

Supplementary Material on Consolidated Financial Results for the First Six Months of the Fiscal Year Ending December 31, 2014

<Results for the First Six Months of the Fiscal Year Ending December 31, 2014>

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4. Other Information

Suntory Beverage & Food Limited

August 5, 2014

<Results for the First Six Months of the Fiscal Year Ending December 31, 2014>

1. Summary of Consolidated Statements of Income, Indices, etc.

(1) Summary of Consolidated Statements of Income

(Billions of yen with fractional amounts rounded off)

	Six months ended June 30, 2013		Six months ended June 30, 2014		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	518.0	100.0%	598.1	100.0%	80.1	15.5%
Gross profit	288.2	55.6%	326.0	54.5%	37.7	13.1%
Selling, general and administrative expenses	260.6	50.3%	291.2	48.7%	30.6	11.7%
Operating income	27.6	5.3%	34.8	5.8%	7.2	25.9%
Non-operating income	0.9	0.2%	1.2	0.2%	0.3	37.2%
Non-operating expenses	3.4	0.7%	3.0	0.5%	(0.4)	(11.1%)
Ordinary income	25.2	4.9%	33.0	5.5%	7.9	31.3%
Extraordinary income	3.4	0.7%	0.1	0.0%	(3.3)	(96.3%)
Extraordinary loss	3.0	0.6%	5.0	0.8%	2.0	68.5%
Income before income taxes and minority interests	25.6	4.9%	28.1	4.7%	2.6	10.0%
Income taxes	11.3	2.2%	11.8	2.0%	0.5	4.6%
Minority interests in net income	2.3	0.4%	1.5	0.2%	(0.8)	(35.5%)
Net income	12.0	2.3%	14.9	2.5%	2.9	23.8%

(2) Other Indices

(Billions of yen)

		Six months ended June 30, 2013		Six months ended June 30, 2014		Increase (decrease)	
Depreciation and amortization		21.1		24.7		3.6 17.3%	
Amortization of goodwill		11.4		12.5		1.1 9.7%	
Operating income before amortization of goodwill		39.0		47.3		8.3 21.2%	
Net income before amortization of goodwill		23.4		27.4		4.0 16.9%	
EBITDA*1	EBITDA margin	60.1	11.6%	72.0	12.0%	11.9	19.8%

*1: EBITDA is Operating income plus Depreciation and amortization, and Amortization of goodwill.

Operating margin	Before amortization of goodwill	7.5%	7.9%
	After amortization of goodwill	5.3%	5.8%

	As of December 31, 2013	As of June 30, 2014	Increase (decrease)	
Total assets	1,256.7	1,351.9	95.2	7.6%
Total equity	593.0	578.4	(14.6)	(2.5%)
D/E ratio (Times) *2	0.4	0.5		

*2: D/E ratio: (Interest-bearing debt - Cash and deposits - Securities) / Total equity

(Billions of yen with fractional amounts rounded off)

	Six months ended June 30, 2013	Six months ended June 30, 2014	Increase (decrease)	
Capital expenditures	28.1	27.8	(0.3)	(1.2%)

(3) Exchange Rate for the Consolidation of Profit or Loss of the Major Overseas Companies

(Yen, average exchange rate)

	Six months ended June 30, 2013	Six months ended June 30, 2014
USD	95.7	102.5
EUR	125.6	140.4
GBP	-	171.0
SGD	77.0	81.3
NZD	79.2	87.0
AUD	97.0	93.8
IDR	0.0099	0.0088

2. Sales Details

(Billions of yen)

	Six months ended June 30, 2013	Six months ended June 30, 2014	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	331.5	343.7	12.2	3.7%	3.7%	
Europe	74.1	129.4	55.3	74.6%	56.2%	*1
Oceania	19.7	20.5	0.9	4.4%	0.5%	
Asia	56.5	70.0	13.5	23.9%	23.8%	*2
Americas	36.2	34.5	(1.7)	(4.7%)	(11.0%)	
Overseas	186.5	254.4	68.0	36.4%	28.2%	
Reconciliations	-	-	-	-	-	
Consolidation total	518.0	598.1	80.1	15.5%	12.8%	

*1 The increase is mainly due to the start of the beverage business in the UK and other countries in January 2014 at a subsidiary of the Company in Europe, which obtained the commercial rights and production facilities for *Lucozade* and *Ribena*.

