Source of Value Creation

Continuing to Create Value That Exceeds Customer through Challenge and Innovation

**Developed strengths**
- Ingredient technologies such as for yeast and lactic acid bacteria
- Sensory analysis, analytical, and other fundamental technologies
- Cross-business-field accumulation and utilization of insight

**Challenges to undertake from an operational perspective**
- Evolution and speeding up of technological capabilities through the acceleration of personnel exchanges in addition to integration of expanded operating bases through M&As
- Expansion of the scope of our product development activities through open innovation with outside fields

**Challenges to undertake from an ESG perspective**
- Realization of process innovation for achieving Asahi Group Environmental Vision 2050
- Development of eco-friendly packaging materials
- Development of products and technologies that offer health value
- Strengthening of quality assurance structure through the use of the latest analytical technologies
- Contribution to a recycling-based society through the recycling and adding value to by-products

**SDGs We Will Address to Accomplish These Goals**

**Developed strengths**
- Optimization of procurement strategies tailored to the operating environment (Operating companies)
- Adaptable procurement capabilities coordinated with the value chain (Operating companies)
- Enhancement of procurement functions through Group coordination (Holding company)
- Procurement risk management capabilities (Holding company)

**Challenges to undertake from an operational perspective**
- Fostering of mutually beneficial, win-win relationships with suppliers
- Utilization of procurement know-how and supplier network on a global scale

**Challenges to undertake from an ESG perspective**
- Reduction of CO₂ emissions in line with Scope 3 from the production and transport of raw materials, etc.
- Securement of eco-friendly materials for packaging
- Ascertainment of water risks in provenances
- Promotion of CSR procurement based on the Asahi Group Sustainable Procurement Principles
- Widespread enforcement of the Asahi Group Supplier Code of Conduct
- Establishment of human rights due diligence process in the supply chain

**SDGs We Will Address to Accomplish These Goals**
Expectations

### Developed strengths
- The Group’s unique quality standards
- Highly efficient logistics networks
- Supply-demand management techniques and inventory management techniques

### Challenges to undertake from an operational perspective
- Pursuit of total freshness management activities
- Building of global optimal production systems
- Creation of synergies through the sharing of technologies developed in Japan and Europe (product development, quality improvement, cost reduction)
- Cost reduction through the optimal location of sites
- Standardization of manufacturing processes and exterior packaging
- Expansion of modal shift and round-trip logistics

### Challenges to undertake from an ESG perspective
- Utilization of renewable energy in production processes
- Reduction of water consumption through cleaning and sterilization and use of recycled water
- Continuous 100% recycling of by-products and waste
- Establishment of human rights due diligence process at Company-owned and outsourced factories
- Promotion of modal shift and joint transportation

### Developed strengths
- Marketing capabilities that have cultivated top brands in Japan, Europe, and Australia
- Development capabilities of new categories and brands that respond to changes in the consumption environment
- Sales capabilities deeply rooted in local markets and focused on proposing solutions to issues
- Marketing network in Japan and overseas that drives new market cultivation

### Challenges to undertake from an operational perspective
- Premiumization of brand portfolio in local markets
- Reinforcement of the global rollout of premium beer brands
- Market revitalization and new market creation through the proposal of new value
- Strengthening of co-creation capabilities with business partners

### Challenges to undertake from an ESG perspective
- Sales promotions for products that create health value
- Enhancement of the energy efficiency of beer dispensers and soft drink vending machines
- Implementation of awareness-raising activities to resolve alcohol-related issues and health issues
- Collaborative efforts with local community members, etc., to address community issues
The Asahi Group’s Global Three-Region Business for Further Corporate Value Enhancement

Fiscal 2019

Revenue
¥2,089.0 billion

Core Operating Profit
¥212.9 billion

Number of Employees
29,327

Europe Business*1

Employees
9,085

Plants
15

Subsidiaries
28

As of January 1, 2020

Our Global Management Foundation

Efforts to Instill the AGP

In 2019, the year when the AGP was enacted, we published issues of the AGP Journal, a magazine shared Group-wide, a total of five times. The purpose of the AGP Journal was to instill and enhance the understanding of the AGP on a Group-wide basis. Within the magazine, we shared the necessary approaches for implementing the AGP as well as examples of it in action with Group employees around the world.

