

Financial Results for Q3 Fiscal Year Ending December 31, 2017

November 2, 2017

Suntory Beverage & Food Limited



Sales and profits both grew even without FX effect

(Billions of yen)

	FY2017 Jan - Sep	Change	
		% YoY	Currency neutral
Net Sales	1,095.0	+2.7%	+1.9%
Operating Income	76.8	+3.2%	+2.1%
Net Income ^{*1}	37.0	+1.7%	+0.7%
EBITDA ^{*2}	143.6	+2.9%	+1.8%
Net income before amortization of goodwill ^{*3}	58.9	+1.6%	+0.3%

*1 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

Financial Results for Q3, FY2017 (9 months)

Good performance in Japan and Asia

(Billions of yen)

	Sales	Change		Segment Profit	Change	
		% YoY	Currency neutral		% YoY	Currency neutral
Japan	688.5	+1.5%	-	47.8	+5.1%	-
Europe	185.6	+2.9%	+2.4%	30.8	-4.6%	-4.9%
Asia	129.4	+8.7%	+5.2%	15.8	+22.4%	+16.2%
Oceania	29.9	+5.0%	-1.6%	3.4	-5.7%	-9.6%
Americas	61.6	+2.9%	-0.2%	7.2	-4.7%	-7.5%
Reconciliations	-	-	-	-28.2	-	-
Total	1,095.0	+2.7%	+1.9%	76.8	+3.2%	+2.1%

Japan: Results for Q3, FY2017 (9 months)

- Sales volume growth outperformed market growth
- Both sales and profit increased

(Billions of yen)

Sales	% YoY	Segment Profit	% YoY
688.5	+1.5%	47.8	+5.1%

- Strong performance for core products such as *Suntory Tennensui* due to success in brand reinforcement
- New products such as *Craft Boss* and *PREMIUM MORNING TEA* also contributed to the good sales



Suntory Tennensui

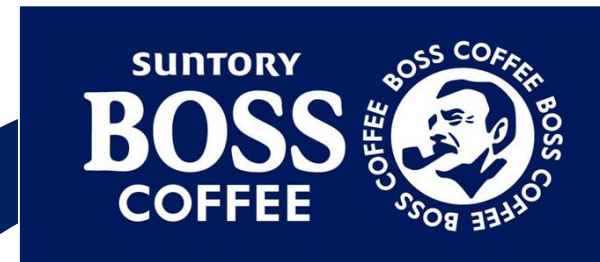
Jan-Sep
Sales Volume

83.9 Mil. cases
(+8% YoY)



Boss

71.3 Mil. cases
(+3% YoY)



Europe: Results for Q3, FY2017 (9 months)

Recorded good sales, but higher supply chain cost in France

(Billions of yen)

Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
185.6	+2.4%	30.8	-4.9%

Sales	% YoY (Currency neutral)
-------	-----------------------------

France <small>(*1)</small>	74.1	+2.3%	Both <i>Orangina</i> and <i>Oasis</i> grew Higher supply chain cost
UK <small>(*2)</small>	46.8	-0.9%	Weaker sales for <i>Lucozade Energy</i>
Spain <small>(*3)</small>	44.0	+0.4%	<i>Schweppes</i> recorded steady sales

