



Asahi Group Holdings, Ltd.
Integrated Report 2014

Innovation and Diversification



Editorial Policy

Issuance of the Integrated Report 2014

Starting with this year, the Asahi Group has issued the Integrated Report by combining the conventional Annual Report and the CSR Communication Report into one. The Integrated Report 2014 has been compiled as a comprehensive communication tool by putting together financial and non-financial information in reference to the International Integrated Reporting Framework issued by the International Integrated Reporting Council.

As the Integrated Report has been prepared with the aim of further deepening the understanding of our medium to long-term corporate value creation with a broad range of readers including our shareholders and investors in mind, we sincerely hope that you will read this report and find the information herein useful.

2014



Annual Report



CSR Communication Report

2015



Integrated Report

Note: For detailed data related to CSR and environmental activities, please refer to the list of URLs of relevant websites at the end of this report.

Period covered:

January 1, 2014-December 31, 2014

Including some information outside this period

Scope:

Asahi Group Holding Ltd. and Group companies

Forward-Looking Statements

The current plans, forecasts, strategies and performance presented in this report include forward-looking statements based on assumptions and opinions arrived at from currently available information. The Asahi Group cautions readers that future actual results could differ materially from these forward-looking statements depending on the outcome of certain factors. All such forward-looking statements are subject to certain risks and uncertainties including, but not limited to, economic conditions, trends in consumption and market competition, foreign exchange rates, tax, and other systems influencing the Company's business areas.

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Corporate Philosophy and Long-Term Vision

Guided by our corporate philosophy, we will pursue the satisfaction of all stakeholders.

Under Asahi Group Holdings, Ltd. as a pure holding company, the Asahi Group runs its alcohol beverages, soft drinks, and food businesses—as well as its overseas business in these same domains—based on a shared corporate philosophy. In addition, toward achieving a sustainable society, which is an indispensable prerequisite for the execution of our corporate activities, we have defined three activity areas and key themes to address social issues

through our business.

Furthermore, our Long-Term Vision 2020, which was announced in 2013, defines the future vision for the entire Group as well as visions for stakeholders in order to clarify the judgment criteria applied to all of our management strategies. By improving not only financial value but also corporate value in a broad sense, we strive to achieve the satisfaction of all stakeholders.



The Asahi Group aims to satisfy its customers with the highest levels of quality and integrity, while contributing to the promotion of healthy living and the enrichment of society worldwide.

[Long-Term Vision 2020]

Striving to be a corporate group trusted around the world through the “Kando” of food (deliciousness, happiness and innovation)

<Vision for stakeholders>

Customers	Continue to create new value creation based on strengths nurtured in Japan and achieve the No. 1 ranking for customer satisfaction in Japan and each region of the world.
Business partners	Develop relationships with our business and alliance partners that support mutual growth and create value for all parties.
Society	Contribute to the resolution of social problems through the Group’s businesses in areas such as development of a wholesome food culture.
Employees	Develop an environment in which employees can work vigorously and experience personal growth together with corporate growth.
Shareholders	Enhance corporate value (stock value) through sustainable profit creation and shareholder returns.

[Target areas for addressing social issues]

Food and Health

The mental and physical health of people everywhere

- Our response to alcohol-related problems
- Contribute toward food safety and reliability
- Carrying on the tradition of our healthy food and alcohol-related culture

The Environment

Preservation of the bounty of nature for the future

- Contributing toward building a low-carbon society
- Contributing toward building a recycling-based society
- Contributing toward conserving biodiversity

People and Society

Happiness and fulfillment for all

- Respect for humanity
- Contribution to the realization of a healthy and affluent society
- Contribution to sustainable water resources

[Business domains (share of sales by segment)]

Overseas

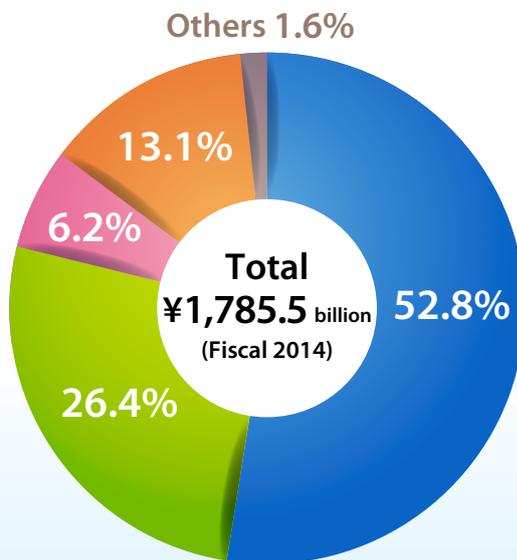
Manufacturing and sales of alcohol beverages and soft drinks in Oceania, Southeast Asia, and China as main markets

Food

Main focus on leading brands and businesses within the category, including mint tablets, baby food, and freeze-dried food

Soft Drinks

Integrated soft drinks business centered on long-standing mainstay brands including *Mitsuya Cider*, *WONDA*, *Asahi Juroku-cha*, and *Calpis*.



Alcohol Beverages

Integrated alcohol beverages business producing and selling whisky and spirits (mainly by The Nikka Whisky Distilling Co., Ltd.), *shochu*, wine, and RTD beverages in addition to beer-type beverages, including our flagship brand, *Asahi Super Dry*

Long history of corporate culture that cultivates innovation

The Asahi Group has been setting itself new challenges ever since day one. The first such challenge was to develop an authentic Japanese beer. This was followed by the launch of Japan's first canned beer and the expansion of the Group's soft drink brands. Even after the launch of *Asahi Super Dry*, which drastically boosted

the Company's market share, the Asahi Group continued to strive, working on various innovations throughout the entire value chain process ranging from R&D to sales. Furthermore, as the domestic beer market matured during the latter half of the 1990s, the Company broadened its business portfolio through the promotion

Establishment and the birth of *Asahi Beer*

1889

Osaka Beer Brewing Company was established.
Osaka Beer Brewing Company was established with the aim of developing authentic Japanese beer.



1892

***Asahi Beer* was launched.**
The sale of authentic beer produced by a Japanese brewery was started.



1900

Osaka Beer Brewing launched Japan's first bottled draft beer.

1900

Osaka Beer Brewing was awarded the Gold Prize at the Universal Exhibition in Paris.
Osaka Beer Brewing received a number of prizes and awards at domestic and international competitions.

1907

Mitsuya Brand "HIRANO CHAMPAGNE CIDER" (currently known as Mitsuya Cider) was launched.



1930

EBIOS, a pure brewer's yeast preparation tablet, was introduced.

Birth of Asahi Breweries

1949

Asahi Breweries, Ltd. was established.
Asahi Breweries, Ltd. was established as a result of the company being split in two upon enactment of the Economic Decentralization Act.



1951

Sales agreement of new soft drink brands was concluded.
Asahi concluded an agreement with General Foods and Wilkinson, respectively, to sell *Bireley's Orange* and *Wilkinson Tansan* in Japan.



1954

Asahi acquired a 60% stake in NIKKA WHISKY Distilling Co., Ltd.

1958

Asahi introduced Japan's first canned beer, under the Asahi label.
After starting with steel cans, Asahi commenced the sale of products in aluminum cans in 1971.

Start of Reforms

1982

Mitsuya Foods, Ltd., now Asahi Soft Drinks Co., Ltd., was established.

1982

Asahi signed a collaborative business agreement with Löwenbräu of Germany.
Asahi commenced Japan's first licensed production of foreign beer in 1983.

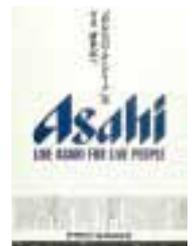


1983

The right to the trademark for Wilkinson carbonated drink was acquired.

1985

Asahi announced the introduction of its official Corporate Identity (CI).
Asahi announced the introduction of its official CI with the aim of unifying its values and activities towards the reinforcement of brand power.



1987

***Asahi Super Dry* was launched.**
With the launch of Japan's first dry beer, Asahi unleashed a revolution in the beer industry.



1987

Asahi signed a collaborative business agreement with Bass Exports of the U.K. for the import and sale of Bass's products.

1989

Asahi celebrated its 100th anniversary.
The corporation was renamed. (The English name did not change)

1889

Establishment

1950

1980



of M&As including overseas business expansion. Based on the Asahi Group's long fostered corporate culture of taking on the challenge of innovation, the Company will continue to take on new challenges towards the establishment of a new foundation for future growth.

Conquering the Beer Market

1992

Asahi Beer Food, Ltd., now Asahi Food & Healthcare Co., Ltd., was established.

1994

Asahi made its full-scale entry into the Chinese market.

Asahi acquired shares in Hangzhou Xihu Beer Asahi Co., Ltd. and acquired management rights in Beijing Beer Asahi Co., Ltd. and Yantai Beer Tsingtao Asahi Co., Ltd.

1996

Asahi commenced the export and sales of *Asahi Super Dry* to the U.K.

1997

Shenzhen Tsingtao Beer Asahi Co., Ltd. was established jointly with Tsingtao Brewery Co., Ltd. and others in China.



1998

Asahi gained the leading market share. With the huge success of *Asahi Super Dry*, Asahi achieved the leading market share in beer sales in Japan*.

Progress in Group Management

2001

Asahi acquired a 100% stake in Nikka Whisky Co., Ltd.

2001

Asahi claimed the No. 1 share in the Japanese beer/happoshu market*.

2002

Asahi acquired alcohol beverages businesses of Kyowa Hakko Kogyo Co., Ltd., and Asahi Kasei Corporation.

2004

Asahi established a soft drinks joint venture with Tingyi (Cayman Islands) Holding Corp., China's leading packaged food company.



2005

Asahi acquired the stock of LB Co., Ltd. (Saitama) and LB Co., Ltd. (Nagoya).

2006

Asahi acquired the stock of Japan's largest baby food maker, Wakodo Co., Ltd.

2007

Asahi formed a business and capital alliance with Kagome Co., Ltd.

2008

Asahi acquired the stock of a leading freeze-dried food company, Amano Jitsugyo Co., Ltd.

Towards Establishing New Foundation for Growth

2009

Asahi acquired the stock of China's No. 2 beer company, Tsingtao Brewery Co., Ltd.

2009

Asahi made its full-fledged entry into the Oceanian market.

Asahi acquired the entire stock of Australia's No. 2 soft drinks company, Schweppes Australia.



2011

Asahi became a pure holding company, changing its company name to Asahi Group Holdings, Ltd. from its former name "Asahi Breweries, Ltd."

2011

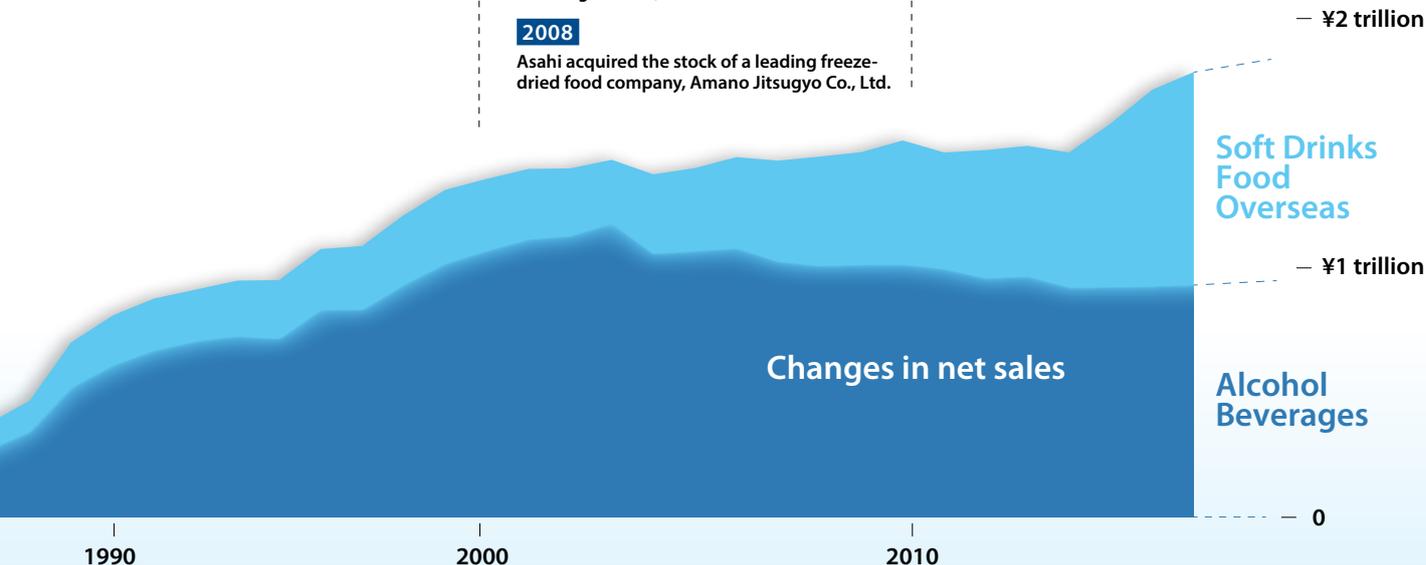
Asahi made its full-fledged entry into the soft drinks market in Southeast Asia.

Asahi acquired all the issued shares of Permanis Sdn. Bhd. in 2011 and established joint venture companies with Indonesia's largest food manufacturer, PT Indofood Sukses Makmur Tbk, in 2012. Asahi expanded its business base through these active investments for growth.



2012

Asahi acquired all the issued shares of Calpis Co., Ltd.



Note: Beer market share based on statistical data on taxable shipment volume from Japan's top five beer companies.

Asahi Group's Management Team (As of March 31, 2015)



Yoshihide Okuda

Shiro Ikeda

Naoki Izumiya

Katsuyuki Kawatsura

Katsutoshi Takahashi

Akiyoshi Koji

Directors

Naoki Izumiya

President and Representative Director, CEO

Apr. 1972 Joined the Company
Mar. 2000 Corporate Officer
Mar. 2003 Director
Mar. 2004 Managing Director
Mar. 2009 Senior Managing Director
Mar. 2010 President and Representative Director
Mar. 2014 President and Representative Director, CEO (current position)

Katsuyuki Kawatsura

Executive Vice President and Representative Director

Apr. 1975 Joined the Company
Mar. 2005 Corporate Officer
Mar. 2009 Managing Corporate Officer
Mar. 2010 Managing Director and Managing Corporate Officer
Mar. 2013 Senior Managing Director and Senior Managing Corporate Officer
Mar. 2014 Executive Vice President and Representative Director (current position)

Shiro Ikeda

Managing Director and Managing Corporate Officer

Apr. 1980 Joined the Company
Mar. 2009 Corporate Officer
Jul. 2011 Director and Corporate Officer, Asahi Breweries, Ltd.
Mar. 2012 Director and Corporate Officer
Mar. 2014 Managing Director and Managing Corporate Officer (current position)

Katsutoshi Takahashi

Managing Director and Managing Corporate Officer

Apr. 1977 Joined Yoshida Kogyo K.K. (currently, YKK Corporation)
May 1991 Joined the Company
Oct. 2005 President and Representative Director, Asahi Breweries Engineering Co., Ltd. (currently, Asahi Group Engineering Co., Ltd.)
Mar. 2008 Corporate Officer
Mar. 2013 Director and Corporate Officer
Mar. 2015 Managing Director and Managing Corporate Officer (current position)

Yoshihide Okuda

Managing Director and Managing Corporate Officer (CFO)

Apr. 1978 Joined Konishiroku Photo Industry Co., Ltd. (currently, Konica Minolta, Inc.)
Sep. 1988 Joined the Company
Mar. 2010 Corporate Officer
Mar. 2013 Director and Corporate Officer
Mar. 2015 Managing Director and Managing Corporate Officer (CFO) (current position)

Akiyoshi Koji

Director

Apr. 1975 Joined the Company
Sep. 2001 Corporate Officer
Mar. 2003 Managing Director, Asahi Soft Drinks Co., Ltd.
Mar. 2006 Senior Managing Executive Director, Asahi Soft Drinks Co., Ltd.
Mar. 2007 Managing Director and Managing Corporate Officer
Jul. 2011 Director (current position)



Mariko Bando
Outside Director

Apr. 2004 Head, Institute of Women's Cluture, Showa Women's University (current position)
Apr. 2007 President, Showa Women's University (current position)
Mar. 2008 Director of the Company (current position)
Apr. 2014 Chancellor, Showa Women's University (current position)



Naoki Tanaka
Outside Director

Apr. 2007 President, Center for International Public Policy Studies (current position)
Mar. 2009 Director of the Company (current position)



Ichiro Itoh
Outside Director

Apr. 1966 Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corporation)
Apr. 2006 Director, Vice President Executive Officer of such company
Apr. 2010 Chairman and Representative Director of such company
Mar. 2011 Director of the Company (current position)
Jun. 2014 Chairman and Director of Asahi Kasei Corporation (current position)

Auditors



Yoshihiro Tonozuka
Standing Corporate Auditor

Apr. 1975 Joined the Company
Oct. 2005 President and Representative Director, LB Co., Ltd. in Tokyo
Mar. 2010 Director and Corporate Officer of the Company
Mar. 2012 Standing Corporate Auditor of the Company (current position)



Akira Muto
Standing Corporate Auditor

Apr. 1980 Joined current Nissan Motor Sales Co., Ltd.
Dec. 1988 Joined the Company
Sep. 2010 Senior Officer of the Company and Corporate Officer of Wakodo Co., Ltd.
Mar. 2014 Senior Officer of the Company and Director and Corporate Officer of Asahi Food & Healthcare Co., Ltd.
Mar. 2015 Standing Corporate Auditor of the Company (current position)



Tadashi Ishizaki
Outside Corporate Auditor

Apr. 1982 Professor, Chuo University
Apr. 2000 Director, Institute of Business Research
Apr. 2005 Outside Corporate Auditor of the Company (current position)
Apr. 2010 Visiting Professor, Graduate School of Tokyo Fuji University (current position)
Apr. 2012 Professor, Shoin University (current position)



Katsutoshi Saito
Outside Corporate Auditor

May 2011 Vice Chairman, KEIDANREN (Japan Business Federation) (current position)
Jun. 2011 Chairman and Representative Director, The Dai-ichi Life Insurance Company, Limited (current position)
Mar. 2014 Outside Corporate Auditor of the Company (current position)



Yumiko Waseda
Outside Corporate Auditor

Apr. 1985 Completed courses at the Legal Training and Research Institute of the Supreme Court; registered as an Attorney at Law; and joined current Mori Hamada & Matsumoto
Apr. 2013 Entered Tokyo Roppongi Law & Patent Offices
Jan. 2014 Partner of Tokyo Roppongi Law & Patent Offices (current position)
Mar. 2015 Outside Corporate Auditor of the Company (current position)

Managing Corporate Officer **Yasutaka Sugiura**
Corporate Officers

Yasuyuki Ohtake

Kenji Hamada

Ryoichi Kitagawa

Naoki Saito

Yukitaka Fukuda

Corporate Value Creation Process (Conceptual Diagram)

We aim to enhance sustainable corporate value based on a “corporate culture that cultivates innovation.”

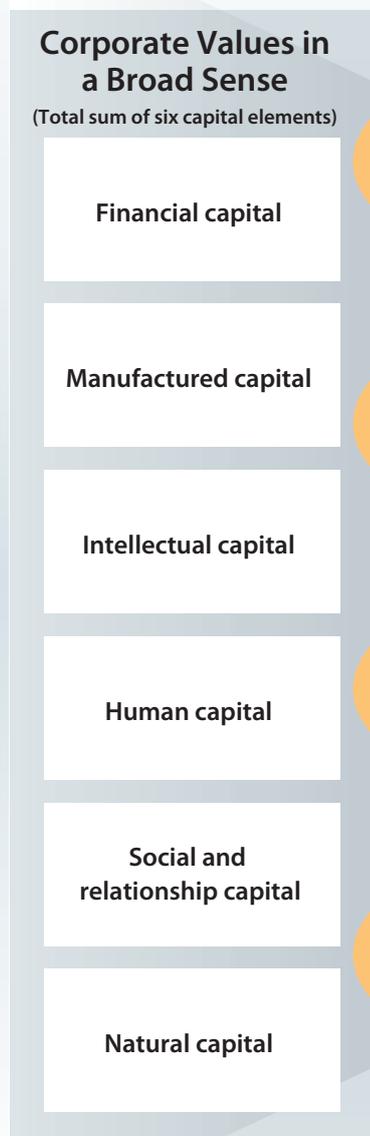
The Asahi Group promotes business management with a greater focus on the enhancement of corporate value in order to pursue the satisfaction of all stakeholders through the Long-Term Vision 2020 and its action plan, the Medium-Term Management Plan 2015.

With respect to the definition of corporate value, we have been strengthening our measures from the perspective of both financial

value and social value. Furthermore, in line with the preparation of the recent integrated report, we considered the total sum of six capital elements advocated by the International Integrated Reporting Council (IIRC) as “corporate value in a broad sense” and provided more specific examples of our achievements for each capital element.

Among these capital elements, it is indispensable that we refine

Sustainable enhancement of



Strengths to be reinforced



Research and Development → P.20



Procurement → P.22

“Corporate culture that



the strengths that we have cultivated over the years, including “cost competitiveness,” “brand power,” “human resource capabilities” and “social co-creation power,” in order to enhance our corporate value.

In addition, what creates our corporate value is a value chain

that covers processes from R&D to sales based on the “corporate culture that cultivates innovation” that we have nurtured since the establishment of the Company. We will aim to enhance sustainable corporate value by striving to realize the sophistication of all capital elements through this business model.

corporate value



Marketing and Sales
→ P.26



Production and Logistics
→ P.24

Corporate Values in a Broad Sense

(Effects of capital sophistication)

Financial capital

- Sustainable growth in ROE and EPS
- Cash flow generation toward growth investment

Manufactured capital

- Improvement of the industry’s top-class productivity
- Expansion of the platform to ensure the highest quality

Intellectual capital

- Enhancement of brand power with a focus on customer satisfaction as a starting point
- Sophistication of R&D and quality control technology

Human capital

- Human resources to cultivate corporate culture and enhanced motivation
- Management and global human resources, and promotion of diversity

Social and relationship capital

- Expansion of collaboration with regional society and business partners
- Strengthening of the business network both in Japan and overseas

Natural capital

- Reduction of environmental burden such as CO₂ emissions
- Development of a recycling-oriented society and conservation of biodiversity

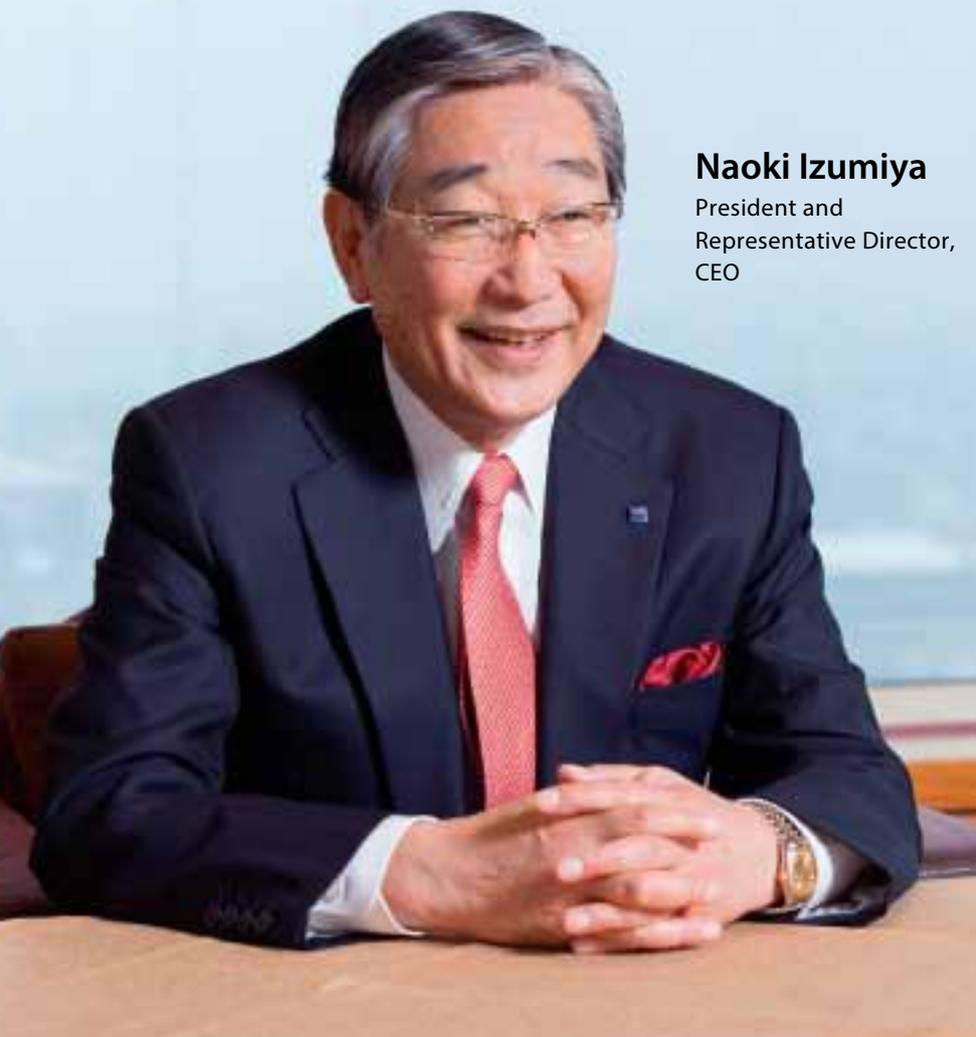
cultivates innovation”



We will pursue the satisfaction of all stakeholders by enhancing corporate value in a broad sense based on a corporate culture of taking on the challenge of innovation.

