

Financial Results Presentation for H1 2020

**H1 2020 Summary
2020 Forecast**



August 2020

1H Result Overview

◆ Revenue down 11%, core operating profit down 41% due to the COVID-19 pandemic

- Alcohol Beverage Business on-premise demand contracted in Japan and overseas, sales for vending machines in Soft Drinks Business and sales of *Mintia* in Food Business were weak.

⇒ The negative impact on the Group's "strength" has expanded due to changes in the market structure caused by the COVID-19 pandemic.

◆ Acquisition of Australian beer business expands "glocal" foundation for growth

- Completed acquisition of CUB business in Australia on June 1; to commence integration project to generate synergies

⇒ Cash generation and financial soundness will be our issues in light of the large-scale acquisition under the COVID-19 pandemic.

Future Direction

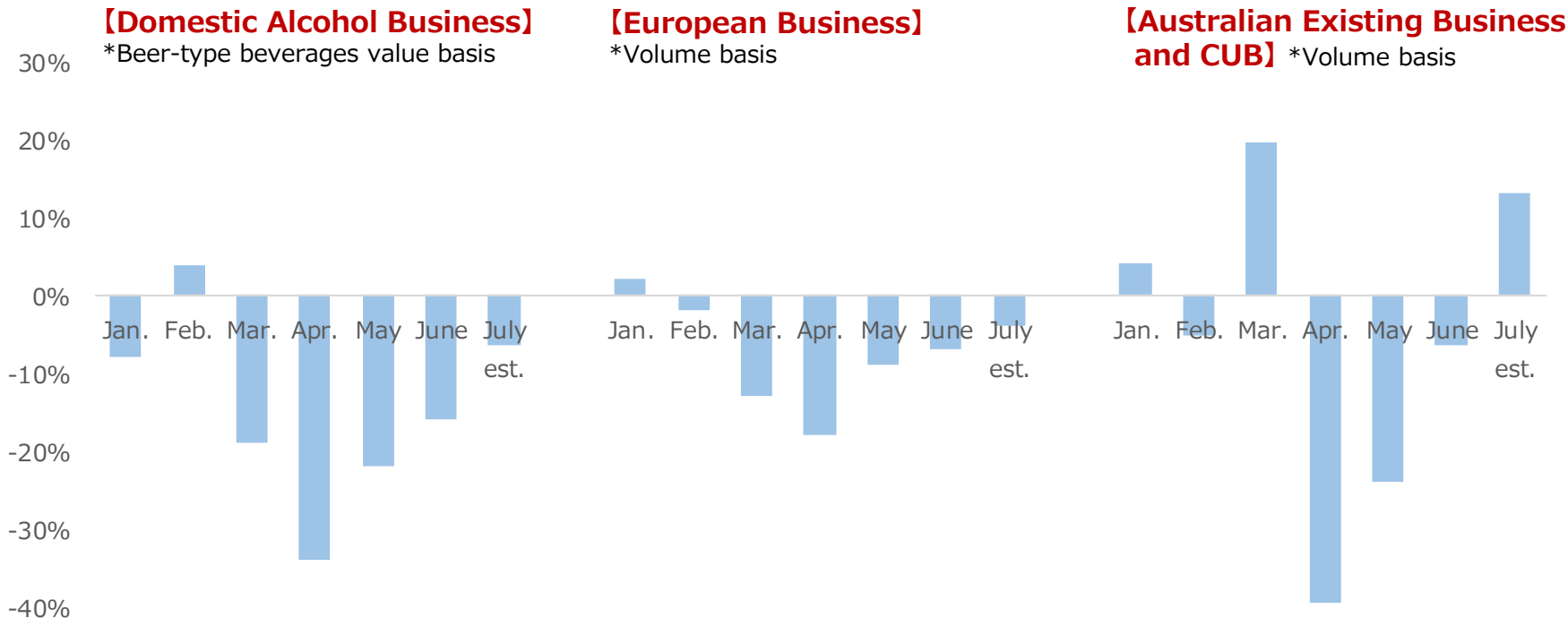
◆ Full-year declines of 4% in revenue and 31% in core operating profit forecast due to continuation of COVID-19 infection and CUB consolidation

- Prioritize flexible marketing and channel strategies that respond to changing local conditions like down-trading
- Accelerate earnings structure reforms (including zero-based budgeting) and implement optimal financing plans and shareholder returns

◆ Management emphasizing resilience, flexibility, robustness, and sustainability in the "new normal"

- Continue with premiumization strategy by promoting high added value products; build global business platform with three core pillars of Japan, Europe and Australia
- Expand management reforms and sustainability strategies to adapt to structural changes in society such as changes to consumer, channel and work-style trends

◆ Monthly Beer Sales in the Key Businesses

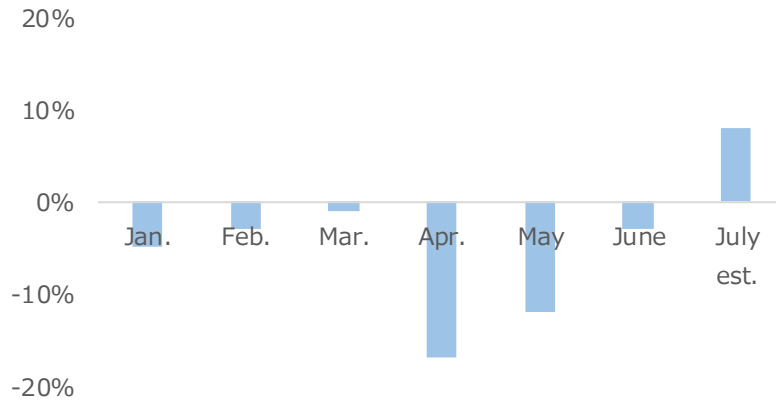


- Since March, sales had been sluggish due to the declaration of a state of emergency.
- After the end of the declaration in May, sales of on-premise market are recovering.
- *Super Dry* sales by container (Approx.):
(Can) April: -20% → June: -7%
(Keg) April: -80% → June: -35%
(Bottle) April: -80% → June: -50%

- Closure of on-trade partly in Mar, and fully in April resulted in lower volume. Recovery began slowly in May, as the on-trade channel re-opened gradually across the region excluding the UK.
- Off-Trade channel is growing and performed well in the period, but not to the extent that it compensated for the loss of on-trade sales.

- In March, sales volume increased due to a rush of demand in connection with the lockdown.
- Sales volumes decreased significantly in April due to a rebound and the lockdown.
- Since May, the lockdown has been lifted, and sales volumes have been recovering.
- A six-week lockdown was re-imposed in some areas of Melbourne from July 8.

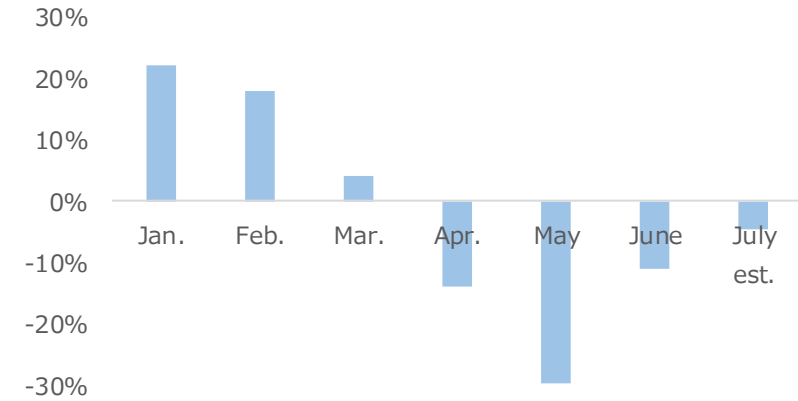
【Soft Drinks Business】 *Volume basis



- Overall sales volume has been on a recovery path, mainly in vending machines and convenience stores, since the end of the emergency declaration in May.

(Vending machines) April: -32% → June: -22% (Approx.)
 (Convenience store) April: -13% → June: +12% (Approx.)

【Food Business】 *Value basis



- Overall sales has begun to recover from June despite the weak sales centered on *Mintia*.

(*Mintia*) April: -48% → June: -36% (Approx.)
 (Freeze-dried miso soup) April: +15% → June: +7% (Approx.)

◆ Sales assumptions for H2 of major businesses

	H1	Q2	H2 Estimate
Domestic Alcohol	-17%	-24%	-11%
Europe	-9%	-11%	-Mid single digit
Australia	-9%	-23%	-High single digit
Soft Drinks	-7%	-10%	-0%
Food	-4%	-12%	-3%

* Beer-type beverages only

* Existing business and CUB including Jan. - May

* Value basis for domestic alcohol beverages and Food

◆ **Building value together with all of our stakeholders, based on AGP** (announced in April)

- Employees:** Prioritize protecting health and safety of employees and their families; take measures to preserve employment as far as possible and provide appropriate support.
- Consumers:** Keep all facilities worldwide in operation to fulfill our responsibility to supply our products. Propose and develop products in response to changes in business environment.
- Business partners:** Provide sustained support to customers and business partners facing what are adverse operating environments such as on-premise amid government restrictions on outings.
- Society:** Donate products and money to those on the frontlines such as Children’s Cafeterias and healthcare workers.
- Shareholders/Investors:** Continue to disclose information in a timely and appropriate manner. Ensure financial soundness position and maintain dividend policy.

