

Financial Results for Q2 Year Ending December 31, 2023

August 9, 2023
Suntory Beverage & Food Limited

Overview of First Half FY2023

Makiko Ono, President & Chief Executive Officer

This is Makiko Ono.

I have assumed the position of President & Chief Executive Officer effective this fiscal year. I sincerely appreciate your continued support and encouragement.

Today, I would like to report on our first half results, followed by an explanation of our initiatives to date, the environment surrounding the Company, and the management challenges we face. I will also touch on my aspirations for the continued growth of our business.

I will now explain our financial results for the first half of FY2023.

Please turn to page 3.

Financial Results for Q2 YTD FY2023 (IFRS)

(JPY BN)

	FY2023 Jan-Jun	Change			
		Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY
Revenue	749.1	+70.1	+10.3%	+43.6	+6.2%
Operating Income	68.8	-11.5	-14.4%	-15.5	-18.4%
Extraordinary Items	-0.4	-17.2	—	-17.3	—
Operating Income (Organic basis*1)	69.3	+5.6	+8.9%	+1.8	+2.7%
Net Income*2	38.4	-10.4	-21.3%	-12.6	-24.7%

*1 Extraordinary factors and profit/loss impact from transferred business deducted from operating income

*2 Profit attributable to owners of the Company

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I will walk you through the financial results for the first half of FY2023.

Revenue was 749.1 billion yen, up 10.3% year on year, and up 6.2% on a currency neutral basis.

Operating income was 68.8 billion yen, down 14.4% year on year, and down 18.4% on a currency neutral basis.

Operating income on an organic basis excluding non-recurring items was 69.3 billion yen, up 8.9% year on year, and up 2.7% on a currency neutral basis.

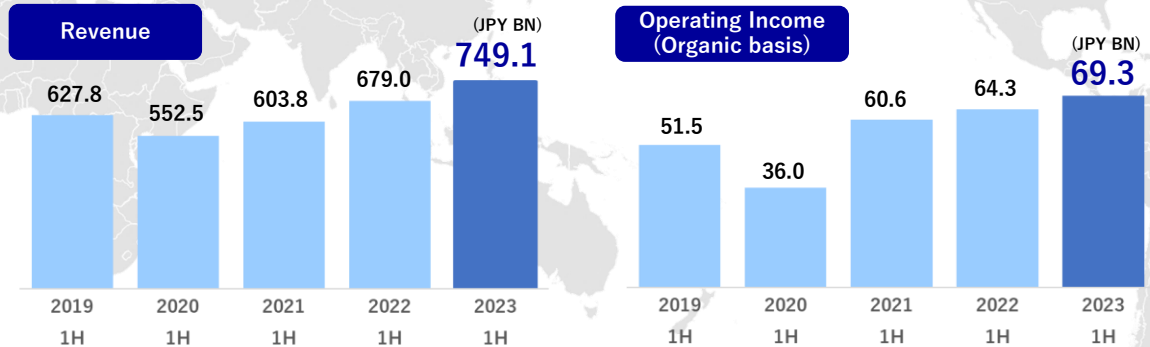
Net profit attributable to owners of the Company was 38.4 billion yen, down 21.3% year on year, and down 24.7% on a currency neutral basis.

Revenue and profits at all levels progressed better than expected.

Operating income and net profit attributable to owners of the Company decreased due to the absence of the gain from the sale of the fresh coffee business in Oceania, which we recorded in the second quarter of last year.

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Despite the continued challenging business environment, both revenue and operating income (organic basis) exceeded expectations, reaching record-highs for the first half.



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In the first half of the year, we steadily identified customer demand in key markets, and concentrated activities on our core brands in all segments amid the volatile external environment and continued severe cost environment. Through revenue growth and further promotion of cost management, we were able to absorb the impact of high raw material and energy costs.

As a result, revenue and operating income on an organic basis reached record-highs for the first half.

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● **Core Brands Innovation**

● **Driving Structural Transformation**

● **Investing in Growth for the Future**

I would like to talk about our initiatives to date that have supported our strong business growth.

