

Financial Results for Q2 Fiscal Year Ending December 31, 2017

August 7, 2017

Suntory Beverage & Food Limited



Review of First Half FY2017

Saburo Kogo, President & CEO

Sales and profit grew, driven by Japan and Asia business

(Billions of yen)

	FY2017 Jan - Jun	% YoY	Currency neutral
Net Sales	689.6	+1.6%	+2.2%
Operating Income	43.0	+7.9%	+9.6%
Net Income [*]	20.5	+14.8%	+17.1%

* Net income attributable to owners of the parent

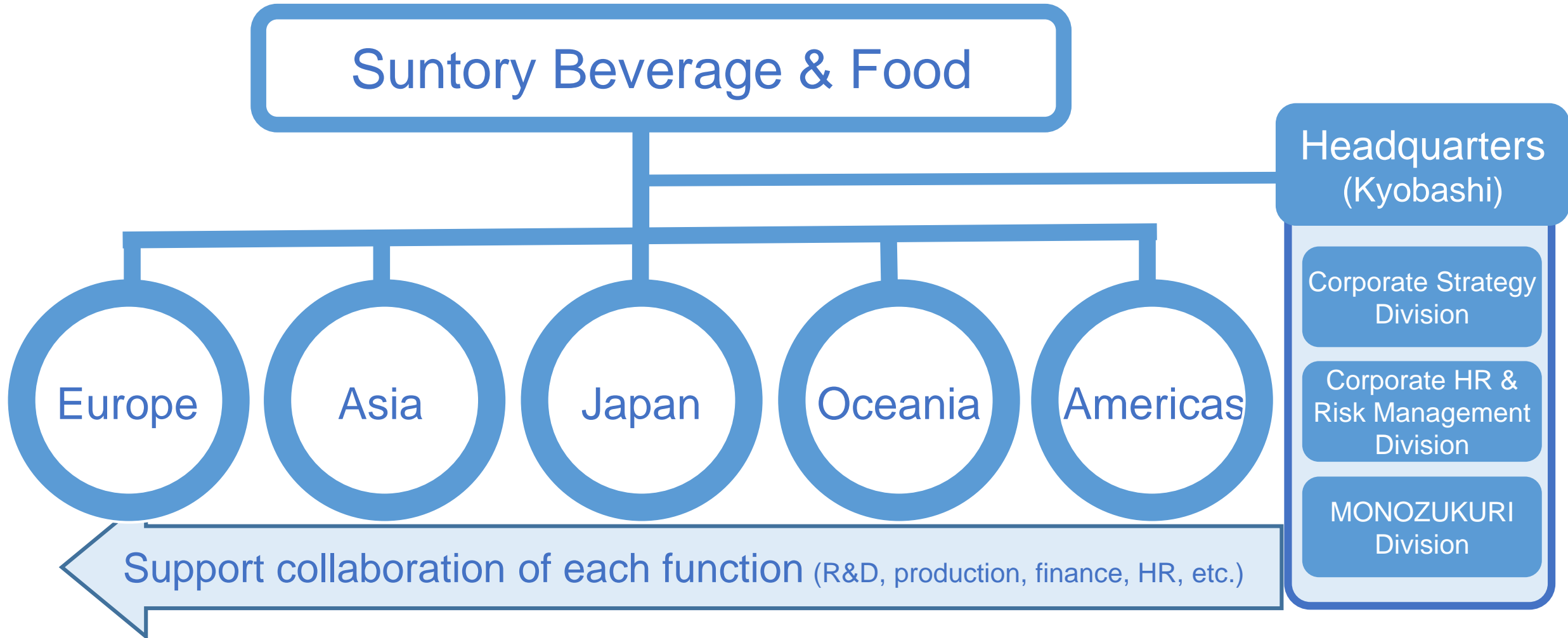
Aim for higher sales growth than market
and higher profit growth than net sales

