English Translation

SUNTORY BEVERAGE & FOOD

August 4, 2016

Summary of Consolidated Financial Results for the First Six Months of the Fiscal Year Ending December 31, 2016 <under Japanese GAAP> (UNAUDITED)

Company name:	**Suntory Beverage & Food Limited**
Shares listed:	First Section, Tokyo Stock Exchange
Securities code:	2587
URL:	http://www.suntory.com/sbf/
Representative:	Saburo Kogo, President
Inquiries:	Nobuhiro Yasui, Senior General Manager, Corporate Communication Division
	TEL: +81-3-3275-7022 (from overseas)

Scheduled date to file quarterly securities report:	August 12, 2016
Scheduled date to commence dividend payments:	September 1, 2016
Preparation of supplementary material on quarterly financial results:	Yes
Holding of quarterly 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 first six months of the fiscal year ending December 31, 2016 (from January 1, 2016 to June 30, 2016)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Six months ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
June 30, 2016	679,047	9.1	39,883	5.0	38,379	7.1	17,881	(4.8)
June 30, 2015	622,342	4.1	37,995	9.2	35,849	8.5	18,773	26.4

Note: Comprehensive income (loss)
For the six months ended June 30, 2016: ¥(55,852) million [–%]
For the six months ended June 30, 2015: ¥8,712 million [131.9%]

Reference: EBITDA
For the six months ended June 30, 2016: ¥83.9 billion [9.8%]
For the six months ended June 30, 2015: ¥76.4 billion [6.0%]
For the definition of EBITDA, its calculation method, etc., refer to "Segment information, etc." on page 11.
Net income before amortization of goodwill
For the six months ended June 30, 2016: ¥32.5 billion [4.6%]
For the six months ended June 30, 2015: ¥31.1 billion [13.5%]

Note: Net income before amortization of goodwill is the sum of net income attributable to owners of the parent and amortization of goodwill.

	Net income per share	Diluted net income per share
Six months ended	(Yen)	(Yen)
June 30, 2016	57.87	–
June 30, 2015	60.75	–

(2) Consolidated financial position

	Total assets	Total equity	Shareholders' equity ratio
As of	(Millions of yen)	(Millions of yen)	(%)
June 30, 2016	1,406,816	556,581	36.7
December 31, 2015	1,484,434	626,890	39.3

Reference: Shareholders' equity (Equity excluding non-controlling interests)
As of June 30, 2016: ¥516,919 million As of December 31, 2015: ¥583,495 million

2. Dividends

	Annual cash dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended December 31, 2015	–	33.00	–	35.00	68.00
Fiscal year ending December 31, 2016	–	34.00			
Fiscal year ending December 31, 2016 (Forecast)			–	34.00	68.00

Note: Revisions to the forecast of dividends most recently announced: None

3. Consolidated earnings forecast for the fiscal year ending December 31, 2016 (from January 1, 2016 to December 31, 2016)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Fiscal year ending December 31, 2016	1,430,000	3.5	90,000	(2.2)	86,500	4.4	40,500	(4.6)	131.07

Note: Revisions to the earnings forecast most recently announced: None

Reference: EBITDA
For the fiscal year ending December 31, 2016 (forecast): ¥180.0 billion [2.5%]
Net income before amortization of goodwill
For the fiscal year ending December 31, 2016 (forecast): ¥70.0 billion [0.4%]

Note: Net income before amortization of goodwill is the sum of net income attributable to owners of the parent and amortization of goodwill.

* Notes

(1) Changes in significant subsidiaries during the six months ended June 30, 2016 (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of specific accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a.	Changes in accounting policies due to revisions to accounting standards and other regulations:	Yes
b.	Changes in accounting policies due to other reasons:	None
c.	Changes in accounting estimates:	None
d.	Restatement of prior period financial statements after error corrections:	None

(4) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2016	309,000,000 shares
As of December 31, 2015	309,000,000 shares

b. Number of treasury shares at the end of the period

As of June 30, 2016	– shares
As of December 31, 2015	– shares

c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2016	309,000,000 shares
Six months ended June 30, 2015	309,000,000 shares

*** Indication regarding execution of quarterly review procedures**

The quarterly review pursuant to the Financial Instruments and Exchange Act does not apply to this quarterly financial results report. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly consolidated financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

*** 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

Index

1. Qualitative Information Regarding Settlement of Accounts for the First Six Months

(1) Operating results

In the first six months of the fiscal year ending December 31, 2016 (from January 1, 2016 to June 30, 2016), there was a gradual recovery in the global economy overall despite signs of weakness in some areas. Although the Japanese economy continued to follow a path of gradual recovery, there were signs of weakness in consumer spending and corporate earnings in some areas.

