

**SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 2021 [IFRS] (English Translation, UNAUDITED)**

Company Name: Suntory Holdings Limited  
 (URL: <https://www.suntory.com/>)  
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(Fractions of millions have been truncated)

**1. Consolidated operating results and financial positions for the fiscal year  
(January 1, 2021 - December 31, 2021)**

(1) Operating results (% figures represent change from the same period of the previous fiscal year)

Fiscal year ended	Revenue (including excise taxes)		Revenue (excluding excise taxes)		Operating income		Profit before income taxes		Profit for the year		Profit attributable to owners of the Company	
	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%
December 31, 2021	2,559,223	8.1	2,285,676	8.4	247,479	14.0	237,447	18.1	155,398	19.8	113,965	13.5
December 31, 2020	2,367,632	(7.8)	2,108,316	(8.1)	217,032	(16.4)	201,042	(16.8)	129,670	(28.9)	100,408	(28.8)

Reference: Adjusted operating income for the fiscal year ending December 31, 2021 251,880¥million (15.5) %  
 Adjusted operating income for the fiscal year ending December 31, 2020 217,987¥million (15.7) %  
 Adjusted operating income was calculated as operating income excluding non-recurring items.

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Profit ratio to equity attributable to owners of the Company	Profit before income taxes ratio to total assets	Operating income ratio to revenue (excluding excise taxes)
December 31, 2021	¥ 166 .19	¥ —	% 7.3	% 5.0	% 10.8
December 31, 2020	¥ 146 .42	¥ —	% 7.1	% 4.4	% 10.3

## (2) Financial positions

Fiscal year ended	Total assets	Total equity	Equity attributable to owners of the Company	Equity attributable to owners of the Company ratio	Equity per share attributable to owners of the Company
December 31, 2021	¥million 4,934,010	¥million 2,147,392	¥million 1,710,005	% 34.7	¥ 2,493.61
December 31, 2020	¥million 4,521,286	¥million 1,814,347	¥million 1,416,157	% 31.3	¥ 2,065.10

## (3) Cash flows

Fiscal year ended	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
December 31, 2021	¥million 280,779	¥million (152,519)	¥million (178,385)	¥million 297,717
December 31, 2020	¥million 231,397	¥million (133,948)	¥million (10,612)	¥million 338,259

**2. Dividends**

Fiscal year ended	Dividends per share (Annual)	Total cash dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owner of the Company
December 31, 2021	Yen 13 .00	Millions of yen 8,914	% 7.8	% 0.6
December 31, 2020	Yen 13 .00	Millions of yen 8,914	% 8.9	% 0.6

### 3. Consolidated earnings forecast for the fiscal year ending December 31, 2022

(January 1, 2022 - December 31, 2022)

	Revenue (including excise taxes)		Revenue (excluding excise taxes)		Operating income		Profit before income taxes		Profit attributable to owners of the Company		Basic earnings per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%	¥
Fiscal year ended December 31, 2022	2,778,000	8.5	2,480,000	8.5	248,000	0.2	235,000	(1.0)	115,000	0.9	167.70

Reference: Adjusted operating income for the fiscal year ending December 31, 2022 252,000¥million 0.0%

**SUMMARY OF NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 2021 (English Translation, UNAUDITED)**

(1) Operating results (% figures represent change from the same period of the previous fiscal year)

Fiscal year ended	Operating revenue		Operating income		Ordinary income	
	¥million	%	¥million	%	¥million	%
December 31, 2021	108,473	△18.6	60,579	△30.3	67,395	△23.6
December 31, 2020	133,297	△2.6	86,860	△4.5	88,196	△6.2

Fiscal year ended	Net income		Basic net earnings per share
	¥million	%	¥
December 31, 2021	51,247	△39.0	74 .73
December 31, 2020	83,999	△5.9	122 .49

(2) Financial positions

As of	Total assets	Net assets	Ratio of equity to total assets	Total equity per share
	¥million	¥million	%	¥
December 31, 2021	2,278,693	948,817	41.6	1,383.61
December 31, 2020	2,215,751	905,806	40.9	1,320.89

## Operating Results

### 1. Overview of the Twelve-Month Period Ended December 31, 2021

The Suntory Group has actively expanded business in each of three segments, “Beverages and Foods,” “Alcoholic Beverages,” and “Others,” both in Japan and overseas. In the fiscal year under review, revenue including excise taxes was 2.5592 trillion yen (up 8.1% year on year), revenue excluding excise taxes was 2.2857 trillion yen (up 8.4% year on year), operating income was 247.5 billion yen (up 14.0% year on year), and profit attributable to owners of the company was 114.0 billion yen (up 13.5% year on year).

#### <Beverages and Foods Segment>

Suntory Beverage & Food Limited focused on strengthening brands and creating new demand with the aim of proposing unique, high-quality products that capture the customer's tastes and needs to further enrich customer lifestyles, as well as on improving product quality. Despite the impacts of the COVID-19 pandemic and rising raw material prices, efforts to reinforce profitability in each area enabled revenue to significantly exceed that of the previous year.

In Japan, due to unseasonable weather from mid-August onwards, the soft drinks market saw only marginal growth. However, thanks to efforts by the company to reinforce its core brands—mainly in the water, coffee, and sugar-free tea categories—as well as the launch of new products and successful marketing activities, sales volume exceeded that of the previous year, and the company expanded its market share. The *Suntory Tennensui* brand as a whole reported record-high sales volume. In the *Suntory Tennensui Sparkling* series in particular, strong sales of the newly launched *THE STRONG Tennensui Sparkling* continued, and the series achieved significant growth. Meanwhile, sales volume of the *BOSS* brand increased over the previous year thanks to strong sales of the updated *Craft Boss* coffee series, tea series, and the new *Craft BOSS Matcha Latte*. In the sugar-free tea category, the *Iyemon* brand overall reported record-high sales volume thanks to robust sales of the newly launched *Iyemon Koi Aji* and *Iyemon Kyoto Blend*.

In Asia, thanks to focused activities on its core brands, the company was able to grow its share of the soft drinks market in Vietnam and Thailand. The *Sting* energy drink and *TEA+* tea drink performed particularly well in Vietnam, while *Pepsi* was a success in Thailand. In the health supplement business, sales volume of *BRAND'S Essence of Chicken* exceeded the previous year as a result of reinforced marketing activities.

In Oceania, the flagship *V* brand of energy drink drove growth in the energy drink category, and the company increased its share of the market.

In Europe, sales volume of the company's core *Orangina*, *Oasis* and *Schweppes* brands in France exceeded previous-year levels. In the United Kingdom, sales volume of the flagship *Lucozade* and *Ribena* brands significantly exceeded previous-year levels, with *Lucozade Sport* performing particularly well. In Spain, sales volume of the flagship *Schweppes* brand recorded a significant year-on-year increase.

