



Medium- to Long-Term Management Policy DX Strategy

AGH IT and Transformation

2023.06.30

Positioning of the DX Strategy in the Medium- to Long-Term Management Policies



〈 AGP Mission 〉

Deliver on our great taste promise and bring more fun to life

Our Vision

What the Asahi Group Aims to Be

Be a value creator globally and locally,
growing with high-value-added brands

〈 Basic Concept behind Long-Term Strategies 〉

**Contribute to sustainable society
and respond to changing
conceptions of well-being
through delivering great taste
and fun**

Trends

**Issues up to 2030,
back casting from megatrends
looking ahead to 2050**

- Changing conceptions of human well-being
- Climate change and depletion of natural resources
- Changing demographics and shifts in economic power
- Technological advancements

〈 Medium- to Long-Term Management Policy 〉

Ideal Business Portfolio

- Growth driven by global brands and premiumization in existing operating regions; expansion into new markets
- Growth in adjacent categories to capture demand from trends such as increasing health consciousness; creation and development of new businesses that draw on the Group's capabilities

Core Strategies

Sustainability

R&D

DX

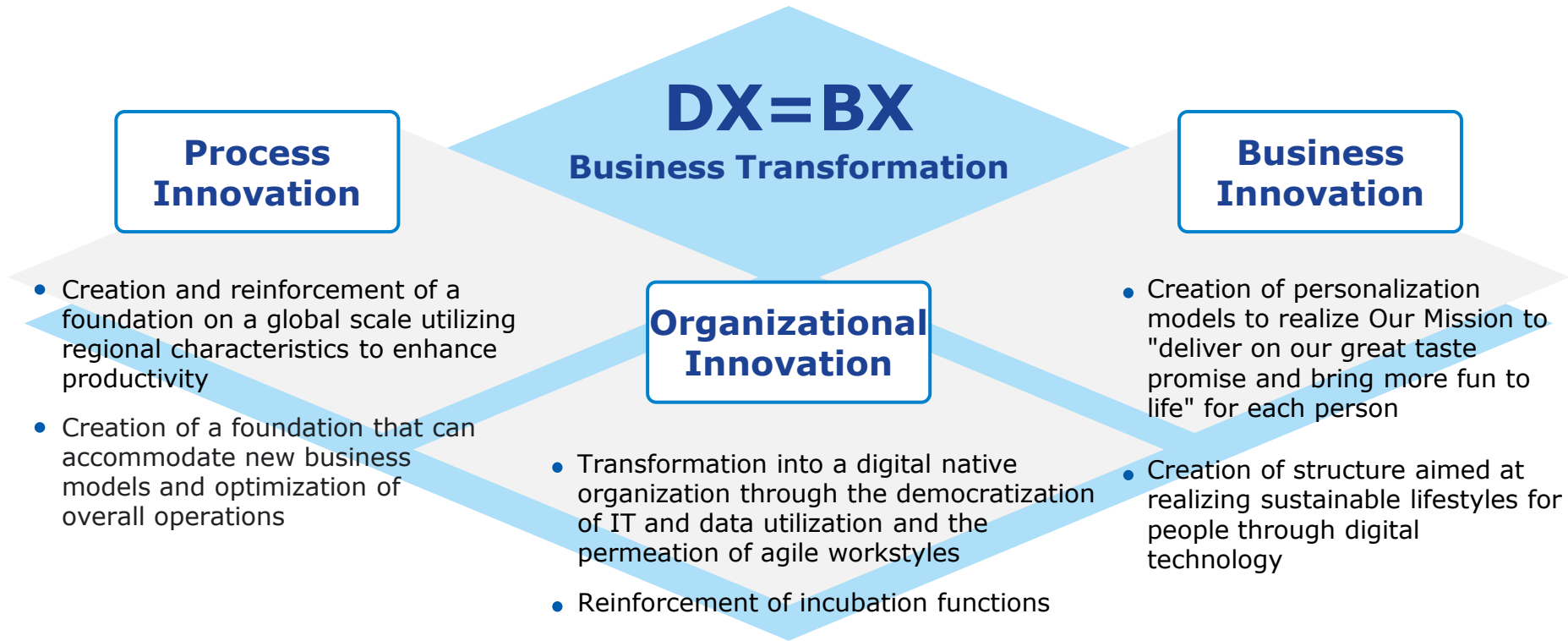
Mobility
that influences
the entire
Medium-to
Long-Term
Strategies

Sophistication
of human capital

Evolution
of group governance

Strategic Foundation Strengthening

Explanation of DX Strategy at the Announcement of Medium- to Long-Term Management Policy in February 2022



Four Stories of DX Strategy

Business Innovation

Personalization

Achieving deliciousness and enjoyment that exceeds the expectations of each individual

