

February 2015



2014 Financial Results Briefing

Overview of 2014 Financial Results
2015 Business Strategy

2014 Overview

- ◆ **Record-high net income for a 14th consecutive year due to factors including a brand strategy focused on strengths**
 - Over-performance of targets as a result of maximization of strong brand assets, product mix improvement, and profit structure reforms
 - Progress with structural reform of businesses in Oceania and strengthening of the revenue base in China and Southeast Asia
- ◆ **Growth in ROE and EPS from steady profit growth and an optimal capital policy**
 - Implementation of an optimal capital policy, including early redemption of euro yen convertible bonds and repurchase of own shares of ¥50.0 billion

2015 Strategy

- ◆ **Achieve KPIs in the final year of the medium-term management plan and increase investment for sustained growth.**
 - Achieve the KPI targets by focusing on our strengths and expanding synergies as well as by steadily implementing the capital policy.
 - Aim for sustained growth, strengthen opportunistic brand investment and global growth investment.
- ◆ **Implement management reforms to prepare for “sustainable corporate value creation” with a view to the next medium-term management plan.**
 - Implement management reforms with ROE as the cornerstone that achieve both strengthening of earning power and an optimal capital policy.
 - Implement management reforms utilizing the Corporate Governance Code and IFRS introduction.

Achieve the targets in the medium-term management plan for KPIs (growth rate of adjusted ROE excluding special factors and EPS)

◆ Key Performance Indicators (KPIs)

	2013 Result	Achievement vis-à-vis Target	2014 Result	Achievement vis-à-vis Target	2015 Target	Achievement vis-à-vis Target	Medium-Term Management Plan 2015
ROE	8.0%	not met	8.1%	not met	8.6%	not met	Approx. 10%
Adjusted ROE*	8.7%	moderate	9.4%	moderate	10.1%	met	
Adjusted ROE (Before Goodwill Amortization)	11.9%	met	12.6%	exceeded	12.7%	exceeded	Approx. 12%
EPS	10.6%	met	9.7%	moderate	8.9%	moderate	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

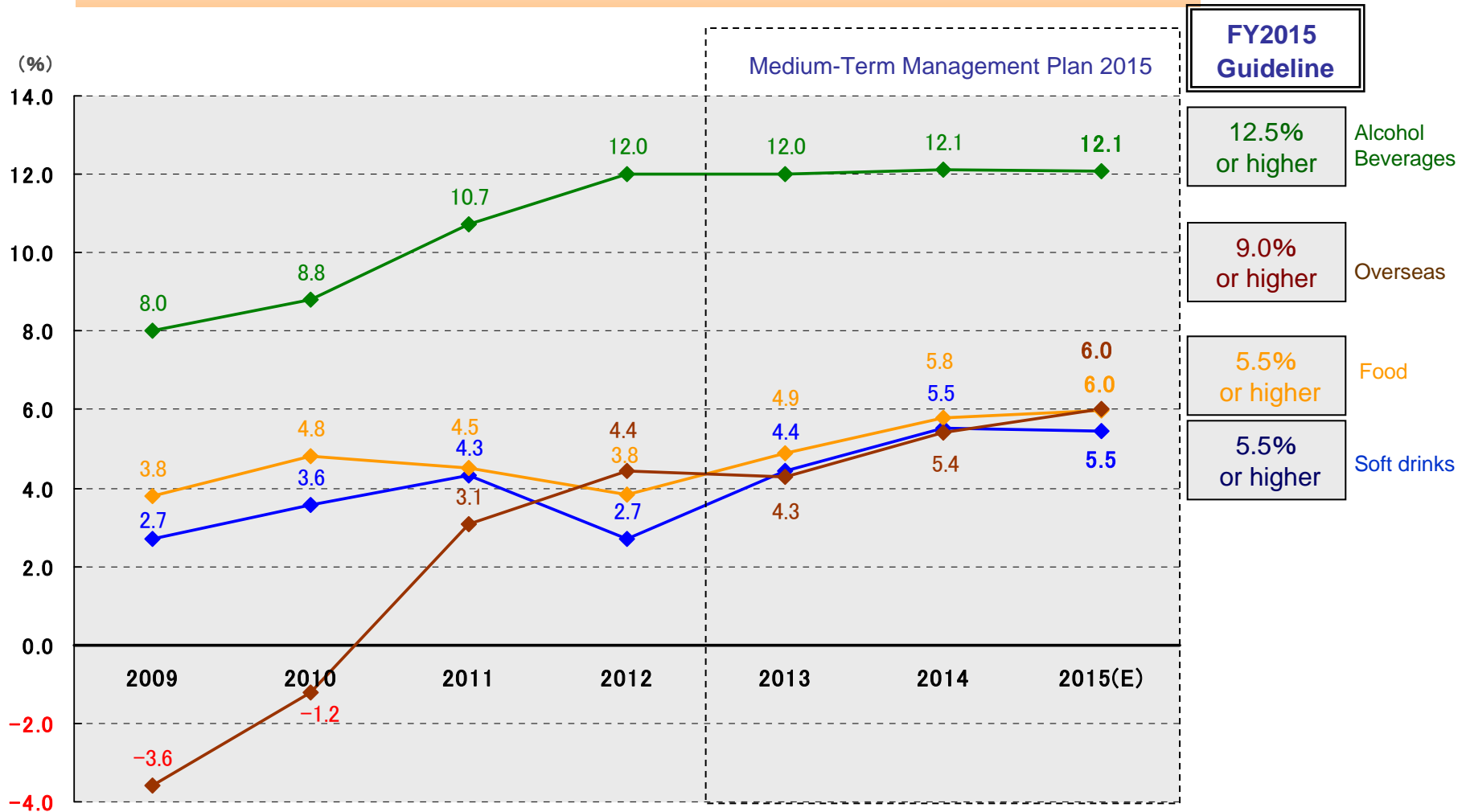
<KPIs Guideline>

	2013 Result	Achievement vis-à-vis Target	2014 Result	Achievement vis-à-vis Target	2015 Target	Achievement vis-à-vis Target	Medium-Term Management Plan 2015
Net sales	8.6%	exceeded	4.2%	met	3.6%	met	Average annual growth rate: 3% or higher
EBITDA**	7.4%	exceeded	4.7%	not met	2.7%	not met	Average annual growth rate: 6% or higher
Net income	8.0%	met	11.9%	exceeded	8.5%	met	Average annual growth rate: 7% or higher
Operating margin	6.9%	not met	7.2%	moderate	7.3%	moderate	8% or higher
Dividend payout ratio	31.7%	met	30.2%	met	29.6%	met	Target of 30%
Total return ratio	80.5%	exceeded	102.8%	exceeded	29.6%	moderate	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.



	Results and Issues of the Past Two Years	Future Direction
Alcohol Beverages	<ul style="list-style-type: none"> • Year-on-year increase sales volume in beer-type beverages for two consecutive years • Increase in sales of “Dry Zero” and whiskey • Implementation of profit structure reforms and product mix improvement • Profit margin target not achieved due to an increase in brand investment 	<ul style="list-style-type: none"> • Investment to maximize strong brand assets • Product mix improvement in anticipation of emergence from deflation • Strengthening of proposals for alcohol beverages other than beer-type beverages, such as whiskey • Continuation of profit structure reforms
Soft Drinks	<ul style="list-style-type: none"> • Market share expansion with a focus on core brands • Creation of integration synergies with Calpis • Container and channel mix improvement • Implementation of profit structure reforms 	<ul style="list-style-type: none"> • Sales expansion by strengthening and developing core brands • Product mix improvement from initiatives such as expansion of products for specified health use • Continuation of profit structure reforms, including synergy expansion • Network expansion by capital and business tie-ups
Food	<ul style="list-style-type: none"> • Increase in sales, mainly of core brands and categories • Creation of synergies with the Calpis brand • Production cost reduction and overall improvement in fixed costs efficiency 	<ul style="list-style-type: none"> • Sales expansion by reinforcing brands leverages strengths • Implementation of profit structure reforms across the entire Food Business • Selection and concentration of business and category
Overseas	<ul style="list-style-type: none"> • Structural reforms and synergy creation in Oceania businesses • Increase in profitability at businesses in China and Permanis • Expansion of the business foundation in Southeast Asia • Operating margin target not achieved 	<ul style="list-style-type: none"> • Sales growth by shifting to growing categories • Increase in profitability from synergy creation • Expansion of the growth foundation through M&As

