[Translation]

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Notice of Convocation of the 16th Ordinary General Meeting of Shareholders

Suntory Beverage & Food Limited

Our Purpose

To inspire the brilliance of life,
by creating rich experiences for people, in harmony with nature.

Our Values

Growing for Good / “Yatte Minahare” / Giving Back to Society

Who We Are

Always Together with Seikatsusha

We connect with your feelings to enrich every moment of life

[Translation]

To: Our Shareholders

"Aiming to Achieve High-quality Growth as a True Global Beverage Company"

In 2024, we once again encountered a year epitomized by a challenging business environment amid factors that included surging raw material prices and unstable weather conditions, yet we achieved record-high revenue as a result of having explored customer needs and having continued the thoroughly implemented activities for core brands. We also set new record highs with respect to operating income and our stock price through price revisions undertaken in Japan and internationally as well as implementation of cost management practices and other such revenue growth management (RGM) practices.
In 2025, we will engage in various initiatives to achieve objectives of our medium-term plan, while contending with the likelihood of escalating costs due to factors such as persisting worldwide uncertainties and surging coffee prices, as well as a challenging competitive landscape. For instance, we will leverage the Group synergies in taking on new challenges with respect to worldwide development of core brands such as those associated with coffee and energy drinks while also embarking on manufacture and sales of alcoholic beverages in Oceania.

In seeking to attain further business growth, we will embrace various forms of diversity and accelerate our global DEI initiatives, while also redoubling our efforts in regard to our sustainability initiatives toward achieving our targets toward 2030, with water, greenhouse gases, and plastics positioned as key priorities.

We sincerely ask for the continued warm support of our shareholders.

Sincerely yours,

Makiko Ono
Representative Director, President & Chief Executive Officer
Suntory Beverage & Food Limited

[Translation]

Date issued: March 4, 2025
Start date of measures for electronic provision: February 26, 2025

To: Our Shareholders

Notice of Convocation of the 16th Ordinary General Meeting of Shareholders

You are hereby notified that the 16th Ordinary General Meeting of Shareholders (the "Meeting") of Suntory Beverage & Food Limited (the "Company") will be held as described below. Your attendance would be much appreciated.

When convening the Meeting, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company's website. Please access the Company's website by using the Internet address shown below to review the information.

The Company's website
https://www.suntory.com/softdrink/ir/stock_meeting/

In addition to posting items subject to measures for electronic provision on the website above, the Company also posts this information on the website of the Tokyo Stock Exchange (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the Internet address shown below, enter the issue name (company name) or securities code, and click "Search," and then click "Basic information" and select "Documents for public inspection/PR information."

TSE website
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

In consideration of the convenience of shareholders, paper-based documents stating particularly important items among the items subject to measures for electronic provision are delivered to all shareholders. (In addition, the paper-based documents stating all other items subject to measures for electronic provision excluding certain items are to be delivered to shareholders who have made a request for delivery of such documents.)

If you are unable to attend the Meeting, you may exercise your voting rights via the Internet, etc. or by mail. We kindly request that you exercise your voting rights no later than 5:30 p.m. on Tuesday, March 25, 2025 (JST).

Additionally, the Meeting can be viewed via a live stream. Please be aware that you will not be able to exercise your voting rights or ask questions during the live streaming session. We appreciate your understanding in that regard.

Exercising voting rights by the Internet, etc.
Please refer to page 7.

Exercising voting rights by mail
Please refer to page 8.

1. Date and Time: March 26, 2025 (Wednesday) at 10:00 a.m. (JST)
(Reception desk opens at 9:15 a.m.)

2. Place: Main Hall, Suntory Hall
13-1, Akasaka 1-chome, Minato-ku, Tokyo

3. Purpose:

Items to be reported:

1. Business Report and the Consolidated Financial Statements for the 16th business term (from January 1, 2024 to December 31, 2024), the audit reports on the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 16th business term (from January 1, 2024 to December 31, 2024)

Items to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Election of Five (5) Directors (excluding Directors Serving on the Audit and Supervisory Committee)
Proposal 3: Election of Tow (2) Directors Serving on the Audit and Supervisory Committee
Proposal 4: Election of One (1) Substitute Director Serving on the Audit and Supervisory Committee

Sincerely yours,

Makiko Ono
Representative Director, President & Chief Executive Officer

Suntory Beverage & Food Limited
1-1, Shibaura 3-chome, Minato-ku, Tokyo

For shareholders attending the Meeting in person:

- Please present the voting form sent out with this convocation notice to the reception desk.
- Please note that persons other than shareholders who can exercise voting rights, such as proxies who are not shareholders or accompanying persons, shall not be permitted entry even if they hold the enclosed voting form.

Regarding items subject to measures for electronic provision:

- Among the items subject to measures for electronic provision, in accordance with the provisions of relevant laws and regulations and the Company's Articles of

Incorporation, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. Documents subject to audit, including the items stated below, have been audited by the Audit and Supervisory Committee and the Accounting Auditor.

- System to Ensure the Appropriateness of the Business and the Operational Status of the System (Business Report)
- Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements (Consolidated Financial Statements)
- Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements (Non-consolidated Financial Statements)

- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's website and the TSE website.

Exercising voting rights when not attending the General Meeting of Shareholders

Exercising voting rights by the Internet, etc.

Votes to be transmitted by: March 25, 2025 (Tuesday) at 5:30 p.m.

(i) By scanning QR code (Smart Voting)

You can exercise your voting rights without entering your voting right exercise code and password.

1. Scan the QR code indicated at the lower right of the voting form.

   ("QR code" is a registered trademark of DENSO WAVE INCORPORATED.)

2. Follow the subsequent input instructions on the screen to register your approval or disapproval.

Please note that exercising voting rights by using "Smart Vote" method is available only once.

If you need to change your votes after exercising your voting rights, please exercise your voting rights again in accordance with (ii) below.

If you rescan the QR code, you will be taken to the voting rights exercise website described in (ii) below.

(ii) By entering your voting right exercise code and password

You can exercise your voting rights by accessing the voting rights exercise website and entering your voting right exercise code and password.

Voting rights exercise website (https://www.web54.net (in Japanese only))

If you have any technical inquiries regarding the operation of a PC, smartphone and mobile phone for exercising voting rights on the voting rights exercise website, please contact the following:

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Web Support Phone No.
Toll-free (within Japan): 0120-652-031 (9:00 a.m. to 9:00 p.m.) (JST)

For institutional investors

Institutional investors may use the electronic voting rights exercise platform operated by ICJ, Inc. to exercise the voting rights by electronic or magnetic means for the Meeting.

Exercising voting rights by mail

Please indicate "For" or "Against" with respect to each proposal on the voting form sent out with this convocation notice and post it without affixing a postage stamp. Please note that if you indicate neither your "For" nor "Against" with respect to each proposal on the voting form, your answer will be deemed to be "For."

Votes to be received by: March 25, 2025 (Tuesday) at 5:30 p.m.

- If you exercise your voting rights both via the Internet, etc. and by mail, the vote exercised via the Internet, etc. will be taken as valid. If you exercise your voting rights more than once, only the final vote will be taken as valid.

To shareholders with physical disabilities and other impairments

We have arranged for the following accommodations at the venue and accordingly ask that shareholders requiring assistance inform our staff members without hesitation of such needs.

- Wheelchair-accessible seating
- Loaner wheelchairs
- Sets of tools for written communication

・ Subtitles are provided with explanatory video, and sign language interpretation is available. We ask that shareholders requiring such services inform reception staff.
・ Individuals accompanying shareholders with physical disabilities and guide dogs may attend the Meeting.
・ Designated routes for wheelchair access to the Meeting venue are provided via the link below.
https://www.suntory.com/culture-sports/suntoryhall/map/wheelchair.html

<Information on the mini-concert to be held>

Following the Meeting, Thaleia Quartet will perform a 15-minute mini-concert at the venue. Please take this opportunity to visit Suntory Hall.

* The mini-concert will also be broadcast live to shareholders. Please refer to page 10 for details on how to watch the Meeting.
* Any changes in the content of the concert or any other matters that shareholders need to be aware of will be posted on the Company's website.
https://www.suntory.com/softdrink/ir/stock_meeting/

<Profile>
Thaleia Quartet string quartet
Kako Yamada (first violin), Hiromi Futamura (second violin), Sakuya Watabe (viola), Miu Ishizaki (cello)
Thaleia Quartet was formed by students of Tokyo University of the Arts in 2014. Its accomplishments include 3rd prize at the Salzburg-Mozart International Chamber Music Competition 2015, semifinalist at the Osaka International Chamber Music Competition 2023, and the Bordeaux String Quartet Festival Prize. The quartet was a member of the fifth Fellowship (participant) of the Suntory Hall Chamber Music Academy. It has performed on the NHK music program Classical TV and other such broadcasts. It also performed with Mr. Tsuyoshi Tsutsumi at the Toyama Chamber Music Festival. The quartet studied under Ms. Nobuko Yamazaki and Mr. Kazuhide Isomura.

Information on submission of questions in advance and live streaming for shareholders

Questions regarding matters covered in the Meeting will be accepted in advance. Moreover, proceedings of the Meeting will be streamed live.

Questions in advance

1. Questions to be submitted by: March 19, 2025 (Wednesday) at 5:30 p.m.
2. How to ask questions:
   (1) Please access the following website.

   Website
   https://2587.ksoukai.jp (in Japanese only)
   (2) After accessing the website, enter your ID and password following the on-screen instructions.
   (i) ID Shareholder number (9-digit numeric code printed on the voting form)
   (ii) Password Postal code (7-digit numeric postal code of the shareholder's registered address, no hyphen)
   (3) Click the "Ask Questions in Advance" button.
   (4) Following the on-screen instructions, select a question category then enter your question and click the "Submit" button.
   * Of the questions received in advance, the Company will answer questions at the Meeting that seem to be of particular interest to shareholders.

Live stream

1. Streaming date and time: March 26, 2025 (Wednesday) from 10:00 a.m. to the end of the mini-concert
   * You may view proceedings of the Meeting beginning at 9:15 a.m. on March 26, 2025 (Wednesday).
2. How to watch:
   (1) Log in to the website after having read the aforementioned instructions under "How to ask questions."
   (2) Follow the on-screen instructions after logging in to watch proceedings of the Meeting.

Inquiries regarding live streaming
Phone No.: 03-4335-8058
Time: March 26, 2025 (Wednesday) from 9:00 a.m. to the end of the mini-concert

Notes on viewing live stream

1. You will not be able to exercise your voting rights or ask questions during the live streaming session.
2. Access to the website may not be possible using certain devices and network configurations. Access to the website may not be possible due to system malfunction, or other such unforeseen circumstances. Notification regarding matters arising that shareholders need to be aware of will be posted to the Company's website
   (URL: https://www.suntory.com/softdrink/ir/stock_meeting/).

3. Any fees to internet service providers and telecommunication carriers (such as access fees, etc.) shall be borne by the shareholders.
4. Only those shareholders listed in the Company's shareholder registry as of December 31, 2024 may access the website. Please refrain from recording video and audio of the live streaming session, providing or otherwise disclosing such content to third parties, and instructing third parties on how to view the proceedings.

*Streaming will be in Japanese only.

Reference Document for the General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Appropriation of Surplus

Considering the business performance and business environment, we propose to pay a year-end dividend for the current business term of ¥65 per share of common stock of the Company in accordance with our dividend policy.
Accordingly, including the interim dividend of ¥55 already paid, the annual dividend for the current business term will be ¥120 per share. The details are as follows.

(i) Type of dividend property: Cash
(ii) Matters concerning the allotment of dividend property to shareholders and the total amount of the allotment:
¥65 per share of common stock of the Company
Total cash dividends of ¥20,084,982,320
(iii) Date on which the dividend of surplus will become effective:
March 27, 2025

(Reference)

Dividend Policy of the Company

The Company believes its prioritization of strategic investments as well as capital expenditures for sustainable profit growth and improving corporate value will benefit its shareholders. In addition, the Company views an appropriate shareholder return as one of its core management principles. While giving due consideration to providing a stable return and maintaining robust internal reserves for the future, the Company intends to pursue a comprehensive shareholder return policy that also takes into account its business results and future funding needs.
Specifically, the Company aims to stably increase dividends on the basis of profit growth with a targeted consolidated payout ratio of 40% or more of profit for the year attributable to owners of the Company.

Transition of annual dividend and payout ratio (consolidated)

Category	The Fiscal Year 2019	The Fiscal Year 2020	The Fiscal Year 2021	The Fiscal Year 2022	The Fiscal Year 2023	The Fiscal Year 2024
Annual dividend (yen)	78	78	78	80	80	120
Payout ratio (%)	35.0	46.2	35.1	30.0	29.9	39.7

Proposal 2: Election of Five (5) Directors (excluding Directors Serving on the Audit and Supervisory Committee)

At the close of the Meeting, the term of office of all six (6) Directors (excluding Directors serving on the Audit and Supervisory Committee; the same applies hereafter in this proposal) will expire. Accordingly, we request the election of five (5) Directors, reducing the number of Directors by one (1), in order to further enhance agility of the Board of Directors.

Also, in regard to this proposal, the Audit and Supervisory Committee has judged the candidates to be reasonable nominations for the position of Director of the Company.

The candidates for Directors to be elected are as follows:

No.	Name		Current positions, etc. in the Company or other companies	Board of Directors Meeting Attendance
1	Reelection	Makiko Ono	Representative Director, President & Chief Executive Officer Overall Group Management	13/13
2	Reelection	Hachiro Naiki	Director, Senior Managing Executive Officer President & Chief Executive Officer of SBF Japan, Division COO, Innovation Development Division of SBF Japan	13/13
3	Reelection	Peter Harding	Director Chief Executive Officer of SBF International	13/13
4	New election	Toru Miyanaga	Managing Executive Officer of Suntory Holdings Limited	–
5	Reelection Outside Director Independent Officer	Maki Nakamura	Outside Director Representative Director and President of Mamma Co., Ltd. Director and CHRO of SATUDORA HOLDINGS CO., LTD.	9/10

Notes:
1. There is no special interest between the Company and each candidate.
2. The Company has entered into a directors and officers liability insurance policy contract with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act of Japan, with all of its Directors included in the policy as insured persons. The overview of the details of this insurance policy is presented under “Names, etc. of Directors” in “Status of Directors” in the Business Report. If a respective candidate assumes office as a Director, he or she will be included as an insured party under the insurance policy. The Company intends to renew the insurance policy with no change to its content during the terms of office.
3. In addition to the number of attendances at meetings of the Board of Directors presented above, in accordance with the provisions of Article 370 of the Companies Act of Japan, and of Article 27 of the Company’s Articles of Incorporation, there were five (5) written resolutions where it was deemed that a resolution of the Board of Directors had been made.

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
Candidate 1 Reelection Makiko Ono (March 16, 1960)	Joined Suntory Limited in April 1982. Assumed the office of Senior General Manager, International Liquor Division of Suntory Liquors Limited (Present: Suntory Spirits Limited) in April 2009. Assumed the office of Executive Officer of such company in April 2010. Assumed the office of Deputy Chief Operating Officer, International Liquor Division of such company in April 2010. Assumed the office of Senior General Manager, London Branch of Suntory Holdings Limited in January 2011. Assumed the office of Executive Officer of Suntory Beverage & Food Limited in April 2013. Assumed the office of Deputy Chief Operating Officer, International Division of such company in April 2013. Assumed the office of Senior General Manager, Corporate Planning Department and Senior General Manager, Corporate Development Department of such company in April 2014. Assumed the office of Senior General Manager, Global Human Resources Department of Suntory Holdings Limited in September 2015. Assumed the office of Executive Officer of such company in April 2016. Assumed the office of Chief Operating Officer, Human Resources Development Division and Senior General Manager, Global Human Resources Department of such company in April 2016. Assumed the office of Managing Executive Officer of Suntory Beverage & Food Limited in April 2017. Assumed the office of Deputy Chief Operating Officer, Business Administration Division and Senior General Manager, Global Corporate Communication Department of such company in April 2017. Assumed the office of Deputy Chief Operating Officer, Corporate Management Division and Senior General Manager, Global Human Resources Department and in charge of Legal & Risk Management Department of such company in April 2019. Assumed the office of Chief Executive Officer of Orangina Suntory France (Present: Suntory Beverage & Food France) in January 2020. Assumed the office of Managing Executive Officer of Suntory Holdings Limited in January 2022. Assumed the office of Chief Operating Officer, Sustainability Management Division of such company in January 2022. Assumed the office of Senior Managing Executive Officer of Suntory Beverage & Food Limited in January 2023. Has occupied the office of Representative Director, President & Chief Executive Officer of such company from March 2023 to date (incumbent).	2,100

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
	<Responsibilities> Overall Group Management <Important Concurrent Positions> Director of Orangina Schweppes Holding B.V. Director of Pepsi Bottling Ventures LLC <Reason for the Selection> Ms. Ono has borne management responsibility of the Group in her role as Representative Director, President & Chief Executive Officer of the Company. In consideration not only of her track record in directing the entire Group through her strong leadership but also of her experience in leading departments including overseas business, corporate planning, marketing, human resources, and sustainability, her abundant business experience, including overseas management experience, and her keen insight into all areas of management, we judge her well qualified for the role of Director. <Board of Directors Meeting Attendance> 13/13 <Term of Office as Director> Two years (as of the closing of the Meeting)	

Note: The positions and responsibilities held at the parent company, etc. at present and in the last ten years by Ms. Makiko Ono are as listed in the "Career Summary, Positions and Responsibilities and Important Concurrent Positions" column above.

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
Candidate 2 Reelection Hachiro Naiki (April 18, 1960)	Joined Suntory Foods Limited in April 1979. Assumed the office of Senior General Manager, Nationwide Chainstores Sales Department of such company in April 2010. Assumed the office of Executive Officer of such company in September 2010. Assumed the office of Director of such company in March 2011. Assumed the office of Senior General Manager, Metropolitan Marketing Office of such company in April 2012. Assumed the office of Senior Managing Director of such company in September 2015. Assumed the office of Chief Operating Officer, Overall Sales & Marketing Division of such company in September 2015. Assumed the office of Director of Suntory Beverage & Food Limited in March 2016. Assumed the office of Representative Director, President & Chief Executive Officer of Suntory Foods Limited in March 2016. Assumed the office of Managing Executive Officer of Suntory Beverage & Food Limited in April 2017. Assumed the office of Representative Director, President & Chief Executive Officer of Suntory Foods Limited and Representative Director, President & Chief Executive Officer of Suntory Beverage Solution Limited in March 2019. Assumed the office of Senior Managing Executive Officer of Suntory Beverage & Food Limited in January 2020. Assumed the office of Chief Executive Officer, SBF Japan of such company in January 2023. Has occupied the office of Director, Senior Managing Executive Officer of such company from March 2023 to date (incumbent). Has occupied the office of President & Chief Executive Officer, SBF Japan and Division COO, Innovation Development Division, SBF Japan of such company from September 2023 to date (incumbent).	600

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
	<Responsibilities> President & Chief Executive Officer of SBF Japan Division COO, Innovation Development Division of SBF Japan <Important Concurrent Positions> Director, Chairman of the Board & Chief Executive Officer of Suntory Foods Limited Director of Suntory Beverage Solution Limited Director of Suntory Products Limited <Reason for the Selection> In consideration of Mr. Naiki's track record in driving business forward with strong leadership as Chief Executive Officer of the Group's Japan business, his experience in the sales division for many years, and his keen insight into all areas of management, we judge him well qualified for the role of Director. <Board of Directors Meeting Attendance> 13/13 <Term of Office as Director> Two years (as of the closing of the Meeting)	

Note: The positions and responsibilities held at the parent company, etc. at present and in the last ten years by Mr. Hachiro Naiki are as listed in the "Career Summary, Positions and Responsibilities and Important Concurrent Positions" column above.

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
Candidate 3 Reelection Peter Harding (Peter John Harding) (April 24, 1964)	Assumed the office of General Manager, SVP Consumer Healthcare GB&Ireland of GlaxoSmithKline plc in October 2009. Assumed the office of Chief Operating Officer of Lucozade Ribena Suntory Limited in January 2014. Assumed the office of Chief Executive Officer of Suntory Beverage & Food Europe in August 2018. Has occupied the office of Director of Suntory Beverage & Food Limited from March 2021 to date (incumbent). Assumed the office of Chief Executive Officer, SBF Europe of such company in January 2022. Has occupied the office of Chief Executive Officer, SBF International of such company from January 2024 to date (incumbent). <Responsibilities> Chief Executive Officer of SBF International <Important Concurrent Positions> Director of Suntory Beverage & Food Asia Pte. Ltd. Director of Suntory PepsiCo Beverage (Thailand) Co., Ltd. Director of SUNTORY BEVERAGE & FOOD NEW ZEALAND LIMITED Director of SUNTORY BEVERAGE & FOOD AUSTRALIA PTY LTD Director of Orangina Schweppes Holding B.V. Director of Lucozade Ribena Suntory Limited Director of Pepsi Bottling Ventures LLC <Reason for the Selection> In consideration of Mr. Harding's track record in driving business forward with strong leadership as Chief Executive Officer of the Group's overseas business, his wide-ranging experience notably in the marketing division in the European region, his extensive management experience as Chief Executive Officer of the Europe business, and his keen insight into all areas of management, we judge him well qualified for the role of Director. <Board of Directors Meeting Attendance> 13/13 <Term of Office as Director> Four years (as of the closing of the Meeting)	–

Note: The positions and responsibilities held at the parent company, etc. at present and in the last ten years by Mr. Peter Harding are as listed in the "Career Summary, Positions and Responsibilities and Important Concurrent Positions" column above.

