

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

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

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Suntory Beverage & Food Limited

November 4, 2020

<Results for the First Nine 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)

	Nine months ended September 30, 2019		Nine months ended September 30, 2020		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	980.6	100.0%	886.2	100.0%	(94.4)	(9.6)%
Gross profit	404.3	41.2%	366.4	41.3%	(37.8)	(9.4)%
Selling, general and administrative expenses	311.0	31.7%	287.6	32.5%	(23.4)	(7.5)%
Gain on investments accounted for using the equity method	0.0	0.0%	(0.1)	(0.0)%	(0.1)	(11,092.0)%
Other income	1.1	0.1%	2.7	0.3%	1.6	151.9%
Other expenses	3.8	0.4%	4.2	0.5%	0.4	11.1%
Operating income	90.6	9.2%	77.3	8.7%	(13.3)	(14.7)%
Finance income	1.0	0.1%	0.7	0.1%	(0.3)	(26.3)%
Finance costs	2.3	0.2%	2.1	0.2%	(0.2)	(7.9)%
Profit before tax for the period	89.3	9.1%	75.9	8.6%	(13.4)	(15.0)%
Income tax expense	23.2	2.4%	19.6	2.2%	(3.6)	(15.4)%
Profit for the period	66.1	6.7%	56.3	6.4%	(9.8)	(14.8)%
Profit for the period attributable to non-controlling interests	8.3	0.9%	9.1	1.0%	0.7	8.8%
Profit for the period attributable to owners of the Company	57.8	5.9%	47.3	5.3%	(10.5)	(18.2)%

(2) Other Indices

(Billions of yen)

		Nine months ended September 30, 2019		Nine months ended September 30, 2020		Increase (decrease)	
Depreciation		53.0		52.9		(0.1)	(0.2)%
Operating income	Operating margin	90.6	9.2%	77.3	8.7%	(13.3)	(14.7)%
EBITDA *1	EBITDA margin	146.3	14.9%	131.7	14.9%	(14.6)	(10.0)%

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

(Billions of yen)

		As at December 31, 2019		As at September 30, 2020		Increase (decrease)	
Total assets		1,567.3		1,623.4		56.1	3.6%
Total equity		837.6		842.9		5.3	0.6%
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)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
USD	109.2	107.6
EUR	122.6	120.9
GBP	139.0	136.7
SGD	80.0	77.4
THB	3.5	3.4
VND	0.0047	0.0046
NZD	72.5	68.6
AUD	76.3	72.8

2. Revenue Details

(Billions of yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	535.4	481.7	(53.7)	(10.0)%	–	
Europe	174.3	149.1	(25.2)	(14.5)%	(13.2)%	
Asia	170.3	156.0	(14.2)	(8.4)%	(6.4)%	
Oceania	38.4	36.9	(1.5)	(3.9)%	1.2%	
Americas	62.2	62.5	0.3	0.5%	2.0%	
Reconciliations	–	–	–	–	–	
Consolidation total	980.6	886.2	(94.4)	(9.6)%	(8.8)%	

3. Profit Details

(1) EBITDA

(Billions of yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	73.9	58.9	(15.0)	(20.3)%	–	
Europe	37.0	33.1	(3.9)	(10.4)%	(9.1)%	
Asia	26.9	30.2	3.4	12.5%	13.7%	
Oceania	5.6	6.3	0.7	12.9%	15.9%	
Americas	8.9	8.8	(0.1)	(1.4)%	0.1%	
Reconciliations	(5.9)	(5.6)	0.3	–	–	*1
Consolidation total	146.3	131.7	(14.6)	(10.0)%	(9.3)%	

*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)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	44.0	29.6	(14.4)	(32.7)%	–	
Europe	27.3	24.3	(3.0)	(11.0)%	(9.6)%	
Asia	17.6	21.5	3.9	22.1%	24.3%	
Oceania	3.5	3.9	0.4	12.4%	14.5%	
Americas	6.5	6.0	(0.5)	(7.4)%	(6.0)%	
Reconciliations	(8.3)	(8.1)	0.2	–	–	*2
Consolidation total	90.6	77.3	(13.3)	(14.7)%	(13.9)%	

*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 nine months ended September 30, 2019	44.0
Decrease in revenue	(53.7)
Decrease in cost of goods sold	28.4
Decrease in sales promotion and advertising costs	9.6
Decrease in other expenses	1.4
Segment profit for the nine months ended September 30, 2020	29.6

4. Summary of Consolidated Statement of Financial Position

(Billions of yen)