◆ **Focused response to each phase of COVID-19 pandemic**

Spread of infection		Recovery		The “new normal”
Continuation of restrictions and self-restraint		Phased release Continued social-distancing		New everyday Changes in social structure
2020				2021
Q1	Q2	Q3	Q4	Q1
<ul style="list-style-type: none"> • Ensure safety of employees and their families • Support business partners and local communities • Implement BCP (including SCM measures) 		<ul style="list-style-type: none"> • Prioritize marketing strategy • Ensure sufficient cash flow and sound financial position (curb capital expenditure, fixed costs, etc.) 		<ul style="list-style-type: none"> • Implement strategies focused on strengths • Rapid response to the new normal • Take on the challenge of engaging in disruption

→ Focus efforts on regaining momentum by harnessing strengths such as brands, SCM, and human resources

Implement management reforms emphasizing resilience, flexibility, robustness, and sustainability to prepare for change

Changes and predictions toward the “new normal”

Consumers

- Some continue to refrain from outings; increased off-trade consumption
- Polarization of consumption trends (down-trading vs. premiumization)
- Brands considered safe and reliable favored
- Increased “health & wellness” consumption
- Growing interest in sustainable products and services
- Greater use of digital services (devices)

Business partners

- Progress with contraction and consolidation of on-premise channels (restaurants/leisure-related)
- Standardization of online channels (e-commerce, etc.)
- Risk of supply chain disruption emerging

Employees and society

- Prioritize health and safety of employees and their families
- Spread of teleworking; progress with home/workplace integration
- Work-style diversification including in sales, production and logistics fields
- Increased importance of ESG in company valuations

Direction of reforms (short- and medium-term)

- Flexible review of resource allocation in response to down-trading
- Maintain focus on strong brands and continuation of premiumization strategy
- Growth of more sustainable products, including non-alcohol beverages
- Strengthen digital marketing by regional management hubs
- Focus on R&D to create new value and demand

- Balance continued support and streamlining of on-premise channels
- Review sales and SCM operational models
- Utilize e-commerce and pursue further digitalization
- Consolidate shared functions in each region

- Pursue more sophisticated crisis management
- Digital transformation (DX) investment and organizational/infrastructural reforms predicated on teleworking
- Redeploy group personnel and pursue greater diversity
- Advance ESG initiatives and strengthen related communications

◆ Purpose and meaning of acquisition

- Expansion of global overseas growth bases by AGP and Medium-term Management Policy
- Building a global platform centered on Japan, Europe and Australia
- Create synergies with existing businesses in Australia and enhance management resources of human resources

◆ Acquisition outline

- Acquisition completion date : June 1, 2020
- Transaction price : 16 billion AUD
(approx. 1,141.6 billion yen, *1 AUD = 71.35 yen)



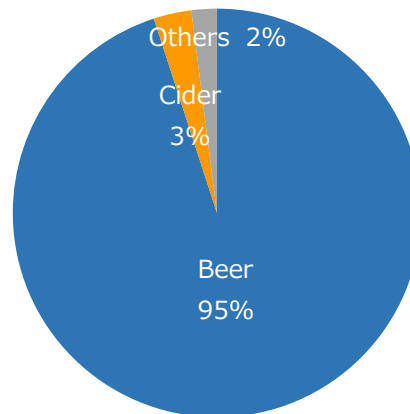
CUB Cascade Brewery

◆ CUB business performance and revenue composition (2019)

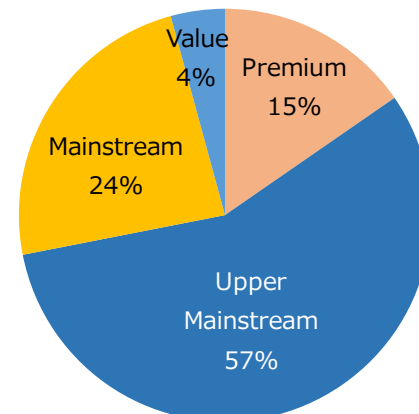
<Performance Summary>

Sales volume	7.83 million HL
Revenue	2,257 million AUD
Core operating profit	888 million AUD
EBITDA	993 million AUD

<Sales composition by category>

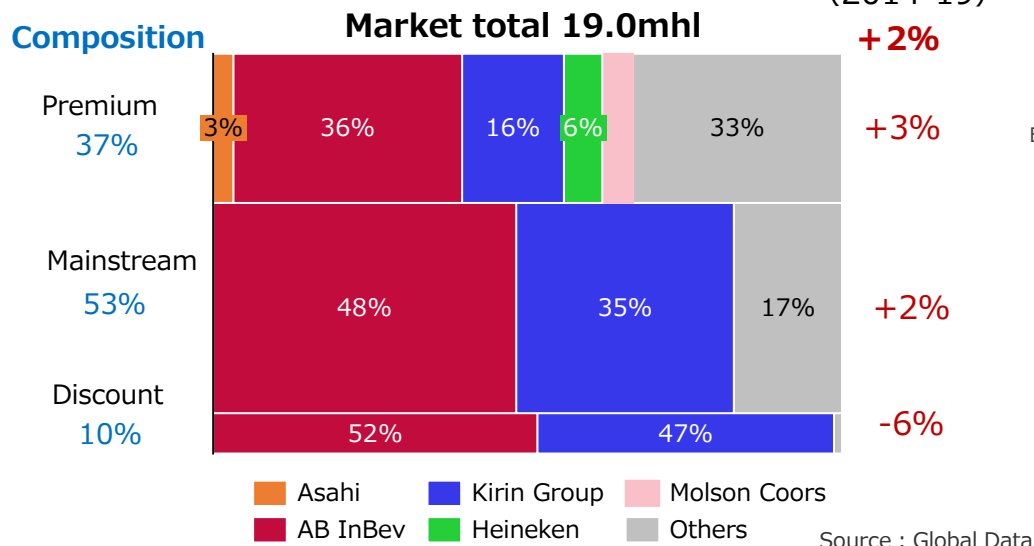


<Sales volume composition by beer category price range>

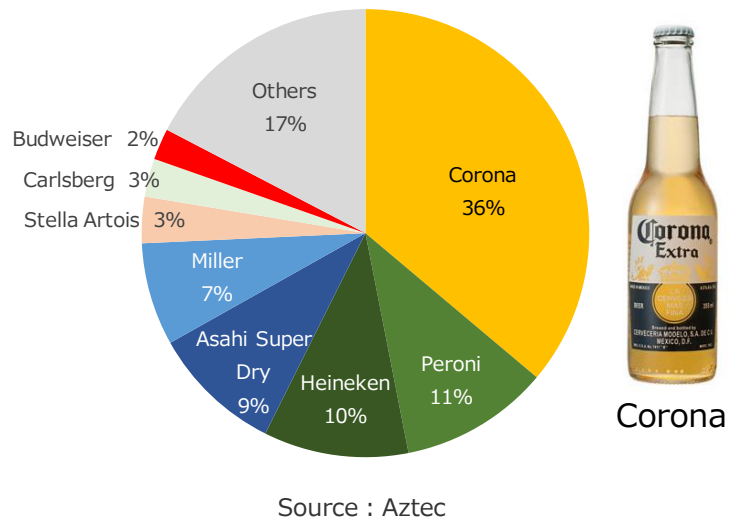


*Based on the internal data

◆ Australian beer market <Overview by price range: 2019>



<Imported premium beer market composition (2019) >



Corona

◆ Main beer brands



Victoria Bitter
(Mainstream)



Great Northern
(Mainstream)



Carlton Draught
(Mainstream)



Carlton Dry
(Mainstream)



Carlton Zero
(Non-alcohol)



Pirate Life
(Craft beer)

◆ Mid-term strategy of Oceania business



Practice of "Value Creation Management" as a comprehensive alcohol and soft drink beverage compar

- Topline and cost synergy creation based on the "ALLIANCE FOR GROWTH" project
- Enhance growth resources such as human resources and know-how as a base for global platforms

◆ Outline of Oceania business

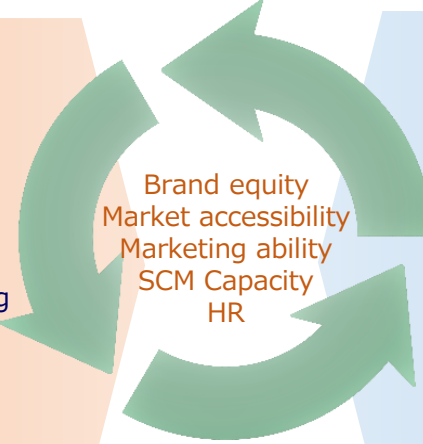


Revenue (2019)	2,360 million AUD 1,969 million AUD (excl. liquor tax)	2,257 million AUD (excl. liquor tax)
Core operating profit (2019)	205 million AUD	888 million AUD
Number of employees	Approx. 2,300	Approx. 1,700
Main categories	Beverage, beer, RTD, cider, etc.	Beer, cider, RTD
Number of production bases	11 (Of which, alcoholic beverages: 3)	6
Number of logistics bases	13	13

◆ Efforts for Synergy Creation

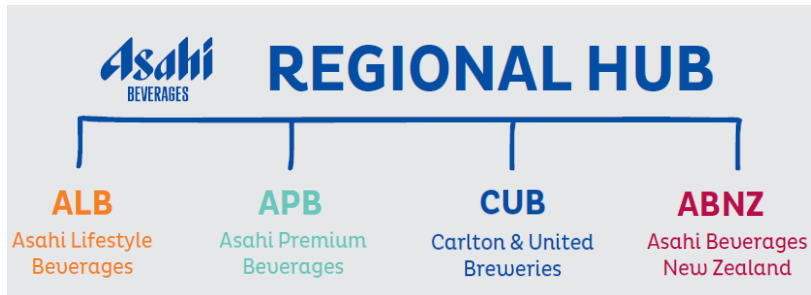
<Top-line synergies>

- Expanding our presence, especially in the super-premium market through accelerating the growth of *Super Dry* and *Peroni* by expanding sales channels.
- Strengthening brand equity with a focus on value enhancement by restructuring the portfolio strategy.
- Creating new growth opportunities, such as expanding sales channels for alcoholic beverages and soft drinks other than beer.
- Creating a growth driver by combining the marketing and product development capabilities of both companies.



