Financial Results for Fiscal Year Ending December 31, 2016

February 13, 2017

Suntory Beverage & Food Limited

This is Saburo Kogo.

Thank you very much for joining us today.

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FY2016 Review and FY2017 Strategy

Saburo Kogo, President & CEO

I will first review the Fiscal Year 2016, and then explain the strategies for 2017. Lastly, I will explain our vision for the future.

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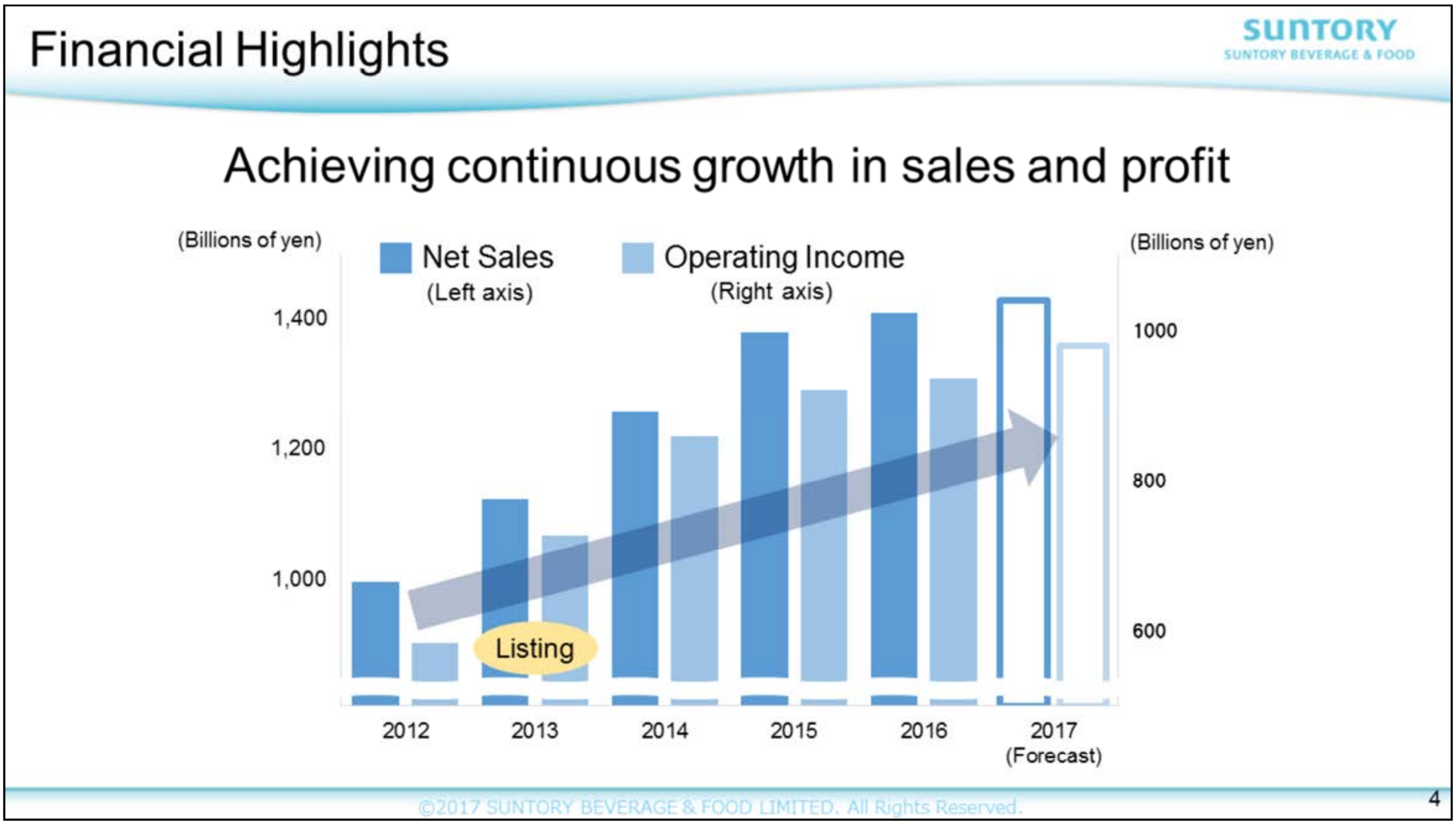
FY2016 Review

First, a review of 2016.



As you can see, we have been steadily growing our sales and profit since our listing.

Performance Highlights of FY2016

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Sales and profits grew, overcoming the headwind of yen appreciation

(Billions of yen)

	FY2016	Change YoY %	Currency neutral
Net Sales	1,410.8	+2.2%	+7.7%
Operating Income	93.5	+1.6%	+11.4%
Net Income*	46.1	+8.5%	+16.4%

* Profit attributable to owners of the parent

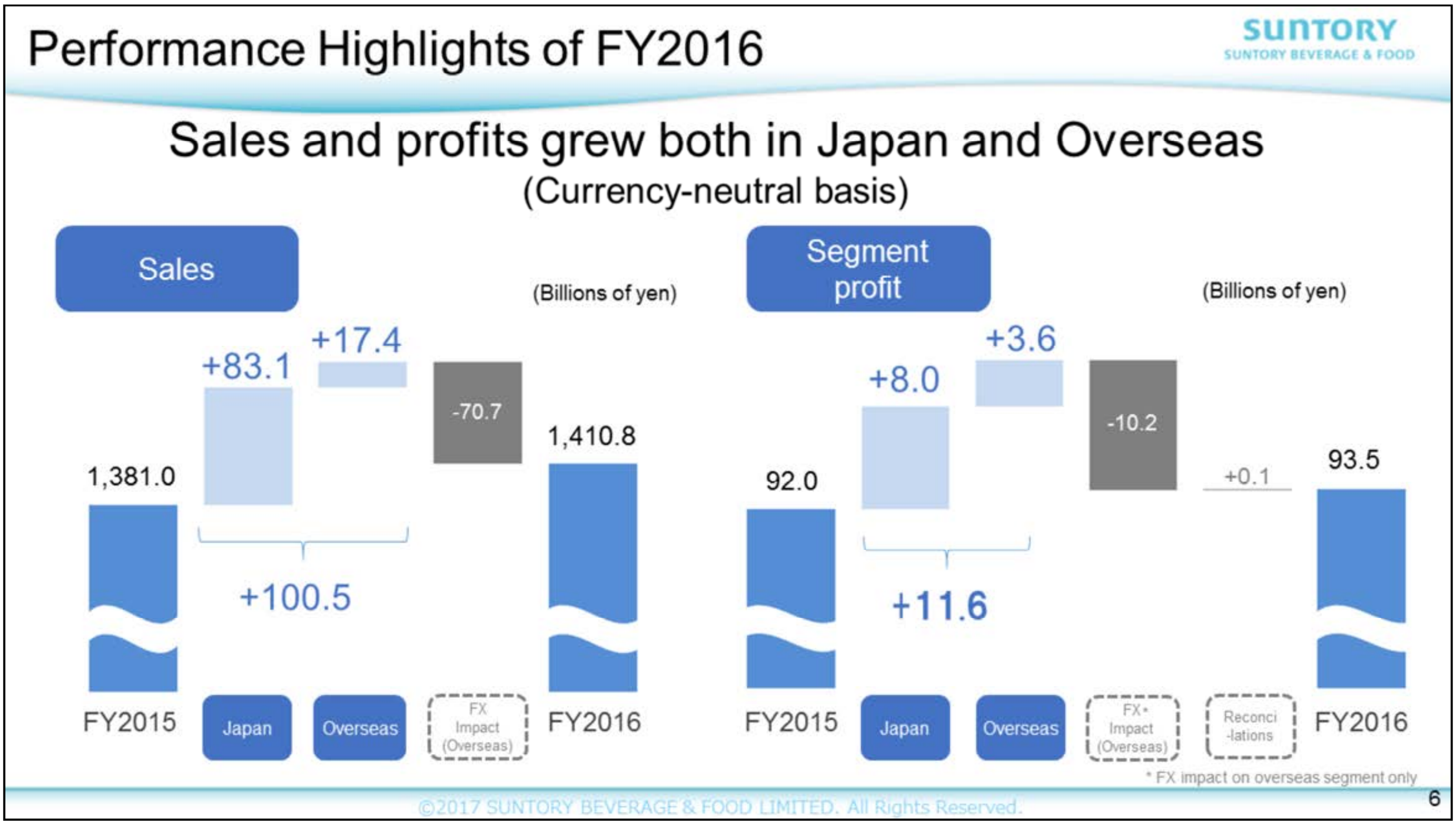
For 2016, net sales was 1 trillion 410.8 billion yen, up 2.2%, operating income was 93.5 billion yen, up 1.6% and net income was 46.1 billion yen, up 8.5%.

In the beginning of 2016, we forecasted a decrease in profit, taking into account negative currency impacts.

We experienced an even greater negative currency impact than we expected, but were able to overcome that to achieve an increase in sales and profit.

As for dividends, the year-end dividend was 39 yen.

The annual dividend was increased significantly to 73 yen, up 5 yen from last year.

