

Supplementary Material on Consolidated Financial Results
for the Fiscal Year Ended December 31, 2014

<Results for the Fiscal Year Ended December 31, 2014>

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1. Summary of Consolidated Statements of Income, Indices, etc.
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4. Other Information

Suntory Beverage & Food Limited

February 13, 2015

<Results for the Fiscal Year Ended 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		Fiscal year ended December 31, 2014		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	1,121.4	100.0%	1,257.3	100.0%	135.9	12.1%
Gross profit	618.6	55.2%	683.1	54.3%	64.4	10.4%
Selling, general and administrative expenses	545.9	48.7%	597.1	47.5%	51.2	9.4%
Operating income	72.7	6.5%	85.9	6.8%	13.2	18.2%
Non-operating income	2.1	0.2%	2.4	0.2%	0.3	14.2%
Non-operating expenses	7.5	0.7%	6.1	0.5%	(1.5)	(19.7%)
Ordinary income	67.3	6.0%	82.3	6.5%	15.0	22.3%
Extraordinary income	3.9	0.3%	0.3	0.0%	(3.6)	(91.8%)
Extraordinary loss	8.7	0.8%	12.1	1.0%	3.4	38.7%
Income before income taxes and minority interests	62.5	5.6%	70.5	5.6%	8.0	12.9%
Income taxes	26.1	2.3%	29.8	2.4%	3.7	14.1%
Minority interests in net income	5.2	0.5%	4.5	0.4%	(0.7)	(13.3%)
Net income	31.2	2.8%	36.2	2.9%	5.0	16.2%

(2) Other Indices

(Billions of yen)

		Fiscal year ended December 31, 2013		Fiscal year ended December 31, 2014		Increase (decrease)	
Depreciation and amortization		43.7		50.0		6.3	
Amortization of goodwill		23.2		25.1		1.9	
Operating income before amortization of goodwill		95.9		111.0		15.1	
Net income before amortization of goodwill		54.4		61.3		6.9	
EBITDA*1	EBITDA margin	139.6	12.5%	161.1	12.8%	21.4	15.3%

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

Before amortization of goodwill

EPS (Yen) *2	207.17	198.43	(8.74)	(4.2%)
Operating margin	8.6%	8.8%		
ROE *3	14.5%	10.6%		
Dividend payout ratio *4	32.9%	30.2%		

After amortization of goodwill

EPS (Yen) *2	118.79	117.28	(1.51)	(1.3%)
Operating margin	6.5%	6.8%		
ROE *3	8.3%	6.3%		
Dividend payout ratio *4	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 the fiscal year ended December 31, 2013.

*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.

(Billions of yen with fractional amounts rounded off)

	As of December 31, 2013	As of December 31, 2014	Increase (decrease)	
Total assets	1,256.7	1,389.1	132.4	10.5%
Total equity	593.0	635.6	42.7	7.2%
Capital expenditures	62.6	69.1	6.6	10.5%
D/E ratio (Times) *5	0.4	0.4		

*5: 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, 2013	Fiscal year ended December 31, 2014
USD	97.7	105.8
EUR	129.8	140.3
GBP	152.8	174.2
SGD	78.1	83.5
NZD	80.1	87.8
AUD	94.4	95.4
IDR	0.0095	0.0090

2. Sales Details

(Billions of yen with fractional amounts rounded off)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	716.9	722.3	5.5	0.8%	0.8%	
Europe	154.9	256.5	101.5	65.5%	53.1%	*1
Asia	132.7	154.5	21.8	16.5%	12.3%	*2
Oceania	41.0	44.5	3.5	8.6%	2.6%	
Americas	76.0	79.5	3.6	4.7%	(3.3%)	
Overseas	404.5	535.0	130.5	32.3%	24.2%	
Reconciliations	-	-	-	-	-	
Consolidation total	1,121.4	1,257.3	135.9	12.1%	9.6%	

