ASAHI GROUP

CORPORATE GOVERNANCE REPORT 2024

PUBLISHED MAY 2024

Asahi GROUP

Contents

02
Message from the Chairperson
02 The Company's Approach to Corporate Governance

03
Corporate Governance Policies and Characteristics

05
Corporate Governance Framework

06
Corporate Governance Structure

07
Evolution of Corporate Governance at the Asahi Group

08
Board of Directors and Audit & Supervisory Board
08 Introduction of Directors
12 Introduction of Audit & Supervisory Board Members
14 Role and Function of the Board of Directors
15 Skills the Board of Directors Should Possess
16 Annual Agenda of the Board of Directors
17 Activities of the Board of Directors

18
Succession
18 Succession Planning and Skill Sets for the Group CEO and Directors
19 Appointment, Dismissal, and Evaluation of the Group CEO and Executive Directors
20 Cultivation of Management Personnel

21
Nomination Committee
21 Role, Function, and Composition of the Nomination Committee

22
Director Remuneration
22 Director Remuneration as an Incentive to Enhance Corporate Value

24
Compensation Committee
24 Role, Function, and Composition of the Compensation Committee

25
Sustainability Committee
25 Role, Function, and Composition of the Sustainability Committee

26
Management Team
26 Evolving Group Governance to Maximize Corporate Value That Surpasses the Total Sum of Value of Each of Our Businesses
27 Message from the Group CEO

28
Enhancing the Effectiveness of the Board of Directors
28 Framework and Initiatives for Continuously Enhancing the Effectiveness of the Board of Directors
29 Evaluation of the Effectiveness of the Board of Directors

31
Audit & Supervisory Board Members and the Audit & Supervisory Board
31 Role, Composition, Function, and Activities of Audit & Supervisory Board Members and the Audit & Supervisory Board
33 Evaluation of the Effectiveness of the Audit & Supervisory Board

In principle, this report was created based on information current as of May 31, 2024.

The Company's Approach to Corporate Governance

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

Akiyoshi Koji
Chairperson of the Board

The mission of the Company's Board of Directors is to contribute to sustainable growth and medium- to long-term increases in the corporate value of the Group. In fulfilling this mission, the most important role of the Board of Directors is to determine the long-term and ultra-long-term direction of the Company's management, build a business portfolio, establish a management structure for the promotion of businesses within the portfolio, and guide the business execution of the management team.

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

In order to achieve sustainable growth and medium- to long-term increases in corporate value, it is imperative that the Board of Directors and the Directors themselves continuously strengthen and enhance the sophistication of the Company's corporate governance.

Based on this belief and with the Asahi Group Philosophy (AGP) as its starting point, the Company is constantly striving to bolster corporate governance. For example, we have established a highly diverse Board of Directors. Of its 11 Directors, six are Outside Directors and five are women. Moreover, the Board includes three different nationalities.

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

In my capacity as Chairperson of the Board, I aim to further reinforce the Company's corporate governance by seeking insights into future changes, backcasting from these changes, and taking measures in response to them. In this way, I will fulfill my role as Chairperson.

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

We would be grateful for continued guidance and encouragement from our stakeholders as we strive to further evolve the Company's corporate governance moving forward.

Asahi Group Philosophy

Our Mission

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

Our Vision

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

Our Values

Challenge and innovation
Excellence in quality
Shared inspiration

Our Principles

Building value together with all our stakeholders

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

Corporate Governance Policies and Characteristics

In pursuit of sustainable growth and an increase in corporate value over the medium to long term, the Company aims to improve the effectiveness of the Board of Directors in a sustainable manner and is working to further evolve corporate governance.

Basic Policy

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

In order to accomplish these goals, the Company has been proactive in its efforts to strengthen Group management in response to globalization, build solid relationships of trust with society through measures including the promotion of sustainability management, and enhance its social presence and transparency by means of engagement with stakeholders, while positioning the reinforcement of the Group's corporate governance at the top of management priorities.

Characteristics of the Company's Corporate Governance System

To meet the trust of its stakeholders while achieving sustainable global growth and increasing corporate value over the medium to long term, the Company has adopted the following corporate governance structure.

The Board of Directors is composed of diverse members. Specifically, the majority of members are Outside Directors, and the Board includes five women, six men, and three different nationalities. Also, the Board is chaired by a non-executive Director from within the Company. The aforementioned structure enables the Board to appropriately discuss matters that contribute to enhancing corporate value, such as matters that pertain to medium- to long-term management policies, and to supervise the execution of business operations.

The business execution system, which is responsible for enhancing corporate value, is headed by the Group CEO, who is responsible to the Board of Directors for the overall management of the Group. The Group's Chief Financial Officer, Chief People Officer, Chief Growth Officer, Chief Sustainability Officer, and Chief R&D Officer support the CEO in leading Group-wide corporate governance efforts in their respective capacities. The Group's C-suite officers and the CEOs of each Regional Headquarters (RHQ) form the Executive Committee, an advisory body to the Group CEO, which deliberates on topics related to the Group's overall strategy and the direction of Group-wide measures and provides expert advice to the Group CEO.

Further, in light of their fiduciary responsibility and accountability to shareholders, the Company's Audit & Supervisory Board Members and the Audit & Supervisory Board conduct audits of the execution of duties by Directors, the Group CEO, and senior management directly under the CEO from an objective and independent standpoint, leveraging the advantages of the audit and supervisory board system, such as the independence and independent appointment of Audit & Supervisory Board Members, the presence of Standing Audit & Supervisory Board Members, and Independent Outside Audit & Supervisory Board Members who comprise a majority of the Audit & Supervisory Board.

In this way, the Company has established a system in which the Board of Directors, which is entrusted by shareholders to enhance corporate value and oversee business execution; the Group CEO and the business execution frameworks that support the Group CEO, which include Group CxOs and the Executive Committee; and the Audit & Supervisory Board, which is responsible for auditing the execution of the duties of the Directors and members of senior management directly under the Group CEO, fulfill their respective duties and functions, thereby enhancing the Company's corporate value over the medium to long term.

Enhancement of Oversight and Decision-Making Processes

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

A non-executive Internal Director has been appointed to the position of Chairperson of the Board to distinguish their role from that of the Group CEO and thereby contribute to the separation of management and business execution functions and to swift and proactive decision-making. This arrangement has clarified executional responsibilities, expedited decision-making by concentrating authority on the Group CEO, and strengthened the monitoring functions of the Board of Directors.

The systems shown at the top of the column on the right function in combination to ensure the transparency and fairness of the Board of Directors.

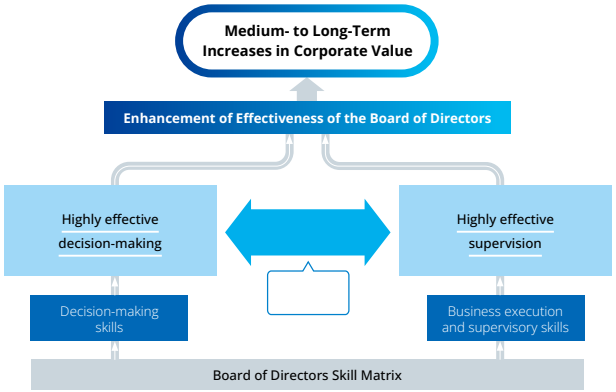
- Discretionary Nomination and Compensation committees chaired by and consisting of a majority of Outside Directors shall be in place to assist with important functions of the Board of Directors related to Director appointment and compensation, and these committees shall discuss matters in response to inquiries from the Board of Directors.
- Independent Outside Directors shall account for a majority of all Directors.
- Based on independence and independent systems, audits shall be implemented by Audit & Supervisory Board Members, who are responsible for auditing the operational execution of Directors, the Group CEO, and other members of management from an objective standpoint that is independent from the Board of Directors, the Group CEO, and other members of management. The majority of Audit & Supervisory Board Members shall be Independent Outside Audit & Supervisory Board Members.

In this manner, through oversight, supervision, and auditing of the operational execution of Directors, the Group CEO, and other members of management by the Board of Directors and the Audit & Supervisory Board based on their different perspectives, as a company with audit and supervisory committee, the Company ensures that governance is highly effective and appropriate for the Group as it undergoes rapid globalization.

Continuous Improvement of the Board of Directors' Effectiveness

Framework for Enhancing the Effectiveness of the Board of Directors

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



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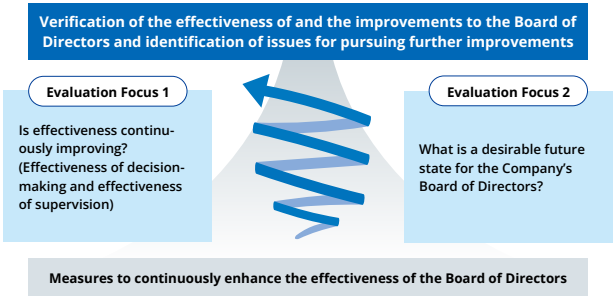
A Continuous Positive Spiral of Enhancing Effectiveness

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

P.28

Evaluation of the Effectiveness of the Board of Directors

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



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Corporate Governance Framework

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

Board of Directors

To ensure balance and diversity in terms of the knowledge, experience, and skills of the entire Board of Directors deemed necessary for the Company to realize sustainable growth and increase corporate value over the medium to long term, the Company has formulated the Board of Directors Skill Matrix, which clarifies the personal requirements of corporate officers based on the AGP, the Asahi Group Code of Conduct, and management strategies. In accordance with the matrix, the Board consists of persons who have a wealth of experience, excellent insight, and expertise required by the Company. The Board of Directors passes resolutions on the AGP and important corporate strategies such as medium- to long-term strategies and advances their implementation. In addition, the Board establishes internal control systems and risk management systems to appropriately support risk-taking by the Group CEO and other members of management.

Nomination Committee and Compensation Committee

To ensure transparency and fairness, the Company has established Nomination and Compensation committees in which Independent Outside Directors constitute majorities. The committees deliberate and report on agenda items related to Director appointments and remuneration before they are submitted to the Board of Directors.

