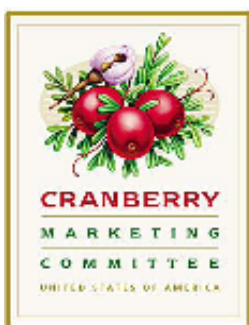

CRANBERRY MARKETING COMMITTEE

Monthly Report for April 2009



Prepared by Motix Co., Ltd.

GENERAL MARKET SITUATION

◆ Private Brand Products

The “Price Battle” continues in Japan’s retail sector. Prices are moved by retailers by consumer demand. Although Japanese manufacturers were going to avoid the issues from the “price destruction” of the 1990s, they are facing profit erosion as a result of a new era of the “Private Brand.” The cheese industry is a good example, with private label cheese for home use accounting for 40% of the market. It now surpasses the share of Snow Brand Milk Products (20%) and other major manufacturers. Major retailers such as Aeon Co. and Seven & I Holdings Co. are increasing PB products on the shelf and food manufacturers are producing these products while experiencing market share loss with their national brands. They are now cutting prices of their branded products as well in order to be competitive with PB products (which also bring them lower margins).

◆ Convenience Store Industry

Total sales of leading convenience store chains (11 in total) in March increased 4.2%, or 613.4 billion yen, according to the Japan Franchise Association. It was the 11th straight monthly year-on-year rise. While sales per customer decreased 0.7%, customer numbers are up 5% since last July as a result of the age verification system for cigarette vending.

◆ New Style of Supermarket






By 2012, AEON Co. plans to open 500 convenience store sized supermarkets in Tokyo area, where the population is still growing. Merchandise will be similar to regular supermarkets including perishable and PB items but offering just one-third the SKUs as compared to the typical supermarket. Japanese society is aging and numbers of single households are increasing each year.



PRODUCT INFORMATION

CRANBERRY PRODUCTS IN THE JAPANESE MARKET

Branded Beverage & Food

	Product/Menu Name	Brand	Description	Size	Price	Sale Date	Photo
1	Kajitsu O Collagen De Tsutsumimashita	Kracie	Dry fruits with collagen & Vitamin C	30g	¥160	on sale	
2	Smoothie Berry Mix	Ohayo Nyugyo	Yogurt drink with strawberry, blueberry, raspberry & cranberry	180ml	¥150	3/30~	
3	Balance Up Soy Crisp Fruits	Asahi Food & Healthcare	Soy biscuits with orange peel & cranberry	152g	¥286	3/2~	
4	[Renewal] Balance Up Granola	Asahi Food & Healthcare	Healthy bar with prune, blueberry, orange & cranberry	150g	¥286	3/2~	

Confectionery & Patisserie							
	Product/Menu Name	Brand	Description	Size	Price	Sale Date	Photo
5	Seigle cranberry	Maison Kayser Japon	Cranberry bread	1piece	¥195	on sale	
6	Brioche cranberry	Maison Kayser Japon	Cranberry bread	1piece	¥330	on sale	
7	Cornflake & Cranberry Cookies	Family Mart	Cranberry Cookie with Cornflakes	1piece	¥130	on sale	
8	Mochi Ring Cranberry	Lawson	Cranberry doughnut	1	¥125	4/28~	
9	Smooch Cranberry	Smoothie	Cranberry smoothie with mango, cranberry, banana, milk & frozen yogurt	1	¥490	4/1~4/30	

others							
	Product/Menu Name	Brand	Description	Size	Price	Sale Date	Photo
10	Cran Power	Kikkoman	Supplement with cranberry powder	120	¥4,410	on sale	
11	Urell	Alive Japan	Supplement with cranberry powder	60	¥5,900	on sale	

2009 January	12
February	10
March	9
April	11

Jan.- Apr. Total	42
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APRIL PROMOTIONS & ACTIVITIES

◆ Trade Communication

We have set up meetings with ATO and the following companies for Mr. Toby Stapleton and Mr. Mike Rucier for their visit to Japan on May 18th.

