SUNTORY
SUNTORY BEVERAGE & FOOD

Financial Results for
Fiscal Year Ended December 31, 2018

February 14, 2019
Suntory Beverage & Food Limited

FY2018 Review
FY2019 Forecast

Saburo Kogo, President & CEO

This is Saburo Kogo.

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2018 Review

First, I would like to review the financial results of FY2018.

Performance Highlights of FY2018 (IFRS)

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(Billions of yen)

	FY2018 Revised Forecast (2018.11.5)	FY2018 Results	v.s. Revised Forecast	Change		
				YoY	%YoY	Currency Neutral
Revenue	1,293.0	1,294.3	+1.3	+60.2	+4.9%	+4.9%
Operating Income	118.0	113.6	-4.4	-4.4	-3.7%	-4.3%
Operating Income (Organic basis*1)	106.0	106.4	+0.3	-9.7	-8.4%	-8.9%
Net Income*2	80.0	80.0	+0.0	+1.9	+2.4%	+1.8%

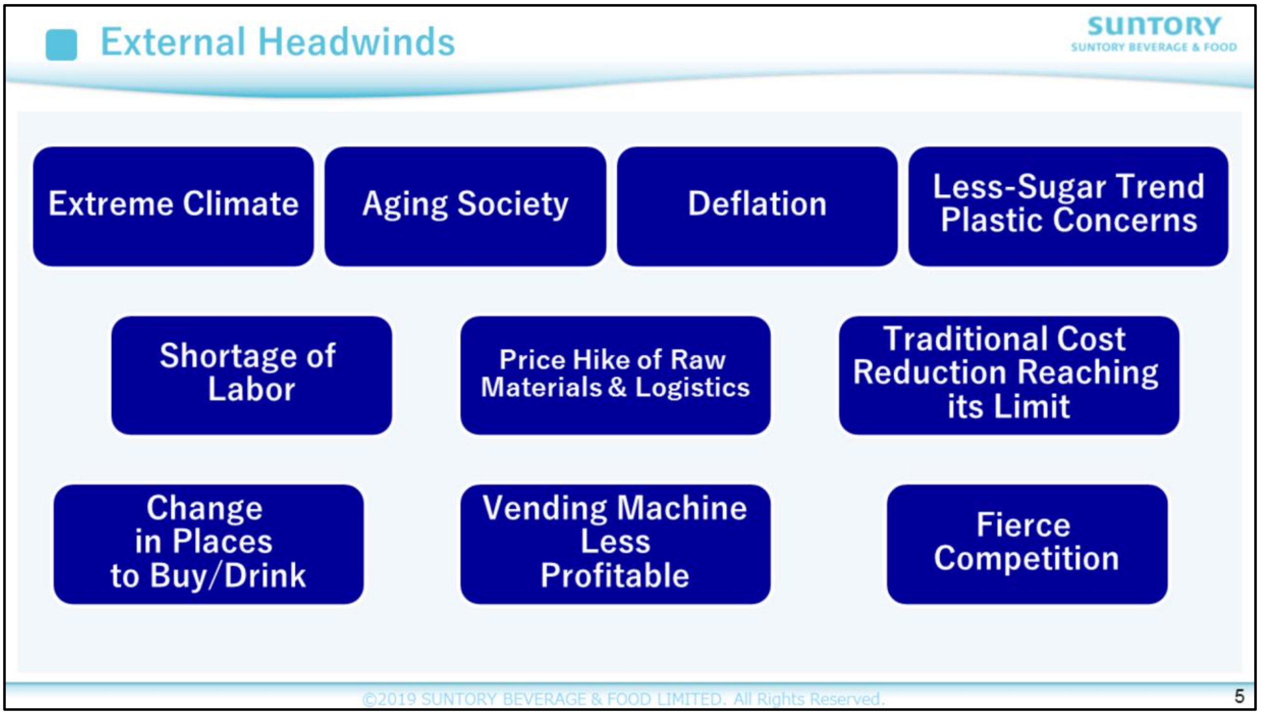
*1 Excluding factors related to extraordinary reasons such as M&A
*2 Profit for the year attributable to owners of the Company

For FY2018,
Revenue was 1,294.3 billion yen,
Operating income was 113.6 billion yen,
of which 106.4 billion yen was on organic basis excluding factors related to extraordinary reasons such as M&A.
Profit for the year attributable to owners of the Company was 80.0 billion yen, up 2.4% year on year.

Business environment in each region has changed dramatically in 2018.
Overall consolidated revenue grew by more than 60.0 billion yen year on year due to the strong performance of core brands such as *Suntory Tennensui* and *BOSS* in Japan and *Orangina* and *Oasis* in France as well as strong beverage business in Asia.
On the other hand, despite the gain on sale of food and instant coffee business, operating income decreased by 4.4 billion yen year on year due to the difficulties we faced in Japan and Europe.

Compared to the revised forecast announced on November 5th, revenue was higher by 1.3 billion yen.

Operating income on organic basis was higher by 0.3 billion yen, but due to other factors such as impairment loss recorded at the end of the period, the overall operating income underperformed by 4.4 billion yen.
Net income was 80.0 billion yen, in line with the revised forecast.
As for dividends, fiscal year-end dividend is 39 yen, and annual dividend is 78 yen, same as the initial forecast.



Currently, we are facing the following external headwinds

- Extreme climate occurs on a daily basis across the globe, causing frequent disruptions of supply chain.
- Aging society and deflation continue to progress in developed countries, increasing health consciousness is driving the trend to avoid sugared beverages, and most recently, the concern on plastic marine debris is surging.
- In addition, cost pressure is intensifying due to price hike of raw materials and logistics, accompanied by recent labor shortage.
- Meanwhile, the traditional cost reduction method centered on light-thin-short-small approach is reaching its limit.
- Drinking and purchasing occasions of soft drinks are changing day after day due to e-commerce and digitalization that…
- Our vending machine business in Japan is becoming less profitable.
- Competitors face the same structural issues, and the competition only continues to intensify.

In other words, we are facing issues after issues. We are well aware that the business environment surrounding us is extremely difficult that the conventional level of efforts will not help us survive through it.
However, this challenge is also a great opportunity to move one step ahead of competitors by advancing our corporate structure to an ever higher level through constant innovations.

In order to break through such situation, “Reconstruction of Profit Generation Force” to secure profit growth out of sales growth and “Transformational Growth” must be vigorously pushed to achieve sustainable growth.

First, regarding “Reconstruction of Profit Generation Force”, or “Profitability Reform”, the basic idea consists of three points that are key focus of our beverage business, which we have explained repeatedly:

