



CORPORATE GOVERNANCE OF ASAHI GROUP



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The Company's Approach to Corporate Governance

We will evolve our corporate governance in order to achieve sustainable growth and medium- to long-term increases in corporate value.

The mission of the Board of Directors is to contribute to sustainable growth and medium- to long-term increases in corporate value of the Company.

Guided by this mission, the most important role of the Board of Directors is to determine the ultra-long-term direction of the Company's management and build a business portfolio in accordance with that future direction. In addition, the Board must establish a management structure for the promotion of businesses within that portfolio and monitor the business execution of the management team in order to lead the Company in the best direction possible.

I believe that corporate governance represents the foundation that allows the Board of Directors to fulfill this important role in a sustainable manner.

To that end, in order to achieve sustainable growth and medium- to long-term increases in corporate value, it is imperative that the Board of Directors and its comprising members work in a self-directed manner to continuously strengthen and enhance the sophistication of the Company's corporate governance.

Based on the Asahi Group Philosophy (AGP), the Company is constantly striving to bolster corporate governance with a view to realizing sustainable growth and enhancing corporate value over the medium to long term.

As Chairman of the Board, I bear the responsibility of ensuring the Board's effectiveness. I therefore take steps to determine appropriate agenda items and promote deliberations by the Board based on the idea that realizing free, open, and constructive discussion at Board meetings is indispensable for enhancing the Board's effectiveness. At the same time, I lead efforts by the Board to strengthen corporate governance with a high level of integrity.

I also strive to be highly aware of various changes and adapt to them accordingly with a constant focus on the future in order to further reinforce the Company's corporate governance. By doing so, I will fulfill my role as Chairman.

This report was created for the purpose of contributing to corporate governance-related dialogue with the stakeholders by introducing our overall approach to corporate governance and the efforts we are undertaking to enhance it.

I encourage all of our stakeholders to read this report and humbly ask for your guidance and encouragement as we strive to further evolve the Company's corporate governance moving forward.



Asahi Group Philosophy

Our Mission

Deliver on our great taste promise and bring more fun to life

Our Vision

Be a value creator globally and locally, growing with high-value-added brands

Our Values

Challenge and innovation Excellence in quality Shared inspiration

Our Principles

Building value together with all our stakeholders

Customers	Win customer satisfaction with products and services that exceed expectations
Employees	Foster a corporate culture that promotes individual and Company growth
Society	Contribute to realizing a sustainable society through our business
Partners	Build relationships that promote mutual growth
Shareholders	Increase our share value through sustainable profit growth and shareholder returns

Akiyoshi Koji

Chairman of the Board



Directors and Audit & Supervisory Board Members Supporting Governance

The Company's Directors and Audit & Supervisory Board Members support corporate governance and drive enhancements of governance and corporate value as a cohesive team.

Directors



Tetsuji Ohashi
Independent Outside
Director

Kenichiro Sasae
Independent Outside
Director

**Christina L.
Ahmadjian**
Independent Outside
Director

Akiyoshi Koji
Chairman of the Board

Atsushi Katsuki
President and CEO,
Representative Director

Taemin Park
Director and
Executive Officer, CAO

Keizo Tanimura
Director and
Executive Officer, CHRO

Kaoru Sakita
Director and
Executive Officer, CFO

Audit & Supervisory Board Members



Shigeo Ohyagi
Independent Outside Audit &
Supervisory Board Member

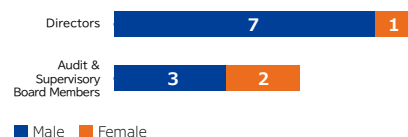
Yutaka Kawakami
Independent Outside Audit &
Supervisory Board Member

Yumiko Waseda
Independent Outside Audit &
Supervisory Board Member

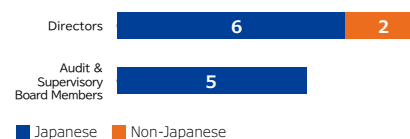
Yoshihide Okuda
Standing Audit &
Supervisory Board Member

Naoko Nishinaka
Standing Audit &
Supervisory Board Member

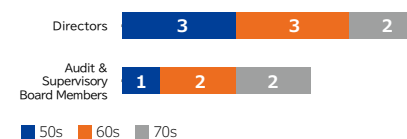
Gender



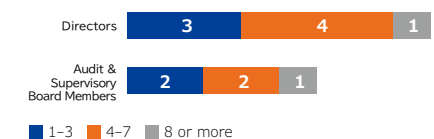
Nationality



Age



Years in service



Introduction of Directors

The Company has appointed Directors with the necessary balance and diversity of insight, experience, and expertise to ensure a membership to deem the Board of Directors sufficiently capable of contributing to improved effectiveness and realizing sustainable growth and increasing corporate value over the medium to long term.

To that end, the Board of Directors comprises persons suitable as the Company's Directors and who have a wealth of experience, excellent insight, expertise, and ability required by the Company, in accordance with the Board of Directors Skill Matrix (see page 13), which clearly states the personal requirements of Company officers based on the AGP and corporate management strategy. In this way, all of the Board's members possess decision-making skills and supervisory skills as determined by the Board of Directors Skill Matrix and have the capabilities needed for realizing sustainable growth, improving corporate value over the medium to long term, and enhancing the Board's overall effectiveness.

Furthermore, Outside Directors shall be persons who meet the requirements of independent officers as defined by the Company, such as corporate managers, experts, and others, and shall account for at least one-third of the Directors.



Akiyoshi Koji

Chairman of the Board

Tenure

16 years

Experience and Track Record

Since being appointed as a Director of the Company in 2007, Akiyoshi Koji has served as President and Representative Director of Asahi Breweries, Ltd., President and Representative Director, COO of the Company, and since 2018, President and Representative Director, CEO, and has been promoting sustainable growth and increased corporate value over the medium to long term.

As Chairman and Director, he has served as the Chairman of the Board of Directors of the Company and has taken an integral role in increasing the effectiveness of the Board of Directors. He has been essential in the fair and open operation of the Board of Directors, prompting active involvement and the expression of opinions and recommendations by Outside Directors, and managing proceedings that encourage substantial dialogue between Outside Directors and Internal Directors. In addition, he has played a central role in creating sustainable mechanisms of the Board of Directors, which form the basis of increased corporate value over the medium to long term.

Areas of Particular Expertise

Akiyoshi Koji fulfills the roles expected of him as a director under the Board of Directors Skill Matrix at a high level. In addition, he possesses sufficient insight and expertise related to the Company's business management due to his experience as President of the Company for many years. He also has a particularly high level of management skill in terms of his foresight and backcasting ability as well as his objectivity and diverse range of perspectives.

Concurrent Position at Listed Companies

Outside Director, Imperial Hotel, Ltd.



Atsushi Katsuki

President and CEO,
Representative Director

Tenure

6 years

Experience and Track Record

Atsushi Katsuki possesses a wealth of experience in such roles as Group CEO of an overseas Regional Head Quarters (RHQ). Since being appointed as a Director of the Company in 2017, he has been responsible for M&As and many businesses both in Japan and overseas, with a track record that includes promoting the restructuring of the business portfolio as well as strengthening the Company's financial foundation and fundraising capabilities for M&A as CFO.

Serving as President and Representative Director, CEO, his track record includes propelling the sophistication of management, which is vital to the Company's sustainable growth and enhancement in corporate value over the medium to long term, by having updated a medium- to long-term management policy that enlists an approach entailing backcasting from megatrends and by completing the framework consisting of four RHQ upon the establishment of Asahi Group Japan, Ltd. He has also been taking the lead for business performance recovery under the realm of the global spread of COVID-19.

Areas of Particular Expertise

Atsushi Katsuki fulfills the roles expected of him as a director under the Board of Directors Skill Matrix at a high level. In addition, he has a particularly high level of global management skill, based on his experience in management overseas, and insight and expertise regarding sustainability and finance and accounting. He also has outstanding ability in terms of promoting dynamic growth, underpinned by his many years of experience in M&As.

Introduction of Directors



Taemin Park

Director and Executive Officer
CAO (Chief Alliance Officer)

Tenure
4 years

Experience and Track Record

Taemin Park possesses a wealth of experience in such roles as a Director of an Overseas RHQ. Since being appointed as a Director of the Company in 2019, Taemin Park's responsibilities have included M&As and overseas business. His track record includes promoting the transformation of the Oceania business into a steady growth engine.

He has been providing leadership and oversight for the post-integration management of business in Europe and Australia, developing more sophisticated global marketing, identifying the trajectories of growth with respect to global brands, and arranging investment necessary for the future.

Areas of Particular Expertise

Taemin Park fulfills the roles expected of him as a director under the Board of Directors Skill Matrix at a high level. In addition, he has a particularly high level of global business management in terms of assessing trends in the global alcohol and soft drinks industries as well as a strong ability to promote dynamic growth based on his many years of experience with M&As.



Keizo Tanimura

Director and Executive Officer
CHRO (Chief Human Resources Officer)

Tenure
4 years

Experience and Track Record

Keizo Tanimura possesses a wealth of experience in such roles as Director of an Overseas RHQ. Since being appointed as a Director of the Company in 2019, his responsibilities have included administration and governance (Human Resources, Legal Affairs, General Affairs, and Audit). His track record includes promoting the creation of a succession planning system for the Group's executives and the construction of a system for human resources and compensation policy. As the Director responsible for governance, he has promoted reinforcement of the operating foundation for increasing the effectiveness of the Board of Directors.

His track record includes bringing about significant improvements to external assessments concerning ESG through his efforts as the Director responsible for sustainability in promoting the integration of sustainability and management in a manner culminating in numerous achievements including that of reducing levels of CO₂ emissions and implementing various environmental measures. His efforts have also resulted in high scores with respect to employee engagement as a result of having coordinated initiatives among the RHQ, which have involved drawing up a Groupwide personnel policy and engaging in diversity, equity, and inclusion (DE&I) initiatives.

Areas of Particular Expertise

Keizo Tanimura fulfills the roles expected of him as a director under the Board of Directors Skill Matrix at a high level. In addition, he has a particularly high level of global human resource management based on the perspective of DE&I as well as tremendous insight and expertise regarding corporate governance and sustainability.



Kaoru Sakita

Director and Executive Officer
CFO (Chief Financial Officer)

Tenure
1 year

Experience and Track Record

Kaoru Sakita possesses a wealth of experience in such roles as COO of an overseas RHQ. He has played an important role in the Company's growth by leveraging his high level of expertise and insight on global management. Since being appointed as an Executive Officer of the Company in 2018, he has compiled an impressive track record that includes leading efforts to optimize our global procurement structure.

After being appointed as a Director of the Company in 2022, Kaoru Sakita has been in charge of finance, procurement, and IT and has promoted the Group's procurement strategies and digital transformation (DX) based on his business management and global experience. At the same time, as CFO he has spearheaded the Group's financial strategies using his high level of insight.

Areas of Particular Expertise

Kaoru Sakita fulfills the roles expected of him as a director under the Board of Directors Skill Matrix at a high level. In addition, he has a particularly high level of insight and expertise related to finance and accounting and insight on global management based on his overseas business experience. He also has a strong ability to promote dynamic growth, underpinned by his experience with M&As.

Introduction of Directors



Christina L. Ahmadjian

Independent Outside Director

Tenure

4 years

Significant Concurrent Position

Specially Appointed Professor, College of Business, Department of Global Business, Rikkyo University

Experience and Track Record

Christina L. Ahmadjian possesses tremendous insight on corporate governance and organizational culture both as an expert on global corporate management research and as a university professor. She also has experience serving in such roles as an outside director at multiple major Japanese companies.

Since being appointed as an Outside Director of the Company in 2019, Christina L. Ahmadjian has used the aforementioned insight and experience to contribute to increasing the effectiveness of the Board of Directors by providing opinions and recommendations based on her experience and insight, from perspectives including ESG, covering the environment, social, and governance matters overall, as well as the integration of sustainability and management, DE&I, and organizational culture.

As Chairperson of the Compensation Committee, she has contributed to making fair and transparent decisions pertaining to verification of the adequacy and effectiveness of the officers' remuneration plan and the implementation of the plan.

Areas of Particular Expertise

Christina L. Ahmadjian fulfills the roles expected of her as a director under the Board of Directors Skill Matrix at a high level. In addition, she has a particularly high level of insight as an expert in global corporate management research as well as insight and expertise on overall global corporate management, including ESG-oriented management, based on her experience serving as an outside director at multiple companies.

Concurrent Positions at Listed Companies

Sumitomo Electric Industries, Ltd.
NEC Corporation
NGK SPARK PLUG CO., LTD.



Kenichiro Sasae

Independent Outside Director

Tenure

1 year

Significant Concurrent Position

President of The Japan Institute of International Affairs

Experience and Track Record

Having served as a diplomat in key positions that include Vice Minister for Foreign Affairs, Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America, Kenichiro Sasae currently serves as president of The Japan Institute of International Affairs and as an outside director for multiple leading Japanese companies.

As an Outside Director of the Company, he provides appropriate oversight of business execution by actively offering opinions and recommendations that draw on his wealth of experience pertaining to diplomacy and his experience serving as an outside director at multiple major Japanese companies.

As Chairperson of the Nomination Committee, he has contributed to making fair and transparent decisions pertaining to the oversight of succession planning for the CEO, nomination of corporate officers, and other matters related to officer appointments.

Areas of Particular Expertise

Kenichiro Sasae fulfills the roles expected of him as a director under the Board of Directors Skill Matrix at a high level. In addition, he has a wealth of knowledge and experience related to international politics and economics and a particularly high level of insight and expertise pertaining to overall global corporate management based on his experience serving as an outside director at multiple companies.

Concurrent Positions at Listed Companies

SEIREN Co., LTD.
MITSUBISHI MOTORS CORPORATION
Fujitsu Limited



Tetsuji Ohashi

Independent Outside Director

Tenure

1 year

Significant Concurrent Position

Chairman of the Board of Komatsu Ltd.

