

Past JETRO Client

Costco

Opportunities in Japan

March 2005 —Costco is a well-known American warehouse chain, offering members of the general public access to wholesale prices. As the home to some of the world's most savvy consumers, Japan was an obvious market for Costco. Japan also fits Costco's general demographic profile of a country with a high average household income, high population density, and a large number of small business owners.

Market Entry

Costco initially got involved with a JETRO Senior Trade Advisor, who consulted the company on various issues related to business in Japan. Costco executives also took advantage of Invest Japan Study Program (IJSP) to learn more about investment opportunities in Japan. When Costco was ready to establish Costco Japan, the company took advantage of JETRO's rent-free temporary office space in Yokohama.

Results and Outlook

Costco Japan is headquartered in Yokohama, and opened its first warehouse in Fukuoka in 1999. Costco has since opened four more warehouses around Japan, giving it a total of five. Costco has enjoyed popularity among Japanese consumers, and the company as a whole is healthy, having posted solid financials in 4th quarter 2004.

**Note: The opinions contained in this article are based on the experiences of the interviewee. They are not representative of all experiences in Japan or working with Japanese companies, and do not reflect the opinions of JETRO.*

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