

Financial Results for Fiscal Year Ended December 31, 2021

February 14, 2022
Suntory Beverage & Food Limited

Overview of FY2021 Management Strategy Forecast for FY2022

Kazuhiro Saito, President & CEO

This is Kazuhiro Saito.

I would like to begin my presentation by extending our heartfelt sympathies to all those who have been personally affected by COVID-19 amid the global resurgence with the new variant.

I would also like to express our sincere respect to all those who are making efforts to prevent the spread of the infection, and to those in the medical field engaged in the diagnosis and treatment of COVID-19 patients.

Today, I will explain the results of FY2021 followed by the management strategy and progress under the medium-term management plan as well as the forecast for FY2022.

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Overview of FY2021

I will start with an overview of our performance in FY2021.

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FY2021 Performance Highlights (IFRS)

(JPY BN)

	FY2021 revised forecast (Nov 11, 2021)	FY2021 results	Variance from revised forecast	Change			
				YoY	Currency Neutral	%YoY	Currency Neutral
Revenue	1,266.0 BN	1,268.9 BN	+2.9	+90.8	+61.6	+7.7%	+5.1%
Operating Income	117.0 BN	118.6 BN	+1.6	+22.4	+18.8	+23.3%	+18.9%
Operating Income (Organic basis*1)	118.0 BN	123.5 BN	+5.5	+24.6	+21.1	+24.9%	+20.6%
Net Income*2	65.0 BN	68.7 BN	+3.7	+16.5	+14.7	+31.5%	+27.2%

*1 Excluding extraordinary factors from "other income" and "other expenses"

*2 Profit for the year attributable to owners of the Company

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Revenue was 1,268.9 billion yen. Operating income including extraordinary factors was 118.6 billion yen, and profit for the year attributable to owners of the Company was 68.7 billion yen, higher than the revised forecast announced in November.

In 2021, we have been on offensive without hesitation under the theme of "Agile Transformation". We gained shares in key markets as a result of focused activities for core brands in all regions. Although the impact of soaring raw material prices became apparent in the second half of the year, we were able to reduce the impact on profits by thoroughly managing costs.

As a result, operating income hit a record high, while achieving the 2019 level one year ahead of the schedule.

We see 2022 as the year to bring sales growth back on track. We will be even more aggressive by capturing the recovery in demand.

We are planning to pay year-end dividend of 39 yen per share in accordance with the guidance, making the total dividend for the year 78 yen per share.

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Revenue	Jan-Mar YoY	Apr-Jun YoY	Jul-Sep YoY	Oct-Dec YoY
Japan	-9%	8%	-3%	2%
APAC	6%	18%	-2%	6%
Europe	-11%	43%	2%	32%
Americas	9%	30%	14%	15%
Total	-4%	18%	-1%	9%
<hr/>				
(reference) total revenue FY2021 vs. FY2019	-6%	-4%	-6%	0%

* Currency neutral basis for overseas figures

I will explain the status of our business on a currency neutral basis.

In the fourth quarter, we grew revenue by 9%, returning to the 2019 level, as we captured the growing demand associated with the market recovery and further accelerated our focused activities for core brands across all regions.

Japan grew in revenue led by core brands amid the gradual recovery in the people traffic from October, following the lifting of the declaration of a state of emergency.

Asia-Pacific steadily recovered despite the fact that some areas were under severer COVID-19 impact than 2020. Revenue increased owing to the success of strengthening activities in anticipation of recovery trends.

Europe and the Americas increased revenue significantly as the recovery in both on- and off-premise markets began in earnest.

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- **“Gemba”-centric Approach**
- **Core Brands Innovation**
- **Ceaseless Innovation (Structural Transformation)**

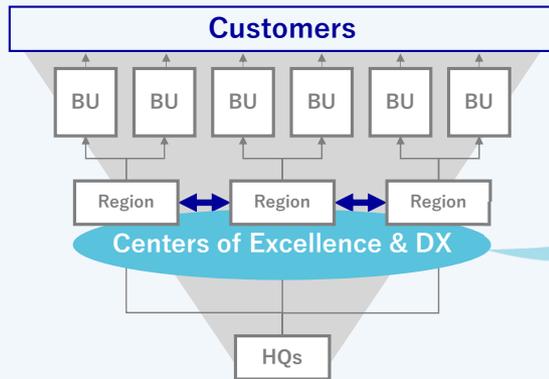
In spite of the continuing impact of the severe external environment, such as the prolonged COVID-19 pandemic, soaring raw material prices and increasing cost pressure due to supply chain disruptions, we have consistently focused on being the first to capture the recovery in demand in all regions to secure a superior position in key markets. We also have improved our profitability.

Among our initiatives, we have worked with particular emphasis on “Gemba-centric Approach”, “Core Brands Innovation”, and “Ceaseless Innovation”. I would like to share some examples in these initiatives.

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Thoroughly Flat Organization

“Gemba”-centric, customer-centric organization



BU: Operating companies in each country
 RGM: Price, packs, mix management, etc.
 S&OP: Supply demand forecasting and management

