

Corporate Governance Report

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Asahi Group Holdings, Ltd.

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<https://www.asahigroup-holdings.com/en/>

The corporate governance of Asahi Group Holdings, Ltd. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The Company, based on the Group philosophy, the “Asahi Group Philosophy (AGP),” aims to be a group that is trusted even by future stakeholders. “AGP” consists of four elements: Mission, Vision, Values and Principles. It articulates the Group’s mission and vision for the future, reaffirms values cherished and handed down over the years, and serves as its action guidelines for our stakeholders and the Group’s commitments to them. In addition, the Company has set “Make the world shine - we bring people together to make the world shine brighter” as a corporate statement to complement the “AGP” to build a sustainable future.

“Asahi Group Philosophy”

Our Mission

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

Our Vision

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

Our Values

Challenge and innovation

Excellence in quality

Shared inspiration

Our Principles

Building value together with all our stakeholders

Customers: Win customer satisfaction with products and services that exceed expectations

Employees: Foster a corporate culture that promotes individual and company growth

Society: Contribute to a sustainable society through our business

Partners: Build relationships that promote mutual growth

Shareholders: Increase our share value through sustainable profit growth and shareholder returns

To implement the “AGP”, the Medium- to Long-Term Management Policy set forth the concept of the long-term strategies to “Contribute to sustainable society and respond to changing conceptions of well-being through delivering great taste and fun.”

In addition to presenting the business portfolios the Company aims for, the Company will strive to achieve sustainable growth and increase corporate value together with all of our stakeholders by integrating sustainability and management and further strengthening our core strategies such as digital transformation (DX) and research and development (R&D).

The Company recognizes that corporate governance that ensures transparent, fair, timely, and decisive decision-making must be further substantiated for realizing sustained corporate value enhancement based on these matters.

For this reason, the Company shall make its institutional design a Company with Nomination Committee, etc. to clarify management's supervisory and executory roles and enhance both of those functions, and to establish an organizational audit system. By adopting this highly transparent statutory institutional design with Nomination Committee, Audit Committee and Compensation Committee, the Company aims to continuously strengthen corporate governance and sustainably enhance corporate value.

The Company shall establish the following policies and work to substantiate corporate governance to achieve sustainable growth and increase corporate value over the medium- to long-term.

(1) Respect for All Stakeholders

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

To continue to be a corporate group trusted around the world, the Company, while contributing to resolving social issues through our business activities, shall carry out constructive dialogue and practice appropriate collaboration based on its action guidelines and promises for stakeholders, defined in its "AGP," including customers, employees, society, business partners and shareholders. The Board of Directors and management, including the President and Group Chief Executive Officer (CEO), Representative Executive Officer, of the Company shall carry out appropriate communication and play a leadership role toward the realization of a corporate culture of respecting all the stakeholders and collaboration therewith while giving the utmost priority to compliance.

(2) Ensuring Proper Information Disclosure and Transparency Thereof

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

(3) Dialogues with Shareholders and Investors

The Company shall promote constructive and purposeful dialogues with shareholders and investors through investor relations and shareholder relations activities to be conducted by the President and Group CEO, Representative Executive Officer, etc. for the purpose of contributing to the sustainable growth and the increase of corporate value over the medium- to long-term.

(4) Responsibilities 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 "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
The Company aims to enhance foresight into medium- and long-term changes in the business environment and strengthen the supervisory function of management for sustainable growth by promoting discussions on ultra-long term megatrends.
- Determination of Medium- to Long-Term Management Policy and a policy on business portfolio
The Company strives to strengthen proactive and determined management for enhancement of corporate value over the medium to long term by establishing important corporate strategies such as the "Medium- to Long-Term Management Policy" and a policy on business portfolio, and revising them when necessary.
- Sophistication of decision-making processes through the separation of executive and supervisory functions

The Company has adopted the corporate institutional design of a Company with a Nomination Committee, etc. to clarify the roles of supervision and execution and strengthen both functions, thereby contributing to the separation of management and business execution functions, clarifying executional responsibilities and expediting decision-making by concentrating responsibilities and authority on the President and Group CEO, Representative Executive Officer.

- **Deliberations on basic policy for officer appointments and remuneration**

The Company strives to enhance the effectiveness of the Board of Directors by receiving reports or recommendations from the Nomination Committee and/or the Compensation Committee and deliberating on matters regarding the succession of the Board of Directors and the appointment of officers, as well as matters regarding the appointment of officers and officers' remuneration, such as the officers' remuneration plans, and making decisions as necessary, thereby aiming to achieve sustainable growth and enhance the Company's corporate value over the medium to long term.

In order to fulfill the aforementioned role while ensuring transparency, fairness, and appropriateness, the Nomination Committee engages in the following activities.

The Nomination Committee deliberates and makes decisions on proposals for the election of Directors to be submitted to the General Shareholder Meeting. It also deliberates and reports on inquiries by the Board of Directors regarding candidates for Executive Officers, the succession of Directors and Executive Officers, among other matters.

In order to fulfill the aforementioned role, the Audit Committee engages in the following activities.

The Audit Committee conducts efficient, comprehensive, and effective audits of the execution of duties by Executive Officers (including the President and Group CEO, Representative Executive Officer, Executive Officers, and Directors) through systematic audit system utilizing internal audit departments..

In order to fulfill the aforementioned role while ensuring transparency and objectivity, the Compensation Committee engages in the following activities.

The Compensation Committee deliberates and makes decisions on policies regarding remuneration, etc. (remuneration, bonuses, and other financial benefits received from the Company in consideration of the execution of duties) for Directors and Executive Officers, including the President and Group CEO, Representative Executive Officer, as well as the amount of individual remuneration. It also deliberates and reports on inquiries by the Board of Directors regarding the basic policy for the remuneration system for Directors and Executive Officers, among other matters.

- **Risk governance**

The management, including the President and Group CEO, Representative Executive Officer, provides appropriate support for risk-taking by establishing the internal control system and risk management systems, such as the enterprise risk management (ERM) system, as well as systems 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 of Directors, defines the roles of Outside Directors and the Audit Committee, and establishes procedures for addressing such contingencies. In addition, the Board of Directors will carry out the appropriate crisis management measures, such as the monitoring of responses to emergencies by management, including the President and Group CEO, Representative Executive Officer.

- **Improving effectiveness based on evaluations of the effectiveness of the Board of Directors (including Nomination Committee, Audit Committee, and Compensation Committee)**

The Company analyzes and evaluates the effectiveness of the Board of Directors (including the Nomination Committee, Audit Committee, and Compensation Committee) and discloses a summary of the results in order to help increase corporate value of the Company over the

medium to long term. The Company also works to improve the issues identified in the effectiveness evaluations and further increase effectiveness.

In 2024, the Company analyzed and evaluated the effectiveness of the Board of Directors (including the Nomination Committee and Compensation Committee) and the Audit and Supervisory Board and disclosed a summary of the results as a Company with an Audit and Supervisory Board.

In addition, the Company has established a Sustainability Advisory Committee, the half of whose members are independent Outside Directors, on a discretionary basis as an advisory body to the Board of Directors.

Through these measures, the Board of Directors, as well as the Nomination Committee, Audit Committee, and Compensation Committee, will appropriately supervise the management team led by the President and Group CEO, Representative Executive Officer with a high level of effectiveness in order to achieve sustainable growth and increase corporate value of the Company over the medium to long term.

In order to promote effective corporate governance on the basis of such basic views, the Company endeavors to establish more substantial corporate governance by evaluating the effectiveness of the Board of Directors (including the Nomination Committee, Audit Committee and Compensation Committee), verifying the effectiveness of such evaluation, while also pinpointing issues and making improvements.

In 2024, based on self-evaluations with input from third parties, the Board of Directors concluded that the Board of Directors, including Nomination Committee and Compensation Committee, was “functioned effectively, and fulfilled their responsibilities for the enhancement of corporate value over the medium to long term” as a Company with Audit and Supervisory Board. Based on self-evaluation with input from third parties, the Audit and Supervisory Board concluded that the Audit and Supervisory Board was “acknowledged as functioning effectively.”

Summary of the results thereof has been disclosed on the Company’s website.

(Japanese version)

<https://www.asahigroup-holdings.com/company/governance/policy.html>

(English version)

<https://www.asahigroup-holdings.com/en/company/governance/policy.html>

Please also refer to the “Corporate Governance Guidelines” and “Corporate Governance Report” that are published on the Company’s website.

(Japanese version)

<https://www.asahigroup-holdings.com/company/governance/policy.html>

(English version)

<https://www.asahigroup-holdings.com/en/company/governance/policy.html>

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company has implemented all of the principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

The Company has implemented all of the principles of the Corporate Governance Code.

(Principle 1-4 Cross-Shareholdings)

The Company does not maintain certain holdings of shares when such holdings are deemed as neither contributing to its sustainable growth nor increasing its corporate value over the medium- to long-term, in terms of asset and capital efficiency improvement.

Shareholdings are examined in terms of their holding purpose, risks, performance as measured against capital cost, etc., as well as the appropriateness of holding the shares. The result of examinations of matters including the holding purpose for major ones among the shareholdings is comprehensively reviewed every year by the Board of Directors. In the event that a shareholding is deemed to not contribute the Company’s sustainable growth or to the increase of its corporate value

over the medium- to long-term, the result of said review shall be disclosed and the Company shall sufficiently engage in requisite dialogue with the counterpart entity, as a shareholder. Shareholdings that are deemed to not be improvable, even after engaging in dialogue, will be sold in a timely and appropriate manner.

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

Through these initiatives, it is believed that appropriate action can be ensured when exercising the voting rights of the shares held.

(Principle 1-7 Related Party Transaction)

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

The content of the respective transactions is regularly audited by the organizations in charge of internal audit and reported to the Audit Committee.

If conflicting interest transactions by Directors are conducted, approval of the Board of Directors is received in accordance with applicable laws and regulations, and the results thereof are reported to the Board of Directors.

(Supplementary Principle 2-4-1 Views and Targets for Ensuring Diversity, Human Resource Development Policy, Internal Environment Improvement Policy, and Implementation Status)

The Company has formulated the "Diversity, Equity & Inclusion Statement." The Company believes that being a diverse and multicultural organization is the key to it becoming a stronger and more innovative company and achieving long-term success. Accordingly, the Company aims for a future in which each individual earns respect, is accepted for their individuality, and is allowed, even as an individual, to grow as a skilled worker or professional. The Company is fostering a corporate culture in which anyone can freely make statements, ideas can be generated from anywhere, and all employees can contribute freely to a better future.

