

Suntory Holdings Limited

August 9, 2012

**SUMMARY OF CONSOLIDATED FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2012 (English Translation, UNAUDITED)**

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**1. Consolidated operating results and financial positions for the six months of the current fiscal year
(January 1, 2012 - June 30, 2012)**

(1) Operating results (Fractions of millions have been truncated)

	Net sales		Operating income		Ordinary income	
	¥ million	%	¥ million	%	¥ million	%
Six months ended						
June 30, 2012	870,082	4.4	38,028	(25.0)	36,509	(24.6)
June 30, 2011	833,179	2.5	50,676	23.4	48,441	27.9
FY December 31, 2011	1,802,791	3.5	114,161	7.0	109,026	8.1

	Net income		Basic net earnings per share	Diluted net earnings per share
	¥ million	%	¥	¥
Six months ended				
June 30, 2012	12,763	(62.0)	18.74	18.73
June 30, 2011	33,557	149.6	49.05	49.03
FY December 31, 2011	62,614	56.4	91.71	91.68

(2) Financial positions

	Total assets	Net assets	Ratio of equity to total assets	Net assets per share
	¥ million	¥ million	%	¥
As of				
June 30, 2012	1,683,027	488,337	27.4	676.29
June 30, 2011	1,657,909	484,010	27.7	676.27
FY December 31, 2011	1,730,175	483,557	26.4	669.92

(3) Cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at period-end
	¥ million	¥ million	¥ million	¥ million
Six months ended				
June 30, 2012	34,214	(33,896)	(64,007)	224,937
June 30, 2011	46,527	(43,676)	26,380	189,032
FY December 31, 2011	143,053	(79,787)	66,931	288,126

2. Dividends

	Dividends per share		
	Interim dividend	Year-end dividend	Annual
Fiscal year ended	¥	¥	¥
December 31, 2011	-	12.00	12.00

**3. Consolidated result forecast for the fiscal year ending December 2012
(January 1, 2012 - December 31, 2012)**

	Net sales		Operating income		Ordinary income		Net income for the period		Basic net earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Fiscal year ending									
December 31, 2012	1,866,000	3.5	116,000	1.6	111,000	1.8	43,000	(31.3)	63.12

Note: % figures represent change from previous fiscal year.

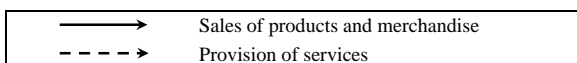
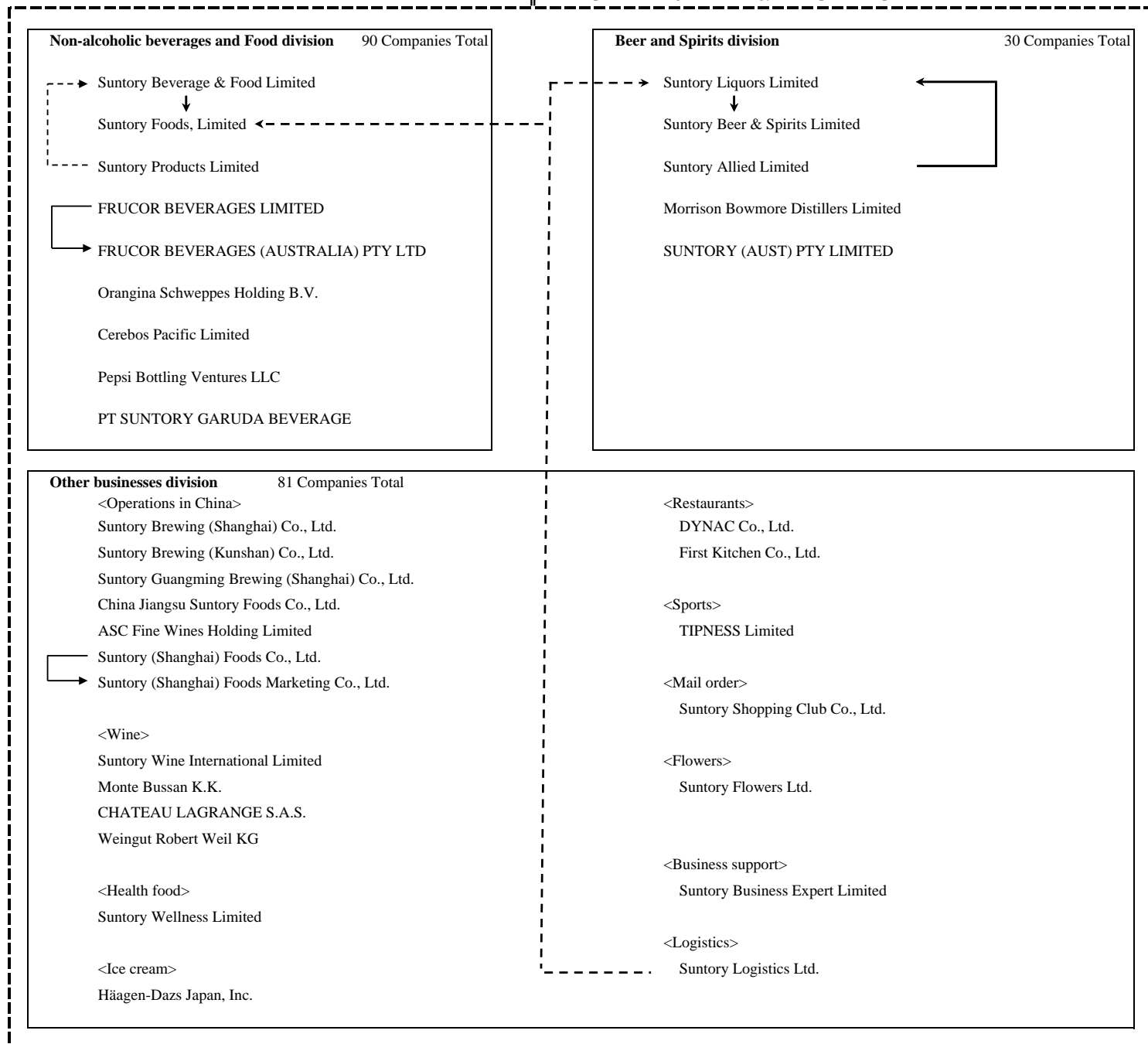
Corporate Group

