

August 2015



2015 First Half Financial Results Briefing

Overview of First-Half Results
Full-Year Business Strategy

First-Half Overview

◆ **Sales and profit increases above targets achieved due to progress with development of a comprehensive alcohol beverages business and strengthening of the overseas growth foundation**

Accomplishments: Expansion of the brand foundation for whiskey, wine, and non-alcohol beverages and progress with structural reforms in Oceania

Issues: Product mix improvement for beer-type beverages and soft drinks not achieved, delay in implementation of the growth strategy for Indonesia

◆ **Strengthening the business foundation for sustained growth and implementation of an optimal capital policy**

- Acquisition of specialty wine trading company ENOTECA, business tie-up with the Otsuka Group, reorganization of the soft drinks and food businesses
- Implementation of an optimal capital policy to enhance corporate value, such as ¥20.0 billion in share buy-back

Full-Year Business Strategy

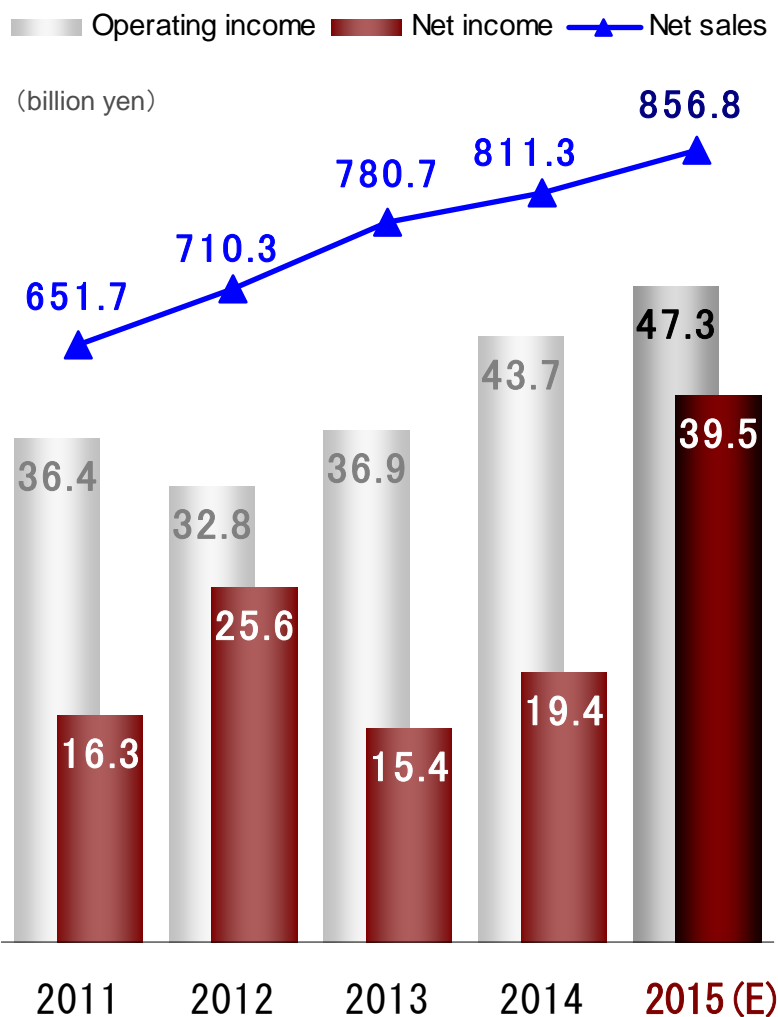
◆ **Achieve the KPIs for the final year of the medium-term management plan and implement growth strategies including issue resolution.**

- Achieve the KPIs in the medium-term management plan (ROE and EPS increases) through focus on strengths and synergy expansion
- Strengthen brand investment and the global growth foundation with a view to achieving sustained growth

◆ **Implement management reforms to prepare for “sustained corporate value creation” with a view to the next medium-term management plan.**

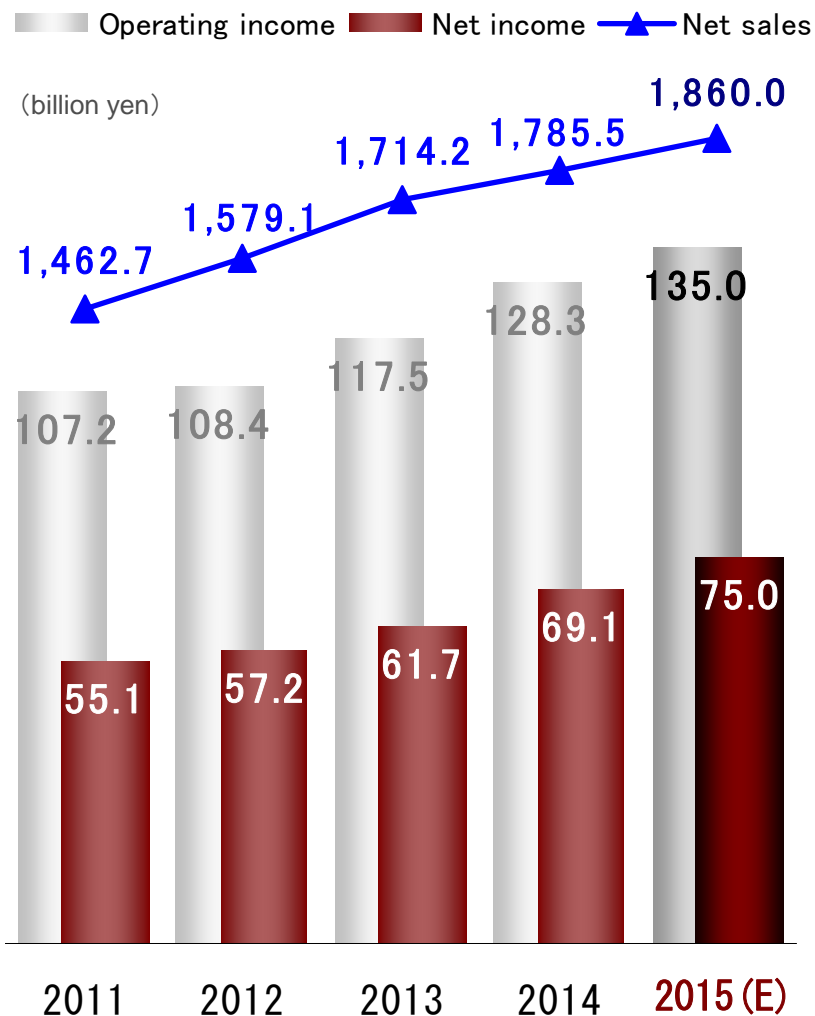
- Implement management reforms with ROE as the cornerstone to achieve both strengthening of earning power and an optimal capital policy
- Practice management incorporating integrated thinking and implement management reforms utilizing the Corporate Governance Guidelines

Sales and profit achieved above targets due to progress toward a comprehensive alcohol beverages company and strengthening of the overseas growth foundation



Billion yen	2015 H1 Result	2014 H1 Result	Inc./Dec.	YoY
Alcoholic Beverages	445.9	428.8	17.1	4.0%
Soft drinks	236.1	228.5	7.6	3.3%
Food	55.6	53.7	1.9	3.5%
Overseas	121.8	101.1	20.7	20.4%
Other & Adjustment	- 2.5	- 0.8	- 1.7	-
Net Sales	856.8	811.3	45.6	5.6%
Alcoholic Beverages	44.2	43.0	1.2	2.8%
Soft drinks	10.0	11.0	- 1.0	- 9.0%
Food	3.1	2.2	0.9	42.4%
Overseas	6.3	3.5	2.7	78.4%
Other & Adjustment	- 8.3	- 7.4	- 0.9	-
Amortization of goodwill etc.	- 8.0	- 8.6	0.6	-
Operating Income	47.3	43.7	3.6	8.3%
Equity method income	5.4	- 0.7	6.1	-
Ordinary Income	51.7	41.4	10.3	25.0%
Extraordinary profit (loss)	0.3	- 4.1	4.4	-
Net Income	39.5	19.4	20.1	103.9%

