

March 25, 2021

## Corporate Governance Guidelines

Asahi Group Holdings, Ltd.

Asahi Group Holdings, Ltd. (the “Company”), hereby clarifies the basic concept, framework and operations guide regarding corporate governance of the company group (the “Company Group”) consisting of the Company and its subsidiaries and affiliated companies in accordance with these guidelines.

### Basic Concept and Basic Policies regarding Corporate Governance

The Company is implementing a new group philosophy, the “Asahi Group Philosophy (AGP)” from 2019. AGP consists of four elements: Mission, Vision, Values and Principles. It articulates the Group’s mission and vision for the future, reaffirms values cherished and handed down over the years, and serves as its action guidelines for our stakeholders and the Group’s commitments to them.



## 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 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

The Medium-Term Management Policy, formulated based on the AGP, sets the following three key priorities. Under this policy, the Group enhances “Glocal Value Creation Management” by defining the items to work on.

- Strengthening earning power driven by high added value enhancement and earning structure reform
- Sophisticating management resources aimed at expansion of the new foundation for growth
- Reinforcing ESG initiatives supporting sustainable value creation process

The Company believes that “growth-oriented governance,” in which the Company makes transparent, fair, timely and decisive decision-makings, is indispensable for realizing sustained corporate value enhancement based on these matters.

Going forward, the Company shall establish the following policies and work to promote “growth-oriented governance” to achieve sustainable growth and increase corporate value over the medium- to long-term.

### **I. Respect for All Stakeholders**

The Company shall consider corporate value not only as a financial value but also as the sum of social values closely related therewith.

To continue to be a corporate group trusted around the world, the Company, while contributing to resolving social issues through our business activities, shall carry out constructive dialogues and practice appropriate collaboration based on its action guidelines for stakeholders and the Group’s commitments to them, defined in the AGP, including customers, employees, society, business partners and shareholders.

The Board of Directors and management, including the Representative Director and CEO (“CEO”), of the Company shall carry out appropriate communication and play a leadership role toward the realization of a corporate culture of respecting all the stakeholders and collaboration therewith while giving the utmost priority to compliance.

### **II. Ensuring Proper Information Disclosure and Transparency Thereof**

To promote constructive dialogues and appropriate communication with all stakeholders, the Company shall appropriately disclose information by endeavoring to provide easy-to-understand, useful information not limited to financial information but also including non-financial information such as management strategies, management issues, allocation of resources, risks, corporate governance, sustainability, and R&D.

### **III. Dialogues with Shareholders and Investors**

The Company shall promote constructive and purposeful dialogues with shareholders and investors through investor relations and shareholder relations activities to be conducted primarily by the Representative Director (CEO) for the purpose of contributing to the sustainable growth and the increase of corporate value over the medium- to long-term.

#### **IV. Responsibilities of the Board of Directors, Audit & Supervisory Board Members and the Audit & Supervisory Board**

The Board of Directors shall appropriately fulfill the roles and responsibilities including those mentioned below to achieve the sustainable growth and the increase of corporate value over the medium- to long-term of the Company, as well as to promote the improvement of earning capacity and capital efficiency by taking into account their fiduciary responsibility and accountability to shareholders.

- Identify themes necessary for the improvement of the Company's corporate value each year, set them as the target of deliberations and monitoring and conduct deliberations and monitoring appropriately under the necessary Board of Directors structure.
- Enhance foresight into medium- and long-term changes in the business environment and enhance proactive and determined management by promoting discussions on long-term megatrends with a view to the ultra-long term.
- Determine and execute important corporate strategies such as the “Medium-Term Management Policy.”
- Properly support risk-taking by the management, including the CEO, by streamlining the internal control system and risk management systems such as the enterprise risk management (ERM), and setting the risk appetite.

The Audit & Supervisory Board Members and the Audit & Supervisory Board shall, taking into account their fiduciary responsibility and accountability to shareholders, appropriately fulfill their roles and responsibilities by supervising the execution of duties by the Board of Directors and management, including the CEO, from an objective viewpoint that is independent from the Board of Directors and management, including the CEO, utilizing the advantages of the audit & supervisory board members system with its independence and in which the power of final decision making is given to each person and which has Standing Audit & Supervisory Board Members, and the fact that the majority of the board members are independent Outside Audit & Supervisory Board Members.

In addition, the Nomination Committee and the Compensation Committee have been established to act as advisory bodies to the Board of Directors. The majority of the members of each committee are independent Outside Directors and independent Outside Audit & Supervisory Board Members.

Under the system of these discretionary bodies, independent Outside Directors/Audit & Supervisory Board Members appropriately monitor the management, including the CEO, of the Company with high effectiveness.

## 1. Relationship with Diverse Stakeholders

The Company set out the following action guidelines and commitments (Our Principles) for enhancing corporate value, by working with its all stakeholders, in the AGP.

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 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

### (1) Management strategies and management plans

In the “Medium-Term Management Policy,” which was updated based on the AGP, the Company enhances “Glocal Value Creation Management” by working on the following three key priorities:

1. Strengthening earnings power by further enhancing added value and earnings structure reform
  - Promoting the premiumization strategy by enhancing high- added-value brands in all businesses and expanding the five global brands
  - Reforming the earnings structure in response to changes in the business environment
    - Targeting the efficiency of improving earnings structure (total for 2021–2023): over ¥50.0 billion for reallocating on business performance recovery and investments in the enhancement of management resources and reinforcing of ESG initiatives.
2. Enhance management resources aimed at expanding new foundations for growth
  - Bolstering investment in intangible assets (R&D, human resources, etc.) with the aim of boosting innovation and new value creation
  - Constructing new operating model by accelerating DX (Digital Transformation)
3. Reinforce ESG initiatives supporting our sustainable value creation process
  - Integrating sustainability into management strategy through such initiatives as “Asahi Group Environmental Vision 2050” and “Sustainable Communities”
  - Enhancing risk management systems (enterprise risk management), strengthening global governance centered on the three pillars in Japan, Europe, and Australia

### (2) Corporate Action Guidelines and Corporate Culture

In order to implement the AGP, the Company has prescribed specific practices for adoption by employees in the form of the “The Asahi Group Code of Conduct.”

The Company regularly surveys the compliance status of the “Asahi Group Code of Conduct,” etc. Receiving the report on the survey analysis results, the Board of Directors reviews whether a corporate culture that respects the intent and spirit of the guidelines has been promoted.

### (3) Issues over sustainability such as social and environmental problems

The Company has established “supporting our sustainable value creation process through ‘Reinforcing ESG Initiatives’” as one of the key priorities in the Medium-Term Management Policy, and while following the “Asahi Group’s Sustainability Principles,” “Asahi Group’s Sustainability Vision,” the material issues and the themes for initiatives, the entire Group will work on the global issue of sustainability.

#### Asahi Group’s Sustainability Principles

The Asahi Group is striving to realize the tastiness of products and services that exceed consumer expectations, using the blessings of nature. We preserve finite nature to hand down the important blessings of nature to future generations.

The Asahi Group is striving to bring more fun to life through its products and services. We build a sustainable society to allow a better life to be inherited.

#### Asahi Group’s Sustainability Vision

Based on the Sustainability Principles, we will strive to create values toward a better future in all regions where we operate by incorporating “Environment,” “People,” “Communities,” “Health,” and “Responsible drinking” into our corporate strategy. Through these initiatives, we will continue to take on challenges and innovation to contribute to achieving the United Nations Sustainable Development Goals (SDGs).

