

Asahi

CONVOCATION NOTICE OF THE 100th ANNUAL GENERAL MEETING OF SHAREHOLDERS



DATE AND TIME

March 26 (Tuesday), 2024
at 1:00 p.m. (JST)
(Reception start time: Noon)

VENUE

Banquet Room "Tsuru,"
Banquet Floor, "The Main,"
Hotel New Otani,
4-1, Kioi-cho, Chiyoda-ku, Tokyo

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

No later than 5:30 p.m. (JST),
March 25 (Monday), 2024

TABLE OF CONTENTS

Convocation Notice	1
Reference Materials for General Meeting of Shareholders	10
Item 1: Appropriation of Retained Earnings	10
Item 2: Appointment of eleven (11) Directors	11
Item 3: Appointment of one (1) Audit & Supervisory Board Member	32
Item 4: Revision of Amount of Remuneration, etc. for Directors	36
Item 5: Revision of Amount of Remuneration, etc. for Audit & Supervisory Board Members	38
Business Highlights	40
Business Report	41
Consolidated Financial Statements	104
Audit Reports	109



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

URL <https://web.lumiagm.com/723320509>

- Please see page 5 for details regarding the live stream.
- Please see pages 2-4 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:

Firstly, I would like to extend my most profound condolences to those who lost their lives in the 2024 Noto Peninsula Earthquake, as well as my sincere sympathies to those affected by the earthquake. I pray for the earliest possible recovery of the affected areas.

I hereby deliver this Convocation Notice of the 100th Annual General Meeting of Shareholders.

I would like to invite all our shareholders to attend the meeting.

We request that shareholders who are not attending the meeting on site 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 4, 2024

Atsushi Katsuki

President and CEO, Representative Director

ASAHI GROUP HOLDINGS, LTD.





CONVOCATION NOTICE OF THE 100th ANNUAL GENERAL MEETING OF SHAREHOLDERS

1 DATE AND TIME	March 26 (Tuesday), 2024, at 1:00 p.m. (JST) (Reception start time: Noon)
2 VENUE	Banquet Room "Tsuru," Banquet Floor, "The Main," Hotel New Otani, 4-1, Kioi-cho, Chiyoda-ku, Tokyo
3 AGENDA	Items to be reported: 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 100th term (from January 1, 2023 to December 31, 2023). Items to be resolved: Item 1: Appropriation of Retained Earnings Item 2: Appointment of eleven (11) Directors Item 3: Appointment of one (1) Audit & Supervisory Board Member Item 4: Revision of Amount of Remuneration, etc. for Directors Item 5: Revision of Amount of Remuneration, etc. for Audit & Supervisory Board Members
4 LIVE STREAM	URL https://web.lumiagm.com/723320509 * Please see page 5 for details.



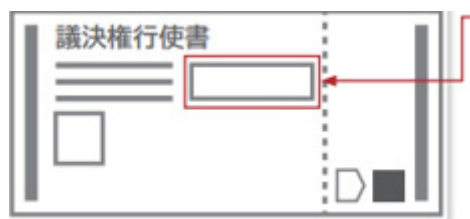
GUIDE TO EXERCISING VOTING RIGHTS

We ask that shareholders who are not attending the General Meeting of Shareholders on site refer to the following guide to exercise their voting rights in advance by using either method below.

1		<p>Voting via Internet, etc.</p> <p>* The online voting website and Help Desk information are available in Japanese.</p>
<p>Deadline for exercising voting rights via the internet, etc.:</p> <p>By 5:30 p.m., March 25 (Monday), 2024 (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 25 (Monday), 2024 (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 repetitively (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).

Items 1, 3, 4 and 5

If you consent:

Mark a ○ in the box marked “賛”

If you dissent:

Mark a ○ in the box marked “否”

Item 2

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 dissent to 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.*>

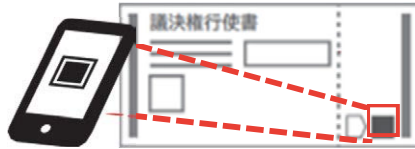
Deadline for exercising voting rights via the internet, etc.:

By 5:30 p.m., March 25 (Monday), 2024 (JST)

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

Exercising voting rights using a smartphone, etc.

(1) Scan the QR code printed on the voting form.



(2) Tap the "Exercise Voting Rights" button on the top page of the "General Meeting of Shareholders Portal."



(3) After the top page of the "Smart Exercise®" site appears, follow the instructions on the screen to enter your consent/dissent concerning each item.

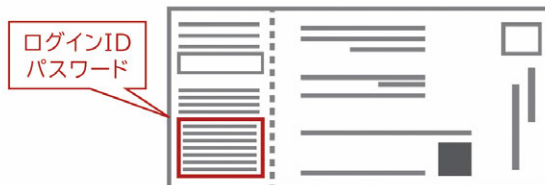


Note To make changes to your vote once voting rights have been exercised, you will need to enter your "voting code" and "password" indicated on the voting form.

Exercising voting rights using a computer

(1) Please use the following URL to access "General Meeting of Shareholders Portal," and login by entering the login ID and password indicated on the voting form.

"General Meeting of Shareholders Portal" URL:
<https://www.soukai-portal.net>



(2) Click on “Exercise Voting Rights” and follow the instructions on the screen to enter your consent/dissent concerning each item.



* 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 please enter the “password” that you have set when registering your e-mail address instead.

* You may also continue to use the online voting website.
<https://www.web54.net>

*** 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.


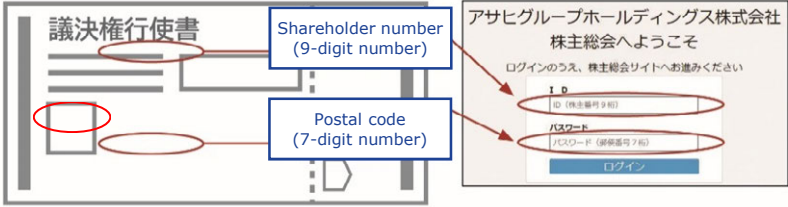

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Web Support Phone Number
Toll-free (within Japan): 0120-652-031 (9:00 a.m. to 9:00 p.m. (JST))

Note: QR Code is a registered trademark of DENSO WAVE INCORPORATED.

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 in Japanese.

Date and time of the live stream	<p>March 26 (Tuesday), 2024, from 1:00 p.m. (JST) (We plan on showing an opening video from 0:55 p.m. (JST))</p>
Viewing instructions	<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/723320509 * The meeting ID is “723-320-509.”</p>  <p>(2) Please enter the ID and password indicated on the voting form 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>(3) You may view the live stream after following the on-screen instructions.</p>
Notes	<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 exercise your voting rights before joining the live stream. Viewers will be able to post comments (feedback and questions) during the General Meeting of Shareholders. However, these comments will not be recognized as questions at the General Meeting of Shareholders under the Companies Act. Provided that, the Company plans on responding to principal questions that align with the purposes of this General Meeting on our website. The live stream may not be available depending on your internet connection environment, 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, video or audio recordings, or downloading the live stream. Providing your ID and password to a third party is strictly prohibited.
Post-meeting streaming	<p>The video of the live stream will be available at the “General Meeting of Shareholders” page on the Company’s website. Date and time that the video will be made available: March 27 (Wednesday), 2024 at noon (JST) (Planned)</p> <p>WEB https://www.asahigroup-holdings.com/ir/shareholders_guide/shareholders_meeting.html</p> 
<p>If you are unclear about live stream IDs and passwords, please contact the following Help Desk for inquiries.</p> <p>Sumitomo Mitsui Trust Bank, Limited Virtual General Meeting of Shareholders Support Phone Number Toll-free (within Japan): 0120-782-041 (9:00 a.m. to 5:00 p.m. (JST), excluding weekends and holidays)</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, among documents regarding the General Meeting of Shareholders, information that constitutes the content of Business Report, etc. (matters subject to measures for electronic provision) will be provided via the internet (in electronic format), except in the case of shareholders who have requested for paper-based delivery.

Matters subject to measures for electronic provision are as set out below. Please use the following URL or QR code to access the "General Meeting of Shareholders" page on the Company's website and refer to matters subject to measures for electronic provision.

URL and 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 in Japanese.



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 website for posted informational materials for the general meeting of shareholders and the website of the Tokyo Stock Exchange as shown on page 9.

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

Note: The website is available in Japanese.

Business Report

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

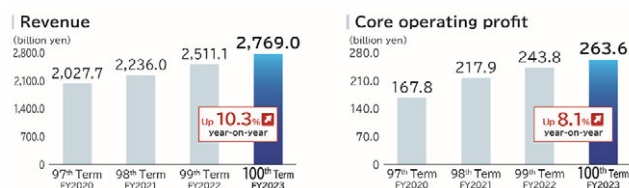
It includes Overview of Consolidated Earnings, Asahi Group Revenue, and Progress of Medium-Term Guidelines in the "Medium- to Long-Term Management Policy," etc.

WEB https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2024_shoushu.pdf#page=28



<Sample>

■ Overview of Consolidated Earnings



■ Asahi Group Revenue

Segment	99 th term FY2022 (million yen)	100 th term FY2023 (current year) (million yen)	Change in amount (million yen)	Change in percentage (%)
Japan	1,301,731	1,362,850	61,118	4.7
Europe	573,875	688,725	114,849	20.0
Oceania	583,167	652,154	68,987	11.8
Southeast Asia	51,680	57,806	6,126	11.9
Others ¹⁾	8,764	21,542	12,778	145.8
Adjustment ²⁾	(8,110)	(13,988)	(5,878)	-
Total	2,511,108	2,769,091	257,982	10.3

III Management Policy (Management Perspectives)

It includes "Asahi Group Philosophy," "Medium- to Long-Term Management Policy," and "Policy for 101st term (FY2024)," etc.

WEB https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2024_shoushu.pdf#page=36



<Sample>

■ Asahi 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 realizing a sustainable society through our business
Partners: Build relationships that promote mutual growth
Shareholders: Increase our share value through sustainable profit growth and shareholder returns

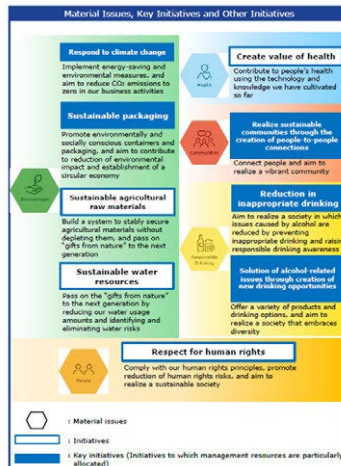
■ Medium- to Long-Term Management Policy

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.

■ Specific initiatives based on the Medium- to Long-Term Management Policy (sustainability)



Installation of solar power generation equipment



Promotion of aluminum can recycling



III Corporate Governance / IV Risk Management

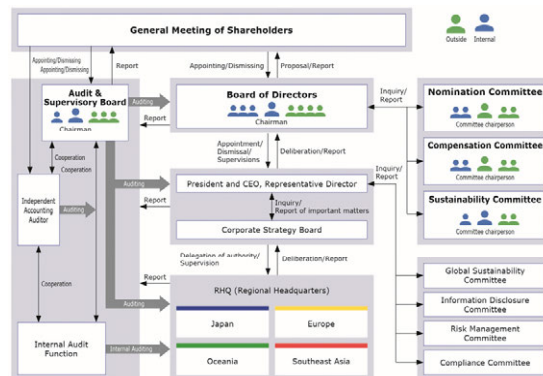
They include Basic Policies and System on Corporate Governance, Nomination and Remuneration of Officers, and Initiatives Carried Out to Enhance Effectiveness, etc. They also include information on Risk Management Measures.

[WEB https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2024_shoushu.pdf#page=54](https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2024_shoushu.pdf#page=54)

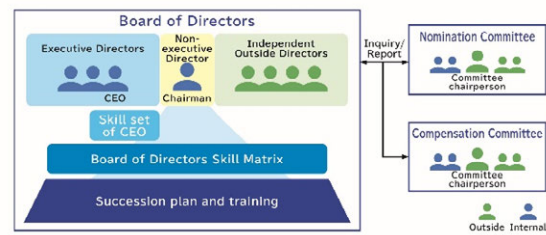


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■ Corporate Governance System



■ 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/2024_shoushu.pdf#page=67](https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2024_shoushu.pdf#page=67)



Consolidated Financial Statements and Audit Reports

It includes Consolidated Financial Statements and Audit Reports.

[WEB https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2024_shoushu.pdf#page=76](https://www.asahigroup-holdings.com/ir/shareholders_guide/pdf/2024_shoushu.pdf#page=76)



<Sample>

■ Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			CONSOLIDATED STATEMENT OF PROFIT OR LOSS		
	As of December 31, 2023	(million yen) As of December 31, 2022 [Reference]		For the year ended December 31, 2023	(million yen) For the year ended December 31, 2022 [Reference]
ASSETS			Revenue	2,769,091	2,511,108
Current assets:			Cost of sales	(1,770,157)	(1,589,272)
Cash and cash equivalents	59,945	37,438	Gross profit	998,933	921,835
Trade and other receivables	465,633	415,676	Selling, general and administrative expenses	(735,252)	(678,018)
Inventories	267,317	234,969	Other operating income	8,300	16,850
Income tax receivables	2,930	7,354	Other operating expenses	(26,991)	(43,619)
Other financial assets	10,469	10,028	Operating profit	244,999	217,048
Other current assets	40,653	33,087	Finance income	14,118	5,498
Total current assets	846,953	737,529	Finance costs	(18,121)	(17,221)
Non-current assets:			Share of profit (loss) of investments accounted for using equity method	875	667
Property, plant and equipment	888,070	834,721	Profit before tax	241,871	205,992
Goodwill and intangible assets	3,283,948	3,027,929	Income tax expense	(75,840)	(54,275)
Investments accounted for using equity method	11,081	6,722	Profit	166,031	151,717
Other financial assets	151,168	125,780			
Deferred tax assets	48,544	54,889	Profit attributable to:		
Defined benefit asset	36,515	24,004	Owners of parent	164,073	151,555
Other non-current assets	19,629	15,767	Non-controlling interests	1,957	162
Total non-current assets	4,438,960	4,092,815	Total	166,031	151,717
Total assets	5,285,913	4,830,344			

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 Financial Statement" and "Notes to the Non-Consolidated Financial Statements"
- (iv) "Independent Accounting Auditor's Report on Non-Consolidated Financial Statements" (Reference) "Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members"

* Matters subject to measures for electronic provision are also available on the website for posted informational materials for the general meeting of shareholders. If you are unable to access matters subject to measures for electronic provision via the Company's website, please navigate to the website for posted informational materials for the general meeting of shareholders by using the following URL and refer to them at that location.

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

Note: The website is available 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 (ASAHI GROUP HOLDINGS) or the 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]."

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

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 approximately 35% and increasing to 40% by 2025.

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 August 2023 and proposes to pay a year-end dividend of ¥65 per share.

Since the Company previously paid out ¥56 per share as an interim-period dividend, the annual dividend for this fiscal year will amount to ¥121 per share, which is an increase of ¥8 per share from the previous fiscal year, for a dividend payout ratio of 37.0%.

* 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.

(1) Type of dividend asset

Cash

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

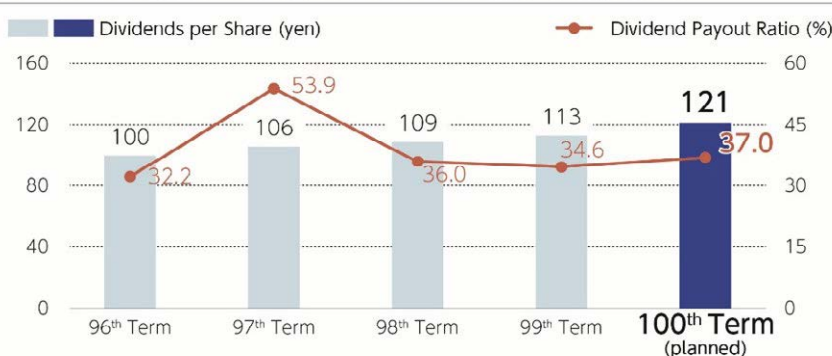
¥65 per share of common stock

Total amount of payout: ¥32,942,764,660

(3) Effective date of dividends of Retained Earnings

March 27, 2024

■ Trends in Annual Dividend per Share and Dividend Payout Ratio



Item 2 Appointment of eleven (11) Directors

At the conclusion of this Annual General Meeting of Shareholders, the terms of office of all Directors will expire.



