English Translation

SUNTORY
SUNTORY BEVERAGE & FOOD

February 13, 2023

Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 <IFRS> (UNAUDITED)

Company name:	**Suntory Beverage & Food Limited**
Shares listed:	Tokyo Stock Exchange
Securities code:	2587
URL:	https://www.suntory.com/sbf/
Representative:	Kazuhiro Saito, Chief Executive Officer
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Scheduled date of ordinary general meeting of shareholders:	March 24, 2023
Scheduled date to file securities report:	March 27, 2023
Scheduled date to commence dividend payments:	March 27, 2023
Preparation of supplementary material on financial results:	Yes
Holding of financial results presentation meeting (for institutional investors and analysts):	Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Revenue		Operating income		Profit before tax		Profit for the year	
Fiscal year ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
December 31, 2022	1,450,397	14.3	139,688	17.8	139,291	19.0	101,099	21.8
December 31, 2021	1,268,917	7.7	118,568	23.3	117,052	24.3	83,029	29.1

	Profit for the year attributable to owners of the Company		Comprehensive income for the year	
Fiscal year ended	(Millions of yen)	(%)	(Millions of yen)	(%)
December 31, 2022	82,317	19.9	157,246	28.2
December 31, 2021	68,676	31.5	122,638	113.5

	Basic earnings per share	Diluted earnings per share	Ratio of profit for the year to equity attributable to owners of the Company	Ratio of profit before tax to total assets	Ratio of operating income to revenue
Fiscal year ended	(Yen)	(Yen)	(%)	(%)	(%)
December 31, 2022	266.40	–	9.0	8.1	9.6
December 31, 2021	222.25	–	8.4	7.2	9.3

Reference: Gain on investments accounted for using the equity method
For the fiscal year ended December 31, 2022: ¥411 million
For the fiscal year ended December 31, 2021: ¥70 million

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity attributable to owners of the Company per share
As at	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	(Yen)
December 31, 2022	1,783,349	1,060,104	965,220	54.1	3,123.69
December 31, 2021	1,676,926	943,952	860,593	51.3	2,785.09

(3) Consolidated cash flows

	Net cash inflow (outflow) from operating activities	Net cash inflow (outflow) from investing activities	Net cash inflow (outflow) from financing activities	Cash and cash equivalents at the end of the year
Fiscal year ended	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
December 31, 2022	150,509	(42,395)	(92,207)	200,630
December 31, 2021	158,180	(56,867)	(96,109)	176,655

2. Dividends

	Annual cash dividends					Total cash dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the Company (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Fiscal year ended December 31, 2021	–	39.00	–	39.00	78.00	24,101	35.1	2.9
Fiscal year ended December 31, 2022	–	39.00	–	41.00	80.00	24,719	30.0	2.7
Fiscal year ending December 31, 2023 (Forecast)	–	40.00	–	40.00	80.00		32.7	

3. Consolidated earnings forecast for the fiscal year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Percentages indicate year-on-year changes)

	Revenue		Operating income		Profit before tax		Profit for the year		Profit for the year attributable to owners of the Company		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Fiscal year ending December 31, 2023	1,531,500	5.6	134,500	(3.7)	133,500	(4.2)	95,500	(5.5)	75,500	(8.3)	244.34

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

a.	Changes in accounting policies required by IFRS:	None
b.	Changes in accounting policies due to other reasons:	None
c.	Changes in accounting estimates:	None

(3) Number of issued shares (ordinary shares)

a. Total number of issued shares at the end of the period (including treasury shares)	
As at December 31, 2022	309,000,000 shares
As at December 31, 2021	309,000,000 shares
b. Number of treasury shares at the end of the period	
As at December 31, 2022	121 shares
As at December 31, 2021	31 shares
c. Average number of outstanding shares during the period	
Fiscal year ended December 31, 2022	308,999,936 shares
Fiscal year ended December 31, 2021	308,999,994 shares

*** Financial results reports are not required to be audited by certified public accountants or an audit corporation.**

*** Proper use of earnings forecast, and other special matters**

The earnings forecast contained in these materials are based on our judgment attributable to information available to the Company and the Group as of the date of announcement of these materials, and include certain risks and uncertainties. These statements are not intended as a promise by the Company to achieve such results. Actual business results may differ substantially due to various factors such as economic situation surrounding the Company and the Group, market trend, exchange rates and other factors.

Attached Materials

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1. Overview of Operating Results

(1) Overview of operating results for the fiscal year under review

Suntory Beverage & Food Limited Group (the Group), based on the philosophy of always starting from consumers, pursuing to create new taste, well-being and joy, and aiming to be the most locally beloved company by proposing premium and unique products that match the tastes and needs of consumers, worked to put effort into brand reinforcement and new demand creation, and worked to improve the quality of products. In addition, the Group worked to strengthen profitability by accelerating business transformation in each area.

