



EU-Japan Centre  
for Industrial Cooperation  
日欧産業協力センター

# FOOD SECTOR & BUSINESS CULTURE IN JAPAN

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# Table of Contents

- 1. Food market in Japan
  - 1.1 Food market in Japan: recent general trends; brand positioning & consumer trends: what drives food purchasing in Japan
  - 1.2 Key sales points and the ways to find a suitable importing company
  - 1.3 How to conduct and what to pay attention to during a factory visit or audit?
  - 1.4 Food & Beverage (F&B) regulatory conditions of exporting food products to Japan's market – What are the relevant information and how to find them on Japanese authority's website?
  - 1.5 Import certification and compliance requirements: Food safety issues (microbiology, foreign material); Packaging, labeling; What to pay attention to when preparing export documents?
  - 1.6 Customs procedures and distribution logistics
  - 1.7 Price negotiations and terms of contracts, orders
  - 1.8 What are the typical claims and how to manage them?
  - 1.9 The role of mediator, consultant, agent
- 2. Japanese business culture – background and practical advice for building and keeping up export activity
  - 2.1 Japan's culture, religion, history, geography, society and education and their impact on business culture
  - 2.2 Main concepts of Japanese business culture – attention to form, details and process
  - 2.3 General patterns of Japanese communication
  - 2.4 Business communication with Japanese people: negotiations, emails and online meetings, presentations, how to deal with slow Japanese decision-making process, how to deal with conflicts
  - 2.5 Japanese business etiquette – during work and outside the workplace
  - 2.6 The new generation of Japanese businesspeople; the role of women in business

Q&A session



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# FOOD SECTOR IN JAPAN

## 1.1 Food market in Japan: recent general trends; brand positioning & consumer trends: what drives food purchasing in Japan

- Falling and aging population (124 Million)
- Slow/stagnating economic growth in the past 30 years (0.5 – 1%)
- Slow consumer rebound after Covid
- Higher than usual inflation (especially in energy prices, hotel accommodation etc.)
- Weak yen is making imports more expensive



# FOOD SECTOR IN JAPAN

## 1.1 Food market in Japan: recent general trends; brand positioning & consumer trends: what drives food purchasing in Japan

- HORECA sector is not growing, many restaurants went bankrupt during Covid, less people eating out at restaurants
- More people are cooking at home, more people buying ingredients in supermarket and discount stores
- Importers' demand has shifted to ambient (room) temperature products due to higher transportation/storage costs and higher risks of frozen and chilled products
- Sales points: high quality; relatively low price; story; product is unique; strictly controlled production process; artisan products; producer's image



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# FOOD SECTOR IN JAPAN

## 1.2 Key sales points and the ways to find a suitable importing company

### Sales points

- high quality; story, product is unique in any sense; artisan; strictly controlled production process; natural ingredients; design fitting for giving it as gift
- Alcohol: low alcohol or no-alcohol products preferred recently



### Finding importers

- Firstly, if possible, find a retail chain or distributor for restaurants, hotel chains that introduces you to an importing company they are buying from
- Use local knowledge: your Embassy, local Japanese consultants, industry experts that know fine dining environment and can recommend, introduce you importing companies
- Trade fairs do not have a high success rate for new business; here are some advice:  
<https://sudy.co.hu/en/blog/how-japanese-trade-fairs-help-european-companies-succeed/>
- Cold emails to importers in most cases do not bear fruit



# FOOD SECTOR IN JAPAN

## 1.3 How to conduct and what to pay attention to during a factory visit or audit?

- Be on time when waiting for visitors, they might come earlier
  - Factory should be clean, no mess of products lying around, well-lit
  - Interpretation should be done properly (food engineers rarely speak good English)
  - on-site questions must be answered – if unsure for answer, tell that you reply later
- If there were detailed and numerous questions, answer them before visit/audit

- Prepare for very detailed questions especially for factory hygiene, quality control

- Allow guests to take photos, but if there are secrets tell them what not to take picture of

- Show certifications like IFS etc.

but Japanese prefer do their own audit with their own questions, priorities (sometimes not the same that IFS or others cover)

- Presentation: use one with lots of facts and figures,
- No boasting about your company

Japanese prefer modesty and prefer facts over nice words/pushy marketing



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# FOOD SECTOR IN JAPAN

## 1.4 Food & Beverage (F&B) regulatory conditions of exporting food products to Japan's market – What are the relevant information and how to find them on Japanese authority's website?