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
Candidate 4 New election Toru Miyanaga (June 8, 1966)	Joined Suntory Limited in April 1989. Assumed the office of Vice President, Finance, Tax and Treasury of Beam Suntory Inc. (Present: Suntory Global Spirits Inc.) in April 2015. Assumed the office of Senior General Manager, Global Business Development Department of Suntory Holdings Limited in April 2018. Assumed the office of Senior General Manager, Group Strategy Planning Department and Senior General Manager, Global Business Development Department of such company in April 2019. Assumed the office of Senior General Manager, Global Business Development Department of such company in September 2019. Assumed the office of Executive Officer of such company in January 2020. Assumed the office of Senior General Manager, Global Business Development Department of such company and Director of Beam Suntory Inc. in January 2020. Assumed the office of Senior Vice President, Advisor to Chief Executive Officer of Beam Suntory Inc. and Director of Suntory Spirits Limited in January 2021. Assumed the office of Senior Vice President, Advisor to Chief Executive Officer of Beam Suntory Inc. and Director, Managing Executive Officer of Suntory Spirits Limited in January 2022. Has occupied the office of Managing Executive Officer of Suntory Holdings Limited from January 2023 to date (incumbent). Assumed the office of Chief Operating Officer, Corporate Planning Division and in charge of Corporate Management & Finance Division of such company in January 2023. Assumed the office of Division COO, Corporate Planning Division, Corporate Planning & Administration Division / Intelligence Division of such company in January 2024. Has occupied the office of Director of Beam Suntory Inc. from January 2024 to date (incumbent). Has occupied the office of Division COO, Corporate Planning Division of Suntory Holdings Limited from January 2025 to date (incumbent).	–

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
	<Important Concurrent Positions> Managing Executive Officer of Suntory Holdings Limited <Reason for the Selection> In consideration of Mr. Miyanaga's extensive experience in finance and accounting divisions and management experience overseas in the Suntory Group's beverage and alcoholic beverage businesses, and his keen insight into all areas of management in leading the corporate planning division, we judge him well qualified for the role of Director so that he may contribute to further strengthening the functioning of the Board of Directors.	

Notes: 1. The positions and responsibilities held at the parent company, etc. at present and in the last ten years by Mr. Toru Miyanaga are as listed in the "Career Summary, Positions and Responsibilities and Important Concurrent Positions" column above.

2. If Mr. Miyanaga assumes office as a Director, the Company will conclude a limited liability agreement with him pursuant to Article 427, paragraph (1) of the Companies Act of Japan. Based on this agreement, Mr. Miyanaga's liability as a Director is limited to the minimum liability amount stipulated by Article 425, paragraph (1) of the Companies Act of Japan.

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
Candidate 5 Reelection Outside Director Independent Officer Maki Nakamura (July 21, 1964)	Joined Seiyu Co., Ltd. in March 1987. Assumed the office of Divisional Manager, Product Department Textile Department of Carrefour Japan in April 2000. Assumed the office of Manager, Residential Products Department of Seiyu Co., Ltd. in July 2002. Assumed the office of Senior Director, Merchandise Department Reform of such company in January 2003. Assumed the office of Director, Merchandise Department Residential Equipment I Department Daily Necessities Department of such company in October 2004. Assumed the office of Senior Director, Consumables and Home Appliances of such company in January 2006. Assumed the office of VP/GMM (General Merchandising Manager), Consumables and Home Appliances of such company in January 2007. Assumed the office of VP/GMM (General Merchandising Manager), Grocery Consumables of such company in March 2008. Assumed the office of Executive Officer SVP/Food Manager of such company in January 2009. Assumed the office of Executive Officer SVP/Chief Merchandise Officer (CMO) of Seiyu LLC (Present: Seiyu Co., Ltd.) in November 2009. Assumed the office of Executive Officer SVP of such company and Representative Director and President of Wakana Co., Ltd. in August 2012. Assumed the office of President of HAVI Supply Chain Solutions Japan G.K. in August 2017. Has occupied the office of Representative Director and President of Mamma Co., Ltd. from September 2020 to date (incumbent). Assumed the office of Outside Director of SATUDORA HOLDINGS CO., LTD. in August 2021. Has occupied the office of Director and CHRO of such company from August 2023 to date (incumbent). Has occupied the office of Outside Director of Suntory Beverage & Food Limited from March 2024 to date (incumbent).	–

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
	<Responsibilities> – <Important Concurrent Positions> Representative Director and President of Mamma Co., Ltd. Director and CHRO of SATUDORA HOLDINGS CO., LTD. <Reason for the Selection and Expected Role> Ms. Nakamura has extensive experience as a corporate executive in the retail industry and other sectors, and keen insight in the field of human resource development. In consideration of this, and her record of appropriate advice and proposals on important management decisions of the Company in her role as an Outside Director to date, we judge her well qualified for the role of Outside Director. We expect that she will continue to utilize her experience and insight as a corporate executive, give strategic advice and demonstrate supervisory functions at the Board of Directors, and fulfill her role as a member of the Human Resources Committee and the Special Committee from an independent and objective standpoint. <Board of Directors Meeting Attendance> 9/10 * This is her attendance at Board of Directors meetings since assuming her post on March 27, 2024. <Term of Office as Director> One year (as of the closing of the Meeting)	

Notes:
1. Ms. Maki Nakamura is a candidate for Outside Director.
2. The Company has concluded a limited liability agreement with Ms. Nakamura, pursuant to Article 427, paragraph (1) of the Companies Act of Japan. Based on this agreement, Ms. Nakamura's liability as a Director is limited to the minimum liability amount stipulated by Article 425, paragraph (1) of the Companies Act of Japan. The Company plans to continue this agreement with Ms. Nakamura if she is reelected at the Meeting.
3. The Company designated Ms. Nakamura as an Independent Officer and reported this designation to the Tokyo Stock Exchange. Ms. Nakamura currently serves as Representative Director and President of Mamma Co., Ltd. However, the Group does not conduct any transactions with the aforesaid company. Although there are transactions for vending machine installation, etc. between the Group and SATUDORA HOLDINGS CO., LTD., where Ms. Nakamura serves as Director and CHRO, and beverage-related transactions between the Group and Seiyu LLC (Present: Seiyu Co., Ltd.), where Ms. Nakamura belonged up to the end of July 2017, in both cases the monetary amount of these transactions is less than 1% of consolidated revenues on either side, and the Company believes that this has no material effect on Ms. Nakamura's independence.

Proposal 3: Election of Two (2) Directors Serving on the Audit and Supervisory Committee

At the close of the Meeting, the term of office of Directors serving on the Audit and Supervisory Committee, Mses. Mika Masuyama and Mariko Mimura will expire. Accordingly, we request the election of two (2) Directors serving on the Audit and Supervisory Committee.
The Audit and Supervisory Committee has already given their consent to this proposal. This proposal has been considered by the Directors serving on the Audit and Supervisory Committee, but they have expressed no opinion.

The candidates for Directors serving on the Audit and Supervisory Committee to be elected are as follows:

Name		Current positions, etc. in the Company or other companies	Board of Directors Meeting Attendance	Audit and Supervisory Committee Meeting Attendance
Reelection Outside Director Independent Officer	Mika Masuyama	Outside Director serving on the Audit and Supervisory Committee President and Representative Partner of Masuyama & Company LLC.	13/13	13/13
Reelection Outside Director Independent Officer	Mariko Mimura	Outside Director serving on the Audit and Supervisory Committee Attorney of Nishimura & Asahi (Gaikokuho Kyodo Jigyo) (Of Counsel)	13/13	13/13

Notes:
1. There is no special interest between the Company and each candidate.
2. The Company has concluded limited liability agreements with Mses. Mika Masuyama and Mariko Mimura, pursuant to Article 427, paragraph (1) of the Companies Act of Japan. Based on these agreements, Mses. Masuyama and Mimura's liability as Directors is limited to the minimum liability amount stipulated by Article 425, paragraph (1) of the Companies Act of Japan. The Company plans to continue these agreements with Mses. Masuyama and Mimura if they are reelected at the Meeting.
3. The Company has entered into a directors and officers liability insurance policy contract with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act of Japan, with all of its Directors serving on the Audit and Supervisory Committee included in the policy as insured persons. The overview of the details of this insurance policy is presented under "Names, etc. of Directors" in "Status of Directors" in the Business Report. If a respective candidate assumes office as a Director serving on the Audit and Supervisory Committee, he or she will be included as an insured party under the insurance policy. The Company intends to renew the insurance policy with no change to its content during the terms of office.
4. In addition to the number of attendances at meetings of the Board of Directors presented above, in accordance with the provisions of Article 370 of the Companies Act, and of Article 27 of the Company's Articles of Incorporation, there were five (5) written resolutions where it was deemed that a resolution of the Board of Directors had been made.

(Reference) Directors serving on the Audit and Supervisory Committee who will remain in office

Name	Current positions, etc. in the Company or other companies	Board of Directors Meeting Attendance	Audit and Supervisory Committee Meeting Attendance
Hideki Kanda	Full-time Audit and Supervisory Committee Member	10/10	10/10

Note: Figures for attendance of Mr. Hideki Kanda at Board of Directors and Audit and Supervisory Committee meetings constitute his attendance at Board of Directors and Audit and Supervisory Committee meetings since assuming his post on March 27, 2024.

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
Candidate 1 Reelection Outside Director Independent Officer Mika Masuyama (January 6, 1963)	Joined the Bank of Japan in April 1985. Assumed the office of International Marketing Director of Cap Gemini Sogeti in September 1991. Assumed the office of Senior Consultant of Gemini Consulting Japan in November 1992. Joined Egon Zehnder in June 1997. Assumed the office of Partner of such company in January 2004. Has occupied the office of President and Representative Partner of Masuyama & Company LLC. from October 2016 to date (incumbent). Has occupied the office of Outside Director serving on the Audit and Supervisory Committee of Suntory Beverage & Food Limited from March 2017 to date (incumbent). Assumed the office of Visiting Professor of Ritsumeikan University Graduate School of Management in April 2017. Has occupied the office of Outside Director of KOKUYO CO., LTD. from March 2019 to date (incumbent). Has occupied the office of External Director of Konoike Transport Co., Ltd. from June 2019 to date (incumbent). Has occupied the office of Visiting Professor of Ritsumeikan University Graduate School of Management from April 2021 to date (incumbent). Has occupied the office of Outside Director of Ushio Inc. from June 2024 to date (incumbent). <Important Concurrent Positions> President and Representative Partner of Masuyama & Company LLC. Outside Director of KOKUYO CO., LTD. External Director of Konoike Transport Co., Ltd. Outside Director of Ushio Inc. <Reason for the Selection and Expected Role> Ms. Masuyama has a wealth of consulting experience and keen insight in fields such as corporate governance, human resources and organizations, and M&A as well as global business knowledge in the areas of management and economy. In her role as a Director serving on the Audit and Supervisory Committee, she has used her specialist perspective to audit the execution of business at the Company. In consideration of this, and her record of appropriate advice and proposals on important management decisions of the Company, we judge her well qualified for the role of Outside Director serving on the Audit and Supervisory Committee. We expect that she will continue to utilize her experience and insight in fields such as corporate governance and human resource development, give strategic advice and demonstrate supervisory functions at the Board of Directors, and fulfill her role as a member of the Human Resources Committee and the Special Committee from an independent and objective standpoint. <Board of Directors Meeting Attendance> 13/13 <Audit and Supervisory Committee Meeting Attendance> 13/13 <Term of Office as Director Serving on the Audit and Supervisory Committee> Eight years (as of the closing of the Meeting)	–

Notes:
1. Ms. Mika Masuyama is a candidate for Outside Director.
2. The Company designated Ms. Masuyama as an Independent Officer and reported this designation to the Tokyo Stock Exchange. Ms. Masuyama serves as President and Representative Partner of Masuyama & Company LLC. However, the Group does not conduct any transactions with the aforesaid company.
3. Ms. Mika Masuyama occupies the office of External Director of Konoike Transport Co., Ltd., which announced on February 9, 2024, that it had confirmed instances of its employees engaging in fictitious invoicing, embezzlement, and other such misconduct in collusion with its business partners. Ms. Masuyama has consistently furnished proposals and other such input from a compliance perspective during meetings of the Board of Directors, etc., and has accordingly continued to appropriately fulfill her professional duties in part by offering specific proposals and expressing her opinions on measures to prevent recurrence during meetings of the Board of Directors, etc. after the incidents of misconduct came to light.

Name (Date of Birth)	Career Summary, Positions and Responsibilities and Important Concurrent Positions	Number of Company's Shares Held (shares)
Candidate 2 Reelection Outside Director Independent Officer Mariko Mimura (March 22, 1957)	Registered as Attorney in April 1992. Joined Braun, Moriya, Hoashi & Kubota Law Office in April 1992. Joined Takaishi Law Office in September 1993. Joined Nishimura & Sanada (Present: Nishimura & Asahi (Gaikokuho Kyodo Jigyo)) in April 1995. Joined GE Yokogawa Medical Systems, Ltd. (Present: GE Healthcare Japan Corporation) in January 2005. Assumed the office of Executive Officer of such company in June 2006. Assumed the office of Director of Novartis Holding Japan K.K. in January 2010. Assumed the office of Director of GlaxoSmithKline K.K. in July 2015. Has occupied the office of Board Director (outside) of TOMY COMPANY, LTD. from June 2018 to date (incumbent). Joined Nishimura & Asahi (Present: Nishimura & Asahi (Gaikokuho Kyodo Jigyo)) in August 2018 (incumbent). Has occupied the office of Outside Director serving on the Audit and Supervisory Committee of Suntory Beverage & Food Limited from March 2023 to date (incumbent). <Important Concurrent Positions> Attorney of Nishimura & Asahi (Gaikokuho Kyodo Jigyo) (Of Counsel) Board Director (outside) of TOMY COMPANY, LTD. <Reason for the Selection and Expected Role> Ms. Mimura has experience as an attorney and keen insight derived from her abundant business experience. In her role as a Director serving on the Audit and Supervisory Committee, she has used her specialist perspective to audit the execution of business at the Company. In consideration of this, and her record of appropriate advice and proposals on important management decisions of the Company, we judge her well qualified for the role of Outside Director serving on the Audit and Supervisory Committee. We expect that she will continue to utilize her experience and insight as an attorney, give strategic advice and demonstrate supervisory functions at the Board of Directors, and fulfill her role as a member of the Human Resources Committee and the Special Committee from an independent and objective standpoint. <Board of Directors Meeting Attendance> 13/13 <Audit and Supervisory Committee Meeting Attendance> 13/13 <Term of Office as Director Serving on the Audit and Supervisory Committee> Two years (as of the closing of the Meeting)	–

Notes: 1. Ms. Mariko Mimura is a candidate for Outside Director.
2. The Company designated Ms. Mimura as an Independent Officer and reported this designation to the Tokyo Stock Exchange. Although there are transactions for legal services, etc. between the Group and Nishimura & Asahi (Gaikokuho Kyodo Jigyo), where Ms. Mimura is an Of Counsel, the monetary amount of these transactions is less than 1% of consolidated revenues on either side, and the Company believes that this has no material effect on Ms. Mimura's independence.

Proposal 4: Election of One (1) Substitute Director Serving on the Audit and Supervisory Committee

As the effect of Mr. Mitsuhiro Amitani's election will expire at the commencement of the Meeting, we request the election of one (1) Substitute Director serving on the Audit and Supervisory Committee as a substitute for all the Directors serving on the Audit and Supervisory Committee, to prepare for a situation where the number of Directors serving on the Audit and Supervisory Committee does not satisfy the number prescribed by laws and regulations.

The Audit and Supervisory Committee has already given their consent to this proposal.

This proposal has been considered by the Directors serving on the Audit and Supervisory Committee, but they have expressed no opinion.

The candidate for Substitute Director serving on the Audit and Supervisory Committee to be elected is as follows:

Name (Date of Birth)	Career Summary and Important Concurrent Positions	Number of Company's Shares Held (shares)
Mitsuhiro Amitani (June 2, 1956)	Registered as Attorney in April 1985. Joined Hashidate Law Office in April 1985. Joined Wakita Law Office in November 1989. Has occupied the office of Attorney of Shimada, Seno & Amitani Law Office (Present: SAH & Co.) from March 1990 to date (incumbent). Has occupied the office of Outside Audit & Supervisory Board Member of STANLEY ELECTRIC CO., LTD. from June 2006 to date (incumbent). Has occupied the office of Outside Audit & Supervisory Board Member of HUB CO., LTD. from May 2013 to date (incumbent). Has occupied the office of Outside Director of SIGMAXYZ Inc. (Present: SIGMAXYZ Holdings Inc.) from June 2018 to date (incumbent). <Important Concurrent Positions> Attorney (Partner) of SAH & Co. Outside Audit & Supervisory Board Member of STANLEY ELECTRIC CO., LTD. Outside Audit & Supervisory Board Member of HUB CO., LTD. Outside Director of SIGMAXYZ Holdings Inc. <Reason for the Selection and Expected Role> Based on his high-level specialized knowledge of the field of law as an attorney, we expect Mr. Amitani to provide appropriate opinions from a reasonable and fair perspective that comes from an independent and objective standpoint on the Company's decision-making as it relates to the execution of its business, and we judge him well qualified for the role of Substitute Outside Director serving on the Audit and Supervisory Committee.	–

Notes:
1. There is no special interest between the Company and Mr. Mitsuhiro Amitani.
2. Mr. Amitani is a candidate for Substitute Outside Director.
3. Although Mr. Amitani has not been directly involved in corporate management in ways other than being an Outside Director or Outside Audit & Supervisory Board Member, as noted in the <Reason for the Selection and Expected Role> pertaining to him, we judge him

well qualified to perform his duties as a Director serving on the Audit and Supervisory Committee.

4. If Mr. Amitani assumes office as a Director serving on the Audit and Supervisory Committee, the Company will conclude a limited liability agreement with him pursuant to Article 427, paragraph (1) of the Companies Act of Japan. Based on this agreement, Mr. Amitani's liability as a Director is limited to the minimum liability amount stipulated by Article 425, paragraph (1) of the Companies Act of Japan.
5. The Company has entered into a directors and officers liability insurance policy contract with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act of Japan, with all of its Directors serving on the Audit and Supervisory Committee included in the policy as insured persons. The overview of the details of this insurance policy is presented under "Names, etc. of Directors" in "Status of Directors" in the Business Report. If Mr. Amitani assumes office as a Director serving on the Audit and Supervisory Committee, he will be included as an insured party under the insurance policy. The Company intends to renew the insurance policy with no change to its content during his term of office.
6. If Mr. Amitani assumes office as a Director serving on the Audit and Supervisory Committee, the Company plans to designate Mr. Amitani as an Independent Officer and report this designation to the Tokyo Stock Exchange.

(Reference) Skillset Matrix of the Board of Directors

Having deemed that the Board of Directors is responsible for implementing corporate strategy and achieving management targets by engaging in wide-ranging and practical discussions regarding corporate strategy, medium- and long-term plans, and management issues, the Company has accordingly identified the skills that the Board of Directors should possess, as follows, in order to fulfill such responsibilities.

Skill category	Reason for inclusion in the skillset matrix
Company management	Knowledge and experience regarding company management are necessary in seeking to achieve high-quality growth, building corporate strategy, and making appropriate management decisions as a True Global Beverage Company in the rapidly changing business environment.
International experience	Knowledge and experience in building and executing global strategies based on an understanding of diverse values and cultures are necessary in order to achieve growth as a True Global Beverage Company.
Marketing	Knowledge and experience in building and executing marketing strategies are necessary in order to accurately understand the business environment and market trends and create connections with “Seikatsusha” through meaningful dialogue.
Sales	Knowledge and experience in building and executing sales strategies are necessary in order to achieve revenue growth as well as profit growth which outpaces revenue growth.
Finance and accounting	Knowledge and experience in finance and accounting are necessary in order to establish financial infrastructure necessary for achieving corporate strategy.
Human resource development	Knowledge and experience in human resource development are necessary in order to enable each and every employee to achieve ongoing growth enlisting their full potential in terms of their individuality and skills, based on the philosophy that people are the crucial foundation of business management.
Sustainability	Knowledge and experience in sustainability are necessary with respect to enhancing efforts for addressing environmental and social challenges and promoting sustainability management.
Corporate governance/ Risk management	Knowledge and experience in corporate governance and risk management are necessary in order to establish a corporate governance structure and appropriately manage risk in a manner that places due consideration on the “characteristics” and “basic policy” of the Company’s corporate governance.

