

Reinforcement of Full-line Beverage Service Business

May 25, 2015

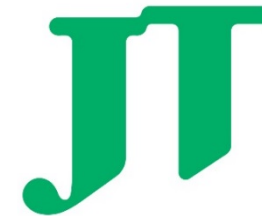
Suntory Beverage & Food Limited

SUNTORY
SUNTORY BEVERAGE & FOOD

Background of Basic Agreement

SUNTORY

Group's Philosophy



Management
Principles

Suntory Beverage & Food Limited (SBF) will acquire the following from Japan Tobacco Inc. (JT) :

- Shares of Japan Beverage Holdings Inc. (JB)
- Shares of JT A-Star Co., Ltd. (JTA)
- Two beverage brands: “Roots” and “Momono Tennen-sui”

No.1 Independent Vending Machine Operator

Strong distribution network

- Robust customer base (JB: nation-wide / JTA: locally-based)
- Efficient route sales management

Full-line portfolio with wide range of options

- Wide range of soft drink brands by multiple beverage companies
- Variety of vending machines including can, PET bottle, cup-type and coffee/tea servers

Capability to develop new value added products

- “Iyemon Tokucha” “Premium Boss” etc.

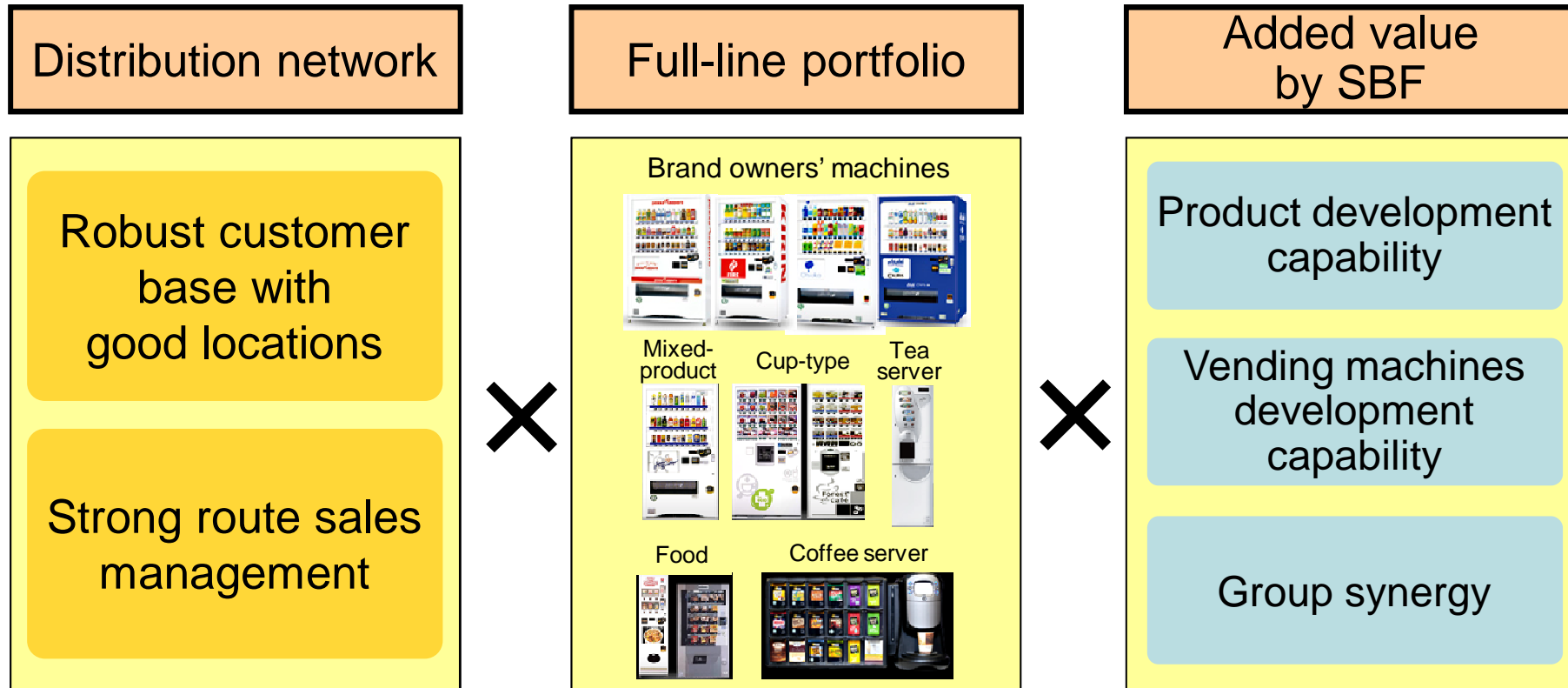
Capability to develop vending machines

- Vending machines with low energy consumption, wireless network connection, etc.

