

Evaluation Results of the Effectiveness of the Board of Directors in fiscal 2023

Asahi Group Holdings, Ltd.

Asahi

I. The Results of Evaluation of the Effectiveness in Fiscal 2023

To create even more robust corporate governance and improve its effectiveness, in fiscal 2023 the Board of Directors of the Company has analyzed and evaluated the effectiveness of the Board of Directors (including the Nomination Committee and the Compensation Committee) while incorporating third-party opinions.

The Board of Directors, the Nomination Committee and the Compensation Committee functioned effectively, and fulfilled their responsibilities for the enhancement of corporate value over the medium to long term.

Furthermore, the Board of Directors recognizes the issues to be addressed to continue to increase its effectiveness, to be highly recognized by stakeholders globally, and to enhance corporate value in the future, and it is necessary to respond to these issues.

**Recognized
issues
aimed at
further
improvement**

The Board of Directors recognizes the following i) – iv) as issues based on recommendations and opinions received from Directors and Audit & Supervisory Board Members

- i) Evolving the functions and perspectives of Directors with a focus on the future**
- ii) Increasing the strategic nature of discussions**
- iii) Increasing opportunities for discussions on strategy**
- iv) Increasing discussions on succession at the Nomination Committee**

I. The Results of Evaluation of the Effectiveness in Fiscal 2023 | Evaluation Basis



The Company's Board of Directors held discussions and evaluated the effectiveness based on the details of the officer evaluations (questionnaire and interviews), formal evaluation by the Secretariat of the Board and objective opinions from a third party. It also recognized the issues for enhancing corporate value in the future.

Evaluation Perspectives	<p>Perspective 1 Is the effectiveness continuously improving? [effectiveness of decision making, effectiveness of supervision]</p> <p>Perspective 2 What is the future vision for the Board of Directors of the Company?</p>
Evaluation Points	<ul style="list-style-type: none"> ● Evaluation of the current status of the Board of Directors, the Nomination Committee and the Compensation Committee, and of initiatives to increase their effectiveness ● Points in enhancing corporate value over the medium to long term going forward. ● Evaluation of initiatives in each field <ul style="list-style-type: none"> • Strategy focused on the ultra-long term and long term • Response to sustainability • Status of group governance • Election and remuneration of Directors and senior management • Structure of the Board of Directors • Response to corporate culture and organizational culture • Response to investors • Providing information to Directors • Operation of the Board of Directors • Response to issues recognized in the previous fiscal year's evaluation of the effectiveness

Based on the above evaluation and third-party opinions, discussions were held at the Board of Directors and the results of evaluation and issues were recognized

II. Response to the Issues Identified | Direction for Fiscal 2024 Response



For the issues identified, respond with the following directions in fiscal 2024.



Fiscal 2023 Issues identified

i) Evolving the functions and perspectives of Directors with a focus on the future

Evolve the roles and required perspectives of the Chairman, Executive Directors, Outside Directors, the Nomination Committee and the Compensation Committee.

ii) Increasing the strategic nature of discussions

Appropriately share the issues, discussion points, hypotheses and measures, and work to deepen discussion.

iii) Increasing opportunities for discussions on strategy

Create opportunities for discussion and recognition of medium-to long-term strategic themes inside and outside of the Board of Directors.

iv) Increasing discussions on succession at the Nomination Committee

Expand information sharing and discussion on the state of the candidate pipeline, evaluations and election.

Activities responding these issues identified will be incorporated into the annual activity plans of the Board of Directors, the Nomination Committee and the Compensation Committee for fiscal 2024, and carried out.

