
INTEGRATED REPORT

SAKE LEADERS SUMMIT 2026

Integrated Report

A record of three days on the structural transformation
of the Japanese sake industry, with recommendations

Dates | Tuesday 4 - Thursday 6 August 2026
Venue | Tokyo Big Sight (within the International
Fermentation & Brewing Food Industry Expo)

SAKE LEADERS SUMMIT Executive Committee
camo Inc. / TSO International Inc.
September 2026

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Foreword

This report records the discussions of all nine sessions of SAKE LEADERS SUMMIT 2026, held at Tokyo Big Sight over three days from 4 to 6 August 2026, and brings together the insights and recommendations that emerged from them.

The Summit began from a wish to see whether the structural sense of deadlock I have felt in my seven years in the sake industry, and the misunderstandings born of too little dialogue, could be untangled through a forum for constructive debate. Everyone in this industry is aware of its problems, yet the wish to make it better for the next generation is only ever partially realised, and I have sensed that many carry a quiet frustration about this. At the same time, having visited more than 250 breweries and spoken at length with officials at the National Tax Agency, the supervising authority, and elsewhere, I can say without hesitation that a great many people sincerely want a hopeful future for sake, for the sake of the country.

That is why the Summit did not stoke a confrontation between supporters and opponents, but insisted on building a foundation on which people of different positions could sit at the same table. Precisely because half-formed understandings of the system breed misunderstanding, and because so much of the current debate skates over the surface, we need a grounded, evidence-based forum. The three days and nine sessions were organised around three lenses: international market strategy and rule-making, rethinking the sake production licence, and business succession and generational change. Alongside them we surveyed more than 120 breweries, so that the voices of those directly affected, which rarely surface in public, could form the basis of the discussion.

I extend my sincere thanks to the speakers, from policy-makers and former officials with hands-on experience of the system to brewery owners and brewers, who spoke frankly from their respective positions; to the participants who joined the discussion in the hall; and to the sponsors and everyone else who supported the event. I am also deeply grateful to the brewery owners who, on condition of anonymity, set down their candid views in the survey.

I hope this report will serve as the starting point for the next round of discussion on protecting and passing on sake as a traditional culture, and on promoting the industry and establishing its brand value in the global market.

MODERATOR

Aki Kawana

CEO, camo Inc. / Founding Director, Roots of (general incorporated association)

September 2026 SAKE LEADERS SUMMIT 2026

Executive Summary

SAKE LEADERS SUMMIT 2026 (SLS2026) was held over three days, Tuesday 4 to Thursday 6 August 2026, at Tokyo Big Sight within the International Fermentation & Brewing Food Industry Expo. It was organised by the SAKE LEADERS SUMMIT Executive Committee (camo Inc. and TSO International Inc.). One theme was assigned to each day: international market strategy and rule-making; rethinking the sake production licence; and business succession and generational change. Nine sessions brought together brewery owners, brewers, members of the Diet, government officials, lawyers, researchers and finance practitioners. This was the second Summit, following SLS2025 (three days, eleven sessions, 3,995 cumulative participants). As an accompanying initiative, a nationwide Brewery Survey on the Sake Production Licence System was conducted^[1], and its results were released during the Summit as the basic material for the Day 2 discussions.

DAY	THEME	SESSIONS
Day 1 4 August	International market strategy, rule-making and traditional culture	S1 Entering new markets: how to compete globally / S2 Defining the framework of sake in the world / S3 Sake as tradition and culture, and capitalism
Day 2 5 August	Rethinking the sake production licence	S4 The production licence system as it stands / S5 Rethinking sake licence regulation (Part I) / S6 Rethinking sake licence regulation (Part II)
Day 3 6 August	Business succession, generational change and brewers' careers	S7 The realities of business succession / S8 Generational change among the legends / S9 Brewers' next careers and training successors

Day 1 Competing in the global market, and who defines the "framework" of sake

Day 1 began from the fact that sake still holds only about 0.2% of the United States, the world's largest alcohol market^[2], and shared the structural problem of the three-tier system and high distribution margins pushing up shelf prices. Speakers reported concrete practices for getting past that distribution structure: direct-to-consumer sales, local brewing and self-managed export. As requests to government, they argued that refrigerated logistics infrastructure, the creation and support of an authoritative global qualification system, and stronger coordination among ministries should take priority over one-off promotional events. The next session asked who builds the "framework" of sake (its definitions, standards and system of value), presenting the awa Sake Association's standard-setting as a model case, noting that Geographical Indications^[3] are not yet functioning adequately, and considering how sake looks from the perspective of overseas education and assessment bodies. The final session on traditional culture laid the intellectual groundwork for Day 2: tradition is not fixed but lives on through renewal; the UNESCO Intangible Cultural Heritage inscription^[4] covers techniques and must be correctly understood; and it is precisely to continue the tradition that the institutions must be renewed.

Day 2 How the brewery survey overturned the confrontation narrative, and the conditions for licence reform

On Day 2 the results of the brewery survey (CSV tabulation, n=122) were released. The finding that 23.5% support and 31.1% conditionally support granting new licences, a combined 54.6% in favour, became the foundation of the discussion^[5]. The widely repeated claim that "deregulation has stalled because of resistance from the major producers" was clearly rejected by the very people concerned, who were on stage, and it was confirmed that the real issue is not a binary of for and against but the design of conditions. On the system itself, the problem of dormant licences was raised: roughly 27% of sake production licences are not in use^[6]. A former official of the licensing authority set out three conditions for any reform: a documented legislative basis, a concrete institutional proposal, and a comparison of gains and losses. On that basis, seven proposals for conditional entry, including phased, quota and points-based systems, were put on the table. The session reached a point of connection to policy action: the need for a phased framework that starts small and verifies results, and the principle that opening up licences should proceed together with measures to grow the market as a whole.

54.6%

In favour of granting new licences
(23.5% support + 31.1% conditional support,
n=122)

0.2%

Sake's share of the
US alcohol market

c.27%

Sake production licences not in use
(1,514 licensed sites, 1,104 active; BY2024)

Day 3 The realities of succession, and brewers' careers as the industry's future

On Day 3, finance practitioners and those who have themselves been through succession spoke frankly about brewery M&A, which in the absence of new licences has become in practice the only route of entry. They raised structural problems: the lack of any standard for calculating fair value, the inheritance of debt, the loss of staff after acquisition, and distorted incentives that stem from neglect of post-merger integration. Next, Kenji Hiroki of Hiroki and Jiro Nagumo of Hakkaisan described two contrasting forms of succession, one a family business and the other an organisation, and shared a view of the market as a whole that applies regardless of scale or form: there is no top of the market without a broader base. The final session addressed head-on the structure that leaves brewers' career paths institutionally closed, and proposed industry-wide rather than brewery-by-brewery training, together with the idea of a brewery dedicated to training toji (master brewers), as concrete prescriptions for passing techniques to the next generation.

The Summit's key questions and where they arrived

How to compete in the US market	Face the reality of a 0.2% share. The keys are D2C, local brewing and self-managed export under the three-tier system, plus public investment in refrigerated logistics, a qualification system and inter-ministry coordination
Who builds the "framework" of sake	Unless brewers themselves take part in rule-making, the risk that the axis of evaluation moves overseas becomes real. At the same time, it was argued that evaluation and criticism by third parties grow the market; the two positions do not conflict. But unless brewery owners are involved in setting the framework of sake itself, it will not be recognised as authoritative
What is tradition	Tradition lives on through renewal. The UNESCO inscription does not justify preserving the current system; institutional renewal grounded in a correct understanding is needed
Do existing breweries really oppose licence liberalisation	The survey (n=122) found 54.6% in favour. The "stalled by major-producer resistance" thesis was rejected by those concerned; the issue is the design of conditions, not for or against
What licence reform requires	Three conditions: a legislative basis, a concrete proposal and a comparison of gains and losses. Seven designs, including phased and quota systems, were presented; a phased approach that starts small and verifies results is the axis for consideration
What to do about dormant licences	Of roughly 1,500 licences, just over 1,000 are active. The dormant-licence problem must be considered alongside new entry
Are succession and M&A working	Structural problems remain: no fair-value standard, neglect of PMI. Succession and new entry are complementary, not opposed
How to open up brewers' futures	Build a career path from apprenticeship to independence, train talent industry-wide, and create a toji-training brewery. No top of the market without a broader base

Overview

ITEM	DETAILS
Name	SAKE LEADERS SUMMIT 2026 (SLS2026)
Dates	Tuesday 4 to Thursday 6 August 2026 (three days)
Venue	Tokyo Big Sight (within the International Fermentation & Brewing Food Industry Expo)
Organiser	SAKE LEADERS SUMMIT Executive Committee (camo Inc., TSO International Inc.)
Planning and operation	Roots of (general incorporated association) / camo Inc.
Sessions	Nine sessions over three days (90 minutes each: 10:30–12:00 / 13:00–14:30 / 15:00–16:30)
Moderator	Aki Kawana (CEO, camo Inc. / Founding Director, Roots of), all sessions
Previous edition	SLS2025: three days, eleven sessions, 3,995 cumulative participants
Accompanying initiatives	Sake Lounge / Brewery Survey on the Sake Production Licence System (14–27 July 2026, Google Forms, fully anonymous)

Every session followed the same format: a question from the moderator, opening remarks from each panellist, discussion among the panel, questions from the floor, and closing remarks. Day 2, which dealt with the licensing system, opened with an explicit statement that speakers' remarks did not represent their organisations and that the session was not a place for promises or blame. The Summit's discussions and the results of the brewery survey are to be consolidated as Recommendations for a Sustainable Growth Strategy for the Sake Industry.

CHAPTER ONE

O I The Question: Why Examine the Structure of the Sake Industry Now?

Exports are running at record levels, and traditional sake-making has been inscribed as intangible cultural heritage of humanity. Yet the domestic industrial base keeps shrinking, and the institutions remain a framework whose origins lie in wartime controls. This asymmetry is the Summit's point of departure.

— A shrinking domestic market and a growing global market

The Japanese sake (seishu) industry is in the midst of a highly unusual structural transformation. At home, taxable shipments of sake peaked at roughly 1.77 million kl in fiscal 1973 and had fallen by about 80% to 376,000 kl by fiscal 2024^[7]. The number of licensed sake production sites fell by nearly 60%, from 3,533 in fiscal 1970 to 1,514 in fiscal 2024^[8], and closures continue. Half a century of shrinking domestic consumption is not merely a market trend; it has steadily eroded the number of people who sustain the industry.

The global market presents the opposite picture. Sake exports reached approximately ¥45.88 billion in 2025 (up 5.6% year on year), the second consecutive year of growth, and the number of destination countries and regions reached a record 81^[9]. The average export unit price rose to ¥1,368 per litre, about 1.8 times

the 2015 level^[10]: a market growing in value as well as volume is taking shape abroad. In December 2024, "traditional sake-making" was inscribed on UNESCO's list of Intangible Cultural Heritage^[11], giving its cultural value international recognition.

Export growth and domestic contraction, international recognition of cultural value and structural weakening of the industrial base, are therefore advancing simultaneously. Looking abroad, about 70 producers now brew sake locally, a figure expected to grow to around 200 by 2030^[12]. Just as the centre of Bordeaux's evaluation once moved to London, there is a real risk that the country that makes sake will cease to be the country that sets its standards. At this juncture where domestic contraction and global expansion cross, re-examining the structure of the industry itself can no longer be postponed.

Figure 1-1 | The sake industry in figures

Taxable sake shipments (10,000 kl)



Peak (FY1973)
FY2024 | down about 80%

Licensed sake production sites



FY1970
FY2024

1,104
of which sites that actually brewed

INDICATOR	FIGURE
Taxable sake shipments	Peak (FY1973) c.177 million kl → 376,000 kl (FY2024, down c.80%)
Active sake production sites (BY2024)	Of 1,707 surveyed sites (incl. storage sites; 1,501 responses, 87.9%), 1,104 brewed sake; taxable shipments 382,000 kl
Licensed sake production sites	3,533 (FY1970) → 1,514 (FY2024; NTA <i>Sake no Shiori</i> 2026 ed. A further 165 sites primarily producing other beverages are listed separately)
Sake export value	c.¥45.88 billion (2025, +5.6% YoY)
Export destinations	81 countries and regions (record)
Average export unit price	¥1,368/L (c.1.8× the 2015 level)
Export-only sake licences granted	7 (since the scheme began in 2021)
Overseas sake breweries	c.70 producers → c.200 by 2030 (projected)
"Traditional sake-making" UNESCO inscription	December 2024

Sources: NTA, *Sake no Shiori* (July 2025; latest 2026 ed., July 2026); NTA, "Sake production status, BY2024"; MOF Trade Statistics; Japan Sake and Shochu Makers Association; Agency for Cultural Affairs; Cabinet Office National Strategic Special Zone WG materials; World Sake Map (see footnotes to this chapter)

— An institutional framework rooted in wartime controls

Despite this transformation, the institutional environment surrounding the sake industry has essentially preserved, into the present day, regulation that originated in the wartime controlled economy. Rationing, price controls and production controls were all abolished, but one element survived: the restraint on new licences based on supply-demand adjustment. Its legal basis is the supply-demand requirement in Article 10, item 11 of the Liquor Tax Act^[13], and in practice the NTA's interpretive circular exhaustively enumerates (items (a) to (e)) the cases in which a new sake licence may be granted. There is no route in the wording of the circular by which a new entrant can obtain a licence to produce sake for the domestic market^[14]. In contrast to beer, wine and many other categories where entry is free, no domestic sake production licence has in effect been issued to a newcomer outside the existing body of sake producers for more than 70 years (existing producers can obtain licences for new sites under the enumerated cases).

As a result, new entry into sake production depends in practice on acquiring an existing licence holder, and a structure has hardened in which licences carry premiums in the tens of millions of yen. The

fiscal 2020 tax reform created an export-only sake production licence, but with a prohibition on domestic sales, and only seven have been granted^[15]. In May 2025 the National Strategic Special Zone Working Group took up a review of the supply-demand requirement, the first in about 70 years^[16], but no conclusion had been reached at the time of the Summit.

Preserving the system has two serious consequences. The first is the absence of a career path. Because the route that exists in beer and wine, of training and then setting up independently, is institutionally closed, ambitious young brewers leave the industry. Here is the paradox: the bearers of a technique inscribed by UNESCO cannot be secured, for institutional reasons. The second is stalled succession. The NTA itself acknowledged at a Working Group hearing that "business succession of sake breweries is not taking place adequately"^[17]. The supervising authority has thus confirmed that neither "not issuing new licences" nor "relying on succession" is working. Licensing, succession and talent are not separate problems but different cross-sections of the same structure.

Design of the Summit: from global to institutions, from institutions to succession

The Summit's three days were designed to capture this structure in three dimensions. Day 1 illuminates the sake industry from the "outside", the global market; Day 2 steps into the "inside", the structure of the production licence; and Day 3 addresses the "future", succession and people. The order, from global market to institutions to succession, is deliberate. It keeps the licensing debate from closing in on itself as a negotiation of interests within the industry, so that institutions are considered by working back from the shared goal of establishing sake's competitiveness and brand value in the global market; and it connects the institutional debate to the realities of the next generation of brewers and of succession, who are most affected by it.

Day 1

Light from the outside

Competitiveness and brand value in the global market. Seeing the sake industry from the world.

Day 2

Into the inner structure

Stepping into the production licence, the industry's internal structure, to consider the design of conditions.

Day 3

Facing the future

Succession and people. Connecting the institutional debate to the realities of the next generation of brewers.

The other pillar of the design is evidence. Debate about institutions is all too often pulled along by the loudest voices or by media framing. For this Summit we conducted a fully anonymous brewery survey (CSV tabulation, n=122) and published, alongside the finding of 54.6% in favour, the open-ended responses, including the tension between what people can say publicly and what they actually think^[18]. Placing the seldom-heard voices of those directly concerned at the foundation of the debate, in both quantitative and qualitative form, was a choice made so that the Summit would be not merely an exchange of opinions but a forum for policy discussion based on verifiable facts.

This report follows that design. The chapters that follow report in detail on all nine sessions from Day 1 to Day 3, proceed through the analysis of the brewery survey, and connect in the closing chapter to Recommendations for a Sustainable Growth Strategy for the Sake Industry. In recording each session we have set out not only points of agreement but also points of disagreement and issues left unresolved. People of different positions sharing the same facts and building the debate from there: this report is itself a record of that practice.

O2 Day 1 | Growth Strategies in the Global Market

The market on the ground, the framework of value, and tradition and capitalism. Day 1 dug through three layers of the premises on which sake must compete in the world.

Day 1 took as its theme "understanding the realities and organising the issues of sake's globalisation", building three sessions on one another. Session 1 dissected distribution structure and pricing from the front line of the market, centred on the United States; Session 2 moved on to the "framework", the question of who defines sake's definitions, standards and system of value, and where; and Session 3 descended to the humanistic

foundation of how tradition and culture are to be protected and renewed within capitalism. Market front line, then standards and value system, then tradition and culture: this three-stage descent from the concrete to the abstract served to form the shared understanding on which the debates about licensing and succession on Day 2 and Day 3 would rest.

Session 1

Entering new markets:
how to compete globally

Session 2

Defining the framework
of sake in the world

Session 3

Sake as tradition and culture,
and capitalism

Entering New Markets: How to Compete Globally

SPEAKER	AFFILIATION
Kazuhiro Sakurai	President, Dassai Inc.
Shigeharu Asagiri	President, Kyodo Shoji Co., Ltd. (COEDO BREWERY)
Genki Ito	CEO, Palate Project (founder of the former Tippy)
Kenji Okamoto	Planning and Coordination Officer, Liquor Tax Division, Taxation Department, National Tax Agency
Naoki Tsujimoto	Attorney, Nishimura & Asahi
Aki Kawana (moderator)	CEO, camo Inc. / Founding Director, Roots of

Sake holds just 0.2% of the US alcohol market. The cause is not only low awareness but a distribution structure created by the three-tier system and the oligopoly of Japanese food trading houses. Three executives fighting on the ground, with experts from government and law, debated the realities of the market, the ways through, and the shape of state support, down to the level of concrete measures.

The reality of 0.2%: how the front line sees the market

Moderator Aki Kawana (CEO, camo Inc.; Founding Director, Roots of) opened by setting out the Summit's three aims: to seek a path to rebuild the industry in the global market while protecting traditional culture, to hold constructive dialogue grounded in evidence, and to take "the next step". Kazuhiro Sakurai (President, Dassai Inc.) then cited, as his motive for founding the DASSAI BLUE brewery in New York, the fact that sake, even including locally produced Gekkeikan, Sho Chiku Bai and Ozeki, accounts for only 0.2% of the US alcohol market^[19]. Three years after the brewery's completion, his sense is that "once you try it, you see just how hard it is". In New York, where sake is well known, people say they are "tired of Dassai"; in the regions, "What's sake? Hot sake?" remains the prevailing level of awareness. He stressed the importance of grassroots work to "teach sake all over again", together with Japanese culture.

Shigeharu Asagiri (President, Kyodo Shoji Co., Ltd.) looked back over COEDO BREWERY, which began brewing in Kawagoe in 1996. A beer made from off-grade sweet potatoes, mocked at home as "potato beer", was acclaimed in the United States; the company began exporting in 2008 and adopted a strategy of re-importing overseas acclaim into the domestic market. Genki Ito (CEO, Palate Project) set out the structural causes of the 0.2% in numbers. Japanese food itself is fully established in the US: two-thirds of the stores of Kroger, the largest supermarket chain, roll sushi, selling a

million rolls a week, and there are more than 20,000 Japanese restaurants. Yet sake from Japan does not appear on the liquor shelves, because of the Prohibition-era three-tier system^[20] and the oligopoly of the "Big Three" Japanese food trading houses, "a competitive environment in which the incumbent distributors hold an overwhelming advantage". The Big Three take high margins on exclusively contracted sake to offset thin-margin foods: against an import margin of about 30% for wine, sake reaches 40–50%^[21]. As a result, the median price of the roughly 600 SKUs in the Tippy era stayed stuck at \$48.

From the government side, Kenji Okamoto (Planning and Coordination Officer, Liquor Tax Division, NTA) presented the overall export picture. Exports of all Japanese alcoholic beverages reached about ¥150 billion in 2025, roughly 2.3 times the pre-pandemic 2019 figure, of which sake accounted for about ¥46 billion. The largest destination was China at about ¥13 billion, followed by the United States at about ¥11 billion^[22]. The government has set a target of ¥76 billion for sake, a priority export item, by 2030, a demanding 1.7-fold increase in five years. The NTA has secured budgets to promote the industry, including subsidies for liquor businesses, invitations to overseas buyers and support for exhibiting at large trade fairs, to drive exports of Japanese alcoholic beverages^[23].

Cultivate demand, or break the distribution structure?

To the moderator's question of whether to spend time developing demand or first to put supply in order, Sakurai argued for demand first. A restaurant's second order never comes unless the restaurant believes the product sells. Hence the accumulation of staff training, building one "strong" restaurant in each area as a de facto flagship, and letting it spread to others. "Once you have built demand and a strong outlet, the supply side starts listening to you." Local production and in-house logistics, he added, freed Dassai from dependence on food wholesalers that want to bundle sake with miso and soy sauce, and let it target precisely the channels needed to build the brand.

Asagiri noted that beer, unlike sake, is something Americans "can judge with their own palate, within their own frame of reference". As competition in craft beer intensified, COEDO reversed the priority of its channels to "Japanese restaurants × Japanese craft beer". On the supply side, it loads containers directly at its

own plant and acts as its own exporter, cutting distribution margins and combining "stable supply, reasonable prices and freshness management".

Ito countered that breaking the distribution structure is what unlocks demand. His reference point is tequila. That market was one-seventh its current size 20 years ago; its rapid expansion was driven by growth in the \$10–30 mid-price tier, which now makes up half the market. Sake has no such tier. With Series A investment from the Kokubu Group, he built "the US industry's first direct-to-consumer sake import model", directly importing 100 SKUs from 33 breweries in ten months^[24]. Customer surveys showed that 40% of beer consumption and 38% of wine consumption had been replaced by sake. He also described demand creation possible only through direct sales: 100 sets of unpasteurised sake from a Saitama brewery sold entirely by pre-order, with the journey from fermentation to arrival in Los Angeles streamed as a documentary, after which a moved couple travelled to Japan to visit the brewery.

Beyond the three tiers: the legal structure of the import D2C model

The legal architecture of this D2C model was the highlight of the session. The way through is the "winery licence". About 20 years ago a US Supreme Court ruling held unconstitutional state laws that treated direct shipments to consumers from out-of-state wineries differently from in-state businesses, opening the way in practice to interstate D2C shipping (subject to obtaining licences and complying with regulations in each state)^[25]. Ito called this "the strongest licence for D2C shipping". He partnered with a logistics company holding such a licence to build a nationwide delivery system, connected Kokubu's import function to it, and completed a brewery-to-consumer direct-sales scheme. Dassai

Blue holds a similar licence, he noted; "it is a question of whether you do it". Asked whether this was a loophole, Naoki Tsujimoto (Attorney, Nishimura & Asahi) explained that if it is an evasion it will later be closed by regulation, but if it is a socially valuable new business the law did not anticipate, one can argue that it "should not be regulated"; it is case by case. Ito added that the gaps in a system where "the federal and state levels do not talk to each other" are the very soil that produced Uber and Airbnb, American-style innovation, and that state-by-state legal interpretation and building a "legal defence" are themselves a source of competitive advantage.

Is \$48 too much? The pricing debate

On price, positions diverged. Ito stressed the price barrier: "Even top customers who buy six or ten bottles a month say they would drink it every day if it were cheaper." At retail, the most common wine price point is in the teens of dollars, the mid tier is \$20–30, and \$50 and above is gift territory. The solution to sake being confined to that "special corner" is to bring prices down from \$48. Sakurai, by contrast, said that since sake's production structure means it cannot beat beer on mass-market price, it "should aim at a fairly high price band to some extent", citing Dassai Blue Beyond (retailing at about \$1,500), of which one bottle emptied six bottles at Cannes, and the fact that around 20 bottles a year sell at the ¥1 million level. He conceded, though, that sake lacks wine's culture of ageing and asset value, so prices are unlikely to rise without limit.

The debate effectively landed on the view that a high-price strategy that supports export value and the creation of a mid-price tier and retail channels essential to mass adoption are not opposed but coexist as a two-layer strategy. On the move away from alcohol among affluent Americans (the "sober curious"), Asagiri said there was no need for pessimism if a relationship can be built in which "when people drink less often, they find a reason to drink something they like more", and mentioned R&D on non- and low-alcohol products good enough to be chosen in earnest. Sakurai said: "We can keep growing because we create more happiness than the part of it that is poison."

Proposals to government: from events to logistics and institutional infrastructure

When the moderator asked late in the session for "fastball" proposals to government, the discussion became concrete at once. Sakurai criticised one-off events and subsidy-based support as drawing "the same visitors and the same breweries every time", and proposed that the state provide one refrigerated container a month, store the goods in a refrigerated warehouse, and act as a semi-importer supplying even small distributors. This would slash the initial hurdle to exporting for small breweries. Asagiri called "the French system the strongest", and urged that Japan build for sake, as a national project, the ecosystem in which a sommelier qualification (studied and examined at one's own expense) is paired with Michelin's ratings. The people who carry it need not be Japanese.

Kawana responded by revealing that two years earlier he had gathered signatures from about 100 breweries to propose a national qualification, and pointed to the concern that sake

education worldwide is gravitating to WSET, IWC and Kura Master, with rule-making slipping into British hands^[26]. Whereas a sommelier is responsible for the P&L of a restaurant's beverage programme, the kikisake-shi and SAKE DIPLOMA hold no such position; he framed the structural problem as "the qualification carries no authority because it does not lead to a job"^[27]. Ito criticised the NTA, METI and MAFF for repeating similar "fireworks" from separate budgets, and proposed consolidating budgets to scale up, and shifting to large domestic events that make use of inbound tourism. Okamoto responded frankly that this was "painful to hear", disclosed that a pilot study of consolidated refrigerated container shipments carrying sake from several breweries was being quietly considered and launched^[28], and acknowledged the problem of ministerial silos and the need for stronger horizontal coordination. The session closed with agreement to continue the dialogue between government and the front line.

Issues at a glance | Session 1

Demand first, or distribution reform first	Grassroots demand-building from "strong" outlets (Sakurai) versus breaking the distribution structure that leaves no mid-price tier (Ito). Complementary, but priority unresolved
High price or mid price	Coexist as a two-layer strategy: high-price positioning that supports export value, and a mid-price tier needed for mass adoption
Legality and durability of the import D2C model	Whether to test the grey zone of the winery licence while waiting for the rules to catch up. State-by-state legal defence is a cost and a barrier to entry
Assessing the Big Three	Builders of the Japanese food market, or an oligopoly holding back sake's growth (both views recorded)
Consistency with the move away from alcohol	Responses of "happiness that outweighs the poison" and "serious non- and low-alcohol products", but no quantitative market design was presented
The shape of state support	From one-off events and subsidies to refrigerated logistics infrastructure and qualification and rating systems. Ending ministerial silos and fragmented budgets was shared as a task
Grounds for supporting overseas breweries	The dilemma that local production pays no Japanese liquor tax, making the policy hard to place, remains unresolved

SESSION 2

Defining the Framework of Sake in the World

SPEAKER	AFFILIATION
Noriyoshi Nagai	President, Nagai Sake Inc. / Chairman, awa Sake Association
Jun Kono	Chairman, Sohomare Brewery Co., Ltd.
Baku Takahashi	Sake Educator & Consultant / 18th Sake Samurai
Saki Ikawa	CEO, Inflorescence Inc.
Aki Kawana (moderator)	CEO, camo Inc. / Founding Director, Roots of

Who defines the "framework" of sake, its definitions, standards and system of value, and where? A brewery owner who has built standards on the model of the Comité Champagne, a brewery owner who polishes a singular product alone, an expert who educates and judges overseas, and a commentator from another industry on translating culture met head-on over everything from where standards should be located to how GI and terroir function.