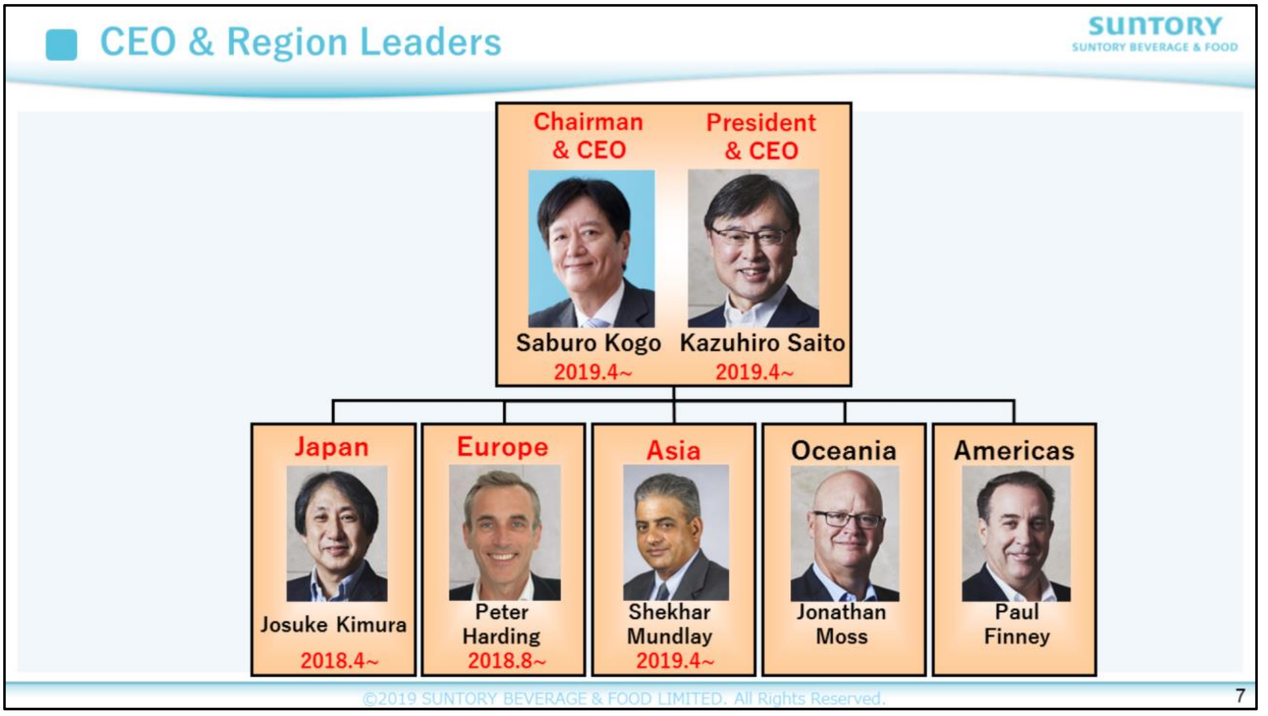
- Portfolio expansion by constant creation of new needs and added value on top of reinforcement of core brands
- Speedy response to change in distribution structure, and continuous creation of drinking and purchasing occasions to ensure constant evolution of availability and convenience
- Establishment of new mechanisms to efficiently deliver each bottle/can of our products to customers and constant polishing of environmentally conscious supply chain

Areas and actions of particular focus differ from region to region, but we are determined to make an all-out effort to bring innovation in each “Genba”.

Next, I would like to explain “Transformational Growth”.

- First of all, we will accelerate organic growth in Asia, a growing market, where we have already established business foundations.
- We also will constantly seek opportunities to expand areas and business models through proactive M&A and innovation.
- On top of these, we will take on a challenge to develop multinational brands.

MayTea has been steadily growing since its launch in France in 2016. We will continue our effort to roll it out across Europe.
Furthermore, we will develop products such as *TEA+*, which has grown into a popular brand with over 10 million cases sold in Vietnam, and *Good Mood*, which is a flavored water product that is growing steadily in Indonesia, into Asia Suntory brands by expanding their sales areas across Asia.



In order to drive these initiatives robustly and swiftly, we have decided to reform and strengthen the management structure.

First of all, Mr. Kazuhiro Saito, CEO of Suntory Beverage & Food Asia is to become President & CEO of Suntory Beverage & Food Group.
Three years ago, he supported the growth of the whole SBF group as the group CFO. After that, he took the lead in bringing Asia region onto growth trajectory as CEO of Suntory Beverage & Food Asia. I will become Chairman of the Board & CEO and am determined to break through the current difficulties together with the new CEO, Mr. Saito.

Mr. Shekhar Mundlay is to become CEO of Suntory Beverage & Food Asia as Mr. Saito's successor. He previously contributed to the business expansion of the joint venture with PepsiCo in Vietnam as CEO, and currently serves as the head of Beverage Division in Suntory Beverage & Food Asia, playing the pivotal role in successfully leading the growth of beverage business across Asia. With abundant experience, I believe that his ability will not only be highly useful in leading Asia business, but also for the business growth in emerging countries.

Last year, we newly appointed Mr. Josuke Kimura as the regional head of Japan Business, and Mr. Peter Harding as the regional head of Europe.
With such reinforcements of management structure, we, as the management team, will work together to drive “Reconstruction of Profit Generation Force” and “Transformational Growth” robustly and swiftly.

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FY2019 Forecast

Next, I would like to explain the forecast of FY2019.

FY2019 Forecast (IFRS)

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(Billions of yen)

	FY2019 Forecast	Change YoY	Change %YoY	Change Currency Neutral
Revenue	1,313.0	+18.7	+1.4%	+2.0%
Operating Income	110.0	-3.6	-3.1%	-2.5%
Operating Income (Organic basis*1)	111.0	+2.6	+2.4%	+3.0%
Net Income*2	66.5	-13.5	-16.9%	-16.4%

*1 Excluding factors related to extraordinary reasons such as M&A
*2 Profit for the year attributable to owners of the Company

Forecast for revenue is 1,313.0 billion yen,
operating income is 110.0 billion yen,
and profit attributable to owners of the Company is 66.5 billion yen.

While revenue forecast is set at a higher level than the results of FY2018, operating income is forecasted to decrease by 3.6 billion yen.
Operating income includes:

- 2.6 billion yen increase on organic basis, and
- Reversal of approximately 4.0 billion yen in impairment loss recorded in 2018, which has positive effect
- On the other hand, approximately 12.0 billion yen of the gain on sale of food and instant coffee business recorded in 2018 will have negative effect in 2019.

As a result, overall operating income is forecasted to be lower than the previous year.
Net income is forecasted to decrease by 13.5 billion yen compared to the previous year because there will not be non-taxable gain on sale of food and instant coffee business and tax reduction effects that we had in 2018.
As for dividend, we plan annual dividend of 78 yen, same amount as the previous year, by applying a higher payout ratio than usual.

Although the business environment is expected to remain tough this year, we are determined to make 2019 a year to build a more solid business foundation for sustainable growth by pushing “Reconstruction of Profit Generation Force” and “Transformational Growth”.

That is all from me.

This is Yuji Yamazaki.

I will provide further details on the financial results of FY2018 and the forecasts for FY2019.

Please turn to page 12.

FY2018 Review

Performance Highlights of FY2018 (IFRS)

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(Billions of yen)

	FY2018 Revised Forecast (2018.11.5)	FY 2018	v.s. Revised Forecast	Change		
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Net Income*2	80.0	80.0	+0.0	+1.9	+2.4%	+1.8%

*1 Excluding factors related to extraordinary reasons such as M&A
*2 Profit for the year attributable to owners of the Company

First, I will explain the financial results of FY2018.
As Mr. Kogo mentioned earlier, 2018 revenue and operating income were higher than revised forecasts on organic basis.

Particularly, operating income in the fourth quarter increased by 0.8 billion yen compared to the previous year on organic basis.
Considering that we saw continuous profit decline up until the third quarter, I believe that we are gradually seeing positive outcomes of structure reform.

On the other hand, overall operating income underperformed the revised forecast by 4.4 billion yen due to unexpected impairment loss and restructure cost, etc.

I will explain main factors of the differences between revised forecasts and results in the next slide.

Please turn to page 13.

FY2018 Results Main Factors of Difference between Revised Forecast

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Main Factors in Operating Income

Impairment Loss (approx. -4.0B yen)	Record impairment loss for certain brands in Spain and Nigeria business.
Restructure, etc. (approx. -1.0B yen)	Expenses related to management reform and Africa business reconstruction in Europe region.

Main Factors in Net Income*

Tax Revision Overseas (approx. +5.0B yen)	Due to tax revision in the Netherlands, future corporate tax rate is to be decreased, resulting in reversal of deferred tax liabilities

* Profit for the year attributable to owners of the Company

First, I will talk about the main factors which caused the difference in operating profit, impairment loss and restructure cost.

Regarding impairment loss, every year we run impairment tests as part of the full-year closing process, and record impairment loss and its reversal. For the fiscal year under review, we recorded approximately 4.0 billion yen of impairment loss in total.

