

# Suntory Holdings Limited

February 14, 2020

## SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019 [IFRS] (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, 2019 - December 31, 2019)

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

Fiscal year ended	Revenue (including excise taxes)		Revenue (excluding excise taxes)		Operating income		Profit before income taxes		Profit for the year		Profit attributable to owners of the Company	
	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%
December 31, 2019	2,569,230	2.1	2,294,704	2.0	259,646	3.5	241,505	3.9	182,435	0.6	140,940	0.6
December 31, 2018	2,517,258	4.0	2,250,782	4.3	250,859	(1.1)	232,347	2.4	181,387	(28.0)	140,151	(33.7)

Reference: Adjusted operating income for the fiscal year ending December 31, 2019 258,519¥million 3.0 %

Adjusted operating income for the fiscal year ending December 31, 2018 250,955¥million (1.8) %

Adjusted operating income was calculated as operating income excluding non-recurring items.

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Profit ratio to equity attributable to owners of the Company	Profit before income taxes ratio to total assets	Operating income ratio to revenue (excluding excise taxes)
	¥	¥	%	%	%
December 31, 2019	205 .53	—	10.6	5.4	11.3
December 31, 2018	204 .39	—	11.3	5.2	11.1

### (2) Financial positions

Fiscal year ended	Total assets	Total equity	Equity attributable to owners of the Company	Equity attributable to owners of the Company ratio	Equity per share attributable to owners of the Company
	¥million	¥million	¥million	%	¥
December 31, 2019	4,516,779	1,793,887	1,398,534	31.0	2,039.41
December 31, 2018	4,421,864	1,651,689	1,272,770	28.8	1,856.01

### (3) Cash flows

Fiscal year ended	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
	¥million	¥million	¥million	¥million
December 31, 2019	321,613	(120,525)	(218,969)	255,302
December 31, 2018	250,384	(104,196)	(232,938)	272,425

### 2. Dividends

Fiscal year ended	Dividends per share (Annual)	Total cash dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owner of the Company
	Yen	Millions of yen	%	%
December 31, 2019	13 .00	8,914	6.3	0.7
December 31, 2018	13 .00	8,914	6.4	0.7

**3. Consolidated earnings forecast for the fiscal year ending December 31, 2020  
(January 1, 2020 - December 31, 2020)**

	Revenue (including excise taxes)		Revenue (excluding excise taxes)		Operating income		Profit before income taxes		Profit attributable to owners of the Company		Basic earnings per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%	¥
Fiscal year ended December 31, 2020	2,640,000	2.8	2,360,000	2.8	260,000	0.1	243,000	0.6	130,000	(7.8)	189 .57

Reference: Adjusted operating income for the fiscal year ending December 31, 2020      266,000¥million    2.9%

## Operating Results

### 1. Overview of the Twelve-Month Period Ended December 31, 2019

The Suntory Group has actively expanded business in each of three segments, “Beverages and foods,” “Alcoholic beverages,” and “Others,” both domestically and abroad. In the fiscal year under review, revenue (excluding excise taxes) grew by 2.0% over the same period of the previous year to 2.2947 trillion yen, while revenue (including excise taxes) came to 2.5692 trillion yen, an increase of 2.1% from the same period of the previous year. Operating income rose by 3.5% to 259.6 billion yen, and profit attributable to owners of the Company was 140.9 billion yen, up 0.6% over the same period of the previous year.

#### <Beverages and foods Segment>

Suntory Beverage & Food Limited focused on strengthening brands and creating new demand with the aim of proposing unique, high-quality products that capture the customer’s tastes and needs to further enrich customer lifestyles, as well as on improving product quality. Furthermore, the company focused on strengthening its business foundations in each area for sustained growth in the future.

