



# WORLD OF TOYS

by Spielwarenmesse eG

## BUSINESS GUIDE

Japan

[www.spielwarenmesse-eg.de/en/market-tokyo](http://www.spielwarenmesse-eg.de/en/market-tokyo)



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## 1. General market

### 1.1 Demographics

With a size of 364,500 km<sup>2</sup>, Japan is considered as the fourth largest island country in the world. Japan consists of four main islands, with the most densely populated cities such as Tokyo, Osaka and Nagoya on the island Honshū. Therefore, more than 90 % of the 125 million inhabitants live in urban regions, with one third of the population living in and around Tokyo alone. The overall density lies at 345 people/km<sup>2</sup>, while in Tokyo and surrounding areas it is over 1,000 people/km<sup>2</sup>.

Source: Japan – Statistisches Länderprofil (destatis.de)

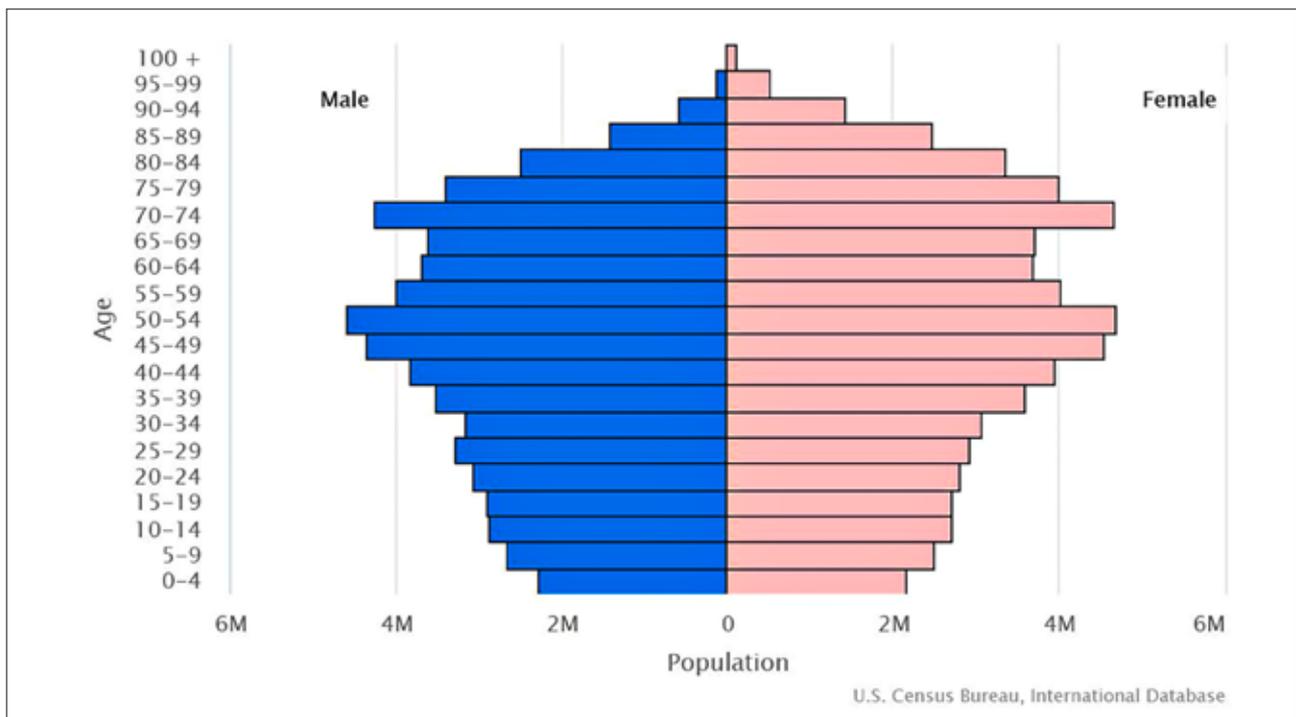


Japan is a “super-aged” society, since one of the largest age groups is 65 years and over, 29 % of the whole population in 2021, which means more than one in five is 65 or over. This is the consequence of two factors: a high life expectancy and a low fertility rate.

Source: Japan’s Aging Society: A Challenge to Japan’s Diversity & Social Inclusion (transformasiglobal.ub.ac.id)

#### Population pyramid (2023)

Source: Japan – The world Factbook (cia.gov)



Nevertheless, Japan is a pioneering country in terms of its silver economy. Several companies are adapting their products to meet the needs of an aged market that is expanding quickly.



# 1. General market

## 1.2 GDP and consumer behavior

Given its population, Japan is regarded as a “key country” and represents one of the leading economic forces with extremely high purchasing power.