Suntory Group consists of the Company, 175 subsidiaries, and 26 affiliated companies. Main group companies are listed below.

* Kotobuki Fudosan Co., Ltd.

Suntory Holdings Limited (Holding company)

Group-level management strategy development, implementation, and administration



Note: 1. Suntory Business Expert Limited is an auxiliary entity that provides indirect business services to group companies
2. The asterisk marks the parent company.
3. Unmarked companies are subsidiaries.

Operating Results

1. Summary of interim consolidated financial results for the current fiscal year

As the global economy continues to lose steam, Japan also finds itself facing continuing deflation and other problems in the midst of already harsh economic conditions. The business environment has become challenging owing to further intensification of competition in every category, including soft drinks and liquor.

In this setting, in addition to strengthening marketing activities for its key brands such as *The Premium Malt's*, the Suntory Group has been engaged in proactive efforts that include achieving intragroup synergy including the start of sales of *Orangina* in Japan, creating demand in new markets and proposing new modes of beverage consumption. Thanks to these efforts, operating results for the first half of 2012 showed an all-time high net sales of 870.1 billion yen (up 4.4% on the year). Profit was affected by special factors from the previous period's accounting and by extensive investments in marketing; as a result, operating income for this period was 38.0 billion yen (down 25.0%), ordinary profit was 36.7 billion yen (down 24.6%), and interim net profit was 12.8 billion yen (down 62.0%).

Beverages and Foods Segment

Aiming to create growth both in Japan and elsewhere, Suntory Beverage & Food has been able to both strengthen the core brands of existing businesses and achieve synergy between group companies to further promote the cultivation of new demand.

Overall non-alcoholic beverage operations in Japan saw shipments increase 6% on the year to 181.57 million cases while the country's overall market volume forecasted to increase by 5%. The four principal products in the *BOSS* series (*Rainbow Mountain Blend*, *Zeitaku Bito*, *Muto Black*, and *Cafe au Lait*) pulling up by 10%, and the *Iyemon* series showed extremely favorable movement, increasing by 8%. Sales of *Suntory Natural Mineral Water* increased by 5%, topping even last year's sales, which grew due to increased demand resulting from the Great East Japan Earthquake. Moreover, *Orangina* became the Suntory group's first overseas beverage brand to be introduced into Japan. In the three months after its release in March, *Orangina* achieved sales of four million cases, twice the annual target for that product.

In terms of operations outside of Japan, the Frucor Group, which produces and sells soft drinks in Oceania, made a solid turn towards stability. The Orangina Schweppes Group, which already has a firm base in Europe, deployed marketing efforts to strengthen its core brands in the region amid the influence of deteriorating market conditions in that region. In Asia, Suntory Narang Private Limited, a joint venture with the Narang Group, began doing business, establishing a base of operations in India.