Centers of Excellence & DX promotion

Sharing of know-how and rapid deployment across the globe



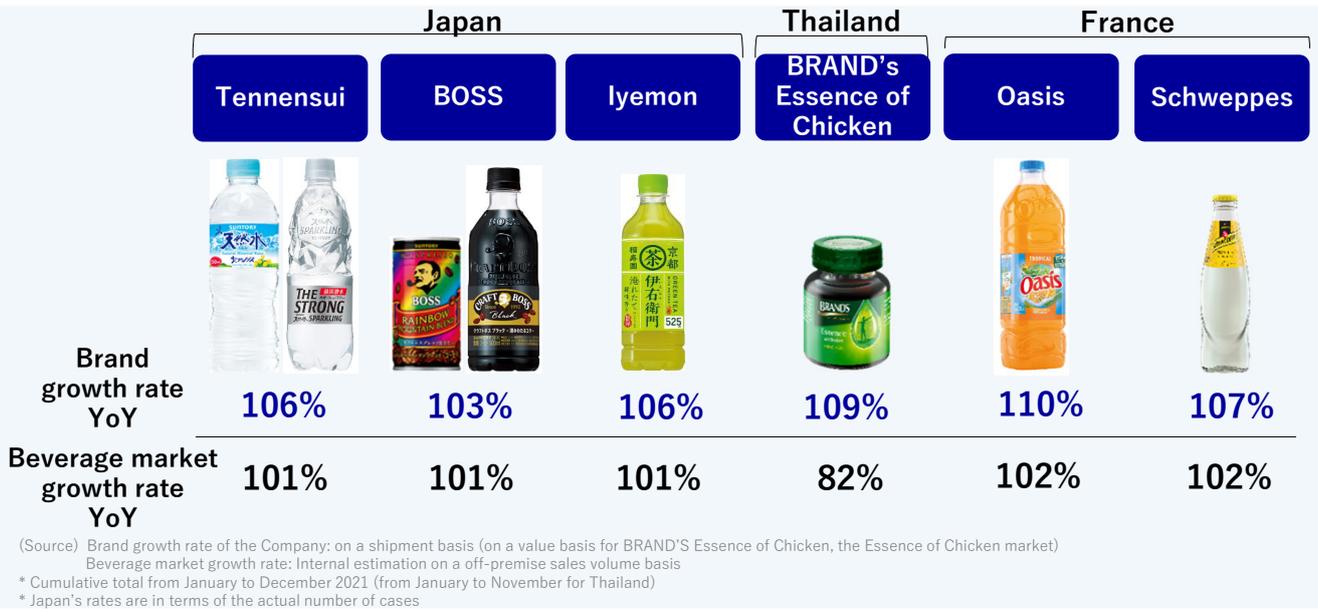
This slide explains what we mean by the thorough “Gemba”-centric approach.

First of all, we have been transforming our organization into a customer-driven one as described in an inverted triangle. Specific actions include transfer of headquarters in each function from Japan to newly established Asia-Pacific in January 2021, in pursuit of building a system to immediately respond to market changes by allocating all resources, people, goods, know-how to “Gemba”, the front line closest to the customers, as much as possible.

Next, we have simplified the organizational hierarchy as much as possible by eliminating extra layers in order to maximize the quick response and mobility of “Gemba”, while reshaping the headquarter functions into smaller, high-performance ones. We have also been promoting the Centers of Excellence and digital transformation as an important initiative to enable the new organizational structure to function speedily and efficiently.

The Centers of Excellence serves to create a foundation to deploy the know-how and wisdom of each of our site around the world in a cross-border manner. It is an embodiment of agility, which will further enhance our competitiveness and enable us to grow more through united global effort.

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Next, I would like to share with you the positive outcome of our core brands innovation.

In 2021, we continued to focus on our core brands and accelerated innovation in all regions, resulting in robust sales growth in key markets.

In Japan, *Suntory Tennensui* and *Iyemon* achieved the highest sales volume ever. In Europe, France's *Oasis*, which was the first core brand out side of Japan to renew contents and packaging, grew double-digit.

These examples of our core brands innovation are the result of our ability to apply the value and learning earned in “Gemba” to product development. The renewal of *Oasis* in France was a cross-regional collaboration between the local and Japanese teams, which led to major success. Going forward, we will further expedite these efforts to develop our core brands on a global scale.

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Japan
Acceleration in
the vending
machine business



- Operational efficiency for fixed cost reduction
- AI-driven mix optimization
- Reorganization for B2C and B2B (Suntory Beverage Solution newly established in January 2022)

Europe
Advancement in
the on-premise
business



- Improved distribution leveraging on-premise wholesalers
- IT tools to enhance proposals and pricing management
- Route optimization and sales structures

Let me now update you on the progress in our structural transformation.

We regarded 2021 as the most critical phase for our structural transformation, and we have been accelerating our efforts.

Japan's vending machine business contributed to profit growth in 2021 through significant cost reductions as a result of transformational efforts over several years. Suntory Beverage Solution was established through reorganization in January 2022 to drive our direct sales business. Under this new company, we will strive to offer new value through our products and services in an accelerated manner, and to put our business on a growth trajectory.

Europe's on-premise business began to contribute to cost reductions as a result of capturing new demand, sales route optimization according to the behavioral changes among customers under COVID-19, etc. We will further strengthen our efforts to complete the transformation within 2022.

Please turn to page 10.

Management Strategy

Next, I will explain our management strategy.

Please turn to page 11.

Promise with Society

Mizu To Ikiru

Water is the source of all the lives on the planet.

We promise and declare to society that we make our living with water.

**We embrace nature, enrich our society
and encourage our people to take on new challenges.**

Vision

Always start from consumers

Pursue to create new taste, well-being and joy

Aim to be the most locally beloved company

I will update you on our management strategy.

We are working to fulfill our Promise “Mizu To Ikiru”, which is the core concept of our long-term management strategy.

Under this Promise, we redefined our vision on this occasion based on our aspirations and changes in the world, in order to further solidify our unique position in the global beverage industry.

We hope to embody “Growing for Good” under this new vision by having all of our employees aligned, always stay close to our customers in each market, and continue to develop products in a customer-centric way.

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Organic Growth

Revenue : CAGR mid-single digit growth*
 Operating Income : CAGR above 10% growth*
 Operating Income Margin : Achieve 10% by 2023
 Target to surpass 2019 Revenue and Operating Income in 2022
 → Operating Income reached 2019 level in 2021, one year ahead of plan

Inorganic Growth

Accelerate M&A investment

- Maximum net debt-to-equity ratio 1x (approximately ¥700BN)
- Allocate ¥200-300BN for investment

* Baseline year: 2020. Currency neutral basis

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I will explain the progress of our medium-term management plan.

