

**Supplementary Material on Consolidated Financial Results for the First
Six Months of the Year Ending December 31, 2020**

<Results for the First Six Months of the Year Ending December 31, 2020>

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Suntory Beverage & Food Limited

August 5, 2020

<Results for the First Six Months of the Year Ending December 31, 2020>

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)

	Six months ended June 30, 2019		Six months ended June 30, 2020		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	627.8	100.0%	552.5	100.0%	(75.2)	(12.0)%
Gross profit	259.2	41.3%	225.2	40.8%	(34.0)	(13.1)%
Selling, general and administrative expenses	206.8	32.9%	188.6	34.1%	(18.1)	(8.8)%
Gain on investments accounted for using the equity method	(0.0)	(0.0)%	(0.1)	(0.0)%	(0.1)	979.6%
Other income	0.9	0.1%	1.5	0.3%	0.6	73.5%
Other expenses	2.4	0.4%	2.3	0.4%	(0.1)	(3.6)%
Operating income	50.9	8.1%	35.7	6.5%	(15.2)	(29.8)%
Finance income	0.7	0.1%	0.6	0.1%	(0.2)	(20.4)%
Finance costs	1.7	0.3%	1.2	0.2%	(0.5)	(30.9)%
Profit before tax for the period	49.9	8.0%	35.1	6.4%	(14.8)	(29.7)%
Income tax expense	12.6	2.0%	8.6	1.5%	(4.1)	(32.2)%
Profit for the period	37.3	5.9%	26.6	4.8%	(10.7)	(28.8)%
Profit for the period attributable to non-controlling interests	5.5	0.9%	5.6	1.0%	0.1	2.0%
Profit for the period attributable to owners of the Company	31.8	5.1%	20.9	3.8%	(10.8)	(34.1)%

(2) Other Indices

(Billions of yen)

		Six months ended June 30, 2019		Six months ended June 30, 2020		Increase (decrease)	
Depreciation		35.6		35.3		(0.3)	(0.8)%
Operating income	Operating margin	50.9	8.1%	35.7	6.5%	(15.2)	(29.8)%
EBITDA *1	EBITDA margin	88.0	14.0%	71.8	13.0%	(16.2)	(18.4)%

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

(Billions of yen)

		As at December 31, 2019		As at June 30, 2020		Increase (decrease)	
Total assets		1,567.3		1,603.1		35.8	2.3%
Total equity		837.6		828.9		(8.7)	(1.0)%
D/E ratio (Times) *2		0.1		0.1			

*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)

	Six months ended June 30, 2019	Six months ended June 30, 2020
USD	110.1	108.2
EUR	124.3	119.3
GBP	142.5	136.4
SGD	81.0	77.4
THB	3.5	3.4
VND	0.0047	0.0046
NZD	74.0	67.8
AUD	77.8	71.2

2. Revenue Details

(Billions of yen)

	Six months ended June 30, 2019	Six months ended June 30, 2020	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	336.0	298.7	(37.3)	(11.1)%	(11.1)%	
Europe	111.1	87.7	(23.5)	(21.1)%	(17.6)%	
Asia	115.3	104.5	(10.8)	(9.3)%	(7.6)%	
Oceania	25.4	23.1	(2.3)	(9.2)%	(0.8)%	
Americas	39.9	38.6	(1.3)	(3.4)%	(1.7)%	
Reconciliations	–	–	–	–	–	
Consolidation total	627.8	552.5	(75.2)	(12.0)%	(10.6)%	

3. Profit Details

(1) EBITDA

(Billions of yen)

	Six months ended June 30, 2019	Six months ended June 30, 2020	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	42.4	30.7	(11.6)	(27.5)%	(27.5)%	
Europe	21.2	16.2	(5.0)	(23.6)%	(20.3)%	
Asia	18.6	20.4	1.8	9.5%	10.2%	
Oceania	4.2	3.5	(0.7)	(16.0)%	(11.7)%	
Americas	5.4	4.7	(0.7)	(12.9)%	(11.4)%	
Reconciliations	(3.8)	(3.8)	0.0	–	–	*1
Consolidation total	88.0	71.8	(16.2)	(18.4)%	(17.2)%	

*1 “Reconciliations” to segment EBITDA represents overhead costs incurred by the Company to manage the Group’s operations and is not allocated to each reportable segment.

(2) Segment Profit

(Billions of yen)

	Six months ended June 30, 2019	Six months ended June 30, 2020	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	22.7	11.1	(11.6)	(51.2)%	(51.2)%	
Europe	14.7	10.5	(4.1)	(28.2)%	(25.2)%	
Asia	12.7	14.7	2.0	15.5%	17.3%	
Oceania	2.6	1.9	(0.7)	(25.4)%	(21.7)%	
Americas	3.8	2.9	(0.8)	(22.1)%	(20.7)%	
Reconciliations	(5.5)	(5.4)	0.1	–	–	*2
Consolidation total	50.9	35.7	(15.2)	(29.8)%	(28.5)%	

*2 “Reconciliations” to segment profit represents overhead costs incurred by the Company to manage the Group’s operations and is not allocated to each reportable segment.

