

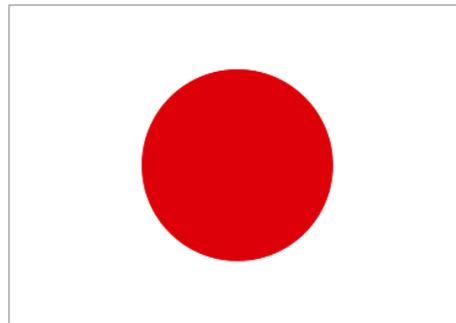


B.C. MINISTRY OF AGRICULTURE

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# MARKET GUIDE FOR B.C. AGRIFOOD AND SEAFOOD EXPORTERS

## JAPAN



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## SECTION 1: INTRODUCTION

The purpose of this guide is to assist B.C. agrifood and seafood exporters targeting the Japanese market by informing them about key topics such as: the Japanese business environment; key regulatory agencies; finding and assessing buyers; distribution channel options; social and business customs; and the development and maintenance of relationships in Japan. The following table summarizes the key information in this guide:

<b>Introduction to the Japanese market</b>	<ul style="list-style-type: none"> <li>• Japan has one of the largest economies in the world. It is highly regarded and considered an attractive market to enter which is reflected in the World Bank’s latest <a href="#">Ease of Doing Business Index</a> which ranked Japan 34th out of 190 countries.</li> <li>• Sixty percent of the food eaten in Japan is imported. A lack of arable land relative to size of the population, declining fish stocks in its territorial waters, and the rate of retirement among farmers all indicate that the country will continue to rely heavily on world markets.</li> <li>• The 2011 Fukushima Daiichi nuclear disaster raised concerns about food safety and country-of-origin traceability. The acceptance and perception of quality of imported food has increased.</li> <li>• Japan’s population is aging, creating both challenges and opportunities.</li> </ul>
<b>Market Readiness</b>	<ul style="list-style-type: none"> <li>• Market readiness is the first step to achieving sales in Japan. You must ensure that your company and your products are fully compliant before you can begin to achieve sales in Japan.</li> <li>• Key Japanese agencies involved in import/export include: <a href="#">MHLW - Ministry of Health, Labor and Welfare</a>, <a href="#">MAFF - Ministry of Agriculture, Forestry and Fisheries</a>, and <a href="#">Japan Customs</a>.</li> <li>• Exporters can refer to information on import requirements on the <a href="#">Japan Customs</a> or <a href="#">JETRO</a> website, discuss requirements with buyers in Japan, and can contact the <a href="#">Canadian Food Inspection Agency (CFIA)</a>, the <a href="#">Canada Border Services Agency (CBSA)</a> and the <a href="#">Trade Commissioner Service</a>.</li> <li>• Exporters must be aware of requirements related to eligibility, certification, testing, labelling, customs, tariffs and logistics.</li> </ul>
<b>Selling to Japan</b>	<ul style="list-style-type: none"> <li>• Exporters can reach Japanese consumers through direct export, using an intermediary (an agent, a distributor, or an export firm), by partnering with another Canadian exporter, or via e-commerce.</li> <li>• Exporters need a strategy to engage in both B2B (to find suitable buyers and establish a supply chain and distribution network) and B2C (to drive demand from Japanese consumers) strategies. These can include attending food exhibition shows, establishing a Japanese web presence using websites and social media or utilizing in-market resources to find buyers.</li> <li>• Websites, social media posts, promotional material, and all other printed material must be translated to colloquial Japanese and be presented in a Japanese style.</li> <li>• Conducting due diligence in advance of any agreements, contracts or shipments is a crucial step.</li> </ul>
<b>Building Relationships in Japan</b>	<ul style="list-style-type: none"> <li>• Establishing strong and trusting relationships is necessary in order to achieve success in the Japanese market. Exporters need to prepare and plan to spend as much time as possible in Japan.</li> <li>• Being introduced through a common party is the best way to establish a relationship in Japan.</li> <li>• Exporters that are not fluent in Japanese will require the services of a trusted, experienced translator who is integrated into the team and can add value to meetings and negotiations.</li> <li>• Respecting social and business customs and the concepts of “face” and “wa” are important components of building relationships in Japan.</li> <li>• Decision making in Japan rests on the practice and concepts of Nemawashi and Ringi.</li> <li>• Established relationships require ongoing maintenance through regular contact and reciprocal visits.</li> </ul>
<b>Export Support and Resources</b>	<ul style="list-style-type: none"> <li>• <a href="#">BC Trade and Investment Representatives</a> and <a href="#">Canadian Trade Commissioners</a> are located in Japan to assist you.</li> <li>• Exporters should make themselves aware of cost-sharing programs and promotional support provided by provincial and federal agencies and organizations.</li> </ul>

## SECTION 2: INTRODUCTION TO THE JAPANESE MARKET

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### 2.1 – JAPAN'S ECONOMIC ENVIRONMENT

Japan has one of the largest economies in the world and the country is characterized by excellent infrastructure, low levels of corruption and strong rule of law. The country has high standards for education which have produced a highly skilled, technology-driven workforce. It is highly regarded and considered an attractive market to enter which is reflected in the World Bank's latest [Ease of Doing Business Index](#) which ranked Japan 34th out of 190 countries.

Japan is not without challenges. Years of stagnant economic growth and a declining and aging population are among the issues faced by the island nation. However, exporters should still consider entering the large market as Japan is the world's third-largest economy and is home to some of the most affluent consumers in the world with GDP per capita higher than many G7 countries. Its consumers are also highly food orientated, spending 25% of their income on food compared to about 15% for North Americans.

The country has 9 administrative regions divided into 47 prefectures and has 13 cities with population above 1 million, so exporters have many options when entering the Japanese market. However, most consumer activity is centralized in two main regions:

- **Kantō.** Location of the Greater Tokyo Area, the most highly developed, urbanized, and industrialized area of Japan. Approximately one-third of the Japanese population lives in the region, generating 40% of total national GDP. Consumers here are somewhat less price sensitive when it comes to food costs, demonstrate openness towards Western items and tend to choose saltier and spicier foods.
- **Kansai.** Located in the south-central region of Japan's main island, the region is the second most populated in Japan and includes the metropolitan area of Osaka-Kobe-Kyoto. The diet is reported to be more traditionally Japanese compared to the common diet in Tokyo.

### 2.2 – JAPAN'S AGRIFOOD AND SEAFOOD SECTOR

Japan's agriculture sector is considered to be efficient and is highly subsidized by the government. Rice is by far the most important crop, accounting for approximately one-third of gross agriculture income. However, production volumes across all main commodities are declining along with the population and as tastes and preferences change and consumers embrace imported food.

Sixty percent of the food eaten in Japan is imported. A lack of arable land relative to size of the population, declining fish stocks in its territorial waters, and the rate of retirement among farmers all indicate that the country will continue to rely heavily on world markets. Japan has, however, taken measures to mitigate such dependence. They have established offshore production facilities and have directed investment to food processing ventures abroad, particularly in China and Southeast Asia. Other innovations, such as vertical farming have also been explored.

### 2.3 – JAPAN'S AGRIFOOD AND SEAFOOD IMPORTS

In order to sustain domestic demand, Japan is required to import significant amounts of agrifood and seafood products. The country is one of the largest net-importers of agrifood and seafood products,

buying about 12 times more than it sells to world markets. The top suppliers to Japan are the United States, China, Thailand, Australia, and Canada. As a result of decreased oilseed exports, the total value of Canadian exports fell between 2012 and 2016 by about 5%.