The Asahi Group has been promoting measures aimed at the enhancement of corporate value under its Long-Term Vision 2020 and its action plan, the Medium-Term Management Plan 2015. In terms of our progress, we have been steadily increasing ROE and EPS through the implementation of our optimal capital policy in addition to the realization of innovation and synergies by focusing on our strengths.

It is our policy to continue to strive to enhance our corporate value in a broad sense by leveraging our strengths to evolve the entire business model while aiming to further increase shareholder value in the future. As we have prepared our first integrated report, I would like to take this opportunity to explain our medium- to long-term vision toward the enhancement of corporate value based on the “Corporate Value Creation Process” described on the previous page.



Naoki Izumiya

President and
Representative Director,
CEO

Items to cover

1. Strengths of business portfolio and external environment
2. Management strategies and risk measures
3. Progress of Medium-Term Management Plan 2015 (2014 results and 2015 targets)
4. Future challenges toward the enhancement of corporate value

1. Strengths of business portfolio and external environment

By leveraging the strengths of our business portfolio, we will capture growth opportunities in Japan and overseas.

Strengths of business portfolio

In its domestic alcohol beverages business, which is the Asahi Group's largest business domain, the Group boasts the top market share for beer-type beverages. Our market share of beer category exceeds 50%*, in particular, thanks to our flagship brand, *Asahi Super Dry*. In addition, in the soft drinks business, our total market share has risen to third place as a result of the acquisition of *Calpis*, a lactic acid drinks brand with the top market share, in addition to our mainstay brands including *Mitsuya Cider*, a non-cola carbonated drinks brand with the top market share, and *WONDA*, a canned coffee

brand. Furthermore, we own leading brands and businesses in the food business category including mint tablets, baby food, and freeze-dried products on top of health and functional food products utilizing beer yeast.

In overseas business, the Asahi Group has been developing a prominent global network by having the second largest soft drinks companies in Oceania and Malaysia under its umbrella as well as a top soft drinks company and a No. 2 beer company in China as equity-method affiliates.

External environment

Despite these strengths in its business portfolio, the domestic beer-type beverages market, which accounts for the Group's largest sales, has been diminishing since peaking in 1994 due to Japan's falling birthrate and aging population as well as the diversification of alcohol consumption. Meanwhile, the contribution to total sales of our overseas business has been hovering at around 13%. Our external environment has been increasingly severe as the beer and soft drink industries have become dominated by a smaller number of players globally.

However, since Japan is predicted to have the third largest market in beer-type beverages following the U.S. and China and the second largest market in soft drinks, both in terms of value, there is no doubt that Japan remains a huge market. With signs that it is finally emerging from almost 20 years of deflation, the Japanese economy has seen diversifying and multi-valued consumption including the increased demand for high-value-added products. In addition, we have seen diverse growth opportunities through innovation even in

mature markets including the growth of alcohol and non-alcohol beverages that offer appealing health benefits against the backdrop of increasing inbound demand and rising health consciousness.

From a global perspective, growth in the alcohol and non-alcohol beverages market has been mainly taking place in emerging economy countries. With consumption habits diversifying in accordance with the economic development of each country, it is fair to say that the opportunities to leverage our strengths have been increasing as in Japan. Furthermore, while the oligopoly by leading global companies has accelerated, we believe that our chance to expand our business overseas, including further restructuring opportunities, is likely to increase as well in the future. It is our aim to continue to promote long-term growth strategies on a steady basis by capturing various growth opportunities both in Japan and overseas.

Major SWOT Elements in Business Portfolio ●: Japan ●: Overseas

Strengths

- No. 1 market share in beer-type beverages in Japan (market share solely for beer category exceeds 50%)
- No. 3 market share in soft drinks in Japan
- Owns leading brands and businesses in the food business
- Prominent network in Oceania, Southeast Asia and China

Opportunities

- Multi-value consumption as a result of economic recovery and emergence from deflation
- Evolution of high-value-added products such as healthy functional food category, etc.
- Upcoming Tokyo Olympics and listing of *Washoku* (traditional Japanese cuisine) as a World Cultural Heritage
- Growth of the alcohol and non-alcohol market mainly in emerging countries
- Increase in opportunities to expand businesses through global restructuring, etc.

Weaknesses

- Maturing of the alcohol and non-alcohol beverages market mainly due to lower birthrate and aging population
- Severe competitive landscape that has persisted under the deflationary environment
- Overseas business accounts for 13% of total sales
- Increasing oligopoly by leading global companies

Threats

- Greater than expected market contraction due to economic downturn
- Deterioration of competitive landscape owing to various tax reforms
- Economic slowdown in regions where we have an operational presence (Oceania, Southeast Asia, and China)
- Fierce competition as a result of the increasing presence of leading global companies

* Beer market share is calculated based on taxable shipment volume from Japan's top five beer companies.

2. Management strategies and risk measures

We will promote growth strategies in light of risk factors through the achievement of the Medium-Term Management Plan 2015.

■ Basic principles of the Medium-Term Management Plan 2015

Currently, the Asahi Group has been striving to enhance corporate value through the promotion of Value and Network Management under the Medium-Term Management Plan 2015, an action set out in the Long-Term Vision 2020. In Japan, we are focused on our strengths such as our reservoir of brand power and cost competitiveness, taking advantage of the mature market while boosting profitability through generating innovation and synergies by leveraging our strengths. We are also expanding our strengths through our existing network in Japan and overseas while boosting growth investments including M&As aimed at further improvement of our network.

Furthermore, while the traditional medium-term management plan sets out targets with a focus on P&L accounts such as net sales and operating income, the

Medium-Term Management Plan 2015 aims at improvements in return on equity (ROE) and earnings per share (EPS) as key performance indicators (KPIs). In light of the changes in the external environment and dialogues with the capital market, we have shifted our focus to the further enhancement of corporate value through shareholder returns to boost capital efficiency while placing the highest priority on sales and earnings growth.

Meanwhile, with regard to ROE, we ensure that the entire Group is oriented toward the achievement of unified goals by not only setting targets but also clarifying the respective challenges faced by both the holding company and the operating companies after the breakdown of ROE into profit margin on sales, total assets turnover, and financial leverage.

■ Cash flow allocation and growth investments

In the Medium-Term Management Plan 2015, generated free cash flow will be primarily used for growth investments including M&As in order to enhance ROE and EPS in a sustainable manner. Based on that, we will achieve shareholder returns with a target of a total return ratio, including share repurchase, of 50% or higher.

With respect to growth investment, it is our policy to allow a debt-equity ratio of around 1.0 in addition to free cash flow

to make use of financial liabilities when large financial needs arise. In M&As, however, acquisitions of overvalued companies can pose a risk to corporate value. Therefore, we will strive to make investments at adequate prices based on financial indicators on the assumption that we will be able to enhance value from a medium- to long-term perspective through generating synergies by leveraging our strengths.

■ Risks and countermeasures

As risks in implementing these management strategies, factors in Japan include a greater than expected market contraction and deterioration of the competitive landscape due to an economic downturn and various tax reforms. Meanwhile, overseas, we must anticipate fierce competition as a result of the increasing presence of leading global companies in addition to economic slowdown in regions where we have an operational presence including Oceania, Southeast Asia, and China.

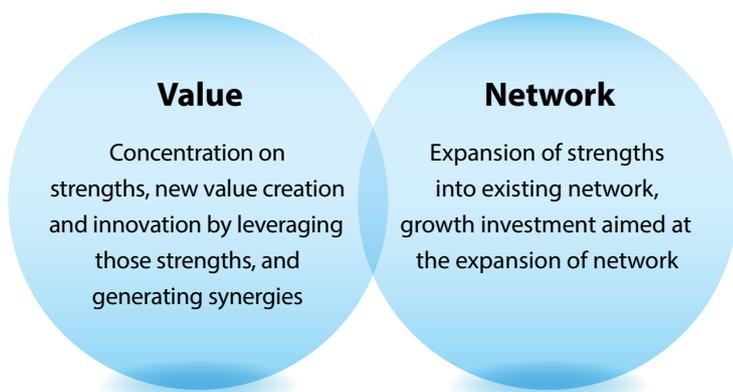
Although we are likely to be affected to a certain extent if these risks materialize, we have a track record of achieving record-high earnings for the 14th consecutive year through the reinforcement of brand power and profit structure

reforms above and beyond our plan and against headwinds such as market contraction and price competition due to deflation. In addition, with the upcoming Tokyo Olympics in 2020 and the registration of *Washoku* as a World Intangible Cultural Heritage by UNESCO, we anticipate further opportunities for growth by leveraging our strengths in Japanese food culture and capturing inbound demands.

We believe that our most powerful risk countermeasure in realizing sustainable growth is to further improve the Asahi Group's strengths such as brand power and cost competitiveness across the value chain while continuing to take advantage of these opportunities.

Outline of the Medium-Term Management Plan 2015

● Achieving Long-term Steady Growth through Value and Network Management



● Aiming to Enhance Corporate Value by Boosting Profit Growth and Capital Efficiency

Key Performance Indicators (KPIs)

	2012 Result	2015 Target	Before Goodwill Amortization
ROE (Return on equity)	8.4%	Approx. 10%	Approx. 12%
EPS (Net income per share)	¥123	Average annual growth rate: 10% or higher	-

<KPIs Guideline>

	2012 Result	2015 Target	Before Goodwill Amortization
Net sales	¥1,579.1 billion	Average annual growth rate: 3% or higher	-
EBITDA*	¥171.0 billion	Average annual growth rate: 6% or higher	-
Net income	¥57.2 billion	Average annual growth rate: 7% or higher	-
Operating margin	6.9%	8% or higher	9% or higher
Dividend payout ratio	22.8%	Target of 30%	-
Total return ratio	22.8%	50% or higher	40% or higher

* EBITDA: Operating income (before goodwill amortization) + Depreciation

Measures Toward Improving ROE

	Holding company	Operating companies
Profit margin on sales (Net income/net sales)	<ul style="list-style-type: none"> Enhancement of profit base through business investments including network expansion in Japan and overseas Reduction of indirect fixed expenses through the streamlining of overall SCM across the Group 	<ul style="list-style-type: none"> Growth by the reinforcement and development of strong brands and product mix improvement based on Value and Network Management Improvement of profitability through promoting profit structure reforms by leveraging strengths
Total assets turnover (Net sales/total assets)	<ul style="list-style-type: none"> Selection and concentration of the Group's business portfolio Increasing asset efficiency through optimization of assets held by the Group 	<ul style="list-style-type: none"> Implementation of business strategies with a focus on asset efficiency including capital investments Reduction and optimization of operating capital of each business
Financial leverage (Total assets/shareholders' equity)	<ul style="list-style-type: none"> Promotion of growth investments utilizing financial liabilities on the assumption of maintaining financial soundness Enhancement of shareholder returns at a level that will not impair current shareholders' equity 	-

3. Progress of Medium-Term Management Plan 2015 (2014 results and 2015 targets)

■ Review of 2014

ROE and EPS steadily improved on the back of above-target operating results and optimal capital policy.

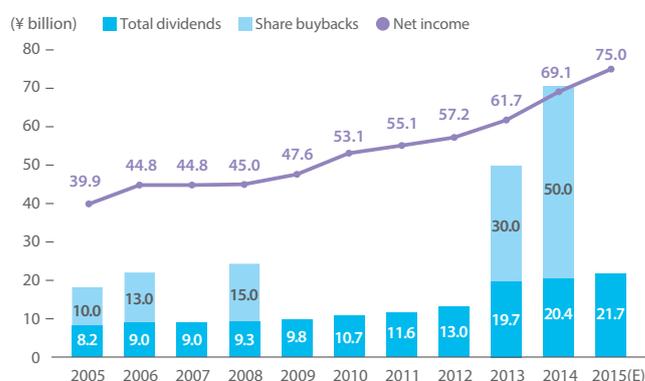
In 2014, the second year of the Medium-Term Management Plan 2015, we delivered increased revenues and profits that exceeded our targets. We believe that this is a result of our profit structure reforms including enhanced group synergies in addition to product mix improvement with a focus on strong brands in three domestic businesses, despite the severe operating environment due to the consumption tax hike and unfavorable weather conditions in the peak sales season.

In the overseas business, we have been successful in making a shift to growing categories in line with changes in the market environment and creating integration synergies in the Oceania business, which had been consistently posting below-target results. Furthermore, we delivered growth in sales and profits at a level exceeding our targets as a result of the reinforcement of our growth base in Southeast Asia and China including the effects of M&As.

With respect to capital policies, the share conversion of Euroyen CBs was accelerated due to a rapid increase in stock price. However, as a result of early redemption of remaining CBs and repurchasing of own shares amounting to ¥50.0

billion, ROE (adjusted ROE excluding special factors; see page 32 for more details) and EPS—both KPIs under the Medium-Term Management Plan—improved at a pace to achieve our targets. While the total return ratio for the past two years has significantly exceeded the 50% guideline, we will strive to enhance ROE and EPS in a sustainable manner by continuously implementing optimal capital policies in light of unexpected risks such as this.

Shareholder Returns



Cost competitiveness has improved through the promotion of profit structure reforms.

While the target of the Medium-Term Management Plan 2015 is to increase efficiency by over ¥30.0 billion through profit structure reforms across the entire Group, we have already achieved the target one year ahead of schedule by delivering results amounting to more than ¥30.0 billion for the past two years through 2014. In addition to realizing efficiency for the overall value chain from R&D to sales in each business, we have delivered results by generating synergies through our efforts, including the collaboration between Asahi Soft Drinks Co., Ltd. and Calpis Co., Ltd. as well as the integrated operations in the Oceania business.

Although cost increases are anticipated in 2015 due to fluctuations in currency exchange and market conditions, we will further enhance our strength in cost competitiveness by implementing profit structure reforms amounting to ¥40.0 billion for the three years. Furthermore, looking ahead to the next Medium-Term Management Plan, we will continue to build a solid profit base resistant to future changes in the operating climate by further strengthening our measures to enhance synergies among Group companies.

Progress of Profit Structure Reforms

¥ billion	Medium-Term Management Plan 2015	Accumulated results for period between 2013 and 2014	2015 Target	Initiatives
Alcohol Beverages	10.0	11.6	2.5	<ul style="list-style-type: none"> Reduction in depreciation through optimization of capital investments Greater production efficiency
Soft Drinks	10.0	10.7	3.9	<ul style="list-style-type: none"> Greater productivity from improvement in capacity utilization and raw materials efficiency Creation of collaborative synergies with Calpis in SCM overall
Food	3.0	2.7	0.9	<ul style="list-style-type: none"> Inventory optimization through an optimal supply and demand structure Production cost reduction centered on raw materials
Overseas	6.0	5.6	2.1	<ul style="list-style-type: none"> Synergy expansion from development of an optimal production and distribution structure and business integration Cooperative procurement of indirect materials, improvement in fixed costs efficiency
Consolidated Total	30.0	30.6	9.4	

■ Policies for 2015

We will boost investments aimed at achieving the targets of the Medium-Term Management Plan 2015 and sustainable growth.

In 2015, as our final efforts to complete the Medium-Term Management Plan 2015, we will continue to enhance earning power as our top priority by strengthening investments aimed at medium- to long-term growth in addition to expanding innovation and synergies by focusing on our strengths in each business. On that basis, it is our policy to improve ROE and EPS in a sustainable manner by implementing capital policies such as shareholder returns at an adequate timing.

In the alcohol beverages business, we set out a policy to focus on investments to strengthen our brand power without anticipating any significant increase in operating margin during the period of the current Medium-Term Management Plan. In terms of progress, we have expanded market share through maximizing our brand assets with a focus on *Asahi Super Dry* while steadily enhancing our competitiveness as a comprehensive alcohol beverages company. In anticipation of an opportunity to emerge from deflation as well as future revisions to the liquor tax, we will continue to enhance our earning power from a medium- to long-term perspective by using brand investments to leverage opportunities and implementing a product mix improvement strategy as cornerstone measures.

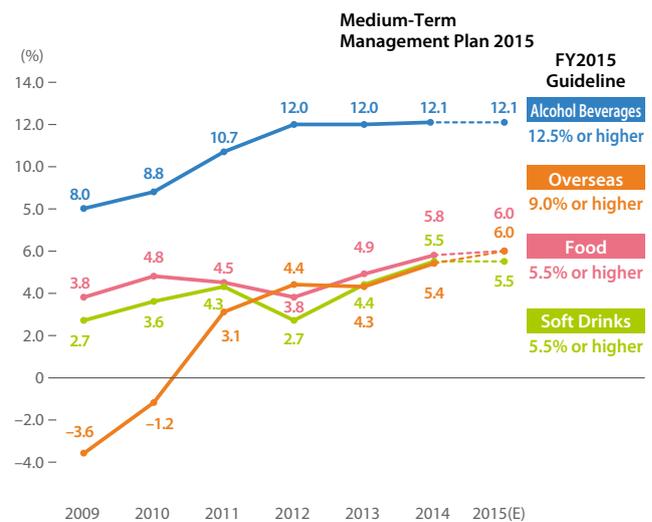
In the soft drinks business, in addition to the strengthening of our mainstay brands and the Food for Specified Health Uses (FOSHU) brand products, we have achieved the operating margin guideline set in the Medium-Term Management Plan one year ahead of schedule as a result of progress in profit structure reforms including group synergies. We will continue to aim to deliver the industry's highest level of profitability through the reinforcement of our brand power and the enhancement of cost competitiveness across the soft drinks business.

The food business is also expected to achieve operating margin above the guideline set in the Medium-Term Management Plan through the streamlining of variable costs and overall improvement in fixed costs efficiency on top of an increase in sales achieved by leveraging the strengths of each company. While continuing to concentrate on our strong brands and categories, we will strive to increase synergies across the food business as in the soft drinks business.

In the overseas business, although operating results in China and Malaysia exceeded the guideline set in the Medium-Term Management Plan, the overall target was not achieved due to a delay in realizing the effects of structural reforms in Oceania. Our aim is to develop the overseas business as a medium- to long-term growth driver by strengthening investments for the expansion of a new growth base including M&As while enhancing profitability of existing businesses with a focus on solving issues in the Oceania business in the future.

We will endeavor to improve the earning power of the entire Group by aiming to strengthen the profit base of the three domestic businesses and developing the overseas business as a growth driver in order to transform the Asahi Group into a cluster of strong businesses.

Progress of Operating Margin Guideline by Business



4. Future challenges toward the enhancement of corporate value

Based on evolving the business model by leveraging our strengths, we aim to enhance corporate value in a broad sense.

■ Enhancement of corporate value in a broad sense

As a reaction to the announcement and progress of the Medium-Term Management Plan 2015 that we are currently working on, Asahi Group Holdings' stock price reached a new record since its listing in April 2013 and shareholder value (market capitalization) has been improving, with performance subsequently exceeding the Nikkei Stock Average by a significant amount. While there is still a gap to be bridged to reach the top players, the Asahi Group has become the fourth largest listed beer company in the world in terms of market capitalization. Although in terms of business scale we do not yet have a significant global presence, we believe that increases in market capitalization and stock valuation will become our financial capital elements that will result in further growth.

Furthermore, I believe that it will become increasingly necessary for us to pursue the satisfaction of all stakeholders in the future by enhancing not only our financial capital but also our corporate value in a broad sense, namely, the total sum of all capital elements. While the Medium-Term Management Plan 2015 gives top priority to concentrating on our strengths, I believe that the main strengths among the Group's capital elements are cost competitiveness, brand power, human resources, and social collaboration power.

From the perspectives of financial capital and manufacturing capital, we have already delivered tangible outcomes such as increases in ROE and market capitalization as well as enhanced cost competitiveness. We will endeavor to enhance our corporate value in a broad sense in the future through the leveraging of our long-nurtured strengths and the visualization of our invisible capital, such as human capital and social capital, as much as possible.

Stock Price Data



Note: Daily closing price basis with the closing price as of December 31, 2012 set as 100



■ Sophistication of invisible capital

What I have devoted my utmost efforts to since my appointment as President and CEO is the sophistication of human capital through personnel development. I believe that the realization of innovation and globalization as growth engines for a mature industry will ultimately depend on how we can enhance human resources across the entire company.

Amid the changing external environment and business structures, it is crucial to boost the development and motivation of people who create the corporate culture of taking on the challenge of innovation in every aspect of the value chain as a first step. Furthermore, since developing management and global human resources and promoting diversity are indispensable for sustainable growth, I will continue to take a lead in the sophistication of human capital.

Meanwhile, with respect to invisible capital, the sophistication of social capital and natural capital including measures toward the reduction of environmental burdens in addition to collaboration with business partners and society can be an important factor in corporate value in a broad sense. Needless to say, as our core businesses are based on natural ingredients such as agricultural crops including barley and hops as well as water, the conservation and

sophistication of natural capital is fundamental to maintaining our business model.

The Asahi Group has strengthened initiatives to solve social issues by setting key themes in the three activity areas including “food and health,” “environment,” and “people and society.” With initiatives aimed at achieving a sustainable society, such as the reduction of CO₂ emissions across the value chain and the implementation of cause marketing, we have been working to build good relationships with all stakeholders. We believe that it is essential to enhance our long-nurtured social collaboration power and boost initiatives to solve social issues through our main businesses in order to increase corporate value in the future.

While the sophistication of invisible capital requires the setting of KPIs for visualization, initiatives to reduce environmental burdens, for example, will also lead to the enhancement of cost competitiveness, one of our strengths. Taking into account the balance of respective capital elements as well as their relationships, we will aim to achieve further evolution of our overall business model in the future based on a corporate culture of taking on the challenge of innovation.

■ Promotion of engagement aimed at the enhancement of corporate value

In Japan, with the formulation of the Japanese version of the Stewardship Code and Corporate Governance Code under the Japan Revitalization Strategy of the Abe administration, constructive dialogues aimed at the enhancement of corporate value and the review of Japanese-style governance have been required. What I believe to be important for us is to leverage these new movements for our management reforms toward the enhancement of corporate value rather than reacting to them passively.

