



**NEW ZEALAND  
TRADE & ENTERPRISE**  
Te Taurapa Tūhono

# WINE IN JAPAN INDUSTRY OUTLOOK

East Asia Market Research

JULY 2023



# About this report

## Background

This report has been prepared by NZTE's East Asia Market Research team. It is intended to present a comprehensive update on the state of the wine industry in Japan for the benefit of New Zealand wine exporters.

## Category coverage

This report focuses on sales of still wine and sparkling wine (including off-trade and on-trade sales). Duty-free / travel retail sales are excluded.

## Methodology

This report primarily uses data from IWSR, Euromonitor, Statistics New Zealand, and ITC Trade Maps.

Data from these sources has been supplemented with expert industry interviews sourced via the OnFrontiers expert network.

## Limitations

All figures are reported in USD for consistency and cross-country comparability.

Import/export figures have not been readjusted for re-exports and must be read with caution.

Data for 2023 and beyond are forecasts by the respective research providers.

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# Key takeaways



## Japan is a promising market for wine

Japan's wine market is the largest in the East Asia region, and was valued at USD 4.0 billion in 2022. The market is forecasted to continue growing at a 2022-2027 CAGR of 2.9%. While annual per capita consumption is a fraction of New Zealand's, it is the highest in the region.



## Sparkling wine is a growth segment

Sparkling wine is predicted to outpace overall wine category growth, driven almost entirely by champagne. Sales of other sparkling wines have also been strong, but value lags volume growth due to the popularity of Spanish cava. The appetite for bubbles in Japan suggests opportunities for sparkling wine, but brands seeking to capitalise on this opportunity must craft a convincing value proposition against champagne and cava, while investing in marketing to raise awareness.



## Japan develops a taste for white and rosé

Red wine accounts for 70% of global still wine sales in Japan. However, there is growing interest in white wines and rosé wines, which pair well with Japanese cuisine. The lighter taste profile makes it a natural choice for the younger wine drinkers, particularly women, and wine beginners.



# Key takeaways



## Awareness of New Zealand is low

France and Italy are the leading countries of origin by value, but Chile leads by volume. The US leads New World wines in Japan – American wines are very premium and highly sought after in Japan. Perception and awareness is high due to aggressive branding campaigns and promotional activities by organisations such as the California Wine Institute.

In contrast, awareness of New Zealand is low despite the profile of New Zealand Sauvignon Blanc and Pinot Noir perfectly suiting the Japanese palate. It is vital for brands to invest in promotional activity and marketing in order to cut through to consumers.



## Wine is predominantly sold off-trade

On-trade sales have seen a slight decline in the last couple of years. The retail channel is becoming increasingly important as consumers shift towards at-home enjoyment of wines, and look to elevate the home dining experience.

Premium wines are mainly sold through supermarkets and wine specialist stores. However, wine specialist stores are very fragmented and most operate independently. E-commerce is growing, but online stores have extensive catalogues, and it will be challenging for brands to stand out without promotional campaigns and events.



## Start early with younger wine drinkers

While New Zealand wines currently appeal to traditional wine drinkers in Japan, it is also important to begin building relationships with younger wine drinkers.

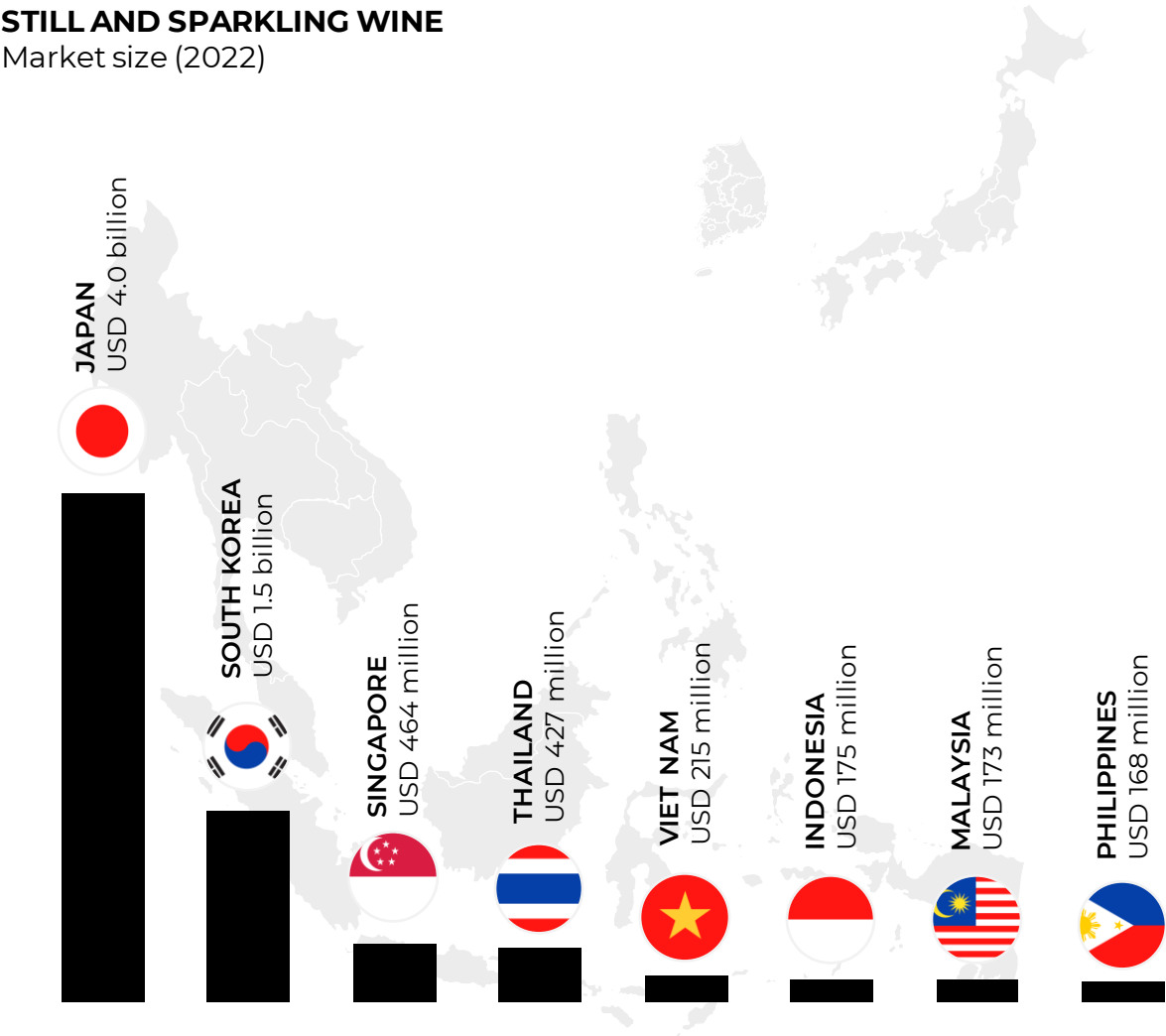
Younger drinkers are casual drinkers who drink less regularly and in smaller quantities. They are open to experimentation, and are attracted to products that are unique and different. Label design is crucial as they are very likely to choose wines based on the label alone. The bold branding of some American wines are already successfully attracting this future segment of wine drinkers.

SECTION 1

# MARKET OPPORTUNITY

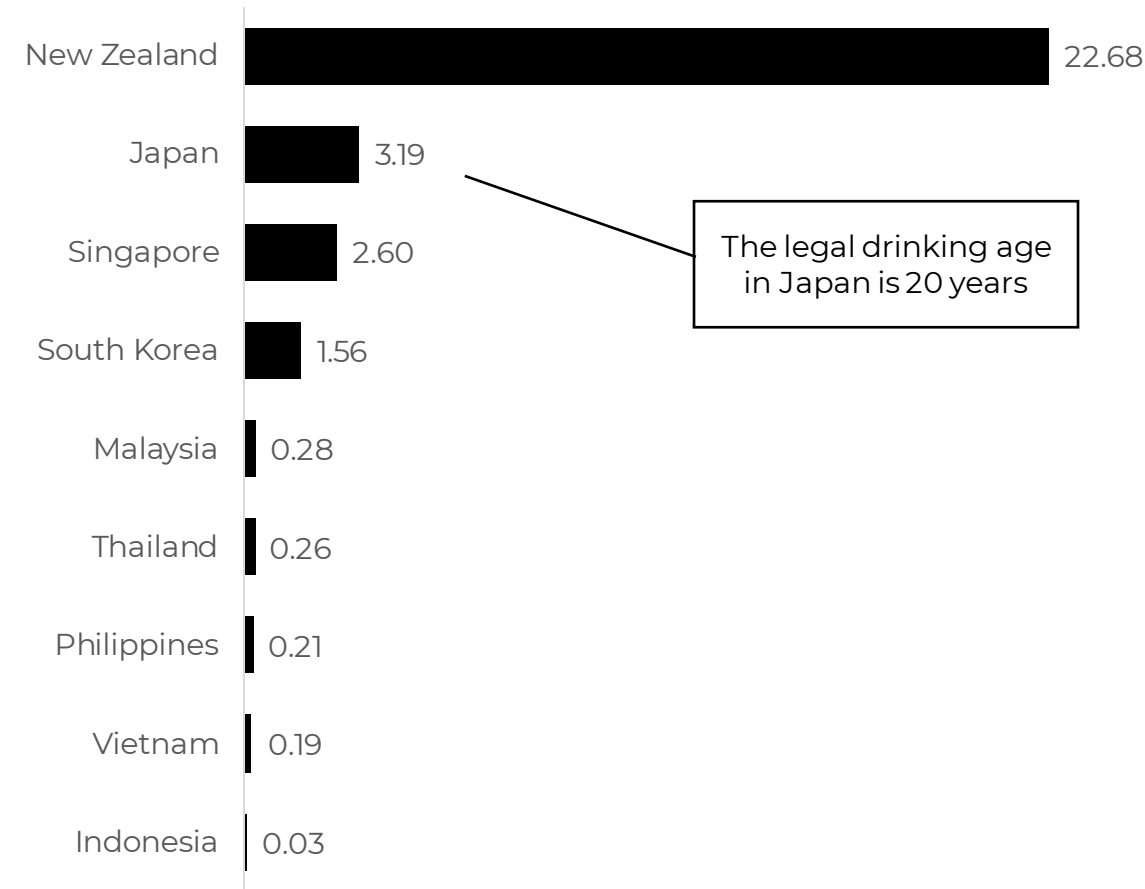
# Japan’s wine market is the largest in the East Asia region, and was valued at USD 4.0 billion in 2022

STILL AND SPARKLING WINE  
Market size (2022)



Source: IWSR  
Notes: Per capita consumption based on adult population.

STILL AND SPARKLING WINE  
Annual per capita consumption, in litres (2022)



# Sparkling wine is expected to outpace overall wine category growth

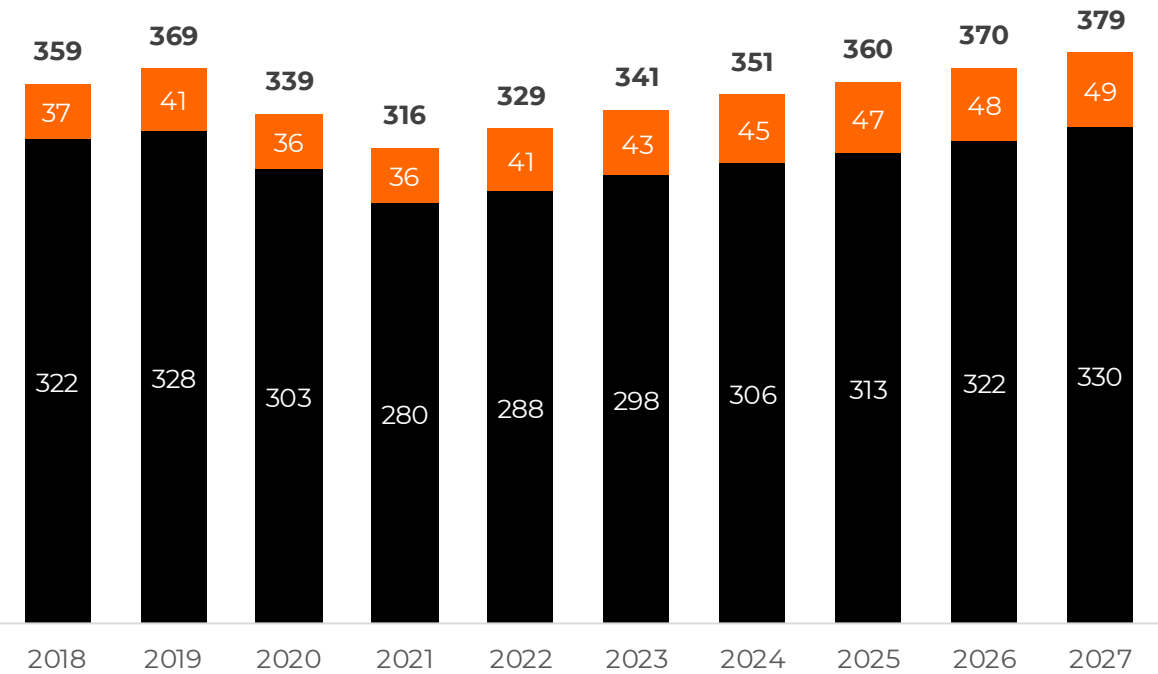
**TOTAL WINE**  
2.9%  
2022-2027 CAGR

**STILL WINE**  
2.8%  
2022-2027 CAGR

**SPARKLING WINE**  
3.6%  
2022-2027 CAGR

**STILL AND SPARKLING WINE**  
Market size, in million litres

Still Wine   Sparkling Wine



Source: IWSR

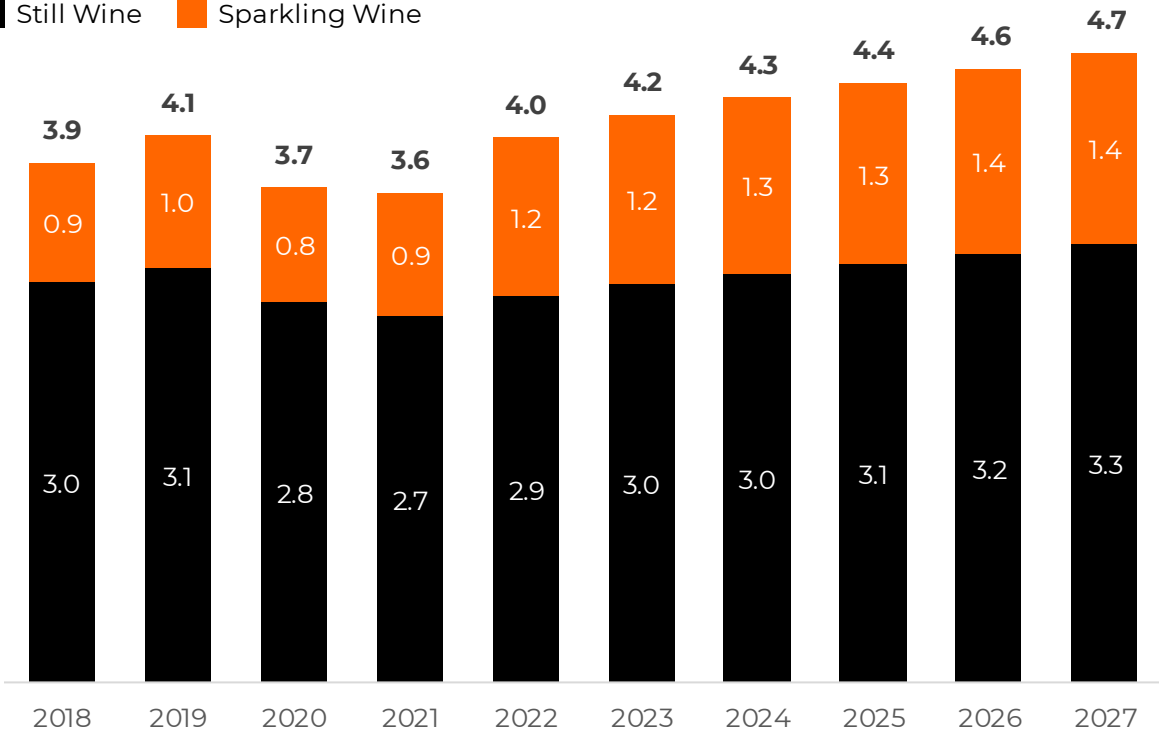
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**STILL AND SPARKLING WINE**  
Market size, in USD billions

Still Wine   Sparkling Wine



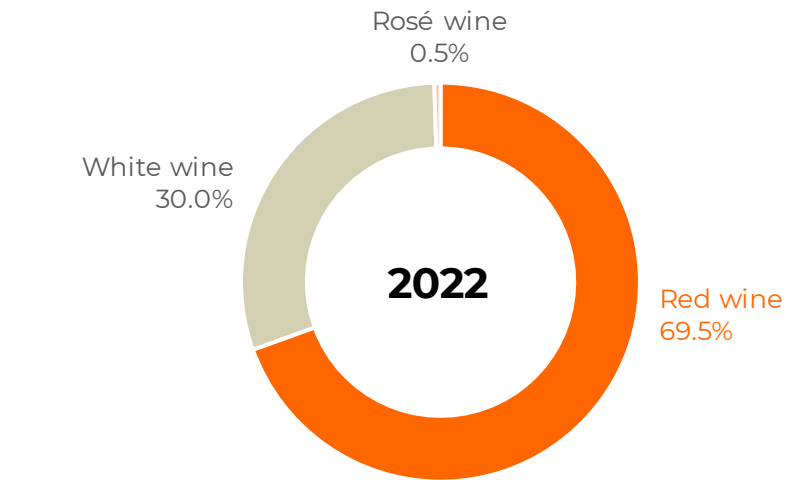


# While red wine accounts for 70% of still wine sales, there is growing interest in white wines and rosé wines

Rosé wine had the highest growth rate of 7.4% in 2022, albeit from a small base

STILL WINE BY COLOUR  
Market size, in million litres

	2021	2022	2021-2022 Growth
Red wine	196.4	199.9	1.8%
White wine	82.8	86.4	4.3%
Rosé wine	1.2	1.3	7.4%
Total	280.4	287.6	2.5%



Source: IWSR

TOP VARIETALS / REGIONS  
In descending order

# Rank	Varietal / Region
1	Cabernet Sauvignon
2	Bordeaux
3	Chardonnay
4	Sauvignon Blanc
5	Burgundy
6	Shiraz/Syrah
7	Merlot
8	Carmenere
9	Pinot Noir
10	Toscana
11	Beaujolais
12	Veneto
13	Sicilia
14	Loire Valley
15	Piemonte

# Japan leads the region for sales of sparkling wine, but category growth is driven almost entirely by demand for champagne

## Champagne is a high-growth category in Japan, recording volume growth of 28.7% in 2022

Sales of other sparkling wines have also been strong, but value growth lags behind volume growth due to the popularity of Spanish cava. The high growth rates in 2021-2022 are partially due to normalisation from COVID-19, and the industry is forecasted to grow far more sedately over the next five years.