Experience and Track Record

Having been involved in global management over many years, including as a president and chairman of Japan's first international corporation, Komatsu Ltd., Tetsuji Ohashi currently serves as an outside director for multiple leading Japanese companies.

He has successively held key positions in manufacturing units of Komatsu and has served as president of its controlling subsidiary in the United States. He has accordingly promoted growth through innovation in corporate business enlisting a long-term outlook in efforts that include promoting digitalization of construction sites.

As an Outside Director of the Company, he provides appropriate oversight of business execution by actively offering opinions and recommendations that draw on business experience in areas such as production and marketing, cultivated at Komatsu, his insight and expertise on governance from a global perspective, and his experience serving as an outside director at multiple major Japanese companies.

Areas of Particular Expertise

Tetsuji Ohashi fulfills the roles expected of him as a director under the Board of Directors Skill Matrix at a high level. In addition, he has a particularly high level of insight and expertise on overall global corporate management cultivated through his many years of experience in the upper management of Japan's first international corporation.

Concurrent Positions at Listed Companies

Yamaha Motor Co., Ltd.
Nomura Research Institute, Ltd.

Introduction of Audit & Supervisory Board Members

The Company has decided that a good balance of the entire Audit & Supervisory Board must be ensured in terms of the knowledge, experience, ability, and diversity required for sustainable growth and the increase of corporate value of the Company over the medium to long term. To that end, the Company has deemed that the Audit & Supervisory Board is to be composed of suitable persons reflecting the requirements of Directors and Audit & Supervisory Board Members derived from the Asahi Group Philosophy (AGP), and management strategies, and that the Audit & Supervisory Board will include at least one Audit & Supervisory Board Member with appropriate knowledge of finance/accounting and at least one Audit & Supervisory Board Member with appropriate knowledge of legal affairs.

In this way, the majority of the Audit & Supervisory Board Members will be Outside Audit & Supervisory Board Members, who meet the requirements for independent officers that have been established by the Company, and are elected from among corporate accounting experts, lawyers, and persons with experience in corporate management and possess abundant experience and comprehensive knowledge in relevant fields.



Yoshihide Okuda

Standing Audit & Supervisory Board Member

Tenure
4 years

Experience and Track Record

Yoshihide Okuda has primarily been involved in finance and accounting at the Asahi Group, including serving as Corporate Officer, General Manager of Finance Department. He has compiled a wealth of experience since being appointed as a Director of the Company in 2013, first working as the Chief Financial Officer, then being responsible for management sections, including General & Legal Affairs Management, Human Resources, IT, and Audit as well as the Japanese domestic Alcohol Beverage Business.

Since being appointed as an Audit & Supervisory Board Member, he has fulfilled his role of providing appropriate oversight of the execution of duties by the Directors, including in terms of internal control systems, by monitoring the status of activities of the Company and Group companies both in Japan and overseas through such means as attending Board of Directors' meetings.

Areas of Particular Expertise

Yoshihide Okuda possesses a particularly high level of knowledge regarding the overall operations of the Company, underpinned by his wealth of experience in the management of the Group and with its businesses, as well as insight and expertise pertaining to finance and accounting, compliance, and risk management.

Concurrent Position at Listed Companies

I'LL, Inc.



Naoko Nishinaka

Standing Audit & Supervisory Board Member

Tenure
3 years

Experience and Track Record

Naoko Nishinaka has a wealth of experience serving in fields such as quality assurance, brewing technology, and beer development, including responsibility for the Quality Assurance Section at the Company and Group companies.

Since being appointed as an Audit & Supervisory Board Member, she has fulfilled her role of providing appropriate oversight of the execution of duties by the Directors, including in terms of internal control systems, by monitoring the status of activities of the Company and Group companies both in Japan and overseas through such means as attending Board of Directors' meetings.

Areas of Particular Expertise

Naoko Nishinaka has a particularly high level of knowledge regarding the overall operations of the Company, starting with the supply chain and quality assurance, as well as insight and expertise pertaining to compliance and risk management.

Introduction of Audit & Supervisory Board Members



Yumiko Waseda

Independent Outside Audit & Supervisory Board Member

Tenure

8 years

Significant Concurrent Position

Partner and Attorney at Law of Tokyo Roppongi Law & Patent Offices

Experience and Track Record

Yumiko Waseda possesses many years of experience related to overall corporate legal affairs and the intellectual property rights field as an attorney at law.

As an Outside Audit & Supervisory Board Member, she has used her extensive insight and experience as an attorney to actively provide opinions and recommendations to the Board of Directors and the Audit & Supervisory Board from an objective perspective.

Through such means as monitoring the status of audits at Japanese domestic Group companies and reviewing the activities of audit and supervisory boards of overseas Group companies, she fulfills her role of providing appropriate oversight of the execution of duties by the Directors, including in terms of internal control systems.

Areas of Particular Expertise

Yumiko Waseda has a particularly high level of insight and expertise pertaining to overall corporate legal affairs and intellectual property rights, underpinned by her many years of experience as a corporate lawyer.

Concurrent Position at Listed Companies

IHI Corporation



Yutaka Kawakami

Independent Outside Audit & Supervisory Board Member

Tenure

6 years

Significant Concurrent Position

Certified Public Accountant

Experience and Track Record

Yutaka Kawakami has many years of experience as a certified public accountant with exceptional insight regarding accounting audits of global companies.

As an Outside Audit & Supervisory Board Member, he has used his extensive insight and experience as a certified public accountant to actively provide opinions and recommendations to the Board of Directors and the Audit & Supervisory Board from an objective perspective.

He is performing his role of auditing the execution of duties by the Company's Directors, including the internal control system, by reviewing the audit status of Japanese domestic Group companies and the activities of overseas Group companies' audit committees.

Areas of Particular Expertise

Yutaka Kawakami has a particularly high level of insight and experience pertaining to corporate accounting audits, supported by his many years of experience as an accounting auditor at multiple global companies.

Concurrent Position at Listed Companies

Mitsubishi Research Institute, Inc.



Shigeo Ohyagi

Independent Outside Audit & Supervisory Board Member

Tenure

1 year

Significant Concurrent Position

Advisor at Teijin Limited

Experience and Track Record

Shigeo Ohyagi has extensive experience in corporate management with respect to engaging in business globally, particularly given that he has served as the president and chairman of global corporations.

As an Outside Audit & Supervisory Board Member, he has used his insight and experience as a corporate manager to actively provide opinions and recommendations to the Board of Directors and the Audit & Supervisory Board from an objective perspective.

He is performing his role of auditing the execution of duties by the Company's Directors, including the internal control system, by reviewing the audit status of Japanese domestic Group companies and the activities of overseas Group companies' audit committees.

Areas of Particular Expertise

Shigeo Ohyagi has a particularly high level of capabilities in terms of analyzing latent risks pertaining to overall global management, based on his many years of experience as part of the upper management of Japan's first international company, as well as in terms of verifying the effectiveness of business strategies.

Concurrent Position at Listed Companies

Tokyo Electric Power Company Holdings, Inc.

Corporate Governance Policies and Characteristics

To realize sustainable growth and enhanced corporate value over the medium to long term, the Company aims to improve the effectiveness of the Board of Directors in a sustainable manner and is working to further evolve its corporate governance.

Basic Policy

The Company is committed to achieving sustainable growth and increasing corporate value over the medium to long term by putting the Group philosophy of the Asahi Group, the AGP, into practice.

In order to accomplish these goals, the Company has been proactive in its efforts to strengthen Group management in response to globalization, build solid relationships of trust with society through measures including the promotion of sustainability management, and

enhance its social presence and transparency by means of engagement with stakeholders, while positioning the reinforcement of the Group's corporate governance at the top of management priorities. At the same time, the Company has endorsed Japan's Corporate Governance Code and incorporated it into the Company's governance. We thereby seek to achieve sustainable growth and increase corporate value over the medium to long term.

Characteristics of the Company's Corporate Governance System

■ Corporate Governance Framework

To realize sustainable growth and enhance corporate value over the medium to long term, the Company is working to enhance the effectiveness of the Board of Directors in a sustainable manner. To that end, through the following initiatives the Company has established a framework for ensuring that the Board of Directors can engage in appropriate decision-making and monitor the managerial ranks in a highly effective manner.

Based on our fiduciary duty and responsibility for accountability toward shareholders, we have established an Audit & Supervisory Board comprising Standing Audit & Supervisory Board Members and a majority of Independent Outside Audit & Supervisory Board Members. All members are provided with a high degree of independence and autonomy. These provisions allow Audit & Supervisory Board Members and the Audit & Supervisory Board to fulfill their roles and duties by auditing the operational execution of Directors, the CEO, and other members of management from an objective and independent standpoint.

Structure of the Board of Directors

To ensure balance and diversity in terms of the knowledge, experience, and ability of the entire Board of Directors deemed necessary for the Company to realize sustainable growth and increase corporate value over the medium to long term, the Company has formulated the "Board of Directors Skill Matrix," which clarifies the personal requirements of corporate officers based on the AGP and management strategies. In accordance with the Board of Directors Skill Matrix, the Board consists of persons who have a wealth of experience, excellent insight, and expertise required by the Company.

Substantive Debate by the Board of Directors

Topics of discussions for meetings of the Board of Directors are selected in a systematic and appropriate manner, and substantive debate is held based on these topics.

Evaluations of Effectiveness

Every year, the Company evaluates the effectiveness of the Board of Directors, Nomination Committee, Compensation Committee, and Audit & Supervisory Board with the help of a third party. Through such evaluations, these bodies recognize points to improve on and incorporate efforts to do so in their activity plans for the following year, thereby working to enhance their effectiveness.

Nomination Committee and Compensation Committee

To ensure transparency and fairness, agenda items related to corporate officer appointments and remuneration are deliberated on by the Nomination and Compensation committees, which consist of a majority of Independent Outside Directors, before they are presented to the Board of Directors.

Structure of the Audit & Supervisory Board

To ensure balance and diversity in terms of the knowledge, experience, and ability deemed necessary for the Company to realize sustainable growth and increase corporate value over the medium to long term, the Audit & Supervisory Board consists of persons who appropriately fulfill the Company's requirements for corporate officers based on the AGP and management strategies.

Corporate Governance Policies and Characteristics

Enhancement of Oversight and Decision-Making Processes

The Asahi Group believes that the separation of management and business execution functions, transparency and fairness of the Board of Directors, and swift and proactive decision-making are imperative to enhancing the effectiveness of the Board of Directors and increasing corporate value over the medium to long term. Accordingly, we are taking steps to further detach the management and business execution functions to improve decision-making processes as needed to accommodate the globalization of the Group.

A non-executive inside director has been appointed to the position of Chairman of the Board to distinguish their role from that of the CEO and thereby contribute to the separation of management and business execution functions and swift and proactive decision-making. This arrangement has clarified executional responsibilities, expedited decision-making by concentrating authority on the CEO, and strengthened the monitoring functions of the Board of Directors. We fulfill the following provisions in order to ensure the transparency and fairness of the Board of Directors.

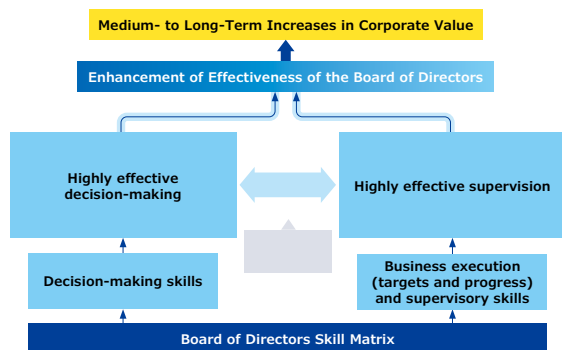
- Discretionary committees chaired by and consisting of a majority of Outside Directors shall be in place to house important functions of the Board of Directors related to officer appointment and compensation, and these committees shall discuss matters in their respective areas of responsibility based on inquiries from the Board of Directors.
- Outside Directors shall account for more than one-third of all Directors.
- Also, an Audit & Supervisory Board comprised of a majority of Independent Outside Audit & Supervisory Board Members shall be in place, and these independent and autonomous individuals shall fulfill their roles and duties by auditing the operational execution of Directors, the CEO, and other members of management from an objective and independent standpoint.

Employing the Company with a Board of Company Auditors that is described in the Companies Act of Japan, the Company has installed highly effective corporate governance systems appropriate for a company undergoing rapid globalization. These systems include oversight, supervision, and auditing of the operational execution of Directors, the CEO, and other members of management by the Board of Directors and the Audit & Supervisory Board based on their respective standpoints and perspectives.

Framework for Enhancing Sustainable Effectiveness of the Board of Directors

Framework for Enhancing Effectiveness of the Board of Directors

To ensure that the Board of Directors remains highly effective, we have developed a process to frame, structure, and visualize the activities of the Board of Directors.



P.25

A Continuous Positive Spiral of Enhancing Effectiveness

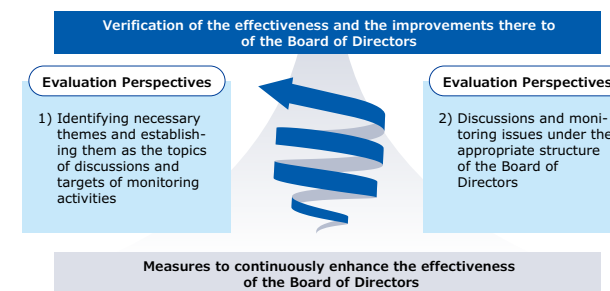
The Company's Board of Directors follows a Plan-Do-Check-Act (PDCA) cycle that consists of ① formulating an annual plan, ② conducting effective activities based on frameworks, ③ evaluating the effectiveness of annual activities, and ④ ensuring awareness of the issues uncovered through the effectiveness evaluation, the issues that must be resolved to increase corporate value over the long and ultra-long terms, and the issues identified through social trends and utilizing these issues in the formulation of the activity plan for the following year.