Aim to achieve sales and profit increases in all businesses and the KPI targets in the final year of the medium-term management plan



Billion yen	2015 Revised Target	2014 Result	Inc./Dec.	YoY
Alcoholic Beverages	1,002	965	37	3.8%
Soft drinks	495	477	18	3.8%
Food	115	112	3	2.5%
Overseas	260	235	25	10.6%
Other & Adjustment	-11	-2	-9	-
Net Sales	1,860	1,785	75	4.2%
Alcoholic Beverages	119	117	2	2.1%
Soft drinks	27	26	0	1.6%
Food	7	6	1	8.4%
Overseas	16	13	3	22.4%
Other & Adjustment	-18	-15	-3	-
Amortization of goodwill etc.	-16	-19	3	-
Operating Income	135	128	7	5.2%
Equity method income	16	8	8	102.3%
Ordinary Income	139	133	6	4.4%
Extraordinary profit (loss)	-20	-4	-15	-
Net Income	75	69	6	8.5%

Aim to achieve the KPI (adjusted ROE and EPS growth rates) targets in the medium-term management plan

◆ Key Performance Indicators (KPIs)

	2013 Result	2014 Result	2015 Revised Target	Average annual growth rate	Progress	Medium-Term Management Plan 2015
ROE	8.0%	8.1%	8.6%	—	not met	Approx. 10%
<i>Adjusted ROE*</i>	8.7%	9.4%	10.3%	—	met	
<i>Adjusted ROE (Before Goodwill Amortization)</i>	11.9%	12.6%	12.9%	—	exceeded	Approx. 12%
EPS	10.6%	9.7%	9.5%	10.0%	met	Average annual growth rate: 10% or higher

*Adjusted ROE: Calculated by excluding foreign currency translation adjustments and valuation difference on available-for-sale securities from shareholders' equity

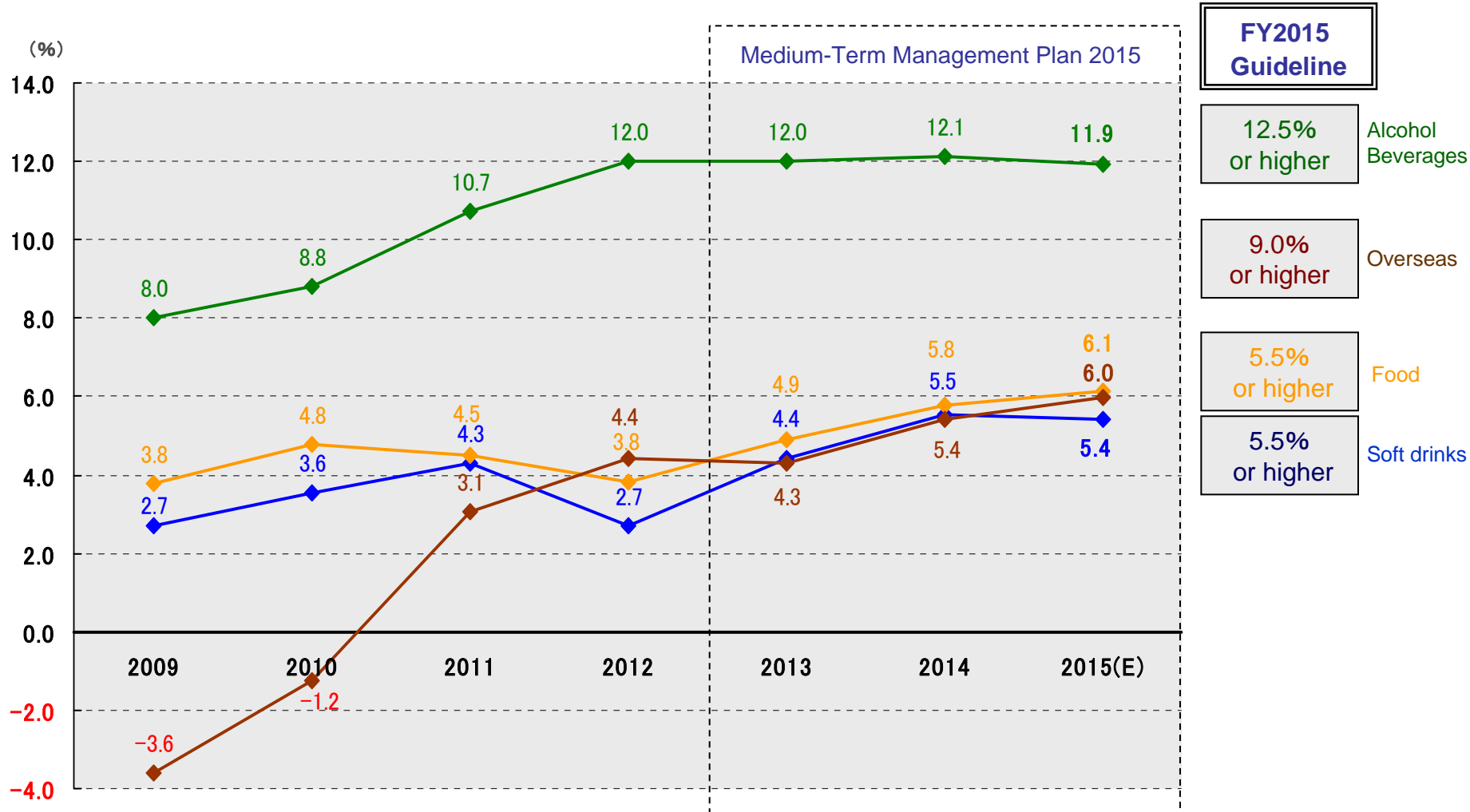
<KPIs Guideline>

	2013 Result	2014 Result	2015 Revised Target	Average annual growth rate	Progress	Medium-Term Management Plan 2015
Net sales	8.6%	4.2%	4.2%	5.6%	exceeded	Average annual growth rate: 3% or higher
EBITDA**	7.4%	4.7%	3.0%	5.0%	not met	Average annual growth rate: 6% or higher
Net income	8.0%	11.9%	8.5%	9.5%	exceeded	Average annual growth rate: 7% or higher
Operating margin	6.9%	7.2%	7.3%	—	moderate	8% or higher
Dividend payout ratio	31.7%	30.2%	29.4%	30.5%	met	Target of 30%
Total return ratio	80.5%	102.8%	56.0%	79.0%	exceeded	50% or higher

**EBITDA: Operating income (before goodwill amortization) + Depreciation

Progress of Operating Margin Guideline by Business

All businesses except the Overseas Business are on pace to achieve the operating margin guideline in the medium-term management plan.



