SUNTORY
SUNTORY BEVERAGE & FOOD

[Key Q&A] Conference Call on Financial Results for the fiscal year ended December 31, 2025

Date and time: Thursday, February 12, 2026, at 5:00 p.m.
Speaker: Makiko Ono, President & Chief Executive Officer
Hachiro Naiki, Director & Senior Managing Executive Officer, SBF Japan CEO
Naoto Okinaka, Chief Financial Officer

[Company level]
Q. Could you elaborate on the discussions with the parent company regarding the achievement of an ROE of 9%, and what led to the current conclusion?
A. We held discussions with our parent company; however, the final decision was made by SBF itself. Our policy is to prioritize growth investments. This approach is consistent with our longstanding basic principle of "expanding shareholder returns through sustainable business growth".

Q. What is the primary reason profit margins are not expected to improve in 2026? Is the profit growth target under the medium-term management plan achievable?
A. The main factors are rising costs, particularly in raw materials and logistics, as well as our decision to step up investments in brands and other areas. Based on the 2025 results and the outlook for 2026, we recognize that achieving the previously stated profit growth targets under the medium-term management plan will be challenging. We are currently reviewing our plans for 2027 and beyond.

Q. Why haven't M&A deals been realized? What is the review structure for M&A?
A. While no transactions have been completed to date, we continue to evaluate potential M&A opportunities. We remain selective, focusing only on transactions that are expected to create clear strategic value and deliver future synergies. These opportunities are assessed by a team composed of members from across our global organization. Our commitment to the early execution of growth investments remains unchanged.

Q. Is there significance in being a listed company?
A. We absolutely believe there is significance in being a listed company. As a listed company, our responsibility is to enhance corporate value and expand shareholder returns, and we are also naturally mindful of our stock price. Our management philosophy is built on sustainable revenue and profit growth, alongside shareholder returns through dividends. We will

continue to increase corporate value and ROE through both the growth of our existing businesses and the realization of non-linear growth investments.

[Japan]

Q. Please provide more details on the 2026 outlook, including cost inflation and the breakdown of activities and mix.

A. While overall market volumes are assumed to be roughly flat year on year, we expect our volumes to grow slightly above the market, at approximately 101% year on year. Revenue is expected to increase, driven by the impact of the price revision implemented in October 2025, reinforcement of our core brands, and initiatives for new product launches and demand creation. Costs are projected to deteriorate by approximately ¥21.4 billion, with the majority attributable to higher raw materials and logistics costs. The activities and mix are estimated at approximately ¥28.9 billion, reflecting the benefits of the price revision, improvements in product mix, and manufacturing efficiency enhancements, among other factors.

Q. Given recent raw material market conditions, including coffee, isn't the approximately ¥20.0 billion cost deterioration estimate somewhat conservative?

A. Coffee bean and green tea markets remain highly uncertain, with green tea prices currently at around three to five times prior levels. Our cost assumptions incorporate not only increases in raw material prices but also account for increases in logistics and other related costs. We will continue to closely monitor the situation and respond in a timely and appropriate manner.

Q. January volumes were strong. How do you view the outlook for the *BOSS* series and the tea and water categories going forward?

A. January performance was strong, led by the *BOSS* series, with contributions also from *BOSS Sekai no TEA.* While the tea and water categories are affected by private-label brands, we aim to achieve above-market volume growth through the expansion of our wellness portfolio and new product launches.

[Overseas]

Q. Why is the Asia segment projecting flat profit in 2026? Has there been any change in market conditions?

A. Vietnam and Thailand are experiencing a rapid market slowdown and shifts in consumer behavior. We have prioritized brand investment to drive demand creation, which results in flat profit in the near term. The January Lunar New Year sales season in Vietnam progressed in line with plan, reflecting the positive impact of our strategic adjustments, and we are seeing early encouraging signs. In Asia, we have also transitioned to a more integrated organizational structure combining sales, marketing, and R&D functions, thereby strengthening our ability to respond to market changes.