English Translation

February 15, 2024

Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 <IFRS> (UNAUDITED)

Company name:	**Suntory Beverage & Food Limited**
Shares listed:	Tokyo Stock Exchange
Securities code:	2587
URL:	https://www.suntory.co.jp/sbf/
Representative:	Makiko Ono, President & Chief Executive Officer
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Scheduled date of ordinary general meeting of shareholders:	March 27, 2024
Scheduled date to file securities report:	March 28, 2024
Scheduled date to commence dividend payments:	March 28, 2024
Preparation of supplementary material on financial results:	Yes
Holding of financial results presentation meeting (for institutional investors and analysts):	Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Revenue		Operating income		Profit before tax		Profit for the year	
Fiscal year ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
December 31, 2023	1,591,722	9.7	141,726	1.5	141,781	1.8	104,480	3.3
December 31, 2022	1,450,397	14.3	139,688	17.8	139,291	19.0	101,099	21.8

	Profit for the year attributable to owners of the Company		Comprehensive income for the year	
Fiscal year ended	(Millions of yen)	(%)	(Millions of yen)	(%)
December 31, 2023	82,743	0.5	174,847	11.2
December 31, 2022	82,317	19.9	157,246	28.2

	Basic earnings per share	Diluted earnings per share	Ratio of profit for the year to equity attributable to owners of the Company	Ratio of profit before tax to total assets	Ratio of operating income to revenue
Fiscal year ended	(Yen)	(Yen)	(%)	(%)	(%)
December 31, 2023	267.78	–	8.1	7.7	8.9
December 31, 2022	266.40	–	9.0	8.1	9.6

Reference: Gain on investments accounted for using the equity method
For the fiscal year ended December 31, 2023: ¥(27) million
For the fiscal year ended December 31, 2022: ¥411 million

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity attributable to owners of the Company per share
As at	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	(Yen)
December 31, 2023	1,912,415	1,185,027	1,087,370	56.9	3,519.00
December 31, 2022	1,783,349	1,060,104	965,220	54.1	3,123.69

(3) Consolidated cash flows

	Net cash inflow (outflow) from operating activities	Net cash inflow (outflow) from investing activities	Net cash inflow (outflow) from financing activities	Cash and cash equivalents at the end of the year
Fiscal year ended	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
December 31, 2023	158,292	(77,798)	(115,404)	171,755
December 31, 2022	150,509	(42,395)	(92,207)	200,630

2. Dividends

	Annual cash dividends					Total cash dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the Company (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Fiscal year ended December 31, 2022	–	39.00	–	41.00	80.00	24,719	30.0	2.7
Fiscal year ended December 31, 2023	–	40.00	–	40.00	80.00	24,719	29.9	2.4
Fiscal year ending December 31, 2024 (Forecast)	–	55.00	–	55.00	110.00		40.2	

3. Consolidated earnings forecast for the fiscal year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes)

	Revenue		Operating income		Profit before tax		Profit for the year		Profit for the year attributable to owners of the Company		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Fiscal year ending December 31, 2024	1,670,000	4.9	149,000	5.1	148,500	4.7	109,000	4.3	84,500	2.1	273.46

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

a.	Changes in accounting policies required by IFRS:	None
b.	Changes in accounting policies due to other reasons:	None
c.	Changes in accounting estimates:	None

(3) Number of issued shares (ordinary shares)

a. Total number of issued shares at the end of the period (including treasury shares)	
As at December 31, 2023	309,000,000 shares
As at December 31, 2022	309,000,000 shares
b. Number of treasury shares at the end of the period	
As at December 31, 2023	148 shares
As at December 31, 2022	121 shares
c. Average number of outstanding shares during the period	
Fiscal year ended December 31, 2023	308,999,870 shares
Fiscal year ended December 31, 2022	308,999,936 shares

*** Financial results reports are not required to be audited by certified public accountants or an audit corporation.**

*** Proper use of earnings forecast, and other special matters**

The earnings forecast contained in these materials are based on our judgment attributable to information available to the Company and the Group as of the date of announcement of these materials, and include certain risks and uncertainties. These statements are not intended as a promise by the Company to achieve such results. Actual business results may differ substantially due to various factors such as economic situation surrounding the Company and the Group, market trend, exchange rates and other factors.

Attached Materials

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1. Overview of Operating Results

(1) Overview of operating results for the fiscal year under review

Suntory Beverage & Food Limited Group (the Group), based on the philosophy of always starting from consumers, pursuing to create new taste, well-being and joy, and aiming to be the most locally beloved company by proposing premium and unique products that match the tastes and needs of consumers, worked to put effort into brand reinforcement and new demand creation, and worked to improve the quality of products. In addition, the Group worked to strengthen profitability by accelerating business transformation in each area.