In the Americas, in addition to efforts to further boost sales of its flagship carbonated beverage brands, the company also focused on non-carbonated drinks, such as water and coffee beverages, and revenue significantly exceeded that of the previous year.

As a result of the above, revenue for the Beverages and Foods Segment increased 7.7% year on year to 1.2638 trillion yen, while operating income rose by 19.6% to 139.9 billion yen.

#### <Alcoholic Beverages Segment>

Comparable revenue for the spirits business, excluding the impact of currency, increased year-on-year at a high single-digit rate including excise taxes, and at a low double-digit rate excluding excise taxes. Sales growth benefited from successful premiumization strategies, sustained demand in at-home consumption as well as recovery of the on-premise channel in many markets. Growing consumer preference for premium brands helped drive strong growth for brands such as *Maker's Mark*, *Basil Hayden* and *Knob Creek* bourbon, *Courvoisier* cognac, *Hibiki* and *Toki* Japanese whisky, *Laphroaig* and *Bowmore* Scotch whisky, Japanese craft gin *ROKU*, and *Hornitos* tequila, while volumes for *On The Rocks* premium cocktails more than doubled. Full-year sales increased at healthy rates in key markets including the United States, Japan, Canada, EMEA, Oceania, India, China, Emerging Asia and Global Travel Retail.

In Japan, the spirits business's revenue including excise taxes rose by 5% year on year, revenue excluding excise taxes rose by 6% year-on-year. In the whiskies category, major brands *Kakubin*, *Maker's Mark*, and *Ao*, along with canned highball products, grew. Sales volume of RTD beverages grew a significant 12% over the previous year thanks to strong sales of *-196°C*, *Kodawari Sakaba no Lemon Sour*, and *Horoyoi*. Furthermore, the company made an upward revision on the full-year sales target for *Non-Aru-Banshaku Lemon Sour Non-Alcoholic*, launched in March, which was well received by consumers, offering the flavor of an authentic lemon sour without alcohol. Full-year sales targets for the gin *SUI* were also revised upwards as consumers continued to respond favorably to the new value offered by *SUI Gin Soda*, which goes well with meals.

In the beer business\*<sup>1</sup>, sales volume decreased 6% year on year to 61.02 million cases\*<sup>2</sup>, with on-premise consumption primarily impacted due to stay-at-home requests in line with the spread of the COVID-19 pandemic. The company's beer category, excluding non-alcoholic

beer-taste beverages, fell 8% year on year to 52.15 million cases.

Active promotion for *The Premium Malt's* brand was carried out by presenting it as “a little luxury in everyday life.” Sales volume of *The Premium Malt's <Kaoru> Ale* (canned)<sup>\*3</sup> increased 1% year on year, showing its popularity—particularly among the younger generation—as a premium ale suited to Japanese tastes.

The new *Perfect Suntory Beer*, which launched in April, maintains the real delicious taste of beer while containing zero Toshitsu<sup>\*4</sup> <sup>\*5</sup>, and the company was able to attract new beer consumers and contribute to the revitalization of the beer market. In total, 1.98 million cases were sold.

With the *Kin-Mugi* brand, the company promoted *Shiki no Kin-Mugi*, and reinforced its ability to propose products to enjoy with seasonal ingredients and dishes. With health consciousness on the rise, sales volume of *Kin-Mugi (Toshitsu 75% reduced* <sup>\*6</sup>) grew 3% over the previous year, showing its popularity among customers seeking both delicious taste and health benefits.

Sales volume for the *All-Free* brand rose 11% year on year. *KARADA-WO-OMOU All-Free*, a product with functional claims for visceral fat, performed well and sales volume increased 35% year on year.

\*1. Beer, including alcohol-free beer-type beverages, on a volume basis

\*2. Converted to large bottles (1 case = 633ml × 20 bottles)

\*3. Excluding gift products.

\*4. Carbohydrates without dietary fiber

\*5. Based on the Food Labeling Standards, less than 0.5 g of sugar per 100 ml is considered zero Toshitsu.

\*6. Compared to *Kin-Mugi*.

Wine business's revenue rose by 2% year on year for both including and excluding excise taxes.

Sales volume of Japanese casual wine exceeded that of the previous year. The 30%-less-Toshitsu version of *Sankaboshizai Mutenka no Oishii Wine*<sup>\*7</sup>, which went on sale in August, was well received by customers as a way to enjoy delicious wine while lowering sugar intake. *Suntory Wine Sour 350 mL can*, which launched in February, was well received for its refreshing flavor that pairs well with a variety of meals, and as a new, casual way to enjoy wine mixed with soda water. As a result, the company revised its full-year sales target upwards. For Japan wine, sales of the *Tomino Oka Winery* and *Japan Premium* series particularly saw significant growth thanks to their highly acclaimed flavors, a result of the company's thorough quality management processes.

In imported wines, organic wines performed well, with sales of the Italian organic wine *Tavernello Organico* increasing significantly.

\*7. Compared to the average Toshitsu content of both the red and white versions of *Sankaboshizai Mutenka no Oishii Wine*

As a result of the above, revenue including excise taxes for the Alcoholic Beverages Segment was 1.0576 trillion yen, up 8.3% year on year, while revenue excluding excise taxes was 785.1 billion yen, up 9.3% year on year, and operating income was 127.9 billion yen, down 2.2% year on year.

#### <Others Segment>

For the health and wellness business, the *Sesamin* series and other products such as *Locomore* posted strong revenue, growing 8% year on year. Revenue for the restaurant business decreased year on year.

Revenue including excise taxes for the Others Segment was 237.8 billion yen, up 9.2% year on year, excluding excise taxes was 236.7 billion yen, up 9.2% year on year, and operating income was 25.5 billion yen, up 77.1% year on year.

Additionally, the breakdown between revenues in Japan and overseas was as follows.

#### Revenue (including excise taxes)

Japan: 1.4 trillion yen (up 0.9% year on year)

Overseas: 1.1593 trillion yen (up 18.3% year on year)

Overseas ratio: 45.3%

#### Revenue (excluding excise taxes)

Japan: 1.2102 trillion yen (up 0.5% year on year)

Overseas: 1.0755 trillion yen (up 18.9% year on year)

Overseas ratio: 47.1%

Ever since its founding, Suntory has aggressively expanded its business while also contributing to society through cultural activities, community work, and environmental efforts, based on Suntory's founding spirit of "Giving Back to Society." In addition, Suntory conducts various activities aiming to coexist with society and nature based on its promise to stakeholders, "Mizu To Ikiru" (literally meaning living with water), and its corporate mission "To create harmony with people and nature."

