

Financial Results for Q3 Fiscal Year Ending December 31, 2016

November 2, 2016

Suntory Beverage & Food Limited



Financial Results for Q3, FY2016

Financial Results for Q3, FY2016 (9 months)

Sales and profits grew driven by Japan business

(Billions of yen)

	FY2015 Jan - Sep	FY2016 Jan - Sep	Change		
			YoY	% YoY	Currency neutral
Net Sales	1,021.0	1,065.8	+44.9	+4.4%	+10.1%
Operating Income	69.9	74.4	+4.6	+6.5%	+16.7%
Ratio	6.8%	7.0%			
Net Income ^{*1}	38.6	36.4	-2.2	-5.7%	-2.3%
EBITDA ^{*2}	129.8	139.6	+9.9	+7.6%	+16.4%
Net income before amortization of goodwill ^{*3}	58.2	58.0	-0.2	-0.4%	

*1 Net income for Jan-Sep FY2016 is net income attributable to owners of the parent

*2 EBITDA = operating income + depreciation and amortization + amortization of goodwill

*3 Net income before amortization of goodwill (Jan-Sep FY2015) Net income + amortization of goodwill
(Jan-Sep FY2016) Net income attributable to owners of the parent + amortization of goodwill

Financial Results for Q3, FY2016 (9 months)

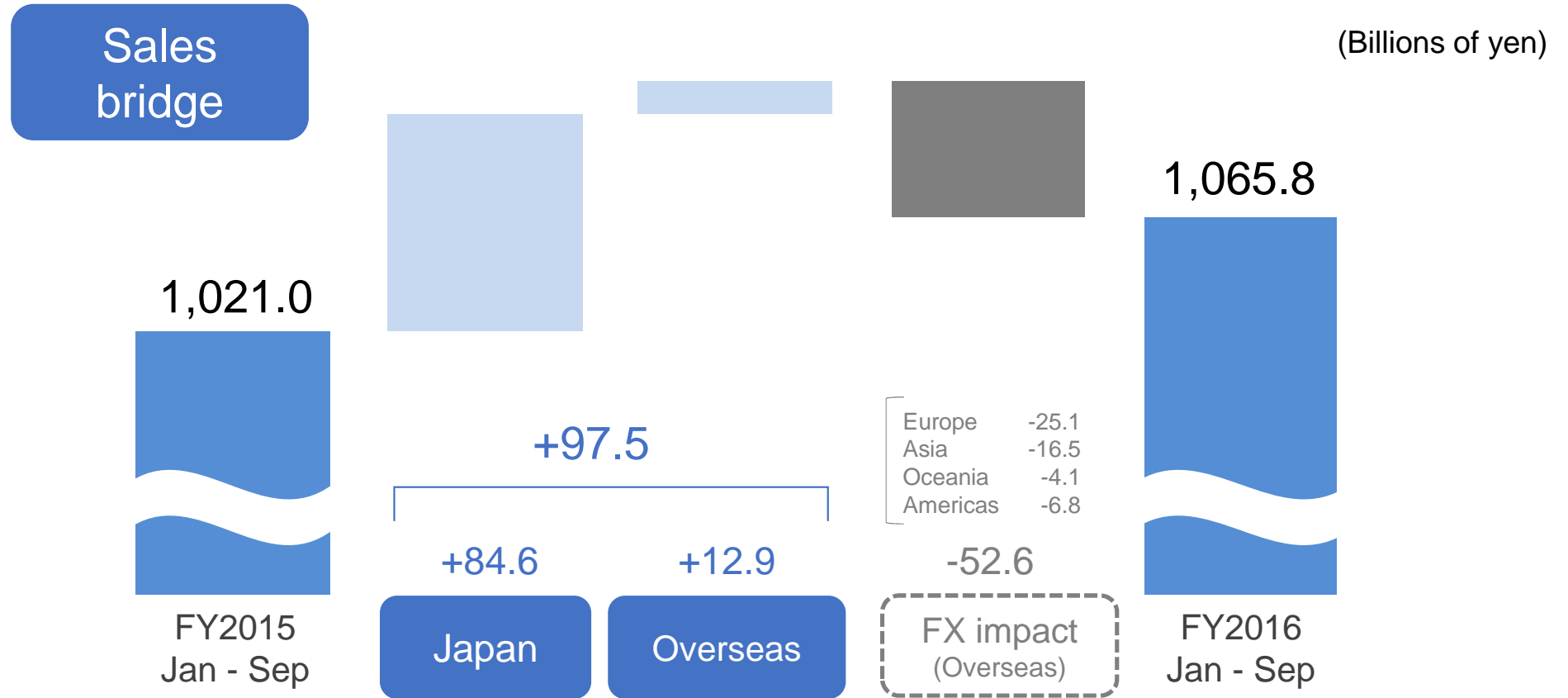
Sales and profits grew in Japan but both declined in Overseas

(Billions of yen)

