

**ASAHI BREWERIES, LTD.**

**Asahi Breweries, Ltd.  
Future Management Strategy**



**President and Representative Director  
Kenichi Shiozawa**

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June**



## Asahi Group Philosophy

### Our Mission

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

### Our Vision

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

### Our Values

Challenge and innovation  
Excellence in quality  
Shared inspiration

### Our Principles

Building value together with all our stakeholders

- Customers:** Win customer satisfaction with products and services that exceed expectations
- Employees:** Foster a corporate culture that promotes individual and company growth
- Society:** Contribute to a sustainable society through our business
- Partners:** Build relationships that promote mutual growth
- Shareholders:** Increase our share value through sustainable profit growth and shareholder returns



## 「Long-Term Vision」

Continuing to offer value and appeal unique to  
alcohol beverages toward achieving the highest  
levels of customer satisfaction

As evidenced by the success of *Asahi Super Dry*, we have created new value and provided products and services that have exceeded expectations in order to realize the highest levels of customer satisfaction.

We are constantly pursuing to realize the highest levels of customer satisfaction. To that end, the essence of our business activities is to continue to take on new challenges.

The alcohol beverages that we manufacture and sell has been rooted in the lifestyles and culture of people for thousands of years, and it has now become a part of people's tradition. Accordingly, alcohol beverages have the tremendous potential to further brighten people's lives, providing added fun and fulfillment.

Going forward, we aim to continue to be a company that offers value and appeal unique to alcohol beverages as we work to continue to bring satisfaction our customers.

## Practicing “Always Good Things from Asahi”

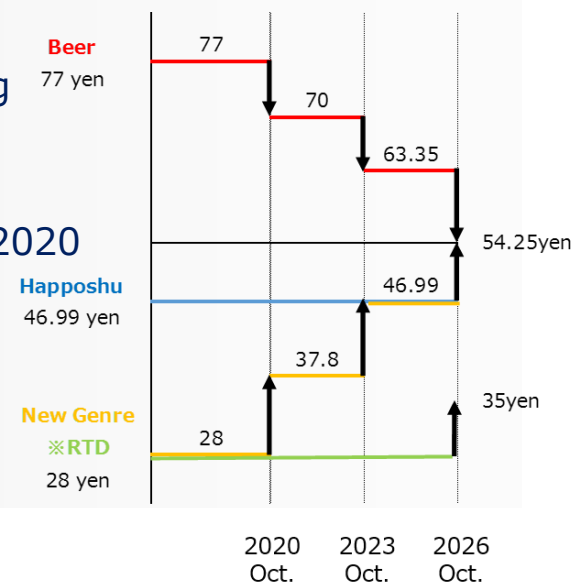
- Think and act on your own initiative
- Speak up, listen, and engage in communication
- Keep an open mind and approach your job with a positive attitude



## ◆ Opportunities and Risks

- Maturity of beer-type beverage market and growing diversity of people's needs and values
- Changes in demand structures and product portfolios following reduction in tax rate disparity between beer-type beverages
- Ability to stimulate demand by taking advantage of position as Gold Partner of the Olympic and Paralympic Games Tokyo 2020
- Ongoing increases in distribution, personnel, raw material, and other costs
- Diversification of consumption and competition trends arising from advancement of digital technologies