#### •Water

Water is an essential ingredient for Suntory's craftsmanship. Based on the Suntory Group's Sustainable Water Philosophy, Suntory Natural Water Sanctuaries are now present at 21 locations in 15 prefectures in Japan with a total area of approximately 12,000 hectares, cultivating more than double the amount of groundwater used in its plants in the country. The

company also conducts next-generation environmental education program known as Mizuiku in Japan, Vietnam, Thailand, Indonesia, France, and China, and also engages in water conservation activities in countries where it operates such as the US, France, India, Mexico, and Scotland. Suntory is the only company to have plants certified in Japan by the Alliance for Water Stewardship (AWS)<sup>\*8</sup>—a leading authority on international water standards that promotes global water sustainability—and joined the AWS membership. Suntory was also one of the three pilot companies—and the only one from Japan—to be selected by the Science Based Targets Network to take part in the formulation of methods to establish science-based water targets, and worked together to examine methods to be adopted globally.

#### •Greenhouse Gases (GHG)

Suntory aims to achieve net zero GHG emissions across the whole value chain by 2050. In April, Suntory revised its 2030 GHG reduction targets to 50% in its direct operations<sup>\*9</sup>. Further, in July, the company set itself a new target to achieve 100% renewable electricity in all 63 directly owned manufacturing and R&D facilities for its non-alcoholic and alcoholic beverage businesses in Japan, Americas, and Europe. Furthermore, the Suntory Kita-Alps Shinano-no-Mori Water Plant began operating in May as the company's first carbon neutral plant in Japan. Suntory will continue to reduce GHG emissions through actively introducing additional energy-saving technologies and the use of renewable energy in its facilities, both in its direct operations and throughout the entire value chain.

#### •Packaging

Suntory regards plastics as an important issue. In order to show strong leadership to transition to a circular and zero-carbon society, Suntory aims to switch all the PET bottles used globally in its products to be made of 100% recycled or plant-based material by 2030, achieving zero use of virgin petroleum-based materials. The company uses 100% recycled PET bottles<sup>\*10</sup> in brands such as *Ribena* in the UK and *MAY TEA* in France, and its *GREEN DAKARA Yasashii Mugicha*<sup>\*11</sup> in Japan. The company has also succeeded in the development of 100% plant-based PET bottle prototypes. In addition, the number of companies participating in R Plus Japan Ltd., a joint venture investing in developing technology to recycle used plastics, has expanded to 38 to date. Suntory will continue its efforts to reduce its environmental impact such as through the promotion of bottle-to-bottle horizontal recycling, reduction of weight in containers and packaging, and the Japanese soft drink industry's first F-to-P Direct Recycling Technology<sup>\*12</sup>.

\*8. Certification acquired at three plants: the Suntory Tennensui Okudaisen Buna no Mori Water Plant (2018), the Suntory Kyushu Kumamoto Plant (2019), and the Suntory Tennensui Minami Alps Hakushu Plant (2021)

\*9. Based on 2019 emissions



\*10. Excluding caps and labels

\*11. 650 ml and 600 ml only

\*12. A technology in which “flake” created by pulverizing and washing recovered PET bottles is treated at high temperature in a vacuum for a fixed period and which, after being melted and filtered, can be used to manufacture the preform directly.

Suntory is also actively supporting disaster relief efforts. Ten years on from the Great East Japan Earthquake, the company has launched the Mirai Challenge Program as a new initiative. The program will grant a total of approximately 100 million Japanese yen over three years from July 2021 to groups or individuals seeking to start new projects to revitalize the local community in Iwate, Miyagi and Fukushima prefectures.

## 2. Forecast for the Next Period

The Suntory Group will strive to respond swiftly to changes in the market environment to create yet unknown value and work to further enhance growth and profitability as a global “multifaceted beverages company group”, while continuing to aim to coexist with society and nature.

### <Beverages and Foods Segment>

Anticipating the steady recovery of demand in its key countries, Suntory Beverage & Food Limited will focus on accelerating sales growth in each area, and in addition to boosting its marketing activities, will engage in thorough cost management to appropriately respond to increase in costs—including rising raw material prices—and in turn aim for an increase in both revenue and income. In Japan, it will continue to strengthen its core brands, while also working on further structural reform to improve profitability. In Asia and Oceania, it will further strengthen efforts to improve profitability in both the soft drinks business and the health supplement businesses. In its key countries in Europe, the company will work on stimulating core brands, and continue with structural reforms such as the enhancement of on-premise sales. In the Americas, the company will proceed to strengthen the carbonated beverage category while at the same time working to achieve further expansion in the growing non-carbonated beverage category.

### <Alcoholic Beverages Segment>

In the spirits business, the company aims to grow sales value faster than volume by building its premium brands as a world leader in premium spirits. In its whisky business in Japan, ahead of its 100th year of whisky making in 2023, the company will work to strengthen value of its premium whiskies. In addition, the company will conduct promotional activities for highball

products that emphasize quality at the point of consumption, centered on its core whisky brands such as *Kakubin*, *Tony's*, and *Jim Beam*. For RTD products, the company will aim to expand its business by further developing and strengthening its core brands such as *-196°C*, *Kodawari Sakaba no Lemon Sour*, and *Horoyoi*, and by enhancing its ability to propose new value in line with consumer needs. In Spirits/Liqueurs, through the *Kodawari Sakaba no Lemon Sour no Moto*, *SUI*, *ROKU*, and other brands, the company will work to expand the number of contact points with customers and create new demand. The company will also engage in activities to improve quality in both product development and at the point of consumption to ensure customers can further enjoy its alcoholic products.

In the beer business, the company will work to create new drinking demand and revitalize the overall beer-type beverage market by increasing the value of each of its core brands, as well as by delivering new value.

In *The Premium Malt's* brand products, in line with changing customer awareness, the company will engage in activities to promote the brand's value as a premium brand. Moreover, in addition to promoting *The Premium Malt's* and *The Premium Malt's <Kaoru> Ale*, 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*, the company will position *The Premium Malt's MASTER'S DREAM* as the pinnacle of its product lineup to showcase its value. To ensure further enjoyment among its beer-drinking customers, the company will renew the flavor and packaging of its *Perfect Suntory Beer*—which maintains the real delicious taste of beer while containing zero Toshiitsu—and in doing so aim for further growth. With regards to *Kin-Mugi*, the company will use its three core brands—*Kin-Mugi*, with its updated flavor and packaging; *Kin-Mugi (Toshiitsu 75% reduced)*, which balances both delicious taste and health benefits; and the strong-flavored *Kin-Mugi The Lager*—to create a new genre of beer that is most suited to drinking regularly at home. In the *All-Free* brand, with health consciousness expected to rise even further in the future, the company will seek to expand the non-alcoholic beer-taste beverage market through two core 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.