[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

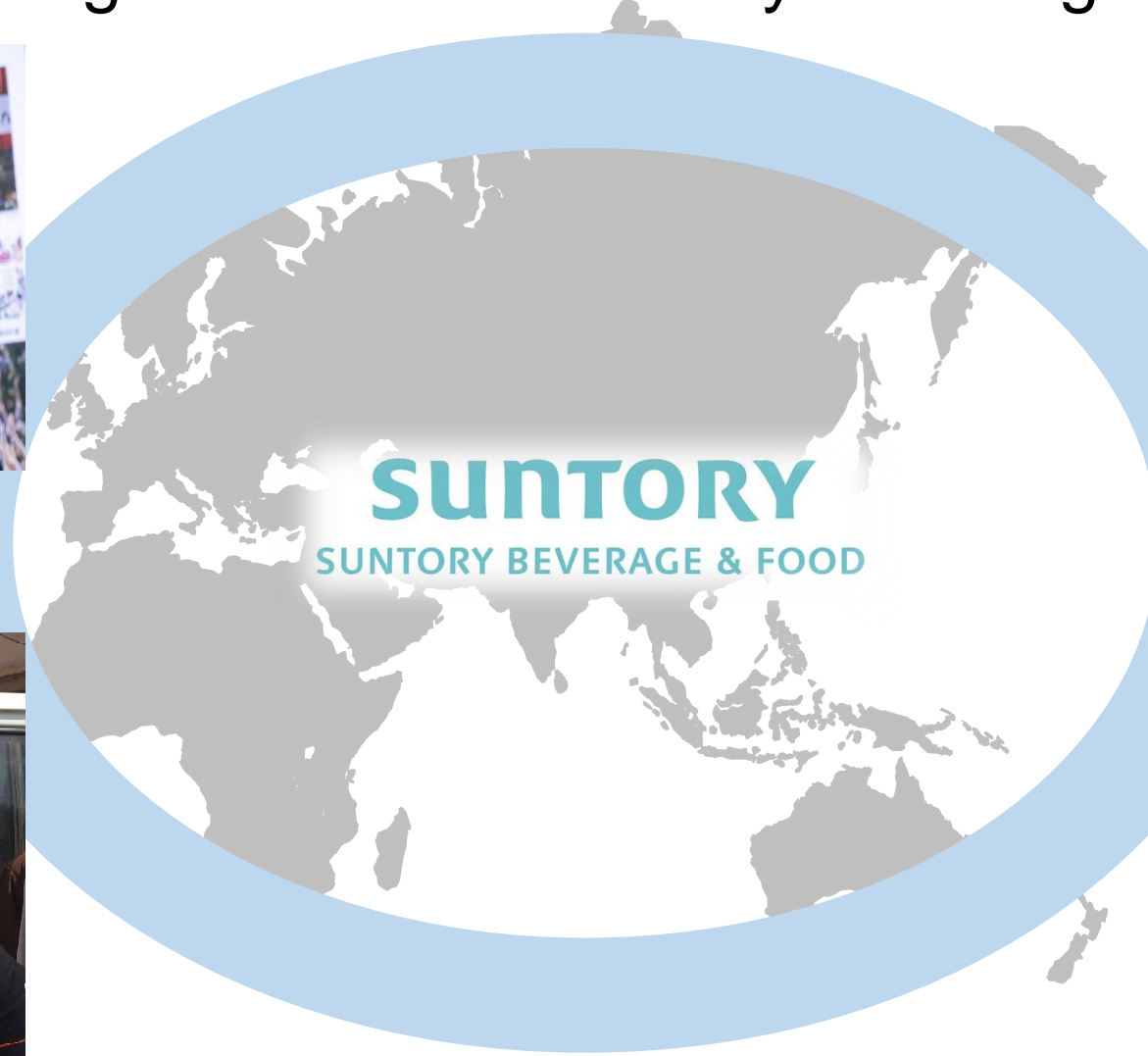
Further Reinforce Global Management Structure (1)

