

**Supplementary Material on Consolidated Financial Results**  
**for the Fiscal Year Ended December 31, 2016**

<Results for the Fiscal Year Ended December 31, 2016>

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1. Summary of Consolidated Statements of Income, Indices, etc.
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**Suntory Beverage & Food Limited**

**February 13, 2017**

<Results for the Fiscal Year Ended December 31, 2016>

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

(1) Summary of Consolidated Statements of Income

(Billions of yen with fractional amounts rounded off)

	Fiscal year ended December 31, 2015		Fiscal year ended December 31, 2016		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	1,381.0	100.0%	1,410.8	100.0%	29.8	2.2%
Gross profit	752.6	54.5%	781.5	55.4%	28.9	3.8%
Selling, general and administrative expenses	660.6	47.8%	688.0	48.8%	27.4	4.2%
Operating income	92.0	6.7%	93.5	6.6%	1.5	1.6%
Non-operating income	3.4	0.2%	2.9	0.2%	(0.4)	(13.1%)
Non-operating expenses	12.5	0.9%	5.2	0.4%	(7.3)	(58.5%)
Ordinary income	82.9	6.0%	91.2	6.5%	8.4	10.1%
Extraordinary income	16.8	1.2%	4.6	0.3%	(12.2)	(72.6%)
Extraordinary loss	20.2	1.5%	12.7	0.9%	(7.5)	(37.2%)
Income before income taxes	79.5	5.8%	83.1	5.9%	3.7	4.6%
Income taxes	34.4	2.5%	30.4	2.2%	(4.0)	(11.7%)
Net income attributable to non-controlling interests	2.6	0.2%	6.7	0.5%	4.1	156.4%
Net income attributable to owners of the parent	42.5	3.1%	46.1	3.3%	3.6	8.5%

(2) Other Indices

(Billions of yen)

		Fiscal year ended December 31, 2015		Fiscal year ended December 31, 2016		Increase (decrease)	
Depreciation and amortization		56.3		58.7		2.4	4.2%
Amortization of goodwill		27.2		28.7		1.5	5.3%
Operating income before amortization of goodwill		119.2		122.2		2.9	2.5%
Net income before amortization of goodwill *1		69.7		74.7		5.0	7.2%
EBITDA *2	EBITDA margin	175.5	12.7%	180.8	12.8%	5.3	3.0%

\*1 Net income before amortization of goodwill is Net income attributable to owners of the parent plus Amortization of goodwill.

\*2 EBITDA is Operating income plus Depreciation and amortization, and Amortization of goodwill.

### Before amortization of goodwill

EPS (Yen)	225.53	241.87	16.34	7.2%
Operating margin	8.6%	8.7%		
ROE	11.8%	13.2%		
Dividend payout ratio *3	30.2%	30.2%		

### After amortization of goodwill

EPS (Yen)	137.42	149.05	11.63	8.5%
Operating margin	6.7%	6.6%		
ROE	7.2%	8.1%		
Dividend payout ratio *3	49.5%	49.0%		

\*3 The Company calculated the Dividend payout ratio for each fiscal year by dividing the Total cash dividends of that year by Net income attributable to owners of the parent of that year.

(Billions of yen)

	As of December 31, 2015	As of December 31, 2016	Increase (decrease)	
Total assets	1,484.4	1,366.0	(118.4)	(8.0%)
Total equity	626.9	602.4	(24.4)	(3.9%)
Capital expenditures	63.5	60.2	(3.4)	(5.3%)
D/E ratio (Times) *4	0.5	0.4		

\*4 D/E ratio: (Interest-bearing debt - Cash and deposits) / Total equity

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

(Yen, average exchange rate)

	Fiscal year ended December 31, 2015	Fiscal year ended December 31, 2016
USD	121.1	108.8
EUR	134.3	120.2
GBP	185.2	147.5
SGD	88.1	78.7
VND	0.0055	0.0049
NZD	84.7	75.7
AUD	91.1	80.8

## 2. Sales Details

(Billions of yen)

