



LEGENDARY  
FUKUJU  
TASTE PURE NATURE

Kobe Shu-Shin-Kan Breweries, Ltd.  
Corporate Profile

酒心館

A sake brewery that creates the future of food,  
agriculture, and local communities

<https://www.shushinkan.co.jp>



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FUKUJU  
TASTE PURE NATURE

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Sustainability Journey

Kobe Shu-Shin-Kan Breweries, Ltd.

1-8-17 Mikagetsuka-machi, Higashinada-ku, Kobe-shi 658-0044

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CSR Report

First Stage

# Production that keeps an eye on nature and people

Kobe Shu-Shin-Kan contributes to society by creating sake and its culture, while pursuing the best quality and following the Nada region's traditions of sake-making.



Since 2008, our Fukuju Junmaiginjo has been chosen as the sake for the banquet dinner of the Nobel Prize.

Kobe Shu-Shin-Kan is a complex which is composed of four brewhouses.

The “Fukuju” brewery, where “Fukuju” sake is brewed, the “Suimei” brewhouse, where the luxurious cellar restaurant “Sakabayashi” is located, the “Toumyou” brewhouse, which serves as our brewery shop, and the “Houmei” brewhouse (Shu-Shin-Kan Hall), which serves as a multipurpose hall.

These are broadly classified into the three businesses i.e. brewery, restaurant, and sightseeing.

Hand in hand with our customers, we are aiming at regional development by brewing sake and sharing seasonal cuisine, on the basis of local production and consumption.



## Outline of our business

### Brewery business



Fukuju brewery  
We offer our sake “Fukuju.”

### Restaurant business



Suimei brewhouse (Sakabayashi)  
We offer banquet-style dining which can be enjoyed with sake.  
We hold events where one can enjoy sake and dishes.

### Sightseeing business



Toumyou brewhouse (Brewery shop)  
We offer sake fresh from the brewery.  
We offer dishes that go well with sake, which are delivered from all over Japan.



Houmei brewhouse (Shu-Shin-Kan Hall)  
We hold music concerts.  
We hold performances such as classical entertainment.

## Origin of our sake's name

The brand name of “Fukuju” comes from the god “Fukurokuju,” who is one of the Seven Lucky Gods in Japanese mythology. We wish for the good fortune of everyone who enjoys our sake.



## Company profile

Company name	Kobe Shu-Shin-Kan Breweries, Ltd.
Representative Director	Representative director and president Takenosuke Yasufuku
Location (head office)	1-8-17 Mikagetsuka-machi, Higashinada-ku, Kobe-shi
Year of incorporation	May 1996
Start of business	1751
Capital stock	60 million yen
Number of employees	49 people 37 males, 12 females (As of the end of June 2019)

## Message from the president



## Sake making with the strength of the Rokko region

The coastline of the Nada region in Kobe, where Kobe Shu-Shin-Kan is located, is dotted with sake breweries. The Rokko mountains in Hyogo have contributed greatly to the development of this region's sake breweries.

The claylike soil of the mountain range was formed through the weathering of granite. Especially in Ura-Rokko, which is on the north side of the mountain range, there is a large amount of nutrients which are necessary for plants to grow, and this has contributed greatly to the region's status as a rice producer. In addition, in Ura-Rokko, the climate is mild, with plenty of sunshine and little precipitation, while there is a significant difference between daytime and nighttime temperatures. These conditions are just about perfect for the production of sake rice - thus making this region the home of 80% of Japan's production of "Yamada Nishiki" rice, so-called king of sake rice.

Furthermore, miyamizu, which is the underground water from the Rokko mountains, originates from rainwater which flows through the granite of the mountains. Thus, this water is full of minerals such as phosphorous and potassium, which feed the yeast in the sake-making process.

Three of these underground water sources come together at the same spring. As a result, a miraculous phenomenon takes place. The oxygen resulting from the combination of these three water sources works to ensure that iron, which can have a harmful effect on the taste of sake, has minimal effects. Therefore, this water is ideal for the making of sake.

At Kobe Shu-Shin-Kan, we use rice produced in Hyogo Prefecture, the most prominent being the Yamada Nishiki rice, which we have reaped through the village rice system<sup>\*1</sup>, in addition to utilizing miyamizu water.