	FY2015 Jan - Sep	FY2016 Jan - Sep	Change	
			YoY	% YoY
Net Sales	1,021.0	1,065.8	+44.9	+4.4%
Japan	593.5	678.1	+84.6	+14.3%
Overseas	427.4	387.7	-39.7	-9.3%
Operating Income	69.9	74.4	+4.6	+6.5%
Japan	34.0	43.2	+9.2	+27.1%
Overseas	57.0	52.8	-4.2	-7.4%
Reconciliations	-21.1	-21.6	-0.5	

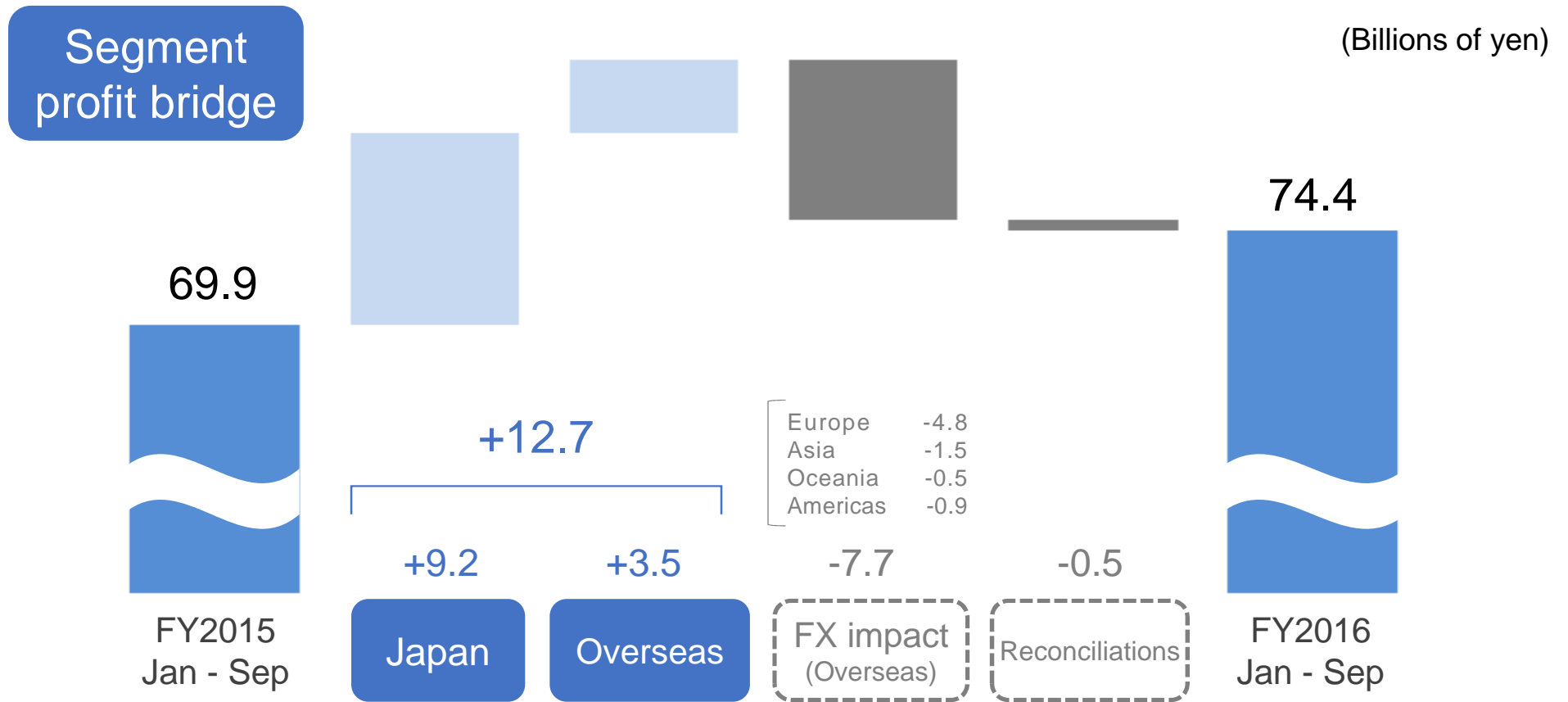
Net Sales in Q3, FY2016 (9 months)

Sales grew and overcame negative FX impact



Operating Profit in Q3, FY2016 (9 months)

Operating profit grew and overcame negative FX impact



Key Factors of Q3 Earnings

Japan

Continue initiatives
to improve profitability

Europe

Business in France recovering
from tough H1

Asia

Business impact from market slowdown
in Vietnam

Japan Segment: Q3 Results (9 months & 3 months)

Significant growth in both sales and profit

(Billions of yen)

		FY2015	FY2016	YoY	% YoY
Jan-Sep	Net Sales	593.5	678.1	+84.6	+14.3%
	Segment Profit	34.0	43.2	+9.2	+27.1%
	Ratio	5.7%	6.4%		
Jul-Sep	Net Sales	243.0	256.3	+13.3	+5.5%
	Segment Profit	18.7	21.2	+2.5	+13.3%
	Ratio	7.7%	8.3%		

- Sales increased significantly mainly due to consolidation impact of Japan Beverage Group (Incremental sales until end of July)
- Initiatives to improve profitability are progressing well



Strong Sales of *Iyemon Tokucha*

Strengthened No.1 position in FOSHU drinks
and maintained high price

[*Iyemon Tokucha*]



