



# CRUST JAPAN Co., Ltd.

The potential for upcycled beer with original yeast and utilise original lactose acid into carbonated drink

## Purpose of the Project

The main objective of this project was to conduct research and development in collaboration with the Miyatani Institute of Natural Sciences, a research institute in Japan, with the aim of exploring the potential of the Sakura yeast developed by the Miyatani Institute for the production of beer. The experiments focused on primarily whether the product could be commercialised, for which it was aimed to explore the path to eventual commercialisation through several demonstration experiments to improve the degree of perfection as a product.

Methods to make effective use of under-utilised ingredients are gaining recognition, but at a slow pace. We started this project because we believe that by extracting yeast from flowers and using under-utilised local ingredients, we can redefine local production for local consumption, while ensuring our own originality.

In reality, there are still a number of goals to be achieved, such as securing local producers, securing Sakura yeast and extract, and selecting sales outlets, but now that we have a rough idea of how to develop a beer using Sakura yeast, we can move on to finding a partner for its commercialisation.

## Details of demonstration

The concept of 'local production for local consumption' is the core point of our Japan project, and we believed that we could pursue the innovation of this project by reinterpreting and reconstructing this point.

Discussions with the Miyatani Institute on yeast selection began in September 2023. In December, we confirmed the direction of commercialisation of the developed beer, and also confirmed that the use of Sakura extract used in another project which was being tested at the same time would further enhance the perfection of the product.

The sales simulation for marketing the product also showed that the combination of Sakura yeast and Sakura extract was highly desirable in terms of product uniqueness. As for the production base, we believe that we have established a very effective system for future mass production, such as securing a new company in Hiroshima that is capable of small-scale mass production for production adjustment, and we can foresee great potential for actual production.



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## Project outcome

In this project, it was confirmed that the yeast strains were sufficient to bring the product to market without factors inhibiting fermentation. It was also confirmed that the product could be made more complete with additives such as cherry blossom extract.

The results of this demonstration have opened up the possibility of extracting beer yeast from flowers and fruits with a high sugar content and using it to develop original beverages. The demonstration was also significant in terms of ensuring the 'hyper-local' concept we promote, utilizing 110% of what is available locally for creating products, as well as the uniqueness of products that can be produced only in that region.

Our system design does not require the introduction of large-scale equipment, and test sales can be conducted immediately. Therefore, we believe that after the final commercialisation of this demonstration, through the stage of discussing and determining what kind of customers we will sell the product to and what kind of message we will convey, we can move to the stage of marketing the product in places closest to the end customers.

## Challenges and solutions

To carry out this project as a business, it can be said that the plan of a single company will not be enough and region-wide cooperation will be extremely essential. In addition, it is anticipated that SMEs and start-ups will face a major challenge of how quickly and easily they can raise funds, for which more substantial funding opportunities and special options such as merger investment are expected. Furthermore, from the perspective of a company like ours that is expanding into Japan from Singapore, if Japanese companies and the government can bring their overseas experience to Japan and leverage it flexibly and promptly, it will pave the way for more companies to consider Japan as a candidate country for tie-ups and test marketing in the future.

## Future plans

CRUST JAPAN K.K., established in Osaka in 2021, finally obtained a wholesale and retail licence in Japan in 2023 and is preparing to start full-scale production in Japan in 2024. Negotiations are also underway to offer the newly developed beer as white label (OEM) product at airports.

CRUST plans to launch a draft beer in Japan from the Kanto region in August 2024, and is also considering an early launch in Japan of CROP, a non-alcoholic carbonated drink scheduled to be launched in Singapore in June 2024.