

## Notice Concerning Conclusion of Definitive Agreement Regarding the Acquisition of PepsiCo's Beverage Business (Form of a Joint Venture) in Thailand

Suntory Beverage & Food Limited (“SBF”) announces that today Suntory Beverage & Food Asia Pte. Ltd., a subsidiary of SBF, concluded a definitive agreement regarding the acquisition of 51% shares in International Refreshment (Thailand) Co., Ltd., a beverage operation of PepsiCo, Inc. (“PepsiCo”) in Thailand, from Pepsi-Cola (Thai) Trading Co., Ltd., a subsidiary of PepsiCo (“the Acquisition”).

### 1. Background of the Acquisition

Thailand is the one of the largest beverage market in Southeast Asia and is expected to continue expanding backed by its GDP growth. PepsiCo has a solid business platform in Thailand with its strong brand equity, manufacturing facilities and sales network. The Acquisition will enable SBF to expand its beverage business in Thailand, and also further strengthen PepsiCo's beverage business in the significantly growing Thailand market.

Through the establishment of the joint venture, SBF and PepsiCo plan to grow its beverage business in Thailand by leveraging each company's respective strengths -- SBF's expertise in development of products to meet healthier demands, including ready-to-drink tea, and PepsiCo's strong business platform.

### 2. Profile of the subsidiary subject to change

(1) Name	International Refreshment (Thailand) Co., Ltd. (Note 1)	
(2) Location	No. 7/229 Moo 6 Soi Pornprapa, Amata City Industrial Estate Tambol Mab Yang Porn, Amphur Pluak Daeng, Rayong Province, Bangkok, Thailand	
(3) Representative	Directors: Pierre Hajj Chahine Somchai Ketchaikosol Phoemsak Krisoraphong	
(4) Business Description	Manufacturing of soft drinks in Thailand (Note 2)	
(5) Share capital	THB 9 billion (Approx. JPY 30.8 billion)	
(6) Date of Establishment	November 18, 2003	
(7) Shareholder	Pepsi-Cola (Thai) Trading Co., Ltd. (99.99%)	
(8) Relationship with SBF	Capital	No items to report
	Personal	No items to report
	Business	No items to report
(9) Operating Results and Financial Position	- (Note 3)	

Note 1: The company name is planned to be changed to Suntory PepsiCo Beverage (Thailand) Co., Ltd.

Note 2: After the restructuring related to the Acquisition prior to the completion, the company is expected to operate sales of soft drinks in addition to manufacturing.

Note 3: There is no financial information available for disclosure given the confidentiality under the Non-Disclosure Agreement with PepsiCo.

### 3. Overview of the Seller

#### (1) Overview of Pepsi-Cola (Thai) Trading Co., Ltd.

(1) Name	Pepsi-Cola (Thai) Trading Co., Ltd.
(2) Location	622 Emporium Tower, 9th and 16th Floor, Sukhumvit Road, Klongton District, Klongtoey Sub-district, Bangkok 10110, Thailand
(3) Representative	Directors: Vishal Malik Omer Malik Songyos Ruengsakulrach Salee Gibson Kurt Ogilvy Prechore Monchai Kanokphaipipat Anchalee Aksaranuwong
(4) Business Description	Sales of foods and beverages in Thailand

#### (2) (Reference) Overview of PepsiCo, Inc.

(1) Name	PepsiCo, Inc.	
(2) Location	700 Anderson Hill Road, Purchase, New York, 10577, United States	
(3) Representative	CEO: Indra K. Nooyi	
(4) Business Description	Manufacture and sale of foods and beverages	
(5) Share capital	USD 3,813 million (Approx. JPY 433.3 billion)	
(6) Date of Establishment	August 28, 1898	
(7) Net Assets	USD 13,411 million (as of Sep. 9, 2017)	
(8) Total Assets	USD 78,463 million (as of Sep. 9, 2017)	
(9) Major Shareholders and Holding Ratio	The Vanguard Group, Inc. (7.88%) BlackRock Institutional Trust Company, N.A. (6.15%) State Street Global Advisors (US) (4.34%) (As of June 30, 2017)	
(10) Relationship with SBF as Parent-only base	Capital	No items to report
	Personal	No items to report
	Business	SBF has a manufacturing and sales license of PepsiCo brands in Japan
	Related Party Status	No items to report

#### 4. Number of Shares to be Acquired, Acquisition Price and Share Ownership Status before and after the Acquisition

(1) Number of shares held before change	0 shares (Number of voting rights: 0) (Proportion of voting rights held: 0%)
(2) Number of shares to be acquired	To be decided (Note 4)
(3) Acquisition Price	Approx. JPY 33 billion (Note 5)

(4) Number of shares held after change	To be decided (Proportion of voting rights held: 51%) (Note 4)
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Note 4: Number of shares to be acquired and Number of shares held by SBF after change is not determined as total number of shares outstanding will be changed after the restructuring related to the Acquisition prior to the completion.

Note 5: Price is for 51% ownership on the enterprise value bases and will be adjusted after the closing date to reflect the share purchase price adjustments under the share purchase agreement.

#### 5. Schedule

(1) Resolution of the Board of Directors	November 2, 2017
(2) Date of Definitive Agreement	November 2, 2017
(3) Transfer Date	March 2018 (Planned) Based on the assumption that the relevant authorities will grant permission to the Acquisition following reviews relating to the anti-trust regulations, etc.

#### 6. Effects on Business Performance

There will be no effect of the acquisition on SBF's consolidated performance for the fiscal year ending December 31, 2017. The effects of the acquisition on SBF's consolidated performance for the fiscal year ending December 31, 2018 will be factored into the consolidated earnings forecasts as soon as these effects are identified.

#### 7. Other

It is assumed that the relevant authorities will grant permission to the Acquisition following reviews relating to the anti-trust regulations, etc.