SUNTORY
SUNTORY BEVERAGE & FOOD

Supplementary Material on Consolidated Financial Results for the Fiscal Year Ended December 31, 2017

<Results for the Year Ended December 31, 2017>

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<Reference: Results for the Fiscal Year Ended December 31, 2017 (Japanese GAAP)>

Suntory Beverage & Food Limited

February 15, 2018

<Results for the Year Ended December 31, 2017>

1. Introduction of International Financial Reporting Standards (IFRS)

(1) Impact of adopting IFRS

(Billions of yen with fractional amounts rounded off)

	Year ended December 31, 2017			Main impact
	IFRS	Japanese GAAP	Impact of adopting IFRS	
Revenue	1,234.0	1,451.5	(217.5)	Sales deductions including sales incentives
Operating income	118.0	98.0	19.9	*1
Profit for the year attributable to owners of the Company	78.1	47.4	30.7	*2
EPS (Yen)	252.79	153.38	99.41	
ROE	12.0%	8.3%	3.8%	

*1 Operating income Impact of adopting IFRS: Breakdown of +19.9 billion yen

Abolishment of amortization of goodwill	26.5
Reclassification from non-operating income (loss) and extraordinary income (loss)	(9.3)
Other	2.7

*2 Profit for the year attributable to owners of the Company Impact of adopting IFRS: Breakdown of +30.7 billion yen

Abolishment of amortization of goodwill	26.0
Other	4.7

2. Summary of Consolidated Statement of Profit or Loss, Indices, etc.

(1) Summary of Consolidated Statement of Profit or Loss

(Billions of yen)

	Year ended December 31, 2016		Year ended December 31, 2017		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	1,209.1	100.0%	1,234.0	100.0%	24.9	2.1%
Gross profit	531.8	44.0%	536.2	43.5%	4.4	0.8%
Selling, general and administrative expenses	412.2	34.1%	412.4	33.4%	0.2	0.1%
Gain on investments accounted for using the equity method	0.7	0.1%	0.4	0.0%	(0.2)	(32.8%)
Other income	4.0	0.3%	5.9	0.5%	1.9	48.1%
Other expenses	12.3	1.0%	12.1	1.0%	(0.2)	(1.6%)
Operating income	111.9	9.3%	118.0	9.6%	6.1	5.4%
Finance income	0.6	0.0%	0.9	0.1%	0.3	55.9%
Finance costs	4.6	0.4%	4.4	0.4%	(0.2)	(5.1%)
Profit before tax	107.8	8.9%	114.4	9.3%	6.6	6.2%
Income tax expense	29.3	2.4%	28.3	2.3%	(1.0)	(3.4%)
Profit for the year	78.5	6.5%	86.2	7.0%	7.6	9.7%
Profit for the year attributable to non-controlling interests	7.0	0.6%	8.1	0.7%	1.0	14.4%
Profit for the year attributable to owners of the Company	71.5	5.9%	78.1	6.3%	6.6	9.2%

(2) Other Indices

(Billions of yen)

		Year ended December 31, 2016		Year ended December 31, 2017		Increase (decrease)	
Depreciation			62.3		63.9	1.6	2.5%
Operating income			111.9		118.0	6.1	5.4%
Profit for the year attributable to owners of the Company			71.5		78.1	6.6	9.2%
EBITDA *1	EBITDA margin	182.6	15.1%	188.2	15.2%	5.6	3.1%

*1 EBITDA is calculated as operating income + Other income and expenditure aside from gain on investments accounted for using the equity method + Depreciation.

EPS (Yen)	231.40	252.79	21.40	9.2%
Operating margin	9.3%	9.6%		
ROE	11.7%	12.0%		
Dividend payout ratio *2	31.5%	29.7%		

*2 Dividend payout ratio for each year is calculated by dividing the total cash dividends of that year by profit for the year attributable to owners of the Company of that year.