In 2023, the Group steadily tapped into demand in the major countries and continued to concentrate its activities on core brands in all segments. In Japan, we achieved our highest sales volume on record as well as further expanded our market share, in part due to favorable weather. In major overseas markets as well, sales volume remained strong, despite the impact of unfavorable weather in Europe and deteriorating business confidence in Vietnam.
Price revisions in Japan and revenue growth management (RGM) measures that included flexible price revisions overseas contributed to revenue increases in all segments.
The higher costs due to high raw material prices and exchange rate fluctuations were generally as anticipated. However, the Group was able to absorb this impact due to the rise in revenue and thorough cost management. As a result, operating income increased.

For the operating results of the fiscal year under review, the Group reported consolidated revenue of ¥1,591.7 billion, up 9.7% year on year and up 5.7% on a currency neutral basis. Consolidated operating income was ¥141.7 billion, up 1.5% year on year and down 3.6% on a currency neutral basis. Furthermore, profit for the year attributable to owners of the Company was ¥82.7 billion, up 0.5% year on year and down 4.0% on a currency neutral basis.

Results by segment are described below.

Due to the organizational changes, the Africa business, which was previously reported in the “Asia Pacific business,” has been reclassified to the “Europe business” from the “Asia Pacific business,” starting from the fiscal year under review. Accordingly, in the following year-on-year comparisons, figures for the previous year have been compared based on the segment classification after the change.

< Japan business >
Performance in the beverage market was on par with the previous fiscal year (based on the Company’s own estimation), partly due to the effect of price revisions, despite an increase in demand accompanying the recovery of foot traffic and the record-breaking heat wave during the third quarter of the year ended September 30, 2023. The Company carried out initiatives to strengthen its core brands with a focus on the water, coffee, and sugar-free tea categories, and in addition to the contributions from sales of new products and marketing activities, the heat wave also contributed as in the beverage market, resulting in achieving the highest sales volume on record in 2023, as well as further expanding market share. *Suntory Tennensui* and *GREEN DA•KA•RA* achieved record-high sales volume in 2023.
For the *Suntory Tennensui* brand, in addition to the continued strong growth of natural mineral water, the *Kiritto Fruit* series contributed to the incremental increase of the brand’s sales volume. Overall sales volume of the *BOSS* brand was slightly lower than the previous fiscal year, but sales volume of canned products was strong, exceeding market growth, partly due to the increase in sales volume of products such as *BOSS Caffeine*. For *Iyemon*, overall sales volume of the brand decreased year on year due to a significant effect of price revisions in the overall green tea market. *Iyemon Koi Aji*, a food with functional claims, continued to have strong sales volume. As for the *GREEN DA•KA•RA* brand, the renewals of *GREEN DA•KA•RA* standard product and *Yasashii Mugicha* launched in April

2023, together with the strong performance of the new product *Yasashii Rooibos* contributed to the increase in the brand’s sales volume.
Revenue increased due to higher sales volume in addition to the contribution made by the effect of price revisions.
Segment profit increased due to the growth in revenue, as well as the impact of high raw material prices and foreign exchange rate fluctuations coming in line with expectations.

The Japan business reported revenue of ¥708.1 billion, up 8.4% year on year, and segment profit of ¥40.5 billion, up 21.0% year on year.

< Asia Pacific business >
In the Asia Pacific region, the Group continued with its approach of concentrating its activities on core brands in the beverage and health supplement businesses.
While it is taking time for the Vietnamese economy and the health supplement business to recover, revenue was on par with the same period of the previous year due to the ongoing contribution made by the effect of price revisions in major markets in addition to the firm increase in sales volumes in the beverage businesses in Thailand and Oceania.
Segment profit decreased year on year due to the significant effect of decreased revenue in the health supplement business as well as the reactive impact of the gain on sale of a fresh coffee business in Oceania recorded in the second quarter of the year ended December 31, 2022, despite the Group absorbing the impact from soaring raw material prices by increasing revenue in the beverage business.
In the beverage business in Vietnam, sales volume of major brands, including the mainstay energy drink *Sting* and tea beverage *TEA+*, remained strong as a result of strengthening our marketing activities on major brands despite a deterioration of business confidence and the reactive impact of the previous year’s expansion in demand. In Thailand, sales of *PEPSI* and *TEA+*, including low-sugar products, were strong and their sales volume increased amid an environment of lowering inflation and recovery in tourism demand. In Oceania, sales volumes continued at levels higher than the previous fiscal year as a result of strengthening our marketing activities on the energy drink *V*, a core brand, and due to a contribution from *BOSS* having achieved double-digit growth year on year in sales volume. In the health supplement business, while facing the significant impact of decreasing consumer demand in the health supplement market overall, the Group implemented thorough marketing activities for the mainstay product *BRAND’S Essence of Chicken*, and the sales trend is on a gradual path of recovery.

The Asia Pacific business reported revenue of ¥371.4 billion, up 5.3% year on year and up 0.0% on a currency neutral basis. Segment profit was ¥43.1 billion, down 25.4% year on year and down 27.7% on a currency neutral basis.