<Revision of Liquor Tax>



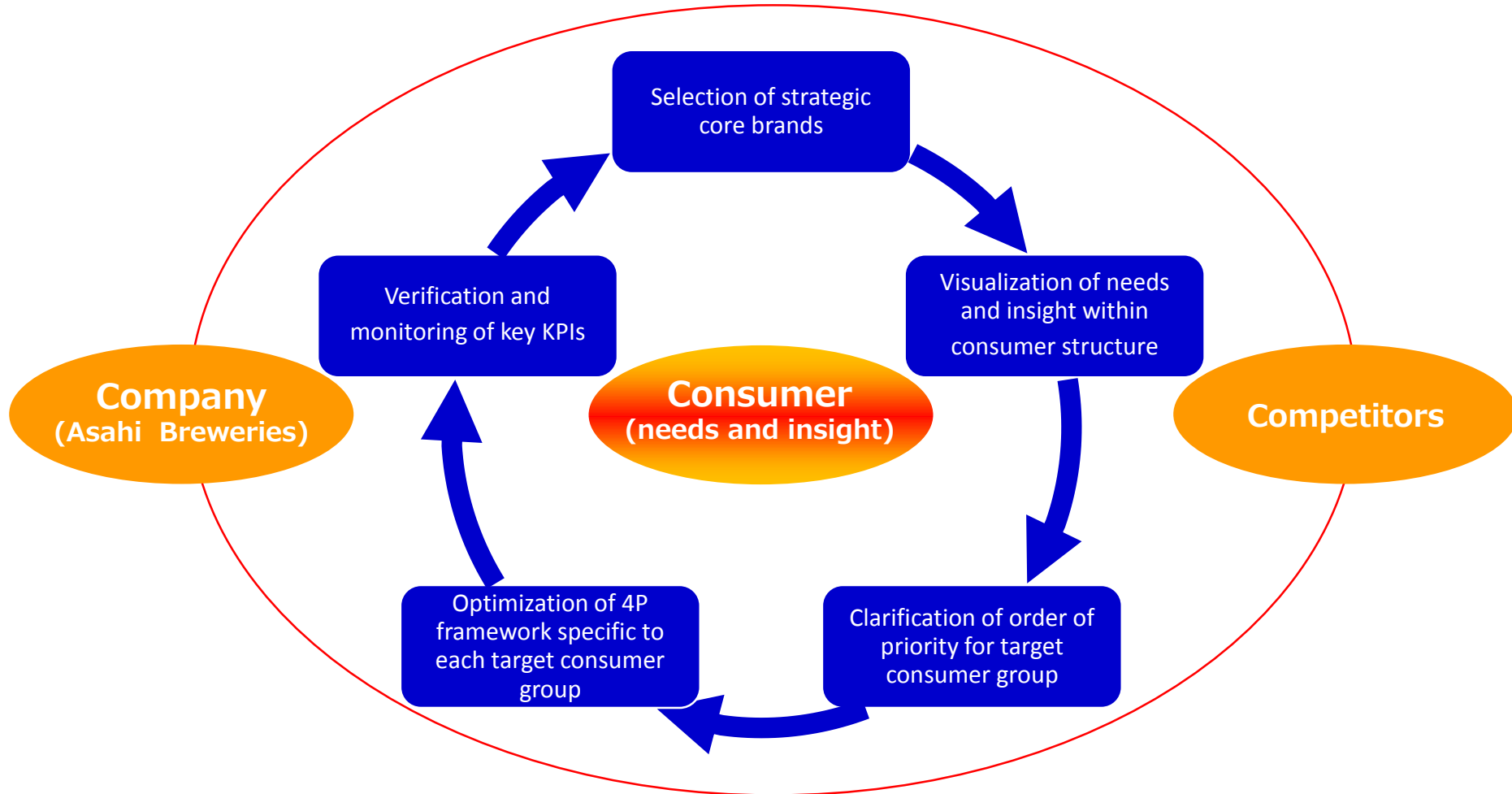
## ◆ Strengths

- Top share in beer-type beverage market centered on *Asahi Super Dry*
- Strong brand portfolio in all product categories
- High-quality manufacturing technologies and efficient supply chain management
- Co-creation capabilities manifesting from strong relationships with business partners

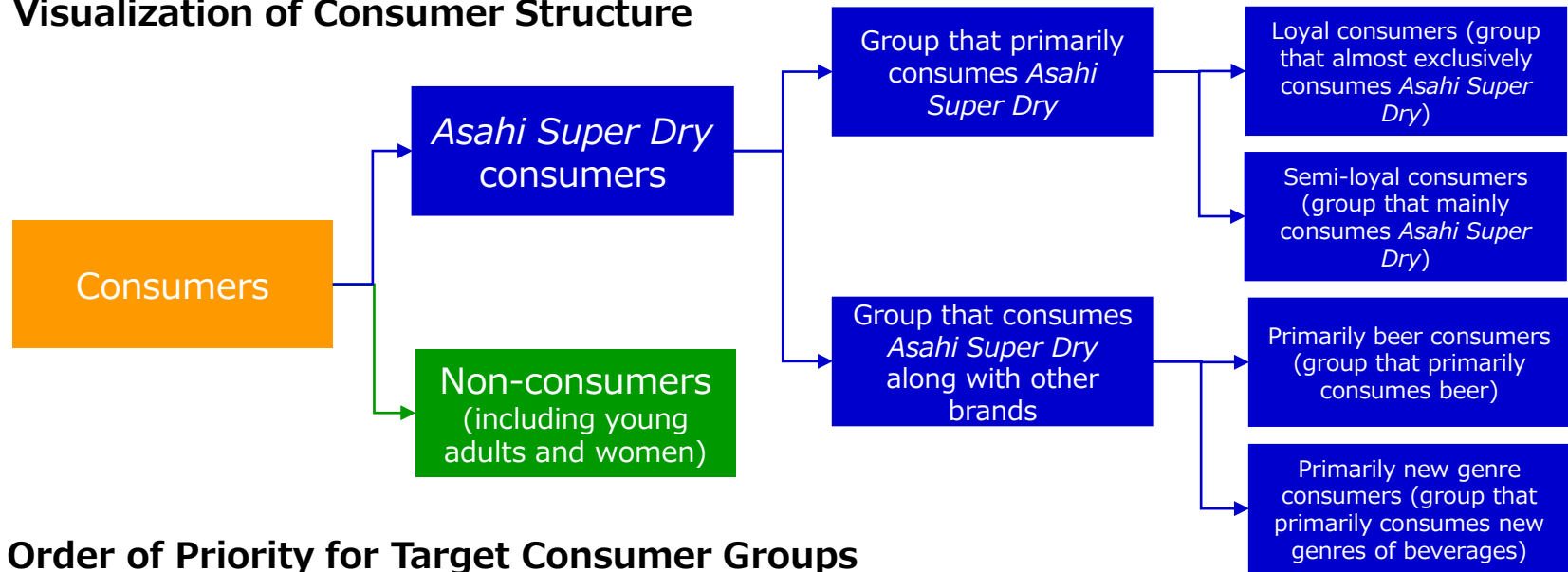
- ◆ **Enhancing structure for innovation and cost reduction and establishing the position as the leader in the domestic alcohol industry**
  - 1) Implement integrated marketing strategy for new market creation centered on future environmental changes and renovate core brand value
  - 2) Promote zero-based budgeting and minimize costs and create resources for investment for growth by building optimal production and logistics system
  - 3) Refine product development process, expand new drinking opportunities, and enhance business utilizing digital transformation