- A good start for gathering information: Guide to Food Import, 2023, published by MIPRO [https://www.mipro.or.jp/english/English\\_Document/hti0re0000000vi2-att/p\\_0111go18.pdf](https://www.mipro.or.jp/english/English_Document/hti0re0000000vi2-att/p_0111go18.pdf)
- Food Sanitation Law published by JETRO
- Handbook for Agriculture and Fishery Products Import Regulations published by JETRO
- Specifications and Standards for Foods, Food Additives, etc. Under the Food Sanitation Act published by JETRO

These above are not original Japanese law texts, but detailed English explanations

- Website of Japan's Agriculture Ministry <https://www.maff.go.jp/e/index.html>
- But: better to ask your importer to find out import regulation details, because some important details are only in Japanese language
- After all, in Japan, your importer bears the responsibility for food safety
- Regulations are strict, complicated, sometimes different to EU's logic



# FOOD SECTOR IN JAPAN

## 1.5 Import certification and compliance requirements: Food safety issues (microbiology, foreign material); Packaging, labeling; What to pay attention to when preparing export documents?

- Food safety regulations are strict both on official regulatory level and request by the importer can be even stricter than official regulation
- Microbiology: you should meet importers' requests (if any), not only the official regulation
- Pesticide residuals: it is OK to meet official regulation
- Foreign materials: very high level of demands, even a small number of foreign materials will lead to claims
- Packaging: must be perfectly sealed (Japan's weather is humid), cartons must be strong and focus very much on that products should not be damages during transportation (Japan is far away country)
- Labeling: Labels must not be damaged; local regulation is important
- Ingredients list (including secondary ingredients) and production process flowchart are needed in early phase also to decide which tariff category (HS code) the product fits

### Export documents:

Always agree in advance with the importer about documents list

You should send documents in email in advance to have the Japanese import to check content

All the export documents' content must strictly correspond to each other (invoice, PL, health certificate, phytosanitary or animal health certificate, certificate of EU origin etc.)

Details on product label must strictly correspond to the content of export documents

Use phytosanitary or animal health certificate document template for Japan issued by your government authority



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# FOOD SECTOR IN JAPAN

## 1.6 Customs procedures and distribution logistics

- Import customs procedure takes 1-2 days at airports. Weekend arrivals only dealt with on the next working day
- Sea port customs procedures can take 1 week or even more
- Be prepared for urgent questions if there is a problem arising during customs procedure
  
- Japan has a multi-level and complicated distribution system that affects logistics  
For example: Importers – main distributors – distributors – restaurant chains – individual restaurants
- Restaurants and shops are smaller, streets narrower - small mini vans (like 500kg weight)  
Therefore, to be cost effective, carton size demanded is sometimes smaller than in Europe, and not more than 10kgs or 6 bottles (etc.) Be prepared for such demands



# FOOD SECTOR IN JAPAN

## 1.7 Price negotiations and terms of contracts, orders

- Importers are traditionally not aggressive bargainers, but recently they are more price sensitive, so they are becoming more assertive
- Still, they are sometimes shy to bargain, so then they simply say No/not answering, because the price offer is too high
- In other cases, they simply accept your price only after a short bargaining, not asking for large price reduction
- Parity: they usually ask for CIF Japan and do not prefer EXW Europe
- They rarely give you a target price, but it is worth trying to ask for it
- Payment terms: in food imports usually cash against documents or 30 – 60 days after loading, sometimes they accept L/C, but they do not like it because of banking cost; Prepayment might be accepted but only for first shipment
- Japanese always pay on agreed time
- If there is no sales contract, there is detailed preparation by email and then they send you a Purchase Order
- Promise in email or in talk is at least as important than written contract or PO, so be cautious about what you are promising



