

Required Report: Required - Public Distribution

Date: November 19, 2025

Report Number: JA2025-0048

Report Name: Retail Foods Annual

Country: Japan

Post: Tokyo ATO

Report Category: Retail Foods

Prepared By: Sumio Aoki

Approved By: Stephanie Swinehart

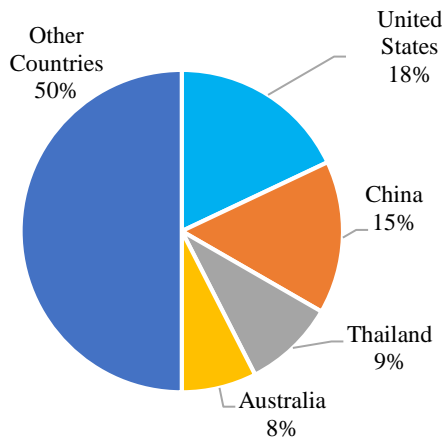
Report Highlights:

The retail industry in Japan remained stable despite the continued strength of the U.S. dollar vs. the Japanese yen. To drive demand, retailers have strategically targeted the younger generation who seek easy-to-prepare, frozen, and ready-to-eat foods. The retail sector had sales total \$193 billion in 2024 with increased demand in supermarkets, convenience stores, and drug stores. Building and maintaining relationships with manufacturers and importers in Japan remain an critical component of successful market entry.

Executive Summary:

The United States is the largest foreign supplier of food and agricultural products to an import-reliant Japan (15 percent of import market share)—the fourth largest single market for U.S. agricultural and related products in 2024 (\$13.6 billion). On January 1, 2020, the U.S.-Japan Trade Agreement (USJTA) entered into force, providing preferential tariff access for many U.S. agricultural products. Japan’s food industries are well-developed and innovative in all sectors, including, retail, food service, food processing, and distribution.

Consumer-Oriented Agricultural Imports



Top Exporting Countries to Japan, 2024
 Source: Trade Data Monitor, LLC

Food Retail Industry: In 2024, the total value of all retail food and beverage sales was \$193 billion. Supermarkets represent the bulk of the retail food sales at 45 percent and the convenience store sector accounts for approximately 28 percent of sales. Ready-to-eat meals or take-home foods represent an area of growth.

Food Processing Industry: The \$174 billion food processing industry produces a wide variety of foods: traditional Japanese, Western, and health-oriented foods for infants and the elderly. Food processors focus on maintaining market share among traditional product lines while developing creative and innovative food products to attract consumers.

Food Service Industry: In 2023, total sales of Japan’s hotel, restaurant, and institutional food

service industry increased by 16 percent, reaching \$226.2 billion. The continued surge in international tourists contributed to increases in all categories within the hotel and restaurant industry.

Quick Facts CY 2024

Imports of Consumer-Oriented Products
 (US \$billion) \$40

List of Top 10 Growth Products in Host Country

- | | |
|-------------------------|-----------------------------|
| 1) Meat | 2) Condiments and Sauces |
| 3) Processed Vegetables | 4) Other Consumer- Oriented |
| 5) Confectionery | 6) Dairy (Cheeses) |
| 7) Tree Nuts | 8) Fresh Fruits |
| 9) Processed Fruits | 10) Egg & Egg Related |

Food Industry by Channels (U.S. billion)

Retail Food Industry	\$193
Food Service-HRI (2023)	\$226
Food Processing	\$174
Food and Agriculture Exports	\$9

Top 10 Host Country Retailers (based on sales)

- | | |
|------------------------------------|----------------|
| AEON | Life Co |
| Seven & I Holdings | H2O Retailing |
| Yamazaki Baking | Valor Holdings |
| Pan Pacific International Holdings | USM Holdings |
| Isetan Mitsukoshi | Izumi |

GDP/Population

Population (millions): 123.59 (2025 est.)
 GDP (billions USD): \$4,000
 GDP per capita (USD): \$32,336

Sources: Trade Data Monitor, LLC, Japan Ministry of Finance, Japan Ministry of Economy, Trade and Industry, Japan Food Service Association, The World Factbook, The World Bank

Strengths	Weaknesses
- U.S. products are in demand and remain trendy.	- The negotiating and decision-making process can take time.
Opportunities	Challenges
- With USJTA, nearly 90 percent of U.S. products are duty free or receive preferential tariff access.	- For products not covered in USJTA, many other suppliers enjoy tariff concessions through other FTAs.

