

Suntory Holdings Limited

February 16, 2015

**SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2014 (English Translation, UNAUDITED)**

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(Fractions of millions have been truncated)

**1. Consolidated operating results and financial positions for the fiscal year
(January 1, 2014 - December 31, 2014)**

(1) Operating results (% figures represent change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	¥million	%	¥ million	%	¥million	%	¥million	
December 31, 2014	2,455,249	20.3	164,753	30.2	153,842	27.6	38,363	(80.4)
December 31, 2013	2,040,204	10.2	126,558	17.5	120,552	17.0	195,574	433.9

Referential Information : Income before amortization of goodwill and other

	Operating income		Ordinary income		Net income	
Fiscal year ended	¥ million	%	¥million	%	¥million	
December 31, 2014	215,933	43.2	205,023	41.6	79,145	(63.2)
December 31, 2013	150,776	17.6	144,770	17.2	214,990	276.2

Note: Income before amortization of goodwill and other = Income + Amortization of Goodwill, Trademarks and other recognized in connection with M&A

	Basic net income per share	Diluted net income per share	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	¥	¥	%	%	%
December 31, 2014	56.20	-	4.7	4.5	6.7
December 31, 2013	286.67	-	30.7	5.9	6.2

(2) Financial positions

	Total assets	Net assets	Ratio of equity to total assets	Net assets per share
As of	¥ million	¥ million	%	¥
December 31, 2014	4,536,537	1,190,756	19.4	1,290.82
December 31, 2013	2,374,070	1,056,726	32.3	1,125.73

(3) Cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at year end
Fiscal year ended	¥ million	¥ million	¥ million	¥ million
December 31, 2014	157,686	(1,473,724)	1,077,974	199,308
December 31, 2013	166,503	(215,493)	232,167	418,630

(Fractions of millions have been truncated)

2. Dividends

	Annual dividends	Total cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends as a percentage of net assets (Consolidated)
Fiscal year ended	¥	¥ million	%	%
December 31, 2014	12.00	8,199	21.4	1.0
December 31, 2013	17.00	11,598	5.9	1.8

3. Consolidated result forecast for the fiscal year ending December 2015 (January 1, 2015 - December 31, 2015)

	Net sales		Operating income		Ordinary income		Net income		Basic net income per share
Fiscal year ending	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
December 31, 2015	2,650,000	7.9	193,000	17.1	167,000	8.6	50,000	30.3	73.17

Income before amortization of goodwill etc.	261,000	20.9	235,000	14.6	108,000	36.5
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Reference: EBITDA Ratio for the fiscal year ending December 31,2014 5.2
EBITDA Ratio for the fiscal year ending December 31,2015 (forecast) 4.3

※EBITDA Ratio=Net interest-bearing debt after adjusted for Hybrid bonds and loans / EBITDA

Note:EBITDA for the fiscal year ending December 31,2014 includes full year results of Beam suntory.

(Net)Debt / Equity Ratio for the fiscal year ending December 31,2014 1.15

(Net)Debt / Equity Ratio for the fiscal year ending December 31,2015 (forecast) 1.05

※(Net)Debt / Equity Ratio=Net interest-bearing debt after adjusted for Hybrid bonds and loans / Net Assets

Operating Results

1. Economic overview during the consolidated cumulative period

During the FY2014 consolidated cumulative period from January 1, 2014 - December 31, 2014, the world economy recovered gradually despite showing weakness in some areas. The Japanese economy continued making gradual recovery, but the trend of pickup in consumer spending saw a downturn.

Within this context, the Suntory Group has taken proactive efforts with a focus on strengthened marketing activities for our major brands such as *The Premium Malt's*, *Kin-Mugi*, *Kakubin*, *Hibiki*, *Yamazaki*, *Hakushu*, *Jim Beam*, *Suntory Tennensui* and *BOSS*. In May, the Suntory Holdings Limited acquired all issued shares of Beam Inc., giving birth to Beam Suntory Inc.