Amid these circumstances, Suntory Beverage & Food Limited Group (the Group) put efforts into brand reinforcement and new demand creation under its philosophy of proposing products based on the concept of "natural & healthy" and "unique & premium", and enriching consumers' lives. By utilizing the expertise of each company, the Group also worked to strengthen earning capacity through cost reductions and to improve quality of products throughout the group. Furthermore, with the aim of achieving sustainable future growth, the Group concentrated on strengthening its business foundation in each area.

In the Japan segment, in addition to reinforcing core brands with a focus on the *Suntory Tennensui* range and *Boss* coffee range, the Group launched products with new value such as *Blood Orangina*, and strengthened high-value-added products such as *Iyemon Tokucha* as part of efforts to create new demand.
In the overseas segment, the Group further reinforced core brands and reduced costs in each area. In Europe, in addition to efforts centering on core brands such as *Orangina*, *Oasis*, *Schweppes*, *Lucozade* and *Ribena*, the Group continued to work on initiatives to expand business in on-premise channel in Spain. Furthermore, in Asia, the Group made focused efforts to further strengthen its business foundation, such as sales and production structures.

As a result of the above, for the operating results of the first six months of the fiscal year under review, the Group reported consolidated net sales of ¥679.0 billion, up 9.1% year on year, operating income of ¥39.9 billion, up 5.0%, ordinary income of ¥38.4 billion, up 7.1% and net income attributable to owners of the parent of ¥17.9 billion, down 4.8%. An extraordinary loss of ¥3.5 billion related to the 2016 Kumamoto Earthquake was also posted. Going forward, the Group expects to receive insurance payments against these losses, but at present the exact amount is not determined yet.

Results by segment are as follows:

< Japan segment >
In Japan, as well as strengthening core brands, by focusing on high-value-added products such as FOSHU (a Food for Specified Health Uses) drink products, the Group worked on creating new demand, and consequently achieved a year-on-year increase in sales volume.
In the *Suntory Tennensui* range, the Group promoted the brand's original value by emphasizing its qualities of "clear & tasty" and "natural & healthy." Especially, sales of *Suntory Yogurina & Minami-Alps Tennensui* were strong. As a result, sales volume for the range as a whole grew significantly.
In the *Boss* coffee range, in addition to continuing efforts focused on core products *Premium Boss*, *Rainbow Mountain Blend*, *Zeitaku Bito*, *Muto Black* and *Café au Lait*, *Premium Boss Black* and *Premium Boss Bito* in the bottle-shaped canned coffee market, which is showing striking growth, grew significantly in sales volume and drove growth throughout the brand. Also, in June the Company worked to expand the coffee-drinking scene by launching the decaffeinated *Boss Decaf Black.*
In the *Iyemon* range, the Company made focused efforts to reinforce brands by continuously making proposals for adjusting flavors to suit the season. Furthermore, sales volume for the FOSHU green tea *Iyemon Tokucha* grew significantly. As a result, sales volume for the range as a whole grew steadily.
In June the Company also launched two new Pepsi products, *Pepsi Strong 5.0GV* and *Pepsi Strong 5.0GV Zero*, both of which combine a refreshing taste with the strong stimulation of carbonation and have been well received by consumers.

The Company made a contribution to market expansion of FOSHU drink products, which are attracting attention on the back of increasing health consciousness, and is establishing a strong position in this market. As a result of conducting further aggressive marketing activities for *Iyemon Tokucha* and *Suntory Black Oolong Tea*, etc., the total sales volume of FOSHU drink products rose considerably year on year.

The Group is also focused on its initiatives to improve profitability. By launching products with new value such as *Premium Boss - The Latte* and *Blood Orangina* in March, and by strengthening sales of high-value-added products such as FOSHU drink products and small-size format products such as 500 ml PET bottles, the product mix improved. The Group also continued to work on reducing packaging material costs and manufacturing expenses, etc., and as a result, production costs improved compared to the same period of the previous fiscal year. Sales promotion and advertising costs rose year on year, but the ratio to net sales decreased due to effective investing in marketing.