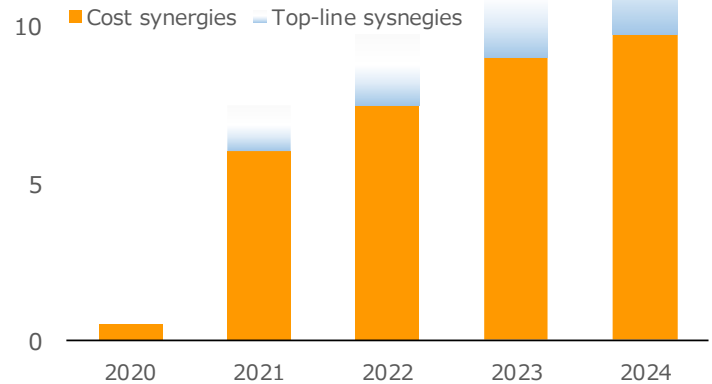
<Cost Synergies>

- SCM: Establishing an optimal production and distribution system by integrating and mutually utilizing distribution centers.
- Procurement: Strengthening and optimizing procurement capabilities by leveraging scale economies.
- IT: Improving efficiency and optimization by reviewing infrastructure, systems, and functions.
- Other: Improving efficiency through consolidation of shared services sites and revision of operational processes.



Integration of alcohol business in Australia (from October)

(JPY billion)



Synergy (~2024) : More than ¥10 billion

Cost (more than ¥10 billion) + Top line (quantified sequentially)

**Overview of
Financial Results for H1 2020
&
Full Year Forecasts**

Financial Results Highlights (constant currency basis)



◆ **H1 Core OP YoY decline by 40.4% due to the spread of COVID-19 since March** (constant currency basis)

- Alcohol : YoY decline in revenue and profits due to the decrease of the beer sales mainly in on-premise market, despite improving efficiency in all costs.
- Soft Drinks : YoY decline in revenue and profits due to weak vending machine sales and the worsening mix by the self-restraint policy, despite the strong sales of carbonated drinks.
- Food : YoY decline in revenue and profits due to the decrease in the sales of *Mintia* brand, despite the promotion to control overall fixed costs such as advertising and other fixed costs.
- Overseas : YoY decline in revenue and profits due to the sales decrease and worsening mix with the lock-down of various countries, particularly Europe and Australia.

<Revenue and Core operating profit> *constant currency basis (based on previous year's FX rates)

(JPY billion)

	2020 H1 (6 months ended June 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Alcohol Beverages Business	345.1	- 65.9	- 16.0%	765.6	- 121.2	- 13.7%
Soft Drinks Business	166.6	- 15.2	- 8.4%	356.0	- 20.9	- 5.5%
Food Business	59.9	- 2.5	- 4.1%	124.6	- 4.4	- 3.4%
Overseas Business	319.8	- 11.5	- 3.5%	781.0	82.5	11.8%
Other Business	44.7	- 2.1	- 4.6%	92.9	- 4.5	- 4.6%
Adjustmenet (corporate and elimination)	- 45.6	3.8	-	- 96.0	3.6	-
Revenue	890.4	- 93.4	- 9.5%	2,024.1	- 64.9	- 3.1%
Alcohol Beverages Business	32.8	- 10.0	- 23.4%	80.4	- 25.2	- 23.9%
Soft Drinks Business	9.9	- 7.0	- 41.5%	26.2	- 7.3	- 21.8%
Food Business	5.4	- 0.5	- 8.9%	10.9	- 2.8	- 20.4%
Overseas Business	27.3	- 17.3	- 38.8%	83.6	- 18.7	- 18.3%
Other Business	0.0	- 0.8	- 95.8%	0.2	- 1.1	- 86.2%
Adjustmenet (corporate and elimination)	- 11.3	- 0.4	-	- 24.0	- 1.9	-
Amortization of acquisition-related intangible assets	- 10.7	- 0.2	-	- 29.0	- 7.8	-
Core operating profit	53.4	- 36.2	- 40.4%	148.2	- 64.8	- 30.4%

Financial Results Highlights (actual currency basis)



<Revenue and Core operating profit (actual currency basis) >

(JPY billion)

	2020 H1 (6 months ended June 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Alcohol Beverages Business	345.1	- 65.9	- 16.0%	765.6	- 121.2	- 13.7%
Soft Drinks Business	166.6	- 15.2	- 8.4%	356.0	- 20.9	- 5.5%
Food Business	59.9	- 2.5	- 4.1%	124.6	- 4.4	- 3.4%
Overseas Business	303.6	- 27.6	- 8.3%	763.9	65.3	9.4%
Other Business	44.7	- 2.1	- 4.6%	92.9	- 4.5	- 4.6%
Adjustmenet (corporate and elimination)	- 45.6	3.8	-	- 96.0	3.6	-
Revenue	874.3	- 109.5	- 11.1%	2,007.0	- 82.0	- 3.9%
Alcohol Beverages Business	32.8	- 10.0	- 23.4%	80.4	- 25.2	- 23.9%
Soft Drinks Business	9.9	- 7.0	- 41.5%	26.2	- 7.3	- 21.8%
Food Business	5.4	- 0.5	- 8.9%	10.9	- 2.8	- 20.4%
Overseas Business	26.1	- 18.5	- 41.5%	82.0	- 20.2	- 19.8%
Other Business	0.0	- 0.8	- 95.8%	0.2	- 1.1	- 86.2%
Adjustmenet (corporate and elimination)	- 11.3	- 0.4	-	- 24.0	- 1.9	-
Amortization of acquisition-related intangible assets	- 10.3	0.2	-	- 28.7	- 7.5	-
Core operating profit	52.6	- 37.0	- 41.3%	147.0	- 66.0	- 31.0%
Operating profit	45.3	- 43.1	- 48.8%	124.0	- 77.4	- 38.4%
Profit attributable to owners of parent	30.2	- 31.3	- 50.9%	80.0	- 62.2	- 43.7%

【Revenue】

- H1 :YoY decline with -11.1% in the total due to the sluggish consumer demand with the spread of COVID-19.
- Forecast :-3.9% YoY decline due to the sales decrease in three domestic businesses, despite the revenue of the international one is expected to increase due to the consolidation of the CUB business.

【Core OP】

- H1 :YoY decline with -41.3% in the total due to the worsening mix and the sales decrease in on-premise market as a result of curfew restrictions in each country.
- Forecast :-31.0% YoY decline due to the sales decrease in on-premise market and the worsening product mix, despite the consolidation of the CUB business.

(JPY billion)

	2020 H1 (6 months ended June 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Revenue	874.3	- 109.5	- 11.1%	2,007.0	- 82.0	- 3.9%
Core operating profit	52.6	- 37.0	- 41.3%	147.0	- 66.0	- 31.0%
Adjustment item	- 7.3	- 6.2	-	- 23.0	- 11.5	-
Gain (loss) on sales and retirement of non current assets	3.4	4.1	-	0.9	4.8	-
Business integration expenses	- 2.1	- 1.5	-	- 2.1	3.3	-
Impairment loss	-	-	-	-	0.1	-
Others	- 8.6	- 8.7	-	- 21.8	- 19.7	-
Operating profit	45.3	- 43.1	- 48.8%	124.0	- 77.4	- 38.4%
Finance income or loss	- 1.7	- 0.2	-	- 8.2	- 3.9	-
Share of profit (loss) of investments accounted for using equity method	0.2	- 0.3	- 59.4%	0.0	- 0.9	- 98.8%
Gain (loss) on sales of investments accounted for using equity method	- 2.3	- 2.3	-	- 2.3	- 2.3	-
Others	- 0.4	- 0.3	-	- 1.5	- 0.9	-
Profit before tax	41.1	- 46.3	- 52.9%	112.0	- 85.4	- 43.3%
Income tax expense	- 11.0	14.7	-	- 32.5	23.6	-
Profit	30.1	- 31.6	- 51.2%	79.5	- 61.8	- 43.7%
Profit attributable to owners of parent	30.2	- 31.3	- 50.9%	80.0	- 62.2	- 43.7%
Profit attributable to non-controlling interests	- 0.1	- 0.2	-	- 0.5	0.4	-

【Operating Profit】

- H1:-48.8% YoY decline due to the increase of expenses such as “Others” including COVID-19 related costs, despite the control of sales and disposal of fixed assets.
- 2020: Target -38.4% YoY decline due to the increase of expenses such as “Others” including costs of the reorganization in Oceanian and European businesses.

【Profit attributable to owners of parent】

- H1:-50.9% YoY decline due to the losses on the sale of equity method investments, despite the decrease of income tax expenses.
- 2020: Target -43.7% YoY decline due to the deterioration in financial income and to the losses on the sale of equity method investments.

Alcohol Beverages Business (Revenue of Beer-typed/Sales Volume by Brands)



<Sales Volume by Brands>

	2020 H1 (6 months ended June 30)	
	YoY (Amount / %)	
Super Dry	27.87	- 9.58 - 25.6%
Style Free	5.51	0.28 5.4%
Clear Asahi	8.44	- 0.46 - 5.2%

(Millions of cases)

2020 forecast (announced on August 5)		
	YoY (Amount / %)	
	66.40	- 17.15 - 20.5%
	11.40	0.32 2.9%
	17.90	- 0.94 - 5.0%

<Market Trend>

(Volume basis)

	H1 YoY	Full-year Est. YoY
Beer	Approx. -26%	-23~24%
Happoshu	Approx. -1%	Approx. -3%
New Genre	+ 6~7%	+ 6~7%
Total	-9~10%	-8~9%

<Revenue of Beer-type beverages>

	2020 H1 (6 months ended June 30)	
	YoY (Amount / %)	
Beer-type beverages total	250.3	- 52.5 - 17.3%

(JPY billion)

2020 forecast (announced on August 5)		
	YoY (Amount / %)	
	574.0	- 92.0 - 13.8%

【Market Total】

- H1 : YoY contraction by -9 to -10% in the volume due to the contraction of the on-premise market and diversified consumption in the off-premise one.
- 2020 : YoY contraction by -8 to -9% in the volume expected due to the slump in the on-premise market and outflow to other categories as a result of the liquor tax change.