These efforts resulted in a 1.4% increase in the beverage and food segment, bringing total sales to 464.1 billion yen.

Beer and Spirits Segment

In addition to strengthening activities for its principal brands and investing in new value products, Suntory Liquors has also made efforts to bolster the base of its operations outside of Japan as well as expanding its selection of non-alcoholic beverages, proposing new modes of beverage consumption, and

more.

Beer¹ sales reached 31.47 million cases², up 10.1% on the year, and Suntory's market share for beer reached 14.5% (based on taxes), an all-time high. By revamping *The Suntory Malt's* in March in an effort to increase the brand's power and points of contact with consumers, sales made an extremely favorable movement up to 7.17 million cases, up 15.4% on the year. The beer segment showed serious growth, with genre-breaking *Kin-Mugi* selling 12.19 million cases (up 7.6%) and the top-ranked non-alcoholic beer³ *All Free* selling 2.7 million cases (up 23.5%).

1. The beer segment includes non-alcoholic beers.
2. A standard case contains twenty 633 mL bottles.
3. Base on cumulative nationwide sales totals at supermarkets, convenience stores and discount liquor stores for 2011 according to an Intage MAI study.

Thanks to aggressive value propositioning, whisky, ready-to-drink beverages and others have grown by 7% on the year.

The principle brands like *Kakubin*, *Yamazaki*, and *Hakushu* have showed a favorable increase, up by 3%. *Kakubin* in particular has shown continued increases, up by 13%. In terms of premium whiskies, great strides were made with the new *Yamazaki* and *Hakushu* products released in May by acquiring new consumers in the 20 to 30 age range. Import whiskies also showed an increase of 2% with brands like *The Macallan* and *Ballantine's*. In addition, the estimation of Suntory's premium whiskies outside of Japan has been elevated further with victories such as *Yamazaki* taking the prize for World's Best Single Malt Whisky at a prestigious international competition two years running.

In a ready-to-drink beverage market that was forecast to increase by 7% showed an actual increase of 8%. In addition to extremely favorable growth of 28% for *-196°C Strong Zero*, *Horoyoi* also continued to grow. Suntory's total sales for can highballs showed a 19% increase, leading their market.

Non-arukibun and *Marude Umeshuna Non-alcohol* led the non-alcoholic chu-hi and cocktail market, continuing growth that prompted large upward revisions of the annual sales plan for the former in May and for the latter in June.

In the overall shochu market, forecast to decline by 2%, there was an increase of 3%. In addition to favorable growth of *Kyogetsu*, which was "renewed" in January, the mixed-grade (*ko-otsu* blend blended) shochu *Muginoka* showed a large increase of 27%.

Suntory has also been making efforts to further infiltrate whisky markets outside of Japan, including the deployment of aggressive marketing activities for its premium whisky brands *Hibiki*, *Yamazaki*, and *Hakushu*, with a focus on Europe and North America. Sales at Morrison Bowmore Distillers have also expanded as it deploys its single malt whisky *Bowmore* globally.

As a result of the above activities, sales for the beer and spirits segment reached 256.0 billion yen (up 8.8%).

Other Segments

Suntory (China) Holdings increased its sales by 10%. In terms of beer business, both the premium priced

Jun-nama and the standard priced *Cho-jun*, have shown favorable movement, as have the coffee drink *Rich*, the fruit-flavored beverage *Bin Bin*, and the new *Mishan Chinyo*.

Suntory Wine International's wine sales have also shown favorable results, with sales volume increasing by 11% from last year. The 117% increase in sales of "Japanese wines" using only domestically produced grapes and the 33% increase in the antioxidant-free *Sankaboshizai Mutenka no Oishii Wine* contributed to that total increase. In terms of import wines, *Carlo Rossi*, popularly enjoyed over ice (called a "Rossi on the rocks"), showed continued growth, up 18%.

In addition to steady progress shown by Suntory Wellness' *Sesamin E Series*, its *Glucosamine & Chondroitin* has helped lead the wellness market with an 8% increase from last year.

In the food business, Pronto Corporation and Izutsu Maisen have both contributed to make favorable progress with sales up by 4%.

With the mini-cup based products of Häagen-Dazs Japan making good progress, and with the favorable reception of new flavors like *Chocolate Brownie*, its sales are up 11%.

All of this has resulted in a 6.9% increase in the other segment, bringing total sales to 150.0 billion yen.