In addition, the Company aims to promote healthy living and the enrichment of society worldwide, by providing a level of Kando (deliciousness, happiness and innovation) that exceeds people's expectations as a result of addressing their various needs and expectations. The Company does this on the basis of our awareness that various needs and expectations for products and services coexist, given that societies and markets worldwide are made up of many different types of people with numerous diverse attributes in terms of genders, ages, disabilities and nationalities, to name just a few.

The Company's Group is working to promote the advancement of women in the aspect of gender diversity with the hope of establishing an environment in our group where individuality is more respected and where fair and diverse opportunities are available to all regardless of gender. As of the end of 2024, the percentage of female managers at the Company was 23.1%. The Company's goal is to increase the percentage of women in executive and leadership positions above a certain level to over 40% by 2030, and will also increase the percentage of women appointed to management positions.

The Company's Group believes that, as the Company's Group is developing its business globally, it is necessary to actively work on acquiring excellent human resources from outside the Company, both domestically and internationally, in order to further incorporate diverse cultures and customer perspectives into its business in the future. As of the end of 2024, the ratio of non-Japanese managers at the Company was 10.8%. The Company aims to improve this ratio in the future through a variety of initiatives, including mid-career hiring, personnel exchanges among group companies, and open recruitment.

In order to further incorporate advanced expertise and diverse perspectives and values, and to acquire new organizational capabilities, the Company's Group is working to acquire new human resources through mid-career recruitment as well as effective utilization of internal human resources. As of the end of 2024, the ratio of mid-career hires in management positions at the Company was 18.5%, and the Company aims to continue to improve this ratio in order to acquire

diverse human resources.

Please refer to the People & Culture Report posted on the Company's website for details.

(Japanese version)

https://s3-ap-northeast-1.amazonaws.com/asahigroup-doc/company/policies-and-report/pdf/people_culture2024.pdf

(English version)

https://s3-ap-northeast-1.amazonaws.com/asahigroup-doc/company/policies-and-report/pdf/en/people_culture2024.pdf

(Principle 2-6 Roles of Corporate Pension Funds as Asset Owners)

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

In particular, the Company strives to reliably ensure the payment of pension funds to beneficiaries, now and in the future, formulating strategic asset composition ratio from medium- to long-term perspectives while listening to the opinions of asset management institutions. In addition, the Company regularly monitors the asset management status of pension fund assets and when required, it revises the strategic asset composition ratio that has been formulated. In addition to confirming that the asset management institutions are making efforts to enhance the corporate value of portfolio companies through engagement that takes sustainability into consideration, the Company will conduct comprehensive evaluation that will encompass not only asset management performance but also qualitative evaluation such as investment policy, asset management processes, and compliance.

With regard to the asset management, the organization in charge of the Company's finance checks the status and has a system in place to provide advice and proposals to each Group Company, with leveraging the knowledge of outside advisors.

(Principle 3-1 Full Disclosure)

(1) Management Philosophy, Management Strategy, and Management Plan

The Company Group conducts business activities in the Alcoholic Beverages, Soft Drinks, and Foods segments, under the command of the Company, which is a pure holding company, with Japan, Europe, Oceania, and Southeast Asia as the core regions. Based on the group philosophy, the "AGP", the Company aims to be a group that is trusted even by future stakeholders. The "AGP" consists of four elements: Mission, Vision, Value and Principles. It articulates the Group's mission and vision for the future, reaffirms values cherished and handed down over the years, and serves as its action guidelines for our stakeholders and the Group's commitments to them. By generating and implementing strategies based on the "AGP", all companies of the Group will work together to further improve corporate value.

The Medium Term Management Policy shows the concept of long term strategies, an ideal portfolio and core strategies, etc., and discloses guidelines for key indicators assuming the next three years or so and financial policies. By steadily executing strategies, the aim is to achieve sustainable growth and enhance corporate value in the mid to long term, striving to become a group trusted by future stakeholders.

<Basic Concept behind Long Term Strategies>

Contribute to sustainable society and respond to changing conceptions of well-being through delivering great taste and fun

◆ Ideal Business Portfolio: Sustainable growth of existing businesses centered on beer category while expanding into new areas

- Growth driven by global brands and premiumization in existing operating regions; expansion into new markets.

- Growth in adjacent categories to capture demand from trends such as increasing health consciousness; creation and development of new businesses that draw on the Group's capabilities.

◆ Core Strategies: Promote core strategies aimed at achieving sustainable growth

- Integrate sustainability into management in order to positively impact both society and the Group's businesses; contributing to solving societal issues.
- Achieve innovation in three key areas (processes, organization, and business models) by pursuing BX (business transformation) through DX (digital transformation).
- Increase the value of existing products and create new products and markets through bolstering R&D (research & development).

◆ Strategic Foundation Strengthening: Consolidate the management foundations underpinning long-term strategies

- Acquisition of capability, fostering a desired corporate culture, and enhancement of human capital to produce management talent
- Enhance Group governance in order to create an optimal organizational structure; Group-wide sharing of best practices.

(2) Basic Views and Basic Policy on Corporate Governance

Please refer to "I. Basic Views on Corporate Governance" in this Report as well as "Corporate Governance Guidelines" that is published on the Company's website.

(Japanese version)

<https://www.asahigroup-holdings.com/company/governance/policy.html>

(English version)

<https://www.asahigroup-holdings.com/en/company/governance/policy.html>

(3) Policies and Procedures for Determining Remuneration of Senior Management and Directors

For remuneration, etc. of the senior management and Directors of the Company, please refer to "II.1. [Director/Executive Officer Remuneration] Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in this Report.

(4) Policies and Procedures for Election and Dismissal of Senior Management and Nomination of Candidates for Directors

In order to realize effective corporate governance, for Director candidates and for management, including the President and Group CEO, Representative Executive Officer, and Executive Officers, the Board of Directors and the Nomination Committee shall nominate or elect individuals who will contribute to the sustainable growth and the increase of corporate value of the Company over the medium to long term.

Candidates for Directors are deliberated and nominated by the Nomination Committee, and they are elected at a General Meeting of Shareholders. The concepts of nomination of Director candidates are as follows.

- Individuals nominated for Director of the Company shall possess a wealth of experience, excellent insights, expertise and ability, while ensuring that diversity is maintained with regard to such factors as gender and international experience.
- With regard to candidates for Directors, the Company shall nominate persons who are suitably qualified to be Directors of the Company who possess a wealth of experience, extensive knowledge and high-level expertise and ability required by the Company, according to the "Skill Matrix of the Board of Directors," which clarifies the requirements of Directors derived from the group philosophy of the Asahi Group, "AGP," the Asahi Group Code of Conduct, and management strategies in order to ensure balance and diversity in terms of the knowledge, experience and ability of the entire board necessary for the sustainable growth and the increase of corporate value of the Company over the medium- to long-term.
- The election and dismissal of management, including the President and Group CEO, Representative Executive Officer, and Executive Officers, shall be decided through deliberation by the Nomination Committee and resolution by the Board of Directors. The concepts of the election and dismissal of management, including the President and Group CEO, Representative Executive Officer, and Executive Officers are as follows.
Individuals elected for management of the Company, shall possess a wealth of experience, excellent insights, expertise and ability, while ensuring that diversity is maintained with regard to such factors as gender and international experience.
- With regard to the President and Group CEO, Representative Executive Officer, in the event that there is a possibility that the criteria for dismissal as determined by the Board of

Directors has been met, the Nomination Committee shall deliberate, and if it is deemed that such criteria for dismissal has been met, and if, upon verification of the result of these deliberations by the Board of Directors, the criteria for dismissal is met, the relevant individual shall be dismissed from the position of President and Group CEO, Representative Executive Officer. Additionally, the relevant individual shall not be nominated as a candidate for Director by the Nomination Committee.

Explanation of Election and Dismissal Method Used in Electing and Dismissing Senior Management and Appointing Candidates for Directors

For the explanation of the election method used in appointing candidates for Directors, please refer to the convocation notice for the General Shareholder Meeting, as well as “II.1.[Outside Directors] Relationship with the Company (2)” of this Report for Outside Directors. For all Directors, please refer to the convocation notice for the General Shareholder Meeting, as well as “Corporate Governance Guidelines, 5. Supplementary information, (2) Explanation about election of Directors, as well as concurrently held positions at other listed companies” published on the Company’s website.

(Japanese version)

<https://www.asahigroup-holdings.com/company/governance/policy.html>

(English version)

<https://www.asahigroup-holdings.com/en/company/governance/policy.html>

(Supplementary Principle 3-1-3 Sustainability Initiatives)

The Company sets “integrating sustainability into management in order to positively impact both society and the Group’s businesses, contributing to solving societal issues” as one of the core strategies of the Medium- to Long-term Management Policy. The Company promotes the Group’s sustainability initiatives with identifying “Environment”, “Communities”, “Responsible Drinking”, “Health” and “People” as material issues.

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

(Japanese version)

<https://www.asahigroup-holdings.com/sustainability/index.html>

(English version)

<https://www.asahigroup-holdings.com/en/sustainability/index.html>

The Company has also endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) with the recognition that evaluating the impact of climate change-related risks and opportunities on its businesses and drafting appropriate response measures are important matters in terms of realizing a sustainable society and ensuring business continuity. The Company started the analysis in 2019 and expanded the scope. In addition, from 2023, the Company is taking an approach that integrates the TCFD and TNFD and, based on a common scenario, conducts an analysis from the perspective of business and society (climate and nature), identifies risks arising from their interaction, visualizes the impact on business and nature, and identifies opportunities and measures that can also be expected to produce synergistic effects. The Company also improve the implementation of response measures by clarifying the impact on our businesses. The Company will continue to improve the continuity of our businesses and enhance the Company’s corporate value through dialogue with investors.

For more details on this topic, please refer to the “Sustainability Report”.

(Japanese version)

https://s3-ap-northeast-1.amazonaws.com/asahigroup-doc/company/policies-and-report/pdf/sust-report2024_jp.pdf

(English version)

https://s3-ap-northeast-1.amazonaws.com/asahigroup-doc/company/policies-and-report/pdf/en/sust-report2024_en.pdf

<Investment in human capital, etc.>

As Strategic Foundation Strengthening in the Medium- to Long-Term Management Policy, the Company articulates “Advance human resource for executing core strategies and building an ideal business portfolio,” and aims to increase the effectiveness of long-term strategies by promoting its

efforts to “foster the desired corporate culture,” “continue to develop human resources for management positions” and “acquire necessary capability.”

To realize the “People Statement” human resources policy, the Company has established a new vision for Safety Wellbeing, “Everyone Safe and Well to Enjoy Life ~Everywhere, every day~,” which places safety and health as its top priority in 2024, and is committed to fostering a culture of safety and health. In addition, the Company has formulated “Diversity, Equity & Inclusion Statement,” the corporate policy on diversity and equity, under the core message “shine AS YOU ARE,” and is promoting the fostering of the desired corporate culture and the improvement of engagement based on these policies.

