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FOR IMMEDIATE RELEASE

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Securities Code: 2502
Stock Listings: Tokyo Stock Exchange, Prime Market
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Revised Key Indicator Guidelines and Financial Policy

Implementing management that is conscious of capital cost and stock price through disciplined growth investments and improved capital efficiency

Asahi Group Holdings, Ltd., (the "Company") has announced revisions to the key indicator guidelines and financial policy that were included in the Medium- to Long-Term Management Policy compiled in 2022 and aims to achieve the new targets by roughly 2030.

These revisions are also designed to address Tokyo Stock Exchange's request for companies to take "Action to Implement Management that is Conscious of Cost of Capital and Stock Price". Following analysis and evaluation of the Company's current stock price in the Board of Directors as well as thorough dialogue with the capital market, the Company seeks to improve valuations of the Company's stock price.

For more detailed information, please refer to the attachment entitled: Revised Key Indicator Guidelines and Financial Policy.

1. Overview of Previous Situation and Recognition of Current Conditions

Since 2021, the Company has sought to improve profitability based on stipulated guidelines for Core Operating Profit, the compound annual growth rate (CAGR) for earnings per share (EPS) and generation of free cash flow (FCF). Meanwhile, the Company's financial policy has prioritized the reduction of financial debt to enhance capacity for growth investments, while also striving to bring down Net Debt/EBITDA and to enhance shareholder returns by gradually increasing the dividend payout ratio.

As an illustration of progress made on this policy through 2024, FCF and Net Debt/EBITDA fulfilled the stipulated guidelines and the dividend payout ratio exceeded 40% one year earlier than scheduled. However, the CAGR for both Core Operating Profit and EPS fell short of the guideline targets in the wake of unprecedented cost increases from 2022 onward and a persistently tough business environment in the Oceania region. In addition, return on equity (ROE) declined to 7.5%, which is roughly the same level as the cost of shareholder's equity, due mainly to a contraction in profit margins and an increase in foreign exchange translation adjustments considering the significant depreciation in the Japanese yen. The Company attributes the decline in its price to book ratio (PBR) to roughly 1x to uncertainty surrounding the progress made vis-à-vis these key indicators and the future outlook.

Key Indicator Guidelines and Financial Policy (Formulated in 2022)

Key Indicators	Guidelines (Three-year Horizon)	2022-2024 Results
Core Operating Profit	CAGR (compound annual growth rate): High single digits	4.7％
Adjusted EPS	CAGR (compound annual growth rate): High single digits	5.9％
FCF	Annual average of JPY 200 billion or higher	Annual average: JPY 253.0 billion
Financial Policy	Guidelines for 2022 and Beyond	2024 Results
Debt reduction	Net Debt/EBITDA of around 3x in 2024	2.49x
Shareholder returns	Dividend payout ratio: Aim to achieve 40% by 2025	40.6％

2. Revised Key Indicator Guidelines and Financial Policy

Based on the above evaluation of progress to date and ongoing dialogue with capital markets, the Company has revised its key indicator guidelines and financial policy, which the Company aims to achieve by around 2030.

Regarding profitability, the Company commits to achieve a CAGR guideline for the EPS key indicator in the “high single digits to double digits”. It also plans to consistently improve Core Operating Profit, both in monetary and ratio terms, by accelerating its growth strategy and other measures. However, since Core Operating Profit is more susceptible to the impact of business environments and other factors, profitability indicators will be brought together under EPS, which reflects profit growth and capital policy. The Company will also promote further engagement with capital markets.

To improve stock valuations, there is an urgent need to improve not only profitability, but also capital efficiency. With this in mind, ROE and return on invested capital (ROIC) will be added as new key indicators going forward, and targeted 2030 guidelines for ROE are set at 11% or higher and for ROIC at 10% or higher. Efforts will be made not only to exceed the cost of capital (2024 estimate for cost of equity capital: roughly 8%, weighted average cost of capital (WACC): 5.5-6%) but also to expand the spread by reducing the cost of capital itself.

Regarding capital allocation under the financial policy, the Company will continue to prioritize growth investments while ensuring financial soundness (Net Debt/EBITDA: around 2.5-3x). Given the increased flexibility of its financial strategy, it will seek to increase corporate value by allocating capital to improve capital efficiency and enhance shareholder returns.

For growth investments, over the next three years, the Company will expand organic growth investments to improve facilities in each region, as well as in its core strategies (sustainability, digital transformation, and research and development), while continuing to make regular capital investments.

Inorganic investments, such as M&A, will also be considered to help build the Company’s desired business portfolio. However, all investment decisions will be taken in a disciplined manner against pre-determined financial benchmarks, including ensuring the internal rate of return (IRR) exceeds the WACC-based hurdle rate.