In the wine business, in addition to initiatives for existing customers who regularly drink wine, the company will also reinforce efforts to attract new customers to Suntory's wine. For its Japan wine, in addition to continuing its efforts on environmentally and socially sustainable winemaking, the company will also work to develop and nurture *Suntory Tomi no Oka Winery*-led brands, and increase and strengthen its customer touchpoints through online and other mediums. In Japanese casual wine, centered on the *Sankaboshizai Mutenka* series, the

company will utilize its manufacturing capabilities to deliver delicious, high-quality wines that match the tastes of its customers. For its imported wines, the company will propose products in line with customer needs such as through *Domaines Barons de Rothschild Saga R Bordeaux*, *Tavernello Organico*, *Santa By Santa Carolina*. Further, the company newly launched its *Suntory Wine Café Wine Soda* this February to create new demand, and will use this product to communicate the concept that wine can be casually enjoyed with soda water. Moreover, in the non-alcoholic beverage market, which continues to see growth alongside customers' diversifying needs, this March, the company will launch its new canned non-alcoholic wine-taste beverage *Non-Alcoholic Wine Holiday*.

#### <Others Segment>

In the health and wellness business, the company will continue to focus on products such as the *Sesamin* series and *Locomore*. In the restaurant business, it will provide products and services that capture customer needs, while also seeking to improve profitability.

As a result of these activities, the forecast for revenue by segment is 1.365 trillion yen in the Beverages and Foods Segment (up 8.0% year on year), 1.144 trillion yen including excise taxes (up 8.2% year on year) and 848 billion yen excluding excise taxes (up 8.0% year on year) in the Alcoholic Beverages Segment, and 269 billion yen including taxes (up 13.1% year on year) and 267 billion yen excluding excise taxes (up 12.8% year on year) in the Others Segment.

In the fiscal year ending December 31, 2022, the forecast for revenue including excise taxes is 2.778 trillion yen (up 8.5% year on year), revenue excluding excise taxes is 2.48 trillion yen (up 8.5% year on year), operating income is 248 billion yen (up 0.2% year on year), and profit attributable to owners of the company is 115 billion yen (up 0.9% year on year).

End

## Classification of Shareholders

As of December 31, 2021

	Shares (Number of one unit of shares: -)								Shares less than One Unit (share)
	Japanese government and local government	Financial institutions	Securities Companies	Other Corporation	Foreign investors		Individuals and Others	Total	
					Other than Individuals	Individuals			
Number of Shareholders	—	4	—	2	—	—	73	79	—
Number of Shares Held (Unit)	—	27,485,448	—	617,408,764	—	—	42,241,984	687,136,196	—
Percentage of Shares Held (%)	—	4.00	—	89.85	—	—	6.14	100.00	—

Note: 1,380,000 shares of treasury stock are included in "Individuals and Others"

## Status of Major Shareholders

As of December 31, 2021

Name of shareholders	Address	Number of shares held (thousands)	Percentage of common stock issued (%)
Kotobuki Realty Co., Ltd.	2-1-40 Dojimahama, Kita-ku, Osaka	613,818	89.50
Employees Share Ownership Plan of Suntory	2-1-40 Dojimahama, Kita-ku, Osaka	34,544	5.03
MUFG Bank, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Sumitomo Mitsui Banking Corporation	1-1-2, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Sumitomo Mitsui Trust Bank, Limited	1-4-1, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Suntory Foundation for Life Sciences	8-1-1, Seikadai, Seika-cho, Souraku-gun, Kyoto	3,590	0.52
Nobutada Saji	Minato-ku, Tokyo	652	0.09
Shingo Torii	Higashinada-ku, Kobe	539	0.07
Takeshi Niinami	Minato-ku, Tokyo	180	0.02
Nobuhiro Torii	Minato-ku, Tokyo	173	0.02
Total	—	680,984	99.30

Directors and Audit & Supervisory Board Members

As of December 31, 2021

Title and Scope of Responsibility	Name	Date of Birth	Brief History	Term of office	Number of shares held (in thousands)
Representative Director, Chairman of the Board & Chief Executive Officer	Nobutada Saji	November 25, 1945	Joined Sony Corporation in April 1971. Joined Suntory Limited in June 1974. Assumed the office of Senior General Manager of Osaka branch of such company in August 1981. Assumed the office of Director of such company in June 1982. Assumed the office of Managing Director of such company in June 1984. Assumed the office of Senior Managing Director of such company in June 1987. Assumed the office of Director, Executive Vice President of such company in March 1989. Assumed the office of Representative Director, Executive Vice President & Chief Operating Officer of such company in March 1990. Assumed the office of Representative Director, President & Chief Executive Officer of such company in March 2001. Assumed the office of Representative Director, Chairman, President & Chief Executive Officer of such company in March 2002. Assumed the office of Representative Director and President of Kotobuki Realty Co., Ltd. in March 2002. Assumed the office of Representative Director, Chairman, President & Chief Executive Officer of Suntory Holdings Limited in February 2009. Has occupied the office of Representative Director, Chairman of the Board & Chief Executive Officer of Suntory Holdings Limited from October 2014 to date (incumbent). Has occupied the office of Representative Director and Chairman of Kotobuki Realty Co., Ltd. from March 2016 to date (incumbent).	Note 4	652

Title and Scope of Responsibility	Name	Date of Birth	Brief History	Term of office	Number of shares held (in thousands)
Representative Director, Vice Chairman of the Board	Shingo Torii	January 18, 1953	<p>Joined Itochu Corporation in April 1980.</p> <p>Joined Suntory Limited in June 1983.</p> <p>Assumed the office of Senior General Manager of Production Planning Division of such company in March 1990.</p> <p>Assumed the office of Director of such company in March 1992.</p> <p>Assumed the office of Managing Director of such company in March 1999.</p> <p>Assumed the office of Representative Director and Senior Managing Director of such company in March 2001.</p> <p>Assumed the office of Representative Director, Executive Vice President &amp; Chief Operating Officer of such company in March 2003.</p> <p>Assumed the office of Representative Director, Executive Vice President &amp; Chief Operating Officer of Suntory Holdings Limited in February 2009.</p> <p>Assumed the office of Representative Director and Executive Vice President of Kotobuki Realty Co., Ltd. in March 2009.</p> <p>Has occupied the office of Representative Director, Vice Chairman of the Board of Suntory Holdings Limited from October 2014 to date (incumbent).</p> <p>Has occupied the office of Representative Director and Vice Chairman of Kotobuki Realty Co., Ltd. from March 2016 to date (incumbent).</p>	Note 4	539
Representative Director, President & Chief Executive Officer	Takeshi Niinami	January 30, 1959	<p>Joined Mitsubishi Corporation in April 1981.</p> <p>Assumed the office of Manager of LAWSON Project Management Unit and Food Service Business Unit, Consumer Business Div. of such company in April 2001.</p> <p>Assumed the office of President &amp; CEO, Representative Director and Executive Officer of Lawson, Inc. in May 2002.</p> <p>Assumed the office of President &amp; CEO, and Representative Director of such company in March 2005.</p> <p>Assumed the office of Chairman, Representative Director of such company in May 2014.</p> <p>Assumed the office of Chairman, Member of the Board of such company in May 2014.</p> <p>Assumed the office of Advisor of Suntory Holdings Limited in August 2014.</p> <p>Assumed the office of Director of Suntory Holdings Limited in September 2014.</p> <p>Has occupied the office of Representative Director, President &amp; Chief Executive Officer of Suntory Holdings Limited from October 2014 to date (incumbent).</p>	Note 4	180

