SUNTORY
SUNTORY BEVERAGE & FOOD

Financial Results for Q1 Year Ending December 31, 2025

May 13, 2025
Suntory Beverage & Food Limited

This is Naoto Okinaka.

Thank you very much for taking the time today.

I will explain our financial results for the first quarter of FY2025.

Please turn to page 2.

Highlights of Q1 FY2025, Outlook and Initiatives

SUNTORY
SUNTORY BEVERAGE & FOOD

Q1 results	• Contributions from focused activities for core brands and price revisions. • Japan, Europe, and the Americas performed as expected, but APAC fell short of expectations due to deteriorating market conditions. • Aggressively increased marketing expenses for sustainable revenue growth resulted in a decrease in revenue and profits for the Group.
Outlook and initiatives	• Uncertain environment due to concerns about a global economic downturn and higher raw material and production costs. • In Japan, a new price revision has been decided for October. • Implement new measures to achieve full-year earnings guidance. • Initiate structural transformation needed for future growth.

I will begin by reviewing the highlights of the first quarter results for FY2025 and the outlook for the future.

In terms of the financial results, while there were positive effects from focused activities for our core brands and price revisions, deteriorating market conditions, as well as aggressive marketing activities aimed at achieving sustainable revenue growth, resulted in a decrease in revenue and profits for the Group as a whole.

Looking ahead, we expect the business environment to remain challenging due to concerns about an economic downturn and higher raw material and production costs.

To achieve our full-year earnings guidance, we will implement various measures globally, including price revisions for October in Japan.

We have also initiated structural transformation for future growth.

We will continue to focus on driving our business activities to achieve our full-year earnings guidance.

Please turn to page 3.

Financial Results for Q1 (Jan-Mar) FY2025

SUNTORY
SUNTORY BEVERAGE & FOOD

(JPY BN)

	FY2025 Jan-Mar	Change			
		Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY
Revenue	365.8	-5.9	-1.6%	-9.0	-2.4%
Operating Income	27.3	-6.6	-19.4%	-7.1	-20.6%
Non-recurring items	-1.4	-1.0	–	-1.0	–
Operating Income (Organic basis*1)	28.7	-5.6	-16.3%	-6.1	-17.5%
Net Income*2	15.4	-4.8	-23.9%	-5.1	-24.9%

*1 Extraordinary factors and profit/loss impact from transferred business deducted from operating income
*2 Profit attributable to owners of the Company

This slide shows the financial results for the first quarter of FY2025.

Revenue was 365.8 billion yen, down 1.6% year on year, and down 2.4% on a currency neutral basis.

Operating income was 27.3 billion yen, down 19.4% year on year, and down 20.6% on a currency neutral basis.

Operating income on an organic basis excluding non-recurring items mainly arising in APAC was 28.7 billion yen, down 16.3% year on year, and down 17.5% on a currency neutral basis.

Net profit attributable to owners of the Company was 15.4 billion yen, down 23.9% year on year, and down 24.9% on a currency neutral basis.

Please turn to page 4.

Financial Results for Q1 (Jan-Mar) FY2025 by Segment – Organic basis

SUNTORY
SUNTORY BEVERAGE & FOOD

(JPY BN)

	Revenue	Change: Incl. currency effect YoY	Change: Incl. currency effect YoY%	Change: Currency neutral YoY	Change: Currency neutral YoY%
Japan	152.7	-0.7	-0.4%	-	-
APAC	94.1	-4.4	-4.5%	-6.3	-6.3%
Europe	77.8	-0.7	-1.0%	-0.9	-1.1%
Americas	41.2	1.1	2.8%	0.1	0.2%
Total	365.8	-4.7	-1.3%	-7.8	-2.1%

	Segment Profit	Change: Incl. currency effect YoY	Change: Incl. currency effect YoY%	Change: Currency neutral YoY	Change: Currency neutral YoY%
Japan	4.9	-3.1	-38.7%	-	-
APAC	12.9	-1.0	-7.5%	-1.4	-10.0%
Europe	11.7	-0.0	-0.1%	-0.0	-0.3%
Americas	4.1	-0.2	-4.2%	-0.3	-6.6%
Reconciliation	-4.8	-1.3		-1.3	
Total	28.7	-5.6	-16.3%	-6.1	-17.5%

Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

 4

This slide shows the results by segment.