Regarding shareholder returns, in order to continue to increase dividends in a stable manner, the

Company will aim to achieve dividend on equity (DOE) of 4% by paying progressive dividends and implementing flexible share buybacks. On the subject of share buyback, the Company intends to buy the shares (approximately 150 million shares) issued by public offering when the Australian alcohol beverages company, Carlton & United Breweries (CUB), was acquired in 2020 as soon as possible in order to reward shareholders who are supporting the Company over the medium to long term. Beyond that, the Company aims to consistently improve stock valuations and total shareholder return by continuing to promote the achievement of the EPS and ROE guidelines.

Key Indicator Guidelines and Financial Policy (Formulated in 2025)

Key Indicators	Guidelines Through 2030	2024 Results
EPS [Adjusted EPS]	CAGR (compound annual growth rate): High single digits to double digits [CAGR: High single digits to double digits]	JPY 126.7 [JPY 120.7]
ROE [Adjusted ROE]	11% or higher *Cost of shareholder equity (roughly 8%) [14% or higher]	7.5% [10.7%]
ROIC	10% or higher *WACC: roughly 5.5-6%	6.9%
Financial Policy	**Guidelines Through 2030**	**2024 Results**
Shareholder returns	DOE: Progressive dividends of 4% or higher Conduct flexible share buybacks	2.9%
Financial soundness	Net Debt/EBITDA: Maintain close to 2.5-3x	2.49x

In order to achieve sustainable growth and increase corporate value over the medium- to long-term horizon, the Asahi Group will continue to strengthen its business portfolio and earnestly promote its core business strategies by conducting disciplined growth investments, while also implementing financial strategies to improve capital efficiency and engaging with capital markets to reduce capitals costs.

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ASAHI GROUP HOLDINGS, LTD.

Key Indicator Guidelines and Financial Policy (Formulated in 2022)

- FCF and Net Debt/EBITDA are meeting guidelines. Dividend payout ratio topped 40% one year ahead of schedule
- Core Operating Profit and EPS fell short of the CAGR guidelines due to unprecedented cost increases and sluggish business conditions in Oceania

Key Financial Indicators and Guidelines

	Guidelines (Three-year Horizon)	2022-2024 Results
Core Operating Profit	・CAGR (compound annual growth rate): High single-digit*1	4.7%
Adjusted*2 EPS	・CAGR (compound annual growth rate): High single-digit	5.9%
FCF*3	・Annual average of JPY 200 billion or higher	Annual average: JPY 253.0 billion

*1 Constant currency basis *2 Adjusted to exclude temporary special factors such as business portfolio restructuring and impairment losses
*3 FCF = Cash flow from operating activities - Cash used in investment activities (excludes M&A and other business restricting elements)

Financial Policy

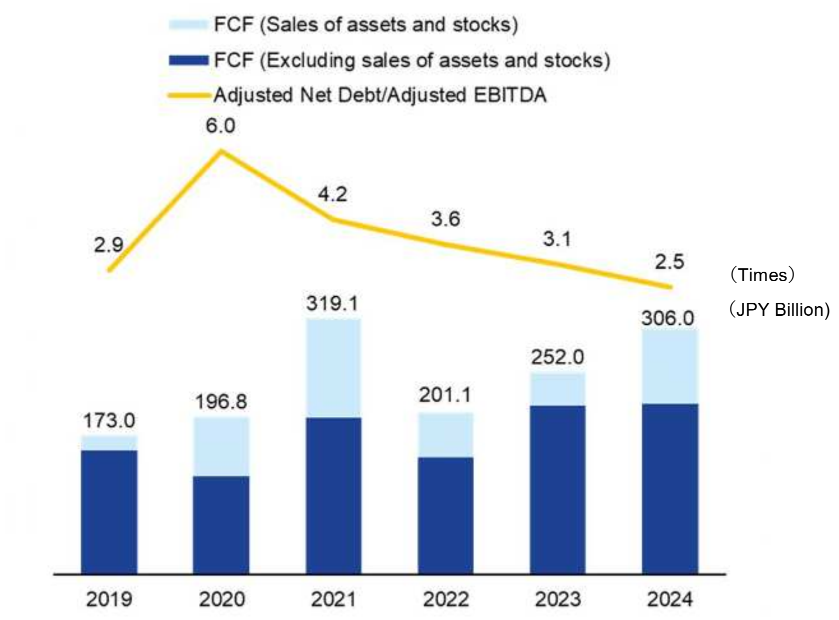
	Guidelines for 2022 and Beyond	2024 Results
Growth investment Debt reduction	・FCF: Prioritize debt reduction, then growth investment capacity ・Aim for Net Debt/EBITDA*1 of around 3x in 2024 (Calculated after deducting 50% of outstanding subordinated debt from net debt)	2.49x
Shareholder returns	・Dividend payout ratio*2 : Steadily increase dividends with targeted payout ratio of approx. 35% (Aim for ratio of 40% by 2025)	40.6%

