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FOR IMMEDIATE RELEASE

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Announcement regarding issuance of Hybrid Bonds (Subordinated Bonds) through Public Offering
and execution of Subordinated Commitment Syndicated Loan Facility

Asahi Group Holdings (“Asahi”) is pleased to announce that today we submitted an amendment to the shelf registration statement concerning the issuance of hybrid bonds (subordinated bonds) (the “Hybrid Bonds”) through a public offering to the Director of Kanto Local Finance Bureau.

In addition, as a backup plan for issuance of shares of our common stock to be conducted with regards to acquisition procedures of 100% of the shares of Anheuser-Busch InBev (“AB InBev”)’s Australian business (the “Transaction”), Asahi entered into a subordinated commitment syndicated loan facility (the “SCSLF”) agreement for an aggregate principal amount of up to JPY400 billion today.

1. Purpose and Background of the Issuance of the Hybrid Bonds and Execution of the SCSLF

As announced in our separate notice released today titled “Announcement regarding completion of acquisition of the Australian business of Anheuser-Busch InBev and shelf registration of newly issued stock,” Asahi has considered raising JPY 300 billion of equity credit attributes as part of permanent financing of JPY 1.185 trillion bridge loan for the Transaction, in order to achieve early improvement of financial soundness and minimize refinance risk. Today, we decided to issue the Hybrid Bonds to be conducted as part of such permanent financing and filed an amendment to the shelf registration statement with the Director of Kanto Local Finance Bureau. Asahi plans to issue a maximum aggregate principal amount of JPY 300 billion (equity credit ratio is expected to be 50%) of the Hybrid Bonds.

Further, in case Asahi cannot raise funds through the issuance of shares of common stock as planned, Asahi entered into the SCSLF agreement for an aggregate principal amount of up to JPY 400 billion with their house banks (equity credit ratio is expected to be 50%). Although Asahi currently does not plan to withdraw funds from the SCSLF, which is a backup plan in case we cannot raise funds through the issuance of shares of common stock as planned, Asahi will also consider withdrawing such funds while considering some factors, such as market conditions and other events.

For more information of the Transaction and our financing plans concerning the Transaction, please see our separate notice titled “Announcement regarding completion of acquisition of the Australian business of Anheuser-Busch InBev and shelf registration of newly issued stock,”.

2. Feature of the Hybrid Bonds and the SCSLF

The Hybrid Bonds and the subordinated loan withdrawable with the SCSLF (the “Hybrid Finance”) will be containing features of both liabilities and equity. While their liability aspects will not cause dilution to stockholders, the Hybrid Finance will have attributes and features resembling equity, such as an option to defer interest payments, extremely long-term redemption periods or the term of repayment, and subordination in liquidation or bankruptcy proceedings. Therefore, Asahi expects that Japan Credit Rating Agency, Ltd. and Rating and Investment Information, Inc. (“Rating Agencies”) will deem 50% of the funds raised under the Hybrid Finance as equity for the purposes of their ratings.

3. Overview of the Hybrid Bonds

Note: This press release is intended for information purpose only and is not a solicitation or offer to buy or sell securities or related financial instruments. Shares of our common stock and debt securities have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Below is an overview of the Hybrid Bonds. For details of the expected terms and conditions of the Hybrid Bonds, please see the amendment to the shelf registration statement filed today with the Director of Kanto Local Finance Bureau.

