

**SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 (English Translation, UNAUDITED)**

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(Fractions of millions have been truncated)

**1. Consolidated operating results and financial positions for the nine months of the current fiscal year
(January 1, 2015 - September 30, 2015)**

(1) Operating results (% figures represent change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	¥million	%	¥ million	%	¥million	%	¥million	
Nine months ended								
September 30, 2015	1,970,355	10.5	130,610	11.7	109,209	(0.7)	32,083	9.0
September 30, 2014	1,782,444	18.5	116,880	30.7	110,002	29.6	29,428	(84.0)

Referential Information : Income before amortization of goodwill etc.

	Operating income		Ordinary income		Net income	
	¥ million	%	¥million	%	¥million	
Nine months ended						
September 30, 2015	181,954	20.2	160,553	11.1	75,213	34.0
September 30, 2014	151,350	41.0	144,472	40.5	56,129	(71.8)

Note: Income before amortization of goodwill etc. = Income + Amortization of Goodwill, Trademarks and other recognized in connection with M&A

	Basic net income per share	Diluted net income per share
Nine months ended	¥	¥
September 30, 2015	46.95	-
September 30, 2014	43.13	-

(2) Financial positions

	Total assets	Net assets	Ratio of equity to total assets
As of	¥ million	¥ million	%
September 30, 2015	4,631,300	1,162,855	18.5
December 31, 2014	4,536,537	1,190,756	19.4

**2. Consolidated result forecast for the fiscal year ending December 2015
(January 1, 2015 - December 31, 2015)**

	Net sales		Operating income		Ordinary income		Net income		Basic net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Fiscal year ending									
December 31, 2015	2,650,000	7.9	193,000	17.1	162,000	5.3	50,000	30.3	73.17

Note: 1. Revision of the forecast from recently announced figures: No

2. % figures represent change from previous fiscal year.

Reference:

Income before amortization of goodwill etc.	261,000	20.9	230,000	12.2	108,000	36.5
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EBITDA Ratio for the fiscal year ending December 31, 2015 (forecast) 4.6

※EBITDA Ratio=Net interest-bearing debt after adjusted for Hybrid bonds and loans / EBITDA

(Net)Debt / Equity Ratio for the fiscal year ending December 31, 2015 (forecast) 1.10

※(Net)Debt / Equity Ratio=Net interest-bearing debt after adjusted for Hybrid bonds and loans / Net Assets

Operating Results

1. Economic Overview during the Fiscal Year 2015 Third Quarter Consolidated Cumulative Period

Although the global economy during the third quarter of the current fiscal year (January 1, 2015 to September 30, 2015) continued to be characterized by uncertainty, as a whole, a mild recovery was observed. The Japanese economy's mild trend towards recovery continued, with signs of brisk activity in personal consumption.

Under these circumstances, the Suntory Group actively expanded its business both domestically and abroad in the three segments of Beverage and Food, Alcoholic Beverages, and Other Businesses. The results for the third quarter of the current fiscal year were as follows: net sales of 1.9704 trillion yen (up 10.5% year-on-year), operating income of 130.6 billion yen (up 11.7% year-on-year), ordinary income of 109.2 billion yen (down 0.7% year-on-year) and net income of 32.1 billion yen (up 9.0% year-on-year).

It should be noted that when using income before amortization of goodwill etc.—a valid indicator when comparing with global companies—operating income was 182.0 billion yen (up 20.2% year-on-year), ordinary income was 160.6 billion yen (up 11.1% year-on-year) and net income was 75.2 billion yen (up 34.0% year-on-year).

<Beverage and Food Segment>

[Suntory Beverage & Food Limited](#) took efforts to strengthen brands and spur new demand, and worked to create further growth in both its domestic and overseas businesses. In addition, the entire Suntory Beverage & Food Group strove to improve quality and to strengthen earning power through cost innovations.

In our domestic business, in addition to strengthening our core brands, we also took efforts to spur new demand by putting out products with fresh value and by strengthening products with high added value.