*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)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	75.0	76.7	1.7	2.2%	2.2%	
Europe	31.9	47.9	16.0	50.1%	38.4%	*3
Asia	14.5	17.5	3.0	20.9%	15.4%	
Oceania	7.4	7.0	(0.4)	(5.4%)	(13.4%)	
Americas	10.8	11.9	1.1	10.4%	1.5%	
Overseas	64.7	84.4	19.7	30.5%	21.1%	
Reconciliations	-	-	-	-	-	
Consolidation total	139.6	161.1	21.4	15.3%	11.3%	

*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)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	45.4	46.6	1.2	2.7%	2.7%	
Europe	27.2	39.5	12.3	45.1%	33.8%	*4
Asia	9.2	10.4	1.2	13.4%	9.0%	
Oceania	6.2	5.6	(0.6)	(10.1%)	(18.0%)	
Americas	7.9	8.8	1.0	12.4%	3.2%	
Overseas	50.5	64.4	13.9	27.4%	18.2%	
Reconciliations	(23.2)	(25.1)	(1.9)	-	-	*5
Consolidation total	72.7	85.9	13.2	18.2%	14.2%	

*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)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014	Increase (decrease)		Reference
Non-operating income	2.1	2.4	0.3	14.2%	
Non-operating expenses	7.5	6.1	(1.5)	(19.7%)	
Ordinary income	67.3	82.3	15.0	22.3%	
Extraordinary income	3.9	0.3	(3.6)	(91.8%)	*6
Extraordinary loss	8.7	12.1	3.4	38.7%	*7
Income taxes	26.1	29.8	3.7	14.1%	
Minority interests in net income	5.2	4.5	(0.7)	(13.3%)	
Net income	31.2	36.2	5.0	16.2%	

*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 fiscal year ended December 31, 2013	45.4
Increase in sales volume	0.1
Change in product mix	5.9
Cost reduction in manufacturing and logistics	3.0
Increase in sales promotion and advertising costs	(6.1)
Increase in other expenses	(1.7)
Segment profit for the fiscal year ended December 31, 2014	46.6

4. Summary of Consolidated Balance Sheets

(Billions of yen with fractional amounts rounded off)

	As of December 31, 2013	As of December 31, 2014	Increase (decrease)	Reference
Cash and deposits	45.9	105.5	59.7	
Notes and accounts receivable–trade	126.1	152.5	26.4	*8
Inventories	67.7	74.9	7.2	
Other	43.7	53.6	9.9	
Current assets	283.3	386.4	103.1	
Property, plant and equipment	312.8	339.1	26.3	
Goodwill	400.1	381.8	(18.3)	
Trademarks	184.9	199.9	15.0	
Other	37.7	41.8	4.1	
Intangible fixed assets	622.6	623.5	0.8	
Investments and other assets	36.8	39.3	2.5	
Noncurrent assets	972.2	1,001.8	29.6	
Deferred assets	1.1	0.8	(0.3)	
Total	1,256.7	1,389.1	132.4	
Notes and accounts payable–trade	99.8	111.6	11.8	
Interest-bearing debt	172.8	54.7	(118.1)	*9
Other	174.1	188.3	14.3	
Current liabilities	446.6	354.7	(92.0)	
Interest-bearing debt	129.3	304.4	175.1	*10
Other	87.7	94.4	6.7	
Long-term liabilities	217.1	398.8	181.7	
Total liabilities	663.7	753.5	89.7	
Shareholders' equity	502.2	511.5	9.4	
Accumulated other comprehensive income	56.0	83.8	27.8	*11
Minority interests	34.8	40.2	5.5	
Total equity	593.0	635.6	42.7	
Total	1,256.7	1,389.1	132.4	

*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.

*11 The increase is mainly due to an increase in foreign currency translation adjustments.