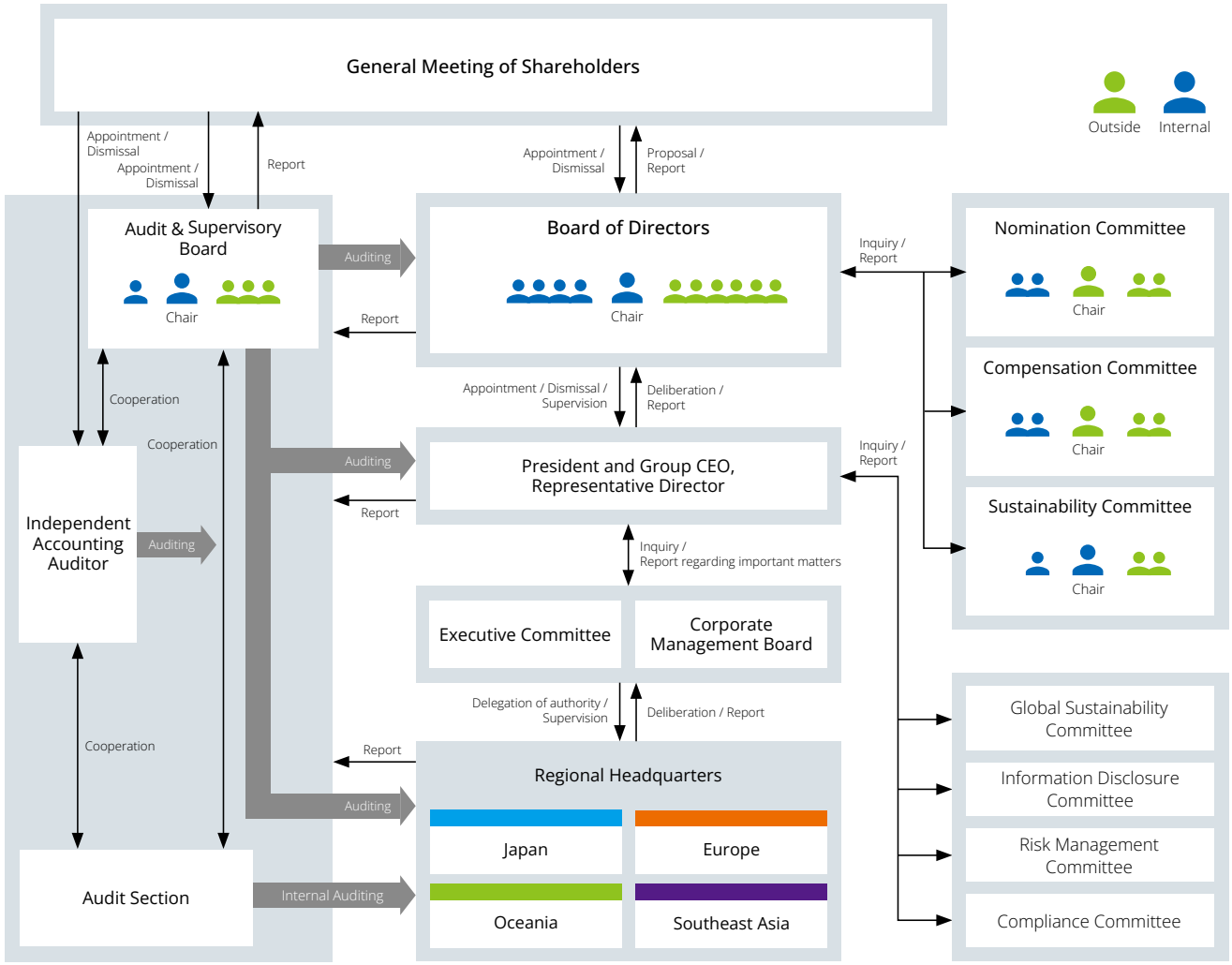
Audit & Supervisory Board

With the aim of ensuring a good balance throughout the Audit & Supervisory Board in terms of the knowledge, experience, skills, and diversity required to help the Company sustain growth and increase corporate value over the medium to long term, the Audit & Supervisory Board comprises suitable persons with the experience, insight, expertise, and skills required by the Company. These attributes have been set out in the Audit & Supervisory Board Skill Matrix to clarify the requirements for membership of the Company's Audit & Supervisory Board. Given the responsibility it has to perform fiduciary duties on behalf of and be accountable to shareholders, the Company has established an Audit & Supervisory Board comprising Standing Audit & Supervisory Board Members and a majority of Independent Outside Audit & Supervisory Board Members, with all Audit & Supervisory Board Members being independent and autonomous. The merits of this Audit & Supervisory Board Member system allow Audit & Supervisory Board Members and the Audit & Supervisory Board to appropriately fulfill their roles and duties by auditing the operational execution of Directors, the Group CEO, and other members of management from an objective standpoint that is independent from the Board of Directors, the Group CEO, and other members of management.

Evaluations of Effectiveness

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

Corporate Governance System (As of April 1, 2024)



Board of Directors

In accordance with the Board of Directors Skill Matrix, which clarifies the personal requirements of Directors of the Company based on the AGP, management strategies, and other factors, the Board consists of persons who have abundant experience, extensive insight, and high-level expertise and ability required by the Company. At present, the Board of Directors comprises six Outside Directors, five Internal Directors, five women, six men, and three different nationalities and is chaired by a non-executive Internal Director. Regular meetings of the Board of Directors are held once a month, in principle, and special meetings are held as necessary.

Nomination Committee and Compensation Committee

In order to ensure the transparency and fairness of officer appointments and remuneration, the Company has established Nomination and Compensation committees in which Independent Outside Directors constitute majorities. Outside Directors are cooperatively appointed chairpersons of the committees.

Sustainability Committee

To enhance the monitoring system of the Board of Directors, the Sustainability Committee consists of two Outside Directors and two Internal Directors. The committee shall invite outside experts on a case-by-case basis, depending on matters of inquiries or discussions, to provide the Board of Directors with recommendations based on the insights of experts.

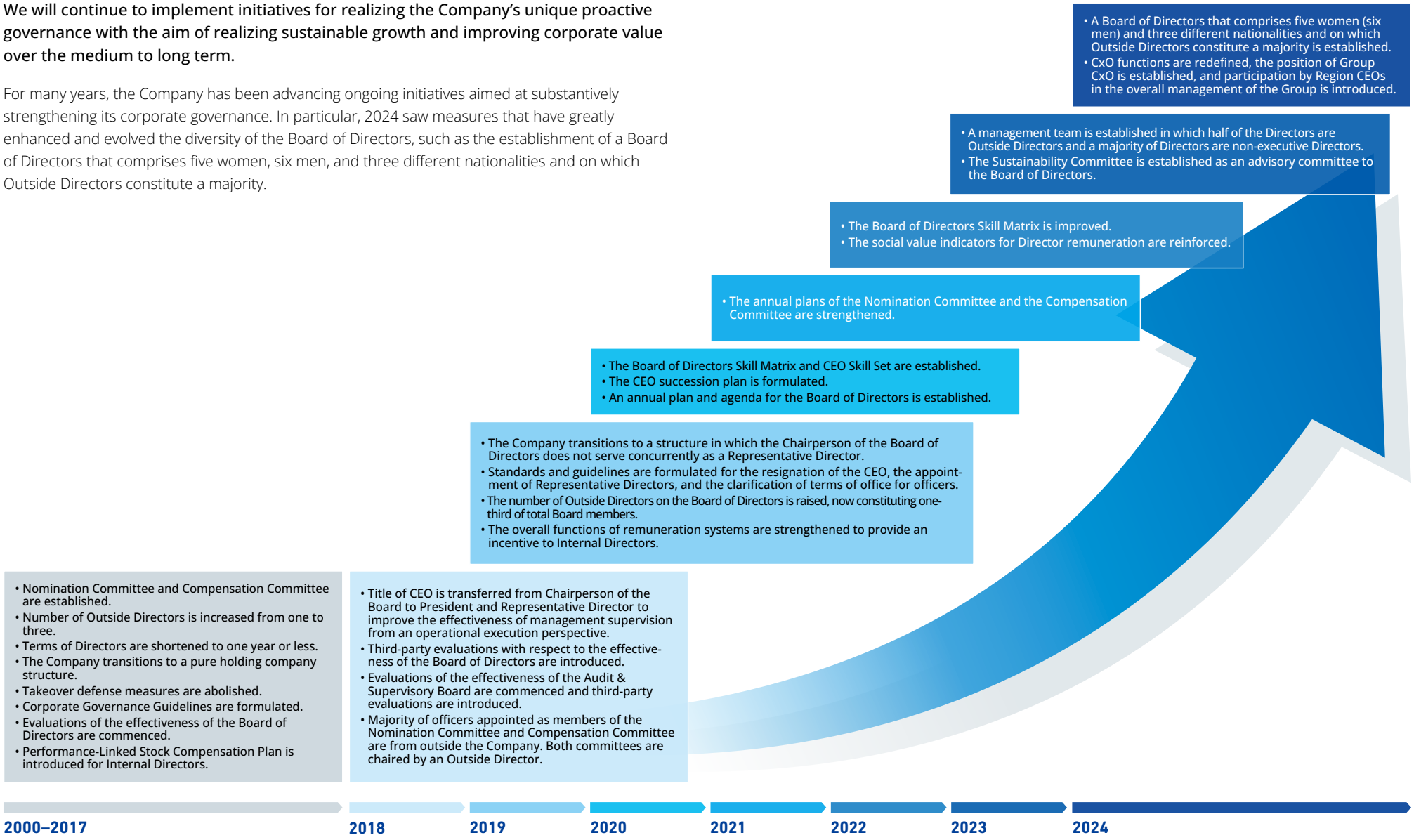
Audit & Supervisory Board

In accordance with the Audit & Supervisory Board Skill Matrix, which clarifies the personal requirements of Audit & Supervisory Board Members of the Company, the Audit & Supervisory Board consists of persons who have abundant experience, extensive insight, and high-level expertise and ability required by the Company. The Audit & Supervisory Board comprises three Outside Audit & Supervisory Board Members and two Standing Audit & Supervisory Board Members and is chaired by a Standing Audit & Supervisory Board Member.

Evolution of Corporate Governance at the Asahi Group

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

For many years, the Company has been advancing ongoing initiatives aimed at substantively strengthening its corporate governance. In particular, 2024 saw measures that have greatly enhanced and evolved the diversity of the Board of Directors, such as the establishment of a Board of Directors that comprises five women, six men, and three different nationalities and on which Outside Directors constitute a majority.

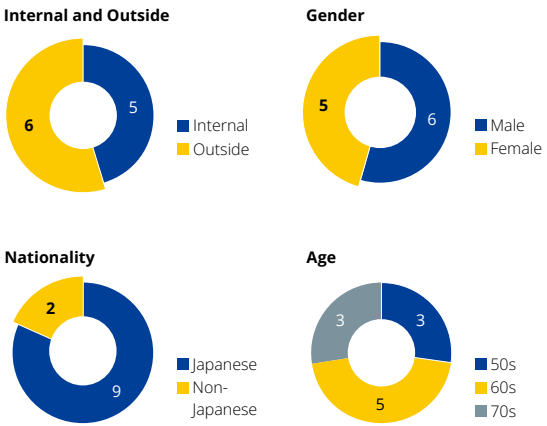


Introduction of Directors

The Board of Directors comprises persons who are suitable for the position of Director of the Company because their wealth of experience, insight, expertise, and skills accord with the attributes set out in the Board of Directors Skill Matrix (see page 15), which clearly states the requirements of Company Directors based on the AGP, the Asahi Group Code of Conduct, and management strategies. Specifically, all Board members possess the decision-making skills and supervisory skills stipulated as being necessary by the Board of Directors Skill Matrix and have the capabilities needed for realizing sustainable growth, improving corporate value over the medium to long term, and enhancing the Board's overall effectiveness.

In addition, Outside Directors are such persons as corporate managers and experts and satisfy the requirements associated with Independent Outside Directors, who the Company has deemed must constitute a majority of the Directors.

Composition Breakdown



Akiyoshi Koji

Chairperson of the Board

Tenure
18th year

Experience and Track Record

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

Since 2021, as Chairman and Director he has served as the Chairman of the Board of Directors of the Company and has played an integral role in increasing the effectiveness of the Board of Directors. He has been essential to the fair and transparent operation of the Board of Directors, prompting active involvement and the expression of opinions and recommendations by Outside Directors, and managing proceedings that encourage substantial dialogue between Outside Directors and Internal Directors. In addition, he has played a central role in creating sustainable mechanisms of the Board of Directors, which form the basis of increased corporate value over the medium to long term.