< Europe business >
In Europe, sales volumes in major countries were lower than in the previous fiscal year due to a decline in demand in major countries in 2023, partly due to the severe impact of unstable weather conditions.
Revenue received a contribution from RGM including price revisions in the major countries and increased.
Despite effects of high raw material prices and rising energy prices, an increase in revenue and cost-cutting activities absorbed the impact, leading to an increase in segment profit.
Looking at results by major country, in France, efforts were focused on continuing marketing activities for the core brands *Oasis*, *Schweppes,* and *Orangina*. *Oasis* achieved record-high sales volume. In the UK, sales volume for the core brand *Lucozade* rose year on year. Strong sales of non-sugar product *Lucozade Sport Zero* also contributed to the strong growth of the *Lucozade Sport* brand. In Spain, sales volume was on par with the previous fiscal year as a result of intensified activities for the core *Schweppes* brand, despite being severely affected by weather conditions.

The Europe business reported revenue of ¥339.3 billion, up 13.4% year on year and up 4.1% on a currency neutral basis, and segment profit of ¥51.7 billion, up 22.8% year on year and up 10.8% on a currency neutral basis.

< Americas business >
In the Americas, the enhancing of marketing activities in the core carbonated beverage category and the non-carbonated beverage category and sales channel expansion of *Gatorade* contributed to strong sales volume. Revenue received a contribution made by the effect of price revisions and was higher than expected.
Segment profit was higher than expected as a growth in revenue was able to absorb the impact from soaring raw materials prices and personnel costs.

The Americas business reported revenue of ¥172.9 billion, up 18.8% year on year and up 11.2% on a currency neutral basis, and segment profit of ¥21.0 billion, up 15.2% year on year and up 7.8% on a currency neutral basis.

(2) Overview of financial position for the fiscal year under review
Total assets as at December 31, 2023 stood at ¥1,912.4 billion, an increase of ¥129.1 billion compared to December 31, 2022. The main factor was an increase in trade and other receivables.
Total liabilities stood at ¥727.4 billion, an increase of ¥4.1 billion compared to December 31, 2022. This was due in part to an increase in trade and other payables despite a decrease in bonds and borrowings.
Total equity stood at ¥1,185.0 billion, an increase of ¥124.9 billion compared to December 31, 2022 due in part to an increase in retained earnings.
As a result of the above, ratio of equity attributable to owners of the Company to total assets was 56.9% and equity attributable to owners of the Company per share was ¥3,519.00.

(3) Overview of cash flows for the fiscal year under review
Cash flow positions in the fiscal year under review are as follows.
Cash and cash equivalents as at December 31, 2023 amounted to ¥171.8 billion, a decrease of ¥28.9 billion compared to December 31, 2022.
Net cash inflow from operating activities was ¥158.3 billion, an increase of ¥7.8 billion compared to the previous fiscal year. This was mainly the result of profit before tax of ¥141.8 billion, and depreciation and amortization of ¥73.1 billion, despite income tax paid of ¥36.5 billion, an increase in trade and other receivables of ¥29.3 billion, and an increase in inventories of ¥4.7 billion.
Net cash outflow from investing activities was ¥77.8 billion, an increase of ¥35.4 billion compared to the previous fiscal year. This was mainly the result of payments for property, plant and equipment and intangible assets of ¥79.2 billion.
Net cash outflow from financing activities was ¥115.4 billion, an increase of ¥23.2 billion compared to the previous fiscal year. This was mainly the result of dividends paid of ¥50.1 billion, repayments of long-term borrowings of ¥30.0 billion, and redemption of bonds of ¥15.0 billion.

(4) Future outlook
Based on the medium-term strategy, the Group will work on further improvement of profitability and business foundation.
Please see 3. Management Policies for further details on the medium-term strategy and initiatives for 2024. In the 2024 fiscal year, the Group expects consolidated revenue of ¥1,670.0 billion, up 4.9% year on year, consolidated operating income of ¥149.0 billion, up 5.1% year on year.
The main foreign exchange rates underlying the outlook for the next fiscal year are ¥158.0 against the euro and ¥145.0 against the U.S. dollar.