As a result, our performance for the FY2014 consolidated cumulative period yielded net sales of 2.4552 trillion yen (up 20% year-on-year), operating income of 164.8 billion yen (up 30%) and ordinary income of 153.8 billion yen (up 28%). The net income of the reported period was 38.4 billion yen (down 80%) due to the rebound from the extraordinary income generated by the market listing of Suntory Beverage & Food Limited in the previous year and also due to the temporary costs from the Beam Inc. acquisition.

When excluding the amortization of goodwill etc. from the calculation, our performance yielded operating income of 215.9 billion yen (up 43% year-on-year), ordinary income of 205 billion yen (up 42%) and net profit of 79.1 billion yen (down 63%).

<Non-Alcoholic Beverages and Food Segment>

Suntory Beverage & Food Limited worked to grow business both in Japan and overseas by introducing unique products of high quality that grasp the tastes and needs of consumers, as well as by strengthening our brands and creating new demand based on the concept of providing an enriched life for our consumers. Further, we worked to improve quality with the group as a whole by making the most of each company's knowledge and to strengthen profitability through cost innovations.

In our domestic business, Suntory Beverage & Food Limited kept a sales volume that was similar to that of the previous year despite predictions of year-on-year losses in the total market. In addition to *Suntory Tennensui* and *BOSS*, the main core brands, leading the sales, high value-added products including *Iyemon Tokucha* (FOSHU) showed favorable movement.

As for *Suntory Tennensui*, we promoted its "clear & tasty" and "natural and healthy" characteristics as unique values of the brand. Sales volume of the overall brand increased dramatically year-on-year, helped by favorable sales of *Suntory Minami-Alps Tennensui Sparkling*, *Suntory Minami-Alps Tennensui Sparkling Lemon* and *Suntory Minami-Alps Tennensui & Asa-zumi Orange*.

As for *BOSS*, in addition to its steady key products, *PREMIUM BOSS* also saw favorable sales since its launch in September, helping to significantly expand the sales volume of the overall brand.

Iyemon also saw a growth in sales volume of the entire brand, helped by the continued favorable sales of *Iyemon Tokucha* (FOSHU), which exceeded sales of 12 million cases in a year during its second year of sale.

As for *Pepsi*, we developed popular advertising activities of the *Pepsi NEX ZERO*, which was renewed in March.

GREEN DAKARA saw improved brand awareness as a hydration drink that helps to avoid heat stroke during the summer season and drying during the winter season. *GREEN DAKARA Yasashii Mugicha* also showed favorable sales, contributing to the extensive year-on-year increase in sales volume of the entire brand.

As for FOSHU products, Suntory Beverage & Food Limited led the market expansion where it has established a firm position, and saw a significant year-on-year increase in sales volume.

In our overseas business, the scope of our business was expanded due to further strengthening of the core brands in each region and other factors.

In Europe, we made an effort to establish a more efficient business base. Lucozade Ribena Suntory Limited began business operations, which greatly expanded our business scope. Marketing activities focused around key brands including *Orangina*, *Schwepes*, *Lucozade* and *Ribena* were implemented.

In Asia, we worked on actively expanding business through the introduction of new products, as well as by reinforcing our business base including product development functions, marketing functions and the production system at each country. In addition, we engaged in expanding sales of Suntory brand products such as *MYTEA Oolong Tea* in Indonesia and *TEA+ Oolong Tea* in Vietnam.

In Oceania, the Frucor Group worked to revitalize its main brand *V*, and also expanded its product lineup by launching its first Suntory brand product *OVI* and others.

As for the Americas, we worked to improve business efficiency in areas such as sales and logistics, as well as further reinforcing the sale of the *Pepsi* brand centering on North Carolina.

As a result of these efforts, net sales in the Non-Alcoholic Beverages and Food Segment increased 12% year-on-year to 1.2493 trillion yen.