In 2021, the first year of the plan, we made progress faster than the original schedule in revenue, operating income, and operating income margin, as reported earlier.

Especially, operating income margin improved in all segments. Our determined implementation of the pillars of our growth strategy, such as the Centers of Excellence and structural transformation, and thorough cost management were among the contributing factors.

For growth investment, we are focusing on M&A and are actively exploring opportunities by positioning Asia-Pacific as a priority area.

There is no change to our policy of prioritizing growth investment, but we will also be flexible in shareholder returns depending on circumstances.

Our dividend policy will remain unchanged with the payout ratio of 30% or more and a stable increase in dividends based on profit growth, while considering to increase the dividend payout ratio in the medium term, depending on funding needs and profit growth.

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Water



35% reduction of water consumption per unit of production at the SBF plants*¹ worldwide
2020 result: 17%

*1 The goal of the Suntory Group (SBF's goal is 20% reduction). Baseline year: 2015
*2 Common goal for the Suntory Group and Suntory Beverage & Food. Baseline year: 2019
*3 PET bottles using recycled or plant-based materials 100%

Greenhouse Gasses



50% reduction of GHG emissions from the SBF sites*²
2020 result: 14%

Plastics



100% replacement of PET bottles to sustainable bottles globally*³

SBF Japan
2021 result: 37%
2022 target: 50%

We will add momentum to our sustainability efforts as well.

“Water”, “Greenhouse Gasses”, and “Plastics” continue to be our three priority areas. We will draw a clear roadmap for each region and disclose the details and progress of each initiative.

On the “Water” front, we renewed our 2030 goal in January 2022. As the Suntory Group, we will work to reduce water consumption per unit of production at our plants worldwide by 35%.

On the “Greenhouse Gasses” front, we have set a target of reducing emissions from our sites by 50% by 2030, and are working to switch to 100% renewable energy for electricity at all 63 of our manufacturing sites and R&D facilities across Japan, the Americas, and Europe by the end of 2022.

On the “Plastics” front, we are stepping up our efforts across all regions to achieve 100% sustainable PET bottles in 2030. Japan is leading the group with a target of 50% replacement by the end of FY2022. Starting in March, we will gradually introduce a new logo, “Bottles are resources! Towards a Sustainable Bottle”, on all of our PET bottle products to enhance our communication to consumers.

Please turn to page 14.

Forecast for FY2022

Next, I will move on to the forecast for FY2022.

Please turn to page 15.

(JPY BN)

	FY2022 forecast	Change			
		YoY	Currency neutral	%YoY	Currency neutral
Revenue	1,369.0 BN	+100.1	+89.8	+7.9%	+7.0%
Operating Income	125.5 BN	+6.9	+5.7	+5.8%	+4.7%
Operating Income (Organic basis *1)	126.5 BN	+3.0	+1.7	+2.5%	+1.4%
Net Income *2	73.5 BN	+4.8	+4.3	+7.0%	+6.2%

*1 Excluding extraordinary factors from "other income" and "other expenses"

*2 Profit for the year attributable to owners of the Company

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In FY2022, we aim to achieve record-high revenue and operating income.

Our forecast on a currency neutral basis is as follows:

Revenue is 1,369.0 billion yen, up 7.0%.

Organic operating income is 126.5 billion yen, up 1.4%.

Operating income including extraordinary factors is 125.5 billion yen, up 4.7%.

Net income attributable to owners of the Company is 73.5 billion yen, up 6.2%.

The transfer of our fresh coffee business announced on February 10, 2022 is not reflected in the FY2022 forecast. The transfer is scheduled for the first half of FY2022 that we will update the forecast accordingly, including the status of existing businesses.

We plan to pay an annual dividend of 78 yen per share, same as FY2021.

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Leverage comprehensive capabilities in full value chain to achieve record-high revenue and operating income



RGM: Price, packs, mix management, etc.
S&OP: Supply demand forecasting and management

In FY2022, we will work earnestly to bring our revenue back on growth track by steadily capturing the recovery in demand in key markets and by accelerating our core brands innovation.

Although the soaring raw material prices and supply chain disruptions are expected to have a significant impact, we will further enhance our strengths in RGM and SCM to leverage our comprehensive capabilities in full value chain, in pursuit of profit growth.

That is all from me. Thank you.

Supplementary Explanation

Kazushi Ishikawa, COO

This is Kazushi Ishikawa.

I was appointed as Division COO, Corporate Strategy Division as of January 1, 2022.

I look forward to working with you.

I will now explain the FY2021 results and FY2022 forecast in a little more detail.

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Overview of FY2021

I will start with an overview of our performance in FY2021.

Please turn to page 19.

FY2021 Results (IFRS) (by Segment)

(JPY BN)

	Revenue	Change				Segment Profit	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
Japan	629.6 BN	-3.4		-0.5%		40.9 BN	+4.0		+10.7%	
APAC	295.9	+30.9	+18.9	+11.7%	+6.8%	39.7	+5.4	+4.1	+15.7%	+11.6%
Organic							+4.6	+3.5	+12.9%	+9.4%
Europe	234.9	+44.9	+30.5	+23.6%	+14.9%	35.7	+8.5	+6.3	+31.2%	+21.3%
Organic							+11.0	+8.8	+40.0%	+29.5%
Americas	108.5	+18.3	+15.7	+20.3%	+16.9%	13.3	+4.2	+4.0	+46.5%	+42.3%
Reconciliation						-11.2	+0.3	+0.5		
Total	1,268.9	+90.8	+61.6	+7.7%	+5.1%	118.6	+22.4	+18.8	+23.3%	+18.9%
Organic							+24.6	+21.1	+24.9%	+20.6%

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This is the performance by segment. The figures are on a currency neutral basis hereafter.