(Billions of yen)

	As at December 31, 2016	As at December 31, 2017	Increase (decrease)	
Total assets	1,421.4	1,522.0	100.6	7.1%
Total equity	662.8	746.2	83.4	12.6%
Capital expenditures	60.7	59.1	(1.7)	(2.7%)
D/E ratio (Times) *3	0.3	0.2		

*3 D/E ratio is calculated as (Interest-bearing debt - Cash and deposits ± Valuation difference from adopting hedge accounting, etc.) / Equity

(3) Exchange Rates for the Consolidation of Profit or Loss of the Major Overseas Companies

(Yen, average exchange rate)

	Year ended December 31, 2016	Year ended December 31, 2017
USD	108.8	112.2
EUR	120.2	126.7
GBP	147.5	144.5
SGD	78.7	81.3
THB	3.1	3.3
VND	0.0049	0.0049
NZD	75.7	79.7
AUD	80.8	86.0

3. Revenue Details

(Billions of yen)

	Year ended December 31, 2016	Year ended December 31, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	687.8	689.2	1.4	0.2%	0.2%	
Europe	229.4	238.9	9.6	4.2%	0.9%	
Asia	164.5	177.1	12.6	7.6%	3.5%	
Oceania	41.2	42.8	1.6	3.8%	(1.9%)	
Americas	86.2	86.0	(0.2)	(0.2%)	(3.2%)	
Reconciliations	–	–	–	–	–	
Consolidation total	1,209.1	1,234.0	24.9	2.1%	0.5%	

Starting from the first six months of the year ended December 31, 2017, the previous reportable segments of “Japan business” and “Overseas business” have been changed to “Japan business,” “Europe business,” “Asia business,” “Oceania business” and “Americas business.”

4. Profit Details

(1) EBITDA

(Billions of yen)

	Year ended December 31, 2016	Year ended December 31, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	95.4	96.8	1.4	1.4%	1.4%	
Europe	48.8	48.2	(0.6)	(1.2%)	(4.1%)	
Asia	24.9	31.2	6.3	25.3%	19.1%	
Oceania	7.6	7.5	(0.1)	(1.4%)	(6.4%)	
Americas	13.8	13.0	(0.8)	(5.5%)	(8.3%)	
Reconciliations	(7.9)	(8.6)	(0.7)	–	–	*1
Consolidation total	182.6	188.2	5.6	3.1%	1.1%	

*1 The reconciliations of EBITDA represent corporate expenses unallocated to each reportable segment.

Starting from the first six months of the year ended December 31, 2017, the previous reportable segments of “Japan business” and “Overseas business” have been changed to “Japan business,” “Europe business,” “Asia business,” “Oceania business” and “Americas business.” In addition, the Group administration costs that previously were allocated to each reportable segment are now recorded in reconciliations as corporate expenses.

(2) Segment Profit

(Billions of yen)

	Year ended December 31, 2016	Year ended December 31, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	54.5	57.3	2.8	5.1%	5.1%	
Europe	33.6	34.6	1.0	2.9%	(0.3%)	
Asia	17.2	23.2	5.9	34.5%	27.6%	
Oceania	5.8	5.0	(0.8)	(13.8%)	(18.1%)	
Americas	11.3	9.3	(2.0)	(17.9%)	(20.4%)	
Reconciliations	(10.7)	(11.4)	(0.8)	–	–	*2
Consolidation total	111.9	118.0	6.1	5.4%	3.1%	

*2 The reconciliations of segment profit represent corporate expenses unallocated to each reportable segment.

Starting from the first six months of the year ended December 31, 2017, the previous reportable segments of “Japan business” and “Overseas business” have been changed to “Japan business,” “Europe business,” “Asia business,” “Oceania business” and “Americas business.” In addition, the Group administration costs that previously were allocated to each reportable segment are now recorded in reconciliations as corporate expenses.

