MOVE FORWARD
WITHOUT STOPPING
Members who participated in GLDP 2019

Focus: Global Leadership
Development Program (GLDP) 2019

P.26

Continue to Aim Higher
Asahi Group Philosophy

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

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

Our Values
Challenge and innovation
Excellence in quality
Shared inspiration

Our Principles
Building value together with all our stakeholders

Customers: Win customer satisfaction with products and services that exceed expectations
Employees: Foster a corporate culture that promotes individual and Company growth
Society: Contribute to realizing a sustainable society through our business
Partners: Build relationships that promote mutual growth
Shareholders: Increase our share value through sustainable profit growth and shareholder returns
The Asahi Group has achieved growth throughout the years by cherishing three values: “challenge and innovation” that creates new value, such as the release of Asahi Super Dry, which at the time completely changed the way people thought about beer, and the cultivation of brands loved by all generations; “excellence in quality” that the Group delivers to its customers; and “shared inspiration” that the Group enjoys with its stakeholders. Drawing on these values as its foundation, the Group will leverage strengths such as its long-cultivated brands and human resources in Japan and overseas to deliver premium value to an even greater number of customers around the world.

In 1987, Asahi launched Japan’s first dry draft beer, Asahi Super Dry, which at the time completely changed the way people thought about beer, and the cultivation of brands loved by all generations. Since then, Asahi has worked to spur innovation in its overall supply chain management in such ways as establishing quality standards for freshness. In 1998, these efforts would culminate in Asahi capturing the top share of Japan’s beer market.

The Company was founded in 1889 with the aim of producing authentic Japanese beer that is made by Japanese people. Winning awards at expos and exhibitions both domestically and abroad, we are constantly striving for “the highest level of quality,” which has been a part of our corporate culture since our founding.

In 1949, Asahi Breweries, Ltd. was established, a product of a corporate breakup brought on by post-war economic decentralization in Japan. Thereafter, Asahi continued to expand its business foundation, centered on its whisky and spirits and soft drinks businesses, and worked to create new drinking opportunities, including the introduction of canned beer in Japan.

Extensive Experience That Transform Challenges

The starting point for “the highest level of quality” and “challenges and innovation”

1889–1949– 1987–

1889 • Hiranosui (now MITSUYA CIDER) is launched.
1889 • Osaka Beer Brewing Company is established.
1892 • Asahi Beer is launched.
1900 • Japan’s first bottled draft beer is launched.
1900 • Asahi Beer wins a gold medal at the 1900 Paris Expo.
1930 • EBIOS is launched.
1938 • Asahi launches Japan’s first canned beer, Asahi Beer.
1969 • Asahi pioneers the practice of putting expiry dates on product labels.
1971 • Asahi launches Japan’s first aluminum canned beer.
1982 • Mitsuya Foods Co., Ltd. (now Asahi Soft Drinks Co., Ltd.) is established.
1985 • Asahi introduces a corporate identity and bolsters brand strength.
1989 • Asahi celebrates its 100th anniversary.
1992 • Asahi Beer Foods Co., Ltd. (now Asahi Food & Healthcare Co., Ltd.) is established.
1994 • Asahi enters the Chinese market.
1996 • Asahi begins exports of Asahi Super Dry to the United Kingdom.
1998 • Asahi claims top share of Japan’s beer market.*2

A second start and further innovation

1889–1949– 1987–

1989–

An incredible leap brought about by years of innovation

In 1987, Asahi launched Japan’s first dry draft beer, Asahi Super Dry, which was brought to fruition by ideas that went beyond the common ways of thinking within the beer industry at that time. Since then, Asahi has worked to spur innovation in its overall supply chain management in such ways as establishing quality standards for freshness. In 1998, these efforts would culminate in Asahi capturing the top share of Japan’s beer market.
2001 • Asahi enters the happoshu market.
• Asahi captures top share of the Japanese beer and happoshu markets.*
• Asahi makes The Nikka Whisky Distilling Co., Ltd. a wholly owned subsidiary.

2002 • Asahi acquires MINTIA.

2006 • Asahi acquires stock in Wakodo Co., Ltd., Japan’s largest baby food company.