From here on, the commentary by segment will be provided on an organic basis, excluding non-recurring items, and on a currency neutral basis.

Revenue in Japan was largely unchanged from the same period last year.

Overseas, revenue decreased in APAC and Europe, but remained flat year on year in the Americas, supported by steady demand.

Segment profit decreased in all segments except Europe, which was flat year on year.

Japan was impacted by increased investments due to aggressive marketing activities and higher raw material and logistics costs.

Overseas was primarily impacted by APAC, where segment profit declined as a result of lower revenue.

Please turn to page 5.

Japan

Financial Results for Q1 (Jan-Mar) FY2025 – Organic basis

SUNTORY
SUNTORY BEVERAGE & FOOD

(JPY BN)

	%YoY Incl. currency effect	%YoY Currency neutral
Revenue 152.7 BN	-0.4%	–
Segment Profit 4.9 BN	-38.7%	–

- **Beverage market sales volume was estimated at 97% of last year, while SBF marked 94%. Despite a year-on-year decline due to price revisions and the reaction to the previous year's good weather, progress was in line with expectations.**
- **Revenue was in line with last year, although sales volume was 94% of last year, as price revisions, focused brand and channel activities and mix improvements contributed as expected.**
- **Segment profit decreased due to the impact of higher raw material and logistics costs and aggressive marketing activities, despite the benefits of price revisions and mix improvements.**

Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

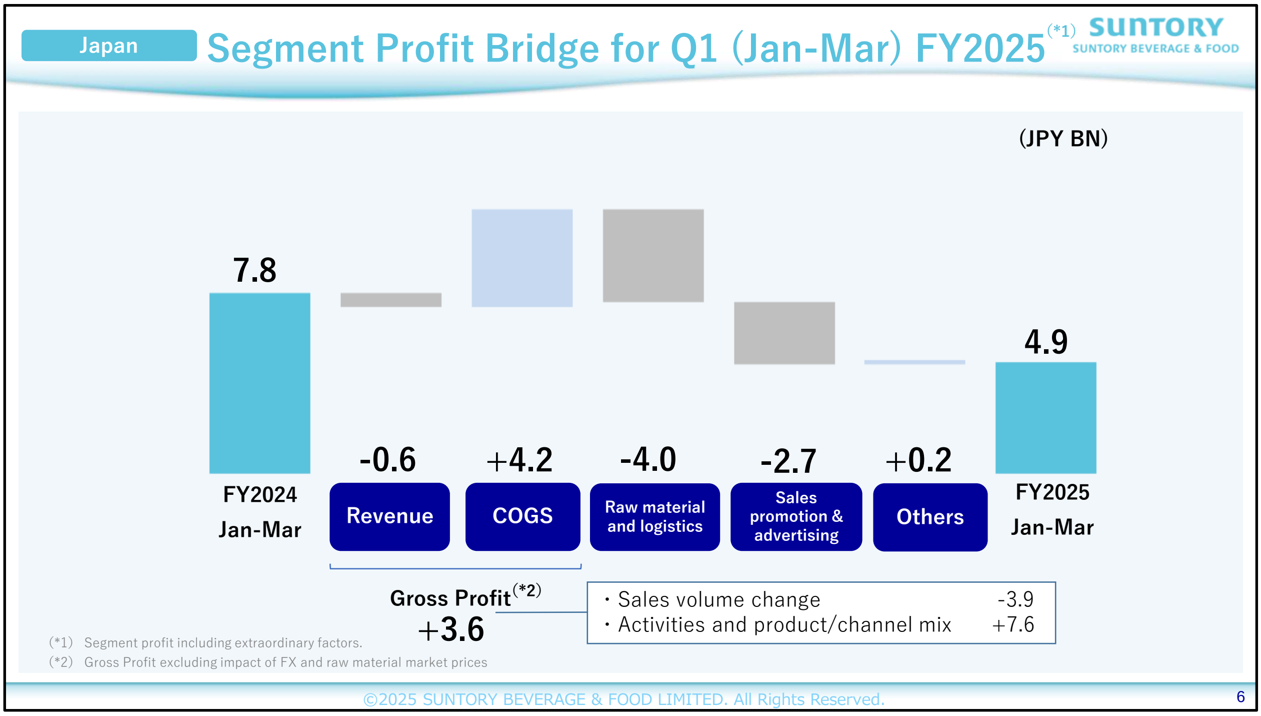
5

First, Japan.