On a full year basis,

- Revenue in Japan remained at the same level as the previous year, while each overseas segment increased revenue significantly.
- Segment profit grew significantly by more than 10% in all segments as a result of increased sales and thorough cost management throughout the year.

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(JPY BN)

Revenue	%YoY	Currency neutral	Segment Profit	%YoY	Currency neutral
629.6 BN	-0.5%	—	40.9 BN	+10.7%	—

- Beverage market sales volume is estimated at 101% YoY, while SBF Japan marked 103% YoY in terms of actual number of cases

Continuous concentration on core brands. *Suntory Tennensui* and *Iyemon* hit record highs.

- Revenue was at 2020 level. Major contribution from volume growth. Channel mix changed due to growth of supermarket channel.

- Segment profit grew significantly owing to supply chain cost reduction activities and higher operational efficiency through the structural transformation in the vending machine business.



(Reference) Sales volume (in syrup conversion): 100% YoY for the beverage market based on internal estimation, 103% for the Company

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I will start with Japan.

Revenue was 629.6 billion yen. Segment profit was 40.9 billion yen.

- We estimate the sales volume for the overall beverage market in 2021 was at 101% level of the previous year due to the intermittent declarations of a state of emergency, and unfavorable weather in the peak season of August.
- We consistently focused on activities for our core brands, and outperformed the market with our sales volume standing at 103% level of the previous year, gaining the share in the market. *Suntory Tennensui* and *Iyemon* marked the record high sales volume, while *CRAFT BOSS*, which was renewed in March, grew significantly. *BOSS* as well grew year on year.
- Revenue was at the same level as the previous year owing to a major contribution from the growth in sales volume. On the other hand, we were still negatively affected by the channel mix deterioration due to the growth of the supermarket channel while the vending machine and convenience store channels took time to recover.
- Segment profit posted a double-digit growth owing to the successful cost reduction as a result of our supply chain cost improvement activities and higher operational efficiency achieved through the structural transformation in the vending machine business.

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(JPY BN)

Revenue	%YoY	Currency neutral	Segment Profit	%YoY	Currency neutral
295.9 BN	+11.7%	+6.8%	39.7 BN	+15.7%	+11.6%

	Revenue	%YoY	Currency neutral	
Beverage (Vietnam)	83.8 BN	+5.4%	+1.0%	Market under impact from lockdowns in 2H. <i>TEA+</i> and <i>Sting</i> trended steadily. Gained market share
Beverage (Thailand)	65.9 BN	+7.3%	+6.7%	<i>Pepsi</i> brand trended steadily resulting from emphasis on low-sugar products. Gained market share
Health Supplement (*1)	38.3 BN	+13.3%	+12.6%	<i>BRAND'S Essence of Chicken</i> buoyed by boosted activities and expanded distribution to general stores
Frucor Suntory	50.6 BN	+24.0%	+10.7%	<i>V</i> further grew driven by continuous boosted activities. Gained market share

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



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Moving on to Asia-Pacific.

Revenue was 295.9 billion yen. Segment profit was 39.7 billion yen.

- Asia-Pacific was affected by tighter restrictions such as the lockdown in Vietnam from the third quarter, but revenue increased in mainstay businesses on a full year basis.
- Segment profit grew double-digit despite the impact of soaring raw material prices, owing to product mix improvement as a result of focused activities for our core brands and thorough cost management.
- In Vietnam, we continued activities for *TEA+* and *Sting*, and expanded our market share.
- The beverage business in Thailand continued to perform well in *Pepsi* brand including the low-sugar products. *TEA+* also trended well, expanding its market share.
- In the health supplement business, we conducted concentrated activities for *BRAND'S Essence of Chicken*. Expansion in distribution to general stores also contributed to the significant revenue growth.
- In Oceania, we continued our marketing investment for *V* and led the energy drink category market while expanding our market share.

Please turn to page 22.

(JPY BN)

Revenue

%YoY

Currency
neutral

234.9 BN

+23.6% +14.9%

Segment
Profit

%YoY

Currency
neutral

35.7 BN

+31.2% +21.3%

Revenue

%YoY

Currency
neutralFrance
(*1)

90.8 BN

+18.2% +10.9%

UK
(*2)

68.9 BN

+27.3% +15.3%

Spain
(*3)

42.7 BN

+36.7% +28.3%

Continuous demand expansion along with market recovery. Major growth in *Oasis*, *Schweppes*, and *Orangina*. Gained market share

Vaccination progress led to market recovery. Notable growth in *Lucozade Sport*. Gained market share

On-premise channel as well recovered significantly in Q2 onwards.

Double-digit growth in *Schweppes*



(*1) France includes French data only from this fiscal year on
(*2) UK and Ireland
(*3) Spain and Portugal

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Next is Europe.

Revenue was 234.9 billion yen. Segment profit was 35.7 billion yen.

- Europe was under the lockdown in major countries at the beginning of the year, and was affected by unfavorable weather in northern areas in August. However, the key markets recovered strongly with the progress in vaccination, and we achieved double-digit revenue growth.
- In addition to the increase in marginal profit associated with the revenue growth, continued thorough cost management also contributed to the significant growth in segment profit.
- In France, both on- and off-premise channels stayed on a recovery trend despite unfavorable weather in the summer. Renewed *Oasis* as well as *Schweppes* and *Orangina* which underwent enhanced sales promotion grew significantly.
- In the UK, the recovery trend from the second quarter continued. *Lucozade* and *Ribena* both exceeded the previous year's levels. *Lucozade Sport* showed particularly strong growth.
- In Spain, the on-premise channel stayed on the recovery trend since the second quarter, with double-digit growth for *Schweppes* on a full year basis.

Please turn to page 23.

(JPY BN)

Revenue

%YoY

Currency
neutral

108.5 BN

+20.3%

+16.9%

Segment
Profit

%YoY

Currency
neutral

13.3 BN

+46.5%

+42.3%

- Both on- and off-premise trended well owing to increase in demand along with market recovery.
- Segment profit increased significantly driven by robust sales growth.



