



# CORPORATE GOVERNANCE OF ASAHI GROUP 2023



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In principle, this report was created based on information current as of June 1, 2023.

## 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 Chairperson of the Board, I bear the responsibility of ensuring the Board's effectiveness, which is the cornerstone of strong corporate governance. 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

Akiyoshi Koji  
Chairperson 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.

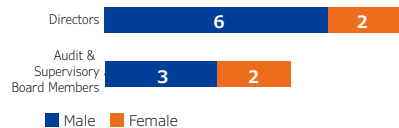
### Directors

<b>Mari Matsunaga</b> Independent Outside Director	<b>Tetsuji Ohashi</b> Independent Outside Director	<b>Kenichiro Sasae</b> Independent Outside Director	<b>Christina L. Ahmadjian</b> Independent Outside Director	<b>Akiyoshi Koji</b> Chairperson of the Board	<b>Atsushi Katsuki</b> President and CEO, Representative Director	<b>Keizo Tanimura</b> Director EVP and CHRO	<b>Kaoru Sakita</b> Director EVP and CFO
Outside	Outside	Outside	Outside	Internal	Internal	Internal	Internal

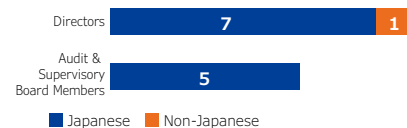
### Audit & Supervisory Board Members

<b>Sanae Tanaka</b> Independent Outside Audit & Supervisory Board Member	<b>Shigeo Ohyagi</b> Independent Outside Audit & Supervisory Board Member	<b>Yutaka Kawakami</b> Independent Outside Audit & Supervisory Board Member	<b>Naoko Nishinaka</b> Standing Audit & Supervisory Board Member	<b>Yukitaka Fukuda</b> Standing Audit & Supervisory Board Member
Outside	Outside	Outside	Internal	Internal

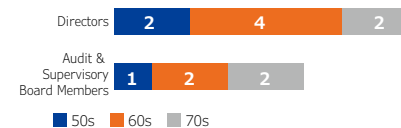
#### Gender



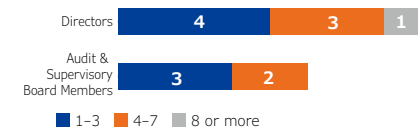
#### Nationality



#### 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 abilities 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, the Asahi Group Code of Conduct, and management strategies. 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 a majority of the Directors.



**Akiyoshi Koji**

Chairperson of the Board

**Tenure**  
17th year

### 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 Chairperson and Director, he has served as the Chairperson 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 possesses exceptional skills with regard to the roles prescribed for him in the Board of Directors Skill Matrix. In particular, he has exceptional senior leadership skills; insight and expertise pertaining to finance, human resources, and culture; long-term strategic skills supported by foresight and a mindset that embraces backcasting methodology; capacities for promoting discontinuous growth to transform business structures and earnings models; and sustainability-related capabilities that allow for ongoing development to be pursued based on a comprehensive perspective.

### Positions at Other Listed Companies

Outside Director of Imperial Hotel, Ltd.



**Atsushi Katsuki**

President and CEO,  
Representative Director

**Tenure**  
7th year

### Experience and Track Record

Atsushi Katsuki possesses a wealth of experience in such roles as Group CEO of an overseas Regional Headquarters (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&As as CFO. Serving as President and CEO, Representative Director since 2021, he has worked to achieve sustainable growth in beer and other existing businesses while leveraging the Company's operating foundations to expand into peripheral and new business and service domains based on the Medium- to Long-Term Management Policy, which enlists an approach that entails backcasting from megatrends. He has also promoted initiatives for achieving sustainable growth and increasing corporate value through co-creation with all of our stakeholders by integrating sustainability and management and further enhancing core strategies related to matters such as digital transformation and research and development.

### Areas of Particular Expertise

Atsushi Katsuki possesses exceptional skills with regard to the roles prescribed for him in the Board of Directors Skill Matrix. In particular, he possesses insight and expertise regarding long-term strategies, sustainability, senior leadership, and finance; capabilities for promoting discontinuous growth supported by his knowledge and experience concerning M&A activities; and the ability to make decisions from a global perspective by calling upon his extensive experience overseas.

## Introduction of Directors



### Keizo Tanimura

Director EVP and CHRO  
(Executive Vice President and  
Chief Human Resources Officer)

**Tenure**  
5th year

#### 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. 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 a 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. Moreover, his track record includes bringing about significant improvements to external assessments concerning ESG through his efforts in promoting the integration of sustainability and management in a manner culminating in numerous achievements including that of reducing levels of CO<sub>2</sub> 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 Group-wide 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 particular, he possesses excellent foresight with regard to DE&I and ESG trends and demonstrates capabilities pertaining to sustainability that call upon his ability to incorporate diverse individuals and cultures from a global perspective, and a capacity for understanding risk and corporate governance that is supported by insight and expertise regarding governance.



### Kaoru Sakita

Director EVP and CFO  
(Executive Vice President and  
Chief Financial Officer)

**Tenure**  
2nd year

#### Experience and Track Record

Kaoru Sakita boasts specialized skills and extensive experience, having served as a COO of an overseas RHQ and been previously involved in corporate planning, and was appointed as a Director of the Company in 2022, after which he has overseen areas pertaining to finance, procurement, and IT. Meanwhile, in his capacity as CFO, he has contributed to the improvement of financial health through the optimization of global cash management structures and the reduction of financial liabilities while also leading the reinforcement of procurement systems. Furthermore, he has been a proponent behind innovation through digital transformation strategies targeting the three areas of processes, organizations, and business models.

#### 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 particular, he has insight and expertise regarding long-term strategic perspectives, finance, and procurement; skills for promoting discontinuous growth backed by extensive experience pertaining to alliances and M&A activities; and the ability to make decisions from a global perspective by calling upon his extensive experience overseas.



### Christina L. Ahmadjian

Independent Outside Director

**Tenure**  
5th year

#### Experience and Track Record

Christina L. Ahmadjian possesses tremendous insight on corporate governance and organizational culture as an expert on global corporate management research. She also has experience serving in such roles as an outside director at other 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, integration of sustainability and management, DE&I, and organizational culture.

Christina L. Ahmadjian possesses exceptional skills with regard to the roles prescribed for her in the Board of Directors Skill Matrix. She possesses particularly high capabilities related to sustainability, global businesses, risk, governance, human resources, and culture.

#### 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, as Chairperson of the Nomination Committee she has worked to enhance the supervisory function of the Board of Directors by leading the proceedings of the committee in a fair and transparent manner. She has also reported to the Board of Directors on matters such as the Board of Directors Skill Matrix, oversight of the CEO succession plan, and proposals regarding officer appointments. Furthermore, as a member of the Compensation Committee, she gives specific opinions and recommendations regarding reports on matters such as the establishment of social value indicators for medium-term bonuses and the formulation of bonus payment proposals.

#### Positions at Other Listed Companies

Outside Director of Sumitomo Electric Industries, Ltd.  
Outside Director of NEC Corporation  
Outside Director of Niterra Co., Ltd.

## Introduction of Directors



### Kenichiro Sasae

Independent Outside Director

#### Tenure

2nd year

#### Significant Concurrent Position

President of The Japan Institute of International Affairs

### Experience and Track Record

Kenichiro Sasae was appointed as an Outside Director of the Company in 2022. He has actively participated in discussions and activities that contribute to supervision of the Board of Directors in regard to global business execution. He has done so from the perspective of geopolitical risks and international affairs based on his extensive knowledge and experience in relation to international politics and economics and as an outside officer at other companies as well.

In addition, as Chairperson of the Nomination Committee he has also worked to enhance the supervisory function of the Board of Directors by leading the proceedings of the committee in a fair and transparent manner. He has reported to the Board of Directors on matters such as the Board of Directors Skill Matrix, oversight of the CEO succession plan, and proposals regarding officer appointments. Furthermore, as a member of the Compensation Committee, he has expressed specific opinions and recommendations on matters such as the establishment of social value indicators for medium-term bonuses and the formulation of bonus payment proposals.

### 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. Kenichiro Sasae possesses exceptional skills with regard to the roles prescribed in the Board of Directors Skill Matrix. He possesses particularly high capabilities related to long-term strategies, global businesses, senior leadership, risk, and governance.

### Positions at Other Listed Companies

Outside Director of SEIREN CO., LTD.