Main Opinions in Officer Evaluations (Overview)

Board of Directors	Opinions stating the effectiveness	<ul style="list-style-type: none"> ✓ The Board of Directors is functioning effectively in terms of sustainable growth and enhancing medium- to long-term corporate value. ✓ Robust discussion has been achieved through diverse, substantive opinions. Moreover, the results of this discussion are being reflected in business execution. ✓ The effectiveness of the Board of Directors is being realized in the form of financial results even amid a drastically changing market environment. ✓ Based on the risk appetite, risk taking in business execution is being encouraged and supported from a long-term perspective.
	Opinions recognizing issues aimed at further improvement	<ul style="list-style-type: none"> ✓ While considering progressing globalism and the new management system, it is desirable to reconfirm the functions and roles of each Director. ✓ With the increasingly diverse agenda being handled at the Board of Directors, it is important to further increase the strategic nature of both agenda setting and discussion. ✓ To realize the medium- to long-term management policy including the core strategy, it is desirable to expand opportunities for focused discussion.
Nomination Committee and Compensation Committee	Opinions stating the effectiveness	<ul style="list-style-type: none"> ✓ Based on the highly independence and planning of both the Nomination Committee and the Compensation Committee, important agenda items are taken up. ✓ Regarding nomination, discussions are being held to realize sustainable management, and the results thus far are being reflected in both personnel selection and financial results. ✓ Meaningful discussions on officers' remuneration are taking place aimed at enhancing the competitiveness in the global human resources market.
	Opinions recognizing issues aimed at further improvement	<ul style="list-style-type: none"> ✓ Regarding nomination, given the importance of securing and developing the human resources responsible for the future, we should increase opportunities for discussion at the Nomination Committee. ✓ Regarding officers' remuneration levels, given progressing globalization, we need to accelerate discussion aimed at achieving global levels.

III. Initiatives in Fiscal 2023 | Responding to Issues Identified in Fiscal 2022

The Board of Directors has implemented the following responses to the issues identified in the fiscal 2022 effectiveness evaluation.

Issues Identified in Fiscal 2022	Fiscal 2023 Response	
<p>Reconfirming the Company's vision for the Board of Directors</p>	<p>The Board of Directors held discussions on corporate governance, including the future roles that the Board of Directors should fulfill, the necessary composition, and the roles that the Chairman of the Board of Directors and each Director should fulfill.</p>	<p>○</p>
<p>Further enhance the effectiveness of discussions, which are the basis of the Board of Directors' effectiveness</p>	<p>In addition to the Board of Directors, the Nomination Committee and the Compensation Committee setting annual plans and working on important agenda items, the Board of Directors provided information in a simplified format to aid in monitoring in the form of executive summaries of materials.</p> <p>The Board of Directors facilitated overseas tours, tours of business locations, as well as training sessions and briefings for Outside Directors and Outside Audit & Supervisory Board Members. Furthermore, the Board of Directors strengthened information provision by regularly issuing reports to outside officers.</p>	<p>○</p>

III. Initiatives in Fiscal 2023 | Strategic Agenda Setting and Activities

The Company's Board of Directors set the items which the Board of Directors should address in light of the current conditions of the Company, the results of evaluation of the effectiveness, social demands, etc. as agendas, incorporated in the annual activity plan of the Board of Directors, and implemented in a strategic and planned manner.

