

**Japanese whisky maker Komasa Kanosuke Distillery announces
investment by Diageo through Distill Ventures**

8 September 2021, (Kagoshima, Japan) – Komasa Kanosuke Distillery, a producer of ultra-premium single-malt whiskies based in Kagoshima, Japan, today announces that Diageo has made a minority investment in the company, through Distill Ventures, the independently operated and Diageo-backed drinks accelerator. The investment will support the next stage of the company's growth by enabling increased production of whisky, the development of new products, and the expansion of its international sales and marketing teams.

Established in 2017 by Komasa Jyozo, a 138-year-old producer of shochu, a Japanese white spirit, Komasa Kanosuke Distillery launched its first single malt whisky in June this year. The release of this three-year old whisky will be followed by further limited cask-strength releases before the expected launch of its flagship single malt brand in 2022. The distillery has already won awards from the World Whisky Awards (Best Japanese New Make in 2019 and 2020) and the Tokyo Whisky & Spirits Competition (2019 and 2021).

Kanosuke Distillery single malt whisky is distilled, matured and bottled in Kyushu, the most southerly of Japan's four main islands. The Komasa family were pioneers in barrel-ageing shochus and bring this expertise in maturation to the production of Kanosuke Distillery's whiskies. Situated on Japan's longest sand beach, the distillery features a stunning tasting room called The Mellow Bar, orientated to allow visitors to appreciate the sun setting into the East China Sea as they enjoy the distillery's whiskies.

Yoshitsugu Komasa, founder and CEO of Kanosuke Distillery said: "We are proud of our accomplishments to date, including the barrel-ageing and other production techniques developed during Komasa Jyozo's long history of shochu production and the awards we have won in both domestic and international competitions. Now, with the strong and strategic support from global alcoholic beverages leader Diageo and Distill Ventures through this partnership, we are very happy that we will be able to pursue growing our business further and provide more whisky drinkers in Japan and worldwide with Japanese craft whiskies from Kanosuke Distillery."

Frank Lampen, founder and CEO of Distill Ventures, said: "It's a proud moment for us to have entered into this partnership with this exciting new distillery. Yoshitsugu Komasa and his team are producing wonderful whiskies in a stunning distillery with one of the most beautiful tasting rooms anywhere in the world, and we're excited to assist him and the team in introducing Kanosuke Distillery to whisky drinkers around the world."

Sam Fischer, Diageo's President Asia Pacific and Global Travel said: "We are honoured that Kanosuke Distillery has joined the Distill Ventures portfolio. Diageo has long heritage and expertise in whisky with many of our brands reflecting the work of generations of the same family. We are excited to be supporting this high-quality brand in the fast-growing Japanese whisky category, with the next stage of its growth and development."

As with all brands within the Distill Ventures portfolio, the founders, Komasa Jyozo Co., Ltd, will retain majority ownership and control of the Kanosuke Distillery and continue to be responsible for all production, marketing and sales. The investment agreement envisages a transition to a 50:50 joint-venture ownership structure with Diageo subject to future performance. Until that point, Kanosuke Distillery will benefit from the support and global expertise of Diageo and the Distill

Ventures team, joining Denmark's Stauning Whisky, Australia's Starward Whisky and Oregon's Westward American Single Malt Whiskey in Distill Ventures' portfolio of outstanding new world whisky brands.

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Notes to Editors:

Komasa Kanosuke Distillery Co Ltd

Kanosuke Distillery was founded by Komasa Jyozo Co., Ltd in 2017. A corporate split in August 2021 separated the distillery and all whisky assets into the Komasa Kanosuke Distillery Co., Ltd, and Diageo have taken a minority interest in this new company. The distillery benefits from the 138 years of tradition of the parent company in distilling shochu from rice and sweet potatoes. It pioneered the barrel-ageing of shochus, with its Mellow Kozuru brand receiving numerous awards in Japan and internationally.

The distillery was built on land acquired by Kanosuke Komasa, the second President of Komasa Jyozo Co., Ltd. Yoshitsugu Komasa, the fourth president, developed the whisky project and built the distillery, with distillation commencing in 2017. It houses three pot stills with variations in neck shapes and lyne arms, allowing for the creation of different flavours in the distillation process. The custom-designed bottle mirrors the shape of the principal spirit still.

All production at Kanosuke Distillery is of single malt whisky using non-peated and peated malted barley imported from the UK. Maturation includes the use of barrels previously used to age the parent company's Mellow Kozuru rice shochu, alongside ex-bourbon barrels and a range of different wine barrels. The whisky benefits from the warm climate to develop great character in a short space of time, and the range of flavours from distillation and maturation enable Kanosuke to create rich, drinkable whiskies true to its philosophy of "Mellow Land, Mellow Whisky." For more information: kanosuke.com

Distill Ventures

Established in 2013, Distill Ventures is the drinks industry's first accelerator for new and growing brands. Its aim is to support entrepreneurs to develop, scale and sell the drinks brands of the future. Through a combination of cash investment, mentoring support, and access to a network of experts, Distill Ventures works with founders to help brands go further, faster. Distill Ventures operates across many drinks categories and invests at all stages, from pre-launch (or "seed" businesses) through to those requiring significant expansion capital. It is operated independently and has a

partnership with Diageo, who provide the investment funding, as well as access to their global network of experts.

To date, Distill Ventures has invested more than \$100 million in 15+ drinks brands including: Seedlip, the world's first non-alcoholic distilled spirits brand; Denmark's Stauning, one of Europe's standout new whiskies; Starward, a distinctive Australian whisky, exclusively matured in Australian wine barrels; and Westward Whiskey, a pioneer in American Single Malt. Further information on Distill Ventures and details on how acceleration works for drinks brands is available at distillventures.com.

Diageo

Diageo is a global leader in beverage alcohol with an outstanding collection of brands including Johnnie Walker, Crown Royal, J&B, Buchanan's and Windsor whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness.

Diageo is a global company whose products are sold in more than 180 countries around the world. The company is listed on both the London Stock Exchange (DGE) and the New York Stock Exchange (DEO). For more information about Diageo, our people, our brands, and performance, visit us at www.diageo.com. Visit Diageo's global responsible drinking resource, www.DRINKiQ.com, for information, initiatives and ways to share best practice.

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