I will explain further details.
First, impairment of certain brands in Spain.
Specifically speaking, impairment of brands such as “La Casera”, a traditional carbonated beverage in Spain and “Trina”, a fruit juice drink, was deemed necessary based on the recent sales trend. The total amount of their impairment is approximately 2.0 billion yen.
Second, impairment of Nigeria business. The scale of impairment is also about 2.0 billion yen. We acquired this business in 2016, but the economic condition and cost of goods sold deteriorated due to depreciation of the local currency, Naira. Impairment was deemed necessary as it

turned out that it would take longer to achieve the goals we had set upon acquisition. We are currently rebuilding the business by establishing a new management structure through updating the leadership.

In addition to impairment loss, restructure cost was another main factor that pushed down operating income. At the end of last year, we carried out management reform in Europe specifically in Spain to prepare ourselves for 2019. We also reconstructed the business structure in Africa. Costs entailed in these actions were recorded.

Second, I will explain net income.
At the end of 2018, the Netherlands decided to reduce the corporate tax rate in the future. Reversal of deferred tax liabilities was recorded accordingly, reflecting the tax reduction effect to net income of the fiscal year under review. This offset the underperformance of operating income.
As a result, the net income increased, and was in line with the forecast.

Please turn to page 14.

FY2018 Results (IFRS) (by Segment)

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(Billions of yen)	Revenue	Change YoY	Change %YoY	Change Currency Neutral	Segment Profit	Change YoY	Change %YoY	Change Currency Neutral
Japan	708.7	+19.5	+2.8%	—	52.7	-4.6	-8.1%	—
Europe	245.2	+6.2	+2.6%	+0.2%	25.0	-9.6	-27.8%	-29.7%
Orgnic					30.8	-5.5	-15.2%	-17.4%
Asia	201.1	+37.6	+23.0%	+24.5%	33.3	+11.1	+50.2%	+50.4%
Orgnic	153.2	+9.4	+6.5%	+8.1%	19.8	+1.7	+9.7%	+10.1%
Oceania	54.2	-2.1	-3.8%	+0.3%	6.4	+0.4	+6.0%	+6.1%
Americas	85.0	-1.0	-1.2%	+0.4%	8.5	-0.8	-8.7%	-7.3%
Reconciliation	–	–	–	–	-12.3	-0.9	–	–
Total	1,294.3	+60.2	+4.9%	+4.9%	113.6	-4.4	-3.7%	-4.3%
Orgnic	1,246.3	+32.0	+2.6%	+2.6%	106.4	-9.7	-8.4%	-8.9%

Revenue and profit by segment.
I will quickly explain by region.

Please turn to page 15.

Japan

FY 2018 Results

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(Billions of yen)

Revenue	%YoY	Segment Profit	%YoY
708.7	+2.8%	52.7	-8.1%

- **Revenue increased due to core brands' good performance**
  - ***Suntory Tennensui* ranked No.1* by annual sales volume in domestic soft drink market.**
  - ***Boss* brand sales volume exceeded 100M cases**
- **Profit decreased due to adverse product mix, and SC cost increase from lack of in-house production capacity, natural disasters and increased raw material price**

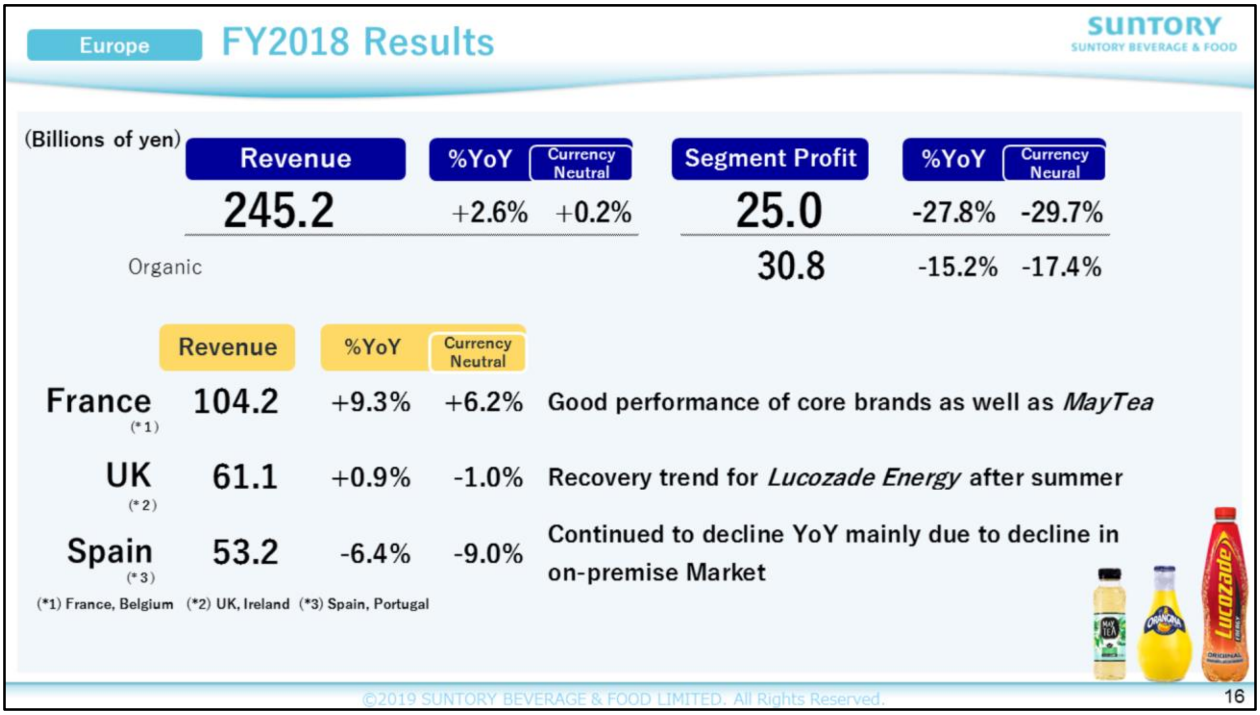
*Based on survey results by Inryou Soken

First, Japan.

Core brands performed well in 2018. *Suntory Tennensui* has become the no. 1 brand in domestic soft drink market for its annual sales volume, and *BOSS* achieved an annual sales volume exceeding 100 million cases for the first time since its launch.
While the volume growth in overall beverage market is estimated to be around 2% year on year, ours increased by 4%.
Meanwhile, revenue grew only by 2.8% due to adverse product mix.

Supply chain cost increased due to lack of in-house production capacity, natural disasters and increased raw material price. Furthermore, increase in personnel expenses negatively impacted operation cost of vending machine business. As a result, segment profit decreased by 8.1%.

However, both revenue and profit were higher than revised forecast.
Please turn to page 16.



Next, Europe.
In 2018, core brands and *MayTea* performed well in France, and *Lucozade Energy* in the UK started to recover its trend in the Second Half.
Schweppes struggled in Spain due to decline in market, but overall revenue in Europe was flat year on year on a currency neutral basis.

On the other hand, segment profit was lower than the previous year and almost in line with, but slightly missed the revised forecast because of the sales decline in Spain even on organic basis excluding one-off factors such as impairment loss.

Please turn to page 17.

Asia FY 2018 Results

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(Billions of yen)

	Revenue	%YoY	Currency Neutral	Segment Profit	%YoY	Currency Neural
	201.1	+23.0%	+24.5%	33.3	+50.2%	+50.4%
Organic	153.2	+6.5%	+8.1%	19.8	+9.7%	+10.1%

	Revenue	%YoY	Currency Neutral	
Beverage (Vietnam)	77.0	+10.0%	+12.3%	Good performance of CSD, tea, and water continued, grew by double digits
Beverage (Thailand)	44.9	—	—	Post M&A integration went as planned
Health Supplement	55.2	-0.6%	-1.2%	Core *Essence of Chicken* struggled in Thailand, but grew in Taiwan and Myanmar

Next, Asia.
In 2018, Vietnam performed well and the integration of the joint venture established in Thailand went as planned, resulting in significant growth of the beverage business.

Revenue was higher than the revised forecast, and profit was mostly in line.

Please turn to page 18.