# FOOD SECTOR IN JAPAN

## 1.8 What are the typical claims and how to manage them?

- Foreign material, package is damaged, label (sticker) is damaged, carton is damaged, product inside packaging is under the agreed weight or pieces number
- Send a clear apology
- Always ask for photos about the problem
- Claims must be quickly answered
- Send always an official explanation document with putting your answers in (not email text) – Form is very important in Japan, not only the content
- Claim process can be long due to additional questions
- Keep calm, maintain the trust, learn from the process
- Not quarreling, but mutual communication, helping each other – bit like Aikido
- Japanese rarely ask for financial compensation



# FOOD SECTOR IN JAPAN

## 1.9 The role of mediator, consultant, agent

- In most cases you need a mediator, a door opener to importers, preferable a local Japanese person in Japan  
Reason: Japanese have more trust in another Japanese person in the first place
- But you can build trust when you directly get into touch with importer
- You can use also a consulting company (with Japanese language knowledge) with roles such as: listing relevant importers, opening doors, start to communicate with importer until first delivery is reached and even after: for smooth orders, managing claims, increasing sales etc. The consulting company is usually acting as your agent in Japan
- Traditionally, Japanese are familiar with this set-up, so they not necessarily demand direct communication with you, it is OK if it is done through consultant/agent
- Consultant/agent has a better practical knowledge of Japanese business culture, so it can help you a lot when it comes to speeding up communication, dealing with delicate questions, smoothing out problems, saving you travel cost to Japan



# BUSINESS CULTURE IN JAPAN

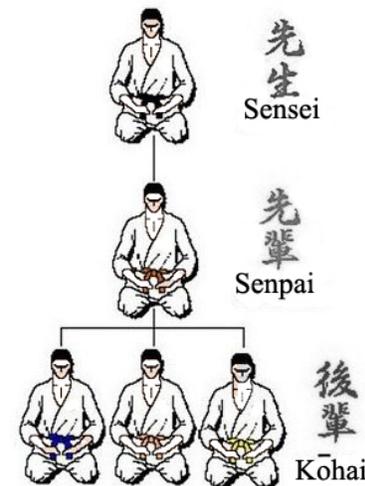
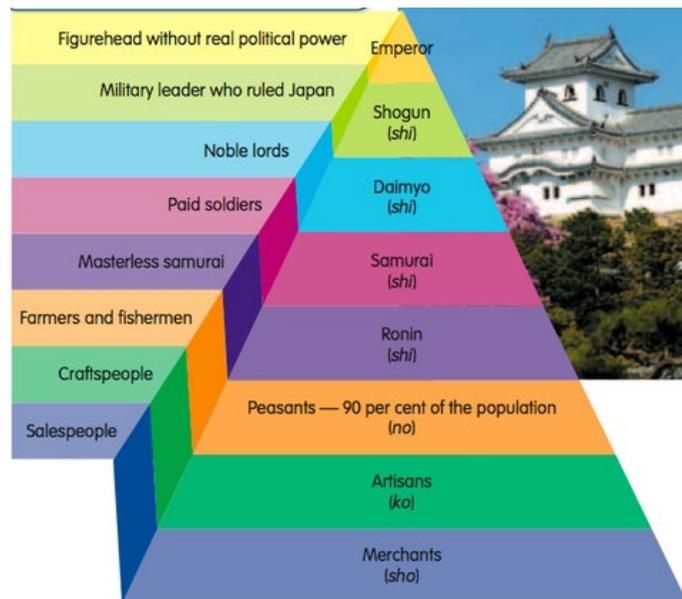
## 2.1 Japan's culture, religion, history, geography, society and education and their impact on business culture

### Religion and ethics

Shintoism - harmony with nature and the environment; purity **Impact:** keeping cleanness

Buddhism - spiritual influence on Japanese culture since the 6th century: *form/formalities* in tea ceremony, garden architecture, calligraphy, sculpture and painting; internal harmony **Impact:** form, aesthetics

