

We Are a Soft Drink Company with a Globally Integrated Platform in Key Regions

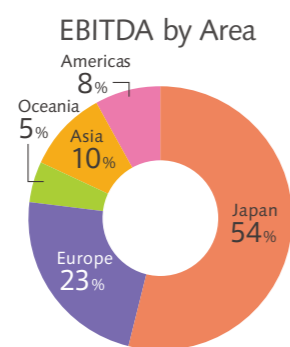
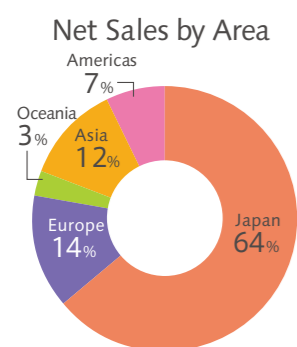
Suntory Beverage & Food Limited (SBF) has a diverse portfolio of soft drinks including mineral water, ready-to-drink (RTD) coffee, RTD tea, carbonates, functional drinks and fruit juices. We are expanding our businesses globally with a focus on five key regions: Japan, Europe, Oceania, Asia and the Americas. On July 3, 2013, we successfully listed our shares on the First Section of the Tokyo Stock Exchange. Through this listing, we aim to accelerate our growth globally to become the world's leading global soft drink company.

2013 Financial Digest

Net sales
¥1,121.4 bil. +13.0% YoY

Operating income
¥72.7 bil. +24.4% YoY

EBITDA*
¥139.6 bil. +21.8% YoY



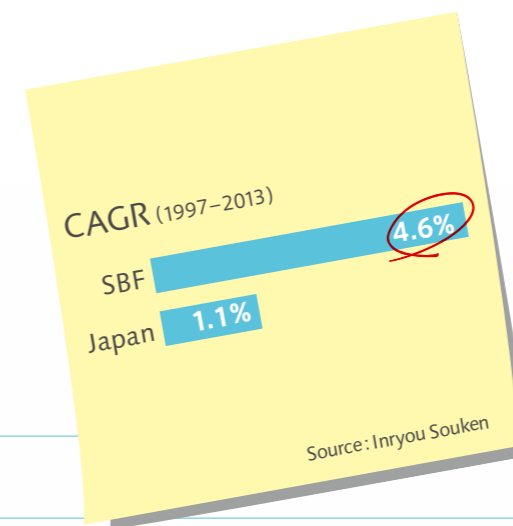
* EBITDA is operating income plus depreciation and amortization and amortization of goodwill.