*Table: Value of Agrifood and Seafood Exports to Japan, Top 10 Supplying Countries 2012-16*

Country	Value of Exports (\$ Billions)			Market Share		
	2012	2016	%-Change	2012	2016	%-Change
<b>USA</b>	\$18.1	\$17.9	-1%	22.1%	20.6%	-6.6%
<b>China</b>	\$10.9	\$11.5	5%	13.4%	13.3%	-0.5%
<b>Thailand</b>	\$4.8	\$5.4	11%	5.9%	6.2%	4.7%
<b>Australia</b>	\$4.9	\$5.1	3%	6.0%	5.9%	-2.7%
<b>Canada</b>	\$5.1	\$4.8	-5%	6.2%	5.6%	-10.5%
<b>Brazil</b>	\$3.6	\$4.0	12%	4.4%	4.7%	6.4%
<b>South Korea</b>	\$2.3	\$2.7	16%	2.9%	3.1%	9.9%
<b>France</b>	\$1.9	\$2.2	15%	2.3%	2.6%	8.9%
<b>Chile</b>	\$2.2	\$2.1	-3%	2.7%	2.5%	-8.5%
<b>Italy</b>	\$0.9	\$1.8	93%	1.2%	2.1%	82.5%

The following table describes the class (by 2-digit HS code) of agrifood and seafood products that, for each of the top supplying countries, achieved the highest rate of growth in value of exports to Japan between 2012 and 2016.

*Table: Largest percentage increases in exports, by 2-digit HS code for top 10 supplying countries, 2012-16*

Country	Product (by HS Code), Growth Rate in Value of Exports 2012-16
<b>USA</b>	Products of animal origin, not elsewhere specified (+60%) Edible fruit and nuts; peel of citrus fruit or melons (+20%) Beverages, spirits and vinegar (+19%)
<b>China</b>	Meat and edible meat offal (+109%) Cocoa and cocoa preparations (+82%) Dairy produce; birds' eggs; natural honey; edible products of animal origin (+61%)
<b>Thailand</b>	Meat and edible meat offal (+154%) Products of animal origin, not elsewhere specified or included (+103%) Animal or vegetable fats and oils and their cleavage products (+75%)
<b>Australia</b>	Edible fruit and nuts; peel of citrus fruit or melons (+117%) Sugars and sugar confectionery (+50%) Edible vegetables and certain roots and tubers (+43%)
<b>Canada</b>	Lac; gums, resins and other vegetable saps and extracts (+294%) Live animals (+104%) Miscellaneous edible preparations (+73%)
<b>Brazil</b>	Dairy produce; birds' eggs; natural honey; edible products of animal origin (+1,069%) Products of the milling industry; malt; starches; inulin; wheat gluten (+188%) Edible fruit and nuts; peel of citrus fruit or melons (+114%)
<b>South Korea</b>	Tobacco and manufactured tobacco substitutes (+542%) Animal or vegetable fats and oils and their cleavage products; prepared edible fats (+129%) Residues and waste from the food industries; prepared animal fodder (+71%)
<b>France</b>	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage (+88%) Coffee, tea, maté and spices (+70%) Cereals (+49%)
<b>Chile</b>	Products of the milling industry; malt; starches; inulin; wheat gluten (+96%) Beverages, spirits and vinegar (+45%) Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit (+37%)

Country	Product (by HS Code), Growth Rate in Value of Exports 2012-16
Italy	Tobacco and manufactured tobacco substitutes (+7,398%)
	Vegetable plaiting materials; vegetable products not elsewhere specified or included (+465%)
	Residues and waste from the food industries; prepared animal fodder (+392%)

Agrifood and seafood exports from BC to Japan are concentrated among the top 5 commodities. Salmon, pork products, herring, mushrooms and blueberries were responsible for 66% of the total value of all BC agrifood and seafood exports to Japan in 2016. As described in the table below the growth of agrifood & seafood exports overall is due to the increased export value among the top 5 commodities.

*Table: Top 5 BC Agrifood and Seafood Exports to Japan, 2014-16*

Commodity	Value of Exports (\$ Millions)			2015-2016
	2014	2015	2016	%-Change
Salmon	36.9	21.5	39.4	+84%
Pork Products	35.1	36.6	34.6	-6%
Herring	24.0	19.3	28.4	+48%
Mushrooms	3.7	16.1	18.4	+14%
Blueberries	8.9	14.6	15.1	+4%
<b>Total top 5</b>	<b>108.5</b>	<b>108.0</b>	<b>136.0</b>	<b>+26%</b>
Rest of Products	79.3	82.4	71.1	-14%
<b>Total – All Agrifood &amp; Seafood exports to Japan</b>	<b>187.8</b>	<b>190.4</b>	<b>207.1</b>	<b>+9%</b>

## 2.4 – CULINARY CULTURE, CONSUMER LIFESTYLES AND CUSTOMER EXPECTATIONS

The population of Japan is decreasing as its population rapidly ages. This has created a very competitive agrifood and seafood market as producers and firms compete for reducing demand. This dynamic emphasises the importance of understanding the eating preferences of consumers, who have exceptionally high standards for appearance, taste, quality, and safety in their food. While it is recommended that you undertake market research specific to your sector and products in order to understand how your market is affected by consumer lifestyles and culture in Japan, the following are general trends and features of Japanese consumer patterns to be aware of:

- **Many consumers are becoming increasingly price sensitive but continue to expect high-quality products.**
  - Many Japanese workers have experienced stagnant wages amid rising prices. However, they still insist on high quality items even if they are inexpensive.
  - Consumers are moving away from premium goods to private label goods sold by well-known retailers which can provide them with high quality goods, but at more affordable prices.
- **The 2011 Fukushima Daiichi nuclear disaster raised concerns about food safety and country-of-origin traceability.**
  - As a result, supermarkets increasingly provide Quick Response (QR) Code tags that allow shoppers to use smartphones to trace the origin of products.
  - Japanese consumers have long preferred to purchase Japanese products, perceiving them to be of superior quality. However, the disaster increased the number of Japanese people that view imported food as potentially safer than Japanese-origin agricultural and seafood products.

- **Demand for certified organic food continues to increase.**
  - Japanese consumption of certified organic products is expected to continue to increase whereas genetically engineered (GE) foods are generally viewed with mistrust.
  - Canada is signatory to the [Japan - Canada Organic Equivalency Arrangement](#) which allows certified organic products produced in either country to be sold as certified organic in the other.
  
- **Japan's population is aging, creating both challenges and opportunities.**
  - "Better-For-You" products, foods high in nutritional content, foods with specific functional benefits, dietary supplements and nutraceuticals are increasingly being used to help manage age-related health conditions.
  - Many Japanese seniors have high levels of disposable income as a result of savings accrued over the course of their working-life.
  
- **Convenience foods are increasing in market share.**
  - More people prefer purchase easy-to-prepare food and other convenience products rather than prepare meals from scratch. Urbanization and single-person living has hastened this effect.
  - The convenience trend also extends to how some consumers purchase their food. Vending machines are a very important point-of-sale opportunity in Japan. There is one vending machine for every 23 people, and the vending machine industry is constantly evolving with innovations such as Wi-Fi enabled machines to allow customers free internet access and the creation of a hand-crank machine to ensure machines operate through power outages.
  
- **Japan is the one of the largest e-commerce and mobile-commerce markets in the world.**
  - The penetration of smartphones and tablets in Japan is accelerating the adoption of e-commerce. For many consumers, shopping using a mobile device is more convenient than in-store grocery shopping. An estimated 25% of smartphone users already use their phone to purchase items from supermarkets.
  