	As at December 31, 2019	As at September 30, 2020	Increase (decrease)	Reference
Cash and cash equivalents	143.6	201.9	58.4	
Trade and other receivables	191.2	215.0	23.7	*1
Other financial assets	6.2	1.1	(5.1)	
Inventories	84.9	86.8	1.8	
Other current assets	20.3	24.8	4.5	
Subtotal	446.2	529.6	83.4	
Assets held for sale	0.1	0.0	(0.1)	
Current assets	446.3	529.6	83.3	
Property, plant and equipment	372.0	358.2	(13.8)	
Right-of-use assets	47.4	48.1	0.6	
Goodwill	247.9	247.2	(0.6)	
Intangible assets	411.4	398.4	(13.0)	
Investments accounted for using the equity method	1.1	0.9	(0.2)	
Other financial assets	17.2	15.5	(1.7)	
Deferred tax assets	14.4	15.9	1.5	
Other non-current assets	9.6	9.7	0.2	
Non-current assets	1,121.0	1,093.8	(27.1)	
Total assets	1,567.3	1,623.4	56.1	
Bonds and borrowings	74.7	131.1	56.4	*2
Trade and other payables	322.5	326.6	4.2	
Other financial liabilities	38.4	41.7	3.2	
Accrued income taxes	18.8	13.0	(5.8)	
Provisions	1.5	1.5	(0.0)	
Other current liabilities	6.0	7.9	1.9	
Current liabilities	461.9	521.8	59.9	
Bonds and borrowings	132.7	120.5	(12.2)	*3
Other financial liabilities	45.8	48.9	3.2	
Post-employment benefit liabilities	15.4	15.9	0.5	
Provisions	2.6	2.3	(0.3)	
Deferred tax liabilities	65.8	65.4	(0.4)	
Other non-current liabilities	5.6	5.7	0.2	
Non-current liabilities	267.8	258.7	(9.1)	
Total liabilities	729.7	780.5	50.8	
Total equity attributable to owners of the Company	756.6	766.0	9.4	
Non-controlling interests	81.0	76.9	(4.1)	
Total equity	837.6	842.9	5.3	
Total liabilities and equity	1,567.3	1,623.4	56.1	

*1 The increase is mainly due to seasonal fluctuations on December 31 and September 30.

*2 The increase is mainly due to the impact of the issuance of commercial papers and the transfer from non-current liabilities (bonds) to current liabilities (redemption of bonds within one year).

*3 The decrease is mainly due to the transfer from non-current liabilities (bonds) to current liabilities (redemption of bonds within one year).

5. Summary of Consolidated Statements of Cash Flows

(Billions of yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020	Increase (decrease)
Profit before tax for the period	89.3	75.9	(13.4)
Depreciation and amortization	53.0	52.9	(0.1)
Other	(18.3)	(29.1)	(10.8)
Cash flows from operating activities	124.1	99.8	(24.3)
Payments for capital expenditures	(44.3)	(44.9)	(0.6)
Other	(1.1)	0.8	1.8
Cash flows from investing activities	(45.4)	(44.2)	1.2
Increase (decrease) in interest-bearing debt	(75.9)	40.2	116.1
Dividends paid to owners of the Company	(24.1)	(24.1)	0.0
Dividends paid to non-controlling interests	(8.8)	(10.0)	(1.2)
Other	(0.1)	–	0.1
Cash flows from financing activities	(109.0)	6.1	115.1
Net increase (decrease) in cash and cash equivalents	(30.3)	61.7	92.0
Effects of exchange rate changes	(1.3)	(3.3)	(2.0)

6. Other Information

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

(Million cases)

	Nine months ended September 30, 2019		Nine months ended September 30, 2020	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Suntory Tennensui</i>	86.3	(6)%	88.3	2%
<i>Boss</i>	82.3	6%	75.4	(8)%
<i>Iyemon</i>	38.5	(6)%	41.9	9%
<i>Suntory Oolong Tea</i>	18.9	(7)%	15.4	(18)%
<i>Pepsi</i>	15.7	1%	12.8	(18)%
<i>Green DAKARA</i>	34.6	12%	35.2	2%
FOSHU drinks and functional beverages	17.8	2%	16.9	(5)%
Total	347.4	(2)%	327.1	(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.

<Sales Volume of Major Brands in Europe Business>

(Million liters)

	Nine months ended September 30, 2019		Nine months ended September 30, 2020	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Orangina (France)</i>	130	(1)%	124	(5)%
<i>Oasis (France)</i>	214	(5)%	205	(4)%
<i>Schweppes (Spain, Portugal)</i>	104	2%	81	(22)%
<i>Lucozade (UK, Ireland)</i>	312	7%	291	(6)%
<i>Ribena (UK, Ireland)</i>	67	(15)%	58	(13)%

<Earnings Forecast for 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)

	Year ended December 31, 2019, Actual		Year ending December 31, 2020, Forecast		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	1,299.4	100.0%	1,185.0	100.0%	(114.4)	(8.8)%
Gross profit	536.1	41.3%	485.5	41.0%	(50.6)	(9.4)%
Selling, general and administrative expenses	414.8	31.9%	385.9	32.6%	(28.9)	(7.0)%
Gain on investments accounted for using the equity method	0.0	0.0%	(0.1)	(0.0)%	(0.1)	(1,791.6)%
Other income	1.7	0.1%	3.0	0.3%	1.3	78.4%
Other expenses	9.0	0.7%	7.5	0.6%	(1.5)	(17.0)%
Operating income	113.9	8.8%	95.0	8.0%	(18.9)	(16.6)%
Finance income	1.4	0.1%	1.0	0.1%	(0.4)	(29.9)%
Finance costs	3.2	0.2%	2.5	0.2%	(0.7)	(21.6)%
Profit before tax	112.2	8.6%	93.5	7.9%	(18.7)	(16.7)%
Income tax expense	32.1	2.5%	27.5	2.3%	(4.6)	(14.3)%
Profit for the year	80.1	6.2%	66.0	5.6%	(14.1)	(17.6)%
Profit for the year attributable to non-controlling interests	11.2	0.9%	12.5	1.1%	1.3	11.7%
Profit for the year attributable to owners of the Company	68.9	5.3%	53.5	4.5%	(15.4)	(22.3)%