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Lastly, the Americas.

Revenue was 108.5 billion yen. Segment profit was 13.3 billion yen.

- The off-premise channel remained strong. The on-premise channel as well continued on its recovery trend since the second quarter. Revenue increased continuously since the first quarter.
- Segment profit grew significantly due to high sales volume, channel mix improvement with the on-premise recovery, and cost reduction.

Please turn to page 24.

Forecast for FY2022

Next, I will explain our forecast for FY2022.

Please turn to page 25.

FY2022 Forecast (IFRS) (by Segment)

(JPY BN)

	Revenue	Change				Segment Profit	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
Japan	665.0 BN	+35.4		+5.6%		42.0 BN	+1.1		+2.6%	
APAC	336.0	+40.1	+35.7	+13.5%	+11.9%	44.0	+4.3	+3.8	+10.7%	+9.5%
Organic							+3.4	+3.0	+8.5%	+7.2%
Europe	249.0	+14.1	+13.2	+6.0%	+5.6%	38.5	+2.8	+2.6	+7.8%	+7.1%
Organic							+0.8	+0.6	+2.1%	+1.6%
Americas	119.0	+10.5	+5.5	+9.7%	+4.9%	14.0	+0.7	+0.1	+5.0%	+0.4%
Reconciliation						-13.0	-1.8	-1.8		
Total	1,369.0	+100.1	+89.8	+7.9%	+7.0%	125.5	+6.9	+5.7	+5.8%	+4.7%
Organic						126.5	+3.0	+1.7	+2.5%	+1.4%

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This slide shows the FY2022 forecast by segment. The figures are on a currency neutral basis hereafter.

We plan to grow both revenue and profit in all segments in FY2022.

I will go over each segment in more detail in the following pages.

Please turn to page 26.

(JPY BN)

Revenue	%YoY	Currency neutral	Segment Profit	%YoY	Currency neutral
665.0 BN	+5.6%	—	42.0 BN	+2.6%	—

- Offer new value centered on “focused activities for core brands” and “transformation of the vending machine business model” while agilely grasping the changes in consumer sentiment and beverage styles
- Strive to grow sales volume by 4%, outpacing the market by steadily capturing demand recovery
- Aim for 5.6% revenue growth through product and channel mix improvement
- Plan profit growth through revenue growth and continuous cost reduction in the supply chain and other areas, while anticipating high raw material prices and increase in marketing investment



(Reference) Sales volume forecast for 2022(in syrup conversion): 102% YoY for the beverage market based on internal estimation, 104% for the Company

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I will start with Japan.

The sales volume of the overall beverage market is expected to grow 2% in 2022. Meanwhile, we plan to grow 4%, faster than the market, to go beyond the 2019 level.

Our revenue target for the year is 665.0 billion yen, up 5.6% year on year. We will stay focused on capturing the recovery in demand and further strengthen our activities for core brands such as *Suntory Tennensui*, *BOSS*, *Iyemon*, and health conscious products. In the vending machine channel, we will work to drive a reversal offensive by further innovating our business model through the organizational restructuring.

Our segment profit target for the year is 42.0 billion yen, 2.6% up year on year. We will invest in our core brands extensively, and push forward the structural transformation for the vending machine business as well as other cost reform including supply chain cost reduction to mitigate the impact from soaring raw material prices.

I will talk about our key business strategies on the next slide.

Please turn to page 27.

Further strengthening of core brands

- Increase investment for *Suntory Tennensui*, *BOSS*, *Iyemon*, and health conscious products

Transformation of the vending machine business model

- Strengthen initiatives based on reorganization, looking to re-grow the business
- Continuous structural transformation

Structural innovation of supply chain

- Improve production costs and efficiency in logistics network

Challenge of creating new markets

- Strengthen mechanisms and systems for ceaseless innovation

We have set four key business strategies for FY2022.

Firstly, further strengthening of our core brands.

- We will continue brand innovation for our mainstay *Suntory Tennensui*, *BOSS*, and *Iyemon* to accelerate sales growth.
- For *Tokucha*, the centerpiece of our health conscious products, we will appeal the reliable functionality of its special ingredient “quercetin gold”.

Secondly, transformation of the vending machine business model.

- With a view to re-growing our business through the organizational restructuring, we will work to strengthen our comprehensive proposal and development capabilities and improve operational efficiency.
- We will increase earnings per machine and per location by stepping up initiatives such as the introduction of more 4-row PET machines and AI-based column optimization.
- We will also continue to pursue higher operational efficiency by way of wireless technology-based route optimization, etc.

Thirdly, structural innovation of SCM.

- Year-round operation of the facilities we have invested up to last year will contribute to improve production costs.
- We will further drive efficiency in the logistics network and operations.

Lastly, challenge of creating new markets.

- We will strengthen our development function not only for existing brands but also for new innovation with an eye on the future. We will work to create new markets to address changes in consumer behavior.

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(JPY BN)

Revenue	%YoY	Currency neutral	Segment Profit	%YoY	Currency neutral
336.0 BN	+13.5%	+11.9%	44.0 BN	+10.7%	+9.5%

- Acceleration of core brands innovation:
Focused investment in *TEA+*, *BRAND'S*, *V*, and *Sting*
- Promotion of Centers of Excellence:
Sales expansion and higher profitability by strengthening RGM activities
- Strengthening organizational foundation:
Evolution of the integrated model for Asia and Oceania



RGM (Revenue Growth Management): Price, packs, mix management, etc.

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Next is Asia-Pacific.

We position 2022 as the year to regain double-digit sales growth by steadily capturing the current market recovery and by launching a reversal offensive.

Our revenue target for the year is 336.0 billion yen, up 11.9% year on year.