Outside Director of MITSUBISHI MOTORS CORPORATION

External Director of Fujitsu Limited



### Tetsuji Ohashi

Independent Outside Director

#### Tenure

2nd year

#### Significant Concurrent Position

Chairman of the Board of Komatsu Ltd.

### Experience and Track Record

Tetsuji Ohashi has been an Outside Director of the Company in 2022. Based on his perspective as a manager of a global corporation and his experience as an outside officer at other companies, he contributes to effective and appropriate supervision of the Board of Directors by participating in discussions and activities and raising fundamental questions about Group governance and global business execution.

As a member of the Nomination Committee, he voices specific opinions and recommendations regarding the Board of Directors Skill Matrix, oversight of the CEO succession plan, proposals for officer appointments, and other matters. Furthermore, as a member of the Compensation Committee, he gives specific opinions and recommendations concerning reports on matters such as the establishment of social value indicators for medium-term bonuses and the formulation of bonus payment proposals.

### Areas of Particular Expertise

Tetsuji Ohashi fulfills his expected roles as a director as defined the Board of Directors Skill Matrix, at a high level. He possesses particularly high capabilities related to long-term strategies, global businesses, discontinuous growth promotion, senior leadership, and finance.

### Positions at Other Listed Companies

Outside Director of Yamaha Motor Co., Ltd.

Outside Director of Nomura Research Institute, Ltd.



### Mari Matsunaga

Independent Outside Director

#### Tenure

1st year

#### Significant Concurrent Position

Representative of Mari Matsunaga Office

### Experience and Track Record

Mari Matsunaga has worked at Japan Recruit Center, Inc. (currently Recruit Holdings Co., Ltd.) as editor in chief of *Shushoku Journal* and *Travail* magazines. She has also served as the head of the Planning Office for the Gateway Business Department at NTT Mobile Communications Network, Inc. (currently NTT DOCOMO, INC.), where she developed content for i-mode. Having assumed the position of director in March 2023, she can call upon her experience in developing new services and business models to actively point out and make recommendations pertaining to management issues from the perspective of promoting open innovation. In addition, it is anticipated that she will provide opinions and recommendations at meetings of the Board of Directors based on her extensive knowledge and broad insight into the culture and lifestyles of modern society.

### Areas of Particular Expertise

Mari Matsunaga possesses exceptional skills with regard to the roles prescribed for her in the Board of Directors Skill Matrix. She has particularly strong skills in relation to discontinuous growth promotion, senior leadership, risk, governance, human resources, and culture.

### Positions at Other Listed Companies

Outside Director of Seiko Epson Corporation

## 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 improvement 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 AGP, the Asahi Group Code of Conduct, and management strategies, and that the Audit & Supervisory Board will include at least one Audit & Supervisory Board Member with appropriate knowledge of finance and 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.



**Naoko Nishinaka**

Standing Audit & Supervisory Board Member

**Tenure**  
4th year

### Experience and Track Record

Naoko Nishinaka has a wealth of experience in all areas of the Group's operations, including in fields such as quality assurance, brewing technology, and beer development, and has been placed in charge of 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 possesses the high level of expertise necessary for an Audit & Supervisory Board Member of the Company. She 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.



**Yukitaka Fukuda**

Standing Audit & Supervisory Board Member

**Tenure**  
1st year

### Experience and Track Record

Yukitaka Fukuda has abundant management experience at the Group, mainly in finance and accounting, as an Executive Officer and General Manager of the Finance Section of the Company, President and Representative Director of Asahi Professional Management Co., Ltd., and Audit & Supervisory Board Member of Asahi Group Japan, Ltd.

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

Yukitaka Fukuda possesses the high level of expertise in finance and accounting necessary for an Audit & Supervisory Board Member of the Company; a breadth of insight regarding compliance, risk management, and internal audits; and extensive knowledge of the Company's businesses, including its Alcohol Beverages Business.



## Introduction of Audit & Supervisory Board Members



### Yutaka Kawakami

Independent Outside Audit & Supervisory Board Member

**Tenure**  
7th year

**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. In addition, he is performing his role of auditing the execution of duties by the Company's Directors, including those pertaining to the internal control system, by reviewing the audit status of domestic Group companies and the activities of overseas Group companies' audit committees.

#### Areas of Particular Expertise

Yutaka Kawakami possesses the high level of expertise necessary for an Audit & Supervisory Board Member of the Company. He 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.

#### Positions at Other Listed Companies

Outside Audit & Supervisory Board Member of Mitsubishi Research Institute, Inc.



### Shigeo Ohyagi

Independent Outside Audit & Supervisory Board Member

**Tenure**  
2nd year

**Significant Concurrent Position**  
Honorary Advisor of 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 served as CEO & President of a global corporation, Teijin Limited from 2008 to 2014, and the Chairman from 2014 to 2018.

Since being appointed as an Outside Audit & Supervisory Board Member, he has used his insight and experience to actively provide opinions and recommendations to the Board of Directors and the Audit & Supervisory Board from an objective perspective. In addition, he is performing his role of auditing the execution of duties by the Company's Directors, including those pertaining to the internal control system, by reviewing the audit status of domestic Group companies and the activities of overseas Group companies' audit committees.

#### Areas of Particular Expertise

Shigeo Ohyagi possesses the high level of expertise to be required for an Audit & Supervisory Board Member of the Company. He has a particularly high level of capabilities in terms of analyzing latent risks pertaining to overall global management as well as in terms of verifying the effectiveness of business strategies, cultivated during his many years of international business experience.

#### Positions at Other Listed Companies

Outside Director of Tokyo Electric Power Company Holdings, Inc.



### Sanae Tanaka

Independent Outside Audit & Supervisory Board Member

**Tenure**  
1st year

**Significant Concurrent Position**  
Representative of Sanae Tanaka Law Office

#### Experience and Track Record

Through her long years of practice as an attorney-at-law, Sanae Tanaka has accumulated the expertise in corporate legal affairs necessary for an Audit & Supervisory Board Member of the Company along with a high level of insight that enables her to audit management from the perspective of laws and regulations.

Since being appointed as an Outside Audit & Supervisory Board Member in March 2023, she has used her insight and experience as an attorney-at-law to actively provide opinions and recommendations to the Board of Directors and the Audit & Supervisory Board from an objective perspective. In addition, she is anticipated to perform her role of auditing the execution of duties by the Company's Directors, including those pertaining to the internal control system, by reviewing the audit status of domestic Group companies and the activities of overseas Group companies' audit committees.

#### Areas of Particular Expertise

Sanae Tanaka has an especially high level of insight and expertise pertaining to overall corporate legal affairs underpinned by her many years of experience as an attorney-at-law.

#### Positions at Other Listed Companies

Outside Director of Noevir Holdings Co., Ltd.  
Outside Director of Shochiku Co., Ltd.

## 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.

#### 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, the Asahi Group Code of Conduct, 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.

#### 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.

#### 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.

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.

## 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 Chairperson 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.

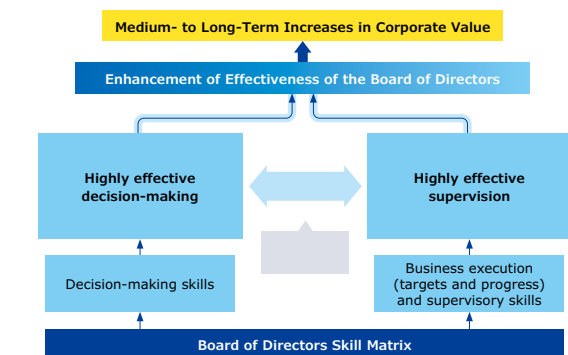
- Outside Directors shall account for a majority of all Directors.
- Also, an Audit & Supervisory Board comprised of a majority of Independent Outside Audit & Supervisory Board Members shall be in place, and these independent and autonomous individuals shall fulfill their roles and duties by auditing 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 the 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.



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#### A Continuous Positive Spiral of Enhancing Effectiveness

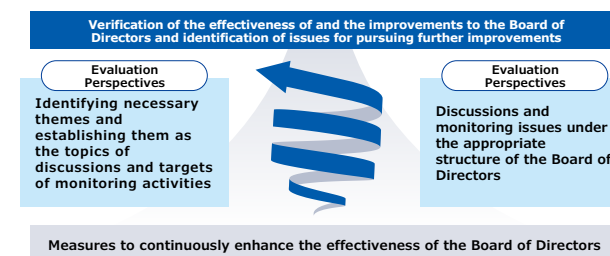
The Company's Board of Directors follows a Plan-Do-Check-Act (PDCA) cycle that consists of formulating an annual plan, conducting effective activities based on frameworks, evaluating the effectiveness of annual activities, and ensuring awareness of the issues uncovered through the effectiveness evaluation, 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.



