

Suntory Beer Limited Business Strategy for 2022

Suntory Beer Limited conducts business based on its company vision of Brewing the Ultimate Beer Tradition. In 2021, we strived to create new demand in the beer category by rolling out new promotions for *The Premium Malt's* brand in line with customer changes, continuing to expand the *Shiki no Kin-Mugi* series, renewing the *All-Free* brand for health-conscious consumers in search of a refreshing drink, and newly releasing our *Perfect Suntory Beer* brand. In 2022, in addition to the earnest pursuit of high-quality craftsmanship and the best taste, we will work to create new value through new beer varieties. As a symbol of the Yatte Minahare spirit, the Suntory DNA, we will continue to reinforce our activities in the beer business.

Review of 2021

While the overall beer market in Japan^{*1} is expected to have shrunk by around 4% over the previous year, we sold a total of 61.02 million cases of beer^{*2}, showing a year-on-year decrease of 6%. Excluding non-alcoholic beer-taste beverages, we sold a total of 52.15 million cases (down 8% year on year). Among our growing categories, sales of our canned beers grew 26% over the previous year, functional beers grew 16%, and non-alcoholic beer-taste beverages grew 11%.

Sales of *The Premium Malt's* stood at 11.01 million cases, for a 13% decrease over the previous year. Aiming to cement *The Premium Malt's* brand as a little bit of luxury in our customers' daily lives, we rolled out new promotions in line with customer changes. Meanwhile, sales of *The Premium Malt's* <Kaoru> Ale (canned) grew 1% year on year, showing its popularity—particularly among the younger generation—as a premium ale suited to Japanese tastes.

With the launch of our new *Perfect Suntory Beer* in April, which maintains the real delicious taste of beer while containing zero Toshitsu^{*3 *4}, we were able to

attract new beer consumers and contribute to the revitalization of the beer market. In total, we sold 1.98 million cases.

In the *Kin-Mugi* brand, we sold a total of 34.78 million cases (down 8% year on year). In the same way as in 2020, in 2021 we offered our *Shiki no Kin-Mugi* series in three varieties: *Kin-Mugi*, *Kin-Mugi (Toshitsu^{*3} 75% reduced)^{*5}*, and *Kin-Mugi The Lager*. This reinforced our ability to propose products to enjoy with seasonal ingredients and dishes. With health consciousness on the rise, sales of *Kin-Mugi (Toshitsu^{*3} 75% reduced)^{*5}* grew 3% over the previous year, showing its popularity among customers seeking both delicious taste and health benefits.

Meanwhile, we sold 8.81 million cases of our *All-Free* brand, marking a year-on-year increase of 11%. Rising awareness of the importance of health led to strong sales of our *KARADA-WO-OMOU All-Free*, a product with function claims for visceral fat, which sold 3.40 million cases and showed a 35% increase over the previous year.

*1: Including non-alcoholic beer-taste beverages

*2: Converted to large bottles (1 case = 633 ml x 20 bottles)

*3: Carbohydrates without dietary fiber

*4: Based on the Food Labeling Standards, less than 0.5 g of sugar per 100 ml is considered zero Toshitsu.

*5: Compared to *Kin-Mugi*

Strategy for 2022

The overall beer market in Japan and the beer market excluding non-alcoholic beer-taste beverages are both expected to maintain its volume of the previous year.

We will work to create new drinking demand and revitalize the overall beer market by increasing the value of our key brands—*The Premium Malt's*, *Perfect Suntory Beer*, *Kin-Mugi* and *All-Free*—as well as by delivering new value. Further, in addition to efforts to enhance quality at the point of consumption, an area in which we have long sought improvements, we will engage in activities to support restaurants and bars, such as by offering new on-premise products, and seek to revitalize the on-premise market as a whole.

Our target for the year is a total of 63 million cases (up 3% year on year), and 54 million cases excluding non-alcoholic beer-taste beverages (up 4% year on year).

***The Premium Malt's* brand**

We will aim to sell 12.42 million cases (up 13% year on year) of *The Premium Malt's* brand products. In line with changing customer awareness, we will

engage in activities to promote the brand's value as a premium brand. Further, in addition to promoting *The Premium Malt's* value as the go-to premium beer brand, we will respond to the needs of the younger generation with *The Premium Malt's <Kaoru> Ale*. Moreover, with the new release of *The Premium Malt's MASTER'S DREAM <Unfiltered>* and the nationwide rollout of *The Premium Malt's MASTER'S DREAM 5L Barrel*, we will increase the value of the entire brand by positioning *The Premium Malt's MASTER'S DREAM* as the pinnacle of our product lineup.

New Launch of *The Premium Malt's MASTER'S DREAM <Unfiltered>* (See News Release No. 14056)

Nationwide Rollout of *The Premium Malt's MASTER'S DREAM 5L Barrel* (See News Release No. 14057)

Perfect Suntory Beer

To further improve the taste of our *Perfect Suntory Beer*, and to ensure our beer-drinking customers can enjoy it even more, we will renew the flavor and packaging of the product. While maintaining the framework of the highly acclaimed taste, we have added 1.3 times^{*6} the volume of the luxurious, rich Diamond Malt, and brought out its qualities to strengthen the rewarding, unique beer taste. We will aim for further growth through sales of 3 million cases.

Commencing Sales of the New *Perfect Suntory Beer* (See News Release No. 14039)

*6: Compared to previous products

Kin-Mugi brand

We will aim to sell 34.85 million cases (level year on year) of the *Kin-Mugi* brand. We have renewed the flavor and packaging of *Kin-Mugi*, and increased the umami flavor by including more malt than ever before^{*7}. We have also adopted a vertical logo, and by describing the carefully selected ingredients and manufacturing method on the packaging, we have expressed our careful, sincere approach to the product, making it an ideal accompaniment to time spent in the home. Through *Kin-Mugi (Toshitsu 75% reduced)*, which balances both delicious taste and health benefits, and *Kin-Mugi The Lager*, which boasts a satisfying, strong flavor that can be enjoyed even with filling meals, we will respond to our customers' needs and aim to create new types of beer that are most suited to drinking regularly at home.

New Launch of *Kin-Mugi* (See News Release No. 14059)

*7: Compared to previous Kin-Mugi

All-Free brand

We will aim to sell 9 million cases (up 2% year on year) of *All-Free* brand products. With health consciousness expected to rise even further in the future, we will respond to the needs of the non-alcoholic beer-taste beverage market through two products—*All-Free* and *KARADA-WO-OMOU All-Free*—catering to those who want to take care of their health on a daily basis and thoroughly tackle and prevent health-related issues.