(5) Basic policy on profit distribution and dividends for the 2023 and 2024 fiscal years
The Company believes its prioritization of strategic investments as well as capital expenditures for sustainable revenue growth and increasing the value of its business will benefit its shareholders. In

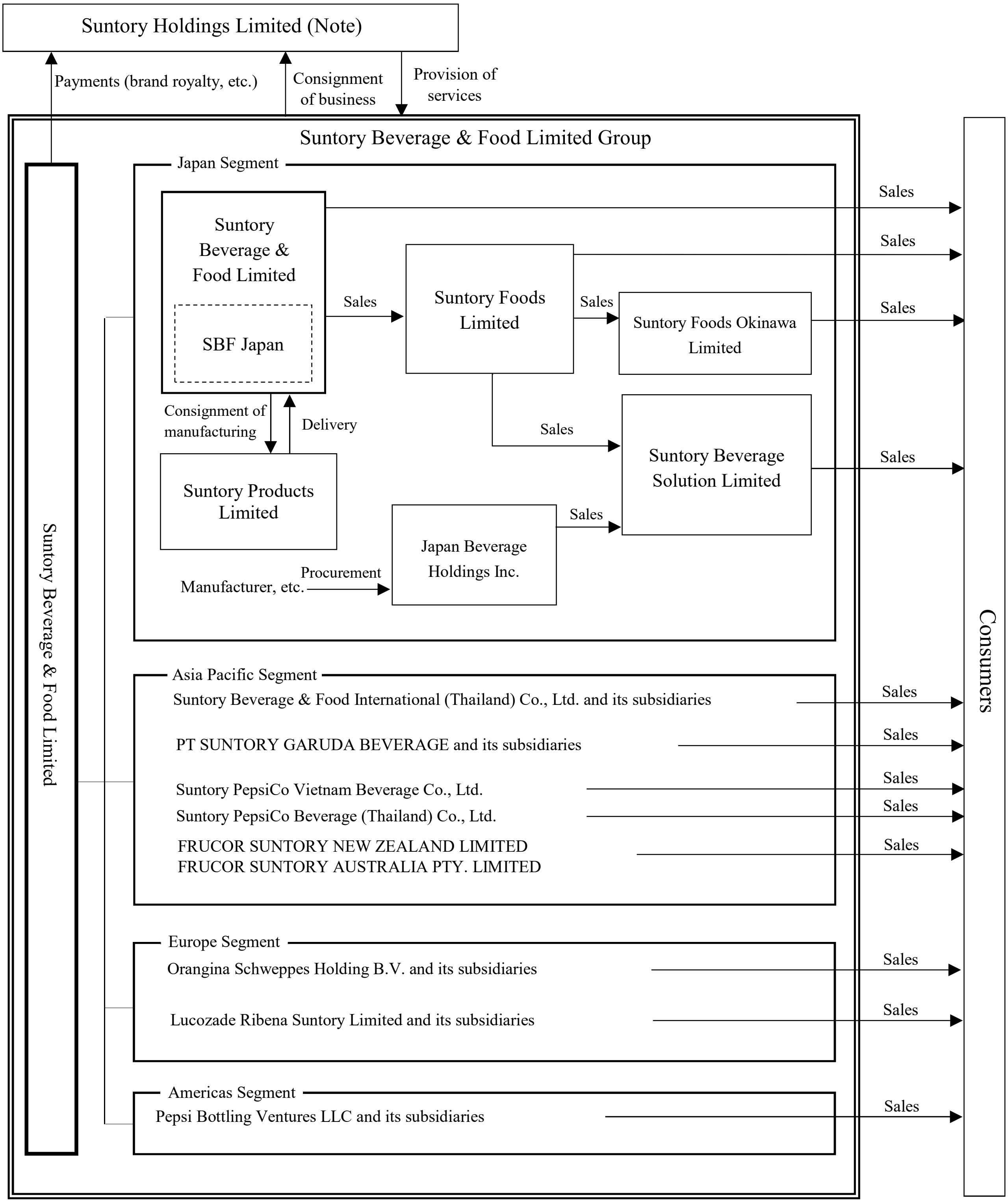
addition, the Company views an appropriate shareholder return as one of its core management principles. While giving due consideration to providing a stable return and maintaining robust internal reserves for the future, the Company intends to pursue a shareholder return policy that takes its business results and future funding needs into account comprehensively. Specifically, the Company aims to stably increase dividends on the basis of profit growth with a targeted consolidated payout ratio of 40% or more of profit for the year attributable to owners of the Company. Moreover, although the Company had until the fiscal year under review targeted a consolidated payout ratio of 30% or more of profit for the year attributable to owners of the Company, with the objective of further enhancing returns to shareholders, the Company has taken the decision to raise this to 40% or more from the next fiscal year onward.

For the fiscal year under review, in accordance with the basic policy described above and a consideration of business results and environment, the Company plans to pay a fiscal year-end dividend of ¥40 per share. As a result, the planned annual dividend for the fiscal year under review is ¥80 per share, together with an interim dividend of ¥40 already paid. For the fiscal year ending December 31, 2024, the Company plans to pay an annual dividend of ¥110 per share, comprised of an interim dividend of ¥55 and a fiscal year-end dividend of ¥55.

2. State of the Group

The Suntory Beverage & Food Limited Group is comprised of the Company, 68 subsidiaries, 7 affiliates and 2 joint ventures.
The major companies are mentioned below.

The following shows a business schematic diagram of the Group.



