

**[Key Q&A] Conference Call on Financial Results for the Third Quarter of  
Fiscal Year Ending December 31, 2015**

[Japan Segment]

**Q. Profit increase in Q4 will be 2.8 billion yen, if Q3 cumulative profit is subtracted from the revised annual forecast. Please explain the background by changing factors.**

A. We expect profit increase of 0.9 billion yen from product mix in Q4. FOSHU drink products and *BOSS* coffee are selling well. We do not intend to consciously increase sales volume of large-size PET bottle products. Regarding profit increase from reduction in manufacturing costs, we are expecting incremental 1.9 billion yen. We are bringing forward the initiatives of using light-weight PET bottle caps and roll labels, and are expecting more positive impacts than we initially planned from hedging raw materials, such as coffee beans. In addition, in-house production of products including bottle-shaped canned coffee will also contribute positively. We will work to manage sales promotion and advertising costs continuously.

[Overseas Segment]

**Q. Please explain the reason for the good performance in Europe.**

A. Main factors are good weather in summer and good sales in on-premise channel in Spain centered on Schweppes. In Q4, although we expect tough business environment, we are forecasting profit increase of more than 0.5 billion yen on currency neutral basis.

[Impact from consolidation of Japan Beverage Group and JT A-Star Group]

**Q. What kind of synergy effects are you seeing after completing the acquisition at the end of July?**

A. We are having a detailed and lively exchange of views with JB/JTA Group about the efficiency of route sales, vending machines and components, and the integration is going smoother than we expected before the acquisition.

[Impairment losses of soft drinks business in Indonesia]

**Q. Please explain the impact of impairment losses on P/L.**

A. We recorded 5.8 billion yen under non-operating expenses and 9.7 billion yen under extraordinary loss.

**Q. What is the positive impact on profit for next year onwards from these impairment losses?**

A. Since there will be no goodwill and other intangible fixed assets from next year, amount of amortization will decrease by several hundred million yen.

**Q. What are the future initiatives planned for the business in Indonesia?**

A. We aim to achieve an early improvement in earnings through fundamental reforms in product portfolio and sales structure.