2008 • Asahi acquires stock in Amano Jitsugyo Co., Ltd., Japan’s largest freeze-dried food company.

2009 • Asahi enters the Oceania market in earnest.

2011 • Asahi enters the Southeast Asia market in earnest.

2012 • Asahi acquires stock in Calpis Co., Ltd.

2016 • Asahi acquires SABMiller plc’s beer business in Western Europe.

2017 • Asahi acquires SABMiller plc’s beer business in Central Europe.

2019 • Asahi acquires the premium beer and cider business of the United Kingdom’s Fuller, Smith & Turner P.L.C.

2020 • Asahi reorganizes its overseas beer businesses.
• Asahi acquires Australian business of Anheuser-Busch InBev.

2001 – Expanding our business portfolio, and strengthening our brands by leveraging synergies

In 2001, Asahi entered the happoshu market and captured the top share in Japan’s beer and happoshu markets. Vigorous M&A activity in the Alcohol Beverages (excluding beer-type), Soft Drinks, and Food Businesses made the Asahi brand a top name in each respective category. Furthermore, as Asahi expanded its portfolio, the Company worked to enhance the brand strength in each of its businesses by developing synergies across their entire range.

2009 – Making strategic moves toward global growth

In Japan, Asahi continued its cultivation of new brands, such as Clear Asahi, WILKINSON, and MINTIA, which created new demand for drinking and eating to drive growth of their respective markets, and acquired CALPIS, a popular lactic acid bacteria beverage. Overseas, Asahi took on a new challenge as a global player, entering markets in Oceania and Southeast Asia and carrying out a large-scale acquisition of European beer businesses.

2018 – Fortifying our global business foundation in the pursuit of further growth

To establish its business foundation—which now spans the globe with the entry of the European business into the Group—as a driver for further growth, Asahi is striving for unique value creation underpinned by its newly formulated Asahi Group Philosophy (AGP). In 2020, Asahi acquired the Australian business Carlton & United Breweries Pty. Ltd. (CUB) of Anheuser-Busch InBev SA/NV, thereby establishing a structure focused on three core regions of operations: Japan, Europe, and Australia. By combining its strengths such as the brands and human resources in these three regions, Asahi aims to become a Global Value Creation Company.
Further Accelerating Value Creation Through Management Strategies That Reflect the AGP

Under the AGP, we laid out Our Mission and Our Vision, which are goals that the Asahi Group should realize in the future. To reach these goals, we will steadily implement our value creation process, which establishes Our Values and Our Principles—the other two parts of the AGP—as the source of our corporate value creation, and our Medium-Term Management Policy.

Guiding Principles toward Corporate Value Enhancement

**Our Principles**
Building value together with all our stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customers</strong></td>
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<td><strong>Employees</strong></td>
<td>Foster a corporate culture that promotes individual and Company growth</td>
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<td><strong>Society</strong></td>
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<td><strong>Partners</strong></td>
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<td>Increase our share value through sustainable profit growth and shareholder returns</td>
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</table>

**Our Values**
Challenge and innovation
Excellence in quality
Shared inspiration

**Values We Cherish**

AGP

Continuous Evolving Value Chain

Customers
Employees
Shareholders
Society
Partners

AGP

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Researchers and Development
Marketing and Sales
Production and Logistics
Procurement
The Asahi Group’s Mission and Vision

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

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

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### Road Map for Enhancing Corporate Value

**Guidelines for the Medium-Term Management Policy**

* (Assumptions for the next three years)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Stable growth of existing businesses—business portfolio restructuring + new M&amp;As</td>
</tr>
<tr>
<td>Core operating profit(^2)</td>
<td>CAGR: medium-to-high single digit range</td>
</tr>
<tr>
<td>EPS (Adjusted)(^3)</td>
<td>CAGR: medium-to-high single digit range</td>
</tr>
<tr>
<td>ROE (Adjusted)(^3)</td>
<td>Maintain at 13% or above</td>
</tr>
</tbody>
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*1 On June 1, 2020, we completed the acquisition of the CUB business. In relation to this acquisition, we have been examining financing plans, including fundraising. The information on the guidelines of the Medium-Term Management Policy, which is outlined on pages 40 and 41, does not take into account the impact of the CUB acquisition and associated fundraising. Accordingly, we intend to review our Medium-Term Management Policy taking into consideration the impact of acquiring the CUB business.