#### Material Issues and Themes for Initiatives

Environment:	Climate change, Sustainable raw material procurement, Sustainable containers/packaging (plastics issue), Sustainable water resources, Circular economy
People:	Respect for human rights, Human Resources Development, Diversity, Workforce health and safety
Communities:	Create people-to-people connection, Realize sustainable supply chains
Health:	Secure food safety & reliability, Create value of health
Responsible drinking:	Reduction in inappropriate drinking, Solution of social issues through creation of new drinking opportunities

The Company will strive to provide effective communication on the Group’s sustainability initiatives by disclosing such information on its website.

(Japanese version) <https://www.asahigroup-holdings.com/csr/>

(English version) <https://www.asahigroup-holdings.com/en/csr/>

#### (4) Diversity

The Company has developed a "Diversity and Inclusion Statement" and believes that being a diverse and multicultural organization makes us stronger and more innovative, and is the key to our long-term success. We aim to create a future where each individual is respected and their individuality is accepted, and where they can grow as an individual and as a professional. We will foster a corporate culture in which everyone can express themselves freely, where ideas come from everywhere, and where all employees can contribute to a better future.

In addition, the Company aims to promote healthy living and the enrichment of society worldwide, by providing a level of inspiration that exceeds people’s expectations as a result of addressing their various needs and expectations. We do this on the basis of our awareness that various needs and expectations for

products and services coexist, given that societies and markets worldwide are made up of many different types of people with numerous diverse attributes in terms of genders, ages, disabilities and nationalities.

## **2. Relationship with Shareholders and Investors**

### **(1) Ensuring rights of and equality among shareholders**

The Company shall make suitable responses to substantially ensure the rights of shareholders in accordance with applicable laws and regulations. The Company shall also take full care of the interests of foreign and/or minority shareholders and improve the environment in which shareholders can exert their rights appropriately.

Recognizing that every shareholder is equal in accordance with his/her equity interest, the Company strives to ensure substantial equality of shareholders.

Also, the Company strives to conduct appropriate information disclosure by posting various information for shareholders and/or individual investors with updates, as needed, on its website.

Also, consideration is given to the exercise of shareholders' rights by foreign shareholders. For this purpose, in addition to posting information for shareholders and foreign investors on the English website, an English-version Convocation Notice of the Annual General Meeting of Shareholders is issued. Furthermore, the Company has streamlined a system that allows for employees assigned to assist the Audit & Supervisory Board, who are not be subject to directives or orders from Directors, under the control of the Audit & Supervisory Board, so that Audit & Supervisory Board Members can handle claims from any minority shareholders against the Company or any officer, independently from the Board of Directors or management, including the CEO, to ensure the substantial rights of minority shareholders.

The Company will take appropriate measures in accordance with its prescribed methods after engaging in information cooperation with the transfer agent in cases where institutional investors, etc. who own shares under the name of trust banks, etc. express their wish in advance to participate in the general meeting of shareholders and exercise their voting rights in place of the nominee shareholders.

### **(2) General Meeting of Shareholders**

The Company carefully studies and selects the date and time of the Annual General Meeting of Shareholders so that its shareholders can sufficiently examine agenda items for the meeting and exercise their voting rights. Accordingly, the opening time is set to be in the afternoon of a date avoiding the so-called date of concentration. The Convocation Notice of the Annual General Meeting of Shareholders is dispatched at an early stage and is promptly disclosed on websites, the Listed Company Search on the website for the Tokyo Stock Exchange, and an electronic voting platform no later, in principle, than one week before it is dispatched.

The Company strives to enhance the provision of the various information considered necessary for its shareholders to exercise their rights at the general meeting of shareholders and delivers such information

in the form of the Convocation Notice, the Reference Materials for the General Meeting of Shareholders and the Business Report. The Company also provides, as needed, the summary report of financial results, timely disclosure and the posting of data on its website.

Moreover, the Company endeavors to improve the environment under which all shareholders can properly exercise their voting rights through measures such as the electronic exercise of voting rights and preparation of an English version of the Convocation Notice.

The Board of Directors of the Company analyzes the causes for the dissenting votes on agenda items above a certain number and appropriately carries out dialogues with shareholders both direct and indirect.

### (3) Dialogues with shareholders and investors

The Company's basic stance of handling a request for an interview from any shareholder and investor looking forward to a constructive dialogue that would contribute to the sustainable growth and the increase of corporate value over the medium- to long-term is that Representative Director (CEO) or Director shall respond to such request depending on the purpose as necessary.

To promote constructive dialogues with shareholders and investors, the Company shall appoint an officer who controls IR and/or financial affairs to lead dialogues with shareholders and investors and ensure well-organized collaboration among the auxiliary organizations by providing the information for the dialogues. In addition, to promote such constructive dialogues with shareholders, the Company shall endeavor to understand the shareholder structure and conduct various explanatory meetings and visits to domestic/overseas investors by the Representative Directors or Directors, of which the results shall be shared with the Board of Directors and the management, including the CEO, as needed.

As for the dialogues with shareholders and investors, the Company shall strive to prevent leakage of insider information.

### (4) Increasing and upgrading information disclosure

To contribute to sustainable growth and increases in corporate value over the medium- to long-term, the Company formulated the "Disclosure Policy" regarding its information disclosure and proactively addresses the voluntary disclosure of information in accordance with this policy.

Regarding financial and non-financial information disclosure, the Company strives to provide further well-balanced information between financial and non-financial information by publicizing the Integrated Report, in addition to the statutory disclosure, timely disclosure and other information disclosures on the website. Furthermore, the Company promotes constructive dialogues with investors at explanatory meetings for investors by providing detailed explanations about non-financial information.

The Company prepares English materials for statutory documents, the Integrated Report, closing accounts-related materials and timely disclosure information from the viewpoint of fairness in information disclosure to domestic and overseas shareholders and investors. Such materials are posted on the Company's website as part of its information disclosure to overseas shareholders and investors.

(5) Capital policy, etc.

The Company explains its capital policy at occasions such as the “Medium-Term Management Policy,” financial results briefings and the general meeting of shareholders, as well as by filing the Securities Report and through timely disclosure in order to improve earning capacity and capital efficiency to address the sustainable growth and the increase of corporate value over the medium- to long-term.

In the event that the Company attempts to implement any capital policy that might cause a change in controlling rights or a large-scale dilution of shares (including share offerings and management buyouts), the Board of Directors of the Company shall sufficiently explain its views to achieve shareholders’ understanding at occasions such as press releases and individual explanatory meetings after having studied said matter from the viewpoint of increasing corporate value and the common interests of its shareholders. However, such matter shall be left eventually to the shareholders’ judgment, and the Company shall not unduly inhibit the shareholders’ right to sell the Company’s shares.

The Company shall take appropriate measures against any person who attempts to make a large-scale purchase in accordance with the Financial Instruments and Exchange Act, the Companies Act and other related laws and regulations such as requesting provision of necessary and sufficient information for the shareholders to properly determine whether to approve or disapprove the large-scale purchase, disclosing the opinions, etc., of the Board of Directors of the Company and endeavoring to secure enough time for shareholders to contemplate the large-scale purchase.