- Total GDP in 2022: \$ 4,238 bn/¥ 641,234 bn
- GDP per capita in 2022: \$ ,854 bn/¥ 5,122,296 bn

Source: Japan – Statistisches Länderprofil (destatis.de)

## 1.3 Some short facts on consumer behavior

- Because half of the Japanese population utilizes social media regularly, online shopping is gaining popularity. Japanese people mainly watch videos and follow influencers for product recommendations, with nearly three quarters of buyers researching products on social media before purchasing them.
- The younger generation is eager for new products and seeks lower prices, whereas the elder generation values quality and is generally very brand loyal.
- Japanese consumers are drawn to products imported from nations seen as “specialist” and are open to buy international brands for common consumer goods.
- In Japan, quality standards and service requirements (sales procedure, shipping, packaging, after-sales support, etc.) are high. GDP per capita in 2022: \$ 33,854 bn/¥ 5,122,296 bn.

## 1.4 Sales channels

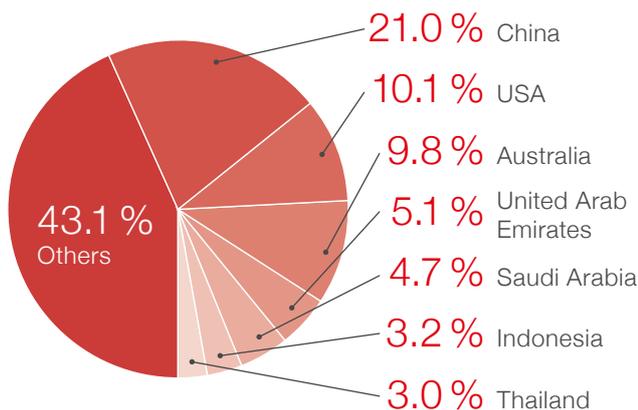
In Japan, brick-and-mortar stores and cash are at the heart of the retail landscape. Domestic online shopping is on the rise, owing to the convenience of having goods delivered to your door during the COVID-19 pandemic. Yet, conventional in-store visits are preferred by Japanese shoppers, with in-store purchases accounting for most of the spending. Major metropolitan areas such as Tokyo, Osaka and Nagoya are key shopping destinations, which are well-connected to the suburbs by an efficient transportation network. Although well-known shopping areas draw mostly young people, regular extensive shopping trips are uncommon in Japan.

## 1.5 Japanese trading partners

Japan imports and exports goods mainly to the Asian region. Nevertheless, the USA and Australia are among the largest main suppliers. Germany is the largest main suppliers. Germany is the largest buyer of Japan from Europe.

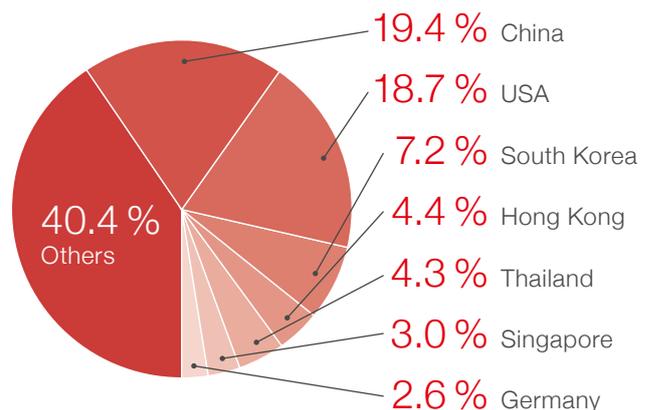
**Main supplying countries (2022)**

Source: Japanese foreign trade in figures (santandertrade.com)



**Main buying countries (2022)**

Source: Japanese foreign trade in figures (santandertrade.com)



