

October 12, 2017

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Securities Code: 2502
Stock Listing: Tokyo Stock Exchange, First Section
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Notice of Commencement of Evaluation of Transfer of Stake in Overseas Equity-method Affiliate

Asahi Group Holdings, Ltd. (“We,” or “Asahi”) hereby announces that we have commenced an evaluation of a potential transfer of all or part of our stake in Tsingtao Brewery Company Limited (Headquarter: Qingdao, China, Chairman: Mingbo Sun, “Tsingtao Brewery”) to a third party or parties.

1. Reasons for Commencement of Evaluation of Transfer

Through the development of our “Long-Term Vision,” which envisages the future shape of the entire Asahi Group, as well as through the formulation of our “Medium-Term Management Policy” which is designed to realize this future, we have aimed to further enhance our corporate value.

Our vision for the future outlined in the “Long-Term Vision” is “as a comprehensive beverage and food business group whose core business is alcohol beverages, that aims to be a value accretive industry leader in Japan, and to leverage strength in the domestic market to establish a unique position as a global player.”

Under the “Medium-Term Management Policy,” which describes the focus areas for our overseas business as being “implementing strategies for growth centred on reinforcement and development of existing brands” and “acquiring new foundations for growth by leveraging existing strengths,” since last year we have been promoting our overseas business as an engine for growth, as with the acquisition of SABMiller plc’s operations in Western, Central and Eastern Europe.

At the same time, we are engaging in efforts to “restructure our business portfolio with a focus on asset efficiency,” to assess whether each business contributes to sustainable enhancement of corporate value. As a result of our review of our investment in the beer business in China during the course of such process, we decided to commence an evaluation of a potential transfer of all or part of our stake in Tsingtao Brewery.

2. Overview of Potential Transaction

Shares to be transferred: 270,127,836 Shares of Tsingtao Brewery (H Share listed in Hong Kong Stock Exchange), approximately 19.99% of total shares outstanding

Transferee: To be determined

Terms of transfer: To be determined through discussions and negotiations between the parties

3. Overview of Tsingtao Brewery

(1) Name	Tsingtao Brewery Company Limited
(2) Location	Qingdao, People’s Republic of China
(3) Title and Name of Representative	Mingbo Sun, Chairman
(4) Business Description	Production and distribution of beers
(5) Paid-in Capital	1,350,982,795 Renminbi (approx. JPY 23.1bn) *
(6) Establishment	June 1993
(7) Major Shareholders and Their Shareholding Ratio	Tsingtao Brewery Group Company Limited: 30.83 % Asahi Group Holdings, Ltd.: 19.99%

*Conversion rate: RMB=JPY 17.12 (as of October 11)

(Reference) Business Results of Tsingtao Brewery in Recent Fiscal Years

(Renminbi '000)

	FYE2015/12	FYE2016/12
Sales	27,634,686	26,106,344
Net Profit	1,612,044	1,105,698

4. Impact from this potential transaction on the Performance of Asahi Group

Impact from this potential transaction on the consolidated and non-consolidated performance of Asahi will be separately announced as soon as it can be determined.