

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

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

1. Summary of Consolidated Statement of Profit or Loss, Indices, etc.
2. Revenue Details
3. Profit Details
4. Summary of Consolidated Statement of Financial Position
5. Summary of Consolidated Statements of Cash Flows
6. Other Information

<Earnings Forecast for the Year Ending December 31, 2019>

1. Summary of Consolidated Statement of Profit or Loss, Indices, etc.
2. Revenue Details
3. Profit Details
4. Other Information

Suntory Beverage & Food Limited

November 5, 2019

<Results for the First Nine 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)

	Nine months ended September 30, 2018		Nine months ended September 30, 2019		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	972.1	100.0%	980.6	100.0%	8.5	0.9%
Gross profit	405.6	41.7%	404.3	41.2%	(1.3)	(0.3%)
Selling, general and administrative expenses	320.6	33.0%	311.0	31.7%	(9.6)	(3.0%)
Gain on investments accounted for using the equity method	0.1	0.0%	0.0	0.0%	(0.1)	(98.6%)
Other income	13.8	1.4%	1.1	0.1%	(12.8)	(92.2%)
Other expenses	4.5	0.5%	3.8	0.4%	(0.7)	(15.9%)
Operating income	94.4	9.7%	90.6	9.2%	(3.8)	(4.0%)
Finance income	0.7	0.1%	1.0	0.1%	0.3	35.1%
Finance costs	2.0	0.2%	2.3	0.2%	0.2	12.0%
Profit before tax for the period	93.1	9.6%	89.3	9.1%	(3.7)	(4.0%)
Income tax expense	20.7	2.1%	23.2	2.4%	2.5	12.1%
Profit for the period	72.4	7.4%	66.1	6.7%	(6.2)	(8.6%)
Profit for the period attributable to non-controlling interests	6.6	0.7%	8.3	0.9%	1.8	26.9%
Profit for the period attributable to owners of the Company	65.8	6.8%	57.8	5.9%	(8.0)	(12.2%)

(2) Other Indices

(Billions of yen)

		Nine months ended September 30, 2018		Nine months ended September 30, 2019		Increase (decrease)	
Depreciation		46.8		53.0		6.2	13.3%
Operating income	Operating margin	94.4	9.7%	90.6	9.2%	(3.8)	(4.0%)
EBITDA *1	EBITDA margin	131.8	13.6%	146.3	14.9%	14.5	11.0%

*1 EBITDA is calculated as operating income - other income + other expenses + depreciation.

(Billions of yen)

		As at December 31, 2018		As at September 30, 2019		Increase (decrease)	
Total assets		1,539.4		1,535.6		(3.8)	(0.2%)
Total equity		798.9		803.4		4.6	0.6%
D/E ratio (Times) *2		0.2		0.2			

*2 D/E ratio is calculated as (interest-bearing debt - cash and cash equivalents ± 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)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
USD	109.6	109.2
EUR	130.9	122.6
GBP	148.1	139.0
SGD	81.8	80.0
THB	3.4	3.5
VND	0.0048	0.0047
NZD	76.7	72.5
AUD	83.1	76.3

2. Revenue Details

(Billions of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	536.8	535.4	(1.4)	(0.3%)	(0.3%)	
Europe	188.9	174.3	(14.6)	(7.7%)	(1.4%)	
Asia	148.1	170.3	22.2	15.0%	15.3%	
Oceania	38.8	38.4	(0.4)	(1.1%)	6.2%	
Americas	59.5	62.2	2.7	4.5%	5.0%	
Reconciliations	–	–	–	–	–	
Consolidation total	972.1	980.6	8.5	0.9%	2.5%	

Due to the organizational changes, some of the entities in Africa and Middle East, which were previously reported in "Europe business," have been reclassified to "Asia business" from "Europe business," starting from the second quarter of the year ending December 31, 2019. Accordingly, the same reclassification has been made for the accompanying segment information for the nine months ended September 30, 2018.

3. Profit Details

(1) EBITDA

(Billions of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	67.6	73.9	6.3	9.2%	9.2%	
Europe	34.4	37.0	2.6	7.5%	14.6%	
Asia	22.1	26.9	4.8	21.8%	20.5%	
Oceania	5.4	5.6	0.1	2.6%	7.1%	
Americas	8.5	8.9	0.4	4.9%	5.3%	
Reconciliations	(6.2)	(5.9)	0.3	–	–	*1
Consolidation total	131.8	146.3	14.5	11.0%	12.8%	

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

Due to the organizational changes, some of the entities in Africa and Middle East, which were previously reported in "Europe business," have been reclassified to "Asia business" from "Europe business," starting from the second quarter of the year ending December 31, 2019. Accordingly, the same reclassification has been made for the accompanying segment information for the nine months ended September 30, 2018.

