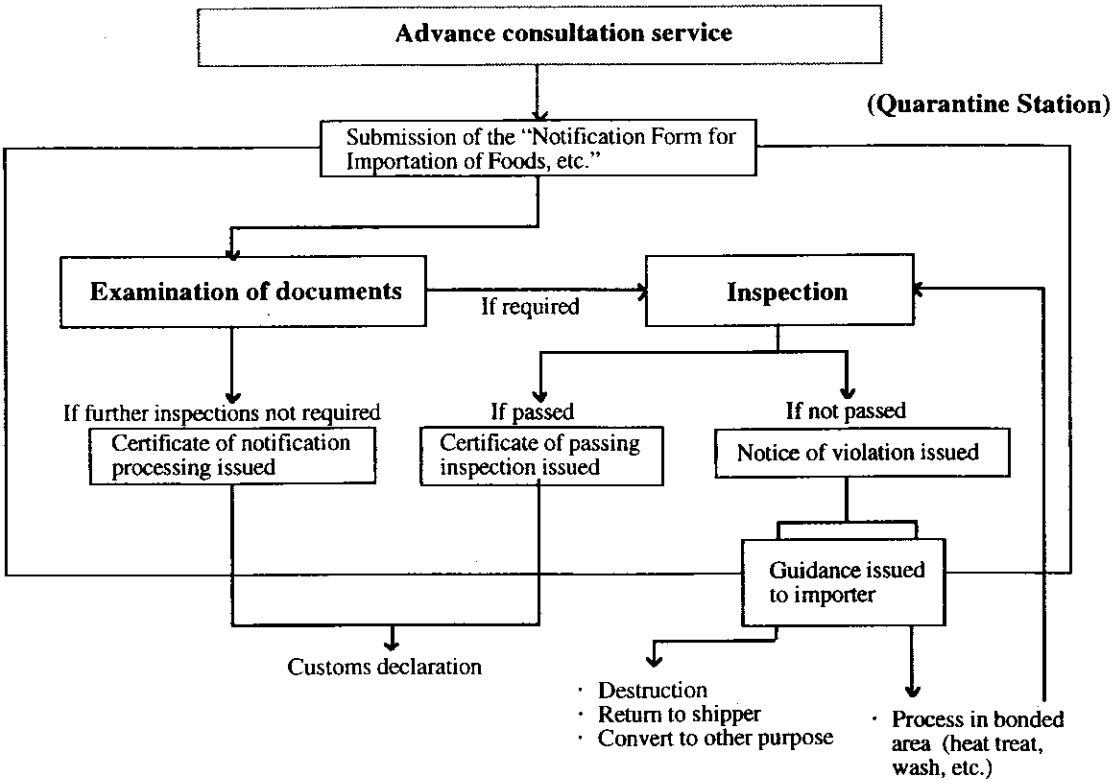
Under provisions of the Food Sanitation Law, an import notification is required for green coffee beans and coffee products (regular coffee, instant coffee, and coffee extracts or essences) being imported for the purpose of sale (including as gifts to either anonymous or mass recipients) or for other commercial purposes. Importers are required to submit the completed "Notification Form for Importation of Foods, etc." to the quarantine station with authority over the port of entry for document examination.

An examination is conducted as to whether there are any food sanitation problems, based on the content of the completed notification form, past import history with the same products and any past violations, the laboratory test result of any voluntary inspections, or others. If the determination is made that the inspection is required, inspection categories and methods are defined.

Instant coffee and coffee extracts or essences produced using certain prohibited solvents may not be imported into Japan. Instant coffee is also checked during the inspection for compliance with E. coli, arsenic and lead content regulations, along with powdered soft drink inspections.

If the importer appends a statement of voluntary inspection results performed in advance by official laboratories designated by the Minister of Health and Welfare, or by official laboratories in the exporting country, the cargo may be exempted from corresponding inspections at the quarantine station, which will expedite the import procedure.

