

Alcoholic Beverages

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ENJOY BEAUJOLAIS NOUVEAU CASUALLY /
"READY TO DRINK" (RTD) OR LOW ALCOHOL BEVERAGES
CONTINUING TO GROW WITHIN
THE SHRINKING ALCOHOL MARKET**Enjoy Beaujolais Nouveau Casually**

Companies started taking orders nationwide for 2011 French wine, "Beaujolais Nouveau". Reaching its peak in 2004, the market has been declining. Two years ago, it went below 500,000 C/S, but it recovered to 550,000 C/S last year, due to direct imports of plastic bottle products by



many distribution companies. This year, there are more importers who are announcing bigger sales plan than last year. Suntory, which boasts the top volume, shows an increase plan of 15% from the previous year to 115,000 C/S. They have prepared half bottles with screw caps for every product with the idea of "wanting the customers to enjoy the best wine of the season casually". Stores within AEON group increased, and Cordonvert's sales plan increased 44% to 90,800 C/S. Within all 32 items, half are products in plastic bottles. Yamaya newly handles nouveau from "Fauchon" brands. Prices are about the same from last year, but last year's CIF price of Beaujolais Nouveau was 793 yen, decreasing 15% from the previous year. While the price-slashing of Beaujolais Nouveau, which its standard line was around 2,000 yen, is advancing, there are people who are worried that "these low quality products will be a bad influence for the whole market."

The Japanese have always known the luxury of enjoying "the first product of the season". Beaujolais Nouveau is a wine that could appeal to the group of people who usually do not drink wine. Due to the worldwide rose wine boom, Oenon, Asahi, and Suntory added "rose" nouveau this year. Also, there are varieties of sizes from smaller sizes, half sizes, to BIB, and there were introduction of screw caps as well. We could count on the expansion of Beaujolais Nouveau with suggestions of wide ranging variations.

* C/S (250ml x 24)

"Ready to Drink" (RTD) or low alcohol beverages continuing to grow within the shrinking alcohol market

Since RTD is free in flavor, alcohol content, and ingredients, there are a variety of types in the market. Looking at the movement of the domestic RTD will help understand the alcohol market and become a hint to enter the Japanese market. Asahi Breweries, Kirin Brewery, Suntory, and Takara Shuzo are the 4 major companies producing low alcoholic beverages for home use. Sales performance for the first half of 2011 (January to June) increased 2.7% from last year to 46.03 million C/S. These 4 companies make up 85% of the whole RTD share. RTD is a "growing category". Looking at the products, "fruits standard" including lemon and grapefruit are the two major flavors. Products thrown into the three categories, "Strong/dry type" with high alcohol content, "low alcoholic beverages" with 3% alcohol content, and "canned highball" created a trend and helped expand the market. Let's take a look at each company's well selling products.

Kirin's "Hyoketsu" is one of the top brands within the RTD market. Laying stress on the standard flavors, lemon and grapefruit, they made a 20% increase of flavor from the previous year. In June, they started selling a low alcoholic beverage product, "Hyoketsu-3% Tender Fruit" (3% alcohol content) for younger consumers.

Asahi's central product is "Slat". They do not stress on the 3% alcohol content, but are "evaluated for its low calories (88kcal in 350ml) and juicy texture of pulp".

Suntory plum wine soda, "Horoyoi" is getting attention of younger generation who do not drink so much alcohol with its sweetness and soft flavor of 3% alcohol content, in addition to women of the older age. It is made to drink slowly and relaxed while browsing the Internet and viewing community sites.

Takara Shuzo's "Jikashibori" increased 30% from the previous year after adding 20% more juice in March. It is labeled "lemon from Southern Italy" largely on the can.