- We will intensively invest in our core brands, especially *TEA+*, *BRAND'S*, *V*, and *Sting* across the region.
- We will also expedite our cross-border product rollout for *BOSS*, *TEA+*, etc.

Our segment profit target for the year is 44.0 billion yen, up 9.5% year on year.

- We will continue to invest aggressively in marketing, focusing on our core brands.
- Our RGM activities will counter the cost impact of soaring raw material prices.
- Our initiatives to be thorough in cost management will continue as well.

Please turn to page 29.

Beverage
(Vietnam)

- Continue investing in the mainstay *TEA+* and *Sting*
- Expand sales by more area efforts for South and North regions

Beverage
(Thailand)

- Expand low-sugar portfolio (*Pepsi* low-sugar, *TEA+*, and *BOSS*)
- Expand sales by boosting RtM activities

Health
Supplement

- Innovate core brand *BRAND'S*
Renew *Essence of Chicken*

Frucor
Suntory

- Continue investing in *V* brand to accelerate growth
- Continue investing in *BOSS* brand

RtM (Route to Market): Sales and Distribution strategy

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Vietnam:

- We will focus on *TEA+* and *Sting*.
- We aim to further expand sales by strengthening our efforts in each area.

Thailand:

- We will work to further enhance our low-sugar portfolio by intensifying activities for *TEA+* which was reintroduced into the market last year and the newly introduced *BOSS*.
- Our RtM activities will also be strengthened to expand distribution and sales.

The health supplement business:

- In order to further expand sales of the *BRAND'S* brand, we will renew our mainstay *Essence of Chicken* and emphasize sales of products derived from phytonutrients.

Frucor Suntory:

- We will continue investing in the *V* brand for further growth and share expansion.
- Active investment in the *BOSS* brand, which has high potential, will also continue on.

Please turn to page 30.

(JPY BN)

Revenue	%YoY	Currency neutral	Segment Profit	%YoY	Currency neutral
249.0 BN	+6.0%	+5.6%	38.5 BN	+7.8%	+7.1%

- Core brands innovation
 - Focused investment in core brands (*Schweppes*, *Lucozade*, and *Oasis*) in key markets
- Promotion of Centers of Excellence
 - Sales expansion and higher profitability by strengthening RGM activities
 - Distribution expansion for on-premise in Spain by strengthening RtM
- Structural Transformation
 - Strengthening of wholesale sales and human resource optimization through reorganization of on-premise in Spain



RGM (Revenue Growth Management): Price, packs, mix management, etc.
RtM (Route to Market): Sales and Distribution strategy

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Moving on to Europe.

We position 2022 as the year to lay the foundation for a highly profitable structure, and will concentrate on our core brands and strengthen RGM activities in major countries.

Our revenue target for the year is 249.0 billion yen, up 5.6% year on year.

- We will drive core brands innovation in pursuit of sales growth.
- Especially, *Schweppes*, *Lucozade*, and *Oasis* are the key focus of our activities.

Our segment profit target for the year is 38.5 billion yen, up 7.1% year on year.

- We will aggressively invest in marketing in line with sales growth.
- We will address the impact of soaring raw material prices by being thorough in our RGM activities.
- Earnest cost management and structural transformation for the on-premise business will also be in place.

Please turn to page 31.

France

- Increase consumer contact points for *Oasis* in earnest
- Boost activities for *Oasis*, *Schweppes*, and *Orangina*

UK

- Focused investment in *Lucozade Energy* and *Lucozade Sport*
- Boost activities for growing energy category

Spain

- Boost activities for on- and off-premise *Schweppes*
- Drive on-premise structural transformation

France:

- In an effort to further promote Oasis, which was renewed last year, we will increase our contact points with consumers by utilizing all types of media including in-store, digital, and TV.
- To maximize both revenue and segment profit, we will strengthen activities for *Schweppes* and *Orangina* as well.

The UK:

- We will capture the growing demand while investing intensively in *Lucozade Energy* and *Lucozade Sport*.
- In order to expand our share in the growing energy category, we will strengthen our marketing activities. In addition, we will nurture *Lucozade Alert*, which made a debut last year.

Spain:

- We will steadily capture the recovery in demand in both on- and off-premise markets by concentrating our activities to *Schweppes*.
- We will also stay focused on implementing structural transformation in the on-premise business, including the renewal of sales force and the utilization of wholesalers to expand distribution.

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(JPY BN)

Revenue

119.0 BN

%YoY

+9.7%

Currency
neutral

+4.9%

Segment
Profit

14.0 BN

%YoY

+5.0%

Currency
neutral

+0.4%

- Further strengthen both carbonated and non-carbonated categories by capturing growing demand
- Accelerate revenue and segment profit growth by further strengthening RGM and the supply chain



RGM (Revenue Growth Management): Price, packs, mix management, etc.

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Lastly, the Americas.

Our targets for the year are 119.0 billion yen in revenue, up 4.9% year on year, and 14.0 billion yen in segment profit, up 0.4% year on year.

- We will further strengthen activities for both carbonated and non-carbonated categories in on- and off-premise markets to expand our market share.
- We will continue our efforts in RGM and build stronger supply chain as well.

That is all from me. Thank you.