Just as the concept called "terroir" which describes all the environments of wine grapes to determine the taste and quality of wine, at Kobe Shu-Shin-Kan, we are thankful for the Rokko region's superior terroir which is a blessing to create high-quality sake.

Takenosuke Yasufuku  
Representative Director and  
President

Sake-brewing that creates new traditions with repeated innovations and handed-down practices, while receiving the bounty of the Rokko mountains

## New traditions created through handed-down practices and innovations

The essence of sake brewing is the combination of technology with the forces of nature and life.

The continuation and development of sake brewing are indispensable for understanding Japan's history, traditions, culture etc. Furthermore, sake brewing forms the foundation for the positive future development of culture.

Kobe Shu-Shin-Kan will continue to pursue such ideals by combining passed-down traditions and new innovations.

I myself believe that we can create new traditions if we continue to pass down our time-tested methods to future generations in addition to being flexible and making new innovations to meet the demands of the times.

In 1973, we developed the first freezing technology in Japan for sake production, and began to sell frozen sake so that the youthful taste can be enjoyed for as long as one wants.

With the retirement of our touji<sup>\*2</sup> (chief brewer) in 2007, we began to make sake produced by our employees only. For our production of high-quality daiginjo sake, by adopting an innovative method which entails making koji mold in a tub, we are able to make koji in an ideal fashion. Our ideal of a combination of tradition and innovation also means that we wish all our brewery workers to possess the same skills as a chief brewer. To accomplish this ideal, we are making high-quality sake which is imbued with the spirit of the handicraft of sake-making which has been passed down for countless years, in addition to building up know-how from daily studies.

Our products which we have created through the combination of tradition and innovation are recognized in many different fields. For instance, at the National Research Institute of Brewing's National Sake Review, we have won the gold prize five years in a row and 17 times in total. In 2008, the banquet dinner of the Nobel Prize Committee, held in Stockholm, Sweden, gave us the honor of serving our Fukuju Junmaiginjo for the first time.

## Development of a local industry through the contribution of the sake business

From the standpoint of sake brewers like ourselves, we think that regional revitalization through the development of local industries can stir demand for sake, create sustainable tourism in industrial or business areas, develop agricultural brands, and contribute to the sustainable development of agriculture.

Increased demand for sake will lead to more sales, and creating sustainable tourism will lead to increased tourists and increased consumption by tourists. Development of agricultural brands will create more added value, and the sustainable development of agriculture will create stable incomes for those involved. Moreover, positive ripple effects can be expected in many other areas from such efforts.

In the end, drinking sake is an act of local consumption of local production. Aiming to become an innovative sake brewery which is loved by its neighbors in the region, we want to contribute to the local production for local consumption with our customers.

## Aiming at sustainable sake production

For the first time, we are publishing a report, entitled "Sustainability Journey," which details our company's sustainable practices.

As the title states, we have decided to embark on a journey of sustainability. While we have worked on countless environment-oriented initiatives up to this point, we must admit that many of such initiatives did not have clear goals.

Just as there are always social challenges, we think that there are also always sustainable methods with which we can contribute to society through our business. Furthermore, we think that we can make our initiatives more effective than ever by making our goals clear and creating values towards future alongside coming up with solutions to challenges.

We are constantly aiming at regional development through the idea of "Production that keep an eye on nature and people," based on local production for local consumption. At times, we may adopt new technologies which may be unheard of in the sake brewing industry, and we may attempt to take up revolutionary innovations. This is because it is our philosophy to create circulatory systems which reuse resources from the Rokko ecosystem which provides us with so much bounty.

Treasuring our deep bonds with local communities, we will continue activities which strengthen our business' affinity with our neighbors. Furthermore, we will continue to focus our efforts on being an exemplary brewery for sustainable sake production. From the bottom of our hearts, we wish for your continued support.

\*1 Village rice system: A sake rice trading system which is established between brewers who desire to produce high-quality sake rice and farmers who desire to deal with loyal clients

\*2 Touji: The chief brewer - the person in charge of everything in the sake brewing process



Yamada Nishiki



Making koji mold



Miyamizu  
(high-quality water for sake brewing)



Brewery workers

ACTION

# Creating a sustainable system for sake brewing

**ACTION 01**

**System for the stable production of high-quality sake**



With the retirement of our chief brewer in 2007, we began to make sake produced by employees only.