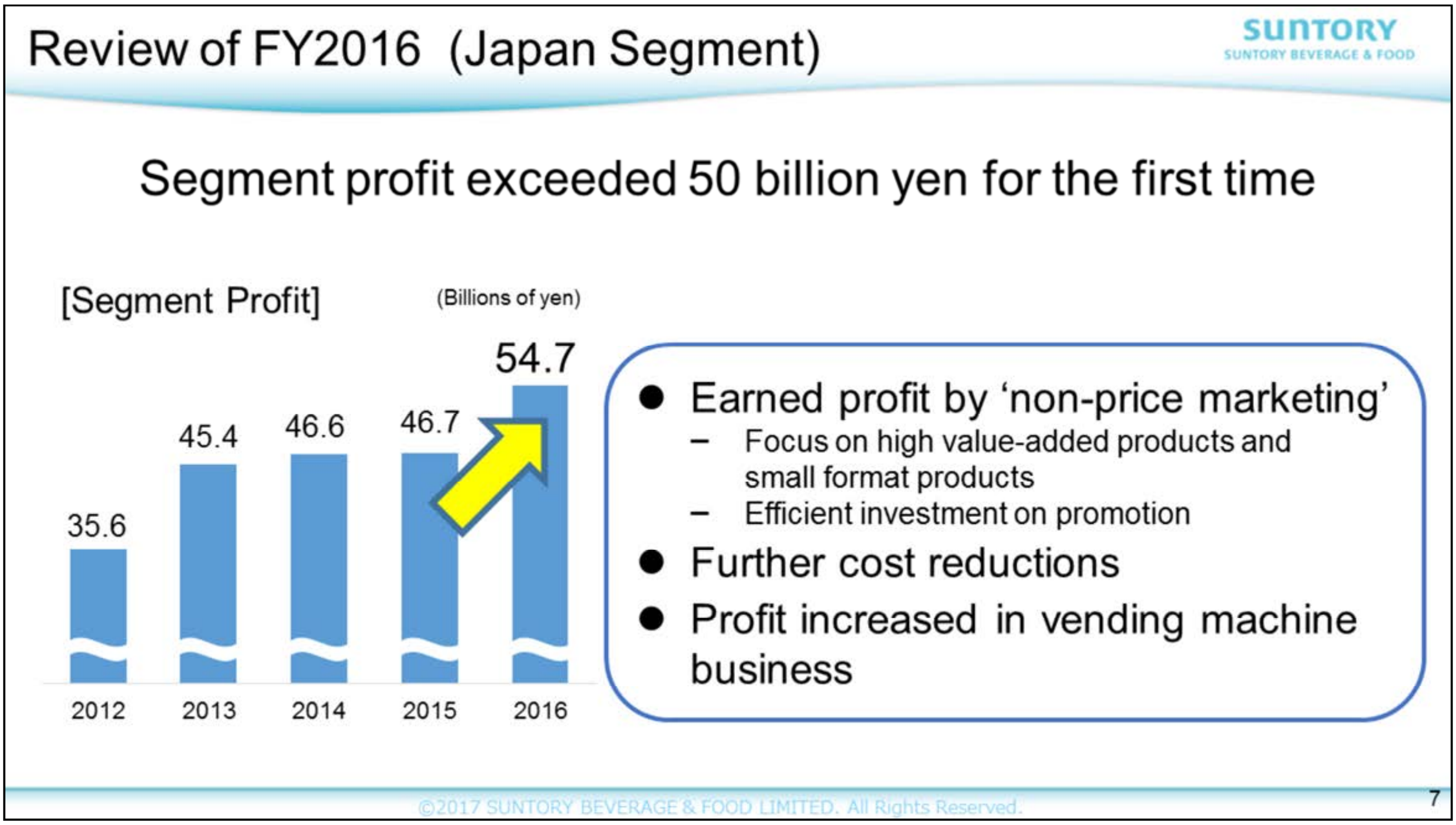


Next, I will explain about the actual business growth and currency impacts separately.

In 2016, yen trended very strongly against the Euro and British pound.

For operating profit, we had projected a negative currency impact of approximately 6 billion yen on overseas segment, but the negative impact was actually greater at 10.2 billion yen.

However, as shown, we were able to overcome those currency impacts, and achieved increases in sales and profit for both Japan and overseas segment.



Next, I will explain the Japan segment.

For the segment profit in 2016, we were able to exceed 50 billion yen for the first time, and resulted in 54.7 billion yen, up 8 billion yen from the previous year.

The reason why we were able to significantly increase our profit, was because we focused on “non-price marketing” including focus on high value added products, small format products, as well as efficient investment on promotion, further cost reduction, and increased profit in vending machine business.

Review of FY2016 (Overseas Segment)

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Steadily reinforced business growth drivers in each region

Europe	● France: Recovered sales and share after disappointing H1 ● UK: Expanded product portfolio with less sugar ● Spain: Continued success in on-premise channel ● Africa: Route to Market (plant/sales) acquisition in Nigeria
Asia	● Vietnam: Gained market share in a declining market ● Health Supplements: Growth through brand revitalization
Oceania	● Maintained *V* leadership
Americas	● Continued portfolio expansion in non-carbonated category

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Next, the overseas segment.

As shown, we have continued strengthening our business foundation in each area.

We were faced with different challenges in each country and region, and faced headwinds.

But by swiftly addressing these challenges, we were able to achieve an increase in sales and profit for the overseas segment on a currency neutral basis.

Inada will explain more on the details including the figures.

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FY2017 Strategy

Next, I will explain the strategies for 2017.

FY2017 Management Policy

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Aim for higher sales growth than market
and higher profit growth than net sales

[Key Factors of FY2017 Management Policy]

- Continue and further reinforce business foundation in each region
- Expand business in new markets where high growth is expected (Asia, Africa)
- Expand premium business (Health supplement business in Asia)
- Further reinforce global management structure

In 2017, we will aim for sales growth that outperform market growth in each area, and a profit growth that exceeds sales growth.

In order to achieve that goal, we will continue to strengthen our brands and business foundation, both in Japan and in overseas.

We will also advance our efforts in strengthening business areas where there are growth potential.

That includes further business expansion in emerging countries such as in Asia and Africa.
In addition to Nigeria where we secured our business foundation last year, we will consider expanding proactively into new areas as well.

With the organization change announced in January, our organization will continue to strengthen our capabilities to grow autonomously in each area, as well as strengthen our global management structure.

FY2017 Forecast

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Aim for 5th consecutive YoY increase in net sales and profit since listed in 2013 *1

(Billions of yen)

	2017 Forecast	Change YoY %	Currency neutral
Net Sales	1,430.0	+1.4%	+2.2%
Operating Income	98.0	+4.8%	+6.4%
Net Income *2	47.0	+2.0%	+3.7%

*1: Fifth consecutive year-on-year increase from 2013 to 2017, compared from 2012.
*2: Net income attributable to owners of the parent

Next, the business forecast for 2017.

We forecast sales to be 1trillion 430 billion yen, up 1.4%, operating ~~profit~~ income to be 98 billion yen, up 4.8% and net income to be 47 billion yen, up 2%.

On a currency neutral basis, we forecast sales to be up 2.2%, operating income to be up 6.4% and net income to be up 3.7%.

Although the global economy continues to be increasingly uncertain, we will aim for 5th consecutive YoY increase in net sales and profit since listed in 2013.

The annual dividend is forecasted to be 74 yen, up 1 yen.