5. Summary of Consolidated Statement of Financial Position

(Billions of yen)

	As at December 31, 2016	As at December 31, 2017	Increase (decrease)	Reference
Cash and cash equivalents	84.1	113.9	29.8	
Trade and other receivables	176.8	176.7	(0.1)	
Other financial assets	0.4	11.8	11.4	
Inventories	74.0	81.0	7.0	
Other current assets	23.8	25.5	1.7	
Subtotal	359.1	408.8	49.8	
Assets held for sale	-	22.1	22.1	*3
Current assets	359.1	430.9	71.9	
Property, plant and equipment	362.3	354.2	(8.1)	
Goodwill	245.5	254.0	8.5	
Intangible assets	411.4	432.8	21.5	*4
Investments accounted for using the equity method	3.7	1.2	(2.5)	
Other financial assets	13.5	20.5	6.9	
Deferred tax assets	12.2	12.7	0.5	
Other non-current assets	13.7	15.7	2.0	
Non-current assets	1,062.3	1,091.1	28.8	
Total assets	1,421.4	1,522.0	100.6	
Bonds and borrowings	72.2	95.7	23.4	*5
Trade and other payables	281.5	289.5	8.0	
Other financial liabilities	31.8	32.7	0.9	
Accrued income taxes	15.8	18.8	2.9	
Provisions	2.1	1.4	(0.8)	
Other current liabilities	9.9	8.9	(1.0)	
Subtotal	413.5	446.9	33.4	
Liabilities directly associated with assets held for sale	-	6.2	6.2	*3
Current liabilities	413.5	453.1	39.6	
Bonds and borrowings	239.3	211.4	(27.9)	*6
Other financial liabilities	23.7	25.3	1.6	
Post-employment benefit liabilities	11.2	11.9	0.7	
Provisions	3.0	2.9	(0.0)	
Deferred tax liabilities	62.7	66.0	3.3	
Other non-current liabilities	5.3	5.3	(0.0)	
Non-current liabilities	345.1	322.7	(22.4)	
Total liabilities	758.6	775.8	17.2	
Total equity attributable to owners of the Company	608.8	690.4	81.7	
Non-controlling interests	54.0	55.8	1.7	
Total equity	662.8	746.2	83.4	
Total liabilities and equity	1,421.4	1,522.0	100.6	

*3 The increase is mainly due to the impact of concluding share transfer agreements regarding subsidiaries.

*4 The increase is mainly due to the impact of foreign currency translation related to overseas subsidiaries.

*5 The increase is mainly due to the transfer from non-current liabilities (long-term borrowings) to current liabilities (short-term borrowings) and the impact of foreign currency translation.

*6 The decrease is mainly due to the transfer from non-current liabilities (long-term borrowings) to current liabilities (short-term borrowings).

6. Summary of Consolidated Statements of Cash Flows

(Billions of yen)

	Year ended December 31, 2016	Year ended December 31, 2017	Increase (decrease)
Profit before tax	107.8	114.4	6.6
Depreciation and amortization	62.3	63.9	1.6
Other	(7.1)	(28.9)	(21.8)
Cash flows from operating activities	163.1	149.5	(13.6)
Payments for capital expenditures	(51.8)	(55.3)	(3.5)
Payments for business acquisition	(8.1)	-	8.1
Other	2.4	2.4	(0.0)
Cash flows from investing activities	(57.5)	(53.0)	4.5
Increase (decrease) in interest-bearing debt	(78.6)	(26.5)	52.1
Dividends paid to owners of the Company	(21.3)	(23.5)	(2.2)
Dividends paid to non-controlling interests	(3.9)	(5.4)	(1.5)
Other	(13.3)	(8.2)	5.1
Cash flows from financing activities	(117.1)	(63.6)	53.5
Net increase (decrease) in cash and cash equivalents	(11.5)	33.0	44.5
Effects of exchange rate changes	(2.1)	0.3	2.4
Cash and cash equivalents included in assets held for sale	–	(3.4)	(3.4)

7. Other Information

<Sales Volume of Major Brands in Japan Business> * On the basis of shipment volumes

(Million cases)

	Year ended December 31, 2016		Year ended December 31, 2017	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Suntory Tennensui	100.6	6%	108.0	7%
Boss	93.2	2%	99.0	6%
Iyemon	55.4	6%	56.4	2%
Suntory Oolong Tea	25.8	(5%)	26.2	2%
Pepsi	25.2	(6%)	21.9	(13%)
Orangina	11.2	(15%)	8.0	(29%)
Green DAKARA	25.6	6%	30.5	19%
FOSHU drinks	27.9	6%	26.0	(7%)
Total	430.4	1%	442.9	3%

* The portions of the sales volume by Japan Beverage Holdings Inc., etc. that were supplied from other soft drink manufacturers are not included in the above figures.