Actively promote autonomy and global management



Further Reinforce Global Management Structure (2)

Strengthen a sense of unity as one group



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

(Billions of yen)

	FY2017 Forecast	% 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

Financial Results of First Half FY2017

Haruhisa Inada, Managing Executive Officer

Changes in Reportable Segments

Change in reportable segments

Japan, Overseas



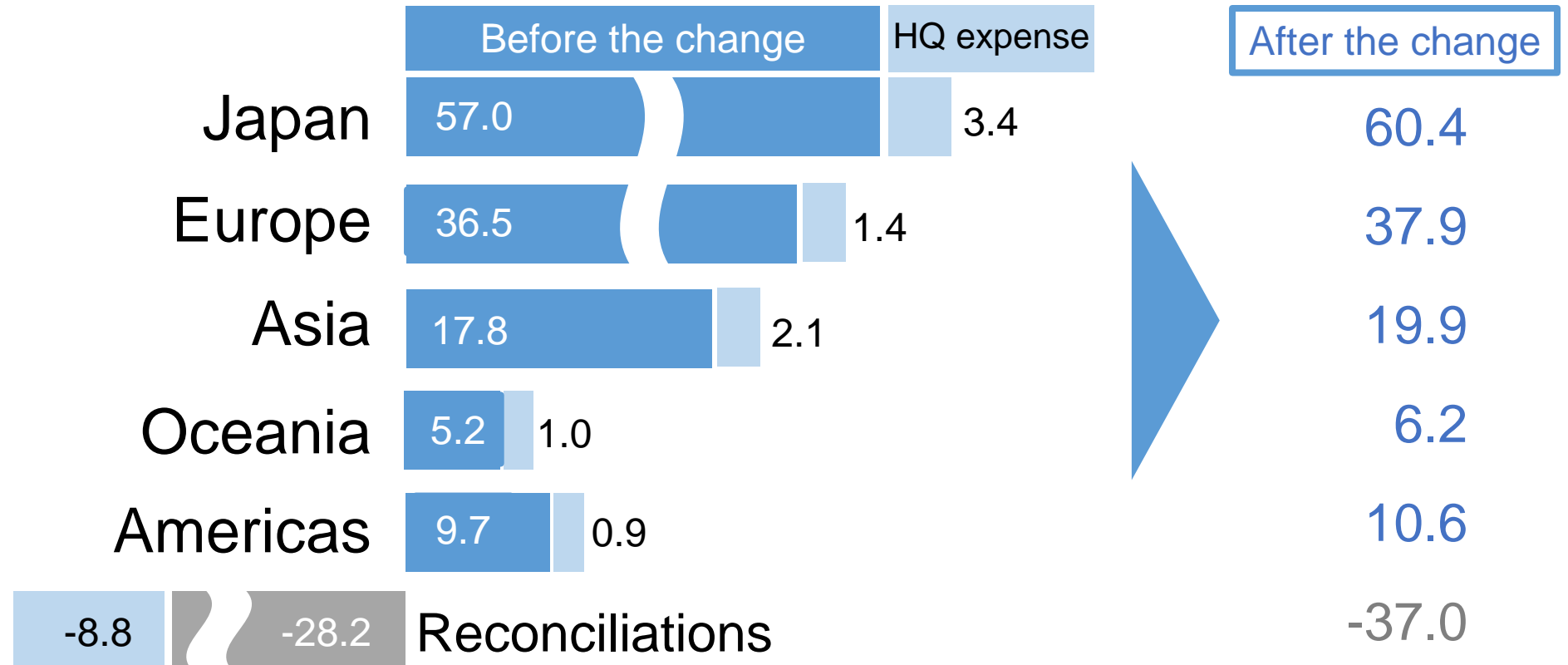
Japan, Europe, Asia, Oceania, Americas

Change in method of calculating profit of reportable segment

Include headquarters expense in reconciliations that were allocated to each reportable segment

Segment profit
(Forecast of FY2017)

(Billions of yen)



Summary of First Half FY2017

Both sales and profit increased, although trends differ by country

Japan

Sales volume growth outperformed market growth and both sales and profit increased

Europe

Recorded good sales, but higher supply chain cost in France

Asia

Health supplement business grew, but slow recovery in Vietnam

Oceania

Energy drink V recorded good sales

Americas

Good sales but impacted by cost increase (raw materials, etc.)