Revenue was 152.7 billion yen. Segment profit was 4.9 billion yen.

- We estimate the sales volume in the beverage market was down 3% year on year due to the continued effect of price revisions.
- Our sales volume was down year on year due to price revisions and other factors, but progress was in line with expectations.
- Revenue was in line with last year due to the effects of price revisions and mix improvements.
- On the other hand, segment profit decreased due to the impact of higher raw material and logistics costs and aggressive marketing activities for sustainable sales growth, despite the benefits of price revisions, mix improvements, etc.

Please turn to page 6.



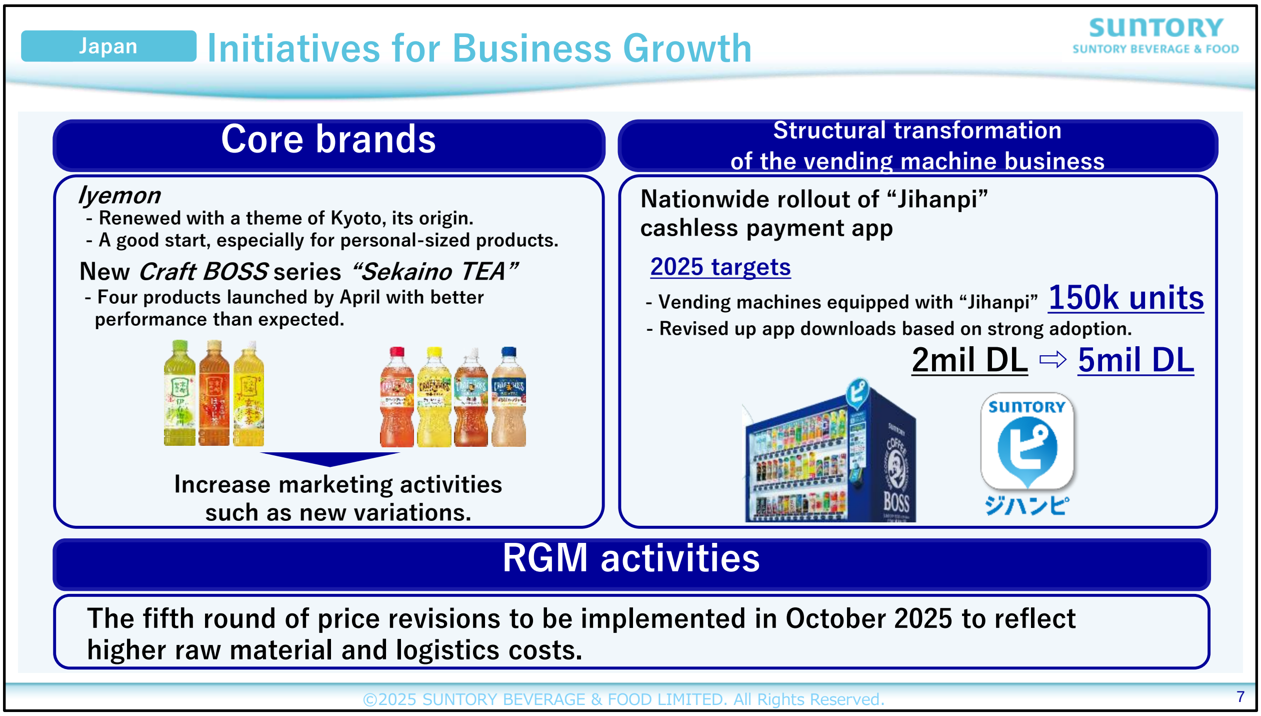
I would like to provide additional information on the increase/decrease factors for segment profit in Japan.

