

## Suntory Spirits Limited Business Strategy for 2021

Suntory Spirits Limited recorded sales at the same level as the previous year in 2020. Strong performances were recorded by *Torys* and *Maker's Mark* in whisky, and by *Kodawari Sakaba no Lemon Sour* in RTD products. In addition, the Japanese gin *SUI* has been well received since it was launched in March 2020, and sales significantly exceeded initial estimates. We perceive this to be an endorsement by consumers of the new value offered by *SUI Gin Soda*, which goes well with everyday meals.

In 2021 we will continue to nurture and strengthen brands, with a focus on strategic brands, with the aim of achieving further growth as one of the leading companies in the spirits business. In order to gratify consumers with even more delicious liquors, in addition to engaging in activities focused on quality from product development right through to the point of consumption, we will take an active approach to marketing, such as by launching products that offer new value, and proposing new styles of drinking.

### Whisky

- Review of 2020

Although highball experienced strong popularity, the whisky market was affected by people refraining from going out as a result of COVID-19 and sales recorded below the previous-year level. In this context, sales volume in our whisky business increased by 1% year on year.

We conducted promotional activities for highball products with a focus on strategic brands such as *Torys <Classic>* and *Maker's Mark*. In terms of sales volume by brand, the total for the *Torys* brand<sup>\*1</sup> and the *Maker's Mark* brand grew by 11% and 19% year on year, respectively, both posting a significant increase. Canned highballs for off-premise use such as *Kaku Highball can*, *Torys Highball can*, and *Jim Beam Highball can* were also well received, with 6% year on year growth in sales volume.

- Strategy for 2021

As a leading company in the whisky business, we will continue to conduct promotional activities, centered on strategic brands such as *Kakubin*, *Jim Beam*, and *Torys <Classic>*, for highball products that emphasize quality at the point of consumption. Using premium whiskies such as *Maker's Mark*, *Ao*, and *Chita*, we will propose a 350 ml (half-bottle) size that is equally suited to casual drinking at home, thus further expanding points of contact with our customers.

#### ▼ *Kakubin*

We will strengthen our efforts on improving quality at the point of consumption through “*Choten Highball*” activities that involve suggesting to restaurants and bars that they provide high-quality highballs. In addition to carrying out marketing for the *Kakubin* brand as a whole, including *Kaku Highball can* for off-premise use, we will release new television commercials featuring Igawa Haruka to further improve brand value. For *Kakubin* brand products<sup>\*2</sup> we will aim for 6% year on year growth in sales volume in total.

#### ▼ *Jim Beam*

In addition to continuing proposing ways of drinking “*Jim Beam Highballs*” at restaurants and bars, we will release new television commercials and internet advertisements starring celebrity Rola, and actively promote *Jim Beam*'s image as a whisky that can be freely enjoyed in a positive and forward-looking manner. For *Jim Beam* brand products<sup>\*1</sup> we will aim for 12% year on year growth in sales volume in total.

#### ▼ *Torys*

In order to strengthen the image of *Torys* as a drink that can be enjoyed casually with daily meals, in addition to engaging in sales promotion activities in-store for *Torys <Classic>*, we will release new television commercials for *Torys Highball can* featuring Yoshitaka Yuriko. For *Torys* brand products<sup>\*1</sup> we will aim for 6% year on year growth in sales volume in total.

### ▼ Canned Highball

We will release new television commercials for each of the three brands of *Kakubin*, *Jim Beam*, and *Torys*, and also renew contents and packaging for the *Jim Beam* and *Torys* brands. Seeking to energize the canned highball market further, we will aim to increase sales volume by 7% year on year.

### ▼ *Maker's Mark*

An active marketing program is planned to draw consumer attention to the refined qualities of *Maker's Mark*.

In addition to continuing television commercials, we will propose “*Maker's Craft Highballs*” served in tumblers to restaurants and bars, expanding our contact points with consumers. We will aim to promote a unique value of *Maker's Mark* as a premium craft whisky and increase sales volume by 1% year on year.

### ▼ SUNTORY WORLD WHISKY Ao

In addition to establishing new value offered by “a blend of five major whiskies” through new television commercials featuring Ayano Go, we will strengthen sales through e-commerce and reinforce digital advertising, and aim for 149% year on year growth in sales volume.