Continued sales growth
by strengthening
marketing activities

[*Suntory Tokucha Caffeine Zero*]



Acquired new customers
such as female
consumers

[*Tokucha* brand (Total)]

More than 20%
volume growth

Expanded Product Lineup of BOSS

Pursue for both profitability and volume growth

185g canned products

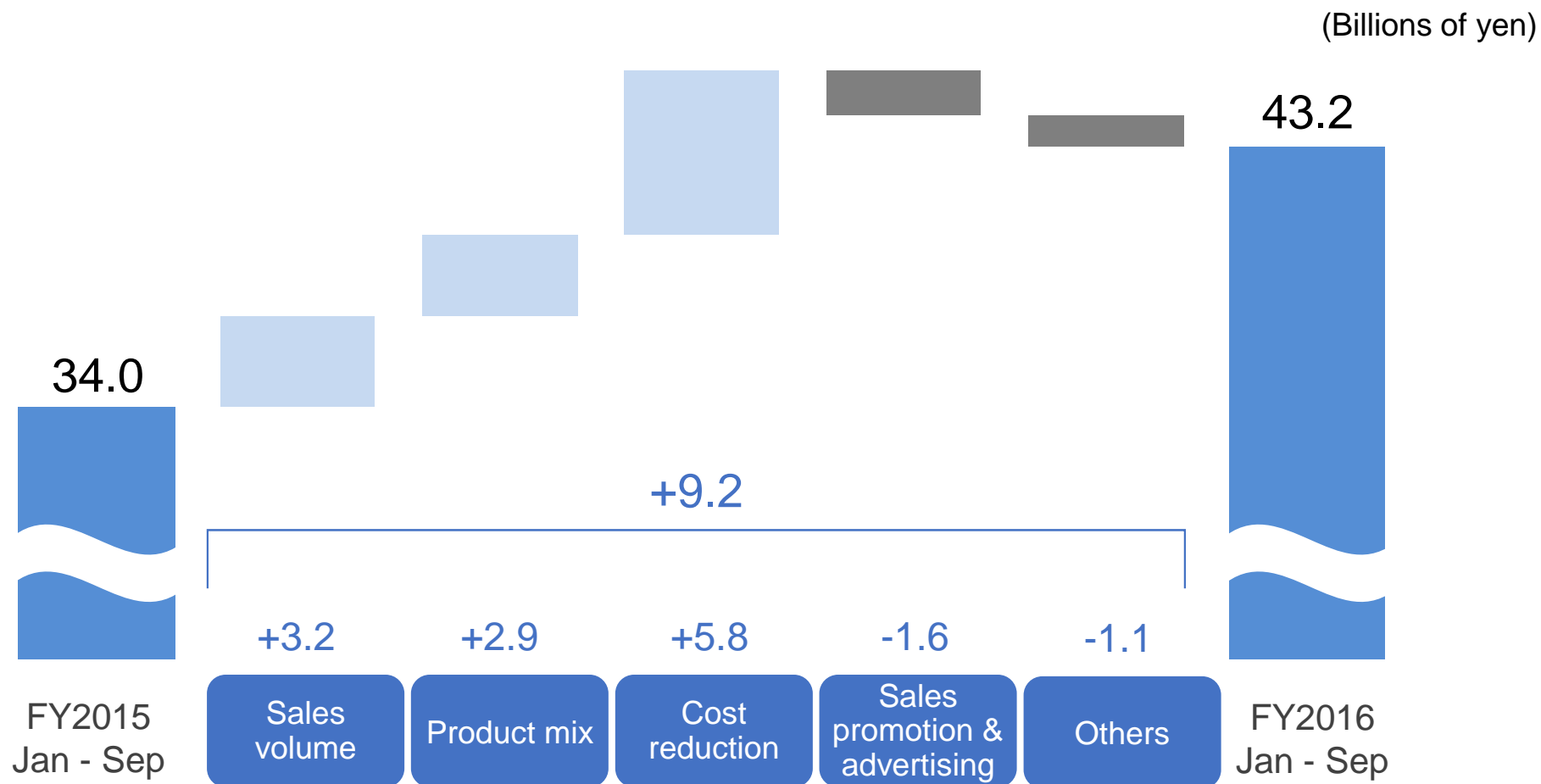


Bottle-shaped canned products



New products
(2016)

Japan: Segment Profit Bridge for Q3 (9 months)



Overseas Segment: Q3 Results (9 months)

(Billions of yen)

	Sales	Change			Segment Profit	Change		
		YoY	% YoY	Currency neutral		YoY	% YoY	Currency neutral
Overseas	387.7	-39.7	-9.3%	+3.4%	52.8	-4.2	-7.4%	+7.0%
Europe	180.4	-18.2	-9.2%	+4.0%	31.3	-5.2	-14.2%	-1.1%
Asia	119.0	-11.0	-8.5%	+4.8%	11.5	+2.6	+28.5%	+54.7%
Oceania	28.4	-3.9	-11.9%	+1.0%	3.0	-0.7	-18.5%	-6.9%
Americas	59.9	-6.7	-10.0%	+0.3%	7.0	-0.9	-11.4%	-0.5%