The Company’s Director candidates are to embody the following three values, which are set out in the Suntory Group corporate philosophy.

Growing for Good	**“Yatte Minahare”**	**Giving Back to Society**

Furthermore, the Company selects internal Director candidates who will ensure diversity in terms of their respective fields of specialty and professional experience, while also demonstrating managerial leadership.
When it comes to Outside Director candidates, the Company considers those with independence and equipped with abundant knowledge, experience and expertise.

The following skillset matrix presents the individual skills possessed by each Director after the Meeting (planned).

* After the Meeting (planned)

Name/ Date of birth	Position(s)*	Gender	Nationality	Area of expertise	Term of office*
Makiko Ono March 16, 1960	Representative Director, President & Chief Executive Officer Chairperson of the Human Resources Committee	Female	Japan	Company management International experience Marketing Human resource development Sustainability Corporate governance/Risk management	Two years
Hachiro Naiki April 18, 1960	Director, Senior Managing Executive Officer President & Chief Executive Officer of SBF Japan Division COO, Innovation Development Division of SBF Japan	Male	Japan	Company management Sales	Two years
Peter Harding April 24, 1964	Director Chief Executive Officer of SBF International	Male	U.K.	Company management International experience Marketing	Four years
Toru Miyanaga June 8, 1966	Director	Male	Japan	Company management International experience Finance and accounting	Zero years
Maki Nakamura July 21, 1964	Outside Director (Independent Officer) Human Resources Committee Member Special Committee Member	Female	Japan	Company management International experience Marketing Human resource development	One year

Name/ Date of birth	Position(s)*	Gender	Nationa-lity	Area of expertise	Term of office*
Hideki Kanda May 13, 1963	Full-time Audit and Supervisory Committee Member Human Resources Committee Member	Male	Japan	Company management Marketing Sales Finance and accounting Human resource development Corporate governance/Risk management	One year
Mika Masuyama January 6, 1963	Lead Outside Director (Independent Officer) Audit and Supervisory Committee Member Human Resources Committee Member Chairperson of the Special Committee	Female	Japan	International experience Human resource development Corporate governance/Risk management	Eight years
Mariko Mimura March 22, 1957	Outside Director (Independent Officer) Audit and Supervisory Committee Member Human Resources Committee Member Special Committee Member	Female	Japan	Company management International experience Corporate governance/Risk management	Two years

Business Report (from January 1, 2024 to December 31, 2024)

1. Matters Concerning the Present Condition of the Group

(1) Progress and Achievement of Business

Billions of yen

Category	The 15th Fiscal Year 2023	The 16th Fiscal Year 2024	YoY change
Consolidated revenue	1,591.7	1,696.8	Up 6.6%
Consolidated operating income	141.7	160.2	Up 13.1%
Profit for the year attributable to owners of the Company	82.7	93.5	Up 13.0%

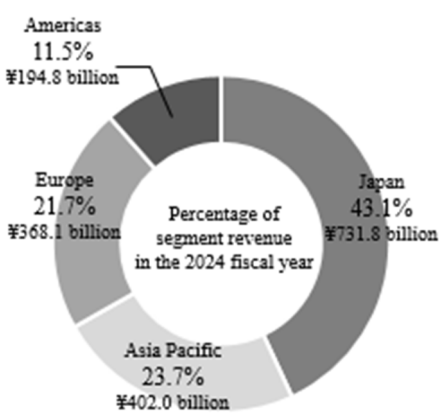
Suntory Beverage & Food Limited Group (the Group) has set the achievement of high-quality growth as its target in order to realize sustainable business growth and enhancement of corporate value as a truly global beverage enterprise. Under the medium-term plan formulated in the previous fiscal year, the 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.

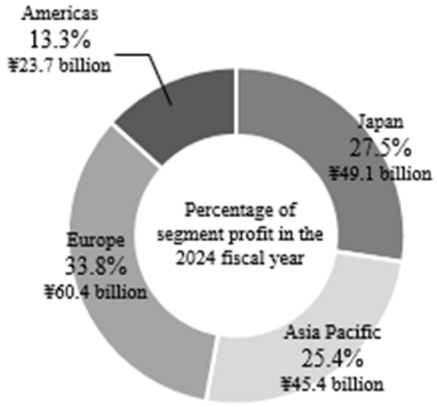
In 2024, while the external environment was expected to remain challenging, the Group aimed to achieve further revenue growth in all segments through aggressive marketing activities centered on core brands and enhanced revenue growth management (RGM) activities. The Group steadily grasped the demand situation in key countries and continued its focused activities for core brands in all segments, resulting in record revenue and operating income.
Revenue increased in all segments due to the contribution of RGM activities, including price revisions in Japan, as well as the thorough implementation of focused activities for core brands in all segments.
Operating income increased in all segments, with Japan and Asia Pacific leading the overall increase as the effect of revenue growth and strict cost management offset the impact of high raw material prices and currency fluctuations in line with the expectations, as well as the impact of the macroeconomic slowdown in Europe.

For the operating results of the fiscal year under review, the Group reported consolidated revenue of ¥1,696.8 billion, up 6.6% year on year and up 2.7% on a currency neutral basis. Consolidated operating income was ¥160.2 billion, up 13.1% year on year and up 7.1% on a currency neutral basis. Profit for the year attributable to owners of the Company was ¥93.5 billion, up 13.0% year on year and up 7.8% on a currency neutral basis.

Results by segment are described below.

(Reference) Segment revenue and segment profit in the 2024 fiscal year





Billions of yen

Segment	Segment revenue	Segment profit
Japan business	731.8	49.1
Asia Pacific business	402.0	45.4
Europe business	368.1	60.4
Americas business	194.8	23.7
Reconciliations	–	(18.3)
Total	1,696.8	160.2

Segment Information

Japan business	
Segment revenue	¥731.8 billion (up 3.3% year on year)
Segment profit	¥49.1 billion (up 21.3% year on year)

The beverage market remained at the same level as the previous fiscal year (based on the Company's own estimates), despite the impact of price revisions, partly due to the effect of the extreme heat wave.
Our sales volume was slightly lower than the previous fiscal year despite the continued strengthening of focused activities for core brands, new product launches, and increased marketing activities, due to the impact of price revisions and other factors.
By brand, we continued to implement a variety of marketing activities for *Suntory Tennensui* amid steady demand. *The Kiritto Fruit series* and *Special Lemon Squash* continued to perform well, and 1L PET bottle products in renewed containers were also strong, resulting in a record sales volume. For *BOSS*, total sales volume of the brand was down from the previous fiscal year, despite the continued good performance of the *Craft BOSS series*, *Amakunai Italiano*. For *Iyemon*, sales volume was down from the previous fiscal year as the unsweetened tea market was significantly impacted by price revisions, but both *Iyemon Koi Aji* (food with functional claims) and *Tokucha* continued to perform well.
Revenue increased due to the effect of price revisions and an improved product size mix.
Segment profit increased due to revenue growth from prioritized activities for brands and each channel, the impact of high raw material prices and currency fluctuations remaining in line with the expectations, and strict cost management.

The Japan business reported revenue of ¥731.8 billion, up 3.3% year on year, and segment profit of ¥49.1 billion, up 21.3% year on year.

Asia Pacific business	
Segment revenue	¥402.0 billion (up 8.2% year on year)
Segment profit	¥45.4 billion (up 5.4% year on year)

In Asia Pacific, both revenue and segment profit increased due to a market recovery and our continued efforts to strengthen marketing activities, particularly in Thailand (beverage and health supplement businesses) and Vietnam (beverage business).
Revenue increased due to growth in sales volume in key businesses.
Segment profit increased due to the effect of higher revenue and strengthened marketing activities.
In the beverage business, Vietnam recorded revenue growth as the core brands *PEPSI* and *Aquafina* continued to perform well. Thailand reported revenue growth driven by strong sales of *PEPSI* and *TEA+*. In Oceania, sales volume increased year on year as a result of continued efforts to strengthen marketing activities for *V*, our core energy drink brand, leading to revenue growth.
In the health supplement business, *BRAND'S Essence of Chicken* maintained its recovery trend due to improved market conditions, including inbound demand, as well as renewed communication and enhanced marketing activities, and sales volume of *BRAND'S Bird's Nest* increased significantly year on year, contributing to revenue growth.

The Asia Pacific business reported revenue of ¥402.0 billion, up 8.2% year on year and up 3.1% on a currency neutral basis. Segment profit was ¥45.4 billion, up 5.4% year on year and up 1.0% on a currency neutral basis.

Europe business	
Segment revenue	¥368.1 billion (up 8.5% year on year)
Segment profit	¥60.4 billion (up 16.7% year on year)

Revenue increased due to strengthening of focused activities for core brands and RGM activities including price revisions, despite soft consumer spending, intensified competition and unstable weather conditions in key countries. Segment profit increased due to strict cost management, supply chain improvement in the UK, and other factors.
In France, revenue decreased due to a drop in demand as a result of lower consumption trends caused by prolonged inflation, unfavorable weather conditions and other factors, although sales volume of the mainstay product *Oasis* was higher than the previous fiscal year. In the UK, *Lucozade* sales volume fell below the previous fiscal year's level due to the impact of product supply shortages in the second quarter, but have since recovered, resulting in revenue growth. In Spain, revenue decreased as a result of lower sales volume than the previous fiscal year due to a slowdown in market conditions.

The Europe business reported revenue of ¥368.1 billion, up 8.5% year on year and up 0.0% on a currency neutral basis. Segment profit was ¥60.4 billion, up 16.7% year on year and up 7.0% on a currency neutral basis.

Americas business	
Segment revenue	¥194.8 billion (up 12.7% year on year)
Segment profit	¥23.7 billion (up 12.9% year on year)

In the Americas, we increased promotional activities in both the core carbonated beverage category and the non-carbonated beverage category.
Revenue increased due in part to RGM activities, including price revisions.
Segment profit increased due to higher revenue, which offset the impact of rising raw material, logistics, and labor costs.

The Americas business reported revenue of ¥194.8 billion, up 12.7% year on year and up 4.5% on a currency neutral basis. Segment profit was ¥23.7 billion, up 12.9% year on year and up 4.7% on a currency neutral basis.

(2) Issues to Address

1) Corporate philosophy

The Group's corporate philosophy consists of "Our Purpose," "Our Values," and "Who We Are."

"Our Purpose" and "Our Values" align with the Suntory Group's Corporate Philosophy in that they define the values all our employees embrace to achieve our purpose, in addition to the goals of our business and our corporate direction.

Moreover, we define the universal characteristics of the Group as "Who We Are" in seeking to achieve high-quality growth as a truly global beverage business.

< Our Purpose >
To inspire the brilliance of life, by creating rich experiences for people, in harmony with nature.

< Our Values >
Growing for Good / "Yatte Minahare" / Giving Back to Society

< Who We Are >
Always Together with Seikatsusha
We connect with your feelings to enrich every moment of life

2) Medium-term strategy and medium-term plan

The medium-term strategy and medium-term plan are as follows:

Medium-term strategy

Our aspiration is ¥2.5 trillion sales by 2030 to be achieved organically by "outperforming the market" as well as through "incremental growth from new investments," as we seek to achieve high-quality growth as a truly global beverage enterprise.
Furthermore, we aim for profit growth which outpaces revenue growth.
In order to achieve these, the Group will proactively develop business in line with the following key strategic pillars.

< Brand strategy >
- Enhance core brand innovation
- Expand cross-selling of strategic brands to a wider area
- Develop global Suntory brands

< Structural transformation >
- Japan: Accelerate structural transformation toward strengthening profitability
- Overseas: Accelerate business growth and further strengthen profitability
- Further augment and strengthen the business portfolio (deployment of RTD, etc.)

< DEI >
- Improve corporate competitive strengths through integration of diverse perspectives and values

< Sustainability >

- Reinforce initiatives for taking on environmental and social challenges

Medium-term plan (2024-2026)

The targets through 2026 based on the medium-term strategy are as follows:

Organic growth

(Base year: 2023, on a currency neutral basis)

Revenue	Mid single-digit Compound Annual Growth Rate (CAGR) growth
Operating income	High single-digit Compound Annual Growth Rate (CAGR) growth
Operating margin	Over 10% by 2026
Free cash flow	Generate more than ¥140 billion in 2026

* Free cash flow = cash flows from operating activities - cash flows from investing activities

Growth investment

- Allocate ¥300-600 billion for investment
- Focus on augmenting M&A and strategic capital investment (including investments in sustainability), and on global deployment of strategic brands

Dividend policy

- Target dividend payout ratio of 40% or higher from fiscal year 2024 onward

* A targeted consolidated payout ratio of profit for the year attributable to owners of the Company

3) Initiatives for 2025

In 2025, based on the assumption that currency fluctuations, high raw material prices and a challenging competitive landscape will continue, we will aim for further revenue growth by enhancing RGM activities, in addition to rigorously undertaking proactive marketing investment and sales promotion centered on our core brands. We will also continue to tightly manage costs and strive for higher profits.

Further, aiming at sustainable growth, we will continue to explore M&A and other investment opportunities and expand production facilities. Regarding our DEI initiatives, we seek to ensure that diverse employees exemplify our motto “Yatte Minahare – Go for it!” by promoting greater diversity of employee attributes and working to further build an organization conducive to accepting and leveraging differences. Moreover, underpinned by our mission “To Create Harmony with People and Nature,” our sustainability initiatives will involve redoubling our efforts related to water and greenhouse gases with our sights set on achieving our “Environmental Targets toward 2030,” and also more robustly engaging in the activities listed in the Suntory Group Plastic Policy. We will also continue to shore up our investments in sustainability.

< Japan business >
Designating our business strategies of "core brand innovation," "vending machine business transformation," and "supply chain structural reform" as the key priorities, we aim to grow revenue and profit. With respect to marketing activities, the Group will continue to further strengthen initiatives involving *Suntory Tennensui*, *BOSS*, *Iyemon*, *GREEN DA•KA•RA* and *Tokucha*.
For *Suntory Tennensui*, we will continue to promote its unique brand value while strengthening our activities for flavored water products. For *BOSS*, we will continue to strengthen our activities for *Craft BOSS*, which has the two pillars of "Coffee series" and "Tea series," while strengthening our marketing activities for canned coffee products with the aim of revitalizing heavy users. To further expand the *Iyemon* brand, we will strengthen activities for *Iyemon*, *Iyemon Koiaji* (food with functional claims) and *Iyemon Kyoto Blend*. The Group will strive to get customers more accustomed to drinking *Tokucha* by further enhancing our marketing activities and conveying the appeal of *Tokucha* in terms of its unique functions.

< Asia Pacific business >
In Asia Pacific, the Group aims to achieve further growth of its core brands by leveraging its comprehensive strengths across the entire value chain, assuming continued robust demand in key markets. We will rigorously pursue revenue growth and ramp up production facilities to drive cost reduction activities.
In the beverage business in Vietnam, the Group will continue to strengthen its sales activities while striving to accelerate further growth of core brands such as the energy drink *Sting* and tea beverage *TEA+*. In Thailand, the Group will strengthen the *PEPSI* brand and work to achieve further improvements in productivity, and continue reinforcing low-sugar products in order to capture demand driven by the rising health consciousness of consumers. In Oceania, the Group will continue to focus on the energy drink *V*, a core brand, while driving further growth of the *BOSS* brand and expanding the Group's product portfolio through the production and sale of RTD beverages. In the health supplement business, the Group will bolster marketing activities to maintain the sales trend of its mainstay product *BRAND'S Essence of Chicken*.

< Europe business >
In Europe, the Group aims to achieve revenue growth by continuing core brand innovation, strengthening promotional activities and expanding its product portfolio, assuming that it will take time for demand to recover in key countries. The Group will maintain profitability through revenue growth, cost reduction and structural reform of its business.
In France, the Group will strengthen the marketing for *Oasis* and *Schweppes*. In the UK, the Group will seek to increase its market share by concentrating investment on *Lucozade*. In Spain, the Group will redouble its efforts with *Schweppes* in the off-premise and on-premise markets, while further advancing in the structural reform of the on-premise business.

< Americas business >
The Group will enhance the core carbonated beverage category while working to further expand the growing non-carbonated beverage category. The Group will also strive to accelerate revenue and profit growth by refining its pricing policy and supply chain.

We appreciate and value your ongoing cooperation and support.

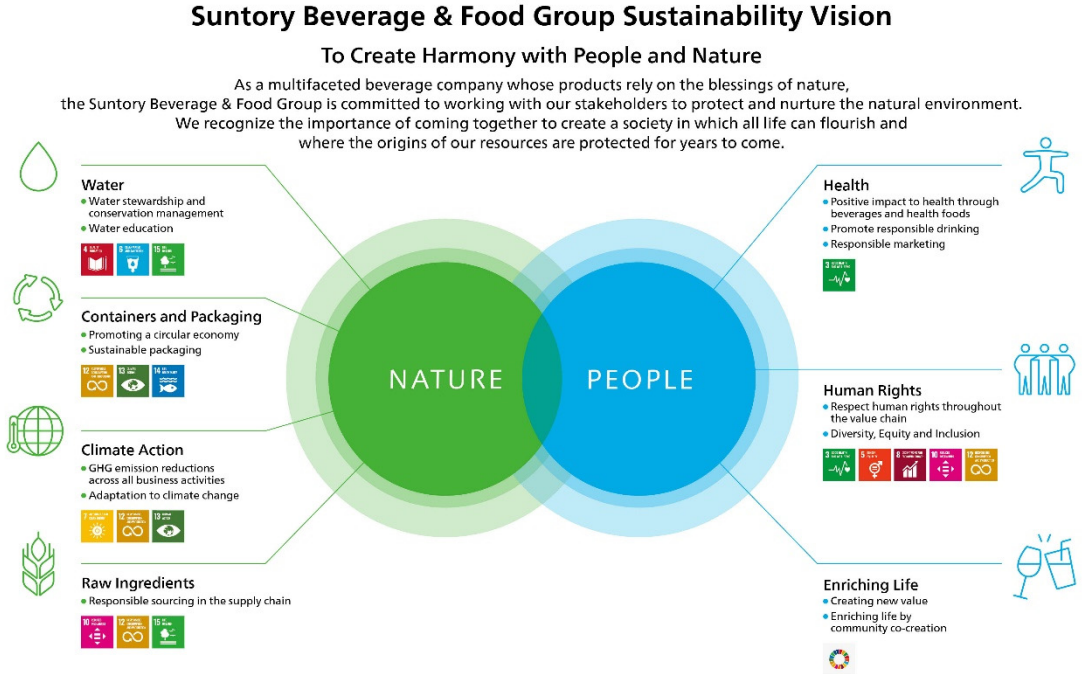
(Reference) Sustainability Initiatives

As companies are expected to implement proactive actions for achieving the Sustainable Development Goals (SDGs)*, which are objectives shared by the whole world, the Group, which operates globally, will continue to take on the challenge of realizing a sustainable society by addressing global issues more sincerely than ever before.

To promote sustainability management, the Company has identified its materiality, and this materiality is incorporated into our sustainability strategy. In materiality analysis, we identified and evaluated the impact on both the Group's financial impact and external impact on the environment and society based on the concept of double materiality.

In addition, we have formulated the "Suntory Beverage & Food Group Sustainability Vision" based on the results of materiality analysis. With the Sustainability Vision incorporating seven priority themes structured around Nature and People, the Group is aware of the interdependence of Nature and People, and accordingly engages in activities together with its stakeholders with the aim of creating a society of harmony between the two.

* The Sustainable Development Goals are goals adopted at a UN Summit in September 2015 that the whole world should tackle by 2030



Targets toward 2030

1. Water
   [Reduction of water used in direct operation]
   Reduce the water intensity of production at our owned plants[*1] by 20%[*2]
   [Water replenishment]
   Replenish more than 100% of water used in at least 50% of our owned plants[*1], including all those in highly water stressed areas
   [Sustainable water use in raw ingredients]
   Collaborate with suppliers to improve water-use efficiency in the production of water-intensive key ingredients[*3] in highly water stressed areas
   [Water education and access to safe water]
   Expand water education programs and initiatives to provide safe water access for more than 5 million people[*4]

2. Greenhouse Gas (GHG)
   - Reduce GHG emissions from our direct operations by 50%[*5]
   - Reduce GHG emissions across our entire value chain by 30%[*5]

3. Use of Sustainable Materials in PET Bottles[*6]
   Switch all PET bottles used globally to 100% sustainable materials

*1 Owned plants that manufacture finished products of the Group
*2 Reduction of water intensity of production based on 2015 baseline year
*3 Coffee, etc.
*4 The target of 5 million people is the Suntory Group's target.
*5 Based on emissions in 2019.
*6 Sustainable materials in PET bottles by weight (recycled or Bio-based material)

Sustainability Initiatives in 2024

Suntory "Mizuiku" – a next-generation environmental education program

The Suntory Group has been promoting various water-related initiatives worldwide including the "Mizuiku" next-generation environmental education program to instill awareness of water as well as efforts to provide access to safe water[*1]. Overseas, the Group has accelerated its efforts toward expanding its reach to more countries, including Vietnam where it has concluded an agreement with the nation's Ministry of Education and Training[*2]. The Group is further diversifying its Mizuiku program in part by having elementary school students from Thailand and representatives from Vietnam's Ministry of Education and Training visit Japan during October-November 2024 to experience Japan's Mizuiku program.