Oceania・Americas

FY 2018 Results

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(Billions of yen)

	Revenue	%YoY	Currency Neutral	Segment Profit	%YoY	Currency Neural
Oceania	54.2	-3.8%	+0.3%	6.4	+6.0%	+6.1%

	Revenue	%YoY	Currency Neutral	
Frucor Suntory	40.7	-4.7%	-0.8%	Steady performance of energy drink, almost flat YoY on currency neutral
Fresh Coffee Business	13.4	-1.0%	+3.1%	Each brand showed steady performance, revenue increased on currency neutral

	Revenue	%YoY	Currency Neutral	Segment Profit	%YoY	Currency Neural
Americas	85.0	-1.2%	+0.4%	8.5	-8.7%	-7.3%

Oceania was impacted by price hikes of raw materials, but revenue was almost flat year on year on a currency neutral basis, and increase in segment profit was secured.
Profit was also higher than the revised forecast.

In Americas, although revenue sustained at the same level as the previous year on a currency neutral basis through actions such as strengthening carbonated beverage category, profit was down from the previous year due to the increase in raw material costs and personnel expenses.
Both revenue and profit were higher than revised forecast.

Please turn to page 19.

Next, I will explain FY2019 forecast.

Please turn to page 20.

FY2019 Forecast (IFRS)

SUNTORY
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(Billions of yen)

	FY2018 Results	FY2019 Forecast	Change: YoY	Change: %YoY	Change: Currency Neutral
Revenue	1,294.3	1,313.0	+18.7	+1.4%	+2.0%
Operating Income	113.6	110.0	-3.6	-3.1%	-2.5%
Operating Income (Organic basis*1)	108.4	111.0	+2.6	+2.4%	+3.0%
Net Income*2	80.0	66.5	-13.5	-16.9%	-16.4%

*1 Excluding factors related to extraordinary reasons such as M&A
*2 Profit for the year attributable to owners of the Company

 20

As Mr. Kogo explained earlier, we are determined to make 2019 a year to build more solid business foundation for sustainable growth by vigorously carrying out structure reform under the new leadership.

We are forecasting increase in revenue, but unfortunately, operating income is expected to decrease due to one-off positive factors such as the gain on sale of food and instant coffee business that we recorded in 2018.
However, we are forecasting increase in profit on organic basis.

Please turn to page 21.

FY2019 Forecast (IFRS) (by Segment)

SUNTORY
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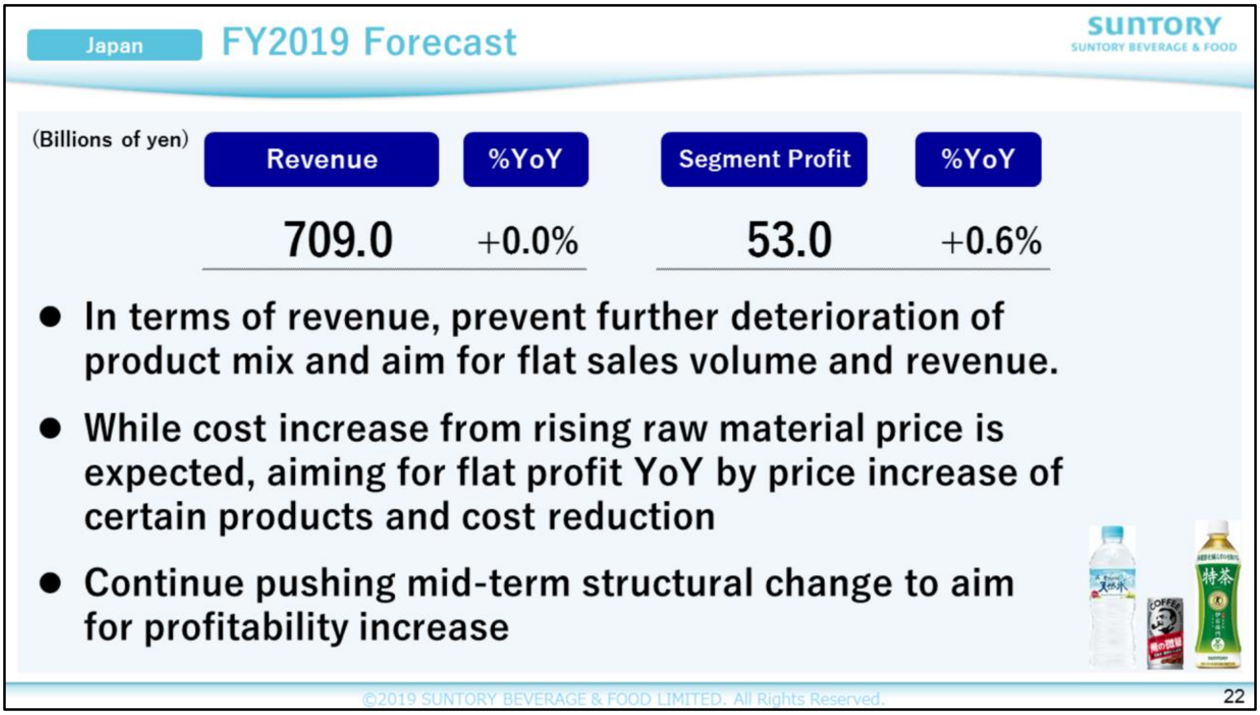
(Billions of yen)	Revenue	Change YoY	Change %YoY	Change Currency Neutral	Segment Profit	Change YoY	Change %YoY	Change Currency Neutral
Japan	709.0	+0.3	+0.0%	—	53.0	+0.3	+0.6%	—
Europe	245.0	-0.2	-0.1%	+1.3%	31.5	+6.5	+26.1%	+27.9%
Orgnic					33.0	+2.2	+7.3%	+8.7%
Asia	219.0	+17.9	+8.9%	+9.9%	22.5	-10.8	-32.5%	-31.9%
Orgnic					22.5	+0.6	+2.9%	+3.7%
Oceania	53.0	-1.2	-2.2%	+1.6%	6.5	+0.1	+2.0%	+4.1%
Americas	87.0	+2.0	+2.3%	+1.8%	8.5	+0.0	+0.1%	-0.4%
Reconciliation	–	–	–	–	-12.0	+0.3	–	–
Total	1,313.0	+18.7	+1.4%	+2.0%	110.0	-3.6	-3.1%	-2.5%
Orgnic					111.0	+2.6	+2.4%	+3.0%

This is forecast by segment.
I will explain more details by region in following pages.

Please turn to page 22.



First, Japan.
Due to the anticipated reversal from 2018 heat wave, overall beverage market is estimated to decline slightly in 2019, but we are forecasting our sales volume to be flat year on year.
In addition, we aim to achieve flat revenue year on year by preventing further deterioration of product mix.
As for profit, while situations continue to be tough including factors such as rising raw material price, we aim to achieve the same level as previous year by price increase of certain products.

Although we still have lingering issues carried over from 2018 such as adverse product mix, supply chain cost increase and higher operation cost in vending machine business, positive outcomes of structural change are starting to show in some areas, such as recent improvement in sales trend of FOSHU products and 185g canned coffee.
We will continue to pursue structural change for better profitability in the medium term.