### SPARKLING WINE BY TYPE

Market size, in million litres

	2021	2022	2027	2021-2022 Growth
Champagne	8.7	11.2	13.1	28.7%
Other Sparkling Wine	26.9	30.2	36.2	12.3%
Total	35.6	41.4	49.3	16.3%

### SPARKLING WINE BY TYPE

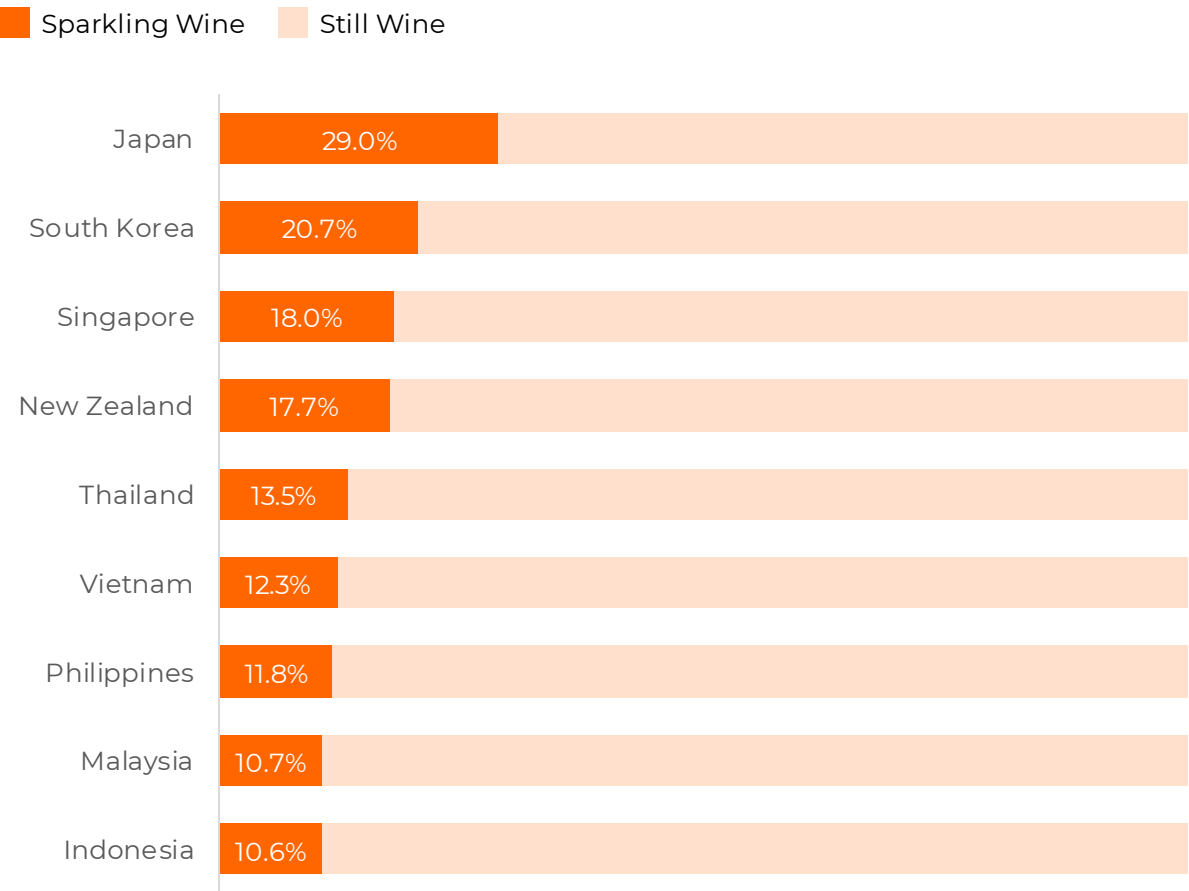
Market size, in USD millions

	2021	2022	2027	2021-2022 Growth
Champagne	614	834	1,011	35.8%
Other Sparkling Wine	301	335	400	11.6%
Total	915	1,170	1,411	27.8%

Source: IWSR

## SPARKLING VS STILL WINE

Based on value market size (2022)





**While Japan is a large market, it is important to note that the market is driven by more affordable wines.**

The most popular price segment of wines cost between JPY 1,000 – 2,000.

Wines priced between JPY 2,000 and JPY 4,000 are generally considered mid-range, while wines above JPY 4,000 are considered high-end.

SECTION 2

# COMPETITIVE LANDSCAPE FOR IMPORTED WINES

# Japan has a small, but vibrant domestic wine industry that plays a key role in fuelling growing appreciation of wine

## DOMESTIC WINE INDUSTRY IN JAPAN

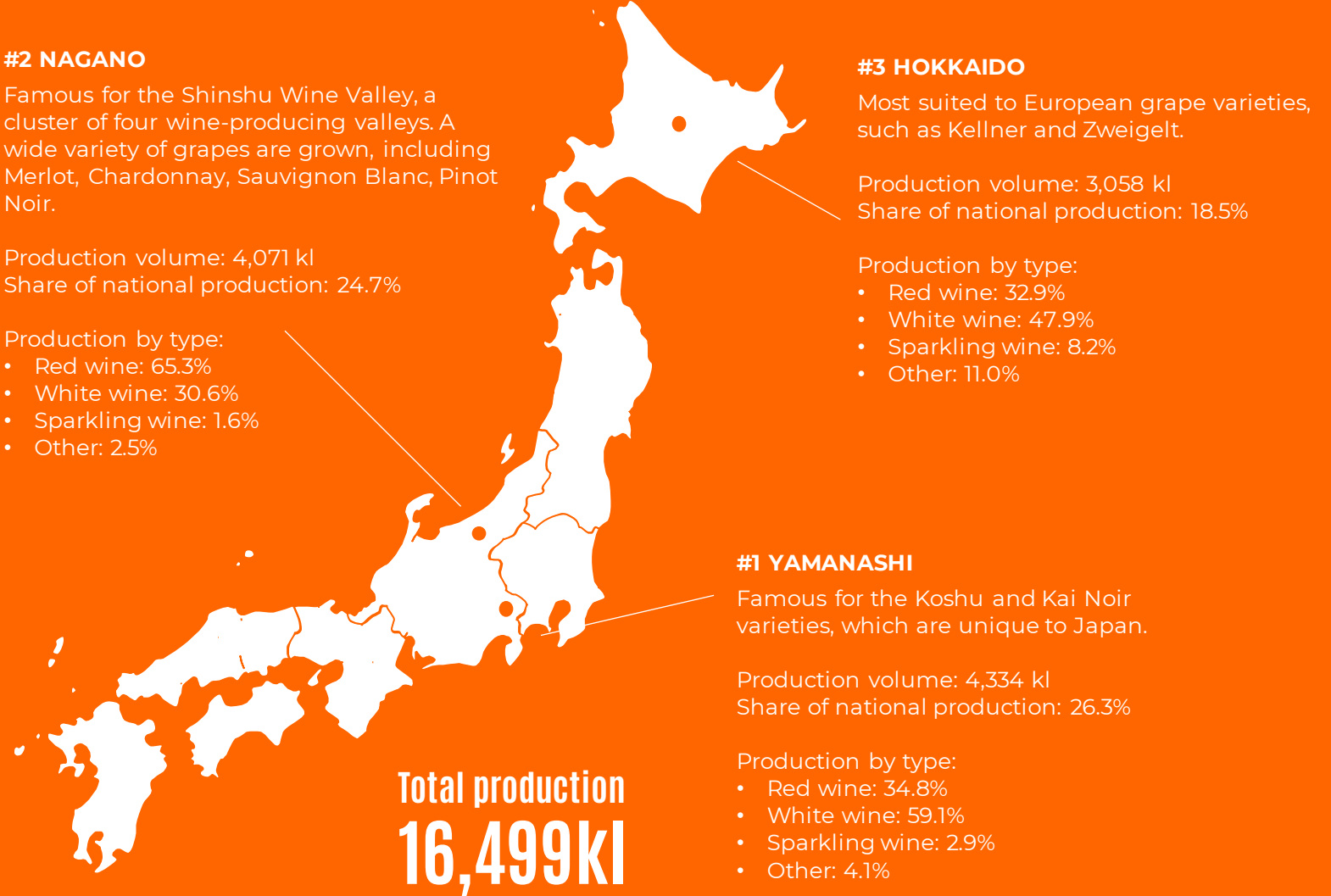
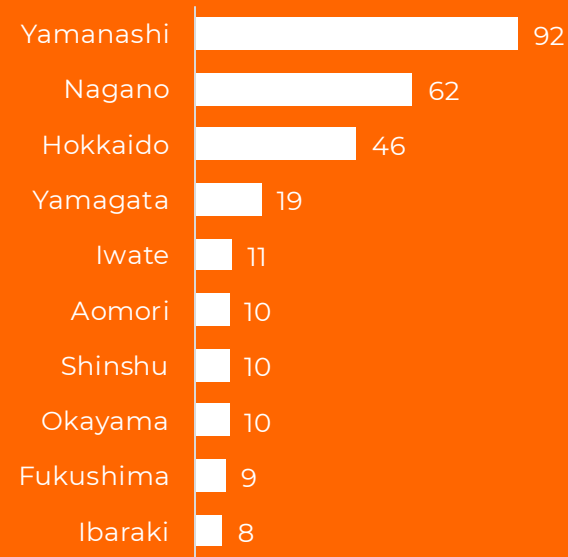
As of January 2021

413

There are 413 wineries in Japan as of January 2021, up from 261 as of March 2016.

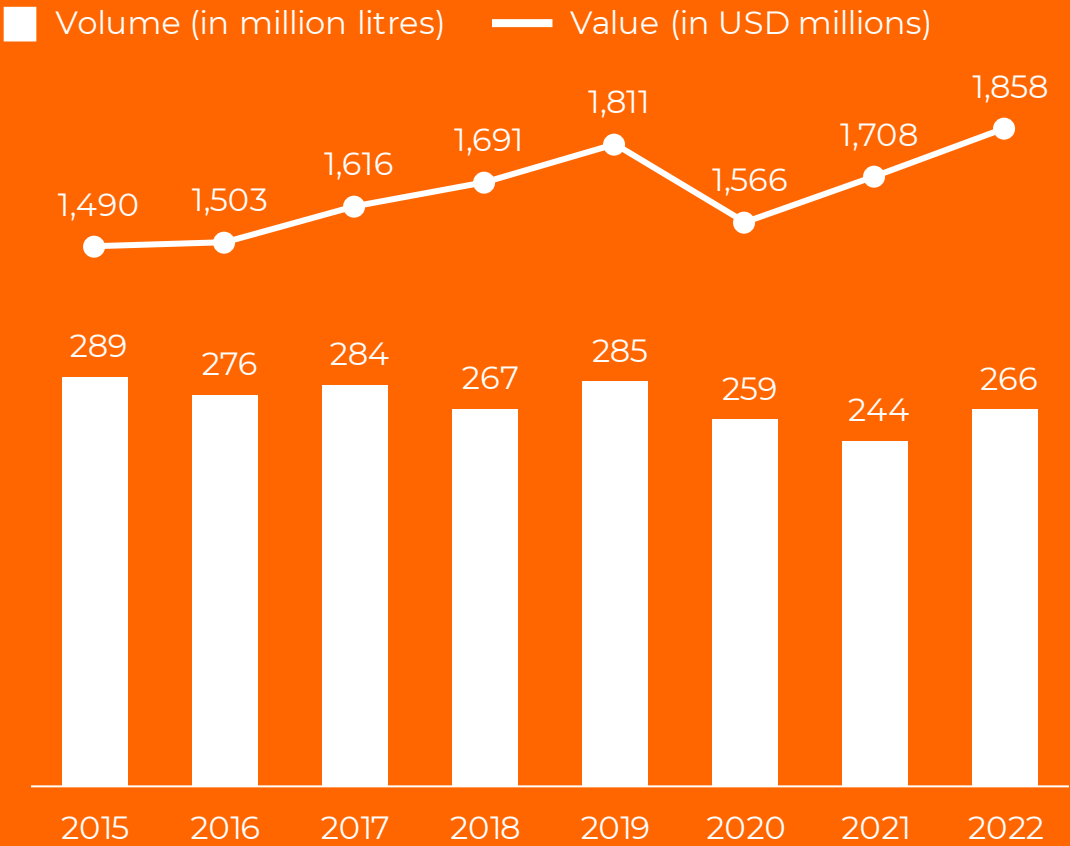
### TOP 10 WINE PRODUCING AREAS

As of January 2021





JAPAN'S TOTAL WINE IMPORTS



**The combination of the strong US dollar against the weak Japanese yen has inflated the value of wine imports, which reached USD 1.86 billion in 2022.**

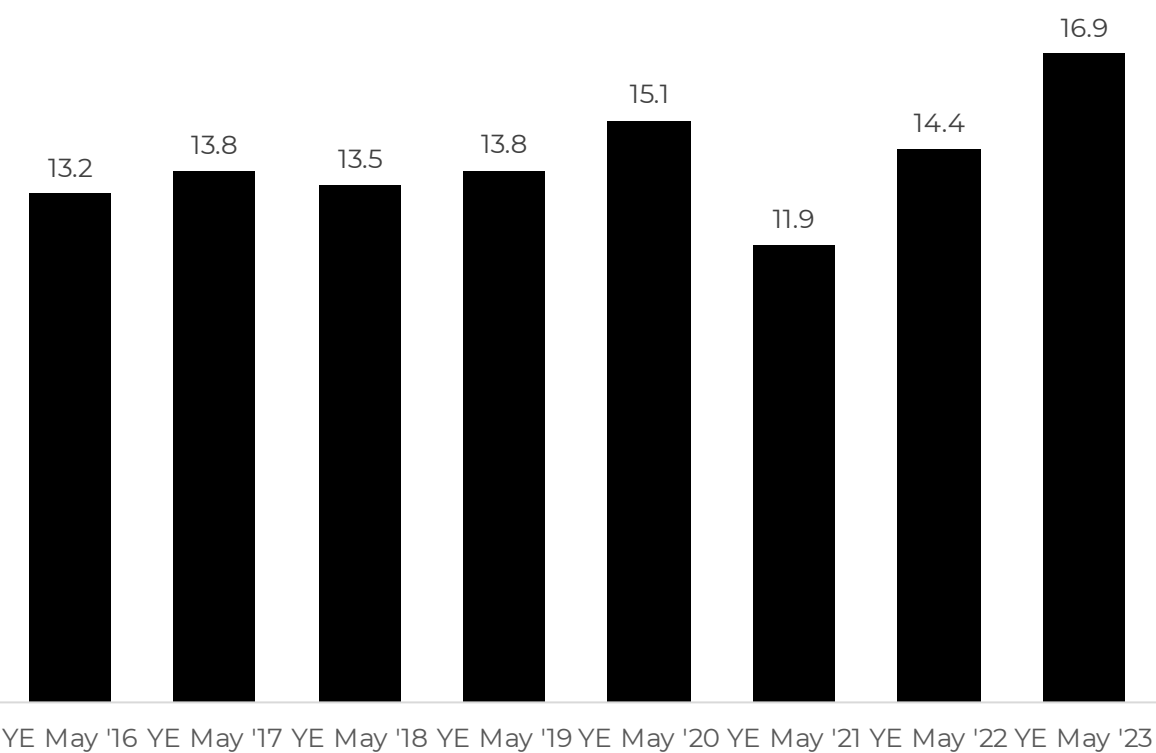
Price hikes, freight costs, and a gradual shift from quantity to quality also underpin value growth. In volume terms, imports are still recovering to pre-COVID levels.

# How much wine does New Zealand export to Japan?

New Zealand exported NZD 17.4 million worth of wine to Japan for the 12 months ended May 2023. Still wine accounted for 97% of total wine exports, while sparkling wine accounted for the remaining 3%. White wine generally makes up three-quarters of still wine exports to Japan by volume.