5. Summary of Consolidated Statements of Cash Flows

(Billions of yen with fractional amounts rounded off)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014	Increase (decrease)
Income before income taxes and minority interests	62.5	70.5	8.0
Depreciation and amortization	43.7	50.0	6.3
Amortization of goodwill	23.2	25.1	1.9
Other, net	(15.3)	(37.0)	(21.7)
Net cash provided by operating activities	114.1	108.6	(5.4)
Capital expenditures	(59.7)	(68.9)	(9.2)
Purchases of investments in subsidiaries resulting in changes in scope of consolidation	(12.2)	-	12.2
Payments for transfer of business	(220.1)	-	220.1
Other, net	1.4	1.4	0.1
Net cash used in investing activities	(290.6)	(67.5)	223.1
Increase in interest-bearing debt	(67.6)	45.3	112.9
Proceeds from issuance of shares	275.5	-	(275.5)
Cash dividends	(15.8)	(30.2)	(14.5)
Other, net	(1.7)	(1.4)	0.3
Net cash provided by financing activities	190.4	13.7	(176.7)
Foreign currency translation adjustments	5.9	4.8	(1.1)
Net increase in cash and cash equivalents	19.8	59.7	39.9

6. Other Information

<Sales Volume in Japan by Product Category>

(Million cases)

	Fiscal year ended December 31, 2013		Fiscal year ended December 31, 2014	
	Actual	Increase (decrease) year-to-year	Actual	Increase (decrease) year-to-year
Mineral water	74.6	14%	79.0	6%
RTD coffee	83.0	2%	88.1	6%
RTD tea (excl. RTD black tea)	100.5	8%	99.6	(1%)
Cola drinks	30.4	5%	29.9	(2%)
Carbonates (excl. cola drinks)	46.6	7%	46.7	0%
Functional drinks	23.9	15%	22.0	(8%)
Fruit juices	20.3	(12%)	18.1	(11%)
RTD black tea	10.3	(15%)	8.9	(13%)
Others	25.2	8%	22.7	(11%)
Total	414.8	6%	415.0	0%

<Earnings Forecasts for the Fiscal Year Ending 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, Actual		Fiscal year ending December 31, 2015, Forecast		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	1,257.3	100.0%	1,300.0	100.0%	42.7	3.4%
Gross profit	683.1	54.3%	702.0	54.0%	18.9	2.8%
Selling, general and administrative expenses	597.1	47.5%	610.0	46.9%	12.9	2.2%
Operating income	85.9	6.8%	92.0	7.1%	6.1	7.0%
Non-operating income (loss)	(3.7)	0.3%	(4.0)	0.3%	(0.3)	8.8%
Ordinary income	82.3	6.5%	88.0	6.8%	5.7	7.0%
Extraordinary income (loss)	(11.8)	0.9%	(7.0)	0.5%	4.8	(40.6%)
Income before income taxes and minority interests	70.5	5.6%	81.0	6.2%	10.5	14.9%
Income taxes	29.8	2.4%	34.0	2.6%	4.2	14.2%
Minority interests in net income	4.5	0.4%	5.0	0.4%	0.5	11.4%
Net income	36.2	2.9%	42.0	3.2%	5.8	15.9%

(2) Other Indices

(Billions of yen)

		Fiscal year ended December 31, 2014, Actual		Fiscal year ending December 31, 2015, Forecast		Increase (decrease)	
Depreciation and amortization		50.0		53.0		3.0	5.9%
Amortization of goodwill		25.1		25.0		(0.1)	(0.3%)
Operating income before amortization of goodwill		111.0		117.0		6.0	5.4%
Net income before amortization of goodwill		61.3		67.0		5.7	9.3%
EBITDA*1	EBITDA margin	161.1	12.8%	170.0	13.1%	8.9	5.6%

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

Before amortization of goodwill

EPS (Yen)	198.43	216.83	18.40	9.3%
Operating margin	8.8%	9.0%		
ROE	10.6%	11.4%		
Dividend payout ratio *2	30.2%	30.4%		

After amortization of goodwill

EPS (Yen)	117.28	135.92	18.64	15.9%
Operating margin	6.8%	7.1%		
ROE	6.3%	7.1%		
Dividend payout ratio *2	51.2%	48.6%		

*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 with fractional amounts rounded off)

	As of December 31, 2014, Actual	As of December 31, 2015, Forecast	Increase (decrease)	
Total assets	1,389.1	1,330.0	(59.1)	(4.3%)
Total equity	635.6	625.0	(10.6)	(1.7%)
Capital expenditures	69.1	63.0	(6.1)	(8.9%)
D/E ratio (Times) *3	0.4	0.3		