Europe: Q3 Results (9 months)

Sales increased and segment profit was almost flat YoY
on currency-neutral basis

(Billions of yen)

	FY2015 Jan-Sep	FY2016 Jan-Sep	% YoY	Currency neutral
Net Sales	198.6	180.4	-9.2%	+4.0%
Segment Profit	36.5	31.3	-14.2%	-1.1%

- France: Impacted by tough business condition in H1 2016
- UK: Steady growth by expanding product portfolio
- Spain: Good sales in on-premise channel, also contributed by PepsiCo collaboration



Europe: Q3 Results (3 months)

Sales and segment profit increased on currency-neutral basis thanks to business recovery in France

(Billions of yen)

	FY2015 Jul-Sep	FY2016 Jul-Sep	% YoY	Currency neutral
Net Sales	75.7	62.2	-17.9%	+1.2%
Segment Profit	15.2	13.1	-14.2%	+5.5%

- France: Execution of recovery plan and hot summer from August contributed to good performance
- UK: Steady growth
- Spain: Continued good sales but smaller contribution from PepsiCo collaboration (Incremental sales until May)



Execution of Recovery Plan in France

Sales and profit increased in Q3 Continue initiatives for growth in Q4

Reinforce sales
in Food channel

- Strengthen distribution of products to retailers
- Strengthen in-store activities such as store display

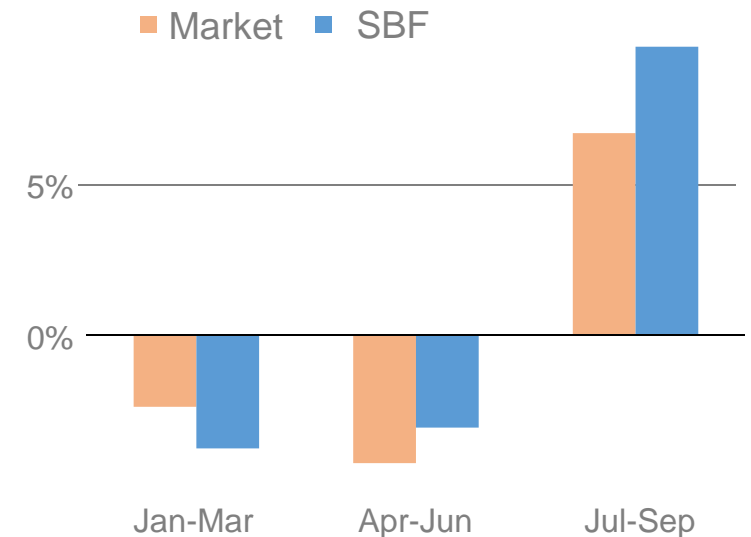
Reinforce sales
in Horeca
channel

- Strengthen sales of core products

Cost
improvement

- Cost reduction
- Improve cost efficiency in manufacturing

[Volume year-on-year rate of Market and SBF]



(Company estimate)

Asia: Q3 Results (9 months)

Steady growth overall
Significant increase in segment profit

(Billions of yen)

	FY2015 Jan-Sep	FY2016 Jan-Sep	% YoY	Currency neutral
Net Sales	130.0	119.0	-8.5%	+4.8%
Segment Profit	9.0	11.5	+28.5%	+54.7%

- Beverage: Profit grew significantly in Vietnam and Indonesia
- Health supplements: Good sales continued in the core market
Thailand



Asia: Q3 Results (3 months)

Slow down in Vietnam but segment profit increased

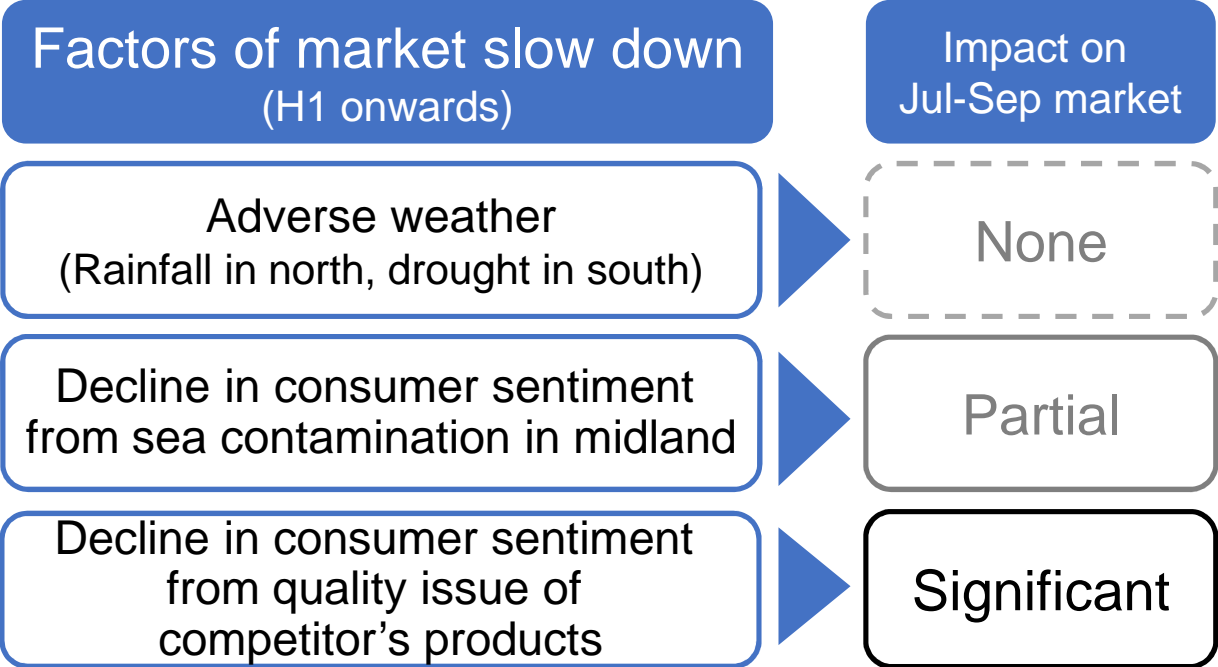
	(Billions of yen)			
	FY2015 Jul-Sep	FY2016 Jul-Sep	% YoY	Currency neutral
Net Sales	44.7	37.9	-15.2%	-0.2%
Segment Profit	2.5	3.4	+35.2%	+71.7%

