August 7, 2024

FOR IMMEDIATE RELEASE

Company Name: Asahi Group Holdings, Ltd.
Representative: Atsushi Katsuki,
President and Group CEO, Representative Director
Securities Code: 2502
Stock Listings: Tokyo Stock Exchange, Prime Market
Contact: Sasana Nemoto, Head of Corporate Communications
Phone: +81-3-5608-5126

Announcement Regarding Shareholder Returns and Stock Split for the Current Fiscal Year

Asahi Group Holdings, Ltd. (the “Company”) hereby announces that the Company has resolved to revise (increase) the dividend forecast for the year ending December 2024, Abolition of the Shareholder Benefit Program and Acquisition of Treasury Shares. These are the part of review of the shareholder return for this fiscal year and we have also resolved to conduct a stock split and each share of common stock will be split into three shares based on the record date of September 30, 2024.

Until now, the Company has maintained a Medium-Term Guidelines for Financial Policy of prioritizing the allocation of generated free cash flow towards debt reduction and increasing flexibility for investment in growth. We are expecting to meet our target of reducing Net Debt/EBITDA※1 from a projected level of around 3 times or less in 2024 to 2.7 times in the current fiscal year plan, achieving the set guideline.
Based on this progress, we have decided to bring forward the achievement of the target dividend payout ratio※2 of 40% by 2025, which was set as a guideline, in order to allocate this fiscal year's free cash flow towards enhancing shareholder returns.

Additionally, the Company has also decided to abolish the shareholder benefit program and acquire its own shares. Furthermore, the Company has resolved to conduct a share split.

We will continue to enhance growth investment and shareholder returns while maintaining financial soundness. Specific financial policies and guidelines for the upcoming period will be formulated based on the progress to date and future management strategies, taking into account dialogues with shareholders and investors, and will be announced at the financial results announcement for the fiscal year 2024.

※1 Net Debt/EBITDA(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

1. Review of shareholder returns for this fiscal year and abolition of the shareholder benefits

The Company has decided to bring forward the achievement of the target dividend payout ratio of 40% by 2025, which was set as a guideline, and for dividends this fiscal year, we will increase the annual dividend amount to 141 yen. As for the increased portion, we will set the year-end dividend at 75 yen.

Additionally, after careful consideration from the viewpoint of fair profit distribution to all shareholders, the Company has decided to abolish the shareholder benefit program and concentrate on profit distribution through dividends, etc.

Furthermore, considering the impact on credit ratings, equity ratio, and guidelines for debt reduction, we aim to improve capital efficiency and implement flexible shareholder returns by conducting a maximum of 30 billion yen in share buybacks.

2. Stock Split

It is expected that the investor base will further expand in the domestic market with the introduction of the new NISA and other initiatives. In such an environment, the aim is to improve the liquidity of the Company's stock and further expand the investor base by reducing the amount per investment unit of the Company's stock. Therefore, the Company has resolved to conduct a stock split and each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of Monday, September 30, 2024 will be split into three shares.

For details of each corporate actions, please refer to the disclosure materials released today.

- " Announcement Regarding Revision of Dividend Forecast and Abolition of the Shareholder Benefit Program"
- " Announcement Regarding the Decision of the Acquisition of Treasury Shares"
- "Announcement Regarding Stock Split and Resulting Partial Amendment to the Articles of Incorporation"

-END-