In 2022, the Group steadily tapped into recovering demand in our key national markets and continued initiatives that were started at the beginning of the year to concentrate efforts on core brands in all segments. As a result, the Group continued to expand market share in the major countries.
In addition to sales volume increasing in all segments, the contribution made by price revisions in Japan and overseas and other revenue growth management (RGM) measures resulted in the record-high overall Group revenue. In addition to Japan and the Americas, revenue exceeded ¥100 billion in Vietnam and France, further strengthening the Group's overseas revenue base.
Despite the impact of higher costs due to soaring raw material and energy prices, and exchange rate fluctuations, the Group achieved an increase in overall operating income due to the rise in revenue and thorough cost-cutting activities absorbing this impact in addition to recording gains and losses on transfer from revising the business portfolio and structural reform costs.

For the fiscal year under review, the Group reported consolidated revenue of ¥1,450.4 billion, up 14.3% year on year and up 8.1% on a currency neutral basis. Consolidated operating income was ¥139.7 billion, up 17.8% year on year and up 9.5% on a currency neutral basis. Furthermore, profit for the year attributable to owners of the Company was ¥82.3 billion, up 19.9% year on year and up 13.2% on a currency neutral basis.

Results by segment are described below.

The Company has established SBF International upon having restructured its overseas organization as of January 1, 2022, with the aims of increasing momentum with respect to achieving rapid transformation of its overseas operations and taking an integrated approach to management. This does not entail changes to the reportable segments.

< Japan business >
While recovery in demand has continued since the second quarter, the results in the overall beverage market in 2022 were only slightly higher than in the previous fiscal year (presumably by the Company) due to the impact in the fourth quarter of price revisions implemented from October. The Company continued to carry out initiatives to strengthen its core brands with a focus on the water, coffee, and sugar-free tea categories, and received contributions from sales of new products and marketing activities. This led the Company to significantly increase its sales volume year on year to record-high sales volume for 2022 and further increase market share. By brand, *Suntory Tennensui*, *Iyemon*, and *Green DA ·KA ·RA* achieved record-high sales volume in 2022. For the *BOSS* brand, the overall sales volume of the brand was almost flat year on year. In celebration of the 30th anniversary of the brand, we deployed marketing activities unique to *BOSS*. Regarding food for specified health uses and food with functional claims, continued good performance of the *Tokucha* brand, which was renewed in April, as well as *Suntory Iyemon Koi Aji* (food with functional claims) and *Suntory Oolong Tea OTTP* (food with functional claims), contributed to an increase in sales volume.
Revenue increased as a result of the contribution made by an increase in sales volume absorbing the impact from deterioration in the channel mix and the effect of price revisions from October.
Although the increase in revenue and thorough cost management measures, including cost-cutting activities in the supply chain, resulted in incremental profits, inflation in commodity and the effect of the depreciating yen had a greater-than-expected impact and led to a decrease in segment profit.

The Japan business reported revenue of ¥653.2 billion, up 3.7% year on year, and segment profit of ¥33.4 billion, down 18.4% year on year.

< Asia Pacific business >
In the Asia Pacific region, the Group continued with its approach of concentrating its activities on core brands in the beverage and health food businesses. In particular, robust growth in Vietnam was a significant driver for the business.
The increase in sales volume, along with flexible price revisions implemented in the major markets from the beginning of 2022, contributed to a significant increase in revenue.
In addition to an increase in revenue absorbing the impact from soaring raw material prices, gains and losses on transfer from revising the business portfolio, including the divestiture of a fresh coffee business in Oceania in the second quarter, leading to a substantial increase in segment profit.
By major country, in Vietnam, sales volume of major brands, including the mainstay energy drink *Sting* and tea beverage *TEA+*, increased substantially, resulting in an expanded market share. In Thailand, sales of *Pepsi*, including low-sugar products, were strong and sales volume increased in the carbonated beverage category. Regarding the health supplement business, despite the impact of declining demand due to high inflation, the Group continued to focus on mainstay product *BRAND'S Essence of Chicken,* renewing the brand in October and strengthening marketing activities. In Oceania, by strengthening our marketing activities on the energy drink *V*, a core brand, sales volumes in New Zealand and Australia continued at levels higher than the previous fiscal year.

The Asia Pacific business reported revenue of ¥359.4 billion, up 21.4% year on year and up 8.3% on a currency neutral basis. Segment profit was ¥56.4 billion, up 42.0% year on year and up 28.6% on a currency neutral basis.