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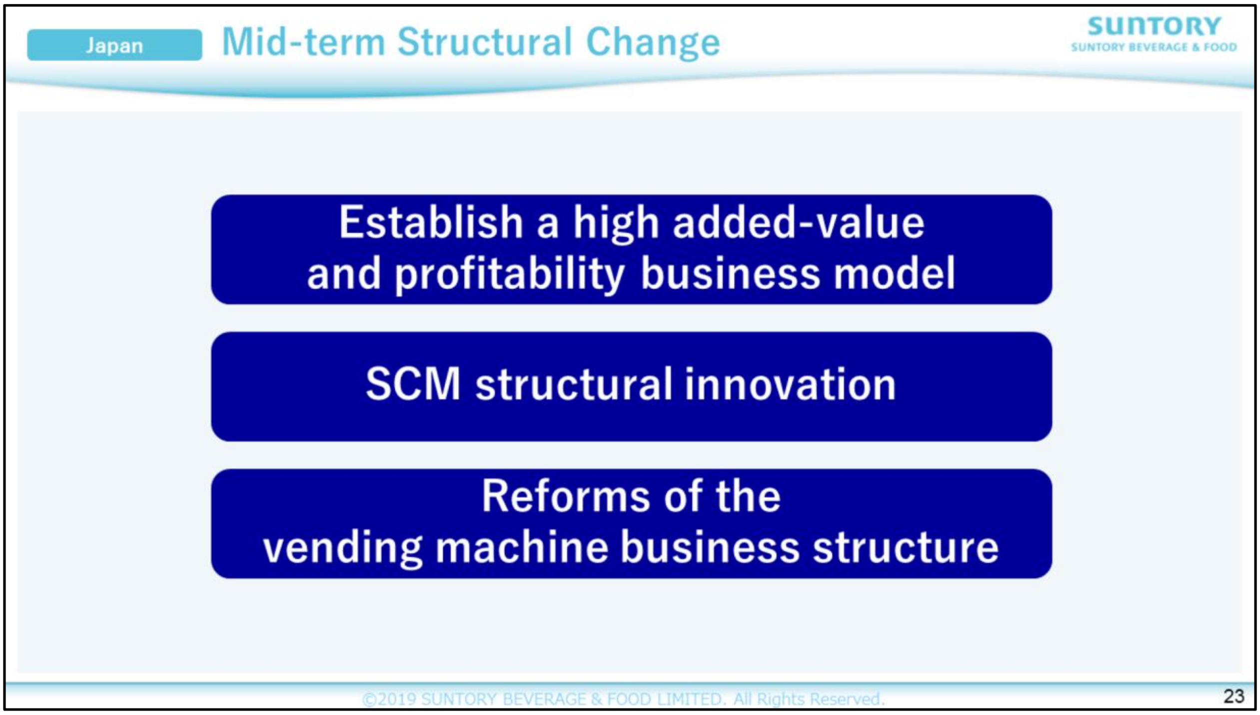

The focus areas covered in the structural change in Japan remain unchanged from what we have explained in the earnings release for the second quarter.
Each of them is medium term initiative which will not complete immediately, but we will accelerate the implementation in pursuit of better profitability.

In this section, I would like to explain the initiatives that are expected to deliver outcomes in 2019.

First, establishment of high added value and profitability business model.
This includes development of new business models through innovation, but for this year, we expect to see results in product mix improvement.
Last year, profit was negatively impacted by decreased sales volume of FOSHU products such as “Tokucha”. This year, we will strengthen marketing and sales activities to prevent further downward trend of overall FOSHU and functional beverage category.
In addition to that, we will raise prices for certain products in May. With these initiatives, we are aiming to prevent further price decline.

Next, SCM structural innovation.
This initiative is not only about enhancement of production capacity. It is a wide scope medium term initiative, ranging from procurement to distribution. As part of it, a new production line in Ujikawa Plant will be completed this year.
Until then, our production capacity continues to be tight, but we will take on further cost reduction by introducing AI and other measures, aiming to achieve better profitability.

As for vending machine business, we will take actions such as enrichment of coffee product lineups and improvement of operational efficiency through more installments of vending machines with wireless device to maintain sales and control cost pressures.

I will explain a little more details on why profit forecast is kept flat year on year despite these profit generating initiatives.

Let me start with factors that potentially bring negative impacts on profit in comparison with the previous year.
1. Stagnation in sales growth due to reversal from heat wave in last year,
2. Expected continuous price hikes of raw materials, and
3. Continuous increase in vending machine operation cost due to rising personnel expenses and others

On the other hand, even in such environment, there are positive factors for profit.
1. Not having one-off costs from natural disasters which we had last year

2. Outcomes from continuous cost reduction activities that are expected
3. Enhancement of profitability by structural change as mentioned earlier

Under such circumstances, as we planned for 2019, we consider it is difficult to sustain the profit at the same level as the previous year without price increase.
Price increase negotiations are under way that we cannot estimate the impact on revenue at this moment, but our firm determination to thoroughly implement every possible measure on top of price increase in order to report higher profit than the previous year is reflected in this year's forecast for Japan business.

Above all, we are determined to make 2019 a year to build firm business foundation for future growth.

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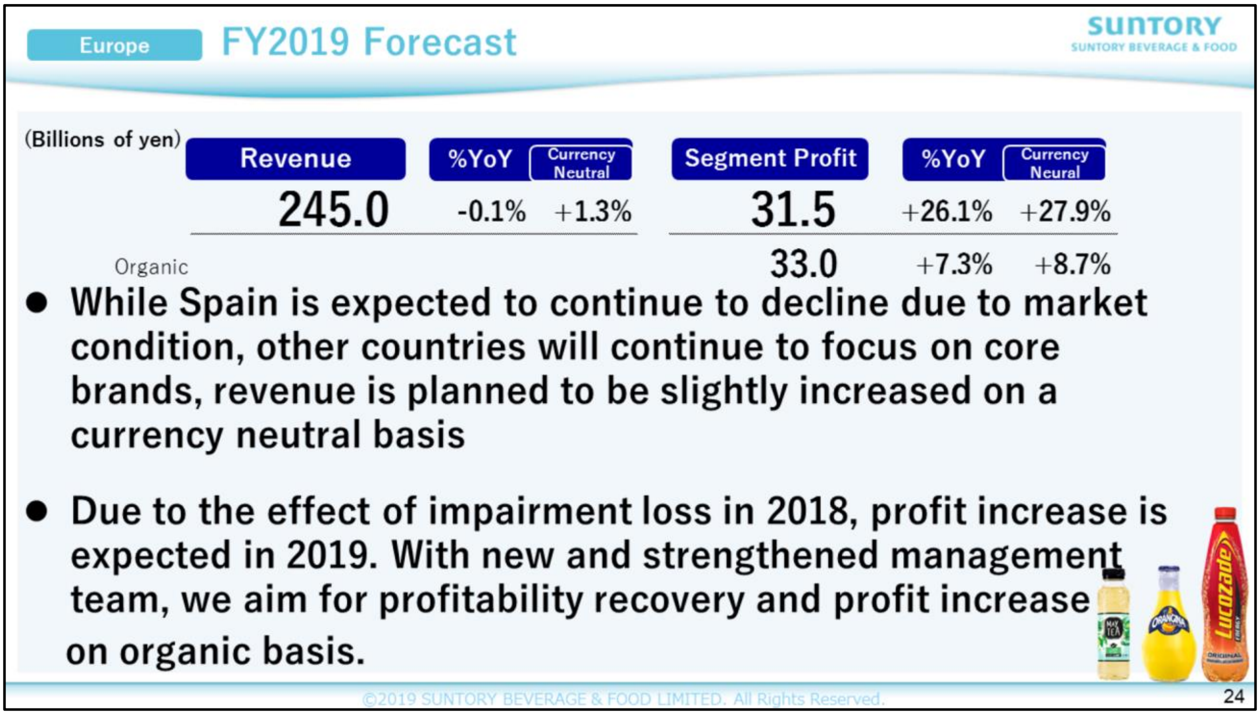

Next, Europe.

As for revenue, while Spain is expected to continue to decline due to market condition, we will strengthen core brands particularly in France and the UK, and thus the forecast is slightly higher than the previous year on a currency neutral basis.

Segment profit is forecasted to increase.
In Europe, we will strive to recover and improve profitability under the new leadership.

Please turn to page 25.

