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for Industrial Cooperation  
日欧産業協力センター

# Export Support Webinar – Culture

Webinar for Walloon Export and Foreign Investment  
Agency (AWEX)

21 October 2021, 10:30 (CET), by C. Nakabayashi



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# Agenda

1. Japanese Business Culture
2. Japanese Business Practices
3. Belgian Export and Japanese Market
4. Modes of Export to Japan
5. Distribution System and Outlets in Japan
6. Q&A



## Japan's Business Culture



## Belgium and Japan: Similar and Different Business Cultures

- ✓ Decision-making process is similarly slow to achieve consensus
- ✓ Similarly planning and pragmatic approach to avoid uncertainty
- ✓ Differently, Individually autonomous vs group-oriented



## Japan's Business Culture



### 1) CONSENSUS-BASED DECISION MAKING

Decision making process is slow because decisions must be agreed by each layer of hierarchy. In society, power is equally distributed and decision-making is consensus-based.

### 2) LOYALTY IN-GROUP

Japanese in-group act situationally. Japan is a group-society and Japanese are loyal to the groups that they belong to. Japanese are individually more private and reserved than most other Asians.



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## Japan's Business Culture



### **3) GROUP-BASED COMPETITION**

Japanese dislike assertive and competitive individual behaviours, however Japanese in-group engage in competition. In business, employees are motivated when they compete with competitors. Group competition drive Japanese to manufacture excellent and perfect products and services.



## Japan's Business Culture

### **4) AVOIDING UNCERTAINTY**

In Japan, life is highly ritualized and changes are difficult to realized. Ceremonies are manualized and people are reluctant to go against precedence. In business, time and effort are in feasibility studies and risk factors are worked out. Managers ask facts and figures before taking any decision. Japanese companies avoid a 'surprise' by preparing all what they can do to avoid uncertainty.

### **5) LONG TERM COMMITMENTS**

Japan is a long-term oriented society. Life is seen as a short moment in a history of mankind. Lives are guided by virtues and practical good examples. In business, companies focus on business durability and make long-term investment in business. As for business goals, many companies focus on long-term commitments to society as a whole. They also commit to business partners.



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## Japan's Business Practices



### **1) FORMAL AND RITUAL**

Japanese business is formal and ritualistic, particularly when meeting business partners for the first time. It is to confirm formal relationships. For instance, to meet Japanese business partners for the first time, personal introduction by a third party is required.

### **2) TWO-TIER BUSINESS RELATIONSHIP**

To establish long-lasting business relationship in Japan, you need to set up a two-tier business relationship structure: establish friendship and then move to the second stage of actual business negotiations.



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## Japan's Business Practices



### 3) **NAME CARD OR *MEISHI***

Name cards are exchanged on every occasion when one businessperson meets another. The purpose is to enable recipients of cards to know the other's position and status. Japanese are status conscious and set formal relationships to decide which level of language to use and how differently to bow and act. Business cards also serve to know instantaneously names and positions and to record for future reference.

### 4) **BUSINESS CORRESPONDENCE**

Japanese companies may fail to answer written enquiries. This does not mean a lack of interest. Japanese are accustomed to talk face-to-face. Or, there isn't people available who speak English.



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## Japan's Business Practices



### 5) DRESS CODE

Non-verbal communication is dress. Japanese businesspeople choose a dark suit for men and sober/plain dress for women. Most Japanese businesspeople expect a certain variety in dress of foreign businesspeople. However, one should avoid extremes in dress which may ignore some degree of formality in dress in Japan.

### 6) 'YES' AND 'NO'

The Japanese term *hai* is 'yes'. It can also mean 'I see' or 'I understand' and does not necessarily mean agreement. Japanese culture emphasises harmony rather than confrontation. Japanese are very reluctant to give a direct 'no' answer. Instead, Japanese answer with something non-committal such as 'Let me think.' One must read the negative response signs such as hesitancy or an unwillingness.



## Japan's Business Practices

### 7) **SILENCE IN NEGOTIATIONS**

Silence are common. Japanese think over what has been said and what alternatives are open. Silence is also part of Japanese communication procedure. Foreigners find silences embarrassing and feel obliged to say something unnecessary to relieve the tension, but the best way to handle such silences is to exercise restraint/patience and wait for a word after the silence.

### 8) **LONG-TERM COMMITMENTS & DUE DILIGENCE**

Japanese take long-term approach to prepare for future uncertainty. On business dealing, some Japanese companies, particularly small companies, prefer to make a broad agreement or mutual understanding rather than detailing out contract terms as they desire to allow both sides to adjust to unforeseen circumstances. However, due diligence should be given on payment terms and conditions to avoid business troubles. Legal settlements of disputes are rare in Japan.