< Europe business >
In Europe, due in part to expansion in demand continuing from the beginning of the year and the impact of favorable weather, France, the UK and Spain all recorded growth in sales volume.
Revenue received a contribution from price revisions and saw a significant growth.
Despite the increasing effect of soaring raw material prices and energy prices, an increase in revenue and cost-cutting activities absorbed the impact, leading to a substantial increase in segment profit.
Viewed by major country, as well as benefiting from favorable weather, France experienced a continuation of strong off-premise and on-premise demand. Sales volume of core brands *Oasis*, *Schweppes,* and *Orangina* rose by double-digit rates, resulting in expanded market share. In the UK, core brand *Lucozade* recorded a strong performance. In Spain, the recovery in on-premise demand gathered momentum, leading to significant growth in sales volume for core brand *Schweppes*.

The Europe business reported revenue of ¥292.3 billion, up 24.5% year on year and up 17.0% on a currency neutral basis, and segment profit of ¥43.4 billion, up 21.5% year on year and up 14.1% on a currency neutral basis.

< Americas business >
In the Americas, the enhancing of marketing activities in core carbonated beverage brands and the non-carbonated beverage category resulted in continued strong sales volumes.
Revenue received contributions from price revisions and other RGM measures, and increased significantly.
This increase in revenue absorbed soaring raw material, distribution, and personnel costs, leading to a substantial increase in segment profit.

The Americas business reported revenue of ¥145.5 billion, up 34.1% year on year and up 12.0% on a currency neutral basis, and segment profit of ¥18.2 billion, up 36.6% year on year and up 14.0% on a currency neutral basis.

(2) Overview of financial position for the fiscal year under review

Total assets as at December 31, 2022 stood at ¥1,783.3 billion, an increase of ¥106.4 billion compared to December 31, 2021. The main factor was an increase in trade and other receivables.
Total liabilities stood at ¥723.2 billion, a decrease of ¥9.7 billion compared to December 31, 2021. This was due in part to a decrease in bonds and borrowings.
Total equity stood at ¥1,060.1 billion, an increase of ¥116.2 billion compared to December 31, 2021 due in part to an increase in retained earnings.
As a result of the above, ratio of equity attributable to owners of the Company to total assets was 54.1% and equity attributable to owners of the Company per share was ¥3,123.69.

(3) Overview of cash flows for the fiscal year under review

Cash flow positions in the fiscal year under review are as follows.
Cash and cash equivalents as at December 31, 2022 amounted to ¥200.6 billion, an increase of ¥24.0 billion compared to December 31, 2021.
Net cash inflow from operating activities was ¥150.5 billion, a decrease of ¥7.7 billion compared to the previous fiscal year. This was mainly the result of an increase in trade and other receivables of ¥23.6 billion, an increase in inventories of ¥19.2 billion, and gain on sales of shares of subsidiaries of ¥16.0 billion, despite profit before tax of ¥139.3 billion, and depreciation and amortization of ¥70.8 billion.
Net cash outflow from investing activities was ¥42.4 billion, a decrease of ¥14.5 billion compared to the previous fiscal year. This was mainly the result of proceeds from sale of subsidiaries of ¥18.4 billion, despite the payments for property, plant and equipment and intangible assets of ¥60.2 billion.
Net cash outflow from financing activities was ¥92.2 billion, a decrease of ¥3.9 billion compared to the previous fiscal year. This was mainly the result of repayments of long-term borrowings of ¥43.8 billion and dividends paid of ¥41.1 billion.

(4) Future outlook

Based on the medium-term strategy, the Group will work on further improvement of profitability and business foundation.
Please see 3. Management Policies for further details on the medium-term strategy and initiatives for 2023. In the 2023 fiscal year, the Group expects consolidated revenue of ¥1,531.5 billion, up 5.6% year on year, consolidated operating income of ¥134.5 billion, down 3.7% year on year.
The main foreign exchange rates underlying the outlook for the next fiscal year are ¥141.0 against the euro and ¥130.0 against the U.S. dollar.

