

SUNTORY
BEVERAGE & FOOD

Financial Results for Q1 Year Ending December 31, 2026

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Results for Q1 FY2026

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Director, Chief Financial Officer

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This is Naoto Okinaka.

Thank you for taking the time today.

Today, I will report on our first quarter results.

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Strengthening core brand and creating new value through proactive investment
A solid start toward sustainable profit growth, driven by increased sales volumes

Revenue

Group-wide revenue increased, driven primarily by higher sales volume of core brands and new products.

Delivered revenue growth across Japan, Asia, Oceania, and the Americas, supported by higher sales volume and the impact of price revisions across multiple segments. Revenue in Europe was on par with the same period of last year due to sluggish consumption in France. Overall performance in line with expectations.

Operating Income

Group-wide income declined primarily due to rising costs and active marketing investments.

Oceania and the Americas saw income growth, while Japan, Europe, and Asia saw income decline as the positive impact of revenue growth was more than offset by higher costs and increased marketing investments. Overall performance in line with expectations.

* Organic basis, currency neutral basis

I will explain the key points of our first quarter results.

We executed our activities under our strategy to expand sales volume through proactive investment and building a foundation for sustainable revenue growth.

Revenue grew as sales volume of core brands and new products increased, driven by proactive marketing investments.

Operating income declined overall, though in line with expectations, due primarily to the impact of rising costs.

As a result, overall, results were in line with the full-year forecast announced in February.

In Q1, the impact of the Middle East situation on our business was limited.

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Enhancing core brand value through diverse approaches
Driving volume growth and expanding the earnings base

Approaches	Enhancing product appeal and driving stable demand through proprietary technologies		
	Expanding beyond existing categories and introducing new packaging formats and sizes		
	Implementing effective product planning and promotional activities to stimulate purchase intent		



*Owned and commercialized within SBFE respective territories.

I will now explain our key initiatives in the first quarter related to core brands strengthening and new value creation that I just referred to.

First, with regard to core brands strengthening, we have been pursuing sustainable enhancement of brand value. This includes leveraging our proprietary technologies to further improve product quality, proposing new options in response to diversifying consumer preferences and drinking occasions, and implementing timely and effective product planning and promotional activities across each segment.

Through these initiatives, we achieved growth in both sales volume and revenue.

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Capturing emerging consumer needs
Driving new demand through new category creation

Japan	Focusing on “guilty pleasure consumption” needs, the product achieved a strong initial response following launch, surpassing 20 million units shipped within the first week.
Asia - Thailand-	Addressing the issue of “unnoticed daily dehydration,” and leveraging Japan-based technology insights to develop a new market.
Japan *2Q (April)	Leveraging the Suntory Group’s brand assets, technologies, and resources to expand into the wellness care category.



Now, I would like to move on to our initiatives for new value creation.

In FY 2026, we aim to create new categories that can become the next growth pillars for our business. To this end, we are deepening our understanding of consumers to capture emerging needs, while driving new value creation by leveraging the Group’s expertise, technologies, and resources.

In the first quarter, we launched “NOPE Guilty CSD” in Japan and “SUNTORY Hy!” in Thailand. In particular, “NOPE” has been well received from the outset, supported by its “guilty pleasure consumption” concept, and has delivered a strong start. Looking ahead, we will continue to take a consumer-centric approach and, through effective investments, promote both core brand strengthening and new value creation.

By doing so, we aim to establish a position as a brand that continues to be chosen and loved by consumers, and to achieve sustainable growth over the medium to long term.

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Financial Results for Q1 (Jan-Mar) FY2026

(JPY BN)

	Q1 FY2025	Q1 FY2026	Change (incl. currency effect)		Change (currency neutral)	
			YoY	%YoY	YoY	%YoY
Revenue	365.8	406.9	41.1	11.2%	23.4	6.1%
Operating Income	27.3	27.2	-0.1	-0.2%	-2.1	-7.2%
Non-recurring items	-1.4	-1.4	0.1	-	0.2	-
Operating Income (Organic basis*1)	28.7	28.6	-0.1	-0.4%	-2.3	-7.5%
Net Income*2	15.4	14.9	-0.5	-3.2%	-1.7	-10.2%

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

Now, I will explain our results for the first quarter of FY 2026.

