

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

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

1. Summary of Consolidated Statements of Income, Indices, etc.
2. Sales Details
3. Profit Details
4. Summary of Consolidated Balance Sheets
5. Other Information

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

1. Summary of Consolidated Statements of Income, Indices, etc.
2. Sales Details
3. Profit Details
4. Other Information

**Suntory Beverage & Food Limited**

**November 2, 2017**

<Results for the First Nine 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)

	Nine months ended September 30, 2016		Nine months ended September 30, 2017		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	1,065.8	100.0%	1,095.0	100.0%	29.2	2.7%
Gross profit	596.5	56.0%	612.5	55.9%	16.0	2.7%
Selling, general and administrative expenses	522.1	49.0%	535.7	48.9%	13.6	2.6%
Operating income	74.4	7.0%	76.8	7.0%	2.4	3.2%
Non-operating income	1.8	0.2%	1.8	0.2%	0.0	0.5%
Non-operating expenses	4.1	0.4%	5.5	0.5%	1.4	33.9%
Ordinary income	72.2	6.8%	73.2	6.7%	1.0	1.4%
Extraordinary income	0.1	0.0%	0.3	0.0%	0.2	202.1%
Extraordinary loss	9.1	0.9%	4.8	0.4%	(4.3)	(47.7%)
Income before income taxes	63.2	5.9%	68.7	6.3%	5.6	8.8%
Income taxes	22.1	2.1%	25.9	2.4%	3.8	17.4%
Net income attributable to noncontrolling interests	4.7	0.4%	5.8	0.5%	1.1	23.6%
Net income attributable to owners of the parent	36.4	3.4%	37.0	3.4%	0.6	1.7%

(2) Other Indices

(Billions of yen)

		Nine months ended September 30, 2016		Nine months ended September 30, 2017		Increase (decrease)	
Depreciation and amortization		43.6		44.9		1.3	3.0%
Amortization of goodwill		21.6		21.9		0.3	1.4%
Operating income before amortization of goodwill		96.0		98.7		2.7	2.8%
Net income before amortization of goodwill *1		58.0		58.9		0.9	1.6%
EBITDA *2	EBITDA margin	139.6	13.1%	143.6	13.1%	4.0	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.

Operating margin	Before amortization of goodwill	9.0%	9.0%
	After amortization of goodwill	7.0%	7.0%

(Billions of yen)

	As of December 31, 2016	As of September 30, 2017	Increase (decrease)	
Total assets	1,366.0	1,428.5	62.5	4.6%
Total equity	602.4	634.5	32.1	5.3%
D/E ratio (Times) *3	0.4	0.3		

\*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)

	Nine months ended September 30, 2016	Nine months ended September 30, 2017
USD	108.6	111.9
EUR	121.0	124.6
GBP	151.3	142.6
SGD	79.1	80.5
VND	0.0049	0.0049
NZD	75.0	80.1
AUD	80.4	85.7

## 2. Sales Details

(Billions of yen)

	Nine months ended September 30, 2016	Nine months ended September 30, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	678.1	688.5	10.4	1.5%	1.5%	
Europe	180.4	185.6	5.3	2.9%	2.4%	
Asia	119.0	129.4	10.4	8.7%	5.2%	
Oceania	28.4	29.9	1.4	5.0%	(1.6%)	
Americas	59.9	61.6	1.7	2.9%	(0.2%)	
Reconciliations	-	-	-	-	-	
Consolidation total	1,065.8	1,095.0	29.2	2.7%	1.9%	

Starting from the first six months of the fiscal year under review, the previous reportable segments of “Japan business” and “Overseas business” have been changed to “Japan business,” “Europe business,” “Asia business,” “Oceania business” and “Americas business.” The sales details for the first nine months of 2016 have been restated to reflect the revised reportable segment classification.

## 3. Profit Details

### (1) EBITDA

(Billions of yen)

	Nine months ended September 30, 2016	Nine months ended September 30, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	73.1	75.1	2.0	2.8%	2.8%	
Europe	38.9	37.9	(1.0)	(2.4%)	(2.7%)	
Asia	18.8	22.4	3.6	19.4%	14.6%	
Oceania	4.8	4.7	(0.1)	(1.4%)	(6.0%)	
Americas	9.9	9.8	(0.1)	(1.4%)	(4.3%)	
Reconciliations	(5.8)	(6.2)	(0.5)	-	-	*1
Consolidation total	139.6	143.6	4.0	2.9%	1.8%	

\*1 The reconciliations of EBITDA represent corporate expenses unallocated to each reportable segment.

