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FOR IMMEDIATE RELEASE

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Calpis Co., Ltd. and Osotspa Co., Ltd. agree to establish a joint venture company in Thailand

Asahi Group Holdings, Ltd. (“Asahi”) is pleased to announce that its subsidiary, Calpis Co., Ltd. (“Calpis”) and a Thai company, Osotspa CO., Ltd. (Headquarter: Bangkok, Kingdom of Thailand; Executive Chairman: Ratch Osathanugrah) (“Osotspa”) today entered into a joint venture agreement regarding the establishment and operation of a joint venture company, CALPIS OSOTSPA Co., Ltd. to manufacture and market “CALPIS” branded products in Thailand today.

1. Purpose for establishing the joint venture company

Calpis started its business in Thailand in 1997. Since then, Calpis has strived to penetrate its brand and expand its sales in the Thai beverage market through launching the “CALPIS” brand.

The Thai soft drinks market has a market size of around 1 trillion yen and is estimated to have grown at a CAGR of around 5% over the last five years. In 2011, the brand awareness of the “CALPIS” brand in major cities of Thailand reached around 80%, and it has established a very good reputation for its unique taste and achieved steady growth.

However, due to the shutdown of its factory in Thailand attributable to the flood disaster in 2011 and the change in its parent company from Ajinomoto Co., Inc. to Asahi in 2012, Calpis has been facing challenges in establishing a new business platform in Thailand.

Through the prompt restart of its beverages business in Thailand based on a new business scheme to collaborate with Osotspa, which has a strong distribution network in Thailand, we will use its brand power to strengthen Calpis’ business platform and achieve further growth.

This year, the Asahi Group has established the vision of “Striving to be a corporate group trusted around the world through offering ‘Kando’ experiences of food (deliciousness, happiness and innovation)” as its “Long-Term Vision 2020”. In the “Medium-Term Management Plan 2015” which lays the foundation to achieving the Long-Term Vision, Asahi seeks to achieve a long-term stable growth trajectory by driving “Value and Network Management” based on the strengths nurtured in Japan and overseas.

In the overseas business, Asahi seeks to further strengthen and expand its growth foundation by leveraging the “strengths” of the group, such as “brand”, “technology” and “cost competitiveness”, and to expand its global network, and by creating synergies with its existing overseas businesses.

Asahi expects that this establishment of the joint venture company in Thailand will contribute to the expansion of its network in Southeast Asia and will enable us to expand the potential for further growth of the group’s soft drinks business throughout Asia and Oceania, including Oceania and China, where we already have strong business platforms.

2. Overview of the Joint Venture Company

(1)	Name	CALPIS OSOTSPA Co., Ltd.
(2)	Location	Bangkok, Kingdom of Thailand
(3)	Name and Title of Representative	Yoshikazu Nanmoto, President and Representative Director
(4)	Description of Business	Manufacturing, marketing and exportation of “CALPIS” branded beverage products
(5)	Date Established	Late March 2013 (planned)
(6)	Fiscal Year End	December 31
(7)	Amount of Capital	360 million Bahts (approximately 1,170 million yen; 3.25 JPY/Baht as of 13 March 2013)
(8)	Ownership Ratio	Calpis 60%, Osotspa 40%

3. Overview of the Joint Venture Partner

(1)	Name	OSOTSPA CO., Ltd								
(2)	Location	Bangkok, Kingdom of Thailand								
(3)	Name and Title of Representative	Ratch Osathaungrah, Executive Chairman								
(4)	Description of Business	Manufacture and sale beverages, toiletry products, confectionery, supplements and medicines								
(5)	Amount of Capital	220 million Bahts (approximately 715 million yen; 3.25 JPY/Baht as of 13 March 2013)								
(6)	Date Established	4 September 1974								
(7)	Amount of Annual Sales	25,749 million Bahts (2012) (approximately 83.7 billion yen; 3.25 JPY/Baht as of 13 March 2013)								
(8)	Relationship with Asahi	<table border="1"> <tr> <td>Capital Relationship</td> <td>There are no notable capital relationships between Asahi and Osotspa, nor are there any notable capital relationships between people or companies affiliated with Asahi and people or companies affiliated with Osotspa.</td> </tr> <tr> <td>Personal Relationship</td> <td>There are no notable personal relationships between Asahi and Osotspa, nor are there any notable personal relationships between people or companies affiliated with Asahi and people or companies affiliated with Osotspa.</td> </tr> <tr> <td>Business Relationship</td> <td>There are no notable major business relationships between Asahi and Osotspa, nor are there any notable major business relationships between people or companies affiliated with Asahi and people or companies affiliated with Osotspa.</td> </tr> <tr> <td>Status as a related party</td> <td>Osotspa is not a related party to Asahi, and none of the affiliated people and companies of Osotspa are related parties to Asahi.</td> </tr> </table>	Capital Relationship	There are no notable capital relationships between Asahi and Osotspa, nor are there any notable capital relationships between people or companies affiliated with Asahi and people or companies affiliated with Osotspa.	Personal Relationship	There are no notable personal relationships between Asahi and Osotspa, nor are there any notable personal relationships between people or companies affiliated with Asahi and people or companies affiliated with Osotspa.	Business Relationship	There are no notable major business relationships between Asahi and Osotspa, nor are there any notable major business relationships between people or companies affiliated with Asahi and people or companies affiliated with Osotspa.	Status as a related party	Osotspa is not a related party to Asahi, and none of the affiliated people and companies of Osotspa are related parties to Asahi.
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4. Indicative Timetable after the Establishment of the Joint Venture Company

(1)	Execution of Joint Venture Agreement	March 14, 2013
(2)	Establishment of Joint Venture Company	Late March 2013 (Planned)

The joint venture company is expected to commence its business in 2013 by employing a co-packer for manufacture of products, and the new factory of the joint venture company is expected to start running in 2014.

5. Impact on Asahi's Financial Performance

The establishment of the joint venture company and its operations are not expected to materially impact Asahi's consolidated financials.

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