Europe

2019 Strategies for Major Countries

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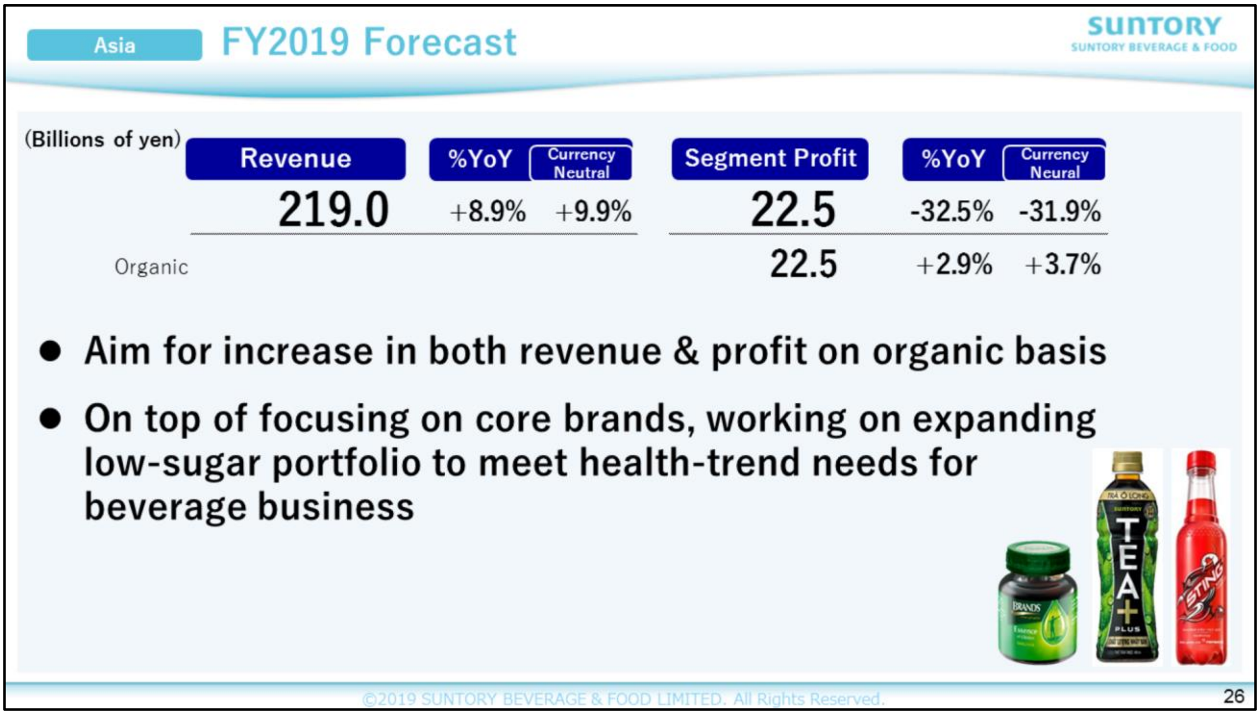
France	• Growing core brands and *MayTea* • Cost reduction through SCM improvement
UK	• Continue growth of *Lucozade Energy*, which is in recovering trend
Spain	• Aim for trend recovery of Schweppes in on-premise channel with new management team and plans

Strategies for major countries in Europe are as shown.

Please turn to page 26.



Next, Asia, where we can expect the most growth in medium term.

We forecast both revenue and profit to grow on organic basis excluding the effect of the gain on sale of food and instant coffee business in 2018.

Revenue is expected to grow through emphasis on core carbonated drinks and brands such as energy drink *Sting*, tea product *TEA+* and health supplement *Essence of Chicken* as well as expansion of low sugar product portfolio in beverage business to meet rising health consciousness.
Firm profit growth is expected on organic basis even with marketing investment for core brands.

Please turn to page 27.

Asia

2019 Strategies for Major Countries

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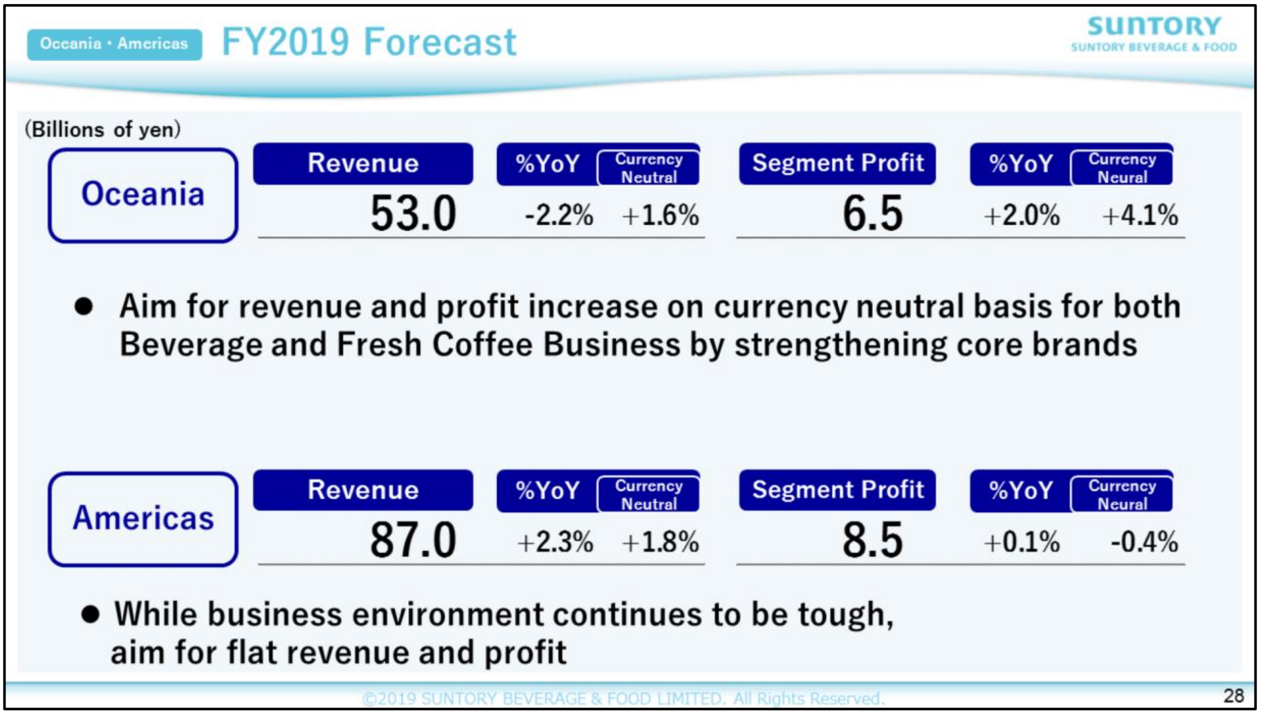
Beverage (Vietnam)	• Strengthening marketing for core brands *Sting* and *TEA+*, as well as reinforcing low-sugar portfolio
Beverage (Thailand)	• Strengthen marketing of core CSD and focus on low-sugar portfolio, and expanding revenue by strengthening sales force
Health Supplement	• Recover trend of *Essence of Chicken* in Thailand, and further reinforce sales in emerging countries such as Myanmar, and Taiwan

Strategies for each business in Asia are as shown.