- Beverage: Vietnam business impacted by market slow down
Indonesia business impacted by one-off costs recorded last year
- Health supplements: Good sales in the core market Thailand

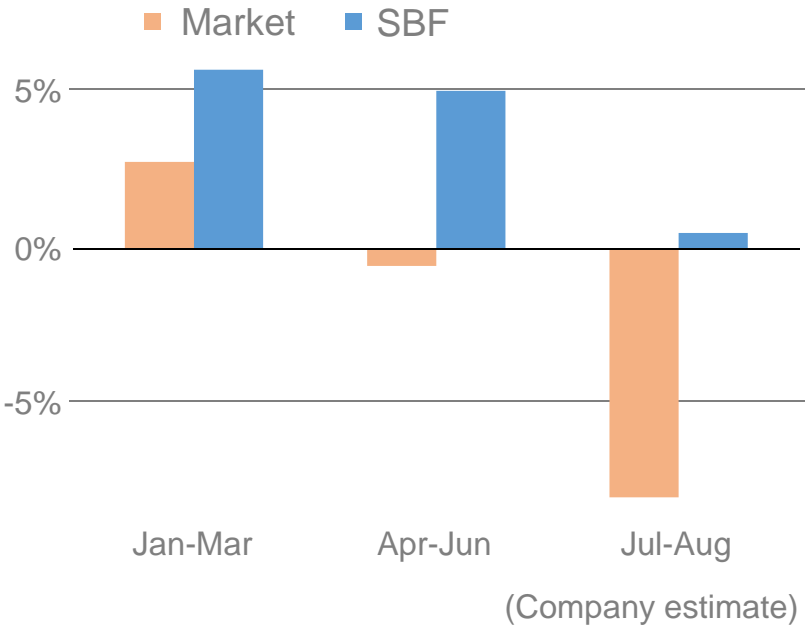


Background of slowdown in Vietnam market

- ◆ Our sales momentum slowed down impacted by market decline, but gained market share
- ◆ Expect weak consumer sentiment to continue for a while



[Volume year-on-year rate of Market and SBF]



Oceania: Q3 Results (9 months & 3 months)

Impacted by revision of inventory valuation method in 2015
(Billions of yen)

	FY2015	FY2016	% YoY	Currency neutral	
Jan-Sep	Net Sales	32.3	28.4	-11.9%	+1.0%
	Segment Profit	3.7	3.0	-18.5%	-6.9%
Jul-Sep	Net Sales	10.1	9.1	-10.0%	-0.2%
	Segment Profit	0.9	0.9	+8.6%	+29.1%

- Continued focus on V. Strong sales in Australia
- Profit declined for 9 months period impacted by revision of inventory valuation method last year



Americas: Q3 Results (9 months & 3 months)

Sales and segment profit were almost flat YoY
on currency-neutral basis

(Billions of yen)

	FY2015	FY2016	% YoY	Currency neutral	
Jan-Sep	Net Sales	66.6	59.9	-10.0%	+0.3%
	Segment Profit	7.9	7.0	-11.4%	-0.5%
Jul-Sep	Net Sales	25.1	21.3	-15.1%	+0.4%
	Segment Profit	3.4	2.9	-13.2%	+2.5%

- Good momentum in non-carbonated beverages
- Improved logistics efficiency



Revision of FY2016 Forecast

Forecast for FY2016

Revised net sales downward and operating profit upward

(Billions of yen)

	FY2015 Result	FY2016 Revised Forecast	Difference from prev. forecast	Change	
				YoY	% YoY
Net Sales	1,381.0	1,400.0	-30.0	+19.0	+1.4%
Operating Income	92.0	92.0	+2.0	-0.0	-0.0%
Net Income ^{*1}	42.5	40.5	-	-2.0	-4.6%
EBITDA ^{*2}	175.5	179.0	-1.0	+3.5	+2.0%
Net income before amortization of goodwill ^{*3}	69.7	69.0	-1.0	-0.7	-1.0%