<Sales Volume of Major Brands in Europe Business>

(Million liters)

	Year ended December 31, 2016		Year ended December 31, 2017	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Orangina (France)	152	(0%)	157	3%
Oasis (France)	268	(4%)	273	2%
Schweppes (Spain, Portugal)	135	5%	138	2%
Lucozade (UK, Ireland)	401	5%	371	(8%)
Ribena (UK, Ireland)	111	1%	104	(6%)

<Earnings Forecast for the Year Ending December 31, 2018>

1. Summary of Consolidated Statement of Profit or Loss, Indices, etc.

(1) Summary of Consolidated Statement of Profit or Loss

(Billions of yen with fractional amounts rounded off)

	Year ended December 31, 2017 Actual		Year ending December 31, 2018 Forecast		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	1,234.0	100.0%	1,293.0	100.0%	59.0	4.8%
Gross profit	536.2	43.5%	558.0	43.2%	21.8	4.1%
Selling, general and administrative expenses	412.4	33.4%	433.9	33.6%	21.5	5.2%
Gain on investments accounted for using the equity method	0.4	0.0%	0.0	0.0%	(0.4)	(100.0%)
Other income	5.9	0.5%	10.4	0.8%	4.5	77.4%
Other expenses	12.1	1.0%	7.5	0.6%	(4.6)	(38.2%)
Operating income	118.0	9.6%	127.0	9.8%	9.0	7.7%
Finance income	0.9	0.1%	0.3	0.0%	(0.6)	(65.6%)
Finance costs	4.4	0.4%	3.8	0.3%	(0.6)	(13.3%)
Profit before tax	114.4	9.3%	123.5	9.6%	9.1	7.9%
Income tax expense	28.3	2.3%	34.4	2.7%	6.1	21.7%
Profit for the year	86.2	7.0%	89.1	6.9%	2.9	3.4%
Profit for the year attributable to non-controlling interests	8.1	0.7%	9.1	0.7%	1.0	12.9%
Profit for the year attributable to owners of the Company	78.1	6.3%	80.0	6.2%	1.9	2.4%

(2) Other Indices

(Billions of yen)

		Year ended December 31, 2017, Actual		Year ending December 31, 2018, Forecast		Increase (decrease)	
Depreciation			63.9		64.9	1.0	1.5%
Operating income			118.0		127.0	9.0	7.7%
Profit for the year attributable to owners of the Company			78.1		80.0	1.9	2.4%
EBITDA *1	EBITDA margin	188.2	15.2%	189.0	14.6%	0.8	0.4%

*1 EBITDA is calculated as operating income + Other income and expenditure aside from gain on investments accounted for using the equity method + Depreciation.

EPS (Yen)	252.79	258.90	6.11	2.4%
Operating margin	9.6%	9.8%		
ROE	12.0%	11.1%		
Dividend payout ratio *2	29.7%	30.1%		

*2 Dividend payout ratio for each year is calculated by dividing the total cash dividends of that year by profit for the year attributable to owners of the Company of that year.

(Billions of yen)

	As at December 31, 2017 Actual	As at December 31, 2018 Forecast	Increase (decrease)	
Total assets	1,522.0	1,550.0	28.0	1.8%
Total equity	746.2	820.0	73.8	9.9%
Capital expenditures	59.1	61.0	1.9	3.3%
D/E ratio (Times) *3	0.2	0.2		

*3 D/E ratio is calculated as (Interest-bearing debt - Cash and deposits ± Valuation difference from adopting hedge accounting, etc.) / Equity

(3) Exchange Rates for the Consolidation of Profit or Loss of the Major Overseas Companies

