

# Business Strategy Briefing on Alcoholic Beverages (Japan)

## -Beer marketing strategy-

SAPPORO BREWERIES LTD.



乾杯を  
もっとおいしく。

Sapporo Holdings Limited

Takayuki Sato, Group Executive Officer, General Manager of Accounting Department

Sapporo Breweries Ltd.

Akito Takeuchi, Managing Executive Officer, General Manager of the Marketing Department

Toshifumi Nagai, General Manager of the Beer and RTD Division, Marketing Department

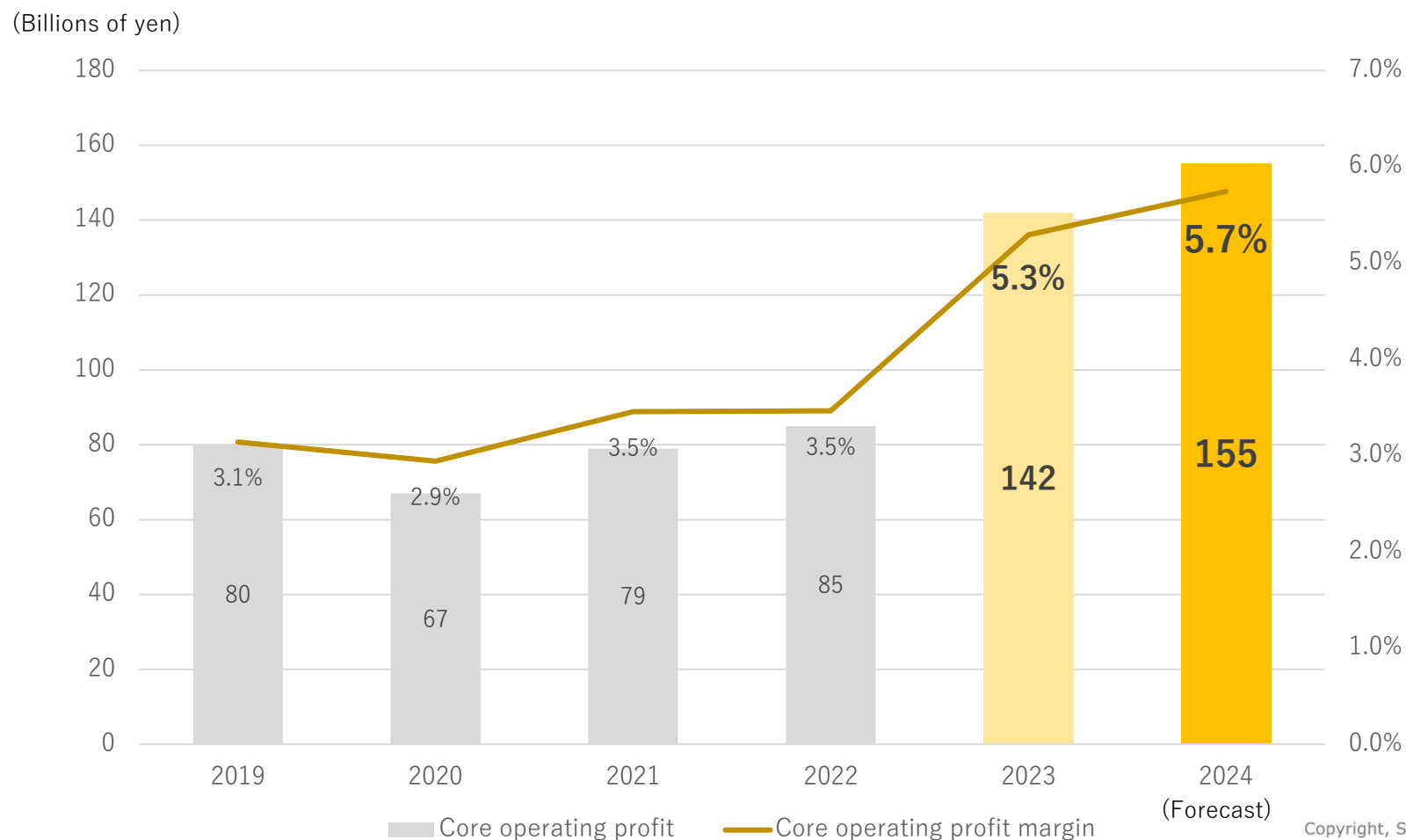
- ★ **Agenda of the meeting**
- ★ Beer business strategy and medium-term marketing strategy
- ★ Black Label and Yebisu's marketing strategy

- We aim to provide an opportunity to deepen understanding of the business strategy of our core business, domestic alcoholic beverages, especially the **marketing strategy for beer**, which is the driver of future profitability improvement.
- We hope you will experience **our unique customer contact point strategy** at **YEBISU BREWERY TOKYO**, which opened on April 3rd.

# Results of the Alcoholic Beverages (Japan) business

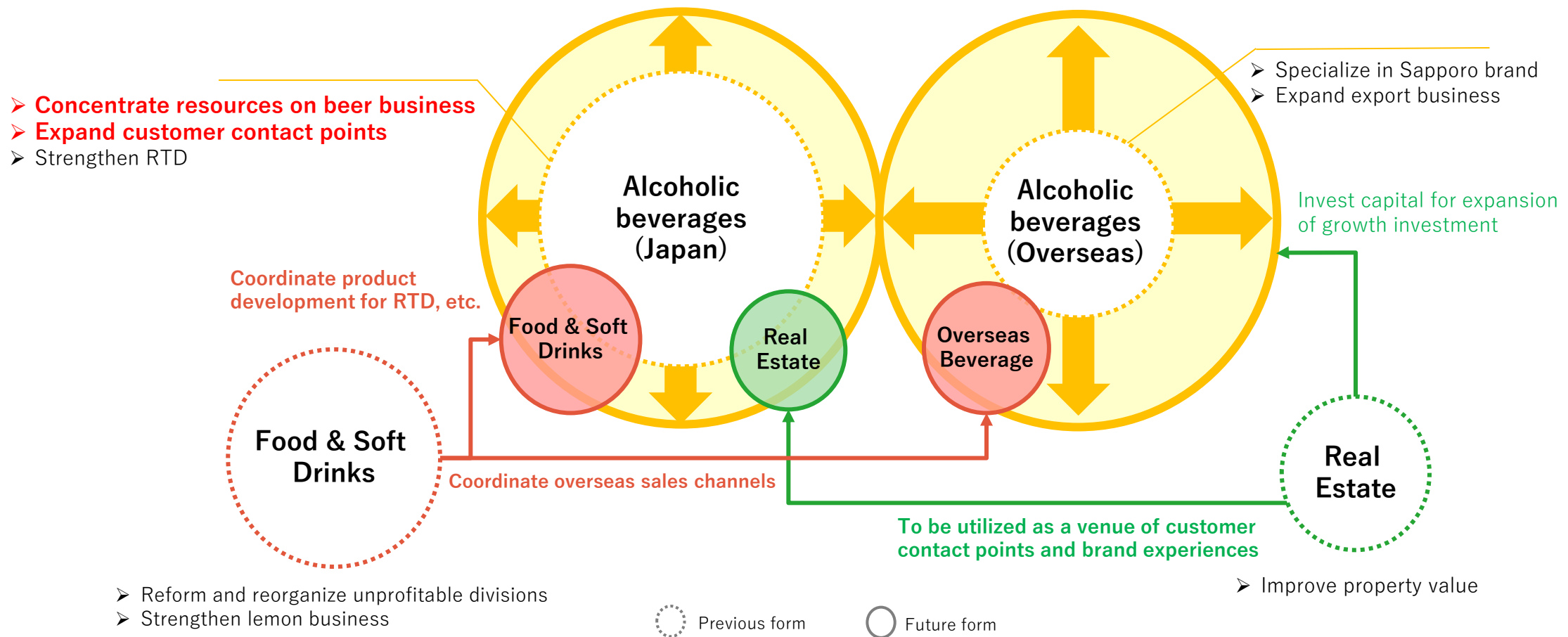
## ★ Success of our strategy centered on strengthening beer, and steady improvements of profitability

The core operating profit turned profitable in 2024 in 1Q



# Medium- to long-term management policies

- ★ In the medium- to long-term management policies, we also call for the Group to transform itself into a business entity that can divert its total power into value enhancement through the growth of alcoholic beverages.