P.26

Enhancement of Quality of Evaluation of Board of Directors' Effectiveness

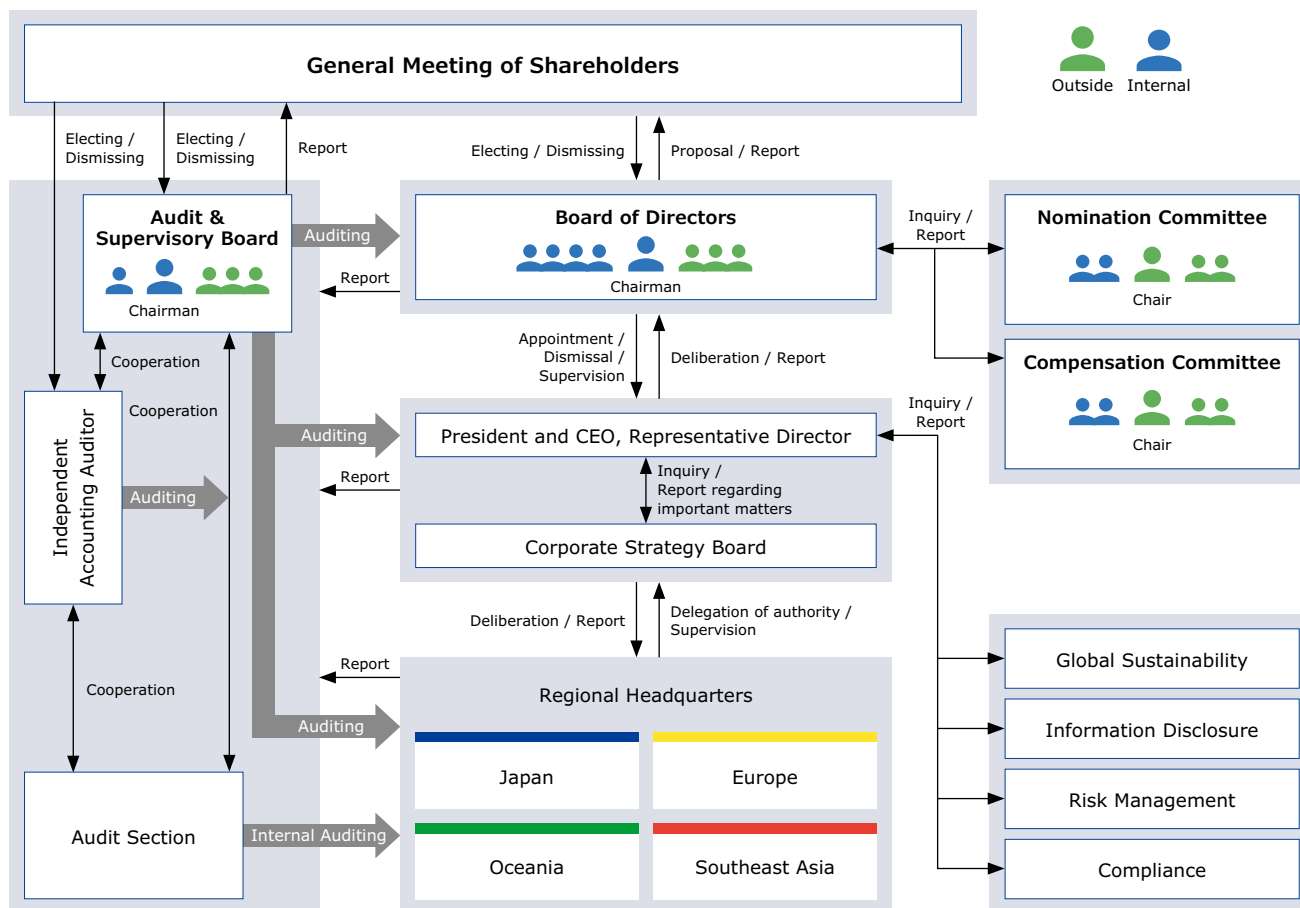
We continue to improve the quality and content of the Board of Directors' effectiveness evaluations by diversifying the criteria for assessment and incorporating evaluation methods that do not rely solely on point scores as well as the opinions of third parties. We aim to continue enhancing the effectiveness of the Board of Directors by constantly improving our evaluation methods and appropriately identifying issues.



P.27

Corporate Governance Structure and Functions (As of April 1, 2022)

■ Corporate Governance System (As of April 1, 2022)



Board of Directors

The Board of Directors decides upon important corporate frameworks, such as the AGP and the Medium- to Long-Term Management Policy, and promotes their implementation. By establishing internal control and risk management systems, the Board supports appropriate risk-taking by management, including the CEO. Regular meetings of the Board of Directors are held once a month, in principle, and special meetings are held as necessary.

Audit & Supervisory Board

By combining the information held by the Standing Audit & Supervisory Board Members and the high level of expertise of the Outside Audit & Supervisory Board Members in a well-balanced manner, the Company's system enables Audit & Supervisory Board Members to exercise their authority freely and decisively, making appropriate judgments and taking action from an independent and objective standpoint. The Audit & Supervisory Board comprises three Outside Audit & Supervisory Board Members and two Standing Audit & Supervisory Board Members and is chaired by a Standing Audit & Supervisory Board Member.

Nomination Committee

The Nomination Committee provides reports on its findings and views about candidates for the positions of Directors and Audit & Supervisory Board Members in response to inquiries from the Board of Directors. The committee consists of three Outside Directors and two internal Directors and is chaired by an Outside Director selected from among the members.

Compensation Committee

The Compensation Committee provides reports on its findings and views about compensation systems and amounts for Directors in response to inquiries from the Board of Directors. The committee consists of three Outside Directors and two internal Directors and is chaired by an Outside Director selected from among the members.

Role and Function of the Board of Directors

The prime objective of the Board of Directors is to increase corporate value over the medium to long term, and it fulfills this role with a membership that features the necessary skills and diversity.

■ Role and Function

The primary role of the Board of Directors is to contribute to sustainable growth and increases in corporate value over the medium to long term based on its fiduciary duty and responsibility for accountability toward shareholders.

Recognizing that corporate value not only reflects financial value but also represents the sum of the social value that is closely related to corporate value, the Board of Directors actively cooperates with various stakeholders as it exercises the Asahi Group Philosophy (AGP) and implements the Medium- to Long-Term Management Policy.

In order to fulfill the aforementioned role, the Board of Directors engages in the following activities.

Discussions on Management's Approach to the Ultra-Long Term

We aim to enhance foresight into medium- and long-term changes in the business environment and strengthen proactive and determined management by promoting discussions on long-term megatrends with a view to the ultra-long term.

Establishment of a Policy for the Medium- to Long-Term Business Portfolio

We strengthen proactive and determined management by establishing a basic policy for the medium- to long-term business portfolio and revising it when necessary.

Determination of Medium- to Long-Term Management Policy

We determine and execute important corporate strategies, such as the Medium- to Long-Term Management Policy.

Strengthening of Decision-Making Processes through the Separation of Executive and Supervisory Functions

In order to appropriately supervise the operational execution of Directors, the CEO, and other members of management, as described earlier, a non-executive inside director has been appointed to the position of Chairman of the Board to distinguish their role from that of the CEO and thereby contribute to the separation of management and business execution functions. This arrangement has clarified executional responsibilities, expedited decision-making by concentrating authority on the CEO, strengthened the monitoring functions of the Board of Directors, and improved decision-making processes.

Deliberations on Corporate Officer Appointments and Remuneration

We strive to enhance effectiveness by deliberating and deciding on matters regarding the succession of the Board of Directors and the appointment of corporate officers as well as officers' remuneration plans, and establishing criteria for individual officer remuneration.

Ensuring Transparency, Fairness, and Appropriateness of Officer Appointments and Remuneration through the Nomination and Compensation Committees

In order to ensure the transparency, fairness, and appropriateness of officer appointments and remuneration, the Nomination Committee and the Compensation Committee, which are chaired by an Outside Director and consist of a majority of Outside Directors, have been established as advisory bodies to the Board of Directors, and proposals concerning officer appointments and remuneration are consulted and reported on before submitting them to the Board of Directors. In addition, the Compensation Committee is entrusted with the responsibility for determining individual officer remuneration, in accordance with the standards set by the Board of Directors.

Risk Governance

The management, including the CEO, provides appropriate support for risk-taking by establishing the internal control system and risk management systems, such as the enterprise risk management (ERM) system, in order to reduce risk and control overall risk, and determining risk appetite.

Contingency Measures of the Board of Directors

The Board of Directors clarifies the contingencies to be addressed by the Board, defines the roles of Outside Directors, and establishes procedures for addressing such contingencies, including cooperation with the Audit & Supervisory Board. In addition, the Board of Directors will carry out the appropriate crisis management measures, such as the monitoring of responses to emergencies by the Directors in charge of business execution.

Evaluation of Effectiveness to Identify Issues and Pursue Continuous Enhancement of Effectiveness

To improve effectiveness, each year the Board of Directors defines themes linked to the increases in corporate value to be the subjects of discussion and monitoring, and these themes are discussed and monitored by Board Members as necessary. In addition, third parties are employed to conduct annual evaluations of the Board of Directors to identify issues, incorporate these issues into activity themes for the following year, and pursue improvements to achieve higher levels of effectiveness.

Composition of the Board of Directors

■ Skill Matrix Functioning as Nomination Standard for Ensuring Sustainability

To secure balance and diversity in terms of the knowledge, experience, and ability of the entire Board of Directors that are deemed necessary for the Company to realize sustainable growth and increases in corporate value over the medium to long term, the Company has formulated the Board of Directors Skill Matrix, which clarifies the requirements of corporate officers based on the AGP and the Medium- to Long-Term Management Policy.

The Board of Directors Skill Matrix is used to shape succession plans, Director evaluation systems, and the appointment and reappointment of Directors to ensure that the Board of Directors always has a membership that contributes to higher effectiveness.

In accordance with the Board of Directors Skill Matrix, the Board consists of members who have a wealth of experience, excellent insight, and expertise required by the Company. Moreover, more than one-third of Directors are Outside Directors, including corporate managers and specialists, who fulfill the Company's requirements for outside officers.

Board of Directors Skill Matrix

The skill matrix indicates whether the skills that are necessary and essential for enhancing the effectiveness of the Board of Directors exist sufficiently and evenly throughout the Board. For this reason, not all of the skills possessed by each Director are shown on the matrix, and instead only their main skills, which are indicated in order of priority, are listed.

Directors	Decision-Making Skills				Supervisory Skills		
	Long-Term Outlook and Strategic Mindset	Global Management Skills	Consideration of Sustainability Management	Promotion of Discontinuous Growth	Management of the Company's Business	Finance, Accounting, and Internal Control	Human Resource Management
Akiyoshi Koji	○	○		○	○		○
Atsushi Katsuki	○	○	○		○	○	
Taemin Park	○	○		○	○	○	
Keizo Tanimura	○	○	○			○	○
Kaoru Sakita	○	○	○		○	○	
Christina L. Ahmadjian	○	○	○			○	○
Kenichiro Sasae	○	○	○	○			○
Tetsuji Ohashi	○	○	○	○		○	

■ Reasons for Selection of Skills Included in the Board of Directors Skill Matrix

Decision-Making Skills

1. Long-Term Outlook and Strategic Mindset

- Based on its mission of "deliver on our great taste promise and bring more fun to life," the Asahi Group requires a capacity for sustainable management no matter how society may change.
- It is important for us to possess the capacity to assess megatrends, predict multiple risks, and develop measures, while guiding and executing business strategies through a backcasting approach.

2. Global Management Skills

- The Asahi Group requires an overarching perspective for viewing domestic, regional, and global conditions founded on business experience outside of one's home country and in international operations.

3. Consideration of Sustainability Management

- There is a need for consideration and vision for sustainability in our efforts to increase corporate value through co-creation with stakeholders.

4. Promotion of Discontinuous Growth

- Ambition and innovation are the central values of the Asahi Group, meaning that the ability to find opportunities in uncertain operating environments and promote discontinuous growth is imperative.

Supervisory Skills

1. Management of the Company's Business

- The ability to accurately assess the state of operational execution and identify issues based on experience managing the Company's business is necessary for supervising operational execution.

2. Finance, Accounting, and Internal Control

- Practical and specialized knowledge pertaining to finance, accounting, and internal control (including risk management and compliance) is necessary for supervising operational execution.

3. Human Resource Management

- The ability to draw out the capabilities of the employees (and organizations) that create *global* value is necessary for supervising operational execution.

Activities of the Board of Directors

The Board of Directors pursues improvements to its effectiveness by formulating annual agenda plans based on an evaluation of its effectiveness conducted in the prior fiscal year and engaging in more robust discussions of the designated items. The topics discussed at Board meetings in fiscal 2021 (March 2021 to March 2022) are as follows.