By pursuing market creation initiatives and integrated marketing utilizing 4P framework based on 3C and STP analyses, we will aim to **cultivate strong brand** and **create new value**.



## ◆ Visualization of Consumer Structure



## ◆ Order of Priority for Target Consumer Groups

### ① Semi-Loyal Consumers (Primary consumers)

By clarifying the benefits of *Karakuchi*, our redefined core value, we will work to turn these groups into loyal consumers through reinforced promotional activities related to *Karakuchi*.

### ② Primarily Beer Consumers (Group that consumes Asahi Super Dry along with other brands)

By promoting a unique world view, we will enhance shared awareness of our brands and work to increase drinking opportunities.

### ③ New Consumers (Young adults and women)

By proposing new value that caters to various tastes and lifestyles, we will aim to cultivate loyal consumers in the future.

## <Vision>

Aiming for “THE JAPAN BRAND”—a trusted brand that garners the wholehearted support of all consumers

## <Direction of Initiatives over the Medium Term>

We will clarify target consumers insights and promote functional and emotional value that caters to each group.



**<Core Values>** Functional = *Karakuchi* and freshness  
Emotional = A world view that encourages people to live their own lives and is emotionally uplifting

Target	Semi-Loyal Consumers	Primarily Beer Consumers	New Consumers (Young adults and women)
Approach	<u>Karakuchi, sharpness, and No. 1 beer brand</u>	<u>Beer-enjoyment lifestyles and highest levels of quality</u>	<u>Another kind of Asahi Super Dry = My Asahi Super Dry</u>
Initiatives	Continuous investment in advertising that communicates a clear, appealing message to each consumer		
	Initiatives that leverage our status as Gold Partner of the Olympic and Paralympic Games Tokyo 2020		
	<ul style="list-style-type: none"> <li>• Evolve “freshness packs”</li> <li>• Renew packaging</li> <li>• Implement efforts by region and channel type</li> </ul>	<ul style="list-style-type: none"> <li>• Foster emotional value such as compatibility with food, drinking occasions, and global challenges through advertising and shopfronts</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce new proposals for tastes, drinking methods, drinking occasions, and drinking styles</li> <li>• Communicate information utilizing digital technologies</li> </ul>





## <Vision>

Cultivating strong brands and creating new domains that ascertain the needs of potential customers

## <Direction of Initiatives over the Medium Term>

*Clear Asahi* : Become the best brand to complement meals and the brand with the highest number of consumers

*Gokujyo <Kireaji>* : Cultivate new domains unique to Asahi that combine “genuineness” and “sharpness”



## <Examples of Future Initiatives>

### Clear Asahi



### Gokujyo <Kireaji>



Primary Target	<ul style="list-style-type: none"> <li>• Semi-loyal consumers (primary consumers)</li> </ul>
Approach	<ul style="list-style-type: none"> <li>• By combining our brand message of “the most refined barley taste” with the appeal of complementing meals, we will work to entrench <i>Clear Asahi</i> in the daily lives of consumers, thereby increasing the consumer base for the brand.</li> </ul>
Initiatives	<ul style="list-style-type: none"> <li>• Improve content quality through brand updates</li> <li>• Implement advertising and storefront initiatives that promote <i>Clear Asahi's</i> appeal of complementing meals</li> </ul>

