

Summary of Consolidated Financial Results for the Six Months Ended June 30, 2025 <IFRS> (UNAUDITED)

Company name: **Suntory Beverage & Food Limited**
 Shares listed: Tokyo Stock Exchange
 Securities code: 2587
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Scheduled date to file semi-annual securities report: August 8, 2025
 Scheduled date to commence dividend payments: September 4, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting (for institutional investors and analysts): Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Revenue		Operating income		Profit before tax for the period		Profit for the period	
Six months ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
June 30, 2025	806,411	(1.3)	71,836	(11.2)	70,187	(14.0)	51,901	(12.4)
June 30, 2024	817,360	9.1	80,934	17.6	81,572	17.6	59,262	19.8

	Profit for the period attributable to owners of the Company		Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
Six months ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)	(Yen)
June 30, 2025	41,138	(11.5)	32,576	(77.9)	133.13	—
June 30, 2024	46,494	21.2	147,536	14.1	150.47	—

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets
As at	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)
June 30, 2025	2,103,704	1,321,322	1,219,251	58.0
December 31, 2024	2,058,032	1,315,278	1,209,587	58.8

(3) Consolidated cash flows

	Net cash inflow (outflow) from operating activities	Net cash inflow (outflow) from investing activities	Net cash inflow (outflow) from financing activities	Cash and cash equivalents at the end of the period
Six months ended	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
June 30, 2025	41,973	(40,486)	(13,368)	145,882
June 30, 2024	46,560	(48,028)	(25,376)	155,128

2. Dividends

	Annual cash dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended December 31, 2024	—	55.00	—	65.00	120.00
Fiscal year ending December 31, 2025	—	60.00			
Fiscal year ending December 31, 2025 (Forecast)			—	60.00	120.00

Note: Revisions to the forecast of dividends most recently announced: None

3. Consolidated earnings forecast for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes)											
	Revenue		Operating income		Profit before tax		Profit for the year		Profit for the year attributable to owners of the Company		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Fiscal year ending December 31, 2025	1,796,000	5.8	161,000	0.5	160,500	(0.3)	117,000	(0.5)	90,000	(3.7)	291.26

Note: Revisions to the earnings forecast most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
- | | | |
|----|--|------|
| a. | Changes in accounting policies required by IFRS: | None |
| b. | Changes in accounting policies due to other reasons: | None |
| c. | Changes in accounting estimates: | None |
- (3) Number of issued shares (ordinary shares)
- | | | |
|----|--|--------------------|
| a. | Total number of issued shares at the end of the period (including treasury shares) | |
| | As at June 30, 2025 | 309,000,000 shares |
| | As at December 31, 2024 | 309,000,000 shares |
| b. | Number of treasury shares at the end of the period | |
| | As at June 30, 2025 | 306 shares |
| | As at December 31, 2024 | 272 shares |
| c. | Average number of outstanding shares during the period (cumulative from the beginning of the year) | |
| | Six months ended June 30, 2025 | 308,999,708 shares |
| | Six months ended June 30, 2024 | 308,999,836 shares |

*** Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.**

*** Proper use of earnings forecast, and other special matters**

The earnings forecast contained in these materials are based on our judgment attributable to information available to the Company and the Group as of the date of announcement of these materials, and include certain risks and uncertainties. These statements are not intended as a promise by the Company to achieve such results. Actual business results may differ substantially due to various factors such as economic situation surrounding the Company and the Group, market trend, exchange rates and other factors.

Attached Materials

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1. Qualitative Information Regarding Settlement of Accounts for the First Six Months

(1) Operating results

Suntory Beverage & Food Limited Group (the Group) has set the achievement of high-quality growth as its target in order to realize sustainable business growth and enhancement of corporate value as a truly global beverage enterprise. Under the medium-term management plan covering the period from 2024, the Group has established the four important strategic themes of “Brand strategy”, “Business structural transformation”, “DEI (diversity, equity and inclusion)” and “Sustainability”, and is actively developing business in line with these themes.

In the first six months of the year ending December 31, 2025, the Group implemented aggressive marketing activities centered on core brands. However, due to the impact of the macroeconomic downturn in Asia Pacific, revenue and profits decreased for the Group as a whole.