【Revenue/Sales Volume by Brands】

<H1>

- YoY decline with -17.3% due to the sales decrease in the on-premise market, despite the strong sales of Happoshu and New Genre.
- <Asahi Super Dry> YoY decline with -25.6% due to the sales decrease in the on-premise market and the scale reduction of traditional events, despite the results of new marketing.
- <Style Free> YoY increase with 5.4% due to the effective promotion to meet the growing health consciousness.
- <Clear Asahi> YoY decline with -5.2% due to the decrease in the on-premise market and competitive new products, despite strengthening promotion along with brand renovation.

•<The Rich> Total shipments in H1 reached 3.57 million boxes, surpassing 40% of the annual target, 8 million boxes, which was revised upward in the first three and a half months of launch.

<2020>

- Target -13.8% YoY due to the sales decrease in the on-premise market, despite continuous promotion of sales expansion for off-premise one.
- <Asahi Super Dry> Target -20.5% YoY due to the contraction of on-premise market, despite efforts to broaden the range of users through enhanced communication.
- <Style Free> Target +2.9% YoY increase due to strengthening the value as a zero-carbohydrate brand to be enjoyed with meals.
- <Clear Asahi> Target -5.0% YoY due to the sales decrease in the on-premise market, despite methods to expand sales primarily in the period before the liquor tax change and the demand is high.
- <The Rich> Targeting total shipments of 2020 to reach 8million boxes by strengthening advertising and various promotional activities using digital technologies.

<Revenue>

(JPY billion)

	2020 H1 (6 months ended June 30)		
		YoY (Amount / %)	
Asahi Breweries Revenue	339.8	- 60.3	- 15.1%
Other/elimination in segment	5.3	- 5.5	- 50.9%
Revenue total	345.1	- 65.9	- 16.0%

	2020 forecast (announced on August 5)		
		YoY (Amount / %)	
	754.3	- 109.1	- 12.6%
	11.3	- 12.2	- 51.9%
	765.6	- 121.2	- 13.7%

<Reference: Revenue by category (before rebate deduction)>

Whiskey and spirits	24.9	- 2.7	- 9.6%
RTD low-alcohol beverages	22.9	1.0	4.8%
Wine	17.5	- 2.1	- 10.6%
Shochu	11.7	- 0.8	- 6.2%
Non-alcohol beverages	14.0	- 0.9	- 6.3%

	51.8	- 6.3	- 10.9%
	47.0	1.6	3.4%
	37.7	- 4.4	- 10.4%
	22.9	- 3.5	- 13.4%
	31.7	- 1.4	- 4.3%

【Revenue of Other Alcohol Beverages】

- H1 : YoY decline in total due to the sales decrease in each category in the on-premise market, despite the sales increase of RTD by strengthening “Zeitakushibori” brand.
:-6.3% YoY decline in Non-alcohol beverages due to the sales decrease in the on-premise market and backlash from new products in the previous year, etc.
- 2020 : YoY decrease in total due to the sales decrease in other categories than RTD category in which Asahi aims to strengthen its proposition of products with unique value besides “Zeitakushibori” brand.
:-4.3% YoY decline in Non-alcohol beverages due to the sales decrease in the on-premise market, despite measures such as the creation of new drinking opportunities.

<Core Operating Profit>

(JPY billion)

	2020 H1 (6 months ended June 30)		
		YoY (Amount / %)	
Change in sales, category and container mix	-	- 20.0	
Cost reduction in manufacturing	-	1.2	
Cost increase in manufacturing	-	- 1.8	
Advertisement and Sales promotion expenses	-	4.7	
Other expenses	-	6.7	
Asahi Breweries	33.6	- 9.2	- 21.5%
Other/elimination in segment	- 0.8	- 0.8	-
Core Operating Profit	32.8	- 10.0	- 23.4%

	2020 forecast (announced on August 5)		
		YoY (Amount / %)	
	-	- 34.5	
	-	2.2	
	-	- 2.5	
	-	6.5	
	-	6.5	
	83.1	- 21.8	- 20.8%
	- 2.7	- 3.3	-
	80.4	- 25.2	- 23.9%

[H1 : Factors Contributing to Increase/Decrease] (JPY billion)

<Breakdown of main factors>

- Change in sales and others : -20.0
(Sales decrease in bee-type -18.4, Sales decrease in other alcohol beverages -2.7, Change in category and container mix, and others)
- Cost reduction in manufacturing: +1.2 (Raw materials +0.5, Transportation +0.3, etc.)
- Cost increase in manufacturing: -1.8, (Raw materials -0.2, In other than beer -0.4, Transportation -0.6, etc.)
- Decrease in sales promotion expenses : +4.7 (Advertisement + 2.1, Promotion +2.6) (Beer-type -1.7, Other +3.0)
- Other expenses : +6.7 (HR +0.3, Depreciation +0.2, Equipment for selling +1.0, Others +5.2)

[2020 : Factors Contributing to Increase/Decrease] (JPY billion)

< Breakdown of main factors >

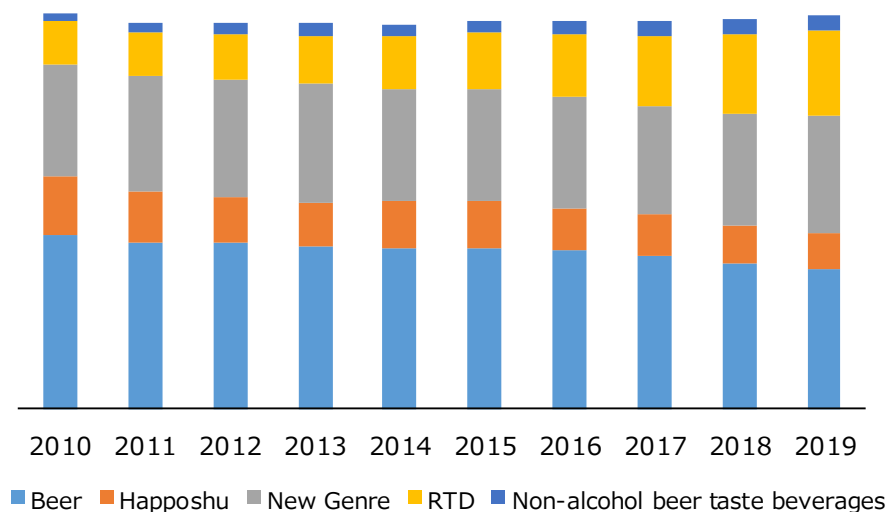
- Change in sales and others : -34.5
(Sales decrease in bee-type -31.2, Sales decrease in other alcohol beverages -6.2, Change in category and container mix, and others)
- Cost reduction in manufacturing: +2.2 (Raw materials +0.6, Utilities +0.6, Transportation -0.5, etc.)
- Cost increase in manufacturing: -2.5, (Raw materials -0.4, In other than beer -0.8, Transportation -0.7, etc.)
- Decrease in sales promotion expenses : +6.5 (Advertisement +2.3, Promotion +4.2) (Beer-type +2.2, Other +4.3)
- Other expenses : +6.5 (HR +0, depreciation +0.3, equipment for selling +1.5, others +4.7)

◆ Basic policy for Alcohol Beverages Business

Agile responsiveness to changes in the market environment and consumer sentiments; restore robustness through accelerating value-focused management

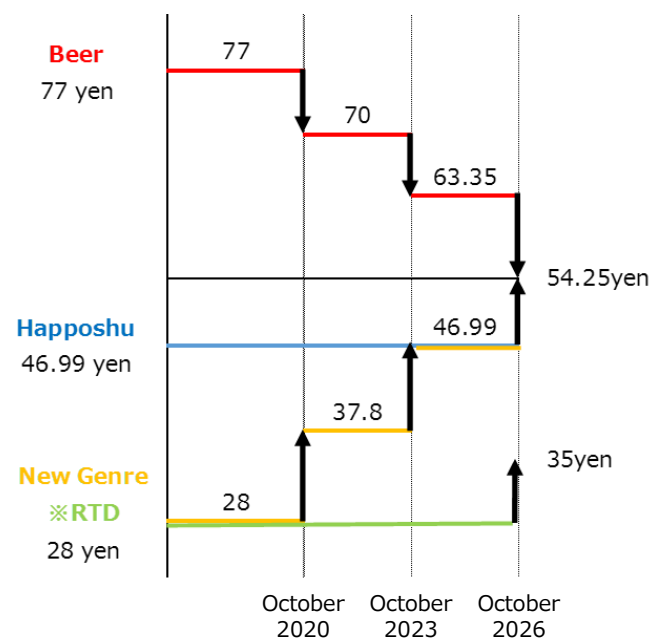
- In on-premise market, continue to support business continuity through new value propositions, etc., and prioritize resource allocation in response to demand
- In off-premise market, strengthen marketing that responds to consumption polarization and growing health awareness
- Adopt flexible category strategy in preparation for Liquor Tax reforms and increase investment in measures that stimulate beer demand in medium term

◆ Market trends of beer-type beverages, RTD and non-alcohol beer taste beverages



Source: Company estimate (volume basis)

◆ Liquor Tax reforms (tax per 350 ml)