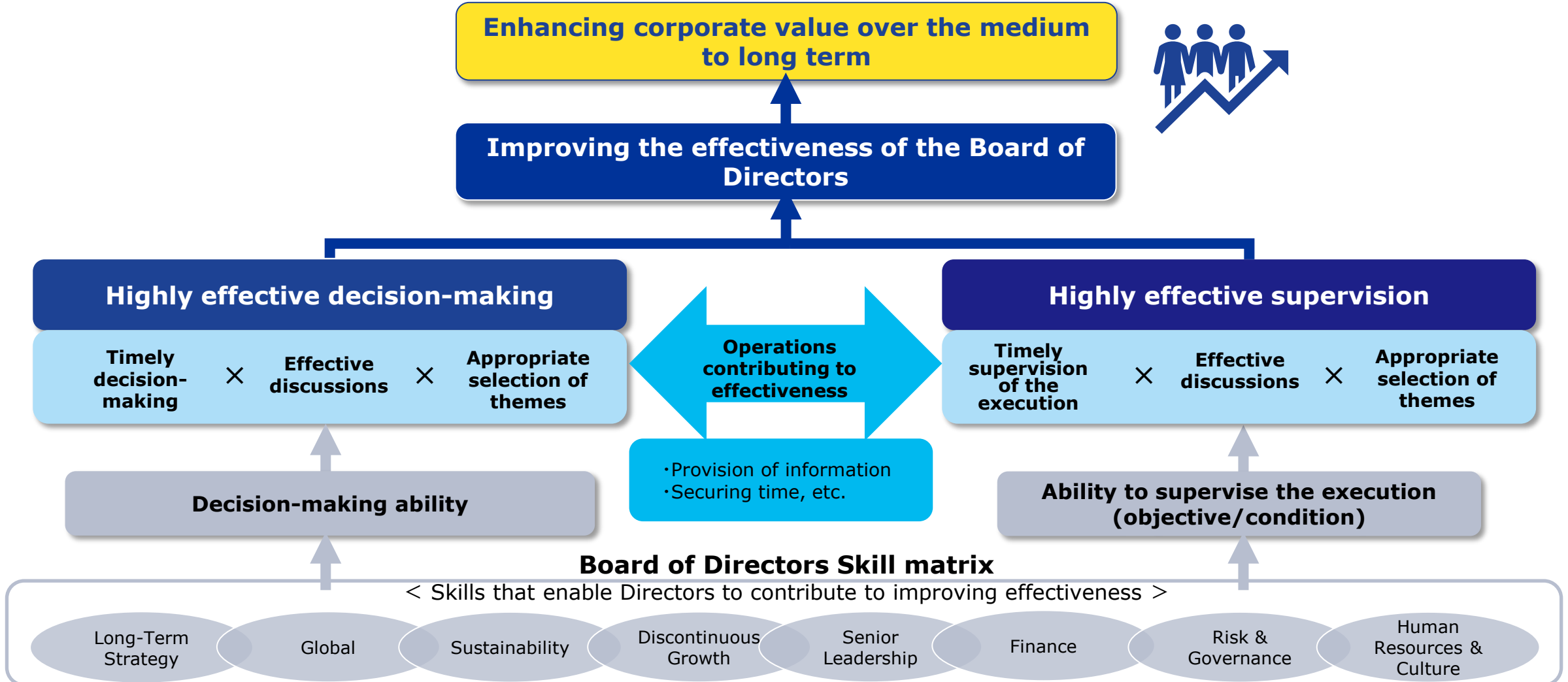
*Including regular agenda items

Fiscal 2023 Main Agenda Items	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Discussions on corporate governance				■								
Discussions on officers' remuneration					■						■	■
Discussions on the Medium-Term Management Plan on a rolling basis									■	■	■	
Monitoring of business portfolio building							■					
Monitoring of sustainability, DX and R&D				■		■		■				
Monitoring of sophistication of human capital							■					
Monitoring of group governance system						■						
Discussions on ultra-long-term megatrends							■	■				
Monitoring of the status of execution		■	■	■	■	■	■	■	■		■	
Monitoring of risk management			■	■		■						
Outside officers' business understanding (onboarding, visits to overseas business sites)	■			■				■				
Exchange of views between Outside Directors and the Chairman, the CEO, and the Audit & Supervisory Board, respectively		■	■			■						