Billion yen	2015 First Half Result				2015 Revised Full Year Target			
		YoY Change (Amount/%)	Against Plan		YoY Change (Amount/%)	Against Plan		
Net Sales	445.9	17.1	4.0%	102.0%	1,001.5	36.9	3.8%	102.4%
Operating Income	44.2	1.2	2.8%	102.6%	119.3	2.4	2.1%	101.1%

First-Half Summary

◆ **Sales and profit increases above targets achieved by the progress with development of a comprehensive alcohol beverages business, despite a beer-type beverages sales decline**

- Volume target not achieved due to factors including contraction of the premium beer market, despite promotion of new value proposals for Super Dry and Clear Asahi
- Increase in total sales of alcohol beverages due to brand development for whiskey and wine and expansion of the Dry Zero brand
- Over-performance of the operating income target due to the revenue-increasing effect of categories other than beer-type beverages and implementation of profit structure reforms

Full-Year Business Strategy

◆ **Strengthen the profit base from a medium- to long-term perspective, focusing mainly on development of strong brands in each category**

- Activate the market by means including continuation of new value proposals with the aim of creating “koto” consumption (consumption based on intangible values) and Dry Premium quality improvement
- Strengthen the foundation as an integrated alcohol beverages company through development of top brands in each category such as whiskey, wine, and Dry Zero
- Execute a product mix improvement strategy in anticipation of emergence from deflation and liquor tax reform, and implement profit structure reforms for sustained growth

◆ Sales Results and Target by Brands

Million cases	2015 First Half Result			
		YoY Change (Amount/%)	Against Plan	
Super Dry Total	45.42	-1.23	-2.6%	-
Beer Total	46.41	-1.32	-2.8%	97.1%
Style Free	6.06	0.32	5.6%	-
Happoshu Total	7.43	0.25	3.4%	101.8%
Clear Asahi Total	14.99	1.17	8.5%	-
Asahi Off	2.71	-0.30	-10.0%	-
New genre Total	18.31	-0.03	-0.2%	100.1%
Total	72.15	-1.10	-1.5%	98.3%

2015 Revised Full Year Target			
	YoY Change (Amount/%)	Against Plan	
Super Dry Total	-0.61	-0.6%	98.6%
Beer Total	-0.36	-0.3%	99.5%
Style Free	1.16	9.6%	84.1%
Happoshu Total	-0.60	-3.7%	96.9%
Clear Asahi Total	3.86	13.5%	100.9%
Asahi Off	-0.20	-3.1%	96.9%
New genre Total	1.15	3.0%	102.6%
Total	0.19	0.1%	100.0%

<Market Outlook>

	2015 First-Half Result	2015 Forecast
Beer	-1~ -2%	-1~ -2%
Happoshu	11~ 12%	0~ -1%
New genre	-5~ --6%	-1~ -2%
Total	-1~ -2%	-1~ -2%



◆ Super Dry Product Strategy

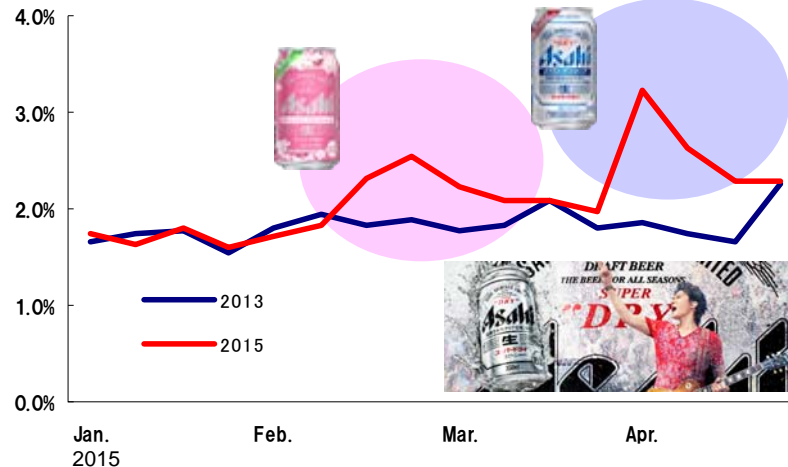
Buzz creation with the aim of creating “koto” consumption (consumption based on intangible values) and activating consumption



Special Package
August.18h

Extra Sharp
Sept. 15th

<Purchase rate of “Super Dry” brand>



Source: INTAGE SCI Purchase rate of Beer-type Market Jan. 5th to Apr. 26th, 2015
*compare to 2013 due to consumption tax hike in 2014