We promoted [Suntory Tennensui](#)'s qualities of being "clear and tasty" and "natural and healthy" as the brand's unique value. In addition to favorable performance by *Suntory Minami-Alps Tennensui Sparkling* and *Suntory Minami-Alps Tennensui & Asa-zumi Orange*, *Suntory Minami-Alps Tennensui & Yogurina*, launched in April, made a contribution to significant sales volume growth.

Regarding the [Boss](#) series, in addition to renewing the key products, *Premium Boss Black* and *Premium Boss Bito* performed favorably and sales volume grew significantly.

The launch of *Lemongina*, jointly developed with the Orangina Schweppes Group, contributed to large growth in sales volume for [Orangina](#).

As for food for specified health uses (FOSHU), in addition to continued favorable performance by [Iyemon Tokucha](#), the launch of such products as the redesigned [Suntory Kuro Oolong Tea](#) and *BOSS*

Black (FOSHU) made a contribution to much higher year-on-year sales volume.

Furthermore, on July 31, Japan Beverage Group and JT A-Star Group newly joined Suntory Beverage & Food Group. With the start of the “full-line beverage service business” that satisfies a wide range of consumer needs, the Group is aiming to achieve further growth.

As regards international business, developments included the further strengthening of key brands and cost reductions implemented in all areas.

In Europe we conducted aggressive marketing focusing on leading brands such as [Orangina](#), [Schweppes](#), [Lucozade](#) and [Ribena](#). In France we revamped our brand communication efforts, such as with new advertising for *Orangina*. In the U.K. we rolled out a *Lucozade Sports* campaign in conjunction with the Rugby World Cup. Moreover, in addition to cost innovations, we kept up efforts toward growth throughout Europe by optimizing business platforms and creating synergies.

In Asia we strengthened business platforms in each country and conducted marketing focused on leading brands. As for the health food business, we rolled out a promotion commemorating the 180th anniversary of the launch of [BRAND'S Essence of Chicken](#). With regards to the non-alcoholic beverages business, in Vietnam we took efforts to expand the areas where Suntory brands are sold and beefed up our production infrastructure, and sales continued to grow by a significant margin. Sales also performed favorably in places like Malaysia, where we have built a new sales infrastructure.

In Oceania, in addition to energizing [V](#), a leading Frucor Group brand, we also aggressively marketed Suntory brand product [OVI](#) in an effort to expand sales.

In the U.S., in addition to further strengthened sales of North Carolina-based PepsiCo brands, improvements to operational efficiency were implemented in areas such as efforts to integrate distribution centers.

As a result of the above, net sales for the Beverage and Food Segment were 1.0139 trillion yen (up 8.4% year-on-year) and operating income was 84.1 billion yen (up 7.2% year-on-year).

<Alcoholic Beverages Segment>

Reported sales for [Beam Suntory Inc.](#) increased 36% year to date, benefitting from strong performance in North America and Japan, and the acquisition of Beam Inc.

The performance of the company's brands reflects sustained success in driving the fastest growth at the premium end of the portfolio. In whisky, [Maker's Mark](#), [Knob Creek](#), [Basil Hayden's](#), [Hibiki](#) and [Laphroaig](#) are among the brands that have driven especially strong volume growth. Consumer trends are very favorable for [Jim Beam](#), the world's #1 Bourbon, and new *Jim Beam Apple* is off to an encouraging start in key global markets.

In North America, sales increased on the success of premiumization strategies, driven by strong volume growth for the company's premium whisky brands plus favorable price/mix. *Maker's Mark* bourbon delivered strong volume growth, and *Knob Creek*, *Basil Hayden's* and *Laphroaig* were among the premium brands that grew volumes at a double-digit rate through the third quarter of the year.

In Beam Suntory's International region, growth for *Jim Beam* helped the company gain share in key

global markets year to date. The introduction of *Hibiki JAPANESE HARMONY* into additional markets expanded consumer interest in Japanese whisky around the world, and [Kakubin](#) continued to expand in Asia.

