

Asahi

CONVOCAATION NOTICE OF THE 99th ANNUAL GENERAL MEETING OF SHAREHOLDERS



► DATE AND TIME

March 28 (Tuesday), 2023
at 1:00 p.m. (JST) (Reception start time: Noon)

► DEADLINE FOR EXERCISING VOTING RIGHTS VIA POSTAL MAIL AND INTERNET, ETC.

No later than 5:30 p.m. (JST),
March 27 (Monday), 2023



We will implement a limit on admission to the venue (pre-registration & lottery).

- Please see page 5 and the notice sent on February 27 (Monday) for details regarding the limit on admission.



We will be streaming the General Meeting live via the internet.

URL <https://web.lumiagm.com/>

- Please see page 6 for details regarding the live streaming.
- Please see pages 7-9 for details regarding the exercise of voting rights in advance.



English Translation of Original Japanese

This is a translation of the original notice in Japanese. In the event of any discrepancy, the original notice in Japanese shall prevail.

There will be no provision of gifts at the General Meeting.

ASAHI GROUP HOLDINGS, LTD.
Securities Code: 2502

Dear Shareholders:

I hereby deliver this Convocation Notice of the 99th Annual General Meeting of Shareholders.

In view of the ongoing impact of COVID-19, entry to the venue for the General Meeting will be based on pre-registration and lottery, in order to mitigate the risk of infection and ensure the safety and security of shareholders.

We ask shareholders for their understanding with regard to these measures, and request that they take into consideration the situation regarding COVID-19 and related factors in considering entry to the venue for the General Meeting.

The General Meeting will be live streamed via the internet. We request that shareholders who are not attending in person exercise their voting rights in advance, via either postal mail or the internet, etc., before watching the live stream via the internet.

I would like to ask that our shareholders continue to give us their unwavering support.

Sincerely,

March 6, 2023

Atsushi Katsuki

President and CEO, Representative Director




ASAHI GROUP HOLDINGS, LTD.



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CONVOCAATION NOTICE OF THE 99th ANNUAL GENERAL MEETING OF SHAREHOLDERS

DATE AND TIME	March 28 (Tuesday), 2023, at 1:00 p.m. (JST) (Reception start time: Noon)	
PLACE	Banquet Room "Tsuru," Banquet Floor of "The Main" of Hotel New Otani, 4-1, Kioi-cho, Chiyoda-ku, Tokyo	
LIVE STREAM	URL https://web.lumiagm.com/ *Please see page 6 for details.	 
PURPOSES	<p>Items to be reported:</p> <p>Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements and Reports of the audit results of the consolidated financial statements by the Independent Accounting Auditor and the Audit & Supervisory Board for the 99th term (from January 1, 2022 to December 31, 2022).</p> <p>Items to be resolved:</p> <p>Item 1: Appropriation of Retained Earnings Item 2: Appointment of eight (8) Directors Item 3: Appointment of two (2) Audit & Supervisory Board Members</p>	

Provision of documents regarding the General Meeting of Shareholders via the internet

In accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, starting from **this General Meeting, information that constitutes the content of Business Report, etc. (matters subject to measures for electronic provision) will be provided in electronic format, except in the case of shareholders who have requested that it be delivered on paper.** For details on how to view the matters subject to measures for electronic provision, please see page 10.

In the event of any corrections to matters subject to measures for electronic provision, a notification to that effect, and the corrected and pre-corrected versions of these matters will be made available via the internet on the website of the Company, and on the websites of PRONEXUS INC. and the Tokyo Stock Exchange.






**Schedule for the 99th Annual General Meeting of Shareholders
(on the day of the meeting / before and after the meeting)**

**Until March 27 (Monday)
Before the General Meeting of Shareholders**

If You Wish to Exercise Voting Rights in Advance

Exercising Voting Rights in Advance
▶ Pages 7-9

Please exercise your voting rights via either postal mail or the internet, etc., no later than the deadline.

If You Wish to Attend the General Meeting in Person

Attendance Application
▶ Page 5

Please fill in the "Attendance Application Form" sent on February 27 (Monday), and send it back by postal mail. (To be received by March 13 (Monday) (JST))

アサヒグループホールディングス株式会社 第99回定時株主総会 出席申込書

本申込書が印刷された状態でご利用ください。本申込書への記入は、本総会開催日の前日までに完了してください。本申込書の提出は、本総会開催日の前日までに完了してください。

申込締切日 2023年3月13日(月)

私は、2023年3月28日開催の貴社第99回定時株主総会への出席を希望いたします。

出席を希望する。出席を希望する場合は、本総会開催日の前日までに本申込書を提出してください。

出席を希望しない。出席を希望しない場合は、本申込書を提出する必要はありません。

※ご記入いただいた住所情報は、本総会に関する取次ぎの連絡が可能な場合のみ、見当をつけてご連絡いたします。ご住所の個人情報は厳重に管理いたします。

本申込書は、本総会会場へのご入場をご希望される方のみ、ご返送ください。

株主番号

Shareholders not selected in the lottery

The lottery result will be sent on March 16 (Thursday) by postal mail.

Shareholders selected in the lottery

The "attendance card" will be sent on March 16 (Thursday) by postal mail.

“General Meeting of Shareholders” page on the Company’s website

WEB https://www.asahigroup-holdings.com/ir/shareholders_guide/shareholders_meeting.html



Note: The website is available only in Japanese.

**From 1:00 p.m. (JST) on
March 28 (Tuesday)**

**On the day of the General
Meeting of Shareholders**

Viewing the live stream

▶ **Page 6**



URL <https://web.lumiagm.com/>

Please access the above URL or scan the QR code and enter the Meeting ID, ID and password.

**Attending the General
Meeting of Shareholders**

▶ **Page 5**



Please bring your “attendance card” and “voting form for exercising voting rights.”



From March 29 (Wednesday)

**After the conclusion of the General
Meeting of Shareholders**

Confirm content

Please visit “General Meeting of Shareholders” page on the Company’s website to confirm the following content.



**Streaming video of the
General Meeting after the
event**

▶ **Page 6**



**Response to questions from
shareholders**



**Results of voting for the
General Meeting**

* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

Implementation of a limit on admission to the General Meeting (pre-registration & lottery)

The number of seats at the General Meeting will be limited. Therefore, shareholders will need to pre-register in advance by applying for a seat at the General Meeting.

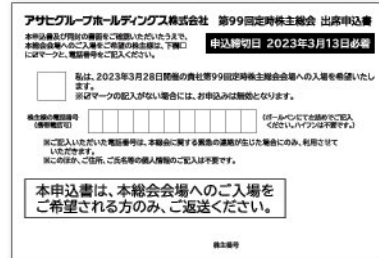
In the event that applications exceed the seating capacity, we will implement a lottery system.

We ask that shareholders apply for pre-registration if they do wish to attend.

Only the shareholders who have applied for attendance and hold the "attendance card" and "voting form for exercising voting rights" may enter the venue.

**Application Deadline
To be received by March 13 (Monday)**

If you wish to attend, please fill in the designated items on the "Attendance Application Form," affix the privacy sticker provided, and send it via postal mail.



* "Attendance Application Form" has been sent to shareholders by postal mail on February 27 (Monday).

**March 16 (Thursday)
Send "attendance card" (by postal mail)**

The lottery result will be sent on this day to shareholders who were not selected.



**March 28 (Tuesday)
General Meeting of Shareholders**

Please present your "attendance card" and "voting form for exercising voting rights" at the reception desk.



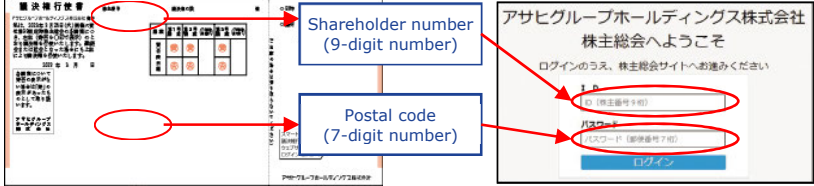


* Please understand that "shareholders who have not pre-registered," "shareholders who were not selected in the lottery," and "shareholders who cannot be confirmed to have been selected upon attendance" will not be allowed to enter the General Meeting venue.

Guide to viewing the live stream



The General Meeting will be live streamed, exclusive to our shareholders, as follows.

Note: The live stream is available only in Japanese.

<p>Date and time of the live stream</p>	<p>March 28 (Tuesday), 2023, from 1:00 p.m. (JST) (We plan on showing an opening video from 0:55 p.m. (JST))</p>
<p>How to view</p>	<p>(1) Please access the “General Meeting of Shareholders live stream website” by using the URL below or the QR code</p> <p>URL: https://web.lumiagm.com/</p>  <p>(2) Please enter the “Meeting ID” below when the screen where you can enter your Meeting ID appears.</p> <p>Meeting ID: <u>769-895-553</u></p>  <p>(3) Please enter the ID and password below when the screen where you can enter your ID and password appears.</p> <p>ID: Shareholder number (9-digit number) Password: Postal code registered in our shareholder directory (7-digit number without the hyphen)</p> <p>■(Reference) On-screen input guidance for ID and password input.</p>  <p>(4) You may view the live stream after following the on-screen instructions.</p>
<p>Notes</p>	<ul style="list-style-type: none"> As you will not be able to participate in resolutions on the day of the General Meeting via the livestream, please view after exercising your voting rights in advance. Viewers will be able to post comments during the General Meeting of Shareholders. These comments will not be recognized as questions at the General Meeting of Shareholders under the Companies Act. However, of the comments received, the Company plans to respond to principal ones that align with the purposes of this General Meeting, on our website. The live stream may not be viewable depending on the internet connection environment used, the connection status of the live stream and other factors. Shareholders will bear telecommunication charges for viewing the live stream. Please refrain from taking photos, recording, or saving. Presenting the ID and password to a third party is strictly prohibited.
<p>Post-meeting streaming</p>	<p>The video of the live stream will be available at the “General Meeting of Shareholders” page on the Company’s website.</p> <p>WEB https://www.asahigroup-holdings.com/ir/shareholders_guide/shareholders_meeting.html Date and time that the video will be made available: March 29 (Wednesday), 2023 at noon (JST) (Planned)</p>

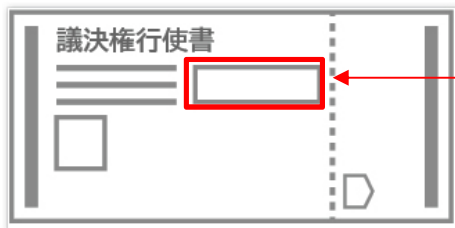
Guide to Exercising Voting Rights

A voting right at the General Meeting of Shareholders is an important right that entitles shareholders to participate in the Company's management. Please refer to the following and exercise your voting rights by either method.

1		<p>Voting via Internet, etc.</p> <p>* The online voting website and Help Desk information are available only in Japanese.</p>
<p>Deadline for exercising voting rights via the internet, etc.:</p> <p>By 5:30 p.m., March 27 (Monday), 2023 (JST)</p>		
2		<p>Voting via Postal Mail</p> <p>Please indicate your consent/dissent concerning each item shown on the voting form, and send back the form so that it will arrive no later than the deadline for exercising voting rights.</p>
<p>Deadline for exercising voting rights via postal mail:</p> <p>To be received by 5:30 p.m., March 27 (Monday), 2023 (JST)</p>		



<Guide to filling in the voting form for exercising voting rights>



Please indicate your consent/dissent with respect to each item here.

- * If you exercise your voting rights in duplicate (i.e., voting online as well as voting by using the voting form), only the online vote will be counted.
- * If you submit a voting form without indicating your consent/dissent with respect to each item, you will be deemed to have voted in favor of the Company's proposal(s).

Item 1

If you consent:

Mark a ○ in the box marked "賛"

If you dissent:

Mark a ○ in the box marked "否"

Items 2 and 3

If you consent to the appointment of all candidates:

Mark a ○ in the box marked "賛"

If you dissent to the appointment of all candidates:

Mark a ○ in the box marked "否"

If you selectively veto certain candidates:

Mark a ○ in the box marked "賛" and write the number of each candidate you choose to veto.

<Guide to exercising voting rights via the internet, etc.*>

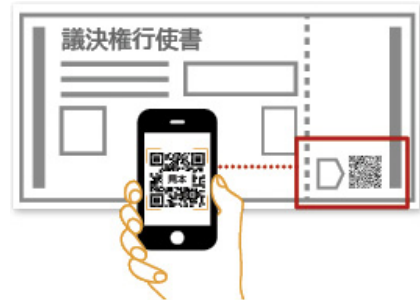
Deadline for exercising voting rights via the internet, etc.:

By 5:30 p.m., March 27 (Monday), 2023 (JST)

* Institutional investors may use the platform operated for institutional investors by ICJ, Inc. to electronically exercise the voting rights.

Method 1: Smart Voting Recommended

- (1) If you intend to exercise your voting rights by smartphone, you can **simply** exercise voting rights **without entering your voting code and password** by scanning the QR code located on the bottom right of the voting form.



- (2) Indicate your consent/dissent concerning each item by following the instructions displayed on the screen.

Note If you need to make a correction to the content of your vote after you have exercised your voting rights, please **access the website in accordance with "Method 2: Entering voting code and password"** noted below, login by entering your voting code and password, and correct your vote.

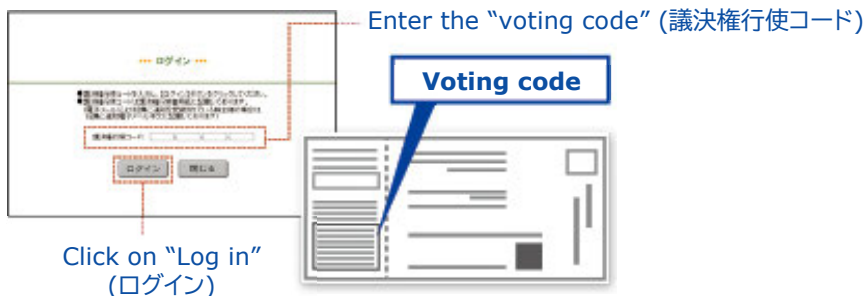


Method 2: Entering voting code and password

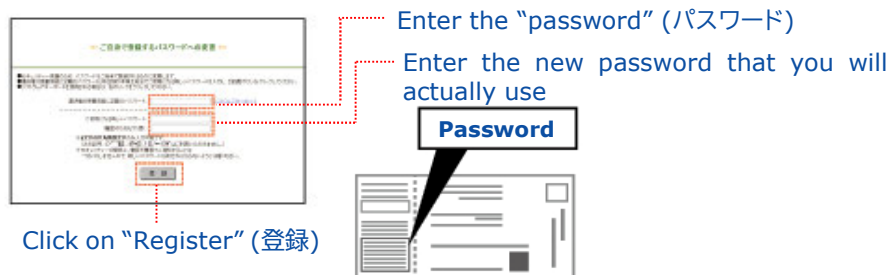
- (1) You can exercise your voting rights by accessing the online voting website <https://www.web54.net> from a computer, tablet, smartphone or cellular phone, and entering the voting code and password.



- (2) Enter the "voting code" (議決権行使コード) indicated on the voting form.



(3) Enter the “password” (パスワード) indicated on the voting form.



* Please note that shareholders who received the Convocation Notice of the Annual General Meeting of Shareholders for this fiscal year by e-mail will not find the “password” on your voting form. Such shareholders are asked to enter the “password” that you set when registering your e-mail address.

(4) Indicate your consent/dissent concerning each item by following the instructions displayed on the screen.

*** If you exercise your voting rights online more than once, only the most recent vote will be counted.**

If you are unclear about the procedure for voting via the internet, etc. using a computer, tablet, smartphone or cellular phone, please contact the following Help Desk for inquiries.

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Web Support Phone Number
Toll-free (within Japan): 0120-652-031 (9:00 a.m. to 9:00 p.m. (JST))

Guide to matters subject to measures for electronic provision

Matters subject to measures for electronic provision are to be taken as set out below. Using a computer, tablet, or smartphone, please access the "General Meeting of Shareholders" page on the Company's website below and refer to matters subject to measures for electronic provision.

URL/QR code for matters subject to measures for electronic provision

https://www.asahigroup-holdings.com/ir/shareholders_guide/shareholders_meeting.html

Note: The website is available only in Japanese.



▼ Location of matters subject to measures for electronic provision

Matters subject to measures for electronic provision are located in the bottom part of the "General Meeting of Shareholders" page on the Company's website.

資料

- 第 99 回定時株主総会招集ご通知
- [-] 分割ダウンロード
- 招集ご通知
- 株主総会参考書類
- 事業報告
 - I 当期の業績(事業の経過及びその成果)
 - II 経営方針(対処すべき課題)
 - III コーポレート・ガバナンス/IV リスクマネジメント
 - V その他アサヒグループの状況
- 連結計算書類・計算書類・監査報告
- 電子提供措置事項のうち書面交付請求による交付書面に記載しない事項
- 当社「第 99 回定時株主総会」の開催及び本総会会場の入場制限(事前登録制・抽選)の実施につきまして

* Matters subject to measures for electronic provision are also available on the website of PRONEXUS Inc. If you are unable to access matters subject to measures for electronic provision via the Company's website, please navigate to the following website of PRONEXUS Inc. and refer to them at that location.

WEB <https://d.sokai.jp/2502/teiji/>

Note: The website is available only in Japanese.

- * In addition to the above, they are also available on the website of the Tokyo Stock Exchange. If you are unable to access matters subject to measures for electronic provision via the above-mentioned website, please access the Tokyo Stock Exchange "Listed Company Search" website. Enter the issue name (company name) or the securities code (2502) to search, then select "Basic information" followed by "Documents for public inspection/PR information" and refer to the "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]" column under "Filed information available for public inspection."

WEB <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

The items and content included in matters subject to measures for electronic provision are as follows.

Note: The website is available only in Japanese.

Business Report

I Earnings for This Fiscal Year (Business Progress and Result)

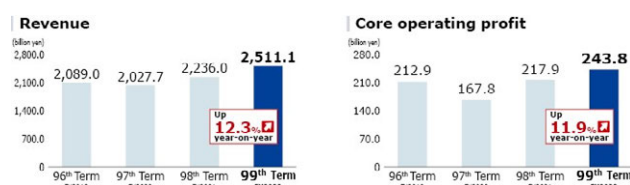
It includes Overview of Consolidated Earnings, Overview of Revenue, and Progress of Medium-Term Guidelines in the “Medium- to Long-Term Management Policy,” etc.

[WEB](https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2023_shoushu_03.pdf) https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2023_shoushu_03.pdf



<Image of available content>

■ Overview of Consolidated Earnings



■ Overview of Revenue

Segment ^{*1}	98 th term FY2021 (million yen)	99 th term FY2022 (current year) (million yen)	Change in amount (million yen)	Change in percentage (%)
Japan	1,219,383	1,301,731	82,348	6.8
Europe	474,383	573,875	99,492	21.0
Oceania	499,994	583,167	83,172	16.6
Southeast Asia	42,684	51,680	8,995	21.1
Others ^{*2}	5,962	8,764	2,801	47.0
Adjustment ^{*3}	(6,332)	(8,110)	(1,778)	-
Total	2,236,076	2,511,108	275,032	12.3

II Management Policy (Management Perspectives)

It includes Group Philosophy, Medium- to Long-Term Management Policy, and Policy for 100th term (FY2023), etc.

[WEB](https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2023_shoushu_04.pdf) https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2023_shoushu_04.pdf



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■ Group Philosophy

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 a sustainable society through our business

Partners: Build relationship that promote mutual growth

Shareholders: Increase our share value through sustainable profit growth and shareholder returns

■ Medium- to Long-Term Management Policy

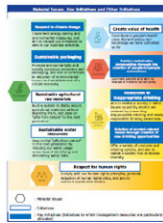
Basic Concept behind Long-Term Strategies

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

- Ideal Business Portfolio: Sustainable growth of existing businesses centered on beer category while expanding into new areas**
 - 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: Promote core strategies aimed at achieving sustainable growth**
 - Integrate sustainability into management in order to positively impact both society and the Group's businesses; contributing to solving social issues.
 - Achieve innovation in three key areas (processes, organization, and business models) by pursuing BX* through DX.
 - Increase the value of existing products and create new products and markets through bolstering R&D (research & development).
- Strategic Foundation Strengthening: Consolidate the management foundations underpinning long-term strategies**
 - Advance human resource for executing core strategies and building an ideal business portfolio.
 - Enhance Group governance in order to create an optimal organizational structure; Group-wide sharing of best practices.

* BX: BX stands for Business Transformation.

■ Core Strategies (Sustainability Strategies)



Electric truck using green power



PET recycling facility commenced operations



III Corporate Governance / IV Risk Management

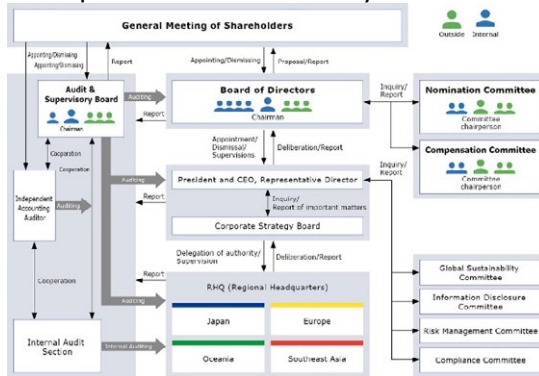
It includes Basic Policies on Corporate Governance, Nomination and Remuneration of Officers, and Initiatives Carried Out to Enhance Effectiveness of the Board of Directors, etc. It also includes information on Risk Management Measures.

[WEB https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2023_shoushu_05.pdf](https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2023_shoushu_05.pdf)

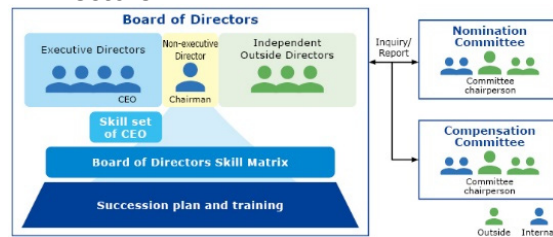


<Image of available content>

■ Corporate Governance System



■ Nomination and Appointment System of Directors



V Status of Other Matters of the Asahi Group

It includes Financing Activities, Status of Principal Lenders, Status of Capital Expenditures, and Status of Major Establishments and Principal Subsidiaries.

[WEB https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2023_shoushu_06.pdf](https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2023_shoushu_06.pdf)



Consolidated Financial Statements, Non-Consolidated Financial Statements and Audit Reports

It includes Consolidated Financial Statements, Non-Consolidated Financial Statements and Audit Reports.

[WEB https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2023_shoushu_07.pdf](https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2023_shoushu_07.pdf)



Note: Among matters subject to measures for electronic provision, the following matters are not provided in the documents delivered to shareholders who have requested the delivery of paper-based documents in accordance with the provisions of relevant laws and regulations and Article 15 of the Company's Articles of Incorporation. Accordingly, the documents that are delivered to shareholders who have requested the delivery of paper-based documents are part of the documents included in the scope of audits by the Audit & Supervisory Board Members and the Independent Accounting Auditor when they create their respective audit reports.

- (i) "Systems to Ensure Appropriate Execution of Directors' Duties in Conformity With Laws and Regulations and the Articles of Incorporation, and Other Systems to Ensure Appropriate Business Operations" and "Basic Policy Concerning the Persons Who Control Decisions on the Company's Financial and Business Policies" in the Business Report
- (ii) "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
- (iii) "Non-consolidated Statement of Changes in Net Assets" and "Notes to the Non-Consolidated Financial Statements" of the Non-Consolidated Financial Statements

REFERENCE MATERIALS FOR GENERAL MEETING OF SHAREHOLDERS

— Agenda Items and Reference Information —

Item 1 Appropriation of Retained Earnings

The Company proposes the appropriation of retained earnings in the following manner:

Year-end dividends

Under the “Medium- to Long-Term Management Policy,” which is aimed at implementing the group philosophy, “Asahi Group Philosophy,” Asahi Group Holdings, Ltd. (the “Company”) has been working to enhance its corporate value through sustainable growth and co-creation with all of its stakeholders, and enhance capacity for future growth investments by prioritizing allocation of the generated free cash flows to the reduction of debt. Meanwhile, in terms of shareholder returns, the Company’s policy is to stably increase dividends aiming to achieve a dividend payout ratio* of around 35%.

In order to realize this policy, regarding the year-end dividend for this fiscal year, taking into consideration a variety of factors, including our consolidated financial condition, the Company has revised upward the dividend forecast announced in February 2022 and proposes to pay a year-end dividend of ¥58 per share.

Since the Company previously paid out ¥55 per share as an interim-period dividend, the annual dividend for this fiscal year will amount to ¥113 per share, which is an increase of ¥4 per share from the previous fiscal year, for a dividend payout ratio of 34.6%.

* Dividend payout ratio is calculated by deducting special temporary factors, such as business portfolio restructuring and impairment losses, from net income attributable to owners of the parent company.

