

November 4th, 2011

Company Name: Asahi Group Holdings, Ltd.

President: Naoki Izumiya

Stock Ticker Number: 2502

Stock Exchanges: Tokyo and Osaka (First Section of each)

Contact: Public Relations Section

Asahi Group Holdings, Ltd.

Phone: +81-3-5608-5126

Tingyi-Asahi Beverages Holding Co., Ltd has entered into a strategic
alliance with PepsiCo, Inc.

November 4th, 2011 Tokyo, Japan – Asahi Group Holdings, Ltd. (“Asahi”) is pleased to announce that its affiliate company, Tingyi-Asahi Beverages Holding Co., Ltd (“TAB”), has entered into a strategic alliance agreement with PepsiCo, Inc. (“PepsiCo”), a major US-based beverages manufacturer.

1. Overview of Transaction

TAB, a joint-venture between Asahi, Ting Hsin (Cayman Islands) Holding Corp. (“Ting Hsin”) and Tingyi (Cayman Island) Holding Corp. (“Tingyi”), is one of China’s largest beverage manufacturers. Ting Hsin, the holding company of the Ting Hsin Group, is one of the largest packaged food manufacturers and distributors in Greater China. Tingyi is an affiliate of Ting Hsin that mainly specializes in the production and distribution of instant noodles, beverages, and confectionery products in China. The principal terms of the strategic alliance are summarized below:

(1) Investing body

Far East Bottlers (Hong Kong) Limited. (“FEB”), PepsiCo’s wholly-owned subsidiary

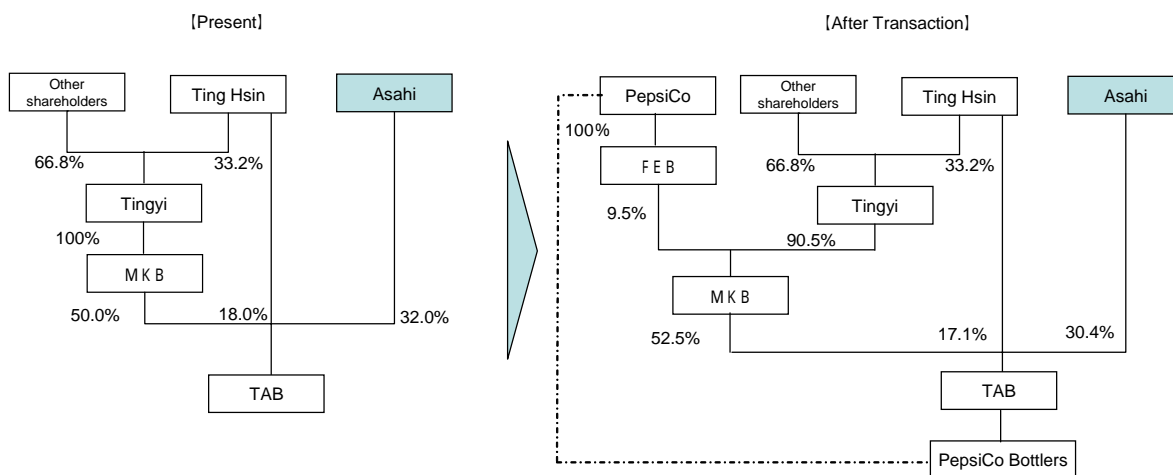
(2) Transaction overview

PepsiCo will contribute its interests in the 24 bottlers in China (excluding in territories of Hong Kong, Macau and Taiwan) currently owned by FEB (collectively, “PepsiCo Bottlers”). TAB in exchange will issue new shares to Master Kong Beverages (BVI) Co. Ltd. (“MKB”), the intermediate parent company of TAB, and in turn MKB will issue new shares to FEB. As a result, FEB will hold 5% indirect interest in TAB upon completion of this transaction. At the same time, TAB will grant FEB an option to acquire an additional indirect stake in TAB. The option may be exercised at any time from the completion date of this transaction until 31 October 2015. Upon exercising the option, FEB will hold a 20% indirect interest in TAB through MKB. All the existing shareholders of TAB approved the signing of the strategic alliance agreement today.