(6) Basic policy regarding cross-shareholdings and the exercise of voting rights relative to such cross-shareholdings

The Company does not maintain certain holdings of shares when such holdings are deemed as neither contributing to its sustainable growth nor increasing its corporate value over the medium- to long-term, in terms of asset and capital efficiency improvement for enhancing “Glocal Value Creation Management” based on the AGP.

The cross-shareholdings are examined in terms of their holding purpose, risks, performance as measured against capital cost, etc., and the appropriateness of holding the shares is comprehensively reviewed every year by the Board of Directors. In the event that a shareholding is deemed to not contribute the Company’s sustainable growth or to the increase of its corporate value over the medium- to long-term, the result of said review shall be disclosed and the Company shall sufficiently engage in requisite dialogue with the counterpart entity, as a shareholder. Shareholdings that are deemed to not be improvable, even after engaging in dialogue, will be sold in a timely and appropriate manner.

The Company appropriately exercises voting rights of the stocks held thereby by comprehensively judging whether the relevant proposals contribute to the sustainable growth and the increase of corporate value over the medium- to long-term of the Company, and whether they contribute to the common interests of the investee’s shareholders.

### **3. Board of Directors and Audit & Supervisory Board**

#### **(1) Responsibilities of Directors and Management, including the CEO**

Under the recognition that the sustainable growth and the increase of corporate value over the medium- to long-term of the Company is a fiduciary responsibility, the Directors and the management, including the CEO, recognize that corporate value is not only a financial value but also the sum of social values closely related therewith. Under the aforementioned recognition, they put into practice the cooperation with various stakeholders in the course of practicing the AGP and promoting the “Medium-Term Management Policy.” The Board of Directors will identify necessary themes and set them as the target of deliberation and monitoring every year, and appropriately deliberate and monitor under the necessary system of the Board of Directors to ensure the sustainable growth and the increase of corporate value over the medium- to long-term of the Company, as well as to promote the improvement of earning capacity and capital efficiency by taking into account their fiduciary responsibility and accountability to shareholders.

The Board of Directors will also enhance its foresight into medium- and long-term changes in the business environment and enhance proactive and determined management by promoting discussions on long-term megatrends with a view to the ultra-long term.

The Board of Directors will appropriately fulfill their roles and responsibilities. Such initiatives include determining the “Medium-Term Management Policy” and promoting their execution, properly supporting risk taking by the management, including the CEO, by streamlining the internal control system and the risk management system such as the enterprise risk management (ERM), and setting the risk appetite.

Management, including the CEO, makes drafts prepared for management strategies, “Medium-Term Management Policy” and annual management plans, in accordance with the business environment. In deliberating these plans, the Board of Directors takes care to plan the meetings as a venue for constructive discussion by avoiding ritual discussion with measures as needed such as sharing information with Outside Directors and a preliminary explanation of agenda items thereto in the review process carried out by the management, including the CEO, or by receiving opinions from the Audit & Supervisory Board Members, thereby aiming for the sustainable growth and the increase of corporate value over the medium- to long-term of the Company.

The Board of Directors and management, including the CEO, consider that it is essential for them to obtain shareholders’ understanding of the Company’s management strategies for the sustainable growth and the increase of corporate value over the medium- to long-term of the Company.

The Board of Directors strives to explain to shareholders and investors, precisely and carefully, management policies such as profit planning and allocation of resources, which are key components of such management strategies, and other major issues addressed thereby.

The Board of Directors and management, including the CEO, recognize that “Medium-Term Management Policy” is one of the most important commitments made to shareholders, and identify and analyze the progress of the policy.

The Board of Directors strives to deepen dialogues with stakeholders and considers the “Medium-Term

Management Policy” a part of an “engagement agenda (agenda for constructive dialogues).”

The Board of Directors decides personnel affairs and remuneration matters of executive directors such as representative directors, and management, including the CEO, every fiscal year based on the following:

- The results of performance evaluations with reference to the “Medium-Term Management Policy” and annual plan, conducted by the Board of Directors
- The results of evaluations of each executive director such as representative directors, and member of the management, including the CEO, conducted by the Nomination Committee
- The results of evaluations of each executive director such as representative directors, and member of the management, including the CEO, conducted by the Compensation Committee

The Directors shall appropriate the time and labor that are required to fulfill their roles and responsibilities, and concurrent positions shall be limited to a reasonable extent. (Refer to 5. Supplementary information (2).)

The Board of Directors strives to keep an atmosphere in which free, vigorous and constructive discussions are ensured by offering occasions for discussions and exchange of opinions between outside officers and executive directors such as representative directors (management, including the CEO), regarding the agenda items that should be discussed at the Board of Directors and the business climate surrounding the Company.

#### (2) Audit & Supervisory Board Members’ responsibilities

Audit & Supervisory Board Members understand that they are, together with Directors, responsible for the governance of the Company, and that corporate value is not only a financial value but also the sum of social values closely related therewith, under the recognition that they have a fiduciary responsibility to contribute to the sustainable growth and the increase of corporate value over the medium-to long-term of the Company. With this in mind, Audit & Supervisory Board Members shall contribute to the sustainable growth and the increase of corporate value over the medium-to long-term of the Company by auditing the execution of duties by Directors, such as decisions taken at meetings of the Board of Directors, reporting as necessary to the Board of Directors or to Directors and expressing their opinions and so on at meetings of the Board of Directors.

Audit & Supervisory Board Members shall appropriate the time and labor that are required to fulfill their roles and responsibilities, and concurrent positions shall be limited to a reasonable extent. (Refer to 5. Supplementary information (2).)

#### (3) Succession plan

Given that unprecedentedly rapid changes are foreseen in the business environment surrounding corporations, the Company positions the succession of management, including the CEO, and the reinforcement of its pipelines as the most important priorities in ensuring the sustainable growth of the Company. Accordingly, the Company formulates a succession plan of the Chief Executive Officer (CEO) and other leading persons, according to a framework that takes into consideration not only individual

capability requirements and criteria for election and dismissal but also transparent and fair governance, and the building of a pipeline enhanced with a suitable number of individuals with suitable capabilities, and such will be done while receiving advice from the Nomination Committee with reference to the requirements for the officers, which are determined based on the group philosophy, Asahi Group Code of Conduct and management strategies of the Company. The Board of Directors appropriately oversees such succession plan of the management, including the CEO, and receives reports from the Nomination Committee as necessary.

#### (4) Structure of the Board of Directors

To ensure balance and diversity in terms of the knowledge, experience, and ability of the entire board deemed necessary for the sustainable growth and the increase of corporate value over the medium- to long-term of the Company, the Company has decided that the Board of Directors is to be composed of persons suitable as the Company's Directors who have a wealth of experience, excellent insight, and ability expertise required by the Company, with reference to the "Skill Matrix of the Board of Directors," which clearly states the personal requirements of company officers based on the Asahi Group Philosophy, along with the Asahi Group Code of Conduct, and corporate management strategy. Of Directors, 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 at least 1/3 of the Directors.