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#### Evaluation of the Effectiveness of the Board of Directors

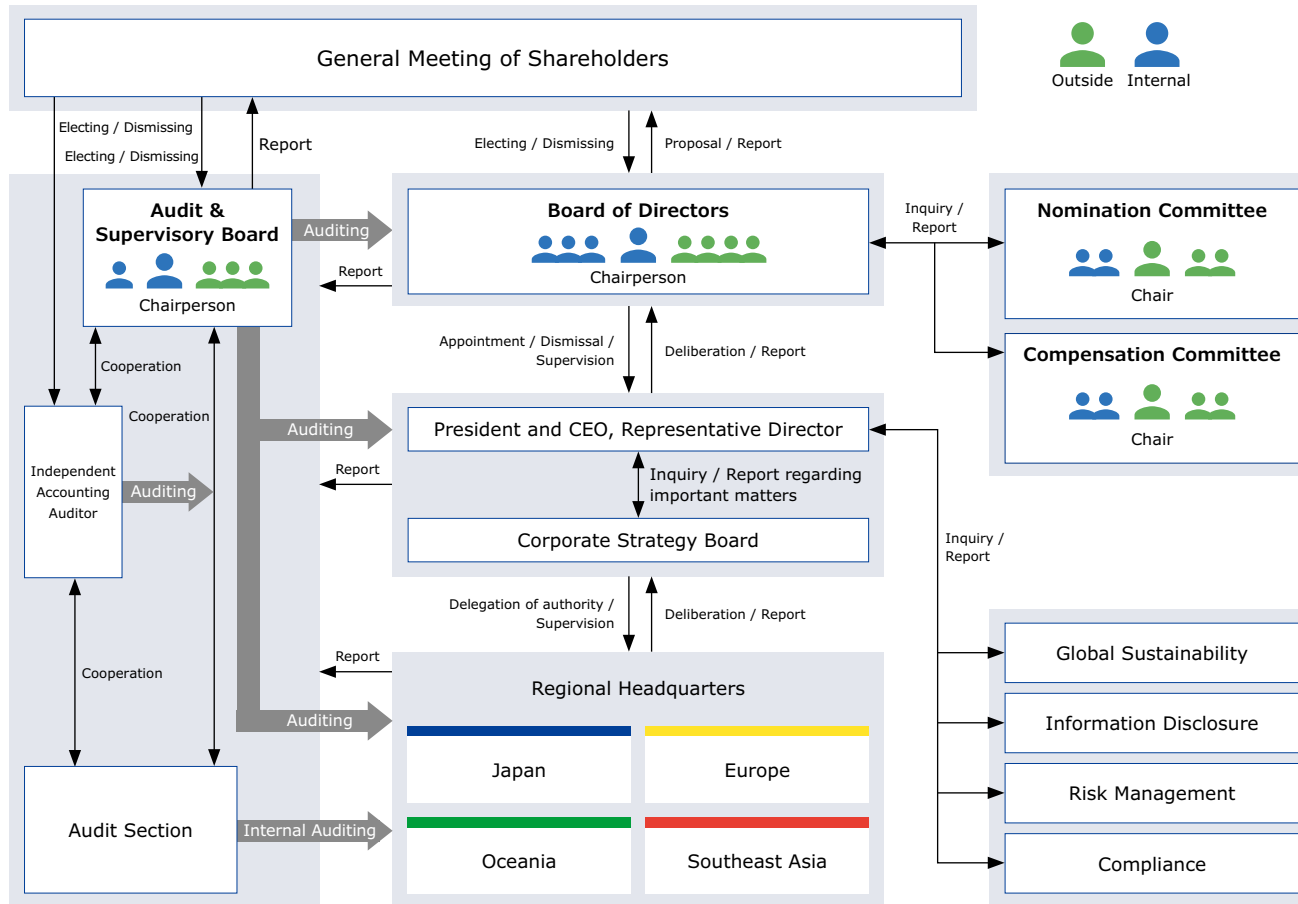
We continue to improve the quality and content of the Board of Directors' effectiveness evaluations by diversifying the criteria for assessment and incorporating evaluation methods that do not rely solely on point scores as well as the opinions of third parties. We aim to continue enhancing the effectiveness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



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# Corporate Governance Structure and Functions

## Corporate Governance System (As of April 1, 2023)



### 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. The Board of Directors comprises four Outside Directors and four Internal Directors and is chaired by a non-executive Internal Director. 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 regarding 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 regarding 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.

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.

<p><b>Discussions on Management's Approach to the Ultra-Long Term</b></p>	<p><b>Establishment of a Policy for the Medium- to Long-Term Business Portfolio</b></p>	<p><b>Determination of Medium- to Long-Term Management Policy</b></p>
<p>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.</p>	<p>We strengthen proactive and determined management by establishing a basic policy for the medium- to long-term business portfolio and revising it when necessary.</p>	<p>We determine and execute important corporate strategies, such as the Medium- to Long-Term Management Policy.</p>
<p><b>Strengthening of Decision-Making Processes through the Separation of Executive and Supervisory Functions</b></p>	<p><b>Deliberations on Corporate Officer Appointments and Remuneration</b></p>	<p><b>Ensuring Transparency, Fairness, and Appropriateness of Officer Appointments and Remuneration through the Nomination and Compensation Committees</b></p>
<p>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 Chairperson 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 executorial responsibilities, expedited decision-making by concentrating authority on the CEO, strengthened the monitoring functions of the Board of Directors, and improved decision-making processes.</p>	<p>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.</p>	<p>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.</p>
<p><b>Risk Governance</b></p>	<p><b>Contingency Measures of the Board of Directors</b></p>	<p><b>Evaluation of Effectiveness to Identify Issues and Pursue Continuous Enhancement of Effectiveness</b></p>
<p>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.</p>	<p>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 &amp; 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.</p>	<p>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.</p>

## Composition of the Board of Directors

### ■ 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, a majority 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 Board of Directors features an appropriate balance of the skills that are necessary and essential for enhancing its effectiveness. For this reason, the skill matrix indicates the skills that each Director is expected to exhibit based on their role and does not represent all of the insight and experience possessed by a given Director.

	Skill	Definition
Decision-Making Skills	Long-term Strategy	<ul style="list-style-type: none"> <li>Ability to assess societal changes over the long term and the ultra-long term</li> <li>Ability to lead according to strategies informed by backcasting from an envisioned future</li> </ul>
	Global Expertise	<ul style="list-style-type: none"> <li>Ability to make decisions from a global perspective</li> <li>Ability to optimize blend of local and global perspective</li> </ul>
	Sustainability	<ul style="list-style-type: none"> <li>Ability to provide leadership for the creation of social impact through business</li> <li>Ability to provide direction to management with knowledge and insight on ESG</li> </ul>
	Discontinuous Growth	<ul style="list-style-type: none"> <li>Ability to transform the business structure and earnings model</li> <li>Ability to encourage innovation and explore new areas of business</li> </ul>
Supervisory Skills	Senior Leadership	<ul style="list-style-type: none"> <li>Ability to accurately assess the status of business execution and raise related issues</li> <li>Ability to evaluate business execution of the leadership team</li> </ul>
	Finance	<ul style="list-style-type: none"> <li>Ability to grasp the state of management based on performance and management indices and raise related issues</li> <li>Ability to grasp the state of resource allocation and raise related issues</li> </ul>
	Risk & Governance	<ul style="list-style-type: none"> <li>Ability to grasp the state of risk control and raise related issues</li> <li>Ability to grasp the state of governance frame-works in place for business raise and identify related issues</li> </ul>
	Human Resources & Culture	<ul style="list-style-type: none"> <li>Ability to evaluate the capabilities of diverse human resources</li> <li>Ability to grasp the state of corporate culture and raise related issues</li> </ul>