*2 The increase is mainly due to the start of the beverage business in Vietnam at a joint venture with PepsiCo, Inc. in April 2013.

3. Profit Details

(1) EBITDA

(Billions of yen with fractional amounts rounded off)

	Six months ended June 30, 2013	Six months ended June 30, 2014	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	31.5	34.2	2.7	8.5%	8.5%	
Europe	13.8	22.7	8.9	64.8%	47.0%	
Oceania	2.9	2.8	(0.1)	(3.9%)	(13.2%)	
Asia	7.0	7.5	0.5	7.6%	8.1%	
Americas	5.0	4.9	(0.1)	(2.3%)	(9.1%)	
Overseas	28.6	37.9	9.2	32.2%	22.3%	
Reconciliations	-	-	-	-	-	
Consolidation total	60.1	72.0	11.9	19.8%	15.3%	

(2) Segment Profit

(Billions of yen)

	Six months ended June 30, 2013	Six months ended June 30, 2014	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	16.9	19.2	2.3	13.5%	13.5%	
Europe	11.5	18.5	6.9	60.1%	42.9%	
Oceania	2.3	2.1	(0.2)	(9.7%)	(19.2%)	
Asia	4.7	4.0	(0.7)	(14.0%)	(13.7%)	
Americas	3.6	3.5	(0.0)	(1.4%)	(8.4%)	
Overseas	22.2	28.2	6.0	27.0%	16.9%	
Reconciliations *3	(11.4)	(12.5)	(1.1)	-	-	
Consolidation total	27.6	34.8	7.2	25.9%	21.5%	

*3 The reconciliations of segment profit represent amortization of goodwill unallocated to each reportable segment.

(3) Ordinary Income and Net Income

(Billions of yen)

	Six months ended June 30, 2013	Six months ended June 30, 2014	Increase (decrease)		Reference
Non-operating income	0.9	1.2	0.3	37.2%	
Non-operating expenses	3.4	3.0	(0.4)	(11.1%)	
Ordinary income	25.2	33.0	7.9	31.3%	
Extraordinary income	3.4	0.1	(3.3)	(96.3%)	*4
Extraordinary loss	3.0	5.0	2.0	68.5%	*5
Income taxes	11.3	11.8	0.5	4.6%	
Minority interests in net income	2.3	1.5	(0.8)	(35.5%)	
Net income	12.0	14.9	2.9	23.8%	

*4 The decrease is mainly due to decreases in insurance income and restructuring gain.

*5 The increase is mainly due to an increase in restructuring cost.

(4) Breakdown of Increase (Decrease) in Segment Profit for Japan Segment

(Billions of yen with fractional amounts rounded off)

Segment profit for the six months ended June 30, 2013	16.9
Increase in sales volume	3.6
Change in product mix	1.9
Cost reduction in manufacturing and logistics	2.4
Increase in sales promotion and advertising costs	(4.3)
Increase in other expenses	(1.3)
Segment profit for the six months ended June 30, 2014	19.2

4. Summary of Consolidated Balance Sheets

(Billions of yen with fractional amounts rounded off)

	As of December 31, 2013	As of June 30, 2014	Increase (decrease)	Reference
Cash and deposits	45.9	72.6	26.7	
Notes and accounts receivable–trade	126.1	174.0	47.9	*6
Securities	-	29.0	29.0	
Inventories	67.7	81.0	13.3	*6
Other	43.7	51.4	7.7	
Current assets	283.3	408.0	124.6	
Property, plant and equipment	312.8	308.6	(4.2)	
Goodwill	400.1	376.3	(23.8)	
Trademarks	184.9	184.5	(0.5)	
Other	37.7	36.2	(1.4)	
Intangible fixed assets	622.6	597.0	(25.6)	
Investments and other assets	36.8	37.2	0.5	
Noncurrent assets	972.2	942.8	(29.4)	
Deferred assets	1.1	1.1	(0.1)	
Total	1,256.7	1,351.9	95.2	
Notes and accounts payable–trade	99.8	116.0	16.2	*6
Interest-bearing debt	172.8	80.5	(92.2)	*7
Other	174.1	202.7	28.6	
Current liabilities	446.6	399.2	(47.4)	
Interest-bearing debt	129.3	288.8	159.4	*8
Other	87.7	85.5	(2.3)	
Long-term liabilities	217.1	374.2	157.1	
Total liabilities	663.7	773.5	109.7	
Shareholders' equity	502.2	499.1	(3.1)	*9
Accumulated other comprehensive income	56.0	44.9	(11.1)	*10
Minority interests	34.8	34.4	(0.4)	
Total equity	593.0	578.4	(14.6)	
Total	1,256.7	1,351.9	95.2	

*6 The main factors in the increase are due to seasonal fluctuations on December 31 and June 30.