Major Themes	Sub Themes	Matters for Discussion	Mar. (after the General Meeting of Shareholders)	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. (before the General Meeting of Shareholders)
Management strategy	Megatrends	Discussions on megatrends that must be closely monitored through to 2050		○	○	○		○		○				
	Group strategies	Long-term strategies based on the Medium- to Long-Term Management Policy							○	○	○	○	○	
	Business portfolio	Business portfolio strategy as part of long-term strategies			○				○	○	○			
	Sustainability	Integration of sustainability into management, sustainability strategies as part of long-term strategies, and human rights initiatives	○			○				○	○			
	Group governance	Establishment of a Group structure centered on four regional headquarters [(4RHQ)]				○				○				
Business	Management	Reporting of the status of execution of domestic and overseas businesses		○			○			○		○	○	
Finance	Financial results	Status of quarterly, semi-annual, and full-year financial results		○			○			○			○	
	Shareholder returns	Year-end and interim dividends					○						○	
	Fund procurement	Reporting of financing schemes and results		○								○		
	Cross-shareholdings	Verification of the significance of cross-shareholdings												○
Human capital	Employee engagement	Reporting of engagement survey schemes and results		○					○					
	Human resource recruitment and development	Human resource strategies as part of long-term strategies								○				
R&D		R&D strategies as part of long-term strategies and innovation initiatives focused on megatrends					○			○				
Digital transformation		DX strategies (process, framework, and business model) as part of long-term strategies								○				
Risk management		Operational status of enterprise risk management (ERM) and the Asahi Group Risk Appetite Statement and crisis management structure						○						
Corporate governance	Corporate governance	Revisions to the Company's corporate governance system and Corporate Governance Guidelines	○								○			
	Nomination	Annual activity plan of the Nomination Committee and appointment of corporate officers	○			○						○	○	
	Compensation	Annual activity plan of the Compensation Committee, remuneration of corporate officers, and directors and officers (D&O) liability insurance	○			○					○		○	○
	Evaluation of effectiveness	Evaluation of effectiveness of the Board of Directors (including evaluations of the effectiveness of the Nomination Committee and the Compensation Committee)	○								○			○
	Stakeholder engagement	Reporting on dialogues with investors				○								
Effective management of the Board of Directors		Establishment of yearly agenda and discussion plan of the Board of Directors		○		○								
Productive exchange of information with the Board of Directors		Information exchange meetings, seminars by experts, and other efforts to ensure awareness of the Company's businesses			○	○	○	○	○	○	○			○
Greater cooperation with Audit & Supervisory Board		Exchanging of views on risk management and reporting of the results of the Audit & Supervisory Board's effectiveness evaluations						○				○		○

* The Board of Directors engaged in relevant activities in the month marked with ○.

Activities of the Board of Directors –Megatrend Analysis

Discussions Regarding Megatrends Centered on the Board of Directors

Since 2020, the Asahi Group has been holding discussions, centered on the Board of Directors, regarding megatrends for 30 years into the future based on the assumption that its vision for the future in 10 years is arriving much sooner due to the COVID-19 pandemic. In these discussions, the Group adopted a backcasting approach in which it considered the state of the future 30 years from now and worked in reverse to identify megatrends and business issues on which it should focus through 2030, both of which form the basis of its medium- to long-term strategies.

For the discussions on megatrends, we held dialogues and interviews with over 20 external experts active in various fields. In addition, opportunities to exchange opinions with young employees were provided around the world. By doing so, we worked to promote and enhance discussions on opportunities and risks while incorporating a broad range of perspectives from both inside and outside the Group.

As a result of these discussions, we selected an extensive range of 40 anticipated changes and occurrences spanning across all industries and categorized them under the four megatrends of “climate change and depletion of natural resources,” “changes in demographics and shifts in economic power,” “technological advancement,” and “changes in the conceptions of well-being,” which relates closely to the other three megatrends.

In terms of our outlook for 2050, we expect that changes in demographics, shifts in economic power, and technological advancement will give humankind new technological capabilities and free time, as the world deals with global issues such as climate change and the depletion of natural resources. This in turn is expected to change not only society and economies but also the very nature of well-being itself. As a result, the individual concept of well-being will likely become more diversified and personalized. Backcasting from this outlook, we identified five key megatrends in terms of risks and opportunities on which we should focus within the development of our long-term strategies through 2030. We then identified issues facing the Group specific to each megatrend while reorganizing the strengths that provide us with a source for sustainable growth. Through this process, we adopted “Contribute to a

sustainable society and respond to changing conceptions of well-being through delivering great taste and fun” as the basic concept behind our long-term strategies under the Medium- to Long-Term Management Policy.

Topic

Conversations with Young Employees

We held interview sessions with young employees in an effort to incorporate the diverse and multifaceted opinions of external experts and young employees within the Group’s management with a view to long-term value creation. These sessions targeted young Group employees from around the world. Over 40 young employees of diverse races, genders, and nationalities participated in these sessions. Divided into six groups, these participants, who will lead society in 30 years, engaged in lively discussions regarding how society will change by 2050 and how the Asahi Group should respond to such change. The discussions on these topics were held based on “Our Mission” of the AGP and incorporated the perspectives of not only sustainability but also well-being, the evolution of consumer experiences, and personnel.

The opinions and proposals discussed through these sessions were reported to the Board of Directors and served as the basis for the Board’s discussions on ultra-long-term strategies. Going forward, we will hold similar events every year with the aim of further enhancing our megatrend analysis amid the remarkable changes occurring in the external business environment.



2050 Megatrends

Changing conceptions of human well-being

- Climate change and depletion of natural resources
- Changing demographics and shifts in economic power
- Technological advancements

2030	
Key Megatrends	Challenges for Asahi Group Businesses
Health consciousness and headwinds from alcohol-related issues	<ul style="list-style-type: none"> • Expanding beyond the framework of existing businesses into areas of physical and mental health • New product propositions fusing our technology in Alcohol Beverages and Non-Alcohol Beverages, and conducting R&D into, and cultivating, alternatives to alcohol products
Growing diversification of definitions of well-being	<ul style="list-style-type: none"> • Responding to demand for further personalization and premiumization • Giving tangible shape to potential value in anticipation of changes in behavior
Heightened awareness of sustainability-related issues	<ul style="list-style-type: none"> • Enhancing initiatives relating to the environment, communities, etc. • Generating various forms of new value to meet ethical consumption needs
Geopolitical changes, such as shifts in economic growth regions	<ul style="list-style-type: none"> • Worldwide expansion of global brands • Further strengthening our financial position before investing in expansion into new regions
Co-existence with evolving technologies	<ul style="list-style-type: none"> • Building new business models through the acceleration of digital transformation • Creating new value involving unique offline experiences

Role, Function, and Composition of Nomination Committee

Under the guidance of Outside Directors, the Nomination Committee works to ensure the transparency, impartiality, and appropriateness of officer assignments.



Message from the Chairperson

The Nomination Committee is an advisory body to the Board of Directors consisting of a majority of objective and independent Outside Directors. We are responsible for discussing and reporting on the impartiality and appropriateness of officer assignments, which are a core part of corporate governance, based on inquiries from the Board of Directors.






For instance, when we receive inquiries from the Board of Directors on matters such as those below, we discuss them immediately and the outcomes of these discussions are reported to the Board of Directors. Among these matters are whether or not Director candidates possess the robust experience, high-level insight, and specialized expertise necessary for the position while also contributing to the diversity of the Board in terms of nationality and gender, as well as whether Representative Director candidates conform to the nomination standards or if the CEO has become eligible for dismissal based on the standards defined by the Board of Directors.

The Company was among the earliest in Japan to establish a Nomination Committee, which it did in 2000. As such, officer assignments have been reviewed by outside eyes since the turn of the century.

I became the Chairperson of the Nomination Committee in fiscal 2022. I recognize that this is an important committee with a heavy influence on the corporate value of the Company. Accordingly, I am committed to fulfilling my responsibilities toward promoting and enhancing corporate governance to contribute to increases in corporate value.

Members of the Nomination Committee

Five members (of whom three are Outside Directors)

 Outside	Chairperson	Kenichiro Sasae (Outside Director)
 Outside	Member	Christina L. Ahmadjian (Outside Director)
 Outside	Member	Tetsuji Ohashi
 Internal	Member	Akiyoshi Koji (Chairman of the Board)
 Internal	Member	Atsushi Katsuki (President and CEO, Representative Director)

Activities in Fiscal 2021

The Nomination Committee convened a total of nine times in fiscal 2021.

- Deliberation and reporting regarding nomination of Director and Audit & Supervisory Board Member candidates
- Deliberation and reporting regarding appointment of the Representative Director, Chairman of the Board, President, CEO, and chief officers
- Discussions were held and decisions were made on matters regarding the selection of Nomination Committee members after reappointment, and the results thereof were reported to the Board of Directors
- Discussions were held and decisions were made on the committee's proposals for the activity plan in the second half of fiscal 2021, and the results thereof were reported to the Board of Directors on the same day
- Discussion of succession planning
- Discussion of human resource recruitment and development
- Deliberation and reporting regarding response to revision of Japan's Corporate Governance Code

Succession Planning and Skill Sets for the CEO and Directors

In order to enhance the effectiveness of the Board of Directors on an ongoing basis, the Company has formulated succession plans for the CEO, Directors, and other corporate officers and is implementing various initiatives in line with these plans. Moreover, the Company is working to establish a structure that enables it to secure and nurture human resources who can contribute to global management.

Succession Plan and Training

The Company regards the succession plans for its CEO and Directors as a matter of utmost priority, and accordingly formulates such succession plans pursuant to the requirements of the CEO and Directors. These succession plans are monitored appropriately by the Board of Directors.

In the formulation of the succession plans, the Company reviews its talent on a Groupwide basis. The Company also works to evaluate and cultivate the necessary human resources, discover new talent, examine personnel composition from a DE&I perspective, and visualize its entire pool of human resources. In these ways, the Company is working to enhance its succession plans and make the formulation process more transparent.

In terms of the requirements for the CEO, the Nomination Committee holds repeated discussions based on a backcasting approach, which involves thinking in reverse from megatrends and the vision for the Asahi Group in the future, in an effort to pursue the best content for these requirements at the opportune time.

Also, the Company makes appointments and assignments according to plan, offers training to successor candidates, and carries out training, among other activities, for successors of future generations. Meanwhile, the Company arranges professional assessments by external organizations and makes use of such means as 360-Degree Feedback. Through regular monitoring provided by the Nomination Committee, the Company reviews such plans and makes revisions as necessary.

The Company provides Outside Directors and Outside Audit & Supervisory Board Members with information relating to the overview of the Asahi Group, including its businesses, financial affairs, and organizations. At the same time, the Company provides opportunities for Outside Directors to deepen their understanding through such means as office visits.

Skill Set of the CEO

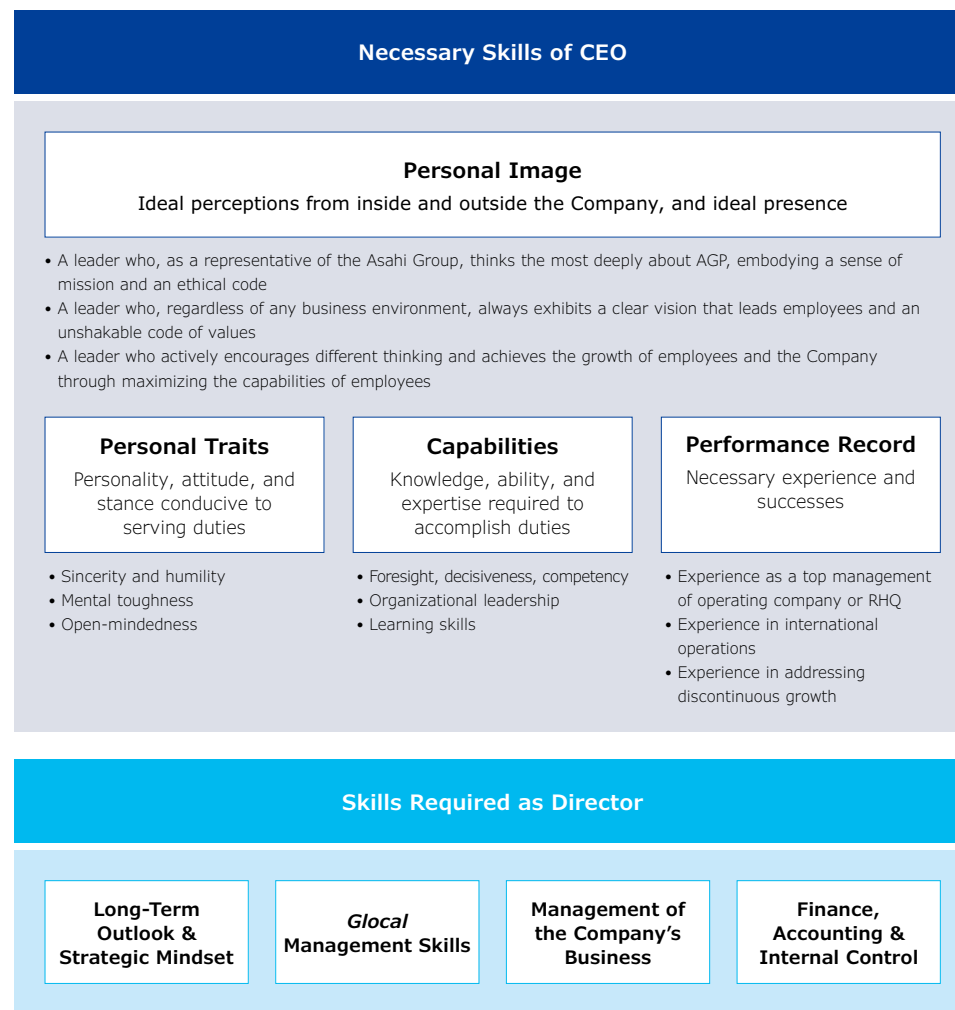
The Company has formulated its "Skill Set of the CEO"* with the purposes of enhancing management sustainability and appropriately implementing the CEO succession plan through a fair and transparent process.

The Skill Set of the CEO consists of skills distinctive to the role of CEO of the Company, in addition to the skills required of CEOs in general, and specifies the skills necessary for the role of CEO from the perspective of assuming ultimate responsibility for business execution.

The chart on the right has been prepared in view of the Company's internal and external business environment as of now and five years into the future, and is therefore subject to review in the event of environmental changes and other factors.

The appointment, reappointment, and succession plan of the CEO are examined on the basis of the Skill Set of the CEO.

* A list of essential and valuable skills required of the CEO



Nomination, Dismissal, and Evaluation of the CEO and Executive Directors

In order to assemble a management team that is capable of contributing to the sustainable growth and medium- to long-term increases in corporate value of the Asahi Group, the necessary nomination, dismissal, and evaluation frameworks and standards have been established for the CEO and Executive Directors.

■ Election and Dismissal of the CEO

In order to realize effective corporate governance, the Board of Directors elects as CEO individuals who will contribute to the sustainable growth of the Company and help increase its corporate value over the medium to long term.