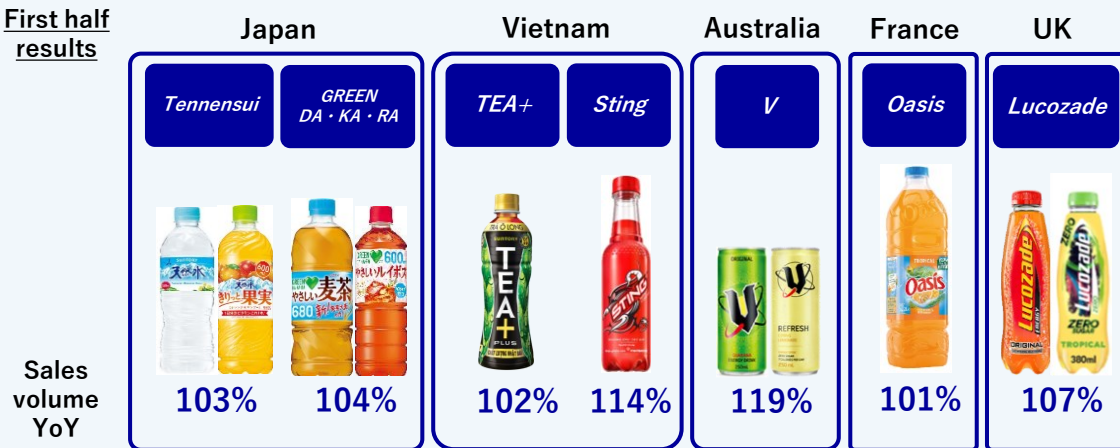
We have been building a flexible and robust business foundation while steadily identifying the market environment, changes in tastes among our customers and demand in key markets.

In the process, we have consistently implemented initiatives in all segments, focusing on “Core Brands Innovation”, “Driving Structural Transformation”, and “Investing in Growth for the Future”.

I would like to present some examples on the following pages.

Please turn to page 6.

First half results



(Sources) Brand sales volume YoY: on a shipping basis
* Cumulative total from January to June 2023
* Japan on the basis of actual number of cases delivered

First, let me explain our ongoing Core Brands Innovation.

In 2023, we have been intensifying our initiatives in all segments to further develop Core Brands Innovation, which has enabled us to grow sales volume of our core brands in an environment of volatile demand due to factors such as weather conditions and the risk of a deterioration in economic sentiment.

In Japan, we achieved a record-high sales volume for the first half of the year due to strong performances by *Suntory Tennensui* and *GREEN DA · KA · RA*, supported by new product launches and enhanced marketing activities.

In APAC, sales volume growth continued with new product launches for *TEA+* in Vietnam and *V* in Oceania.

In Europe, *Oasis* in France achieved a record-high sales volume for the first half, and *Lucozade* in the UK grew sales volume through increased brand activities.

We have been able to quickly identify changes in demand in key markets, and we feel that we are seeing steady results from our continued Core Brands Innovation.

Please turn to page 7.

**Active
investment in
key strategic
areas**

Japan: New lines added at Shinano-no-Mori

APAC: Production capacity added in Vietnam
and Australia

Americas: New lines added and warehouse expanded



**Challenging
new category**

APAC: Development of RTD business in Oceania
(Started preparations for partnership with Beam Suntory)



**Inorganic
growth**

Maximum net debt-to-equity ratio 1x (approximately ¥700BN)

Allocate ¥200-300BN for investment

Next, I will talk about our growth investments for the future.

In order to establish a stable supply capability to support further business growth, we have been actively making growth investments such as expanding production capacity in Japan and overseas.

In addition, as we announced in a press release on August 3rd, we started preparations to develop the RTD business in Oceania, taking on the challenge of a new category.

We also continue to actively seek investment opportunities, including M&A.

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Production enhancement for growth

Expand production capacity to further accelerate the growth in the beverage business in Oceania

CAPEX (plan): Appx. ¥39BN
Commencement of operation (plan):
2H of FY2024: Beverage
1H of FY2025: RTD



Challenging new category

Started preparations for partnership with Beam Suntory to take on a challenge of fast growing RTD



Start of partnership (plan): 2H of FY2025



Beverage

RTD

I would like to explain the partnership between Frucor Suntory and Beam Suntory in Oceania, which was announced locally last week as part of our growth investments for the future.

The Oceania market is one of the most important strategic areas for us, where growth is expected to continue in the future. In addition to further accelerating the growth of Frucor Suntory’s beverage business in the Oceania market, we have decided to start preparations for partnership based on the idea that partnering with Beam Suntory is an initiative that will maximize synergies for both ends as we take on the challenge of entering a new category of fast-growing RTD.