Directors	Decision-Making Skills				Supervisory Skills				Expectations Regarding Exercise of Skills
	Long-term strategy	Global expertise	Sustainability	Discontinuous growth	Senior leadership	Finance	Risk & Governance	Human resources & Culture	
 Akiyoshi Koji	○		○	○	○	○		○	Expected to lead discussions on long-term strategies and other measures for improving corporate value at meetings of the Board of Directors and monitoring of business execution by Directors as Chairperson of the Board of Directors
 Atsushi Katsuki	○	○	○	○	○	○			Expected to drive improvements in corporate value by overseeing Group business execution as CEO
 Keizo Tanimura		○	○				○	○	Expected to drive improvements in corporate value by guiding and overseeing corporate divisions related to human resources, corporate governance, and sustainability
 Kaoru Sakita	○	○		○		○			Expected to drive improvements in corporate value by guiding and overseeing corporate divisions related to finances, procurement, and IT
 Christina L. Ahmadjian		○	○				○	○	Expected to offer input to the Board of Directors from a global perspective and to contribute based on the perspective as an expert on corporate governance, sustainability, and organizational culture
 Kenichiro Sasae	○	○			○		○		Expected to offer input to the Board of Directors from a global perspective and to contribute based on the perspective of geopolitical risks and international trends owing to a wealth of insight and experience pertaining to international policies and economics
 Tetsuji Ohashi	○	○		○	○	○			Expected to offer input to the Board of Directors from a global perspective and to contribute based on the perspective as a manager of a global company
 Mari Matsunaga				○	○		○	○	Expected to contribute to the Board of Directors based on experience in developing new business models and a wealth of insight and knowledge pertaining to culture and lifestyles in modern society

## 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 2022 (March 2022 to March 2023) are as follows.

Major Themes	Subthemes	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)	
Corporate governance	Overall governance	Corporate governance systems						○							
	Nomination	Annual activity plan for the Nomination Committee			○	○									
		Corporate officer appointments, succession plans for CEO and members of the Board of Directors, etc.	○							○			○	○	○
	Compensation	Annual activity plan for the Compensation Committee				○	○								
		Corporate officer remuneration, social value indicators for Director remuneration, assessment frameworks for Executive Directors, etc.	○						○			○			
		Revision of directors and officers (D&O) liability insurance plans									○				
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	Engagement with investors, employees, and other stakeholders			○		○				○	○				
Management strategy	Megatrends	Growth opportunities based on megatrends leading up to 2050								○					
	Medium-Term Management Policy	Next Medium-Term Management Policy (2023–2025)			○						○	○	○		
	Digital transformation strategies	Medium- to long-term digital transformation strategy and initiatives							○	○					
	R&D strategies	Medium- to long-term R&D strategy and initiatives						○							
	Human capital	Initiatives for enhancing human capital Employee engagement and related action plans				○					○				
Sustainability	Sustainability	Initiatives for integrating sustainability and management				○									
		Sustainability initiatives	○	○	○	○	○	○	○	○	○				
		Initiatives based on the Task Force on Climate-related Financial Disclosures and disclosure based on International Sustainability Standards Board recommendations												○	
Finance	Financial results	Quarterly, semi-annual, and full-year financial results		○			○			○			○		
	Shareholder returns	Interim and year-end dividends					○						○		
	Fund procurement	Funding planning and results			○							○			
	Cross-shareholdings	Verification of cross-shareholding rationale												○	
Business execution monitoring	Management status	Status of overall management and of management of four RHQ		○	○	○	○	○	○	○	○	○	○		
	Risk management	Risk management and risk appetite							○						
Foundations for improving effectiveness of the Board of Directors	Effective proceedings	Annual agenda planning, systematic discussions, and items to be reported to the Board of Directors		○				○						○	
	Enhanced information sharing	Information exchange meetings for increasing understanding of the Company's businesses, seminars by experts, etc.					○	○						○	
	Coordination with the Audit & Supervisory Board	Audit policies and plans, forums for sharing information among Audit & Supervisory Board Members and Outside Directors, audit overviews, and 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 the megatrends to be seen over the next 30 years based on the assumption that its vision for 10 years in the future will be realized sooner as a result of the COVID-19 pandemic. In these discussions, the Group has 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 leading up to 2030, both of which form the basis of its medium- to long-term strategies.

Grounded in the results seen leading up to fiscal 2021, discussions of megatrends in fiscal 2022 were advanced by soliciting input from external experts active in various fields. We also arranged opportunities for the exchange of opinions between the Board of Directors and young Group employees selected from 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.

Through these discussions, we advanced our examination of the megatrends to be monitored by the Company, specifically those in the four categories 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 categories of megatrends.

In terms of our outlook for 2050, we expect that changes in demographics, shifts in economic power, and technological advancement will give people new technological capabilities and free time, even as the world continues to deal 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 warranting ongoing attention as we formulate long-term strategies leading up to 2030.

We then reassessed the issues facing the Group in relation to each of the identified megatrends. 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 based on the strengths that provide us with a source for sustainable growth.

#### Topic

### Discussions with Young Group Employees from around the World

Discussions were arranged between young Group employees and members of the Board of Directors as one facet of our efforts to create value for the Group over the ultra-long term. Through these discussions, we sought to incorporate the diverse and multifaceted opinions of young employees, who have viewpoints differing from those of Directors and Audit & Supervisory Board Members, into examinations of ultra-long-term megatrends by the Board of Directors. Specifically, input was solicited from 40 young employees of diverse races, genders, and nationalities selected from around the world, and 10 of these individuals were chosen to take part in discussions with members of the Board of Directors. These individuals, who will be involved in shaping society 30 years from now, engaged in lively discussions with Directors 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 the Group’s business and social responsibility, the resolution of social issues through collaboration, supply chain sustainability, and products that contribute to well-being.

The opinions and proposals discussed during these sessions were used as the basis for discussions of ultra-long-term strategies by the Board of Directors. Going forward, we plan to hold similar events every year with the aim of further enhancing our megatrend analyses in the midst of extreme operating environment volatility.



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



## Role, Function, and Composition of the Nomination Committee

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



**I am committed to enhancing corporate value by ensuring the impartiality and appropriateness of officer assignments.**

**Kenichiro Sasae**  
Chairperson, Nomination Committee






### 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.

Following inquiries from the Board of Directors, we discuss the relevant matters 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 and skills necessary for the position, the diversity of the Board in terms of nationality and gender, and 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 2022. I recognize that this is an important committee with a heavy influence on the corporate value of the Company. I am fully committed to fulfilling my responsibilities to promote and enhance corporate governance and to thereby contribute to increases in corporate value.

### Members of the Nomination Committee in Fiscal 2023

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 (Outside Director)
 Internal	Member	Akiyoshi Koji (Chairperson of the Board)
 Internal	Member	Atsushi Katsuki (President and CEO, Representative Director)

### Activities in Fiscal 2022

The Nomination Committee convened a total of nine times in Fiscal 2022.

- Deliberation and reporting regarding the nomination of Director and Audit & Supervisory Board Member candidates
- Deliberation and reporting regarding the appointment of the Representative Director, Chairperson of the Board, President, CEO, and chief officers
- Discussions were held on matters regarding the selection of Nomination Committee members after reappointment, and the results thereof were reported to the Board of Directors
- Report on the Nomination Committee activity plan for fiscal 2022 to the Board of Directors
- Discussion on succession planning
- Discussion on acquisition and cultivation of human resources
- Discussion on the review of the Board of Directors Skill Matrix

## 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 Group-wide 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 such personnel in general, and specifies the skills necessary for the role of CEO from the perspective of assuming ultimate responsibility for business execution.

The chart below has been prepared in view of the Company’s internal and external business environment as of now and five years into the future, and it 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.

**Necessary Skills of the CEO**

**Personal Characteristics**

Ideal perceptions from inside and outside the Company, and ideal presence

- A leader who, as a representative of the Asahi Group, thinks the most deeply about the AGP, embodying a sense of mission and an ethical code
- A leader who, regardless of any business environment, always exhibits a clear vision that leads employees and an unshakable code of values
- A leader who actively encourages different thinking and achieves the growth of employees and the Company through maximizing the capabilities of employees

**Personal Traits**

Personality, attitude, and stance conducive to fulfilling duties

- Sincerity and humility
- Mental toughness
- Open-mindedness

**Capabilities**

Knowledge, ability, and expertise required to accomplish duties

- Foresight, decisiveness, and competency
- Organizational leadership
- Learning skills

**Performance Record**

Necessary experience and successes

- Experience as the foremost officer of an operating company or RHQ
- Experience in international operations
- Experience in addressing discontinuous growth

## 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.

### ■ Appointment and Dismissal of the CEO

In order to realize effective corporate governance, the Board of Directors appoints 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 appointment or dismissal of the CEO is based on the following guidelines. Such appointment and/or dismissal is deliberated on by the Nomination Committee and determined by the Board of Directors.

