

Basic Policy on Establishing Internal Control Systems

Suntory Beverage & Food Limited (the “Company”) hereby establishes its Basic Policy on Establishing Internal Control Systems, as follows.

- I. System for Ensuring That the Execution of Duties by Directors, Executive Officers and Employees of the Company, as Well as by Directors, Executive Officers, Others with Equivalent Duties (“Officers”) and Employees of the Company’s Subsidiaries Conforms with Laws and Regulations and the Articles of Incorporation
 1. Premised on shared aspirations embodied by the corporate philosophy of “To Create Harmony with People and Nature,” the Company and its subsidiaries (the “Group”) shall stand committed to respecting the rules of civil society and placing utmost importance on the organization and corporate culture that prioritize compliance on the basis of the Group’s awareness of itself as a global corporate citizen. Accordingly, each and every one of the Directors, Executive Officers, employees and others of the Group shall make decisions for the organization and carry out business activities in line with social ethics, commensurate with the Group’s position as a corporate citizen.
 2. In order to implement the corporate philosophy mentioned above, all Directors, Executive Officers, employees and others of the Group shall maintain the standard of business conduct that involve complying with laws and regulations and social ethics based on the Code of Business Ethics of the Suntory Group. The Directors and Executive Officers shall take the initiative in complying with laws and regulations, the Articles of Incorporation, and business ethics, and actively make efforts to maintain and improve the management based on compliance.
 3. In order to ensure that the execution of duties by Directors, Executive Officers, employees and others of the Group conforms with laws and regulations and the Articles of Incorporation, the Risk Management Committee shall promote compliance activities of the entire Group and shall deliberate important issues related to the promotion of compliance. In addition, the department in charge of compliance shall regularly carry out education and training programs, while establishing and promoting compliance systems of the entire Group.

4. The Risk Management Committee shall report details of its deliberations and activities to the Board of Directors and the Audit & Supervisory Committee, as necessary.
5. If a Director or Executive Officer discovers a compliance-related problem of the Group, it shall be promptly reported to the Risk Management Committee. In addition, compliance hotlines shall be established within and outside the Company to allow employees and others of the Group to directly report compliance-related problems. Upon working to obtain information, the Risk Management Committee that received the report shall investigate the details, discuss the issue with the relevant departments as necessary, take corrective measures, establish measures aimed at preventing recurrence, and have such measures implemented across the entire Group.
6. As necessary, Directors shall be dispatched to the Company's subsidiaries to appropriately execute business, make decisions and perform supervision. In addition, the Company's relevant departments shall, as necessary, provide advice, guidance and support to its subsidiaries.
7. Audit & Supervisory Board Members shall be dispatched to the Company's subsidiaries as necessary to perform audits.
8. An Internal Audit Division shall be established to perform internal audits pertaining to the status of compliance and the appropriateness of business operations of the Group. The Internal Audit Division shall report results of such audits to the Audit & Supervisory Committee and the Representative Director, President & Chief Executive Officer, as necessary.
9. Internal control systems shall be established and maintained to ensure the appropriateness of financial reporting of the Group.
10. Directors and Executive Officers shall establish and promote a system put in place in the Group to sever any relations with anti-social forces and clearly reject improper demands from them.

II. System for the Preservation and Management of Information Concerning the Execution of Duties of the Company's Directors

1. Directors and Executive Officers shall, in accordance with laws and regulations and internal regulations, preserve and manage minutes of General Meetings of Shareholders, minutes of Board of Directors meetings, documents and other materials related to important decision-making

(including electronic or magnetic records, the same applies hereinafter), as well as other important information related to the execution of duties by Directors.

2. The documents and other materials mentioned above shall be kept in a condition such that allows for Directors to view them as necessary.
3. The Risk Management Committee shall establish and promote an information security governance system that does not only protect and preserve information, including personal information, but also facilitates to increase corporate value by use of information.

III. Regulations and Other Systems for Managing Risk of Losses of the Company and Its Subsidiaries

1. The Group's basic policies on risk management shall be determined by the Board of Directors.
2. Each Executive Director and Executive Officer shall hold responsibility for addressing risks inherent in business execution. Moreover, material risks shall be analyzed and evaluated, and improvement plans shall be discussed and determined by the Board of Directors.
3. As for material risks related to Group management, the Risk Management Committee and the Quality Assurance Committee shall comprehensively and collectively manage respective risks incidental to the execution of business throughout the entire Group, and quality risks thereof. In addition, regulations and guidelines pertaining to management of such risks shall be established, and training activities thereof shall be implemented, as necessary.
4. As for newly emerging material risks related to Group management, the Board of Directors shall promptly select those Executive Directors or Executive Officers who will hold responsibility for addressing such risks and determine a course of action to address such risks.

IV. System for Ensuring that Directors of the Company and Officers of the Company's Subsidiaries Execute Their Duties Efficiently

1. The basic policies on management of the Group shall be determined by the Board of Directors.
2. The Company shall determine Company-wide goals shared by the Directors,

Executive Officers, employees and others of the Group, and Directors in charge shall specify efficient methods for achieving such goals, such as specific targets and appropriate allocation of authority aimed at achieving the Company-wide goals.