Therefore, to strengthen the Company's "decision-making abilities" and "executive oversight function" in pursuit of sustainable growth and the increase of corporate value over the medium- to long-term, the Company asks the shareholders to increase the number of Directors by three (3) and to appoint eleven (11) 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 abundant experience, extensive 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 the Company's Directors based on the group philosophy, "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 provided below. See page 14 for the definition of each skill included in the "Board of Directors Skill Matrix."

Candidate Number	Name	Position	Tenure
1	 Akiyoshi Koji Reappointment	Chairman and Director, Chairman of the Board of Directors	17 years
2	 Atsushi Katsuki Reappointment	President and CEO, Representative Director	7 years
3	 Keizo Tanimura Reappointment	Director EVP and CHRO	5 years
4	 Kaoru Sakita Reappointment	Director EVP and CFO	2 years
5	 Christina L. Ahmadjian Reappointment Outside Independent	Outside Director (Independent officer)	5 years
6	 Kenichiro Sasae Reappointment Outside Independent	Outside Director (Independent officer)	2 years
7	 Tetsuji Ohashi Reappointment Outside Independent	Outside Director (Independent officer)	2 years
8	 Mari Matsunaga Reappointment Outside Independent	Outside Director (Independent officer)	1 year
9	 Naoko Nishinaka New candidate	-	-

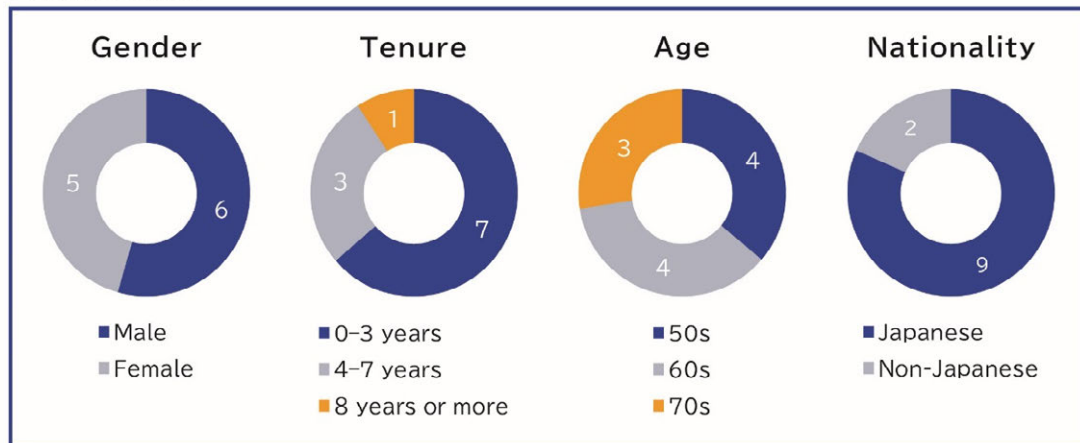
Candidate Number	Name	Position	Tenure
10	 Chika Sato New candidate Outside Independent	-	-
11	 Melanie Brock New candidate Outside Independent	-	-

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. There are no special interests between any of the candidates and the Company.
 3. 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 a directors and officers liability insurance policy." This is a matter subject to measures for electronic provision. Each of the candidates for reappointment and newly appointed candidate Naoko Nishinaka are already listed as an insured person under the insurance policy and will continue to be listed as an insured person upon approval of their appointment. In addition, newly appointed candidates Chika Sato and Melanie Brock will be listed as an insured person upon approval of their appointment. The Company plans to renew the said policy with the same terms during the terms of their office.

■ 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			○	○	○			○
9	○		○		○		○	
10		○		○	○			○
11		○			○		○	○

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 abundant experience, extensive 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 (72 years old)
 Owned Shares of the Company: 17,000 shares
 Tenure: 17 years
 Attended BOD* meetings (FY2023): 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. Since 2021, 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.

*BOD stands for Board of Directors.



Candidate
Number
2

Atsushi Katsuki

Reappointment

Date of Birth (Age): March 17, 1960 (64 years old)
 Owned Shares of the Company: 2,798 shares
 Tenure: 7 years
 Attended BOD meetings (FY2023): 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. Moreover, while increasing the competitiveness of each of the Company’s Regional Headquarters in areas including Japan, Europe, Oceania, and Southeast Asia, he has also built systems to create synergies between these regions.

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, Supply Chain

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
Number
3

Keizo Tanimura

Reappointment

Date of Birth (Age): August 11, 1965 (58 years old)
Owned Shares of the Company: 5,123 shares
Tenure: 5 years
Attended BOD meetings (FY2023): 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 global policy, and he has also promoted reinforcement of the operating foundation of governance for increasing the effectiveness of the Board of Directors. Moreover, he built a track record that includes numerous achievements such as driving significant improvement in external ESG assessments through his efforts in promoting the integration of sustainability and management as well as environmental measures including reducing CO₂ emissions. His efforts have also resulted in high scores with respect to employee engagement from coordinating initiatives among the Regional Headquarters, which 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 EVP*¹ and CHRO*²

Responsibilities HR, General Affairs, Legal, Risk, 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
Mar. 2023 Director EVP and CHRO
(to the present)

*1 EVP stands for Executive Vice President.

*2 CHRO stands for Chief Human Resources Officer.



Kaoru Sakita

Candidate
Number

4

Reappointment

Date of Birth (Age): March 3, 1966 (58 years old)
Owned Shares of the Company: 339 shares
Tenure: 2 years
Attended BOD meetings (FY2023): 12/12

Reasons for recommending Kaoru Sakita as a candidate for Director

Since assuming the role of Director of the Company 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. Additionally, he has promoted the materialization of innovation in three key areas of the Company's DX strategy (processes, organization, and business models) and established Asahi Global Procurement Pte. Ltd. in Singapore to improve Group-wide procurement capabilities.

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 EVP*1 and CFO*2

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
Mar. 2023 Director EVP and CFO
(to the present)

*1 EVP stands for Executive Vice President.

*2 CFO stands for Chief Financial Officer.



Christina L. Ahmadjian

Candidate Number
5

Reappointment

Outside Director

Independent Director

Date of Birth (Age): March 5, 1959 (65 years old)
Owned Shares of the Company: — shares
Tenure: 5 years
Attended BOD meetings (FY2023): 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. As a member of the Sustainability Committee, she gave opinions and recommendations on strengthening the Group’s sustainability governance system and on further integration of sustainability and management.

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

Significant Concurrent Positions

- Outside Director of Sumitomo Electric Industries, Ltd.
- Outside Director of NEC Corporation
- Member of the Board (Outside Director) of NGK SPARK PLUG CO., LTD.

Views on independence

As Christina L. Ahmadjian 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 amount stipulated by applicable laws and regulations, whichever is higher. If her appointment is approved, the current agreement will be extended.

Kenichiro Sasae



Candidate
Number

6

Reappointment

Outside Director

Independent
Director

Date of Birth (Age): September 25, 1951 (72 years old)
Owned Shares of the Company: — shares
Tenure: 2 years
Attended BOD meetings (FY2023): 12/12

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, 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

Views on independence

Although the Group has 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 amount stipulated by applicable laws and regulations, whichever is higher. If his appointment is approved, the current agreement will be extended.



Tetsuji Ohashi

Candidate
Number
7

Reappointment
Outside Director
Independent
Director

Date of Birth (Age): March 23, 1954 (70 years old)
Owned Shares of the Company: — shares
Tenure: 2 years
Attended BOD meetings (FY2023): 12/12

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, discontinuous growth, 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.

Views on independence

As Tetsuji Ohashi 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 amount stipulated by applicable laws and regulations, whichever is higher. If his appointment is approved, the current agreement will be extended.



Mari Matsunaga

Candidate
Number
8

Reappointment
Outside Director
Independent
Director

Date of Birth (Age): November 13, 1954 (69 years old)
Owned Shares of the Company: — shares
Tenure: 1 year
Attended BOD meetings (FY2023): 9/9

Reasons for recommending Mari Matsunaga as a candidate for Outside Director

Since being appointed as an Outside Director of the Company in 2023, Mari Matsunaga has participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors from the perspective of new business models and new businesses aimed at the Company's sustainable growth based on her experience in developing new services and creating new business models as well as her experience as an outside officer at another company.

Furthermore, as a member of the Sustainability Committee, she gave opinions and recommendations on strengthening the Group's sustainability governance system and on further integration of sustainability and management.

She can be expected to demonstrate skills related to sustainability, human resources, and culture backed by her extensive knowledge and broad insight into the culture and lifestyles of modern society.

Accordingly, we deem that Mari Matsunaga 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 her reappointment as an Outside Director.

Position 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)
Mar. 2023 Outside Director of the Company (to the present)

Significant Concurrent Positions Representative of Mari Matsunaga Office
Outside Director of Seiko Epson Corporation

Note: As Mari Matsunaga was newly appointed at the 99th Annual General Meeting of Shareholders held on March 28, 2023, the above number of Board of Directors meetings held that she could attend is different from other Directors.

Views on independence

As Mari Matsunaga 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

To enable her to contribute fully in her role as an Outside Director, the Company has entered into an agreement with Mari Matsunaga 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 amount stipulated by applicable laws and regulations, whichever is higher. If her appointment is approved, the current agreement will be extended.



Candidate
Number

9

Naoko Nishinaka

New candidate

Date of Birth (Age): August 11, 1965 (58 years old)
Owned Shares of the Company: 1,301 shares
Attended BOD meetings (FY2023): 12/12

Reasons for recommending Naoko Nishinaka as a candidate for Director

Naoko Nishinaka has a wealth of experience and abilities related to supply chains and quality assurance through her work history in the fields of quality assurance, brewing technology, and beer development starting with her position as the person responsible for the quality assurance sections at the Company and its group companies. Since being appointed as Standing Audit & Supervisory Board Member of the Company in 2020, through auditing the status of activities at the Company and its domestic and overseas group companies by attending meetings of the Board of Directors and other important meetings, she has appropriately performed the role of auditing the execution of duties by the Company's Directors, including the internal control system.

She sufficiently possesses the insight, expertise, and ability required as a Director of the Company through her abundant experience related to manufacturing and quality at the Group as well as her abundant experience in compliance, risk management and auditing as Standing Audit & Supervisory Board Member of the Company. In particular, she can be expected to demonstrate risk and governance skills based on her insight and expertise in long-term strategy, sustainability, senior leadership, and governance backed by her abundant experience at the Group.

Accordingly, we deem that Naoko Nishinaka 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 a Director.

Career Summary

Apr. 1988	Joined the Company
Apr. 2016	Senior Officer of the Company General Manager of Quality Assurance Department of Asahi Group Foods, Ltd.
Apr. 2017	Senior Officer, General Manager of Quality Assurance Section of the Company General Manager of Quality Assurance Department of Asahi Professional Management Co., Ltd.
Mar. 2018	Executive Officer, General Manager of Quality Assurance Section of the Company General Manager of Quality Assurance Department of Asahi Professional Management Co., Ltd.
Mar. 2020	Standing Audit & Supervisory Board Member of the Company (to the present)

- Notes: 1. Naoko Nishinaka's attended BOD meetings refer to her attendance as a Standing Audit & Supervisory Board Member of the Company.
2. Naoko Nishinaka will retire from her position as a Standing Audit & Supervisory Board Member of the Company with the expiration of her term at the conclusion of this Annual General Meeting of Shareholders.



Candidate
Number
10

Chika Sato

New candidate
Outside Director
Independent
Director

Date of Birth (Age): January 23, 1962 (62 years old)
Owned Shares of the Company: — shares

Reasons for recommending Chika Sato as a candidate for Outside Director

Chika Sato has many years of experience in the human resources division and in overseas positions at global companies. She sufficiently possesses the insight, expertise, and ability required as a Director of the Company, including senior leadership, discontinuous growth, human resources, and cultural skills based on her abundant global experience in organizational and leadership development, hiring, promoting DE&I, etc.

In particular, as an Outside Director, she can be expected to actively point out and make recommendations based on her abundant experience and broad insight in the field of human resources at global companies, and to actively give opinions and recommendations at meetings of the Board of Directors aimed at improving the human capital of the Group.

Accordingly, we deem that Chika Sato 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. 1982 Joined Sumitomo Electric Industries, Ltd.
- Jul. 1996 Joined GE Inc. (current GE Japan Inc.)
- Sep. 2011 Executive Officer and General Manager of Human Resources Division of Microsoft Japan Co., Ltd.
- Sep. 2016 In charge of Human Resources of Japan and North Asia of Nokia Solutions and Networks Japan G.K.
- Apr. 2018 Executive Officer and Head of Culture Transformation Division of NEC Corporation
- Apr. 2019 Senior Executive, Head of People & Organization Development Division of NEC Corporation
- Apr. 2022 Inclusion and Diversity Promotion Leader (Corporate Executive), Human Resources and General Affairs Division of NEC Corporation
- Apr. 2023 Chief Diversity Officer, People and Culture Division of NEC Corporation (to the present)

Significant Concurrent Positions

Chief Diversity Officer, People and Culture Division of NEC Corporation

Note: Chika Sato will resign from her position as Chief Diversity Officer of the People and Culture Division of NEC Corporation on March 31, 2024.

Views on independence

Although the Group has transactional relationships with NEC Corporation, where Chika Sato concurrently serves, the amounts involved in such transactions account for less than 1% of the consolidated revenue 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 she maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Chika Sato 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 Chika Sato 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 amount stipulated by applicable laws and regulations, whichever is higher.



Candidate
Number
11

Melanie Brock

New candidate
Outside Director
Independent
Director

Date of Birth (Age): April 10, 1964 (59 years old)
Owned Shares of the Company: — shares

Reasons for recommending Melanie Brock as a candidate for Outside Director

Melanie Brock sufficiently possesses the insight, expertise, and ability required as a Director of the Company, including global, senior leadership, risk and governance, human resources, and cultural skills, based on her abundant global experience including her work history in key positions at groups connecting the financial worlds of Japan and Australia and in building networks, as well as her experience as an outside officer of other companies.

In particular, as an Outside Director, she has a high level of senior leadership skills from marketing cultivated through her global consulting activities and experience in diversity promotion, etc., and can be expected to actively point out and make recommendations on management issues from a global perspective, as well as to actively give opinions and recommendations at meetings of the Board of Directors based on her abundant knowledge and broad insight related to diversity.

Accordingly, we deem that Melanie Brock 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

- Mar. 2003 Representative Director of AGENDA Ltd. (current Melanie Brock Advisory Ltd.)
(to the present)
- Mar. 2010 Board Member of Australia-Japan Foundation
- Apr. 2010 Board Member of Australia Japan Business Co-operation Committee
(to the present)
Chair of Australian and New Zealand Chamber of Commerce in Japan
- Oct. 2010 Regional Manager - Japan of Meat & Livestock Australia
- Dec. 2012 Chair of Australian Business Asia
- Nov. 2016 Chair Emeritus of Australian and New Zealand Chamber of Commerce in Japan
(to the present)
- Jul. 2019 Board Member of Australia-Japan Research Centre
(to the present)

Significant Concurrent Positions

- Representative Director of Melanie Brock Advisory Ltd.
- Director of the Board (External) of SEGA SAMMY HOLDINGS INC.
- Outside Director of MITSUBISHI ESTATE CO., LTD.
- Outside Director of Kawasaki Heavy Industries, Ltd.

Views on independence

As Melanie Brock 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 Melanie Brock 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 Melanie Brock 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 amount stipulated by applicable laws and regulations, whichever is higher.

Item 3 Appointment of one (1) Audit & Supervisory Board Member


At the conclusion of this Annual General Meeting of Shareholders, the terms of office of Audit & Supervisory Board Member Naoko Nishinaka will expire. The Company therefore asks the shareholders to appoint one (1) Audit & Supervisory Board Member.

The Company has decided that to ensure a good balance throughout the entire Audit & Supervisory Board in terms of the knowledge, experience, ability and diversity required for contribution to sustainable growth and the increase of corporate value of the Company over the medium- to long-term, the Audit & Supervisory Board is to be composed of suitable persons who possess abundant experience, extensive insight, and high-level expertise and ability required of the Company based on the "Audit & Supervisory Board Skill Matrix" that clarifies the requirements of the Company's Audit & Supervisory Board Members. Furthermore, three (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.

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

The candidate for Audit & Supervisory Board Member is as described on page 35.

