



interpets
ASIA PACIFIC

Interpets 2014

~International Fair for a Better Life with Pets~
A Happy & Healthy Life with Pets

Japanese Pet Market Information

Interpets Organizers Office
Mesago Messe Frankfurt Corp.

Contents:

- 1. Population**
- 2. Pets Ownership in Japan**
- 3. Trends in Pet Ownership**
- 4. Japanese Pet Market**
- 5. Distribution Channels**
- 6. Major Wholesalers in Japan**
- 7. Retailers**
- 8. Associations & Organizations**
- 9. Trade Fairs for Foreign Companies**
- 10. About Us**
- 11. Inquires**

1. Population ~How many people and pets (dogs & cats) in Japan?~

■ Demographic Change of People, dogs, and cats in Japan (unit: thousand)

	2009	2010	2011	2012
DOGS	12,322	11,861	1,1816	1,1534
CATS	10,021	9,612	9,550	9,748
TOTAL (Dogs & Cats)	22,343	21,473	21366	21,282
Total Human Population	127,510	128,057	127,799	n/a
Number of Children 0-14 years old	17,011	16,839	16,705	n/a

Source: Japan Pet Food Association, Ministry of Internal Affairs and Communication

- ➔ Total population in Japan seems relatively stable with the number approx. 127 million, however is predicted to experience a decline in the future due to the low birthrate and the increase in aging population.
- ➔ Number of dogs and cats peaked in 2008, while the number of children under 15 years old kept decreased for last 30 years.
- ➔ Number of dogs & cats surpasses the number of children.

2. Pets Ownership in Japan

According to a research conducted by Japan Pet Food Association in 2012, 24.9% of the total households in Japan own dog, cat, or the both as pets. The result also shows that 36.9% of the total households own some living bodies such as dogs, cats, birds, fish, or small animals as pets. One of the characteristics of pets ownership in Japan is shown below; high percentage of potential pet owners (people who are willing to own pets).

■ Percentage of Households which owns pets

	Households which own pets (%)	Households <u>willing to own</u> pets (%)
Dogs	16.8%	30.4%
Cats	10.2%	18.2%
Rabbits	1.2%	3.4%
Ferrets	0.1%	1.1%
Marmots	0.2%	0.9%
Birds	1.9%	3.6%
Fish*	17.6%	18.1%
Turtles	2.5%	2.4%
Other pets	2.1%	3.4%
Dogs and/or Cats	24.9%	N/A
Any living bodies	36.9%	N/A

Source: Japan Pet Food Association

* Includes goldfish, carp, rice-fish, tropical fish, saltwater fish, and the other fish

3. Trends in Pets Ownership

Popularity of smaller dogs

Small dogs have been gaining popularity in Japan. Dogs weighing 10kg or less amount for 70.4% of the total dog population in 2012 (up from 58.3% in 2003 , 66.4% in 2009, and 69.3% in 2011), in which ultra small dogs weighing 3kg or less 14.7% and small dogs between 3kg and 5kg are 24.8%.

Advanced Aging among Pets

Dogs over 7 years old account for 50.4% of the total dog population in 2012. Cats over 7 years old account for 41.7% of the total cat population. The average life-span for dogs is 13.9 years while the average life-span for cats is 14.5 years. Due to the wide availability of well-balanced pet foods as well as well-advanced pet medical care, pets are living longer now.

Increase in Indoor Pets

The JPFA survey shows that over 76% of dogs and over 80% of cats are kept indoors. Keeping pets indoors is now more common than in the past in Japan. Pets kept indoors are less likely to become sick and live longer. This trend is also a driving factor to the aging among pets.

(Data source: Japan Pet Food Association)

4. Japanese Pet Market (in JPY)

Japanese pet market had reached in the size of 1,000 billion yen in 2002, and continued to grow for the following decade. The value has been stable at around 1,300 billion yen for the past several years.

	2007	2008	2009	2010
Foods	445.1	469.8	474.5	465
Products	176.3	181	176.5	169.5
Living Bodies	104.5	101.3	86.1	77.4
Medical Services	306.6	321.9	331.6	333.3
The other related products and services	215.7	239.3	251.3	243.8
Total	1,248.2	1,313.3	1,320	1,289

Unit: Billion JP Yen Source: JPR Corporation.