- Segment profit was 4.9 billion yen, down 2.9 billion yen year on year.

- Raw material and logistics costs deteriorated by 4.0 billion yen, mainly due to higher raw material costs, but this was largely offset by price revisions, etc.

- Sales promotion and advertising expenses increased by 2.7 billion yen. This was due to the fact that the expenses in the same period last year were lower than in other quarters, and we actively invested in new product launches and renewals for our core brands such as *Iyemon* and *BOSS* during the quarter under review.

Please turn to page 7.



I will now explain our initiatives for business growth in Japan.

First, our core brands.

- We renewed *Iyemon* in early March with a theme of Kyoto, the brand's origin. While the competitive environment in the green tea category remains challenging, we made a good start, especially for personal-sized products.
- As for the new *Craft BOSS* series *Sekaino TEA*, the two products launched by the end of March performed well, followed by two more product launches in April.
- We will continue to implement aggressive marketing activities for both *Iyemon* and *Sekaino TEA*.

Next is about structural transformation of the vending machine business. We have began the nationwide rollout of "Jihanpi", a new cashless payment service for vending machines. As of the end of April, the number of vending machines equipped with it reached 100,000 units, which is very encouraging. The app has already reached its target of 2 million downloads, and we have revised our full-year target upward to 5 million downloads. We will continue to strengthen our vending machine channel, which is our strength, so that it can contribute to earnings.

Finally, on RGM activities.
In October 2025, we will implement a new round of price revisions to reflect higher raw material and logistics costs that will apply to nearly all products.

Through these initiatives, we will strive to achieve business growth with improved profitability.

Please turn to page 8.

APAC

Financial Results for Q1 (Jan-Mar) FY2025 – Organic basis

SUNTORY
SUNTORY BEVERAGE & FOOD

(JPY BN)

Revenue	%YoY Incl. currency effect	%YoY Currency neutral	Segment Profit	%YoY Incl. currency effect	%YoY Currency neutral
94.1 BN	-4.5%	-6.3%	12.9 BN	-7.5%	-10.0%

	Revenue	%YoY Incl. currency effect	%YoY Currency neutral	
Beverage (Vietnam)	34.7 BN	-12.2%	-11.5%	Sales volume decreased due to sluggish consumption in the overall beverage market and unfavorable weather conditions.
Beverage (Thailand)	25.5	-0.7%	-7.8%	Sales volume decreased due to deterioration of external factors such as air pollution and unfavorable weather conditions.
Health Supplement (*)	9.8	9.8%	2.0%	*BRAND'S Essence of Chicken* and *BRAND'S Bird's Nest* continued to grow sales volume due to increased marketing activities, etc.
Beverage (Oceania)	18.3	-0.2%	3.1%	Energy category *V* and *CELSIUS* performed well with sales volume growth outpacing the market.

(*) Health Supplement results consist of Thailand and Indochina Peninsula

Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

8

Next, Asia-Pacific.

Revenue was 94.1 billion yen. Segment profit was 12.9 billion yen.

- Revenue decreased due to lower sales volume in the beverage business in Vietnam and Thailand, although the beverage business in Oceania and the health supplement business in Thailand performed well.
- Segment profit decreased due to the impact of lower revenue.
- In Vietnam, while *Aquafina* in the water category performed well, sales volume of the main *PEPSI* and *TEA+* brands were lower than in the same period last year due to a worse than expected impact of deteriorating market conditions, resulting in a decrease in revenue.
- In Thailand, the overall beverage market was sluggish due to factors such as air pollution and unfavorable weather conditions. Revenue decreased as a result of lower sales volume compared to the same period last year.
- In the health supplement business, sales volume of both *BRAND'S Essence of Chicken* and *BRAND'S Bird's Nest* increased steadily as a result of successful innovation activities, leading to revenue growth.
- In Oceania, the flagship energy drink brand *V* performed well despite intensifying competition in the energy category, resulting in revenue growth.

Please turn to page 9.