*1 This refers to activities that involve furnishing support to regions in Vietnam, Thailand, and other countries where access to sanitary water is insufficient.
*2 The Ministry of Education and Training is the administrative agency that assumes responsibilities that include policy-making related to overall education in Vietnam and formulating educational curriculum standards.

Initiatives to Promote DEI

The Suntory Group has declared its commitment to carrying out its business activities while upholding diverse values based on its Code of Business Ethics.
Moreover, the Suntory Group aims to create a workplace environment where employees can work enthusiastically, taking pride as employees of Suntory while respecting each other's individuality. In 2021, the Suntory Group announced its "DEI Vision Statement" declaring that acknowledging the uniqueness of each and every individual, embracing diversity and equity, and cultivating a culture of inclusion paves the way for contributing to our colleagues, customers and communities.
In promoting DEI throughout the Suntory Group, we have established three pillars to achieve this vision: a diverse workforce; an inclusive workplace; and customers and communities.
The Company also actively engages in initiatives enlisting our basic policy of DEI promotion, which makes use of diverse human resources and values based on this philosophy.

Health and Productivity Management Initiatives

The Company has been selected as a certified enterprise of the 2024 Health & Productivity Stock Selection in recognition of its advanced health management practices. The Company has also been selected as a 2024 Certified Health & Productivity Management Outstanding Organization (White 500) for the 8th consecutive year.
We have set forth and promoted Health Management Declaration since 2016, based on the belief that the robust physical and mental health of employees and their families leads to fulfilling daily lives and rewarding work and is the driving force behind the realization of the SBF Vision that we aim to achieve.
The SUNTORY+ healthcare service for supporting corporate health management has been adopted by more than 1,000 companies since it went into operation in July 2020.
Furthermore, we are engaging in various initiatives through *GREEN DA•KA•RA*, which serves as activities for raising awareness of heatstroke prevention. We have also been actively contributing to the health of society through initiatives that include distributing free heatstroke prevention leaflets in elementary schools, conducting heatstroke prevention activities for children, and arranging heatstroke prevention seminars for companies.

Please refer to the following website for further details on the Group's sustainability activities.

https://www.suntory.com/softdrink/company/sustainability/

(3) Status of Assets and Profit and Loss

Category	The 13th Fiscal Year 2021	The 14th Fiscal Year 2022	The 15th Fiscal Year 2023	The 16th Fiscal Year 2024 (fiscal year under review)
Revenue (Millions of yen)	1,268,917	1,450,397	1,591,722	1,696,765
Operating Income (Millions of yen)	118,568	139,688	141,726	160,249
Profit for the Year Attributable to Owners of the Company (Millions of yen)	68,676	82,317	82,743	93,495
Basic Earnings per Share (Yen)	222.25	266.40	267.78	302.57
Total Equity (Millions of yen)	943,952	1,060,104	1,185,027	1,315,278
Equity Attributable to Owners of the Company per Share (Yen)	2,785.09	3,123.69	3,519.00	3,914.53
Total Assets (Millions of yen)	1,676,926	1,783,349	1,912,415	2,058,032

(4) Summary of Principal Businesses (as of December 31, 2024)

The Group manufactures and sells beverages and food including mineral water, coffee beverages, tea beverages, carbonated beverages, sports beverages, and FOSHU.

(5) Status of Significant Parent Company and Subsidiaries

1) Status of Significant Parent Company

Name	Shares Held	Ratio of Voting Rights	Business Relationship
Suntory Holdings Limited	183,800,000 shares	59.4%	Payment of brand royalties, advance payment for raw materials, etc.

Note: The Company's important transactions, activities, etc. conducted with its parent company are, in accordance with internal regulations, examined beforehand by the departments conducting the important transactions, activities, etc. and by the Company's legal affairs division and finance & accounting division to confirm the necessity and reasonableness of transactions, activities, etc., the appropriateness of their terms and conditions, etc., and the fairness, taking into consideration the perspective of independence from the parent company. Furthermore, following prior deliberation and report by the Special Committee consisting of three Independent Outside Directors who are independent of the parent company group, the Board of Directors carries out a full deliberation on the necessity and

reasonableness of transactions, activities, etc., the appropriateness of their terms and conditions, etc., and the fairness, that precedes decision-making. In addition to deliberation beforehand, after a transaction takes place, in accordance with internal regulations, the legal affairs division, finance & accounting division, and internal audit division conduct a check on whether the transaction was carried out based on the contents of the deliberation. Also, the Audit and Supervisory Committee conducts an audit. Moreover, the status of the transactions, activities, etc. is reported to the Special Committee and the Board of Directors, and they confirm the results of the transactions, activities, etc. After reviewing these procedures, the Company's Board of Directors has determined that the important transactions, activities, etc., with the parent company do not undermine the Company's interests since they are necessary and reasonable, appropriate in terms of terms and conditions, etc., and fair.

2) Status of Significant Subsidiaries, etc.

Name	Paid-in Capital	Ratio of Voting Rights (%)	Principal Business Purpose
Suntory Foods Limited	(Million) ¥1,000	100.0	Sale of non-alcoholic beverages
Suntory Beverage Solution Limited	(Million) ¥80	100.0	Sale of non-alcoholic beverages
Japan Beverage Holdings Inc.	(Million) ¥100	93.2	Sale of non-alcoholic beverages
Suntory Products Limited	(Million) ¥1,000	100.0	Manufacture of non-alcoholic beverages
Suntory Beverage & Food Asia Pte. Ltd.	(Thousand) S$808,827	100.0	Strategic planning and group supervision for beverage and food businesses in Southeast Asia and other regions
Suntory Beverage & Food International (Thailand) Co., Ltd.	(Million) THB250	100.0	Manufacture and sale of health foods
Suntory PepsiCo Vietnam Beverage Co., Ltd.	(Million) VND5,597,429	100.0	Manufacture and sale of non-alcoholic beverages
Suntory PepsiCo Beverage (Thailand) Co., Ltd.	(Thousand) THB14,085,250	51.0	Manufacture and sale of non-alcoholic beverages
SUNTORY BEVERAGE & FOOD NEW ZEALAND LIMITED	(Thousand) NZ$446,709	100.0	Manufacture and sale of non-alcoholic beverages
SUNTORY BEVERAGE & FOOD AUSTRALIA PTY LTD	(Thousand) A$572,200	100.0	Manufacture and sale of non-alcoholic beverages
Orangina Schweppes Holding B.V.	(Thousand) €18	100.0	Manufacture and sale of non-alcoholic beverages

Name	Paid-in Capital	Ratio of Voting Rights (%)	Principal Business Purpose
Lucozade Ribena Suntory Limited	(Million) £481	100.0	Manufacture and sale of non-alcoholic beverages
Pepsi Bottling Ventures LLC	(Thousand) US$215,554	65.0	Manufacture and sale of non-alcoholic beverages

Notes:

1. The ratio of voting rights includes indirect holdings.
2. The Company and its subsidiary Japan Beverage Holdings Inc. hold all of the issued shares of Suntory Beverage Solution Limited.
3. SUNTORY BEVERAGE & FOOD NEW ZEALAND LIMITED changed its trade name from the former name FRUCOR SUNTORY NEW ZEALAND LIMITED to the current name on July 1, 2024.
4. SUNTORY BEVERAGE & FOOD AUSTRALIA PTY LTD changed its trade name from the former name FRUCOR SUNTORY AUSTRALIA PTY. LIMITED to the current name on July 1, 2024.
5. The Company holds 51.0% of the issued shares of Suntory PepsiCo Investment B.V., which holds all of the issued shares of Suntory PepsiCo Vietnam Beverage Co., Ltd.

(6) Principal Offices and Plants, etc. (as of December 31, 2024)

1) The Company

Head Office:	1-1, Shibaura 3-chome, Minato-ku, Tokyo
Research Institute:	Product Development Center (Kawasaki-shi, Kanagawa)

2) Subsidiaries

Name of Segment	Name	Major Business Sites	
Japan	Suntory Foods Limited	Head Office	Minato-ku, Tokyo
		Office	Tokyo Metropolitan Sales & Marketing Division (Minato-ku, Tokyo), etc.
	Suntory Beverage Solution Limited	Head Office	Shinjuku-ku, Tokyo
		Office	Tokyo Metropolitan Sales & Marketing Division (Shinjuku-ku, Tokyo), etc.
	Japan Beverage Holdings Inc.	Head Office	Shinjuku-ku, Tokyo
	Suntory Products Limited	Head Office	Minato-ku, Tokyo
		Plant	Haruna Plant (Shibukawa-shi, Gunma), etc.

Name of Segment	Name	Major Business Sites	
Asia Pacific	Suntory Beverage & Food Asia Pte. Ltd.	Head Office	Singapore
	Suntory Beverage & Food International (Thailand) Co., Ltd.	Head Office	Bangkok, Thailand
	Suntory PepsiCo Vietnam Beverage Co., Ltd.	Head Office	Ho Chi Minh, Viet Nam
	Suntory PepsiCo Beverage (Thailand) Co., Ltd.	Head Office	Bangkok, Thailand
	SUNTORY BEVERAGE & FOOD NEW ZEALAND LIMITED	Head Office	Auckland, New Zealand
	SUNTORY BEVERAGE & FOOD AUSTRALIA PTY LTD	Head Office	New South Wales, Australia
Europe	Orangina Schweppes Holding B.V.	Head Office	Amsterdam, the Netherlands
	Lucozade Ribena Suntory Limited	Head Office	London, U.K.
Americas	Pepsi Bottling Ventures LLC	Head Office	North Carolina, U.S.A.

(7) Status of Employees (as of December 31, 2024)

Name of Segment	Number of Employees	Increase (Decrease) from Previous Fiscal Year
Japan	9,498 [528]	(53) [(123)]
Asia Pacific	6,243 [270]	(1,147) [(3)]
Europe	3,401 [110]	(70) [(10)]
Americas	3,104 [75]	96 [10]
Company-wide (common)	200 [–]	88 [–]
Total	22,446 [983]	(1,086) [(126)]

Notes:

1. The number of employees refers to the number of current workers while the number in the brackets [ ] is the average number of temporary employees for the most recent one-year period, which is not included in the number of current workers.
2. Employees classified as Company-wide (common) are administrative staff not assigned to any particular segment.

(8) Status of Company's Principal Lenders (as of December 31, 2024)

Name of Lender	Amount of Loan (Millions of yen)
The Norinchukin Bank	25,000

(9) Status of Fund Procurement

No items to report.

(10) Status of Capital Investment

Capital investment in the fiscal year under review was ¥128,355 million. A breakdown of capital investment by segment is as follows.

Name of Segment	Capital Investment (Millions of yen)
Japan	44,350
Asia Pacific	49,367
Europe	19,331
Americas	13,051
Reconciliations	2,254
Total	128,355

1) Major Plant and Equipment Completed in the Fiscal Year under Review
No items to report.

2) New Construction, etc. of Major Plant and Equipment in Progress or Planning in the Fiscal Year under Review

Name of Segment	Content of Capital Investment
Japan	Construction of production line and logistics warehouse at the Takasago Plant of Suntory Products Limited
Asia Pacific	Construction of a new plant of Suntory PepsiCo Vietnam Beverage Co., Ltd.
Americas	New construction of Pepsi Bottling Ventures LLC

(11) Status of Significant Business Realignments

During the fiscal year under review, Suntory Foods Limited transferred its business related to vending machines to Suntory Beverage Solution Limited, thereby centralizing business related to vending machines under Suntory Beverage Solution Limited. In addition, the Group transferred all shares of PT SUNTORY GARUDA BEVERAGE, which engages in manufacture and sale of non-alcoholic beverages in Indonesia, along with its subsidiaries and associates, to PT Garudafood Putra Putri Jaya Tbk.

2. Matters Concerning Shares (as of December 31, 2024)

(1) Total Number of Shares Authorized to be Issued: 480,000,000 shares

(2) Total Number of Issued and Outstanding Shares: 309,000,000 shares

(3) Number of Shareholders: 37,314 (decreased by 2,702 from the previous fiscal year)

(4) Major Shareholders (Top 10 shareholders):

Name of Shareholder	Shares Held (Thousands)	Ratio of Shareholding (%)
Suntory Holdings Limited	183,800	59.4
The Master Trust Bank of Japan, Ltd. (Trust Account)	21,369	6.9
JP MORGAN CHASE BANK 385632	7,526	2.4
Custody Bank of Japan, Ltd. (Trust Account)	6,207	2.0
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	4,726	1.5
STATE STREET BANK WEST CLIENT – TREATY 505234	3,353	1.0
Mizuho Securities Co., Ltd.	2,665	0.8
STATE STREET BANK AND TRUST COMPANY 505224	2,625	0.8
STATE STREET BANK AND TRUST COMPANY 505001	2,559	0.8
STATE STREET BANK AND TRUST COMPANY 505103	2,466	0.7

Note: Ratio of Shareholding is calculated after deducting treasury shares (272 shares).

3. Status of Directors

(1) Names, etc. of Directors (as of December 31, 2024)

Position	Name	Responsibilities and Important Concurrent Positions
Representative Director, President & Chief Executive Officer	Makiko Ono	Overall Group Management Director of Orangina Schweppes Holding B.V. Director of Pepsi Bottling Ventures LLC
Director, Executive Vice President	Shekhar Mundlay	Chief Operating Officer of SBF Operational Excellence Officer
Director, Senior Managing Executive Officer	Hachiro Naiki	President & Chief Executive Officer of SBF Japan Division COO, Innovation Development Division of SBF Japan Director, Chairman of the Board & Chief Executive Officer of Suntory Foods Limited Director of Suntory Beverage Solution Limited Director of Suntory Products Limited
Director	Peter Harding	Chief Executive Officer of SBF International Director of Suntory Beverage & Food Asia Pte. Ltd. Director of Suntory PepsiCo Beverage (Thailand) Co., Ltd. Director of SUNTORY BEVERAGE & FOOD NEW ZEALAND LIMITED Director of SUNTORY BEVERAGE & FOOD AUSTRALIA PTY LTD Director of Orangina Schweppes Holding B.V. Director of Lucozade Ribena Suntory Limited Director of Pepsi Bottling Ventures LLC
Director	Hiroshi Miyamori	Executive Officer of Suntory Holdings Limited
Director	Maki Nakamura	Representative Director and President of Mamma Co., Ltd. Director and CHRO of SATUDORA HOLDINGS CO., LTD.
Full-time Audit and Supervisory Committee Member	Hideki Kanda	Audit & Supervisory Board Member of Suntory Foods Limited Audit & Supervisory Board Member of Suntory Products Limited
Audit and Supervisory Committee Member	Mika Masuyama	President and Representative Partner of Masuyama & Company LLC. Outside Director of KOKUYO CO., LTD. External Director of Konoike Transport Co., Ltd. Outside Director of Ushio Inc.

Position	Name	Responsibilities and Important Concurrent Positions
Audit and Supervisory Committee Member	Mariko Mimura	Attorney of Nishimura & Asahi (Gaikokuho Kyodo Jigyo) (Of Counsel) Board Director (outside) of TOMY COMPANY, LTD.

Notes:

1. Mses. Maki Nakamura, Mika Masuyama and Mariko Mimura are Outside Directors.
2. The Company designated Outside Directors Mses. Nakamura, Masuyama and Mimura as Independent Officers and reported this designation to the Tokyo Stock Exchange.
3. The Company has concluded limited liability agreements with Mr. Hiroshi Miyamori, Ms. Nakamura, Mr. Hideki Kanda, Ms. Masuyama and Ms. Mimura pursuant to Article 427, paragraph (1) of the Companies Act of Japan. Based on these agreements, if any of them causes the Company to suffer loss through neglect of duties, then providing that he/she was fulfilling his/her duties in good faith with no gross negligence, the liability to the Company shall be limited to the minimum liability amount stipulated by Article 425, paragraph (1) of the Companies Act of Japan.
4. Mr. Kanda has management experience as Head of a spirits operating company of the Suntory Group, and he possesses a considerable amount of expertise related to finance and accounting.
5. Changes in Directors' responsibilities after the end of the fiscal year under review are as follows.

Name	Responsibilities before Change	Responsibilities after Change	Date of Change
Shekhar Mundlay	Chief Operating Officer of SBF Operational Excellence Officer	–	January 1, 2025

6. Resignations of officers during the fiscal year under review are as follows.

Position	Name	Date of Resignation
Director (Full-time Audit and Supervisory Committee Member)	Yuji Yamazaki	March 27, 2024

7. To strengthen the auditing and supervising function of the Audit and Supervisory Committee, the Company has appointed Mr. Kanda as full-time Audit and Supervisory Committee Member to enable collection of information from the Directors (excluding Audit and Supervisory Committee Members), sharing of information at important meetings, and the sufficient coordination between the internal audit division and the Audit and Supervisory Committee.
8. The Company has entered into a directors and officers liability insurance policy contract with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act of Japan. The scope of the insured parties under the relevant insurance policy includes the Company's Directors, Senior Managing Executive Officers, and Managing Executive Officers, as well as the Directors and Audit and Supervisory Board Members of the Company's domestic subsidiaries. The insured parties do not assume the costs of the insurance premiums. This insurance policy covers damages, including litigation costs and other related expenses, incurred by the insured party as a result of claims for damages arising from acts (including nonfeasance) carried out by the insured party as an officer or in an equivalent position of the Company. However, to ensure

that the proper performance of duties of an insured party is not impaired, the insurance policy does not provide coverage for losses and costs incurred by an insured party who has committed a criminal act or an otherwise intentionally illegal act.

(Reference) Names, etc. of Senior Managing Executive Officers and Managing Executive Officers (as of January 1, 2025)

Position	Name	Responsibilities
Director, Senior Managing Executive Officer	Hachiro Naiki	President & Chief Executive Officer of SBF Japan Division COO, Innovation Development Division of SBF Japan
Senior Managing Executive Officer	Naoto Okinaka	Division COO, Corporate Strategy Division, Corporate Communication Department
Senior Managing Executive Officer	Makoto Fujimoto	R&D and Production, Division COO, MONOZUKURI Division
Managing Executive Officer	Haruhisa Inada	Senior General Manager, Global Auditing Department and Corporate Auditor of SBF Asia Pacific
Managing Executive Officer	Susumu Takemoto	Senior General Manager, Development & Design Department and Senior General Manager, Research & Development Department of SBF Japan
Managing Executive Officer	Akiyo Sato	Division COO, Brand Marketing Division, Cross Region Development Department of SBF Japan
Managing Executive Officer	Shigeaki Kazama	Division COO, Production & Supply Chain Management Division of SBF Japan
Managing Executive Officer	Shigeki Kogiso	Representative Director, President & Chief Executive Officer of Suntory Foods Limited, Division COO, Overall Sales & Marketing Division
Managing Executive Officer	Takahiro Yoshimura	Representative Director, President & Chief Executive Officer of Suntory Products Limited
Managing Executive Officer	Yuji Mori	Representative Director, President & Chief Executive Officer of Suntory Beverage Solution Limited

(2) Policy on Determining Remuneration, etc. for the Company's Directors

The Company has resolved on the following policy on determining remuneration, etc. for the Company's Directors at the meeting of its Board of Directors held on June 15, 2022.

Remuneration, etc. for the Company's Directors are structured at levels commensurate with their role and responsibilities in a manner that motivates them to improve the Company's performance and corporate value and secures outstanding personnel.
The Human Resources Committee, with Outside Directors accounting for at least half of its membership, deliberates the levels and criteria of remuneration, etc. for Directors (excluding Audit and Supervisory Committee Members), and reports to the Board of Directors with respect to the appropriateness thereof.
The Representative Director, President & Chief Executive Officer, appointed by the Board of Directors, makes decisions on amounts of remuneration, etc. for Directors (excluding Audit and Supervisory Committee Members) based on reports of the Human Resources Committee. Remuneration, etc. for Directors serving on the Audit and Supervisory Committee is decided upon discussion involving the Audit and Supervisory Committee Members.
The Human Resources Committee confirms that details of remuneration, etc. for individual Directors (excluding Audit and Supervisory Committee Members) are consistent with remuneration policy. The Board of Directors deems that details of remuneration, etc. for individual Directors (excluding Audit and Supervisory Committee Members) are consistent with remuneration policy based on the confirmation results of the Human Resources Committee.
Remuneration, etc. for the Executive Directors consists of fixed compensation (monthly) and performance-based compensation (annually in March). The remuneration, etc., for Executive Directors who are foreign nationals are paid by overseas subsidiaries. Although the remuneration is not subject to the Company's remuneration system, it is a combination of fixed compensation and performance-based compensation, and the Company's consolidated operating income is used as one of the criteria for performance-based compensation.
Remuneration, etc. for non-executive Directors shall only consist of fixed compensation (monthly). However, full-time Audit and Supervisory Committee members shall be paid, in addition to fixed compensation, a performance-based compensation (annually in March) as remuneration, etc. in consideration of the contribution to the Company's performance.
While fixed compensation is the main form of remuneration, the ratio of fixed compensation to performance-based compensation paid to Executive Directors (excluding Executive Directors who are foreign nationals) is set to secure outstanding personnel and provide the proper incentive to improve the Company's performance and corporate value. The Human Resources Committee takes the trends with respect to remuneration benchmark company groupings and other factors into consideration and holds regular discussions.
The level of fixed compensation shall be set according to position and considering responsibilities.