ATO Tokyo –	Mr. Michael Conlon, Director, and staff
Shoei Shokuhin –	Mr. Yoshimasa Takano, Assistant Manager of fruits and nuts department
Royal Tokyo office –	Mr. Shinnosuke Kusaka, fruits and dry fruits division Mr. Masaaki Yoshida, the president of Mtsukou Co., Ltd and Mr. Kazuteru Chiba of Kato Brothers Honey Co., Ltd will be at the meeting.
World Scope Corporation –	Dr. Tsutomu Odani, the president Mr. Teruyoshi Sazuka, Director of Sales & Planning Manager

Trade Seminar

Another client of Motix Co., Ltd, the USA Poultry and Export Council/American Egg Board, will conduct bakery seminars in Tokyo and Kobe during the summer. The purpose of the



seminars are to introduce high quality processed US egg products such as dried whole egg and dried egg yolk to bakeries. As a “tie-in”, we have asked a charisma bakery chef, Mr. Katsuei Shiga of Signifiant Signifie, to develop a cranberry bread item. We have provided him samples with the cooperation of Shoei Shokuhin. Mr. Shiga was a guest speaker for the bakery seminar by Kanematsu and Ocean Spray in 2008. Therefore, he is aware of the uses and benefits of utilizing

cranberries as a baking ingredient.

ATO Tokyo

Ohata Publications, publisher of “Hotel & Restaurant” magazine, will have a special article showing the benefits of US agricultural products. US cranberries are one of the items to be introduced. The half page article introduces cranberries, including health benefits info. The magazine was published on April 24th.

Japan Fresh Foods Co., Ltd

Japan Fresh Foods, an operating group of All Nippon Airways Co., Ltd, announced that it will withdraw from the nut and dried fruit business to focus on fresh fruits such as bananas. Other distributors are approaching its customers (Koyo Supermarket in Kobe and Fresta Supermarket in Hiroshima).

Nangoku Fruits

Izumi Amano visited Nangoku Fruits in Kyushu. The purpose of the visit was to discuss retail promotion, as well as other consumer promotions prior to the start of the cranberry season. Nangoku Fruits will definitely conduct cranberry in-store sampling in fall, but we would like to include summer promotion, if possible. Therefore, we decided to do in-store sampling and foodservice promotion at the same time. More detail of the promotion idea is introduced in the PR section below.

Nangoku Fruits agreed to promote three items including dried cranberry, honey cranberry and cranberry juice.

◆ Trade visits/contacts of this month

Trade : Royal Kyoto head office and Tokyo Office, Sapporo Beverage, Kikkoman, Shoei, World Scope MYCAL, AEON, Nangoku Fruits etc.

Media : Health Industrial Newspaper, Gateaux, Shokuhin Sangyo Shimbun (newspaper), Pan News Journal, Nikkei Health Magazine, Nikkei Women, Fytte magazine, Shibata Publishing, Okazu no cooking magazine, News Deli, Spoon press, Elle a table, Suteki na Okusan magazine, etc.

Others : Nishiko (Advertising Agency), Nihon Keizai Advertising Company, Nikkeisha (Advertising agency), Full House (PR agency), Daily Advertisement Community Goup, etc.

◆ Website

1,723 “surfers” with 7,682 page views visited the CMC website in April. We introduced recipes that J Brain developed in the recent past in order to increase the number of cranberry recipes on the website. Recipes were introduced on April 13 and could increase visitor for several days.

'Yome-chan, whose blog attracts over 70,000 fans daily, developed three recipes include spareribs using



cranberry juice, stuffed chicken with tofu and dried cranberries and steamed bread with cranberries. These will be introduced by mid May. Most popular contents of the CMC site were health effects and recipes. Therefore, It is very important for CMC Japan office to develop and introduce cranberry recipes on a regular basis.

◆ Consumer PR

1. TV infomercial in conjunction with Magazine and newspaper

CMC has committed to a infomercial/magazine/newspaper activity with 'Okazu no Cooking,' (side dishes cooking) a widely read bi-monthly cooking magazine in conjunction with TV and newspaper.

- Magazine will feature two-pages for its August/September issue of cranberry muffin and smoothie receipt coverage developed by Ms. Sachiko Hayashi, a famous culinary expert. In addition, a publicity page will include one side dish using cranberries.
- The Asahi newspaper, a top national newspaper, will feature the same pages as a tie in with its supplemental insert.
The total circulation will be 460,000 (250,000=magazine, 210,000=supplemental insert)
- The national TV cooking program, which has aired from 11 to noon for 32 years, will broadcast the side dish recipe using cranberry from the publicity page in the magazine for 8 minutes in August. They will also include content about US cranberries and Cranberry smoothie recipe as a result of our negotiation. The cranberry recipe will be aired for 8 minutes in August. The exposure value of the program will be around 3 million yen. (approx. US \$31,600)

2. Media Campaign in Fukuoka in Kyushu area

CMC is considering cranberry promotions for both café and retail simultaneously from July 18 to August 16 in the Fukuoka prefecture on Kyushu.