Revenue increased in Europe, led by the UK, and remained largely unchanged in Japan and the Americas compared to the same period last year, but decreased in Asia Pacific. Operating income decreased in all segments except Europe, due to factors such as higher raw material costs in Japan, increased marketing expenses in key countries, and a decrease in revenue in Asia Pacific.

For the operating results of the first six months of the year ending December 31, 2025, the Group reported consolidated revenue of 806.4 billion yen, down 1.3% year on year and down 0.4% on a currency neutral basis. Consolidated operating income was 71.8 billion yen, down 11.2% year on year and down 10.4% on a currency neutral basis. Net profit attributable to owners of the Company was 41.1 billion yen, down 11.5% year on year and down 10.7% on a currency neutral basis.

Results by segment are described below:

[Japan business]

The beverage market was below the same period last year (based on the Company’s estimates) due to worsened consumer sentiment driven by inflation and the impact of price revisions. Our sales volume was in line with the expectations, though lower than in the same period last year due to the same factors affecting the beverage market, as a result of continued focused activities for core brands, new product launches, and increased marketing activities.

Revenue was 344.2 billion yen, up 0.2% year on year, which is on par with the same period last year, as price revisions and product mix improvements offset lower sales volume.

In terms of sales volume by brand, *Suntory Tennensui* was impacted by price revisions especially for large-size products. However, we continued to implement a variety of marketing activities, and the 1L PET bottle products, which underwent package renewal last year, and *Suntory Tennensui Tokusei Lemon Squash* performed well. Additionally, the launch of *Suntory Tennensui Kirrito Yogu* in April contributed to sales volume growth. *BOSS* experienced robust sales of its *Sekaino TEA* series and *Amakunai Italiano*, launched in March, but the brand’s overall sales volume declined year on year due to heightened competition in the coffee category. For *Iyemon*, sales volume was down from the same period last year due to increased competition and the impact of price revisions, particularly for large-size products. However, marketing activities had a positive effect, especially for small-size products. *Iyemon Koi Aji* (food with functional claims), *Iyemon Hojicha*, *Iyemon Kyoto Lemonade*, and *Iyemon Tokucha* continue to perform well.

In the vending machine business, the cashless app *Jihanpi* for vending machines, which began nationwide rollout in March, has recorded download numbers exceeding expectations. As of the end of June, the number of vending machines compatible with *Jihanpi* has reached 160,000 units.

Segment profit was 18.3 billion yen, down 18.2% year on year, due to high raw material prices and increased marketing expenses despite strict cost management.

[Asia Pacific business]

Revenue was 185.6 billion yen, down 8.3% year on year and down 6.9% on a currency neutral basis, due to lower sales volume in the beverage business in Vietnam and Thailand, despite strong performance in the beverage business in Oceania.

In the beverage business, Vietnam and Thailand were affected by a macroeconomic slowdown, resulting in lower sales volume and revenue compared to the same period last year. Vietnam experienced increased competition and a contraction of the beverage market, except for the water category. Thailand was affected by the underperformance of its key carbonated beverage market due to an unusually low temperature trend. In Oceania, the energy drink *V* increased sales volume, contributing to revenue growth.

In the health supplement business, the flagship products *BRAND'S Essence of Chicken* and *BRAND'S Bird's Nest* performed strongly, generating revenue similar to last year's figures for the same period, despite the decline in inbound demand.

Segment profit was 22.1 billion yen, down 20.1% year on year and down 19.4% on a currency neutral basis, due to a decrease in revenue.

[Europe business]

Revenue was 189.3 billion yen, up 3.7% year on year and up 4.9% on a currency neutral basis, with the UK leading the way. The UK's revenue grew beyond expectations due to aggressive and effective marketing activities for *Lucozade* and *Ribena*, favorable weather conditions, and a rebound from low production capacity utilization in the same period last year. France reported comparable revenue to that of the same period last year, despite lower sales volume year on year for the mainstay products due to the impact of increased sugar tax. Revenue in Spain decreased due to a lower sales volume year on year. Other brands were unable to offset the full impact of the slowdown in the on-premise tonic market.

Segment profit was 32.4 billion yen, up 17.2% year on year and up 18.4% on a currency neutral basis, as a result of revenue growth and strict cost management.