◆ Initiatives for Asahi Super Dry

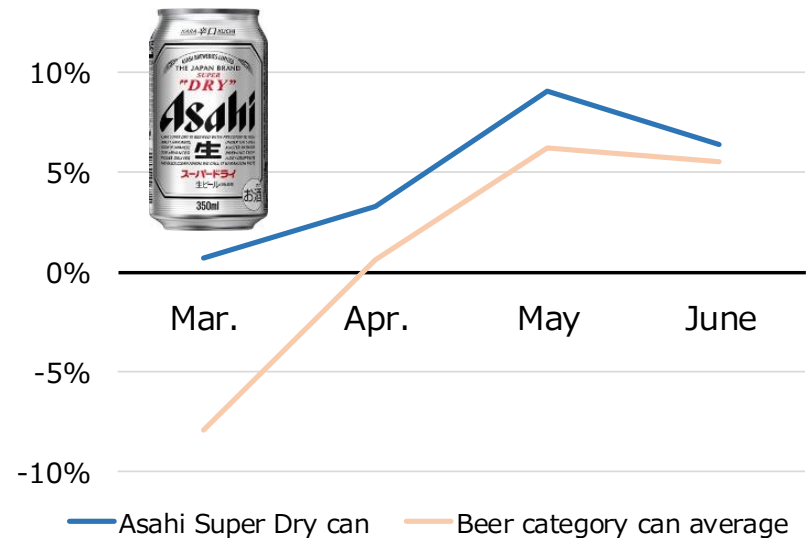
Enhance medium- to long-term brand value through initiatives that respond to “new normal” values and consumption styles

THE JAPAN BRAND
SUPER
“DRY”

- On-premise: Support for improving draft beer quality, strengthen brand appeal by providing optimal drinking experiences
- Off-premise: Acquire new consumers by creating new drinking opportunities and strengthen integrated marketing that targets those who also drink other alcohol beverage brands
- Stimulate demand by providing optimum quality and creating new drinking opportunities in anticipation of Liquor Tax reforms



<Purchasing data of Asahi Super Dry can : YoY comparison with the market>



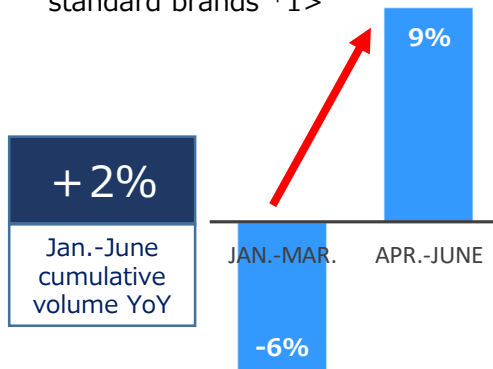
Source: INTAGE SCI beer market from March to June, 2020
Purchase volume per 100 people YoY

Initiatives for Happoshu, New Genre and Other Products than Beer-type

◆ New genre standard brands

Sales up sharply YoY after launch of *Asahi THE RICH* in March

<Total of the four new genre standard brands *1>

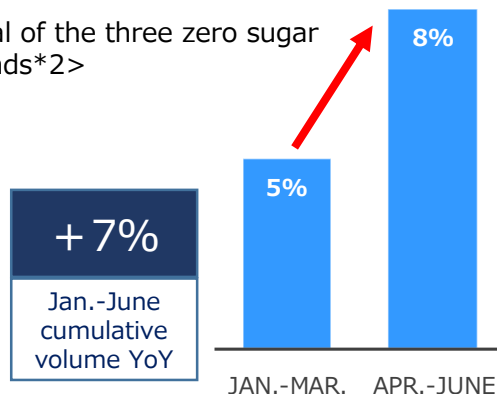


*1 New genre standard brands: *Clear Asahi*, *Asahi THE RICH*, *Asahi Gokujo Kire Aji*, and *Prime Rich*

◆ Zero sugar brands

Sales of all three brands up YoY led by *Style Free*

<Total of the three zero sugar brands*2>



*2 Zero sugar brands: *Style Free*, *Zeitaku Zero*, and *Asahi Off*

◆ RTD



<RTD can>

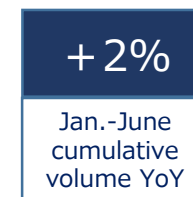


- Mainstay *Zeitaku Shibori* drives RTD beverage sales, growing 12% year-on-year January through June, 2020
- Brisk sales of new products that provide unique value

◆ Non-alcohol beer taste beverages



<Asahi Dry Zero can>



Soft Drinks Business (Sales Volume)



<Sales Volume>

	2020 H1 (6 months ended June 30)		
		YoY (Amount / %)	
Carbonated drinks	37.57	2.30	6.5%
Lactic acid drinks	21.21	- 2.86	- 11.9%
Coffee	16.76	- 3.61	- 17.7%
Tea	16.67	- 2.21	- 11.7%
Mineral Water	7.86	- 1.65	- 17.4%
Fruit juice	6.96	- 2.43	- 25.9%
Other drinks	11.73	1.37	13.2%
Sales Volume	118.75	- 9.10	- 7.1%

(Millions of cases)

2020 forecast (announced on August 5)			
	YoY (Amount / %)		
	78.71	5.73	7.9%
	45.00	- 3.88	- 7.9%
	36.08	- 5.06	- 12.3%
	36.75	- 3.21	- 8.0%
	17.88	- 2.04	- 10.3%
	15.43	- 3.80	- 19.7%
	25.96	2.91	12.6%
	255.80	- 9.34	- 3.5%

<Market Trend>

Jan. - Jun. YoY
-3~4%
-11~12%
-11~12%
-6~7%
-4~5%
-9~10%
-
-7~8%

<Sales Volume by Brands>

	2020 H1 (6 months ended June 30)		
		YoY (Amount / %)	
MITSUYA CIDER	20.02	0.20	1.0%
WILKINSON	13.72	1.42	11.5%
CALPIS	18.18	- 2.30	- 11.2%
WONDA	15.79	- 3.76	- 19.2%
Asahi Juroku-cha	10.20	- 0.89	- 8.0%
OISHII MIZU	7.86	- 1.65	- 17.4%

<By container type>

Jan. - Jun.	YoY
Can	- 7.3%
PET total	- 5.3%
Large PET	- 4.5%
Small PET	- 5.8%
Glass bottle	- 41.5%
Others	- 17.7%

<By channel>

Jan. - Jun.	YoY
Vending machine	- 20.0%
CVS	- 2.0%
SM	4.0%
Others	- 18.0%

【Market Total】

- H1: -7-8% YoY decline in total volume H1 mainly due to the negative impacts of the sales decrease in vending machines and convenience store channel, despite sales expanding in supermarkets caused by consumption from staying at home.

【Asahi Soft Drinks Sales Volume】

- H1 : -7.1% YoY decline due to the sales decrease of Coffee and Lactic acid drinks, despite the sales increase in carbonated drinks.
- 2020 : Target -3.5% YoY due to the negative impacts of the sales decrease in vending machines caused by the self-restraint policy, despite the sales increase in carbonated drinks.

<Core Operating Profit>

(Millions of cases / JPY billion)

	2020 H1 (6 months ended June 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Sales Volume Total	118.75	- 9.10	- 7.1%	255.80	△ 9.34	- 3.5%
Revenue Total	166.6	- 15.2	- 8.4%	356.0	- 20.9	- 5.5%
Change in sales, category and container mix	-	- 7.3		-	- 10.2	
Cost reduction in manufacturing	-	1.5		-	5.1	
Cost increase in manufacturing	-	- 0.3		-	- 0.9	
Advertisement and Sales promotion expenses	-	0.1		-	0.9	
Other expenses	-	- 1.0		-	- 2.2	
Asahi Soft Drinks	9.9	- 7.0	- 41.5%	26.2	- 7.3	- 21.8%
Other/elimination in segment		-	-		-	-
Core Operating Profit	9.9	- 7.0	- 41.5%	26.2	- 7.3	- 21.8%

[H1 : Factors Contributing to Increase/Decrease] (JPY billion)

<Breakdown of main factors>

- Change in sales, and others : -7.3
(Sales volume decrease -6.0, Change in category and container mix, and others)
- Cost reduction in manufacturing: +1.5
(Raw materials +0.1, Packages +0.9, Operational efficiency/in-house production +0.5, etc.)
- Cost increase in manufacturing: -0.3 (Raw materials -0.1, Packages -0.2, etc.)
- Change in sales promotion expenses : +0.1 (Advertisement +0.1)

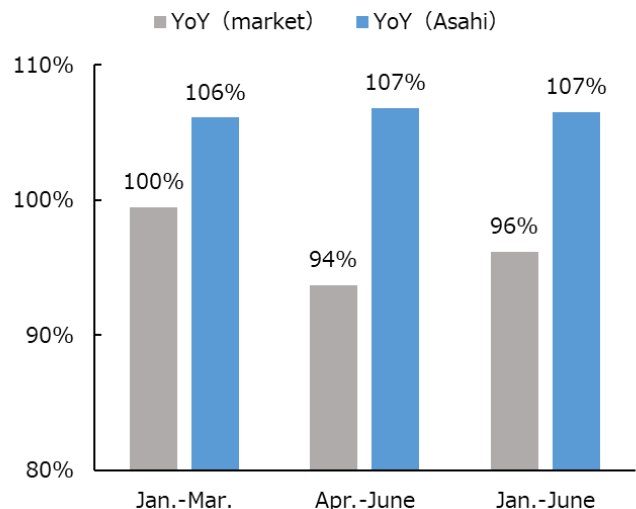
[2020 : Factors Contributing to Increase/Decrease] (JPY billion)