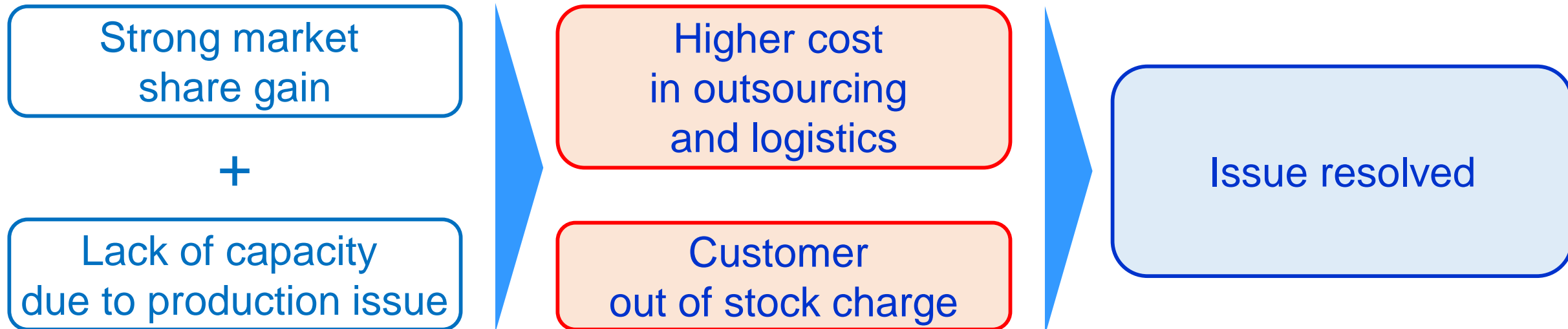


*1: France and Belgium *2: UK and Ireland *3: Spain and Portugal

Europe: France Supply Chain Cost

2017.2Q~2017.3Q

2017.9



Europe: Our Low-Sugar Initiatives in UK

Higher demand for healthy products

Implementation of sugar tax



LUCOZADE RIBENA
SUNTORY

LRS* Health & Wellbeing Plan (November, 2016)

- Reducing sugar level of all beverages to below 4.5g/100ml
- Clear labeling of calories on the product
- Investment to inspire healthy lifestyle to consumers
- Encourage all employees to be more active and live well

*Lucozade Ribena Suntory Limited, our UK subsidiary

April, 2017: New low-sugar Lucozade Energy introduced



Asia: Results for Q3, FY2017 (9 months)

Vietnam recovering, Health Supplement Business continued to grow

(Billions of yen)

Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
129.4	+5.2%	15.8	+16.2%

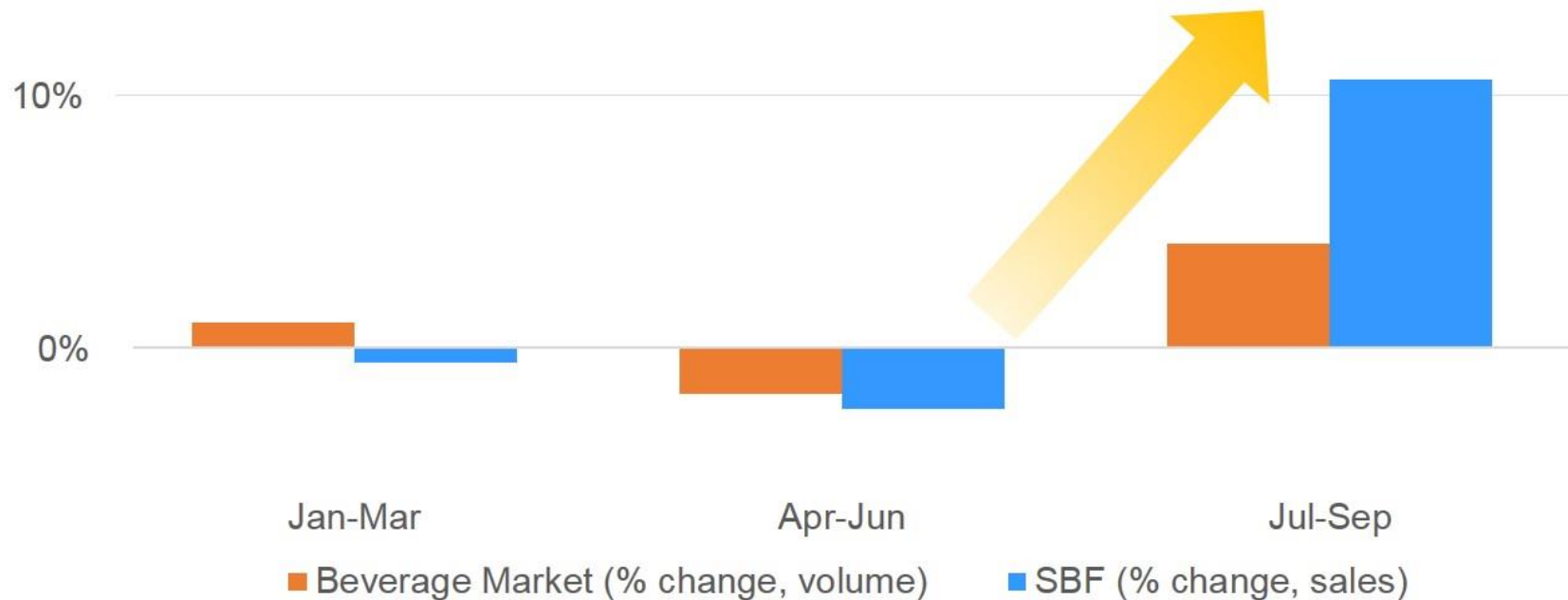
	Sales	% YoY (Currency neutral)	
Vietnam	51.2	+2.2%	Market recovering <i>Sting</i> and <i>TEA+</i> sales increased
Health Supplement	39.5	+10.6%	<i>BRAND'S Essence of Chicken</i> sales remained steady