Starting from the first six months of the fiscal year under review, the previous reportable segments of “Japan business” and “Overseas business” have been changed to “Japan business,” “Europe business,” “Asia business,” “Oceania business” and “Americas business.” In addition, the Group administration costs that previously were allocated to each reportable segment are now recorded in reconciliations as corporate expenses. The profit details for the first nine months of 2016 have been restated to reflect the revised reportable segment classification and the method of calculating profit of reportable segments.

## (2) Segment Profit

(Billions of yen)

	Nine months ended September 30, 2016	Nine months ended September 30, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	45.4	47.8	2.3	5.1%	5.1%	
Europe	32.3	30.8	(1.5)	(4.6%)	(4.9%)	
Asia	12.9	15.8	2.9	22.4%	16.2%	
Oceania	3.6	3.4	(0.2)	(5.7%)	(9.6%)	
Americas	7.6	7.2	(0.4)	(4.7%)	(7.5%)	
Reconciliations	(27.4)	(28.2)	(0.8)	-	-	*2
Consolidation total	74.4	76.8	2.4	3.2%	2.1%	

\*2 The reconciliations of segment profit represent amortization of goodwill and corporate expenses unallocated to each reportable segment. Starting from the first six months of the fiscal year under review, the previous reportable segments of "Japan business" and "Overseas business" have been changed to "Japan business," "Europe business," "Asia business," "Oceania business" and "Americas business." In addition, the Group administration costs that previously were allocated to each reportable segment are now recorded in reconciliations as corporate expenses. The profit details for the first nine months of 2016 have been restated to reflect the revised reportable segment classification and the method of calculating profit of reportable segments.

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

(Billions of yen)

	Nine months ended September 30, 2016	Nine months ended September 30, 2017	Increase (decrease)		Reference
Non-operating income	1.8	1.8	0.0	0.5%	
Non-operating expenses	4.1	5.5	1.4	33.9%	
Ordinary income	72.2	73.2	1.0	1.4%	
Extraordinary income	0.1	0.3	0.2	202.1%	
Extraordinary loss	9.1	4.8	(4.3)	(47.7%)	*3
Income taxes	22.1	25.9	3.8	17.4%	
Net income attributable to noncontrolling interests	4.7	5.8	1.1	23.6%	
Net income attributable to owners of the parent	36.4	37.0	0.6	1.7%	

\*3 The decrease is mainly due to decreases in losses from a natural disaster and restructuring cost.

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

(Billions of yen)

Segment profit for the nine months ended September 30, 2016	45.4
Increase in sales volume	5.8
Change in product mix	(3.1)
Reduction in manufacturing costs	3.0
Increase in sales promotion and advertising costs	(1.5)
Increase in other expenses	(1.8)
Segment profit for the nine months ended September 30, 2017	47.8

#### 4. Summary of Consolidated Balance Sheets

(Billions of yen)

	As of December 31, 2016	As of September 30, 2017	Increase (decrease)	Reference
Cash and deposits	84.1	91.7	7.5	
Notes and accounts receivable–trade	161.0	198.5	37.5	*4
Inventories	74.7	92.4	17.7	
Other	54.6	54.9	0.3	
Current assets	374.5	437.5	63.0	
Property, plant and equipment	338.8	337.5	(1.3)	
Goodwill	407.3	399.0	(8.3)	
Trademarks	150.8	159.7	8.9	
Other	64.2	62.1	(2.1)	
Intangible fixed assets	622.3	620.8	(1.5)	
Investments and other assets	30.3	32.6	2.3	
Noncurrent assets	991.4	990.9	(0.5)	
Deferred assets	0.1	0.1	(0.0)	
Total	1,366.0	1,428.5	62.5	
Notes and accounts payable–trade	116.1	141.4	25.3	*4
Interest-bearing debt	72.2	84.8	12.5	
Other	222.1	236.5	14.4	
Current liabilities	410.4	462.6	52.3	
Interest-bearing debt	239.3	211.2	(28.1)	*5
Other	113.9	120.1	6.2	
Long-term liabilities	353.2	331.3	(21.8)	
Total liabilities	763.6	794.0	30.4	
Shareholders' equity	551.1	564.9	13.7	
Accumulated other comprehensive income	1.1	17.8	16.7	*6
Noncontrolling interests	50.2	51.8	1.6	
Total equity	602.4	634.5	32.1	
Total	1,366.0	1,428.5	62.5	

\*4 The increase is mainly due to seasonal fluctuations on December 31 and September 30.

\*5 The decrease is mainly due to the transfer from long-term liabilities (long-term debt) to current liabilities (current portion of long-term debt).