【Trends Surrounding Japanese Companies and the Capital Markets】

- Acceleration of a trend toward promotion of ROE-focused management, such as changes in pension investment and setting of numerical targets
- Changes in management styles by the Stewardship Code and Corporate Governance Code

Implementation of management reforms in preparation for “sustained corporate value creation”

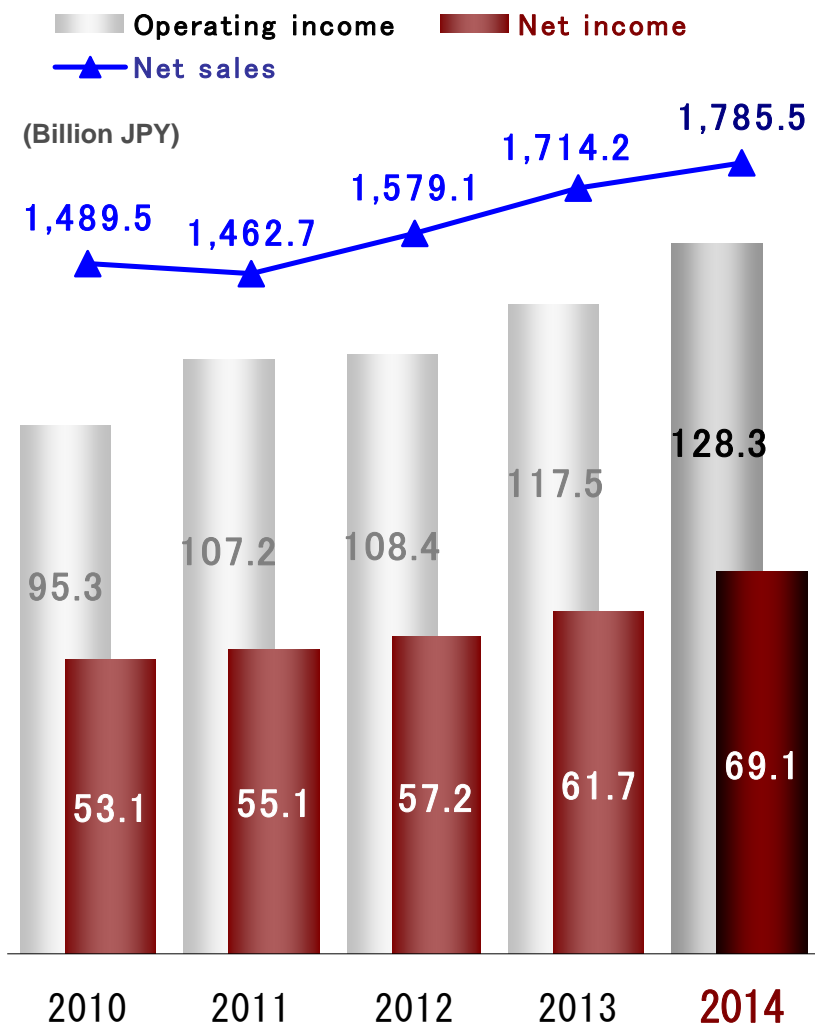
◆ Management reform with ROE as the cornerstone that achieve both strengthening of earning power and an optimal capital policy

- Seeking of sustained ROE improvement by performance indices management that emphasizes earning power and capital efficiency
- Based on the ratio of total returns to shareholders, consideration of balanced shareholder returns and the optimal capital policy

◆ Management reforms that make use of the Corporate Governance Code and IFRS introduction

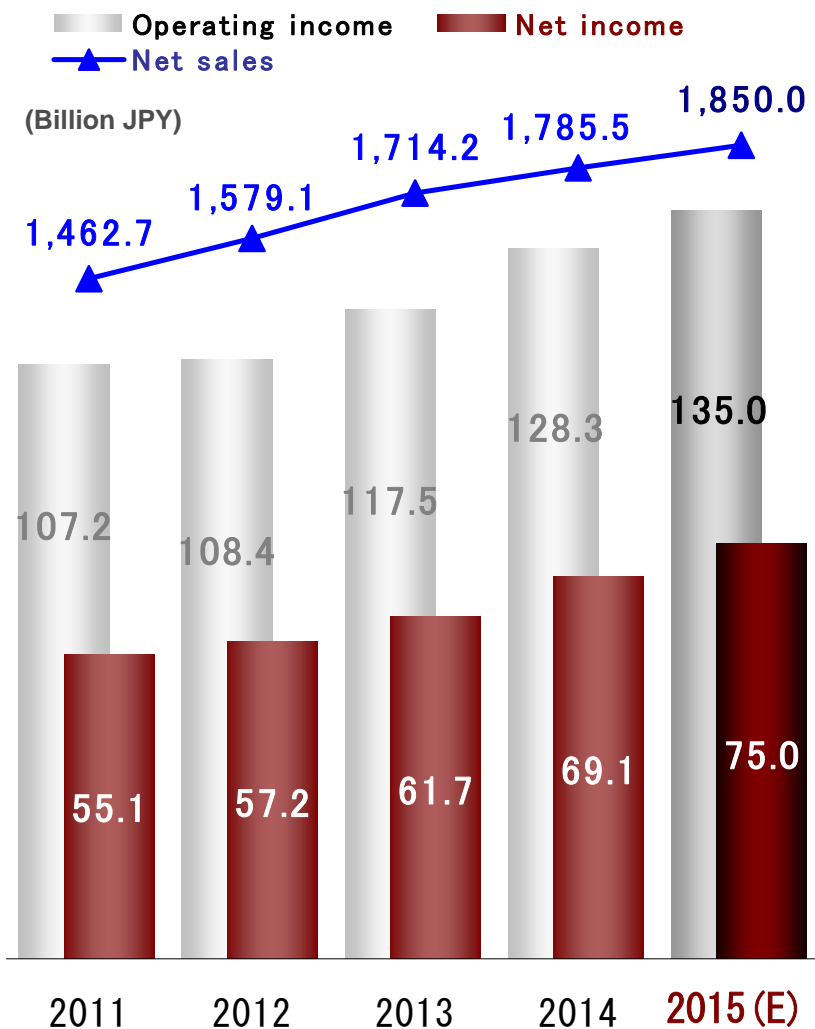
- Strengthening of management systems with corporate value enhancement as the starting point and implementation of reform utilizing global standards
- Appropriate disclosure of non-financial information, implementation of CSV management, and other initiatives to create corporate value in a broad sense
- Engagement with the capital markets utilizing the Stewardship Code and Governance Code

Achieve sales and profit increases in all businesses for a 14th consecutive year



(Billion JPY)	2014 Result	2013 Result	Inc./Dec.	YoY
Alcohol Beverages	964.6	948.6	16.1	1.7%
Soft Drinks	476.6	466.2	10.3	2.2%
Food	112.0	108.2	3.8	3.5%
Overseas	234.7	192.9	41.8	21.7%
Other & Adjustment	-2.4	-1.6	-0.8	-
Net Sales	1785.5	1714.2	71.2	4.2%
Alcohol Beverages	117.0	113.7	3.2	2.8%
Soft Drinks	26.4	20.7	5.7	27.8%
Food	6.5	5.3	1.2	22.7%
Overseas	12.7	8.3	4.4	53.1%
Other & Adjustment	-14.8	-12.1	-2.7	-
Amortization of goodwill etc.	-19.5	-18.4	-1.0	-
Operating Income	128.3	117.5	10.8	9.2%
Equity method income	8.0	8.8	-0.8	-9.0%
Ordinary Income	133.2	123.6	9.6	7.7%
Extraordinary profit (loss)	-4.0	-13.1	9.1	-
Net Income	69.1	61.7	7.4	11.9%

Aim for sales and profit increases in all businesses to achieve the KPIs in the last year of the medium-term management plan.