- 1) A person is nominated if they possess abundant experience, a high level of insight, and advanced expertise appropriate for the CEO of the Asahi Group, based on the Skill Set of the CEO.
- 2) A candidate shall be appointed as CEO after being deliberated on beforehand by the Nomination Committee and judged to be appropriate.
- 3) In the event that there is a possibility that the criteria for dismissal, which have been determined in advanced, are met by the CEO, 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 Directors 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 Directors. 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, Director Executive Vice Presidents, 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.

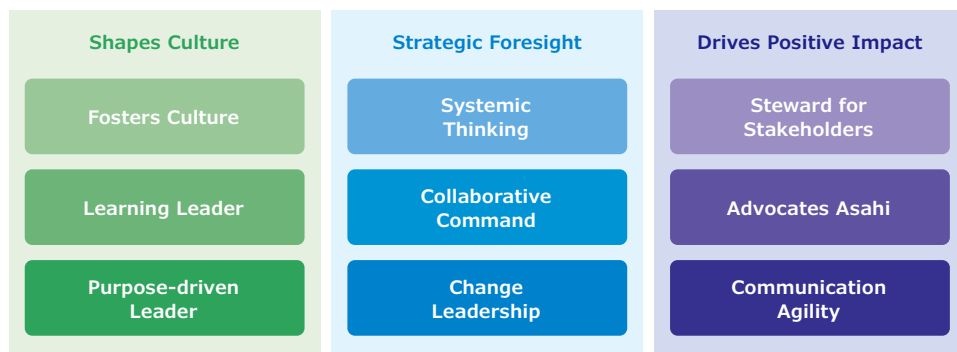
### Development of Succession Plans Based on Global Talent Reviews

#### Overview of Global Talent Reviews

Participants	CEO, Director Executive Vice Presidents, 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

\* GLDP Advance 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 the Compensation Committee

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



**I look to drive the improvement of corporate value by helping to globalize and evolve officer compensation systems.**

**Christina L. Ahmadjian**  
Chairperson, Compensation Committee

### 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. Once again serving as the Chairperson of the Compensation Committee, I will continue to drive the globalization and evolution of the Company's officer compensation systems.

### Members of the Compensation Committee in Fiscal 2023

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 EVP and CHRO)
 Internal	Member	Kaoru Sakita (Director EVP and CFO)

### Activities in Fiscal 2022

In fiscal 2022, the Compensation Committee met a total of nine 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 and reporting to Board of Directors of the appointment of members of the Compensation Committee after reappointment.
- Reporting to the Board of Directors regarding Compensation Committee activity plan for fiscal 2022
- Discussion of social value indicators for medium-term bonuses
- Discussion of evaluation systems for Executive Directors
- Discussion regarding officer compensation for fiscal 2022 and beyond

## 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 Director position or role.

##### — Variable Remuneration

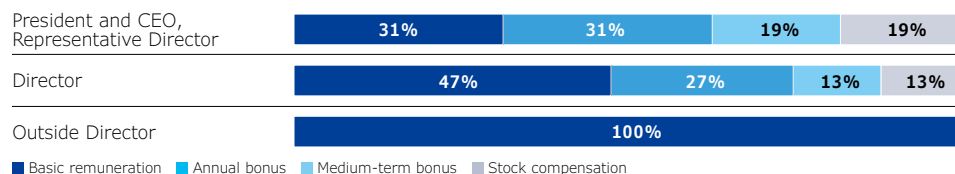
As a basic policy for further strengthening the incentive to strive for the Company's sustainable growth and enhancement of corporate value over the medium to long term, the system for Director bonuses has been designed in consideration of increasing the percentage of variable remuneration (incentive) 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. In regard to remuneration of individual Directors, authority for individual evaluations and the determination of individual remuneration based on evaluations have been delegated to the Compensation Committee via resolution by the Board of Directors.

### Composition of Remuneration (Model remuneration set when business performance targets are achieved in 2023)



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

Note: Listed based on the expected amounts at the beginning of fiscal 2023

## 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	In line with (i)	In line with (ii)	No
Malus and clawback provisions (return of incentive compensation)	No	Yes	Yes

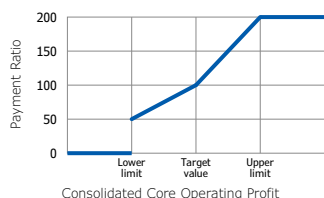
#### (i) Evaluation Method for Annual Bonus

##### 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\*

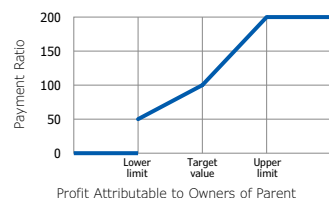
\* The individual evaluation coefficient comprehensively evaluates each individual's contributions to enhancing the effectiveness of the Board of Directors as a Director as well as their business execution performance as an Executive Director. Set at 100% when targets are met, fluctuates within a range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



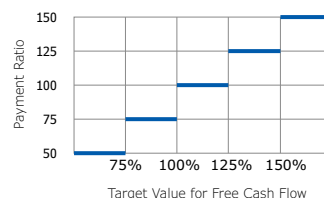
#### (ii) Evaluation Method for Midium-Term Bonus

##### 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 (%) Evaluation Criteria for Our Social Values

Evaluation	Payment Ratio	Evaluation Criteria for Our Social Values		
		Areas	Weight	Score
S	150	Climate Change	18%	1point-5points
		Plastics	18%	1point-5points
A	125	Communities	18%	1point-5points
		Responsible Drinking	18%	1point-5points
B	100	DE&I	18%	1point-5points
		External indicators	10%	1point-5points
C	75			
D	50			
Total		100%	1point-5points	100points-500points

- 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 (CO<sub>2</sub> emissions, plastics, communities, responsible drinking, DE&I, external indicators)
- Set at 100% when targets are met, fluctuates within a range from 50% to 150%

### 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 member status as inside or outside. Survey data from external professional organizations is also utilized in this process.

### Reference: Amount of the Remuneration for Directors and Audit & Supervisory Board Members (2022)

(JPY million)

	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)	11 (5)	320 (55)	6 (—)	234 (—)	6 (—)	87 (—)	5 (—)	86 (—)	727 (55)
Audit & Supervisory Board Members (of whom, Outside Audit & Supervisory Board Members)	6 (4)	123 (46)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	123 (46)

## 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.



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.

Based on the long-term strategy and concept of "Contribute to a sustainable society and respond to changing conceptions of well-being through delivering great taste and fun" and a view of the long-term and ultra-long-term changes expected to be seen in society and in the economy, the Medium- to Long-Term Management Policy is aimed at developing our ideal business portfolio by achieving growth in beer and other existing business through premiumization and by growing new business areas. Additionally, the plan targets sustainable growth by promoting the three core strategies of innovation through digital transformation, bolstering of our research and development capabilities, and integration of sustainability into our management. Other efforts to strengthen the management foundation that supports long-term strategies include enhancement of human capital and evolution of Group governance in order

to develop an optimal organizational structure. 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 Director Executive Vice Presidents, chief officers, 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, Director Executive Vice Presidents 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 Group-wide 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 Group-wide 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 the Management Team

### CEO



#### Atsushi Katsuki

President and CEO,  
Representative Director

##### Responsibilities

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

### Executive Vice Presidents and CXOs



#### Keizo Tanimura

Director EVP and CHRO\*

##### Responsibilities

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

\* Chief Human Resources Officer



#### Kaoru Sakita

Director EVP and CFO\*

##### Responsibilities

Finances, Procurement, and IT Functions

\* Chief Financial Officer



#### Taemin Park

CGAO\*

##### Responsibilities

M&A Activities, Collaboration, and Creation of  
Synergies between Each RHQ

\* Chief Growth & Alliance Officer

### RHQ CEOs



Japan



Europe



Oceania



Southeast Asia

#### Kenji Hamada

President and Representative Director, CEO  
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 Beverages, Soft Drinks, and Food businesses. He is committed to strengthening our operating foundations and achieving further expansion in the Japanese market to support the discontinuous 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 Beverages 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 the Effectiveness of the Board of Directors

