



September 30, 2016

For immediate release

Company name: Asahi Group Holdings, Ltd.
President and Representative Director: Akiyoshi Koji
Securities Code: 2502
Stock Listings: Tokyo Stock Exchange, First Section
Contact: Yasuhiro Nakahara
General Manager, Public Relations Section
Phone: +81-3-5608-5126

Announcement regarding sale of the equity stake in an overseas equity method affiliate and recording of extraordinary income

Asahi Group Holdings, Ltd. (“Asahi” or “the Company”) is pleased to announce that the Company concluded a contract today with Ting Hsin (Cayman Islands) Holding Corp., (“TH”) and Tingyi (Cayman Islands) Holding Corp., (“TY”) to sell to TH and TY part of an equity stake in Tingyi-Asahi Beverages Holding Co., Ltd. (“TAB”), held by 100% subsidiary AI Beverage Holding Co., Ltd. (“AIB”).

1. Reason for Sale

The Company has updated its Long-Term Vision, which articulates foresight into the future for the entire Asahi Group, and has formulated a new Medium-Term Management Policy aimed at further development of the Company’s ongoing initiative of corporate value enhancement.

For the new Long-Term Vision, the Company, as a comprehensive beverage and food business group with the alcoholic beverages business at its core, has set its future vision that, domestically, it will be an industry leader focused on high value addition and internationally, it will establish a distinct position as a global player that leverages strengths originating in Japan.

In addition, as one of the strategic imperatives for the international business segment under the new Medium-Term Management Policy, Asahi envisages growth centered on brand reinforcement and development in existing businesses and acquisition of new foundations for growth. In an effort to do so, the Company has agreed to acquire the Italian, Dutch and British business and other related assets of SABMiller plc in February and preparing for deal close by this year end.

On the other hand, as the Company has also sought to continuously enhance corporate value through the business portfolio restructuring with a high regard for asset efficiency, the Company has concluded to execute the sale of part of an equity stake in its equity method affiliate, TAB, after further analysis.

2. Overview of the transaction

Contract parties: (Proposed seller) AIB (the Company’s 100% subsidiary),
(Proposed buyer) TH and TY

Number of shares to be transferred: Total 105,274 shares of TAB
(c. 10.0% of total shares outstanding)

Sell 52,637 shares (c. 5.0% of total shares outstanding) each in TH and TY

Transfer price: USD 330 million

(c. JPY 33.4 billion, calculated at the rate of 101.18 as of Sep 29, 2016)

Closing date: On 15th December 2016

3. Overview of equity method affiliate to be transferred

(1) Company name	Tingyi-Asahi Beverages Holding Co., Ltd.
(2) Registered head office	Cayman Islands
(3) Representative	Ing-Chou Wei, Chairman

(4) Business description	Manufacturing and distribution of non-alcoholic beverages
(5) Capital amount	USD 11,000 (c. JPY 1 million)
(6) Established	January 8, 2004
(7) Major shareholders and ownership	Master Kong Beverages (BVI) Co., Ltd.: 52.5% Ting Hsin (Cayman Islands) Holding Corp.: 17.1% AI Beverage Holding Corp.: 30.4%

(Calculated at the rate of 101.18 as of September 29, 2016)

4. Overview of equity acquirers

(1) Company name	Ting Hsin (Cayman Islands) Holding Corp.
(2) Registered head office	Cayman Islands
(3) Representative	Ying-Chiao Wei, Chairman
(4) Business description	Manufacturing and distribution of food and beverages and operation of restaurant and retail businesses

(1) Company name	Tingyi (Cayman Islands) Holding Corp.
(2) Registered head office	Cayman Islands
(3) Representative	Ing-Chou Wei, Chairman
(4) Business description	Manufacturing and distribution of instant noodles, beverages and confectionary products

5. Overview of stake sold, transfer price, and change in ownership

(1) Stake prior to sale	319,992 shares (c. 30.4% of total shares outstanding)
(2) Number of shares to be sold	105,274 shares (c. 10.0% of total shares outstanding)
(3) Sale price	USD 330 million (c. JPY 33.4 billion)
(4) Stake following sale	214,718 shares (c. 20.4% of total shares outstanding)

(Calculated at the rate of 101.18 as of September 29, 2016)

6. Expected schedule of this transaction

1)	Contract date	Today
2)	Completion of share sale (planned)	On 15 th December 2016

7. Recording of extraordinary income

The Company expects to record an extraordinary gain as "Capital gain from sales of investments in subsidiaries and affiliated companies" of JPY 14.8bn as a capital gain. Also, AIB is expected to record an extraordinary gain of JPY 25.0bn in the standalone fiscal year performance of AIB as "Capital gain from sales of investments in subsidiaries and affiliated companies"

(Calculated at the rate of 101.18 as of September 29, 2016) based on estimated capital gain

8. Impact on the Company's financial performance

The impact of the transaction to the Company's consolidated financial performance for the fiscal year ending December 2016 is not yet determined. We will make a disclosure once the details are fixed.

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