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Announcement regarding execution of a share purchase agreement to acquire Indonesian beverage company

Asahi Group Holdings, Ltd. (“Asahi”) is pleased to announce that today PT Asahi Indofood Beverage Makmur (“AIBM”, Asahi’s consolidated subsidiary) and PT Indofood Asahi Sukses Beverage (“IASB”), each a joint venture company between Asahi and PT Indofood CBP Sukses Makmur Tbk (President Director and CEO: Mr. Anthoni Salim; “ICBP”) for non-alcoholic beverage businesses in Indonesia, entered into a share purchase agreement to acquire all the outstanding shares of PT Pepsi-Cola Indobeverages (“PCIB”), the exclusive bottler of PepsiCo, Inc. (“PepsiCo”) in Indonesia.

1. Transaction Objectives

The Asahi Group has started its Long-Term Vision 2020 this year, stating the vision of “Striving to be a corporate group trusted around the world through the *Kando* of food (deliciousness, happiness and innovation).” Under its Medium-Term Management Plan 2015, an action plan for realizing the corporate vision, the Group has been working on achieving long-term stable growth through the practice of “Value and Network Management,” which is based on leveraging its strengths, such as the brands, technologies, and cost competitiveness developed and acquired by the Group companies in Japan and abroad.

The Group has been looking for expanding the international network mainly in Southeast Asia even before the Medium-Term Management Plan 2015. In September 2012, AIBM, a non-alcoholic beverage manufacturing joint venture (Asahi Group Holdings Southeast Asia Pte Ltd, Asahi’s Singaporean subsidiary (“AGHSEA”) 51%; ICBP 49%), and IASB, a non-alcoholic beverage marketing and distribution joint venture (AGHSEA 49%; ICBP 51%), were established by AGHSEA and ICBP to establish a solid business platform in the Indonesian non-alcoholic beverage market, for which strong growth is expected. The transaction represents the acquisition, through the two joint ventures, of all shares of PCIB, which is involved in the non-alcoholic beverage, including carbonated soft drink business in Indonesia.

As a bottler of leading US beverage company PepsiCo, PCIB is an exclusive manufacturer and distributor of products under PepsiCo’s brands including Pepsi, 7up and Tropicana Twister in Indonesia. In addition, PCIB also engages in manufacturing and distribution of its own brands such as “Fruitamin (fruit juice drink)” and “Tekita (RTD tea beverage). Since its inception in 1993 as a joint venture between Seven-Up Nederland B.V. (“SUN”), a member of the PepsiCo group and PT Gapura Usahatama (“GU”), one of the group companies of a leading Indonesian conglomerate, the Salim Group, PCIB has been growing the business for over 20 years on the back of strong brand recognition in Indonesia. This share purchase agreement has resulted from a combination of the aspiration of Asahi and ICBP to accelerate launch and growth of the beverage business in Indonesia and PepsiCo’s strategy to further increase sales of its brands by leveraging on the strengths of Asahi and ICBP.

The acquisition of PCIB will allow us to more expeditiously develop a competitive operation base in the Indonesian soft drink market, which is expected to grow even further. Together with the Oceania region where we already have a solid business platform as well as China and Malaysia, the Asahi Group will continue to grow the soft drink business across the entire Asia-Oceania region.

2. Transaction Overview

AIBM and IASB will acquire all outstanding shares of PCIB from its current shareholders, GU (holding 71.85%) and SUN (holding 28.15%). The purchase price is US\$30,000,000. The closing of the transaction is subject to satisfaction of conditions provided for in the share purchase agreement. PCIB will continue to bottle and sell PepsiCo products both during and after the completion of the transaction.

3. Overview of PCIB

(1)	Company Name	PT Pepsi-Cola Indobeverages	
(2)	Location	Jakarta, Republic of Indonesia	
(3)	Representative Director	Nayefuddin Jibjaya, President Director	
(4)	Business Description	Manufacturing and distribution of non-alcoholic/carbonated soft drinks	
(5)	Capital	264.1bn IDR (IDR = Indonesian Rupiah, c.a. JPY 2.6bn)	
(6)	Date of Incorporation	December 22, 1993	
(7)	Major shareholders and Current Ownership	PT Gapura Usahatama (71.85%), Seven Up Nederland B.V. (28.15%)	
(8)	Relationship with Asahi	Capital Relationship	There are no capital relationships between Asahi and PCIB. Meanwhile, PCIB, GU and IASB (Asahi's affiliate) are under common control of Mr. Anthoni Salim. There are no other capital relationships between personnel or companies affiliated with Asahi and personnel or companies affiliated with PCIB.
		Personal Relationship	There are no personal relationships between Asahi and PCIB. Meanwhile, one of the Directors of PCIB is also a Director of AIBM (Asahi's subsidiary) and one of the Commissioners of PCIB is also a Director of IASB (Asahi's affiliate). One of the Commissioners of PCIB is also a Director of PT Indofood Sukses Makmur Tbk (parent of IASB). Further, One of Asahi's Director is also a Commissioner of IASB. Other than the foregoing, there are no personal relationships between personnel or companies affiliated with Asahi and personnel or companies affiliated with PCIB.
		Business Relationship	There are no major transactional relationships between Asahi and PCIB. Asahi's two subsidiaries in Australia and Malaysia are bottlers of PepsiCo and its group companies, of which affiliate PCIB is. Also, Asahi's affiliate in China is a bottler of PepsiCo and its group companies, of which affiliate PCIB is. Other than the foregoing, there are no major transactional relationships between personnel or companies affiliated with Asahi and personnel or companies affiliated with PCIB.
		Status of Related Parties	PCIB is not an affiliate of Asahi. Meanwhile, Mr. Anthoni Salim is a Related Party to Asahi on the basis that he is indirectly holding a majority of shares in PCIB and ICBP, parent of IASB. ICBP, a listed company in Indonesia, has filed an announcement, together with the relevant share valuation report and fairness opinion, with the Indonesian Capital Market

		Supervisory Board, as this transaction is a related party transaction for ICBP on the ground that 51% shares in IASB (one of the purchasers) is owned by ICBP of which Mr. Anthoni Salim is President Director, and all the shares in GUT (one of the sellers) are indirectly held by Mr. Anthoni Salim.	
(9) Consolidated Sales for the past three years			
Fiscal Year End	December 2010	December 2011	December 2012
Consolidated Sales	665.8 bn IDR (about 6.6 bn JPY)	714.8 bn IDR (about 7.1 bn JPY)	714.4 bn IDR (about 7.1 bn JPY)

※1IDR = 0.01JPY(as of June 26, 2013)

4. Timetable

(1) Execution of share purchase agreement	June 27 2013
(2) Closing	End of August 2013 (planned)

5. Impact on Asahi's Financial Performance

While we anticipate PCIB will become Asahi's consolidated subsidiary (AIBM holding ratio:99.99%) from the fiscal year ending December 31, 2013, the transaction is not expected to materially impact Asahi's consolidated financials for this fiscal year.

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