(1) Type of dividend asset

Cash

(2) Allocation of dividend assets to shareholders and total amount of allocation

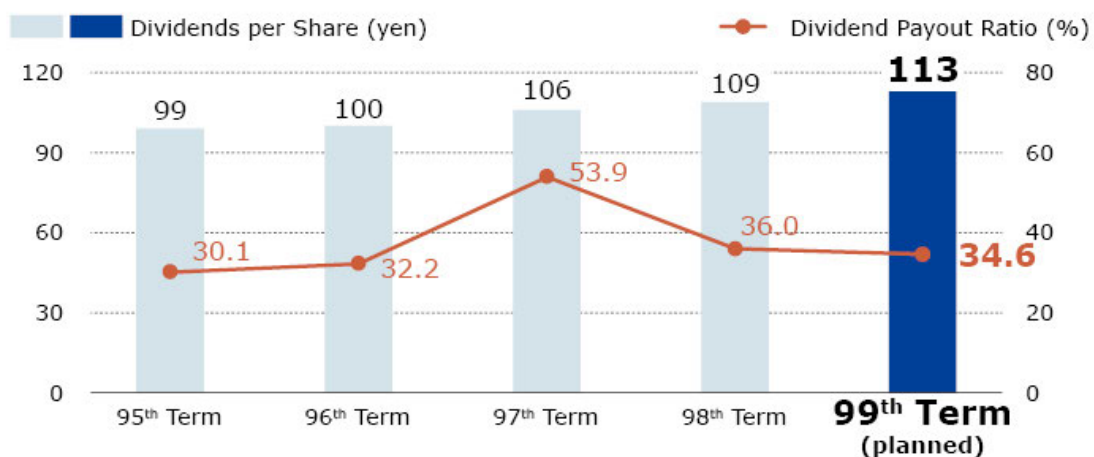
¥58 per share of common stock

Total amount of payout: ¥29,395,356,536

(3) Effective date of dividends of Retained Earnings

March 29, 2023

■[Reference] Trends in Annual Dividend per Share and Consolidated Dividend Payout Ratio



Item 2 Appointment of eight (8) Directors

At the conclusion of this Annual General Meeting of Shareholders, the terms of office of all Directors will expire. The Company therefore asks the shareholders to appoint eight (8) Directors.

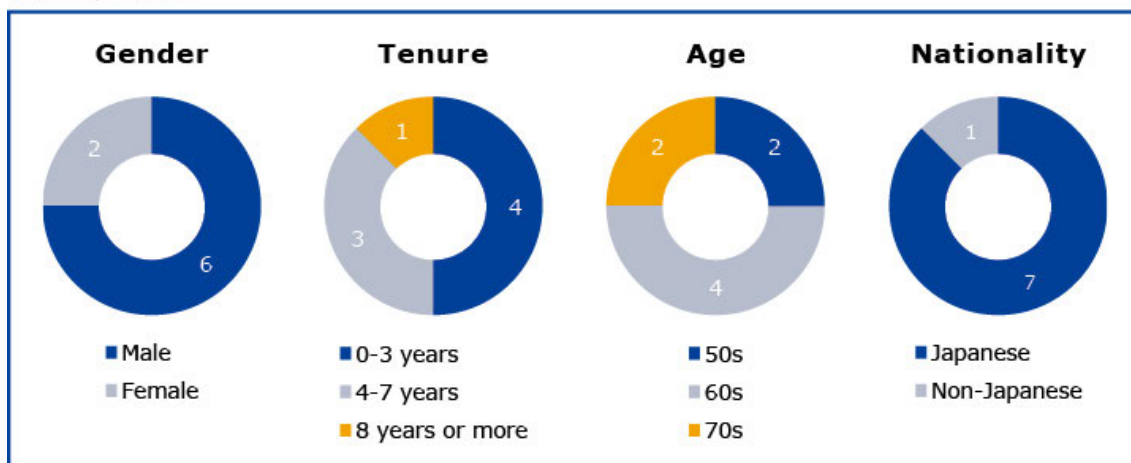
To ensure balance and diversity in terms of the knowledge, experience, and ability of the entire board deemed necessary for the sustainable growth and the increase of corporate value over the medium- to long-term of the Company, the Company has decided that the Board of Directors is to be composed of persons suitable as the Company's Directors who have a wealth of experience, excellent insight, and high-level expertise and ability required by the Company, with reference to the "Board of Directors Skill Matrix," which clearly states the personal requirements of company officers based on the Asahi Group Philosophy, along with the Asahi Group Code of Conduct, and corporate management strategy. Furthermore, Outside Directors shall be persons who meet the requirements of independent officers as defined by the Company such as corporate managers, experts, and others, and at least 1/3 of the Directors.

The nomination of the candidates for the positions of Director has been deliberated at the voluntary "Nomination Committee," of which independent officers form a majority of the members and which is chaired by an Outside Director who is an independent officer.

The candidates for Director are as follows:

Candidate Number	Name	Position	Tenure
1	 Akiyoshi Koji Reappointment	Chairman and Director, Chairman of the Board of Directors	16 years
2	 Atsushi Katsuki Reappointment	President and CEO, Representative Director	6 years
3	 Keizo Tanimura Reappointment	Director and Executive Officer, CHRO	4 years
4	 Kaoru Sakita Reappointment	Director and Executive Officer, CFO	1 year
5	 Christina L. Ahmadjian Reappointment Outside Independent	Outside Director (Independent officer)	4 years
6	 Kenichiro Sasae Reappointment Outside Independent	Outside Director (Independent officer)	1 year
7	 Tetsuji Ohashi Reappointment Outside Independent	Outside Director (Independent officer)	1 year
8	 Mari Matsunaga New candidate Outside Independent	-	-

■ Composition



Candi- date Number	Decision-Making Skills				Supervisory Skills			
	Long-term strategy	Global	Sustainability	Discontinu- ous growth	Senior leadership	Finance	Risk & Governance	Human resources & Culture
1	○		○	○	○	○		○
2	○	○	○	○	○	○		
3		○	○				○	○
4	○	○		○		○		
5		○	○				○	○
6	○	○			○		○	
7	○	○		○	○	○		
8				○	○		○	○

Reappointment: candidate for reappointment

New candidate: candidate for new appointment

Outside: candidate for Outside Director

Independent: candidate for independent officer

Notes: 1. The position and age are as of this Annual General Meeting of Shareholders, and tenure is as of the conclusion of this Annual General Meeting of Shareholders.

2. The Company has entered into a directors and officers liability insurance policy with an insurance company. Summary of contents of the insurance policy is described under "V Status of Other Matters of the Asahi Group, 8 Directors and Audit & Supervisory Board Members of the Company, (5) Summary of contents of a directors and officers liability insurance policy." This is a matter subject to measures for electronic provision. Each of the candidates for reappointment are already listed as an insured under the insurance policy and will continue to be listed as an insured upon approval of his or her reappointment. In addition, newly appointed candidate Mari Matsunaga will be listed as an insured upon approval of her appointment. The Company plans to renew the said policy with the same terms during the terms of their office.

Board of Directors Skill Matrix

The “Board of Directors Skill Matrix” is composed of the necessary skills for decision making as the Board of Directors and particularly necessary skills for the oversight of business execution. According to the “Board of Directors Skill Matrix,” the Company shall make the Board of Directors composed of persons who are suitably qualified to be Directors of the Company possessing a wealth experience, excellent insight, and high-level expertise and ability required by the Company.

Definition of each skill included in the “Board of Directors Skill Matrix” is as follows:

	Skill	Definition
Decision-Making Skills	Long-term strategy	<ul style="list-style-type: none"> Ability to assess societal changes over the long term and the ultra-long term Ability to guide according to strategy informed by backcasting from an envisioned future
	Global	<ul style="list-style-type: none"> Ability to make decisions from a global perspective and frame of reference Ability to optimize a blend of local and global
	Sustainability	<ul style="list-style-type: none"> Ability to provide leadership for the creation of social impact through the business Ability to provide direction of management rooted in knowledge and insight on ESG
	Discontinuous growth	<ul style="list-style-type: none"> Ability to transform the business structure and earnings model Ability to encourage innovation and explore new areas of business
Supervisory Skills	Senior leadership	<ul style="list-style-type: none"> Ability to accurately assess the status of business execution and raise related issues Ability to evaluate business execution by leadership team
	Finance	<ul style="list-style-type: none"> Ability to grasp the state of management from performance and management indices and to raise related issues Ability to grasp the state of resource allocation and to raise related issues
	Risk & Governance	<ul style="list-style-type: none"> Ability to grasp the state of risk control and to raise related issues Ability to grasp the state of governance in place for business execution and raise related issues
	Human resources & Culture	<ul style="list-style-type: none"> Ability to evaluate the status of diverse human resources being able to demonstrate their capabilities Ability to grasp the state of corporate culture and raise related issues

Note that the “Board of Directors Skill Matrix” lists the skills that candidates are expected to exhibit for their roles, and does not represent all the knowledge and experience possessed by each candidate.



Candidate
Number

1

Akiyoshi Koji

Reappointment

Date of Birth (Age): November 8, 1951 (71 years old)
Owned Shares of the Company: 17,000 shares
Tenure: 16 years
Attended BOD* meetings (FY2022): 12/12

Reasons for recommending Akiyoshi Koji as a candidate for Director

Since being appointed a Director of the Company in 2007, Akiyoshi Koji has served as President and Representative Director of Asahi Breweries, Ltd., President and Representative Director, COO of the Company, and since 2018, President and CEO, Representative Director, and has been promoting sustainable growth and increased corporate value over the medium- to long-term. As Chairman and Director he has served as the Chairman of the Board of Directors of the Company, and has taken an integral role in increasing the effectiveness of the Board of Directors. He has been essential in the fair and open operation of the Board of Directors, prompting active involvement and expression of opinions and recommendations by Outside Directors, and managing proceedings that encourage substantial dialogue between Outside Directors and Internal Directors. In addition, he has played a central role in creating sustainable mechanisms of the Board of Directors, which forms the basis of increased corporate value over the medium- to long-term.

Furthermore, he sufficiently possesses the insight, expertise, and ability required as a Director of the Company due to his experience as a top management of the Company over many years. In particular, he can be expected to demonstrate senior leadership, insight and expertise in finance, human resources, and culture, long-term strategic skills supported by foresight and a backcasting mindset, discontinuous growth skills to transform business structures and earnings models, and sustainability skills that take an entire business perspective for continuous development.

Accordingly, we deem that Akiyoshi Koji is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors, and thus we recommend his reappointment as a Director.

Position Chairman and Director, Chairman of the Board of Directors

Career Summary

Apr. 1975 Joined the Company
Sep. 2001 Executive Officer
Mar. 2003 Managing Director, Senior Department Head of Planning Division of Asahi Soft Drinks Co., Ltd.
Mar. 2006 Senior Managing Director, Senior Department Head of Planning Division of Asahi Soft Drinks Co., Ltd.
Mar. 2007 Managing Director, Managing Executive Officer of the Company
Jul. 2011 Director of the Company
President and Representative Director of Asahi Breweries, Ltd.
Mar. 2016 President and Representative Director, COO of the Company
Mar. 2018 President and CEO, Representative Director
Mar. 2021 Chairman and Director, Chairman of the Board of Directors (to the present)

Significant Concurrent Positions Outside Director of Imperial Hotel, Ltd.

Candidate's special interests in the Company

There are no special interests between Akiyoshi Koji and the Company.

*BOD stands for Board of Directors.



Candidate
Number

2

Atsushi Katsuki

Reappointment

Date of Birth (Age):	March 17, 1960 (63 years old)
Owned Shares of the Company:	2,798 shares
Tenure:	6 years
Attended BOD meetings (FY2022):	12/12

Reasons for recommending Atsushi Katsuki as a candidate for Director

Since being appointed a Director of the Company in 2017, Atsushi Katsuki has been responsible for alliances & M&As and many domestic and overseas businesses, and has a track record that includes promoting the restructuring of the business portfolio. Serving as President and CEO, Representative Director, he has worked to realize sustainable growth in our existing businesses, centered on beer, while leveraging the foundation of those businesses to expand into peripheral and new business and service domains, based on the "Medium- to Long-Term Management Policy" enlisting an approach that entails backcasting from megatrends. He has also promoted initiatives to achieve sustainable growth and increase corporate value together with all of our stakeholders by integrating sustainability and management and further strengthening our core strategies such as DX and R&D.

Furthermore, he sufficiently possesses the insight, expertise, and ability required as a Director of the Company through his experience as Group CEO of overseas Regional Headquarters, a Director and CFO of the Company. In particular, he can be expected to demonstrate insight and expertise regarding long-term strategy, sustainability, senior leadership, and finance, discontinuous growth skills supported by knowledge and experience regarding M&A, and decision-making skills from a global perspective, using his extensive experience overseas.

Accordingly, we deem that Atsushi Katsuki is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors, and thus we recommend his reappointment as a Director.

Position President and CEO, Representative Director

Responsibilities Overall Management
Corporate Strategy, Research & Development, Corporate Communications

Career Summary

Apr. 1984	Joined The Nikka Whisky Distilling Co., Ltd
Sep. 2002	Transferred to the Company
Oct. 2011	Managing Director of Asahi Holdings (Australia) Pty Ltd
Apr. 2014	Director, Group CEO of Asahi Holdings (Australia) Pty Ltd
Mar. 2016	Executive Officer of the Company Director, Group CEO of Asahi Holdings (Australia) Pty Ltd
Mar. 2017	Director, Executive Officer of the Company
Mar. 2018	Managing Director, Managing Executive Officer
Mar. 2019	Managing Director, Managing Executive Officer, CFO
Mar. 2020	Senior Managing Director and Senior Managing Executive Officer, CFO
Mar. 2021	President and CEO, Representative Director (to the present)

Candidate's special interests in the Company

There are no special interests between Atsushi Katsuki and the Company.



Candidate
Number

3

Keizo Tanimura

Reappointment

Date of Birth (Age): August 11, 1965 (57 years old)
Owned Shares of the Company: 5,123 shares
Tenure: 4 years
Attended BOD meetings (FY2022): 12/12

Reasons for recommending Keizo Tanimura as a candidate for Director

Since being appointed as a Director of the Company in 2019, Keizo Tanimura's responsibilities have included administration and governance. His track record includes promoting a succession planning system for the Group's executives and the construction of a system for human resources and compensation policy, and as the director responsible for governance, he has also promoted reinforcement of the operating foundation for increasing the effectiveness of the Board of Directors. He made a track record that includes having brought about significant improvement to external assessments concerning ESG through his efforts in promoting integration of sustainability and management in a manner culminating in numerous achievements including that of reducing levels of CO₂ emissions and implementing various environmental measures. His efforts have also resulted in high scores with respect to employee engagement as a result of having coordinated initiatives among the Regional Headquarters, which has involved drawing up a Group-wide personnel policy and engaging in diversity, equity and inclusion (DE&I) initiatives.

Furthermore, he sufficiently possesses the insight, expertise, and ability required as a Director of the Company through his extensive experience at multiple companies, including as Director of an overseas Regional Headquarters. In particular, he can be expected to read the future trends of DE&I and ESG and demonstrate human resources and cultural skills from a global perspective and sustainability skills through tapping into the power of inclusiveness of diverse cultures, along with risk and governance skills based on insight and expertise regarding governance.

Accordingly, we deem that Keizo Tanimura is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors, and thus we recommend his reappointment as a Director.

Position Director and Executive Officer, CHRO (Chief Human Resources Officer)

Responsibilities HR, Legal, Risk, General Affairs, Audit, Sustainability

Career Summary

Apr. 1989 Joined the Company
Apr. 2016 Senior Officer, General Manager of Human Resources Section
Mar. 2017 Executive Officer, General Manager of Human Resources Section
Sep. 2018 Executive Officer responsible for Global and Local Talent Management
Mar. 2019 Director, Executive Officer
Mar. 2020 Director and Executive Officer, CHRO
(to the present)

Candidate's special interests in the Company

There are no special interests between Keizo Tanimura and the Company.



Candidate
Number
4

Kaoru Sakita

Reappointment

Date of Birth (Age): March 3, 1966 (57 years old)
Owned Shares of the Company: 339 shares
Tenure: 1 year
Attended BOD meetings (FY2022): 9/9

Reasons for recommending Kaoru Sakita as a candidate for Director

Since assuming the role of Director in 2022, Kaoru Sakita has been responsible for the areas of finance, procurement, and IT, and as a CFO, he made a track record that includes having contributed to improving the robustness of our financial position by optimizing our global cash management system and by reducing financial liabilities, taking the lead in strengthening the procurement systems, as well as promoting the materialization of innovation in three key areas of DX (processes, organization, and business models).

With an extensive experience of having served in the Group in areas that include finance and corporate planning and as a COO of overseas Regional Headquarters, he has played an important role in the Company's growth enlisting his high-level expertise and knowledge in global management, and he sufficiently possesses the insight, expertise, and ability required as a Director of the Company. In particular, he is expected to demonstrate insight and expertise regarding long-term strategic perspective, finance, and procurement, discontinuous growth skills backed by extensive experience in alliances and M&As, and decision-making skills from a global perspective, using his extensive experience overseas.

Accordingly, we deem that Kaoru Sakita is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors, and thus we recommend his reappointment as a Director.

Position Director and Executive Officer, CFO (Chief Financial Officer)

Responsibilities Finance, Procurement, IT

Career Summary

Apr. 1988 Joined the Company
Apr. 2016 Senior Officer, General Manager of Procurement Section
Mar. 2018 Executive Officer, General Manager of Procurement Section
Apr. 2020 Executive Officer, Head of Procurement
Mar. 2022 Director and Executive Officer, CFO
(to the present)

Candidate's special interests in the Company

There are no special interests between Kaoru Sakita and the Company.

Note: As Kaoru Sakita was newly appointed at the 98th Annual General Meeting of Shareholders held on March 25, 2022, the above number of Board of Directors meetings held that he could attend is different from other Directors.



Candidate Number
5

Christina L. Ahmadjian

Reappointment Outside Director

Independent Director

Date of Birth (Age): March 5, 1959 (64 years old)
 Owned Shares of the Company: — shares
 Tenure: 4 years
 Attended BOD meetings (FY2022): 12/12

Reasons for recommending Christina L. Ahmadjian as a candidate for Outside Director

Since being appointed as an Outside Director of the Company in 2019, Christina L. Ahmadjian has participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors from the perspectives of ESG, sustainability, and a global perspective, based on her viewpoints as a university professor and an expert in risk and governance, human resources and culture, as well as her experience as an outside officer of other companies.

Furthermore, as Chairperson of the Compensation Committee, to enhance the supervisory function of the Board of Directors, she has led the operations of the committee in a fair and transparent manner, and reported to the Board of Directors on matters such as the establishment of social value indicators for the medium-term bonus and bonus payment plans. In addition, as a member of the Nomination Committee, she gave specific opinions and recommendations regarding the Board of Directors Skill Matrix, oversight of the CEO succession plan, and other matters. She is expected to demonstrate sustainability, global, risk and governance, human resources and cultural skills supported by her experience and insight.

Accordingly, we deem that Christina L. Ahmadjian is a necessary human resource who is indispensable to the composition of the Board of Directors, mainly to provide a supervisory function from the perspective of an expert on global organizational culture and other matters for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors, and thus we recommend her reappointment as an Outside Director.

Position Outside Director

Career Summary

- Jan. 1995 Assistant Professor, Columbia Business School
- Oct. 2001 Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
- Jan. 2004 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
- Apr. 2010 Dean of Graduate School, Graduate School of International Corporate Strategy, Hitotsubashi University
- Apr. 2012 Professor, Graduate School of Commerce and Management, Hitotsubashi University
- Apr. 2018 Professor, Graduate School of Business Administration, Hitotsubashi University
- Mar. 2019 Outside Director of the Company (to the present)
- Apr. 2022 Specially Appointed Professor, Department of Global Business, College of Business, Rikkyo University (to the present)

Significant Concurrent Positions

- Specially Appointed Professor, Department of Global Business, College of Business, Rikkyo University
- Outside Director of Sumitomo Electric Industries, Ltd.
- Outside Director of NEC Corporation
- Member of the Board (Outside Director) of NGK SPARK PLUG CO., LTD.

Candidate's special interests in the Company

There are no special interests between Christina L. Ahmadjian and the Company.

Views on independence

The Group maintains no transactional relationships with Christina L. Ahmadjian and entities where she concurrently serves, and as she does not fall under any of the items on the "Criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members" which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that she maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Christina L. Ahmadjian meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered her as an independent officer as stipulated by the said Exchange.

Regarding agreements limiting the liability

To enable her to contribute fully in her role as an Outside Director, the Company has entered into an agreement with Christina L. Ahmadjian that limits her liability for damages as prescribed in Paragraph 1, Article 423 of the Companies Act. Under the terms of this agreement, her liabilities are limited to ¥20 million or to the minimum liability amount stipulated by applicable laws and regulations, whichever is higher. If her appointment is approved, the current agreement will be extended.



Candidate
Number
6

Kenichiro Sasae

Reappointment Outside Director
Independent Director

Date of Birth (Age): September 25, 1951 (71 years old)
Owned Shares of the Company: — shares
Tenure: 1 year
Attended BOD meetings (FY2022): 9/9

Reasons for recommending Kenichiro Sasae as a candidate for Outside Director

Since being appointed as an Outside Director of the Company in 2022, Kenichiro Sasae has participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors on global business execution from the perspective of geopolitical risk and international affairs, based on his extensive knowledge and experience regarding international politics and economics, as well as his experience as an outside officer of other companies.

Furthermore, as Chairperson of the Nomination Committee, to enhance the supervisory function of the Board of Directors, he has led the operations of the committee in a fair and transparent manner, and reported to the Board of Directors on matters such as the Board of Directors Skill Matrix, oversight of the CEO succession plan, and proposals regarding officer appointments. Furthermore, as a member of the Compensation Committee, he gave specific opinions and recommendations regarding reports on matters such as the establishment of social value indicators for the medium-term bonus and bonus payment plans. He is expected to demonstrate ability in long-term strategy, global skills, senior leadership, and risk and governance skills supported by his experience and insight.

Accordingly, we deem that Kenichiro Sasae is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors, and thus we recommend his reappointment as an Outside Director.

Position Outside Director

Career Summary

Apr. 1974 Joined Ministry of Foreign Affairs
Mar. 2002 Director-General of Economic Affairs Bureau, Ministry of Foreign Affairs
Jan. 2005 Director-General of Asian and Oceania Affairs Bureau, Ministry of Foreign Affairs
Jan. 2008 Deputy Minister for Foreign Affairs
Aug. 2010 Vice-Minister for Foreign Affairs
Sep. 2012 Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America
Jun. 2018 President and Director General, The Japan Institute of International Affairs
Dec. 2020 President, The Japan Institute of International Affairs (to the present)
Mar. 2022 Outside Director of the Company (to the present)

Significant Concurrent Positions

President of The Japan Institute of International Affairs
Outside Director of SEIREN CO., LTD.
Outside Director of MITSUBISHI MOTORS CORPORATION
External Director of Fujitsu Limited

Candidate's special interests in the Company

There are no special interests between Kenichiro Sasae and the Company.

Note: As Kenichiro Sasae was newly appointed at the 98th Annual General Meeting of Shareholders held on March 25, 2022, the above number of Board of Directors meetings held that he could attend is different from other Directors.

Views on independence

Although the Group maintains transactional relationships with The Japan Institute of International Affairs, where Kenichiro Sasae concurrently serves, the amounts involved in such transactions account for less than 1% of the consolidated revenue (or ordinary income) of the Company and the said entity. As such, based on the "Criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members" which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that he maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Kenichiro Sasae meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered him as an independent officer as stipulated by the said Exchange.

Regarding agreements limiting the liability

To enable him to contribute fully in his role as an Outside Director, the Company has entered into an agreement with Kenichiro Sasae that limits his liability for damages as prescribed in Paragraph 1, Article 423 of the Companies Act. Under the terms of this agreement, his liabilities are limited to ¥20 million or to the minimum liability amount stipulated by applicable laws and regulations, whichever is higher. If his appointment is approved, the current agreement will be extended.



Candidate Number
7

Tetsuji Ohashi

Reappointment Outside Director

Independent Director

Date of Birth (Age): March 23, 1954 (69 years old)
 Owned Shares of the Company: — shares
 Tenure: 1 year
 Attended BOD meetings (FY2022): 9/9

Reasons for recommending Tetsuji Ohashi as a candidate for Outside Director

Since being appointed as an Outside Director of the Company in 2022, Tetsuji Ohashi has participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors such as asking questions and raising concerns about group governance and global business execution that grasp the essence based on the perspective of managing a global corporation and his experience as an outside officer of other companies.

As a member of the Nomination Committee, he gave specific opinions and recommendations regarding the Board of Directors Skill Matrix, oversight of the CEO succession plan, proposals for officer appointments, and other matters. Furthermore, as a member of the Compensation Committee, he gave specific opinions and recommendations regarding reports on matters such as the establishment of social value indicators for the medium-term bonus and bonus payment proposals. He is expected to demonstrate ability in long-term strategy, global skills, discontinuous growth skills, senior leadership, and finance skills supported by his experience and insight.

Accordingly, we deem that Tetsuji Ohashi is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors, and thus we recommend his reappointment as an Outside Director.

Position Outside Director

Career Summary

Apr. 1977	Joined Komatsu Ltd.
Jan. 2004	President and Chief Operating Officer (COO) of Komatsu America Corp.
Apr. 2007	Executive Officer of Komatsu Ltd.
Apr. 2008	Senior Executive Officer (Jomu) of Komatsu Ltd.
Jun. 2009	Director and Senior Executive Officer (Jomu) of Komatsu Ltd.
Apr. 2012	Director and Senior Executive Officer (Senmu) of Komatsu Ltd.
Apr. 2013	President and Representative Director, and CEO of Komatsu Ltd.
Apr. 2019	Chairman of the Board and Representative Director of Komatsu Ltd.
Mar. 2022	Outside Director of the Company (to the present)
Apr. 2022	Chairman of the Board of Komatsu Ltd. (to the present)

Significant Concurrent Positions	Chairman of the Board of Komatsu Ltd. Outside Director of Yamaha Motor Co., Ltd. Outside Director of Nomura Research Institute, Ltd.
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Candidate's special interests in the Company

There are no special interests between Tetsuji Ohashi and the Company.