This partnership is also critical to accelerating our global strategy. We are committed to accelerating our global growth by taking on the challenge of a new category in Oceania, while strengthening our supply chain to support the future growth of our beverage business.

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Water



35% reduction^{*1} of water consumption at the SBF plants worldwide

2022 result: 22% reduction

*1 The goal of the Suntory Group (SBF's goal is 20% reduction).
Baseline year: 2015

*2 Common goal for the Suntory Group and SBF.

Baseline year: 2019

*3 PET bottles using recycled or plant-based materials 100%

*4 Ratio of sustainable (recycled or plant-based) materials used (by weight)

Greenhouse Gasses



50% reduction^{*2} of GHG emissions from the SBF sites

2022 result: 14% reduction

Fully switched purchased energy to 100% renewables in all directly-owned manufacturing sites and R&D facilities in Japan, the Americas, and Europe at the end of 2022

Plastics



100% replacement of PET bottles to sustainable bottles^{*3} globally

**2022 result: 26%
(Japan: 46%)^{*4}**

I will talk about our sustainability initiatives on this slide.

We continue to make steady progress toward our 2030 goals in every segment, with three areas of focus: "Water", "Greenhouse Gasses", and "Plastics".

We will work to enrich our relevant disclosures, while making ongoing efforts across the Group to drive sustainability management to address social issues.

Please turn to page 10.

Continue pursuing further growth in all segments amid a highly uncertain environment

- Uneven economic conditions (demand recovery, recession risk)
- Persistent high inflation
- Diversified customer tastes and values

Management challenges

- Evolution to “high-revenue, high-margin” company
- Establishment of robust and optimal supply chain
- Challenging new category and creating group synergies
- Strategic promotion of sustainability

Next, I would like to talk about the environment in which we operate and the management challenges.

Looking at the first seven months of the year, the business environment remains volatile and highly uncertain, impacting our business. In addition to the risk of recession, inflation remains high, and changes in tastes and diversification of values among our customers are accelerating.

Such a challenging environment is precisely why we have moved quickly to address management challenges while evolving into a more robust business structure.

We continued to reap the benefits of our initiatives to become a high-revenue, high-margin company by promoting price revisions and structural transformation in the vending machine business in Japan, while thoroughly implementing RGM activities, including flexible price revisions overseas.

In addition, we will accelerate our initiatives for future growth, such as strengthening our business foundation, actively investing in building a robust supply chain, and challenging a new category.

Please turn to page 11.

Pursue high-quality growth as a global beverage company

Enhancement of brand strategy

- Strengthening of Core Brands Innovation
- Expansion of the cross-selling areas of strategic brands
- Creation of global Suntory brands



Business structural transformation

- Overseas: faster growth and stronger earning capacity
- Japan: Acceleration of structural transformation for stronger earning capacity

Diversity

- Integration of various ideas and values to boost corporate competitiveness

Sustainability

- More efforts to address environmental and social issues

Finally, I would like to talk about the areas that I focus on as President and Chief Executive Officer of the Company.

In pursuit of high-quality growth, i.e. profitable and sustainable growth as a global beverage company, I will work on the priority areas of “enhancement of our brand strategy”, “business structural transformation”, “diversity”, and “sustainability”.

By continuing to innovate our core brands, I will further strengthen the foundation of our existing businesses while accelerating the expansion of our distribution footprint and the cross-selling of our strategic brands such as *BOSS*.

In order to become a high-revenue, high-margin company, I will also drive structural transformation in all segments.

At the same time, I am committed to advancing diversity and sustainability initiatives in pursuit of high-quality growth as a truly global beverage company.

In terms of diversity, around 60% of our Group employees are already non-Japanese. We have been and we will continue to promote the integration and collaboration of diverse talents to be even more competitive.

It goes without saying that sustainability is one of management’s priorities in order to continue our business with the trust of global society and our customers. Although there are big differences between segments, such as Europe, which is leading the way in setting rules, and Asia, which is still lagging behind, we will enhance our corporate value by leveraging our global synergies and stepping up our efforts.

That is all from me. Thank you.

Supplementary Explanation

Noriaki Otsuka, Managing Executive Officer

This is Noriaki Otsuka.