(Billion JPY)	2015 Target	2014 Result	Inc./Dec.	YoY
Alcohol Beverages	977.6	964.6	13.0	1.3%
Soft Drinks	490.5	476.6	14.0	2.9%
Food	114.5	112.0	2.5	2.2%
Overseas	266.2	234.7	31.5	13.4%
Other & Adjustment	1.2	-2.4	3.6	-
Net Sales	1850.0	1785.5	64.5	3.6%
Alcohol Beverages	118.1	117.0	1.2	1.0%
Soft Drinks	26.8	26.4	0.4	1.6%
Food	6.9	6.5	0.4	5.8%
Overseas	16.0	12.7	3.3	26.2%
Other & Adjustment	-17.3	-14.8	-2.5	-
Amortization of goodwill etc.	-15.6	-19.5	3.9	-
Operating Income	135.0	128.3	6.7	5.2%
Equity method income	10.0	8.0	1.9	24.0%
Ordinary Income	139.0	133.2	5.8	4.4%
Extraordinary profit (loss)	-15.0	-4.0	-11.0	-
Net Income	75.0	69.1	5.9	8.5%

(Billion JPY)	2014 Result				2015 Target		
		YoY Change (Amount/%)		Against Target		YoY Change (Amount/%)	
Net Sales	964.6	16.1	1.7%	100.6%	977.6	13.0	1.3%
Operating Income	117.0	3.2	2.8%	100.3%	118.1	1.2	1.0%

2014 Overview

◆ Achievement of sales and profit increases in line with targets by initiatives designed to create new markets by leveraging brand assets

- Year-on-year increase in beer-type beverages total sales volume for two consecutive years as a result of reinforcement of core brands and full-scale expansion of “Dry Premium”
- Achievement of a sales increase for alcohol beverages overall as a result growth from the domestic whiskeys “Black Nikka” and ” Taketsuru” and wine, the impact of the renewal of “Dry Zero”
- Achievement of a profit increase by product mix improvement and overall improvement in fixed costs efficiency, despite an increase in advertising and promotional expenses for brand reinforcement

2015 Strategy

◆ Aim to be the most powerful partner company through alcohol beverages proposals involving brand value enhancement and new value creation

- Strengthen the product portfolio by leveraging “Super Dry”, “Clear Asahi”, and other strong brand assets.
- Put forward new value proposals, such as buzz creation with the aim of creating “koto” consumption (consumption based on intangible values) and stimulating consumption, and cooperate with sales channel partners.
- Continue brand investment in anticipation of emergence from deflation and tax structure revision and implement profit structure reforms

Beer-type Sales Results and Full Year Target

◆ Sales Result and Target by Brands

Million cases	2014 Result			2015 Target			
		YoY Change (Amount/%)	Against Target		YoY Change (Amount/%)		
Super Dry Total	106.11	-0.16	-0.2%	—	107.00	0.89	0.8%
Beer Total	108.26	-0.62	-0.6%	98.9%	108.40	0.14	0.1%
Style Free	12.04	-0.35	-2.8%	—	15.70	3.66	30.4%
Happoshu Total	16.10	0.52	3.4%	107.3%	16.00	-0.10	-0.6%
Clear Asahi Total	28.64	0.43	1.5%	—	32.20	3.56	12.4%
Asahi Off	6.50	-0.75	-10.3%	—	6.50	0.00	0.0%
New genre Total	38.85	0.10	0.3%	99.6%	39.00	0.15	0.4%
Total	163.21	0.00	0.0%	99.8%	163.40	0.19	0.1%

<Market Outlook>

	2014 Result	2015 Forecast
Beer	-1 ~ -2%	-1 ~ -2%
Happoshu	+4 ~ +5%	0 ~ -1%
New genre	-4 ~ -5%	-1 ~ -2%
Total	-1 ~ -2%	-1 ~ -2%



“Asahi Super Dry” Brand Strategy



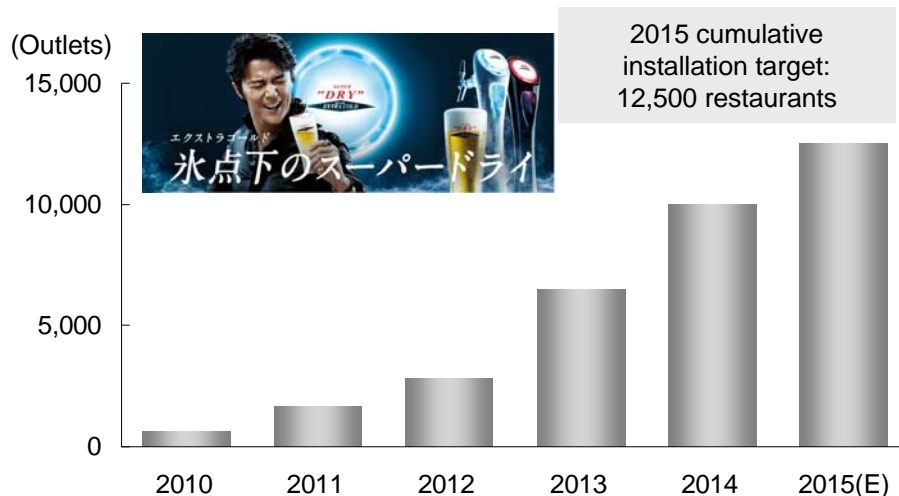
◆ “Super Dry” Product Strategy

New value proposals that leverage brand power
Creation of “koto” consumption

Special Package
February 2015

Extra Sharp
March 2015

<Expansion of Extra Cold (Cumulative Number of Restaurants)>



◆ “Dry Premium” Product Strategy

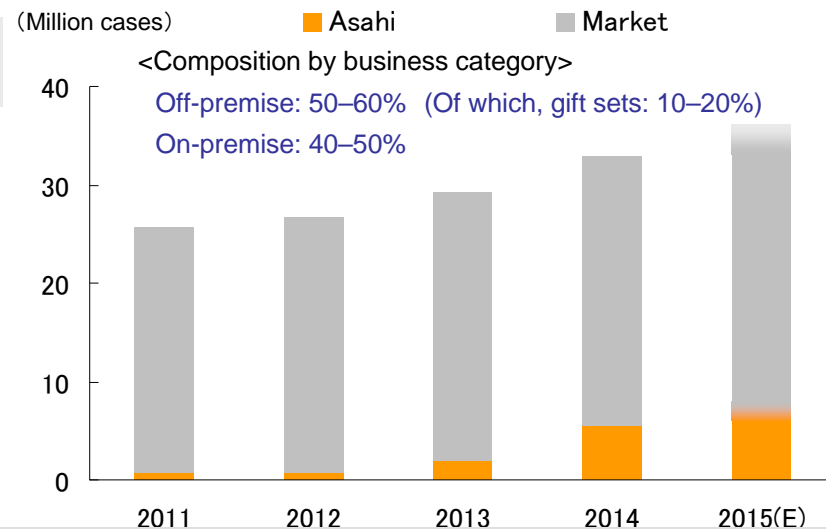
Responding to diversifying and multi-valued needs

Kaori no Kohaku
2014 year-end gift product

Hatsu Shikomi Premium
Dec. 2014

Iritate Koku no Premium
February 2015

<Trend in the Premium Beer Market>



◆ Expansion of “Clear Asahi” Brand Appeal



Clear Asahi Clear Asahi
Prime Rich

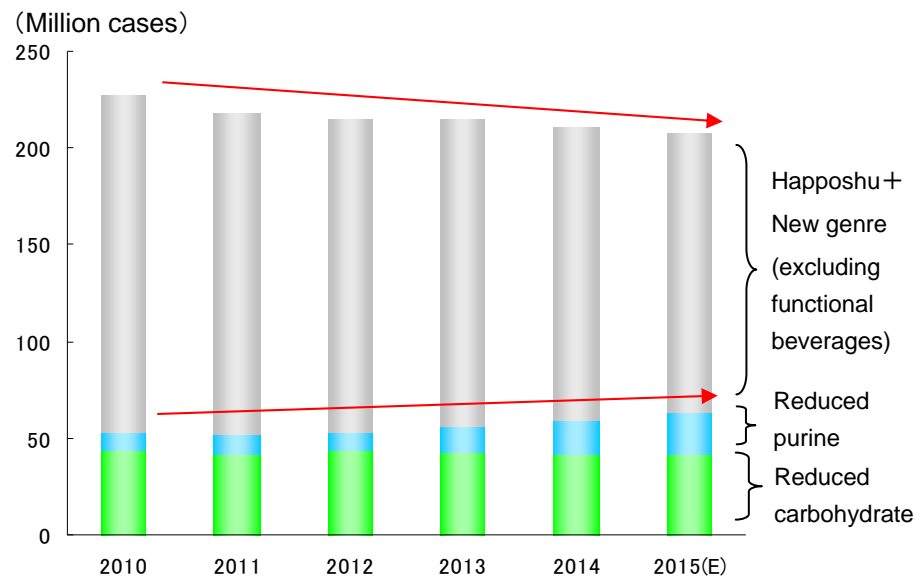
<2015 Initiatives>

- Further increase in quality through quality improvements
- Sales promotions synchronized with annual events