- Composition of the Audit & Supervisory Board if this proposal is approved and adopted in its original form

Name	Position	Tenure
 Yunitaka Fukuda	Standing Audit & Supervisory Board Member	1 year
 Yutaka Kawakami Outside Independent	Outside Audit & Supervisory Board Member (Independent officer)	7 years
 Shigeo Ohyagi Outside Independent	Outside Audit & Supervisory Board Member (Independent officer)	2 years
 Sanae Tanaka Outside Independent	Outside Audit & Supervisory Board Member (Independent officer)	1 year
 Akiko Oshima New candidate	-	-

New candidate: candidate for new appointment

Outside: Outside Audit & Supervisory Board Member

Independent: independent officer

Note: 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.

Audit & Supervisory Board Skill Matrix

The "Audit & Supervisory Board Skill Matrix" is composed of the necessary skills for audit as the Audit & Supervisory Board. According to the "Audit & Supervisory Board Skill Matrix," the Company shall make the Audit & Supervisory Board composed of persons who are suitably qualified to be Audit & Supervisory Board Members of the Company possessing abundant experience, extensive insight, and high-level expertise and ability required by the Company.

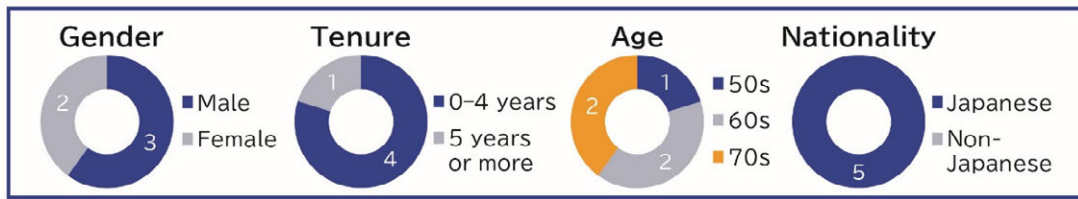
Definition of each skill included in the "Audit & Supervisory Board Skill Matrix" is as follows:

	Skill	Definition
Audit Skills	Finance and accounting	• Auditing ability based on expert knowledge and insight in finance and accounting
	Legal and compliance	• Auditing ability based on expert knowledge and insight in legal matters • Ability to audit the creation and operating status of compliance systems
	Risk management and internal control	• Ability to audit the creation and operating status of risk management systems for corporate management • Ability to audit the creation and operating status of internal control systems
	Corporate management and operating processes	• Ability to audit the status of corporate governance based on insight of operating processes, human resources, culture, etc. gained through corporate management experience, and management and executive experience at the Company

Note that the "Audit & Supervisory Board Skill Matrix" lists the skills that Audit & Supervisory Board Members (including candidates) are expected to exhibit for their roles, and does not represent all the knowledge and experience possessed by each Audit & Supervisory Board Member (including candidate).

Name	Audit Skills			
	Finance and accounting	Legal and compliance	Risk management and internal control	Corporate management and operating processes
Yukitaka Fukuda	○		○	○
Yutaka Kawakami	○		○	
Shigeo Ohyagi			○	○
Sanae Tanaka		○	○	
Akiko Oshima		○	○	○

■ Composition



Candidate for Audit & Supervisory Board Member

Akiko Oshima

New candidate



Date of Birth (Age): October 17, 1968 (55 years old)
Owned Shares of the Company: – shares

Reasons for recommending Akiko Oshima as a candidate for Audit & Supervisory Board Member

As the Company's Executive Officer, Head of Internal Audit, Akiko Oshima has experience related to compliance, risk management, and internal audit, as well as abundant experience in business management, including overseas business management, at the corporate strategy sections of the Company and its group companies. She possesses extensive insight regarding compliance, risk management, and internal audit necessary for an Audit & Supervisory Board Member of the Company, as well as abundant knowledge of the Company's business, and the Company expects that she 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 Akiko Oshima is a necessary human resource for strengthening the functions of the Company's Audit & Supervisory Board in aiming for sustainable growth and enhancement of corporate value over the medium- to long-term, and thus we newly recommend her appointment as an Audit & Supervisory Board Member.

Career Summary

Apr. 1991 Joined the Company
Jan. 2018 Manager of Corporate Strategy Department
Apr. 2022 Senior Officer of Strategy
Apr. 2023 Executive Officer, Head of Internal Audit
 (to the present)

- Notes:
1. There are no special interests between Akiko Oshima and the Company.
 2. The Company has entered into a directors and officers liability insurance policy with an insurance company. Summary 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 a directors and officers liability insurance policy." This is a matter subject to measures for electronic provision. Akiko Oshima is already listed as an insured person under the insurance policy and will continue to be listed as an insured person upon approval of her appointment. The Company plans to renew the said policy with the same terms during the term of her office.
 3. Akiko Oshima will resign from her position as Executive Officer, Head of Internal Audit of the Company on March 26, 2024.

Item 4 Revision of Amount of Remuneration, etc. for Directors

The total amount of remuneration, etc. for the Directors of the Company was resolved at the 95th Annual General Meeting of Shareholders held on March 26, 2019 as an annual amount of up to ¥1,500 million (includes ¥100 million for Outside Directors) comprised of basic remuneration and bonus and has continued at this amount up to the present. Separately from this, it was resolved at the 98th Annual General Meeting of Shareholders held on March 25, 2022, that the Company would make cash contributions of not more than ¥450 million during the period of the trust (three years), and pay performance-linked stock compensation (hereinafter referred to as "stock compensation") to Directors (excluding Outside Directors) appointed during the period of the trust.

To realize the group philosophy, the "Asahi Group Philosophy," the Company has formulated the "Medium- to Long-Term Management Policy" enlisting an approach that entails backcasting from megatrends. Based on the policy, in addition to growth in our existing businesses through the expansion of our global brands and the promotion of our premiumization strategy, we have constantly challenged ourselves to pursue peripheral and new business domains. Since the previous revision of the total amount of remuneration, etc., in addition to solidifying the Japanese business, we have expanded business growth and profitability in Europe, Oceania, and Southeast Asia and succeeded in strengthening the medium- to long-term management foundation.

Against this backdrop, in a dramatically changing, unpredictable global management environment, we are working to create greater incentives to achieve sustainable growth and increase the corporate value over the medium- to long-term, while also hiring excellent personnel with diverse capabilities on a global basis and continuously developing management personnel from a medium- to long-term perspective. To promote these initiatives, with reference to the levels of both global companies and Japanese companies (the top 100 by market capitalization) that are similar to the Company in terms of nature and scale of business and the complexity of business regions, the Company would like to revise the total amount of remuneration, etc. for Directors to an annual amount of up to ¥3,000 million (includes ¥400 million for Outside Directors) with the goal of transitioning to even more competitive remuneration levels in the medium term.

Stock compensation shall be provided for under a framework separate to this total amount of basic remuneration and bonuses (annual, medium-term).

The level of the total amount of remuneration, etc. being proposed was established based on a comprehensive consideration of such factors as the record of past payments, the forecast payments if targets are achieved based on future management plans, and the number of Directors, with the premise that the remuneration for the Company's Directors will be highly performance-based, being linked to management strategy in line with the strategy for the remuneration of the Directors.

Although there are currently eight (8) Directors (four (4) of whom are Outside Directors), if Item 2 "Appointment of eleven (11) Directors" is approved as originally proposed, the number of Directors will be eleven (11) (six (6) of whom are Outside Directors).

Meanwhile, whereas the Company has established a policy on decisions pertaining to content of remuneration, etc. for Directors, an overview of which is provided at "III Corporate Governance, [5. Officers' Remuneration (Policies concerning the setting of remunerations paid to Directors and Audit & Supervisory Board Members)]" which is a matter subject to measures for

electronic provision, this proposal aligns with such policy, and the Company does not intend to change such policy even if this proposal is approved.

Total amount of remuneration (current)

	Fixed remuneration	Variable remuneration		
	Basic remuneration	Annual bonus	Medium-term bonus	Stock compensation
Directors	○	○	○	○
Outside Directors	○	-	-	-
Remuneration limits	Annual amount of ¥1,500 million (including ¥100 million for Outside Directors)			¥450 million (Three years)



Total amount of remuneration (proposed revision)

	Fixed remuneration	Variable remuneration		
	Basic remuneration	Annual bonus	Medium-term bonus	Stock compensation
Directors	○	○	○	○
Outside Directors	○	-	-	-
Remuneration limits	Annual amount of ¥3,000 million (including ¥400 million for Outside Directors)			¥450 million (Three years)

Item 5 Revision of Amount of Remuneration, etc. for Audit & Supervisory Board Members

The total amount of remuneration, etc. for the Audit & Supervisory Board Members of the Company was resolved at the 95th Annual General Meeting of Shareholders held on March 26, 2019 as an annual amount of up to ¥140 million (includes ¥50 million for Outside Audit & Supervisory Board Members) comprised of basic remuneration and has continued at this amount up to the present.

Since the previous revision of the total amount of remuneration, etc., in addition to solidifying the Japanese business, we have expanded business growth and profitability in Europe, Oceania, and Southeast Asia and succeeded in strengthening the medium- to long-term management foundation. At the same time, the structure of the Group's business base has changed dramatically due to advanced globalization. Along with these changes, the content of duties of Audit & Supervisory Board Members, who audit the execution of duties by the Directors, has expanded and has become more complex. Furthermore, as the Company strengthens corporate governance, the roles required of the Audit & Supervisory Board Members has become greater and more important, including the active and aggressive exercise of authority, submission of appropriate opinions to the Board of Directors or the management team, and the performance of oversight functions in collaboration with the Board of Directors.

Based on the aforementioned backdrop, the Company would like to revise the total amount of remuneration, etc. (only basic remuneration) for the Audit & Supervisory Board Members to an annual amount of up to ¥500 million (includes ¥200 million for Outside Audit & Supervisory Board Members).

Currently there are five (5) Audit & Supervisory Board Members (three (3) of whom are Outside Audit & Supervisory Board Members), and even if Item 3 "Appointment of one (1) Audit & Supervisory Board Member" is approved as originally proposed, the number of Audit & Supervisory Board Members will remain unchanged.

Meanwhile, whereas the Company has established a policy on decisions pertaining to content of remuneration, etc. for Audit & Supervisory Board Members, an overview of which is provided at "III Corporate Governance, [5. Officers' Remuneration (Policies concerning the setting of remunerations paid to Directors and Audit & Supervisory Board Members)]," which is a matter subject to measures for electronic provision, this proposal aligns with such policy, which the Company does not intend to change even if this proposal is approved.

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

Total amount of remuneration (current)

	Basic remuneration (fixed remuneration)
Audit & Supervisory Board Members	○
Outside Audit & Supervisory Board Members	○
Remuneration limits	Annual amount of ¥140 million (including ¥50 million for Outside Audit & Supervisory Board Members)

Total amount of remuneration (proposed revision)

	Basic remuneration (fixed remuneration)
Audit & Supervisory Board Members	○
Outside Audit & Supervisory Board Members	○
Remuneration limits	Annual amount of ¥500 million (including ¥200 million for Outside Audit & Supervisory Board Members)

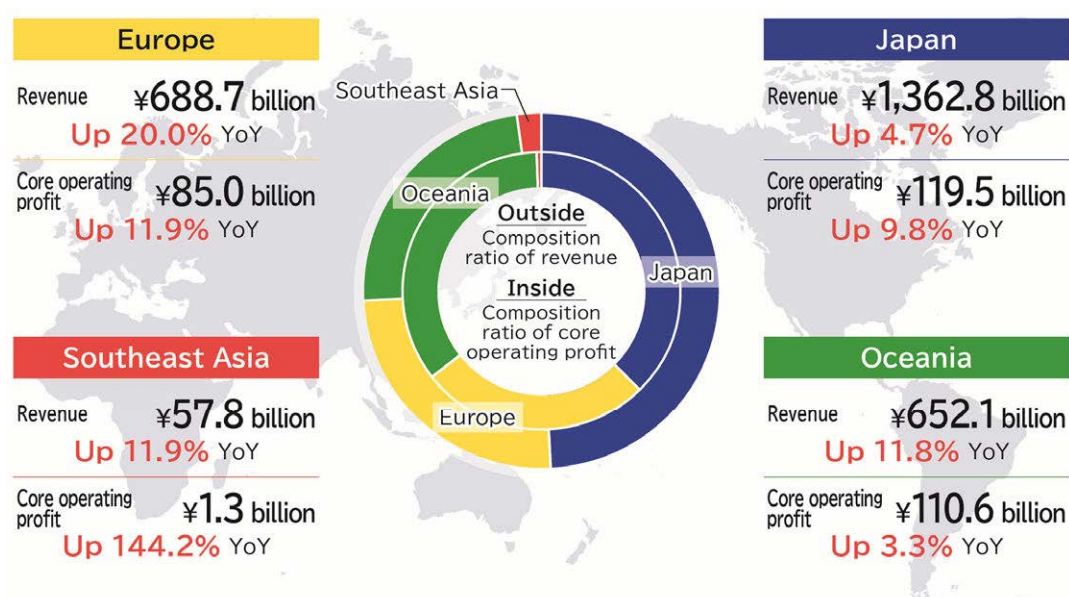
BUSINESS HIGHLIGHTS

[Consolidated earnings*¹ for the 100th term (from January 1, 2023 to December 31, 2023)]

Revenue	Core operating profit* ³	Operating profit	Profit attributable to owners of parent
¥2,769.0 billion up 10.3% YoY* ² (up 6.8%)* ²	¥263.6 billion up 8.1% YoY ² (up 3.9%)* ¹	¥244.9 billion up 12.9% YoY ²	¥164.0 billion up 8.3% YoY ²
99 th Term FY2022	99 th Term FY2022	99 th Term FY2022	99 th Term FY2022
100 th Term FY2023	100 th Term FY2023	100 th Term FY2023	100 th Term FY2023

* YoY: Year on Year

[Financial results by segment for the 100th term (from January 1, 2023 to December 31, 2023)]



*1 Consolidated earnings include the businesses of "Others" such as the Korean alcohol beverage business and feedstuffs business that are not included in "Japan," "Europe," "Oceania," and "Southeast Asia" segments, as well as "adjustment" that is the elimination amount of intersegment revenue.

*2 Foreign currency amounts in 2023 are compared after conversion to the yen equivalent using the 2022 exchange rate.

*3 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.

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

[1. Overview of Consolidated Earnings]

Regarding the global economy during this fiscal year, the U.S. economy was solid against the backdrop of increases in the number of employees and growth of consumer spending, while the European economy showed weakness due to the progression of inflation. Although the Japanese economy was affected by rises in raw material prices and other factors, the resumption of economic activities led to a recovery in domestic demand, etc., and there were signs of a gradual recovery.

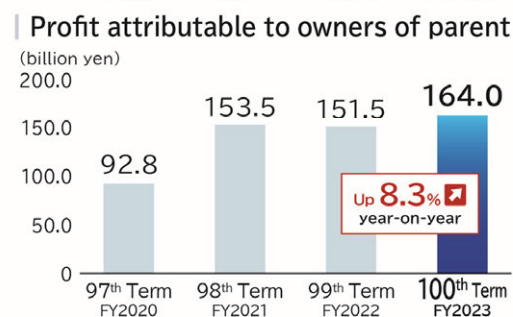
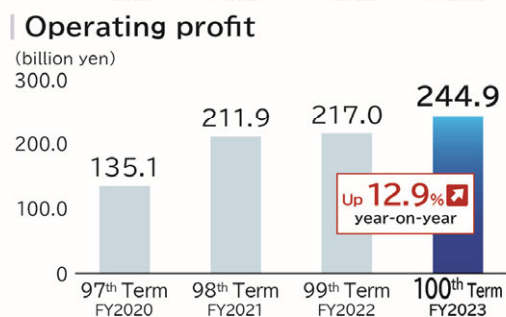
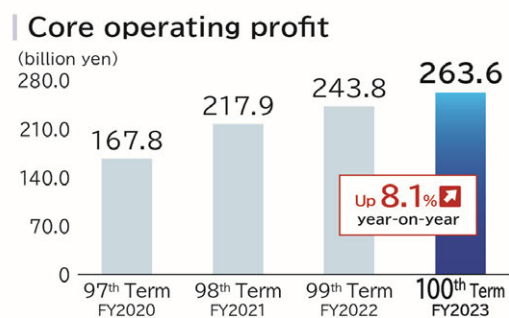
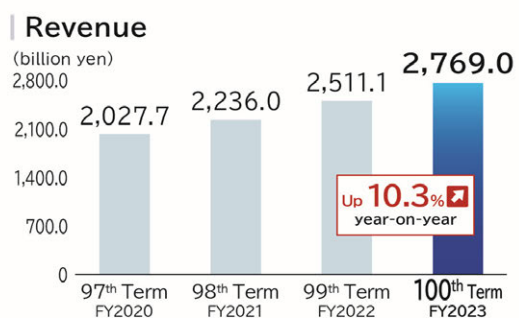
Under these circumstances, the Asahi Group promoted initiatives aimed at achieving sustainable growth and increasing corporate value based on the "Medium- to Long-Term Management Policy," which we updated by backcasting from megatrends in order to implement our group philosophy, the "Asahi Group Philosophy." In building our "Ideal Business Portfolio," we proactively allocated management resources to growing existing businesses by expanding and developing our global brands and promoting our premium strategies, as well as to expanding into and exploring peripheral and new areas. Starting with integrating sustainability and management, we promoted our core strategies for supporting sustainable growth such as digital transformation (DX) and research and development (R&D). We also worked to enhance our human capital and evolve group governance in order to consolidate the management foundations underpinning long-term strategies.