Sustainability

Realizing people's sustainable lives with digital technology

Process Innovation

Increased productivity

Build a foundation that takes advantage of global scale and regional characteristics

Establish flexibility

A platform that can respond to changing business models and overall optimization



Personalization

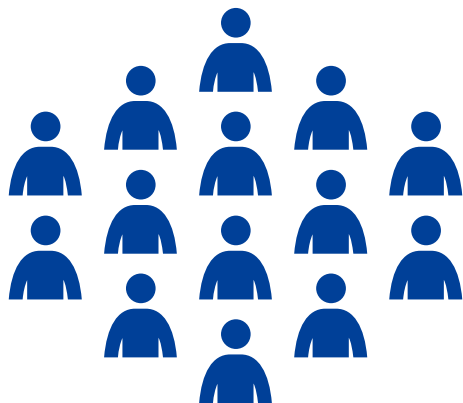
Achieving deliciousness and
enjoyment that exceeds
the expectations of
each individual

Our Target Personalization Model

Establishing a personalization model that can respond to each individual's well-being in addition to the conventional model of mass production and mass marketing

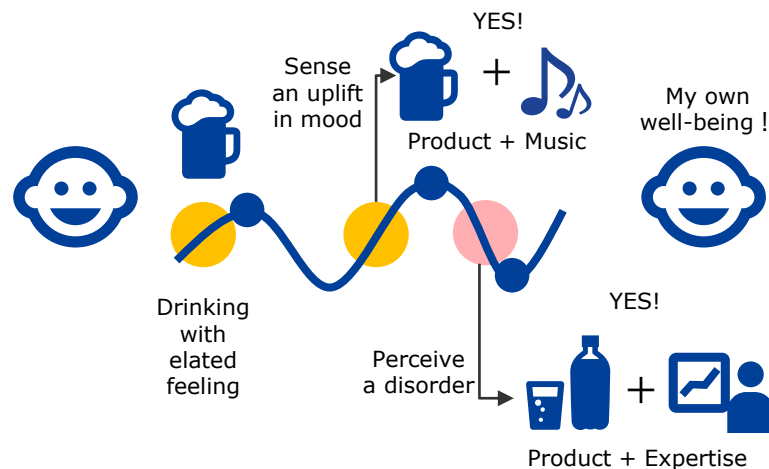
Conventional business model

(mass production/mass marketing)



Our new business model

(personalization model)



Areas of Well-being That can be Realized by the Personalization Model

Areas that Asahi should address in order to realize the well-being of each individual: Filling the two areas of “Happier Times” and “Prevention and Health” with deliciousness and joy