Title and Scope of Responsibility	Name	Date of Birth	Brief History	Term of office	Number of shares held (in thousands)
Representative Director, Executive Vice President & Chief Operating Officer	Nobuhiro Torii	March 10, 1966	<p>Joined The Industrial Bank of Japan (Present: Mizuho Bank, Ltd.) in July 1991.</p> <p>Joined Suntory Limited in April 1997.</p> <p>Assumed the office of Senior General Manager of Overall Sales &amp; Marketing Division of such company in September 2005.</p> <p>Assumed the office of Director of such company in March 2007.</p> <p>Assumed the office of Executive Officer of Suntory Holdings Limited in April 2009.</p> <p>Assumed the office of Managing Executive Officer of Suntory Holdings Limited in April 2010.</p> <p>Assumed the office of Senior Managing Director of Suntory Holdings Limited in January 2011.</p> <p>Assumed the office of Representative Director, President &amp; Chief Executive Officer of Suntory Beverage &amp; Food Limited in January 2011.</p> <p>Assumed the office of Director of Suntory Holdings Limited in January 2013.</p> <p>Has occupied the office of Representative Director and President of Kotobuki Realty Co., Ltd. from March 2016 to date (incumbent).</p> <p>Has occupied the office of Representative Director, Executive Vice President &amp; Chief Operating Officer of Suntory Holdings Limited from March 2016 to date (incumbent).</p> <p>Assumed the office of Director of Suntory Beverage &amp; Food Limited in March 2016.</p> <p>Has occupied the office of Representative Director, President &amp; Chief Executive Officer of Suntory Beer, Wine &amp; Spirits Japan Limited from April 2017 to date (incumbent).</p>	Note 4	173

Title and Scope of Responsibility	Name	Date of Birth	Brief History	Term of office	Number of shares held (in thousands)
Director, Executive Vice President	Shinichiro Hizuka	November 19, 1955	<p>Joined Suntory Limited in April 1978.</p> <p>Assumed the office of Executive Officer of Suntory Beer &amp; Spirits Limited (Present: Suntory Liquors Limited) in April 2009.</p> <p>Assumed the office of Senior General Manager, Sales Development &amp; Marketing Promotion Department 1 of such company in April 2009.</p> <p>Assumed the office of Executive Officer of Suntory Holdings Limited in January 2011.</p> <p>Assumed the office of Managing Director of Suntory Beverage &amp; Food Limited in March 2012.</p> <p>Assumed the office of Senior Managing Director of such company in December 2012.</p> <p>Assumed the office of Senior Managing Director of Suntory Holdings Limited in March 2015.</p> <p>Assumed the office of Director of Suntory Holdings Limited in March 2018.</p> <p>Assumed the office of Senior Managing Executive Officer of Suntory Holdings Limited in March 2018.</p> <p>Has occupied the office of Director, Executive Vice President of Suntory Holdings Limited from January 2020 to date (incumbent).</p>	Note 4	131
Director, Executive Vice President	Kazutomo Aritake	October 14, 1957	<p>Joined Suntory Limited in April 1980.</p> <p>Assumed the office of Senior General Manager of Legal Department of Suntory Limited in March 2006.</p> <p>Assumed the office of Executive Officer of Suntory Holdings Limited in April 2010.</p> <p>Assumed the office of Managing Executive Officer of Suntory Holdings Limited in April 2012.</p> <p>Assumed the office of Senior Managing Director of Suntory Holdings Limited in March 2017.</p> <p>Assumed the office of Director of Suntory Holdings Limited in March 2018 .</p> <p>Assumed the office of Senior Managing Executive Officer of Suntory Holdings Limited in March 2018.</p> <p>Has occupied the office of Director, Executive Vice President of Suntory Holdings Limited from January 2020 to date (incumbent).</p> <p>Has occupied the office of Director of Suntory Beverage &amp; Food Limited from March 2021 to date (incumbent).</p>	Note 4	143



Director	Takashi Mikuriya	April 27, 1951	<p>Assumed the office of Professor of the Faculty of Law, Tokyo Metropolitan University in October 1988.</p> <p>Assumed the office of Visiting Professor of the Research Center for Advanced Science and Technology, the University of Tokyo in April 2012.</p> <p>Has occupied the office of Professor Emeritus of the University of Tokyo from April 2012 to date (incumbent).</p> <p>Has occupied the office of Visiting Professor of the Open University of Japan from April 2016 to date (incumbent).</p> <p>Has occupied the office of Director of Suntory Holdings Limited from March 2017 to date (incumbent).</p> <p>Has occupied the office of Visiting Professor of Rikkyo University from April 2019 to date (incumbent).</p> <p>Has occupied the Fellow of the Research Center for Advanced Science and Technology, the University of Tokyo from April 2020 to date (incumbent).</p>	Note 4	—
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Title and Scope of Responsibility	Name	Date of Birth	Brief History	Term of office	Number of shares held (in thousands)
Senior Audit & Supervisory Board Member	Kozo Chiji	August 24, 1956	<p>Joined Suntory Limited in April 1980. Assumed the office of Chief Operating Officer, Finance &amp; Accounting Division of Suntory Limited in March 2005.</p> <p>Assumed the office of Director of Suntory Limited in March 2008.</p> <p>Assumed the office of Executive Officer of Suntory Holdings Limited in April 2009.</p> <p>Assumed the office of Managing Executive Officer of Suntory Holdings Limited in January 2011.</p> <p>Assumed the office of Director [full-time Audit &amp; Supervisory Committee Member] of Suntory Beverage &amp; Food Limited in March 2016.</p> <p>Has occupied the office of Senior Audit &amp; Supervisory Board Member of Suntory Holdings Limited from March 2021 to date (incumbent).</p>	Note 7	50
Senior Audit & Supervisory Board Member	Hong Sik Park	June 16, 1958	<p>Joined Suntory Limited in April 1982.</p> <p>Assumed the office of CEO of Suntory Beverage &amp; Food Asia Pte. Ltd. in September 2011.</p> <p>Assumed the office of Executive Officer of Suntory Holdings Limited in April 2016.</p> <p>Has occupied the office of Audit Committee Member of Beam Suntory Inc. from April 2017 to date (incumbent).</p> <p>Assumed the office of Audit &amp; Supervisory Board Member of Suntory Holdings Limited in March 2019.</p> <p>Has occupied the office of Senior Audit &amp; Supervisory Board Member of Suntory Holdings Limited from March 2020 to date (incumbent).</p>	Note 5	30