In Japan, although the company aimed to create new demand by strengthening core brands, mainly in the categories of water, coffee, and sugar-free tea again this year, sales volume fell below its level for the same period of the previous year. Still, it outpaced the soft drink market, which is estimated to have declined year on year due to the end of the rainy season being delayed, among other factors. *Suntory Tennensui* fell year on year due to the impact of poor weather in July. In the *BOSS* brand, in addition to actively expanding marketing activities for canned coffee, we grew the *Craft BOSS* series, and the sales volume for the brand as a whole recorded year-on-year growth. In the sugar-free tea category, although the sales volume of *Iyemon* fell year on year, the sales volume of *Green DAKARA Yasashii Mugicha* increased substantially. Furthermore, in addition to conducting active marketing activities for products such as *Tokucha*, which is a specified health food, and *Iyemon Plus for Cholesterol Control*, which is a food with functional claims, efforts were made to increase revenue, such as revising the prices of certain products in May. Furthermore, the company engaged in the establishment of a high added-value and high revenue model, structural reform of SCM and structural reform of the vending machine business as medium-term structural reforms aimed at increasing profitability. Structural reform of the vending machine business will require time for results to appear as initially anticipated, but the

establishment of a high added-value and high revenue model and structural reform of SCM have steadily produced results. Furthermore, in addition to engaging in ongoing activities to reduce costs, marketing and advertising expenses decreased compared to the same period of the previous year.

In Europe, sales volume in France fell below the level of the same period of the previous year for the flagship *Oasis* brand, due to the impact of the market slowdown, but sales volume of *Orangina* was at generally the same level as the previous year. In the United Kingdom, the sales volume for *Lucozade* continued on a trend of recovery and exceeded the level of the same period of the previous year. In Spain, sales volume of the flagship *Schweppes* brand increased year on year, driven by the off premise channel, but difficulties in the on-premise channel with high unit prices led to sales for Spain as a whole falling compared to the same period of the previous year.

In Asia, products such as the *Sting* energy drink and *TEA+* performed well in Vietnam, and the flagship *PEPSI* performed well in Thailand, with sales in the soft drinks business all exceeding the same period of the previous year. Furthermore, in Thailand and Vietnam, we launched the *goodmood* flavored water, which has been well received in Indonesia. In the health food business, we made stronger marketing efforts for *BRAND'S Essence of Chicken* and others mainly in the core market of Thailand, and also proceeded to review our distribution policy.

In Oceania, we engaged in strengthening of marketing for energy drinks including *V* in the soft drinks business, and continued efforts to strengthen flagship brands such as *TOBY'S ESTATE*, *L'AFFARE* and *Mocopan* in the fresh coffee business.

In Americas, in addition to further strengthening sales of flagship carbonated beverage brands, we also focused on the growing category of non-carbonated drinks, such as water and coffee beverages.

As a result of the above, revenue for the Beverages and foods Segment increased 0.4% year on year to 1.2917 trillion yen, while operating income rose by 0.3% to 135.7 billion yen.

#### <Alcoholic beverages Segment>

The revenue figures for the Alcoholic beverages Segment exclude excise taxes.

Comparable revenue for Beam Suntory Inc., excluding the impact of currency, increased at a mid-single-digit rate over the same period of the previous year.

Sustained consumer demand for bourbon and premium spirits helped drive strong growth for Jim Beam, Maker's Mark and the company's super-premium small batch Bourbons. The company's East-Meets-West competitive advantage was reflected in the successful launch of *Legent* bourbon in key markets and *Oaksmith* whisky in the India market.

The company's Japan business (Suntory Spirits Limited) recorded 7% year-on-year sales growth. Whiskies delivered strong growth, centered on strategic brands *Kakubin*, *Jim Beam*, *Torys*, and *Maker's Mark*. RTD beverage sales grew volume by 17% year on year, due to very strong consumer demand for the newly launched *Kodawari Sakaba no Lemon Sour*, in addition to the expansion of *-196°C Strong Zero* and other canned highball products, which consumers increasingly enjoy with meals. Also, to inspire consumer interest with innovative new products, the company launched products including *SUNTORY WORLD WHISKY Ao*, Japanese craft vodka *HAKU*, and Japanese craft liqueur *Kanade*.