Under the theme of "Cranberry Festival," we will conduct cranberry menu promotions at about 10 cafes, as well as retail promotions to be held at local department stores/supermarkets on weekends. The campaign will be introduced through a popular café website named café@traibe, and local free paper "ELF." The free paper (175,000 total circulation - 125,000 copies are distributed to 13,500 companies and the rest 200 at supermarkets and train stations) will introduce US

cranberries and the festival in one page targeting women office workers. CMC posters/coasters will be displayed at cafes and stores to bring added attention to the festival.

3. **TV infomercial**

CMC Japan discussed the possibility of national TV program exposure. We have identified three national TV programs that would be effecting in improving the awareness of cranberries. However, national TV programs are not secured publicity and are highly selective regarding the products it features. We will continue persistent negotiation with the following:

- **Shiteoko!** (Saturday 7:30 – 9:35 am)
Saturday morning informational program has a world breakfast corner introducing breakfast using local food at a newlywed home. It will also introduce local dining spots, food events and interesting foods, etc.
- **Hiruobi** (Mon.- Fri. 11:00 – 14:55 pm)
This informational talk show targeting housewives conveys new ideas, from social issues to entertainment news for upgrading one's quality of life. The beauty happy cooking corner on Tuesday is presented by a very influential make up artist, Ikko, focusing on foods that enhance beauty. Health benefits and product attributes are conveyed during the segment.
- **Omoikkiri Don!** (Mon. – Fri. 10:25 – 13:55 pm)
The very famous TV program, 'Omoikkiri', renewed from April. A new, popular MC hosts the show. Health benefits and product attributes will be introduced.

4. **Recipe contest collaborate with magazine and web**

We have discussed with 'Suteki na Okusan' (charming housewives) magazine about conducting a cranberry recipe contest. The popular monthly magazine with circulation of 141,000, and targeting 20's- 30's housewives, features a wide range of topics such as recipes, money, fashion, etc., for upgrading one's lifestyle quality. In order to further promote the recipe contest, we plan to collaborate with a popular recipe website called 'recipe blog'. The recipe blog is a portal site for 6,200 bloggers who have keen interest in cooking and foods. The number of page views is about 2.9 million per month. The contest, including the announcement, entry

process, selection process and winners will be featured though both the magazine and the website for six months. More detailed discussion is underway.

5. Kyoto promotion

CMC Japan carefully considered conducting a cranberry promotion in Kyoto in cooperation with local radio stations as an effective local promotion. The radio broadcast will introduce cafés serving cranberry menu, and include a booth to promote cranberries at the Kyoto Gion festival. The famous Gion festival attracts about 300,000 visitors a day. These promotions will be conducted from July 15 to 31. More discussion is needed to finalize this plan.

◆ Press Release

CMC Japan distributed a press release, 'cranberry may inhibit adhesion of H. pylori' to trade members and the media which responded to a research of a Kyushu University group. The university has announced the results of 'smokers infected with a bacterium common among older Japanese are roughly 11 times more likely to contract stomach cancer than nonsmokers without the bacterium'.

MEDIA COVERAGE

CMC Japan monitored 42 consumer and trade professional media hits, with coverage reaching about 6.08 million consumers and trade professionals, providing an exposure value of ¥2,051,090 (US\$20,693) during the period of March 21 through April 20, 2009.