In formulating the next medium-term management plan this year, we will continue to implement reforms to realize both the strengthening of our earning power and optimal capital policies by setting the improvement of ROE as the cornerstone measure in light of the cost of shareholders’ equity. We have also been working on preparations for the introduction of the International Financial Reporting Standards (IFRS) in line with the next medium-term management plan. With regard to the IFRS, rather than

considering it as a mere change in accounting standards, we will take the opportunity to promote dialogues based on global standards by increasing comparability. It seems that these management reform initiatives will play an important role as a common language in reducing the asymmetry of information between companies and the capital market. The Asahi Group’s IR activities have been awarded by the Securities Analysts Association of Japan and the Japan Investor Relations Association for their proactive dialogues with the capital market and management reforms reflecting market needs. We will aim to enhance our corporate value in a sustainable manner by continuing to promote constructive dialogues and engagement based on the two pillars of the Japan’s Stewardship Code and Corporate Governance Code to realize further management reforms in the future.

We kindly ask for your support as we continue to pursue the satisfaction of all stakeholders in the Asahi Group.

Further Enhancing the Brand Power of Asahi Super Dry

Based on its long-nurtured corporate culture of taking on the challenge of innovation, the Asahi Group has been aspiring to further evolve its business model (value chain). With regard to *Asahi Super Dry*, the Group's most valuable brand asset, in particular, we have established its unshakable status in the market through concerted efforts regarding various innovations across the entire value chain.

Before explaining our policies and initiatives for each value chain as part of the Company's corporate value creation process, on this page we introduce the innovations surrounding *Asahi Super Dry* from its development to date as a representative example of value creation.

Innovation in product development

New concept based on large-scale market research

As a result of large-scale market research, we became convinced that customer tastes had shifted away from conventional heavy and bitter beers to beers with a light and crisp aftertaste and thus determined the new concept of "dry draft beer."

Unconventional naming & packaging

The product was named *Asahi Super Dry* to straightforwardly describe its distinctively dry taste. Moreover, in anticipation of increasing demand for canned products, we adopted a metallic silver design that leverages the material of the can to emphasize the sharp taste of the product.



Carefully selected yeast and establishment of manufacturing methods

With the employment of original fermentation technology using yeast strain No. 318, which not only yields outstanding fermentation but also produces a complex aroma, as well as the procurement of optimal ingredients and the pursuit of the most superior manufacturing processes, we were able to realize a sophisticated, clear, KARAKUCHI (dry) taste.

Unprecedented capital investment

As a result of the extraordinary success of *Asahi Super Dry*, a so-called "Dry War" broke out across the industry in the following years. Under such circumstances, the sales of *Asahi Super Dry* continued to grow as the product was chosen by large numbers of consumers for its superior taste. In order to respond to further needs, we made capital investments on an unprecedented scale.

Innovation for quality improvement

Freshness management

By reducing the number of days required from production to shipment to three days, we established a quality standard of freshness for beer.

Taikoban guarantee system

By developing a system to ensure that the quality of our products is assured during each manufacturing process before they are sent to the next one, we achieved both a quality improvement and a reduction in shipping time.

Innovation in addressing social issues

Utilization of green energy

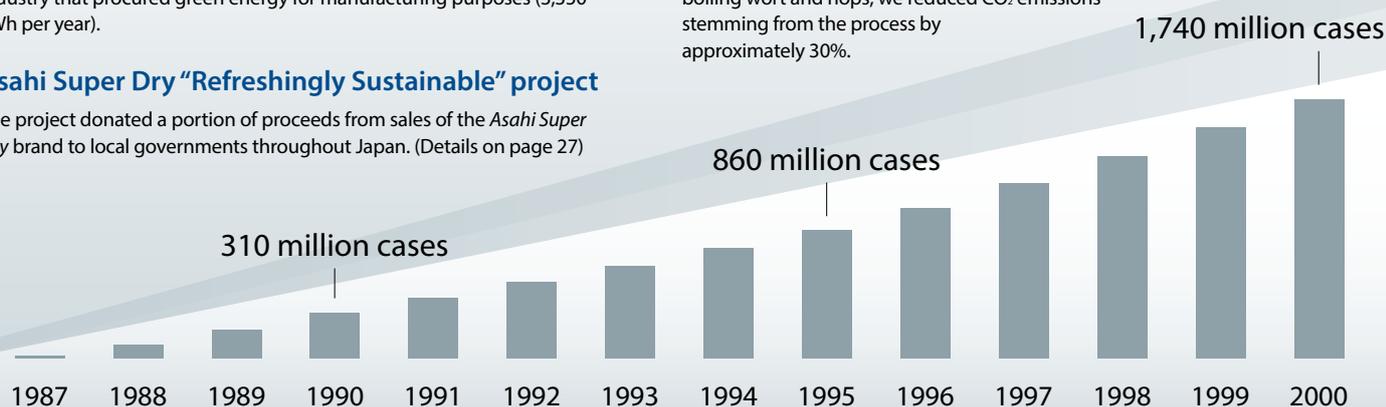
The Asahi Group became the first company in the food and beverages industry that procured green energy for manufacturing purposes (3,350 kWh per year).

Asahi Super Dry "Refreshingly Sustainable" project

The project donated a portion of proceeds from sales of the *Asahi Super Dry* brand to local governments throughout Japan. (Details on page 27)

Reducing CO₂ emissions through PIE boiling method

Through the development of a new technology used in boiling wort and hops, we reduced CO₂ emissions stemming from the process by approximately 30%.





Innovation aimed at further evolution

Development of "Extra cold"

Through the development of a special dispenser to serve "Extra cold" chilled below freezing point (between -2°C and 0°C), we created new demand by proposing a new way to enjoy beer. (Details on page 26)



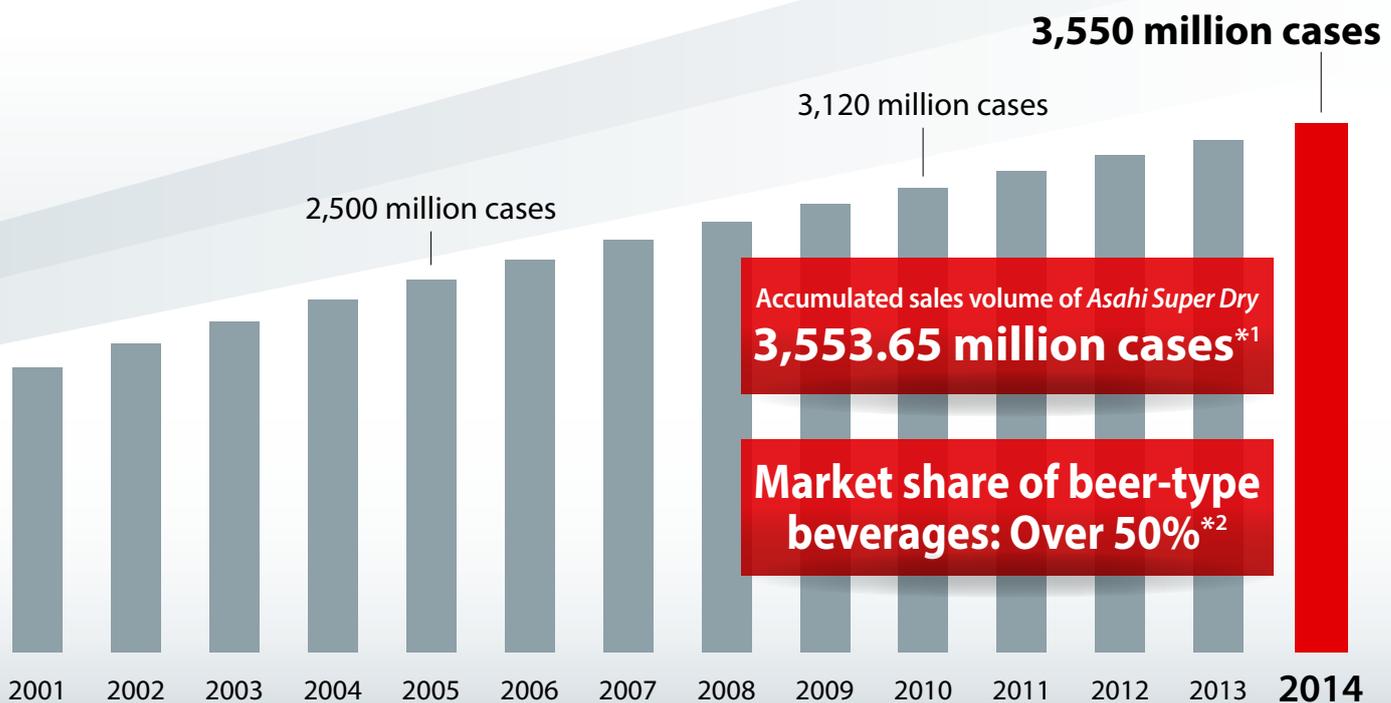
Expansion of the extension strategy

We have been expanding measures to maximize our brand assets including the launch of Asahi Super Dry's first extension brands *Dry Black* and *Dry Premium*.



The first taste evolution since the launch of Asahi Super Dry

We further evolved the sophisticated, clear taste through the development of an advanced yeast management technology, which resulted in our winning the Gold Award under the International-Style Lager category in the World Beer Cup 2014. (Details on page 20)



*1. One case of beer is equivalent to 20 bottles (633 ml).

*2. Beer market share based on statistical data on taxable shipment volume from Japan's top five beer companies.

Research and Development

Basic principles for value creation

- Creating new values and demand through innovation by leveraging technology platform
- Sophistication of quality control technologies toward strengthening of brand power
- Maximization of group synergies through the expansion of R&D technologies and know-how
- Utilization of technologies and know-how and reinforcement of information transmission to reduce environmental impacts and address social issues



The Asahi Group has established both an R&D division with strategic functions and a practical R&D center under Asahi Group Holdings, Ltd. Through these organizations we conduct the research and development activities of the entire Group in collaboration with the R&D divisions of each company.

Driven by a corporate culture that fosters innovation, in our research and development activities we seek to create new value and generate new demand, as exemplified by the development of *Asahi Super Dry* through the innovation of yeast technology.

We will continue to promote technological innovation and differentiated product development that contributes to enhancing our brand power by leveraging our long-nurtured technological platform. Moreover, it is our policy to strive to maximize group synergies based on collaborative efforts among the various companies in addition to employing our advanced management technologies to secure industry-leading safety and quality.

In addition to the above, while working on initiatives to obtain certification under the ISO 14001 environmental management system toward reducing environmental impacts, we will further strengthen our measures to address social issues including helping to solve alcohol-related problems by using our technologies and know-how and sharing useful information with the public.

■ Brand reinforcement and development through innovation

In 2013, in our R&D for the alcohol beverage business, we developed the Super Screening System, an advanced yeast management technology for controlling an element with a crucial role in shaping the taste of beer. This system is comprised of three technologies including a precision control technology for yeast nutrients, a temperature control technology during storage, and a yeast quality assessment technology. These technologies provide a better storage environment that allows yeast to absorb nutrients in an optimal balance, making it possible for us to select superior yeast. With this system, we realized the evolution of *Asahi Super Dry* by improving the clean finish and smooth head by 10% each for the first time since the beverage was released back in 1987. As a result, the Asahi Group was awarded the Gold Award for the International-Style Lager category in the World Beer Cup 2014.

In addition, in response to increasing public interest in the content level of purine bodies in alcohol beverages in recent years, the development of new products free of purine bodies has expanded. With the development of a highly sensitive analysis method with sensitivity approximately 10 times that of the conventional method (based on an original analysis technology), the Asahi Group since last year has been accelerating the development of new purine-body-free products.

We will continue to enhance these quality improvement measures as well as the development of advanced analysis technologies required within the Group.

■ Generating synergies through the expansion of technologies and know-how

Since we engage in businesses covering a broad range of segments including alcohol beverages, soft drinks, and food, we have been taking measures to expand our use of computer-aided engineering (CAE) in R&D toward achieving greater synergies. With this technology, we have succeeded in the accurate computer simulation of pressure resistance in beer cans, which is an important quality control item for us. As a result, we developed high-quality cans while reducing environmental impacts through using less test samples. Furthermore, this technology can be applied to a broad range of fields. For example, by showing the relationship between the shape of tablets and the ease of swallowing using the “deglutition map,” an indicator that combines *Kansei* (affective) engineering with the simulation technology, we have recently applied this technology to *Kinkotsu Glucosamine*, functional foods produced by Asahi Food & Healthcare Co., Ltd. and *Shinayaka Care* produced by Calpis Co., Ltd.

The development of this technology represented a first for the food industry and it has been highly acclaimed, including winning a technology research award from the Japan Society of Kansei Engineering. As the Asahi Group continues to grow by way of M&A and other means, we will endeavor to maximize group synergies through the spread of these R&D technologies and know-how in the future.

■ Research on bioethanol with a view to reducing environmental impacts

Leveraging technologies cultivated as an alcohol manufacturer, the Asahi Group has been involved in research on bioethanol made from sugarcane since 2001. A renewable energy, bioethanol is produced through the fermentation and distillation of plants. Based on the theory that CO₂ emissions generated from the combustion of bioethanol can be offset by the CO₂ emissions absorbed by the plants during photosynthesis, bioethanol can be regarded as CO₂ neutral from a theoretical viewpoint. On the other hand, as most bioethanol is made from plants that would



otherwise be used as food, the decrease in food production that results from making bioethanol is a challenge.

To overcome this challenge, the Asahi Group has invented a technology that makes it possible to produce ethanol from sugarcane while maintaining the production volume of sugar made from the same sugarcane. Working jointly with the Kyushu Okinawa Agricultural Research Center of the National Agriculture and Food Research Organization (NARO), we have developed sugarcane varieties capable of increased production of sugar and ethanol as well as an “inversion process,” which reverses the production order of sugar and ethanol. The reverse production process is the first technology in the world that dramatically boosts the production of sugar. In addition to increasing simultaneous production of food and energy, this process enables us to adjust the respective production volume and ratio depending on demand.

We intend to continue to strengthen measures toward the commercialization of this technology both in Japan and abroad.

■ Measures toward alcohol-related problems

To fulfill its corporate social responsibility as a producer of alcohol beverages, the Asahi Group has been making ongoing R&D efforts in the area of medicine concerning alcohol and health with the cooperation of external organizations toward reducing alcohol-related problems induced by the inappropriate consumption of alcohol beverages.

Specifically, in a joint research project with Nippon Medical School, we conduct studies, including drinking trials, involving various conditions based on the types of alcohol, different ways of drinking, and alcohol tolerance. We have been utilizing our findings to promote responsible drinking through the provision of easy-to-understand explanations on our website. Using the data obtained from real-life trials involving alcohol consumption, these explanations describe what it means to be a “strong drinker” or a “weak drinker” and why drinking alcohol with food is better from the viewpoint of responsible drinking. In addition, we have been studying food ingredients to find out what kinds of foods are well suited to being consumed alongside alcohol. According to our joint research with Kagome Co., Ltd., our business and capital alliance partner, the water-soluble components of tomatoes promote the alcohol metabolism, preventing fast intoxication, a finding that has been picked up by numerous media outlets.

In addition to deepening our medical research, we will in the future strengthen our efforts toward reducing alcohol-related problems by continuing to proactively disseminate this kind of useful information to the public.

Procurement

Basic principles for value creation

- Driving the activity for stable procurement with a focus on collaboration with business partners and cost competitiveness
- Establishment of quality assurance system with suppliers as business partner
- Expansion of sourcing network toward the reinforcement of group/global procurement functions
- Moving toward CSR promotion of procurement in consideration of environmental impacts and human rights



The Asahi Group has established under Asahi Group Holdings, Ltd. a procurement section that oversees procurement strategy for the entire Group. Through this section, we conduct optimal procurement activities in cooperation with each company and global office in an integrated manner.

With the aim of providing safe and secure products and services, the procurement section drives the activity for stable procurement with a focus on collaboration and building solid relationships, trust, and long-term partnership with suppliers. In addition, while contributing to cost competitiveness in order to provide our products and services at optimal prices, we aim to establish a quality assurance system involving our suppliers as business partner. Furthermore, in line with the expansion of our operating bases in Japan and overseas, we have expanded our group/global sourcing network in Japan as well as Oceania, China, and Southeast Asia.

While continuing to offer fair and just trading opportunities to our partners both at home and overseas, regardless of their size, we aim to achieve world-class procurement with a focus on our three pillars of “group,” “global,” and “green.” We do this by assessing attitudes toward compliance in addition to consideration for the environment and human rights when selecting our business partners.

■ Stable procurement of raw materials and quality assurance system

The main ingredients used in our major business domains, namely, alcohol beverages, soft drinks, and food, are dependent on the bounty of nature, mostly in the form of agricultural crops. As we are directly affected by changes in yield resulting from climate change and fluctuations in market prices due to changes in supply and demand, we give top priority to stable procurement in order to ensure that we can offer safe and secure products at optimal prices in a consistent manner.

Specifically, with regard to malt and hops, the main ingredients of beer-type beverages, we strive to secure required volumes and minimize the impact of market prices by combining various procurement methods, including decentralized procurement from suppliers in various regions such as North America and Europe as well as the adoption of long-term contracts.

Meanwhile, each company has established its own quality assurance system based on a common philosophy in accordance with the Group Quality Policy and the Group Quality Assurance Requirements. Furthermore, based on the understanding that each supplier is an equal business partner, we endeavor to share the same policies with our suppliers and impose the same requirements. In particular, with regard to food defense issues, such as preventing product tampering, we have been trying to establish a quality assurance system with business partners by holding regular QA (quality assurance) meetings with all suppliers with the aim of eliminating serious incidents that may result in product recalls.

■ Collaboration in group procurement

As the number of its global operating bases grows, the Asahi Group has been working on the expansion of its sourcing network. Currently, we are focused on generating synergies on an ongoing basis through the implementation of regional synergy programs in Japan, Oceania, and Southeast Asia. In addition to regional collaboration, we hold global procurement meetings to create regular communication opportunities. We promote collaboration in order to offer safe and secure products and services at optimal prices by sharing best practices from each area in addition to basic information such as procurement tactics and supplier information.

We aim to continue to promote procurement activity in global quality with a focus on our three pillars of “group,” “global,” and “green” by establishing ongoing communication cycles with regard to not only cost but also to managing risks related to quality, stable procurement, and market fluctuations as well as new technologies and environmental considerations.



■ Reduction of environmental impacts through collaboration with suppliers

By sharing the basic philosophy and guideline for activity stipulated in its Basic Environmental Principles with its suppliers, the Asahi Group has been promoting initiatives based on the promotion of three main areas: waste reduction, resource recycling, and resource and energy conservation; reduction of substances that negatively impact the global environment such as CO₂ and CFCs; and product development, technology development, and material procurement with consideration for the environment.

Specifically, we have been promoting the use of environmentally friendly materials that can be recycled in addition to the weight reduction of major packaging materials in the alcohol beverages and soft drinks businesses, including glass bottles, cans, PET bottles, cardboard boxes, multi-compartment cartons, and labels.

Moreover, we have been strengthening measures to reduce environmental impacts through the adoption of lightweight returnable bottles as well as the introduction of smaller can lids (type 204) for beer-type beverages.

■ Consideration for human rights of workers

In line with the expansion of the Group's areas of operation, the number of procurement items and suppliers deeply linked with our production activities has been increasing not only in developed countries but also in the developing world. This expansion of business areas and regions means we must engage in our procurement activities from a more global perspective.

The Asahi Group in June 2002 endorsed and supported the 10 principles of the United Nations Global Compact, covering issues of human rights, labor standards, the environment, and anti-corruption. In order to ensure respect for the human rights of people involved in the production and trade of procurement items as well as local residents, we have been promoting initiatives aimed at elimination of child labor and forced labor, among others. For example, we run an initiative based on a supplier survey that we conducted in partnership with our Group companies. In this survey, we conducted a questionnaire for our suppliers to understand their measures to address social issues in addition to the targets, implementation plans, disclosure status, and internal penetration of their efforts to reduce environmental impacts. In addition, we have been strengthening our efforts to respect human rights not only by grasping the current conditions of and sharing issues faced by our suppliers but also through making collaborative efforts to solve such issues.

While we are currently formulating the Group's new policies and guidelines on CSR procurement, it is our policy to further reinforce CSR procurement toward addressing social and environmental issues, including those related to human rights, in our overall procurement activities.



Production and Logistics

Basic principles for value creation

- Enhancement of cost competitiveness through establishing optimal production and logistics systems across the Group
- Reinforcement of quality control system to ensure the highest level of quality
- Global rollout of production technology and logistics know-how
- Contribution to environmental sustainability through measures to reduce CO₂ emissions and eliminate waste



The production structure of the Asahi Group is as follows. Under the leadership of the production section of Asahi Group Holdings, Ltd., which has strategic functions, we engage in production activities in collaboration with the production sections of each company as well as 35 factories in total. The logistics structure follows a similar pattern: under the leadership of the logistics section of Asahi Group Holdings, Ltd., we promote the logistics operations of the entire Group, working mainly with the logistics sections of each company as well as Asahi Logi Ltd., which is responsible for actual logistics operations.

The Asahi Group has been promoting measures to provide safe products steadily at a low cost based on production technologies and logistics know-how developed through a number of innovations in the past. In addition, we have been striving to further enhance our unique cost competitiveness by developing optimal production and logistics systems across all Group businesses. By expanding international quality management systems such as ISO, HACCP, and FSSC, we will continue to strengthen our efforts to secure the highest level of quality, as stated in our corporate philosophy. Overseas, we will continue to develop optimal production and logistics systems from a global perspective by promoting the spread of our characteristic unwavering commitment to quality in addition to our long-term-oriented production technologies and logistics know-how in accordance with the social structure of each country.

Furthermore, it is our policy to reinforce our initiatives toward reducing environmental impacts such as measures to curtail CO₂ emissions and eliminate waste while leveraging collaborations with our business partners across the full range of production and logistics activities.

Development of optimal production and logistics systems beyond Group boundaries

In order to maximize its production technologies and logistics know-how, the Asahi Group has been working on restructuring and streamlining its production and logistics centers beyond Group boundaries. Specifically, as a result of the consolidation of our production and logistics centers for soft drinks and RTD products into our beer factory in Ibaraki in 2007, the cost competitiveness of both our alcohol beverages and soft drinks businesses has been boosted dramatically. Moreover, in light of the demand and supply balance of each company, we have been taking measures to



develop optimal production systems, including the production of Wakodo products at Amano Jitsugyo's Satoshio factory in the food business as well as the plan to start production of Asahi Soft Drinks products at the Calpis Okayama Plant.

In the logistics division, we have been developing a joint delivery system by sharing logistics know-how and infrastructure across the alcohol beverages, soft drinks, and food businesses. In addition, by promoting integrated information bases such as a logistics infrastructure system, we aim to establish a more solid network that will connect the various supply chains of the entire Group.

The production and logistics divisions will continue to strengthen initiatives towards the maximization of synergies while making proactive efforts to develop a corporate culture of taking on the challenge of innovation through personnel exchange within the Group.

Expansion of production and logistics platforms

With the increase in the product categories of each company in line with the expansion of business operations in Japan and overseas, it has become necessary to secure the highest level of quality for our production and logistics platforms as the basis of related group-wide activities. We will continue to make proactive efforts to expand the homegrown production technologies and logistics know-how for realizing both cost competitiveness and the highest level of quality not only across Japan but also among our Group companies overseas.

For the five soft drinks and alcohol beverages companies acquired in Oceania, our aim is to achieve cost reductions amounting to more than ¥6.0 billion over three years by generating integration synergies and leveraging know-how gained through the consolidation of production and logistics centers. Moreover, we have been working to further enhance the quality and efficiency of our overseas companies in the production and sales of our domestically strong brand assets, including *WONDA* (Asahi Soft Drinks) and *Calpis Water* (Calpis). With the aim of providing safe and reliable products at a low cost from our overseas business sites, including in Oceania and Southeast Asia, we will continue to promote the development of optimal production and logistics systems in line with the social structure of the respective countries.