◆ Dry Premium Product Strategy



A premium beer that offers richness, sharpness, and aroma

while maintaining sharpness, a product strength
Use of golden dry yeast

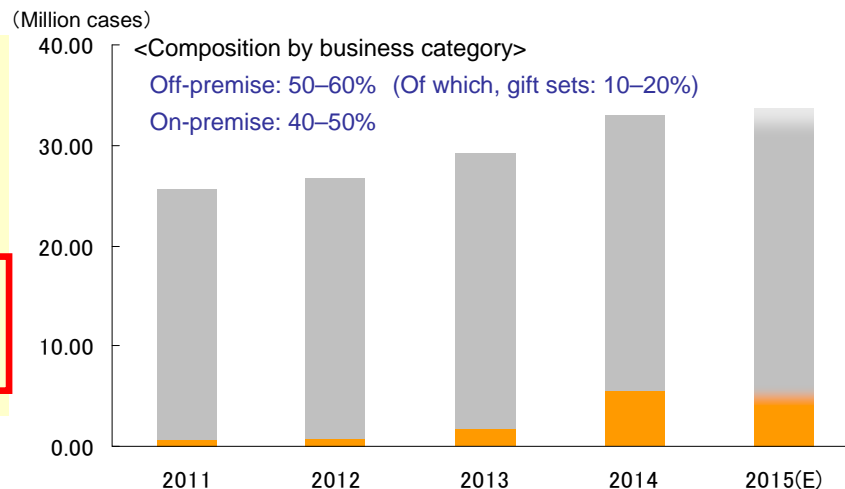
Added appeal

Richness
Japanese golden malt

Aroma
Multiple hop varieties

September 15 launch of product with improved quality

<Trend in the Premium Beer Market> *Market: Asahi Estimated



◆ Expansion of Clear Asahi Brand Appeal

Maximize the Clear Asahi Brand Asset

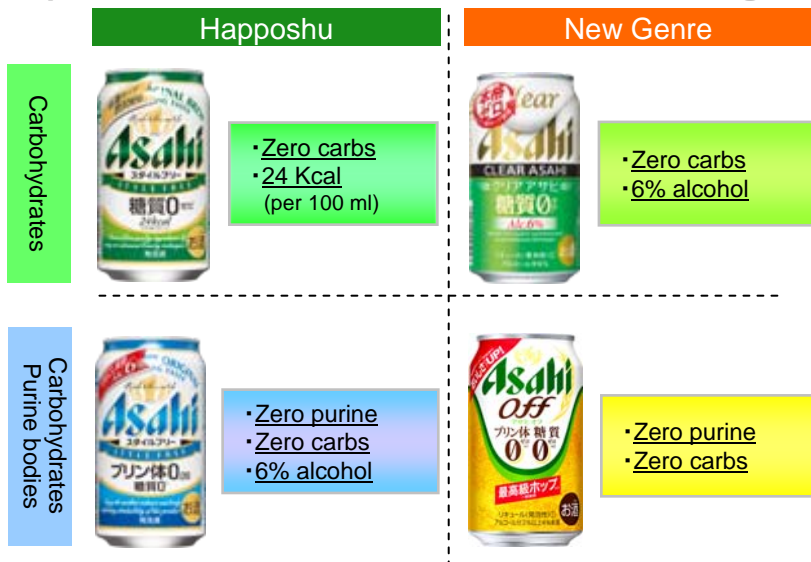


<Change in Share of the Clear Asahi Brand in the New Genre Market>

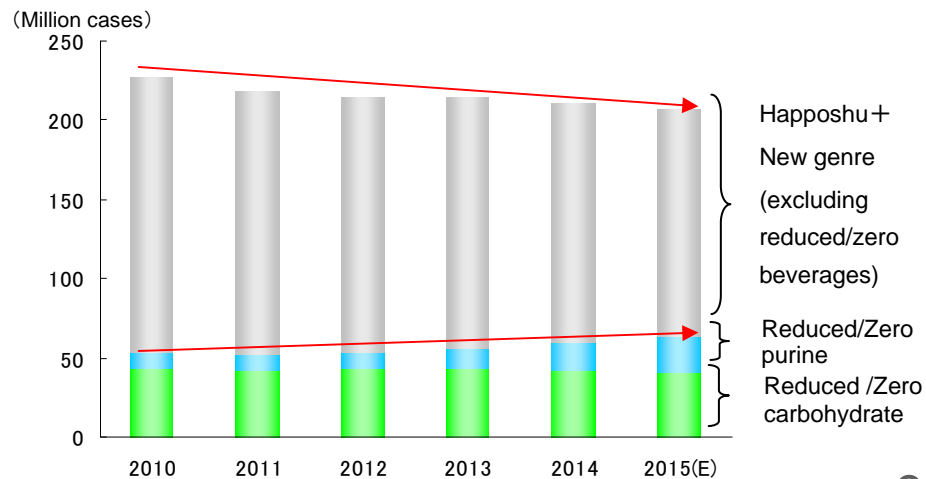


Source: INTAGE SRI sales value share
Nationwide total for three store categories (supermarket, convenience store, discount liquor store) from Jan. 2013 to Jun. 2015

◆ Expansion of Presence in the Functional Beverages Category Market

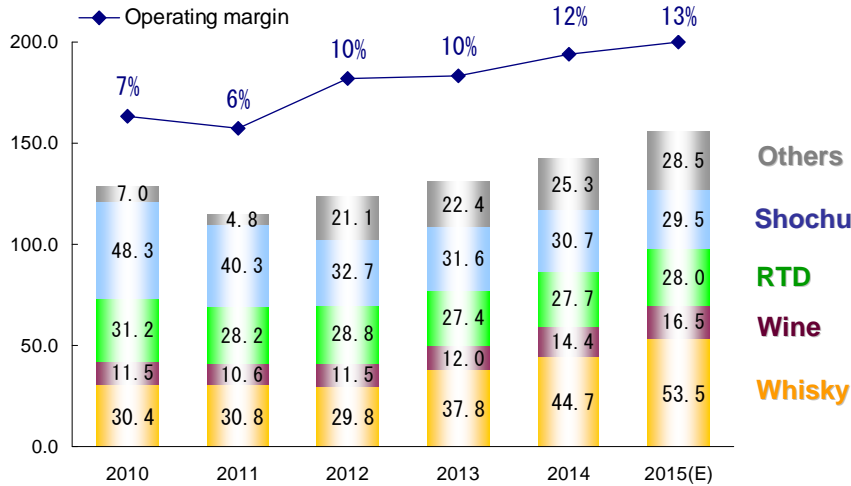


<Functional beverages category market trend> *Asahi Estimated



Other Alcohol and Dry Zero Overview

◆ Sales and Operating Margin Performance by Category



◆ YoY change in sales volume by Whiskey, Brandy, Spirits



◆ Strengthening of the Asahi Dry Zero brand (Non-alcohol Beer-Taste Beverage)

2014 results: 6.31 million cases (+16% yoy)
 2015 target: 7.00 million cases (+10% yoy)
 *initial target 6.80 million cases
 2015 1H results: 3.13 million cases (16% yoy)



Dry Zero



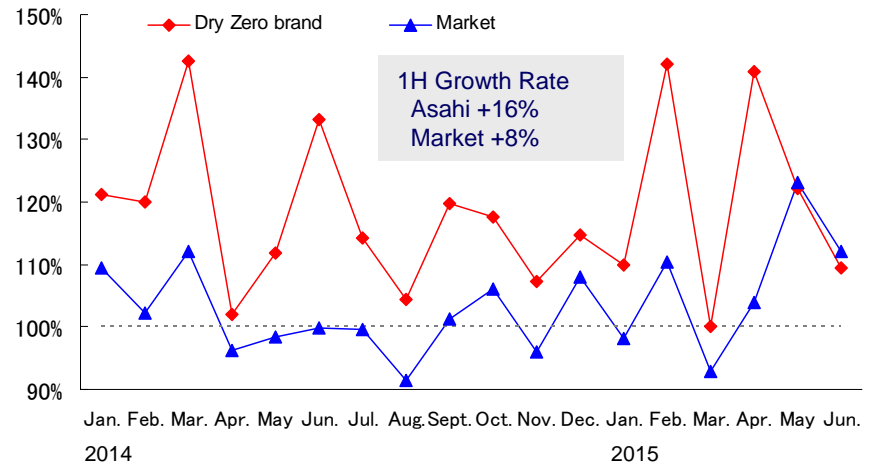
Dry Zero Black



Dry Zero Free

<YoY change in sales volume>

*Market: Asahi Estimated



Billion yen	2015 First-Half Result			
		YoY Change (Amount/%)	Against Target	
Asahi Soft Drinks	212.8	5.3	2.5%	102.0%
Calpis	14.0	2.1	18.0%	102.7%
LB	10.5	0.1	0.9%	100.0%
Net Sales	236.1	7.6	3.3%	102.0%
Asahi Soft Drinks	8.0	- 1.3	- 14.0%	88.0%
Calpis	1.9	0.1	3.7%	473.7%
LB	0.2	0.1	72.6%	129.0%
Operating Income	10.0	- 1.0	- 9.0%	108.7%

2015 Revised Full Year Target			
	YoY Change (Amount/%)	Against Target	
444.0	12.8	3.0%	100.9%
29.8	4.0	15.5%	100.0%
23.2	0.6	2.6%	100.0%
494.9	18.3	3.8%	100.9%
24.2	0.7	2.9%	98.0%
2.1	- 0.0	- 1.5%	154.3%
0.7	0.3	61.5%	100.0%
26.8	0.4	1.6%	100.0%

First-Half Summary

◆ Achievement of sales and profit increases above targets by growth exceeding the industry average and synergy expansion

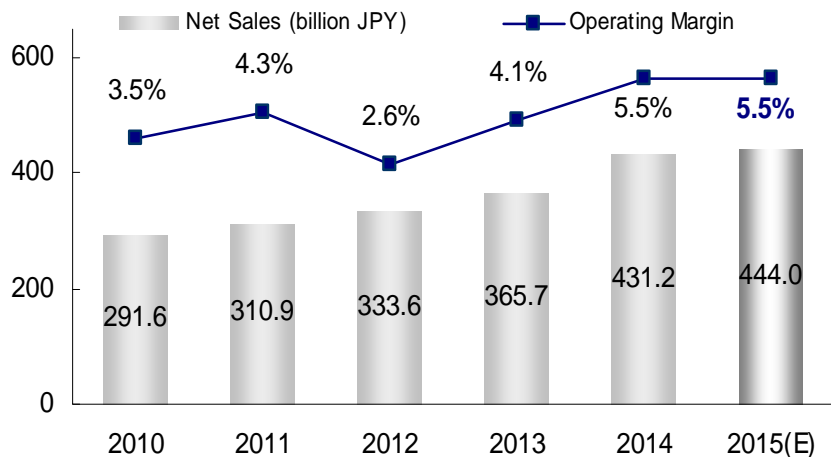
- Achievement of volume growth for a 13th consecutive year exceeding the industry average (the prior-year level), mainly from core brands
- Operating income target not achieved at Asahi Soft Drinks due to increases in ingredient costs, higher promotional expenses, and product mix deterioration
- Over delivered the sales and profit targets at Calpis due to greater-than-planned impact of a volume increase in the domestic soft drinks section

