

Health Food Market in Japan: Key Research Findings 2010

➤ **Research Outline**

Yano Research Institute has conducted a study on the health food market in Japan with following conditions.

1. Research period: October to December 2010
2. Research targets: Health food manufacturers, general food manufacturers, pharmaceutical companies, industry organizations, governmental agencies, etc.
3. Research methodologies: Face-to-face interviews, telephone and fax surveys, consumer survey, literature research

DEFINITION of Health Foods

The health foods in this research are the functional foods whose product form is either tablet, capsule, powder or mini drink type.

➤ **Key Findings**

- ◆ **The FY 09 market size of health foods increased by 0.9% year-on-year to JPY 675.7 billion, which was an expansion for the first time in four years**

The health food market size is estimated at 675.7 billion yen for fiscal 2009, up 0.9 percent from the previous year based on manufacturer shipment value. The market had been in a shrinking trend from fiscal 2006 to 2008, however, it turned to increase although only slightly for the first time in four years. These days making a hit ingredient is not easy due to the strengthened governmental regulations and surveillance and the decreased health information TV programs. Furthermore, consumers are reluctant to buy things due to recession and the severe market environment continued. However, the growth of catalog sales market contributed the market expansion.

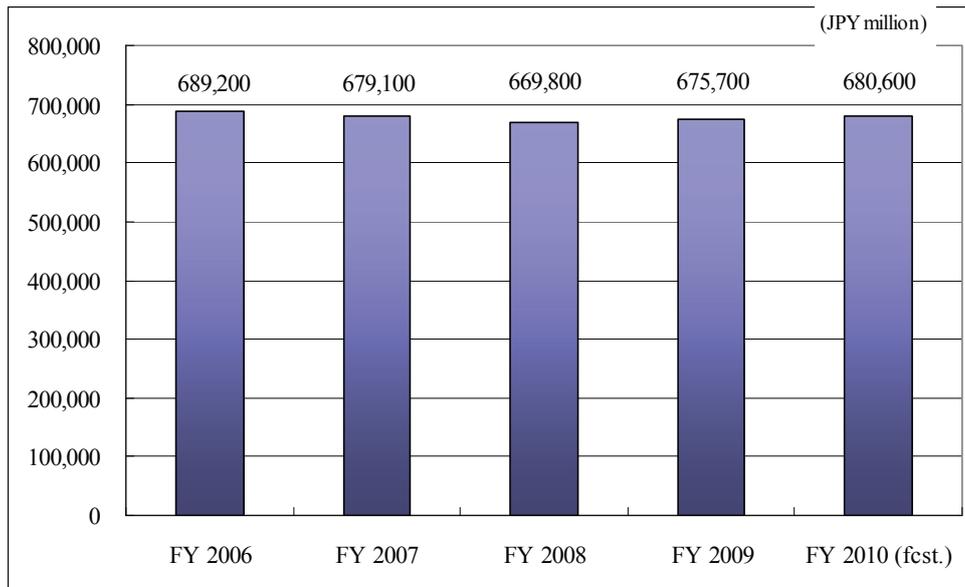
- ◆ **Catalog sales channel is increasing its presence year by year.**

Health food sales channels can be divided into non-store retail sales and store-based retail sales. Non-store sales, including door-to-door sales and catalog sales, represent approximately 70 percent of all the health food sales channels. Particularly the catalog sales channel has been remarkably growing recently. The catalog sales channel increased to 233.3 billion yen in fiscal 2009 and came close to the share of door-to-door sales.

- ◆ **Beauty and anti-aging care ingredients are expanding with the keywords of “beauty from inside and outside” and “active seniors.”**

In the health food market, beauty and anti-aging ingredients are expanding by taking in the demands of middle- and old-aged women. The word of “beauty from inside and outside” has become established among the general consumers, and collagen and hyaluronic acid grew steadily as a beauty supplement to treat the body from inside. Moreover, active seniors who enjoy jogging, walking and light mountain climbing increased. They want to improve aging body and maintain health by intaking health foods.