Note: Suntory Holdings Limited is the parent company.

3. Management Policies

(1) Corporate philosophy

The Group’s corporate philosophy consists of “Our Purpose,” “Our Values,” and “Who We Are.” “Our Purpose” and “Our Values” align with the Suntory Group’s Corporate Philosophy in that they define the values all our employees embrace to achieve our purpose, in addition to the goals of our business and our corporate direction.
Moreover, we define the universal characteristics of the Group as “Who We Are” in seeking to achieve high-quality growth as a truly global beverage business.

＜Our Purpose＞
To inspire the brilliance of life, by creating rich experiences for people, in harmony with nature.
＜Our Values＞
Growing for Good / “Yatte Minahare” / Giving Back to Society
＜Who We Are＞
Always Together with Seikatsusha
We connect with your feelings to enrich every moment of life

(2) Medium-term strategy and medium-term plan

The medium-term strategy and medium-term plan are as follows:

Medium-term strategy

Our aspiration is ¥2.5 trillion sales by 2030 to be achieved organically by “outperforming the market” as well as through “incremental growth from new investments,” as we seek to achieve high-quality growth as a truly global beverage enterprise.
Furthermore, we aim for profit growth which outpaces revenue growth.
In order to achieve these, the Group will proactively develop business in line with the following key strategic pillars.

< Brand strategy >
- Enhance core brand innovation
- Expand cross-selling of strategic brands to a wider area
- Develop global Suntory brands

< Structural transformation >
- Japan: Accelerate structural transformation toward strengthening profitability
- Overseas: Accelerate business growth and further strengthen profitability
- Further augment and strengthen the business portfolio (deployment of RTD, etc.)

< DEI >
- Improve corporate competitive strengths through integration of diverse perspectives and values

< Sustainability >
- Reinforce initiatives for taking on environmental and social challenges

Medium-term plan (2024-2026)

The targets through 2026 based on the medium-term strategy are as follows:

Organic growth

(Base year: 2023, on a currency neutral basis)

Revenue	Mid single-digit Compound Annual Growth Rate (CAGR) growth
Operating income	High single-digit Compound Annual Growth Rate (CAGR) growth
Operating margin	Over 10% by 2026
Free cash flow	Generate more than ¥140 billion in 2026

* Free cash flow = cash flows from operating activities – cash flows from investing activities

Growth investment
- Allocate ¥300-600 billion for investment
- Focus on augmenting M&A and strategic capital investment (including investments in sustainability), and on global deployment of strategic brands

Dividend policy

- Target dividend payout ratio of 40% or higher from fiscal year 2024 onward
  *A targeted consolidated payout ratio of profit for the year attributable to owners of the Company

(3) Initiatives for 2024

In 2024, we expect that we will continue to face an uncertain macro environment and a challenging competitive landscape. As such, we will aim to achieve further revenue growth by enhancing our RGM activities, in addition to rigorously undertaking proactive marketing investment and promotional activities centered around our core brands. We will persist with rigorous cost management and aim to achieve higher profits across all segments.
Further, aiming at sustainable growth, we will explore M&A and other investment opportunities and expand production facilities. Regarding our DEI initiatives, we seek to ensure that diverse employees exemplify our motto “Yatte Minahare–Go for it!” by promoting greater diversity of employee attributes and working to further build an organization conducive to accepting and leveraging differences. Moreover, underpinned by our mission “To Create Harmony with People and Nature,” our sustainability initiatives will involve redoubling our efforts related to water and greenhouse gases with our sights set on achieving our “Environmental Targets toward 2030,” and also more robustly engaging in the activities listed in the Suntory Group Plastic Policy. We will also shore up our investments in sustainability.

< Japan business >

Designating our business strategies of “core brand innovation,” “vending machine business transformation,” and “supply chain structural reform” as the key priorities, we aim to grow revenue and profit. With respect to marketing activities, the Group will continue to further strengthen initiatives involving *Suntory Tennensui*, *BOSS*, *Iyemon, GREEN DA•KA•RA* and *Tokucha.*
With the *Suntory Tennensui* and *BOSS* brands, the Group aims to achieve continuous growth through further portfolio expansion. With the *Iyemon* brand, the Group will undertake renewal aligned with resurging growth trends of the brand. The Group will strive to get customers more accustomed to drinking *Tokucha* by further enhancing our marketing activities and conveying the appeal of *Tokucha* in terms of its unique functions.