<ul style="list-style-type: none"> <li>• Consumers who prefer a sharp finish and stimulating taste</li> </ul>
<ul style="list-style-type: none"> <li>• Work to expand the market for new domains that combine “genuineness” and “sharpness”</li> <li>• Aim to maximize trial consumers utilizing the novelty and distinctiveness</li> </ul>
<ul style="list-style-type: none"> <li>• Concentrate on efforts that facilitate product purchases (advertising and communication, target sampling utilizing digital technologies, and sales promotions at storefronts, etc.)</li> </ul>

## <Vision>

**RTD: Establishing a robust brand portfolio that centers on Asahi's unique value**  
**NAB: Becoming a representative Japanese brand that garners the wholehearted support of all target consumers**

## <Direction of Initiatives over the Medium Term>

**RTD: Ascertain segment growth and enhance core value of brands geared toward target consumers**

**NAB: Invigorate the market by increasing drinking opportunities through the improvement of quality and proposal of added value, etc.**

## <Examples of Future Initiatives>

### *Wilkinson RTD*



### *Asahi Dry Zero*



Primary Target	<ul style="list-style-type: none"> <li>• Consumers who prefer thirst-quenching, high-alcohol beverages</li> </ul>	<ul style="list-style-type: none"> <li>• Primary consumers and young adults</li> </ul>
Approach	<ul style="list-style-type: none"> <li>• Carry out activities that promote the added value of the Wilkinson brand, which is its high carbonation and dry flavor, in order to encourage men who will likely stop drinking beer to change over to <i>Wilkinson RTD</i></li> </ul>	<ul style="list-style-type: none"> <li>• Work to increase the number of loyal consumers by improving the taste of <i>Asahi Dry Zero</i> so that it is as close to beer as possible</li> <li>• Cultivate a base of young adults by proposing new drinking occasions</li> </ul>
Initiatives	<ul style="list-style-type: none"> <li>• Strengthen advertising to promote <i>Wilkinson RTD</i> as a completely new type of RTD unlike any existing products</li> <li>• Expand the lineup of products with 7% and 9% alcohol content</li> </ul>	<ul style="list-style-type: none"> <li>• Increase consumption volume through brand renewals</li> <li>• Expand drinking opportunities such as at recreational facilities</li> <li>• Roll out <i>Asahi Dry Zero Spark</i> PET bottle beverages</li> </ul>

## ◆ Taking on the Challenge of Optimizing Supply Chain Management

- Structure optimal production and logistics system in response to demand shift among categories and consumption diversification
- Reduce container weights and raw material costs by streamlining procurement area and methods
- Promote coordination with competitors in the cooperation field such as logistics

## <Examples of Specific Initiatives>

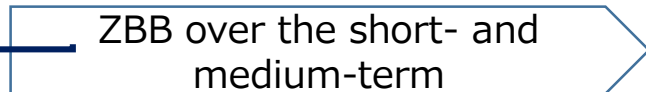
- Promote hybrid factories based on Group-wide SCM optimization
- Optimize SCM in response to the growth in RTD volume, etc., and fluctuations in the ratio of beer containers
- Promote globally shared procurement of raw materials, such as malt, together with the Europe business
- Promote a logistics structure that utilizes the modal shift of the four beer companies as well as the joint collection of beer pallets



## ◆ Zero-Based Budgeting Initiatives

- Ensuring all fixed costs including advertisement and sales promotion expenses and personnel costs to visualize and clearly defining what initiatives to stop and finally prioritizing the budget allocation
- Investing the resources from the impacts of stopping expenses in key initiatives in the Medium-Term Management Policy in addition to increasing the profit

## ◆ Examples of Initiatives under Examination



### <Examples of ZBB Initiatives>

- Review advertising production costs and campaigns for consumers. Through the on-demand offering of sales promotion goods, shift cost impacts to initiatives specific to each region and sales channel as well as to digital marketing, etc.
- Revamp operational management, including the revision of national conferences through the utilization of teleconferences, etc.
- Automate product inspections for imported wine, utilize maintenance machines for tap beer dispensers, etc.

## 東京2020オリンピック・パラリンピック ゴールドパートナー

アサヒビールは、ビールメーカーで唯一のゴールドパートナー  
(国内最高水準のスポンサー)として、ともに大会の成功をめざします。



東京2020オリンピック・  
パラリンピックオフィシャルビール  
『アサヒスーパードライ』



# Asahi

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