*2 Core operating profit is the reference index for normalized business performance.

*3 Adjusted figures are calculated after the deduction of special factors including business portfolio restructuring and the impact of foreign exchange rates.

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### Strengthening Efforts Based on Our New Material Issues with a View to Realizing the Asahi Group Sustainability Vision

- **Health**: Become a close part of people’s healthy lifestyles
- **Responsibility**: Contribute to efforts to reduce harmful drinking and the sound development of the alcoholic beverage culture
- **Environment**: Protect the gifts of nature
- **People**: Uphold respect for human rights and maximize the potential of people
- **Communities**: Connect people to create and share enjoyment

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**Back-cast AGP** aimed at expanding new foundations for growth

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**Enhancing management resources**

aimed at expanding new foundations for growth

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**Strategies**

*Medium-Term Management Policy*

Enhancing “Glocal Value Creation Management” Based on the Asahi Group Philosophy

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**Reinforcing ESG initiatives**
supporting our sustainable value creation process
Road Map for Enhancing Corporate Value

The Asahi Group has steadily evolved over the past 10 years, extending its business foundation across the globe with its full-scale entry into Oceania, Southeast Asia, and Europe. Going forward, the Group will continue to pursue its evolution by leveraging the Asahi Group Philosophy (AGP), established in 2018, as the driving force for realizing its vision to “be a value creator globally and locally, growing with high-value-added brands.”

<table>
<thead>
<tr>
<th>Profitability (core operating profit)</th>
<th>2010 ~</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core operating profit: ¥95.3 billion</td>
<td></td>
</tr>
<tr>
<td>EPS: ¥114.1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overseas revenue</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approx. ¥100.0 billion</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Sustainability</th>
<th>2018</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Human resource strategy</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of human resource systems by region</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>M&amp;As</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Full-scale entry into Oceania (2009) and Southeast Asia (2011), centered on the Soft Drink Business</td>
<td></td>
</tr>
<tr>
<td>• Full-scale entry into the European beer business (2016: Western Europe; 2017: Central and Eastern Europe)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reinforcement of Group governance functions through the shift to a pure holding company structure (2011)</td>
<td></td>
</tr>
</tbody>
</table>

Formulating the Asahi Group Philosophy

Background of the AGP’s formulation and its aim

Integrated Report 2018
2019

Core operating profit: ¥212.9 billion
EPS: ¥330.0

Approx. ¥700.0 billion

- Established a promotion structure for integrating sustainability in our management
- Formulated basic policies and vision for sustainability
- Reestablished our material issues
- Established and strengthened promotion structure for global talent management
- Formulated the globally shared mobility policy
- Acquired premium beer and cider businesses of Fuller, Smith & Turner P.L.C.
- Concluded contract for the acquisition of the CUB business in Australia (June 2020: Completed acquisition procedures)
- Strengthened governance structure by separating roles of business supervision and execution
- Introduced Group ERM and the Risk Appetite Statement on a full-scale basis

Medium to Long Term

- Achieve sales growth through the cultivation of high-value-added brands in Japan and overseas and the expansion of cross-selling initiatives
- Enhance ability to generate cash flows through earnings structure reform and business management that leverages ROIC
- Through reorganizing overseas beer businesses:
  1. Accelerate the expansion of premium brands in global markets
  2. Reinforce premiumization in the brand portfolio for local markets
- Integrate management strategies and sustainability strategies
- Achieve the Asahi Group Sustainability Vision
- Secure next-generation managerial talent by establishing succession plans on a global level
- Expand glocal human resources by reinforcing various development programs
- Examine the acquisition of assets that help strengthen our premium strategies
- Fortify our global management platform centered on the three core regions of operation: Japan, Europe, and Australia
- Continue to pursue governance reforms with a focus on substance over formality
- Further develop our global governance

Long Term

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