

The Japanese word MONOZUKURI literally means "making things," but it also implies craftsmanship and a commitment to quality. This word is used globally by the Suntory Group.

FOCUS

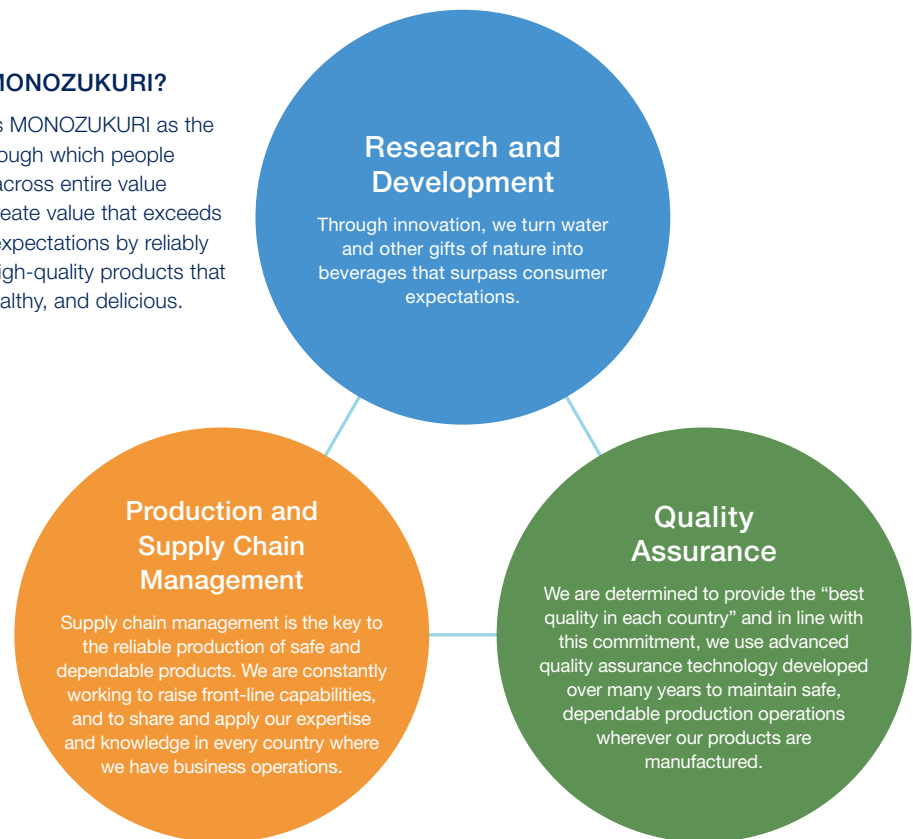
MONOZUKURI

Our Tradition of Quality Manufacturing

At every stage in our value chain, from research and development to procurement, production, quality assurance, and logistics, SBF's people work together as a single team across every department in order to deliver quality products to our consumers.

What is MONOZUKURI?

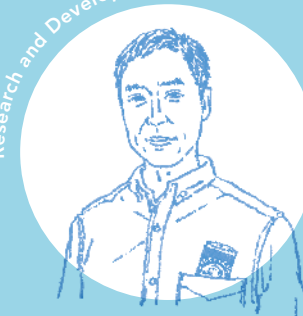
SBF defines MONOZUKURI as the process through which people cooperate across entire value chains to create value that exceeds consumer expectations by reliably supplying high-quality products that are safe, healthy, and delicious.



— Customer Perspectives and Empowering Local Employees —

SBF supplies soft drinks to meet a wide spectrum of consumer preferences and needs in many different locations. That is why we always think and act from the consumer's perspective and let our local employees take the lead. These principles guide every aspect of our MONOZUKURI activities.