*1 Net Debt to EBITDA ratio = (Gross debt − cash and equivalents)/EBITDA
*2 Dividend payout ratio is calculated by deducting one-time gains/losses (after tax) relating to business portfolio restructuring and impairment losses from profit attributable to owners of the parent

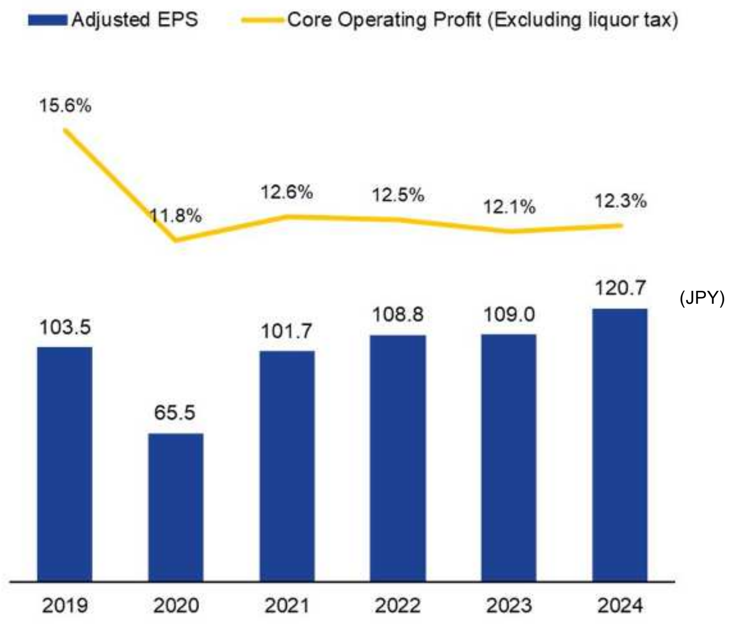
Progress on Key Financial Indicators (2019-2024)

- Reduced financial debt, inflated by large-scale acquisitions, by improving FCF generating capabilities.
  Restored financial soundness to enhance growth investment capacity
- Core Operating Profit and EPS recovered to record levels but profit margins declined as a result of price hikes due to cost increases