Section 1: Market Summary

The food and beverage retail industry totaled \$193 billion in 2024 and encompasses supermarkets, department stores, convenience stores, drug stores, and the Internet (See Table 1). General Merchandise Stores (GMS) are malls with supermarkets. Most GMS are operated by AEON or Seven & I. They offer products such as apparel, shoes, sporting goods, bedding, kitchenware, etc., in addition to food and beverage products. There is no separate or official data source for GMS sales of food and beverage products due to a change in the Government of Japan’s data collection, however GMS has been estimated to be \$20-\$30 billion annually. The weakening Japanese yen significantly impacts the growth of the actual Japanese retail food and beverage market. From 2022 to 2024, the yearly average exchange rate (Japanese yen to USD) increased from 131.0 to 151.4 (Figure 3, Source: [IRS.gov](https://www.irs.gov))

Table 1: Food Retail Sales by Category for 2022-2024

Category	2022		2023		2024	
	Billion \$	Share %	Billion \$	Share %	Billion \$	Share %
Supermarket	91.8	45.7	88.9	45.1	86.4	44.7
Convenience Store	57.7	28.7	57.7	29.3	54.9	28.4
Department Store	12.3	6.1	11.7	5.9	10.7	5.5
Drug Store	18.2	9.1	19.1	9.7	21.7	11.2
Internet	20.9	10.4	19.6	10.0	19.6*	10.1
Total Market	200.9	100.0	197.0	100.0	193.3	100.0

* Internet sales for 2024 are unavailable - the 2023 value is used Source: Ministry of Economy, Trade and Industry (METI)

Advantages and Challenges

U.S. food and beverage products continue to be prominently displayed at supermarket stores and are frequently sought out by consumers for quality and freshness. Bakery goods, cereals, pasta, confectionary products, and processed vegetables represent some of the best prospects of U.S. consumer-oriented products. These prospects are also true for non-traditional retailers, such as drug stores, which increasingly sell vegetables, fruits, and ready-made meals. The rising demand for nutritious and convenient food, as well as the growing popularity of food purchases at drug stores and other stores, further support export opportunities for nonperishable products such as nuts and dried fruit.

ADVANTAGES	CHALLENGES
Reduced duties under the U.S.-Japan Trade Agreement	Some U.S. products face higher tariffs than competitor suppliers due to trade agreements
U.S. products have a high-quality reputation	Japanese consumers generally prefer domestic products over imports and are willing to pay a premium for “made in Japan”
Perception of the United States as a reliable supplier with large production capacity	Desire for Japanese importers to diversify risk by sourcing from multiple countries
High standards for food safety and animal/plant health	Strict regulatory standards for imports that sometimes exceed U.S. domestic regulations
Diverse range of product availability from bulk to intermediate to consumer-oriented	High costs for marketing in Japan and the need to adjust retail packaging for domestic market
Increasing westernization of consumer food preferences	Deliberate pace of business decision-making and the expectation of long-term involvement and commitment by foreign suppliers
Variety of product availability with flavors and different functions	Inflation and the strengthening of the U.S. dollar vis-à-vis the Japanese yen have made U.S. products less price competitive