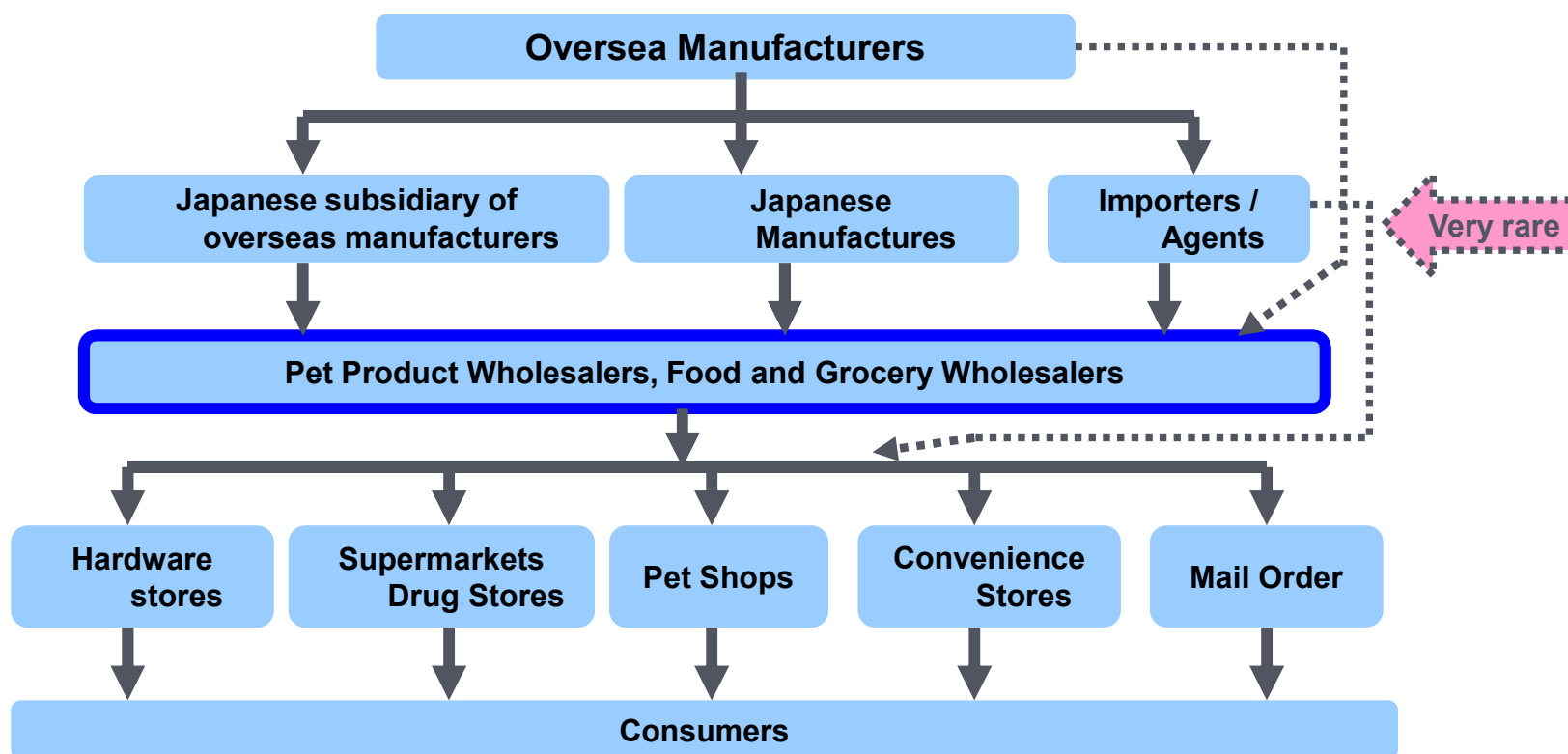
4. Japanese Pet Market Size in Different Categories (in JPY)

Productst / Services Category	2009	2010
Dog Food (including treats)	251.3	247.7
Cat Food (including treats)	196.5	192.1
Fish Food	7.9	7.8
Small Animals / Birds Food	15.6	14.5
Products for Dogs & Cats	149.0	144.0
Products for Fish Products	24.1	23.6
Products for Small Animals / Birds	8.1	7.7
Living Bodies	96.7	91.8
Veterinary Hospital	320.0	313.6
Grooming Services, Training Schools	37.3	33.5
Pet Hotels	41.0	39.0
Pet Ceremonies (funerals, cremation, weddings, etc.)	17.5	17.0
Other Services (dog walkers, pet sitters)	49.5	49.6
TOTAL	1214.5	1181.9

Unit: Billion JP Yen Source: Pet Business Handbook 2012, Sankei-Shinbun Medics (year of 2010)

5. Distribution Channels in Japan

The wholesalers have a strong power over the distribution in Japan. The most common distribution system for pet products in Japan is through importers, wholesalers specialized in pet food or food/grocery, and in some cases secondary wholesalers to retailers. The cases in which retailers buy directly from importers or manufacturers are very limited as the retailers tend to do the business through the wholesalers to avoid the risk of stock buildup.