The Board of Directors shall establish a Nomination Committee and a Compensation Committee to act as advisory bodies to the Board of Directors, in order to recommend candidates for Directors, Audit & Supervisory Board Members, Representative Directors and CEO, and formulate remuneration system for Directors. In order to improve fairness, objectivity and transparency with regard to these matters, the committees shall be made up of five individuals, namely two independent Outside Directors, one Outside Audit & Supervisory Board Member, and two internal directors, with an independent Outside Director as the chairperson, and shall deliberate or make decisions on important matters, based on regulations determined upon resolutions by the Board of Directors.

#### (5) Election and dismissal of Directors, Audit & Supervisory Board Members, and management, including the CEO

In order to realize effective corporate governance, for Director and Audit & Supervisory Board Member candidates, and for management, including the CEO, the Board of Directors shall elect individuals who will contribute to the sustainable growth and the increase of corporate value over the medium-to long-term of the Company.

The nomination of Director and Audit & Supervisory Board Member candidates, and the election and dismissal of management, including the CEO, shall be deliberated by the Nomination Committee, and determined upon resolutions by the Board of Directors. The concepts of nomination of Director and Audit & Supervisory Board Member candidates, and the election and dismissal of management positions,

including the CEO, are as follows.

- Individuals nominated for Director, Audit & Supervisory Board Member or management, including the CEO, shall possess a wealth of experience, excellent insights and expertise, while ensuring that diversity is maintained with regard to such factors as gender and international experience.
- After being deliberated beforehand by the Nomination Committee, having been judged to be appropriate, and having received the accord of the Audit & Supervisory Board in the case of Audit & Supervisory Board Members, the Committee shall nominate candidates for Director and Audit & Supervisory Board Members, as well as management, including the CEO, respectively.
- With regard to executive directors, such as representative directors (management, including the CEO), performance shall be deliberated periodically by the Nomination Committee every year. In the event that these deliberations produce a result that meets the criteria for dismissal as determined by the Board Of Directors, after the result of these deliberations has been verified by the Board of Directors, the relevant individual shall not be nominated as a candidate for Director, and in addition, he or she shall be dismissed from the position as representative director or executive director (management, including the CEO).

(6) Remuneration for executive directors, such as representative directors (management, including the CEO)

Remuneration for executive directors, such as representative directors (management, including the CEO), is determined within the total remuneration amount that has been determined at the General Meeting of Shareholders in advance. When determining remuneration at the Board of Directors, the content is considered at the Compensation Committee, which is an advisory body with outside officers accounting for more than half and an Outside Director serving as the chairperson, to improve transparency and objectivity, and is determined through fair processes.

The remuneration is set at a level of remuneration aimed at 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 using Japanese companies with business operations that are the same in scale as those of the Company as the main group of benchmark companies.

The remuneration amount for each Director shall be deliberated and determined by the Compensation Committee, based on the evaluation of the individual by the Compensation Committee and the extent to which performance targets are achieved.

In addition to “basic remuneration” and “annual bonus” linked to short-term performance, the specific composition of the remunerations shall include a “medium-term bonus” linked to medium-term performance, and a “stock compensation,” intended to motivate recipients to achieve sustainable growth and corporate value over the long term, and to align interests and risks with those of shareholders.

In addition to individual evaluation, the “Medium-Term Bonus Plan” shall introduce social value indicators as performance indicators to strengthen the motivation of Directors to improve corporate value not only

from the perspective of financial value, such as sales and profits, but also from the viewpoint of enhancing social value through initiatives related to the environment and corporate governance. In terms of specific social value indicators, the performance indicator shall consist of external investment evaluations related to environmental and social issues (ESG indices), which will be evaluated on the extent to which targets are achieved over three years, so as to objectively and fairly assess the improvement in the Company's social value, and reflect this in remuneration.

(7) Independent Outside Directors and Independent Outside Audit & Supervisory Board Members

The Company has elected three independent Outside Directors and three independent Outside Audit & Supervisory Board Members, each with a broad stakeholders' viewpoint, to contribute to the sustainable growth and the increase of corporate value over the medium- to long-term of the Company and enhancement of social value.

The Board of Directors has established standards as set forth in 5. Supplementary information (3) for objectively assessing the independence of the Outside Directors and Outside Audit & Supervisory Board Members. An Outside Director/Audit & Supervisory Board Member lacks sufficient independence for the Company if any of the standards apply.

The Company shall elect experts, etc., who have a variety of experience and broad insight as Outside Directors and Outside Audit & Supervisory Board Members, in order that the Company receives useful advice given their expertise and/or broad viewpoints and reflects their opinions in the management of the Company, including through deliberations of each agenda item at the Board of Directors meetings.

To realize high levels of corporate governance, the Company addresses the objectivity and transparency relative to the recommendations of candidates for Directors and Audit & Supervisory Board Members, the remuneration system for Directors and the planning of remuneration drafts, via establishment of discretionary organs, the Nomination Committee and the Compensation Committee, in each of which more than half the committee members consist of independent Outside Directors and independent Outside Audit & Supervisory Board Members as committee members who have no conflict of interest with the general shareholders, to act as advisory bodies to the Board of Directors.

To contribute to the sustainable growth and the increase of corporate value over the medium- to long-term of the Company, the Company engages in information sharing and opinion exchange with the executive directors, such as representative directors (management, including the CEO) and representatives of important Group companies, including those overseas, with the aims of acquiring information required for activating discussions of the Independent Outside Officers at the Board of Directors and strengthening their collaboration with executive directors, such as representative directors (management, including the CEO).

(8) Delegation of authority to Representative Director (CEO) and executive directors (management)

The Board of Directors shall, in addition to specifying the matters to be resolved by the Board of Directors in the Regulations of the Board of Directors, and delegating determination of the matters that are not to be

resolved by the Board of Director to the Representative Director (CEO), delegate the execution of such matters to the Representative Director (CEO) and executive directors. The Board of Directors shall receive reports from the Representative Director (CEO), as the individual ultimately responsible for management and execution, and from the executive directors, as the individuals responsible for execution in the various operations, and supervise them accordingly. (Refer to 5. Supplementary information (1).)

(9) Roles and responsibilities of the Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board of the Company consists of five Audit & Supervisory Board Members, of which three shall be Outside Audit & Supervisory Board Members who meet the requirements of independent officers as defined by the Company. (Refer to 5. Supplementary information (3))

For Audit & Supervisory Board Members, individuals who have knowledge of finance, accounting and legal affairs are elected. One or more Audit & Supervisory Board Members who have abundant knowledge of finance and accounting are elected. Outside Audit & Supervisory Board Members shall be elected from among accounting experts, lawyers and corporate managers who have a wealth of experience and broad insight in certain professional fields.

Moreover, some employees who are not subject to directives or orders from Directors and management, including the CEO, are assigned as dedicated staff under the Audit & Supervisory Board.

The Standing Audit & Supervisory Board Members attend important meetings such as the Corporate Strategy Board; examine important documents for approval; collect information from the Directors, the organizations in charge of internal audit and other employees; report the collected information to the Audit & Supervisory Board; discuss with the Outside Audit & Supervisory Board Members; and conduct appropriate audits on the management of the Company.

In addition, the Audit & Supervisory Board Members strive to strengthen collaboration through the exchange of information with Outside Directors, as the need arises, and other means.

In fulfilling their roles and responsibilities, the Audit & Supervisory Board Members and the Audit & Supervisory Board positively and aggressively exert their authority and appropriately determine and conduct matters from an objective, independent standpoint, by taking into account their fiduciary responsibility to shareholders. Under such an auditing system, their duties are not limited to the so-called legitimacy audit as they integrate the expertise held by Outside Audit & Supervisory Board Members and the information held by internal Audit & Supervisory Board Members.