	Fiscal year ended December 31, 2015	Fiscal year ended December 31, 2016	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	806.9	890.0	83.1	10.3%	10.3%	
Europe	254.2	229.4	(24.8)	(9.8%)	4.4%	
Asia	180.5	164.3	(16.2)	(9.0%)	3.5%	
Oceania	45.6	40.8	(4.8)	(10.6%)	0.4%	
Americas	93.7	86.2	(7.5)	(8.0%)	2.4%	
Overseas	574.1	520.7	(53.4)	(9.3%)	3.5%	
Reconciliations	-	-	-	-	-	
Consolidation total	1,381.0	1,410.8	29.8	2.2%	7.7%	

## 3. Profit Details

### (1) EBITDA

(Billions of yen)

	Fiscal year ended December 31, 2015	Fiscal year ended December 31, 2016	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	79.8	91.4	11.6	14.5%	14.5%	
Europe	53.6	47.4	(6.2)	(11.6%)	3.4%	
Asia	21.8	22.3	0.4	1.9%	18.5%	
Oceania	7.6	6.7	(0.8)	(11.1%)	(1.4%)	
Americas	14.2	13.0	(1.2)	(8.6%)	2.4%	
Overseas	97.2	89.4	(7.8)	(8.1%)	6.2%	
Reconciliations	(1.5)	-	1.5	-	-	*1
Consolidation total	175.5	180.8	5.3	3.0%	11.3%	

\*1 The reconciliations of EBITDA represent a one-time adjustment owing to Japan Beverage Holdings Inc., etc. being newly included in the scope of consolidation.

## (2) Segment Profit

(Billions of yen)

	Fiscal year ended December 31, 2015	Fiscal year ended December 31, 2016	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	46.7	54.7	8.0	17.1%	17.1%	
Europe	44.0	38.4	(5.6)	(12.8%)	1.9%	
Asia	13.6	14.3	0.7	5.3%	24.8%	
Oceania	5.9	5.2	(0.7)	(12.0%)	(2.8%)	
Americas	10.5	9.6	(1.0)	(9.2%)	1.9%	
Overseas	74.0	67.4	(6.6)	(8.9%)	5.6%	
Reconciliations	(28.7)	(28.7)	0.1	-	-	*2
Consolidation total	92.0	93.5	1.5	1.6%	11.4%	

\*2 The reconciliations of segment profit represent amortization of goodwill, etc. unallocated to each reportable segment.

## (3) Ordinary Income and Net Income Attributable to Owners of the Parent

(Billions of yen)

	Fiscal year ended December 31, 2015	Fiscal year ended December 31, 2016	Increase (decrease)		Reference
Non-operating income	3.4	2.9	(0.4)	(13.1%)	
Non-operating expenses	12.5	5.2	(7.3)	(58.5%)	*3
Ordinary income	82.9	91.2	8.4	10.1%	
Extraordinary income	16.8	4.6	(12.2)	(72.6%)	*4
Extraordinary loss	20.2	12.7	(7.5)	(37.2%)	*5
Income taxes	34.4	30.4	(4.0)	(11.7%)	
Net income attributable to non-controlling interests	2.6	6.7	4.1	156.4%	
Net income attributable to owners of the parent	42.5	46.1	3.6	8.5%	

\*3 The decrease is mainly due to a decrease in equity in losses of affiliates.

\*4 The decrease is mainly due to a decrease in gain on step acquisitions.

\*5 The decrease is mainly due to a decrease in impairment loss.

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

(Billions of yen)

Segment profit for the fiscal year ended December 31, 2015	46.7
Increase in sales volume	2.8
Change in product mix	3.3
Reduction in manufacturing costs	5.5
Increase in sales promotion and advertising costs	(3.5)
Increase in other expenses	(0.1)
Segment profit for the fiscal year ended December 31, 2016	54.7

#### 4. Summary of Consolidated Balance Sheets

(Billions of yen)