Standards first, organisation second: the awa Sake Association's method

Noriyoshi Nagai (President, Nagai Sake Inc.) is the sixth-generation head of a brewery founded 140 years ago in Kawaba, Gunma (population about 3,000). Trained in architectural design, his starting point was the gap between sake being "labour-intensive yet cheap worldwide". Of the special-designation specifications he said that "in creating standards they also torment us", pointing to the limits of the existing framework. In 2008 his company alone perfected "awa sake", a bottle-fermented sparkling sake made only from rice and koji, but judging that "one company cannot go out into the world", he spent about a year at the NTA to establish certification standards first, and only then founded an association.

Six items, including gas pressure, are certified by objective measurements from an independent third party. The model was the Comité Champagne, which he encountered in 2006: an industry body responsible for brand management, operation of the AOC standards and even production adjustment^[29]. The awa Sake Association has grown from nine breweries at its founding to 34 breweries and 45 products, forming a market of about 200,000 bottles at an average price above ¥5,000^[30]. In 2020 he also joined the Toki SAKE Association (12 breweries), which handles vintage sake, adding further organisation in the high-value segment.

34

Member breweries, awa Sake Association
(9 at founding)

45

Certified products

200k bottles

Market size (average price above ¥5,000)

300m bottles

Annual Champagne shipments

Why sparkling: the numbers behind a philosophy of supply-demand control

Nagai explained his bet on bubbles with statistics. Even where local "toast with sake" ordinances exist, everyone goes back to beer after the first glass. Beer-type beverages and RTDs hold about 70% of the domestic market, and Japan ranks third in the world for Champagne imports (after the US and UK): "the Japanese like bubbles". But adding yeast or sugar after fermentation, as Champagne permits, would classify the product as a liqueur under the Liquor Tax Act, so it could not be called sake^[31]. That is why he took on the high bar of rice and koji only, above 5 bar of pressure, and clarity, to distinguish awa sake from "pseudo-sparkling".

Champagne ships 300 million bottles a year, a thousand times the "300,000 or so" Kawana had guessed, and the distance from the awa Sake Association's 200,000 is itself the market's headroom. What Nagai stressed was the "shrewdness" of the Comité Champagne in taking responsibility even for supply-demand adjustment. "The domestic market is saturated and oversupplied within easy reach. That is why value does not rise." This idea of controlling supply and demand, growing demand while ordering supply, became the core of the theory of value running through the session.

"Eighty per cent is fantasy": keeping the summit in Japan

Jun Kono (Chairman, Sohomare Brewery) described, by contrast, the path of polishing the value of his own sake to the utmost. His Tochigi brewery handles everything from rice polishing to pressing in-house with ten brewery workers, five of whom hold Nanbu toji qualifications. It aims for "sake of deep savour" through three elements: Yamada Nishiki from Hyogo, the kimoto method revived in 2001, and "optimally matured" blends of one- to three-year-aged undiluted sake; its kimoto junmai daiginjo blends 13 base sakes from three brewing years and three yeasts. Kono's theory of value is provocative: "Eighty per cent of the value consumers perceive may be fantasy. But the maker polishes the remaining 20 per cent, the liquid." He questioned the tendency to over-celebrate overseas

awards and argued that, just as the summit of Shakespeare scholarship is assumed to be at Cambridge, sake needs "a symbol that makes the world believe the summit is in Japan", pointing out that the former Brewing Research Institute's First Plant at Takinogawa, founded in 1904, remains closed. His goal is "a singular sake such that someone drinking a ¥50,000 bottle blind knows it is Sohomare". On evaluation systems, he contrasted competitions entered for a fee with Michelin, which pays its own way, judges anonymously and acquired Wine Advocate, calling it "the evaluator closest to the consumer's point of view", and proposed creating a top-tier qualification and evaluation from Japan built on the consumer's perspective.

Need the judging be in Japan? The debate over where standards sit

The session's sharpest divide emerged over the "location" of evaluation standards. When Kawana asked whether standard-setting was shifting from Japan overseas, Baku Takahashi (Sake Educator & Consultant; 18th Sake Samurai) stated plainly: "If we are talking about sake in the global market, then to put it bluntly, the judging need not be in Japan." He gave three grounds. Overseas recipients' sensibilities differ entirely from those of Japanese people, and keeping everything in Japan leads to insularity. The IWC is in London not because Britain is a producing country but because it is a centre of trade, where buyers and traders historically needed quality assessment. And a non-producing country brings neutrality. "It can be held in Japan, but never by Japanese alone." At the same time he proposed a division of roles,

"history and philosophy should reside in Japan", and warned against overreaction: "The IWC is a competition, not a standard-setting body or a rating. It is better not to think of standards as being made for us overseas." He also presented the reality that "Japan is no longer the only producer of sake". Saki Ikawa (CEO, Inflorescence Inc.), drawing on her experience launching Blue Bottle Coffee in Japan, added that "standards should be dynamic", citing the coffee industry, where climate change and technical innovation are changing how robusta is assessed. Kawana summed up: "Because our power to communicate after deciding is weak, the IWC's arrival felt like the Black Ships." He set as homework for the coming year the incorporation of overseas perspectives into standard-setting and stronger global outreach.

GI Tone Numata and the strategy of "narrowness": does terroir work?

Views on Geographical Indications also split. GI Tone Numata, in which Nagai participates, comprises four breweries; breweries with opposite styles studied wine law together and agreed on strict standards "aiming for the top" of the AOC pyramid. After submission to the Gunma Sake Brewers Association, a month of hearings produced no objections. Nagai's conviction is that "the narrower it is, the more the value of the land is certain to rise", and a year-long geological survey of the "terroir of water" by an emeritus professor of the University of Tsukuba is under way^[32]. This is the opposite design philosophy to Iwate's GI, which uses a

loose standard admitting any sake made with water from within the prefecture plus a two-tier "All Iwate" level. Kono, by contrast, questioned the consumer function of GI itself: "When you see a GI, can you imagine how the sake tastes? AOC works because you can." From the floor, a participant from a koji-starter maker asked whether the fact that nearly every brewery buys its koji starter contradicts terroir; Takahashi replied: "There is no need to hide it. Wine yeasts are not necessarily local either, and rice, water and method have a greater effect on the sake." Whether terroir functions in sake was the issue on which views diverged most in this session.

— Translation and experience: the power to make standards take hold

Standards mean nothing if they are not communicated. Ikawa said that "deliciousness is a sensation that differs from person to person; you need a logic that lets people understand with their heads", and described how, when told step by step that "coffee beans are a fruit, and roasting them dark erases the taste of origin", people's "sour" becomes "tastes like banana". Takahashi, who has sent some 200 graduates through WSET and similar programmes, said that "even if sake is on the shelf, without someone who can explain it no experience is created and consumption does not grow"; translators need overseas experience, and the question is

"whether, hosting in Japan, we can build that process better than London does". Foreigners should be introduced not through technical information but through surprising experiences such as pairing aged cheese with aged sake. Nagai, drawing on his invitation-only tasting room (one party a day, booked six months ahead, over 50% repeat rate), argued for experience design spanning home and abroad: "The domestic market is 90%; exports are still under ¥50 billion, sample-sized. Japan's young people and overseas sake fans are the same people, they just speak different languages. It has to be experience and education together."

— Issues at a glance | Session 2

Where evaluation standards sit	Valuing the neutrality and trading-hub role of non-producing countries (Takahashi) versus "the world should believe the summit is in Japan" (Kono). A hypothesis of "philosophy and foundation in Japan, international evaluation abroad" was offered, but no institutional design
Standards: state, private or market	The awa Sake Association showed the practical wisdom of "working with the NTA to set standards first and build the organisation afterwards", but generalising this to sake as a whole is an open question
Does terroir work	Koji starter is purchased, not an indigenous microbe. The most divided issue: a view denying GI's consumer function coexists with practice seeking scientific backing for a terroir of water
"Narrowness" versus scalability	How to extend the success of the strict, few-brewery GI Tone Numata model to sake as a whole
Bias in fee-based competitions	Sake has no Michelin-type evaluator (self-funded, anonymous, consumer-oriented). Who would run a top-tier qualification from Japan is undecided
Supply-demand control	The view that "value does not rise because of oversupply" was shared, but who would undertake Comité Champagne-style adjustment has not been addressed
The rise of overseas-made sake	No concrete measures were discussed in response to "Japan is ceasing to be the only producer"
Third-party evaluation and insider involvement	The argument that third-party evaluation and criticism grow the market also stands. But unless brewery owners themselves take part in setting the framework of sake, it will not be recognised as authoritative

Sake as Tradition and Culture, and Capitalism

SPEAKER	AFFILIATION
Hiraku Ogura	Fermentation designer
Soichiro Tsuji	President, Tsuji Honten Co., Ltd. (Gozenshu)
Yasuyuki Kishi	Director, Sakeology Center, Niigata University
Kazuo Oishi	Senior Cultural Properties Specialist (Food Culture), Agency for Cultural Affairs
Aki Kawana (moderator)	CEO, camo Inc. / Founding Director, Roots of

With more than three breweries closing every month, how is tradition to be defined, what is to be protected, and how should it change? A fermentation designer, a brewery owner, a researcher and a practitioner of cultural administration, using the framework of "Tradition with a capital T and tradition with a small t", discussed everything from a correct understanding of the cultural-property system and the UNESCO inscription to coming to terms with capitalism.

"Capital-T Tradition" and "small-t tradition"

This closing session of Day 1, which the moderator positioned as "a discussion leaning toward the humanities", dug into the intellectual foundations beneath the debates about markets and standards. The framework came from Hiraku Ogura (fermentation designer). A sense of crisis that began about two and a half years ago, as fermented foods became "impossible to make, closed down, hard to source", drove him to write his book on how we live with tradition. At the fermented-food shop he runs, 40% of customers are from overseas; abroad, fermentation has become a megatrend on

roughly 2.5 times Japan's scale, yet in Japan itself these things are becoming impossible to make. Ogura divided tradition into "capital-T Tradition", tied to national authority, such as kabuki and the tea ceremony, and "small-t tradition", handed from person to person, such as fermentation and local craft, proposing that in the latter each individual is a participant and can have an influence. This dichotomy became the shared language of the rest of the discussion.

Bodaimoto comes home, and Omachi rice stays local

As an example of small-t tradition in practice, Soichiro Tsuji (President, Tsuji Honten) described Gozenshu's work in Okayama. The brewery moved to 100% Omachi rice in the 2022 brewing season and 100% bodaimoto in 2025, arriving at "sake made only from Omachi and bodaimoto". Bodaimoto, said to have originated in Nara about 600 years ago, is regarded as Japan's oldest sake method, a yeast-starter technique using wild lactic bacteria^[33]. It was forgotten as yamahai and sokujo were developed in the Meiji era, but the impetus for its revival came, unexpectedly, from abroad. In the early 1980s, Tsuji's uncle Mike Dean, a dealer in Japanese antiques in London, acquired an old book, *Nihon Sankai*

Meisan Zue, in which the previous toji Harada found a description of bodaimoto: a tradition that came home by way of overseas. Behind this lies a concern about rice. More than 90% of Omachi is grown in Okayama, yet breweries in the prefecture consume only 15%; 85% leaves the prefecture^[34]. Once the brewery decided that "the local brewery protects the local rice", classic heirloom Omachi proved a poor match for sokujo and hybrid yeasts, and the brewery turned naturally to classic methods such as bodaimoto, which became its identity. Ten years after Gozenshu's reconstruction, bodaimoto was revived in Nara as well, and it has now spread to breweries in other prefectures and in London.

— Tradition is a process of renewal: the view from Sakeology

Yasuyuki Kishi (Director, Sakeology Center, Niigata University) introduced Sakeology, launched in 2017 as an industry-government-academia partnership. It systematises sake research, previously centred on brewing science and fermentation, as an integrated discipline spanning agriculture, economics, law and medicine, with a graduate programme and partnerships with the University of Bordeaux's ISVV and UC Davis. Kishi's central claim is that "tradition is probably not the past itself but a process in which

people in the present jointly assign meaning". Niigata's light, dry style too is "tradition only in so far as everyone regards it as tradition", and amid today's diversification young brewers are remaking a "new light and dry". Kishi avoids the word "innovation" and uses "renewal", changing while inheriting the past. Where cultural-property designation follows a logic of "preservation", tradition lives on through "renewal". This distinction became the bridge to the institutional debate of the second half.

— What the cultural-property system protects: embodied skill

From the standpoint of cultural administration, Kazuo Oishi (Senior Cultural Properties Specialist, Agency for Cultural Affairs) carefully explained the system's thinking. The Agency established a dedicated food-culture unit in 2020 and registered "traditional sake-making" as a Registered Intangible Cultural Property in 2021; since then it has handled fresh confectionery, Kyoto cuisine and hand-rolled tea, and has registered nine local food cultures as folk cultural properties in a few years. The important point is that intangible cultural property is not a system for honouring "the skill of making splendid things" but one for "protecting traditional skills that ought to be protected". Even Living National Treasures are a skill-preservation system, not an honour; those who do not train

successors are not selected. "A skill of value is one that, once lost, can never be revived." Koji-making has been mechanised, but the toji's practice of checking its condition every three hours through the night for truly good koji exists only as "an embodied skill that cannot be written down". He spoke frankly about drawing the line in practice. Strictly "traditional" methods would leave only kimoto and bodaimoto, and nearly 100% of sake would fall outside. So, after consultation with industry bodies, the Agency took the bold step of including sokujo, which adds lactic acid and yeast. "Frankly, adding yeast is just pouring it in; it cannot be called a skill." The judgment was that the core lies in hand koji-making, raw-material handling and mash management.

— Understanding the UNESCO inscription correctly: no commercial use

Oishi also corrected misunderstandings about the December 2024 UNESCO inscription of "traditional sake-making" as Intangible Cultural Heritage. What UNESCO looks at is not the excellence of individual skills but "diversity, understanding of diversity, and the promotion of dialogue to that end"; an application that says "this is of very high value as a cultural property" is rejected. The system forbids claims of superiority over other cultures. And crucially, UNESCO Intangible Cultural Heritage cannot be used commercially^[35]. This is poorly understood in Japan; initially there were hopes of using the name value for exports, but before the

inscription the Agency made clear to the industry that there was to be "no commercial use", and moves such as applying stickers to labels were headed off. Overseas there are precedents of commercial use drawing a rebuke from UNESCO. The moderator also cautioned that inflated expectations, such as "exports going from ¥45 billion to ¥450 billion" because of the inscription, are dangerous. Japan can achieve only one UNESCO inscription every two years, a narrow gate, and what the industry aims to achieve through the inscription was left as homework to be worked out separately.

Changing in order to protect, within capitalism

The second half addressed coming to terms with capitalism. The moderator presented the reality that more than three breweries close each month, the latest being an announced closure in Aomori^[36]. Ogura, noting that of roughly 1,500 registered and 1,100 active breweries, the top 20 companies account for over half of both volume and sales while the great majority are tiny^[37], concluded that "we protect culture by changing in the market". His reference was Okakura Tenshin's *The Book of Tea* (1906)^[38]. At a time when Japanese tea was "losing hopelessly" to India and China in exports, Tenshin presented tea in English not as a product but as a worldview and narrative, which led 120 years later to matcha's global rise. Sake today, no longer able to win as an industry, is in the very phase where it can carry a worldview and become "a tradition open to all humanity". Borrowing Taro Okamoto's "go ahead and expand tradition", he said sake could be a common language for the umami culture zone. In the final round each

speaker named the core of sake that must be kept. For Oishi, embodied skill; for Ogura, "the editorial sense of multiple parallel fermentation"; for Kishi, the act of jointly assigning meaning itself; for Tsuji, local rice, local method and the town itself. Tsuji added that, as a generation that has "worked to restore" things after the era of uniformity symbolised by competition gold medals and YK35, "small-t tradition is now in a golden age", while pressing on institutional rigidity: "Licences are not issued; can the special-designation system stay as it is? It is capital-T Tradition that must be renewed." He flagged the institutional discussions of the Junior Council of Sake Brewers' "Future of Sake Committee" and the link to the next day's licensing sessions. Ogura integrated the two: capital and small are not opposed but a biorhythm; when the capital-T becomes too uniform, small traditions are brought out as a counter and renewal occurs. He closed: "It is utterly different from wine's terroir. The core is that a spirituality of synchronising nature with the feel of one's own hands survives as technique."

Issues at a glance | Session 3

Preservation or renewal	Cultural property follows a logic of "preservation"; tradition lives on through "renewal". Whether cultural property and tradition are the same thing remains open
Capital T or small t	After a reservation from cultural administration about the dichotomy ("we would rather no line were drawn"), integrated as "not opposition but a biorhythm"
Preserving skill versus industrial efficiency	How to keep embodied skill when modern methods make better products in hygiene and efficiency. In a structure dominated by tiny firms, small-t tradition cannot be protected by the market alone
Expectation gap over UNESCO	Warnings about poor awareness of the ban on commercial use and the misconception that "inscription = export growth". The official himself stated that what the inscription should aim for is unresolved
Sake's weak sense of place	Unlike AOC, both ingredients and methods are mobile. Linking sake with the whole food scene, including cuisine, festivals and ceremonies (makers × research institutions × chefs), is at the framework-building stage
Rigidity of capital-T Tradition (institutions)	Whether the production licence and special-designation system need review was carried over to the Day 2 institutional sessions

Day 1 Synthesis | A map of the issues in global strategy

The market barrier is structure, not awareness

Behind the 0.2% US share lie the three-tier system, trading-house oligopoly, 40–50% distribution margins and the absence of a mid-price tier. Practical knowledge of breaking through, by import D2C, local production and in-house logistics, was shared.

State support: from events to infrastructure and systems

Refrigerated container logistics, a sommelier-plus-Michelin ecosystem of qualifications and ratings, cross-ministry budget consolidation. The NTA responded with consideration of a pilot study and stronger horizontal coordination.

Who defines the "framework"

A hypothesis of divided roles: Japan for philosophy, history and foundations; overseas for neutral evaluation close to consumers. Bringing overseas perspectives into standard-setting and strengthening global outreach after decisions are the coming year's homework.

The source of value is supply-demand control

"Value does not rise because of oversupply." Who in sake would take on Comité Champagne-style standards operation, brand management and supply-demand adjustment?

Redefining terroir and place

Doubts about GI's consumer function, the reality of purchased koji starter, the terroir-of-water survey. Sake's sense of place should be told not through the sake alone but together with the whole food scene and the town.

Tradition "changes in order to protect"

Tradition is a present-day joint assignment of meaning and lives on through renewal. The homecoming of bodaimoto and the local consumption of Omachi rice are examples in practice.

Small-t tradition in a golden age; capital-T Tradition needs renewal

Amid more than three closures a month and a structure in which the top 20 firms hold over half the market, the case for reviewing the production licence and special-designation system was carried into Day 2.

03 Pre-Summit Survey | Brewery Survey on the Sake Production Licence

What 122 brewery leaders really think about the sake brewing licence

In July 2026, ahead of the Summit, the organiser camo Inc. conducted an anonymous nationwide survey of brewery owners, "SAKE LEADERS SUMMIT: Brewery Survey on the Sake Production Licence"^[39]. It received 122 responses. On the issue that divides the industry most sharply, whether to grant new

entrants a licence to produce sake for the domestic market, it captured the views of the brewery owners directly concerned in both quantitative and qualitative form, and the three Day 2 sessions took its results as the basis for discussion. This chapter reports its design and results in detail.

— Survey design: to hear voices, not to stage a confrontation

The survey's statement of purpose sets out its design philosophy clearly. Debate over granting new sake production licences tends to be reported in the media as a confrontation between supporters and opponents. This survey, however, declared its aim to be "not to advance either position, but to capture accurately the candid views of breweries (in particular concerns and objections that have so far rarely surfaced), as a foundation for constructive discussion at the Summit". The voices calling for deregulation are already visible on social media and in the press, whereas the concerns of existing breweries are hard to express in an atmosphere where "saying so may be taken as defending vested interests". Correcting that asymmetry was the starting point of the design.

The survey was therefore fully anonymous and limited to brewery owners (principals and management). Location was recorded by Regional Taxation Bureau block rather than prefecture, with the prefecture field optional and marked "leave blank if you prefer not to be identified". It took seven to ten minutes to complete. The questions ran from attributes (Q1–Q6), through the core question of support or opposition and reasons (Q7–Q8), a matrix of ten concerns (Q9–Q11), the design of conditions (Q12), assessment of two concrete proposals (Q13–Q14b), perceived benefit from the current system and impact on succession (Q15–Q16), candid views (Q17), and follow-up (Q18–Q19), so that it "asks not only for or against, but under what conditions a system could work".

Figure 3-o | Structure of the questionnaire

ITEM	CONTENT	FORMAT
Q1–Q2	Position (owner/management; family or intended successor; toji etc.) and age group	Single choice
Q3, Q3b	Location (Regional Taxation Bureau block); prefecture (optional)	Single choice; free text
Q4–Q6	Production scale in the latest BY (under 100 koku to 5,000 koku or more); share sold outside the prefecture; successor status	Single choice
Q7–Q8	Support for or opposition to granting new entrants a domestic sake production licence (5-point) and reasons	Single choice; free text
Q9–Q10	Ten concerns if new licences are granted (excessive competition / securing rice / quality decline / asset value of licences / fewer succession partners / large or non-industry capital / foreign capital / mutual support in associations / competition for resources / poaching of staff) on a 4-point scale, and the single greatest concern	Matrix; single choice
Q11	Concerns not listed above, or views that are usually hard to voice	Free text
Q12	Conditions that would be necessary if new licences were granted (11 items, multiple choice)	Multiple choice
Q13–Q14b	Views and comments on Proposal 1 (a sake licence for producers with a track record under an "other brewed liquor" licence) and Proposal 2 (a national licence after trials in special zones)	Single choice; free text
Q15–Q16	Whether current licence practice has protected the respondent's brewery; impact of new licences on succession	Single choice
Q17	Candid views on the sake production licence (including what is hard to say in public)	Free text
Q18–Q19	Willingness to be interviewed further; interest in speaking at the conference	Single choice

Question wording summarised from the original Google Form. Free-text responses: Q8 111, Q11 47, Q14b 44, Q17 81.

Respondent profile

Of the 122 responses, 94 (77.0%) came from brewery owners (principals and management), and including family members and intended successors more than 90% came from those responsible for running a brewery^[40]. While this gives the survey a degree of representativeness as a study of decision-makers, the age profile is

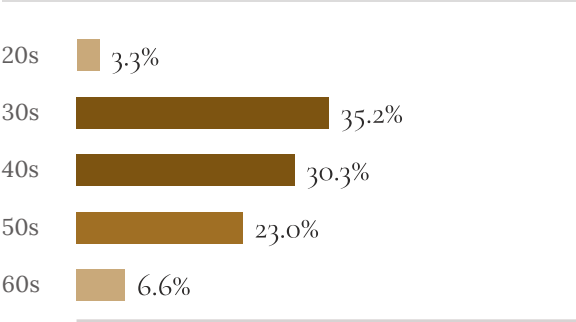
younger than the industry's (65.5% in their 30s and 40s) and 70% of respondents sell 30% or more outside their prefecture, so responses skew towards "younger breweries competing nationally", a point to bear in mind in interpretation (see the methodological note at the end of the chapter).

Figure 3-ob | Respondent profile (n=122)

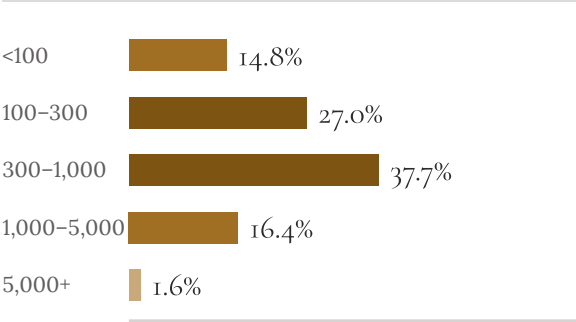
ATTRIBUTE	DISTRIBUTION
Position	Owner/management 77.0% / Family or intended successor 16.4% / Toji or production head 3.3% / Other/no answer 3.2%
Age group	20s 3.3% / 30s 35.2% / 40s 30.3% / 50s 23.0% / 60s 6.6%
Location (Regional Taxation Bureau)	Hiroshima 17.2% / Kanto-Shinetsu 16.4% / Tohoku 15.6% / Osaka 13.1% / Nagoya 12.3% / Fukuoka-Kumamoto 8.2% / Kanazawa 7.4% / Tokyo 3.3% / Hokkaido 2.5% / Takamatsu 0.8%
Production scale (latest BY)	Under 100 koku 14.8% / 100-300 koku 27.0% / 300-1,000 koku 37.7% / 1,000-5,000 koku 16.4% / 5,000 koku or more 1.6%
Share sold outside prefecture	30% or more 70.5% / 10-30% 20.5% / Under 10% 5.7% / None 0.8%
Successor status	Undecided/under consideration 54.1% / Decided (family) 36.1% / No successor 5.7% / Considering third-party succession or sale 0.8%

Two to four non-responses per attribute. Percentages are of n=122. One koku = 180 litres.

Age distribution



Production scale, latest BY (koku)

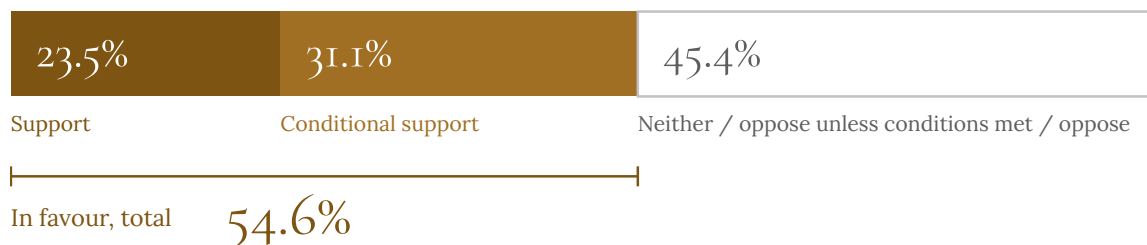


— Key results

The results of the main questions are shown below in chart form. Full tabulations (counts and percentages) for every question are in Appendix A.

Figure 3-1 | Q7 Granting new entrants a domestic sake production licence: for or against

Share of valid responses, n=119



Opposition is roughly half the level of support. Both extremes (unconditional support; opposition under any conditions) are small mi

Support running at nearly twice the level of opposition overturns the received idea that existing breweries are broadly opposed to deregulation. But more than half of the support is "conditional"; unconditional support is only 23.5%. On the other hand, in Q12 (below) only 10.3% chose "should not be granted under any conditions" and 12.8% "no conditions needed (grant freely)": both

extremes are small minorities. In other words, about 80% of brewery owners can join a discussion of "conditional institutional design". This is the survey's most important finding, and it shows that the centre of gravity of the debate can move from "whether" to "how".

KEY FINDING

About 80% of brewery owners can join a discussion of conditional institutional design. The issue is not for or against, but the design of the conditions.