Figure 3 Procedures Required under the Food Sanitation Law



Regulatory Agency Contact:
Food Sanitation Division, Environmental Health Bureau, Ministry of Health and Welfare

D. Labeling Requirements

Green coffee beans are not subject to any statutory labeling requirements, but it generally does bear labeling that follows general international business customs, commodity exchange regulations, and labeling standards of the producer nation. Processed coffee products are subject to statutory and regulatory labeling requirements for label content before they can be sold in Japan, regardless of whether they are made in Japan or imported. Coffee products that lack the required labeling may not be sold, displayed for purposes of sale, or used for commercial purposes in Japan.

In addition, while not legally binding, the Japan Coffee Fair Trade Council has established voluntary industry standards in the form of the Fair Competition Code for Regular Coffee and Instant Coffee, based on provisions of the Law Against Unjustifiable Premiums and Misleading Representations. Table 12 lists these various labeling requirements. All labeling must be in Japanese and must appear in readily visible locations on the container.

Table 12 Labeling Requirements for Regular Coffee and Instant Coffee

Label Item	Required Listing Content	Name of Statute or Standard
Product name	Regular coffee, or instant coffee	Food Sanitation Law
Raw material name	Coffee beans	Fair Competition Code for Regular Coffee and Instant Coffee
Country of origin of green coffee beans	Principal sources of coffee beans used, 2-3 country names listed	Fair Competition Code for Regular Coffee and Instant Coffee
Content volume	Expressed in grams (g), kilograms (kg)	Measurement Law
Freshness expiration date	Example: 98.4 or 980430	Food Sanitation Law
Storage method	"Avoid direct sunlight," "avoid high temperature and high humidity," etc.	Food Sanitation Law
Usage warnings	"Replace the cover firmly after opening," etc.	Fair Competition Code for Regular Coffee and Instant Coffee
Ground method	Regular coffee only, "medium ground" or "fine ground"	Fair Competition Code for Regular Coffee and Instant Coffee
Name and address of importer	(Name of manufacturer for domestic product)	Food Sanitation Law
Country of origin	Country of origin must be indicated in a non-misleading manner.	Law Against Unjustifiable Premiums and Misleading Representation
Other requirements	(1) Emphatic labeling for roasting methods Phrases for roasting methods such as "Coal fire roasted" and "infrared ceramic roasted" may only be used when the heat source is 100% of the particular variety.	Fair Competition Code for Regular Coffee and Instant Coffee
	(2) Emphatic labeling for green coffee bean source, variety and name Limited to blends containing at least 30% of the coffee as raw material. Example: mocha blend	Fair Competition Code for Regular Coffee and Instant Coffee

Note: Fair Competition Code for Regular Coffee and Instant Coffee requirements do not apply to commercial use and face-to-face retail sales.

Regulatory Agency Contacts:

Food Sanitation Law: Food Sanitation Division, Environmental Health Bureau, Ministry of Health and Welfare

Measurement Law: Weight and Measures Office, General Affairs Division, Machinery and Information Industries Bureau, Ministry of International Trade and Industry

Law Against Unjustifiable Premiums and Misleading Representation: Consumer Trade Practices Division, Fair Trade Commission

Ⅲ. Market Entry

This section will discuss market access recommendations for both green coffee beans and finished coffee products.

A. Green Coffee Beans

- Strict adherence to product quality standards

  Japan has no national standards such as those in Europe and the United States. Nevertheless, Japan ranks as the world's third leading coffee importer on a volume basis after the United States and Germany, product quality is a major issue. In Japan, European standards are taken for granted, and leading coffee makers have also developed their own in-house standards. The basic elements of product quality standards are the following:

  - Bean size (if too small, the beans fall through the roasting grate)
  - Appropriate moisture content control
  - No odor of fermentation, mold, or dirt
  - Few defective beans, little admixture of contaminants (the less present, the higher the quality assessment)

  Even if beans clear the product quality standards at the sample stage and pass cup-test (taste testing by a specialized quality assessment specialist), if the beans do not conform to standards at the actual time of import, they may be rejected. When exporting green coffee beans to Japan, it is essential not only to fully understand the maker's standards compliance requirements, but also to have in place a production and processing system that facilitates consistent supply of quality beans, along with an adequate control and monitoring system in place during the transportation stage.