Financial Results for H1 FY2017

(Billions of yen)

	Sales	Change			Segment Profit	Change		
		YoY	% YoY	Currency neutral		YoY	% YoY	Currency neutral
Japan	426.1	+4.3	+1.0%	-	25.8	+2.3	+9.7%	-
Europe	118.6	+0.4	+0.3%	+5.7%	18.0	-0.9	-4.7%	+1.0%
Asia	84.9	+3.9	+4.8%	+3.6%	11.1	+2.0	+22.4%	+18.9%
Oceania	20.2	+0.8	+4.2%	-0.2%	2.6	+0.1	+4.1%	+4.0%
Americas	39.8	+1.2	+3.0%	+2.5%	4.2	-0.2	-5.4%	-5.9%
Reconciliations	-	-	-	-	-18.7	-0.1	-	-
Total	689.6	+10.5	+1.6%	+2.2%	43.0	+3.1	+7.9%	+9.6%

Sales volume growth outperformed market growth
and both sales and profit increased

(Billions of yen)

Sales	% YoY	Segment Profit	% YoY
426.1	+1.0%	25.8	+9.7%

- Good sales from product renewal and new products of core brands
- Continued initiatives focused on profitability
- Reinforced corporate sales in vending machines business



Japan: Reinforcing Core Brands and Pursuing Innovation

Reinforcing Core Brands

+5%



*Suntory
Tennensui*

+4%



Boss

Pride of Boss
To be launched on Sep.5

+9%



Iyemon

+1%



*Suntory
Oolong Tea*

Innovation



Craft Boss Black



Suntory Tennensui PREMIUM MORNING TEA Lemon



Suntory Tokucha Jasmine (FOSHU)



Orangina French Sparkling

* Figures represent sales volume growth in H1 FY2017 compared to H1 FY2016

Europe: Results for H1 FY2017

Recorded good sales, but higher supply chain cost in France

(Billions of yen)

Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
118.6	+5.7%	18.0	+1.0%

Sales	% YoY (Currency neutral)
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France ^{*1}	47.5	+6.7%	Both <i>Orangina</i> and <i>Oasis</i> grew Higher supply chain cost
UK ^{*2}	31.5	+3.2%	<i>Lucozade Sport</i> recorded good sales
Spain ^{*3}	25.8	+1.9%	<i>Schweppes</i> recorded steady sales



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

Health supplement business grew, but slow recovery in Vietnam

(Billions of yen)

Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
84.9	+3.6%	11.1	+18.9%

Sales	% YoY (Currency neutral)
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Vietnam

34.1 -1.5%

Impacted by delay in new product launch of *Sting*

Health Supplement

25.4 +10.0%

BRAND'S Essence of Chicken recorded good sales



Oceania/Americas: Results for H1 FY2017

[Oceania]

Energy drink V recorded good sales

		(Billions of yen)	
Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
20.2	-0.2%	2.6	+4.0%



[Americas]

Good sales but impacted by cost increase (raw materials, etc.)