◆ Expansion of Presence in the Functional Beverages Category Market

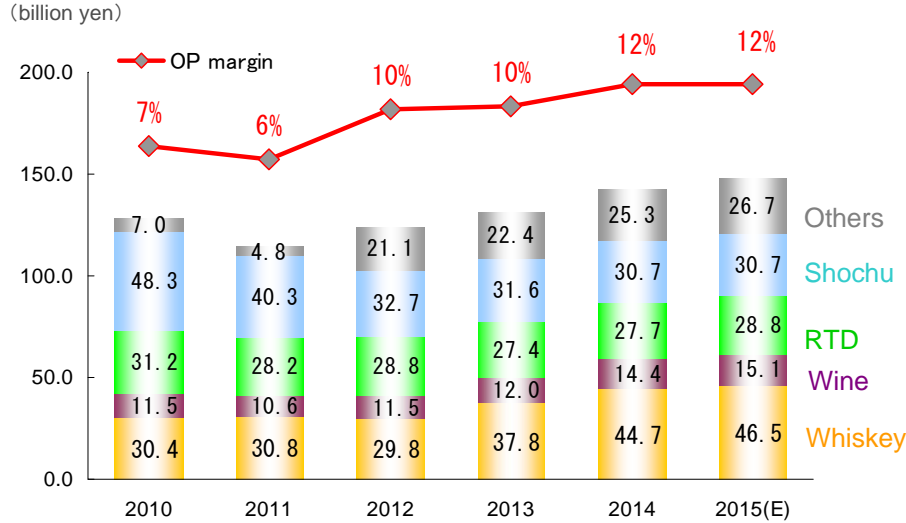
	Happoshu	New Genre
Carbohydrates	<p>ORIGINAL BEER SHING TASTE 糖質0^{ゼロ} Style Free</p> <p>Sales target: 11.7 million cases</p>	<p>CLEAR ASAHI 糖質0^{ゼロ} Alc.6% Clear Asahi Carbohydrate Zero</p> <p>Sales target: 5.0 million cases Mar. 17 launch</p>
Carbohydrates Purine bodies	<p>ORIGINAL BEER SHING TASTE 糖質0^{ゼロ} プリン体0^{ゼロ} Style Free 【Purine bodies Zero】</p> <p>Sales target: 4.0 million cases Apr. 14 launch</p>	<p>Asahi Off プリン体削減 85%・70% Asahi Off</p> <p>Sales target: 6.5 million cases</p>

<Functional beverages category market trend>

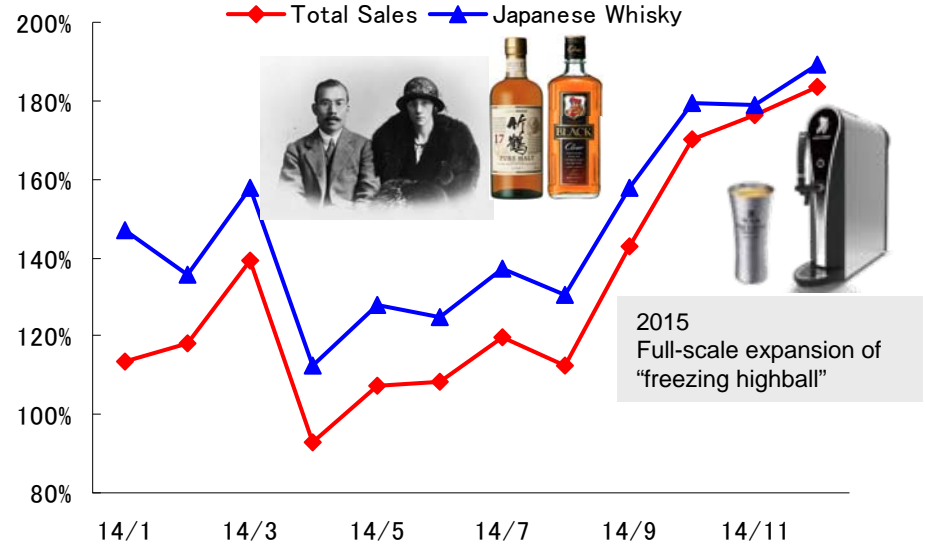


Other Alcohol Beverages and “Dry Zero” Overview

◆ 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 mil. cases (+16% yoy)
 2015 target: 6.80 mil. cases (+8% yoy)



Dry Zero



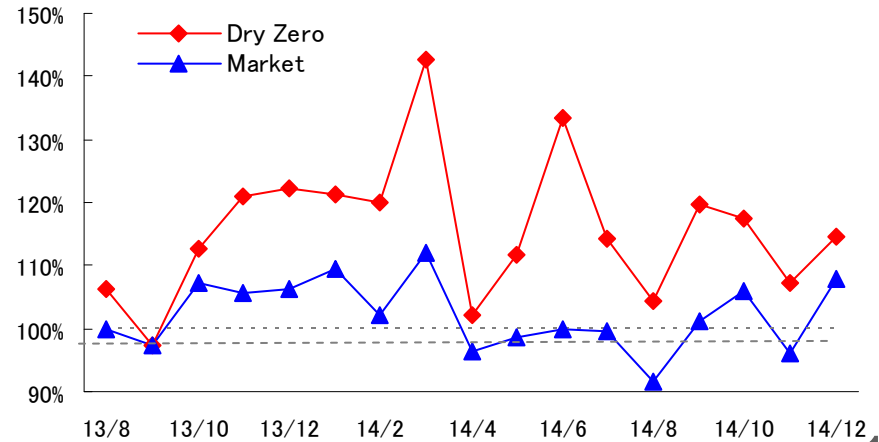
Dry Zero Black



Dry Zero Free **Mar. 3 launch**

Sales target: : 0.9 million cases

<YoY change in sales volume>



(Billion JPY)	2014 Result			2015 Target			
		YoY Change (Amount/%)	Against Target		YoY Change (Amount/%)		
Asahi Soft Drinks	431.2	65.4	17.9%	98.9%	440.0	8.8	2.0%
Calpis	25.8	-64.2	-71.3%	94.3%	29.8	4.0	15.5%
LB	22.6	0.3	1.3%	96.2%	23.2	0.6	2.6%
Net Sales	476.6	10.3	2.2%	98.3%	490.5	14.0	2.9%
Asahi Soft Drinks	23.5	8.5	56.5%	104.5%	24.7	1.2	0.5%
Calpis	2.2	-3.1	-59.0%	105.5%	1.4	-0.8	-3.6%
LB	0.5	0.1	28.2%	88.9%	0.7	0.3	6.2%
Operating Income	26.4	5.7	27.8%	105.4%	26.8	0.4	0.2%

*Since only major businesses are shown, totals may differ from the sum of individual amounts

2014 Overview

◆ Sales increase resulting from brand power reinforcement focused on mainstay products and a substantial profit increase from profit structure reform

- Achievement of growth exceeding the industry average (-2%) and growth for a 12th consecutive year through a well-balanced marketing strategy centered on core brands
- Achievement of a profit increase of 27.8% through product mix improvement and strengthening of overall cost control, such as production cost reduction
- Marketing integration with Calpis and creation of group synergies centered on the distribution and procurement sections

2015 Strategy

◆ Sales growth focused on brand reinforcement and establishment of a robust profit structure through profit structure reforms

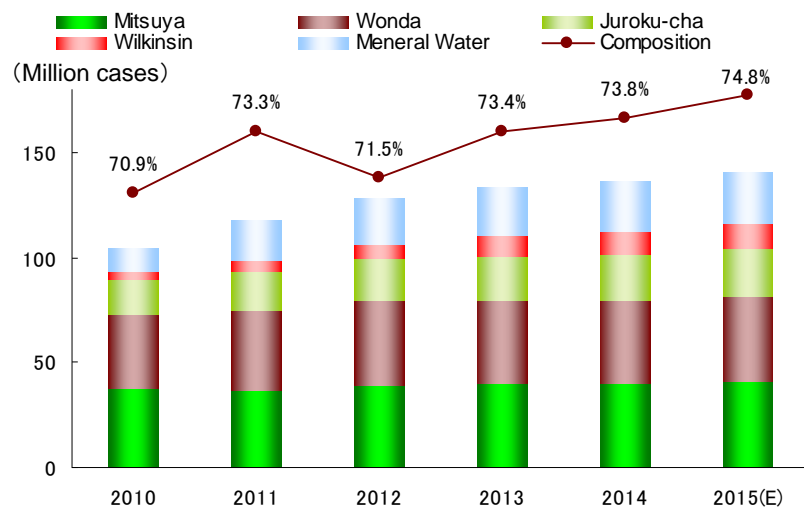
- Aim for growth for a 13th consecutive year by means including a marketing strategy focused on six core brands and new value innovation proposals.
- Implement mix improvement with a focus on containers and high-value-added products and continue profit structure reforms centered on productivity improvement.
- Expand collaborative synergies in SCM overall, including production as well as procurement and distribution