In all, the group's total sales in Japan came to 687.5 billion yen (up 7.9%), and sales overseas came to a total of 182.6 billion yen (down 6.8%).

Since its foundation, alongside the active development of its business, Suntory has been engaged in contributing to culture and society as well as environmental efforts, based on its spirit of "Sharing the Profit with Society." In keeping with its corporate message, "Suntory, Bringing Water to Life," the group has also initiated many efforts aimed at helping society and nature coexist in harmony.

As part of the total of 4.3 billion yen that Suntory decided to provide for activities supporting recovery from the Great East Japan Earthquake, it has started a scholarship program for fishery high schools. It has also decided to make an additional contribution of two billion yen as assistance for the recovery of fishing and marine industries in Iwate and Miyagi Prefectures.

As part of its efforts to use environmentally friendly containers and packaging, Suntory has worked to reduce resource consumption by making it practical to use "RePET" bottles, made from 100% mechanically recycled PET bottles, and has developed the thinnest shrink wrap labels in the world. Suntory has also invested its scientific knowledge into Natural Water Sanctuaries for higher quality water resource cultivation.

2. Outlook for the remainder of the fiscal year

Sales during the 2012 calendar year are projected to be 1.866 trillion yen (up 3.5%), with operating income projected at 116 billion yen (up 1.6%); ordinary profit, at 111 billion yen (up 1.8%); and net profit for the year, at 43 billion yen (down 31.3%).

Segment projections are 1.0089 trillion yen (up 3.9%) for the beverages and foods segment, 544.9 billion

yen for the beer and spirits segment (up 4.0%), and 312.2 billion yen for other segments (up 1.2%).

Consolidated Balance Sheets

(Unit: Million Yen)

	As of 31 December, 2011		As of 30 June, 2012		Change	As of 30 June, 2011	
		%		%			%
Current assets	772,293	44.6	760,878	45.2	(11,415)	674,064	40.7
Cash and deposits	288,134		224,952		(63,181)	189,295	
Notes and accounts receivable-trade	249,785		262,020		12,234	227,430	
Inventories	171,869		195,088		23,219	190,726	
Other	63,453		79,770		16,317	67,568	
Allowance for doubtful accounts	(949)		(954)		(4)	(956)	
Noncurrent assets	957,082	55.4	921,499	54.8	(35,582)	982,866	59.3
Property, plant and equipment	393,024		399,085		6,061	396,408	
Buildings and structures, net	125,975		125,580		(395)	129,646	
Machinery, equipment and vehicles, net	100,804		105,679		4,875	99,135	
Tools, furniture and fixtures, net	58,997		60,146		1,148	58,527	
Land	83,175		83,229		54	85,074	
Other	24,071		24,450		378	24,025	
Intangible assets	366,016		353,348		(12,668)	402,803	
Goodwill	342,390		329,405		(12,984)	387,404	
Other	23,625		23,942		316	15,398	
Investments and other assets	198,041		169,065		(28,975)	183,654	
Investment securities	92,825		93,672		846	95,292	
Other	109,536		78,435		(31,100)	92,880	
Allowance for doubtful accounts	(4,320)		(3,041)		1,278	(4,518)	
Deferred assets	800	0.0	649	0.0	(150)	978	0.0
TOTAL ASSETS	1,730,175	100.0	1,683,027	100.0	(47,148)	1,657,909	100.0
Accumulated depreciation of Property, plant and equipment	638,607		648,425		9,817	636,987	

(Unit: Million Yen)

