

Analysis and Evaluation Regarding the Effectiveness of the Company's Board of Directors  
in Fiscal 2017 — Summary of Results

March 27, 2018  
Asahi Group Holdings, Ltd.

In 2016, starting with its Corporate Philosophy, Asahi Group Holdings, Ltd. (the “Company”) updated its “Long-Term Vision”, which outlines what the entire Group desires to be. Pursuing the realization of this vision, the Company has started the “Medium-Term Management Policy” to strive for sustainable growth and the increase of corporate value over the medium- to long-term by working toward further development of “Management for Corporate Value Enhancement” and setting three key priorities: strengthening of earnings power, improvement of asset and capital efficiency, and reinforcement of ESG (environmental, social and governance) initiatives.

As for the further development of “Management for Corporate Value Enhancement”, the Company believes “growth-oriented governance” for transparent, fair, timely and decisive decision-making is indispensable. To realize “growth-oriented governance”, the Company has accordingly developed its “Corporate Governance Guidelines” setting forth the Company’s basic concept, framework and operations guide regarding corporate governance.

The Company’s Board of Directors has analyzed and evaluated the effectiveness of the Board of Directors in fiscal 2017 for the realization of “growth-oriented governance” in order to further develop the “Management for Corporate Value Enhancement”. A summary of the results of this analysis and evaluation are disclosed as provided below.

I. Overview of results of analysis and evaluation

- i) Results of the self-evaluation questionnaire of individual Directors and Audit & Supervisory Board Members
  - The response “performed without incident” accounted for a high proportion of the answers to many of the questions on the self-evaluation questionnaire.
  - For almost every question, each Director and Audit & Supervisory Board Member provided suggestion for further improving effectiveness.
  - It was clear that Directors and Audit & Supervisory Board Members were on the same page in regard to several priorities such as succession planning, risk management and ESG.
- ii) Results of the self-evaluation questionnaire regarding the response to issues recognized in the previous fiscal year
  - In regard to “devising means of improving discussions of the Board of Directors”, with the execution of policies geared toward improvement, these efforts received a generally high evaluation.
  - In regard to “promoting an approach to governance that addresses the matter of rapid globalization of the Company’s business”, while further effort is expected to be put into risk management, the thorough discussion at meetings of the Board of Directors regarding governance received a high evaluation.
  - In regard to “promoting initiatives for enhancing corporate social value and ESG initiatives”, all Directors

and Audit & Supervisory Board Members expressed a great deal of opinions beneficial to improving the Company's social value and improving sustainability during discussions at meetings of the Board of Directors and officer meetings attended by all Directors and Audit & Supervisory Board Members. As a result of more thorough discussion, it was clear that many officers recognized the need for further discussion.

iii) Conclusion

- After having engaged in discussions regarding the above results, the Company's Board of Directors concluded that the effectiveness of the Board of Directors in fiscal 2017 was "effective overall" as the previous fiscal year.

## II. Initiatives going forward

After having held discussions based on the many suggestions submitted by each Director and Audit & Supervisory Board Member, the Company's Board of Directors will work to improve the effectiveness of the Board of Directors, premised on awareness of the three points listed below.

i) Continuous improvement of the effectiveness of the Board of Directors

For maintaining and improving the governance system with a medium- to long-term perspective, the Board of Directors will further promote discussions at meetings of the Board of Directors regarding the succession planning and further promote the advancement of global risk management that supports appropriate risk-taking and of the internal control system.

ii) Promoting discussion on corporate social value and ESG initiatives

In regard to ESG for the improvement of social value, the Board of Directors will create specific initiatives by promoting further discussion to clarify the position of its value creation process.

iii) Cultivation of a corporate culture shared throughout the Group

The Board of Directors will further promote the cultivation of a corporate culture shared throughout the entire Group following the progress of globalization, primarily through ongoing discussion regarding topics such as overseas Group companies' strengthening of initiatives to cultivate corporate culture, and strengthening of the relationship with ESG initiatives.

## III. Methods of analysis and evaluation

For the realization of "growth-oriented governance" in order to further develop the "Management for Corporate Value Enhancement", the effectiveness of the Board of Directors in fiscal 2017 was analyzed and evaluated. To accomplish this, each of the Company's Directors and Audit & Supervisory Board Members conducted an evaluation in January 2018 using a self-evaluation questionnaire prepared by the secretariat of the Board of Directors and approved by the Board of Directors.

The Board of Directors engaged in discussions at the meeting held in March 2018, based on the compiled results of the self-evaluation questionnaire completed by each Director and Audit & Supervisory Board Member, and referred to opinions given by third-party external advisors. Subsequently, the Board of Directors determined the content of the evaluations.

#### IV. Evaluation items

The main items listed in the self-evaluation questionnaire are as follows.

1. Roles and responsibilities of the Board of Directors
2. Discussions and initiatives of the Board of Directors
3. Support for appropriate risk-taking
4. Delegation of authority to management
5. Structure of the Board of Directors
6. Election of senior management and Directors
7. Remuneration for management
8. Independent Outside Directors
9. Risk management
10. Succession planning
11. Access to information of the Board of Directors and support system
12. Providing information to Directors
13. Dialogues with shareholders
14. Effectiveness of the Board of Directors

\* “Corporate Governance Guidelines”

<http://www.asahigroup-holdings.com/en/whoweare/governance/policy.html>

\* “Medium-Term Management Policy”

<http://www.asahigroup-holdings.com/en/ir/management/plan.html>