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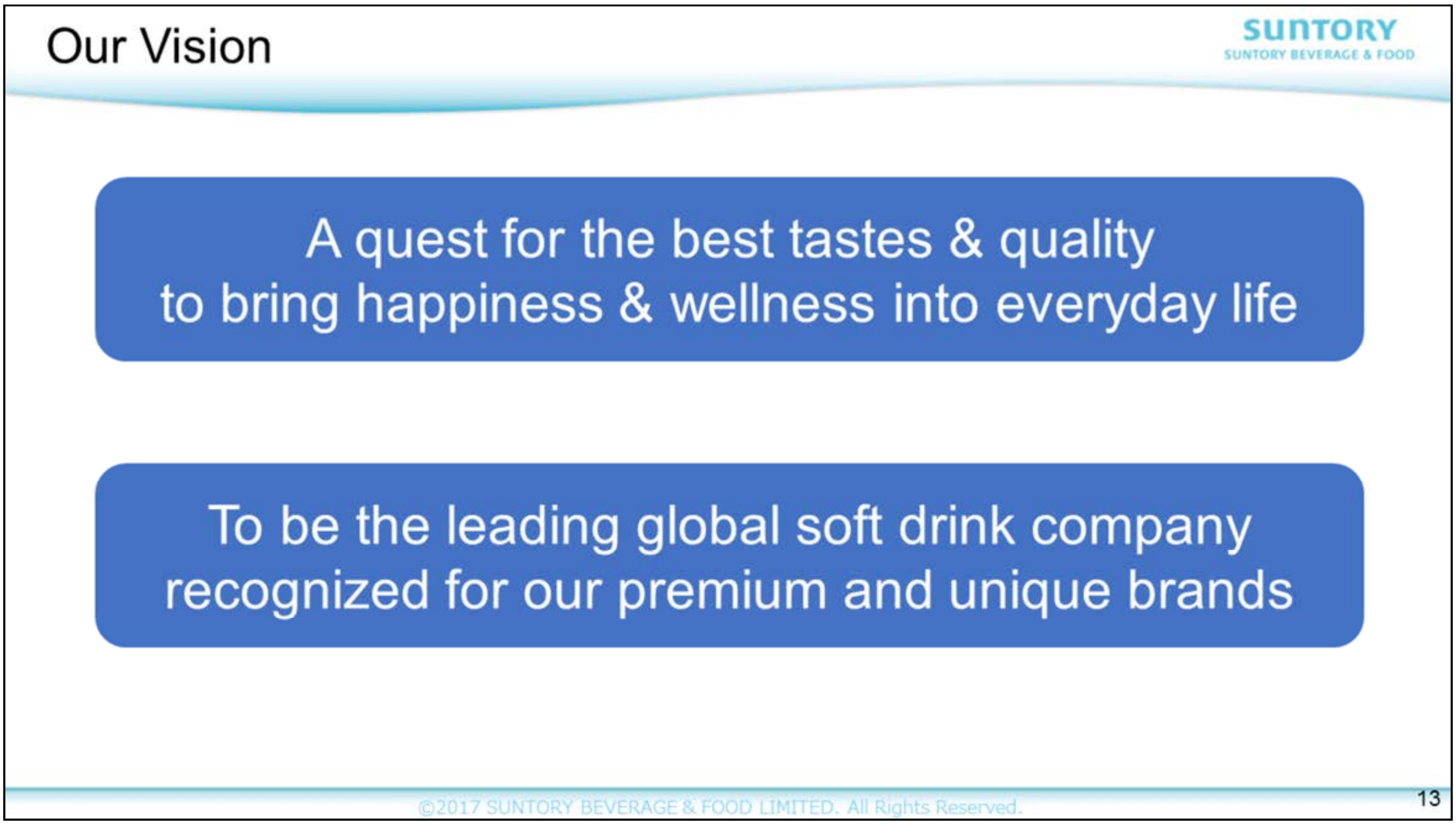
Our Strategy for the Future
Looking Ahead

For the last section of my presentation, I will explain our strategy for the future looking ahead.



Shown here, is our vision.

“A quest for the best tastes & quality to bring happiness & wellness into everyday life.”

“To be the leading global soft drink company recognized for our premium and unique brands.”

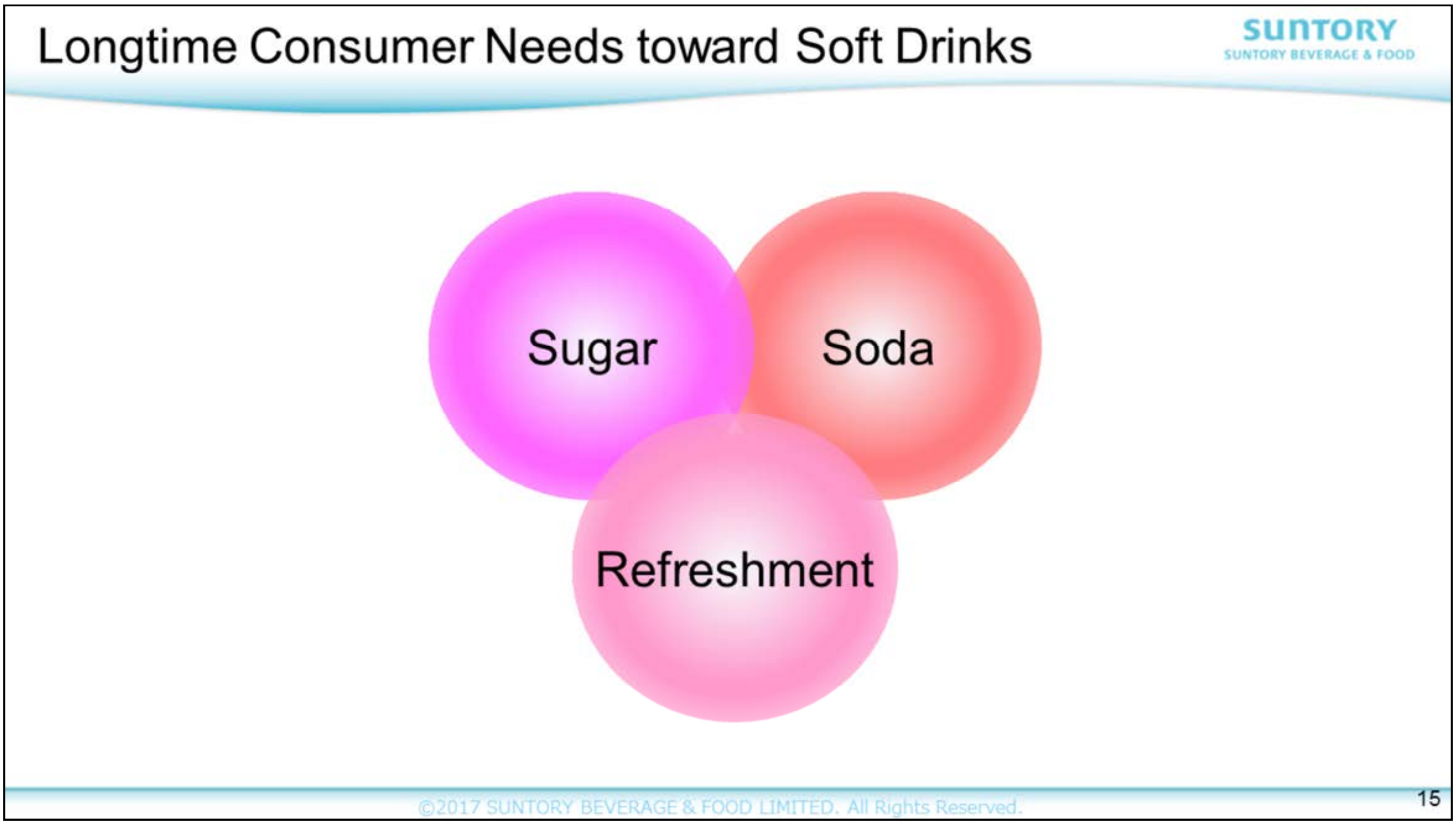
We are becoming known more as a global player, but we are long way behind the top two.

But our reason to be lies in satisfying our consumers' needs by offering new value.

Customers' needs are becoming more diverse every year, and with that, new needs are emerging that cannot be fulfilled with existing products.

It is important that we develop products that can fulfill such new needs, and continue to provide those products to our customers.

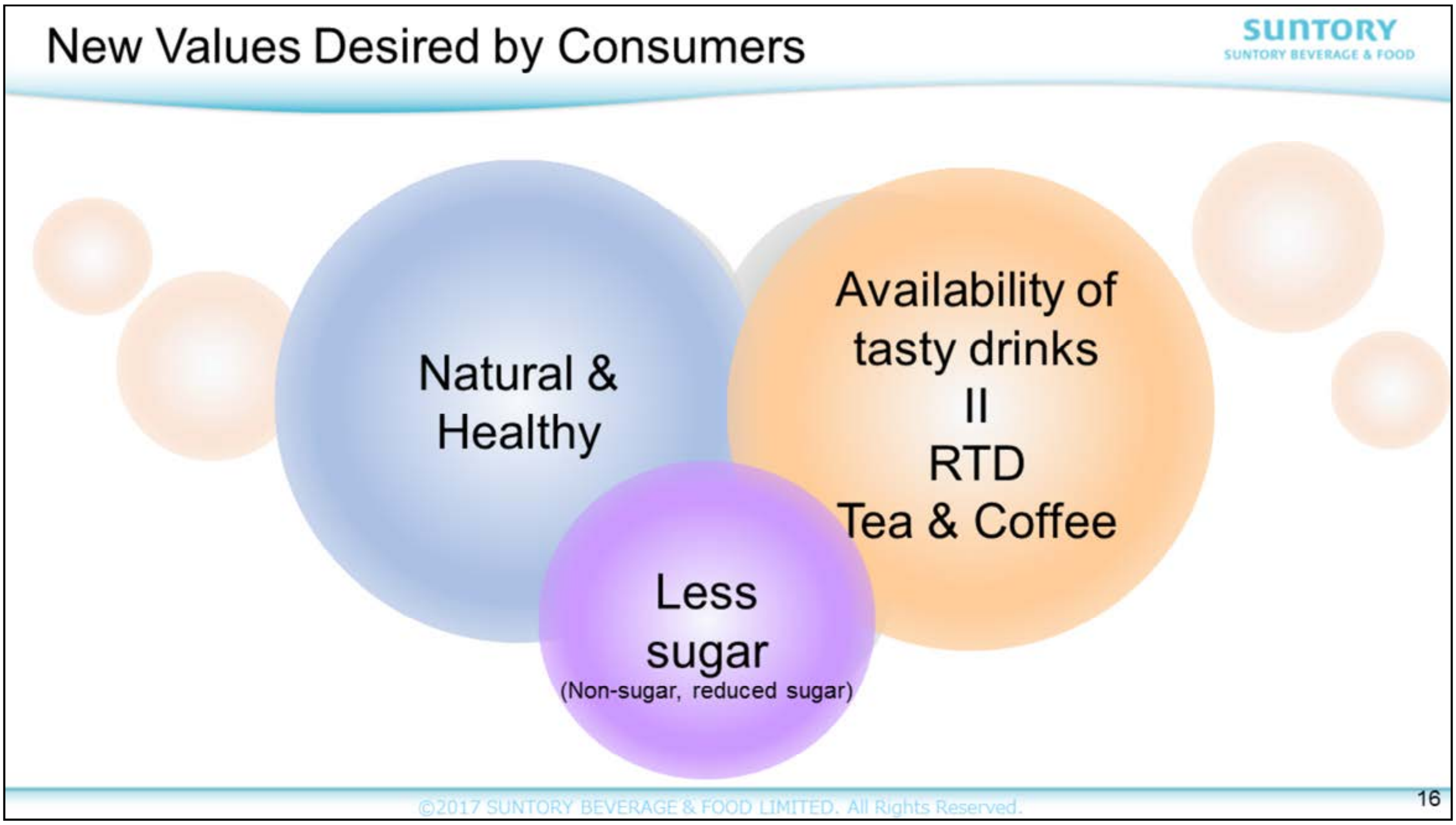
Through those efforts, we will be able to show our competitive advantage to our global competitors, and believe we can strengthen our presence in the global soft drinks market.