- **Japanese consumers are very loyal, but also tend to be early adopters and look to imported food for new experiences.**
  - Consuming imported food items is seen as way to have a new experience, and the consumption of non-traditional products such as pasta, red meat and baked goods has increased relative to the traditional Japanese diet of seafood and rice.
  - Affluent consumers are willing to pay more for imported goods because of the status it confers.
  - Despite the interest in imported products, many Japanese people consider Japanese-origin products inherently superior to imported items so it requires a concerted effort to convey the value proposition of an imported item newly introduced to the market.

## 2.5 – MARKET INTELLIGENCE

You should undertake as much market research as possible given your budget and timeframe. In addition to answering any specific questions you might have, good market research allows you to: understand the strategy, strengths, and weaknesses of your major competitors and the economic conditions in your market; strategize how best to position your product (e.g. price, packaging, value

proposition) to leverage the highest potential competitive advantage; determine whether launching your product will require educating the consumer on how to consume it; determine the level of resources you will need to commit if you are to succeed in the Japanese market; and, will minimize the risk of making a poor investment decision.

The following approaches and sources can be used to gather market information.

- **Consult with government agencies and industry and trade associations in your sector.**
  - These could include [B.C. Trade & Investment Representatives](#), [Canadian Trade Commissioners](#), [Agriculture and Agrifood Canada](#), [Small Business B.C.](#), [Global Affairs Canada](#), the [Embassy of Canada to Japan](#), [JETRO – Japan External Trade Organization](#), sector associations and chambers of commerce including the [Canadian Chamber of Commerce in Japan](#).
  
- **Conduct online research for available material.** Many of the following resources provide market-specific information free of charge, but there may be a fee to access larger quantities of intelligence or information that is particularly valuable or hard to come by.
  - [Agri-Food Trade Services for Exporters](#) provides services to help you achieve your international business goals and export Canadian agrifood products to global markets.
  - [Canada Business Network](#) is a hub for the Canadian export market that includes links to market and sector information, trade statistics, and sources of trade leads and potential partners.
  - [Canadian Commercial Corporation](#) (CCC) provides assistance with government-to-government contracting.
  - [CIA World Factbook](#) is a reference resource with almanac-style information about the countries of the world. It provides summaries of the demographics, geography, communications, government, economy, and military of most of the countries of the world.
  - [Export Development Canada](#) (EDC) services can include market knowledge, credit insurance, bank guarantees, foreign buyer financing, foreign investments and foreign affiliate support.
  - [Food and Agriculture Organization of United Nations](#) (Statistics Division) is a source of knowledge and information related to agriculture, forestry and fisheries.
  - [Global Trade Tracker](#) (GTT) offers original trade statistics from the world's main trading countries.
  - [The Japanese External Trade Organisation](#) (JETRO) provides comprehensive and current information and support for companies entering or trading in the Japanese market, as well as industry specific information, consultations and office space. Their mandate is to promote the benefits of doing business in Japan to foreign companies.
  - [Nikkei](#) is the main source for business information in Japan and is published daily in English.
  - [Santander Trade Portal](#) is a resource that provides access to 40+ worldwide databases, 10,000 pages of information on 185 countries, and more than 150,000 suppliers and importers.
  - [Statistics Bureau and Statistics Centre](#) provide national statistics for Japan. The office produces comprehensive reports, economic and social analysis, and maintains a news bulletin covering the office's activities.
  - [Tariffs in Japan](#) provides information on tariffs, regulations and import codes.
  - [The Japan Market Expansion Competition](#) (JMEC) is a business training program in Japan focused on a business plan competition. The dual objectives of the program are to strengthen the skills of up-and-coming executives while easing the way for foreign companies to conduct business in Japan.

- [The Prime Minister and Cabinet Office](#) publish white papers that are sector specific and can be useful resources for exporters researching their sectors.
  - [The Tokyo Metropolitan Government's Business Development Center](#) offers an information service for foreign companies and entrepreneurs who are operating or considering the establishment of a business base in Tokyo.
  - [United States Department of Agriculture's Global Agriculture Information Network \(GAIN\)](#) provides information and reports about the agricultural economy including market intelligence and trends that are likely to have an impact on trade.
- **Access a global research firm that conducts regular market intelligence in Japan.** The following are a sample of intelligence companies which are available to exporters, and it is possible you will find a suitable firm that is not listed below. Information from these sources will generally not be provided free of charge, but may be the only way to obtain certain information.
- [Development Bank Canada](#) provides industry experts to identify the right information collection tools and to handle data mining and analysis.
  - [Euromonitor International](#) is a leading provider of global business intelligence and publishes industry, country and global reports.
  - [Global Research & Data Services](#) publishes reports from over 200 industries and 100 countries, providing difficult-to-find market data.
  - [Hoovers Research](#) provides reports across a range of industries including the food & beverage sector. Global reports by Hoovers Research provide regional and country-level market analysis.
  - [Nielsen](#) studies consumer trends and habits in more than 100 countries.
  - [Planet Retail](#) is a leading provider of global retail intelligence.
  - [Statistics Market Research Consulting](#) reports providing strategic recommendations, market forecasts, and competitive landscaping.
  - [VPG Market Research](#) publishes international market research for corporate executives and key decision-makers in the food & beverage industry, among others. VPG has clients in 70 countries and provides market intelligence and strategic insights.
- **Speak to other companies from B.C. who has been successful or unsuccessful in the Japanese market.**
- You may be able to learn from both their mistakes and their gains in order to assess your market potential.
- **Visit the market personally:**
- Do not underestimate the value in visiting Japan to gather first-hand insights and intelligence. It can be very powerful not only in terms of talking to potential buyers and distributors but also in terms of identifying competing products. Visiting different supermarkets, hypermarkets, grocers and retailers can be invaluable as it allows you to get a sense of products and packaging in Japan and allows you to assess the price range and market approach used by potential competitors.

## SECTION 3: MARKET READINESS

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Once you are confident of your market potential in Japan you need to ensure your product is market ready. This means that your product is eligible for export to Japan and you are compliant with all necessary requirements, standards, and regulations, including labeling, testing, inspection, and customs clearance preparations. Only then can you begin to sell your products to Japanese buyers.

### 3.1 – JAPANESE AGENCIES INVOLVED IN OVERSEEING IMPORTS

Several government agencies are involved in regulating aspects of import/export, including:

- **[MHLW - Ministry of Health, Labor and Welfare](#)**
  - The MHLW is the agency responsible for establishing and monitoring import standards and regulations. Food sanitation inspectors based at Quarantine Stations examine import documentation to ensure food and products conform to the Food Sanitation Law.
- **[MAFF - Ministry of Agriculture, Forestry and Fisheries](#)**
  - The primary function of the ministry is to set quality standards for food products, to supervise commodity markets and food sales and regulate imports and exports.
  - They are also responsible for conducting the required inspections in relation to animal and plant imports and animal and plant quarantine procedures.
- **[Japan Customs](#)**
  - Japan Customs is the national agency responsible for determining eligibility of imported goods for clearance into the country.

### 3.2 – REQUIREMENTS, STANDARDS & REGULATIONS

The key steps in becoming compliant with Japanese import regulations are described below. Exporters can find additional information on import requirements on the [JETRO](#) and [Japan Customs](#) websites, and by discussing requirements with your buyer(s) in Japan, the [Canadian Food Inspection Agency \(CFIA\)](#) and [Canada Border Services Agency \(CBSA\)](#).