6. Major Wholesalers in Japan

There are about 25 major wholesalers who deal with pet-related products in Japan. The top 10 listed below account for over 80% of the wholesale pet food & products market in Japan. Among them, Japell Co., Ltd. and Echo Trading Co., Ltd. lead the way with outstanding shares.

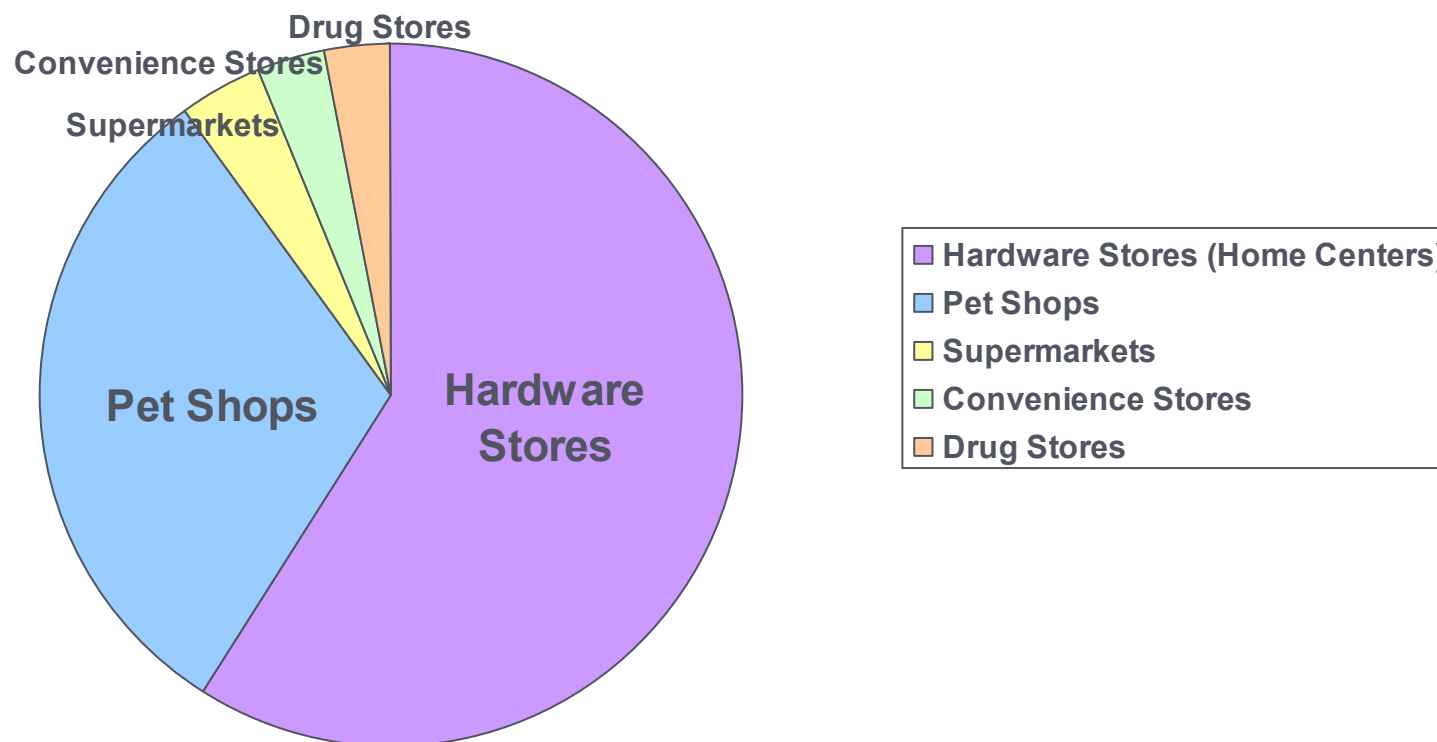
Rank	Whole Saler	Annual sales of pet-related products (in million JPY)	Market Share
1	Japell Co., Ltd.	77,220	27.5%
2	Echo Trading Co., Ltd.	63,130	22.4%
3	Lovely Pet Trading Co.	19,881	7.1%
4	Mitsui Foods	19,100	6.8%
5	Ryoshoku Petcare LTD.	14,112	5.0%
6	Misato Sangyo	12,478	4.4%
7	Arata Corp.	12,174	4.3%
8	Mark Industry Co., Ltd.	11,400	4.1%
9	Oshimaonoshoji Co., Ltd.	10,700	3.8%
10	Glocal Pet Care Corp.	9,071	3.2%
	TOP 10 Total	249,266	88.6%
	Industry Total	281,211	

