

Beverage Market in Japan: Key Research Findings 2017

◆ Research Outline

Yano Research Institute has conducted a study on the domestic beverage market with the following conditions:

1. Research period: July to October, 2017
2. Research target: Beverage manufacturers, retailers, and etc.
3. Research methodologies: Face-to-face interviews by the expert researchers, surveys via telephone, and literature research

<What is the Beverage Market?>

The beverage market in this research indicates the market of carbonated drinks, coffee drinks, mineral water, beverages with fruit juice, various types of teas (Japanese tea, English tea, Oolong tea, etc.) sports/functional drinks, nutritional drinks (including energy drinks,) drinking milks, fermented lactic-drinks, soy milk, and etc.

◆ Key Findings

- **FY2016 Domestic Beverage Market Exceeded 5 Trillion Yen to 5,080 Billion Yen, 102.2% on Y-o-Y Basis, FY2017 Expected to be 5,105 Billion Yen, 100.5% on Y-o-Y Basis**

The domestic beverage market (including milk and milk-based drinks) in FY2016 expanded to 102.2% of the size of the previous fiscal year to achieve 5,080 billion yen, based on the shipment value at manufacturers. Good weathers in the first half of the fiscal year and fierce heat in the western part of Japan in midsummer, which is the peak period of the market, have boosted the sales of beverages. The market size in FY2017 is projected to increase slightly, 100.5% of that of the preceding fiscal year to attain 5,105 billion yen.

- **Despite Favorable Sales, Market Lacked Newsworthiness**

Though the market as a whole had been favorable, FY2016 hardly had any new hot-selling products, just like the previous fiscal year. This have to do with each maker placing importance on and making enhancement on existing brands, which seemingly shows the complete shift of the strategies at makers from gaining small profits and quick returns by selling a large volume of products to more profit-oriented.

When considering the market by category, all the categories in the market of sugar-free teas increased in FY2016, not only green teas and barley teas but also blended teas that had long been stagnant. With regard to the mineral water market, the sluggish demand of domestic products together with the growth of flavor water has led to the stable market.

- **Obvious Tendency of Computerization in Vending Machines**

It has become obvious that there have been some attempts to increase the attractiveness of vending machines, a sales channel of beverages which is suffering from sluggish sales, by developing products exclusively for the machines or by providing unique promotions, aiming to prevent the consumers from being away from them. Also, increasing number of vending machines has rapidly been networked through smartphones.

◆ **Report Format:**

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Price: 110,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

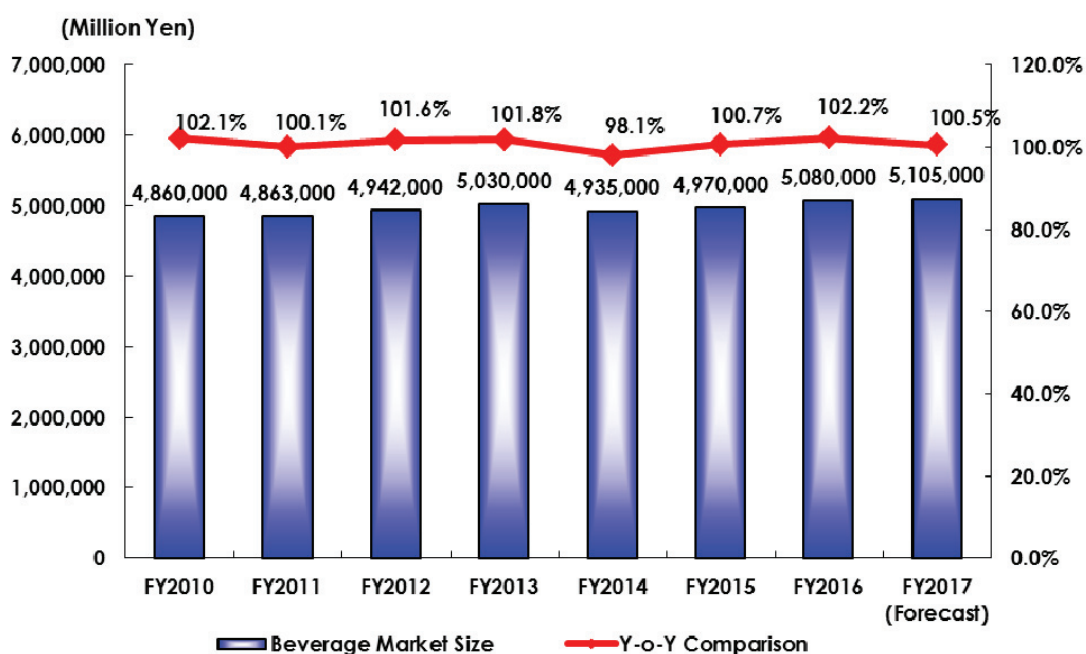
Contacts: Public Relations

Yano Research Institute Ltd. (URL: <http://www.yanoresearch.com>)

Phone: +81-3-5371-6912

E-mail: press@yano.co.jp

■ **Figure & Table 1: Transition and Forecast of Beverage Market Size**



Estimated by Yano Research Institute

(Unit: Million Yen)	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 (Forecast)
Beverage Market Size	4,860,000	4,863,000	4,942,000	5,030,000	4,935,000	4,970,000	5,080,000	5,105,000
Y-o-Y Comparison	102.1%	100.1%	101.6%	101.8%	98.1%	100.7%	102.2%	100.5%

Estimated by Yano Research Institute

Notes:

1. The market size is calculated based on the shipment value at manufacturers.
2. The beverage market in this research indicates the market of carbonated drinks, coffee drinks, mineral water, beverages with fruit juice, various types of teas (Japanese tea, English tea, Oolong tea, etc.), sports/functional drinks, nutritional drinks (including energy drinks), drinking milks, fermented lactic-drinks, soy milk, and etc.