Suntory Beverage Solution Limited started its operations in April in order to provide even higher added value to consumers in those businesses that have direct contact with the consumer, such as the vending machine, fountain and water dispenser operations. Together with Suntory Foods Limited, which specializes in retail channel operations, the company worked on initiatives to strengthen the customer response capabilities and sales capabilities of each.

As a result of the above, the Japan segment reported year-on-year increases in both net sales and segment profit, as shown below.

Japan segment net sales: ¥421.9 billion (up 20.3% year on year)
Japan segment profit: ¥22.0 billion (up 44.1% year on year)

< Overseas segment >
In Europe, aggressive marketing activities were conducted centering on core brands such as *Orangina*, *Oasis*, *Schweppes*, *Lucozade* and *Ribena*. In France, where the business environment is tough, sales volumes of *Orangina* and *Oasis* have declined year on year. In the UK, sales volume of *Lucozade*, which was strongly supported by the launch of zero calorie *Lucozade Zero* in May, was positive. Sales volume of *Ribena* also rose year on year. In Spain, the Group pursued successfully the cooperation with PepsiCo, Inc. that began last year and sales continued to be strong in the on-premise channel. Also, by taking over the impulse distribution of the mineral water *Highland Spring* in the UK in December 2015 and by launching the flavored tea *May Tea* in France in May, the Group bolstered its brand portfolio across the whole of Europe.
In Asia, the Group worked to strengthen its business foundation and conducted marketing activities centering on core brands in each country. In the health supplement business, in core market Thailand, sales of *BRAND'S Essence of Chicken*, etc. continued to be steady. In the beverage business, in Vietnam, the Group took steps to strengthen marketing for Suntory brand products such as the launch of green tea *TEA+ MATCHA* in April, and sales remained strong along with PepsiCo brands. In Indonesia, the Group made efforts to redevelop the sales structure and the marketing strategy.
In Oceania, the Group worked to expand sales by revitalizing its mainstay energy drink *V* by such means as launching *V Pure* in New Zealand from May, which is made with natural ingredients, and conducted aggressive marketing activities for the Suntory brand product *OVI*.
In the Americas, the Group further promoted PepsiCo brand products, focusing on the state of North Carolina, and improved business efficiency in sales and distribution. In addition, the Group started sales operations for the Suntory brand product *OVI* in January.

In addition to activities to expand sales in each area, the Group strove to further improve quality and strengthen earning capacity by sharing the R&D technology and knowhow for the reduction of costs among all Group companies.

As a result of these activities, excluding the effect of changes in exchange rate, the overseas segment reported year-on-year increases in both net sales and segment profit but due to the stronger yen, both net sales and segment profits declined, as shown below.

Overseas segment net sales: ¥257.2 billion (down 5.4% year on year)
Overseas segment profit: ¥32.5 billion (down 7.2% year on year)

(2) Financial position

Total assets as of June 30, 2016 stood at ¥1,406.8 billion, a decrease of ¥77.6 billion compared to December 31, 2015. The main factors were decreases in goodwill and trademarks in overseas subsidiaries due to the effect of foreign currency translation, and other item, while there were increases in cash and deposits, notes and accounts receivable-trade, inventories and other items.
Total liabilities stood at ¥850.2 billion, a decrease of ¥7.3 billion compared to December 31, 2015. This was due in part a decrease in long-term debt, while there were increases in notes and accounts payable-trade and other items.
Equity stood at ¥556.6 billion, a decrease of ¥70.3 billion compared to December 31, 2015, due in part to a decrease in retained earnings resulting from payments of cash dividends and a decrease in foreign currency translation adjustments, despite other factors including an increase in retained earnings resulting from the recording of net income attributable to owners of the parent.