(5) Basic policy on profit distribution and dividends for the 2022 and 2023 fiscal years

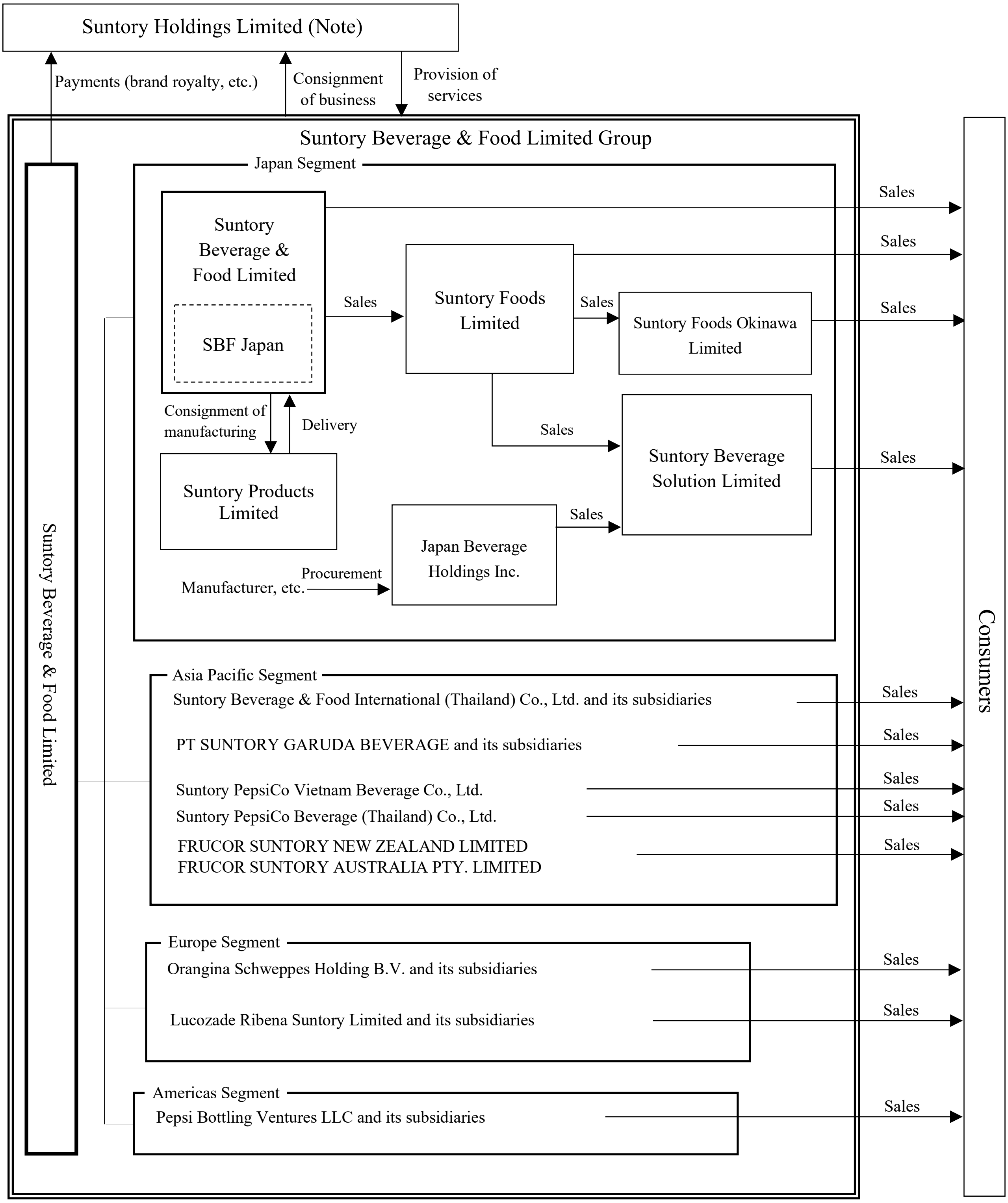
The Company believes its prioritization of strategic investments as well as capital expenditures for sustainable revenue growth and increasing the value of its business will benefit its shareholders. In addition, the Company views an appropriate shareholder return as one of its core management principles. While giving due consideration to providing a stable return and maintaining robust internal reserves for the future, the Company intends to pursue a shareholder return policy that takes its business results and future funding needs into account comprehensively. Specifically, the Company aims to stably increase dividends on the basis of profit growth with a targeted consolidated payout ratio of 30% or more of profit for the year attributable to owners of the Company. Looking to the medium- and long-term, the Company will also consider increasing the payout ratio depending on such factors as its need for funds and progress in profit growth.

For the fiscal year under review, in accordance with the basic policy described above and a consideration of business results and environment, the Company plans to pay a fiscal year-end dividend of ¥41 per share. As a result, the planned annual dividend for the fiscal year under review is ¥80 per share, together with an interim dividend of ¥39 already paid. For the fiscal year ending December 31, 2023, the Company plans to pay an annual dividend of ¥80 per share, comprised of an interim dividend of ¥40 and a fiscal year-end dividend of ¥40.

