



Update of Medium- to Long-Term Management Policy

Business Overview for 2021 and Business Strategy for 2022

February 16, 2022

ASAHI GROUP HOLDINGS, LTD.



Executive Summary

Update of Medium- to Long-Term Management Policy

- Our Medium- to Long-Term Management Policy was formulated by backcasting from megatrends
- The policy is aimed at building a business portfolio that can respond to people's changing conceptions of well-being, and further bolster core strategies covering sustainability, digital transformation, R&D, and other areas

Overview for 2021

- Despite the adverse business environment resulting from the COVID-19 pandemic, we achieved record-high revenue, operating profit, and profit attributable to owners of parent, mainly through our premium strategy, new value propositions, and operational streamlining
- Our financial position improved more than expected owing to the creation of synergies from the integration of CUB Business in Australia, measures aimed at maximizing cash flow, and other factors

Direction for 2022

- While taking into account risks such as resurgences in COVID-19 infections and higher raw material costs, we will aim to achieve sales and profit growth in all businesses and consolidate our recovery on the way to next fiscal year
- We will push ahead with concrete initiatives based on our updated Medium- to Long-term Management Policy










Update of Medium- to Long-Term Management Policy

Megatrend Analysis

After analyzing megatrends through to the year 2050, we predict that conceptions about human well-being will change in the intervening years. By backcasting from 2050 and engaging in broad-ranging discussions we have identified the challenges the Asahi Group will need to tackle in the future.

| 2050 Megatrends | 2030 | |
|--|---|---|
| | Key Megatrends | Challenges for Asahi Group Businesses |
| <p>Changing conceptions of human well-being</p> <p>Climate change and depletion of natural resources</p> <p>Changing demographics and shifts in economic power</p> <p>Technological advancements</p> |  <p>Health consciousness and headwinds from alcohol-related issues</p> | <ul style="list-style-type: none"> Expanding beyond the framework of existing businesses into areas of physical and mental health New product propositions fusing our technology in Alcohol Beverages and Non-alcohol Beverages, and conducting R&D into, and cultivating, alternatives to alcohol products |
| |  <p>Growing diversification of definitions of well-being</p> | <ul style="list-style-type: none"> Responding to demand for further personalization and premiumization Giving tangible shape to potential value in anticipation of changes in behavior |
| |  <p>Heightened awareness of sustainability-related issues</p> | <ul style="list-style-type: none"> Enhancing initiatives relating to the environment, communities, etc. Generating various forms of new value to meet ethical consumption needs |
| |  <p>Geopolitical changes, such as shifts in economic growth regions</p> | <ul style="list-style-type: none"> Worldwide expansion of global brands Further strengthening our financial position before investing in expansion into new regions |
| |  <p>Co-existence with evolving technologies</p> | <ul style="list-style-type: none"> Building new business models through the acceleration of digital transformation Creating experiential value involving unique offline experiences |

Medium- to Long-Term Management Policy: Overview of Long-Term Strategies



Basic Concept behind Long-Term Strategies

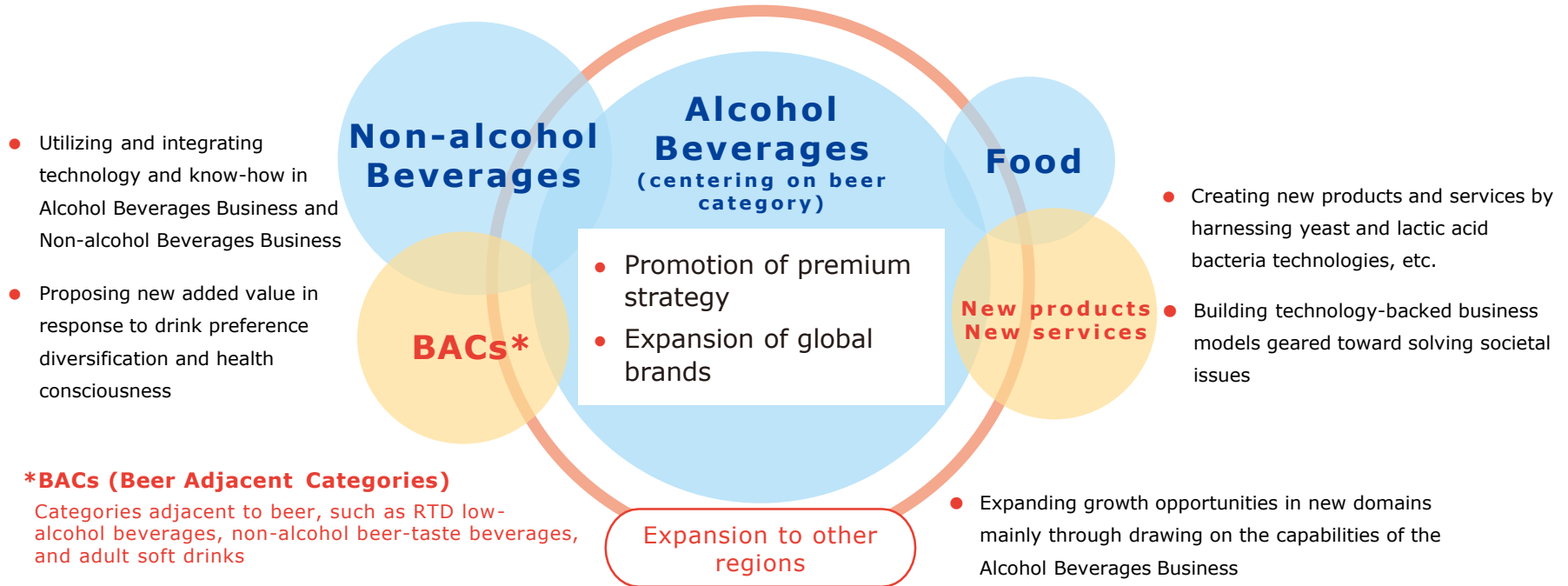
Contribute to sustainable society and respond to changing conceptions of wellbeing through delivering great taste and fun

- **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 societal issues.
 - Achieve innovation in three key areas (processes, organization, and business models) by pursuing BX (business transformation) through DX (digital transformation).
 - 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.

Ideal Medium- to Long-Term Business Portfolio

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



**Positioning “Our Promise for the Future” as the Asahi Group’s sustainability story
To live up to this promise, we will continue to work on integrating sustainability into management through four key actions.**

Cheer the Future

To invigorate our precious future

• Create Lasting Brand Value

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

• Adapt to the Future

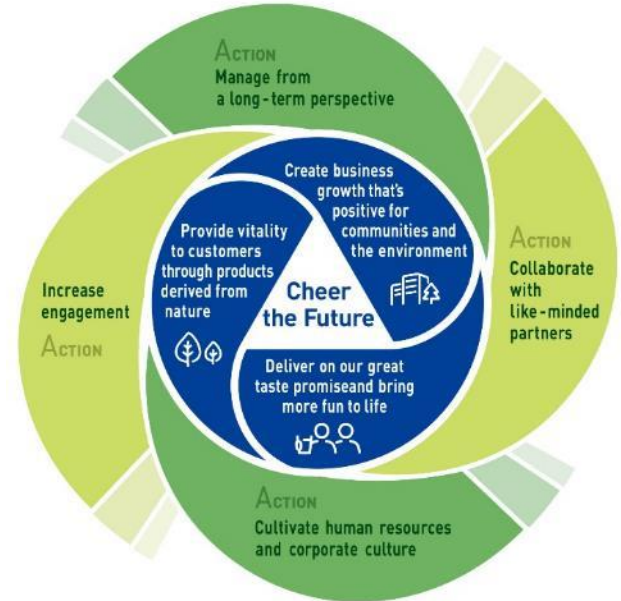
We accept our special responsibility to manage the potentially harmful effects our business may have on the environment and society at large. Going forward, we are committed to achieving sustainable growth while pursuing sustainability as essential synonymous with pursuing business itself.

• Actively Embrace Change

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

• Our Promise to the Future

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



Realizing sustainable living for customers across the value chain

We will address these themes across our value chain to make an impact in our business and society with our products and services.



Respond to climate change

Asahi Carbon Zero

Investment Fields

Solar power generation facilities, greater energy-saving efficiency, and development and rollout of new fuel technologies
*Investments of JPY 50bn or more through 2030



Respond to plastic issue

3R+Innovation

Investment Fields

Increased use of recycled PET plastic, and development and rollout of new container technologies



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

RE:CONNECTION

Investment Fields

Regional agriculture support and community assistance activities



Reduction in inappropriate drinking / Solution of social issues through creation of new drinking opportunities