Happier Times

Lifestyle improvement/Self-realization

Eating out
more deliciously
with more fun



Prevention and Health

Maintaining health/Resolving worries

Life Improvement/Preventive Actions

Ideal body
for everyday life



Daily eating and
drinking scene
healthier and
tastier

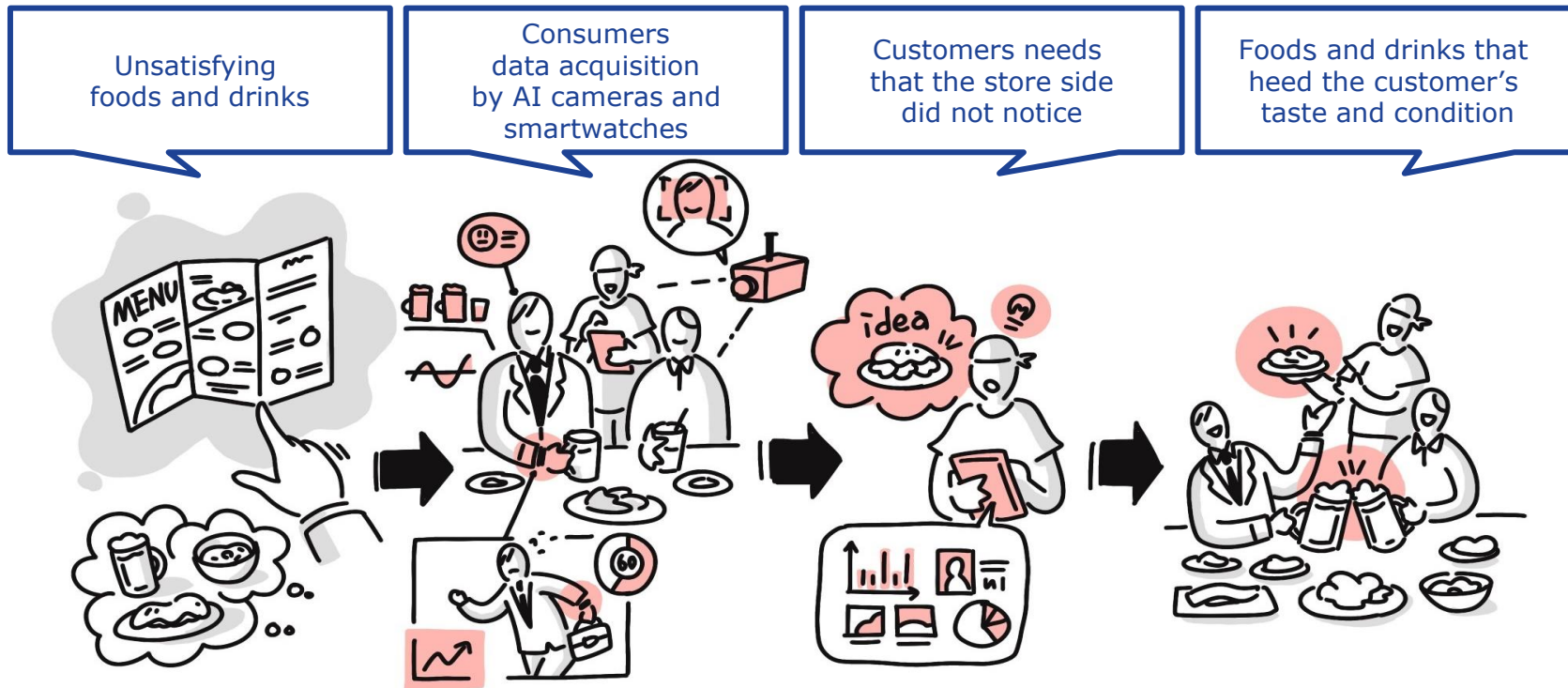


The healthy
everyday life

Well-being

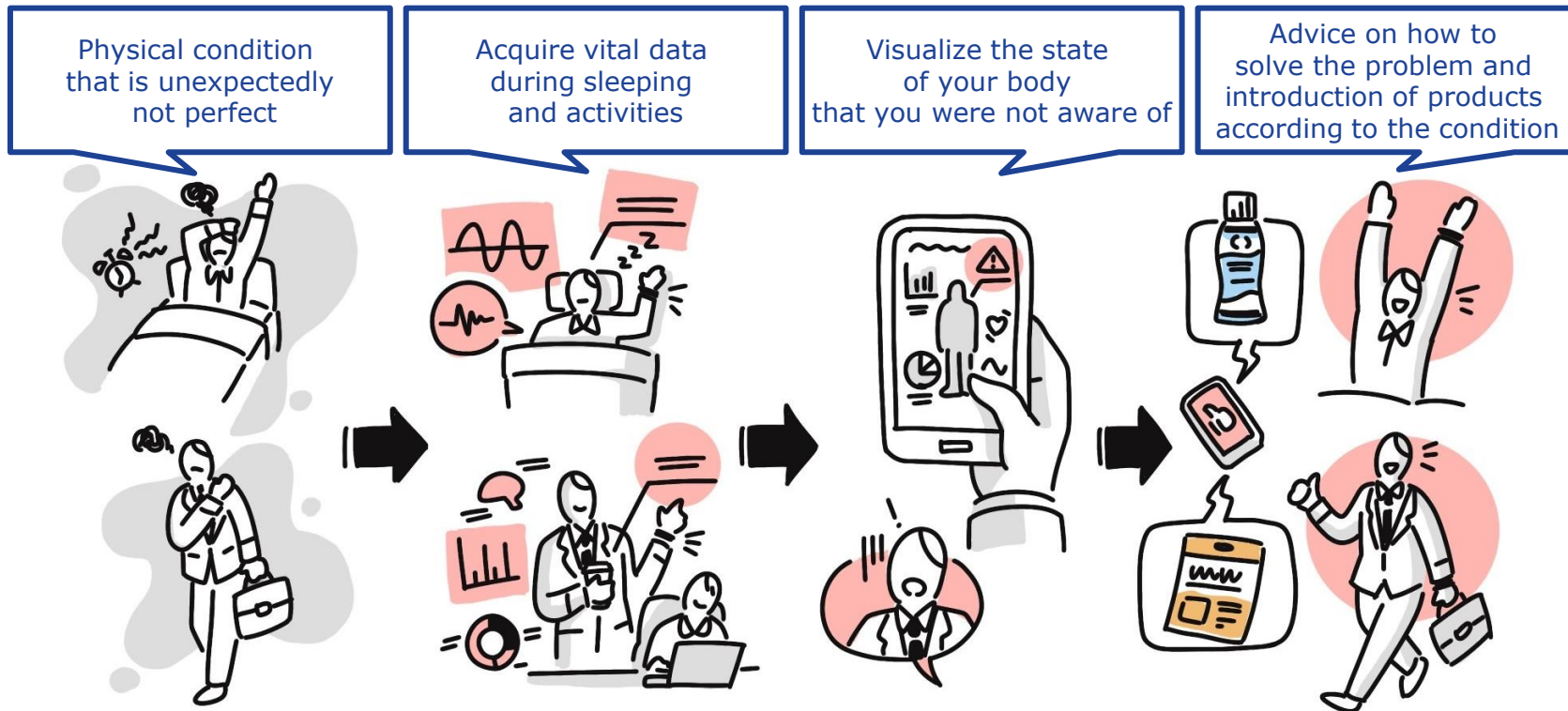
Happier Times - Scenes in Bars and Restaurants