The performance-based compensation, for which the key performance indicator is consolidated operating income (excluding one-time income and expenses), is calculated by multiplying the amount on the performance-based compensation calculation table set according to the individual's responsibilities/performance evaluation by a performance coefficient, where that performance coefficient is calculated by multiplying the achievement percentage of the targeted consolidated operating income (excluding one-time income and expenses) by the benchmark consolidated operating income (excluding one-time income and expenses).
The Company chose consolidated operating income (excluding one-time income and expenses) as the key performance indicator because in the Group, importance is placed on consolidated operating income (excluding one-time income and expenses) as an indicator that reflects the results of continuous business activities and because it will incentivize the recipients to improve the Company's performance and corporate value.
In addition, the Company does not have a retirement allowance system or a stock option system.

(3) Remuneration, etc. for Directors

Classification	Fixed Compensation		Performance-Based Compensation		Total (Millions of yen)
	Number of Persons	Payment Amount (Millions of yen)	Number of Persons	Payment Amount (Millions of yen)	
Director (excluding Audit and Supervisory Committee Member)	5	130	2	101	231
(Outside Director)	(2)	(15)	(–)	(–)	(15)
Director (Audit and Supervisory Committee Member)	4	70	2	33	103
(Outside Director)	(2)	(36)	(–)	(–)	(36)
Total	9	201	4	134	335
(Outside Director)	(4)	(51)	(–)	(–)	(51)

Notes:

1. Performance-based compensation is an amount to be paid. Note that the Company has not disclosed the targets and actual results of consolidated operating income (excluding one-time income and expenses), which is a major indicator for the performance-based compensation, but the forecast and actual results for consolidated operating income, which form the basis of those amounts, are ¥153,500 million and ¥160,249 million, respectively.
2. The maximum remuneration limit for Directors (excluding Audit and Supervisory Committee Members) is an annual amount not exceeding ¥1,000 million (of which a maximum amount of

¥100 million shall be paid to Outside Directors; providing, however, not including the employee portion of salaries of Directors who are concurrently employees), which was passed by resolution at the Ordinary General Meeting of Shareholders held on March 27, 2015. The number of Directors (excluding Audit and Supervisory Committee Members) at the conclusion of said Ordinary General Meeting of Shareholders was eight (including one Outside Director).

3. The maximum remuneration limit for Audit and Supervisory Committee Members is an annual amount not exceeding ¥150 million, which was passed by resolution at the Ordinary General Meeting of Shareholders held on March 27, 2015. The number of Directors serving on the Audit and Supervisory Committee at the conclusion of said Ordinary General Meeting of Shareholders was three (including two Outside Directors).
4. This does not include remuneration, etc. for the two Executive Directors who are foreign nationals because their remuneration is paid by overseas subsidiaries.
5. The Board of Directors has delegated decisions on amounts of remuneration, etc. for Directors (excluding Audit and Supervisory Committee Members) to Representative Director, President & Chief Executive Officer Makiko Ono. The Company delegated such decisions to her upon having deemed it appropriate for the Representative Director, President & Chief Executive Officer to make decisions on details of remuneration, etc. for individuals in view of factors such as performance of the Group overall. As a measure to ensure that such authority is exercised appropriately, the Board of Directors deems that details of remuneration, etc. for individual Directors (excluding Audit and Supervisory Committee Members) are consistent with remuneration policy based on the confirmation results of the Human Resources Committee, which entails the committee confirming whether or not details of remuneration, etc. for individual Directors (excluding Audit and Supervisory Committee Members) are consistent with remuneration policy.

(4) Outside Directors

1) Status of Material Concurrent Positions at Other Companies, etc. and the Company's Relationship with the Aforesaid Organizations
There are no special interests between the Company and the following entities at which the Outside Directors concurrently serve.

Classification	Name	Important Concurrent Positions
Outside Director	Maki Nakamura	Representative Director and President of Mamma Co., Ltd. Director and CHRO of SATUDORA HOLDINGS CO., LTD.
Outside Director (Audit and Supervisory Committee Member)	Mika Masuyama	President and Representative Partner of Masuyama & Company LLC. Outside Director of KOKUYO CO., LTD. External Director of Konoike Transport Co., Ltd. Outside Director of Ushio Inc.
Outside Director (Audit and Supervisory Committee Member)	Mariko Mimura	Attorney of Nishimura & Asahi (Gaikokuho Kyodo Jigyo) (Of Counsel) Board Director (outside) of TOMY COMPANY, LTD.

2) Principal Activities during the Fiscal Year under Review

Classification	Name	Board of Directors Meeting Attendance	Audit and Supervisory Committee Meeting Attendance	Status of Statements and Duties Carried out in Relation to Roles an Outside Director is Expected to Perform
Outside Director	Maki Nakamura	9/10	–	She has been providing strategic advice and supervision in the Board of Directors through commentary drawing on her experience as a corporate executive in the retail industry and other sectors, and her insight related to the field of human resource development. In addition, she has been serving as a member of the Human Resources Committee and the Special Committee, enlisting her independent and objective standpoint.

Classification	Name	Board of Directors Meeting Attendance	Audit and Supervisory Committee Meeting Attendance	Status of Statements and Duties Carried out in Relation to Roles an Outside Director is Expected to Perform
Outside Director (Audit and Supervisory Committee Member)	Mika Masuyama	13/13	13/13	She has been providing advice and supervision in the Board of Directors as well as audits and supervision in the Audit and Supervisory Committee through commentary drawing on her experience and knowledge relating to corporate governance, human resource development and other areas. In addition, she has been serving as a member of the Human Resources Committee and the chair of the Special Committee, enlisting her independent and objective standpoint.
Outside Director (Audit and Supervisory Committee Member)	Mariko Mimura	13/13	13/13	She has been providing advice and supervision in the Board of Directors as well as audits and supervision in the Audit and Supervisory Committee through commentary drawing on her experience and knowledge as an attorney. In addition, she has been serving as a member of the Human Resources Committee and the Special Committee, enlisting her independent and objective standpoint.

Notes:

1. In addition to the number of attendances at meetings of the Board of Directors presented above, in accordance with the provisions of Article 370 of the Companies Act of Japan, and of Article 27 of the Company's Articles of Incorporation, there were five (5) written resolutions where it was deemed that a resolution of the Board of Directors had been made.
2. This is the attendance of Ms. Maki Nakamura at the Board of Directors meetings since assuming her post on March 27, 2024.

4. Status of Accounting Auditor

(1) Name: Deloitte Touche Tohmatsu LLC

(2) Amount of Accounting Auditor's Fees, etc.

(Millions of yen)

Amount of fees, etc. for the fiscal year under review	168
Total amount of money and other financial benefits payable to Accounting Auditor by the Company and its subsidiaries	205

Notes:

1. The audit agreement between the Company and the Accounting Auditor does not distinguish between fees paid for the audit conducted in accordance with the Companies Act of Japan from fees paid for the audit conducted in accordance with the Financial Instruments and Exchange Act, and it is practically impossible to make such a distinction. Accordingly, the amount specified above is the aggregate amount of fees for these two types of audits.
2. Of the Company's significant subsidiaries, nine companies, including Suntory Beverage & Food Asia Pte. Ltd., are subject to audits of their financial statements by a certified public accountant or an audit corporation (including parties holding qualifications comparable to those of a certified public accountant or an audit corporation in a country besides Japan) other than the accounting auditor of the Company (provided, however, that such audits fall under the provisions of the Companies Act of Japan or the Financial Instruments and Exchange Act (or foreign laws comparable to the said Acts)).

(3) Reason for the Audit and Supervisory Committee Consenting to the Fees, etc. of the Accounting Auditor

With regard to the fees, etc. of the Accounting Auditor, the Company's Audit and Supervisory Committee has obtained the necessary materials and received reports from Directors, related internal departments and the Accounting Auditor, and has checked the Accounting Auditor's performance and fees hitherto. Then the Committee has made the requisite investigation into the appropriateness of the Accounting Auditor's action plans and the calculation basis for their estimated fees for the fiscal year under review. As a result of these deliberations, it has concluded that these are appropriate and it consents to the amount of the fees, etc. of the Accounting Auditor in accordance with Article 399, paragraph (1) of the Companies Act of Japan.

(4) Content of Non-audit Service

No items to report.

(5) Policy Regarding Decisions of Dismissal or Non-reappointment of Accounting Auditor

If the Company's Audit and Supervisory Committee deems that any circumstance stipulated in any item of Article 340, paragraph (1) of the Companies Act of Japan applies to the Accounting Auditor, the Accounting Auditor will be dismissed based on the unanimous approval of all Audit and Supervisory Committee Members. In such situations, an Audit and Supervisory Committee Member selected by the Committee shall report to the first General Meeting of Shareholders convened after the dismissal both the fact of the dismissal and the reasons for the dismissal.

The Company's Audit and Supervisory Committee shall, if it is recognized that on consideration of the Accounting Auditor's performance of their duties and the Company's audit system, etc. there is a need for a change in Accounting Auditor, decide on the content of a proposal to submit to the General Meeting of Shareholders regarding the dismissal or the non-reappointment of the Accounting Auditor.

5. Policy on Determining Dividends of Surplus, etc.

The Company believes its prioritization of strategic investments as well as capital expenditures for sustainable profit growth and improving corporate value will benefit its shareholders. In addition, the Company views an appropriate shareholder return as one of its core management principles. While giving due consideration to providing a stable return and maintaining robust internal reserves for the future, the Company intends to pursue a comprehensive shareholder return policy that also takes into account its business results and future funding needs.

Specifically, the Company aims to stably increase dividends on the basis of profit growth with a targeted consolidated payout ratio of 40% or more of profit for the year attributable to owners of the Company.

The Company maintains a basic policy of paying dividends of surplus twice annually in the form of an interim dividend and a year-end dividend.

The record date for interim dividends has been stipulated in the Articles of Incorporation as June 30 of each year.

The Company seeks the ability to more flexibly pay dividends from surplus and other such distributions, without requiring a resolution of an Ordinary General Meeting of Shareholders, in the event of unforeseen circumstances posing challenges for the holding of such a meeting. To such ends, the Company has put in place a system that makes it possible to seek resolution on dividends and other such distributions either at a General Meeting of Shareholders or at a meeting of the Board of Directors, upon having stipulated in its Articles of Incorporation wording such that, “The company may, by resolution of a meeting of the board of directors, determine the matters provided for in each item of Article 459, paragraph (1) of the Companies Act of Japan, including dividends from surplus, except as otherwise provided for in laws and regulations.”

Consolidated Financial Statements (IFRSs)

Consolidated Statement of Financial Position

(As at December 31, 2024)

(Unit: Millions of yen)

Assets		Liabilities and Equity	
Accounts	Amount	Accounts	Amount
Current assets	660,541	Current liabilities	544,176
Cash and cash equivalents	160,493	Bonds and borrowings	26,666
Trade and other receivables	341,028	Trade and other payables	460,147
Other financial assets	4,558	Other financial liabilities	26,995
Inventories	118,412	Accrued income taxes	22,054
Other current assets	34,206	Provisions	1,578
Assets held for sale	1,842	Other current liabilities	6,733
Non-current assets	1,397,490	Non-current liabilities	198,578
Property, plant and equipment	481,950	Bonds and borrowings	550
Right-of-use assets	61,495	Other financial liabilities	55,484
Goodwill	285,224	Post-employment benefit liabilities	15,240
Intangible assets	530,886	Provisions	7,361
Investments accounted for using the equity method	241	Deferred tax liabilities	111,666
		Other non-current liabilities	8,274
Other financial assets	14,534	Total liabilities	742,754
Deferred tax assets	15,589	Equity attributable to owners of the Company	1,209,587
Other non-current assets	7,566	Share capital	168,384
		Share premium	185,311
		Retained earnings	716,919
		Treasury shares	(1)
		Other components of equity	138,973
		Non-controlling interests	105,690
		Total equity	1,315,278
Total assets	2,058,032	Total liabilities and equity	2,058,032

Note: All amounts have been rounded down to the nearest million yen.

Consolidated Statement of Profit or Loss

(For the year ended December 31, 2024)

(Unit: Millions of yen)

Accounts	Amount
Revenue	1,696,765
Cost of sales	(1,049,885)
Gross profit	646,879
Selling, general and administrative expenses	(477,965)
Share of the profit or loss of investments accounted for using equity method	139
Other income	5,108
Other expenses	(13,912)
Operating income	160,249
Finance income	5,551
Finance costs	(4,753)
Profit before tax	161,047
Income tax expense	(43,417)
Profit for the year	117,629
Attributable to:	
Owners of the Company	93,495
Non-controlling interests	24,134
Profit for the year	117,629

Note: All amounts have been rounded down to the nearest million yen.

Non-consolidated Financial Statements (Japanese GAAP)

Non-consolidated Balance Sheet

(As at December 31, 2024)

(Unit: Millions of yen)

Assets		Liabilities	
Accounts	Amount	Accounts	Amount
Current assets	313,295	Current liabilities	232,803
Cash and deposits	102,419	Accounts payable - trade	70,533
Accounts receivable - trade	87,706	Electronically recorded obligations	14,242
Merchandise and finished goods	137	Short-term borrowings	1,410
Work in process	799	Current portion of long-term borrowings	25,000
Raw materials and supplies	13,354		
Advance payments–trade	689	Accounts payable–other	13,562
Prepaid expenses	1,118	Accrued expenses	17,914
Short-term loans receivable	86,769	Accrued income taxes	5,209
Allowance for doubtful accounts	(38)	Deposits received	77,425
Accounts receivable–other	14,334	Provision for bonuses	2,817
Other	6,002	Other	4,686
Non-current assets	590,130	Long-term liabilities	3,747
Property, plant, and equipment	63,651	Liability for employee retirement benefits	3,342
Buildings	1,347		
Machinery and equipment	1,426	Asset retirement obligations	389
Tools, furniture, and fixtures	29,013	Other	15
Land	28,696	Total liabilities	236,550
Construction in progress	2,136	Equity	
Other	1,031	Shareholders' equity	665,064
		Common stock	168,384
Intangible fixed assets	1,475	Capital surplus	213,425
Computer software	1,175	Legal capital surplus	145,884
Goodwill	265	Other capital surplus	67,541
Other	34	Retained earnings	283,256
		Other retained earnings	283,256
Investments and other assets	525,004	Reserve for advanced depreciation of non-current assets	984
Shares of subsidiaries and associates	515,038		
Long-term loans receivable from subsidiaries and associates	4,685	General reserve	34,982
Guarantee deposits	100	Retained earnings brought forward	247,288
Long-term prepaid expenses	74	Treasury shares	(1)
Prepaid pension cost	4,404	Valuation and translation adjustments	1,811
Deferred tax assets	673	Unrealized gain on available-for-sale securities	13
Other	28		
		Deferred gain on derivatives under hedge accounting	1,797
		Total equity	666,875
Total assets	903,426	Total liabilities and equity	903,426

Note: All amounts have been rounded down to the nearest million yen.

Non-consolidated Statement of Income

(For the year ended December 31, 2024)

(Unit: Millions of yen)

Accounts	Amount	
Net sales		432,794
Cost of sales		324,281
Gross profit		108,512
Selling, general and administrative expenses		88,115
Operating income		20,397
Non-operating income		
Interest income	5,763	
Dividends income	36,748	
Rental income from non-current assets	13,433	
Other	1,370	57,316
Non-operating expenses		
Interest expense	5,523	
Rental expenses on non-current assets	12,718	
Other	300	18,543
Ordinary income		59,170
Extraordinary income		
Gain on sales of investment securities	62	62
Extraordinary loss		
Impairment loss	197	
Loss on disposal of non-current assets	1	
Restructuring cost	148	347
Income before income taxes		58,885
Income taxes–current	7,776	
Income taxes–deferred	(167)	7,608
Net income		51,276

Note: All amounts have been rounded down to the nearest million yen.

[Translation]

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 10, 2025

To the Board of Directors of
Suntory Beverage & Food Limited:

Deloitte Touche Tohmatsu LLC
Osaka office

Designated Engagement Partner,
Certified Public Accountant:
Shinichi Ishihara

Designated Engagement Partner,
Certified Public Accountant:
Ayato Hirano

Designated Engagement Partner,
Certified Public Accountant:
Yuichi Asai

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Suntory Beverage & Food Limited and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of profit or loss and consolidated statement of changes in equity for the fiscal year from January 1, 2024 to December 31, 2024, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the

other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

[Translation]

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

February 10, 2025

To the Board of Directors of
Suntory Beverage & Food Limited:

Deloitte Touche Tohmatsu LLC
Osaka office

Designated Engagement Partner,
Certified Public Accountant:
Shinichi Ishihara

Designated Engagement Partner,
Certified Public Accountant:
Ayato Hirano

Designated Engagement Partner,
Certified Public Accountant:
Yuichi Asai

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of Suntory Beverage & Food Limited (the "Company"), namely, the non-consolidated balance sheet as of December 31, 2024, and the non-consolidated statement of income and non-consolidated statement of changes in equity for the 16th fiscal year from January 1, 2024 to December 31, 2024, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

[Translation]

Audit Report by Audit and Supervisory Committee

AUDIT REPORT

The Audit and Supervisory Committee (the "Committee") of Suntory Beverage & Food Limited (the "Company") has audited the performance of the duties of Directors during the 16th business term which commenced on January 1, 2024 and ended on December 31, 2024. The Committee hereby reports the method and result thereof as follows.

1. Method and content of audit

Regarding the content of the resolution of the Board of Directors relating to matters stipulated in Article 399-13, paragraph (1), item (i)(b) and (c) of the Companies Act of Japan and the status of the system being developed pursuant to such resolutions (internal control system), the Committee periodically received reports from the Directors, employees and other personnel concerning the establishment and management of such system, sought explanations as necessary, and expressed opinions. In addition, the Committee carried out audits according to the following method:

(i) The Committee worked in coordination with the respective company internal audit division and other divisions with jurisdiction over internal control to investigate the decision-making processes and the content of decisions at important meetings, etc.; the content of major approval-granting documents, and other important documents related to the execution of business, etc.; the status of the performance of the duties of Directors, principal employees and other personnel; and the status of company business operations and property. While carrying out this work, the Committee complied with the Audit and Supervisory Committee Audit Criteria established by the Committee and adhered to auditing principles and the duties allocated to them, etc. In addition, as for the subsidiaries of the Company, communication and exchange of information were sought with the directors and the audit and supervisory board members, etc. of such subsidiaries, and reports concerning the subsidiaries' businesses were received from them, as necessary.

(ii) The Committee also reviewed the details of the matters noted in Article 118 item (5)(a) of the Ordinance for Enforcement of the Companies Act of Japan as described in the Business Report, and the judgments in that item and the reasons therefor, based on the deliberations at the meetings of the Board of Directors and other meetings.

(iii) In addition to monitoring and verifying whether the Accounting Auditor kept its independent position and whether it performed proper audit, the Committee received reports from the Accounting Auditor concerning the performance of its duties, and requested additional explanation as necessary. Moreover, a notice informing that a "system to ensure the proper performance of the duties" (as prescribed in items of Article 131 of the Regulations on Corporate Accounting) has been established pursuant to the "Quality Control Standards Concerning Audits" (Business Accounting Council), etc. was received from the Accounting Auditor, and explanation regarding such system were made as necessary.

Based on the above-mentioned method, inspection was conducted regarding the Business Report and the Supplementary Schedules thereto, the Non-consolidated Financial Statements (the Non-consolidated Balance Sheet, the Non-consolidated Statement of Income, the Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements) and the Supplementary Schedules thereto and the Consolidated Financial Statements (the Consolidated Statement of Financial Position, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements), for the business term.

2. Result of audit

(1) Result of audit of Business Report, etc.

(i) We confirm that the Business Report and the Supplementary Schedules thereto accurately indicate the condition of the Company in compliance with laws and regulations and the Articles of Incorporation of the Company.

(ii) We have not detected any misconduct or material fact of violation of the relevant laws and regulations or the Articles of Incorporation of the Company, in connection with the performance of the duties of Directors.

(iii) We confirm that the content of the resolution of the Meeting of the Board of Directors concerning the internal control system is reasonable. Furthermore, we have not found anything that should be pointed out with respect to the content of the Business Report and the performance of the duties of Directors concerning the internal control system.