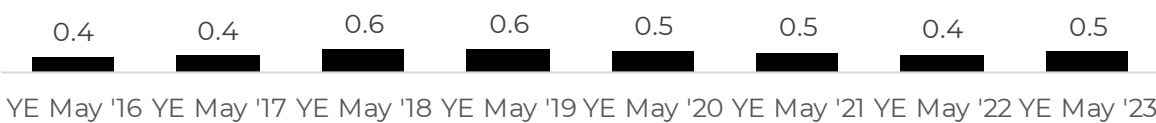
## NEW ZEALAND'S STILL WINE EXPORTS TO JAPAN

Value, in NZD millions



## NEW ZEALAND'S SPARKLING WINE EXPORTS TO JAPAN

Value, in NZD millions

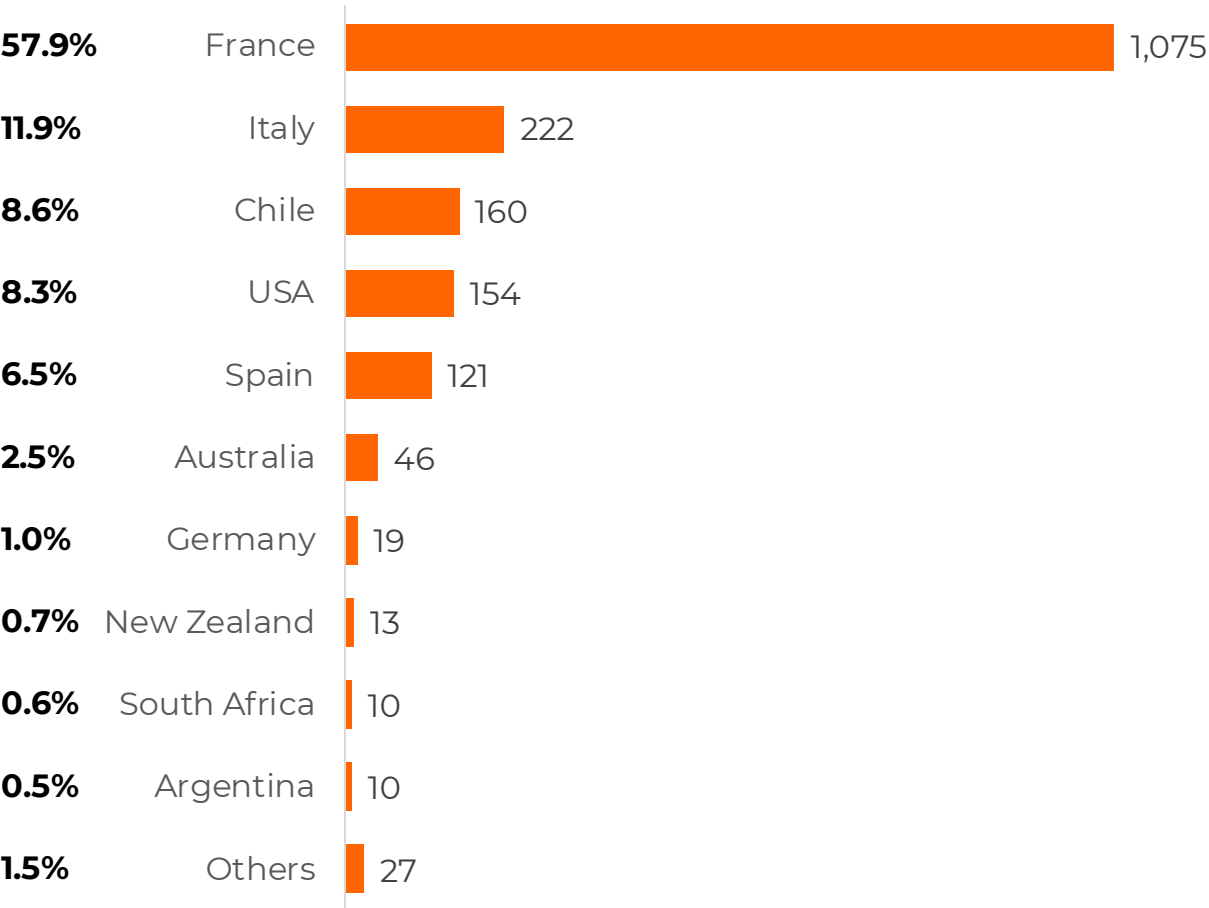


Source: Statistics New Zealand, New Zealand Winegrowers Annual Report 2022  
YE refers to 'Year Ended'.

# France is the leading country of origin by value, but Chile leads by volume

JAPAN'S TOTAL WINE IMPORTS BY COUNTRY OF ORIGIN

In USD millions (2022)

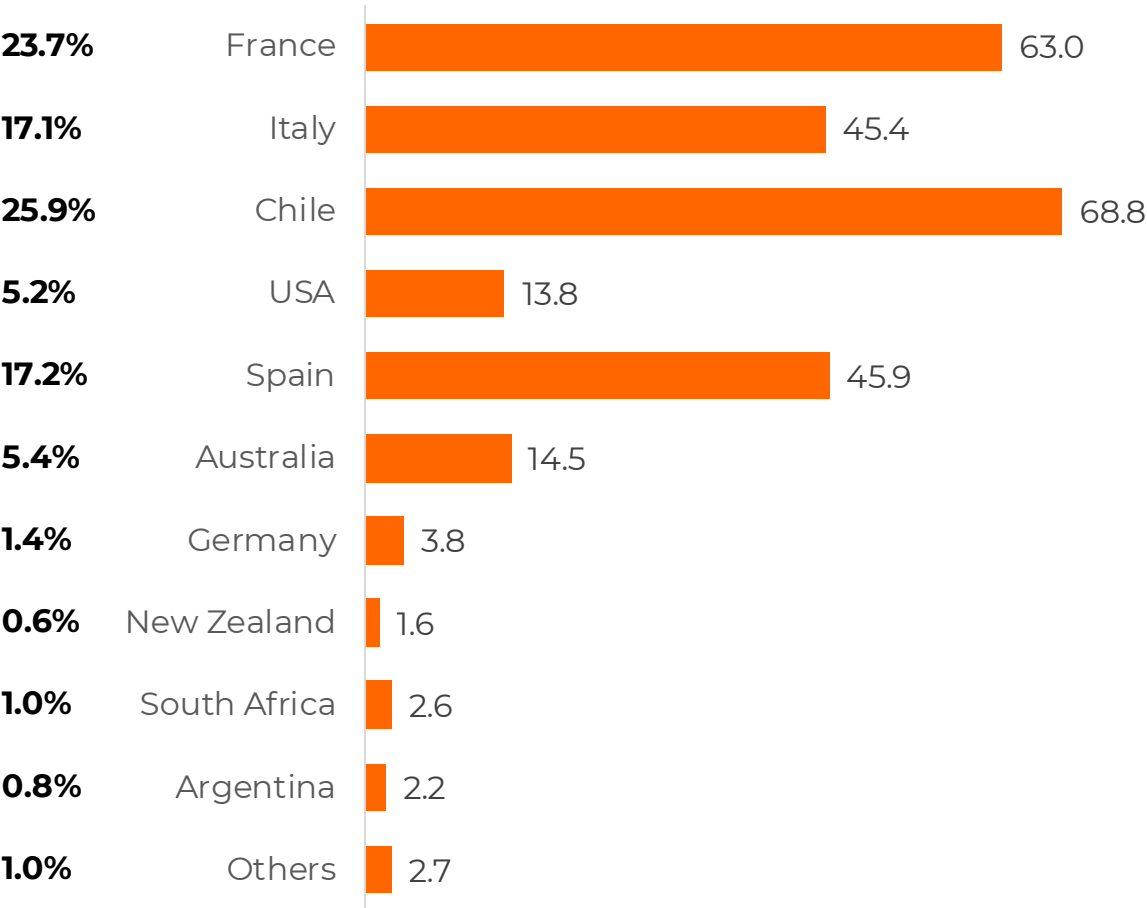


(% of total)

Source: ITC Trade Map

JAPAN'S TOTAL WINE IMPORTS BY COUNTRY OF ORIGIN

In million litres (2022)



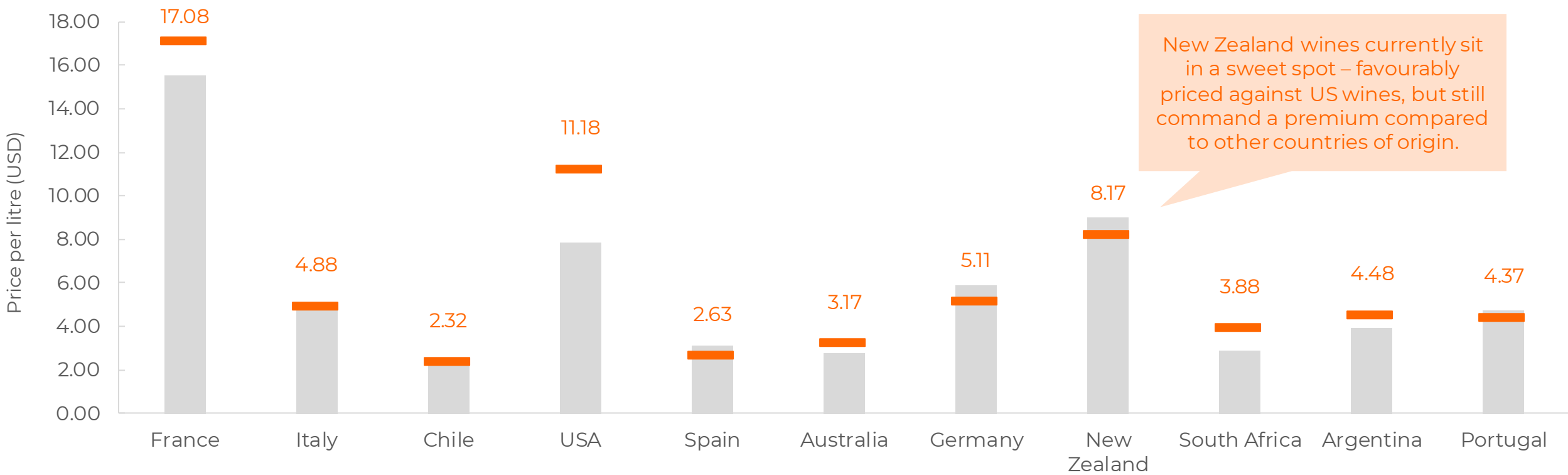
(% of total)

# France and the USA have recorded the greatest lift in unit price of wine exported to Japan, primarily due to exchange rates

## PRICE PER LITRE BY COUNTRY OF ORIGIN

In USD

■ Price per litre (2018) ■ Price per litre (2022)

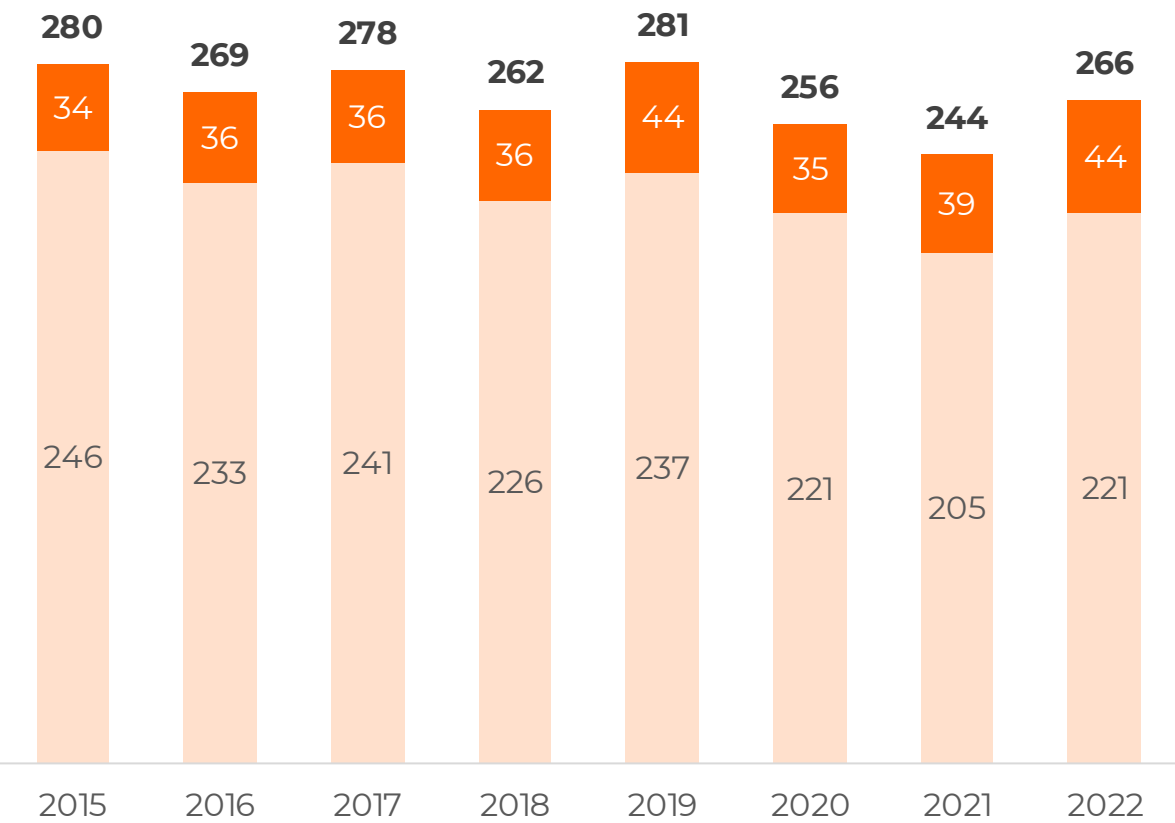


# Sparkling wine is a fast-growing category that has been gaining popularity among women and younger drinkers

## JAPAN'S TOTAL WINE IMPORTS

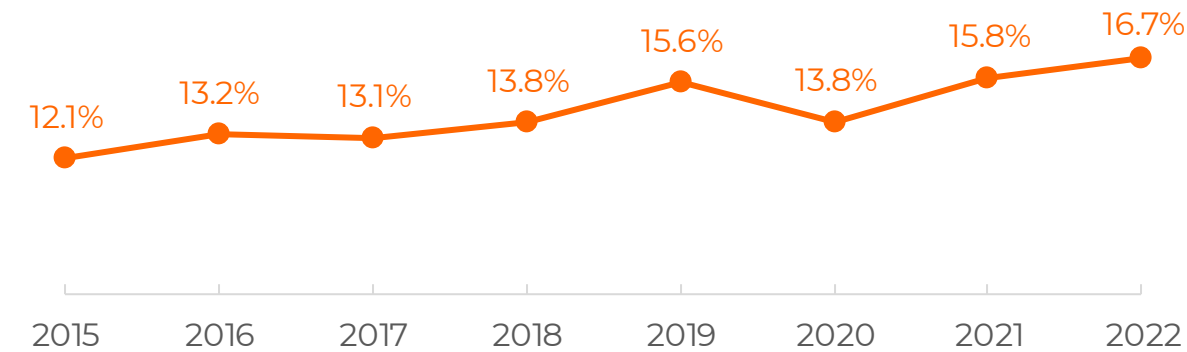
Volume, in million litres

Still wine    Sparkling wine



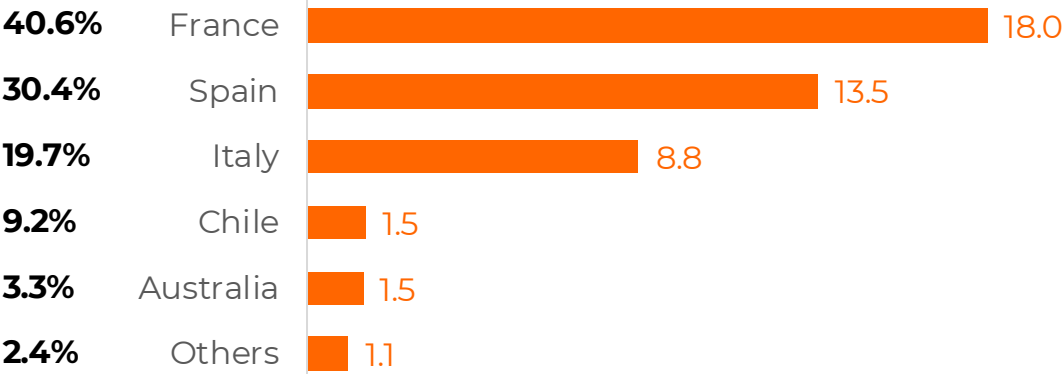
## SPARKLING WINE

Percentage share (%) of total wine imports by volume



## TOP EXPORTERS OF SPARKLING WINE TO JAPAN

Volume, in million litres (2022)



(% of total)



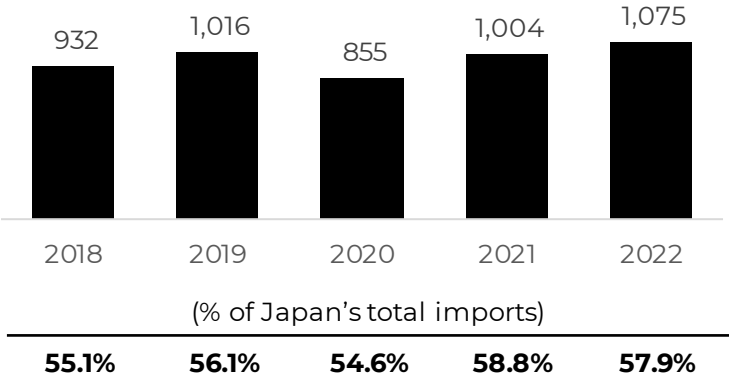
# Competitor profiles



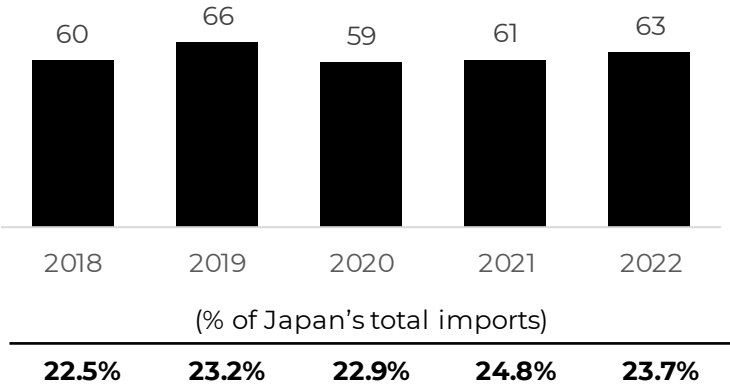
FRANCE | #1

France is the leading exporter of wine by value. Demand for champagne is soaring – sparkling wine accounted for 29% of imports by volume in 2022, up from 19% in 2015. Super premium French wines, organic wines, and Bourgogne are performing well.