Source: Pet Business Handbook 2012, Sankei-Shinbun Medics (year of 2010)

7. Retailers

The main outlets for pet food and products are categorized into the following six types:

1) Home centers, 2) Supermarkets, 3) Pet Shops, 4) Drug Stores, 5) Convenience Stores, and 6) Others, including the Internet.



Source: Pet Business Handbook 2012, Sankei-Shinbun Medics (year of 2007)

7. Retailers

Hardware Stores (DIY Stores, Home Centers)

Hardware stores are the leading outlets for pet foods and pet-related products, accounting for more than half of the retail market. They are characterized with a wide sales space filled with a full-range of pet-related products. As they stock a large amount of low-end pet food products and often put them on sale as a loss leader, hardware stores are highly price competitive.

Pet Shops

Pet shops are characterized with a wide range of products, especially a variety of premium foods, as well as the expertise of store staff. Customers tend to buy pet foods and pet-care products when they buy animals at pet shop. They tend to rely on advice from store staff.

Supermarkets / Drug Stores

Supermarkets and drug stores are also one of the players in the distribution channels of pet products. Supermarkets account for 4.12% of the sales, and drug stores account for 2.9%. They meet steady needs of customers from incidental purchases of pet food while shopping.

Convenience Stores

Convenience stores are not major outlets for pet-related products. Their sales space is extremely limited and only a couple of pet food brands are exhibited at stores. Still, they meet the steady needs of incidental or emergency purchase. The outlets are characterized by the large share of cat food sales. As the sales space is limited at the convenience stores, cat food often sold in small packages, are more suitable for these outlets.

8. Major Associations & Organizations

Name of Association / Organization	Number of Members
Japan Pet Food Association (as of 2012)	98 companies
Japan Pet Products Manufacturers Association (as of 2012)	89 companies
Japan Pet Food and Products Wholesale Dealers Association (as of 2009)	87 companies
Japan Pet Shop Association (Zenkoku Pet Kyokai) (as of 2009)	4,000 shops
Japan Ornamental Fish Association (as of 2012)	123 companies
Japan Birds & Small Animals Association (as of 2012)	21 companies
Japan Veterinary Medical Association (as of 2009)	27,636 vets
Japan Veterinary Products Association (as of 2009)	88 companies

9. Major Pet Fairs / Events in Japan

Name of the Events / Fairs	Venue	Dates	Detail
Interpets	Makuhari Messe	August 22 - 25, 2013	Business Fair International Pet Fair First two days are for B2B and last two days are opened to public
Japan Pet Fair	Intex Osaka	March 28 - 31, 2013	Business Fair Domestic Pet Fair First two days are for B2B and last two days are opened to public
Pet Oukoku	Kyosera Dome Osaka	May 5 - 6, 2013	Public Pet Event
Pethaku	Makuhari Messe	May 3 - 6, 2013	Public Pet Event
	Pacifico Yokohama	Jan 12 - 14, 2013	
	Nagoya	to be announced	
	Osaka	to be announced	
International Dog Show	Tokyo Big Sight	April 6 - 7, 2013	Competition (Open to public)
Japan Dog Festival	to be announced	to be announced	Competition (Open to public)

10. About us

Messe Frankfurt Group -the 2nd largest fair organizer in the world-

Global Network

28 Subsidiaries, 5 branch offices, 52 partner agents covers over 150 countries and regions in the world

Annual Sales

457,000,000 EURO

Total number of exhibitors at our fairs

67,300 exhibitors

Total number of visitors at our fairs

3300,000 visitors

www.messefrankfurt.com/

11. Inquiries

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