



October 14, 2022

Company name: **Suntory Beverage & Food Limited**
Shares listed: Prime Market, Tokyo Stock Exchange
Securities code: 2587
Representative: Kazuhiro Saito, Chief Executive Officer
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Notification Concerning Absorption-Type Merger (Simplified Merger)

Suntory Beverage & Food Limited (SBF) hereby announces that a decision was made at its Board of Directors meeting held on October 14, 2022 to conduct an absorption-type merger (the “Merger”) with Suntory Beverage Service Limited (hereinafter “Suntory Beverage Service”), which is a wholly owned subsidiary of SBF with an effective date of December 1, 2022 (planned). Details are set forth below.

Note that as this is a simplified absorption-type merger that involves a consolidated subsidiary, some disclosure items and their content have been omitted.

1. Purpose of the Merger

SBF commenced procedures to reorganize the vending machine, etc. business within the SBF Group and transferred the business operated by Suntory Beverage Service and the rights and obligations relating to that business to other companies of the SBF Group, including Suntory Beverage Solution Limited, on January 1, 2022.

SBF has now confirmed that the aforementioned procedures for reorganization have been completed and decided to conduct an absorption-type merger to merge Suntory Beverage Service into SBF as it no longer holds a purpose for being a company.

2. Overview of the Merger

(1) Schedule of the Merger

The Merger shall be conducted without the approval of the merger agreement at the general meeting of shareholders of SBF as it falls under the category of simplified merger as per the provisions of Article 796, paragraph (2) of the Companies Act.

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| Date of Resolution by the Board of Directors (of SBF) | October 14, 2022 (the same day of this notice) |
| Date of Conclusion of Agreement | October 14, 2022 (the same day of this notice) |
| Scheduled Date of Approval at General Meeting of Shareholders (of Suntory Beverage Service) | November 10, 2022 (planned) |
| Scheduled Date of Merger (Effective date) | December 1, 2022 (planned) |

(2) Method of the Merger

The Merger shall be an absorption-type merger with SBF as the surviving company and Suntory Beverage Service as the disappearing company.

In Suntory Beverage Service’s settlement of accounts on December 31, 2021, liabilities exceeded assets, however by carrying out procedures to reorganize the vending machine, etc. business in the SBF Group on January 1, 2022, those excess liabilities have been eliminated.

(3) Allotments Pertaining to the Merger

As Suntory Beverage Service is a wholly owned subsidiary of SBF, the Merger will not involve allotments or deliveries of shares or money, etc.

(4) Handling of Share Acquisition Rights and Bonds With Share Acquisition Rights Associated With the Merger

No items to report.

3. Overview of the Companies Involved in the Merger

| | Surviving Company | Disappearing Company |
|---|---|--|
| (1) Name | Suntory Beverage & Food Limited | Suntory Beverage Service Limited |
| (2) Location | 1-1, Shibaura 3-chome, Minato-ku, Tokyo | 1-1, Shibaura 3-chome, Minato-ku, Tokyo |
| (3) Name and Title of Representative | Kazuhiro Saito, Representative Director, President & Chief Executive Officer | Yasushi Kishimoto, Representative Director |
| (4) Businesses | Manufacture and sale of non-alcoholic beverages | Sale of non-alcoholic beverages |
| (5) Share Capital | ¥168,384 million | ¥100 million |
| (6) Date of Establishment | January 23, 2009 | December 10, 1997 |
| (7) Number of Issued Shares | 309,000,000 shares | 4,404 shares |
| (8) Balance Sheet Date | December 31 | December 31 |
| (9) Major Shareholder & Holding Ratio | Suntory Holdings Limited: 59.48% | Suntory Beverage & Food Limited: 100% |
| (10) Financial Position and Operating Results for the Most Recent Fiscal Year | <u>Consolidated: IFRS</u> Total equity: ¥943,952 million Total assets: ¥1,676,926 million Equity attributable to owners of the Company per share: ¥2,785.09 Revenue: ¥1,268,917 million Operating income: ¥118,568 million Profit before tax: ¥117,052 million Profit for the year attributable to owners of the Company: ¥68,676 million Basic earnings per share: ¥222.25 | <u>Non-consolidated: Japanese GAAP</u> Equity: ¥(4,773) million Total assets: ¥28,089 million Equity per share: ¥(1,083,829.28) Net sales: ¥99,466 million Operating income: ¥979 million Ordinary income: ¥1,032 million Net income: ¥(2,355) million Net income per share: ¥(534,774.70) |

4. Post-Merger Status

There is no change to the SBF's trade name, head office location, name and title of representative, businesses, share capital or balance sheet date as a result of the Merger.

5. Future Outlook

The Merger will have an immaterial impact on the SBF's consolidated financial results because it is a merger between SBF and its wholly owned subsidiary.