WINE EXPORTS TO JAPAN  
By value, in USD millions



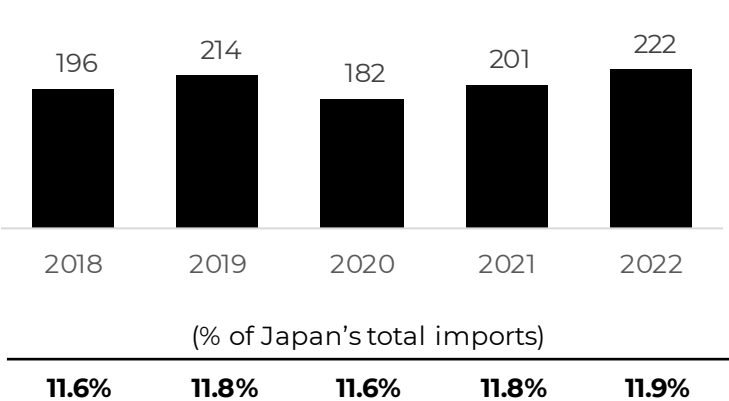
WINE EXPORTS TO JAPAN  
By volume, in million litres



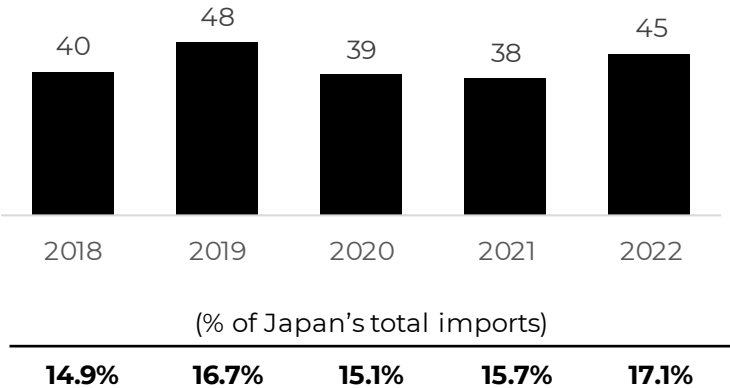
ITALY | #2

Italian wines were more affected during COVID-19 due to greater reliance on the foodservice channel. Prosecco and other Italian sparkling wines accounted for 19% of imported Italian wines by volume in 2022, compared to 15% in 2015.

WINE EXPORTS TO JAPAN  
By value, in USD millions



WINE EXPORTS TO JAPAN  
By volume, in million litres



# Competitor profiles

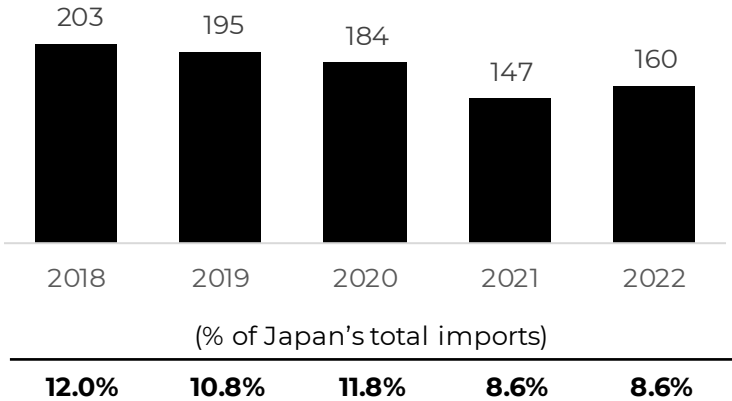


CHILE | #3

Chile is the leading exporter by volume. While Chilean wines are known for excellent value among Japanese consumers, purchases are primarily motivated by price, rather than a preference for Chile as a country of origin.

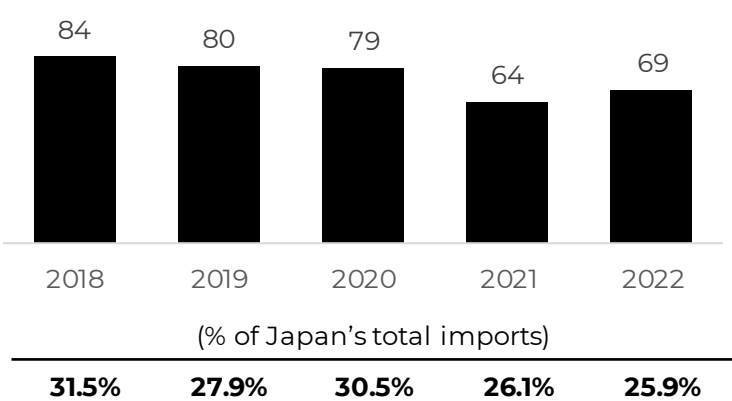
## WINE EXPORTS TO JAPAN

By value, in USD millions



## WINE EXPORTS TO JAPAN

By volume, in million litres

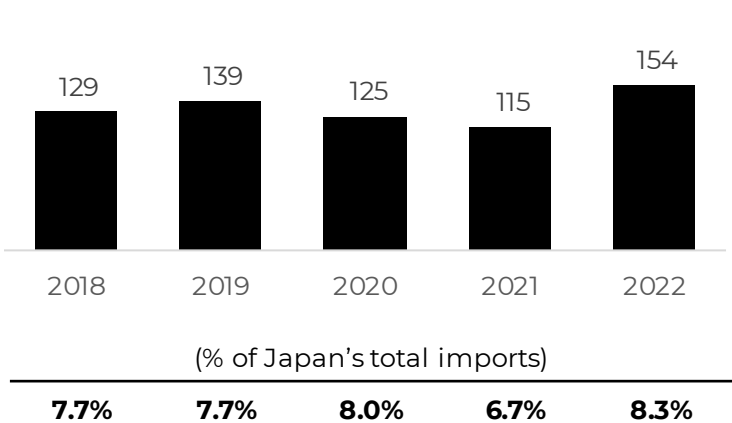


USA | #4

American wines are very premium and highly sought after in Japan. The perception of US wines is strengthened by aggressive branding campaigns and promotional activities by organisations such as the California Wine Institute.

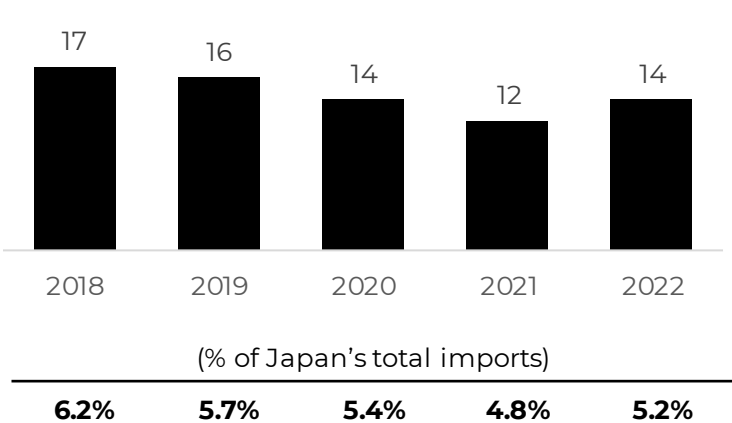
## WINE EXPORTS TO JAPAN

By value, in USD millions



## WINE EXPORTS TO JAPAN

By volume, in million litres



# Competitor profiles

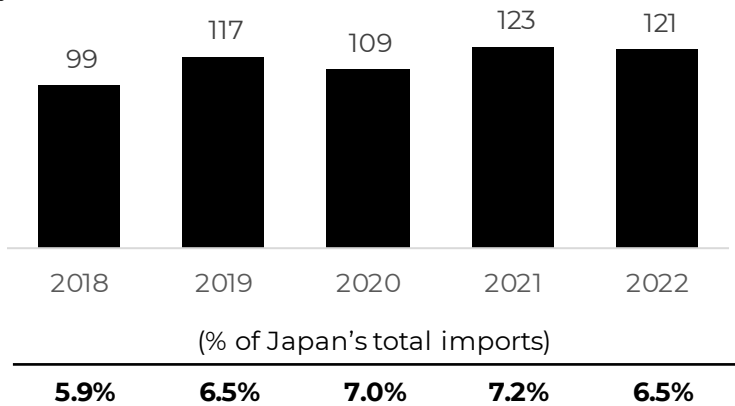


SPAIN | #5

The third largest exporter by volume. Like Chilean wines, imports of Spanish wines are driven by entry-range wines. Close to 30% of imported Spanish wine is sparkling wine, mainly Cava, which is purchased as an affordable alternative to champagne.

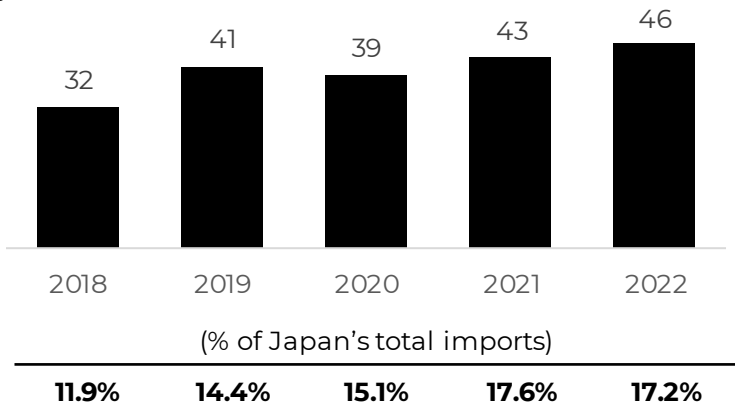
## WINE EXPORTS TO JAPAN

By value, in USD millions



## WINE EXPORTS TO JAPAN

By volume, in million litres

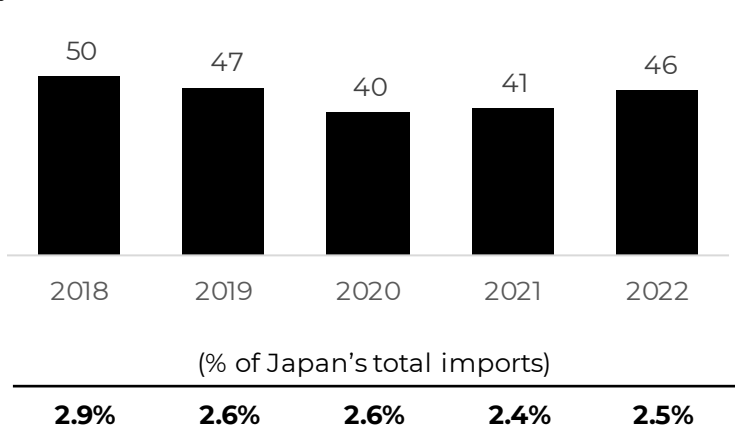


AUSTRALIA | #6

By volume, Australia exports similar quantities of wine to Japan as the US. However, Australian wines face very tough competition from the US, as the US leads the market for New World wines. Certain retailers source private label wines from Australia, which contributes to volumes.

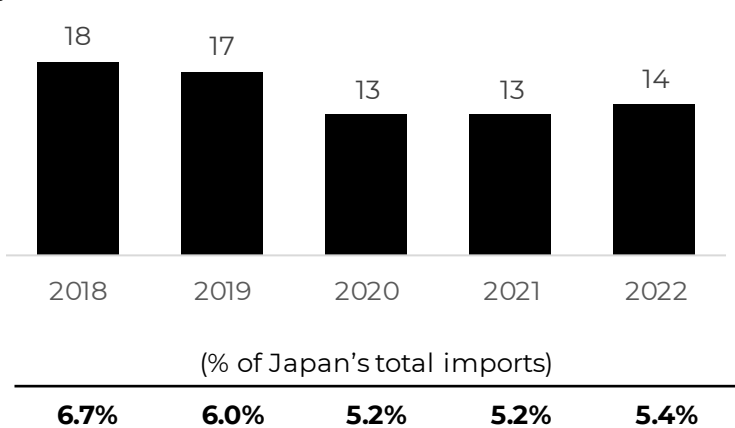
## WINE EXPORTS TO JAPAN

By value, in USD millions



## WINE EXPORTS TO JAPAN

By volume, in million litres



Source: ITC Trade Map

# Competitor profiles

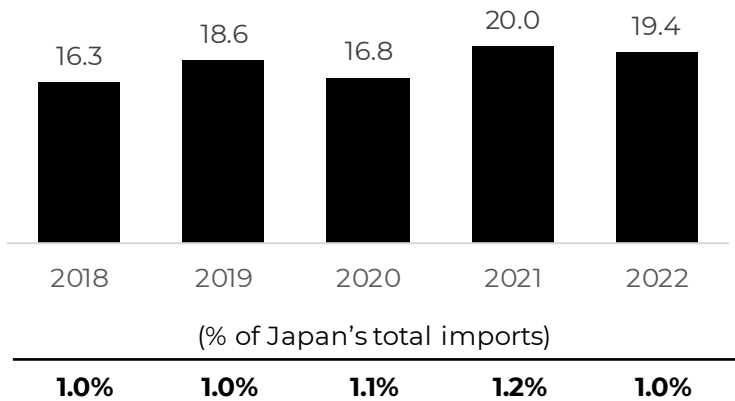


GERMANY | #7

Germany's strengths in white wines and sparkling wines stand to benefit from the growing demand for both categories. While German wines may not be top-of-mind, the taste is very well accepted in Japan as it is easy to drink and pairs well with food.

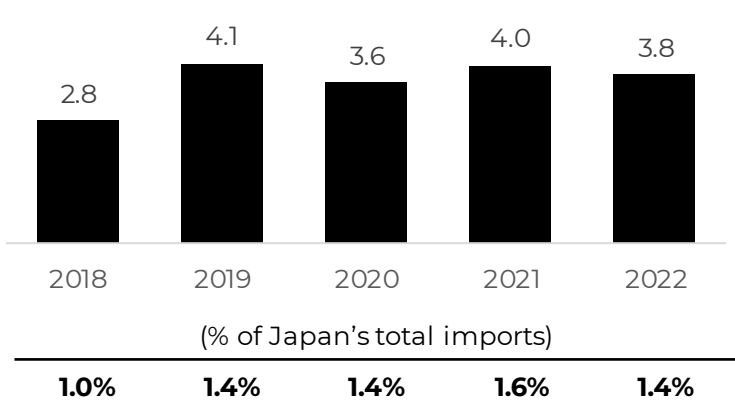
## WINE EXPORTS TO JAPAN

By value, in USD millions



## WINE EXPORTS TO JAPAN

By volume, in million litres

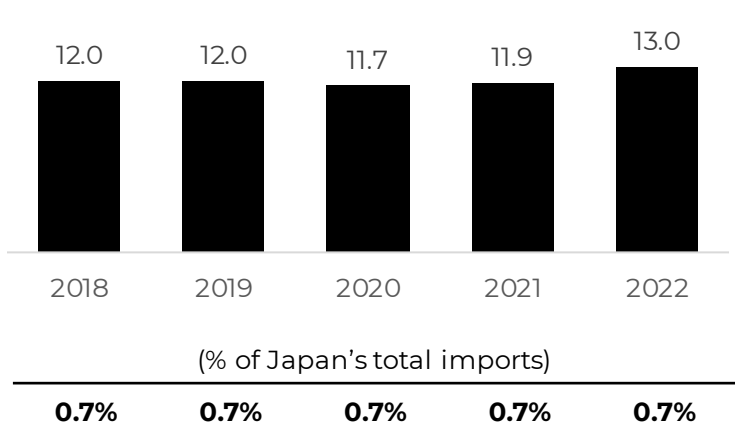


NEW ZEALAND | #8

New Zealand wines enjoy a growing reputation in Japan. The profile of New Zealand Sauvignon Blanc and Pinot Noir are perfect for the Japanese palate, but it is important for brands to invest in promotional and marketing activity as general awareness of New Zealand as a country is low.

