

**Supplementary Material on Consolidated Financial Results for the First
Three Months of the Fiscal Year Ending December 31, 2017**

<Results for the First Three Months of the Fiscal Year Ending December 31, 2017>

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Suntory Beverage & Food Limited

April 28, 2017

<Results for the First Three Months of 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)

	Three months ended March 31, 2016		Three months ended March 31, 2017		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	311.1	100.0%	310.5	100.0%	(0.6)	(0.2%)
Gross profit	169.5	54.5%	172.5	55.6%	3.0	1.7%
Selling, general and administrative expenses	157.0	50.5%	156.4	50.4%	(0.6)	(0.4%)
Operating income	12.5	4.0%	16.1	5.2%	3.6	28.8%
Non-operating income	1.0	0.3%	0.7	0.2%	(0.3)	(33.3%)
Non-operating expenses	1.7	0.6%	1.3	0.4%	(0.4)	(25.8%)
Ordinary income	11.8	3.8%	15.5	5.0%	3.7	31.3%
Extraordinary income	0.1	0.0%	0.2	0.1%	0.1	145.1%
Extraordinary loss	1.1	0.3%	1.0	0.3%	(0.0)	(3.8%)
Income before income taxes	10.8	3.5%	14.7	4.7%	3.8	35.4%
Income taxes	3.4	1.1%	6.2	2.0%	2.7	79.3%
Net income attributable to noncontrolling interests	1.3	0.4%	1.7	0.6%	0.4	30.7%
Net income attributable to owners of the parent	6.1	2.0%	6.8	2.2%	0.7	11.6%

(2) Other Indices

(Billions of yen)

		Three months ended March 31, 2016		Three months ended March 31, 2017		Increase (decrease)	
Depreciation and amortization		14.8		14.8		(0.0)	(0.2%)
Amortization of goodwill		7.4		7.2		(0.2)	(2.6%)
Operating income before amortization of goodwill		19.9		23.3		3.4	17.1%
Net income before amortization of goodwill *1		13.5		14.0		0.5	3.8%
EBITDA *2	EBITDA margin	34.7	11.2%	38.1	12.3%	3.4	9.7%

*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.

Operating margin	Before amortization of goodwill	6.4%	7.5%
	After amortization of goodwill	4.0%	5.2%

(Billions of yen)

	As of December 31, 2016	As of March 31, 2017	Increase (decrease)	
Total assets	1,366.0	1,341.0	(25.0)	(1.8%)
Total equity	602.4	587.8	(14.6)	(2.4%)
D/E ratio (Times) *3	0.4	0.4		

*3 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)

	Three months ended March 31, 2016	Three months ended March 31, 2017
USD	115.4	113.6
EUR	127.1	121.0
GBP	165.0	140.7
SGD	82.2	80.2
VND	0.0052	0.0050
NZD	76.5	80.9
AUD	83.3	86.2

2. Sales Details

(Billions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	191.6	189.6	(2.0)	(1.0%)	(1.0%)	
Europe	51.1	49.5	(1.6)	(3.2%)	5.1%	
Asia	39.8	42.3	2.5	6.4%	7.4%	
Oceania	10.1	10.5	0.4	4.1%	(0.4%)	
Americas	18.5	18.6	0.0	0.2%	1.8%	
Overseas	119.5	120.9	1.4	1.1%	4.9%	
Reconciliations	-	-	-	-	-	
Consolidation total	311.1	310.5	(0.6)	(0.2%)	1.2%	

3. Profit Details

(1) EBITDA

(Billions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	16.5	17.8	1.3	7.8%	7.8%	
Europe	8.1	7.6	(0.5)	(6.2%)	3.4%	
Asia	6.4	8.8	2.4	37.1%	39.1%	
Oceania	1.3	1.7	0.4	33.2%	34.1%	
Americas	2.4	2.2	(0.2)	(9.4%)	(7.8%)	
Overseas	18.2	20.3	2.1	11.4%	17.2%	
Reconciliations	-	-	-	-	-	
Consolidation total	34.7	38.1	3.4	9.7%	12.6%	

(2) Segment Profit

(Billions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	7.1	8.7	1.6	22.2%	22.2%	
Europe	5.8	5.3	(0.5)	(8.6%)	0.8%	
Asia	4.5	6.7	2.2	49.4%	50.7%	
Oceania	0.9	1.3	0.4	39.2%	43.5%	
Americas	1.6	1.3	(0.3)	(16.0%)	(14.5%)	
Overseas	12.8	14.6	1.8	14.3%	20.3%	
Reconciliations	(7.4)	(7.2)	0.2	(2.6%)	-	*1
Consolidation total	12.5	16.1	3.6	28.8%	33.7%	