<Breakdown of main factors>

- Change in sales and others : -10.2
(Sales volume decrease -8.3, Change in category and container mix, and others)
- Cost reduction in manufacturing: +5.1
(Raw materials +0.6, Packages +1.8, Operational efficiency/in-house production +2.7, etc.)
- Cost increase in manufacturing: -0.9 (Raw materials -0.7, Packages -0.2)
- Change in sales promotion expenses : +0.9 (Advertisement +0.8, Promotion +0.1)

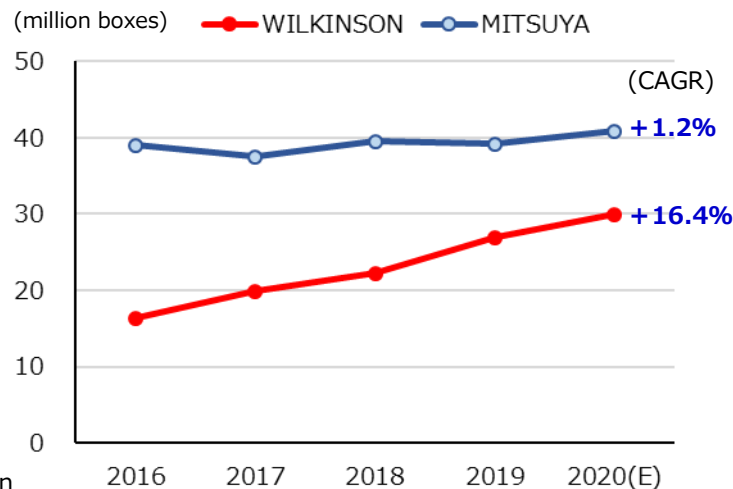
◆ Growth of carbonated drinks (YoY)

* Realized reliable growth compared to competitors
(sales volume in the first half reached a record high)



◆ Sales Volume trends of WILKINSON and MITSUYA

* Expected to set a new record high of annual sales volume



◆ Measures under COVID-19 pandemic

<EC channel growth>

H1 EC channel growth rate
+30% YoY



(Label-less products +118% YoY)

<Respond to demand for staying at home>



- Suggestions for drinking at home time
- Strengthening Calpis Conc

<Strengthen profitability by improving operational efficiency and in-house production>



- Production of carbonated drinks started at Gunma Factory
- In-house production of *Monster Energy*

<Revenue>

(JPY billion)

	2020 H1 (6 months ended June 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Asahi Group Foods	54.5	- 1.8	- 3.2%	113.3	- 4.4	- 3.7%
Other / elimination	5.4	- 0.7	- 12.0%	11.3	0.0	0.0%
Revenue	59.9	- 2.5	- 4.1%	124.6	- 4.4	- 3.4%

<Core Operating Profit>

(JPY billion)

	2020 H1 (6 months ended June 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Asahi Group Foods	5.3	- 1.1	- 17.6%	9.9	- 2.6	- 20.7%
Other / elimination	0.1	0.6	-	1.0	- 0.2	- 17.5%
Core Operating Profit	5.4	- 0.5	- 8.9%	10.9	- 2.8	- 20.4%

[Revenue]

- H1 : -4.1% YoY decline mainly due to the sales decrease of *Mintia* brand, despite the sales increase of freeze-dried foods caused by consumption from staying at home
- 2020 : Target -3.4% YoY decline mainly due to the sales decrease of *Mintia* brand, despite promoting new measures to stimulate consumer demand centered on our main brands

[Core OP]

- H1 : -8.9% YoY decline due to the sales decrease and the worsening product mix, despite promoting to control overall fixed costs such as advertising and other fixed costs.
- 2020 : Target -20.4% decline YoY due to the sales decrease, investing in sales promotion for the growth of our core brands and increase in manufacturing fixed costs.

◆ Future Initiatives for New Normal

<Stimulating new demand for *Mintia*>



Traditional eating scenes

Refresh at office and while commuting, etc.



New eating scenes

Refresh while teleworking or working from home
Refresh with wearing a mask



Changes in lifestyle

- Increase in telework/work from home
- Refraining from going out



Changing consumer needs

- Enrichment of time spent at home
- Penetration of the idea of self-care, which is "to manage your own health"

<Discovering demand for staying at home>



Freeze-dried miso soup

Jan.-June cumulative +13%

As the No.1 brand*, promoting the features of freeze-drying, such as being able to be stockpiled and easy preparing, for stimulating further demand

* INTAGE SRI: freeze-dried miso soup, clear soup market from July 2018 to June 2020 cumulative sales by maker



Food aimed at senior citizens

Jan.-June cumulative +17%

Reinforce appeal delicious, safe food to reduce the burden of home care while staying at home

<Strengthen product roll-out in response to increasing health consciousness>



Dear-Natura

Jan.-June cumulative +9%

Expand product lineup and strengthen advertising and sales promotion according to purpose and lifestyle



Ippon Manzoku Bar

Jan.-June cumulative +62%

Strengthening the response to the needs for maintaining health through body building by Expanding the development of protein-containing products

※ Rate of change is year-on-year. (value basis)

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

(JPY billion)

	2020 H1 (6 months ended June 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Europe business	168.8	- 23.0	- 12.0%	348.5	- 39.8	- 10.2%
Oceania business	100.5	25.8	34.5%	317.2	138.3	77.3%
Southeast Asia business	21.7	- 1.7	- 7.2%	43.6	- 1.2	- 2.7%
Asahi International	36.7	- 8.4	- 18.6%	87.4	- 16.9	- 16.2%
Other / elimination	△ 7.9	- 4.2	-	- 15.7	2.0	-
Revenue	319.8	- 11.5	- 3.5%	781.0	82.5	11.8%

<Performance including foreign exchange impact>

Revenue	303.6	- 27.6	- 8.3%	763.9	65.3	9.4%
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※ For the CUB business, described the result and the forecast from June 1st to December 31st.

[Revenue (constant currency basis)]

<H1>

- Europe: -12.0% YoY decline due to the sales decrease in the on-premise market with the lock-down of various countries.
- Oceania : +34.5% YoY growth driven by the consolidation of the CUB business and the sales increase of Non-Alcohol beverages particularly in carbonated drinks.
- Southeast Asia : -7.2% YoY due to the sales decrease of beverages except for dairy products in Malaysia.
- Asahi International : -18.6% YoY due to the negative impact of the sales decrease mainly in the on-premise market in UK and other areas.

<2020>

- Europe: -10.2% YoY decline due to the continuous sales decrease in the on-premise market, despite measures to revive demand in view of deregulation in various countries.
- Oceania : +77.3% YoY growth driven by the consolidation of the CUB business, despite the sales decrease mainly due to sluggish sales of alcoholic beverages of our existing business in the on-premise market.
- Southeast Asia : -2.7% YoY decline due to the sales decrease of beverages except for dairy products, despite measures to revive demand in view of deregulation
- Asahi International : -16.2% YoY decline due to the continuous sales decrease in on-premise market, despite measures to revive demand mainly in the UK.

<Core OP *constant currency basis (based on previous year's FX rates) >

(JPY billion)

	2020 H1 (6 months ended June 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Europe business	24.8	- 10.2	- 29.2%	56.7	- 21.1	- 27.1%
Oceania business	2.3	- 1.8	- 43.8%	23.7	8.5	55.8%
Southeast Asia business	0.3	- 1.0	- 75.1%	1.3	- 0.8	- 39.1%
Asahi International	0.3	- 3.5	- 93.2%	2.8	- 4.3	- 61.0%
Other / elimination	- 0.4	- 0.8	-	- 0.9	- 1.0	-
Revenue	27.3	- 17.3	- 38.8%	83.6	- 18.7	- 18.3%

<Performance including foreign exchange impact>

Core Operating Profit	26.1	- 18.5	△ 41.5%	82.0	- 20.2	△ 19.8%
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※ For the CUB business, described the result and the forecast from June 1st to December 31st.

【Core Operating Profit (constant currency basis)】

<H1>

- Europe: -29.2% YoY decline due to the sales decrease in the on-premise market and the worsening mix of various countries .
- Oceania: -43.8% YoY decline due to the worsening mix and sluggish sales of alcoholic beverages of our existing business in the on-premise market.
- Southeast Asia: -75.1% YoY decline due to the sales decrease, and the worsening mix and rising prices of raw materials.
- Asahi International: -3.5 JPY billion decline due to the sales decrease in on-premise market of the UK and the worsening mix.

<2020>

- Europe: Target -27.1% YoY decline due to the sales decrease and the worsening mix, despite reviewing capital investments and other fixed costs.
- Oceania: Target +55.8% YoY growth driven by the consolidation of the CUB business, despite the expected sales decrease in the on-premise market.
- Southeast Asia: Target -39.1% YoY decline due to mostly rising prices of raw materials, despite measures to improve the mix and production efficiency.
- Asahi International: -61.0% YoY decline due to the sales decrease and the worsening mix, despite measures to improve efficiencies such as promotional costs.

◆ Breakdown

<Revenue and Core Operating Profit> *constant currency basis (based on previous year's FX rates) (JPY billion)

	2020 H1 (6 months ended June 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Existing business	81.0	6.3	8.4%	181.0	2.1	1.2%
CUB business (from June 2020)	19.5	19.5	-	136.2	136.2	-
Revenue	100.5	25.8	34.5%	317.2	138.3	77.3%
Existing business	2.1	- 2.0	- 49.4%	11.8	- 3.8	- 24.2%
CUB business (from June 2020)	4.4	4.4	-	23.6	23.6	-
Once off Cost	- 4.2	- 4.2	-	- 11.6	- 11.3	-
Core Operating Profit	2.3	- 1.8	- 43.8%	23.7	8.5	55.8%

◆ CUB Non-consolidated Performance (only June) and Forecast (June-Dec.)