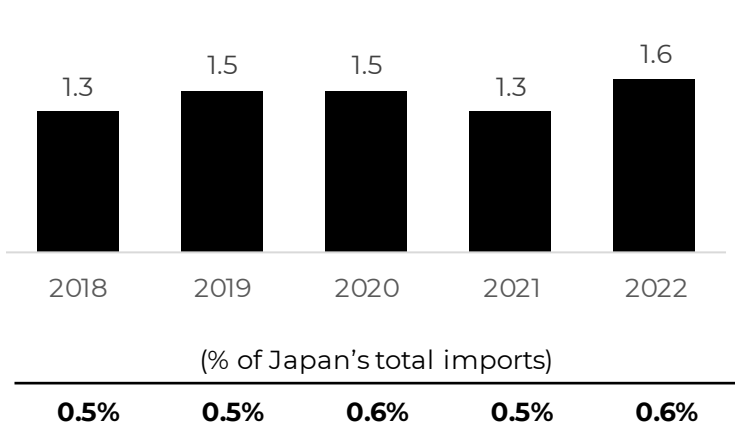
## WINE EXPORTS TO JAPAN

By value, in USD millions



## WINE EXPORTS TO JAPAN

By volume, in million litres

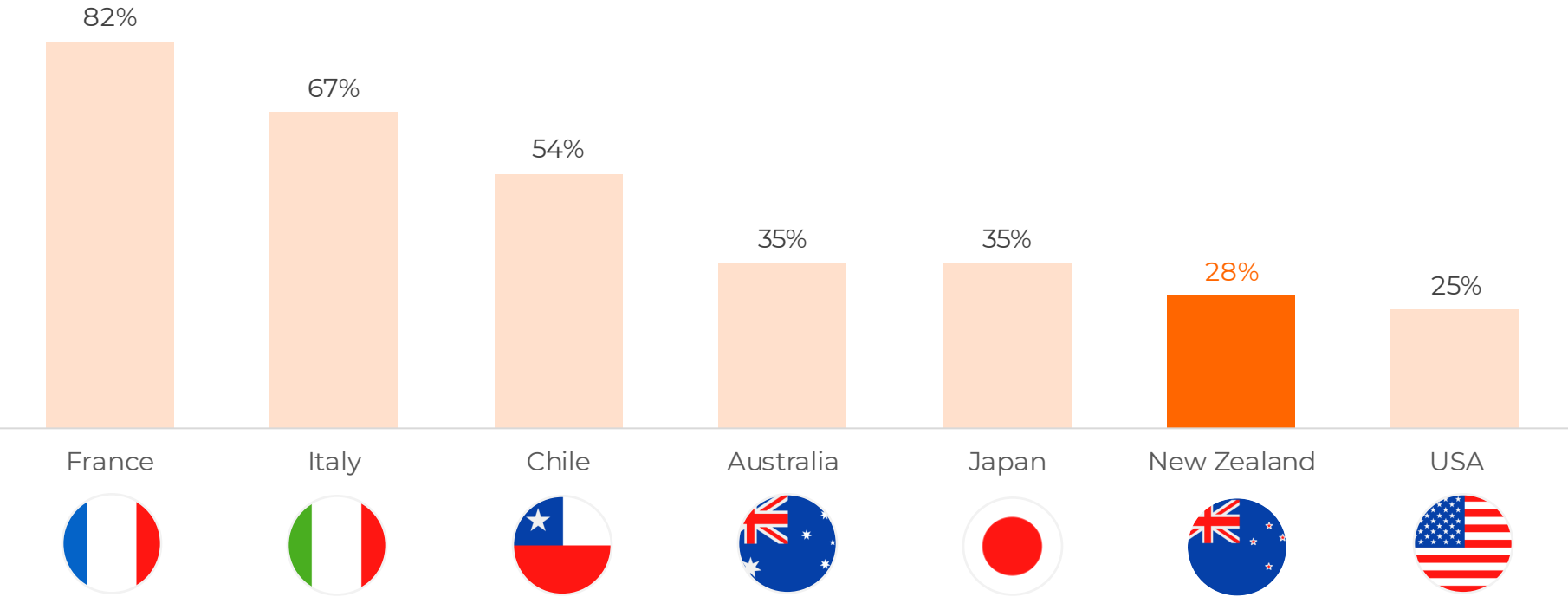


Source: ITC Trade Map

# According to survey results, fewer Japanese respondents agreed that New Zealand wine was recognised for great tasting wine than Australia

Please select which countries you think the following statement applies to:  
“Is recognised for producing great tasting wine.”

Based on a study commissioned by NZTE that surveyed 500 respondents in Kanto and Kansai between 14 April and 7 May 2023. To qualify for the survey, respondents had to be aged between 35-74, and have a household income of over JPY 6 million. Respondents were required to have sole / joint responsibility for household grocery shopping, and had to qualify as ‘extreme foodies’ and ‘foodies’.



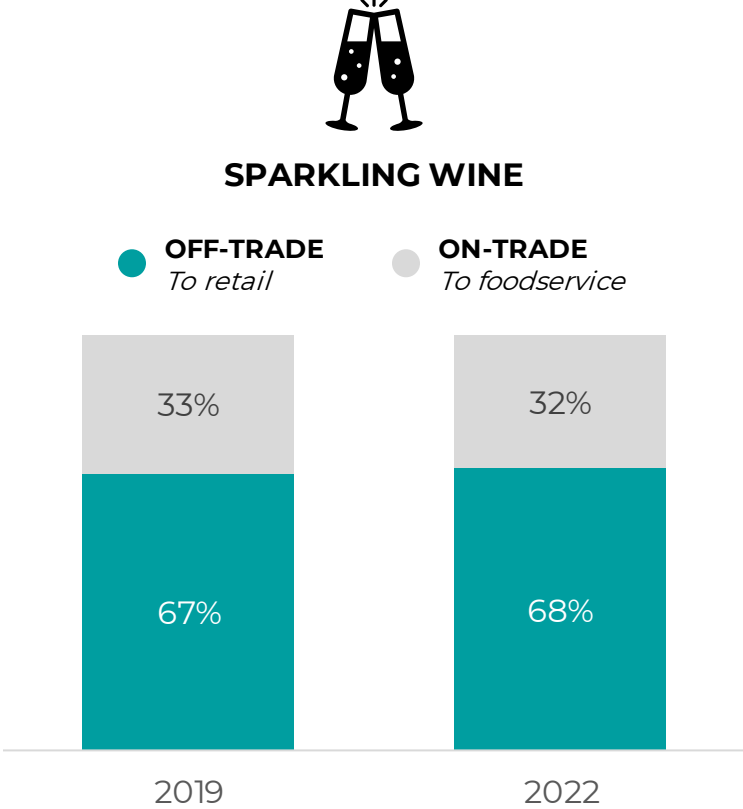
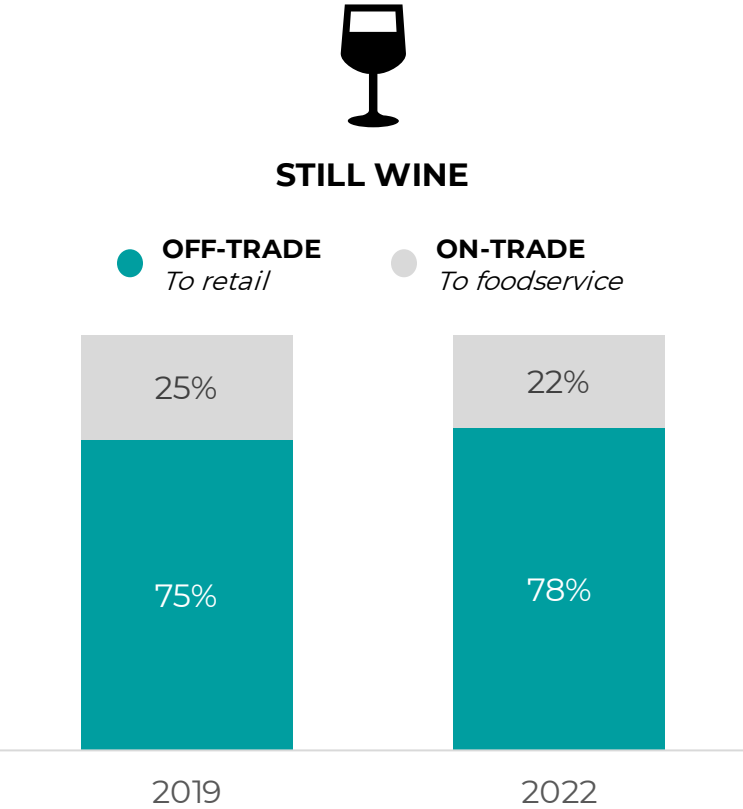


SECTION 3

# RETAIL DISTRIBUTION CHANNELS

# Wine is predominantly sold via the off-trade (retail) channel in Japan

On-trade sales of both still and sparkling wines have seen a slight decline in the last couple of years. The retail channel is becoming increasingly important as consumers shift towards at-home enjoyment of wines, and look to elevate the home dining experience.



# Retail distribution channels

## RETAIL DISTRIBUTION OF WINE

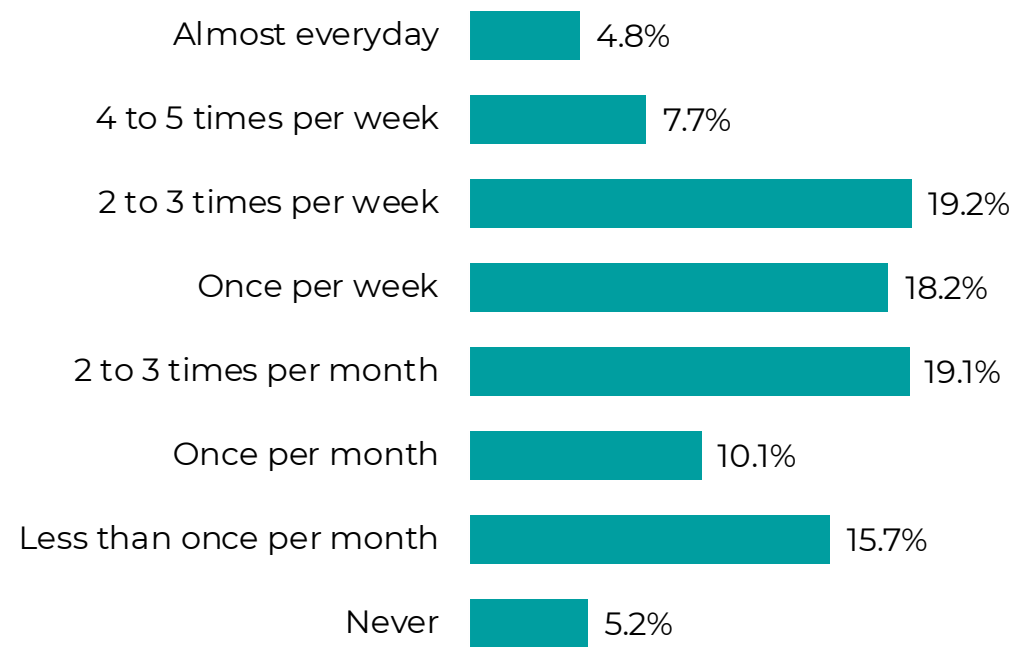
% of retail sales (2022)



# Convenience stores are not the go-to channel for alcoholic beverages, but still accounted for 9.7% of retail wine sales in 2022

## Close to half of Japanese consumers shop at convenience stores at least once a week

**FREQUENCY OF SHOPPING**  
% of respondents



Source: Statista (ROI Research; FancI)  
Online survey of 982 respondents (641 women and 341 men) aged 20 years and older; survey time period June 20 to 23, 2022

## Price and convenience rule for convenience store shoppers

Shoppers in Japan are becoming increasingly price conscious, in response to decades of economic stagnation, the impact of COVID-19, and rising inflation felt in 2022 and 2023. This has led to the emergence of a new buzzword, “**cospa**” (an abbreviation of “cost performance”). Japanese consumers are increasingly evaluating the “cospa”, or the value-for-money factor, across all purchase categories. In December 2022, a survey of 881 women aged 15 and over revealed that the top consideration for food is a low price that enables them to save money.

Wines sold in convenience stores are appealing on multiple fronts:

- **Affordability:** The average price of a 750ml bottle is JPY 500 to JPY 1,000. 7-Eleven has its own range of Seven-branded private label wines, while Family Mart has partnered with wine makers and importers to offer an exclusive range. Lastly, Lawson stocks a curated selection from wine importers that it has partnered with, including Seijo Ishii, Enoteca and Vinos Yamazaki.
- **Convenience:** Perfect for impulse purchases as wines are sold chilled to the right temperature. Wines sold in convenience stores typically have screw caps rather than cork stoppers, allowing them to be opened without a corkscrew. Wines can also be re-capped and stored in the refrigerator, and consumed over a few days. Shoppers can also take advantage of the wide selection of dishes and snacks sold at convenience stores for the perfect wine pairing.
- **Small serving sizes:** The 280ml and 375ml formats are popular among singles who live alone (39% of all households in Japan are single-person households, and this is likely to be significantly higher in Tokyo). Convenience stores also sell wine in PET bottles and cans, which are lighter and easier to carry.
- **Beginner friendly:** Convenience stores invest in signage to educate consumers on the taste characteristics of each bottle.

# Convenience store chains have a strong focus on their private label range

## Lawson

Lawson stocks a selection of wines from well-known importers Seijo Ishii, Vinos Yamazaki, and Enoteca, along with its private label wine brand, Casa Subercaseaux.

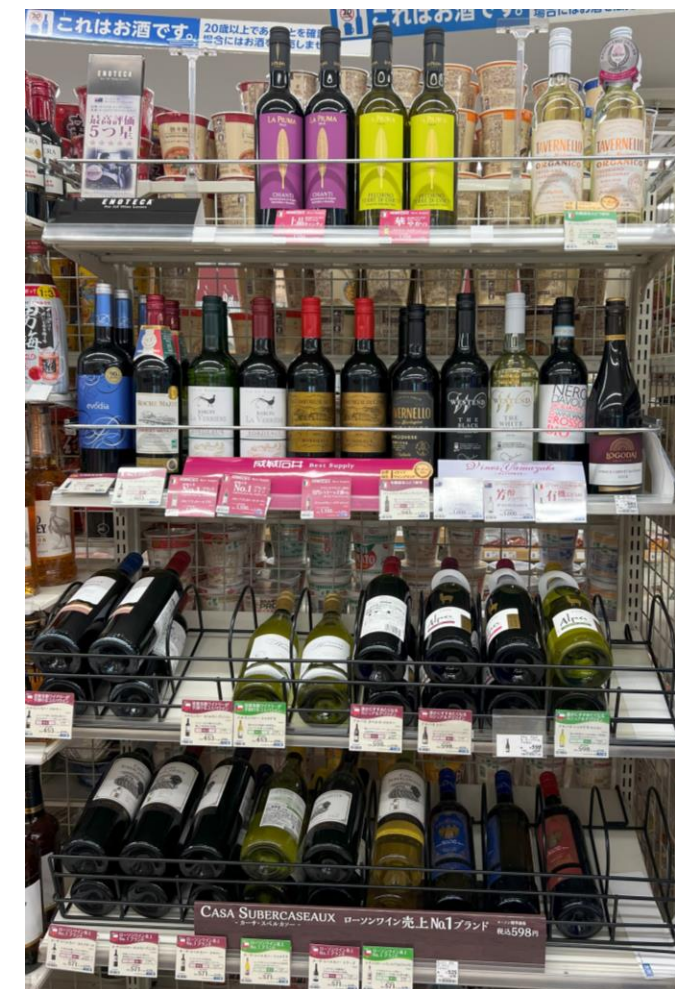
**Casa Subercaseaux** is Lawson's private label wine brand produced by Chilean winery Concha y Toro. The Casa Subercaseaux line was launched in 2012, and these wines are extremely affordable, at approximately JPY630 per bottle including tax (approximately NZD 7.50).

Lawson dedicates a substantial section of the shelf to selected wines from the supermarket and importer Seijo Ishii, as Seijo Ishii is also owned by Lawson. These wines can be easily identified from the pink shelf labels, and the price range is higher at about JPY1,200 per bottle, including tax (approximately NZD 14).

## 7-Eleven

7-Eleven sells a smaller selection of wines that mainly focuses on its private label wines. 7-Eleven has three main ranges:

- **Grand Andes:** Cabernet Sauvignon, Chardonnay, Merlot, and Sauvignon Blanc from the Chilean Central Valley. This is the entry-level range, priced between JPY 500-600 (around NZD 7).
- **Yosemite Road:** Californian wine with a wider price range of JPY 700 – 1,300.
- **Seven Premium Gold:** On March 28, 2022, 7-Eleven added the Marlborough Breeze Valley Sauvignon Blanc from New Zealand to its Seven Premium Gold range. This is the fourth product to be added to this range, and the other three products are Californian wines from Yosemite Valley. This product is priced at JPY 1,408 including tax (~ NZD 16).



(Photo taken at Lawson on April 13, 2023)



# Department stores are not a volume-driven channel, but is still relevant for high-end brand building and have a base of regulars and private clientele

## Department stores face an uncertain future despite recovery

The Japan Department Stores Association has reported that visitor numbers in 2022 have recovered to nearly 90% of pre-COVID levels. Department store sales were buoyed by the relaxation of border restrictions, which has led to an influx of inbound tourists from South Korea, Taiwan and Hong Kong. Luxury items such as watches and handbags sold well due to the depreciation of the Japanese yen. Duty-free sales in 2022 were 2.5 times higher than the previous year. Domestic shoppers purchased more cosmetics and clothing as well.

Nationwide department store sales in 2022 totalled JPY 4.98 trillion, an increase of 13.1% from the previous year. However, the future remains uncertain for the department store channel, which has seen slumping revenues and store closures over the past decade. Department store sales have decreased by nearly JPY 2 trillion since 2011, and the number of stores have decreased by 59 to the current 185 stores over the same period.

## Tokyu Department Store opens standalone wine store

The most recent high profile closure was the iconic **Tokyu Department Store** in Shibuya, which shuttered its doors on 31 January 2023 after 55 years. The store was well-known for its wine sales floor, which stocked over 2,000 products, and its in-house sommelier.

Due to demand from its regular customers, the wine section of the Tokyu Department store was re-opened on 10 March 2023 as a stand-alone store called **“The Wine by Tokyu Department Store”**. The new store has 2,000 products ranging from low-priced to rare wines, a tasting counter with up to 10 seats, and in-house sommeliers. The store also intends to hold events such as **paid wine tastings**, and **seminars by wine producers**.