◆ Sales Result and Target by Brands and Category

(Million cases)	2014 Result		
		YoY Change (Amount/%)	Against Target
Carbonated Drinks Total	55.02	0.78 1.4%	96.2%
Fruit Juice Total	16.12	-0.06 -0.3%	99.7%
Coffee Total	39.49	-0.28 -0.7%	98.2%
RTD Tea Total	38.03	0.48 1.3%	99.3%
Functional Drinks Total	9.17	0.13 1.4%	97.2%
Mineral Water Total	23.66	0.58 2.5%	99.3%
Calpis Total	47.57	24.18 103.4%	96.7%
Sale of other company's products	6.63	1.36 25.9%	117.5%
Total	235.69	27.19 13.0%	98.2%

2015 Target		
	YoY Change (Amount/%)	
	1.28	2.3%
	0.01	0.1%
	0.71	1.8%
	0.81	2.1%
	0.03	0.3%
	0.54	2.3%
	0.53	1.1%
	0.40	6.1%
	4.31	1.8%

<Change in Composition of Five Core Brands>



*Excluding purchased products and Calpis

<Sales composition of PET bottle size>

	2014 Result	YoY Change (Amount/%)
Small	47.0%	0.9%
Large	53.0%	△ 0.9%

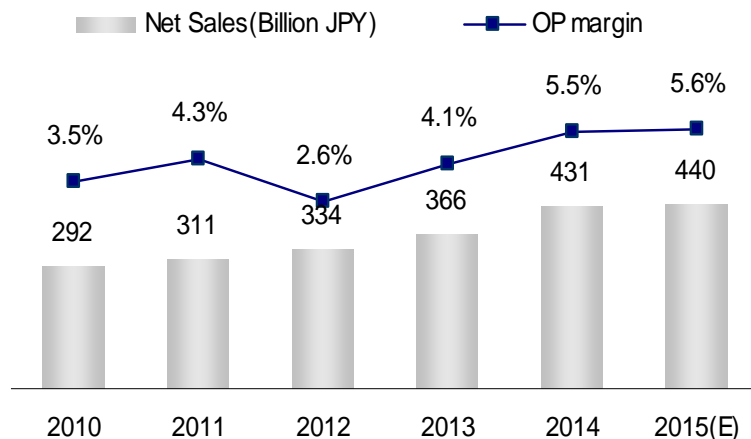
<Sales Volume for specified health use>

10,000 cases	2014 result	YoY change
Mitsuya PLUS	99	33%
Juroku-cha W	180	-



※Wilkinson: Growth into a seventh brand with sales exceeding 10 million cases

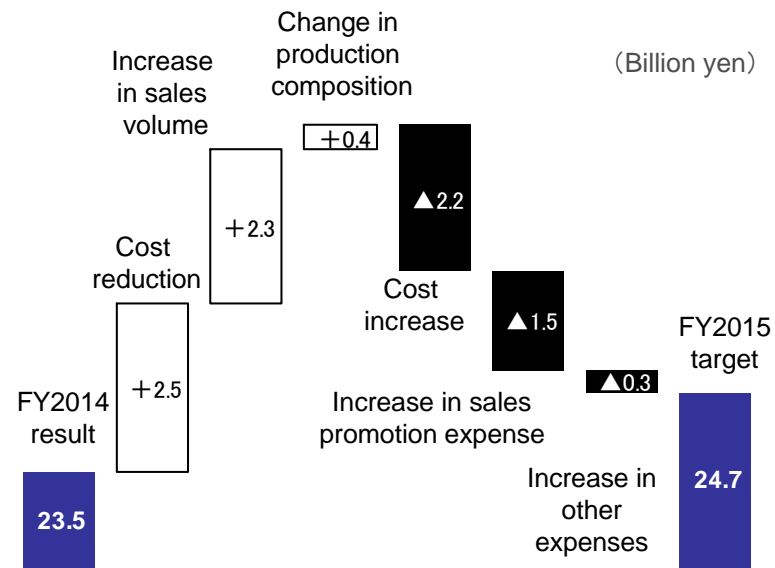
◆ Sales and Operating Margin Performance



◆ Cost Synergy Creation Targets with Calpis

Billion yen	2013 Result	2014 Result	2014 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~

◆ 2015 Full-Year Forecast of Factors Causing Increase/Decrease in Profit and Key Initiatives



- Absorption of cost increases resulting from currency exchange and the impact of market conditions by means including improvement in capacity utilization and designed procurement
- Synergy creation through the start-up of a new production line at the Calpis Okayama Plant
- Container mix improvement and strengthening of promotional expenses control
- Overall improvement in fixed costs efficiency, including improvement in vending machine cost efficiency

(Billion JPY)	2014 Result				2015 Target		
		YoY Change (Amount/%)	Against Target		YoY Change (Amount/%)		
Asahi Food and Healthcare	57.5	2.5	4.6%	103.1%	57.5	0.0	0.0%
Wakodo	37.1	0.4	1.0%	99.8%	38.1	0.9	2.5%
Amano Food	22.1	1.9	9.2%	106.2%	22.6	0.5	2.2%
Net Sales	112.0	3.8	3.5%	102.2%	114.5	2.5	2.2%
Asahi Food and Healthcare	3.7	0.8	25.6%	117.3%	3.7	0.0	0.4%
Wakodo	1.9	0.2	10.9%	113.0%	2.0	0.0	1.5%
Amano Food	1.0	0.5	89.3%	101.2%	1.2	0.1	13.5%
Operating Income	6.5	1.2	22.7%	111.3%	6.9	0.4	5.8%

*Since only major companies are shown, totals may differ from the sum of individual amounts

2014 Overview

◆ Over-performance of sales and profit targets in the business overall as a result of reinforcement of core brands and implementation of cost reductions

- Achievement of targets at Asahi F&H thanks to the launch of Mintia brand derivative products and production cost reduction, among other factors
- Achievement of the profit target at Wakodo due to factors including product mix improvement from the launch of value-added products and improvement in fixed costs efficiency
- Achievement of targets at Amano Jitsugyo from factors such as offering products adapted to diversifying consumer needs and improvement in production process efficiency

2015 Strategy

◆ Aim for increases in sales and profit by means including focus on core businesses and product strategies that leverage core brands

- Asahi F&H seek steady growth from product line expansion for core brands and pursue production cost efficiency improvement.
- Wakodo seek profit improvement from a strategy that leverages its No. 1 share in baby foods in Japan and category mix improvement
- Amano Jitsugyo strengthen its proposal capabilities to meet the needs of each sales channel and pursue cost reduction focused on raw materials costs.

(Billion JPY)	2014 Result				2015 Target		
		YoY Change (amount/%)	Against Target		YoY Change (amount/%)		
Oceania Business	163.5	10.9	7.1%	101.7%	170.8	7.3	4.5%
Southeast Asia	50.8	27.0	113.2%	98.9%	74.6	23.8	47.0%
Chinese Business	18.5	3.8	25.5%	102.9%	18.8	0.3	1.8%
Net Sales	234.7	41.8	21.7%	101.2%	266.2	31.5	13.4%
Oceania Business	10.3	3.2	45.1%	111.7%	11.6	1.3	12.6%
Southeast Asia	1.6	1.0	166.1%	90.7%	3.8	2.1	132.5%
Chinese Business	1.0	0.3	49.3%	89.1%	0.6	- 0.3	- 33.8%
Operating Income	12.7	4.4	53.1%	105.7%	16.0	3.3	26.2%

*Since only major businesses are shown, totals may differ from the sum of individual amounts

2014 Overview

◆ Total overseas business achieved both sales and profit target through driving earnings structure reform in Oceania and China

- Oceania over delivered against target mainly driven by business transformation initiatives increasing its focus on growing category and integration synergy
- China achieved growth in both sales and profit through domestic and international sales of “Super Dry” and expansion of OEM partnership of Tsingtao brand
- South East Asia expanded its business portfolio through successful acquisition of the dairy business of Etika while strengthening the brand power of existing portfolio