I will give a supplementary explanation.

Please turn to page 13.

(JPY BN)

	Revenue	Change			
		Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY
Japan	328.2	+22.3	+7.3%	+22.3	+7.3%
APAC	182.7	+16.1	+9.7%	+5.2	+2.9%
Europe	164.5	+22.6	+15.9%	+13.0	+8.6%
Americas	73.8	+15.4	+26.3%	+9.8	+15.2%
Total	749.1	+76.3	+11.3%	+50.2	+7.2%
Segment Profit					
Japan	17.0	+2.9	+20.8%	+2.9	+20.8%
APAC	22.7	-1.9	-7.9%	-3.7	-14.0%
Europe	26.5	+3.3	+14.3%	+1.8	+7.3%
Americas	9.4	+2.0	+27.7%	+1.3	+16.5%
Reconciliation	-6.4	-0.7		-0.6	
Total	69.3	+5.6	+8.9%	+1.8	+2.7%

* Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.
* Africa has been reclassified from APAC to Europe in 2023. Reclassified 2022 figures are used in this table for year-on-year comparisons.

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This slide shows the 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 in all segments.
- Japan grew on higher sales volume and price revisions.
- Each of the overseas segments achieved revenue growth due to thorough implementation of RGM activities, including flexible price revisions in an uneven demand environment.

Segment profit:

- Japan, Europe, and the Americas increased by absorbing cost increases through revenue growth and strict cost management.
- APAC decreased due to negative revenue growth in the health supplement business, while revenue in the beverage business increased.

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(JPY BN)

Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
328.2 BN	+7.3%	–	17.0 BN	+20.8%	–

- Beverage market sales volume estimated at 98%, while SBF Japan marked 101% YoY. Fully focused activities for core brands led to above-market growth in all channels and market share gains. *Suntory Tennensui* and *GREEN DA·KA·RA* were strong performers, reaching the highest sales volume ever.
- Revenue grew faster than sales volume, reaching 107% of the previous year's level. Price revisions in October 2022 and May 2023 were among the contributing factors.
- Segment profit increased due to revenue growth and strict cost management, while the impact of rising costs, such as high raw material prices and yen depreciation was within the expected range.



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

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First, Japan.

Revenue was 328.2 billion yen. Segment profit was 17.0 billion yen.

- We estimate the sales volume in the beverage market decreased to 98% level of the previous year, due in part to the impact of price revisions, despite a recovery in foot traffic and favorable weather conditions.
- We continued to implement focused activities for our core brands. New product launches and marketing activities contributed to an increase in sales volume to 101% of the previous year's level, reaching the highest sales volume ever for the first half. All channels outperformed the market growth, resulting in further share gains.
- Revenue grew faster than sales volume, reaching 107% of the previous year's level, thanks to a significant contribution from the effect of price revisions, which have steadily improved unit prices.
- Segment profit increased due to revenue growth and strict cost management, while the impact of rising costs, such as high raw material prices and yen depreciation was within the expected range.

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(JPY BN)

	Revenue		%YoY		Segment Profit		%YoY	
			Incl. currency effect	Currency neutral			Incl. currency effect	Currency neutral
	182.7	BN	+9.7%	+2.9%	22.7	BN	-7.9%	-14.0%
	Revenue		%YoY				%YoY	
			Incl. currency effect	Currency neutral			Incl. currency effect	Currency neutral
Beverage (Vietnam)	72.9	BN	+18.5%	+10.8%				
Beverage (Thailand)	46.7		+20.6%	+11.4%				
Health Supplement ^(*)	15.2		-12.3%	-19.0%				
Beverage (Oceania)	31.8		+16.0%	+12.4%				

Robust demand from traditional trade channel continued. Core brands such as *TEA+* and *Sting* grew.


Demand trended steadily. *PEPSI* brand and *TEA+* grew. Flexible price revisions since last year also contributed.

Demand continued to decline. Further strengthened activities for *BRAND'S Essence of Chicken*.

Strengthened activities for *V*. *BOSS* also performed well.

(*) 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.

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Moving on to Asia-Pacific.

Revenue was 182.7 billion yen. Segment profit was 22.7 billion yen.

