

March 1, 2017

Press Release

KANEMATSU CORPORATION

Kanematsu Launches Sake Exporting Through Cross-border E-commerce Site “SAKE NETWORK”

Kanematsu Corporation (Kanematsu) will launch SAKE NETWORK, a B2B cross-border e-commerce site, jointly with MONSTER DIVE, Inc. (MONSTER DIVE), on March 1, 2017, and begin exporting refined Sake.

Kanematsu is leading the marketing to overseas buyers, collaboration with Sake breweries in Japan, and commercial distribution, while MONSTER DIVE is building the website and creating content using web-based media, which is the company's specialty.

Compared with the Sake market in Japan, which has registered negative growth for the last 20 years, the export market for Sake has been steadily expanding every year, with export volumes in 2016 increasing 8%, to 108% of the previous year's level, creating a 15.5 billion yen market. With the spread of Japanese food overseas, the export market for Sake is expected to continue growing.

Today, while the number of Japanese restaurants is increasing worldwide, the price of Sake remains high and is only available in major cities. As such, it cannot be said that Sake has achieved its overseas potential. One reason is considered to be a limited understanding of Sake.

On SAKE NETWORK, a cross-border e-commerce site, Sake from breweries that have difficulty exporting their products by themselves and from breweries that hope to expand overseas sales are sold and purchased by overseas buyers. Kanematsu delivers Sake not only to major cities, but also to small towns through its logistics channels/overseas distribution channels. Initially Kanematsu will export to Europe with plans to extend sales to the U.S., Asia, and other markets.

In addition, SAKE NETWORK eliminates margins of middlemen as overseas restaurants buy Sake directly, so that the price becomes more affordable through the trading company's logistics function. Moreover, by deepening understanding of Sake through SAKE NETWORK, Kanematsu will increase the number of occasions where people drink Sake, boosting its popularity.

In addition to its advantage in importing food product materials, Kanematsu will extend further into overseas markets through its Foods & Grain business, by exporting food using cross-border e-commerce.

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