2. State of the Group

The Suntory Beverage & Food Limited Group is comprised of the Company, 74 subsidiaries and 7 affiliates.
The major companies are mentioned below.

The following shows a business schematic diagram of the Group.



Note: Suntory Holdings Limited is the parent company.

3. Management Policies

(1) Corporate vision and promise

We promise and declare to society that we make our living with water, which we call *Mizu to Ikiru*.
We embrace nature, enrich our society and encourage our people to take on new challenges.
In addition, we have set our vision as follows.

Always start from consumers
Pursue to create new taste, well-being and joy
Aim to be the most locally beloved company

(2) Medium-term strategy

Establish a unique position moving one step ahead of consumer trends, in the global beverages industry
Our aspiration is ¥2.5 trillion sales by 2030 to be achieved organically by “outperforming the market” as well as through “incremental growth from new investments.”
Aim for profit growth which outpaces revenue growth.
In order to achieve these, the Group will proactively develop business in line with the following key strategic pillars.

< Growth strategy >

First mover - Organic growth

- Double down on core brands through innovation
- Innovate future categories

Game Changer – Inorganic growth

- Go beyond RTD (Ready to Drink)
  Expand into new markets
- Accelerate M&A investment

Enablers

- Accelerate Centers of Excellence and DX
- Establish Asia-Pacific region to unlock growth

< Structural transformation >

- Vending machine business transformation in Japan
- On-premise business transformation in Europe

In addition to the above, the Group will contribute to the local communities through the promotion of sustainability initiatives.

(3) Medium-term plan (2021-2023)

The targets through 2023 based on the medium-term strategy are as follows:

Organic growth

(Base year: 2020, on a currency neutral basis)

Revenue	Mid single-digit Compound Annual Growth Rate (CAGR) growth
Operating income	Above 10% Compound Annual Growth Rate (CAGR) growth
Operating margin	10% or above by 2023

Target to surpass 2019 Revenue and Operating Income level in 2022

Growth investment

Focus on growth investment (including M&A)

- Maximum net D/E ratio of 1x (approx. ¥700 billion)
- Allocate ¥200-300 billion for investment

(4) Issues to address

In 2023, based on the assumption that the external environment will continue to dramatically fluctuate we will relentlessly advance our business structure, and we will further take the initiative on

a global scale based on our highly diverse new management system. We will also accelerate the core brand innovation and aim for further sales growth. Based on the assumption that the cost environment will continue to be difficult, we will rigorously carry out activities for revenue growth and for supply chain cost reduction, aiming to improve profit structure and increase profit.
Furthermore, aiming for sustainable growth, we will actively channel investment, such as by continuing to explore opportunities for investment including M&As, etc., enhancing production facilities, and through initiatives and enhancing investment for sustainability, etc.
Underpinned by our mission "To Create Harmony with People and Nature," our sustainability initiatives will involve redoubling our efforts related to water and greenhouse gases with our sights set on achieving our "Environmental Targets toward 2030," and also more robustly engaging in the initiatives listed in the Suntory Group Plastic Policy.

< Japan business >
Designating our business strategies of "accelerating growth in core brands," "vending machine business transformation," and "supply chain structural reform" as the key priorities, we aim to grow revenue and profit. With respect to marketing activities, the Group will continue to further strengthen initiatives involving *Suntory Tennensui*, *BOSS*, *Iyemon, Green DA･KA･RA* and *Tokucha.* With the *Suntory Tennensui* brand, the Group will continue to appeal to consumers using its unique "clear & tasty" brand value, and will also enhance initiatives involving flavored water. For *BOSS*, we will further enhance our initiatives through *Craft BOSS*, with the "Coffee Series" and the "Tea Series" as the two main pillars. We will also enhance marketing initiatives for revitalizing heavy users of canned coffee. For *Iyemon*, we will enhance our initiatives for *Iyemon*, *Iyemon Koi Aji*, and *Iyemon Kyoto Blend*, aiming for further brand growth. The Group will strive to get customers more accustomed to drinking *Tokucha* by further enhancing our marketing activities and conveying the appeal of *Tokucha* in terms of its unique functions.

< Asia Pacific business >
In the Asia Pacific region, the Group aims to achieve further revenue growth through RGM, including core brand innovation and price revisions. The Group will absorb cost increases caused by soaring raw material and energy prices through revenue growth and enhancing production facilities, etc., and by carrying out thorough cost-cutting activities.
In Vietnam, based on further expansion of demand, the Group will continue to strengthen its sales activities while striving to accelerate further growth of core brands such as the energy drink *Sting* and tea beverage *TEA+*. In Thailand, the Group will strengthen the Pepsi brand and work to achieve further improvements in productivity, and continue reinforcing low-sugar products in order to capture demand driven by the rising health consciousness of consumers. Regarding the health supplement business, the Group will bolster marketing activities for mainstay product *BRAND'S Essence of Chicken*. In Oceania, the Group will continue to focus on the energy drink *V*, a core brand.