(Yen, average exchange rate)

	Year ended December 31, 2017, Actual	Year ending December 31, 2018, Forecast
USD	112.2	110.0
EUR	126.7	131.0
GBP	144.5	142.0
SGD	81.3	81.0
THB	3.3	3.3
VND	0.0049	0.0048
NZD	79.7	79.0
AUD	86.0	87.0

2. Revenue Details

(Billions of yen)

	Year ended December 31, 2017, Actual	Year ending December 31, 2018, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	689.2	693.0	3.8	0.6%	0.6%	
Europe	238.9	255.0	16.1	6.7%	4.5%	
Asia	163.5	200.0	36.5	22.3%	23.6%	
Oceania	56.3	58.0	1.7	3.0%	2.6%	
Americas	86.0	87.0	1.0	1.1%	3.1%	
Reconciliations	–	–	–	–	–	
Consolidation total	1,234.0	1,293.0	59.0	4.8%	4.6%	

Following the organizational changes, the fresh coffee business, which was previously included in "Asia business," was reclassified from "Asia business" into "Oceania business" starting in 2018. Accordingly, the reportable segments after the reclassification are provided for "Year ended December 31, 2017, Actual."

3. Profit Details

(1) EBITDA

(Billions of yen)

	Year ended December 31, 2017, Actual	Year ending December 31, 2018, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	96.8	97.0	0.2	0.2%	0.2%	
Europe	48.2	48.0	(0.2)	(0.4%)	(2.3%)	
Asia	29.7	31.0	1.3	4.3%	5.1%	
Oceania	9.0	9.5	0.5	5.2%	3.8%	
Americas	13.0	13.0	(0.0)	(0.0%)	1.9%	
Reconciliations	(8.6)	(9.5)	(0.9)	–	–	*1
Consolidation total	188.2	189.0	0.8	0.4%	0.1%	

*1 The reconciliations of EBITDA represent corporate expenses unallocated to each reportable segment.

Following the organizational changes, the fresh coffee business, which was previously included in "Asia business," was reclassified from "Asia business" into "Oceania business" starting in 2018. Accordingly, the reportable segments after the reclassification are provided for "Year ended December 31, 2017, Actual."

(2) Segment Profit

(Billions of yen)

	Year ended December 31, 2017, Actual	Year ending December 31, 2018, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	57.3	58.5	1.2	2.1%	2.1%	
Europe	34.6	34.0	(0.6)	(1.7%)	(3.5%)	
Asia	22.2	31.0	8.8	39.8%	40.4%	
Oceania	6.0	6.7	0.7	11.4%	8.9%	
Americas	9.3	9.3	0.0	0.0%	2.0%	
Reconciliations	(11.4)	(12.5)	(1.1)	–	–	*2
Consolidation total	118.0	127.0	9.0	7.7%	7.3%	

*2 The reconciliations of segment profit represent corporate expenses unallocated to each reportable segment.

Following the organizational changes, the fresh coffee business, which was previously included in “Asia business,” was reclassified from “Asia business” into “Oceania business” starting in 2018. Accordingly, the reportable segments after the reclassification are provided for “Year ended December 31, 2017, Actual.”

(3) Breakdown of Increase (Decrease) in Segment Profit for Japan Business Segment

(Billions of yen)

Segment profit for the year ended December 31, 2017, Actual	57.3
Increase in revenue	3.8
Increase in cost of goods sold	(0.4)
Decrease in sales promotion and advertising costs	0.5
Increase in other expenses	(2.7)
Segment profit for the year ending December 31, 2018, Forecast	58.5

4. Other Information

<Sales Volume of Major Brands in Japan Business> * On the basis of shipment volumes

(Million cases)

	Year ended December 31, 2017		Year ending December 31, 2018	
	Actual	Increase (decrease)	Forecast	Increase (decrease)
Suntory Tennensui	108.0	7%	112.5	4%
Boss	99.0	6%	100.4	1%
Iyemon	56.4	2%	56.7	1%
Suntory Oolong Tea	26.2	2%	26.5	1%
Pepsi	21.9	(13%)	21.9	0%
Orangina	8.0	(29%)	8.0	0%
Green DAKARA	30.5	19%	33.4	10%
FOSHU drinks	26.0	(7%)	23.5	Decrease of approx. 10%
Total	442.9	3%	447.1	1%

* The portions of the sales volume by Japan Beverage Holdings Inc., etc. that were supplied from other soft drink manufacturers are not included in the above figures.