Requirements depend on the type of agrifood or seafood product you are exporting and so the steps you need to take to become market ready will vary by your sector and product. At a minimum you should be aware of the following information:

- **Confirming your product is permitted in Japan**
  - Some food products are restricted entry into Japan based on non-compliance with manufacturing standards or the use of non-permitted additives. Accordingly, you must verify that your product, manufacturing standards and use of additives are permitted entry to Japan. The regulations for imported foods are available on the [MHLW](#) website.
- **Labelling Requirements**
  - The Food Labelling Law requires that the label on retail packages for imported food products be in the Japanese language and contain the: name of the product; country of origin; name and address of the importer; ingredients; food additives; net-weight in metric units only; best-

before date; storage instructions. The [Consumer Affairs Agency](#) is responsible for establishing and monitoring labelling standards.

- Exporters should carefully discuss regulations and their application with Japanese importers to ensure that your interpretation of the regulations is accurate. Request a sample label and consider having one attached to the contract. Your freight forwarder may also be able to advise you on this, especially with respect to shipping labels.

➤ **Special certificates**

- Animals, plants and their products require health certificates issued by an approved authority in the country of origin.
- Phytosanitary Certificates will also be required from the [Canadian Food Inspection Agency](#) in advance of exporting for plant based products.
- Frozen vegetables and fruit must be accompanied by a certificate of condition instead of a phytosanitary certificate.
- Meat for human consumption requires an additional certificate, issued by an approved authority in the country of origin, stating that the animals were free from designated infectious diseases prior to slaughtering and that subsequent processing was under hygienic conditions.
- Imports of food require a food import permit issued by the [Japanese Ministry of Health, Labour and Welfare](#).
- Alcoholic beverages may require a certificate of age.

➤ **Customs Clearance and Logistics**

- An import declaration form must be prepared in triplicate and submitted to [Japan Customs](#) with the following documents: commercial invoice, bill of lading (for sea or land transport) or an air waybill, a certificate of origin, generalized system of preferences, packing lists, freight accounts, insurance certificates (where deemed necessary), licenses, certificates and customs duty payment slips.
- The Harmonized Commodity Description and Coding System (HS) is an international goods classification system to categorize imported and exported goods in international trade, determine appropriate duty fees, identify goods, and for freight documentation. HS compliance is the mandatory classification and declaration of goods when entering or exiting a country. If you are unaware of the correct HS code(s) for your product(s) you can work with your importer to determine appropriate HS code or they can be looked up using [Canada Post's online tool](#).

➤ **Tariffs**

- Canada does not have a free trade agreement with Japan and tariffs apply to certain products. Japan's current Tariff Schedule is provided by [Japan Customs](#). A consumption tax of 8% is also applied to all imported items and is expected to be increased to 10% in October 2019.

## SECTION 4: SELLING TO JAPAN

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### 4.1 – ROUTES TO MARKET

There are multiple options for exporters wanting to enter the Japanese market. The majority of first-time exporters will enlist the services of an intermediary, however exporting directly, partnering with a larger Canadian exporter and utilizing options available through e-commerce are also viable approaches for some companies. Always perform due diligence prior to establishing a contractual relationship with another company (see [Section 4.3: Due Diligence](#)).

#### 4.1.1 Exporting Directly

- **Direct export leads to higher profits for successful companies.**
  - Direct export involves supplying your product to your customer without the involvement of any intermediaries such as an in-market importer. This allows for the potential of higher profits and increases operational flexibility by affording end-to-end control of every transaction.
- **However, it requires your firm to have enhanced capabilities and available resources.**
  - This approach can require a level of effort and expense that may strain your firm's resources. Be prepared to deal with a large amount of client communication and the likelihood of needing to spend a great deal of time in Japan at the outset to conduct promotional activities and become familiar with customs and distribution requirements.

#### 4.1.2 Partnering with an intermediary

- **Intermediaries can include agents, distributors and export management/trading firms.**
  - An agent: an individual or firm you employ, usually on commission, to sell your product.
  - A distributor: a firm you choose for its distribution channels. It buys your product outright and then sells it onwards.
  - Export management/trading firm: a full-service business that handles multiple aspects of exporting. Some firms buy your product outright and others act as agents on commission.
- **Intermediaries can assist with a wide variety of challenges.**
  - Good intermediaries will be familiar with local conditions and can help you find customers, arrange distribution channels, handle documentation, clear your goods through customs, promote your product in market, provide after-sales service, and help you overcome language and cultural differences.
- **Establishing a formal relationship requires finding the right intermediary for your firm and product.**
  - Finding the right intermediary is not an easy process as it often requires you to spend time in Japan vetting and forming relationships. Be sure to invest necessary resources towards securing a good partnership before signing a formal agreement or contract.

#### 4.1.3 Partnering with a larger Canadian exporter

- **Other similar companies may already have established relationships and distribution channels.**

- Many smaller Canadian companies have succeeded abroad by working with larger Canadian companies that are already operating in foreign markets. Such partnerships can take many forms, from contributing to a supply chain to providing a custom product tailored to the larger partner's needs. While there may be some loss of control for your company, you may decide that is outweighed by the opportunity for international sales growth.

#### **4.1.4 E-commerce**

- **E-commerce is popular in Japan and can be an attractive route to entry for some products.**
  - Online retailing offers a relatively low-risk entry route. Companies can use their own website and the internet to reduce advertising costs or can partner with an already established site, and in this way gain access to most Japanese consumers.
  - The leading E-Commerce platforms in Japan are Rakuten, Amazon Japan and Yahoo, followed by several smaller specialty platforms. However, there are not many platforms which can sell products directly on behalf of overseas sellers. The majority of Japanese E-Commerce platforms require local partners in Japan to handle such things as logistics, customer support and translation.
- **E-commerce can be used to conduct market research by testing your product in market at low volumes.**
  - An online platform offers a relatively low-risk access point while also providing an opportunity to test the real marketability of your product. Use resources like Rakuten or Amazon Japan to achieve a low-cost test of your products in the market.
- **E-commerce is not well suited for all products.**
  - To be successful, you need to develop brand awareness and sustainable market demand. E-commerce sites are mostly interested in products with consistent supply and that will have a fast turnover of stock, especially when dealing with products with a short shelf life.
- **Be mindful not to undercut your in-market partners if you begin to sell online as a secondary route.**
  - Due to reduced costs, you may be able to afford lower prices when selling online. However, your price will be visible for anyone to see. You should consider this and be sure to account for it when designing your pricing strategy.

## **4.2 – DEVELOPING IMPORTER AND CONSUMER DEMAND**

To succeed abroad you'll need to find customers, intermediaries or partners. Use networking to establish contacts in the industry, and promote your product to create consumer demand that will ultimately drive your export sales.

### **4.2.1 Food Exhibition Shows**

There are many food exhibitions throughout Japan on a regular basis. Check with your industry association, [B.C. Trade and Investment Representatives](#), the [Canadian Trade Commissioner Service](#) or local sources for listings. Tradeshows are very useful because they allow you to: conduct market intelligence and research before you begin exporting; introduce your company and promote its products to many potential customers in just a few days; show your sales prospects how they can benefit from

your product or service; find, network and initiate relationships with potential customers, intermediaries or partners; maintain relationships and contacts you already have in the Japanese market; and demonstrate your long-term commitment to the market.

However, they can be costly investments, so you want to make sure that your approach to food exhibitions is designed to give you best possible chance at turning interest developed at the show into actual business. Many businesses end up being disappointed that the large number of conversations and apparent interest at shows do not translate to real sales.