Research and Development



Nozomu Toyomura

Development Executive
Product Development Department
Japan Business Division

Discovering Delicious Tastes to Bring Joy to Consumers

SBF has long used water and other gifts of nature to cultivate delicious flavors and make them available to consumers. I have been involved in the development of coffee products for many years. Our value chain starts with the growing of coffee beans on plantations and encompasses a variety of processes, including the selection, roasting, and blending of beans, and the extraction and compounding of flavors. The people responsible for these various processes all work together as a team to ensure optimal taste and quality.

An example of a product that resulted from this commitment is *Craft BOSS*, which was launched in Japan in 2016 and soon gained popularity. Our focus during the development of these products was to create a delicious and subtly flavored coffee that could be sold in PET bottles. To realize that goal, we needed to use a wide variety of raw materials and complex manufacturing processes. The factors that made this

achievement possible were the close communication and reciprocal trust that we have built across our value chain over many years.

We also place great importance on the idea that tiny variations can add up to major change. We are constantly working to improve our processes and products in order to achieve the perfect flavor. With this commitment, we are gaining diverse knowledge and are continuing to evolve.

I have now been given responsibility for product development for Asia and Africa. My aim is to provide new value to consumers by building on my past experience and knowledge and working with colleagues in new markets, while also maintaining cooperation with our team in Japan. I believe that Japan's advanced RTD technology can be used to enrich beverage markets around the world.

Supply Chain Management



Kazuhisa Hosoda

General Manager
Production SCM Department
MONOZUKURI Division

Processes to Support the Reliable Supply of Products

In the Production SCM Department, we are responsible for all processes leading to the supply of safe products to consumers, from the formulation of manufacturing plans based on demand forecasts, and the procurement of raw materials and packaging, to production and logistics.

My team is also responsible for the improvement of production and SCM systems in overseas SBF Group companies. Group companies in various countries are currently engaged in improvement initiatives at all levels. For example, when creating new production lines, we form joint teams of experts from overseas regions and use engineering technology accumulated from different countries and plants. This knowledge is reflected in production line designs. We also collaborate in other areas, such as the exploration of new technologies as the basis for future process innovation.

One of the benefits of collaboration among

employees in different regions is the opportunity to absorb expertise developed in various environments from whichever facility is the most advanced in a particular area. This approach allows us to accelerate progress throughout the Group.

As part of our efforts to achieve sustainable MONOZUKURI, we have recently accelerated initiatives toward the reduction of environmental impact over our whole supply chain and across the entire Group. Specifically, we are working toward the achievement of the 2030 environmental targets adopted in 2018 by visualizing water use and energy consumption in manufacturing processes, and by formulating and implementing plans to reduce losses.

We will continue to drive MONOZUKURI evolution in order to create strong front-line operations capable of supplying better products to consumers for the next 20 and 30 years into the future.

Quality Assurance



Yoshihiro Masu

Quality Assurance Department
MONOZUKURI Division

Nurturing Employees Possessing Quality Assurance Expertise

Quality assurance units in overseas SBF Group companies utilize advanced quality assurance expertise developed to meet the safety and dependability expectations of Japanese consumers, while developing effective mechanisms and systems that match market needs in each country.

One of the strengths of the SBF approach to MONOZUKURI is the knowledge developed in the green tea and coffee categories. In these areas, quality assurance is absolutely vital from the manufacturing stage onwards. I am confident that our knowledge will help to ensure that we can supply safe, high-quality products to consumers when beverages in these categories are launched in the markets of Europe,

North America, and emerging countries, where demand is expanding.

Another priority for MONOZUKURI is employee development. We need to train people to be capable of utilizing our technology and expertise. We continually reinforce the Suntory Group's "all for quality" philosophy by bringing overseas managers and key persons in manufacturing operations together for training.

I place great importance on direct dialogue with local staff as a way of ensuring that people thoroughly understand and assimilate the SBF approach. I will continue to work toward our goal of improving quality by sharing knowledge, so that we can maintain and further enhance our top-class quality assurance systems.

*All job titles current as of the time of writing