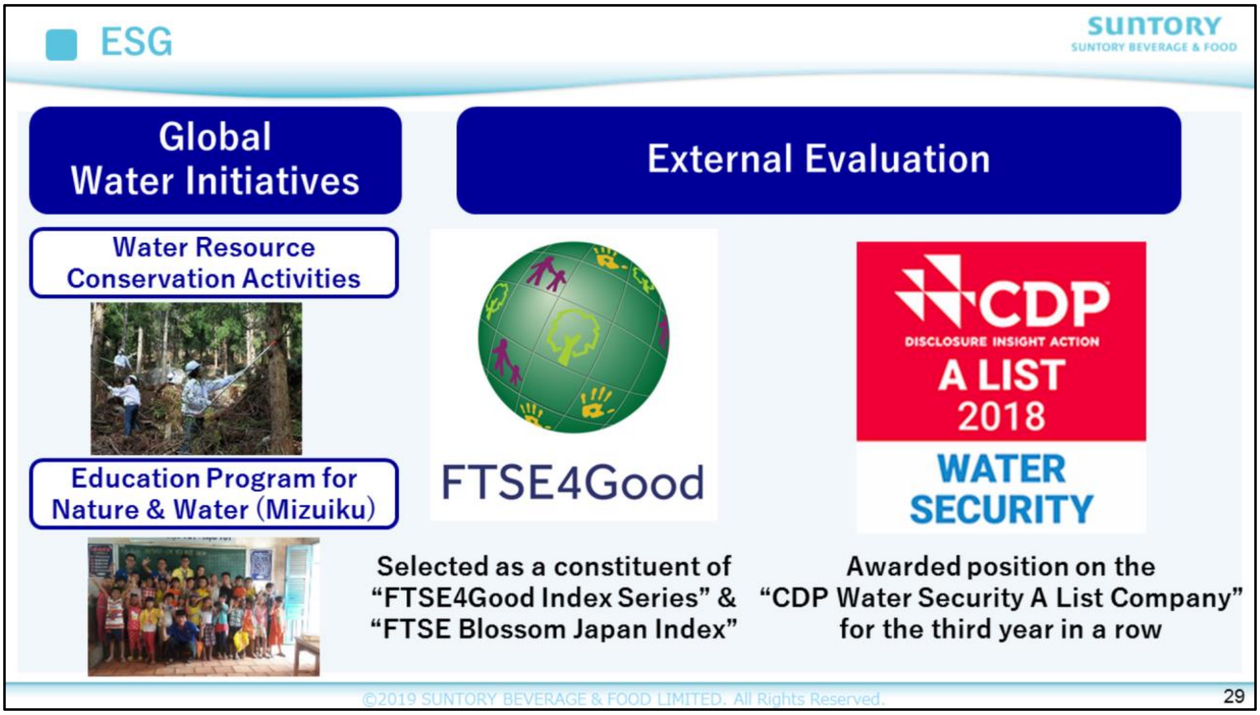
Please turn to page 28.



In Oceania, we anticipate high raw material prices to continue in 2019, but we are aiming to secure revenue and profit growth on a currency neutral basis by strengthening core brands.

In Americas, we anticipate the business environment to remain tough due to raw material costs and personnel expenses increase, but we aim to achieve flat revenue and profit year on year by enhancing core carbonated drinks and by positive effect of price increase we implemented last autumn.

Lastly, please turn to page 29.



I would like to explain our ESG initiatives.

We uphold the promise to society in the form of "Mizu To Ikiru", and will continue to develop water-related activities. We are carrying out various initiatives in each ESG field by promoting diversity management and environmental management in addition to strengthening governance system as we expand our business areas globally.
Such initiatives are highly regarded and we are selected as constituent of the prominent ESG investment indices, namely "FTSE4Good Index Series" and "FTSE Blossom Japan Index".

Particularly, "water" domain is at the core of our sustainability activities and we have been rolling out various activities globally including water resource conservation activities, "Mizuiku", the education program for nature and water, and forest conservation. Such activities of ours are highly regarded by the worldly renowned international NPO "CDP" that we have been awarded a position on the "CDP Water Security A List Company" for the third year in a row.

In addition, we have adopted the “Environmental Goals for 2030” which set out specific reduction targets for water use and CO_2 emissions as part of our comprehensive approach to sustainability. We would like to continue to promote our initiatives in ESG even more robustly going forward.

That is all from me.
Thank you.

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Financial Results for Q4, FY2018 (3 months) (IFRS)

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(Billions of yen)

	FY2018 Oct-Dec	Change		
		YoY	%YoY	Currency Neutral
Revenue	322.2	+18.4	+6.1%	+7.3%
Operating Income	19.2	-5.7	-22.8%	-20.9%
Operating Income (Organic basis*1)	24.5	+0.8	+3.3%	+6.3%
Net Income*2	14.2	-4.9	-25.6%	+23.7%

*1 Excluding factors related to extraordinary reasons such as M&A
*2 Profit for the year attributable to owners of the Company

Revenue Results by Quarter (IFRS)

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(Billions of yen)

	Q1 (Jan-Mar)	Change YoY	Change %YoY	Change Currency Neutral	Q2 (Apr-Jun)	Change YoY	Change %YoY	Change Currency Neutral	Q3 (Jul-Sep)	Change YoY	Change %YoY	Change Currency Neutral	Q4 (Oct-Dec)	Change YoY	Change %YoY	Change Currency Neutral
Japan	150.5	+3.2	+2.1%	−	183.4	+3.5	+1.9%	−	202.9	+7.0	+3.6%	−	172.0	+5.9	+3.6%	−
Europe	51.8	+2.3	+4.6%	-3.1%	71.7	+2.6	+3.7%	-2.5%	70.2	+3.1	+4.7%	+5.0%	51.5	-1.8	-3.4%	+1.1%
Asia	44.3	+5.0	+12.7%	+13.5%	48.6	+9.6	+24.4%	+24.6%	50.4	+9.3	+22.7%	+26.5%	57.8	+13.8	+31.2%	+32.2%
Oceania	13.6	-0.1	-0.7%	+0.4%	12.7	-0.4	-3.4%	-1.6%	12.6	-0.9	-7.0%	+0.5%	15.3	-0.6	-3.9%	+1.5%
Americas	17.0	-1.5	-8.2%	-3.7%	20.3	-0.9	-4.4%	-2.5%	22.2	+0.3	+1.4%	+1.2%	25.5	+1.1	+4.7%	+5.0%
Total	277.1	+8.8	+3.3%	+2.3%	336.7	+14.3	+4.4%	+3.2%	358.2	+18.8	+5.5%	+6.3%	322.2	+18.4	+6.1%	+7.3%

Segment Profit Results by Quarter (IFRS)

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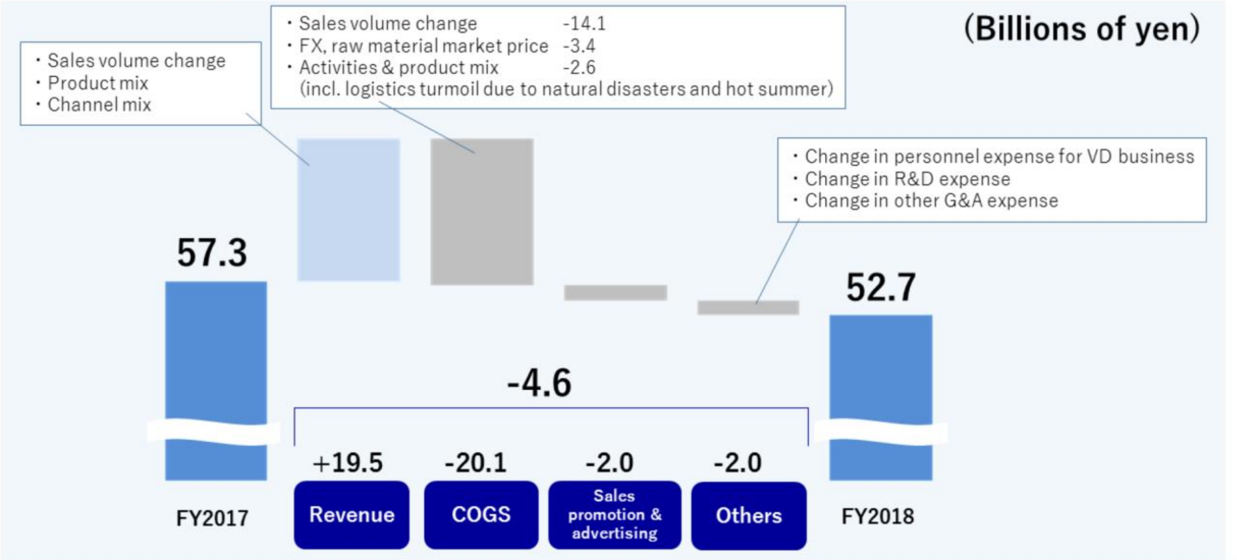
(Billions of yen)