The election or dismissal of the CEO is based on the following guidelines. Such election and/or dismissal is deliberated on by the Nomination Committee and determined by the Board of Directors.

- 1) Individuals nominated as CEO shall possess a wealth of experience, excellent insights, and a high level of expertise, while ensuring that diversity is maintained with regard to such factors as gender and international experience.
- 2) A candidate shall be appointed as CEO after being deliberated on beforehand by the Nomination Committee and judged to be appropriate.
- 3) With regard to the CEO, in the event that there is a possibility that the criteria for dismissal as determined by the Board of Directors have been met, the Nomination Committee shall hold deliberations, and after the results of said deliberations are verified by the Board of Directors, the relevant individual shall not be nominated as a candidate for Director, and they shall also be dismissed from the position of CEO.

■ Nomination of Executive Directors

Executive Directors are nominated through the following framework to facilitate sustainable growth and increase corporate value over the medium to long term.

- 1) Each fiscal year, a request is submitted to the Nomination Committee by the Board of Directors to formulate proposals for nominating executive director candidates for the following fiscal year from among the executive team.
- 2) The Nomination Committee discusses the appropriateness of all possible candidates. Evaluations are shared with the Compensation Committee with regard to candidates for important positions.
- 3) The candidate proposals formulated by the Nomination Committee are submitted to the Board of Directors.

■ Evaluations of the CEO and Executive Directors

The CEO and Executive Directors are evaluated through the following framework to facilitate sustainable growth and increases in corporate value over the medium to long term.

- 1) Each fiscal year, Directors formulate annual activity plans based on The Medium- to Long-Term Management Policy and annual management plans, which are then finalized through discussions with the CEO.
- 2) After the conclusion of each fiscal year, Directors submit self-evaluations of their activities to the CEO and then discuss these evaluations, after which the CEO prepares evaluation proposals for the Directors.
- 3) In conjunction with the requests issued to the Compensation Committee by the Board of Directors, the CEO submits the evaluation proposals for all Executive Directors, including themselves, to the Compensation Committee at the beginning of the following fiscal year.
- 4) The Compensation Committee discusses the impartiality and appropriateness of the evaluations and then decides the evaluations and compensation payments for the CEO and each Executive Director. Total compensation amounts are decided within the scope determined by the Board of Directors.

Cultivation of Management Personnel

Continuous Cultivation of Management Personnel

The Company seeks to continuously cultivate management personnel by establishing global human resource evaluations, increasing the effectiveness of evaluation opportunities, and linking these opportunities to human resource development programs. As part of these efforts, we develop succession plans based on global talent reviews conducted together by the CEO and Executive Directors, RHQ CEOs, and the CHRO.

We also implement the global leadership development programs (GLDPs), which are elective manager cultivation programs that commenced in 2015 and have since been extended to overseas. These programs were divided into three levels in 2022 to better facilitate the enhancement of the Group management personnel pipeline from a medium- to long-term perspective.

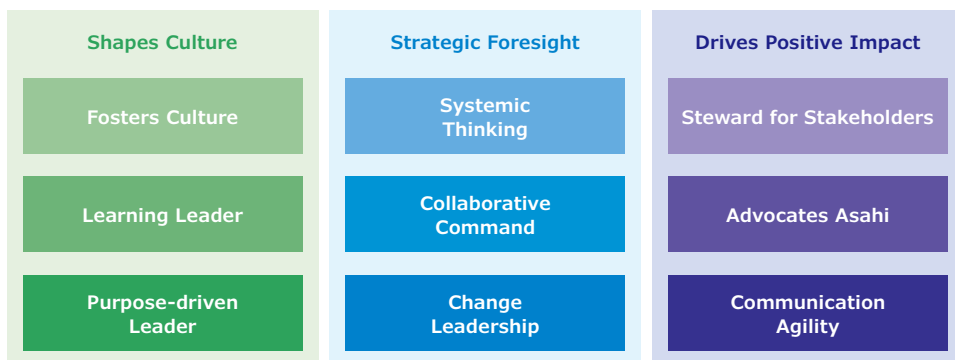
Development of Succession Plans Based on Global Talent Reviews

Overview of Global Talent Reviews

Participants	CEO, Executive Directors, RHQ CEOs, and CHRO
Discussion Topics	1) Performance, potential, and flight risks of current managers 2) Succession planning for approx. 50 important Group positions 3) Plans for cultivating high-potential personnel

Asahi's Global Leadership Competency Model

We have established the Global Leadership Competency Model, which closely relates to and augments the Board of Directors Skill Matrix.



Elective Development Programs Based on Medium- to Long-Term Perspective

Programs	Associated risks	Program organizer	No. of participants in 2022	Breakdown of participants
GLDP Executive	Capacity to manage global operations of the Asahi Group	CEO CHRO	8	Europe: 3 Oceania: 3 Southeast Asia: 1 Japan: 1
GLDP Advance*	Strategy drafting skills that contribute to the resolution of social issues	CFO CHRO	14	Europe: 4 Oceania: 4 Southeast Asia: 2 Japan: 4
GLDP Emerging	Development of business models based on the Asahi Group's business platform	CAO CHRO	14	Europe: 5 Oceania: 5 Southeast Asia: 2 Japan: 2

* The GLDP Advance program has been held every other year since 2015. A total of 44 employees have participated in this program to date.

Role, Function, and Composition of Compensation Committee

Under the guidance of the Outside Directors, the Nomination Committee works to ensure the transparency, impartiality, and appropriateness of officer compensation.



Message from the Chairperson

The Compensation Committee is an advisory body to the Board of Directors consisting of a majority of independent and objective Outside Directors. Based on inquiries from the Board of Directors, the committee is tasked with deliberating and reporting on compensation for Directors, an important matter pertaining to corporate governance. We also make decisions on these matters based on authority delegated from the Board of Directors.






After receiving inquiries from the Board of Directors, we primarily discuss Director compensation systems. In addition, we determine assessments of individual Directors and then deliberate on and decide the amounts of compensation to be paid to individual Directors based on the standards set by the Board.

I became an Outside Director at the Company and a member of the Compensation Committee in March 2019. Since that time, I have continued to play a part in reforming compensation systems to contribute to improvements in corporate value through means such as globalizing officer compensation systems and addressing sustainability issues.

I was appointed to the position of Chairperson of the Compensation Committee in 2022. In this capacity, I will continue to drive the globalization and evolution of the Company’s officer compensation systems.

Members of the Compensation Committee

Five members (of whom three are Outside Directors)

 Outside	Chairperson	Christina L. Ahmadjian (Outside Director)
 Outside	Member	Kenichiro Sasae (Outside Director)
 Outside	Member	Tetsuji Ohashi (Outside Director)
 Internal	Member	Keizo Tanimura (Director and Executive Officer, CHRO)
 Internal	Member	Kaoru Sakita (Director and Executive Officer, CFO)

Activities in Fiscal 2021

In fiscal 2021, the Compensation Committee met a total of 10 times.

- Discussion and decision regarding individual evaluations tied to annual bonus amounts
- Discussion, decision, and reporting to Board of Directors of officer bonuses (annual and medium term) and allocation of points for stock compensation
- Discussion, decision, and reporting to Board of Directors of the appointment of members of Compensation Committee after reappointment
- Discussion, decision, and same-day reporting to Board of Directors of officer compensation payments for fiscal 2021
- Discussion, decision, and same-day reporting to Board of Directors of committee activity plan for the second half of fiscal 2021
- Discussion regarding officer compensation for fiscal 2022 and beyond
- Discussion regarding compensation for RHQ leadership

Director Remuneration Systems and Payments

The Company has designed a remuneration system linked with shareholder interests in order to serve as a sufficient incentive for corporate officers to strive to achieve the Asahi Group Philosophy (AGP) and realize the integration of sustainability and management. Based on a transparent and fair process, the Company has established a sound remuneration system that can lead to sustainable growth.

■ Remuneration for Directors, Audit & Supervisory Board Members, and the Independent Accounting Auditor

Director Remuneration

— Basic Policy

The basic policy on Director remuneration has been established in accordance with the following policies and based on a transparent and fair process.

- To serve as an incentive to strive for sustainable growth and enhancement of corporate value over the medium to long term
- To offer remuneration of a nature and level that is effective in continuing to secure outstanding human resources with diverse skills
- To base remuneration on the role and magnitude of responsibilities of the Directors and their contributions to performance
- To offer remuneration that varies greatly in accordance with performance related to management strategies
- To offer remuneration in which benefits and risks are shared with shareholders and which provides incentive to management from the standpoint of shareholders

— Composition of Remuneration

Remuneration for the Directors of the Company comprises basic remuneration, bonuses (annual and medium-term), and stock compensation. Remuneration for Outside Directors consists solely of basic remuneration. Based on the principle that remuneration for Internal Directors should be closely linked to performance, the percentage of variable remuneration (bonus and stock compensation) in the annual income for the President and Representative Director is set to be around 65%. In addition, the percentage of stock compensation, which is a form of remuneration that shares benefits and risks with shareholders, is set at around 15%. For other Internal Directors, the percentage of variable remuneration is set at around 50% and is designed in accordance with the Director’s position and role.

— Remuneration Level

The remuneration for Directors is set at a level that aims for the achievement of performance targets, taking into consideration the level of remuneration that is effective for continuing to secure outstanding human resources with diverse skills. Other Japanese companies of the same scale as the Company (top 100 in terms of market capitalization) are used as benchmarks for determining remuneration levels.

— Basic Remuneration (Fixed Remuneration)

Basic remuneration, which is a fixed monthly amount, is determined by adding expenses incurred by Directors, such as health examination costs, to a fixed amount determined based on a Director’s position or role.

— Variable Remuneration

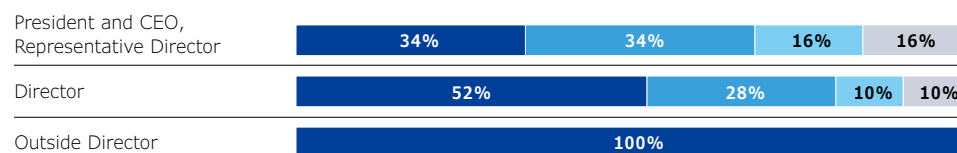
As a basic policy for further strengthening the incentive to strive for the Company’s sustainable growth and enhancement of corporate value over the medium to long term, the system for Director bonuses has been designed in consideration of increasing the percentage of variable remuneration (incentive) within Directors’ annual income as well as contributing to the Company’s sustainable growth (short-term, medium-term, and long-term) and enhancing corporate value (in terms of both financial value and social value) through the incentive system as a whole.

— Method for Determining Remuneration

Director remuneration is set in line with a resolution at a meeting of the Board of Directors and within the total amount for remuneration determined in advance at the General Meeting of Shareholders. When remuneration-related resolutions are being made by the Board of Directors, the Compensation Committee, which is made up of a majority of Outside Directors, acts as an advisory body to the Board of Directors, evaluating the content of said resolutions in the interest of greater transparency and objectivity through fair processes. In addition, the Compensation Committee utilizes objective external data, when necessary, to ensure fair decision-making related to Director remuneration.

Composition of Remuneration

(Model remuneration set when business performance targets are achieved in 2022)



■ Basic remuneration ■ Annual bonus ■ Medium-term bonus ■ Stock compensation

Note: Listed based on the expected amounts at the beginning of fiscal 2021

Director Remuneration Systems and Payments

Summary of Variable Remuneration for Directors

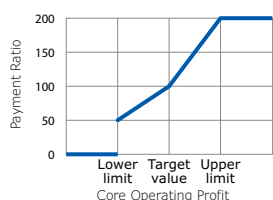
	Annual bonus	Medium-term bonus	Stock compensation
Objective	Strengthen incentive to strive for the Company's sustainable and steady growth, enhancement of financial value, and achievement of targets	Strengthen incentive to strive for the Company's discontinuous growth and achievement of medium-term operating results	Strengthen incentive to strive for the Company's long-term sustainable increase in corporate value and align interests and risks with those of shareholders
Period	Single fiscal year	Three years	Three years
Payment method	Cash	Cash	Stock
Payment period	Every March	March of the following year after the conclusion of the relevant period	Upon resignation
Evaluation method	Individual payment amount = Role-specific basic remuneration × Performance coefficient (Payment ratio for core operating profit × 50% × Payment ratio for profit attributable to owners of parent × 50%) × Individual evaluation coefficient*	Individual payment amount = Role-specific basic remuneration × Performance coefficient (Payment ratio for financial value indicators × 60% + Payment ratio for social value indicators [sustainability indicators] × 40%) × Individual evaluation coefficient	No
Malus and clawback provisions (return of incentive compensation)	No	Yes	Yes

Performance Coefficient and KPI for Annual Bonus and Individual Evaluation Coefficient

Individual payment amount = Role-specific basic remuneration × Performance coefficient (Payment ratio for core operating profit × 50% × Payment ratio for profit attributable to owners of parent × 50%) × Individual evaluation coefficient*

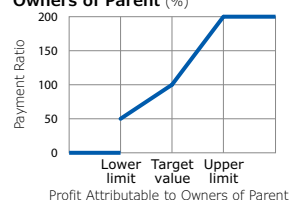
- * The individual evaluation coefficient comprehensively evaluates each individual's contributions to enhancing the effectiveness of the Board of Directors as a Director as well as their business execution performance as an Executive Director.
- Set at 100% when targets are met, fluctuates within a range from 70% to 130%

Payment Ratio for Core Operating Profit (%)



- Set as a KPI that is linked to KPIs in annual business plans and that aims for steady and continuous improvement in financial value
- Set at 100% when targets are met, fluctuates within a range from 0% to 200%
- As a basis, the upper limit is set at 115% of the target value and the lower limit is set at 85% of the target value. Every year, the upper and lower limits are determined after examining the appropriateness of their levels.