< Europe business >
In Europe, the Group will aim for revenue growth by thoroughly carrying out RGM, including continued core brand innovation and price revisions. The Group will further absorb cost increases through revenue growth, cost-cutting activities, and by continuing structural transformation.
In France, the Group will strengthen marketing for *Oasis* and *Schweppes*. In the UK, the Group seeks to increase market share in the energy drink category market by concentrating investment on the *Lucozade Energy* brand. In Spain, the Group will further promote structural reform of its on-premise business while redoubling efforts involving *Schweppes* in the off-premise and on-premise markets.

< Americas business >
The Group will accelerate growth of revenue and profit by enhancing the core carbonated beverage category, further expanding the growing non-carbonated beverage category, and further strengthening pricing policies and the supply chain.

4. Basic Concept Regarding Selection of Accounting Standard

Considering the ongoing globalization of the business activities of the Group, the Group has applied the International Financial Reporting Standards (IFRS) from the fiscal year ended December 31, 2017, to improve the quality of the Group's business management through unified accounting standards and to increase international comparability of its financial information in the capital markets.

5. Consolidated Financial Statements and Significant Notes Thereto (Unaudited)

(1) Consolidated statement of financial position

	Millions of yen	
	As at December 31, 2021	As at December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	176,655	200,630
Trade and other receivables	240,584	270,969
Other financial assets	1,252	3,118
Inventories	87,807	106,086
Other current assets	23,953	25,564
Total current assets	530,253	606,370
Non-current assets:		
Property, plant and equipment	372,337	381,511
Right-of-use assets	52,260	48,841
Goodwill	255,599	264,573
Intangible assets	430,086	452,444
Investments accounted for using the equity method	1,005	1,305
Other financial assets	13,847	14,777
Deferred tax assets	14,173	6,398
Other non-current assets	7,362	7,125
Total non-current assets	1,146,673	1,176,978
Total assets	1,676,926	1,783,349

	Millions of yen	
	As at December 31, 2021	As at December 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities:		
Bonds and borrowings	55,789	57,996
Trade and other payables	354,595	384,366
Other financial liabilities	30,877	34,026
Accrued income taxes	14,757	18,098
Provisions	2,016	1,417
Other current liabilities	5,529	8,254
Total current liabilities	463,565	504,160
Non-current liabilities:		
Bonds and borrowings	109,558	64,752
Other financial liabilities	54,241	44,987
Post-employment benefit liabilities	14,697	13,732
Provisions	4,312	5,722
Deferred tax liabilities	81,403	84,922
Other non-current liabilities	5,196	4,965
Total non-current liabilities	269,409	219,083
Total liabilities	732,974	723,244
Equity		
Share capital	168,384	168,384
Share premium	182,423	182,229
Retained earnings	536,996	594,773
Treasury shares	(0)	(0)
Other components of equity	(27,210)	19,834
Total equity attributable to owners of the Company	860,593	965,220
Non-controlling interests	83,358	94,883
Total equity	943,952	1,060,104
Total liabilities and equity	1,676,926	1,783,349

(2) Consolidated statement of profit or loss

	Millions of yen	
	Year ended December 31, 2021	Year ended December 31, 2022
Revenue	1,268,917	1,450,397
Cost of sales	(745,735)	(897,879)
Gross profit	523,181	552,518
Selling, general and administrative expenses	(397,707)	(420,240)
Gain on investments accounted for using the equity method	70	411
Other income	2,887	19,375
Other expenses	(9,863)	(12,375)
Operating income	118,568	139,688
Finance income	508	1,629
Finance costs	(2,024)	(2,026)
Profit before tax	117,052	139,291
Income tax expense	(34,023)	(38,192)
Profit for the year	83,029	101,099
Attributable to:		
Owners of the Company	68,676	82,317
Non-controlling interests	14,353	18,781
Profit for the year	83,029	101,099
Earnings per share (Yen)	222.25	266.40