Areas of Particular Expertise

Akiyoshi Koji fulfills the roles expected of him as a Director under the Board of Directors Skill Matrix at a high level. In particular, he has exceptional senior leadership skills, insight and expertise in finance, human resources, and culture, long-term strategic skills supported by foresight and a backcasting mindset, discontinuous growth skills with a background in transforming business structures and earnings models, and sustainability skills that reflect an entire business perspective for continuous development.

Positions at Other Listed Companies

Outside Director of Imperial Hotel, Ltd.

Atsushi Katsuki

President and Group CEO, Representative Director

Tenure
8th year

Experience and Track Record

Since being appointed as a Director of the Company in 2017, Atsushi Katsuki has been responsible for alliances and M&As and many domestic and overseas businesses, and has a track record that includes promoting the restructuring of the business portfolio.

Serving as President and Group CEO, Representative Director since 2021, he has worked to realize sustainable growth in our existing businesses, centered on beer, while leveraging the foundation of those businesses to expand into peripheral and new business and service domains, based on the Medium- to Long-Term Management Policy, enlisting an approach that entails backcasting from megatrends. Moreover, while increasing the competitiveness of each of the Company's RHQ in areas including Japan, Europe, Oceania, and Southeast Asia, he has also built systems to create synergies between these regions. Using the achievements of these initiatives as a platform, he has built an organizational structure that has greater diversity and that is optimized for global management in order to maximize the corporate value of the Group and to establish corporate activities with beneficial effects on the environment and local communities.

Areas of Particular Expertise

Atsushi Katsuki fulfills the roles expected of him as a Director under the Board of Directors Skill Matrix at a high level. In particular, he has exceptional insight and expertise regarding long-term strategy, sustainability, senior leadership, and finance; discontinuous growth skills supported by knowledge and experience with respect to M&A; and the ability to make decisions from a global perspective by calling upon his extensive experience overseas.

Introduction of Directors

Keizo Tanimura

Director EVP and CPO
(Executive Vice President and Chief People Officer)

Tenure
6th year

Experience and Track Record

Since being appointed as a Director of the Company in 2019, Keizo Tanimura's responsibilities have included administration and governance. His track record includes promoting a succession planning system for the Group's executives and the construction of a system for human resources and compensation global policy, and he has also promoted reinforcement of the operating foundation of governance for increasing the effectiveness of the Board of Directors.

Moreover, he has established a track record that includes numerous achievements such as driving significant improvement in external ESG assessments through his efforts in promoting the integration of sustainability and management as well as environmental measures including reducing CO_2 emissions. His efforts have also resulted in the achievement of high scores with respect to employee engagement through coordination of initiatives among the RHQ, which involved drawing up a Group-wide personnel policy and engaging in diversity, equity, and inclusion (DE&I) initiatives.

Areas of Particular Expertise

Keizo Tanimura fulfills the roles expected of him as a Director under the Board of Directors Skill Matrix at a high level. In particular, he possesses excellent foresight with regard to future trends in DE&I and ESG; sustainability skills that draw on an ability to view human resources and cultures from a global perspective and to include diverse cultures; and risk and governance skills based on insight and expertise in relation to governance.

Kaoru Sakita

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

Tenure
3rd year

Experience and Track Record

Since assuming the role of Director of the Company in 2022, Kaoru Sakita has been responsible for the areas of finance, procurement, and IT, and as a CFO, he established a track record that includes having contributed to improving the robustness of our financial position by optimizing our global cash management system and by reducing financial liabilities.

Additionally, he has promoted the materialization of innovation in three key areas of the Company's DX strategy (processes, organization, and business models) and established Asahi Global Procurement Pte. Ltd. in Singapore to improve Group-wide procurement capabilities.

Areas of Particular Expertise

Kaoru Sakita fulfills the roles expected of him as a Director under the Board of Directors Skill Matrix at a high level. In particular, he possesses excellent insight and expertise regarding long-term strategic perspectives, finance, and procurement; discontinuous growth skills backed by extensive experience in alliances and M&As; and decision-making skills from a global perspective that draw on his extensive experience overseas.

Naoko Nishinaka

Director EVP

Tenure
1st year

Experience and Track Record

Naoko Nishinaka has acquired a wealth of experience and abilities related to supply chains and quality assurance through her work history in the fields of quality assurance, brewing technology, and beer development, which includes her former position as the person responsible for the quality assurance sections at the Company and its Group companies.

Since being appointed as a Standing Audit & Supervisory Board Member of the Company in 2020, through auditing the status of activities at the Company and its domestic and overseas Group companies by attending meetings of the Board of Directors and other important meetings, she has appropriately performed the role of auditing the execution of duties by the Company's Directors, including the internal control system.

Areas of Particular Expertise

Naoko Nishinaka sufficiently possesses the insight, expertise, and ability required as a Director of the Company due to her abundant experience in manufacturing and quality at the Group as well as in compliance, risk management, and auditing as a Standing Audit & Supervisory Board Member of the Company. In particular, she possesses excellent risk and governance skills based on her insight and expertise in long-term strategy, sustainability, senior leadership, and governance, which are backed by her abundant experience at the Group.

Introduction of Directors

Christina L. Ahmadjian

Independent Outside Director

Tenure
6th year

Experience and Track Record

Since being appointed as an Outside Director of the Company in 2019, Christina L. Ahmadjian has participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors from the perspectives of ESG, sustainability, and a global outlook, based on her viewpoints as a university professor and an expert in risk and governance and human resources and culture, as well as her experience as an outside officer of other companies.

Furthermore, as Chairperson of the Compensation Committee, to enhance the supervisory function of the Board of Directors, she has led the operations of the committee in a fair and transparent manner, and reported to the Board of Directors on matters such as the establishment of social value indicators for the medium-term bonus and bonus payment plans. In addition, as a member of the Nomination Committee, she has provided specific opinions and recommendations regarding the Board of Directors Skill Matrix, oversight of the Group CEO succession plan, and other matters. As a member of the Sustainability Committee, she has provided opinions and recommendations on strengthening the Group's sustainability governance system and on further integration of sustainability and management.

Areas of Particular Expertise

Christina L. Ahmadjian fulfills the roles expected of her as a Director under the Board of Directors Skill Matrix at a high level. In particular, she possesses excellent sustainability, global, risk and governance, human resources and cultural skills.

Positions at Other Listed Companies

Outside Director of Sumitomo Electric Industries, Ltd.
Outside Director of NEC Corporation
Member of the Board (Outside Director) of Niterra Co., Ltd.

Kenichiro Sasae

Independent Outside Director

Tenure
3rd year

Significant Concurrent Positions
President of The Japan Institute of International Affairs

Experience and Track Record

Since being appointed as an Outside Director of the Company in 2022, Kenichiro Sasae has participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors on global business execution from the perspective of geopolitical risk and international affairs, based on his extensive knowledge and experience regarding international politics and economics, as well as his experience as an outside officer of other companies.

Furthermore, as Chairperson of the Nomination Committee, to enhance the supervisory function of the Board of Directors, he has led the operations of the committee in a fair and transparent manner, and reported to the Board of Directors on matters such as the Board of Directors Skill Matrix, oversight of the Group CEO succession plan, and proposals regarding officer appointments. In addition, as a member of the Compensation Committee, he has provided specific opinions and recommendations regarding reports on matters such as the establishment of social value indicators for the medium-term bonus and bonus payment plans.

Areas of Particular Expertise

Kenichiro Sasae fulfills the roles expected of him as a Director under the Board of Directors Skill Matrix at a high level. In particular, he possesses excellent long-term strategy, global, senior leadership, and risk and governance skills.

Positions at Other Listed Companies

Outside Director of SEIREN CO., LTD.
Outside Director of MITSUBISHI MOTORS CORPORATION
External Director of Fujitsu Limited

Tetsuji Ohashi

Independent Outside Director

Tenure
3rd year

Significant Concurrent Positions
Chairperson of the Board and Representative Director of Komatsu Ltd.

Experience and Track Record

Since being appointed as an Outside Director of the Company in 2022, Tetsuji Ohashi has participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors, such as asking questions and raising concerns about Group governance and global business execution that grasp the essence of matters based on the perspective of managing a global corporation and his experience as an outside officer of other companies.

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

Areas of Particular Expertise

Tetsuji Ohashi fulfills the roles expected of him as a Director under the Board of Directors Skill Matrix at a high level. In particular, he possesses excellent long-term strategy, global, discontinuous growth, senior leadership, and finance skills.

Positions at Other Listed Companies

Outside Director of Yamaha Motor Co., Ltd.
Outside Director of Nomura Research Institute, Ltd.

Introduction of Directors

Mari Matsunaga

Independent Outside Director

Tenure
2nd year

Significant Concurrent Positions
Representative of Mari Matsunaga Office

Experience and Track Record

Since being appointed as a Director of the Company in March 2023, Mari Matsunaga has participated in discussions and activities that contributed to substantial and appropriate supervision of the Board of Directors from the perspective of new business models and new businesses aimed at the Group's sustainable growth, based on her experience in developing new services and creating new business models as well as her experience as an outside officer at another company.

Furthermore, as a member of the Sustainability Committee, she has provided opinions and recommendations on strengthening the Group's sustainability governance system and on further integration of sustainability and management.

Areas of Particular Expertise

Mari Matsunaga fulfills the roles expected of her as a Director under the Board of Directors Skill Matrix at a high level. In particular, she possesses excellent skills related to sustainability, human resources, and culture.

Positions at Other Listed Companies

Outside Director of Seiko Epson Corporation

Chika Sato

Independent Outside Director

Tenure
1st year

Experience and Track Record

Chika Sato has many years of experience in the human resources division and in overseas positions at global companies. She sufficiently possesses the insight, expertise, and ability required as a Director of the Company, including senior leadership, discontinuous growth, human resources, and cultural skills, based on her abundant global experience in such areas as organizational and leadership development, hiring, and DE&I promotion.

In particular, as an Outside Director, she is expected to actively point out and make recommendations based on her abundant experience and broad insight in the field of human resources at global companies, and to actively provide opinions and recommendations at meetings of the Board of Directors aimed at improving the human capital of the Group.

Areas of Particular Expertise

Chika Sato fulfills the roles expected of her as a Director under the Board of Directors Skill Matrix at a high level. In particular, she possesses excellent skills in relation to senior leadership, discontinuous growth, human resources, and culture.

Melanie Brock

Independent Outside Director

Tenure
1st year

Significant Concurrent Positions
Representative Director of Melanie Brock Advisory Ltd.

Experience and Track Record

Melanie Brock sufficiently possesses the insight, expertise, and ability required as a Director of the Company, including global, senior leadership, risk and governance, human resources, and cultural skills, based on her abundant global experience, including her work history in key positions at groups connecting the financial worlds of Japan and Australia and in building networks, as well as her experience as an outside officer of other companies.

In particular, as an Outside Director, she has a high level of senior leadership skills cultivated through experience of involvement in marketing, diversity promotion, and other areas in the course of global consulting activities. She is expected to actively point out and make recommendations on management issues from a global perspective, as well as to actively provide opinions and recommendations at meetings of the Board of Directors based on her abundant knowledge and broad insight related to diversity.

Areas of Particular Expertise

Melanie Brock fulfills the roles expected of her as a Director under the Board of Directors Skill Matrix at a high level. In particular, she possesses excellent global, senior leadership, human resources, and cultural skills.