2015 Strategy

◆ Establish a solid business base that generate stable growth in Oceania and establish a growth structure in China and South East Asia

- In Oceania, increase market presence of the growing category and reinforce its profit base through business integration synergy
- In China, increase sales volume through expanding “Super Dry” distribution and continue to support its equity method affiliates
- In South East Asia, reinforce its growth platform through strengthening brand power of existing brands and establishing competitive earnings structure

◆ Oceania Business – 2014 Results & Plan (based on local currency: AUD)

(Million AUD)	2014 Result			2015 Target		
		YoY Change (amount/%)	Against Target		YoY Change (amount/%)	
Net Sales	1,714	96 / 6.0%	100.8%	1,798	84 / 4.9%	
Operating Income	108	33 / 43.5%	110.6%	122	14 / 13.0%	

<2014 Overview>

- Over delivered against both sales and profit target, mainly driven by growing category in Non-Alcohol Beverages Business and Australian Alcohol Beverages Business which off-set the unfavorable performance of New Zealand Alcohol Beverages Business
- Improved the earnings structure by driving SCM integration/enhancement and Australian business integration activities, as result over delivered against the synergy plan

<2015 Strategy>

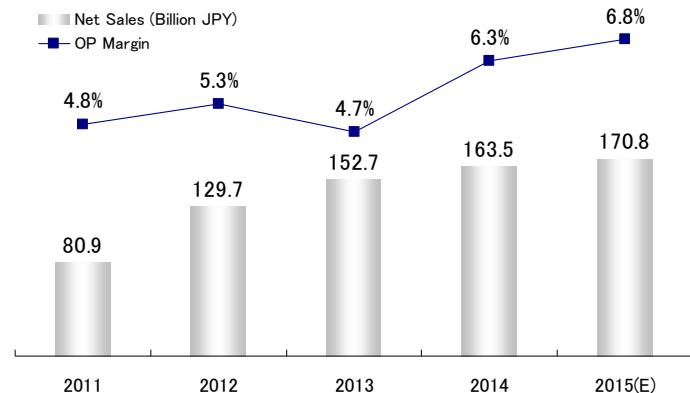
- Increase market presence by continuing to invest in growing category and core brands
- Establish a stable earnings structure by 1) supply chain enhancement to improve manufacturing productivity 2) integrating the Australian & New Zealand Business

<Integration Synergy Benefit – Sales Result & Plan>

(Billion JPY)	2014 Result	2015 Plan	2013-15 Total (E)	2013-2015 Target (Accumulated)
Integration Synergy	3.5	2.1	7.7	Over 6.0



<Oceania Business – Net Sales & Operating Income (JPY)>



◆ Australian Business <2014 Overview & 2015 Strategy>

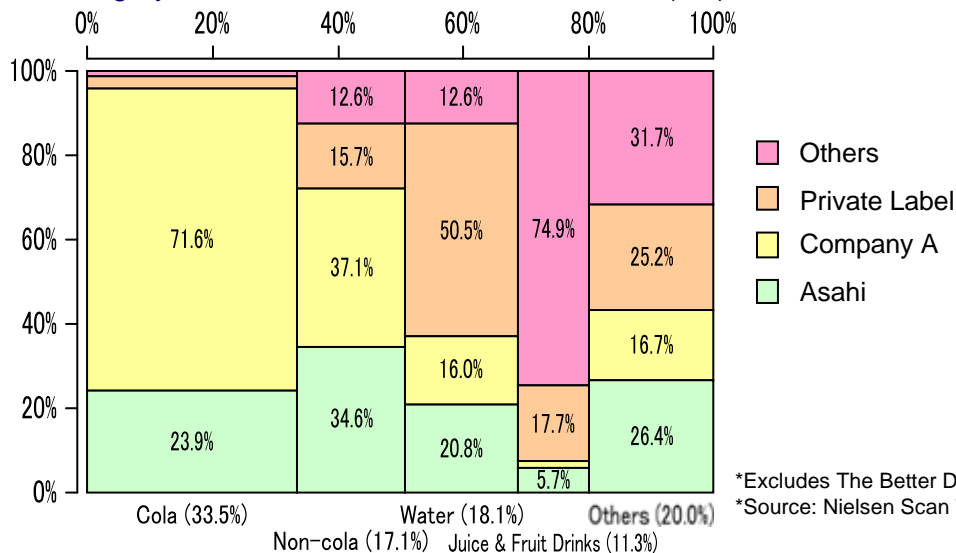
Non-Alcohol Beverages Business

- Cola was impacted by negative market trends but this was mitigated by growth in water and non-cola, leading to overall profit growth
- Successfully delivered sales and profit target through improved product mix and synergy benefits flowing in from SCM integration and indirect cost reduction activities
 - Drive sales in growing category (water & non-cola) focusing on offers that capture and reflect the market trend (i.e. flavored mineral water, less-sugar offers)
 - Mitigate cola decline through 1) brand strategy that strikes a balance between sales and profit 2) driving sales in non-grocery channel

Alcohol Beverages Business

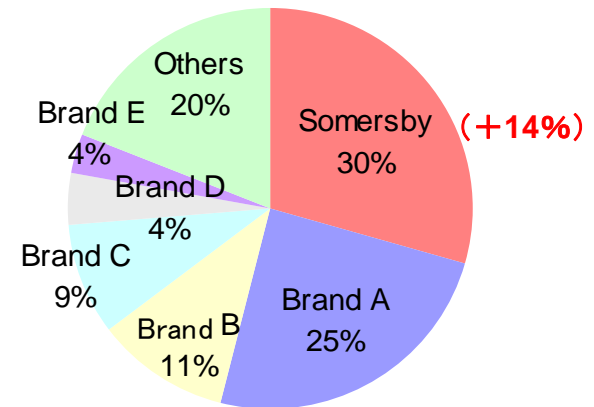
- Growing category (cider and imported premium beer) grew significantly ahead of market, driven by strong performance from “Somersby” and “Super Dry”
- Despite the declining market trend, RTD over delivered against both sales and profit target, mainly driven by improvement in “Cruiser” performance (core RTD brand)
 - Continue to increase market presence of growing category through increased marketing activities including TVC advertisements
 - Maintain RTD growth focusing on core brands “Cruiser” and “Woodstock”. Drive growth in craft beer

<Non-Alcohol Beverages: Category Share & Market Share Jan-Dec 2014 (Vol)>



*Excludes The Better Drinks Company
*Source: Nielsen Scan Track

<Cider: Volume Market Share by Brand Jan-Dec 2014 (Vol)>



*Figures in parenthesis = market share changes vs 2013
*Source: Aztec Total Liquor Report

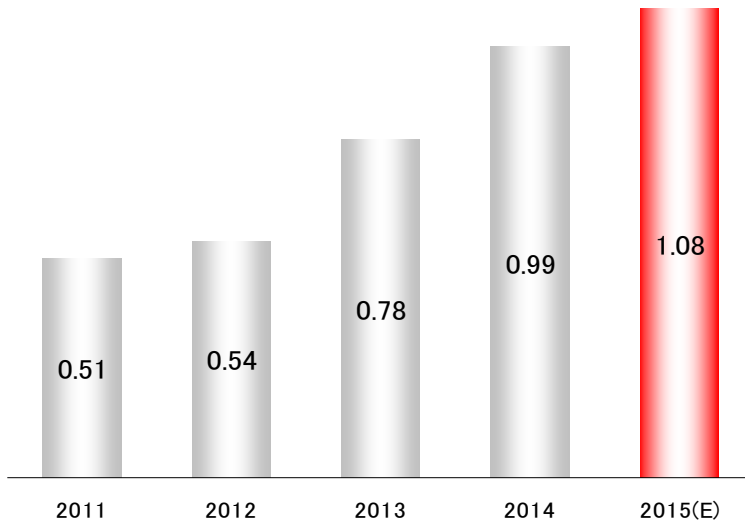
◆ New Zealand Alcohol Beverages Business

<2014 Overview & 2015 Strategy>

- Finished behind target mainly due to decline of core RTD brands which suffered negative impact from the market
- Following its integration with the Australian business, the business revisited its brand strategy and governance structure around its sales force in order to stabilize the base business to start generating mid-term growth
 - Stabilize the growth platform by driving brand strategy that focuses on core 6 brands selected from RTD and growing category (cider, imported premium beer, craft beer)
 - Roll out marketing activities that were successful in Australia to elevate the brand positioning within New Zealand