(10) Internal control

The Board of Directors has formulated the “Basic Policies on Development of an Internal Control System” and regularly receives reporting and confirms the overall operating status of the risk management system. The Board of Directors receives reporting and confirms regularly the conditions of the internal control for financial reporting.

(11) Risk management

With regard to the Company's risk management, in addition to conducting risk management by the organizations in control of the relevant fields, Risk Management Committee identifies and evaluates key risks across the Asahi Group, and plans response to the risks. The Board of Directors receives reports from the Committee on the details of their deliberations, and provides supervision to ensure that it operates effectively. The Board of Directors defines cases of emergency to be handled at the Board of Directors and the response guidelines.

(12) Internal reporting

In accordance with the "Basic Policies on Development of an Internal Control System" that was formulated by the Board of Directors, the Company has established an internal reporting system. Not only an internal contact but also external contacts that are independent from management are available, enabling communication with external lawyers and/or Audit & Supervisory Board Members.

In the internal reporting system, informants are protected as it is clearly forbidden to treat the informants at a disadvantage and anonymous whistle blowing is allowed according to the internal regulations. The reported information will be managed strictly in secrecy according to the internal regulations and be reported to and appropriately handled by the Compliance Committee for deliberations thereat by taking into account the objective views of external lawyers.

The operating status of the internal reporting system is regularly reported to the Board of Directors, which oversees said operating status.

(13) Evaluation of the Effectiveness of the Board of Directors and Audit & Supervisory Board

Every year, the Board of Directors shall regularly evaluate, analyze and verify the progress of the "Medium-Term Management Policy" and the implemented status of the annual management plan based on the "Medium-Term Management Policy," as well as review and execute improvements of such year's and following year's management plans. The Board of Directors shall strive to improve its functions with these measures, thereby intending for the sustainable growth and the increase of corporate value over the medium- to long-term of the Company.

To contribute to the increase of corporate value over the medium- to long-term of the Company, the Company shall analyze and evaluate the effectiveness of the Board of Directors. Every year, the Board of Directors shall identify necessary themes based on the results of the evaluation for the preceding fiscal year and set them as the target of deliberations and monitoring, and determine the evaluation items and analysis methods for such analysis and evaluation to evaluate appropriate deliberation and monitoring under necessary Board of Directors system. Based on the evaluation of the respective Directors, checks of formalities by the secretariat and opinions of an external third party, the Board of Directors shall conduct the said evaluation at the Board of Directors in the first quarter of the following year, and disclose the

summary of the evaluation results. In addition, the Company shall conduct an evaluation by an external third party every three years.

Every year, the Audit & Supervisory Board shall regularly evaluate, analyze and verify audit processes and audit results in relation to the effectiveness of the audit for important audit items and so on, as well as review and execute improvements of such year's and following year's audit plans. The Audit & Supervisory Board shall strive to improve its functions with these measures, thereby intending for the sustainable growth and the increase of corporate value over the medium- to long-term of the Company. In the first quarter of every year, an evaluation of the previous year shall be conducted, and the summary of the evaluation results shall be disclosed.

#### (14) Transactions with related parties

With regard to all of its transactions including those with related parties which are executed by the Company, the Company examines their appropriateness from professional viewpoints such as finance, accounting, taxation and legal affairs depending on the transaction scale and significance and executes them given the necessary approvals, in accordance with internal regulations.

The content of the respective transactions is regularly audited by the organizations in charge of internal audit and may be examined by the Audit & Supervisory Board Members at any time.

Conflicting interest transactions by Directors are conducted upon approval of the Board of Directors in accordance with applicable laws and regulations, and the results thereof are reported to the Board of Directors.

#### (15) Access to information of the Board of Directors and support system

To activate deliberations at the Board of Directors, the Company delivers materials for meetings of the Board of Directors prior to the meeting by ensuring sufficient time for preliminary examination by the Directors and Audit & Supervisory Board Members depending on the content thereof. The Company also provides, as needed, other necessary materials that could serve to further understand management conditions in addition to said materials for meetings of the Board of Directors.

Annual schedules and intended agenda items for the Board of Directors are determined in advance considerably ahead of the scheduled meetings of the Board of Directors upon schedule adjustment. The frequency of meetings of the Board of Directors is set by taking into account timely and appropriate deliberations thereat.

When meetings are held, to ensure sufficient time for deliberation, the items to be discussed and the time for a meeting of the Board of Directors are coordinated accordingly.

The Directors and Audit & Supervisory Board Members actively strive to collect information to effectively fulfill their roles and responsibilities.

Also, the Company supports the exchange of information and knowledge among outside officers by providing a place, separate from the meetings of the Board of Directors, where Outside Directors and

Outside Audit & Supervisory Board Members can regularly exchange information.

The Company has established a secretariat both at the Board of Directors and the Audit & Supervisory Board, assigned appropriate persons thereat and supports the respective secretariats by providing necessary information thereto. The secretariat of the Board of Directors and the secretariat of the Audit & Supervisory Board respond to requests on information from each Director/Audit & Supervisory Board Member to provide necessary information to the utmost extent.

Furthermore, the Directors and Audit & Supervisory Board Members receive advice from external specialists including attorneys at law and Certified Public Accountants to obtain reference information for deliberation at the Board of Directors.

#### (16) Training of Directors and Audit & Supervisory Board Members

The Company has set the requirements according to the stage of each officer that are necessary for the sustainable growth and the increase of corporate value over the medium- to long-term of the Company. Based on said requirements, the Company therefore provides measures and information to improve the individual performance of all officers according to training programs tailored to each officer.

Also, as the need arises, the Company implements measures to improve the individual performance of all officers including lectures by experts and various presentations.

The Company provides summary information regarding business activities, financial data and organization of the overall Company Group at the time of assumption of office by any Outside Director/Audit & Supervisory Board Member.

#### (17) Measures as asset owners

With regard to the management of the corporate pension funds, the Company will take measures to perform its role as an asset owner.

In particular, the Company strives to reliably ensure the payment of pension funds to beneficiaries, now and in the future, formulating strategic asset composition ratio from medium- to long-term perspectives while listening to the opinions of asset management institutions. In addition, the Company regularly monitors the asset management status of pension fund assets, and when required, it revises the strategic asset composition ratio that has been formulated. The Company will conduct comprehensive evaluation that will encompass not only asset management performance but also qualitative evaluation such as investment policy, asset management processes and compliance. With regard to the asset management, the organization in charge of the Company's finance checks the status and has a system in place to provide advice and proposals to each Group Company.

## **4. Accounting Audit**

### (1) Independent Accounting Auditor

The Company provides an appropriate audit environment to guarantee fair and proper audits by the Independent Accounting Auditor. This policy includes ensuring sufficient audit time that enables high-quality audits, ensuring due cooperation such as communications with management including the CEO and CFO (Chief Financial Officer), and holding information exchange meetings with the Audit & Supervisory Board Members, the organizations in charge of internal audit and independent Outside Directors.

Should any defect or problem be identified or a fraud requiring corrective measures be discovered by the Independent Accounting Auditor, management, including the CEO, and/or the heads of the respective organizations shall respond by dealing with such problems depending on the significance. Moreover, if required by the Independent Accounting Auditor, appropriate measures are taken including additional audit proceedings, etc.