Positions at Other Listed Companies

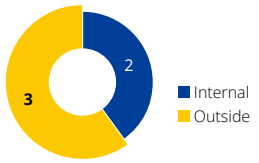
Director of the Board (External) of SEGA SAMMY HOLDINGS INC.
Outside Director of MITSUBISHI ESTATE CO., LTD.
Outside Director of Kawasaki Heavy Industries, Ltd.

Introduction of Audit & Supervisory Board Members

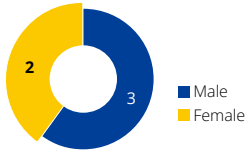
To ensure a good balance throughout the Audit & Supervisory Board in terms of the knowledge, experience, skills, and diversity required to help sustain the growth and increase the corporate value of the Group over the medium to long term, the Company has deemed that the Audit & Supervisory Board shall comprise persons who are suitable for the position of Audit & Supervisory Board Member because they possess a wealth of experience, insight, expertise, and skills that accord with the Company's requirements as set out in the Audit & Supervisory Board Skill Matrix (see page 32). Further, the Company has deemed that a majority of the Audit & Supervisory Board Members shall be Outside Audit & Supervisory Board Members who meet the requirements for Independent Directors established by the Company. In this way, the Company shall ensure that the Audit & Supervisory Board comprises persons who are highly effective and suited to preventing damage to the Company's corporate value, contributing to the enhancement of corporate value, and playing essential roles in the administration of corporate governance.

Composition Breakdown

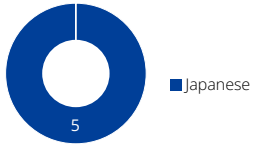
Internal and Outside



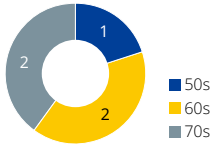
Gender



Nationality



Age



Yukitaka Fukuda

Standing Audit & Supervisory Board Member

Tenure
2nd year

Experience and Track Record

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

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

Areas of Particular Expertise

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

Akiko Oshima

Standing Audit & Supervisory Board Member

Tenure
1st year

Experience and Track Record

Akiko Oshima has experience related to compliance, risk management, and internal audits, as well as abundant experience in business management, including overseas business management, in the corporate strategy sections of the Company and its Group companies as a result of serving as an Executive Officer and Head of the Internal Audit at the Company.

Since being appointed as an Audit & Supervisory Board Member, she has appropriately performed the role of auditing the execution of duties by the Company's Directors, including the internal control system, by monitoring the status of activities of the Company and Group companies both in Japan and overseas through such means as attending Board of Directors' meetings and other important meetings.

Areas of Particular Expertise

Akiko Oshima possesses exceptional skills with regard to the roles prescribed for her as an Audit & Supervisory Board Member of the Company. She has extensive insight in relation to compliance, risk management, and internal audits as well as abundant knowledge and advanced abilities with respect to the Company's businesses.

Introduction of Audit & Supervisory Board Members

Yutaka Kawakami

Independent Outside Audit & Supervisory Board Member

Tenure
8th year

Significant Concurrent Positions
Certified Public Accountant

Experience and Track Record

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

As an Outside Audit & Supervisory Board Member, he has used his extensive insight and experience as a certified public accountant to actively provide opinions and recommendations to the Board of Directors and the Audit & Supervisory Board from an objective perspective. In addition, he has performed his role of auditing the execution of duties by the Company's Directors, including those pertaining to internal control systems, by reviewing the audit status of domestic Group companies and the activities of overseas Group companies' audit committees.

Areas of Particular Expertise

Yutaka Kawakami possesses the high level of expertise necessary for an Audit & Supervisory Board Member of the Company. He has a particularly high level of insight and experience pertaining to corporate accounting audits, supported by his many years of experience as an accounting auditor at multiple global companies.

Positions at Other Listed Companies

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

Shigeo Ohyagi

Independent Outside Audit & Supervisory Board Member

Tenure
3rd year

Significant Concurrent Positions
Honorary Advisor of Teijin Limited

Experience and Track Record

Shigeo Ohyagi has extensive experience in corporate management with respect to engaging in business globally, particularly given that he served as CEO & President and Chairman of a global corporation.

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

Areas of Particular Expertise

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

Positions at Other Listed Companies

Outside Director of Tokyo Electric Power Company Holdings, Incorporated

Sanae Tanaka

Independent Outside Audit & Supervisory Board Member

Tenure
2nd year

Significant Concurrent Positions
Representative of Sanae Tanaka Law Office

Experience and Track Record

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

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

Areas of Particular Expertise

Sanae Tanaka possesses the high level of expertise necessary for an Audit & Supervisory Board Member of the Company. She has an especially high level of insight and expertise pertaining to overall corporate legal affairs underpinned by her many years of experience as an attorney-at-law.

Positions at Other Listed Companies

Outside Director of Shochiku Co., Ltd.
Outside Director of TV Asahi Holdings Corporation

Role and Function of the Board of Directors

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

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

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

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

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

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

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

Determination of Medium- to Long-Term Management Policy

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

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

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

Deliberations on Corporate Officer Appointments and Remuneration

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

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

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

Risk Governance

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

Contingency Measures of the Board of Directors

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

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

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

Skills the Board of Directors Should Possess

Board of Directors Skill Matrix Functioning as Nomination Standard for Ensuring Sustainability

To secure balance and diversity in terms of the knowledge, experience, and ability of the entire Board of Directors that are deemed necessary for the Company to realize sustainable growth and increases in corporate value over the medium to long term, the Company has formulated the Board of Directors Skill Matrix, which clarifies the requirements of corporate officers based on the AGP and the Medium- to Long-Term Management Policy. The Board of Directors Skill Matrix is used to shape succession plans, Director evaluation systems, and the appointment and reappointment of Directors to ensure that the Board of Directors always has a membership that contributes to higher effectiveness.

In accordance with the Board of Directors Skill Matrix, the Board consists of members with the experience, insight, expertise, and skills required by the Company. Moreover, a majority of the Directors are Outside Directors, including corporate managers and specialists, who meet the Company's requirements for outside officers.

Board of Directors Skill Matrix

The Board of Directors Skill Matrix indicates whether the Board of Directors has an appropriate balance of the skills that are necessary and essential for enhancing the Board's effectiveness. For this reason, among the skills that Directors possess, the Board of Directors Skill Matrix is particularly focused on the skills that Directors are expected to exhibit in their roles and does not represent all the knowledge and experience possessed by each Director.

Skill		Definition
Decision-Making Skills	Long-Term Strategy	・Ability to assess societal changes over the long term and the ultra-long term ・Ability to guide according to strategies informed by backcasting from an envisioned future
	Global Expertise	・Ability to make decisions from a global perspective and frame of reference ・Ability to optimize a blend of local and global perspectives
	Sustainability	・Ability to provide leadership for the creation of social impact through the business ・Ability to provide direction of management rooted in knowledge and insight on ESG
	Discontinuous Growth	・Ability to transform the business structure and earnings model ・Ability to encourage innovation and explore new areas of business
Supervisory Skills	Senior Leadership	・Ability to accurately assess the status of business execution and raise related issues ・Ability to evaluate business execution by leadership team
	Finance	・Ability to grasp the state of management from performance and management indices and raise related issues ・Ability to grasp the state of resource allocation and raise related issues
	Risk & Governance	・Ability to grasp the state of risk control and raise related issues ・Ability to grasp the state of governance in place for business execution and raise related issues
	Human Resources & Culture	・Ability to evaluate the status of diverse human resources being able to demonstrate their capabilities ・Ability to grasp the state of corporate culture and raise related issues

Directors	Decision-Making Skills				Supervisory Skills			
	Long-Term Strategy	Global Expertise	Sustainability	Discontinuous Growth	Senior Leadership	Finance	Risk & Governance	Human Resources & Culture
Internal Akiyoshi Koji	○		○	○	○	○		○
Internal Atsushi Katsuki	○	○	○	○	○	○		
Internal Keizo Tanimura		○	○				○	○
Internal Kaoru Sakita	○	○		○		○		
Internal Naoko Nishinaka	○		○		○		○	
Outside Christina L. Ahmadjian		○	○				○	○
Outside Kenichiro Sasae	○	○			○		○	
Outside Tetsuji Ohashi	○	○		○	○	○		
Outside Mari Matsunaga			○	○	○			○
Outside Chika Sato		○		○	○			○
Outside Melanie Brock		○			○		○	○

Annual Agenda of the Board of Directors

The Board of Directors pursues improvements to its effectiveness by formulating annual agenda plans based on an evaluation of its effectiveness conducted in the prior fiscal year and engaging in more robust discussions of the designated items. The topics discussed at Board meetings in fiscal 2023 (March 2023 to March 2024) are as follows.

Major Themes	Subthemes	Matters for Discussion	Mar. (after the General Meeting of Shareholders)	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. (before the General Meeting of Shareholders)
Agenda items related to the examination and formulation of medium- to long-term policies and medium-term plans	Megatrends	Megatrend deliberation							○	○				
	Business portfolio	Business portfolio deliberation							○					
	Corporate branding	Corporate branding			○							○		
	Medium-term plan	Next medium-term plan									○	○	○	
	Digital transformation strategy	Medium- to long-term digital transformation strategies and initiatives								○				
	R&D strategy	Medium- to long-term R&D strategies and initiatives						○						
	Human capital	Initiatives for upgrading human capital							○					
Agenda items to guide execution based on medium-term plans	Group governance	Group governance						○			○			
	Reporting to the Group CEO	Reporting to the Group CEO (business execution topics, progress of dialogue with investors, etc.)		○	○	○		○	○		○	○		○
	Execution monitoring	Progress of general and four-RHQ business management		○	○	○	○	○	○	○	○	○	○	
	Risk management	Risk management, compliance, and cybersecurity			○	○		○						
	Sustainability	Sustainability initiatives and initiatives for TCFD recommendations				○						○		
	Financial results	Full year, half year, and quarterly		○			○			○			○	
	Fundraising	Fundraising plan and results	○								○	○		
	Cross-shareholdings	Verification of cross-shareholding rationale												○
Agenda items to serve as a basis for effectiveness	Corporate governance	Corporate governance structure				○								
	Effectiveness evaluation	Evaluation of the effectiveness of the Board of Directors (including the Nomination and Compensation committees)									○		○	○
	Nomination	Annual activity plan for committee		○	○									
		Director appointment	○			○					○		○	○
	Remuneration	Annual activity plan for committee		○	○									
		Director remuneration and social value indicators of Director remuneration, etc.	○				○						○	
Agenda items related to stakeholder engagement	Dialogue with stakeholders	General Meeting of Shareholders, etc.		○								○	○	
	Shareholder returns	Shareholder return policy, year-end dividend, and interim dividend					○						○	
Agenda items to support overall effectiveness	Effective administration	Annual agenda planning for the Board of Directors and matters that should be reported to the Board of Directors		○										
	Internal audits	Progress of internal audits										○		
	Coordination with the Audit & Supervisory Board	Audit policy of Audit & Supervisory Board Members, audit plan, audit overview, and results of the Audit & Supervisory Board's effectiveness evaluations		○				○				○		○

Note: The classification of agenda items into major themes is based on the main items included in each agenda item. In some cases, agenda items include reports on items pertaining to other major themes.