[Americas business]

Revenue was 87.3 billion yen, down 2.0% year on year and up 0.7% on a currency neutral basis, which is on par with the same period last year, as a result of contributions from RGM (Revenue Growth Management) activities, including price revisions. This was achieved despite a decline in sales volume in categories other than the steadily performing core carbonated category.

Segment profit was 10.2 billion yen, down 7.1% year on year and down 4.6% on a currency neutral basis, due to the impact of higher labor and manufacturing costs.

(2) Financial position

Total assets as at June 30, 2025 stood at ¥2,103.7 billion, an increase of ¥45.7 billion compared to December 31, 2024. The main factors were increases in trade and other receivables and inventories. Total liabilities stood at ¥782.4 billion, an increase of ¥39.6 billion compared to December 31, 2024. This was due in part to increases in trade and other payables and bonds and borrowings. Total equity stood at ¥1,321.3 billion, an increase of ¥6.0 billion compared to December 31, 2024. While there was a decrease in other components of equity because of the depreciation of key currencies against the yen compared to the end of the previous fiscal year, this was offset by the profit earned during the interim period.

(3) Analysis of cash flows

Cash and cash equivalents as at June 30, 2025 amounted to ¥145.9 billion, a decrease of ¥14.6 billion compared to December 31, 2024.

Net cash inflow from operating activities was ¥42.0 billion, a decrease of ¥4.6 billion compared to the same period of the previous year. This was mainly the result of profit before tax for the period of

¥70.2 billion, depreciation and amortization of ¥39.8 billion, and an increase in trade and other payables of ¥30.6 billion, despite an increase in trade and other receivables of ¥38.2 billion and an increase in inventories of ¥31.1 billion.

Net cash outflow from investing activities was ¥40.5 billion, a decrease of ¥7.5 billion compared to the same period of the previous year. This was mainly the result of payments for property, plant and equipment and intangible assets of ¥42.1 billion.

Net cash outflow from financing activities was ¥13.4 billion, a decrease of ¥12.0 billion compared to the same period of the previous year. This was mainly the result of expenditures for dividends paid to owners of the Company of ¥20.1 billion, and payments of lease liabilities of ¥6.9 billion, despite an increase in short-term borrowings and commercial paper of ¥20.1 billion.

(4) Consolidated earnings forecast and other forward-looking statements

The consolidated earnings forecast for the fiscal year ending December 31, 2025, is unchanged from that announced on February 13, 2025. On the assumption that a high level of uncertainty persists, the Group will work steadily toward achieving its earnings forecast by focusing on what needs to be done, particularly in terms of continuing with initiatives such as concentrating its activities on core brands in all segments and implementing thorough cost management inclusive of SCM activities.

2. Condensed Consolidated Financial Statements and Significant Notes Thereto (Unaudited)

(1) Condensed consolidated statement of financial position

	Millions of yen	
	As at December 31, 2024	As at June 30, 2025
Assets		
Current assets:		
Cash and cash equivalents	160,493	145,882
Trade and other receivables	341,028	378,636
Other financial assets	4,558	1,553
Inventories	118,412	148,317
Other current assets	34,206	37,821
Subtotal	658,699	712,211
Assets held for sale	1,842	966
Total current assets	660,541	713,178
Non-current assets:		
Property, plant and equipment	481,950	475,516
Right-of-use assets	61,495	61,280
Goodwill	285,224	287,025
Intangible assets	530,886	526,027
Investments accounted for using the equity method	241	359
Other financial assets	14,534	14,051
Deferred tax assets	15,589	18,760
Other non-current assets	7,566	7,504
Total non-current assets	1,397,490	1,390,525
Total assets	2,058,032	2,103,704

Millions of yen		
	As at December 31, 2024	As at June 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities:		
Bonds and borrowings	26,666	47,656
Trade and other payables	460,147	481,365
Other financial liabilities	26,995	21,427
Accrued income taxes	22,054	17,207
Provisions	1,578	944
Other current liabilities	6,733	13,639
Total current liabilities	544,176	582,241
Non-current liabilities:		
Bonds and borrowings	550	525
Other financial liabilities	55,484	57,210
Post-employment benefit liabilities	15,240	15,840
Provisions	7,361	7,035
Deferred tax liabilities	111,666	112,622
Other non-current liabilities	8,274	6,905
Total non-current liabilities	198,578	200,140
Total liabilities	742,754	782,381
Equity		
Share capital	168,384	168,384
Share premium	185,311	185,333
Retained earnings	716,919	738,397
Treasury shares	(1)	(1)
Other components of equity	138,973	127,137
Total equity attributable to owners of the Company	1,209,587	1,219,251
Non-controlling interests	105,690	102,071
Total equity	1,315,278	1,321,322
Total liabilities and equity	2,058,032	2,103,704