*1 Net income for FY2016 is net income attributable to owners of the parent

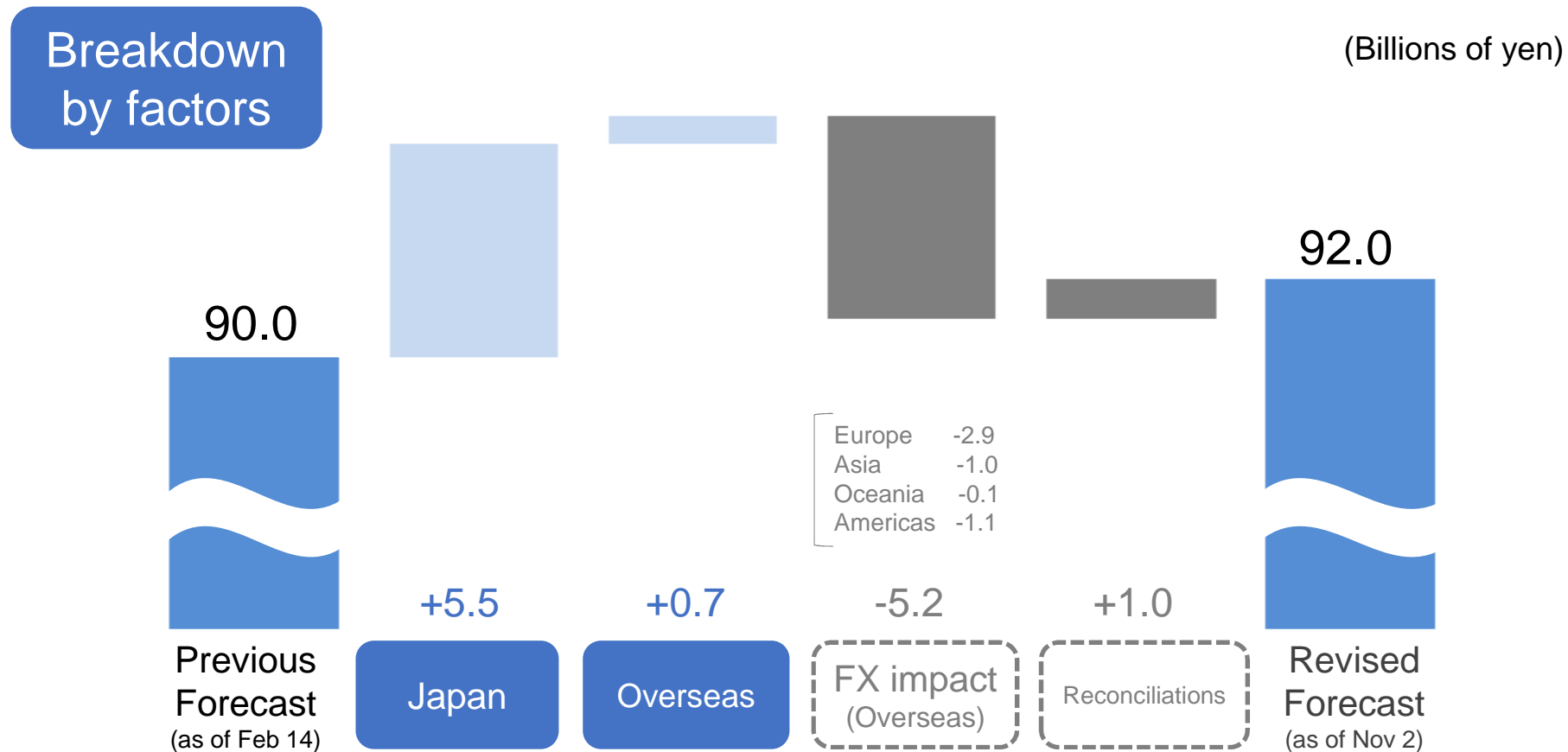
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*3 Net income before amortization of goodwill: (FY2015) Net income + amortization of goodwill

(FY2016) Net income attributable to owners of the parent + amortization of goodwill