(3) Consolidated statement of comprehensive income

	Millions of yen	
	Year ended December 31, 2021	Year ended December 31, 2022
Profit for the year	83,029	101,099
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Changes in the fair value of financial assets	(711)	340
Remeasurement of defined benefit plans	1,181	1,782
Total	470	2,123
Items that may be reclassified to profit or loss:		
Translation adjustments of foreign operations	37,608	54,253
Changes in the fair value of cash flow hedges	1,447	(394)
Changes in comprehensive income of investments accounted for using the equity method	83	165
Total	39,139	54,024
Other comprehensive income for the year, net of tax	39,609	56,147
Comprehensive income for the year	122,638	157,246
Attributable to:		
Owners of the Company	102,932	128,729
Non-controlling interests	19,706	28,517
Comprehensive income for the year	122,638	157,246

(4) Consolidated statement of changes in equity

	Millions of yen							
	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Treasury shares	Other compo-nents of equity	Total		
Balance at January 1, 2021	168,384	182,414	492,451	(0)	(61,495)	781,755	77,801	859,556
Profit for the year			68,676			68,676	14,353	83,029
Other comprehensive income					34,256	34,256	5,353	39,609
Total comprehensive income for the year	–	–	68,676	–	34,256	102,932	19,706	122,638
Purchase of treasury shares				(0)		(0)		(0)
Dividends			(24,101)			(24,101)	(14,165)	(38,267)
Transactions with non-controlling interests		8				8	16	24
Reclassification to retained earnings			(28)		28	–		–
Total transactions with owners of the Company	–	8	(24,130)	(0)	28	(24,093)	(14,149)	(38,243)
Balance at December 31, 2021	168,384	182,423	536,996	(0)	(27,210)	860,593	83,358	943,952
Profit for the year			82,317			82,317	18,781	101,099
Other comprehensive income					46,412	46,412	9,735	56,147
Total comprehensive income for the year	–	–	82,317	–	46,412	128,729	28,517	157,246
Purchase of treasury shares				(0)		(0)		(0)
Dividends			(24,101)			(24,101)	(16,994)	(41,096)
Transactions with non-controlling interests		(193)	193			–	1	1
Reclassification to retained earnings			(632)		632	–		–
Total transactions with owners of the Company	–	(193)	(24,541)	(0)	632	(24,102)	(16,992)	(41,094)
Balance at December 31, 2022	168,384	182,229	594,773	(0)	19,834	965,220	94,883	1,060,104

(5) Consolidated statement of cash flows

	Millions of yen	
	Year ended December 31, 2021	Year ended December 31, 2022
Cash flows from operating activities		
Profit before tax	117,052	139,291
Depreciation and amortization	69,376	70,791
Impairment losses (reversal of impairment losses)	1,647	2,675
Interest and dividends income	(450)	(1,475)
Interest expense	1,926	1,949
Loss (gain) on investments accounted for using the equity method	(70)	(411)
Loss (gain) on sales of shares of subsidiaries	–	(16,020)
Decrease (increase) in inventories	(5,503)	(19,213)
Decrease (increase) in trade and other receivables	(36,634)	(23,615)
Increase (decrease) in trade and other payables	32,109	23,472
Other	10,099	3,676
Subtotal	189,553	181,122
Interest and dividends received	439	1,355
Interest paid	(2,925)	(2,026)
Income tax paid	(28,887)	(29,941)
Net cash inflow (outflow) from operating activities	158,180	150,509
Cash flows from investing activities		
Payments for property, plant and equipment and intangible assets	(56,122)	(60,228)
Proceeds on sale of property, plant and equipment and intangible assets	1,191	477
Payments for transfer of business	(2,223)	–
Proceeds from sale of subsidiaries	–	18,400
Other	286	(1,044)
Net cash inflow (outflow) from investing activities	(56,867)	(42,395)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(29,622)	(323)
Proceeds from long-term borrowings	11,189	6,618
Repayments of long-term borrowings	(27,820)	(43,832)
Proceeds from issuance of bonds	19,927	–
Redemption of bonds	(15,000)	–
Payments of lease liabilities	(16,484)	(13,524)
Dividends paid to owners of the Company	(24,101)	(24,101)
Dividends paid to non-controlling interests	(14,197)	(17,042)
Other	(0)	(0)
Net cash inflow (outflow) from financing activities	(96,109)	(92,207)
Net increase (decrease) in cash and cash equivalents	5,203	15,907
Cash and cash equivalents at the beginning of the year	167,480	176,655
Effects of exchange rate changes on cash and cash equivalents	3,971	8,067
Cash and cash equivalents at the end of the year	176,655	200,630

(6) Notes to consolidated financial statements

(Going concern)

The consolidated financial statements are prepared on going concern basis.

(Significant accounting estimates)

Valuation of goodwill and intangible assets with indefinite useful lives

(1) Amounts recorded in the consolidated financial statements at the end of the fiscal year under review

Goodwill	¥264,573 million
Intangible assets with indefinite useful lives	¥393,961 million

(2) Information on details of significant accounting estimates relating to the identified items

The Company estimates recoverable amounts for impairment testing on goodwill and intangible assets with indefinite useful lives.