(2) Condensed consolidated statement of profit or loss

Millions of yen

	Six months ended June 30, 2024	Six months ended June 30, 2025
Revenue	817,360	806,411
Cost of sales	<u>(505,561)</u>	<u>(499,042)</u>
Gross profit	311,799	307,369
Selling, general and administrative expenses	(230,823)	(233,309)
Gain on investments accounted for using the equity method	191	121
Other income	2,237	2,017
Other expenses	<u>(2,471)</u>	<u>(4,362)</u>
Operating income	80,934	71,836
Finance income	2,996	1,381
Finance costs	<u>(2,358)</u>	<u>(3,030)</u>
Profit before tax for the period	81,572	70,187
Income tax expense	<u>(22,310)</u>	<u>(18,286)</u>
Profit for the period	<u>59,262</u>	<u>51,901</u>
Attributable to:		
Owners of the Company	46,494	41,138
Non-controlling interests	<u>12,767</u>	<u>10,762</u>
Profit for the period	<u>59,262</u>	<u>51,901</u>
Earnings per share (Yen)	150.47	133.13

(3) Condensed consolidated statement of comprehensive income

Millions of yen

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit for the period	59,262	51,901
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Changes in the fair value of financial assets	(48)	104
Remeasurement of defined benefit plans	<u>(130)</u>	<u>75</u>
Total	<u>(179)</u>	<u>180</u>
Items that may be reclassified to profit or loss:		
Translation adjustments of foreign operations	87,436	(18,056)
Changes in the fair value of cash flow hedges	921	(1,444)
Changes in comprehensive income of investments accounted for using the equity method	<u>94</u>	<u>(4)</u>
Total	<u>88,452</u>	<u>(19,505)</u>
Other comprehensive income for the period, net of tax	<u>88,273</u>	<u>(19,324)</u>
Comprehensive income for the period	<u><u>147,536</u></u>	<u><u>32,576</u></u>
Attributable to:		
Owners of the Company	126,237	29,726
Non-controlling interests	<u>21,298</u>	<u>2,849</u>
Comprehensive income for the period	<u><u>147,536</u></u>	<u><u>32,576</u></u>

(4) Condensed consolidated statement of changes in equity

Six months ended June 30, 2024

	Millions of yen							
	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at January 1, 2024	168,384	182,229	652,706	(0)	(84,050)	1,087,370	97,656	1,185,027
Profit for the period			46,494			46,494	12,767	59,262
Other comprehensive income					79,743	79,743	8,530	88,273
Total comprehensive income for the period	–	–	46,494	–	79,743	126,237	21,298	147,536
Purchase of treasury shares				(0)		(0)		(0)
Dividends			(12,359)			(12,359)	(5,932)	(18,292)
Transactions with non-controlling interests		290	0			290	(222)	68
Reclassification to retained earnings			6		(6)	–		–
Total transactions with owners of the Company	–	290	(12,352)	(0)	(6)	(12,069)	(6,155)	(18,224)
Balance at June 30, 2024	168,384	182,520	686,848	(0)	163,786	1,201,538	112,799	1,314,338

Six months ended June 30, 2025

	Millions of yen							
	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at January 1, 2025	168,384	185,311	716,919	(1)	138,973	1,209,587	105,690	1,315,278
Profit for the period			41,138			41,138	10,762	51,901
Other comprehensive income					(11,411)	(11,411)	(7,913)	(19,324)
Total comprehensive income for the period	–	–	41,138	–	(11,411)	29,726	2,849	32,576
Purchase of treasury shares				(0)		(0)		(0)
Dividends			(20,084)			(20,084)	(6,441)	(26,526)
Transactions with non-controlling interests		21				21	(26)	(5)
Reclassification to retained earnings			423		(423)	–		–
Total transactions with owners of the Company	–	21	(19,661)	(0)	(423)	(20,063)	(6,468)	(26,531)
Balance at June 30, 2025	168,384	185,333	738,397	(1)	127,137	1,219,251	102,071	1,321,322