- Needs for high-quality arabica beans

  In response to increasing Japanese consumer preference for more of a real coffee taste and experience, coffee makers increasingly are highlighting the name of the coffee bean variety and emphasizing high product quality. This is true not only in the area of regular coffee but in instant coffee and canned coffee beverages as well. Consequently, Japanese coffee makers are constantly seeking high-quality arabica beans, and they want suppliers who can supply these beans on a consistent basis. Recently there have been some concerns that true arabica flavor may be sacrificed by efforts to improve bean varieties in order to increase production of coffee beans. The ability to consistently supply high-quality arabica beans is regarded as an even more important factor than before to respond to expanding demand.

- Organically grown coffee beans

  Currently the food service industry in Japan is reevaluating the importance of coffee as part of their menus. Family restaurants and fast food shops are introducing coffee machines and moving to bring real coffee onto their menus. In a time when good-tasting coffee is available anytime and anywhere, one element that will lend a perception of added-value in the future is the ability to offer organically grown coffee.

  With consumer concern over health increasing year by year, organic growing is becoming one of the buzzwords of the current interest in health issues. Consumers increasingly want not only organically grown fresh vegetables but also organically grown coffee, even though the latter is a frill rather than a necessity. At the present time, a few trading companies have just begun

importing organically grown coffee beans, and UCC Ueshima Coffee Co., Ltd. has begun selling organic coffee in pack-style containers. Organic coffee costs 20-30% more than ordinary coffee, so no one can expect large volume sales. However, some demand for organic coffee can be expected as coffee makers seek products to differentiate their products from those of competitors and to respond to growing consumer health consciousness.

B. Coffee Products

- Partnerships with a Japanese company with expertise in the marketplace

  Many of the success stories in recent years of importing coffee products or opening new types of coffee shops have involved working partnerships with Japanese companies that already know well the distribution patterns in Japan. For example, Suntory Foods Limited began its partnership with *Illy Caffé* in 1988 by importing Italian food ingredients for commercial users. Suntory leveraged superior product quality and the most abundant product line in the industry to expand its business. In addition, Kataoka & Co., Ltd., the importer and wholesaler of Lavazza, is one of the leading specialty trading companies in the field of coffee and black tea.

  In contrast, one leading foreign-owned manufacturer of household goods tried to team up with the number one American coffee maker. The partnership launched test market sales of regular coffee for household use, but within half a year they pulled out of the market. The reason for the withdrawal was said to be the rapid runup in coffee bean prices and price competition from other coffee shops, but it appears more likely that it was a lack of expertise in the Japanese market. Even brands known the world over cannot simply walk into Japan and gain immediate acceptance. Thus, when entering the Japanese market, it is advisable to form a partnership with a Japanese company that fully understands the market and possesses the know-how to help their entry into Japan succeed. From the Japanese side as well, not only big companies but also medium-sized and small coffee shop chains are actively seeking linkups with foreign brand makers.

- Evangelizing correct knowledge about *expresso*

  Currently demand for *expresso* coffee is growing rapidly in Japan. However, neither the suppliers nor the consumers have fully adequate knowledge of these products. To solidify the perception in Japan that *expresso* tastes good, it is essential not only to export coffee beans suited to making *expresso*, but also to export the technology for bringing out the full taste of those beans. The early leaders in this field have been Suntory Foods Limited and Kataoka & Co., Ltd., along with Japan Europe Trading Co., Ltd., which in April 1997 began selling *Kimbo* from *Café do Brasil*, which ranks number two in the Italian market. These companies are inviting key people from the foreign coffee makers to Japan as part of active efforts at promoting *expresso* and evangelizing correct knowledge about *expresso*. It would also be good for makers of *expresso* machines, which are indispensable to bringing out the real taste of *expresso*, to work to disseminate expresso machine technology.