Previously, the temperature control of each step and the monitoring of operations such as water circulation were left up to the experience and skill of our veteran chief brewer, but given that our chief brewer was getting old and we had successor issues, we made such decision, in order to keep producing high-quality sake.

In order to improve the brewing skills of our employees, we recorded quantitative data of all of our chief brewer's work, and made arrangements so that there would be no mistakes no matter who was in charge of which step. We aimed to reproduce the skills of our chief brewer. By collecting data, today, it is possible for us to remotely control our brewing processes with monitoring system using smartphone. As a result, operating ratios of our equipment have improved year-round, and we have also been able to reduce our energy usage. Additionally, we were able to abolish overtime and late-night and early-morning shifts, and were able to improve the way we work during the brewing process. Today, our veteran brewers teach our young employees, and we have been able to create a highly favorable brewing environment.

Regarding our know-how for energy conservation for the factory, we cooperate with companies with extensive knowledge of environmental management and jointly conduct diagnoses for energy conservation.

**ACTION 02**

**Sake brewing innovation: Koji produced in a tub**



For the koji mold used for our high-quality daiginjo sake, we have introduced a new method which entails making the koji in a tub.

We use a plastic container in order to efficiently evaporate the water from the koji while raising the temperature adequately. The koji naturally generates heat at the same time as the moisture evaporates. With this process, we are able to produce koji which is high in glucose. While advanced knowledge and experience used to be necessary to produce koji for daiginjo, with this revolutionary method, it has become possible to steadily and more easily produce high-quality koji.



Making koji with a plastic box

**ACTION 03**

**Care for environmental protection and biodiversity**



Just one drop of Fukuju, which is a combination of the water, soil, wind, and harvest of the Rokko mountains, is the crystallization of the Rokko mountains' blessing. Expressing our appreciation for this irreplaceable nature, we donate a portion of our sales of our Fukuju Junmai sake "Mikagegou" to the Hyogo Greenery Promotion Association to support environmental conservation activities in the Rokko mountains.

Additionally, as a company which supports local agriculture, a portion of the sales of our "Fukuju special junmai stork-supporting rice Koshihikari" is donated to the Stork Fund in Toyooka, Hyogo Prefecture, which supports the reintroduction of storks into the ecosystem.



Presentation of a letter of appreciation from the Hyogo Greenery Promotion Association

**ACTION 04**

**Care for the safety of our customers, our employees, and local residents**



The five-story Fukuju brewery can withstand magnitude-eight earthquakes, and is therefore a rare structure even in Japan in terms of its quake-absorbing capabilities. Being told the lessons learned from the Great Hanshin Earthquake, we have made it so that up to 86 people can temporarily evacuate to the fifth floor of the building in order to protect the life of our customers and employees in case a tsunami warning is issued.

Additionally, the capacity of the water tank is 72,000 liters, and it is possible to supply drinking water continuously even in the event of a disaster (if one's daily intake is about 1.5L, 480 days for 100 people per day)

**ACTION 05**

**Efforts for the conservation of miyamizu (high-quality water for sake brewing)**



Sake is about 80% composed of water. Kobe Shu-Shin-Kan's sake is brewed with miyamizu, which flows through the Rokko mountains.

In order to preserve the miyamizu, which is so crucial for sake production, and minimize the impact of civil engineering work with the cooperation of the community, we are engaged in thorough water resource management and participate in the Nadagogo Brewers Association's Water Resources Committee and Miyamizu Preservation Research Committee.

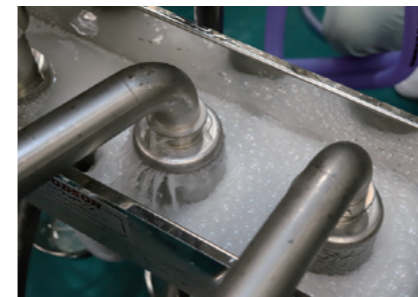
**ACTION 06**

**Proactive introduction of the water-saving technology**



We are moving forward with water-saving initiatives, such as the introduction of water-saving equipment which utilizes jet bubble rice washing technology, and the recycling of some of the water used to wash bottles.