Retail Sales by Channel

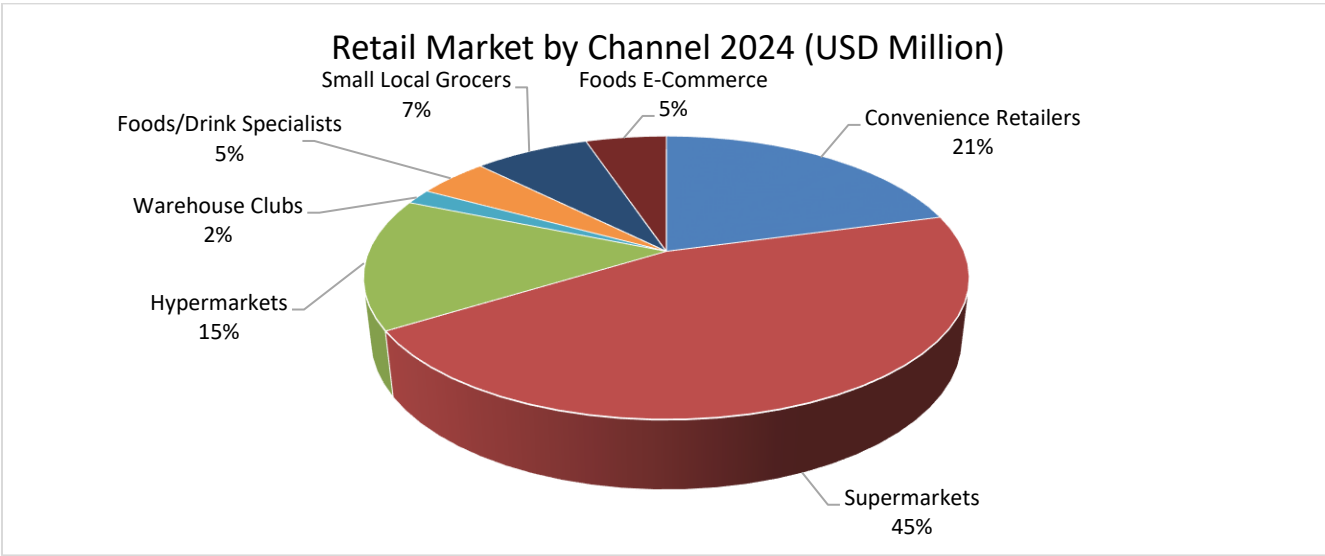


Figure 1: Retail Market by Channel 2024 Source: Euromonitor International Ltd 2025

The Convenience Store (“combi”): The convenience store sector accounts for 28.4 percent of total retail food and beverage sales. The share within the food retail category decreased by 0.9 percent in 2024 compared to the previous year. The number of convenience stores increased by 208 between January 2024 and January 2025. Since 2019, the number of convenience stores in Japan has ranged between 55,500 and 55,900. Convenience stores offer a wide selection of groceries, snacks, confectioneries, gummies, ready-to-eat meals, frozen food, non-alcoholic and alcoholic beverages. In particular, the working class (commonly referred to as “salary men/women”) are targeted throughout the day from breakfast to dinner.



Figure 2 Readymade Snacks, lunch boxes, and frozen foods sold in "combi" Source: FAS/Tokyo

Drug Store: The drug store sector is a growing retail category. In 2024, the drug store sector accounted for 11.2 percent of total sales, and the share ratio in the food retail categories increased by 1.6 percent from 9.7 percent. Drug store sales have been rising year by year due to an increase in the number of food products available. Drug stores allow consumers to purchase medicines, cosmetics, daily necessities, foods, and beverages in one location. This convenience is particularly beneficial for elderly people who frequently need their medication. In April 2025, the two largest drug stores, Welcia and Tsuruha, merged to create Japan’s largest drug store group with over 5,600 stores across eastern Japan. Both Welcia and Tsuruha are seeing huge growth in their food sales. Welcia’s food and beverage sales, for example, increased 9 percent between February 2023 to February 2024 to \$1.95 billion.

Internet Sales: Internet sales are a popular retail store category. One contributing factor is the growing consumer habit of purchasing via e-commerce (EC), which became firmly established during the pandemic. In addition, the online supermarket sector has expanded with new entries, including general merchandise stores, e-commerce-specialized retailers, major EC platforms, and food manufacturers.

