

Innovative Strategies for Wooden Barrel-Brewed Soy Sauce
— Possibilities in Promoting High-Value-Added Exports and Revitalizing Industries
Through Cross-Regional Collaboration in the Same Product Category —

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Introduction

28 soy sauce breweries scattered across Japan collaborated to build a consolidated brand KIOKE SHOYU to export their soy sauce worldwide. Such cross-regional collaboration within a single product category is rare, but this model is applicable to a wide range of industries and regions. Nationwide, municipalities and companies can explore the potential for this kind of cross-regional collaboration.

This article traces the origin of this initiative, which began in response to the threat facing the continuation of wooden barrel-making techniques to the next generation.

What Is *Kioke Shoyu*?

Soy sauce is, needless to say, an essential Japanese condiment. Fueled by the recent global popularity of Japanese cuisine, it is now widely exported and commonly found in supermarkets overseas.

In particular, *kioke*-brewed soy sauce—which is fermented and aged in traditional wooden barrels—is known as a Japanese specialty, in which the microbes inhabiting the barrels add complex flavors and deep richness. All domestic production once relied on these wooden barrels. Nowadays, the method is labor-intensive, costly, and difficult to scale for mass production. Consequently, production using wooden barrels has shrunk to just about 1 percent of total soy sauce production today, with breweries facing challenges such as harsh price competition and a declining number of brewers.

How the Collaboration Between Regional Companies Began

Before anyone had realized it, on top of issues of cost and scale, makers of *kioke* themselves were dwindling fast.

Yasuo Yamamoto, the fifth-generation owner of Yamaroku Shoyu Co., Ltd on Shodo Island in Kagawa Prefecture, once asked a company in Osaka for a quote to repair his wooden barrel. They told him, “This is the first time since the war that we've received an order from a soy sauce maker to repair a barrel. We're planning to quit the business soon.” Yamamoto was shocked. While he figured he could manage during his own lifetime, the authentic barrels would surely disappear by the next generation. He decided to team up with his friend, a carpenter, to learn how to make them.

Yamamoto says, “I view tradition as an *ekiden* (a Japanese relay race). It is like a continuous effort with a series of baton passes to the next runner in line.” Demand for wooden barrels won't grow if people only buy shoyu from us. But if soy sauce breweries put their heads together and expand the national *kioke* shoyu market from 1 percent to even just 2 percent, then they could create that much more demand for barrels. With this goal in mind, Yamamoto contacted breweries across Japan and started they got to work collaborating.



Yamaroku welcomes drop-in visitors for brewery tours year round.

“The Kioke Craftsmen Revival Project”

To gain wider attention and support the coalition started “the Kioke Craftsmen Revival Project”. Every January, soy sauce brewers representatives from the food service and distribution industries from all over Japan gather in Shodo Island to make new wooden barrels, learning more about the brewing vessel’s construction and traditional use.

This initiative fosters *kioke*-centered, cross-industry connections nationwide. The spirit of mutual encouragement among brewers boosts motivation and drives further improvements in quality. Moreover, the participation of restaurants and distributors—in other words, allowing outsiders to have a rare, firsthand look at the wooden barrels—ensures that the traditional industry is passed on to the next generation through a multi-layered approach, involving stakeholders beyond the brewers themselves.

Reasons for Overseas Expansion and Market Selection

One day an acquaintance suggested to Yamamoto that, “Rather than just focusing on the domestic market, you should aim to capture 1 percent of the global market.” Indeed, Yamamoto thought, if the goal were 1 percent of the world market, the aim should be to win over a niche group of enthusiasts rather than the general public—and that niche group alone would represent a sufficiently large market. Consequently, the coalition decided to start exporting *kioke* shoyu overseas.

They set Western countries as their main target markets, since those countries have established barrel-aging cultures, seen in products like wine and whiskey, which they anticipated would make it relatively easier for them to see the value in *kioke* shoyu.



The brewery is lined with kioke which has been passed down through generations.

A Brand Strategy for Creating High Added Value

Seeking to penetrate overseas markets, the brewers created the consolidated brand KIOKE SHOYU and launched an English website to share the stories behind *kioke* shoyu. As a means of sharing its history, culture, and the brewer's passion, the website has become a powerful marketing tool, generating added value to their product.