### ▼ *Chita*

Through promotional activities for “Kaze-Kaoru Highball” in restaurants and bars as well as new television commercials featuring Satoh Takeru, we will once again promote Chita’s unique value as a light whisky that is well matched with food, aiming for 16% year on year growth in sales volume.

### ▼ *Half-bottle*

For Ao and *Chita* brands, we will launch 350 ml (half-bottle) sizes that are also suited to casual drinking at home, and offer them together with other brands such as *Maker's Mark*, seeking to further expand points of contact with consumers.

Launch of Suntory World Whisky Ao 350 ml (Refer to News Release No. 13827)

Relaunch of Suntory Whisky *Chita* 350 ml (Refer to News Release No. 13826)

\*1 Total of bottles and cans. Cans are converted with the standard amount of alcohol in a bottle as the standard unit.

\*2 Total of bottles, cans, and casks. Cans and casks are converted with the standard amount of alcohol in a bottle as the standard unit.

## RTD

- Review of 2020

The RTD market (volume base) resulted in a 13th consecutive year of growth. In this context, our sales volume increased by 9% year on year, marking the highest sales ever for the 16th consecutive year.

*Kodawari Sakaba no Lemon Sour* was rated highly for offering the kind of lemon-sour taste offered in restaurants and bars, and its sales volume significantly increased by 151% year on year.

- Strategy for 2021

The RTD market is expected to continue to grow. We will leverage *Kodawari Sakaba no Lemon Sour* to significantly expand points of contact with customers, and will continuously strengthen our marketing activities for major brands such as *-196°C* and *Horoyoi*. We will also work to create new demand through new brands and new products, such as *Non-aru-banshaku lemon sour non-alcoholic* and *Kyogetsu Shochu Hi*. We will aim for 17% year on year growth in sales volume for our RTD products in total.

### ▼ *-196°C*

For the brand as a whole, we will roll out activities such as through promotion programs that emphasize its suitability for drinking with food, through the development of a full product lineup, and through new television commercials. We will work to increase contact points with customers by positioning the product as a canned Chu-Hi that fits in with their everyday lives, offering them the lingering fruity sensation derived from the “-196°C production method”, and a satisfying depth of flavor. We will aim for 4% year on year growth in sales volume for the brand as a total.

### ▼ *Kodawari Sakaba no Lemon Sour*

We will renew *Kodawari Sakaba no Lemon Sour* and *Kodawari Sakaba no Lemon Sour ‘KIRITTO OTOKOMAE’*, which were well received last year, and launch *Kodawari Sakaba no Lemon Sour ‘OITASHI LEMON’* as a third product. We will continue communication activities featuring Umezawa Tomio. Along with *Kodawari Sakaba no Lemon Sour no Moto*, we will seek to convey the unique value

provided by a taste reminiscent of the lemon sour offered in restaurants and bars. We are aiming for increase of sales volume by 43% year on year with the total brand.

Launch of *Kodawari Sakaba no Lemon Sour 'OITASHI LEMON'* (Refer to News Release No.13831)

#### ▼ *Horoyoi*

We will launch *Shuwavita Sour*, a product that offers the enjoyable taste of a carbonated vitamin beverage. In addition, we will release limited-edition products and television commercials to coincide with special seasonal events, and continue to promote a product lineup that offers a variety of flavors to enjoy. We will aim for 11% year on year growth in sales volume with the total brand.

#### ▼ *Non-aru-banshaku* lemon sour *non-alcoholic*

This is a new brand that allows consumers to enjoy the delicious taste of lemon sour in a non-alcoholic product. For the first time, we adopted a "*lemon-sour production method as it was*" in our products, which incorporates the lemon taste components into a non-alcoholic beverage, and concentrates shochu-derived *umami* as a non-alcoholic extract. We will provide a new lineup for the non-alcoholic beverage market that has been growing steadily in the past few years.

