東光 токо Since 1597

TOKO Sustainability Report 2023

Kojima Sohonten Co., Ltd.

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1. Company History

Company History

Message from the President



President Kenichiro Kojima

Kojima Sohonten has been consistently brewing sake since its founding in its current location in 1597. We are a small brewery producing a luxury item like sake, so the road has not always been a smooth one, but thanks to the support of many people and the efforts of our predecessors, we have been in business for 400 years.

We believe that this long history is not only a great asset to our company, but also an important mirror to which we can look to reexamine ourselves, to retrace the steps of our predecessors, and ask ourselves what we should be striving for in this modern age.

This mindset forms the basis of our company creed, which reflects our commitment to **cultural heritage, care for the environment, and coexistence with the local community**. Rooted in these principles, Kojima Sohonten aims to brew sake sustainably and in harmony with nature.

Company History

Kojima Sohonten Company Creed

A commitment to creating firstclass products that help culturally and spiritually enrich people's lives in Japan and around the world.



Cultural Heritage

Care for Environment



Proper corporate management that
 integrates employee happiness, business
 development, and the fulfillment of
 social responsibility through the
 personal growth of all employees.

Embodying co-prosperity with the community, harmony with society, and coexistence with nature, based on the principles of sincerity, gratitude, and humility.



Coexist with Local Community

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Sake Brewing Museum



The company took over a nearby brewery built in 1919 which had ceased business and rebuilt it as one of the largest sake brewing museums in Tohoku.

Built using traditional methods, not reproducible in the modern age, the building alone has cultural value. Over 1,500 traditional brewing tools and vessels give visitors a sense of an ancient sake brewing culture.





The museum receives over 20,000 visitors a year, and in 2003 the current Emperor and Empress of Japan paid a visit. The museum also hosts local events.



Kojima Sohonten's Company History



1597 Founded by Yazaemon Kojima

First generation Yazaemon Kojima sets up a liquor store called Kojima Sakaya.



1952

The company is incorporated

Previously run as a sole proprietorship, Kojima Liquor Store is incorporated as Kojima Sohonten and the business expands.



1984

Opening of Sake Brewing Museum

Following the closure of a relative's brewery the previous year, the company reopens it as a sake museum showcasing sake brewing culture. The museum is later visited by the current Emperor and Empress of Japan.



2012 Development of

Toko Ginjo Umeshu

The company develops an umeshu (liqueur) with a sake lees shochu base and wins the triple crown in Major National Competitions.



2015

Launch of signature product: Toko Junmai Ginjo Genshu

Currently the company's best seller. The launch instantly raises the company's Junmai production ratio.

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Honoring Heritage

Kojima Sohonten's Company History Continued



2020 Switch to Junmaionly Production

Aiming to brew sake with more regional and cultural characteristics, the brewery discontinues the use of imported brewer's alcohol and switches to Junmai-only brewing using only domestic rice, grown mainly in Yamagata Prefecture.

2020

Challenges Brewing in Kioke

The company revives brewing in the wooden kioke casks it had brewed in up until 60 years ago. 2021

Launch of Bizen Kamejikomi

The company launches a new sake brewed in a kame earthenware pot which originated around the time of the brewery's founding. The new sake is named after the founding era: Azuchi Momoyama. 2022

Rice cultivation using automatic weeding robot

The company grows a test batch of rice without pesticides and chemicals using an automatic weeding robot. A sake made with the rice is planned for release in 2023.

2023

Switch to Renewable Energy

All electricity is switched to renewable energy generated in the surrounding area. The goal is to create a sustainable sake brewery by utilizing local resources, including energy. 8

1 Company History

Kojima Sohonten's Company History







2. Strategic map

2. Strategic map

- i. Economical
- ii. Green
- iii. Ethical

2

Economical

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Seek happy and stable lives for employees through continuous growth



Introduction of equipment that will allow for greener brewing while continuing to grow.

Consumer-focused quality-oriented product development



Amidst the Corona pandemic, while overall sake sales are down year-on-year, Kojima Sohonten continued to grow in 2021 and 2022, achieving 1.3 times that of 2013 in the latter year.



Fig. Kojima Sohonten Sales Results (Including Exports) (compared to 2013) [-]

*Ratio of sales (including exports) in each year when sales in 2013 is set to 1 15

Export Countries

With an export network already spanning approx. 20 countries, Toko is working to transcend borders and culture to share the deliciousness of carefully-crafted sake to people around the world.



China, Korea, Taiwan, Macau Hong Kong, Singapore, Malaysia, Thailand, Vietnam, Australia, Germany, Denmark, Spain, Russia, Israel, America, Canada, Brazil.