<Reference: Results for the Fiscal Year Ended December 31, 2017 (Japanese GAAP)>

1. Summary of Consolidated Statements of Income, Indices, etc.

(1) Summary of Consolidated Statements of Income

(Billions of yen with fractional amounts rounded off)

	Fiscal year ended December 31, 2016		Fiscal year ended December 31, 2017		Increase (decrease)	
		Ratio to net sales		Ratio to net sales		
Net sales	1,410.8	100.0%	1,451.5	100.0%	40.8	2.9%
Gross profit	781.5	55.4%	805.7	55.5%	24.2	3.1%
Selling, general and administrative expenses	688.0	48.8%	707.7	48.8%	19.7	2.9%
Operating income	93.5	6.6%	98.0	6.8%	4.5	4.8%
Non-operating income (loss)	(2.3)	0.2%	(4.6)	0.3%	(2.4)	104.4%
Ordinary income	91.2	6.5%	93.4	6.4%	2.2	2.4%
Extraordinary income (loss)	(8.1)	0.6%	(9.0)	0.6%	(0.9)	11.6%
Income before income taxes	83.1	5.9%	84.4	5.8%	1.2	1.5%
Income taxes	30.4	2.2%	29.6	2.0%	(0.8)	(2.7%)
Net income attributable to non-controlling interests	6.7	0.5%	7.4	0.5%	0.7	10.6%
Net income attributable to owners of the parent	46.1	3.3%	47.4	3.3%	1.3	2.9%

(2) Other Indices

(Billions of yen)

		Fiscal year ended December 31, 2016		Fiscal year ended December 31, 2017		Increase (decrease)	
Depreciation and amortization			58.7		60.4	1.8	3.1%
Amortization of goodwill			28.7		29.4	0.7	2.4%
Operating income before amortization of goodwill			122.2		127.4	5.2	4.3%
Net income before amortization of goodwill *1			74.7		76.8	2.0	2.7%
EBITDA *2	EBITDA margin	180.8	12.8%	187.8	12.9%	7.0	3.9%

*1 Net income before amortization of goodwill is Net income attributable to owners of the parent plus Amortization of goodwill.

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

Before amortization of goodwill

EPS (Yen)	241.87	248.44	6.57	2.7%
Operating margin	8.7%	8.8%		
ROE	13.2%	13.4%		
Dividend payout ratio *3	30.2%	30.2%		

After amortization of goodwill

EPS (Yen)	149.05	153.38	4.33	2.9%
Operating margin	6.6%	6.8%		
ROE	8.1%	8.3%		
Dividend payout ratio *3	49.0%	48.9%		

*3 The Company calculated the Dividend payout ratio for each fiscal year by dividing the Total cash dividends of that year by Net income attributable to owners of the parent of that year.

(Billions of yen)

	As of December 31, 2016	As of December 31, 2017	Increase (decrease)	
Total assets	1,366.0	1,415.8	49.8	3.6%
Total equity	602.4	646.9	44.4	7.4%
Capital expenditures	60.2	57.8	(2.4)	(4.0%)
D/E ratio (Times) *4	0.4	0.3		

*4 D/E ratio: (Interest-bearing debt - Cash and deposits) / Total equity

2. Sales Details

(Billions of yen)

	Fiscal year ended December 31, 2016	Fiscal year ended December 31, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	890.0	907.2	17.2	1.9%	1.9%	
Europe	229.4	238.9	9.6	4.2%	0.9%	
Asia	164.3	177.2	12.9	7.9%	3.7%	
Oceania	40.8	42.1	1.3	3.2%	(2.5%)	
Americas	86.2	86.0	(0.2)	(0.2%)	(3.2%)	
Reconciliations	–	–	–	–	–	
Consolidation total	1,410.8	1,451.5	40.8	2.9%	1.5%	

Starting from the first six months of the fiscal year ended December 31, 2017, the previous reportable segments of “Japan business” and “Overseas business” have been changed to “Japan business,” “Europe business,” “Asia business,” “Oceania business” and “Americas business.” The sales details for the fiscal year ended December 31, 2016 have been restated to reflect the revised reportable segment classification.

