

Health Food Market in Japan: Key Research Findings 2016

◆ Research Outline

Yano Research Institute has conducted a study on the health food market with the following conditions:

1. Research period: December 2015 to April 2016
2. Research target: Health food OEM, sellers of health foods (health food manufacturers, general food manufacturers, and pharmaceutical manufacturers), health food organizations, and supervisory authorities
3. Research methodologies: Face-to-face interviews by the specialized researchers, surveys via telephone/FAX, and literature research

<What are health foods?>

Health foods in this research indicate functional foods in forms of tablets, capsules, powder, or bottled liquid.

◆ Key Findings

■ Health Food Market in FY2015 Projected to Attain 746.0 Billion Yen, 103.5% on Y-o-Y Basis

Size of the domestic health food market in FY2015 is likely to achieve 746.0 billion yen, 103.5% of that of the previous fiscal year, based on the shipment value at manufacturers. The market has been driven by inbound tourism demands (vigorous purchasing by foreign visitors) and sales of products that have been applied and accepted early on as Foods with Function Claims, the system of which having launched in April 2015. Although inbound tourism demands are on the decline, Foods with Function Claims are likely to be sold strenuously, so that the domestic health food market in FY2016 is projected to attain 780.4 billion yen, 104.6% of the size of the previous year.

■ Sales through Pharmaceutical Channel Being Favorable Due to Development of Foods with Function Claims and Inbound Tourism Demands

The sales of health foods through recently-expanding pharmaceutical channels, such as drugstores, have increased in FY2015 due to inbound tourism demands and are likely to grow during FY2016 because of vigorous development of Foods with Function Claims. Although the growth rate may slowdown, the market through mail order channels continues rising.

■ More than 40% of Consumers in 30s and More Intend to Buy Foods with Function Claims

Results of the questionnaire targeting consumers of 30s and over asking about the intention of buying Foods with Function Claims are as follows: 5.9% intend to proactively buy such foods; and 36.7% would like to buy if the foods are what they are interested in. The total of the both respondents became 42.6%, which exceeded those unwilling respondents (19.6% of respondents don't feel like buying them; and 19.1% has no intention what so ever, the total of both accounting for 38.7%). As for the top 5 interested functions that consumers expect from Foods with Function Claims are; to combat neutral fat, visceral fat, anti-cholesterol, regulation of gastric function, and eye care, all of which accounted for 20% each.

◆ **Report format:**

Published report: “Health Food Market 2016”
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 Format: 650 pages in A4 format
 Price: 115,000 yen (The consumption tax shall be charged for the sales in Japan.)

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■ **Figure 1: Transition of Size of Health Food Market by Sales Channel**

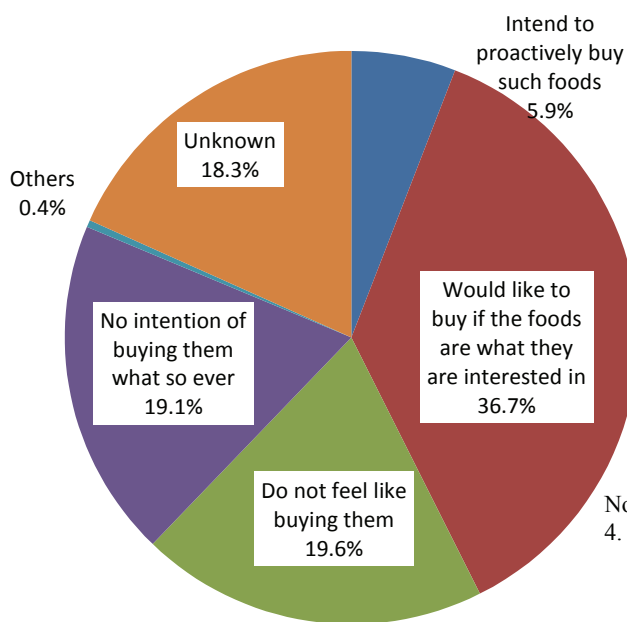
Sales Channels	FY 2013			FY 2014			FY 2015 (Prospect)			FY 2016 (Forecast)		
	Market size	Y-o-Y	Market share	Market size	Y-o-Y	Market share	Market size	Y-o-Y	Market share	Market size	Y-o-Y	Market share
Door-to-door sales	242,500	97.9%	33.7%	235,000	96.9%	32.6%	234,000	99.6%	31.4%	234,000	100.0%	30.0%
Mail order sales	292,000	104.3%	40.6%	299,000	102.4%	41.5%	309,100	103.4%	41.4%	329,000	106.4%	42.2%
Pharmaceutical channels	95,200	102.4%	13.2%	96,700	101.6%	13.4%	112,000	115.8%	15.0%	125,000	111.6%	16.0%
Food channel	26,300	101.9%	3.7%	26,500	100.8%	3.7%	26,900	101.5%	3.6%	27,300	101.5%	3.5%
health food channel	16,500	101.2%	2.3%	15,600	94.5%	2.2%	14,800	94.9%	2.0%	14,800	100.0%	1.9%
Other channels	47,100	101.9%	6.5%	48,000	101.9%	6.7%	49,200	102.5%	6.6%	50,300	102.2%	6.4%
Health Food Market Size (Total)	719,600	101.5%	100.0%	720,800	100.2%	100.0%	746,000	103.5%	100.0%	780,400	104.6%	100.0%

Survey by Yano Research Institute

Notes:

1. The market size is based on the shipment value at manufacturers.
2. The health foods in this research indicate functional foods in forms of tablet, capsule, powder, or bottled liquid.
3. Pharmaceutical channels are those that supply products to drugstores and pharmacies, foods-store channels are those that supply products to convenience stores, mass merchandizers, and supermarkets which handle foods, and health food channels are those that supply products to health food specialty stores. Other channels include those medicines arranged to be kept at households, aesthetic salons, fitness clubs & gyms, hospitals and other service channels.