(iv) Regarding the transactions with the parent company, etc. described in the Business Report, we have not found anything that should be pointed out with respect to the matters needing attention to avoid harming the interests of the Company in conducting such transactions, and the judgment of the Board of Directors as to whether such transactions would harm the interests of the Company and the reasons therefor.

(2) Result of audit of the Non-consolidated Financial Statements and the Supplementary Schedules thereto

We confirm that the audit method and result of Deloitte Touche Tohmatsu LLC, the Accounting Auditor, are reasonable.

(3) Result of audit of the Consolidated Financial Statements

We confirm that the audit method and result of Deloitte Touche Tohmatsu LLC, the Accounting Auditor, are reasonable.

February 13, 2025

[Translation]

Audit and Supervisory Committee of

Suntory Beverage & Food Limited

Full-time Audit and Supervisory Committee Member
Hideki Kanda (seal)
Audit and Supervisory Committee Member
Mika Masuyama (seal)
Audit and Supervisory Committee Member
Mariko Mimura (seal)

Note: Audit and Supervisory Committee Members Mika Masuyama and Mariko Mimura are outside directors provided in Article 2, item (xv), and Article 331, paragraph (6) of the Companies Act of Japan.

Informational Materials for the 16th Ordinary General Meeting of Shareholders
(Items Subject to Measures for Electronic Provision Excluded from Paper-Based Documents Delivered upon Request)

Business Report
System to Ensure the Appropriateness of the Business and the Operational Status of the System

Consolidated Financial Statements
Consolidated Statement of Changes in Equity
Notes to Consolidated Financial Statements

Non-consolidated Financial Statements
Non-consolidated Statement of Changes in Equity
Notes to Non-consolidated Financial Statements

Suntory Beverage & Food Limited

In accordance with the provisions of laws and regulations and Article 16 of the Company's Articles of Incorporation, the above items are excluded from the paper-based documents delivered to shareholders who have made a request for delivery of such documents.

Business Report

System to Ensure the Appropriateness of the Business and the Operational Status of the System

The Board of Directors of the Company has resolved as follows with regard to its basic policy on the construction of a system (internal control system) to ensure the appropriateness of the business in order to ensure that the Company and its subsidiaries (the "Group") carry out their business operations properly for maintaining good relationships with each stakeholder and fulfill their social responsibilities as a corporation.

(1) System for Ensuring That the Execution of Duties by Officers and Employees of the Group Conforms with Laws and Regulations and the Articles of Incorporation

(a) In accordance with the "Suntory Group Code of Business Ethics," the Group shall conduct management that prioritizes compliance, and not only obey the law, but also demonstrate even higher ethical standards as we strive for best practices that meet or even exceed the expectations of all stakeholders the Group is involved with, such as our shareholders, consumers, customers, suppliers, business partners, communities, global society, natural environment, employees.

(b) In accordance with the Suntory Group Code of Business Ethics, and in line with laws and regulations and a high ethical viewpoint, the Group shall make the operation of fair and transparent activities as one of its basic policies, and it shall practice "Compliance with the law, respect for standards and culture," "Fair competition," "Prohibition of corruption," "Monitoring of conflicts of interest," "Severance of all relations with organized crime groups and thorough trade controls," and "Fair and appropriate financial and business records and disclosure." The officers shall take the initiative in complying with laws and regulations and business ethics, and actively make efforts to maintain and improve the management based on compliance.

(c) In order to ensure that the execution of duties by officers and employees of the Group conforms with laws and regulations and the Articles of Incorporation, the Group shall establish and promote a compliance system for the entire Group, which shall encompass promoting education and training programs; establishing and operating systems for administrative divisions, an internal audit division, and whistleblowing reporting system; and providing support, advice and oversight for subsidiaries of the Company along with other initiatives.

(d) The Group shall establish Compliance hotlines within and outside the Company to allow officers and employees of the Group to directly report compliance-related problems. Upon working to obtain information, the divisions in charge of compliance shall investigate the details, discuss the issue with the relevant departments as necessary, take corrective measures, establish measures aimed at preventing recurrence, and have such measures implemented across the entire Group.

(e) In order to maintain soundness for the appropriate execution of business operations within the Group, an internal audit division shall be established to

perform internal audits pertaining to the status of compliance and the appropriateness of business operations of the Group. The internal audit division shall report results of such audits to the Audit and Supervisory Committee and the Representative Director, President & Chief Executive Officer, as necessary.

(2) System for the Preservation and Management of Information of the Group

(a) The Group shall, in accordance with laws and regulations and internal regulations, preserve and manage minutes of General Meetings of Shareholders, minutes of Board of Directors meetings, and other documents and materials related to important decision-making (including electronic or magnetic records, the same applies hereinafter) in order to ensure the transparency and objectivity of decision-making.
(b) The Group shall maintain the documents and other materials mentioned above in a condition that allows for them to be viewed, and decide the authority, scope, procedures, etc. concerning their viewing.
(c) The Group shall establish and promote an information security system that does not only protect and preserve information, including personal information, but also facilitates the increase of corporate value through the use of information.

(3) Regulations and Other Systems for Managing Risk of Losses of the Group

(a) The Board of Directors supervises the design and operation of the Group's risk management system. The Board of Directors establishes the Risk Management Committee, the Quality Assurance Committee, and the Sustainability Committee, and gives instructions after receiving reports from these committees.
(b) The Risk Management Committee takes on the role of promoting the risk management activities of the entire Group. The Committee identifies the Group's risks, designs countermeasures for these risks, and confirms the progress of responding to these risks.
(c) The Quality Assurance Committee is in charge of the role of promoting quality assurance activities of the entire Group. The Committee identifies issues pertaining to the Group in terms of quality assurance, designs countermeasures for these issues, and confirms the progress of responding to these quality assurance issues.
(d) The Sustainability Committee is in charge of the role of promoting sustainability management of the entire Group, and formulates and promotes sustainability strategies within the Group that contribute to sustainable development of society and business.

(4) System for Ensuring the Efficiency of Execution of Duties by Officers and Employees of the Group

(a) The Board of Directors determines the basic policies on management of the Group.

(b) The Board of Directors shall determine Company-wide goals to be shared by the officers and employees of the Group, and officers in charge shall specify efficient methods for achieving such goals, such as specific targets and appropriate allocation of authority aimed at achieving the Company-wide goals.
(c) Officers in charge shall confirm progress made in achieving goals and report the specific measures to achieve the goals at Board of Directors meetings.
(d) The Group shall allot the execution of business operations appropriately and strive to make decisions efficiently under the Responsibility and Authority Rules.

(5) System for Reporting to the Company Matters Related to the Execution of Duties by Officers and Employees of the Company's Subsidiaries

(a) The Board of Directors requires regular reports regarding the status of the Company's subsidiaries' business execution.
(b) Officers require reports regarding the status of the business execution of the Company's subsidiaries of which they are in charge, as needed.
(c) In order to promote the Group's management strategy, risk management and management based on compliance, the Company shall design and operate a system that requires consultations with and reports to the Company's relevant departments or approval from the Board of Directors for certain matters concerning management of the Company's subsidiaries.
(d) The internal audit division performs internal audits of the Company's subsidiaries, and reports the results to the Company's Representative Directors, officers in charge and Audit and Supervisory Committee as necessary.

(6) System for Ensuring a Proper Relationship Between the Company and its Parent Company

(a) The Company shall promote unified group management as a member of the Suntory Group and utilize the brands, human capital, intellectual property and other group business resources while maintaining independence of management, which is necessary as a listed company, making its own decisions regarding major business resources that act as the source of the Company's corporate value, holding and securing such business resources, and working for the Company's sustainable growth while placing due consideration on shareholder conflict of interest.
(b) The Company shall establish the Special Committee and make decisions at meetings of the Board of Directors regarding significant transactions, activities, etc. carried out with the Suntory Group after deliberations and reports from the Special Committee, and design and operate a system in order to ensure fairness, transparency and objectivity regarding transactions, activities, etc. with the Suntory Group.

(7) Matters Regarding Officers and Employees Who Assist in the Duties of the Audit and Supervisory Committee of the Company, Matters Regarding the Independence of Such Officers and Employees from Other Directors (Excluding

Directors Serving on the Audit and Supervisory Committee), and Matters Related to Ensuring the Effectiveness of Instructions Given by the Audit and Supervisory Committee to Such Officers and Employees

(a) The internal audit division shall assist with the Audit and Supervisory Committee's duties. Matters such as those involving transfer and evaluation of internal audit division officers and employees shall be performed in a manner respectful of views provided by the Audit and Supervisory Committee, and in a manner that ensures independence from the Directors (excluding Directors serving on the Audit and Supervisory Committee).
(b) In assisting with the duties of the Audit and Supervisory Committee, officers and employees of the internal audit division shall comply with the instructions and orders from the Audit and Supervisory Committee exclusively.

(8) System for Reporting to the Audit and Supervisory Committee of the Company by Officers and Employees of the Group or Other Persons Who Receive Reports from Such Officers and Employees and Other Systems for Reporting to the Audit and Supervisory Committee

(a) The Audit and Supervisory Committee shall investigate the status of company business operations and property for audits, and the officers and employees of the Group shall respond promptly and accurately if required by the Audit and Supervisory Committee.
(b) Upon discovery of any incident that could cause the Group substantial damage, such as acts in violation of laws and regulations, the officers and employees of the Group shall immediately report the matter to the Audit and Supervisory Committee.
(c) The internal audit division shall regularly report internal audit results and the status of other activities in the Group to the Audit and Supervisory Committee.
(d) The division in charge of compliance shall regularly report the status of whistleblowing in the Group to the Audit and Supervisory Committee.

(9) System to Ensure That a Person Who Has Reported to the Company's Audit and Supervisory Committee Are Not Treated Adversely Based on the Fact Such a Report Has Been Made by the Person

Officers and employees of the Group may report directly to the Audit and Supervisory Committee, and the Company shall design and operate a system in which officers and employees of the Group are not treated adversely based on the fact such a report has been made.

(10) Policies Regarding Procedures for Advance Payment or Reimbursement of Expenses Arising in Conjunction with the Execution of Duties by Audit and Supervisory Committee Members of the Company (Limited to Those Expenses Incurred in Relation to Execution of Audit and Supervisory Committee Duties) and Other Policies for Processing Expenses and Obligations Arising with Respect

to Execution of Such Duties, and Other Systems for Ensuring That the Audit and Supervisory Committee Effectively Performs Audits

(a) If the Audit and Supervisory Committee, in conjunction with the execution of its duties, asks the Company for advance payment, etc. of expenses under Article 399-2, paragraph (4) of the Companies Act of Japan, the Company shall promptly process such expenses or obligations, unless they are not necessary for the Audit and Supervisory Committee Members to execute their duties.
(b) If the Audit and Supervisory Committee requests independent use of an external expert for the purpose of executing duties of the Audit and Supervisory Committee Members, the Company shall then bear those expenses, unless they are not necessary for the Audit and Supervisory Committee Members to execute their duties.
(c) The Audit and Supervisory Committee makes efforts to carry out effective audits by communicating, collaborating and exchanging opinions and information with the Company's officers, the internal audit division and the Accounting Auditor, and officers and internal audit divisions of the Company's subsidiaries.

In the fiscal year under review, the major operational status of the above-mentioned systems for ensuring the appropriateness of the business is as follows.

(1) Status of Initiatives Related to Improving Efficiency in Execution of Businesses

- The Company has, through a resolution of the Board of Directors, delegated the execution of certain important duties to Directors in order to enable efficient decision-making.
- The Board of Directors held 13 board meetings and actively discussed not only various management issues, including the management policy, investment strategies, capital investment, corporate governance and sustainability, but also core-business related key issues and the execution of business.
- At these meetings, the Board of Directors was provided with reports on the Group's monthly business performance, and accordingly verified and discussed matters such as progress made in achieving the Group's business objectives, its management challenges, along with measures in that regard.

(2) Operational Status of the Risk Management System

- The Risk Management Committee regularly held meetings where the committee addressed a wide range of risks encompassing everything from medium- to long-term themes regarding risks incurred by the Group including those associated with quality and sustainability, and extending to risks related to recent changes in the external environment. This has involved identifying and assessing such risks, formulating measures for addressing such risks, and checking on progress made with respect to taking action in that regard.
- The Quality Assurance Committee regularly held meetings where they identified quality risks pertaining to the Group, promoted the prevention of quality issues and their recurrence, and also monitored activities for reducing quality risks and the results of those activities.
- The Sustainability Committee regularly held meetings where they checked activity plans and progress on sustainability themes, including those surrounding water, greenhouse gases, and plastics. The Sustainability Committee also discussed opportunities and risks relating to sustainability in a way that is consistent with TCFD recommendations, and the Company accordingly disclosed details of its considerations.

- The details of the activities of the Risk Management Committee, the Quality Assurance Committee and the Sustainability Committee have been reported at the Board of Directors meetings.
- To ensure information security, the Group has developed various sets of internal rules governing the proper preservation and management of information. The Group has also been implementing measures at each Group company, including holding information management education and awareness activities, as well as taking steps geared toward discouraging unsuitable means of information management and preventing leakages of confidential information. In addition, the Risk Management Committee discussed countermeasures and checked on progress made with respect to taking action in that regard.

(3) Status of Initiatives Related to Compliance

- The Group implemented training programs, etc. with the aim of encouraging observance of the Code of Business Ethics of the Suntory Group.
- With the goal of proactive prevention and early discovery of infringements of laws and regulations and dishonest practices, channels for whistleblowing are provided by way of the division in charge of compliance, external channels such as law firms and providers of services to receive whistleblower disclosures, and the Audit and Supervisory Committee. In addition, the Group has established the Business Partner Compliance Hotline to address concerns from freelancers and other such business partners in accordance with Japan's Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators, which took effect on November 1, 2024. The Group employees and business partners in both Japan and overseas have been made aware of the existence of these channels through their publication on the Group's intranet and the Company's website.
- In response to reports and requests for advice, the divisions in charge of channels for whistleblowing have taken responsibility for investigating the situation and, if necessary, taking corrective action and drawing up measures to prevent a recurrence.
- In Japan, position-specific training aimed at fostering a harassment-free workplace was conducted against a backdrop of increasingly complex harassment concerns.
- An attitude survey was conducted among employees in Japan and abroad with the aim of nurturing a wholesome workplace culture as the basis for upholding compliance, the results of which were reported to the Board of Directors.

(4) Operational Status of the Audit and Supervisory Committee

- The Audit and Supervisory Committee deliberates on the matters to be discussed at the Board of Directors meetings beforehand and if the Committee deems it is necessary to express an opinion as the Audit and Supervisory Committee at the Board of Directors meeting, the Committee expresses such opinion. Moreover, if an individual Audit and Supervisory Committee Member deems it necessary to express an opinion at the Board of Directors meeting from their respective specialist insight, such individual expresses such opinion.
- The Audit and Supervisory Committee, led by the full-time Audit and Supervisory Committee Member, conducted audits in cooperation with the internal audit division. Pursuant to the audit plan, the Audit and Supervisory Committee carried out audits on the effectiveness of on-site governance structures, risk management, and internal control systems, from the position of understanding of activities on site, and provided opinions based on the audit results directly to the Representative Director, President & Chief Executive Officer, each of the officers in charge, and management teams of each region, thereby contributing to improving management quality.
- The Group Audit Committee, whose membership consists of Audit and Supervisory Committee Members and personnel such as officers in charge of the Corporate Strategy Division, meets regularly. The Committee accordingly receives reports on the status of internal control and internal audit activities from management teams of each region and engages in discussions as necessary, thereby contributing to improving management quality.
- The full-time Audit and Supervisory Committee Member has been attending important meetings such as the Risk Management Committee and other such bodies, through which he/she has been able to understand the details of business execution by Directors, Executive Officers and others, in addition to which he/she has shared, in a timely and appropriate manner, the process and content of decision-making with other Audit and Supervisory Committee Members.

(5) Operational Status of Internal Audits

- Each of the internal audit divisions of the Company and the Group companies has conducted audits of their own company on the basis of the annual audit plan.

- The internal audit division of the Company provides regular reports on the action plan and its progress to the Board of Directors, and strengthens cooperation with the Board of Directors by providing reports directly to the Directors on the results of the internal audit.

(6) Transactions with the Parent Company, etc.

- The Company has established the permanent Special Committee as a system to safeguard the interests of general shareholders.
- To ensure fairness, transparency and objectivity regarding transactions, activities, etc. with the Suntory Group, the Special Committee verifies the necessity and reasonableness, the appropriateness of the terms and conditions, etc., and the fairness of transactions equal to or exceeding a certain amount with the Suntory Group, including Suntory Holdings Limited, and transactions, activities, etc. related to the business resources forming the source of Company's corporate value, such as brands, human resources, key assets and information (hereinafter collectively referred to as "Important Transactions, Activities, etc."), and reports to the Board of Directors.
- The members of the Special Committee must be persons who have independence from the Suntory Group to ensure the committee's independence and objectivity, and currently it is composed of three Independent Outside Directors.
- Transactions, activities, etc. with the Suntory Group are, in accordance with internal regulations, examined beforehand by the departments conducting the transactions, activities, etc. and by the Company's legal affairs division and finance & accounting division to confirm the necessity and reasonableness of transactions, activities, etc., the appropriateness of their terms and conditions, etc., and the fairness, taking into consideration the perspective of independence from Suntory Holdings Limited. Furthermore, the Board of Directors makes a decision on Important Transactions, Activities, etc. after sufficient deliberation has been made on the necessity and reasonableness of the Important Transactions, Activities, etc., the appropriateness of their terms and conditions, etc., and the fairness through the process of the prior deliberation and report by the Special Committee.
- In addition to prior deliberation, in accordance with internal regulations, the legal affairs division, finance & accounting division, and internal audit division conduct a check on details of the transactions, activities, etc. and the Audit and Supervisory Committee conducts an audit afterwards to confirm whether those were based on the contents of the deliberation. For Important Transactions, Activities, etc., the status is reported to the Special Committee

and the Board of Directors, and they confirm the results of the transactions, activities, etc.

- In 2024, the Special Committee held four meetings to deliberate Important Transactions, Activities, etc., including the payment of royalties and the delegation of functional duties, as a result of which it was able to confirm the necessity and reasonableness, the appropriateness of the terms and conditions, etc., and the fairness of the Important Transactions, Activities, etc., and submitted reports to the Board of Directors. The Board of Directors has also approved the said Important Transactions, Activities, etc. based on the report by the Special Committee.

Consolidated Statement of Changes in Equity

(For the year ended December 31, 2024)

(Unit: 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 year			93,495			93,495	24,134	117,629
Other comprehensive income					54,995	54,995	8,818	63,813
Total comprehensive income for the year	–	–	93,495	–	54,995	148,490	32,952	181,443
Purchase of treasury shares				(0)		(0)		(0)
Dividends			(29,354)			(29,354)	(19,713)	(49,068)
Transactions with non-controlling interests		3,082				3,082	(5,205)	(2,123)
Reclassification to retained earnings			72		(72)	–		–
Total transactions with owners of the Company	–	3,082	(29,282)	(0)	(72)	(26,273)	(24,918)	(51,192)
Balance at December 31, 2024	168,384	185,311	716,919	(1)	138,973	1,209,587	105,690	1,315,278

Note: All amounts have been rounded down to the nearest million yen.

Notes to Consolidated Financial Statements

BASIS OF PREPARING CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparing consolidated financial statements
   Suntory Beverage & Food Limited and its consolidated subsidiaries (the "Group") prepared its consolidated financial statements in accordance with International Financial Reporting Standards (hereinafter "IFRSs"), pursuant to the provisions of Article 120, paragraph (1) of the Regulations on Corporate Accounting. Disclosure requirements under IFRSs are partially omitted pursuant to the provisions of second sentence of the said paragraph.

2. Scope of consolidation
   The number of subsidiaries was 64. The major subsidiaries are Suntory Foods Limited, Suntory Beverage Solution Limited, Japan Beverage Holdings Inc., Suntory Products Limited, Suntory Beverage & Food Asia Pte. Ltd., Suntory Beverage & Food International (Thailand) Co., Ltd., SUNTORY BEVERAGE & FOOD NEW ZEALAND LIMITED, Orangina Schweppes Holding B.V., Lucozade Ribena Suntory Limited and Pepsi Bottling Ventures LLC.

3. Application of equity method
   The number of associates and joint ventures accounted for using the equity method was 8.