In the future, the Company will create a virtuous cycle to further accelerate the practice of the “AGP” and implementation of Medium- to Long-Term Management Policy by “advancing human resource” toward building an ideal business portfolio and executing core strategies.

For details of the Company’s human capital initiatives, please refer to the People & Culture Report published on the Company’s website.

(Japanese version)

https://s3-ap-northeast-1.amazonaws.com/asahigroup-doc/company/policies-and-report/pdf/people_culture2024.pdf

(English version)

https://s3-ap-northeast-1.amazonaws.com/asahigroup-doc/company/policies-and-report/pdf/en/people_culture2024.pdf

<Investment in intellectual property, etc.>

As one of the core strategies of the Medium- to Long-Term Management Policy, the Company articulates the strategy “Increase the value of existing products and create new products and markets through bolstering R&D (research & development)” and has established “alcohol,” “health & wellness,” “sustainability” and “new businesses” as its four key areas.

The foundation of all of the Company’s research activities is to contribute to a sustainable future, and the Company is committed to creating new value, developing products and technologies to mitigate risk, and developing seeds that will lead to new businesses.

Furthermore, the Company aims to accelerate technological innovation by introducing next-generation technologies, collaborating with universities and venture companies (open innovation), and actively working to strengthen the human resources and capabilities that support research activities.

For details of the efforts for research and development, please refer to the Company’s website.

(Japanese version)

<https://www.asahigroup-holdings.com/rd/>

(English version)

<https://www.asahigroup-holdings.com/en/rd/>

Furthermore, likewise as one of the core strategies, the Company proclaims the strategy “Achieve innovation in three key areas (process, organization, and business models) by pursuing BX (business transformation) through DX (digital transformation).” Of the three areas, in the process innovation, the Company is planning and implementing an investment of ¥50.0 billion or more in the three years from 2023, and is establishing a flexible system foundation, which enables flexible response to changing business environment by starting the initiatives to improve productivity over the business. Regarding business innovation, the Company started the initiatives to realize personalization model and sustainable living from 2023. Regarding organization innovation, the Company initiated DX human resource definition and education plan for all employees, as well as basic education and experimental projects on agile ways of working as a new way of working from 2024.

(Supplementary Principle 4-1-1 Scope of Delegation to Management)

The Board of Directors shall, in addition to specifying the matters to be resolved by the Board of Directors in the Regulations of the Board of Directors, and delegating determination of the matters that are not to be resolved by the Board of Directors to the President and Group CEO, Representative Executive Officer, delegate, as a general rule, the execution of such matters to the President and Group CEO, Representative Executive Officer, and Executive Officers. This means that the decision-making authority for business execution in accordance with management policy

established by the Board of Directors and strategies and plans approved by the Board of Directors, excluding matters that are the exclusive responsibility of the Board of Directors as stipulated by laws and regulations and the Articles of Incorporation, is delegated to the management, including the President and Group CEO, Representative Executive Officer, under appropriate supervision by the Board of Directors. The Board of Directors shall receive reports from the President and Group CEO, Representative Executive Officer, as the individual ultimately responsible for management and execution, and from the other Executive Officers as the individuals responsible for execution in the various operations, and supervise them accordingly.

For such matters to be resolved, please refer to the “Corporate Governance Guideline, 5. Supplementary information, (1) List of matters subject to resolution at the Board of Directors” published on the website of the Company.

(Japanese version)

<https://www.asahigroup-holdings.com/company/governance/policy.html>

(English version)

<https://www.asahigroup-holdings.com/en/company/governance/policy.html>

(Principle 4-9 Independence Standards and Qualification for Independent Outside Directors)

For the meaning of the independence of Outside Directors of the Company, please refer to “II.1 [Independent Officers] Matters relating to Independent Officers” in this Report.

(Supplementary Principle 4-11-1 Skills Possessed by Directors and Policies and Procedures for Appointment of Directors)

To ensure balance and diversity in terms of the knowledge, experience, and ability of the entire board deemed necessary for the sustainable growth and the increase of corporate value over the medium- to long-term of the Company, the Company has decided that the Board of Directors is to be composed of appropriate number of persons suitable as the Company’s Directors who have a wealth of experience, excellent insight, and expertise and ability required by the Company, with reference to the “Skill Matrix of the Board of Directors,” which clearly states the personal requirements of company directors based on “AGP”, along with the Asahi Group Code of Conduct, and corporate management strategy. Of Directors, Outside Directors shall be persons who meet the requirements of independent officers as defined by the Company, and at least more than half of the Directors.

In principle, the Chairperson of the Board of Directors is an Outside Director in order to ensure the supervisory function with an objective perspective from an independent position.

For the Company’s “Board of Directors Skill Matrix,” please refer to “Convocation Notice of the 101st Annual General Meeting of Shareholders pages 22-25 Item 3: Appointment of Thirteen (13) Directors” published on the Company’s website.

(Japanese version)

https://www.asahigroup-holdings.com/pdf/ir/shareholders_guide/shareholders_meeting/2025_shoushu.pdf

(English version)

https://www.asahigroup-holdings.com/pdf/en/ir/event/shareholders/250225_1.pdf

(Supplementary Principle 4-11-2 Status of Concurrent Positions Held by Directors)

Directors, including Outside Directors, devote their hours and energy necessary to appropriately perform their roles/duties through works as Directors, and their holding concurrent positions is within a reasonable scope. For the important status of holding concurrent positions at the time of update of this Report, please refer to “II.1 [Outside Directors] Relationship with the Company (2)” in this Report.

(Supplementary Principle 4-11-3 Effectiveness of the Board of Directors)

To contribute to the increase of corporate value over the medium- to long-term of the Company, the Company shall analyze and evaluate the effectiveness of the Board of Directors. Every year, the Board of Directors shall conduct the analysis and evaluation of the effectiveness of the Board itself (including the Nomination Committee, Audit Committee, and Compensation Committee) and

disclose the summary of the evaluation results. The Board of Directors shall strive to improve issues recognized under the evaluation and improve the effectiveness furthermore.

In 2024, the Company analyzed and evaluated the effectiveness of the Board of Directors (including the Nomination Committee and Compensation Committee) and disclosed a summary of the results as a Company with an Audit and Supervisory Board.

Accordingly, the Company's Board of Directors has analyzed and evaluated the effectiveness of the Board of Directors in fiscal 2024, and has identified issues that need to be addressed to further improve its effectiveness.

For a summary of these results, please refer to the Company's website.

(Japanese version)

<https://www.asahigroup-holdings.com/company/governance/policy.html>

(English version)

<https://www.asahigroup-holdings.com/en/company/governance/policy.html>

(Supplementary Principle 4-14-2 Training Policy for Directors)

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

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

The Company provides summary information regarding management status, business activities, financial data and organization of the overall Company Group at the time of assumption of office by any Outside Director.

(Principle 5-1 Policy for Constructive Dialogue with Shareholders)

The Company's basic stance of handling a request for an interview from any shareholder and investor looking forward to a constructive dialogue that would contribute to the sustainable growth and the increase of corporate value over the medium- to long-term is that President and Group CEO, Representative Executive Officer, or an officer in charge of IR/Finance shall respond to such request depending on the purpose as necessary.

To promote constructive dialogues with shareholders and investors, the Company shall appoint an officer who is in charge of IR and/or financial affairs to lead dialogues with shareholders and investors and ensure well-organized collaboration among the auxiliary organizations by providing the information for the dialogues.

In addition, to promote such constructive dialogues with shareholders, the Company shall endeavor to understand the shareholder structure and conduct various explanatory meetings and visits to investors by the President and Group CEO, Representative Executive Officer, or officers in charge of IR/Finance, of which the results shall be shared with the Board of Directors and the management, including the President and Group CEO, Representative Executive Officer, as needed.

As for the dialogues with shareholders and investors, the Company shall strive to comply with fair disclosure rules.

[Action to Implement Management That Is Conscious of Cost of Capital and Stock Price]

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	December 23, 2025

Explanation of Actions

Based on progress through 2024 and dialogues with capital markets, in February 2025, the Company has revised the key indicator guidelines and financial policy, which the Company aims to

achieve by around 2030, included in the Medium- to Long-Term Management Policy complied in 2022 as follows.

Regarding profitability, the Company commits to achieve a compound annual growth rate (CAGR) guideline for the earnings per share (EPS) key indicator in the “high single digits to double digits,” while also, regarding capital efficiency, adding return on equity (ROE) and return on invested capital (ROIC) as new key indicators going forward, and targeted 2030 guidelines for ROE are set at 11% or higher and for ROIC at 10% or higher. Efforts will be made not only to exceed the cost of capital (2024 estimate for cost of equity capital: roughly 8%, weighted average cost of capital (WACC): 5.5-6%) but also to expand the spread by reducing the cost of capital itself.

Regarding the financial policy, although the Company will continue to prioritize growth investments while ensuring financial soundness (Net Debt/EBITDA: around 2.5-3x), the Company will allocate capital to improve capital efficiency and enhance shareholder returns through progressive dividends aiming for a dividend on equity (DOE) of 4% or higher and flexible acquisitions of treasury shares.

The Company will continue to strengthen its business portfolio and earnestly promote its core business strategies by conducting disciplined growth investments, while also implementing financial strategies to improve capital efficiency and engaging with capital markets to reduce capitals costs in order to achieve its sustainable growth and increase its corporate value over the medium- to long-term horizon. Furthermore, the details of action to implement management that is conscious of cost of capital and stock price are disclosed as following materials.

• February 14, 2025 Disclosure “Revised Key Indicator Guidelines and Financial Policy”

(Japanese version)

https://asahigroup-holdings-ir-umb.azurewebsites.net/media/pezj4bxa/0214j_3.pdf

(English version)

https://asahigroup-holdings-ir-umb.azurewebsites.net/media/1zxdkr4k/0214e_3.pdf

• PRESENTATION MATERIALS FOR 2024 CORPORATE RESULTS

(Japanese version)

https://www.asahigroup-holdings.com/ir_library_file/file/2024_4q_presentation.pdf

(English version)

https://www.asahigroup-holdings.com/ir_library_file/file/2024_4q_presentation_en.pdf

2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	285,185,530	18.97
Custody Bank of Japan, Ltd. (Trust Account)	106,505,615	7.09
STATE STREET BANK AND TRUST COMPANY 505001	47,455,007	3.16
JPMorgan Securities Japan Co., Ltd.	31,462,789	2.09
STATE STREET BANK AND TRUST COMPANY 505325	30,362,973	2.02
STATE STREET BANK WEST CLIENT - TREATY 505234	28,702,745	1.91
The Dai-ichi Life Insurance Company, Limited	23,178,900	1.54
GOLDMAN SACHS JAPAN CO., LTD. BNVM	22,116,870	1.47
JP MORGAN CHASE BANK 385781	19,785,262	1.32
CEP LUX-ORBIS SICAV	19,303,274	1.28

Controlling Shareholder (except for Parent Company)	N/A
Parent Company	N/A

Supplementary Explanation

(1) The above [Status of Major Shareholders] is as of December 31, 2024.