Audit & Supervisory Board Member	Minoru Amano	February 17, 1948	<p>Was appointed as Judge in April 1976.</p> <p>Resigned from bench in March 1980.</p> <p>Has Registered as Attorney from May 1980 to date (incumbent).</p> <p>Assumed the office of Audit &amp; Supervisory Board Member of Suntory Limited in March 2003.</p> <p>Has occupied the office of Audit &amp; Supervisory Board Member of Suntory Holdings Limited from February 2009 to date (incumbent).</p>	Note 5	—
Audit & Supervisory Board Member	Hideo Yamada	February 23, 1955	<p>Assumed the office of Professor of system science laboratory, Waseda University in April 1997.</p> <p>Assumed the office of Outside Auditor of Fukuoka Financial Group, Inc. in June 2015.</p> <p>Has occupied the office of Audit &amp; Supervisory Board Member of Suntory Holdings Limited from March 2016 to date (incumbent).</p> <p>Has occupied the office of Professor of Graduate School of Business Administration, Waseda University from April 2016 to date (incumbent).</p> <p>Has occupied the office of Outside Director [Audit &amp; Supervisory Committee Member] of Fukuoka Financial Group, Inc from June 2020 to date (incumbent).</p>	Note 6	—

Note: 1. Suntory Limited is Suntory Spirits Limited at the present time.

2. Director Mr. Takashi Mikuriya is an Outside Director.

3. Mr. Minoru Amano and Mr. Hideo Yamada are Outside Audit & Supervisory Board Members.

4. Current terms of office will expire at the close of Ordinary General Meeting of Shareholders for the Fiscal Year 2021.

5. Current terms of office will expire at the close of Ordinary General Meeting of Shareholders for the Fiscal Year 2022.

6. Current terms of office will expire at the close of Ordinary General Meeting of Shareholders for the Fiscal Year 2023.

7. Current terms of office will expire at the close of Ordinary General Meeting of Shareholders for the Fiscal Year 2024.

**Consolidated statement of financial position**

(Millions of yen)

	As at December 31, 2020	As at December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	338,259	297,717
Trade and other receivables	401,158	478,517
Other financial assets	7,591	17,236
Inventories	457,726	529,105
Other current assets	59,350	60,263
Total current assets	<u>1,264,087</u>	<u>1,382,839</u>
Non-current assets:		
Property, plant and equipment	696,825	750,780
Right-of-use assets	101,240	122,657
Goodwill	834,555	907,119
Intangible assets	1,348,485	1,468,423
Investments accounted for using the equity method	52,064	52,756
Other financial assets	133,269	168,513
Deferred tax assets	58,990	48,332
Other non-current assets	31,768	32,586
Total non-current assets	<u>3,257,199</u>	<u>3,551,170</u>
Total assets	<u><u>4,521,286</u></u>	<u><u>4,934,010</u></u>

(Millions of yen)

	As at December 31, 2020	As at December 31, 2021
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Current liabilities:		
Bonds and borrowings	161,564	249,255
Trade and other payables	545,648	635,625
Other financial liabilities	110,442	100,340
Accrued income taxes	20,131	20,255
Provisions	10,261	9,020
Other current liabilities	81,712	91,119
Total current liabilities	929,760	1,105,616
Non-current liabilities:		
Bonds and borrowings	1,280,428	1,131,736
Other financial liabilities	143,017	153,735
Post-employment benefit liabilities	43,051	40,488
Provisions	8,074	10,184
Deferred tax liabilities	287,222	328,966
Other non-current liabilities	15,383	15,888
Total non-current liabilities	1,777,178	1,681,001
Total liabilities	2,706,938	2,786,617
<b>Equity</b>		
Share capital	70,000	70,000
Share premium	133,948	127,856
Retained earnings	1,420,484	1,525,260
Treasury shares	(938)	(938)
Other components of equity	(207,337)	(12,173)
Total equity attributable to owners of the Company	1,416,157	1,710,005
Non-controlling interests	398,189	437,387
Total equity	1,814,347	2,147,392
<b>Total liabilities and equity</b>	<b>4,521,286</b>	<b>4,934,010</b>

**Consolidated statement of profit or loss**

(Millions of yen)

	Year ended December 31, 2020	Year ended December 31, 2021
Revenue (including excise taxes)	2,367,632	2,559,223
Less: excise taxes	(259,316)	(273,546)
Revenue (excluding excise taxes)	2,108,316	2,285,676
Cost of sales	(1,109,334)	(1,215,302)
Gross profit	998,981	1,070,374
Selling, general and administrative expenses	(788,038)	(830,173)
Gain on investments accounted for using the equity method	9,121	9,704
Other income	13,549	15,308
Other expenses	(16,580)	(17,735)
Operating income	217,032	247,479
Finance income	2,033	6,754
Finance costs	(18,023)	(16,785)
Profit before income taxes	201,042	237,447
Income tax expenses	(71,371)	(82,049)
Profit for the year	129,670	155,398
Attributable to:		
Owners of the Company	100,408	113,965
Non-controlling interests	29,261	41,433
Profit for the year	129,670	155,398

Earnings per share (Yen)	146.42	166.19
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**Reconciliation from operating income to adjusted operating income**

(Millions of yen)

	Year ended December 31, 2020	Year ended December 31, 2021
Operating income	217,032	247,479
Gain on sale of businesses	(3,439)	(2,417)
Restructuring charges	2,814	5,013
Office relocation expenses	—	1,301
Other	1,579	504
Total	954	4,400
Adjusted operating income	217,987	251,880

## Consolidated statement of changes in equity for the year ended 31 December 2021

(Millions of yen)

	Attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity			
<b>Balance at 1 January 2020</b>	70,000	133,909	1,329,315	(938)	(133,752)	1,398,534	395,352	1,793,887
Profit for the year			100,408			100,408	29,261	129,670
Other comprehensive income					(73,909)	(73,909)	(5,128)	(79,038)
Total comprehensive income for the year	—	—	100,408	—	(73,909)	26,498	24,133	50,632
Dividends			(8,914)			(8,914)	(21,254)	(30,169)
Transactions with non-controlling interests		39				39	(41)	(2)
Transfer from other components of equity to retained earnings			(324)		324	—		—
Total transactions with owners of the parent	—	39	(9,239)	—	324	(8,875)	(21,295)	(30,171)
<b>Balance at 31 December 2020</b>	70,000	133,948	1,420,484	(938)	(207,337)	1,416,157	398,189	1,814,347
Profit for the year			113,965			113,965	41,433	155,398
Other comprehensive income					194,889	194,889	19,333	214,223
Total comprehensive income for the year	—	—	113,965	—	194,889	308,854	60,766	369,621
Dividends			(8,914)			(8,914)	(23,971)	(32,886)
Transactions with non-controlling interests		(6,092)				(6,092)	2,402	(3,689)
Transfer from other components of equity to retained earnings			(275)		275	—		—
Total transactions with owners of the parent	—	(6,092)	(9,189)	—	275	(15,006)	(21,569)	(36,576)
<b>Balance at 31 December 2021</b>	70,000	127,856	1,525,260	(938)	(12,173)	1,710,005	437,387	2,147,392