Synergy from Group’s comprehensive strength

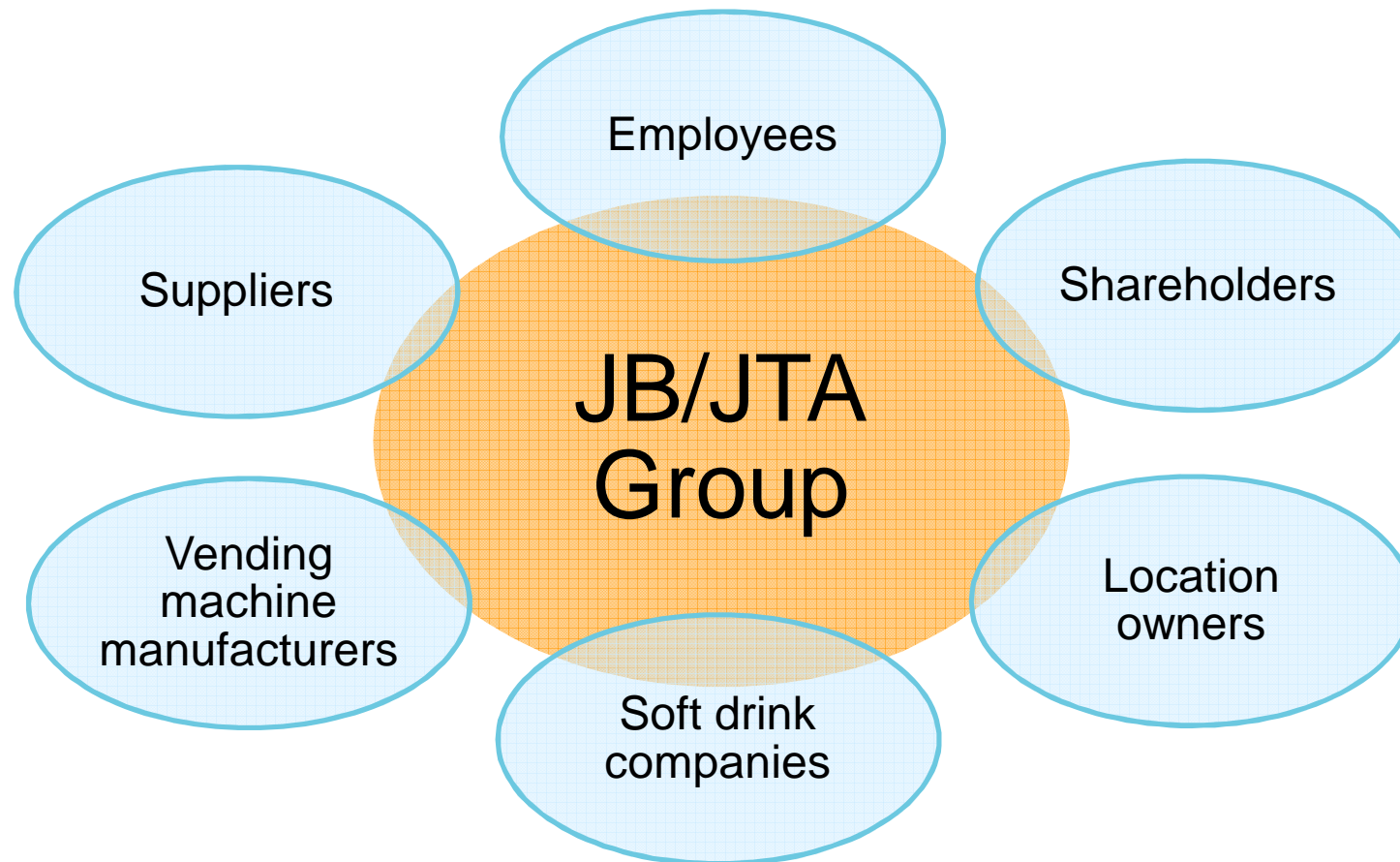
- Joint purchase of vending machines, capability to propose variety of services, etc.

Strategic Rationale



Provide full-line beverage services with higher added value

Continue to pursue a sustainable growth together



Overview of the Acquisition

- Subject of acquisition
 - Shares of Japan Beverage Holdings Inc.
 - Shares of JT A-Star Co., Ltd.
 - Two beverage brands: “Roots” and “Momono Tennen-sui”

- Acquisition price
 - Approx. 150 billion yen
 - (To be financed by cash on hand and external borrowings)

- Schedule
 - Date of definitive agreement: July 2015 (Planned)

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