(2) Other Indices

(Billions of yen)

		Year ended December 31, 2019, Actual		Year ending December 31, 2020, Forecast		Increase (decrease)	
Depreciation		71.0		70.5		(0.5)	(0.8)%
Operating income		113.9		95.0		(18.9)	(16.6)%
Profit for the year attributable to owners of the Company		68.9		53.5		(15.4)	(22.3)%
EBITDA *1	EBITDA margin	192.3	14.8%	170.0	14.3%	(22.3)	(11.6)%

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

EPS (Yen)	222.94	173.14	(49.80)	(22.3)%
Operating margin	8.8%	8.0%		
ROE	9.4%	7.0%		
Dividend payout ratio *2	35.0%	45.1%		

*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, 2019 Actual	As at December 31, 2020 Forecast	Increase (decrease)	
Total assets	1,567.3	1,600.0	32.7	2.1%
Total equity	837.6	850.0	12.4	1.5%
Capital expenditures	81.5	61.0	(20.5)	(25.2)%
D/E ratio (Times) *3	0.1	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, 2019, Actual	Year ending December 31, 2020, Forecast
USD	109.0	107.0
EUR	122.1	122.0
GBP	139.2	137.0
SGD	80.0	77.0
THB	3.5	3.4
VND	0.0047	0.0046
NZD	71.9	69.0
AUD	75.8	73.0

2. Revenue Details

(Billions of yen)

	Year ended December 31, 2019, Actual	Year ending December 31, 2020, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	704.3	636.0	(68.3)	(9.7)%	–	
Europe	222.5	195.0	(27.5)	(12.3)%	(11.7)%	
Asia	231.7	214.0	(17.7)	(7.6)%	(5.0)%	
Oceania	53.2	52.0	(1.2)	(2.3)%	1.3%	
Americas	87.8	88.0	0.2	0.3%	2.1%	
Reconciliations	–	–	–	–	–	
Consolidation total	1,299.4	1,185.0	(114.4)	(8.8)%	(8.0)%	

3. Profit Details

(1) EBITDA

(Billions of yen)

	Year ended December 31, 2019, Actual	Year ending December 31, 2020, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	94.3	75.5	(18.8)	(19.9)%	–	
Europe	47.7	41.5	(6.2)	(13.0)%	(12.4)%	
Asia	37.7	41.5	3.8	10.0%	12.1%	
Oceania	9.0	9.5	0.5	5.5%	8.1%	
Americas	12.4	11.5	(0.9)	(7.3)%	(5.7)%	
Reconciliations	(8.8)	(9.5)	(0.7)	–	–	*1
Consolidation total	192.3	170.0	(22.3)	(11.6)%	(10.9)%	

*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)

	Year ended December 31, 2019, Actual	Year ending December 31, 2020, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	53.5	35.0	(18.5)	(34.5)%	–	
Europe	33.0	30.0	(3.0)	(9.1)%	(8.4)%	
Asia	25.2	29.0	3.8	15.2%	18.4%	
Oceania	6.1	6.5	0.4	5.9%	8.1%	
Americas	8.2	8.0	(0.2)	(2.9)%	(1.2)%	
Reconciliations	(12.1)	(13.5)	(1.4)	–	–	*2
Consolidation total	113.9	95.0	(18.9)	(16.6)%	(15.7)%	

*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 year ended December 31, 2019, Actual	53.5
Decrease in revenue	(68.3)
Decrease in cost of goods sold	33.8
Decrease in sales promotion and advertising costs	12.6
Decrease in other expenses	3.4
Segment profit for the year ending December 31, 2020, Forecast	35.0

4. Other Information

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

(Million cases)

	Year ended December 31, 2019		Year ending December 31, 2020	
	Actual	Increase (decrease)	Forecast	Increase (decrease)
<i>Suntory Tennensui</i>	113.1	(4)%	113.7	1%
<i>Boss</i>	111.8	4%	103.0	(8)%
<i>Iyemon</i>	51.2	(5)%	55.0	7%
<i>Suntory Oolong Tea</i>	25.0	(6)%	21.0	(16)%
<i>Pepsi</i>	20.2	0%	17.0	(16)%
<i>Green DAKARA</i>	42.3	12%	42.4	0%
FOSHU drinks and Foods with Function Claims	23.4	0%	22.2	(5)%
Total	456.5	(1)%	429.5	(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.