## Size Japan's Food Market Compared to Belgian Market

(source: Japan's MAFF, FAO)

	 Japan	 Belgium
Consumer Base for Food Demand	126 million	11.6 million
Self-sufficiency of Food Supply	40%	51%
Spending (% in Disposable Income)	26%	30%



## Japan's Market Orientation: Safety and Quality/Premium

- Purchase decision on **safety and quality**
- Price on safety and quality
- 3 conditions to win consumer trust and loyalty
  - 1) **safety and quality** are guaranteed by authorities,
  - 2) **safety and quality** are proved with tradition
  - 3) **safety and quality** are disclosed on labels.
- Theses attach accountability, authenticity and transparency to products.
- Super **premium food** products



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Belgian Export and Japanese Market

## Japan's Product Orientation: Processed and Packaged Foods

- Busy modern life & small family unit: **Processed food**, freshly prepared and controlled under strict expiry date and time
- City life: '**Packaged or convenient food**' for everyday life, sold under OEM/private labels to gain consumer loyalty
- Gift culture: So-called '**Preserved food**' sold in gift food market and emergency food market

## 1) SALES –BASED ON INTERNATIONAL CONTRACT

- <Shipping conditions>: **EXW** (factory delivery)
- <Fare buyer burden conditions> **FCA** (shipper delivery), **FAS** (ship side delivery), **FOB** (ship delivery)
- <Fare-included conditions> **CFR** (or C & F, including freight), **CIF** (including freight insurance), **CPT** (including transportation), **CIP** (including transportation)
- <Arrival conditions> **DAF** (Border carry-on), **DES** (Ship carry-on), **DEQ** (Pier carry-on), **DDU** (Customs-excluded carry-on), **DDP** (Customs-included carry-on)

# Japan's Distribution System



## Japan's Retailer Sales Channels





# 1. Examples of Specialized Distributors for B2B

(source: various company information)

Name	Businesses
<b>Kobe Bussan</b>	Food importer for B2B, retail shop ROIS
<b>Ito-chu Shokuhinn</b>	Deal with 500,000 items including liquors, gift items and brand items
<b>Rakuto Japan</b>	Dairy ingredients such as butter, cheese, skin milk powder
<b>Nichimou</b>	Fisheries products
<b>Nichiyou</b>	Import of food ingredients and products in good networking with convenience chains and mass merchandisers. Also develop original products for direct sales.
<b>Owil</b>	Specialized in imported food products
<b>Iceco</b>	Specialized in ice-cream
<b>Nippon Ham</b>	Specialized in processed hams
<b>Ark</b>	Specialized in import food products
<b>Supermarket Lopia</b>	Specialized in import food products
<b>Hanamasa</b>	Specialized in meat for B2B, imported foods (a subsidiary of Japan Meat Co.)
<b>Sugimoto Meat</b>	Import and develop meat products. Run meat shops and restaurants.
<b>Brilliant Earth</b>	Specialized in imported organic food, online for B2B
<b>Lakuto Japan</b>	Dairy ingredients such as butter, cheese, skin milk powder
<b>Hanamasa</b>	Specialized in meat for B2B, imported foods (a subsidiary of Japan Meat Co.)
<b>And many more....</b>	



## 2. Examples of Distributors for Belgian Products for B2B:

Belgian Beer	Belgian Beer Japan, Euroasia Trading, etc
Belgian Ham (Ganda)	Ashahi Grant, etc
Belgian Sweets (Cote D'Ore, Lutus, waffles, etc)	Tomoe Corp., Food Marketing International, One-second, Nichimen, Yutaka Trading, Ito-Chu
Belgian Coffee	Rurale, Shigematsu Trading
Belgian Functional Foods	DKSH Japan
Belgian Products on E-commerce	Rakuten, Amazon Japan
And others.....	



### 3. Example of General Merchandise Stores for Imported Food to B2C

(source: various company information)

Name	Locations	Particulars
<b>Seijo-Ishi</b>	All regions	OEM. Wine, cheese, confectionary
<b>Kaldi Coffee</b>	All regions	Coffee and imported food, online
<b>Japan Meat</b>	Kanto regions	Chain supermarkets
<b>Kinokunia</b>	Kanto regions	Large variety. Spices, confectionary
<b>Kitano-Ace</b>	All regions	OEM
<b>Queens Isetan</b>	Tokyo area	OEM, Fresh processed food
<b>Loncos</b>	Tokyo area	Fresh food. Wine, cheese, desert, Maruetsu Group
<b>Peacock Store</b>	Kanto, Kansai regions	Lower end of premium food, AEON Group
<b>Bio c'Bon</b>	Tokyo area	French store, organic food. AEON Group
<b>Motomachi Union</b>	Tokyo area	American store
<b>Miura-Ya</b>	Tokyo area	OEM. Fresh food
<b>Precce</b>	Tokyo area	Fresh food, Tokyu Group
<b>Little World</b>	Aichi Prf.	Museum shop for international foods
<b>And more....</b>		



## 4. Example of Discount Stores for Imported Food to B2C

(source: various company information)

Name	Locations	Particulars
<b>Don Quijote</b>	All regions	Discount chain stores
<b>Daiso Industries</b>	International	Large franchised 100 yen store, imported food
<b>Carnival</b>	Kanto region	Stores for imported food
<b>OK</b>	Kanagawa prf.	Discount supermarket
<b>Kaneda Corp.</b>	Tokyo area	Imported food at discount store 'Harajyuku Hakurai Shokuhinnkan'
<b>And more....</b>		



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# Q&A Session

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