

June 2021

The Board of Directors  
Asahi Group Holdings, Ltd.  
23-1, Azumabashi 1-chome, Sumida-ku, Tokyo 130-8602, Japan

**Attn: Chairman Akiyoshi Koji-sama**  
**Attn: President and CEO Atsushi Katsuki-sama**

Dear Members of the Board:

By way of introduction my name is Jonathon Razos, and I am a member of the Investment Team at Talaria Capital. Talaria Capital is a global equities fund manager based in Melbourne, Australia. Asahi represents a meaningful investment for Talaria reflecting our strong belief that Asahi can continue capitalising on the opportunities inherent within its diverse portfolio of brands and business units.

I would like to take this opportunity to congratulate your team for successfully navigating through the COVID-19 crisis and ensuring that Asahi remains in a strong position. The quality of the recently acquired Australian business was clearly on display in the Q1 21 result and we look forward to hearing more positive news flow from the other regional divisions in the next few results. Congratulations as well to Akiyoshi Koji-sama on his recent appointment as Chairman.

We note that Asahi has made great strides in terms of Corporate Governance in recent years. These include the establishment of various committees including the Nomination, Compensation and Global Sustainability Committees. We think all of these go a long way in enhancing the Board's oversight, risk management procedures and strategic understanding of the business environment.

However, we would also like to bring to your attention areas where we think Asahi can do more to improve its Environmental, Social and Governance framework.

Key amongst these is increasing the number of independent directors on the Board such that most of the Board is independent. In addition, we would welcome far less executive representation on the Board to ensure there is proper scrutiny of management decision making. Additionally, we believe that there should be no executive representation on the Audit & Supervisory Board given the inherent conflict of interest this presents.

On the matter of Board diversity, we think it would be a positive development to see more female representation on the Board and on the Supervisory/Audit Committees. We also believe the Board would benefit from more directors located overseas given the 'internationalisation' of Asahi's asset base over the past few years.

We would also welcome greater disclosure on the management's remuneration structure. While the key performance indicators for the annual bonus are disclosed, we would like to see more detail on the targets upon which these metrics are measured. In addition, more detail on what metrics is included within the social and financial components of the medium-term bonus would help investors in our opinion. This will allow for investors to better hold management to account and better understand what the strategic vision of the group is. Finally, we think a component of the medium-term bonus should ideally be settled in equity with an escrow period, rather than cash payments.

I want to thank the Board for considering Talaria's thoughts and suggestions and I very much look forward to hearing yours as well.

Kind Regards,  
Mr Jonathon Razos, Investment Analyst