As a result, revenue of the Asahi Group increased by 10.3% year-on-year to ¥2,769,091 million. Core operating profit*¹ increased by 8.1% year-on-year to ¥263,680 million, and operating profit rose by 12.9% to ¥244,999 million. Profit attributable to owners of parent increased by 8.3% year-on-year to ¥164,073 million and adjusted profit attributable to owners of parent*² totaled ¥165,632 million, an increase of 0.1% year-on-year.

Furthermore, excluding the effects of exchange rate fluctuations, revenue increased by 6.8% year-on-year and core operating profit increased by 3.9% 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 2023 are compared after conversion to the yen equivalent using the 2022 exchange rate.

■ Asahi Group's Earnings



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

■ Financial and Profit/Loss Indicators of the Asahi Group

	97 th term FY2020	98 th term FY2021	99 th term FY2022	100 th term FY2023 (current year)
Revenue (million yen)	2,027,762	2,236,076	2,511,108	2,769,091
Core operating profit (million yen)	167,823	217,940	243,817	263,680
Operating profit (million yen)	135,167	211,900	217,048	244,999
Profit attributable to owners of parent (million yen)	92,826	153,500	151,555	164,073
Operating profit ratio (%)	6.7	9.5	8.6	8.8
EBITDA ^{*1} (million yen)	269,446	328,497	362,405	389,391
Basic earnings per share ^{*2} (yen)	196.52	302.92	299.10	323.82
Total assets (million yen)	4,439,378	4,547,748	4,830,344	5,285,913
Total equity (million yen)	1,517,816	1,759,148	2,062,945	2,465,781
Equity attributable to owners of parent per share ^{*3} (yen)	2,992.06	3,467.47	4,067.12	4,856.22
ROE (Profit ratio to equity attributable to owners of parent) (%)	6.7	9.4	7.9	7.3
Adjusted profit attributable to owners of parent ^{*4} (million yen)	92,826	153,500	165,430	165,632
Adjusted earnings per share ^{*5} (yen)	196.52	302.92	326.48	326.90
Adjusted ROE (Adjusted profit ratio to equity attributable to owners of parent) ^{*6} (%)	7.5	11.0	11.1	10.3

*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	99 th term FY2022 (million yen)	100 th term FY2023 (current year) (million yen)	Change in amount (million yen)	Change in percentage (%)
Japan	1,301,731	1,362,850	61,118	4.7
Europe	573,875	688,725	114,849	20.0
Oceania	583,167	652,154	68,987	11.8
Southeast Asia	51,680	57,806	6,126	11.9
Others^{*1}	8,764	21,542	12,778	145.8
Adjustment^{*2}	(8,110)	(13,988)	(5,878)	-
Total	2,511,108	2,769,091	257,982	10.3

*1 The "Others" segment includes the Korean alcohol beverage business, feedstuffs business and other businesses not included in "Japan," "Europe," "Oceania," and "Southeast Asia" segments.

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



In Japan, we promoted our growth strategy centered on improving the value of our mainstay brands in the alcohol beverages, soft drinks, and food businesses, and worked to strengthen new value propositions that captured changes in the environment. In addition to strengthening the earnings foundation of each business, we promoted building a foundation for sustainable growth by creating synergies across Japan that transcend business boundaries and also by bolstering sustainability initiatives.

In the alcohol beverages business, in the beer category, we expanded the lineup of “Asahi Super Dry,” our mainstay product, as well as “Asahi Super Dry Nama Jokki Can” and “Asahi Draft Beer.” We also strengthened advertising and sales promotion activities related to the “RUGBY WORLD CUP 2023 FRANCE.” In addition, we strengthened new value propositions, including launching “Asahi Super Dry Dry Crystal,” which has an alcohol content of 3.5%. Furthermore, we worked to improve the value of our mainstay brands through our efforts such as renewal of “Asahi Style Free” and “Clear Asahi.” In RTD*, we launched several new brands exclusive to each area, strengthening our efforts to create new value. We also worked to promote our “smart drinking” concept with the aim of fostering a lifestyle culture in which people can come together and enjoy themselves regardless of whether or not they drink alcohol.

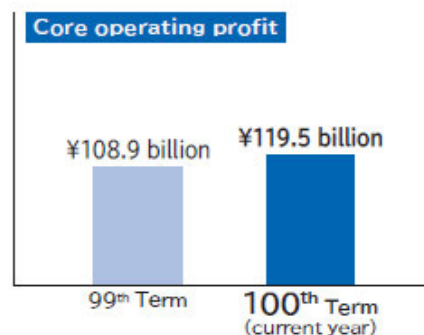
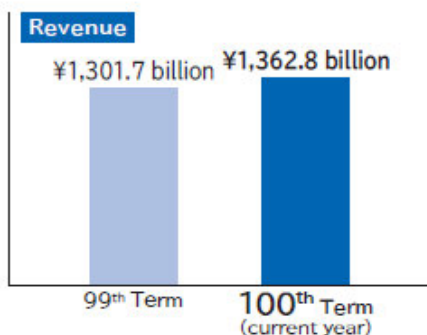
In the soft drinks business, we sought to revitalize the market by launching our new green tea brand “Asahi Sou,” in which we partially use slightly fermented tea leaves to give it a distinctive gorgeous aroma, as well as new products from the richly flavored “Tokunou” series of “MITSUYA.” In addition, we worked to strengthen value propositions based on health consciousness by launching “Mamoru Hataraku Nyusankin W,” which helps to maintain immune functions in healthy people and is classified as foods with functional claims.

In the food business, we worked to expand the consumer base of “MINTIA” through renewal of “MINTIA Breeze Clear Plus Mild,” which responds to growing needs in the area of personal care, as well as launch of products based on collaboration with popular anime, etc. In addition, we worked to respond to diversifying needs through our efforts such as launching “Dear-Natura Gold L-92 Lactic acid bacterium & Dietary Fiber,” which is classified as foods with functional claims.

As a result of these efforts, revenue from this segment increased by 4.7% year-on-year to ¥1,362,850 million due to increased revenue of each business, especially the alcohol beverages business, which saw increased beer sales.

Core operating profit increased by 9.8% year-on-year to ¥119,535 million due to the effect of increased revenue, various cost efficiencies, etc., despite the impact of increased expenses related to raw materials, etc.

* 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.





In Europe, we promoted our premiumization strategy by strengthening our competitive advantages in our brand portfolio in the European region and speeding up our expansion and development of global brands such as “Asahi Super Dry” and “Peroni Nastro Azzurro.” In addition, we strengthened our foundation for sustainable growth through further deepening initiatives for our key sustainability themes, such as the environment and communities.

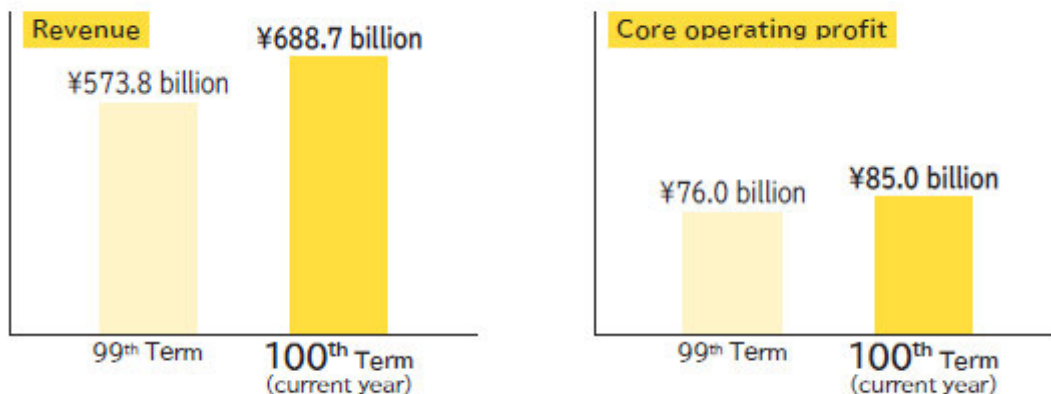
In each of the major regions of Europe, we worked to improve our brand value. In the Czech Republic, we opened a facility where visitors can experience a Czech beer culture centered on “Pilsner Urquell.” In Poland, we promoted responsible drinking through “Lech.” In Romania, we rolled out a promotion of “Ursus” for supporting biodiversity. In addition, we promoted premiumization by expanding and developing various brands such as “Kozel” in Poland, Italy and Romania and “Peroni Nastro Azzurro” in the United Kingdom, Romania and France. In non-alcohol beer, we reinforced our efforts to create new drinking opportunities for mainstay brands such as “Birell” in the Czech Republic, “Lech Free” in Poland, and “Ursus Cooler” in Romania.

In the expansion and development of our global brands, we provided “Asahi Super Dry,” the official beer for the “RUGBY WORLD CUP 2023 FRANCE,” at stadiums and fan zones, along with the non-alcohol beer “Asahi Super Dry 0.0%.” We also worked to raise brand awareness of “Asahi Super Dry” through marketing activities utilizing our partnership with City Football Group. For “Peroni Nastro Azzurro,” we carried out aggressive promotion as the official beer of the U.S. and Europe golf tournament “2023 Ryder Cup,” and launched “Peroni Nastro Azzurro Stile Capri,” a low alcohol version. In addition, we actively deployed advertising for the non-alcohol beer “Peroni Nastro Azzurro 0.0%” in partnership with the motor sports team “Aston Martin Cognizant FORMULA ONE™ TEAM,” thereby strengthening the brand power.

As a result of these efforts, revenue from this segment increased 20.0% year-on-year to ¥688,725 million, mainly due to the effects of price revisions as well as efforts in each country to boost sales of mainstay brands and global brands, despite lower sales volume caused by the impact of inflation and other factors.

Core operating profit increased by 11.9% year-on-year to ¥85,078 million, mainly due to the effect of higher revenue, efficiency improvements in various costs, the impact of exchange rate fluctuations, etc., despite increased costs such as raw materials and labor costs.

Excluding the effects of exchange rate fluctuations, revenue rose by 8.3% year-on-year and core operating profit decreased by 1.0% year-on-year.





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

In the alcohol beverages business, we promoted aggressive marketing activities for our mainstay brand "Great Northern," launched "GINGER BEER" as an extension product, and expanded the craft beer product portfolio to enhance the brand value. In addition, we expanded our lineup to cater to diversifying needs through our efforts such as developing the non-alcohol beer "Asahi Super Dry 0.0%," as well as launching canned products mainly targeting young people from the RTD brand "Vodka Cruiser."

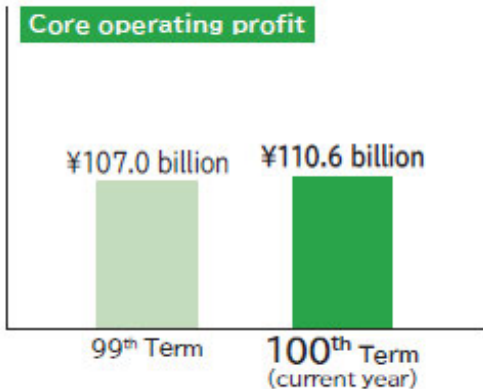
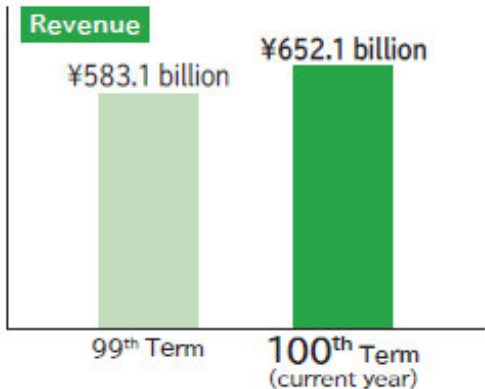
In the soft drinks business, we strengthened sales promotion activities for mainstay brands, including running a campaign to mark the 50th anniversary of the launch of the "Solo" brand. We also worked to promote new value propositions such as "Bubly," a new carbonated beverage that we launched in response to growing health consciousness.

Furthermore, we promoted sustainability initiatives such as signing a new agreement with Flow Power, an energy retailer. Through this agreement, we will purchase electricity derived from renewable energy (40,000 megawatt-hours per year).

As a result of these efforts, revenue from this segment increased 11.8% year-on-year to ¥652,154 million, mainly due to a recovery in demand as restrictions on movement were lifted, despite the impact of logistics disruptions.

Core operating profit increased by 3.3% year-on-year to ¥110,632 million, mainly due to the effect of higher revenue achieved through an improved mix, efficiency improvements in various costs, the impact of exchange rate fluctuations, etc., despite the impact of increased costs related to raw materials, etc.

Excluding the effects of exchange rate fluctuations, revenue rose by 9.1% year-on-year and core operating profit increased by 0.8% year-on-year.





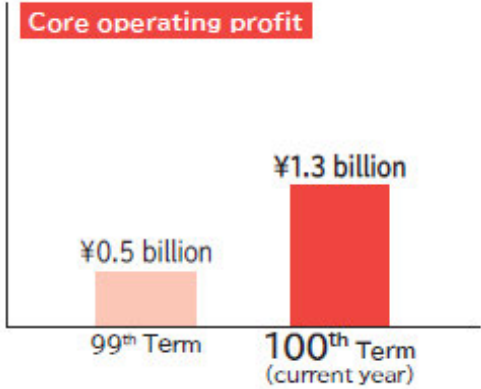
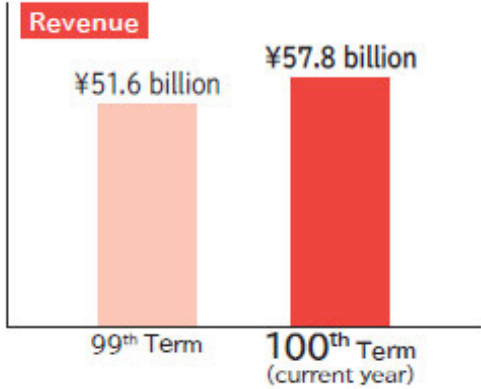
In Southeast Asia, we worked to restructure our business portfolio in each country in which we have developed our business, particularly in Malaysia, by accelerating the selection and concentration on mainstay brands and strengthening relationships with each sales channel. We also promoted the establishment 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, etc.

In Malaysia, we carried out various initiatives aimed at boosting brand awareness, including a major renewal of the mainstay brand "WONDA," an e-sports-related campaign, launch of extension products of "CALPIS," and other aggressive promotion campaigns. In addition, we promoted sustainability initiatives by addressing climate change and actively participating in local community activities, such as collaborations with renewable energy operators to promote the use of solar power in Malaysia and Indonesia, and donating "Goodday" to educational institutions across the Philippines.

As a result of these efforts, revenue from this segment increased by 11.9% year-on-year to ¥57,806 million due to strong sales of mainstay brands in Malaysia, in addition to the effect of price revisions, exchange rate fluctuations etc.

Core operating profit increased by 144.2% year-on-year to ¥1,398 million due to the promotion of efficiency improvements in overall fixed costs, etc., despite the impact of increased expenses related to raw materials, higher transportation costs, etc.

Excluding the effects of exchange rate fluctuations, revenue rose by 7.8% year-on-year and core operating profit increased by 134.1% year-on-year.



Others

In the Others segment, revenue increased by 145.8% year-on-year to ¥21,542 million, and core operating profit increased by 278.1% year-on-year to ¥5,321 million.

[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) and EPS (adjusted) were below the guidelines due to the impact of raw material price hikes in each region in addition to increased brand investment with a view to the future, etc. Free cash flow (FCF) exceeded the guidelines due to cash generation from the sales of property, plant and equipment, the reduced working capital, etc.