In addition, we included interviews with CEO Akiyoshi Koji and members of the top management at each operating company regarding the vision for the Asahi Group in the future based on the AGP. We also introduced the individual visions of our Group companies and examples of activities they are conducting geared toward instilling the AGP. By doing so, we aimed to help all employees incorporate the AGP into their
day-to-day work and ensure that the AGP is reflected in our business strategies and business planning. We also aimed to deepen each Group company’s understanding of each other.

Going forward, we will further strengthen efforts to communicate information on the AGP through such means as our newly established intranet site for sharing internal information across the Group.

**Southeast Asia Business**

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**Japan**

**Japanese Business**

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**Asahi International Ltd.*1**

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**Other overseas businesses*3**

(South Korea, China, etc.)

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**Oceania**

**Oceania Business*2**

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Figures in parentheses are for the CUB business, acquired in June 2020, on a stand-alone basis.
Source of Value Creation

Innovation Created through the Coming Together of Diverse Personalities

Working for Asahi is a special experience. We are given high levels of trust and autonomy to run our businesses and deliver on our promises. It’s critical that you join companies that you can believe in, that have clear values. Asahi is kind with people, respectful and trusting, and in business we are driven, ambitious and innovative. It’s a unique combination.

The GLDP taught me a lot about the Company’s values and culture; it brought together many different people with different cultural backgrounds and outlooks. We learnt that together we could achieve more and think differently. Importantly, we all had a passion for beer—its quality and its role in society!

Since my participation in the GLDP, I have changed roles and as a managing director I am committed to growth, to superior quality and excellence in execution—not only in a commercial sense but also with my teams. Kanpai!

As general counsel for Asahi Beverages in Oceania, I work within a culture that has a strong focus on community, people, and leadership development. The GLDP provided me with a unique opportunity within a cross-functional and multi-market-based team, to closely consider how I can personally contribute to activating the Asahi Group Philosophy and Vision in our region.

The GLDP challenged me to think about the obstacles that must be overcome for the Asahi Group to realize its vision. We engaged in detailed analysis of what it truly means to “be a value creator globally and locally, growing with high-value-added brands.”

We learnt about the criticality of keeping ahead of megatrends, including climate change and other environmental issues, which was the focus of our project. My GLDP team challenged the Asahi Group Medium-Term Management Policy targets relating to ESG and presented recommendations for the acceleration of those activities.

For me, the close consideration of ESG has brought a new passion and perspective to the current initiatives being implemented in the Oceania Region. I have leveraged this in my work locally by sharing the information gained from other markets during the GLDP. In this sense, the GLDP clearly brought to life the concept of glocal, the importance of diversity, and the strength of what can be achieved by bringing together shared values and a shared Group Philosophy.
The most valuable experience is probably getting to know colleagues from different parts of the world and understanding and identifying the specifics, but also the similarities of their markets.

I was also intrigued by a different approach to solving the same problems; cultural differences are clearly an advantage in this case. And it is up to us to learn to take advantage of this fact. I had a chance to understand and to gain more insight into Asahi philosophy, and I was very impressed by the humility and respect for the individual parts of the organization. Also, I have come to understand that this new era, when Asahi becomes a major international entity, brings new challenges to the perfectly planned Asahi business.

The challenges that affect our daily lives are no longer just local, so international cooperation is the best way to overcome them. The story of Asahi has many chapters, and I believe that the beginning of the 21st-century chapter will be enormously successful. I am glad to be able to join this rich history with my small contribution.

Being part of the GLDP brought home the realization of working for a true MNC, with diversity across the continents in every aspect of values, culture, expertise, and management style. Though challenging, it was a unique experience that made me become a better, more emotionally intelligent and persuasive leader. The GLDP also encourages us to develop our level of emotional intelligence so that we can navigate the many interpersonal challenges we face within the organization and in our lives. I learnt how to attempt to always understand and appreciate the unique diversity, and to respect and acknowledge our differences in order to build mutual trust and respect. The structured and frequent informal interaction with team members helped develop a certain flexibility and awareness in my management style. It has also helped to reshape my communication and leadership skills for managing a diversified group with different skill sets, interests and emotional needs in order to build, share and work toward Asahi’s vision and to build on Asahi’s core values.

The GLDP team’s decision to take up the issue of sustainability as its group project was very timely and important for the organization. Working on the project gave me a deep understanding of setting the sustainability agenda, direction, and the accelerated journey to realize Asahi’s sustainability goals. This has helped me incorporate Asahi’s CSR value into our business to help the socioeconomic well-being of Southeast Asian communities.