Export Countries

Kojima Sohonten's export performance in 2022 was 68 times that of 2013



Fig. Kojima Sohonten Export Results (vs. 2013) and Domestic Sake Exports[-]

*Ratio of actual export sales in 2013 to actual sales in each year when actual export sales in 2013 are set as 1 \$17\$

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Milestones



World Sakagura Ranking 2020 tied 37th



Kojimaya Untitled 1 received platinum in Dewasansan rice tranch



2021 gold Toko Junmai Daiginjo Yuki Megami
2020 gold Toko Junmai Daiginjo Yuki Megami, Toko Junmai Ginjo Genshu
2019 gold Toko Karakuchi Junmai Daiginjo
2018 gold Toko Junmai Daiginjo Fukuroshibori, Toko Junmai Ginjo Dewasansan
Toko Junmai Ginjo Dewasansan, Toko Junmai Ginjo Dewa no Sato, Toko Junmai



-Confronting climate change -



• Effect of climate change

Sake breweries are grappling with the effects of climate change. Poor and lower harvest yields of sake rice caused by high temperatures is one such example. In recent years, rising average summer temperatures are making it difficult to achieve the intended sake quality.

Kojima Sohonten is continuing to take action to protect the surrounding nature.



Switch to Junmai-only brewing



Fig. Ratio (%) of total brewing that is Junmai

In 2020, Kojima Sohonten switched its entire production to a Junmaionly lineup, sake made without the addition of brewer's alcohol.

By using only locally produced ingredients instead of brewed alcohol made outside of Japan, the company has reduced its food mileage and contributed to the reduction of energy and CO2 emissions generated during transportation. *Food mileage: the distance food travels from where it is grown or manufactured to where it is ultimately consumed.



Purification of waste water

From rice washing





Stored in tank

Biochemical oxygen demand (BOD) [mg/L]





ph adjustment

Aeration tank



Giving back to community

Fig. Kojima Sohonten's wastewater processing method



Kojima Sohonten is working to maintain the local water quality by purifying wastewater from rice washing and cleaning down to approx. 3% of the effluent standard before returning to the rivers.

Fig. Biochemical oxygen demand of wastewater produced by Kojima Sohonten (BOD) [mg/L]

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Biogas power station (Okitama)



Switching all electricity to renewable energy

Breakdown of Kojima Sohonten's energy usage and annual CO₂ emissions (tonnes)

Modern sake brewing uses a lot of electricity such as to control the fermentation temperature and power the refrigerated storage, which while improving the quality of sake have also increased production CO2 emissions. Amid the effect of climate change on the rice quality, Kojima Sohonten will reduce its carbon footprint with a view to becoming a sustainable sake brewery. From 2023, the company will switch all electricity used in the production process to natural energy produced in Yamagata Prefecture's Okitama region.

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Organic Sake Rice Cultivation

In 2022, the company started a pesticide-free cultivation experiment using an Aigamo robot on fields that up until the previous year were cultivated the conventional way using agrichemicals. The experiment is part of a wider goal to grow regional varieties of sake rice while protecting the biodiversity of the rice fields. The first year was a success and the company plans to develop products using organic rice and continue to explore organic farming methods together with contract farmers.







Spring/Autumn 2022, Rice cultivation using the Aigamo Robot



*Aigamo Robot Automatic weeding robot designed by Organic Rice Design Co.,Ltd.

Waste-free Sake Brewing



Distilling sake lees (left) to make the base shochu of the company's Toko ginjo umeshu product (right).

Rather than discarding them, we utilize all raw material-derived by-products such as rice bran and lees. Rice bran is used as a food ingredient and as fertilizer for nearby orchards, while the sake lees are used to make fruity and aromatic shochu which becomes the base for the company's ginjo umeshu.

⇐ The sake lees that remain after pressing are also provided to nearby orchards as fertilizer.

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Ethical

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As a local, long-established company in a traditional industry, Kojima Sohonten is engaged in significant initiatives to preserve culture that is dying out and contribute to the local community.

Breakdown of land owned by Kojima Sohonten



Connection with Uesugi Shrine /Succession of Snow Lantern Festival

Kojima Sohonten has been an official liquor store of the Uesugi family of the Yonezawa Domain. Since the Meiji era, the former site of Yonezawa Castle has been loved by citizens as Uesugi Shrine, and Toko is still used as the sacred sake for ceremonies there.

Kojima Sohonten works with Uesugi Shrine, a spiritual symbol of Yonezawa, to pass on local history and culture, serving taruzake and amazake to visitors during Hatsumode and at festivals. $_{\circ}$



Coexisting with local community

Yonezawa Sake Rice Research Group



Kojima Sohonten established a sake rice research group in 2012 with local contract farmers to study rice cultivation together. Since the cultivation techniques for sake rice differ in some respects from those for table rice, they are working with farmers who initially had no experience in sake rice cultivation to learn cultivation techniques and improve quality from the rice paddies.