(2) The number of shares owned by The Master Trust Bank of Japan, Ltd. (Trust Account) and Custody Bank of Japan, Ltd. (Trust Account) is all related to trust activities.

(3) The percentages are calculated based on the total number of issued shares less the number of treasury shares (17,760,523 shares).

(4) BlackRock Japan Co., Ltd. filed the Statement of Large-Volume Holdings (Statement of Changes) (reporting obligation date: May 31, 2023), which reported that it owned the following shares. However, as the actual number of shares owned in the name of the said company as of December 31, 2024 cannot be confirmed, they are not included in the above [Status of Major Shareholders].

The Company conducted a 3-for-1 common stock split on October 1, 2024. However, the number of shares owned below is the number of shares owned before the common stock split.

[Name (number of shares owned (Thousands of shares), percentage of number of shares owned against total number of shares issued (%))]

BlackRock Japan Co., Ltd. (10,270 thousand shares, 2.03%)

BlackRock (Netherlands) BV (1,267 thousand shares, 0.25%)

BlackRock Fund Managers Limited (1,003 thousand shares, 0.20%)

BlackRock Asset Management Ireland Limited (3,023 thousand shares, 0.60%)

BlackRock Fund Advisors (8,650 thousand shares, 1.71%)

BlackRock Institutional Trust Company, N.A. (6,378 thousand shares, 1.26%)

BlackRock Investment Management (UK) Limited (643 thousand shares, 0.13%)

(5) Nomura Asset Management Co., Ltd. filed the Statement of Large-Volume Holdings (Statement of Changes) (reporting obligation date: December 15, 2023), which reported that it owned the following shares. However, as the actual number of shares owned in the name of the said company as of December 31, 2024 cannot be confirmed, they are not included in the above [Status of Major Shareholders].

The Company conducted a 3-for-1 common stock split on October 1, 2024. However, the number of shares owned below is the number of shares owned before the common stock split.

[Name, (number of shares owned (Thousands of shares), percentage of number of shares owned against total number of shares issued (%))]

NOMURA INTERNATIONAL PLC (699 thousand shares, 0.14%)

Nomura Asset Management Co., Ltd. (28,518 thousand shares, 5.62%)

(6) Mitsubishi UFJ Financial Group, Inc. filed the Statement of Large-Volume Holdings (Statement of Changes) (reporting obligation date: January 22, 2024), which reported that it owned the following shares. However, as the actual number of shares owned in the name of the said company as of December 31, 2024 cannot be confirmed, they are not included in the above [Status of Major Shareholders].

The Company conducted a 3-for-1 common stock split on October 1, 2024. However, the number of shares owned below is the number of shares owned before the common stock split.

[Name (number of shares owned (Thousands of shares), percentage of number of shares owned against total number of shares issued (%))]

MUFG Bank, Ltd. (740 thousand shares, 0.15%)

Mitsubishi UFJ Trust and Banking Corporation (13,158 thousand shares, 2.60%)

Mitsubishi UFJ Asset Management Co., Ltd. (6,238 thousand shares, 1.23%)

(7) Sumitomo Mitsui Trust Asset Management Co., Ltd. filed the Statement of Large-Volume Holdings (Statement of Changes) (reporting obligation date : August 30, 2024), which reported that it owned the following shares. However, as the actual number of shares owned in the name of the said company as of December 31, 2024 cannot be confirmed, they are not included in the above [Status of Major Shareholders].

The Company conducted a 3-for-1 common stock split on October 1, 2024. However, the number of shares owned below is the number of shares owned before the common stock split.

[Name (number of shares owned (Thousands of shares), percentage of number of shares owned against total number of shares issued (%))]

Sumitomo Mitsui Trust Asset Management Co., Ltd. (15,375 thousand shares, 3.03%)

Nikko Asset Management Co., Ltd. (12,522 thousand shares, 2.47%)
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3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	December
Type of Business	Foods
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

N/A

5. Other Special Circumstances which may have Material Impact on Corporate Governance

N/A

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Nomination Committee, etc.
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	13

[Outside Directors]

Number of Outside Directors	8
Number of Independent Directors	8

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Shigeo Ohyagi	From company another												
Kenichiro Sasae	Other								○		○		
Tetsuji Ohashi	From company another												
Mari Matsunaga	From company another												
Sanae Tanaka	Other												
Chika Sato	From company another								△				
Melanie Brock	From company another												
Akiko Miyakawa	Other												

* Categories for "Relationship with the Company"

- * “○” when the director presently falls or has recently fallen under the category;
- “△” when the director fell under the category in the past
- * “●” when a close relative of the director presently falls or has recently fallen under the category;
- “▲” when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2)

Name	Membership of Committees			Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Shigeo Ohyagi	○		○	○	N/A	[Reasons of Appointment as an Outside Director] Shigeo Ohyagi has extensive experience and exceptional insight into corporate management with respect to engaging in business globally, particularly given that he has served as president and chairman of global corporations. In particular, serving as an outside director and outside audit and supervisory board member in multiple leading Japanese companies, he appropriately performs roles that include analyzing potential risks, overseeing business execution and furnishing advice from a practical standpoint to verify potential business development, enlisting his fresh, objective and logical perspective. Since being appointed as an Outside Audit and Supervisory Board Member of the Company in 2022, he has not only actively given his opinions and recommendations from an objective standpoint at meetings of the Board of Directors and the Audit and Supervisory Board based on his knowledge and insights into corporate

					<p>management, but also reviewed the audit status of domestic group companies and the activities of the audit committees, etc. of overseas group companies, and conducted interviews with top management in order to appropriately audit the execution of duties by Directors of the Company, including the internal control systems, thus fulfilling his role as Outside Audit and Supervisory Board Member of the Company and helping to enhance corporate value of the Company over the medium to long term. The Company expects him to demonstrate his abilities in the areas of long-term strategy, global affairs, senior leadership, risk governance & internal control, human resources & culture, and operational process skills, which are underpinned by his extensive experience and exceptional insight as an outside officer of other companies and as a participant in corporate management of companies engaged in global businesses.</p> <p>Accordingly, we deem that he is a human resource necessary to the composition of the Board of Directors for the Company as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors after the transition to a Company with Nominating Committee, etc., and thus the Company newly appointed him as an Outside Director.</p> <p>[Reasons of designated as an Independent Directors] As Shigeo Ohyagi does not fall under any of the items on the “Criteria for independence of Outside Directors” which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that he maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Shigeo Ohyagi meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered him as an independent officer as stipulated by the said Exchange.</p>
Kenichiro Sasae	○	○		○	<p>Kenichiro Sasae is currently the President of the Japan Institute of</p> <p>[Reasons of Appointment as an Outside Director] Since being appointed as an Outside Director of the Company in 2022, Kenichiro Sasae has participated in discussions and activities that contributed</p>

					<p>International Affairs. The Company Group has transactions with such Institute, the amounts involved in such transactions account for less than 1% of the consolidated revenue (or ordinary income) of the Company and the said entity. In addition, while the said entity receives donations from the Company the amount of donations does not exceed the criteria amount set forth in the "Criteria for independence of Outside Directors". Respectively, there is no business relationship affecting the management of the Company to be specified.</p>	<p>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. Furthermore, as a member of the Compensation Committee, he gave specific opinions and recommendations regarding the formulation of new remuneration plans, and proposals made on bonus payments. He is expected to demonstrate expertise in long-term strategy, global affairs, senior leadership, risk governance & internal control, human resources & culture skills supported by his experience and insight. Accordingly, we deem that Kenichiro Sasae will continue to be a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors after the transition to a Company with Nominating Committee, etc., and thus the Company re-appointed him as an Outside Director.</p> <p>[Reasons of designated as an Independent Directors] As Kenichiro Sasae does not fall under any of the items on the "Criteria for independence of Outside Directors" which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that he maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Kenichiro Sasae meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered him as an independent officer as stipulated by the said Exchange.</p>
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Tetsuji Ohashi	○	○		○	N/A	<p>[Reasons of Appointment as an Outside Director]</p> <p>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 based on the perspective of managing a global corporation and his experience as an outside officer of other companies.</p> <p>As a member of the Nomination Committee, he gave specific opinions and recommendations regarding the Board of Directors Skill Matrix, oversight of the Group CEO succession plan, proposals for officer appointments, and other matters. Furthermore, as a member of the Compensation Committee, he gave specific opinions and recommendations regarding the formulation of new remuneration plans, and proposals made on bonus payments. He is expected to demonstrate expertise in long-term strategy, global affairs, discontinuous growth, senior leadership, and operational process skills supported by his experience and insight.</p> <p>Accordingly, we deem that Tetsuji Ohashi will continue to be a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors after the transition to a Company with Nominating Committee, etc., and thus the Company re-appointed his as an Outside Director.</p> <p>[Reasons of designated as an Independent Directors]</p> <p>As Tetsuji Ohashi does not fall under any of the items on the “Criteria for independence of Outside Directors” which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that he maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Tetsuji Ohashi meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we</p>
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						have registered him as an independent officer as stipulated by the said Exchange.
Mari Matsunaga				○	N/A	<p>[Reasons of Appointment as an Outside Director]</p> <p>Since being appointed as an Outside Director of the Company in 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 Company'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.</p> <p>Furthermore, as a member of the Sustainability Advisory Committee, she gave opinions and recommendations on strengthening the Group's sustainability governance system and on further integration of sustainability and management. She can be expected to demonstrate skills related to sustainability, discontinuous growth, senior leadership, and human resources & culture backed by her extensive knowledge and broad insight into the culture and lifestyles of modern society.</p> <p>Accordingly, we deem that Mari Matsunaga will continue to be a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has divers insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors after the transition to a Company with Nominating Committee, etc., and thus and thus the Company re-appointed her as an Outside Director.</p> <p>[Reasons of designated as an Independent Directors]</p> <p>As Mari Matsunaga does not fall under any of the items on the "Criteria for independence of Outside Directors" which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that she maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Mari Matsunaga meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we</p>