Activities of the Board of Directors

Topics

Megatrend Deliberation

Board of Directors-Led Discussions on Megatrends

Since fiscal 2020, the Asahi Group has held annual discussions that are led by the Board of Directors and focused on megatrends of the coming 30 years. By backcasting from these projections, the Group establishes the basis of its medium- to long-term strategies.

Fiscal 2023's discussions of megatrends were based on the results of discussions through fiscal 2022 and took the form of face-to-face discussions between eight Group employees selected from Japan and overseas and the Board of Directors. External experts were also invited to participate, and a broad range of perspectives from both inside and outside the Group were incorporated into the discussions, which focused on well-being as a megatrend in 2050 and the value that the Group will provide.

Discussions were lively, with those on well-being in 2050 focusing on the need for a comprehensive approach that considers a wide variety of social issues from multiple perspectives in order to enhance connections between people. In addition, the potential for technology to play a major role in providing the value sought by customers and stakeholders was discussed. Discussions on the value that the Group will provide included opinions and recommendations calling for implementation of the AGP through the promotion of employee well-being and through the offering of brand value, personalized value, value promoting physical and mental health, and value satisfying latent needs.

Consequently, the Company's efforts to "contribute to the realization of a sustainable society and respond to changing conceptions of well-being through delivering great taste and fun," which is the basic concept behind the long-term strategies set out in the Medium- to Long-Term Management Policy, and efforts to pursue the potential of businesses in line with this concept must meet stakeholder expectations and realize well-being through a renewed commitment to the pursuit of the AGP. The discussions arrived at a recognition of the importance of creating innovations that bring people together and expanding the business portfolio.

Outside Directors' Inspection Tour in Australia

To deepen understanding of the Group's businesses, an inspection tour of overseas operations by Outside Directors was conducted in July 2023. During their visit to Australia, Outside Directors had discussions with senior management and employees in Oceania (Australia and New Zealand) and exchanged views with the Chairperson of the Board of Directors. They also visited breweries, restaurants, and liquor stores.

In Australia, the Outside Directors held separate meetings with managers, focusing on such topics as marketing strategy; brand strategy; diversity, equity, and inclusion (DE&I); sustainability; and safety management and exchanged opinions on issues and initiatives in Oceania.

As part of the inspection tour of operations, the Outside Directors visited two breweries, Laverton (Victoria) and Yatara (Queensland), to observe and learn about the beer production process and talked with personnel. During restaurant and liquor store visits, they spoke directly with customers and checked the progress of marketing and brand strategy initiatives in Oceania.

In each year, the Board of Directors receives periodic reports on the status of execution from the CEOs of each Regional Headquarters (RHQ) and conducts monitoring. However, the Company will continue on-site inspection tours and other measures to promote Outside Directors' understanding of the Group's operations and to enhance the monitoring functions of the Board of Directors even further.

Succession Planning and Skill Sets for the Group CEO and Directors

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

Succession Plan and Training

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

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

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

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

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

Skill Set of the Group CEO

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

The Skill Set of the Group CEO consists of skills distinctive to the role of Group CEO of the Company, in addition to the skills required of such personnel in general, and specifies the skills necessary for performing the Group CEO's role as the person with ultimate responsibility for business execution.

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

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

Necessary Skills of the Group CEO

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

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

Personal Traits	Capabilities	Performance Record
"Personality, attitude and stance" conducive to serving duties	"Insight, ability, expertise" required to accomplish duties	Necessary "experience and successes"
・Sincerity and humility ・Mental toughness ・Open-mindedness	・Foresight, decisiveness, competency ・Organizational leadership ・Learning skills	・Experience as a top management of operating company or RHQ ・Experience in international operations ・Experience in addressing discontinuous growth

Appointment, Dismissal, and Evaluation of the Group CEO and Executive Directors

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

Appointment and Dismissal of the Group CEO

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

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

1) Persons who, based on the Skill Set of the Group CEO, possess experience, insight, and expertise appropriate for the position of Group CEO are nominated.
2) A candidate shall be nominated as Group CEO after being deliberated on beforehand by the Nomination Committee and judged to be appropriate.
3) In the event that there is a possibility that the criteria for dismissal, which have been determined in advance, are met, the Nomination Committee shall hold deliberations, and after the results of said deliberations are verified by the Board of Directors, the relevant individual shall not be nominated as a candidate for Director, and they shall also be dismissed from the position of Group CEO.

Nomination of Executive Directors

To facilitate the sustained growth of the Group and increase its corporate value over the medium to long term, Executive Directors are nominated in light of the Board of Directors Skill Matrix and through the following framework.

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

Evaluations of the Group CEO and Executive Directors

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

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

Cultivation of Management Personnel

Continuous Cultivation of Management Personnel

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

We also implement the Global Leadership Development Program (GLDP), which is an elective manager cultivation program that includes overseas businesses. This three-level program enhances the Group management personnel pipeline from a medium- to long-term perspective.

Development of Succession Plans Based on Global Talent Reviews

Overview of Global Talent Reviews

Participants	Group CEO, Director Executive Vice Presidents, RHQ CEOs, and CHROs
Discussion Topics	1) Performance, potential, and flight risks of current managers 2) Succession planning for approximately 50 important Group positions 3) Plans for cultivating high-potential personnel

Asahi's Global Leadership Competency Model

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

Elective Development Program Based on a Medium- to Long-Term Perspective

Programs	Associated risks	Program organizers	No. of participants in 2022	Breakdown of participants
GLDP Executive	Capacity to manage global operations of the Asahi Group	Group CEO Group CPO	7	Europe: 2 Oceania: 2 Southeast Asia: 1 Japan: 2
GLDP Advance	Strategy drafting skills that contribute to the resolution of social issues	Group CFO Group CPO	14	Europe: 4 Oceania: 4 Southeast Asia: 2 Japan: 4
GLDP Emerging	Development of business models based on the Asahi Group's business platform	Group CGO Group CPO	15	Europe: 5 Oceania: 5 Southeast Asia: 2 Japan: 3

Role, Function, and Composition of the Nomination Committee

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

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

Kenichiro Sasae
Chairperson, Nomination Committee

Message from the Chairperson of the Nomination Committee

As an advisory committee to the Board of Directors, the majority of which comprises independent and objective Outside Directors, the Nomination Committee responds to inquiries from the Board by deliberating and reporting on the fairness and appropriateness of the appointment of Directors, which forms the basis of corporate governance.

In the previous fiscal year, the Nomination Committee submitted a report that recommended establishing a Board of 11 Directors comprising six Outside Directors and five female Directors as well as diverse nationalities that include menbers from the U.S., Australia, and Japan. The aim of the recommendation was to strengthen decision-making capabilities and the executive oversight function and thereby sustain growth of the Group and enhance its corporate value over the medium to long term. In doing so, the Nomination Committee deliberated on the establishment of a Board of Directors with the necessary experience, insight, expertise, and skills required by the Company. These deliberations were conducted with reference to the Board of Directors Skill Matrix, which clarifies the personal requirements of the Company's Directors. Reflecting the Asahi Group Code of Conduct, the AGP, Asahi management strategies and attributes set out in the matrix, a good balance and level of diversity were introduced in terms of knowledge, experience, and skills. These are essential for the Company to realize sustainable growth and to increase corporate value over the longer term.

In the current fiscal year, the Nomination Committee will continue to fulfill its responsibilities by pursuing these longer term objectives.

Members of the Nomination Committee in Fiscal 2024

Five members (of whom three are Outside Directors)

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

Activities in Fiscal 2023

In fiscal 2023, the Nomination Committee convened a total of nine times.

- Deliberation and reporting regarding the nomination of Director and Audit & Supervisory Board Member candidates
- Deliberation and reporting regarding the appointment of the Representative Director, Chairperson of the Board, President, Group CEO, and chief officers
- Discussions were held on matters regarding the selection of Nomination Committee members after reappointment, and the results thereof were reported to the Board of Directors
- Report on the Nomination Committee activity plan for fiscal 2023 to the Board of Directors
- Discussion on succession planning
- Discussion on acquisition and cultivation of human resources

Director Remuneration as an Incentive to Enhance Corporate Value

The Company has designed a remuneration system linked with shareholder interests in order to serve as a sufficient incentive for corporate officers to achieve the AGP and realize the integration of sustainability and management. This system ensures sound Director remuneration that is based on a transparent and fair process and leads to sustainable growth and enhancement of medium- to long-term corporate value.

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

Director Remuneration

Basic Policy

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

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

Composition of Remuneration

Remuneration for the Directors of the Company comprises basic remuneration, bonuses (annual and medium-term), and stock compensation. Remuneration for Outside Directors consists solely of basic remuneration. Based on the principle that remuneration for Internal Directors should be closely linked to performance, the percentage of variable remuneration (bonus and stock compensation) in the annual income for the President and Representative Director is set to be around 70%. In addition, the percentage of stock compensation, which is a form of remuneration that shares benefits and risks with shareholders, is set at around 20%. For other Internal Directors, the percentage of variable remuneration is set at around 60% and is designed in accordance with the Director's position and role.

Remuneration Level

The type of remuneration for Directors 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 with reference to groups of global companies and Japanese benchmarks that are the same in business operations, scale, and complexity in business regions, etc., as those of the Company.

Basic Remuneration (Fixed Remuneration)

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

Variable Remuneration

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

Method for Determining Remuneration

Director remuneration is set in line with a resolution at a meeting of the Board of Directors and within the total amount for remuneration determined in advance at the General Meeting of Shareholders. Before resolutions are made, the Compensation Committee, which is made up of a majority of Outside Directors, acts as an advisory body to the Board of Directors, evaluating the content of said resolutions. The Compensation Committee utilizes objective external data, when necessary, to ensure fair decision-making related to Director remuneration. A Director's individual remuneration is determined by the Board of Directors, with individual evaluations and the determination of individual remuneration based on evaluations entrusted to the Compensation Committee.

Revision of Amount of Each Type of Remuneration for Directors

Against this backdrop, in a dramatically changing, unpredictable global management environment, we are working to create greater incentives to achieve sustainable growth and increase corporate value over the medium to long term, while also securing excellent personnel with diverse capabilities on a global basis and continuously developing management personnel from a medium- to long-term perspective. To promote these initiatives, with reference to the levels of both global companies and Japanese companies (top 100 by market capitalization) that are similar to the Company in terms of nature and scale of business and the complexity of business regions, the Company would like to revise the total amount of remuneration for Directors to an annual amount of up to JPY3 billion (including JPY400 million for Outside Directors) with the goal of transitioning to even more competitive remuneration levels in the medium term.