Coexisting with local community

Creating stable employment in the agricultural off-season



For rice farmers in areas with heavy snowfall, the winter months when snow accumulates are non-productive off seasons. Kojima Sohonten hires these farmers as temporary brewers to help provide stable employment all year around, while also enabling the full-time brewing staff to experience a complete production cycle from the rice paddies to sake brewing.

Fertile Soil of Yonezawa

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Located in the southernmost part of Yamagata Prefecture, Yonezawa is a basin surrounded by 2,000-meter mountains: Mt.Ou to the east, Mt. Azuma to the south, and Mt. Iide to the west. The water flowing out of the nutrient-rich soil and the difference in temperature between its four seasons, some of the most distinct in the world, have helped rice cultivation to flourish and produce delicious rice. The forests and undeveloped woodland also form a rich ecosystem.





White, wild two-tailed macaques inhabit the Azuma Mountains, but are a rare sight.



A species of the Lycaenid butterfly family found in rice paddies, only in a small part of Iwate, Yamagata, and Niigata prefectures.



Widely found mainly in mountainous areas. Designated as the prefecture's animal. 32

2 Strategic map - Ethical



Fig. Yonezawa's Four Seasons

3. Product Lineup

3 Product Lineup

Toko Azuchi Momoyama



ABV	15 %
SMV	+1
Raw Ingredients	Kame no O、 Tsuya Hime brewing rice
Rice Polishing Ratio	90% (Kame no O: 50% Tsuyahime: 90%)

This collaboration with Mr.Matsui, a bizenyaki potter in Okayama Prefecture, marks a return to sake brewing in earthenware pots called kame, which is one of the methods that was used at the time of the brewery's founding, 400 years ago in the eponymous Azuchi Momoyama period. The mineral feel of brewing in kame is well balanced with the acidity and umami produced by the diverse array of microbes that inhabit the kimoto starter.



Yonezawahan Uesugika goyo sakaya no Kenjoshu Junmai Ginjo Kiokejikomi



ABV	16 %
SMV	?
Raw Ingredients	Kame no O brewing rice
Rice Polishing Ratio	55 %

Sake brewed in a new modern version of the wooden vats that were used as brewing vessels in the Edo period (1603-1868) when Kojima Sohonten offered sake to the Uesugi family. Enjoy the light, complex flavor with a subtle hint of fresh cedar.



Product Lineup

Fukurotsuri

3

Toko Junmai Daiginjo Fukurotsuri Juuhachi *NEW: winter, 2022





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Rice Polishing Ratio
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Toko Junmai Daiginjo Fukurotsuri

	ABV	16%
純米	SMV	-2
紀米六吟醸袋吊り	Raw Ingredients	Yamada Nishiki brewing rice
	Rice Polishing Ratio	35%

International Sake Challenge 2016 Gold Winner

Toko Junmai Daiginjo Fukurotsuri

Yuki Megami

米澤・小嶋熊本

	ABV	16%
純米	SMV	-2
や 職袋 吊り 雪女神	Raw Ingredients	Yamagata- grown brewing rice, Yuki Megami
	精米歩合	35%

Fine Sake Awards 2018 Gold Winner

A method of pressing designed to capture each luxurious drop

Fukurotsuri is a method of pressing where brewers hang the sake up in special bags and let the sake drip out naturally. It is one of the most labor-intensive methods, but sake pressed this way has more elegant, subtle flavor profiles. Kojima Sohonten's product lineup includes 3 fukurotsuri, each with a spring water-like clarity.



Toko Junmai Ginjo Genshu

Fine Sake Awards 2022 Gold Winner Fine Sake Awards 2020 Gold Winner Fine Sake Awards Gold Winner 3 Consecutive Years 2018 SAKE-China Appraisals Platinum Winner



ABV	16 %
SMV	-4
Raw Ingredients	Yamagata Prefecture- grown brewing rice
Rice Polishing Ratio	55 %

Fruity with solid backbone of umami

Highly acclaimed in contests around the world, this is Kojima Sohonten's best seller offering incredible cost performance. Excellent balanced sake with a soft texture, medium body and profile of ripened fruits and a dry, clean finish. An everyday sake with class. Although it is a genshu (undiluted sake), the 16% abv ensures that it does not tire the palate out.



Junmai Daiginjo



Winner

Fine Sake Awards 2020 • 2021 Gold Winner

Junmai Ginjo Toko



2023 Gold Winner

Fine Sake Awards 2018 Gold Winner

Fine Sake Awards 2018 Gold Winner