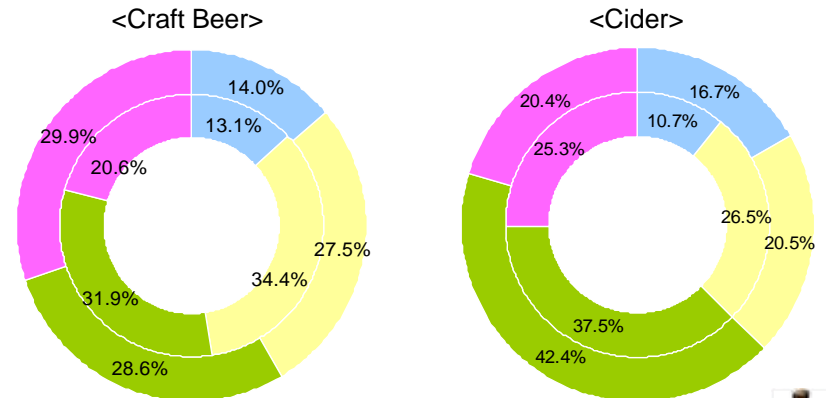
<Oceania Business: Sales Result & Plan of “Super Dry”>

(million cases, 12.66 liter equivalent)



<NZ Alcohol Beverages: Market Share of Growing Category>

■ Asahi ■ Company A ■ Company B ■ Others



*MAT Share from Dec '13 – Nov '14
 *Outer:2014, inner:2013
 *Source: AC Nielsen, Aztec



◆ Permanis



- Achievement of sales and profit targets thanks to factors including above-target sales of core carbonated soft drinks and “Wonda”
- Profitability increased by means including raw materials cost reduction and curbing of distribution costs through a review of delivery routes
 - ⇒ Expand market presence and profitable growth through marketing investment focused on four core brands.
 - ⇒ Aim to increase profitability by means including improvement in raw materials procurement cost efficiency and SCM optimization initiatives



◆ Etika



- Pursuit of business scale expansion, focusing on the condensed milk business and fresh milk business as well as the overseas business
- Development of a post-acquisition governance structure to strengthen the business base in preparation for sustained growth
 - ⇒ Establish a growth foundation by means including condensed milk brand reinforcement and increasing product availability in the fresh milk and overseas business.
 - ⇒ Increase profitability through container productivity improvement and weight reduction as well as strengthening of cost control, including control of fixed costs.



◆ Indofood



- Expansion of the business foundation from expansion and upgrading of the house brand portfolio and increased availability of the bottled water and Pepsi brands
- Sales and profit below targets as a result of factors including an increase in production outsourcing costs as a result of a delay in the start-up of the company's own plant
 - ⇒ Expand market presence by means including expansion of product availability through strengthening of the sales function and portfolio upgrading and expansion.
 - ⇒ Boost cost competitiveness by means including fixed cost reduction as a result of the start-up of the company's own factory and raw materials procurement cost reduction.



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

Million yuan	2014 Result			2015 Target		
		YoY Change (Amount/%)	Against Plan		YoY Change (Amount/%)	
Net sales	1,077	151 / 16.3%	98.9%	1,047	-30 / -2.8%	
Operating income	56	15 / 38.3%	85.6%	35	-21 / -36.9%	

<2014 Overview and 2015 Strategy>

- Expansion of the Asahi brand's presence in all sales channels and achievement of profitability at Beijing Beer, which implemented overall cost efficiency improvements
 - ⇒ Although a decrease in contract production volume at Yantai Beer is forecast, pursue expansion of the Asahi brand and pursue overall cost efficiency improvements.

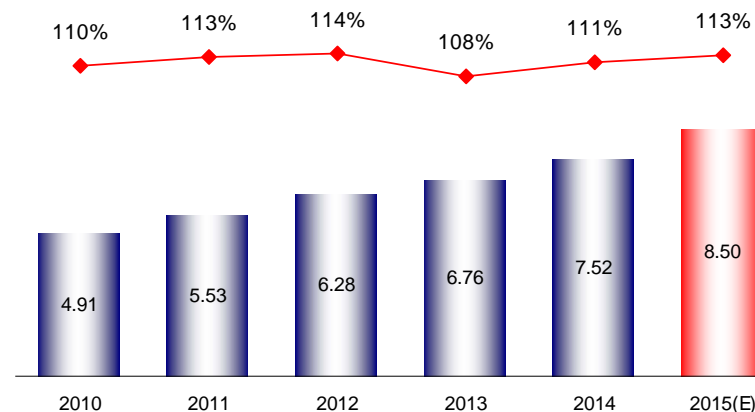
◆ Global Expansion of “Super Dry”

<2014 Overview and 2015 Strategy>

- Overall expansion of 111% 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)
 - ⇒ Strengthen the sales network, focusing on Asia and Oceania (including the key countries) and expand market presence by mean including setting up a Super Dry brand management team

<Change in Asahi Brand Overseas Sales Volume>

(million cases, 12.66 liter equivalent)



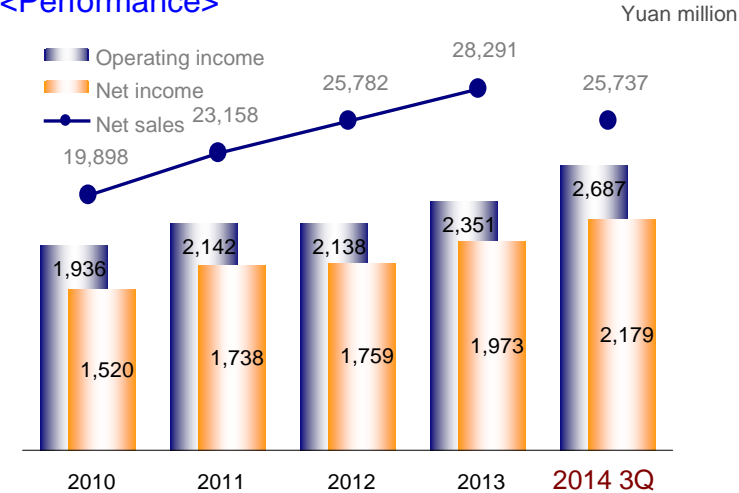
◆ Tsingtao Brewery



<Overview and Future Strategy (Jan. to Sep.)>

- 6% sales increase by means including reinforcement of the core Tsingtao and Laoshan brands
- 1% net profit increase thanks to materials-related cost reductions, despite the repercussions of special factors last year
 - ⇒ Aim for growth above the market average from a growth strategy focused on the core Tsingtao and Laoshan brands.
 - ⇒ Realize long-term stable growth with an emphasis on maintaining balance between sales volume and profit.

<Performance>



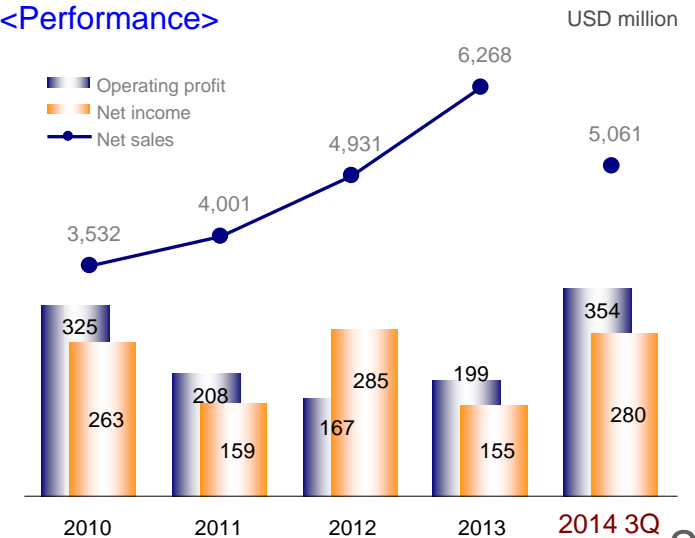
◆ Tingyi-Asahi Beverages Holding



<Overview and Future Strategy (Jan. to Sep.)>

- 6% sales decrease due to bad summer weather, despite strong performance from the core tea category and a gradual recovery trend in the Pepsi business
- 8% net profit increase thanks to synergy creation from cooperative procurement of raw materials and marketing materials and control of advertising and promotional expenses, although sales decreased
 - ⇒ Boost growth in the tea and bottled water categories and strengthen sales of growth categories
 - ⇒ Strengthen Tingyi-Asahi's competitive advantage and further expand of synergies with Pepsi.