	As of December 31, 2015	As of December 31, 2016	Increase (decrease)	Reference
Cash and deposits	97.7	84.1	(13.6)	
Notes and accounts receivable–trade	156.9	1,61.0	4.1	
Inventories	82.6	74.7	(7.9)	
Other	53.3	54.6	1.3	
Current assets	390.6	374.5	(16.0)	
Property, plant and equipment	347.9	338.8	(9.1)	
Goodwill	454.2	407.3	(46.9)	*6
Trademarks	188.5	150.8	(37.7)	*7
Other	68.7	64.2	(4.5)	
Intangible fixed assets	711.4	622.3	(89.1)	
Investments and other assets	34.3	30.3	(4.0)	
Noncurrent assets	1,093.5	991.4	(102.2)	
Deferred assets	0.3	0.1	(0.2)	
Total	1,484.4	1,366.0	(118.4)	
Notes and accounts payable–trade	119.8	116.1	(3.8)	
Interest-bearing debt	113.6	72.2	(41.4)	*8
Other	205.4	222.1	16.7	
Current liabilities	438.9	410.4	(28.5)	
Interest-bearing debt	298.7	239.3	(59.5)	*9
Other	119.9	113.9	(6.0)	
Long-term liabilities	418.7	353.2	(65.5)	
Total liabilities	857.5	763.6	(94.0)	
Shareholders' equity	537.2	551.1	13.9	
Accumulated other comprehensive income	46.2	1.1	(45.1)	*10
Non-controlling interests	43.4	50.2	6.8	
Total equity	626.9	602.4	(24.4)	
Total	1,484.4	1,366.0	(118.4)	

\*6 The decrease is mainly due to the impact of amortization of goodwill and foreign currency translation related to overseas subsidiaries.

\*7 The decrease is mainly due to the impact of foreign currency translation related to overseas subsidiaries.

\*8 The decrease is mainly due to repayments of short-term borrowings.

\*9 The decrease is mainly due to the impact of the transfer from long-term liabilities (long-term debt) to current liabilities (current portion of long-term debt) and foreign currency translation.

\*10 The decrease is mainly due to a decrease in foreign currency translation adjustments.

## 5. Summary of Consolidated Statements of Cash Flows

(Billions of yen)

	Fiscal year ended December 31, 2015	Fiscal year ended December 31, 2016	Increase (decrease)
Income before income taxes	79.5	83.1	3.7
Depreciation and amortization	56.3	58.7	2.4
Amortization of goodwill	27.2	28.7	1.5
Other, net	(17.2)	(8.6)	8.6
Net cash provided by operating activities	145.7	161.9	16.1
Capital expenditures	(59.1)	(51.8)	7.3
Purchases of investments in subsidiaries and other assets resulting in changes in scope of consolidation	(134.3)	-	134.3
Payments for transfer of business	-	(8.1)	(8.1)
Other, net	4.6	2.0	(2.5)
Net cash used in investing activities	(188.8)	(57.8)	131.0
Increase (decrease) in interest-bearing debt	66.6	(78.6)	(145.2)
Cash dividends	(24.2)	(25.2)	(1.0)
Other, net	(3.9)	(11.7)	(7.9)
Net cash provided by (used in) financing activities	38.5	(115.5)	(154.0)
Foreign currency translation adjustments	(3.2)	(2.1)	1.1
Net decrease in cash and cash equivalents	(7.8)	(13.6)	(5.8)

## 6. Other Information

<Sales Volume in Japan by Product Category>

(Million cases)

	Fiscal year ended December 31, 2015		Fiscal year ended December 31, 2016	
	Actual	Increase (decrease) year-to-year	Actual	Increase (decrease) year-to-year
Mineral water	90.5	14%	96.2	6%
RTD coffee	91.7	4%	93.2	2%
RTD tea (excl. RTD black tea)	100.6	1%	105.0	4%
Cola drinks	26.8	(10%)	25.2	(6%)
Carbonates (excl. cola drinks)	50.8	9%	48.7	(4%)
Sports drinks, etc.	18.8	(15%)	17.2	(8%)
Fruit juices	16.0	(11%)	17.1	6%
RTD black tea	8.3	(7%)	7.4	(10%)
Others	22.2	(2%)	20.4	(8%)
Total	425.7	3%	430.4	1%

\* The portions of the sales volume by Japan Beverage Holdings Inc. and A-Star Co., Ltd. that were supplied from other soft drink manufacturers are not included in the above figures.