<Alcoholic Beverage Segment>

Management of Beam Suntory Inc. and Suntory Liquors Limited (now Suntory Spirits Limited) has been integrated as of October, and has become one united body in promoting the spirits business. With the integration, Beam Suntory has become the world's No.3 premium spirits company.

Beam Suntory, proactively developing businesses in North America and Japan, saw favorable sales that were up 86%^{*1} year-on-year. In North America, the world's largest spirits market, the world's No.1^{*2} Bourbon whisky *Jim Beam* and major premium brands including *Maker's Mark*, *Knob Creek* and *Hornitos* showed strong growth. In Europe, *Jim Beam*, *Laphroaig* and other premium brands showed strong sales in Germany, Russia and the United Kingdom. As for India and Brazil, two key emerging markets, *Teacher's* Scotch whisky continued strong growth. Further, proactive marketing activities for the *Hibiki*, *Yamazaki* and *Hakushu* brands focusing around Europe and America, and *Kakubin* in Asia, helped expand the Japanese whisky category.

Beam Suntory's Japan business (Suntory Spirits Limited) saw a 6 % year-on-year growth in sales. Whiskies grew by 6% year-on-year. *Kakubin* saw a re-launching of its

communication in February as well as a strengthening of promotional activities related to compatibility with food, and grew significantly at 10% year-on-year. As for domestic premium whiskies, *Hibiki*, *Yamazaki* and *Hakushu* brands made favorable movement, with significant growth of 26% year-on-year. In July, *Hibiki 21 Years Old* won the top prize in the whisky category at a global spirits competition. Imported whiskies made favorable movement due to expansion of contact with consumers, with a focus on Bourbons such as *Jim Beam* and *Maker's Mark*.

RTDs also showed favorable movement as a result of efforts to strengthen major brands, and were up 7% year-on-year to achieve a record-setting sales volume for the 10th straight year. *-196°C Strong Zero* grew significantly, up 11% year-on-year due to favorable movement of *-196°C Strong Zero DRY* and others that saw promotion of food pairing. As for *Horoyoi*, proactive introduction of new products contributed to the growth of 7% year-on-year. As the driving force behind the market, canned highballs grew significantly, up 14% year-on-year.

RTSs grew significantly at 140% year-on-year, creating a new market. *Funwari Kyogetsu* showed significant growth of 123% year-on-year, and *Sumiwataru Umeshu*, launched in April, was also well received as a transparent plum liqueur that goes well with foods.

*¹ Includes performance of Beam Inc., a consolidated subsidiary since May

*² 2013 sales numbers (Source: IMPACT NEWSLETTER February Volumes 1 & 15, 2014)

Suntory Beer Limited, which inherited the beer business from Suntory Liquors Limited (now Suntory Spirits Limited) in October, achieved a new high in sales volume for the fifth consecutive year with 72.62 million cases^{*4} (up 3% year-on-year), amid predictions that the total market^{*3} would shrink about 1% year-on-year. Meanwhile, Suntory's share of the beer category rose to its highest level ever at 15.4% (based on taxed shipment volume).

By brand, *The Premium Malt's*, which boasts an overwhelming presence in the premium beer market, set a new record in sales volume for the eleventh year in a row, shipping 17.71 million cases (up 0.3% year-on-year).

In the new genre of the *Kin-Mugi* brand, number of cases sold grew significantly to 36.32 million (up 9.5% year-on-year) to break set a new record in sales volume for the seventh consecutive year, as a result of proactive marketing activities including the launch of *Kin-Mugi Clear Label* in April.

All Free, the top selling brand of alcohol-free beer-type beverage^{*5} also grew, selling 7.2 million cases (up 3.9% year-on-year), leading the market.