— The structure of concern: foreign capital and large or non-industry capital

Figure 3-2 | Q9 Concerns if new licences are granted (selected items)

"Strongly concerned" + "somewhat concerned", n=114

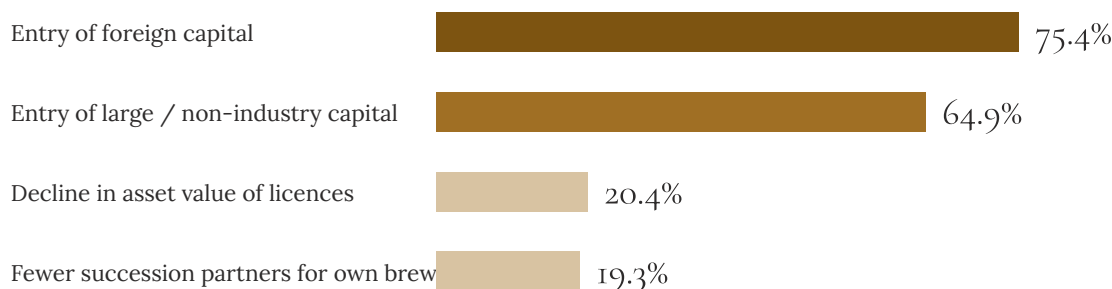
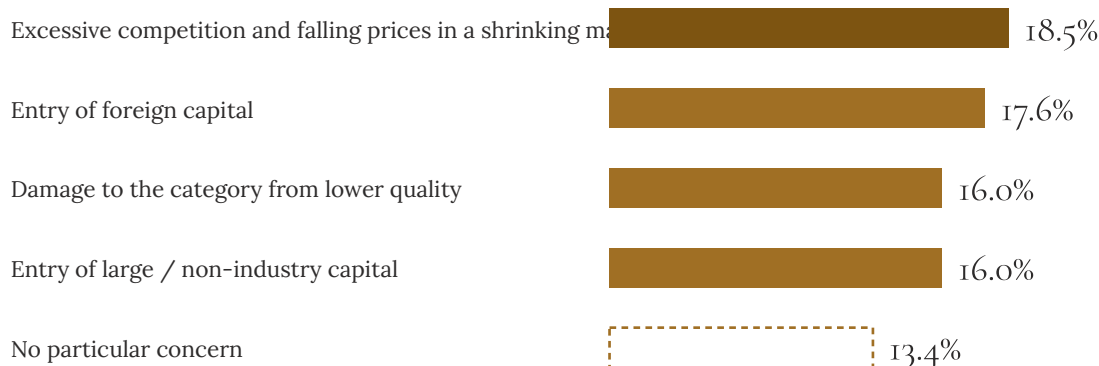


Figure 3-2b | Q10 If you had to choose one greatest concern

Single choice, share of valid responses



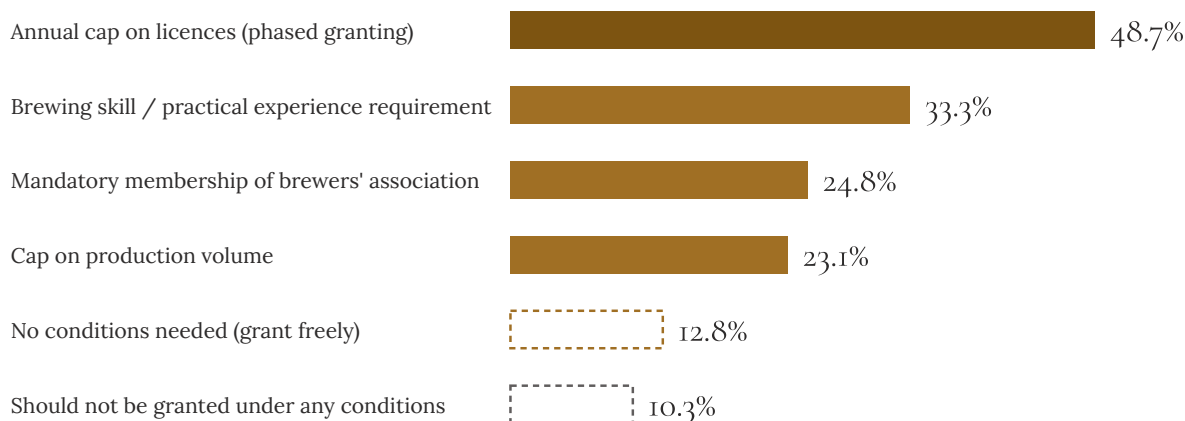
The main axes of concern are "foreign capital" (75.4% concerned) and "large or non-industry capital" (64.9%), and these are widely shared, including among supporters. The two lowest items deserve attention. Concerns directly tied to a brewery's own vested interests, a fall in the asset value of licences and fewer succession partners, stood at only 20.4% and 19.3%. Opposition, in other words, is argued in terms of defending the industry and its culture, not private gain. In Q10, which asked for a single greatest concern,

"excessive competition and falling prices in a shrinking market" came first at 18.5%, followed closely by foreign capital (17.6%), quality decline (16.0%) and large or non-industry capital (16.0%), while 13.4% had "no particular concern". Wariness of small craft entrants as such is relatively weak; the result suggests that the design of screening, "who gets a licence", is the key to building consensus.

Necessary conditions, and assessment of two concrete proposals

Figure 3-3 | Q12 Conditions considered necessary for granting new licences

Multiple choice, share of respondents, n=117 (main items)



The condition that stood out was "an annual cap on licences (phased granting)" at 48.7%. Skill requirements (33.3%), mandatory association membership (24.8%) and a volume cap (23.1%) followed, all overlapping with the institutional options presented by speakers on Day 2 (see Chapter 4). The brewery owners' answers anticipated the proposals Toshiya Tone would later set out: an annual licence quota, a track-record requirement and a limited-volume licence.

RESPONSE	Proposal 1: track record under "other brewed liquor" licence → sake licence	Proposal 2: special-zone trial → national licence
Support	24.6%	18.0%
Conditional support	23.0%	19.7%
Neither	30.3%	33.6%
Oppose	17.2%	19.7%
Don't know	1.6%	4.9%

Q13 and Q14. Percentages of n=122 (4 non-responses for Proposal 1, 5 for Proposal 2).

Among the concrete proposals, support for Proposal 1 (a sake licence after a track record under an "other brewed liquor" licence), at 58 responses or about 48%, exceeded that for Proposal 2 (a national licence after a three-to-five-year trial in special zones), at 46 or about 38%. Criticism of Proposal 2 in the free text was specific: "special zones are unfair", "government involvement makes it slow", "regional concentration creates disparities", "three to five years is too long, with no way out if it fails". Proposal 1 also drew the objection, from both existing breweries and craft sake makers, that "other brewed liquor and sake are different things" and that treating other brewed liquor as a lesser version of sake sat uncomfortably. This should not be overlooked.

— What divides opinion: perceived benefit, scale and successors

What, then, divides brewery owners? The strongest explanatory variable is perceived benefit from current regulation (Q15). Asked whether "current licence practice (restraint on new licences) has protected your brewery's business", 29.1% said "yes" and 28.2% "somewhat", 57.3% acknowledging a benefit. This perception correlates strongly with views on new licences. Among those answering "yes", opposition (53%) was double support (26%), whereas among those answering "no", support reached 81%. The coexistence of an awareness of "having been protected" with an atmosphere in which "wanting to be protected is hard to say aloud" (one free-text response frankly admits "I am aware that I benefit from vested interests") runs beneath this controversy.

The second variable is production scale, and the distribution is U-shaped. Small breweries under 100 koku were 83% in favour (18 respondents) and those at 1,000–5,000 koku 65% (20), both ends leaning towards support, while opposition and caution concentrated in the middle band of 100–1,000 koku (45% in favour at 100–300 koku, 33 respondents; 43% at 300–1,000 koku, 46 respondents), with the largest absolute number of opponents in the 300–1,000 koku

band. Contrary to the received view that "the majors are opposed", those who feel most threatened are mid-sized regional breweries. This matches exactly the analysis Tone offered in Day 2 Session 5 (see Chapter 4): that the core is the fear of "mid-sized breweries in slow decline, supplying regular sake to their regions and too afraid to raise prices".

The third variable is the presence of a successor. Breweries with a family successor decided were evenly split (41% in favour, 36% opposed), whereas those with no successor decided leaned clearly towards support (64% in favour, 20% opposed; Figure 3-4). The difference in support between the two groups is statistically significant; whether there is "a successor to protect" shapes attitudes. On the impact of new licences on succession (Q16), "succession will become harder (negative)" was the largest response at 39.0%, but "little effect" was close behind at 33.9%, and the free text repeatedly argued that "before adding new licences, a mechanism to connect dormant licences and breweries planning to close with would-be entrants should come first", treating succession and licensing as one institutional problem.

Figure 3-4 | Successor status × view on new licences (Q7)

Share of valid responses in each group; 95% confidence interval in brackets

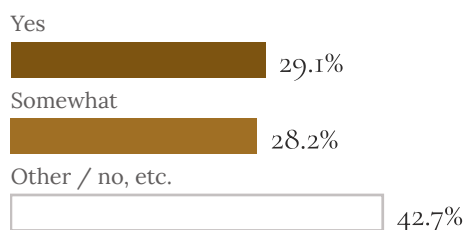
SUCCESSOR STATUS	IN FAVOUR	OPPOSED	NEITHER	N
Decided (family)	41% (27–56)	36% (22–50)	23%	44
Undecided / under consideration	64% (52–76)	20% (10–30)	16%	66

N based on the attribute question. "No successor" and "considering third-party succession or sale" (8 in total) are omitted as too few. The 23-point difference in support between groups is significant at the 5% level (two-proportion test).

Figure 3-4b | Q15 Perceived benefit and Q16 impact on succession

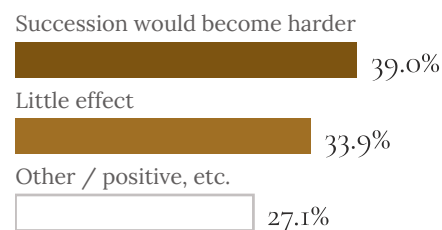
Share of valid responses

Q15 Has current licence practice protected your brewery?



57.3% acknowledge a benefit. In this group opposition is double support.

Q16 How would new licences affect succession?

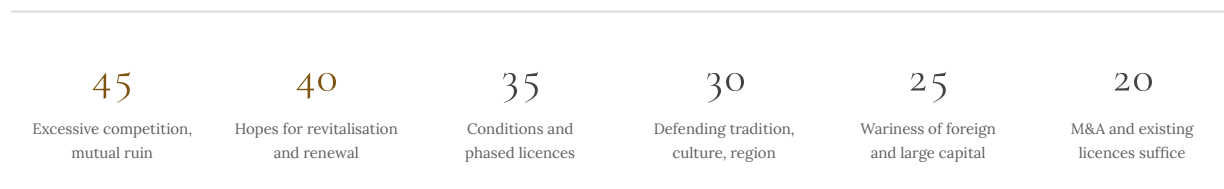


Negative assessments are the largest group, but "little effect" is close behind.

Candid views from the open-ended responses

The four open-ended questions (Q8, Q11, Q14b, Q17) drew 283 comments in total. Sorted by theme, "excessive competition and mutual ruin in a shrinking market" (about 45) and "hopes for revitalisation and renewal of the industry" (about 40) were the two dominant and evenly matched themes, followed by "design of conditions and concrete phased-licence proposals" (about 35), "defence of tradition, culture and regional character" (about 30), "wariness of foreign and large capital" (about 25) and "M&A and use

of existing licences are sufficient" (about 20). Beyond these, the anonymous comments surfaced points rarely voiced in public: legal arguments that the licence system is unconstitutional, calls to transfer jurisdiction to another ministry, criticism of the export-only licence from those affected, and emotional conflict over craft sake. Representative voices are quoted below verbatim (the respondent's Q7 position in brackets).



Approximate number of comments by theme (283 in total)

Fear of excessive competition, and hope for renewal

"While the domestic sake market is shrinking, management resources such as rice, people, equipment and logistics are in short supply. Granting new licences widely in that situation is likely to lead not to growth of the industry as a whole but to a scramble for limited resources and price competition."

Respondent (oppose unless conditions are met)

"Deregulation has so far wiped out small shops, turned shopping streets into rows of shutters, drained the life from the regions and left only big companies standing. I question whether that was a good thing."

Respondent (oppose)

"Without new blood, decline follows. History shows this in every industry. Blocking new entry in the name of protecting the market is counterproductive; increasing the number of players grows the market and in the end protects it."

Respondent (support)

"I wonder about a situation where beer and gin can be made relatively freely but sake cannot. Whatever hot-spring town you visit, all you find are craft beer and gin shops. A small sake brewery in an old-fashioned hot-spring town, with people drinking sake, would be a better scene for Japan."

Respondent (conditional support)

Concrete proposals for conditions: "a licence is earned by track record"

"If newcomers start with a small capped licence under a phased system, even well-capitalised entrants physically cannot run a short-term penetration-pricing strategy. Require practical experience at an existing brewery or a record of contract brewing, and promote to a general licence after several years of production and tax payment; then a licence becomes something 'earned by track record' rather than 'given'."

Respondent (neither)

"With an average of three breweries closing every month, buying one and starting from there should be enough, without new licences."

Respondent (oppose unless conditions are met)

Several respondents on the opposing or cautious side also offered proposals combining use of dormant licences with control of the total: "keep the total number of licences unchanged and create a route for new entry through transfer of existing licences, by public tender or similar", or "have the NTA withdraw the licences of sites

that have not brewed for three years or more and grant them to would-be entrants, revitalising the industry without increasing the number of sites". It is notable that the opposing camp is not simply defending the status quo but articulating alternative institutional designs.

The weight of a licence, and wariness of foreign capital

"A brewing licence carries the history of breweries that supported the nation through liquor tax. I do not mean to reject new entry, but I do not want the weight this licence carries to be treated lightly."

Respondent (conditional support)

"Today's licence holders kept paying liquor tax through the years when sake made no money, supporting the industry from below. Asking only for a licence now that the market has begun to attract attention inevitably looks self-serving to those who know that history."

Respondent (neither)

"If foreign, especially Chinese, capital comes into Japanese breweries, makes sake for its own (Chinese) market and controls distribution within China, it could become a barrier to Japanese breweries trying to enter China. And the likelihood that price comes first and quality second is very high."

Respondent (conditional support)

Questioning the foundations: constitutionality, jurisdiction, and a special-zone case

"The current system violates the constitutional freedom to choose one's occupation (restricting new entry to protect incumbents' interests, without objective public benefit, is unconstitutional). It also departs from the legislative purpose of the Liquor Tax Act (securing liquor tax and its proper and reliable assessment and collection). Moreover, it obstructs diversification, opportunities for innovation and means of regional revitalisation, contrary to the public interest."

Respondent (conditional support)

"Jurisdiction should move from the National Tax Agency to MAFF or METI. There is almost no remaining significance in terms of tax revenue; what is essential is to promote its value internationally as a cultural matter."

Respondent (support)

"In June 2024 our local municipality submitted an application to the Cabinet Office on 'relaxing the requirements for granting new sake production licences under the Liquor Tax Act'. After explanations, many voices opposed special-zone designation, and in August of the same year the municipality withdrew the application. The main reason for opposition was: in such a harsh environment for breweries, why support new breweries rather than existing ones?"

Respondent (oppose) *Municipality name removed to preserve anonymity

On the constitutionality of the licence system, the Supreme Court has upheld both the liquor retail licence system and the ban on home brewing as within legislative discretion (see the column in Chapter 4), but it is of no small significance that the argument of unconstitutionality was raised by brewery owners themselves. The

withdrawal of a special-zone application by one municipality (applied June 2024, withdrawn August 2024) is first-hand testimony to the difficulty of building local consensus^[41], and a concrete case bearing directly on the Day 2 question of whether local consensus should be a requirement.

Doubts about the export-only licence, and conflict over craft sake

On the export-only sake production licence, one view was that a brewery without an established brand at home finds it hard to build overseas channels even with the licence, that it takes an inordinate amount of time, and that overseas buyers do not understand this. Because few businesses could be involved and anonymity is hard to preserve, the comment is summarised here for reference rather than quoted with the respondent's position.

"Half-measures like a sake licence limited to export may harm how Japan is seen from abroad. Would anyone want to drink a wine made in France only for export? It rather makes one distrust a system that does such a thing."

Respondent (support)

That the effectiveness of the export-only licence, an existing piece of deregulation (see the column in Chapter 4), was questioned is important evidence that the debate on domestic licences and export strategy are inseparable. On craft sake, a forceful rejection, "craft sake is the very thing that turned sake into beer; is it right to give them a sake licence? Craft sake = sake is nothing but cultural

destruction", coexists head-to-head with a positive assessment: "I very much welcome a route where the market-creating and recipe-development capacity nurtured by craft sake starts small and, with those skills and networks, can grow into a sake brewery." A supporter of deregulation, moreover, offered the following rebuke.

"Shouting on social media that 'the state says OK but the sake breweries around us won't allow it, so no licence is issued; poor us (craft sake makers), we won't give up!' only pours oil on the fire as far as sake breweries are concerned. It is nothing but a bad move."

Respondent (conditional support)

This observation, that the campaign against regulation on social media is hardening the attitudes of existing breweries, shows that the design of communication matters as much as the design of

institutions. It is also why the Day 2 sessions had to begin by dismantling the confrontation narrative.

Methodological note

Fieldwork ran from 14 to 27 July 2026. The survey was fully anonymous, on Google Forms, distributed to about 250 breweries and returning 122 responses (about 49%). Distribution started from the organiser's network and was not a random sample. The CSV tabulation totals 122 responses; the "120 valid responses" shown in slides during the Summit reflects a difference in the time of tabulation, and the percentages in this chapter are based on valid responses to each question^[42].

Limitation 1 Sample bias	Respondents skew young and nationally oriented: 65.5% in their 30s and 40s, 70.5% selling 30% or more outside their prefecture. Locally focused and older breweries may be under-represented. One respondent cautioned in the comments that "the views of young and ambitious people are not necessarily all correct".
Limitation 2 Form design	The Q9 matrix contained five residual columns left over from form set-up, four of which had mistakenly recorded a total of seven responses. Only the ten labelled items were tabulated.
Anonymity threshold	Positions and attributes are attached to quoted comments only where the relevant category contains roughly ten or more respondents. Smaller categories (5,000 koku or more, holders of an export-only licence, etc.) are quoted without attributes, summarised where necessary, and edited to remove place names.
Follow-up assets	58 respondents willing to be interviewed further, 44 interested in speaking, 47 providing contact details: a basis for continued research and for finding future speakers.

Day 2 |

Domestic Industry Promotion and Regulatory Reform

O4

Domestic industry development and the future of regulatory reform

Day 2 dealt head-on with the Summit's core theme, the sake production licence. With taxable shipments of sake down about 80% from their peak^[43] and licensed production sites down from 3,533 in fiscal 1970 to 1,525 in fiscal 2023^[44], new sake production licences are in effect not granted, on the basis of the supply-demand requirement in Article 10, item 11 of the Liquor Tax Act^[45]. Should this continue, or change? If it changes, under what conditions and in what order? The day was structured in three parts: Session 4 in the morning set out the state of the

system and of the discourse around it, and Sessions 5 and 6 in the afternoon examined the conditions for liberalisation in concrete terms, with the brewery survey of the previous chapter as the foundation. All speakers took part as individuals, not as representatives of their organisations. It was the first time since this controversy began that the major producers of Nada and Fushimi, growth breweries, craft sake makers, a former regulator, a sitting member of the Diet and the responsible Cabinet Office counsellor had debated on the same stage.

Session 4

The production licence system
as it stands

Session 5

Rethinking sake licence regulation
(Part I)

Session 6

Rethinking sake licence regulation
(Part II)

The Production Licence System as It Stands

SPEAKER	AFFILIATION
Masataka Shirakashi	President, Kenbishi Sake Brewing Co., Ltd.
Taiji Okura	Executive Vice President, Gekkeikan Sake Co., Ltd.
Takeshi Sekiya	President, Sekiya Brewery Co., Ltd. (Houraisen) / Chairman, Aichi Sake Brewers Association
Toshiya Tone	Former Deputy Commissioner for Liquor Administration, National Tax Agency
Aki Kawana (moderator)	CEO, camo Inc. / Founding Director, Roots of

"Deregulation has stalled because of resistance from the majors." This widely repeated claim was tested in public, with the executives of major Nada and Fushimi breweries taking part. A former regulator set out the reality of the system, in which just over 1,000 of roughly 1,500 licences are in use, and the discussion began from shared facts rather than emotion.

Three questions in one: untangling a "muddled" debate

After moderator Aki Kawana (CEO, camo Inc.) confirmed the Summit's three principles (open debate; evidence and facts; insights that lead to next steps) and the premise that "speakers are individuals, not representatives of industry bodies", Masataka Shirakashi (Kenbishi) proposed a framework. The licence controversy, he said, mixes three questions: an industrial-policy question of whether new licences are needed for the industry to develop; a question of rescuing would-be entrants, who deserve sympathy for being unable to brew; and a wish to be seen as a pioneer who broke through regulation. Debating them without separating them is why the argument goes round in circles. Taiji Okura (Gekkeikan) agreed: "Rather than the simple picture of the majors opposing, I want to sort out the facts and discuss them." The tone of the session was set.

Takeshi Sekiya (Sekiya Brewery; Chairman, Aichi Sake Brewers Association) illustrated the reality of the system from his own experience. Converting from a limited partnership to a joint-stock company is formally treated as a "new licence", requiring a new company, transfer of goodwill and dissolution of the old company. His second brewery, Ginjo Kobo, was obtained on a wholly new licence. The brewery inside the Shitara roadside station operates under a Structural Reform Special Zone scheme. He acquired a struggling Niigata brewery by M&A, ran it for seven years and sold it. He supported a third-party succession in Tochigi. That a single executive had experienced new licences, special zones, M&A and succession support all at once foreshadowed the day's argument that "multiple routes of entry already exist".

Do new licences contribute to industrial promotion?

Shirakashi argued that new entry is effective as policy in only two patterns: introducing competition where oligopoly keeps prices high (telecoms), and where public money props up loss-making services with a public character (railways). Sake, with surplus capacity, fits neither. "For the sake industry as a whole, licences are in surplus. There really are a lot of idle ones." Sekiya added that the major brewers and others do not enter sake because the market is saturated and "difficult"; if the aim is regional revitalisation, succession of breweries without heirs would suffice. "Economic benefit and new licences are actually unrelated." Kawana supplied scale data: fewer than 20 "majors" have sales above ¥10 billion, while craft sake makers turn over ¥50–150 million. In earthquake-hit Noto, one brewery with ¥30 million in sales received a recovery estimate of ¥1 billion. Okura put the domestic producer market at around ¥400 billion and noted that "regardless of licences, only Dassai and Hakkaisan have grown to tens of billions in a few decades"; while

touching on the view that certain major brands drive export growth, he pointed out that the probability of success does not differ between new and existing players.

Shirakashi, calling craft sake makers "fellow workers in the same drink", nonetheless attached two reservations. He asked them to stop free-riding on association-funded efforts to promote "sake". And the premise of the Liquor Tax Act is securing liquor tax; when a brewery has failed, local associations and trading partners have historically bought up the "unwanted sake" to preserve the tax due. "Are we to do that for people who are not in the association too?" Sekiya listed the association's functions, promoting prefectural sake, redefining value through GI, guaranteeing loans, and involvement in transferring breweries without successors, and said: "There are said to be about 500 idle breweries. How do we connect them with people who want them? Once you think about that, you end up asking whether new licences are really necessary."

The system as it stands: c.1,500 licences, just over 1,000 in use

The core of the session was the account of the system by Toshiya Tone, former Deputy Commissioner for Liquor Administration at the NTA. There are about 1,500 sake production licences (1,514 sites in the NTA's *Sake no Shiori* published July 2026), but just over 1,000 are in use and several hundred are idle^[46]. A licence is a permission to produce, not a property right; buying and selling a licence on its own is, like a sumo elder's stock, not possible under the system. The real route of entry is M&A (share acquisition or business transfer); debts can be settled with lenders, and practice is flexible. Dormant licences are checked about once a year and voluntary surrender is encouraged, but the power of revocation is not exercised compulsorily; after the earthquake, licences were left in place for affected breweries pending reopening.

On the supply-demand requirement, he explained that under the Act licences are granted by category and the supply-demand judgment is made by category; since sake's capacity far exceeds demand, the NTA's interpretation is that "where new licences are not needed, they need not be issued". But Tone did not simply defend the system. Existing breweries are free to grow a hundredfold, while newcomers get nothing: "That logic is not entirely consistent. One cannot say the present system is absolutely right." He then set out three conditions for reform: (1) a demonstrated legislative basis (given that entry by M&A is possible, what harm does the absence of new licences cause?); (2) a concrete scheme (almost no one argues for full liberalisation, and without a proposal covering matters such as foreign capital nothing can be evaluated); and (3) a comparison of advantages and disadvantages. All three must be assembled to move the debate forward.

1,514

Licensed sake production sites
(FY2024)

1,104

Sites that actually brewed sake
(BY2024)

3

Conditions for reform: legislative basis /
concrete scheme / comparison of gains and
losses

COLUMN The production licence in the Liquor Tax Act: Articles 7 and 10

Article 7(1) of the Liquor Tax Act provides that "a person who intends to produce liquor shall, by the procedure prescribed by Cabinet Order, obtain a licence from the director of the tax office with jurisdiction over the place of production, for each category of liquor to be produced and for each production site". Article 7(2) sets minimum production volumes: 60 kilolitres a year (about 333 koku) for sake, and 6 kilolitres for "other brewed liquor"^[47].

Article 10 lists grounds for refusing a licence in items 1 to 12. Alongside personal requirements (such as a record of tax delinquency), location requirements, financial-basis

requirements and technical and equipment requirements, the key provision is item 11, the so-called supply-demand requirement: "where it is found inappropriate to grant a liquor production licence or a liquor sales licence because it is necessary to maintain the balance of supply and demand for liquor in order to secure liquor tax". On the basis of this provision, the NTA's interpretive circular provides that, for sake and certain other categories, new production licences are not granted on supply-demand grounds. This is the legal basis for the state in which "no new licence has been issued for 70 years"^[48].

Testing the report of "resistance from the majors"

Kawana projected the headline of a 7 February 2020 Nikkei online article, "Major-producer resistance limits deregulation", and asked Okura directly: "Did you resist?"^[49] Okura's answer was clear. "There is no particular reason for a major to resist simply because it is a major. Beer companies also have M&A as a means of entry. A surplus of licences means the market is already competitive; the current situation is not one of being protected." On discussions in the Central Association he added that "not all the discussions are ones from which the majors directly benefit". Shirakashi said: "Past regulatory changes have, if anything, all been ones where the majors lost out. The majors of Fushimi and Nada swallowed them

for the sake of the industry. The article creates a misunderstanding." Sekiya testified that in neither the Central Association nor the Aichi association had he "once in more than ten years seen an argument pushed through on the basis of size". Before leaving early, Shirakashi summed up: "It is not so much something we want to protect as unease that nothing has been verified. There is no theory of whose reform this is, for what, and towards what goal." Kawana asked for the debate to be made visible: "The fact that the Central Association's institutional committee discussions cannot be seen from outside breeds speculation."

ON THE RECORD

"There is no particular reason for a major to resist simply because it is a major. A surplus of licences means the market is already competitive; the current situation is not one of being protected."

Taiji Okura (Executive Vice President, Gekkeikan Sake Co., Ltd.)

— Exchange with the floor: is a licence a right or an obligation?

The discussion deepened in the Q&A. Mr Murai of a koji-starter maker, who deals with breweries of every size, observed that "everyone is saying the same thing; the culture gap is bigger than the system", and asked how the cooperative culture of the associations and start-up culture might meet halfway. Mr Watanabe of Niigata University asked whether it was a double standard that, as total alcohol consumption falls, new licences are issued for beer and wine but not for sake, shochu or mirin. Tone replied that beer before liberalisation had only five producers (the big four plus Orion), and lowering the volume requirement produced the flow from local beer to craft beer, while most wine consumed is imported so domestic production has room to grow: "beer and wine are in a different situation from sake". Watanabe's question was not entirely resolved.

Tatsuya Ishikawa, chairman of the Japan Toji Guild Federation, went to the heart of the licence from the brewer's standpoint. "What is the licence for? A licence is not a privilege but something that creates obligations. Hundreds of idle breweries do not deserve their licences." In Hiroshima, a brewery owner who surrendered a licence and later wished to restart could not obtain a new one and turned to craft sake. There are cases of licences moving to distant locations

through acquisitions made for the licence alone. "It is absurd that M&A is a sieve while new licences are refused. But full liberalisation is absolutely wrong. The history of abolishing the sake-kabu system teaches us that." Tone replied that a re-licensing exception for breweries that had surrendered would create a different inequality, "letting in those who once brewed but not newcomers", and was institutionally difficult, while acknowledging that succession involving relocation is operated flexibly as a "way around" the halt on new entry.

Sekiya asked would-be entrants whether "obtaining a new licence has become an end in itself", and, on proposals to abolish the minimum volume, expressed doubt that "a business can stand without even a plan for 333 koku"; but he suggested the germ of a concrete proposal: a system that grants a new licence, or an upgrade from "other brewed liquor", to applicants who meet conditions under a prospectus-based review. Kawana released preliminary figures from the survey distributed to about 250 breweries and answered by 120 (54.6% conditionally accepting; greatest concern foreign capital, 75.4%), and the discussion passed to the afternoon.