	As of		As of		Change	As of	
	31 December, 2011		30 June, 2012			30 June, 2011	
		%		%			%
LIABILITIES							
Current liabilities	589,304	34.1	558,951	33.2	(30,353)	574,297	34.6
Notes and accounts payable-trade	81,618		89,197		7,578	87,790	
Electronically recorded obligations-operating	100,745		109,023		8,278	96,001	
Short-term loans payable	79,214		69,218		(9,996)	93,982	
Current portion of bond	45,000		15,000		(30,000)	31,010	
Accrued alcohol, tax	44,527		42,269		(2,257)	26,505	
Accrued consumption taxes	8,658		8,442		(215)	5,889	
Income taxes payable	19,331		8,935		(10,395)	14,762	
Accounts payable-other	95,478		98,878		3,399	87,428	
Accrued expenses	55,664		62,267		6,602	58,228	
Provision for bonuses	8,984		9,049		65	8,809	
Other	50,082		46,669		(3,412)	63,888	
Noncurrent liabilities	657,313	38.0	635,738	37.8	(21,575)	599,602	36.2
Bonds payable	186,050		185,941		(109)	201,947	
Long-term loans payable	352,645		340,229		(12,416)	291,929	
Provision for retirement benefits	10,710		10,860		150	10,913	
Provision for directors' retirement benefits	355		333		(21)	412	
Other	107,551		98,373		(9,178)	94,399	
TOTAL LIABILITIES	1,246,618	72.1	1,194,690	71.0	(51,928)	1,173,899	70.8
NET ASSETS							
Shareholders' equity	515,340	29.7	519,928	30.9	4,588	485,651	29.3
Capital stock	70,000		70,000		-	70,000	
Retained earnings	449,352		453,941		4,588	420,309	
Treasury stock	(4,012)		(4,012)		-	(4,658)	
Accumulated Other Comprehensive Income	(58,964)	(3.4)	(59,218)	(3.5)	(253)	(25,593)	(1.5)
Valuation difference on available-for-sale securities	7,572		7,762		190	8,456	
Deferred gains or losses on hedges	(31)		283		314	(243)	
Foreign currency translation adjustment	(66,506)		(67,264)		(758)	(33,806)	
Subscription rights to shares	50	0.0	51	0.0	0	38	0.0
Minority interests	27,130	1.6	27,575	1.6	444	23,912	1.4
TOTAL NET ASSETS	483,557	27.9	488,337	29.0	4,780	484,010	29.2
TOTAL LIABILITIES AND NET ASSETS	1,730,175	100.0	1,683,027	100.0	(47,148)	1,657,909	100.0

Consolidated Statements of Income

(Unit: Million Yen)

	Six months ended		Six months ended		Change	Fiscal year ended	
	June 30, 2011		June 30, 2012			December 31, 2011	
		%		%			%
Net sales	833,179	100.0	870,082	100.0	36,902	1,802,791	100.0
Cost of sales	412,201	49.5	432,651	49.7	20,449	898,223	49.8
Gross profit	420,978	50.5	437,431	50.3	16,452	904,568	50.2
Selling, general and administrative expenses	370,302	44.4	399,402	45.9	29,100	790,406	43.9
Operating income	50,676	6.1	38,028	4.4	(12,647)	114,161	6.3
Non-operating income	2,383	0.3	3,387	0.4	1,004	4,392	0.2
Interest income	419		490		70	914	
Dividends income	1,182		1,332		150	1,813	
Foreign exchange gains	160		534		374	226	
Miscellaneous income	620		1,029		408	1,437	
Non-operating expenses	4,617	0.6	4,906	0.6	288	9,527	0.5
Interest expenses	3,939		4,221		281	7,916	
Miscellaneous expenses	678		685		6	1,611	
Ordinary income	48,441	5.8	36,509	4.2	(11,931)	109,026	6.0
Extraordinary income	1,174	0.1	1,002	0.1	(172)	4,513	0.3
Gain on sales of investment securities	590		421		(169)	1,545	
Compensation Income	-		260		260	1,042	
Other	584		320		(264)	1,925	
Extraordinary loss	12,823	1.5	4,315	0.5	(8,507)	20,842	1.2
Loss on abandonment of noncurrent assets	1,730		1,933		202	4,351	
Earthquake related expenses	5,635		1,579		(4,055)	6,509	
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,614		-		(2,614)	2,623	
Other	2,842		802		(2,040)	7,358	
Income before income taxes and minority interests	36,793	4.4	33,196	3.8	(3,596)	92,697	5.1
Income taxes-current	607	0.1	10,718	1.2	10,111	37,865	2.1
Income taxes-deferred	-	-	6,703	0.8	6,703	(14,392)	(0.8)
Income before minority interests	36,185	4.3	15,775	1.8	(20,410)	69,223	3.8
Minority interests in income	2,628	0.3	3,012	0.3	383	6,609	0.3
NET INCOME	33,557	4.0	12,763	1.5	(20,794)	62,614	3.5

Consolidated Statements of Cash Flows

(Unit: Million Yen)