- In Asia-Pacific, we continued focused activities for our core brands in the beverage and health supplement businesses. The beverage business performed steadily in key markets, although Vietnam saw a reactionary decline due to increased demand since the second quarter of last year.
- Revenue grew due to factors such as flexible price revisions in key markets.
- Segment profit declined due to the significant impact of negative revenue growth in the health supplement business throughout the first six months of the year.
- The beverage business in Vietnam remained strong in the traditional trade channel. Our focused activities for *TEA+* and *Sting* resulted in growth in sales volume.
- The beverage business in Thailand achieved growth in *PEPSI* brand and *TEA+* amid a steady demand trend supported by slowing inflation and a recovery in tourist demand.
- In the health supplement business, activities for *BRAND'S Essence of Chicken* were thoroughly implemented in the face of declining demand for the overall health food market. As a result, the sales trend is gradually recovering.
- The beverage business in Oceania continued to benefit from increased marketing activities for *V* and double-digit growth of *BOSS*.

Please turn to page 16.

(JPY BN)

	Revenue	%YoY		Segment Profit	%YoY	
		Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
	164.5 BN	+15.9%	+8.6%	26.5 BN	+14.3%	+7.3%
	Revenue	%YoY			%YoY	
		Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
France	62.1 BN	+15.0%	+5.9%	Strengthened activities for <i>Oasis</i> , <i>Schweppes</i> , and <i>Orangina</i> . <i>Oasis</i> reached a record-high sales volume for 1H.		
UK (*1)	47.6	+17.8%	+12.8%	Demand remained strong. <i>Lucozade</i> continued to grow, led especially by <i>Lucozade Sport</i> .		
Spain (*2)	29.1	+12.2%	+3.3%	Strengthened activities for <i>Schweppes</i> amid the impact of weather factors.		



(*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.

RGM (Revenue growth management): Pricing, pack price architecture, mix management, etc.

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Next is Europe.

Revenue was 164.5 billion yen. Segment profit was 26.5 billion yen.

- Our core brands grew in key markets as a result of increased focused activities for them, despite headwinds in the second quarter, such as the impact of unfavorable weather conditions and a reactionary decline from last year's increased demand.
- Revenue increased due to RGM including price revisions.
- Segment profit increased as a result of revenue growth and strict cost management, amid the impact of high raw material costs and rising energy prices as expected.
- In France, we continued to concentrate activities for our core brands: *Oasis*, *Schweppes*, and *Orangina*. Overall, France faced headwinds as the positive effects of favorable weather conditions in the second quarter of last year reversed, but *Oasis* continued to grow year on year, reaching its highest sales volume ever.
- In the UK, our core brand *Lucozade* grew due to continued strong demand. *Lucozade Energy* continued to perform well. *Lucozade Sport* grew significantly, driven by a strong performance from non-sugar product, *Lucozade Sport Zero Sugar*.
- In Spain, sales volume was at the same level as the previous year as we strengthened activities for our mainstay *Schweppes*, while our business in Spain was significantly affected by weather conditions.

Please turn to page 17.

(JPY BN)

Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
73.8 BN	+26.3%	+15.2%	9.4 BN	+27.7%	+16.5%

- Robust demand continued in both off- and on-premise channels.
- Sales volume trended positively due to increased activities in both carbonated and non-carbonated categories, channel expansion for *Gatorade*, and contribution from the energy drink *Celsius*.
- RGM including price revision effect also contributed to revenue growth.
- Absorbed impact of high raw material costs and rising labor costs, and achieved profit growth.



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

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Finally, the Americas.

Revenue was 73.8 billion yen. Segment profit was 9.4 billion yen.

- Robust demand continued through out the first half of the year. In addition to increased activities in both carbonated and non-carbonated categories, channel expansion, particularly for *Gatorade*, contributed to the increment. Sales volume trends were positive in both off- and on-premise channels.
- RGM activities, including price revisions, contributed to revenue growth.
- Revenue growth and ongoing cost reduction efforts led to an increase in segment profit, despite the impact of high raw material costs and rising labor costs.

Please turn to page 18.