*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, Actual	Fiscal year ending December 31, 2015, Forecast
USD	105.8	120.0
EUR	140.3	135.0
GBP	174.2	172.0
SGD	83.5	86.0
NZD	87.8	90.0
AUD	95.4	98.0
IDR	0.0090	0.0087

2. Sales Details

(Billions of yen)

	Fiscal year ended December 31, 2014, Actual	Fiscal year ending December 31, 2015, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	722.3	735.0	12.7	1.8%	1.8%	
Europe	256.5	252.0	(4.5)	(1.7%)	1.2%	
Asia	154.5	173.0	18.5	12.0%	12.0%	
Oceania	44.5	49.0	4.5	10.2%	7.4%	
Americas	79.5	91.0	11.5	14.4%	0.9%	
Overseas	535.0	565.0	30.0	5.6%	4.8%	
Reconciliations	-	-	-	-	-	
Consolidation total	1,257.3	1,300.0	42.7	3.4%	3.1%	

3. Profit Details

(1) EBITDA

(Billions of yen with fractional amounts rounded off)

	Fiscal year ended December 31, 2014, Actual	Fiscal year ending December 31, 2015, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	76.7	79.0	2.3	3.1%	3.1%	
Europe	47.9	50.0	2.1	4.4%	7.9%	
Asia	17.5	20.0	2.5	14.0%	13.3%	
Oceania	7.0	7.3	0.3	3.8%	3.8%	
Americas	11.9	13.7	1.8	14.7%	0.5%	
Overseas	84.4	91.0	6.6	7.8%	7.5%	
Reconciliations	-	-	-	-	-	
Consolidation total	161.1	170.0	8.9	5.6%	5.4%	

(2) Segment Profit

(Billions of yen)

	Fiscal year ended December 31, 2014, Actual	Fiscal year ending December 31, 2015, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	46.6	48.0	1.4	2.9%	2.9%	
Europe	39.5	41.0	1.5	3.7%	7.3%	
Asia	10.4	12.0	1.6	15.1%	14.3%	
Oceania	5.6	5.8	0.2	3.8%	4.5%	
Americas	8.8	10.2	1.4	15.3%	0.7%	
Overseas	64.4	69.0	4.6	7.1%	7.2%	
Reconciliations	(25.1)	(25.0)	0.1	-	-	*1
Consolidation total	85.9	92.0	6.1	7.0%	6.6%	

*1 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, 2014, Actual	Fiscal year ending December 31, 2015, Forecast	Increase (decrease)		Reference
Non-operating income (loss)	(3.7)	(4.0)	(0.3)	8.8%	
Ordinary income	82.3	88.0	5.7	7.0%	
Extraordinary income (loss)	(11.8)	(7.0)	4.8	(40.6%)	*2
Income taxes	29.8	34.0	4.2	14.2%	
Minority interests in net income	4.5	5.0	0.5	11.4%	
Net income	36.2	42.0	5.8	15.9%	

*2 The decrease is mainly due to a decrease in restructuring cost.

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

(Billions of yen)

Segment profit for the fiscal year ended December 31, 2014, Actual	46.6
Increase in sales volume	1.5
Change in product mix	4.0
Cost reduction in manufacturing and logistics	1.0
Increase in sales promotion and advertising costs	(4.0)
Increase in other expenses	(1.1)
Segment profit for the fiscal year ending December 31, 2015, Forecast	48.0

4. Other Information

<Sales Volume in Japan by Product Category>

(Million cases)

	Fiscal year ended December 31, 2014		Fiscal year ending December 31, 2015	
	Actual	Increase (decrease)	Forecast	Increase (decrease)
Mineral water	79.0	6%	81.3	3%
RTD coffee	88.1	6%	89.5	2%
RTD tea (excl. RTD black tea)	99.6	(1%)	98.9	(1%)
Cola drinks	29.9	(2%)	30.1	1%
Carbonates (excl. cola drinks)	46.7	0%	50.2	7%
Functional drinks	22.0	(8%)	21.4	(3%)
Fruit juices	18.1	(11%)	17.0	(6%)
RTD black tea	8.9	(13%)	7.6	(15%)
Others	22.7	(11%)	21.4	(5%)
Total	415.0	0%	417.4	1%