*7 The main factor in the decrease is a decline in short-term borrowings due to repayment of borrowings from Suntory Holdings (short-term).

*8 The main factors in the increase are an increase in long-term borrowings due to financing through borrowings from financial institutions (long-term) and an increase due to issuance of bonds.

*9 The main factor in the decrease is a decline in retained earnings due to payment of cash dividends.

*10 The main factor in the decrease is a decline in foreign currency translation adjustments.

5. Summary of Consolidated Statements of Cash Flows

(Billions of yen with fractional amounts rounded off)

	Six months ended June 30, 2013	Six months ended June 30, 2014	Increase (decrease)
Income before income taxes and minority interests	25.6	28.1	2.6
Depreciation and amortization	21.1	24.7	3.6
Amortization of goodwill	11.4	12.5	1.1
Other, net	(24.8)	(34.5)	(9.7)
Net cash provided by operating activities	33.3	30.9	(2.4)
Capital expenditures	(26.2)	(27.1)	(0.8)
Purchases of investments in subsidiaries resulting in changes in scope of consolidation	(12.2)	-	12.2
Other, net	(0.6)	0.3	0.9
Net cash used in investing activities	(39.0)	(26.8)	12.3
Increase in interest-bearing debt	29.7	71.9	42.2
Cash dividends	(13.6)	(18.3)	(4.7)
Other, net	(0.8)	(0.8)	(0.0)
Net cash provided by financing activities	15.3	52.8	37.5
Foreign currency translation adjustments	2.8	(1.1)	(3.9)
Net increase in cash and cash equivalents	12.3	55.7	43.4

6. Other Information

<Sales Volume in Japan by Product Category>

(Million cases)

	Six months ended June 30, 2013		Six months ended June 30, 2014	
	Actual	Increase (decrease) year-to-year	Actual	Increase (decrease) year-to-year
Mineral water	33.1	8%	36.4	10%
RTD coffee	39.4	0%	42.5	8%
RTD tea (excl. RTD black tea)	45.9	9%	46.7	2%
Cola drinks	14.7	14%	15.1	3%
Carbonates (excl. cola drinks)	21.3	4%	22.0	3%
Functional drinks	9.8	13%	10.9	11%
Fruit juices	9.5	(18%)	8.7	(9%)
RTD black tea	5.0	(14%)	4.3	(14%)
Others	11.8	18%	10.5	(11%)
Total	190.5	5%	196.9	3%

<Earnings Forecasts for the Fiscal Year Ending December 31, 2014>

1. Summary of Consolidated Statements of Income, Indices, etc.

No revisions from the forecasts announced on February 14, 2014.

2. Sales Details

No revisions from the forecasts announced on February 14, 2014.

3. Profit Details

No revisions from the forecasts announced on February 14, 2014.

4. Other Information

<Sales Volume in Japan by Product Category>

(Million cases)

	Fiscal year ended December 31, 2013		Fiscal year ending December 31, 2014		Difference from previous forecast (February 14)
	Actual	Increase (decrease)	Revised forecast	Increase (decrease)	
Mineral water	74.6	14%	81.1	9%	5.2
RTD coffee	83.0	2%	85.2	3%	1.2
RTD tea (excl. RTD black tea)	100.5	8%	103.4	3%	(4.9)
Cola drinks	30.4	5%	32.3	6%	-
Carbonates (excl. cola drinks)	46.6	7%	48.1	3%	-
Functional drinks	23.9	15%	27.8	16%	-
Fruit juices	20.3	(12%)	19.4	(4%)	(0.8)
RTD black tea	10.3	(15%)	9.3	(10%)	(0.7)
Others	25.2	8%	22.1	(12%)	-
Total	414.8	6%	428.7	3%	-