- ★ Agenda of the meeting
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## Keywords

**Balance**



## Points

Despite increased customer confidence, the impact of rising prices has led to continued reevaluation of where to spend.  
**The hurdle for customers to perceive value is higher than ever.**

**Recovery of staple products**



The sense of **security and trust** provided by staple products remains important.  
Furthermore, **the creation of a new competition pillar** and **constant evolution** are key to deal with changes in customer behavior.

**Self-expression and identification**  
**Personal**  
**Health of the body and the mind**



**Change in the ways people enjoy “alcoholic beverages,”** in line with the diversification of values.  
**Building a new relationship between customers and “alcoholic beverages”** with new alcohol proposals is crucial.

We will invest in marketing that further transforms our individuality, story and assets into strengths to keep increasing our number of customers, and continue to reliably grow our staple beer brands and drive the market.

Amidst the major environmental changes in the beer market,  
the value provided to customers is questioned.  
Through the expression of the "position" or belief of the the brand and  
the creation of "experiences" that move people's hearts, we will  
promote marketing that expands the population with an interest in beer,  
thereby revitalizing the market.

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**“For a more appealing Japanese beer!”**  
**Revitalization of the Japanese beer market**

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# Beer marketing strategy (growth through expansion of the population with an interest in beer)

- ★ “Expansion of the population with an interest in beer”  $\div$  Increase in new customers (non users and light users)  
▶ Continuous growth
- ★ The keys to the “expansion of the population with an interest in beer” are “understanding of the customer,” “redefinition of the brand,” and “redefinition of the market.”

Source: Our Company's research

## ■ Population between 20 and 79 90 million



People indifferent to beer	50 million
(Consumption of beer)	(25 million)
(Present consumption of drinks other than beer)	(15 million)
(Consumption of drinks other than beer)	(10 million)

## Understanding of the customer

Customers' issues  
(Understanding of the lifestyle)

## Redefinition of the brand

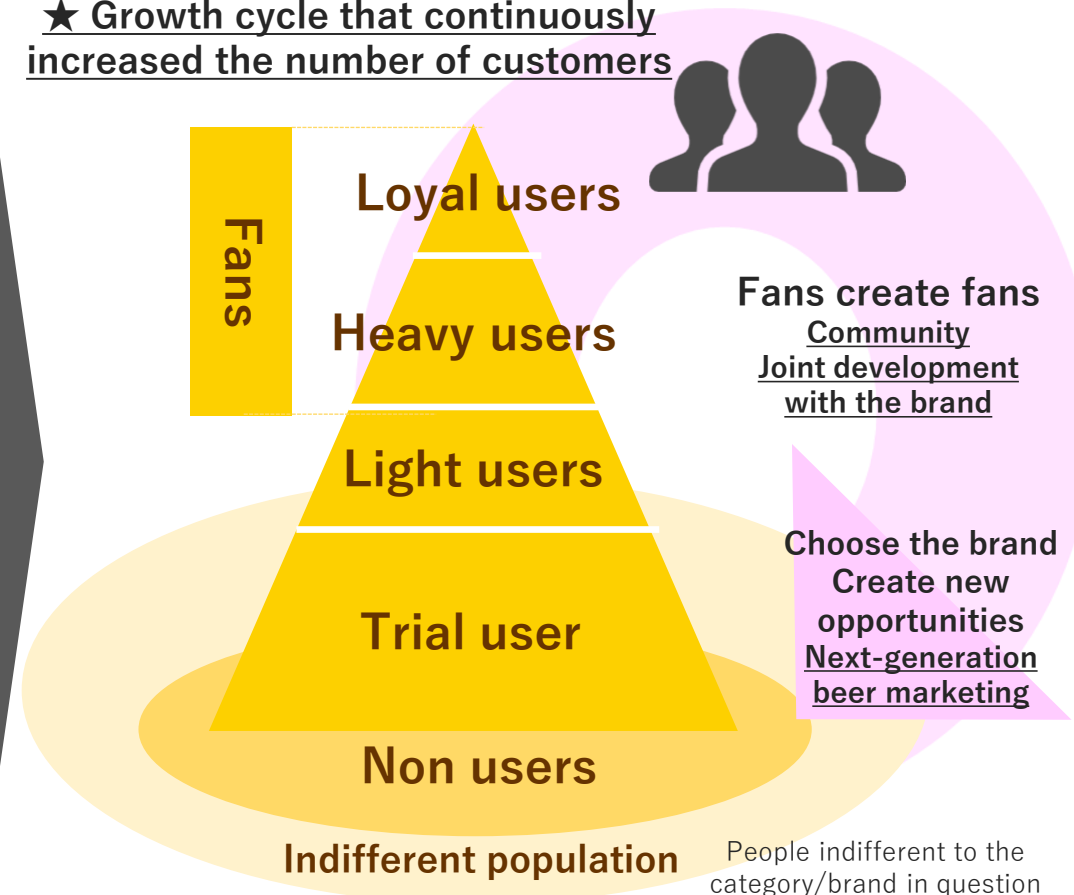
Which brand characteristics

Which positive contribution  
to the customers

## Redefinition of the market

Subdivision of customers  
One market including the  
indifferent population

## ★ Growth cycle that continuously increased the number of customers



- ★ The keys to the “expansion of the population with an interest in beer” are “brand experience” and “brand positioning”
- ★ Focus on actions that “change customers’ behaviors” instead of “persuasion and communication”

★ Characteristics of next-generation customers, an opportunity for us



★ Customer contact points' strategy

Focus on developing promotional and experiential opportunities that intuitively connect the brand to the lives of the indifferent population. Create a situation in which the indifferent class finds their own "reasons for choosing a brand" and "choose a brand themselves."

**Advertising**

Awareness of new drinking settings and contexts through the expression of brand positioning

**Restaurants**

"Satisfaction" from immediate brand experience



**Experience opportunities**

Casual encounters with new customers

**Stores**

From lack of interest to purchase (changing behaviors)

# Beer marketing strategy (growth of Sapporo Draft Beer Black Label)

- ★ Black Label's marketing is a model case for next-generation beer marketing
- ★ Differentiation through the expression of the brand's worldview and positioning, and brand experience to promote fan conversion

## -Positioning- Advertising

By presenting the brand's worldview and positioning, which are distinct from the competition based on functional appeal, we create new reasons for choosing the brand and new drinking scenarios and contexts that are unique to Black Label.