*Local Currency Basis

(Million AUD, Million HL)

	H1 (only June)	Refrence YoY*	Forecast (June-Dec.)	Refrence YoY*	Refrence:YoY* (full year basis)
Sales Volume	0.6	- 10%	4.1	- 8%	- 9%
Revenue (exl. Alcohol tax)	173	- 7%	1,165	- 7%	- 10%
Core Operating Profit	62	- 35%	326	- 26%	- 28%
One-off cost	- 58	-	- 160	-	

*Approximate values are used for the previous year's results.

◆ Europe Business

<2020 Forecast (constant currency basis)>

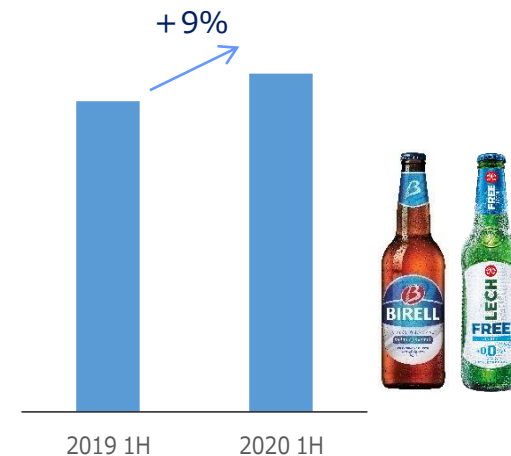
khl, million Euro	2020 H1 Results	YoY*2	2020 Revised Target	YoY*3
Sales Volume	18,952	-9%	39,831	-6%
Net Sales (exc liquor tax)	1,112	-11%	2,382	-8%
Core OP*1	199	-28%	465	-25%

*1 Core OP before deduction of one-off cost

*2 Comparison in FX rate of H1 2019.

*3 Comparison in FX rate of 2020.

NAB (Non-Alcohol Beer) Sales Volume Growth Ratio



◆ Asahi International Ltd

<2020 Forecast (constant currency basis)>

khl, million Euro	2020 H1 Results	YoY*2	2020 Revised Target	YoY*3
Sales Volume	1,855	-12%	4,283	-4%
Net Sales (exc liquor tax)	217	-20%	517	-17%
Core OP*1	2	-93%	23	-63%

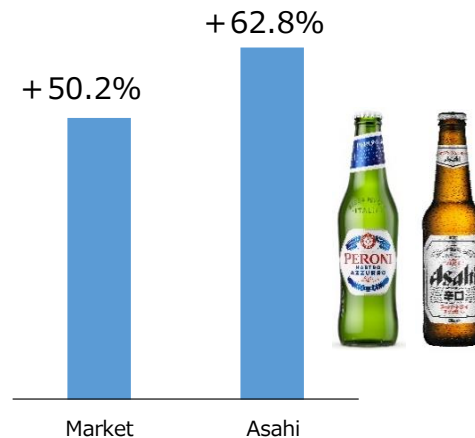
*1 Core OP before deduction of one-off cost

*2 Comparison in FX rate of H1 2019.

*3 Comparison in FX rate of 2020.

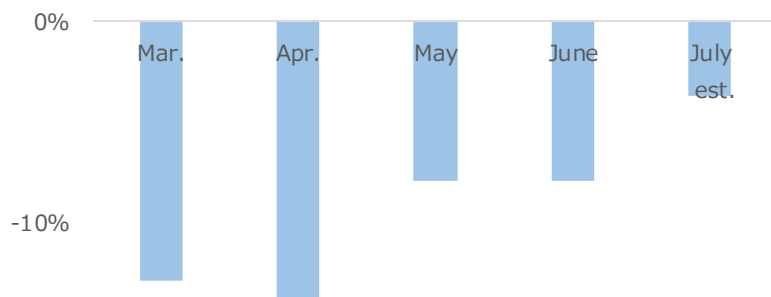
Off-premise market in the UK Sales Volume Growth Ratio

Period: March 11th – July 4th



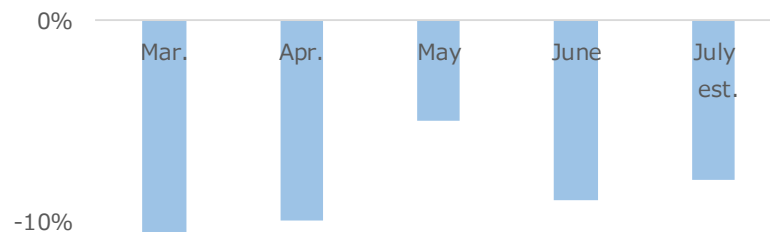
Source : Nielsen

[Czech] *Volume basis On-premise ratio: approx. 40%



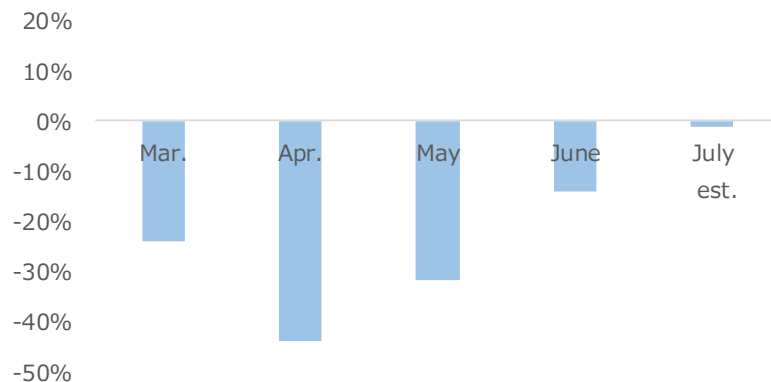
- Total Business: Significantly impacted by on-trade closure, off-trade not sufficient to compensate.
- Off-trade: Ahead of prior year, but slow-down in Q2
- On-trade: Started to recover slowly after opening of channel and easing of restrictions from mid-May

[Poland] *Volume basis On-premise ratio: mid single digit



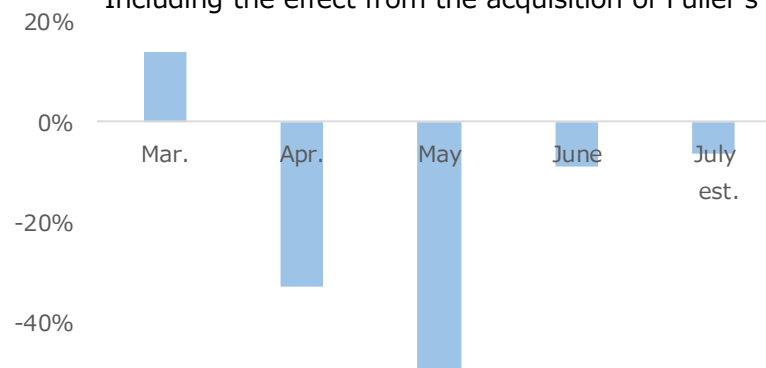
- Total Business: Volumes reflect decline in category, also cycling good weather impacts in prior year
- Off-trade: Impacted by category decline but holding share
- On-trade: Re-opened from end of May, recovery is slow as consumers remain cautious

[Italy] *Volume basis On-premise ratio: approx. 40%



- Total Business: Significantly impacted by on-trade closure, off-trade not sufficient to compensate.
- Off-trade: Behind prior year but improving trend
- On-trade: Recovering slowly as channel re-opened from mid-May with some restrictions in place.

[UK] *Volume basis On-premise ratio: approx. 60% *Including the effect from the acquisition of Fuller's for March



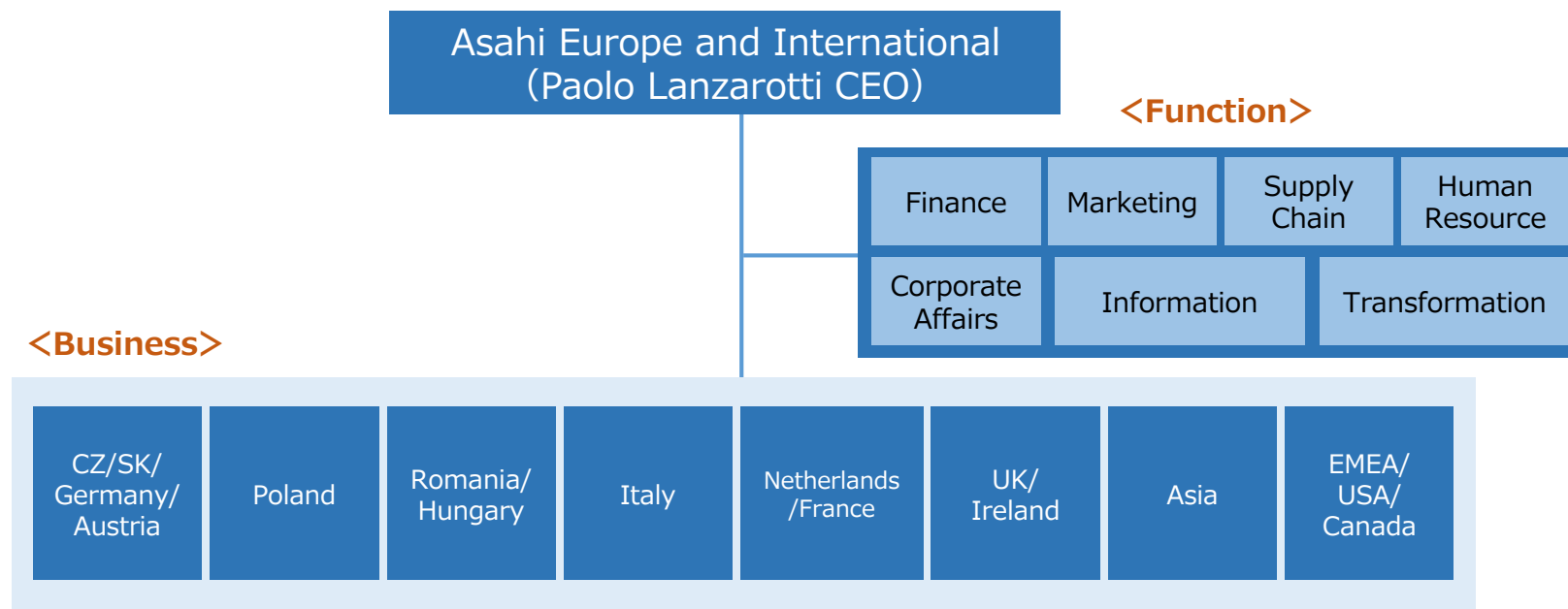
- Total Business: Significant decrease in the on-premise, compensating a part of it in the off-premise.
- Off-trade: Increased market share through key customers
- On-trade: Lockdown imposed since the end of March, started recovery as restrictions eased in July subject to social distancing