Note: As Tetsuji Ohashi was newly appointed at the 98th Annual General Meeting of Shareholders held on March 25, 2022, the above number of Board of Directors meetings held that he could attend is different from other Directors.

Views on independence

The Group maintains no transactional relationships with Tetsuji Ohashi and entities where he concurrently serves, and as he does not fall under any of the items on the “Criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members” which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that he maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Tetsuji Ohashi meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered him as an independent officer as stipulated by the said Exchange.

Regarding agreements limiting the liability

To enable him to contribute fully in his role as an Outside Director, the Company has entered into an agreement with Tetsuji Ohashi that limits his liability for damages as prescribed in Paragraph 1, Article 423 of the Companies Act. Under the terms of this agreement, his liabilities are limited to ¥20 million or to the minimum liability amount stipulated by applicable laws and regulations, whichever is higher. If his appointment is approved, the current agreement will be extended.



Candidate
Number
8

Mari Matsunaga

New candidate Outside Director

Independent Director

Date of Birth (Age): November 13, 1954 (68 years old)
Owned Shares of the Company: — shares

Reasons for recommending Mari Matsunaga as a candidate for Outside Director

Mari Matsunaga worked at Japan Recruit Center, Inc. (current Recruit Holdings Co., Ltd.) as Editor in chief of the magazines "Shushoku Journal" and "Travail." She was appointed as Head of Planning Office for the Gateway Business Department at NTT Mobile Communications Network, Inc. (current NTT DOCOMO, INC.) where she developed content for i-mode. She has skills including senior leadership, risk and governance, human resources, as well as cultural skills based on her experience in developing new business models and as an outside officer at other company. She sufficiently possesses the insight, expertise, and ability required as a Director of the Company.

In particular, as an Outside Director, she has a high level of discontinuous growth skills due to her experience in new services and development. She can be expected to actively point out and make recommendations on management issues from the perspective of promoting open innovation, etc., and to actively provide opinions and recommendations at meetings of the Board of Directors based on her extensive knowledge and broad insight into the culture and lifestyles of modern society.

Accordingly, we deem that Mari Matsunaga is a human resource necessary to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors, and thus we newly recommend her appointment as an Outside Director.

Career Summary

Apr. 1977	Joined Japan Recruit Center, Inc. (current Recruit Holdings Co., Ltd.)
Jul. 1986	Editor in chief of "Shushoku Journal," Recruit Co., Ltd. (current Recruit Holdings Co., Ltd.)
Jul. 1988	Editor in chief of "Travail," Recruit Co., Ltd.
Jul. 1997	Head of Planning Office, Gateway Business Department, NTT Mobile Communications Network, Inc. (current NTT DOCOMO, INC.)
Apr. 2000	Representative of Mari Matsunaga Office (to the present)

Significant Concurrent Positions

Representative of Mari Matsunaga Office
Outside Director of Seiko Epson Corporation

Candidate's special interests in the Company

There are no special interests between Mari Matsunaga and the Company.

Views on independence

The Group maintains no transactional relationships with Mari Matsunaga and entities where she concurrently serves, and as she does not fall under any of the items on the “Criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members” which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that she maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Mari Matsunaga meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered her as an independent officer as stipulated by the said Exchange.

Regarding agreements limiting the liability

If appointment of Mari Matsunaga is approved, the Company plans to newly enter into an agreement with her that limits her liability for damages as prescribed in Paragraph 1, Article 423 of the Companies Act in order to enable her to contribute fully in her role as an Outside Director. Under the terms of this agreement, her liabilities are limited to ¥20 million or to the minimum liability amount stipulated by applicable laws and regulations, whichever is higher.

Item 3 Appointment of two (2) Audit & Supervisory Board Members





At the conclusion of this Annual General Meeting of Shareholders, the terms of office of Audit & Supervisory Board Members Yoshihide Okuda and Yumiko Waseda will expire. The Company therefore asks the shareholders to appoint two (2) Audit & Supervisory Board Members.

The Company has decided that a good balance of the entire Audit & Supervisory Board must be ensured in terms of the knowledge, experience, ability and diversity required for sustainable growth and the increase of corporate value of the Company over the medium- to long-term, and that the Audit & Supervisory Board is to be composed of suitable persons reflecting the requirements of Directors and Audit & Supervisory Board Members derived from the group philosophy, the "Asahi Group Philosophy," the Asahi Group Code of Conduct, and management strategy. Audit & Supervisory Board Members are appointed from among candidates who have appropriate experience, abilities, and high-level knowledge of finance and accounting or legal affairs. In particular, at least one individual with significant insight into finance and accounting shall be appointed. Furthermore, 3 of the Audit & Supervisory Board Members shall be Outside Audit & Supervisory Board Members who meet the requirements for independent officers which have been established by the Company, and be appointed from among corporate accounting experts, lawyers and persons with experience in corporate management who possess abundant experience and comprehensive knowledge in relevant fields.

This proposal is submitted with the prior consent of the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as described on the following pages.

■ [Reference] Composition of the Audit & Supervisory Board if this proposal is approved and adopted in its original form

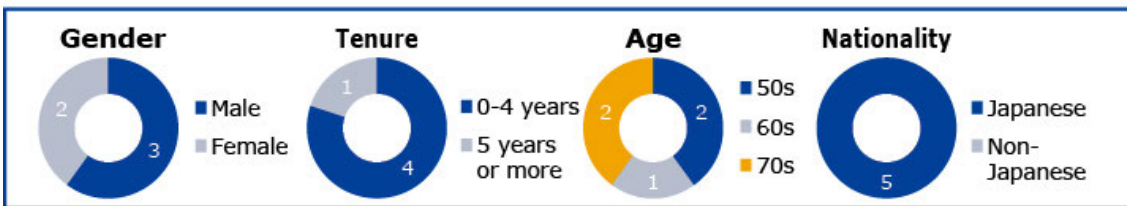
Name	Position	Tenure	Knowledge, experience, ability
 Naoko Nishinaka	Standing Audit & Supervisory Board Member	3 years	<ul style="list-style-type: none"> • Knowledge and experience in the Company's business • Expertise in supply chain and quality assurance
 Yutaka Kawakami Outside Independent	Outside Audit & Supervisory Board Member (Independent officer)	6 years	<ul style="list-style-type: none"> • Knowledge and experience as a certified public accountant • Expertise in finance and accounting
 Shigeo Ohyagi Outside Independent	Outside Audit & Supervisory Board Member (Independent officer)	1 year	<ul style="list-style-type: none"> • Knowledge and experience in corporate management • Expertise in management and supervision of global corporations
Candidate for Audit & Supervisory Board Member  Yukitaka Fukuda New candidate	-	-	<ul style="list-style-type: none"> • Knowledge and experience in the Company's business • Expertise in finance and accounting
Candidate for Audit & Supervisory Board Member  Sanae Tanaka New candidate Outside Independent	-	-	<ul style="list-style-type: none"> • Knowledge and experience as an attorney at law • Expertise in corporate legal affairs

New candidate: candidate for new appointment

Outside: Outside Audit & Supervisory Board Member or candidate therefor

Independent: independent officer or candidate therefor

■ Composition



Notes: 1. The position and age are as of this Annual General Meeting of Shareholders, and tenure is as of the conclusion of this Annual General Meeting of Shareholders.
 2. The Company has entered into a directors and officers liability insurance policy with an insurance company. Summary of contents of the insurance policy is described under "V Status of Other Matters of the Asahi Group, 8 Directors and Audit & Supervisory Board Members of the Company, (5) Summary of contents of a directors and officers liability insurance policy." This is a matter subject to measures for electronic provision. Candidates for new appointment, Yukitaka Fukuda and Sanae Tanaka, will be listed as insureds upon approval of their appointment. The Company plans to renew the said policy with the same terms during the terms of their office.



Candidate
Number

1

Yukitaka Fukuda

New candidate

Date of Birth (Age): May 20, 1963 (59 years old)

Owned Shares of the Company: 1,147 shares

Reasons for recommending Yukitaka Fukuda as a candidate for Audit & Supervisory Board Member

Yukitaka Fukuda has abundant management experience in the Group, mainly in finance and accounting, as an Executive Officer and General Manager of Finance Section of the Company, President and Representative Director of Asahi Professional Management Co., Ltd., and Audit & Supervisory Board Member of Asahi Group Japan, Ltd.

He possesses a high level of expertise in finance and accounting necessary for an Audit & Supervisory Board Member of the Company, a high level of insight regarding compliance, risk management, and internal audit, and extensive knowledge of the Company's businesses, including its Alcohol Beverages Business, and the Company expects that he will appropriately perform the role of auditing the execution of duties by the Company's Directors, including the internal control system.

Accordingly, we deem that Yukitaka Fukuda is a necessary human resource for strengthening the functions of the Company's Audit & Supervisory Board in the aim for sustainable growth and enhancement of corporate value over the medium- to long-term, and thus we newly recommend his appointment as an Audit & Supervisory Board Member.

Career Summary

Apr. 1986	Joined Toyo Engineering Corporation
Oct. 2001	Joined the Company
Sep. 2012	General Manager of Finance Section
Mar. 2015	Executive Officer, General Manager of Finance Section
Mar. 2017	President and Representative Director of Asahi Professional Management Co., Ltd.
Mar. 2022	Audit & Supervisory Board Member of Asahi Group Japan, Ltd. (to the present)

Candidate's special interests in the Company

There are no special interests between Yukitaka Fukuda and the Company.

Note: Yukitaka Fukuda will resign from the position of Audit & Supervisory Board Member of Asahi Group Japan, Ltd. on March 28, 2023.



Candidate
Number
2

Sanae Tanaka

New candidate

Outside Audit & Supervisory Board Member

Independent Audit & Supervisory Board Member

Date of Birth (Age): July 15, 1962 (60 years old)

Owned Shares of the Company: 1,100 shares

Reasons for recommending Sanae Tanaka as a candidate for Outside Audit & Supervisory Board Member

Sanae Tanaka, through her long years of practice as an attorney at law, possesses expertise in corporate legal affairs necessary for an Audit & Supervisory Board Member of the Company and a high level of insight that enables her to audit management from the perspective of laws and regulations, etc.

The Company expects that in serving as Outside Audit & Supervisory Board Member she will appropriately perform the role of auditing the execution of duties by the Company's Directors, including the internal control system, from an objective standpoint based on her extensive knowledge and experience as an attorney at law. This will involve having her actively give her opinions and recommendations at meetings of the Board of Directors and the Audit & Supervisory Board, and also having her review the audit status of domestic group companies and activities of overseas group companies' audit committees.

Accordingly, we deem that Sanae Tanaka is a necessary human resource for strengthening the functions of the Company's Audit & Supervisory Board in the aim for sustainable growth and enhancement of corporate value over the medium- to long-term, and thus we newly recommend her appointment as an Outside Audit & Supervisory Board Member.

Career Summary

Apr. 1989 Registered as an Attorney at Law
Sep. 1991 Representative of Sanae Tanaka Law Office
(to the present)

Significant Concurrent Positions

Representative of Sanae Tanaka Law Office
Outside Director of Noevir Holdings Co., Ltd.
Outside Director of PILOT CORPORATION
Outside Director of Shochiku Co., Ltd.

Candidate's special interests in the Company

There are no special interests between Sanae Tanaka and the Company.

Views on independence

The Group maintains no transactional relationships with Sanae Tanaka and entities where she concurrently serves, and as she does not fall under any of the items on the "Criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members" which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that she maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Sanae Tanaka meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered her as an independent officer as stipulated by the said Exchange.

Regarding agreements limiting the liability

If appointment of Sanae Tanaka is approved, the Company plans to newly enter into an agreement with her that limits her liability for damages as prescribed in Paragraph 1, Article 423 of the Companies Act in order to enable her to contribute fully in her role as an Outside Audit & Supervisory Board Member. Under the terms of this agreement, her liabilities are limited to ¥20 million or to the minimum liability amount stipulated by applicable laws and regulations, whichever is higher.

[Reference] Criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members

The Company has established standards as set forth below for objectively assessing the independence of its Outside Directors and Outside Audit & Supervisory Board Members (herein this section the "Outside Directors/Audit & Supervisory Board Members") and accordingly deems that an Outside Director/Audit & Supervisory Board Member lacks sufficient independence for the Company if any of the following apply, such that he or she is:

1. A party who serves as an executive^{*1} of the Company or a subsidiary of the Company (herein this section collectively referred to as the "Group") or has served as an executive of the Group in the past;
2. A party for whom the Group is a major business partner^{*2} (or if the business partner is an incorporated entity, an executive thereof);
3. A party who is a major business partner of the Group^{*3} (or if the business partner is an incorporated entity, an executive thereof);
4. A consultant, certified public accountant or other accounting professional, or an attorney at law or other legal professional who has been paid substantial amounts of money or other financial benefits^{*4} other than Directors' and Audit & Supervisory Board Members' remuneration paid by the Group (or if the party receiving such financial benefits is an incorporated entity, association or other organization, then persons belonging to such organization);
5. A certified public accountant who belongs to the auditing firm which serves as the Independent Accounting Auditor of the Group;
6. A major shareholder^{*5} of the Group (or if the major shareholder is an incorporated entity, an executive thereof);
7. An executive of an incorporated entity that is a major shareholder of the Group;
8. An executive of a company which has a relationship involving cross-assumption of office of Outside Directors/Audit & Supervisory Board Members^{*6};
9. A party who receives substantial donations^{*7} from the Group (or if the party receiving such donations is an incorporated entity, association or other organization, then an executive thereof);
10. A close relative^{*8} of a party who falls under any of the above items from 1 to 9 (limited to important persons^{*9}, with the exception of item 1);
11. A party who has fallen under any of the above items from 2 to 10 during the past ten (10) years;
12. A party who has exceeded the tenure of Outside Directors/Audit & Supervisory Board Members stipulated by the Company^{*10}; or
13. Notwithstanding the provisions of the respective items above, a party with respect to whom there are special grounds for deeming there to be potential for conflict of interests with general shareholders.

*1. "Executive" refers to an executive as defined in Item 6, Paragraph 3, Article 2 of the Regulation for Enforcement of the Companies Act, and includes both executive directors and employees, but does not include Audit & Supervisory Board Members.

*2. "Party for whom the Group is a major business partner" refers to a party whose transactions in the most recent fiscal year amount to 2% or more of the consolidated net sales of the business partner's group.

*3. "Party who is a major business partner of the Group" refers either to a party whose transactions in the most recent fiscal year amount to 2% or more of the Company's consolidated revenue, or a party who loans to the Group an amount equivalent to 2% or

more of the Company's consolidated total assets as of the end of the most recent fiscal year.

- *4. "Substantial amounts of money or other financial benefits" refers to money and other financial benefits amounting to 10 million yen or more annually, excluding Directors' and Audit & Supervisory Board Members' remuneration, for the most recent fiscal year (if such financial benefits are obtained by an incorporated entity, association or other organization, it refers to money or other financial benefits amounting to 2% or more of such organization's total revenues for the most recent fiscal year).
- *5. "Major shareholder" refers to a person or incorporated entity that directly or indirectly holds 10% or more of the Company's total voting rights.
- *6. "Relationship involving cross-assumption of office of Outside Directors/Audit & Supervisory Board Members" refers to a relationship where an executive of the Group serves as an outside director/audit & supervisory board member of another company, and an executive of that company serves as an Outside Director/Audit & Supervisory Board Member of the Company.
- *7. "Substantial donations" refers to annual donations of 10 million yen or more made during the most recent fiscal year.
- *8. "Close relative" refers to a spouse or persons within the second degree of consanguinity.
- *9. "Important persons" refers to Directors (excluding Outside Directors), officers, Executive Officers, and other executives in positions of General Manager or above; certified public accountants belonging to auditing firms or accounting offices; attorneys at law belonging to legal professional corporations or law firms; councilors, directors or other officers belonging to incorporated foundations, incorporated associations, educational institutions and other incorporated entities; and other persons objectively and reasonably deemed to be in positions of similar importance.
- *10. "Tenure of Outside Directors/Audit & Supervisory Board Members stipulated by the Company" means ten (10) years with respect to Directors and twelve (12) years with respect to Audit & Supervisory Board Members.

I Earnings for This Fiscal Year (Business Progress and Result)

1 Overview of Consolidated Earnings

During this fiscal year, although the global economy showed signs of recovery, particularly in the U.S. and Europe, the outlook was uncertain due to rising upward pressure on prices as a result of soaring raw material and energy prices in the wake of the deteriorating situation in Ukraine, and higher policy interest rates aimed at curbing inflation. The Japanese economy, which had also been affected by rising raw material prices, showed signs of recovery due to the loosening of COVID-19 restrictions and the recovery of the global economy.

Under these circumstances, the Asahi Group has updated the previous Medium-Term Management Policy as a “Medium- to Long-Term Management Policy” including long-term strategies, through backcasting from megatrends in order to implement our group philosophy, the Asahi Group Philosophy. The Medium- to Long-Term Management Policy set forth the concept of the long-term strategies to “Contribute to sustainable society and respond to changing conceptions of well-being through delivering great taste and fun.” In our business portfolio, in addition to the sustainable growth of existing businesses centered on beer category, we have worked to expand into peripheral areas and new businesses and services by leveraging our business foundation. We also promoted initiatives aimed at achieving sustainable growth and increasing corporate value together with all of our stakeholders by further strengthening our core strategies such as integrating sustainability and management, digital transformation (DX) and research and development (R&D).

In addition, although this fiscal year was significantly affected by factors including rising raw material prices, we sought to stabilize the Group’s overall performance by implementing management practices that flexibly respond to changes in the business environment, such as appropriate pricing strategies and enhanced cost management in each region.

As a result, revenue of the Asahi Group increased by 12.3% year-on-year to ¥2,511,108 million. Core operating profit*¹ increased by 11.9% year-on-year to ¥243,817 million, and operating profit rose by 2.4% to ¥217,048 million. Profit attributable to owners of parent decreased by 1.3% year-on-year to ¥151,555 million, due to an increase in income tax expense, and adjusted profit attributable to owners of parent*² totaled ¥165,430 million, an increase of 7.0% year-on-year.

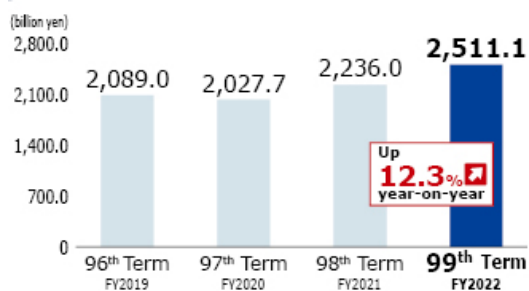
Furthermore, excluding the effects of exchange rate fluctuations, revenue increased by 8.0% year-on-year and core operating profit increased by 5.9% year-on-year.*³

- *1. Core operating profit is the Company’s original indicator of profit, which measures the ordinary business earnings calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
- *2. Adjusted profit attributable to owners of parent is profit attributable to owners of parent less special temporary factors, such as business portfolio restructuring and impairment losses.
- *3. Foreign currency amounts in 2022 are compared after conversion to the yen equivalent using the 2021 exchange rate.

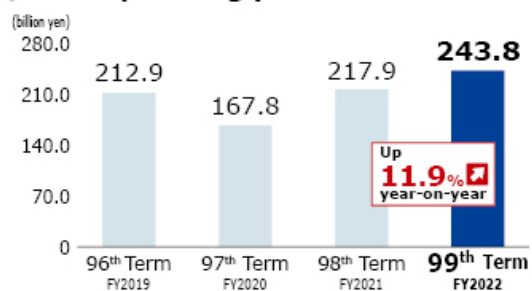
■ Asahi Group's Earnings

Note: The Asahi Group has adopted International Financial Reporting Standards (IFRS).

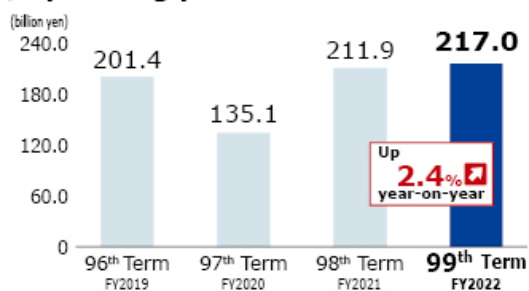
Revenue



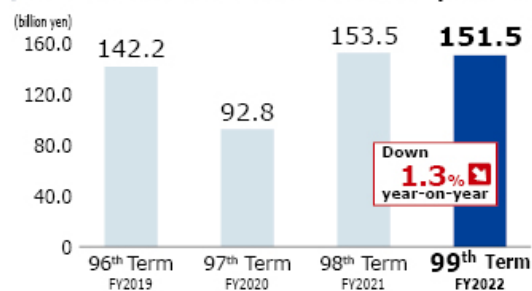
Core operating profit



Operating profit



Profit attributable to owners of parent



■ Financial and Profit/Loss Indicators of the Asahi Group

	96 th term FY2019	97 th term FY2020	98 th term FY2021	99 th term FY2022 (current year)
Revenue	2,089,048	2,027,762	2,236,076	(million yen) 2,511,108
Core operating profit	212,971	167,823	217,940	(million yen) 243,817
Operating profit	201,436	135,167	211,900	(million yen) 217,048
Profit attributable to owners of parent	142,207	92,826	153,500	(million yen) 151,555
Operating profit ratio	9.6	6.7	9.5	(%) 8.6
EBITDA^{*1}	304,848	269,446	328,497	(million yen) 362,405
Basic earnings per share^{*2}	310.44	196.52	302.92	(yen) 299.10
Total assets	3,140,788	4,439,378	4,547,748	(million yen) 4,830,344
Total equity	1,248,279	1,517,816	1,759,148	(million yen) 2,062,945
Equity attributable to owners of parent per share^{*3}	2,720.76	2,992.06	3,467.47	(yen) 4,067.12
ROE (Profit ratio to equity attributable to owners of parent)	11.9	6.7	9.4	(%) 7.9
Adjusted profit attributable to owners of parent^{*4}	142,207	92,826	153,500	(million yen) 165,430
Adjusted earnings per share^{*5}	310.44	196.52	302.92	(yen) 326.48
Adjusted ROE (Adjusted profit ratio to equity attributable to owners of parent)^{*6}	13.0	7.5	11.0	(%) 11.1

*1. EBITDA is equal to the sum of core operating profit and amortization and depreciation.

*2. Basic earnings per share is calculated based on the average total number of shares outstanding during the term. The total number of shares outstanding is exclusive of treasury shares. The shares of the Company held by Custody Bank of Japan, Ltd. as trust property for stock compensation are included in the treasury shares to be deducted in the calculation.

*3. Equity attributable to owners of parent per share is calculated based on the total number of shares outstanding at the end of the fiscal year. The total number of shares outstanding is exclusive of treasury shares. The shares of the Company held by Custody Bank of Japan, Ltd. as trust property for stock compensation are included in the treasury shares to be deducted in the calculation.

*4. Adjusted profit attributable to owners of parent is profit attributable to owners of parent less special temporary factors, such as business portfolio restructuring and impairment losses.

*5. Adjusted earnings per share is calculated based on adjusted profit attributable to owners of parent.

*6. Adjusted ROE is calculated based on adjusted profit attributable to owners of parent divided by total equity attributable to owners of parent (net of exchange differences on translation of foreign operations, and changes, etc. of fair value of investment in financial assets measured at fair value through other comprehensive income).

2 Overview of Earnings

■ Asahi Group Revenue

Segment ^{*1}	98 th term FY2021 (million yen)	99 th term FY2022 (current year) (million yen)	Change in amount (million yen)	Change in percentage (%)
Japan	1,219,383	1,301,731	82,348	6.8
Europe	474,383	573,875	99,492	21.0
Oceania	499,994	583,167	83,172	16.6
Southeast Asia	42,684	51,680	8,995	21.1
Others^{*2}	5,962	8,764	2,801	47.0
Adjustment^{*3}	(6,332)	(8,110)	(1,778)	-
Total	2,236,076	2,511,108	275,032	12.3

*1. The Company changed classification of "Alcohol Beverages," "Soft Drinks," "Food," and "Overseas" segments that had been used up until the 98th term (FY2021) to "Japan," "Europe," "Oceania," and "Southeast Asia," from the 99th term (FY2022) due to reorganization. The figures shown for the 98th term were calculated according to the new classification.

*2. The "Others" segment includes feedstuffs business and other businesses not included in "Japan," "Europe," "Oceania," and "Southeast Asia" segments.

*3. The adjustment is the elimination amount of intersegment revenue.



In Japan, we invested management resources in brands with “strengths” in the alcohol beverages, soft drinks, and food businesses, and aimed to improve the value of the brands of each business through new value propositions. We also strengthened our foundation for sustainable growth by optimizing SCM to create synergies across business boundaries in Japan as a whole and promoting sustainability initiatives.

In the alcohol beverages business, in the beer category, “Asahi Super Dry” was fully renewed for the first time since its launch in 1987, and “Asahi Super Dry Nama Jokki Can” was sold throughout the year to expand the user base. In addition, we expanded the product lineup of “Asahi Draft Beer” and strengthened advertising and sales promotion activities to revitalize the beer market. In RTD^{*1} beverages, we strengthened new value propositions by rolling out the premium craft series “Asahi The Craft” and limited-time-only products. In alcohol-taste beverages we worked to promote our “smart drinking” concept by offering a more diverse range of drinking options, including the opening of “SUMADORI-BAR SHIBUYA” where people who “do not/cannot drink” alcohol can also enjoy themselves.