Introduction of cogeneration systems

One of our measures aimed at achieving environmentally conscious production activities is the introduction of cogeneration systems. Cogeneration systems produce two types of energy, namely, electricity and heat (steam), using a single fuel source, such as city gas. These systems therefore help conserve energy for the reduction of environmental impacts. We are also endeavoring to contribute to a



sustainable society through our daily production activities by expanding the use of this type of equipment within the Group in order to boost our private power generation ratio, particularly since the Great East Japan Earthquake.

Following the installation of Asahi Breweries' first cogenerator at the former Tokyo factory in 1989, this type of equipment has been installed at six Asahi Breweries factories as well as at factories belonging to Asahi Soft Drinks Co., Ltd. and Calpis Co., Ltd. As a result of these efforts, the private power generation capacity of the entire Group increased to 38,797 kW or 46% of our overall power usage in 2014. Meanwhile, our CO₂ emissions per basic unit in 2013 decreased by approximately 8% from 2008.

Reduction of environmental impacts by the logistics division

In the logistics division, we have also been making continuous efforts to reduce our annual CO₂ emissions per basic unit by 1% toward the realization of a low-carbon society. Specifically, we have been promoting modal shift by using transportation methods such as trains and ships through building a shipping container reuse system using 31-foot railway containers as well as joint transportation by 12-foot railway containers in collaboration with leading logistics companies. In addition to improvements in the frequency of delivery from manufacturing plants as well as the ratio of large-scale delivery vehicles through joint delivery of Group products, in order to avoid congestion at delivery destinations, we have been promoting seamless transportation and delivery by leveraging collaboration with our business partners.

Furthermore, since 2011, we have been making efforts to shorten delivery distances and improve loading efficiencies by utilizing shared distribution centers in the Tokyo and Kanagawa areas in cooperation with Kirin Brewery Company, Ltd., one of our competitors. We will continue to strengthen our measures to enhance cost competitiveness and reduce environmental impacts through the expansion of collaborative efforts not only within the Group but also beyond its boundaries.

Marketing and Sales

Basic principles for value creation

- Promotion of innovation aimed at strengthening our brand power and creating new value and demand
- Strengthening of solution-oriented marketing by leveraging collaborations with business partners such as sales channels
- Implementation of global marketing by leveraging our strengths
- Expansion of cause marketing and health and environmentally conscious products



The Asahi Group has engaged in marketing activities by accurately capturing changing market needs under the leadership of the marketing sections of each company. In addition, we have been boosting collaboration with our business partners through solution-oriented marketing for sales channels and restaurants, efforts led largely by our Japan-wide sales offices.

In the domestic market, we will continue to reinforce our proposals to maximize our strong brand assets such as *Asahi Super Dry* and *Mitsuya Cider* as well as to create new value and demand. Based on the concerted efforts of the marketing section and sales section, we will endeavor to further enhance our strengths in terms of brand power and collaboration with a focus on the satisfaction of consumers and business partners as our starting point. Overseas, with the aim of developing local brands and expanding the Asahi brand, we will pursue optimal marketing and sales strategies in accordance with the market structure of the respective regions by leveraging our strengths nurtured in Japan.

Furthermore, in order to address social issues through our business activities, we will continue to pursue innovation through cause marketing by deploying our mainstay brands as well as the expansion of health and environmentally conscious products.

■ Enhancement of brand power and collaboration through innovation

In the alcohol beverages business, in order to maximize the brand assets we have built around *Asahi Super Dry*, we have been pursuing innovations that promptly reflect multi-valued market needs, including by offering proposals for new ways to enjoy the product in addition to the evolution of a refined, clear taste and the launch of brand extension products in collaboration with the R&D division.

Of particular note, “*Extra cold*,” which was launched in 2010, created a buzz by proposing a new way of enjoying *Asahi Super Dry*, namely, served chilled to subzero temperatures. One of our most prominent innovations, this resulted in increased demand, mainly among younger consumers.

Meanwhile, in terms of our sales activities, we have been strengthening solution-oriented marketing based on various needs by making point-of-sale proposals with a focus on the growth of our sales channels as well as the sales of our own branded products. The rollout of “*Extra cold*” not only revitalized our brand but also resulted in an increase in customer traffic in the restaurants and bars that carry this product as well as a growth in sales per customer thanks to the added value. Furthermore, the number of restaurants and bars serving the product exceeded expectations, reaching 10,000 establishments as a result of the development of a new dispenser with space-saving and power-saving features. It is our policy to continue to pursue marketing and sales activities to realize the enhancement of our brand power as well as further collaborations with our business partners in the future.

Creating new value and demand through brand revitalization

In the Soft Drinks business, we have been working on the creation of new value and demand through the revitalization of our long-selling brands, including *Mitsuya Cider*, with a history spanning 100 years. This is against the backdrop of a carbonated beverages market that had turned stagnant due to rising health consciousness.

We succeeded in boosting demand for *Mitsuya Cider* among younger consumers and female homemakers by replacing all flavors used in the product with ingredients derived from natural plants and fruits and by significantly transforming the brand image, including advertising under the concept of "safe and natural." Moreover, we have been increasing our brand power by responding to rising health consciousness and proposing new ways of enjoying our products. These efforts include the launch of *Mitsuya Cider Plus*, a Food for Specified Health Uses (FOSHU) product that prevents an increase in blood sugar levels, as well as the rollout of *Mitsuya Freezing Cider*, for which the refreshing taste of *Mitsuya Cider* can be enjoyed at subzero temperatures.

For the *WONDA* canned coffee brand, we revitalized the brand through innovative marketing based around time-oriented concepts such as "special coffee for the morning." We have also enhanced the market position of the brand through ongoing brand extension efforts to address diversifying needs. For *Wilkinson*, a carbonated mixer for alcohol beverages that is popular with restaurants and bars, we cultivated potential needs by proposing a new style of enjoying the product straight from the PET bottle, which has driven increased demand for carbonated water.

Overseas expansion of our strengths developed in Japan

We have launched a new management team that will manage overseas sales of Asahi brand products under the designated marketing section. Based on the expansion of our marketing strategies by leveraging the strong brand power enjoyed by mainly *Asahi Super Dry*, we have been cultivating new markets through local distribution networks.

Specifically, we have been working on enhancing the



overseas brand power of *Asahi Super Dry* by launching *Asahi Super Dry Extra Cold Bars* in South Korea and Australia to serve as brand promotion centers. This has helped increase customer traffic at these venues, exceeding our expectations.

In Malaysia, the brand recognition of *WONDA* canned coffee, which was launched in 2013, has been significantly improved as a result of our innovative advertising campaign that was designed to appeal to the five senses. This advertising has been highly acclaimed, including winning a gold prize in a Southeast Asian media award. It is our policy to continue to enhance the global presence of the Asahi brand by leveraging our strengths in marketing and sales know-how developed in Japan as well as our local distribution network in the future.

Reinforcement of brand power through cause marketing

The Asahi Group has been proactively promoting collaborative activities with local communities as part of our marketing and sales strategies. Specifically, we launched the *Asahi Super Dry "Refreshingly Sustainable Project"* in which for every applicable *Asahi Super Dry* product sold we donate one yen to local governments in Japan's 47 prefectures. The total amount of donations from this project since spring 2009 has reached approximately ¥2.4 billion and the proceeds have been used for the protection and conservation of the natural environment and important cultural assets by local governments, including the installation of solar power generators for public elementary schools.

We will strive to enhance our brand power and address social issues through business by continuing these efforts in collaboration with our stakeholders in the future.

Examples of initiatives with local governments

Prefecture	Details of initiatives	
1 Hokkaido		Environmental conservation activities for 13 wetlands in Hokkaido which are registered under the Ramsar Convention and the World Natural Heritage site Shiretoko as well as environmental learning activities for young people
2 Kyoto		Activities to protect, restore and conserve cultural heritage of Kyoto through the donation to Kyoto Prefecture's fund established with the aim of protecting and preserving cultural properties

Eleven-Year Financial Summary

Asahi Group Holdings, Ltd. and Consolidated Subsidiaries
Years ended December 31

¥ billion

	2004	2005	2006	2007	2008
Operating Results (For the year):					
Net sales	¥1,444.2	¥1,430.0	¥1,446.4	¥1,464.1	¥1,462.7
Cost of sales	978.6	954.0	950.1	961.2	953.5
Selling, general and administrative expenses	364.3	385.8	407.5	415.9	414.7
Operating income	101.3	90.2	88.7	87.0	94.5
Net income	30.6	39.9	44.8	44.8	45.0
EBITDA	154.2	141.6	139.6	134.7	145.9
Capital investments	40.1	43.9	36.9	44.5	36.1
Depreciation	51.3	50.0	48.8	45.3	47.4
Research and development expenses	8.3	8.3	8.5	8.6	9.1
Financial Position (At year-end):					
Total assets	¥1,250.8	¥1,218.2	¥1,288.5	¥1,324.4	¥1,299.1
Interest-bearing debt	303.1	289.2	290.1	332.5	302.3
Total net assets	417.8	454.9	509.8	529.8	534.6
Cash Flows:					
Net cash provided by operating activities	¥112.9	¥87.2	¥105.8	¥ 69.6	¥106.1
Net cash used in investing activities	(54.9)	(44.5)	(82.2)	(117.8)	(58.2)
Net cash provided by (used in) financing activities	(55.7)	(35.7)	(22.2)	36.1	(46.4)
Cash and cash equivalents at end of year	13.7	21.3	23.8	11.7	12.7
Per Share Data (In yen and U.S. dollars):					
Net income	¥ 62.52	¥ 82.22	¥ 94.02	¥ 94.94	¥ 96.31
Diluted net income	60.64	80.98	93.85	94.74	96.14
Cash dividends applicable to the year	15.00	17.00	19.00	19.00	20.00
Net assets	860.66	951.12	1,012.77	1,089.33	1,122.13
Financial Ratios:					
Operating margin	7.0	6.3	6.1	5.9	6.5
ROE (%)	7.5	9.1	9.6	9.0	8.7
ROA (%)	7.7	7.4	7.2	6.9	7.4
Total assets turnover (times)	1.16	1.16	1.15	1.12	1.12
Equity ratio (%)	33.4	37.3	37.0	38.9	40.2
Interest coverage ratio (times)	25.7	21.7	23.8	13.4	20.4
D/E ratio (times)	0.73	0.64	0.61	0.65	0.58
Number of employees at year-end	15,749	14,878	15,280	15,599	16,357

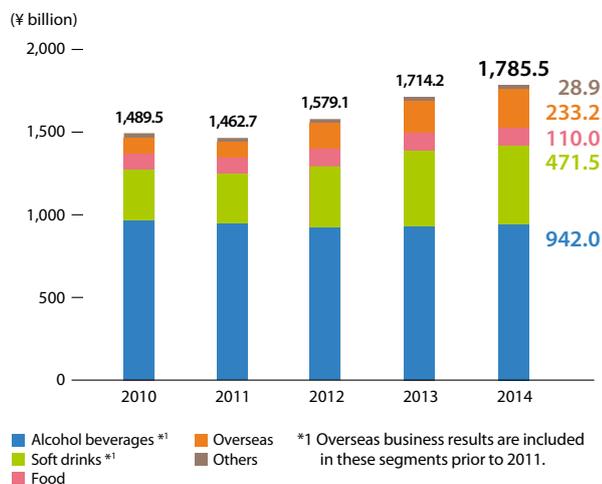
* U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥120.55 to U.S.\$1.00, the exchange rate prevailing at December 31, 2014.

					¥ billion	%	Millions of U.S. dollars*
2009	2010	2011	2012	2013	2014	YoY change (2014/2013)	2014
¥1,472.5	¥1,489.5	¥1,462.7	¥1,579.1	¥1,714.2	¥1,785.5	4.2	\$14,811
958.4	943.3	907.2	974.7	1,032.9	1,073.4	3.9	8,904
431.2	450.8	448.3	495.9	563.9	583.7	3.5	4,842
82.8	95.3	107.2	108.4	117.5	128.3	9.2	1,064
47.6	53.1	55.1	57.2	61.7	69.1	11.9	573
145.8	157.7	166.8	171.0	183.7	192.3	4.7	1,595
32.6	27.8	30.7	41.2	48.5	59.8	23.4	496
55.9	54.6	50.7	48.6	47.8	44.5	-6.8	369
9.3	9.4	8.9	9.6	10.8	10.7	-0.9	89
¥1,433.7	¥1,405.4	¥1,529.9	¥1,732.2	¥1,791.6	¥1,936.6	8.1	\$16,065
391.9	311.4	390.1	456.2	403.7	434.7	7.7	3,606
577.7	612.7	643.8	726.9	827.5	896.5	8.3	7,437
¥106.4	¥125.6	¥108.5	¥109.3	¥157.3	¥146.8	-6.7	\$1,218
(180.6)	(41.8)	(171.2)	(134.3)	(65.7)	(92.2)	-	(765)
78.5	(90.8)	67.1	43.0	(84.9)	(35.8)	-	(297)
18.1	10.8	16.1	34.3	41.1	62.2	51.4	516
¥ 102.49	¥ 114.10	¥ 118.36	¥ 122.75	¥ 135.73	¥ 148.92	9.7	\$ 1.24
102.42	114	118.28	122.67	126.26	148.80	17.9	1.23
21.00	23.00	25.00	28.00	43.00	45.00	4.7	0.37
1,233.25	1,315.51	1,378.19	1,553.35	1,772.47	1,904.64	7.5	15.80
5.6	6.4	7.3	6.9	6.9	7.2		
8.7	9.0	8.8	8.4	8.0	8.1		
6.6	7.1	7.6	7.0	7.0	7.1		
1.08	1.05	1.00	0.97	0.97	0.96		
40.0	43.6	41.9	41.8	45.7	45.5		
23.1	30.7	32.4	25.6	40.9	39.9		
0.68	0.51	0.61	0.63	0.49	0.49		
17,316	16,712	16,759	17,956	18,001	21,177		

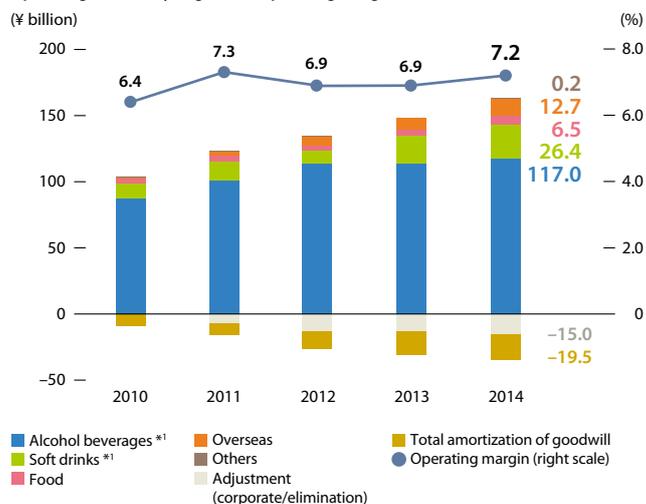
Financial and Non-Financial Highlights (Five-Years)

Asahi Group Holdings, Ltd. and Consolidated Subsidiaries Years ended December 31

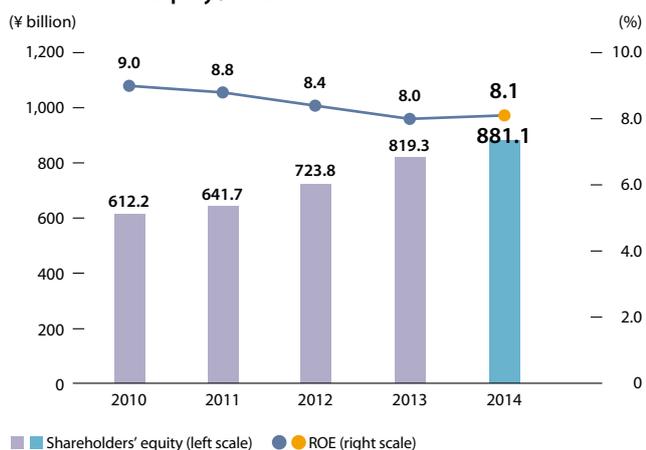
Net Sales



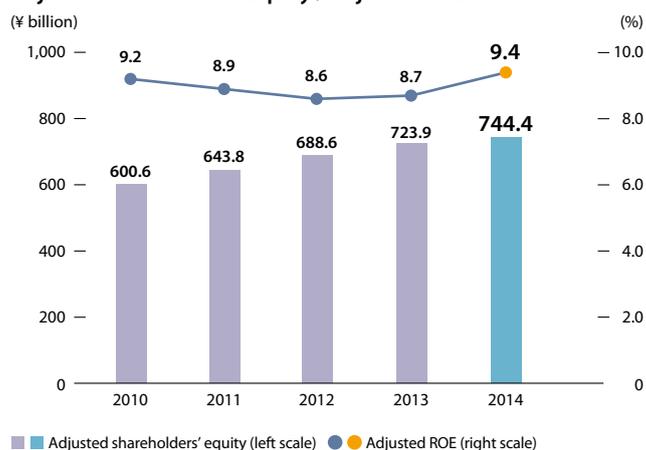
Operating Income by Segment / Operating Margin / Total Amortization of Goodwill



Shareholders' Equity / ROE

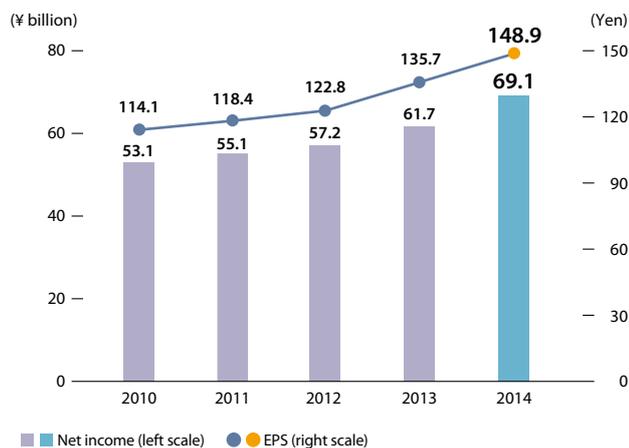


Adjusted Shareholders' Equity / Adjusted ROE *2

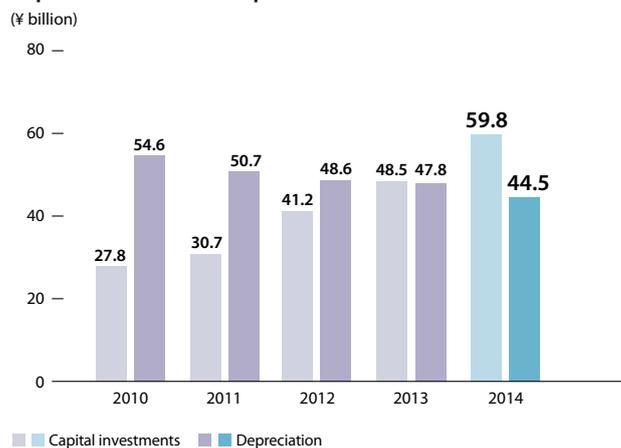


*2 Adjusted ROE: Calculated by excluding foreign currency translation adjustments and valuation difference on available-for-sale securities from shareholders' equity

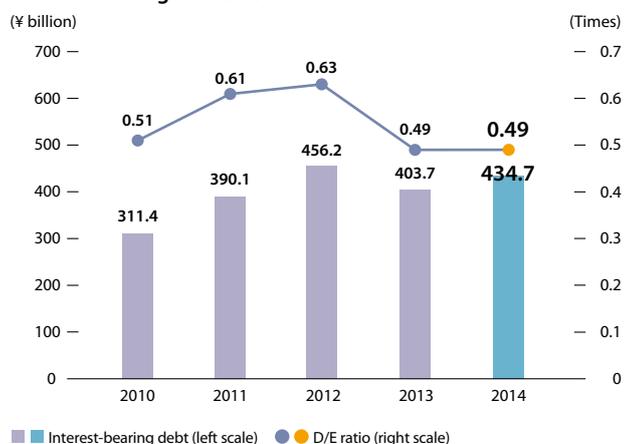
Net Income / EPS



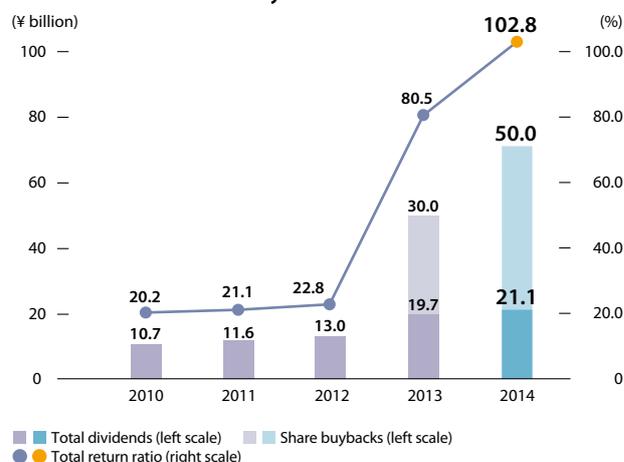
Capital Investments / Depreciation



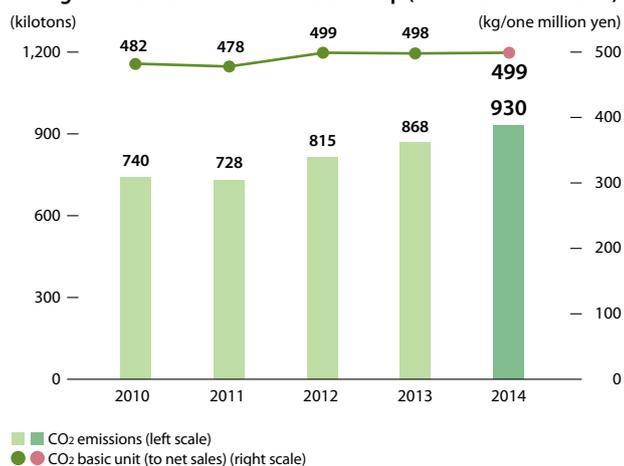
Interest-Bearing Debt / D/E Ratio



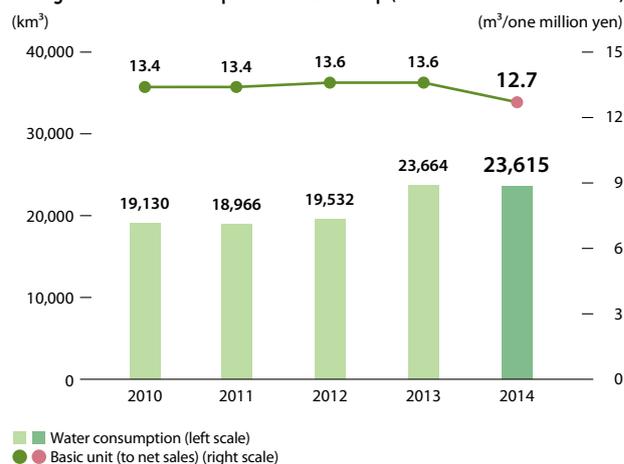
Total Dividends / Share Buybacks / Total Return Ratio



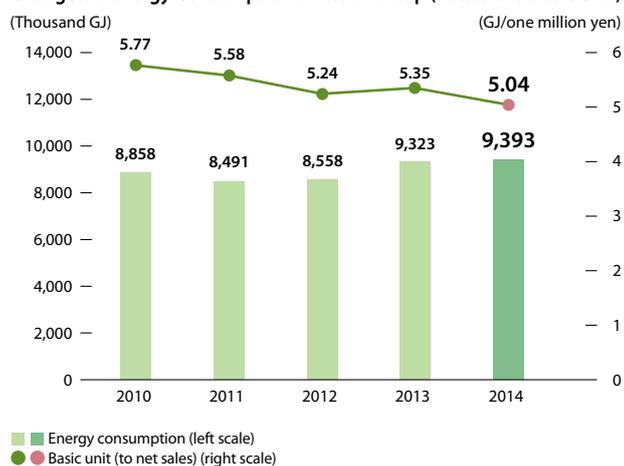
Changes in CO₂ Emissions of Asahi Group (Totals and Basic Unit)



Changes in Water Consumption of Asahi Group (Total Volume and Basic Unit)



Changes in Energy Consumption of Asahi Group (Totals and Basic Unit)



Frequency and Severity Rates of Industrial Accidents (Permanent Employee Basis, Asahi Breweries, Ltd.)