Responsible Drinking Ambassador

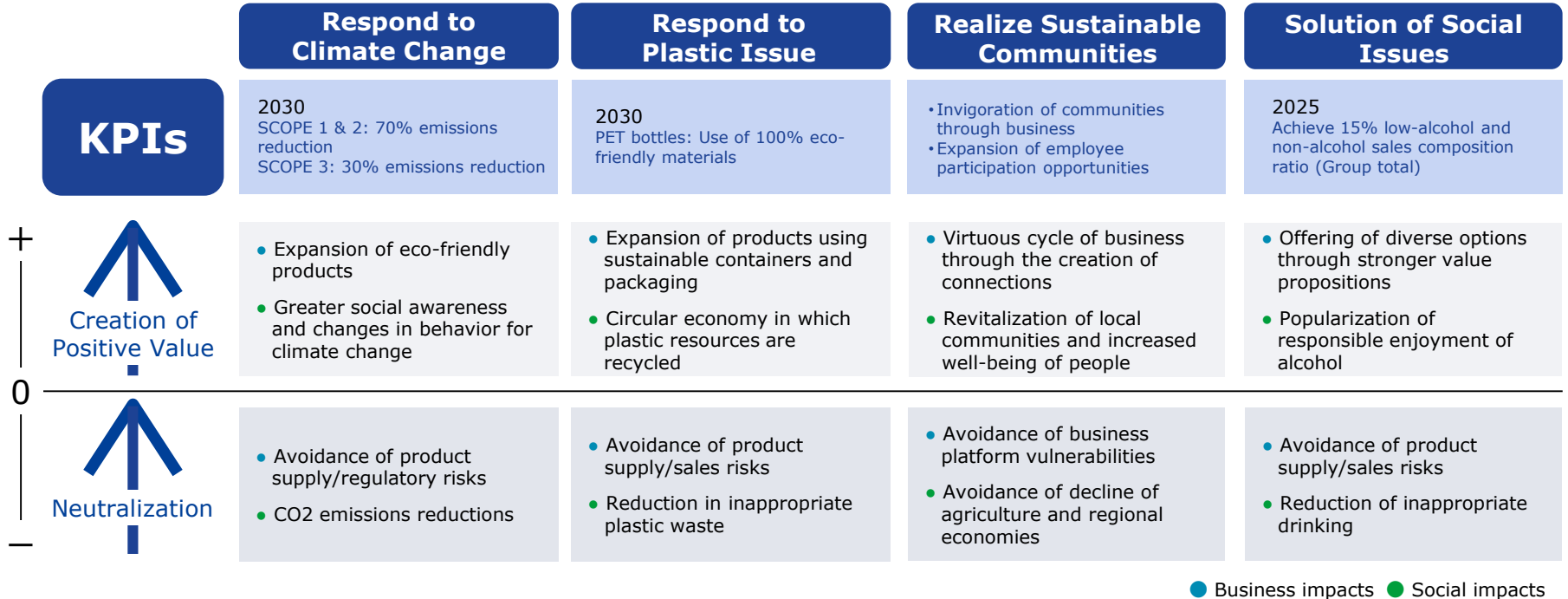
Investment Fields

Marketing investment, and R&D targeting a reduction in inappropriate drinking

Value Creation in Our Sustainability Strategy



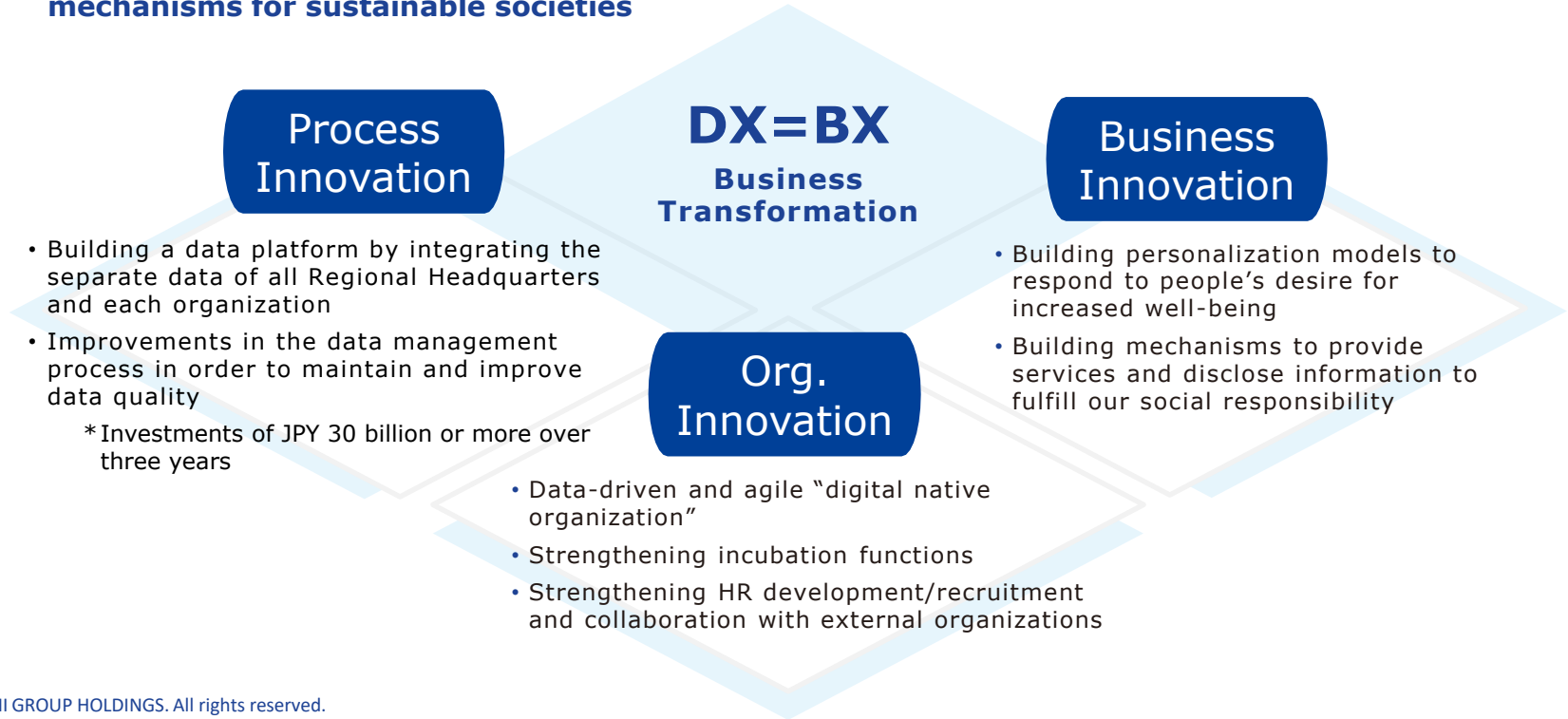
Seek to mitigate risks and secure opportunities in an effort to generate both positive business impacts and positive social impacts



Digital Transformation Strategy

Achieve innovation in three key areas (processes, organization, and business models) by pursuing BX (business transformation) through DX (digital transformation)

Developing new business models, responding to changing conceptions of well-being, and creating mechanisms for sustainable societies



Increase the value of existing products and create new products and markets through bolstering R&D

Creating new value to cater to changing consumer values

- Researching alternatives to alcohol and products that offer new value
- Developing products and technology that establish our dominance in the BACs



Delivering physical and mental health to consumers

- Providing evidence-based and “better for you” solutions
- Providing health value in new ways (devices and services, etc.)



Mitigating environmental and climate change risks to help enhance sustainability

- World-leading technological development in the environment and energy fields and in the use of byproducts
- Minimizing the impact of rising ingredient costs stemming from climate change



Developing extraordinary “seeds” that grow into new businesses

- Creating new business “seeds” by combining existing and new technologies inside and outside the Group
- Integrating new technologies & business models



Enhancement of Human Capital

Advance human resource for executing core strategies and building an ideal business portfolio

- Advancing diversity, equity, and inclusion to foster an ideal corporate culture and boost engagement
- Continued nurturing of managers through systematic development programs
- Securing required new capabilities and personnel, and collaborating with external organizations

People Statement

Learning, growing, achieving TOGETHER



Safety and Well-being is our biggest priority



Everyone Matters is our core belief



Growth through Learning individually and collectively



Better together: Collaboration fuels our growth



Key Medium-Term Strategies for Each Regional Headquarters



1. Expand the potential of the businesses through synergies and optimizing product portfolio to anticipate change.
2. Promote smart-drinking and other initiatives to meet diversifying needs; create high-value-added services.
3. Solve social issues such as carbon neutrality through business; optimize the supply chain across Japan.



1. Advance the premium beer strategy with expansion of the 5 global brands and focus on selective leading local brands.
2. Accelerate premium growth beyond core lager - such as non-alcohol beer, RTDs and crafted beer.
3. Promote initiatives to reduce environmental impact, which entail the active use of renewable energy and the adoption of recyclable containers and packages.



1. Advance multi-beverage strategy through alcohol beverages and non-alcohol beverages with creating integration growth synergies.
2. Pursue health and well-being portfolio for our non-alcohol portfolio and innovations in growth areas such as non-alcohol beer, hard seltzers, and RTDs.
3. Propose new sustainability-focused value through introduction of new containers, packaging, etc. Advance supply chain management reforms.



1. Expand into growing markets of >600 million people in the region with the growth in Malaysia as the Cash Cow and using our own brand to expand into other markets.
2. Set up new segments such as the plant-based product segment to gradually diversify portfolio into more premiumization beverages and minimize dependency on Condense Milk.
3. Deliver sustainability agenda including rolling out eco-friendly packaging. Build value in partnership with local communities through raw material procurement initiatives.

Expansion of Global Brands

Pursuing premium brand strategies and driving sustainable growth in line with market trends through expansion and development of the 5 global brands

Global Super Premium Heroes

Priority super premium brands



Scale Global Premium

Premium brand to be expanded globally to drive scale



Tactical International Brands

International brands (Superpremium Pilsner, Premium Grolsch) to be developed selectively



Growth Guidelines through 2030

Main Initiatives

● 5-brand Total

CAGR: Approx. +10%

• Asahi Super Dry

CAGR: + mid-10% or more

• Peroni Nastro Azzurro

CAGR: + low-10% or more

- New Product Launches in 2022
 - Peroni Nastro Azzurro 0.0% (20 countries)
 - Asahi Super Dry extension product to be launched
- Global Sponsorships
 - Rugby World Cup 23 : ASD Worldwide Partner
 - Aston Martin Formula One : PNA 0.0% Global Partner
- Development of Unified Global Campaigns
 - Asahi Super Dry "Go Beyond the Expected"
 - Peroni Nastro Azzurro "Live Every Moment"