In the soft drinks business, from “WILKINSON,” we sought to create new value based on health consciousness by offering the “#sober” series, targeting the sober curious^{*2}, for which demand is increasing. In addition, for “Wakocha,” we have achieved an elegant aroma and taste by using 100% Japanese-produced tea leaves to meet the growing relaxation needs of consumers.

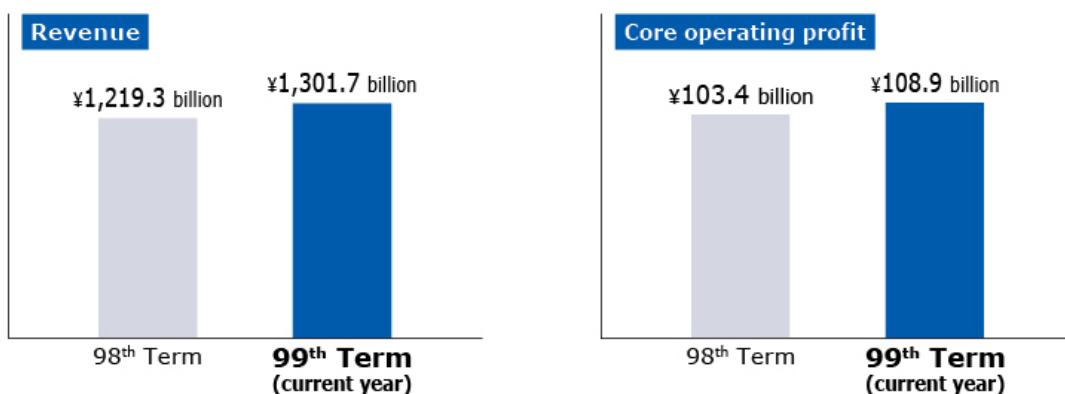
In the food business, we worked to improve the brand power of the tablet-type confectionery “MINTIA” through renewal of mainstay products and advertising and sales promotion activities. In our mainstay brands such as the freeze-dried food “AMANO FOODS” and the dietary supplement “Dear-Natura,” we responded to diversifying lifestyles by developing products that meet the growing time-saving needs and rising health consciousness.

As a result of these efforts, revenue from this segment increased by 6.8% year-on-year to ¥1,301,731 million due to increased revenue of each business, especially the alcohol beverages business, which saw increased beer sales.

Core operating profit increased by 5.3% year-on-year to ¥108,913 million due to the effect of increased revenue and various cost efficiencies, despite the impact of increased expenses related to raw materials and enhanced brand investment. (Operating profit stood at ¥96,417 million, representing a year-on-year decrease of 19.4%).

*1. RTD stands for “Ready To Drink,” which refers to a type of beverage sold in a prepared form and ready for consumption, such as canned chuhai.

*2. Sober curious is a new lifestyle of choosing not to drink alcohol.





In Europe, we expanded and developed our global brands, while promoting the premiumization of the brand portfolio in each country by strengthening our mainstay local brands and expanding non-alcohol beer. In addition, we further reinforced the foundation for sustainable growth by stepping up our efforts to address environmental issues and to foster the desired corporate culture.

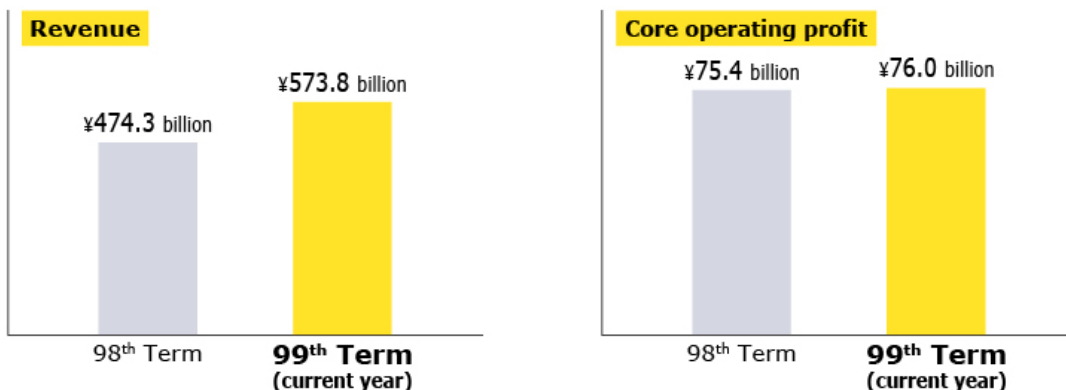
In Europe region, and specifically in the Czech Republic, we promoted initiatives to reduce environmental impact such as increasing the recycling rate for can containers and ending production of PET bottle products, in addition to enhancing the brand appeal of "Pilsner Urquell," which marked its 180th anniversary, through music and sporting events. In addition, we promoted further premiumization by expanding and developing our global brands in each country such as "Kozel" in Poland, Italy and Romania and "Peroni Nastro Azzurro" in the United Kingdom and Romania. Furthermore, for non-alcohol beer, in the Czech Republic, we renewed "Birell" to have a richer taste and developed new flavors, while in Poland, we reinforced our efforts to capture new drinking opportunities by actively promoting activities for "Lech Free" and launching a non-alcohol beer from flavored beer brand "Hardmade."

In the development of our global brands, we strengthened marketing of "Asahi Super Dry" by entering into a partnership agreement with City Football Group and becoming the official beer sponsor for Manchester City in the United Kingdom as well as City Football Group's teams in Japan, China and Australia. In addition, we promoted initiatives to increase brand awareness of "Peroni Nastro Azzurro," such as by selling the non-alcohol beer "Peroni Nastro Azzurro 0.0%" in more than 20 countries and by expanding advertising and holding experience events with the motor sports team Aston Martin Cognizant FORMULA ONE™ TEAM, with which we have entered into a partnership agreement.

As a result of these efforts, revenue from this segment increased by 21.0% year-on-year to ¥573,875 million, mainly due to the recovery in demand from restaurants in each country in addition to increased sales of global brands and non-alcohol beer, as well as the impact of price revisions.

Core operating profit increased by 0.7% year-on-year to ¥76,005 million, mainly due to a recovery in demand from the restaurant sector, as well as the effect of higher revenue associated with factors including the progress of premiumization of the brand portfolio, and the impact of exchange rate fluctuations, despite the impact of increased costs such as raw materials and utilities (Operating profit stood at ¥55,163 million, representing a year-on-year increase of 19.8%).

Excluding the effects of exchange rate fluctuations, revenue rose by 13.5% year-on-year and core operating profit decreased by 6.3% year-on-year.





In Oceania, we worked to solidify our earnings foundation by promoting a multi-beverage strategy that leverages the strengths of our alcohol beverages and soft drinks businesses, while strengthening premiumization and creating integration synergies. In addition to increasing investment in new growth categories in BAC*, such as non-alcohol beer, we also accelerated new value propositions with an emphasis on sustainability as well as SCM reforms.

In the alcohol beverages business, we promoted aggressive marketing activities for our mainstay brand "Great Northern," including the development of outdoor events based on health demand, and we also entered into partnerships with various sporting events such as the Australian Open tennis tournament to enhance the brand value. In addition, we launched new low-alcohol products from "Asahi Super Dry" and "Peroni Nastro Azzurro," and implemented initiatives to meet diversifying drinking needs by strengthening sales promotion activities for non-alcohol beer, mainly "Great Northern Zero," and the hard seltzer product "Good Tides."

In the soft drinks business, we stepped up sales promotion activities, focusing on no-sugar products of carbonated beverages and sports drinks, in response to growing health consciousness. Furthermore, we strengthened sales of soft drinks to restaurants by utilizing the sales channels of the CUB business, and sold coffee beans from Allpress Espresso, a company engaged in premium coffee bean roasting and sales business, which was acquired in May 2021, to existing customers, and worked to create integration synergies through a multi-beverage strategy.

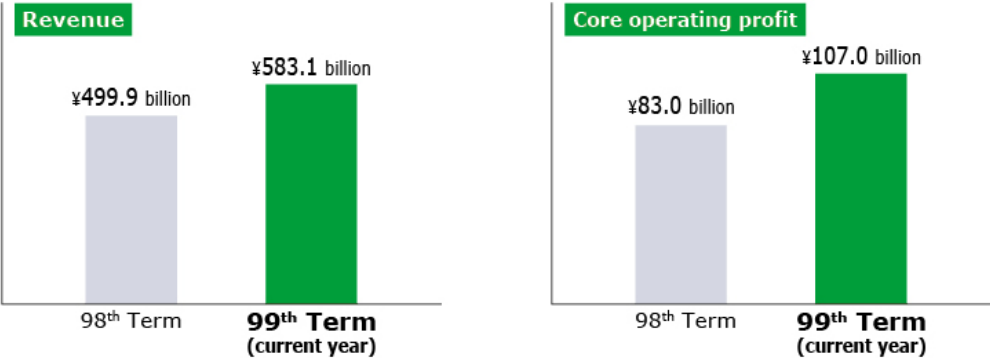
In addition to the full-scale operation of the largest PET recycling facility in Australia, which was constructed by a four-way joint venture including a competitor, we promoted the establishment of a sustainable supply chain by facilitating the automation of inventory management.

As a result of these efforts, revenue from this segment increased by 16.6% year-on-year to ¥583,167 million due to sales expansion in main categories such as beer, carbonated beverages, and sports drinks, as well as foreign exchange fluctuations, despite the impact of the COVID-19 pandemic.

Core operating profit increased by 29.0% year-on-year to ¥107,095 million due to cost efficiencies mainly as a result of integration synergies and the effects of exchange rate fluctuations, despite the impact of increased expenses related to raw materials. (Operating profit stood at ¥80,177 million, representing a year-on-year increase of 28.2%).

Excluding the effects of exchange rate fluctuations, revenue rose by 5.6% year-on-year and core operating profit increased by 16.7% year-on-year.

* BAC stands for Beer Adjacent Categories. It refers to beer-adjacent categories such as low-alcohol beverages, non-alcohol beer, and non-alcohol beverages for adults.





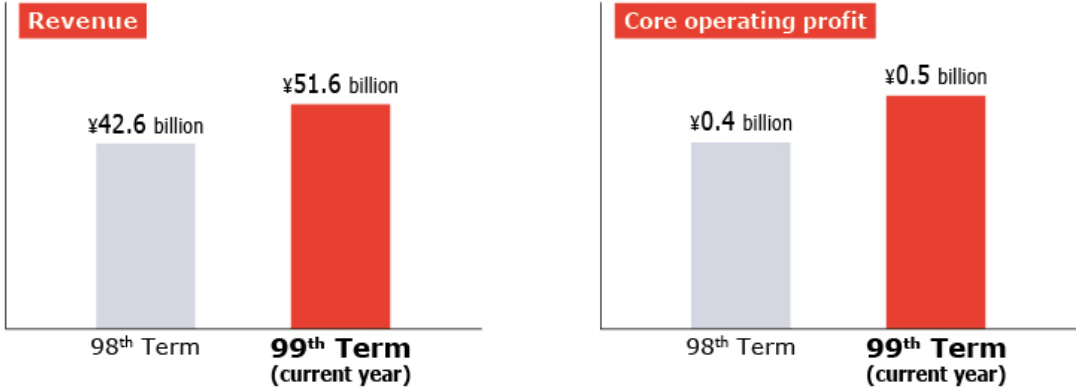
In Southeast Asia, we further improved our presence in countries where we had developed our business, particularly in Malaysia, the Philippines, and Indonesia, by expanding brand investment mainly in our own brands. We also promoted sustainability initiatives such as reducing CO₂ emissions and contributing to local communities.

In Malaysia, from the "CALPIS" brand, we expanded the product lineup and strengthened the brand power by launching "Calpis Chewy," which has a satisfying taste and dietary fiber content due to the inclusion of nata de coco, and "Calpis White Peach," a limited-time-only product. In addition, for "WONDA," we worked to strengthen information dissemination using soccer events and engaged in aggressive sales promotion activities of instant coffee to meet home demand.

As a result of these efforts, revenue from this segment increased by 21.1% year-on-year to ¥51,680 million due to strong sales of mainstay brands in Malaysia, in addition to the effect of new products in countries outside Malaysia, price revisions, and exchange rate fluctuations, despite the continued impact of COVID-19 in some countries.

Core operating profit increased by 39.9% year-on-year to ¥572 million due to the promotion of efficiency improvements in overall fixed costs, despite the impact of increased expenses related to raw materials and higher transportation costs. (Operating profit stood at ¥633 million, representing an improvement of ¥1,119 million year-on-year).

Excluding the effects of exchange rate fluctuations, revenue rose by 6.8% year-on-year and core operating profit increased by 27.6% year-on-year.



Others

In the Others segment, revenue increased by 47.0% year-on-year to ¥8,764 million.

Core operating profit increased by 13.4% year-on-year to ¥1,407 million (Operating profit stood at ¥1,257 million, representing a year-on-year decrease of 45.5%).

3 Progress of Medium-Term Guidelines in the “Medium- to Long-Term Management Policy”

As for the “Key Performance Indicator Guidelines,” core operating profit (on a constant currency basis) for FY2022 was slightly below the guideline due to the impact of raw material price hikes in each region, while EPS (adjusted) was in line with the guidelines. Free cash flow (FCF) showed progress in line with the guidelines due to steady profit growth and cash generation from the sales of non-operating assets, etc.

As for the “Financial Policy Guidelines,” mainly due to the FCF being in line with the guidelines, Net Debt/EBITDA also showed progress in line with the guidelines. With EPS increasing, shareholder returns are expected to be at the same level as guidelines, paying a dividend of ¥113 per share for this fiscal year, an increase of ¥4 from the previous fiscal year.

■ Key Performance Indicator Guidelines

	Guidelines for next 3 years out	2022 results
Core Operating Profit	<ul style="list-style-type: none"> CAGR (Compound annual growth rate): high single digit*¹ 	5.9%
EPS (adjusted*²)	<ul style="list-style-type: none"> CAGR (Compound annual growth rate): high single digit 	7.0%
FCF*³	<ul style="list-style-type: none"> Annual average of ¥200.0 billion or higher 	¥201.1 billion

*1. Constant Currency Basis

*2. The earnings per share guideline is on an adjusted basis excluding special temporary factors, such as business portfolio restructuring and impairment losses.

*3. FCF = Cash flows from operating activities – Cash used in investing activities (excluding M&A and other business restructuring)

Note: The amounts in Key Performance Indicator Guidelines for 2022 results have been rounded to the representative unit.

■ Financial Policy Guidelines

	Guidelines for 2022 onward	2022 results
Investment for Growth and Debt Reduction	<ul style="list-style-type: none"> Prioritize allocation of free cash flow to the reduction of debt and work to enhance capacity for growth investments Aim for Net Debt/EBITDA*¹ of around 3 times in 2024 (after deducting 50% of outstanding subordinated debt from net debt) 	3.61 times
Shareholder Returns	<ul style="list-style-type: none"> Stable dividend increases with the aim of achieving a dividend payout ratio*² of around 35% (aiming for future dividend payout ratio of 40%) 	34.6%

*1. Net Debt / EBITDA (EBITDA net debt equity ratio) = (interest-bearing debt - cash) / EBITDA

*2. The dividend payout ratio is calculated by deducting one-time gains and losses (net of tax), such as business portfolio restructuring and impairment losses, from net income attributable to owners of the parent company.

II Management Policy (Management Perspectives)

1 Group Philosophy

The Asahi Group, under the command of Asahi Group Holdings, Ltd., a pure holding company, conducts business mainly for alcohol beverages, soft drinks, and food with Japan, Europe, Oceania, and Southeast Asia as the core regions.

Based on the group philosophy, the "Asahi Group Philosophy (AGP)," we aim to be a group that is trusted even by future stakeholders. The AGP consists of 4 elements: Mission, Vision, Values and Principles. It articulates the Group's mission and vision for the future, reaffirms values cherished and handed down over the years, and serves as a code of conduct for our stakeholders and the Group's commitments to them. In addition, we have set "Cheer the Future" as a corporate statement to complement the AGP to promote the integration of sustainability and management.

By generating and implementing strategies based on the AGP, RHQ* and operating companies of the Group work together to further improve corporate value.

* RHQ: Regional Headquarters.

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 a sustainable society through our business

Partners: Build relationship that promote mutual growth

Shareholders: Increase our share value through sustainable profit growth and shareholder returns

2 Medium- to Long-Term Management Policy

To implement the AGP, the Medium- to Long-Term Management Policy set forth the concept of the long-term strategies to “Contribute to sustainable society and respond to changing conceptions of well-being through delivering great taste and fun.”

In addition to presenting the ideal business portfolio, we strive to achieve sustainable growth and increase corporate value together with all of our stakeholders by integrating sustainability and management and further strengthening our core strategies such as digital transformation (DX) and research and development (R&D).

(1) Medium- to Long-Term Management Policy: Overview of long-term strategies

Basic Concept behind Long-Term Strategies

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

- **Ideal Business Portfolio: Sustainable growth of existing businesses centered on beer category while expanding into new areas**
 - 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: Promote core strategies aimed at achieving sustainable growth**
 - Integrate sustainability into management in order to positively impact both society and the Group’s businesses; contributing to solving social issues.
 - Achieve innovation in three key areas (processes, organization, and business models) by pursuing BX* through DX.
 - Increase the value of existing products and create new products and markets through bolstering R&D (research & development).
- **Strategic Foundation Strengthening: Consolidate the management foundations underpinning long-term strategies**
 - Advance human resource for executing core strategies and building an ideal business portfolio.
 - Enhance Group governance in order to create an optimal organizational structure; Group-wide sharing of best practices.

* BX: BX stands for Business Transformation.

(2) Ideal Business Portfolio

The business portfolio strategy within our long-term strategies assesses the “risks and opportunities” we face as we respond to the changing conceptions of people’s well-being. Under this strategy, we aim to realize growth in our existing businesses, centered on beer, while leveraging the foundation of those businesses to expand into adjacent categories and new businesses and services.

In terms of our existing businesses, we focused resource allocation to the premium category in each region. In addition, we strengthened sales promotion activities centered on our top priority brands “Asahi Super Dry” and “Peroni Nastro Azzurro.” Accordingly, we steadily produced results, including an 8% year-on-year increase in sales volume for our five global brands in total.

Meanwhile, for new areas, we strengthened our efforts to expand sales volume in the non-alcohol category, mainly in Europe and Oceania. In Japan, we worked to create new markets by strengthening investment in BAC*, such as promoting our “smart drinking” concept, which offers a more diverse range of drinking options. In addition, we have established an investment management company in San Francisco, U.S. in 2022, with which we aim to explore new growth drivers through minority investments in and collaborations with U.S.-based start-up companies with attractive brands that have the potential to grow significantly in the future or technologies that will lead to new sales and manufacturing methods.

Going forward, by utilizing our long-cultivated capabilities and business foundation, centered on beer, and pursuing growth opportunities in BAC and new product and service domains, we will build an optimal business portfolio.

* BAC stands for Beer Adjacent Categories. It refers to beer-adjacent categories such as low-alcohol beverages, non-alcohol beer, and non-alcohol beverages for adults.



(3) Core Strategies—Sustainability Strategies—

In order to achieve the “integration of sustainability and management,” we have established “Sustainability Stories,” which explain why we are working on sustainability as well as the ways and details of how we are doing so. Based on this idea, the entire Group is working together to promote sustainability and improve engagement with internal and external stakeholders.

Sustainability Stories

Create Lasting Brand Value

For over 100 years, we have worked with the blessings and the power of nature to deliver on our great taste promise to consumers around the world. We are proud that our products have helped encourage people to people connections, create communities, and bring more fun to life for everyone a heritage we aim to continue well into the future.

Adapt to the Future

We accept our special responsibility to manage the potentially harmful effects our business may have on the environment and society at large. Going forward, we are committed to achieving sustainable growth while pursuing sustainability as essential synonymous with pursuing business itself.

Actively Embrace Change

Envisioning a better future, we aim to build sustainable ecosystem and circular economy through decarbonization and the effective use of water resources, connect people to their wonderful communities, and create measures and drinking opportunities to reduce the harmful use of alcohol, sharing ideas and technologies with stakeholders toward realization.

Our Promise to the Future

We will continue to deliver on our great taste promise and bring more fun to life for everyone by building value together with nature, community, and society at large for making the one and only future shine. With our concept “Cheer the Future,” we aim to take action toward a better world for all.

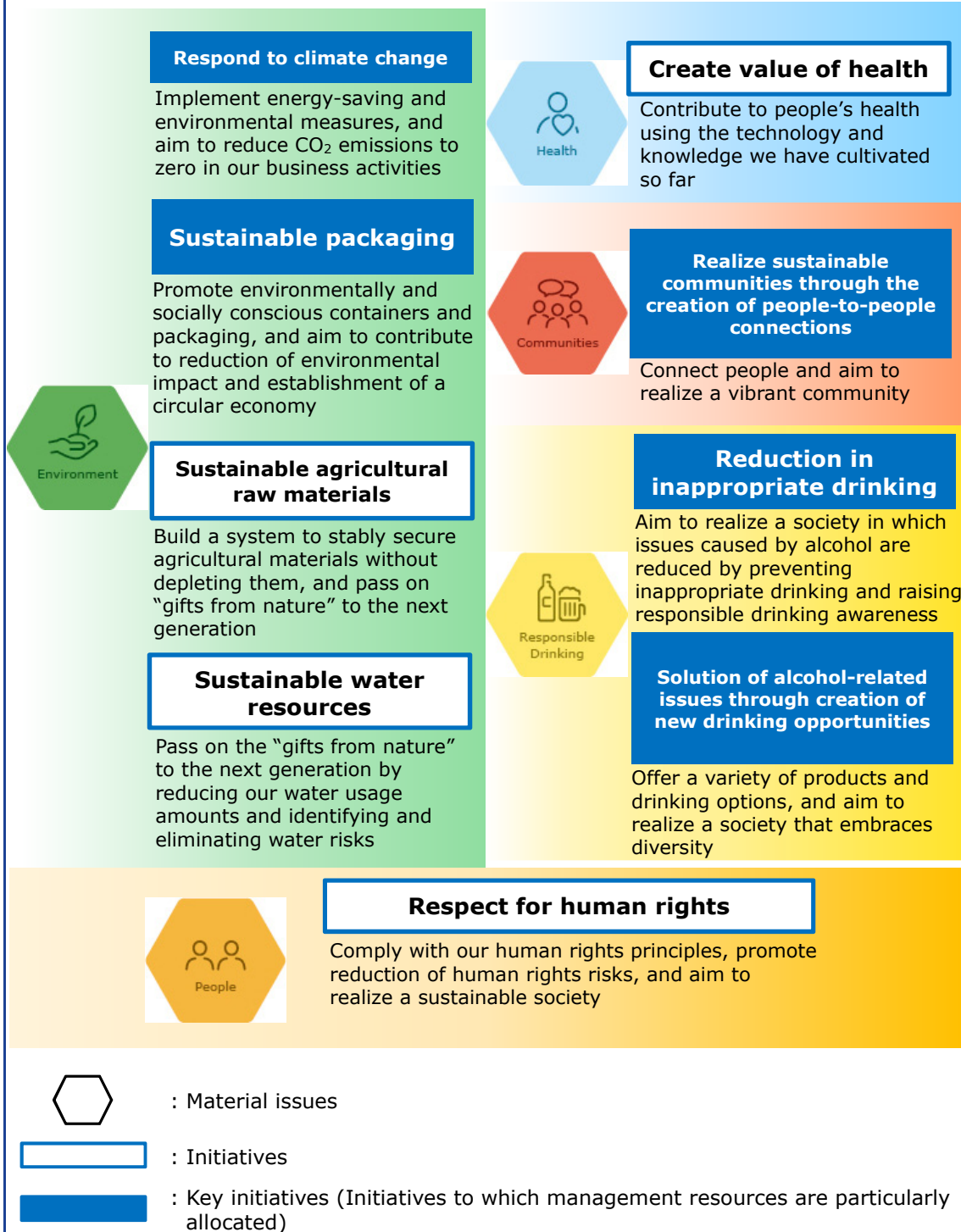
In addition to establishing “key policies,” we have identified five “material issues” and their “initiatives” as areas of social issues to be addressed as management issues, and set “key initiatives” for allocating management resources in particular. With regard to efforts for “key initiatives,” we have incorporated group-wide goals for each theme into the goals and plans of each RHQ, and are managing their progress.

Key Policies

Realize sustainable living for people in the entire value chain

Work to reduce risks and capture opportunities in the entire value chain to create business and social impact with our products and services

Material Issues, Key Initiatives and Other Initiatives






Respond to climate change

Climate change issues, such as abnormal weather caused by global warming, are important social issues for the Asahi Group, as we enjoy “gifts from nature” in our business activities.

The Asahi Group has set “Asahi Carbon Zero” as a goal, aiming to achieve zero CO₂ emissions by 2050. In order to achieve “Asahi Carbon Zero,” we plan to make investments of over ¥50.0 billion by 2030 to reduce CO₂ emissions, such as by expanding the introduction of renewable energy.

In 2022, in Europe, we strengthened our initiatives to achieve carbon neutrality, such as by launching initiatives for not only electricity but also for heat, and commencing the utilization of “green heat,” which is generated from renewable energy, in manufacturing processes.

Going forward, we will work on the active use of renewable energy throughout the Group, conservation of energy by reviewing manufacturing processes, and establishment of new technologies leading to decarbonization such as a biomethane fuel cell power generation system.