		(Billions of yen)	
Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
39.8	+2.5%	4.2	-5.9%



SUNTORY

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Sales by Quarter (After the change in segments)

(Billions of yen)

	Q1 (Jan - Mar)				Q2 (Apr - Jun)			
	FY2016	FY2017	% YoY	Currency neutral	FY2016	FY2017	% YoY	Currency neutral
Japan	191.6	189.6	-1.0%	-	230.2	236.5	+2.7%	-
Europe	51.1	49.5	-3.2%	+5.1%	67.1	69.1	+3.0%	+6.1%
Asia	39.8	42.3	+6.4%	+7.4%	41.3	42.6	+3.2%	+0.0%
Oceania	10.1	10.5	+4.1%	-0.4%	9.2	9.7	+4.4%	+0.1%
Americas	18.5	18.6	+0.2%	+1.8%	20.1	21.2	+5.7%	+3.2%
Reconciliations	-	-	-	-	-	-	-	-
Total	311.1	310.5	-0.2%	+1.2%	367.9	379.1	+3.0%	+3.0%

Segment Profit by Quarter (After the change in segments)

(Billions of yen)

	Q1 (Jan - Mar)				Q2 (Apr - Jun)			
	FY2016	FY2017	% YoY	Currency neutral	FY2016	FY2017	% YoY	Currency neutral
Japan	7.8	9.4	+20.5%	-	15.7	16.4	+4.3%	-
Europe	6.1	5.6	-8.4%	+0.5%	12.8	12.4	-2.9%	+1.2%
Asia	4.9	7.1	+46.3%	+47.5%	4.2	4.0	-5.4%	-11.7%
Oceania	1.1	1.5	+32.0%	+35.3%	1.4	1.1	-18.9%	-20.6%
Americas	1.8	1.5	-14.0%	-12.6%	2.7	2.7	+0.3%	-1.6%
Reconciliations	-9.2	-9.1	-	-	-9.4	-9.6	-	-
Total	12.5	16.1	+28.8%	+33.7%	27.4	26.9	-1.7%	-1.1%

FY2016 Results & FY2017 Forecast (After the change in segments)

Sales

	FY2016	FY2017	% YoY	Currency neutral
Japan	890.0	895.0	+0.6%	-
Europe	229.4	225.0	-1.9%	+3.8%
Asia	164.3	181.0	+10.1%	+10.1%
Oceania	40.8	42.0	+3.0%	+1.4%
Americas	86.2	87.0	+0.9%	-0.2%
Reconciliations	-	-	-	-
Total	1,410.8	1,430.0	+1.4%	+2.2%