(3) Closing conditions:

- (i) Approval by a shareholders meeting of Tingyi; and
- (ii) Regulatory approval in China

Transaction structure



Upon closing of the strategic alliance agreement, TAB will manufacture and sell carbonated beverages under the Pepsi brand and non-carbonated beverages including Gatorade and Tropicana as PepsiCo’s anchor bottler in China (excluding in territories of Hong Kong, Macau and Taiwan). PepsiCo will retain branding, promotion and marketing responsibilities for these products.

2. Transaction Background and Purpose

Asahi and TAB first established a strategic relationship when a joint venture between Asahi and ITOCHU Corporation invested in TAB in April 2004. Since then, Asahi has provided TAB with production technologies and marketing assistance, as well as opportunities for TAB executives to develop business relationships with the Asahi team at Asahi facilities. TAB, which has a successful track record in non-carbonated beverages including ready-to-drink teas, juices and bottled water in China, has become one of China’s leading beverage companies.

This transaction will enable TAB to offer PepsiCo’s carbonated soft drinks. Post PepsiCo’s participation, Asahi will maintain its current status and rights as a business partner of TAB and will further enhance the cooperative relationship with TAB.

Ing-Chou Wei, Chairman of TAB, commented on the transaction as following: “Entering into this strategic alliance with PepsiCo, while further strengthening the relationship with Asahi which started by the capital and business alliance agreement in 2004, will enable us to respond to every growth opportunity in the increasingly competitive beverage market in China and to provide world-class product offerings to our customers.

Upon completion of the transaction, TAB, Asahi and PepsiCo will work together closely to further enhance TAB's position in the Chinese beverages market and provide products and services that will increase our customer satisfaction."

3. Overview of TAB and FEB

Overview of TAB

(1) Company Name	Tingyi-Asahi Beverages Holding Co., Ltd
(2) Head office	Cayman Islands
(3) Representative	Ing-Chou Wei, Chairman
(4) Business overview	Manufacturing and distribution of non-alcoholic beverages in China
(5) Shareholder(s)	Asahi (32%), Ting Hsin (18%), MKB (50%) (as of today)
(6) Sales	US\$3.5 billion (for the fiscal year ended December 31, 2010)

Overview of FEB

(1) Company Name	Far East Bottlers (Hong Kong) Limited
(2) Head office	Causeway Bay, Hong Kong
(3) Representative	Jonathan Cheung, CEO
(4) Business overview	Holding company of PepsiCo's beverage business in China. TAB will acquire the interests in the PepsiCo Bottlers from FEB. The average shareholding by FEB in the PepsiCo Bottlers is 72% (ranging from 50% to 100%)
(5) Shareholder(s)	PepsiCo (100%) (as of today)
(6) Sales	US\$1.3 billion (for the fiscal year ended December 31, 2010)

4. Transaction Schedule

The transaction is expected to close subject to fulfillment of the conditions precedent: (i) China regulatory approval and (ii) approval from the Tingyi's shareholders meeting, which is scheduled to be held in January, 2012.

5. Impact on Asahi's Financial Performance

The transaction will not have a material impact on Asahi's non-consolidated and consolidated financials for the fiscal year ending December 31, 2011.

< References >

1) TING HSIN (CAYMAN ISLANDS) HOLDING CORP.

Head office: Cayman Islands
Main office: No. 125, Sung Chiang Rd., Taipei 104, Taiwan
Representative: Ying-Chiao Wei

2) TINGYI (CAYMAN ISLANDS) HOLDING CORP.

Head office: Cayman Islands
Representative: Ing-Chou Wei
Business overview: Manufacturing and distribution of instant noodles, beverages and confectionary products
Sales: US\$6.7 billion (for the fiscal year ended December 31, 2010)

3) PEPSICO, INC.

Head office: New York, United States
Representative: Indra K. Nooyi
Business overview: Manufacturing and distribution of beverage and food products
Sales: US\$57.8 billion (for the fiscal year ended December 31, 2010)