

**Supplementary Material on Consolidated Financial Results for the First  
Nine Months of the Fiscal Year Ending December 31, 2014**

<Results for the First Nine Months of the Fiscal Year Ending December 31, 2014>

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**Suntory Beverage & Food Limited**

**November 5, 2014**

<Results for the First Nine Months of the Fiscal Year Ending December 31, 2014>

**1. Summary of Consolidated Statements of Income, Indices, etc.**

(1) Summary of Consolidated Statements of Income

(Billions of yen with fractional amounts rounded off)

	Nine months ended September 30, 2013		Nine months ended September 30, 2014		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	837.2	100.0%	940.7	100.0%	103.5	12.4%
Gross profit	466.7	55.8%	516.5	54.9%	49.7	10.7%
Selling, general and administrative expenses	414.5	49.5%	451.7	48.0%	37.1	9.0%
Operating income	52.2	6.2%	64.8	6.9%	12.6	24.1%
Non-operating income	1.4	0.2%	1.7	0.2%	0.2	16.7%
Non-operating expenses	5.1	0.6%	4.1	0.4%	(1.0)	(20.2%)
Ordinary income	48.5	5.8%	62.4	6.6%	13.9	28.6%
Extraordinary income	3.4	0.4%	0.2	0.0%	(3.2)	(95.3%)
Extraordinary loss	3.8	0.5%	6.2	0.7%	2.4	64.3%
Income before income taxes and minority interests	48.1	5.7%	56.3	6.0%	8.2	17.1%
Income taxes	20.4	2.4%	22.5	2.4%	2.1	10.5%
Minority interests in net income	3.2	0.4%	3.0	0.3%	(0.2)	(7.5%)
Net income	24.5	2.9%	30.8	3.3%	6.3	25.8%

(2) Other Indices

(Billions of yen)

		Nine months ended September 30, 2013		Nine months ended September 30, 2014		Increase (decrease)	
Depreciation and amortization		31.6		37.1		5.5   17.4%	
Amortization of goodwill		17.2		18.7		1.5   8.8%	
Operating income before amortization of goodwill		69.4		83.6		14.1   20.3%	
Net income before amortization of goodwill		41.7		49.6		7.8   18.8%	
EBITDA*1	EBITDA margin	101.0	12.1%	120.6	12.8%	19.6	19.4%

\*1: EBITDA is Operating income plus Depreciation and amortization, and Amortization of goodwill.

Operating margin	Before amortization of goodwill	8.3%	8.9%
	After amortization of goodwill	6.2%	6.9%

	As of December 31, 2013	As of September 30, 2014	Increase (decrease)	
Total assets	1,256.7	1,360.2	103.5	8.2%
Total equity	593.0	599.3	6.4	1.1%
D/E ratio (Times) *2	0.4	0.4		

\*2: D/E ratio: (Interest-bearing debt - Cash and deposits) / Total equity

### (3) Exchange Rate for the Consolidation of Profit or Loss of the Major Overseas Companies

(Yen, average exchange rate)

	Nine months ended September 30, 2013	Nine months ended September 30, 2014
USD	96.8	102.9
EUR	127.5	139.5
GBP	-	171.9
SGD	77.3	81.9
NZD	79.1	87.2
AUD	94.8	94.6
IDR	0.0097	0.0088

## 2. Sales Details

(Billions of yen with fractional amounts rounded off)

	Nine months ended September 30, 2013	Nine months ended September 30, 2014	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	542.0	547.2	5.2	1.0%	1.0%	
Europe	120.9	199.8	78.9	65.3%	51.0%	*1
Oceania	28.7	30.9	2.2	7.7%	2.0%	
Asia	90.8	107.5	16.8	18.5%	17.1%	*2
Americas	54.8	55.3	0.5	0.9%	(5.1%)	
Overseas	295.2	393.5	98.3	33.3%	25.8%	
Reconciliations	-	-	-	-	-	
Consolidation total	837.2	940.7	103.5	12.4%	10.1%	

\*1 The increase is mainly due to the start of the beverage business in the UK and other countries in January 2014 at a subsidiary of the Company in Europe, which obtained the commercial rights and production facilities for *Lucozade* and *Ribena*.