(1) Name of bonds	Asahi Group Holdings, Ltd. The 1 st unsecured subordinated bonds with optional interest payment deferral and early redemption provisions (with a subordination provision)
(2) Total amount of issue	Up to JPY 300 billion
(3) Initial interest rate	To be announced (Note 1)
(4) Maturity date (tenor)	The sixtieth anniversary of the closing date (60 years)
(5) Early redemption	Asahi may, at its discretion, redeem the Hybrid Bonds (i) on any interest payment date on or after the fifth anniversary of the closing date or (ii) upon the occurrence and continuation of a tax event or an equity credit change event on or after the closing date.
(6) Interest payment dates	The initial interest payment date set to the corresponding date 6 months after the closing date, and later dates are set to the corresponding dates 6 months after the previous interest payment date.
(7) Optional interest payment deferral	Asahi may, at its discretion, defer all or part of the interest payments on the Hybrid Bonds on any interest payment date.
(8) Closing date	To be announced
(9) Offering format	Public offering in Japan
(10) Subordination	Subordinated to all indebtedness of Asahi and senior to common stock of Asahi
(11) Rating (Preliminary)	A (Preliminary) (Japan Credit Rating Agency, Ltd.) A- (Preliminary) (Rating and Investment Information, Inc.)
(12) Equity credit (expected)	The Hybrid Bonds are expected to be recognized as eligible for 50% equity credit of the total issue amount by Japan Credit Rating Agency, Ltd. and Rating and Investment Information, Inc., respectively.

Note 1 A fixed interest rate between the following day of the closing date and the corresponding date to the fifth anniversary of the closing date, and a floating interest rate thereafter (interest rate shall step-up on the days following the tenth and twenty-fifth anniversaries of the closing date, respectively)

4. Overview of the SCSLF

In case Asahi cannot raise funds through the issuance of shares of common stock as planned, Asahi may raise funds up to JPY 400 billion (equivalent for JPY 200 billion as equity credit) by withdrawing funds from the SCSLF. The SCSLF will be terminated when Asahi raise funds through the issuance of shares of common stock as planned.

Below is an overview of the SCSLF.

(1) Total borrowing limit	JPY 400 billion
(2) Date of agreement	June 1, 2020
(3) Interest rate	JBA Japanese Yen TIBOR plus margin
(4) Use of proceeds	Fund a portion of the bridge loan that Asahi borrowed in connection with the Transaction
(5) Maturity date	The sixtieth anniversary of the drawdown date. However, Asahi may, at its discretion, refund all or part of the principal of loan based on SCSLF on any interest payment date on or after the fifth anniversary of the drawdown date.
(6) Optional interest payment deferral	Asahi may, at its discretion, defer all or part of the payment of interest on the SCSLF.

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(7) Subordination	Creditors of the SCSLF have subordinated claim rights subordinate to the superordinate debt in the event of Asahi entering into liquidation, bankruptcy, company reorganization, civil rehabilitation or similar proceedings under applicable law other than Japanese law.
(8) Prohibition of changes to the disadvantage of senior creditors	Terms of the agreement for the SCSLF must not be changed to disadvantage any creditor other than the subordinate creditors.
(9) Equity credit (evaluation of the loan withdrawable from the SCSLF)	The loan withdrawable from the SCSLF is expected to be recognized as eligible for 50% equity credit of the total issue amount by Japan Credit Rating Agency, Ltd. and Rating and Investment Information, Inc., respectively.
(10) Mortgage	None
(11) Guarantee	None

5. Replacement of the Hybrid Finance

In case Asahi redeems, repurchases or repays the Hybrid Finance before the maturity date (the “Early Redemption, etc.”), it is assumed Asahi will raise funds through the issuance of shares of common stock or securities or obligations which are assigned the equity credit equivalent to or greater than the Hybrid Finance by the Rating Agencies, within the 12-month period preceding the date of the Early Redemption, etc. However, Asahi may forgo raising funds described above, in case such as that Asahi has built up its sufficient financial foundation by accumulating equity capital and its financial foundation has recovered to the same level as before the Transaction.

6. Schedule

Asahi plans to determine the details of the offering of the Hybrid Bonds including the offering period after announcing the revised forecast of its consolidated financials including the impact of the Novel Coronavirus (COVID-19) based on the comprehensive consideration of demand from investors and interest rate trends. Asahi will further announce once the decision is made.

Further, as stated above, currently Asahi does not plan to withdraw funds from the SCSLF, but will announce once any matters to be disclosed arise.

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