Europe **Financial Results for Q1 (Jan-Mar) FY2025** – Organic basis

SUNTORY
SUNTORY BEVERAGE & FOOD

(JPY BN)

Revenue	%YoY Incl. currency effect	%YoY Currency neutral	Segment Profit	%YoY Incl. currency effect	%YoY Currency neutral
77.8 BN	-1.0%	-1.1%	11.7 BN	-0.1%	-0.3%

	Revenue	%YoY Incl. currency effect	%YoY Currency neutral	
France	27.7 BN	-3.6%	-3.1%	Strong sales volume in *Oasis*, but revenue decreased due to weak *Schweppes* sales and promotions postponed to Q2 or later. Sales are in line with market trends.
UK (*1)	25.6	6.9%	5.2%	Sales volume increased as a result of an increase in marketing activities for *Lucozade*.
Spain (*2)	11.4	-8.9%	-8.4%	Revenue decreased due to decline in the tonic market. Growth of other products not enough to offset decline resulting in decreased revenue.

(*1) UK and Ireland (*2) Spain and Portugal

Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

 9

Moving on to Europe.

Revenue was 77.8 billion yen. Segment profit was 11.7 billion yen.

- Revenue decreased due to the weak performance of the *Schweppes* brand in France and Spain, which more than offset the good performance in the UK.

- Segment profit remained at the same level as last year due to the timing of marketing expenses.

- In France, sales are in line with market trends. *Oasis* performed well, but revenue decreased due to weak *Schweppes* sales and the postponement of promotional spending to the second quarter or later in response to a sugar tax increase.

- In the UK, marketing activities contributed to sales volume growth, particularly driven by the strong performance of *Lucozade*, resulting in revenue growth.

- In Spain, tonic market continues to decline linked to decrease in gin consumption, and reduction in horeca outlets. Growth of other products not enough to offset decline resulting in decreased revenue.

Please turn to page 10.

Americas

Financial Results for Q1 (Jan-Mar) FY2025 – Organic basis

SUNTORY
SUNTORY BEVERAGE & FOOD

(JPY BN)

Revenue	%YoY Incl. currency effect	%YoY Currency neutral	Segment Profit	%YoY Incl. currency effect	%YoY Currency neutral
41.2 BN	2.8%	0.2%	4.1 BN	-4.2%	-6.6%

- **Sales volume was at the same level as last year for carbonated category (*PEPSI*). Non-carbonated category declined in sales volume due to tougher competition.**
- **Revenue was largely unchanged from the same period last year due to sustained sales volume and RGM activities(*) including price revisions.**
- **Segment profit decreased due to the impact of rising logistics and labor costs.**