Sapporo Black for adults  
TV commercial: "Adult elevator series" from 2010



Brand message  
"Don't be circle be a star" from 2010



Start of the TV commercial "Adult elevator"  
with the theme "Sapporo Black for adults" in 2010  
Believe in yourself and live life respecting your own values  
with the message "Don't be a circle be a star"  
Express the fact that the brand is suitable for those adults

## -Experience- Brand experience

Many encounters with fans and cultivation of new awareness with the development of diverse customer contact points aiming to create casual and premium brand experiences

Black Label Perfect Beer Garden  
From 2014 to 2018



Black Label's experiential events  
From 2016



CLUB Black Label

— CLUB —  
サッポロ生ビール  
黒ラベル

Perfect  
From 2014



Music festivals



Black Label The Bar(Ginza)  
From 2019



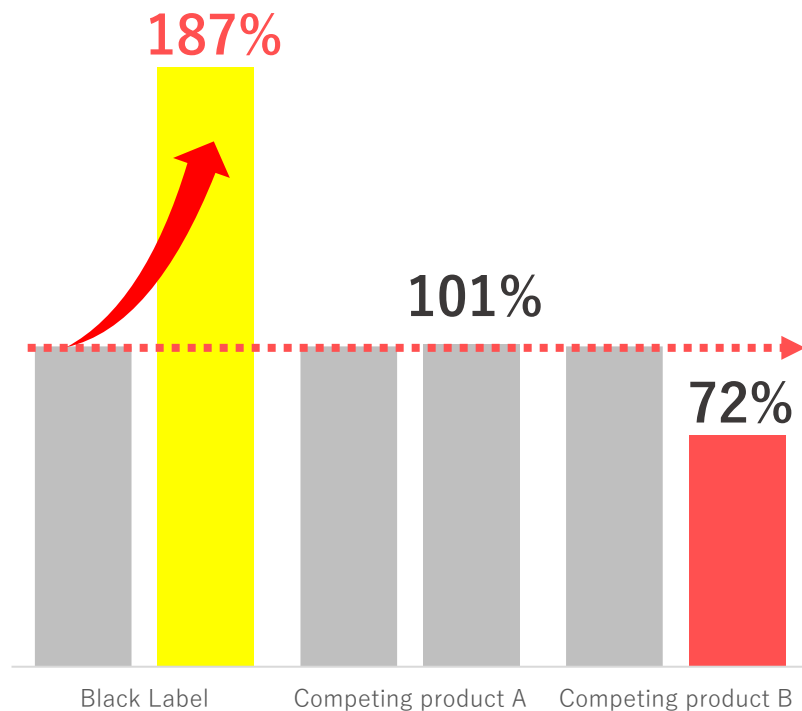
Black Label The Bar (Osaka, Fukuoka) 2023



# Beer marketing strategy (growth of Sapporo Draft Beer Black Label)

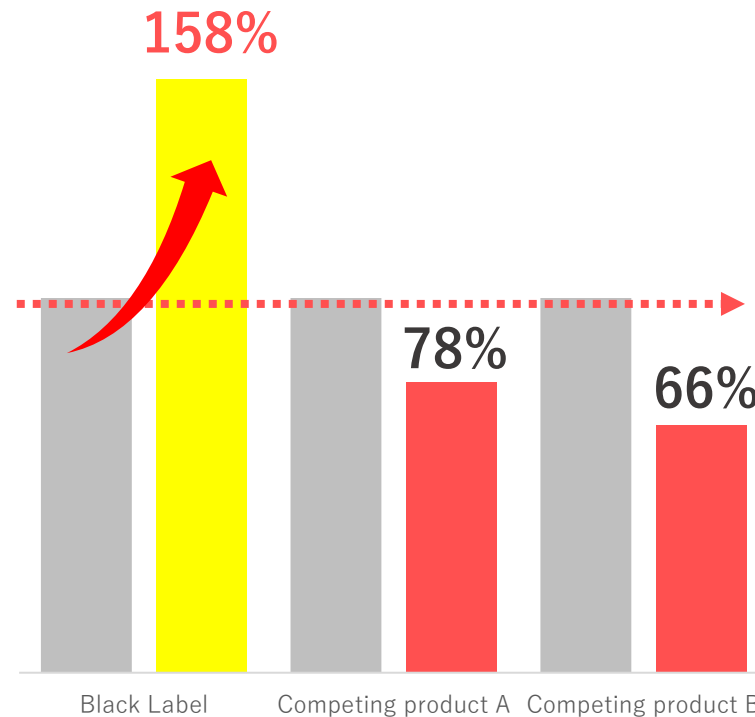
- ★ Only Black Label has grown all buyers as well as buyers in their twenties
- ★ Black Label's customers have increased by 1.9x and cans sales by 1.7x compared to 2014

Buyers of beer brands (all)  
2014 vs. 2023

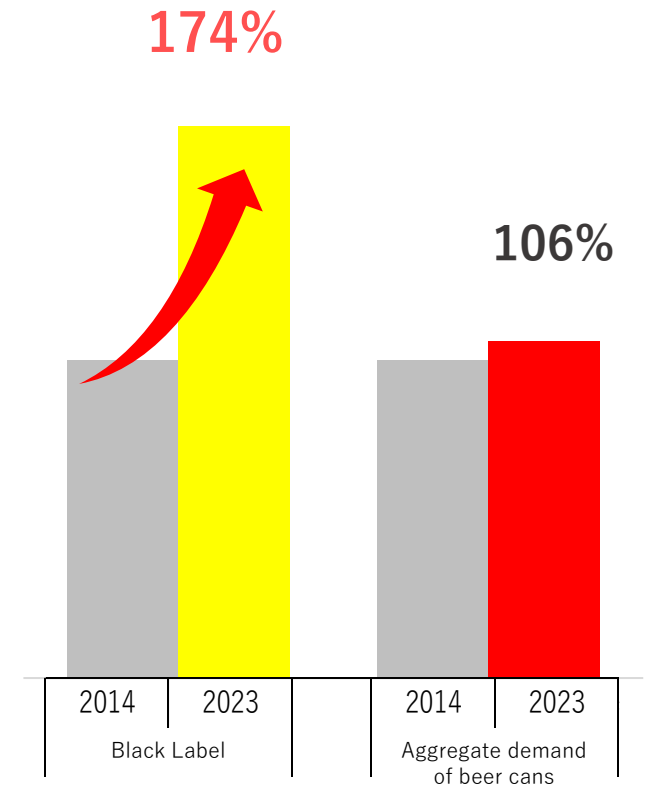


Source: SCI (20-69 years old)

Buyers of beer brands (in their twenties)   Cans of Black Label expedited  
2014 vs. 2023



Source: SCI (20-69 years old)



# Medium-term beer marketing strategy

- ★ The "individuality" and "story" of our beer brands, and "brands created with fans" are the axis of our beer competition strategy.
- ★ Brand "personality" and "story" create a new reason to choose the brand with certainty.