\*2 The increase is mainly due to the start of the beverage business in Vietnam at a joint venture with PepsiCo, Inc. in April 2013.

## 3. Profit Details

### (1) EBITDA

(Billions of yen)

	Nine months ended September 30, 2013	Nine months ended September 30, 2014	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	54.5	57.9	3.4	6.2%	6.2%	
Europe	24.9	38.4	13.5	54.2%	40.6%	*3
Oceania	4.1	4.2	0.1	3.5%	(5.9%)	
Asia	9.6	11.6	2.0	21.4%	18.5%	
Americas	7.9	8.4	0.5	6.5%	(0.2%)	
Overseas	46.5	62.7	16.2	34.8%	25.2%	
Reconciliations	-	-	-	-	-	
Consolidation total	101.0	120.6	19.6	19.4%	15.3%	

\*3 The increase is mainly due to the start of the beverage business in the UK and other countries in January 2014 at a subsidiary of the Company in Europe, which obtained the commercial rights and production facilities for *Lucozade* and *Ribena*.

## (2) Segment Profit

(Billions of yen with fractional amounts rounded off)

	Nine months ended September 30, 2013	Nine months ended September 30, 2014	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	32.4	35.4	3.0	9.3%	9.3%	
Europe	21.7	32.3	10.6	49.0%	35.9%	*4
Oceania	3.2	3.1	(0.0)	(1.4%)	(10.9%)	
Asia	6.3	6.4	0.1	0.8%	(1.1%)	
Americas	5.9	6.4	0.5	8.3%	1.3%	
Overseas	37.0	48.2	11.1	30.0%	20.4%	
Reconciliations	(17.2)	(18.7)	(1.5)	-	-	*5
Consolidation total	52.2	64.8	12.6	24.1%	20.0%	

\*4 The increase is mainly due to the start of the beverage business in the UK and other countries in January 2014 at a subsidiary of the Company in Europe, which obtained the commercial rights and production facilities for *Lucozade* and *Ribena*.

\*5 The reconciliations of segment profit represent amortization of goodwill unallocated to each reportable segment.

## (3) Ordinary Income and Net Income

(Billions of yen)

	Nine months ended September 30, 2013	Nine months ended September 30, 2014	Increase (decrease)		Reference
Non-operating income	1.4	1.7	0.2	16.7%	
Non-operating expenses	5.1	4.1	(1.0)	(20.2%)	
Ordinary income	48.5	62.4	13.9	28.6%	
Extraordinary income	3.4	0.2	(3.2)	(95.3%)	*6
Extraordinary loss	3.8	6.2	2.4	64.3%	*7
Income taxes	20.4	22.5	2.1	10.5%	
Minority interests in net income	3.2	3.0	(0.2)	(7.5%)	
Net income	24.5	30.8	6.3	25.8%	

\*6 The decrease is mainly due to decreases in insurance income and restructuring gain.

\*7 The increase is mainly due to an increase in restructuring cost.

## (4) Breakdown of Increase (Decrease) in Segment Profit for Japan Segment

(Billions of yen)

Segment profit for the nine months ended September 30, 2013	32.4
Increase in sales volume	0.2
Change in product mix	4.5
Cost reduction in manufacturing and logistics	3.2
Increase in sales promotion and advertising costs	(3.7)
Increase in other expenses	(1.2)
Segment profit for the nine months ended September 30, 2014	35.4

#### 4. Summary of Consolidated Balance Sheets

(Billions of yen with fractional amounts rounded off)