"What is the licence for? A licence is not a privilege but something that creates obligations. Hundreds of idle breweries do not deserve their licences."

Tatsuya Ishikawa (Chairman, Japan Toji Guild Federation)

— Issues at a glance | Session 4

The "resistance from the majors" view	Executives of major breweries and association figures on stage rejected the simple view that "the majors are uniformly opposed". It was also noted that the invisibility of internal industry discussions from outside feeds that view
Multiple routes of entry exist	M&A, succession, special zones, the "other brewed liquor" licence. All speakers were sceptical of a link between new licences and industrial promotion
Internal contradiction of the supply-demand requirement	The former regulator himself acknowledged the contradiction of unlimited growth for incumbents and zero for newcomers. The asymmetry with beer and wine under category-by-category judgment is unresolved
Right or obligation	How to treat several hundred dormant licences (compulsory revocation, conditional surrender, one-out-one-in) is a design issue for the future
Three conditions for reform	Demonstrated legislative basis / concrete scheme / comparison of advantages and disadvantages. A shared ground was reached: if these are assembled, reform should follow
Culture gap	The rift between the associations' cooperative culture and start-up culture was raised as an issue separate from institutional design, with calls for both sides to meet halfway (e.g. a proposed craft sake section)

COLUMN Constitutionality of the licence system: two Supreme Court precedents

Is the licence system unconstitutional? On this question, which also appeared in the survey's free text, there are two Supreme Court precedents. In the liquor retail licence case (Supreme Court, 15 December 1992), the Court held that "regulation by an occupational licensing system for the state's fiscal purpose of ensuring the proper and reliable assessment and collection of taxes cannot be said to violate Article 22(1) of the Constitution unless the legislature's judgment as to its necessity and rationality is markedly unreasonable", applying a lenient standard of review to fiscal-purpose regulation and upholding the retail licence system^[50].

In the doburoku case (Supreme Court, 14 December 1989), the Court held that subjecting all liquor production, including home brewing for personal consumption, to licensing and punishing

unlicensed production falls within legislative discretion for the important fiscal purpose of securing liquor tax revenue, and does not violate Articles 31 or 13^[51].

The constitutionality of the licence system as such is thus established: for retail licences under Article 22(1), and for production licences under Articles 31 and 13. But no Supreme Court precedent has squarely examined the production licence system from the standpoint of freedom of occupation (Article 22(1)). And what both cases examined was the existence of the system, not the propriety of the current practice of refusing new licences for sake alone. Here lies the room for today's debate.

SESSION 5

Rethinking Sake Licence Regulation (Part I)

SPEAKER	AFFILIATION
Fumiaki Kobayashi	Member of the House of Representatives
Shuhei Okazumi	President, Ine to Agave Inc.
Kazuhiro Sakurai	President, Dassai Inc.
Taiji Okura	Executive Vice President, Gekkeikan Sake Co., Ltd.
Koki Sato	Counsellor (National Strategic Special Zones), Office for Promotion of Regional Revitalization, Cabinet Office
Toshiya Tone	Former Deputy Commissioner for Liquor Administration, National Tax Agency
Aki Kawana (moderator)	CEO, camo Inc. / Founding Director, Roots of

The craft sake maker who lit the fuse of regulatory reform, a sitting Diet member who has led regulatory reform, the Cabinet Office counsellor for special zones, a former regulator, and the executives of a major and a growth brewery. Every position in this controversy met in one place for the first time, and a shared axis emerged: unless paired with growing the pie, new entry will always be seen as a fight over the pie.

— The instigator's position: the special-zone proposal with Oga City

Shuhei Okazumi (Ine to Agave) described himself as the "instigator" of this debate and recounted five years of it. He acknowledged that entry by M&A is possible and that, for him personally, "buying" a licence would be far easier, and grounded his reason for taking on the system in what he has seen in twelve years in the industry: "Young brewers who come in from outside cannot hold a big dream for their career path. The sake-loving kids who joined in my generation have almost all quit." He stated plainly that he does "not at all" seek full liberalisation or abolition of volume limits; his position is for conditions and trials in limited areas. He chose a National Strategic Special Zone rather than a Structural Reform Special Zone (the *doburoku*-zone model) because the latter's approvals spread easily and lead to de facto national liberalisation, whereas the former can demonstrate the effect of granting licences in a limited area. If brewing became possible in Oga City, Akita,

"young people like me from all over Japan would gather in Oga. There is a future for it as a sake town." He added: "I feel a responsibility to make sure the first one succeeds."

Counsellor Koki Sato (Cabinet Office, Office for Promotion of Regional Revitalization) set out the history of the special-zone process. In 2023 a joint proposal from Oga City and Ine to Agave on "new licences" and "minimum production volume" was accepted. At the National Strategic Special Zone Advisory Council (chaired by the Prime Minister), members rebuked the delay ("too much time has passed since the proposal"). A Working Group hearing followed in May 2025; at the June 2025 Advisory Council it was decided that a "project to support business succession" would be undertaken first, and the Prime Minister instructed that "the necessary examination" be carried out "while also monitoring its progress". Follow-up Working Groups were held in November 2025 and June 2026^[52]. A problem that had been "taboo even to discuss" had entered the administrative process.

— A method for regulatory reform: "factorising fear" and "growing the pie"

Fumiaki Kobayashi, member of the House of Representatives, began with method. "Regulation is not only something to loosen; some of it needs tightening, and it needs to be designed and put in order." From experience of dozens of reforms, including the opening of online medical consultations, he argued that realising policy requires a set of three, "agenda-setting, a concrete solution, and allies", and that one must "factorise the fear" of the incumbent industry to carve out the core that truly needs protecting. Citing how he persuaded commercial broadcasters opposed to new

entrants in satellite broadcasting with the logic that "the arrival of star players makes the pie bigger", he stated the session's axis in a sentence: "Without a picture of how the pie grows, accepting new entrants will always become a fight over the pie." He added that "the only sector in Japan today where new entry is restricted by a supply-demand gap is taxis. Get a medical licence and you can open a clinic", pointing to how exceptional the operation of the sake licence is within the modern regulatory system.

"Without a picture of how the pie grows, accepting new entrants will always become a fight over the pie."

Fumiaki Kobayashi (Member of the House of Representatives)

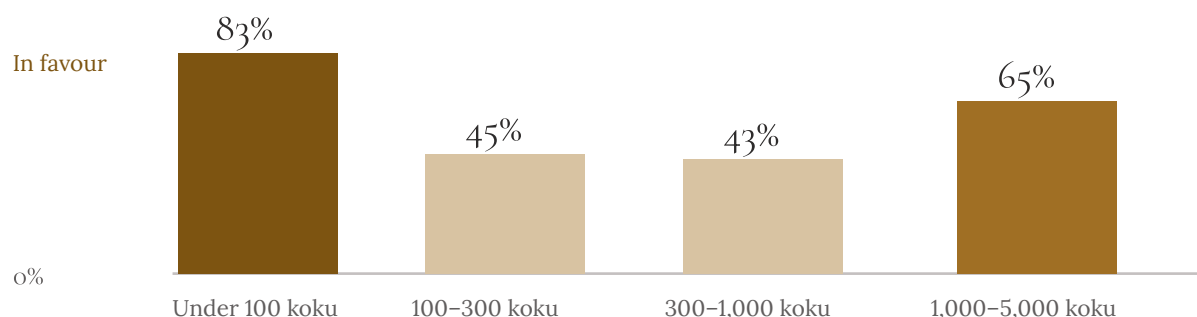
Concern about institutional change: mid-sized breweries that cannot pass on prices

At Kobayashi's request, Tone factorised the industry's concerns. Those the NTA identified during the special-zone discussions were three: intensified sales competition in the regions; difficulty securing rice and being outbid; and the fear that large domestic or foreign capital would use its marketing power to sell "passable sake" cheaply and drive out honest local brands. He then added an important analysis. Confident breweries, the majors and the very small do not feel much threatened. "It came out this morning that 'major-producer opposition' is a myth, and I really think so." The core of the fear lies with mid-sized breweries that supply regular

sake to their regions, are too afraid to raise prices by even ¥50 or ¥100 despite inflation, and are in slow decline but just holding on. Almost every success story of the past 20 years is "a brewery that nearly failed and changed boldly", but that cannot be demanded of every brewery. "Without a concrete proposal that answers the anxiety of mid-sized breweries, the industry cannot enter this debate." This analysis matches exactly the U-shaped pattern in the previous chapter's survey, with opposition concentrated in the 100–1,000 koku middle band.

Figure 4-1 | Share in favour by production scale (Q7)

Support + conditional support. A U-shape: high at both ends, low in the middle band



Exports as a way to grow the pie: refrigerated containers and "the budget we set aside this year"

The main battlefield for growing the pie is export. Kazuhiro Sakurai (Dassai), who opened overseas markets with a junmai daiginjo-only strategy, warned that "if licences are loosened without growing the pie, it is easy to imagine a big supermarket chain taking a licence and making cheap private-label sake", yet with sake at only 0.2% of the US alcohol market he supported more players: "the only way to break this deadlock is to accept a state where people keep coming in and keep failing." Kawana asked about the reality of the existing liberalisation, the export-only licence, and Counsellor Sato assessed it frankly: "When you take it abroad you are of course asked how much you sell in Japan. Honestly, I suspect everyone is struggling. It is not enough to think only about overseas."

Here the session's most concrete result emerged. When Sakurai proposed that "if every month the state chartered a refrigerated container and said 'anyone who wants to share it, raise your hand', the logistics hurdle would fall dramatically and everyone would be happier not being pushed around by importers", Kobayashi responded at once: "As it happens, we set aside that budget this year. Shall we do it?" Okura also endorsed cost reduction through shared shipments. While noting that agricultural and food exports had grown from ¥500 billion to ¥1.5 trillion^[53], Okura cautioned that "it is hard to get results from large-scale blanket promotion alone. We have grown a few per cent a year for decades since the war by selling bottle by bottle through retailers and wholesalers", and said that unglamorous support on logistics and cost is the most rational.

COLUMN The export-only sake licence: the opening in the fiscal 2020 tax reform

The export-only sake production licence, created in the fiscal 2020 tax reform with applications accepted from April 2021, is the sole exception to the supply-demand requirement. It grants a new sake production licence on condition that production is "limited to sake made for export"; the minimum production volume (60 kl) and Article 10, item 11 do not apply. It covers only products qualifying for the GI "Nihonshu": made and bottled in Japan using only domestic rice^{[54][55]}.

Yet according to material the NTA submitted to the Special Zone Working Group, only seven have been granted since the scheme began^[56]. At the Summit, Counsellor Sato remarked that "overseas buyers ask about domestic sales, and I suspect everyone is struggling", and in the brewery survey a holder of the licence testified that "the chance of selling abroad without an established domestic brand is low". One respondent's question, "would you want to drink a wine made in France only for export?", captures succinctly the limits of deregulation cut off from the home market.

— An answer on foreign capital, and the unfinished business of distribution

Kawana noted that about 70% of survey respondents were concerned about foreign capital and revealed that he receives many enquiries from Korea, China and the United States asking "can we buy a brewery?". Tone's analysis was unexpected. There is no foreign-ownership restriction in the current licence system, and foreign acquisitions of breweries have happened. While "discrimination between domestic and foreign without a rationale should be avoided", complex licensing procedures in Japanese and dealings with the tax authorities function as a de facto non-tariff barrier: "the current restriction on new entry has the effect of keeping foreign capital out without regulating it." Depending on how deregulation is designed, this "invisible wall" could be lost. Tone recalled how, at moments such as tariff reductions, the industry's agreement was obtained in a package with fund-based support for structural transition, and put it to Kobayashi: "If the licence is to change, real export promotion, improvement of the

domestic business environment and support for struggling breweries' structural transition should be packaged together, including national budget, to absorb the anxiety of existing breweries. Government has a role, but politics has a large one."

The discussion also reached distribution. Sakurai described how his father bypassed wholesalers to build about 800 direct accounts; Okura recounted the retail liberalisation of the 1990s, the rise of discount stores and the split of local liquor shops into convenience-store conversions and specialist local-sake retailers. Counsellor Sato observed that "the 1999 Three-Year Programme for Promoting Deregulation (revised) also called for abolishing 'supply-demand adjustment regulation', and 'building an industry structure in which liquor tax can be secured without the supply-demand requirement' has remained unfinished homework to this day", showing that the issue has been left over for a quarter of a century.

— "Who lends the ¥500 million?": the step-up licence idea

From the floor, Sekiya, a speaker that morning, put the question at the heart of the session. "When my toji says 'I want to build my own brewery', who lends him ¥500 million? I cannot imagine a bank giving a single yen to an unknown young person walking in on enthusiasm alone." Star players such as Juyondai, Kokuryu and the independent Naohiko Noguchi already existed, yet the industry kept declining: "I cannot see another 30 or 40 Dassais appearing. If we talk about career paths, what track record and capital do we have in mind?" Okazumi acknowledged head-on that "suddenly borrowing ¥500 million for sake is nearly impossible", and offered a solution: a step-up licence from "other brewed liquor" to sake. Most members of the Craft Sake Brewers Association are beginning

to turn a profit, demonstrating a business model viable at around 100 koku. A track record becomes credit and leads to the next round of finance. Ine to Agave itself has borrowed about ¥800 million and now produces about 400 koku. Kobayashi widened the financing options: "The sake industry can think only of bank loans, but in the start-up world equity of ¥500 million to ¥1 billion is commonplace." He argued that a broad base produces stars: "Shohei Ohtani came out of a baseball population of three million. Mr Sakurai is the Hideo Nomo who went to America." The session passed to the second half with a shared understanding, in Sakurai's words, that "this is not a black-and-white question; we are all looking for the right shade of grey together."

— Issues at a glance | Session 5

No binary on the stage

Every speaker fell within the range of "conditional reform". The axis of disagreement has moved to the design of conditions, sequence and package

Concern of mid-sized regional breweries

Concern about mid-sized breweries, centred on regular sake and unable to pass on prices. This view was shared by the former regulator, the major and the growth brewery

Together with growing the pie

Licence liberalisation not paired with growing the pie (exports, inbound tourism) risks inviting cheap private-label entry by large capital (Sakurai's warning)

Concrete result

On state-chartered refrigerated containers and shared export shipments, Kobayashi stated that "the budget was set aside this year", pointing towards a project

Foreign capital must be addressed

Current regulation keeps foreign capital out without regulating it. A design free of "discrimination without a rationale" is required

A total package

Licence reform should form part of a "total industry-promotion package" including export promotion, business-environment improvement and structural-transition support such as a fund (Tone)

An answer to the "¥500 million question"

The step-up licence idea emerged and became the central topic of the second half

Rethinking Sake Licence Regulation (Part II)

SPEAKER	AFFILIATION
Shuhei Okazumi	President, Ine to Agave Inc.
Kazuhiro Sakurai	President, Dassai Inc.
Toshiya Tone	Former Deputy Commissioner for Liquor Administration, National Tax Agency
Koki Sato	Counsellor (National Strategic Special Zones), Office for Promotion of Regional Revitalization, Cabinet Office
Takeshi Sekiya	President, Sekiya Brewery Co., Ltd. (Houraisen) / Chairman, Aichi Sake Brewers Association
From the floor	Tatsuya Ishikawa (Chairman, Japan Toji Guild Federation), Shoya Imai (Founder and brewer, LINNÉ; former head of production, WAKAZE) and others
Aki Kawana (moderator)	CEO, camo Inc. / Founding Director, Roots of

The debate left "whether" behind and entered the particulars of institutional design. A former regulator systematically presented seven institutional options, and the phased licence idea became common ground for advocates, sceptics and former officials alike, while a fundamental question was pressed from the floor: who examines skill and culture, and how?

Designing a phased licence: from provisional to full

The second half began by giving Okazumi's phased concept concrete form. Entry by M&A is bound by the scope of the existing licence, and starting a new operation at 300 koku is a high hurdle. The skeleton is this: build a record of sales and profit under an "other brewed liquor" licence or similar; those whose management and production capability is thereby assured receive a provisional sake licence; and on reaching a set volume it becomes a full licence. Sekiya, making his position clear ("as chairman of the Aichi association I am not unreservedly in favour"), nonetheless went

into the design of conditions. Technically closest to sake is "other brewed liquor" involving fermentation management of rice and koji; a liqueur licence centred on blending would not assure skill. His concrete proposal: weigh together equipment and finance, a raw-material procurement plan, and benefit to the region (a record in food service, lodging and so on), and oblige attainment of a set volume within a few years of the provisional licence. That a party on the opposing side had begun to specify conditions itself symbolised how far this session reached.

As a premise, Tone explained the hierarchy of regulation. Licensing is the strongest form, stronger than notification or permit systems, presupposing day-to-day supervision (as with financial institutions); the reasons are stable collection of liquor tax, supervision of an intoxicating substance, and prevention of harm to health. The purpose of the minimum production volume (60 kl of sake, about 333 koku) is stability of the business: "one can debate whether a volume rule is really needed given technological change,

but some regulation will surely be necessary." When Sekiya added the administrative reality that "it is unrealistic to tie up officials processing paperwork for a few hundred thousand yen of liquor tax", Counsellor Sato reflected that "regulating solely on grounds of administrative cost could amount to administrative negligence", and Kawana disclosed that he was experimentally building an AI system to simplify liquor-tax filing, proposing cost reduction through digital transformation of administration.

COLUMN The "other brewed liquor" licence and craft sake

With no new sake licences granted, the route of entry that has actually functioned is the "other brewed liquor" production licence. Its minimum production volume is 6 kilolitres, a tenth of sake's 60 kl, and new licences can be obtained^[57]. Under the Liquor Tax Act, a beverage made from rice, koji and water and passed through a filtering step is classified as "sake", but adding secondary ingredients such as hops or fruit places it in "other brewed liquor" or another category. Turning this to advantage, new "craft sake" breweries deliberately using secondary ingredients on a base of sake-making technique

have appeared across the country^[58]. The constraints are heavy, though: the products may not be called "seishu" or "nihonshu", nor carry special designations such as junmai or daiginjo. As Okazumi said in Session 6, "with the skill and equipment you can basically make sake on a par with daiginjo. You just cannot call it seishu, nihonshu or daiginjo." Ironically, this licence category has come to the centre of the institutional debate as a step-up route to a sake licence, a place to prove skill and management through a track record.

Allocation of rice, and the natural selection of capital

Kawana raised competition for raw materials: "if an agricultural corporation obtains a licence, it could choose to stop supplying rice to existing breweries." Okazumi, who himself runs a brewery as an agricultural corporation, said he does not touch sake rice destined for existing breweries, supported making secured procurement an application requirement, and added: "Taken to the extreme, one might even say that rice grown on restored abandoned farmland may be made into sake." Sakurai supplied the farmer's perspective from Dassai's experience: "The biggest thing is not being trusted. The agricultural cooperative told us, 'You say

you'll buy, we expand our paddies for you, and if you stop buying next year, who takes responsibility?'" He judged that a phased system, by making the plausibility of purchase volumes verifiable, offers a solution. Okazumi then pointed to a hidden function of the phased system. "Neither big capital nor foreign capital is interested in a business that grows slowly over five years. Fifty koku of sake rice makes no great impact on the market." A phased system sorts out the large and foreign capital that was the survey's greatest concern, not through regulation but through the attractiveness of the business itself.

— Tone's personal proposal: seven institutional options

The highlight of the session was Tone's systematic survey of institutional options. His conclusion, "unless various elements are combined, the sake industry as a whole will not have a mechanism that lets in the people it wants", rejected any single answer and

pointed towards a composite design encompassing the "annual cap on licences" (48.7%) and "skill requirements" (33.3%) that brewery owners supported in the survey.

Figure 4-2 | Institutional options for granting new licences (as set out by Toshiya Tone) SEVEN OPTIONS

1	Phased liberalisation	Restrict licence quotas or production caps for the time being. But the concern remains that full liberalisation follows once the phase ends.
2	Annual cap on new licences	There is precedent in the general liquor wholesale licence, where around 2012 a system of prefectural quotas by formula with public application and lottery was institutionalised ^[59] . Institutionally feasible, but the number and unit of quotas, the suitability of lotteries, and hollowing-out by relocation after acquisition are issues.
3	Track record under "other brewed liquor" etc.	Prevents sudden entry, but "is it right to require someone who wants to make sake to make something else for a period? It may be a nuisance for the second and third sons of sake breweries."
4	Limited-volume licence	For example up to 1,000 koku. Easy to introduce, but the contradiction that once the business grows it can expand only by buying another licence.
5	Regional limitation	Since procurement and sales affect areas outside the region, a reform in which "only the local area benefits" is problematic, so confining both to the region is conceivable; but regionally restricted raw materials could collapse in bad weather or disasters.
6	Recommendation by brewers' association	Although association membership is not compulsory ^[60] , refusal of a recommendation could amount to refusal of entry. Publication of reasons and an appeals procedure would be needed.
7	Points system (Tone's own proposal)	Combine minimum requirements with additional points for local recommendation, local rice, experience and so on, and grant licences from the top within a narrow annual quota. Similar to permanent-residence systems in various countries.

"Unless various elements are combined, the sake industry as a whole will not have a mechanism that lets in the people it wants."

Toshiya Tone (former Deputy Commissioner for Liquor Administration, NTA)

What special zones do: "attaching conditions" and the distance to national roll-out

Views on special zones varied in intensity. Kawana pointed to the severity of confining distribution to a region on the scale of Oga City, population about 21,000 and falling 7–8% a year (a speaker's figure; the latest decline on the resident register is around 2% a year), and Tone agreed it was "a very tight restriction". Counsellor Sato, however, located the essential function of a special zone in "attaching conditions". "At present the dubious and the sound are both uniformly refused. We should open a hole on the premise of a certain risk, and add requirements so that the dubious do not get in." The merit of a special zone is precisely that it can narrow entrants by layering requirements on top of the Liquor Tax Act's licence conditions. He also stated the distance between trial and national roll-out accurately: "There is no mechanism by which it automatically goes national after, say, three years. The doburoku

zones have remained zones; doing it in a zone has itself become a brand, and national roll-out has never come up." Kawana warned against the means becoming the end: "If the system becomes the goal and getting it becomes the finish line, we stray far from the purpose of increasing and sustaining brewing talent and from the context of industrial promotion." On relations with associations, Kawana tentatively proposed "compulsory association membership for several years"; Sakurai responded, "a reasonable idea. Drink together at the after-party of an event and you generally get the measure of someone. It becomes harder for dubious players to get in"; and Okazumi, while admitting it "is honestly tough for a start-up", said "if it becomes the rule we should be prepared to accept it". The three brewers agreed that participation in the local community deters "dubious entrants".

Skill and culture requirements: "who examines them, and how?"

Questions from the floor went to the softest part of institutional design, skill and culture. Asked whether sake on a par with daiginjo can be made under an "other brewed liquor" licence, Okazumi answered: "Yes. But it cannot be called seishu, nihonshu or daiginjo. Whether the market accepts it is another matter." Ishikawa, chairman of the Japan Toji Guild Federation, then questioned whether skill requirements could be examined at all. "Who examines a skill requirement, and how? If winning at the appraisal is skill, I can only say I have never won once. If we leave out making sake as culture and call it mere business, what is a licence for?" Citing sake's distinctive qualities (the range of serving temperatures, matching dishes and vessels, the span from new sake to aged), he struck at the whole business-leaning debate: "Unless we make the effort to protect and preserve that, this is no time to be celebrating UNESCO heritage."^[61]

Tone responded by explaining current practice. The skill requirement for a licence is not a particular style or appraisal record but confirmation that an experienced person is present who can

safely complete the standard sake production process; a licence is initially provisional, with the Regional Taxation Bureau's appraiser making on-site checks and giving guidance, and revocation is possible if there is no improvement. Counsellor Sato turned the question on both new and existing players: "How is the quality of existing breweries assured? If there is nothing, do we demand it only of newcomers? We must think about a mechanism that assures quality across the whole system." Shoya Imai (LINNÉ), a brewer who also holds a miscellaneous liquor licence, proposed a simple common language: "reduce it to whether you can make koji properly, make sake with it, and sell it." Sekiya showed a path to a formal criterion: "five years or more producing other brewed liquor using rice counts as having the skill; that can be drawn as a clear line." Kawana added the question of place and landscape, asking whether we want to leave to posterity a scene of new buildings sprouting among the paddies; Okazumi noted that in developing Oga he has built no new structures at all and plans for all members to obtain toji qualifications, expressing his intention to embody an entry model that "comes in conscious of inheriting sake culture".

Home brewing, the M&A asymmetry, and homework for next year

When Watanabe of Niigata University, citing home brewing abroad, asked about legalising home brewing as a gateway for talent, Tone traced the ban to securing liquor tax after the tax increases that followed the First Sino-Japanese War (the abolition of the home-use sake tax and prohibition of home-use sake in 1899), cited the difficulty of drawing boundaries, intoxication, safety and administrative cost, and answered: "The constitutional argument was fought to the Supreme Court and rejected. It is difficult in today's Japan" (see the column on constitutionality). Mr Kurita from the floor pressed the asymmetry of requirements: "If strict requirements are imposed on new licences, should restrictions not also be imposed on M&A?" Tone replied that licence requirements apply to the acquirer in M&A too, but Sekiya, acknowledging the asymmetry in practice,

pointed to a deeper absurdity: "If I try to pass the brewery to my daughter, enormous inheritance tax falls due, yet when selling by M&A the shares can go for one yen each and the buyer even gets tax incentives. I think it is absurd."^[62] Even so, he said, "sellers have their pride and want to sell to someone who understands", which acts as a de facto deterrent. In closing, the speakers confirmed that open discussion should continue with all stakeholders, including retailers, restaurants, drinkers and toji, and Sekiya concluded: "As association chairman, new licences still give me pause. But people with resolve coming in with sound thinking is not in itself a bad thing." Looking to next year, Kawana announced a round-table format of about 20 people and a theme on "women's ways of working in the brewing industry".

Issues at a glance | Session 6

Acceptance of a phased licence

Track record under other brewed liquor → provisional → full licence was broadly accepted by advocates, sceptics and former officials as "a possible basis for discussion". That association chairman Sekiya himself designed conditions is significant

Seven options as a starting draft

Phased liberalisation / licence cap / track record / limited volume / regional limitation / association recommendation / points system. Towards a composite design rather than a single answer

Natural selection of capital

Majors and foreign capital take no interest in slow-growing businesses: one answer to the foreign-capital concern that topped the survey

The value of special zones is "conditions"

No automatic national roll-out after a set number of years. The risk of "the system becoming the goal", seen in the branding of doburoku zones, was also noted

Skill and culture requirements

Formal criteria (e.g. five years of rice-based other brewed liquor) are possible, but doubts about examinability and the culture argument (koji, region, landscape, awareness of inheritance) remain unresolved, as does quality assurance across the industry including existing breweries

Home brewing and the M&A asymmetry

Legalising home brewing is unrealistic on grounds of tax, health and administrative cost. The asymmetry of requirements and tax treatment between M&A and new licences (inheritance tax versus share transfer) is an issue for the future

Next action

Quantifying demand, "under what conditions how many hands would go up to enter", was proposed

Day 2 Synthesis | Where the reform debate arrived, and what remains

From "whether" to "how"

About 80% of surveyed brewery owners can join a conditional discussion, and on stage no one took either extreme of full liberalisation or a flat no. That a theme treated as taboo for five years was discussed as a matter of conditions, in public and with every party present, is Day 2's greatest achievement.

Testing the "resistance from the majors" view

The executives of Gekkeikan and Kenbishi on stage rejected the view that the majors uniformly oppose deregulation. The survey, meanwhile, found relatively more caution about institutional change among breweries of a certain scale, centred on regular sake and unable to pass on prices.

A phased licence as common ground

The route of a track record under "other brewed liquor" → provisional → full licence solves the ¥500 million problem (financing a new brewery) in stages and, through the natural selection of capital, also answers the concern about foreign and large capital (75.4% concerned).

Seven options and a points system

Tone's seven institutional options and his personal points-system proposal (minimum requirements plus additional points within an annual cap) were offered as a starting draft for future institutional debate, consistent with the survey's most-supported condition, an annual cap on licences (48.7%).