Payment Ratio for Profit Attributable to Owners of Parent (%)



- Set as a KPI that is linked to KPIs in annual business plans and that aims for steady and continuous improvement in financial value
- Set at 100% when targets are met, fluctuates within a range from 0% to 200%
- As a basis, the upper limit is set at 115% of the target value and the lower limit is set at 85% of the target value. Every year, the upper and lower limits are determined after examining the appropriateness of their levels.

Remuneration for Audit & Supervisory Board Members

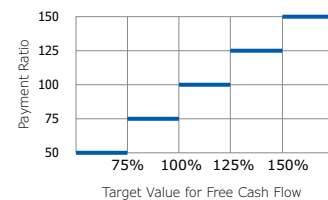
Remuneration for Audit & Supervisory Board Members is set through discussions by the Audit & Supervisory Board Members and within the total amount for remuneration determined in advance at the General Meeting of Shareholders. The remuneration offered to Audit & Supervisory Board Members consists only of basic remuneration (a fixed monthly amount) and is determined through discussions by the Audit & Supervisory Board Members in accordance with job responsibilities and members status as inside or outside. Survey data from external professional organizations is also utilized in this process.

Performance Coefficient and KPI for Medium-Term Bonus and Individual Evaluation Coefficient

Individual payment amount = Role-specific basic remuneration × Performance coefficient (Payment ratio for financial value indicators × 60% + Payment ratio for social value indicators [sustainability indicators] × 40%) × Individual evaluation coefficient

- Set as a KPI that is linked to KPIs in annual business plans and that aims for steady and continuous improvement in financial value
- Set at 100% when targets are met, fluctuates within a range from 70% to 130%

Payment Ratio for Financial Value Indicators (%)



- Set as a KPI that is linked to KPIs in medium-term business plans and that aims for enhancing cash flow management
- Set at 100% when targets are met, fluctuates within a range from 50% to 150%

Payment Ratio for Social Value Indicators [sustainability indicators] (%)

Evaluation	Payment ratio
S	150
A	125
B	100
C	75
D	50

- Set as a KPI that is linked to KPIs in medium-term business plans and that aims for improvement in social value
- Comprehensively evaluates progress and status of achievement of sustainability indicators (CO₂ emissions, plastic, communities, responsible drinking, DE&I, etc.)
- Adopts conventional external indicators (CDP, FTSE, MSCI) in order to ensure objectivity
- Set at 100% when targets are met, fluctuates within a range from 50% to 150%

Reference: Amount of the Remuneration for Directors and Audit & Supervisory Board Members (2021)

(Millions of yen)

	Fixed remuneration		Variable remuneration						Total
	Basic remuneration		Annual bonus		Medium-term bonus		Stock compensation		
	Number of people	Total	Number of people	Total	Number of people	Total	Number of people	Total	
Directors (of whom, Outside Directors)	10 (3)	318 (51)	7 (—)	260 (—)	7 (—)	111 (—)	5 (—)	77 (—)	767 (51)
Audit & Supervisory Board Members (of whom, Outside Audit & Supervisory Board Members)	5 (3)	117 (40)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	117 (40)

Message from the CEO

We have established a Group governance structure that achieves the aims of our corporate governance, which are to realize sustainable growth and enhance corporate value over the medium to long term.



Atsushi Katsuki
President and CEO,
Representative Director

With the aim of achieving sustainable growth and medium- to long-term increases in the Group's corporate value, we, the management team, are responsible for the business execution of the Group under the supervision of the Board of Directors.

In fiscal 2021, we updated our Medium- to Long-Term Management Policy based on a view of the long-term and ultra-long-term changes expected to be seen in society and in the economy. Based on the long-term strategy concept of "Contribute to sustainable society and respond to changing conceptions of well-being through delivering great taste and fun," the updated Medium- to Long-Term Management Policy seeks to develop our ideal business portfolio by achieving growth in our existing business, centered on beer, driven by global brands and premiumization and by expanding into new business areas. Additionally, the plan aims to achieve sustainable growth by promoting the three core strategies of the acceleration of our digital transformation, bolstering of our research and development capabilities, and integration of sustainability into our management. Moreover, other efforts to strengthen strategic

foundations include enhancement of human capital and evolvement of Group governance in order to develop the optimal organizational structure to underpin long-term strategies. In these ways, we aim to realize sustainable growth and enhance our corporate value through co-creation activities with all of our stakeholders.

In my capacity as CEO, the authority for business execution, I look to contribute to the implementation of the Medium- to Long-Term Management Policy and the improvement of corporate value by overseeing Executive Directors, Chief Officers (CXOs), and RHQ CEOs and supervising their operational execution in line with authority delegated to me by the Board of Directors. Regarding the other members of the management team, Executive Directors are responsible for instructing, supervising, and setting policies for the business divisions they oversee based on their operational execution and oversight authority in their respective areas. CXOs, meanwhile, oversee areas important to operational execution and instruct the business divisions. The CEOs of our four RHQs in Japan, Europe, Oceania, and Southeast Asia will oversee the business activities in their respective regions based on the regional operational execution authority delegated to them by me, the Group CEO.

When all members of management fulfill their respective roles to heighten effectiveness in their respective divisions and regions, this will bolster our business competitiveness and allow us to function as a united team. This process will thus contribute to synergies between divisions and RHQs and thereby drive increases in Groupwide corporate value.

An important part of managing the Asahi Group is to expedite decision-making by entrusting to others the tasks that are within their power based on trusting relationships. We do not centralize the decision-making process by having the CEO issue all of the orders. Rather, I put forth overarching directives and then delegate authority from there. This is especially true when it comes to operational execution. We have in place a structure that assigns the responsibility for executing strategies to RHQs, and this structure has served to accelerate the speed at which regional strategies are implemented and to heighten our business competitiveness. The central management team, meanwhile, is more dedicated to setting strategies and managing on a Groupwide basis. However, we also oversee RHQs to facilitate global synergies and thereby stimulate ongoing increases in the corporate value of the Group as a whole.

We remain strongly committed to our management stance of earning the trust of the stakeholders of the future through co-creation with our employees and other internal and external stakeholders of today. Looking ahead, we will continue to practice growth-oriented management from a medium- to long-term perspective while bolstering communication with stakeholders through meticulous disclosure and engagement.

Introduction of Management Team

CEO



Atsushi Katsuki

President and CEO,
Representative Director

Responsibilities

Overall Management
Corporate Strategy, Research & Development
and Corporate Communications Functions

Executive Directors



Taemin Park

Director and Executive Officer, CAO

Responsibilities

M&A Activities, Global Marketing Functions
and Collaboration / business synergies
among RHQs



Keizo Tanimura

Director and Executive Officer, CHRO

Responsibilities

Human Resources, General Affairs,
Legal Affairs, Risk Management, Auditing,
and Sustainability Functions



Kaoru Sakita

Director and Executive Officer, CFO

Responsibilities

Finances, Procurement,
and IT Functions

RHQ CEOs



Kenji Hamada

President and CEO, Representative Director
Asahi Group Japan, Ltd.

Kenji Hamada was appointed to his current position in January 2022 after holding positions as Director and Executive Officer, CFO of the Company, and Senior Managing Director and General Manager of the Sales Headquarters of Asahi Breweries, Ltd.

In his position as RHQ CEO for Japan, Mr. Hamada oversees all areas of operations in this country, including the Alcohol Beverage, Soft Drinks, and Food businesses. He is committed to strengthening our operating foundations and achieving further expansion in the Japanese market to support the rapid growth of the Asahi Group.



Paolo Lanzarotti

CEO
Asahi Europe and International Ltd.

Paolo Lanzarotti became the CEO of operations in Central and Eastern Europe after joining the Group when these operations were acquired in 2017. He later assumed his current position in January 2020.

Overseeing operations encompassing more than 90 European and other countries, Mr. Lanzarotti practices integrated management of global premium brand marketing functions and is responsible for the Asahi Group's global brand strategy.



Robert Iervasi

Group CEO
Asahi Holdings (Australia) Pty Ltd.

Robert Iervasi was appointed to the position of CFO of the Oceania business in 2011 and then to his current position in February 2019.

Overseeing our Oceania business, he is responsible for the Alcohol Beverage and Soft Drinks businesses in Australia and New Zealand. Mr. Iervasi is working to evolve a multi-beverage platform while growing operations across Oceania.



Erwin Selvarajah

Group CEO
Asahi Holdings Southeast Asia Sdn. Bhd.

Erwin Selvarajah joined the Group to become CEO of the Soft Drinks business in Malaysia in 2011, and he was appointed to his current position in 2019.

Responsible for our Southeast Asia business, he develops our core soft drink and dairy product businesses in Malaysia with the goal of becoming a soft drink and dairy product innovator in Southeast Asia.

Framework for Enhancing the Effectiveness of the Board of Directors

In order to enhance corporate value on a continuous basis, the Company’s Board of Directors has established a framework to ensure that the Board’s activities are carried out in an effective manner. Under this framework, the Board is striving to enhance the effectiveness of its activities.

In addition, to realize a virtuous spiral for continuously enhancing the Board’s effectiveness, every year the Board (1) drafts an annual activity plan, (2) conducts effective activities under its established framework, (3) evaluates the effectiveness of its annual activities, and (4) sets into motion a PDCA cycle that helps formulate the next year’s annual activity plan based on an awareness of issues identified from the effectiveness evaluations and other measures. The Board makes ongoing efforts to further enhance the quality of its effectiveness evaluations.

■ Framework for Enhancing Effectiveness of the Board of Directors

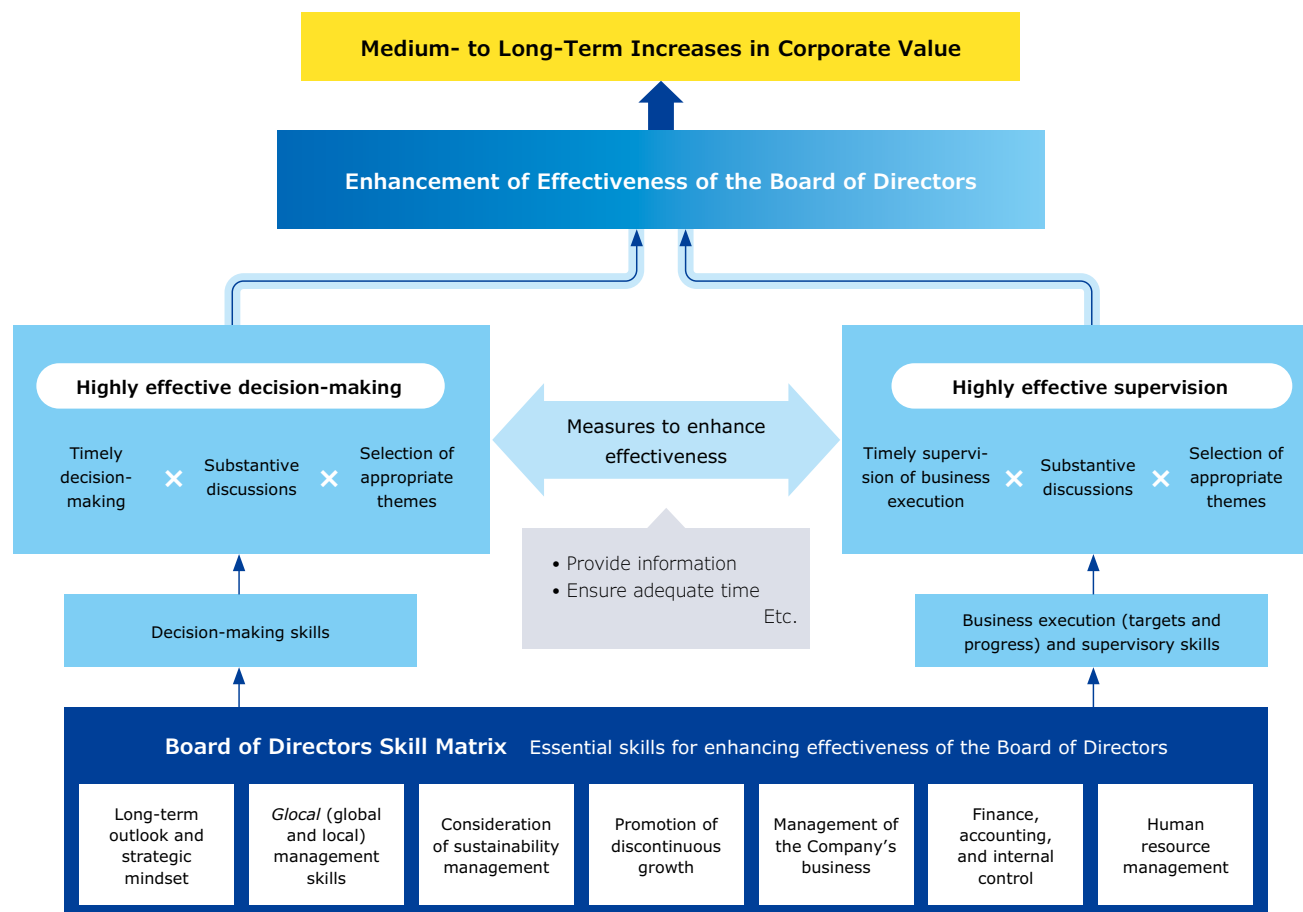
To implement the Asahi Group Philosophy (AGP), realize sustainable growth, and increase corporate value over the medium to long term, the Company’s Board of Directors must maintain a high level of effectiveness.

To do so, the Board of Directors must be able to hold meaningful debate on appropriately determined topics and engage in timely decision-making and supervision of business execution. The Board should therefore comprise Directors who possess the necessary skills determined under the Board of Directors Skill Matrix as well as decision-making and supervisory capabilities. The Board also operates in a manner that helps it maintain and enhance its effectiveness.

The Board of Directors and the Directors themselves are supported by the effective audits of the Audit & Supervisory Board, which evaluates the effectiveness of the Board of Directors on its own and seeks to make improvements, and are also aided by the participation of the Nomination Committee and Compensation Committee, both of which consist of a majority of Outside Directors.