(2) Segment Profit

(Billions of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	39.9	44.0	4.2	10.4%	10.4%	
Europe	26.7	27.3	0.6	2.2%	8.6%	
Asia	26.2	17.6	(8.5)	(32.6%)	(32.4%)	
Oceania	3.5	3.5	(0.0)	(1.3%)	6.2%	
Americas	6.5	6.5	0.0	0.0%	0.5%	
Reconciliations	(8.4)	(8.3)	0.1	–	–	*2
Consolidation total	94.4	90.6	(3.8)	(4.0%)	(2.1%)	

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

Due to the organizational changes, some of the entities in Africa and Middle East, which were previously reported in "Europe business," have been reclassified to "Asia business" from "Europe business," starting from the second quarter of the year ending December 31, 2019. Accordingly, the same reclassification has been made for the accompanying segment information for the nine months ended September 30, 2018.

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

(Billions of yen)

Segment profit for the nine months ended September 30, 2018	39.9
Decrease in revenue	(1.4)
Decrease in cost of goods sold	1.7
Decrease in sales promotion and advertising costs	4.2
Increase in other expenses	(0.3)
Segment profit for the nine months ended September 30, 2019	44.0

4. Summary of Consolidated Statement of Financial Position

(Billions of yen)

	As at December 31, 2018	As at September 30, 2019	Increase (decrease)	Reference
Cash and cash equivalents	146.5	115.0	(31.5)	
Trade and other receivables	184.9	217.2	32.3	
Other financial assets	1.0	9.0	8.0	
Inventories	85.8	85.8	0.1	
Other current assets	25.1	22.4	(2.7)	
Subtotal	443.3	449.5	6.1	
Assets held for sale	0.0	0.0	0.0	
Current assets	443.4	449.5	6.1	
Property, plant and equipment	375.4	360.1	(15.3)	*1
Right-of-use assets	–	47.3	47.3	*2
Goodwill	250.7	242.8	(7.9)	
Intangible assets	418.6	393.2	(25.3)	
Investments accounted for using the equity method	1.2	1.2	(0.0)	
Other financial assets	21.0	17.7	(3.3)	
Deferred tax assets	14.3	14.5	0.2	
Other non-current assets	15.0	9.3	(5.7)	
Non-current assets	1,096.1	1,086.1	(10.0)	
Total assets	1,539.4	1,535.6	(3.8)	
Bonds and borrowings	75.4	71.5	(4.0)	
Trade and other payables	303.8	331.4	27.6	
Other financial liabilities	30.7	41.1	10.4	
Accrued income taxes	18.4	14.8	(3.7)	
Provisions	2.1	1.2	(0.9)	
Other current liabilities	8.6	9.4	0.8	
Current liabilities	439.1	469.4	30.2	
Bonds and borrowings	195.4	132.1	(63.4)	*3
Other financial liabilities	20.2	46.2	26.1	
Post-employment benefit liabilities	13.3	14.2	0.9	
Provisions	2.7	2.6	(0.2)	
Deferred tax liabilities	63.5	62.7	(0.8)	
Other non-current liabilities	6.4	5.1	(1.3)	
Non-current liabilities	301.4	262.8	(38.6)	
Total liabilities	740.5	732.2	(8.4)	
Total equity attributable to owners of the Company	714.8	721.2	6.3	
Non-controlling interests	84.1	82.3	(1.8)	
Total equity	798.9	803.4	4.6	
Total liabilities and equity	1,539.4	1,535.6	(3.8)	

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

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

*3 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)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019	Increase (decrease)
Profit before tax	93.1	89.3	(3.7)
Depreciation and amortization	46.8	53.0	6.2
Other	(55.6)	(18.3)	37.4
Cash flows from operating activities	84.2	124.1	39.8
Payments for capital expenditures	(40.3)	(44.3)	(4.0)
Payments for purchase of shares of subsidiaries	(26.7)	(0.9)	25.8
Proceeds from sales of shares of subsidiaries	24.2	–	(24.2)
Other	1.1	(0.2)	(1.3)
Cash flows from investing activities	(41.6)	(45.4)	(3.7)
Increase (decrease) in interest-bearing debt	(4.9)	(75.9)	(71.0)
Dividends paid to owners of the Company	(23.8)	(24.1)	(0.3)
Dividends paid to non-controlling interests	(4.0)	(8.8)	(4.8)
Other	(5.4)	(0.1)	5.3
Cash flows from financing activities	(38.2)	(109.0)	(70.8)
Net increase (decrease) in cash and cash equivalents	4.5	(30.3)	(34.7)
Effects of exchange rate changes	(0.1)	(1.3)	(1.2)
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	3.4	–	(3.4)

