



May 8, 2012

FOR IMMEDIATE RELEASE

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Securities Code: 2502
Stock Listings: Tokyo Stock Exchange, First Section and
Osaka Securities Exchange, First Section
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Announcement regarding execution of a share purchase agreement to acquire shares of Calpis

Asahi Group Holdings, Ltd. (“Asahi”) is pleased to announce that it has executed an agreement with Ajinomoto Co., Inc. (“Ajinomoto”) to acquire all outstanding shares of Calpis Co., Ltd. (“Calpis”), a wholly owned subsidiary of Ajinomoto, and to make Calpis a wholly owned subsidiary of Asahi.

1. Transaction Overview

Below is an overview of the share purchase agreement executed today between Asahi and Ajinomoto for the acquisition of shares of Calpis.

- (1) Date executed: May 8, 2012
- (2) Contract parties: (Seller) Ajinomoto, (Buyer) Asahi
- (3) Shares to be purchased: All 73,936,871 outstanding shares of Calpis
- (4) Purchase price: Approximately 120.0 billion yen

(※) The above purchase price is based on an equity value of 119.0 billion yen, which may be adjusted by 3.0 billion yen based on Calpis’s net cash and working capital levels at the time of the acquisition of shares (closing). Furthermore, the purchase price is also subject to decrease by the amount of Calpis’s planned dividend of retained earnings, in the amount of greater than 25.0 billion yen, to Ajinomoto prior to closing.

2. Strategic Rationale

Under Asahi’s long-term vision through 2015 – striving for transforming the bounty of nature into the “Kando” of food while becoming a trusted company with global quality – Asahi aims to achieve business scale to become a leading global food and beverage company. Along with Asahi’s long-term vision, Asahi Soft Drinks Co., Ltd. (“Asahi Soft Drinks”), the core of Asahi’s beverage business, has formulated its 4th Medium-term Management Plan through 2012, with the vision of developing into a company with the vigor and strength to immediately address the accelerated changes in the market, and initiatives in growth strategy and profit structure reform aimed at achieving a domestic soft drink market share of 10%.

Meanwhile, Calpis has been successfully growing its business by focusing on its core lactic acid beverage, lactobacilli and fermentation technologies, represented by the lactic acid beverage Calpis – Japan’s first lactic acid drink which has been popular among consumers for many years – and its brand, associated with the image of health has been widely accepted in the market. Additionally, Calpis is highly recognized for its initiatives in high-value added health functioning beverages/foods and feedstuff businesses which utilize the microbial technology developed from the lactic acid bacteria and fermentation technologies handed down for over 90 years. Furthermore, Calpis has been developing a more solid earnings foundation for the domestic business, and focusing on expanding the overseas beverage operations since becoming a wholly owned subsidiary of Ajinomoto in 2007.

Partnerships between Asahi and Calpis date back to May 2001 when Asahi Soft Drinks and Calpis started sharing vending machines to sell each other’s products. In December 2007, Asahi Calpis Beverage Co., Ltd. was established to integrate the beverage vending machine operations of the two companies, and further collaborate to achieve Asahi’s Mid-term Management Plan.

The acquisition of Calpis will strengthen Asahi’s domestic beverage business platform to establish its position as the third largest soft drink company in Japan. By combining management resources of Asahi and Calpis, the two companies will be able to jointly seek further strengthening and expansion of both the domestic and overseas beverage businesses.

3. Overview of Calpis

(as of March 31, 2012)

(1)	Company Name	Calpis Co., Ltd.		
(2)	Registered Head Office	2-4-1 Ebisu-minami, Shibuya-ku, Tokyo		
(3)	Representative	Fujio Yamada, President and CEO		
(4)	Business Description	Manufacturing and distribution of beverages, health functioning beverages/foods, dairy products, liquors, and feedstuff additives as well as other business activities		
(5)	Fiscal Year-end	March		
(6)	Capital	13,056 million yen		
(7)	Date of Incorporation	October 13, 1917		
(8)	Current Ownership	Ajinomoto 100%		
(9)	Relations between Asahi and Calpis	Capital Relations	Asahi Soft Drinks, a wholly owned subsidiary of Asahi, and Calpis jointly invests in the following company Asahi Calpis Beverage Co., Ltd. Ownership: Asahi Soft Drinks 80%, Calpis 20% Business description: Distribution of soft drinks through vending machines	
		Personal Relations	There are no personal relations between Asahi and Calpis. There are also no personal relations to disclose in relation to Asahi’s affiliated persons or companies, and Calpis’s affiliated persons or companies	
		Trade Relations	Calpis’s equity method affiliate, Asahi Calpis Beverage Co., Ltd., distributes beverages in vending machines, which are purchased from Asahi’s 100% subsidiary, Asahi Soft Drinks and others.	
(10)	Key Financials of Calpis in the last 3 Years (in millions of yen, except per share data) ⁽¹⁾			
	Fiscal Year Ended	March 2010	March 2011	March 2012 ⁽²⁾
	Net Assets	55,847	56,522	59,186
	Total Assets	80,625	83,370	90,646
	Net Assets per Share	¥755.34	¥764.47	¥800.50
	Net Sales	105,626	110,669	107,403