As for the “Financial Policy Guidelines,” mainly due to the use of FCF to reduce financial liabilities, 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 ¥121 per share for this fiscal year, an increase of ¥8 from the previous fiscal year.

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

■ Key Performance Indicator Guidelines

	Guidelines for next 3 years out	2022-2023 progress
Core Operating Profit	<ul style="list-style-type: none"> CAGR (Compound annual growth rate): high single digit*¹ 	CAGR 5.0%
EPS (adjusted*²)	<ul style="list-style-type: none"> CAGR (Compound annual growth rate): high single digit 	CAGR 3.5%
FCF*³	<ul style="list-style-type: none"> Annual average of ¥200.0 billion or higher 	Annual average ¥226.6 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 amount of FCF in Key Performance Indicator Guidelines has been rounded to the representative unit.

■ Financial Policy Guidelines

	Guidelines for 2022 onward	2023 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 of around 3 times in 2024 (after deducting 50% of outstanding subordinated debt from net debt) 	3.08 times
Shareholder Returns	<ul style="list-style-type: none"> Stable dividend increases with the aim of achieving a dividend payout ratio* of around 35% (aiming for dividend payout ratio of 40% by 2025) 	37.0%

* 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.

Asahi Group Philosophy

Our Mission

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

Our Vision

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

Our Values

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

Our Principles

Building value together with all our stakeholders

Customers: Win customer satisfaction with products and services that exceed expectations

Employees: Foster a corporate culture that promotes individual and Company growth

Society: Contribute to realizing a sustainable society through our business

Partners: Build relationships that promote mutual growth

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

[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 improved unit selling price in each region by promoting our premiumization strategy focusing on our mainstay brands, etc. We also strengthened global partnerships centered on “Asahi Super Dry” and “Peroni Nastro Azzurro.” As a result, we achieved an 4% year-on-year increase in sales volume for our five global brands in total.

For new areas, we worked to expand new markets by strengthening investment in BAC*, such as promoting initiatives in non-alcohol and low-alcohol categories in each region. In addition, an investment management company in the U.S. that we established to explore new growth drivers has begun full-scale operation. We also worked on expanding new areas by leveraging yeast and lactic acid bacteria technology and developing new services using digital technology.

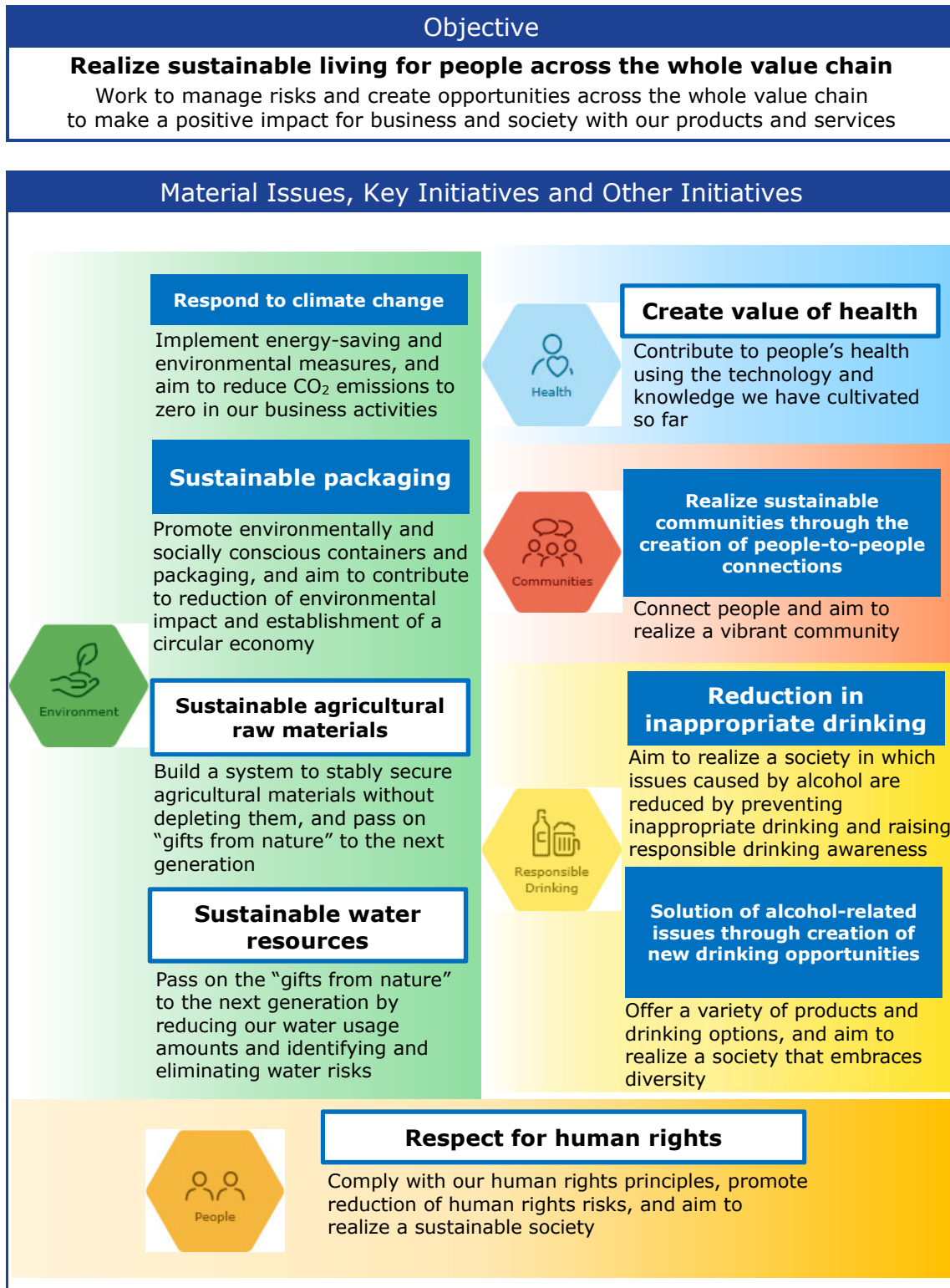
Going forward, by utilizing our long-cultivated capabilities and business foundation, centered on beer, and pursuing growth opportunities in BAC and new product and service domains, we will build an optimal business portfolio.

* 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—

The Asahi Group has established our objective of realizing sustainable living for people across the whole value chain, with the aim of maximizing both business growth and the creation of social value. In addition, we have set material issues and initiatives that specify areas to be addressed as management issues, and are moving forward with appropriate and effective measures in response.





: Material issues



: Initiatives



: Key initiatives (Initiatives to which management resources are particularly allocated)

Strategies and global targets for key initiatives are discussed and decided upon at the “Global Sustainability Committee,” which is chaired by President and Representative Director. The outcome of these deliberations is then applied throughout the entire Group.

Global Targets for Key Initiatives

Respond to climate change

- Achieve net zero CO₂ emissions in Scope 1, 2, and 3 by 2040*¹ (Reduce emissions by 90% or more, carbon removal*² of up to 10%)
- Reduce CO₂ emissions by 70% in Scope 1 and 2 by 2030*³
- Reduce CO₂ emissions by 40% in Scope 1 and 2 by 2025*³
- Reduce CO₂ emissions by 30% in Scope 3 by 2030*³



Environment

Sustainable packaging

- Realize 100% utilization of materials for plastic containers*⁴ that can be used effectively*⁵ by 2025
- Achieve a 100% conversion to recycled materials and bio-derived materials, etc. for PET bottles by 2030
- Develop new sustainable materials to replace plastics and promote sales methods that do not use plastic containers and packaging

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

- Aim to improve the well-being of agricultural producers through connections (co-creation) with stakeholders under the key activity of “sustainable agriculture”
- Under the basic activity of “community support activities,” all RHQ*⁶ participate in implementing our global initiative of RE:CONNECTION for the EARTH



Communities

Reduction in inappropriate drinking

Solution of alcohol-related issues through creation of new drinking opportunities

- Achieve a 20% or more sales composition ratio of non-alcohol and low-alcohol beverages of main alcohol beverage products*⁷ by 2030
- Achieve 100% compliance with the “Digital Guiding Principles of the International Alliance for Responsible Drinking (IARD)*⁸” by 2024
- Display age restrictions on alcohol consumption on all products under alcohol beverage brands (including non-alcoholic beverages sold under that brand) by 2024
- Achieve a 100% participation rate of employees in at least one training program by 2023



Responsible Drinking

- *1 In accordance with the Science Based Targets initiative (SBTi) definition of net-zero, based on the latest scientific knowledge
- *2 In accordance with SBTi, any residual emissions at the net-zero target date and any CO₂ emissions released into the atmosphere thereafter will be neutralized by removing carbon from the atmosphere and storing it permanently.
- *3 Compared with 2019
- *4 Plastic containers to be targeted: PET bottles, plastic bottles, certain caps used for PET bottles and plastic bottles, plastic cups (for sale), etc.
- *5 Reusable, recyclable (including recyclability at the research stage), compostable, thermal recyclable, etc.
- *6 RHQ stands for Regional Headquarters.
- *7 Beer-type beverages, RTD, non-alcohol beverages
- *8 Standard for self-regulation of online marketing of alcohol beverages formulated by IARD.



Respond to climate change

Climate change issues are important environmental issues for the Asahi Group, as we enjoy “gifts from nature” in our business activities.

The Asahi Group has brought forward its target timing for achieving “Asahi Carbon Zero,” our goal aiming to achieve net zero CO₂ emissions, from 2050 to 2040. We are carrying out various measures, such as completing the early introduction of renewable energy, promoting decarbonization of fuel used in manufacturing processes, and developing and deploying technologies related to the reduction, absorption, and capturing of CO₂ emissions. In addition, we are collaborating with our suppliers and partners to reduce CO₂ and conserve ecosystems in the value chain.

In 2023, we actively worked to achieve net zero CO₂ emissions, such as by installing solar power generation equipment at the Asahi Breweries Ibaraki Plant and Suita Plant, starting driving tests for fuel cell trucks of Asahi Group Japan, Ltd., and globally expanding our procurement of electricity derived from renewable energy.

Going forward, we will work on the active use of renewable energy, conservation of energy by reviewing manufacturing processes, and establishment of new technologies for decarbonization.

2022 results*

- Emissions in Scope 1 and 2: 30% reduction from 2019
- Emissions in Scope 3: 5% reduction from 2019

* Results for 2023 will be disclosed around June 2024.

Installation of solar power generation equipment



Installed solar power generation equipment onsite at plants to increase their use of renewable energy

Procurement of electricity derived from renewable energy



Globally promoted purchasing of electricity from renewable energy power generation operators and early completion of the introduction of renewable energy

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.

Each year since 2019, we have conducted a scenario analysis that examines the risks and opportunities associated with climate change, and we analyze all categories of alcohol beverages, soft drinks, and food. In May 2023, we disclosed the results of our analysis in the 1.5°C scenario for key risks excluding raw materials.

Summary of Risks and Response Measures in a 1.5°C Scenario

In the analysis in the 1.5°C scenario in which the average temperature rise up to the end of the 21st century would be curbed to less than 1.5°C compared to the time of the Industrial Revolution and strict environmental regulations would be introduced to achieve sustainable development, etc., we identified risks such as higher energy costs from fossil fuels due to the introduction of a carbon tax, suspended operations at business bases and increased water charges due to droughts, etc.

For the carbon tax, the financial impact when the carbon tax is introduced based on the 1.5°C scenario is calculated as an additional cost that would occur if no response measures were taken. The financial impact of Scope 1 and 2 was calculated by summing up the alcohol beverages, soft drinks, and food categories. For Scope 3, the financial impact was estimated by adding “main containers and packaging,” “transportation/delivery (upstream),” and “transportation/delivery (downstream).”

For natural disasters (water risks), we redefined the Group’s water resources in terms of water for raw material production sites and water as a raw material. Based on this concept, we then conducted a detailed water risk analysis. This analysis showed the potential impact on our operations and on our procurement of water as a raw material, revealing high-risk sites and the extent of the damage that could be expected.

Financial Impact of the Introduction of a Carbon Tax

Scope 1 and 2

¥9.0 billion in 2030
¥15.3 billion in 2050

Scope 3

(Containers and packaging; upstream and downstream transportation and delivery)

¥53.3 billion in 2030
¥103.9 billion in 2050

Financial Impact of Natural Disasters (Water Risks)

Damage to non-current assets and inventories:

¥1.9 billion

Opportunity loss due to suspension of operations:

¥6.7 billion

Financial impact of using water as an ingredient (expected increase in water rate):

¥0.5 billion annually



Response Measures

"Asahi Carbon Zero" initiatives

- Use of recycled materials, bio-derived materials, etc., and reduction of container weight
- Collaborative transportation with other companies
- Introduction of eco-friendly/energy-saving equipment
- Utilization of green power
- Demonstration tests for CO₂ separation and capture devices

Response Measures

- Reinforcement of response measures through detailed risk surveys at each production site
- Reduction of water use



Sustainable packaging

Containers and packaging are necessary to ensure quality maintenance and transportation strength, and function as a means of communication through design and labeling. However, marine pollution and the effects on the ecosystem due to inappropriately disposed plastic containers and packaging are urgent social issues.

Within the field of packaging described in the Asahi Group Environmental Vision 2050, the Asahi Group describes a society free of packaging waste as what we would like the world to be like in 2050. In particular, we aim to achieve a world in which marine biodiversity is preserved by minimizing the use of resources to make packaging and helping to build a recycling-oriented society by reusing old packaging.

To address the problem of plastics, an urgent issue in the area of containers and packaging, we have set a Group-wide goal of “3R + Innovation.” We are working to make plastic containers that can be used effectively, shift to using recycled materials, bio-derived materials, etc. in PET bottles, develop new sustainable materials to replace plastics, and promote sales methods that do not use plastic containers and packaging.

Going forward, under the goal of “3R + Innovation,” we will continue using recycled PET, bio-derived materials, etc., while promoting reduction efforts and development of new eco-friendly containers. As we do so, we will actively collaborate with industry groups, pursue joint technology development with suppliers, and carry out initiatives aimed at changing consumer behavior concerning disposable containers. In addition, we will take a 3R (Reduce, Reuse, Recycle) standpoint as we strive to save resources, reduce weight, and improve the recyclability of other container and packaging materials such as cans, bottles, barrels, and paper.

2022 results^{*1}

- Materials that can be used effectively^{*2} as a percentage of plastic container composition: 99%
- Recycled materials, bio-derived materials, etc. as a percentage of PET bottle composition: 21%

*1 Results for 2023 will be disclosed around June 2024.

*2 As approaches toward effective use vary by country in which business is operated, effectively useable refers to materials that are reusable, recyclable (including recyclable at the research stage), compostable, or thermal recyclable, etc.

Operation of PET recycling facility



We operate Australia's largest PET bottle recycling plant through a joint venture with competitors and companies from other industries.

Promotion of aluminum can recycling



In Slovakia, we promote the recycling of aluminum cans, including the use of a deposit system for aluminum cans.



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

Through business activities such as procurement, production, and sales, the Asahi Group has been supported by various communities. Based on the belief that it is important to reevaluate and once again promote various kinds of connections, we have been promoting community activities.

In our community strategy, we define our key activities as “sustainable agricultural industry,” and our basic activities as “Community support activities with employee participation.” In our key activities, we aim to contribute to improving the well-being of the agricultural product producers with which the Group comes into contact. In doing so, we aim to enhance the sustainability of the agricultural industry, while enabling the stable procurement of raw materials. In our basic activities, we work to strengthen our ties with the community through our employees’ active participation in community support activities in the areas of food, regional environment, and disaster relief, each of which is highly relevant to our business.

RE:CONNECTION

Key Activity Sustainable agricultural industry

Improve agricultural producers’ well-being and realize the stable procurement of agricultural raw materials through our connections with stakeholders (co-creation activities) and the utilization of proprietary technologies

Regional revitalization

Reduction of environmental burden

Respect for human rights

Basic Activity Community support activities

Strengthen our connections with communities through employee participation in activities aimed at resolving social issues

Food

Regional environment

Disaster relief

Agricultural industry support “FOR HOPS” aimed at solving regional issues



In the Czech Republic, we collaborate with various industries to resolve regional issues related to hops, a vital ingredient for beer production and improve productivity.

“Community support activities” around the world



Our many employees around the world create connections with their regional communities by helping to solve regional issues.