Started demonstration experiments using AI cameras targeting next year's deployment



Prevention and Health – Feeling "somewhat" unwell and drowsy

Concrete model for next year's rollout with food with health-promoting benefits



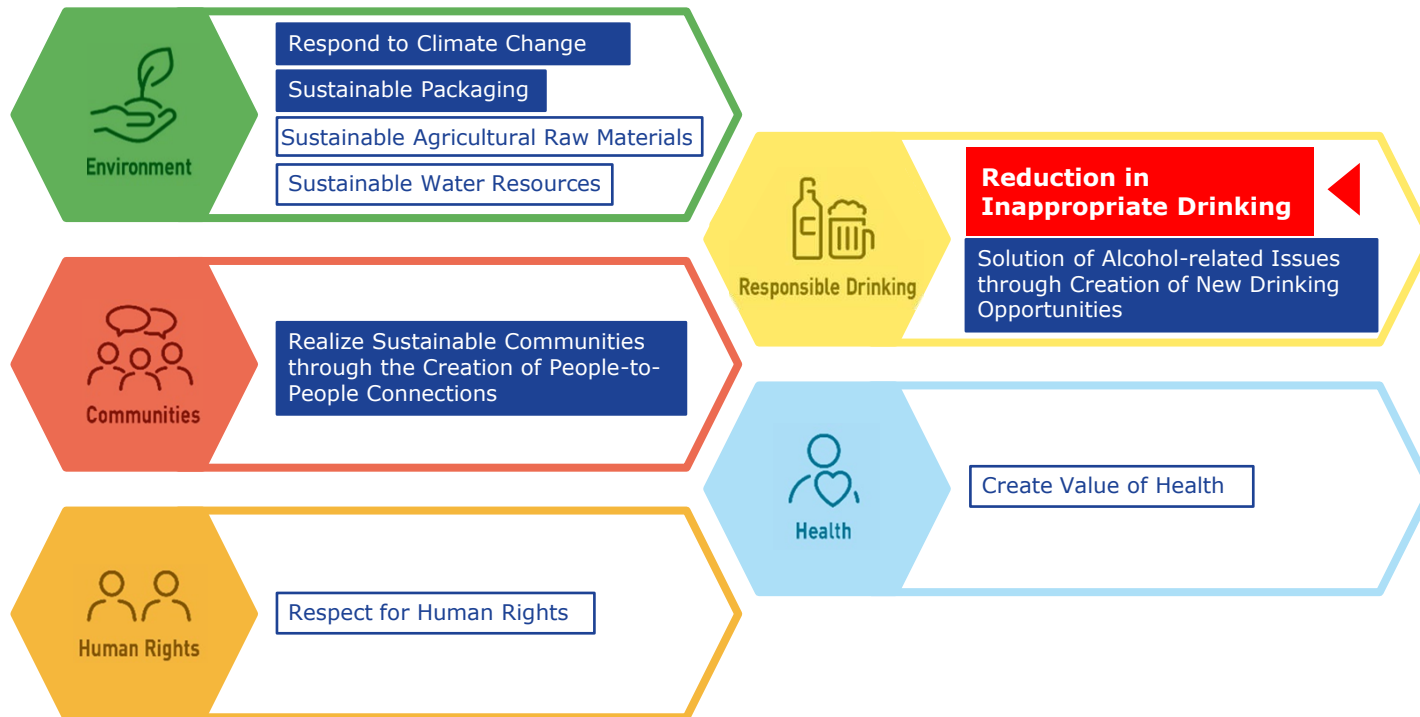


Sustainability

Realizing people's
sustainable lives
with digital technology

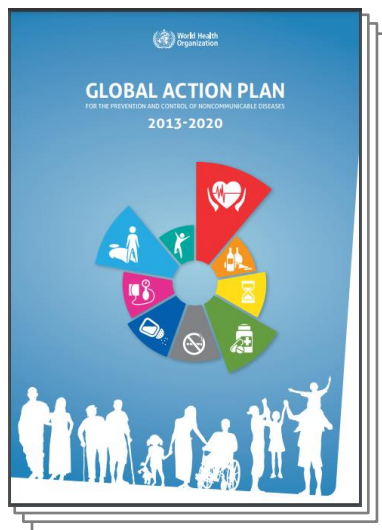
BI's Actions in Realizing Sustainability Strategy

Promoting Medium- to Long-Term materiality in sustainability strategy with digital technology Specific initiatives for “Responsible Drinking”



Why “Responsible Drinking”?