Also, the Board of Directors holds evaluations of its effectiveness each year with the aim of identifying issues that should be addressed in order to further enhance its effectiveness. Through these evaluations, improvements are made on an ongoing basis. In this way, the Board seeks to maintain and enhance a high level of effectiveness.

Through this type of framework, the Company’s highly effective Board of Directors promotes management based on the AGP with the aim of ensuring that the Asahi Group will continue to enjoy a high level of trust from its stakeholders well into the future.

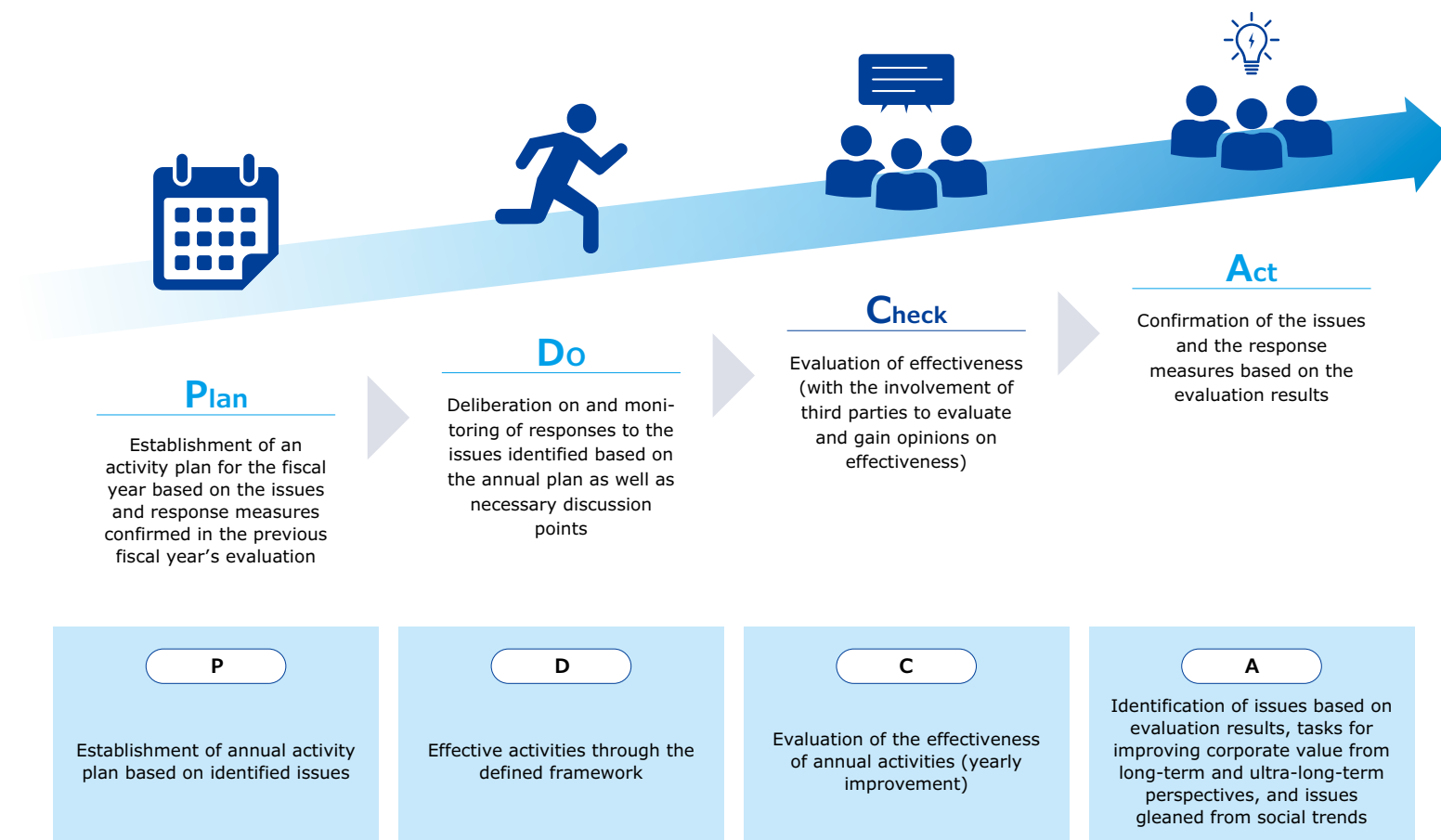


Cycle of Enhancement of the Effectiveness of the Board of Directors

■ PDCA Cycle for Enhancing Effectiveness

The following PDCA cycle is implemented on an annual basis to enhance the effectiveness of the Board of Directors, the Nomination Committee, and the Compensation Committee.

This annual cycle is used to drive continuous improvements in effectiveness.

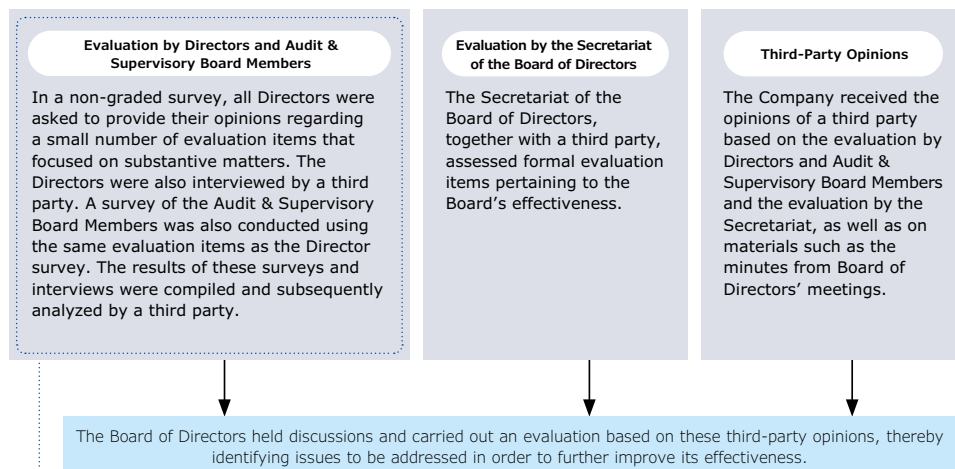


Enhancement of Quality of Evaluation of Board of Directors' Effectiveness

To facilitate the continuous improvement of corporate value, the Board of Directors conducts evaluations of its effectiveness every fiscal year to identify issues needing to be addressed to enhance effectiveness. Further improvements to the Board's effectiveness are worked on through responses to the identified issues.

Evaluation of the Effectiveness of the Board of Directors Evaluation Method

The evaluation of the effectiveness of the Board of Directors in fiscal 2021 was conducted in a manner that shifted the focus from one of formality to one of substance. From December 2021 to January 2022, three types of evaluations were conducted and opinions were received from a third party. Based on these evaluations and opinions, in March 2022 the Board of Directors held numerous discussions to finalize the evaluation of its effectiveness for fiscal 2021 and determine issues to be addressed in fiscal 2022.

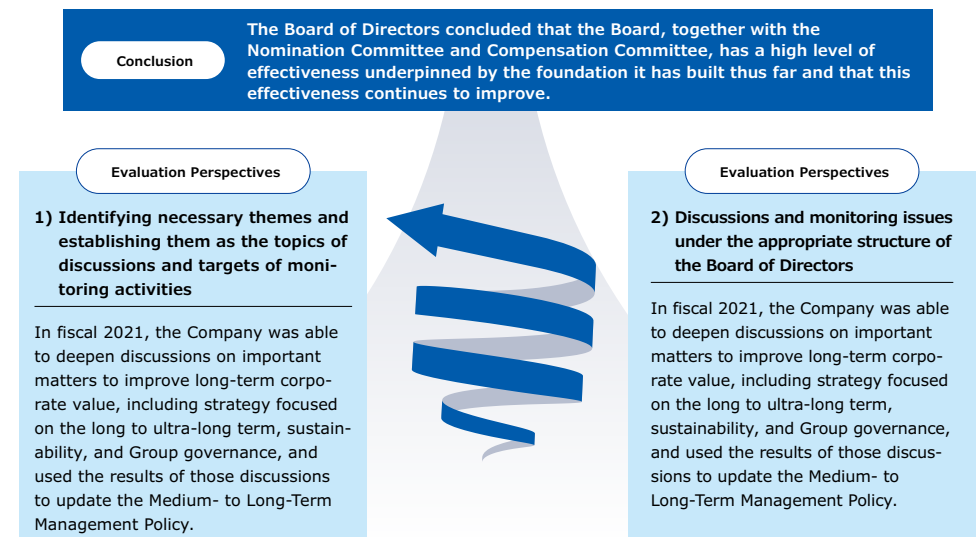


(Reference) Overview of Directors' Opinions on the Key Points of the Evaluation

- The level of discussions at Board of Directors' meetings and of the Company's corporate governance is extremely high as a company with a head office in Japan.
- Operations that follow appropriate and established themes and points to be discussed are in place, shared awareness is progressing, and decision-making and monitoring abilities are improving, creating a positive cycle of improving effectiveness.
- To become even more global, the Company must take its corporate governance to the next level.
- To improve discussions at the Board of Directors, there needs to be enhancement of both external dialogue that includes younger generations and of actual face-to-face dialogue.
- The Company should aim to create a Board of Directors that consistently demonstrates a positive cycle of improvement even when members of the Board or its structure change.

Overview of the Results of the Evaluation of the Board of Directors' Effectiveness for Fiscal 2021

The evaluation concluded that the Company's Board of Directors in fiscal 2021 was highly effective due to the solid foundation established thus far, and that its effectiveness is continuously improving. Although several issues were pointed out in the evaluation, overall, the Board was evaluated highly as it was deemed to be producing results owing to its ongoing efforts to enhance its effectiveness.



Future Initiatives
To realize sustainable growth and increase the corporate value of the Company over the medium to long term, the Board of Directors will address high-level issues, aiming to further improve its effectiveness.

Enhancement of Quality of Evaluation of Board of Directors' Effectiveness

Issues to Be Addressed in Fiscal 2022

After considering the results of the evaluation, the Board of Directors recognized the three items below as issues to be addressed. The Board will respond to these issues while promoting the initiatives of its annual activity plan for fiscal 2022 and working to maintain its level of operation through such means as holding discussions on megatrends. By doing so, the Board of Directors will strive to further enhance its effectiveness.

Issues That Should Be Addressed to Further Enhance Effectiveness

Responses to the Issues Identified in Fiscal 2021

Identified issues	Reasons for identifying
i) Governance focused on the new Group system	<ul style="list-style-type: none"> Because it is necessary for the Company's Board of Directors to change and adapt its monitoring process amid the response to progressing globalism and the transition to the new Group system based on the Regional Headquarters (RHQ) and Global Headquarters (GHQ).
ii) Monitoring of sustainability initiatives (responding to new issues, etc.)	<ul style="list-style-type: none"> Because it is necessary to carry out monitoring while performing comprehensive backcasting as the Board of Directors of a global company amid the continued rise of new sustainability issues.
iii) Succession in the Board of Directors as a team	<ul style="list-style-type: none"> Because it is necessary to discuss succession in the Board of Directors, not only on an individual basis but also as a team (organizational unit), to maintain the effectiveness of the Board of Directors on an ongoing basis.

Status of Response to the Issues Identified in Fiscal 2021

Through the evaluation of its effectiveness in fiscal 2020, the Board of Directors identified the four items below as issues to be addressed, and worked to respond to these issues under its annual activity plan for fiscal 2021. As a result, the Board received praise for addressing all of these issues in an appropriate manner. However, given the nature of these issues, the Board recognized that it must continue to work toward addressing them.

Issues Identified in Fiscal 2020

Identified issues	Status of response
i) Deepening discussions on strategies and business portfolios that anticipate ultra-long-term and long-term megatrends	<ul style="list-style-type: none"> The Board of Directors held discussions on megatrends, dialogues and interviews with external experts, and interview sessions with young employees, gaining a shared awareness of megatrends, opportunities, and risks heading toward 2050. Based on this shared awareness, the Board of Directors held discussions on its business portfolio and updated the Medium- to Long-Term Management Policy accordingly.
ii) Promoting discussions on further enhancing Group global governance and crisis management	<ul style="list-style-type: none"> The Board of Directors held discussions on Group governance and confirmed its approach to such matters as the RHQ system going forward. In addition, the Board promoted discussion on risk management.
iii) Promoting discussions and monitoring activities for integrating sustainability strategies into management strategies	<ul style="list-style-type: none"> The Board of Directors held discussions on the integration of sustainability into management and worked to update the Medium- to Long-Term Management Policy. The Board also conducted monitoring of important issues such as respect for human rights.
iv) Promoting discussions on enhancing the functions of the Board of Directors as a global company	<ul style="list-style-type: none"> The Board of Directors held discussions on corporate governance. Through these discussions, the Board confirmed the future direction of the Company's corporate governance system.

Enhancement of Quality of Evaluation of Board of Directors' Effectiveness

■ Evaluation of the Effectiveness of the Nomination Committee and the Compensation Committee

Evaluation Method

The evaluation of the effectiveness of the Nomination Committee and Compensation Committee in fiscal 2021 was carried out as part of the evaluation of the effectiveness of the Board of Directors. From December 2021 to January 2022, all Directors took part in a non-graded survey where they were asked to provide their opinions on various evaluation items. The Directors were also interviewed by a third party. Furthermore, the Audit & Supervisory Board Members took part in a survey that consisted of the same evaluation items. The results of these surveys and interviews were compiled and subsequently analyzed by a third party. Based on this analysis, numerous discussions were held at meetings of the Board of Directors in March 2022, where the evaluation for fiscal 2021 was confirmed and issues to be addressed in fiscal 2022 were identified.

Overview of the Results of the Evaluation of the Effectiveness of the Nomination Committee and the Compensation Committee

The evaluation concluded that the Nomination Committee and Compensation Committee displayed a high level of effectiveness during fiscal 2021. Although several issues were pointed out in the evaluation, these committees received a high evaluation due to their efforts to improve their level of operation, including formulating and implementing annual activity plans.