4. Accounting policies
   (1) Basis of consolidation
   The Group's consolidated financial statements with the fiscal closing date at December 31 are composed of accounts of Suntory Beverage & Food Limited (the "Company") and its subsidiaries together with the Group's interest in associates and joint ventures.
   A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group's subsidiaries are included in the scope of consolidation, which begins when it obtains control over a subsidiary and ceases when it loses control of the subsidiary. Disposal of the Group's ownership interests in a subsidiary that does not result in the Group losing control over the subsidiaries is accounted for as an equity transaction. Any difference between the amount of an adjustment to the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and is attributed to owners of the Company. Non-controlling interests of the subsidiaries are identified separately from ownership interests attributable to the Group. Comprehensive income of subsidiaries is attributed to owners of the Company and non-controlling interests, even when comprehensive income attributed to non-controlling interests results in a negative balance.
   An associate is an entity over which the Group has significant influence on the financial and operating policy of the entity, but does not have control or joint control. Investments in an associate are initially recognized at cost upon the acquisition and are subsequently accounted for using the equity method. Investments in an associate include goodwill recognized upon the acquisition, net of accumulated impairment losses.
   A joint venture is an entity jointly controlled by two or more parties including the Group under the contractually agreed sharing of control of an arrangement over economic activities of the joint venture, which exists only when decisions for strategic financial and operating decisions related to relevant activities require unanimous consent of the parties sharing control. A joint venture of the Group is accounted for using the equity method.

   (2) Business combination
   A business combination is accounted for using the acquisition method. The acquisition cost is measured as the sum of the acquisition-date fair values of the assets transferred, liabilities assumed and the equity financial instruments issued by the Company in exchange for control of the acquiree. Excess of the acquisition cost over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill in the consolidated statement of financial position. Conversely, any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the acquisition cost is immediately recognized in profit or loss. The Group accounts for the acquisition of additional non-controlling interests as an equity transaction, and accordingly, it does not recognize goodwill attributable to such transactions.
   Identifiable assets acquired and the liabilities assumed are recognized at their fair value as at the acquisition date, except for the following:
   - Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements;
   - Assets or disposal groups that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

   Transaction costs that are directly attributable to a business combination, such as agent, legal, and due diligence fees are expensed as incurred.

   (3) Foreign currencies
   Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). In preparing the financial statements of each entity, a transaction denominated in a currency other than the entity's functional currency is translated into its functional currency using the exchange rate that approximates the exchange rate prevailing at the date of the transaction.
   The consolidated financial statements are presented in Japanese yen, which is the Company's functional currency.
   Amounts presented in the consolidated financial statements are rounded down to the nearest million yen.
   Assets and liabilities of the Group's foreign operations are translated into Japanese yen using exchange rates prevailing at the reporting date. In principle, income and expense items of the Group's foreign operations are translated into Japanese yen at the average exchange rates for the reporting period. Any exchange difference arising from translation of the financial statements of the Group's foreign operations is recognized in other comprehensive income. Any exchange

difference arising from translation of the Group's foreign operation disposed is recognized in profit or loss for the reporting period in which that foreign operation is disposed of.
At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates prevailing at the reporting date. Any exchange difference arising from translation or settlement of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. However, exchange differences arising from translation or settlement of equity instruments measured at fair value through other comprehensive income ("FVTOCI") and cash flow hedges are recognized in other comprehensive income.

(4) Financial instruments

1) Financial assets

(i) Initial recognition and measurement

The Group initially recognizes trade and other receivables on the day when they are incurred, and it initially recognizes other financial assets at the transaction date when the Group becomes a party to the contract for the financial assets. Financial assets are classified into the following specific categories; financial assets measured at fair value through profit or loss ("FVTPL") or FVTOCI and financial assets measured at amortized cost. The classification is determined at the time of initial recognition.
All financial assets are measured at fair value, however, the financial assets that are not classified as measured at FVTPL are measured at the sum of the fair value and transaction costs. Financial assets are classified as measured at amortized cost if both of the following conditions are met.

- The financial assets are held within a business model whose objective is to hold the asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets other than those measured at amortized cost are classified as financial assets measured at fair value. For financial assets measured at fair value other than equity instruments held for trading that should be measured at FVTPL, each equity instrument is designated as measured at FVTPL or FVTOCI. Such designation is continuously applied. There is no debt instrument measured at FVTOCI.

(ii) Subsequent measurement

Subsequent to initial recognition, financial assets measured at amortized cost are measured at amortized cost, using the effective interest method. Financial assets measured at fair value are remeasured at fair value. Any gain or loss on financial assets measured at fair value is recognized in profit or loss. However, changes in the fair value of equity instruments designated as measured at FVTOCI are recognized in other comprehensive income and the changes are reclassified to retained earnings when equity instruments are derecognized and when there is a significant decline in their fair value. Dividends from such financial assets are recognized as part of finance income in profit or loss for the year.

(iii) Impairment

For impairment of financial assets measured at amortized cost, the Group recognizes a loss allowance against expected credit losses on such financial assets. At each reporting date, financial assets are assessed whether there has been a significant increase in credit risk of the financial asset since initial recognition.
If the credit risk on financial assets has not increased significantly since initial recognition, a loss allowance is measured at an amount equal to 12 months of expected credit losses. In contrast, if the credit risk on financial assets has increased significantly since initial recognition, a loss allowance is measured at an amount equal to the lifetime expected credit losses. However, a loss allowance for trade and other receivables is always measured at an amount equal to the lifetime expected credit losses. Expected credit losses on financial assets are assessed based on objective evidence which reflects changes in credit information, and past due information of receivables. An impairment loss is recognized in profit or loss. If any event resulting in a decrease of impairment losses occurs after the recognition of impairment losses, gain on reversal of impairment is recognized through profit or loss.

(iv) Derecognition

The Group derecognizes financial assets when the contractual rights to the cash flows from the assets expire, or when the Group substantially transfers all the risks and rewards of ownership of the assets to another party. In cases where the Group neither transfers nor retains substantially all the risks and rewards of ownership but continues to control the transferred assets, the Group continues to recognize the financial assets to the extent of its continuing involvement in the financial assets.

2) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified into either subsequently measured at FVTPL or at amortized cost. The classifications are determined at the time of initial recognition. All of the financial liabilities are initially measured at fair value and any directly attributable transaction costs are further deducted from the fair value of financial liabilities measured at amortized cost. There are no financial liabilities measured at FVTPL, except for derivative liabilities.

(ii) Subsequent measurement

Financial liabilities measured at FVTPL include those held for trading purposes and those designated as measured at FVTPL upon initial recognition. Such financial liabilities measured at FVTPL are subsequently measured at fair value, with changes recognized in profit or loss for the reporting period. Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method. A gain or loss on financial liabilities no longer amortized using the effective interest method and derecognized is recognized as part of finance costs in profit or loss for the reporting period.

(iii) Derecognition

Financial liabilities are derecognized when they are extinguished, i.e., when the obligations specified in the contract are discharged, cancelled or expired.

3) Presentation of financial assets and liabilities
Financial assets and liabilities are presented in their net amount in the consolidated statement of financial position only when the Group has a legally enforceable right to offset the financial asset and liability balances and it intends either to settle on a net basis or to realize financial assets and settle financial liabilities simultaneously.

4) Derivatives and hedge accounting
The Group utilizes derivatives, such as forward exchange contracts and interest rate swap contracts, to hedge foreign exchange and interest rate risks, respectively. Derivatives are initially measured at fair value upon execution of a contract and are subsequently remeasured at fair value.
At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it applies hedge accounting and its risk management objective and strategy for undertaking the hedge. That documentation includes identification of a specific hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will test the effectiveness of changes in fair value of the hedging instrument in offsetting the exposure to fair value or cash flow changes of the hedged item attributable to the hedged risks. These hedges are presumed to be very effective in offsetting fair value or cash flow changes. Further, continuing assessments are made as to whether the hedges are very effective over all the reporting periods of such designation.
If the hedging relationship no longer meets the hedge effectiveness requirements in terms of hedge ratios due to a change in an economic relationship between the hedged item and the hedging instrument, despite that the risk management objective remains unchanged, the hedge ratio is adjusted to meet the hedge effectiveness requirements again. If the hedging relationship no longer meets the hedge effectiveness requirement in spite of the hedge ratio adjustment, hedge accounting is discontinued for the portion of the hedge relationship that no longer meets the requirement.

The hedges that meet the hedge accounting criteria are classified and are accounted for under IFRS 9 as follows.

(i) Fair value hedges
Changes in the fair value of the hedging instrument are recognized in profit or loss. However, changes in fair value of a hedged item that is an equity instrument designated as measured at FVTOCI are recognized in other comprehensive income. For changes in fair value of the hedged item attributable to the risk being hedged, such changes are adjusted with the carrying amount of the hedged item and are recognized in profit or loss. However, changes in fair value of an equity instrument with an election to present such changes in other comprehensive income are recognized in other comprehensive income.

(ii) Cash flow hedges
The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income. The portion of the gain or loss on the hedging instrument that is hedge ineffective is immediately recognized in profit or loss. The amount of the hedging instrument recognized in other comprehensive income is reclassified to profit or loss at the point a hedged future transaction affects profit or loss. If the hedged item gives rise to the recognition of a non-financial asset or liability, the amount recognized in other comprehensive income is removed to adjust the original carrying amount of the non-financial asset or liability.
If hedged future cash flows are no longer expected to arise, the cumulative gains and losses previously recognized in equity through other comprehensive income are reclassified to profit or loss. If hedged future cash flows are still expected to arise, the cumulative gains and losses previously recognized in equity through other comprehensive income remain in equity until such future cash flows arise.

(5) Inventories
Inventories are stated at the lower of cost or net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale. The cost of inventories is principally determined using a weighted-average basis, comprising all costs of purchase and conversion and other costs incurred in bringing the inventories to their present location and condition.

(6) Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment comprises any costs directly attributable to the acquisition of the item, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and borrowing costs that should be capitalized. Depreciation on an item of property, plant and equipment, other than land and construction in progress, are recognized on a straight-line basis over its estimated useful life. The ranges of estimated useful lives by major asset items are as follows:
- Buildings and structures: 2–50 years
- Machinery and vehicles: 2–25 years
- Tools, fixtures and equipment: 2–20 years

The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date. Any change is treated as a change in accounting estimate and is accounted for prospectively.

(7) Intangible assets
Intangible assets are measured at cost at initial recognition. Upon initial recognition, intangible assets, exclusive of intangible assets with indefinite useful lives, are amortized on a straight-line basis over its estimated useful life, and is stated at its carrying amount, i.e., at cost less accumulated amortization and any accumulated impairment losses.
The estimated useful lives of principal intangible assets with definite useful lives are as follows:
- Trademarks: 5–20 years
- Computer software: 2–10 years

The estimated useful lives, residual values and amortization methods are reviewed at the end of each reporting period. Any change is treated as a change in accounting estimates and is accounted for prospectively. Intangible assets with

indefinite useful lives are not amortized, but are tested for impairment each reporting period, or whenever there is any indication of impairment.

Goodwill is measured as at the acquisition date as the excess of the aggregate of the consideration transferred, the value of any non-controlling interests and the fair value of any previously held equity interest in the subsidiary acquired over the fair value of the identifiable net assets (net of identifiable assets acquired and the liabilities assumed) acquired. Goodwill is not amortized, but is tested for impairment each reporting period, or whenever there is any indication of impairment.

(8) Leases

At the commencement date of a lease, the right-of-use assets are measured at cost and the lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date. If ownership of the underlying asset is transferred to the Group by the end of the lease term, or if the cost of the right-of-use asset reflects the exercise of a purchase option, the right-of-use assets are depreciated on a straight-line basis over their useful lives. Otherwise, right-of-use assets are depreciated on a straight-line basis over either shorter of their useful lives or the lease terms. Lease payments are allocated to finance costs and the repayment of the lease liabilities, using the effective interest rate method, and finance costs are recognized in the consolidated statement of profit or loss.

The lease term is determined after adjustment for periods covered by an extension option that the Group is reasonably certain to exercise and a termination option that the Group is reasonably certain not to exercise in the non-cancellable period under the lease contract. In the measurement of the present value, the interest rate implicit in the lease or the incremental borrowing rate is used.
For short-term leases for which the lease term ends within 12 months and leases in which the underlying asset is of low value, total lease payments are recognized as an expense on either a straight-line basis over the lease term or another systematic basis.

(9) Impairment of non-financial assets

The carrying amount of a non-financial asset of the Group, exclusive of inventories and deferred tax assets, is assessed at each reporting date to test whether there is any indication that the asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Further, the recoverable amount is estimated annually at the same time every year for goodwill and intangible assets with indefinite useful lives and intangible assets that are not yet available for use.
The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In determining the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the asset. Non-financial assets not tested for impairment on an individual basis are grouped into the smallest cash-generating unit that generates cash inflows from the continuing use of the asset, which are largely independent of those from other assets or asset groups. In performing impairment testing on goodwill, an entity groups cash-generating units to which goodwill is allocated to enable performing impairment testing in a manner that reflects the smallest unit to which it relates. Goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination. Corporate assets of the Group do not generate independent cash inflows. If there is any indication that a corporate asset may be impaired, the recoverable amount of the cash-generating unit to which the corporate asset belongs is determined.
Impairment loss is recognized in profit or loss when the carrying amount of an asset or cash generating unit is greater than its recoverable amount. An impairment loss recognized for a cash-generating unit is first allocated to reduce the carrying amount of any goodwill allocated to the unit, and then, to the other assets of the cash-generating unit pro rata on the basis of the carrying amount of each asset in the cash-generating unit.
Impairment losses recognized for goodwill are not reversed subsequently. Impairment losses recognized for other assets are assessed at each reporting date whether there is any indication that they may no longer exist or may have decreased. If there is a change in the estimates used to determine the recoverable amount of an asset, an entity reviews the recoverable amount of the asset and reverses an impairment loss for the asset. An impairment loss is reversed to the extent of the carrying amount that would have been determined, net of any amortization or depreciation, had no impairment loss been recognized for the asset in prior years.

(10) Post-employment benefit plans

The Company and certain subsidiaries established post-employment benefit plans for its employees: defined benefit and defined contribution plans. The present value of defined benefit obligations, related current service cost and, where applicable, past service cost are determined using the projected unit credit method. The discount rate is determined by reference to market yields at each reporting date on high quality corporate bonds corresponding to a discount period that is defined based on the period to the date of expected future benefit payment. Net defined benefit liability (asset) is determined as the present value of defined benefit obligation less the fair value of plan assets (including adjustments for the asset ceiling for defined benefit plans and minimum funding requirements, if necessary). Remeasurement of post-employment benefit plans is recognized collectively in other comprehensive income for the period in which they are incurred. The past service cost is accounted for as profit or loss for the period in which it is incurred.
Expenses related to defined contribution retirement benefits are recognized when related services are rendered.

(11) Provisions

Provisions are recognized only when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of estimated future cash outflows discounted using a pre-tax rate (or rates) that reflect(s) current market assessments of the time value

of money and the risks specific to the liability. Where discounting is used, the increase in the provisions due to the passage of time is recognized as finance costs.

(12) Revenue

The Group is engaged in the sale of soft drinks and foods. As customers usually obtain control of the goods and the Group's performance obligation is satisfied at the time when the goods are delivered to wholesalers etc. who are customers, the Group recognizes revenue at the time of delivery of goods. Revenue is measured at the amount of consideration promised under the contracts with customers after deduction of trade discounts, rebates, taxes collected on behalf of third parties such as consumption taxes or value added tax, sales incentives, and returned goods. Interest income and expense is recognized by using the effective interest method.

(13) Government grant

The Group measures and recognizes grant revenue at its fair value when there is reasonable assurance that an entity will comply with the conditions attached to them and will receive the grants. The grants received to compensate costs incurred are recognized as revenue in the period in which such costs are incurred. The grants related to the acquisition of an asset are deducted from the carrying amount of the asset.

(14) Corporate income tax

Corporate income tax is comprised of current and deferred tax. Current and deferred tax are recognized through profit and loss, except for those that arise from a business combination or are recognized in other comprehensive income or directly in equity.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities. The amount of current tax is determined based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in each tax jurisdiction where the Group owns the business activities and earns taxable profit (or loss).

Deferred tax is recognized for the temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their value for tax purposes as at the reporting date as well as the carryforward of unused tax losses and unused tax credits. Deferred tax assets and liabilities are not recognized for the following temporary differences:

- Temporary differences arising from the initial recognition of goodwill;
- Temporary differences arising on initial recognition of an asset or liability arising in a transaction other than business combinations and transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition, and affects neither accounting profit nor taxable profit;
- Deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangement, to the extent it is probable that the temporary difference will not reverse in the foreseeable future; and
- Taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangement, to the extent the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax liability is principally recognized for all taxable temporary differences and a deferred tax asset is recognized for all deductible temporary differences to the extent it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed each period and is reduced to the extent it is probable that the sufficient taxable profit will not be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are also reviewed each period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that are expected to be applied in the period when the asset is realized or liability is settled, based on statutory tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are netted when the entity has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax balances relate to the same taxation authority.

An asset or liability is recognized for uncertain tax positions at the estimated amount expected to arise from the uncertain tax position if it is probable that the position will result in a payment (or redemption) of taxes.

In accordance with IAS 12, the Group adopts a temporary exception to the recognition and information disclosure requirements about deferred tax assets and liabilities related to the International Tax Reform - Pillar Two Model Rules.

(15) Earnings per share

Basic earnings per share is calculated by the profit or loss for the year attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares issued.

(16) Assets held for sale

The Group classifies an asset or asset group that will be recovered principally through a sales transaction rather than through continuing use as assets held for sale, only when its sale must be highly probable within one year, the asset or asset group is available for immediate sale in its present condition and the appropriate level of management of the Group is committed to a plan to sell the asset or asset group. The assets held for sale are not depreciated or amortized, and are measured at the lower of its carrying amount and the fair value less costs to sell.

SIGNIFICANT ACCOUNTING ESTIMATES

Valuation of goodwill and intangible assets with indefinite useful lives

(1) Amounts recorded in the consolidated financial statements at the end of the fiscal year under review

Goodwill	¥285,224 million
Intangible assets with indefinite useful lives	¥473,935 million

(2) Information on details of significant accounting estimates relating to the identified items

The Company estimates recoverable amounts for impairment testing on goodwill and intangible assets with indefinite useful lives. For details, please refer to "BASIS OF PREPARING CONSOLIDATED FINANCIAL STATEMENTS, 4. Accounting policies, (9) Impairment of non-financial assets."

The Company calculates these recoverable amounts utilizing the discounted present value of estimated future cash flows based on the business plan and the long-term growth rate for the periods beyond the term of the business plan. The business plan used for impairment testing is formulated based on not only the growth rate of the beverage market, consumer trends, and estimates of the impact from higher raw material costs, but also estimates of the effects of sales strategies, such as focused activities for core brands, price revisions, and portfolio expansions, and estimates of the effects of cost management. Moreover, the growth rate is determined by taking into consideration the long-term average growth rate in the markets or countries to which these cash-generating units and groups of cash-generating units belong. If they differ from the actual results, it may impact the business performance and other indicators.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Provisions netted off against assets

Trade and other receivables	¥1,143 million
Other financial assets	¥78 million

2. Accumulated depreciation of property, plant and equipment (including accumulated impairment losses) ¥640,267 million

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1. Total number of issued shares as at December 31, 2024: Ordinary shares 309,000,000 shares

2. Cash dividends from surplus paid during the fiscal year under review

Resolution	Class of shares	Total amount of dividends	Dividends per share	Record date	Effective date
At Ordinary General Meeting of Shareholders held on March 27, 2024	Ordinary shares	¥12,359 million	¥40.00	December 31, 2023	March 28, 2024
At Meeting of the Board of Directors held on August 8, 2024	Ordinary shares	¥16,994 million	¥55.00	June 30, 2024	September 5, 2024

3. Approval of dividend payment for which the record date is in the fiscal year under review, and the effective date is in the following fiscal year

Resolution [Proposed]	Class of shares	Total amount of dividends	Dividends per share	Record date	Effective date
Scheduled to be resolved at Ordinary General Meeting of Shareholders held on March 26, 2025	Ordinary shares	¥20,084 million	¥65.00	December 31, 2024	March 27, 2025

BUSINESS COMBINATIONS

(Transfer of production and sales of non-alcoholic beverages business in Indonesia)

On March 31 and June 25, 2024, Greatwall Capital Pte. Ltd., a subsidiary of the Company completed the sale of all shares of PT SUNTORY GARUDA BEVERAGE, which operates production and sales of non-alcoholic beverages in Indonesia, including its subsidiary and associate to PT Garuda food Putra Putri Jaya Tbk.

The amount of cash consideration received in this transfer of shares, net of the expenses related to this share transfer, was recorded in “other income” in the fiscal year under review.

The assets and liabilities at the time of the loss of control of the subsidiaries and influence of an associate by the sale of shares were as follows:

Assets and liabilities at time of loss of control and influence	Amount
	Millions of yen
Assets	
Current assets	3,300
Non-current assets	5,635
Total assets	8,936
Liabilities	
Current liabilities	3,650
Non-current liabilities	839
Total liabilities	4,489

FINANCIAL INSTRUMENTS

1. Conditions of financial instruments

The Group is exposed to financial risks, e.g., credit risk, liquidity risk, foreign exchange risk, interest rate risk and market price fluctuation risk in the course of its business activities. The Group performs risk management to mitigate such financial risks.

The Group utilizes derivative transactions to avoid foreign exchange or interest rate risks and has a policy in place not to engage in speculative transactions. The finance department monitors performance and balances of derivative transactions based on the Group's risk management policies and reports derivative transaction records as necessary to the head of the finance function.

