SUNTORY
BEVERAGE & FOOD

[Key Q&A] Conference Call on Financial Results for the Third Quarter of 2026

Date and time: Wednesday, November 11, 2026, at 4:30 p.m.
Speaker: Naoto Okinaka, Director, Senior Managing Executive Officer, Chief Strategy & Finance Officer, Chief Business Growth Officer
Tsutomu Santoki, Executive Officer, Deputy Chief Strategy & Finance Officer

[Company level]

Q. Does the new emphasis on volume growth mark a strategic shift away from your previous focus on profit margins? Please explain why you are prioritizing volume growth.

A. Our volume-focused policy goes a step further than our previous margin-focused management, shifting some of our emphasis toward volume growth. The beverage business is a volume business, and this approach fits our purpose of bringing a richer lifestyle and culture to more customers. Rather than relying on discounting, we aim to grow volume alongside revenue by creating value that starts from the consumer's perspective.

Q. How will you make sure growth comes with higher revenue, unit prices and profit, not just higher volume? Which KPIs will you prioritize in the next medium-term management plan?

A. We are not aiming for volume growth alone. Our goal is to grow both volume and revenue, absorb cost increases, and turn that into profit growth. The KPIs for the next medium-term management plan are still under consideration.

Q. How large are the cost increases from the Middle East situation? What impact do you expect next fiscal year, and when do you expect them to run their course?

A. For the current fiscal year, we expect cost impacts from the Middle East situation of about ¥16.0 billion across our domestic and overseas businesses combined. Most of this impact falls in the second half. If the situation continues, some impact will remain in the first half of next year. However, we expect it to run its course on a year-on-year basis during the first half of next year.

Q. Given the external environment and your growth investments, can you still grow profit next fiscal year?

A. Our business plan assumes that the impact of the Middle East situation will continue into next fiscal year. With a tough external environment and the growth investments we need to make, growing profit has become more challenging. We will present our plan for next fiscal year in February 2027.

[Japan]

Q. What enabled you to grow sales volume despite unseasonable weather and the impact of price revisions?

A. Building on the development of our core brands such as *Tennensui* and *BOSS*, we carefully executed initiatives that combined new products with PPA (Price Pack Architecture) to broaden our price points and product choices. Volume growth has been supported not only by new products but also by our existing core brands.

Q. To what extent has the November price revision been reflected in shelf prices, and how much will it contribute to results this fiscal year and next?

A. Since November, we have been working to reflect the price revision in shelf prices through negotiations with our retail partners. However, final shelf prices are not determined by us alone, so we need to monitor how well the revision takes hold. This revision covers fewer products than the one last October, so its financial impact is also expected to be relatively smaller.

Q. How much of the cost increase can this price revision absorb? Are multiple price revisions per year now an option?

A. This price revision alone will not be enough to absorb all of the cost increases from the Middle East situation, so we are considering measures beyond pricing. We expect the environment for price increases to remain largely unchanged next fiscal year. While closely monitoring market conditions, we will respond by combining products and services that offer value worthy of their price with initiatives to improve profitability.

[Overseas]

Q. Will top-line and volume growth in Europe, Vietnam, Oceania and other regions continue next fiscal year? Has France bottomed out?

A. The results of revisiting how we work in each country are starting to show, and we are seeing some encouraging signs. Part of the growth came from favorable weather, so we need to stay cautious, but the foundation for growth is taking shape. In France, recent sales of *Oasis* and *Orangina* are improving, and we are putting together measures to drive a recovery next fiscal year.

Q. Is the brand management and value creation know-how you built in Japan already delivering results overseas? Can these improvements be replicated in other regions?

A. Positive signs are starting to emerge in Vietnam, the UK, France and elsewhere. We are also seeing results from initiatives that combine local consumer insight with our brand and technical expertise from Japan, such as *BOSS Coffee Energy* in Vietnam. That said, it will take years to embed our brand management approach in each country and turn it into operations that deliver repeatable results.