- Promoting new ways of coffee drinking

  Expresso, *cappucino*, flavored coffee and other forms of gourmet coffee all represent new ways of coffee drinking for Japanese people. Promoting these new ways of coffee drinking is a highly effective way of attracting new users to the market. Gourmet coffees with steamed milk or whipped milk or with cocoa powder added can draw in new sectors of consumers who have

never drunk coffee in the past. In the future, the Japanese coffee industry is looking to foreign companies to introduce new ways of drinking coffee and new types of coffee flavorings that have never been seen in Japan before.

The following section describes the entry into Japan of the U.S.-based Starbucks coffee house chain, whose emphasis on *expresso* has brought winds of change into the Japanese coffee market and coffee house scene. Foreign companies considering entering the Japanese market may find a number of key elements of success in the Starbucks example.

In October 1995, U.S.-based Starbucks Coffee International and the household goods wholesaler Sotheby's Japan Ltd. established Starbucks Coffee Japan, Ltd. as a joint venture. The first Starbucks Coffee outlet opened in the Ginza district of Tokyo in August 1996. As of November 1997 there were a total of 11 Starbucks outlets operating in the Tokyo metropolitan area, all of which have been packed with customers.

The *expresso* bars at Starbucks offers *expresso* coffee made exactly to the customer's taste by servers known as *barrista*, with non-fat milk or flavored syrups added as the customer likes. Starbucks emphasizes communication with the customer, and thereby seeks to differentiate itself from fast food style coffee houses and lower priced coffee shops that offer manual customer service.

Starbucks uses only the highest grade and most carefully selected highland arabica coffee beans grown in the most renowned coffee growing regions in 25 countries from all over the world. Starbucks' American headquarters has two coffee purchasing specialists who travel to coffee growing areas around the world. They select only those beans that appeal to them, after roasting coffee beans themselves and trying the result. The coffee beans they purchase are roasted at Starbucks-operated plants in Seattle and Pennsylvania, after which they are vacuum packed and flown to Japan the same day. The varieties of beans available differs according to the season, but normally Starbucks outlets carry 30 or more different varieties of beans at any one time.

The Starbucks concept is based on merchandising of its own distinctive coffees and other drinks, on offering a high level of customer service by store servers, and by creating a comfortable space (through store design) where customers can enjoy the coffee drinking experience. In these ways Starbucks seeks to promote coffee drinking as one element of a new life style for its customers. This concept targets what it refers to as the "semi-majority one step above the ordinary masses."

Appendix 1. Trade Fairs and Exhibitions

(1) FOODEX JAPAN

Frequency / Dates : Annual (March 9-12, 1999)
Site : Makuhari Messe (Nippon Convention Center)
Exhibits : Biggest food trade show in the Pacific Rim area. Provides the latest information on foods and beverages.
Visitors : 87,239 (1998)
Scope of Previous Fairs : Exhibitors / 1,950, Total number of booths / 2,422 (19,941 ㎡)
Organizer : Japan Management Association
Contact : 3-1-22 Shibakoen, Minato-ku, Tokyo 105-0011
TEL: 03-3434-6211 FAX: 03-3434-1836

(2) Gourmet Fair

Frequency / Dates : 2 times a year (Apr. 15-17, 1998)
Site : Sunshine City Convention Center Tokyo
Organizer : Business Guide-sha, Inc.
Contact : 2-6-2 Kaminarimon, Taito-ku, Tokyo 111-0034
TEL: 03-3847-9155 FAX: 03-3847-9436

(3) Osaka International Trade Fair

Frequency / Dates : Every other year (Apr. 24-29, 1998)
Site : Intex Osaka
Organizer : Osaka International Trade Fair Commission
Contact : 1-5-102 Nanko-Kita, Suminoe-ku, Osaka 559-0000
TEL: 06-612-1212 FAX: 06-612-8585

(4) International Foods Fair in Kitakyushu

Frequency / Dates : Every other year (Oct. 7-11, 1998)
Site : West Japan General Exhibition Center
Organizer : Nishi-nippon International Trade Fair Commission
Contact : 1-1 Jonai, Kokura-Kita, Kitakyushu, Fukuoka 803-0813
TEL: 093-582-4101 FAX: 093-581-9352