	(JPY BN)	Q1 (Jan-Mar)	Change %YoY	Q2 (Apr-Jun)	Change %YoY
Revenue					
Japan		145.8	+8.8%	182.4	+6.1%
APAC		89.9	+5.9%	92.8	+0.2%
Europe		68.6	+20.1%	95.9	+1.6%
Americas		32.9	+11.7%	40.9	+18.2%
Total		337.2	+10.4%	411.9	+4.7%
Segment Profit					
Japan		3.6	+39.0%	13.5	+16.7%
APAC		12.0	-4.6%	10.7	-22.6%
Europe		10.7	+52.5%	15.8	-10.6%
Americas		3.7	+7.2%	5.7	+23.7%
Reconciliation		-3.2		-3.2	
Total		26.8	+17.3%	42.4	-4.8%

* Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.
* Africa has been reclassified from APAC to Europe in 2023. Reclassified 2022 figures are used in this table for year-on-year comparisons.

Now I would like to talk about the changes in our performance from quarter to quarter.

Double-digit revenue growth was achieved in the first quarter, followed by mid-single-digit growth in the second quarter. Segment profit was down in the second quarter. However, overall Group total for the second quarter was in line with the original plan.

While both revenue and segment profit remained strong in Japan and the Americas, the trend in Europe and APAC changed in the second quarter.

I would like to elaborate on what happened in the second quarter and how we plan to move forward.

Please turn to page 19.

Revenue growth rate (%YoY, currency neutral basis for overseas figures)	2022	2023	2022	2023
	Jan-Mar	Jan-Mar	Apr-Jun	Apr-Jun
Japan	0%	9%	5%	6%
APAC	9%	6%	13%	0%
Europe	25%	20%	19%	2%
Americas	17%	12%	7%	18%
Total	8%	10%	10%	5%

This slide shows the trend of the revenue growth rate from quarter to quarter, including the year-on-year comparison.

Revenue grew nicely in all segments in the first quarter as demand recovered and increased, but the trend in APAC and Europe changed in the second quarter.

In the second quarter of last year, our Vietnam business entered a post COVID-19 demand recovery phase, which benefited APAC, while Europe benefited from weather conditions, and in particular, from the full recovery of the Spanish on-premise channel. The absence of these factors in the second quarter of this year had a negative impact.

In the following pages, I will explain the current status and challenges in each of our core businesses in APAC and Europe, as well as our actions for the future.

Please turn to page 20.

Revenue growth rate

(%YoY, currency neutral basis)

	2022 Apr-Jun	2023 Apr-Jun
APAC <small>(*)1</small>	13%	0%
Beverage (Vietnam)	28%	1%
Beverage (Thailand)	8%	14%
Health Supplement	-5%	-20%
Beverage (Oceania)	10%	8%

(*)1 Revenue growth rate on an organic basis

(*)2 RtM (Route to market): Sales and distribution strategy

Challenges and Actions in the health supplement business



Current status and challenges

Sales downtrend since 2H 2022

- Lower demand in the overall health supplement market
- Cost driven price revisions
- Signs of recovery in trend since the renewal of *Brand's Essence of Chicken* in October 2022

Actions in 2H and beyond

More activities to rebuild the business

- Further enhancement of brand value
- Intensification of RtM strategy and promotion
- Capturing inbound demand^{(*)2}

First, APAC.

Thailand and Oceania continued to perform well in the second quarter. Vietnam was significantly impacted by the reactionary decline from last year, and is currently in a temporary economic downturn, but we will continue to intensify our activities in the second half of the year so that Vietnam can lead the business growth in APAC.

Meanwhile, sales in the health supplement business have been declining since the second half of last year due to a decline in demand in the overall health supplement market and the impact of price revisions.

We have seen signs of a recovery in the trend since the renewal of our mainstay *Brand's Essence of Chicken* in October last year, but we expect it to take some time.

Recently, there have been changes in the external environment, such as the moderation of inflation and the recovery of inbound demand. With a strong determination to rebuild the business, we will work to further enhance our brand value and to intensify RtM strategy and promotions in the second half and beyond.

Please turn to page 21.

Revenue growth rate

(%YoY, currency
neutral basis)

	2022 Apr-Jun	2023 Apr-Jun
Europe (*1)	19%	2%
France	10%	1%
UK	15%	10%
Spain	54%	-12%

(*1) Revenue growth rate on an organic basis

Current status and actions in 2H

Current
status and
challengesTemporary major impact on Q2 due to changes in external environment

France: Impacted by weather conditions and social conditions
 UK: Steady trend
 Spain: Weather conditions and intensified competition in the on-premise channel

Actions in
2H and
beyondCapture robust demand in key markets, strengthen activities, and thoroughly manage costs

- Core brands innovation
- Strengthening of RGM
- Supply chain innovation

Next, Europe.

