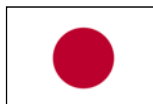


History of Japan's coffee market and Outline of the 3 neighboring countries market situations

- 1 First introduction of coffee and its development
- 2 Outlook and handling for the future
- 3 Views on the 3 neighboring countries

Keiji Ohta
Chairman, All Japan Coffee Association

View on Japanese coffee market

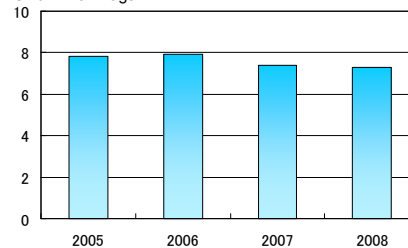


Japan

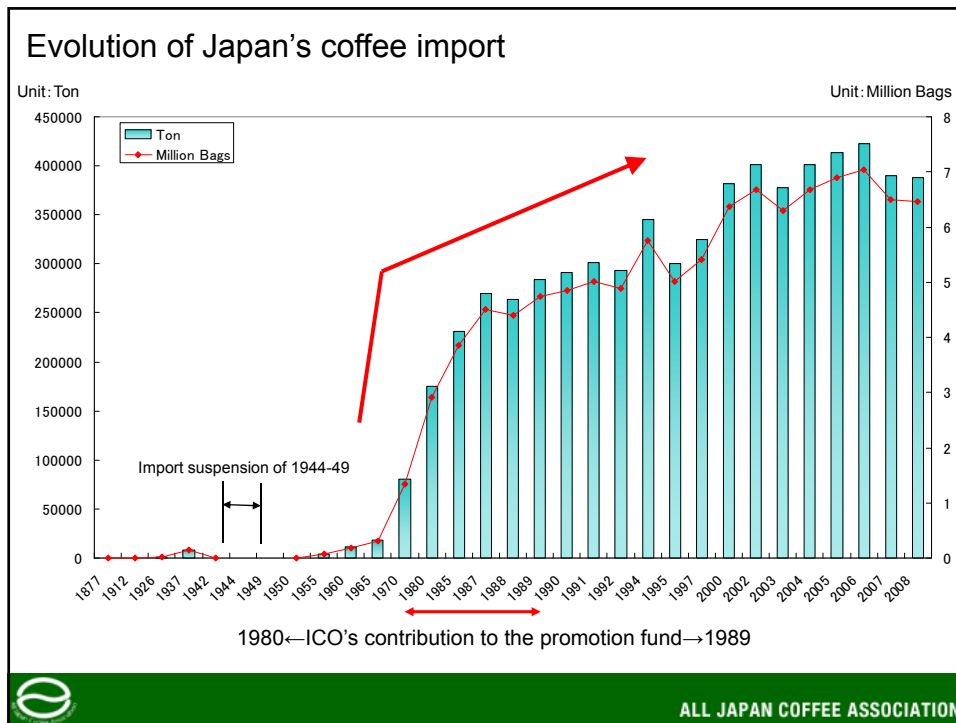
Population	127,700,000
Average income a person	\$37,800
Import of coffee (CY2008)	7.29million bags
Per capita annual coffee consumption	3,400g

Japan's import of coffee(CY2005-2008)

Unit: Million Bags



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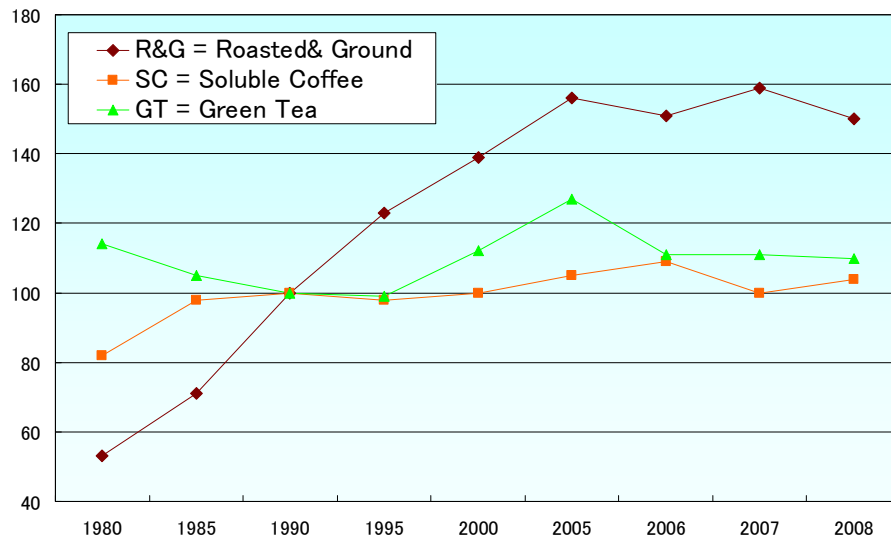
Reasons for consumption increase

- 1 Presence of typical Japanese 'coffee house'
- 2 Western culture in lifestyle/food & beverage
- 3 R&D in product and market exploitation
- 4 Promotional activities



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Growth rates of R&G, SC, and GT consumption (1990=100)



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Japanese coffee houses, centre for coffee culture



Coffee house in 1980s.