						have registered her as an independent officer as stipulated by the said Exchange.
Sanae Tanaka			○	○	N/A	<p>[Reasons of Appointment as an Outside Director]</p> <p>Sanae Tanaka, through her long years of practice as an attorney at law, possesses expertise in corporate legal affairs and a high level of insight that enables her to supervise management from the perspective of laws and regulations, etc. Since being appointed as an Outside Audit and Supervisory Board Member in 2023, she has not only actively given her opinions and recommendations from an objective standpoint at meetings of the Board of Directors and the Audit and Supervisory Board based on her extensive knowledge and experience as an attorney at law, but also reviewed the audit status of domestic group companies and the activities of the audit committees, etc. of overseas group companies, and conducted interviews with top management in order to appropriately audit the execution of duties by Directors of the Company, including the internal control systems, thus fulfilling her role as Outside Audit and Supervisory Board Member of the Company and helping to enhance corporate value of the Company over the medium to long term. The Company expects her to demonstrate her skills in such areas as sustainability, legal affairs & compliance, risk governance & internal control, human resources & culture, underpinned by her many years of activity as an attorney at law. Accordingly, we deem that Sanae Tanaka will be a necessary human resource who is indispensable to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors after the transition to a Company with Nominating Committee, etc., and thus the Company newly appointed her as an Outside Director.</p> <p>[Reasons of designated as an Independent Directors]</p> <p>As Sanae Tanaka does not fall under any of the items on the “Criteria for independence of Outside Directors” which have been established by the Company as a means of objectively assessing independence thereof, the Company has</p>

						deemed that she maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Sanae Tanaka meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered her as an independent officer as stipulated by the said Exchange.
Chika Sato	○	○		○	Chika Sato was Chief Diversity Officer of the People & Culture Division at NEC Corporation until March 2024. The Company Group has transactions with such company. However, as the transaction amount in the last business year was less than 1% of the consolidated revenue of the Company, respectively, there is no business relationship affecting the management of the Company to be specified.	<p>[Reasons of Appointment as an Outside Director]</p> <p>Since being as an appointed Outside Director of the Company in 2024, Chika Sato has participated in discussions and activities that contributed to meaningful and appropriate supervision of the Board of Directors, such as by asking substantive questions and raising issues about enhancing human capital based on her extensive experience and wide-ranging insights in the area of human resources at global companies. The Company expects her to demonstrate her skills in such areas as global affairs, discontinuous growth, senior leadership, human resources & culture, underpinned by her experience in the area of human resources at global companies. Accordingly, we deem that Chika Sato will continue to be a human resource necessary to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors after the transition to a Company with Nominating Committee, etc., and thus the Company re-appointed her as an Outside Director.</p> <p>[Reasons of designated as an Independent Directors]</p> <p>As Chika Sato does not fall under any of the items on the “Criteria for independence of Outside Directors” which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that she maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Chika Sato meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered her as an independent officer as stipulated by the said Exchange.</p>
Melanie Brock				○	N/A	[Reasons of Appointment as an Outside Director]

					<p>Since being appointed as an Outside Director of the Company in 2024, Melanie Brock has participated in discussions and activities that contributed to meaningful and appropriate supervision of the Board of Directors, such as by asking substantive questions and raising issues about diversity and the global execution of business, based on her experience of marketing and engagement in efforts to promote diversity, etc. during her activities as a global consultant.</p> <p>The Company expects her to demonstrate her skills in such areas as global affairs, sustainability, senior leadership, human resources & culture, underpinned by her experience at the global level in such matters as in forming networks while serving in an organization linking the financial industries of Japan and Australia, and the experience and insights derived from serving as an outside officer of other companies.</p> <p>Accordingly, we deem that Melanie Brock will continue to be a human resource necessary to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors after the transition to a Company with Nominating Committee, etc., and thus the Company re-appointed her as an Outside Director.</p> <p>[Reasons of designated as an Independent Directors] As Melanie Brock does not fall under any of the items on the “Criteria for independence of Outside Directors” which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that she maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Melanie Brock meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered her as an independent officer as stipulated by the said Exchange.</p>
Akiko Miyakawa			○	○	<p>N/A</p> <p>[Reasons of Appointment as an Outside Director] Through many years of experience as a certified public accountant in Japan and overseas, Akiko Miyakawa is well-versed in accounting audits of global companies</p>

					<p>and internal control systems, and she possesses a sufficiency of the insight, expertise, and ability required as a Director of the Company in such areas as global affairs, finance & accounting, risk governance & internal control, and operational processes.</p> <p>Since she has a high level of financial and accounting expertise due to her experience of involvement in global accounting audits as an Outside Director, the Company expects her in particular to actively give her opinions and recommendations at meetings of the Board of Directors with the objective of enhancing the effectiveness of organizational audits, based on her extensive experience and wideranging insights on internal control, in addition to providing management oversight and actively pointing out and giving her opinion on management issues from the financial and accounting perspective.</p> <p>Accordingly, we deem that Akiko Miyakawa will be a human resource necessary to the composition of the Board of Directors as a member of the Board who has diverse insight, expertise, and capabilities for increasing the effectiveness of the decision-making and oversight functions of the Board of Directors after the transition to a Company with Nominating Committee, etc., and thus the Company newly appointed her as an Outside Director.</p> <p>[Reasons of designated as an Independent Directors]</p> <p>As Akiko Miyakawa does not fall under any of the items on the “Criteria for independence of Outside Directors” which have been established by the Company as a means of objectively assessing independence thereof, the Company has deemed that she maintains sufficient independence with no potential for conflict of interests with general shareholders. Moreover, as Akiko Miyakawa meets the requirements for independent officers as defined by the Tokyo Stock Exchange, we have registered her as an independent officer as stipulated by the said Exchange.</p>
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[Committees]

Composition of Committee Members and Attributes of Chairperson

	Nomination Committee	Compensation Committee	Audit Committee
All Committee Members	6	5	5
Full-time Members	0	0	2
Internal Directors	2	2	2
Outside Directors	4	3	3
Chairperson	Outside Director	Outside Director	Outside Director

[Executive Officers]

Number of Executive Officers	8
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Status of Concurrent Positions

Name	Representative Authority	Concurrent Position Held by Director			Concurrent Position as Employee
			Nomination Committee Member	Compensation Committee Member	
Atsushi Katsuki	Yes	Yes	○	×	None
Keizo Tanimura	None	Yes	○	○	None
Kaoru Sakita	None	Yes	×	○	None
Naoko Nishinaka	None	None	×	×	None
Taemin Park	None	None	×	×	None
Manabu Sami	None	None	×	×	None
Drahomira Mandikova	None	None	×	×	None
Ryoichi Kitagawa	None	None	×	×	None

[Audit System]

Appointment of Directors and/or employees to assist in the duties of the Audit Committee	Appointed
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Matters pertaining to the independence of said Directors and employees from Executive Officers
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By assigning four (4) dedicated employees to an organization for providing appropriate assistance with regard to the duties of the Audit Committee (the Audit Committee Office) to assist in the duties of the Audit Committee, the Company has established a structure to enable Audit Committee Members to smoothly execute their audit duties.

The Internal Audit Department (Internal Audit) has been established to work under the direct control of the Audit Committee as the organization responsible for internal audit.

Furthermore, Internal Audit and the Audit Committee Office operate under the direct control of the Audit Committee, and the appointment, dismissal, or disciplining of the Heads of those organizations requires the consent of the Audit Committee so as to ensure their independence from Executive Officers. Any issuance of orders to, personnel transfers of, merit evaluations of, or reprimands of the employees assigned shall require the prior concurrence of the Audit Committee.

Cooperation among Audit Committee, Independent Accounting Auditor and Internal Audit Department

<p>The Audit Committee holds meetings with the Independent Accounting Auditor regularly, or as needed, in order to exchange information and opinions and coordinate with them. In addition, as an organization directly under the Audit Committee, Internal Audit reports directly to the Audit Committee on the status of internal audits. In fiscal 2024, reflecting the Company's status as a Company with an Audit and Supervisory Board, Audit and Supervisory Board Members and the Independent Accounting Auditor met sixteen (16) times to report, exchange opinions, and hold discussions, and the Audit and Supervisory Board Members and the organizations in charge of internal audit met each other eleven (11) times to report, exchange opinions and hold discussions.</p>

[Independent Directors]

Number of Independent Directors	8
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Matters relating to Independent Directors

<p>The Company has elected eight (8) Outside Directors, all of whom are designated as Independent Directors whose wide-ranging stakeholder viewpoints both enhance social value and contribute to sustainable growth and to increases in the corporate value of the Company over the medium to long term.</p>

<p>The Company has established criteria as set forth below for objectively assessing the independence of its Outside Directors and accordingly deems that an Outside Director lacks sufficient independence for the Company if any of the following apply, such that he or she is:</p>
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- | |
|---|
| <ol style="list-style-type: none"> 1. A party who serves as an executive*1 of the Company or a subsidiary of the Company (herein this section collectively referred to as the "Group") or has served as an executive of the Group in the past; 2. A party for whom the Group is a major business partner*2 (or if the business partner is an incorporated entity, an executive thereof); 3. A party who is a major business partner of the Group*3 (or if the business partner is an incorporated entity, an executive thereof); 4. A consultant, certified public accountant or other accounting professional, or an attorney at law or other legal professional who has been paid substantial amounts of money or other financial benefits*4 other than Directors' and Audit and Supervisory Board Members' remuneration paid by the Group (or if the party receiving such financial benefits is an incorporated entity, association or other organization, then persons belonging to such organization); 5. A certified public accountant who belongs to the auditing firm which serves as the Independent Accounting Auditor of the Group; 6. A major shareholder*5 of the Group (or if the major shareholder is an incorporated entity, an executive thereof); 7. An executive of an incorporated entity that is a major shareholder of the Group; 8. An executive of a company which has a relationship involving cross-assumption of office of Outside Directors or Outside Audit and Supervisory Board Members*6; 9. A party who receives substantial donations*7 from the Group (or if the party receiving such donations is an incorporated entity, association or other organization, then an executive thereof); 10. A close relative*8 of a party who falls under any of the above items from 1 to 9 (limited to important persons*9, with the exception of item 1); 11. A party who has fallen under any of the above items from 2 to 10 during the past ten (10) years; 12. A party who has exceeded the tenure of Outside Directors stipulated by the Company*10; or 13. Notwithstanding the provisions of the respective items above, a party with respect to whom there are special grounds for deeming there to be potential for conflict of interests with general shareholders. |
|---|

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

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

[Incentives]

Incentive Policies for Directors and Executive Officers	Introduction of a Performance--Linked Remuneration System
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Supplementary Explanation

Under its performance-linked remuneration system, the Company has adopted an annual bonus linked to performance on a single fiscal year basis and stock compensation intended to motivate recipients to improve sustainable corporate value over the long term, and to align interests and risks with those of shareholders.