➤ **Preparing for the show.**

- The first step to trade show success is to find the most suitable exhibition in your target market.
- It is a good idea to book appointments with prospective buyers ahead of time and to inform current clients that you will be at the show.
- You will need to develop professional displays and promotional materials and should strongly consider bringing product samples to distribute. Begin the development of materials early, ensure the material is translated into Japanese, and avoid bringing samples that are out of date.
- Determine if any customs and import regulations pertain to your sample products. At a minimum, you can consider bringing empty packaging to showcase how your product appears on the shelf.
- If the purpose of your trade show attendance is to begin taking orders, be sure to have determined your price for the Japanese market prior to leaving B.C. and make sure you bring sufficient stock to sell at the show and afterwards.

➤ **Differentiate your products and brand from other exhibitors.**

- Larger booths tend to create a bigger impact.
- Consider joining a delegation of Canadian firms to be part of a large presence and to effectively trade on the Canadian brand. Joining an AAFC Canadian Pavilion is a great approach to attending trade shows, especially for new or smaller exporters. [Agriculture and Agri-food Canada](#) lists upcoming trade shows for which a Canada pavilion is registered.

➤ **Develop a strategy for converting inquiries into meetings and sales.**

- Participating in trade shows can be relatively costly, so it is important to understand the show and the audience you will be interacting with and to be sure that your approach is designed to give you best possible chance at turning interest developed at the show into actual business.
- Your exhibit should target specific prospects that are interested in the products you are selling.
- The longer prospective leads are left unattended, the less likely they are to evolve into business opportunities. Do not rush to be on the first plane out as the event ends. Being available for meetings with potential buyers the week after a show is a good strategy.

#### **4.2.2 Websites and Social Media**

You can use your website and social media to boost consumer demand by providing real-time client interaction and tailored content for your target audience.

- **Establishing an online presence can be an effective way to drive consumer and importer demand for your product.**
  - A well-constructed and easy-to-navigate website in Japanese provides great opportunities for international inquiries and sales.
  - A professionally translated Japanese-language website establishes credibility with your contacts, clients and distributors.
  - A local .jp web domain will help internet users in Japan easily find your website and to reinforce that you are established in the country.
  - Most Japanese people use mobile phones to access the internet and conduct e-commerce, so your site build should support this.
  
- **Engage in social media.**
  - Social media can be an effective way to drive demand in Japan and as it continues to grow rapidly it offers businesses new and meaningful ways to engage with other businesses, people, events and brands that are relevant to them.
  - Decide on the best social media tools to reach your target audience and develop engaging and innovative content to differentiate yourself from competitors. For example, Twitter has more reach than any other social network in Japan while Facebook use appears to be declining.
  - Regularly track and monitor the content viewed and feedback received.
  - Yahoo Japan is the most popular search engine, followed by Google.
  - Celebrities are used in 80% of advertisements in Japan so seeking endorsements or establishing partnership agreements with social media personalities is a potentially useful marketing technique.

#### **4.2.3 Utilizing in-market resources to find buyers**

- **Connect with industry associations and other professional bodies in Japan.**
  
- **Engage the [Trade Commissioner Service](#) and [B.C. Trade and Investment Representatives](#) with connections and on-the-ground expertise**

### **4.3 – DUE DILIGENCE**

Conducting due diligence is good practice and can be carried out on your behalf by a third party if you have the resources. B.C. firms should check whether the potential partner represents any competing products, is restricted to operating in a particular industry group (keiretsu) or has any other potential conflicts of interest. You will want to conduct due diligence before making any transactions or contractual obligations, and it will allow you to identify potential scams or to investigate unsolicited communications from people claiming to be interested buyers.

- **Independently verify all information.**
  - Check that the information contained in the business license matches what you already know. Use external data from government agencies, other authorized bodies and local experts to verify information provided to you by the Japanese firm.
  - If your request for information seems to be placing potential relationships at risk you can indicate that third parties (banks, board of directors, etc.) are making the request.
  - You can contact [B.C. Trade and Investment Representatives](#) or the [Trade Commissioner Service](#) for assistance conducting basic due diligence.

- **Evaluate financial and operational history and check references.**
  - Always check a customer's creditworthiness and financial history before committing to a deal. You may be able to get credit information from your financial institution if they have a relationship with your potential customer's bank. You can also approach banks in the customer's country to request credit information about the company.
  - Validate references from suppliers, customers and competitors. If the company has international clients ask for the list and check it.
  - Do a legal background check to ensure that ownership, structure, and registrations are clear.
  - Expect large companies to be more cooperative as you conduct due diligence; a company with a single supplier or limited market may feel more at risk.
  - Consulting firms and credit reporting agencies both in Canada and Japan can help investigate a potential customer.
  
- **Your own preparedness is also integral to successful due diligence.**
  - Ensure you allow sufficient time to conduct verification and due diligence.
  - Ensure that you have conducted the necessary market research and possess a sound understanding of your market segment.
  - Ensure that you know what customs documents are required for the import of your product into Japan, and are aware of any regulations that may affect the import of your products.
  - Ensure you visit the market regularly. This will allow you to build on your knowledge of the market and demonstrate your interest and involvement in your Japanese operations.
  - If traveling is not feasible at a particular time, find a trusted associate to conduct a prearranged or surprise visit to your potential buyer.
  
- **Do not neglect difficult questions for the sake of establishing or maintaining a relationship.**
  - Do not be afraid to postpone signing a deal if you cannot find a partner who fulfills your needs.
  
- **Be aware of potential fraud risks.**
  - You will meet many serious and legitimate importers and distributors in Japan, but you are likely to also be approached by individuals claiming to be interested buyers but in fact, have ulterior motives that range from fraudulently obtaining product or money from you to conducting intelligence against your operations.
  - In order to protect your company from such actions, ensure you remain especially vigilant immediately after trade shows and similar events where your company details and contact information may have been widely displayed and or distributed.
  - Be sure to examine and trace the email address of any email that appears suspect. Avoid clicking on any links within unsolicited email.
  - One proven method of testing legitimacy and protecting your company is to request payment up front. If your buyer is truly interested this request will not be problematic as it is standard in many industries. You could also require a letter of credit.
  - Be particularly careful with unsolicited approaches and be mindful of the adage "if it looks too good to be true, then it probably is."

## SECTION 5: BUILDING RELATIONSHIPS IN JAPAN

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### 5.1 – INITIATING RELATIONSHIPS

Do not underestimate the importance personal relationships, as they drive business in Japan. Without the right depth of relationship with the right people, it can be very difficult to achieve progress in the Japanese market. As when forming any relationship, there will be unique nuances with each potential buyer you meet. A few important and overarching aspects of initiating relationships in Japan include:

- **An introduction to business contacts through a common party is optimal but there are secondary methods.**
  - Japanese people generally prefer to conduct business with people and companies they have met through a trusted contact. Therefore, cold calls or direct approaches from unknown firms rarely yield positive outcomes. Even if an unlikely success prevails establishing trust will take significantly longer.
  - In the absence of an introduction from a common party, trade shows are one of the best ways to meet Japanese buyers.
  - Industry associations, provincial investment promotion bodies and even your freight forwarder may be valuable sources for introductions. They are often aware of events at which you may meet prospective customers.
  - Government occasionally brings Japanese buyers to visit Canadian tradeshows. This can be a good way for you to get an initial exposure and to learn about exporting to Japan.
  