Other sales channels: Home improvement centers and major electronic retailers in Japan continue to increase sales of food and beverage items along with their core product lines. However, sales data are unavailable on the proportion of food sales relative to total sales.

Japanese Retail Trends: Price Increases and Strong Demand for Health Food

The Japanese retail market has experienced widespread price adjustments due to the depreciation of the Japanese yen and inflation of raw materials, transportation, and manufacturing costs. According to Kyodo News, in the food sector, the number of items subjected to price increases in 2024 was approximately 12,400, and the number of higher-priced items in 2023 was 32,400 (Kyodo News, 2024). Japanese consumers continue to face pressure from ongoing inflation.

Recent trends in the Japanese food retail sector reflect shifting consumer demographics and preferences. As the older adult population continues to increase, demand for food items with health and beauty benefits is increasing. For example, ice creams enriched with collagen peptides and iron, as well as yogurts formulated to support skin health, are being developed and marketed particularly toward senior consumers. Among the younger consumers, in addition to nuts, dried fruits, and protein-based products, there is a great interest in foods and beverages that support physical and emotional well-being. In response, many companies are accelerating product development to meet these evolving needs.

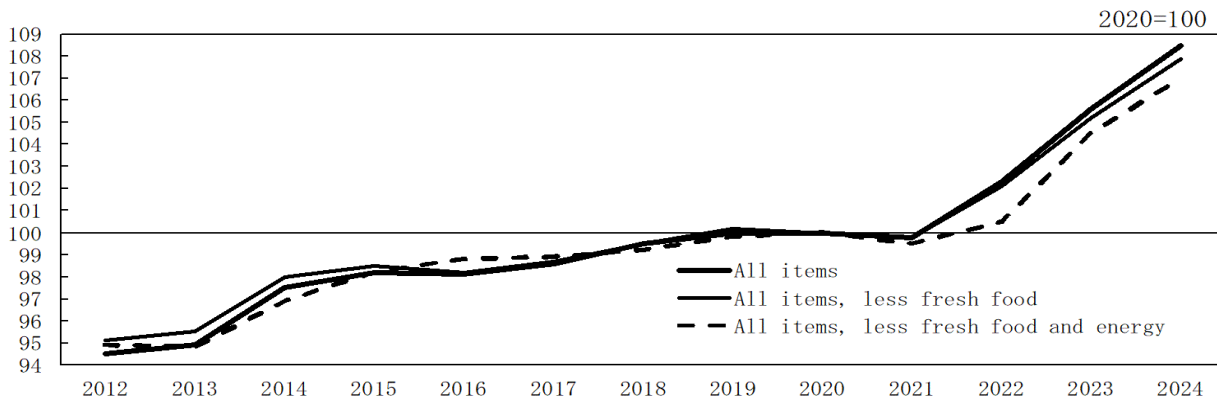


Figure 3: Japan's Consumer Price Index Source: [Statistics Bureau of Japan](#)

Consumer Trends: Cost- and Health- Consciousness and Convenience-oriented Behavior

In recent years, Japanese consumers have demonstrated three major tendencies in their eating habits: cost-consciousness, health-consciousness, and convenience-oriented behavior. According to a consumer trend survey released by Japan Finance Corporation in February 2025, the number of consumers indicating cost-consciousness as a primary purchasing factor reached a record high of 45.6 percent, up 1.4 percent from last year, reflecting a growing emphasis on cost amid rising prices and stagnant wages.

Japanese consumers have demonstrated health consciousness also remained high at 44.0 percent. The interest in maintaining nutrition to promote better health has increased, such as eating more vegetables and reducing sodium. Additionally, consumer actions prioritizing ease and speed in their daily lifestyles, which defines convenience-oriented behavior, rose to 40.3 percent, marking a 4.8 percent increase from 2024. Consumers have been utilizing frozen foods, ready-to-eat dishes, and pre-cut vegetables and fruits to reduce cooking time and increase efficiency. Lifestyle changes, such as the need to balance work,

childcare, and elderly care due to a declining and aging population, have further accelerated convenience-oriented behavior.