Turning distinctive and diverse beer brands into an even bigger strength



Creating a structure in which fans become the originators and our partners in building the brand together



A new reason to choose the brand with certainty and new drinking settings based on "personality" and "story"



# Medium-term marketing investment strategy

- ★ The keys to strengthen marketing investment to leverage strengths are "volume of advertising" and "creation of experiential opportunities"
- ★ Long-term target of 1.6x growth in customers and 2x in sales using "individuality" and "story" x "fan community"

## Advertising

Achieve overwhelming differentiation by creating new drinking scenarios and contexts (new and unique "this drink for this moment") through the expression of brand positioning (beliefs and thoughts).

Advertising investment up by **6x** (compared to 2023)

Original "individuality" and "story"  
Original reasons to choose the brand



## Experience opportunities

We will also utilize the strength of our unique customer contact points (cities, experience centers, and restaurants) to create new "places of experience and points of contact." Create new customer encounters and strengthen the connection between the brand and each of its fans. Turning our fan community into assets.

Building of a fan community  
Joint development with the brand

### Indicators to target

Black Label + Yebisu's customers **1.6x**, Black Label + Yebisu's sales volume (cases) **2x**  
Black Label + Yebisu's **profit 2.2x** \*Beer ratio **95% (+25% pt)** (vs. 2023)

## ★ Staple brands create new drinking opportunities and contexts for beer

### ★ New context to build with the brand vision



Draft beer that cultivates the adult customer

[Beer for self-expression]



Premium beer that stimulates creativity

[Beer for self-realization]

# Medium-term beer marketing strategy

- ★ Marketing that highlights differentiation with a solid "brand positioning" expressed by unique brands and increases the speed of fan conversion through the creation of "brand experiences" at various points of contact
- ★ Marketing that jointly develops the brand together with fan communities

## -Positioning- Advertising

For better-tasting toasts.

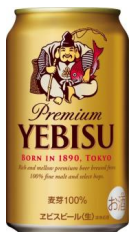
Black Label

"Don't be circle be a star"



Yebisu

Because we're having fun,  
we can change the world



## -Experience- Brand experience

Beer museum



Sapporo beer



Sapporo

Ginza

Black Label

Perfect Black  
Label



Black Label  
Experiential events



Black Label The Bar  
(Ginza)



Ginza Lion



Yebisu

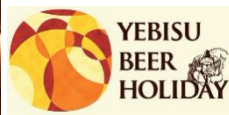
YEBISU BAR

YEBISU  
BREWERY  
TOKYO



Ebisu

YEBISU BEER  
HOLIDAY



## -Community- Fans

CLUB Black Label

CLUB  
サッポロ生ビール  
黒ラベル

YEBISU BEER TOWN



Zeppin Yebisu



YEBISU  
BAR



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# Conditions between January to April 2024

★ Beer : While the market for beer-type beverages in total showed a 100% YoY change, we were able to outperform the market with 103%. Strong sales of beer in the narrow sense, especially Black Label, have contributed significantly to the above.

	Results from January to April		Forecast at beginning of year		
	Our Company (YoY)	Market (YoY)	Our Company's sales plan	Our Company (YoY)	Market (YoY)
<b>Total for beer-type beverages</b>	103%	100%	<b>3,969</b>	99%	Slightly less than 98%
<b>Beer</b>	113%	109%	<b>3,144</b>	108%	Slightly more than 104%
<b>Happoshu (including Happoshu ②)</b>	83%	90%	<b>825</b>	76%	Slightly less than 91%
[Breakdown] Happoshu	99%	118%	<b>121</b>	84%	Slightly more than 98%
Happoshu ②	80%	79%	<b>704</b>	75%	Slightly less than 88%