Asia: Vietnam on track to recovery

- Beverage Market on track to recovery in Q3
- With launch of *Sting*'s new product, Q3 resulted in good performance

Sales trend in Vietnam: Market v.s. SBF



(v.s. corresponding quarter of previous year, market data estimated by SBF)

“*Sting Max Gold*”, new product of energy drink, *Sting* (launched in July)



Sell Food and Instant Coffee Business

Transfer shares of subsidiaries operating food and instant coffee business in Australia, New Zealand, and Singapore (but retain Fresh Coffee Business)

- Transferee: The Kraft Heinz Company
- Transfer Price: Approx. 26 billion yen
- Date of Agreement: October 19th, 2017
- Transfer Date: First Quarter, 2018 (planned)

Form of a Joint Venture in Thailand

Acquisition of PepsiCo's beverage business in Thailand

- Transferor: Pepsi-Cola (Thai) Trading Co., Ltd.
- Transfer Price: Approx. 33 billion yen
- Date of Agreement: November 2nd, 2017
- Transfer Date: March, 2018 (planned)

Oceania/Americas: Results for Q3, FY2017 (9 months)

Oceania

Headwinds for Juice category in New Zealand

(Billions of yen)

Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
29.9	-1.6%	3.4	-9.6%



Americas

NCB* grew but impacted by cost increase (raw materials, etc.)

(Billions of yen)

Sales	% YoY (Currency neutral)	Segment Profit	% YoY (Currency neutral)
61.6	-0.2%	7.2	-7.5%



*NCB: non-carbonated beverage

Revision of FY2017 Forecast

Forecast for FY2017

(Billions of yen)

	FY2016 Result	FY2017 Revised Forecast	Difference from prev. forecast	Change		
				YoY	% YoY	Currency Neutral
Net Sales	1,410.8	1,445.0	+15.0	+34.2	+2.4%	+1.0%
Operating Income	93.5	98.0	-	+4.5	+4.8%	+2.5%
Net Income ^{*1}	46.1	47.0	-	+0.9	+2.0%	-0.3%
EBITDA ^{*2}	180.8	187.0	+1.0	+6.2	+3.4%	+1.4%
Net income before amortization of goodwill ^{*3}	74.7	76.3	+1.1	+1.6	+2.1%	-0.4%