Revenue was 406.9 billion yen, up 11.2% year on year, and up 6.1% on a currency neutral basis.

Operating income was 27.2 billion yen, down 0.2% year on year, and down 7.2% on a currency neutral basis.

Operating income on an organic basis excluding non-recurring items was 28.6 billion yen, down 0.4% year on year, and down 7.5% on a currency neutral basis.

Net profit attributable to owners of the Company was 14.9 billion yen, down 3.2% year on year, and down 10.2% on a currency neutral basis.

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Financial Results for Q1 (Jan-Mar) FY2026 (by Segment) – Organic basis

(JPY BN)

		Q1 FY2025	Q1 FY2026	Change (incl. currency effect)		Change (currency neutral)	
				YoY	%YoY	YoY	%YoY
Revenue	Japan	152.7	160.2	7.5	4.9%	-	-
	Europe	77.8	88.0	10.1	13.0%	-0.0	-0.0%
	Asia	75.8	83.1	7.3	9.6%	2.9	3.6%
	Oceania	18.3	30.4	12.1	66.3%	10.1	49.8%
	Americas	41.2	45.2	4.1	9.8%	2.9	6.8%
	Total	365.8	406.9	41.1	11.2%	23.4	6.1%
Segment Profit	Japan	4.9	4.3	-0.6	-11.9%	-	-
	Europe	11.7	12.3	0.6	5.1%	-0.8	-6.0%
	Asia	10.2	10.2	-0.0	-0.1%	-0.6	-5.5%
	Oceania	2.6	3.2	0.6	24.0%	0.4	13.1%
	Americas	4.1	4.4	0.3	7.6%	0.2	4.5%
	Reconciliation	-4.8	-5.8	-1.1	-	-0.9	-
	Total	28.7	28.6	-0.1	-0.4%	-2.3	-7.5%

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

Here is our performance by segment.

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

Revenue increased across all segments except Europe.

Segment profit declined in Japan, Europe, and Asia, while Oceania and the Americas delivered growth.

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Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
160.2 BN	4.9%	–	4.3 BN	-11.9%	–

Sales Volume	While the beverage market was estimated at 99% of last year, SBF exceeded expectations at 104%, driven by contributions from core brands and new products such as <i>NOPE Guilty CSD</i> .
Revenue	Revenue grew ahead of expectations, driven by higher sales volume of new products, along with the impact of the October 2025 price revision.
Segment Profit	Revenue growth was offset by rising raw material and logistics costs as well as proactive marketing investments aimed at top-line growth, resulting in a profit decline in line with expectations.

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

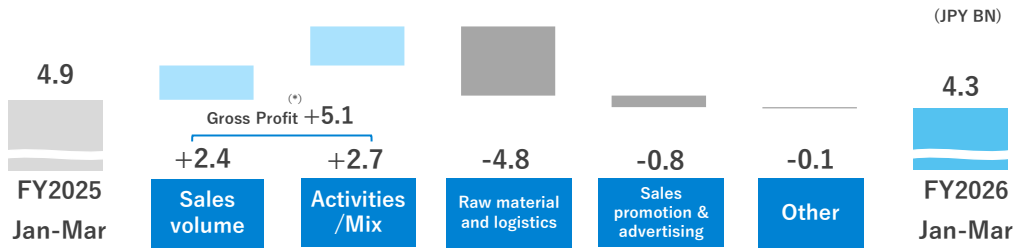
First, Japan.

Revenue was 160.2 billion yen. Segment profit was 4.3 billion yen.

Sales volume and revenue both exceeded the same period of last year and expectations.

Segment profit declined, in line with expectations, due primarily to rising raw material and logistics costs, as well as proactive marketing investments in core brands and new products.

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Gross Profit (*) Despite a challenging competitive environment, results were supported by the effects of price revisions, higher sales volume, and improvements in manufacturing and inventory costs.

Raw material and logistics costs Although raw material and logistics costs increased, particularly for coffee beans and green tea leaves, overall costs remained within expectations.