Cash flow positions in the six months ended June 30, 2016, are as follows.
Cash and cash equivalents as of June 30, 2016 amounted to ¥122.3 billion, an increase of ¥24.6 billion compared to December 31, 2015.
Net cash provided by operating activities was ¥69.9 billion, an increase of ¥10.5 billion compared to the same period of the previous fiscal year. This was mainly the results of income before income taxes of ¥31.0 billion, depreciation and amortization of ¥29.4 billion, amortization of goodwill of ¥14.6 billion and others, despite other factors including a decrease in net cash of ¥28.5 billion due to an increase in notes and accounts receivable-trade.
Net cash used in investing activities was ¥24.4 billion, a decrease of ¥2.9 billion compared to the same period of the previous fiscal year. This was mainly the results of purchases of property, plant, and equipment and intangible fixed assets of ¥24.3 billion and others.
Net cash used in financing activities was ¥14.9 billion, a decrease of ¥8.3 billion compared to the same period of the previous fiscal year. This was mainly the results of repayments of long-term debt of ¥52.8 billion, despite an increase in short-term borrowings of ¥34.5 billion and others.

(3) Consolidated earnings forecast and other forward-looking statements

No changes have been made to the consolidated earnings forecast for the fiscal year ending December 2016, which were announced on February 12, 2016.

2. Matters Regarding Summary Information (Notes)

(1) Changes in significant subsidiaries during the six months ended June 30, 2016

No items to report

(2) Application of specific accounting methods for preparing quarterly consolidated financial statements

No items to report

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

(Application of Accounting Standard for Business Combinations, etc.)

Effective from the first quarter ended March 31, 2016, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. Accordingly, the method of recording the amount of difference caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as additional capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the first quarter ended March 31, 2016, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the provisional accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period to which the date of business combination belongs. In addition, the presentation method for “net income” and other related items was changed, and the presentation of “minority interests” was changed to “non-controlling interests.” To reflect these changes, the Company has reclassified its quarterly consolidated financial statements and consolidated financial statements for the first six months ended June 30, 2015 and the previous fiscal year.

In the consolidated statements of cash flows for the six months ended June 30, 2016, the method of recording cash flows for the purchase or sale of shares of subsidiaries not resulting in a change in the scope of consolidation has been changed, and these cash flows are now listed in cash flows under “financing activities.” Moreover, the method of recording cash flows for expenses related to the purchase of shares of subsidiaries resulting in a change in the scope of consolidation and expenses related to the purchase or sale of shares of subsidiaries not resulting in a change in the scope of consolidation has been changed, and these cash flows are now listed in cash flows under “operating activities.”

The application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided for in Section 58-2 (3) of the Accounting Standard for Business Combinations, Section 44-5 (3) of the Accounting Standard for Consolidated Financial Statements and Section 57-4 (3) of the Accounting Standard for Business Divestitures. Accordingly, the cumulative amount of impact as of the beginning of the first quarter ended March 31, 2016, in the case of retrospective application of the new accounting policies to all prior periods has been added to or deducted from capital surplus and retained earnings.

As a result, as of the beginning of the first quarter ended March 31, 2016, goodwill and foreign currency translation adjustments decreased by ¥1,971 million and ¥26 million respectively, capital surplus increased by ¥211 million, and retained earnings decreased by ¥2,157 million. The impact from this on operating income, ordinary income and income before income taxes of the first six months ended June 30, 2016 is immaterial.

3. Quarterly Consolidated Financial Statements (Unaudited)

(1) Consolidated balance sheets

(Millions of yen)

	As of December 31, 2015	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	97,746	122,370
Notes and accounts receivable-trade	156,918	174,566
Merchandise and finished goods	47,844	56,197
Work in process	6,753	5,096
Raw materials and supplies	27,992	28,856
Other	53,649	62,626
Allowance for doubtful accounts	(352)	(234)
Total current assets	390,553	449,480
Noncurrent assets		
Property, plant, and equipment	347,850	313,820
Intangible fixed assets		
Goodwill	454,212	404,703
Trademarks	188,517	146,341
Other	68,697	60,504
Total intangible fixed assets	711,427	611,549
Investments and other assets		
Investment securities	9,929	9,370
Other	24,873	23,007
Allowance for doubtful accounts	(547)	(529)
Total investments and other assets	34,255	31,848
Total noncurrent assets	1,093,533	957,218
Deferred assets	348	117
Total	1,484,434	1,406,816

(Millions of yen)

