

July 11<sup>th</sup>, 2022

Sojitz Corporation

Sojitz Forms Business Tie-Up with Naorai Inc., the Inventor of Jo-chu® Sake  
– Contributing to Regional Revitalization through  
a Revival of Rice Farming and Sake Breweries –

Sojitz has concluded a business tie-up with Naorai Inc. (“Naorai”), a Japanese sake venture in Hiroshima, to build sales networks and develop business partnerships.

In Japan, rice fields and other farmlands in low uplands\*<sup>1</sup> are being abandoned due to a decline in rice consumption (attributable to changes in the population’s dietary habits) as well as a reduced number of rice farmers as a result of the country’s aging population. Although Japan had over 3000 sake breweries in the 1970s, the number of breweries has dropped to 1159 in the present. Over the decades, breweries have faced financial difficulties from declining sake consumption and a shortage of successors.

Naorai has developed patented original technology that takes Japanese sake from different regions brewed from organic rice and distills the alcohol at a low temperature to create a new type of sake called “Jo-chu” (registered trademark). Naorai manufactures and sells Jo-chu, which uses sake as a raw material and is characterized by the distinct aroma and flavor of Japanese sake. By raising the alcohol’s concentration, Naorai has succeeded in creating a product that can be stored at room temperature similar to whiskey aged in a barrel with a long shelf life unlike traditional Japanese sake, which expires quickly. Naorai’s Jo-chu creates new value by connecting organic farming with Japanese sake breweries. Naorai is also conducting research to utilize the amino acid containing by-product liquid from the alcohol distillation process for use in cosmetics and food products to fully use all by-products from the sake raw material to reduce waste loss and maximize value.



Jo-chu (White/Silver)



Jo-chu (Gold)\*2



Jo-chu(Black)\*3

Through this business tie-up, Sojitz will leverage its Group networks both in Japan and overseas to support Naorai in its efforts to build business partnerships essential for market development and commercialization of sake by-products in order to promote Naorai's business expansion.

In Medium-term Management Plan 2023, Sojitz aims to focus on creating value by revitalizing domestic industries and rural regions, and this business tie-up with Naorai aligns with this revitalization initiative. Moving forward, Sojitz will cooperate with regional businesses to address farming and other rural industry issues with new business solutions.

\*1: Low uplands: Based on Japan's classification of agricultural land, low uplands refer to land areas that include both semi-mountainous agricultural areas and mountainous agricultural areas. There are many mountainous areas in Japan, and low uplands account for approximately 70% of Japan's total land area.

\*2: Jo-chu (white/silver) aged in wood barrels

\*3: Jo-chu flavored with organic Setouchi lemon peel

[Company Overview – Naorai Inc.]

Established	2015
Head Office	Hiroshima
Representative Director	Koichiro Miyake
Main Business	Manufacture and sale of sake including Jo-chu
Website	<a href="https://naorai.co/">https://naorai.co/</a>

[For questions, contact:]

**Sojitz Corporation**

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