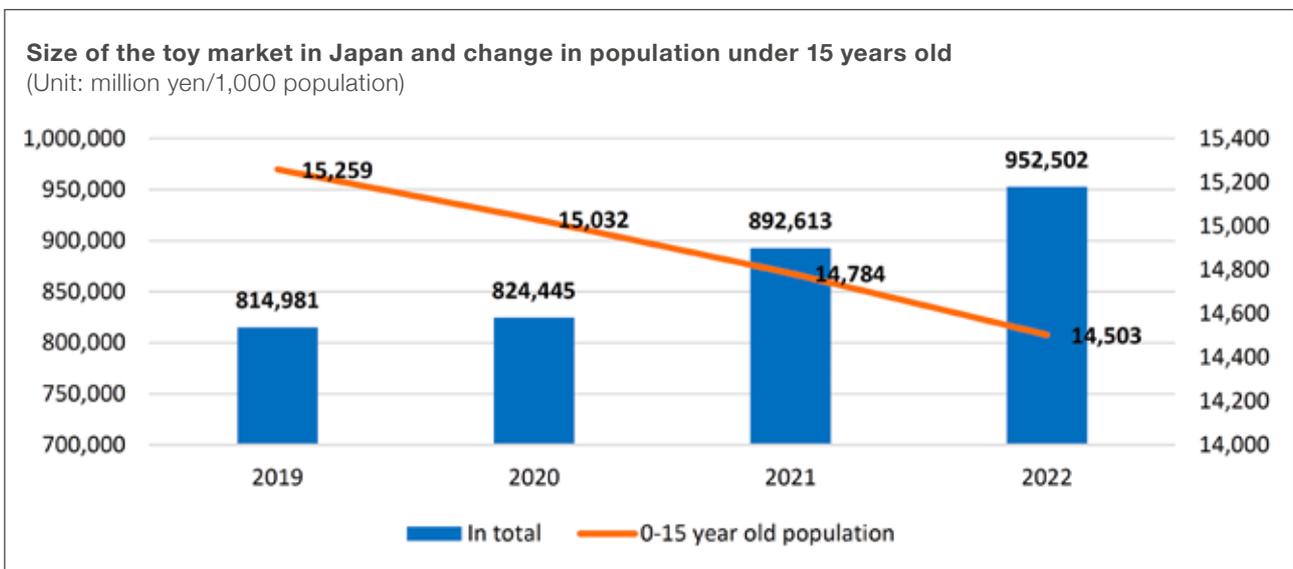


## 2. The Japanese toy market

### 2.1 General information

The Japanese toy market includes a diverse variety of analog and electronic products, targeting children and adults alike.

Manufacturers are looking to teens and adults to stimulate growth because of an aging society defined by a dropping birth rate and a decreasing kid population. However, despite a declining child population, the market volume continues to rise.



This is due to companies creating and maintaining collections of various goods such as card games and figurines, as well as complementing their typical toy series with limited-edition merchandise, which releases on a regular basis.



## 2. The Japanese toy market

### 2.2 Toy categories

The country is ahead in the category card games including trading cards with a growth of 32.2 % compared to 2021. But high-tech toys (+ 16.3 %) and plush toys (+ 13.1 %) are also growing steadily.

#### 2022 domestic toy market size

(Unit: million yen)

Category	Main items	2021	2022	2021 vs 2022
<b>1 Games</b>	Games in general (including mini electronic games), 3D puzzles, others (including party goods, jokes, magic)	18.151	18.028	99.3 %
<b>2 Card games/Trading cards</b>		177.646	234.891	132.2 %
<b>3 Jigsaw puzzles</b>		14.644	12.965	88.5 %
<b>4 High-tech trend toys</b>	Interactive toys, robots, PC-related	9.037	10.507	116.3 %
<b>5 Character toys</b>	TV character toys, movie character toys, etc.	68.734	62.883	91.5 %
<b>6 Vehicle toys</b>	Miniature cars, rail sets, radio control, electronics, others (racing, spring-operated, metal toys, etc.)	47.973	50.291	104.8 %
<b>7 Dolls &amp; Houses</b>	Fashion dolls (dolls, houses), role playing, house playing, arts & crafts, collectible toys, baby dolls, others (including accessories and girls cosmetics)	38.031	35.230	92.6 %
<b>8 Plush toys</b>	Character plush toys, non-character plush toys	28.331	32.041	113.1 %
<b>9 Learning &amp; Educational toys</b>	Blocks, wooden toys, preschool, infant characters, baby (baby toys, bath toys and baby goods), ride-ons (including musical instruments, telephones, picture books, play sets, kids videos, electrically-operated animal toys)	171.428	177.458	103.5 %
<b>10 Saisonal items</b>	Toy fireworks, summer toys/summer goods, small toys, sports toys and items, outdoor goods	49.618	49.874	100.5 %
<b>11 Variety goods</b>	Variety goods, gifts, interior, houseware, stationery, apparel, others (including holiday season goods, halloween goods)	104.984	90.747	86.4 %
<b>12 Hobbies</b>	Plastic models, Radio control, Model trains, figures, others	153.303	166.800	108.8 %
<b>13 Others</b>		10.733	10.787	100.5 %
<b>Total</b>		<b>892.613</b>	<b>952.502</b>	<b>106.7 %</b>

Source: Japan's domestic toy market size in FY2022 (The Japan Toy Association)



Tokyo Toy Show



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## 2. The Japanese toy market

### 2.3 Trends

In the evolving landscape of toys, one consumer preference shines through: Kidults. This trend, which took center stage at the Spielwarenmesse 2024, has been thriving in Japan for several years and continues to dominate as the top trend in the country.