(5) Condensed consolidated statement of cash flows

	Millions of yen	
	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit before tax for the period	81,572	70,187
Depreciation and amortization	37,112	39,840
Impairment losses (reversal of impairment losses)	81	94
Interest and dividends income	(2,036)	(1,369)
Interest expense	2,247	2,061
Loss (gain) on investments accounted for using the equity method	(191)	(121)
Decrease (increase) in inventories	(13,608)	(31,064)
Decrease (increase) in trade and other receivables	(47,641)	(38,203)
Increase (decrease) in trade and other payables	17,163	30,575
Other	(6,081)	(7,001)
Subtotal	68,617	65,000
Interest and dividends received	2,060	1,630
Interest paid	(2,203)	(2,279)
Income tax paid	(21,913)	(22,378)
Net cash inflow (outflow) from operating activities	46,560	41,973
Cash flows from investing activities		
Payments for property, plant and equipment and intangible assets	(53,976)	(42,121)
Proceeds on sale of property, plant and equipment and intangible assets	1,420	1,653
Proceeds from sale of subsidiaries	4,293	–
Other	234	(18)
Net cash inflow (outflow) from investing activities	(48,028)	(40,486)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	19,437	20,098
Repayments of long-term borrowings	(5,880)	(39)
Redemption of bonds	(15,000)	–
Payments of lease liabilities	(5,640)	(6,896)
Dividends paid to owners of the Company	(12,359)	(20,084)
Dividends paid to non-controlling interests	(5,932)	(6,441)
Other	(0)	(5)
Net cash inflow (outflow) from financing activities	(25,376)	(13,368)
Net increase (decrease) in cash and cash equivalents	(26,844)	(11,882)
Cash and cash equivalents at the beginning of the period (Statement of financial position)	171,755	160,493
Reclassification of cash and cash equivalents included in assets held for sale	1,301	–
Cash and cash equivalents at the beginning of the period	173,057	160,493
Effects of exchange rate changes on cash and cash equivalents	9,119	(2,728)
Cash and cash equivalents included in assets held for sale	(203)	–
Cash and cash equivalents at the end of the period	155,128	145,882

(6) Notes to condensed consolidated financial statements**(Going concern)**

The condensed consolidated financial statements are prepared on going concern basis.

(Segment information)

The reportable segments are components of the Group for which separate financial information is available and regularly reviewed by management to make decisions about the allocation of resources and to assess segment performance.

The Group manufactures and distributes soft drinks and foods, including mineral water, coffee drinks, tea drinks, carbonated drinks, sports drinks and food for specified health uses. The Company, together with its manufacturing and sales subsidiaries, operates in the domestic market, and its regional subsidiaries operate in overseas markets. Therefore, the Group comprises of four reportable segments: "Japan business", "Asia Pacific business", "Europe business", and "Americas business". The intersegment transactions are considered on an arm's length basis.

Profit or loss for each reportable segment of the Group is as follows:

Six months ended June 30, 2024

Millions of yen

	Reportable segments				Segment total	Reconciliations	Consolidated
	Japan	Asia Pacific	Europe	Americas			
Revenue:							
External customers	343,374	202,337	182,531	89,117	817,360	–	817,360
Intersegment	55	–	793	–	850	(850)	–
Total revenue	343,430	202,337	183,324	89,117	818,211	(850)	817,360
Segment profit	22,310	27,708	27,663	11,029	88,712	(7,778)	80,934

Six months ended June 30, 2025

Millions of yen

	Reportable segments				Segment total	Reconciliations	Consolidated
	Japan	Asia Pacific	Europe	Americas			
Revenue:							
External customers	344,189	185,630	189,261	87,330	806,411	–	806,411
Intersegment	40	–	268	–	309	(309)	–
Total revenue	344,230	185,630	189,529	87,330	806,720	(309)	806,411
Segment profit	18,252	22,141	32,411	10,247	83,053	(11,217)	71,836

"Reconciliations" to segment profit represents overhead costs incurred by the Company to manage the Group's operations and is not allocated to each reportable segment. Segment profit agrees with operating income presented in the condensed quarterly consolidated statement of profit or loss.