3. Profit Details

(1) EBITDA

(Billions of yen)

	Fiscal year ended December 31, 2016	Fiscal year ended December 31, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	94.3	96.4	2.1	2.3%	2.3%	
Europe	48.8	48.6	(0.1)	(0.2%)	(3.2%)	
Asia	24.1	30.8	6.6	27.5%	21.0%	
Oceania	7.6	7.5	(0.1)	(1.4%)	(6.4%)	
Americas	13.9	13.0	(0.8)	(5.9%)	(8.7%)	
Reconciliations	(7.9)	(8.6)	(0.7)	–	–	*1
Consolidation total	180.8	187.8	7.0	3.9%	1.8%	

*1 The reconciliations of EBITDA represent corporate expenses unallocated to each reportable segment.
Starting from the first six months of the fiscal year ended December 31, 2017, the previous reportable segments of "Japan business" and "Overseas business" have been changed to "Japan business," "Europe business," "Asia business," "Oceania business" and "Americas business." In addition, the Group administration costs that previously were allocated to each reportable segment are now recorded in reconciliations as corporate expenses. The profit details for the fiscal year ended December 31, 2016 have been restated to reflect the revised reportable segment classification and the method of calculating profit of reportable segments.

(2) Segment Profit

(Billions of yen)

	Fiscal year ended December 31, 2016	Fiscal year ended December 31, 2017	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	57.8	60.5	2.7	4.7%	4.7%	
Europe	39.7	39.0	(0.7)	(1.8%)	(4.7%)	
Asia	16.2	21.7	5.5	33.8%	25.4%	
Oceania	6.1	5.6	(0.5)	(7.9%)	(12.6%)	
Americas	10.4	9.4	(1.0)	(10.0%)	(12.8%)	
Reconciliations	(36.7)	(38.2)	(1.4)	–	–	*2
Consolidation total	93.5	98.0	4.5	4.8%	2.5%	

*2 The reconciliations of segment profit represent amortization of goodwill and corporate expenses unallocated to each reportable segment.
Starting from the first six months of the fiscal year ended December 31, 2017, the previous reportable segments of "Japan business" and "Overseas business" have been changed to "Japan business," "Europe business," "Asia business," "Oceania business" and "Americas business." In addition, the Group administration costs that previously were allocated to each reportable segment are now recorded in reconciliations as corporate expenses. The profit details for the fiscal year ended December 31, 2016 have been restated to reflect the revised reportable segment classification and the method of calculating profit of reportable segments.

(3) Ordinary Income and Net Income Attributable to Owners of the Parent

(Billions of yen)

	Fiscal year ended December 31, 2016	Fiscal year ended December 31, 2017	Increase (decrease)		Reference
Non-operating income (loss)	(2.3)	(4.6)	(2.4)	104.4%	
Ordinary income	91.2	93.4	2.2	2.4%	
Extraordinary income (loss)	(8.1)	(9.0)	(0.9)	11.6%	
Income taxes	30.4	29.6	(0.8)	(2.7%)	
Net income attributable to non-controlling interests	6.7	7.4	0.7	10.6%	
Net income attributable to owners of the parent	46.1	47.4	1.3	2.9%	

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

(Billions of yen)

Segment profit for the fiscal year ended December 31, 2016	57.8
Increase in sales volume	7.4
Change in product mix	(5.1)
Reduction in manufacturing costs	4.4
Increase in sales promotion and advertising costs	(1.1)
Increase in other expenses	(2.9)
Segment profit for the fiscal year ended December 31, 2017	60.5