Full-Year Business Strategy

◆ Achieve the original targets through mix improvement and profit structure reforms and expand the growth foundation with a view to business integration

- Achieve the original targets via a sales strategy that emphasizes product and channel mix and rigorous control of overall costs
- Expand and accelerate cooperative synergies in every aspect of supply chain management, including procurement, logistics, and production with a view to business integration
- Develop products with added-value propositions by fusing technologies in response to consumer health consciousness and strengthen the marketing function

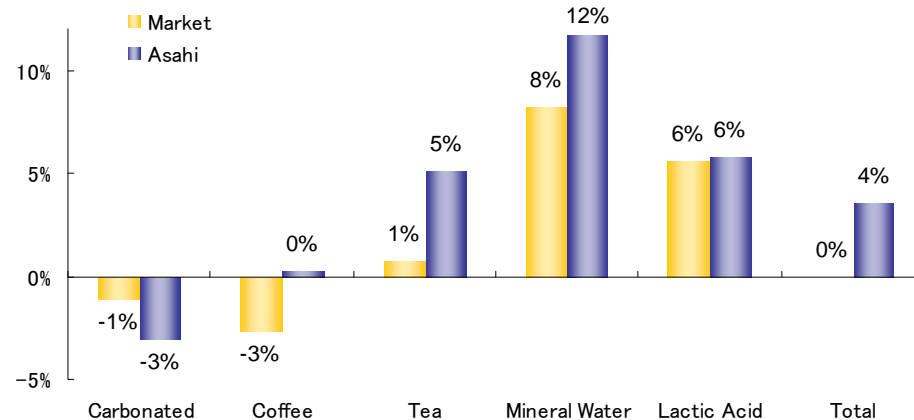
◆ Sales and Operating Margin Performance



◆ Market & Asahi: YoY Change at the Main Category

(Jan. – Jun., volume basis)

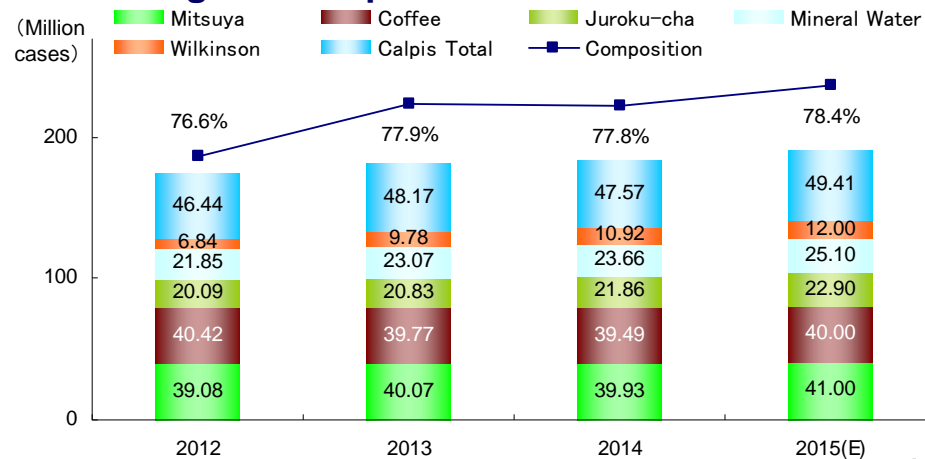
*Market: Asahi Estimated



◆ Cost Synergy Creation Targets with Calpis

Billion yen	2013 Result	2014 Result	2015 Target	three-year accumulative	Medium-term plan target
Distribution	1.0	1.8	0.2	3.0	0.3~
Procurement	0.5	0.8	0.2	1.5	1.5~
Production	-	0.5	1.0	1.5	1.0~
Other	0.4	-	-	0.4	0.5~
Total	1.9	3.1	1.4	6.4	6.0~

◆ Change in Composition of Six Core Brands



Billion yen	2015 First-Half Result				2015 Revised Full Year Target			
		YoY Change (Amount/%)		Against Plan		YoY Change (Amount/%)		Against Plan
Asahi Food and Healthcare	29.4	1.0	3.5%	105.1%	57.7	0.2	0.3%	100.2%
Wakodo	17.6	0.3	1.6%	98.1%	37.5	0.4	1.0%	98.5%
Amano Jitsugyo	10.4	0.0	0.3%	96.3%	23.0	0.9	4.0%	101.7%
Net Sales	55.6	1.9	3.5%	101.7%	114.8	2.8	2.5%	100.3%
Asahi Food and Healthcare	2.5	1.0	69.0%	199.8%	4.0	0.3	8.5%	108.1%
Wakodo	0.9	0.4	65.9%	137.0%	2.0	0.0	1.5%	100.0%
Amano Jitsugyo	-0.3	-0.5	-	-180.5%	1.0	-0.0	-3.4%	85.2%
Operating Income	3.1	0.9	42.4%	154.1%	7.0	0.5	8.4%	102.4%

First-Half Summary

- ◆ **Sales and profit increased above targets by a business strategy focused on strengths and implementation of efficiency improvements**
 - Over delivered the targets at Asahi F&H due to strong performance from Mintia, a key product, and the freeze-dried food business as well as production cost reductions
 - Achievement of the profit target at Wakodo as a result of overall improvement in fixed costs efficiency, including advertising and promotional expenses, despite a sales decrease
 - Targets not achieved at Amano Jitsugyo as a result of factors such as stagnation in the corporate sales business, despite channel expansion in the mass merchandiser sales channel

Full-Year Business Strategy

- ◆ **Aim to achieve the targets by launching high-value-added products and further implementation of efficiency improvements**
 - Asahi F&H will aim to increase sales and profits by strengthening core brand power and offering food with function claims
 - Wakodo will strengthen its profit base by expanding the core baby foods and seniors businesses, and implementing efficiency improvements
 - Jitsugyo will seek earnings improvement by leveraging freeze-drying technology to develop products and strengthen proposal capabilities and by increasing productivity

Billion yen	2015 First-Half Result			
		YoY Change (Amount/%)	Against Plan	
Oceania	76.8	3.6	5.0%	97.3%
Southeast Asia	33.4	15.9	90.7%	90.1%
China	10.5	1.0	10.4%	113.6%
Net Sales	121.8	20.7	20.4%	96.4%
Oceania	4.1	1.7	72.0%	124.0%
Southeast Asia	1.5	1.2	494.7%	83.0%
China	0.5	- 0.3	- 37.9%	260.0%
Operating Income	6.3	2.7	78.4%	117.6%

2015 Revised Full Year Target			
	YoY Change (Amount/%)	Against Plan	
162.6	- 0.9	- 0.6%	95.2%
68.7	17.9	35.2%	92.0%
21.3	2.7	14.8%	112.8%
259.7	25.0	10.6%	97.6%
11.3	0.9	9.0%	96.8%
2.7	1.1	67.7%	72.1%
0.9	- 0.1	- 10.4%	135.4%
15.6	2.8	22.4%	97.0%

First-Half Summary

◆ Over delivered the profit target, with Oceania and China, where structural reforms are progressing, compensating for under-performance in Indonesia

- In Oceania, over delivered the profit target as a result of brand development in growing categories in both the non-alcohol and alcohol beverages businesses and expansion of integration synergies
- In Southeast Asia, targets not achieved due to a delay in execution of the growth strategy for Indonesia, despite progress in Malaysia in line with the plan
- In China, over delivered the targets resulting from expansion of presence for the Asahi brand and efficiency improvements in promotional expenses and production costs

Full-Year Business Strategy

◆ Strengthen the growth foundation, focusing on sustained growth in Oceania and issues resolution in Indonesia.