Global Targets	Asahi Carbon Zero 
	<ul style="list-style-type: none"> • Reduce CO₂ emissions in Scope 1, 2, and 3 to zero and achieve carbon neutrality by 2050 • Reduce CO₂ emissions in Scope 1 and 2 by 70%, and in Scope 3 by 30% by 2030 (compared with 2019 for both targets)

Concluded a green heat supply contract



We concluded a heat supply contract with an energy supplier in Europe, and started using green heat generated from renewable energy.

Electric truck using green power



We use electric trucks to deliver “Victoria Bitter,” our major beer brand in Oceania.

Deepening Efforts for the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

The Asahi Group endorsed the TCFD recommendations with the recognition that evaluating the business impact related to the risks and opportunities associated with climate change and developing appropriate response measures are essential in terms of realizing a sustainable society and ensuring business continuity.

The Asahi Group mainly deals with alcohol beverages, soft drinks, and food categories. As for our scenario analysis, we started by analyzing the beer category that has the greatest impact, and gradually expanded the scope of the analysis while refining and deepening it. In 2021, the third year, we added the food category to the scope of analysis in 2019 and 2020, and conducted analysis in all categories for the first time. From 2022 onward, we will continue to refine and deepen our analysis for all three categories.

Evaluation of Business Impact and Response Measures (Excerpt)

As a result of the scenario analysis in 2021, we recognized that the following three points may have a particularly large impact: 1) soaring raw material prices due to a decline in harvest of agricultural materials, 2) increased costs due to the carbon tax introduction, and 3) increased costs related to water risks (floods, etc.). Therefore, we conducted an evaluation of business impact and derived specific countermeasures for each.

1) Soaring raw material prices due to a decline in harvest of agricultural materials	2) Increased costs due to carbon tax introduction	3) Increased costs related to water risks (floods, etc.)
<p>Coffee-related ¥2.66 billion Corn ¥1.97 billion Barley ¥0.40 billion</p> <p>(as of 2050, 4°C Scenario)</p>	<p>◆Scope 1 and 2 ¥8.02 billion in 2030 ¥12.23 billion in 2050</p> <p>◆Scope 3 (containers/packaging) ¥32.25 billion in 2030 ¥62.01 billion in 2050</p>	<p>◆Operational impact on production bases Damage to fixed assets and inventories ¥1.73 billion</p> <p>Opportunity loss due to suspension of operations ¥6.72 billion</p>
<p>Response Measures</p> <ul style="list-style-type: none"> • Directly procure barley from farmers • Promote the “FOR HOPS” project to support hop farmers • Share information with raw material suppliers • Deal with agricultural product operators that have acquired third-party certification 	<p>Response Measures</p> <ul style="list-style-type: none"> • Utilize green heat • Demonstration testing of biomethane fuel cell power generation system • Expand the introduction of renewable energy through a power purchase agreement (PPA) • Use electric trucks to deliver products 	<p>Response Measures</p> <ul style="list-style-type: none"> • Take countermeasures for heavy rain and equipment to address operational risks at production bases • Reduce water usage amounts, assess and eliminate water risks • Implement water risk surveys for suppliers

The details are posted on the following Company website:

WEB [Asahi Group TCFD Report](https://www.asahigroup-holdings.com/en/ir/pdf/annual/2021_tcf.pdf)
https://www.asahigroup-holdings.com/en/ir/pdf/annual/2021_tcf.pdf



Sustainable packaging

Containers and packaging are necessary to ensure quality maintenance and transportation strength in providing products, and to function as a means of communication through design and labeling. In addition, they are required to have ease of use at the stage of use and sustainability of raw material resources. On the other hand, marine pollution and the effects on the ecosystem due to inappropriately disposed plastic containers and packaging are urgent social issues.

The Asahi Group considers reduction of the environmental impact of containers and packaging to be an important issue to be addressed, and has set a global goal of "3R + Innovation." In addition to reducing the plastic usage, promoting the use of recycled materials, and expanding the use of unlabeled PET bottles, we are promoting the use of eco-friendly materials, such as recycled materials and biomass materials. In this manner, we are working to reduce environmental impact. We are also working on collaboration with industry groups for each container and packaging material, and on joint technology development with suppliers.

In 2022, in Oceania, we actively addressed issues related to plastic containers and packaging across industries, such as by starting full-scale operation of a PET recycling facility constructed by a four-way joint venture including a competitor.

Going forward, we will continue to promote various initiatives to achieve our goals and aim to realize "sustainable packaging."

Global Targets	3R+Innovation
	<ul style="list-style-type: none"> • Realize 100% utilization of materials for plastic containers that can be used effectively*1 by 2025 • Achieve a 100% conversion to eco-friendly materials*2 for PET bottle by 2030 • Examine the development of eco-friendly materials and sales methods that do not make use of plastic containers and packaging

*1: Reusable, recyclable, compostable, thermal recyclable, etc.

*2: Recycled materials, biomass materials, etc.

Operation of PET recycling facility



We are promoting expansion of recycled PET across industries in Oceania.

Expansion of rollout of unlabeled PET bottles



In Japan, by eliminating labels, we have reduced the amount of plastic, achieving reduction of environmental impact. We plan to expand our product lineup and sales channels.



Realize sustainable communities through the creation of people-to-people connections

Due to economic development and changes in society, connections based on communities and a shared sense of values have tended to weaken. In these circumstances, the global impact of COVID-19 has highlighted the importance of connections between people.

The Asahi Group has been supported by local communities over its long history. Based on the belief that it is important to reevaluate and once again promote various kinds of connections, we established "RE:CONNECTION" as the slogan of our activities on the material issue of "Communities." In 2022, we positioned initiatives for the "sustainable agricultural industry" as a priority activity to connect the agricultural industry, which is important for the business activities of the Asahi Group and has a significant impact on the community, to the future. We have also been promoting community activities by creating a strategy based on "community support activities" in which employees participate in resolving local social issues.

In addition, we implemented "RE:CONNECTION for the EARTH" with the aim of regional environment preservation as a "community support activity" for Asahi Group employees around the world. In conjunction with World Environment Day on June 5, Asahi Group employees globally and collectively participated in regional environmental activities.

Through the resources and technologies of the Group, the Asahi Group will continue to reevaluate and further promote connections between people, people and communities, and communities and other communities, contributing to the realization of sustainable communities.

Global Targets	RE:CONNECTION
	<p>[Key activities] Sustainable agricultural industry</p> <ul style="list-style-type: none"> · Improve well-being of agricultural producers through connections (co-creation) with stakeholders <p>[Basic activities] Community support activities</p> <ul style="list-style-type: none"> · Encourage employees to participate in resolving local social issues (food, regional environment, disaster relief) and strengthen connections with the community

Employees engaged in "community support activities" around the world



Asahi Group employees globally and collectively participated in regional environmental activities in conjunction with World Environment Day.



Reduction in inappropriate drinking/ Solution of alcohol-related issues through creation of new drinking opportunities

Alcohol beverages can bring joy and richness to our daily lives, while inappropriate drinking can cause a variety of problems for individuals, families, and society.

In line with the "Asahi Group Responsible Drinking Principles," the Asahi Group is globally working on activities to prevent inappropriate drinking and on raising responsible drinking awareness, aiming to realize a society in which issues caused by alcohol are reduced. In addition, we aim to realize a society that embraces diversity by offering a variety of products and drinking options. At the same time, we have adopted targets for the sales composition ratio of non-alcohol and low-alcohol beverages,* and are promoting initiatives aimed at achieving our Principles.

In 2022, we launched "Asahi Super Dry 3.5%" in Oceania. The market is growing in Oceania for beverages with an alcohol content of about 3.5%, which are called "mid-strength" beverages. This product was developed in anticipation of capturing new demand while maintaining the features of "Asahi Super Dry," which has an alcohol content of 5%. In addition, we have been offering new drinking options in each region, such as the launch of the non-alcohol beer "Peroni Nastro Azzurro 0.0%."

As a corporate group that handles alcohol beverages globally, we will continue to promote initiatives for responsible drinking and contribute to the development of alcohol beverage culture. At the same time, we will mobilize the knowledge and technology of the Asahi Group to develop new innovative products and create new drinking opportunities.

* Alcohol content of 3.5% or less

■ Target for "solution of alcohol-related issues through creation of new drinking opportunities"

Global Targets	· Achieve a 15%-or-more sales composition ratio of non-alcohol and low-alcohol beverages in main alcohol beverage products by 2025
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Non-alcohol and low-alcohol beverages



We are actively developing non-alcohol and low-alcohol beverages in each region and offering new options.

"SUMADORI-BAR SHIBUYA"



We are developing products with 0%, 0.5%, and 3% alcohol content, and offering "a diverse range of drinking options" that can be enjoyed by those who "do not/cannot drink" alcohol.



Respect for human rights

The COVID-19 pandemic and climate change have worsened the negative impact on human rights of people in vulnerable positions, and corporate efforts to respect human rights are attracting more attention.

The Asahi Group recognizes its responsibility to respect the human rights of people affected by its business activities. In the Asahi Group Human Rights Principles, we stipulate that in conducting business, we will respect the human rights and diversity of individuals and will not engage in discrimination or acts that infringe on the dignity of individuals, nor will we engage in forced labor or child labor. Based on these principles, we are working on establishing human rights due diligence, thoroughly educating employees and business partners on respect for human rights, and building a system of redress for victims of human rights violations.

Most recently, as an initiative in the supply chain, based on the results of the “analysis of modern slavery risks” for key raw materials, we conducted human rights due diligence on coffee farms in Ethiopia and Tanzania, where the severity and level of impact are particularly high. After confirming major procurement channels with the cooperation of importers and other trading companies, we outsourced desk research to a research organization and conducted interviews with the relevant stakeholders to identify potential human rights risks. Going forward, we will work with our stakeholders to consider specific initiatives to reduce human rights risks, and work to prevent and mitigate negative impacts.

With respect for human rights as the foundation for all our business activities, we will promote initiatives to prevent human rights violations against people affected by our business activities.

Asahi Group Human Rights Principles

The Asahi Group Human Rights Principles are a foundational element of all our business operations. These principles are based on the Asahi Group Philosophy, the Asahi Group Code of Conduct and the Asahi Group Sustainability Principles, and govern all other human rights-related policies within Asahi Group.

These principles apply to all officers and employees of each Asahi Group company. We also expect our business partners, including our suppliers, to understand and uphold these principles and to work with us to ensure that our business complies with these principles.

The Board of Directors of Asahi Group Holdings, Ltd. is responsible for ensuring adherence to our human rights commitments and has responsibility for overseeing the implementation of these commitments.

Structure of Our Human Rights Principles

Commitment to Respect Human Rights	Commitment to Human Rights Due Diligence	Human Rights Issues Relevant to our Business
Grievance Mechanisms	Awareness Raising and Training	Monitoring and Reporting

The details are posted on the following Company website:

WEB [Asahi Group Human Rights Principles](https://www.asahigroup-holdings.com/en/company/policy/humanrights_principles.html)

https://www.asahigroup-holdings.com/en/company/policy/humanrights_principles.html

(4) Core Strategies—DX Strategy—

We recognize that our DX is not merely digitalization, but management reform for survival. Considering that DX = BX, we are promoting innovation across the three key areas of “business models,” “processes,” and “organization.”



1) Business Innovation

Our vision is to **“create a society where each person’s well-being and sustainability can be ensured,”** and we plan to create new business models in each region that can support the growth areas of our business portfolio.

Direction of initiatives	<p>1. Personalization</p> <ul style="list-style-type: none"> • Understanding new consumer data as well as diversified and subdivided customer needs, and developing new business models using new materials and manufacturing methods <p>2. Sustainability</p> <ul style="list-style-type: none"> • Communities and problem solving for inappropriate drinking
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2) Process Innovation

Our vision is to **“create a system that maximizes *glocal* values, and realizes both productivity and flexibility,”** and by building a *glocal* foundation and a flexible system foundation, we plan to dramatically improve productivity and achieve our environmental impact targets.

Direction of initiatives	<p>1. <i>Glocal</i> foundation that improves productivity</p> <ul style="list-style-type: none"> • Global procurement platform • Global data management • Prediction and visualization of environmental impact <p>2. Flexible system foundation</p> <ul style="list-style-type: none"> • Establishment of EA*1 supporting new business models
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3) Organization Innovation

Our vision is to **“create a next-generation autonomous decentralized organization that realizes business innovation,”** and we plan to recruit and train human resources and strengthen our organizational functions in order to realize business and process innovation.

Direction of initiatives	<p>1. Transforming into a “digital native organization”</p> <ul style="list-style-type: none"> • Data-driven*2 judgment and decision-making <p>2. Strengthening incubation*3 functions</p> <ul style="list-style-type: none"> • Building an organizational foundation for new business creation <p>3. Incorporation of agile*4 work styles</p> <p>4. Human resource recruitment and external collaboration to realize the above goals</p>
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*1. A method for optimizing operations and systems by modeling a company’s entire system with a unified method.
 *2. Comprehensively analyzing obtained data and using it for future prediction, decision-making, planning, etc.
 *3. Services and activities that support entrepreneurship and business creation.
 *4. A method devised in software development that emphasizes faster development.

(5) Core Strategies—R&D Strategy—

In our R&D strategy, we anticipate changes in the social and competitive environment over the medium to long term. Based on the future scenarios derived by a backcasting approach that took into account megatrends as well as the technologies, insight, and know-how that we have thus far cultivated through our research, we have positioned the following four areas as key R&D domains. In these key domains, we are pursuing product and technological development with a view to creating new value and reducing risks. In addition, we are actively working to create new value by fostering technological synergies between our bases, including our overseas bases, and by using open innovation with different fields.



1) Alcohol

In response to diversifying consumer needs and in order to promote “smart drinking,” we are leveraging the technologies and insight we have gained in terms of alcohol beverages and soft drinks to strengthen R&D activities focused on product and technological development. By doing so, we aim to create value from alcohol alternatives, promote research on new value creation and establish a dominant position in BAC.



We are promoting R&D activities to “create new value” in response to changing consumer values.

Going forward, in addition to establishing our market position and enhancing our presence, we aim to contribute to the sustainable growth of the alcohol-related business.

By eliminating the barriers between consumers who drink alcohol and those who do not, and deepening connections between people, we will work to respond to the new and changing environment surrounding alcohol.

2) Health & Wellness

We support people's health by providing a broad range of solutions to meet the growing consumer needs related to physical and mental health.

Using R&D capabilities for lactic acid bacteria that we have pursued for many years, we will strengthen our research on health functions, primarily in terms of lactic acid bacteria that offers unique benefits, which in turn will lead to new value propositions.



We are strengthening research on health functions, primarily in terms of lactic acid bacteria that offers unique benefits.

In addition, by promoting the development of sugar-reducing technologies for fruit juice and the development of new forms of services, we aim to strengthen new value proposals that encourage consumers to change their behavior in a way that improves both their physical and mental health.

3) Sustainability

We aim to realize the practical application of world-leading technologies in environmental and energy fields and for the use of by-products. At the same time, we are striving to minimize the impact of rising raw material costs stemming from climate change. In these ways, we are enhancing the effectiveness of our sustainability strategy.

In environmental and energy fields, we are currently conducting verification tests within our value chain for fuel power generation systems and CO₂ separation and capture devices that utilize biomethane gas obtained from the wastewater treatment process. These tests aim to realize the practical application of these systems and devices as quickly as possible. We are also the first company in the food industry to engage in a verification test for methanation,* which aims to effectively utilize captured CO₂. For the future, we have set our sights on realizing a carbon recycle in which CO₂ generated at Group factories is used as fuel and raw materials and are accelerating R&D accordingly.

For the use of by-products, we are promoting the effective use of resources and working to reduce waste emissions for the waste and by-products generated during the manufacturing process. At the same time, we are promoting such efforts as by-product upcycling, including in collaboration with external institutions, as we aim to increase our resource utilization rate.

* Methanation: Technology to synthesize methane, the main component of natural gas, from hydrogen and CO₂.



A fuel cell power generation system using biomethane gas generated from brewery wastewater

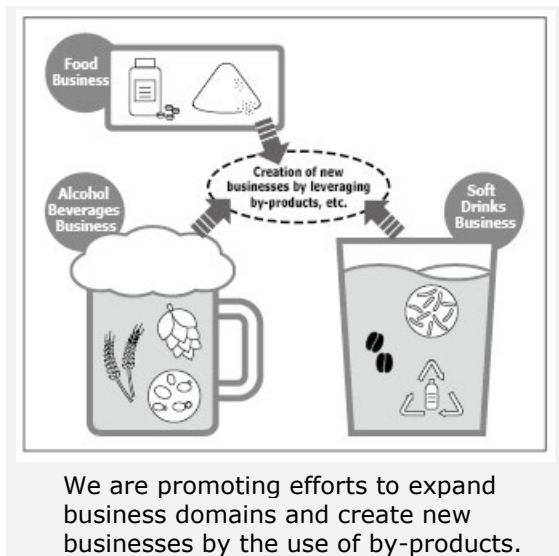


A methanation device aimed at effective use of CO₂

4) New Businesses

To realize the business portfolio we aim for over the medium to long term, we are not only integrating existing and new technologies both inside and outside the Group, we are also actively examining the incorporation of new technologies and business models as we work to develop extraordinary “seeds” that can grow into new businesses. We are reinforcing “seeds” development initiatives, leveraging the strengths of our long-cultivated technological insight and business foundation.

Moving forward, amid expectations of further changes in the Asahi Group’s external environment, we will accelerate the sourcing of new technologies by actively pursuing collaborations with prominent partners. This effort will be essential to acquiring the innovative external technologies needed to cultivate new businesses and to enhance efforts in new domains that we have never explored before.



(6) Enhancement of Human Capital

In order to strengthen our strategic foundation, we will coordinate the three initiatives of “fostering the ideal corporate culture,” “continuing the nurturing of managers,” and “securing essential capabilities*.” At the same time, we aim to realize the “enhancement of human capital,” which is the source of our competitive advantage.

* Organizational capabilities necessary to realize our strategy.



1) Fostering the ideal corporate culture

It is vital to have various experiences and ideas that differ from those previous to resolve the various ever more complex and diversifying issues surrounding the Asahi Group. Based on these circumstances and other factors, we are working to embody the fostering of a culture of “learning, growing, achieving TOGETHER” based on the “People Statement” we formulated in 2021.



The details are posted on the following Company website:

WEB People Statement

https://www.asahigroup-holdings.com/en/company/policy/key_hr_principles.html

In addition, it is our goal that each and every employee will recognize their differences and value different opinions and ideas, while learning from these differences to evolve into an even stronger, more innovative organization where diversity and multiculturalism coexist. To this end, we have formulated a “Diversity, Equity & Inclusion (DE&I) Statement” with a core message of “shine AS YOU ARE,” and we are working to spread it among our employees around the world.

In addition, in January 2022, as a structure for promoting DE&I initiatives globally, we established the “Global DE&I Council,” which is made up of employees with diverse backgrounds based on the recommendation of the CEO of each RHQ. In this manner, we are accelerating our efforts to foster the ideal corporate culture.

The core message of our “DE&I Statement” - “shine AS YOU ARE”



At Asahi we celebrate and respect difference, and support everyone's freedom to be their true selves at work, at home, in public. Be courageous in your individuality, knowing that you have the same opportunity for happiness, fun and success, whoever you are in whatever your circumstances. You can belong without having to conform, so have the freedom to just be you and shine as you are.

2) Continuing the nurturing of managers

While the speed of changes to the surrounding business environment is expected to increase further, we must stably enhance management skills by strengthening a framework that can continue to nurture management personnel in order to increase medium- to long-term corporate value.

Based on future changes to the business environment as well as the Medium- to Long-Term Management Policy, we are working to define management's new image and review selection criteria, such as the Board of Directors Skill Matrix and skill set of the CEO, while verifying and identifying positions that are significant for Group management.

Our policy is to formulate a pipeline of leader human resources that has even more layers than before by evaluating and analyzing the abilities and skills of employees, including at each RHQ, visualizing talented human resources throughout the Group, and selecting the optimal human resources by finding the right job for the right person and promoting human resource development.

Additionally, in terms of human resource development, we are strengthening our system that is capable of acquiring stable personnel over the medium to long term by further expanding human resource development programs on both a group-wide and regional scale.

3) Securing essential capabilities

In order to realize the enhancement of human capital, it is essential to clarify the gap between our current capabilities and the essential capabilities, and acquire them. We have sorted out the essential capabilities from the perspective of strengthening our business portfolio strategy, core strategy, and our strategic foundation in the “Medium- to Long-Term Management Policy.” Then we are promoting the use of Group human resources with the right person in the right job and training within the Group, and the acquisition of human resources with high expertise using external resources.

In addition, we are working to strengthen the human resource pipeline based on growth strategies, such as the expansion of human resource development programs, proactive assignments through an open job posting system throughout the Group, and sharing of best practices with each RHQ.

(7) Medium-Term Guidelines

Medium-Term Guidelines of the Medium- to Long-Term Management Policy are as follows:

■ Key Performance Indicator Guidelines

	Guidelines for next 3 years out
Core Operating Profit	<ul style="list-style-type: none"> • CAGR (Compound annual growth rate): high single digit^{*1}
EPS (adjusted^{*2})	<ul style="list-style-type: none"> • CAGR (Compound annual growth rate): high single digit
FCF^{*3}	<ul style="list-style-type: none"> • Annual average of ¥200.0 billion or higher

*1. Constant Currency Basis

*2. The earnings per share guideline is on an adjusted basis excluding special temporary factors, such as business portfolio restructuring and impairment losses.

*3. FCF = Cash flows from operating activities – Cash used in investing activities (excluding M&A and other business restructuring)

■ Financial Policy Guidelines

	Guidelines for 2022 onward
Investment for Growth and Debt Reduction	<ul style="list-style-type: none"> • Prioritize allocation of free cash flow to the reduction of debt and work to enhance capacity for growth investments • Aim for Net Debt/EBITDA^{*1} of around 3 times in 2024 (after deducting 50% of outstanding subordinated debt from net debt)
Shareholder Returns	<ul style="list-style-type: none"> • Stable dividend increases with the aim of achieving a dividend payout ratio^{*2} of around 35% (aiming for dividend payout ratio of 40% by 2025)

*1. Net Debt / EBITDA (EBITDA net debt equity ratio) = (interest-bearing debt - cash) / EBITDA

*2. The dividend payout ratio is calculated by deducting one-time gains and losses (net of tax), such as business portfolio restructuring and impairment losses, from net income attributable to owners of the parent company.

3 Policy for 100th term (FY2023)

In the fiscal year 2023, it is expected that the severe business environment will continue due to soaring raw material and energy prices, the impact of inflation, and other factors. However, based on the “Medium- to Long-Term Management Policy,” we aim to achieve sustainable growth and enhance corporate value by such means as sustainable growth of existing businesses and expansion of new growth areas, as well as further strengthening our core strategies, centered on the integration of sustainability and management.

In Japan, we will promote a growth strategy centered on improving the value of our mainstay brands with “strengths” of the alcohol beverages, soft drinks, and food businesses, and work to strengthen new value propositions that capture changes in the environment. In addition to strengthening the earnings foundation of each business, we will build a foundation for sustainable growth by creating synergies across Japan that transcend business boundaries and by bolstering sustainability initiatives.

In Europe, we will demonstrate our competitive advantages in our brand portfolio at a local level, and strengthen our premiumization strategy while speeding up our expansion and development of global brands such as “Asahi Super Dry” and “Peroni Nastro Azzurro.” In addition, we will strengthen our foundation for sustainable growth through further entrenching initiatives for our key sustainability themes, such as the environment and communities.

In Oceania, in addition to strengthening our premiumization strategy in the alcohol beverages and soft drinks businesses, we will further strengthen our earnings foundation by promoting a multi-beverage strategy that combines the strengths of each business and creating integration synergies. Furthermore, we will promote initiatives that emphasize sustainability, such as proposing new products and services with awareness of health and wellness.

In Southeast Asia, we will work to restructure our business portfolio in each country in which we have developed our business, particularly in Malaysia, by accelerating the selection and concentration of mainstay brands and strengthening relationships with each sales channel. We will also promote the establishment of a foundation for sustainable growth through efforts to address social issues such as the environment and poverty, as well as the strengthening of human resource development.

With these efforts, the Group projects revenue to be ¥2,690,000 million, core operating profit to be ¥245,000 million, operating profit to be ¥227,000 million, and profit attributable to owners of parent to be ¥157,500 million (adjusted profit attributable to owners of parent to be ¥157,500 million), for FY2023.

The Asahi Group cordially requests shareholders’ continuing encouragement and support.

III Corporate Governance

1 Basic Policies

The Company is committed to achieving sustainable growth and increasing corporate value over the medium to long term by putting the group philosophy of the Asahi Group, the "Asahi Group Philosophy (AGP)" into practice.

The Company has been proactive in its efforts to strengthen Group management in response to globalization, build solid relationships of trust with society including promotion of sustainability management, and enhance its social presence and transparency, such as advancement of engagement with stakeholders, while positioning the reinforcement of the Group's corporate governance at the top of management priorities.

2 Characteristics of the Company's Corporate Governance

To realize sustainable growth and enhance corporate value over the medium to long term, the Company is working to enhance the effectiveness of the Board of Directors in a sustainable manner. To that end, through the following initiatives the Company has established a framework for ensuring that the Board of Directors can engage in appropriate decision-making and monitor the managerial ranks in a highly effective manner.

Based on our fiduciary duty and responsibility for accountability toward shareholders, we have established an Audit & Supervisory Board comprising Standing Audit & Supervisory Board Members and a majority of Independent Outside Audit & Supervisory Board Members. All members are provided with a high degree of independence and autonomy. These provisions allow Audit & Supervisory Board Members and the Audit & Supervisory Board to fulfill their roles and duties by auditing the operational execution of Directors, the CEO, and other members of management from an objective and independent standpoint.