With the overall beer-type beverage market\*<sup>1</sup> in Japan estimated to be falling by around 2% year on year, Suntory Beer Limited's sales volume was 71.07 million cases\*<sup>2</sup>, up 2% year on year. The company's beer category drinks, excluding alcohol-free beer-type beverages, rose 1% year on year to 63.65 million cases.

The *Premium Malt's* brand rose 1% year on year to 17.26 million cases. We focused on the foam, a unique characteristic of beer, by developing the promotion for "KAMIWA," which can be enjoyed at home, when dining out, or even while sitting on the Shinkansen, and giving consumers the opportunity to experience high-quality "KAMIWA."

In addition to the renewal of existing products in the *Kinmugi* brand, the new *Kinmugi Gold Lager* contributed to a rise of 11% year on year to 38.47 million cases, achieving a record-high sales volume.

Sales volume for the *All-Free* brand rose 7% year on year to 7.35 million cases. The launch of a new cask product for use by all restaurants nationwide, a first in Japan\*<sup>3</sup>, and the launch of *KARADA-WO-OMOU All-Free*, which is the first food with functional claims for the brand, contributed to the increase, resulting in the achievement of the highest sales volume on record.

\*1. Beer, including alcohol-free beer-type beverages, on a volume basis

\*2. Converted to large bottles (1 case = 633ml × 20 bottles)

\*3. As of February 2019 Suntory survey of major beer manufacturers

Suntory Wine International Limited's revenue fell 3% year on year.

In domestic wine, products such as *Sankaboshizai Mutenka no Oishii Wine*, which has the leading sales in the domestic wine market\*<sup>4</sup>, performed strongly, with a 4% year-on-year increase in sales volume. Imported wine was helped by the EU-Japan Economic Partnership Agreement taking effect in February, with strength in European wines such as *Freixenet* and *Baron de Lestac*.

\*4. Research by SRI: Japanese wine market sales volume and amount January-December 2019 (nationwide total for supermarkets, convenience stores, discount liquor stores, home improvement stores, drugstores, ordinary liquor stores, and liquor wholesalers)

As a result of the above, revenue (excluding excise taxes) for the Alcoholic beverages Segment was 773.4 billion yen, up 3.2% year on year, revenue (including excise taxes) came to 1.0479 trillion yen (up 3.1% year on year), and operating income was 144.3 billion yen (up 8.5% year on year).

#### <Others Segment>

For Suntory Wellness Limited, the *Sesamin* series, the skin care product *F.A.G.E.* and other products were strong, leading to revenue growing 8% year on year. Revenue in the restaurant businesses, including DYNAC HOLDINGS CORPORATION and PRONTO CORPORATION, also grew.

Revenue for the Others Segment was 229.6 billion yen, up 6.9% year on year, and operating income was 25.8 billion, up 1.6% year on year.

Additionally, the breakdown between domestic and overseas revenues was as follows.

Revenue (excluding excise taxes)

Domestic: 1.3297 trillion yen (up 1.8% year on year)

Overseas: 965.0 billion yen (up 2.2% year on year)

Overseas ratio: 42.1%

Revenue (including excise taxes)

Domestic: 1.5288 trillion yen (up 2.0% year on year)

Overseas: 1.0404 trillion yen (up 2.1% year on year)

Overseas ratio: 40.5%

Since our very inception, Suntory has aggressively pursued its interests while also putting forth initiatives to contribute to culture and society and implement environmental activities based on Suntory's founding spirit of "Sharing the Profit with Society." In addition, we have made the promise to stakeholders of "Mizu To Ikiru" (literally "living with water"), and aims to develop various activities while maintaining a harmonious coexistence between society and nature.