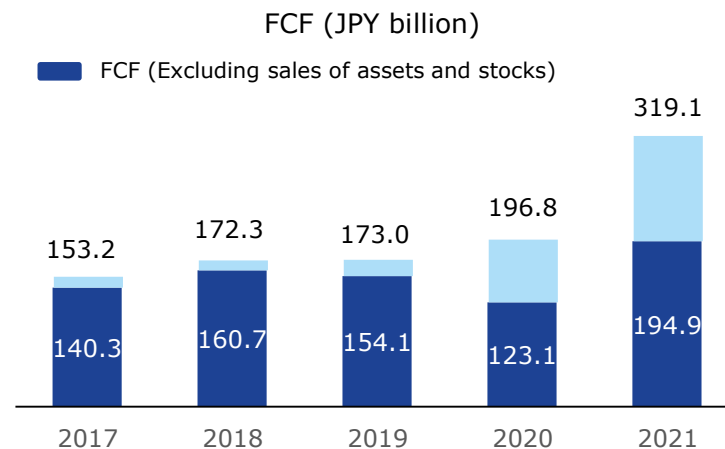
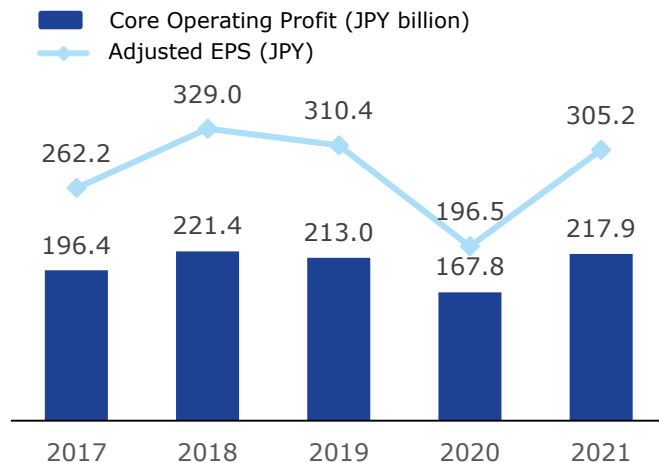
Medium-Term Guidelines for KPIs

| | 2021 Results | Guidelines from 2022 for Next 3 Years |
|---------------------------------|-------------------|---|
| Core Operating Profit | JPY 217.9 billion | • CAGR: High single digit*1 |
| Earnings Per Share (Adjusted*2) | JPY 305.2 | • CAGR: High single digit |
| Free Cash Flow*3 | JPY 319.1 billion | • Annual average of JPY 200 billion or higher |

*1 Constant Currency Basis in 2021

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

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



Medium-Term Guidelines for Financial Policy



Guidelines from 2022 Onward

Investment for Growth / Debt Reduction

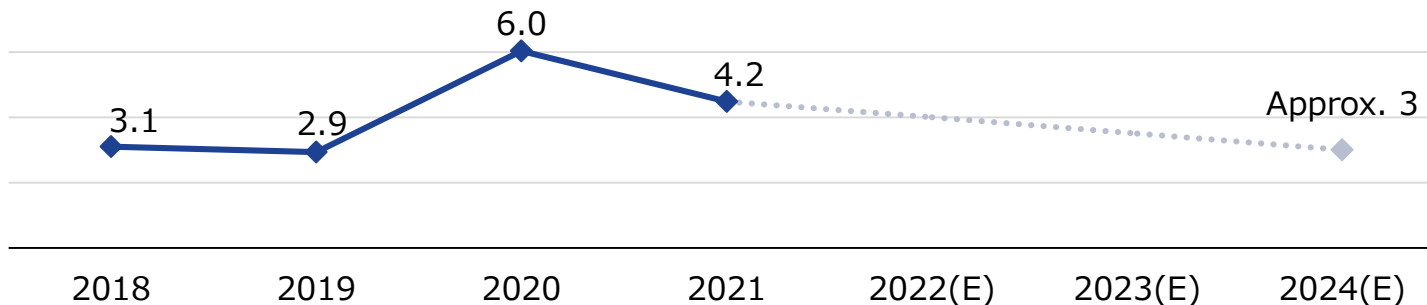
- Prioritize allocation of free cash flow to the reduction of debt and work to enhance capacity for growth investments
- Aim for Net Debt/EBITDA of around 3 times or less in 2024 (after deducting 50% of outstanding subordinated debt from net debt)

Shareholder Returns

- Stable dividend increases with the aim of achieving a payout ratio of 35% (aiming for future payout ratio of 40%)

Net Debt/EBITDA

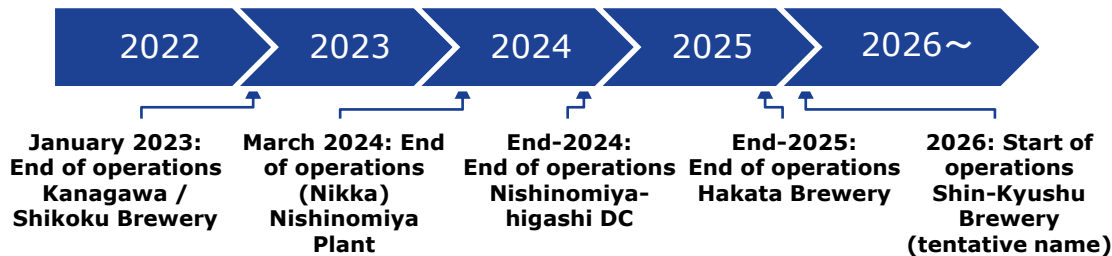
*Calculated after deducting 50% of outstanding subordinated debt (JPY 300 billion) from net debt.



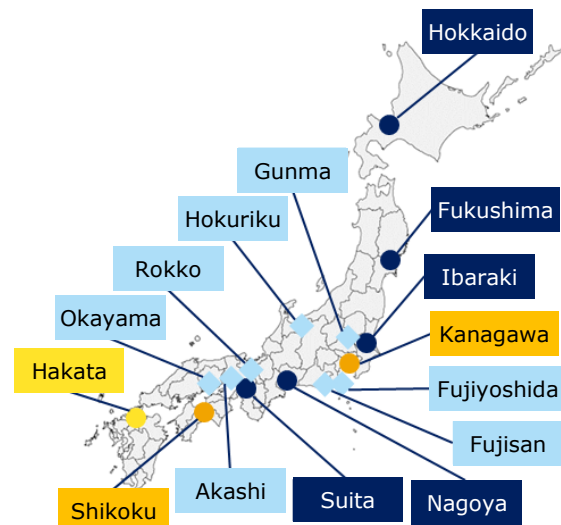
Restructuring of SCM in Japan

Restructuring of Supply Chain Management in Japan (Alcohol and Non-alcohol Beverages Businesses)

Building an optimal supply chain management system with initiatives spanning the Alcohol and Non-alcohol Beverages Businesses



Production System for Beer, Beer-type Beverages, and Soft Drinks



- : Breweries of Asahi Breweries, Ltd.
- : Of the above, those scheduled for end of operations
- : Of the above, those scheduled to be transferred
- ◆ : Factories of Asahi Soft Drinks Co., Ltd.

(1) Bolstering Environmental Responsiveness

⇒ Building a production system that can handle multiple product types and multiple container types

(2) Improving Cost Competitiveness

⇒ Optimizing production and distribution systems

(3) Bolstering Sustainability Strategy

⇒ Expanding and enhancing environment-friendly technologies and production facilities

<Cost Efficiency Benefits>

Approx. JPY 3 billion

- * Annual forecast for 2026 (compared to 2021)
- * After adjustment for increases in logistics costs, etc.
- * Beer-type only

<Environmental Target>

Carbon negative

- * In 2029
- * Target covers all Asahi Breweries operations

Overview of Shin-Kyushu Brewery (tentative name)



Operations scheduled to come online in 2026. Will feature next-generation production systems and operate as a model brewery for the Asahi Group

Bolstering Environmental Responsiveness

- Greater production range (expanded to 30 products from 10)
- Capacity for manufacturing RTD beverages, *Taruha! Club*, and soft drinks
- Capacity for manufacturing multiple types of containers

Improving Cost Competitiveness

- 50% reduction in energy consumption
- Productivity improvements with the installation of remote monitoring, automation, and other new technologies
- Improvements in overall cost efficiency, including distribution

Bolstering Sustainability Strategy

- Innovation in manufacturing methods and greater energy efficiency
- Installation of CO₂ recovery system and carbon recycling technology
- Installation of renewable energy facilities



*Rendering

- **The brewery will be carbon negative (on a stand-alone basis) in 2026.**
- **Best practices of this brewery will be introduced to the Group's other production bases.**



Business Overview for 2021 and Business Strategy for 2022

Revenue / Core Operating Profit (2021 Results)



| (JPY billion) | (Constant Currency Basis*) | | | | (Actual Currency Basis) | | | |
|--|----------------------------|--------------|--------------|---------------|-------------------------|--------------|--------------|--------------|
| | 2021 Results | Change | YoY | vs Forecast | 2021 Results | Change | YoY | vs Forecast |
| Alcohol Beverages Business | 722.1 | - 24.8 | - 3.3% | - 2.4 | 722.1 | - 24.8 | - 3.3% | - 2.4 |
| Non-alcohol Beverages Business | 357.8 | 4.4 | 1.3% | - 1.4 | 357.8 | 4.4 | 1.3% | - 1.4 |
| Food Business | 125.9 | 2.4 | 2.0% | 1.3 | 125.9 | 2.4 | 2.0% | 1.3 |
| Overseas Business | 933.2 | 140.2 | 17.7% | - 13.5 | 1,017.6 | 224.6 | 28.3% | - 9.0 |
| Europe Business | 445.1 | 34.0 | 8.3% | - 15.9 | 474.4 | 63.4 | 15.4% | - 15.4 |
| Oceania Business | 446.6 | 107.5 | 31.7% | 1.9 | 500.0 | 160.9 | 47.4% | 5.2 |
| Southeast Asia Business | 40.9 | - 0.7 | - 1.7% | 0.8 | 42.7 | 1.0 | 2.5% | 1.7 |
| Other / elimination | 0.6 | - 0.6 | - 50.7% | - 0.3 | 0.5 | - 0.7 | - 56.1% | - 0.4 |
| Other Business | 106.0 | 1.3 | 1.2% | 0.1 | 106.0 | 1.3 | 1.2% | 0.1 |
| Adjustment (corporate and elimination) | - 93.3 | 0.4 | - | 1.4 | - 93.3 | 0.4 | - | 1.4 |
| Revenue | 2,151.7 | 123.9 | 6.1% | - 14.4 | 2,236.1 | 208.3 | 10.3% | - 9.9 |
| Alcohol Beverages Business | 70.8 | - 12.2 | - 14.7% | 0.2 | 70.8 | - 12.2 | - 14.7% | 0.2 |
| Non-alcohol Beverages Business | 33.1 | 5.3 | 19.2% | 0.2 | 33.1 | 5.3 | 19.2% | 0.2 |
| Food Business | 11.4 | 0.5 | 4.1% | 0.1 | 11.4 | 0.5 | 4.1% | 0.1 |
| Overseas Business | 147.0 | 52.9 | 56.2% | 1.7 | 160.6 | 66.4 | 70.6% | 2.6 |
| Europe Business | 70.8 | 10.5 | 17.4% | 1.3 | 75.5 | 15.2 | 25.2% | 1.6 |
| Oceania Business | 74.2 | 41.2 | 125.1% | 0.1 | 83.1 | 50.1 | 152.0% | 0.6 |
| Southeast Asia Business | 0.4 | - 1.0 | - 71.6% | 0.2 | 0.4 | - 1.0 | - 70.4% | 0.3 |
| Other / elimination | 1.6 | 2.1 | - | 0.1 | 1.6 | 2.1 | - | 0.1 |
| Other Business | - 0.1 | 1.0 | - | 1.1 | - 0.1 | 1.0 | - | 1.1 |
| Adjustment (corporate and elimination) | - 26.7 | - 5.4 | - | - 0.1 | - 26.7 | - 5.4 | - | - 0.1 |
| Amortization of acquisition-related intangible assets | - 28.9 | - 3.4 | - | - 0.0 | - 31.1 | - 5.6 | - | - 0.1 |
| Core Operating Profit | 206.6 | 38.8 | 23.1% | 3.2 | 217.9 | 50.1 | 29.9% | 3.9 |

*Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year

<Constant Currency Basis>

- Revenue increased by 6.1% YoY in total mainly due to an increase in revenue in Overseas Business, reflecting the effect of the consolidation of CUB and a recovery in the on-premise demand, despite a decrease in revenue from Alcohol Beverages Business.
- Core Operating Profit increased 23.1% YoY due to improved profitability in Non-alcohol Beverages Business, improved mix and various cost reductions in Overseas Business, despite lower profit in Alcohol Beverages Business.

<Actual Currency Basis>

- Revenue increased by 10.3% YoY with the addition of the effect of yen depreciation (JPY +84.4 billion).
- Core Operating Profit increased by 29.9% YoY with the addition of the effect of yen depreciation (JPY +11.4 billion).

Revenue / Core Operating Profit (2022 Forecast)

| (JPY billion) | (Constant Currency Basis*) | | | (Actual Currency Basis) | | |
|---|----------------------------|--------------|--------------|-------------------------|--------------|--------------|
| | 2022 Forecast | Change | YoY | 2022 Forecast | Change | YoY |
| Japan | 1,331.6 | 112.2 | 9.2% | 1,331.6 | 112.2 | 9.2% |
| Europe | 565.2 | 90.8 | 19.1% | 554.0 | 79.6 | 16.8% |
| Oceania | 532.5 | 32.5 | 6.5% | 522.8 | 22.8 | 4.6% |
| Southeast Asia | 50.4 | 7.7 | 18.0% | 49.4 | 6.7 | 15.7% |
| Other | 6.3 | 0.3 | 4.9% | 6.2 | 0.2 | 3.2% |
| Adjustment (corporate and elimination) | - 13.9 | - 7.6 | - | - 13.9 | - 7.6 | - |
| Revenue | 2,472.0 | 235.9 | 10.5% | 2,450.0 | 213.9 | 9.6% |
| Japan | 111.4 | 7.9 | 7.6% | 111.4 | 7.9 | 7.6% |
| Europe | 79.7 | 4.2 | 5.6% | 78.2 | 2.7 | 3.5% |
| Oceania | 98.0 | 15.0 | 18.0% | 96.2 | 13.2 | 15.9% |
| Southeast Asia | 1.6 | 1.2 | 288.5% | 1.6 | 1.2 | 281.1% |
| Other | 0.9 | - 0.3 | - 25.1% | 0.9 | - 0.3 | - 25.3% |
| Adjustment (corporate and elimination) | - 17.7 | - 3.1 | - | - 17.7 | - 3.1 | - |
| Amortization of acquisition- related intangible assets | - 31.1 | - 0.0 | - | - 30.5 | 0.5 | - |
| Core Operating Profit | 242.8 | 24.9 | 11.4% | 240.0 | 22.1 | 10.1% |

*Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year

*The FX impact of Europe including the impact of converting the local currencies to Euro

<Constant Currency Basis>

- Revenue is expected to increase by 10.5% YoY due to a certain recovery in the on-premise channel, improvement in the channel mix, and continuation of the premium strategy.
- Core Operating Profit is expected to increase 11.4% YoY due to various mix improvements and strengthened cost management, despite higher raw material costs.

<Actual Currency Basis>

- Revenue is expected to increase 9.6% YoY despite the negative impact of yen appreciation (JPY -22.0 billion).
- Business profit is expected to increase 10.1% YoY despite the negative impact of yen appreciation (JPY -2.8 billion).

Operating Profit / Profit Attributable to Owners of Parent



| (JPY billion) | 2021 Results | Change | YoY | vs Forecast | 2022 Forecast | Change | YoY |
|--|-----------------|--------|--------|-------------|------------------|--------|---------|
| Revenue | 2,236.1 | 208.3 | 10.3% | - 9.9 | 2,450.0 | 213.9 | 9.6% |
| Core Operating Profit | 217.9 | 50.1 | 29.9% | 3.9 | 240.0 | 22.1 | 10.1% |
| Adjustment item | - 6.0 | 26.6 | - | - 3.5 | - 22.5 | - 16.5 | - |
| Gain (loss) on sales and retirement of non current assets | 31.1 | 29.2 | - | 1.7 | 6.0 | - 25.0 | - 80.6% |
| Business integration expenses | - 14.8 | - 5.9 | - | - 4.5 | - | 14.8 | - |
| Impairment loss | - 13.4 | - 4.6 | - | - 13.4 | - | 13.4 | - |
| Others | - 8.9 | 7.9 | - | 12.7 | - 28.5 | - 19.7 | - |
| Operating profit | 211.9 | 76.7 | 56.8% | 0.4 | 217.5 | 5.6 | 2.6% |
| Finance income or loss | - 9.8 | - 2.2 | - | 0.1 | - 10.3 | - 0.5 | - |
| Share of profit (loss) of investments accounted for using equity method | 0.7 | 0.4 | 141.0% | 0.4 | 0.4 | - 0.3 | - 41.9% |
| Gain (loss) on sales of investments accounted for using equity method | - | 2.3 | - | - | - | - | - |
| Others | - 2.9 | - 2.8 | - | 0.5 | - 2.1 | 0.9 | - |
| Profit before tax | 199.8 | 74.4 | 59.4% | 1.3 | 205.5 | 5.7 | 2.8% |
| Income tax expense | - 46.0 | - 13.2 | - | 4.0 | - 59.0 | - 13.0 | - |
| Profit | 153.8 | 61.2 | 66.1% | 5.3 | 146.5 | - 7.3 | - 4.8% |
| Profit attributable to owners of parent | 153.5 | 60.7 | 65.4% | 5.0 | 146.5 | - 7.0 | - 4.6% |
| Profit attributable to non-controlling interests | 0.3 | 0.6 | - | 0.3 | - | - 0.3 | - |
| Adjusted profit attributable to owners of parent* | - | - | - | - | 156.5 | 1.9 | 1.2% |

*Calculated from profit attributable to owners of parent excluding one-off special factors including business portfolio restructuring and impairment loss

*2022 forecast is adjusted on an after-tax basis for the loss of SCM restructuring in Japan. The YoY change for 2022 forecast is adjusted on an after-tax basis for the goodwill impairment in Europe and the lower tax expenses for restructuring in Southeast Asia in 2021 results.

<2021 Results>

- Operating profit increased by 56.8% YoY due to higher Core Operating Profit and gain on sales of non current assets, despite business integration expenses and impairment loss.
- Profit attributable to owners of parent increased by 65.4% YoY due to higher operating profit, despite higher financial loss and income tax expense.

<2022 Forecast>

- Operating profit is expected to increase by 2.6% YoY due to an increase in Core Operating Profit, despite expenses associated with SCM restructuring in Japan.
- Profit attributable to owners of parent is expected to decrease by 4.6% YoY due to an increase in income tax expense, despite an increase in operating profit.
- Adjusted profit attributable to owners of parent, excluding the loss on the SCM restructuring, etc., is expected to increase by 1.2% YoY.

Statement of Financial Position / Statement of Cash Flow



| (JPY billion) | 2021 Results | Change | YoY | vs Forecast | 2022 Forecast | Change | YoY |
|---|-----------------|-----------|---------|-------------|------------------|---------|--------|
| Total assets | 4,547.7 | 108.4 | 2.4% | 73.7 | 4,500.0 | - 47.7 | - 1.0% |
| Total equity | 1,759.1 | 241.3 | 15.9% | 83.1 | 1,770.0 | 10.9 | 0.6% |
| Interest-bearing debt | 1,596.2 | - 227.4 | - 12.5% | - 73.8 | 1,483.0 | - 113.2 | - 7.1% |
| Net DE ratio* | 0.73 | - 0.24 | - | - 0.08 | 0.67 | - 0.06 | - |
| Net Debt / EBITDA* | 4.24 | - 1.79 | - | - 0.24 | 3.64 | - 0.60 | - |
| (Reference) EBITDA | 328.5 | 59.1 | 21.9% | 0.5 | 352.5 | 24.0 | 7.3% |
| *Calculated after deducting 50% of outstanding subordinated debt (JPY 300 billion) from net debt | | | | | | | |
| Operating cash flow | 337.8 | 62.0 | - | 55.8 | 298.0 | - 39.8 | - |
| Investing cash flow | - 14.3 | 1,229.0 | - | 29.2 | - 83.0 | - 68.7 | - |
| Financing cash flow | - 320.3 | - 1,277.1 | - | - 83.3 | - 215.0 | 105.3 | - |
| Free cash flow | 319.1 | 122.3 | - | 98.6 | 215.0 | - 104.1 | - |
| Dividend per share (JPY) | 109 | 3 | - | - | 111 | 2 | - |
| Dividend payout ratio (%) | 36.0% | - 17.9% | - | - 1.2% | 38.4% | 2.4% | - |
| Adj. Dividend payout ratio (%)* | - | - | - | - | 35.9% | 0.2% | - |

*Calculated based on adjusted profit attributable to owners of parent

<2021 Results>

- B/S: Total assets increased by JPY 108.4 billion from the end of the previous year mainly due to an increase in goodwill and intangible assets resulting from yen depreciation.
- B/S: Interest-bearing debt decreased by JPY 227.4 billion due to increase in Core Operating Profit and measures to expand cash flow.
- C/F and Dividend: Generated cash through profit generation, reduction of working capital, and sales of non-operating assets, and increased annual dividend by 3 yen per share.