Structure of the Board of Directors

To ensure balance and diversity in terms of the knowledge, experience, and ability of the entire Board of Directors deemed necessary for the Company to realize sustainable growth and increase corporate value over the medium to long term, the Company has formulated the "Board of Directors Skill Matrix," which clarifies the personal requirements of officers based on the AGP and management strategies. In accordance with the "Board of Directors Skill Matrix," the Board consists of persons who have a wealth of experience, excellent insight, and high-level expertise and ability required by the Company.

Evaluation of effectiveness

Every year, the Company evaluates the effectiveness of the Board of Directors, Nomination Committee, Compensation Committee, and Audit & Supervisory Board with the help of a third party. Through such evaluations, these bodies recognize points to improve on and incorporate efforts to do so in their activity plans for the following year, thereby working to enhance their effectiveness.

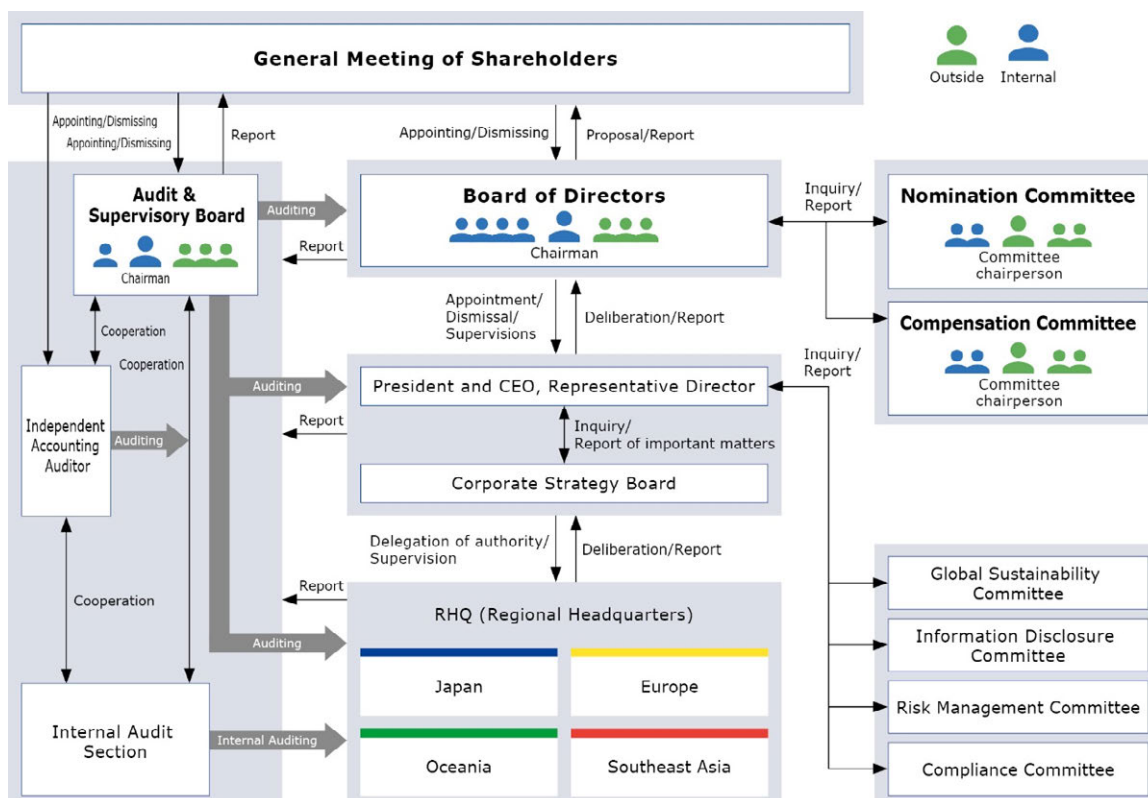
Nomination Committee and Compensation Committee

To ensure transparency and fairness, agenda items related to officer appointments and remuneration are deliberated on by the Nomination Committee and Compensation Committee, which consist of a majority of Independent Outside Directors, before they are presented to the Board of Directors.

Structure of the Audit & Supervisory Board

To ensure balance and diversity in terms of the knowledge, experience, and ability deemed necessary for the Company to realize sustainable growth and increase corporate value over the medium to long term, the Audit & Supervisory Board consists of persons who appropriately fulfill the Company's requirements for officers based on the AGP, the Asahi Group Code of Conduct, and management strategies.

3 Corporate Governance System



(1) Roles and functions of the Board of Directors

The primary role of the Board of Directors is to contribute to sustainable growth and increases in corporate value over the medium to long term based on its fiduciary duty and responsibility for accountability toward shareholders.

Recognizing that corporate value not only reflects financial value but also represents the sum of the social value that is closely related to corporate value, the Board of Directors actively cooperates with various stakeholders as it exercises the AGP and implements the Medium- to Long-Term Management Policy.

In order to fulfill the aforementioned role, the Board of Directors engages in the following activities.

Discussions on management's approach to the ultra-long term

We aim to enhance foresight into medium- and long-term changes in the business environment and strengthen proactive and determined management by promoting discussions on long-term megatrends with a view to the ultra-long term.

Determination of Medium- to Long-Term Management Policy and a policy on business portfolio

We strive to strengthen proactive and determined management by establishing important corporate strategies such as the “Medium- to Long-Term Management Policy” and a basic policy on business portfolio, and revising them when necessary.

Sophistication of decision-making processes through the separation of executive and supervisory functions

In order to appropriately supervise the operational execution of Directors, the CEO, and other members of management, a non-executive internal director has been appointed to the position of Chairman of the Board of Directors to distinguish their role from that of the CEO and thereby contribute to the separation of management and business execution functions. This arrangement has clarified executional responsibilities, expedited decision-making by concentrating authority on the CEO, strengthened the monitoring functions of the Board of Directors, and improved decision-making processes.

Deliberations on officer appointments and remuneration

We strive to enhance effectiveness of the Board of Directors by deliberating and deciding on matters regarding the succession of the Board of Directors and the appointment of officers as well as officers’ remuneration plans, and establishing criteria for individual officer remuneration.

Ensuring transparency, fairness, and appropriateness of officer appointments and remuneration through the Nomination Committee and Compensation Committee

In order to ensure the transparency, fairness, and appropriateness of officer appointments and remuneration, the Nomination Committee and the Compensation Committee have been established as advisory bodies to the Board of Directors, and proposals concerning officer appointments and remuneration are consulted and reported on before submitting them to the Board of Directors. In addition, the Compensation Committee is entrusted with the responsibility for determining individual officer remuneration, in accordance with the standards set by the Board of Directors.

Risk governance

The management, including the CEO, provides appropriate support for risk-taking by establishing the internal control system and risk management systems, such as the enterprise risk management (ERM) system, in order to reduce risk and control overall risk, and determining risk appetite.

Contingency measures of the Board of Directors

The Board of Directors clarifies the contingencies to be addressed by the Board of Directors, defines the roles of Outside Directors, and establishes procedures for addressing such contingencies, including cooperation with the Audit & Supervisory Board. In addition, the Board of Directors will carry out the appropriate crisis management measures, such as the monitoring of responses to emergencies by the Directors in charge of business execution.

(2) Audit & Supervisory Board

Based on our fiduciary duty and responsibility for accountability toward shareholders, we have established an Audit & Supervisory Board comprising Standing Audit & Supervisory Board Members and a majority of Independent Outside Audit & Supervisory Board Members. All members are provided with a high degree of independence and autonomy. These provisions allow Audit & Supervisory Board Members and the Audit & Supervisory Board to fulfill their roles and duties by auditing the operational execution of Directors, the CEO, and other members of management from an objective and independent standpoint.

It is important to ensure an effective balance in the entire Audit & Supervisory Board in terms of the knowledge, experience, ability, and diversity required to achieve sustainable growth and increases in corporate value over the medium to long term. In addition, the Audit & Supervisory Board should be composed of suitable individuals who reflect the conditions derived from the AGP, the Asahi Group Code of Conduct, and management strategies. Moreover, the Audit & Supervisory Board should include at least 1 Audit & Supervisory Board Member with appropriate knowledge of finance and accounting, along with at least one member with appropriate knowledge of legal affairs. The Company shall appoint as Audit & Supervisory Board Members those who have appropriate experience and skills, and extensive knowledge of finance and accounting or legal affairs, and in particular shall appoint 1 or more persons who have considerable expertise related to finance and accounting.

In addition, the Company shall ensure that at least 3 of the Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members who meet the Company's requirements for independent officers and appoint for those positions, corporate accounting experts, attorneys at law and persons with experience in corporate management who possess a wealth of experience and broad insight in their relevant fields.






By combining the information held by the Standing Audit & Supervisory Board Members and the high level of expertise of the Outside Audit & Supervisory Board Members, the Company's system enables Audit & Supervisory Board Members to exercise their authority freely and decisively, making appropriate judgments and taking action from an independent and objective standpoint.

(3) Nomination Committee and Compensation Committee

1) Nomination Committee

Nomination Committee provides reports on its findings and views about personnel affairs of officers in response to the inquiries referred from the Board of Directors. The Committee consists of 3 Outside Directors and 2 Internal Directors, and an Outside Director is co-operatively appointed as its chairperson.

5 members (of whom 3 are Outside Directors)

 Outside	Chairperson	Kenichiro Sasae (Outside Director)
 Outside	Member	Christina L. Ahmadjian (Outside Director)
 Outside	Member	Tetsuji Ohashi (Outside Director)
 Internal	Member	Akiyoshi Koji (Chairman and Director, Chairman of the Board of Directors)
 Internal	Member	Atsushi Katsuki (President and CEO, Representative Director)

Activities in FY2022

The Nomination Committee convened a total of 9 times in FY2022.

- Deliberation and reporting regarding nomination of Director and Audit & Supervisory Board Member candidates
- Deliberation and reporting regarding appointment of the Representative Director, Chairman of the Board, President, CEO, and chief officers (CXO)
- Discussions were held and decisions were made on matters regarding the appointment of Nomination Committee members after reappointment, and the results thereof were reported to the Board of Directors
- Report on the committee activity plan for FY2022 to the Board of Directors
- Discussion of succession planning
- Discussion on cultivation and acquisition of human resources, and the assessment system
- Discussion on the review of the Board of Directors Skill Matrix

2) Compensation Committee

Compensation Committee provides reports on its findings and views about the remuneration system and amount of remuneration, etc. for Directors in response to the inquiries referred from the Board of Directors. The Committee consists of 3 Outside Directors and 2 Internal Directors, and an Outside Director is co-operatively appointed as its chairperson.

5 members (of whom 3 are Outside Directors)

 Outside	Chairperson	Christina L. Ahmadjian (Outside Director)
 Outside	Member	Kenichiro Sasae (Outside Director)
 Outside	Member	Tetsuji Ohashi (Outside Director)
 Internal	Member	Keizo Tanimura (Director and Executive Officer, CHRO)
 Internal	Member	Kaoru Sakita (Director and Executive Officer, CFO)

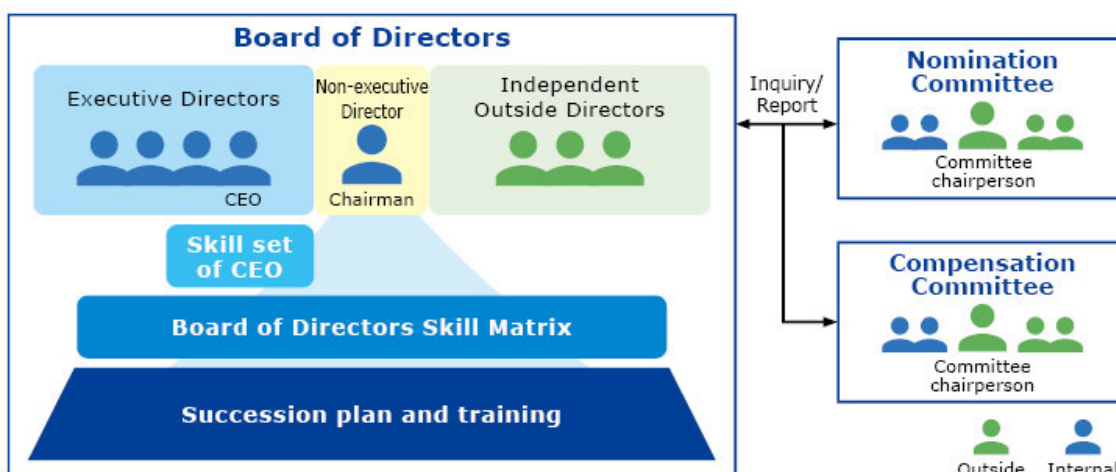
Activities in FY2022

The Compensation Committee convened a total of 9 times in FY2022.

- Discussion and decision regarding individual evaluations tied to annual bonus amounts
- Discussion, decision, and reporting to Board of Directors of officer bonuses (annual and medium term) and allocation of points for stock compensation
- Discussion, decision, and reporting to Board of Directors of the appointment of members of Compensation Committee after reappointment
- Report on the committee activity plan for FY2022 to the Board of Directors
- Discussion on the social value indicators in the medium-term bonus
- Discussion on the evaluation system of executive directors
- Discussion regarding officer remuneration for FY2023 and beyond

4 Nomination and Appointment of Officers

■ Nomination and appointment system of Directors



(1) Board of Directors Skill Matrix

The "Board of Directors Skill Matrix" is composed of the necessary skills for decision-making as the Board of Directors and particularly necessary skills for the oversight of business execution. According to the Board of Directors Skill Matrix, the Company shall make the Board of Directors composed of persons who are suitably qualified to be Directors of the Company possessing a wealth experience, extensive insight, high-level expertise and ability required by the Company. The content of the Board of Directors Skill Matrix is described in the Reference Materials for General Meeting of Shareholders "Item 2: Appointment of eight (8) Directors."

(2) Succession plan and training

The Company regards the succession planning involving its CEO and Directors as one of the matters of utmost priority, and accordingly draws up a succession plan pertaining to the CEO, Directors and others, pursuant to requirements demanded of the CEO and Directors as individuals, and the composition of the entire Board of Directors. The Board of Directors properly supervises the succession plan.

Based on the succession plan, the Company makes appointments and assignments according to plan, engages in coaching of successor candidates, and carries out training, etc. for successors of the next and subsequent generations. Meanwhile, the Company arranges professional assessments by external organizations and makes use of such means as 360-Degree Feedback in-house. The Nomination Committee regularly monitors and reviews such plans as necessary.

For the Directors and Audit & Supervisory Board Members, the Company provides training required for their roles and responsibilities on a regular basis. The Company provides Outside Directors/Audit & Supervisory Board Members with information relating to the overview of the Asahi Group including its businesses, financial affairs and organizations, and implements measures, such as office visits, to facilitate their understanding of the Group and human resources as needed.

(3) Skill set of CEO

The Company has formulated the “Skill set of CEO,” in order to enhance the sustainability of management and proceed the succession planning of CEO based on fair and transparent processes.

The skill set consists of distinctive skills required for CEO of the Company in addition to universally essential skills as CEO, and articulates the essential skills of CEO from the perspective of ultimate responsibility of execution.

The skill set of CEO is formulated with the business environment within and outside the Company as of now and over the next five years in mind, and are subject to review depending on environmental changes, etc.

The Company examines the appointment, reappointment, and succession planning of CEO based on the skill set of CEO.

■ Skill set of CEO

Necessary skills of CEO	Personal Image			
	Ideal perceptions from inside and outside the Company, and ideal presence			
	<ul style="list-style-type: none"> • A leader who, as a representative of Asahi Group, thinks the most deeply about AGP, embodying a sense of mission and an ethical code • A leader who, regardless of any business environment, always exhibits a clear vision that leads employees, and unshakeable code of values • A leader who actively encourages different thinking and achieves growth of employees and the Company through maximizing the capabilities of employees 			
	Personal traits Personality, attitude and stance conducive to serving duties	Capabilities Insight, ability, expertise required to accomplish duties	Performance record Necessary experience and successes	
<ul style="list-style-type: none"> • Sincerity and humility • Mental toughness • Open-mindedness 	<ul style="list-style-type: none"> • Foresight, decisiveness, competency • Organizational leadership • Learning skills 	<ul style="list-style-type: none"> • Experience as a top management of operating company or RHQ* • Experience in international operations • Experience in addressing discontinuous growth 		
Skills required as Director	Long-term strategy	Global	Sustainability	Discontinuous growth
	Senior leadership	Finance	Risk & Governance	Human resources & Culture

* RHQ: Regional Headquarters

(4) Appointment, dismissal, and evaluation of the CEO and executive directors

1) Appointment and dismissal of the CEO

In order to realize effective corporate governance, the Board of Directors appoints as CEO individuals who will contribute to the sustainable growth of the Company and help increase its corporate value over the medium to long term.

The appointment or dismissal of the CEO is based on the following guidelines. Such appointment and/or dismissal is deliberated on by the Nomination Committee and determined by the Board of Directors.

- Based on the skill set of the CEO, individuals who possess a wealth of experience, excellent insights, and a high level of expertise suitable for the CEO of the Company shall be nominated.
- A candidate shall be appointed as CEO after being deliberated on beforehand by the Nomination Committee and judged to be appropriate.
- In the event that there is a possibility that the CEO has met the criteria for dismissal, the Nomination Committee shall hold deliberations, and after the results of said deliberations are verified by the Board of Directors, the relevant individual shall not be nominated as a candidate for Director, and they shall also be dismissed from the position of CEO.

2) Appointment of executive directors

Executive directors are appointed through the following framework, in accordance with the Board of Directors Skill Matrix, to facilitate sustainable growth and increase corporate value over the medium to long term.

- Each fiscal year, a request is submitted to the Nomination Committee by the Board of Directors to formulate proposals for nominating executive director candidates for the following fiscal year from among the executive team.
- The Nomination Committee discusses the appropriateness of all possible candidates. As for candidates to be reappointed, evaluations are shared with the Compensation Committee.
- The candidate proposals formulated by the Nomination Committee are submitted to the Board of Directors.

3) Evaluations of the CEO and executive directors

The CEO and executive directors are evaluated through the following framework to facilitate sustainable growth and increases in corporate value over the medium to long term.

- Each fiscal year, Directors formulate annual activity plans based on “the Medium- to Long-Term Management Policy” and annual management plans, which are then finalized through discussions with the CEO.
- After the conclusion of each fiscal year, Directors submit self-evaluations of their activities to the CEO and then discuss these evaluations. The CEO prepares evaluation proposals for each Director.
- The CEO submits the evaluation proposals for all executive directors, including themselves, to the Compensation Committee.
- The Compensation Committee discusses the impartiality and appropriateness of the evaluation proposals and then decides the evaluations and compensation payments for the CEO and each Director. Total compensation amounts are decided within the scope delegated by the Board of Directors.

5 Officers' Remuneration (Policies concerning the setting of remunerations paid to Directors and Audit & Supervisory Board Members)

(1) Directors' remunerations

The Company established the policies concerning the setting of remunerations paid to Directors by a resolution of its Board of Directors. Prior to the Board of Directors passing the resolution, the Compensation Committee is consulted regarding the contents of the resolution and provides reports on its findings and views.

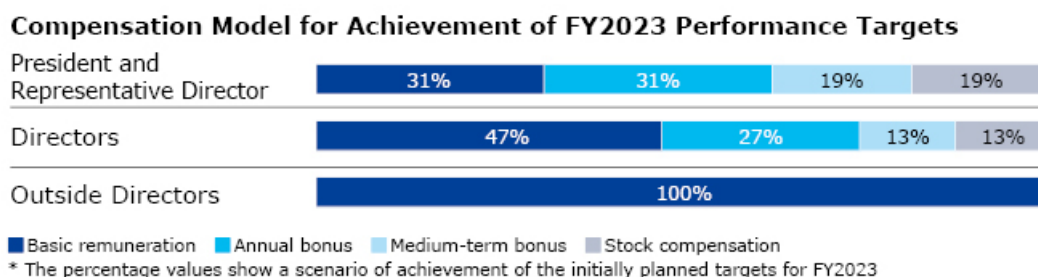
1) Basic concepts

The remunerations for Directors are designed and operated as follows.

- To further strengthen the incentive to strive for the Company's sustainable growth and enhancement of corporate value over the medium to long term
- Remuneration with a content and level that is effective in continuing to ensure outstanding human resources with diverse skills
- To base on the role and magnitude of responsibilities of the Directors and their contribution to performance
- Remuneration highly variable based on performance linked to management strategy
- Remuneration in which benefits and risks are shared with shareholders and which provides an incentive to ESG-oriented management

2) Composition of remuneration

The remunerations for Directors comprise basic remuneration, bonuses (annual and medium-term), and stock compensation for Directors (excluding the Outside Directors; hereinafter the "Internal Directors") and basic remuneration only for Outside Directors. With the principle that the remunerations of Internal Directors will be highly linked to performance, the percentage of variable remuneration (bonus and stock compensation) in the annual income for the President and Representative Director will be around 65%, and the percentage of stock compensation, which is remuneration that shares benefits and risks with the shareholders, will be around 15%. With respect to the other Internal Directors, the percentage of variable remuneration is around 50%, by a design based on positions and roles.



3) Remuneration level

The remunerations for Directors are set at a level of remuneration aimed at the achievement of performance targets, taking into consideration the level of remuneration that is effective for continuing to secure outstanding human resources with diverse skills using Japanese companies with business operations that are the same in scale as those of the Company (top 100

companies by market capitalization) as the main group of benchmark companies.

4) Basic remuneration (fixed remuneration)

The basic remuneration paid in a fixed monthly amount is determined by adding the actual expenses paid by the Directors, such as health checkup expenses to the fixed amount based on their positions and roles.

5) Variable remuneration

As one of the basic concepts for further strengthening the incentive to strive for the Company's sustainable growth and enhancement of corporate value over the medium to long term, the system design for remunerations for Directors has been implemented, with consideration given to increasing variable remuneration (incentive) as a percentage of annual income as well as contributing to the Company's sustainable growth (short-term, medium-term, and long-term) and enhancement of corporate value (in terms of both financial value and social value) through an incentive system as a whole.

■ List of variable remunerations

	Annual bonus	Medium-term bonus	Stock compensation
Objective	Forming a strong incentive for sustainable and steady growth, enhancement in financial value and achievement of plans	Forming a strong incentive for achieving discontinuous growth and medium-term performance	Forming an incentive for continually enhancing corporate value over the long term and sharing benefits and risks with shareholders
Period	Single fiscal year	3 years	3 years
Payment method	Cash	Cash	Stock
Payment timing	March every year	March of the year following completion of medium-term plan	On retirement
Evaluation method	As stated in (i) below	As stated in (ii) below	No
Malus and clawback (repayment of remuneration) provision	No	Yes	Yes

(i) Evaluation method of annual bonus

Performance Coefficient and KPI for Annual Bonus and Individual Evaluation Coefficient

Individual payment amount

$$= \text{Role-specific basic remuneration} \times \text{Performance coefficient} \\ (\text{Payment ratio for core operating profit} \times 50\% + \text{Payment ratio for profit attributable to owners of parent} \times 50\%) \times \text{Individual evaluation coefficient}^*$$

* The individual evaluation coefficient comprehensively evaluates each individual's contributions to enhancing the effectiveness of the Board of Directors as a Director as well as their business execution performance as an executive director. Set at 100% when targets are met, fluctuates within a range from 70% to 130%

Payment Ratio for Core Operating Profit (%)



Payment Ratio for Profit Attributable to Owners of Parent (%)



- Notes: 1. Set as a KPI that is linked to KPIs in annual business plans and that aims for steady and continuous improvement in financial value.
 2. Set at 100% when targets are met, fluctuates within a range from 0% to 200%.
 3. As a basis, the upper limit is set at 115% of the target value and the lower limit is set at 85% of the target value. Every year, the upper and lower limits are determined after examining the appropriateness of their levels.

(ii) Evaluation method of medium-term bonus

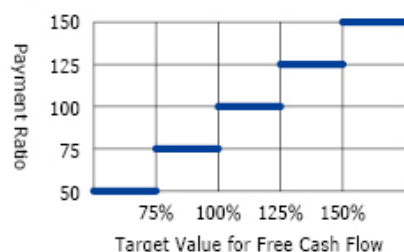
Performance Coefficient and KPI for Medium-Term Bonus and Individual Evaluation Coefficient

Individual payment amount

$$= \text{Role-specific basic remuneration} \times \text{Performance coefficient} \\ (\text{Payment ratio for financial value indicators} \times 60\% + \text{Payment ratio for social value indicators [sustainability indicators]} \times 40\%) \\ \times \text{Individual evaluation coefficient}^*$$

- * The individual evaluation coefficient comprehensively evaluates each individual's contributions to enhancing the effectiveness of the Board of Directors as a Director as well as their business execution performance as an executive director. Set at 100% when targets are met, fluctuates within a range from 70% to 130%

Payment Ratio for Financial Value Indicators (%)



Payment Ratio for Social Value Indicators (Sustainability Indicators) (%)

Evaluation	Payment Ratio
S	150
A	125
B	100
C	75
D	50

- Notes: 1. Set as a KPI that is linked to KPIs in medium-term business plans and that aims for enhancing cash flow management
 2. Set at 100% when targets are met, fluctuates within a range from 50% to 150%

- Notes: 1. Set as a KPI that is linked to KPIs in medium-term business plans and that aims for improvement in social value
 2. Comprehensively evaluates progress and status of achievement of sustainability indicators (CO₂ emissions, plastic, communities, responsible drinking, DE&I, etc.)
 3. Set at 100% when targets are met, fluctuates within a range from 50% to 150%

6) Method for determining remuneration

Directors' remunerations are set in line with a resolution at a meeting of the Board of Directors within the total amount of remunerations resolved in advance at a General Meeting of Shareholders. When remuneration related resolutions are being made by the Board of Directors, the Compensation Committee, which has Outside Directors/Audit & Supervisory Board Members constituting a majority of its membership and an Outside Director appointed

as its chairperson, acts as an advisory body to the Board of Directors, evaluating the content of said resolutions in the interests of greater transparency and objectivity through fair processes.