Based on the corporate philosophy of "to create harmony with people and nature," the Suntory Group established a Sustainability Vision to face the various issues of the world more seriously than in the past, and to continue to face the challenge of realizing a sustainable society. Perceiving the plastic problem to be an important issue, the Suntory Group has provided strong leadership for the transformation to a

recycling-oriented and zerocarbon society by formulating a “Plastic Policy.” We aim to switch all the PET bottles used globally for Suntory products to be made of recycled or plant-based material by 2030, achieving zero use of virgin petroleum-based materials. Through initiatives such as the use of lighter packaging materials as well as the use of FtoP Direct Recycle Technology\*<sup>5</sup>, the first of its kind in the domestic beverage industry, the Group will continue its activities to reduce the burden on the environment.

Based on the Suntory Group’s Sustainable Water Philosophy, the Suntory Natural Water Sanctuaries are now present at 21 locations in 15 prefectures nationwide, with a total space of approximately 12,000 hectares, and enabling us to achieve the goal of “cultivating water more than double the amount of groundwater pumped up in the Suntory Group’s plants in Japan” one year ahead of schedule. We are also promoting activities globally that address local topics, such as the “Mizuiku” education program on water for the next generation in Vietnam, Thailand and Indonesia, and water source conservation activities in the United States and France.

In order to promote a decarbonized society and to address climate change, we are reducing carbon emissions through the introduction of the latest energy-saving technologies and the use of renewable energy at our facilities as well as in our operations throughout the value chain.

We are also actively involved in support for reconstruction. The Company disbursed donations to local governments that suffered significant damage due to Typhoon Faxai (No. 15 of 2019) and Typhoon Hagibis (No. 19 of 2019). Our reconstruction support activities for the Great East Japan Earthquake have now reached a cumulative total of around 10.8 billion yen, while the same activities for the Kumamoto Earthquake have reached a cumulative total of 400 million yen, and are still ongoing.

\*5. A technology in which “flake” created by pulverizing and washing recovered PET bottles is treated at high temperature in a vacuum for a fixed period and which, after being melted and filtered, can be used to manufacture the preform directly.

## 2. Forecast for the Next Period

The Suntory Group will strive to respond swiftly to changes in the market environment to create yet unknown value and work to further enhance growth and profitability as a global corporate group specializing in food and alcoholic beverages. We will do this while continuing to aim for harmonious coexistence with society and nature.

#### <Beverages and foods Segment>

Suntory Beverage & Food Limited aims to achieve growth in revenue and income by engaging in efforts to strengthen its foundations and implement structural reforms in each of its reporting segments.

In Japan, as various costs continue to rise, creating a harsh business environment, we will work on further structural reform to improve profitability. In Europe, we will work on stimulating flagship brands as well as structural reforms such as enhancement of sales and supply chain management in major countries. In Asia, we will further strengthen efforts in both the soft drinks business and the health food business. In Oceania, we will continue to strengthen our soft drinks business, fresh coffee business, and flagship brands. In Americas, we will proceed to strengthen the flagship carbonated beverage category while at the same time working to achieve further expansion in the growing non-carbonated beverage category. We will also continue efforts to reduce costs.

#### <Alcoholic beverages Segment>

As the world's third largest premium spirits company, Beam Suntory Inc. aims to outperform its global market by leveraging its strong routes to market and building its premium brands. In Japan, we will aim to expand business by further developing and strengthening brands centered on major brands such as *Jim Beam*, *Torys*, *Maker's Mark*, *Teachers*, *-196°C Strong Zero* and *Kodawari Sakaba no Lemon Sour*. Furthermore, in order to enable customer to enjoy delicious alcoholic beverages even more, we will engage in activities focused on quality from product development to the consumption, and conduct active marketing activities such as selling new products providing new value.