## THE WINE by TOKYU DEPARTMENTSTORE



Source: Wine Bazaar

# Supermarket Seijo Ishii creates new hype around Nouveau wines

## Seijo Ishii feels the bite of inflation

Seijo Ishii (owned by Lawson Inc) is a large supermarket chain in Japan. It has 164 stores over 20 prefectures, but is particularly strong in Tokyo and Kanagawa.

It is positioned as a lifestyle supermarket for discerning shoppers who are particular about food. Seijo Ishii is synonymous with imported goods, such as cheese and wine.

However, its focus on imported goods has left Seijo Ishii highly vulnerable to the global macroeconomic environment. The chain has had to raise prices on some imported goods by several hundred yen due to the depreciation of the Japanese yen, rising global inflation, and soaring logistics and raw material costs.

In 2022, prices of Beaujolais Nouveau were 1.4 times higher due to transportation costs. This posed a particular problem for the wine section, as **Seijo Ishii runs a big fair every November to celebrate the worldwide release of Beaujolais Nouveau wine**, and it is one of the most profitable times of the year for Seijo Ishii.

## The creation of a new Nouveau wine

The president of Seijo Ishii, Akihiko Hara, tabled a plan to **develop a new Nouveau wine in Australia**. In early September 2022, a team was sent to Quarisa Wines in Griffith, New South Wales to taste two types of Pinot Noir and a Shiraz prepared from grapes harvested in the same year.

On 7 November 2022, Seijo Ishii launched the world's first Australian Nouveau wine. It is named **"Littō Nouveau"** – "littō" translates to "the beginning of winter", and it is intended to be a seasonal wine that brightens up the winter season.

The retail price for a 750ml bottle is JPY 2,189 – about half the price of Beaujolais Nouveau from France. Due to the usage of sea freight instead of air freight, Seijo Ishii was able to keep prices low.

Seijo Ishii also intends to take advantage of the counter-season in the southern hemisphere and source a wider range of products from Australia.

Beaujolais Nouveau is a red wine made from Gamay grapes in the Beaujolais region of France. It is bottled 6-8 weeks after harvest, which produces a wine which is low in tannins and high in acidity. The official release date is the third Thursday of every November.



Source: Seijo Ishii



# Organic supermarket Bio c' Bon finds niches in vegan and natural wines

## About Bio c' Bon

Bio c' Bon is an **organic specialty supermarket** that originates from France. There are currently 27 stores in the Tokyo and Kanagawa area.

Bio c' Bon focuses on procurement through direct imports (particularly from Europe), but also carries a range of domestically sourced Japanese products.

Rising health consciousness and awareness about sustainability has driven an annual sales growth rate of 110% at Bio c' Bon. Its customers are mainly aged between 30-50 years old, but it is also seeing a rise in students and shoppers in their twenties.

Bio c' Bon stocks organic, vegan, and biodynamic wines, for example:

- ▶ Mariengold Pinot Noir Organic Wine from Germany
- ▶ Champagne Nicolas Feuillatte, Collection Organic from France
- ▶ Bio Full Bordeaux Blanc from France
- ▶ Essenza Syrah Bio from Italy
- ▶ Lunaria from Italy
- ▶ Eco Balance by Emiliana Vineyards from Italy
- ▶ Bistrot  que from France





## Wine specialist stores are very fragmented and most operate independently, but there are a few larger chains

### Enoteca

<https://www.enoteca.co.jp/>

Enoteca is one of the leading wine specialty stores in Japan, with 65 stores as of 1 February 2023. Enoteca also operates an online shop, Enoteca Online.

### Vinos Yamazaki

<https://www.v-yamazaki.co.jp/blog/storelist/>

A premium specialty wine store with 27 stores across Japan, 18 of which are in the Kanto area.

### AEON Liquor

<https://www.aeonliquor.jp/shop/>

Aeon Liquor is present in Tokyo, Kanagawa and Saitama. There are 11 stores in Tokyo, which stock a wide range of alcoholic beverages, including wine.

Aeon Liquor is operated by the AEON Group, which also operates many other retail brands including malls, supermarkets and hypermarkets, and convenience stores.

The Aeon Group also operates an online wine store called **AEON de Wine** ([www.aeondewine.com](http://www.aeondewine.com)) which is one of the largest online wine stores in Japan.



Enoteca Main Store (Image from Enoteca)

# Online stores have extensive catalogues, and it will be challenging for brands to stand out without promotional campaigns and events

## Online Wine Specialists

**My Wine Club** (<https://mywineclub.com/>)

My Wine Club is one of the largest and most well-established online retailers of wine in Japan.

**Wine Shop Sommelier** (<https://wsommelier.com/>)

An online store that also supplies to the foodservice industry.

**Firadis Wine Club** (<https://firadis.net/>)

Firadis has a strong reputation supplying to restaurants, but also offers direct-to-consumer sales through its online website.

**Dragee** (<https://www.dragee.co.jp/>)

Dragee is an online store that has more than 7,000 products – one of the largest product selections in Japan.

**Wassy's** (<https://wassys.co.jp/wassys/>)

Owned by Washiya Shoten, Wassy's is an online wine store that stocks more than 2,000 New World wines, as well as French and Italian wines.

## E-Commerce Platforms

In Japan, the largest e-commerce platforms are Rakuten and Amazon, and these are widely used.

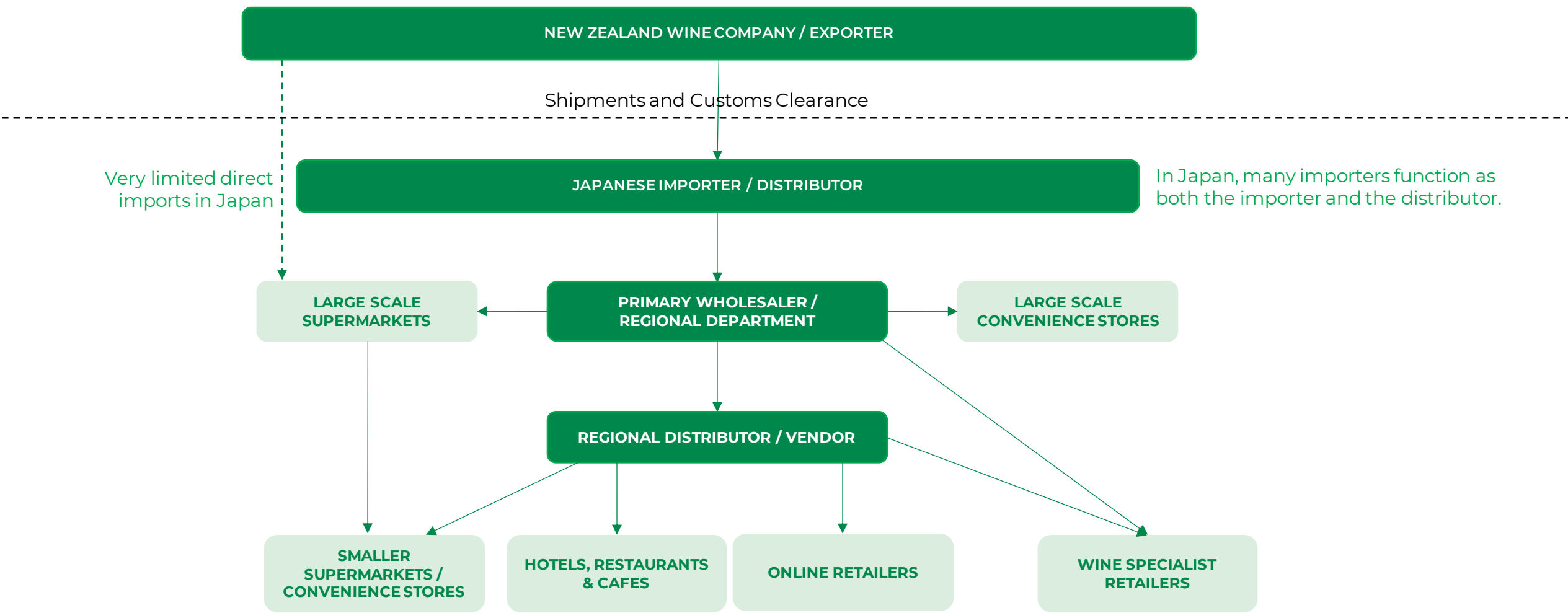
Even though bricks-and-mortar retailers (e.g. supermarkets, specialist wine stores) may have their own online websites, they may still list their products via an official store on these e-commerce platforms to increase reach. This also applies to online wine specialist retailers.



SECTION 4

# FOODSERVICE CHANNEL PERFORMANCE

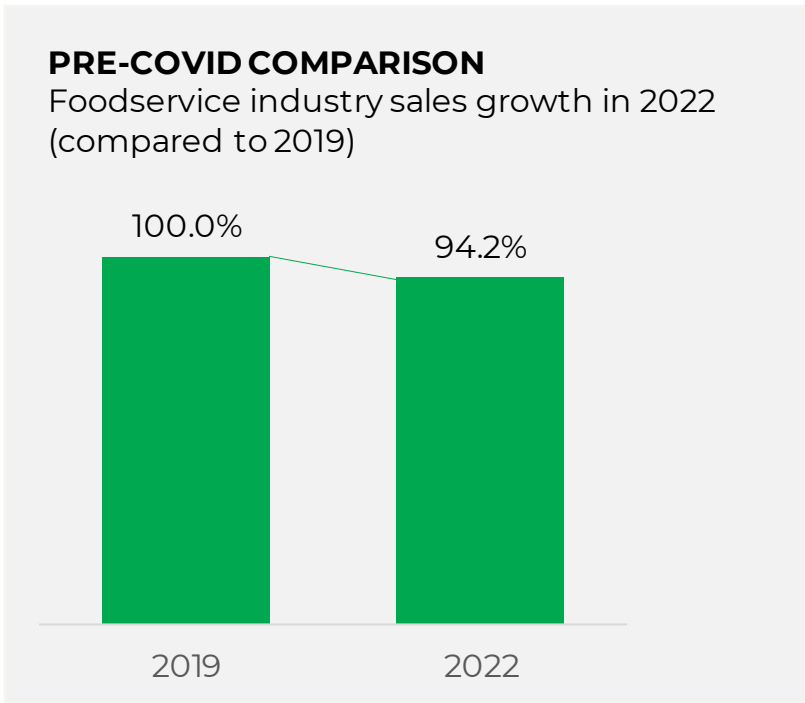
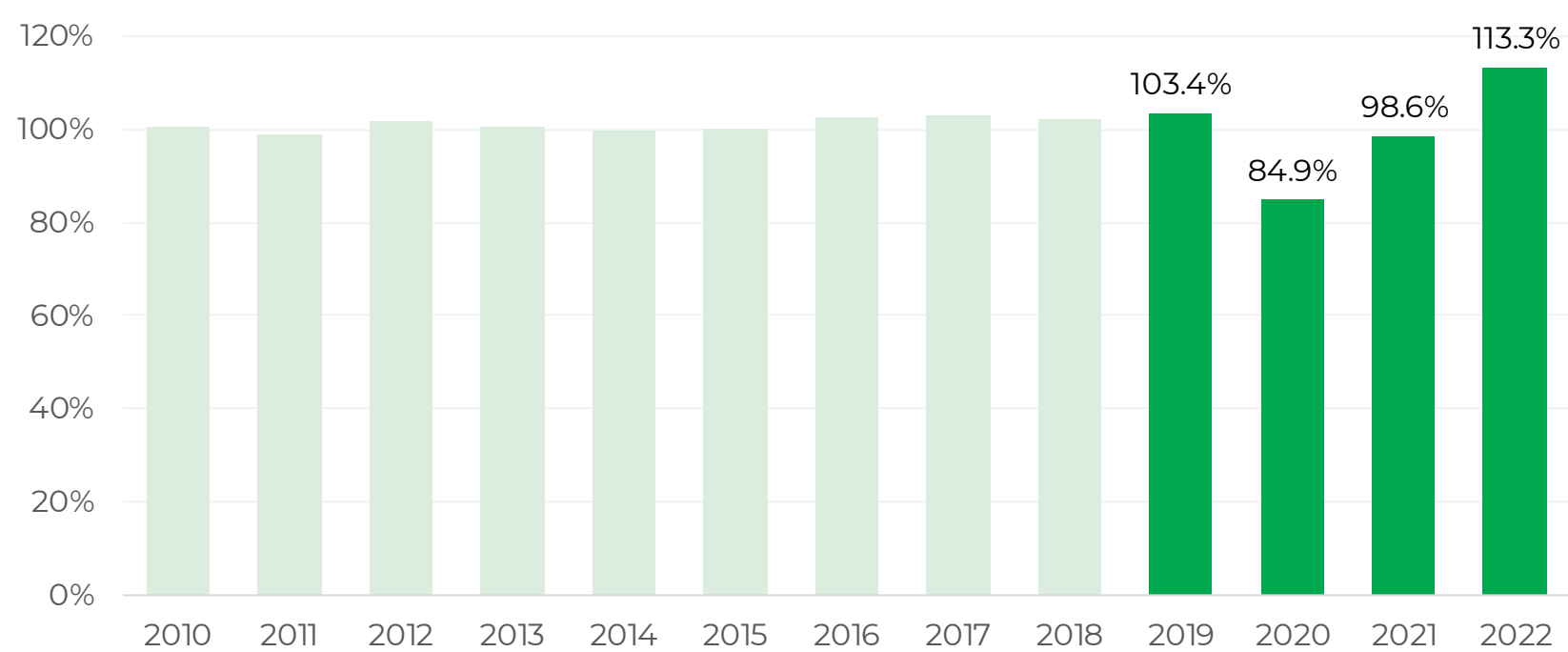
# The import and distribution process in Japan



# The foodservice industry is recovering, but sales and customer numbers have not returned to pre-COVID levels

According to the results of a monthly survey conducted by the Japan Foodservice Association among its member companies, the demand for dining out picked up towards the end of the year in 2022. However, sales have not returned to pre-COVID levels, and foodservice operators face mounting pressure from rising raw material and energy costs, and labour shortages.

**FOODSERVICE INDUSTRY IN JAPAN**  
Sales growth (compared to the year prior)



Sources: Japan Foodservice Association, Nikkei

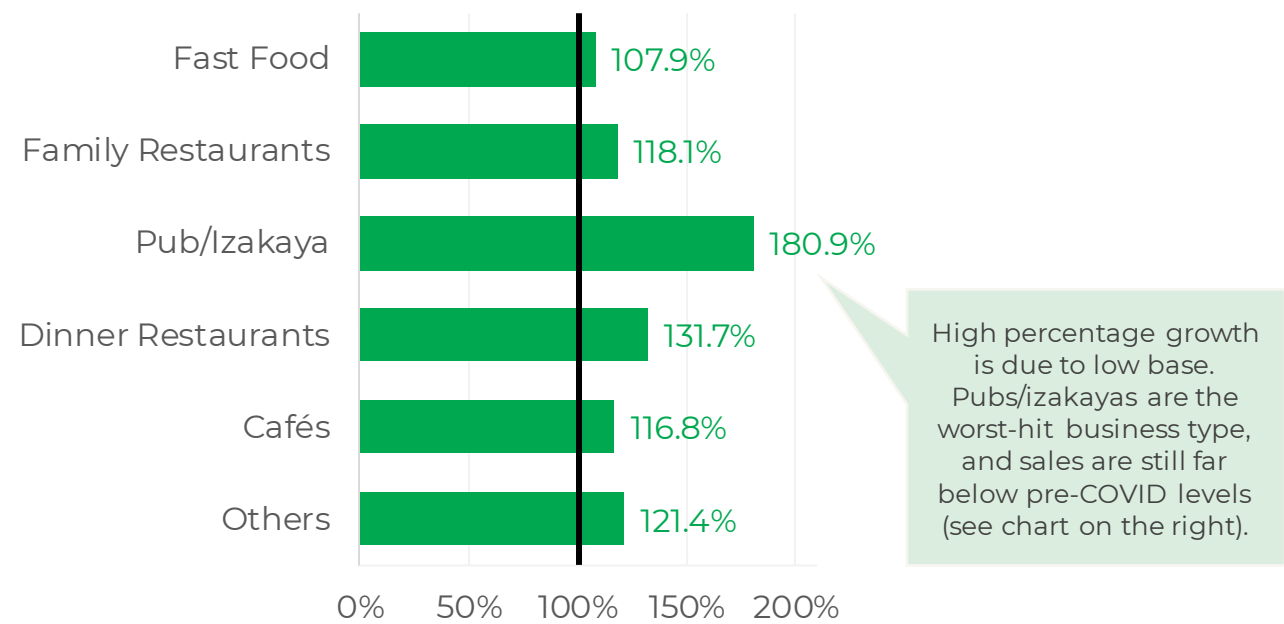


# The foodservice industry sees uneven recovery across business types, pubs/izakayas and dinner restaurants struggle

While the foodservice industry fared better in 2022 than the year before, recovery is uneven across business types. Business types that are well-suited to delivery and take-out, particularly Western-style fast food such as hamburgers and pizza, surpassed pre-COVID levels. However, pubs/izakayas and dinner restaurants continued to struggle as Japanese consumers still showed a strong tendency to refrain from large gatherings, such as year-end parties, drinking parties, and corporate welcome/farewell parties.