	As of December 31, 2013	As of September 30, 2014	Increase (decrease)	Reference
Cash and deposits	45.9	104.5	58.6	
Notes and accounts receivable–trade	126.1	166.2	40.1	*8
Inventories	67.7	79.5	11.8	
Other	43.7	51.6	7.9	
Current assets	283.3	401.8	118.4	
Property, plant and equipment	312.8	318.0	5.2	
Goodwill	400.1	372.5	(27.5)	
Trademarks	184.9	189.8	4.9	
Other	37.7	38.7	1.0	
Intangible fixed assets	622.6	601.0	(21.6)	
Investments and other assets	36.8	38.4	1.7	
Noncurrent assets	972.2	957.5	(14.7)	
Deferred assets	1.1	0.9	(0.2)	
Total	1,256.7	1,360.2	103.5	
Notes and accounts payable–trade	99.8	120.8	21.0	*8
Interest-bearing debt	172.8	56.4	(116.4)	*9
Other	174.1	205.0	30.9	
Current liabilities	446.6	382.2	(64.4)	
Interest-bearing debt	129.3	290.2	160.8	*10
Other	87.7	88.5	0.8	
Long-term liabilities	217.1	378.7	161.6	
Total liabilities	663.7	760.9	97.2	
Shareholders' equity	502.2	506.1	4.0	
Accumulated other comprehensive income	56.0	55.7	(0.3)	
Minority interests	34.8	37.5	2.7	
Total equity	593.0	599.3	6.4	
Total	1,256.7	1,360.2	103.5	

\*8 The increase is mainly due to the start of the beverage business in the UK and other countries in January 2014 at a subsidiary of the Company in Europe, which obtained the commercial rights and production facilities for *Lucozade* and *Ribena*.

\*9 The main factor in the decrease is a decline in short-term borrowings due to repayment of borrowings from Suntory Holdings (short-term).

\*10 The main factors in the increase are an increase in long-term borrowings due to financing through borrowings from financial institutions (long-term) and an increase due to issuance of bonds.

## 5. Other Information

<Sales Volume in Japan by Product Category>

(Million cases)

	Nine months ended September 30, 2013		Nine months ended September 30, 2014	
	Actual	Increase (decrease) year-to-year	Actual	Increase (decrease) year-to-year
Mineral water	56.8	11%	60.3	6%
RTD coffee	59.6	1%	63.4	6%
RTD tea (excl. RTD black tea)	76.1	8%	75.6	(1%)
Cola drinks	23.6	11%	23.4	(1%)
Carbonates (excl. cola drinks)	36.6	3%	36.5	(0%)
Functional drinks	20.0	14%	18.8	(6%)
Fruit juices	15.8	(14%)	14.0	(11%)
RTD black tea	7.7	(14%)	6.6	(15%)
Others	18.5	11%	16.5	(11%)
Total	314.7	5%	315.1	0%

## <Earnings Forecasts for the Fiscal Year Ending December 31, 2014>

### 1. Summary of Consolidated Statements of Income, Indices, etc.

#### (1) Summary of Consolidated Statements of Income

(Billions of yen with fractional amounts rounded off)

	Fiscal year ended December 31, 2013, Actual		Fiscal year ending December 31, 2014, Revised forecast		Difference from previous forecast (February 14)	Increase (decrease)	
		Ratio to net sales		Ratio to net sales			
Net sales	1,121.4	100.0%	1,260.0	100.0%	-	138.6	12.4%
Gross profit	618.6	55.2%	682.0	54.1%	(2.0)	63.4	10.2%
Selling, general and administrative expenses	545.9	48.7%	597.0	47.4%	(2.0)	51.1	9.4%
Operating income	72.7	6.5%	85.0	6.7%	-	12.3	16.9%
Non-operating income (loss)	(5.5)	0.5%	(4.0)	0.3%	3.0	1.5	(26.7%)
Ordinary income	67.3	6.0%	81.0	6.4%	3.0	13.7	20.4%
Extraordinary income (loss)	(4.8)	0.4%	(12.0)	1.0%	(3.0)	(7.2)	149.7%
Income before income taxes and minority interests	62.5	5.6%	69.0	5.5%	-	6.5	10.5%
Income taxes	26.1	2.3%	30.0	2.4%	1.0	3.9	15.1%
Minority interests in net income	5.2	0.5%	4.0	0.3%	(1.0)	(1.2)	(22.8%)
Net income	31.2	2.8%	35.0	2.8%	-	3.8	12.2%

#### (2) Other Indices

(Billions of yen)

		Fiscal year ended December 31, 2013, Actual		Fiscal year ending December 31, 2014, Revised forecast		Difference from previous forecast (February 14)	Increase (decrease)	
Depreciation and amortization		43.7		50.5		(1.0)	6.8	15.5%
Amortization of goodwill		23.2		24.5		1.0	1.3	5.6%
Operating income before amortization of goodwill		95.9		109.5		1.0	13.6	14.1%
Net income before amortization of goodwill		54.4		59.5		1.0	5.1	9.4%
EBITDA*1	EBITDA margin	139.6	12.5%	160.0	12.7%	-	20.4	14.6%

\*1 EBITDA is Operating income plus Depreciation and amortization, and Amortization of goodwill.