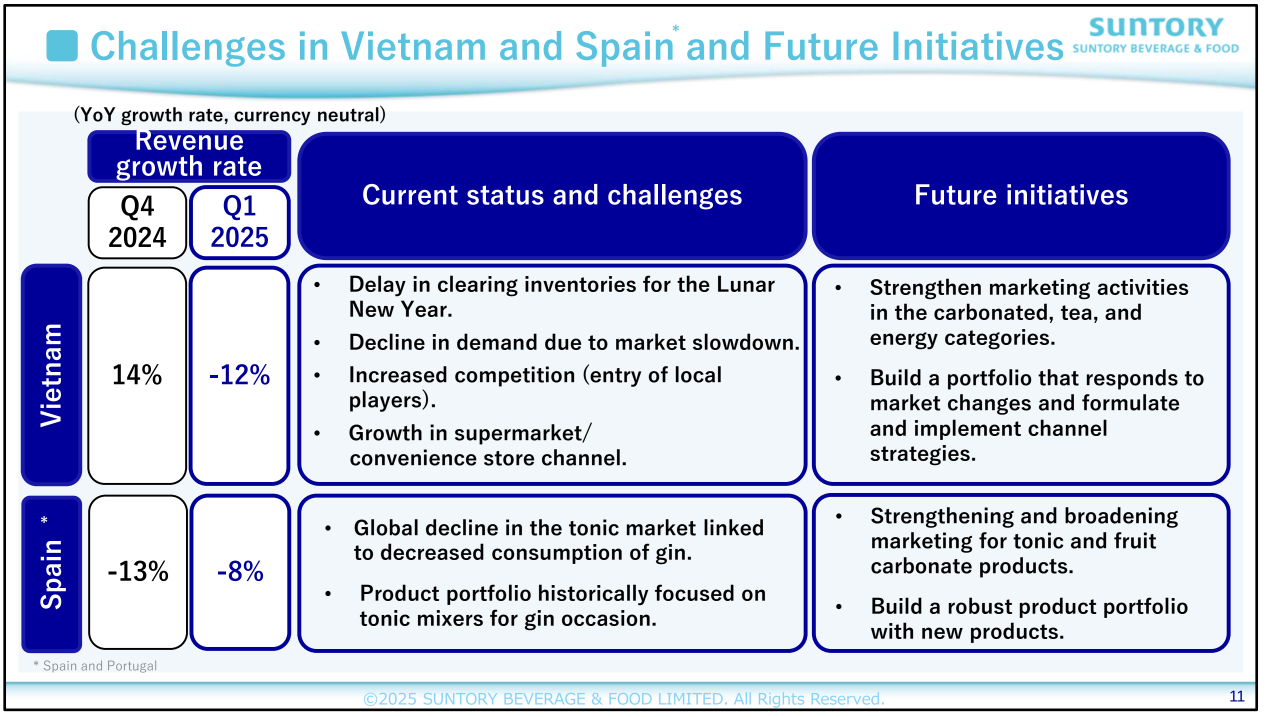
(*) RGM (Revenue growth management): Pricing, pack price architecture, mix management, etc.
Organic basis: Revenue excludes revenue from transferred business.
Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

Finally, the Americas.

Revenue was 41.2 billion yen. Segment profit was 4.1 billion yen.

- Sales volume trended positively in the carbonated category, primarily *PEPSI*. The non-carbonated category declined in sales volume due to tougher competition.
- Revenue was largely unchanged from last year due to RGM activities including price revisions.
- Segment profit decreased due to the impact of higher production cost, etc.

Please turn to page 11.



Finally, I will discuss the challenges and future initiatives for Vietnam and Spain, markets where we will intensify our efforts.

Challenges in Vietnam include the delay in clearing inventories, which were built up at the end of last year in anticipation of increased demand for the Lunar New Year, a market slowdown leading to a decline in demand, increased competition due to the entry of local players, and the lack of successfully capturing demand in the growing supermarket/convenience store channel.

This year, we will strengthen our marketing activities in the carbonated, tea and energy categories.
Sting will intensify its packaging renewal and promotional activities targeting Generation Z.
PEPSI will drive campaign activities for the peak summer season.
TEA+ is working on product renewal, expand its channels and distribution network from south to north.
We will advance the development and implementation of product portfolios and channel strategies that adapt to changes in market structure.

In Spain, the on-premise tonic market is slow to recover and our tonic-focused product portfolio is an issue.

Going forward, we will strengthen and broaden marketing activities for tonic and fruit carbonate products. Additionally, we aim to expand our robust product portfolio through the introduction of new products, while also strengthening our route to market.

This concludes my presentation. Thank you.

Reference Materials

SUNTORY
SUNTORY BEVERAGE & FOOD

Reference materials are disclosed separately on the website of Suntory Beverage & Food Limited.
Please refer to the following URL.

URL：

(Japanese website) https://www.suntory.co.jp/softdrink/ir/library_earnings/

(English website) https://www.suntory.com/softdrink/ir/library_earnings/

Forward Looking Statement

This document has been prepared for informational purposes only and is not intended to constitute an investment solicitation or any other similar activity in Japan or abroad.

This document contains forward-looking statements related to business and financial performance of the Company or the Group.

These forward-looking statements are projections made based on the currently available information and are subject to risks and uncertainties including, but not limited to, economic trends, competition in the industry in which the Company and the Group operate, market needs, exchange rates, as well as tax and other systems.

Therefore, actual business results and other outcomes published in the future may vary due to these factors. The Company accepts no liability for any loss or damage arising from the use of the information contained in this document.