## Consolidated statement of cash flows

	Year ended December 31, 2020	Year ended December 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	201,042	237,447
Depreciation and amortization	123,823	125,754
Impairment losses (reversal of impairment losses)	4,153	3,716
Interest and dividend income	(1,694)	(1,643)
Interest expense	17,397	16,287
Gain on investments accounted for using the equity method	(9,121)	(9,704)
Increase in inventories	(23,385)	(38,727)
(Increase) decrease in trade and other receivables	14,844	(53,698)
(Decrease) increase in trade and other payables	(14,281)	66,619
Other	(6,561)	5,265
Subtotal	306,216	351,317
Interest and dividends received	5,227	7,917
Interest paid	(18,925)	(18,420)
Income taxes paid	(61,120)	(60,034)
Net cash inflow from operating activities	231,397	280,779
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	(118,760)	(132,509)
Proceeds from sales of property, plant and equipment and intangible assets	5,640	4,151
Payments for acquisition of investment securities	(21,639)	(24,055)
Payments for acquisition of shares in subsidiaries involving changes in the scope of consolidation	(6,194)	(3,785)
Proceeds from sale of businesses	8,305	4,932
Other	(1,299)	(1,253)
Net cash outflow from investing activities	(133,948)	(152,519)
<b>Cash flows from financing activities</b>		
(Decrease) increase in short-term borrowings and commercial papers	31,985	(36,672)
Proceeds from long-term borrowings	227,890	134,192
Repayment of long-term borrowings	(209,527)	(206,264)
Payments of finance lease liabilities	(30,455)	(33,035)
Dividends paid to owners of the Company	(8,914)	(8,914)
Dividends paid to non-controlling interests	(21,575)	(24,003)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(3,688)
Other	(16)	0
Net cash outflow from financing activities	(10,612)	(178,385)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>86,836</b>	<b>(50,125)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>255,302</b>	<b>338,259</b>
Effects of exchange rate changes on cash and cash equivalents	(3,879)	9,582
<b>Cash and cash equivalents at the end of the year</b>	<b>338,259</b>	<b>297,717</b>

## Segment Information

### (1) Overview of reportable segments

The reportable segments are components of the Group for which separate financial information is available and regularly reviewed by management to make decisions about the allocation of resources and to assess segment performance.

The Group applies a holding company structure and operating companies have been established by product or service. The management of each operating company focuses on the type of products and services delivered or provided when establishing its own strategy for domestic and international operations. Therefore, the Group determined and identified “Beverages and foods” and “Alcoholic beverages” as a reportable segment based on the types of products and services delivered or provided. The classification of the Group’s primary products and services have been defined as below.

Reportable segment	Primary products
Beverages and foods	Non-alcoholic beverages, healthy drinks, processed foods, other products
Alcoholic Beverages	Spirits, beer, wine and other alcoholic beverages
Others	Healthy foods, ice cream, restaurants, flowers, operations in China and other operations

### (Changes of reportable segments)

Due to the reorganization carried out on January 1, 2021, sales company of wines in China previously included in “Alcoholic Beverages” segment have been transferred to “Others” segment.

The amounts of the previous fiscal year in the segment disclosure have been restated to conform to the current fiscal year's presentation

### (2) Profit or loss for each reportable segment

Profit or loss for each reportable segment of the Group was as follows.

Year ended December 31, 2020

	Reportable segment			Segment total	Reconciliations *2	Consolidated *1
	Beverages and foods	Alcoholic Beverages	Others			
Revenue (including excise taxes)	1,172,913	976,955	217,763	2,367,632	—	2,367,632
Revenue (excluding excise taxes)						
External customers	1,172,913	718,550	216,852	2,108,316	—	2,108,316
Intersegment	5,224	3,566	11,574	20,365	(20,365)	—
Total revenue	1,178,137	722,116	228,426	2,128,681	(20,365)	2,108,316
Segment profit	117,004	130,837	14,396	262,238	(45,206)	217,032

(Note) \*1. Segment profit agrees with operating income presented in the consolidated statement of profit or loss.

\*2. “Reconciliations” to segment profit or loss represent overhead costs incurred by the Company to manage the Group's operations and are not allocated to the reportable segments.



Year ended December 31, 2021

(Millions of yen)

	Reportable segment			Segment total	Reconciliations *2	Consolidated *1
	Beverages and foods	Alcoholic Beverages	Others			
Revenue (including excise taxes)	1,263,810	1,057,602	237,810	2,559,223	—	2,559,223
Revenue (excluding excise taxes)						
External customers	1,263,810	785,119	236,747	2,285,676	—	2,285,676
Intersegment	5,106	2,711	11,711	19,529	(19,529)	—
Total revenue	1,268,917	787,830	248,459	2,305,206	(19,529)	2,285,676
Segment profit	139,912	127,934	25,489	293,336	(45,856)	247,479

(Note) \*1. Segment profit agrees with operating income presented in the consolidated statement of profit or loss.

\*2. "Reconciliations" to segment profit or loss represent overhead costs incurred by the Company to manage the Group's operations and are not allocated to the reportable segments.

### (3) Information about geographical areas

Geographical areas other than Japan are comprised of the following countries:

Americas: United States of America and others

Europe: France, UK, Spain, and others

Asia and Oceania: Vietnam, Thailand, Australia and others

#### 1. Revenue (including excise taxes) from external customers was as follows:

(Millions of yen)

	Japan	Americas	Europe	Asia and Oceania	Total
Fiscal year ended December 31,2020	1,387,459	374,524	260,120	345,527	2,367,632
Fiscal year ended December 31,2021	1,399,963	420,063	332,789	406,406	2,559,223

(Note) Revenue (including excise taxes) is allocated into countries or areas based on the customers' locations for the analysis above.

#### 2. Revenue (excluding excise taxes) from external customers was as follows:

(Millions of yen)

	Japan	Americas	Europe	Asia and Oceania	Total
Fiscal year ended December 31,2020	1,204,008	316,865	250,331	337,111	2,108,316
Fiscal year ended December 31,2021	1,210,205	362,745	316,236	396,489	2,285,676

(Note) Revenue (excluding excise taxes) is allocated into countries or areas based on the customers' locations for the analysis above.