Suntory Beer Limited will create new demand and work on revitalization of the overall beer-type beverage market by proposing new value as well as increasing the value of brands such as *Kinmugi*, *The Premium Malt's* and *All Free*. The company revamped the *Kinmugi* brand line, including *Kinmugi*, *Kinmugi 75% Less Carbohydrate* and *Kinmugi Gold Lager*, seeking a balance of the flavor from malt and easiness to drink, to enable people to enjoy the beverages with everyday meals. In addition, this spring, we will begin highlighting the drinking value of a new *Kinmugi* brand by offering *Shiki no Kinmugi* (*Kin-Mugi* by offering products tailored to the four seasons of Japan) providing a different flavor to match each season. With *The Premium Malt's* brand, we will continue marketing the popular "KAMIWA" in an effort to change customers' standard for selecting beer to be based on foam. By simultaneously revamping *The*



*Premium Malt's* and *Premium Malt's Kaoru Ale*, we will seek to offer better flavor and foam quality. The content and packaging of *All Free* will be upgraded to offer a more refreshing beer taste as a drink for refreshment. In addition, we will seek to further expand the “highly functional” market by actively promoting the popular *KARADA WO OMOU All-Free*, which is a food with functional claims.

Suntory Wine International Limited is a wine maker with its own vineyards in Japan and Europe and also a distributor that handles high-quality wines from around the world. In Japan, we will also work on creating new demand by actively investing in new domestic casual wine products. Furthermore, we will work to expand our line-up of organic wines in major brands of European wine gaining attention due to the EU-Japan Economic Partnership Agreement entering into force.

#### <Others Segment>

Suntory Wellness Limited will continue to focus on the *Sesamin* series, the skin care product *F.A.G.E.*, and other products. Additionally, we will actively develop the businesses of DYNAC HOLDINGS CORPORATION and PRONTO CORPORATION.

As a result of these activities, our forecast for revenue by segment is 1.33 trillion yen in the Beverages and foods Segment (up 3.0% year on year), 796 billion yen excluding excise taxes in the Alcoholic beverages Segment (up 2.9% year on year), 1.076 trillion yen including excise taxes in the Alcoholic beverages Segment (up 2.7% year on year), and 234 billion yen in the Others segment (up 1.9% year on year).

All these things considered, in the fiscal year ending December 31, 2020, the Group is forecasting revenue (excluding excise taxes) of 2.36 trillion yen (up 2.8% year on year), revenue (including excise taxes) of 2.64 trillion yen (up 2.8% year on year), operating income of 260 billion yen (up 0.1% year on year), and profit attributable to owners of the Company of 130 billion yen (down 7.8% year on year).

## Consolidated statement of financial position

(Millions of yen)

	As at December 31, 2018	As at December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	272,425	255,302
Trade and other receivables	405,556	408,893
Other financial assets	3,671	12,344
Inventories	415,841	435,501
Other current assets	68,231	63,797
Sub-total	1,165,726	1,175,840
Assets held for sale	27	187
Total current assets	1,165,753	1,176,028
Non-current assets:		
Property, plant and equipment	696,103	708,663
Right-of-use assets	—	97,359
Goodwill	867,986	857,328
Intangible assets	1,422,962	1,405,341
Investments accounted for using the equity method	42,411	46,217
Other financial assets	120,483	122,950
Deferred tax assets	71,300	73,729
Other non-current assets	34,861	29,161
Total non-current assets	3,256,110	3,340,751
Total assets	4,421,864	4,516,779

(Millions of yen)

	As at December 31, 2018	As at December 31, 2019
Liabilities and equity		
Liabilities		
Current liabilities:		
Bonds and borrowings	243,396	148,861
Trade and other payables	529,616	564,412
Other financial liabilities	98,190	121,775
Accrued income taxes	24,499	27,432
Provisions	16,490	13,985
Other current liabilities	84,765	86,327
Total current liabilities	996,959	962,794
Non-current liabilities:		
Bonds and borrowings	1,348,629	1,278,013
Other financial liabilities	66,286	126,683
Post-employment benefit liabilities	40,670	43,618
Provisions	7,190	6,882
Deferred tax liabilities	288,542	289,537
Other non-current liabilities	21,895	15,362
Total non-current liabilities	1,773,215	1,760,098
Total liabilities	2,770,175	2,722,892
Equity		
Share capital	70,000	70,000
Share premium	133,944	133,909
Retained earnings	1,198,492	1,329,315
Treasury shares	(938)	(938)
Other components of equity	(128,728)	(133,752)
Total equity attributable to owners of the Company	1,272,770	1,398,534
Non-controlling interests	378,918	395,352
Total equity	1,651,689	1,793,887
Total liabilities and equity	4,421,864	4,516,779