Beam Suntory's Japan business (Suntory Spirits Limited) saw 8% year-on-year growth in sales, driven by strong growth in whisky and RTD products. As for whisky, volume increased 13% year-on-year due to the strong growth of the company's major brands. Marketing of *Kakubin* to promote both on-premise and off-premise food combinations was well received among consumers, and volume in Japan grew 14% year-on-year. Japanese malts and Bourbon grew volumes at double-digit rates. New products such as *Hibiki Japanese Harmony* launched in March and *Chita* single-grain whisky launched in September inspired consumers and added to results. Volume of *Jim Beam* in Japan jumped by 59% year-on-year as the company continued to build the Bourbon category in the on-premise and off-premise channels, supported by the successful promotion of the Citrus Highball as a refreshing way to drink *Jim Beam*. RTD beverages delivered 14% year-on-year volume growth, led by a 19% volume increase for [-196°C Strong Zero](#). *Kokushibori*, launched in February, continued to inspire strong consumer demand with its rich fruitiness and flavor. With the expanding popularity of the highball in the off-premise channels, volume of canned highballs ([Kaku Highball](#) and *Torlys Highball*) continued to grow, up 19% year-on-year.

While the overall market*¹ is forecast to be down about 1% year-on-year, [Suntory Beer Limited](#) sold 53.31 million cases*² (up 0.2% year-on-year).

We rolled out aggressive marketing for [The Premium Malt's](#) to expand contact points with consumers. *The Malt's* has had a favorable start since its September launch, exemplified by the sale of approximately 70% of sales initially planned for the year in only a month or so. The [Kinmuji](#) brand grew 1% year-on-year, about 5 points better than the market for new genre beers. For [All Free](#), the top selling brand of alcohol-free beer-type beverages,*³ we worked to add more drinkers, such as by launching *All-Free Collagen* and developing flavors.

*1. Includes alcohol-free beer-type beverages

*2. Converted to large bottles (1 case = 633 ml x 20 bottles)

*3. Source: Intage SRI, January – December 2014 (total for supermarkets, convenience stores, liquor-selling department stores and retail/wholesale liquor shops nationwide)

[Suntory Wine International Limited](#) grew sales in its wine business by 5% year-on-year. Among domestically-produced wines, antioxidant agent-free brand *Sankaboshizai Mutenka no Oishii Wine* experienced major growth of 21% year-on-year. In addition, "Japanese wine" made with 100% domestically produced grapes performed strongly, while *Japan Premium Iwadarehara Merlot 2010* won two simultaneous awards at an international wine contest: the Japan Special Prize and a Gold Medal. As for imported wines, a new Chilean wine product *Santa by Santa Carolina* and mid- to high-priced products performed favorably.

As a result of the above, net sales for the Alcoholic Beverages Segment were 736.7 billion yen (up 21.0% year-on-year) and operating income was 47.6 billion yen (up 27.3% year-on-year).

<Other Businesses Segment>

[Suntory Wellness Ltd.](#), [Dynac Corporation](#), [Häagen-Dazs Japan, Inc.](#) and other subsidiaries have developed their businesses. Furthermore, due to such factors as the transfer at the end of last year of all Suntory's shares in Tipness Ltd., net sales for the Other Businesses Segment were 219.9 billion yen (down 7.9% year-on-year) and operating income was 24.2 billion yen (up 0.3% year-on-year).

Sales in Japan were 1.2041 trillion yen (up 3.8% year-on-year) and international sales were 766.3 billion yen (up 23.1% year-on-year). Furthermore, the overseas share of sales was 39% and the overseas share of operating income before amortization of goodwill etc. was 53%.

Since our very inception, Suntory has actively developed its business while also working on activities that contribute to culture, society and the environment based on Suntory's founding spirit of "Sharing the profit with Society."

We continue to provide Great East Japan Earthquake recovery assistance through our programs "Activities to Support Recovery of the Fishing Industry," "Youth Support Initiatives," "Support for Challenged Sports (for Persons with Disabilities)" and "Support through Culture, the Arts, and Sports," which thus far have totaled 10.8 billion yen since the earthquake.

As for our environmental activities, we continue to actively work on the Suntory Natural Water Sanctuaries, by which we have cultivated water resources covering approximately 8,000 hectares. By 2020 we aim to cultivate 12,000 hectares, which will produce double the amount of groundwater used at our plants in Japan. The number of participants in the Suntory "Mizuiku" Natural Water Education Program, which conveys water's importance to children, has topped 100,000 for the first time since its start. In addition, we have started up the program in Vietnam, the first foray outside Japan for Mizuiku. We have also developed more lightweight containers and packages, and encouraged water and energy conservation in our production processes.