During seven years since 2010, while tripling our production output, our water usage has only increased by 35%.



Scene of rice washing with jet bubbles

**ACTION 07**

**Bottle recycling**



In addition to being an important factor for improving the value of our brand and influencing whether people purchase our products, the bottle design is also important for guaranteeing the quality of our product because it enhances the storage stability. On the other hand, unrecyclable items such as colored bottles put a burden on the environment since they are disposed as non-burnable rubbish.

At Kobe Shu-Shin-Kan, we used to use blue cobalt bottles, which had an attractive design and were effective in blocking UV rays, but by

applying an electrostatic coating to recyclable clear bottles, we have been able to maintain the performance of our old bottles. Thus, 450,000 bottles per year have become recyclable.



Fukuju Junmaiginjo bottles with electrostatic coating

**ACTION 08**

**Increased environmental sustainability and productivity through the installation of cutting-edge equipment**



Through the adoption of measures, such as the making of koji in tubs and high-temperature saccharification that can take full advantage of the qualities of yeast with homogeneous activity, in addition to our employees' emphasis on quality and innovation, we were able to greatly increase our production output. On the other hand, taking into account the burden on the environment that may be caused by an increase in production, we installed a variety of new equipment for our brewing process: a refrigerator which uses a new refrigerant in 2013, an air conditioner in 2014, and jet bubble rice washing equipment in 2015. As a result, our CO<sub>2</sub> emissions and energy usage in FY2017 were 12% less than in FY2010, and our energy consumption rate in FY2017 was 70% less than in FY2010. These results show improvements in energy and water efficiency.

**ACTION 09**

**Variation in energy consumption**

Fiscal year	2010	2014	2015	2016	2017
Amount brewed (L)	158,678	415,906	463,609	459,048	479,786
Production volume rate (index)	100	262	292	289	302
Electric energy (kWh)	1,197,098	1,099,039	1,070,318	1,030,997	1,033,349
City gas (m <sup>3</sup> )	74,641	78,275	72,116	60,696	69,660
Energy (kL)	388	368	353	330	341
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	826	780	751	703	725
(City) water consumption (kL)	19,475	25,247	26,122	26,340	26,340
Energy consumption rate	2.4	0.9	0.8	0.7	0.7

## Message from the vice-president

### Our wish to become a transmission point for regional culture

Kobe Shu-Shin-Kan consists of three business axes. Our president is in charge of the sake business, while I am responsible for the restaurant and sightseeing businesses.

The “Suimei” brewhouse (the brewery restaurant Sakabayashi) is a wooden brewery restaurant where one can enjoy local seasonal vegetables, homemade tofu and soba noodles, and fresh sake which can only be enjoyed at the brewery. The best food which one can eat with sake to enjoy the delicate flavor differences of different types of sake is tofu. This restaurant was born from our will to provide the experience of enjoying the Japanese food culture of “savoring sake at a soba noodle restaurant” that dates back to the Edo period.

At the “Toumyou” brewhouse (the brewery shop), you can find sake which one can only find at our brewery, sake-pairing foods and delicacies which are delivered from all over Japan, high-quality foodstuffs and seasonings, and information on various ways to enjoy sake.

At the “Houmei” brewhouse, which was once a storage building, we hold concerts and cultural events so that local people can enjoy arts and entertainment.

With regard to sake brewing, it is an important duty to inherit traditional brewing methods.

On the other hand, with the idea that we hoped as many people as possible to visit us and learn about us, Fukuju, new types of sake and new ways to enjoy sake, we started the operation of our current facilities in 1997.

With our heartfelt appreciation for the support of local people, who have helped us continue our operations for nearly 270 years, we believe that the items we have on offer at our facilities such as foodstuffs contribute not only to sake production but also to local production for local consumption. We think that our facilities can contribute to regional development within the framework of circulation of the local economy.

Hironobu Kubota  
Representative director and vice-president

## Sharing the attractive points of sake with all of Japan and the whole world

### Attractive points of sake we will keep introducing

At all of our facilities, we are embarking on various initiatives, out of the idea that we should create places and opportunities to enjoy the deliciousness of sake in a relaxed environment, to convey to as many people as possible the attractiveness of sake.