FCF and Net Debt/EBITDA



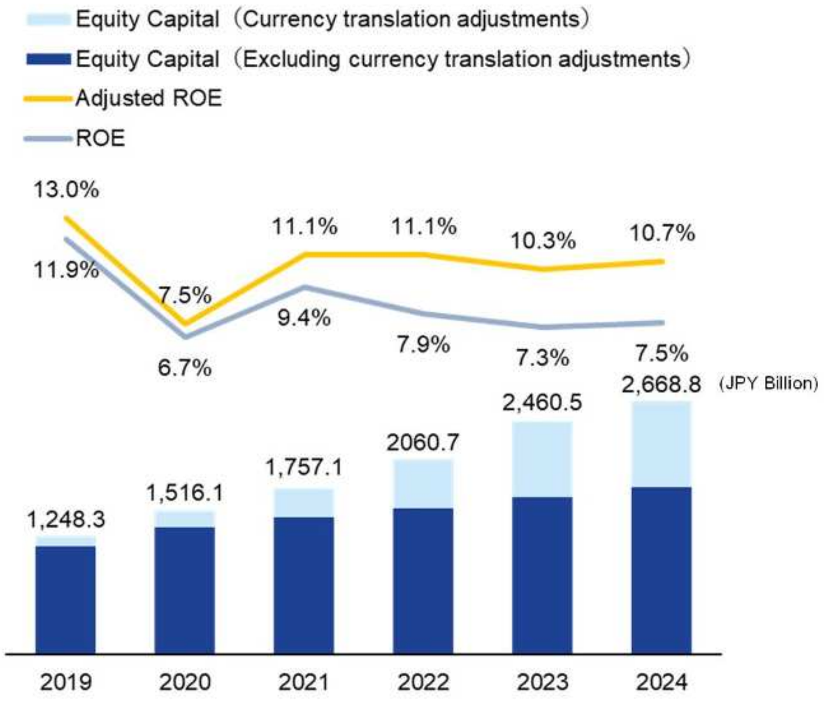
EPS and Core Operating Profit Ratio



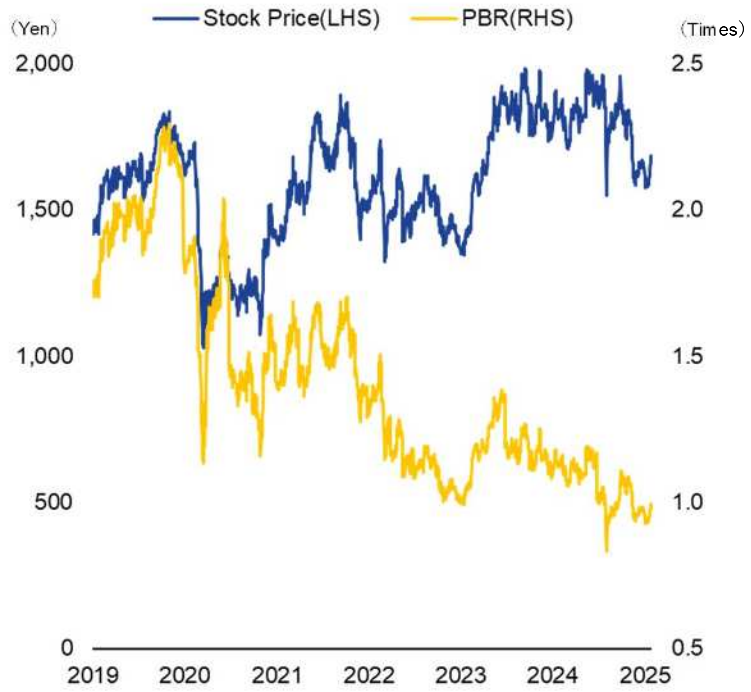
Capital Efficiency and Stock Price Valuations (2019-2024)

- ROE fell to a level similar to that of the cost of shareholder's equity due to a decline in profit margins and an increase in currency translation adjustments
- Main reasons for depressed PBR: Decline in profit growth and capital efficiency, uncertainty over future improvement outlook

ROE and Equity Capital



Stock Price and PBR



Revised Key Indicator Guidelines and Financial Policy (2025-2030)

- Focus on EPS CAGR for profitability indicators because it can reflect profit growth and capital policy, committing to achieve “the high single-digit to double-digit”.
- Urgent need to improve capital efficiency. Add new ROE and ROIC key indicators, widen spread with the cost of capital

Key Indicators	Guidelines Through 2030	2024 Results
EPS	CAGR: High single digits to double digits	JPY 126.7
[Adjusted EPS]*1	[CAGR: High single-digit to double-digit]	[JPY 120.7]
ROE	11% or higher *Cost of shareholder equity (roughly 8%)	7.5%
[Adjusted ROE]*2	[14% or higher]	[10.7%]
ROIC*3	10% or higher *WACC: roughly 5.5-6%	6.9%

*1 Excludes temporary special factors such as business portfolio restructuring and impairment losses

*2 Calculated by dividing adjusted profit attributable to owners of the parent (excluding temporary special factors such as business portfolio restructuring and impairment losses) by total equity attributable to owners of the parent (excluding changes in the fair value of investments in financial instruments measured at fair value through translation adjustments on overseas business activities and other comprehensive income)

*3 Calculated by dividing Net Core Operating Profit by Net interest-bearing debt + Equity attributable to owners of the parent (after the deduction of translation difference on foreign operations and Changes in fair value of financial instruments measured at fair value through other comprehensive income)

Financial Policy	Guidelines Through 2030	2024 Results
Shareholder returns	DOE: Aim 4% or higher by progressive dividends and flexible share buybacks	2.9%
Financial soundness	Net Debt/EBITDA: Maintain close to 2.5-3x range	2.49x

Capital Allocation Policy

- Aim for sustainable growth by expanding organic strategic investments and investing to realize the ideal business portfolio
- Seek to increase corporate value over the medium- to long-term by allocating capital to improve capital efficiency and enhance shareholder returns, in addition to investing for growth

Cash Flow From Operating Activities
(2030)
JPY 450-500 billion

Expand operating cash flow by promoting growth strategies and structural reform of earnings, and emphasizing capital efficiency

Cash Flow Used in Financing Activities

Organic Growth Investment (2025 - 2027) JPY170–200 billion per fiscal year	Recurring Investment	Renewal of production and research facilities, offices and IT infrastructure facilities, etc.
	Strategic Investment	Reinforce facilities in each region to promote the premiumization strategy, expansion of investment in core strategies (sustainability, DX, and R&D) and strengthening the management platform.
Improve Capital Efficiency Enhance Shareholder Returns	Steady Dividend Increase	Pay progressive dividends to achieve targeted DOE of 4% or higher
	Share Buybacks	Help achieve EPS and ROE guidelines with flexible share buybacks, improve capital efficiency (Buy back approximately 150 million shares issued by public offering when the CUB was acquired in 2020 as soon as possible)
Inorganic Growth Investment	M&A, etc.	Investments to help realize ideal business portfolio Disciplined investment based on financial benchmarks (such as IRR ＞hurdle rate)
Financial Soundness	Financial Debt Repayment, Procurement	Ensure financial soundness to prepare for proactive growth investments (Net Debt/EBITDA: Roughly 2.5-3x)