

Supplementary Material on Consolidated Financial Results for the First Six Months of the Fiscal Year Ending December 31, 2015

<Results for the First Six Months of the Fiscal Year Ending December 31, 2015>

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Suntory Beverage & Food Limited

August 6, 2015

<Results for the First Six Months of the Fiscal Year Ending December 31, 2015>

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, 2014		Six months ended June 30, 2015		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	598.1	100.0%	622.3	100.0%	24.2	4.1%
Gross profit	326.0	54.5%	340.5	54.7%	14.6	4.5%
Selling, general and administrative expenses	291.2	48.7%	302.5	48.6%	11.4	3.9%
Operating income	34.8	5.8%	38.0	6.1%	3.2	9.2%
Non-operating income	1.2	0.2%	1.1	0.2%	(0.2)	(14.4%)
Non-operating expenses	3.0	0.5%	3.2	0.5%	0.2	7.4%
Ordinary income	33.0	5.5%	35.8	5.8%	2.8	8.5%
Extraordinary income	0.1	0.0%	0.1	0.0%	(0.1)	(39.7%)
Extraordinary loss	5.0	0.8%	2.4	0.4%	(2.6)	(52.3%)
Income before income taxes and minority interests	28.1	4.7%	33.5	5.4%	5.4	19.1%
Income taxes	11.8	2.0%	12.6	2.0%	0.8	6.8%
Minority interests in net income	1.5	0.2%	2.2	0.3%	0.7	44.3%
Net income	14.9	2.5%	18.8	3.0%	3.9	26.4%

(2) Other Indices

(Billions of yen)

		Six months ended June 30, 2014		Six months ended June 30, 2015		Increase (decrease)	
Depreciation and amortization		24.7		26.1		1.4	5.5%
Amortization of goodwill		12.5		12.3		(0.2)	(1.9%)
Operating income before amortization of goodwill		47.3		50.3		3.0	6.3%
Net income before amortization of goodwill		27.4		31.1		3.7	13.5%
EBITDA*1	EBITDA margin	72.0	12.0%	76.4	12.3%	4.3	6.0%

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

Operating margin	Before amortization of goodwill	7.9%	8.1%
	After amortization of goodwill	5.8%	6.1%

(Billions of yen)

	As of December 31, 2014	As of June 30, 2015	Increase (decrease)	
Total assets	1,389.1	1,431.9	42.8	3.1%
Total equity	635.6	636.6	0.9	0.1%
D/E ratio (Times) *2	0.4	0.4		

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

(Billions of yen with fractional amounts rounded off)

	Six months ended June 30, 2014	Six months ended June 30, 2015	Increase (decrease)	
Capital expenditures	27.8	29.4	1.7	6.0%

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

(Yen, average exchange rate)

	Six months ended June 30, 2014	Six months ended June 30, 2015
USD	102.5	120.3
EUR	140.4	134.1
GBP	171.0	183.3
SGD	81.3	89.1
NZD	87.0	89.1
AUD	93.8	94.0
IDR	0.0088	0.0093

2. Sales Details

(Billions of yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	343.7	350.5	6.9	2.0%	2.0%	
Europe	129.4	122.8	(6.6)	(5.1%)	(4.5%)	
Asia	70.0	85.3	15.3	21.8%	10.2%	
Oceania	20.5	22.2	1.7	8.1%	6.6%	
Americas	34.5	41.5	7.0	20.3%	2.5%	
Overseas	254.4	271.8	17.4	6.8%	1.7%	
Reconciliations	-	-	-	-	-	
Consolidation total	598.1	622.3	24.2	4.1%	1.9%	

3. Profit Details

(1) EBITDA

(Billions of yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	34.2	30.1	(4.1)	(11.9%)	(11.9%)	
Europe	22.7	25.7	3.1	13.6%	15.2%	
Asia	7.5	10.5	3.0	40.7%	18.8%	
Oceania	2.8	3.7	0.9	32.0%	33.9%	
Americas	4.9	6.3	1.4	28.1%	8.1%	
Overseas	37.9	46.3	8.4	22.2%	16.2%	
Reconciliations	-	-	-	-	-	
Consolidation total	72.0	76.4	4.3	6.0%	3.3%	

(2) Segment Profit

(Billions of yen with fractional amounts rounded off)

	Six months ended June 30, 2014	Six months ended June 30, 2015	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	19.2	15.3	(3.9)	(20.3%)	(20.3%)	
Europe	18.5	21.2	2.8	15.0%	17.1%	
Asia	4.0	6.5	2.5	60.6%	29.3%	
Oceania	2.1	2.8	0.7	31.3%	34.6%	
Americas	3.5	4.5	1.0	27.6%	7.3%	
Overseas	28.2	35.0	6.9	24.4%	19.0%	
Reconciliations	(12.5)	(12.3)	0.2	-	-	*1
Consolidation total	34.8	38.0	3.2	9.2%	4.9%	

*1 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, 2014	Six months ended June 30, 2015	Increase (decrease)		Reference
Non-operating income	1.2	1.1	(0.2)	(14.4%)	
Non-operating expenses	3.0	3.2	0.2	7.4%	
Ordinary income	33.0	35.8	2.8	8.5%	
Extraordinary income	0.1	0.1	(0.1)	(39.7%)	
Extraordinary loss	5.0	2.4	(2.6)	(52.3%)	*2
Income taxes	11.8	12.6	0.8	6.8%	
Minority interests in net income	1.5	2.2	0.7	44.3%	
Net income	14.9	18.8	3.9	26.4%	

*2 The decrease is mainly due to a decrease in restructuring cost.

