

March 26, 2014

Company name : Suntory Beverage & Food Limited
Representative : Nobuhiro Torii, President & CEO
(Securities code: 2587, First Section, Tokyo Stock Exchange)
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Notice Concerning Controlling Shareholders

Suntory Beverage & Food Limited (SBF) gives the following notice concerning controlling shareholders.

1. Trade names of parent companies, controlling shareholders (excluding parent companies), other associated companies and parent companies of associated companies

(As of December 31, 2013)

Name	Relation	Percentage of voting rights (%)			Financial instruments exchange where issued shares are listed
		Direct share	Aggregate share	Total	
Suntory Holdings	Parent	59.48	—	59.48	Not applicable
Kotobuki Fudosan Co., Ltd.	Parent	—	59.48	59.48	Not applicable

2. Trade name or title of the parent company, etc. deemed to have the greatest influence on the listed company, and reason for same

Trade name or title of the parent company, etc. deemed to have the greatest influence on the listed company	Suntory Holdings
Reason	Largest shareholder in SBF and holder of 59.48% of SBF voting rights

3. Rank of listed company in parent company's group as well as relation and business ties to other listed companies and parent companies

- (1) Rank of SBF in parent company's group as well as relation and business ties to parent company in terms of personnel and capital

Suntory Holdings (SHD: Kita-ku, Osaka-shi, Osaka Prefecture; Capital 70 billion yen) is SBF's parent company, and its largest shareholder with 59.48% of the voting rights (nil aggregate share). Out of the 11 SBF directors, the President and Representative Director, Nobuhiro Torii, also holds concurrent office as director of SHD. So as to obtain appropriate opinions and advice on SBF Group's management, one executive vice president/representative director of

SHD holds office as a director of SBF, and one senior corporate auditor from SHD also holds concurrent office as an auditor of SBF. The number of personnel seconded from the parent company is 277.

(Directors' concurrent offices)

(As of December 31, 2013)

Office	Full name	Office in parent companies	Reason for appointment
President (Representative director)	Nobuhiro Torii	Director	To participate as a representative of the operating company in the decision making processes of the parent company
Director	Shigehiro Aoyama	Executive vice president (Representative director)	To provide appropriate opinions and advice on SBF Group's management
Auditor	Toru Yamamoto	Senior corporate auditor	To make use of his many years experience and enhance the group's audit systems

In addition, because SHD is a subsidiary of Kotobuki Realty Co., Ltd., Kotobuki Realty Co., Ltd. is also a parent company of SBF.

As of December 31, 2013 the Suntory Group comprised 229 companies with SHD at the core (SHD, one parent company and 227 subsidiaries and affiliates) engaged in food and liquor manufacturing and sales as well as other business activities.

The main business ties with the Suntory Group, SHD being at the core, and with the SBF Group are as follows.

Business description	Business partner
Brand loyalty payments	Suntory Holdings
Shipping service contracting	Suntory Logistics
Indirect service contracting (logistics, procurement, customer services, etc.)	Suntory Business Expert
Coffee bean purchases	Suncafé
Payment of salaries to employees on secondment	Suntory Holdings

(2) Business constraints, risks and merits of belonging to corporate group of the parent companies

The SBF Group operates businesses that differ from the SHD corporate group, and is not subject to any business constraints. Trade between SBF and the SHD corporate group includes brand loyalty payments and coffee bean purchases. This trade has merit for SBF as it enables usage of the Suntory name, SHD's powerful brand, and enables purchases that have the benefit of economy of scale. SBF is not being prevented from pursuing business activities freely by the SHD corporate group.

(3) Impact on management and business activities arising from business ties, personnel ties, and capital ties with the parent company and its Group companies

SHD, SBF's parent company, owns 59.48% of SBF's ordinary issued shares and has the authority to approve or veto basic decisions concerning SBF, including appointment and dismissal of SBF directors and auditors, approval of reorganization including amalgamation, transfer of important business, changes to SBF's constitution, and dividends of surplus. Regardless of the intentions of other shareholders, SHD may have an impact on determinations of all matters that require the approval of a general meeting of shareholders. Moreover, SBF makes its own decisions in regard to management, without any matter for prior approval.