Director Remuneration as an Incentive to Enhance Corporate Value

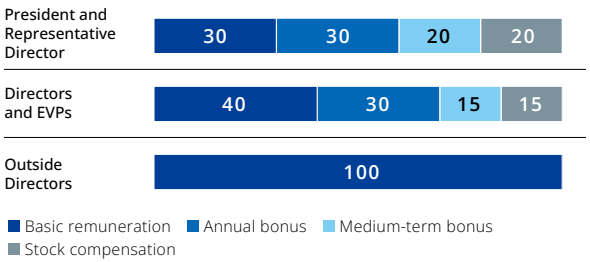
Summary of Variable Remuneration for Directors

	Annual Bonus	Medium-Term Bonus	Stock Compensation
Objective	Strengthen incentive to strive for the Company's sustainable and steady growth, enhancement of financial value, and achievement of targets	Strengthen incentive to strive for the Company's discontinuous growth and achievement of medium-term operating results	Strengthen incentive to strive for the Company's long-term sustainable increase in corporate value and align interests and risks with those of shareholders
Period	Single fiscal year	Three years	Three years
Payment method	Cash	Cash	Stock
Payment period	Every March	Every March	Upon resignation
Evaluation method	In line with (i)	In line with (ii)	No

Introduction of malus and clawback clause: In the event that any corporate officer who is eligible to receive a bonus is found to have committed any of the following acts that are detrimental to the enhancement of corporate value, the bonus amount or all or part of the determined share granting points will be reduced or returned to the Company.
1. Persons whom the Board of Directors deems appropriate to forfeit the bonus amount or share granting points due to misconduct or other reasons
2. Persons whom the Board of Directors deems appropriate to forfeit the bonus amount or share granting points due to falling under any of the grounds for disqualification for Directors as stipulated in the Companies Act
3. Other persons whose actions are deemed by the Board of Directors to be equivalent to those outlined in 1 or 2 above.

Composition of Remuneration (Compensation Model for Achievement of FY2024 Performance Targets)

(%)



Note: The percentage values show a scenario of achievement of the initially planned targets for FY2024.

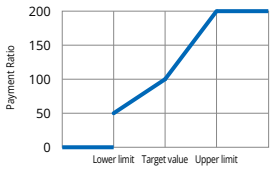
(i) Evaluation Method for Annual Bonus

Performance Coefficient and KPI for Annual Bonus and Individual Evaluation Coefficient

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

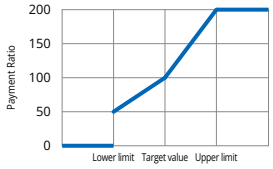
* The individual evaluation coefficient comprehensively evaluates each individual's contributions to enhancing the effectiveness of the Board of Directors as a Director as well as their business execution performance as an Executive Director.
Set at 100% when targets are met, fluctuates within a range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

Payment Ratio for Core Operating Profit (%)



Consolidated Core Operating Profit

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



Profit Attributable to Owners of Parent

Notes: 1. Set as a KPI that is linked to KPIs in annual business plans and that aims for steady and continuous improvement in financial value
2. Set at 100% when targets are met, fluctuates within a range from 0% to 200%
3. As a basis, the upper limit is set at 115% of the target value and the lower limit is set at 85% of the target value. Every year, the upper and lower limits are determined after examining the appropriateness of their levels.

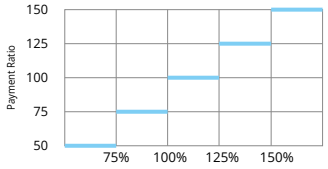
(ii) Evaluation Method for Medium-Term Bonus

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

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

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

Payment Ratio for Financial Value Indicators (%)



Target Value for Free Cash Flow

Payment Ratio for Social Value Indicators (%)

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

Evaluation Criteria for Our Social Value Indicators

Areas	Weight	Score	Total Score
Climate Change	20%	1 point–5 points	20 points–100 points
Plastics	20%	1 point–5 points	20 points–100 points
Water	20%	1 point–5 points	20 points–100 points
Responsible Drinking	20%	1 point–5 points	20 points–100 points
DE&I	20%	1 point–5 points	20 points–100 points
Total	100%	1 point–5 points	100 points–500 points

Notes: 1. Set as a KPI that is linked to KPIs in medium-term business plans and that aims for enhancing cash flow management
2. Set at 100% when targets are met, fluctuates within a range from 50% to 150%

Notes: 1. Set as a KPI that is linked to KPIs in medium-term business plans and that aims for improvement in social value
2. Comprehensively evaluates progress and status of achievement of sustainability indicators (climate change, packaging, water, emissions, responsible drinking, and enhancement of human capital)
3. Set at 100% when targets are met, fluctuates within a range from 50% to 150%

Remuneration for Audit & Supervisory Board Members

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

Reference: Amount of the Remuneration for Directors and Audit & Supervisory Board Members (2023)

(JPY million)

	Fixed Remuneration		Variable Remuneration						Total
	Basic Remuneration		Annual Bonus		Medium-Term Bonus		Stock Compensation		
	Number of people	Total	Number of people	Total	Number of people	Total	Number of people	Total	
Directors (of whom, Outside Directors)	9 (4)	329 (78)	5 (—)	264 (—)	5 (—)	127 (—)	5 (—)	107 (—)	828 (78)
Audit & Supervisory Board Members (of whom, Outside Audit & Supervisory Board Members)	7 (4)	128 (49)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	128 (49)

Role, Function, and Composition of the Compensation Committee

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

The Compensation Committee will endeavor to further globalize and evolve Director remuneration so that it helps to enhance the Company's medium- to long-term corporate value.

Christina L. Ahmadjian
Chairperson, Compensation Committee

Message from the Chairperson of the Compensation Committee

As an advisory committee to the Board of Directors, the majority of which comprises independent and objective Outside Directors, the Compensation Committee responds to inquiries from the Board by deliberating and reporting on the remuneration of Directors and other important matters pertaining to corporate governance. The committee also makes decisions on such matters based on authority delegated to it by the Board.

The committee's deliberations focus on referring to the Director remuneration system and the standards established by the Board as the basis for determining assessments of individual Directors and for determining their amounts of remuneration as individuals.

Responding to an inquiry received from the Board of Directors, in fiscal 2023 the committee submitted a report recommending revision of the total amount of remuneration for Directors to an annual amount of up to JPY3 billion, which includes JPY400 million for Outside Directors. The aims of this revision are to create greater incentives for the achievement of sustained growth and the enhancement of corporate value over the medium to long term and to develop excellent personnel with diverse skills on a global basis by transitioning to more-competitive remuneration levels over the medium term and by establishing Director remuneration that is strongly linked to management strategies and performance. The recommendations were formulated with reference to the remuneration levels of both global companies and Japanese companies (top 100 by market capitalization) that are similar to the Company in terms of business lines, business scale, and complexity of business regions.

With sights set on elevating the Company's medium- to long-term corporate value, in the current fiscal year the Compensation Committee will continue advancing the further globalization and evolution of Director remuneration.

Members of the Compensation Committee in Fiscal 2024

Five members (of whom three are Outside Directors)

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

Activities in Fiscal 2023

In fiscal 2023, the Compensation Committee convened a total of 10 times.

- Discussion and decision regarding individual evaluations tied to annual bonus amounts
- Discussion, decision, and reporting to Board of Directors of officer bonuses (annual and medium-term) and allocation of points for stock compensation
- Discussion and reporting to the Board of Directors of the appointment of members of the Compensation Committee after reappointment
- Discussion of social value indicators for medium-term bonuses
- Discussion of evaluation systems for Executive Directors
- Discussion regarding officer compensation for fiscal 2024 and beyond

Role, Function, and Composition of the Sustainability Committee

The Sustainability Committee is strengthening the monitoring function of the Board of Directors.

Approaching matters from a supervisory viewpoint, I will contribute to leadership in sustainability.

Atsushi Katsuki
Chairperson, Sustainability Committee

Message from the Chairperson of the Sustainability Committee

One of Asahi's core medium- to long-term strategies calls for efforts to integrate sustainability into management in order to positively impact both society and the Group's businesses, contributing to solving societal issues. To realize this strategy, we are increasing the effectiveness of sustainability-related governance and promoting initiatives based on such ESG materiality.

In December 2023, the Sustainability Committee was established as an advisory body to the Board of Directors to strengthen its monitoring capabilities. On the executive side, the Company previously established the Global Sustainability Committee, thereby creating a corporate governance system that encompasses sustainability advancement. The establishment of the Sustainability Committee on the supervisory side will improve the effectiveness of sustainability-related governance by enabling the establishment of a well-balanced governance system with both supervisory and executive functions.

Depending on the inquiries received and the matters to be deliberated, the Sustainability Committee will discuss important themes related to sustainability while taking into account megatrends and other medium- to long-term perspectives. In conducting deliberations that anticipate the distant future, the committee will invite outside experts and incorporate their expertise and diverse opinions into its deliberations and then submit recommendations to the Board of Directors.

With the aim of further integrating sustainability and management, I will fulfill my role as Chairperson of the Sustainability Committee by providing leadership on sustainability from a supervisory perspective. Our progressive efforts will provide society with an example of best practice in the integration of sustainability and management.

Members of the Sustainability Committee in Fiscal 2024

Four members (of whom two are Outside Directors)

Internal	Chairperson	Atsushi Katsuki (President and Group CEO, Representative Director)
Internal	Member	Keizo Tanimura (Director EVP and CHRO)
Outside	Member	Christina L. Ahmadjian (Outside Director)
Outside	Member	Mari Matsunaga (Outside Director)

Activities in Fiscal 2023

In fiscal 2023, the Sustainability Committee convened once.
Deliberation of policies on Sustainability Committee proceedings
Deliberation of fiscal 2024 discussion themes

Evolving Group Governance to Maximize Corporate Value That Surpasses the Total Sum of Value of Each of Our Businesses

Establishment of New Group CxO Positions

The Company has reformed its executive structure to strengthen Group governance and maximize corporate value based on its Medium- to Long-Term Management Policy. We have redefined the functions of the previously appointed CxOs and established new Group CxOs in the five areas of finance, people, growth, sustainability, and R&D.

Group CEO (G-CEO) **Atsushi Katsuki**

Finance

Kaoru Sakita
Group Chief Financial Officer (G-CFO)

Drives the development of IT environments, cybersecurity, and Group procurement, in addition to financial management, including financial planning, fund procurement and management, and taxation

People

Keizo Tanimura
Group Chief People Officer (G-CPO)

Promotes enhancement of human capital by securing human resources with the required capabilities, developing personnel, promoting diversity, and fostering the Group's corporate culture

Growth

Taemin Park
Group Chief Growth Officer (G-CGO)

Promotes Group-wide growth through M&As, collaborations, new business development, category expansion, and the creation of Group synergies

Sustainability

Drahomira Mandikova
Group Chief Sustainability Officer (G-CSO)

Primarily promotes the integration of sustainability into management, one of the core strategies set forth in the Medium- to Long-Term Management Policy

R&D

Manabu Sami
Group Chief R&D Officer (G-CR&DO)

Leads the Group in the research and development of new technologies, products, and services to create innovative products, improve operations, and create new businesses

Advisory Bodies to the Group CEO

The Executive Committee, a newly established advisory and reporting body to the Group CEO, consists of the Group CxOs, Region CEOs, and other members of senior management and discusses matters related to the Group's overall strategy and the direction of Group-wide initiatives while providing expert advice to the Group CEO.

Executive Committee

Group CxO (6) +

Region CEO

Japan

Kenji Hamada
CEO
Asahi Group Japan, Ltd.

Europe

Paolo Lanzarotti
CEO
Asahi Europe and International Ltd.

Oceania

Amanda Sellers
Group CEO
Asahi Beverages Pty, Ltd.

Southeast Asia

Erwin Selvarajah
Group CEO
Asahi Holdings Southeast Asia Sdn. Bhd.