A total industry-promotion package

The need to bundle export promotion, business-environment improvement and structural-transition support with licence reform, rather than reform alone, was made clear. Kobayashi announced a budget for shared refrigerated-container export support, the seed of a concrete project.

The special-zone process

The 2023 Oga City / Ine to Agave proposal → 2025 WG hearing and Advisory Council → follow-up WGs are under way, and the essential function of a zone is "attaching conditions". But national roll-out is not automatic; designing the trial and quantifying demand are the next tasks.

Remaining issues

Demonstrating the legislative basis; the examinability of skill and culture requirements; quality assurance; the asymmetry of requirements and tax treatment between M&A and new licences; the handling of several hundred dormant licences; and how to build local consensus (the difficulty shown by one municipality's withdrawn special-zone application).

The debate continues

As an open forum for all stakeholders, not only producers and government but retailers, restaurants, drinkers and toji, next year will add a 20-person round table and a theme on women's ways of working in the brewing industry.

05 Day 3 | Generational Change and Business Succession

Passing the baton to the future

The theme of the final day was "the baton to the future". In Session 7, young successors from finance backgrounds and a securities-firm practitioner spoke without varnish about brewery M&A, from price formation and staff attrition to post-acquisition turnaround (PMI), starting from the raw example of a transfer price of ¥1 with ¥100 million of debt. In Session 8, two men who shaped an era, Kenji Hiroki of Hiroki and Jiro Nagumo of Hakkaisan, set out contrasting philosophies of generational

change: the family shop and the corporate organisation. Session 9 then closed the three-day Summit by examining, from the standpoint of employed brewers rather than owners, talent development and next careers after the collapse of the toji system. Succession is not merely the transfer of capital and position but the inheritance of skill, culture and resolve. That recognition ran through all three sessions.

Session 7

The realities of
business succession

Session 8

Generational change
among the legends

Session 9

Brewers' next careers
and training successors

The Realities of Business Succession

SPEAKER	AFFILIATION
Yoshinori Honda	Head of Corporate Solutions, Nomura Securities Co., Ltd.
Senichi Kato	President, Tenryohai Shuzo Co., Ltd. (Utashiro)
Risa Aoki	President, Aoi Shuzo Co., Ltd.
Aki Kawana (moderator)	CEO, camo Inc. / Founding Director, Roots of

Brewery M&A is all rumour and little visible reality. In this session Senichi Kato, who took over Tenryohai Shuzo on Sado at 24; Risa Aoki, who took over the former Takahashi Shuzo in Nagaoka, Niigata, in 2024; and Yoshinori Honda of Nomura Securities, on the front line of succession support, brought real figures on price, structure, people and turnaround, and talked through what happens after succession.

Successors from finance: the reality before matching

Moderator Aki Kawana opened by stating the purpose: "Succession is being pursued by the state, the brewers' associations and individuals, but there is a great deal of confidentiality, and the reality is hidden behind rumour." All three speakers came from financial institutions or finance functions. According to Yoshinori Honda (Head of Corporate Solutions, Nomura Securities), the most common succession enquiry from breweries is "how do I pass this to my son", that is, how to minimise the tax burden in a family succession. At the same time, "there are actually quite a few people who want to buy a brewery, but surprisingly few opportunities to meet those who want to sell", and Nomura has begun to support matching. Senichi Kato (President, Tenryohai Shuzo) took over by

M&A in 2018 at the age of 24; after training at the National Research Institute of Brewing and at Aihara Shuzo in Hiroshima he took on production responsibility from December 2019 and launched the Utashiro brand. He further announced that in 2026 he had acquired a second brewery, the former DHC Shuzo, jointly with a local property company and a marketing company, and would "change things little by little from BY2026". Risa Aoki (President, Aoi Shuzo) entered the industry from a career unrelated to breweries, took over the former Takahashi Shuzo in September 2024, and restarted it as Aoi Shuzo in 2025. With a core team of five, the company now works from rice-growing upwards.

— Finding a brewery: what they looked at, and what decided it

In 2017 Kato considered 14 or 15 breweries for sale. With the attitude that "anywhere in Japan would do; realising what I wanted to do came first", he found Tenryohai Shuzo through a client of the securities firm where he had worked. His criteria were three: undeveloped sales channels and little revenue; room to improve the finances; and a steel-frame building. He examined the finances through gross and operating margins, reading every page of the general ledger and drawing lines under "costs that can be changed". It also mattered that Sado, as a border island, qualified for subsidies on transport costs and capital investment that the previous owner

had never used. Aoki, for her part, spent about two years in corporate planning at Tatenokawa Shuzo in Yamagata, seeing first the example of "how far a brewery can go when it works", then as a freelancer supported brewery acquisitions and fund-raising, encountering 10 to 20 sale cases. Her meeting with Takahashi Shuzo came through a slender connection: "a colleague of a friend of a lawyer friend lived in the same apartment building as the former owner". Her conditions included an affordable size, land that could be expanded and access to the Tokyo area, but what mattered most was "timing, feeling and connection".

— There is no fair value: price formation and the intermediary's conflict of interest

On price, Honda stated flatly that "pricing is extremely difficult; the answer is that it is not settled". He cited a real case of a transfer price of ¥1 with about ¥100 million of debt, an acquisition for ¥100 million in substance^[63], and said: "Tax aside, it is a one-to-one transaction, so it can be bought and sold at a price both sides accept." For large corporate acquisitions EBITDA and payback period are the yardsticks, but Honda agreed with Kawana's observation that "a company generating EBITDA would not be for sale in the first place", and said "doing it as a private deal between individuals is the trick to increasing the number of brewery M&As". When Kawana raised the conflict of interest in dual-agency brokerage that takes fees from

both seller and buyer, Honda replied: "Nomura has a policy of not brokering (one-side FA only). The limits of the boutiques are starting to show, and frankly, with a tax accountant and a lawyer a private deal is enough." He also noted the paradox of the "total-asset Lehman" formula, under which the buyer's fee rises the more debt a brewery carries. On pricing from the buyer's side, Kato said: "Basically the other side's asking price. I thought about over what period I could recover to break-even. I looked at the numbers, but intuition played a large part." Aoki said: "The shares had no value, so I proposed a figure I could recover under my own business plan, including asset valuation and debt. The share price was a matter of sentiment."

— Take over as is, or a new-company structure: "what do you want to buy?"

Kawana asked how this compared with a "second company" structure combining a new company, business transfer, licence transfer and debt restructuring. Kato endorsed taking over the shares, debts and all: "I was glad to inherit it and keep it running. Changing the inside while revenue is flowing takes nothing like the effort of a zero-to-one start-up. Same with the second brewery." Aoki, who had experienced the re-licensing pattern while supporting other companies, said: "It is very hard and takes time. It depends what you want to buy. If it is only the licence, a clean structure works, but I felt there was meaning in inheriting what the brewery holds, including its relations with the region, customers and banks,

so I bought it as it was, without damage." Sellers often ask that the company name be kept, Honda said. Takahashi Shuzo was a special case, having left the founding family 14 or 15 years earlier with no such condition, and was renamed to avoid confusion with another company of the same name. On buyers, Honda revealed that "many of my buy-side clients want to make money" and "listed-company buyers want a payback horizon of three to five years; enquiries from China saying 'we want a brewery' are mostly for hobby or brand ownership". Kawana noted that concern about foreign capital had topped the brewery survey^[64].

— The reality of people: from thirteen to one

The rawest testimony of the session concerned people. When Kato took over, Tenryohai Shuzo had 12 or 13 employees; those who could not follow the change of direction left one after another, and as of 2026 one remains^[65]. "With the fire at my heels I had no room to be considerate." When he asked staff to move from oversized push-button machinery to hand work suited to the scale, they left saying "we don't want to do hand work". At the second brewery, too, about half submitted resignations within a few months even though nothing in day-to-day practice had changed; the trigger was a casual remark about production volume from Kato, who understands brewing. Kawana observed that "the pattern of brewery workers leaving when the head changes, including generational handovers, is heard of even at famous breweries". Aoki's case was unusual: the brewery had been due to close before succession and everyone had already left except

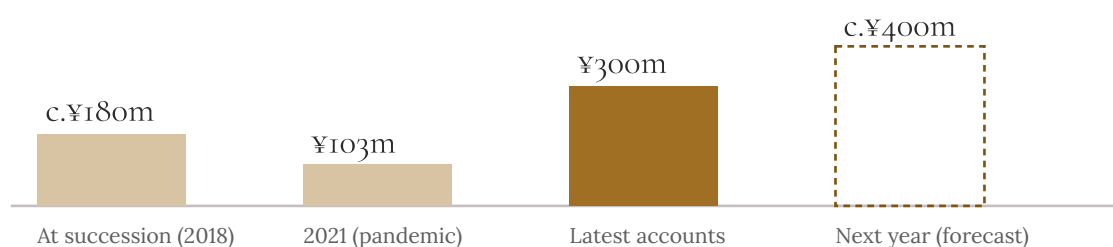
one toji. That toji, scheduled for a three-month handover, stayed on for his character and remains today, and the former office clerk returned part-time after retirement; "two people were inherited". On hiring, Kato (now 21 staff) said: "We deliberately do not hire people who 'love sake' or 'worked at a brewery'. We actively recruit complete novices." Former chefs, carpenters, a manga artist, a systems engineer: because the brewery's methods are its own, people without prior knowledge are easier to train. Sales, operating profit and even directors' pay are disclosed to all staff, who are then given charge of departments. On command, he argued: "In a small brewery the person who did the M&A should be the commander at first. Sake is the ultimate product-out, a product that imposes a philosophy, so it needs a strong declarer of intent, the president." Aoki agreed: "All decisions are mine. On that basis I build the team around how to draw out everyone's strengths."

— PMI is the real work: turnaround figures and channel strategy

Here Kawana raised a strong objection: "PMI (post-acquisition integration and turnaround) matters most, yet far too many measures use only the number of matches as a KPI. The NTA's survey and pilot-project report barely mentions PMI, and the policy is to have brewers' associations lead matching, but can they really do it?"^[66] Kato's turnaround figures: sales of about ¥180 million at succession → ¥103 million in the pandemic year 2021 → above the succession level in 2022 → ¥300 million in the latest accounts → about ¥400 million expected next year^[67]. The lever of growth was "without doubt spending (capital investment)"; hand-brewing equipment was complete in 2022, and quality leapt with the koji room installed last. In 2023 a gold medal at the Annual Japan Sake Awards, sixth place at SAKE COMPETITION and selection for JAL First Class coincided^[68]. "Ninety-nine per cent effort, one per cent luck," Kato said. Aoki described a contrasting path: "There were no people, so I did not think in terms of integration; it felt like building the business almost from

zero. Brewing, products, customers, I changed everything and am building it up." Kawana also proposed using the Regional Taxation Bureau appraisers' technical support for PMI and export improvement. On channels, Kato said "exclusive distribution is not everything; it depends on the scale you aim for", but chose one-to-one exclusive distribution to enforce refrigerated handling, starting in 2019 with 16 koku and about ten retailers he approached himself. Because a new brand is flooded with speculative enquiries, he advised: "You absolutely must grit your teeth at the start." Aoki said: "Retailers are micro-influencers. What I look at most is whether they will introduce us with love." In the Q&A the darker side of succession was also discussed frankly, including harassment over an allegation (since disproved) of improper receipt of employment-adjustment subsidies. In closing, each named what "must not be done": succession without a vision (Honda), without resolve (Kato), and by merely putting up money (Aoki).

Figure 5-1 | Tenryohai Shuzo sales after succession (from Kato's remarks)



Issues at a glance | Session 7

Matching KPIs vs. PMI	Measures are judged by deals closed, and post-succession turnaround is missing from the design. Whether brewers' associations have the capacity to deliver remains unanswered
Brokerage vs. private deals	"A tax accountant and a lawyer, one to one" is the alternative, but who provides a broad meeting place for sellers and buyers is unresolved
Buyers' motives	Tension between profit-seeking buyers (three-to-five-year payback; hobby acquisitions by foreign capital) and buyers who inherit region and culture together
As is vs. second-company structure	This session agreed on "as is", with the proviso that it depends on debt levels and bank relationships
Speed of reform vs. existing staff	Rapid reform drives staff away (13 → 1). A dilemma against the reality that "if you stop, you fail"
Absence of fair value	How sellers should prepare in advance was left without concrete proposals

SESSION 8

Generational Change among the Legends

SPEAKER	AFFILIATION
Kenji Hiroki	Representative, Hiroki Shuzo Honten (Hiroki)
Jiro Nagumo	Chairman, Hakkai Brewery Co., Ltd. (Hakkaisan)
Aki Kawana (moderator)	CEO, camo Inc. / Founding Director, Roots of

"Has there ever been a time when generational change at the brands that defined an era was so concentrated across the country?" From Kawana's opening question, Kenji Hiroki, who created Hiroki, and Jiro Nagumo, who grew Hakkai Brewery into a 26,000-koku company, set out contrasting philosophies of succession: the family shop, and the company with its values already embedded in the organisation. Two forms of succession came into relief.

— "I had no choice but to take over": born into a shrinking market

Kenji Hiroki (Representative, Hiroki Shuzo Honten) was born in 1967. Sake consumption peaked in 1973^[69], so for as long as he can remember he grew up in a shrinking market. By his junior high school years the company had no employees; his parents, part-timers, a Nanbu toji who came only in winter and farmers in the off-season made the sake. "I could not possibly see a future for this company." After graduating he joined a whisky maker, but around his third year his father, weakened in body and mind, told him "if you don't come back, I'll close the company", and he returned home in 1993, reasoning that "having been born into a brewery, I could not avoid taking it over once and facing my fate". The brewery then had sales of ¥50–60

million, produced just under 800 koku a year, and sold cheap sake at about ¥600 a bottle into Hokkaido, where supply and demand were loose^[70]. One motive for returning, Hiroki recalled, was the special nature of the licence: "A brewing licence is not something anyone can get new; close and surrender it and you can never brew again." Because of the licence, he said, breweries developed a shared cultural soil and a sense of fellowship, and on the licence liberalisation debated the previous day he was cautious: "Liberalising licences and letting foreign capital in is something that needs to be thought through carefully."

— "The company before the family": Hakkai Brewery's history and the duty to supply

As told by Jiro Nagumo (Chairman, Hakkai Brewery), the company was founded in 1922 and is in its 104th year. The founder was a landowner who started the brewery as one of several regional-development ventures, alongside attracting a power station and a hospital. But the former village of Jonai was a place "where nobody lived", and Nagumo states bluntly that "founding it where there was no market was itself an error of judgment". After the founder's death, his father Kazuo Nagumo, the youngest of six siblings, became president at 28 and kept the insolvent company going. His father inherited only the company, not the family headship. The family ethos of "the company before the family; the company is life" stems from this. Jiro himself studied for about three years at the Niigata Prefectural Brewing Research Institute and joined in 1983 at 25. Aware that "I am not suited to making sake", he devoted himself to the producer's role: building the

organisation, developing people, procuring raw materials and improving the environment. As light, dry sake sold and supply ran short, a sense of danger that "too little supply makes people find value beyond the quality" and a conviction that "sake is an everyday consumer good, and good quality for the price is an absolute condition" led him around 1989 to define a duty to supply alongside the duty of quality. He built up the organisation, mechanisation and rice procurement, reaching a peak of 34,000 koku in 2013 (about 26,000 today)^[71]. "There was never a judgment that quality fell as volume grew," he says with pride. Given the collapse in taxable volume, he made "having founded a company, build one that never ends" the paramount theme, and over about 20 years expanded into amazake, pickles, whisky and tourism under the theme of "rice, koji and fermentation, and water, which is snow".

— The birth of Hiroki: "the beginning of everything" from rock bottom

After returning home, Hiroki was at rock bottom, "desperate to go back to Tokyo". In the 1990s, with toji ageing and in short supply and the company's finances deteriorating, he could no longer employ one, and began brewing himself, reasoning that "unless I make it eventually, there is 100% no future". The turning point was NHK Fukushima's programme *Shin Nihon Tanbo*. The director had "phoned every brewery in Fukushima looking for the one in the most trouble" and asked to film. Hiroki agreed, thinking that when his son, then two, came of age there would at least be a record showing "our family had a brewery". After the broadcast, several retailers contacted him: "If you are resolved to make truly good sake, we can support you." This was the beginning of everything for Hiroki. The first call came from Koyama Shoten in Tama, Tokyo. The sake he first sent was "an imitation of Niigata sake, with Hakkaisan at the summit", and he was

told to "find a sake that is yours". Walking through the brewery to send new sake to Koyama Shoten, which kept ordering every month, he noticed how good the sake was straight from the press. With nothing to lose he took the risk of spoilage and shipped it as unfiltered, unpasteurised, undiluted sake, and it was acclaimed at once by specialist retailers. "Investing in refrigeration is an easier decision for a beginner than making better sake," he said, borrowing all he could for cold storage. But "unfiltered nama genshu has a low barrier to entry", and he grew through themes set for him one after another by retailers and fellow brewers. His pride is "to have opened, with contemporaries such as Akitsuna Takagi of Juyondai and Kuheiji Kuno of Kamoshibito Kuheiji, the first act of the era in which owners brew their own sake". He concluded with restraint: "At today's level of brewing, my skills could not have competed."

Succession embedded in the organisation: a 32-year-old president and the year-end letter

In 2024 Hakkai Brewery passed the presidency to Nagumo's son, then 32 (now president). Given the ethos of "the company before the family", this was not a family succession but a business succession to keep the company from ending. His son "may or may not be an outstanding manager", but grew up inside the company, understands better than anyone what Hakkai aims for, and after about ten years' service "was not disliked by the other employees", which settled it. Succession at 32 is called early, but Nagumo himself took over at 35 or 36 and his father at 28. "Being president is a job with more

hardship than joy, so it makes people grow up. I handed over early so he would suffer while young and be able to do a president's job properly by 45 or 50." The words he used were not "do your best" but "do as you like". He lets his son struggle, receives reports on policy, and says he has never objected. Supporting the transmission of spirit is a shared set of values built through decades of year-end letters and all-company meetings. He has created a state in which "ask anyone in production what Hakkai's sake-making is and you get the same answer", and says the handover "is going reasonably well".

The hard part of family-shop succession: the LVMH idea and a son who "wants to take over"

Hiroki, by contrast, said he had "never once wished my son would come back". For two reasons: he wanted his son to make his own way without relying on the family or company; and in the world of taste there is a wall of talent that effort cannot cross, and without talent life would be hard. He went on to reveal, as his dream for "one more act", an idea for separating capital from management. Prefacing it as "half a joke": "Have LVMH's Hennessy buy us, let a global spirits brand carry sake into a new phase, and use the proceeds to back my children's ventures." He disclosed that he had in fact held talks with an M&A firm from both the buy and sell side. But about two years ago his son told him he "wanted to take over". Probing the motive, he found it was not "I want to run a brewery" but "I want to make sake", and accepted: "If he names sake-making as what he wants to do, as a parent I want to let him." There are structural difficulties too. Every employee was

hired by Hiroki himself, and the Hiroki brand is bound up with him personally. "Even when my son comes in, at this stage he is only my child. I am like an athlete, and my son is choosing the same profession." In contrast to Hakkai, which exists as a company, he positioned his brewery as a "family shop". The sake his son wants to make is not today's trend: "the sake that sells and the sake he wants to make are very different, and he will agonise in between." As his final task as a father he arranged three apprenticeships: a liquor wholesaler in Ueno, Senkin in Tochigi, and the retailer Izumiya in Koriyama. "I could guide him along the road to the starting line so he would not lose his way. After that he runs on his own." On organisation after succession he stated his view: "A small company should not decide its sake-making by committee. One person doing everything they want to do is what gives sake its character."

CORPORATE

Hakkai Brewery | "The company before the family"

Values embedded in the organisation; handed to a 32-year-old president with "do as you like". Year-end letters and all-company meetings carry the spirit.

FAMILY SHOP

Hiroki Shuzo Honten | Brand and person as one

Talent and trust must be won again from zero. The father prepares the road to the starting line; the son runs on his own.

— No top without a base: the Romanée-Conti argument and the opportunity of generational change

Responding in the Q&A to sake journalist Mr Seki, Nagumo set out his view of the industry. "Unless the standard (the base) is recognised, the industry does not develop. The top is recognised because the market is big. That is why a Romanée-Conti can exist." Against French wine and spirits exports of about ¥2.7 trillion, sake exports remain in the tens of billions^[72]; "at sake's current market size, a Romanée-Conti is impossible". Without expanding the base of everyday sake, he warned, "there is even a chance it ends up like Shaoxing wine". Hiroki, prefacing his remarks with the creed that "I would be happy to get through my generation without changing", declared his commitment to Hyogo Yamada Nishiki. "There is still no rice to beat Yamada Nishiki," but an all-out-of-prefecture rice policy is "a championship

team made entirely of transfer students" and has no appeal; his stance is a team built with "Yamada Nishiki as the foreign-player slot", and "if I choose the honour of keeping to what I have always said, I probably will not use the word *terroir*". He also called for cultivating evaluators and an evaluation culture unique to sake, not leaning too far on wine and sommelier culture. At the heart of the generational-change argument, citing the periodic rebuilding of the Ise Shrine, he said: "A handover is a moment when the previous generation's line can be changed completely, and seizing it is the next generation's job. It is the greatest opportunity and appeal of generational change." In closing, Nagumo asked for continuous innovation, "tradition is a succession of innovations", and Hiroki left a cheer for brewers: "Sake is fun. Sake has dreams. However hard it gets, sake can turn everything around."

"Sake is fun. Sake has dreams. However hard it gets, sake can turn everything around."

Kenji Hiroki (Representative, Hiroki Shuzo Honten)

— Issues at a glance | Session 8

Family shop vs. corporate	Succession of a craft brewery where person and brand are one means winning talent and trust again from zero. Succession of a company with values embedded in the organisation works as a system
Family vs. company	Philosophy diverges according to whether the object of succession is the "family business" or the "corporation"
Top strategy vs. base strategy	Which should be the industry's axis in a shrinking market remains unresolved
Terroir / wine-based evaluation	Wariness of dependence on sommelier culture, and the task of cultivating an evaluation culture unique to sake
Continuity and rupture	"Not changing in my generation" versus "a handover may change everything". Drawing the line between what to keep and what to break is homework for the next generation
Separating capital and management	The LVMH sale idea was shelved by the son's wish to succeed. Capital policy for family breweries remains an open question

Brewers' Next Careers and Training Successors

SPEAKER	AFFILIATION
Tatsuya Ishikawa	Chairman, Japan Toji Guild Federation
Tatsuya Kojima	Founder, Izumo Itonami Brewery / former toji, Itakura Shuzo (Tenon)
Shoya Imai	Founder and brewer, LINNÉ / former head of production, WAKAZE
Aki Kawana (moderator)	CEO, camo Inc. / Founding Director, Roots of

The Summit's final session examined the shortage of brewing talent and career paths from the standpoint of "employed brewers" rather than owners. It covered the collapse of the toji system, the ill effects of salaried employment, and three distinct proposals for training infrastructure: a toji-training brewery, a shared brewery, and a model of independence.

"The toji is an endangered species": system collapse and the ills of salaried employment

Kawana opened by noting that brewing talent is so short nationwide that even famous breweries keep permanent "brewers wanted" notices on social media. Tatsuya Ishikawa (Chairman, Japan Toji Guild Federation) has about 40 years in brewing, has worked at three breweries and "is about to join a fourth". Introducing himself as an "outlaw", he began: "Listening since yesterday, I get the feeling the toji is already an endangered species." Two factors changed the brewer's position. First, the collapse of the toji system: 30 or 40 years ago the arrangement by which toji were dispatched from their home villages broke down, and breweries faced a succession problem, "not knowing how to bring people in or train them". Second, the spread of year-round, salaried employment. It improved

conditions, but "not everything was positive", and he described the ill effects that have become visible over the years. At the core is a change in the relationship. Formerly the owner "asked the toji to come", an equal relationship; as an employee the toji is in a boss-subordinate relationship, ideas from the floor are lost, and yes-man toji who simply comply "because the top says so" have multiplied. Ishikawa likens the true toji to a gardener who knows the garden better than the master and can talk the master out of unreasonable demands. On pay, "seeking only monetary reward just squeezes the business; so pursue the non-monetary return of interesting sake-making instead", and he asked whether owners, beyond "it got easier" and "we mechanised", are pursuing "is it interesting?".

— Training people industry-wide: mobility and a second look at seasonal employment

Ishikawa argued that, given an industry made up largely of tiny breweries with a handful of staff, rotating generations within a single brewery is "almost impossible"; breweries must lend people to one another through horizontal ties and adopt a mindset of "training people industry-wide". The shackle is the salaried system. Employees are not sent out, leaving takes great energy, and they are told "after all we did to train you". The result is more "brewery-bound toji who know only that brewery", and even toji who say "I couldn't do it anywhere else". There is also a problem of generational compression. Above Ishikawa's cohort lay a gap of some 20 years, so the first generation

became toji young, but the next generation "has a toji right above them and cannot move up even after 10 or 15 years". Yet almost no owner lets a capable person go. "If you don't let people out, talent rots." When Kawana proposed the thought experiment of nationwide rotation of talent through the toji guilds, Ishikawa replied that "in reality it's impossible, but in the past it did function to a degree", and re-evaluated the merit of seasonal employment: while young and single, seasonal work that leaves "half a year free to gain varied experience" suits mobility better.

— "Fighting the company": Tatsuya Kojima's model of independence

Tatsuya Kojima rose from seasonal brewery worker to toji at 30 at Itakura Shuzo in Izumo, Shimane (brand: Tenon), and after a career of about 16 years left the company the month before the session to found his own craft sake brewery, Izumo Itonami Brewery. Struck by Ishikawa's kimoto junmai at a liquor shop in Nagoya, he approached him directly and moved to Itakura Shuzo on his introduction, one of the "Ishikawa children". Kojima says: "Itakura Shuzo had no training system at all. Frankly, I was always fighting the company." Building on Izumo-toji-style brewing, he produced coherent sake that sold outside the prefecture, and used that record as leverage to obtain "other brewed liquor" and liqueur licences at a sake brewery. Honey

mead and other products he "planned, made and sold entirely on my own initiative". As a result, would-be brewers and fans gathered at the brewery, and the Itakura son grew up as one of "Kojima's children" and took over. He sees himself as "one runner in the relay to preserve the brand Tenon rather than Itakura Shuzo", and has kept good relations, remaining as an adviser after leaving. He also admitted frankly that the origin of his independence was the question "do I go on as an employee on a fixed salary until 60?". His proposal: "If a passionate person on the floor acquires planning, profitability, the ability to deliver, and the skill and bearing to convince those around them, a career path comes into view more readily than one might think."

— Phantom brewing and shared breweries: Shoya Imai's "weft" argument

Shoya Imai (founder and brewer, LINNÉ), third son of a brewing family, trained at Aramasa Shuzo in Akita in 2015, co-founded WAKAZE and in 2018 launched the Sangenjaya brewery, one of the earliest cases of the craft sake movement; he then brewed in France for four and a half years and gained US experience through a partnership with Takara Shuzo. Quoting toji Koseki at Aramasa, "the owner is the warp, the brewer the weft", he framed the previous session as the warp (succession of breweries) and this one as the weft: "how brewers of the same era, across breweries, lift one another." Craft beer has a ladder of growth, from home brewing to phantom brewing (borrowing premises and equipment) to an independent micro, which has multiplied brewers worldwide. But in Japan the first step, home brewing, is prohibited by law^[73], and licences for independence are tightly

regulated. Hence "the relative importance of phantom (borrowed) brewing is extremely high". Conscious that he, WAKAZE and LINNÉ all started by borrowing, "raised on borrowed space", he revealed a plan to open next year a shared brewery at Gojozaka in Kyoto with an attached climbing kiln for Kiyomizu ware, "this time on the lending side, to repay the debt". He also mentioned an idea for "travelling training" modelled on the French *compagnonnage* system of journeyman apprenticeship. Without a brewery of his own, he currently brews in borrowed space, experimenting with sake made from koji on ingredients other than rice, and his dream is "to make sake a world drink". "To become a world drink, the first step is for the number of brewers to grow all over the world."