<Sales Volume of Major Brands in Europe>

(Million liters)

	Fiscal year ended December 31, 2015		Fiscal year ended December 31, 2016	
	Actual	Increase (decrease) year-to-year	Actual	Increase (decrease) year-to-year
Orangina (France)	152	(2%)	152	(0%)
Oasis (France)	280	2%	268	(4%)
Schweppes (Spain, Portugal)	129	8%	135	5%
Lucozade (UK, Ireland)	383	(1%)	401	5%
Ribena (UK, Ireland)	110	(10%)	111	1%

<Earnings Forecast for the Fiscal Year Ending December 31, 2017>

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

(1) Summary of Consolidated Statements of Income

(Billions of yen with fractional amounts rounded off)

	Fiscal year ended December 31, 2016, Actual		Fiscal year ending December 31, 2017, Forecast		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	1,410.8	100.0%	1,430.0	100.0%	19.2	1.4%
Gross profit	781.5	55.4%	793.0	55.5%	11.5	1.5%
Selling, general and administrative expenses	688.0	48.8%	695.0	48.6%	7.0	1.0%
Operating income	93.5	6.6%	98.0	6.9%	4.5	4.8%
Non-operating income (loss)	(2.3)	0.2%	(2.5)	0.2%	(0.2)	10.7%
Ordinary income	91.2	6.5%	95.5	6.7%	4.3	4.7%
Extraordinary income (loss)	(8.1)	0.6%	(8.0)	0.6%	0.1	(1.1%)
Income before income taxes	83.1	5.9%	87.5	6.1%	4.4	5.2%
Income taxes	30.4	2.2%	33.5	2.3%	3.1	10.3%
Net income attributable to non-controlling interests	6.7	0.5%	7.0	0.5%	0.3	4.3%
Net income attributable to owners of the parent	46.1	3.3%	47.0	3.3%	0.9	2.0%

(2) Other Indices

(Billions of yen)

		Fiscal year ended December 31, 2016, Actual		Fiscal year ending December 31, 2017, Forecast		Increase (decrease)	
Depreciation and amortization		58.7		59.8		1.1	2.0%
Amortization of goodwill		28.7		28.2		(0.5)	(1.7%)
Operating income before amortization of goodwill		122.2		126.2		4.0	3.3%
Net income before amortization of goodwill *1		74.7		75.2		0.5	0.6%
EBITDA *2	EBITDA margin	180.8	12.8%	186.0	13.0%	5.2	2.9%

\*1 Net income before amortization of goodwill is Net income attributable to owners of the parent plus Amortization of goodwill.

\*2 EBITDA is Operating income plus Depreciation and amortization, and Amortization of goodwill.

Before amortization of goodwill

EPS (Yen)	241.87	243.37	1.50	0.6%
Operating margin	8.7%	8.8%		
ROE	13.2%	13.6%		
Dividend payout ratio *3	30.2%	30.4%		

## After amortization of goodwill

EPS (Yen)	149.05	152.10	3.05	2.0%
Operating margin	6.6%	6.9%		
ROE	8.1%	8.5%		
Dividend payout ratio *3	49.0%	48.7%		

\*3 The Company calculated the Dividend payout ratio for each fiscal year by dividing the Total cash dividends of that year by Net income attributable to owners of the parent of that year.

(Billions of yen)

	As of December 31, 2016, Actual	As of December 31, 2017, Forecast	Increase (decrease)	
Total assets	1,366.0	1,300.0	(66.0)	(4.8%)
Total equity	602.4	605.0	2.6	0.4%
Capital expenditures	60.2	64.0	3.8	6.4%
D/E ratio (Times) *4	0.4	0.3		

\*4 D/E ratio: (Interest-bearing debt - Cash and deposits) / Total equity

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

(Yen, average exchange rate)

	Fiscal year ended December 31, 2016, Actual	Fiscal year ending December 31, 2017, Forecast
USD	108.8	110.0
EUR	120.2	115.0
GBP	147.5	135.0
SGD	78.7	77.0
VND	0.0049	0.0048
NZD	75.7	77.0
AUD	80.8	82.0

## 2. Sales Details

(Billions of yen)