3. Directors in charge shall confirm progress made in achieving goals and report the specific measures to achieve the goals at Board of Directors meetings.
4. Each Director shall be in charge of his/her execution of business operations appropriately and shall strive to make decisions efficiently under the Responsibility and Authority Rules.

V. System for Reporting to the Company Matters Related to the Execution of Duties by Officers of the Company's Subsidiaries

1. The status of the Company's subsidiary business execution shall be regularly reported to the Board of Directors.
2. Executive Directors and Executive Officers in charge of a Company's subsidiary shall request reports on the status of business execution from such subsidiary, as needed.
3. Under the Responsibility and Authority Rules, certain matters concerning management of the Company's subsidiaries must be consulted with and reported to the Company's relevant departments, or otherwise must receive approval from the Company's Board of Directors.
4. The Internal Audit Division shall, as necessary, report the results of the Company's subsidiary internal audits to the Audit & Supervisory Committee and the Representative Director, President & Chief Executive Officer.

VI. Other Systems to Ensure the Appropriateness of Business of the Group Consisting of the Company, Its Parent Company and Its Subsidiaries

With respect to transactions between Group companies, including the parent company, internal procedures shall be established pertaining to matters such as performing transactions and determining transaction terms and conditions, and steps shall be taken to ensure the objectivity and rationality of such transactions. In particular, care shall be taken to ensure independence from the parent company with respect to transactions with the parent company.

VII. Matters Regarding Directors and Employees Who Assist in the Duties of the Audit & Supervisory Committee of the Company, Matters Regarding the Independence of Such Directors and Employees from Other Directors (Excluding Directors Serving on the Audit & Supervisory Committee), and Matters Related to Ensuring the Effectiveness of Instructions Given by the Audit & Supervisory Committee to Such Directors and Employees

1. The Internal Audit Division shall assist with the Audit & Supervisory Committee's duties. Matters such as those involving transfer and evaluation of Internal Audit Division employees shall be performed in a manner respectful of views provided by the Audit & Supervisory Committee, and in a manner that ensures independence from the Directors (excluding Directors serving on the Audit & Supervisory Committee).
2. In assisting with the duties of the Audit & Supervisory Committee, employees of the Internal Audit Division shall comply with the instructions and orders from the Audit & Supervisory Committee exclusively.

VIII. System for the Company's Directors (Excluding Directors Serving on the Audit & Supervisory Committee), Executive Officers and Employees, as Well as Directors, Executive Officers, Audit & Supervisory Board Members, Others with Equivalent Duties and Employees of the Company's Subsidiaries or Other Persons Who Receive Reports from Such Persons to Report to the Company's Audit & Supervisory Committee and Other Systems Related to Reporting to the Audit & Supervisory Committee

1. The Representative Director and Executive Directors shall report to the Board of Directors on their execution of business as needed.
2. If the Audit & Supervisory Committee requests a report on business operations, or otherwise conducts an investigation of a business or property, the Directors (excluding Directors serving on the Audit & Supervisory Committee), Executive Officers, employees and others of the Group shall respond to the request or investigation promptly and accurately.
3. Upon discovery of any incident that could cause the Group substantial damage, such as acts in violation of laws and regulations, the Directors (excluding Directors serving on the Audit & Supervisory Committee), Executive Officers, employees and others of the Company shall immediately

report the matter to the Audit & Supervisory Committee.

4. The Internal Audit Division and the Risk Management Committee shall regularly report internal audit results and the status of other activities in the Group to the Audit & Supervisory Committee.
5. The department in charge of compliance shall regularly report the status of whistleblowing in the Group to the Audit & Supervisory Committee.

IX. System to Ensure That a Person Who Has Reported to the Company's Audit & Supervisory Committee Are Not Treated Adversely Based on the Fact Such a Report Has Been Made by the Person

The Directors (excluding Directors serving on the Audit & Supervisory Committee), Executive Officers, employees and others of the Group may directly report to the Audit & Supervisory Committee, and any adverse treatment based on the fact that such a report has been made by the person is prohibited under the internal regulations, etc.

X. Policies Regarding Procedures for Advance Payment or Reimbursement of Expenses Arising in Conjunction with the Execution of Duties by Audit & Supervisory Committee Members of the Company (Limited to Those Expenses Incurred in Relation to Execution of Audit & Supervisory Committee Duties) and Other Policies for Processing Expenses and Obligations Arising with Respect to Execution of Such Duties, and Other Systems for Ensuring That the Audit & Supervisory Committee Effectively Performs Audits

1. If the Audit & Supervisory Committee, in conjunction with the execution of its duties, asks the Company for advance payment, etc. of expenses under Article 399-2, Paragraph 4 of the Companies Act, the Company shall promptly process such expenses or obligations, unless they are not necessary for the Audit & Supervisory Committee members to execute their duties.
2. If the Audit & Supervisory Committee requests independent use of an external expert for the purpose of executing duties of the Audit & Supervisory Committee members, the Company shall then bear those expenses, unless they are not necessary for the Audit & Supervisory Committee members to execute their duties.
3. The Audit & Supervisory Committee shall endeavor to ensure communication

and information exchange with the Audit & Supervisory Board Members (or persons with equivalent duties) of the Company's subsidiaries and the Internal Audit Division.

4. The Audit & Supervisory Committee shall regularly provide opportunities for the exchange of opinions with the Representative Director, President & Chief Executive Officer, and the Accounting Auditor.