Short-term performance-linked bonuses are determined using core operating profit and profit attributable to owners of parent as performance benchmarks in proportion to the level of achievement of targets, which are set at the beginning of each fiscal year, and other factors. Medium-term performance-linked bonuses are determined using the financial indicators set in line with the goals of the "Medium- to Long-Term Management Policy" and the social value indicators as performance benchmarks in proportion to the level of achievement of targets, which are set at the beginning of each fiscal year.

For stock compensation, under the system adopted, points are granted according to the position held, and at the time of the Directors' retirement, the Company shares in the number equivalent to the cumulative number of these points will be delivered, thereby offering appropriate incentives.

In order for Group Company management teams, including Directors and Executive Officers, to share the benefits and risks of share price fluctuations with shareholders, and in order to further increase their desire to contribute to increases in the share price and sustainable improvements in corporate value, in 2025 the Company will consolidate the medium-term bonus system and the

stock compensation system into a stock compensation system linked to medium- to long-term performance. The medium- to long-term financial indicator of return on invested capital (ROIC) and the non-financial indicator of social value have been set as performance targets, and the extent to which these targets have been achieved in the final fiscal year of the three-year evaluation period will be assessed, and reflected in remuneration. Only basic remuneration will be provided to Outside Directors.

Recipients of Stock Options

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Supplementary Explanation

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[Director/Executive Officer Remuneration]

Disclosure of Individual Directors' Remuneration

Selected Directors

Disclosure of Individual Executive Officers' Remuneration

Not Disclosed

Supplementary Explanation

The total amount of the remuneration of Internal Directors and Outside Directors is disclosed, respectively.

The remuneration, etc. of Directors is disclosed through posting them on the website of the Company, etc. for public inspection. The details are as follows:

- In the securities report, 1,043 million yen for Internal Directors (including stock compensation), 103 million yen for Internal Audit and Supervisory Board Members, and 199 million yen for Outside Directors/Audit and Supervisory Board Members (including the amount for Outside Audit and Supervisory Board Members) are disclosed as the remuneration, etc. of Directors (including the bonus for the 101st fiscal year) paid.

- In the 101st fiscal year, the total amount of remuneration, etc. of Akiyoshi Koji, Chairman and Representative Director was 228 million yen (basic remuneration: 84 million yen, bonus: 102 million yen, stock compensation: 42 million yen), the total amount of remuneration, etc. of Atsushi Katsuki, President and Group CEO, Representative Director, was 424 million yen (basic remuneration: 113 million yen, bonus: 233 million yen, stock compensation: 78 million yen), the total amount of remuneration, etc. of Keizo Tanimura, Director, EVP and Group CPO, was 149 million yen (basic remuneration: 50 million yen, bonus: 77 million yen, stock compensation: 20 million yen), the total amount of remuneration, etc. of Kaoru Sakita, Director, EVP and Group CFO, was 149 million yen (basic remuneration: 50 million yen, bonus: 77 million yen, stock compensation: 20 million yen), and the total amount of remuneration, etc. of Naoko Nishinaka, Director and EVP*, was 101 million yen (basic remuneration: 43 million yen, bonus: 44 million yen, stock compensation: 12 million yen). Because the remuneration of the above persons came to 100 million yen or more, they are set forth in the securities report in accordance with the "Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc." The names of positions are those as of the 101st fiscal year.

- In the business report, the total amount of remuneration, etc. for all Directors and Outside Directors is disclosed in accordance with the Ordinance for Enforcement of the Companies Act.

Because the Company transitioned to a Company with a Nomination Committee, etc. in March 2025, remuneration for Executive Officers is not disclosed as of the date of this report (March 26, 2025).

*The remuneration for Naoko Nishinaka is the total of her remuneration as an Audit and Supervisory Board Member from January 2024 to March 2024 and her remuneration as a Director from April 2024 to December 2024.

Policy on Determining Remuneration Amounts and Calculation Methods

Established

(1) Director/Executive Officer Remuneration

The Compensation Committee sets out remuneration policies for Directors and Executive Officers in line with the basic policy formulated by the Board of Directors, and determines the content, level, and individual remuneration, etc. in accordance with these policies.

<Basic concepts>

The remuneration for Directors and Executive Officers is designed and operated as follows.

- To further strengthen the incentive to strive for the Company's sustainable growth and enhancement of corporate value over the medium to long term
- Remuneration with a content and level that is effective in continuing to ensure outstanding human resources with diverse skills
- To base on the role and magnitude of responsibilities of the Directors and Executive Officers and their contribution to performance
- Remuneration highly variable based on performance linked to management strategy
- Remuneration in which benefits and risks are shared with shareholders and which provides an incentive to management from the standpoint of sustainability

<Composition of remuneration>

The remunerations, etc. for Internal Directors and Executive Officers comprise basic remuneration, bonuses (annual and medium-term), and stock compensation and the remunerations, etc. for Outside Directors comprise basic remuneration only. The composition of remuneration, etc. for Internal Directors and Executive Officers is based on the principle of remuneration being closely linked to performance, with the percentage of variable remuneration (bonuses and stock compensation) set at around 70% of annual remuneration for the President and Group CEO, Director and Representative Executive Officer, with the percentage of stock compensation, which aligns interests and risks with those of shareholders, making up around 20%. The percentage of variable remuneration for other Internal Directors is set to around 60%, and remuneration for Executive Officers is also designed to reflect positions in the same way.

<Remuneration level>

The remuneration, etc. for Directors and Executive Officers are 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 the type of business, scale, and complexity in business regions, etc. as those of the Company.

<Basic remuneration (fixed remuneration)>

Basic remuneration for Directors and Executive Officers is a fixed annual amount determined in accordance with the role and responsibilities of the individual, and paid as a fixed sum every month. The basic remuneration is determined by adding the actual expenses paid by the Directors, such as health checkup expenses to the fixed amount based on their positions. Revisions of basic remuneration are determined based on changes in position, taking into account such factors as changes in business operations and the status of remuneration levels (the timing of any revisions is, in principle, each April but there is no requirement for an annual revision).

<Variable remuneration>

A basic policy of the Company is to raise the percentage of variable remuneration as a percentage of annual income in order to incentivize sustainable growth and corporate value over the medium to long term. Based on this policy, the Company designs systems that take into consideration the commitment to performance on a single fiscal year basis, as well as measures to incentivize contributions to the Company's sustainable growth and to the enhancement of corporate value in terms of both financial value and social value over the medium to long term.

<Method for determining remuneration>

Remuneration, etc. for Directors and Executive Officers is determined by a resolution of Compensation Committee. A majority of the members of the Compensation Committee are Outside Directors and the chairperson is an Outside Director, which gives it a high level of transparency and fairness. It sets out policies relating to the remuneration of Directors and Executive Officers, in accordance with the basic policy set out by the Board of Directors, and deliberates the details of individual remuneration. In order to ensure fairness when such decisions are made, remuneration benchmarks from third-party organizations and other objective data are used as required. The amount of remuneration for individual Directors is determined by the Compensation Committee, through a process of “individual evaluation” and “the individual remuneration amount in accordance with the evaluation” in accordance with the role and responsibilities of Directors. The details of remuneration for Executive Officers are determined in the same way.

<Amount of remuneration for individual Directors and Executive Officers>

The determination of the amount of remuneration for individual Directors and Executive Officers has been left to the Compensation Committee by a resolution of the Board of Directors.

[Supporting System for Outside Directors]

When a meeting of the Board of Directors is held, the materials for the meeting are sent to Outside Directors ahead of time by the Corporate Secretary Office, and clarified in advance explanatory meetings as required. The Corporate Secretary Office also sends information to Outside Directors as needed in situations other than those involving the Board of Directors.

In addition, the Corporate Governance Office regularly reports on information that is useful for the understanding of the business, such as the state of the business and topic in the industry.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

In order to facilitate the sustainable growth of the Group and increases in corporate value over the medium to long term, the Company works continuously to improve the effectiveness of the Board of Directors, and has constructed a framework to ensure that the Board of Directors, the Nomination Committee, the Audit Committee, and the Compensation Committee are highly effective in their oversight of management, including the President and Group CEO, Representative Executive Officer. By adopting a highly transparent organizational design with a statutory Nomination Committee, Audit Committee, and Compensation Committee, the Company aims to further strengthen corporate governance and sustainably enhance corporate value.

The Board of Directors of the Company consists of five (5) Internal Directors (male: four (4), female one (1)) and eight (8) Outside Directors (male: three (3), female: five (5)), and all Outside Directors are designated as Independent Directors as defined by the Stock Exchange. The Company judges that there is no risk that conflicts of interest with general shareholders will arise among such Outside Directors, and the Outside Directors proactively express their opinions at meetings of the Board of Directors. Furthermore, Outside Directors also leverage their respective areas of expertise and wide-ranging knowledge to provide useful advice as members of the Nomination Committee, Audit Committee and Compensation Committee, as well as Sustainability Advisory Committee established on a discretionary basis.

The Board of Directors resolves important corporate strategies such as the “AGP” and “Medium- to Long-Term Management Policy,” and promotes their implementation. The management, including the President and Group CEO, Representative Executive Officer, provides appropriate support for risk-taking by establishing the internal control system and risk management systems.

The meeting of the Board of Directors, in principle, is ordinarily held once per month, and extraordinarily held, whenever necessary. In fiscal 2024, ordinary meetings of the Board of Directors were held twelve (12) times, in which were discussed such matters as management direction for the ultra-long term, medium- to long-term management policy, the business portfolio, the strengthening of the decision-making process through the separation of execution and supervision, executive personnel and executive remuneration, risk governance, and emergency response as a board of directors. The attendance rate for Outside Directors was 100%.

As of March 26, 2025, the chairperson and members of the board were as follows.

Outside Director (independent officer), Chairman of the Board of Directors, Shigeo Ohyagi

President and Group CEO, Director and Representative Executive Officer Atsushi Katsuki
 Group CPO, Director and Executive Officer Keizo Tanimura
 Group CFO, Director and Executive Officer Kaoru Sakita
 Director Yukitaka Fukuda
 Director Akiko Oshima
 Outside Director (independent officer) Kenichiro Sasae
 Outside Director (independent officer) Tetsuji Ohashi
 Outside Director (independent officer) Mari Matsunaga
 Outside Director (independent officer) Sanae Tanaka
 Outside Director (independent officer) Chika Sato
 Outside Director (independent officer) Melanie Brock
 Outside Director (independent officer) Akiko Miyakawa
 (Note) CEO: Chief Executive Officer、CPO: Chief People Officer、CFO: Chief Financial Officer

The Nomination Committee will ensure transparency, fairness, and appropriateness while deliberating and deciding on proposals for the election of Directors to be submitted to the General Meeting of Shareholders, as well as deliberating and reporting in response to inquiries from the Board of Directors regarding candidates for Executive Officers and succession of Directors and Executive Officers.