2. Full-Year Forecast

For the period ending in December 2015, we are anticipating net sales of 2.65 trillion yen (up 7.9% year-on-year), operating income of 193 billion yen (up 17.1% year-on-year), and net income of 50 billion yen (up 30.3% year-on-year). Ordinary income was revised from the predicted results announced in February 2015 to 162 billion yen (up 5.3% year-on-year) due to revisions to predicted results for Suntory Beverage & Food Limited.

It should be noted that in terms of income before amortization of goodwill etc., operating income will be 261 billion yen (up 20.9% year-on-year), ordinary income will be 230 billion yen (up 12.2% year-on-year), and net income will be 108 billion yen (up 36.5% year-on-year).

Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2014	As of September 30, 2015	Change
Current assets	1,166,254	1,203,652	37,398
Cash and deposits	199,331	245,657	46,325
Notes and accounts receivable	376,398	364,386	(12,012)
Inventories	452,874	456,206	3,332
Other	139,932	139,410	(522)
Allowance for doubtful accounts	(2,282)	(2,007)	275
Non-current assets	3,368,824	3,426,664	57,839
Property, plant and equipment	676,606	680,989	4,383
Buildings and structures, net	185,309	193,172	7,863
Machinery, equipment and vehicles, net	253,480	246,453	(7,026)
Tools, furniture and fixtures, net	69,266	64,811	(4,454)
Land	107,362	107,017	(345)
Other	61,187	69,533	8,346
Intangible assets	2,506,267	2,537,397	31,130
Goodwill	1,118,703	1,155,270	36,566
Trademarks	1,323,906	1,291,392	(32,514)
Other	63,656	90,734	27,078
Investments and other assets	185,951	208,277	22,326
Investment securities	122,396	127,312	4,915
Other	65,442	82,297	16,854
Allowance for doubtful accounts	(1,888)	(1,331)	556
Deferred assets	1,458	983	(474)
TOTAL ASSETS	4,536,537	4,631,300	94,762

(Millions of yen)

	As of December 31, 2014	As of September 30, 2015	Change
LIABILITIES			
Current liabilities	779,677	945,949	166,271
Notes and accounts payable-trade	144,436	150,083	5,647
Electronically recorded obligations	104,848	131,197	26,349
Short-term loans payable	87,873	189,917	102,043
Current portion of bond	10,900	48,546	37,646
Accrued alcohol tax	51,561	36,208	(15,352)
Accrued consumption taxes	22,236	18,277	(3,958)
Income taxes payable	22,297	24,983	2,686
Accounts payable-other	142,376	155,189	12,812
Accrued expenses	93,388	74,552	(18,836)
Provision for bonuses	20,737	29,803	9,065
Other	79,021	87,188	8,166
Non-current liabilities	2,566,103	2,522,495	(43,607)
Bonds payable	476,151	425,672	(50,479)
Long-term loans payable	1,470,386	1,447,993	(22,393)
Provision for directors' retirement benefits	684	1,019	334
Net defined benefit liability	36,372	33,463	(2,908)
Other	582,509	614,347	31,838
TOTAL LIABILITIES	3,345,781	3,468,445	122,663
NET ASSETS			
Shareholders' equity	739,505	777,127	37,621
Capital stock	70,000	70,000	-
Capital surplus	(20,739)	(20,837)	(98)
Retained earnings	692,849	730,250	37,400
Treasury stock	(2,604)	(2,285)	319
Accumulated Other Comprehensive Income	142,516	77,567	(64,949)
Valuation difference on available-for-sale securities	20,322	26,854	6,532
Deferred gains or losses on hedges	1,239	(1,442)	(2,682)
Foreign currency translation adjustment	132,379	63,211	(69,167)
Remeasurements of defined benefit plans	(11,425)	(11,057)	367
Minority interests	308,733	308,160	(572)
TOTAL NET ASSETS	1,190,756	1,162,855	(27,900)
TOTAL LIABILITIES AND NET ASSETS	4,536,537	4,631,300	94,762