◆ Significance of the reorganization

Business integration of the Europe Business and AIL (from Nov. 2020)

- Establishing a faster decision-making process and building a one-stop operation structure
- Creating further cost synergies by the consolidation of duplicating headquarters
- Accelerating the growth of premium brands by the flexible management resource allocation and the enhancement of marketing capabilities

<Future management system>



◆ Rationale and Overview of Financing Plan

- Considering to raise JPY300.0 billion of equity credit attributes in order to secure financial soundness and maintain current credit rating
- Minimizing dilution for existing shareholders with combining issuance of common stock including use of treasury share, and subordinated bond

Funding Methods	Overview
Public Offering	Issuing common stock including use of treasury shares (Approx. 25.50 million shares) *(Maximum amount: JPY 200.0 billion)
Subordinated Bond	Issuing subordinated bond (assuming 50% equity credit attribute), which is considered as an equity regarding the credit ratings (Maximum amount: JPY300.0 billion)
Debt	Considering to diversify funding methods in order to reduce total cost of capital and interest (Approx. JPY 700.0 - 800.0 billion)

* Set up subordinated commitment syndicated loan facility (assuming 50% equity credit attribute), which is a backup plan in case we cannot raise funds through the issuance of shares of common stock as planned.

→ For financial plans, consider flexibly reviewing the timing and balance according to the stock market and procurement environment.

◆ Formulation of Our Basic Policy and Vision on Sustainability

Asahi Group's Sustainability Principles

1. The Asahi Group is striving to realize the tastiness of products and services that exceed consumer expectations, using the blessings of nature. We preserve finite nature to hand down the important blessings of nature to future generations.
2. The Asahi Group is striving to bring more fun to life through its products and services. We build a sustainable society to allow a better life to be inherited.

Asahi Group's Sustainability Vision

Based on the Sustainability Principles, we will strive to create values toward a better future in all regions where we operate by incorporating "Environment," "People," "Communities," "Health," and "Responsible Drinking" into our corporate strategy. Through these initiatives, we will continue to take on challenges and innovation to contribute to achieving the United Nations Sustainable Development Goals (SDGs).

◆ Revision of Our Material Issues



◆ Environment **Protect the gifts of nature**

Climate change/Sustainable raw material procurement, containers/packaging and water resources /Circular economy

◆ People **Uphold respect for human rights and maximize the potential of people**

Respect for human rights/Human resources development/Diversity/Workforce health and safety

◆ Communities **Connect people to create and share enjoyment**

Create people-to-people connections/Realize sustainable supply chains

◆ Health **Become a close part of people's healthy lifestyles**

Secure food safety & reliability/Create value of health

◆ Responsible Drinking **Contribute to efforts to reduce harmful drinking and promote the sound development of the alcohol beverage culture**

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

* For details of KPIs based on material issues, please see pages 54-55 of the Integrated Report 2019.

Environment: Efforts to Respond to Climate Change (Endorsing the Recommendations of the TCFD)

◆ About endorsing the recommendations of the TCFD

The Asahi Group understands that evaluating the impact of climate change-related risks and opportunities on its businesses and drafting appropriate response measures are important matters in terms of realizing a sustainable society and ensuring business continuity.

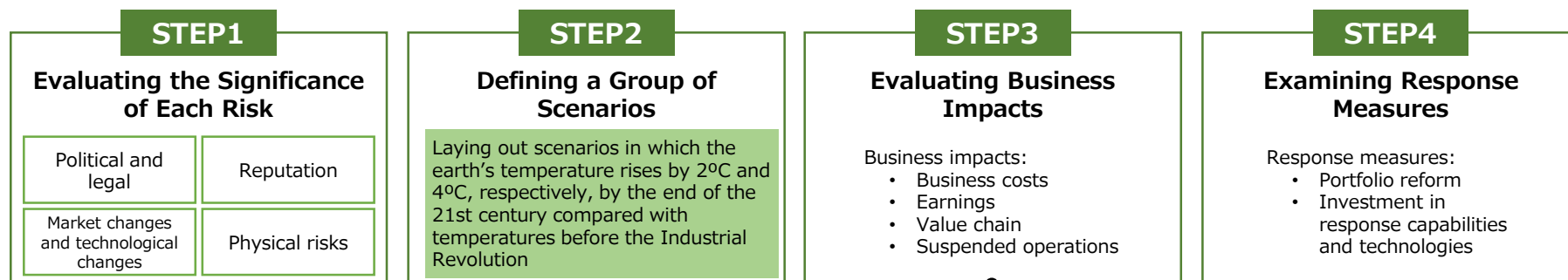
◆ Disclosure items based on the TCFD

Governance	Strategies
Risk Management Structure	Indices and Targets

* For details of disclosure, please see pages 58-61 of the Integrated Report 2019.

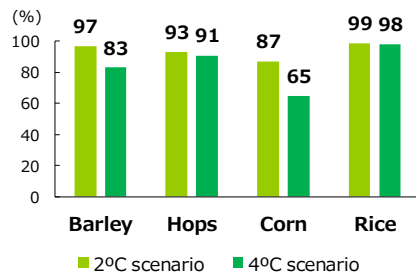
◆ Strategy: Climate change risk/opportunity scenario analysis

We implemented scenario analysis using the following steps with the aim of examining the impact of climate change related risks and opportunities on our beer businesses.



◆ Evaluating the business impact for the matters which have a particularly high impact on our businesses

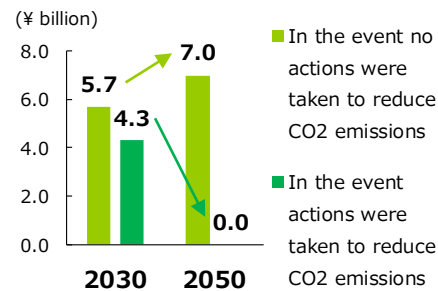
Impact on Harvest Yield Amounts under the 2°C Scenario and the 4°C Scenario
(Estimated values for 2050 using supply volume in 2018 as 100)



<Impact from Decline in Harvest of Agricultural Materials>

- Significantly higher declines in the harvest yields for barley and corn under the 4°C scenario than the 2°C scenario
- We will continue to gather information to improve the accuracy of our estimations.

Impact of a Carbon Tax under the 2°C Scenario



<Impact from the Introduction of Carbon Tax>

- Carbon tax reduction by implementing the Asahi Carbon Zero initiative*: ¥1.4 billion in 2030 and ¥7.0 billion in 2050
- * It aims for a 30% reduction in CO2 emissions by 2030 and zero emissions by 2050.
- We believe that the current strategies we are pursuing have a strong resilience to cost increases due to climate change and are therefore appropriate based on that perspective.

Donation



- 【Japan】
 - Donations of the Group's products such as "Calpis Water" to approx. 118,000 medical workers nationwide
 - Donations of disinfectant for medical institutions and local governments
- 【Malaysia】
 - Providing more than 6,200 cartons of beverages to healthcare professionals and others



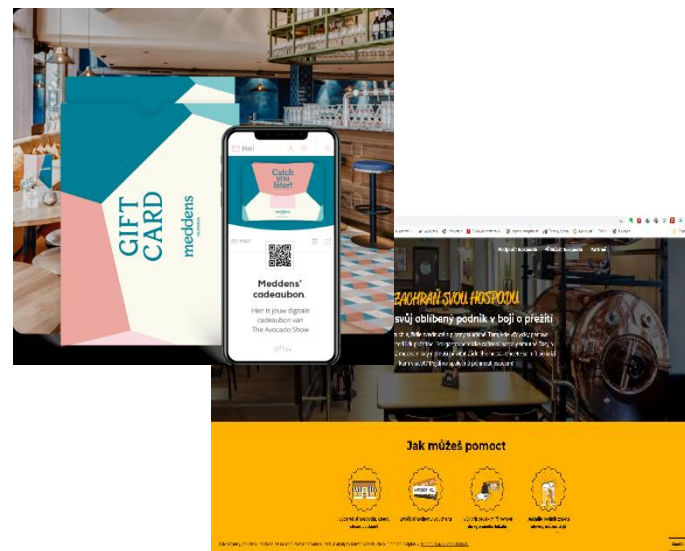
Proposal of new style

- 【New Zealand】
 - Expanding the delivery area of our own EC site and strengthening the product range
- 【Malaysia】
 - Holding a Ramadan session event in consideration of safety, supported by the GOODDAY brand



Supporting stakeholders

- 【Czech】
 - Operates and plans an online platform that connects restaurants and consumers, and sells vouchers in advance. 2,504 pubs registered.
- 【Hungary】
 - Compensation for expired keg inventory for wholesalers, hotels, restaurants, etc.
- 【Netherlands】
 - A famous artist holds a live session from an unmanned restaurant and appeals for support of restaurants through the purchase of coupons. (80,000 coupons sold)
- 【Australia】
 - Support for maintenance of equipment such as servers for restaurants. Extension of payment deadline, collection of unused kegs and refund.



Asahi

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