The Nomination Committee met six (6) times as a Company with Audit and Supervisory Board in fiscal 2024, reporting its findings or conducting discussions primarily on matters related to the choice of candidates for Directors and Audit and Supervisory Board Members, the selection of Representative Director, Chairman, President, Group CEO, and Group CxOs, the appointment of Nomination Committee Members, plans for the activities of the committee in fiscal 2024, succession planning, and systems for attracting, developing, and evaluating human resources. The attendance rate for committee members was 100%.

As of March 26, 2025, the chairperson and members of the Committee were as follows.

Outside Director (independent officer), Chairperson of the Nomination Committee Kenichiro Sasae
 Outside Director (independent officer), Nomination Committee Member Tetsuji Ohashi
 Outside Director (independent officer), Nomination Committee Member Shigeo Ohyagi
 Outside Director (independent officer), Nomination Committee Member Chika Sato
 President and Group CEO, Director and Representative Executive Officer, Nomination Committee Member Atsushi Katsuki
 Group CPO, Director and Executive Officer, Nomination Committee Member Keizo Tanimura

The Audit Committee commenced its activities on March 26, 2025. The Audit Committee work to conduct efficient, comprehensive, and effective audits of the execution of duties by Executive Officers, etc. (President and Group CEO, Representative Executive Officer, Executive Officers, and Directors) through the systematic audit system utilizing Internal Audit. It plans to meet at a frequency of roughly once per month. In fiscal 2024, reflecting the Company's status as a Company with an Audit and Supervisory Board, the Audit and Supervisory Board met a total of thirteen (13) times. The attendance rate for Audit and Supervisory Board Members was 100%.

As of March 26, 2025, the chairperson and members of the Committee were as follows.

Outside Director (independent officer), Chairperson of the Audit Committee Sanae Tanaka
 Outside Director (independent officer), Audit Committee Member Shigeo Ohyagi
 Outside Director (independent officer), Audit Committee Member Akiko Miyakawa
 Director, Audit Committee Member Yukitaka Fukuda
 Director, Audit Committee Member Akiko Oshima

The Compensation Committee ensures transparency and objectivity, and deliberates and decides on policies for remuneration, etc. for Directors and Executive Officers, including the President and Group CEO, Representative Executive Officer, as well as the amount of individual remuneration, and also deliberates and reports in response to inquiries from the Board of Directors regarding the basic policy for the remuneration system for Directors and Executive Officers. The Compensation Committee met eight (8) times as a Company with Audit and Supervisory Board in fiscal 2024, reporting its findings or conducting discussions primarily on individual evaluation related to the payment of annual bonuses, executive bonuses (annual and medium-term), the granting of stock compensation points, the appointment of Compensation Committee Members, social value

indicators for medium-term bonuses, systems for evaluating executive directors, and officer remuneration beyond the following fiscal year. The attendance rate of the committee members was 87.5% due to the absence of Director Ohashi at one meeting, and all other members attended 100% of the meetings.

As of March 26, 2025, the chairperson and members of the Committee were as follows.

Outside Director (independent officer), Chairperson of the Compensation Committee Tetsuji Ohashi

Outside Director (independent officer), Compensation Committee Member Kenichiro Sasae

Outside Director (independent officer), Compensation Committee Member Chika Sato

Group CPO, Director and Executive Officer, Compensation Committee Member Keizo Tanimura

Group CFO, Director and Executive Officer, Compensation Committee Member Kaoru Sakita

The Sustainability Advisory Committee, Executive Committee, Corporate Management Board, Global Sustainability Committee, Information Disclosure Committee, Risk Management Committee, and the Compliance Committee have been established as advisory organizations for the President and Group CEO, Representative Executive Officer.

The Sustainability Advisory Committee enhances the monitoring system of the Board of Directors by further promoting the integration of sustainability and management, and deliberating and offering recommendations on key sustainability themes from professional perspectives. The Committee consists of two Outside Directors and two internal Directors, and the President and Group CEO, Director and Representative Executive Officer is appointed as its chairperson.

The Executive Committee discusses themes related to the direction of Group strategy and Group-wide initiatives, providing advice from a specialist viewpoint to the President and Group CEO, Representative Executive Officer. The Committee consists of the President and Group CEO, Representative Executive Officer, other Executive Officers including Group CxOs, and Region CEOs, and is chaired by the President and Group CEO, Representative Executive Officer. In addition to the full-time Audit Committee Members attending as observers in the course of their audit activities, when they recognize important legal or internal control concerns, they make comments to that effect.

The Corporate Management Board provides reports on its findings and views on the legality, objectivity and reasonableness in response to inquiries regarding important matters concerning business execution referred from the President and Group CEO, Representative Executive Officer. The Board consists of the President and Group CEO, Representative Executive Officer, and other Executive Officers including Group CxOs, and Function Heads designated by the chairperson, and is chaired by the President and Group CEO, Representative Executive Officer. In addition to the full-time Audit Committee Members attending as observers in the course of their audit activities, when they recognize important legal or internal control concerns, they make comments to that effect.

The Global Sustainability Committee provides reports on its findings and views about formulation and monitoring of sustainability strategies for the entire Asahi Group in response to the inquiries referred from the President and Group CEO, Representative Executive Officer.

The Committee consists of the President and Group CEO, Representative Executive Officer, and other Group CxOs, the Executive Officer in charge of Legal, the CEO of Asahi Global Procurement, as well as CEOs and Executive Officers in charge of sustainability of RHQ* and persons designated by the committee chairperson. The President and Group CEO, Representative Executive Officer serves as the committee chairperson and the organization in charge of sustainability acts as a secretariat.

* RHQ stands for Regional Headquarters.

The Information Disclosure Committee is responsible for centrally managing and controlling corporate information disclosure, and provides reports on its findings and views in response to inquiries referred from the President and Group CEO, Representative Executive Officer from the perspective of fair, expeditious and wide-ranging information disclosure. The Committee consists of the President and Group CEO, Representative Executive Officer, and other Executive Officers, including Group CxOs, as well as the Heads of the CEO Office, Finance, Legal, Corporate Secretary Office, Corporate Communications, IR, and Financial Planning and Analysis. The President and

Group CEO, Representative Executive Officer serves as the committee chairperson and the organization in charge of public relations acts as a secretariat. In addition to the full-time Audit Committee Members attending as observers in the course of their audit activities, when they recognize important legal or internal control concerns, they make comments to that effect.

The Risk Management Committee provides reports on its findings and views on the promotion and supervision of Enterprise Risk Management (ERM), in response to inquiries referred from the President and Group CEO, Representative Executive Officer. The Committee consists of the President and Group CEO, Representative Executive Officer, and other Executive Officers, including Group CxOs, as well as Function Heads designated by the committee chairperson. The President and Group CEO, Representative Executive Officer serves as the committee chairperson, and the organization in charge of risk management acts as a secretariat. In addition to the full-time Audit Committee Members attending as observers in the course of their audit activities, when they recognize important legal or internal control concerns, they make comments to that effect.

The Compliance Committee provides reports on its findings and views on matters pertaining to the promotion and supervision of corporate ethics and compliance for the Asahi Group as a whole in response to inquiries referred from the President and Group CEO, Representative Executive Officer. The Committee consists of the President and Group CEO, Representative Executive Officer, and other Executive Officers as well as Function Heads designated by the committee chairperson. The President and Group CEO, Representative Executive Officer serves as the committee chairperson, and the organization in charge of legal affairs acts as a secretariat. In addition to the full-time Audit Committee Members attending as observers in the course of their audit activities, when they recognize important legal or internal control concerns, they make comments to that effect.

The Management Monitoring System operates mainly on the basis of supervision by Directors of the status of business execution and audits by the Audit Committee.

The transparency of the Audit Committee audit system is enhanced by selecting three (3) independent Outside Directors, who constitute a majority of the five (5) members of the Audit Committee, and by appointing the Audit Committee chairperson from among these independent Outside Directors. In addition, having two full-time Audit Committee Members helps achieve a balance between transparency/objectivity and audit effectiveness. Furthermore, the Audit Committee has four (4) dedicated employees who are assigned to an organization for providing appropriate assistance with regard to the duties of Audit Committee (the Audit Committee Office), enabling Audit Committee Members to smoothly execute their audit duties. Audit Committee Members are selected based on their appropriate experience and abilities, as well as their knowledge of finance, accounting, and legal matters. In particular, at least one (1) Audit Committee Member is selected based on their sufficient knowledge of finance and accounting. For details, please refer to "Convocation Notice of the 101st Annual General Meeting of Shareholders pages 22-43 Item 3: Appointment of Thirteen (13) Directors" published on the Company's website.

(Japanese version)

https://www.asahigroup-holdings.com/pdf/ir/shareholders_guide/shareholders_meeting/2025_shoushu.pdf

(English version)

https://www.asahigroup-holdings.com/pdf/en/ir/event/shareholders/250225_1.pdf

The key items, etc. of audit plans and courses of action are reviewed yearly according to the management environment. In fiscal 2024, when the Company was a Company with an Audit and Supervisory Board, the Audit and Supervisory Board met a total of thirteen (13) times, with an attendance rate for Outside Audit and Supervisory Board Members of 100%. For the internal audit, the members of the organization in charge of audits having the internal audit function audit whether the business executions of the entire Group are appropriately and efficiently conducted in accordance with the annual audit plan.

The Company has entered into an agreement with each Outside Director that limits his/her liability for damages as prescribed in Paragraph 1, Article 423 of the Companies Act. Under the terms of

this agreement, his/her liabilities are limited to 20 million yen or to the minimum limited amount stipulated by applicable laws and regulations, whichever is higher.
For the Accounting Auditor, the Company has concluded an audit agreement with KPMG AZSA LLC which has conducted an audit of the Company.

The Company has been continuously audited for the following period.
55 years

The period stated above denotes the consecutive audit period through which KPMG AZSA or its predecessor (Asahi & Co.) has been appointed as an auditor of the Company since the predecessor was incorporated as an audit firm.

Names of certified public accountants who performed the duties and number of years of audit

Kanako Ogura (Number of years of audit: 2 years)

Hiroshi Tani (Number of years of audit: 4 years)

Masahiro Morita (Number of years of audit: 3 years)

Assistants who supported the audit duties are thirty-four (29) Certified public accountants and forty-three (61) others. The independent Accounting Auditor has appropriately established a rotation schedule regarding its engagement partners, pursuant to revisions of the Certified Public Accountants Act made in 2003 and 2007. The engagement partners are not involved in carrying out audit services after having been engaged in such services for 7 consecutive years. The lead engagement partner is not involved in carrying out audit services after having provided such services for 5 consecutive years.