	Q1 (Jan-Mar)	Change			Q2 (Apr-Jun)	Change			Q3 (Jul-Sep)	Change			Q4 (Oct-Dec)	Change		
		YoY	%YoY	Currency Neutral		YoY	%YoY	Currency Neutral		YoY	%YoY	Currency Neutral		YoY	%YoY	Currency Neutral
Japan	5.2	-3.0	-36.6%	–	13.7	-2.9	-17.4%	–	21.0	+0.2	+0.8%	–	12.8	+1.1	+9.3%	–
Europe	3.7	-1.2	-24.4%	-30.1%	10.5	-1.2	-10.5%	-16.3%	10.9	-1.2	-9.9%	-11.1%	-0.2	-6.0	-103.1%	-103.3%
Asia	17.5	+10.1	+136.5%	+131.2%	4.7	+0.7	+18.7%	+19.2%	5.6	+1.4	+33.7%	+35.1%	5.6	-1.1	-16.3%	-14.5%
Oceania	1.5	+0.1	+7.6%	+5.4%	1.4	-0.0	-0.9%	-1.7%	0.6	-0.5	-45.5%	-46.2%	2.8	+0.8	+37.0%	+41.0%
Americas	1.5	+0.0	+0.2%	+5.1%	2.3	-0.4	-16.2%	-14.1%	2.7	-0.3	-10.4%	-10.1%	2.0	-0.1	-3.2%	-3.3%
Reconciliation	-2.8	-0.4	–	–	-2.8	+0.1	–	–	-2.8	-0.2	–	–	-3.9	-0.4	-	-
Total	26.6	+5.7	+27.0%	+24.3%	29.8	-3.7	-11.2%	-13.0%	38.0	-0.6	-1.6%	-2.0%	19.2	-5.7	-22.8%	-20.9%
Orgnic	15.1	-5.2	-25.6%	-27.3%	28.8	-4.7	-13.9%	-15.8%	37.9	-0.7	-1.7%	-2.1%	24.5	+0.8	+3.3%	+6.3%

Japan Segment Profit Bridge for FY2018



Japan

Segment Profit Bridge for FY2019

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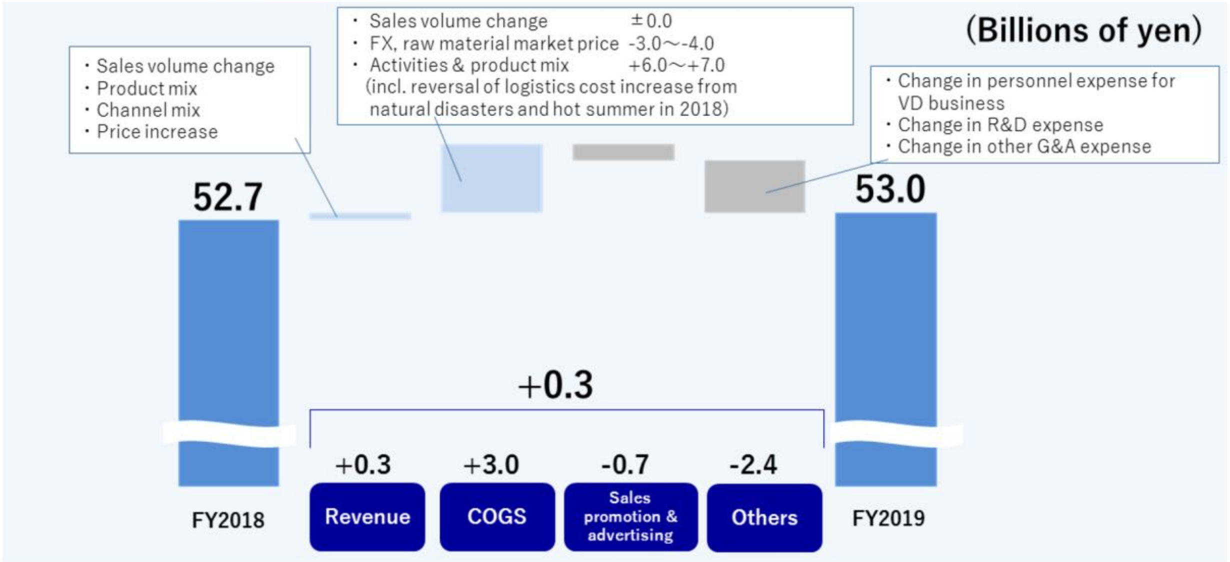

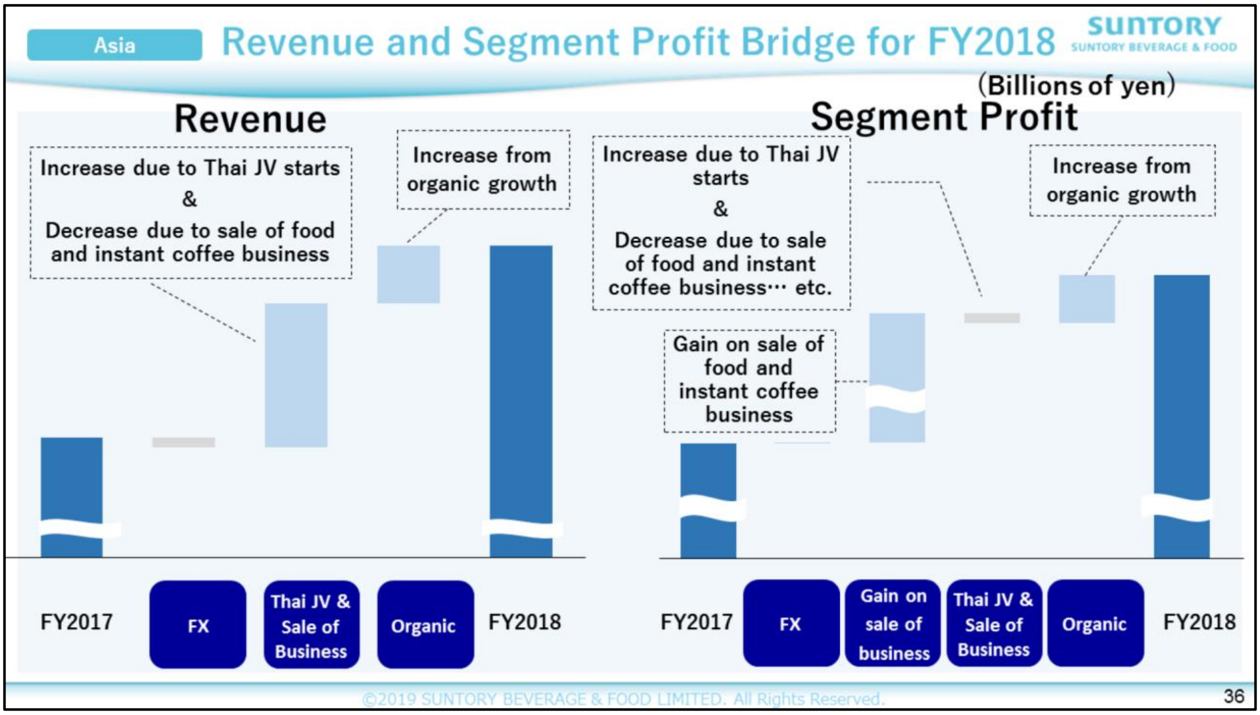
Asia
Revenue and Segment Profit Bridge for FY2018
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(Billions of yen)
Revenue
Increase due to Thai JV starts
&
Decrease due to sale of food and instant coffee business
Increase from organic growth
FY2017
FX
Thai JV & Sale of Business
Organic
FY2018
Segment Profit
Increase due to Thai JV starts
&
Decrease due to sale of food and instant coffee business… etc.
Gain on sale of food and instant coffee business
Increase from organic growth
FY2017
FX
Gain on sale of business
Thai JV & Sale of Business
Organic
FY2018
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36

Exchange Rates

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	FY2017 Results	FY2018 Results	FY2019 Forecast
U.S. Dollar	112.2	110.4	111
Euro	126.7	130.4	129
British Pound	144.5	147.4	144
Singapore Dollar	81.3	81.9	81
Thai Baht	3.3	3.4	3.4
Vietnam Dong	0.0049	0.0048	0.0048
New Zealand Dollar	79.7	76.4	73
Australian Dollar	86.0	82.6	80

Forward Looking Statement

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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.