	As of December 31, 2015	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable-trade	119,831	133,321
Electronically recorded obligations-operating	13,619	16,068
Short-term borrowings	113,649	142,386
Lease obligations	7,646	7,452
Accrued income taxes	13,138	12,568
Provision for bonuses	7,255	5,414
Other	163,739	180,854
Total current liabilities	438,881	498,066
Long-term liabilities		
Bonds payable	40,000	40,000
Long-term debt	258,743	202,087
Lease obligations	16,593	14,361
Retirement allowances for directors and audit and supervisory board members	321	199
Net defined benefit liability	6,887	7,174
Other	96,116	88,343
Total long-term liabilities	418,662	352,168
Total liabilities	857,543	850,234
Equity		
Shareholders' equity		
Common stock	168,384	168,384
Capital surplus	192,323	192,431
Retained earnings	176,537	181,446
Total shareholders' equity	537,245	542,262
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,894	1,783
Deferred gain (loss) on derivatives under hedge accounting	376	(146)
Foreign currency translation adjustments	46,993	(24,032)
Remeasurements of defined benefit plans	(3,013)	(2,947)
Total accumulated other comprehensive income (loss)	46,249	(25,342)
Non-controlling interests	43,395	39,662
Total equity	626,890	556,581
Total	1,484,434	1,406,816

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended June 30, 2015	Six months ended June 30, 2016
Net sales	622,342	679,047
Cost of sales	281,797	301,470
Gross profit	340,544	377,576
Selling, general, and administrative expenses	302,549	337,693
Operating income	37,995	39,883
Non-operating income		
Interest income	194	221
Dividend income	108	81
Equity in earnings of affiliates	258	352
Other	509	853
Total non-operating income	1,070	1,508
Non-operating expenses		
Interest expense	2,399	2,555
Other	816	456
Total non-operating expenses	3,215	3,011
Ordinary income	35,849	38,379
Extraordinary income		
Gain on sales of noncurrent assets	57	29
Gain on sales of investment securities	1	47
Other	17	–
Total extraordinary income	76	77
Extraordinary loss		
Loss on disposal of noncurrent assets	1,151	1,379
Losses from a natural disaster	–	3,527
Restructuring cost	732	2,129
Other	508	378
Total extraordinary losses	2,392	7,415
Income before income taxes	33,534	31,041
Income taxes	12,605	9,975
Net income	20,928	21,065
Net income attributable to non-controlling interests	2,155	3,184
Net income attributable to owners of the parent	18,773	17,881

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended June 30, 2015	Six months ended June 30, 2016
Net income	20,928	21,065
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	346	(122)
Deferred loss on derivatives under hedge accounting	(473)	(545)
Foreign currency translation adjustments	(12,045)	(75,951)
Remeasurements of defined benefit plans, net of tax	(3)	79
Share of other comprehensive loss in associates	(41)	(379)
Total other comprehensive loss	(12,216)	(76,918)
Total comprehensive income (loss)	8,712	(55,852)
Total comprehensive income (loss) attributable to:		
Owners of the parent (the Company)	6,853	(53,711)
Non-controlling interests	1,859	(2,141)

(3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2015	Six months ended June 30, 2016
Operating activities		
Income before income taxes	33,534	31,041
Depreciation and amortization	26,095	29,396
Amortization of goodwill	12,297	14,614
Interest and dividend income	(302)	(302)
Interest expense	2,399	2,555
Loss on disposal of noncurrent assets	1,151	1,379
Increase in notes and accounts receivable-trade	(42,360)	(28,488)
Increase in inventories	(14,009)	(13,802)
Increase in notes and accounts payable-trade	29,806	22,575
Other, net	30,204	26,762
Subtotal	78,815	85,730
Interest and dividend income received	305	268
Interest expense paid	(2,540)	(2,815)
Income taxes paid	(17,145)	(13,241)
Net cash provided by operating activities	59,435	69,942
Investing activities		
Purchases of property, plant, and equipment and intangible fixed assets	(26,335)	(24,343)
Proceeds from sales of property, plant, and equipment and intangible fixed assets	499	314
Other, net	(1,437)	(337)
Net cash used in investing activities	(27,273)	(24,366)
Financing activities		
Net increase in short-term borrowings	2,015	34,512
Proceeds from long-term debt	5,004	19,862
Repayments of long-term debt	(18,901)	(52,791)
Repayments of lease obligations	(536)	(4,015)
Cash dividends	(9,579)	(10,815)
Cash dividends to non-controlling interests	(1,233)	(880)
Other, net	27	(810)
Net cash used in financing activities	(23,202)	(14,938)
Foreign currency translation adjustments on cash and cash equivalents	280	(6,016)
Net increase in cash and cash equivalents	9,239	24,620
Cash and cash equivalents, beginning of period	105,505	97,718
Cash and cash equivalents, end of period	114,745	122,339

(4) Notes to quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report

(Segment information, etc.)