Operating Profit	2,970	4,523	5,671
Recurring Profit	3,263	4,775	6,122
Net Income	971	1,828	3,625
Net Income per Share	¥13.13	¥24.72	¥49.03
Dividends per Share	¥13.13	¥14.88	Undecided

(1) Non-consolidated figures are shown above as Calpis does not have consolidated financials

(2) As of the date of this disclosure, audit of Calpis's March 2012 financials has not been completed

3. Overview of Ajinomoto

(as of March 31, 2011)

(1)	Company Name	Ajinomoto Co., Inc.																					
(2)	Registered Head Office	15-1, Kyobashi 1-chome, Chuo-ku, Tokyo																					
(3)	Representative	Masatoshi Ito, President and CEO																					
(4)	Business Description	Manufacture and sale of seasonings, processed foods, amino acids, pharmaceuticals and specialty chemicals																					
(5)	Capital	79,863 million yen																					
(6)	Date of Incorporation	December 17, 1925																					
(7)	Major Shareholders and Current Ownership (as of March 31, 2011)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (trust account)</td> <td>6.35%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (trust account)</td> <td>5.40%</td> </tr> <tr> <td>The Dai-ichi Mutual Life Insurance Company</td> <td>3.74%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>3.67%</td> </tr> <tr> <td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td> <td>2.88%</td> </tr> <tr> <td>NIPPONKOA Insurance Co., Ltd.</td> <td>2.30%</td> </tr> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td>1.80%</td> </tr> <tr> <td>National Mutual Insurance Federation of Agricultural Cooperatives</td> <td>1.73%</td> </tr> <tr> <td>SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS</td> <td>1.69%</td> </tr> <tr> <td>Mitsubishi UFJ Trust and Banking Corporation</td> <td>1.65%</td> </tr> </table>		The Master Trust Bank of Japan, Ltd. (trust account)	6.35%	Japan Trustee Services Bank, Ltd. (trust account)	5.40%	The Dai-ichi Mutual Life Insurance Company	3.74%	Nippon Life Insurance Company	3.67%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.88%	NIPPONKOA Insurance Co., Ltd.	2.30%	Meiji Yasuda Life Insurance Company	1.80%	National Mutual Insurance Federation of Agricultural Cooperatives	1.73%	SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	1.69%	Mitsubishi UFJ Trust and Banking Corporation	1.65%
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(8)	Fiscal Year End	March																					
(9)	Consolidated Net Assets	650,291 million yen																					
(10)	Consolidated Total Assets	1,077,418 million yen																					
(11)	Relations between Asahi and Ajinomoto	Capital Relations	There are no capital relations between Asahi and Ajinomoto. There are also no capital relations to disclose in relation to Asahi's affiliated persons or companies, and Ajinomoto's affiliated persons or companies.																				
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		Trade Relations	There are no trade relations between Asahi and Ajinomoto. There are also no trade relations to disclose in relation to Asahi's affiliated persons or companies, and Ajinomoto's affiliated persons or companies.																				
		Related Party Test	Ajinomoto is not a related party of Asahi. Ajinomoto's affiliated persons or companies are not related parties of Asahi.																				

4. Indicative Timetable

Below is an indicative timetable to closing.

May 8, 2012	Execution of share purchase agreement with Ajinomoto
October 1, 2012 (tentative)	Closing following satisfactory completion of conditions precedent to closing

5. Financing

The acquisition will be funded by existing cash on hand and external debt.

6. Impact on Asahi's financial performance

The acquisition of Calpis is not expected to materially impact Asahi's non-consolidated and consolidated financials for the fiscal year ending December 31, 2012.