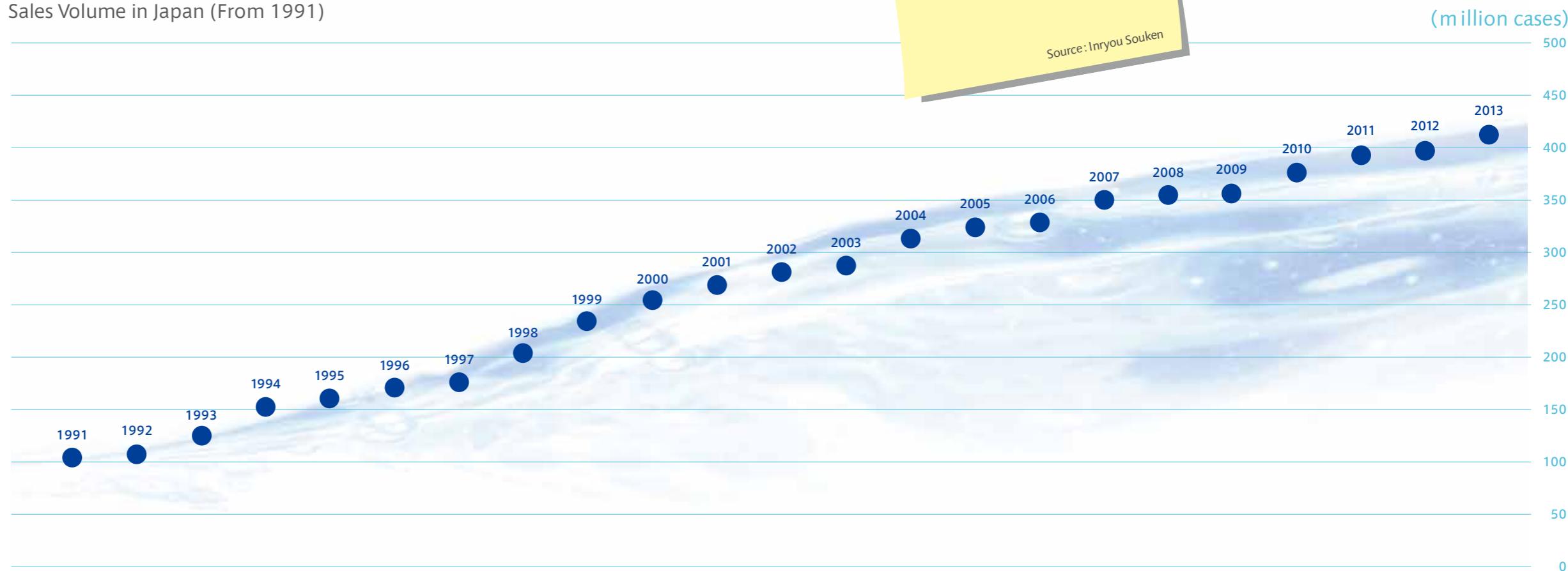
*Bottling operations in North Carolina.

Our Innovative Products Have Led Robust Organic Growth Outperforming the Japanese Market

We have increased our sales volumes in the soft drink market in Japan for more than 20 years. In the past 16 years, our growth has outstripped the Japanese market growth rate as we have expanded our market share. Today, we hold a 20.1%* share of the soft drink market in Japan. We have clinched this market position by continuing to boldly propose soft drink in a host of different product categories to customers, in an effort to swiftly respond to their changing needs over the years. Looking ahead, we will work to make our strong brands even stronger as we pursue the top market position in Japan.



Sales Volume in Japan (From 1991)



Soft Drink Market Share in Japan

20.1%*

No. 2 in Japan (2013)

*Source: Inryou Souken

Major Brands and Year of Launch



Established Strong Position through Marketing and R&D Expertise

Why have we been able to make such significant strides in Japan?
It is because of our strong capabilities in product development and marketing, where we create and propose new ways of deriving enjoyment from beverages, and in R&D, where we explore what consumers truly want and create products that meet their needs.

EVOLUTION of BOSS



1992-1997

BOSS was launched as "The Worker's AIBO."
(AIBO = A reliable partner with long years of experience that could be trusted)



2002-2003

A major product renewal was undertaken in the 10th year, introducing new flavors for enjoying BOSS in various drinking occasions.
(expansion of product lineup)



Today

Strategy focused on four major categories
Established categories represented by *Rainbow Mountain Blend*, *Zeitaku Bito*, *Muto Black*, and *Café au Lait*.