But what are the specific values and needs that the customers desire?

For a long time, customers mainly sought for soft drinks with sugar and soda to feel refreshed. They were seeking “Sugar” and “Soda” for “Refreshment.”

Carbonated drinks and cola drinks that satisfied those needs have contributed to expanding the global soft drinks market.



However, recently, as I mentioned previously, new needs are emerging one after another.

This is the "Natural and Healthy" trend.

For example, the demand for low calorie products that use natural ingredients and products similar to FOSHU in Japan products are rapidly increasing.
The popularity of mineral water and flavored water are also in line with this trend as well.

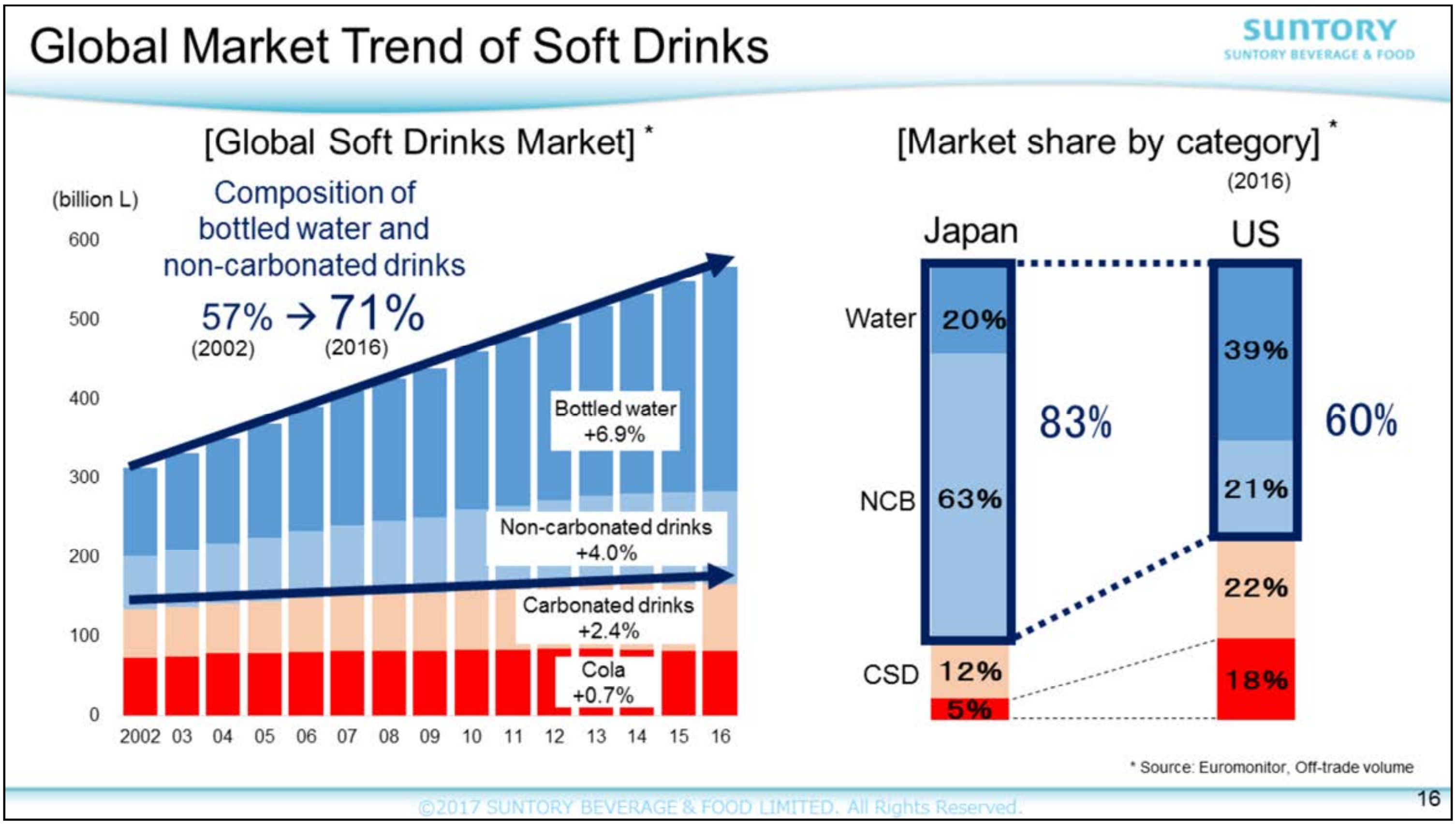
Another emerging need, is demand for more rich and tasty flavors.
Historically, tasty drinks such as tea and coffee played the role of meeting those needs.

But recently, a "Ready-to-Drink (RTD)" trend is emerging in which consumers can easily enjoy good tasting tea or coffee in a can or pet bottle.

We think that these two trends will continue expand globally by overlapping, as well as grow on its own.

In addition, we are seeing a global rise of the "less sugar trend" in which consumers avoid sugar intake.

We think that this trend will continue to advance.



The graph on the left shows the trend of the global soft drinks market by category.

The traditional category of cola drinks and soft drinks, which have fulfilled the needs of “Sugar” and “Soda” for “Refreshment”, are trending flat in recent years.

On the other hand, water and noncarbonated beverages that satisfy the needs of “Natural and Healthy” and “RTD Tea & Coffee” are growing significantly.

Why are we able to be competitive among our global competitors amid these trends?
That is because Japan is the first to experience these new trends ahead of other markets.
In Japan, water and noncarbonated drinks already make up over 80% of the market composition, which is high compared to Europe and US.

In the Japanese market, we have been quick to establish a product portfolio that incorporates new values and trends, and have been able to continuously achieve growth that outperform the market.

I am confident that we will be able to utilize these skills and know-how in the overseas business, which drove growth in the Japanese market

In the past few years, we have already been utilizing these skills and know-how, and have been capturing the market trends of countries all over the world to develop and launch products that provide new values.

As you can see, last year, we launched new products that reflects the global health trend, and products that utilize expertise to produce tea products in Japan.

These are examples of products that provide new values to our customers in each area, which will continue to be challenging.

But so far, we have been receiving good feedback.
We are considering new product launches in several countries this year as well.

(Reference for products)

Japan: Caffeine-free FOSHU drink, *Suntory Tokucha Caffeine Zero*
UK: Calorie-free energy drink, *Lucozade Zero*
France: Premium low sugar iced tea, *May Tea*

Vietnam: Green tea, *TEA+ Matcha*

New Zealand: Energy drink made with natural ingredients, *V Pure*
USA: Hydration beverage which contains the same antioxidant component as green tea, *OVI*

