

**Supplementary Material on Consolidated Financial Results for the First
Three Months of the Year Ending December 31, 2019**

<Results for the First Three Months of the Year Ending December 31, 2019>

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Suntory Beverage & Food Limited

May 8, 2019

<Results for the First Three Months of the Year Ending December 31, 2019>

1. Summary of Consolidated Statement of Profit or Loss, Indices, etc.

(1) Summary of Consolidated Statement of Profit or Loss

(Billions of yen with fractional amounts rounded off)

	Three months ended March 31, 2018		Three months ended March 31, 2019		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	277.1	100.0%	285.7	100.0%	8.6	3.1%
Gross profit	115.8	41.8%	116.2	40.7%	0.5	0.4%
Selling, general and administrative expenses	100.1	36.1%	97.8	34.2%	(2.3)	(2.3%)
Gain on investments accounted for using the equity method	0.0	0.0%	0.0	0.0%	(0.0)	(20.9%)
Other income	12.0	4.3%	0.5	0.2%	(11.5)	(95.8%)
Other expenses	1.2	0.4%	1.2	0.4%	(0.0)	(1.5%)
Operating income	26.6	9.6%	17.8	6.2%	(8.8)	(33.1%)
Finance income	0.2	0.1%	0.4	0.2%	0.2	107.2%
Finance costs	1.0	0.4%	0.7	0.3%	(0.3)	(28.7%)
Profit before tax for the period	25.7	9.3%	17.5	6.1%	(8.3)	(32.1%)
Income tax expense	3.5	1.3%	4.2	1.5%	0.7	20.8%
Profit for the period	22.3	8.0%	13.3	4.6%	(9.0)	(40.3%)
Profit for the period attributable to non-controlling interests	1.8	0.6%	2.6	0.9%	0.8	45.4%
Profit for the period attributable to owners of the Company	20.5	7.4%	10.7	3.7%	(9.8)	(47.7%)

(2) Other Indices

(Billions of yen)

		Three months ended March 31, 2018		Three months ended March 31, 2019		Increase (decrease)	
Depreciation		15.6		18.0		2.4	15.6%
Operating income	Operating margin	26.6	9.6%	17.8	6.2%	(8.8)	(33.1%)
EBITDA *1	EBITDA margin	31.3	11.3%	36.5	12.8%	5.2	16.6%

*1 EBITDA is calculated as Operating income ± Other income and expenditure aside from gain on investments accounted for using the equity method + Depreciation.

(Billions of yen)

		As at December 31, 2018		As at March 31, 2019		Increase (decrease)	
Total assets		1,539.4		1,530.0		(9.5)	(0.6%)
Total equity		798.9		802.2		3.3	0.4%
D/E ratio (Times) *2		0.2		0.2			

*2 D/E ratio is calculated as (Interest-bearing debt - Cash and deposits ± Valuation difference from adopting hedge accounting, etc.) / 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, 2018	Three months ended March 31, 2019
USD	108.2	110.2
EUR	133.1	125.2
GBP	150.8	143.7
SGD	82.1	81.4
THB	3.4	3.5
VND	0.0048	0.0048
NZD	78.8	75.1
AUD	85.2	78.5

2. Revenue Details

(Billions of yen)

	Three months ended March 31, 2018	Three months ended March 31, 2019	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	150.5	150.7	0.2	0.2%	0.2%	
Europe	51.8	48.4	(3.4)	(6.6%)	(1.3%)	
Asia	44.3	55.5	11.2	25.2%	25.8%	
Oceania	13.6	12.9	(0.7)	(4.9%)	1.4%	
Americas	17.0	18.3	1.3	7.4%	5.5%	
Reconciliations	—	—	—	—	—	
Consolidation total	277.1	285.7	8.6	3.1%	4.4%	

3. Profit Details

(1) EBITDA

(Billions of yen)

	Three months ended March 31, 2018	Three months ended March 31, 2019	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	14.4	16.3	2.0	13.6%	13.6%	
Europe	6.5	7.2	0.7	11.1%	17.7%	
Asia	8.3	10.2	1.9	23.1%	22.5%	
Oceania	2.0	2.3	0.2	10.5%	14.6%	
Americas	2.2	2.3	0.2	7.1%	5.2%	
Reconciliations	(2.1)	(1.9)	0.2	—	—	*1
Consolidation total	31.3	36.5	5.2	16.6%	17.9%	

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

(2) Segment Profit

(Billions of yen)

	Three months ended March 31, 2018	Three months ended March 31, 2019	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	5.2	6.5	1.3	24.8%	24.8%	
Europe	3.7	3.9	0.2	6.0%	13.2%	
Asia	17.5	7.2	(10.2)	(58.6%)	(58.4%)	
Oceania	1.5	1.4	(0.1)	(9.7%)	(4.1%)	
Americas	1.5	1.5	(0.0)	(0.4%)	(2.2%)	
Reconciliations	(2.8)	(2.7)	0.1	—	—	*2
Consolidation total	26.6	17.8	(8.8)	(33.1%)	(32.2%)	

*2 The reconciliations of segment profit represent corporate expenses unallocated to each reportable segment.