<2022 Forecast>

- B/S: Repay more than JPY 110.0 billion of interest-bearing debt by enhancing cash generating capability, and lower Net Debt/EBITDA to about 3.6 times.
- C/F and Dividend: Generate free cash flow of JPY 215.0 billion through profit generation and sales of non-operating assets, and increase annual dividend by 2 yen per share.

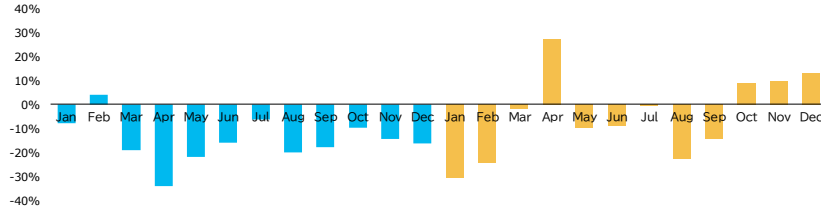
Sales Trend by Region



Alcohol Beverages (Japan)

*Value basis (Beer-type Beverages total)

2021 Revenue: -4% YoY

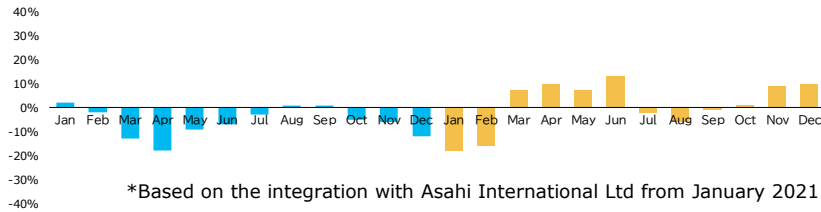


- The on-premise market was sluggish in the January through March period due to declaration of further states of emergency in some regions.
- Sales improved in April partly due to impact of launch of *Asahi Super Dry Nama Jokki Can*, but further states of emergency meant bars and restaurants in some regions refrained from serving alcohol.
- States of emergency were lifted in some regions in June, but declared again in July.
- All states of emergency were lifted completely in October and bars and restaurants began serving alcohol again.

Europe

*Volume basis (Alcohol Beverages total)

2021 Volume: +2% YoY

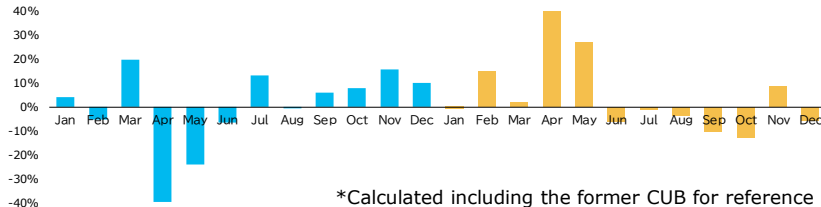


- At the beginning of 2021, sales volume was affected by restrictions related to COVID-19. Situation in March 2021 vs. March 2020 improved with business adapting well to the new trading environment, still, results were affected by restrictions imposed.
- Re-opening of On Trade operations since April/May was allowed through loosened COVID restrictions.
- In July/August, the peak season, demand impacted primarily due by poor weather conditions across key markets.
- Since November restrictions were again tightened, however, positive trend vs. 2020 was continued, rebalancing volume between On Trade and Off Trade channel.

Australia

*Volume basis (Alcohol Beverages total)

2021 Volume:
low single-digit growth YoY



- There was a sharp increase in April and May 2021 reflecting a rebound from the year-earlier lockdown
- Lockdowns were imposed in Sydney and Melbourne in the Jul-Sep period and bars and restaurants were closed with the exception of take out services, etc.
- Owing to the rising vaccination rate, the lockdowns in Sydney and Melbourne were lifted in October and bars and restaurants reopened. Restrictions were subsequently gradually eased and almost completely lifted for fully vaccinated people.

Japan: Overview and Direction



| (JPY billion) | 2021 Results | Change | YoY | vs Forecast | 2022 Forecast | Change | YoY |
|---------------|--------------|--------|--------|-------------|---------------|--------|------|
| Revenue | 1,205.8 | - 18.0 | - 1.5% | - 2.5 | 1,331.6 | 112.2 | 9.2% |
| Core OP | 115.3 | - 6.4 | - 5.3% | 0.5 | 111.4 | 7.9 | 7.6% |



<Overview for 2021>

Alcohol Beverages Business: Strong marketing investment in core brands and growing categories, development of new containers, and creation of new markets

Non-alcohol Beverages Business: Product mix improvement owing to core brand selection and concentration and better cost efficiency due to higher in-house production ratio

Food Business: Solidification of category portfolio, and stronger new value propositions to respond to changes in consumer needs



<Direction for 2022>

Alcohol Beverages Business: Reinforce our strengths in growing markets, further expand sales in new markets, and advance fundamental profit structure reforms

Non-alcohol Beverages Business: Further improve product mix by bolstering strengths and propose new value in anticipation of changes in demand

Food Business: Improve earnings through expanding sales, build a new platform for growth, and streamline costs by optimizing inventory levels



Japan (Alcohol Beverages Business): Beer Initiatives



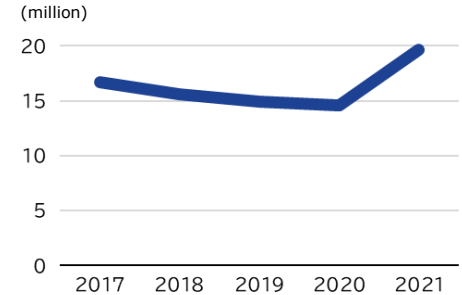
Asahi Super Dry

- First full renewal in 36 years since launch



- Asahi Super Dry Nama Jokki Can production capacity boosted fourfold YoY

- Sharp increase in buyers of canned Asahi Super Dry



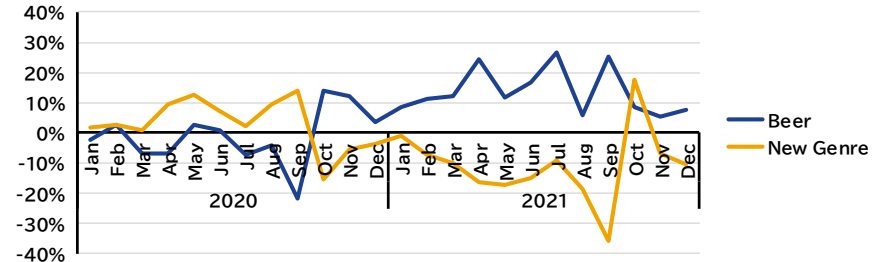
Source: Asahi estimates

Asahi Nama Beer "Maru F"

- Established as second beer brand



Reference: YoY sales of canned beer and canned new genre products (Market)



Source: Intage SRI+ data for canned beer and canned new genre product markets

Estimated YoY sales volume for Jan 2020-Dec 2021

Seven channels: supermarkets, convenience stores, discount liquor stores, home improvement stores, drugstores, general liquor stores, and wholesale liquor stores

- **Bolstering initiatives aimed at further expanding the newly created minimal alcohol market**

- Enhancing communication aimed at people who do not, or cannot, drink alcohol (joint venture company, Smart Drinking Co., Ltd., established by Asahi Breweries and Dentsu Digital)

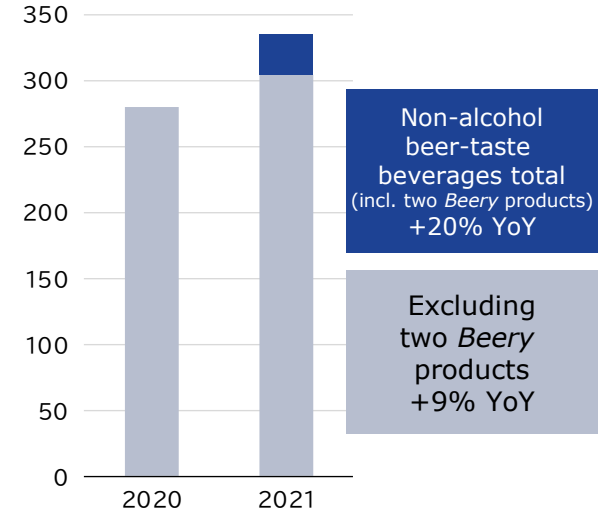


- Further expanding product portfolio
- Strengthening rollout in both off-premise and on-premise markets



Reference:

Estimated market Value of non-alcohol beer-taste beverages and minimal alcohol beverages (2nd half 2021)



Source: Intage SRI+
 Five channels: supermarkets, convenience stores, discount liquor stores, drugstores, and home improvement stores
 Estimated sales for non-alcohol beer-taste beverages market
 Unit: 100 million yen
 Period: July through December 2020 and 2021

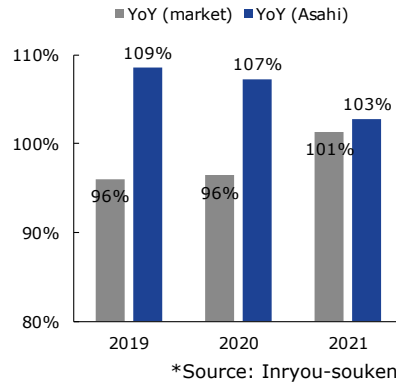
Japan (Non-alcohol Beverages Business): Main Initiatives