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To Be the Third Force

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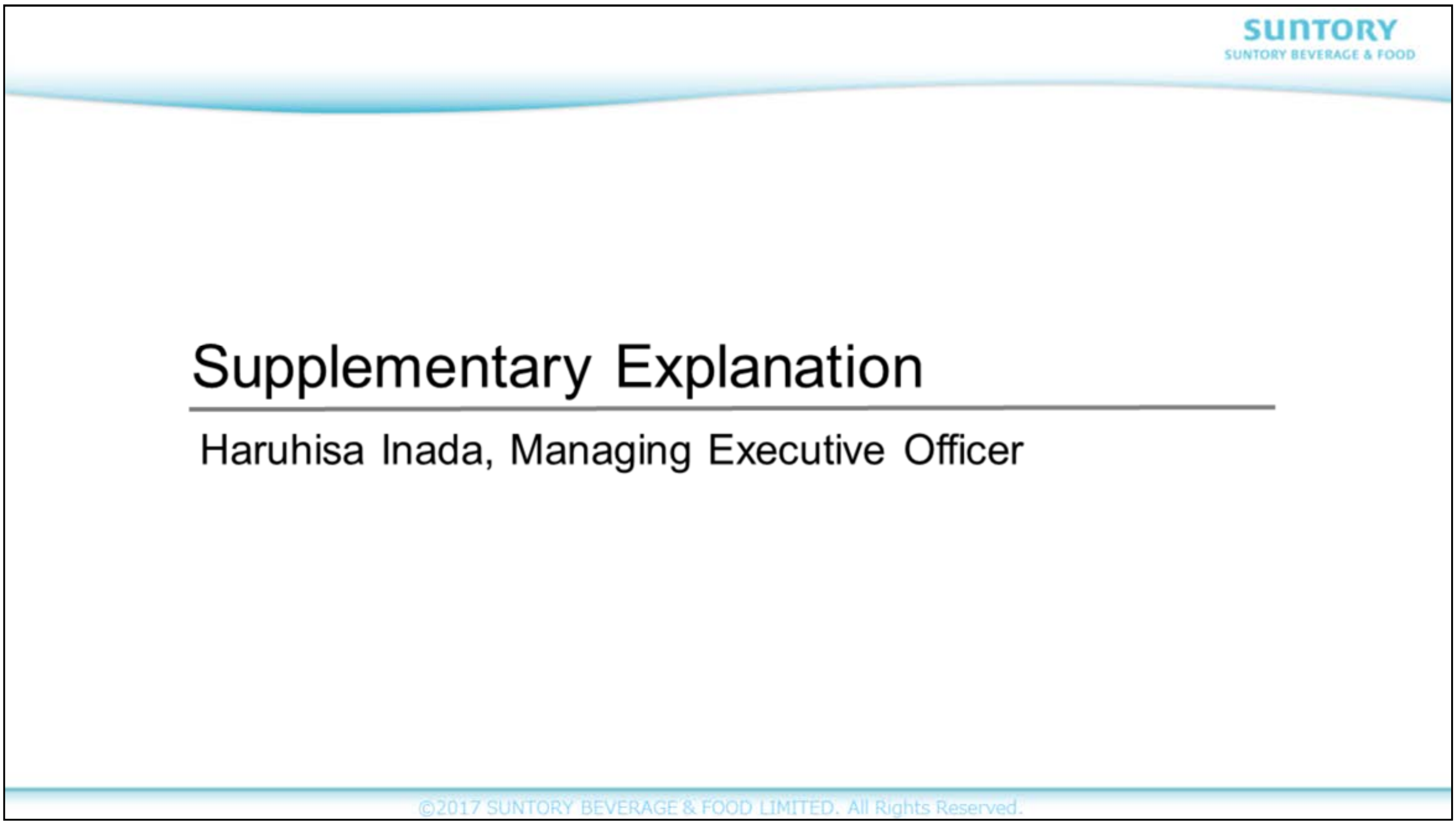
We will aim to establish our position in the world as the third force by continuing to provide new values that the consumers are seeking.

To be the Third Force.

This expresses the global leading company that we are striving for.

We will continue our efforts to satisfy consumer needs in the regions and countries that we operate in.

That is it from me.



This is Haruhisa Inada CFO of Suntory Beverage and Food.

I will explain the results for fiscal year 2016, as well as add details on the fiscal year 2017 forecast.

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FY2016 Results

First, the results of fiscal year 2016.

FY2016 Results

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Achieved growth at all levels

(Billions of yen)

	FY2015 Result	FY2016 Result	Changes YoY	Changes % YoY	Changes % YoY Currency neutral
Net Sales	1,381.0	1,410.8	+29.8	+2.2%	+7.7%
Operating Income	92.0	93.5	+1.5	+1.6%	+11.4%
Net Income *1	42.5	46.1	+3.6	+8.5%	+16.4%
EBITDA *2	175.5	180.8	+5.3	+3.0%	+11.3%
Net income before amortization of goodwill *3	69.7	74.7	+5.0	+7.2%	+15.4%

*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 (FY2015) Net income + amortization of goodwill
(FY2016) Net income attributable to owners of the parent + amortization of goodwill

As you can see, we achieved growth in net sales, as well as profit increases at all levels.

FY2016 Results by Segment

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Sales and profit grew in almost all regions

(Billions of yen)

	Sales	Changes			Segment Profit	Changes		
		YoY	% YoY	Currency neutral		YoY	% YoY	Currency neutral
Japan	890.0	+83.1	+10.3%	-	54.7	+8.0	+17.1%	-
Overseas	520.7	-53.4	-9.3%	+3.5%	67.4	-6.6	-8.9%	+5.6%
Europe	229.4	-24.8	-9.8%	+4.4%	38.4	-5.6	-12.8%	+1.9%
Asia	164.3	-16.2	-9.0%	+3.5%	14.3	+0.7	+5.3%	+24.8%
Oceania	40.8	-4.8	-10.6%	+0.4%	5.2	-0.7	-12.0%	-2.8%
Americas	86.2	-7.5	-8.0%	+2.4%	9.6	-1.0	-9.2%	+1.9%

* Oceania's segment profit was negatively impacted by revision of inventory valuation method in 2015

Next is sales by area and segment profit.

On a currency neutral basis, excluding the decrease in profit for Oceania due to special factors, all areas achieved an increase in sales and profit.

Next I will explain each area.

FY2016 Results: Japan Segment

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Significant profit growth due to successful initiatives focused on profitability

(Billions of yen)

Net Sales	% YoY	Segment Profit	% YoY
890.0	+10.3%	54.7	+17.1%

- Sales increased significantly contributed by the consolidation impact of Japan Beverage Group
- Initiatives to improve profitability contributed to considerable growth in profit

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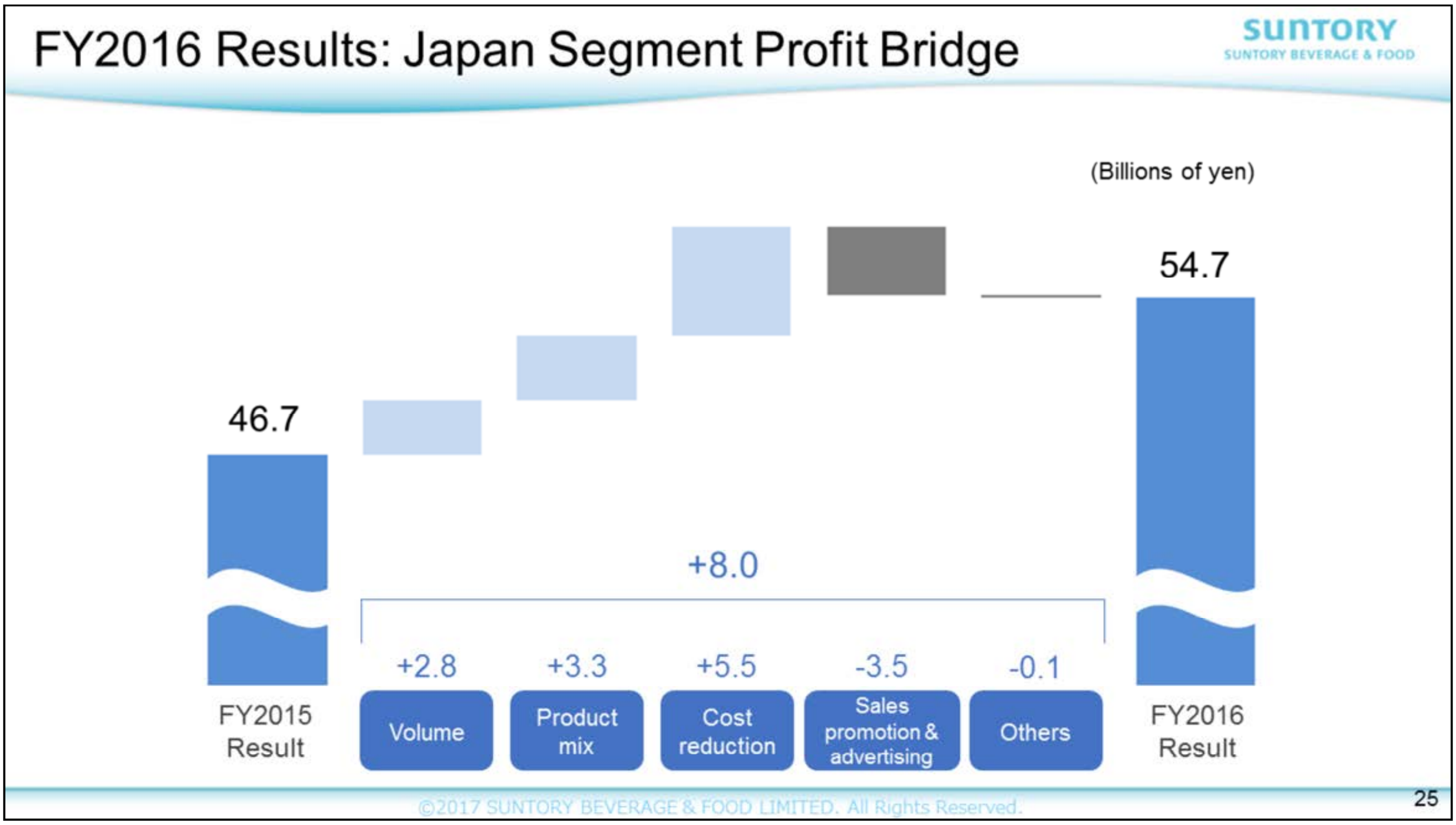
First, Japan segment.