丸くなるな、  
★星になれ。



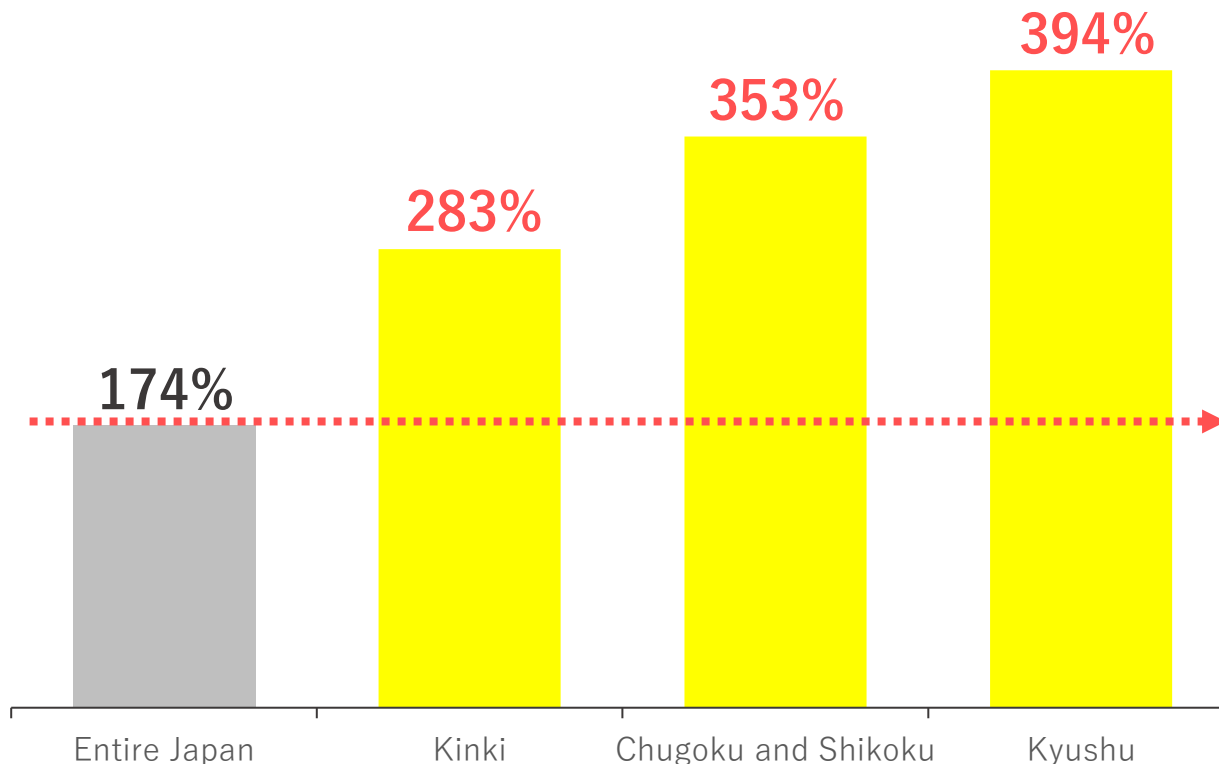
大人の★生。  
サッポロ生ビール  
黒ラベル



# Strengthening strategy of Sapporo draft beer Black Label

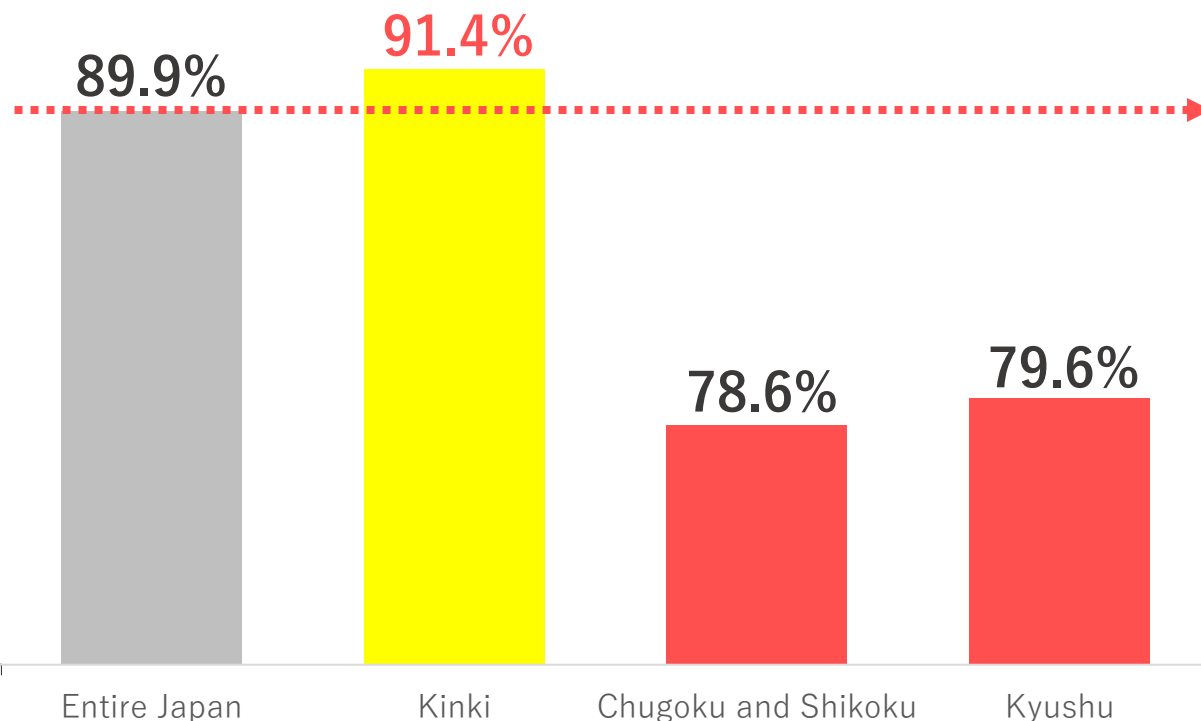
- ★ Strengthening of each measure with a focus on Western Japan, rapid progress of Black Label's can sales.
- ★ The store ratio in the Kinki area is higher than the ratio for Japan, but there is room for growth in Chugoku, Shikoku and Kyushu.

Black Label (Cans) growth rate by area (2014 v.s 2023)



Source: Our Company Shipment results for Black Label (cans)

Black Label (SM) store ratio



Source: SRI+SM categories 2023



# Sapporo Draft Beer Black Label 2024 Marketing overview

- ★ Further promotion of conversion into enthusiastic fans through **original customer contact point strategy**
- ★ **Strengthening of cultivation of new customers and those who are indifferent to beer**, especially the younger generation (**creation of a longing for beer**)

## Advertising

Expansion of  
ad placement



Strengthen unique worldview



## Retailers



Limited-edition  
products

Creation of original purchase incentives in  
stores for home-use products

## Digital



## Real experiences



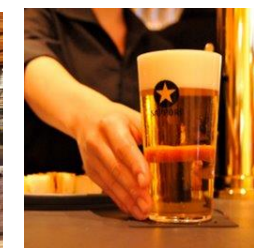
Strengthen brand experience



## Restaurants



Black Label The Bar



The Perfect



*the*  
**PERFECT**  
**黒ラベル**  
**EXPERIENCE 2024**



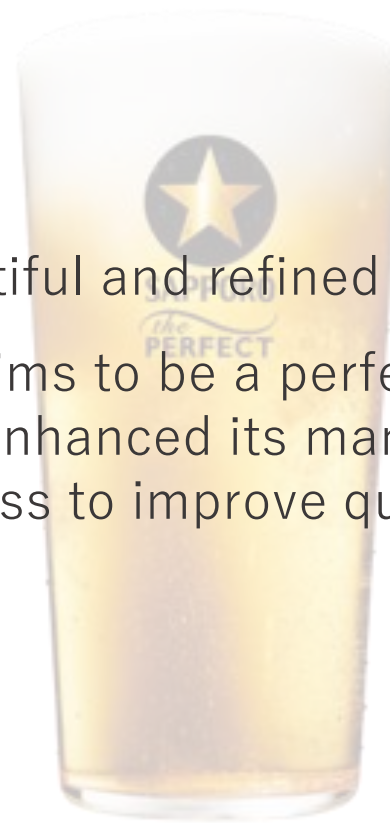
## ★ Improvement of quality of creamy foam that freshly preserves taste and aroma

An approach of constantly evolution and dedication to perfection is what Black Label is all about.



Beautiful and refined foam

Black Label aims to be a perfect draft beer, and as so enhanced its manufacturing process to improve quality.

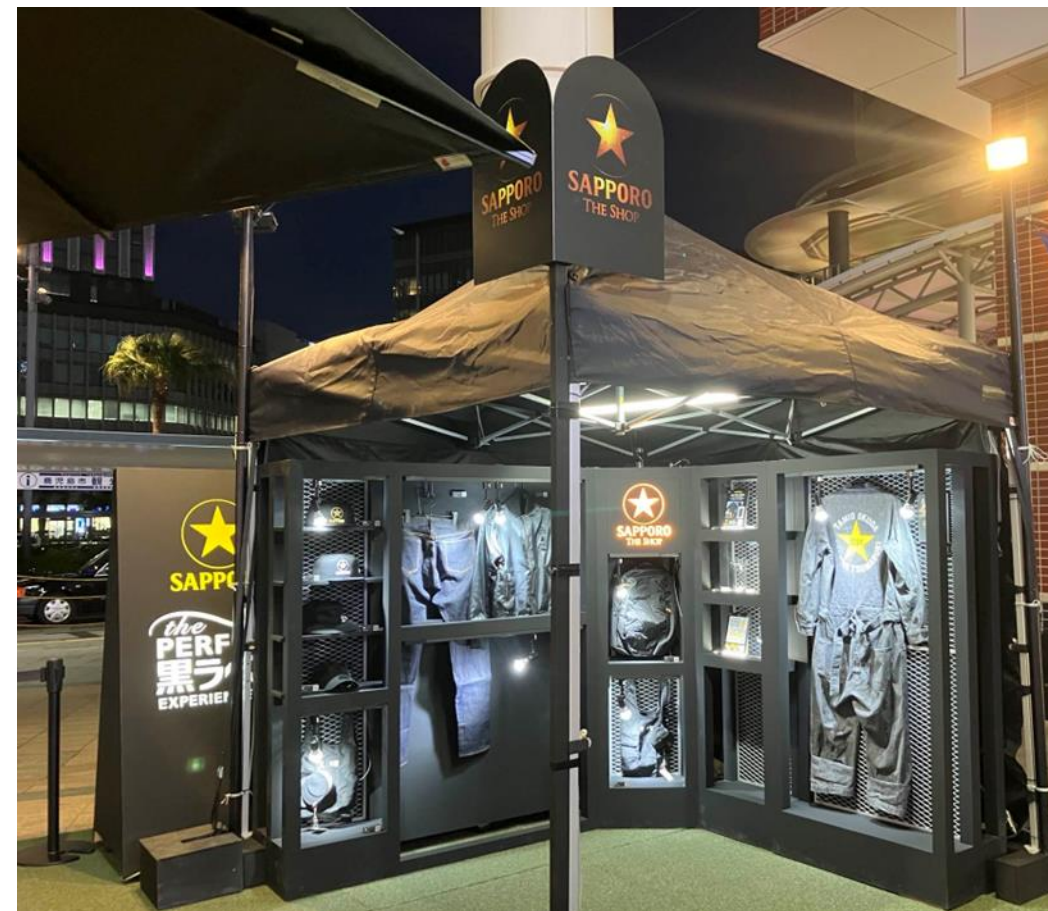




# Sapporo Draft Beer Black Label Brand experiential events

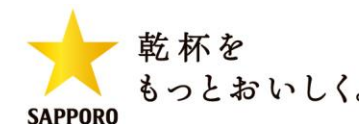
★ The Perfect Black Label brand experiential events held at 11 locations nationwide for a limited time