## Balance Sheet

(Millions of yen)

	As of December 31, 2020	As of December 31, 2021
<b>ASSETS</b>		
Current assets	1,247,717	1,312,543
Cash and deposits	84,887	47,819
Accounts receivable-trade	3,819	4,251
Short-term loans receivable	1,080,563	1,234,597
Advance payments-trade	843	656
Accounts receivable-other	23,257	19,564
Other current assets	54,495	6,294
Allowance for doubtful accounts	(149)	(640)
Non-current assets	967,201	965,390
Property, plant and equipment	32,902	34,586
Buildings, net	21,670	25,058
Machinery and equipment, net	710	631
Tools, furniture and fixtures, net	3,833	4,369
Land	3,674	3,670
Construction in progress	2,112	45
Other	900	810
Intangible assets	3,843	3,840
Leasehold right	3,705	3,705
Other intangible assets	138	134
Investments and other assets	930,455	926,964
Investment securities	16,736	19,332
Shares of subsidiaries and associates	513,664	517,556
Long-term loans receivable from subsidiaries and associates	373,905	369,655
Distressed receivables	3,854	3,854
Long-term prepaid expenses	1,568	1,328
Prepaid pension cost	16,994	12,689
Other	7,750	6,565
Allowance for doubtful accounts	(4,019)	(4,019)
Deferred assets	832	759
<b>TOTAL ASSETS</b>	<b>2,215,751</b>	<b>2,278,693</b>

(Millions of yen)

	As of December 31, 2020	As of December 31, 2021
<b>LIABILITIES</b>		
Current liabilities	225,979	384,140
Short-term loans payable	13	15
Current portion of long-term loans payable	54,877	73,712
Current portion of bonds payable	—	67,295
Accounts payable-other	2,284	2,377
Accrued expenses	13,454	13,804
Accrued consumption taxes	538	275
Income taxes payable	1,485	1,504
Deposits received from employees	17,159	15,578
Deposits received	82,384	99,964
Provision for bonuses	5,182	6,242
Other	48,599	103,370
Non-current liabilities	1,083,965	945,735
Bonds payable	299,034	275,505
Long-term loans payable	766,007	654,326
Deferred tax liabilities	1,646	961
Provision for retirement benefits	9,262	9,276
Other	8,016	5,665
<b>TOTAL LIABILITIES</b>	<b>1,309,945</b>	<b>1,329,876</b>
<b>NET ASSETS</b>		
Shareholders' equity	903,366	945,698
Capital stock	70,000	70,000
Capital surplus	286,367	286,367
Legal capital surplus	17,500	17,500
Other capital surplus	268,867	268,867
Retained earnings	547,937	590,269
Other retained earnings	547,937	590,269
Reserve for special depreciation	13	6
Reserve for advanced depreciation of non-current assets	1,970	1,916
Reserve for purchase of specific shares	—	52
General reserve	312,700	312,700
Retained earnings brought forward	233,253	275,594
Treasury stock	(938)	(938)
Valuation and translation adjustments	2,440	3,118
Valuation difference on available-for-sale securities	5,257	5,326
Deferred gains or losses on hedges	(2,817)	(2,207)
<b>TOTAL NET ASSETS</b>	<b>905,806</b>	<b>948,817</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,215,751</b>	<b>2,278,693</b>

## Statement of Income

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Operating revenue	133,297	108,473
Royalty income	37,146	38,159
Rent income	1,681	1,449
Dividends from subsidiaries and associates	94,469	68,865
Operating expenses	46,437	47,894
General and administrative expenses	46,437	47,894
Operating income	86,860	60,579
Non-operating income	10,548	15,275
Interest income	9,840	9,603
Interest income on securities	7	7
Dividends income	223	312
Foreign exchange gains	164	206
Gain on investments in partnership	—	4,980
Other	311	164
Non-operating expenses	9,211	8,459
Interest expenses	6,744	5,870
Interest on bonds	1,340	1,372
Other	1,127	1,215
Ordinary income	88,196	67,395
Extraordinary income	528	—
Gain on sales of shares of non-current assets	528	—
Extraordinary loss	56	13,984
Loss on support to subsidiaries and associates	—	12,700
Other	56	1,284
Income before income taxes	88,668	53,411
Income taxes-current	3,420	2,965
Income taxes-deferred	1,248	(801)
Net income	83,999	51,247

## Statement of Changes in Net Assets

Fiscal year ended December 31, 2020

(Millions of yen)

	Capital stock	Capital surplus			Retained earnings					Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings				Total retained earnings		
					Reserve for special depreciation	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward			
Balance at January 1, 2020	70,000	17,500	268,867	286,367	23	1,740	312,700	158,388	472,852	(938)	828,281
Changes of items during the year											
Dividends from surplus								(8,914)	(8,914)		(8,914)
Net income								83,999	83,999		83,999
Reversal of reserve for special depreciation					(9)			9	—		—
Provision of reserve for advanced depreciation of non-current assets						277		(277)	—		—
Reversal of reserve for advanced depreciation of non-current assets						(48)		48	—		—
Net changes of items other than shareholders' equity											
Total changes of items during the year	—	—	—	—	(9)	229	—	74,864	75,084	—	75,084
Balance at December 31, 2020	70,000	17,500	268,867	286,367	13	1,970	312,700	233,253	547,937	(938)	903,366

(Millions of yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available - for - sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at January 1, 2020	7,313	(3,741)	3,571	831,853
Changes of items during the year				
Dividends from surplus				(8,914)
Net income				83,999
Reversal of reserve for special depreciation				—
Provision of reserve for advanced depreciation of non-current assets				—
Reversal of reserve for advanced depreciation of non-current assets				—
Net changes of items other than shareholders' equity	(2,055)	924	(1,131)	(1,131)
Total changes of items during the year	(2,055)	924	(1,131)	73,953
Balance at December 31, 2020	5,257	(2,817)	2,440	905,806

Fiscal year ended December 31, 2021

(Millions of yen)

	Capital stock	Capital surplus			Retained earnings							Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings					Total retained earnings			
					Reserve for special depreciation	Reserve for advanced depreciation of non-current assets	Reserve for purchase of specific shares	General reserve	Retained earnings brought forward				
Balance at January 1, 2021	70,000	17,500	268,867	286,367	13	1,970	—	312,700	233,253	547,937	(938)	903,366	
Changes of items during the year													
Dividends from surplus									(8,914)	(8,914)		(8,914)	
Net income									51,247	51,247		51,247	
Reversal of reserve for special depreciation					(6)				6	—		—	
Reversal of reserve for advanced depreciation of non-current assets						(53)			53	—		—	
Provision of reserve for purchase of specific shares							52		(52)	—		—	
Net changes of items other than shareholders' equity													
Total changes of items during the year	—	—	—	—	(6)	(53)	52	—	42,341	42,332	—	42,332	
Balance at December 31, 2021	70,000	17,500	268,867	286,367	6	1,916	52	312,700	275,594	590,269	(938)	945,698	

(Millions of yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available - for - sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at January 1, 2021	5,257	(2,817)	2,440	905,806
Changes of items during the year				
Dividends from surplus				(8,914)
Net income				51,247
Reversal of reserve for special depreciation				—
Reversal of reserve for advanced depreciation of non-current assets				—
Provision of reserve for purchase of specific shares				—
Net changes of items other than shareholders' equity	68	609	678	678
Total changes of items during the year	68	609	678	43,010
Balance at December 31, 2021	5,326	(2,207)	3,118	948,817