Promote concrete efforts to contribute to the common goal of “Reducing harmful alcohol use” set by the World Health Organization (WHO).



WHO response of Alcohol

WHO emphasizes the development, implementation and evaluation of cost-effective interventions for harmful use of alcohol as well as creating, compiling and disseminating scientific information on alcohol use and dependence, and related health and social consequences.

Realization of support that visualizes the amount of alcohol consumed and encourages appropriate behavior before falling into inappropriate drinking

Visualization of consumed alcohol

Actions to prevent inappropriate drinking

〈 Sober quantification 〉

- Blood alcohol concentration
- Symptoms of “drunk”



〈 Behavior change through self-control 〉

Judging from the ingested alcohol, take appropriate action such as adjusting the amount of drinking



〈 Behavioral change through the support of others 〉

Adding control, such as adjusting the amount of drinking with the help of others

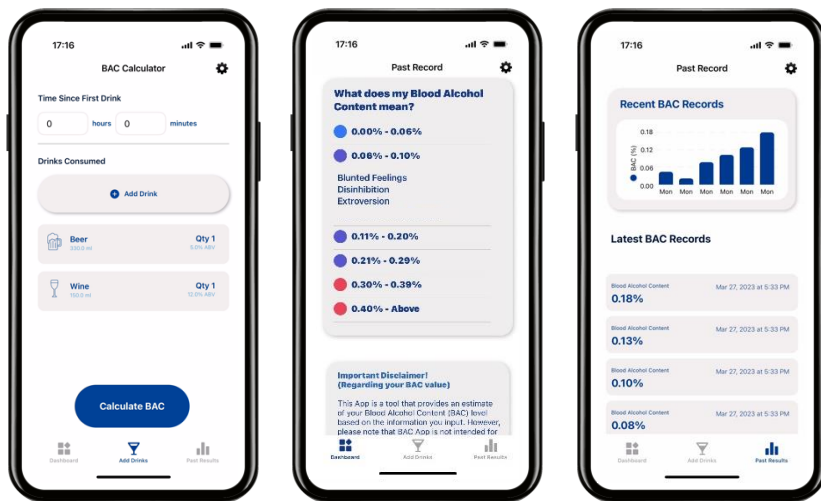


Realization by application



Preceding distribution of the application that
can visualize blood alcohol concentration, in the US

Application of this time



Calculate general blood alcohol concentration
from weight, gender, and alcohol consumed

Henceforward



Added and enhanced functions that
can visualize the amount of alcohol consumed
and encourage behavioral changes
to prevent inappropriate drinking



Increased productivity

Build a foundation that takes
advantage of global scale
and regional characteristics

Increased Productivity

Take advantage of global scale to reduce costs by integrating procurement functions and systems. Alternatively, each RHQ will consolidate according to its strategy and business characteristics to improve productivity

Increased productivity through global integration

Improving productivity through strives by each RHQ



- ▶ Automation of SCM/sustainability data
- ▶ Sharing best practices within the community

➔ **2023**

- ▶ Global procurement function

➔ **2025**

AGJ

Integrate the system currently organized by business domain, into a system organized by function