(*) Gross Profit excluding impact of raw material and logistics costs
Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

I will explain the key factors behind changes in Japan’s segment profit.

Segment profit was 4.3 billion yen, down 0.6 billion yen year on year.

Sales volume impact was mixed, as gains from new product launches more than offset the effects of price revisions.

The impact of activities and mix was positive, supported by price revisions and higher sales volume, as well as improvements in manufacturing and inventory-related costs, despite a challenging competitive environment.

Raw material and logistics costs were impacted, particularly by coffee beans and green tea leaves, but the overall level remained in line with expectations.

Sales promotion and advertising expenses increased year on year, driven by proactive marketing investments, particularly in new products, exceeding both the prior year and our initial expectations.

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Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
88.0 BN	13.0%	-0.0%	12.3 BN	5.1%	-6.0%

Revenue came in below expectations and in line with the same period of last year, as the positive impact of marketing activities centered on core brands and portfolio expansion was offset by sluggish consumption in France and unfavorable weather conditions in the UK and Spain.

Revenue	YoY (currency neutral)		Description
	Revenue	YoY (currency neutral)	
France	29.3 BN	-7.7%	Amid continued sluggish consumption, sales volume for core brands declined due to price competition, falling short of expectations.
UK ^(*)	29.6 BN	4.8%	Revenue grew supported by price revisions and mix improvements despite sales volume remaining flat YoY; however, revenue fell short of expectations due to unfavorable weather conditions and other factors.
Spain ^(*)	13.7 BN	4.9%	Revenue grew as a result of portfolio expansion, including <i>Schweppes</i> fruit-flavored carbonated beverages, which contributed to higher sales volume, but fell short of expectations due to unfavorable weather conditions early in the year.

Segment profit fell short of expectations and declined YoY, as revenue came in below expectations despite aggressive marketing investments across the board.

(*) UK and Ireland (*) Spain and Portugal
Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

Europe.

Revenue was 88.0 billion yen. Segment profit was 12.3 billion yen.

Revenue came in below expectations and in line with the same period of last year, impacted by sluggish consumption in France and unfavorable weather conditions in the UK and Spain.

Segment profit fell short of expectations and declined year on year, as revenue fell short of expectations despite aggressive marketing activities across key markets.

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Asia: Financial Results for Q1 (Jan-Mar) FY2026 – Organic basis

Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
83.1 BN	9.6%	3.6%	10.2 BN	-0.1%	-5.5%

Revenue	Revenue grew as sales volume grew ahead of expectations driven primarily by proactive marketing investments, despite continued challenging market conditions in Vietnam and Thailand.		<p>Strong Lunar New Year demand resulted in higher sales volumes, particularly for core PepsiCo brands, driven by marketing activities and execution.</p> <p>Products with pricing and size configurations tailored to the shifting consumption environment for the core <i>Pepsi-Cola</i> contributed to higher sales volume, exceeding expectations.</p> <p>While sales remained solid supported by marketing activities centered on functional appeal, revenue declined in line with expectations due to a decrease in sales volume for certain export shipments outside Thailand.</p>								
	Beverage (Vietnam)	<table border="1"> <thead> <tr> <th>Revenue</th> <th>YoY (currency neutral)</th> </tr> </thead> <tbody> <tr> <td>37.3 BN</td> <td>7.3%</td> </tr> <tr> <td>29.2 BN</td> <td>3.5%</td> </tr> <tr> <td>10.7 BN</td> <td>-1.7%</td> </tr> </tbody> </table>		Revenue	YoY (currency neutral)	37.3 BN	7.3%	29.2 BN	3.5%	10.7 BN	-1.7%
	Revenue	YoY (currency neutral)									
	37.3 BN	7.3%									
29.2 BN	3.5%										
10.7 BN	-1.7%										
Beverage (Thailand)											
Health (⊕) Supplement											
Segment Profit	Although profit declined due to the impact of the sugar tax increase in Thailand from April 2025 onwards and revenue decline in the health supplement business, segment profit exceeded expectations supported by revenue growth.										

(*) Thailand and Indochina Peninsula
Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

Asia.

Revenue was 83.1 billion yen. Segment profit was 10.2 billion yen.