Marketing

BOSS: A Testament to Our Marketing Capabilities

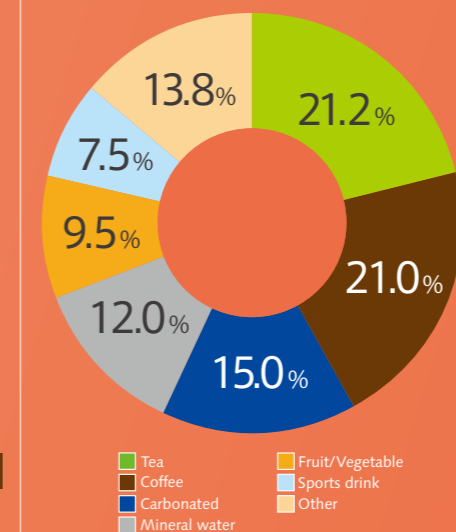
We intended this canned coffee to fulfill the role of a faithful companion as "The Worker's AIBO." This concept was translated into the beverage content, naming and packaging, giving birth to BOSS, a canned RTD coffee product with a strong appeal to its target market. BOSS was rapidly embraced by Japanese business people dealing with Japan's economic-recession in 1992, when it was launched. In its first three months, BOSS became a best-selling hit product, with sales volume surpassing 10 million cases. Since then, the brand has continued to evolve. We have pioneered new value in the BOSS canned RTD coffee series, keeping pace with changing consumer tastes by creating new product categories, such as *Zeitaku Bito* (low-sugar type), *Muto Black* (sugar-free type), and *Café au Lait*.

Sales volumes of BOSS have continuously increased over the past 20 years since its launch, and we aim to sustain this growth into the future.

About canned RTD coffee:

The size of the canned RTD coffee market is approximately ¥1 trillion. Canned RTD coffee is sold through supermarkets, convenience stores, vending machines and other channels. In recent years, numerous types of canned RTD coffee offering distinctive added value have been sold on the market, including categories such as sugar-free, low-sugar and café au lait, along with canned RTD coffee made from coffee beans sourced from special growing regions and using special roasting methods. There is now a growing assortment of packaging available for RTD coffee, including bottle cans and PET bottles.

Soft drink market in Japan by category (2013)



Source: Inryou Souken

BOSS Sales (million cases)



FOSHU Lineup

Suntory Black Oolong Tea

An oolong tea that helps block the absorption of fat.



Pepsi Special

A cola product that helps block the absorption of fat and suppresses the increase of triglycerides after meals.



BOSS GREEN

A canned RTD coffee that helps to block the absorption of fat.



Suntory Goma Mugicha

A barley tea drink containing sesame peptide, making it ideal for those with high blood pressure.



Iyemon Tokucha

A green tea that helps to reduce body fat.



R&D

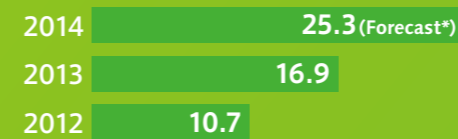
FOSHU: A Testament to Our R&D Capabilities

Guided by the thinking that R&D is the lifeblood of a manufacturer, we work hard every day to develop high value-added products that our customers will find delicious. In our R&D activities, we focus not only on the pursuit of delicious flavor, but also on the development of health benefits from the ingredients. For example, by focusing on the powerful ability of oolong tea polymerized polyphenols (OTPPs) to suppress the absorption of fat from food, we developed *Suntory Black Oolong Tea*, an RTD tea that has been approved as a Food for Specified Health Uses (FOSHU) by the Consumer Affairs Agency of Japan. Since then, we have expanded our FOSHU range to categories such as barley tea, cola drinks, and RTD coffee. Our R&D activities over many years have enabled us to expand our range of FOSHU products that are both delicious and offer health benefits to satisfy the desires of health-conscious consumers.

FOSHU (Foods for Specified Health Uses) refers to foods that have been scientifically proven to be beneficial for maintaining and promoting health and approved by the Consumer Affairs Agency of Japan. With the recent increase in health-consciousness among consumers in Japan, the FOSHU field has attracted a lot of attention in the past few years and is expected to expand further.



