

**Supplementary Material on Consolidated Financial Results for the First  
Six Months of the Year Ending December 31, 2019**

<Results for the First Six Months of the Year Ending December 31, 2019>

1. Summary of Consolidated Statement of Profit or Loss, Indices, etc.
2. Revenue Details
3. Profit Details
4. Summary of Consolidated Statement of Financial Position
5. Summary of Consolidated Statements of Cash Flows
6. Other Information

**Suntory Beverage & Food Limited**

**August 5, 2019**

<Results for the First Six Months of the Year Ending December 31, 2019>

**1. Summary of Consolidated Statement of Profit or Loss, Indices, etc.**

(1) Summary of Consolidated Statement of Profit or Loss

(Billions of yen with fractional amounts rounded off)

	Six months ended June 30, 2018		Six months ended June 30, 2019		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	613.9	100.0%	627.8	100.0%	13.9	2.3%
Gross profit	256.8	41.8%	259.2	41.3%	2.4	0.9%
Selling, general and administrative expenses	211.3	34.4%	206.8	32.9%	(4.5)	(2.1%)
Gain on investments accounted for using the equity method	0.0	0.0%	(0.0)	(0.0%)	(0.1)	(118.1%)
Other income	13.3	2.2%	0.9	0.1%	(12.5)	(93.4%)
Other expenses	2.5	0.4%	2.4	0.4%	(0.1)	(5.2%)
Operating income	56.4	9.2%	50.9	8.1%	(5.5)	(9.7%)
Finance income	0.6	0.1%	0.7	0.1%	0.1	17.2%
Finance costs	1.3	0.2%	1.7	0.3%	0.4	32.0%
Profit before tax for the period	55.7	9.1%	49.9	8.0%	(5.8)	(10.4%)
Income tax expense	10.2	1.7%	12.6	2.0%	2.4	23.4%
Profit for the period	45.5	7.4%	37.3	5.9%	(8.2)	(18.0%)
Profit for the period attributable to non-controlling interests	4.2	0.7%	5.5	0.9%	1.3	31.9%
Profit for the period attributable to owners of the Company	41.3	6.7%	31.8	5.1%	(9.5)	(23.1%)

## (2) Other Indices

(Billions of yen)

		Six months ended June 30, 2018		Six months ended June 30, 2019		Increase (decrease)	
Depreciation		31.3		35.6		4.3	13.7%
Operating income	Operating margin	56.4	9.2%	50.9	8.1%	(5.5)	(9.7%)
EBITDA *1	EBITDA margin	76.9	12.5%	88.0	14.0%	11.1	14.5%

\*1 EBITDA is calculated as operating income - other income + other expenses + depreciation.

(Billions of yen)

		As at December 31, 2018		As at June 30, 2019		Increase (decrease)	
Total assets		1,539.4		1,558.2		18.8	1.2%
Total equity		798.9		806.0		7.2	0.9%
D/E ratio (Times) *2		0.2		0.2			

\*2 D/E ratio is calculated as (interest-bearing debt - cash and deposits ± valuation difference from adopting hedge accounting, etc.) / total equity.

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

(Yen, average exchange rate)

	Six months ended June 30, 2018	Six months ended June 30, 2019
USD	108.7	110.1
EUR	131.6	124.3
GBP	149.6	142.5
SGD	81.9	81.0
THB	3.4	3.5
VND	0.0048	0.0047
NZD	77.8	74.0
AUD	83.9	77.8

## 2. Revenue Details

(Billions of yen)

	Six months ended June 30, 2018	Six months ended June 30, 2019	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	333.8	336.0	2.2	0.7%	0.7%	
Europe	120.0	111.1	(8.8)	(7.4%)	(2.0%)	
Asia	96.4	115.3	18.9	19.6%	19.9%	
Oceania	26.3	25.4	(0.9)	(3.3%)	3.0%	
Americas	37.3	39.9	2.6	6.9%	5.6%	
Reconciliations	–	–	–	–	–	
Consolidation total	613.9	627.8	13.9	2.3%	3.6%	

Due to the organizational changes, some of the entities in Africa and Middle East, which were previously reported in "Europe business," have been reclassified to "Asia business" from "Europe business," starting from the second quarter of the year ending December 31, 2019. Accordingly, the same reclassification has been made for the accompanying segment information for the six months ended June 30, 2018.