*³ Includes non-alcoholic beer-type beverages

*⁴ One case is equivalent to twenty large (633 mL) bottles

*⁵ Source: Intage SRI survey of alcohol-free beer-type beverage brands Total cumulative sales between January and December 2014 at supermarkets, convenience stores, discounted liquor stores, and on- and off-premise liquor stores nationwide

Suntory Wine International Limited saw a 2% year-on-year growth in sales. "Japanese wine" made with 100% domestic grapes showing favorable sales and our wine received high recognition such as *Tomi White 2012* winning both the Special Award Japan and

Gold Award at an international wine competition. *Sankaboshizai Mutenka no Oishii Wine* continued to make favorable sales.

As a result of these efforts, net sales in the Alcoholic Beverage Segment increased 40% year-on-year to 891.5 billion yen.

<Other Businesses Segment>

Suntory Wellness Limited saw favorable performance of the *Sesamin* series, the skin care product *F.A.G.E.* and others, with an increase of 10% year-on-year.

Suntory (China) Holding Co., Ltd. saw sales that were 18% compared to the previous year.

Häagen-Dazs Japan, Inc. greatly exceeded year-on-year sales due to favorable performance of new *Mini Cup* products in addition to traditional products such as vanilla. In addition, the restaurant business performed favorably, with increased sales at Dynac Corporation, Pronto Corporation, Izutsu Maisen Co., Ltd. and others. All shares of Tipness Limited that were held by Suntory Holdings Limited were transferred to Nippon Television Holdings Inc.

Based on the above results, net sales in the Other Businesses Segment increased 8% year-on-year to 314.5 billion yen.

In addition, domestic sales were up 3% year-on-year to 1.5677 trillion yen, and overseas sales were up 73% year-on-year to 887.5 billion yen.

Since our very inception, Suntory has actively developed its business while also working on activities that contribute to culture, society and the environment based on Suntory's founding spirit of "Sharing the profit with Society." Moreover, based on the corporate message "Suntory, Bringing Water to Life," we have been pursuing various activities aimed at maintaining a harmonious coexistence between society and nature.

During the reported period, we decided to contribute an additional 2 billion yen as recovery assistance for the Great East Japan Earthquake through the Suntory Tohoku Sunsun Project, bringing the total amount of our post-quake donations to 10.8 billion yen. With this money, we have done many things, such as implementing a scholarship program for fisheries high schools, providing assistance for improving after-school children care, as well as starting Challenged Sports (sports for the disabled) Assistance as a new pillar of our activities.

As for our environmental activities, we have formulated the Suntory Environmental Vision toward 2050 and set targets toward 2020, with the goal of passing down a sustainable global environment to the next generation. In the Suntory Natural Water Sanctuary, where we are developing water resource cultivation programs, we have decided to make 12,000ha as our target by the year 2020, with the goal of cultivating double the underground water resources used by domestic factories.

2. Forecast for the Next Period

During the next period, economic conditions are expected to continue its moderate trend toward recovery, although some weaknesses are seen. However, the future still remains unclear and the business environment is forecast to become even more severe due to factors such as the intensification of competition.

In the future, the Suntory Group will respond swiftly to changes in the market environment to the creation of values still unknown, while aiming to maintain a

harmonious coexistence between society and nature. In addition, we will work to achieve further growth and strengthen profitability as a "global multi-faceted food and beverage company" by making efforts to expand the synergy between the various companies in the Suntory Group.

In addition, the new research and development site currently being constructed at the Keihanna Science City of Seika town in Kyoto Prefecture, the Suntory World Research Center, is due to be completed in May. With the completion of this site, we will work to further strengthen R&D&P (Research & Development & Production) functions around the world.

Suntory Beverage & Food Limited will work on improving profitability of our existing businesses and constructing infrastructure, in order to reinforce strategies thus far of strengthening core brands and suggesting new values, as well as to accelerate our growth through the two wheels of our domestic and overseas business.

In our domestic business, we will aim for the creation of new demand through offering products that hold new values as well as high value-added products that accurately grasp the taste and needs of consumers, along with strengthening our key brands.

As for our overseas business, along with making efforts to strengthen our core brands and business base, as well as to improve profitability through cost savings, we will also strengthen cooperation between the group companies toward our mid-term integrated development.