IV. Initiatives Carried Out to Improve the Effectiveness | Framework for improving the effectiveness

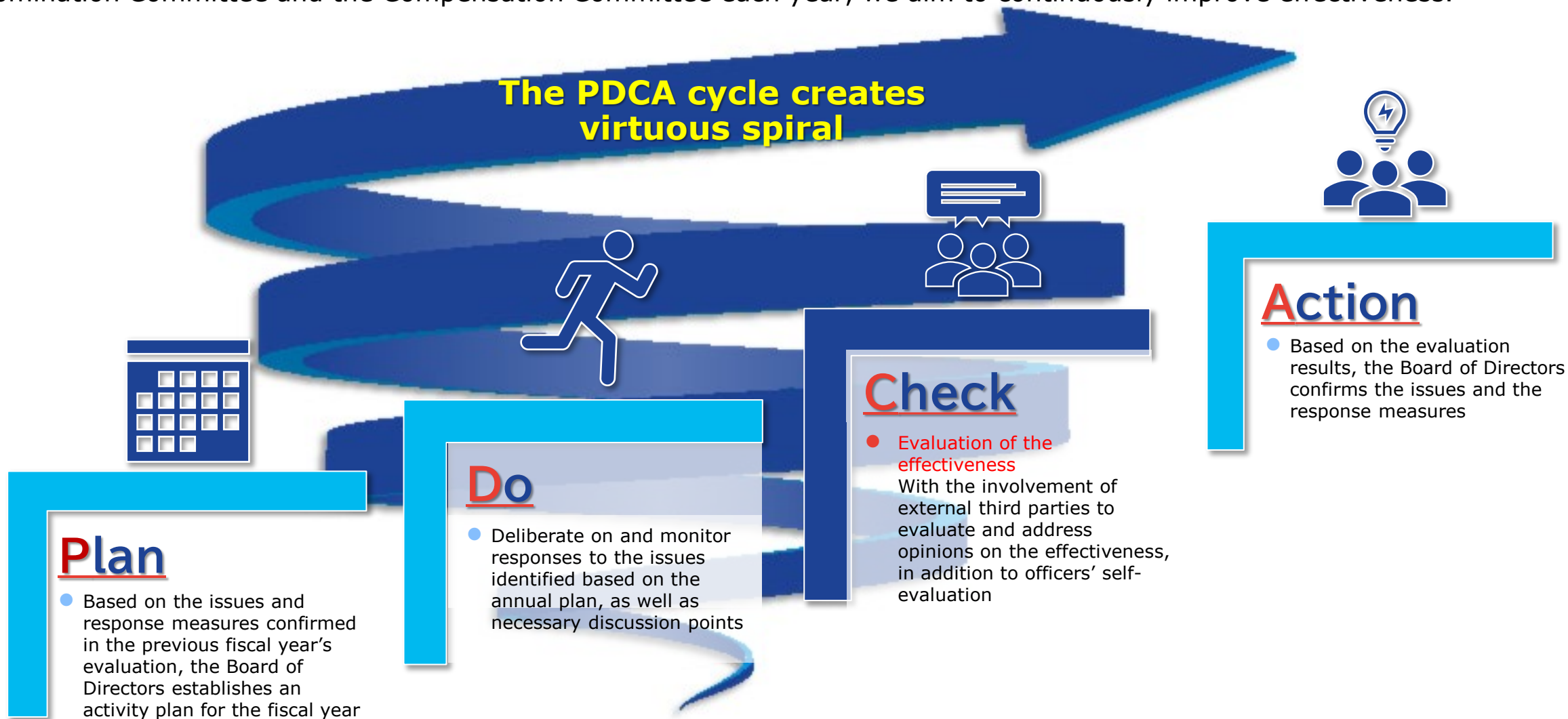


The Company's Board of Directors considers a highly effective Board of Directors to be one that continuously enhances corporate value over the medium to long term, and based on the below framework, it has carried out initiatives aimed a systematically realizing that vision.



IV. Initiatives Carried Out to Improve the Effectiveness | Activity cycle aimed at continuously improving effectiveness

By completing the one-year activity cycle (PDCA) with aim of improving the effectiveness of the Board of Directors, the Nomination Committee and the Compensation Committee each year, we aim to continuously improve effectiveness.



IV. Initiatives Carried Out to Improve the Effectiveness | Initiatives aimed at enhancing corporate governance

Since 2000, the Board of Directors of the Company has continuously worked to strengthen the substantive corporate governance, evolving its approach especially in 2018 when various measures were implemented. Going forward, the Board of Directors of the Company will continue its efforts to improve corporate governance in order to increasing corporate value over the medium to long term.