● Carbonated soft drinks initiatives

Record-high sales volume for both *Mitsuya* and *Wilkinson*

Mitsuya *Wilkinson*
+2% **+5%**
 2021 YoY
 (volume basis)



Launching new refreshing products to cater to changing demand



+5.5% 2022 Forecast
 (volume basis)



● Responding to rising health consciousness and stay-at-home demand

Strengthening product portfolio to meet growing health-related needs during the COVID-19 pandemic

Todoku Tsuyosa no Nyusankin W
+25%
 2021 YoY
 (volume basis)



Juroku-cha
+3%
 2021 YoY
 (volume basis)



Further expanding range of label-less products with the use of cutting-edge technology

Label-less E-commerce channel
+206% **+27%**
 2021 YoY
 (volume basis)



Japan (Food Business): Main Initiatives



● Initiatives aimed at a *Mintia* sales recovery

- Enhancing the product's intrinsic value of instant refreshment
- Broadening product range to cater to new consumption scenarios



● Creating new value in core categories as people embrace the “new normal”

Ippon Manzoku Bar



+16%

2021 YoY
(value basis)



Dear-Natura



+14%

2021 YoY
(value basis)

Amano Foods (miso soup)



+11%

2021 YoY
(value basis)

Europe: Overview and Direction



| (JPY billion) | 2021 Results | Change | YoY | vs Forecast | 2022 Forecast | Change | YoY |
|---------------|--------------|--------|-------|-------------|---------------|--------|-------|
| Revenue | 445.1 | 34.0 | 8.3% | - 15.9 | 565.2 | 90.8 | 19.1% |
| Core OP | 70.8 | 10.5 | 17.4% | 1.3 | 79.7 | 4.2 | 5.6% |

*constant currency basis (based on previous year's FX rates)

<Overview for 2021>

- The On Trade recovery, coupled with the continuing premiumization strategy, has lifted top line performance and profitability
- Challenge: Create growing categories in response to changes in consumer needs and reform earnings structure to address cost

<Direction for 2022>

- Price and cost management which the European business has a track record of executing successfully, will be the key to tackle significant cost increases
- Strategy for top line lead growth remains with continued On Trade recovery, innovations and disproportionate growth expected to come in segments such as NAB, FNAB or Flavoured beer



Europe: Overview and Main Initiatives

| (Khl/million Euro) | 2021 | YoY*2 | Against Target*3 | 2022 (E) | YoY*2 |
|----------------------------|--------|-------|------------------|----------|-------|
| Sales Volume | 41,262 | 2% | -3% | 44,812 | 9% |
| Net Sales (exc liquor tax) | 2,936 | 9% | -3% | 3,446 | 18% |
| Core OP*1 | 581 | 16% | 1% | 608 | 6% |

<Overview by Channel>

| | 2021 | | |
|--------------------------------------|-------------|------------|-------|
| | Off-premise | On-premise | Total |
| YoY(volume basis) - low single digit | +10-15% | +2% | +2% |

*Excluding the impact of currency translation of local currencies into Euro

*1 Core OP before deduction of one-off cost

*2 Comparison in FX rate of the same period of the previous year

*3 Comparison in budget FX rate

● Initiatives for Premium Beer Brands



<Poland>

- Continuation of success with Koziel, >25% growth YoY
- Launch of Flavoured RTD Hardmade in 2021, combined with growth of Captain Jack, sees >100% growth in Flavoured category

<Romania>

- Peroni Nastro Azzurro continues strong performance, with three year CAGR >50%

<United Kingdom>

- Piccadilly Circus Lights helps drive Peroni Nastro Azzurro grow >30% and gain share
- Asahi Super Dry continues momentum +>60% outperforming the market



● Initiatives for NAB

YoY in 2021
(volume basis)

+8%

Composition

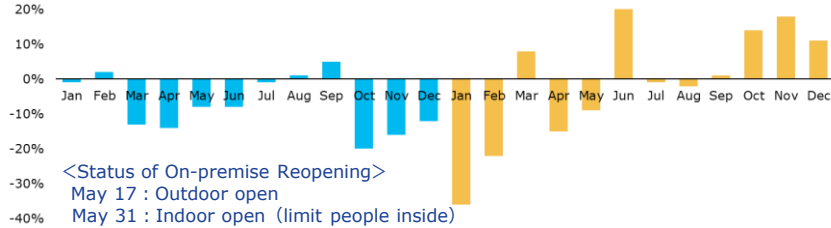
Approx. 5%



Sales Trend in Major Countries (Europe)

Czech

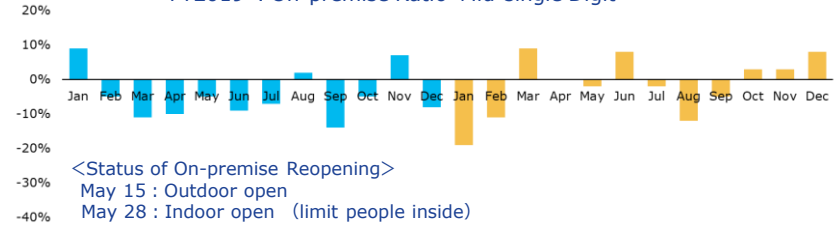
2021 : Sales Volume -1%
FY2019 : On-premise Ratio approx.40%



- On-premise: In Q4, volume increased as the demand partially recovered comparing to severe COVID restrictions in 2020. It also exceeded the previous year's level from a full year perspective.
- Off-premise: In Q4, volume decreased partially due to a shift in demand to On-premise, and it was lower than the previous year's level on full year basis, although premiumization continued.

Poland

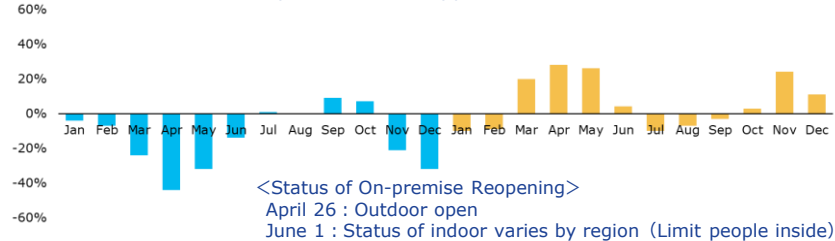
2021 : Sales Volume -2%
FY2019 : On-premise Ratio Mid-single Digit



- On-premise: In Q4, volume increased as the demand partially recovered comparing to severe COVID restrictions in 2020. It also exceeded the previous year's level from a full year perspective.
- Off-premise: In Q4, volume decreased, reflecting the full year trend, however premiumization continued

Italy

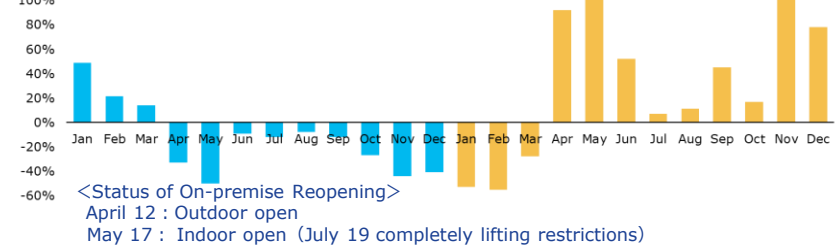
2021 : Sales Volume +3%
FY2019 : On-premise Ratio approx.40%



- On-premise: In Q4, volume increased as the demand partially recovered comparing to severe COVID restrictions in 2020. It also exceeded the previous year's level from a full year perspective.
- Off-premise: In Q4, volume decreased partially due to a shift in demand to On-premise, but improved on the previous year's level on full year basis and the premiumization trend continued.

UK

2021 : Sales Volume +26%
FY2019 : On-premise Ratio approx.60%



- On-premise: In Q4, volume increased materially as the demand partially recovered comparing to severe COVID restrictions in 2020. It also exceeded the previous year's level from a full year perspective.
- Off-premise: Despite the shift in demand to On-premise in Q4, sales volume increased thanks to premium brands performance. Full year volume was also higher than the previous year

Oceania: Overview and Direction



| (JPY billion) | 2021 Results | Change | YoY | vs Forecast | 2022 Forecast | Change | YoY |
|---------------|--------------|--------|--------|-------------|---------------|--------|-------|
| Revenue | 446.6 | 107.5 | 31.7% | 1.9 | 532.5 | 32.5 | 6.5% |
| Core OP | 74.2 | 41.2 | 125.1% | 0.1 | 98.0 | 15.0 | 18.0% |

*constant currency basis (based on previous year's FX rates)



<Overview for 2021>

- Strengthen our competitive advantage by enhancing brand value and creating integration growth synergies, particularly for our core brands
- Challenge: Expansion of our presence in the craft beer market and optimizing SCM to respond to a changing environment

<Direction for 2022>

- Promote multi-beverage strategy including Revenue Growth Management and create integration growth synergies
- Creation of new revenue opportunities by strengthening investment in growing categories such as non-alcohol beer



Oceania: Overview and Main Initiatives

| (million AUD) | 2021 Results | YoY *3 | vs Forecast | 2022 Forecast | YoY |
|-------------------------------|--------------|--------|-------------|---------------|-----|
| Alcohol Beverages *1 | 2,966 | 41% | 0% | 3,185 | 7% |
| Non-alcohol Beverages *1 | 1,185 | 7% | 1% | 1,248 | 5% |
| Net Sales (exc liquor tax) *1 | 4,150 | 29% | 0% | 4,433 | 7% |
| Core Operating Profit *2 | 1,037 | 73% | 0% | 1,188 | 15% |

*1 Based on net sales value excluding container deposite

*2 Core OP before deduction of one-off cost

*3 Figures for the prev. year of the former CUB reflect from Jun to Dec 2020 results after the acquisition.

<Australian Alcohol Beverages: Overview by Channel>

| (YoY) | 2021 Results | | |
|--------------|-------------------|-------------|-------------------|
| | Off-premise | On-premise | Total |
| Sales Volume | -Low single digit | +Approx 20% | +Low single digit |

* Sales Volume (Total) 2022 Forecast: +3%

* Calculated based on the prev. year's results including the former CUB.