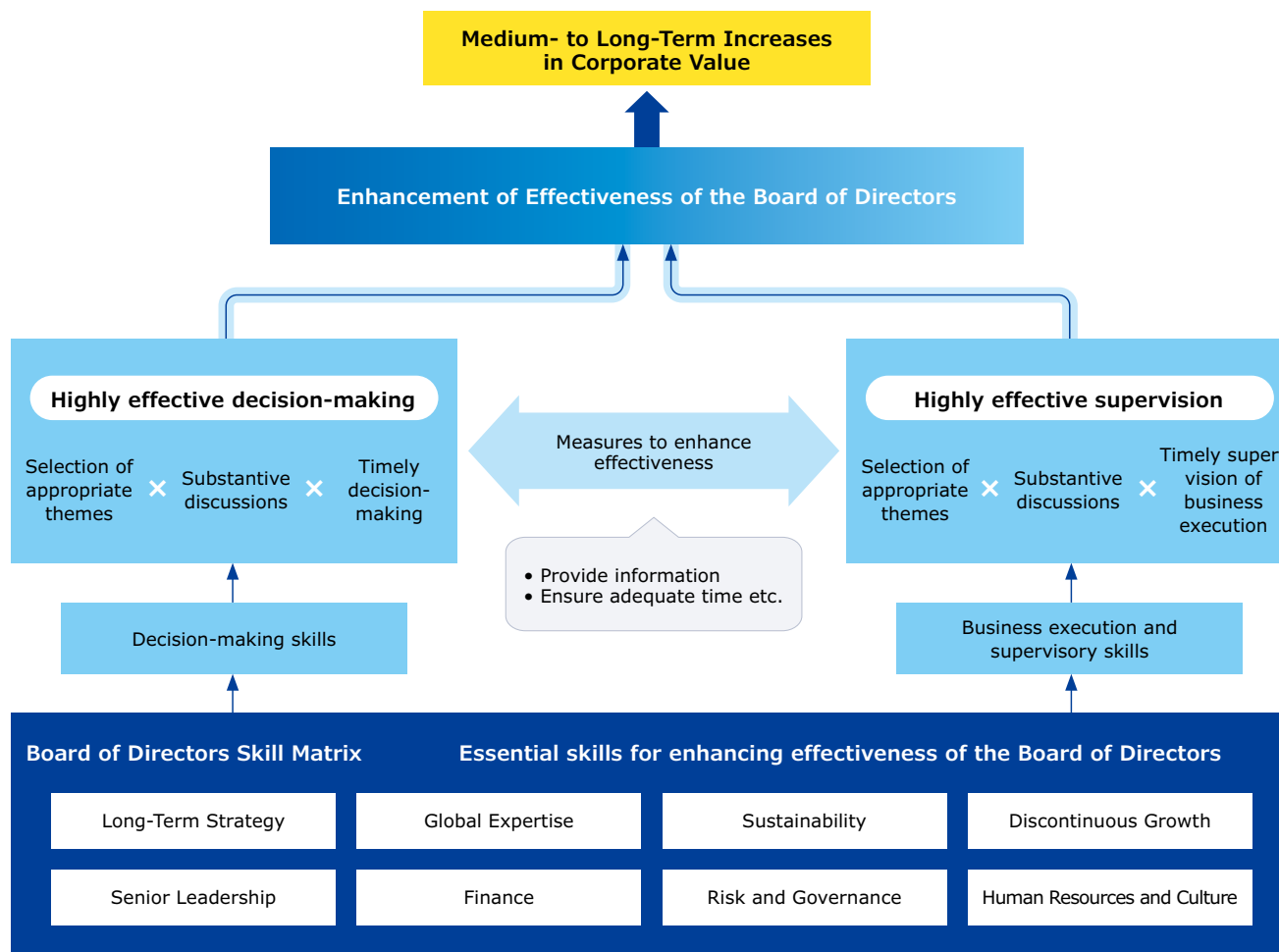
To implement the Asahi Group Philosophy (AGP), realize sustainable growth, and increase corporate value over the medium to long term, the Company’s Board of Directors must maintain a high level of effectiveness.

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.

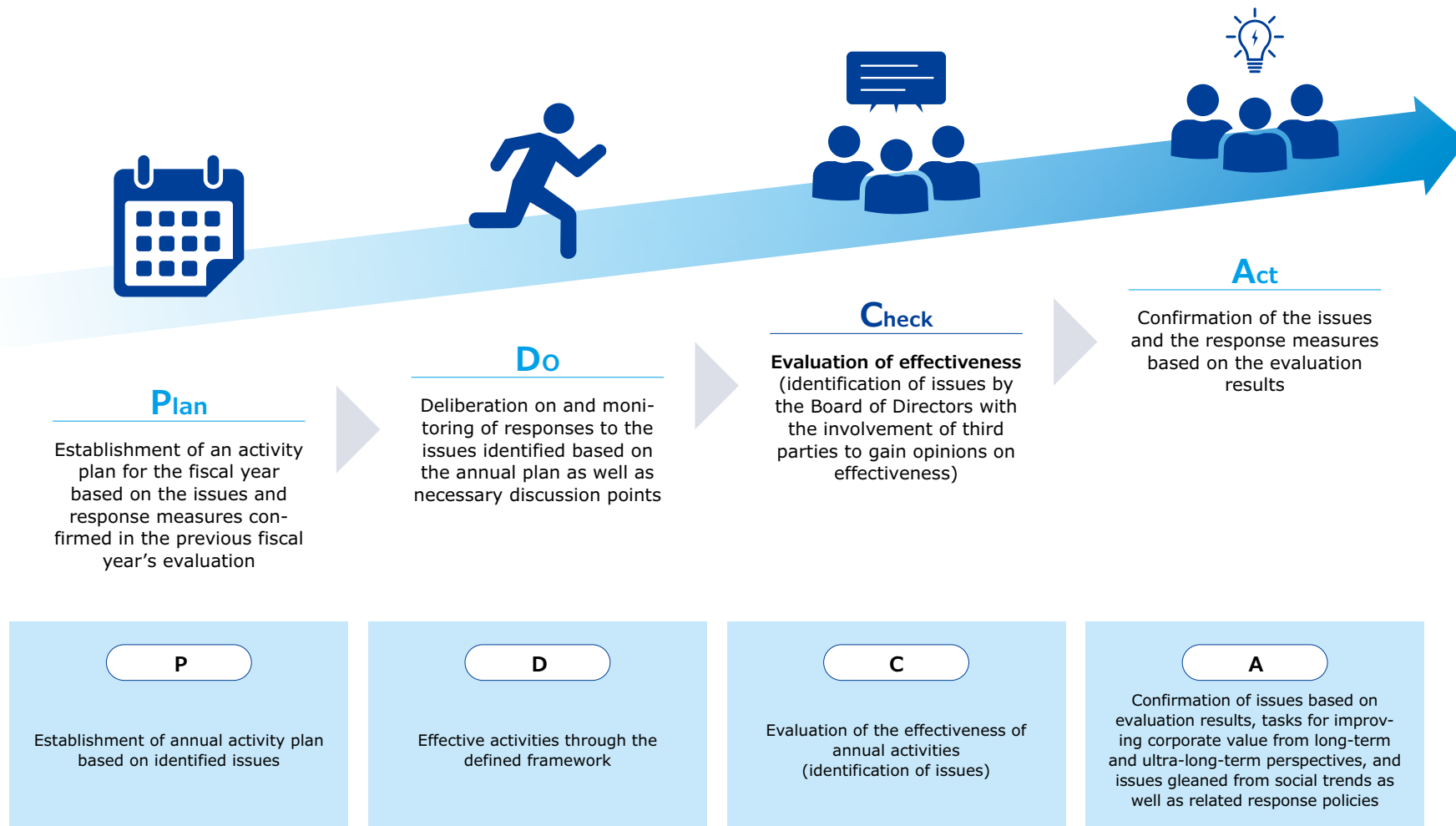
Through this type of framework, the Company’s highly effective Board of Directors promotes management based on the AGP with the aim of ensuring that the Asahi Group will continue to enjoy a high level of trust from its stakeholders well into the future.



## 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.



## Evaluation of the Effectiveness of the Board of Directors

The effectiveness of the Board of Directors (including the Nomination and Compensation committees) in fiscal 2022 was evaluated based on actual evaluations by the Board of Directors itself, a formal evaluation by the Secretariat of the Board of Directors, and the opinions of a third party who observed the entire process. This evaluation was carried out in order to realize sustainable growth and medium- to long-term improvement in corporate value. An overview of the results and the issues recognized through the evaluation are as follows. Please refer to the website below for more details.

### I. Summary of Evaluation Results

In fiscal 2022, the Board of Directors, Nomination Committee, and Compensation Committee functioned effectively and fulfilled their responsibilities for the continuous enhancement of corporate value over the medium to long term. The Board of Directors recognizes issues that should be worked on in order for the Company to be acknowledged by stakeholders globally and to continuously enhance corporate value in the future, and it sets out to address them.