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

Guided by the “Asahi Group Responsible Drinking Principles,” the Asahi Group is working to eradicate inappropriate drinking. We are committed to resolving the social issues caused by alcohol. We are taking on the challenge of bringing innovation to the relationships between people and alcohol beverage, and also helping foster healthy development of alcohol beverage culture, which can help enrich people’s lives. As we do so, we are working to solve the social issues that can arise from inappropriate drinking, to bring about a society with fewer of the issues caused by alcohol.

To this end, the Asahi Group is expanding its lineup of non-alcohol and low-alcohol beverages. We are actively promoting non-alcohol and low-alcohol products as extensions of global brands such as “Asahi Super Dry” and “Peroni Nastro Azzurro.”

We are also working to promote “smart drinking.” At “SUMADORI-BAR SHIBUYA” (“sumadori” is a portmanteau of “smart” and “drinking”), a variety of soft drinks and alcohol is offered, catering to individual physical conditions and preferences. The idea is to create an environment for a variety of drinking styles, where drinkers and non-drinkers alike can enjoy themselves together.

We will continue to carry out a variety of initiatives to promote responsible drinking and support the healthy development of alcohol beverage culture. We will also bring together the insight and technologies of the Asahi Group to develop innovative products and create new drinking opportunities.

2022 results ^{*1}	Sales volume of non-alcohol and low-alcohol beverages as a percentage of main alcohol beverage products ^{*2} : 10%
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*1 Results for 2023 will be disclosed around June 2024.

*2 Beer, RTD, and non-alcohol beverages

“Asahi Super Dry 0.0%”



We sell non-alcohol and low-alcohol beverages in each region, providing a variety of choices.

“SUMADORI-BAR SHIBUYA”



We provide a variety of ways to drink by offering a menu with over 100 drink types with alcohol content (0%, 0.5%, 3%) and taste that suit their physical conditions and preferences.



Respect for human rights

As a company that operates globally, the Asahi Group regards respect for human rights as the foundation of our business activities, and recognizes its responsibility to respect the human rights of people affected by our business activities.

We are currently conducting human rights due diligence, educating employees, business partners, etc. on respect for human rights, and building a system of redress for victims of human rights violations.

As part of this, we carried out human rights due diligence on the supply chain for coffee from Tanzania and Ethiopia in 2021 and sugar cane from Brazil in 2022. We are also strengthening our efforts to reduce human rights risks for our employees. In 2022, we conducted a survey of our factory employees in Malaysia.

We will further promote the initiatives for respect for human rights, including continuing to conduct human rights due diligence and building a grievance mechanism.*

* A contact point for receiving reports from victims of human rights violations, etc. and a system of redress for them.

Human rights due diligence on the supply chain



We conduct human rights due diligence starting with regions and raw materials assumed to have high human rights risks such as Brazilian sugar cane.



Create value of health

The Asahi Group is promoting initiatives that utilize the Group's knowledge, proprietary materials, and technologies to help people maintain good health.

We are working on product development aimed at helping people achieve healthier lifestyles and a better quality of life. Focus areas include maintaining immune function of healthy people and improving sleep quality. In this effort, we are applying the yeast and fermentation technology from our beer business, as well as technical capabilities cultivated through over 100 years of lactic acid bacteria research for "CALPIS" at Asahi Soft Drinks Co., Ltd.

In addition, in response to the World Health Organization's (WHO) call to curb sugar intake, we are expanding our no-sugar and low-sugar product lines in our beverage business in

No-sugar and low-sugar beverages



We are proceeding with research and product development related to reducing sugar usage, and expanding our Southeast Asia product lineup to cater to each country's situation and customer needs.

regions such as Southeast Asia and Oceania, where sugar consumption is high.

We will continue using our range of accumulated technologies and insight to contribute to people's health through our products and services.

(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,” “Processes,” and “Organization.”



1) Business Innovation

By capturing the form of each person’s well-being, we aim to achieve a personalization model. We will also use digital technology to solve sustainability challenges, driving initiatives aimed at realizing sustainable living for people.

Direction of initiatives	<p>1. Personalization</p> <ul style="list-style-type: none"> Creation of personalization models to realize Our Mission to “deliver on our great taste promise and bring more fun to life” for each person <p>2. Sustainability</p> <ul style="list-style-type: none"> Creation of structure aimed at realizing sustainable lifestyles for people through digital technology 	<p>[Example of initiatives]</p> <p>Developing an application to visualize the state of intoxication with a wearable device</p>
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2) Process Innovation

We aim to improve productivity by quantifying information on productivity and quality from all factories and making it transparent. In our global procurement, we pursue economies of scale, optimizing procurement costs and risks. Our supply chain, sustainability teams, and IT organization all work together to implement the best solutions.

Direction of initiatives	<p>1. Glocal foundation that improves productivity</p> <ul style="list-style-type: none"> Creation and reinforcement of a foundation on a global scale utilizing regional characteristics to enhance productivity <p>2. Flexible system foundation</p> <ul style="list-style-type: none"> Creation of a foundation that can accommodate new business models and optimization of overall operations 	
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3) Organization Innovation

Under our vision to transform into a digital native organization, we have set a goal of “democratizing the use of IT/data” so that each functional organization has IT/data utilization skills as standard capabilities. In addition, we will simultaneously promote the introduction of agile work styles.*1

Direction of initiatives	<p>1. Transforming into a “digital native organization”</p> <ul style="list-style-type: none"> Transformation into a digital native organization through the democratization of IT and data utilization and the permeation of agile workstyles <p>2. Strengthening incubation*2 functions</p>	
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*1 A way of working that emphasizes flexibility and agility, and responds quickly to changes

*2 Services and activities that support entrepreneurship and business creation

(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

We are pursuing R&D activities aimed at responding, from various angles, to changing consumer needs and future forecasts around alcohol. In particular, we focus on product and technological development for creating value from alcohol alternatives, promoting research on new value creation and establishing competitive advantage in BAC.

To capture changing consumer needs, in 2023, we developed a manufacturing process that uses conventional de-alcoholization technology with a lower environmental impact for the non-alcohol beer “Kozel 0,0%,” which we launched in Europe. We will continue to develop various technologies in the future with the aim of pioneering BAC areas such as smart drinking.

We are also working to be able to respond to dynamic changes in consumer needs. As part of this effort, we are developing an approach for exploring insights of Generation Z, as well as technology for rapidly generating concepts for this demographic.

We aim to produce further research results by accelerating the chain of processes from the point of translating needs into technical issues to the point of arriving at product proposals.



We developed a manufacturing process for de-alcoholization technology with a lower environmental impact for “Kozel 0,0%,” which we launched in Europe.

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.

In data and evidence accumulated over many years, *Lactobacillus acidophilus* L-92 has been shown to aid the maintenance of immunity functions of healthy adults. By further clarifying the relationship between *Lactobacillus acidophilus* L-92 and immunity, we will help people maintain and improve their health throughout their lives.

It has also been confirmed through many years of research that the lactic acid bacteria strain *Lactobacillus gasseri* CP2305 acts on the intestines also affecting the brain via a gut-brain axis*¹, and relieves mental stress. As part of our recent drive to expand into the Femcare*² domain, a series of human trials evaluated the product’s effectiveness in reducing mental fatigue and sleepiness related to the menstrual cycle. Our notification of a specific functional claim for the menstrual cycle was recently accepted, making this product the first of its kind to have such a functional claim.

We will strengthen our research into unique health functional ingredients and services that use them, with the aim of offering new value both domestically and internationally.

*1 A two-way connection between the gut and the brain that acts a system for maintaining biological functions

*2 Caring for women’s bodies and health



Food with functional claims containing *Lactobacillus acidophilus* L-92, for which notification has been accepted



“Watashi Prologue,” a new product containing *Lactobacillus gasseri* CP2305 strain

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 and also to reduce the environmental impact of containers and packaging. In these ways, we are enhancing the effectiveness of our sustainability strategy.

In environmental and energy fields, we have demonstrated fuel cell power generation technology using biomethane gas derived from beer factory wastewater. In 2023, we also worked to showcase this technology with an exhibit at the Japan Pavilion at the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) held in Dubai, United Arab Emirates.

Through R&D activities related to sustainability, we aim to uphold our social responsibility. As we do so, we aim to use sustainable business activities to



Exhibit fuel cell power generation technology using biomethane gas derived from brewery wastewater at COP28

obtain results that will lead to business profits.

4) New Businesses

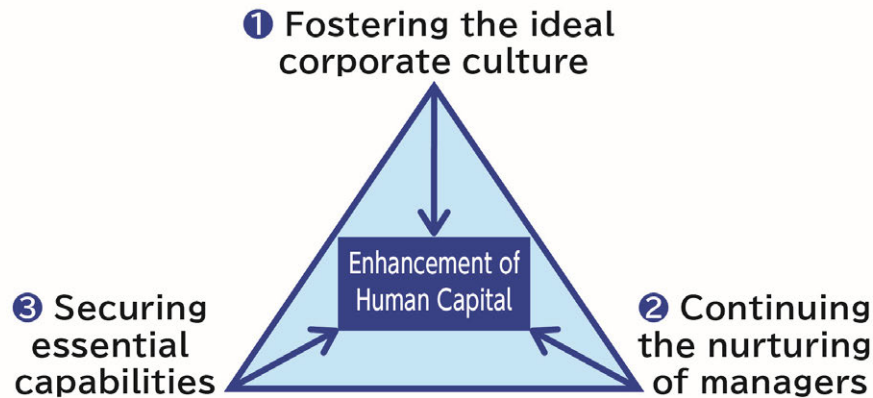
To realize the business portfolio, we aim for over the medium to long term, we are integrating technologies and business models both inside and outside the Group. In this way, we aim to develop extraordinary “seeds” that can grow into new businesses.

By bringing a new perspective to the microbial fields that the Asahi Group has used so far, such as yeast and lactic acid bacteria, we will develop new businesses that take advantage of the Group’s strengths. To achieve this, we will actively pursue the incorporation of innovative technologies from outside the Group as well as integration with new fields.

(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 previous ones to resolve ever more complex and diversifying issues surrounding the Asahi Group. Based on these circumstances and other factors, we are working to foster a culture of “learning, growing, achieving TOGETHER” based on the “People Statement*1.”



For “Safety and Well-being (S&W),” the “Global Safety and Well-Being Council” promotes initiatives to discuss our global vision, promote employee health, and stimulate communication.

For “Diversity, Equity & Inclusion (DE&I),” we have adopted “shine AS YOU ARE” as our core message and are working to spread it to employees around the world. We have also launched a global “multiculturalism*2” initiative, led by the Global DE&I Council, to foster an inclusive culture that respects the diverse cultures of the Asahi Group. Furthermore, in order to increase the percentage of women in management*3 to 40% or more*4 by 2030, we are working to improve our percentage of women in management by reviewing

the human resource system and developing guidelines for promotions, training, recruitment, and other topics.

For “learning organization” and “collaboration,” we commenced activities in three communities in the newly launched “CHRO Learning Community”- “Storytelling,” “Workshop,” and “Mentoring”-to create opportunities for employees with a variety of knowledge, experience, skills, abilities, and qualities to serve as instructors and mentors to learn together and grow globally.

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.

*1 The details are posted on the following Company website:

WEB People Statement

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

- *2 The idea that society is enriched by maintaining, respecting, and encouraging cultural diversity.
- *3 The scope consists of officers and leadership positions above a certain level.
- *4 The scope consists of the Company and each RHQ.

2) Continuing the nurturing of managers

The surrounding business environment is changing rapidly, and the speed of change is expected to increase further. To achieve sustainable growth in such an environment, we are working to strengthen our system that enables developing management personnel. This effort includes globally implementing programs for developing the next-generation of management to steadily enhance our management capabilities.

We are working to formulate a pipeline of leader human resources that has even more layers than before by globally evaluating and analyzing the abilities and skills of employees, 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.

Moreover, 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, we are promoting the use of Group human resources and acquiring expert human resources from outside the Group to secure the essential capabilities for strengthening our business portfolio strategy, core strategy, and our strategic foundation in the “Medium- to Long-Term Management Policy.” In addition, we are also promoting the use of external resources through partnerships, alliances, etc.

(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 101st term (FY2024)]

In the fiscal year 2024, there are concerns about the risk of economic slowdown due to factors such as high overall costs and inflation. However, based on the “Medium- to Long-Term Management Policy,” we will continue enhancing our business portfolio by promoting premiumization strategies in each region. In addition to further promoting core strategies such as integrating sustainability and management, we will consolidate the management foundations underpinning our long-term strategies through initiatives such as advancing our human capital for true globalization and strengthening Group governance.

In Japan, we will invest management resources in the mainstay brands in the alcohol beverages, soft drinks, and food businesses. We will also work to expand our foundation for growth by strengthening new value propositions, etc. In addition to creating synergies beyond the boundaries of each business, we will strengthen the management foundation in Japan as a whole by enhancing our human capital and organizational functions and by promoting sustainability initiatives.

In Europe, alongside improving our competitive advantage based on our premiumization strategy for each country, we will boost awareness of global brands by using global partnerships centered on “Asahi Super Dry” and “Peroni Nastro Azzurro.” In addition, we will further expand our foundation for growth by strengthening our sustainability initiatives with a focus on the environment and on communities.

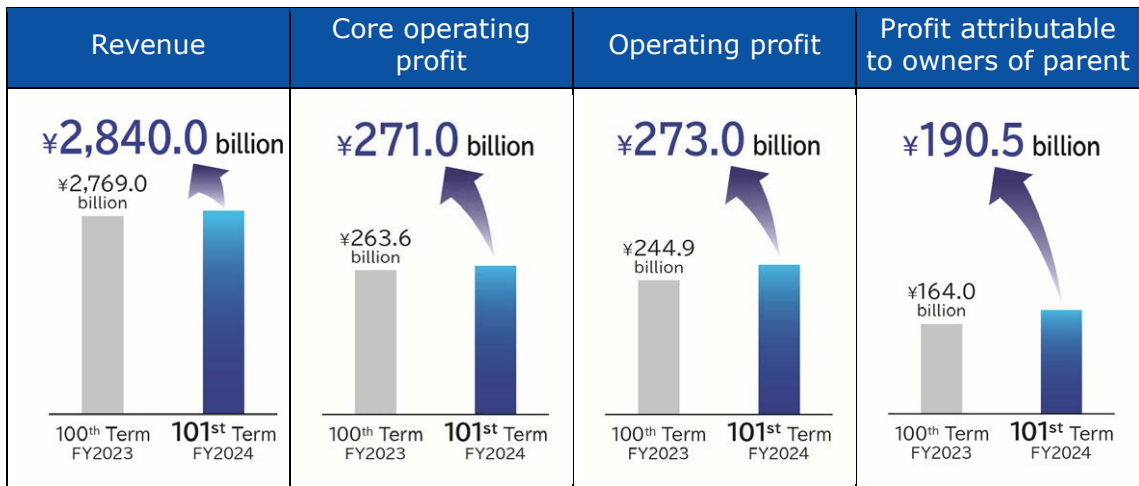
In Oceania, as well as pursuing sustainable growth with major brands such as “Great Northern,” we will strengthen our product portfolio with a multi-beverage strategy that leverages the strengths of our alcohol beverages and soft drinks businesses. Furthermore, we will further strengthen our business foundation through profit structure reforms including optimizing various operations, and through new value proposals that emphasize sustainability.

In Southeast Asia, we will work to improve profitability in Malaysia and other countries in which we have developed our business by ramping up our investment in mainstay brands with a focus on our own brands and optimizing sales channels. In addition, we will expand our foundation for growth through efforts such as tapping into demand for health, investing in digital transformation, and strengthening human resource development.

With these efforts, the Group projects revenue to be ¥2,840,000 million, core operating profit to be ¥271,000 million, operating profit to be ¥273,000 million, and profit attributable to owners of parent to be ¥190,500 million (adjusted profit attributable to owners of parent* to be ¥176,000 million), for FY2024.

* 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.

■ Earnings forecasts for 101st term (FY2024) of the Asahi Group



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 continuously enhance the effectiveness of the Board of Directors.

Through the following initiatives, etc., Directors and the Board of Directors have 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.

In addition, 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 and systems 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 Directors of the Company based on the AGP, management strategies, etc. In accordance with the “Board of Directors Skill Matrix,” the Board consists of persons who have abundant experience, extensive 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 incorporate points to improve in their activity plans for the following year, thereby working to enhance their effectiveness.

