

Supplementary Material on Consolidated Financial Results
for the Fiscal Year Ended December 31, 2015

<Results for the Fiscal Year Ended December 31, 2015>

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4. Other Information

Suntory Beverage & Food Limited

February 12, 2016

<Results for the Fiscal Year Ended December 31, 2015>

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, 2014		Fiscal year ended December 31, 2015		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	1,257.3	100.0%	1,381.0	100.0%	123.7	9.8%
Gross profit	683.1	54.3%	752.6	54.5%	69.5	10.2%
Selling, general and administrative expenses	597.1	47.5%	660.6	47.8%	63.4	10.6%
Operating income	85.9	6.8%	92.0	6.7%	6.1	7.0%
Non-operating income	2.4	0.2%	3.4	0.2%	1.0	42.1%
Non-operating expenses	6.1	0.5%	12.5	0.9%	6.5	106.7%
Ordinary income	82.3	6.5%	82.9	6.0%	0.6	0.7%
Extraordinary income	0.3	0.0%	16.8	1.2%	16.5	5,126.1%
Extraordinary loss	12.1	1.0%	20.2	1.5%	8.1	67.1%
Income before income taxes and minority interests	70.5	5.6%	79.5	5.8%	9.0	12.7%
Income taxes	29.8	2.4%	34.4	2.5%	4.6	15.5%
Minority interests in net income	4.5	0.4%	2.6	0.2%	(1.9)	(41.7%)
Net income	36.2	2.9%	42.5	3.1%	6.2	17.2%

(2) Other Indices

(Billions of yen)

		Fiscal year ended December 31, 2014		Fiscal year ended December 31, 2015		Increase (decrease)	
Depreciation and amortization		50.0		56.3		6.3 12.5%	
Amortization of goodwill		25.1		27.2		2.2 8.6%	
Operating income before amortization of goodwill		111.0		119.2		8.2 7.4%	
Net income before amortization of goodwill		61.3		69.7		8.4 13.7%	
EBITDA*1	EBITDA margin	161.1	12.8%	175.5	12.7%	14.5	9.0%

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

Before amortization of goodwill

				(Billions of yen)	
EPS (Yen)	198.43	225.53	27.10	13.7%	
Operating margin	8.8%	8.6%			
ROE	10.6%	11.8%			
Dividend payout ratio *2	30.2%	30.2%			

After amortization of goodwill

				(Billions of yen)	
EPS (Yen)	117.28	137.42	20.14	17.2%	
Operating margin	6.8%	6.7%			
ROE	6.3%	7.2%			
Dividend payout ratio *2	51.2%	49.5%			

*2 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.

				(Billions of yen)	
	As of December 31, 2014	As of December 31, 2015	Increase (decrease)		
Total assets	1,389.1	1,484.4	95.3	6.9%	
Total equity	635.6	626.9	(8.7)	(1.4%)	
Capital expenditures	69.1	63.5	(5.6)	(8.1%)	
D/E ratio (Times) *3	0.4	0.5			

*3 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)	
	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015		
USD	105.8	121.1		
EUR	140.3	134.3		
GBP	174.2	185.2		
SGD	83.5	88.1		
NZD	87.8	84.7		
AUD	95.4	91.1		

2. Sales Details

(Billions of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	722.3	806.9	84.6	11.7%	11.7%	
Europe	256.5	254.2	(2.3)	(0.9%)	(0.2%)	
Asia	154.5	180.5	26.0	16.8%	10.4%	
Oceania	44.5	45.6	1.1	2.6%	6.9%	
Americas	79.5	93.7	14.2	17.8%	2.9%	
Overseas	535.0	574.1	39.1	7.3%	4.0%	
Reconciliations	-	-	-	-	-	
Consolidation total	1,257.3	1,381.0	123.7	9.8%	8.4%	

3. Profit Details

(1) EBITDA

(Billions of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	76.7	79.8	3.2	4.1%	4.1%	
Europe	47.9	53.6	5.7	12.0%	13.8%	
Asia	17.5	21.8	4.3	24.5%	14.7%	
Oceania	7.0	7.6	0.5	7.5%	12.6%	
Americas	11.9	14.2	2.3	18.9%	3.2%	
Overseas	84.4	97.2	12.8	15.2%	12.2%	
Reconciliations	-	(1.5)	(1.5)	-	-	*1
Consolidation total	161.1	175.5	14.5	9.0%	7.5%	

*1 The reconciliations of EBITDA represent a one-time adjustment owing to Japan Beverage Holdings Inc., etc. being newly included in the scope of consolidation.