(5) Food-Tech (Japan International Food Engineering & Industry Show) Japan Food

Frequency / Dates : Every other year (Oct. 15-18, 1998)
Site : Intex Osaka
Organizer : Osaka International Trade Fair Commission
Contact : 1-5-102 Nanko-Kita, Suminoe-ku, Osaka 559-0000
TEL: 06-612-1212 FAX: 06-612-8585

(6) Food Catering & Equipment Exhibition

Frequency / Dates : Annual (Nov. 1998)
Site : Tokyo International Exhibition Center
Organizer : Japan Management Association
Contact : 3-1-22 Shibakoen, Minato-ku, Tokyo 105-0011
TEL: 03-3434-1243 FAX: 03-3434-8076

(7) Hotels & Foodex Kansai

Frequency / Dates : Every other year (in early Sept. 1999)
Site : Intex Osaka
Organizer : Japan Management Association
Contact : Osaka Kokusai Bldg., 2-3-13 Azuchi-machi, Chuo-ku, Osaka 541-0052
TEL: 06-261-7151 FAX: 06-261-5852

Appendix 2. Organizations

A. Government Agencies

- Food Sanitation Division, Environmental Health Bureau, Ministry of Health and Welfare
  3-3-2, Kasumigaseki, Chiyoda-ku, Tokyo 100-0013 TEL: 03-3503-1711 FAX: 03-3503-7965
- Plant Protection Office, Agricultural Production Bureau,
  Ministry of Agriculture, Forestry and Fisheries
  1-2-1, Kasumigaseki, Chiyoda-ku, Tokyo 100-0013 TEL: 03-3502-8111 FAX: 03-3591-6640
- Weight and Measures Office, General Affairs Division, Machinery and Information Industries Bureau, Ministry of International Trade and Industry
  1-3-1, Kasumigaseki, Chiyoda-ku, Tokyo 100-0013 TEL: 03-3501-1511 FAX: 03-3580-2768
- Consumer Trade Practices Division, Fair Trade Commission
  1-3-1, Kasumigaseki, Chiyoda-ku, Tokyo 100-0013 TEL: 03-3501-1511 FAX: 03-3501-1450

B. Trade Organizations

- All Japan Coffee Association
  Kitamira Bldg. 5F, 1-17-15, Nishi-Shinbashi, Minato-ku, Tokyo 105-0003
  TEL: 03-3580-9870 FAX: 03-3580-1516
- National Coffee Roasters Association of Japan
  2-34-2, Nishi-Shinbashi, Minato-ku, Tokyo 105-0003 TEL: 03-3431-3446 FAX: 03-3432-3306
- Japan Instant Coffee Association
  c/o Nestle Japan Ltd., Yebisu Garden Place Tower, 4-20-3, Ebisu, Shibuya-ku, Tokyo 150-6090
  TEL: 03-5423-8252 FAX: 03-5423-8791
- Japan Retail Regular Coffee Industry Association
  c/o UCC Ueshima Coffee Co., Ltd., Sumitomo Hamamatsucho Bldg., 1-18-16, Hamamatsu-cho, Minato-ku, Tokyo 105-0013 TEL: 03-5400-5556 FAX: 03-5400-5533
- Coffee Importers Association of Japan
  c/o Itochu Corporation, 2-5-1, Kita-Aoyama, Minato-ku, Tokyo 107-0061
  TEL: 03-3497-6170 FAX: 03-3497-4130
- Nippon Green Coffee Association
  5-21-14, Koishikawa, Bunkyo-ku, Tokyo 112-0002 TEL: 03-3813-6081 FAX: 03-3814-3116