- In Oceania, continue brand development and expansion of integration synergies, although cost increases are forecast due to weaker Australian dollar
- In Southeast Asia, strengthen the medium-term growth foundation by establishing a profit base in Malaysia and developing the sales structure in Indonesia
- In China, expand distribution routes for the Asahi brand in all channels and implement overall cost efficiency improvements

(Based on Local Currency)

Million AUD	2015 First Half Results				2015 Revised Target			
		YoY Change (amount/%)		Against Target		YoY Change (amount/%)		Against Target
Net Sales	817	37	4.7%	98.3%	1,767	53	3.1%	98.3%
Operating Income	44	18	71.6%	125.3%	122	14	13.0%	100.0%

First Half Summary

◆ **Successfully delivered the profit target through synergy expansion despite sales being slightly under the target from a change in product mix**

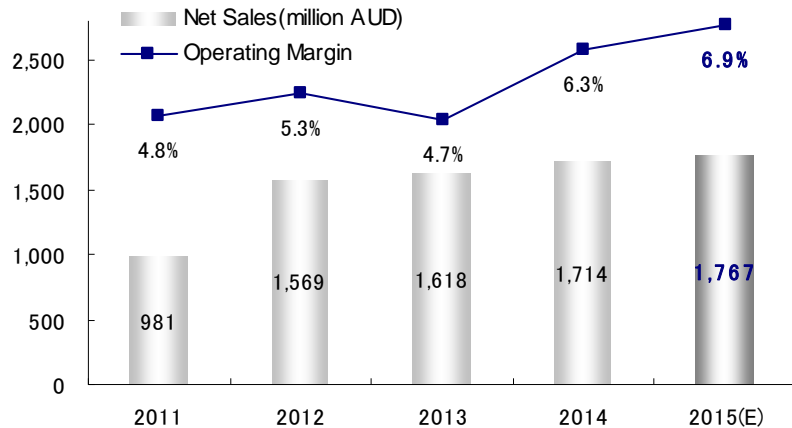
- **Non-Alcohol Beverages Business:** over delivered the profit target driven by synergy benefit although growth of water affected the product mix originally planned
- **Australian Alcohol Beverages Business:** achieved significant growth far ahead of market by strengthening of brand power in growing categories (cider and international premium beer)
- **New Zealand Alcohol Beverages Business:** improved profitability and achieved the targets through focusing on core RTD, beer, and cider brands and successful pricing strategy
- **Overall:** strengthened the profit base through driving synergy, such as integration of back-office functions and accelerating efficiency in every aspect of supply chain management

Full year Business Strategy

◆ **Aim to achieve the targets through continuous expansion in growing categories and core brands and maximizing synergies**

- **Non-Alcohol Beverages Business:** increase profit through expanding presence in growing categories and through revenue management in the highly competitive cola and non-cola CSD categories
- **Australian Alcohol Beverages Business:** sustain growth by strengthening the platform of the recovering RTD category and further reinforcing brands in growing categories
- **New Zealand Alcohol Beverages Business:** achieve full-year target by driving efficient sales and marketing activities with a focus on eight core brands
- **Overall:** carefully manage the weaker Australian dollar impact on raw material prices, execute additional integration initiatives, and drive comprehensive cost efficiency

◆ Oceania Business – Net Sales & Operating Margin



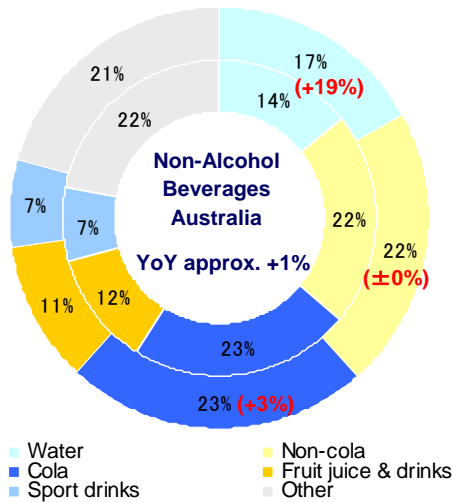
◆ Integration Synergy Benefit – Actual Performance & Plan

(Billion JPY)	2014 Result	2015 Plan	2013-15 Total (E)	2013-2015 Target (Accumulated)
Integration Synergy	3.4	2.5	8.0	Over 6.0

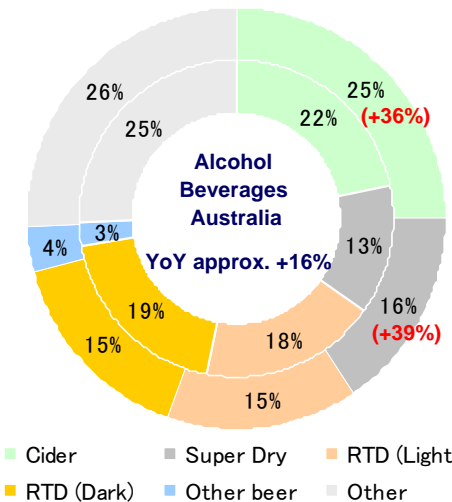


◆ Transition in Sales Composition by Category (Jan-Jun, Value Basis)

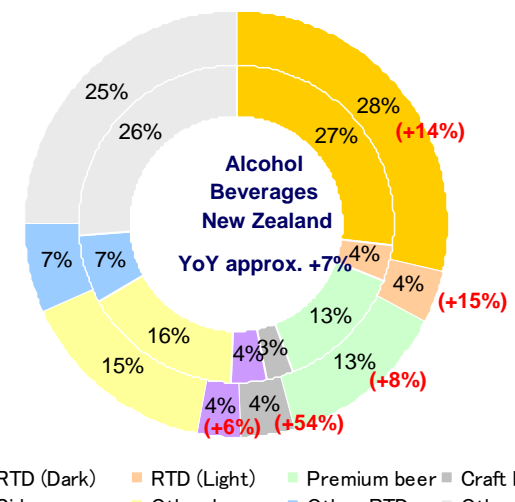
Outer circle: Jan-Jun 2015 / inner circle: Jan-June 2014
Year-on-year comparison in brackets, alcohol sales excludes excise tax



Drive growth of the water category and strengthen core brands



Strengthen the brand power of "Somersby" and "Super Dry" (growing categories)