**Confucianism** - Ethical and philosophical system; caring about others and being loyal; respect for ancestors, elders; hierarchy: accept your place in society **Impact:** hierarchy is respected, long-term loyalty



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# BUSINESS CULTURE IN JAPAN

## 2.1 Japan's culture, religion, history, geography, society and education and their *impact* on business culture

### History

Continuity and stability of imperial family; very weak influence by Western culture until the 19th century; no colonial past; Very low level of immigration until 21st century

**Impact:** feeling unique, exceptional; High context society (common knowledge, homogeneity)

### Geography

Small area fit for agriculture - intensive rice cultivation demanding cooperation of community and observing common rules

Natural disasters

**Impact:** endurance; efforts; planning; group orientation; risk avoidance; safety first



# BUSINESS CULTURE IN JAPAN

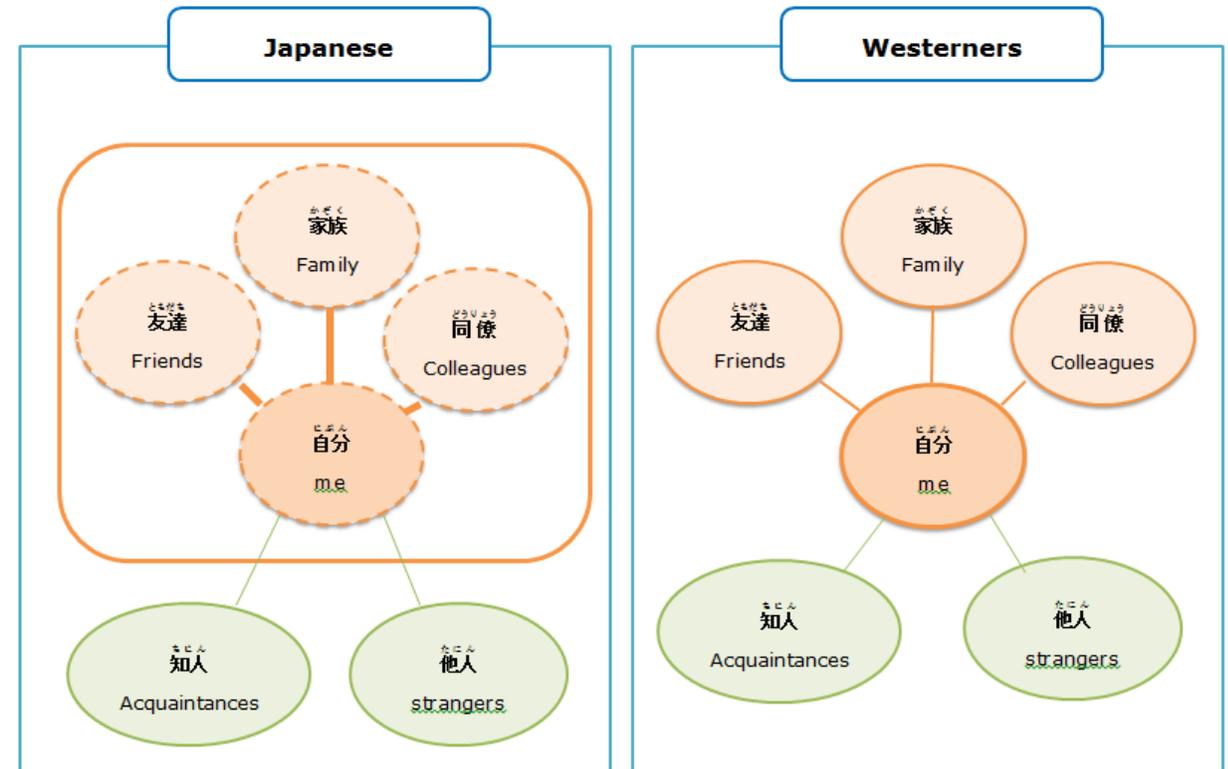
## 2.1 Japan's culture, religion, history, geography, society and education and their impact on business culture