Nomination Committee and Compensation Committee

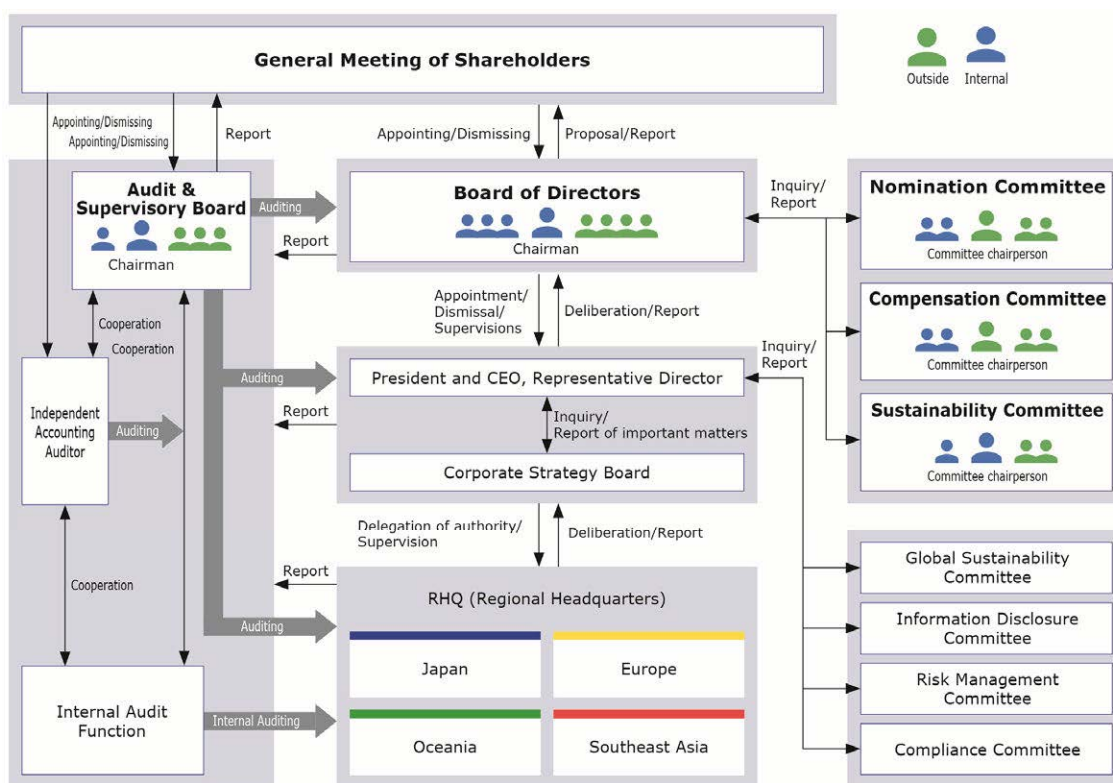
To ensure transparency, fairness, and appropriateness, the Nomination Committee and Compensation Committee, a majority of whose members

consist of Independent Outside Directors, are consulted by the Board of Directors on agenda items related to officer appointments and remuneration, deliberate on said items, and then report their opinions to the Board of Directors.

Structure of the Audit & Supervisory Board

To ensure diversity and balance 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 Company has formulated the "Audit & Supervisory Board Skill Matrix," which clarifies the personal requirements for Audit & Supervisory Board Members. In accordance with the "Audit & Supervisory Board Skill Matrix," the Audit & Supervisory Board consists of persons who possess abundant experience, extensive insight, high-level expertise and ability required by the Company.

[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 practices the AGP and promotes 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 management for sustainable growth by promoting discussions on ultra-long term megatrends.

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

We establish important corporate strategies such as the "Medium- to Long-Term Management Policy" and a policy on business portfolio, and revise them when necessary, thereby striving to strengthen proactive and determined management in order to enhance corporate value over the medium to long term.

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

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 executorial responsibilities, expedited decision-making by concentrating responsibilities and authority on the CEO, strengthened the monitoring functions of the Board of Directors, and further improved decision-making processes.

Deliberations on officer appointments and remuneration

We strive to enhance effectiveness of the Board of Directors by deliberating on matters regarding the succession of the Board of Directors and the appointment of officers, as well as matters regarding the appointment of officers and officers' remuneration such as officers' remuneration plans and 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

We provide appropriate support for risk-taking by the management, including the CEO, 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 by adopting 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

appropriate crisis management measures, such as the monitoring of responses to emergencies by those 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 and systems 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.

In order 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, the Audit & Supervisory Board shall consist of suitable individuals who possess abundant experience, extensive insight, high-level expertise and ability required by the Company, in accordance with the "Audit & Supervisory Board Skill Matrix," which clarifies the personal requirements for Audit & Supervisory Board Members.

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.






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, Compensation Committee and Sustainability Committee

1) Nomination Committee

Nomination Committee provides reports on its findings and views about personnel affairs of officers, etc. 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 FY2023

The Nomination Committee convened a total of 9 times in FY2023.

- 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, the 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 FY2023 to the Board of Directors
- Discussion on succession planning
- Discussion on cultivation and acquisition of human resources, and the assessment system

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 EVP and CHRO)
 Internal	Member	Kaoru Sakita (Director EVP and CFO)

Activities in FY2023





The Compensation Committee convened a total of 10 times in FY2023.

- 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
- Discussion on the social value indicators in the medium-term bonus
- Discussion on the evaluation system of executive directors
- Discussion regarding officer remuneration for FY2024 and beyond

3) Sustainability Committee

To enhance a monitoring system of the Board of Directors by further promoting the integration of sustainability and management, and deliberating and offering recommendations on key sustainability themes from professional perspectives, the Company established the Sustainability Committee in December 2023. The Committee consists of 2 Outside Directors and 2 Internal Directors including CEO, and CEO is appointed as its chairperson. The Committee shall invite outside experts on a case-by-case basis, depending on matters of inquiries or discussions.

4 members (of whom 2 are Outside Directors)

 Internal	Chairperson	Atsushi Katsuki (President and CEO, Representative Director)
 Internal	Member	Keizo Tanimura (Director EVP and CHRO)
 Outside	Member	Christina L. Ahmadjian (Outside Director)
 Outside	Member	Mari Matsunaga (Outside Director)

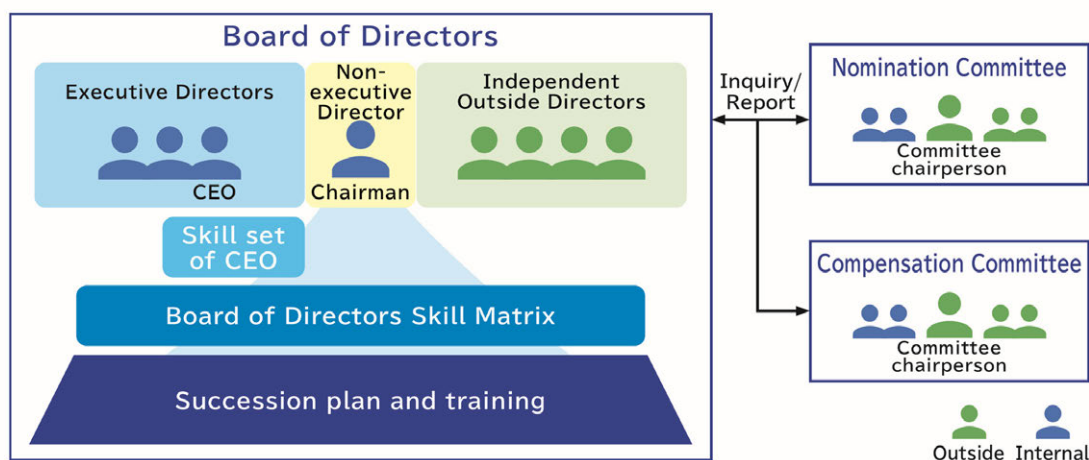
Activities in FY2023

The Sustainability Committee convened a total of 1 time in FY2023.

- Discussion of the operation policy of the Sustainability Committee
- Discussion regarding discussion topics for FY2024

[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 abundant 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 eleven (11) 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 and Directors, 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 and 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 and exchanges of opinions with employees, to facilitate their understanding of the Group and human resources as needed.

(3) Skill set of the CEO

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

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

The table shown below 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 the CEO based on the skill set of the CEO.

■ Skill set of the CEO

Necessary skills of the 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 stands for Regional Headquarters

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

1) Appointment and dismissal of the CEO

The Board of Directors appoints as the 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 abundant experience, extensive insights, and a high level of expertise and ability suitable for the CEO of the Company shall be nominated.
- A candidate shall be appointed as the 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 the 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 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, etc. paid to Directors and Audit & Supervisory Board Members)]

(1) Directors’ remunerations, etc.

The Company established the policies concerning the setting of remunerations, etc. 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

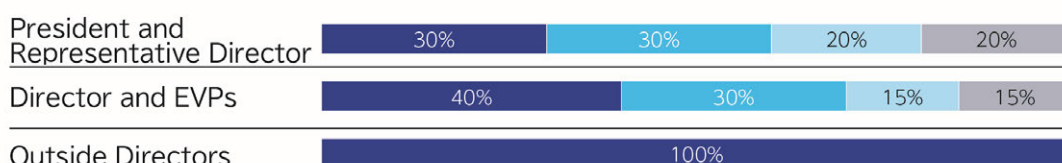
The remunerations for Directors are designed and operated as follows.

- 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, etc. 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 70%, and the percentage of stock compensation, which is remuneration that shares benefits and risks with the shareholders, will be around 20%. With respect to the other Internal Directors, the percentage of variable remuneration is around 60%, by a design based on positions and roles.

Compensation Model for Achievement of FY2024 Performance Targets



■ Basic remuneration ■ Annual bonus ■ Medium-term bonus ■ Stock compensation

* The percentage values show a scenario of achievement of the initially planned targets for FY2024

3) Remuneration level

The remunerations, etc. 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 with reference to groups of

global companies and Japanese benchmarks that are the same in business operations, scale, and complexity in business regions, etc. as those of the Company.

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 or 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

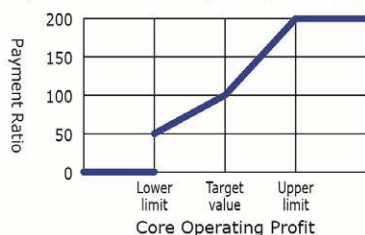
Performance Coefficient and KPI for Annual Bonus and Individual Evaluation Coefficient

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 continuous and steady 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

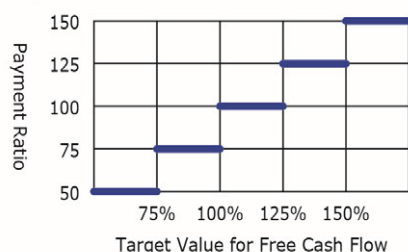
Performance Coefficient and KPI for Medium-Term Bonus and Individual Evaluation Coefficient

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
 3. Set at 100% when targets are met, fluctuates within a range from 50% to 150%

6) Method for determining remuneration

Directors' remunerations, etc. are set in line with a resolution at a meeting of the Board of Directors within the total amount of remunerations, etc. 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 constituting a majority of its membership and an Outside Director appointed as its chairperson, acts as an advisory body to the Board of Directors, deliberating 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. The Company delegates authority to the Compensation Committee for "individual evaluation" and "determination of the individual remuneration amount in accordance with the evaluation."

(2) Audit & Supervisory Board Members' remunerations, etc.

Audit & Supervisory Board Members' remunerations, etc. 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, etc. 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 their job responsibilities and status distinction between internal and outside and by drawing on outside professional organization's 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.

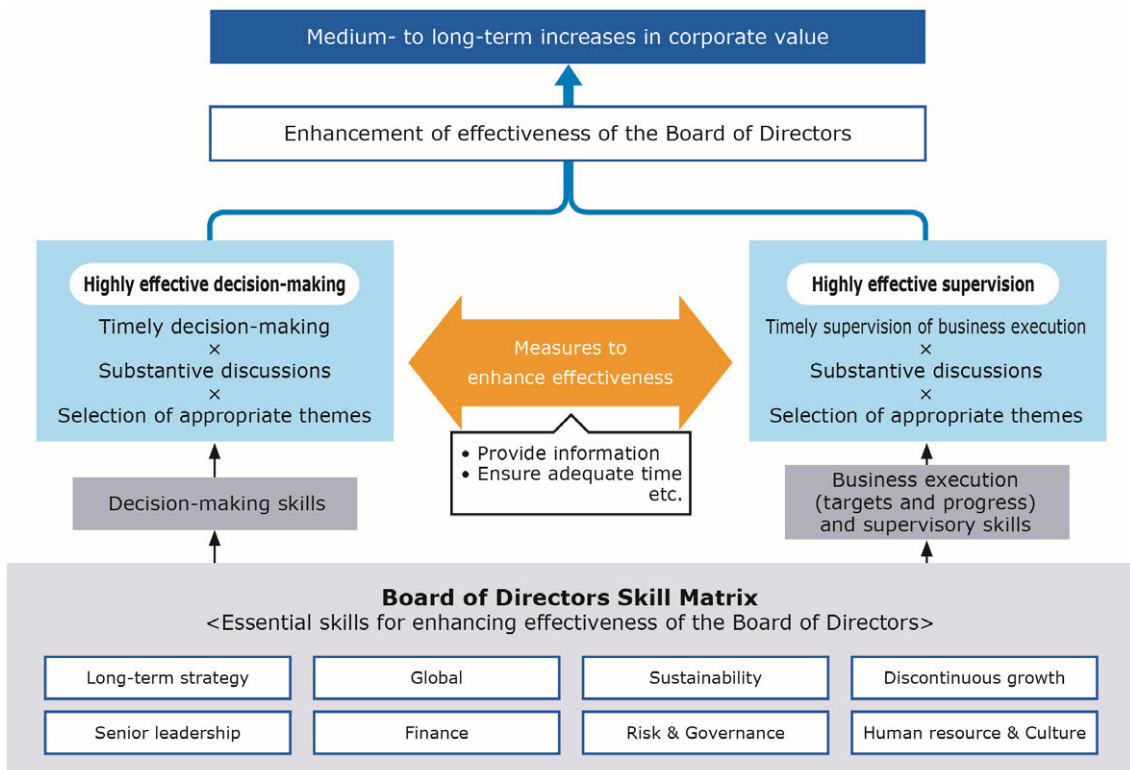
Therefore, by ensuring the Board of Directors comprises Directors who possess the necessary skills determined under the "Board of Directors Skill Matrix," the Company maintains a Board of Directors with the necessary decision-making and supervisory capabilities, along with the capability to operate in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

■ Framework for enhancement of 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/ir/pdf/annual/2023_cgr.pdf



[7. Evaluation of Effectiveness of the Board of Directors, Nomination Committee, Compensation Committee, and Audit & Supervisory Board]

To make the above “framework for enhancing effectiveness of the Board of Directors” working effectively and to contribute to the increase 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 increase 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 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 sustainable 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.

As to the shareholdings, we comprehensively consider factors such as the appropriateness of the holding purposes, the contributions to performance, and the effects obtained from holdings from the perspective of risks, and specifically examine whether they are reasonable in the light of the capital cost etc. The result of examinations of matters including the holding purpose for major ones among the shareholdings is 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 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)	¥2,465,781 million
Total amounts recorded in the balance sheet (b)	¥104,460 million
Ratio (b/a)	4.2%

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 embodiment of the “Asahi Group Philosophy (AGP)” as well as execution of strategies and achievement of objectives defined in the “Medium- to Long-Term Management Policy” 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 continuously.