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

(Billions of yen)

Segment profit for the six months ended June 30, 2014	19.2
Increase in sales volume	0.6
Change in product mix	(0.2)
Reduction in manufacturing costs	1.3
Increase in sales promotion and advertising costs	(4.9)
Increase in other expenses	(0.7)
Segment profit for the six months ended June 30, 2015	15.3

4. Summary of Consolidated Balance Sheets

(Billions of yen with fractional amounts rounded off)

	As of December 31, 2014	As of June 30, 2015	Increase (decrease)	Reference
Cash and deposits	105.5	114.8	9.2	
Notes and accounts receivable–trade	152.5	193.9	41.4	*3
Inventories	74.9	87.8	12.9	*3
Other	53.6	57.4	3.8	
Current assets	386.4	453.8	67.4	
Property, plant and equipment	339.1	333.1	(6.0)	
Goodwill	381.8	352.3	(29.5)	*4
Trademarks	199.9	205.3	5.4	
Other	41.8	44.4	2.6	
Intangible fixed assets	623.5	601.9	(21.5)	
Investments and other assets	39.3	42.4	3.2	
Noncurrent assets	1,001.8	977.5	(24.3)	
Deferred assets	0.8	0.6	(0.2)	
Total	1,389.1	1,431.9	42.8	
Notes and accounts payable–trade	111.6	140.5	28.9	*3
Interest-bearing debt	54.7	88.9	34.2	*5
Other	188.3	221.8	33.4	
Current liabilities	354.7	451.1	96.5	
Interest-bearing debt	304.4	253.8	(50.6)	*6
Other	94.4	90.4	(4.0)	
Long-term liabilities	398.8	344.2	(54.6)	
Total liabilities	753.5	795.4	41.9	
Shareholders' equity	511.5	523.8	12.2	
Accumulated other comprehensive income	83.8	71.9	(11.9)	*7
Minority interests	40.2	40.9	0.6	
Total equity	635.6	636.6	0.9	
Total	1,389.1	1,431.9	42.8	

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

*4 The main factors in the decrease are amortization of goodwill and the impact of foreign exchange rates at foreign subsidiaries.

*5 The increase is mainly due to the transfer from long-term liabilities (long-term debt) to current liabilities (current portion of long-term debt).

*6 The decrease is mainly due to the transfer from long-term liabilities (long-term debt) to current liabilities (current portion of long-term debt).

*7 The decrease is mainly due to a decrease 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, 2014	Six months ended June 30, 2015	Increase (decrease)
Income before income taxes and minority interests	28.1	33.5	5.4
Depreciation and amortization	24.7	26.1	1.4
Amortization of goodwill	12.5	12.3	(0.2)
Other, net	(34.5)	(12.5)	22.1
Net cash provided by operating activities	30.9	59.4	28.6
Capital expenditures	(27.1)	(26.3)	0.7
Other, net	0.3	(0.9)	(1.2)
Net cash used in investing activities	(26.8)	(27.3)	(0.5)
Increase (decrease) in interest-bearing debt	71.9	(11.9)	(83.8)
Cash dividends	(18.3)	(10.8)	7.5
Other, net	(0.8)	(0.5)	0.3
Net cash provided by (used in) financing activities	52.8	(23.2)	(76.0)
Foreign currency translation adjustments	(1.1)	0.3	1.4
Net increase in cash and cash equivalents	55.7	9.2	(46.5)

6. Other Information

<Sales Volume in Japan by Product Category>

(Million cases)

	Six months ended June 30, 2014		Six months ended June 30, 2015	
	Actual	Increase (decrease) year-to-year	Actual	Increase (decrease) year-to-year
Mineral water	36.4	10%	40.3	11%
RTD coffee	42.5	8%	43.7	3%
RTD tea (excl. RTD black tea)	46.7	2%	46.0	(2%)
Cola drinks	15.1	3%	12.5	(18%)
Carbonates (excl. cola drinks)	22.0	3%	25.3	15%
Functional drinks	10.9	11%	8.6	(21%)
Fruit juices	8.7	(9%)	7.6	(12%)
RTD black tea	4.3	(14%)	3.9	(8%)
Others	10.5	(11%)	10.1	(4%)
Total	196.9	3%	198.0	1%

<Sales Volume of Major Brands in Europe>

(Million liters)

	Six months ended June 30, 2015	
	Actual	Increase (decrease) year-to-year
Orangina (France)	79	(3%)
Oasis (France)	143	3%
Schweppes (Spain, Portugal)	58	7%
Lucozade (UK, Ireland)	187	(4%)
Ribena (UK, Ireland)	54	(12%)