Launch of *Non-aru-banshaku* lemon sour *non-alcoholic* (Refer to News Release No. 13829)

#### ▼ *Kyogetsu Shochu Hi*

In recent years, an increasing number of shochu drinkers are mixing their shochu with carbonated water, or enjoying canned Chu-Hi. We will launch a new lineup to add to the *Kyogetsu* brand with which consumers are already deeply familiar, in the form of *Kyogetsu Shochu Hi 350mL can*. Together with *Tansan Wari Senyo Kyogetsu Shochu Hi, 700mL bottle* which will be launched simultaneously, we will propose a way of drinking shochu by mixing with carbonated water.

Launch of *Kyogetsu Shochu Hi 350mL can* and *Tansan Wari Senyo Kyogetsu Shochu Hi, 700mL bottle* (Refer to News Release No. 13821)

## **White Spirits/Liqueurs**

### ● Review of 2020

*Kodawari Sakaba no Lemon Sour no Moto liqueur*, which has been well received since its launch in 2018, continued to record strong sales. In addition, the Japanese craft gin *SUI* has remained popular since it was first launched in March, with the actual sales greatly exceeding the initial plan. We received favorable reception from consumers for the new value offered by *SUI Gin Soda*, which goes well with everyday meals.

### ● Strategy for 2021

Together with canned *Kodawari Sakaba no Lemon Sour*, *Kodawari Sakaba no Lemon Sour no Moto liqueur* will implement initiatives to increase contact points with customers. We will aim to establish *SUI* as the “third category of soda mixing,” and work to create new demand for “*SUI Gin Soda*” that goes well with food. For shochu, we will launch new products such as *Tansan Wari Senyo Kyogetsu Shochu Hi*, 700mL bottle , and seek to reinvigorate the shochu market.

#### ▼ *Kodawari Sakaba no Lemon Sour no Moto liqueur*

We will implement renewals and launch products such as limited editions with tumblers that are provided in restaurants and bars. We will continue communication activities featuring Umezawa Tomio together with canned *Kodawari Sakaba no Lemon Sour*, aiming for 33% year on year growth in sales volume.

*Launch of renewed Kodawari Sakaba no Lemon Sour no Moto liqueur (Refer to News Release No. 13832)*

#### ▼ *SUI*

We will promote the product as a drink that goes well with the kind of food commonly served in Japanese “izakaya” dining bars by proposing activities at restaurants and bars, and by continuing advertisements using Sakurai Yuki such as through television commercials. We will also propose “*SUI Gin Soda*” as a way of drinking at home. We will aim to establish *SUI* as the “third category of soda mixing,” and increase sales volume by 111% year on year.

## About Suntory Group

As a global leader in both the alcoholic and non-alcoholic beverages industry, Suntory Group offers a uniquely diverse portfolio of products from premium spirits, beer and wine to brewed teas, bottled water, carbonated soft drinks, ready-to-drink coffee and energy drinks, along with health and wellness products. Suntory is home to award-winning Japanese whiskies *Yamazaki*, *Hibiki* and *Hakushu* as well as iconic American spirits *Jim Beam* and *Maker's Mark*. Suntory also fascinates the taste buds in Japan and the Asian market with its *Premium Malt's* beer. Its brand collection also includes non-alcoholic favorites *Orangina*, *Lucozade*, *Ribena*, *BOSS* coffee, *Iyemon* green tea, and *Suntory Tennensui* water.

Founded as a family-owned business in 1899 in Osaka, Japan, Suntory Group has grown into a global company operating throughout the Americas, Europe, Africa, Asia and Oceania with an annual revenue (excluding excise taxes) of \$21.0 billion in 2019. Suntory is driven by Yatte Minahare - the spirit of bold ambition - and its 40,210 employees worldwide draw upon its unique blend of Japanese artisanship and global tastes to explore new product categories and markets.

As a company that delivers blessings of water and nature to its customers, Suntory is committed to its mission to create harmony with people and nature. Always aspiring to grow for good, Suntory is devoted to giving back to society through protecting water resources, nurturing its communities and fostering the arts.

Learn more about Suntory Group, its brands, and its commitment to social responsibility at [www.suntory.com](http://www.suntory.com), on [Facebook](#), [Twitter](#), [Instagram](#), [LinkedIn](#), and [YouTube](#).