### II. Recognized Issues

#### 1) Reconfirm the Company's vision for the Board of Directors

- Further discuss and confirm the roles the Board of Directors should fulfill and the necessary composition for the future
- Further discuss and confirm the functions that the Chairperson and each Director should carry out

#### 2) Further enhance the effectiveness of discussions, which are the basis of the Board of Directors' effectiveness

- Further clarify the agenda of the Board of Directors and enhance the quality of monitoring
- Strengthen initiatives for sharing diverse, necessary, and sufficient information with the Board of Directors in a timely and appropriate manner

Activities aimed at addressing these issues as well as medium- to long-term and continuous issues that were confirmed in fiscal 2021 will be incorporated into the annual activity plan of the Board of Directors, Nomination Committee, and Compensation Committee for fiscal 2023 and carried out.

### III. Reasons

- ◇ Because it has been judged that the Board of Directors properly planned the necessary themes under the necessary systems and sufficiently carried out deliberation and monitoring.
- ◇ Because issues were pointed out from a broad perspective for the enhancement of corporate value over the medium to long term.
  - Thus far, mechanisms and processes organized by the Board of Directors to enhance effectiveness have areas that need to be improved but are functioning effectively.
  - Discussions recognized as highly effective were carried out, such as those regarding sustainability and succession plans.
  - Issues to be addressed, such as discussion methods and the obtaining of information, have been recognized as topics for even more effective discussions by the Board of Directors.

### IV. Evaluation Method

The evaluation of the effectiveness of the Board of Directors in fiscal 2022 was conducted in a manner that shifted the focus from one of formality to one of substance. From December 2022 to January 2023, three types of evaluations (assessments by officers, the secretariat, and third parties) were received. Based on these evaluations and opinions, in March 2023 the Board of Directors held numerous discussions to finalize the evaluation of its effectiveness for fiscal 2022 and determine issues to be addressed in fiscal 2021. See the next page for details.

### V. Status of Response to Issues Addressed in Fiscal 2022

Through the evaluation of its effectiveness in fiscal 2021, the Board of Directors identified the four items on the next page as issues to be addressed and worked to respond to these issues under its annual activity plan for fiscal 2022. As a result, the Board received praise for addressing all of these issues in an appropriate manner. Given the nature of all these issues, the Board will continue to work toward addressing them.



Web → Overview of the results of the evaluation of the effectiveness of the Board of Directors, the Nomination Committee, and the Compensation Committee (March 28, 2023)

## Evaluation of the Effectiveness of the Board of Directors

### Evaluation Method

#### Evaluation by Directors and Audit & Supervisory Board Members

In a nongraded survey, all Directors were asked to provide their opinions regarding a small number of evaluation items that focused on substantive matters. The Directors were also interviewed by a third party. A survey of the Audit & Supervisory Board Members was also conducted using the same evaluation items as the Director survey. The results of these surveys and interviews were compiled and subsequently analyzed by a third party.

#### Evaluation by the Secretariat of the Board of Directors

The Secretariat of the Board of Directors, together with a third party, assessed formal evaluation items pertaining to the Board's effectiveness.

#### Third-Party Opinion

The Company received the opinions of a third party based on the evaluation by Directors and Audit & Supervisory Board Members and the evaluation by the Secretariat, as well as on materials such as the minutes from Board of Directors' meetings.

Based on these third-party opinions, the Board of Directors discussed and carried out an evaluation of the Board's effectiveness and confirmed issues to be addressed in order to further improve its effectiveness.

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

- The Board of Directors has an exceedingly high level of governance and functions extremely well.
- Leadership of the Board of Directors is functioning adequately with regard to the Long-Term Strategy and the Medium- to Long-Term Management Policy.
- Initiatives to further improve effectiveness are necessary regarding monitoring by the Board of Directors.
- The Company should change the content of discussions to develop a board of directors befitting of a global company.
- The Nomination Committee carefully thinks about external perspectives and carries out discussions in an extremely theoretical and careful manner.
- Further improvements to the Board of Directors Skill Matrix, such as determining the necessary skills, need to be continued.
- Regarding officers' remuneration, a benchmark based on global companies should also be emphasized.

### Response to the Issues Identified in Fiscal 2022

Identified Issues	Status of Response
i) Discussion of continuing megatrends by the Board of Directors (Monitoring of initiatives and creation of a rolling Medium- to Long-Term Management Policy)	<ul style="list-style-type: none"> <li>• Implementation of megatrend sessions with all Directors, Audit &amp; Supervisory Board Members, and young employees, and reaffirmation of the opportunities and risks of megatrends in 2050</li> <li>• Implementation of a rolling Medium- to Long-Term Management Policy based on awareness of the above</li> </ul>
ii) Implementation of discussions on corporate governance in anticipation of the new Group structure (Monitoring of enterprise risk management [ERM] and other factors)	<ul style="list-style-type: none"> <li>• Implementation of discussions on corporate governance by the Board of Directors. Discussion of issues including the structure after March 2024</li> <li>• Discussion of risk management by the Board of Directors. Confirmation of Group ERM initiatives and the Group headquarters crisis management structure</li> </ul>
iii) Monitoring of sustainability initiatives, including responses to new issues	<ul style="list-style-type: none"> <li>• Reporting and monitoring of status of combined sustainability and management initiatives by the Board of Directors</li> <li>• Monitoring of initiatives aimed at TCFD recommendations</li> </ul>
iv) Team initiatives for succession for the entire Board of Directors	<ul style="list-style-type: none"> <li>• Discussion of succession plans and the Board of Directors Skill Matrix by the Nomination Committee</li> <li>• Determination of social indicators for Director remuneration</li> </ul>

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

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

The Audit & Supervisory Board Members and the Audit & Supervisory Board play an important role in corporate governance by overseeing the execution of duties by the President, Directors, and other members of management in order to safeguard and contribute to the maximization of corporate value and thereby support the ongoing growth of the Asahi Group. In fulfilling this role, Audit & Supervisory Board Members act as independent authorities with a high degree of independence from the Board of Directors and management. Moreover, the benefits of the Audit & Supervisory Board Member system, namely, the ability for coordination between the Standing Audit & Supervisory Board Members and the Independent Outside Audit & Supervisory Board Members who represent a majority on the Audit & Supervisory Board, are utilized in activities to ensure the Company can fulfill its fiduciary duty and responsibility for accountability toward shareholders.

The Audit & Supervisory Board is composed of suitable individuals who reflect the conditions derived from the AGP, the Asahi Group Code of Conduct, and management strategies. This membership features an effective balance of the knowledge, experience, abilities, and diversity required by the Audit & Supervisory Board. 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 intimate knowledge of the Group's business possessed 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.



**Naoko Nishinaka**  
Chairperson of the Audit & Supervisory Board, Standing Audit & Supervisory Board Member

### Message from the Chairperson

The Audit & Supervisory Board Members and the Audit & Supervisory Board act, in collaboration with the Board of Directors, to contribute to transparent and high-quality corporate governance as a legally independent organ working on behalf of shareholders.

To ensure and improve the effectiveness of the Audit & Supervisory Board, ongoing effectiveness evaluations are conducted based on input from third-party organizations. This approach is taken to guarantee that the Audit & Supervisory Board can effectively fulfill its integral role in corporate governance to safeguard and contribute to the maximization of corporate value as the Asahi Group continues to globalize its business.

We are committed to earning the trust of all our stakeholders, both those inside and outside of the Company, and we welcome frank input regarding our activities.

### Major Activities of the Audit & Supervisory Board in Fiscal 2022 (Regular activity reports submitted to the Board of Directors)

1. Holding of 12 meetings
2. Discussion of the following topics:
  - Resolution of audit policies and plans for fiscal 2022 at the beginning of fiscal year and interim and full-year auditing activity reviews
  - Decisions regarding legally mandated items, including preparation of audit reports and appointment/dismissal and compensation of independent accounting auditor
  - Confirmation and discussion of quarterly review reports by independent accounting auditor, audit results, and key audit matters and response of independent accounting auditor
  - Examination of issues uncovered by evaluations of Audit & Supervisory Board effectiveness

### 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.)
- Exchanges of opinions with the Chairperson of the Board and the 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 the Chairperson of the Board and the 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
- Sharing of information and exchanges of opinions with standing audit & supervisory board members of domestic Group companies (confirmation of implementation status of internal control systems, risks, sharing of information, etc.)
- Meetings with audit & supervisory board members and audit departments of domestic Group companies
- Audits of domestic Group companies
- Participation in meetings of overseas RHQ audit (risk management) committees (confirmation of implementation status of internal control systems, risks, etc.)
- 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 as an ongoing initiative.