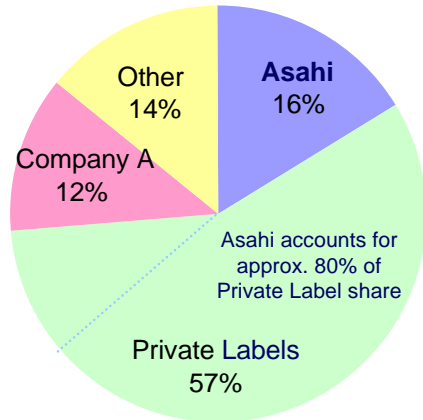


Focus on core RTD, beer, and cider brands

◆ Initiatives in Growing Categories

<Australia: Water Market Share (Jan-Jun, Volume Basis)>

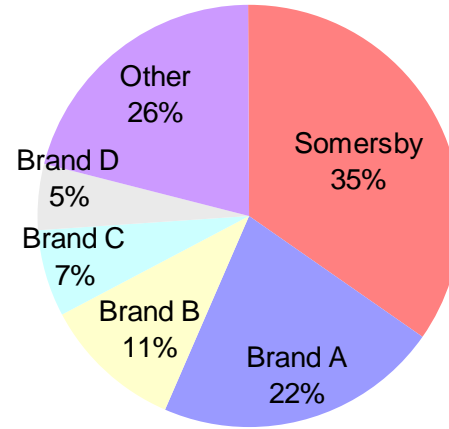
Source: Nielsen



VOSS premium-range water offering from August 2015

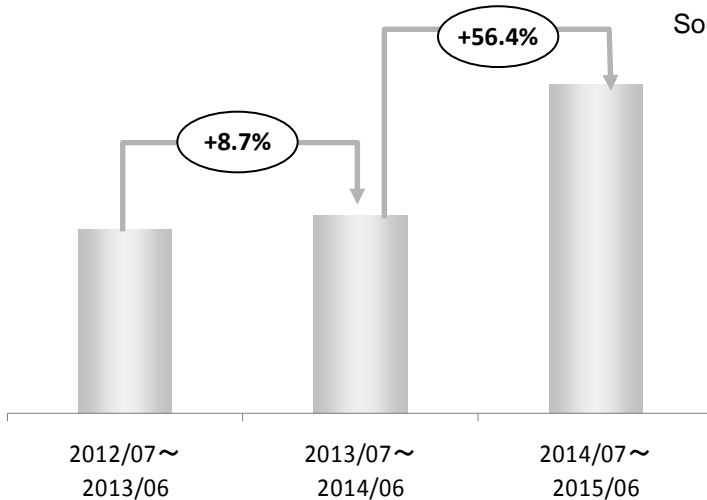
<Australia: Cider Market Share by Brand (Jan-Jun, Volume Basis)>

Source: Aztec



<Australia: Super Dry Sales Performance (Volume Basis)>

Source: Aztec



<New Zealand: Eight Core Brands>



◆ Permanis (Malaysia)



- Achievement of sales and profit increases because of factors including above-target sales of Mountain Dew and Wonda
- Profitability improvement through ingredient cost reduction and overall improvement in fixed costs efficiency

⇒ Expand market presence through active marketing investment focused on four core brands

⇒ Aim to increase profitability by means including additional cost reductions, despite increases in ingredient prices resulting from currency depreciation



◆ Etika (Malaysia)



- Achievement of sales and operating income targets, with the overseas business (Indonesia, Vietnam) driving substantial growth
- Pursuit of profitability improvement through mix improvement across businesses and ingredient cost reduction

⇒ Establish a growth foundation by means including condensed milk brand reinforcement and continued expansion of the overseas business

⇒ Increase profitability through strengthening of cost efficiency centered on container productivity improvement and weight reduction



◆ Indonesia



- Strengthening of the business foundation from expansion and upgrading of the house brand portfolio and the start-up of the company's own plant
- Results below targets due to factors including slowing of market growth that exceeded expectations and below-target production volumes of own brands

⇒ Expand market presence by means including sales route expansion from strengthening of the sales structure and portfolio upgrading and expansion

⇒ Boost cost competitiveness through ingredient cost reduction and strengthening of a cost management structure that can cope with change



◆ Chinese Beer Business (Based on local currency: Chinese yuan)

Million yuan	2015 First-Half Result			2015 Revised Full Year Target		
		YoY Change (Amount/%)	Against Plan		YoY Change (Amount/%)	Against Plan
Net sales	54.5	- 2.9 / - 5.0%	105.8%	109.0	1.3 / 1.2%	104.1%
Operating income	2.5	- 2.2 / - 46.5%	242.1%	4.4	- 1.2 / - 21.1%	125.0%

<2015 First-Half Summary and Full-Year Business Strategy>

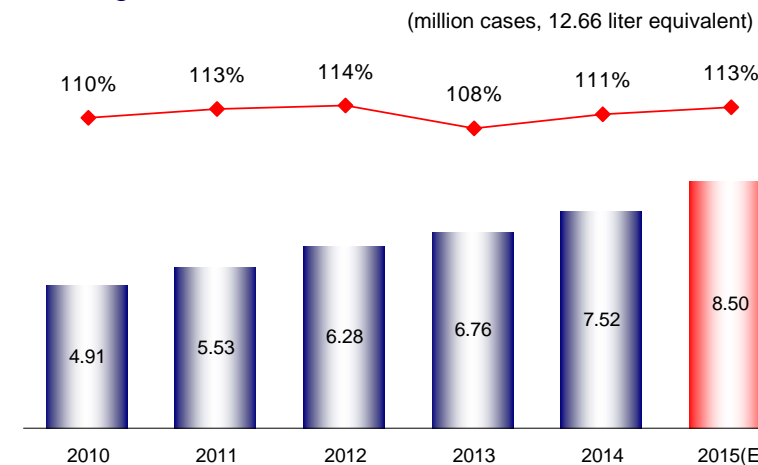
- Over-performance of the sales and profit targets on expansion of the Asahi brand's presence in all sales channels and above-target contract production at Yantai Beer
- ⇒ Aim to achieve the upwardly revised full-year targets through further expansion of the Asahi brand's presence and overall cost efficiency improvements

◆ Global Expansion of Super Dry

<2015 First-Half Summary and Full-Year Business Strategy>

- Overall expansion of 119% year on year driven by double-digit growth in key countries that account for more than 50% of overall volume (South Korea, China, Hong Kong, and Australia)
- ⇒ Expand market presence by strengthening the sales network, focusing on Asia and Oceania, and making active marketing investments to increase brand recognition, mainly in key countries

<Change in Asahi Brand Overseas Sales Volume>



◆ Management reforms with ROE as the cornerstone that result in both strengthening of earning power and an optimal capital policy

- Continuation of management that emphasizes corporate value enhancement and implementation of a growth strategy focused on strengthening of earning power

◆ Practice of management incorporating integrated thinking and management reforms utilizing the Corporate Governance Guidelines

Issuance of Integrated Report 2014 (June 2015)

- Integrated organization of financial and non-financial information with the aim of creating sustained corporate value (The external environment, risks and opportunities, strategies and resource allocation, business model, governance, etc.)
- Promotion of internal and external constructive dialogue to enhance corporate value in the broad sense, including “hidden capital assets”
(Fostering of discussion of the development and connectivity of the six capitals: financial; manufactured; intellectual; human; social and relationship; and natural)

Formulation of Corporate Governance Guidelines (July 2015)

- The practice of “aggressive governance” involving transparent, fair, timely, and decisive decision-making
 - I. Appropriate cooperation with stakeholders
 - II. Securing the rights and equal treatment of shareholders
 - III. Ensuring appropriate information disclosure and transparency
 - IV. Dialogue with shareholders
 - V. Responsibilities of the Board of Directors



<Reference Materials>

◆ Tsingtao Brewery Performance Overview



2014 Results and Activities Period

2015 1H Results and Activities Period

Million Yuan	2013 4Q		2014 1Q		2014 2Q		2014 3Q		2014 4Q		2015 1Q	
		YoY		YoY		YoY		YoY		YoY		YoY
Net Sales	4,098	2.8%	7,408	17.4%	9,550	10.3%	8,778	-4.8%	3,313	-19.2%	7,178	-3.1%
Operating Income	-247	-	655	1.0%	1,025	2.8%	1,008	5.8%	-403	-	675	3.1%
Net Income	-192	-	586	20.0%	819	-9.7%	775	0.6%	-189	-	521	-11.0%

Jan. to Mar. Overview and Future Strategy

- Although sales were negatively affected by market growth of -2%, achievement of a profit increase through strengthening of control of sales promotion expenses
 - ⇒ Strengthen the Tsingtao and Laoshan brands through focused brand investment and promote efficiency in costs overall, including sales promotion expenses

◆ Tingyi (Cayman Islands) Holding Corporation <Soft Drinks Segment> Performance Overview