\*6 The increase is mainly due to an increase in foreign currency translation adjustments.

## 5. Other Information

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

(Million cases)

	Nine months ended September 30, 2016		Nine months ended September 30, 2017	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Suntory Tennensui</i>	77.7	7%	83.9	8%
<i>Boss</i>	68.9	4%	71.3	3%
<i>Iyemon</i>	41.2	6%	42.9	4%
<i>Suntory Oolong Tea</i>	19.6	(5%)	20.0	2%
<i>Pepsi</i>	19.5	(5%)	17.1	(12%)
<i>Orangina</i>	9.1	(17%)	6.4	(29%)
<i>Green DAKARA</i>	21.2	3%	25.3	19%
FOSHU drinks	21.0	8%	20.0	(5%)
Total	328.2	2%	337.9	3%

\* 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 Business>

(Million liters)

	Nine months ended September 30, 2016		Nine months ended September 30, 2017	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Orangina</i> (France)	120	(2%)	126	5%
<i>Oasis</i> (France)	211	(5%)	215	2%
<i>Schweppes</i> (Spain, Portugal)	104	6%	107	2%
<i>Lucozade</i> (UK, Ireland)	305	4%	291	(5%)
<i>Ribena</i> (UK, Ireland)	84	(1%)	81	(4%)

<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, Revised forecast		Difference from previous forecast (February 13)	Increase (decrease)	
		Ratio to net sales		Ratio to net sales			
Net sales	1,410.8	100.0%	1,445.0	100.0%	15.0	34.2	2.4%
Gross profit	781.5	55.4%	800.0	55.4%	7.0	18.5	2.4%
Selling, general and administrative expenses	688.0	48.8%	702.0	48.6%	7.0	14.0	2.0%
Operating income	93.5	6.6%	98.0	6.8%	-	4.5	4.8%
Non-operating income (loss)	(2.3)	0.2%	(5.0)	0.3%	(2.5)	(2.7)	121.5%
Ordinary income	91.2	6.5%	93.0	6.4%	(2.5)	1.8	1.9%
Extraordinary income (loss)	(8.1)	0.6%	(5.5)	0.4%	2.5	2.6	(32.0%)
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 noncontrolling 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, Revised forecast		Difference from previous forecast (February 13)	Increase (decrease)	
Depreciation and amortization		58.7		59.7		(0.1)	1.0	1.8%
Amortization of goodwill		28.7		29.3		1.1	0.6	2.2%
Operating income before amortization of goodwill		122.2		127.3		1.1	5.1	4.2%
Net income before amortization of goodwill *1		74.7		76.3		1.1	1.6	2.1%
EBITDA *2	EBITDA margin	180.8	12.8%	187.0	12.9%	1.0	6.2	3.4%

\*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	246.95	3.58	5.08	2.1%
Operating margin	8.7%	8.8%			
ROE	13.2%	13.3%			
Dividend payout ratio *3	30.2%	30.0%			

### After amortization of goodwill

EPS (Yen)	149.05	152.1	-	3.05	2.0%
Operating margin	6.6%	6.8%			
ROE	8.1%	8.2%			
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.

## (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, Revised forecast	Previous forecast (February 13)
USD	108.8	112.0	110.0
EUR	120.2	126.0	115.0
GBP	147.5	144.0	135.0
SGD	78.7	81.0	77.0
VND	0.0049	0.0049	0.0048
NZD	75.7	80.0	77.0
AUD	80.8	86.0	82.0

## 2. Sales Details

(Billions of yen)

	Fiscal year ended December 31, 2016, Actual	Fiscal year ending December 31, 2017, Revised forecast	Difference from previous forecast (August 7)	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	890.0	895.0	-	5.0	0.6%	0.6%	
Europe	229.4	240.0	15.0	10.6	4.6%	1.3%	
Asia	164.3	181.0	-	16.7	10.1%	6.0%	
Oceania	40.8	42.0	-	1.2	3.0%	(3.3%)	
Americas	86.2	87.0	-	0.8	0.9%	(2.1%)	
Reconciliations	-	-	-	-	-	-	
Consolidation total	1,410.8	1,445.0	15.0	34.2	2.4%	1.0%	

Starting from the first six months of the fiscal year under review, the previous reportable segments of “Japan business” and “Overseas business” have been changed to “Japan business,” “Europe business,” “Asia business,” “Oceania business” and “Americas business.” In line with this change, the actual figures for the fiscal year ended December 31, 2016 have been restated to reflect the revised reportable segment classification.