	Fiscal year ended December 31, 2016, Actual	Fiscal year ending December 31, 2017, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	890.0	895.0	5.0	0.6%	0.6%	
Europe	229.4	225.0	(4.4)	(1.9%)	3.8%	
Asia	164.3	181.0	16.7	10.1%	10.1%	
Oceania	40.8	42.0	1.2	3.0%	1.4%	
Americas	86.2	87.0	0.8	0.9%	(0.2%)	
Overseas	520.7	535.0	14.3	2.7%	5.0%	
Reconciliations	-	-	-	-	-	
Consolidation total	1,410.8	1,430.0	19.2	1.4%	2.2%	

### 3. Profit Details

#### (1) EBITDA

(Billions of yen)

	Fiscal year ended December 31, 2016, Actual	Fiscal year ending December 31, 2017, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	91.4	95.0	3.6	3.9%	3.9%	
Europe	47.4	45.0	(2.4)	(5.1%)	0.9%	
Asia	22.3	25.5	3.2	14.6%	14.2%	
Oceania	6.7	7.0	0.3	4.2%	4.6%	
Americas	13.0	13.5	0.5	4.0%	2.7%	
Overseas	89.4	91.0	1.6	1.8%	4.9%	
Reconciliations	-	-	-	-	-	
Consolidation total	180.8	186.0	5.2	2.9%	4.4%	

#### (2) Segment Profit

(Billions of yen)

	Fiscal year ended December 31, 2016, Actual	Fiscal year ending December 31, 2017, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	54.7	57.0	2.3	4.1%	4.1%	
Europe	38.4	36.5	(1.9)	(4.9%)	1.1%	
Asia	14.3	17.8	3.5	24.3%	22.6%	
Oceania	5.2	5.2	0.0	1.0%	2.0%	
Americas	9.6	9.7	0.1	1.4%	0.1%	
Overseas	67.4	69.2	1.8	2.6%	5.8%	
Reconciliations	(28.7)	(28.2)	0.5	-	-	*
Consolidation total	93.5	98.0	4.5	4.8%	6.4%	

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

### (3) Ordinary Income and Net Income Attributable to Owners of the Parent

(Billions of yen)

	Fiscal year ended December 31, 2016, Actual	Fiscal year ending December 31, 2017, Forecast	Increase (decrease)		Reference
Non-operating income (loss)	(2.3)	(2.5)	(0.2)	10.7%	
Ordinary income	91.2	95.5	4.3	4.7%	
Extraordinary income (loss)	(8.1)	(8.0)	0.1	(1.1%)	
Income taxes	30.4	33.5	3.1	10.3%	
Net income attributable to non- controlling interests	6.7	7.0	0.3	4.3%	
Net income attributable to owners of the parent	46.1	47.0	0.9	2.0%	

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

(Billions of yen)

Segment profit for the fiscal year ended December 31, 2016, Actual	54.7
Increase in sales volume	1.6
Change in product mix	0.5
Reduction in manufacturing costs	3.0
Increase in sales promotion and advertising costs	(2.0)
Increase in other expenses	(0.8)
Segment profit for the fiscal year ending December 31, 2017, Forecast	57.0

## 4. Other Information

### <Sales Volume of Major Brands in Japan>

(Million cases)

	Fiscal year ended December 31, 2016		Fiscal year ending December 31, 2017	
	Actual	Increase (decrease)	Forecast	Increase (decrease)
<i>Suntory Tennensui</i>	100.6	6%	106.0	5%
<i>Boss</i>	93.2	2%	95.0	2%
<i>Iyemon</i>	55.4	6%	56.8	3%
<i>Suntory Oolong Tea</i>	25.8	(5%)	26.0	1%
<i>Pepsi</i>	25.2	(6%)	24.1	(4%)
<i>Orangina</i>	11.2	(15%)	10.2	(9%)
<i>Green DAKARA</i>	25.6	6%	26.5	4%
FOSHU drinks *1	27.9	6%	28.4	2%
Total	430.4	1%	433.0	1%

\*1 FOSHU is the abbreviated form of Food for Specified Health Uses.

\*2 The portions of the sales volume by Japan Beverage Holdings Inc., etc. that were supplied from other soft drink manufacturers are not included in the above figures.