

Suntory Wine International Limited Business Strategy for 2021

While the overall Japanese wine market in 2020 is estimated to have fallen below previous-year levels, Suntory Wine International Limited's sales volume exceeded that of 2019, driven by significant growth in Japanese casual wines, such as *Sankaboshizai Mutenka no Oishii Wine* and *Delica Maison* brands, as well as organic wines launched under the core European wine brands.

In 2021, we will continue to communicate the varied attractiveness of wine through a range of activities, challenge creating demands, and strengthen the brands, while responding to rapidly changing consumer behavior. In addition, we will also engage in activities focusing on quality so that our customers will be able to enjoy an even more delicious wine, and actively develop generating new proposals for value creation to enable more people to enjoy wine on a day-to-day basis.

●Review of 2020

▼Japanese Casual Wine

Sales volume for Japanese Casual Wine was 112% of the previous year. Brands such as *Sankaboshizai Mutenka no Oishii Wine*, which holds the No.1 position for sales volume* among all wines distributed in the Japanese market, and sibling brand *Delica Maison* were at the forefront of our new product launches and renewals.

*According to Intage SRI. Sales volume of wine in the Japanese market from December 2019 to November 2020

(the total of all Japanese SM/ CVS/ liquor DS/ home centers/ drugstores/ liquor stores/ commercial liquor stores)

▼Imported wines

Sales volume for imported wine was 83% of the previous year due to factors such as people refraining from going out as a result of COVID-19, but organic wines launched under the core European wine brands such as *Tavernello Organico*, and *Les Ormes de Cambras* recorded significant growth.

▼ Japan Wine

Sales volume for Japan Wine, including that of Iwanohara Vineyard, declined to 88% of the previous year, due to the continued shipping adjustments of certain products that began in 2019. In September, we concluded an agreement with Hirosaki City in Aomori Prefecture and the Tsugaru Hirosaki Agricultural Cooperative, aimed at expanding production of wine grapes made in Tsugaru. In doing so, we have taken the first step towards a stable production of high-quality wine grapes and thereby creating a world-class premium wine in the future.

● Strategy for 2021

COVID-19 has had some negative effects on our business, but on the other hand, we believe that it has also led to some positive changes such as increase in the number of customers trying wine. In order to be able to respond to changes in consumer behavior by such customers, we will actively work to challenge in creating new demands and strengthen our core brands.

▼ Japanese Casual Wine

In Japanese Casual Wine, we will strengthen appealing the brands' values. We will carry out product renewals of the *Zeitaku Polyphenol (Koku no Aka)* in the *Sankaboshizai Mutenka no Oishii Wine* brand. For the *Delica Maison* brand, we will broaden the lineup with the launch of a new product *Waru Dake Wine Sour*. We will aim for a total sales of 2.18 million cases (105% of the previous-year level) for *Sankaboshizai Mutenka no Oishii Wine* brand and 1.15 million cases (105% of the previous-year level) for *Delica Maison* brand.

▼ Imported Wine

In imported wine, we will launch *Les Ormes de Cambras Pinot Noir* from our core European wine brand, *Les Ormes de Cambras*, as well as *Prinz Bear*, an easy-drinking German wine with a hint of sweetness. We will carry out a renewal of *Santa By Santa Carolina*, and strengthen its appeal as an approachable, high-quality Chilean wine. In addition, we will work to enhance the attractiveness of categories such as “No.1 brands” and “organic wines”, making them easier for our customers to select.

▼ Proposals to create new demand

Through developing new categories and products, etc., we will aim to make wine be enjoyed on a more leisurely, day-to-day basis.

We will launch a new product called *Suntory Wine Sour 350 mL can* and create a new category of “wine sour” consisting of wine mixed with carbonated water. Along with the *Akadama Punch* series and *Waru Dake Wine Sour*, we will seek to establish this category through a diverse lineup.

We will actively expand our products such as by beginning a year-round sales of the *Wa Sparkling Wine*, *Shizune*, which was received well last year as a limited edition product, as well as launching a canned sparkling wine *BOLLICINI*.

▼Japan Wine

We will aim to continue improving the quality and value of the three Japan Wine lineups, focusing on the *Tomi no Oka Winery* series made 100% from our own grapes along with the *Shiojiri Winery* series and *Japan Premium* series in cooperation with contract vineyards. In order to maintain our position as a world-class winery, we will approach viticulture from the perspective of expressing the unique quality of the terroir.

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, on [Facebook](#), [Twitter](#), [Instagram](#), [LinkedIn](#), and [YouTube](#).