Beam Suntory aims to achieve further growth as the world's No.3 premium spirits company.

With core strength in the major market of North America and Japan, Beam Suntory will reinforce brand-building marketing activities for iconic global brands including Jim Beam, Maker's Mark and Hibiki, and also strengthen key brands in each region to drive sustainable, profitable growth.

As for Japan, Beam Suntory will position -196°C Strong Zero, Horoyoi, canned Kaku Highball, Funwari Kyogetsu and Sumiwataru series in addition to global brands as key brands, and also launch the new Hibiki JAPANESE HARMONY whisky, new RTDs Kokusibori and The O.N.E. and the new RTS Matcha Kaoru Osake to drive new demand.

Suntory Beer Limited will work to further revitalize the premium beer market by launching The Premium Malt's Master's Dream, a super premium class beer of *The Premium Malt's* brand. In addition, we will reinforce activities related to the *Kin-Mugi* brand and *All Free* to stimulate demand in the beer category market, as well as launch the new product *Radler*, offering new value.

Suntory Wine International Limited will continue to focus on "Japanese wine" made with 100% domestic grapes and *Sankaboshizai Mutenka no Oishii Wine* for their domestic wines. As for imported wines, we will work on expanding the sale of medium to high value range products such as *Los Vascos*, *Santa Carolina* and *William Fevre*, to convey the deep and profound appeal of wine.

Suntory Wellness Limited will continue to focus on the *Sesamin* series, the skin care product *F.A.G.E.* and others, as well as actively develop business in Suntory (China) Holding Co., Ltd. and in the restaurant business such as Dynac Corporation.

Through these activities, we are anticipating net sales in each segment of 1.2918 trillion yen in the Non-Alcoholic Beverages and Food Segment (up 3% year-on-year), 1.0553 trillion yen in the Alcoholic Beverage Segment (up 18%) and 302.9 billion yen in the Other Businesses Segment (down 4%).

By synthesizing the above activities, we will work to further expand growth and profits. For the period ending in December 2015, we are anticipating net sales of 2.65 trillion yen (up 8% year-on-year), operating income of 193 billion yen (up 17%), ordinary income of 167 billion yen (up 9%) and a net income of 50 billion yen (up 30% year-on-year).

When excluding the amortization of goodwill etc. from the calculation, we anticipate operating income of 261 billion yen (up 21% year-on-year), ordinary income of 235 billion yen (up 15%) and net income of 108 billion yen (up 37%).

Consolidated Balance Sheets

(Millions of Yen)

	As of December 31, 2013	As of December 31, 2014	Change
ASSETS			
Current assets	1,007,834	1,166,254	158,419
Cash and deposits	418,654	199,331	(219,322)
Notes and accounts receivable-trade	287,242	376,398	89,156
Merchandise and finished goods	169,934	386,447	216,512
Work in process	12,743	14,199	1,456
Raw materials and supplies	41,456	52,227	10,771
Deferred tax assets	22,876	40,390	17,513
Other current assets	55,803	99,542	43,739
Allowance for doubtful accounts	(875)	(2,282)	(1,407)
Non-current assets	1,364,861	3,368,824	2,003,963
Property, plant and equipment	527,269	676,606	149,337
Buildings and structures, net	148,760	185,309	36,549
Machinery, equipment and vehicles, net	180,555	253,480	72,924
Tools, furniture and fixtures, net	67,709	69,266	1,556
Land	94,760	107,362	12,601
Construction in progress	15,784	39,321	23,537
Other property, plant and equipment, net	19,698	21,865	2,167
Intangible assets	650,413	2,506,267	1,855,853
Goodwill	409,293	1,118,703	709,410
Trademarks	184,942	1,323,906	1,138,963
Other intangible assets	56,177	63,656	7,478
Investments and other assets	187,178	185,951	(1,227)
Investment securities	116,302	122,396	6,094
Deferred tax assets	6,923	9,476	2,553
Net defined benefit asset	—	272	272
Other investments	66,238	55,694	(10,544)
Allowance for doubtful accounts	(2,285)	(1,888)	397
Deferred assets	1,374	1,458	83
TOTAL ASSETS	2,374,070	4,536,537	2,162,467
Accumulated depreciation of Property, plant and equipment	728,112	749,105	20,993