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

(Billions of yen)

Segment profit for the six months ended June 30, 2019	22.7
Decrease in revenue	(37.3)
Decrease in cost of goods sold	18.2
Decrease in sales promotion and advertising costs	7.2
Decrease in other expenses	0.4
Segment profit for the six months ended June 30, 2020	11.1

4. Summary of Consolidated Statement of Financial Position

(Billions of yen)

	As at December 31, 2019	As at June 30, 2020	Increase (decrease)	Reference
Cash and cash equivalents	143.6	183.3	39.7	
Trade and other receivables	191.2	201.5	10.3	
Other financial assets	6.2	1.8	(4.4)	
Inventories	84.9	93.8	8.9	
Other current assets	20.3	25.3	5.0	
Subtotal	446.2	505.7	59.5	
Assets held for sale	0.1	0.0	(0.1)	
Current assets	446.3	505.7	59.3	
Property, plant and equipment	372.0	364.1	(8.0)	
Right-of-use assets	47.4	49.2	1.7	
Goodwill	247.9	245.0	(2.8)	
Intangible assets	411.4	393.4	(18.0)	
Investments accounted for using the equity method	1.1	0.9	(0.2)	
Other financial assets	17.2	17.0	(0.2)	
Deferred tax assets	14.4	17.2	2.7	
Other non-current assets	9.6	10.7	1.1	
Non-current assets	1,121.0	1,097.5	(23.5)	
Total assets	1,567.3	1,603.1	35.8	
Bonds and borrowings	74.7	108.5	33.9	*1
Trade and other payables	322.5	319.3	(3.1)	
Other financial liabilities	38.4	41.1	2.6	
Accrued income taxes	18.8	16.3	(2.5)	
Provisions	1.5	1.7	0.2	
Other current liabilities	6.0	7.6	1.6	
Current liabilities	461.9	494.5	32.6	
Bonds and borrowings	132.7	144.1	11.4	*2
Other financial liabilities	45.8	48.1	2.3	
Post-employment benefit liabilities	15.4	15.8	0.4	
Provisions	2.6	2.2	(0.3)	
Deferred tax liabilities	65.8	64.0	(1.8)	
Other non-current liabilities	5.6	5.5	(0.0)	
Non-current liabilities	267.8	279.8	11.9	
Total liabilities	729.7	774.3	44.5	
Total equity attributable to owners of the Company	756.6	746.4	(10.1)	
Non-controlling interests	81.0	82.4	1.4	
Total equity	837.6	828.9	(8.7)	
Total liabilities and equity	1,567.3	1,603.1	35.8	

*1 The increase is mainly due to the impact of an increase in commercial papers.

*2 The increase is mainly due to the impact of an increase in long-term borrowings.

5. Summary of Consolidated Statements of Cash Flows

(Billions of yen)

	Six months ended June 30, 2019	Six months ended June 30, 2020	Increase (decrease)
Profit before tax for the period	49.9	35.1	(14.8)
Depreciation and amortization	35.6	35.3	(0.3)
Other	(33.7)	(26.5)	7.1
Cash flows from operating activities	51.9	43.9	(8.0)
Payments for capital expenditures	(29.8)	(31.1)	(1.3)
Other	(1.1)	0.5	1.6
Cash flows from investing activities	(30.9)	(30.7)	0.2
Increase (decrease) in interest-bearing debt	(48.9)	43.9	92.8
Dividends paid to owners of the Company	(12.1)	(12.1)	0.0
Dividends paid to non-controlling interests	(2.8)	(3.0)	(0.2)
Other	(0.1)	–	0.1
Cash flows from financing activities	(63.9)	28.9	92.8
Net increase (decrease) in cash and cash equivalents	(42.9)	42.1	85.0
Effects of exchange rate changes	(0.3)	(2.4)	(2.1)

6. Other Information

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

(Million cases)

	Six months ended June 30, 2019		Six months ended June 30, 2020	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Suntory Tennensui</i>	53.2	(2)%	52.7	(1)%
<i>Boss</i>	53.8	5%	49.5	(8)%
<i>Iyemon</i>	24.8	(3)%	25.1	1%
<i>Suntory Oolong Tea</i>	11.7	(7)%	9.5	(18)%
<i>Pepsi</i>	9.8	2%	7.9	(20)%
<i>Green DAKARA</i>	17.6	19%	18.3	4%
FOSHU drinks and functional beverages	11.3	(1)%	10.6	(6)%
Total	215.8	1%	198.8	(8)%

* 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.

<Sales Volume of Major Brands in Europe Business>

(Million liters)

	Six months ended June 30, 2019		Six months ended June 30, 2020	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Orangina</i> (France)	85	(1)%	74	(12)%
<i>Oasis</i> (France)	139	(7)%	124	(11)%
<i>Schweppes</i> (Spain, Portugal)	60	1%	44	(27)%
<i>Lucozade</i> (UK, Ireland)	200	9%	181	(10)%
<i>Ribena</i> (UK, Ireland)	44	(16)%	36	(17)%