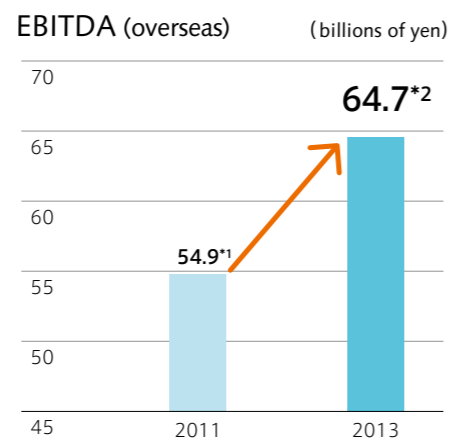
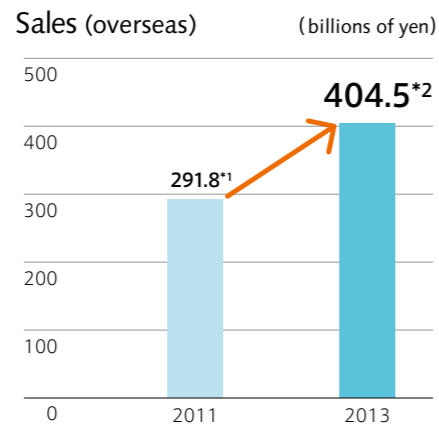
SBF's FOSHU Drinks Sales (million cases)



*Forecast as of February 14, 2014

Strong Track Record of Acquisitions to Accelerate Global Business Expansion

Our first step toward overseas expansion was the acquisition in 1980 of PepCom Industries, Inc., a *Pepsi* bottler in the United States. Then in 1990 we established a foothold in the Asian market by acquiring Cerebos Pacific Limited. In 2009, we went on to acquire the Frucor Group, which owns *V*, a popular energy drink brand in Australia and New Zealand, and the Orangina Schweppes Group, which has a strong operation base in Europe. On December 31, 2013, we acquired the two brands *Lucozade* and *Ribena* in the U.K. We have rapidly expanded our business foundations overseas as we prepare to become a leading player in the global soft drink industry.