The evaluation is a self-assessment carried out by the Audit & Supervisory Board with the support of a third-party organization and is positioned as part of the PDCA cycle to further improve the effectiveness of the Board.

The overview of the evaluation of effectiveness in fiscal 2022 is as follows.

#### I. Evaluation Methods

The evaluation takes into account advice from the third-party organization based on the results of questionnaires and interviews of the Directors and Audit & Supervisory Board Members.

Evaluation Materials	Targeted Members
Results of questionnaires	<ul style="list-style-type: none"> <li>Audit &amp; Supervisory Board Members</li> <li>Standing Audit &amp; Supervisory Board Members of Group companies</li> <li>Head of the internal audit section of the Company</li> <li>Departments being audited by the Company and Group companies</li> </ul>
Results of interviews	<ul style="list-style-type: none"> <li>Standing and newly appointed Audit &amp; Supervisory Board Members of the Company</li> <li>Newly appointed Standing Audit &amp; Supervisory Board Members of Group Companies</li> <li>Head of the internal audit section of the Company</li> <li>Accounting auditors</li> </ul>
Other (advice)	<ul style="list-style-type: none"> <li>Third-party organization (evaluation support institution)</li> </ul>

#### II. Evaluation Results

The Company's Audit & Supervisory Board concluded that it functioned effectively in fiscal 2022.

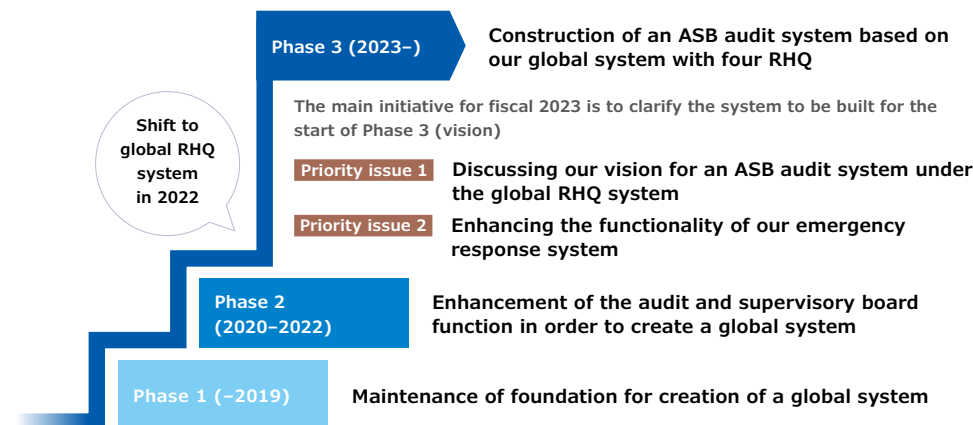
### III. Initiatives Going Forward

To continue maintaining the effectiveness of the Company's Audit & Supervisory Board going forward, the Audit & Supervisory Board must adopt a global perspective as we shift to a global system with four Regional Headquarters (RHQ) to execute business.

Based on recognition of the current situation, we have positioned fiscal 2023 as the year to launch a new global structure and have decided that the first key priority for this year is to discuss our vision for an audit and supervisory board (ASB) audit system under the global RHQ system.

Furthermore, the second key priority is to enhance the functionality of our emergency response system, including the verification of its effectiveness, since we reorganized the emergency response system in fiscal 2022.

As we continue to further advance globalization at the Company, we will strive to realize an effective Audit & Supervisory Board that contributes to enhancing corporate value and plays a role in corporate governance that prevents damage to this value.

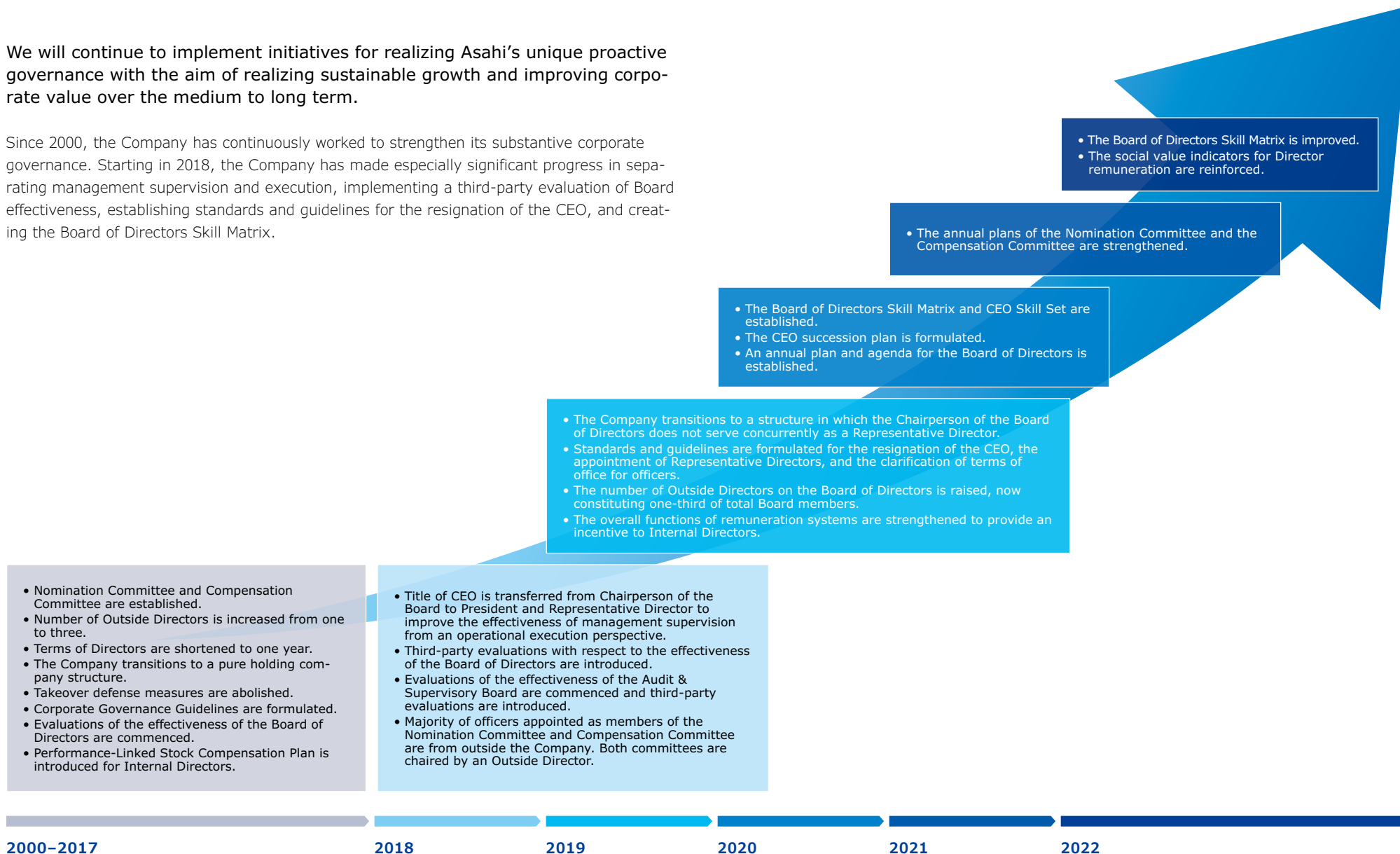


Web → Overview of the results of the evaluation of the Audit & Supervisory Board's effectiveness (March 28, 2023)

## Evolution of Corporate Governance at the Asahi Group

We will continue to implement initiatives for realizing Asahi’s unique proactive governance with the aim of realizing sustainable growth and improving corporate value over the medium to long term.

Since 2000, the Company has continuously worked to strengthen its substantive corporate governance. Starting in 2018, the Company has made especially significant progress in separating management supervision and execution, implementing a third-party evaluation of Board effectiveness, establishing standards and guidelines for the resignation of the CEO, and creating the Board of Directors Skill Matrix.







## Corporate Profile

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### **Asahi Group Holdings, Ltd.**

Registered Address 1-23-1 Azumabashi, Sumida-ku, Tokyo 130-8602  
Established September 1, 1949  
Representative Atsushi Katsuki, President and CEO, Representative Director  
Paid-in Capital JPY220,216 million (As of December 31, 2022)  
No. of Employees  
(Consolidated) 29,920 (As of December 31, 2022)  
Net Sales  
(Consolidated) JPY2,511.1 billion (Fiscal 2022)