AEI

Integrate ERPs that are currently country-specific, in the EU

AHA

Integrate ERP by business domain and country

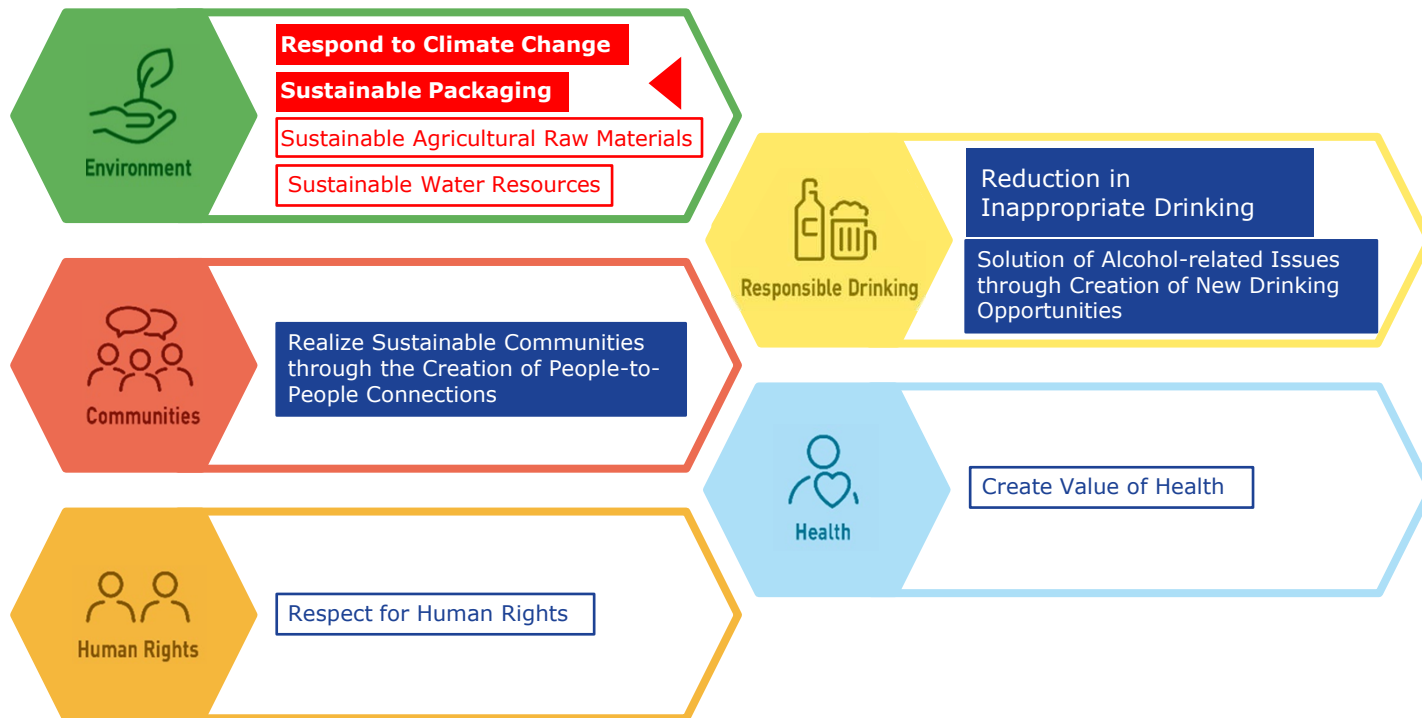
AHSEA

Integration of databases and systems by regions

2030

PI's Actions in Realizing Sustainability Strategy

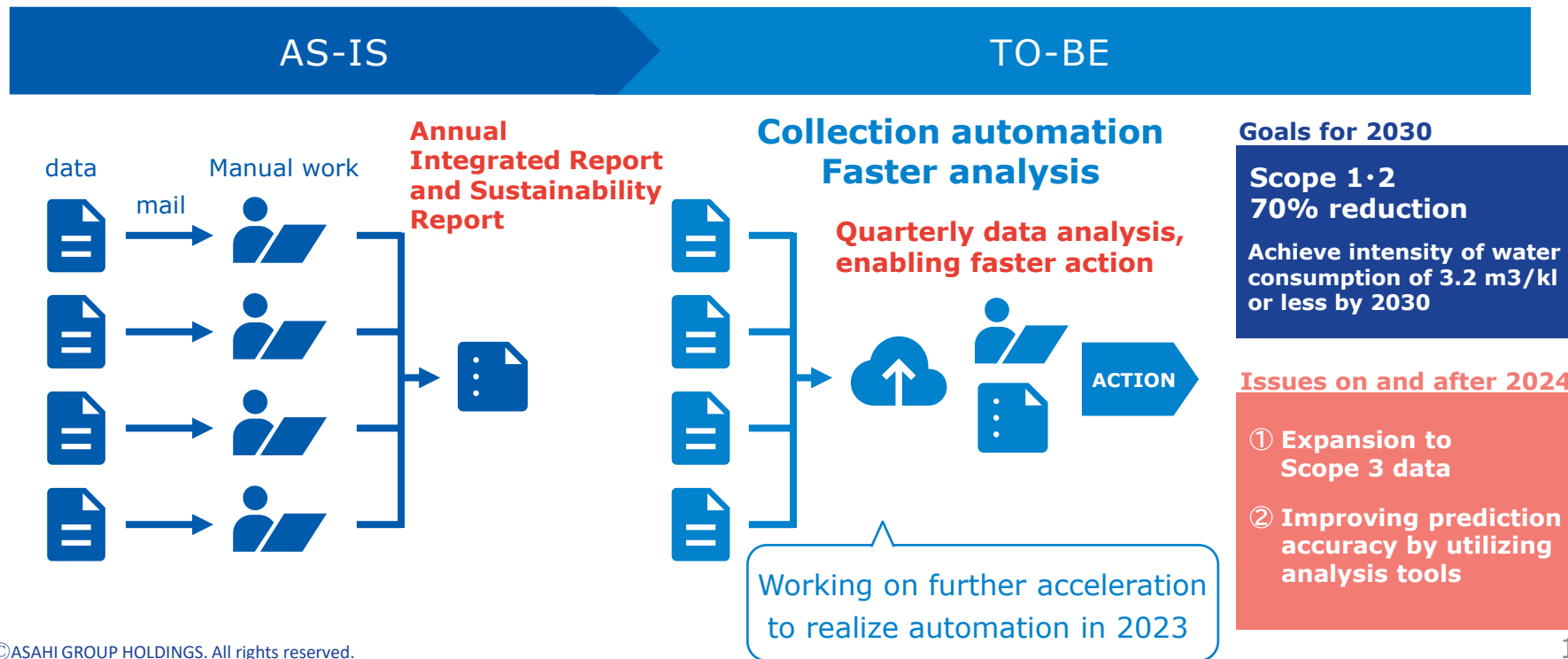
Promoting Medium- to Long-Term materiality in sustainability strategy with digital technology Specific initiatives for "Environment"