**Consolidated statement of profit or loss**

(Millions of yen)

	Year ended December 31, 2018	Year ended December 31, 2019
Revenue (including excise taxes)	2,517,258	2,569,230
Less: excise taxes	(266,475)	(274,525)
Revenue (excluding excise taxes)	2,250,782	2,294,704
Cost of sales	(1,172,720)	(1,199,321)
Gross profit	1,078,062	1,095,383
Selling, general and administrative expenses	(832,899)	(840,306)
Gain on investments accounted for using the equity method	7,916	8,703
Other income	18,888	15,825
Other expenses	(21,108)	(19,959)
Operating income	250,859	259,646
Finance income	6,305	4,008
Finance costs	(24,817)	(22,148)
Profit before income taxes	232,347	241,505
Income tax expenses	(50,959)	(59,070)
Profit for the year	181,387	182,435
Attributable to:		
Owners of the Company	140,151	140,940
Non-controlling interests	41,236	41,494
Profit for the year	181,387	182,435
Earnings per share (Yen)	204.39	205.53

## Reconciliation from operating income to adjusted operating income

(Millions of yen)

	Year ended December 31, 2018	Year ended December 31, 2019
Operating income	250,859	259,646
Restructuring charges	(12,173)	(160)
Losses from natural disaster	2,432	2,587
Insurance income	(975)	(9,795)
Impairment losses and reversal of impairment losses	3,498	4,214
Gain on disposals of shares in subsidiaries and associates	4,012	1,036
Other	3,301	991
Total	96	(1,126)
Adjusted operating income	250,955	258,519

## Consolidated statement of cash flows

	Year ended December 31, 2018	Year ended December 31, 2019
<b>Cash flows from operating activities</b>		
Profit before income taxes	232,347	241,505
Depreciation and amortization	98,417	121,506
Impairment losses (reversal of impairment losses)	4,318	2,623
Interest and dividend income	(2,435)	(2,771)
Interest expense	22,970	21,547
Gain on investments accounted for using the equity method	(7,916)	(8,703)
Increase in inventories	(14,118)	(20,516)
Increase in trade and other receivables	(9,990)	(3,968)
Increase in trade and other payables	11,409	20,033
Other	(6,327)	23,777
Subtotal	328,676	395,032
Interest and dividends received	6,988	6,932
Interest paid	(24,217)	(23,785)
Income taxes paid	(61,061)	(56,565)
Net cash inflow from operating activities	250,384	321,613
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	(110,712)	(120,814)
Proceeds from sales of property, plant and equipment and intangible assets	5,741	3,075
Payments for acquisition of investment securities	(1,404)	(2,016)
Proceeds from sales of investment securities	3,539	603
Payments for acquisition of shares in subsidiaries involving changes in the scope of consolidation	(26,890)	(925)
Proceeds from disposals of shares in subsidiaries involving changes in the scope of consolidation	24,216	—
Other	1,313	(446)
Net cash outflow from investing activities	(104,196)	(120,525)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	405	(7,826)
Proceeds from long-term borrowings	112,937	195,754
Repayment of long-term borrowings	(311,123)	(343,072)
Payments of finance lease liabilities	(10,014)	(31,444)
Proceeds from disposals of treasury shares	159	—
Dividends paid to owners of the Company	(8,913)	(8,914)
Dividends paid to non-controlling interests	(16,388)	(23,605)
Other	(0)	141
Net cash outflow from financing activities	(232,938)	(218,969)
<b>Net increase (decrease) in cash and cash equivalents</b>	(86,750)	(17,881)
Cash and cash equivalents at the beginning of the year (Opening balance on the consolidated statement of financial position)	359,518	272,425
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	3,439	—
<b>Cash and cash equivalents at the beginning of the year</b>	362,958	272,425
Effects of exchange rate changes on cash and cash equivalents	(3,782)	758
<b>Cash and cash equivalents at the end of the year</b>	272,425	255,302