*1 Net income attributable to owners of the parent

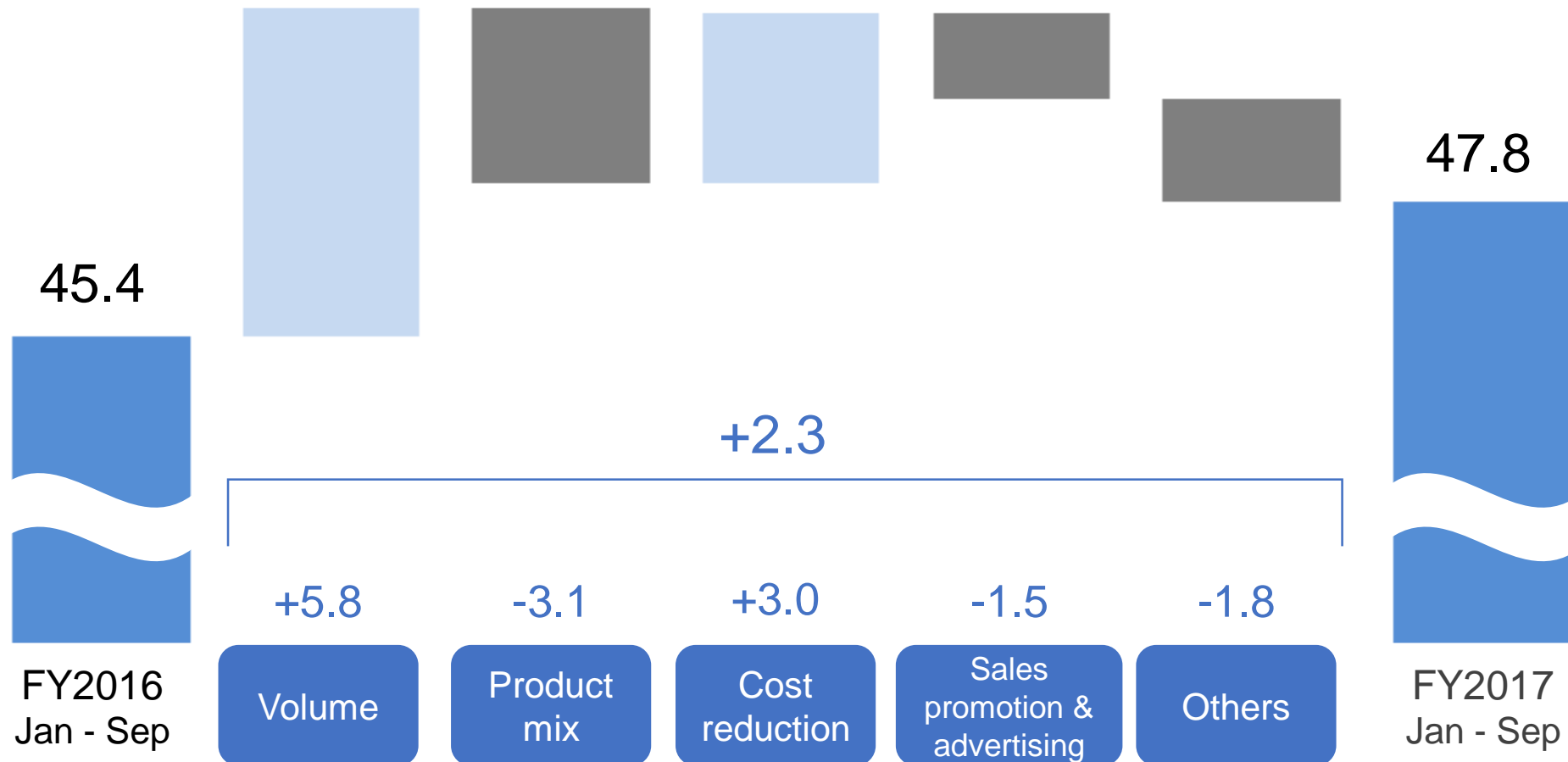
*2 EBITDA = operating income + depreciation and amortization + amortization of goodwill

*3 Net income before amortization of goodwill = Net income attributable to owners of the parent + amortization of goodwill

SUNTORY
SUNTORY BEVERAGE & FOOD

Japan: Segment Profit Bridge for Q3 FY2017 (9 months)

(Billions of yen)



Financial Results for Q3, FY2017 (3 months)

(Billions of yen)

	Sales	Change		Segment Profit	Change	
		% YoY	Currency neutral		% YoY	Currency neutral
Japan	262.4	+2.4%	-	22.0	+0.3%	-
Europe	67.0	+7.8%	-2.9%	12.8	-4.3%	-12.1%
Asia	44.4	+17.2%	+8.3%	4.7	+22.4%	+10.3%
Oceania	9.7	+6.6%	-4.3%	0.8	-26.8%	-35.3%
Americas	21.9	+2.6%	-4.7%	3.0	-3.6%	-9.7%
Reconciliations	-	-	-	-9.5	-	-
Total	405.4	+4.8%	+1.5%	33.8	-2.1%	-6.1%

Forecast for FY2017 by Segment

(Billions of yen)

Sales	FY2016 Result	FY2017 Revised Forecast	Difference from prev. forecast	Change		
				YoY	% YoY	Currency Neutral
Japan	890.0	895.0	-	+5.0	+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%
Total	1,410.8	1,445.0	+15.0	+34.2	+2.4%	+1.0%

Forecast for FY2017 by Segment

(Billions of yen)

Segment Profit	FY2016 Result	FY2017 Revised Forecast	Difference from prev. forecast	Change		
				YoY	% YoY	Currency Neutral
Japan	57.8	60.4	-	+2.6	+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%
Reconciliation	-36.7	-38.7	-1.7	-2.0	-	-
Total	93.5	98.0	-	+4.5	+4.8%	+2.5%

Exchange Rates

(Yen, average exchange rate)

	FY2016 Jan-Sep	FY2017 Jan-Sep	FY2016 Result	FY2017 Forecast (as of Nov 2)	Previous Forecast (as of Feb 13)
U.S.Dollar	108.6	111.9	108.8	112	110
Euro	121.0	124.6	120.2	126	115
British Pound	151.3	142.6	147.5	144	135
Singapore Dollar	79.1	80.5	78.7	81	77
Vietnam Dong	0.0049	0.0049	0.0049	0.0049	0.0048
New Zealand Dollar	75.0	80.1	75.7	80	77
Australian Dollar	80.4	85.7	80.8	86	82

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.