- **Initiating and maintaining relations in Japan will be simplified if you commit the necessary time and budget towards visiting Japan.**
  - You will need to develop deeper relations with your Japanese counterparts than would be expected in Western markets. Doing so will take time, persistence and most importantly a significant physical presence in Japan. Spending as much time as you can in Japan and making frequent return trips is perhaps the single most important thing you can do to build meaningful relationships with Japanese buyers and partners.
  - Devote time to getting to know your counterparts both professionally and personally.

### 5.2 – USING INTERPRETERS

Unless you (or key members of your management team) speak fluent Japanese, or you are certain that the management and decision makers associated with your potential Japanese buyer speak fluent English, you will need to enlist the services of a translator. While this may seem obvious, many companies make the mistake of underestimating the need for a good interpreter. Please note that the focus of [B.C. Trade & Investment Representatives](#) and [Canadian Trade Commissioners](#) is to provide market development and investment support services, not translation or interpretation.

- **Meetings in English are rare - an interpreter is generally required.**
  - They are especially recommended for all important negotiations. Do not rely on the interpreter working for your Japanese counterparts; you will need your own.
  - Rely on recommendations from trustworthy sources or contact the [Canadian Trade Commissioner Service](#) for assistance.
  
- **Integrate your interpreter into your team.**

- Use your interpreter regularly and expect to make them part of the team. This means that they will be thoroughly briefed before the meeting and will debrief you afterward. They should also be trained to a high level so that they know your business and will know the right questions to ask.
  - Interpreters in Japan are ranked, which largely determines the compensation they seek. The top ranking (AA) is applied to simultaneous interpreters qualified to work at international conferences. For business negotiations, a consecutive interpreter ranking (B) will suffice. Note that relative to simultaneous interpreting, consecutive interpreting doubles the length of a meeting.
- **Be deliberate in your speech and body language when speaking through your interpreter.**
- During a meeting, interpreters will normally sit behind you. It is important that you always look at the person you are addressing, not the interpreter, and remain patient during the interpretation.
  - Speak relatively slowly and avoid jargon and difficult sentences. If necessary, write down things like large numbers to ensure understanding.
  - Do not stop in mid-sentence or interrupt the interpreter.
- **Know whether you require a translator or an interpreter and select appropriately.**
- A translator will simply translate verbatim what they hear, and they may get the context wrong, whereas an interpreter will summarize the information and provide greater context.
  - A translator is recommended for direct conversion of documents, contracts, company brochures and marketing material whereas an interpreter is recommended for negotiations.

### 5.3 – SOCIAL AND BUSINESS ETIQUETTE

To support the development of relationships it is important for you to be aware of certain aspects of Japanese social etiquette, customs and expectations as they relate to business meetings and personal interactions. Doing so will be greatly appreciated by your Japanese counterparts and will go a long way to indicating your intent in Japan.

- **Formal business attire is always required at meetings so you should dress conservatively.**
- Men can wear a dark suit with a white shirt and subdued tie but avoid a black suit and tie worn with a white shirt, as this is traditional funeral attire. Women's attire is also conservative. The combination of red and white (tie and shirt) is also a symbol for happy occasions (including business meetings).
- **'Face' or mentsu:**
- The concept of 'face' is largely responsible for the etiquette and harmony valued by Japanese culture. 'Saving' face is paramount. To do so is to preserve one's reputation or honor.
  - Always show your contact true respect. Avoid causing embarrassment and confrontation and never undermine them even if progress is slow. Avoid causing Japanese people to 'lose' face as doing so can damage relations. Meanwhile, you can 'give' face by saying or doing something that compliments or respects a person in front of others. The gracious treatment that Japanese people extend to guests is an example of 'giving' face.
- **The Concept of Wa:**

- The concept of Wa, which is best described in English as harmony, is paramount in Japanese meetings. Although it is important to search for a solution, this must not be achieved at the expense of disturbing the peace. Decisions are reached with the preservation of Wa.

➤ **Body Language:**

- Nodding is very important. You should nod to show you are listening and understand.
- Silence is a natural, expected form of non-verbal communication. Do not feel a need to chatter.
- Prolonged eye contact (staring) is considered rude.
- Sit straight with both feet on the floor. Never sit ankle over knee.
- Waving a hand back and forth with palm forward in front of face means "no" or "I don't know." This is a polite response to a compliment.
- You should avoid blowing your nose when in a meeting or social setting.

## 5.4 – TYPICAL MEETING PROTOCOL

Business meetings are about building relationships although they remain quite formal. Decisions are rarely made on the day of the meeting and you may find it takes multiple meetings to feel that progression has been made on business matters. Remain patient and rest in the comfort that this is the Japanese way.

➤ **Prior to the meeting:**

- Appointments are required and should be made by phone in advance.
- Once a meeting time is confirmed, distribute a pre-set agenda so each party has a chance to translate it and prepare what they want to discuss.
- Bring product brochures and a company profile with you to the first meeting.
- Punctuality is a must and it is usual to arrive at a meeting or function at least 10 minutes early.

➤ **Introductions:**

- When addressing another person, the surname should always be used, preceded by "Mr.", "Mrs." or "Miss". The Japanese convention is to address a person by his or her last name, followed by "san". For example, Mr. Shioda would be Shioda san.
- Bowing is common. However, Japanese people will shake hands with non-Japanese people. Non-Japanese should extend the same courtesy by bowing. When bowing to someone who has the same status, bow at the same height. Bow slightly lower when the person has more status. Lower your eyes.
- Business cards are very important and should be treated with respect. They are invariably exchanged at the beginning of a meeting. The visiting party initiates the exchange and begins with the most senior member of the company. The cards should be both passed and received with two hands (holding the card corners between the thumb and forefinger). Look at and acknowledge each card you receive. Do not write on it, leave it behind or put the card into your trouser pocket. During the meeting either lay it on the table (with the senior person's card on the top) or place it in your case if you are standing.
- When you have been shown to the meeting room, wait to be seated as there are customs regarding where people sit based on their position in the company. If in doubt, ask where you should sit, but as the guest you should be directed to the appropriate seat.

➤ **During the meeting a conservative demeanor is advisable.**

- Meetings can often begin with 'small-talk'.
- Japanese meetings usually finish on time, so make sure you express your key points before the meeting is due to finish.
- Japanese people tend to record ample notes during meetings. Do not be offended, it indicates interest in what you are saying.
- Always allow slightly more time than you think might be necessary to achieve your goals.
- Knowledge is valued, so come prepared with information, data and references.
- Allow plenty of time for questions of clarification, and try not to be frustrated if these can seem overly detailed or process-orientated.
- Follow-up quickly on any requests for information.
- When the meeting is coming to end it is paramount to secure a date for the following meeting. Doing so represents commitment to your pending deal. If no date is put forward or decided upon it may be a polite way for them to signal they are not entirely interested. A date can be offered by either side.

## 5.5 – THE DECISION-MAKING PROCESS

Decisions are not often made during initial meetings, so expect a long negotiation process and multiple meetings. Two concepts form the basis on which Japanese businesspeople make decisions: Nemawashi and Ringi, which together form a feedback loop for decision making.

- **Nemawashi refers to the informal lobbying or campaigning within the group.**
  - Corporate decisions are made on a collective, bottom-up basis. This consensus building strategy is intended to preserve group harmony by making sure that everyone's face is preserved. Consensus is sought from all affected departments allowing a proposal to be explored fully, minimizing objections during the formal process that follows.
- **Ringi is the formal process for making decisions about agreements or implementing new ideas.**
  - A document (the ringi-sho) is circulated by the proposing team to all teams at the same level. Each person involved in the ringi process shows their agreement (or disagreement) by adding their seal (akin to a signature) and can add conditions to their agreement. If an agreement is reached at that level, the document is then circulated upward through the firm before a final decision is taken. If changes are made the ringi-sho may need to be re-circulated. This approach is discreet and non-combative, thus protects individual face and group harmony.