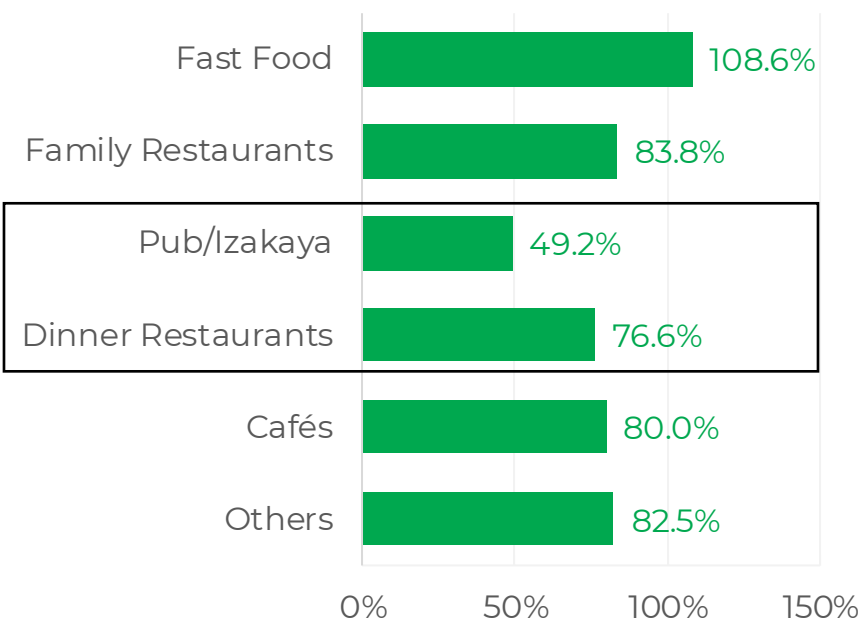
**FOODSERVICE SALES BY BUSINESS TYPE (2022)**

Sales growth (compared to 2021)



**FOODSERVICE SALES BY BUSINESS TYPE (2022)**

Sales growth (compared to 2019)



## Selling wine to professional customers



### Macro-economic factors will weigh heavily on the foodservice industry

Inflation, the rising cost of goods, and the exchange rates will have a significant impact on sourcing decisions for restaurants and hotels.

As far as possible, **restaurants will try to maintain prices** as Japanese consumers have been used to stable prices after decades of stagflation.

If prices go up, restaurants may look to **change suppliers or products** in order to offer the same value to their customers.



### Price, taste, and wine pairing are the top considerations

For restaurants and hotels, price and taste are the most important considerations. Wine pairing is also extremely important.

Certain hotels and sustainability-focused restaurants will be looking for organic, natural, or biodynamic wines. This tends to be for house-pour / by-the-glass programmes, not the entire range.



### Scores and ratings are an added selling point

While ratings by publications such as Robert Parker, Wine Decanter, Wine Enthusiast and Decanter are less influential for retail end-consumers, it is an added selling point for professional customers.

A **high rating**, along with **international awards**, are good to emphasise as it assures the buyer that the wine has been well-accepted.



SECTION 5

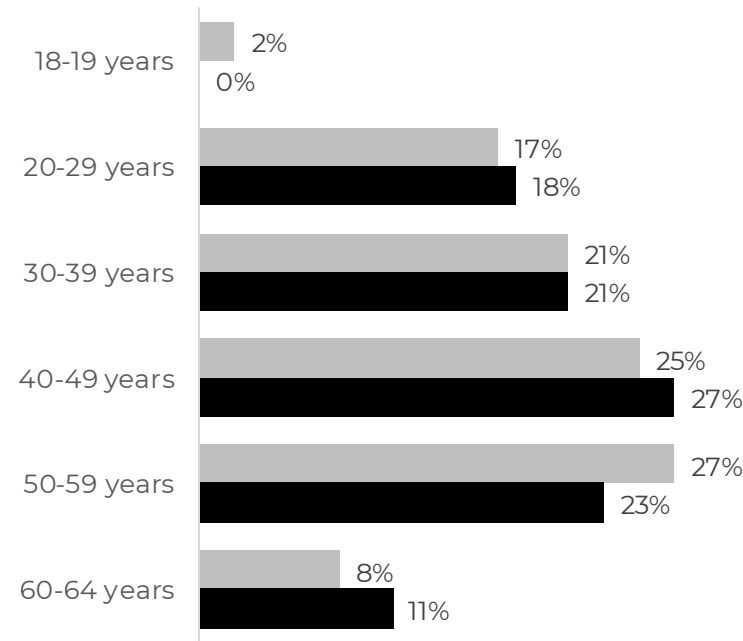
# TARGET CONSUMERS

# Target consumers for wine in Japan

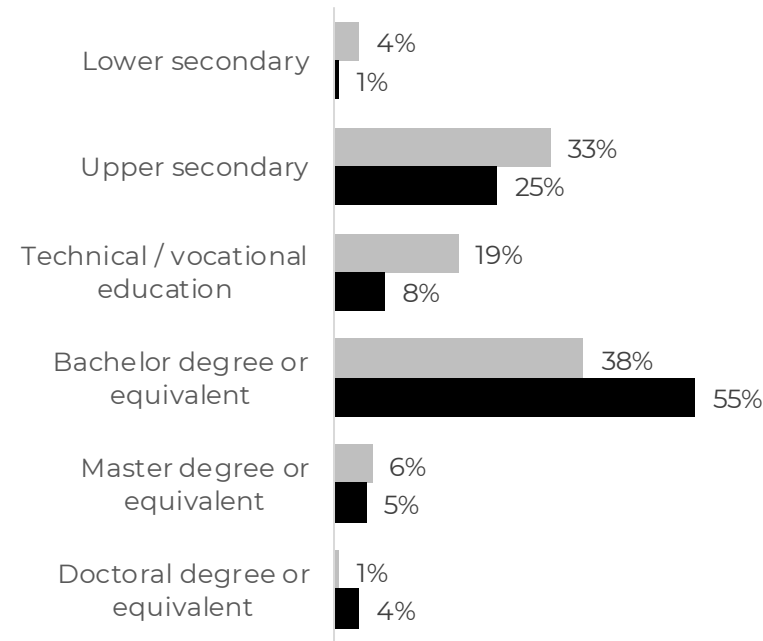
We have used data from Statista’s Global Consumer Survey, which surveyed Internet users aged 18-64 in Japan over the period 25 January 2023 to 16 March 2023. Of the 496 respondents surveyed on food and beverage consumption, 73 (14.7% of the sample) reported that they consumed wine or sparkling wine regularly. This section of the report compares **wine drinkers** against the average Japanese consumer (labelled “**all respondents**”).

● All respondents    ● Wine drinkers

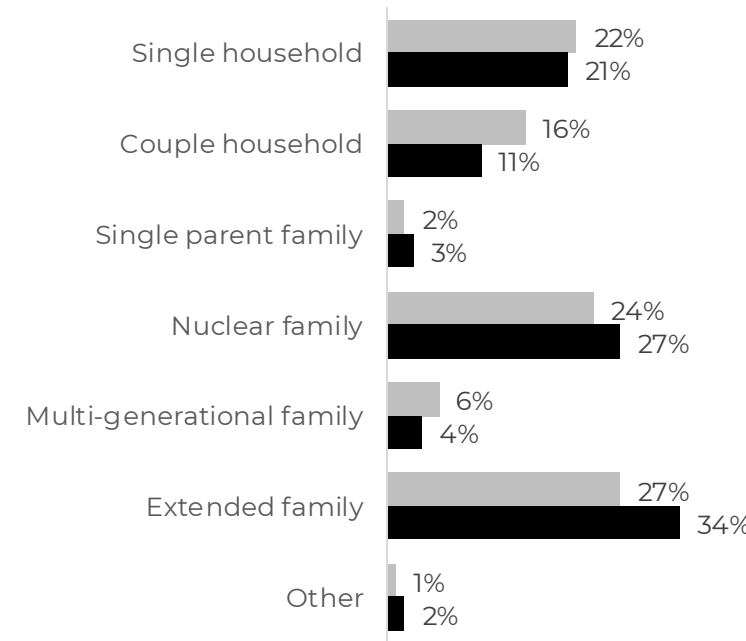
**Japanese wine drinkers are more likely to be male (62%) than female (38%), and skew older.**



**They are highly educated, and are far more likely to have had tertiary education.**



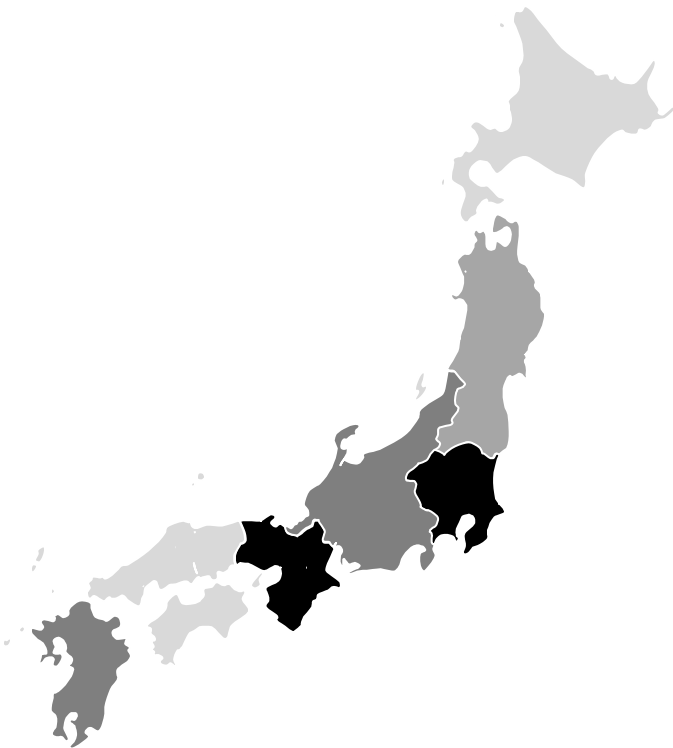
**As wine drinkers tend to be older, most live in a nuclear household, or with extended family.**



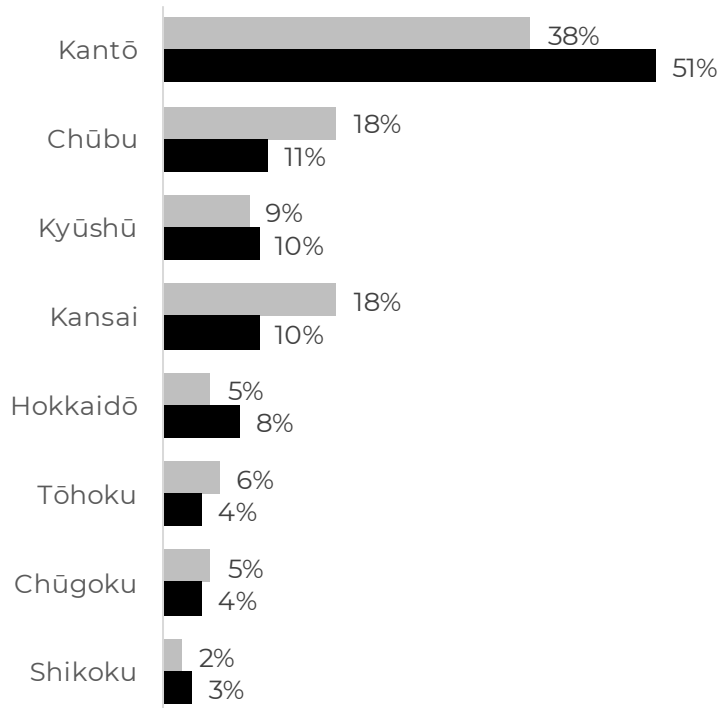
# Most are concentrated in big cities in the Kantō and Kansai regions

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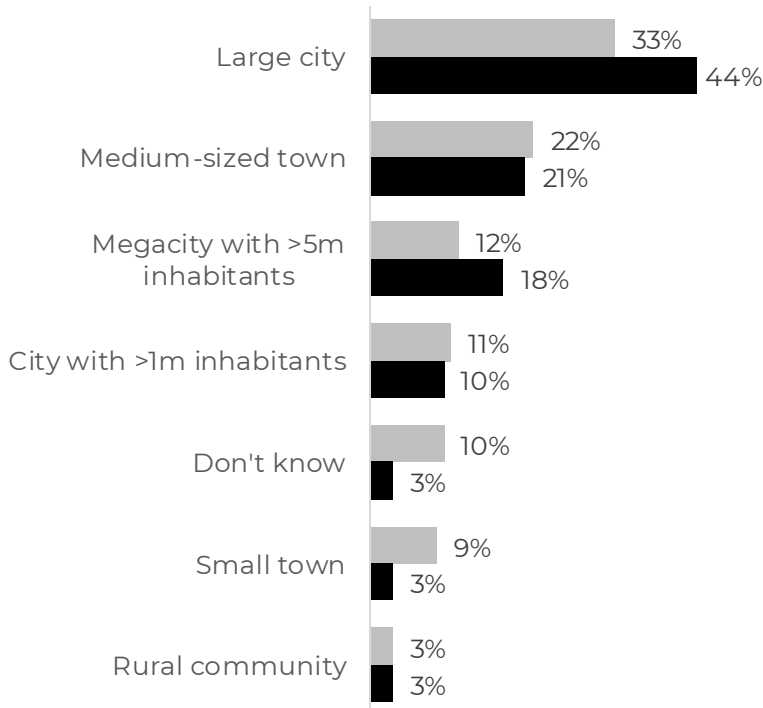
● All respondents    ● Wine drinkers



**REGION**  
% of respondents



**COMMUNITY TYPE**  
% of respondents

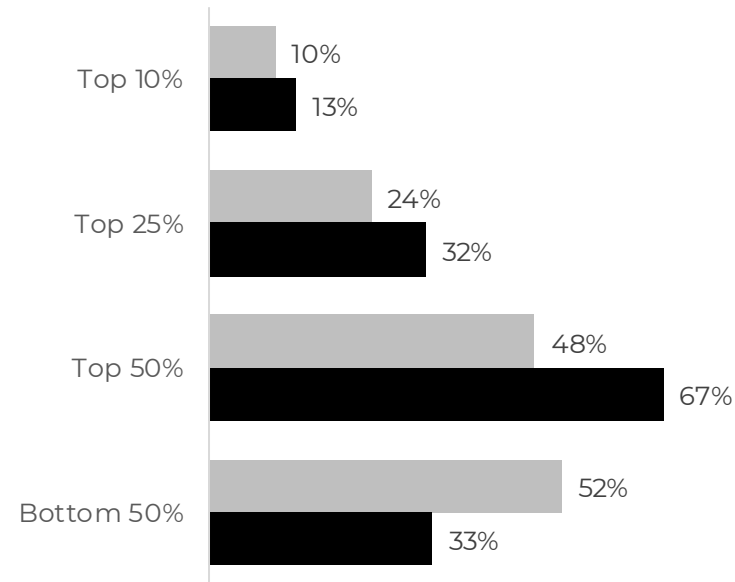


# Regular wine drinkers have a high annual household income, but have also been cutting back spending due to the rising cost of living

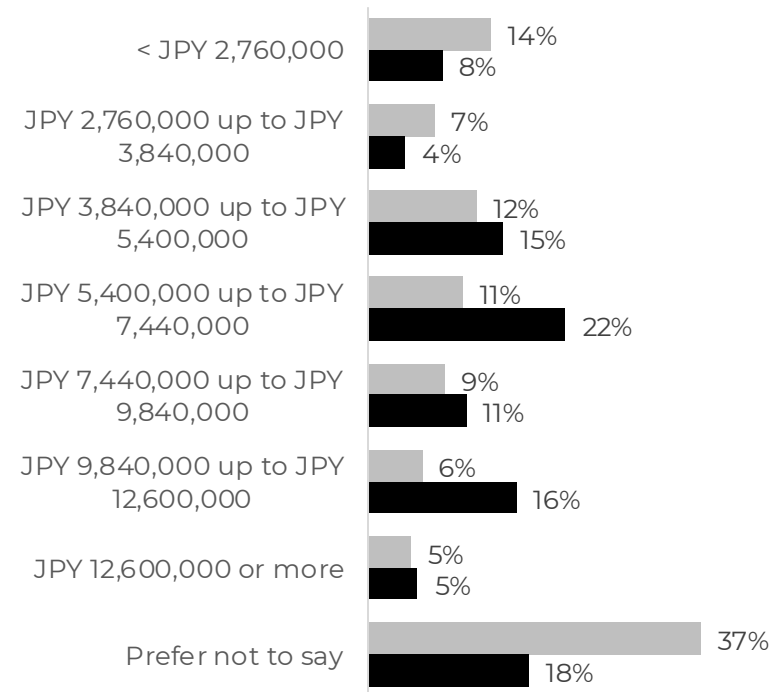
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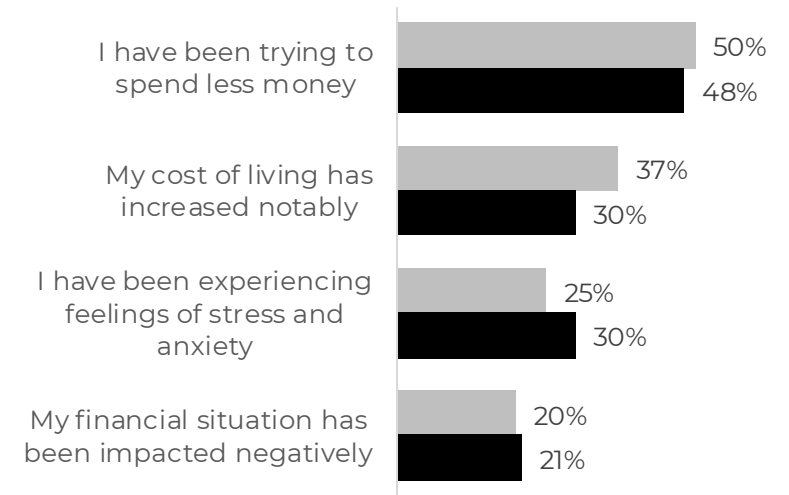
**HOUSEHOLD INCOME PERCENTILES**  
% of respondents



**ANNUAL HOUSEHOLD INCOME**  
% of respondents



**IMPACT OF ECONOMY**  
% of respondents



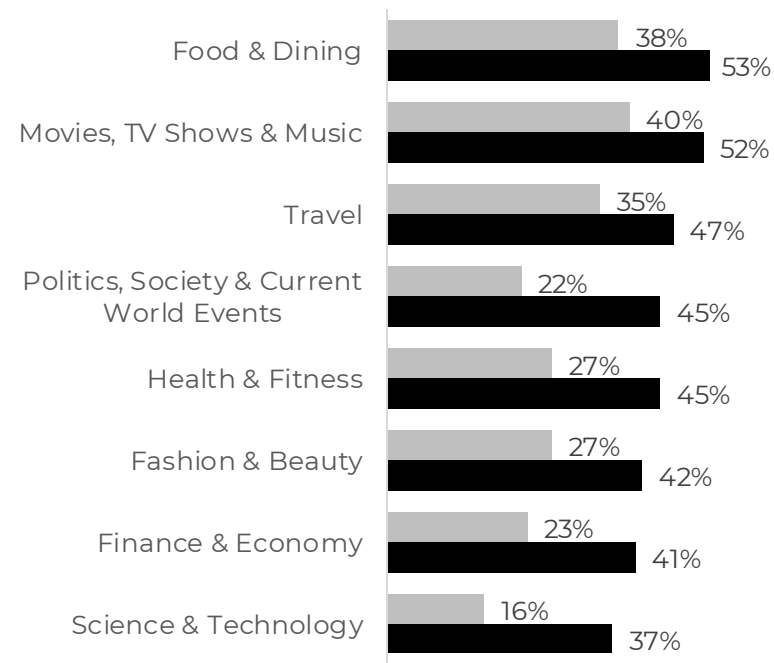
Source: Statista (Global Consumer Survey: Japan – 2023 Update 1)  
Caution should be exercised as the sample size of 60 is small (only 60 out of 73 respondents opted to provide information about their income).