(Millions of Yen)

	As of December 31, 2013	As of December 31, 2014	Change
LIABILITIES			
Current liabilities	760,029	779,677	19,648
Notes and accounts payable-trade	93,703	144,436	50,732
Electronically recorded obligations-operating	106,106	104,848	(1,258)
Short-term loans payable	83,428	87,873	4,445
Current portion of bonds	108,566	10,900	(97,666)
Accrued alcohol tax	46,412	51,561	5,148
Accrued consumption taxes	10,791	22,236	11,445
Income taxes payable	34,392	22,297	(12,095)
Accounts payable-other	122,239	142,376	20,137
Accrued expenses	62,329	93,388	31,059
Provision for bonuses	12,616	20,737	8,121
Other current liabilities	79,442	79,021	(421)
Non-current liabilities	557,315	2,566,103	2,008,788
Bonds payable	64,700	476,151	411,451
Long-term loans payable	322,387	1,470,386	1,147,998
Deferred tax liabilities	80,104	453,924	373,819
Provision for retirement benefits	11,000	-	(11,000)
Provision for directors' retirement benefits	298	684	385
Net defined benefit liability	-	36,372	36,372
Other non-current liabilities	78,824	128,585	49,760
TOTAL LIABILITIES	1,317,344	3,345,781	2,028,436
NET ASSETS			
Shareholders' equity	711,624	739,505	27,880
Capital stock	70,000	70,000	-
Capital surplus	(21,109)	(20,739)	370
Retained earnings	666,066	692,849	26,783
Treasury stock	(3,332)	(2,604)	727
Accumulated other comprehensive income	56,386	142,516	86,129
Valuation difference on available-for-sale securities	20,611	20,322	(289)
Deferred gains or losses on hedges	1,374	1,239	(134)
Foreign currency translation adjustment	34,400	132,379	97,978
Remeasurements of defined benefit plans	-	(11,425)	(11,425)
Minority interests	288,714	308,733	20,019
TOTAL NET ASSETS	1,056,726	1,190,756	134,030
TOTAL LIABILITIES AND NET ASSETS	2,374,070	4,536,537	2,162,467

Consolidated Statements of Income

(Millions of Yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014	Change
Net sales	2,040,204	2,455,249	415,045
Cost of sales	1,015,376	1,244,469	229,093
Gross profit	1,024,827	1,210,780	185,952
Selling, general and administrative expenses	898,269	1,046,027	147,757
Promotion expenses and commissions	393,857	425,356	31,499
Advertising expenses	83,770	108,810	25,039
Haulage expenses and warehousing expenses	74,863	84,242	9,378
Labor expenses	167,544	196,480	28,936
Depreciation	36,047	43,303	7,255
Other selling, general and administrative expenses	142,184	187,833	45,648
Operating income	126,558	164,753	38,194
Non-operating income	5,934	12,006	6,072
Interest income	996	1,038	41
Dividends income	2,558	5,782	3,223
Subsidy income	724	1,982	1,258
Miscellaneous income	1,655	3,203	1,548
Non-operating expenses	11,939	22,916	10,976
Interest expenses	8,320	19,179	10,859
Foreign exchange losses	1,493	-	(1,493)
Miscellaneous expenses	2,125	3,737	1,611
Ordinary income	120,552	153,842	33,290
Extraordinary income	181,170	13,489	(167,681)
Insurance Income	1,059	-	(1,059)
Restructuring gain	2,754	-	(2,754)
Gain on change in equity	131,383	-	131,383
Gain on sales of shares of subsidiaries and associates	45,490	12,519	(32,971)
Other extraordinary income	482	970	487
Extraordinary loss	15,897	41,101	25,203
Loss on disposal of non-current assets	4,537	4,361	(176)
Acquisition related cost	-	8,941	8,941
Restructuring cost	4,361	16,156	11,794
Amortization of goodwill	-	5,462	5,462
Other extraordinary loss	6,998	6,180	(818)
Income before income taxes and minority interests	285,826	126,230	(159,595)
Income taxes-current	60,488	60,365	(123)
Income taxes-deferred	12,950	3,565	(9,385)
Income before minority interests	212,386	62,300	(150,086)
Minority interests in income	16,812	23,936	7,124
NET INCOME	195,574	38,363	(157,210)

Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal Year ended December 31, 2013	Fiscal Year ended December 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	285,826	126,230
Depreciation and amortization	63,403	81,763
Amortization of goodwill	24,092	53,789
Interest and dividends income	(3,554)	(6,820)
Interest expenses	8,320	19,179
Loss (gain) on sales of subsidiaries' and affiliates' stocks	(45,490)	(12,519)
Loss (gain) on change in equity	(131,383)	-
Loss on disposal of non-current assets	4,537	4,361
Decrease (increase) in notes and accounts receivable-trade	(10)	(41,611)
Decrease (increase) in inventories	(11,640)	216
Increase (decrease) in notes and accounts payable-trade	(3,473)	22,135
Increase (decrease) in accrued consumption taxes, alcohol taxes	1,273	9,230
Other, net	19,984	5,151
Subtotal	211,885	261,106
Interest and dividends income received	4,738	7,052
Interest expenses paid	(8,650)	(17,539)
Income taxes paid	(41,471)	(92,934)
Net cash provided by (used in) operating activities	166,503	157,686
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(90,011)	(105,125)
Proceeds from sales of property, plant and equipment and intangible assets	3,027	6,552
Purchase of investment securities	(854)	(5,229)
Proceeds from sales and redemption of investment securities	176	3,389
Purchase of shares of subsidiaries	(481)	(1,490)
Proceeds from sales of subsidiaries' and affiliates' stocks	95,854	-
Purchase of investments in subsidiaries resulting in change in consolidation scope	(13,914)	(1,388,964)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	16,784
Payment for transfer of business	(220,098)	-
Other, net	10,807	358
Net cash provided by (used in) investing activities	(215,493)	(1,473,724)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans and commercial papers	(20,827)	5,057
Proceeds from long-term loans payable	45,934	1,107,424
Repayment of long-term loans payable	(36,394)	(60,833)
Proceeds from issuance of bonds	-	168,710
Redemption of bonds	(15,250)	(110,885)
Repayments of lease obligations	(3,103)	(3,041)
Proceeds from disposal of treasury shares	-	1,097
Cash dividends paid	(7,504)	(11,598)
Cash dividends paid to minority shareholders	(6,152)	(17,957)
Proceeds from stock issuance to minority shareholders	275,465	-
Net cash provided by (used in) financing activities	232,167	1,077,974
Effect of exchange rate change on cash and cash equivalents	7,342	18,741
Net increase (decrease) in cash and cash equivalents	190,519	(219,322)
Cash and cash equivalents at the beginning of the period	228,110	418,630
Cash and cash equivalents at the end of the period	418,630	199,308

Segment Information

1. Summary of reportable segments

The reportable segments of the Suntory Group are constituent units of the Group whose separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating the business results.

The Suntory group comprises, under a holding company structure, various business companies based on their primary business activities. Each of these business companies work out a comprehensive strategy applicable to their products and services and carries out their business activities.

Consequently, the Suntory group has decided its two reportable segments, namely, Beverage and Food, Alcoholic Beverage, by combining the business companies with the emphasis on the business company units in consideration of the similarity of their economic characteristics.