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

(Billions of yen)

Segment profit for the three months ended March 31, 2018	5.2
Increase in revenue	0.2
Increase in cost of goods sold	(0.3)
Decrease in sales promotion and advertising costs	1.9
Increase in other expenses	(0.6)
Segment profit for the three months ended March 31, 2019	6.5

4. Summary of Consolidated Statement of Financial Position

(Billions of yen)

	As at December 31, 2018	As at March 31, 2019	Increase (decrease)	Reference
Cash and cash equivalents	146.5	93.8	(52.7)	
Trade and other receivables	184.9	187.6	2.7	
Other financial assets	1.0	5.8	4.8	
Inventories	85.8	93.8	8.0	
Other current assets	25.1	25.6	0.4	
Subtotal	443.3	406.5	(36.8)	
Assets held for sale	0.0	0.0	0.0	
Current assets	443.4	406.6	(36.8)	
Property, plant and equipment	375.4	363.4	(11.9)	*3
Right-of-use assets	—	47.5	47.5	*4
Goodwill	250.7	249.6	(1.0)	
Intangible assets	418.6	418.8	0.3	
Investments accounted for using the equity method	1.2	1.2	0.0	
Other financial assets	21.0	16.5	(4.4)	
Deferred tax assets	14.3	15.3	1.0	
Other non-current assets	15.0	10.9	(4.1)	
Non-current assets	1,096.1	1,123.4	27.3	
Total assets	1,539.4	1,530.0	(9.5)	
Bonds and borrowings	75.4	85.7	10.3	
Trade and other payables	303.8	297.6	(6.2)	
Other financial liabilities	30.7	31.1	0.4	
Accrued income taxes	18.4	12.3	(6.2)	
Provisions	2.1	2.0	(0.1)	
Other current liabilities	8.6	10.4	1.7	
Current liabilities	439.1	439.1	(0.0)	
Bonds and borrowings	195.4	158.2	(37.2)	*5
Other financial liabilities	20.2	44.8	24.7	
Post-employment benefit liabilities	13.3	13.5	0.3	
Provisions	2.7	2.7	(0.0)	
Deferred tax liabilities	63.5	63.6	0.1	
Other non-current liabilities	6.4	6.0	(0.4)	
Non-current liabilities	301.4	288.7	(12.7)	
Total liabilities	740.5	727.8	(12.7)	
Total equity attributable to owners of the Company	714.8	715.0	0.2	
Non-controlling interests	84.1	87.1	3.1	
Total equity	798.9	802.2	3.3	
Total liabilities and equity	1,539.4	1,530.0	(9.5)	

*3 The decrease is mainly due to the impact of the application of IFRS No. 16.

*4 The increase is mainly due to the impact of the application of IFRS No. 16.

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

5. Summary of Consolidated Statements of Cash Flows

(Billions of yen)

	Three months ended March 31, 2018	Three months ended March 31, 2019	Increase (decrease)
Profit before tax	25.7	17.5	(8.3)
Depreciation and amortization	15.6	18.0	2.4
Other	(48.0)	(31.4)	16.6
Cash flows from operating activities	(6.7)	4.1	10.8
Payments for capital expenditures	(12.7)	(14.3)	(1.6)
Payments for purchase of shares of subsidiaries	(25.2)	–	25.2
Proceeds from sales of shares of subsidiaries	23.6	–	(23.6)
Other	0.3	0.0	(0.3)
Cash flows from investing activities	(14.0)	(14.3)	(0.3)
Increase (decrease) in interest-bearing debt	32.4	(31.3)	(63.6)
Dividends paid to owners of the Company	(11.7)	(12.1)	(0.3)
Dividends paid to non-controlling interests	(0.1)	(0.1)	(0.0)
Other	(1.8)	–	1.8
Cash flows from financing activities	18.7	(43.4)	(62.1)
Net increase (decrease) in cash and cash equivalents	(2.0)	(53.5)	(51.6)
Effects of exchange rate changes	(1.8)	0.8	2.7
Cash and cash equivalents included in assets held for sale	3.4	–	(3.4)

6. Other Information

<Sales Volume of Major Brands in Japan Business> * On the basis of shipment volumes

(Million cases)

	Three months ended March 31, 2018		Three months ended March 31, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Suntory Tennensui</i>	22.3	8%	23.1	4%
<i>Boss</i>	24.1	6%	25.6	6%
<i>Iyemon</i>	12.0	(6%)	11.7	(2%)
<i>Suntory Oolong Tea</i>	5.6	7%	5.3	(5%)
<i>Pepsi</i>	4.0	(15%)	4.0	(2%)
<i>Green DAKARA</i>	4.9	21%	5.9	20%
FOSHU drinks and Foods with Function Claims	5.2	(10%)	4.9	(5%)
Total	93.5	3%	95.4	2%

* The portions of the sales volume that were supplied from other soft drink manufacturers such as Japan Beverage Holdings Inc. are not included in the above figures.

<Sales Volume of Major Brands in Europe Business>

(Million liters)

	Three months ended March 31, 2018		Three months ended March 31, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Orangina (France)</i>	33	(6%)	35	6%
<i>Oasis (France)</i>	62	(1%)	61	(2%)
<i>Schweppes (Spain, Portugal)</i>	25	(1%)	24	(2%)
<i>Lucozade (UK, Ireland)</i>	79	(12%)	90	14%
<i>Ribena (UK, Ireland)</i>	24	(3%)	21	(11%)