[Market Size of Health Foods]

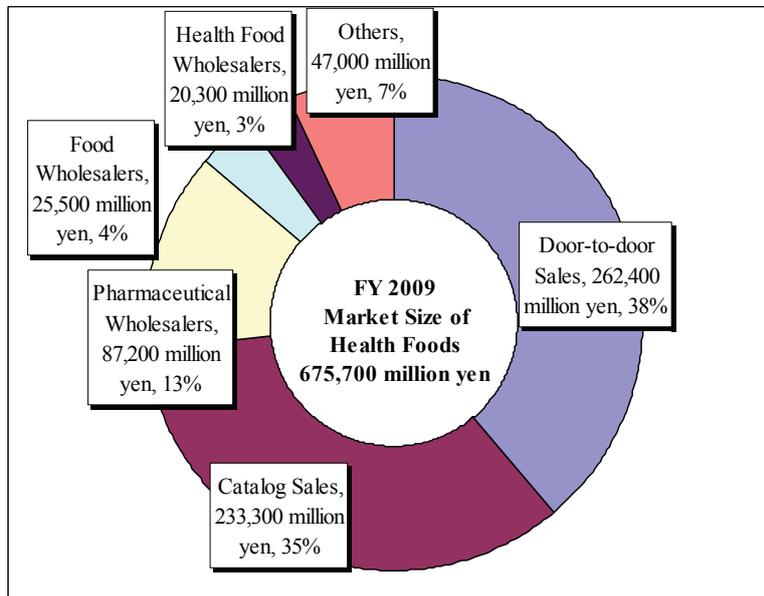


Estimated by Yano Research Institute Ltd.

Note:

1. Based on manufacturer shipment value.
2. Product forms are tablet, capsule, powder and mini drink type only.

[Market Size of Health Foods by Sales Channel]

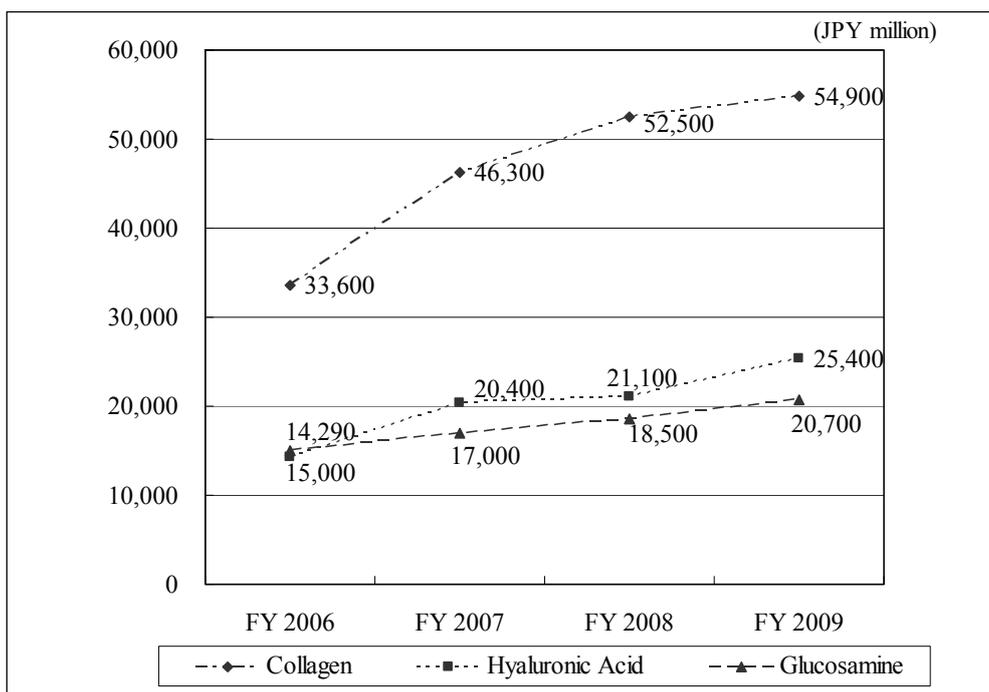


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3. Pharmaceutical wholesalers are those who distribute products to mainly drugstores and pharmacies.
Food wholesalers are for convenience stores, mass merchandise stores and supermarkets that handle foods. Health food wholesalers are those who distribute products to health food specialty stores.
Others include home delivery (pay-per-usage home medicine kit), aesthetic salon, fitness club and hospital routes.

[Market Size of Representative Beauty and Anti-aging Care Ingredients]



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➤ Report format:

Published report: "Health Food Market 2011" Issued in: December 29, 2010

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Format: 603 pages in A4 format

Price: 105,000 yen (5,000 yen of consumption tax will be additionally charged for sales in Japan.)

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