(2) Segment Profit

(Billions of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	46.6	46.7	0.1	0.2%	0.2%	
Europe	39.5	44.0	4.5	11.3%	13.5%	
Asia	10.4	13.6	3.2	30.4%	18.6%	
Oceania	5.6	5.9	0.3	4.8%	10.1%	
Americas	8.8	10.5	1.7	19.1%	3.1%	
Overseas	64.4	74.0	9.6	14.9%	12.5%	
Reconciliations	(25.1)	(28.7)	(3.7)	-	-	*2
Consolidation total	85.9	92.0	6.1	7.0%	4.8%	

*2 The reconciliations of segment profit represent amortization of goodwill, etc. unallocated to each reportable segment.

(3) Ordinary Income and Net Income

(Billions of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015	Increase (decrease)		Reference
Non-operating income	2.4	3.4	1.0	42.1%	
Non-operating expenses	6.1	12.5	6.5	106.7%	*3
Ordinary income	82.3	82.9	0.6	0.7%	
Extraordinary income	0.3	16.8	16.5	5,126.1%	*4
Extraordinary loss	12.1	20.2	8.1	67.1%	*5
Income taxes	29.8	34.4	4.6	15.5%	
Minority interests in net income	4.5	2.6	(1.9)	(41.7%)	
Net income	36.2	42.5	6.2	17.2%	

*3 The increase is mainly due to an increase in equity in losses of affiliates.

*4 The increase is mainly due to an increase in gain on step acquisitions.

*5 The increase is mainly due to an increase in impairment loss.

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

(Billions of yen)

Segment profit for the fiscal year ended December 31, 2014	46.6
Increase in sales volume	6.4
Change in product mix	0.8
Reduction in manufacturing costs	4.1
Increase in sales promotion and advertising costs	(10.9)
Increase in other expenses	(0.3)
Segment profit for the fiscal year ended December 31, 2015	46.7

4. Summary of Consolidated Balance Sheets

(Billions of yen)

	As of December 31, 2014	As of December 31, 2015	Increase (decrease)	Reference
Cash and deposits	105.5	97.7	(7.8)	
Notes and accounts receivable–trade	152.5	156.9	4.4	
Inventories	74.9	82.6	7.7	
Other	53.6	53.3	(0.3)	
Current assets	386.4	390.6	4.1	
Property, plant and equipment	339.1	347.9	8.7	
Goodwill	381.8	454.2	72.5	*6
Trademarks	199.9	188.5	(11.4)	
Other	41.8	68.7	26.9	*6
Intangible fixed assets	623.5	711.4	88.0	
Investments and other assets	39.3	34.3	(5.0)	
Noncurrent assets	1,001.8	1,093.5	91.7	
Deferred assets	0.8	0.3	(0.5)	
Total	1,389.1	1,484.4	95.3	
Notes and accounts payable–trade	111.6	119.8	8.2	
Interest-bearing debt	54.7	113.6	59.0	*7
Other	188.3	205.4	17.1	
Current liabilities	354.7	438.9	84.2	
Interest-bearing debt	304.4	298.7	(5.7)	
Other	94.4	119.9	25.5	
Long-term liabilities	398.8	418.7	19.8	
Total liabilities	753.5	857.5	104.1	
Shareholders' equity	511.5	537.2	25.7	
Accumulated other comprehensive income	83.8	46.2	(37.6)	*8
Minority interests	40.2	43.4	3.1	
Total equity	635.6	626.9	(8.7)	
Total	1,389.1	1,484.4	95.3	

*6 The increase is mainly due to the Company acquiring shares of Japan Beverage Holdings Inc. and JT A-Star Co., Ltd., etc. from Japan Tobacco Inc. on July 31, and these companies being newly included in the scope of consolidation.

*7 The increase is mainly due to the transfer from long-term liabilities (long-term debt) to current liabilities (current portion of long-term debt).

*8 The decrease is mainly due to a decrease in foreign currency translation adjustments.

5. Summary of Consolidated Statements of Cash Flows

(Billions of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015	Increase (decrease)
Income before income taxes and minority interests	70.5	79.5	9.0
Depreciation and amortization	50.0	56.3	6.3
Amortization of goodwill	25.1	27.2	2.2
Other, net	(37.0)	(17.2)	19.7
Net cash provided by operating activities	108.6	145.7	37.1
Capital expenditures	(68.9)	(59.1)	9.8
Purchases of investments in subsidiaries and other assets resulting in changes in scope of consolidation	-	(134.3)	(134.3)
Other, net	1.4	4.6	3.1
Net cash used in investing activities	(67.5)	(188.8)	(121.4)
Increase in interest-bearing debt	45.3	66.6	21.3
Cash dividends	(30.2)	(24.2)	6.0
Other, net	(1.4)	(3.9)	(2.4)
Net cash provided by financing activities	13.7	38.5	24.8
Foreign currency translation adjustments	4.8	(3.2)	(8.0)
Net increase in cash and cash equivalents	59.7	(7.8)	(67.4)

