

Among the top domestic manufacturers/distributors of kitchen equipment are Kitazawa Sangyo K.K., Fuji-Chubo Setsubi Co., Ltd. and Nihon Choriki Co., Ltd. Major fast-food equipment suppliers are Fuji-Chubo — said to be McDonalds' main kitchen supplier in the Tokyo area — and Kitazawa Sangyo (see Chapter 10).

The two leading Japanese importers are Americo Company Ltd. (ice cream freezers and institutional cooking equipment — Taylor Company, U.S.A.) and Harada Sangyo Kaisha Ltd. (galley equipment — Beha Hedo, Norway, Hobart Manufacturing, U.K., and Hobart Corp., U.S. and kitchen equipment — Société Labesse, France).

Vending Machine Industry

Due to their increased sophistication in food service, vending machines have been included in this market assessment. Although it is generally believed that Japan trails far behind the U.S. in terms of variety and technology for snack vending machines, Japanese beverage and cigarette vending machines surpass their western counterparts in terms of volume and diversity.

Japan's low crime rate allows vending machine operators to leave their machines unattended 24 hours a day in most areas. Vending machines dispensing alcoholic beverages are required by law to shut down daily at 11 p.m.

Low overheads, the possibility of 24-hour sales and high returns make vending machines an attractive sales outlet — one which beverage producers, in particular, are making the most of to merchandise their products.

In Japan, vending machines dispense a wide variety of products, from snack-foods and beverages to cigarettes and tickets. In 1988, there were approximately 5.2 million vending machines in service. Of these, 48 per cent dispensed beverages and 5 per cent snacks.

Due, in large part, to increased diversity of beverage products and intensified competition in the Japanese beverage industry, domestic production of beverage vending machines increased substantially between 1986 and 1988 to reach nearly ¥285 billion.

Vending machine imports are minimal. In 1989, only 1 659 machines were imported. However, approximately 26 000 units were exported, up considerably from 10 242 units in 1988.

Japanese concern for food product freshness creates a difficult business environment for snack vending machines. In addition, consumers tend to place greater trust in shelf products than in vendor products. After reaching 18 600 units in 1984, production of snack vending machines declined for several years. However, in 1988, production rose 28 per cent over 1987 to reach 8 100 units.

In 1988, there were approximately ten domestic snack vending machine manufacturers, four of which — Sanden Corp., Fuji Denki, Hoshizaki Denki, and Sharp Corp. — formed an oligopoly that accounted for approximately 72 per cent of the total market share in terms of production output value. Snack vending machines, however, accounted for only 1 per cent of the entire vending machine output that year.

Recently, a Canadian company concluded a distribution arrangement with Mitsui Bussan for french fry vending machines — the contract supported by parallel agreements, considered to be integral parts of the deal by Mitsui Bussan, for food supply and machine maintenance.

As a result of recent liberalization of beef imports, an American/Japanese joint venture company, Hamilton Japan, is planning to retail imported U.S. beef in vending machines. Once beef imports are totally liberalized, freshly cut beef will also be sold in the machines.

5 Meat Processing Equipment

Trends in the Meat Industry

Unlike its western counterparts, Japan's meat industry is relatively new and has no tradition, especially compared to the country's rice and fish industries. However, with increased Japanese consumer preference for foreign foods, meat consumption is steadily growing.

Ham and pork sausages have established strong market positions. Beef is still high priced and limited mainly to specialized products. With the liberalization of trade in red meat, this situation is expected to change, however.