## THE PERFECT Black Label EXPERIENCE 2024





# Sapporo Draft Beer Black Label Brand experiential events (Overview)



- ★ Offered moving experiences to many customers through The Perfect Black Label
- ★ Development in 11 locations in the whole country

## ● Event name

THE PERFECT Black Label EXPERIENCE 2024

## ● Location and period

11 locations nationwide from March 27 to June 2

## ● Menus offered

Black Label + side dishes 500 yen per drink  
(tax included)

### ① The Perfect

Black Label is a “perfect draft beer” that achieves the established 3C's and is poured through The Perfect Black Label faucet.

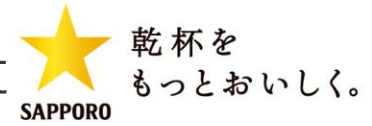
### ② Original pretzels and nuts

Area	Venue	Schedule
Tokyo	Tokyo Midtown Courtyard	March 27 (Thursday) to March 31 (Sunday)
Hamamatsu	Zaza City Hamamatsu	April 4 (Thursday) to April 7 (Sunday)
Nagoya	SAKAE HIROBAS	April 11 (Thursday) to April 14 (Sunday)
Kagoshima	Amu Plaza Kagoshima AMU Square	April 11 (Thursday) to April 14 (Sunday)
Osaka	Yodobashi Umeda Event space Floor 1	April 18 (Thursday) to April 21 (Sunday)
Fukuoka	Fukuoka Daimyo Garden City Park	April 18 (Thursday) to April 21 (Sunday)
Kobe	Sannomiya Center Gai Shopping Street 1-chome	April 26 (Friday) to April 28 (Sunday)
Hiroshima	Alice Garden	April 27 (Saturday) to April 28 (Sunday)
Sapporo	Sapporo Kita 3 jo Plaza (AKAPLA)	May 9 (Thursday) to May 12 (Sunday)
Niigata	Bandai City Park	May 23 (Thursday) to May 26 (Sunday)
Sendai	Sunmall Ichibancho shopping center	May 30 (Thursday) to June 2 (Sunday)

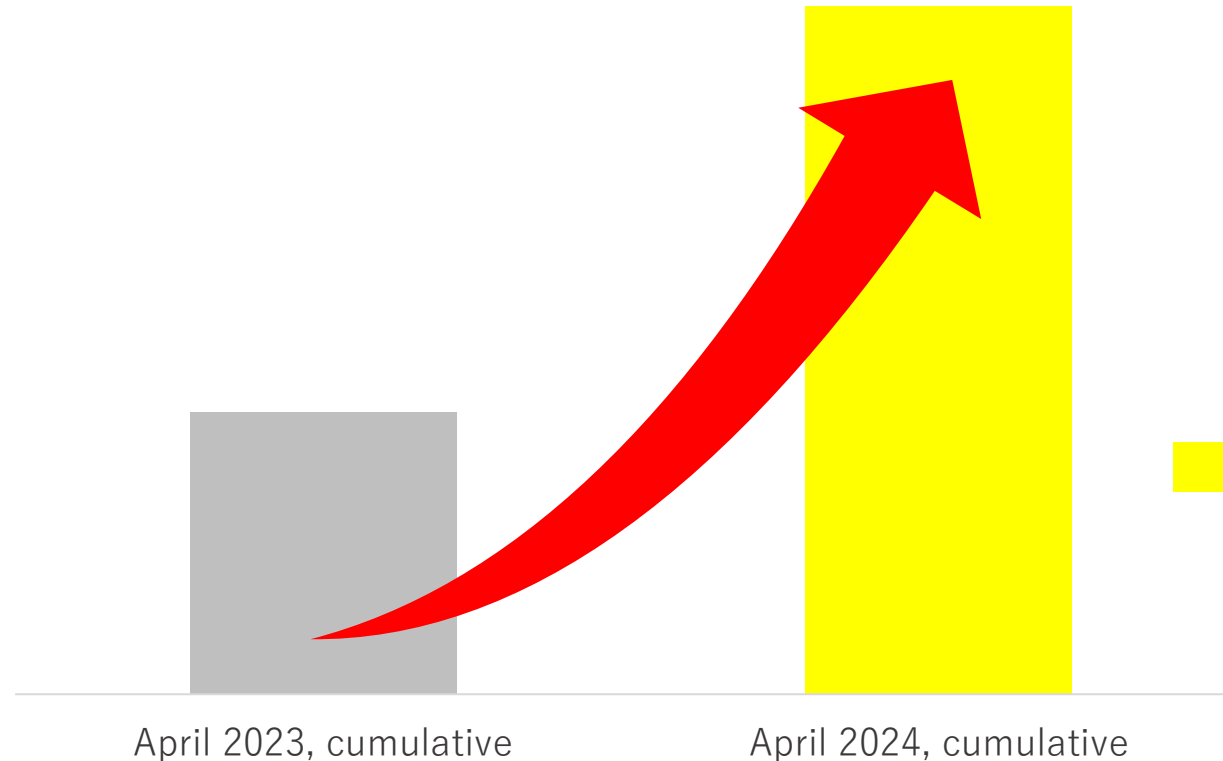
Western Japan as key areas

\*Opening hours and days depend on the venue, please check the dedicated website for details.

# Looking back on Sapporo draft beer Black Label's quality improvement



- ★ As a result of the sales enhancement efforts centering on quality improvement, we successfully acquired new customers for trials, resulting in a significant increase in shipments. We gained the support of many customers.



**Approx.**  
**1.2x YoY**  
(April 2024 cumulative)

- ★ We award restaurants that serve high quality kegs and raise the level of the moving experience opportunities.
- ★ The number of The Perfect stores is targeted to exceed approximately 8,000 in 2026, up from less than 6,000 today.

“THE PERFECT Black Label AWARD 2024”




\*Images are representations

Creamy

Perfect and creamy foam


Black Label has creamy foam carefully crafted at the micron level. You can taste our delicious Black Label beers which use the 7:3 golden ratio.  
The mouthwatering creamy foam creates a fine layer of misty foam that regenerates and lasts longer with each sip.



Clear

Perfect clear beer


The mugs and tumblers are thoroughly cleaned to achieve the refreshing taste of Black Label and produce beer lacing with each drink.  
The absence of air bubbles on the inside of the glass protects cleanliness, allowing clear beer with a refreshing taste to be served.