## 3. Profit Details

### (1) EBITDA

(Billions of yen)

	Fiscal year ended December 31, 2016, Actual	Fiscal year ending December 31, 2017, Revised forecast	Difference from previous forecast (August 7)	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	94.3	95.6	(2.9)	1.3	1.4%	1.4%	
Europe	48.8	49.5	3.0	0.7	1.5%	(1.5%)	
Asia	24.1	30.0	2.7	5.9	24.3%	18.2%	
Oceania	7.6	8.0	-	0.4	4.8%	(1.0%)	
Americas	13.9	13.3	(1.2)	(0.6)	(4.0%)	(6.9%)	
Reconciliations	(7.9)	(9.4)	(0.6)	(1.5)	-	-	*1
Consolidation total	180.8	187.0	1.0	6.2	3.4%	1.4%	

\*1 The reconciliations of EBITDA represent corporate expenses unallocated to each segment.

Starting from the first six months of the fiscal year under review, the previous reportable segments of “Japan business” and “Overseas business” have been changed to “Japan business,” “Europe business,” “Asia business,” “Oceania business” and “Americas business.” In addition, the Group administration costs that previously were allocated to each reportable segment are now recorded in reconciliations as corporate expenses. In line with this change, the actual figures for the fiscal year ended December 31, 2016 have been restated to reflect the revised reportable segment classification and the method of calculating profit of reportable segments.

## (2) Segment Profit

(Billions of yen)

	Fiscal year ended December 31, 2016, Actual	Fiscal year ending December 31, 2017, Revised forecast	Difference from previous forecast (August 7)	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	57.8	60.4	-	2.6	4.5%	4.5%	
Europe	39.7	40.0	2.1	0.3	0.7%	(2.4%)	
Asia	16.2	21.0	1.1	4.8	29.6%	21.7%	
Oceania	6.1	5.8	(0.4)	(0.3)	(4.3%)	(9.5%)	
Americas	10.4	9.5	(1.1)	(0.9)	(9.0%)	(11.7%)	
Reconciliations	(36.7)	(38.7)	(1.7)	(2.0)	-	-	*2
Consolidation total	93.5	98.0	-	4.5	4.8%	2.5%	

\*2 The reconciliations of segment profit represent amortization of goodwill and corporate expenses unallocated to each reportable segment. Starting from the first six months of the fiscal year under review, the previous reportable segments of "Japan business" and "Overseas business" have been changed to "Japan business," "Europe business," "Asia business," "Oceania business" and "Americas business." In addition, the Group administration costs that previously were allocated to each reportable segment are now recorded in reconciliations as corporate expenses. In line with this change, the actual figures for the fiscal year ended December 31, 2016 have been restated to reflect the revised reportable segment classification and the method of calculating profit of reportable segments.

## (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, Revised forecast	Difference from previous forecast (February 13)	Increase (decrease)		Reference
Non-operating income (loss)	(2.3)	(5.0)	(2.5)	(2.7)	121.5%	
Ordinary income	91.2	93.0	(2.5)	1.8	1.9%	
Extraordinary income (loss)	(8.1)	(5.5)	2.5	2.6	(32.0%)	
Income taxes	30.4	33.5	-	3.1	10.3%	
Net income attributable to noncontrolling 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)

		Difference from previous forecast (August 7)
Segment profit for the fiscal year ended December 31, 2016, Actual	57.8	-
Increase in sales volume	6.2	4.6
Change in product mix	(3.7)	(4.2)
Reduction in manufacturing costs	3.9	0.9
Increase in sales promotion and advertising costs	(1.9)	0.1
Increase in other expenses	(1.9)	(1.4)
Segment profit for the fiscal year ending December 31, 2017, Forecast	60.4	-

#### 4. Other Information

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

(Million cases)

	Fiscal year ended December 31, 2016		Fiscal year ending December 31, 2017		Difference from previous forecast (February 13)
	Actual	Increase (decrease)	Revised forecast	Increase (decrease)	
<i>Suntory Tennensui</i>	100.6	6%	108.0	7%	2.0
<i>Boss</i>	93.2	2%	97.0	4%	2.0
<i>Iyemon</i>	55.4	6%	57.0	3%	0.2
<i>Suntory Oolong Tea</i>	25.8	(5%)	26.0	1%	-
<i>Pepsi</i>	25.2	(6%)	21.0	(17%)	(3.1)
<i>Orangina</i>	11.2	(15%)	8.0	(29%)	(2.2)
<i>Green DAKARA</i>	25.6	6%	30.5	19%	4.0
FOSHU drinks	27.9	6%	26.0	(7%)	(2.4)
Total	430.4	1%	440.0	2%	7.0

\* 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.