### Society

**Homogeneity** of people, language, education, media  
**Work:** importance in the group/society rather than a punishment

**Groups'** importance: belonging to a group is more important than being just an individual;  
We vs the outside world/other groups;

**Shame:** aligning to what the society expects from you



# BUSINESS CULTURE IN JAPAN

## 2.1 Japan's culture, religion, history, geography, society and education and their impact on business culture

### Education

Hierarchy; authority; acceptance; low level of interaction/questioning

### *Impact:*

Less questions at meetings (more in emails);

Risk avoidance; group level decision; low level of individual responsibility

Planning over improvisation

Harmony (**Wa**) over seeking for justice or confrontation

**Honne** (real inside opinion) vs **Tatemae** (shown opinion)

Group has to reach consensus first,– **Nemawashi**: informal discussions with each member of the group to get the support before making decision or get approval from superior or business partner

Preparation, response is slow, but execution of decision is fast



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# BUSINESS CULTURE IN JAPAN

## 2.2 Main concepts of Japanese business culture – attention to form, details and process

### Form (*kata* - martial arts)

Not only content must be OK, but also the form

Product package should have nice outlook

Business communication must be polite and formal both in email and talking

Documents must be clear, easy to read, with official signatures, stamps

### Details

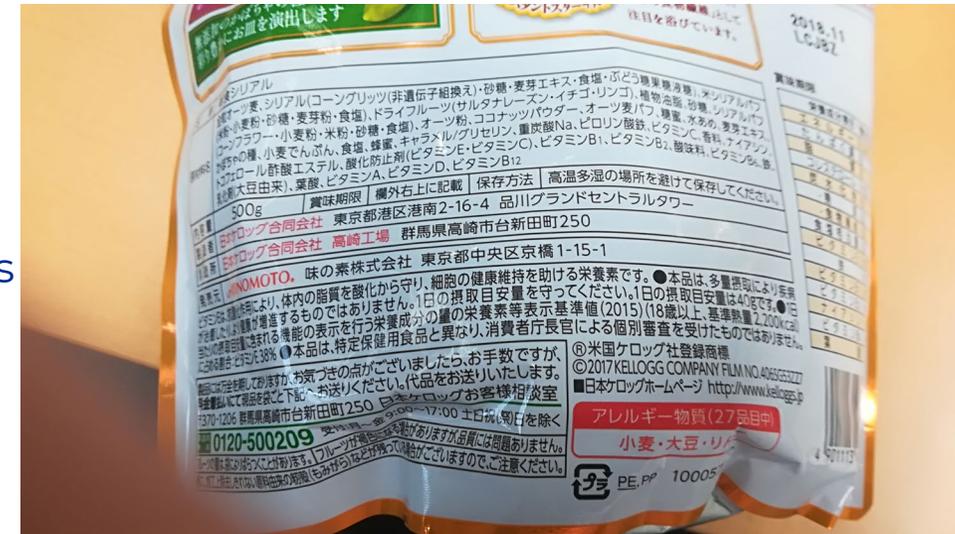
Reason: Japanese are risk avoiders, concerns for safety are high

Therefore: The need for very detailed information about product and hygiene conditions in factory etc. to be on the safe side

### Process

Reason: To achieve perfect quality every production step must be done perfectly; steps can be repeated reaching the same outcome (standardized quality is key)

When there is claim, they sometimes ask to check production process flowchart again



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# BUSINESS CULTURE IN JAPAN

## 2.3 General patterns of Japanese communication

- Indirect; vague; passive

Japanese want to keep harmony („Wa’) – avoid too direct wording, avoid saying direct No

- They say always Yes, but many times, it means „I understood what you are saying”, but in fact, it is a No

What to do about it? Ask questions starting with How, When, Where, Why, What – instead of putting yes or no questions

- Japan is high context culture = speaker assumes that you have knowledge about the context, therefore less word is spoken, written

What to do about it? Read the air (=read between the lines) by looking at their non-verbal communication; Ask question if something is not clear, information is not enough



