



November 2, 2017

Company name: Asahi Group Holdings, Ltd.  
President and Representative Director: Akiyoshi Koji  
Securities Code: 2502  
Stock Listings: Tokyo Stock Exchange, First Section  
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Announcement regarding the Transfer of Shares of LB Co., Ltd.

Asahi Group Holdings, Ltd. (“Asahi”) is pleased to announce that it has entered into an agreement with Polaris Capital Group Co., Ltd. (“Polaris”) to transfer all the issued shares of LB Co., Ltd. (“LB”) to ALP Holdings, Ltd. (“ALP”), a special purpose company which has been set up by entities such as Polaris Private Equity Fund IV, L.P. under management of Polaris as General Partner.

1. Transaction Overview

Below is an overview of the share transfer agreement concluded between Asahi and Polaris regarding all the issued shares of LB.

- (1) Date of agreement: November 2, 2017
- (2) Contract Parties: (Seller) Asahi, (Buyer) ALP
- (3) Shares to be transferred: All the issued shares outstanding of LB (975,057 shares as of November 2, 2017)

2. Objectives of the Transaction

Asahi has established a ‘Long-Term Vision’ that envisages the future of the group and its businesses. Asahi targets to further enhance the corporate value under the guideline of ‘Mid-term Management Policy’ which is contemplated to achieve such vision.

The ‘Long-Term Vision’ is of a comprehensive beverage and food business group with the alcoholic beverage at its core. The group will be a domestic industry leader focused on high value addition, while establishing a unique position as a global player that leverages strengths originated from Japan.

LB, a company that had started as a maker and distributor of lactic-acid-bacteria (probiotic) drinks, has established a solid position in the market of chilled drinks, driven by the success of its sugar-free green tea products, which currently command an over 50% market share, as well as the launch of new products such as black vinegar (“kurozu” in Japanese) drinks distributed through Japanese unique milk distribution system. In 2005, Asahi acquired a majority stake in LB (Nagoya) Ltd. and LB (Tokyo) Ltd., aiming to enter the chilled drink market, a move followed by the acquisition of all the remaining shares and the integration of the said 2 companies in 2011, resulting in the birth of LB. Since then, LB, as a chilled-drink business arm of Asahi Group, has strived to expand its business and to improve the profitability through restructuring efforts.

In this context, Asahi determined to transfer all the issued LB shares to Polaris, convinced that the

move will have a positive impact on the enterprise-value growth on a sustainable basis for both LB and Asahi, especially in course of the Asahi's reconfiguration of business portfolio based upon the 'Mid-term Management Policy.' Asahi believes that LB will be able to implement its growth strategy more speedily by leveraging the affluence of expertise and resources which will be newly available following the acquisition by Polaris.

### 3. Overview of LB (as of December 31, 2016)

(1) Company name	LB Co., Ltd.		
(2) Registered head office	3469-1 Kurohama, Hasuda, Saitama 349-0101 Japan		
(3) Representative	Hiroshi Shiraishi, President and Representative Director		
(4) Business Description	Manufacture and sale of non-alcoholic beverages such as soft drinks, fruit beverages, and milk drinks		
(5) Fiscal year end	December 31		
(6) Capital	500 million yen		
(7) Established	December 22, 1956		
(8) Current Ownership	Asahi Group Holdings, Ltd. (100%)		
(9) Relationship with Asahi	Capital Relationship	Asahi Group Holdings, Ltd. holds all the issued shares outstanding of LB Co. Ltd.	
	Personal Relationship	Two of the 7 board members of LB are also a board member or an employee of Asahi Group Holdings, Ltd., while the LB's sole corporate auditor is also an audit & supervisory board member of Asahi Group Holdings, Ltd.	
	Trade Relationship	The Trademark license agreements between Asahi Group Holdings, Ltd. and Asahi Soft Drinks Co., Ltd., a wholly owned subsidiary of Asahi Group Holdings, as a licensor each and LB as a licensee. The agreement with Asahi Soft Drinks Co., Ltd. whereby LB manufactures beverages on a consignment basis for Asahi Soft Drinks Co., Ltd.	
(10) Key financials for LB in the past 3 fiscal years			
Fiscal Year End	December, 2014	December, 2015	December, 2016
Net assets	3,499 million yen	3,802 million yen	3,973 million yen
Total Assets	8,554 million yen	8,486 million yen	8,171 million yen
Book-value per Share	3,589 yen	3,899 yen	4,074 yen
Net sales	22,607 million yen	22,640 million yen	21,802 million yen
Operating profit	458 million yen	709 million yen	834 million yen
Ordinary profit	255 million yen	475 million yen	606 million yen
Net income	42 million yen	303 million yen	371 million yen
Earnings per share	43 yen	311 yen	380 yen

### 4. Overview of Polaris (as of December 31, 2016)

(1) Company name	Polaris Capital Group Co., Ltd.
(2) Registered head office	GranTokyo North Tower 38F, 1-9-1, Marunouchi, Chiyoda-ku, Tokyo,

	Japan
(3) Representative	Yuji Kimura, President & CEO
(4) Business Description	Management of private equity fund with a focus on business reorganization and restructuring etc.
(5) Capital	200 million yen
(6) Established	September 13, 2004

#### 5. Expected schedule of this Transaction

The schedule towards the completion of the disposal is as follows.

Scheduled for closing on November 30, 2017, subject to fulfilment of conditions precedents

#### 6. Impact on Asahi's financial performance

The disposal of LB is not expected to have a material impact on Asahi's non-consolidated and consolidated financials for the fiscal year ending December 31, 2017.