— A toji-training brewery: reviving Fukubijin Shuzo

As his own next step, Ishikawa revealed a plan to revive Fukubijin Shuzo in Saijo, Hiroshima, as a "toji-training brewery". He "cannot rejoice unreservedly" at the 2021 registration as an intangible cultural property or the December 2024 UNESCO inscription^[74], because it is doubtful whether the recognised tradition is actually being passed on. Being intangible, it cannot be captured on paper or film; it can only be transmitted "from person to person on the floor", so preserving tradition and training people are one and the same. That is his conclusion. It coincided with a request from the president of Fukubijin Shuzo (formerly the Saijo Brewing School), a brewery without an owner-family that was founded in the Taisho era with local investment as a "toji-training brewery", to bring it back; preparations are under

way for operation this autumn. The design philosophy is "hand-made all the way": all lidded-tray koji, all kimoto, all wooden-vat fermentation. Not for added value but because "people grow where they take pains", and once the most basic traditional methods are mastered they can be applied. Organisation and life will also follow the old ways, everyone living in together, no days off for six months. "Tradition is tradition because it is reasonable. A way of life in which, even without days off, body and mind are refreshed and energised within each day is tradition." What he lectures on is not brewing but conduct of life, which always feeds into brewing. Kojima, recalling his own apprenticeship 17 years ago, agreed that living together was "a period when I came to believe that I was one person within the flow of life, and learned that I only had to put that into sake".

— The paradox of safety and work-style reform, and "interest"

Ishikawa himself raised labour issues. Sake brewing is exempt from the working-hours rules of the Labour Standards Act, but when work-style reform sends employees home on time, the night work falls on the owner or the toji alone, and there have been actual cases of "someone who overdid it dying in an accident"^[75]. When accidents happen the brewery concerned tends to be blamed, but there is a structural problem. Arrangements in which bottling and sales staff help with brewing after head-count cuts are quite dangerous, because coolers and steam "put lives at stake" and untrained people should not be put on them. That is why the discipline of the junior years, "start with tidying and cleaning", "wear your work clothes properly", is the real safety training; "theory and knowledge alone are dangerous", he stressed. Kawana noted the reality that after every fall talk of guard rails and harnesses surfaces but there is no capacity for investment and it fades, and framed the essence as "cultivating an intrinsic

mentality in which each person thinks autonomously about danger". The Q&A also raised "authenticity of origin". Ishikawa said he does not mind sake being made abroad, but Japan "should be the home that people want to come to for training", a requirement inseparable from tradition; picking up Nagumo's words from the previous session, "inheriting traditional methods and skills now is itself innovation". The closing answers on "the interest of brewing" were threefold. Imai: "The moment something beyond my imagination emerges. I feel myself being made to make it by something." Kojima: "To brew and drink sake is to hold a festival. It lets you experience by intuition that the roots are the same." And Ishikawa: "Aim and you miss. Try to sell and it doesn't sell. Making honest sake, sake received as a gift, comes first." He closed the three-day Summit with the story of a joint kimoto project three years ago with a major local brewery, where toji who had brewed for decades said "I never knew it could be this interesting", their eyes shining like children's.

TRAINING INFRASTRUCTURE 1

Toji-training brewery

Reviving Fukubijin Shuzo. All lidded-tray koji, kimoto and wooden vats; a live-in community that raises people (Ishikawa)

TRAINING INFRASTRUCTURE 2

Shared brewery, travelling training

Providing borrowed brewing space as the "lender". Compagnonnage-style journeyman training (Imai)

TRAINING INFRASTRUCTURE 3

Independence from the floor

Using a track record as leverage to widen licences, and opening a career path through planning, profitability and delivery (Kojima)

Issues at a glance | Session 9

Year-round vs. seasonal employment	Salaried employment produced a loss of equality, yes-men, and "toji who know only one brewery". Reviving rotation through the toji guilds was judged "impossible in reality", and no alternative mechanism has been found
Interest vs. work-style reform	Amid exemption from the Labour Standards Act and fatal accidents, how to reconcile safety with traditional ways of working remains an unresolved design question
Sake as a work vs. sake as a gift	"Defending" tradition and "attacking" towards a world drink coexist, but the requirements of authenticity of origin remain an issue
A realistic answer on income	A realistic answer on income for a next generation that wants "interesting and well-paid work" was left hanging
Three models of training infrastructure	Toji-training brewery (Ishikawa), shared brewery and travelling training (Imai), and independence carved out through planning capacity on the floor (Kojima)
Towards an industry-wide mechanism	Outreach to children, families and other fermentation industries remains individual practice (e.g. classes at Saijo primary school) and has not become an industry-wide mechanism

COLUMN Can a production licence be inherited? Inheritance, share transfer and M&A in law

Behind the choice discussed in Session 7, "take over as is, or a second-company structure", lies the legal nature of the liquor production licence. A licence is personal to the holder and has effect only for the person to whom it was granted; the licence itself cannot be bought, sold or transferred. How, then, is it treated in each succession scenario?

Inheritance Succession by notification (Liquor Tax Act, Art. 19)	When a sole-proprietor producer dies, an heir who intends to continue the business is, on prompt notification to the tax office director, "deemed to have received the production licence at the time of inheritance" unless disqualified under Article 10, items 1-3 or 6-8, and the deceased's licence lapses ^[76] . This is a case where succession by notification, rather than a new application, is expressly permitted (the same article allows succession by notification on transfer of a production site from one individual to another).
Share transfer The licence belongs to the company	Where the licence holder is a company, the licence belongs to the company itself. A change of representative or of shareholders through a share transfer therefore leaves the licence unaffected so long as the legal entity is the same ^[77] . Both successors in Session 7 took over by acquiring shares, debts included, in line with this legal structure. With new domestic sake licences in effect unavailable under the supply-demand requirement, share-acquisition M&A is in practice the only route of new entry into domestic sake production ^[78] .
Merger, demerger, business transfer No express provision for universal succession	For mergers, company splits and business transfers, the Liquor Tax Act has no express provision permitting universal succession of the licence. As a rule the succeeding company must obtain a licence anew (a fresh application), and in practice the successor's licence application and the cancellation of the old licence proceed in parallel ^[79] . Incorporation of a sole proprietorship likewise requires a licence in the company's name. This institutional structure lies behind Risa Aoki's testimony in Session 7 that the second-company route (business transfer plus licence transfer) is "very hard and takes time". The choice of succession structure is a licensing question as much as a question of tax and debt.

COLUMN Brewery M&A and public support today

Licensed sake production sites have fallen to less than half, from 3,533 in fiscal 1970 to 1,514 in fiscal 2024^[80], and policy interest in brewery M&A as a home for breweries without successors is rising. The NTA has conducted a survey and pilot project on succession, and a matching-support structure centred on brewers' associations is taking shape. As a route of new entry there is the export-only sake licence (created in fiscal 2021), but only seven have been granted since the scheme began^[81], and the practical means of entry for the domestic market is limited to M&A of existing licence holders.

In Session 7 those directly involved made an important point about this support structure: results tend to be measured by "matches concluded", and post-succession integration and

turnaround (PMI) is almost entirely missing from the design^[82]. As the Tenryohai Shuzo case shows, succession is a starting point, not a goal; the turnaround from ¥180 million in sales to a projected ¥400 million took about eight years, through staff turnover (12-13 → 1)^[83], capital investment and rebuilding of channels^[84]. The lesson of this session is that whether post-matching accompaniment (for example, using the Regional Taxation Bureau appraisers' technical support for PMI) can be built into the evaluation criteria will determine the effectiveness of brewery M&A support. Also left for the future: how to assess the entry of foreign capital, the greatest concern in the brewery survey (75.4% concerned)^[85], and buyers who seek quick payback or hobby ownership; and whether a mechanism to screen the quality of buyers is needed.

Day 3 Synthesis | A map of the issues in generational change

Price and structure S ₇	Brewery M&A has no fair value; prices form privately, on mutual acceptance. Given the legal structure of licences, share acquisition dominates, and "buying only the licence, or inheriting the whole brewery including its relations with the region" is the watershed in choosing a structure
From matching to PMI S ₇	Public support over-weights deals closed and omits post-succession turnaround and accompaniment. Redesigning the evaluation criteria, e.g. using appraisers' technical support, is urgent
Assume staff will leave S ₇	Mass departures on a change of head, including generational handovers, are a structural problem "heard of even at famous breweries". The only way is to build a new team through vision, disclosure and an organisation sized to the brewery
Family shop vs. organisation S ₈	What is to be inherited and how differ between a brewery where brand and person are one and a company with values embedded in the organisation. The idea that "a handover is the moment to change the predecessor's thinking completely" links the two
No top without a base S ₈	Top brands do not grow without expanding the market for everyday sake. Facing the gap in export scale, a warning was sounded about the risk of "becoming Shaoxing wine"
Employment form and mobility S ₉	Salaried employment improved conditions but removed equality between owner and toji and the mobility of talent. Horizontal ties to train people industry-wide and flexible design including a second look at seasonal employment are needed
Three training models, and safety S ₉	A toji-training brewery, a shared brewery and independence from the floor were proposed. Including the structural problem of Labour Standards Act exemption and fatal accidents, an environment in which brewers can work "with interest and in safety" is the foundation of succession

CHAPTER SIX | CROSS-SESSION ANALYSIS

Integrated Analysis | Five Themes Running Through the Three Days

International market strategy, the production licence, succession and people. Reading across the nine sessions of three thematically distinct days, five themes recur. This chapter returns to what was said in each session to set out the understanding the Summit as a whole reached.

- 01 No structural reform without growing the pie
 - 02 Whom do institutions serve? Redefining licences, standards and tradition
 - 03 Dismantling the confrontation narrative: what data and testimony showed
 - 04 Investing in people: succession, training and career paths as one design
 - 05 Redefining the role of the state
-

O I Theme 1 | No structural reform without growing the pie

The phrase most speakers used across the three days, whatever their position, was "make the whole market bigger". With domestic sake shipments down about 80% from their peak^[86], licence reform, succession and talent development all founder the moment they are perceived as a fight over a shrinking pie. This structural recognition became the shared foundation of every discussion.

In Day 1 Session 1, Genki Ito (CEO, Palate Project) presented sake's 0.2% share of the US market not as a problem of awareness but of distribution structure: "high margins, high prices and low selection produced by the three-tier system and the oligopoly of major importers". His observation that "you can buy a \$15 Napa wine at Costco, but you cannot buy a good \$15 sake" shows that the absence of a mid-price tier is the bottleneck to market growth. Kazuhiro Sakurai (Dassai), meanwhile, argued that since sake's production structure means it cannot beat beer in the mass market it should aim high, and the coexistence of two layers was confirmed: the practical answer that sustains ¥45.88 billion of exports^[87], and the mid-price strategy needed for mass adoption.

This export-structure argument was explicitly linked to licence reform in Day 2 Session 5 by Fumiaki Kobayashi (House of Representatives): "Without a picture of how the pie grows, accepting new entrants will always become a fight over the pie." Sakurai too warned that "if licences are loosened without growing the pie, big

supermarkets will take licences and start making cheap private-label sake", and Toshiya Tone's summing-up (former NTA Deputy Commissioner) confirmed the shared view that licence reform works only as a set with a strategy to grow the pie. Then in Day 3 Session 8, Jiro Nagumo (Hakkai Brewery) said "the top is recognised because the base, the market, grows; that is why a Romanée-Conti can exist"^[88], concluding that without restoring everyday sake, the standard, neither top brands nor exports can grow. The top-end export strategy, expansion of the domestic base and institutional reform are variables in a single equation. That is the first conclusion of the three days.

On "growing the pie", everyone is aware that many initiatives are under way in view of an export market growing while the domestic market shrinks. Institutional and operational problems were nonetheless raised as to why the results have been modest: initiatives that end as one-off "fireworks" events, single-year projects carried out by a single operator, uncoordinated and overlapping efforts by individual ministries rather than cross-ministry programmes, and the reality that breweries with the brand strength to lead the domestic market are not using these schemes. Rather than letting these facts end with "painful to hear", the approach needed to grow the market is a medium- to long-term, structural one, carried out at scale by breweries with the brand power to penetrate overseas.

Top-end export strategy	Expanding the domestic base	Institutional reform
High prices sustain export value	Restoring everyday sake, the standard	Works only together with growing the pie

O2 Theme 2 | Whom do institutions serve? Redefining licences, standards and tradition

The second theme is the question of whom the institutions that define sake (the production licence, quality standards, and the framework of "tradition" itself) exist for. In Day 1 Session 2, Noriyoshi Nagai (Nagai Sake; Chairman, awa Sake Association) drew from the association's practice the sequence of "set the standard, then build the organisation", and Jun Kono (Sohomare) asked where evaluation standards should be located: "the world should believe the summit is in Japan". This contrasted with Baku Takahashi (18th Sake Samurai), who saw value in the neutrality of a non-producing London; a division of roles, "philosophy and foundations in Japan, international evaluation abroad", was suggested, but who holds sake's standard of value was left undecided.

In Session 3, Hiraku Ogura (fermentation designer) offered the framework of "capital-T Tradition (institutionalised tradition)" and "small-t tradition (practice on the ground)", arguing that while small-t tradition is in a golden age, it is the capital-T Tradition of licences and special designations that needs renewal, laying the intellectual groundwork for Day 2. Yasuyuki Kishi's (Director, Sakeology Center,

Niigata University) distinction, "cultural property follows the logic of preservation; tradition lives on through renewal", likewise illuminated the tension between institutions and practice.

Day 2's licence debate gave this question a legal outline. As the Supreme Court has made plain, the purpose of the licence system is to secure liquor tax, not to protect incumbents^[89]. Yet the basis for not granting new licences lies not in statute but in the NTA's interpretive circular^[90], and there was shared recognition that the logic allowing existing breweries to grow a hundredfold while newcomers get nothing is not consistent. Masataka Shirakashi (Kenbishi) warned against conflating three questions, "are new licences needed for industry development", "is it a pity that those who want to brew cannot", and "the wish to be a pioneer"; and Tatsuya Ishikawa (Chairman, Japan Toji Guild Federation), speaking from the floor in Session 4, pressed for a redefinition of the licence itself: "a licence is not a privilege but something that creates obligations". From "a wall that protects someone" to "a tool for designing the future of industry and culture": the Summit showed that institutions stand at that turning point.

THESIS

Institutions: from "a wall that protects someone"
to "a tool for designing the future of industry and culture".

03 Theme 3 | Dismantling the confrontation narrative: what data and testimony showed

One of the Summit's greatest achievements was to dismantle, through both data and first-hand testimony, the confrontation narratives of "incumbents vs. new entrants" and "majors vs. craft" found in the press and on social media. In the pre-Summit brewery survey^[91], the largest bloc on granting new licences was "conditional support" (31.1%); against 54.6% in favour, unconditional opposition stood at only 11.8%^[92]. On conditions, the two extremes, "no conditions needed" (12.8%) and "should not be granted under any conditions" (10.3%), were small minorities, and about 80% are ready to discuss the design of conditions. The issue had already moved from "whether" to "how".

On the view that "resistance from the majors is blocking deregulation", the executives of major breweries speaking in Day 2 Session 4 rejected the idea that the majors are uniformly opposed. When the moderator showed the 7 February 2020 Nikkei headline "Major-producer resistance limits deregulation", Taiji Okura (Gekkeikan) replied: "There is no particular reason for a major to resist. Beer companies also have M&A as a means of entry. A surplus of licences means the market is already competitive," and Shirakashi testified that "past regulatory changes were if anything all ones where the majors lost out"^[93]. The survey too placed concern about

"a fall in the asset value of licences held" (20.4%) and "competition for succession partners" (19.3%) at the bottom, confirming that opposition is argued in terms of defending the industry and culture, not private gain. The greatest concern was "entry of foreign capital" (75.4% concerned), and even among supporters 65.1% are concerned about foreign capital. Opening up licences and regulating foreign capital can therefore be discussed separately.

At the same time, the reality of emotional conflict was made visible. The variable that most divides opinion is neither scale nor age but the self-perception of "having been protected by current regulation"^[94]. The free text also contained a rebuke from a supporter that craft sake makers' anti-regulation campaigning on social media is hardening existing breweries' attitudes, and a real case of a municipality withdrawing a special-zone application in the face of local opposition^[95]. The survey found relatively more caution about institutional change among breweries of a certain scale, centred on regular sake and unable to pass on prices. The data show that the road to consensus lies in rejecting rhetoric that inflames confrontation and designing conditions that answer this anxiety directly.

54.6%

In favour of granting new licences

11.8%

Unconditional opposition

75.4%

Concern about foreign capital
(greatest)

20.4%

Concern about licence asset value
(among lowest)

04 Theme 4 | Investing in people: succession, training and career paths as one design

The three Day 3 sessions showed that institutional debate ultimately comes down to people. With licensed sake production sites halved from 3,533 in fiscal 1970 to 1,525 in fiscal 2023^[96], the survival of breweries depends on succession succeeding. In Session 7, Senichi Kato, who took over Tenryohai Shuzo by M&A, and Risa Aoki, who revived Aoi Shuzo, testified that succession is not the goal; the real work is PMI (post-succession integration and turnaround). In discussion with Yoshinori Honda (Nomura Securities), the point was made that government succession support has slipped into a matching bias with deals closed as the KPI, and post-succession turnaround has dropped out of the design. Now that the NTA itself has acknowledged at the Special Zone WG hearing that "business succession of sake breweries is not taking place adequately"^[97], the reality is that both "not issuing new licences" and "relying on succession" are failing.

In Session 8, Kenji Hiroki (Hiroki Shuzo Honten) and Nagumo presented contrasting models of generational change, the family shop and the corporate organisation. "Hand over early while the predecessor is still well, and let the hardship of being president make them an adult while young" (Nagumo); "a handover is the legitimate

moment to change the predecessor's thinking completely" (Hiroki). What is inherited, they said, is not a position but the values of quality responsibility, supply responsibility and commitment to the region. In Session 9, Ishikawa said that "in an industry made up of tiny businesses, training and generational change within a single brewery is impossible; mobility of people across breweries is essential", and set out his own plan for a toji-training brewery. Tatsuya Kojima, who left his post as toji at Itakura Shuzo to go independent, and Shoya Imai, who founded LINNÉ after WAKAZE, appeared as embodiments of new career paths: "the employed toji going independent" and "the brewer as entrepreneur".

In this context, Shuhei Okazumi's (Ine to Agave) case for licence reform in Day 2 Session 5 needs to be re-read. His motive is not freedom of entry as such but career paths for brewers and regional revitalisation. The route of "train, then set up independently", taken for granted in beer and wine, is institutionally closed in sake alone, and young people leave the industry. The contradiction: the bearers of a technique inscribed by UNESCO^[98] cannot be secured, for institutional reasons. Designing succession support, training infrastructure and career paths as one is a task inseparable from licence reform.

05 Theme 5 | Redefining the role of the state

The final theme is what the state should do. The requests to government that emerged over three days converge on a shift from "one-off events and subsidies" to "infrastructure, institutions and verification". The symbol was refrigerated logistics. In Day 1 Session 1, Sakurai said "enough events; put that money into logistics", proposing that the state charter one refrigerated container a month and act as a semi-importer. Kenji Okamoto (NTA) responded that a pilot study of consolidated shipments centred on sake was under consideration^[99], and in Day 2 Session 5 Kobayashi replied at once, "as it happens, we set aside that budget this year"^[100], a moment when the Summit's discussion connected to concrete policy resources.

Second are qualification and evaluation systems. Shigeharu Asagiri (Kyodo Shoji) proposed that Japan "build as a national project" the French-style ecosystem of a self-funded sommelier qualification paired with Michelin's ratings, and moderator Aki Kawana revealed that he had gathered signatures from about 100 breweries to propose a national qualification. With rule-making in sake education and evaluation (WSET, IWC) shifting to Britain, "securing the axis of

evaluation in Japan" is central to export strategy. Third is securing a place for trials. Koki Sato (Cabinet Office) outlined a path of "trial first in a special zone where conditions can be attached, then discuss national roll-out if it works", citing car-sharing as a precedent. On the other hand, since sake's procurement and sales extend beyond any region, there were cautious voices about special zones as the venue, and the choice of trial framework is itself a matter for future consideration.

And as a constant undertone, the lack of KPI design and inter-ministry coordination was raised again and again: NTA, METI and MAFF running "the same fireworks" from separate budgets (Ito); event support without evaluation of effect (which Okamoto himself admitted was "painful to hear"); the limits of deals-closed KPIs in succession support (Session 7). As the growth of agricultural and food exports to ¥1.7005 trillion in 2025 shows^[101], a national strategy that integrates targets, budget and verification can work. Under the NTA's jurisdiction, whose purpose is securing liquor tax, which body carries industrial promotion, cultural transmission and export strategy, and by what KPIs? Redefining the role of the state is the starting point for the recommendations in the next chapter.

REQUEST TO GOVERNMENT 1	REQUEST TO GOVERNMENT 2	REQUEST TO GOVERNMENT 3
Logistics infrastructure Shared refrigerated-container exports. Connecting the announced budget to the pilot study	Qualification and evaluation systems A sommelier-plus-Michelin ecosystem. Securing the axis of evaluation in Japan	A place for trials, and verification A trial framework where conditions can be attached. KPI design and inter-ministry coordination

CHAPTER SEVEN | POLICY RECOMMENDATIONS

Recommendations | Toward a Sustainable Growth Strategy for the Sake Industry

These recommendations were compiled by the SAKE LEADERS SUMMIT Executive Committee on the basis of the draft "Recommendations for a Sustainable Growth Strategy for the Sake Industry" prepared at the planning stage, taking into account the discussions of the Summit's nine sessions over three days and the results of the brewery survey (n=122)^[102]. They are made on the responsibility of the Executive Committee and do not necessarily coincide with the views of individual speakers. On the basic understanding that the sake industry should be redefined as a culture industry of national strategic importance, with export promotion and strengthening of the domestic industrial base as the two wheels of the cart, we make recommendations in the following four areas.

- 01 Export and global strategy: from events to infrastructure and evaluation
 - 02 Reforming the production licence: phased, conditional new entry
 - 03 Succession and talent: from matching to PMI and career paths
 - 04 Implementation: data, dialogue and inter-ministry coordination
-

O I Recommendation 1 | Export and global strategy: from events to infrastructure and evaluation

- Make shared refrigerated-container export support a programme: promptly turn multi-brewery consolidated shipments in state-chartered refrigerated containers into a project, connecting the announced budget^[103] with the NTA's pilot study under consideration^[104].
- Build a public-private system to provide information on destination-country food regulations (US FDA / FEMA GRAS, EU Regulation 1334/2008, etc.).
- Expand the GI "Nihonshu" and internationally standardise quality criteria. Anticipating the growth of overseas sake production (c.70 producers → c.200 by 2030), secure the axis of evaluation, education and qualification in Japan. Build nationally a qualification and rating ecosystem modelled on the French sommelier system and Michelin-type ratings.
- Review the "no domestic sales" restriction on the export-only sake licence (seven granted since the scheme began^[105]). Given overseas buyers' demand for a domestic track record and the testimony of licence holders, redesign it together with the domestic licence debate.
- Integrate the export-promotion budgets dispersed among the NTA, METI, MAFF and MOFA, and make effect verification (KPIs) mandatory for each measure.

On the premise of a two-layer strategy of high-price positioning and development of a mid-price tier and retail channels, shift the centre of support from one-off events to logistics infrastructure and institution-building. This is the direction shared by speakers and government alike across Day 1 and Day 2.

O 2 Recommendation 2 | Reforming the production licence: phased, conditional new entry

- Introduce a phased (step-up) licence system: design a route from a production record under an "other brewed liquor" or similar licence, through a provisional or volume-capped licence, to a full sake production licence. In the brewery survey, Proposal 1 (via other brewed liquor) drew the highest support at 49.2%.
- Consider adding an exception item "(f)" to the interpretive circular (Article 10, item 11). Following the precedents that opened sparkling sake (d) and export (e) (the export route combined the fiscal 2021 amendment of the Liquor Tax Act with a change to the circular), open routes flexibly.
- Conditional trials using National Strategic and Structural Reform Special Zones, with an explicit path to national roll-out once results are confirmed.
- Design conditions within the zone of agreement the survey reveals: an annual cap on new licences (phased granting, 48.7% support) and skill requirements (brewing training, qualified staff, 33.3%) as the axis, avoiding conditions hard to sustain under case law, such as a "local consensus" requirement.
- Separate foreign-capital regulation and capital requirements: address the greatest concern, entry of foreign capital (75.4% concerned), through institutional design separate from the question of opening licences.
- Survey dormant licences and create a mechanism for recovering and re-granting them; consider reviewing the minimum production volume (60 kl for sake).

Reform presupposes, as Theme 1 of Chapter 6 sets out, a total package with a strategy to grow the pie and support for existing breweries (structural-transition support, a fund, etc.), and satisfaction of the three conditions of a demonstrated legislative basis, a concrete scheme and a comparison of advantages (Day 2 Session 4, Tone). Without a design that answers the anxiety of mid-sized regional breweries there will be no consensus.

O3 Recommendation 3 | Succession and talent: from matching to PMI and career paths

- Extend the centre of succession support from deals-closed KPIs to PMI (post-succession turnaround) support: use of Regional Taxation Bureau appraisers' technical support, and a menu of support for post-succession capital investment and quality improvement.
- Train succession coordinators specialising in the liquor industry, and build a matching platform connecting breweries without successors and dormant licences with would-be entrants^[106].
- Institutionalise the "train → go independent" career path: connect it to the phased licence system and open a route by which toji and brewery workers can reach independence.
- Support mobility of people across breweries and training infrastructure: public support for mechanisms that train people industry-wide, such as toji-training breweries and shared breweries (presented in Day 3 Session 9).
- Give national standing to the development of people who carry on the techniques of "traditional sake-making", UNESCO Intangible Cultural Heritage^[107] (coordination among the Agency for Cultural Affairs, NTA and METI).

| Succession, training and entry are not separate policies but should be treated as one design supporting the life cycle of the brewer.

O4 Recommendation 4 | Implementation: data, dialogue and inter-ministry coordination

- Clarify the command function for industrial promotion: build a framework that defines roles and KPIs for the NTA (securing liquor tax; sound development of the liquor industry), METI and MAFF (industry and exports), the Agency for Cultural Affairs (cultural transmission) and the Cabinet Office (special zones and regulatory reform).
- Build evidence continuously: conduct the brewery survey regularly and publish it in full, quantify demand from would-be entrants, and publish evaluations of the effect of measures.
- Make public-private dialogue permanent: continue open forums such as this Summit, ensuring the participation of all stakeholders, including retailers, restaurants, toji and consumers as well as producers and government.

THE FIRST RECOMMENDATION

To reject "misunderstandings born of half-formed understandings of the system, and debate that skates over the surface", and to keep building consensus on data and the voices of those directly concerned. That in itself is this Summit's most important recommendation.

Appendices

A Brewery survey: questions and principal tabulations

The Brewery Survey on the Sake Production Licence System was conducted fully anonymously on Google Forms from 14 to 27 July 2026. Total responses: 122 (94 owners/management, 20 family members or intended successors, 8 toji/production heads and others). This appendix is based on the CSV tabulation (n=122). Slides shown during the Summit gave 120 valid responses; the difference reflects the time of tabulation. Respondents skew young and nationally oriented (65.5% in their 30s and 40s; 70.5% selling 30% or more outside their prefecture). They are not a microcosm of the roughly 1,500 sites nationwide.

ITEM	QUESTION (SUMMARY)	FORMAT
Q1	Your position (owner/management; family or intended successor; toji/production head; other)	Single choice
Q2	Age group (20s to 60s)	Single choice
Q3	Location of brewery (Regional Taxation Bureau block); prefecture optional in Q3b	Single choice
Q4	Production scale in the latest BY (five bands from under 100 koku to 5,000 koku or more)	Single choice
Q5	Share of sales outside the prefecture	Single choice
Q6	Successor status	Single choice
Q7	Which is closest to your view on granting new entrants a domestic sake production licence?	Single choice
Q8	Reasons for that view (111 responses)	Free text
Q9	If new licences were granted, how concerned would you be about the following (10 items × 4-point scale)	Matrix
Q10	Of the above, the single greatest concern	Single choice
Q11	Concerns not listed above, or views usually hard to voice (47 responses)	Free text
Q12	If new licences were granted, select all conditions you consider necessary (12 options)	Multiple choice
Q13	[Proposal 1] Grant a sake licence to sound businesses with a track record under an "other brewed liquor" licence	Single choice
Q14	[Proposal 2] Grant a national licence after confirming a 3–5-year record in a special zone; comment in Q14b (44)	Single choice
Q15	Do you think current licence practice (restraint on new licences) has, in effect, protected your brewery's business?	Single choice
Q16	How would granting new licences affect brewery succession?	Single choice
Q17	Candid views on the sake production licence (81 responses)	Free text
Q18	Willingness to take part in a follow-up interview (online, c.30 min, anonymous)	Single choice
Q19	Interest in speaking at the conference	Single choice

Optional contact and remarks fields were also provided. Free-text responses are to be published in full after anonymisation.