Cold

Perfect cold temperature

In pursuit of Black Label's original taste and aroma that customers never get tired of, we thoroughly control the temperature of the glass, barrel, and during pouring.  
We implement temperature control of 2 to 6° C during pouring to enjoy the original taste and aroma of Black Label.



Outline	We will further improve the quality of the beer by selecting and awarding 50 of the most outstanding The Perfect Black Label stores that meet our quality standards and are able to convey the excitement of draft beer to our customers.
Schedule	2024 From September Announcements of awarded stores





*Premium*  
**YEBISU**

Because we have having fun,  
we can change the world.

*Premium*  
**YEBISU**

Rather than whether you did  
something sensibly,  
did you do it enthusiastically?

We believe that is how something  
that is truly unique is created.

# 2024 Yebisu Marketing overview

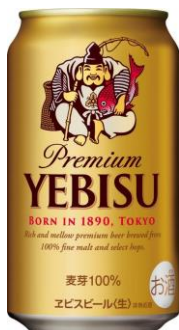
★ We work on “**experience**” and “**positioning**” to strengthen the acquisition of indifferent consumers and consumers with a low level of interest in premium beer

## Advertising



New communication that encourages identification by expressing our positioning

## Value improvement of the product itself

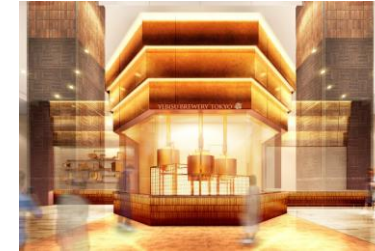


The current focus on improvement  
Yebisu renewed for the first time in 8 years



## Real experiences

### YEBISU BREWERY TOKYO



Unique contact points to experience beer

## New product lines

New product line CREATIVE BREW that widens beer's potential and represents brand positioning





- ★ **Creation of drinking opportunities** with the first renewal in 8 years
- Our present attitude of continual refinement** of the taste, for a rich, full-bodied, full-flavored drink

## “Yebisu: Perfected, Again and Again.”



The image shows a close-up of a Yebisu beer label. In the top left corner, there is a small logo with a star and the text '乾杯を もっとおいしく。 SAPPORO'. The main text on the label includes 'NEW!' in large, bold, dark red letters. Below this is a traditional Japanese illustration of a man in a kimono holding a fish. Underneath the illustration, the word 'Premium' is written in a cursive script, and 'YEBISU' is written in large, bold, dark red letters. To the right of the illustration, there is vertical Japanese text: 'より一層洗練され、旨味あふれる、ふくよかなコク'.

We have been brewing Yebisu beer for more than 130 years and have refined it to the highest level.

The rich, full-bodied flavor has been improved, and now, by pursuing the optimal use of hops, the barley flavor has been accentuated and the taste refined.

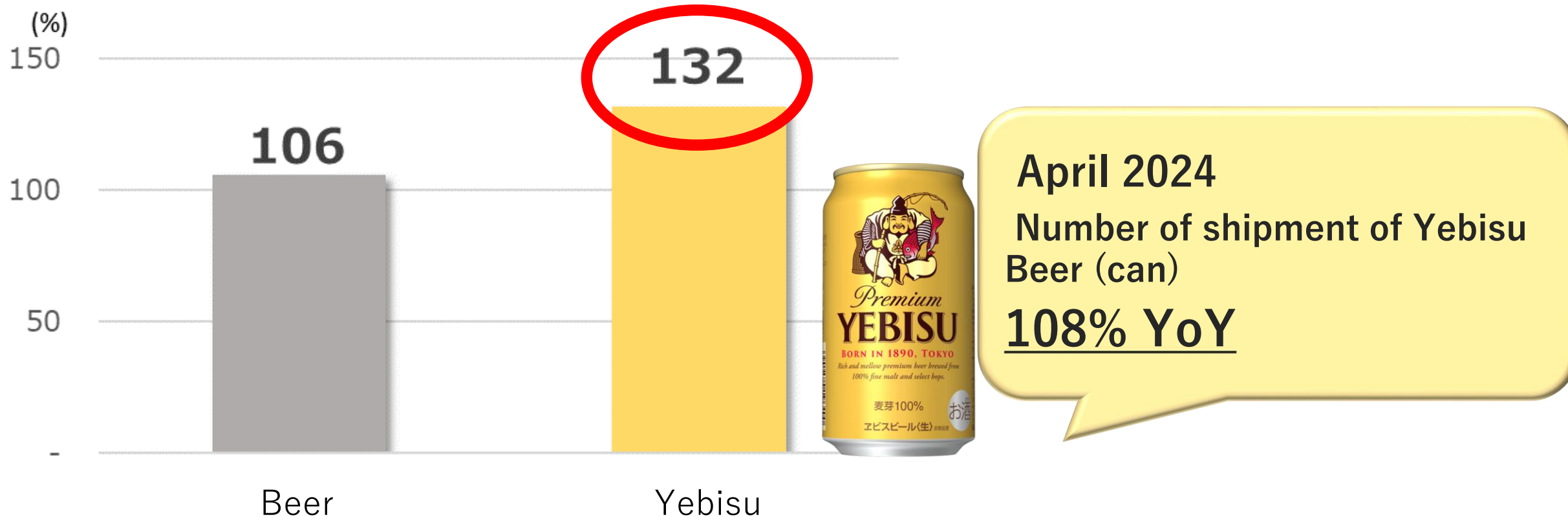
More refined, full of flavor and full-bodied

# Looking back on Yebisu's value improvement

## ★ **Creation of drinking opportunities** with the first renewal in 8 years

In April, the purchase rate of Yebisu was 132% compared to 106% for beer as a whole, greatly expanding the entry to beer.

◆April 2024 purchase ratio YoY◆ Source: SCI (20-79 years old)



★ A product line that **clearly highlights the pioneering positioning** of expanding the possibilities of beer