Key markets faced headwinds in the second quarter, including a slowdown from double-digit growth in the same quarter last year and the temporary impact of flooding in Spain and unfavorable weather conditions in France.

More recently, the demand environment has remained robust. We aim to increase revenue in the second half of the year by continuing to strengthen our activities.

At the same time, we will pursue sustainable growth through Core Brands Innovation and by strengthening RGM in an increasingly competitive environment.

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Toward 2H

Leverage our global portfolio and aim to exceed performance guidance, assuming the highly uncertain situation continues.

Economy

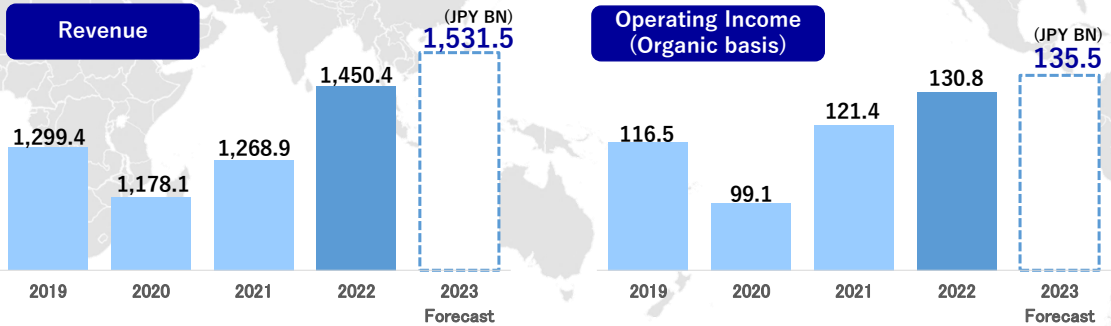
- Persistent inflation, materialization of recession risk

Competition

- Increased competition in key markets

Cost

- Continued uncertainty in market conditions and sourcing costs



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That is all for the first half and second quarter of FY2023.

Assuming the highly uncertain situation continues, we will keep on working diligently to meet and exceed full-year guidance.

We will respond quickly to changes in the economic, competitive and cost environment and continue to drive sustainable business growth at the Group level.

The interim dividend will be 40 yen per share, in line with guidance.

This concludes my presentation. Thank you.

SUNTORY

SUNTORY BEVERAGE & FOOD

(JPY BN)

	FY2023 Jan-Jun	Descriptions
Operating Income	68.8	
Non-recurring items	-0.4	APAC: -0.2, Europe: -0.3
Operating Income (Organic basis)	69.3	

(JPY BN)

	FY2023 Apr-Jun	Change			
		Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY
Revenue	411.9	+28.9	+7.6%	17.3	+4.4%
Operating Income	42.5	-16.3	-27.7%	-18.3	-30.1%
Non-recurring items	0.0	-16.1	—	-16.2	—
Operating Income (Organic basis*1)	42.4	-0.2	-0.4%	-2.2	-4.8%
Net Income*2	23.8	-12.6	-34.6%	-13.8	-36.6%

*1 Extraordinary factors and profit/loss impact from transferred business deducted from operating income

*2 Profit attributable to owners of the Company

Financial Results for Q2 YTD FY2023 (IFRS) by Segment

(JPY BN)

	Revenue	Change			
		Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY
Japan	328.2	+22.3	+7.3%	+22.3	+7.3%
APAC	182.7	+12.7	+7.5%	+1.7	+0.9%
Europe	164.5	+19.8	+13.7%	+9.9	+6.4%
Americas	73.8	+15.4	+26.3%	+9.8	+15.2%
Total	749.1	+70.1	+10.3%	+43.6	+6.2%
Segment Profit					
Japan	17.0	+2.9	+20.8%	+2.9	+20.8%
APAC	22.5	-18.0	-44.4%	-19.7	-46.7%
Europe	26.2	+2.1	+8.8%	+0.5	+2.0%
Americas	9.4	+2.0	+27.7%	+1.3	+16.5%
Reconciliation	-6.4	-0.7		-0.5	
Total	68.8	-11.5	-14.4%	-15.5	-18.4%

* Africa has been reclassified from APAC to Europe in 2023. Reclassified 2022 figures are used in this table for year-on-year comparisons.