SUNTORY

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FY2021 Results vs Revised Forecast (IFRS) (by Segment)

	Revenue			Segment Profit			(JPY BN)
	FY2021 revised forecast (Nov 11, 2021)	FY2021 results	Variance from revised forecast	FY2021 revised forecast (Nov 11, 2021)	FY2021 results	Variance from revised forecast	
Japan	634.0 BN	629.6 BN	-4.4 BN	42.0 BN	40.9 BN	-1.1 BN	
APAC	296.5	295.9	-0.6	39.0	39.7	+0.7	
Organic							+1.6
Europe	230.0	234.9	+4.9	36.0	35.7	-0.3	
Organic							+1.7
Americas	105.5	108.5	+3.0	12.0	13.3	+1.3	
Reconciliation				-12.0	-11.2	+0.8	
Total	1,266.0	1,268.9	+2.9	117.0	118.6	+1.6	
Organic				118.0	123.5	+5.5	

(JPY BN)

	FY2020 Oct-Dec	FY2021 Oct-Dec	Change			
			YoY	Currency Neutral	%YoY	Currency Neutral
Revenue	291.9 BN	327.1 BN	+35.2	+26.4	+12.0%	+8.8%
Operating Income	18.9 BN	18.2 BN	-0.6	-1.5	-3.4%	-7.8%
Operating Income (Organic basis*1)	21.2 BN	22.7 BN	+1.4	+0.6	+6.7%	+2.6%
Net Income*2	4.9 BN	9.3 BN	+4.3	+4.0	+87.4%	+76.4%

*1 Excluding extraordinary factors from "other income" and "other expenses"

*2 Profit for the year attributable to owners of the Company

FY2021 Quarterly Revenue (IFRS)

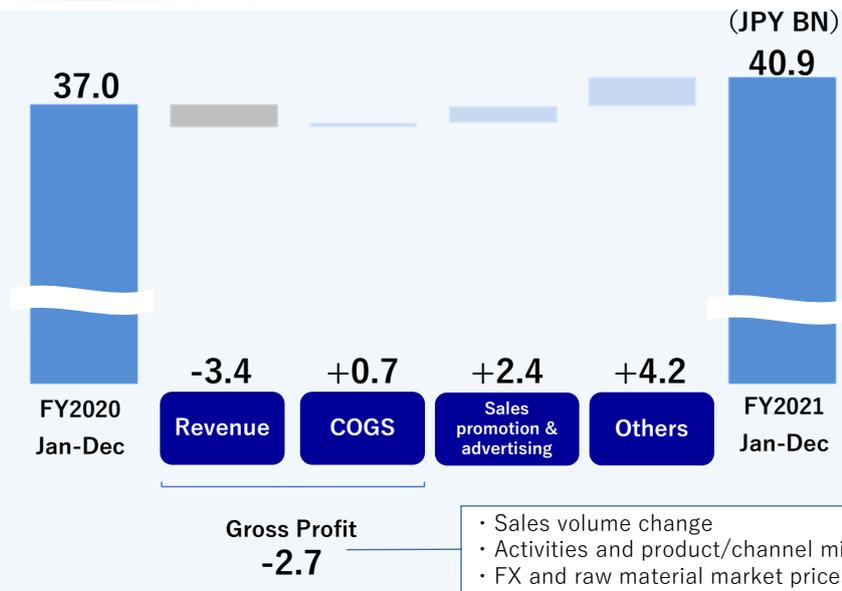
(JPY BN)

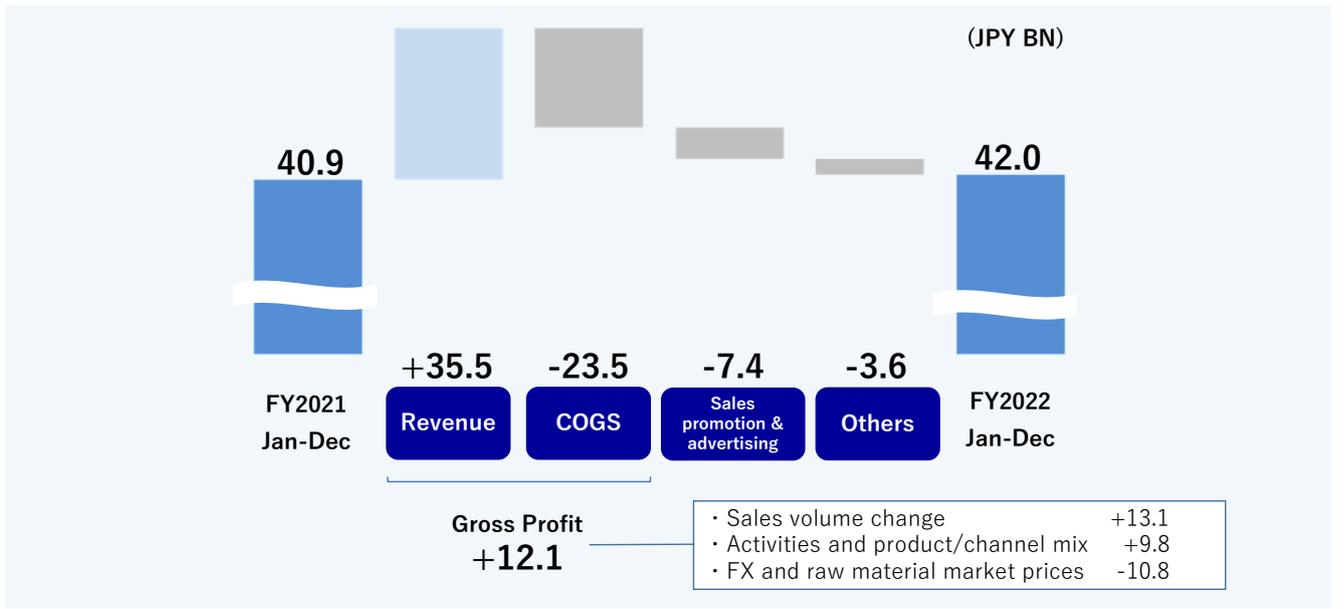
	Q1 (Jan-Mar)	Change				Q2 (Apr-Jun)	Change				Q3 (Jul-Sep)	Change				Q4 (Oct-Dec)	Change			
		YoY	Currency neutral	%YoY	Currency neutral		YoY	Currency neutral	%YoY	Currency neutral		YoY	Currency neutral	%YoY	Currency neutral		YoY	Currency neutral	%YoY	Currency neutral
Japan	134.2	-12.6		-8.6%		163.8	+11.9		+7.8%		176.6	-6.4		-3.5%		155.0	+3.7		+2.4%	
APAC	73.5	+6.0	+4.3	+8.9%	+6.2%	75.2	+15.1	+11.2	+25.1%	+17.5%	66.3	+1.0	-1.2	+1.5%	-1.7%	80.9	+8.8	+4.5	+12.3%	+5.9%
Europe	41.7	-2.3	-5.3	-5.3%	-11.3%	69.4	+25.8	+20.8	+59.1%	+42.8%	66.9	+5.4	+1.3	+8.9%	+2.1%	56.9	+16.0	+13.6	+39.1%	+31.5%
Americas	20.4	+1.4	+1.7	+7.4%	+9.0%	25.6	+6.0	+5.9	+30.7%	+29.7%	28.2	+4.3	+3.5	+17.9%	+14.3%	34.3	+6.6	+4.6	+24.0%	+15.4%
Total	269.8	-7.5	-11.9	-2.7%	-4.2%	334.0	+58.8	+49.8	+21.3%	+17.5%	338.0	+4.3	-2.7	+1.3%	-0.8%	327.1	+35.2	+26.4	+12.0%	+8.8%