C. Coffee Makers

- UCC Ueshima Coffee Co., Ltd.
  7-7-7, Minatojima Nakamachi, Chuo-ku, Kobe 650-0046
  TEL: 078-304-8888 FAX: 078-304-8883
- Key Coffee Inc.
  2-34-4, Nishi-Shinbashi, Minato-ku, Tokyo 105-0003 TEL: 03-3433-3311 FAX: 03-3437-5779
- Art Coffee Co., Ltd.
  1-8-3, Naka-Meguro, Meguro-ku, Tokyo 153-0061 TEL: 03-3719-1151 FAX: 03-3792-5485
- Unicafe Inc.
  2-11-9, Nishi-Shinbashi, Minato-ku, Tokyo 105-0003 TEL: 03-3504-1498 FAX: 03-3504-2587
- Tokyo Allied Coffee Roasters Co., Ltd.
  2-23-21, Naka-Ikegami, Ota-ku, Tokyo 146-0081 TEL: 03-3754-6411 FAX: 03-3754-4355

- Nestle Japan Limited
  Rokko Island Bldg., 2-10, Koyocho-Naka, Higashi-Nada-ku, Kobe 658-0032
  TEL: 078-857-4300 FAX: 078-857-4900
- Ajinomoto General Foods, Inc.
  Sphere Tower Tennoz, 2-2-8, Higashi-Shinagawa-ku, Shinagawa-ku, Tokyo 140-0002
  TEL: 03-5463-3610 FAX: 03-5463-3620
- Takasago Coffee Co., Ltd.
  Nippon Life Insurance Gotanda Trade Center Bldg. 5F, 7-25-5, Nishi-Gotanda, Shinagawa-ku, Tokyo 141-0031 TEL: 03-3495-5011 FAX: 03-3495-6404

D. Trading Companies

- Mitsubishi Corporation
  2-3-1, Marunochi, Chiyoda-ku, Tokyo 100-8086 TEL: 03-3210-6767 FAX: 03-3210-8328
- Itochu Corporation
  2-5-1, Kita-Aoyama, Minato-ku, Tokyo 107-8077 TEL: 03-3497-6271 FAX: 03-3497-4105
- Mitsui & Co., Ltd.
  1-2-1, Ohtemachi, Chiyoda-ku, Tokyo 100-8631 TEL: 03-3285-6059 FAX: 03-3285-5921
- Marubeni Corporation
  1-4-2, Ohtemachi, Chiyoda-ku, Tokyo 100-8088 TEL: 03-3282-4869 FAX: 03-3282-7372
- Tomen Corporation
  Kokusai Shin-Akasaka Bldg Higashi, 2-14-27, Akasaka, Minato-ku, Tokyo 107-0052
  TEL: 03-3588-6824 FAX: 03-3588-9914
- Wataru & Co., Ltd.
  Wataru Bldg., 2-11-9, Nishi-Shinbashi, Minato-ku, Tokyo 105-0003
  TEL: 03-3503-8363 FAX: 03-3503-2256
- Nippon Coffee Trading Co., Ltd.
  4-11-18, Minami-Semba, Chuo-ku, Osaka 542-0081 TEL: 06-251-5858 FAX: 06-251-5067
- Kataoka & Co., Ltd.
  2-3-13, Toranomon, Minato-ku, Tokyo 105-0001 TEL: 03-3502-0251 FAX: 03-3502-7289
- Marubeni Foods Corporation
  3-3-2, Higashi-Shinagawa, Shinagawa-ku, Tokyo 140-8606
  TEL: 03-5463-8255 FAX: 03-5463-8313
- Japan Europe Trading Co., Ltd.
  P.M.C. Bldg. 3F, 1-23-5 Higashi-Azabu, Minato-ku, Tokyo 106-0044
  TEL: 03-3582-1490 FAX: 03-3583-9060

E. Coffee Products Importers / Coffee Shop Chain Companies

- Suntory Foods Limited
  South Gate Shinjuku Bldg., 5-33-8, Sendagaya, Shibuya-ku, Tokyo 151-0051
  TEL: 03-5360-1352 FAX: 03-5269-8828
- Starbucks Coffee Japan, Ltd.
  4-18-16, Minami-Aoyama, Minato-ku, Tokyo 107-0062
  TEL: 03-5412-7031 FAX: 03-3769-4531