<Performance>



Reference Information

◆ 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	2.5	<ul style="list-style-type: none"> Reduction in depreciation through optimization of capital investments Greater production efficiency 		14.1	10 or higher
Soft Drinks	5.3	5.4	3.9	<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 		14.6	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	2.1	<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 		7.7	6 or higher
Consolidated total	15.5	15.1	9.4			40.0	30 or higher

◆ Advertising and Promotion Expenses in Alcohol Business

Billion yen	2010	2011	2012	2013	2014	YoY	2015 Target	YoY
Sales promotion expenses	66.5	62.5	59.9	62.2	69.4	7.2	70.0	0.6
Advertising expenses	30.7	26.0	27.2	29.0	28.9	-0.1	29.8	0.9
Total	97.2	88.5	87.1	91.2	98.3	7.1	99.8	1.5
Breakdown by category								
Beer	51.1	47.6	48.9	51.9	57.8	5.9	58.6	0.8
Happoshu	3.4	3.0	2.5	2.4	3.2	0.7	3.1	-0.1
New Genre	17.5	16.2	13.9	15.0	15.5	0.4	15.2	-0.3
Beer Total	72.0	66.8	65.3	69.3	76.4	7.1	76.9	0.5
Other than Beer-type	25.2	21.7	21.8	21.9	21.9	-	22.9	1.0



◆ Tsingtao Brewery Performance Overview

Million yuan	2012 4Q		2013 1Q		2013 2Q(※)		2013 3Q		fetching term	
	Result	YoY	Result	YoY	Result	YoY	Result	YoY	Result	YoY
Net sales	3,986	0.0%	6,312	12.7%	8,659	10.9%	9,221	9.9%	28,179	9.3%
Operating income	△ 58	-	648	14.3%	997	32.4%	953	8.7%	2,540	17.9%
Net income	76	3.3%	488	8.3%	907	62.9%	770	14.0%	2,241	27.6%

※: Including special factors in connection with strategic alliances (390 million yuan)

Million yuan	2013 4Q		2014 1Q		2014 2Q		2014 3Q		fetching term	
	Result	YoY	Result	YoY	Result	YoY	Result	YoY	Result	YoY
Net sales	4,098	2.8%	7,408	17.4%	9,550	10.3%	8,778	△ 4.8%	29,835	5.9%
Operating income	△ 247	-	655	1.0%	1,025	2.8%	1,008	5.8%	2,440	△ 3.9%
Net income	△ 192	-	586	20.0%	819	△ 9.7%	775	0.6%	1,988	△ 11.3%

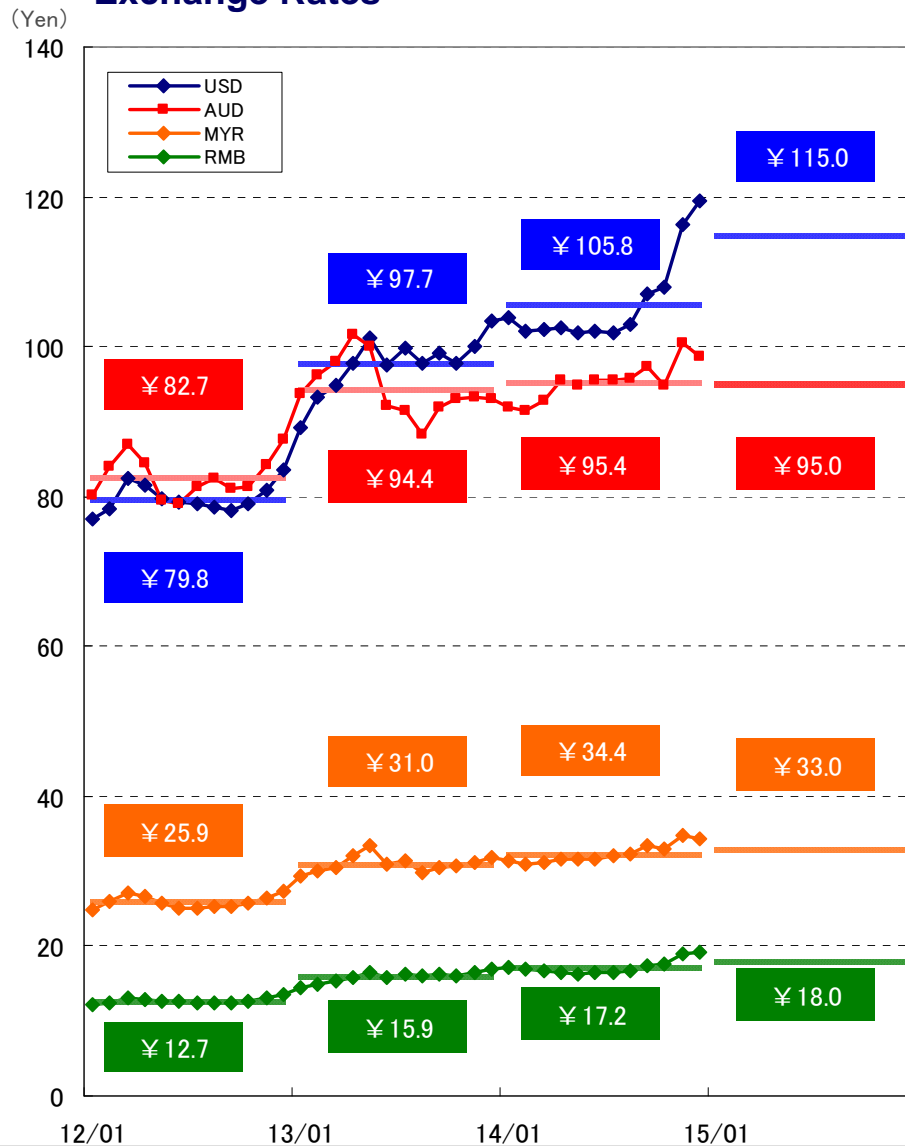
◆ Tingyi (Cayman Islands) Holding Corporation <Soft Drinks Segment> Performance Overview



Million USD	2012 4Q		2013 1Q		2013 2Q		2013 3Q		fetching term	
	Result	YoY	Result	YoY	Result	YoY	Result	YoY	Result	YoY
Net sales	604	35.6%	1,462	78.9%	1,787	5.9%	2,160	18.5%	6,014	39.0%
Operating income	△ 89	-	46	39.7%	81	△ 10.9%	198	50.8%	236	△ 7.5%
Net income	△ 87	-	21	△ 89.7%	66	9.8%	172	65.9%	172	△ 53.6%

Million USD	2013 4Q		2014 1Q		2014 2Q		2014 3Q		fetching term	
	Result	YoY	Result	YoY	Result	YoY	Result	YoY	Result	YoY
Net sales	858	42.0%	1,554	6.3%	1,778	△ 0.5%	1,729	△ 19.9%	5,919	△ 1.6%
Operating income	△ 127	-	115	150.2%	136	68.1%	102	△ 48.3%	227	△ 3.9%
Net income	△ 105	-	84	288.9%	113	71.9%	83	△ 52.0%	175	1.5%

◆ Key Currencies and the Company's Average Exchange Rates



◆ Impact of Exchange Rates on P&L

(Billion Yen)

Business	Currency	2014 Result	2015 Target	Remarks
Oceania business	AUD	1.7	-0.7	
Southeast Asia business	-	1.4	1.9	
Chinese business	RMB	0.9	0.9	
Others	-	0.3	0.5	Principally Calpico(Oversea)
Net Sales		4.3	2.6	
Alcohol business	USD, EUR	-1.4	-1.2	Principally raw materials and stock on hand
Other domestic business	USD, EUR	-0.0	-0.0	Principally raw materials and stock on hand
Oceania business	AUD	0.0	-0.0	Before amortization of goodwill and other items
Southeast Asia business	-	0.1	0.1	Before amortization of goodwill and other items
Chinese business	RMB	0.1	0.0	
other overseas business	-	0.1	0.0	
Amortization of goodwill	AUD	-0.1	0.0	Oseania
	-	-0.1	-0.1	Southeast Asia
Operating profit		-1.3	-1.2	
Equity in net income of unconsolidated subsidiaries]	USD	0.5	0.6	Principally Tingyi-Asahi Beverages Holding
	RMB	0.7	0.6	Principally Tsingtao Beer
	-	0.1	-0.0	
Others	-	0.2	0.0	Principally exchange gain or loss
Non-operating income or expenses		1.4	1.2	
Ordinary profit		0.1	-0.0	

Asahi

その感動を、わかちあう。

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