**The clipping report will be sent separately.*

Exchange rate (TTM):@99.12

Newspaper

No.	Vehicle	Issue Date	Circulation	Space	Color	Exposure Value(¥)	Exposure Value(\$)
1	Pan News	3/25	15,000	24.4cm	B/W	¥122,000	\$1,230.83
2	Nara Shimbun	3/26	125,000	1.0cm	B/W	¥6,715	\$67.75
3	Nihon Shokuryo Shimbun	3/30	101,300	13.8cm	B/W	¥138,000	\$1,392.25
4	Nihon Shokuryo Shimbun	3/30	101,300	2.8cm	B/W	¥28,000	\$282.49
5	Teiin Shokuryo Shimbun	4/1	85,000	1.0cm	B/W	¥2,858	\$28.83
6	Shokuhin Sangyo Shimbun	4/2	97,000	45.0cm	B/W	¥257,175	\$2,594.58
7	Nihon Shokuryo Shimbun	4/3	101,300	1.0cm	B/W	¥10,000	\$100.89
8	Pan News	4/5	15,000	2.3cm	B/W	¥11,500	\$116.02
9	Nihon Wayosyu Kanzume Shir	4/5	67,500	1.0cm	B/W	¥2,000	\$20.18
10	Teiin Shokuryo Shimbun	4/8	85,000	1.0cm	B/W	¥2,858	\$28.83
11	Kenko Shokuhin Shimbun	4/8	13,000	1.0cm	B/W	¥3,000	\$30.27
12	Shokuhin Sangyo Shimbun	4/9	97,000	1.0cm	B/W	¥5,715	\$57.66
13	Nihon Shokuryo Shimbun	4/13	101,300	1.0cm	B/W	¥10,000	\$100.89
14	Nihon Shokuryo Shimbun	4/13	101,300	1.0cm	B/W	¥10,000	\$100.89
15	Kenko Sangyo Shimbun	4/15	65,000	1.0cm	B/W	¥2,084	\$21.03
16	Pan News	4/15	15,000	1.0cm	B/W	¥5,000	\$50.44
17	Shokuhin Sangyo Shimbun	4/16	97,000	1.0cm	B/W	¥5,715	\$57.66
18	Shokuhin Kagaku Shimbun	4/16	26,000	10.0cm	B/W	¥28,580	\$288.34
19	Shokuhin Shimbun	4/20	105,000	1.0cm	B/W	¥6,000	\$60.53
42	Shokuhin Shimbun	4/20	105,000	1.0cm	B/W	¥6,000	\$60.53
Newspaper Total			1,379,000			¥534,485	\$5,392.30

Magazine

No.	Vehicle	Issue Date	Circulation	Space	Color	Exposure Value(¥)	Exposure Value(\$)
20	Kensho Navi	3/22	400,000	1/9 P	C	¥55,556	\$560.49
21	SAVVY	3/23	170,000	1/100P	C	¥6,000	\$60.53
22	Town Joho Monmiya	3/25	43,000	1/64 P	C	¥3,906	\$39.41
23	Town Joho Monmiya	3/25	43,000	1/64 P	C	¥3,906	\$39.41
24	Mainichi Ga Hakken	3/28	89,583	0.5cm	C	¥1,100,000	\$11,097.66
25	Mart	3/30	93,708	1/97 P	C	¥16,495	\$166.41
26	TOKYO 1Week	3/31	64,663	1/22 P	C	¥59,091	\$596.16
27	Chiba Walker	3/31	69,576	1/100 P	C	¥7,000	\$70.62
28	Josei Jishin	3/31	315,192	1/100 P	C	¥24,000	\$242.13
29	Sogo Shokuhin	4/1	38,000	1/100P	B/W	¥2,000	\$20.18
30	Shokuhin To Kaihatsu	4/1	39,000	1/35 P	B/W	¥2,514	\$25.37
31	Shokuhin To Kaihatsu	4/1	39,000	1/100P	B/W	¥880	\$8.88
32	ELLE a table	4/1	60,000	1/100P	C	¥10,000	\$100.89
33	Ohayo Okusan	4/2	103,647	1/15 P	C	¥100,000	\$1,008.88
34	Sotokoto	4/5	100,000	1/60 P	C	¥23,333	\$235.40
35	cafe sweets	4/6	80,000	1/100P	C	¥4,000	\$40.36
36	Hanako	4/9	80,334	1/26 P	C	¥51,923	\$523.84
37	ar	4/12	72,777	1/100P	C	¥12,000	\$121.07
38	AERA	4/13	193,489	1/100P	C	¥14,000	\$141.24
39	WOOFIN' girl	4/17	210,000	1/100P	C	¥10,000	\$100.89
40	WOOFIN' girl	4/17	210,000	1/100P	C	¥10,000	\$100.89
41	myfood(web)	4/21	210,000	1P	C		
Magazine Total			2,724,969			¥1,516,605	\$15,300.69

	Circulation	Exposure Value(¥)	Exposure Value(\$)
Apr.'09 Grand Total	21,266,048	¥2,051,090	\$20,692.99
Jan.~Apr. '09 Total	20,908,048	¥8,785,802	\$90,551.49