The Growing Role of Tourism and Sustaining Japan’s Domestic Economy

Another major factor influencing the Japanese economy is the surge in inbound tourism. In 2024, Japan welcomed around 36.9 million visitors, 2.7 million of whom were from the United States. The number of U.S. visitors increased by 33 percent from the previous year. Susumu Matsumoto, of the Japan National Tourism Organization, New York Office, commented that "in the post-COVID era, people are seeking unique and special experiences, and they are choosing Japan as a travel destination". While many Japanese consumers are refraining from leisurely spending due to rising prices, tourists from the U.S. and other countries are playing a significant role in supporting the domestic economy through their spending on food and dining.

Section 2: Road Map for Market Entry

Market entry may take a considerable amount of time, especially for ingredient suppliers. Manufacturers frequently search for specific ingredients but may be unwilling to disclose new product development plans and discuss product-sourcing needs. The challenge for U.S. ingredient suppliers, therefore, is to build a relationship with potential manufacturer partners so that when new product needs arise, that relationship can be leveraged. To capitalize on those opportunities, it is important to secure product and in-country representation. Building a relationship with a local importer is a critical early step.

Market Structure

The flowchart on the right demonstrates how imported products tend to enter and move through the traditional Japanese distribution system. Ingredient products will most likely be handled by an importer (who serves as a first-line wholesaler), a second-line wholesaler, and/or a retailer. An importer plays the following roles: import processing, financing, customs clearance, warehousing, and the preparation of order and shipping documentation.

Regulations on ingredients and additives are very strict, and exporters must ensure that products are permitted. As part of the product clearance and approval process, it is also common that local processors and the Japanese government request specific information regarding product handling and composition. In addition, local manufacturers have a reputation for demanding very high standards of product quality and consistency,

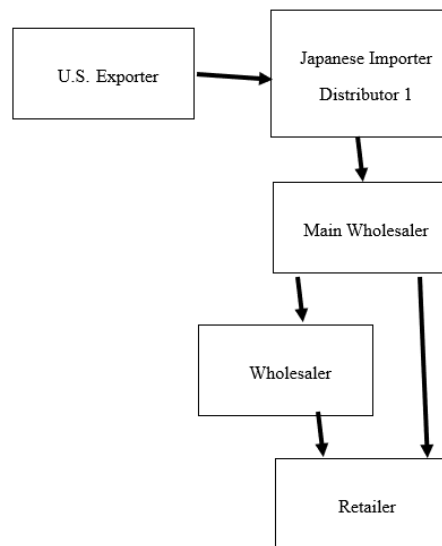


Figure 4: Flowchart of the Japanese Distribution System for Imported Products Source: FAS/Tokyo

while also having a reputation for working collaboratively with suppliers to develop long-term supply relationships. Despite the work involved, the Japanese market has enormous potential. Strategies for entering the market vary depending on product characteristics, competition, and the market environment. However, buyers in the food and beverage industry often prefer to find new products at large trade shows, or specially targeted trade shows, where they can look at many products at once. Participating in one of Japan's many trade shows is highly recommended to learn about the market and meet with potential business partners. The largest local food related trade shows are the Supermarket Trade Show and FOODEX Japan, which take annually in February and March.

Entry Strategy

To get started, companies interested in exporting should: 1) Ensure production capacity to commit to the market, 2) Ensure sufficient financial and non-financial (staff, time, etc.) resources to actively support exported product(s), 3) Evaluate whether the ability exists to tailor product packaging and ingredients to meet foreign import regulations, food safety standards, and cultural preferences, 4) Ensure knowledge necessary to ship overseas, such as being able to identify and select international freight forwarders, manage climate controls, and navigate export payment mechanisms, such as letters of credit, and 5) Research USDA cooperators or local State Regional Trade Groups (SRTG) by visiting the [Getting Started](#) section of the Foreign Agricultural Service webpage. These groups work closely with USDA to help food and agricultural companies advance their export goals.