Current mainstream café chain



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Various coffee products for home use

Examples of SC products



Examples of R&G products



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Manufacturing plant with cutting-edge equipments



Packaging lines



Green beans storage



Cup tasting



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Expansion of sales channels

department stores (boutique style)



SM, CVS



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RTD (ready to drink), a Japanese innovation

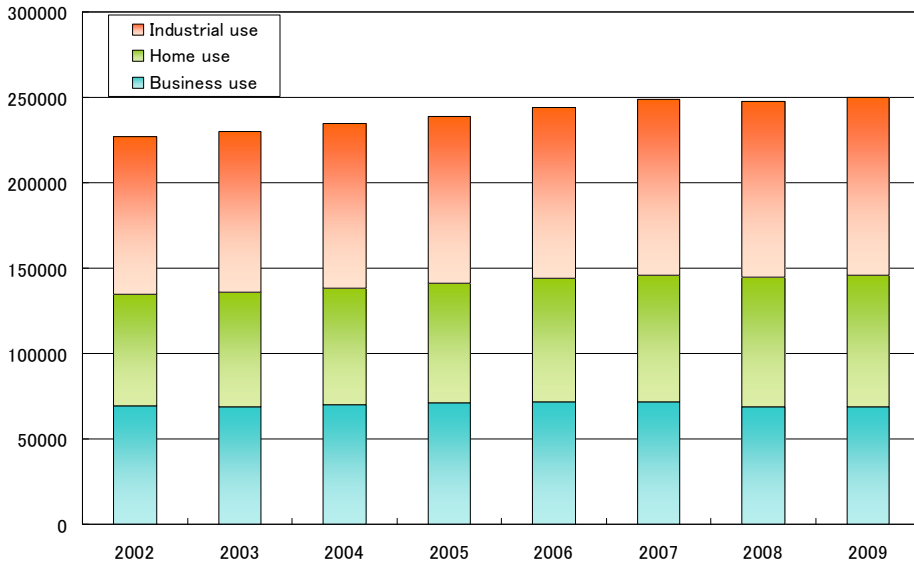
Various products of RTD (liquid coffee in a tin.)



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R&G consumption by market segment

Unit: Ton



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The AJCA celebrates its 30th anniversary in 2010

Activities for consumption promotion



Goodwill Ambassador of Coffee (September 2009)
Sponsoring by All Japan Coffee Association



Regular Coffee Fair (September 2009)
Sponsoring by National Coffee Roasters Association of Japan



Idea Dish Contest of Instant Coffee (August 2009)
Sponsoring by Japan Instant Coffee Association



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Contributions to the researches related to "Coffee and Health"

Presentation of the study reports



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Promotional and educational activities



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“Certified coffee”, gradual appreciation



Rainforest Alliance



Good Inside (UTZ Certified)



Organic (JAS)



Bird Friendly



Fair Trade



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Effective use of coffee ground wastes

toys made of biomass chips using
silver skins as raw materials



envelopes/postal cards made of
paper containing silver skins



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New products development (1) Specially designated health food



miss beaute (UCC)



Georgia Daily Oligo Black
(Coca-Cola)



Blendy Plus (AGF)



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New products development (2) New packaging

AROMA FLASH (KEY COFFEE)



Nescafe Charge (Nestle)



Largo (UCC)



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New products development (3) Coffee for easy brewing



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Market outline for "South Korea"



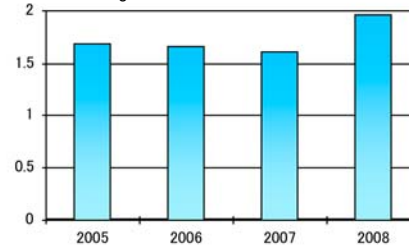
Republic of Korea

Population	48,333,000
Average income a person	\$20,100
Import of coffee (CY2008)	1.96million bags
Per capita annual coffee consumption	1,700g



Import of coffee (CY2005-2008)

Unit: Million Bags



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Market outline for “Taiwan”



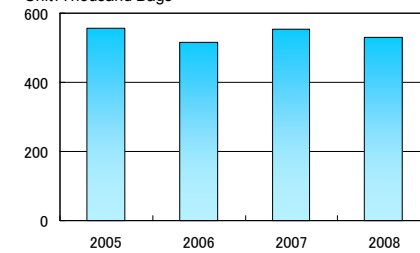
Taiwan

Population	23,046,177
Average income a person	\$17,600
Import of coffee (CY2008)	530thousand bags
Per capita annual coffee consumption	560g



Import of coffee (CY2005-2008)

Unit: Thousand Bags



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Market outline for “China”



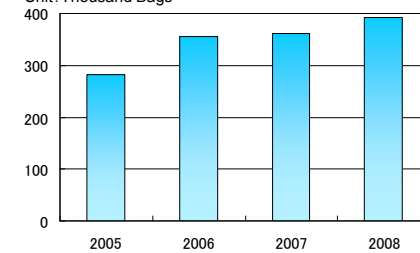
People's Republic of China

Population	1,345,751,000
Average income a person	\$2,500
Import of coffee (CY2008)	392thousand bags
Per capita annual coffee consumption	22g



Import of coffee (CY2005-2008)

Unit: Thousand Bags



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Thank You



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