	2010	2011	2012	2013	2014
Frequency of industrial accident	0	0.77	0	0.37	0.43
Severity rates of industrial accident	0	0.0011	0	0.0021	0.0025



We aim to achieve KPI targets by growing profits and improving capital efficiency, and will execute financial strategies looking ahead to the next Medium-Term Management Plan.

Managing Director and
Managing Corporate Officer (CFO)

Yoshihide Okuda

Financial Highlights in 2014

For the fiscal year ended December 31, 2014, the Asahi Group posted sales of ¥1,785.5 billion (up 4.2% year on year) and operating income of ¥128.3 billion (up 9.2% year on year). The results exceeded our target despite a severe operating environment in Japan that included the consumption tax hike and unfavorable weather conditions during the peak period.

This was mainly attributable to the fact that the overseas business, which had been lagging in terms of progress, posted earnings that exceeded the target, in addition to the effects of our strategy under the Medium-Term Management Plan 2015 to

concentrate our efforts into our areas of strengths such as brand power and cost competitiveness.

Net income for the year was ¥69.1 billion (up 11.9% year on year), reaching a record-high for the 14th consecutive year. A contributing factor behind this achievement besides the increased operating income was extraordinary income of ¥17.0 billion in a settlement from a court case and ¥14.2 billion in the sale of the former site of the Nishinomiya Brewery, which more than offset the impairment of goodwill and real estate.

Progress of Capital Policies and KPIs

Under the Medium-Term Management Plan 2015, we have been striving to enhance total shareholder return by targeting a consolidated dividend payout ratio of 30% and a total return ratio, including share buybacks, of 50% or more.

The Group has issued Euroyen CBs maturing in 2023 and 2028. Since our stock price has remained at a level that has significantly exceeded the conversion price since 2013, the conversion into stocks accelerated faster than expected. Therefore, we reduced the risk of further dilution by exercising Japan's first acquisition provision on face-value cash settlement and by acquiring and disposing of the remaining Euroyen CBs in 2014. At the same time, we repurchased own shares amounting to ¥50.0 billion. As a result,

total return ratio increased to 103% and cemented our chance of achieving return on equity (ROE) and earnings per share (EPS) targets, which are our KPIs under the Medium-Term Management Plan.

With respect to ROE, although the nominal figure had been below the target due to the rapid depreciation of the yen and the rising stock price, the adjusted ROE, excluding special factors such as foreign currency translation adjustment and valuation difference on available-for-sale securities, improved by 0.7 points from the previous year. Meanwhile, EPS also increased 9.7% year on year, which is in line with the targets set in the Medium-Term Management Plan.

Key Performance Indicators (KPIs)

	2012 Result	2014 Result	Achievement vis-à-vis Target	Medium-Term Management Plan 2015
ROE	8.4%	8.1%	Not met	Approx. 10%
Adjusted ROE*	8.6%	9.4%	Moderate	
Adjusted ROE (Before Goodwill Amortization)	11.2%	12.6%	Exceeded	Approx. 12%
EPS (Growth Rate)	¥123	9.7%	Moderate	Average annual growth rate: 10% or higher

* Adjusted ROE: Calculated by excluding foreign currency translation adjustments and valuation difference on available-for-sale securities from shareholders' equity

Earnings Plan for 2015

As for earnings targets for the fiscal year ending December 31, 2015, we aim to deliver sales of ¥1,850.0 billion (up 3.6% year on year). Specifically, we are anticipating growth in existing overseas businesses such as in Oceania and new consolidation effects in Southeast Asia in addition to sales expansion primarily of the mainstay brands in our three domestic businesses.

In terms of operating income, we will strive to enhance profitability in a steady manner through improving the product mix and increased synergy in alcohol beverage and soft drink businesses despite an anticipated rise in raw ingredients for the domestic business and increased costs due to the cheaper yen.

In addition, we expect enhanced synergy from business consolidation in Oceania as well as the effects of increased revenue in Southeast Asia to aim to secure the Group's total operating income of ¥135.0 billion (up 5.2%).

As this is the final year of the Medium-Term Management Plan 2015, it is our policy to achieve net income of ¥75.0 billion (up 8.5%) while realizing ROE and EPS targets by combining capital policies such as shareholder returns.

Progress of the Cash Flow Strategy

In the Medium-Term Management Plan 2015, we plan to generate ¥400.0 billion or higher in operating cash flow during the three years through 2015. Along with cash flow expansion measures, we also aim to generate approximately ¥300.0 billion in free cash flow, as we expect to execute capital investment of approximately ¥120.0 billion for development of optimal production and distribution systems as well as efficiency improvement.

During the past two years, operating cash flow amounted to ¥304.0 billion on the back of steady profit growth. While our

capital investment has exceeded the plan due to strategic investment in Indonesia and for Calpis Co., Ltd., free cash flow stood at a total of ¥190.0 billion as a result of our cash flow expansion measures, including asset disposition. In 2015, we will continue to enhance our investment capacity toward further growth by improving our financial position through the steady generation of operating cash flow and the streamlining of capital investment.

Directions of the Future Financial Strategy

While we are currently working on preparations for the formulation of the next Medium-Term Management Plan, we will continue to consider indicator setting taking into account the introduction of International Financial Reporting Standards (IFRS) as a basis for the improvement of ROE. Furthermore, it is our policy to strengthen our management with greater focus on capital efficiency by adding indicators such as return on invested capital (ROIC). While enhancement of profit margins is the most critical element for the improvement of ROE, we will also strive to boost ROE in a sustainable manner by promoting management strategy and business administration with greater focus on capital efficiency.

In addition, through reinforcement of the Group's financial governance, we will pursue unified management of the Group's funds through the cash management system both in Japan and overseas, as well as the development of shortened cash conversion cycles with the aim of further enhancing capital efficiency.

We believe that supporting a growth strategy and capital policy aimed at the improvement of corporate value by strengthening our capabilities to generate cash flow is the most crucial role of the finance department.

Financial and Cash Flow Strategy

Policies in Medium-Term Management Plan 2015

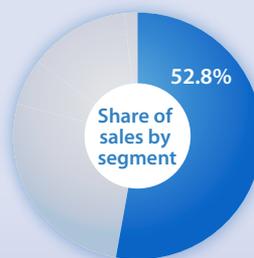
Operating cash flow	<ul style="list-style-type: none"> Seek stable profit growth based on Value and Network Management. ⇒ Generate ¥400.0 billion or higher in operating cash flow during the three years of the Medium-Term Management Plan.
Free cash flow	<ul style="list-style-type: none"> Execute capital investment of approx. ¥120.0 billion for development of optimal production and distribution systems, efficiency improvement, etc. ⇒ Generate approx. ¥300.0 billion in free cash flow during the three years of the Medium-Term Management Plan 2015. (Generate ¥20.0 billion or higher through cash expansion measures.)
Investment in growth	<ul style="list-style-type: none"> Invest in growth as the highest-priority task in preparation for growth network expansion in Japan and overseas. Assume financial debt premised on a maximum D/E ratio of approx. 1.0 (net debt/EBITDA of approximately 4.0) when capital requirements that cannot be met from own funds arise.
Shareholder returns	<ul style="list-style-type: none"> Aim for stable dividend increases, targeting a consolidated dividend payout ratio of around 30% (25–35%). Flexibly implement share repurchases targeting a total return ratio of 50% or higher.

Review of Operations –Asahi Group at a Glance–

The Asahi Group's five business segments, as represented in consolidated accounting, are alcohol beverages, soft drinks, food, overseas, and other businesses*.

Alcohol Beverages

Asahi Breweries, Ltd.;
The Nikka Whisky Distilling Co., Ltd.;
Sainte Neige Wine Co., Ltd.;
Satsumatsukasa Shuzo Co., Ltd.;
and others



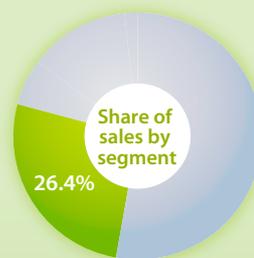
Net sales / Operating income* (¥ billion)



* Before goodwill amortization

Soft Drinks

Asahi Soft Drinks Co., Ltd.;
Calpis Co., Ltd.;
LB Co., Ltd.;
and others



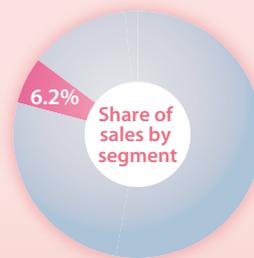
Net sales / Operating income* (¥ billion)



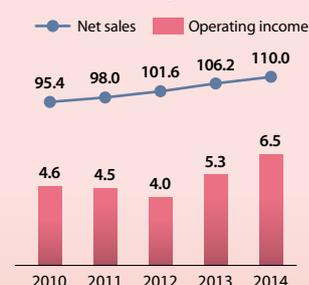
* Before goodwill amortization

Food

Asahi Food & Healthcare Co., Ltd.;
Wakodo Co., Ltd.;
Amano Jitsugyo Co., Ltd.;
and others



Net sales / Operating income* (¥ billion)



* Before goodwill amortization

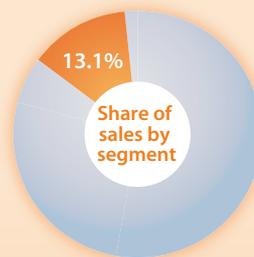
Overseas

OCEANIA
Schweppes Australia Pty Limited;
Independent Liquor (NZ) Limited;
Asahi Premium Beverages Pty Ltd;

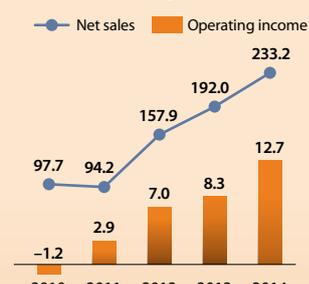
CHINA
Beijing Beer Asahi Co., Ltd.;
Yantai Beer Tsingtao Asahi Co., Ltd.;

SOUTHEAST ASIA
Permanis Sdn. Bhd.;
PT Asahi Indofood Beverage Makmur;
Etika Dairies Sdn. Bhd.;

EQUITY-METHOD AFFILIATES
Tingyi-Asahi Beverages Holding Co., Ltd.;
Tsingtao Brewery Co., Ltd.;
and others



Net sales / Operating income* (¥ billion)



* Before goodwill amortization

* Other businesses include logistics business, among others. The details are omitted due to space limitation.

Main Products

Beer, happoushu, new genre, shochu, RTD beverages, whisky and spirits, wine, non-alcohol beer-taste beverages, etc.



Carbonated drinks, coffee, tea, mineral water, fruit drinks, sport drinks, lactic acid beverages, milk-based beverages, etc.



Confectionery, nutritional snacks, supplements, quasi-drugs, powdered baby milk, baby food, nursing care food, freeze-dried miso soup, etc.



Beer, RTD beverages, ciders, carbonated drinks, mineral water, coffee, tea-based drinks, condensed milk, etc.



Alcohol Beverages

Aiming to become the leading integrated alcohol beverages company by maximizing strong brand assets and creating added value.

Business environment (opportunities and risks)

Japan's beer-type beverage industry has continued to shrink from its 1994 peak due to falling birthrate and aging population as well as the diversification of alcohol consumption. Beer-type beverage market shipments are forecast to continue to decline by around 1.0% annually. In the meantime, with signs that the Japanese economy has overcome deflation, the composition ratio of the premium beer category grew to around 16.0% of the beer market, indicating progress in terms of multi-valued needs of consumers. In addition, with the rise in health consciousness among consumers, the market for functional beverages featuring health benefits such as reduced carbohydrates and purine bodies expanded.

Furthermore, in the category of alcohol beverages other than beer-type beverages, the whisky and spirits, and wine markets grew due to proposals of a new way to enjoy beverages and the diversification of alcohol consumption. In addition, Tokyo was selected to host the Summer Olympic Games in 2020 and traditional Japanese *Washoku* cuisine was added to UNESCO's intangible Cultural Heritage list. We believe these developments will provide us with various growth opportunities in the future, such as the promotion of customary Japanese modes of enjoying a drink and an increase in inbound demand.

Medium-Term Management Plan 2015: Basic policy and progress

Considering the aforementioned opportunities and risks, we have stepped up our efforts to become the leading integrated alcohol beverages company by maximizing strong brand assets and creating added value under our Medium-Term Management Plan 2015.

We achieved successful results in terms of maximizing brand assets and creating added value in the beer market, where we hold a more than 50% market share. For example, we rolled out *Asahi Super Dry—Dry Premium* and launched the service of "Extra cold," a value-added proposal of a new way to enjoy beer, in addition promoting to the evolution of *Asahi Super Dry*, overwhelmingly strong brand in the Japanese beer market. With regard to alcohol beverages other than beer-type beverages, we also expanded our growth foundation as an integrated alcohol beverages company through the enhancement of the brand power by taking the opportunity to celebrate the 80th anniversary of Nikka Whisky Distilling Co., Ltd. and the growth of non-alcohol beer-taste beverages.

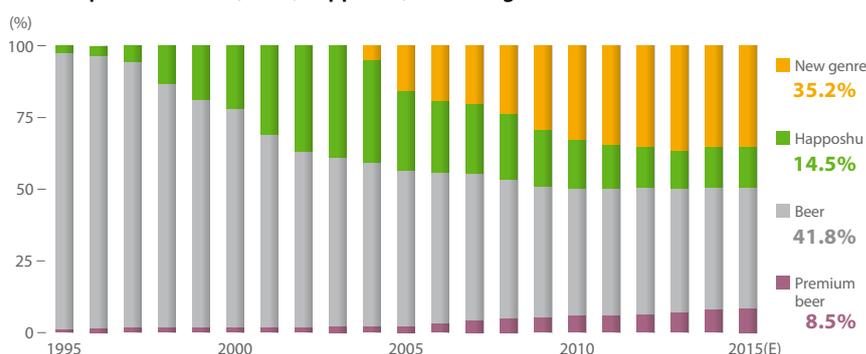
Based on our corporate culture of taking on the challenge of innovation, we will continue to wrestle with the creation of new value and demand while strengthening our ability to engage in productive partnerships, such as promoting solution-oriented marketing for sales channels. Furthermore, while raising our cost competitiveness (operating margin of 21% excluding the liquor tax) to the highest level in the Japanese beer industry, we plan to increase brand investment across our entire value chain with the aim of achieving medium- to long-term growth by seizing every opportunity.



Akiyoshi Koji

Director in charge of Alcohol Beverages Business

Ratio of premium beer*, beer, happoshu, and new genre



■ 2014 results

The beer-type beverages market was estimated to shrink by 1.0 to 2.0% in 2014 due to unfavorable weather in the peak summer sales season. Despite this, we saw our sales volume increase from the previous year for the second year in a row, contributing to the expansion of our market share. In addition, sales in each category, including whisky and spirits, wine, and non-alcohol beer-taste beverages, largely exceeded those for the previous year. Consequently, total sales for the alcohol beverages business stood at ¥942.0 billion, up 1.7% year on year.

In the beer-type beverages category, sales of *Asahi Super Dry—Dry Premium*, for which we worked on the full-fledged rollout from February 2014, grew steadily. Furthermore, we tried to offer new value propositions based on our competitive advantages, such as rolling out new products in the growing functional beverages market. In the category of alcohol beverages other than beer-type beverages, thanks largely to Nikka Whisky *Taketsuru* brand and *Asahi Dry Zero*, a non-alcohol beer-taste beverage, sales exceeded our plan, contributing to an increase in overall sales. Operating income before the amortization of goodwill and other items* amounted to ¥117.0 billion, up 2.8% year on year owing to the increase in sales and the reduction in overall fixed costs centered on depreciation. This was achieved despite aggressive investment in advertising and promotion activities and a rise in raw material costs caused by the yen's depreciation (after the amortization of goodwill and other items, operating income was ¥116.9 billion, up 2.8%).

* Operating income before the amortization of goodwill and other items = Operating income + Amortization of goodwill and intangible fixed assets associated with the acquisition

■ Plans for 2015

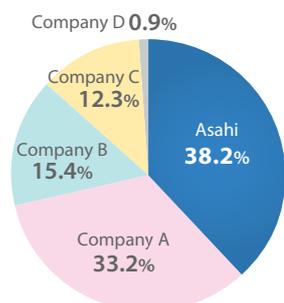
In 2015, we plan to achieve net sales of ¥957.3 billion, up 1.6% year on year, and operating income before the amortization of goodwill and other items of ¥118.1 billion, up 1.0%. With the values and lifestyles of our customers expected to diversify, in the alcohol beverages business, we aim to become the “most powerful partner company” through comprehensive alcohol beverages proposals, including reducing reliance on the summer sales season and creating “koto” consumption (consumption based on intangible values) in which we propose new occasions to enjoy a drink.

In the beer category, we will further evolve the taste of *Asahi Super Dry* using a new brewing technique. We will also launch a limited-time product, *Asahi Super Dry Extra Sharp*, and strengthen sales of *Asahi Super Dry—Dry Premium*. With these initiatives, we will aim to enhance *Super Dry* brand power. In the happoshu and new genre beverage categories, we will expand our product lineups to meet diversified consumer preferences, including the launching of derived products under the *Clear Asahi* and *Asahi Style Free* brands in the functional beverages market.

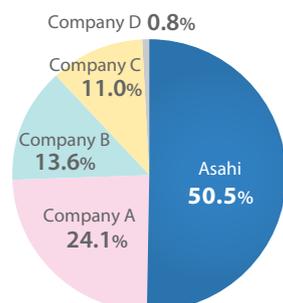
In the categories other than beer-type beverages, we will propose a new way to enjoy a drink or two, such as *Black Nikka Freezing Highball* in the whisky and spirits category, and also roll out no purine bodies *Asahi Dry Zero Free* under the *Asahi Dry Zero* brand in the non-alcohol beer-taste beverages category.

In addition, we will continuously step up our efforts to boost our cost competitiveness, including the reduction of raw material costs by changing the design of can lids and streamlining overall fixed costs.

Beer-type beverage:
Market share by company in 2014

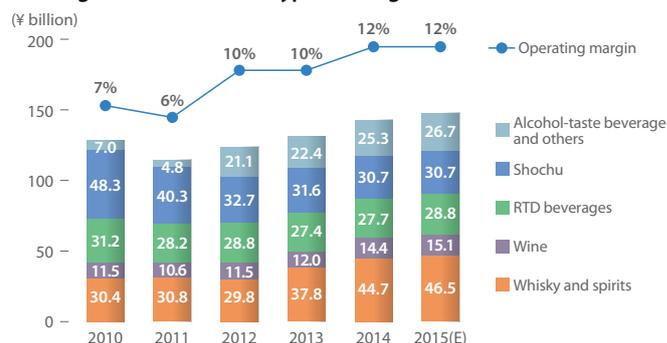


Beer:
Market share by company in 2014



Note: Based on the taxable shipment volumes of Japan's five major beer companies

Changes in net sales and operating margin of alcohol beverages other than beer-type beverages



Soft Drinks



Katsutoshi Takahashi

Managing Director and Managing Corporate Officer in charge of Soft Drinks Business

Aiming to achieve the industry's highest level of profitability through concentration on core brands and generation of synergies

Business environment (opportunities and risks)

Based on previous annual growth of a mere 0% to 1.0%, we expect the Japanese soft drinks market to continue to be growing slowly in terms of shipments. Meanwhile, looking at the market by category, the carbonated drinks centering on functional beverages and mineral water markets have been expanding against a backdrop of rising consumer health consciousness and food safety and security concerns.

Furthermore, with diversifying and multi-valued needs, the "food for specified health uses (FOSHU)" products category has been growing in the Japanese soft drinks market. In the future, deregulations of "foods with functional claims" are expected to drive the development of high-added-value products in each category, expanding growth opportunities in the Japanese soft drinks market.

On the other hand, there is a risk that competition will continue to intensify in the Japanese soft drinks market due to the substantial number of large beverage manufacturers and the expansion of private label products. In addition, as a few top brands capture the lion's share of demand in each category, we also need to seek growth opportunities by anticipating the restructuring of the beverage industry.

Medium-Term Management Plan 2015: Basic policy and progress

Considering the aforementioned opportunities and risks, we aim to achieve the industry's highest level of profitability by concentrating our management resources on our core brands with strengths and creating synergies through the expansion of our network under our Medium-Term Management Plan 2015.

Asahi Soft Drinks Co., Ltd. has focused its management resources on its core brands in each category, including *Mitsuya Cider*, the No. 1 brand in the non-cola carbonated beverage category, and launched FOSHU products and healthy & functional products using its lactic acid technology, with successful results. With these initiatives, the Company has expanded its sales volume for 12 years in a row and also consolidated Calpis Co., Ltd., securing the No. 3 position in the soft drinks industry.

Regarding the improvement of profitability, Asahi Soft Drinks improved its container and channel mix, mainly with core brands, enhanced the productivity of its plants, and built optimized production and logistics systems in cooperation with Calpis. Consequently, the Company achieved its operating margin guideline target in the medium-term management plan one year earlier than expected.

Asahi Soft Drinks will pursue innovation using the brand power it has developed over the years along with its various technologies. Moreover, it will continue to tackle profit structure reforms with the cooperation of the entire Soft Drinks business and expand its network leveraging strong capabilities for collaborative business with partners.

Size of Japan's beverage market





■ 2014 results

In 2014, the Japanese soft drinks market is estimated to have shrunk by around 2.0% due to unfavorable weather in the peak summer sales season for soft drinks. Under such circumstances, we saw net sales increase to ¥471.5 billion, up 2.3% year on year, owing to marketing investment that focused on core brands.

We proposed new value by marketing classic reproduction and *Mitsuya Freezing Cider* under the *Mitsuya Cider* brand, which celebrated its 130th anniversary since the launch of the brand, and tried to revitalize the brand by rolling out *Asahi Shokujito-iss honi Juroku-cha W (Double)*, a FOSHU product, under the *Asahi Juroku-cha* brand. In addition, sales of products under the *Wilkinson* brand, which marked the 110th anniversary of its launch, and *Welch's* brand grew steadily. Furthermore, we launched *Todoku Tsuyosa-no Nyusankin*, a lactic acid drink containing a proprietary lactic acid of Calpis Co., Ltd., *Premium Lactobacillus gasser* CP2305. We also expanded sales by rolling out new products under the *Calpis* brand as well as new products containing acai berry in the category of chilled beverages.

Operating income before the amortization of goodwill and other items amounted to ¥26.4 billion, up 27.8% year on year, owing to the generation of collaborative synergies with Calpis Co., Ltd. in addition to improved efficiency supported by a rise in capacity utilization of its plants and group purchasing (after the amortization of goodwill and other items, operating income was ¥21.3 billion, up 37.9%).

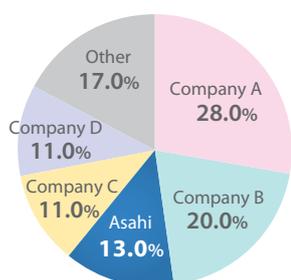
■ Plans for 2015

In 2015, we plan to achieve net sales of ¥490.5 billion, up 2.9% year on year, and operating income before the amortization of goodwill and other items of ¥26.8 billion, up 1.6%.

In the Soft Drinks business, we will continue to try to foster new mainstay products in addition to marketing investment centering on core brands, including the reinforcement of sales promotion for existing products and the launching of new products under the *Mitsuya Cider*, *WONDA*, and *Asahi Juroku-cha* brands. We will also strive to enhance our presence in the market through the development of products with added value, such as heightened deliciousness and health benefits, by taking advantaging of the expanding FOSHU market and the deregulation of various foods with function claims. In the vending machine business, we will work to stabilize earnings by boosting sales and operating assets efficiently. Furthermore, in the chilled beverages category, we will try to expand sales by strengthening new value proposals, including active development of products using group synergies, centering on the *Calpis* brand.