Once a company has established a foundation for exporting, they should determine whether the product is permissible by Japanese food regulations. The [Exporter Guide](#) and the [Food and Agricultural Export Regulation Report](#) (FAIRS), published by the USDA Japan offices contain much of the necessary information. For plant or animal health inquiries, local [APHIS offices](#) provide information. If the product contains meat or meat products, companies should reference the [Food Safety Inspection Service Export Library](#). The Japan External Trade Organization (JETRO) [Handbook for Agricultural and Fishery Products Import Regulations](#) is also a helpful tool for reviewing Japanese food regulations to determine product compliance, local laws regarding additives, residue levels, and processing procedures, as well as regulations in terms of weight, size, and labeling. They should also perform basic market research by determining: the specific area of the market that company product is targeting; whether there is demand for the product; and the comparative advantages of product versus Japanese and other suppliers. Companies can determine demand by doing research online, speaking with other companies that have experience in the market, visiting Japan to conduct market tours, or attending a trade show. When determining comparative advantages, companies should keep in mind transportation and modification costs. Potential customers need to be convinced of the product's merits including price savings, higher quality, higher value, or more convenient packaging.

Having collected information on the general market, product, and regulatory information, companies should begin the process of creating an export action plan. This can be a helpful tool for relaying product vision to distributors and buyers. The plan should have some flexibility as portions may change after personal interaction with the market or as more information is gathered. Companies should also

visit Japan to explore opportunities first-hand or find a representative. Face-to-face interaction is very important in Japan, where personal relationships are highly valued. Companies should vet their partners to ensure they have a good reputation and record of accomplishment. When it comes to finding a buyer, trade shows are excellent tools for market research as well as for finding potential distributors. FAS updates the [list of USDA-endorsed trade shows](#) annually. Companies should contact their appropriate [SRTG](#) or USDA Cooperator to inquire about upcoming activities such as trade missions or showcases. For more information on trade shows in Japan, please read [GAIN JA2020-0054](#).

Selected Major Domestic Companies

- [Kirin Holdings](#) (Beverage, alcohol)
- [Nippon Ham Foods Ltd.](#) (Meats)
- [Meiji Holdings Co., Ltd.](#) (Daily beverage, confectionery)
- [Ajinomoto Co., Inc.](#) (Food and amino acids)
- [Yamazaki Baking Co., Inc.](#) (Bread and bakery products)
- [Maruha Nichiro](#) (Seafood)
- [Itoham Foods Inc.](#) (Ham and Sausage)
- [Megmilk Snow Brand Co., Ltd.](#) (Dairy products)
- [Kewpie Corp.](#) (Mayonnaise and Dressing)
- [Asahi Group](#) (Beverage, alcohol)
- [Suntory Ltd.](#) (Beverage, alcohol)

Section 3: Competition

The United States is the leading pork supplier to Japan followed by Canada and Spain. Japanese consumers strongly associate beef with the United States, for which the import market is shared with Australia. U.S. wheat accounts for about 40 percent of annual imports, with Canada and Australia accounting for about 38 percent and 21 percent, respectively. Soybean imports are primarily from the United States on a value basis at approximately 70 percent, with Brazil and Canada being the main competitors for food-grade soybeans. Cheese is supplied mainly by New Zealand and Australia, each with a market share of about 15 percent. The United States' main competitive countries in vegetables and fruit are Asian countries such as Thailand, Philippines, and South Korea, with China primarily supplying on proximity, price competitiveness, and varietal preferences. The political situation in recent years has influenced Japan's imports, which has led to increased imports from European and Middle Eastern countries. Thailand dominates the poultry meat market as well, ahead of Brazil and China; together comprising 98 percent of imports. The United States is the top supplier of corn, followed by Brazil.

Section 4: Best Product Prospects

With the implementation of USJTA, USDA Japan published one-page fact sheets to highlight key product categories that received preferential tariff treatment in the agreement (linked in the table below). More information on tariff treatments may be found at [USDAJapan.org](#).