FY2021 Quarterly Segment Profit (IFRS)

(JPY BN)

	Q1 (Jan-Mar)				Q2 (Apr-Jun)				Q3 (Jul-Sep)				Q4 (Oct-Dec)							
	YoY	Currency Neutral	%YoY	Currency Neutral	YoY	Currency Neutral	%YoY	Currency Neutral	YoY	Currency Neutral	%YoY	Currency Neutral	YoY	Currency Neutral	%YoY	Currency Neutral				
Japan	4.0	-3.1	-44.0%		13.6	+9.6	+239.9%		18.6	-0.0	-0.1%		4.8	-2.5	-34.2%					
APAC	12.7	+3.5	+3.4	+38.5%	+36.0%	10.9	+3.5	+3.1	+46.6%	+40.2%	7.2	-1.6	-1.8	-18.4%	-20.1%	8.9	+0.0	-0.5	+0.2%	-5.5%
Organic		+3.5	+3.4	+38.4%	+35.9%		+3.5	+3.1	+46.6%	+40.1%		-1.6	-1.8	-18.4%	-20.1%		-0.7	-1.2	-6.8%	-10.8%
Europe	4.0	-0.8	-1.1	-16.2%	-21.6%	14.8	+9.1	+8.4	+157.9%	+131.7%	13.4	-0.4	-1.4	-2.7%	-9.6%	3.5	+0.6	+0.4	+19.1%	+12.1%
Organic		-0.9	-1.3	-18.8%	-24.1%		+9.2	+8.5	+163.4%	+136.5%		-0.4	-1.4	-2.7%	-9.7%		+3.2	+3.0	+95.2%	+83.8%
Americas	2.0	+0.5	+0.6	+36.3%	+38.4%	3.8	+2.3	+2.3	+162.1%	+159.8%	3.5	+0.5	+0.4	+15.9%	+13.3%	4.0	+0.9	+0.7	+28.0%	+19.9%
Reconciliation		-2.9	-0.2	-0.2			-2.5	+0.3	+0.3			-2.8	-0.1	-0.1			-3.0	+0.4	+0.5	
Total	19.8	-0.0	-0.5	-0.2%	-2.3%	40.6	+24.7	+23.8	+155.8%	+141.6%	39.9	-1.7	-3.0	-4.0%	-6.9%	18.2	-0.6	-1.5	-3.4%	-7.8%
Organic		-0.2	-0.5	-1.0%	-2.7%		+24.8	+23.8	+156.3%	+141.0%		-1.5	-2.8	-3.5%	-6.4%		+1.4	+0.6	+6.7%	+2.6%





Sales Volume of Major Brands

Japan

(Million cases)	FY2020		FY2021		FY2022	
	Actual	YoY	Actual	YoY	Forecast	YoY
<i>Suntory Tennensui</i>	112.9	-0%	120.1	6%	126.0	5%
<i>Boss</i>	102.7	-8%	105.9	3%	106.0	0%
<i>Iyemon</i>	55.6	9%	59.0	6%	62.5	6%
<i>Green DAKARA</i>	42.1	-0%	41.9	-1%	46.0	11%
<i>Suntory Oolong Tea</i>	20.3	-19%	18.3	-10%	17.5	-5%
<i>PEPSI</i>	16.9	-16%	20.7	22%	21.5	4%
FOSHU drinks and Foods with Function Claims	22.3	-5%	20.2	-9%	20.5	2%
Total	427.2	-6%	439.5	3%	456.0	4%

* 8oz equivalent for syrup products. On the basis of shipment volume

* 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.

(Reference) YoY changes in sales volume on the basis of actual number of cases
FY2020: -4% FY2021: +3%

Europe

(Million liters)	FY2020		FY2021	
	Actual	YoY	Actual	YoY
<i>Oasis</i> (France)	258	-7%	284	10%
<i>Schweppes</i> (France)	158	-0%	173	9%
<i>Orangina</i> (France)	155	-5%	169	9%
<i>Lucozade</i> (UK, Ireland)	380	-6%	396	4%
<i>Ribena</i> (UK, Ireland)	79	-8%	91	15%
<i>Schweppes</i> (Spain, Portugal)	104	-22%	124	19%

(JPY, average of period)

	FY2020 Result	FY2021 Result	FY2022 Forecast
U.S. dollar	106.8	109.9	115.0
Euro	121.9	129.9	130.0
Sterling	137.0	151.2	154.0
Singapore dollar	77.4	81.8	84.0
Thai baht	3.4	3.4	3.4
Vietnam dong	0.0046	0.0048	0.0050
New Zealand dollar	69.4	77.7	78.0
Australian dollar	73.7	82.5	82.0

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