The recoverable amount is calculated as the discounted present value of estimated future cash flows primarily based on the long-term growth rates in the business plan and after the applicable period of the business plan.

The business plan used for impairment testing is formulated based on not only the growth rate of the beverages market having an impact on future revenue and operating income, and the effect of soaring raw material and energy prices, but also estimates of the effects of the sales strategies for each brand, and the sales and promotion strategies for each sales channel, such as off-premises and on-premises channels. Moreover, the growth rate is determined by taking into consideration the long-term average growth rate in the markets or countries to which these cash-generating units and groups of cash-generating units belong. If they differ from the actual results, it may impact the business performance and other indicators.

(Segment information)

The reportable segments are components of the Group for which separate financial information is available and regularly reviewed by management to make decisions about the allocation of resources and to assess segment performance.

The Group manufactures and distributes soft drinks and foods, including mineral water, coffee drinks, tea drinks, carbonated drinks, sports drinks and food for specified health uses (FOSHU). The Company, together with its manufacturing and sales subsidiaries, operates in the domestic market, and its regional subsidiaries operate in overseas markets. Therefore, the Group comprises of four reportable segments: “Japan business,” “Asia Pacific business,” “Europe business” and “Americas business.” The intersegment transactions are considered on an arm’s length basis.

The Group operates a single business, the manufacturing and distribution of soft drinks and foods; therefore, financial information by product and service is not prepared.

Profit or loss for each reportable segment of the Group is as follows.

Year ended December 31, 2021

	Reportable segment						
Millions of yen	Japan	Asia Pacific	Europe	Americas	Segment total	Reconciliations	Consolidated
Revenue:							
External customers	629,640	295,948	234,862	108,466	1,268,917	–	1,268,917
Intersegment	55	992	1,318	–	2,366	(2,366)	–
Total revenue	629,695	296,940	236,180	108,466	1,271,283	(2,366)	1,268,917
Segment profit	40,945	39,744	35,726	13,330	129,747	(11,178)	118,568
(Depreciation and amortization)	34,139	15,296	12,582	4,196	66,215	3,161	69,376

Year ended December 31, 2022

	Reportable segment						
Millions of yen	Japan	Asia Pacific	Europe	Americas	Segment total	Reconciliations	Consolidated
Revenue:							
External customers	653,199	359,423	292,297	145,477	1,450,397	–	1,450,397
Intersegment	57	1,076	1,303	–	2,438	(2,438)	–
Total revenue	653,256	360,500	293,601	145,477	1,452,835	(2,438)	1,450,397
Segment profit	33,430	56,445	43,418	18,212	151,506	(11,817)	139,688
(Depreciation and amortization)	33,445	16,580	12,383	5,274	67,684	3,107	70,791

"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. Segment profit agrees with operating income presented in the consolidated statement of profit or loss.

Geographical areas are comprised of the following countries.

Japan business:	Japan
Asia Pacific business:	Vietnam, Thailand, Indonesia, New Zealand, Australia, and others
Europe business:	France, UK, Spain, and others
Americas business:	United States of America

Revenue from external customers is as follows:

Millions of yen	Japan	Asia Pacific	Europe	Americas	Total
Year ended December 31, 2021	629,640	288,998	241,812	108,466	1,268,917
Year ended December 31, 2022	653,199	353,152	298,568	145,477	1,450,397

Revenue is allocated to countries or areas based on the customers' location for the analysis above.

Non-current assets by reportable segment is as follows:

Millions of yen	Japan	Asia Pacific	Europe	Americas	Total
As at December 31, 2021	367,309	165,098	505,604	72,270	1,110,283
As at December 31, 2022	357,629	175,931	528,982	84,827	1,147,371

Non-current assets (property, plant and equipment, right-of-use assets, intangible assets and goodwill) is allocated to each reportable segment based on their locations for the above analysis.

There is no customer to which sales exceeds 10% of the Group's total revenue.

(Per share information)

The basis for calculating earnings per share is as follows. There is no diluted share issued.

	Millions of yen	
	Year ended December 31, 2021	Year ended December 31, 2022
Profit for the year attributable to owners of the Company	68,676	82,317
Profit for the year not attributable to ordinary shareholders of the Company	–	–
Profit for the year used in the calculation of earnings per share	68,676	82,317
Weighted-average number of ordinary shares (Shares)	308,999,994	308,999,936
Earnings per share (Yen)	222.25	266.40

(Subsequent events)

No items to report.