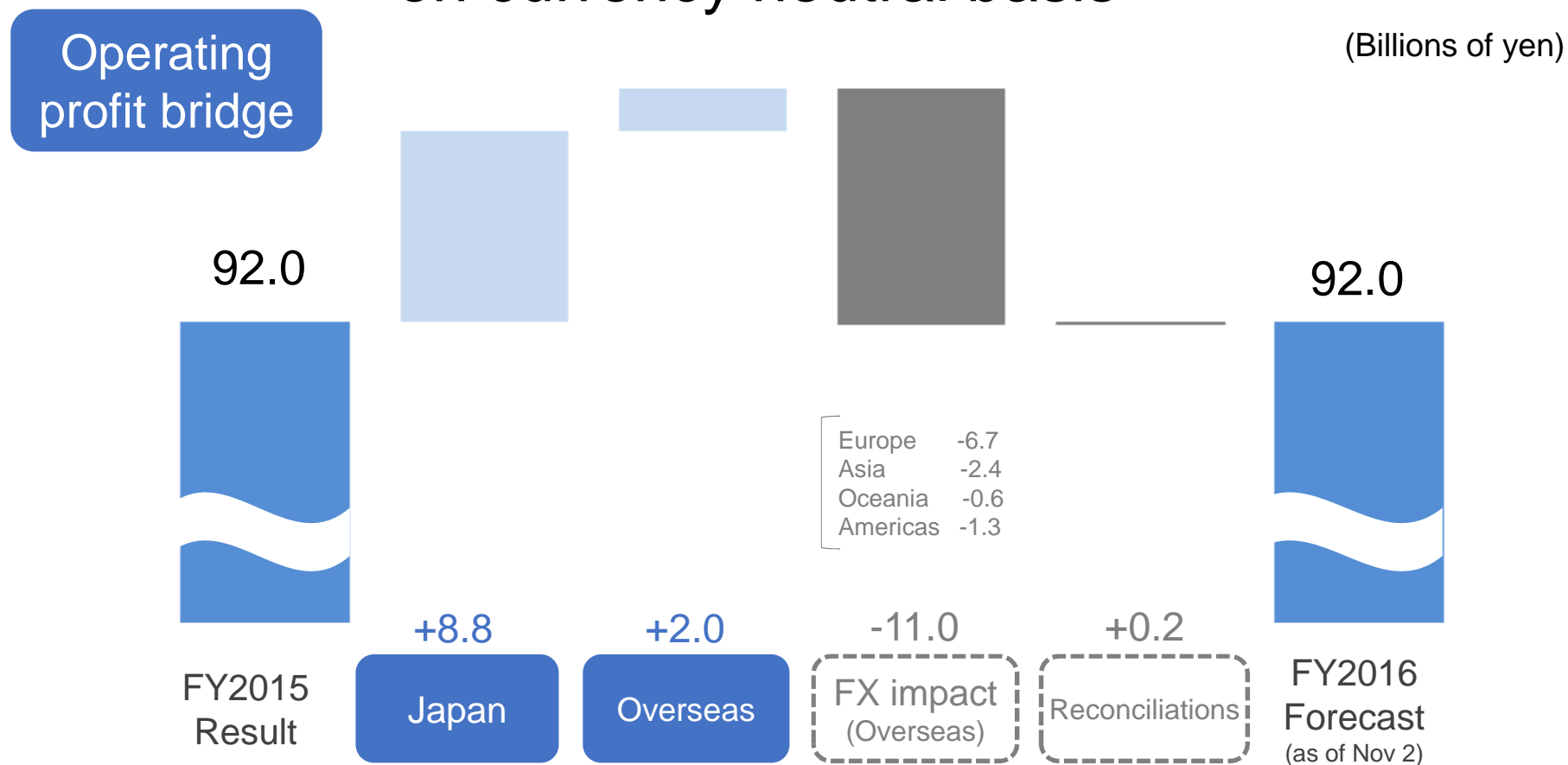
Operating Profit Forecast for FY2016 (vs Previous Forecast)

Revised upward by 2 billion yen, overcoming negative FX impact



Operating Profit Forecast for FY2016 (vs FY2015)