Top Consumer-Oriented Products Imported from the World

Frozen Pork Meat: Pork consumption in Japan is traditionally high among Japanese consumers. Consumption has remained high due to competitive pricing vis-à-vis other animal proteins.

Coffee: Coffee is a popular beverage in Japan and demand was boosted with the introduction of high-quality coffee into convenience stores throughout Japan starting in 2015.

Prepared and Preserved Chicken Meat: Japan consumes chicken meat in a variety of ways. Some preparations, such as karaage, require prepared or preserved chicken meat.

Top Consumer-Oriented Products Imported from the United States

Meat Products: Beef, pork, and chicken products are essential for Japanese consumers for home, food service, and ready-to-eat market segments. They have a high rate of utilization for all popular cuisines, including Japanese food.

Condiments & Sauces: Ketchup, mustard, and more recently hot sauces, are popular products for many Japanese eateries and home consumption. There are many globally recognizable brand condiments on the shelves of most supermarkets.

Processed Vegetables: Frozen products have increased as well as frozen cases in supermarkets and convenience stores. This has resulted from the rise of freezing technology in Japan.

Products Present in Market with Good Sales Potential

Wheat & Wheat Products: U.S. food wheat is a key ingredient in Japanese bakery and noodle production. USJTA provides tariff parity with competing food wheat suppliers.

Tree Nuts & Peanuts: In 2024, Japan imported \$312 million of tree nuts from the United States. Tree nuts are increasing in popularity especially in the convenience health snack sector. Almonds, walnuts, pecans, and peanuts, in plain, roasted, and salted forms, are common in single-serve snack packaging at convenience stores across Japan.

Cheese Products: Consumers are taking advantage of expanded retail options in supermarkets. Popular processed products include sliced cheese, cheese sticks, and bite-sized cheese wedges.

Pork & Pork Products: Japan imports around 50 percent of its pork supply. Pork is one of the most popular protein choices for Japanese households and ground seasoned pork is a key ingredient for domestic sausage manufacturers.

Products Not Present in Market with Good Sales Potential

Frozen bread: These products are in demand, but these are difficult to package, and ship frozen.

Products Not Present in Market due to Significant Barriers

Cherry plums: These products currently face barriers to trade with fumigation restrictions. There are significant costs for suppliers in attempting small volumes.

Organic strawberries: These products require fumigation. Once fumigated, the product's shelf life is limited and cannot be distributed as organic produce.

Peaches: Peaches are the only stone fruit not allowed for import into Japan. Once this barrier is lifted, it may facilitate the combined fumigation protocol of cherry plums and peaches, which would drive higher volume and demand in the Japanese market.

Section 5: Key Contacts and Further Information

Ministry of Health, Labor and Welfare

Imported Food Safety: [Imported Food Safety | Ministry of Health, Labour and Welfare](#)

Japan Food Sanitation Law: [Food Sanitation Act - English - Japanese Law Translation](#)

U.S. laboratories approved by the Japanese Government:

[Ministry of Health: List of Foreign Official Laboratories](#)

Japan External Trade Organization (JETRO)

[Japanese Market Regulations](#)

Specifications and Standards for Foods, Food Additives, etc. under the Food Sanitation Law:

[JETRO | Japan External Trade Organization](#): Search with “food import regulation”

USDA Japan

Reports from USDA Japan, including the Agricultural Trade Offices and the Office of Agricultural Affairs, are frequently updated and can be found by searching the [USDA Japan Reports website](#).

ATO Tokyo
U.S. Embassy
1-10-5, Akasaka, Minato-ku
Tokyo 107-8420
atotokyo@usda.gov

Phone: 81-3-3224-5115
Fax: 81-3-3582-6429

ATO Osaka
American Consulate General
2-11-5, Nishi Tenma, Kita-ku
Osaka City, Osaka 530-8543
atoosaka@usda.gov

Phone: 81-6-6315-5904
Fax: 81-6-6315-5906

<http://www.fas.usda.gov>

Attachments:

No Attachments