6. Other Information

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

(Million cases)

	Nine months ended September 30, 2018		Nine months ended September 30, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Suntory Tennensui</i>	92.1	10%	86.3	(6%)
<i>Boss</i>	77.9	9%	82.3	6%
<i>Iyemon</i>	40.8	(5%)	38.5	(6%)
<i>Suntory Oolong Tea</i>	20.2	1%	18.9	(7%)
<i>Pepsi</i>	15.4	(10%)	15.7	1%
<i>Green DAKARA</i>	30.9	22%	34.6	12%
FOSHU drinks and Foods with Function Claims	17.5	(13%)	17.8	2%
Total	353.0	4%	347.4	(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)

	Nine months ended September 30, 2018		Nine months ended September 30, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Orangina (France)</i>	131	4%	130	(1%)
<i>Oasis (France)</i>	225	5%	214	(5%)
<i>Schweppes (Spain, Portugal)</i>	102	(5%)	104	2%
<i>Lucozade (UK, Ireland)</i>	290	(0%)	312	7%
<i>Ribena (UK, Ireland)</i>	79	(2%)	67	(15%)

<Earnings Forecast for 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)

	Year ended December 31, 2018, Actual		Year ending December 31, 2019, Revised forecast		Changes from previous forecast (February 14)	Increase (decrease)	
		Ratio to revenue		Ratio to revenue			
Revenue	1,294.3	100.0%	1,297.0	100.0%	(16.0)	2.7	0.2%
Gross profit	535.5	41.4%	535.0	41.2%	(11.5)	(0.5)	(0.1%)
Selling, general and administrative expenses	424.9	32.8%	419.9	32.4%	(12.7)	(5.0)	(1.2%)
Gain on investments accounted for using the equity method	0.1	0.0%	0.1	0.0%	–	(0.0)	(27.5%)
Other income	14.6	1.1%	1.4	0.1%	0.4	(13.2)	(90.4%)
Other expenses	11.8	0.9%	5.5	0.4%	0.5	(6.3)	(53.4%)
Operating income	113.6	8.8%	111.0	8.6%	1.0	(2.6)	(2.3%)
Finance income	1.0	0.1%	1.2	0.1%	0.4	0.2	16.2%
Finance costs	2.8	0.2%	2.2	0.2%	(0.6)	(0.6)	(20.8%)
Profit before tax	111.8	8.6%	110.0	8.5%	2.0	(1.8)	(1.6%)
Income tax expense	23.0	1.8%	30.5	2.4%	(1.0)	7.5	32.7%
Profit for the year	88.8	6.9%	79.5	6.1%	3.0	(9.3)	(10.5%)
Profit for the year attributable to non-controlling interests	8.8	0.7%	11.5	0.9%	1.5	2.7	30.5%
Profit for the year attributable to owners of the Company	80.0	6.2%	68.0	5.2%	1.5	(12.0)	(15.0%)

(2) Other Indices

(Billions of yen)

	Year ended December 31, 2018, Actual		Year ending December 31, 2019, Revised forecast		Changes from previous forecast (February 14)	Increase (decrease)	
Depreciation	63.3		72.0		–	8.7	13.7%
Operating income	113.6		111.0		1.0	(2.6)	(2.3%)
Profit for the year attributable to owners of the Company	80.0		68.0		1.5	(12.0)	(15.0%)
EBITDA *1	174.1	13.5%	187.1	14.4%	1.1	13.0	7.5%

*1 EBITDA is calculated as operating income - other income + other expenses + depreciation.

EPS (Yen)	258.98	220.15	–	(38.83)	(15.0%)
Operating margin	8.8%	8.6%			
ROE	11.4%	9.2%			
Dividend payout ratio *2	30.1%	35.4%			

*2 Dividend payout ratio for each year is calculated by dividing, for each year, total cash dividends by profit attributable to owners of the Company.

(Billions of yen)

	As at December 31, 2018 Actual	As at December 31, 2019 Revised forecast	Changes from previous forecast (February 14)	Increase (decrease)	
Total assets	1,539.4	1,543.0	–	3.6	0.2%
Total equity	798.9	847.0	–	48.1	6.0%
Capital expenditures	60.4	66.0	–	5.6	9.3%
D/E ratio (Times) *3	0.2	0.1	–		

*3 D/E ratio is calculated as (interest-bearing debt - cash and cash equivalents ± 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)

	Year ended December 31, 2018, Actual	Year ending December 31, 2019, Revised forecast	Previous forecast (February 14)
USD	110.4	109.0	111.0
EUR	130.4	121.0	129.0
GBP	147.4	137.0	144.0
SGD	81.9	80.0	81.0
THB	3.4	3.5	3.4
VND	0.0048	0.0047	0.0048
NZD	76.4	71.0	73.0
AUD	82.6	75.0	80.0