## (2) Election and evaluation of the Independent Accounting Auditor

The Audit & Supervisory Board of the Company oversees and verifies that the Independent Accounting Auditor maintains its independence and carries out appropriate audits and confirms that the auditing methods used by the Independent Accounting Auditor and the results of its audit are appropriate.

Meanwhile, the Company confirms that the Independent Accounting Auditor is independent in accordance with the “Guidance on Independence” published by the Japanese Institute of Certified Public Accountants and verifies and confirms that the Independent Accounting Auditor has the necessary expertise.

In electing and evaluating the Independent Accounting Auditor, based on the Standards for Election, Dismissal or Refusal of Reelection of the Accounting Auditor set by the Audit & Supervisory Board, the following factors are examined and judged in a comprehensive manner: it shall have a certain company scale and global network, which ensure efficient auditing services that are commensurate with the range of the Company’s extensive business content; its evaluation system shall be highly streamlined with independence and transparency being ensured; the days of audit, the audit period, the specific procedure for conducting audits and audit expenses are reasonable and valid; and the past achievements of audits are exemplary.

## 5. Supplementary information

### (1) List of matters subject to resolution at the Board of Directors

1. Matters regarding the Management Basic Policy
  - (1) Establishment and significant revision of the corporate philosophy
  - (2) Establishment and significant revision of the Long-Term Vision
  - (3) Establishment and significant revision of the basic policy and guideline on corporate governance
  - (4) Establishment and significant revision of the basic policy on the succession plan
  - (5) Establishment and revision of basic policy for the purpose of developing an Internal Control System in accordance with the Companies Act
2. Matters regarding the medium-term and annual management and closing accounts-related matters
  - (1) Determination and significant revision of Medium-Term Management Policy and annual management plans
  - (2) Determination of evaluation regarding effectiveness of the Board of Directors and outline of its results  
“Matters regarding financial results and dividends”
3. Matters regarding the General Meeting of Shareholders  
“Matters designated by law”
4. Director-related matters
  - (1) Determination of candidates of Directors
  - (2) Election and dismissal of representative directors
  - (3) Order of substitute officers to fill the position in case the Representative Director is prevented from acting as such
  - (4) Election and dismissal of the Chairman of the Board of Directors, President and other Directors with titles
  - (5) In case the Chairman of the Board of Directors is absent or is prevented from acting as the Chairman of the Board, the decision of and change in the order of other Directors who should act as such to preside over the Board of Directors meeting by convening said Board of Directors meeting
  - (6) Directors’ duties in charge
  - (7) Election and dismissal of committee members of the Nomination Committee and the Compensation Committee
  - (8) Determination of the remuneration systems for Directors
  - (9) Matters regarding provision of bonuses for Directors, etc.
  - (10) Revision and abolition of Stock Distribution Regulations for remuneration of Directors
  - (11) Approval of any competitive transactions conducted by Directors

- (12) Approval of any transactions between Directors and the Company or Directors' transactions with the Company for the sake of a third party
  - (13) Approval of any conflict-of-interest transactions between the Company and Directors
  - (14) Amendment of Regulations of the Board of Directors, and revision and abolition of Regulation of the Nomination Committee and Regulation of the Compensation Committee
5. Personnel-related matters
    - (1) Election and dismissal of the CEO (Chief Executive Officer) and CXO
    - (2) Approval or disapproval regarding the election and/or dismissal of CEO, etc., of the RHQ (Regional Head Quarter)
  6. Share/Bond-related matters
    - “Matters, etc., designated by law”
  7. Matters regarding important execution of duties
    - (1) Disposal of and transfer of significant assets and large amounts of borrowing by the Company and its subsidiaries
    - (2) Business reorganizations, mergers, company splits, share exchanges, share transfers, transfers/acquisitions of business, important business alliances/dissolution of alliances, or similar or equivalent acts by the Company and its important subsidiaries
    - (3) Entry in and withdrawal from any important business by the Company and its subsidiaries
    - (4) New establishments, reorganization and abolitions of important organizations
    - (5) Designation and changes in important subsidiaries
  8. Matters that are not provided for in the Board of Directors Regulations, but require resolution of the Board of Directors in accordance with legal resolutions or internal regulations
  9. Matters of which authority has been given to the Board of Directors upon resolution of a General Meeting of Shareholders
  10. Other matters which the Chairman and Director or President and Director find necessary

- (2) Explanation about election of senior management, Directors and Audit & Supervisory Board Members, as well as concurrently held positions at other listed companies

Akiyoshi Koji: Chairman of the Board

Since being appointed 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. He has been promoting sustainable growth and increased corporate value over the medium- to long-term by constructing a growth platform through the dramatic expansion of overseas business and revision of business portfolio, as well as giving overall direction of the Company's management through the establishment of a new group philosophy and group code of conduct. He has a track record that includes maintaining and enhancing competitiveness by strengthening regional headquarter function in response to the globalization of the Company, such as by integration with an Australian alcoholic beverage business and reorganization of the European beer business, and the issuance of new shares through public offering for the first time in 30 years. Furthermore, he sufficiently possesses the insight, expertise, and ability required as a Director of the Company due to his experience as a top management of the Company over many years. In particular, he possesses insight and expertise regarding the management of the Company's business and finance, accounting & internal control, global management skill which is supported by foresight, decisiveness, and executive ability, and management competence in the promotion of discontinuous growth. In addition, he possesses a high level of diversified oversight of business execution for sustainable management, such as long-term outlook & strategic mindset, and the ability to continue to search for the appropriate governance vision. Accordingly, we deem that Akiyoshi Koji is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors.

Atsushi Katsuki: President and Representative Director, CEO

Since being appointed a Director of the Company in 2017, Atsushi Katsuki has been responsible for alliances & M&As and many domestic and overseas businesses, and has a track record that includes promoting the restructuring of the business portfolio. He is serving as Senior Managing Director, Senior Managing Executive Officer, is responsible for finance, management strategy, and the domestic Alcoholic Beverages Business, Soft Drinks Business, and Food Business as a CFO, and he played an important role in the issuance of new shares through public offering for the first time in 30 years, making use of his high expertise and knowledge of global management as a CFO. He also has a track record that includes sophisticating cash flow management, which is vital to the Company's sustainable growth and enhancement of corporate value over the medium- to long-term, and taking the lead for business performance recovery for domestic businesses under the environment of the global spread of COVID-19 as Senior Department Head of Japan Headquarters. Furthermore, he sufficiently possesses the insight, expertise, and ability required as a Director of the Company through his experience as Group CEO of an overseas Regional Head Quarters. In particular, he has a high level of insight and expertise regarding the management of the Company's business and finance, accounting & internal control, a high level of the ability to include diverse and different cultures, a high level of the ability to promote discontinuous growth, which utilizes his insight in M&As, and a high level of long-term outlook & strategic mindset and global management skill which takes open mindedness into consideration. Accordingly, we deem that Atsushi Katsuki is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors.