Q7 View on granting new licences

	N	% (n=122)	Valid % (n=119)
Support	28	23.0%	23.5%
Conditional support	37	30.3%	31.1%
Neither	22	18.0%	18.5%
Oppose unless conditions met	18	14.8%	15.1%
Oppose	14	11.5%	11.8%
No answer	3	2.5%	—

In favour (support + conditional) 65 = 54.6%; opposed (conditional opposition + oppose) 32 = 26.9%.

Q15 Has current practice protected your brewery?

Yes	34	29.1%
Somewhat	33	28.2%
Not really	19	16.2%
No	21	17.9%
Don't know	10	8.5%

n=117. "Protected" total 57.3%. This self-perception was the variable that most strongly divided views in Q7.

Q16 Effect of new licences on succession

Succession becomes harder (negative)	46	39.0%
Little effect	40	33.9%
Succession becomes easier (positive)	16	13.6%
Don't know	16	13.6%

n=118.

Q13, Q14 Assessment of two proposals

	P1	%	P2	%
Support	30	24.6%	22	18.0%
Conditional support	28	23.0%	24	19.7%
Neither	37	30.3%	41	33.6%
Oppose	21	17.2%	24	19.7%
Don't know	2	1.6%	6	4.9%
No answer	4	3.3%	5	4.1%

Q13 (P1: via other brewed liquor); Q14 (P2: via special zone). In favour: P1 49.2% > P2 39.3% (valid responses).

Q9 Concerns

	Strong	Some	Little	None	Total
Increased entry of foreign capital	47	39	18	10	75.4%
Entry of large / non-industry capital squeezing regional breweries	32	42	21	19	64.9%
Excessive competition and falling prices in a shrinking market	26	34	28	25	53.1%
Low-quality sake lowering the reputation of "sake" as a whole	27	24	35	28	44.7%
Poaching and loss of toji and brewery workers	15	32	36	31	41.2%
Competition for local water, rice, people and other resources	14	30	39	31	38.6%
Securing sake rice becoming even harder	17	26	44	27	37.7%
Brewers' association mutual-support system becoming unsustainable	14	28	34	38	36.8%
Fall in asset value (sale value) of the licence held	8	15	35	55	20.4%
Harder to find a succession partner for own brewery	3	19	32	60	19.3%

n=114. Total = "strongly" + "somewhat concerned".

Q12 Conditions necessary for new licences (multiple choice)

Annual cap on new licences (phased granting)	57	48.7%
Skill requirements such as completed brewing training or qualified technicians	39	33.3%
Mandatory membership of a brewers' association	29	24.8%
Cap on production volume	27	23.1%
Consensus of the local area (including existing breweries) as a requirement	24	20.5%
Quality monitoring after granting (time-limited)	23	19.7%
A period of production under another liquor licence or in a special zone	19	16.2%
No conditions needed (grant freely)	15	12.8%
Should not be granted under any conditions	12	10.3%
Other (free text)	10	8.5%
Restrictions on channels (e.g. local sales only at first)	6	5.1%
Rice limited to local production	6	5.1%

n=117.

B Relevant legislation and case law

Statutory text in this section is based on e-Gov Law Search (Digital Agency) data, consulted 7 August 2026. English renderings are unofficial.

PROVISION	SUMMARY	SOURCE
Liquor Tax Act, Art. 7(1)	A person intending to produce liquor must obtain a licence from the director of the tax office with jurisdiction over the site, for each category and each production site.	e-Gov Law Search (Liquor Tax Act, Act No. 6 of 1953)
Liquor Tax Act, Art. 7(2)	Minimum production volume. A licence is refused where projected production in the first year falls below the category threshold: 60 kl for sake, synthetic sake, continuous-still shochu and beer; 10 kl for single-still shochu and mirin; 6 kl for fruit wine, sweet fruit wine, whisky, brandy, raw-material alcohol, low-malt beer, other brewed liquor, spirits, liqueur, powdered liquor and miscellaneous liquor.	Ibid.
Liquor Tax Act, Art. 10, item 10	Financial-basis requirement. A licence may be refused where the applicant is an undischarged bankrupt or the financial basis of the business is otherwise found to be weak.	Ibid.
Liquor Tax Act, Art. 10, item 11	Supply-demand requirement. Where it is found inappropriate to grant a licence because the balance of supply and demand must be maintained to secure liquor tax. The basis for not granting new sake licences; specific treatment is set by the NTA's interpretive circular (for sake, an exhaustive list of cases (a) to (e)).	Ibid. / NTA interpretive circular
Liquor Tax Act, Art. 19	Succession by inheritance etc. Besides inheritance and universal bequest, since the fiscal 2020 tax reform (in force 1 April 2021) transfer of the whole production business by an individual producer is also covered. On notification, the successor is deemed licensed at the time of inheritance or transfer (no new application). Review of deemed succession is limited to Art. 10 items 1-3 and 6-8; the financial-basis (item 10) and supply-demand (item 11) requirements are not examined. Business transfers, mergers and demergers from a company are outside this article. In a share transfer the licence holder (the company) is unchanged and the licence continues.	Ibid.

Of the circular's enumerated cases, (d) (sparkling sake) is a precedent for opening a new route by amending the circular without legislation; (e) is export-only sake (from April 2021).

CASE	CASE NO. / DATE	HOLDING
Liquor retail licence case (Supreme Court, Third Petty Bench)	1988 (Gyo-Tsu) No. 56; 15 December 1992 (Minshu Vol. 46 No. 9, p. 2829)	Licensing regulation for the fiscal purpose of proper and reliable tax collection does not violate Art. 22(1) of the Constitution (freedom of occupation) unless the legislature's judgment is markedly unreasonable. The licence system aimed at securing liquor tax was held constitutional. Source: Courts of Japan case-law database.
Doburoku case (Supreme Court, First Petty Bench)	1986 (A) No. 1226; 14 December 1989 (Keishu Vol. 43 No. 13, p. 841)	Subjecting all liquor production, including for personal consumption, to licensing and punishing unlicensed production falls within legislative discretion for the fiscal purpose of securing liquor tax revenue and does not violate Arts. 31 or 13 of the Constitution. Source: Courts of Japan case-law database.

The Summit also referred repeatedly to a series of 1998 Supreme Court judgments on liquor retail licences. The Second Petty Bench judgment of 3 July 1998 (1994 (Gyo-Tsu) No. 111; Shumin No. 189, p. 11) rejected an expansive reading of the supply-demand requirement (Art. 10, item 11), stating that "a loose interpretation of this item would in effect lead to restricting new entry to protect the interests of incumbents, raising doubts of unconstitutionality", and quashed and remanded the judgment below; the First Petty Bench judgment of 16 July 1998 (1997 (Gyo-Tsu) No. 97; Shumin No. 189, p. 155; appeal dismissed) held that expansive operation of the item is impermissible while upholding the refusal at issue. The First Petty Bench judgment of 26 March 1998 (1994 (Gyo-Tsu) No. 76; Shumin No. 187, p. 559) held that Arts. 9(1) and 10 item 10 of the Act do not violate Art. 22(1) of the Constitution (all included in the Day 2 evidence pack). All concern retail licences and do not directly rule on the operation of the sake production licence.

Outline of the export-only sake production licence

- Created in the fiscal 2020 tax reform; applications accepted from 1 April 2021 (source: NTA, "Commencement of applications for export-only sake production licences").
- The licence carries the condition "limited to sake produced for export"; production for domestic distribution is not permitted.
- The minimum production volume (60 kl) imposed on ordinary sake licences does not apply, and the supply-demand requirement (Art. 10, item 11) is also excluded.
- Limited to sake using only domestic rice for rice and koji, produced and bottled in Japan (qualifying for the GI "Nihonshu"). Review confirms export experience and secured overseas customers, among other matters (source: NTA, "Guide to applications for export-only sake production licences", January 2021).
- Seven granted since the scheme began (source: NTA material submitted to the National Strategic Special Zone WG, 21 May 2025).

Outline of the Liquor Business Associations Act (Act on Securing Liquor Tax and Liquor Business Associations)

Act No. 7 of 1953. In view of the place of liquor tax in national revenue, it provides, for the purposes of securing liquor tax and stabilising the liquor industry, that liquor businesses may form associations to cooperate in securing liquor tax and to advance their common interests, and that the government may take necessary measures with respect to liquor businesses (Art. 1). Article 86-6 is the basis for labelling standards for liquor; the Geographical Indication "Nihonshu" (designated December 2015: only sake made in Japan from domestic rice may be called "Nihonshu") and the special-designation system (Standards for Labelling of Sake by Production Method and Quality, NTA Notice No. 8 of 1989) rest on it. The Japan Sake and Shochu Makers Association is the national body established under the Act in December 1953, with about 1,700 members (including shochu and other producers as well as sake; source: JSS published material). Sources: e-Gov Law Search (Liquor Business Associations Act); NTA, "Designation of the Geographical Indication 'Nihonshu'".

C Speakers

NAME	AFFILIATION	SESSION	PROFILE
Risa Aoki	President, Aoi Shuzo Co., Ltd.	S7	Acquired all shares of Takahashi Shuzo in Nagaoka, Niigata, in September 2024 and relaunched it as Aoi Shuzo. Develops the new brand Maison Aoi with a team in their 30s. Also experienced as a financial-strategy adviser on brewery M&A.
Shigeharu Asagiri	President, Kyodo Shoji Co., Ltd. (COEDO BREWERY)	S1	Thirty years since beginning to brew beer in Kawagoe in 1996. Has experienced the barriers to entry, including regulation and trade practice, in the North American market.
Saki Ikawa	CEO, Inflorescence Inc.	S2	Led Blue Bottle Coffee's expansion in Asia. Provides PR consulting for Japanese food businesses expanding overseas.
Tatsuya Ishikawa	Chairman, Japan Toji Guild Federation	S9 (floor, S4, S6)	About 40 years on the brewery floor as an "employed" toji. Points to the ageing of toji and brewery workers and the crisis in transmitting skills; plans a toji-training brewery.
Genki Ito	CEO, Palate Project (founder of the former Tipplesy)	S1	Runs a consumer sake e-commerce business in the US. Through a partnership with Kokubu, realised an end-to-end import D2C model beyond the three-tier system.
Shoya Imai	Founder and brewer, LINNÉ / former head of production, WAKAZE	S9 (floor, S6)	Third son of a sake brewery. Launched WAKAZE and expanded to France and North America, then founded LINNÉ independently. Rethinks koji- and sake-making through his own worldview.
Kazuo Oishi	Senior Cultural Properties Specialist (Food Culture), Agency for Cultural Affairs	S3	Responsible for the institutional side of the UNESCO inscription of "traditional sake-making".
Taiji Okura	Executive Vice President, Gekkeikan Sake Co., Ltd.	S4, S5	Spoke as an individual from the standpoint of one of the industry's largest producers, in Fushimi, Kyoto.
Shuhei Okazumi	President, Ine to Agave Inc.	S5, S6	Obtained an export-only sake licence in Oga City, Akita, in September 2021. As a party to the new-licence debate, has advanced it in cooperation with the Cabinet Office.
Kenji Okamoto	Planning and Coordination Officer, Liquor Tax Division, Taxation Department, NTA	S1	In post since 2025. Oversees both the Liquor Tax Division and the Office of Liquor Industry Promotion and Export, responsible for measures from stable liquor administration to promotion and export of Japanese alcoholic beverages.
Hiraku Ogura	Fermentation designer	S3	Researches, designs and writes on fermentation culture. His recent book on living with tradition proposes the "capital-T / small-t tradition" framework.
Senichi Kato	President, Tenryohai Shuzo Co., Ltd. (Utashiro)	S7	Took over Tenryohai Shuzo by M&A and released the new brand Utashiro. Rebuilt production, employment and channels and is expanding into export.
Aki Kawana	CEO, camo Inc. / Founding Director, Roots of	All sessions (moderator)	Convenor of SAKE LEADERS SUMMIT and moderator of every session. Seven years in the sake industry; has visited more than 250 breweries and holds ongoing dialogue with officials at the NTA and elsewhere.
Yasuyuki Kishi	Director, Sakeology Center, Niigata University	S3	Leads Sakeology (founded 2017), which approaches sake from both the natural sciences and the humanities.

NAME	AFFILIATION	SESSION	PROFILE
Jun Kono	Chairman, Sohomare Brewery Co., Ltd.	S ₂	Works with aged and blended sake, shifting blending from a means of standardisation to a means of raising value.
Tatsuya Kojima	Founder, Izumo Itonami Brewery / former toji, Itakura Shuzo (Tenon)	S ₉	Eleven years as toji at Itakura Shuzo before passing the baton to the owner's son and going independent. Embodies the new career path of the employed toji becoming independent.
Fumiaki Kobayashi	Member of the House of Representatives	S ₅	Promotes industrial development through regulatory reform. Led reforms including the opening of online medical consultations.
Kazuhiro Sakurai	President, Dassai Inc.	S ₁ , S ₅ , S ₆	After entering North America through export, moved to local brewing in New York with DASSAI BLUE, now three years in operation.
Koki Sato	Counsellor (National Strategic Special Zones), Office for Promotion of Regional Revitalization, Cabinet Office	S ₅ , S ₆	Works toward a sake special zone within the National Strategic and Structural Reform Special Zone frameworks.
Masataka Shirakashi	President, Kenbishi Sake Brewing Co., Ltd.	S ₄	Head of a Nada brewery with more than 500 years of history.
Takeshi Sekiya	President, Sekiya Brewery Co., Ltd. (Houraisen) / Chairman, Aichi Sake Brewers Association	S ₄ , S ₆	Broad practical experience of entry and succession: a new licence for a second brewery, use of a special zone, M&A, and support for third-party succession.
Baku Takahashi	Sake Educator & Consultant / 18th Sake Samurai	S ₂	Engaged in sake education overseas; well versed in the current state of global sake education and evaluation such as WSET and IWC.
Soichiro Tsuji	President, Tsuji Honten Co., Ltd. (Gozenshu)	S ₃	Brews Gozenshu by the bodaimoto method in Okayama. Vice-chairman, Junior Council of Sake Brewers.
Naoki Tsujimoto	Attorney, Nishimura & Asahi	S ₁	Provides legal perspective on institutional support for export promotion, lobbying on foreign systems, and protecting breweries through contracts.
Toshiya Tone	Former Deputy Commissioner for Liquor Administration, National Tax Agency	S ₄ , S ₅ , S ₆	Experience of institutional design, implementation and reform across the Ministry of Finance, NTA and Cabinet Office. A leading authority on the practical workings of the licence system.
Noriyoshi Nagai	President, Nagai Sake Inc. / Chairman, awa Sake Association	S ₂	Drives the establishment of awa sake (sparkling sake) as a category. Practises standard-setting through objective certification by independent bodies.
Jiro Nagumo	Chairman, Hakkai Brewery Co., Ltd. (Hakkaisan)	S ₈	Built Hakkaisan at home and abroad. Regional value creation at Uonuma no Sato; capital and business alliance with Brooklyn Kura. Has passed the presidency to his son.
Kenji Hiroki	Representative, Hiroki Shuzo Honten (Hiroki)	S ₈	Owner-toji in Aizu, Fukushima. His Hiroki commands deep respect from fans and brewers alike.
Yoshinori Honda	Head of Corporate Solutions, Nomura Securities Co., Ltd.	S ₇	Solves management challenges for companies and owners from a financial perspective. Works on succession and M&A for businesses connected with tradition and culture.

Titles as at the time of the Summit. In S₆, participants from the floor (Tatsuya Ishikawa, Shoya Imai and others) also joined the discussion.

D Sources and references

TITLE	PUBLISHER	URL	ACCESSED
<i>Sake no Shiori</i> (2026 edition, July 2026)	National Tax Agency	https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm	2026-08-14
Sake production status, BY2024	National Tax Agency	https://www.nta.go.jp/taxes/sake/shiori-gaikyo/seizojokyo/2024/pdf/001.pdf	2026-08-14
Liquor Tax Act (Act No. 6 of 1953), text	e-Gov Law Search (Digital Agency)	https://laws.e-gov.go.jp/law/328AC0000000006	2026-08-07
Act on Securing Liquor Tax and Liquor Business Associations (Act No. 7 of 1953)	e-Gov Law Search (Digital Agency)	https://laws.e-gov.go.jp/law/328AC0000000007	2026-08-07
Interpretive Circular on the Liquor Tax Act and Related Liquor Administration Laws	National Tax Agency	https://www.nta.go.jp/law/tsutatsu/kihon/sake/01.htm	2026-08-07
Deregulation toward granting new sake production licences (NTA material for the National Strategic Special Zone WG, 21 May 2025)	Cabinet Office / National Tax Agency	https://www.chisou.go.jp/tiiki/kokusentoc_wg/r7/pdf/250521_shiryou_1_3.pdf	2026-08-07
Guide to applications for export-only sake production licences (January 2021)	National Tax Agency	https://www.nta.go.jp/taxes/sake/menkyo/scishuseizo/pdf/0021001-109_02.pdf	2026-08-07
Commencement of applications for export-only sake production licences	National Tax Agency	https://www.nta.go.jp/publication/pamph/koho/campaign/r3/Ar/r/02.htm	2026-08-07
<i>Sake no Shiori</i> (July 2025)	National Tax Agency	https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2025/index.htm	2026-08-07
Trend in taxable liquor volumes (<i>Sake no Shiori</i> , July 2026)	National Tax Agency	https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm	2026-08-07
Trend in licensed liquor production sites (<i>Sake no Shiori</i> , July 2026)	National Tax Agency	https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm	2026-08-07
Recent trends in sake exports (<i>Sake no Shiori</i> , July 2025)	National Tax Agency (based on MOF Trade Statistics)	https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2025/pdf/0023-2.pdf	2026-08-07
Recent trends in exports of Japanese alcoholic beverages (2025 final preliminary)	National Tax Agency (based on MOF Trade Statistics)	https://www.nta.go.jp/taxes/sake/yushutsu/pdf/0026002-066.pdf	2026-08-07
Press release on 2025 sake export results	Japan Sake and Shochu Makers Association (PR TIMES)	https://prtimes.jp/main/html/rd/p/000000104.000083559.html	2026-08-07
Designation of the Geographical Indication "Nihonshu"	National Tax Agency	https://www.nta.go.jp/taxes/sake/hyoji/minaoshi/pdf/chiritekihyoji.pdf	2026-08-07
Outline of the Standards for Labelling of Sake by Production Method and Quality	National Tax Agency	https://www.nta.go.jp/taxes/sake/hyoji/seishu/gaiyo/02.htm	2026-08-07
Case-law search (Supreme Court judgments of 15 Dec. 1992, 14 Dec. 1989 and others)	Supreme Court of Japan (Courts website)	https://www.courts.go.jp/hanrei/search1/index.html	2026-08-07
Regulatory Reform Implementation Plan (Cabinet decision, 21 June 2024)	Cabinet Office	https://www8.cao.go.jp/kisei-kaikaku/kisei/publication/program/240621/01_program.pdf	2026-08-07
Regulatory Reform Implementation Plan (Cabinet decision, 13 June 2025)	Cabinet Office	https://www8.cao.go.jp/kisei-kaikaku/kisei/publication/program/250613/01_program.pdf	2026-08-07
Inscription of "traditional sake-making" on the UNESCO Representative List (press release)	Agency for Cultural Affairs	https://www.bunka.go.jp/koho_hodo_oshirase/hodohappyo/94142301.html	2026-08-07
Thinking soberly about sake: making sake without a sake production licence	NLI Research Institute	https://www.nli-research.co.jp/report/detail?id=79818?site=nli	2026-08-07
Online article "Major-producer resistance limits deregulation" (7 February 2020); referred to in Day 2 Session 4	Nikkei Inc.	—	—

This report also draws on the records of each Summit session, the anonymised brewery-survey data, and the Day 2 evidence pack prepared by the Executive Committee. Titles of Japanese-language sources are given in English translation.

- 1 SAKE LEADERS SUMMIT 2026, Brewery Survey on the Sake Production Licence System (14–27 July 2026, Google Forms, fully anonymous). CSV tabulation n=122 (slides during the Summit gave 120 valid responses; the difference reflects the time of tabulation). Support for new licences 23.5% + conditional support 31.1% = 54.6% in favour; 26.9% opposed; 18.5% neutral. Greatest concern: entry of foreign capital (75.4% concerned).
- 2 Remarks in Day 1 Session 1 of this Summit. Sake's share of the US alcohol market was stated to be about 0.2%.
- 3 In December 2015 the NTA designated the Geographical Indication "Nihonshu" under the Labelling Standards for Geographical Indications of Liquor, based on Article 86–6 of the Liquor Business Associations Act. Only sake made in Japan using domestic rice may be called "Nihonshu".
<https://www.nta.go.jp/taxes/sake/hyoji/chiri/ichiran.htm>
- 4 Agency for Cultural Affairs press release (December 2024). "Traditional sake-making" (Japan's traditional technique of making sake using koji mould) was inscribed on the UNESCO Representative List of the Intangible Cultural Heritage of Humanity.
https://www.bunka.go.jp/koho_hodo_oshirase/hodohappyo/94142301.html
- 5 SAKE LEADERS SUMMIT 2026, Brewery Survey on the Sake Production Licence System (14–27 July 2026, Google Forms, fully anonymous). CSV tabulation n=122 (slides during the Summit gave 120 valid responses; the difference reflects the time of tabulation). Support 23.5% + conditional support 31.1% = 54.6% in favour; 26.9% opposed; 18.5% neutral. Greatest concern: entry of foreign capital (75.4%).
- 6 Remarks on Day 2 of this Summit. According to Table 14, "Trend in licensed liquor production sites", of the NTA's Sake no Shiori (July 2026), there were 1,514 licensed sake production sites at the end of FY2024 (31 March 2025), plus 165 sites primarily producing other liquors listed separately. Meanwhile, the NTA's "Sake production status, BY2024" (published January 2026) reports that of 1,707 surveyed sites (including storage sites; 1,501 responses, 87.9%), only 1,104 actually brewed sake in BY2024 (13 fewer than BY2023). The two use different units of tabulation, so the simple difference does not equal the number of dormant licences.
- 7 NTA, Sake no Shiori (July 2026), "Trend in taxable liquor volumes (Regional Taxation Bureaus)". Taxable shipments of sake peaked at about 1.77 million kl in FY1973 and fell to 375,921 kl (about 376,000 kl, 97.1% of the previous year) in FY2024. The table gives Showa-era figures at five-year intervals and does not show FY1973; the peak figure is from NTA explanatory material for the Liquor Subcommittee (based on the NTA Statistical Yearbook).
<https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm>
- 8 NTA, Sake no Shiori (July 2026), Table 14 "Trend in licensed liquor production sites". Starting from FY1970, licensed sake production sites fell nearly 60%, from 3,533 in FY1970 to 1,525 in FY2023 and 1,514 in FY2024. Per note 5 to the table, sites licensed for several categories are counted under their principal liquor, and the FY2024 sake column has 165 sites listed separately.
<https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm>
- 9 NTA, "Recent trends in exports of Japanese alcoholic beverages", based on MOF Trade Statistics (final preliminary). Sake exports in 2025 were approximately ¥45.88 billion (+5.6% YoY). According to the Japan Sake and Shochu Makers Association (February 2026), destinations reached a record 81 countries and regions.
<https://www.nta.go.jp/taxes/sake/yushutsu/pdf/0026002-066.pdf>
- 10 Japan Sake and Shochu Makers Association press release (February 2026). The average export unit price of sake in 2025 was ¥1,368/L, about 1.8 times the ¥771/L of 2015. The NTA's Sake no Shiori unit-price series starts in 2016 (¥789/L) and does not include 2015. The unit price peaked at ¥1,407/L in 2023 and has been broadly flat since: ¥1,399/L in 2024, ¥1,368/L in 2025.
<https://prtimes.jp/main/html/rd/p/000000104.000083559.html>
- 11 Agency for Cultural Affairs press release (December 2024). "Traditional sake-making" (Japan's traditional technique of making sake using koji mould) was inscribed on the UNESCO Representative List of the Intangible Cultural Heritage of Humanity.
https://www.bunka.go.jp/koho_hodo_oshirase/hodohappyo/94142301.html
- 12 Tabulation by World Sake Map (included in the SLS2026 draft recommendations). About 70 producers brew sake outside Japan, expected to grow to about 200 by 2030. The count covers producers brewing sake outside Japan; the 2030 figure is an estimate. Reference date per that tabulation.
- 13 Liquor Tax Act (Act No. 6 of 1953), Article 10, item 11. A licence may be refused "where it is found inappropriate to grant a liquor production licence or a liquor sales licence because it is necessary to maintain the balance of supply and demand for liquor in order to secure liquor tax" (e-Gov Law Search
<https://laws.e-gov.go.jp/law/328AC0000000006>).
- 14 NTA, Interpretive Circular on the Liquor Tax Act and Related Liquor Administration Laws, Article 10 item 11. It exhaustively enumerates (items (a) to (e)) the cases in which a new sake production licence may be granted; the wording provides no route for a new entrant to obtain a licence to produce sake for the domestic market.
<https://www.nta.go.jp/law/tsutatsu/kihon/sake/01.htm>
- 15 The export-only sake production licence was created in the FY2020 tax reform, with applications accepted from April 2021. It carries the condition "limited to sake produced for export"; production for domestic distribution is not permitted. Both the minimum production volume (60 kl for sake) and the supply-demand requirement (Art. 10, item 11) are excluded. Cabinet Office Special Zone WG material (21 May 2025) records "seven granted since the scheme began in FY2021" (no reference date is stated). NTA
<https://www.nta.go.jp/taxes/sake/menkyo/seishuseizo/index.htm>
- 16 NTA material submitted to the Cabinet Office National Strategic Special Zone Working Group (21 May 2025), "Deregulation toward granting new sake production licences". A review of the supply-demand requirement, the first in about 70 years, was at issue.
https://www.chisou.go.jp/tiiki/kokusentoc_wg/r7/pdf/250521_shiryoku_1_3.pdf
- 17 NTA explanation at the National Strategic Special Zone Working Group hearing (22 June 2026). The supervising authority itself stated that "business succession of sake breweries is not taking place adequately" (included in the SLS2026 Day 2 evidence pack).
- 18 SAKE LEADERS SUMMIT 2026, Brewery Survey on the Sake Production Licence System (14–27 July 2026, Google Forms, fully anonymous). CSV tabulation n=122 (slides during the Summit gave 120 valid responses; the difference reflects the time of tabulation). Support 23.5% + conditional support 31.1% = 54.6% in favour; 26.9% opposed; 18.5% neutral. Greatest concern: entry of foreign capital (75.4%).
- 19 Based on remarks by Kazuhiro Sakurai in Day 1 Session 1 (speaker's figure). Even including locally produced Gekkeikan, Shō Chiku Bai and Ozeki, sake's share of the US alcohol market was put at about 0.2%.
- 20 Three-tier system: the liquor distribution system established in the United States after the repeal of Prohibition (1933). Products must pass through three tiers, importer (supplier) → wholesaler → retailer, and the system is operated independently by each of the 50 states rather than centrally by the federal government.
- 21 Based on remarks by Genki Ito in Day 1 Session 1 (speaker's figures). Against an import margin of about 30% for wine, sake was said to reach 40–50%.
- 22 Based on remarks by Kenji Okamoto in Day 1 Session 1. Exports of all Japanese alcoholic beverages were about ¥150 billion in 2025 (about 2.3 times 2019), of which sake was about ¥46 billion (about double six years earlier). Per MOF Trade Statistics and NTA figures, sake exports in 2025 were ¥45.88 billion (81 countries and regions).
- 23 MAFF, Strategy for Expanding Exports of Agricultural, Forestry and Fishery Products and Food (revised 30 May 2025). Export targets: ¥2 trillion in 2025, ¥5 trillion in 2030. The 2030 export target for sake, a priority item, is ¥76 billion (2024 result ¥43.5 billion); this is an individual target for the priority item, not an allocation of the ¥5 trillion. Based on Okamoto's remarks in Day 1 Session 1.