Forecast profit increase of more than 10 billion yen on currency neutral basis



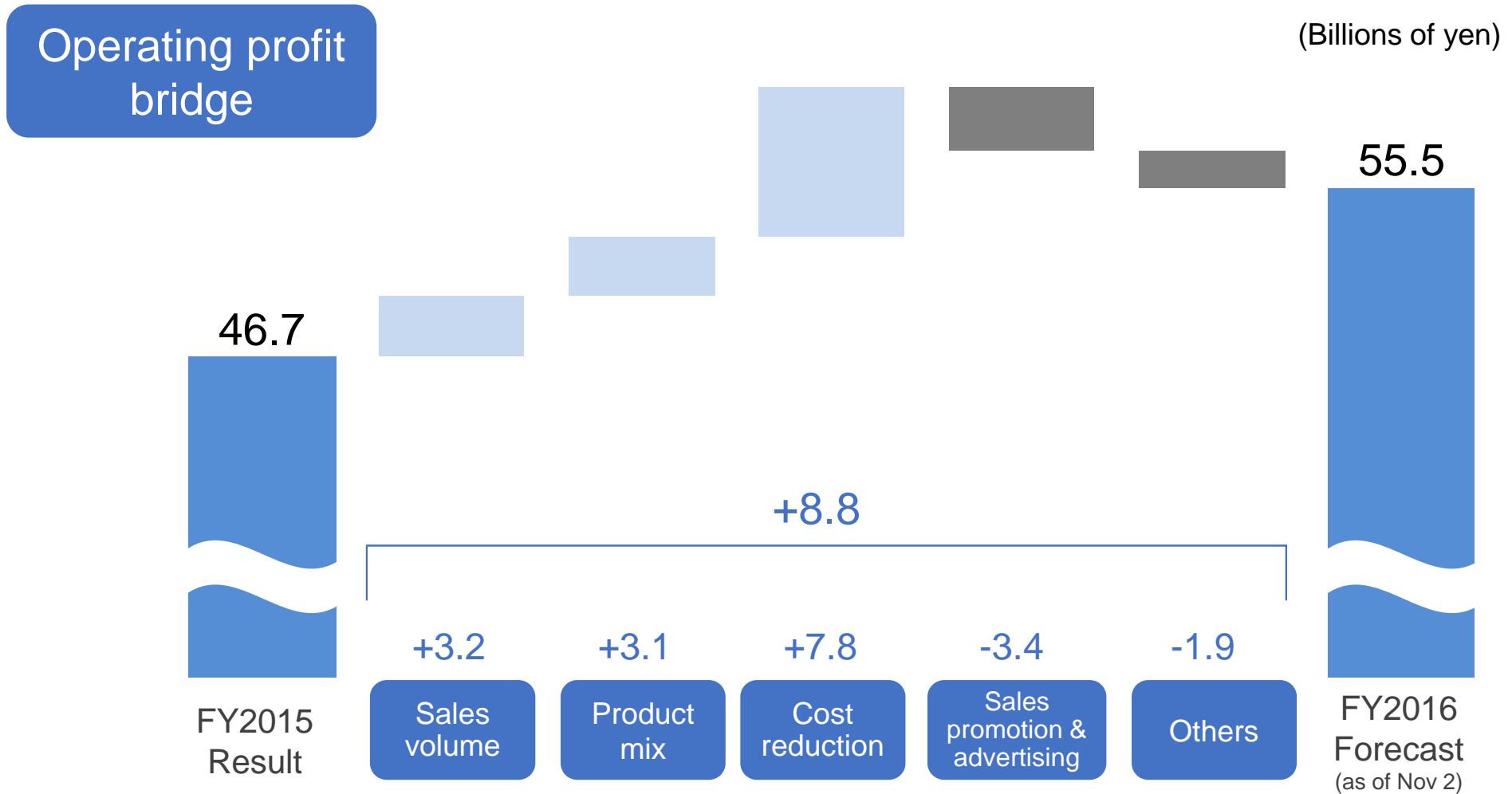
SUNTORY
SUNTORY BEVERAGE & FOOD

Forecast for FY2016

(Billions of yen)

	FY2015 Result	FY2016 Revised Forecast	Difference from prev. forecast	Change	
				YoY	% YoY
Net Sales	1,381.0	1,400.0	-30.0	+19.0	+1.4%
Japan	806.9	890.0	+20.0	+83.1	+10.3%
Overseas	574.1	510.0	-50.0	-64.1	-11.2%
Operating Income	92.0	92.0	+2.0	-0.0	-0.0%
Japan	46.7	55.5	+5.5	+8.8	+18.7%
Overseas	74.0	65.0	-4.5	-9.0	-12.2%
Reconciliations	-28.7	-28.5	+1.0	+0.2	

Forecast for FY2016: Japan



Forecast for FY2016: Overseas

(Billions of yen)

Sales	FY2015 Result	FY2016 Forecast (as of Nov 2)	Difference from prev. forecast	Change		
				YoY	% YoY	Currency neutral
Overseas	574.1	510.0	-50.0	-64.1	-11.2%	+2.7%
Europe	254.2	225.5	-18.0	-28.7	-11.3%	+3.6%
Asia	180.5	161.0	-22.0	-19.5	-10.8%	+2.9%
Oceania	45.6	40.0	-2.0	-5.6	-12.3%	+0.0%
Americas	93.7	83.5	-8.0	-10.2	-10.9%	+1.1%

Forecast for FY2016: Overseas

(Billions of yen)

Segment Profit	FY2015 Result	FY2016 Forecast (as of Nov 2)	Difference from prev. forecast	Change		
				YoY	% YoY	Currency neutral
Overseas	74.0	65.0	-4.5	-9.0	-12.2%	+3.1%
Europe	44.0	37.0	-4.0	-7.0	-15.9%	-0.9%
Asia	13.6	14.0	+0.3	+0.4	+2.9%	+24.4%
Oceania	5.9	5.0	+0.5	-0.9	-14.6%	-4.9%
Americas	10.5	9.0	-1.3	-1.5	-14.6%	-2.2%

Exchange Rates

(Yen, average exchange rate)

	FY2015 Jan-Sep	FY2016 Jan-Sep	FY2015 Result	FY2016 Forecast (as of Nov 2)	Previous Forecast (as of Feb 14)
U.S.Dollar	121.0	108.6	121.1	107	118
Euro	134.7	121.0	134.3	119	125
British Pound	185.5	151.3	185.2	146	165
Singapore Dollar	88.7	79.1	88.1	78	85
New Zealand Dollar	86.0	75.0	84.7	75	76
Australian Dollar	92.3	80.4	91.1	80	82

Forward-Looking Statements

This document contains forward-looking statements related to business and financial performance of the Company or the Group.

These forward-looking statements are projections made based on the currently available information and are subject to risks and uncertainties including, but not limited to, economic trends, competition in the industry in which the Company and the Group operate, market needs, exchange rates, as well as tax and other systems.

Therefore, actual business results and other outcomes published in the future may vary due to these factors. The Company accepts no liability for any loss or damage arising from the use of the information contained in this document.