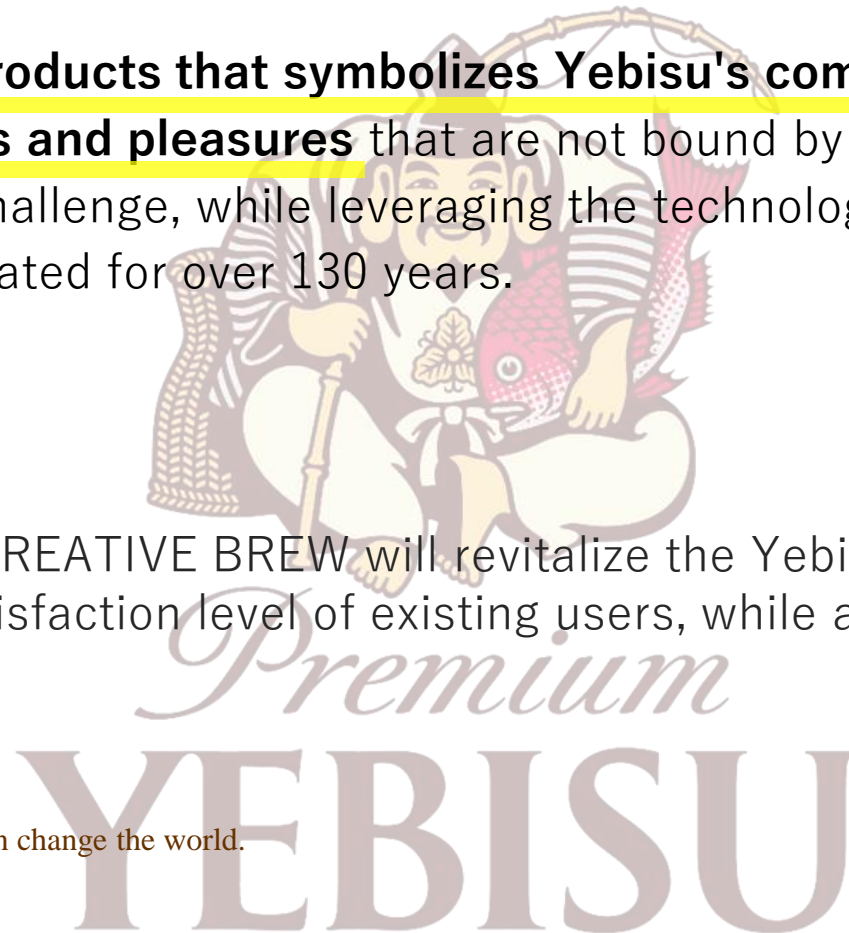


**A new line of products that symbolizes Yebisu's commitment to create new beer tastes and pleasures** that are not bound by conventional beer concepts as a challenge, while leveraging the technology and knowledge that it has cultivated for over 130 years.

The launch of CREATIVE BREW will revitalize the Yebisu brand and improve the satisfaction level of existing users, while attracting new users.

たのしんでるから、世界は変えられる。 Because we have having fun, we can change the world.

**YEBISU CREATIVE BREW**





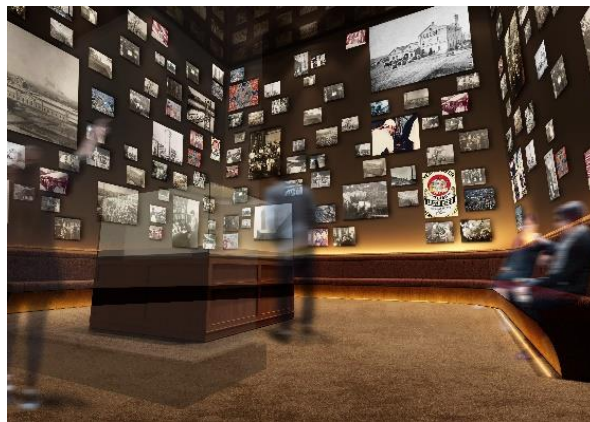
★ Developing new ways to communicate that express the brand's positioning to **"people"** and create empathy with customers.



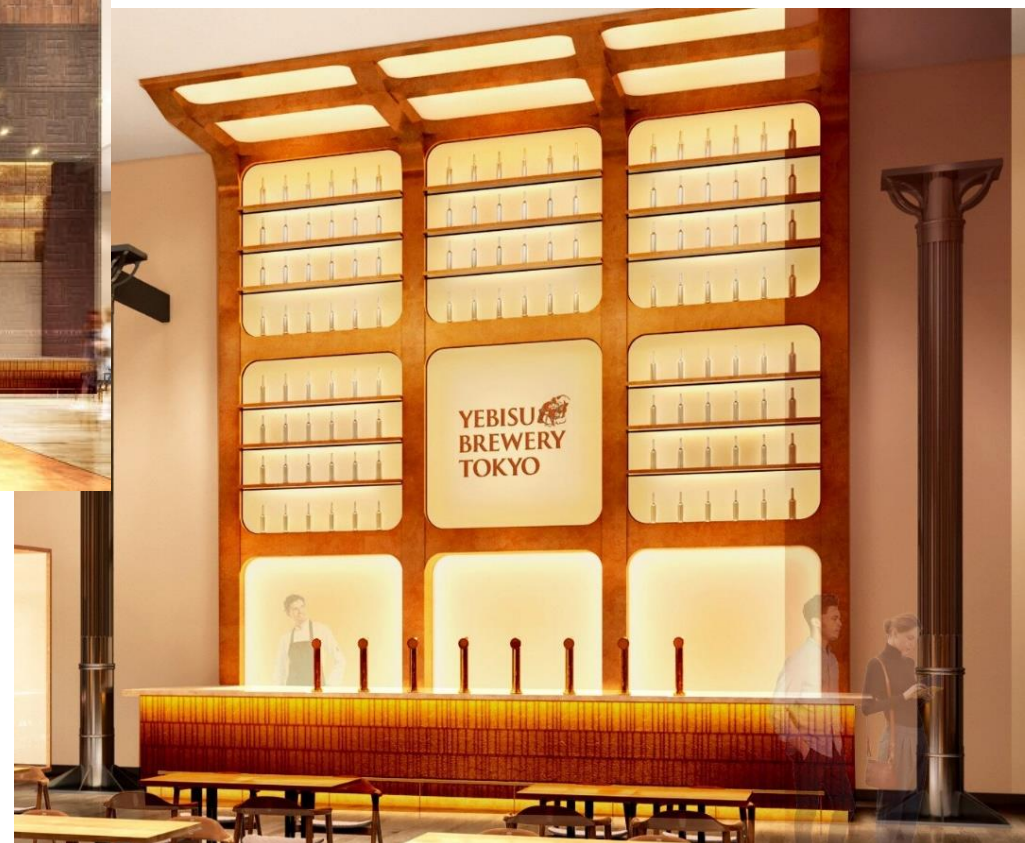
**New brand ambassador  
Yuki Yamada**

★ Brewing restarts in Ebisu after 35 years, offering a unique beer experience

# YEBISU BREWERY TOKYO



YEBISU  
believes  
beer is ∞





# Number of visitors of Yebisu Brewery Tokyo

★ Since the opening, many visitors have come to experience the brand's worldview



**Cumulative number of visitors  
(April and May)**

**Over 70,000 people**

Forecast to exceed 250,000 people per year

## Visitors' opinions

- I received a clear explanation of Yebisu's history
  - I tried a delicious beer flight, and every drink was wonderful.
  - The space was compact so I was able to see everything in a short amount of time
- I was also satisfied by the very high quality of the beer





# Revitalization of Ebisu's neighborhood

★ Creating population flow around YEBISU BREWERY TOKYO to revitalize the Ebisu area



## YEBISU BREWERY TOKYO



YEBISU  
BEER  
HOLIDAY



# Diverse beer brands

★ Communication of the taste and appeal of beer by promoting real-life experiences, and **creation of a longing for beer**

## Sapporo Lager Beer

135% YoY in 2023!

About 1.7x compared to 2019

Results for bottles

2024

Strengthening the drinking experience, focusing on restaurant campaigns, to expand the number of enthusiastic fans.



\*Images are representations

## Sapporo Classic

Record-high net sales!!

\*Total for all packaging

2024

Increase of the number of customer contact points, including communication centered on TV commercials and real-life experiences, and refinement of the company's own branding.

February 1 Renewal of visits to the Hokkaido factory  
Launch of "Sapporo classic tour"



## Sapporo SORACHI 1984

Increase of inclusion cases by restaurants

About 2x compared to 2019

2024

Expansion of contact points at restaurants to connect drinking experiences to purchases of canned drinks.