2014 Results and Activities Period

2015 1H Results and Activities Period

Million USD	2013 4Q		2014 1Q		2014 2Q		2014 3Q		2014 4Q		2015 1Q	
		YoY		YoY		YoY		YoY		YoY		YoY
Net Sales	858	42.0%	1,554	6.3%	1,778	-0.5%	1,729	-19.9%	739	-13.9%	1,260	-18.9%
Operating Income	-127	-	115	150.2%	136	68.1%	102	-48.3%	-133	-	64	-44.0%
Net Income	-105	-	84	288.9%	113	71.9%	83	-52.0%	-126	-	47	-44.3%

Jan. to Mar. Overview and Future Strategy

- Despite prospects for a return to profitability in the Pepsi business, substantial decreases in sales and profits at the stage of transition to sound management
 - ⇒ Strengthen core brands, expand presence in growth categories, and maximize synergies with the Pepsi business

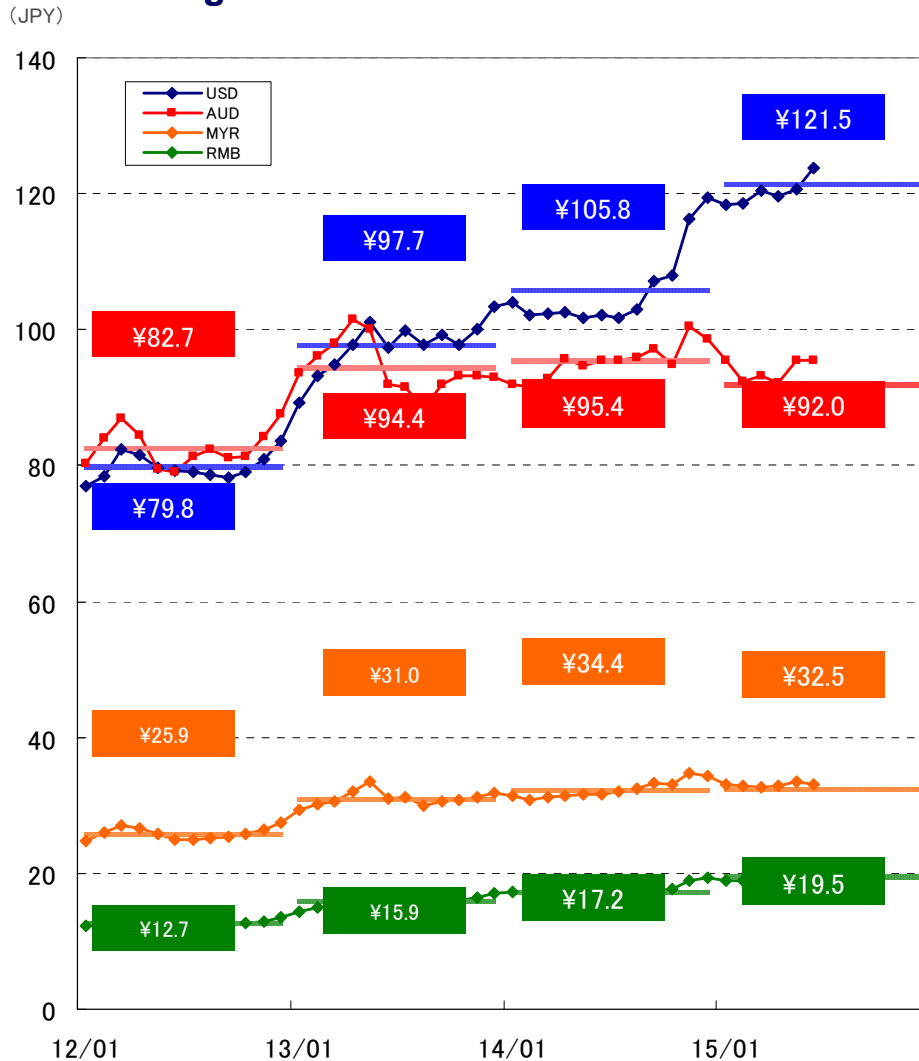
◆ Profit Structure Reforms (Three-Year Cumulative Efficiency Targets)

Billion yen	2013 result	2014 result	2015 target	Initiatives		Tree-year total result + target	Medium-term plan target
Alcohol Beverages	6.9	4.7	3.5	<ul style="list-style-type: none"> Reduction in depreciation through optimization of capital investments Greater production efficiency 		15.1	10 or higher
Soft Drinks	5.3	5.4	4.1	<ul style="list-style-type: none"> Greater productivity from improvement in capacity utilization and raw materials efficiency Creation of collaborative synergies with Calpis in SCM overall 		14.8	10 or higher
Food	1.2	1.5	0.9	<ul style="list-style-type: none"> Inventory optimization through an optimal supply and demand structure Production cost reduction focused on raw materials costs 		3.6	3 or higher
Overseas	2.1	3.5	2.6	<ul style="list-style-type: none"> Synergy expansion from development of an optimal production and distribution structure and business integration Cooperative procurement of indirect materials, improvement in fixed costs efficiency 		8.2	6 or higher
Consolidated total	15.5	15.1	11.1			41.7	30 or higher

◆ Advertising and Promotion Expenses in Alcohol Business

Billion yen	2010	2011	2012	2013	2014	YoY	2015 1H	YoY	2015 Target	YoY
Sales promotion expenses	66.5	62.5	59.9	62.2	69.4	7.2	32.4	2.4	71.8	2.4
Advertising expenses	30.7	26.0	27.2	29.0	28.9	-0.1	16.8	-0.3	29.5	0.6
Total	97.2	88.5	87.1	91.2	98.3	7.1	49.3	2.1	101.3	3.0
Breakdown by category										
Beer	51.1	47.6	48.9	51.9	57.8	5.9	27.7	-0.1	58.8	1.0
Happoshu	3.4	3.0	2.5	2.4	3.2	0.7	1.7	0.3	3.1	-0.1
New Genre	17.5	16.2	13.9	15.0	15.5	0.4	7.8	-	15.5	-
Beer Total	72.0	66.8	65.3	69.3	76.4	7.1	37.2	0.2	77.4	1.0
Other than Beer-type	25.2	21.7	21.8	21.9	21.9	-	12.1	1.9	23.9	2.0

◆ Key Currencies and the Company's Average Exchange Rates



◆ Impact of Exchange Rates on P&L

(Billion Yen)

Business	Currency	2015 H1	2015 Revised Target	Remarks
Oceania business	AUD	0.2	-6.0	
Southeast Asia business	-	1.0	0.7	
China business	RMB	1.5	2.5	
Others	-	0.6	1.2	
Net Sales		3.3	-1.5	
Alcohol business	USD, EUR	-0.7	-1.4	Principally raw materials and stock on hand
Other domestic business	USD, EUR	-0.1	-0.1	Principally raw materials and stock on hand
Oceania business	AUD	0.0	-0.4	Before amortization of goodwill and other items
Southeast Asia business	-	0.0	-0.0	Before amortization of goodwill and other items
Chinese business	RMB	0.1	0.1	
other overseas business	-	0.0	0.0	
Amortization of goodwill	AUD	-0.0	0.3	Oseania
	MYR, others	-0.1	-0.0	Southeast Asia
Operating income		-0.7	-1.6	
Equity in net income of unconsolidated subsidiaries]	USD	-0.4	0.5	Tingyi-Asahi Beverages Holding
	RMB	0.2	1.0	Principally Tsingtao Beer
	Others	-0.0	-0.0	Principally Indonesia
Others	-	0.2	0.0	
Non-operating income or expenses		0.0	1.5	
Ordinary profit		-0.7	-0.2	

Asahi

その感動を、わかちあう。

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