In addition, the deliberate choice of the term “shoyu”, rather than “soy sauce”, reflects a conscious effort to differentiate the product from mass-produced sauce made in industrial tanks. In this, they distinguish “soy sauce” as an everyday commodity and “shoyu” as a premium product to be savored.

KIOKE SHOYU is often likened to fine wine; each brewery's unique qualities and distinct terroir (the specific climate and environmental characteristics of a location) are highly acclaimed by top chefs and gourmets worldwide. Furthermore, the brand's commitment to upholding traditional production techniques has also gained high acclaim for its craftsmanship. Yamamoto believes that continuous effort is essential to preserve this acclaim. His brand Yamaroku posts daily on social media in both Japanese and English. “With translation apps available today, it's a simple task that anyone could do, yet surprisingly few people actually

keep it up day after day. To maintain loyal *kioke* enthusiasts, it is crucial to keep sharing our story.”

Yamaroku welcomes drop-in visitors for brewery tours year round, drawing a steady stream of guests from neighbors and overseas visitors. International media coverage has spiked accordingly. Among the visitors, there are industry professionals such as buyers and chefs, and business talks often start on the spot. The visitors take the value of the shoyu to heart, gazing upon *kioke*—alive with microorganism cultures that have thrived for over a century—and listening to the history.



Resting spaces for visitors are also provided.

Spillover Effects and Virtuous Cycles in the Local Economy

This collaboration between brands has gone on to positively affect other industries, generating virtuous cycles in the local economies of each brewery’s region.

Initiatives such as welcoming visitors for brewery tours and actively providing information have led to an increase of visitors and stimulated tourism-related activity. Furthermore, the island is making efforts to position itself as a sustainable tourism destination through international certification. According to the Shodoshima Town administration, which

responded to this interview, the preservation of traditional industries is also believed to be highly valued when being evaluated for international certification.

Such external evaluations and the visitor perspectives allow local people to re-evaluate the worth of local resources. In addition to soy sauce, the island possesses diverse local resources, such as a fantastic view of Seto Inland Sea, olives, and more whose appeal is being rediscovered through the introduction of external perspectives.

As a result, initiatives to develop and refine locally sourced products are emerging in the area. As seen with KIOKE SHOYU, external communication and gained recognition can drive further action by local stakeholders and lead to positive developments beyond a single industry.

Developments and Challenges for Future

However, there are challenges ahead as these efforts move forward. Passing the tradition of *kioke* shoyu on to the next generation requires the cultivation of young management. This initiative actively entrusts the project's operation with them.

Also, as the initiative has gained wider attention, some who want only to use the brand name for their own purposes have appeared. To protect the brand, the collaborators try not to partner with breweries that only want to boost sales without sharing their vision.

“People often ask how we can collaborate with rivals, but the answer is simple: once you become friends, cooperation happens naturally,” says Yamamoto. This collaboration among the breweries allows them to overcome tough challenges that come with preservation of *kioke* techniques.



Their message is evident even in the packaging.

In Conclusion

Faced with the shrinking domestic market in Japan, companies everywhere are launching projects to export overseas. However, it is not easy, especially for small and medium-sized enterprises, to export their products independently, as they face various obstacles.

This initiative can be described as a wide-area collaboration model that enables brand unification through the same product group, achieves high added value by utilizing shared story resources, and fosters cooperative behavior beyond competition through trust among stakeholders. Furthermore, this model is applicable to any region or company.

Challenges that cannot be solved within a single region might be overcome through collaboration with other regions. When formulating strategies, both local governments and businesses can find that collaborating with other production regions, rather than remaining confined to their own, serves as a powerful tool for policy and management.

While this initiative is driven by the private sector, the process relies heavily on aspects that coordinate stakeholders and foster collaboration with entities outside the local area. Municipalities can support similar initiatives by acting as coordinators to foster collaboration—facilitating the creation of venues, disseminating information, and establishing connections with external parties. Such roles will likely become increasingly important as one

of the functions municipalities perform in regional revitalization.

A wide variety of traditional industries and cultural practices are deeply rooted in local communities, enhancing the appeal of Japan; however, we—not just the brewers of wooden-barrel-aged soy sauce—face the risk of losing the very values that enrich our lives. In order to pass on and expand “the baton” of local values, we should consider cross-regional collaboration as a viable choice, like the initiative of *kioke* shoyu.