< Asia Pacific business >

In Asia Pacific, the Group aims to achieve further growth of its core brands by leveraging its comprehensive strengths across the entire value chain. We will strengthen profitability through revenue growth and expansion of production facilities.
In Vietnam, steadily tapping into recovering demand, the Group will continue to strengthen its sales activities while striving to accelerate further growth of core brands such as the energy drink *Sting* and tea beverage *TEA+*. In Thailand, the Group will strengthen the *PEPSI* brand and work to achieve further improvements in productivity, and continue reinforcing low-sugar products in order to capture demand driven by the rising health consciousness of consumers. In Oceania, the Group will continue to focus on the energy drink *V*, a core brand, while also intensifying promotional campaigns aligned with further growth of the *BOSS* brand. Meanwhile, the Group will establish a robust supply chain for beverages enlisting operations of the new plant in Australia, while also embarking on preparations for the sales launch of RTD beverages in 2025. Regarding the health supplement business, the Group will bolster marketing activities aligned with recovering sales trends of the mainstay product *BRAND’S Essence of Chicken*.

< Europe business >

In Europe, the Group aims to achieve revenue growth, which will entail prompting growth in sales volume by further concentrating efforts on core brands in respective countries. The Group will furthermore enhance profitability by spurring evolution of its RGM activities.
In France, the Group will strengthen marketing for *Oasis* and *Schweppes*. In the UK, the Group will concentrate investment on the *Lucozade* brand. In Spain, the Group will redouble efforts involving *Schweppes* in the off-premise and on-premise markets.

< Americas business >
The Group will enhance the core carbonated beverage category, while also working to further expand the growing non-carbonated beverage category. Moreover, the Group will strive to strengthen profitability through further initiatives involving the supply chain.

4. Basic Concept Regarding Selection of Accounting Standard

Considering the ongoing globalization of the business activities of the Group, the Group has applied the International Financial Reporting Standards (IFRS) from the fiscal year ended December 31, 2017, to improve the quality of the Group’s business management through unified accounting standards and to increase international comparability of its financial information in the capital markets.

5. Consolidated Financial Statements and Significant Notes Thereto (Unaudited)

(1) Consolidated statement of financial position

	Millions of yen	
	As at December 31, 2022	As at December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	200,630	171,755
Trade and other receivables	270,969	309,923
Other financial assets	3,118	1,664
Inventories	106,086	115,967
Other current assets	25,564	28,175
Subtotal	606,370	627,486
Assets held for sale	–	11,421
Total current assets	606,370	638,907
Non-current assets:		
Property, plant and equipment	381,511	416,600
Right-of-use assets	48,841	51,891
Goodwill	264,573	278,231
Intangible assets	452,444	495,339
Investments accounted for using the equity method	1,305	114
Other financial assets	14,777	14,482
Deferred tax assets	6,398	8,969
Other non-current assets	7,125	7,878
Total non-current assets	1,176,978	1,273,507
Total assets	1,783,349	1,912,415

	Millions of yen	
	As at December 31, 2022	As at December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities:		
Bonds and borrowings	57,996	49,431
Trade and other payables	384,366	430,812
Other financial liabilities	34,026	22,982
Accrued income taxes	18,098	19,926
Provisions	1,417	1,403
Other current liabilities	8,254	6,100
Subtotal	504,160	530,656
Liabilities directly associated with assets held for sale	–	5,073
Total current liabilities	504,160	535,730
Non-current liabilities:		
Bonds and borrowings	64,752	25,000
Other financial liabilities	44,987	45,472
Post-employment benefit liabilities	13,732	14,323
Provisions	5,722	6,068
Deferred tax liabilities	84,922	93,954
Other non-current liabilities	4,965	6,838
Total non-current liabilities	219,083	191,657
Total liabilities	723,244	727,388
Equity		
Share capital	168,384	168,384
Share premium	182,229	182,229
Retained earnings	594,773	652,706
Treasury shares	(0)	(0)
Other components of equity	19,834	84,050
Total equity attributable to owners of the Company	965,220	1,087,370
Non-controlling interests	94,883	97,656
Total equity	1,060,104	1,185,027
Total liabilities and equity	1,783,349	1,912,415

(2) Consolidated statement of profit or loss

	Millions of yen	
	Year ended December 31, 2022	Year ended December 31, 2023
Revenue	1,450,397	1,591,722
Cost of sales	(897,879)	(1,001,726)
Gross profit	552,518	589,996
Selling, general and administrative expenses	(420,240)	(445,401)
Gain on investments accounted for using the equity method	411	(27)
Other income	19,375	3,273
Other expenses	(12,375)	(6,114)
Operating income	139,688	141,726
Finance income	1,629	4,281
Finance costs	(2,026)	(4,226)
Profit before tax	139,291	141,781
Income tax expense	(38,192)	(37,301)
Profit for the year	101,099	104,480
Attributable to:		
Owners of the Company	82,317	82,743
Non-controlling interests	18,781	21,736
Profit for the year	101,099	104,480
Earnings per share (Yen)	266.40	267.78