Naoko Nishinaka
Executive Vice President (EVP)

Ryoichi Kitagawa
Senior Executive Officer (SEO)

Message from the Group CEO

Atsushi Katsuki
President and Group CEO,
Representative Director

The Company has established a Group governance structure that achieves the aims of corporate governance, which are to realize sustainable growth and enhance corporate value over the medium to long term, and that helps enhance the effectiveness of corporate governance.

The Company believes that realizing "Our Mission," which is set out in the AGP and calls on the Group to "deliver on our great taste promise and bring more fun to life," will lead to medium- to long-term increases in the corporate value of the Asahi Group. The Company has recently formulated a new Corporate Statement: Make the world shine. This expresses the social value and purpose that the Company is pursuing to realize the AGP and is a promise to create a brighter world for tomorrow by delivering great taste and fun that brings people closer to enjoy the moments that matter.

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

In anticipation of the long-term and ultra-long-term changes expected in society and in the economy, the long-term strategy and concept of the Medium- to Long-Term Management Policy call on the Company to "Contribute to sustainable society and respond to changing conceptions of well-being through delivering great taste and fun." This policy is aimed at developing our ideal business portfolio by using premiumization as the basis for the achievement of growth in beer and other existing businesses and by growing new business areas. Additionally, the policy targets sustainable growth by promoting the three core strategies of innovation through digital transformation, bolstering of our research and development capabilities, and integration of sustainability into our management. Other efforts to strengthen the management foundation that supports long-term strategies include enhancement of human capital and evolution of Group governance in order to develop an optimal organizational structure. In these ways, the Group aims to realize sustainable growth and enhance its corporate value through co-creation activities with all of its stakeholders.

In April 2024, I renewed the Company's RHQ-based executive structure with the aim of concretely advancing the Medium- to Long-Term Management Policy, thereby maximizing the Group's corporate value and raising it above the sum of the value of individual businesses. To further promote globalization of the Group's management by having diverse executives participate in decision-making processes, we decided to enable the participation of the Region CEOs of Japan, Europe, Oceania, and Southeast Asia in the overall management of the Group. Further, we redefined the roles of Chief Officers (CxOs) by establishing Group CxOs, who are tasked with optimizing the Group as a whole in the areas of finance, people, growth, sustainability, and R&D. Group CxOs will work in consultation with Region CEOs to advance measures aimed at optimizing the entire Group. We also newly established the Executive Committee (ExCom), which mainly comprises Group CxOs and Region CEOs and serves as an advisory body to the Group CEO. ExCom will deliberate themes related to the Group's overall strategy from a medium- to long-term perspective as well as the direction of Group-wide measures and provide recommendations pertaining to the decision-making of the Group CEO. This renewed executive structure will facilitate management decisions aimed at maximizing corporate value over the medium to long term. In addition, based on close communication between ExCom and the Board of Directors, the executive and supervisory teams will work in tandem to increase the effectiveness of the Company's corporate governance even further.

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

Note: The Corporate Statement is on page 17 of *Asahi Group Integrated Report 2024*.

Framework and Initiatives for Continuously Enhancing the Effectiveness of the Board of Directors

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

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

Framework for Enhancing the Effectiveness of the Board of Directors

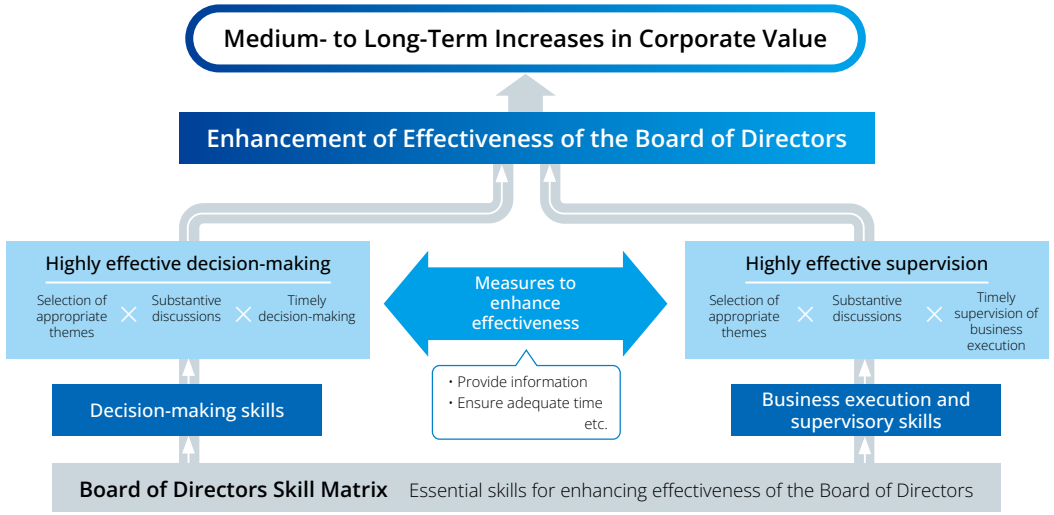
To implement the Asahi Group Philosophy (AGP), realize sustainable growth, and increase corporate value over the medium to long term, the Company's Board of Directors must maintain a high level of effectiveness.

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

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

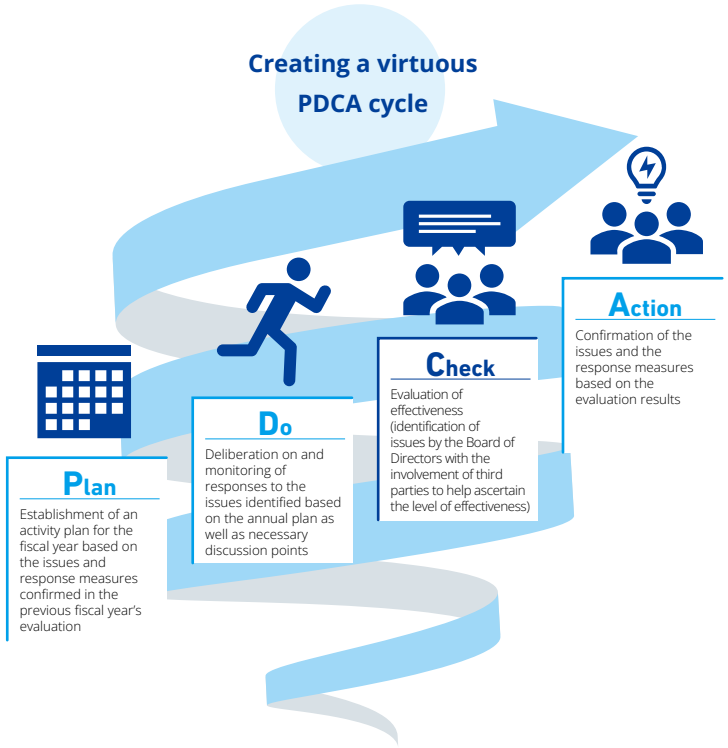
Also, the Board of Directors holds evaluations of its effectiveness each year with the aim of identifying issues that should be addressed in order to further enhance its effectiveness. Through these evaluations, improvements are made on an ongoing basis. In this way, the Board seeks to maintain and enhance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

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



Cycle of Enhancement of the Effectiveness of the Board of Directors

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



Evaluation of the Effectiveness of the Board of Directors

The effectiveness of the Board of Directors (including the Nomination and Compensation committees) in fiscal 2023 was evaluated based on actual evaluations by the Board of Directors itself, a formal evaluation by the Secretariat of the Board of Directors, and the opinions of a third party who observed the entire process. These evaluations were carried out in order to establish corporate governance that is even more substantial and effective than previously.

Summary of Evaluation Results

In fiscal 2023, the Board of Directors, the Nomination Committee, and the Compensation Committee each functioned effectively and fulfilled their responsibilities for the enhancement of corporate value over the medium to long term.

Further, the Company has recognized issues that must be addressed if it is to continue earning favorable evaluations from stakeholders globally and to enhance corporate value going forward. Consequently, the Company deems certain measures that are required to be undertaken.

Evaluation Focus

Evaluation Focus 1 Is effectiveness continuously improving? (Effectiveness of decision-making and effectiveness of supervision)

Evaluation Focus 2 What is a desirable future state for the Company's Board of Directors?

Evaluation Key Points

- Evaluation of the current status of the Board of Directors, the Nomination Committee, and the Compensation Committee and the progress of initiatives to enhance their effectiveness
- Important requirements for the enhancement of corporate value over the medium to long term
- Evaluation of initiatives in each field, including long-term and ultra-long-term strategies

Recognized Issues

(1) Evolution of directors' functions and perspectives in anticipation of the future
(2) Further enhancement of the strategic nature of deliberations
(3) Establishment of more opportunities for deliberations on strategy
(4) Increase in succession-related deliberations by the Nomination Committee

Having been included in the fiscal 2024 annual activity plans of the Board of Directors, the Nomination Committee, and the Compensation Committee, these issues will be addressed. Activities to address the issues are as shown at the top of the column on the right.

(1) Evolving the roles and perspectives required of the Chairperson of the Board, Executive Directors, Outside Directors, and the Nomination and Compensation committees
(2) Appropriately sharing the issues and discussion points, hypotheses, and measures that could potentially be taken in relation to agenda items and deepening deliberations
(3) Providing opportunities at both inside and outside meetings of the Board of Directors for deliberation and recognition of medium- to long-term strategic themes
(4) Providing more information and increasing deliberations on the progress of the development, evaluation, and selection of candidates

Evaluation Method

The evaluation of the effectiveness of the Board of Directors in fiscal 2023 focused on substance. From December 2023 to January 2024, three types of evaluations and opinions were received: an evaluation by Directors and Audit & Supervisory Board Members, an evaluation by the Secretariat of the Board of Directors, and third-party opinions. Based on these evaluations and opinions, in March 2024 the Board of Directors held deliberations to determine the evaluation of its effectiveness in fiscal 2023 and the issues to be addressed in fiscal 2024.

Evaluation by Directors and Audit & Supervisory Board Members

Through interviews and a survey that were conducted by a third party, all Directors were asked to provide their opinions regarding a small number of items that focused on substantive issues. A survey of the opinions of Audit & Supervisory Board Members was also conducted by the third party. The results of these interviews and surveys were compiled and subsequently analyzed by the third party.

Evaluation by the Secretariat of the Board of Directors

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

Third-Party Opinions

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

WEB Evaluation Results of the Effectiveness of the Board of Directors, the Nomination Committee and the Compensation Committee (March 26, 2024)

Evaluation of the Effectiveness of the Board of Directors

(Reference) Excerpts from Opinions Provided in the Evaluation by Directors and Audit & Supervisory Board Members (Summary)

Board of Directors

Opinions indicating effectiveness

- The Board of Directors is functioning effectively for the achievement of sustained growth and the enhancement of corporate value over the medium to long term.
- The statement of diverse, essential opinions ensures substantial deliberations. Further, the results of these deliberations are reflected in the execution of business operations.
- The effectiveness of the Board of Directors is evident from the Company's performance in a volatile market environment.
- Based on risk appetite, the Board of Directors is able to both encourage and support risk-taking in the execution of business operations from a long-term perspective.

Opinions recognizing issues for further enhancement

- A reconfirmation of the functions and roles of Directors that takes into account the progress of globalization and the new management structure is desirable.
- As the agenda items of the Board of Directors become more diverse, further enhancement of the strategic nature of agenda setting and deliberations is important.
- I would like to see more opportunities for focused discussions on the realization of core strategies and other medium- to long-term strategies.