- 24 Based on Ito's remarks in Day 1 Session 1 (speaker's figures). Palate Project received Series A investment from the Kokubu Group and directly imported 100 SKUs from 33 breweries in the ten months to the announcement.
- 25 In *Granholm v. Heald* (2005) the US Supreme Court held unconstitutional state laws treating direct shipments to consumers from out-of-state wineries differently from in-state businesses, opening the way in practice to interstate D2C shipping. The ruling did not create a right to interstate direct shipment; states may still ban direct shipment entirely so long as they do not discriminate. *Tennessee Wine & Spirits Retailers Assn. v. Thomas* (2019) confirmed that the non-discrimination principle extends beyond producers to the whole three-tier system including retail and wholesale. Referred to in the session as "a Supreme Court ruling about 20 years ago".
- 26 WSET (Wine & Spirit Education Trust) is a London-based drinks education body that also offers sake courses. IWC (International Wine Challenge) is a UK-founded international drinks competition with a SAKE division. Kura Master is a sake competition held in France.
- 27 The kikisake-shi is run by the Sake Service Institute (SSI); the SAKE DIPLOMA by the Japan Sommelier Association. Both are certifications awarded by private bodies in Japan.
- 28 Based on Sakurai's proposal in Day 1 Session 1 and Okamoto's response (a pilot study of consolidated refrigerated-container shipments carrying sake from several breweries is under informal consideration).
- 29 Comité Champagne: the French trade body of Champagne growers and houses. It operates the AOC standards, protects the brand and manages supply and demand (production adjustment). The figure of about 300 million bottles shipped a year is from Nagai's remarks in Day 1 Session 2.
- 30 Based on remarks by Noriyoshi Nagai in Day 1 Session 2 (speaker's figures). The awa Sake Association was said to have grown from nine founding breweries to 34 breweries and 45 products, forming a market of about 200,000 bottles at an average price above ¥5,000.
- 31 Based on Nagai's remarks in Day 1 Session 2. Adding yeast, sugar or the like after bottle fermentation (dosage etc.), as permitted in the Champagne method, would classify the product under the Liquor Tax Act as a liqueur rather than sake, so it could not be called sake.
- 32 GI Tone Numata: a geographical indication for sake from the Tone-Numata area of Gunma Prefecture, with four participating breweries. The account of its design (aiming at the top of the AOC pyramid; submission to the Gunma Sake Brewers Association followed by about a month of hearings with no objections) is from Nagai's remarks in Day 1 Session 2.
- 33 Bodaimoto (mizumoto): a sake yeast-starter method said to originate in Nara, using wild lactic bacteria. Its characterisation as "Japan's oldest sake method, established about 600 years ago" is from Soichiro Tsuji's remarks in Day 1 Session 3.
- 34 Based on Tsuji's remarks in Day 1 Session 3 (speaker's figures). More than 90% of the sake rice Omachi is grown in Okayama, but breweries in the prefecture consume only 15%; 85% is used by breweries elsewhere.
- 35 "Traditional sake-making" was inscribed as UNESCO Intangible Cultural Heritage in December 2024. That the name etc. may not be used commercially, and that the industry was informed of "no commercial use" before inscription, are from Kazuo Oishi's remarks in Day 1 Session 3.
- 36 Based on the moderator's remarks in Day 1 Session 3 (speaker's figures). More than three breweries close each month, the latest being an announced closure in Aomori. Note that Table 14 of the NTA's Sake no Shiori shows a decline of 11 licensed sites, from 1,525 in FY2023 to 1,514 in FY2024; closures (cessation of production) and licence surrenders do not necessarily coincide.
- 37 Based on Hiraku Ogura's remarks in Day 1 Session 3 (speaker's figures). About 1,500 registered and about 1,100 active breweries; a small number at the top account for most production and the great majority are tiny. No primary statistics of production or sales by company are published, so concentration is estimated from private surveys. By shipment volume, the top 10 account for about 50% and the top 20 about 60% (2022, calculated from the shipment ranking in Nikkan Keizai Tsushin's Shurui Shokuhin Tokei Geppo against that year's taxable shipments plus exports). By sales, the top 10 account for about 40% and the top 20 about 50% (FY2016, Teikoku Databank survey; share of total sales of ¥441.609 billion for 1,077 companies mainly producing sake). An estimate from production-scale data in the NTA's "Overview of the sake industry (FY2018 survey)" also gives about 55% for roughly the top 20, consistent with these. Volume share exceeds sales share because the majors' mainstays are low-priced regular and carton sake. Teikoku Databank figures are total company sales including non-sake business, so the bases are not fully aligned.
- 38 Okakura Tenshin's *The Book of Tea* was published in English in the United States in 1906.
- 39 CSV tabulation of camo Inc., "SAKE LEADERS SUMMIT: Brewery Survey on the Sake Production Licence (anonymous)" (14–27 July 2026, Google Forms, 122 responses).
- 40 Total CSV responses: 122. Slides during the Summit gave 120 valid responses, a difference in the time of tabulation. Some questions have non-responses, so percentages are as a rule based on valid responses.
- 41 Free-text response (Q17) from a brewery owner. According to the response, the municipality submitted an application to the Cabinet Office in June 2024 on "relaxing the requirements for granting new sake production licences under the Liquor Tax Act" and withdrew it in August 2024. The proposal and withdrawal could not be confirmed in published Cabinet Office material, so it is recorded here as the respondent's testimony.
- 42 Total CSV responses: 122. Slides during the Summit gave 120 valid responses, a difference in the time of tabulation. Some questions have non-responses, so percentages are as a rule based on valid responses.
- 43 NTA, Sake no Shiori (July 2026), trend in taxable liquor volumes (Regional Taxation Bureaus). Sake fell about 80%, from a peak of about 1.77 million kl in FY1973 to 376,000 kl (375,921 kl) in FY2024.
<https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm>
- 44 NTA, Sake no Shiori (July 2026), Table 14, trend in licensed liquor production sites. Licensed sake sites fell from 3,533 in FY1970 to 1,525 in FY2023 and 1,514 in FY2024 (the table starts in FY1970).
<https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm>
- 45 Liquor Tax Act, Article 10, item 11. Operational detail is set in the NTA's Interpretive Circular (Article 10 item 11), under which new production licences for sake and certain other categories are not granted on supply-demand grounds.
<https://www.nta.go.jp/law/tsutatsu/kihon/sake/01.htm>
- 46 Tone's remarks in Day 2 Session 4. On the day the number of licences was mentioned as "about 1,700", but the NTA's Sake no Shiori (2026 edition, July 2026) gives 1,514 licensed sake production sites, so this report uses "about 1,500". Just over 1,000 are said to be in use and several hundred idle. The Japan Sake and Shochu Makers Association's roughly 1,700 members include shochu and other producers as well as sake.
<https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm>
- 47 Liquor Tax Act (Act No. 6 of 1953), Article 7. Paragraph 1 requires a tax office director's licence by category and production site; paragraph 2 sets minimum production volumes (60 kl for sake, 6 kl for other brewed liquor, etc.). e-Gov Law Search
<https://laws.e-gov.go.jp/law/328AC0000000006>
- 48 Liquor Tax Act, Article 10, item 11. Operational detail is set in the NTA's Interpretive Circular (Article 10 item 11), under which new production licences for sake and certain other categories are not granted on supply-demand grounds.
<https://www.nta.go.jp/law/tsutatsu/kihon/sake/01.htm>
- 49 Nikkei online article of 7 February 2020. The headline "Major-producer resistance limits deregulation" is from that article. The testing of the claim with those concerned took place in Day 2 Session 4.

- 50 Supreme Court, Third Petty Bench, judgment of 15 December 1992 (Minshu Vol. 46 No. 9, p. 2829; liquor retail licence case). Available via the Courts of Japan case-law search.
<https://www.courts.go.jp/hanrei/search1/index.html>
- 51 Supreme Court, First Petty Bench, judgment of 14 December 1989 (Keishu Vol. 43 No. 13, p. 841; the so-called doburoku case). Available via the Courts of Japan case-law search.
<https://www.courts.go.jp/hanrei/search1/index.html>
- 52 Remarks by Koki Sato in Day 2 Session 5. In 2023 Oga City and Ine to Agave Inc. jointly submitted a National Strategic Special Zone proposal on "new licences" and "minimum production volume"; a Special Zone Working Group hearing was held on 21 May 2025; and the 66th National Strategic Special Zone Advisory Council on 10 June 2025 decided that, "as an initiative enabling motivated and capable people to begin brewing, a project to support succession of sake breweries will be undertaken first". No special regulatory measure was therefore created in a zone; at the same time the Prime Minister instructed the Working Group to carry out the necessary examination, so consideration of reviewing the supply-demand requirement continues. Follow-up WGs were held on 28 November 2025 and 22 June 2026, reporting five role-model cases, three matches and one succession as FY2025 results. Minutes and materials are published on the Cabinet Office site.
https://www.chisou.go.jp/tiiki/kokusentoc_wg/
- 53 MOF Trade Statistics; NTA, "Recent trends in exports of Japanese alcoholic beverages". Sake exports: ¥43.46 billion in 2024, ¥45.88 billion in 2025 (81 countries and regions). Total agricultural, forestry, fishery and food exports reached ¥17005 trillion in 2025 (+12.8% YoY, a record).
<https://www.nta.go.jp/taxes/sake/yushutsu/pdf/0026002-066.pdf>
- 54 The export-only sake production licence was created in the FY2020 tax reform, with applications accepted from 1 April 2021. NTA, "Guide to applications for export-only sake production licences" (January 2021) and others.
<https://www.nta.go.jp/taxes/sake/menkyo/seishuseizo/index.htm>
- 55 Geographical Indication "Nihonshu" (designated 25 December 2015). Only sake made in Japan using domestic rice may be called "Nihonshu". NTA.
<https://www.nta.go.jp/taxes/sake/hyoji/chiri/ichiran.htm>
- 56 NTA material, "Deregulation toward granting new sake production licences" (National Strategic Special Zone Working Group, 21 May 2025). It shows that sake shipments fell to under 30% between FY1973 and FY2023 and that seven export-only sake licences have been granted since the scheme began.
https://www.chisou.go.jp/tiiki/kokusentoc_wg/r7/pdf/250521_shiryuo_1_3.pdf
- 57 Liquor Tax Act (Act No. 6 of 1953), Article 7. Paragraph 1 requires a tax office director's licence by category and production site; paragraph 2 sets minimum production volumes (60 kl for sake, 6 kl for other brewed liquor, etc.). e-Gov Law Search
<https://laws.e-gov.go.jp/law/328AC0000000006>
- 58 The minimum production volume for an "other brewed liquor" licence is 6 kilolitres (Liquor Tax Act, Art. 7(2)). The Craft Sake Brewers Association defines craft sake as "a new genre of alcoholic beverage based on the production techniques of sake (seishu), using rice as a raw material while incorporating processes that cannot legally be adopted in conventional 'sake'. NLI Research Institute, "Thinking soberly about sake: making sake without a sake production licence", and others.
<https://www.nli-research.co.jp/report/detail/id=79818?site=nli>
- 59 Remarks by Toshiya Tone in Day 2 Session 6. For the general liquor wholesale licence, an annual quota system by prefectural formula was introduced around 2012, with public application, document review and lottery to decide priority, and at least one licence granted each year even in areas where no quota is calculated.
- 60 Act on Securing Liquor Tax and Liquor Business Associations (Act No. 7 of 1953). Membership of brewers' associations is voluntary, not compulsory.
<https://laws.e-gov.go.jp/law/328AC0000000007>
- 61 "Traditional sake-making" (Japan's traditional technique of making sake using koji mould) was inscribed on the UNESCO Representative List in December 2024. Agency for Cultural Affairs press release.
https://www.bunka.go.jp/koho_hodo_oshirase/hodohappyo/94142301.html
- 62 Liquor Tax Act, Article 19. Besides inheritance and universal bequest, since the FY2020 tax reform (in force 1 April 2021) a transferee is deemed to succeed to the licence on notification when an individual producer transfers the whole production business. Review of deemed succession is limited to Article 10 items 1–3 and 6–8; the financial-basis (item 10) and supply-demand (item 11) requirements are not examined. In share-acquisition M&A the licence holder (the company) continues, so the licence is unaffected. For business transfers from a company, mergers and demergers there is no express provision for universal succession, and the succeeding company must as a rule obtain a licence anew.
<https://laws.e-gov.go.jp/law/328AC0000000006>
- 63 Remarks by Yoshinori Honda in Day 3 Session 7. Presented as a real brewery M&A case: transfer price ¥1, debt about ¥100 million (acquisition for about ¥100 million in substance).
- 64 SAKE LEADERS SUMMIT Executive Committee, Brewery Survey (14–27 July 2026, Google Forms, fully anonymous, CSV tabulation n=122). Concern about foreign capital totalled 75.4%, the greatest concern.
- 65 Remarks by Senichi Kato in Day 3 Session 7. Of 12–13 employees at succession, one remains as of 2026; current staff 21. At the second brewery about half submitted resignations within a few months although day-to-day practice was unchanged.
- 66 Remarks by the moderator (Aki Kawana) in Day 3 Session 7. The NTA's survey and pilot-project report barely mentions PMI, and the policy of having brewers' associations lead matching was questioned.
- 67 Remarks by Senichi Kato in Day 3 Session 7. Sales about ¥180 million at succession → ¥103 million in 2021 (pandemic) → over ¥190 million in 2022 → ¥300 million in the latest accounts → about ¥400 million expected next year. Production from 16 koku in 2019 to 1,100–1,200 koku this season (capacity 1,000 koku).
- 68 Remarks by Senichi Kato in Day 3 Session 7. In 2023 a gold medal at the Annual Japan Sake Awards, sixth place in the junmai daiginjo division of SAKE COMPETITION and selection as an in-flight sake for JAL international First Class coincided.
<https://sakecompetition.com/award/history2023.html>
- 69 NTA, Sake no Shiori (July 2026). Taxable shipments of sake fell about 80%, from a peak of about 1.77 million kl in FY1973 to 376,000 kl in FY2024.
<https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm>
- 70 Remarks by Kenji Hiroki in Day 3 Session 8. When he returned home in 1993, Hiroki Shuzo Honten had sales of about ¥50–60 million, produced just under 800 koku a year, and shipped at about ¥600 a bottle.
- 71 Remarks by Jiro Nagumo in Day 3 Session 8. Hakkai Brewery's output peaked at 34,000 koku in 2013 and is now about 26,000 koku.
- 72 Remarks by Jiro Nagumo in Day 3 Session 8, contrasting French wine and spirits exports of about ¥2.7 trillion. Sake exports were ¥43.46 billion in 2024 and ¥45.88 billion in 2025 (MOF Trade Statistics; NTA).
- 73 Under Articles 7 and 54 of the Liquor Tax Act, unlicensed production of liquor is punishable even for personal consumption (prohibition of home brewing). The Supreme Court upheld this as constitutional in its judgment of 14 December 1989 (the doburoku case). e-Gov Law Search
<https://laws.e-gov.go.jp/law/328AC0000000006>
- 74 "Traditional sake-making" became a Registered Intangible Cultural Property in 2021 and was inscribed on the UNESCO Representative List in December 2024. Agency for Cultural Affairs press release
https://www.bunka.go.jp/koho_hodo_oshirase/hodohappyo/94142301.html
- 75 Remarks by Tatsuya Ishikawa in Day 3 Session 9, referring to the exemption of sake brewing from the working-hours rules of the Labour Standards Act and to cases in which the burden of work-style reform fell on individual toji or owners and led to fatal accidents.

- 76 Liquor Tax Act, Article 19. On the death of a liquor producer, an heir intending to continue the business is deemed to have received the production licence at the time of inheritance on notification to the tax office director (para. 2). e-Gov Law Search
<https://laws.e-gov.go.jp/law/328AC0000000006>
- 77 NTA, Q&A on liquor production and sales licences. Because the licence belongs to the company itself, a change of representative or of shareholders through share transfer leaves the licence unaffected.
<https://www.nta.go.jp/taxes/sake/qa/03c/03.htm>
- 78 New sake production licences are in effect not granted for the domestic market under the operation of Article 10, item 11 (supply-demand requirement), so share-acquisition M&A is in practice the only route of new entry into domestic sake production. NLI Research Institute, "Thinking soberly about sake: making sake without a sake production licence"
<https://www.nli-research.co.jp/report/detail/id=79818?site=nli>
- 79 NTA, Interpretive Circular on the Liquor Tax Act and Related Liquor Administration Laws. Article 19 permits succession of the licence on inheritance, universal bequest and transfer of the whole production business by an individual, but there is no express provision for universal succession on merger, company split or business transfer from a company; the succeeding company must as a rule obtain a licence anew.
<https://www.nta.go.jp/law/tsutatsu/kihon/sake/01.htm>
- 80 NTA, Sake no Shiori (July 2026), Table 14 "Trend in licensed liquor production sites". Licensed sake sites fell from 3,533 in FY1970 to 1,525 in FY2023 and 1,514 in FY2024 (2026 edition, July 2026).
<https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm>
- 81 Cabinet Office, National Strategic Special Zone Working Group material (submitted by the NTA, 21 May 2025). Only seven export-only sake licences have been granted since the scheme began (FY2021) (no reference date is stated).
https://www.chisou.go.jp/tiiki/kokusentoc_wg/r7/pdf/250521_shiryou_1_3.pdf
- 82 Remarks by the moderator (Aki Kawana) in Day 3 Session 7. The NTA's survey and pilot-project report barely mentions PMI, and the policy of having brewers' associations lead matching was questioned.
- 83 Remarks by Senichi Kato in Day 3 Session 7. Of 12–13 employees at succession, one remains as of 2026; current staff 21. At the second brewery about half submitted resignations within a few months although day-to-day practice was unchanged.
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- 86 NTA, Sake no Shiori (July 2026). Taxable shipments of sake fell about 80%, from a peak of about 1.77 million kl in FY1973 to 376,000 kl in FY2024.
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- 87 MOF Trade Statistics; NTA, "Recent trends in exports of Japanese alcoholic beverages". Sake exports: ¥43.46 billion in 2024, ¥45.88 billion in 2025 (81 countries and regions).
<https://www.nta.go.jp/taxes/sake/yushutsu/pdf/0026002-066.pdf>
- 88 Remarks by Jiro Nagumo in Day 3 Session 8.
- 89 Supreme Court, Third Petty Bench, 15 December 1992 (Minshu Vol. 46 No. 9, p. 2829). A licence system for the fiscal purpose of proper and reliable assessment and collection of liquor tax does not violate Article 22(1) of the Constitution unless the legislature's judgment is markedly unreasonable.
- 90 NTA, Interpretive Circular, Article 10 item 11. Provides that new production licences for sake and certain other categories are not granted on supply-demand grounds.
<https://www.nta.go.jp/law/tsutatsu/kihon/sake/01.htm>
- 91 SAKE LEADERS SUMMIT Executive Committee, Brewery Survey on the Sake Production Licence System (14–27 July 2026, Google Forms, fully anonymous). CSV tabulation n=122 (slides during the Summit gave 120 valid responses; the difference reflects the time of tabulation).
- 92 Survey Q7 (n=119 valid). Support 23.5%, conditional support 31.1%, neither 18.5%, oppose unless conditions met 15.1%, oppose 11.8%. In favour 54.6%; opposed 26.9%.
- 93 Remarks by Taiji Okura, Masataka Shirakashi and Takeshi Sekiya in Day 2 Session 4. The moderator showed the headline of the 7 February 2020 Nikkei online article, "Major-producer resistance limits deregulation", and tested it directly with those concerned.
- 94 Survey Q7 × Q15 cross-tabulation. Among those who feel "protected by current practice", 26% are in favour; among those who do not, 81%. Perceived benefit from regulation was the strongest explanatory variable.
- 95 Survey free text (Q17). According to the response, the respondent's municipality submitted a special-zone application to the Cabinet Office in June 2024 on relaxing the requirements for new sake licences, but withdrew it in August 2024 after opposition from local existing breweries. Not confirmed in published Cabinet Office material; recorded as the respondent's testimony.
- 96 NTA, Sake no Shiori (July 2026). Licensed sake production sites fell from 3,533 in FY1970 to 1,525 in FY2023 and 1,514 in FY2024 (the table starts in FY1970).
<https://www.nta.go.jp/taxes/sake/shiori-gaikyo/shiori/2026/index.htm>
- 97 NTA material submitted to the National Strategic Special Zone Working Group hearing (22 June 2026). The supervising authority itself officially acknowledged that "business succession of sake breweries is not taking place adequately".
- 98 "Traditional sake-making" was inscribed on the UNESCO Representative List in December 2024. Agency for Cultural Affairs press release
https://www.bunka.go.jp/koho_hodo_oshirase/hodohappyo/94142301.html
- 99 Kazuhiro Sakurai's proposal in Day 1 Session 1 and his renewed proposal in Day 2 Session 5. On Day 1, Kenji Okamoto of the NTA responded that a pilot study of consolidated refrigerated-container shipments carrying sake from several breweries was under informal consideration.
- 100 Remarks by Fumiaki Kobayashi in Day 2 Session 5: "As it happens, we set aside that budget this year. Shall we do it?" Sakurai and Okura concurred.
- 101 Remarks by Fumiaki Kobayashi in Day 2 Session 5, referring to agricultural and food exports growing from ¥500 billion, past the ¥1 trillion target, to about ¥1.5 trillion. MAFF figures: ¥1.5071 trillion in 2024, ¥1.7005 trillion in 2025 (+12.8% YoY, a record).
- 102 SAKE LEADERS SUMMIT Executive Committee, Brewery Survey on the Sake Production Licence System (14–27 July 2026, Google Forms, fully anonymous). CSV tabulation n=122 (slides during the Summit gave 120 valid responses; the difference reflects the time of tabulation).
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- 105 NTA material submitted to the Cabinet Office National Strategic Special Zone Working Group (21 May 2025), "Deregulation toward granting new sake production licences". Seven export-only sake licences granted since the scheme began (FY2021) (no reference date is stated).
https://www.chisou.go.jp/tiiki/kokusentoc_wg/r7/pdf/250521_shiryou_1_3.pdf
- 106 NTA material submitted to the National Strategic Special Zone Working Group hearing (22 June 2026). The supervising authority itself officially acknowledged that "business succession of sake breweries is not taking place adequately".
- 107 "Traditional sake-making" was inscribed on the UNESCO Representative List in December 2024. Agency for Cultural Affairs press release
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Afterword

Three days, nine sessions. What this Summit set out to do was not to rush to conclusions but to rebuild the very ground of dialogue on evidence and the voices of those directly concerned. The data showed that much of the confrontation narrative is an illusion, and the speakers, across their positions, confirmed a shared goal: to make the pie of sake bigger. The licence is a means; the end is the future of sake, the inheritance of a culture and the development of an industry.

Finally, I want to set down one premise that ran beneath every discussion of these three days.

Sake as culture, tradition and industry has, at least in Japan, been built on the currency of trust. Association and brewery, brewery and retailer, brewery and region, brewery and brewery. What exists there is not a closed transaction settled in money but an "open reciprocity" in which what one offers flows onward into the community of the region and the industry. Though I use the word currency, this is not a matter of money or transactions. It is something deeper in the heart, sensed rather than reasoned, hard to put into words even for those who hold it. The industry has stood not so much on a system anyone designed as on an awareness shared unconsciously by those involved. The Summit's discussion of the association system was, in the end, a confirmation of this premise.

The premise has two implications.

First, however rational an institutional design or initiative may look, it will scarcely win support within the industry so long as it serves the gain of a single operator. Neither licensing, nor export infrastructure, nor succession support is solved by one company standing out. The doubts about measuring succession by matches concluded have the same root. Increase the number of encounters, but unless what is redesigned afterwards, with whom, and in what order the rebuilding proceeds is open to the region and the industry, all that has happened is that a licence and a building have changed hands. The first conclusion of this report, "no structural reform without growing the pie", should be read in this light.

Second, there is the risk of lacking that wholeness. If the industry cannot embrace a direction of raising the whole, expanding the pie for everyone, then in a shrinking market it can only wear down one another's strength. That is mutual ruin, and I regard it as a kind of systemic risk within the industry.

What becomes of initiatives that enter without understanding this has been plain even from the seven years I have watched from inside the industry. "Save a traditional industry"; "branding will make money". Many come in from outside with such phrases, and on the breweries' side the feeling of "here we go again" has accumulated. Breweries now tell me, as a joke, that I was seen that way myself when I went round approaching them in 2019. Trust becomes credit through a track record. Credit, once damaged, takes years to recover, and trust can be built only on top of it. Unable to win support within the industry, and in the end unable to break out of the present structural constraints to deliver results, such efforts either dwindle or withdraw. The pattern repeats.

What must not be overlooked here is that this thing deep in the heart sometimes works beyond reason. It cannot quite be refuted by logic, yet emotionally it cannot be forgiven or permitted, and so it is opposed. This actually happens. That the reasons for opposition in the brewery survey were framed as defence of culture and region rather than private gain, and the testimony that criticism of regulation on social media hardened the attitudes of existing breweries, are both phenomena occurring not in the logic of institutions but in this realm of feeling. Dismantling the confrontation narrative with data and building a ground for designing conditions are achievements of this Summit, but they alone do not reach this realm.

At the same time, the Summit also heard an argument that seems at first to collide with this: that the arrival of star players makes the pie bigger, that Shohei Ohtani came out of a baseball population of three million. It is a wonderful thing when a young person appears who says they entered this industry because they admired someone. Countless children took up baseball because they admired Ohtani. Creating the environment in which heroes are born, and celebrating heroes, matters enormously in sake too. A soil that cannot emotionally forgive the outstanding individual, and an industry that needs outstanding individuals. How are the two to be reconciled?

I do not think they contradict each other. In the sake industry, "a person celebrated as a hero" is not a question of who deserves the mantle; it is someone who, beyond their outstanding results, brings a high degree of reciprocity into the industry. Someone whose success can be seen flowing on to retailers, to the region, to those who follow. For such a person, existing operators rise above envy and gladly support and endorse them. Such endorsement does exist in this industry. That reciprocity is woven into the very conditions of heroism is this industry's tacit premise, and another face of open reciprocity. To put into words what is hard to put into words; to factorise one another's fears and confirm what each wants to protect; not to begrudge that effort; and to prepare, in both institutions and attitudes, the soil in which endorsement beyond envy can grow. These two, I believe, are the substance of consensus-building in this industry.

Lest there be misunderstanding: this is not a matter of "let's all just get along". When you do something, let it serve not only yourself but others. The "others" here are the culture of sake and the community of the whole industry. Whether one can hold this perspective of mutual prosperity is what divides success from failure. I would go so far as to say that without it there can be no revival of this industry.

And it is not only relationships that should be open; language too. If we try to speak of the meaning of sake only from inside sake, the industry's language closes in on itself. At a time when alcohol consumption is shrinking worldwide, we need to retell, from outside perspectives such as the tea ceremony, food culture and regional landscapes, what it has meant for drink to have stayed beside humanity for hundreds and thousands of years. That is part of why this Summit invited to the stage cultural administrators, fermentation researchers, finance practitioners and executives from other industries.

The Executive Committee will nurture the seeds of concrete policy and the human connections that grew here, through follow-up on the recommendations and continued research. Next year, on a foundation of examining how far each issue has advanced in the intervening year, we intend to add new issues: how to protect sake-making as a traditional cultural property; how to realise a gender-inclusive industry; and how sake-making should absorb the changes in ways of working that come with a changing era. Each spans both institutions and feeling, and each lies on the extension of the open reciprocity discussed in this report. The forum stays open. It will be a pleasure if this report serves as its foundation.

COLOPHON

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INTEGRATED REPORT