6. Other Information

<Sales Volume in Japan by Product Category>

(Million cases)

	Fiscal year ended December 31, 2014		Fiscal year ended December 31, 2015	
	Actual	Increase (decrease) year-to-year	Actual	Increase (decrease) year-to-year
Mineral water	79.0	6%	90.5	14%
RTD coffee	88.1	6%	91.7	4%
RTD tea (excl. RTD black tea)	99.6	(1%)	100.6	1%
Cola drinks	29.9	(2%)	26.8	(10%)
Carbonates (excl. cola drinks)	46.7	0%	50.8	9%
Functional drinks	22.0	(8%)	18.8	(15%)
Fruit juices	18.1	(11%)	16.0	(11%)
RTD black tea	8.9	(13%)	8.3	(7%)
Others	22.7	(11%)	22.2	(2%)
Total	415.0	0%	425.7	3%

* The portions of the sales volume by Japan Beverage Holdings Inc. and JT A-Star Co., Ltd. that were supplied from other soft drink manufacturers are not included in the above figures.

<Sales Volume of Major Brands in Europe>

(Million liters)

	Fiscal year ended December 31, 2015	
	Actual	Increase (decrease) year-to-year
Orangina (France)	152	(2%)
Oasis (France)	280	2%
Schweppes (Spain, Portugal)	129	8%
Lucozade (UK, Ireland)	383	(1%)
Ribena (UK, Ireland)	110	(10%)

<Earnings Forecasts for the Fiscal Year Ending December 31, 2016>

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, 2015, Actual		Fiscal year ending December 31, 2016, Forecast		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	1,381.0	100.0%	1,430.0	100.0%	49.0	3.5%
Gross profit	752.6	54.5%	783.0	54.8%	30.4	4.0%
Selling, general and administrative expenses	660.6	47.8%	693.0	48.5%	32.4	4.9%
Operating income	92.0	6.7%	90.0	6.3%	(2.0)	(2.2%)
Non-operating income (loss)	(9.1)	0.7%	(3.5)	0.2%	5.6	(61.7%)
Ordinary income	82.9	6.0%	86.5	6.0%	3.6	4.4%
Extraordinary income (loss)	(3.4)	0.2%	(5.0)	0.3%	(1.6)	46.5%
Income before income taxes and minority interests	79.5	5.8%	81.5	5.7%	2.0	2.6%
Income taxes	34.4	2.5%	34.0	2.4%	(0.4)	(1.1%)
Profit attributable to non-controlling interests	2.6	0.2%	7.0	0.5%	4.4	167.5%
Profit attributable to owners of the parent	42.5	3.1%	40.5	2.8%	(2.0)	(4.6%)

(2) Other Indices

(Billions of yen)

		Fiscal year ended December 31, 2015, Actual		Fiscal year ending December 31, 2016, Forecast		Increase (decrease)	
Depreciation and amortization		56.3		60.5		4.2 7.5%	
Amortization of goodwill		27.2		29.5		2.3 8.4%	
Operating income before amortization of goodwill		119.2		119.5		0.3 0.2%	
Profit before amortization of goodwill *1		69.7		70.0		0.3 0.4%	
EBITDA*2	EBITDA margin	175.5	12.7%	180.0	12.6%	4.5	2.5%

*1 The Company calculated the Profit before amortization of goodwill for each fiscal year by adding Profit attributable to owners of the parent of that year to Amortization of goodwill of that year.

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

Before amortization of goodwill

(Billions of yen)

EPS (Yen)	225.53	226.54	1.01	0.4%
Operating margin	8.6%	8.4%		
ROE	11.8%	12.1%		
Dividend payout ratio *3	30.2%	30.0%		

After amortization of goodwill

(Billions of yen)

EPS (Yen)	137.42	131.07	(6.35)	(4.6%)
Operating margin	6.7%	6.3%		
ROE	7.2%	7.0%		
Dividend payout ratio *3	49.5%	51.9%		

*3 The Company calculated the Dividend payout ratio for each fiscal year by dividing the Total cash dividends of that year by Profit attributable to owners of the parent of that year.