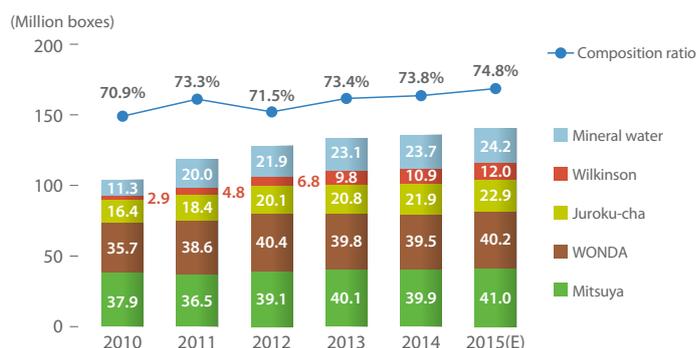
To increase profitability against a background of cost increases related to yen depreciation and soaring raw material prices, we will continuously improve productivity at our plants and promote group purchasing. In addition, we will further push forward profit structure reforms by establishing optimized production and logistics systems in cooperation with Calpis, including operation of new production lines and automatic warehouses.

Market share by company in 2014



Source: Estimated by Asahi

Net sales by major category



Food

Focusing on strong brands and businesses and nurturing our next-generation growth base

Business environment (opportunities and risks)

Although the domestic food market as a whole has been shrinking due to Japan's falling birthrate and aging population, changes in family structure and lifestyle have led to the creation of various growing categories. As seen in the alcohol beverages and soft drinks markets, the high-value-added category featuring high quality and healthy functionality, in particular, has been expanding, reflecting consumers' multi-valued needs and rising consciousness about food safety and security.

In addition, our mainstay businesses, such as the breath mint tablet, baby food, and freeze-dried food businesses, have been stably growing, owing to new value proposals leveraging brand power and the expansion of inbound demand.

There are also risks in the future that the deteriorating competitive environment could lead to a decline in profitability amid further fragmentation of the category. We, however, believe that quality and technological superiority, the competitive advantages of the Japanese food industry, will open up growth opportunities in Japan and overseas.

Medium-Term Management Plan 2015: Basic policy and progress

Considering the aforementioned opportunities and risks, we will push forward selection of and concentration on strong brands and businesses and also nurture our next-generation growth base under our Medium-Term Management Plan 2015.

Asahi Food & Healthcare Co., Ltd. produced results through the expansion of group synergies, including new value proposals involving the *Calpis* brand for *MINTIA*, the No. 1 brand in the breath mint tablet category. Wakodo Co., Ltd., meanwhile, strengthened its brand power using its advantages as the leading company in the baby food industry and also nurtured new growth bases, such as food for senior citizens, a segment that is expected to grow. In addition, in the freeze-dried food business, Amano Jitsugyo Co., Ltd., a leading company in the industry, endeavored to enhance the recognition of the *Amano* brand and strengthen the direct marketing business through aggressive marketing activities.

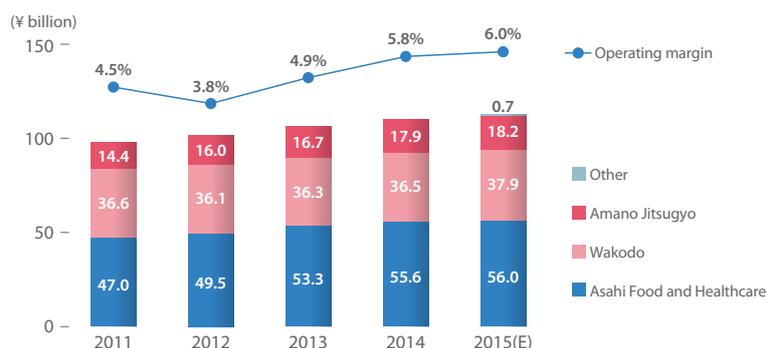
In the food business, we are likely to achieve operating margin that exceeds our guideline in the medium-term management plan due to sales expansion and overall cost control through the abovementioned concentration on strong brands and businesses. We continue to plan further improvement of profitability by capturing inbound demand through innovation and raising cost competitiveness in close cooperation with the three food companies.



Katsuyuki Kawatsura

Executive Vice President and Representative Director in charge of Food Business

Net sales by company and operating margin of food business





■ Business results in 2014

In 2014, net sales amounted to ¥110.0 billion, up 3.6% year on year, since net sales of all three companies exceeded those in the previous year.

Asahi Food & Healthcare Co., Ltd. launched *MINTIA Breeze*, a breath mint tablet, expanded the lineups of *Ippon Manzoku Bar*, a nutrition bar, and conducted aggressive sales promotion activities for its *Dear-Natura* supplements. As a result, sales for Asahi Food & Health expanded. Wakodo Co., Ltd. rolled out *Big-size no Eiyo Marche*, packed baby food, and *Oyako de Gohan*, easy seasoning mix, in the baby food segment and also stepped up its in-store sales promotion for infant formula. Consequently, sales for Wakodo increased from the previous year. In addition, Amano Jitsugyo Co., Ltd. carried out the renewal of products, launched products in a broader price range and opened its antenna shop in the freeze-dried miso soup product business to enhance the recognition of the *Amano* brand. As a result, sales for Amano Jitsugyo exceeded the previous year.

Operating income before the amortization of goodwill and other items amounted to ¥6.5 billion, up 22.7% year on year, owing to our efforts to cut manufacturing costs and control advertising and promotional expenses in addition to an increase in net sales (after the amortization of goodwill and other items, operating income was ¥6.0 billion, up 22.9%).

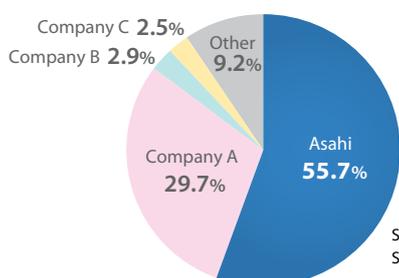
■ Plans for 2015

In 2015, we plan to achieve net sales of ¥114.5 billion, up 2.2% year on year, and operating income before the amortization of goodwill and other items of ¥6.9 billion, up 5.8%.

Asahi Food & Healthcare Co., Ltd. will try to expand its sales by newly marketing pouch-packed *EBIOS* brand tablets, designated a quasi-drug, as well as launching new products and stepping up sales promotion activities for its core brands, such as *MINTIA* and *Dear-Natura*. Wakodo Co., Ltd. will endeavor to boost its sales by nurturing its food for senior citizens business and overseas business as well as carrying out the renewal and expansion of product lineups for core brands, such as *Eiyo Marche* and *Oyako de Gohan*. In addition, Amano Jitsugyo Co., Ltd. will strive to increase its sales by strengthening sales promotion activities for mainstay freeze-dried miso soup products, such as *Itsumono Omisoshiru* and *Nyumen*, and focusing on sales of specialized direct marketing products to acquire a new customer base in the direct marketing business.

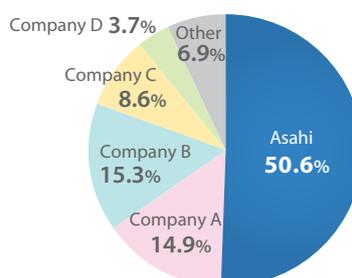
Furthermore, the food business as a whole will try to establish a more robust profit structure through the development of optimized demand and production systems and group purchasing to pare back raw material costs.

Candy tablets: Market share by company in 2014



Source: SDI data, all business categories

Baby food: Market share by company in 2014



Source: SDI data, all business categories

Overseas

Aiming to expand the growth foundation in the global market through reinforcement of the network by leveraging existing strengths

Business environment (opportunities and risks)

The world's alcohol beverages and non-alcohol beverages markets have been expanding, mainly in emerging countries. Depending on the degree of economic growth in each region, consumption habits and consumer values have diversified just as in Japan. We anticipate that demand will continue to shift to carbonated soft drinks featuring high healthy functionality and products in the high-value-added category, backed by rising health consciousness among consumers, mainly in developed countries.

Among the regions we have entered, the Oceania market as a whole has advanced into a low-growth period. Demand has been shifting to non-cola drinks and mineral water in the non-alcohol beverages category and cider (apple wine) and imported premium beer in the alcohol beverages category. In addition, demand, in general, has been growing in Southeast Asia and China, supported by high economic growth. We do, however, need to keep in mind that there are risks that economic measures and changes to the tax system in each country may slow down the growth of local markets. Furthermore, although the oligopolization of large global companies has progressed in the alcohol beverages and non-alcohol beverages industries, we believe that there is a possibility that growth opportunities will expand in the future, including further reorganization within the industries.

Medium-Term Management Plan 2015: Basic policy and progress

Considering the aforementioned opportunities and risks, we have been trying to improve the profitability of existing businesses and expand our new growth network in the overseas business, leveraging strengths developed in Japan, such as brand power and cost competitiveness.

In our Oceania business, the operating margin fell below the guideline given in the medium-term management plan due to the contraction of our mainstay ready-to-drink (RTD) low alcohol beverages market. We did, however, produce positive results in terms of nurturing brands in growing categories and creating integration synergies both in the non-alcohol beverages and alcohol beverages businesses. In our Southeast Asia business, we expanded medium- to long-term growth networks through M&As in Malaysia, Indonesia, and Myanmar. In addition, in our Chinese business, we achieved results in growth support for and cooperation with equity-method affiliates including Tingyi-Asahi Beverages Holding Co., Ltd., such as expansion of the OEM partnership involving Tsingtao Brewery Co., Ltd. Furthermore, in the global expansion of *Asahi Super Dry*, we strengthened area marketing and expanded the sales network aimed at establishing *Asahi Super Dry* as Asia's No.1 premium brand.

We will continue to execute global growth strategies by seizing every opportunity to expand the profitability of existing businesses and establish a new business foundation.



Shiro Ikeda

Managing Director and Managing Corporate Officer in charge of Overseas Business

Net sales by region and operating margin of overseas business



Business results in 2014

In 2014, sales from the overseas business amounted to ¥233.2 billion, up 21.4% year on year, due to the positive effects of newly consolidated subsidiaries in Southeast Asia as well as strong performance in each region.

In our Oceania business, overall sales exceeded the previous year, owing to steady sales of growing categories in alcohol beverages business, such as *Asahi Super Dry* and core brands of cider, in addition to our enhanced sales efforts in our mainstay carbonated drinks and mineral water categories. In our Southeast Asia business, we further reinforced our business foundation by newly consolidating Etika Group, in July 2014 as well as strengthening the mainstay brands of Permanis Sdn Bhd, a Malaysian soft drinks company. Furthermore, in Indonesia, we tried to expand our business network in Southeast Asia by establishing a growth foundation in the non-alcohol beverages business. In addition, in our Chinese business, we sought to enhance the market position of the *Asahi* brand and also endeavored to enhance quality and improve profitability through the consolidation of production sites.

Operating income before the amortization of goodwill and other items amounted to ¥12.7 billion, up 53.1% year on year, owing to our efforts to increase efficiency through consolidation of production and logistics facilities, optimize indirect business functions through organizational integration, and maximize group synergies through joint procurement of raw materials, mainly in Oceania, in addition to an increase in net sales (after the amortization of goodwill and other items, operating loss was ¥1.2 billion, an improvement of ¥3.3 billion).

Plans for 2015

In 2015, we plan to achieve net sales of ¥264.3 billion, up 13.4% year on year, and operating income before the amortization of goodwill and other items of ¥15.8 billion, up 24.9%.

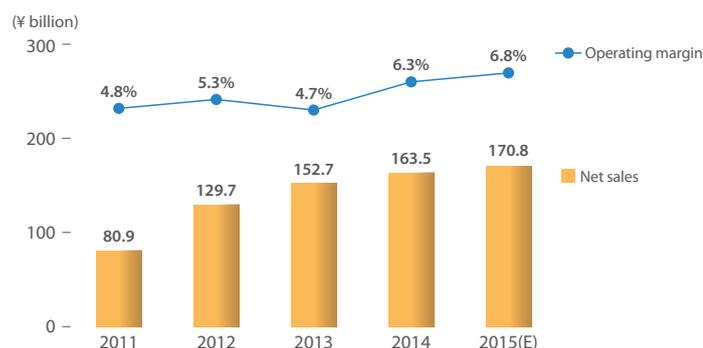
In our Oceania business, we will offer new products in growing categories and strengthen sales of products using less sugar in the non-alcohol beverages market to address rising health consciousness among consumers. In addition, we will promote marketing activities focusing on core brands, such as RTD low alcohol beverages, cider, and *Asahi Super Dry*, in the alcohol beverages business. We will also aim to grow as an integrated beverages business through consolidation of production and logistics facilities and maximization of organization integration synergies.

In our Southeast Asia business, we will promote aggressive marketing activities to increase the brand power of mainstay juices, carbonated beverages, and *WONDA* in Malaysia.

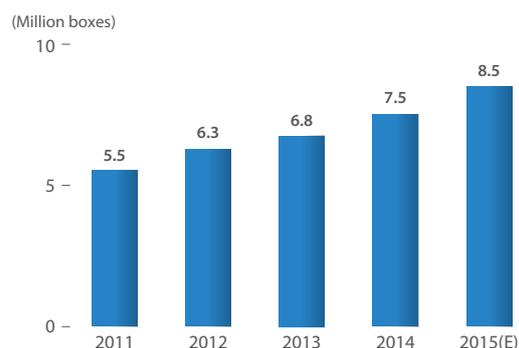
The Etika Group will focus on cultivating markets in the fast-growing fresh milk business in addition to its mainstay condensed milk business. Furthermore, in Indonesia, we will strive to increase our presence in the market by upgrading existing products and rolling out new products and will also strengthen our business foundation by establishing stable production systems.

In our Chinese business, we will try to enhance the market position of the *Asahi* brand in the premium beer market and also endeavor to build a steady profit base through the improvement of productivity by optimizing production and reducing raw material costs.

Oceania: Net sales and operating margin



Asahi brand: Overseas net sales



Perspectives Underlying Asahi Group's CSR Activities

The Asahi Group's CSR activities, grounded in a corporate philosophy of "contributing to the promotion of healthy living and the enrichment of society worldwide," are aimed at contributing to the development of sustainable societies. The Group has stipulated three key themes—food and health, the environment, and people and society—and the priorities within each, and has been endeavoring to resolve social issues through its business.

By pursuing "co-creation" CSR with business partners, customers, the general public and shareholders as well as with employees, the Group is seeking to build good relations with

all stakeholders "to be a corporate group trusted around the world" as stated in the Long-Term Vision 2020.

The Group will continue to work to improve corporate value in the broad sense by maximally leveraging such strengths as the social "co-creation" capabilities it has cultivated and by striving further to resolve social issues through the Group's core business. Specific approaches for particular value chains were listed in the previous "Corporate Value Creation Process" section, so here will be introduced the system for promoting CSR activities overall, the enhancement of human capital, and other topics.

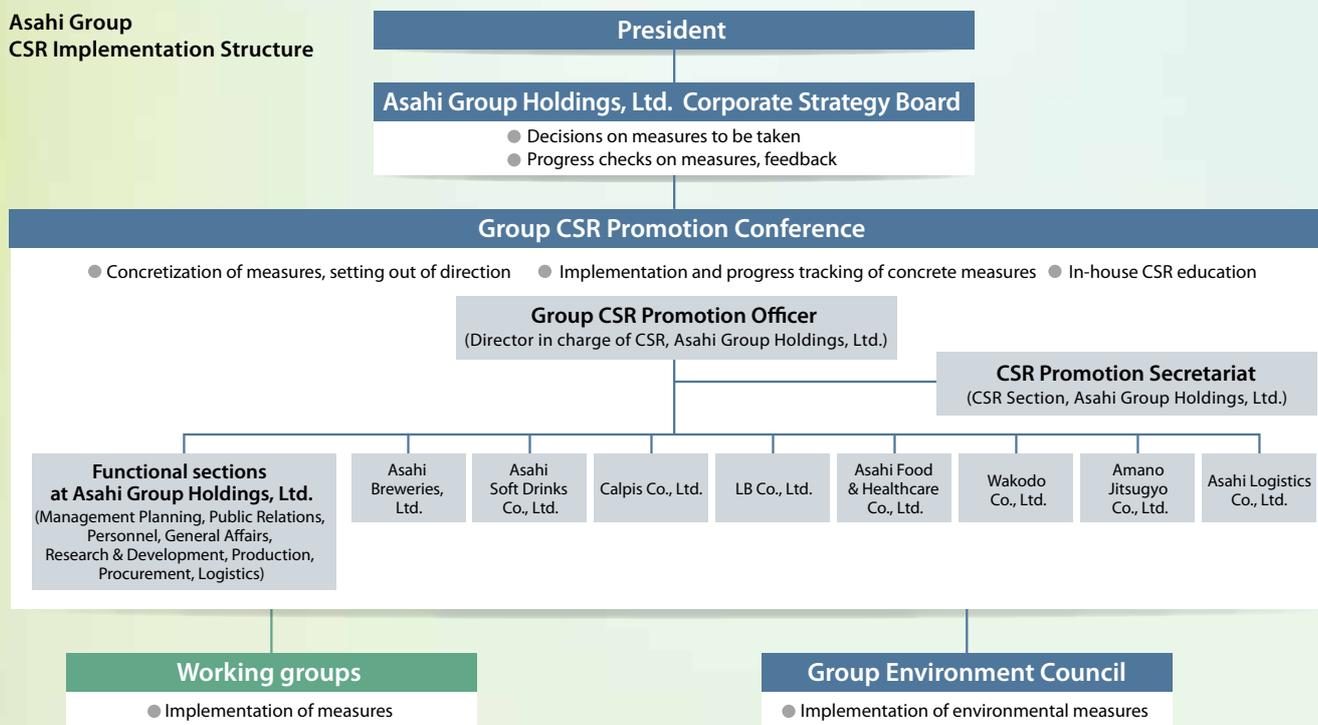
CSR Implementation Structure

The Asahi Group's CSR activities are not limited to the efforts of its individual business companies, and Group CSR Promotion Council and Group Environment Council are held to establish Group-wide promotion systems.

The Group CSR Promotion Council is held once per quarter to formulate concrete CSR measures and set their direction, check on progress, and conduct in-house education. Proposals approved by the CSR Promotion Council will be presented at a

suitable time to Asahi Group Holdings' Corporate Strategy Board for a commitment by management.

In addition, cross-organizational/cross-business working groups are organized to implement each measure, and a Group Environment Council is held every month or two to share approaches and horizontally develop environmentally related measures.



<Areas of Activity for CSR and Key Themes >



Priorities

- Our response to alcohol-related problems
- Contribute toward food safety and reliability
- Carrying on the tradition of our healthy food and alcohol-related culture

Perspectives and examples

“Food and health” has been positioned as an important area of activity to realize “healthy living and the enrichment of society worldwide” as stated in the corporate philosophy, and activities addressing this theme are for the most part directly or closely related to the Asahi Group’s business. Among these activities are educational efforts on the responsible consumption of alcohol beverages conducted in fulfillment of the responsibilities of a company dealing in alcohol beverages. We have created opportunities to help as many customers as possible learn more about responsible consumption of alcohol beverages, including a course on proper drinking habits offered during Asahi Breweries’ brewery tours.



Priorities

- Contributing toward building a low-carbon society
- Contributing toward building a recycling-based society
- Contributing toward conserving biodiversity

Perspectives and examples

Many of the ingredients used in the Asahi Group’s products—such as malt, hops, and water for beer, coffee beans and fruit juice for soft drinks, and vegetables and soybeans for food products—come to us by way of nature’s bounty. Recognizing that it is thanks to nature’s bounty that we are able to carry out our business activities, we have established “the environment” as an important area of activity so that we can remain a going concern into the future.

More specifically, we are undertaking environmental conservation activities through business, such as utilizing green electricity in manufacturing 350ml cans for Asahi Breweries’ mainstay *Asahi Super Dry*.



Priorities

- Respect for humanity
- Contribution to the realization of a healthy and affluent society
- Contribution to sustainable water resources

Perspectives and examples

We have designated “people and society” as an important area of activity in order to attain “the enrichment of society” noted in our corporate philosophy. We are engaged in a variety of activities aimed at bringing about an affluent society in which people enjoy mental and physical health as well as a tranquil life in a wholesome environment. Among our specific efforts are water resource conservation activities at our production sites to ensure the future availability of water essential to people’s lives. We are also working to promote diversity within our Group and to offer assistance to reconstruction efforts following the Great East Japan Earthquake (p.50).



Enhancing Human Capital

Human resources underpin the corporate activities that form the foundation of the Asahi Group's corporate culture of taking on the challenge of innovation. Enhancing this human capital is absolutely vital to the sustained creation of corporate value. We must evolve into an organization capable of competing globally by sharing this corporate culture that we have fostered with business companies inside and outside Japan and integrating the value systems of individual companies.

In accordance with its Basic Policy on Personnel Management, the Asahi Group will be seeking to enhance human capital through a variety of approaches, among them promoting diversity, fostering management and global human resources, and creating pleasant workplace environments.

Basic Policy on Personnel Management

- We will respect every Asahi Group employee's character, individuality and rights
- The Asahi Group will fully support those who are challengers and innovators, as the utmost source of the Group's development is the development of its employees.
- We will support a healthy work-life balance suited to the differing values and life plans of individual employees

■ Promotion of Diversity

<Efforts to Promote Women's Success>

Basic Philosophy

The Asahi Group recognizes the importance of further harnessing women's potential to maintain and increase the vitality of companies in the midst of concerns about labor shortages stemming from Japan's declining birthrate and aging population. Hence, we have been striving to create a work environment conducive for women and to broaden their opportunities for success in line with the following three guidelines:

- 1 Enable greater participation by women in decision-making venues (Corporate Strategy Board, etc.)
- 2 Propose and pursue action plans tailored to each company's circumstances
- 3 Set and attain numerical targets

Targets

We have set, and are working toward, the targets for 2021 listed below.

Company	Target	Present Status
Asahi Group Holdings, Ltd.	<ul style="list-style-type: none"> • Increase the ratio of women holding managerial positions to 20% • Appoint women as internal officers (corporate officer or senior officer) 	<ul style="list-style-type: none"> • Ratio of women holding managerial positions: 13.8% • Number of female officers: 1 (outside director)
Asahi Breweries, Ltd.	<ul style="list-style-type: none"> • Increase the ratio of female department heads to double digits (10% or higher) • Appoint women as officers (corporate officer or senior officer) * "Department head" refers to line managers with one or more subordinates or department-level managers under internal standards 	<ul style="list-style-type: none"> • Ratio of female department heads: 3.1% • Number of female officers: 0 * As of September 2014
Asahi Soft Drinks Co., Ltd.	<ul style="list-style-type: none"> • Increase the ratio of women appointed to managerial positions to 20% from 2021 onward • Appoint two women as corporate officers or senior officers 	<ul style="list-style-type: none"> • Ratio of women holding managerial positions: 3.2% • Number of female officers: 0
Calpis Co., Ltd.	<ul style="list-style-type: none"> • Increase the ratio of women holding managerial positions to 20% • Appoint women as officers (corporate officer or senior officer) 	<ul style="list-style-type: none"> • Ratio of women holding managerial positions: 13.5% • Number of female officers: 0
LB Co., Ltd.	<ul style="list-style-type: none"> • Increase the ratio of women holding managerial positions to 10% 	<ul style="list-style-type: none"> • Ratio of women holding managerial positions: 7.7% • Number of female officers: 0
Asahi Food & Healthcare Co., Ltd.	<ul style="list-style-type: none"> • Increase the ratio of women holding managerial positions to 30% 	<ul style="list-style-type: none"> • Ratio of women holding managerial positions: 14.0% • Number of female officers: 0
Wakodo Co., Ltd.	<ul style="list-style-type: none"> • Increase the ratio of women holding managerial positions to 25% • Appoint a new female officer (executive officer) 	<ul style="list-style-type: none"> • Ratio of women holding managerial positions: 21.5% • Number of female directors: 1
Amano Jitsugyo Co., Ltd.	<ul style="list-style-type: none"> • Increase the ratio of women holding managerial positions to 5% 	<ul style="list-style-type: none"> • Ratio of women holding managerial positions: 1.5% • Number of female officers: 0

* As of December 31, 2014

<Concrete Efforts to Promote Diversity>

Launch of Group Diversity Promotion Office and Group Diversity Promotion Council

The Asahi Group believes that creating a workplace environment that enables a broad range of different individuals to utilize their skills and aptitudes to the fullest is essential for sustained company growth. To that end, the Group as a whole is working to create a corporate climate in which the diversity of employees is respected and in which they can play active roles irrespective of differences in such attributes as nationality, gender and age. To encourage the utilization of a diversity of human resources throughout the Group, the Group Diversity Promotion Office was established in April 2014 with the aims of expanding employment and career opportunities for women, foreign nationals, persons with disabilities, mandatory retirees and others, and further improving corporate value.

