

Suntory Holdings Limited

Summary of FY2025 Earnings

Presenter: Nobuhiro Torii

President & Chief Executive Officer, Suntory Holdings Limited

We sincerely appreciate your continued support for Suntory's activities.

As we announce our full-year financial results for 2025, I would like to reflect on the past year, explain the Group's future management structure, and share our earnings forecast for fiscal year 2026.

① Overview of FY2025

In 2025, markets around the world experienced slowdowns, which resulted in a challenging business environment for many of our regions and businesses. Japan was no exception, with a historically weak yen and sharp price increases weighing on the market. However, even under such conditions, Suntory Group continued to pursue proactive business initiatives by responding to customer needs in each region. In Japan, revenue increased year on year in both the Beverages and Foods segment and the Alcoholic Beverages segment, and overseas revenue in the Beverages and Foods segment increased year on year. As a result, the total Group revenue increased to 3,432.5 billion yen (up 0.4% year on year).

Meanwhile, operating income declined due to the lower profits in the Alcoholic Beverages business from sluggish revenue growth in Europe and the United States, weaker earnings in the Beverages and Foods business in Thailand and Vietnam amid intensified competition, losses incurred from the sale of an affiliated company in China, and one-off impairment losses on trademarks. As a result, total Group operating income was 221.2 billion yen, down 32.8% year on year. The main factors behind the decline in operating income, including the one-off cost increase, will be explained later by Mr. Taira Nishikawa.

② New Management Structure

As we continue to face a challenging business environment, we will move forward under a new management structure to achieve further growth and fundamentally improve our profit structure.

First, while I had concurrently served as President of Suntory Spirits Limited, starting this year I will focus exclusively on the management of the entire Group as President of Suntory Holdings. The domestic Alcoholic Beverages business will be led by newly appointed President Mr. Eiichiro Nishida, who will drive us toward achieving 1 trillion yen in revenue by 2030 and becoming the undisputed No. 1 position in Japan. Overseas, the Alcoholic Beverages business, under the leadership of CEO Mr. Greg Hughes of Suntory Global Spirits, will be strengthened by welcoming a new leader for the rapidly growing RTD business. We will also actively expand our footprint in emerging markets, including India. In addition, the Beverages and Foods business — which reported earnings yesterday— will unify the corporate name globally in April as Suntory Beverage & Food, and Mr. Josuke Kimura, currently Executive Vice President of Suntory Holdings, is scheduled to assume the role of President. As the leader of a listed company, he will demonstrate strong ownership, rebuild a customer-centric value chain, and create new value.

③ Outlook for 2026

The earnings forecast for the current fiscal year are as follows:

Revenue including liquor tax is expected to be 3,580 billion yen(up 4.3% year on year).

Operating income is expected to be 280 billion yen(up 26.6% year on year).

2026 will be the first year under our new management structure, and the entire Suntory Group will unite to achieve revenue and profit growth surpassing last year.

④ Our Value and Purpose

Lastly, Suntory Group's purpose is "To inspire the brilliance of life, by creating rich experiences for people, in harmony with nature."

The 127-year history of Suntory Group has been one of continuous challenges. We will stay close to our customers and continue creating new value that brings even more "brilliance of life" around the world.

We look forward to your continued guidance and support. Thank you very much.

Presenter: Taira Nishikawa

Executive Officer, Division COO, Corporate Management & Finance Division

I would like to express my heartfelt gratitude for your continued support for our activities.

I will now explain our consolidated financial results for the fiscal year ended December 2025.

① Overview of Operating Results

Suntory Group's revenue and operating income for the fiscal year of 2025 were as follows:

Revenue including liquor tax was 3,432.5 billion yen, up 0.4% year on year.

Operating income was 221.2 billion yen, down 32.8% year on year.

Adjusted operating income, which represents profit from the business, and is calculated by excluding gains and losses arising from non-recurring factors from operating income, was 284.3 billion yen, down 10.4% year on year.

Profit attributable to owners of the company was 86.6 billion yen, down 50.8% year on year.

② Breakdown by business segment

I will now go over each of our 3 business segments.

〈Beverages and Foods Segment〉

Revenue including liquor tax was 1,722.0 billion yen, up 2.0% year on year.

Operating income was 174.6 billion yen, down 5.4% year on year.

The details are as announced by Suntory Beverage & Food yesterday.