	Six months ended June 30, 2011	Six months ended June 30, 2012	Fiscal year ended December 31, 2011
Net cash provided by (used in) operating activities			
Income before income taxes and minority taxes	36,793	33,196	92,697
Depreciation and amortization	24,521	26,079	50,174
Amortization of goodwill	10,831	10,486	21,278
Interest and dividends income	(1,602)	(1,822)	(2,728)
Interest expenses	3,939	4,221	7,916
Loss on abandonment of noncurrent assets	1,730	1,933	4,351
Decrease (increase) in notes and accounts receivable-trade	15,892	(12,073)	(8,165)
Decrease (increase) in inventories	(25,880)	(22,776)	(10,305)
Increase (decrease) in notes and accounts payable-trade	(803)	12,364	(1,670)
Increase (decrease) in accrued consumption taxes, alcohol taxes	(18,582)	(2,392)	2,266
Other, net	21,691	7,997	26,189
Subtotal	68,532	57,214	182,003
Interest and dividends income received	1,677	1,839	3,328
Interest expenses paid	(3,056)	(4,327)	(8,056)
Income taxes paid	(20,626)	(20,512)	(34,221)
Net cash provided by (used in) operating activities	46,527	34,214	143,053
Net cash provided by (used in) investing activities			
Purchase of property, plant and equipment and intangible assets	(25,558)	(33,344)	(57,109)
Proceeds from sales of property, plant and equipment and intangible assets	781	321	2,876
Purchase of investment securities	(3,447)	(1,072)	(4,158)
Proceeds from sales and redemption of investment securities	1,568	154	6,407
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(14,260)	-	(25,222)
Other, net	(2,758)	44	(2,581)
Net cash provided by (used in) investing activities	(43,676)	(33,896)	(79,787)
Net cash provided by (used in) financing activities			
Increase (decrease) in short-term bank loans and commercial papers	903	2,014	(7,283)
Proceeds from long-term loans payable	45,273	1,140	145,928
Repayment of long-term loans payable	(26,695)	(24,843)	(74,474)
Decrease (increase) in long-term deposits	1,701	-	1,673
Proceeds from issuance of bonds	21,395	-	21,387
Redemption of bonds	(658)	(30,000)	(1,646)
Repayments of lease obligations	(1,278)	(1,293)	(2,462)
Cash dividends paid	(6,184)	(8,174)	(6,184)
Cash dividends paid to minority shareholders	(3,696)	(2,977)	(6,242)
Other, net	(4,380)	126	(3,766)
Net cash provided by (used in) financing activities	26,380	(64,007)	66,931
Effect of exchange rate change on cash and cash equivalents	756	500	(1,195)
Net increase (decrease) in cash and cash equivalents	29,988	(63,188)	129,001
Cash and cash equivalents at beginning of period	159,044	288,126	159,044
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	-	80
Cash and cash equivalents at the end of the period	189,032	224,937	288,126

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, Non-alcoholic beverages and Food, Beer and spirits, by combining the business companies with the emphasis on the business company units in consideration of the similarity of their economic characteristics.

Main products by each industry segment are as follows

Industry segment	Main products
Non-alcoholic beverages and Food	Non-alcoholic beverages, health drinks, processed food, other products
Beer and Spirits	Beer, western liquors, shochu, RTDs, other alcoholic beverages
Others	Operations in China, wine, health food, ice cream, restaurants, sports, flowers, other operations

2. Industry Segments

Six months ended June 30, 2011

(Unit: Million Yen)

	Non-alcoholic beverages and Food	Beer and Spirits	Others	Total	Adjustment	Consolidated Total
Net sales						
Sales to customers	457,489	235,407	140,283	833,179	-	833,179
Inter-segment sales	3,045	1,054	5,258	9,358	(9,358)	-
Total sales	460,535	236,461	145,541	842,538	(9,358)	833,179
Segment income (loss)	42,493	12,394	10,485	65,373	(14,697)	50,676

Six months ended June 30, 2012

(Unit: Million Yen)

	Non-alcoholic beverages and Food	Beer and Spirits	Others	Total	Adjustment	Consolidated
Net sales						
Sales to customers	464,076	256,005	149,999	870,082	-	870,082
Inter-segment sales	2,954	1,132	6,619	10,706	(10,706)	-
Total sales	467,030	257,138	156,618	880,788	(10,706)	870,082
Segment income (loss)	30,510	9,388	12,897	52,797	(14,769)	38,028

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.

Six months ended June 30, 2011 (Unit: Million Yen)

Adjustment on segment income (loss) (14,697)

Corporate general and administrative expenses that are not attributable to any reportable segment (14,646)

Inter-segment eliminations (51)

Six months ended June 30, 2012 (Unit: Million Yen)

Adjustment on segment income (loss) (14,769)

Corporate general and administrative expenses that are not attributable to any reportable segment (14,808)

Inter-segment eliminations 39

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