[Segment information]

I. Six months ended June 30, 2015

1. Information regarding amounts of sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segment		Total	Reconciliations (Note 1)	Consolidated (Note 2)
	Japan	Overseas (Note 4)			
Sales					
Sales to external customers	350,526	271,816	622,342	–	622,342
Intersegment sales or transfers	–	675	675	(675)	–
Total	350,526	272,491	623,017	(675)	622,342
Segment profit (Note 3)	15,271	35,020	50,292	(12,297)	37,995

Notes 1. The reconciliations of segment profit represent amortization of goodwill unallocated to each reportable segment.

2. The segment profit is adjusted with operating income described on the quarterly consolidated statements of income.

3. The EBITDA for each reportable segment is as follows:

(Millions of yen)

	Japan	Overseas	Total
Segment profit	15,271	35,020	50,292
Depreciation and amortization	14,855	11,239	26,095
EBITDA	30,127	46,260	76,387

EBITDA is the sum of segment profit and depreciation and amortization.

4. The breakdown of sales, profit and EBITDA by overseas segment shown below has been categorized by the location of parent companies of local group companies.

(Millions of yen)

	Europe	Asia	Oceania	Americas	Total
Sales					
Sales to external customers	122,842	85,303	22,184	41,485	271,816
Intersegment sales or transfers	675	–	–	–	675
Total	123,518	85,303	22,184	41,485	272,491
Segment profit	21,234	6,499	2,780	4,505	35,020
Depreciation and amortization	4,511	4,036	920	1,771	11,239
EBITDA	25,746	10,536	3,701	6,277	46,260

2. Information regarding impairment loss on noncurrent assets, goodwill and negative goodwill, etc. by reportable segment

(Significant impairment loss on noncurrent assets)

No items to report

(Significant change in amount of goodwill)

No items to report

(Significant gain on negative goodwill)

No items to report

II. Six months ended June 30, 2016

1. Information regarding amounts of sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segment		Total	Reconciliations (Note 1)	Consolidated (Note 2)
	Japan	Overseas (Note 4)			
Sales					
Sales to external customers	421,850	257,197	679,047	–	679,047
Intersegment sales or transfers	3	924	928	(928)	–
Total	421,854	258,121	679,975	(928)	679,047
Segment profit (Note 3)	22,010	32,487	54,497	(14,614)	39,883

Notes 1. The reconciliations of segment profit represent amortization of goodwill unallocated to each reportable segment.
2. The segment profit is adjusted with operating income described on the quarterly consolidated statements of income.
3. The EBITDA for each reportable segment is as follows:

(Millions of yen)

	Japan	Overseas	Total
Segment profit	22,010	32,487	54,497
Depreciation and amortization	18,608	10,788	29,396
EBITDA	40,619	43,275	83,894

EBITDA is the sum of segment profit and depreciation and amortization.

4. The breakdown of sales, profit and EBITDA by overseas segment shown below has been categorized by the location of parent companies of local group companies.

(Millions of yen)

	Europe	Asia	Oceania	Americas	Total
Sales					
Sales to external customers	118,187	81,051	19,343	38,614	257,197
Intersegment sales or transfers	924	–	–	–	924
Total	119,112	81,051	19,343	38,614	258,121
Segment profit	18,225	8,182	2,028	4,051	32,487
Depreciation and amortization	4,586	3,915	708	1,577	10,788
EBITDA	22,811	12,098	2,736	5,629	43,275

2. Information regarding impairment loss on noncurrent assets, goodwill and negative goodwill, etc. by reportable segment

(Significant impairment loss on noncurrent assets)
No items to report

(Significant change in amount of goodwill)
No items to report

(Significant gain on negative goodwill)
No items to report

(Notes on substantial changes in the amount of shareholders' equity)

No items to report