Ryoichi Kitagawa: Managing Director and Managing Executive Officer

Ryoichi Kitagawa was appointed a Director of the Company in 2016, and played an important role in the acquisition of the beer business in Western Europe and Central and Eastern Europe. From 2017, as a Managing Executive Officer, he played an important role in the Europe business that was acquired through the use of his high expertise and knowledge of global management in addition to having a track record that includes leading the reorganization of the European beer business in 2020. Furthermore, he sufficiently possesses the insight, expertise, and ability required as a Director of the Company through his experience. In particular, he has a high level of insight and expertise regarding the management of the Company's business and finance, accounting & internal control, a high level of global management skill, and a high level of management competence in the promotion of discontinuous growth. Accordingly, we deem that Ryoichi Kitagawa is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors.

Taemin Park: Director and Executive Officer

Since being appointed as a Director of the Company in 2019, Taemin Park's responsibilities have included alliances and M&As and overseas business. His track record includes promoting the transformation of the Oceania business into a steady growth engine, and succeeding in integrating with an Australian alcoholic beverage business and reorganizing the European beer business using his high level of expertise and capabilities as the Director responsible for alliances and M&As. Furthermore, he sufficiently possesses the insight, expertise, and ability required as a Director of the Company due to his extensive experience in overseas business over many years, including in alliances and M&As and as Director of overseas Regional Head Quarters. In particular, he has a high level of insight and expertise regarding the management of the Company's business, such as trends and new movements in the overseas alcoholic beverages and non-alcohol beverages industries, a high level of glocal management skill for business formations centered on alliances and M&As as well as decision making, and a high level of the ability to promote discontinuous growth. Accordingly, we deem that Taemin Park is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors.

**Keizo Tanimura: Director and Executive Officer**

Since being appointed as a Director of the Company in 2019, Keizo Tanimura's responsibilities have included administration and governance (Human Resources, Legal Affairs, General Affairs, IT, and Audit). His track record includes promoting the creation of a succession planning system (education and placement) for the Group's executives and the construction of a system for human resources and compensation policy, and as the director responsible for governance, he has also promoted reinforcement of the operating foundation for increasing the effectiveness of the Board of Directors. He strengthened risk management under the global spread of COVID-19, and strengthened the foundation for the Company's sustainable growth and increased corporate value in the medium- to long-term. Furthermore, he sufficiently possesses the insight, expertise, and ability required as a Director of the Company through his extensive experience at multiple companies, including as Director of an overseas Regional Head Quarters. In particular, he has a high level of insight and expertise regarding human resources and governance from a global perspective, a high level of the ability to include diverse and different cultures, and a high level of consideration of sustainability management. Accordingly, we deem that Keizo Tanimura is a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors.

**Tatsuro Kosaka: Outside Director**

Since being appointed as an Outside Director of the Company in 2016, Tatsuro Kosaka has used his extensive experience, including as a CEO of a global company, to provide appropriate oversight for business execution through active opinions and recommendations. In particular, he has contributed to increasing the effectiveness of the Board of Directors by providing opinions and recommendations based on his experience and insight, and through dialogue, from perspectives including global management, group governance, and ESG. Also, as the chairperson of the Nomination Committee, he has played a leading role in making fair and transparent decisions on succession plans for management team including the CEO and on personnel affairs of officers. Furthermore, he possesses a high level of insight, expertise, and ability required as an Outside Director of the Company due to his extensive experience in corporate management over many years. Accordingly, we deem that Tatsuro Kosaka is a necessary human resource who is indispensable to the composition of the Board of Directors, mainly to provide a supervisory function from a management perspective based on his high level of corporate management capability, for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors.

Concurrent positions: Representative Director, Chairman & CEO of Chugai Pharmaceutical Co., Ltd.

Yasushi Shingai: Outside Director

Since being appointed as an Outside Director of the Company in 2018, Yasushi Shingai has used his extensive experience, including as Executive Deputy President and CFO of a global company and Deputy CEO of an overseas business headquarters company, to provide appropriate oversight for business execution through active opinions and recommendations. In particular, he has contributed to increasing the effectiveness of the Board of Directors by providing opinions and recommendations based on his experience and insight, and through dialogue, from perspectives including group governance, ESG, and management strategies in the ultra-long term. Also, as the chairperson of the Compensation Committee, he has played a leading role in making fair and transparent decisions on verification of adequacy and effectiveness of an officers' remuneration plan and implementation of the plan (determining bonus amounts, etc.). Furthermore, he possesses a high level of insight, expertise, and ability required as an Outside Director of the Company due to his extensive experience in corporate management over many years.

Accordingly, we deem that Yasushi Shingai is a necessary human resource who is indispensable to the composition of the Board of Directors, mainly to provide a supervisory function from a progressive and wide-ranging global management perspective for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors.

Concurrent positions: Outside Director of Mitsubishi UFJ Financial Group, Inc., and Outside Director of Dai-ichi Life Holdings, Inc.

Christina L. Ahmadjian: Outside Director

Since being appointed as an Outside Director of the Company in 2019, Christina L. Ahmadjian has used her extensive experience as a university professor and an expert in the fields of corporate governance and organization culture to provide appropriate oversight for business execution through active opinions and recommendations. In particular, she has contributed to increasing the effectiveness of the Board of Directors by providing opinions and recommendations, and dialogue, from perspectives including ESG, covering the Environment, Social, and Governance matters overall, and a global point of view. Also, as a member of the Compensation Committee, she has contributed to making fair and transparent decisions on verification of adequacy and effectiveness of a new officers' remuneration plan, and implementation of the plan (determining bonus amounts, etc.). Furthermore, she possesses a high level of insight, expertise, and ability required as an Outside Director of the Company due to her research into corporate governance and organizational culture and her experience serving as an outside director in multiple companies. Accordingly, we deem that Christina L. Ahmadjian is a necessary human resource who is indispensable to the composition of the Board of Directors, mainly to provide a supervisory function from the perspective of an expert on global organizational culture and other matters for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors.

Concurrent positions: Professor of Graduate School of Business Administration, Hitotsubashi University, Outside Director of Mitsubishi Heavy Industries, Ltd., Outside Director of Japan Exchange Group, Inc., and Outside Director of Sumitomo Electric Industries, Ltd.

Yoshihide Okuda: Standing Audit & Supervisory Board Member

Yoshihide Okuda has primarily been involved in finance and accounting at the Asahi Group, including serving as Corporate Officer, General Manager of Finance Department. Since being appointed as a Director of the Company in 2013, after first working as the Chief Financial Officer, he has been responsible for management sections, including General & Legal Affairs Management, Human Resources, IT, and Audit, as well as the Alcoholic Beverage Business. From this experience, he possesses a high level of expertise on finance and accounting, a high level of insight on compliance, risk management and internal auditing, and an extensive knowledge of the Company's business, particularly the Alcoholic Beverage Business, required as an Audit & Supervisory Board Member of the Company. Accordingly, we deem that Yoshihide Okuda is a necessary human resource for strengthening the composition and functions of the Company's Audit & Supervisory Board in the aim for Sustainable Corporate Growth and Increased Corporate Value.

Naoko Nishinaka: Standing Audit & Supervisory Board Member

Naoko Nishinaka sufficiently possesses the insight, expertise, and ability required as an Audit & Supervisory Board Member of the Company due to her deep understanding of the Group's business, advanced expertise regarding supply chains and quality assurance, and a high level of insight regarding compliance, risk management and internal audits, which she acquired through her experience serving in the fields of quality assurance, brewing technology, and beer development, including responsibility for the Quality Assurance Section at the Company and Group companies. Accordingly, we deem that Naoko Nishinaka is a necessary human resource for strengthening the composition and functions of the Company's Audit & Supervisory Board in the aim for Sustainable Corporate Growth and Increased Corporate Value.