For instance, we offer a seasonal sake “calendar of sake” which starts with a freshly brewed sake and grow as time goes by, with the hope that you fully enjoy sake.

Freshly brewed raw undiluted sake is hand-packed and sold by weight, so this naturally creates conversation with our customers. Such conversations give us encouragement, so we think that every meeting is very important. Additionally, sales by volume is a very eco-friendly system, as it let customers buy just as much as they need. Furthermore, sales by volume is friendly to customers’ wallets, and if customers bring their own containers, it creates no unnecessary waste.

While the type of sake we can sell by volume is limited, we think that through this initiative, we can help inspire customers to enjoy delicious sake while reducing waste, since we will be working with our customers to help better the environment.

Additionally, our various regular events, such as our annual celebration of the release of our new sake and “Tasting together,” our sake tasting celebration, are open not only to our neighbors. But rather, many people from different regions participate due to our information sharing on our website and on social media.

For our customers from overseas, in order to deepen understanding of the attractive points of sake, we have prepared multilingual videos and leaflets which describe the history of Fukuju and sake brewing techniques and processes. We have prepared videos in Japanese, English, Chinese, and Korean, and we have prepared leaflets in our 16 most-often requested languages. We are aiming to become the sake brewery of choice for customers around the world.

### Regional revitalization through sake

We are also putting our strength towards regional revitalization through sake. Using the Shu-Shin-Kan hall, which used to be a building where brewing took place, we are promoting the spread of arts and culture from our brewery. The Shu-Shin-Kan hall is a wooden hall with unique

acoustics, and holds many arts and cultural events every year. We have held concerts of many genres such as jazz, classical music and opera, and have also held other various events such as rakugo (Japanese traditional storytelling entertainment), and courses, exhibitions, and lectures about sake.

In order that the attendees of these events can know more about sake, we offer Fukuju sake during the intermissions.

We hope to invigorate the region through our participation in events in the region, and participate in the event “Kobe Marché” in which many businesses from other industries also participate. “Marché” is a market where local foods and ingredients come together from around the region. In order to create a lively atmosphere full of smiles in Kobe, many idiosyncratic local shops open their eaves and participate in the event. The event is highly popular, with over ten thousand people per day in attendance.

We are also holding environmental workshops for local elementary schoolers. I once heard a museum official say, “children who have never been to museums in their infancy often do not visit even when they grow up.” Feeling that this phenomenon must be the same outside of museums, at Kobe Shu-Shin-Kan, we hold rice planting activities for local elementary schoolers at our mini rice paddy. While children obviously cannot drink sake, I think that it's good if we can offer them a chance to become familiar with the world of sake.

We are continuing to support organizations which are trying to solve various social issues, for instance by donating a portion of the sales of our “Fukuju special junmai stork-supporting rice Koshihikari” to the NPO J.POSH, which is working on the Pink Ribbon initiative to tackle breast cancer, and by donating a portion of the sales of our Fukuju Junmaiginjo sake to Kyoto University’s iPS Cell Research Institute, which is headed by Nobel Prize-winning Professor Shinya Yamanaka.

We are continuing to challenge new areas which have not been previously challenged in our industry. This lies in the fact that we have good communication and can act quickly since we are a company with 50 employees, in addition to our president's willingness to take on new challenges. Believing that our business’ contributions to society will lead to regional revitalization and the growth of our company, we will continue to collaborate and cooperate with various parties and embrace new challenges.



Sale by volume



Hall event



Rice planting in a mini rice paddy



Fukuju Junmaiginjo, which has been certified as a Hyogo Prefecture certified foodstuff

## ACTION

# Regional revitalization through becoming the transmission base of culture

### ACTION 01

#### The sake brewery viewing as a gateway into the world of sake

Aiming at the enjoyment of sake with the five senses, we are holding sake brewery viewings as a view of the behind-the-scenes of sake production. At the brewery viewing, we have various course options on offer which correspond with guests' preferences regarding time and content. By showing videos which display the intricacies of the sake brewing process on a step-by-step basis, we introduce the complex process of sake brewing in an easy-to-understand manner. After the viewing, for every course, we prepare a sake tasting, where one can enjoy Fukuju with the brewery as the backdrop.



