September 9, 2013

English Translation

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Notification Regarding Partial Transfer of Business from U.K. Based GlaxoSmithKline plc

This is to notify that, as explained below, the Board of Directors decided in a meeting today that Suntory Beverage & Food Limited, (hereinafter "SBF"), will acquire from U.K. based GlaxoSmithKline plc, (hereinafter "GSK"), the two beverage brands "Lucozade" and "Ribena" as well as their related business and assets, and has concluded a sales contract with GSK. A new company in Europe, which is wholly owned by SBF, will be established in order to acquire these businesses.

1. Reasons for Acquiring Business

SBF Group's mid-to-long-term vision is to achieve sales of 2 trillion yens in 2020. SBF's strategy to achieve this is, by 2015, to actively pursue M&A deals as well as to make efforts to improve profitability and further grow our existing business both domestically and internationally. In our international business, we are expanding our business in emerging markets and strengthening our business platform in order to improve profitability by further developing our existing brands and growing our production and sales.

SBF Group is growing its beverage business in Europe through the Orangina Schweppes Group with a focus on France and Spain. Now, by acquiring a new business platform centered in the U.K., SBF will be able to further grow sales and enhance business operations. Complementing our existing brands, the addition of the sales network associated with these two global brands will give us a platform in countries where GSK already operates such as Nigeria as well as Malaysia and thereby enable us to expand the sales of our whole brand portfolio.

2. Overview of Business to be Acquired

GSK is a company headquartered in the U.K. that is listed on the LSE and NYSE. It has one of the world's largest pharmaceutical businesses, in addition to health care, vaccines, beverages and more. SBF will acquire two brands from GSK's beverage business as well as their business and assets: Lucozade (launched in 1927), an iconic British brand with a history of over 80 years that is the top-selling product in the U.K. energy drink/sports drink market by sales volume,* and Ribena (launched in 1938), a fruit juice brand with a strong heritage that is the fourth best-selling product in the U.K. fruit juice/concentrated fruit juice market by sales volume.* Both Lucozade and Ribena are growing and establishing strong market position in the U.K. and Ireland. They are also growing in faster growing markets such as Nigeria and South Africa in Africa, as well as Malaysia in Southeast Asia. The U.K., their main market, has a dedicated Lucozade and Ribena factory (opened in 1947), along with an extensive sales network. An overview is provided below.

* Based on Jan-Dec 2012 statistics (off-trade), Euromonitor.

(1) Business to be transferred	Partial assets held by GSK in relation to its	
	business producing and selling Lucozade and	
	Ribena.	
	(commercial rights, production facilities, etc.)	
(2) Operating performance of the	Net sales: JPY 79.7 billion	
business to be transferred	Gross profit: 37.9 billion	
	(Exchange rate: GBY 1 = JPY 156)	
	(Business year ending December 2012, not audited)	
(3) Amount of assets and liabilities	Assets: JPY 27.3 billion Debts: none	
to be transferred	(Exchange rate: GBY 1 = JPY 156)	
	(Business year ending December 2012, not audited)	
(4) Amount of cash considered	JPY 210.6 billion (GBP 1,350 million) (tentative)	
	(Exchange rate: GBY 1 = JPY 156)	
	Payment will be made in cash.	

3. Overview of GSK

(1) Name		GlaxoSmithKline plc			
(2) Location		980 Great West Road, Brentford, Middlesex, UK			
(3) Representative		Sir Andrew Witty (CEO)			
(4) Businesses		R&D, production and sale of ethical drugs, vaccines,			
		general pharmaceuticals and consumer health care			
		products			
(5) Paid in Capital		GBP 1,349 million (as of December 31, 2012)			
(6) Year Established		December 2000			
(7) Net Assets		GBP 6,747 million (as of December 31, 2012)			
(8) Gross Assets		GBP 41,475 million (as of December 31, 2012)			
(9) Major shareholders and ratio		BlackRock, Inc. 5.52%			
		Legal & General Group Plc 3.12%			
(10) Relationship with SBF	Capital	Nothing noteworthy			
	Personal	Nothing noteworthy			
	Business	Nothing noteworthy			
	Related Party	The company is not a related party of SBF. In addition, the company's personnel and affiliated			
	Status	companies are not related parties of SBF.			

4. New Company to Acquire the Business

SBF plans to establish a new wholly owned subsidiary in Europe in order to inherit this business. Details will be released as soon as they are finalized.

5. Future Schedule

Below is an overview of the schedule up until the closing.

(1) Decision by the Board of Directors	September 9, 2013
(2) Agreement date	September 9, 2013

(3) Business transfer date	Currently under consideration based on the assumption that the relevant authorities will grant permission following reviews relating to the Anti-Monopoly Act, etc. (currently scheduled for and of December 2013)
	end of December 2013)

6. Accounting Overview

This transaction will be treated as an acquisition for accounting purposes.

7. Future Outlook

SBF anticipates that this transfer will have a limited effect on our consolidated results for the business year ending December 2013.

SBF is currently examining the effect it will have on the performance outlook for the following business year and onward, and we will promptly provide notice of the results once they can be released.

(Reference)

Projected Consolidated Results for the Current Period (Ending in December 2013) and Consolidated Results for the Preceding Period (Ending in December 2012)

	Consolidated Net Sales	Consolidated Operating Income	Consolidated Ordinary Income	Consolidated Net Income for Current Period
Projected	1,130,000	75,000	69,000	35,000
Consolidated Results				
(Current Period)				
Consolidated Results	992,160	58,446	54,033	23,385
(Preceding Period)				

(Reference)

Estimated EBITDA for the Current Period: JPY 142.0 billion (23.8% YoY)

Estimated Net Income Before Amortization of Goodwill for the Current Period: JPY 59.0 billion (37.0% YoY)

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