(Changes of reportable segments)

Due to the reorganization carried out on October 1, 2014, from the current fiscal year Beer and Spirits segment was renamed Alcoholic Beverage segment.

In addition, wine business previously included in Others segment has been transferred to this Alcoholic Beverage segment.

The amounts of the previous fiscal year in the segment disclosure have been restated to conform to the current fiscal year's presentation.

Main products and services by each reportable segment are as follows

Reportable segment	Main products
Beverage and Food	Non-alcoholic beverages, health drinks, processed food, other products
Alcoholic Beverage	Whisky, RTDs, shochu, beer, wine and other alcoholic beverages
Others	Operations in China, health food, ice cream, restaurants, flowers and other operations

2. Industry Segments

Fiscal year ended December 31, 2014 (Millions of Yen)

	Beverage and Food	Alcoholic Beverage	Others	Total	Adjustment ⁽¹⁾	Consolidated Total ⁽²⁾
Net sales						
Sales to customers	1,249,280	891,497	314,471	2,455,249	-	2,455,249
Inter-segment sales	9,087	4,307	10,024	23,419	(23,419)	-
Total sales	1,258,368	895,804	324,496	2,478,669	(23,419)	2,455,249
Segment income (loss)	104,140	61,726	30,437	196,304	(31,551)	164,753

Fiscal year ended December 31, 2013 (Millions of Yen)

	Beverage and Food	Alcoholic Beverage	Others	Total	Adjustment ⁽¹⁾	Consolidated Total ⁽²⁾
Net sales						
Sales to customers	1,114,275	635,202	290,726	2,040,204	-	2,040,204
Inter-segment sales	7,025	3,516	10,733	21,276	(21,276)	-
Total sales	1,121,301	638,719	301,460	2,061,480	(21,276)	2,040,204
Segment income (loss)	91,330	39,212	27,818	158,360	(31,802)	126,558

Note: 1. Corporate general and administrative expenses, and inter-segment eliminations that are not allocated to specific segment are included in "Adjustment".

Amounts are stated below.

Fiscal year ended December 31, 2014	(Millions of Yen)
Adjustment on segment income (loss)	(31,551)
Corporate general and administrative expenses that are not attributable to any reportable segment	(31,616)
Inter-segment eliminations	64
Fiscal year ended December 31, 2013	(Millions of Yen)
Adjustment on segment income (loss)	(31,802)
Corporate general and administrative expenses that are not attributable to any reportable segment	(31,871)
Inter-segment eliminations	69

2. Segment income (loss) is adjusted for operating income described in the in the Consolidated Statements of Income.

3. Geographic Segments

Fiscal year ended December 31, 2014 (Millions of Yen)

	Japan	Americas	Europe	Asia, Oceania and other	Overseas Total	Total
Overseas Sales	1,567,718	235,687	316,361	335,482	887,530	2,455,249
Overseas sales as percentage of consolidated sales	63.9%	9.6%	12.9%	13.6%	36.1%	100.0%

Fiscal year ended December 31, 2013 (Millions of Yen)

	Japan	Americas	Europe	Asia, Oceania and other	Overseas Total	Total
Overseas Sales	1,526,012	80,670	171,552	261,968	514,191	2,040,204
Overseas sales as percentage of consolidated sales	74.8%	4.0%	8.4%	12.8%	25.2%	100.0%

Note: 1. Geographical distances are considered in classification of country or area.

2. Countries or areas included in each segment except for Japan are as follows:

Americas: North- and Middle- American countries

Europe: European, Middle Eastern and African countries

Asia, Oceania and other : Asia, Oceania and South American countries

3. In connection with consolidating Beam Suntory Inc. from this fiscal year, components of Geographic Segments has been changed to "Japan", "Americas", "Europe" and "Asia, Oceania and other", which previously comprised of "Japan", "Europe", "Asia and Oceania" and "Americas".

The information of the previous fiscal year in the segment disclosure has been restated to conform to the current fiscal year's presentation.