(1) Credit risk management

Credit risk is the risk that the counterparty to financial assets held by the Group will default on a contractual obligation, resulting in a financial loss to the Group. In addition, the Group is also exposed to credit risk of financial institutions that are counterparties to derivative transactions to hedge foreign exchange risk and interest rate risk of the Group, and deposit of excess funds. However, the impact on credit risks is immaterial because the Group conducts transactions only with highly credible financial institutions.

The Group sets credit limits for each business counterparty based on internal guidelines for credit management by business and country or region, while managing overdue debtors and outstanding balances. The Group's receivables are from many customers spanning a wide range of countries and regions. The Group does not have any excessively concentrated credit risk for a single counterparty or the group to which such counterparty belongs.

(2) Liquidity risk management

Liquidity risk is the risk that the Group will be unable to make a repayment on the due date in meeting the obligation to repay financial liabilities that become due.

The Group diversifies the means of financing to prevent or mitigate its liquidity risks, considering the market environment and balancing short-term and long-term financing, such as utilizing indirect financing through bank borrowings and direct financing through issuance of bonds and commercial papers. Temporary excess funds are invested in highly secure financial assets, such as short-term deposits.

The Group develops its financing plans based on its annual business plan and manages its liquidity risks by continuously monitoring the actual performance of financing against the plan. In addition, the Group has secured credit lines available at any time from financial institutions, and periodically reports the status of liquidity in hand and interest-bearing liabilities including these credit lines to the Company's President and Board of Directors.

(3) Foreign exchange risk management

The Group operates business activities globally and is exposed to foreign exchange risks due to fluctuations in market rates associated with purchase of raw materials, packaging materials and others, trading such as import and export of merchandise, finance and investments contracted in foreign currencies in the course of business activities.

The Group avoids or mitigates risks due to foreign exchange fluctuations on cash flows in non-functional currencies using forward exchange contracts, currency options and other means, after taking into account offset of foreign currency assets and liabilities and unrecognized firm commitments, and future forecast transactions that can be predicted reasonably. Therefore, the exposure to foreign exchange risk is limited and the impact on the Group is limited.

(4) Interest rate risk management

The Group finances its operating and investing activities through bonds payable and borrowings. Floating-rate borrowings are exposed to risks of changes in future cash flows, while fixed-rate borrowings are exposed to risks of changes in their fair values. To mitigate future interest rate risk, fix interest expenses and reduce changes in fair value, the Group positions interest rate swaps, interest-rate currency swaps and interest rate options (interest-rate caps and swaptions) as hedging instruments.

As a result, the Group's exposure to interest rate risk is limited and the impact of interest rate risk on profit before tax in the consolidated statement of profit or loss is limited.

(5) Market price fluctuation risk management

The Group uses commodity swap transactions in order to mitigate fluctuation risks of raw material prices.

The Group is exposed to risks of changes in market prices arising on equity financial instruments (shares), and the Group manages such risks by periodically monitoring market quotes and financial conditions of issuers (business counterparties).

The impact of market price fluctuation risks on the consolidated financial statements as at the end of the fiscal year under review is immaterial.

2. Fair values of financial instruments

(1) Carrying amount and fair value

Carrying amounts and fair values of financial instruments as at the end of the fiscal year under review are as follows. Financial instruments of which the carrying amount reasonably approximates the fair value and insignificant financial instruments are not included in the table below.

(Unit: Millions of yen)

	Carrying amounts	Fair value
Borrowings	27,217	27,235

(2) Fair value measurement methods

1) Major financial instruments measured at amortized cost

The fair value measurement methods for major financial instruments measured at amortized cost are as follows.

(i) Cash and cash equivalents, trade and other receivables and trade and other payables

The carrying amounts approximate their fair value due to their short-term maturity.

(ii) Bonds and borrowings

Fair values of bonds and borrowings are classified according to certain periods of time and determined based on present value of debts discounted using interest rate that reflects the period up to the maturity and the credit risk.

Carrying amounts and the fair value hierarchy of major financial instruments measured at amortized cost are as follows.

(Unit: Millions of yen)

	Carrying amounts	Level 1	Level 2	Level 3	Total
Liabilities:					
Financial liabilities measured at amortized cost					
Borrowings	27,217	–	27,235	–	27,235

2) Major financial instruments measured at fair value

The fair value measurement methods for major financial instruments measured at fair value are as follows.

(i) Derivative assets and liabilities

The fair values of derivative financial instruments – e.g., forward exchange contracts, currency options, interest rate swaps, interest-rate currency swaps, interest rate options – are determined based on the prices presented by financial institutions that are our business counterparties. Specifically, for example, the fair value of a forward exchange contract is measured at fair value based on quoted prices of forward foreign exchange markets, etc. The fair value of an interest rate swap is determined based on present value of future cash flows discounted using interest rate swap rate as at the reporting date and the period up to the maturity.

(ii) Shares

The fair values of listed shares are measured as the quoted prices available at the reporting date. Unlisted shares are principally measured using the valuation model primarily based on net assets (a method to determine corporate values based on net assets of issuing companies).

The fair value hierarchy of financial instruments measured at fair value is as follows.

(Unit: Millions of yen)

	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets designated as hedging instruments				
Derivative assets	–	3,593	–	3,593
Financial assets measured at fair value through profit or loss				
Derivative assets	–	25	–	25
Others	2,499	80	1	2,580
Financial assets measured at fair value through other comprehensive income				
Shares	5,414	–	1,876	7,291
Others	–	–	0	0
Liabilities:				
Financial liabilities designated as hedging instruments				
Derivative liabilities	–	3,442	–	3,442
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	110	–	110

Changes in financial instruments classified as level 3 are as follows.

	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen
December 31, 2023	1	2,380
Total gains and losses	–	97
Other comprehensive income	–	97
Sales	–	(0)
Other	–	(602)
December 31, 2024	1	1,876

REVENUE RECOGNITION

1. Disaggregation of revenue
   Disaggregation of revenue by product and by area is as follows.

(Unit: Millions of yen)

	Japan	Asia Pacific	Europe	Americas	Total
Beverages	731,814	360,883	368,081	194,819	1,655,598
Health supplements	–	41,166	–	–	41,166
Total	731,814	402,049	368,081	194,819	1,696,765

2. Information that provides the basis for understanding revenue
   Information that provides the basis for understanding revenue is as stated in “BASIS OF PREPARING CONSOLIDATED FINANCIAL STATEMENTS, 4. Accounting policies, (12) Revenue.”

PER SHARE INFORMATION

1. Equity attributable to owners of the Company per share ¥3,914.53
2. Basic earnings per share ¥302.57

There was no diluted share issued.

SIGNIFICANT SUBSEQUENT EVENTS

No items to report.

(Note) All amounts have been rounded down to the nearest million yen.

Non-consolidated Statement of Changes in Equity

(For the year ended December 31, 2024)

(Unit: Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
					Other retained earnings				
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for advanced depreciation of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward	Total retained earnings
Balance at January 1, 2024	168,384	145,884	67,541	213,425	992	108	34,982	225,250	261,334
Changes of items in the year									
Cash dividends								(29,354)	(29,354)
Net income								51,276	51,276
Purchase of treasury shares									
Reversal of reserve for advanced depreciation of non-current assets					(7)			7	–
Reversal of reserve for special depreciation						(108)		108	–
Net changes of items other than shareholders' equity									
Net changes in the year	–	–	–	–	(7)	(108)	–	22,037	21,921
Balance at December 31, 2024	168,384	145,884	67,541	213,425	984	–	34,982	247,288	283,256

	Shareholders' equity		Valuation and translation adjustments			Total equity
	Treasury shares	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Total valuation and translation adjustments	
Balance at January 1, 2024	(0)	643,143	37	(35)	1	643,145
Changes of items in the year						
Cash dividends		(29,354)				(29,354)
Net income		51,276				51,276
Purchase of treasury shares	(0)	(0)				(0)
Reversal of reserve for advanced depreciation of non-current assets		–				–
Reversal of reserve for special depreciation		–				–
Net changes of items other than shareholders' equity		–	(23)	1,832	1,809	1,809
Net changes in the year	(0)	21,921	(23)	1,832	1,809	23,730
Balance at December 31, 2024	(1)	665,064	13	1,797	1,811	666,875

Note: All amounts have been rounded down to the nearest million yen.

Notes to Non-consolidated Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis and methods of valuation of assets
   (1) Securities
   Shares of subsidiaries and associates: Stated at cost determined by the moving-average method.
   Available-for-sale securities:
   Securities other than shares that do not have market prices:
   Stated at fair value.
   (Unrealized gains and losses, net of applicable income taxes, are reported in a separate component of equity. The cost of securities sold is determined based on the moving-average method.)
   Shares that do not have market prices:
   Stated at cost determined by the moving-average method.

   (2) Derivatives: Stated at fair value.

   (3) Inventories: Stated at cost determined by the periodic average method.
   (The value stated in the non-consolidated balance sheet is determined according to write-downs based on the decreased profitability of assets.)

2. Depreciation and amortization of non-current assets
   (1) Property, plant, and equipment
   Property, plant, and equipment are depreciated by the straight-line method. Useful lives of principal property, plant, and equipment are as follows.

Buildings:	5–50 years
Machinery and equipment:	2–17 years
Tools, furniture and fixtures:	2–20 years

   (2) Intangible fixed assets
   Intangible fixed assets are amortized by the straight-line method. Goodwill is equally amortized over 20 years. Software for internal use is amortized by the straight-line method over the internally estimated useful lives (within 5 years).

3. Basis for provision of reserves
   (1) Allowance for doubtful accounts
   To make allowances for the non-payment of receivables, for general receivables the historical default rate is used, and receivables designated as potentially irrecoverable is determined using actual default rates on an individual claim basis, and an allowance is made for the amount deemed irrecoverable.
   (2) Provision for bonuses
   To cover the payments of bonuses, Suntory Beverage & Food Limited (the "Company") sets aside provision for bonuses based on the projected amount for such payments.

   (3) Liability for employee retirement benefits (Prepaid pension cost)
   The Company sets aside liability for employee retirement benefits to prepare for expenditures of employees' retirement benefits based on the estimated amount of retirement benefit obligation and pension assets at the end of the fiscal year under review. Since the total amount of pension assets for the pension plan exceeded the amount calculated by deducting unrecognized actuarial differences from retirement benefit obligation as at the end of the fiscal year under review, the excess amount has been recorded in prepaid pension cost (investments and other assets).

   (a) Methods of attributing estimated retirement benefits to accounting periods
   When calculating retirement benefit obligations, the benefit formula basis is used to attribute estimated retirement benefits to the period through the end of the fiscal year under review.

   (b) Amortization of actuarial differences and prior service cost
   Prior service cost is amortized by the straight-line method over the period (15 years), which is shorter than the average remaining service life of employees as incurred, and unrecognized actuarial differences are amortized by the straight-line method over the period (15 years) which is shorter than the average remaining service life of employees as incurred from the year following that in which they arise.

4. Basis for revenue and cost recognition
   The Company is engaged in the sale of soft drinks and foods. As customers usually obtain control of the goods and the Company's performance obligation is satisfied at the time when the goods are delivered to wholesalers etc. who are customers, the Company recognizes revenue at the time of delivery of goods. Revenue is measured at the amount of consideration promised under the contracts with customers after deduction of trade discounts, rebates, taxes collected on behalf of third parties such as consumption taxes or value added tax, sales incentives, and returned goods. Interest income and expense is recognized by using the effective interest method.

5. Other significant matters forming the basis of preparing non-consolidated financial statements
   (1) Method of hedge accounting
   Mainly accounted for with deferred hedge accounting. Items that satisfy the requirements for an accounting method in which monetary receivables and liabilities denominated in foreign currencies are translated at a predetermined rate to hedge against exchange rate fluctuation risk are accounted for under this method. Those that satisfy the requirements for exceptional treatment for interest rate swaps are accounted for under the said exceptional treatment.

(2) Accounting treatment for retirement benefits
The accounting treatment method for unrecognized actuarial differences and the unrecognized past service costs related to retirement benefits is different from the treatment method for these items in the consolidated financial statements.

SIGNIFICANT ACCOUNTING ESTIMATES

1. Valuation of shares of subsidiaries and associates that do not have market prices

(1) Amount recorded in the non-consolidated financial statements at the end of the fiscal year under review
Shares of subsidiaries and associates that do not have market prices: ¥515,038 million.
The major shares of subsidiaries and associates are shares of Japan Beverage Holdings Inc., Orangina Schweppes Holdings B.V. and Lucozade Ribena Suntory Limited, and the carrying amount recorded in the non-consolidated balance sheet for these shares is ¥331,242 million.

(2) Information on details of significant accounting estimates relating to the identified items
In valuing shares of subsidiaries and associates, the Company has a policy to recognize impairment losses when the substantial value of shares has declined significantly due to deterioration in the financial position of the company concerned, unless recoverability is substantiated by sufficient evidence.
For shares acquired reflecting their excess earning power, the Company considers whether the excess earning power is impaired or not by comparing the business plan at the time of stock acquisition, which was used for the basis of calculating the acquisition price, with the actual results up to the fiscal year under review as well as the future business plan prepared during the fiscal year under review.

The business plan includes not only the growth rate of the beverage market, consumer trends, and estimates of higher raw material costs, but also the effects of sales strategies, such as focused activities for core brands and price revisions, and estimates of the effects of cost management, and therefore the actual results in 2025 onwards may differ from the business plan. If this is the case, it may impact the business performance and other indicators.

2. Recoverability of loans receivable from subsidiaries and associates

(1) Amounts recorded in the non-consolidated financial statements at the end of the fiscal year under review

Short-term loans receivable:	¥86,769 million	(Note)
Long-term loans receivable from subsidiaries and associates:	¥4,685 million	(Note)
Allowance for doubtful accounts related to Short-term loans receivable	¥38 million	

Note: Please refer to “Related Party Transactions” for major components.

(2) Information on details of significant accounting estimates relating to the identified items
For the valuation of loans receivable from subsidiaries and associates, the Company considers the recoverability of each loan receivable based on the debtor’s business plan and repayment plan. In cases where there is a possibility that part of the loans cannot be repaid according to the specified conditions even when considering past operating results and the feasibility of the future business plan, the Company records an allowance for a doubtful account for the expected non-collectible amount.

The debtor’s business plan is subject to risks and other factors arising from changes in the business environment, and therefore, the actual results in 2025 onwards may differ from the business plan. If this is the case, it may impact the business performance and other indicators.

NON-CONSOLIDATED BALANCE SHEET

1. Accumulated depreciation of property, plant, and equipment ¥130,842 million

2. Guarantee obligation

The Company extends guarantee for obligations for affiliated companies as shown below.

Suntory PepsiCo Beverage (Thailand) Co., Ltd.	¥100 million
Suntory PepsiCo Vietnam Beverage Pte. Ltd.	¥64 million
Total	¥164 million

3. Monetary receivables and payables from/to affiliated companies (except for those presented separately)

Short-term monetary receivables	¥181,824 million
Short-term monetary payables	¥162,398 million
Long-term monetary payables	¥3 million

NON-CONSOLIDATED STATEMENT OF INCOME

Transactions with affiliated companies

Volume of operating transactions	
Net sales	¥426,754 million
Cost of sales	¥54,325 million
Selling, general and administrative expenses	¥35,735 million
Volume of non-operating transactions	
Non-operating income	¥54,213 million
Non-operating expenses	¥2,679 million

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Number of treasury shares as at December 31, 2024:

Ordinary shares	272 shares

TAX EFFECT ACCOUNTING

1. Major components of deferred tax assets

Temporary differences for investments in subsidiaries	¥18,247 million
Accounts payable–other	¥695 million
Liability for employee retirement benefits	¥1,023 million
Provision for bonuses	¥830 million
Depreciation	¥207 million
Accrued enterprise tax	¥336 million
Asset retirement obligations	¥119 million
Other	¥197 million
Subtotal	¥21,657 million
Valuation allowance	¥(18,283) million
Total deferred tax assets	¥3,373 million

2. Major components of deferred tax liabilities

Prepaid pension cost	¥(1,348) million
Reserve for advanced depreciation of non-current assets	¥(434) million
Removal costs related to asset retirement obligations	¥(119) million
Deferred gain on derivatives under hedge accounting	¥(792) million
Other	¥(6) million
Total deferred tax liabilities	¥(2,700) million
Net deferred tax assets	¥673 million

REVENUE RECOGNITION

Information that provides the basis for understanding revenue is omitted as the same information is provided in "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, 4. Basis for revenue and cost recognition."

PER SHARE INFORMATION

1. Equity per share ¥2,158.18
2. Net income per share ¥165.94

RELATED PARTY TRANSACTIONS

Attribute	Name of company	Percentage of voting rights owned or owning	Relationship	Content of transaction	Transaction amount (Millions of yen)	Account title	Balance as at December 31, 2024 (Millions of yen)
Parent company	Suntory Holdings Limited	Directly owned 59.4%	–Contract work of indirect operations –Interlocking of officers	Advance payment for raw materials (Note 1)	–	Accounts payable – trade	67,826
Subsidiary	Suntory Foods Limited	Directly owning 100%	–Sales of products of the Company –Money lending and borrowing –Interlocking of officers	Sales of products of the Company (Note 2)	427,458	Accounts receivable – trade	86,751
				Money lending and borrowing (Note 3)	8,352	Short–term loans receivable	8,352
				Proceeds from interest (Note 3)	15	–	–
Subsidiary	Suntory Beverage Solution Limited	Directly owning 75% Indirectly owning 25%	– Rental of sales equipment –Interlocking of officers	Receipt of sales equipment fees (Note 4)	11,204	Other current assets	1,066
Subsidiary	Japan Beverage Holdings Inc.	Directly owning 93.2%	–Money lending and borrowing	Money lending and borrowing (Note 3)	14,957	Deposits received	14,957
				Interest paid (Note 3)	33	–	–
Subsidiary	Suntory Products Limited	Directly owning 100%	–Outsourcing of manufacturing operations –Money lending and borrowing –Interlocking of officers	Payment of processing fee (Note 2)	54,218	Accounts payable – other	4,405
				Money lending and borrowing (Note 3)	29,539	Short–term loans receivable	29,539
				Proceeds from interest (Note 3)	113	–	–
Subsidiary	Suntory Beverage & Food Asia Pte. Ltd.	Directly owning 100%	–Interlocking of officers	Dividends received (Note 5)	14,230	–	–
Subsidiary	Orangina Schweppes Holding B.V.	Directly owning 100%	–Money lending and borrowing –Interlocking of officers	Money lending and borrowing (Note 3)	14,027	Short–term loans receivable	16,840
						Deposits received	2,812
				Proceeds from interest (Note 3)	1,073	Other current assets	26
				Interest paid (Note 3)	34	Other current liabilities	10
				Capital reduction with compensation (Note 6)	13,982	–	–
Subsidiary	Lucozade Ribena Suntory Limited	Directly owning 100%	–Money lending and borrowing –Interlocking of officers	Money lending and borrowing (Note 3)	17,345	Short–term loans receivable	21,320
						Deposits received	3,974
				Proceeds from interest (Note 3)	1,455	Other current assets	80
				Interest paid (Note 3)	258	Other current liabilities	63
				Capital reduction with compensation (Note 6)	12,456	–	–
Subsidiary	SUNTORY BEVERAGE & FOOD AUSTRALIA PTY LTD	Directly owning 100%	–Interlocking of officers	Underwriting of capital increase (Note 7)	31,708	–	–

Attribute	Name of company	Percentage of voting rights owned or owning	Relationship	Content of transaction	Transaction amount (Millions of yen)	Account title	Balance as at December 31, 2024 (Millions of yen)
Subsidiary	Suntory International Corp.	Directly owning 100%	–Money lending and borrowing	Money lending and borrowing (Note 3)	25,765	Deposits received	25,765
				Interest paid (Note 3)	1,315	Other current liabilities	259
				Dividends received (Note 5)	12,117	–	–

Terms and conditions of transactions and method of deciding terms and conditions of transactions
Notes:
1. This advance payment was implemented by Suntory Holdings Limited to external business partners, etc. As the transactions were not direct transactions with the parent company, the disclosure of the transaction amount is omitted.
2. Price and other terms and conditions of transactions are decided upon negotiations with each of the counterparties considering the actual market prices.
3. Money lending and borrowing are carried out based on the group company loan system, etc. Applicable interest rates are decided considering the market interest rates. Transaction amounts of money lending and borrowing indicate the net balance as at December 31, 2024.
4. Terms and conditions on rental of sales equipment are determined considering factors such as the related costs at the Company.
5. Dividends are decided upon mutual consultation between the two parties based on the amount obtained by deducting necessary investment and other amounts from the net income of the subsidiary.
6. Capital reduction with compensation represents capital reduction made by the subsidiary.
7. Underwriting of the capital increase represents capital increase conducted by a subsidiary.

SIGNIFICANT SUBSEQUENT EVENTS

No items to report.

(Note) All amounts have been rounded down to the nearest million yen.