■ **Figure 2: Intention of Buying Foods with Function Claims**

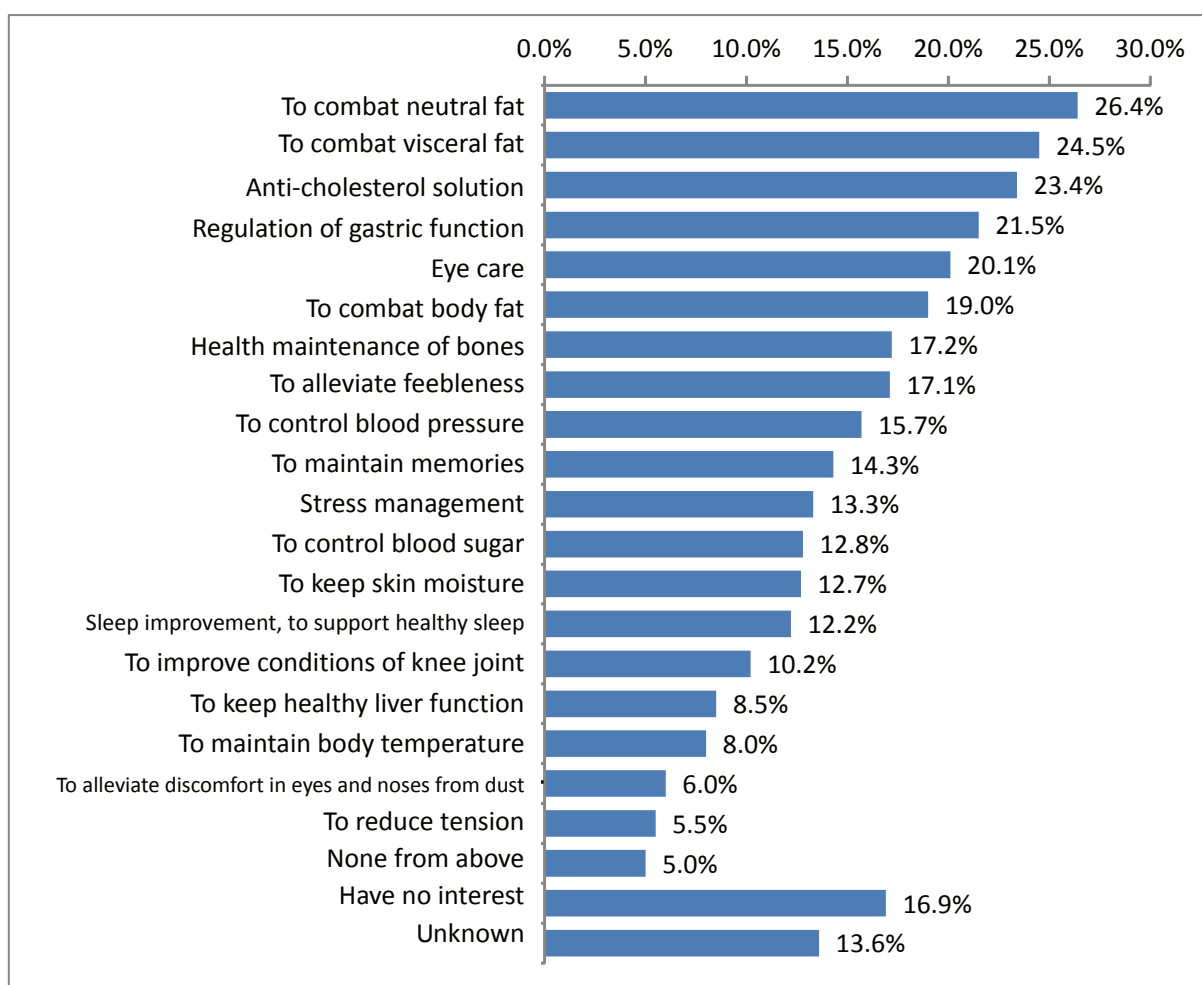


Notes:

4. Research period: January 2016, Research target: 1,207 Men and women living in Japan aged 30 and more (605 men and 602 women), Method of research: Online, single response allowed.

Survey by Yano Research Institute

■ **Figure 3: Functions of Foods with Function Claims Interested in**



Survey by Yano Research Institute

Notes:

5. Research period: January 2016, Research target: 1,207 Men and women living in Japan aged 30 and more (605 men and 602 women), Method of research: Online, multiple responses allowed.