## Segment Information

### (1) Overview of reportable segments

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 applies a holding company structure and operating companies have been established by product or service. The management of each operating company focuses on the type of products and services delivered or provided when establishing its own strategy for domestic and international operations. Therefore, the Group determined and identified “Beverages and foods” and “Alcoholic beverages” as a reportable segment based on the types of products and services delivered or provided. The classification of the Group’s primary products and services have been defined as below.

Reportable segment	Primary products
Beverages and foods	Non-alcoholic beverages, healthy drinks, processed foods, other products
Alcoholic beverages	Spirits, beer, wine and other alcoholic beverages
Others	Healthy foods, ice cream, restaurants, flowers, operations in China and other operations

### (2) Profit or loss for each reportable segment

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

Year ended December 31, 2018

(Millions of yen)

	Reportable segment			Segment total	Reconciliations *2	Consolidated *1
	Beverages and foods	Alcoholic beverages	Others			
Revenue (including excise taxes)	1,286,582	1,015,915	214,760	2,517,258	—	2,517,258
Revenue (excluding excise taxes)						
External customers	1,286,582	749,439	214,760	2,250,782	—	2,250,782
Intersegment	7,673	4,655	11,753	24,083	(24,083)	—
Total revenue	1,294,256	754,095	226,514	2,274,865	(24,083)	2,250,782
Segment profit	135,344	133,040	25,370	293,755	(42,896)	250,859

(Note) \*1. Segment profit agrees with operating income presented in the consolidated statement of profit or loss.

\*2. “Reconciliations” to segment profit or loss represent overhead costs incurred by the Company to manage the Group's operations and are not allocated to the reportable segments.

Year ended December 31, 2019

(Millions of yen)

	Reportable segment			Segment total	Reconciliations *2	Consolidated *1
	Beverages and foods	Alcoholic beverages	Others			
Revenue (including excise taxes)	1,291,732	1,047,908	229,589	2,569,230	—	2,569,230
Revenue (excluding excise taxes)						
External customers	1,291,732	773,382	229,589	2,294,704	—	2,294,704
Intersegment	7,653	5,037	11,666	24,356	(24,356)	—
Total revenue	1,299,385	778,419	241,255	2,319,061	(24,356)	2,294,704
Segment profit	135,726	144,330	25,779	305,836	(46,190)	259,646

(Note) \*1. Segment profit agrees with operating income presented in the consolidated statement of profit or loss.

\*2. "Reconciliations" to segment profit or loss represent overhead costs incurred by the Company to manage the Group's operations and are not allocated to the reportable segments.

### (3) Information about geographical areas

Geographical areas other than Japan are comprised of the following countries:

Americas: United States of America and others

Europe: France, UK, Spain, and others

Asia and Oceania: Vietnam, Thailand, Australia and others

#### 1. Revenue (including excise taxes) from external customers was as follows:

(Millions of yen)

	Japan	Americas	Europe	Asia and Oceania	Total
Fiscal year ended December 31, 2018	1,498,126	355,088	321,408	342,634	2,517,258
Fiscal year ended December 31, 2019	1,528,825	371,023	297,744	371,635	2,569,230

(Note) Revenue (including excise taxes) is allocated into countries or areas based on the customers' locations for the analysis above.

#### 2. Revenue (excluding excise taxes) from external customers was as follows:

(Millions of yen)

	Japan	Americas	Europe	Asia and Oceania	Total
Fiscal year ended December 31, 2018	1,306,268	297,650	312,308	334,555	2,250,782
Fiscal year ended December 31, 2019	1,329,703	312,674	288,808	363,517	2,294,704

(Note) Revenue (excluding excise taxes) is allocated into countries or areas based on the customers' locations for the analysis above.