Sake brewery viewing

### ACTION 02

#### The creation of a multi-language website

In order that people from all the world's countries can learn about Kobe Shu-Shin-Kan and Fukuju, we have prepared our website in 16 languages. On our website, we introduce not only our products, but also sake production methods and different ways to serve and enjoy sake.



A multi-language website

### ACTION 03

#### Creating bonds between people and regions through events

Once a year, we enjoy the attendance of approximately 5,000 people over the two days of our open brewery event which celebrates the release of our new sake. On those days, as the event starts, the performance of the Nada sake brewing song begins, and in addition to tasting and sales of the freshly brewed new sake and sake lees, there are plenty of activities for families to enjoy, such as food carts and stalls, mochi (rice cake) pounding, and a lottery for a footbath at Arima Onsen (hot springs).



The brewery opening event

### ACTION 04

#### Efforts to support the health of local people

In order to enjoy sake, your body should be healthy. With this in mind, twice a year, in addition to our brewery opening event and other various events, we hold health checkups aimed at the local population. On that day, in cooperation with the NPO "Kenlab," we protect the health of our community by measuring blood vessel aging, bone density, blood flow, and so on to learn about community members' physical conditions. We use this information to give advice on eating and drinking habits.



Health checkups at Nagayamon

### ACTION 05

#### Contributions towards the regional recycling economy

At our brewery restaurant "Sakabayashi," for the dishes which one can enjoy with our sake, we use in-season vegetables from within Hyogo Prefecture and around Kobe when possible. By doing so, we hope to promote the creation of relationships between nutrition education and food producers. At the "Toumyou" brewhouse, which is our brewery shop, we sell not only sake, but also Hyogo Prefecture certified foodstuffs, and display information about local resources and traditional culture. In addition, we sell fresh sake by weight (using returnable bottles) to raise awareness about the value of sake and the environment, and collect empty bottles so that they can be reused.



Local ingredients



The interior of Sakabayashi

### ACTION 06

#### Regional development in collaboration with local NPOs

With the help of local governments mainly based around Kobe, we are collaborating with the NPO "Madrina" on the regionally oriented event "Madrina Marché" which focuses on child-rearing mothers and brings people from different regions together. In summer, we hold the sake brewery yukata festival, which is a collaborative event, in addition to other events. We are happy to see the attendance of many people at these events.



The sake brewery yukata festival

### ACTION 07

#### Added value of byproducts



Sake lees, which are byproducts of sake production, become industrial waste if they are not reused. At Kobe Shu-Shin-Kan, we turn these sake lees into blocks so that they can be sold to places which need them, and serve cuisine which uses sake lees as an ingredient at Sakabayashi. In 2015, we began our "sake lees project," which aims to promote dishes which contain sake lees, such as kasujiru (soup made with sake lees) and sakekasunabe (sake lees hotpot) as important parts of the regional cuisine of the Kansai region. With the help of the media and shops which have showcased dishes using sake lees, sake lees dishes have been a part of the boom in Kansai cuisine.

### ACTION 08

#### Support for arts and culture by sake brewery

At the Shu-Shin-Kan Hall, we received the Mecenat Award 2000 (the regional award) for our promotion of arts and culture as part of our contributions to society.

#### Main events held in FY 2018

Event date	Event name
April 2018	The 40th Katsura Bunchin Spring and Fall Rakugo Event
June 2018	Inaba Kazuhiro and the Rainbow Valley Country Band, vol. 30
July 2018	The 108th sake culture dojo "Why are humans drawn to earthenware?—The enjoyment of earthenware" Miho Sings in KOBE
August 2018	Sake brewery yukata festival Japan-Taiwan cultural exchange: The world of Zhuang Cilu in art and writing
September 2018	American classic jazz by the Yo Kimura Trio, vol. 14 The 41st Katsura Bunchin Spring and Fall Rakugo event Japanese handwork exhibition 2018
December 2018	The 35th Katsura Nanko and Kawata Ken friendly jazz club Inaba Kazuhiro Christmas Concert 2018 End-of-the-year sake brewery opera 2018: The handsome Yao-jizo
January 2019	The 21st Nada Sake University lecture
February 2019	The seventh Okamoto Women's Culture Festival at Kobe Sakekasu, 2019 Hina doll exhibition 2019