Specific Example: Realization of Processes Leading to Action by Building a Platform for Automatic Collection and Analysis of Sustainability Data



Centralized management of sustainability data saves manpower and enables rapid analysis. Building a foundation that enables responsive measures to achieve reduction targets by 2030.





Establish flexibility

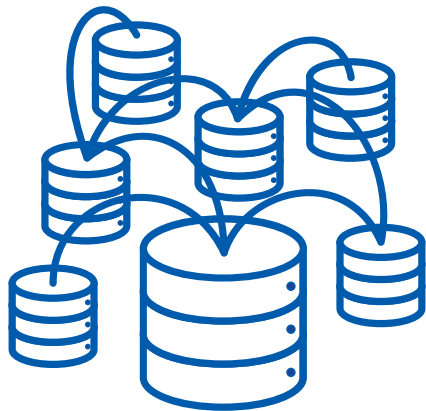
A platform that can respond
to changing business models
and overall optimization

Building an IT Infrastructure That Enables Flexibility and Data Integration

Increase flexibility by loosely coupling function groups that support existing businesses and function groups that flexibly support changing new businesses. Alternatively, aiming for an architecture that can effectively utilize data generated from both function groups.

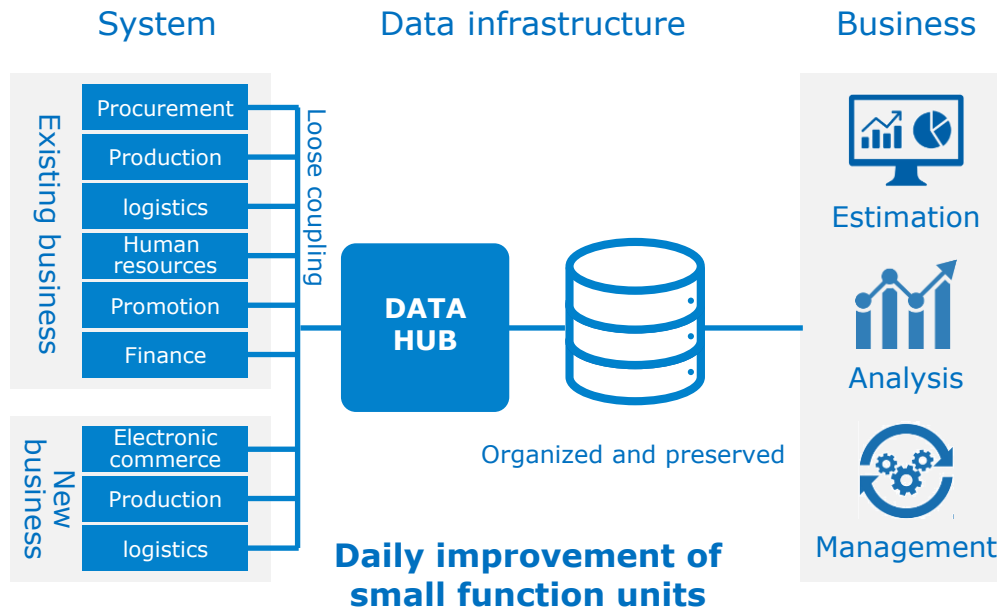
AS-IS

Difficulty in management and renovation brought about by complex structures and strong connections



A big bang once every ten years

TO-BE



Organizational Innovation

Prepare the organization necessary to realize the four stories by acquiring and training human resources.