Concurrently, the Group Diversity Promotion Council was launched as a venue for regular exchanges of opinions in order to share diversity-related policies and measures adopted by Group companies.



Group Diversity Promotion Council

Support of Career Development for Female Employees

The Group has sought to create a better working environment for women by putting in place childbirth, childcare, and family care support systems, and since July 2014 has actively appointed women to executive and managerial positions in Group companies. Efforts tailored to the specific circumstances of individual companies have been undertaken to increase the ratios of women executives and managers, including introducing flexible work styles, improving awareness among both male and female employees, and increasing the absolute number of female employees.

Within the Asahi Group, Mariko Bando serves as an outside director at Asahi Group Holdings, Ltd., and female executives are playing active roles at Wakodo Co., Ltd., and overseas Group companies.

Perspectives on career development measures for female employees

Dimensions of specific measures	Directions of specific measures
Flexible work styles (both men and women)	Making work times flexible Making work places flexible
Improving awareness among male employees	Providing information on the significance of promoting diversity Fostering understanding of career-related problems unique to women
Improving awareness among female employees	Providing information on the significance of promoting diversity Fostering understanding of career-related problems unique to women Offering opportunities to interact with a variety of women
Increasing the absolute number of female employees	Increasing the number of women hired

Close-up

Case 1: Conducting "Women Leaders Training"

The Asahi Group conducts a variety of seminars and training to support the career development of female employees, and in December 2014 it organized a program entitled "Women Leaders Training." The keynote speech on "Women Stepping Up" by Mariko Bando, Outside Director at Asahi Group Holdings, was followed by presentations from Yuko Osame, Director at Wakodo, and other executive-class women active in the business community as well as by panel discussions. The Group intends to hold other training programs for women leaders as necessary to supply the catalyst for department head-level female managers to succeed as leaders in propelling the Group forward.



Case 2: Introducing new working styles

In February 2015, Asahi Group Holdings, Ltd. introduced super-flex-time and telecommuting systems in its head office sections to further improve operational efficiency through flexible work patterns. Earlier it had implemented a flex-time work system based on a core time slot, but switching over to a super-flex-time system with no core time slot has given employees a still greater degree of freedom in their ways of working and established a conducive working environment for employees with limitations on their work hours due to childcare, family care or other reasons.

As of 2014, a telecommuting system had been introduced at the R&D sections of Asahi Group Holdings and Asahi Breweries, Ltd., as well as at Asahi Soft Drinks Co., Ltd., and LB Co., Ltd., but it has now introduced this system at all workplaces at Asahi Group Holdings to extend its applicability.

■ Human Resources Development

<Programs for Training Next-Generation Corporate Managers>

Asahi Executive Leader Program Asahi Next Leader Program

As the environment surrounding the Asahi Group changes with mounting speed, increasingly complex and varied demands are being made of corporate managers. Accordingly, we have been implementing stage-by-stage training programs and systematically fostering the corporate managers who will take the lead in achieving sustained growth for the Asahi Group.

To cultivate the next generation of corporate managers, we have conducting an Asahi Executive Leader Program to nurture in executive candidates who will be charged with administering the Group in the near future the strategy-building, leadership, and goal-setting capabilities needed by company managers, and to teach them about corporate management and our overall value chain.

The Asahi Next Leader Program is designed to foster corporate managers from a medium- to long-term perspective by providing young managers aspiring one day to become corporate managers with opportunities to acquire knowledge and experience not ordinarily available in the course of their normal work as well as suitable knowledge and experience that ought to be acquired prior to becoming a corporate manager.

Global Leadership Development Program

We started the Global Leadership Development Program in 2014 to cultivate candidates for the next generation of corporate management at overseas business companies. This program is designed to help participants strengthen leadership skills needing improvement and acquire the perspective of a global leader in order to foster internal personnel with a global perspective by bettering their understanding of the Asahi Group's history and corporate philosophy.

The Program also provides participants with opportunities for robust networking through communication with colleagues working in a variety of countries, helping them to understand the importance of accepting diversity and allowing them to share the experience and knowledge they have accrued thus far.

Comments from Participants

- We were able to learn systematically about the Asahi Group's leadership vision, the corporate strategy to be pursued globally, and the approaches for achieving those.
- We had an opportunity to think about how we should contribute to the Asahi Group's corporate strategy.
- We were able to learn about Asahi's values and history as a company.
- I felt that the Company requires leadership accepting of a diversity of cultures such as those in Japan, Australia, New Zealand and Malaysia.
- We learned about the important qualities required of a leader, which include not only persuasiveness and authority but also the branding demanded of truly outstanding personnel.



Scene during training

<Young Employee Training Programs>

"Knight-Errantry" Training

"Knight-errantry" training enables young employees to learn ideas and concepts from a variety of angles by gaining experience through operations inside and outside their companies beyond the scope of their current job, workplaces, and companies.

We offer “in-house knight-errantry” programs in Japan in which employees train in a different organization within the Company, as well as “outside knight-errantry” programs in which employees are temporarily assigned for a period of one year to a company in a different industry sector to gain on-the-job acquaintance with different cultures and ways of work. These training programs help young employees to reflect on their own work and encourage them to develop their future careers.

Since 2010 we have also been implementing the Global Challengers Program to systematically and continually from an early stage train human resources capable of playing active roles globally. Under this program, about ten employees are dispatched each year to Group subsidiaries overseas to benefit from work experience overseas enabling them to improve their English-language ability in a business context and to learn about different meeting/work processes and perspectives.



Global Challengers Program

■ Creation of an Ideal Workplace Environment

<Career Support Systems>

Brother/Sister System

Asahi Breweries, Ltd., has set up a system whereby senior colleagues known as “brothers” and “sisters” provide work-related guidance to help new employees find their feet in their first four months with the company. One feature of this system is that the selection of these “brothers” and “sisters” via open recruitment has the benefit of accelerating the growth not only of the new employees but also of the ambitious young employees responsible for providing the guidance.

Career Advisor System

We arrange opportunities for employees in their second or third years with the Company for face-to-face consultations with Group mandatory retirees who have signed agreements to serve as career advisors and offer advice on work approaches and career design. By arranging meetings not only with the younger employees but also their superiors to support superior-subordinate relations as well, we are proactively fostering human resources responsible for a corporate climate of taking on the challenges of innovation by helping them understand the importance of undertaking work and improving their motivation.

<Employee Attitude Survey>

Overview of Attitude Survey

Each year the Asahi Group conducts an attitude survey of approximately 9,000 executives and employees of major domestic subsidiaries to better foster a corporate culture of taking on the challenge of innovation. In particular, we are utilizing an organizational behavior diagnosis model* to encourage staff to share our vision and corporate policies Group-wide. Employing the survey results to determine the issues facing individual workplaces and the Group as a whole and to formulate specific countermeasures that imbue organizations and workplaces with greater vitality will help us reform our corporate climate to realize sustained improvement of corporate value.

(Survey framework)

The organizational behavior diagnosis model is a survey method based on the idea that it is important for employees’ views on operations, structure, human resources and organizational culture—the elements in organizational activity that produce plans/strategies and results/accomplishments suited to the business environment—be formed in a well-balanced manner. In keeping with that idea, we conduct employee attitude surveys on the key elements of environment, leadership/management, strategy, operations, structure, human resources, organizational culture, and results/achievements.

* Model developed by Michael L. Tushman, PhD. To make a copy of the model, a license agreement has been signed with Business Consultant Co., Ltd. All related rights are reserved.

Asahi Group's Reconstruction Efforts in the Tohoku Region

Asahi Group Holdings has decided to continue until 2020 the Great East Japan Earthquake reconstruction assistance it has been providing. With "the Great East Japan Earthquake Reconstruction Assistance: Together to Tomorrow (2020)" as the theme for assistance through 2020, we will be newly focusing our recovery efforts for disaster sites on "people" in three regards: nurturing people, supporting people's day-to-day lives, and creating places for people to gather.

Since the Great East Japan Earthquake of March 2011, the Asahi Group has been engaged in a variety of reconstruction assistance efforts, including the dispatch of personnel to disaster-hit areas and monetary donations. One of those efforts was the "Asahi Group Community Aid Project" (implementation period: April 2014–March 2015), carried out in collaboration with the Iwate Tomorrow Design Organization.

With many reconstruction projects focused on "hardware," there was also a need to address such "software" problems as reviving communities. In that context, the Asahi Group visited and interviewed independently people living and NPOs operating in affected villages, towns and cities and other localities. These interviews made it clear that many residents were looking for a psychological refuge of sorts in the revival of traditional festivals and events rooted in the community. Aiming to bring about a healthy and prosperous society through food and beverages, the Asahi Group has a strong affinity with cultural activities that foster a sense of unity in communities. Accordingly, the Group characteristically undertook assistance efforts directed toward festivals and events providing moral support for residents, donating between 2012 and 2013 to 21 festivals in a total of 12 cities, towns and villages, including the Hokugen no Ama Festival in Kuji City, the Fukko Kinensai in Tanohata Village, the Atago Shrine Annual Noda Festival in Noda Village, and the Umi Festa in Fudai in Fudai Village.

To further advance such recovery efforts, the Group teamed up in May 2014 with the Iwate Tomorrow Design Organization, a networking organization established by Iwate Prefecture together with relevant industrial, academic, and governmental organizations/groups, to start aid projects for community activities that contribute to preserving and developing local performing arts in disaster-affected cities, towns, and villages. In the interest of being responsive to community needs, the Asahi Group liaison for these projects was located in the Asahi Breweries, Ltd., Iwate Branch, and a community-based promotion system was put in place with backing from Asahi Group Holdings. The plan is to provide 21,241,000 yen in assistance to 44 community groups in 12 disaster-stricken cities, towns and villages by March 2015.

In December 2014, the Asahi Group and the Iwate Tomorrow Design Organization concluded an alliance to strengthen their collaboration, and agreed to cooperate more closely in rebuilding communities in the disaster-hit coastal areas of Iwate Prefecture, and plans are to continue this project in FY2015.

The Asahi Group joined with the Fukushima Prefecture Commerce and Community Development Division in December 2014 to form the Asahi Group Business Community Aid Project to extend the successes achieved in Iwate Prefecture to other disaster-struck prefectures to help in the reconstruction and revitalization of the entire affected area.

We will remain committed to ascertaining the needs of distressed communities and providing robust support for reconstruction activities that help build bonds between people.



Noda Shimogumi Dashi on parade, August 22, 2014



Noda Award Ceremony—February 6, 2015
Yuji Oda, Village Mayor
Representative, Noda Shimogumi

Overseas Initiatives

■ Utilizing 100% Recycled PET Bottles at Schweppes Australia

Schweppes Australia, which manufactures and sells non-alcohol beverages in Australia, has introduced “bottle-to-bottle recycling” wherein PET bottles are recycled to be reused as PET bottles, and is incorporating these eco-friendly PET bottles into its beverage production.

These 100% recycled PET bottles have been developed in collaboration with packaging supplier Visy, and sold in the major Australian supermarket chain Coles since 2014. The 100% recycled PET bottle comes in three different sizes; 330ml, 600ml and 1.5L. This has led to reduction of approximately 2,000 tons per year of plastic raw material. These PET bottles are also of sufficient strength that they can be recycled again like ordinary PET bottles.

These efforts resulted in Schweppes Australia and Visy being recognized as Outstanding Coles Brand Package Suppliers at the September 2014 Suppliers Conference hosted by Coles. In presenting the awards, John Durkan, Managing Director of Coles, remarked: “We are honored to be the first Australian supermarket to sell 100% recycled

PET bottles, a success that we could not have achieved without the impressive efforts of Schweppes Australia and Visy.”

Schweppes Australia will continue working in collaboration with suppliers and business partners to undertake other eco-friendly business activities.



Together with officials from Coles and Visy at the Award Ceremony

■ Pursuing Global Efforts to Combat Bribery

The Asahi Group has established in the Asahi Group Guidelines on Corporate Ethics rules of conduct prohibiting bribery of domestic and foreign public officials either directly or through business partners as well as any other actions that could be misconstrued as such, and is engaged in fair trade.

With tighter restrictions on bribery being increasingly imposed internationally, the Group made further efforts in 2014 to combat bribery. In May 2014, training was conducted in Shanghai, China for locally-stationed executives and managerial personnel to combat bribery. This program focused on the practical consequences of bribery by employees, and helped participants better understand these consequences. In January 2015, the Asahi Group introduced regulations applicable Group-wide to prevent bribery, taking an unequivocal stance against bribery and establishing a framework to avoid at an early stage any actions that might carry the taint of bribery.

The Asahi Group recognizes that compliance, including bans on bribery, forms the foundation of trust enjoyed by the Group from the public, shareholders, customers and

other stakeholders, and we believe it an essential approach if we are to remain in public favor on a lasting basis and improve our corporate value. To further ensure the public's trust, we will endeavor in all countries and regions in which the Group does business to improve the compliance awareness of each and every person involved and to combat bribery.



Anti-bribery training in Shanghai, China

Corporate Governance

The Company considers that strengthening the corporate governance of the Asahi Group is an utmost managerial priority in order to realize corporate activities that garner the satisfaction of all stakeholders, including shareholders and investors. Based on this concept, the Company endeavors to proactively strengthen group management, enhance the trust relationship with society, and improve the sociality and transparency of the Group companies.

In addition, in light of the introduction of the “Corporate Governance Code” targeting companies listed on Japanese stock exchanges, we agree to the idea that ensuring sustainable growth and improving corporate value for the medium to long term by appropriately practicing the Code will contribute to the stakeholders and, through returns, the development of the overall economy, based on which, we will endeavor to implement measures to further enhance our corporate governance.

Measures toward Enhancement of Our Corporate Governance

2000	<ul style="list-style-type: none"> ● Corporate Officer System was introduced. ● The Nomination Committee and the Compensation Committee were established. ● Corporate Strategy Board was established.
2007	<ul style="list-style-type: none"> ● In order to respond swiftly to the changes in the business environment, we reduced the term of office for our directors within one year. ● The retirement bonus system for directors and corporate auditors was abolished.
2011	<ul style="list-style-type: none"> ● The Company transitioned to a pure holding company structure. ● “The Basic Policies on Development of Internal Control System” was newly established.
2013	<ul style="list-style-type: none"> ● Takeover defense measures were abolished.

Comments from an Outside Director



Mariko Bando
Outside Director

The value of a company is represented by the total score of multifaceted evaluation benchmarks, the achievement of which will result in increased revenues and profits.

Corporations create their own value, from which they generate profit to continue to work. Corporations, first of all, must develop products and services that increase the health and welfare of consumers. Especially for corporations that engage in the manufacture and sales of drink and food products like the Company, the safety and reliability of such products and services are the minimum requirements.

However, producing products and services that meet these basic requirements alone does not necessarily assure a good reputation. Indeed, there are a number of factors that determine the value of a company: how convincing the products and services the Company offers are; to what extent redundancies have been trimmed to improve efficiency and productivity; and whether the Company offers a job and workplace that can be a source of pride and

engagement for each individual working for the Company.

Corporations are evaluated across a variety of measures to see if they have the capacity to meet the wide-ranging needs of an increasingly broad consumer base. For example, whether the members of their management team have diverse backgrounds, capabilities, and values, and whether stakeholders with different qualifications and positions are respected and equally treated. I wish to bring these external perspectives to the management team as an outside director who worked for women in government and education.

The value of a company is represented by the total score of these multifaceted evaluation benchmarks, which will result in increased revenues and profits. I expect the Company will increase its corporate value through working on the abovementioned requirements for excellence.



Naoki Tanaka

Outside Director

On Asahi Group Holdings, Ltd. opening a new chapter and my position as an outside director

I believe that the goal of the Company to enhance its corporate value through relentless striving has proven to be an effective one. Since the Company operates in business domains such as alcohol beverages, soft drinks, and food by creating products that consumers take directly into their body and that provide them with the energy they need to get on with their day-to-day lives, there is no doubt that the Company gives the greatest priority to maintaining the highest levels of quality. I also believe that the Company's efforts to enhance the appeal of its mainstay products have been reasonably appreciated by consumers.

In terms of the global economy, with a wave of significant changes looming on the horizon, the Company's judgment on the content and implementation timing of its M&A strategy is under scrutiny. As for myself, I would like to improve my sensitivity and enhance my ability to

support and advise the Company regarding its efforts to capture opportunities from the following two perspectives.

The first perspective is the scrutinizing of new acquisition targets. In other words, instituting a review of the standards used to identify acquisition targets with tangible synergy effects from a management standpoint.

The other perspective is, of the standards that the Company has established in Japan over the years, determining which to introduce to acquired companies and which to localize. For example, it is probably not optimal to indiscriminately impose already-established standards without making some adjustments. Following M&As, multidimensional research on corporate management is required, as is scrutiny of the management environment in the specific region.



Ichiro Itoh

Outside Director

Corporate governance and role of outside directors

I sum up the role of outside directors as: "to strengthen corporate governance by proactively asking questions and expressing opinions on the proposals and actions of the president and other inside directors."

The most important objective of a company is to enhance its corporate value while benefitting all stakeholders. The sustainable growth of a company can be expected if a governance framework directed toward achieving this objective is established within various systems together with the strong will of the management team members.

Fortunately, the Company has achieved record sales and profits year after year and has more than doubled its market capitalization during the past three years. This is the result of the Company's ongoing efforts not only to strengthen the foundation of its domestic operations but also to expand business in East Asia and Oceania in

some of its soft drinks and food businesses in addition to in its beer-type beverages business. Although the Company is well known as a beverages and food product manufacturer in Japan, it is essential to further raise overseas earnings as a key component of the growth strategy in order to thrive amid global competition.

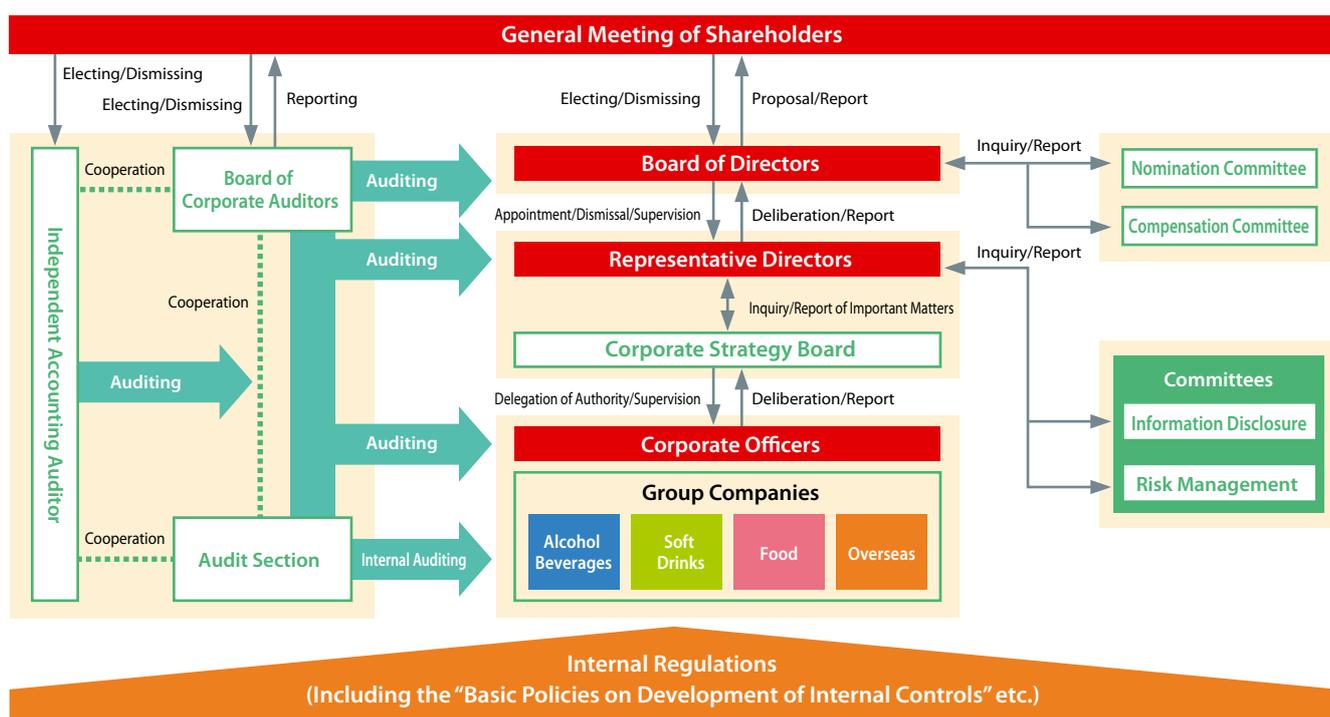
Companies are evaluated against a range of criteria including customer satisfaction, shareholder returns, CSR, and risk management. Even a single failure in one of these aspects can damage the company's reputation, ultimately leading to a decline in earnings. One thing that most business failures have in common is a lack of imagination. In my role as an outside director, I will remind my colleagues that imagination and creativity are indispensable to corporate management.

Characteristic Features of Our Corporate Governance System

The Company employs a “company with corporate auditors” governance framework, under which we strengthen management supervisory functions and preserve transparency by electing outside directors. The Company has also introduced

a Corporate Officer System, designed to separate management duties from business execution, as well as boost management decision-making speed, and realize more efficient management overall.

Corporate Governance System



■ Pure Holding Company Structure

The Company transitioned to a pure holding company structure on July 1, 2011. This enhanced Group governance functions, helped to develop manufacturing skills across the entire Group and strengthened management infrastructure by integrating common operations across the Group and by improving specialty service functions. The Company also endeavored to develop human resources capable of responding to diverse customers and businesses. In addition, the Company aims to achieve rapid growth of the Group by making bold resource allocations to growth areas in Japan and overseas.

■ Directors and the Board of Directors

The Board of Directors consists of nine directors, including three Outside Directors. The Company has registered those who meet the requirements for independent directors/auditors pursuant to the regulations of the Tokyo Stock Exchange as Outside Directors. Outside Directors have served in a variety of fields (e.g.,

educator, economic policy expert and company manager) prior to their appointments. The wealth of experience and keen insight of our current Outside Directors are reflected in the continued transparency of the Board of Directors’ decision-making processes and management supervisory.¹¹

In 2014, the Board of Directors held 11 regular meetings, with Outside Directors Mariko Bando and Naoki Tanaka attending 10, and Ichiro Itoh attending 11 meetings, respectively.

■ Nomination Committee and Compensation Committee

Complete fairness and transparency in the appointments and remunerations of Directors, Corporate Auditors and Corporate Officers are achieved by the Nomination Committee and the Compensation Committee, which serve as advisory bodies to the Board of Directors. Outside Directors are present among the Directors that comprise the membership of each committee.

