

**Asahi Group Holdings, Ltd.**  
**Q3 2023 Financial Results Briefing: Summary of Conference Call (1)**

Date: Friday, November 10, 2023, 18:00-19:00

Presenter: Atsushi Katsuki, President and CEO, Representative Director

**◆ Executive Summary (P1)**

- In the nine months from January to September 2023, the Asahi Holdings Group was able to achieve 6.1% growth in revenue and a higher-than-expected 8.6% increase in core operating profit on a constant currency basis. In short, we achieved higher revenue and greater cost efficiencies in an environment where costs have been rising significantly and consistently since last year.
  
- We are successfully improving unit sales prices in all regions by pursuing appropriate pricing strategies while also enhancing our competitive advantage in each region, and by pressing ahead with our efforts to expand our premium category and global brands.
  
- While we do need to continue to closely monitor the impact of inflation on demand, our aim is to achieve our annual earnings forecasts while also strengthening branding investment in all areas as we look ahead to the next fiscal year and beyond.
  
- Furthermore, as stipulated in the Asahi Group Medium- to Long-term Management Policy, we will continue to pursue our core strategy of integrating sustainability considerations and actions into our overall management practices and to invest in human capital development in order to further strengthen our business foundations.

**◆ Improving Unit Sales Prices/Higher variable costs (P2)**

- In the nine-month period from January through September, unit sales prices continued to improve significantly in our three major regions. As you can see here, the unit sales price increased by 9.5% in Japan, 15.6% in Europe and 3.1% in Oceania year on year.
  
- The impact of price revisions is the biggest factor fueling this improvement in unit prices. However, we are also expanding our premium category and making steady

progress on our premiumization strategy with regards to global brands, with “Asahi Super Dry” achieving particularly strong year-on-year growth of over 30% outside the Japanese home market.

- In Europe, we will need to keep an eye on future development after noting some considerable inflationary impacts in some areas. However, there have been no significant changes in overall consumption trends compared to the first half of the year.
- We intend to continue to promote our premiumization strategy while further strengthening brand investment in order to maintain and enhance our competitive advantage in each region.
- Regarding the cost increases displayed on the bottom half of the page, costs, primarily of raw materials and energy, increased by just under JPY 80 billion yen over the period from January to September. That result was broadly in line with our plan.
- Regarding the cost outlook for the full year, in the absence of any significant envisaged variables going forward, we currently anticipate cost increases of roughly JPY 100.0 billion, which is in line with expectations.
- We are still in the process of scrutinizing conditions in order to ascertain our outlook for the upcoming fiscal year. While we do expect to experience some softening in market conditions for certain raw materials and energy, we anticipate total costs will increase on the back of continued petitions from suppliers to increase prices and further rises in labor and other costs.
- It is possible that our forecasts for 2024 will be based on various risk factors, including costs. However, we are still determined to pursue our medium-term aim of generating high-single-digit profit growth, as stipulated in our guidelines, by consolidating global procurement to generate greater efficiencies and further promoting our premiumization strategy, so please include that in your own assessments.
- Finally, we announced our decision to postpone the launch of operations at the

Asahi Breweries Tosu Brewery from the originally scheduled 2026 to 2029 owing to a significant increase in construction and facilities costs.

- In relation to that decision, we will extend the operation of the nearby Hakata Brewery that was scheduled to terminate around the end of 2025. This will result in some delay to our sustainability strategy that seeks to achieve a carbon neutral position as soon as possible, but we hope you understand that this was a comprehensive decision based on investment efficiency.