Revenue grew as sales volume grew ahead of expectations driven primarily by aggressive marketing investments, despite continued challenging market conditions in Vietnam and Thailand.

Segment profit declined but exceeded expectations, primarily due to the impact of the sugar tax increase in Thailand and revenue decline in the health food business.

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	Revenue		%YoY		Segment Profit		%YoY	
			Incl. currency effect	Currency neutral			Incl. currency effect	Currency neutral
Oceania	30.4	BN	66.3%	49.8%	3.2	BN	24.0%	13.1%
	Revenue	Revenue grew as the core energy category performed solidly, with alcohol RTD sales in Australia and New Zealand contributing as expected.						
	Segment Profit	Despite proactive marketing investments, profit grew in line with expectations, supported by revenue growth and improved efficiency across the supply chain following the start of operation of the new beverage plant in Australia.						
Americas	45.2	BN	9.8%	6.8%	4.4	BN	7.6%	4.5%
	Revenue	While sales volumes were broadly flat year on year, revenue increased as expected, supported by the impact of price revisions implemented at the end of last year and favorable price-mix contributions from new functional products in the carbonated and energy categories.						
	Segment Profit	Segment profit increased driven by revenue growth, but fell short of expectations due to rising manufacturing costs, including of aluminum.						

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

Oceania and the Americas.

For Oceania, revenue was 30.4 billion yen. Segment profit was 3.2 billion yen.

The core energy category remained resilient despite a challenging competitive environment, supported by market growth and marketing investments. In addition, contributions from alcohol RTD products launched last year led to revenue and profit growth.

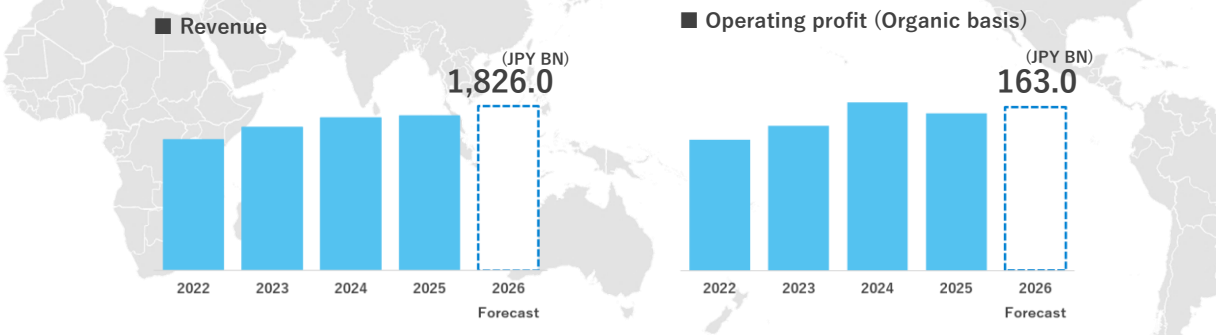
For the Americas, revenue was 45.2 billion yen. Segment profit was 4.4 billion yen.

Revenue grew in line with expectations, supported by the effects of price increases at the end of last year and contributions from new functional products, despite sales volume remaining flat year on year.

Segment profit increased driven by revenue growth, but fell short of expectations due to rising manufacturing costs, including of aluminum.

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Although the business environment remains highly uncertain due to the situation in the Middle East and other factors, our policy of expanding sales volume through proactive investments and achieving sustainable profit growth remains unchanged.
We will work toward achieving our full-year earnings forecast.



Finally, I would like to explain our outlook going forward.

While we expect the business environment to remain highly uncertain for the time being, our policy remains unchanged to expand sales volume through proactive investments and to achieve sustainable profit growth.

In particular, with regard to the situation in the Middle East, we will further enhance our risk sensitivity across the Group and continue to minimize any impact on our performance.

At the same time, while we will continue to make necessary investments, we will more rigorously assess return on investment, as well as priorities and timing of execution.

In response to further cost increases, we will also consider measures including diversification of procurement sources and optimization of product specifications.

By implementing all available measures in a timely and flexible manner, we will work toward achieving our full-year earnings forecast.

This concludes my presentation.

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

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

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

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