

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

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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%

## 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

## 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 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.