

How restaurants in Japan are coping amidst Covid-19

As Japan battles with its largest wave of infections yet, most parts of the country are once again placed under emergencies. Unfortunately, the latest coronavirus curbs, to run until mid September, would again include requiring restaurants to close early and stop serving alcohol in exchange for a government subsidy.

Many of the small businesses, eateries and shops in Japan which are particularly vulnerable to an extended financial downturn have opted to temporarily close or limit operations, as they struggle to bear another blow.

In fact, a record-high 780 restaurants and bars in Japan went bankrupt in 2020, the credit research company Teikoku Databank Ltd (TDB) [announced in January this year](#). As it is, the food service industry accounts for about 5% of the total employed population in the country, and the closure of restaurants will only be dragging down Japan's economic recovery.

For restaurants, its sink or swim

The only way for a restaurant business to survive amid a lockdown is to rely on delivery. When it comes to the food delivery business in Japan, Uber Eats, operated by Uber Technologies, has gone on the offensive with the introduction of a fixed-rate service.

On the other hand, domestic player Demae-can and other startups are making their presence increasingly felt by focusing on premium and popular restaurants and hiring higher-quality delivery staff. All in effort to keep the food and beverage industry afloat.

The growth of delivery services has also led to the creation of a new form of food service in which "ghost" kitchens need only prepare food and not serve it. One such kitchen, operated by Ghost Restaurant Laboratory, is located in the Nishiazabu area of central Tokyo. It is run out of a home kitchen a little smaller than a classroom.



Uber Eats rider picking up an order from Ghost Restaurant Laboratory in Tokyo. (Photo by Yuki Kohara)

The kitchen develops dishes and prepares them for delivery only. It has developed about 10 brands, making everything from soups to salads. Investors include Toridoll Holdings, which operates the Marugame Seimen chain of noodle restaurants.

Then there is also [Ghost Central Kitchen](#), run by [Air Sapo](#) an AirBnB service provider, has dark kitchen spaces around Mita and Shibakoen, Minato-ku, Tokyo, housing over 19 different brands. [X Kitchen](#)

led by two young entrepreneurs are doing delivery for six different brands varying over Japanese cuisine to fast food. Their kitchen is based in Kanda, Tokyo.

The fourth service, [Kitchen Base](#), is run by [SENTOEN](#). The team has built two kitchens in Meguro and Shinjuku. The first kitchen in Meguro is home for 5 different brands covering Taiwanese noodles to chicken over rice bowls. Recently the company has expanded to their second location and are currently looking for new tenants for a slightly larger facility.

Based on the restaurateur needs the Kitchen Base offers a fully equipped kitchen versus a skeleton kitchen room with only a sink table. The contracts are to be signed on a 6 month, 1 year or 2 year basis.

A look into the past one year shows how even high-end restaurants have started offering boxed lunches and home delivery. Some restaurants launched innovative marketing. For instance, Izakaya restaurant chain Watami is using electronic ordering in its new restaurants, and has added a conveyor belt similar to that at a sushi restaurant to reduce contact between customers and staff.

Meanwhile, Japanese fast-food restaurant Mos Burger began exploring new business models amid the COVID-19 pandemic. In July last year, it began experimenting with remotely controlled humanoid robots that could walk around and provide voice ordering services, which not only reduces contacts, but also cuts labor cost.



*OriHime - Mos Burger's new employee –
working the register at Mos Burger's Osaki branch in Tokyo*

While some businesses have done well in this current climate, entire industries, such as live events, have been hit hard. Despite it all, the future still seems uncertain for Japan's drinking and dining establishments even with the most recent government subsidies announced. ---

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