

February 12, 2016

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(Securities code: 2587, First Section, Tokyo Stock  
Exchange)  
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### Notice Concerning Succession of Full-line Beverage Service Business by Subsidiary of the Company

Suntory Beverage & Food Limited (the “Company”) announced in “Notice Concerning Establishment of a Subsidiary for the Full-line Beverage Service Business” (the “Disclosure of Subsidiary Establishment”) on December 10, 2015 to establish Suntory Beverage Solution Limited (“Suntory Beverage Solution”) as a new subsidiary of the Company, and to transfer, by company split (the “Company Split”), the business operations of the vending machine business, fountain business, and water dispenser business (“Full-line Beverage Service Business”) currently operated by the Company’s consolidated subsidiary Suntory Foods Limited (“Suntory Foods”) to Suntory Beverage Solution to start the business operations on April 1, 2016 (planned). The Company hereby announces that it has resolved at a meeting of its Board of Directors held today an overview of Suntory Beverage Solution, and the method and details concerning the Company Split. The details are as follows.

The Company Split is a company split involving the succession of the business of a consolidated subsidiary of the Company by a wholly owned subsidiary of the Company that has been newly established. As disclosure of company split is voluntary, some disclosure-related matters and details are disclosed with partial omissions.

#### 1. Purpose for Transfer of Full-line Beverage Service Business

The Full-line Beverage Service Business operated by Suntory Foods for the purpose of providing a full-line of beverage services will be transferred to Suntory Beverage Solution via the company split method in order to expedite decision making regarding this business within the Group, to improve customer satisfaction, and to increase management efficiency. Moreover, the Group aims to accelerate the expansion of its customer base even further by unifying its strategy to further enhance customer response capabilities and sales capabilities, as well as providing high added value to customers through the development of new products and services.

## 2. Summary of Details Concerning Establishment of Suntory Beverage Solution and Transfer of Full-line Beverage Service Business

### (1) Schedule

Resolution by the Board of Directors of the Company on establishment of Suntory Beverage Solution:	December 10, 2015
Date of establishment:	January 21, 2016
Resolution by the Board of Directors of the Company on method and details of the Company Split:	February 12, 2016
Conclusion of absorption-type company-split agreement between Suntory Foods and Suntory Beverage Solution:	February 12, 2016
Scheduled date of the Company Split (effective date):	April 1, 2016

### (2) Method of the Company Split

The Company Split will follow an absorption-type company split under which Suntory Foods will be the splitting company and Suntory Beverage Solution will be the successor company.

### (3) Details of allotments in connection with the Company Split

No allotment and delivery of shares or other money, etc. will be carried out by the Company Split.

### (4) Treatment concerning stock acquisition rights and bonds with stock acquisition rights upon the Company Split

Not applicable.

### (5) Increases/decreases in capital concerning the Company Split

There will be no increases or decreases in capital.

### (6) Rights and obligations succeeded by successor company

Suntory Beverage Solution will succeed statuses under contracts, assets, liabilities and other rights and obligations related to the Full-line Beverage Service Business possessed by Suntory Foods (with some exceptions).

### (7) Expected performance of obligations

The Company judges there will be no problems concerning the expected performance of all obligations undertaken by Suntory Foods and Suntory Beverage Solution.

### 3. Overview of Splitting company and Successor company

	Splitting company (As of December 31, 2014)	Successor company (As of April 1, 2016 (Planned))
(1) Trade Name	Suntory Foods Limited	Suntory Beverage Solution Limited
(2) Location	1-1, Kyobashi 3-chome, Chuo-ku, Tokyo	1-1, Kyobashi 3-chome, Chuo-ku, Tokyo
(3) Representative	Masato Tsuchida (President, Chief Executive Officer, Member of the Board, Representative Director)	Masato Tsuchida (President, Chief Executive Officer, Member of the Board, Representative Director)
(4) Major Businesses	Soft drink sales in Japan	Soft drink vending machine business, fountain business, water dispenser business, etc., in Japan
(5) Paid in Capital	1.0 billion yen	1.0 billion yen
(6) Date of Establishment	January 7, 1975	January 21, 2016
(7) Total Number of Issued Shares	2,015,000 shares	20,000 shares
(8) Net Assets	43,524 million yen	Approx. 30,000 million yen
(9) Total Assets	204,870 million yen	Approx. 70,000 million yen
(10) Fiscal Year-end	December 31	December 31
(11) Major Shareholder and Holding Ratio	Suntory Beverage & Food Limited: 100%	Suntory Beverage & Food Limited: 100%
(12) Relationship with the Company	<p>One Director of the Company is concurrently serving as President, Chief Executive Officer, Member of the Board, Representative Director of the splitting company. Of the Company's Directors, Directors serving as Audit &amp; Supervisory Committee, and employees, three persons concurrently serve as Directors or Audit &amp; Supervisory Board Members of the splitting company. In addition, employees of the Company are relocated to the splitting company.</p> <p>The Company sells soft drinks, etc. to the splitting company. There is lending and borrowing of funds between the Company and the splitting company.</p>	<p>One Director of the Company will serve concurrently as President, Chief Executive Officer, Member of the Board, Representative Director of the successor company. In addition, it is planned that six persons comprised of Directors and employees of the Company will serve concurrently as Directors and Audit &amp; Supervisory Board members of the successor company. It is also planned that employees of the Company will be relocated to the successor company.</p> <p>No direct trading relationship is planned to exist between the Company and the successor company. However, it is planned that the successor company will conduct the transaction of purchasing soft drinks, etc. from Suntory Foods.</p> <p>It is planned that lending and borrowing of funds will occur between the Company and the successor company.</p>

Of the details disclosed above, the places providing information on Suntory Beverage Solution that have been added or revised since the Disclosure of Subsidiary Establishment are matters from (5) to (9) and matter (12).

As described above, Suntory Beverage Solution will succeed the Full-line Beverage Service Business currently operated by Suntory Foods through an absorption-type company split and is scheduled to begin business operations of the Full-line Beverage Service Business on April 1, 2016 (planned).

#### 4. Details of business operations, etc. involved in the company split

The basic details are unchanged from the Disclosure of Subsidiary Establishment.

##### (1) Overview of the business involved in the company split

The Full-line Beverage Service Business operated by Suntory Foods

##### (2) Annual net sales related to the business involved in the company split (Fiscal year ended December 31, 2015 (provisional figures only))

Approx. 200 billion yen

##### (3) Asset and liability items involved in the company split

Current assets (excluding accounts receivable-trade, etc.), noncurrent assets, current liabilities (excluding accounts payable-other, etc.), and long-term liabilities related to the Full-line Beverage Service Business operated by Suntory Foods

#### 5. Effects on Business Performance

As the establishment of Suntory Beverage Solution, the Company Split, and the start of business operations by Suntory Beverage Solution are all restructuring actions carried out between the consolidated subsidiaries of the Company, the effects on the consolidated business performance of the Company are minor.