The Nomination Committee consists of a total of four Directors, of whom two are Inside Directors and two are Outside

Directors. The committee is chaired by an Inside Director who is elected by its members, and is responsible for recommending candidates for Director, Corporate Auditor or Corporate Officer to the Board of Directors. The committee met once in 2014, mainly to make proposals for the personnel of Directors, Corporate Auditors and Corporate Officers.

The Compensation Committee is also comprised of four Directors, of whom two are Inside Directors and two are Outside Directors. The committee is chaired by an Outside Director who is elected by its members, and is responsible for making resolutions as agenda items regarding remuneration systems and packages for Directors and Corporate Officers for the Board of Directors. The committee met twice in 2014, and mainly forwarded proposals regarding the amount of bonuses for the Director and Corporate Officer.

■ Corporate Auditors and the Board of Corporate Auditors

The Company's management supervisory system is structured based on supervising the performance of duties by directors as well as the auditing by corporate auditors and the Board of Corporate Auditors independent from the Board of Directors. The Board of Corporate Auditors consists of five corporate Auditors, including three Outside Corporate Auditors. The inclusion of three Outside Corporate Auditors enhances the transparency of the Board of Corporate Auditors. In addition, the Company has

registered those who meet the requirements for independent directors/auditors pursuant to the regulations of the Tokyo Stock Exchange as Outside Corporate Auditors. The Outside Corporate Auditors have varying backgrounds, including a university professor in accounting, a company manager and an attorney, and their abundant experience and broad insight in their respective fields are evident as they audit the management of the Company.^{*1}

With respect to the auditing system by Corporate Auditors, the Company has a system to execute audits by Corporate Auditors smoothly through the election of the aforementioned Outside Corporate Auditors and the allocation of dedicated staff for the Board of Corporate Auditors. Meanwhile, with regard to the standards for audits conducted by Corporate Auditors, key audit items are reviewed each year as the policies of audits conducted by Corporate Auditors in accordance with the business environment.

In 2014, the Board of Corporate Auditors held six meetings, with outside corporate auditors Naoto Nakamura and Tadashi Ishizaki attending six, and Katsutoshi Saito attending four meetings, respectively.

Note: Corporate Auditor Katsutoshi Saito was newly elected at the Company's 90th Annual General Meeting of Shareholders held on March 26, 2014, and the Board of Corporate Auditors held four meetings after he was elected as corporate auditor.

Corporate Auditor Naoto Nakamura retired upon the expiry of his term of office at the conclusion of the Company's 91st Annual General Meeting of Shareholders held on March 26, 2015.

*1 Reasons for the Election of Independent Directors/Auditors (As of March 26, 2015)

<p>Mariko Bando Outside Director</p>	<p>In addition to a diverse experience in public administration, Mariko Bando has a wide range of knowledge as an educator. We hope that these assets will be reflected in the Company's corporate management. Regarding our view on the Company's Outside Directors, we place the greatest emphasis on actual activities such as remarks at the board meetings, etc. Based on this view, we judge that Mariko Bando is suitable to serve as an Outside Director. In addition, as we recognize that there is no risk of conflict of interest with our general shareholders, Mariko Bando has also been registered as an independent director/auditor based on the request from the stock exchanges.</p>
<p>Naoki Tanaka Outside Director</p>	<p>In addition to his great deal of experience as a member of government councils, Naoki Tanaka has broad knowledge as a specialist deeply versed in economic policy. We hope that these assets will be reflected in the Company's corporate management. Regarding our view on the Company's Outside Directors, we place the greatest emphasis on actual activities such as remarks at the board meetings, etc. Based on this view, we judge that Naoki Tanaka is suitable to serve as an Outside Director. In addition, as we recognize that there is no risk of conflict of interest with our general shareholders, Naoki Tanaka has also been registered as an independent director/auditor based on the request from the stock exchanges.</p>
<p>Ichiro Itoh Outside Director</p>	<p>Ichiro Itoh has a wealth of company management experience and insight. We hope that these assets will be reflected in the Company's corporate management. Regarding our view on the Company's Outside Directors, we place the greatest emphasis on actual activities such as remarks at the board meetings, etc. Based on this view, we judge that Ichiro Itoh is suitable to serve as an Outside Director. In addition, as we recognize that there is no risk of conflict of interest with our general shareholders, Ichiro Itoh has also been registered as an independent director /auditor based on the request from the stock exchanges.</p>
<p>Tadashi Ishizaki Outside Corporate Auditor</p>	<p>Tadashi Ishizaki has years of research experience and expertise in accounting. We hope that these assets will be reflected in the Company's audit activities. Regarding our view on the Company's Outside Corporate Auditors, we place the greatest emphasis on actual activities such as remarks at the board meetings, etc. Based on this view, we judge that Tadashi Ishizaki is suitable to serve as an Outside Corporate Auditor. In addition, as we recognize that there is no risk of conflict of interest with our general shareholders, Tadashi Ishizaki has also been registered as an independent director/auditor based on the request from the stock exchanges.</p>
<p>Katsutoshi Saito Outside Corporate Auditor</p>	<p>Katsutoshi Saito has a wealth of company management experience and insight. We hope that these assets will be reflected in the Company's audit activities. Regarding our view on the Company's Outside Corporate Auditors, we place the greatest emphasis on actual activities such as remarks at the board meetings, etc. Based on this view, we judge that Katsutoshi Saito is suitable to serve as an Outside Corporate Auditor. In addition, as we recognize that there is no risk of conflict of interest with our general shareholders, Katsutoshi Saito has also been registered as an independent director/auditor based on the request from the stock exchanges.</p>
<p>Yumiko Waseda Outside Corporate Auditor</p>	<p>Yumiko Waseda has a wealth of experience as an attorney and a professional view. We hope that these assets will be reflected in the Company's audit activities. Regarding our view on the Company's Outside Corporate Auditors, we place the greatest emphasis on actual activities such as remarks at the board meetings, etc. Based on this view, we judge that Yumiko Waseda is suitable to serve as an Outside Corporate Auditor. In addition, as we recognize that there is no risk of conflict of interest with our general shareholders, Yumiko Waseda has also been registered as an independent director/auditor based on the request from the stock exchanges.</p>

Business Operation System

■ Corporate Officer System

The Company has introduced a Corporate Officer System to ensure timely execution of operations and clarify responsibilities and authority. Corporate Officers are granted the authority by the Directors to execute operations and are responsible for the timely execution of operations. Meanwhile, directors are entrusted with the mission of formulating Group management strategies and making key decisions on Group management for strengthening and developing the Group, in addition to supervising the execution of operations.

■ Corporate Strategy Board

The Corporate Strategy Board holds high-level meetings to fulfill its responsibility of quickly executing decisions made by the Board of Directors. The Corporate Strategy Board deliberates matters pertaining to the direction of the entire Group. The Corporate Strategy Board is chaired by the President and Representative Director. To maximize operational efficiency, at each meeting, progress is controlled and assessed based on an objective and rational management index. In order to ensure the legality of the decision-making process employed for major issues and to further enhance compliance management, each meeting is attended by at least one standing Corporate Auditor.

In 2014, as the second year of Medium-Term Management Plan 2015, topics deliberated at the meetings included improvement of capital efficiency in addition to new value creation by leveraging the Company's strengths and an increase in profitability through innovation.

■ Internal Audits and Accounting Audits

To enable Corporate Auditors to efficiently conduct their auditing duties, the Company assigns three full-time staff to attend to the needs of the Board of Corporate Auditors, enabling Corporate Auditors' full attendance at important meetings and facilitating the review of authorized documents at all times.

With respect to internal audits, the Group has established an Audit Section or Audit Departments comprising eight people at Asahi Group Holdings, Ltd., five people at Asahi Breweries, Ltd., and six people at Asahi Soft Drinks Co., Ltd. as internal auditing organizations. These cooperate with each other to conduct audits based on Group-wide auditing policies to ensure proper and effective business execution across the entire Group. In addition to reports individually filed with each audit, twice a year, general reviews of the audits are submitted to the Corporate Strategy Board to be used as the basis for new policies.

The Corporate Auditors, Audit Section and Independent Accounting Auditor work in concert by exchanging information through briefings and by transmitting copies of auditing reports periodically, and as needed. In 2014, the Board of Corporate Auditors held nine briefings with the Independent Accounting Auditor and three briefings with the Audit Section, respectively. The Audit Section held three meetings with the Independent Accounting Auditor.

Remuneration for Directors and Corporate Auditors, and Independent Accounting Auditors

Resolutions regarding remuneration for Directors and Corporate Officers become agenda items for the Board of Directors following deliberations that take into account the remuneration systems and packages for Directors and Corporate Officers proposed by the Compensation Committee. In 2014, fixed remuneration (basic remuneration) comprised around 70% of remunerations for Directors, with the performance-based portion (bonus) roughly accounting for another 30%. (Note: 100% of performance-based remuneration was short term; none was long term). For Corporate Auditors, basic remuneration consisted entirely of fixed remuneration (monthly remuneration),

reflecting the abolishment of the Company's bonus system from April 2009.⁷²

The Company decided at a meeting of the Board of Directors held on February 6, 2007, to abolish the system of retirement bonuses for Directors and Corporate Auditors and to include the relevant amount in their annual salaries. Retirement bonuses were traditionally paid as remuneration to Directors and Corporate Auditors at a future date, and the decision to include remuneration equivalent to retirement bonuses in the annual salary was made in response to the adoption of a one-year term of office. At the same February 6 meeting, the Board of Directors

also decided to make no new allotments to the stock option system that had been implemented as part of the remuneration system for Directors, Corporate Auditors and Corporate Officers, on the grounds that even if they were able to execute their rights under insider trading prevention regulations, it might be difficult legally to sell the rights immediately afterward, so that their function as an incentive was not sustainable.

Independent Accounting Auditor Remunerations

In 2014, audit fees and other remuneration payable by the Company to the Independent Accounting Auditor amounted to ¥135 million for an attestation agreement and the total amount of remuneration payable by the Company and its subsidiaries to the Independent Accounting Auditor amounted to ¥501 million.

*2 Remuneration for Directors and Corporate Auditors (2014)

(¥ million)

	Basic Remuneration	Bonus	Total
Inside Directors (Total: 7)	229.0	85.0	314.0
Outside Directors (Total: 3)	31.2	13.5	44.7
Internal Corporate Auditors (Total: 2)	63.6	—	63.6
Outside Corporate Auditors (Total: 4)	30.6	—	30.6

Note: The figures above include Outside Corporate Auditor Takahide Sakurai, who ceased to serve as Outside Corporate Auditor as he passed away on January 3, 2014, and Directors Hitoshi Ogita and Toshio Kodato, who retired upon the expiry of their terms of office at the conclusion of the 90th Annual General Meeting of Shareholders held on March 26, 2014.

Internal Control System

Development of Internal Control System Based on the Companies Act

Following the transition to the pure holding company system in 2011, we newly established Basic Principles for the Company that carry on the philosophy of the “Basic Policies on Developing of an Internal Control System” established in 2006. In drafting these Basic Principles, we analyzed and evaluated the current system at the Company and the Asahi Group to determine the proper course of action. Based on these Basic Principles, we are presently developing an internal control system that will encompass the entire Asahi Group. With respect to both risk management and compliance, we are establishing internal regulations that reflect the system and Basic Principles as we conduct control activities (see page 59 for more details). All major Group companies, specifically Asahi Breweries, Ltd. and Asahi Soft Drinks Co., Ltd., have also drafted their own basic principles in this area.

Going forward, we anticipate that business growth will trigger expansion in both the number of Group companies and the regions where we operate. This growth notwithstanding, we are committed to extensively embedding our internal control system throughout the entire Group. At the same time, we will constantly strive to remain aware of regulatory reforms and social trends in each business and operating region, responding proactively to any changes that emerge.

Response to the Financial Instruments and Exchange Act (Japanese SOX Act)

In response to the Japanese SOX Act, the Company has put an evaluation and reporting framework in place that includes a set of guidelines, “Basic Regulations for Evaluation and Reporting of Internal Control for Financial Reporting,” and the establishment of the Internal Control Evaluation Office as an organization to conduct independent evaluation of managers.

For 2014, the Company has evaluated that, as of December 31, 2013, it has an effective internal control system with respect to financial reporting. This assessment was corroborated by an audit of the internal control system performed by the Independent Accounting Auditor.

Promotion of Engagement through IR Activities

While pursuing the fair and broad disclosure of its financial information including operating results and non-financial information including management strategies, business challenges and risk and governance related information, Asahi Group Holdings, Ltd. has been actively engaged in dialogue with its shareholders and investors as well as implementing management reforms to reflect their voices.

In the Long-Term Vision and the Medium-Term Management Plan formulated based on dialogue with shareholders and investors, the Company assigned top priority to the enhancement of its corporate value. In addition, by incorporating the growth of

ROE and EPS into KPIs, the Company has been striving to improve capital efficiency while seeking to boost profits through concentrating on its strengths. As a result of these plans and execution processes, the Company received awards for its IR activities from the Securities Analysts Association of Japan (SAAJ) and the Japan Investor Relations Association (JIRA) in 2014.

The Company will aim to enhance its corporate value in a sustainable manner by continuing to promote IR activities with a focus on adequate information disclosure, constructive dialogue and engagement, thus realizing further management reforms in the future.

Major IR Activities in 2014

Activities	Frequency	Details
Financial Results Briefing for Analysts and Institutional Investors	Four times	Quarterly briefing sessions. (briefing sessions by the President and officers in charge for Q2 and Q4, and teleconferences by the IR/finance sections for Q1 and Q3)
Business Operation Briefing for Analysts and Institutional Investors	Once	Briefing sessions by General Managers (A briefing on Oceania business was conducted for the year under review.)
Facilities Tour for Analysts and Institutional Investors	Once	Briefing sessions combined with facilities tours (The tour was conducted Asahi Breweries, Ltd.'s Ibaraki Plant for the year under review.)
IR Interviews for Analysts and Institutional Investors	Approx. 200 times	IR interviews for analysts and institutional investors
Individual Visits for Japanese Institutional Investors	Twice	President's visits to shareholders and investors in Japan (Q2 and Q4)
Individual Visits for Overseas Institutional Investors	Three times	President's visits to overseas shareholders and investors (North America, Europe and Asia)
Briefing Sessions for Individual Investors	17 times	Briefing sessions by the President (contents also made available on the website) Briefing sessions by the IR officer also held at beer factories across Japan.

Note: For the website on IR related activities, please refer to page 61.

IR Related Awards in 2014

2014 Securities Analysts' Awards for Excellence in Corporate Disclosure

The top company in the foods category for 12 consecutive years between 2003 and 2014 (The Securities Analysts Association of Japan (SAAJ))



2014 Annual IR Grand Prix Awards. 2014 IR Grand Prix Award

(The Japan Investor Relations Association (JIRA))



Risk Management

In conjunction with the transition to the pure holding company structure in 2011, the Asahi Group established the Asahi Group Risk Management Regulations and the Asahi Group Risk Management Detailed Regulations. The Risk Management Regulations define the basic issues related to risk management. The Risk Management Detailed Regulations define specific management processes based on the Risk Management Regulations. The goal in drafting these regulations and procedures is to prevent all types of risks surrounding the business and to strengthen our risk management system for responding to emergency situations.

The Asahi Group Risk Management Committee, established in line with these Group Regulations, is comprised of the Directors of Asahi Group Holdings and the General Manager of the General & Legal Affairs Management Section as well as members separately elected by the Committee (outside attorneys, in principle). In addition to reporting about cases of risk management and compliance, the committee meets to discuss

and decide policies for related activities as a whole, as well as assign priorities to the measures to be taken, based on the results of a risk survey, and reviews the content of measures and the progress of plans concerning major risks as the Group's top discussion and advisory panel for managing risk. The committee also conducts preventative activities at the organizational level to avoid the occurrence of risks on a daily basis in collaboration with managers responsible for promoting risk management at each Group company.

In 2012, the Asahi Group conducted a fundamental review of existing disaster manuals in line with the needs of the times, and formulated a BCP (business continuity plan) at Asahi Breweries, Ltd. and Asahi Soft Drinks Co., Ltd. Since 2013, the Asahi Group has been working on formulating basic BCPs for other major Group companies while implementing various measures including the relocation of the Company's main information and communication servers to more secure locations and the establishment of backup systems.

Compliance

Based on "Fair and Transparent Corporate Ethics" as stipulated in the "Asahi Group's Corporate Action Guidelines," the Company established "Regulations on Corporate Ethics for the Asahi Group" and the "Asahi Group Corporate Ethics Guidelines," and requires Directors, Corporate Auditors and employees to observe these guidelines. The Asahi Group Risk Management Committee oversees compliance throughout the Asahi Group based on the Asahi Group Risk Management Regulations.

Following the comprehensive review of the Legal Promoter System that had governed the promotion of compliance, the Company moved to a new compliance promotion system. Social demand with regard to the Asahi Group's compliance has become increasingly diversified and complex each year. In light of this, the Company reviewed the current system, in which all functions are concentrated on a particular division such as the section in charge of general affairs, and shifted it to a system in which all organizations make concerted efforts to strive for the same goal by fulfilling their individual missions.

In the new promotion system, by positioning designated line heads of each organization as the core promoter of compliance, the Company ensures that compliance is thoroughly implemented by each employee of the Asahi Group through the daily management. In addition, we have appointed Risk & Compliance Chief Officers as the individuals with ultimate responsibility for risk management and compliance at the Company and Group companies. We have also appointed persons in charge for each organization as Risk & Compliance Executive Managers and their assistants as Risk & Compliance Professionals.

The Asahi Group will ensure that a priority is placed on every aspect of its business activities based on the new compliance promotion system targeting all employees, with those in charge of the promotion taking the lead.

Corporate Information

Corporate Name	Asahi Group Holdings, Ltd.
Head Office	1-23-1, Azumabashi, Sumida-ku, Tokyo 130-8602, Japan
Date of Establishment	September 1, 1949
Representative	Naoki Izumiya, President and Representative Director, CEO
Number of Group Companies	Consolidated subsidiaries: 106 Equity-method non-consolidated subsidiaries: 2 Equity-method affiliates: 119
Paid-In Capital	¥182,531 million
Net Sales	¥1,785,478 million (consolidated fiscal year ended December 31, 2014)
Number of Employees	273 (consolidated: 21,177)
Securities Code	2502
Stock Exchange Listing	Tokyo Stock Exchange
Total Number of Issued Shares	483,585,862
Trading Unit	100 shares
Number of Shareholders	108,522
Administrator of Shareholder Registry	Sumitomo Mitsui Trust Bank, Limited
Fiscal Year-End Date	December 31
Ordinary General Meeting of Shareholders	March
Independent Accounting Auditor	KPMG AZSA LLC

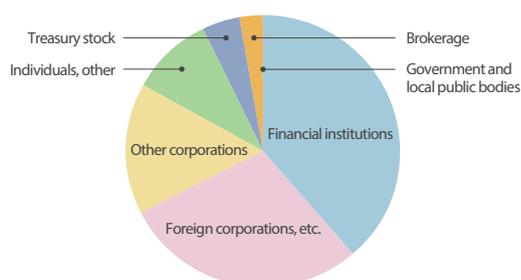
Major Shareholders

Name of shareholder	Number of shares held (in thousands)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,617	6.2
Japan Trustee Services Bank, Ltd. (Trust Account)	20,237	4.4
Asahi Kasei Corporation	18,785	4.1
The Dai-ichi Life Insurance Company, Limited	16,920	3.7
Fukoku Mutual Life Insurance Company	16,000	3.5
Sumitomo Mitsui Banking Corporation	9,028	2.0
Sumitomo Mitsui Trust Bank, Limited	8,126	1.8
THE BANK OF NEW YORK MELLON SA/NV	6,670	1.4
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	5,794	1.3
The Norinchukin Bank	5,566	1.2
Total	135,742	29.3

Notes:

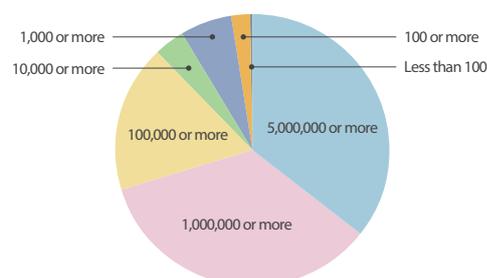
1. The Company holds treasury stock numbering 20,984 thousand shares. However, the Company is excluded from the above list of major shareholders.
2. Shareholding percentages are calculated based on the total number of issued shares less the number of shares in treasury stock.

Breakdown of Shareholdings by Investor Type



	Number of shares held (in thousands)	Percentage of voting rights (%)
Financial institutions	187,277	38.7
Foreign corporations, etc.	139,187	28.8
Other corporations	75,169	15.6
Individuals, other	47,846	9.9
Treasury stock	20,984	4.3
Brokerage	13,121	2.7
Government and local public bodies	1	0.0

Breakdown of Shareholdings by Number of Shares Held



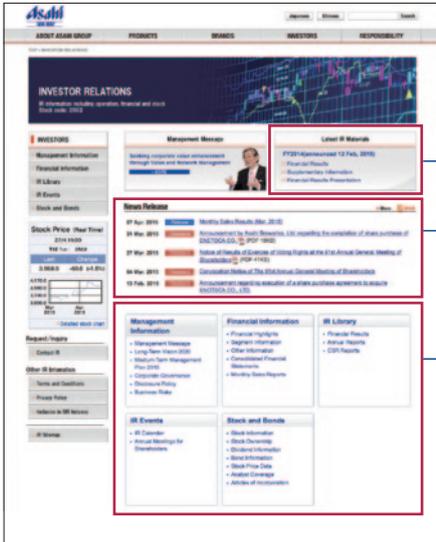
	Number of shares held (in thousands)	Percentage of voting shareholders (%)
5,000,000 or more	172,117	35.6
1,000,000 or more	168,088	34.8
100,000 or more	84,588	17.5
10,000 or more	17,596	3.6
1,000 or more	29,055	6.0
100 or more	11,719	2.4
Less than 100	424	0.1

Explanation of Various Information Tools

Information site for shareholders and investors

<http://www.asahigroup-holdings.com/en/ir/>

With the purpose of providing appropriate and fair information to shareholders and investors, we will use the website to eagerly develop IR activities.



▼ Main contents to be featured

Recent financial results and results briefings

Timely disclosure and other IR news

Management Information

- Management Message
- Long-Term Vision 2020
- Medium-Term Management Plan 2015

Financial Information

- Financial Highlights
- Segment Information
- Financial Data

IR Library

- Financial Results
- Integrated Reports

IR Events

- IR Calendar
- Annual Meetings for Shareholders

Stock and Bonds

- Stock Information
- Stock Ownership
- Dividend Information

Others

We will also try our best to provide non-financial information such as that covering Asahi Group's CSR and environmental activities in a timely and up-to-date manner.



Responsibility

<http://www.asahigroup-holdings.com/en/csr/>

▼ Main contents to be featured

President's Message

CSR of Asahi Group

Dialogue with the Stakeholders

Inclusion in SRI Indexes

The Asahi Group has been included in several major Socially Responsible Investment (SRI) indexes and funds worldwide. SRI is an investment approach that uses valuation criteria for investment decisions based on social perspectives, such as environmental consideration and corporate citizenship, in addition to financial considerations.

MEMBER OF
Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

Dow Jones Sustainability Indices were jointly developed by Dow Jones & Company of the U.S. and RobecoSAM AG of Switzerland.



The Ethibel Excellence Investment Register is an investment universe managed by Forum ETHIBEL, an NPO headquartered in Belgium.



FTSE4Good

The FTSE4Good Global Index is a stock index developed by FTSE International Limited, established by The Financial Times Ltd. and London Stock Exchange Group plc.



The Morningstar Socially Responsible Investment index is Japan's first socially responsible share index. Morningstar Japan K.K. selects for inclusion in the index 150 publicly listed Japanese companies that have been evaluated as possessing outstanding social credentials.

Asahi Group Holdings, Ltd.

<http://www.asahigroup-holdings.com/en/>

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Asahi