EPS (Yen) *2	Before amortization of goodwill	207.17	192.56	3.24	(14.61)	(7.1%)
	After amortization of goodwill	118.79	113.27	-	(5.52)	(4.6%)
Operating margin	Before amortization of goodwill	8.6%	8.7%			
	After amortization of goodwill	6.5%	6.7%			
ROE *3	Before amortization of goodwill	14.5%	10.7%			
	After amortization of goodwill	8.3%	6.3%			
Dividend payout ratio *4	Before amortization of goodwill	32.9%	30.1%			
	After amortization of goodwill	57.4%	51.2%			

\*2 The Company calculated EPS for the fiscal year ended December 31, 2013 based on the average number of issued shares during the year including the issuance of 93,000,000 new shares.

On April 16, 2013, the Company conducted a 1:500 share split whereby 1 share was split into 500 shares, bringing the total number of issued shares to 216,000,000 shares. The Company calculated EPS for the fiscal year ended December 31, 2013, based on the assumption that the share split was conducted at the beginning of that fiscal year.

\*3 The Company calculated ROE for the fiscal year ended December 31, 2013 based on the average shareholders' equity at the beginning and end of the fiscal year including the equity increase during the fiscal year.

\*4 The Company calculated the Dividend payout ratio for each fiscal year by dividing the Total cash dividends of that year by Net income of that year.

### (3) Exchange Rate for the Consolidation of Profit or Loss of the Major Overseas Companies

(Yen average exchange rate)

	Fiscal year ended December 31, 2013, Actual	Fiscal year ending December 31, 2014, Revised forecast	Previous forecast (February 14)
USD	97.7	103.0	100.0
EUR	129.8	138.0	130.0
GBP	152.8	171.0	160.0
SGD	78.1	82.0	80.0
NZD	80.1	86.0	78.0
AUD	94.4	94.0	90.0
IDR	0.0095	0.0089	0.0089

## 2. Sales Details

(Billions of yen with fractional amounts rounded off)

	Fiscal year ended December 31, 2013, Actual	Fiscal year ending December 31, 2014, Revised forecast	Difference from previous forecast (February 14)	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	716.9	725.0	(15.0)	8.1	1.1%	1.1%	
Europe	154.9	255.0	11.0	100.1	64.6%	54.4%	*1
Oceania	41.0	44.0	2.0	3.0	7.4%	2.6%	
Asia	132.7	158.0	(2.0)	25.3	19.1%	15.9%	*2
Americas	76.0	78.0	4.0	2.0	2.7%	(3.0%)	
Overseas	404.5	535.0	15.0	130.5	32.3%	25.9%	
Reconciliations	-	-	-	-	-	-	
Consolidation total	1,121.4	1,260.0	-	138.6	12.4%	10.4%	

\*1 The increase is mainly due to the start of the beverage business in the UK and other countries in January 2014 at a subsidiary of the Company in Europe, which obtained the commercial rights and production facilities for *Lucozade* and *Ribena*.

\*2 The increase is mainly due to the start of the beverage business in Vietnam at a joint venture with PepsiCo, Inc. in April 2013.



### 3. Profit Details

#### (1) EBITDA

(Billions of yen with fractional amounts rounded off)

	Fiscal year ended December 31, 2013, Actual	Fiscal year ending December 31, 2014, Revised forecast	Difference from previous forecast (February 14)	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	75.0	77.5	(1.0)	2.5	3.4%	3.4%	
Europe	31.9	48.0	2.0	16.1	50.4%	40.9%	*3
Oceania	7.4	6.5	(1.0)	(0.9)	(12.6%)	(19.0%)	
Asia	14.5	17.0	-	2.5	17.2%	13.6%	
Americas	10.8	11.0	-	0.2	1.6%	(4.3%)	
Overseas	64.7	82.5	1.0	17.8	27.6%	20.3%	
Reconciliations	-	-	-	-	-	-	
Consolidation total	139.6	160.0	-	20.4	14.6%	11.5%	

\*3 The increase is mainly due to the start of the beverage business in the UK and other countries in January 2014 at a subsidiary of the Company in Europe, which obtained the commercial rights and production facilities for *Lucozade* and *Ribena*.