(Billions of yen)

	As of December 31, 2015, Actual	As of December 31, 2016, Forecast	Increase (decrease)	
Total assets	1,484.4	1,390.0	(94.4)	(6.4%)
Total equity	626.9	620.0	(6.9)	(1.1%)
Capital expenditures	63.5	61.5	(2.0)	(3.2%)
D/E ratio (Times) *4	0.5	0.4		

*4 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)

	Fiscal year ended December 31, 2015, Actual	Fiscal year ending December 31, 2016, Forecast
USD	121.1	118.0
EUR	134.3	125.0
GBP	185.2	165.0
SGD	88.1	85.0
NZD	84.7	76.0
AUD	91.1	82.0

2. Sales Details

(Billions of yen)

	Fiscal year ended December 31, 2015, Actual	Fiscal year ending December 31, 2016, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	806.9	870.0	63.1	7.8%	7.8%	
Europe	254.2	243.5	(10.7)	(4.2%)	4.3%	
Asia	180.5	183.0	2.5	1.4%	8.1%	
Oceania	45.6	42.0	(3.6)	(7.9%)	2.5%	
Americas	93.7	91.5	(2.2)	(2.4%)	0.2%	
Overseas	574.1	560.0	(14.1)	(2.5%)	4.7%	
Reconciliations	-	-	-	-	-	
Consolidation total	1,381.0	1,430.0	49.0	3.5%	6.6%	

3. Profit Details

(1) EBITDA

(Billions of yen)

	Fiscal year ended December 31, 2015, Actual	Fiscal year ending December 31, 2016, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	79.8	87.0	7.2	9.0%	9.0%	
Europe	53.6	50.5	(3.1)	(5.8%)	3.1%	
Asia	21.8	22.4	0.6	2.5%	12.4%	
Oceania	7.6	6.2	(1.4)	(18.0%)	(10.1%)	
Americas	14.2	13.9	(0.3)	(2.1%)	0.6%	
Overseas	97.2	93.0	(4.2)	(4.4%)	3.7%	
Reconciliations	(1.5)	-	1.5	-	-	*1
Consolidation total	175.5	180.0	4.5	2.5%	7.2%	

*1 The reconciliations of EBITDA represent a one-time adjustment owing to Japan Beverage Holdings Inc., etc. being newly included in the scope of consolidation.

(2) Segment Profit

(Billions of yen)

	Fiscal year ended December 31, 2015, Actual	Fiscal year ending December 31, 2016, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	46.7	50.0	3.3	7.0%	7.0%	
Europe	44.0	41.0	(3.0)	(6.9%)	1.9%	
Asia	13.6	13.7	0.1	0.7%	13.7%	
Oceania	5.9	4.5	(1.4)	(23.1%)	(16.1%)	
Americas	10.5	10.3	(0.2)	(2.3%)	0.5%	
Overseas	74.0	69.5	(4.5)	(6.1%)	2.4%	
Reconciliations	(28.7)	(29.5)	(0.8)	-	-	*2
Consolidation total	92.0	90.0	(2.0)	(2.2%)	3.2%	

*2 The reconciliations of segment profit represent amortization of goodwill, etc. unallocated to each reportable segment.

(3) Ordinary Income and Profit attributable to owners of the parent

(Billions of yen)

	Fiscal year ended December 31, 2015, Actual	Fiscal year ending December 31, 2016, Forecast	Increase (decrease)		Reference
Non-operating income (loss)	(9.1)	(3.5)	5.6	(61.7%)	*3
Ordinary income	82.9	86.5	3.6	4.4%	
Extraordinary income (loss)	(3.4)	(5.0)	(1.6)	46.5%	
Income taxes	34.4	34.0	(0.4)	(1.1%)	
Profit attributable to non-controlling interests	2.6	7.0	4.4	167.5%	*4
Profit attributable to owners of the parent	42.5	40.5	(2.0)	(4.6%)	

*3 The decrease is mainly due to a decrease in equity in losses of affiliates.

*4 The increase is mainly due to a decrease in impairment loss mainly related to goodwill of equity method affiliates.

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

(Billions of yen)

Segment profit for the fiscal year ended December 31, 2015, Actual	46.7
Increase in sales volume	0.1
Change in product mix	2.3
Reduction in manufacturing costs	2.7
Increase in sales promotion and advertising costs	(1.2)
Increase in other expenses	(0.6)
Segment profit for the fiscal year ending December 31, 2016, Forecast	50.0

4. Other Information

<Sales Volume in Japan by Product Category>

(Million cases)

	Fiscal year ended December 31, 2015		Fiscal year ending December 31, 2016	
	Actual	Increase (decrease)	Forecast	Increase (decrease)
Mineral water	90.5	14%	91.5	1%
RTD coffee	91.7	4%	92.2	1%
RTD tea (excl. RTD black tea)	100.6	1%	102.7	2%
Cola drinks	26.8	(10%)	26.3	(2%)
Carbonates (excl. cola drinks)	50.8	9%	52.7	4%
Functional drinks	18.8	(15%)	15.4	(18%)
Fruit juices	16.0	(11%)	14.6	(9%)
RTD black tea	8.3	(7%)	8.4	2%
Others	22.2	(2%)	22.1	(0%)
Total	425.7	3%	425.9	0%

* The portions of the sales volume by Japan Beverage Holdings Inc. and JT A-Star Co., Ltd. that were supplied from other soft drink manufacturers are not included in the above figures.