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 sustainable 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.**

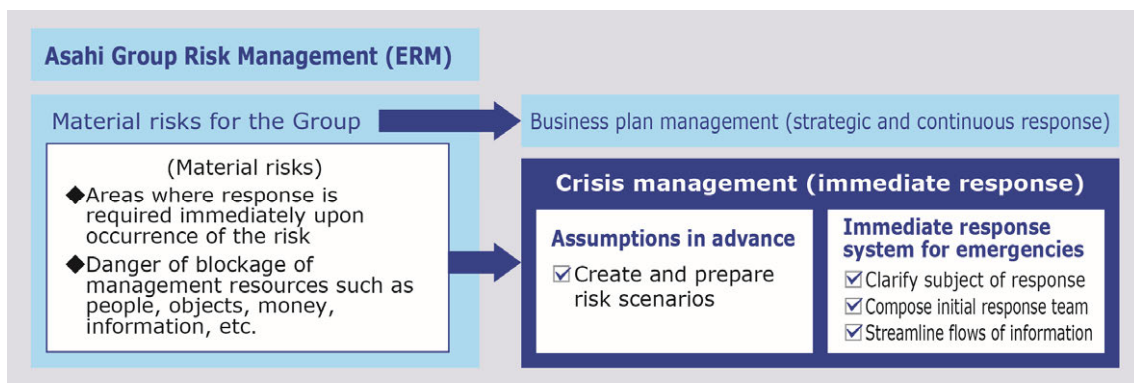
[3. The Asahi Group's Crisis Management]

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 (million yen)
The 19th issue of Unsecured Corporate Bonds (3 years)	March 8, 2023	50,000
The 20th issue of Unsecured Corporate Bonds (Green Bond, 5 years)	March 8, 2023	25,000
The 21st issue of Unsecured Corporate Bonds (7 years)	March 8, 2023	25,000
The 22nd issue of Unsecured Corporate Bonds (5 years)	September 7, 2023	20,000
The 23rd issue of Unsecured Corporate Bonds (10 years)	September 7, 2023	30,000

[2. Status of Principal Lenders]

(As of December 31, 2023)

Lender	Outstanding balance (million yen)
Sumitomo Mitsui Banking Corporation	35,580
Mizuho Bank, Ltd.	21,000
Sumitomo Mitsui Trust Bank, Limited	15,000
The Norinchukin Bank	15,000
MUFG Bank, Ltd.	8,869

[3. Status of Capital Expenditures]

Capital expenditures in this fiscal year totaled ¥140,525 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	56,953
Europe	60,853
Oceania	19,501
Southeast Asia	894
Others	510
Company-wide (common)	1,813
Total	140,525

[4. Status of Major Establishments and Principal Subsidiaries]

(As of December 31, 2023)

(1) Asahi Group Holdings, Ltd.

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

(2) Significant subsidiaries

Company name	Location	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:

- There were 199 consolidated subsidiaries of the Company as of the end of this fiscal year, including those listed above. There were 32 companies accounted for using equity method.
- 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]

Not applicable.

[6. Employees]

(As of December 31, 2023)

Segment	Number of employees	Increase (decrease) from the end of the previous term
Japan	12,076	(1,135)
Europe	10,150	(280)
Oceania	4,132	231
Southeast Asia	1,853	(71)
Others	148	20
Company-wide (common)	365	39
Total	28,724	(1,196)

Note: The number of employees in "Japan" decreased significantly from the end of the previous term due to the deconsolidation of the beverage vending machine business in connection with its integration with an external company.

[7. Shares Outstanding (As of December 31, 2023)]

(1) Total number of authorized shares

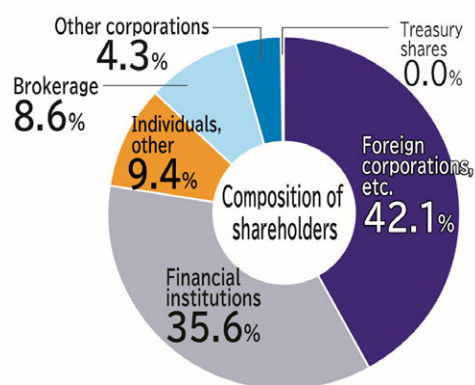
972,305,309 (common stock)

(2) Total number of issued shares

507,003,362 (including 191,598 treasury shares)

(3) Total number of shareholders

143,801 (Decreased by 12,250 from the end of the previous fiscal year)



Shareholder classification	Number of shares held (in hundreds)	Number of shareholders (individuals)
Foreign corporations, etc.	2,135,385	1,183
Financial institutions	1,806,608	148
Individuals, other	477,399	140,485
Brokerage	432,947	48
Other corporations	215,776	1,936
Treasury shares	1,915	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)	948,960	18.7
Custody Bank of Japan, Ltd. (Trust Account)	330,993	6.5
SMBC Nikko Securities Inc.	171,064	3.4
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	94,293	1.9
SSBTC CLIENT OMNIBUS ACCOUNT	79,030	1.6
GIC PRIVATE LIMITED - C	74,638	1.5
JP MORGAN CHASE BANK 385781	68,023	1.3
CEP LUX-ORBIS SICAV	57,277	1.1
Total	2,036,281	40.2

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)	2,948	1

Note to "7 Shares Outstanding":

The shares of the Company held by Custody Bank of Japan, Ltd. as trust property for stock compensation (132,505 shares) are excluded from the treasury shares (191,598 shares).

[8. Directors and Audit & Supervisory Board Members of the Company]

(1) Directors and Audit & Supervisory Board Members

(As of December 31, 2023)

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, Supply Chain	
Keizo Tanimura	Director EVP and CHRO (Chief Human Resources Officer)	[D] 12/12
	HR, General Affairs, Legal, Risk, Audit, Sustainability	
Kaoru Sakita	Director EVP and CFO (Chief Financial Officer)	[D] 12/12
	Finance, Procurement, IT	
Christina L. Ahmadjian	Outside Director	[D] 12/12
	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] 12/12
	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] 12/12
	Chairman of the Board of Komatsu Ltd.	
	Outside Director of Yamaha Motor Co., Ltd. Outside Director of Nomura Research Institute, Ltd.	
Mari Matsunaga	Outside Director	[D] 9/9
	Representative of Mari Matsunaga Office Outside Director of Seiko Epson Corporation	
Naoko Nishinaka	Standing Audit & Supervisory Board Member	[D] 12/12
		[A] 12/12
Yukitaka Fukuda	Standing Audit & Supervisory Board Member	[D] 9/9
		[A] 8/8
Yutaka Kawakami	Outside Audit & Supervisory Board Member	[D] 12/12
	Outside Audit & Supervisory Board Member of Mitsubishi Research Institute, Inc.	[A] 12/12
Shigeo Ohyagi	Outside Audit & Supervisory Board Member	[D] 12/12
	Honorary Advisor of Teijin Limited Outside Director of Tokyo Electric Power Company Holdings, Incorporated	[A] 12/12
Sanae Tanaka	Outside Audit & Supervisory Board Member	[D] 9/9 [A] 8/8
	Representative of Sanae Tanaka Law Office	
	Outside Director of Shochiku Co., Ltd. Outside Director of TV Asahi Holdings Corporation	

Notes:

1. Directors Christina L. Ahmadjian, Kenichiro Sasae, Tetsuji Ohashi, and Mari Matsunaga are Outside Directors as defined in Item 15, Article 2 of the Companies Act.
2. Audit & Supervisory Board Members, Yutaka Kawakami, Shigeo Ohyagi, and Sanae Tanaka are Outside Audit & Supervisory Board Members as defined in Item 16, Article 2 of the Companies Act.
3. The Company designated 4 Outside Directors Christina L. Ahmadjian, Kenichiro Sasae, Tetsuji Ohashi and Mari Matsunaga and 3 Outside Audit & Supervisory Board Members Yutaka Kawakami, Shigeo Ohyagi, and Sanae Tanaka 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 Yukitaka Fukuda was formerly General Manager of Finance Section of the Company etc. and has considerable expertise in finance and accounting.
7. Audit & Supervisory Board Member Yutaka Kawakami has many years of experience as a certified public accountant; he has considerable expertise in finance and accounting.
8. Director Taemin Park, and Audit & Supervisory Board Members Yoshihide Okuda and Yumiko Waseda retired upon the expiry of their terms of office at the conclusion of the 99th Annual General Meeting of Shareholders held on March 28, 2023.
9. Mari Matsunaga was newly appointed as a Director, and Yukitaka Fukuda and Sanae Tanaka were newly appointed as Audit & Supervisory Board Members, and they assumed their offices at the 99th Annual General Meeting of Shareholders held on March 28, 2023. Accordingly, for Director Mari Matsunaga, and Audit & Supervisory Board Members Yukitaka Fukuda and Sanae Tanaka, 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, etc. 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]	9 [4]	329 [78]	5 [-]	264 [-]	5 [-]	127 [-]	5 [-]	107 [-]	828 [78]
Audit & Supervisory Board Members [of which, Outside Audit & Supervisory Board Members]	7 [4]	128 [49]	- [-]	- [-]	- [-]	- [-]	- [-]	- [-]	128 [49]

Notes:

- The figures above include Director Taemin Park, and Audit & Supervisory Board Members Yoshihide Okuda and Yumiko Waseda who retired upon the expiry of their terms of office at the conclusion of the 99th Annual General Meeting of Shareholders held on March 28, 2023.
- 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).

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

As the content of remunerations, etc. 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, etc. 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, sustainability, global perspective, etc. from her standpoint as an expert in corporate governance and human resources & 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 made 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. As a member of the Sustainability Committee, she also gave specific opinions and recommendations regarding strengthening the sustainability governance system and further promotion of integration of sustainability and management.</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>
	Mari Matsunaga	<p>Mari Matsunaga 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 asking questions and raising concerns that grasp the essence of new business, sustainability, and especially responsible drinking, using her extensive knowledge and experience in developing new services and building business models, as well as her experience as an outside officer in other companies.</p> <p>Furthermore, as a member of the Sustainability Committee, she gave specific opinions and recommendations regarding strengthening the sustainability governance system and further promotion of integration of sustainability and management.</p>

Category	Name	Form of participation, etc.
Outside Audit & Supervisory Board Members	Yutaka Kawakami	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 function and the Independent Accounting Auditor, reviewed the audit status of domestic group companies and the status of activities of overseas group companies' audit committees, 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 finance function. 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.
	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 function and the Independent Accounting Auditor, reviewed the audit status of domestic group companies and the status of activities of overseas group companies' audit committees, 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.
Outside Audit & Supervisory Board Members	Sanae Tanaka	At the Audit & Supervisory Board, Sanae Tanaka 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 function and the Independent Accounting Auditor, reviewed the audit status of domestic group companies and the status of activities of overseas group companies' audit committees, 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 function. 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.

(4) Summary of agreements limiting liability

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

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

1) Scope of insured person

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 insured person's losses and costs such as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by insured person in relation to their 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	288	54
Remunerations by the Company's subsidiaries for this fiscal year	172	-
Total of cash and other financial profits payable by the Company and its subsidiaries to the Independent Accounting Auditor	460	54

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's subsidiaries such as Asahi Europe and International Ltd and Asahi Holdings (Australia) Pty Ltd paid KPMG, which belongs to the same network as the Company's Independent Accounting Auditor, a total of ¥601 million in audit fees, etc.

(3) Consecutive audit period

54 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 their consecutive audit years

Kanako Ogura (Consecutive audit years: 1 year)

Hiroshi Tani (Consecutive audit years: 3 years)

Masahiro Morita (Consecutive audit years: 2 years)

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: 33 Others: 39

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 letters regarding the secondary offering of shares and 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, 2023	As of December 31, 2022 [Reference]
ASSETS		
Current assets:		
Cash and cash equivalents	59,945	37,438
Trade and other receivables	465,633	415,676
Inventories	267,317	234,969
Income tax receivables	2,930	7,354
Other financial assets	10,469	10,028
Other current assets	40,655	32,062
Total current assets	846,953	737,529
Non-current assets:		
Property, plant and equipment	888,070	834,721
Goodwill and intangible assets	3,283,948	3,027,929
Investments accounted for using equity method	11,081	6,722
Other financial assets	151,168	125,780
Deferred tax assets	48,544	54,888
Defined benefit asset	36,515	24,004
Other non-current assets	19,629	18,767
Total non-current assets	4,438,960	4,092,815
Total assets	5,285,913	4,830,344

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(million yen)

	As of December 31, 2023	As of December 31, 2022 [Reference]
LIABILITIES and EQUITY		
LIABILITIES		
Current liabilities:		
Trade and other payables	714,781	591,869
Bonds and borrowings	389,848	367,267
Income tax payables	26,263	30,906
Provisions	17,429	14,103
Other financial liabilities	113,642	135,983
Other current liabilities	134,984	125,816
Total current liabilities	1,396,950	1,265,946
Non-current liabilities:		
Bonds and borrowings	1,020,950	1,130,042
Defined benefit liability	17,242	20,349
Deferred tax liabilities	233,190	213,494
Other financial liabilities	143,156	131,792
Other non-current liabilities	8,642	5,774
Total non-current liabilities	1,423,181	1,501,452
Total liabilities	2,820,131	2,767,399
EQUITY		
Issued capital	220,044	220,044
Share premium	161,867	161,793
Retained earnings	1,282,432	1,165,542
Treasury shares	(1,190)	(1,178)
Other components of equity	797,393	514,532
Total equity attributable to owners of parent	2,460,548	2,060,734
Non-controlling interests	5,233	2,210
Total equity	2,465,781	2,062,945
Total liabilities and equity	5,285,913	4,830,344

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(million yen)

	For the year ended December 31, 2023	For the year ended December 31, 2022 [Reference]
Revenue	2,769,091	2,511,108
Cost of sales	(1,770,157)	(1,589,272)
Gross profit	998,933	921,835
Selling, general and administrative expenses	(735,252)	(678,018)
Other operating income	8,300	16,850
Other operating expenses	(26,981)	(43,619)
Operating profit	244,999	217,048
Finance income	14,118	5,498
Finance costs	(18,121)	(17,221)
Share of profit (loss) of investments accounted for using equity method	875	667
Profit before tax	241,871	205,992
Income tax expense	(75,840)	(54,275)
Profit	166,031	151,717
Profit attributable to:		
Owners of parent	164,073	151,555
Non-controlling interests	1,957	162
Total	166,031	151,717

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

(million yen)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cash flows from operating activities:		
Profit before tax	241,871	205,992
Depreciation and amortization	147,992	140,419
Decrease (increase) in trade receivables	(23,608)	(826)
Decrease (increase) in inventories	(24,447)	(27,957)
Increase (decrease) in trade payables	32,898	25,737
Increase (decrease) in accrued alcohol tax	2,984	(4,062)
Increase (decrease) in defined benefit asset and liability	1,073	1,441
Other	47,719	21,303
Subtotal	426,484	362,049
Interest and dividends received	7,624	3,344
Interest paid	(12,646)	(10,839)
Income taxes paid	(73,914)	(88,562)
Net cash provided by (used in) operating activities	347,547	265,991
Cash flows from investing activities:		
Purchase of non-current assets	(109,828)	(99,846)
Proceeds from sale of non-current assets	11,710	25,978
Purchase of investment securities	(1,292)	(552)
Proceeds from sale of investment securities	3,387	8,483
Proceeds from sale of investments accounted for using equity method	-	676
Purchase of shares of subsidiaries and others resulting in change in scope of consolidation	(3,551)	(2,661)
Payments of contingent consideration	(18,574)	(2,357)
Other	434	1,091
Net cash provided by (used in) investing activities	(117,713)	(69,186)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cash flows from financing activities:		
Increase (decrease) in financial liabilities	(168,323)	(163,296)
Purchase of treasury shares	(25)	(263)
Dividends paid	(57,761)	(55,738)
Other	(635)	(258)
Net cash provided by (used in) financing activities	(226,746)	(219,556)
Effect of exchange rate changes on cash and cash equivalents	20,004	7,447
Net increase (decrease) in cash and cash equivalents	23,093	(15,304)
Cash and cash equivalents at beginning of period	37,438	52,743
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(586)	-
Cash and cash equivalents at end of period	59,945	37,438

AUDIT REPORTS

Independent Auditor's Report

February 8, 2024

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

KPMG AZSA LLC
Tokyo Office, Japan

Kanako Ogura
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, 2023 and for the year from January 1, 2023 to December 31, 2023 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, actions taken to eliminate threats or safeguards applied.

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.

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 100th fiscal year, the period from January 1, 2023 to December 31, 2023, after due discussions and consultations among the Audit & Supervisory Board Members.

1. Methods used in audits by 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 etc., 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 (internal control systems)," (Item 6, Paragraph 4, Article 362 of the Companies Act and Paragraphs 1 and 3, Article 100 of the Regulations for Enforcement of the Companies Act), which is included in the Business Report, 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 Regulations 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 Regulations on Corporate Accounting) is in place in accordance with the "standards for quality control of audits" (Business Accounting Council), 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 status 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. Furthermore, the content of the Business Report regarding the internal control systems and the execution by the Directors is 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, do not harm the common interest of the Company's shareholders, and do 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, 2024

Audit & Supervisory Board
Asahi Group Holdings, Ltd.

Naoko Nishinaka (Seal)
Standing Audit & Supervisory Board Member

Yukitaka Fukuda (Seal)
Standing Audit & Supervisory Board Member

Yutaka Kawakami (Seal)
Outside Audit & Supervisory Board Member

Shigeo Ohyagi (Seal)
Outside Audit & Supervisory Board Member

Sanae Tanaka (Seal)
Outside Audit & Supervisory Board Member

Asahi