## 3. Profit Details

### (1) EBITDA

(Billions of yen)

	Six months ended June 30, 2018	Six months ended June 30, 2019	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	37.3	42.4	5.1	13.6%	13.6%	
Europe	19.9	21.2	1.3	6.7%	12.5%	
Asia	14.7	18.6	3.9	26.9%	25.1%	
Oceania	4.1	4.2	0.2	4.1%	8.2%	
Americas	5.1	5.4	0.3	5.9%	4.5%	
Reconciliations	(4.2)	(3.8)	0.3	–	–	*1
Consolidation total	76.9	88.0	11.1	14.5%	15.9%	

\*1 The reconciliations of EBITDA represent corporate expenses unallocated to each reportable segment.

Due to the organizational changes, some of the entities in Africa and Middle East, which were previously reported in "Europe business," have been reclassified to "Asia business" from "Europe business," starting from the second quarter of the year ending December 31, 2019. Accordingly, the same reclassification has been made for the accompanying segment information for the six months ended June 30, 2018.

## (2) Segment Profit

(Billions of yen)

	Six months ended June 30, 2018	Six months ended June 30, 2019	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	18.9	22.7	3.8	19.9%	19.9%	
Europe	15.1	14.7	(0.4)	(2.7%)	2.5%	
Asia	21.3	12.7	(8.6)	(40.4%)	(40.6%)	
Oceania	2.9	2.6	(0.3)	(11.3%)	(5.8%)	
Americas	3.8	3.8	(0.0)	(0.4%)	(1.7%)	
Reconciliations	(5.6)	(5.5)	0.1	–	–	*2
Consolidation total	56.4	50.9	(5.5)	(9.7%)	(8.5%)	

\*2 The reconciliations of segment profit represent corporate expenses unallocated to each reportable segment.

Due to the organizational changes, some of the entities in Africa and Middle East, which were previously reported in "Europe business," have been reclassified to "Asia business" from "Europe business," starting from the second quarter of the year ending December 31, 2019. Accordingly, the same reclassification has been made for the accompanying segment information for the six months ended June 30, 2018.

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

(Billions of yen)

Segment profit for the six months ended June 30, 2018	18.9
Increase in revenue	2.2
Increase in cost of goods sold	(0.6)
Decrease in sales promotion and advertising costs	2.8
Increase in other expenses	(0.6)
Segment profit for the six months ended June 30, 2019	22.7

#### 4. Summary of Consolidated Statement of Financial Position

(Billions of yen)

	As at December 31, 2018	As at June 30, 2019	Increase (decrease)	Reference
Cash and cash equivalents	146.5	103.3	(43.2)	
Trade and other receivables	184.9	222.7	37.8	
Other financial assets	1.0	6.1	5.1	
Inventories	85.8	98.6	12.9	
Other current assets	25.1	24.1	(1.0)	
Subtotal	443.3	454.8	11.5	
Assets held for sale	0.0	0.0	(0.0)	
Current assets	443.4	454.8	11.5	
Property, plant and equipment	375.4	358.8	(16.6)	*1
Right-of-use assets	–	48.8	48.8	*2
Goodwill	250.7	246.9	(3.8)	
Intangible assets	418.6	404.6	(13.9)	
Investments accounted for using the equity method	1.2	1.2	(0.0)	
Other financial assets	21.0	18.3	(2.6)	
Deferred tax assets	14.3	15.1	0.8	
Other non-current assets	15.0	9.6	(5.3)	
Non-current assets	1,096.1	1,103.3	7.3	
Total assets	1,539.4	1,558.2	18.8	
Bonds and borrowings	75.4	70.2	(5.3)	
Trade and other payables	303.8	333.6	29.8	
Other financial liabilities	30.7	32.1	1.4	
Accrued income taxes	18.4	16.6	(1.8)	
Provisions	2.1	1.6	(0.4)	
Other current liabilities	8.6	9.4	0.7	
Current liabilities	439.1	463.5	24.4	
Bonds and borrowings	195.4	157.1	(38.3)	*3
Other financial liabilities	20.2	47.7	27.6	
Post-employment benefit liabilities	13.3	13.8	0.5	
Provisions	2.7	2.8	0.1	
Deferred tax liabilities	63.5	61.9	(1.6)	
Other non-current liabilities	6.4	5.3	(1.0)	
Non-current liabilities	301.4	288.6	(12.8)	
Total liabilities	740.5	752.1	11.6	
Total equity attributable to owners of the Company	714.8	720.5	5.7	
Non-controlling interests	84.1	85.5	1.5	
Total equity	798.9	806.0	7.2	
Total liabilities and equity	1,539.4	1,558.2	18.8	