(3) Consolidated statement of comprehensive income

	Millions of yen	
	Year ended December 31, 2022	Year ended December 31, 2023
Profit for the year	101,099	104,480
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Changes in the fair value of financial assets	340	(5)
Remeasurement of defined benefit plans	1,782	(1,098)
Total	2,123	(1,104)
Items that may be reclassified to profit or loss:		
Translation adjustments of foreign operations	54,253	71,594
Changes in the fair value of cash flow hedges	(394)	(241)
Changes in comprehensive income of investments accounted for using the equity method	165	117
Total	54,024	71,471
Other comprehensive income for the year, net of tax	56,147	70,366
Comprehensive income for the year	157,246	174,847
Attributable to:		
Owners of the Company	128,729	147,178
Non-controlling interests	28,517	27,669
Comprehensive income for the year	157,246	174,847

(4) Consolidated statement of changes in equity

	Millions of yen							
	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at January 1, 2022	168,384	182,423	536,996	(0)	(27,210)	860,593	83,358	943,952
Profit for the year			82,317			82,317	18,781	101,099
Other comprehensive income					46,412	46,412	9,735	56,147
Total comprehensive income for the year	–	–	82,317	–	46,412	128,729	28,517	157,246
Purchase of treasury shares				(0)		(0)		(0)
Dividends			(24,101)			(24,101)	(16,994)	(41,096)
Transactions with non-controlling interests		(193)	193			–	1	1
Reclassification to retained earnings			(632)		632	–		–
Total transactions with owners of the Company	–	(193)	(24,541)	(0)	632	(24,102)	(16,992)	(41,094)
Balance at December 31, 2022	168,384	182,229	594,773	(0)	19,834	965,220	94,883	1,060,104
Profit for the year			82,743			82,743	21,736	104,480
Other comprehensive income					64,434	64,434	5,932	70,366
Total comprehensive income for the year	–	–	82,743	–	64,434	147,178	27,669	174,847
Purchase of treasury shares				(0)		(0)		(0)
Dividends			(25,028)			(25,028)	(25,027)	(50,056)
Transactions with non-controlling interests						–	132	132
Reclassification to retained earnings			218		(218)	–		–
Total transactions with owners of the Company	–	–	(24,810)	(0)	(218)	(25,029)	(24,895)	(49,924)
Balance at December 31, 2023	168,384	182,229	652,706	(0)	84,050	1,087,370	97,656	1,185,027

(5) Consolidated statement of cash flows

	Millions of yen	
	Year ended December 31, 2022	Year ended December 31, 2023
Cash flows from operating activities		
Profit before tax	139,291	141,781
Depreciation and amortization	70,791	73,079
Impairment losses (reversal of impairment losses)	2,675	553
Interest and dividends income	(1,475)	(4,225)
Interest expense	1,949	2,936
Loss (gain) on investments accounted for using the equity method	(411)	27
Loss (gain) on sales of shares of subsidiaries	(16,020)	(43)
Decrease (increase) in inventories	(19,213)	(4,683)
Decrease (increase) in trade and other receivables	(23,615)	(29,328)
Increase (decrease) in trade and other payables	23,472	26,729
Other	3,676	(13,994)
Subtotal	181,122	192,833
Interest and dividends received	1,355	4,000
Interest paid	(2,026)	(2,058)
Income tax paid	(29,941)	(36,482)
Net cash inflow (outflow) from operating activities	150,509	158,292
Cash flows from investing activities		
Payments for property, plant and equipment and intangible assets	(60,228)	(79,236)
Proceeds on sale of property, plant and equipment and intangible assets	477	173
Proceeds from sale of businesses	–	627
Proceeds from sale of subsidiaries	18,400	–
Other	(1,044)	636
Net cash inflow (outflow) from investing activities	(42,395)	(77,798)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(323)	(4,799)
Proceeds from long-term borrowings	6,618	–
Repayments of long-term borrowings	(43,832)	(30,000)
Redemption of bonds	–	(15,000)
Payments of lease liabilities	(13,524)	(15,475)
Dividends paid to owners of the Company	(24,101)	(25,028)
Dividends paid to non-controlling interests	(17,042)	(25,100)
Other	(0)	(0)
Net cash inflow (outflow) from financing activities	(92,207)	(115,404)
Net increase (decrease) in cash and cash equivalents	15,907	(34,910)
Cash and cash equivalents at the beginning of the year	176,655	200,630
Effects of exchange rate changes on cash and cash equivalents	8,067	7,337
Cash and cash equivalents included in assets held for sale	–	(1,301)
Cash and cash equivalents at the end of the year	200,630	171,755

(6) Notes to consolidated financial statements

(Going concern)

The consolidated financial statements are prepared on going concern basis.

(Significant accounting estimates)

Valuation of goodwill and intangible assets with indefinite useful lives

(1) Amounts recorded in the consolidated financial statements at the end of the fiscal year under review

Goodwill	¥278,231 million
Intangible assets with indefinite useful lives	¥437,629 million

(2) Information on details of significant accounting estimates relating to the identified items

The Company estimates recoverable amounts for impairment testing on goodwill and intangible assets with indefinite useful lives.