7) Amount of remunerations for individual Directors

The determination of the amount of remunerations for individual Directors has been left to the Compensation Committee by a resolution of the Board of Directors. Authority delegated to the Compensation Committee is for "individual evaluation" and "determination of the individual remuneration amount in accordance with the evaluation."

(2) Audit & Supervisory Board Members' remunerations

Audit & Supervisory Board Members' remunerations are set by discussion by the Audit & Supervisory Board Members within the total amount of remunerations resolved in advance at a General Meeting of Shareholders.

Remunerations for an Audit & Supervisory Board Member consist only of basic remuneration paid in a fixed monthly amount, and the level of such basic remunerations is set subject to a mutual consultation of Audit & Supervisory Board Members according to his/her job responsibilities and status distinction between internal and outside and by drawing on outside professional organization' survey data.

6 Initiatives Carried Out to Enhance Effectiveness of the Board of Directors

To implement the AGP, realize sustainable growth, and increase corporate value over the medium to long term, the Company's Board of Directors must maintain a high level of effectiveness.

To do so, the Board of Directors must be able to hold meaningful debate on appropriately determined topics and engage in timely decision-making and supervision of business execution.

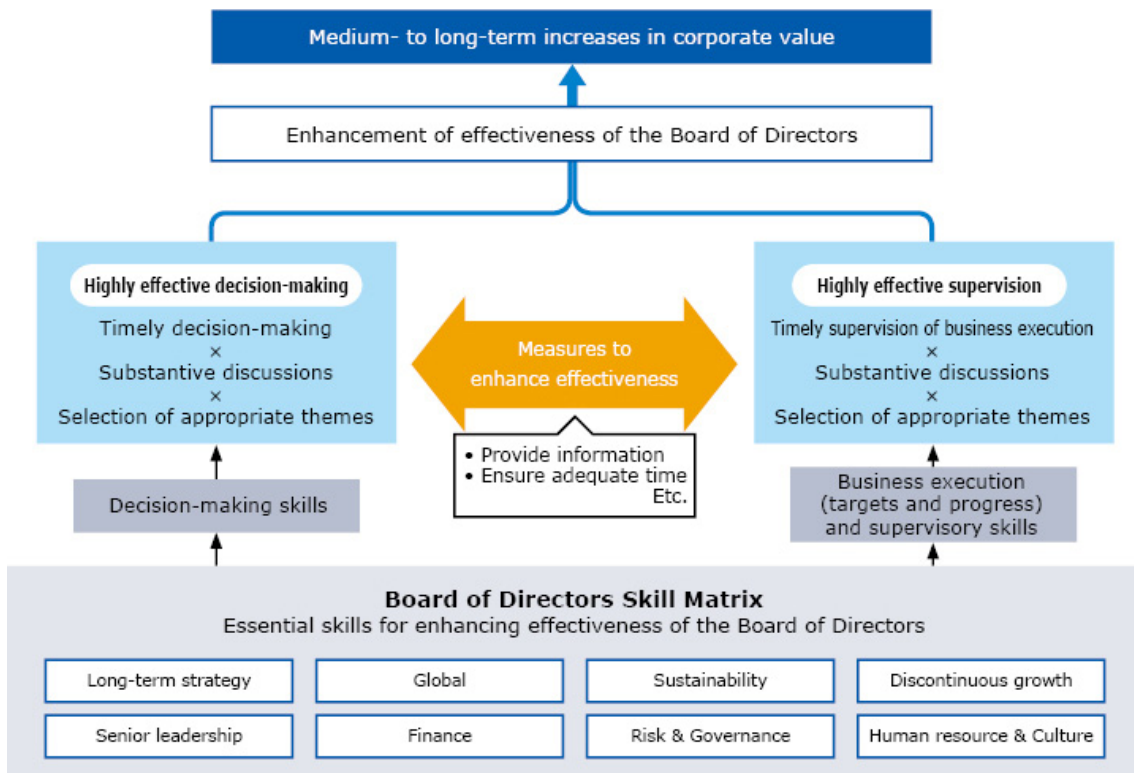
Therefore, by ensuring the Board of Directors comprises Directors who possess the necessary skills determined under the "Board of Directors Skill Matrix," the Company maintains a Board of Directors with the necessary decision-making and supervisory capabilities, along with the capability to operate in a manner conducive to its effectiveness.

The Board of Directors and the Directors themselves are supported by the effective audits of the Audit & Supervisory Board, which evaluates the effectiveness of the Board of Directors on its own and seeks to make improvements, and are also aided by the participation of the Nomination Committee and Compensation Committee, both of which consist of a majority of Outside Directors.

Also, the Board of Directors holds evaluations of its effectiveness each year with the aim of identifying issues that should be addressed in order to further enhance its effectiveness. Through these evaluations, improvements are made on an ongoing basis. In this way, the Board seeks to maintain and enhance a high level of effectiveness.

Through this framework for enhancing effectiveness of the Board of Directors, the Company's highly effective Board of Directors promotes management based on the AGP with the aim of ensuring that the Asahi Group will continue to enjoy a high level of trust from its stakeholders well into the future.

■ Framework for enhancing effectiveness of the Board of Directors



Details of the initiatives carried out to enhance effectiveness of the Board of Directors are posted on the following Company website:

WEB Corporate Governance Report
https://www.asahigroup-holdings.com/en/company/governance/pdf/221130_cgr_en.pdf

7 Evaluation of Effectiveness of Board of Directors, Nomination Committee, Compensation Committee, and Audit & Supervisory Board

To make the above “framework for enhancing effectiveness of the Board of Directors” work effectively and to contribute to the creation of corporate value over the medium to long term, the Board of Directors analyzes and evaluates the effectiveness of the Board of Directors, Nomination Committee and Compensation Committee on an annual basis, and discloses the summary of the evaluation results.

Further, as a company with an Audit & Supervisory Board, to contribute to the creation of corporate value over the medium to long term, and to support the prevention of damage, the Audit & Supervisory Board Members and the Audit & Supervisory Board shall analyze and evaluate the effectiveness of the Audit & Supervisory Board, and disclose the summary of the evaluation results.

The English-version summary of the evaluation results is posted on the following Company website:

WEB Evaluation of Effectiveness

<https://www.asahigroup-holdings.com/en/company/governance/policy.html>

8 Policy of Reducing Cross-Shareholdings

The Company makes it its policy to refrain from holdings of shares when such holding is deemed as neither contributing to the ongoing growth of the Company nor increasing its corporate value over the medium to long term. This policy has been adopted out of consideration for our goal of pursuing asset and capital efficiency improvement.

Shareholdings are examined in terms of their holding purpose, risks, performance as measured against capital cost, etc., as well as the appropriateness of holding the shares. The result of examinations of matters including the holding purpose for major ones among the shareholdings is comprehensively reviewed every year by the Board of Directors.

In the event that a shareholding is deemed not to contribute to the Company's sustainable growth or to the increase of its corporate value over the medium to long term, the Company, as a shareholder, shall engage in the requisite dialogue with the counterpart entity. Shareholdings that are deemed not improvable, even after engaging in dialogue, are to be sold in a timely and appropriate manner.

For each target agenda item, the Company appropriately exercises the voting rights attached to the shares it holds by comprehensively weighing factors such as whether proposals contribute to the sustainable growth of the Company and to the increases in its corporate value over the medium to long term, and whether they contribute to the common interests of the investee's shareholders.

For shareholdings during this fiscal year, strategic necessities such as maintaining and strengthening business relationship as well as facilitating business activities, etc. were verified, and the appropriateness of holding the shares in terms of risks etc. was examined based on the above policy. The result of examinations was reported to the Board of Directors, and the appropriateness of holding the shares was duly confirmed. The total amounts recorded in the balance sheet and the ratio to total equity as of the end of this fiscal year are as follows.

Total equity (a)	¥2,062,945 million
Total amounts recorded in the balance sheet (b)	¥92,711 million
Ratio (b/a)	4.5%

IV Risk Management

With the aim of ensuring sustainable growth and enhancing corporate value over the medium to long term in an uncertain management environment, the Asahi Group is working to promote appropriate risk-taking while controlling overall risk through the following risk management measures.

1 The Asahi Group Enterprise Risk Management

The Asahi Group has introduced enterprise risk management (ERM) for the entire Group. The Asahi Group effectively and efficiently controls its overall risk that could impede execution of strategies and achievement of objectives defined in the Medium- to Long-Term Management Policy based on the Asahi Group Philosophy (AGP) through activities such as identifying and evaluating critical risks across all areas that include strategy, operations, finance, and compliance, building up responding plans, and executing and monitoring the plans.

The respective companies of the Asahi Group implement ERM on the basis of each business unit, and report the details of the initiatives to the Risk Management Committee of the Company. The Committee monitors the initiatives, and its members identify and evaluate critical risk across the Group, build responding plans, and execute and monitor the plans. All such initiatives are reported to the Board of Directors, which ascertains the effectiveness of ERM by monitoring the initiatives.

2 The Asahi Group's Risk Appetite

The Asahi Group has developed "The Asahi Group Risk Appetite" to specify risks to be accepted or to be minimized for achieving objectives of the "Medium- to Long-Term Management Policy" while promoting ERM.

"The Asahi Group Risk Appetite" is a policy related to risk management of the Asahi Group. It serves as a guideline for engaging in ERM and a guideline for opting whether or not to take risks when decisions are made. It consists of the "Risk Appetite Statement" which shows the Group's basic stance toward risk, and the "Specific Risk Appetite" which shows each stance (appetite) for major categories of risk that greatly affect business execution, premised on the assumption of practical application. The Company has developed the Appetite through consideration on its Group strategy, risk culture, risk profile, and stakeholders' expectations. The Appetite is approved by the Board of Directors and is applied to the entire Group. The Risk Management Committee monitors its implementation and reports its progress to the Board of Directors. Through the initiatives, the Company promotes appropriate risk takings across the overall Asahi Group.

The Asahi Group Risk Appetite Statement

In order to achieve sustained corporate value enhancement, the Asahi Group has made it its Medium- to Long-Term Management Policy to “Contribute to sustainable society and respond to changing conceptions of well-being through delivering great taste and fun,” based on the Asahi Group Philosophy (AGP).

To this end,

- **The Asahi Group achieves organic growth by building high-value-added brands, and with regard to discontinuous growth achieved by M&A activities and innovations, is willing to take commercial risks in a controlled manner that balance the need for a robust financial position whilst creating value growth for shareholders;**
- **The Asahi Group delivers excellent quality products and ensures a safe work environment for everyone at the Asahi Group, both of which are critical priorities at the heart of Asahi’s success;**
- **The Asahi Group pursues initiatives to protect the environment and is willing to innovate to create greater environmental value in society; and**
- **The Asahi Group accepts as little risk of non-compliance with the Asahi Group Code of Conduct and the Asahi Group Human Rights Principles as possible.**

3 The Asahi Group’s Crisis Management

Of the material risks for the entire Asahi Group identified through ERM, “Crisis Management” covers areas where there is a risk of blockage of management resources, such as people, objects, money, information, etc. and the Group “responds immediately.”

In order to enhance the effectiveness of crisis management, an “immediate response system for emergencies” has been established to quickly respond without confusion in time of crisis by making “assumptions in advance” even in ordinary times. Preparation of “risk scenarios” that assume a risk of blockage of management resources and responses to such situation are underway.

In addition, we have established a system to quickly respond to emergencies by clarifying in advance who will respond according to the type of crisis. Fact verification and assessment of its seriousness will be promptly and accurately implemented at times of taking initial actions in the event of a crisis.

■ Risk management structure



V Status of Other Matters of the Asahi Group

1 Financing Activities

The Company financed the capital requirements including capital expenditures through loans from financial institutions, and the issuance of commercial papers and bonds.

Funds required for businesses within the Asahi Group are primarily sourced by the Company.

■ Overview of issued bonds

Issued bonds	Payment date	Total amount of bonds
The 17th issue of Unsecured Corporate Bonds (5 years)	June 1, 2022	¥50,000 million
The 18th issue of Unsecured Corporate Bonds (10 years)	June 1, 2022	¥10,000 million

2 Status of Principal Lenders

(As of December 31, 2022)

Lender	Outstanding balance (million yen)
Sumitomo Mitsui Banking Corporation	60,440
Mizuho Bank, Ltd.	36,000
Sumitomo Mitsui Trust Bank, Limited	30,000
The Norinchukin Bank	30,000
MUFG Bank, Ltd.	16,312

3 Status of Capital Expenditures

Capital expenditures in this fiscal year totaled ¥131,456 million, and the breakdown of capital expenditures by segment is as follows. A large portion of the capital expenditures represented investments made for the purpose of enhancing production capacity and efficiency.

Segment	Amount of capital expenditure (million yen)
Japan	52,725
Europe	52,198
Oceania	24,195
Southeast Asia	931
Others	204
Company-wide (common)	1,200
Total	131,456

4 Status of Major Establishments and Principal Subsidiaries

(As of December 31, 2022)

(1) Asahi Group Holdings, Ltd.

(Head office) 23-1, Azumabashi 1-chome, Sumida-ku, Tokyo

(2) Significant subsidiaries

Company name	Location of head office	Issued capital (million yen)	Shareholdings (%)	Main operations
Asahi Group Japan, Ltd.	Sumida-ku, Tokyo	50	100	Overseeing operations of alcohol beverages, soft drinks, foods, etc. in Japan
Asahi Europe and International Ltd	Surrey, the United Kingdom	1,196,492 (EUR 9,838,916 thousand)	100	Overseeing alcohol beverages operations in Europe and export sales operations of alcohol beverages in the global market
Asahi Holdings (Australia) Pty Ltd	Victoria, Australia	1,385,448 (AUD 18,926,514 thousand)	100	Overseeing alcohol beverages and soft drinks operations in Oceania

Notes:

1. Asahi Group Japan, Ltd. succeeded to the businesses relating to the business management of domestic operations of the Company by way of an absorption-type split as of January 1, 2022.
2. There were 208 consolidated subsidiaries of the Company as of the end of this fiscal year, including those listed above. There were 25 companies accounted for using equity method.
3. There were no wholly owned specified subsidiaries of the Company as of the end of this fiscal year.

5 Significant Developments such as Corporate Reorganization

The Company transferred the businesses relating to the business management of domestic operations to Asahi Group Japan, Ltd. by way of an absorption-type split on January 1, 2022.

6 Employees

(As of December 31, 2022)

Segment	Number of employees	Increase (decrease) from the end of the previous term
Japan	13,211	40
Europe	10,430	164
Oceania	3,901	82
Southeast Asia	1,924	(220)
Others	128	5
Company-wide (common)	326	(171)
Total	29,920	(100)

Notes:

1. The Company changed classification of "Alcohol Beverages," "Soft Drinks," "Food," and "Overseas" segments that had been used up until the 98th term (FY2021) to "Japan," "Europe," "Oceania," and "Southeast Asia," from the 99th term (FY2022) due to reorganization. The figures according to the new classification were used for calculation of increase (decrease) from the end of the previous term for each business segment.
2. The number of employees in "Southeast Asia" decreased significantly from the end of the previous term due to personnel optimization in association with integration of the vending machine business, outsourcing of certain operations, etc.
3. The number of employees in "Company-wide (common)" decreased significantly from the end of the previous term due to the transfer of the Company's business relating to the business management of domestic operations to Asahi Group Japan, Ltd. by way of an absorption-type split on January 1, 2022.

7 Shares Outstanding (As of December 31, 2022)

(1) Total number of authorized shares

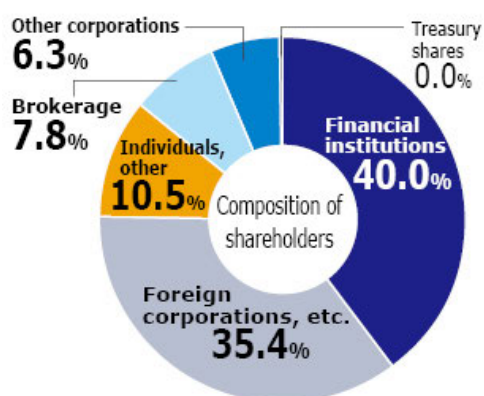
972,305,309 (common stock)

(2) Total number of issued shares

507,003,362 (including 186,870 treasury shares)

(3) Total number of shareholders

156,051 (Increased by 19,106 from the end of the previous fiscal year)



Shareholder classification	Number of shares held (in hundreds)	Number of shareholders (individuals)
Financial institutions	2,028,445	158
Foreign corporations, etc.	1,795,879	1,174
Individuals, other	529,254	152,559
Brokerage	393,775	48
Other corporations	320,811	2,111
Treasury shares	1,868	1

(4) Major shareholders

Name of shareholder	Number of shares held (in hundreds)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	894,885	17.7
Custody Bank of Japan, Ltd. (Trust Account)	317,205	6.3
SMBC Nikko Securities Inc.	150,179	3.0
The Dai-ichi Life Insurance Company, Limited	112,000	2.2
Fukoku Mutual Life Insurance Company	100,000	2.0
STATE STREET BANK WEST CLIENT - TREATY 505234	83,245	1.6
JPMorgan Securities Japan Co., Ltd.	80,470	1.6
Sumitomo Mitsui Banking Corporation	80,280	1.6
SSBTC CLIENT OMNIBUS ACCOUNT	78,018	1.5
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	74,935	1.5
Total	1,971,219	38.9

Note: Shareholding percentages are calculated based on the total number of issued shares less the number of treasury shares.

(5) Status of shares delivered to officers of the Company as consideration for execution of duties during this fiscal year

Classification	Number of shares	Number of recipients
Directors (excluding Outside Directors)	1,518	1

Note to "7 Shares Outstanding":

The shares of the Company held by Custody Bank of Japan, Ltd. as trust property for stock compensation (135,468 shares) are excluded from the treasury shares (186,870 shares).

8 Directors and Audit & Supervisory Board Members of the Company

(1) Directors and Audit & Supervisory Board Members

(As of December 31, 2022)

Name	Position	Attended Board of Directors [D]/ Audit & Supervisory Board [A] meetings
	Areas of responsibility and significant concurrent positions	
Akiyoshi Koji	Chairman and Director, Chairman of the Board of Directors	[D] 12/12
	Outside Director of Imperial Hotel, Ltd.	
Atsushi Katsuki	President and CEO, Representative Director	[D] 12/12
	Overall Management Corporate Strategy, Research & Development, Corporate Communications	
Taemin Park	Director and Executive Officer, CAO (Chief Alliance Officer)	[D] 12/12
	Alliance and M&A, Global Marketing Business collaboration and synergies	
Keizo Tanimura	Director and Executive Officer, CHRO (Chief Human Resources Officer)	[D] 12/12
	HR, Legal, Risk, General Affairs, Audit, Sustainability	
Kaoru Sakita	Director and Executive Officer, CFO (Chief Financial Officer)	[D] 9/9
	Finance, Procurement, IT	
Christina L. Ahmadjian	Outside Director	[D] 12/12
	Specially Appointed Professor, Department of Global Business, College of Business, Rikkyo University Outside Director of Sumitomo Electric Industries, Ltd. Outside Director of NEC Corporation Member of the Board (Outside Director) of NGK SPARK PLUG CO., LTD.	
Kenichiro Sasae	Outside Director	[D] 9/9
	President of The Japan Institute of International Affairs Outside Director of SEIREN CO., LTD. Outside Director of MITSUBISHI MOTORS CORPORATION External Director of Fujitsu Limited	
Tetsuji Ohashi	Outside Director	[D] 9/9
	Chairman of the Board of Komatsu Ltd. Outside Director of Yamaha Motor Co., Ltd. Outside Director of Nomura Research Institute, Ltd.	
Yoshihide Okuda	Standing Audit & Supervisory Board Member	[D] 12/12 [A] 12/12
	Outside Director of I'LL Inc.	
Naoko Nishinaka	Standing Audit & Supervisory Board Member	[D] 12/12 [A] 12/12
Yumiko Waseda	Outside Audit & Supervisory Board Member	[D] 12/12 [A] 12/12
	Partner and Attorney at Law of Tokyo Roppongi Law & Patent Offices Outside Audit & Supervisory Board Member of IHI Corporation	
Yutaka Kawakami	Outside Audit & Supervisory Board Member	[D] 12/12 [A] 12/12
	Outside Audit & Supervisory Board Member of Mitsubishi Research Institute, Inc.	
Shigeo Ohyagi	Outside Audit & Supervisory Board Member	[D] 8/9 [A] 7/8
	Advisor of Teijin Limited Outside Director of Tokyo Electric Power Company Holdings, Incorporated	

Notes:

1. Directors Christina L. Ahmadjian, Kenichiro Sasae, and Tetsuji Ohashi are Outside Directors as defined in Item 15, Article 2 of the Companies Act.
2. Audit & Supervisory Board Members Yumiko Waseda, Yutaka Kawakami, and Shigeo Ohyagi are Outside Audit & Supervisory Board Members as defined in Item 16, Article 2 of the Companies Act.
3. The Company designated 3 Outside Directors Christina L. Ahmadjian, Kenichiro Sasae, and Tetsuji Ohashi and 3 Outside Audit & Supervisory Board Members Yumiko Waseda, Yutaka Kawakami, and Shigeo Ohyagi as Independent Officers as defined by the Tokyo Stock Exchange and reported to the said Exchange.
4. Although the Company has business transactions with The Japan Institute of International Affairs, as the transaction value is minimal, less than 1% of consolidated revenue or ordinary profit for the Company and the said entity, there is no special business relationship that could have impact on the Company's management.
5. There is no special relationship or significant transactions between the Company and entities where its Outside Directors or Outside Audit & Supervisory Board Members hold significant concurrent positions.
6. Audit & Supervisory Board Member Yoshihide Okuda was formerly CFO of the Company and has considerable expertise in finance and accounting.
7. Audit & Supervisory Board Member Yutaka Kawakami has long experience as a certified public accountant; he has considerable expertise in finance and accounting.
8. Directors Ryoichi Kitagawa, Tatsuro Kosaka and Yasushi Shingai, and Audit & Supervisory Board Member Katsutoshi Saito retired upon the expiry of their terms of office at the conclusion of the 98th Annual General Meeting of Shareholders held on March 25, 2022.
9. Kaoru Sakita, Kenichiro Sasae, and Tetsuji Ohashi were newly appointed as Directors, and Shigeo Ohyagi was newly appointed as an Audit & Supervisory Board Member, and they assumed their offices at the 98th Annual General Meeting of Shareholders held on March 25, 2022. Accordingly, for them, the numbers of Board of Directors and Audit & Supervisory Board meetings held are different from those of the other Directors and Audit & Supervisory Board Members.

(2) Remunerations paid to Directors and Audit & Supervisory Board Members

Category	Fixed remuneration		Variable remuneration						Total amount (million yen)
	Basic remuneration		Annual bonus		Medium-term bonus		Stock compensation		
	Number of persons	Total amount (million yen)	Number of persons	Total amount (million yen)	Number of persons	Total amount (million yen)	Number of persons	Total amount (million yen)	
Directors [of which, Outside Directors]	11 [5]	320 [55]	6 [-]	234 [-]	6 [-]	87 [-]	5 [-]	86 [-]	727 [55]
Audit & Supervisory Board Members [of which, Outside Audit & Supervisory Board Members]	6 [4]	123 [46]	- [-]	- [-]	- [-]	- [-]	- [-]	- [-]	123 [46]

Notes:

- The figures above include Directors Ryoichi Kitagawa, Tatsuro Kosaka and Yasushi Shingai, and Audit & Supervisory Board Member Katsutoshi Saito who retired upon the expiry of their terms of office at the conclusion of the 98th Annual General Meeting of Shareholders held on March 25, 2022.
- The maximum amount of Directors' remunerations (basic remuneration and bonus) is ¥1,500 million (including ¥100 million for Outside Directors) per year (The resolution passed at the 95th Annual General Meeting of Shareholders held on March 26, 2019; 9 Directors at the time of resolution). Separate from the above, the Company has passed the resolution, at the 98th Annual General Meeting of Shareholders held on March 25, 2022 (5 Directors (excluding Outside Directors) at the time of resolution), to contribute up to ¥450 million during the period of the Trust (3 years) and pay stock compensation to Directors (excluding Outside Directors) who were appointed and took office during the period of the Trust. Furthermore, the Company may grant up to a total of 37,500 shares of the Company per fiscal year to all eligible Directors.
- The amounts of annual bonus and medium-term bonus are the amount that was recorded as cost in this fiscal year.
- The amount of remuneration stated as stock compensation is the amount that was recorded as cost in accordance with the stock compensation plan that was resolved at the 98th Annual General Meeting of Shareholders held on March 25, 2022.
- The maximum amount of Audit & Supervisory Board Members' remunerations is ¥140 million (including ¥50 million for Outside Audit & Supervisory Board Members) per year (The resolution passed at the 95th Annual General Meeting of Shareholders held on March 26, 2019; 5 Audit & Supervisory Board Members at the time of resolution).