Through the evaluation of effectiveness in fiscal 2021, the Board of Directors recognized the following three items as issues to be addressed by the Nomination Committee and Compensation Committee. By formulating and implementing an activity plan for these committees in fiscal 2022, the Board of Directors will work to further enhance the effectiveness of the Nomination Committee and Compensation Committee going forward.

Identified issues	Reasons for identifying
i) Further strengthening planned operations of the committees	<ul style="list-style-type: none"> Because there are many issues examined that cannot be resolved within a single fiscal year and because it is necessary to further strengthen management based on existing annual plans and enhance planning by these committees over a long-term time frame.
ii) Enhancing the sharing of information between the committees and the Board of Directors	<ul style="list-style-type: none"> Because it is necessary to further improve the sharing of information between the committees and the Board of Directors and because there is a need to examine the approach to reporting and information sharing.
iii) Ensuring the continuity of discussions from a long-term perspective	<ul style="list-style-type: none"> Because it is necessary for these committees to establish an operational framework, similar to that of the Board of Directors, for ensuring the continuity of discussions from a long-term perspective.



Web → Overview of the results of the evaluation of the Board of Directors', the Nomination Committee and the Compensation Committee effectiveness (March 25, 2022)

Role, Composition, Function, and Activities of Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board continues to perform its duties to drive improvements in corporate governance along with ongoing increases in corporate value.

Based on our fiduciary duty and responsibility for accountability toward shareholders, we have established an Audit & Supervisory Board comprising Standing Audit & Supervisory Board Members and a majority of Independent Outside Audit & Supervisory Board Members. All members are provided with a high degree of independence and autonomy. These provisions allow Audit & Supervisory Board Members and the Audit & Supervisory Board to fulfill their roles and duties by auditing the operational execution of Directors, the CEO, and other members of management from an objective and independent standpoint.

It is important to ensure an effective balance in the entire Audit & Supervisory Board in terms of the knowledge, experience, ability, and diversity required to achieve sustainable growth and increases in corporate value over the medium to long term. In addition, the Audit & Supervisory Board should be composed of suitable individuals who reflect the conditions derived from the AGP, the Asahi Group Code of Conduct, and management strategies. Moreover, the Audit & Supervisory Board should include at least one Audit & Supervisory Board Member with appropriate knowledge of finance and accounting, along with at least one member with appropriate knowledge of legal affairs.

By combining the information held by the Standing Audit & Supervisory Board Members and the high level of expertise of the Outside Audit & Supervisory Board Members, the Company's system enables Audit & Supervisory Board Members to exercise their authority freely and decisively, making appropriate judgments and taking action from an independent and objective standpoint.



Yoshihide Okuda
Chairman of the Board,
Standing Audit & Supervisory
Board Member

Message from the Chairman

The Audit & Supervisory Board Members and the Audit & Supervisory Board play an integral role as part of the Group's auditing function, in collaboration with the Board of Directors. As a legally independent organ entrusted by shareholders, we strive to meet the expectations of both internal and external stakeholders by auditing the execution of duties by the Directors. In this way, we are working to establish an even better corporate governance structure.

We believe that the effectiveness of our activities is imperative to realizing sustainable growth on a Groupwide basis, increasing corporate value over the medium to long term, and preventing any issues that could damage the Group's corporate value. Based on this belief, we have been evaluating the effectiveness of the Audit & Supervisory Board from a variety of perspectives since fiscal 2018 to identify issues and achieve higher levels of effectiveness.

I look forward to your continued support and guidance of our activities.

Major Activities of the Audit & Supervisory Board in Fiscal 2021

1. Holding of 13 meetings
2. Discussion of the following topics
 - Resolution of audit policies and plans for fiscal 2021 at beginning of fiscal year and interim and full-year auditing activity reviews (reports issued to Board of Directors with this regard)
 - Decisions regarding legally mandated items, including preparation of audit reports and appointment/dismissal and compensation of independent accounting auditor
 - Examination of quarterly review reports by independent accounting auditor, audit results, and issues identified in evaluation of effectiveness of Audit & Supervisory Board
 - Discussion with independent accounting auditor regarding key audit matters for fiscal 2021 beginning in first half of fiscal year and confirmation and deliberation regarding key audit matters and response of independent accounting auditor

Major Activities

- Attendance at important meetings (Board of Directors, Corporate Strategy Board, Compliance Committee, Risk Management Committee)
- Sharing of information and exchanges of opinions with independent accounting auditor (explanation of audit plans, quarterly review reports, audit result reports from independent accounting auditor, etc.)
- Sharing of information and exchanges of opinions with Audit Section (implementation of internal control systems, confirmation of risks, sharing of information, etc.)
- Sharing of information and exchanges of opinions with standing audit & supervisory board members of Japanese domestic Group companies (implementation of internal control systems, confirmation of risks, sharing of information, etc.)
- Exchanges of opinions with Chairman of the Board and CEO and confirmation and information sharing of management policies, conditions, and issues through meetings
- Information sharing and exchanges of opinions with Executive Directors other than Chairman of the Board and CEO and Standing Audit & Supervisory Board Members
- Information sharing and exchanges of opinions with Outside Audit & Supervisory Board Members and financial and legal affairs departments
- Meetings with audit & supervisory board members and audit departments of Japanese domestic Group companies
- Audits of Japanese domestic Group companies
- Audits of overseas Group companies

Evaluation of the Effectiveness of the Audit & Supervisory Board

Evaluation of the Effectiveness of the Audit & Supervisory Board

The Company's Audit & Supervisory Board has been evaluating its own effectiveness since fiscal 2018 as an ongoing initiative. In fiscal 2021, it conducted an effectiveness evaluation focusing on the status of efforts to respond to the matters that were identified in fiscal 2020 as needing to be addressed. The results of the evaluation are as follows.

Summary of Results of Analysis and Evaluation

The Company's Audit & Supervisory Board concluded that it functioned effectively in fiscal 2021. The evaluation was carried out based on the results of surveys and interviews with Audit & Supervisory Board Members and took into account advice provided by external experts.

Evaluation method	Targeted member
Surveys	<ul style="list-style-type: none"> Audit & Supervisory Board Members Standing Audit & Supervisory Board Members of Group companies Members of the Internal Audit Section of the Company Divisions audited by the Audit & Supervisory Board
Interviews	<ul style="list-style-type: none"> Chairman of the Board and President Standing Audit & Supervisory Board Members Newly appointed Standing Audit & Supervisory Board Members of Group companies Members of the Internal Audit Section of the Company Accounting auditors
Other (advice)	<ul style="list-style-type: none"> External experts (third-party evaluation support institutions)

Initiatives Going Forward

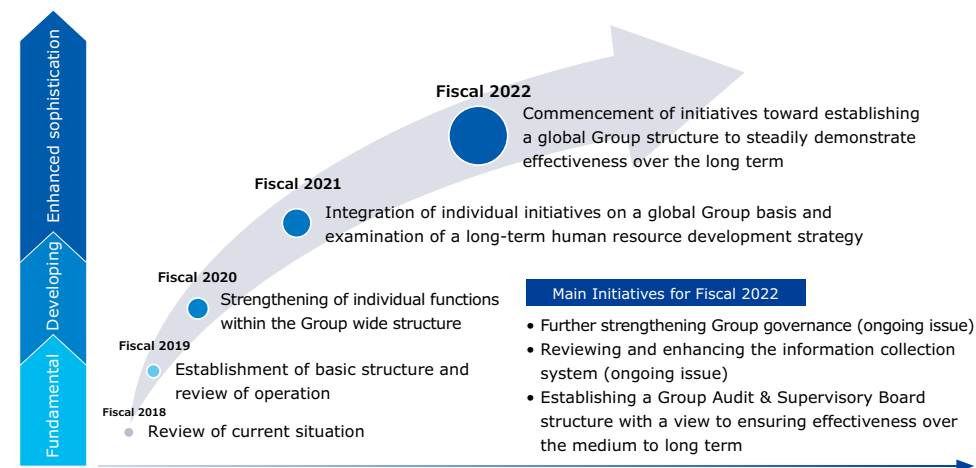
After having engaged in discussions on the evaluation and analysis for fiscal 2021, the Audit & Supervisory Board identified the following three points as issues to be addressed going forward.


- Further strengthening Group governance (ongoing issue)
- Reviewing and enhancing the information collection system (ongoing issue)
- Establishing a Group Audit & Supervisory Board structure with a view to ensuring effectiveness over the medium to long term

The Company is moving forward with a broad range of initiatives aimed at establishing a Group governance structure appropriate for a corporation with global businesses. As part of these initiatives, the Audit & Supervisory Board is working to establish a Group Audit & Supervisory Board structure by pursuing timely and appropriate collaboration with internal and external stakeholders while taking their perspectives into consideration.

The Company's Audit & Supervisory Board aims to become even more effective so that it can demonstrate best practices among companies in Japan in terms of playing its role in corporate governance in order to contribute to corporate value enhancement and support efforts to prevent harm to the Company.

Transition of Initiatives



 **Web** → Overview of the results of the evaluation of the Audit & Supervisory Board's effectiveness (March 25, 2022)

Our corporate governance reforms got their start with the establishment of the Nomination Committee and the Compensation Committee in 2000. These reforms were later accelerated after the implementation of Japan's Corporate Governance Code in 2015. We then went on to promote the separation of management and business execution functions beginning in 2018. Over the years, we have developed a number of frameworks, including standards for the dismissal of the CEO and the appointment of the Representative Director, officer term limits, CEO and Director succession plans, the Board of Directors Skill Matrix, and the CEO Skill Set. Meanwhile, we implemented annual action plans and PDCA improvement cycles for the Board of Directors. Through these ongoing and substantive improvements to corporate governance, we have sought to drive the sustainable growth of the Group and increase corporate value over the medium to long term.

The Asahi Group's corporate governance structure has continued to evolve as we implement various reforms matched to changes in the social climate.

These reforms have won us positive reviews from third parties as part of evaluations of the effectiveness of the Board of Directors and high evaluations from external ESG ratings firms.

Our quest to evolve our corporate governance structure to increase corporate value over the medium to long term knows no end. I am committed to promoting flexible, meticulous, and ongoing reforms based on changes to the social climate and the circumstances at the Company to ensure that our evolution is an enduring one.

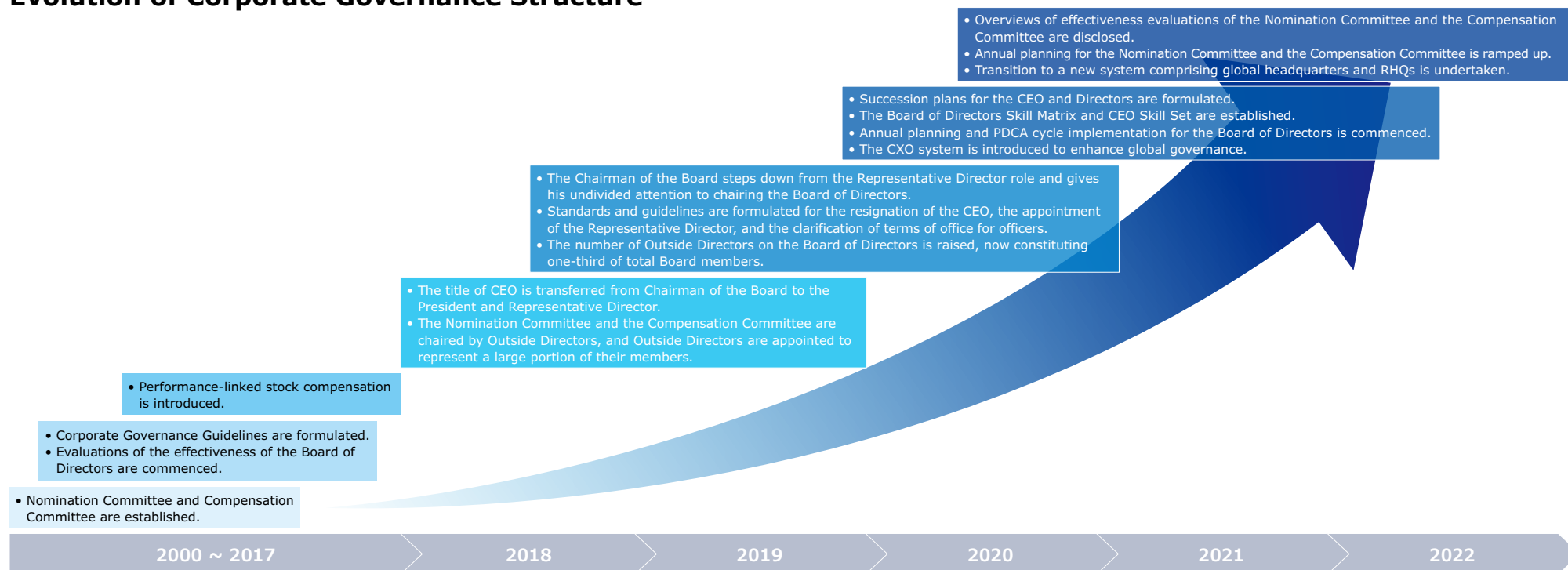
Moreover, this report will be used as an engagement tool to interact with and gain input from shareholders, investors, and other stakeholders on furthering the evolution of corporate governance at the Company.

I hope that stakeholders will continue to offer their frank opinions with regard to how we need to evolve corporate governance.



Keizo Tanimura
Director and Executive Officer,
CHRO

Evolution of Corporate Governance Structure





Corporate Profile

Asahi Group Holdings, Ltd.

Registered Address	1-23-1 Azumabashi, Sumida-ku, Tokyo 130-8602
Date Founded	September 1, 1949
Representative	Atsushi Katsuki, President and Representative Director, CEO
Paid-in Capital	¥220,044 million (As of December 31, 2021)
No. of Employees (Consolidated)	30,020 (As of December 31, 2021)
Net Sales (Consolidated)	¥2,236.1 billion (Fiscal 2021)