A certain proportion of SBF employees, excluding directors, are permanent employees that have been seconded from SHD. As of the end of December 2013, the number of employees on secondment from SHD to SBF was 277. SBF Group executives who had been on the SHD roll were transferred to the SBF roll on April 1, 2013. In addition, those other employees remain in the employment of SHD until such time as they are promoted, at which point they are transferred to the SBF roll. SBF is also proceeding with its own recruiting.

The SBF Group has a license agreement with SHD for use of the corporate brand, Suntory, and is thereby licensed to use the Suntory name and brand. The condition for use of “Suntory” under that agreement is that SBF belongs to the Suntory Group. SBF pays royalties to SHD under that agreement. In the event that the license agreement is terminated at some time in the future because SBF ceases to be a subsidiary of SHD, the SBF Group’s corporate image and marketing activities may be impacted, and furthermore, extensive investment may be required to build the SBF Group’s own brand.

It has been normal practice for SBF to use SHD Group’s group company lending system and borrow funds from SHD, however, SBF has been working toward a changeover to borrowing from outside sources, so as to ensure independence from the Suntory Group in the areas of funds procurement and management. This changeover is expected to be completed by the end of 2014.

(4) Stance toward ensuring a certain degree of independence from the parent companies, and measures towards that end
 SBF has appointed directors with concurrent offices from SHD, but less than half the SBF directors are SHD directors with concurrent offices, and those appointments were based on requests from SBF, so the company considers it can exercise its own managerial judgment.

(5) Progress toward ensuring a certain degree of independence from the parent companies

While SBF and SHD are in a close relationship in terms of personnel and capital ties, SBF manages the company and makes decisions on the basis of its own responsibilities in regard to its business activities and business judgment, so the company considers that it has ensured independence. There are no matters for prior approval by the parent companies.

4. Trade with controlling shareholders

(1) Trade with companies submitting consolidated financial statements and related parties

Parent companies and major shareholders (companies only) of companies submitting consolidated financial statements

Current consolidated FY (January 1, 2013 to December 31, 2013)

Type	Full name or title of company	Location	Capital or equity (¥M)	Business details or occupation	Percentage of voting rights ownership (%)	Ties with related parties	Transaction details	Transaction amount (¥M)	Item	Balance at FY end (¥M)
Parent company	Suntory Holdings	Kita-ku, Osaka	70,000	Group company management support and control	(Ownership) Direct – 59.48	Suntory Group holding company – Concurrent directors	Funds borrowing	128,209	Short-term borrowings	99,199
							Interest payment (Note 2)	1,867	Long-term borrowings scheduled for repayment within 1 year	29,010

Trading conditions and means of determining trading conditions

Notes

1. The transaction amounts above do not include consumption tax. The balances at FY end do include consumption tax.
2. Funds borrowing means funds borrowed from SHD, and the applicable interest is calculated according to the market rate. The transaction amounts involved in funds borrowing are listed as FY end balances.

(2) Trade with consolidated subsidiary companies submitting consolidated financial statements and related parties

Parent companies and major shareholders (companies only) of companies submitting consolidated financial statements

Current consolidated FY (January 1, 2013 to December 31, 2013)

Not applicable

5. Implementation of measures to protect minority shareholders when trading with controlling shareholders

In order to protect the interests of its minority shareholders, SBF Group seeks to develop its business on the basis of its own judgment, independent of the controlling shareholders, and has determined to make its decisions concerning the suitability of the decision making process and the trade terms involved in trade with controlling shareholders on the basis of thorough deliberation by the board of directors with the participation of outside directors and outside auditors.

SBF Group strives to protect minority shareholders without influence from the controlling shareholders and without developing its business, making investments, or trading to the advantage of the controlling shareholders.