Katsutoshi Saito: Outside Audit & Supervisory Board Member

Katsutoshi Saito has abundant experience and broad knowledge having long served as a corporate manager of a global corporation and institutional investors. Furthermore, through active opinions and recommendations at Audit & Supervisory Board and Board of Directors meetings as an Outside Audit & Supervisory Board Member, he has provided appropriate auditing of the duties of the Directors of the Company. As a member of the Nomination Committee, he provides specific opinions and recommendations from a management perspective. Accordingly, we deem that Katsutoshi Saito is an appropriate human resource for strengthening the composition and functions of the Company's Audit & Supervisory Board in the aim for Sustainable Corporate Growth and Increased Corporate Value.

Concurrent positions: Outside Director of Imperial Hotel, Ltd.

Yumiko Waseda: Outside Audit & Supervisory Board Member

Through many years of practice as an attorney, Yumiko Waseda possesses expert knowledge on corporate law and intellectual property, as well as a high level of insight that enables her to audit management from the perspective of compliance. Furthermore, she has provided active opinions and recommendations at the Audit & Supervisory Board and Board of Directors meetings of the Company, and carried out appropriate auditing of the duties of the Directors of the Company. She has also provided specific opinions and recommendations and contributed to raising the level of transparency and objectivity of the remuneration structure for the Company's Directors as a member of the Compensation Committee. Accordingly, we deem that Yumiko Waseda is an appropriate human resource for strengthening the composition and functions of the Company's Audit & Supervisory Board in the aim for Sustainable Corporate Growth and Increased Corporate Value.

Concurrent positions: Partner and Attorney at Law of Tokyo Roppongi Law & Patent Offices

Yutaka Kawakami: Outside Audit & Supervisory Board Member

Yutaka Kawakami has the expert knowledge related to accounting necessary for an Audit & Supervisory Board Member of the Company, and has a high level of insight for auditing management that comes from abundant audit experience in Japan and overseas, which were gained through activities over many years as an experienced certified public accountant who is well versed in accounting audits of global corporations. Furthermore, through active opinions and recommendations as an Outside Audit & Supervisory Board Member, he has provided appropriate auditing of the duties of the Directors of the Company. Accordingly, we deem that Yutaka Kawakami is a necessary human resource for strengthening the composition and functions of the Company's Audit & Supervisory Board in the aim for sustainable growth and enhancement of corporate value over the medium- to long-term.

Concurrent positions: Outside Audit & Supervisory Board Member, Mitsubishi Research Institute, Inc.

(3) Standards of the independence of independent Directors/Audit & Supervisory Board Members

1. A party who serves as an executive\*1 of the Company or a subsidiary of the Company or has served as an executive of the Company or a subsidiary of the Company in the past;
2. A party for whom the Company or a subsidiary of the Company is a major business partner\*2 (or if the business partner is an incorporated entity, an executive thereof);
3. A party who is a major business partner of the Company or a subsidiary of the Company\*3 (or if the business partner is an incorporated entity, an executive thereof);
4. A consultant, certified public accountant or other accounting professional, or an attorney at law or other legal professional who has been paid substantial amounts of money or other financial benefits\*4 other than Directors' and Audit & Supervisory Board Members' remuneration paid by the Company or a subsidiary of the Company (or if the party receiving such financial benefits is an incorporated entity, association or other organization, then persons belonging to such organization);
5. A certified public accountant who belongs to the auditing firm which serves as the Accounting Auditor of the Company or a subsidiary of the Company;
6. A major shareholder\*5 of the Company or a subsidiary of the Company (or if the major shareholder is an incorporated entity, an executive thereof);
7. An executive of an incorporated entity that is a major shareholder of the Company or a subsidiary of the Company;
8. An executive of a company which has a relationship involving cross-assumption of office of Outside Directors/Audit & Supervisory Board Members\*6;
9. A party who receives substantial donations\*7 from the Company or a subsidiary of the Company (or if the party receiving such donations is an incorporated entity, association or other organization, then an executive thereof);
10. A close relative\*9 of a party who falls under any of the above items from 1 to 9 (limited to important persons\*8, with the exception of item 1);
11. A party who has fallen under any of the above items from 2 to 10 during the past ten (10) years;
12. A party who has exceeded the tenure of Outside Directors/Audit & Supervisory Board Members stipulated by the Company\*10; or
13. Notwithstanding the provisions of the respective items above, a party with respect to whom there are special grounds for deeming there to be potential for conflict of interests with general shareholders.

\*1. "Executive" refers to an executive as defined in Item 6, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act, and includes both executive directors and employees, but does not include Audit & Supervisory Board Members.

\*2. "Party for whom the Company or a subsidiary of the Company is a major business partner" refers to a party whose transactions in the most recent fiscal year amount to 2% or more of the

consolidated net sales of the business partner's group.

- \*3. "Party who is a major business partner of the Company or a subsidiary of the Company" refers either to a party whose transactions in the most recent fiscal year amount to 2% or more of the Company's consolidated net sales, or a party who loans to the Company or a subsidiary of the Company an amount equivalent to 2% or more of the Company's consolidated total assets as of the end of the most recent fiscal year.
- \*4. "Substantial amounts of money or other financial benefits" refers to money and other financial benefits amounting to 10 million yen or more annually, excluding Directors' and Audit & Supervisory Board Members' remuneration, for the most recent fiscal year (if such financial benefits are obtained by an incorporated entity, association or other organization, it refers to money or other financial benefits amounting to 2% or more of such organization's total revenues for the most recent fiscal year).
- \*5. "Major shareholder" refers to a person or incorporated entity that directly or indirectly holds 10% or more of the Company's total voting rights.
- \*6. "Relationship involving cross-assumption of office of Outside Directors/Audit & Supervisory Board Members" refers to a relationship where an executive of the Company or a subsidiary of the Company serves as an outside director/audit & supervisory board member of another company, and an executive of that company serves as an Outside Director/Audit & Supervisory Board Member of the Company.
- \*7. "Substantial donations" refers to annual donations of 10 million yen or more made during the most recent fiscal year.
- \*8. "Important person" refers to Directors (excluding Outside Directors), executive officers, Corporate Officers, and other executives in positions equivalent to General Manager or above; certified public accountants belonging to auditing firms or accounting offices; attorneys at law belonging to legal professional corporations or law firms; councilors, directors or other officers belonging to incorporated foundations, incorporated associations, educational institutions and other incorporated entities; and other persons objectively and reasonably deemed to be in positions of similar importance.
- \*9. "Close relative" refers to a spouse or persons within the second degree of consanguinity.
- \*10. "Tenure of Outside Directors/Audit & Supervisory Board Members stipulated by the Company" means ten (10) years with respect to Directors and twelve (12) years with respect to Audit & Supervisory Board Members.

(History)

Established on July 8, 2015

Revised on March 24, 2016

Revised on March 28, 2017

Revised on March 27, 2018

Revised on June 1, 2018

Revised on March 26, 2019

Revised on March 25, 2020

Revised on March 25, 2021

End