〈Alcoholic Beverages Segment〉

Revenue including liquor tax was 1,387.0 billion yen, down 0.4% year on year.

Operating income was 103.1 billion yen, down 42.9% year on year.

Let me now update you on each business.

Revenue including liquor tax for the spirits business declined year on year.

In the whisky category, Japanese Whiskies such as *Yamazaki*, *Hibiki*, *Kakubin*, and *Toki*, as well as Indian Made Foreign Liquor *Oaksmith*, delivered strong growth year on year. *Yamazaki 18 Years Old* was named Supreme Champion Spirit at the International Spirits Challenge (ISC) 2025, the competition's highest honor across all spirit categories. This marked the first time any brand has been awarded the title three years in a row in the history of the ISC. In addition, *Kakubin* received a Gold medal in the Japanese Whisky category at ISC for the second consecutive year.

In the gin category, Japanese Craft Gin *Roku* was well received and delivered strong growth year on year. *Roku* was awarded the Trophy in the Gin category at ISC. In addition, we invested in Suntory Osaka Plant to increase production capacity and enhance quality craftsmanship. The Osaka Spirits & Liqueurs Craft Distillery was awarded 2025 Liqueur Producer Trophy at the International Wine & Spirits Competition.

In the RTD category, *-196* and *On The Rocks* delivered strong growth year on year. In the United States, the world's largest RTD market, the nationwide expansion and new flavor launches of *-196*, as well as the launch of canned *On The Rocks*, drove strong performance and captured new consumers. In Japan, *-196 Sugar-free* series, known for its bold fruity taste achieved through our proprietary FCI (Freeze Crush Infusion) technology, showed strong double-digit growth year on year in sales volume. We focused on creating new demand by launching new products such as *THE PEEL (Lemon)* in April, a new product targeted at consumers who drink both beer and RTD, as well as new *-196* series in July aiming for consumers to enjoy more real fruit flavor.

Let me move on to the beer business. The *Suntory Draft Beer* was well received for its thoroughly satisfying mouthfeel and excellent drinkability, resulting in a 4% year on year increase in sales volume. As of the end of December, the brand's bottles and kegs were available at approximately 28,000 on-premise accounts. The *Perfect Suntory Beer* was also well received for its robust and satisfying flavor profile and distinctive packaging, leading to a 18% year on year increase in sales volume. For the *Kin-Mugi*, we strengthened marketing activities by promoting ways to enjoy the product paired with seasonal ingredients and dishes.

In the non-alcoholic beverage category, we established the Non-alcoholic Department in January in Japan and strengthened initiatives to position non-alcoholic beverages as "alcoholic beverages with 0.00% alcohol content." In particular, in July, we launched *ZEROPPA*, a non-alcoholic cocktail base for on-premise accounts, which has been well received for its alcohol-like complex flavor and aftertaste. As of the end of December, approximately 5,000 on-premise accounts had confirmed plans to carry the product.

Additionally, we remained committed to promoting responsible drinking. In Japan, we enhanced communication efforts to build accurate knowledge about alcohol and encourage a healthy relationship with alcohol through "Drink Smile" activities, with seminar participation exceeding initial plans and reaching more than 50,000 people.

Operating income in the Alcoholic Beverages segment declined due to the impact of impairment losses on trademarks.

〈Others Segment〉

Revenue including liquor tax was 323.4 billion yen, down 3.8% year on year.

Operating income was 20.5 billion yen, down 38.9% year on year.

In the health and wellness products business, the food with function claims *Locomore* and the men's skincare *VARON* brand performed well. In September, we captured new users with the launch of an eye-care supplement *Pinto W (Double)*. Overseas, we worked to expand our business globally through initiatives such as the launch of *VISTRA Sesamin Night Time* in Thailand, a supplement that support improved sleep.

Operating income in the Others segment declined due to factors such as the losses incurred from the sale of a wine import and distribution company in China.

③ Outlook for 2026

Revenue including liquor tax is expected to be 3,580 billion yen, up 4.3% year on year.

Operating income is expected to be 280 billion yen, up 26.6% year on year.

Adjusted operating income is expected to be 292 billion yen, up 2.7% year on year.

Profit attributable to owners of the company is expected to be 115 billion yen, up 32.8% year on year.

We will continue to work as a group to achieve long-term and sustainable growth.

That concludes my presentation. We look forward to your continued guidance and support.

Thank you for your time today.