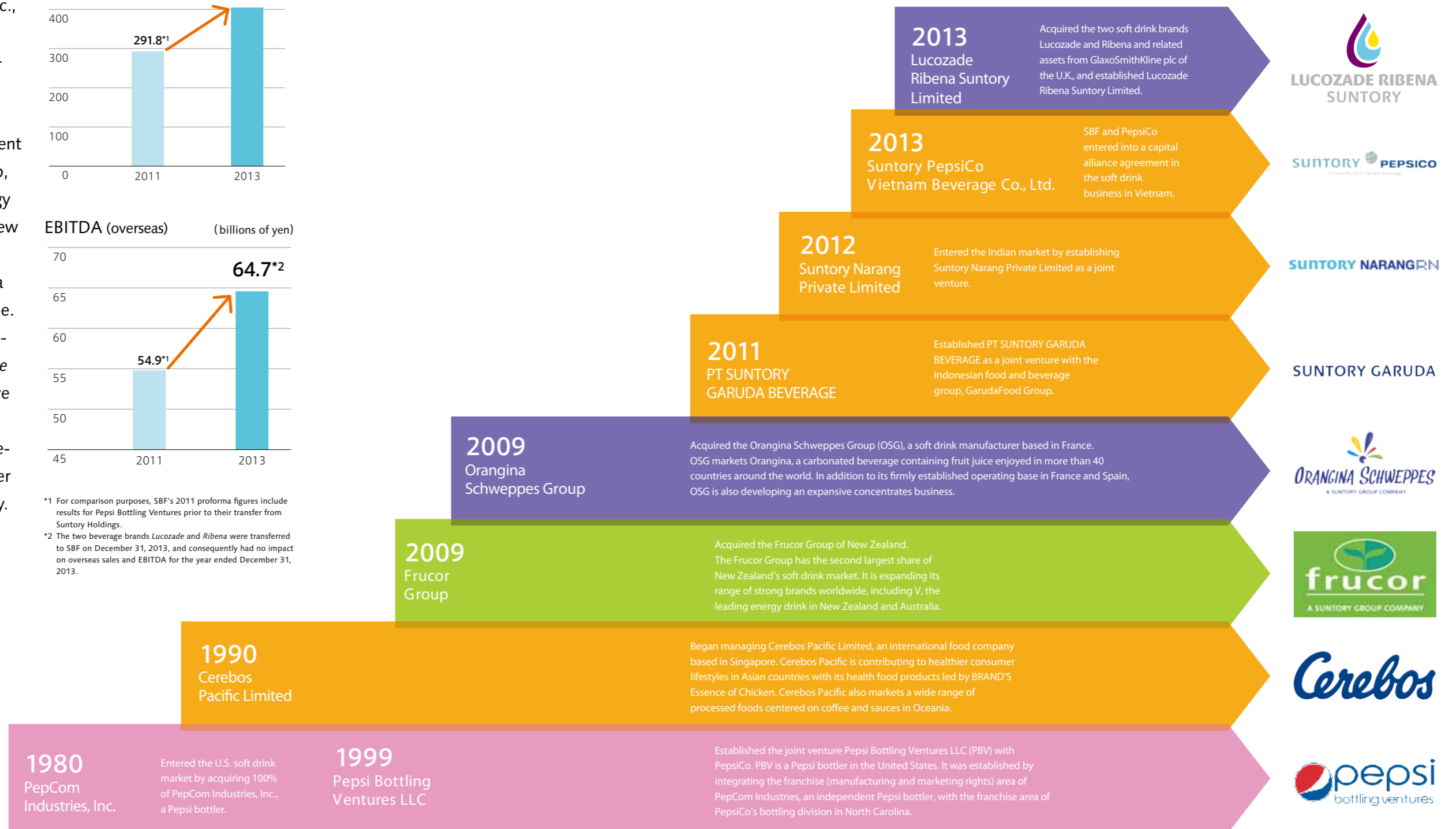


*1 For comparison purposes, SBF's 2011 proforma figures include results for Pepsi Bottling Ventures prior to their transfer from Suntory Holdings.

*2 The two beverage brands *Lucozade* and *Ribena* were transferred to SBF on December 31, 2013, and consequently had no impact on overseas sales and EBITDA for the year ended December 31, 2013.

M&A Track Record

Asia Europe Oceania Americas



Leveraging Our Strengths and Robust Overseas Business Platform to Deliver Deliciousness Worldwide

In this section, we introduce two examples of how we have used our assets to deliver innovative refreshment to our customers. The first example is the launch of *Orangina* in Japan. We tailored the product, for example its labeling and packaging, to appeal to consumers in Japan, and marketed it as a carbonated fruit drink with a distinctively French character. As a result, *Orangina* is now a hit product with an annual sales volume of 9 million cases. The second example is the launch of oolong tea products *MYTEA Oolong Tea* and *TEA+ Oolong Tea* in Southeast Asia. We used the technology we have accumulated over many years in product development for *Suntory Oolong Tea* to develop delicious tea products with a taste adapted to local consumer preferences. Looking ahead, we will continue to develop and market products across national and regional boundaries by adapting them to the tastes of customers in each region. In doing so, we will continue to embrace the challenge of delivering delicious refreshment to customers worldwide.

Orangina
Originating in France, *Orangina* has been tailored to suit consumers in Japan, where it is now produced and marketed.



Our Vision

Suntory Beverage & Food is a core company in the Suntory Group, and has inherited its shared basic corporate philosophy and vision. Guided by Suntory Group's philosophy, we have developed a unique business vision for the Suntory Beverage & Food Group.
*Please see page 30 for the Suntory Group's Vision.

Our Vision for value

A quest for the best tastes & quality to bring happiness & wellness into everyday life.

Our Vision for the company

To be the leading global soft drink company recognized for our premium and unique brands.

MYTEA Oolong Tea and *TEA+ Oolong Tea*

These tea drinks, developed using technology we have accumulated over many years of product development for *Suntory Oolong Tea*, are now being marketed in Southeast Asia.