Nomination and Compensation Committees

Opinions indicating effectiveness

- Based on a high degree of independence and planning, the Nomination and Compensation committees are each handling important agenda items.
- Regarding nominations, deliberations aimed at the realization of sustainable management are being conducted, and the selection of Directors and business performance reflect the achievements to date.
- The Compensation Committee is conducting meaningful discussions on how to enhance the competitiveness of Director remuneration in the global human resources market.

Opinions recognizing issues for further enhancement

- Given the importance of securing and developing human resources for the future, more opportunities should be provided for the Nomination Committee to deliberate on nominations.
- In light of the progress of globalization, the Compensation Committee should accelerate discussions that are focused on global levels of Director remuneration.

Progress of Fiscal 2023 Initiatives Implemented in Response to Issues Identified in Fiscal 2022

Identified Issues	Status of Response
(1) Reconfirming the Company's vision for the Board of Directors	・Deliberations were held on corporate governance, including the role and composition that the Board of Directors should have and the roles that the Chairperson of the Board and Directors should play going forward.
(2) Further enhancing the effectiveness of deliberations, which are the basis of the Board of Directors' effectiveness	・The Board of Directors, the Nomination Committee, and the Compensation Committee established annual plans to address important agenda items. Also, monitoring was facilitated by providing executive summaries and other forms of concise information. ・Overseas inspection tours, business site inspections, training, and briefings were conducted for Outside Directors and Outside Audit & Supervisory Board Members. In addition, the provision of information was increased through such measures as the periodic publication of reports for Outside Directors and Outside Audit & Supervisory Board Members.

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

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

The Audit & Supervisory Board and Audit & Supervisory Board Members contribute to the continuous enhancement of corporate value by playing essential roles in the administration of corporate governance. With fiduciary responsibility and accountability to shareholders in mind, the Board and its members audit the operational execution of Directors, the Group CEO, and other members of management from an objective standpoint through utilization of the merits of the Audit & Supervisory Board Member system. These merits include independence from the Board of Directors and management, the autonomy of Audit & Supervisory Board Members, and consultations between Standing Audit & Supervisory Board Members and Independent Outside Audit & Supervisory Board Members, who constitute a majority.

With the aim of ensuring a good balance throughout the Audit & Supervisory Board in terms of the knowledge, experience, skills, and diversity required to help the Company sustain growth and increase corporate value over the medium to long term, the Audit & Supervisory Board comprises suitable persons with the wealth of experience, deep insight, and advanced expertise and skills required by the Company. These attributes have been set out in the Audit & Supervisory Board Skill Matrix to clarify the requirements for membership of the Company's Audit & Supervisory Board. In addition, three of the Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members who meet the Company's requirements for independent officers, facilitating the combination of information held by the Standing Audit & Supervisory Board Members and the expertise of the Outside Audit & Supervisory Board Members. This composition of the Audit & Supervisory Board ensures that it has an independent and objective standpoint that enables its members to proactively exercise authority, make appropriate judgments, and take action accordingly.

Yukitaka Fukuda
Chairperson of the Audit & Supervisory Board, Standing Audit & Supervisory Board Member

Message from the Chairperson

As the importance of corporate governance keeps growing and the Asahi Group's business expands, the roles of the Audit & Supervisory Board are becoming increasingly far-reaching and complex.
In continuing to enhance its effectiveness, the Audit & Supervisory Board will evaluate its effectiveness in light of advice from third-party organizations. Moreover, the Audit & Supervisory Board aims not only to be more effective but also to help enhance the corporate value of the Asahi Group. To these ends, as an independent body entrusted by shareholders, the Audit & Supervisory Board will work in consultation with the Board of Directors to support the establishment of highly transparent, sound corporate governance.

Major Activities of the Audit & Supervisory Board in Fiscal 2023 (Regular activity reports submitted to the Board of Directors)

1. Holding of 12 meetings
2. Discussion of the following topics:

- Resolution of audit policies and plans for fiscal 2023 at the beginning of the fiscal year and interim and full-year auditing activity reviews
- Decisions regarding legally mandated items, including preparation of audit reports and appointment/dismissal and compensation of independent accounting auditor
- Confirmation and discussion of quarterly review reports by independent accounting auditor, audit results, and key audit matters and response of independent accounting auditor
- Examination of issues uncovered by evaluations of Audit & Supervisory Board effectiveness

Major Activities

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

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

Composition of the Audit & Supervisory Board

With the aim of ensuring a good balance throughout the Audit & Supervisory Board in terms of the knowledge, experience, skills, and diversity required to help the Company sustain growth and increase corporate value over the medium to long term, the Audit & Supervisory Board comprises suitable persons with the wealth of experience, deep insight, and advanced expertise and skills required by the Company. These attributes have been set out in the Audit & Supervisory Board Skill Matrix to clarify the requirements for membership of the Company's Audit & Supervisory Board. In addition, three of the Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members who meet the Company's requirements for independent officers.

Audit & Supervisory Board Skill Matrix

The Audit & Supervisory Board Skill Matrix sets out the skills that the Audit & Supervisory Board requires to perform audits.

Definitions of the skills set out in the Audit & Supervisory Board Skill Matrix are as follows.

Skill		Definition
Audit Skills	Finance and accounting	・Auditing ability based on expert knowledge and insight in finance and accounting
	Legal and compliance	・Auditing ability based on expert knowledge and insight in legal matters ・Ability to audit the establishment and operating status of compliance systems
	Risk management and internal control	・Ability to audit the establishment and operating status of risk management systems for corporate management ・Ability to audit the establishment and operating status of internal control systems
	Corporate management and operating processes	・Ability to audit the status of corporate governance based on insight into operating processes, human resources, and corporate culture gained through corporate management experience or through management and executive experience at the Company

Please note that the Audit & Supervisory Board Skill Matrix lists the skills that Audit & Supervisory Board Members are expected to exhibit in their roles and does not represent all the knowledge and experience possessed by each Audit & Supervisory Board Member.

Audit & Supervisory Board Members	Audit Skills			
	Finance and accounting	Legal and compliance	Risk management and internal control	Corporate management and operating processes
Internal **Yukitaka Fukuda**	○		○	○
Internal **Akiko Oshima**		○	○	○
Outside **Yutaka Kawakami**	○		○	
Outside **Shigeo Ohyagi**			○	○
Outside **Sanae Tanaka**		○	○	

Evaluation of the Effectiveness of the Audit & Supervisory Board

The Company's Audit & Supervisory Board has been evaluating its own effectiveness as an ongoing initiative.

The evaluations are self-assessments implemented by the Audit & Supervisory Board with the support of external experts and form part of a PDCA cycle aimed at further enhancing the effectiveness of the Board.

An overview of implementation in fiscal 2023 is as follows.

I. Evaluation Methods

The evaluation took into account advice from external experts and was based on the results of questionnaires and interviews with Audit & Supervisory Board Members and others.

Evaluation Materials	Targeted Members
Results of questionnaires	・Standing Audit & Supervisory Board Members and Outside Directors ・Standing audit & supervisory board members of Group companies ・Departments being audited by the Company and Group companies
Results of interviews	・Chairperson of the Board and the President and Representative Director ・Standing Audit & Supervisory Board Members and Outside Directors ・Standing audit & supervisory board members of Group companies ・Head of the Internal Audit Section of the Company ・Independent accounting auditors
Other (advice)	・External experts (evaluation support consultants)

II. Evaluation Results

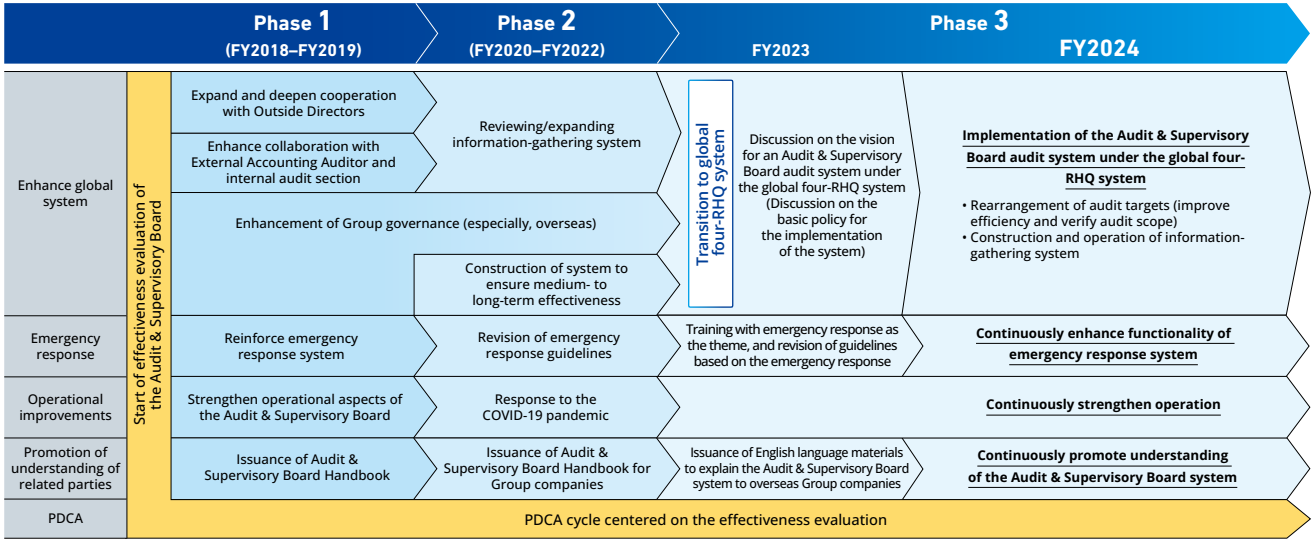
The Company's Audit & Supervisory Board concluded that it was "acknowledged as functioning effectively" in fiscal 2023.

III. Initiatives Going Forward

Although at present the effectiveness of the Audit & Supervisory Board has been confirmed, the realization of continued enhancement of its effectiveness will require the reflection of changes in the business conditions or governance structure of the Company as well as other changes in the Audit & Supervisory Board's environment through continuous implementation of a PDCA cycle.

In fiscal 2023, the vision for an Audit & Supervisory Board audit system under the global four-Regional Headquarters (RHQ) system was discussed. Based on the results of these discussions to date, in fiscal 2024 the main priority will be to implement an Audit & Supervisory Board audit system under the global four-RHQ system. In particular, efforts will focus on redeveloping foundations with the aim of further increasing the effectiveness of Audit & Supervisory Board Member's global auditing activities. Priority tasks will be the rearrangement of audit targets and the construction and operation of information-gathering systems.

The Audit & Supervisory Board will continue enhancing its own effectiveness to advance audit and supervisory activities befitting Asahi Group Holdings' position as a Japan-based global corporation.



WEB Evaluation Results of the Effectiveness of the Audit & Supervisory Board (March 27, 2024)

Corporate Profile

Asahi Group Holdings, Ltd.

Registered Address	1-23-1 Azumabashi, Sumida-ku, Tokyo 130-8602
Established	September 1, 1949
Representative	Atsushi Katsuki, President and Group CEO, Representative Director
Paid-in Capital	JPY220,216 million (As of December 31, 2023)
No. of Employees (Consolidated)	28,639 (As of December 31, 2023)
Net Sales (Consolidated)	JPY2,769.1 billion (Fiscal year ended December 31, 2023)

https://www.asahigroup-holdings.com/