Personalization

Sustainability

**Increased
productivity**

**Establish
flexibility**

Organizational innovation

**Create a “digital native organization”
that can realize ideas independently
and autonomously**

- Transformation into a digital native organization through the democratization of IT/data utilization and penetration of agile work styles
- Strengthen incubation function

Transformation into a Digital Native Organization

Toward the democratization of IT skills, the democratization of data utilization, and the permeation of agile work styles, that are all necessary for reform, we will strengthen necessary human resources and skills by recruiting experts from outside and training our employees

AGJ / AGH



Data Scientist



Project Manager



Agile Master

Group training
form data personnel



Introductory course
Beginner course
Intermediate course

In-house
e-learning



Agile training



9,000 people (60%)
have taken
the introductory course

Democratization of IT skills

Democratization of data
utilization

The permeation of agile
work styles

〈 Experts 〉
Guide and lead
efforts to realize

Recruited from outside

DX human resources

Human resources
who can build and promote solution
hypotheses using data and IT
to solve business issues

(Employee training)

AHA



Data Scientist

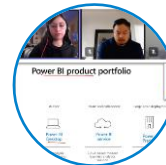


Project Manager



Security expert

Analysis
workshop



In-house analysis
case sharing

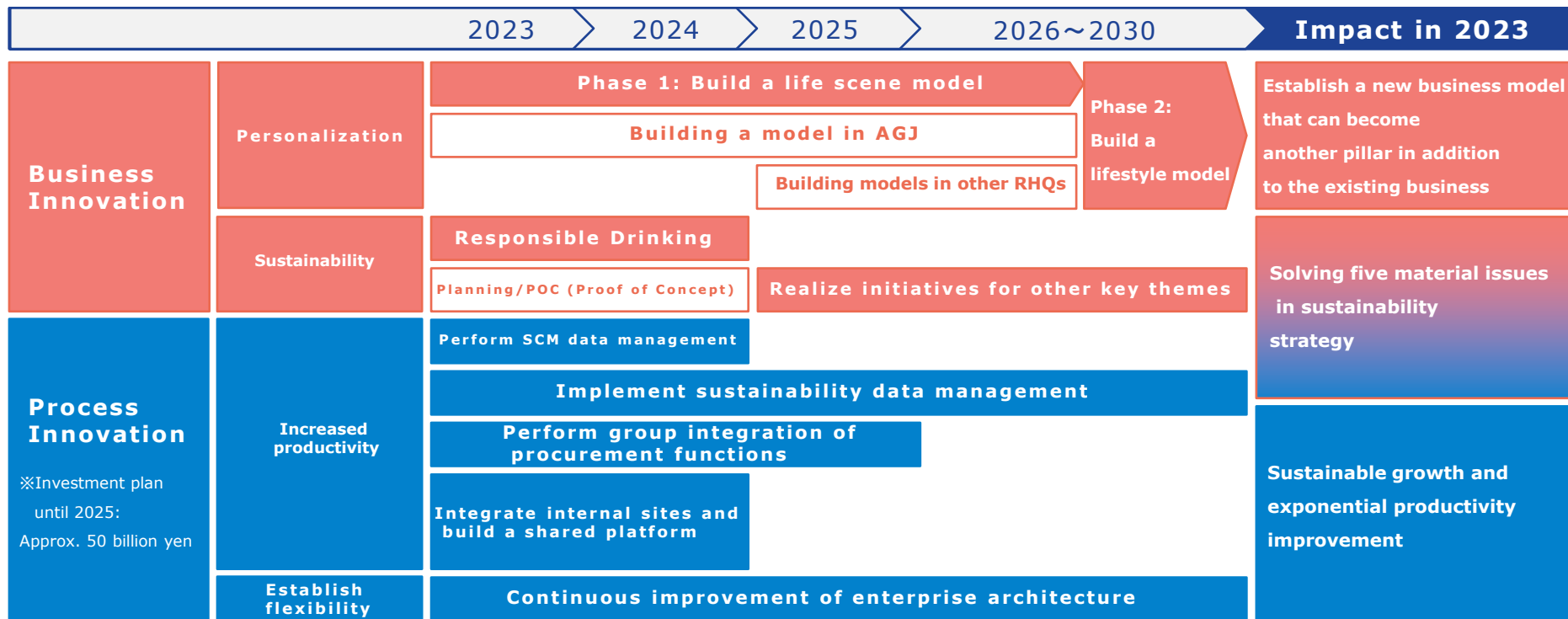


Assistance
in obtaining
Microsoft certifications

AGJ=Asahi Group Japan, Ltd.
AGH=Asahi Group Holdings, Ltd.
AHA=Asahi Holdings (Australia) Pty Ltd

Schedule Until 2030

Laying the foundation for innovation to enable business transformation by 2025
Approximately 50 billion yen to be invested in process innovation by 2025



References : Digital Native Organizations

Aiming to transform into an organization that manages business and creates new value with digital technology and data at its core. An organization that enables adaptation to rapidly changing market environments and the creation of innovation

〈 3 factors of a Digital Native Organization 〉

〈 Specific initiatives 〉



Thank you!