The recoverable amount is calculated as the discounted present value of estimated future cash flows primarily based on the long-term growth rates in the business plan and after the applicable period of the business plan.

The business plan used for impairment testing is formulated based on not only the growth rate of the beverages market having an impact on future revenue and operating income, and the effect of soaring raw material and energy prices, but also estimates of the effects of the sales strategies for each brand, and the sales and promotion strategies for each sales channel, such as off-premises and on-premises channels. Moreover, the growth rate is determined by taking into consideration the long-term average growth rate in the markets or countries to which these cash-generating units and groups of cash-generating units belong. If they differ from the actual results, it may impact the business performance and other indicators.

(Segment information)

The reportable segments are components of the Group for which separate financial information is available and regularly reviewed by management to make decisions about the allocation of resources and to assess segment performance.

The Group manufactures and distributes soft drinks and foods, including mineral water, coffee drinks, tea drinks, carbonated drinks, sports drinks and food for specified health uses (FOSHU). The Company, together with its manufacturing and sales subsidiaries, operates in the domestic market, and its regional subsidiaries operate in overseas markets. Therefore, the Group comprises of four reportable segments: “Japan business,” “Asia Pacific business,” “Europe business” and “Americas business.” The intersegment transactions are considered on an arm’s length basis.

Due to the organizational changes, the Africa business, which was previously reported in the “Asia Pacific business,” has been reclassified to the “Europe business” from the “Asia Pacific business,” starting from the fiscal year under review. Accordingly, the same reclassification has been made for the accompanying segment information for the previous fiscal year.

The Group operates a single business, the manufacturing and distribution of soft drinks and foods; therefore, financial information by product and service is not prepared.

Profit or loss for each reportable segment of the Group is as follows.

Year ended December 31, 2022

	Millions of yen						
	Reportable segment						
	Japan	Asia Pacific	Europe	Americas	Segment total	Reconciliations	Consolidated
Revenue:							
External customers	653,199	352,615	299,105	145,477	1,450,397	–	1,450,397
Intersegment	57	1,076	1,303	–	2,438	(2,438)	–
Total revenue	653,256	353,692	300,408	145,477	1,452,835	(2,438)	1,450,397
Segment profit	33,430	57,731	42,131	18,212	151,506	(11,817)	139,688
(Depreciation and amortization)	33,445	16,580	12,383	5,274	67,684	3,107	70,791

Year ended December 31, 2023

	Millions of yen						
	Reportable segment						
	Japan	Asia Pacific	Europe	Americas	Segment total	Reconciliations	Consolidated
Revenue:							
External customers	708,141	371,435	339,274	172,871	1,591,722	–	1,591,722
Intersegment	93	5	1,026	–	1,125	(1,125)	–
Total revenue	708,234	371,440	340,301	172,871	1,592,847	(1,125)	1,591,722
Segment profit	40,455	43,075	51,725	20,982	156,239	(14,512)	141,726
(Depreciation and amortization)	32,621	17,286	13,942	5,825	69,675	3,404	73,079

"Reconciliations" to segment profit represents overhead costs incurred by the Company to manage the Group's operations and is not allocated to each reportable segment. Segment profit agrees with operating income presented in the consolidated statement of profit or loss.

Geographical areas are comprised of the following countries.

Japan business:	Japan
Asia Pacific business:	Vietnam, Thailand, Indonesia, New Zealand, Australia, and others
Europe business:	France, UK, Spain, and others
Americas business:	United States of America

Revenue from external customers is as follows:

	Millions of yen				
	Japan	Asia Pacific	Europe	Americas	Total
Year ended December 31, 2022	653,199	352,578	299,142	145,477	1,450,397
Year ended December 31, 2023	708,141	371,409	339,300	172,871	1,591,722

Revenue is allocated to countries or areas based on the customers' location for the analysis above.

Non-current assets by reportable segment is as follows:

	Millions of yen				
	Japan	Asia Pacific	Europe	Americas	Total
As at December 31, 2022	357,629	175,931	528,982	84,827	1,147,371
As at December 31, 2023	352,081	208,937	586,151	94,891	1,242,062

Non-current assets (property, plant and equipment, right-of-use assets, intangible assets and goodwill) is allocated to each reportable segment based on their locations for the above analysis.

There is no customer to which sales exceeds 10% of the Group’s total revenue.

(Per share information)

The basis for calculating earnings per share is as follows. There is no diluted share issued.

	Millions of yen	
	Year ended December 31, 2022	Year ended December 31, 2023
Profit for the year attributable to owners of the Company	82,317	82,743
Profit for the year not attributable to ordinary shareholders of the Company	–	–
Profit for the year used in the calculation of earnings per share	82,317	82,743
Weighted-average number of ordinary shares (Shares)	308,999,936	308,999,870
Earnings per share (Yen)	266.40	267.78

(Subsequent events)

No items to report.