Sales was 890 billion yen, up 10.3%.
It resulted in a significant sales increase due to the consolidation of Japan Beverage Group in August 2015, but even when excluding that impact, we still achieved an increase in sales with our existing business.

Segment profit was 54.7 billion yen, up 17.1%, which was also a significant increase.
We were able to largely increase our profit as a result of our initiatives that focused on profitability.



Next, I will explain the positive and negative factors that impacted the Japan segment profit for 2016.

First, sales volume contributed positively to profit with 2.8 billion yen.

The sales volume increased by 1%, but we were able to steadily grow our core brands such as *Suntory Tennensui*, *Boss*, and *Iyemon*.

Suntory Tennensui grew significantly by 6%, and exceeded 100 million cases, a first for one of the Company's brands.

Product mix contributed positively to profit with 3.3 billion yen.

By bottle size, the 500ml pet bottle grew by high single digit.

For the large sized pet bottles, although it is estimated that the sales volume of the market outperformed its previous year, our sales volume decreased YoY because we did not get involved in excessive price competition.

Also, the growth of FOSHU products such as *Iyemon Tokucha* and *Suntory Tokucha Caffeine Zero* contributed to the improvement of the product mix as well.

Reduction in manufacturing cost contributed positively to profit by 5.5 billion yen.

In our activities to reduce cost, we continued efforts to make the PET bottle caps lighter, and labels thinner.

We have also shifted some of the bottle-shaped canned coffee production in-house, and this led to 2.7 billion yen cost reduction in total.

The currency had negative impact on cost, but improvement in raw material cost contributed positively to profit, resulting in a net positive impact of 2.8 billion yen.

On the other hand, sales promotion and advertising costs had a negative impact on profit of 3.5 billion yen.

We managed to control the ratio of these costs to sales by efficient investment in marketing.

FY2016 Results: Europe

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Sales and profit grew due to strong performance in UK and Spain offsetting the decline in France in H1

(Billions of yen)

Net Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
229.4	+4.4%	38.4	+1.9%

	Sales	% YoY (currency-neutral)	
France [*1]	88.3	-0.3%	Sluggish in H1 but sales picked up in H2
UK [*2]	64.3	+6.5%	Good sales momentum thanks to *Lucozade Zero*
Spain [*3]	53.7	+10.8%	On-premise further growth

*1: France and Belgium *2: UK and Ireland +3: Spain and Portugal

Next, I will explain the overseas segment.

First, Europe.

For 2016, sales was up 4.4% and segment profit was up 1.9%, both on a currency neutral basis.

For France, we struggled during the first half due to continuing deflation, but were able to improve in the second half by implementing our recovery plan, resulting in an almost flat YoY sales.

In the UK, core brands performed well, such as Lucozade which had its launch of Lucozade Zero, and Ribena.

In Spain, sales in on-premise channel continued to perform well.

Also, starting from this financial results announcement, we will be disclosing sales and year-on-year percentage changes on a currency neutral basis for the main five business units of the overseas segment.

Specifically the 5 business units are France, UK, and Spain for Europe, and Vietnam and health supplements business for Asia.

FY2016 Results: Asia

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Sales and profit increased while market declined

(Billions of yen)

Net Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
164.3	+3.5%	14.3	+24.8%

	Sales	% YoY (currency-neutral)	
Vietnam	66.3	+3.8%	Improved profit generation despite sales growth slowed down due to adverse market
Health Supplements	49.4	+4.4%	*BRAND'S Essence of Chicken* recorded good sales mainly in Thailand

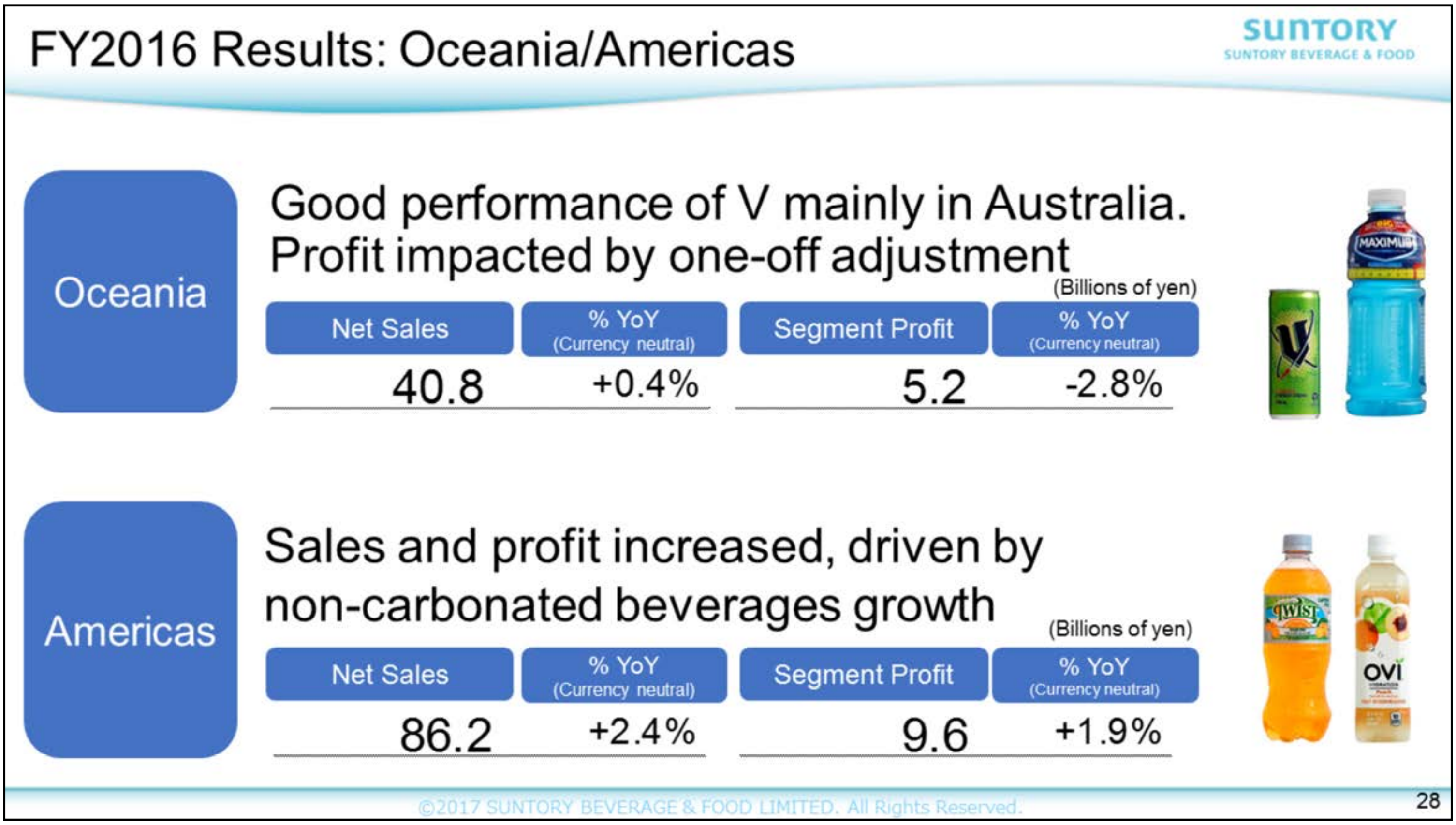
Next, Asia.

Vietnam experienced a market slowdown due to quality issues of our competitors.

However even with worsening external environment, such as the Thai King's demise and adverse weather, we were able to achieve sales increase of 3.5% on a currency neutral basis, and a significant segment profit increase of 24.8%.

In Vietnam, sales growth slowed down due to adverse market, but our profit increased as a result of our efforts to strengthen our revenue base.

Health supplements business performed well, mainly in Thailand, and resulted in increase in sales and profit.



Nest, Oceania and the Americas.

We booked a temporary profit in the previous year as a result of revising the inventory valuation method.

This impact came off, resulting in a negative impact for 2016 profit.

However, when excluding that impact, sales and profit increased on a currency neutral basis.

For the Americas, non-carbonated beverage category grew, and resulted in an increase in sales and profit on a currency neutral basis.

FY2017 Forecast

Next, I will explain our forecast for fiscal year 2017.