Consolidated Statements of Income

(Millions of yen)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015	Change
Net sales	1,782,444	1,970,355	187,910
Cost of sales	894,042	974,173	80,130
Gross profit	888,402	996,182	107,780
Selling, general and administrative expenses	771,521	865,572	94,050
Operating income	116,880	130,610	13,730
Non-operating income	8,246	6,730	(1,515)
Interest income	809	349	(459)
Dividends income	4,647	2,171	(2,476)
Miscellaneous income	2,790	4,209	1,419
Non-operating expenses	15,124	28,131	13,007
Interest expenses	12,525	21,342	8,816
Miscellaneous expenses	2,598	6,789	4,190
Ordinary income	110,002	109,209	(793)
Extraordinary income	391	22,030	21,639
Gain on step acquisitions	-	15,698	15,698
Other	391	6,332	5,941
Extraordinary loss	21,108	21,687	579
Impairment loss	237	10,413	10,175
Acquisition related cost	8,816	-	(8,816)
Restructuring cost	7,114	5,693	(1,420)
Other	4,938	5,580	641
Income before income taxes and minority interests	89,285	109,552	20,266
Income taxes	40,389	56,858	16,468
Income before minority interests	48,895	52,693	3,797
Minority interests in income	19,467	20,610	1,142
Net income	29,428	32,083	2,655

Segment Information

1. Summary of reportable segments

The reportable segments of the Suntory Group are constituent units of the Group whose separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating the business results.

The Suntory group comprises, under a holding company structure, various business companies based on their primary business activities. Each of these business companies work out a comprehensive strategy applicable to their products and services and carries out their business activities.

Consequently, the Suntory group has decided its two reportable segments, namely, Beverage and Food, Alcoholic Beverage, by combining the business companies with the emphasis on the business company units in consideration of the similarity of their economic characteristics.

(Changes of reportable segments)

Due to the reorganization carried out on October 1, 2014, from the prior fiscal year Beer and Spirits segment was renamed Alcoholic Beverage segment.

In addition, wine business previously included in Others segment has been transferred to this Alcoholic Beverage segment.

The segment information for the nine months ended September 30, 2014 has been restated.

Main products and services by each reportable segment are as follows

Industry segment	Main products
Beverage and Food	Non-alcoholic beverages, health drinks, processed food, other products
Alcoholic Beverage	Spirits, beer, wine and other alcoholic beverages
Others	Operations in China, health food, ice cream, restaurants, flowers and other operations

2. Reportable segments

Nine months ended September 30, 2014

(Millions of yen)

	Beverage and Food	Alcoholic Beverage	Others	Total	Adjustment	Consolidated Total
Net sales						
Sales to customers	935,010	608,632	238,801	1,782,444	-	1,782,444
Inter-segment sales	6,632	2,975	7,620	17,228	(17,228)	-
Total sales	941,643	611,608	246,422	1,799,673	(17,228)	1,782,444
Segment income	78,509	37,421	24,134	140,065	(23,185)	116,880

Nine months ended September 30, 2015

(Millions of yen)

	Beverage and Food	Alcoholic Beverage	Others	Total	Adjustment	Consolidated Total
Net sales						
Sales to customers	1,013,850	736,652	219,852	1,970,355	-	1,970,355
Inter-segment sales	7,114	3,609	7,874	18,598	(18,598)	-
Total sales	1,020,964	740,262	227,727	1,988,954	(18,598)	1,970,355
Segment income	84,147	47,649	24,200	155,997	(25,386)	130,610

Note: 1. Corporate general and administrative expenses, and inter-segment eliminations that are not allocated to specific segments are included in "Adjustment".

Amounts are stated below.

Nine months ended September 30, 2014	(Millions of yen)
Adjustment on segment income (loss)	(23,185)
Corporate general and administrative expenses that are not attributable to any reportable segment	(23,233)
Inter-segment eliminations	48
Nine months ended September 30, 2015	(Millions of yen)
Adjustment on segment income (loss)	(25,386)
Corporate general and administrative expenses that are not attributable to any reportable segment	(25,443)
Inter-segment eliminations	56

2. Segment income (loss) is adjusted for operating income described in the Consolidated Statements of Income.