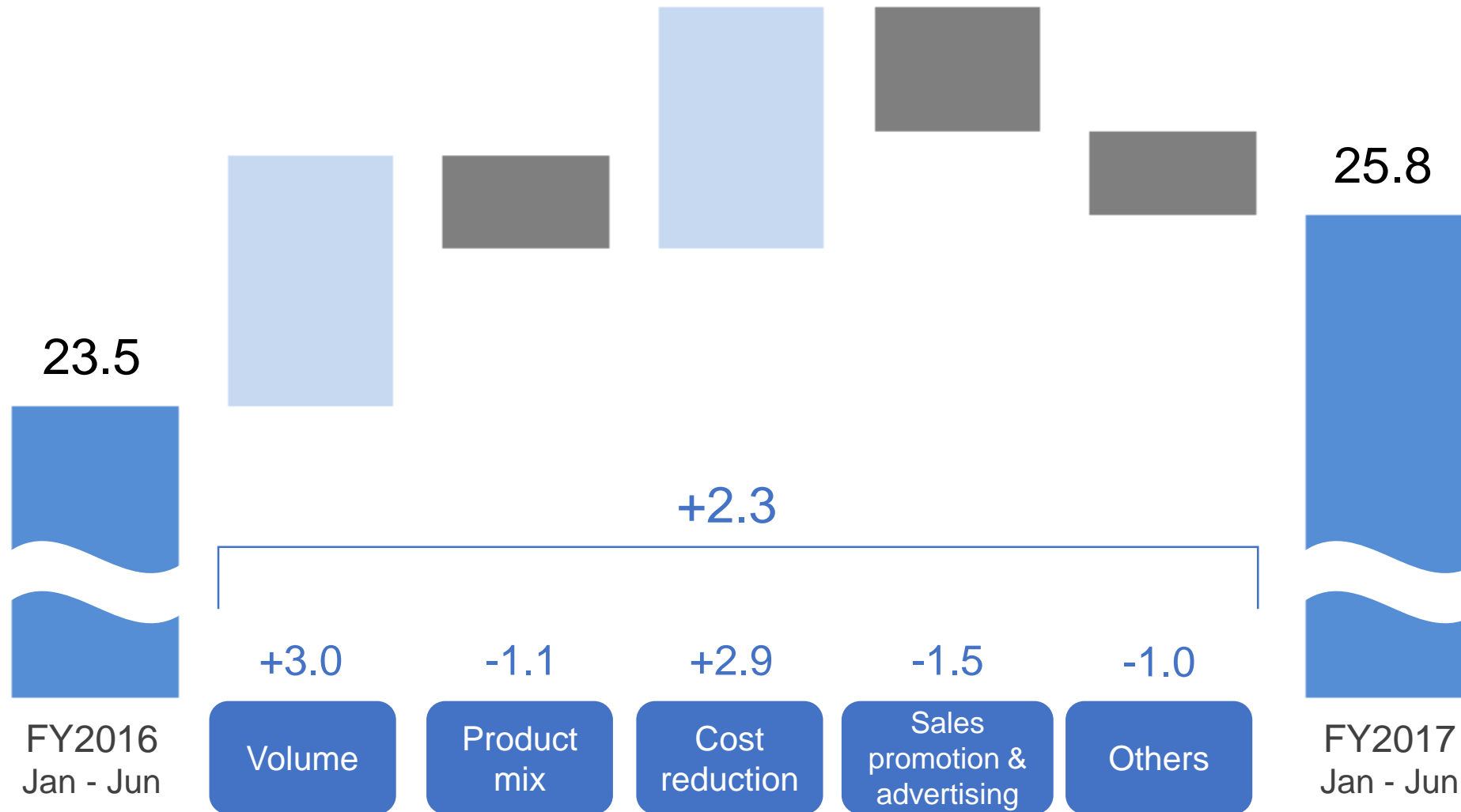
Segment Profit

(Billions of yen)

	FY2016	FY2017	% YoY	Currency neutral
Japan	57.8	60.4	+4.6%	-
Europe	39.7	37.9	-4.5%	+1.3%
Asia	16.2	19.9	+22.7%	+21.2%
Oceania	6.1	6.2	+1.6%	+2.5%
Americas	10.4	10.6	+1.2%	+0.1%
Reconciliations	-36.7	-37.0	-	-
Total	93.5	98.0	+4.8%	+6.4%

Japan: Segment Profit Bridge for H1 FY2017

(Billions of yen)



Japan: Breakdown of FY2017 Segment Profit (Change in segments)

(Billions of yen)

	FY Forecast (Before the change)	FY Forecast (After the change)	FY2017 Jan - Mar	FY2017 Apr - Jun	FY2017 Jan - Jun
FY2016 Segment Profit	54.7	57.8	7.8	15.7	23.5
Sales volume	+1.6	+1.6	+0.6	+2.4	+3.0
Product mix	+0.5	+0.5	-0.6	-0.5	-1.1
Cost reduction	+3.0	+3.0	+2.1	+0.8	+2.9
Sales promotion & advertising	-2.0	-2.0	+0.5	-2.0	-1.5
Others	-0.8	-0.5	-1.0	±0.0	-1.0
Total	+2.3	+2.6	+1.6	+0.7	+2.3
FY2017 Segment Profit	57.0	60.4	9.4	16.4	25.8

Exchange Rates

(Yen, average exchange rate)

	FY2016 Jan - Jun	FY2017 Jan - Jun	FY2017 Forecast
U.S. Dollar	111.7	112.3	110
Euro	124.5	121.7	115
British Pound	160.0	141.4	135
Singapore Dollar	80.9	80.0	77
Vietnam Dong	0.0050	0.0049	0.0048
New Zealand Dollar	75.5	79.6	77
Australian Dollar	81.9	84.8	82

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