# Wine drinkers are significantly more interested in food and dining, entertainment, and travel

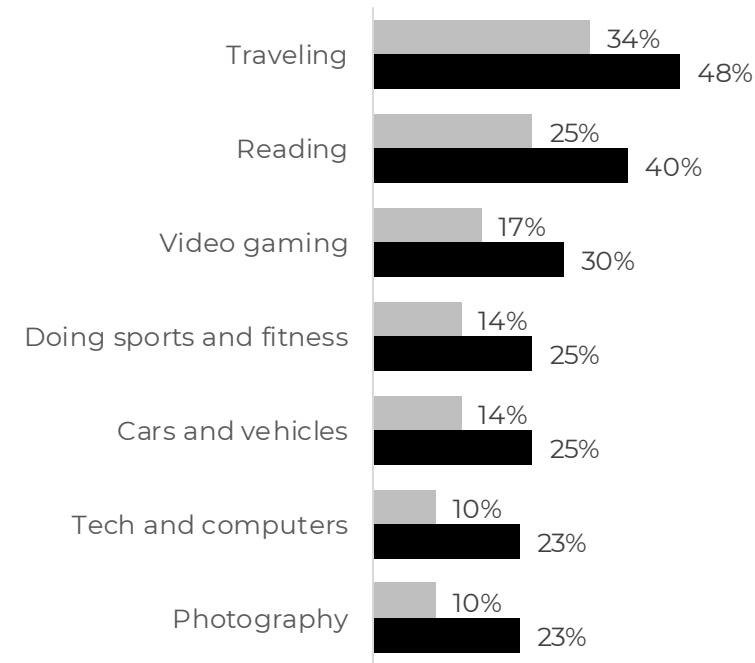
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● All respondents    ● Wine drinkers

TOP PERSONAL INTERESTS  
% of respondents



TOP HOBBIES & ACTIVITIES  
% of respondents



# Wine drinkers in their thirties and forties want to reward themselves and enjoy a bit of luxury, while the youngest consumers are trend followers

Based on an online survey of 1,000 regular wine drinkers (at least once a month), commissioned by Enoteca Japan. The survey was run during 21 – 26 September 2022.

REASONS FOR DRINKING WINE

% of respondents

	I enjoy the flavour and aroma	Easy to pair with meals	To relax, relieve fatigue	To feel luxurious	To reward myself	It is good for health	Because it is fashionable
Total	60.2%	46.4%	30.0%	32.1%	24.8%	25.3%	16.8%
20-29 years	51.5%	34.5%	26.5%	32.0%	<b>33.0%</b>	21.5%	<b>27.0%</b>
30-39 years	57.5%	43.5%	29.5%	<b>47.0%</b>	<b>34.0%</b>	28.5%	23.5%
40-49 years	59.5%	47.0%	34.5%	<b>39.0%</b>	30.5%	29.5%	17.0%
50-59 years	73.5%	53.0%	33.0%	24.0%	16.0%	25.0%	7.5%
60-69 years	59.0%	54.0%	26.5%	18.5%	10.5%	22.0%	9.0%



# As less experienced drinkers, younger consumers are heavily reliant on recommendations; natural wine is trending among other age groups

Based on an online survey of 1,000 regular wine drinkers (at least once a month), commissioned by Enoteca Japan. The survey was run during 21 – 26 September 2022.

TOP CONSIDERATIONS WHEN CHOOSING WINE

Ranking by age group

	20-29 years old	30-39 years old	40-49 years old	50-59 years old	60-69 years old
#1	Taste	Taste	Taste	Taste	Taste
#2	Wine I'm used to drinking	Origin	Wine I'm used to drinking	Wine I'm used to drinking	Wine I'm used to drinking
#3	Origin	Wine I'm used to drinking	Origin	Origin	Origin
#4	Product type	Product type	Product type	Product type	Product type
#5	Wine ratings	Preservative / Additive-free	Alcohol percentage	Preservative / Additive-free	Preservative / Additive-free
#6	Alcohol percentage	Alcohol percentage	Natural wine	Alcohol percentage	Natural wine
#7	Recommended by an acquaintance	Natural wine	Preservative / Additive-free	Natural wine	Recommended by store assistants
#8	Recommended by store assistants	Wine ratings	Wine ratings	Recommended by store assistants	Alcohol percentage

# Target consumer groups

**Japanese wine consumers can be broadly categorised into two distinct groups by age.**

While New Zealand wines currently appeal to traditional wine drinkers in Japan, it is also important to begin building relationships with younger wine drinkers.

## Characteristics of younger wine drinkers:

- In their twenties and early thirties
- Are starting out their careers after graduating from university, may be struggling with the cost of living and inflation so brands will need to overdeliver on **value**
- Likely to be living in a **single-person household**, having moved to Tokyo or larger cities for study and work opportunities
- **Casual drinkers** who drink less regularly, and in smaller quantities
- Not as experienced or knowledgeable – wine ratings, scores and recommendations play a large role in purchase decisions
- Very likely to choose wines **based on the label alone**, therefore the label design is crucial

- Are open to **experimentation**, and want to be taken on a journey of **discovery** by wine brands
- Attracted by brands and products that are **unique** and different
- Highly active on **social media**, so **aesthetics** of the bottle and label are crucial
- Are **trend-followers**, which may have motivated them to begin drinking wine

### How to sell to this group:

The design of the label comes first - a fresh and modern look is preferred. Wines priced around JPY 1,500 – 2,500 will appeal to this segment.

## Characteristics of older wine drinkers:

- Aged 40 and over, highly educated and well-established in life
- Are well-travelled, with a keen interest in learning about other countries and cultures
- Interested in finance and the economy
- Enjoy the sense of luxury and sophistication that comes with drinking wine
- Drink more regularly, and in larger quantities

### How to sell to this group:

Emphasise the quality of the product, and relevant awards/ ratings/ reviews from industry opinion leaders.



SECTION 6

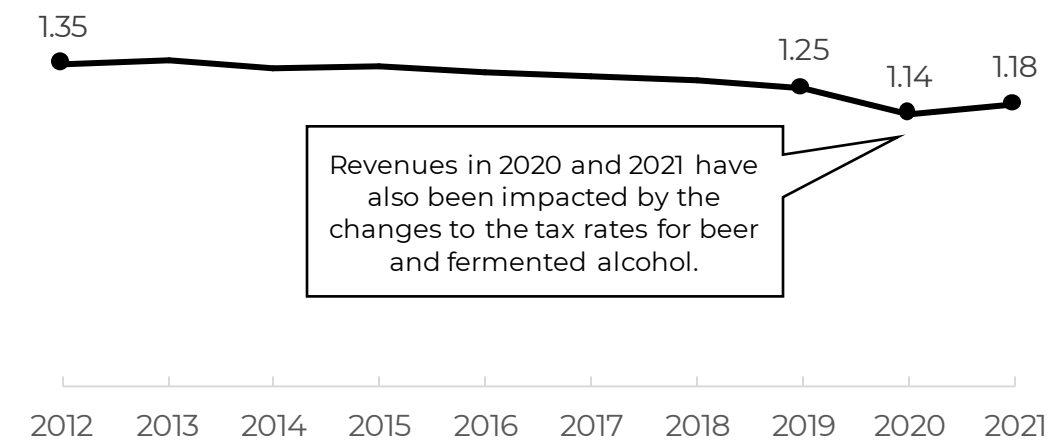
# CATEGORY TRENDS

# Younger Japanese are drinking less than their elders, and the impact will be exacerbated by the declining birthrate and ageing population

## Younger Japanese drink less frequently than their elders

- Based on a 2019 survey run by the Ministry of Health, Labour and Welfare, 32.7% of men in their twenties drank regularly (once a week or more), compared to 57.0% of men in their forties. Women drank significantly less than men, at 21.1% for women in their twenties. The drinking culture in Japan is undergoing a slow shift, as younger consumers view hard drinking, office drinking parties, and the post-work drinking culture far less favourably.
- National revenues from alcohol tax have been gradually declining over the past decade. In 2022, the National Tax Agency attracted international media attention for its “Sake Viva!” contest, which aimed to find new ways to stimulate alcohol consumption among young people.

**NATIONAL LIQUOR TAX REVENUE IN JAPAN**  
In JPY trillions

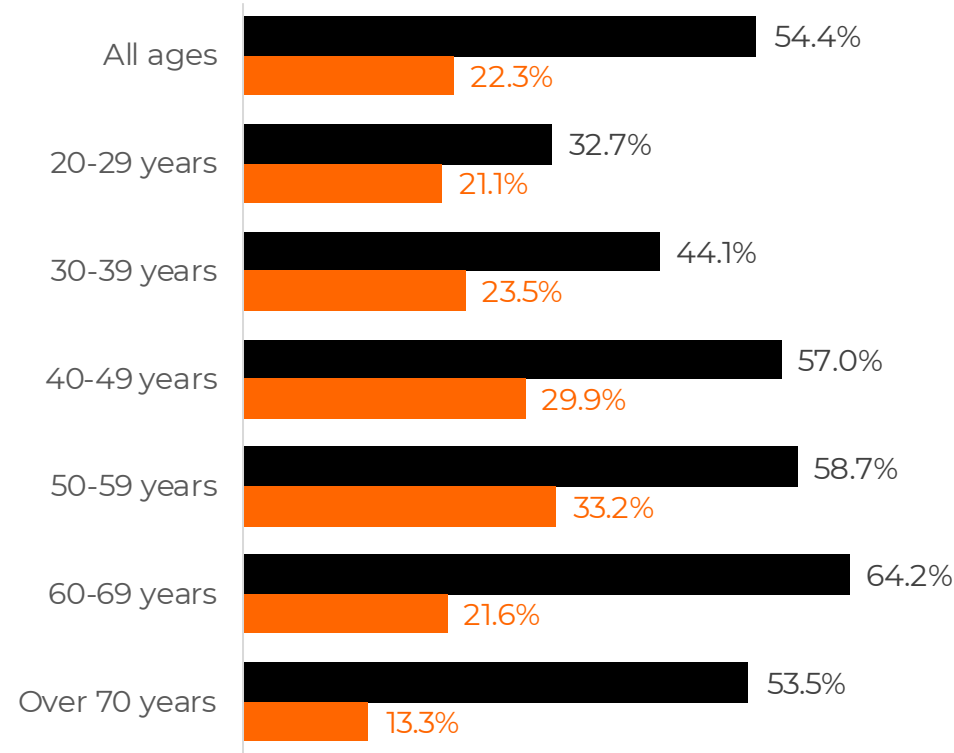


Sources: Ministry of Health, Labour and Welfare, Statista, CNN

## REGULAR DRINKERS

% of respondents who drink once a week or more

● Men ● Women



Source: Ministry of Health, Labour and Welfare (National Health and Nutrition Survey 2019). This survey was not conducted in 2020 and 2021 due to COVID-19.

# The shift away from hard drinking by younger Japanese means that no/low-alcohol RTDs will become an increasingly appealing option

Japanese beverage companies have been actively launching wine-based RTDs which are non-alcoholic or low-alcohol. These RTDs have been gaining popularity as it is a good option for light drinking. The single-serve format is popular among younger Japanese, many of whom live alone. The explosive popularity of the highball trend has spilled over into other categories (e.g. beerball), and has driven the launch of wine-based RTDs such as Suntory's Wine Soda and Bar Pomum.

## Suntory: Non-Alcoholic Wine Holiday



Suntory's Non-Alcoholic Wine Holiday brand was released in March 2022. It sold 200,000 cases within the first month, and the annual sales target has been revised upwards to 800,000 cases.

## Asahi: Style Balance



The Sparkling Chardonnay variant of Asahi's popular Style Balance brand was launched on February 1, 2022. It is an alcohol-free, zero-calorie and zero-sugar product, and contains 1000mg of Vitamin C per can.

## Kirin Mercian: Sparkling Alcohol Zero



Mercian's Sparkling Alcohol Zero launched on February 4, 2020 with two variants: the rosé and the white. It is sold in 360ml bottles.

## Kirin Mercian: MOCK Bar



MOCK Bar is a sangria-based non-alcoholic beverage released in June 2021 by Mercian.

# Younger Japanese consumers will gravitate to wines with good branding and marketing, and wines that are easy to understand for beginners

Suntory's One Wine is based on the concept of **"authentic wine begins with one glass"**.

The product is designed to respond to the main barriers faced by consumers who want to drink wine:

- ▶ **Being unable to finish the entire bottle of wine** – Suntory's One Wine is sold in 250ml portions, which is perfect for two glasses. The drinkable portion size ensures that the wine is always fresh, and removes the reluctance to
- ▶ **It is too troublesome to uncork the bottle** – The canned format is more convenient, especially for wine beginners. This also appeals to consumers who do not have wine glasses, or are unwilling to prepare wine glasses.
- ▶ **Choosing wine is too complicated and difficult** – The product's minimalist design and limited range (4 types in total, a sauvignon blanc, chardonnay, pinot noir, and merlot) makes it easier for consumers to choose.

Suntory's One Wine was launched on 26 October 2021 and was initially sold exclusively through e-commerce, but is now widely available across physical retail channels.





## Both local and imported brands are launching wines in canned formats to encourage casual drinking among younger consumers

While Suntory's One Wine was the most high profile canned wine launch, canned wine from other local and imported brands are gaining popularity in Japan.

### **Barokes**

The Australian canned wine brand is well-known, having been sold in Japan for several years.

### **Gatão**

Imported by Kinoshita International, the Gatão sparkling wine from Portugal was released on National Cat Day in Japan, February 22<sup>nd</sup> 2022.

### **Petit Monteria**

This brand of canned wine is manufactured by Monde Sake Brewery, located in Yamanashi Prefecture.

### **Bollicini**

A canned sparkling wine sold by Suntory Co Ltd.. It is manufactured by Henkell & Co. Sektkellerei, which owns the renowned Spanish cava Freixenet. The Bollicini sparkling wine complements the One Wine product line offered by Suntory.

### **Natural Organic Wine**

Manufactured in Spain by Mitsubishi Foods.



## Natural and organic wine is a growing movement in Japan, and more upmarket stores will allocate a section for organic wines

However, the distinction between natural wines and organic wines may not be as clear-cut among general consumers in Japan, as the various terms used to label organic and natural wines are often used together on marketing materials. Some organic wines can be labelled with the tagline that it is made with 100% organically cultivated grapes.





# Brand claims regarding ‘no added sulphites’ are also common

Claims about no added sulphites can be found on bottle labels, and also on supermarket shelf labels.





# Special events and restaurants serving natural wines help to drum up interest and awareness in natural wines



# Apart from specialist retailers, most wine retailers and e-commerce websites have created a category just for natural and biodynamic wines

## Specialist wine retailers for natural, biodynamic, organic, or vegan wines:

### Fika

<https://fikas.shop/>

Fika is a bistro that specialises in French-style cuisine and natural wines, based in Ueda City, Nagano. Wines can be purchased from the store attached to the bistro, or its online shop.

### Swai Life Wine Shop

<https://wine.swailife.com/>

A pure-play online specialty shop for natural and biodynamic wines. Swai Life also accepts online wholesale orders for restaurants.

### Paradise Nature

<https://www.paradise-nature.wine/>

Based in Nagoya, Vinofonica Co Ltd has launched a monthly subscription service for natural wines on 26 January 2023.

### Iino Natural Wine Selection

<https://www.iino-natural-wine.com/>

A subscription service for natural wines by sommelier Mizuki Iino. Based in Minato City, Tokyo.



Natural wine subscription "Paradise Nature" by Vinofonica (Image from PR Times)



**NEW ZEALAND**  
**TRADE & ENTERPRISE**  
**Te Taurapa Tūhono**

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