1) Reason for the judgment of the Board of Directors that the content of remunerations for individual Directors for this fiscal year is in accordance with the policy determined

As the content of remunerations for individual Directors is determined by the Compensation Committee following the standards established by the Board of Directors and based on the policy established by the Board of Directors for determining remunerations for Directors, the Board of Directors has judged that the content is in accordance with the policy established by the Board of Directors.

(3) Major activities of Outside Directors and Outside Audit & Supervisory Board Members

Category	Name	Form of participation, etc.
Outside Directors	Christina L. Ahmadjian	<p>Christina L. Ahmadjian has proactively expressed her opinions about discussions on enhancement of corporate value of the Group at the Board of Directors meetings, and contributed to promoting the medium- to long-term management strategy. For example, she participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors such as making honest and simple inquiries, and raising concerns about the invigoration of the management of proceedings from the ESG, organizational culture, and global perspective from her standpoint as an expert in corporate governance and organizational culture and using her experience as an outside officer in other companies.</p> <p>Furthermore, as the chairperson of the Compensation Committee, she took the initiative in operating the committee in a fair and transparent manner, and reported the establishment of the social value indicators for the medium-term bonus, and proposals regarding bonus payment to the Board of Directors, for enhancement of its oversight function. Moreover, as a member of the Nomination Committee, she gave specific opinions and recommendations regarding the Board of Directors Skill Matrix and supervision of the CEO succession plan.</p>
	Kenichiro Sasae	<p>Kenichiro Sasae has proactively expressed his opinions about discussions on enhancement of corporate value of the Group at the Board of Directors meetings, and contributed to promoting the medium- to long-term management strategy. For example, he participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors such as asking questions and raising concerns that grasp the essence of global business execution from the perspective of geopolitical risks and international situations, using his extensive knowledge and experience on international politics and economies, as well as his experience as an outside officer in other companies.</p> <p>Furthermore, as the chairperson of the Nomination Committee, he took the initiative in operating the committee in a fair and transparent manner, reported proposals regarding the Board of Directors Skill Matrix, the supervision of the CEO succession plan and officer appointments to the Board of Directors. Moreover, as a member of the Compensation Committee, he gave specific opinions and recommendations regarding the establishment of the social value indicators for the medium-term bonus, and reports of proposals regarding bonus payment.</p>

Category	Name	Form of participation, etc.
Outside Directors	Tetsuji Ohashi	<p>Tetsuji Ohashi has proactively expressed his opinions about discussions on enhancement of corporate value of the Group at the Board of Directors meetings, and contributed to promoting the medium- to long-term management strategy. For example, he participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors such as asking questions and raising concerns that grasp the essence of group governance and global business execution from his perspective of managing a global corporation and using his experience as an outside officer in other companies.</p> <p>Furthermore, as a member of the Nomination Committee, he gave specific opinions and recommendations on the Board of Directors Skill Matrix, the supervision of the CEO succession plan and officer appointments. Moreover, as a member of the Compensation Committee, he gave specific opinions and recommendations regarding the establishment of the social value indicators for the medium-term bonus, and reports of proposals regarding bonus payment.</p>
Outside Audit & Supervisory Board Members	Yumiko Waseda	<p>At the Audit & Supervisory Board, Yumiko Waseda carried out activities that audit the execution of duties by the Directors, including the internal control system. Specifically, she received reports from Standing Audit & Supervisory Board Members, the internal audit section and the Independent Accounting Auditor, reviewed the audit status of domestic group companies and the status of activities of overseas group companies' audit committees, etc., had meetings with the Chairman and Director, Chairman of the Board of Directors and the President and CEO, Representative Director, and interviewed and exchanged opinions with the legal section.</p> <p>Furthermore, as an Outside Audit & Supervisory Board Member, she proactively made suggestions from an expert point of view as an experienced attorney at law at the Board of Directors meetings.</p>
	Yutaka Kawakami	<p>At the Audit & Supervisory Board, Yutaka Kawakami carried out activities that audit the execution of duties by the Directors, including the internal control system. Specifically, he received reports from Standing Audit & Supervisory Board Members, the internal audit section and the Independent Accounting Auditor, reviewed the audit status of domestic group companies and the status of activities of overseas group companies' audit committees, etc., had meetings with the Chairman and Director, Chairman of the Board of Directors and the President and CEO, Representative Director, and interviewed and exchanged opinions on a quarterly basis with the finance section.</p> <p>Furthermore, as an Outside Audit & Supervisory Board Member, he proactively made suggestions from an expert point of view as an experienced certified public accountant who is well versed in accounting audits of global corporations at the Board of Directors meetings.</p>

Category	Name	Form of participation, etc.
Outside Audit & Supervisory Board Members	Shigeo Ohyagi	At the Audit & Supervisory Board, Shigeo Ohyagi carried out activities that audit the execution of duties by the Directors, including the internal control system. Specifically, he received reports from Standing Audit & Supervisory Board Members, the internal audit section and the Independent Accounting Auditor, reviewed the audit status of domestic group companies and the status of activities of overseas group companies' audit committees, etc., and had meetings with the Chairman and Director, Chairman of the Board of Directors and the President and CEO, Representative Director. Furthermore, as an Outside Audit & Supervisory Board Member, he has proactively made suggestions from diverse points of view based on his experience in global corporate management at the Board of Directors meetings.

(4) Summary of agreements limiting liability

The Company has entered into an agreement with its Outside Directors and Outside Audit & Supervisory Board Members limiting his/her liability for damages as prescribed in Paragraph 1, Article 423 of the Companies Act, to either ¥20,000,000 or the minimum liability amount stipulated by applicable laws and regulations, whichever is higher.

(5) Summary of contents of a directors and officers liability insurance policy

1) Scope of insureds

Directors, Audit & Supervisory Board Members, Executive Officers and organization heads of the Company as well as officers of domestic and overseas group companies

2) Summary of the policy

The Company has entered into a directors and officers liability insurance policy as prescribed in Paragraph 1, Article 430-3 of the Companies Act with an insurance company. This policy covers the insured's losses and costs such as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured in relation to his/her duties as an officer of the company stated in 1). The insurance premiums are fully borne by the Company.

9 Independent Accounting Auditor

(1) Name of the Independent Accounting Auditor

KPMG AZSA LLC

(2) Remunerations paid to the Independent Accounting Auditor for this fiscal year

Category	Remuneration based on audit professional services (million yen)	Remuneration based on non-audit professional services (million yen)
Remunerations by the Company for this fiscal year	257	5
Remunerations by the Company's subsidiaries for this fiscal year	165	-
Total of cash and other financial profits payable by the Company and its subsidiaries to the Independent Accounting Auditor	423	5

Notes:

1. In its agreement with the Independent Accounting Auditor, the Company makes no distinction between the remunerations that it pays for auditing services governed by the Companies Act and for auditing services governed by the Financial Instruments and Exchange Act. Consequently, the amount for "Remuneration based on audit professional services" shown above is a sum of these 2 amounts.
2. Having performed the necessary verifications on the contents of the Independent Accounting Auditor's audit plan, evaluation and analysis of the audits actually conducted during the previous fiscal year, status of execution of accounting audit duties, and reasonableness of the basis for calculation of remuneration, the Audit & Supervisory Board has consented to the amount of remunerations for the Independent Accounting Auditor.
3. Non-audit professional services refer to the services which are outside the scope of Paragraph 1, Article 2 of the Certified Public Accountants Act.
4. In addition to the above, the Company and its subsidiaries such as Asahi Holdings (Australia) Pty Ltd, Asahi Europe and International Ltd and Asahi Group Japan, Ltd. paid KPMG, which belongs to the same network as the Company's Independent Accounting Auditor, a total of ¥620 million in audit fees and compensation for support service for strengthening security infrastructure, etc.

(3) Consecutive audit period

53 years

The period stated above denotes the consecutive audit period through which KPMG AZSA or its predecessor (Asahi & Co.) has been appointed as an auditor of the Company since the predecessor was incorporated as an audit firm.

(4) Names of certified public accountants who performed the duties and consecutive audit years

Hiroyuki Yamada (Consecutive audit years: 4 years)

Hiroshi Tani (Consecutive audit years: 2 years)

Masahiro Morita (Consecutive audit years: 1 year)

The Independent Accounting Auditor has appropriately established a rotation schedule regarding its engagement partners, pursuant to revisions of the Certified Public Accountants Act made in 2003 and 2007. The engagement partners are not involved in carrying out audit services after having been engaged in such services for 7 consecutive years. The lead engagement partner is not involved in carrying out audit services after having provided such services for 5 consecutive years.

(5) Structure of assistants who supported the audit duties

Certified public accountants: 25 Others: 36

Note: The figures above represent the total number of assistants involved with auditing duties for this fiscal year.

(6) Nature of non-audit professional services provided by the Independent Accounting Auditor

The non-audit services involve preparation of comfort letter regarding the issuance of bonds.

(7) Company Policy regarding dismissal of or decision not to reappoint the Independent Accounting Auditor

If the Independent Accounting Auditor is found to correspond to any of the items prescribed in Paragraph 1, Article 340 of the Companies Act, the Audit & Supervisory Board shall be entitled to dismiss the Independent Accounting Auditor subject to the consent of all Audit & Supervisory Board Members, in which case the Audit & Supervisory Board Member designated by the Audit & Supervisory Board shall report on the fact that said Independent Accounting Auditor has been dismissed and the reason for dismissal, at the first General Meeting of Shareholders held after such dismissal. If the Audit & Supervisory Board considers necessary, such as when it is reasonably recognized that the Independent Accounting Auditor is no longer able to execute its duties in an appropriate manner, it shall determine the contents of proposal for dismissing or not re-appointing said Independent Accounting Auditor to be submitted to the General Meeting of Shareholders. On the basis of this determination by the Audit & Supervisory Board, the Board of Directors shall propose to the General Meeting of Shareholders a resolution to dismiss or not to reappoint the Independent Accounting Auditor.

Note: The stated amounts in the Business Report are the figures after truncating fractions less than the representative unit, and the stated percentages are the figures after rounding off fractions to the representative unit, unless otherwise noted.

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(million yen)

	As of December 31, 2022	As of December 31, 2021 [Reference]
ASSETS		
Current assets:		
Cash and cash equivalents	37,438	52,743
Trade and other receivables	415,676	395,974
Inventories	234,969	200,828
Income tax receivables	7,354	2,232
Other financial assets	10,028	7,119
Other current assets	32,062	34,081
Subtotal	737,529	692,980
Assets held for sale	-	7,196
Total current assets	737,529	700,176
Non-current assets:		
Property, plant and equipment	834,721	818,398
Goodwill and intangible assets	3,027,929	2,819,634
Investments accounted for using equity method	6,722	6,640
Other financial assets	125,780	126,295
Deferred tax assets	54,888	34,549
Net defined benefit assets	24,004	23,981
Other non-current assets	18,767	18,071
Total non-current assets	4,092,815	3,847,572
Total assets	4,830,344	4,547,748

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(million yen)

	As of December 31, 2022	As of December 31, 2021 [Reference]
LIABILITIES and EQUITY		
LIABILITIES		
Current liabilities:		
Trade and other payables	591,869	531,573
Bonds and borrowings	367,267	423,652
Income tax payables	30,906	36,841
Provisions	14,103	13,253
Other financial liabilities	135,983	111,585
Other current liabilities	125,816	125,985
Total current liabilities	1,265,946	1,242,891
Non-current liabilities:		
Bonds and borrowings	1,130,042	1,172,551
Net defined benefit liabilities	20,349	24,053
Deferred tax liabilities	213,494	203,579
Other financial liabilities	131,792	139,194
Other non-current liabilities	5,774	6,330
Total non-current liabilities	1,501,452	1,545,709
Total liabilities	2,767,399	2,788,600
EQUITY		
Issued capital	220,044	220,044
Share premium	161,793	161,731
Retained earnings	1,165,542	1,064,644
Treasury shares	(1,178)	(923)
Other components of equity	514,532	311,607
Total equity attributable to owners of parent	2,060,734	1,757,104
Non-controlling interests	2,210	2,043
Total equity	2,062,945	1,759,148
Total liabilities and equity	4,830,344	4,547,748

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(million yen)

	For the year ended December 31, 2022	For the year ended December 31, 2021 [Reference]
Revenue	2,511,108	2,236,076
Cost of sales	(1,589,272)	(1,383,195)
Gross profit	921,835	852,881
Selling, general and administrative expenses	(678,018)	(634,940)
Other operating income	16,850	46,055
Other operating expense	(43,619)	(52,096)
Operating profit	217,048	211,900
Finance income	5,498	5,754
Finance costs	(17,221)	(18,516)
Share of profit (loss) of investments accounted for using equity method	667	687
Profit before tax	205,992	199,826
Income tax expense	(54,275)	(46,003)
Profit	151,717	153,823
Profit attributable to:		
Owners of parent	151,555	153,500
Non-controlling interests	162	322
Total	151,717	153,823

**[Reference] CONSOLIDATED STATEMENT OF CASH FLOWS
(Summary)**

(million yen)

	For the year ended December 31, 2022	For the year ended December 31, 2021
Cash flows from (used in) operating activities:		
Profit before tax	205,992	199,826
Depreciation and amortization expenses	140,419	134,815
Decrease (increase) in trade receivables	(826)	(11,812)
Decrease (increase) in inventories	(27,957)	(14,566)
Increase (decrease) in trade payables	25,737	9,598
Increase (decrease) in accrued alcohol tax	(4,062)	9,106
Increase (decrease) in net defined benefit assets and liabilities	1,441	2,084
Other	21,303	67,483
Subtotal	362,049	396,535
Interest and dividends received	3,344	3,116
Interest paid	(10,839)	(11,224)
Income taxes paid	(88,562)	(50,615)
Net cash flows from (used in) operating activities	265,991	337,812
Cash flows from (used in) investing activities:		
Purchase of fixed assets	(99,846)	(92,635)
Proceeds from sales of fixed assets	25,978	65,061
Purchase of investment securities	(552)	(464)
Proceeds from sales of investment securities	8,483	30,159
Proceeds from sales of investment in an entity accounted for using equity method	676	-
Purchase of shares of subsidiaries and others resulting in change in scope of consolidation	(2,661)	(14,762)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	396
Payments of contingent consideration	(2,357)	-
Other	1,091	(2,103)
Net cash flows from (used in) investing activities	(69,186)	(14,348)

	For the year ended December 31, 2022	For the year ended December 31, 2021
Cash flows from (used in) financing activities:		
Increase (decrease) in financial liabilities	(163,296)	(264,958)
Purchase of treasury shares	(263)	(26)
Dividends paid	(55,738)	(54,220)
Other	(258)	(1,119)
Net cash flows from (used in) financing activities	(219,556)	(320,325)
Effect of exchange rate changes on cash and cash equivalents	7,447	1,144
Net increase (decrease) in cash and cash equivalents	(15,304)	4,283
Cash and cash equivalents at beginning of period	52,743	48,460
Cash and cash equivalents at end of period	37,438	52,743

NON-CONSOLIDATED FINANCIAL STATEMENTS (Japanese GAAP)
NON-CONSOLIDATED BALANCE SHEET

	As of December 31, 2022	As of December 31, 2021 [Reference]
(million yen)		
ASSETS		
Current assets:		
Cash and deposits	5,524	20,485
Short-term loans receivable	134,454	213,643
Prepaid expenses	550	1,334
Accounts receivable - other	22,639	38,217
Income taxes receivable	0	456
Other	127	149
Allowance for doubtful accounts	-	(3,757)
Total current assets	163,297	270,528
Non-current assets:		
Property, plant and equipment:		
Buildings	15,269	17,068
Structures	357	388
Machinery and equipment	4	8
Vehicles	0	0
Tools, furniture and fixtures	493	956
Land	15,037	15,037
Leased assets	28	1,661
Construction in progress	0	5
Total property, plant and equipment	31,191	35,125
Intangible assets:		
Right to use facilities	27	39
Trademark right	6,045	7,013
Software	1,116	13,269
Leased assets	-	60
Other	3	4
Total intangible assets	7,191	20,386
Investments and other assets:		
Investment securities	6,656	12,455
Shares of subsidiaries and associates	2,689,543	2,674,981
Investments in capital of subsidiaries and associates	4,519	4,519
Deferred tax assets	33,166	25,141
Other	518	2,682
Allowance for doubtful accounts	(167)	(169)
Total investments and other assets	2,734,237	2,719,611
Total non-current assets	2,772,620	2,775,124
Total assets	2,935,917	3,045,652

NON-CONSOLIDATED BALANCE SHEET

(million yen)

	As of December 31, 2022	As of December 31, 2021 [Reference]
LIABILITIES		
Current liabilities:		
Short-term borrowings	154,088	172,270
Commercial papers	110,000	105,000
Current portion of bonds payable	100,000	140,020
Lease obligations	10	608
Accounts payable - other	3,500	2,199
Accrued expenses	6,054	9,605
Deposits received	132,011	206,198
Provision for bonuses	223	455
Provision for bonuses for directors (and other officers)	288	418
Other	6,479	1,096
Total current liabilities	512,656	637,872
Non-current liabilities:		
Bonds payable	1,022,714	1,029,832
Long-term borrowings	103,400	145,820
Lease obligations	20	1,281
Other	1,090	1,097
Total non-current liabilities	1,127,225	1,178,031
Total liabilities	1,639,882	1,815,904
NET ASSETS		
Shareholders' equity:		
Share capital	220,216	220,216
Capital surplus	194,511	194,511
Legal capital surplus	87,977	87,977
Other capital surplus	106,533	106,533
Retained earnings	913,748	822,728
Other retained earnings	913,748	822,728
General reserve	195,000	195,000
Retained earnings brought forward	718,748	627,728
Treasury shares	(1,178)	(923)
Total shareholders' equity	1,327,297	1,236,533
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	2,094	1,882
Deferred gains or losses on hedges	(33,356)	(8,667)
Total valuation and translation adjustments	(31,262)	(6,785)
Total net assets	1,296,035	1,229,747
Total liabilities and net assets	2,935,917	3,045,652

NON-CONSOLIDATED STATEMENT OF INCOME

(million yen)

	For the year ended December 31, 2022	For the year ended December 31, 2021 [Reference]
Operating revenue	172,189	210,060
Operating income of the Group	30,326	39,083
Real estate lease revenue	1,829	1,711
Dividends from subsidiaries and associates	140,033	169,264
Operating expenses	22,225	37,461
Operating profit	149,963	172,598
Non-operating income	5,697	2,738
Interest and dividend income	583	1,287
Foreign exchange gains	1,150	107
Reversal of allowance for doubtful accounts	3,757	954
Other	205	389
Non-operating expenses	7,189	9,445
Interest expenses	6,683	7,414
Bond issuance costs	268	1,178
Provision of allowance for doubtful accounts	-	558
Other	237	294
Ordinary profit	148,471	165,891
Extraordinary income	75	1,959
Gain on sale of investment securities	11	1,959
Other	63	-
Extraordinary losses	1,291	8,151
Loss on sale and retirement of non-current assets	147	153
Loss on sale of investment securities	1,030	3,932
Loss on valuation of shares of subsidiaries and associates	-	874
Loss on write-off of loans receivable from subsidiaries and associates	-	1,121
Business restructuring expenses	113	1,944
Other	-	125
Profit before income taxes	147,254	159,700
Income taxes - current	42	(4,358)
Income taxes - deferred	442	(9,515)
Profit	146,769	173,574

Independent accounting auditor's report on consolidated financial statements

Independent Auditor's Report

February 8, 2023

To the Board of Directors of Asahi Group Holdings, Ltd.:

KPMG AZSA LLC
Tokyo Office, Japan

Hiroyuki Yamada
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Hiroshi Tani
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Masahiro Morita
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of Asahi Group Holdings, Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at December 31, 2022 and for the year from January 1, 2022 to December 31, 2022 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the latter part of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further

described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the latter part of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the latter part of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial

Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depend on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the latter part of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant

deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

Independent accounting auditor's report on non-consolidated financial statements

Independent Auditor's Report

February 8, 2023

To the Board of Directors of Asahi Group Holdings, Ltd.:

KPMG AZSA LLC
Tokyo Office, Japan

Hiroyuki Yamada
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Hiroshi Tani
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Masahiro Morita
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and others") of Asahi Group Holdings, Ltd. ("the Company") as at December 31, 2022 and for the year from January 1, 2022 to December 31, 2022 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and others referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and others were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and Others* section of our report. We are independent of the

Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and others does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and others, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and others or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and others in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and others that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and others, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the financial statements and others as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and others.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and others, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depend on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and others or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and others are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and others, including the disclosures, and whether the financial statements and others represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed

pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

REPORT OF THE AUDIT & SUPERVISORY BOARD

Audit Report

The Audit & Supervisory Board has prepared the following report based on the audit reports prepared by individual Audit & Supervisory Board Members related to the Directors' execution of their duties during the 99th fiscal year, the period from January 1, 2022 to December 31, 2022, after due discussions and consultations among the Audit & Supervisory Board Members.

1. Methods used in audits by the individual Audit & Supervisory Board Members and by the Audit & Supervisory Board and content of audits

- (1) The Audit & Supervisory Board determined the audit policies and division of duties, and received reports from each Audit & Supervisory Board Member regarding the status and results of the audits, as well as reports from the Directors and Independent Accounting Auditor on the execution of their duties, and requested explanations of those reports when necessary.
- (2) Each Audit & Supervisory Board Member, in accordance with the audit policies, division of duties, etc. based on the audit standards established by the Audit & Supervisory Board, sought to achieve mutual understanding with the Directors, the body in charge of internal audit and other employees, strove to collect information and create an audit environment, attended meetings of the Board of Directors and other important meetings, received reports from Directors, other employees regarding the execution of their duties and requested explanations when necessary, reviewed documents related to important decisions, and inspected the operations and property of the head office, major business offices and other locations, while making use of telephones, the internet and other means. With respect to "systems to ensure appropriate execution of Directors' duties in conformity with laws and regulations and the Articles of Incorporation and other systems to ensure appropriate business operations, which is included in the Business Report (internal control systems)" (Item 6, Paragraph 4, Article 362 of the Companies Act and Paragraphs 1 and 3, Article 100 of the Regulation for Enforcement of the Companies Act), the Audit & Supervisory Board received reports regularly from Directors and other employees regarding the status of the establishment and implementation of the systems, sought additional explanations as necessary, and expressed opinions thereon. The Audit & Supervisory Board Members discussed the contents of the "basic policy concerning the persons who control decisions on the Company's financial and business policies" (Item 3, Article 118 of the Regulation for Enforcement of the Companies Act) included in the Business Report, based on discussions of the Board of Directors and other parties. With respect to subsidiaries, the Audit & Supervisory Board Members took steps to facilitate communications and exchange information with the Directors and Corporate Auditors of subsidiaries and, when necessary, received reports from subsidiaries on the status of their businesses. Using the foregoing methods, the Audit & Supervisory Board Members reviewed the Business Report and the supplementary schedules for this fiscal year.

(3) The Audit & Supervisory Board oversaw and verified that the Independent Accounting Auditor maintained its independence and carried out appropriate audits, moreover, and received reports from the Independent Accounting Auditor regarding the execution of its duties and requested explanations when necessary. The Audit & Supervisory Board also received notifications from the Independent Accounting Auditor to the effect that "a system for the maintenance of appropriate execution of duties" (included in Article 131 of the Regulation on Corporate Accounting) is in place in accordance with the "standards for quality control of audits" (Business Accounting Council; October 28, 2005), etc., and requested explanations when necessary. With regard to risks requiring special consideration for audit purposes, the Audit & Supervisory Board held discussions with the Independent Accounting Auditor for each cash generating unit mainly on those which might be impaired from the perspective of profitability, capital efficiency, etc., as well as received a report on implementation of its audit and requested explanations when necessary. Based on the above activities, the Audit & Supervisory Board examined the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to the non-consolidated financial statements), the supplementary schedules, and the consolidated financial statements (Consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, and notes to the consolidated financial statements) for this fiscal year.

2. Results of the Audit

(1) Results of audit of the Business Report, etc.

- In our opinion, the Business Report and the supplementary schedules present the situation of the Company fairly, in compliance with the provisions of applicable laws and regulations and the Articles of Incorporation.
- In our opinion, there are no wrongful acts or material violations of applicable laws and regulations or the Articles of Incorporation in the execution of their duties by the Directors.
- In our opinion, the content of the resolution by the Board of Directors regarding internal control systems is appropriate, and, furthermore, content of the Business Report regarding the internal control systems and the execution by the Directors have been appropriate.
- In our opinion, the Company's basic policy concerning the persons who control decisions on the Company's financial and business policies in the Business Report is appropriate.

We acknowledge that the measures implemented to achieve this basic policy are consistent with the basic policy, will not harm the common interest of the Company's shareholders, and will not serve the purpose of maintaining the positions of the Company's Directors and Audit & Supervisory Board Members.

(2) Results of the audit of non-consolidated financial statements and the supplementary schedules

In our opinion, the auditing methods used by KPMG AZSA LLC, the Independent Accounting Auditor, and the results of its audit are appropriate.

(3) Results of the audit of consolidated financial statements

In our opinion, the auditing methods used by KPMG AZSA LLC, the

Independent Accounting Auditor, and the results of its audit are appropriate.

February 9, 2023

Audit & Supervisory Board
Asahi Group Holdings, Ltd.

Yoshihide Okuda (Seal)
Standing Audit & Supervisory Board Member

Naoko Nishinaka (Seal)
Standing Audit & Supervisory Board Member

Yumiko Waseda (Seal)
Outside Audit & Supervisory Board Member

Yutaka Kawakami (Seal)
Outside Audit & Supervisory Board Member

Shigeo Ohyagi (Seal)
Outside Audit & Supervisory Board Member

Asahi