2. Revenue Details

(Billions of yen)

	Year ended December 31, 2018, Actual	Year ending December 31, 2019, Forecast	Changes from previous forecast (February 14)	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	708.7	703.0	(6.0)	(5.7)	(0.8%)	–	
Europe	238.9	220.0	(25.0)	(18.9)	(7.9%)	(1.0%)	
Asia	207.4	236.0	17.0	28.6	13.8%	14.4%	
Oceania	54.2	51.0	(2.0)	(3.2)	(5.9%)	1.9%	
Americas	85.0	87.0	–	2.0	2.3%	3.8%	
Reconciliations	–	–	–	–	–	–	
Consolidation total	1,294.3	1,297.0	(16.0)	2.7	0.2%	2.0%	

Due to the organizational changes, some of the entities in Africa and Middle East, which were previously reported in "Europe business," have been reclassified to "Asia business" from "Europe business," starting from the second quarter of the year ending December 31, 2019. Accordingly, the same reclassification has been made for the accompanying segment information for the year ended December 31, 2018.

3. Profit Details

(1) EBITDA

(Billions of yen)

	Year ended December 31, 2018, Actual	Year ending December 31, 2019, Forecast	Changes from previous forecast (February 14)	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	89.8	94.2	0.8	4.5	5.0%	–	
Europe	43.7	45.2	(0.8)	1.6	3.6%	10.9%	
Asia	30.0	35.5	1.5	5.4	18.1%	16.9%	
Oceania	8.4	9.8	0.2	1.3	15.9%	22.1%	
Americas	11.5	12.2	(0.1)	0.7	6.0%	7.6%	
Reconciliations	(9.3)	(9.9)	(0.6)	(0.5)	–	–	*1
Consolidation total	174.1	187.1	1.1	13.0	7.5%	9.5%	

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

Due to the organizational changes, some of the entities in Africa and Middle East, which were previously reported in "Europe business," have been reclassified to "Asia business" from "Europe business," starting from the second quarter of the year ending December 31, 2019. Accordingly, the same reclassification has been made for the accompanying segment information for the year ended December 31, 2018.

(2) Segment Profit

(Billions of yen)

	Year ended December 31, 2018, Actual	Year ending December 31, 2019, Forecast	Changes from previous forecast (February 14)	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	52.7	53.5	0.5	0.8	1.6%	–	
Europe	29.1	31.5	–	2.4	8.1%	14.9%	
Asia	29.2	23.5	1.0	(5.7)	(19.4%)	(19.1%)	
Oceania	6.4	6.5	–	0.1	2.0%	10.0%	
Americas	8.5	8.5	–	0.0	0.1%	1.4%	
Reconciliations	(12.3)	(12.5)	(0.5)	(0.2)	–	–	*2
Consolidation total	113.6	111.0	1.0	(2.6)	(2.3%)	(0.3%)	

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

Due to the organizational changes, some of the entities in Africa and Middle East, which were previously reported in "Europe business," have been reclassified to "Asia business" from "Europe business," starting from the second quarter of the year ending December 31, 2019. Accordingly, the same reclassification has been made for the accompanying segment information for the year ended December 31, 2018.

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

(Billions of yen)

		Changes from previous forecast (February 14)
Segment profit for the year ended December 31, 2018, Actual	52.7	–
Decrease in revenue	(5.7)	(6.0)
Decrease in cost of goods sold	6.5	3.5
Decrease in sales promotion and advertising costs	1.8	2.5
Increase in other expenses	(1.9)	0.5
Segment profit for the year ending December 31, 2019, Forecast	53.5	0.5

4. Other Information

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

(Million cases)

	Year ended December 31, 2018		Year ending December 31, 2019		Changes from previous forecast (February 14)
	Actual	Increase (decrease)	Forecast	Increase (decrease)	
<i>Suntory Tennensui</i>	117.3	9%	112.0	(4%)	(7.8)
<i>Boss</i>	107.9	9%	111.0	4%	1.4
<i>Iyemon</i>	53.7	(5%)	51.0	(5%)	(2.7)
<i>Suntory Oolong Tea</i>	26.5	1%	24.8	(7%)	(1.7)
<i>Pepsi</i>	20.2	(8%)	20.0	(1%)	(0.1)
<i>Green DAKARA</i>	37.7	24%	42.0	11%	4.3
FOSHU drinks and Foods with Function Claims	23.3	(10%)	23.3	(0%)	(0.6)
Total	462.2	4%	453.6	(2%)	(8.6)

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