● Expansion of Contemporary Beer

[Growth comparison in 2021*]

Beer
Market*

+2%

Great
Northern^

+12%



Great Northern
Super Crisp

Jan-Nov 2021

Source: *Jan-Nov 2021 Australian Taxation Office, volume basis, YoY

^Jan-Nov 2021 YOY sales volume growth

● Integration Synergies

• Strengthen *Super Dry* and *Peroni*

Sales Volume **+6%**

* Average of the 2 brands, YoY

• Expansion of Non-alcohol Beverages sales in the on-premise channel of Alcohol Beverages

Number of Outlets (YoY) **approx. +90%**

• Expand local production of *Super Dry* and *Peroni* (from 2021)



Southeast Asia: Overview and Direction

| (JPY billion) | 2021 Results | Change | YoY | vs Forecast | 2022 Forecast | Change | YoY |
|---------------|--------------|--------|---------|-------------|---------------|--------|--------|
| Revenue | 40.9 | - 0.7 | - 1.7% | 0.8 | 50.4 | 7.7 | 18.0% |
| Core OP | 0.4 | - 1.0 | - 71.6% | 0.2 | 1.6 | 1.2 | 288.5% |

*constant currency basis (based on previous year's FX rates)



<Overview for 2021>

- Product mix improvement owing to brand strategies etc. that are responsive to changes in markets, with focus on Malaysia
- Challenges: the establishment of a high value-added brand portfolio to counter various different cost increases, as well as the optimization of distribution

<Direction for 2022>

- Stronger rollout of high value-added products centering on own brands and expansion of sites for installation of vending machines
- Concentrated investment in core brands, as well as execution of measures to boost production line capacity utilization rates, plus streamlining of distribution



Sustainability: Initiatives in Key Areas of Focus



Respond to climate change

Asahi Carbon Zero



Europe (Czechia)

- Conclusion of a long-term green heat supply contract for the Pilsner Urquell brewery
- The brewery is now using green heat in the manufacturing process



Oceania

- Installation of Australia's biggest brewery solar project at the Yatala Brewery in the state of Queensland
- Australia's most iconic beer, Victoria Bitter, is proudly brewed with 100% offset solar electricity



Respond to plastic issue

3R+Innovation

Japan

- Recycled plastic through chemical recycling will be used for 100% of the plastic for some types of large PET bottles from April 2022.
- Approximately 40% of annual large PET bottle production volume at Asahi Soft Drinks will use this recovered PET plastic



Oceania

- The formation of a cross-industry joint venture, including with a competitor and other leaders in recycling and the circular economy, to build two PET recycling plants in Australia
- The rPET facilities, will be the largest in Australia, and will recycle the equivalent of 2 billion PET bottles each year
 - Plant 1: Completion in early 2022
 - Plant 2: Completion in 2023

Sustainability: Initiatives in Key Areas of Focus



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



Europe (Czechia)

- The “For Hops” project to support hop farmers kicked off in collaboration with Microsoft and other companies
- The project aims to harness cutting-edge technologies to establish efficient irrigation systems



Reduction in inappropriate drinking / Solution of social issues through creation of new drinking opportunities



Japan

- A joint venture company, Smart Drinking Co., Ltd., was set up between Asahi Breweries and Dentsu Digital
- The joint venture will leverage IT to promote smart drinking and greater diversity of drinking styles

RE:CONNECTION



Southeast Asia

- Vending machines being leased for free for 3-month periods to small and medium-sized local businesses impacted by COVID-19
- Initiative drew a big media response, we increased our social media followers, and received enquiries from many small and medium-sized businesses

Responsible Drinking Ambassador



Europe (Italy)

- Three tanks with the capacity to store up to 2,000 hectoliters of non-alcohol beer installed together with a new de-alcoholization facility
- Investment to expand the non-alcohol beverages portfolio is being increased

Reference

| (JPY billion) | 2021 Results | Change | YoY | vs Forecast | 2022 Forecast | Change | YoY |
|---------------------------------------|-----------------|---------------|----------------|--------------|------------------|--------------|--------------|
| Asahi Breweries Revenue | 720.5 | - 24.8 | - 3.3% | - 2.4 | - | - | - |
| Other/elimination in segment | 1.7 | - 0.1 | - 4.0% | 0.0 | - | - | - |
| Alcohol Beverages Business | 722.1 | - 24.8 | - 3.3% | - 2.4 | 809.3 | 87.1 | 12.1% |
| Asahi Soft Drinks | 357.8 | 4.4 | 1.3% | - 1.4 | - | - | - |
| Other/elimination in segment | - | - | - | - | - | - | - |
| Non-alcohol Beverages Business | 357.8 | 4.4 | 1.3% | - 1.4 | 373.9 | 16.1 | 4.5% |
| Asahi Group Foods | 125.5 | 2.3 | 1.9% | 1.2 | - | - | - |
| Other/elimination in segment | 0.4 | 0.1 | 46.5% | 0.0 | - | - | - |
| Food Business | 125.9 | 2.4 | 2.0% | 1.3 | 127.7 | 1.8 | 1.4% |
| Other/elimination in segment | - | - | - | - | 20.7 | 7.1 | 52.7% |
| Revenue | - | - | - | - | 1,331.6 | 112.2 | 9.2% |
| Asahi Breweries Revenue | 70.4 | - 12.3 | - 14.9% | - 0.0 | - | - | - |
| Other/elimination in segment | 0.3 | 0.1 | 45.0% | 0.2 | - | - | - |
| Alcohol Beverages Business | 70.8 | - 12.2 | - 14.7% | 0.2 | 78.0 | 7.2 | 10.2% |
| Asahi Soft Drinks | 33.1 | 5.3 | 19.2% | 0.2 | - | - | - |
| Other/elimination in segment | - | - | - | - | - | - | - |
| Non-alcohol Beverages Business | 33.1 | 5.3 | 19.2% | 0.2 | 33.2 | 0.1 | 0.2% |
| Asahi Group Foods | 11.3 | 0.4 | 3.9% | 0.1 | - | - | - |
| Other/elimination in segment | 0.1 | 0.0 | 23.0% | 0.0 | - | - | - |
| Food Business | 11.4 | 0.5 | 4.1% | 0.1 | 12.3 | 0.9 | 7.4% |
| Other/elimination in segment | - | - | - | - | △ 12.1 | - 0.2 | - |
| Core Operating Profit | - | - | - | - | 111.4 | 7.9 | 7.6% |

< 2021 Results: Core Operating Profit >

- Alcohol Beverages: Profit declined by 14.7% YoY due to the impact of lower sales and increased advertising and sales promotion expenses, despite efforts to improve cost efficiency.
- Non-alcohol Beverages: Profit increased by 19.2% YoY due to higher sales, improved mix and cost efficiency, etc.
- Food: Profit increased by 4.1% YoY due to higher sales and improved efficiency in advertising and sales promotion expenses, etc.

< 2022 Forecast: Core Operating Profit >

- Alcohol Beverages: Profit increase by 10.2% YoY, mainly due to higher sales, despite rising costs such as raw materials, advertising and sales promotion expenses.
- Non-alcohol Beverages: Profit increase by 0.2% YoY due to sales increase and effect of in-house production, despite rising costs for raw materials, etc.
- Food: Profit increase by 7.4% YoY, due to higher revenue and more efficient use of advertising and sales promotion expenses, despite rising costs for raw materials, etc.

Japan (Alcohol Beverages: Revenue / Sales Volume)



| (JPY billion) *Before rebate deduction | 2021 Results | Change | YoY | vs Forecast |
|---|-----------------|--------|---------|-------------|
| Beer-type beverages | 538.7 | - 22.6 | - 4.0% | - 5.4 |
| Whiskey and spirits | 49.4 | - 3.2 | - 6.0% | 2.0 |
| RTD low-alcohol beverages | 36.8 | - 9.4 | - 20.4% | - 1.3 |
| Wine | 42.6 | 2.4 | 6.0% | 1.6 |
| Shochu | 20.6 | - 2.8 | - 11.9% | 0.3 |
| Non-alcohol Beer/RTD | 40.3 | 8.2 | 25.7% | - 0.5 |

| 2022 Forecast | Change | YoY |
|------------------|--------|--------|
| 602.0 | 63.6 | 11.8% |
| 53.0 | 3.6 | 7.3% |
| 51.0 | 14.2 | 38.4% |
| 42.2 | - 0.4 | - 0.9% |
| 19.0 | - 1.6 | - 7.6% |
| 50.5 | 10.2 | 25.2% |

| (Million of cases) | 2021 Results | Change | YoY | vs Forecast |
|--------------------|-----------------|--------|---------|-------------|
| Super Dry | 60.82 | - 4.35 | - 6.7% | - 0.18 |
| Style Free | 12.46 | 0.81 | 7.0% | - 0.04 |
| Clear Asahi | 15.47 | - 2.20 | - 12.5% | - 0.03 |

| 2022 Forecast | Change | YoY |
|------------------|--------|--------|
| 70.70 | 9.88 | 16.2% |
| 13.00 | 0.54 | 4.3% |
| 15.00 | - 0.47 | - 3.0% |

| (YoY) *Volume basis | 2021 Results | | |
|------------------------|--------------|------|------|
| | Bottle | Can | Keg |
| Beer-type beverages | -28% | +1% | -27% |
| Beer | -28% | +11% | -26% |

| (YoY) *Volume basis | (Ref.) Beer-type Market | |
|---------------------------|-------------------------|-------------|
| | 2021 | 2022 |
| Beer-type | Approx. -5% | Approx. +3% |
| Beer | -1~-2% | +11~12% |
| Happoshu | Approx. +3% | 0~-1% |
| New Genre | Approx. -11% | -4~-5% |

<2021 Results>

- Beer-type beverages: Revenue decreased by 4.0% YoY due to a decrease in demand for the on-premise channel and celebratory occasions, as well as a contraction in the new-genre market.
- Revenue increased in wine due to strong performance by Enoteca, also revenue increased in non-alcohol beer/RTD due to strong sales of *Dry Zero* and the effect of the launch of minimal alcohol products.