FY2017 Forecast

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Forecasted growth in both sales and profit

(Billions of yen)

	FY2016 Result	FY2017 Forecast	Changes		
			YoY	% YoY	Currency neutral
Net Sales	1,410.8	1,430.0	+19.2	+1.4%	+2.2%
Operating Income	93.5	98.0	+4.5	+4.8%	+6.4%
Net Income *1	46.1	47.0	+0.9	+2.0%	+3.7%
EBITDA *2	180.8	186.0	+5.2	+2.9%	+4.4%
Net income before amortization of goodwill *3	74.7	75.2	+0.5	+0.6%	+2.4%

*1 Net income for 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: Net income attributable to owners of the parent + amortization of goodwill

As Kogo mentioned, we are forecasting an increase in sales and profit for 2017.

We aim to achieve profit growth that outperforms sales growth.

The numbers here are shown based on Japanese accounting standards, but from the end of this fiscal year, we will be transitioning to IFRS.
I will add more information regarding IFRS later.

FY2017 Forecast by Segment

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Aiming for steady growth in each region

(Billions of yen)

	Sales	Changes YoY	Changes % YoY	Changes Currency neutral	Segment Profit	Changes YoY	Changes % YoY	Changes Currency neutral
Japan	895.0	+5.0	+0.6%	-	57.0	+2.3	+4.1%	-
Overseas	535.0	+14.3	+2.7%	+5.0%	69.2	+1.8	+2.6%	+5.8%
Europe	225.0	-4.4	-1.9%	+3.8%	36.5	-1.9	-4.9%	+1.1%
Asia	181.0	+16.7	+10.1%	+10.1%	17.8	+3.5	+24.3%	+22.6%
Oceania	42.0	+1.2	+3.0%	+1.4%	5.2	+0.0	+1.0%	+2.0%
Americas	87.0	+0.8	+0.9%	-0.2%	9.7	+0.1	+1.4%	+0.1%

Next are forecasts by area.

We will aim for steady growth in each area on a currency neutral basis.
We are projecting strong sales particularly in Asia.

FY2017 Forecast: Japan Segment

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(Billions of yen)

Net Sales	% YoY	Segment Profit	% YoY
895.0	+0.6%	57.0	+4.1%

- Pursue Brand and Innovation strategy
  - Reinforce core brands and promote high value-added strategy for future growth
- Promote SCM initiatives in a medium- and long-term perspective
  - Start operation of new production line at Suntory Okudaisen Bunanomori Water Plant and Suntory Kyushu Kumamoto Plant
  - Continue cost reduction initiatives
- Strengthen vending machine business
  - Promote initiatives to acquire good locations (Focus on corporate sales and Tokyo area)
  - Improve sales per machine (products, columns, vending machines)

Next, I will go over key points by area for 2017.

First, Japan segment.

We are forecasting sales to be up 0.6%, profit to be up 4.1%.

As you can see, for 2017, we will pursue brand and innovation strategy, promote SCM initiatives, and strengthen vending machine business.

I will go over each activity in detail.

For 2017, we will focus on enhancing the value of our long selling brands.

In particular, we are planning a major revitalization for *Iyemon* on March 7th, a first since its launch in 2004.
We will create an authentic “teapot” green tea sought by customers, to aim for further growth in the expanding green tea market.

In addition, we will propose products that provide new values that go beyond the categories such as coffee, water and tea.
We are planning launches of new and exciting products

2017 SCM Initiatives (Japan)

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Expand production capacity and continue cost reduction

1. Expand production capacity

- Expand production line in Suntory Okudaisen Bunanomori Water Plant
- Restore and expand production at Suntory Kyushu Kumamoto Plant

2. Cost reduction initiatives

- Improve efficiency in production and logistics by ramping up capacity
- Continue efforts to reduce weight of packaging

Suntory Okudaisen Bunanomori Water Plant (Tottori, Japan)

Next is regarding our SCM activities.

There are two key points for this year.

First is the expansion of production capacity.

We are projecting continuing increase in demand for *Suntory Tennensui*.
In spring, we will be starting operations of a new line in the Suntory Okudaisen Bunanomori Water Plant. We will be strengthening our supply capability of our *Suntory Tennensui* brand, including flavored waters.

Also, in the Suntory Kyushu Kumamoto Plant, we are restoring and expanding our facilities, and the Plant is planned to resume operations in May.

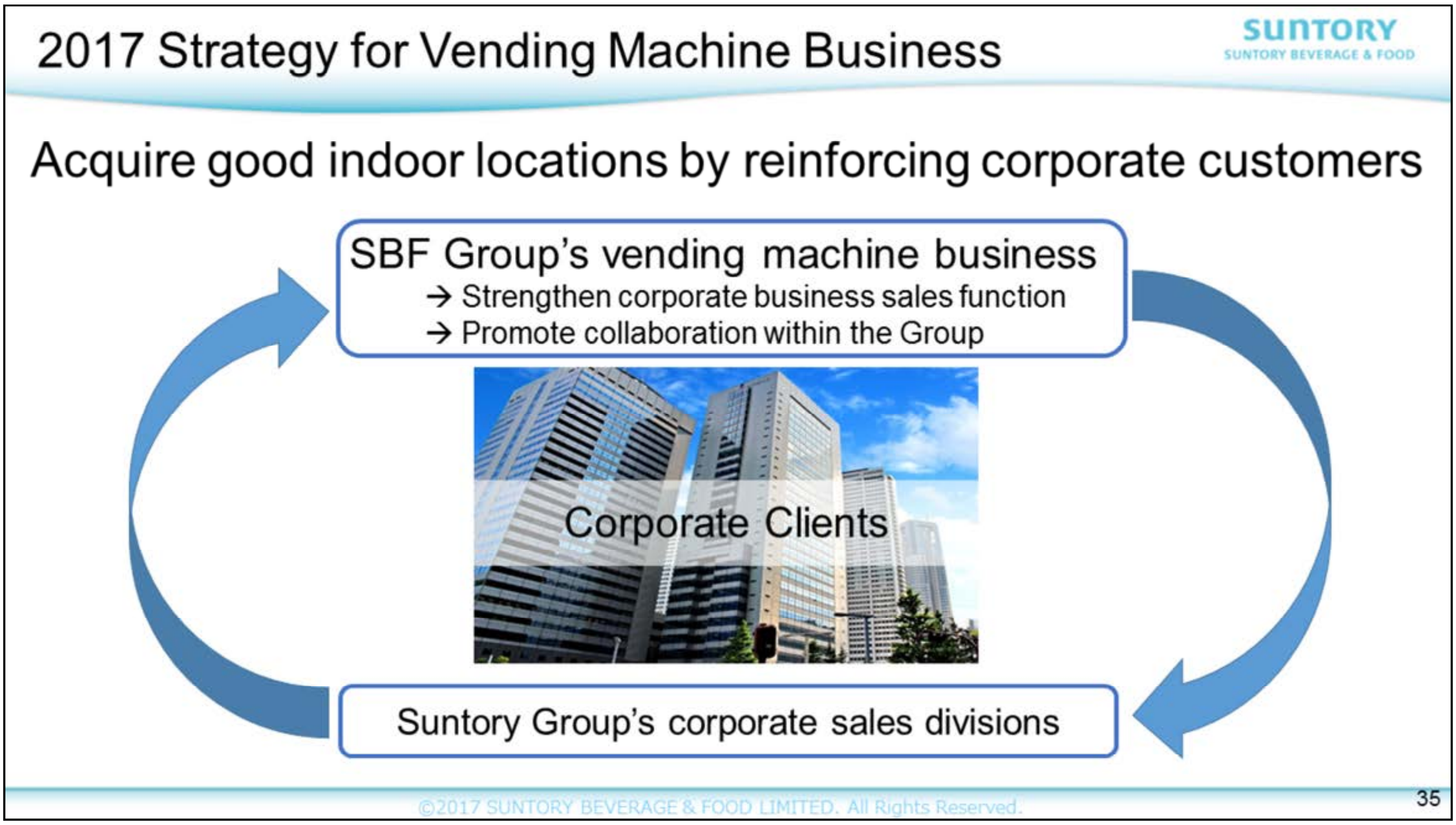
Another key point is cost reduction.

The expansion in Suntory Okudaisen Bunanomori Water Plant and Kyushu Kumamoto Plant will lead to improving manufacturing efficiency and logistics cost, resulting in cost reduction.

Also starting from last year, in-house production line of PET bottle preform has started in the Suntory Minami-Alps Hakushu Water Plant and in Haruna Plant in Gunma Prefecture.

We can also expect cost reduction here as well.

In addition, we will continue our efforts to reduce weight of packaging, including PET bottle caps.