#### (2) Segment Profit

(Billions of yen)

	Fiscal year ended December 31, 2013, Actual	Fiscal year ending December 31, 2014, Revised forecast	Difference from previous forecast (February 14)	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	45.4	47.0	(1.0)	1.6	3.5%	3.5%	
Europe	27.2	39.0	2.5	11.8	43.2%	34.1%	*4
Oceania	6.2	5.5	(0.8)	(0.7)	(11.5%)	(18.3%)	
Asia	9.2	9.5	-	0.3	3.2%	(0.2%)	
Americas	7.9	8.5	0.3	0.6	8.0%	1.5%	
Overseas	50.5	62.5	2.0	12.0	23.7%	16.4%	
Reconciliations	(23.2)	(24.5)	(1.0)	(1.3)	-	-	*5
Consolidation total	72.7	85.0	-	12.3	16.9%	13.7%	

\*4 The increase is mainly due to the start of the beverage business in the UK and other countries in January 2014 at a subsidiary of the Company in Europe, which obtained the commercial rights and production facilities for *Lucozade* and *Ribena*.

\*5 The reconciliations of segment profit represent amortization of goodwill unallocated to each reportable segment.

### (3) Ordinary Income and Net Income

(Billions of yen with fractional amounts rounded off)

	Fiscal year ended December 31, 2013, Actual	Fiscal year ending December 31, 2014, Revised forecast	Difference from previous forecast (February 14)	Increase (decrease)		Reference
Non-operating income (loss)	(5.5)	(4.0)	3.0	1.5	(26.7%)	*6
Ordinary income	67.3	81.0	3.0	13.7	20.4%	
Extraordinary income (loss)	(4.8)	(12.0)	(3.0)	(7.2)	149.7%	*7
Income taxes	26.1	30.0	1.0	3.9	15.1%	
Minority interests in net income	5.2	4.0	(1.0)	(1.2)	(22.8%)	
Net income	31.2	35.0	-	3.8	12.2%	

\*6 The difference from the previous forecast (February 14) is mainly due to a decrease in interest expense.

\*7 The difference from the previous forecast (February 14) is mainly due to an increase in restructuring cost.

### (4) Breakdown of Increase (Decrease) in Segment Profit for Japan Segment

(Billions of yen)

		Difference from previous forecast (February 14)
Segment profit for the fiscal year ended December 31, 2013, Actual	45.4	-
Increase in sales volume	0.5	(6.5)
Change in product mix	6.0	4.0
Cost reduction in manufacturing and logistics	3.0	1.5
Increase in sales promotion and advertising costs	(6.0)	(0.5)
Increase in other expenses	(1.9)	0.5
Segment profit for the fiscal year ending December 31, 2014, Revised forecast	47.0	(1.0)

## 4. Other Information

<Sales Volume in Japan by Product Category>

(Million cases)

	Fiscal year ended December 31, 2013		Fiscal year ending December 31, 2014		Difference from previous forecast (August 5)
	Actual	Increase (decrease)	Revised forecast	Increase (decrease)	
Mineral water	74.6	14%	78.4	5%	(2.7)
RTD coffee	83.0	2%	86.6	4%	1.4
RTD tea (excl. RTD black tea)	100.5	8%	100.0	(0%)	(3.4)
Cola drinks	30.4	5%	30.4	0%	(1.9)
Carbonates (excl. cola drinks)	46.6	7%	47.6	2%	(0.5)
Functional drinks	23.9	15%	22.7	(5%)	(5.1)
Fruit juices	20.3	(12%)	18.2	(10%)	(1.2)
RTD black tea	10.3	(15%)	9.0	(12%)	(0.3)
Others	25.2	8%	22.9	(9%)	(0.8)
Total	414.8	6%	415.8	0%	(12.9)