*1 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)

	Three months ended March 31, 2016	Three months ended March 31, 2017	Increase (decrease)		Reference
Non-operating income	1.0	0.7	(0.3)	(33.3%)	
Non-operating expenses	1.7	1.3	(0.4)	(25.8%)	
Ordinary income	11.8	15.5	3.7	31.3%	
Extraordinary income	0.1	0.2	0.1	145.1%	
Extraordinary loss	1.1	1.0	(0.0)	(3.8%)	
Income taxes	3.4	6.2	2.7	79.3%	
Net income attributable to noncontrolling interests	1.3	1.7	0.4	30.7%	
Net income attributable to owners of the parent	6.1	6.8	0.7	11.6%	

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

(Billions of yen)

Segment profit for the three months ended March 31, 2016	7.1
Increase in sales volume	0.6
Change in product mix	(0.6)
Reduction in manufacturing costs	2.1
Decrease in sales promotion and advertising costs	0.5
Increase in other expenses	(1.0)
Segment profit for the three months ended March 31, 2017	8.7

4. Summary of Consolidated Balance Sheets

(Billions of yen)

	As of December 31, 2016	As of March 31, 2017	Increase (decrease)	Reference
Cash and deposits	84.1	80.9	(3.3)	
Notes and accounts receivable–trade	161.0	153.5	(7.6)	
Inventories	74.7	83.4	8.7	
Other	54.6	54.0	(0.6)	
Current assets	374.5	371.8	(2.7)	
Property, plant and equipment	338.8	335.9	(2.8)	
Goodwill	407.3	394.7	(12.6)	*2
Trademarks	150.8	147.7	(3.1)	
Other	64.2	62.2	(2.0)	
Intangible fixed assets	622.3	604.6	(17.7)	
Investments and other assets	30.3	28.6	(1.7)	
Noncurrent assets	991.4	969.1	(22.2)	
Deferred assets	0.1	0.1	(0.0)	
Total	1,366.0	1,341.0	(25.0)	
Notes and accounts payable–trade	116.1	116.9	0.9	
Interest-bearing debt	72.2	65.8	(6.4)	
Other	222.1	209.3	(12.7)	
Current liabilities	410.4	392.1	(18.3)	
Interest-bearing debt	239.3	248.0	8.7	
Other	113.9	113.1	(0.8)	
Long-term liabilities	353.2	361.1	7.9	
Total liabilities	763.6	753.2	(10.3)	
Shareholders' equity	551.1	546.1	(5.1)	
Accumulated other comprehensive income	1.1	(8.2)	(9.3)	
Noncontrolling interests	50.2	50.0	(0.2)	
Total equity	602.4	587.8	(14.6)	
Total	1,366.0	1,341.0	(25.0)	

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

5. Other Information

<Sales Volume of Major Brands in Japan>

(Million cases)

	Three months ended March 31, 2016		Three months ended March 31, 2017	
	Actual	Increase (decrease)	Forecast	Increase (decrease)
<i>Suntory Tennensui</i>	19.7	15%	20.6	4%
<i>Boss</i>	22.4	5%	22.8	1%
<i>Iyemon</i>	11.6	14%	12.8	10%
<i>Suntory Oolong Tea</i>	5.3	(9%)	5.2	(3%)
<i>Pepsi</i>	5.1	(3%)	4.7	(7%)
<i>Orangina</i>	3.4	10%	1.6	(53%)
<i>Green DAKARA</i>	3.3	(7%)	4.1	23%
FOSHU drinks	5.7	12%	5.8	0%
Total	89.6	5%	90.6	1%

* 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.

<Sales Volume of Major Brands in Europe>

(Million liters)

	Three months ended March 31, 2016		Three months ended March 31, 2017	
	Actual	Increase (decrease) year-to-year	Actual	Increase (decrease) year-to-year
Orangina (France)	31	(8%)	35	12%
Oasis (France)	61	(4%)	62	3%
Schweppes (Spain, Portugal)	26	11%	25	(4%)
Lucozade (UK, Ireland)	86	7%	90	5%
Ribena (UK, Ireland)	24	(5%)	24	0%