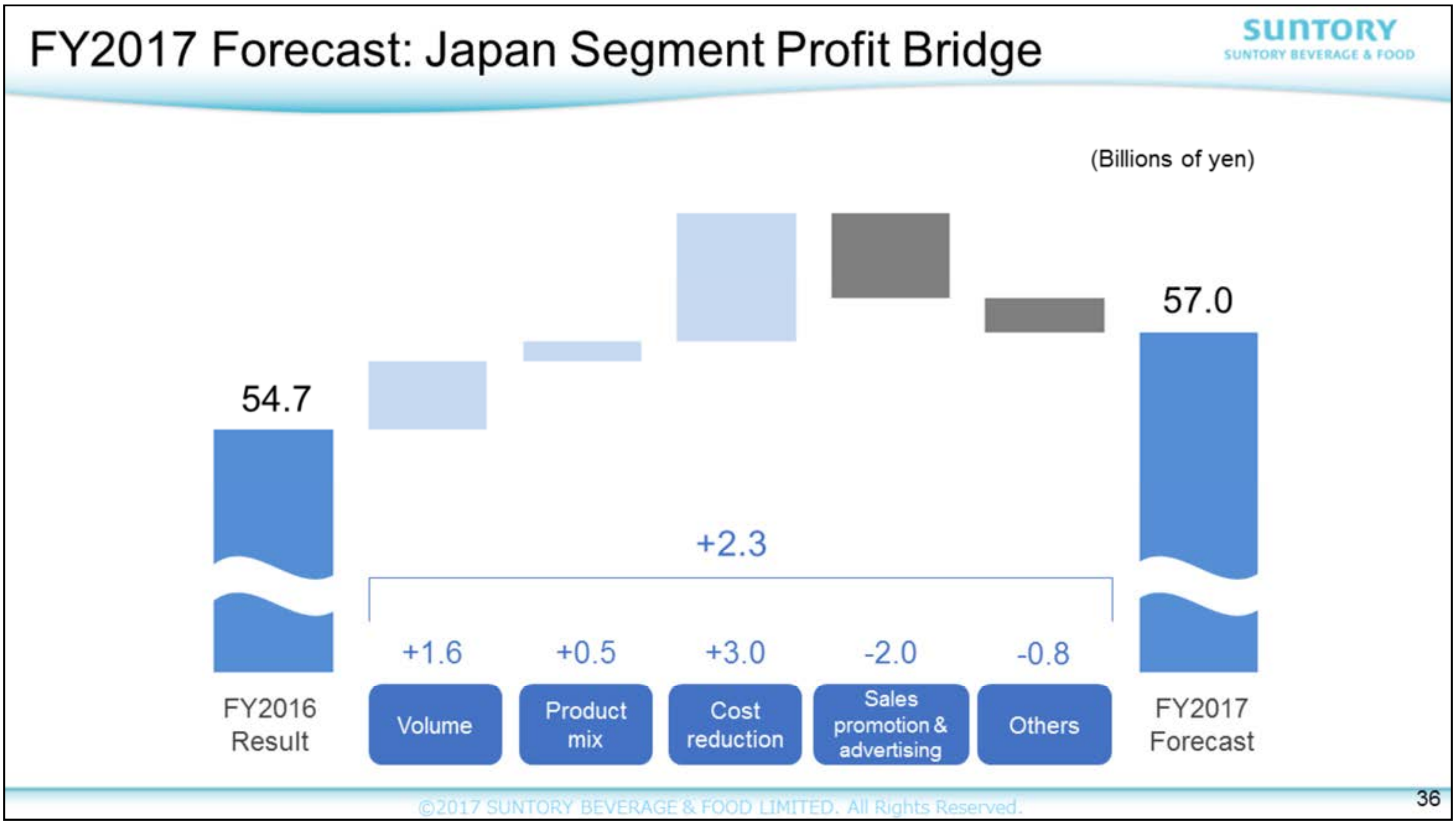


Next, is our strategy for vending machine business.

In the vending machine business for 2017, we will focus on corporate sales.

With the acquisition of Japan Beverage in 2015, we have been able to propose a variety of machines and products.
In addition to having stronger collaboration among companies and organizations within the group that work on vending machine business, we will further strengthen coordination with the corporate business sales function of Suntory Group, to come up with appealing proposals for companies and public offices.

This April, a Nationwide Corporate Business Sales Division will be set up in Suntory Beverage Solutions, as part of our efforts to strengthen collaboration among the sales functions of the group.



For the last part of the Japan segment, I will explain the forecast of the segment profit for 2017.

We are projecting 1.6 billion yen increase in profit as a result of sales volume increase.

As announced in January, this year's sale volume is expected to be up 1% year on year, outperforming the market, while the market is estimated to be flat or slightly decline.

We are forecasting that product mix will contribute positively to profit with 500 million yen.

We will continue to focus on high value added products and small format products.

We are projecting that reduction in manufacturing cost will contribute positively with 3 billion yen.

With the worsening of the raw material market, we foresee that currency and raw materials market combined will have negative impact on profit, but we plan to gain as much positive impacts as possible from our cost reduction activities.

We forecast that sales promotion and advertising cost will have a negative impact on profit with 2 billion yen.

It is projected that advertising cost will increase mainly for existing brands and high value added new products, but we will continue to focus on effective and efficient investment in marketing.

FY2017 Forecast: Europe

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Net Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
225.0	+3.8%	36.5	+1.1%

France	• Drive sales through increased visibility at point of sales • Improve product format mix
UK	• Implement new less sugar portfolio initiative • Further improvement in production efficiency
Spain	• Accelerate initiatives in on-premise channel
Others	• Continue to expand business in Africa with focus on Nigeria

First, Europe.

We are forecasting an increase in sales and profit on a currency neutral basis.

In France, we will aim to drive sales through increased visibility at point of sales and improve product format mix.

In the UK, from July, we will be launching products that have less sugar that match consumer needs, and by doing so, the amount of sugar used in the UK business overall will be halved.

Also last year, we further improved our product efficiency which will lead to cost reduction.

In Spain, we will accelerate initiatives in on-premise channel.

In Africa, we will expand our business in Nigeria which we acquired last year.

Next, Asia.

In Asia, we are forecasting high sales and profit growth, with sales increase of 10.1% on a currency neutral basis, and segment profit increase of 22.6 %.

In Vietnam, we will need to continue to monitor the situation to determine when the market slowdown which has lasted since second half of last year will subside.

But we will further build confidence in our brands' superior quality.
We will also pursue sales growth opportunity in untapped regions, as well as enhance distribution to increase sales.

In the health supplements business, we will implement proactive initiatives aimed at further growth of our core product, *Essence of Chicken*.
In Thailand, we will strengthen our sales force, and utilize distributors that have excellent distribution capabilities. We will aim to strengthen route to market capabilities and expand our sales channels.
In addition to these activities, we will continue to expand in high growth markets, such as Myanmar.

FY2017 Forecast: Oceania/Americas

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(Billions of yen)

Oceania

Net Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
42.0	+1.4%	5.2	+2.0%

- Drive penetration of *V* through innovation
- Deliver on recent innovations potential (*Maximus*, etc.)

Americas

Net Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
87.0	-0.2%	9.7	+0.1%

- Maintain sales leadership in key categories
- Improve operations through SCM efficiency

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Next, Oceania and the Americas.

For Oceania, we project an increase in sales and profit on a currency neutral basis.

For the Americas, we forecast both sales and profit to be almost flat YoY on a currency neutral basis.

Differences arising from IFRS Transition

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[Impact on FY2017 Forecast] *Figures are an approximation

Net Sales	Deduction of rebates in Japan	-200.0 billion yen
Operating Income	Goodwill not subject to amortization Addition of extraordinary income/loss	+26.0 billion yen -8.0 billion yen
Net Income*	Goodwill not subject to amortization	+26.0 billion yen

IFRS based disclosure will commence from the earnings closing of the fiscal year ending December 31, 2017.

* Net income attributable to owners of the parent

Lastly, we will be implementing IFRS starting from the Financial Results for the Fiscal Year Ending December 2017.

I will explain the differences arising from IFRS transition.

Sales is projected to decrease by approximately 200 billion yen compared to the Japanese standards.
This is because the rebates included in the sales promotion and advertising cost for Japan business, will be deducted from sales in IFRS.

Operating income is estimated to increase 18 billion yen compared to Japanese accounting standards.
Goodwill will not be subject to amortization and will have a positive impact with 26 billion yen.

Extraordinary income and losses will be accounted at the operating income level, resulting in a negative impact of 8 billion yen.

That is it from me.

Exchange Rates

(Yen, average exchange rate)

	FY2015 Result	FY2016 Result	FY2017 Forecast
U.S.Dollar	121.1	108.8	110
Euro	134.3	120.2	115
British Pound	185.2	147.5	135
Singapore Dollar	88.1	78.7	77
Vietnam Dong	0.0055	0.0049	0.0048
New Zealand Dollar	84.7	75.7	77
Australian Dollar	91.1	80.8	82

FY2016 Q4 (3 months) Results by Segment

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(Billions of yen)

	Sales	Changes			Segment Profit	Changes		
		YoY	% YoY	Currency neutral		YoY	% YoY	Currency neutral
Japan	211.9	-1.5	-0.7%	-	11.5	-1.2	-9.7%	-
Overseas	133.0	-13.6	-9.3%	+3.5%	14.7	-2.4	-14.0%	+0.8%
Europe	49.0	-6.6	-11.9%	+6.0%	7.1	-0.5	-6.0%	+17.6%
Asia	45.4	-5.2	-10.2%	+0.0%	2.8	-1.8	-39.9%	-30.8%
Oceania	12.3	-1.0	-7.3%	-0.9%	2.2	-0.0	-1.2%	+3.4%
Americas	26.3	-0.8	-3.1%	+7.6%	2.6	-0.1	-2.7%	+9.0%

Forward-Looking Statements

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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.