Kidults has spearheaded a remarkable comeback in the domain of gaming and trading cards. Recognizing the enduring appeal of iconic franchises like Pokémon, licensors have strategically integrated gaming and trading cards into successful licensing products, leveraging their widespread popularity to captivate audiences and meet the rising consumer need for immersive entertainment experiences.



Tamagotchi, the beloved virtual pets from the 1990s, are experiencing a resurgence in popularity, capturing the hearts of nostalgic enthusiasts and newcomers alike. In addition to their enduring appeal among the youth, Tamagotchis have garnered a substantial following among adults, particularly in Japan. With advancements in technology, modern iterations of Tamagotchis offer enhanced features, like color displays and apps for health tracking, further enriching the experience for devotees of all ages.

Many Japanese people aged 40 to 65 are big fans of GUNDAM, a famous science-fiction series deeply embedded in Japan's culture. Central to the GUNDAM phenomenon is the widespread popularity of GUNPLA, short-hand for GUNDAM Plastic Models, which enjoy a fervent following among enthusiasts and collectors alike. The complexly designed plastic models of characters, offer fans a tangible way to express their passion for the franchise, sparking creativity and nostalgia while connecting enthusiasts within the vibrant GUNDAM community. They are currently a bestseller in Japan due to their popularity.





## 3. The Japanese business etiquette

### 3.1 Greeting

A bow is the most common form of greeting in Japan. However, when meeting with foreigners in a business context, Japanese choose to shake hands. They avoid a long shake, a two-handed shake and squeezing too hard. Also, do not bow and shake hand at the same time. Too much physical contact like patting on the back is uncommon. In Japan you usually address others by their family name. In business communication norms dictate to match the family name with appropriate honorific suffixes: -san (or more formally -sama). For example, Smith-san instead of Mr. Smith.

### 3.2 Business cards

Exchanging business cards in Japan has a much higher importance than in the Western business context. Business card etiquette is one if not the most important area of Japanese business culture. Make sure you have enough business cards handy and never run out of them during your business trip in Japan.

How do you exchange business cards in Japan?

- Business cards are exchanged at the beginning of a meeting, before taking a seat.
- Don't hand your business partner a card straight out of your wallet or pocket. Japanese commonly keep theirs in a nice case. It is respectful to do the same.
- Keep two hands on your business card when offering it, likewise, do the same when accepting. Place your hands on the outside of the card to not block the name or other important information.
- Bow slightly when accepting or delivering a business card.
- Read the card before you put it in the case and leave it on the table in front of you until the end of the meeting. This means you are paying attention to the other person and checking their position and importance in the company. If you don't know how to pronounce the person's name, it is not considered rude to ask.
- Do not write on a business card. Adding notes or scribbling on the back of a business card is considered extremely rude. Also do not slide a business card across the table.

### 3.3 Communication

Smalltalk is the Japanese way of starting business negotiations. Smalltalk is an essential step before moving on to serious business topics. Talking about the weather or your journey to the meeting is completely normal in a Japanese business setting. Avoid being negative while replying. The best way to respond is to compliment the hospitality, the convenience of the transport system and, if you are in a rural region, the beauty of the surrounding landscape. In Japan, communication is considered indirect, where posture, tone of voice, and facial expression are all important factors. Nonverbal communication is typically more trusted by Japanese than spoken messages. Any topic that forces people to confront anything embarrassing on a personal, professional or cultural level is considered as a taboo.

Subjects that come close to reaching the level of ultimate taboo:

- Japan's involvement in war atrocities,
- Yakuza,
- Nuclear policy after the 2011 earthquake and tsunami.

### 3.4 Meetings

Don't rush to the first seat available in the conference room. It is considered rude to sit before the host. If you're not sure what to do, wait for the host to direct you to your seat or ask about it.

You are expected to listen actively, demonstrating interest in the views of the Japanese side. Using your electronic device implies a lack of interest.



Tokyo Toy Show



**Further information sources:**

[Toy market in Japan – statistics & facts \(statista.com\)](https://www.statista.com)

[Japan: reaching the consumer \(santandertrade.com\)](https://www.santandertrade.com)

[Japan – The world Factbook \(cia.gov\)](https://www.cia.gov)

[Shopping behavior in Japan – statistics & facts \(statista.com\)](https://www.statista.com)

[Statistical Handbook of Japan 2022 \(stat.go.jp\)](https://www.stat.go.jp)

[Business Manners & Etiquette in Japan \(mai-ko.com\)](https://www.mai-ko.com)

[Secrets of Japanese Business Etiquette: Business Meetings \(oishya.com\)](https://www.oishya.com)

[Business Culture \(culturalatlas.sbs.com.au\)](https://www.culturalatlas.sbs.com.au)



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