## 5.5 – NEGOTIATIONS

Clearly, the method of decision making described above requires time but from the Japanese point of view it produces the best decisions. By consulting all affected parties during the approval process it means that once a decision is made it will be followed and is rarely renegotiated lending itself to long-lasting partnerships. Until you reach that point it can be helpful to know the following:

- **Be prepared for a long negotiation process with many meetings.**
  - It is rarely effective to pressure for deadlines or decisions when the Japanese side is not ready to do so.
  - Rather than saying 'no', Japanese people are more likely to say something would be 'difficult' or even agree and say 'yes' when they do not mean it leading to large misunderstanding. Therefore it is best to phrase questions so that they can answer yes. For example, 'do you

disagree with this?’ Be mindful of this Japanese tendency when you are conducting market research and sampling and reflect how it may impact the accuracy of your data collection.

- Japanese people can often remain silent for long periods of time during meetings and negotiations. Be patient and try to work out if your Japanese colleagues have understood what was said. Some Japanese people close their eyes when they want to listen intently, make sure to take note of this and give your Japanese counterpart time to reflect about the point being discussed.
- Japanese people prefer broad agreements and mutual understanding so that when problems arise they can be handled flexibly. However, written contracts are required, and are always in Japanese. Using a Japanese lawyer is seen as a gesture of goodwill.
- Once an agreement is reached you will be expected to follow through on your commitment.

## 5.6 – SOCIAL ENGAGEMENTS

In Japan, it is normal to extend business affairs into evening entertainment. Accepting invitations to social events is crucial as Japanese people place high value on long-term relationships. View this use of your time as a necessary element of the relationship-building process.

### ➤ **Restaurant entertaining is crucial to business success and few business deals are completed without dinner in a restaurant.**

- While business meetings during the day can seem to be slow and often overly broad, night time drinking and dinners are often the time when more useful information is shared.
- Show an interest in your contact as a person, discussing their family and hobbies. Other suitable topics of conversation include mutual contacts, your company and Japanese food.
- Japan favours a group society, even if you think you will be meeting one person, be prepared for a group meeting. Group outings are an excellent way to connect on a less formal basis.

### ➤ **There are a number of rules you should observe when dining. Most of them are basic table manners, but there are a few that are specific to Japan. For example:**

- Participants should expect to be directed to an appropriate seat by the host. The most important guests will be seated to the host’s immediate right. The least important guest will be seated near the door.
- Wait for the most important person (honoured guest) to begin eating. If you are the honoured guest, wait until all the food is on the table and everyone is ready before you eat.
- When offered food, it is polite to hesitate before accepting.
- You do not have to eat much, but it is rude not to sample each dish.
- Drinking is a group activity. Do not say "no" when offered a drink. Never pour your own drink and always pour your companion's.
- An empty plate or glass signals a desire for more. Leave a little behind when you are finished.
- Do not finish your soup before eating other foods. It should accompany your meal.
- Proper chopstick manners include maintaining good posture and bringing the chopsticks up to your mouth. They should be placed on the chopstick rest that you will find on the table when you are finished. Never pass food from one set of chopsticks to another.

### ➤ **Toasting Etiquette:**

- If you would like to propose a toast, the appropriate term is "kampai", which is the equivalent of "cheers." After this toast, those around you will repeat your toast and clink glasses before enjoying sake, whiskey or beer. Always wait for a toast to be made, and when a toast is made,

wait for the person hosting the meal to drink first. If a toast is proposed to you, be sure to reciprocate with a toast of your own.

- Toasting is very important in Japan and many toasts are offered during the course of an evening. At dinner, wait for the toast before you drink. Respond to each toast with a toast.

➤ **Gift-giving is common in Japanese business life and should not be confused with notions of bribery and corruption.**

- It is therefore important to take a number of small gifts to Japan to distribute to new and existing contacts.
- Gifts should not be too lavish but should always be of good quality. Consider bringing a small souvenir that represents your city, country or company.
- Gifts should always be wrapped. If you receive a wrapped gift open it after you leave the event.
- You should present and receive gifts with both hands.
- Avoid giving gifts in quantities of four or nine or anything sharp.

## 5.7 – MAINTAINING RELATIONSHIPS

Whether you are building a relationship ahead of a deal or have already signed contracts with Japanese buyers, you should invest time and effort in nurturing the relationships by continuing to engage with your contacts. Your Japanese partners need to be regularly reminded that you are committed to both the business relationship and the Japanese market so it would be a mistake to shift your focus elsewhere as soon as a deal is struck. The following are examples of how to demonstrate your long-term commitment to the Japanese market:

➤ **Visit Japan regularly.**

- In order to satisfy the Japanese preference for face-to-face communication, you will need to continue to visit Japan. How frequently you visit will depend on the nature of your relationship and your agreement. One visit annually is likely the minimum.
- If you find yourself in Japan and your primary duties do not concern your existing clients you should still make the point of visiting them on every business trip. Aligning your trip with a trade show can be a helpful way to do so as it typically allows you to meet with your customers at one location.
- You will also benefit by keeping the same personnel on your Japanese team as your buyers will be dealing with the same individuals. Continuity of personnel will help maintain relations.
- Continue to actively participate in social events while visiting Japan.

➤ **Regular contact is an important feature of doing business in Japan.**

- Email correspondence is commonplace as it helps to reduce misunderstandings.
- Long periods of time without any contact or delayed response times can be perceived as a lack of interest in furthering the business relationship and so it is important to maintain contact with your partners even if the off-season or even if there is nothing explicit to update them on.
- Circulating newsletters and acknowledging Japanese holidays are ways in which you can maintain communication.

➤ **Consider hosting your partners through reciprocal visits.**

- Paying for your partners in Japan to visit your Canadian operations or even extending an invitation to them is a good way of keeping them informed and motivated.

- **Remember that after-sales service is very important to Japanese people.**
  - It is not sufficient to simply sell your product and move on. In selecting your company your buyer will have already assessed your post-sales service and so it is equally crucial to deliver on this.
  - Japanese people can be very demanding in terms of customer service. Even if you are unable to meet their request they must at least see that you have made the attempt. This stems from the fact Japanese people believe that the customer is much more important than the vendor, and, in this relationship, the importer is the customer.

## SECTION 6: EXPORT SUPPORT AND RESOURCES

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### 6.1 – B.C. TRADE AND INVESTMENT REPRESENTATIVES AND CANADIAN TRADE COMMISSIONERS

Both the Canadian and British Columbian governments support export market development by locating staff in priority markets in order to provide current and on-the-ground advice and guidance to B.C. companies. Making use of these individuals is highly recommended, particularly if you have limited on-the-ground experience in the Japanese market.

#### [B.C. Trade and Investment Representatives](#)

British Columbia's trade and investment team in Japan is based in Tokyo.

- **B.C. Trade & Investment Representatives can assist current and potential B.C. exporters with a variety of services, including:**
  - Generating market intelligence and trade leads for specific B.C. products;
  - Advising on market entry and development strategies;
  - Providing contacts to an extensive network of international industry, government and community influencers and partners;
  - Supporting B.C. exporter participation in trade missions, tradeshow and related events; and,
  - Providing training to introduce B.C. exporters to world markets.

