

**Table 10****Total Bakery Chain Sales (¥ million)**

	1987	1988	1987/88 (%)
Total number of chain groups	20	22	9
Franchise sales	149 243	157 035	5.2
Non-franchise sales	72 139	81 807	13.4
<b>TOTAL SALES</b>	<b>221 382</b>	<b>238 842</b>	<b>7.9</b>

Source: *Shogyokai*.

- *Non-franchised bakeries.* Examples are St. Germain Bakeries, owned by a division of Tokyu Foods and Sun Merry Bakeries. Production facilities normally supply non-franchised bakeries with three types of products, frozen dough (mainly for pastries); finished products; and baking materials for products that are baked in-store (these materials are supplied to affiliated bakeries only and this system of distribution has been an industry standard for the past 15 years).
- *Franchised stores.* The majority of franchised chain store bakeries are owned by one of the major bakery companies. For example, Vie de France is owned by Yamazaki Baking Co. and Little Mermaid by the Anderson Baking Co. Franchise stores are supplied primarily with frozen dough and finished products from the affiliated industrial bakery's factory. Therefore, the only equipment needed for in-store production is a proof box and oven.
- *Supermarkets.* Japanese supermarkets and department stores (hyakkaten) do not operate their own bakeries. Rather, they contract with bakeries to provide either in-store service or to supply pre-made products on a daily basis.
- *Convenience stores.* "Mom and pop" bakeries are, primarily, privately owned stores. In some cases, the store may handle all phases of bakery production, in others they may simply be supplied with finished products.
- *Hotels.* Historically, hotels have played a key role in bakery product distribution. Today, several hotels order private-label bread from the major bakeries. Tokyo hotels, for example, order bread from St. Germain Baking Co. which, like the hotel chain, is affiliated with the Tokyu Group. Most first class hotels produce their own bread products. The Imperial Hotel, for example, makes some of the best bread in Japan.

For additional information on the retail food market, consult *The Retail and Beverage Market*, also part of the "Export Opportunities in Japan" series.

**Domestic Production of Bakery Equipment**

In 1988, the total value of domestically produced bakery equipment reached ¥34 683, a 9 per cent increase over the previous year (see Table 11).

**Table 11****Domestic Bakery Machinery Production**

Year	Value (¥ million)
1984	25 627
1985	27 190
1986	28 903
1987	31 359
1988	34 683

Source: *Japan Food-processing Machinery Association*.

There are approximately 70 manufacturers of bakery and confectionery machinery in Japan, six of which account for 55 per cent of sales. The leading manufacturer, Rheon Automatic Machinery Co. Ltd., which has a 25 per cent share of the market, is profiled in Chapter 10. Other major manufacturers include Wakabayashi, Kanto Kongoki Kogyo, Izumi Food Machinery, and Sanko.

**Bakery Equipment Imports**

In 1988, bakery equipment imports fell slightly short of ¥3.7 billion. Although imports declined between 1984 and 1986, they rebounded in 1988 to record a 31 per cent increase over the previous year.

Once again, Western Europe was the primary source of bakery equipment imports (¥3 626 million), followed by North America (¥397 million) and Oceania (¥43 million).

The leading importers and the products they handle are detailed in Table 12.