# BUSINESS CULTURE IN JAPAN

## 2.4 Business communication with Japanese people: negotiations, emails and online meetings, presentations, how to deal with slow Japanese decision-making process, how to deal with conflicts

### **Negotiations, meetings**

Send detailed information beforehand; do not expect detailed discussion and decision at meeting – it usually comes afterwards by email;

Keep calm and do not argue on the spot – do it instead afterwards in email;

Pay attention to gestures not only words; nod often; smile; do not break the silence (use it)

### **Presentations**

Put in many facts and figures, details instead of vague marketing slogans;

Use visuals, graphs

### **Emails**

Use simple English, avoid slang and abbreviations

Define the topic of the email first, even if it obvious

Use bullet points; one sentence covers one idea

Keep the others in CC for all emails – respect their group work

### **Online meetings; talks**

Be on time – that is 5 mins before the start

Do not speak too fast; use clear intonation; not to be too informal

Avoid accumulated questions and long sentences



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# BUSINESS CULTURE IN JAPAN

## 2.4 Business communication with Japanese people: negotiations, emails and online meetings, presentations, how to deal with slow Japanese decision-making process, how to deal with conflicts

### • How to build up trust?

Answer quickly and precisely

Be modest, be honest about weak points

Never lose your temper

Go out with business partner to have a dinner – small talk/alcohol helps a lot to get closer

### How to speed up communication?

Give exact deadlines for answers;

send follow-ups about agreed points/next steps;

offer to have an online meeting to find out if there is a problem;

contact directly the superior



# BUSINESS CULTURE IN JAPAN

## 2.5 Japanese business etiquette – during work and outside the workplace

- **Bending or handshake?**

They accept handshake – being of aware of that European way

- **Business Card Exchange**

Main reason: know the position of the other person;

Always have it with you; hand it over: bending, text turned towards your partner;

when receiving pay more time to examine it (sign of being respectful)

- **Seating plan**

Guests always sit at places where they face the door; highest ranking person sits in the middle

- **Gift**

Small value (can be sweets or simple snacks, too), always nicely packed (wrapped in paper), not damaged; it is OK not to give gift at 2nd time

- **In a restaurant**

Always accept the invitation; only sickness can be an excuse; Ask for fork and knife if not being good with chopsticks; pour the drink for the person next to you (sign of respect); leave no food or only small portion when finishing; it is OK to tell your food preference/allergy in advance

- **Small talk**

Avoid divisive topics such as politics, history; hobbies, family are better choice

Culture specific European jokes usually not understood or misunderstood



# BUSINESS CULTURE IN JAPAN

## 2.5 Japanese business etiquette – body language



Thanking or asking



I (me)



Not OK



OK, approved



No



# BUSINESS CULTURE IN JAPAN

## 2.6 The new generation of Japanese businesspeople; the role of women in business

**Younger employees** (aged under 40) are more open, less formal, daring to decide individually (about smaller issues) and therefore reply quicker

- they switch jobs more frequently, they focus more on their own individual achievements (vs traditional Japanese group culture)
- More **women** are working full time, but managerial position is unusual
- Japanese man pay more respect to European women than Japanese (they do know that European women are demanding more respect than Japanese)
- Number of **immigrant** workers (especially Chinese and South East Asian) is growing both in white collar and blue collar jobs – they represent different business culture, sometimes closer to European culture; they often speak better English than Japanese employees



# RECOMMENDATIONS

- **Food sector – recommendations**

Consider the time, capacity, budget you have for Japan's market (you can expect 1-2 years until first business)

Take it as a learning process, you might gain a new view or improvement needs about your own products, services

- **Japanese business culture – recommendations**

Keep your own identity and character even when accepting a lot of Japan's business culture – if you try to act like a Japanese it is not credible

The point is understanding and learning to deal with situations rather than assimilating



# Q&A Session

**Thank you for your attention!**

**ご清聴をありがとうございました  
(Go seicho o arigato gozaimashita!)**



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