\*1 The decrease is mainly due to the impact of the application of IFRS No. 16.

\*2 The increase is mainly due to the impact of the application of IFRS No. 16.

\*3 The decrease is mainly due to the transfer from non-current liabilities (long-term borrowings) to current liabilities (current portion of long-term borrowings).

## 5. Summary of Consolidated Statements of Cash Flows

(Billions of yen)

	Six months ended June 30, 2018	Six months ended June 30, 2019	Increase (decrease)
Profit before tax	55.7	49.9	(5.8)
Depreciation and amortization	31.3	35.6	4.3
Other	(46.5)	(33.7)	12.9
Cash flows from operating activities	40.5	51.9	11.4
Payments for capital expenditures	(26.7)	(29.8)	(3.1)
Payments for purchase of shares of subsidiaries	(25.2)	(0.9)	24.3
Proceeds from sales of shares of subsidiaries	23.6	–	(23.6)
Other	0.8	(0.2)	(1.0)
Cash flows from investing activities	(27.4)	(30.9)	(3.5)
Increase (decrease) in interest-bearing debt	(11.1)	(48.9)	(37.8)
Dividends paid to owners of the Company	(11.7)	(12.1)	(0.3)
Dividends paid to non-controlling interests	(0.7)	(2.8)	(2.1)
Other	(3.7)	(0.1)	3.5
Cash flows from financing activities	(27.2)	(63.9)	(36.7)
Net increase (decrease) in cash and cash equivalents	(14.1)	(42.9)	(28.8)
Effects of exchange rate changes	(1.8)	(0.3)	1.5
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	3.4	–	(3.4)

## 6. Other Information

<Sales Volume of Major Brands in Japan Business> \* On the basis of shipment volumes

(Million cases)

	Six months ended June 30, 2018		Six months ended June 30, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Suntory Tennensui</i>	54.2	9%	53.2	(2%)
<i>Boss</i>	51.4	9%	53.8	5%
<i>Iyemon</i>	25.6	(6%)	24.8	(3%)
<i>Suntory Oolong Tea</i>	12.5	4%	11.7	(7%)
<i>Pepsi</i>	9.6	(9%)	9.8	2%
<i>Green DAKARA</i>	14.8	16%	17.6	19%
FOSHU drinks and Foods with Function Claims	11.4	(12%)	11.3	(1%)
Total	214.5	4%	215.8	1%

\* The portions of the sales volume that were supplied from other soft drink manufacturers such as Japan Beverage Holdings Inc. are not included in the above figures.

<Sales Volume of Major Brands in Europe Business>

(Million liters)

	Six months ended June 30, 2018		Six months ended June 30, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Orangina (France)</i>	86	1%	85	(1%)
<i>Oasis (France)</i>	148	6%	139	(7%)
<i>Schweppes (Spain, Portugal)</i>	60	(7%)	60	1%
<i>Lucozade (UK, Ireland)</i>	184	(7%)	200	9%
<i>Ribena (UK, Ireland)</i>	52	(3%)	44	(16%)