#### [Canadian Trade Commissioner Service](#)

The Canadian Trade Commissioner Service, with on-the-ground-intelligence and practical advice on foreign markets, helps Canadian companies make better, more timely and cost-effective decisions in order to achieve their goals abroad. As part of Canada's embassies and consulates, Trade Commissioners have privileged access to foreign governments, key business leaders and decision-makers. In Japan, the service has offices in Kitakyushu, Nagoya, Osaka, Sapporo and Tokyo.

- **Whether doing business abroad for the first time, or looking to expand into new markets, Trade Commissioners can work with you to:**
  - Determine if you are internationally competitive; decide on a target market; collect market and industry information and improve your international business strategy;
  - Determine the level of opportunity that exists in a particular market, advise on appropriate approaches to the market and gauge the amount of effort and resources required;
  - Connect with industry associations, potential buyers and partners, professionals in financial and legal institutions, agents and other business representatives to support the execution of your export strategy;
  - Assist with due diligence by conducting basic preliminary research on a local company from public sources, and the resolution of business problems and issues that you face in foreign markets.

Please note that conducting thorough background checks on local companies or providing translation or interpretation services is not part of the mandate of either the [B.C. Trade and Investment](#)

[Representatives](#) or the [Canadian Trade Commissioners](#). These services should be acquired directly by private sector service providers operating in foreign markets.

## **6.2 – LOAN AND COST SHARING PROGRAMS AND PROMOTIONAL SUPPORT**

Provincial and federal governments (and other agencies) offer several programs and engage in promotional activities aimed at supporting and developing exporters.

- [BC Ministry of Agriculture – Market Development](#)
  - The Ministry delivers a suite of market development programs and services aimed at further enabling B.C.'s agriculture, food and seafood sectors to increase export sales. This includes support for marketing skills training, market research and strategic planning, as well as participation in international market development activities.
  
- [Canada Pavilion Program](#)
  - The Canada Pavilion Program, a key component of Markets and Trade, is aimed at making trade show participation easier at the world's premier food and beverage events 'where the world shops'. Trade shows continue to be integral in taking advantage of opportunities arising from market access gains.
  
- [Canada Brand](#)
  - Agriculture and Agri-food Canada has developed a suite of free tools to help Canadian Agri-food and seafood companies gain a marketing advantage by linking Canada's positive image to their products. These include Canada Brand graphics and a photo library of high-quality images for use in marketing and promotional materials.
  
- [Export Guarantee Program](#)
  - Export Development Canada (EDC) will provide a risk-sharing guarantee on behalf of program participants to their financial institutions in order to provide firms with access to increased working capital and term financing.
  
- [Expansion Loan Program](#)
  - A loan program offered by the Business Development Bank of Canada aimed at companies wishing to expand their market, including export markets. Eligible activities include launching new marketing campaigns, developing new products, obtaining a certification, expanding foreign or domestic markets, and others.

## SECTION 7: APPENDICES

### APPENDIX 1 – KEY CONTACT INFORMATION

#### B.C. Trade and Investment Representatives

Website: <https://www.britishcolumbia.ca/global/trade-and-investment-representatives/japan-tokyo/>

Email: [international@gov.bc.ca](mailto:international@gov.bc.ca)

##### *Tokyo Office*

18F Otemachi Financial City  
Grand Cube  
1-9-2 Otemachi, Chiyodaku  
Tokyo, 100-0004  
Tel: +81 (3) 3516-1501

#### Canadian Trade Commissioner Service

Website: <http://tradecommissioner.gc.ca/japan-japon/index.aspx?lang=eng>

Email: [jpn.commerce@international.gc.ca](mailto:jpn.commerce@international.gc.ca)

##### *Kitakyushu Office*

AIM Building, 8th Floor  
AIM Bldg 8F, 3-8-1 Asano Kokurakita  
Kitakyushu, Fukuoka, 802-0001  
Japan  
Tel: (011-81-93) 533-4300

##### *Nagoya Office*

Nakato Marunouchi Building, 6F  
3-17-6 Marunouchi, Naka-Ku  
Nagoya, 460-0002  
Japan  
Tel: (011-81-52) 972-0450

##### *Osaka Office*

Epson Osaka Bldg. 19F  
3-5-1 Bakuro-machi, Chuo-ku  
Osaka, 541-0059  
Japan  
Tel: +81-6-6252-0120

##### *Sapporo Office*

5F Nikko Bldg., North 4 West 4, Chuo-ku  
Sapporo, Hokkaido  
060-0004  
Japan  
Tel: (011-81-11) 281-6565

##### *Tokyo Office*

7-3-38 Akasaka, Minato-ku  
Tokyo, 107-8503  
Japan  
Tel: (011-81-3) 5412-6200

#### Key Japanese Government Agencies

##### **MHLW**

Ministry of Health, Labour and Welfare  
1-2-2 Kasumigaseki Chiyoda-ku  
Tokyo, 100-8916  
Japan  
Tel: 03-5253-1111  
English Language Website:  
<http://www.mhlw.go.jp/english/index.html>

##### **MAFF**

Ministry of Agriculture, Forestry and  
Fisheries  
1-2-1 Kasumigaseki Chiyoda-ku  
Tokyo, 100-8950  
Japan  
Tel: 03-3502-811  
English Language Website:  
<http://www.maff.go.jp/e/>

##### **Japan Customs**

Customs and Tariff Bureau  
3-1-1 Kasumigaseki Chiyoda-ku  
Tokyo, 100-8940  
Japan  
English Language Website:  
<http://www.customs.go.jp/english/>

## APPENDIX 2 – KEY PHRASES IN JAPANESE

English	Japanese	Phonetic Pronunciation
Hello	こんにちは	Konnichi wa
Nice to meet you	はじめまして	Hajimemashite
My name is Watashi	私の名前はわたしです	no namae wa desu
Thank you	ありがとうございました	Arigato gozaimasu
Sorry or excuse me	申し訳ありませんが、私を許して	Sumimasen
Good morning	おはようございます	Ohayou gozaimasu
Good evening	こんばんは	Konbanwa
Good night	おやすみ	Oyasumi nasai
Goodbye	さようなら	Sayounara
Excuse me	すみません	Sumimasen
I am sorry	ごめんなさい	Gomen nasai
Yes	はい	Hai
No	いいえ	lie
How are you?	お元気ですか？	Ogenkidesuka?
Pleased to meet you	会えてうれしいよ	Aete ureshi yo
What does this mean?	これは何を意味するのでしょうか？	Korehanani o imi suru nodeshou ka?
I understand	わかります	Wakarimasu
I don't know	知りません	Shirimasen
I don't understand	わかりません	Wakarimasen
Please say that again	もう一度言います	Moichido iimasu
Please speak more slowly	もっとゆっくり話して下さい	Motto yakkuri hanashite kudasai
Please write it down	それを書き留めてください	Sore o kakitomete kudasai
Do you speak English?	英語を話せますか？	Eigo o hanasemasu ka?
Yes, a little	はい、少し	Hai, sukoshi
Have a good journey	よい旅を	Yoitabiwo
Have a nice meal	召し上がれ	Meshiagare
How much is this?	これはいくらですか？	Kore wa ikuradesu ka?
Please	お願いします	Onegaishimasu
You're welcome	どういたしまして	Doitashimashite
Where are you from?	出身はどちらですか？	Shusshin wa dochiradesu ka?
I'm from....	から来ました	Karakimashita
Where is the toilet?	トイレはどこですか？	Toire wa dokodesu ka?