FY2023 Quarterly Results (IFRS) by Segment

(JPY BN)

	Q1 (Jan-Mar)	Change				Q2 (Apr-Jun)	Change			
		Incl. currency effect		Currency neutral			Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY		YoY	%YoY	YoY	%YoY
Revenue										
Japan	145.8	+11.8	+8.8%	+11.8	+8.8%	182.4	+10.5	+6.1%	+10.5	+6.1%
APAC	89.9	+9.5	+11.9%	+1.5	+1.7%	92.8	+3.2	+3.5%	+0.2	+0.2%
Europe	68.6	+12.8	+23.0%	+9.5	+16.0%	95.9	+7.0	+7.8%	+0.4	+0.4%
Americas	32.9	+7.0	+27.2%	+3.5	+11.7%	40.9	+8.3	+25.6%	+6.3	+18.2%
Total	337.2	+41.2	+13.9%	+26.3	+8.4%	411.9	+28.9	+7.6%	+17.3	+4.4%
Segment Profit										
Japan	3.6	+1.0	+39.0%	+1.0	+39.0%	13.5	+1.9	+16.7%	+1.9	+16.7%
APAC	11.8	+0.3	+2.9%	-0.9	-6.8%	10.7	-18.3	-63.0%	-18.9	-63.7%
Europe	10.4	+3.2	+43.5%	+2.8	+36.7%	15.8	-1.0	-6.2%	-2.3	-12.7%
Americas	3.7	+0.7	+22.0%	+0.3	+7.2%	5.7	+1.4	+31.8%	+1.1	+23.7%
Reconciliation	-3.2	-0.4		-0.4		-3.2	-0.2		-0.2	
Total	26.4	+4.7	+22.0%	+2.8	+12.0%	42.5	-16.3	-27.7%	-18.3	-30.1%

(JPY BN)

14.1
FY2022
Jan-Jun

+22.3
Revenue

-5.2
COGS

-13.0
FX and raw
material
market prices

-0.3
Sales
promotion &
advertising

-0.8
Others

17.0
FY2023
Jan-Jun

Gross Profit*
+17.0

- Sales volume change +1.8
- Activities and product/channel mix +15.2

* Gross Profit excluding impact of FX and raw material market prices

Japan

(Million cases)	Q2 YTD FY2022		Q2 YTD FY2023		FY2023	
	Actual	YoY	Actual	YoY	Forecast	YoY
<i>Suntory Tennensui</i>	60.7	10%	62.9	3%	132.0	2%
<i>Boss</i>	50.9	2%	50.7	-0%	102.0	-2%
<i>Iyemon</i>	29.4	5%	26.3	-11%	63.0	2%
<i>GREEN DA·KA·RA</i>	21.0	14%	21.8	4%	48.0	-1%
<i>Suntory Oolong Tea</i>	6.6	-3%	6.9	6%	15.0	1%
<i>PEPSI</i>	8.3	15%	8.3	0%	17.0	-2%
FOSHU drinks and Foods with Function Claims	12.6	24%	18.5	45%	47.0	45%
Total	208.1	7%	210.8	1%	445.0	0%

* The portions of the sales volume that were supplied from other soft drink manufacturers such as Japan Beverage Holdings Inc. are not included in the above figures.

Europe

(Million liters)	Q2 YTD FY2022		Q2 YTD FY2023	
	Actual	YoY	Actual	YoY
<i>Oasis</i> (France)	166	15%	169	1%
<i>Schweppes</i> (France)	100	11%	95	-5%
<i>Orangina</i> (France)	97	10%	96	-1%
<i>Lucozade</i> (UK, Ireland)	207	8%	221	7%
<i>Ribena</i> (UK, Ireland)	43	-4%	43	-1%
<i>Schweppes</i> (Spain, Portugal)	62	23%	62	-1%

(JPY, average of period)

	FY2022 Jan-Jun	FY2023 Jan-Jun	FY2023 Forecast
U.S. dollar	123.2	135.0	130.0
Euro	134.4	145.9	141.0
Sterling	159.6	166.7	160.0
Singapore dollar	90.2	101.0	98.0
Thai baht	3.7	4.0	3.9
Vietnam dong	0.0054	0.0057	0.0056
New Zealand dollar	81.6	84.2	84.0
Australian dollar	88.6	91.3	91.0

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