The oldest Remaining) Winery in Japan 現存する日本最古のワイケリー



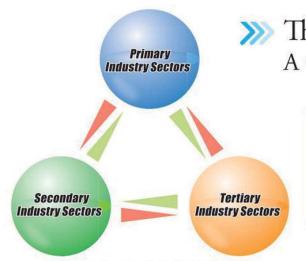
# Company profile

よる き 葡萄酒株式会社





### MARUKI Winery Company Strategy



The Company Vision:
A Comprehensive Sixth Order Business

The business approach known as "Sixth Order Industrialization" is named for combining primary, secondary and tertiary industry sectors (1+2+3=6), and has two fundamental conditions:

A Comprehensive Sixth Order Business

#### First condition:

A comprehensive balance of the primary, secondary and tertiary sectors of the industry.

#### Second condition:

Creating value-added products with agricultural products at their core.







The winery business must include the primary, secondary and tertiary sectors of the industry, and those three sectors must cooperate with each other to create high productivity. Consistent with the "Sixth Order Industrialization" business model, the winery business has a comprehensive balance of the primary, secondary and tertiary sectors of the industry. As the primary industry, the viniculture producing the beautiful and pure grapes becomes the fundamental element of the industry. The other industries follow to process the grapes into wine, creating additional value in the form of preserved food products. Our goal is to create a comprehensive "Sixth Order Industrialization" business by extending the knowledge and experience based on the management of the winery business to fulfil the two fundamental conditions in other sectors of the industry.

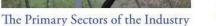
### The Vision of the "Sixth Order Industrialization"

by MARUKI Winery



## >>> The Problem and Solution of "Sixth Order Industrialization"







The Secondary Sectors of the Industry



The Tertiary Sectors of the Industry

Recently, the term "Sixth Order Industrialization" has been promoted as a new business model. However, managing the all sectors of an industry is very difficult because the company must maintain all aspects of the business of each sector. Even the management of one sector of an industry is difficult.

The Cross Management of the Comprehensive Sixth Order Business



First of all, it is very important for all employees and employers to recognize the difficulty of managing all sectors of an industry. All the managers of each sector of the industry must understand the problems and the vision of the other businesses in order to create a "Sixth Order Industrialization" business.

The "Sixth Order Industrialization" approach requires that each sector understands and recognizes the other's feelings and problems so that they can assist and support the industry as a whole. This mutual support system is very important to manage the industry model and to enhance the value of the industry.





## The Vision as the Winery I

### Management as an Industry and Business.

Recently, there has been an increase in the number of new wineries producing less than 50,000 bottles of wine a year.



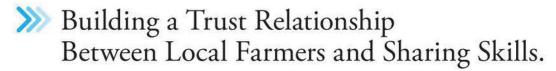
However, even in the small scale winery business, a certain size of business operations is required so that as the scale of the business increases, the management of the business creates high efficiency. Intensive investment into new product lines creates export quality wines.

Moreover, it supports social contributions, as demonstrated here.



#### The Vision as the Winery II











Maintaining grape quality is the most important factor for the winery. Frictions between the winery and grape farmers used to be the main issue. Today, those frictions are solved because the amount of grapes for wine is in undersupply. The winery will not limit the purchasing of grapes.

In order to create a high quality wine, everyone who is involved in this wine industry must have a long term vision and the winery is required have equable contractual relationships. Also, the farmers must shift to producing more valuable grapes rather than simply pursuing short term company profit.

Another potential issue to consider is the difficulty of finding successor for the farmers. Supporting steady profits for the farmers prevents the loss of staff. The company also manages and merges the less successful farms, preventing the decline of local agriculture.











### **(1)**

#### The brand of the MARUKI Winery and their Sales Strategy

#### The Oldest Remaining Winery in Japan:







As the oldest remaining winery in Japan, MARUKI considers that the spirit of the pioneer is the most important value of the company. According to our motto "Innovation throughout history", MARUKI is always looking for new and challenging systems for our branding strategy.

#### The Definition of Segmentation











For the company as a whole, understanding the definition of segmentation is very important. By understanding each segment and their issues, it is possible to supply products aligned with the customers' requirements.

MARUKI wines are categorized for hotels and restaurants, high-quality wine shops and grocery stores, and use different labels for each segment to enhance the sales promotion of those categorized wines. MARUKI also extends the market by using private labels and other categories.



#### Cultivated Land Strategy I



#### No-till Farming





- No-till farming helps to grow weeds which support the growth of microbes in the soil. This has the following benefits:
- >>> Reducing soil-borne pathogens created by harmful microbes.
- Balancing run-off water purity and water-holding properties.
- >>> Supporting an ecosystem of insects and small animals.
- >>> Preventing damage from pest insects.





Through competition with weeds in the same soil, the roots of grapes become stronger and help to nurture the environment.





### Cultivated Land Strategy II

#### Sustainability







Sheep have been introduced into the land cultivated by MARUKI farmers. The sheep eat weeds and provide fertilizer in the form of their excrement. This cycle maintains the soil health.





The sheep also cultivate the land by bringing air into the soil to activate microbes. The benefit of this modern method is helping to preserve the environment.

MARUKI assists the promotion of beautiful natural environments throughout this winery system.





#### Labels of MARUKI by Designing from Grape Leaves



#### Red Wines











#### White Wines







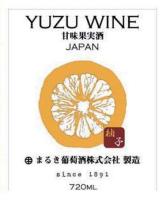




#### Other Wines















### The Company History





MARUKI in 1921

MARUKI 70'

- 1877 The Dai-Nippon Winery was established. Mr. Tsuchiya and Mr. Takano, as its employees, visited France to learn wine making.
- 1886 Dai-Nippon Winery announced the dissolution of the company.
- Mr. Tsuchiya established the MARUKI Winery as the oldest remaining winery in Japan.
- 1949 The MARUKI Winery Co., Ltd was established.
- 1989 The new company building was constructed.
- 2008 MARUKI started "No-till Farming" on its own vineyard.
- 2013 Mr. Kiyokawa acquired 100% of MARUKI Stock and became the CEO.
- 2013 Sustainable farming practice began at MARUKI's vineyard.
- A new storage facility was installed. The winery and other facilities were partly renovated.
- 2015 The company started to expand the property of vineyards such as 8.5ha at Akagi highland, 34.2ha at Furano city and Nakafurano cho and 5.3ha Shiojiri city.
- 2016 At the Japan Wine Competition 2016, LA FEUILLE TARU KAI NOIR 2014 won the gold prize and category highest prize, too.
- 2017 Yamanashi head quarter was certified ISO 22000:2005 and Global G.A.P. as well.



#### MARUKI Winery Company Profile











Company Name: MARUKI Winery Co., Ltd.

CEO: Koji Kiyokawa

Headquarter: 2488 Shimoiwasaki, Katsunuma, Koshu,

Yamanashi Prefecture, 409-1313

Phone: 81-553-44-1005

Fax: 81-553-44-0650

Established: 1949 (Former company was established in 1891).

Capital: 80,000,000 JPY

Employee: 25

Major Sales Items: wine, wine related products.

Vineyards: Koshu city, Yamanashi. Shibukawa city, Gunma. Nakafurano cho and

Furano city, Hokkaido. Shiojiri city, Nagano.

Main Financing Banks: Yamanashi Chuo Bank, Resona Bank

Business office: Tokyo Office, Osaka Office