<2022 Forecast>

- Beer-type beverages: Revenue increase by 11.8% YoY due to full renewal of *SUPER DRY* and sales expansion of *ASAHI Nama Beer* in addition to the recovery of the on-premise channel.
- Revenue increase in RTDs due to strengthened development of products with new value propositions, also revenue increase in non-alcohol beer/RTD due to expansion of the minimal alcohol category.

Japan (Alcohol Beverages: Details of Changes in Profit)



| (JPY billion) | 2021 Results | Change | YoY | vs Forecast | 2022 Forecast | Change | YoY |
|---|-----------------|--------|---------|-------------|------------------|--------|-------|
| Change in sales, category and container mix | - | - 1.7 | | - 1.0 | - | 34.3 | |
| Cost reduction in manufacturing | - | 2.8 | | 0.0 | - | 1.3 | |
| Cost increase in manufacturing | - | - 2.6 | | 0.0 | - | - 9.4 | |
| Advertisement and Sales promotion expenses | - | - 11.5 | | 0.5 | - | - 12.2 | |
| Other expenses | - | 0.5 | | 0.4 | - | - 6.8 | |
| Asahi Breweries | 70.4 | - 12.3 | - 14.9% | - 0.0 | 77.6 | 7.2 | 10.2% |
| Other/elimination in segment | 0.3 | 0.1 | 45.0% | 0.2 | 0.4 | 0.0 | 12.1% |
| Core Operating Profit | 70.8 | - 12.2 | - 14.7% | 0.2 | 78.0 | 7.2 | 10.2% |

<2021: Factors Contributing to Increase/Decrease>

- Change in sales and others: -1.7 (Sales volume decrease in beer-type -10.1, Sales increase in other alcohol beverages +2.1, Change in category and container mix and etc.)
- Cost reduction in manufacturing: +2.8 (Raw materials +0.8, Other than beer-typed +0.7, Disposal +0.5, etc.)
- Cost increase in manufacturing: -2.6 (Raw materials -1.5, In other than beer -0.2, Transportation -0.7, etc.)
- Increase in sales promotion expenses: -11.5 (Advertisement -12.8, Promotion +1.3) (Beer-type -6.7, Other -4.8)

<2022 Forecast: Factors Contributing to Increase/Decrease>

- Change in sales and others: +34.3 (Sales volume increase in beer-type +23.3, Sales increase in other alcohol beverages +14.2, Change in category and container mix and etc.)
- Cost reduction in manufacturing: +1.3 (Other than beer-type +0.7, Transportation +0.4, etc.)
- Cost increase in manufacturing: -9.4 (Raw materials -7.3, In other than beer -0.6, Transportation -1.2, and etc.)
- Increase in sales promotion expenses: -12.2 (Advertisement -8.3, Promotion expenses -3.9) (Beer-type -8.3, Other -3.9)

<2021 Results>

- Profit decreased by 14.7% YoY, mainly due to the impact of lower sales and increased advertising and sales promotion expenses invested mostly in the beer and minimal alcohol categories, despite efforts to reduce variable costs and improve efficiency of other expenses.

<2022 Forecast>

- Profit increase by 10.2% YoY due to higher sales mainly of beer, despite higher variable costs mainly in raw materials and rising advertising, sales promotion and other expenses.

Japan (Non-alcohol Beverages: Sales Volume)

| (Millions of cases) | 2021 Results | Change | YoY | vs Forecast |
|---------------------|--------------|--------|--------|-------------|
| Carbonated drinks | 80.32 | 2.11 | 2.7% | - 0.78 |
| Lactic acid drinks | 42.18 | - 1.61 | - 3.7% | - 0.57 |
| Coffee | 35.38 | - 0.08 | - 0.2% | - 0.47 |
| Tea | 37.16 | 2.10 | 6.0% | 1.01 |
| Mineral Water | 15.58 | - 0.89 | - 5.4% | 0.13 |
| Fruit juice | 14.56 | 0.22 | 1.6% | 0.41 |
| Other drinks | 25.51 | 0.15 | 0.6% | 0.31 |
| Sales Volume | 250.68 | 2.01 | 0.8% | 0.03 |

| (JPY billion) | 2021 Results | Change | YoY | vs Forecast |
|---------------|--------------|--------|------|-------------|
| Revenue | 357.8 | 4.4 | 1.3% | - 1.4 |

| | (YoY) *Volume basis | By channel 2021 Results | | (YoY) *Volume basis | By container 2021 Results |
|-----|---------------------------|-------------------------------|-----------|---------------------------|---------------------------------|
| | Vending machine | 0.6% | | | Can |
| CVS | - 1.2% | | PET total | 2.0% | |
| SM | - 1.2% | | Large PET | - 4.1% | |
| | | | Small PET | 5.3% | |

| 2022 Forecast | Change | YoY |
|---------------|--------|--------|
| 84.51 | 4.19 | 5.2% |
| 43.11 | 0.93 | 2.2% |
| 35.22 | - 0.16 | - 0.5% |
| 38.92 | 1.76 | 4.7% |
| 16.70 | 1.12 | 7.2% |
| 13.74 | - 0.82 | - 5.6% |
| 31.30 | 5.80 | 22.8% |
| 263.50 | 12.82 | 5.1% |

| 2022 Forecast | Change | YoY |
|---------------|--------|------|
| 373.9 | 16.1 | 4.5% |

| (YoY) *Volume basis | (Ref) Market | |
|---------------------------|--------------|------------|
| | 2021 | 2022 |
| Total | Approx. 1% | Approx. 2% |

<2021 Results>

- The market has recovered from COVID-19, but the sales increase was about 1% YoY due to poor weather conditions at the peak of the period.
- Our sales volume increased by 0.8% YoY due to strong sales of carbonated drinks, tea drinks, and fruit drinks, despite a decrease in sales of lactic acid drinks and mineral water.

<2022 Forecast>

- The market is expected to grow by 2% YoY, mainly due to the gradual recovery from the COVID-19.
- Our sales volume is expected to increase by 5.1% YoY due to the renewal of main brands and the active launch of new products in the sugar-free category.

Japan (Non-alcohol Beverages: Details of Changes in Profit)

| (JPY billion) | 2021 Results | Change | YoY | vs Forecast | 2022 Forecast | Change | YoY |
|---|-----------------|------------|--------------|-------------|------------------|------------|-------------|
| Change in sales, category and container mix | - | 5.2 | | - 0.5 | - | 8.1 | |
| Cost reduction in manufacturing | - | 3.2 | | 0.2 | - | 1.5 | |
| Cost increase in manufacturing | - | - 0.7 | | 0.1 | - | - 6.9 | |
| Advertisement and Sales promotion expenses | - | - 0.6 | | 0.3 | - | - 0.6 | |
| Other expenses | - | - 1.8 | | - | - | - 2.0 | |
| Asahi Soft Drinks | 33.1 | 5.3 | 19.2% | 0.1 | 33.2 | 0.1 | 0.2% |
| Other/elimination in segment | - | - | - | - | - | - | - |
| Core Operating Profit | 33.1 | 5.3 | 19.2% | 0.1 | 33.2 | 0.1 | 0.2% |

<2021: Factors Contributing to Increase/Decrease>

- Change in sales and others: +5.2 (Sales volume increase +4.3, Change in category and container mix, etc.)
- Cost reduction in manufacturing: +3.2 (Raw materials +0.3, Packages +2.0, Operational efficiency / in-house production +0.9 and etc.)
- Cost increase in manufacturing: -0.7 (Raw materials -0.1, Packages -0.6, etc.)
- Change in sales promotion expenses: -0.6 (Advertisement -0.4, Promotion expense -0.2)

<2022 Forecast: Factors Contributing to Increase/Decrease>

- Change in sales and others: +8.1 (Increase in sales volume +7.9, Change in category and container mix, etc.)
- Cost reduction in manufacturing: +1.5 (Raw materials +0.3, Packages +0.7, Operational efficiency / in-house production +0.5 and etc.)
- Cost increase in manufacturing: -6.9 (Raw materials -3.2, Packages -3.7 and etc.)
- Change in sales promotion expenses: -0.6 (Advertisement -0.1, Promotion expenses -0.5)

<2021 Results>

- Profit increased by 19.2% YoY due to the effect of higher sales, including increased volume and improved unit price, as well as improvements in various mixes (category, container, channel) and in-house manufacturing ratio.

<2022 Forecast>

- Profit increased by 0.2% YoY due to the impact of a significant increase in raw material costs, despite efforts to improve capacity utilization and review the procurement of some raw materials, in addition to the effect of increased sales and various mix improvements.

(Reference) FX Impact



<FX Impact on P/L (Results and Forecast)>

| (JPY billion) | Currency | 2021 Results | 2022 Forecast |
|-----------------------------------|----------|-----------------|------------------|
| Europe | Euro | 29.3 | - 11.2 |
| Oceania | AUD | 53.4 | - 9.7 |
| Southeast Asia | - | 1.8 | - 1.0 |
| Others | - | - 0.1 | - 0.1 |
| Revenue | | 84.4 | - 22.0 |
| Europe | Euro | 4.7 | - 1.6 |
| Oceania | AUD | 8.9 | - 1.8 |
| Southeast Asia | - | 0.0 | - 0.0 |
| Others | - | - 0.0 | - 0.0 |
| Amortization of intangible assets | - | - 2.2 | 0.6 |
| Core Operating Profit | | 11.4 | - 2.8 |

* The FX impact of Europe in 2022 forecast includes the impact of converting the local currencies to Euro.

<Impact of 1 yen change (full year)>

| (JPY billion) | Assumption | Revenue | Core OP |
|---------------|------------|---------|---------|
| Euro | 128.5 | ±4.3 | ±0.6 |
| AUD | 81.0 | ±6.5 | ±1.2 |

* Impact of 1 yen change (full year)

* The above figures do not include the effect of exchange rates on amortization of intangible assets.

* FX impact = The impact of converting local currency results into yen (excluding trade impact)

<Exchange Rate Trends>

| (JPY) | 2019 | 2020 | 2021 |
|-------|-------|-------|-------|
| Euro | 122.0 | 121.9 | 129.9 |
| AUD | 75.8 | 73.7 | 82.5 |



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