3. Reasons for Adoption of Current Corporate Governance System

The Company has selected to be a Company with a Nomination Committee, etc. to further clarify the roles of management supervision and execution, strengthen both functions, and establish an organizational audit system.

By adopting a highly transparent organizational design with statutory nomination, audit and compensation committees, we aim to continuously strengthen corporate governance and improve corporate value.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	In principle, the notice is sent no later than three (3) weeks prior to the holding date of the Meeting, and also before such sending, the details are early disclosed in the "Annual General Meetings of Shareholders" on the website of the Company, "Listed Company Search" on the website of the Tokyo Stock Exchange, and "Electric Voting Platform" operated by ICJ Inc.
Scheduling AGMs Avoiding the Peak Day	In principle, the Meeting is held in the afternoon of a date avoiding the peak day.
Allowing Electronic Exercise of Voting Rights	The electronic exercise of voting rights via the Internet of a computer, smart phone or cellular phone is allowed.
Participation in Electronic Voting Platform	The Company has participated in the electronic voting platform in and after 2007.
Providing Convocation Notice in English	The full text of the convocation notice is prepared in English, and publicly disclosed on the English website.
Other	The implementation of virtual hybrid remote participation-type general shareholder meetings, the holding of the General Shareholder Meeting in the afternoon, the questionnaire prior to the holding of the General Shareholder Meeting, the providing archive streaming of the General Shareholder Meeting (in Japanese and English), and the establishment of the site for shareholders setting forth the report of the General Shareholder Meeting are conducted for the vitalization of the

	General Shareholder Meeting and the improvement of communication with the shareholders.
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2. IR Activities

	Supplementary Explanations	Explanation by the representative
Preparation and Publication of Disclosure Policy	The details of the disclosure policy, including the “Basic Disclosure Policy” are posted on the website of the Company.	-
Regular Investor Briefings for Analysts and Institutional Investors	The briefings for analysts and institutional investors are held by the Company’s representative and the persons in charge, coinciding with the presentation of financial results. The briefings of business strategy in Japan, Europe and Oceania and Core Strategy (Sustainability, DX and R&D) are held regularly.	Yes
for Overseas Investors	The meetings for overseas investors are held in Europe, USA, and Asia once per year, respectively.	Yes
Posting of IR Materials on Website	The “Statement of Accounts,” “Integrated Report,” “Sustainability Report,” “Corporate Governance Report,” “People & Culture Report,” “Convocation Notice of the Annual General Meeting of Shareholders,” “Securities Report” etc. are posted on the Investor Information site of the website of the Company, and the video of the progress of the General Meeting of Shareholders is transmitted.	-
Establishment of Department and/or Manager in Charge of IR	An organization in charge of IR has been established.	-
Other	<Holding of IR meetings with analysts and institutional investors> IR meetings with Japanese and overseas analysts and institutional investors are held throughout the year. (That excludes the silent period.)	-

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The “Asahi Group Philosophy” and “The Asahi Group Code of Conduct” stipulate respect for all stakeholders.
Implementation of Environmental Activities, CSR Activities etc.	The Company sets the strategy “Integrate sustainability into management in order to positively impact both society and the Group’s businesses; contributing to solving social issues,” as one of the core strategies of the Medium- to Long-Term Management Policy and carries out initiatives for global issues of sustainability. In addition, the Company also aims to sophisticate its risk management systems (Enterprise Risk Management) and to strengthen global governance systems. The Company promotes the Group’s sustainability initiatives with establishing “key policies” and “Material Issues” to accelerate the integration of sustainability and management. Priority Policies: Realizing sustainable living for customers across the value chain

	<p>Material Issues: Environment, Communities, Responsible drinking, Health, People</p> <p>The Company will strive to provide effective communication on the Group's sustainability initiatives by disclosing such information on its website.</p> <p>(Japanese version) https://www.asahigroup-holdings.com/sustainability/index.html</p> <p>(English version) https://www.asahigroup-holdings.com/en/sustainability/index.html</p>
Development of Policies on Information Provision to Stakeholders	The "Disclosure Policy" is established and the appropriate information disclosure is timely conducted.
Other	<p><Initiatives regarding the respect for human rights></p> <p>In the "Asahi Group Human Rights Principles," the Company recognizes its responsibility as a company operating businesses globally to respect the human rights of all people who are impacted by the Company's business activities and declares that in carrying out business, it shall respect individual human rights and diversity, it shall not take part in discrimination or acts leading to the loss of individual dignity, and not take part in forced labor or child labor.</p> <p><"People Statement," Basic Policy on Group Personnel in the Asahi Group></p> <p>The Company has formulated "People Statement" to obtain excellent personnel with diversity from various countries and foster a corporate culture with a high level of engagement and is aiming to put the "Asahi Group Philosophy" into practice.</p>

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

<Overview of the resolution regarding systems to ensure appropriate business operations>

The Board of Directors passed the following resolution with respect to the above-mentioned systems.

To "deliver on our great taste promise and bring more fun to life" as stipulated in its group philosophy, the "Asahi Group Philosophy," the Company shall:

- establish, in accordance with the Companies Act and the Regulation for Enforcement of the Companies Act, the following basic policies (the "Basic Policies") to improve systems designed to ensure the appropriate execution of Directors and Executive Officers' duties in conformity with laws and regulations and the Articles of Incorporation of the Company and its subsidiaries (herein this section the "Group Companies") and ensure the appropriate business operations of the Group Companies (herein this section the "Internal Control System");
- recognize that it is the Representative Executive Officer(s) who shall assume the ultimate responsibility for the improvement of the Internal Control System in accordance with this resolution and demand the Representative Executive Officer(s) to cause the officers in charge, through the respective organizations they are in charge of, to develop and fully enforce individual internal regulations that will be applied to the Company and the entire Asahi Group and are required based on the Basic Policies; and
- take steps to maintain and enhance the effectiveness of the Internal Control System by reviewing the Basic Policies and relevant internal regulations that will be applied to the Company or the entire Asahi Group in a timely and appropriate manner in accordance with changes in conditions and circumstances.

(1) System to ensure execution of duties by Directors, Executive Officers and employees of the Company and the Group Companies in conformity with laws and regulations and the Articles of Incorporation of the Company and the Group Companies

- 1) In order to promote "Building value together with all our stakeholders" as stipulated in the "Asahi Group Philosophy," the Company shall establish "The Asahi Group Code of Conduct" and ensure its Directors, Executive Officers and employees abide by these regulations.
- 2) The Company shall establish a "Compliance Committee" to oversee compliance of the Asahi Group based on "The Asahi Group Ethics/Compliance Policies."
- 3) An officer of the Company in charge shall have authority over compliance within the Asahi Group. The organization in charge of legal affairs shall handle compliance tasks.
- 4) The Company shall assign responsible persons in charge of compliance in the Company and the Group Companies. The responsible person shall make efforts to prioritize compliance in all aspects of business activities at each Group Company.
- 5) Introduce a whistleblowing system, the "Speak Up System" at the Company and Group Companies, and establish the Asahi Speak Up Policy and Asahi Group Basic Principles on Whistleblowing Investigations and thereby endeavor to detect and correct compliance problems at an early stage.
- 6) Establish "Asahi Group Global Procurement Policy" setting out a fair and just transactions and mutual efforts on social responsibilities targeting suppliers, ensure that each supplier complies with the regulations and thereby build the Internal Control Systems together with suppliers.
- 7) To ensure antisocial forces do not exert any undue influence on the Group, all relevant information shall be shared within the Asahi Group and the Company shall establish an internal system on the measures. The Company shall also cooperate closely with industry bodies, local communities, the police and other external specialist organizations in this field.
- 8) The operational details of the aforementioned agencies and systems shall be spelled out under a separately prepared set of internal regulations that will be applied to the Company or the entire Asahi Group.

(2) System to ensure the preservation and management of information related to execution of duties by Executive Officers

- 1) Information related to execution of duties by Executive Officers shall be properly preserved and managed in accordance with "The Asahi Group Information Management Policies" and other related internal regulations that will be applied to the Company or the entire Asahi Group.
- 2) The aforementioned information shall be preserved and managed in a way accessible by Directors and Executive Officers for inspection at any time.
- 3) The clerical tasks related to preservation and management of the aforementioned information shall be determined in accordance with internal regulations that will be applied to the Company or the entire Asahi Group.

(3) Regulations and other organizational structures of the Asahi Group to manage risk of loss

- 1) The Company shall position risk management as a core element of its corporate management in "The Asahi Group Risk Management Policies," and implement it in a continuous manner.
- 2) In addition to having the responsible organizations manage risk in their respective areas, the Company shall establish a "Risk Management Committee" to identify and evaluate cross-sectional material risk for the entire Asahi Group, and design countermeasures accordingly.
- 3) With regard to the risk of failing to maintain product quality, as a food and drink manufacturing group, the Asahi Group strongly recognizes their social responsibility to consumers to ensure the safety and security of their products and shall establish sufficient control systems.
- 4) In the event of any major accident, disaster, scandal, etc., the Company shall set up the Emergency Response Headquarters headed by President and Representative Executive Officer in accordance with "The Asahi Group Crisis Management Policies", and instruct responses.

(4) System to ensure efficient execution of duties by Directors and Executive Officers of the Company and the Group Companies

- 1) The Board of Directors shall determine the basic management policies of the Asahi Group, matters related to medium- to long-term and annual management, and other important matters, and

shall delegate matters related to execution other than those to be resolved by the Board of Directors to the Executive Officers in order to speed up and improve the efficiency of decision-making.

2) To ensure efficient performance of duties by Directors, the Board of Directors shall divide duties in a reasonable way to be delegated to respective Directors.

3) The Company shall establish "Delegation of Authority" and "The Asahi Group's Delegation of Authority" stipulating rules of delegation of power and for a mutual checks-and-balances mechanism among organizations and among Group Companies.

4) The Company shall ensure the effective utilization of the "Executive Committee" and the "Corporate Management Board" consisting of the Company's internal Directors and G-CxOs (Chief x Officer) etc. by such means as formulating the Asahi Group's corporate strategy and implementing progress management.

5) To maximize operational efficiency, the Company shall utilize indices that provide an objective and rational way of measuring its management and control of operations; and it shall employ a unified system of follow-up and evaluation.

6) To use funds efficiently, a global cash management system among the Company and the Group Companies is introduced.

(5) System to ensure appropriate operations of the Asahi Group

1) All systems required for the Internal Control, including those for risk management, compliance and crisis management system, shall apply comprehensively across the entire Asahi Group. As the holding company, the Company shall manage the said systems of the Group Companies while respecting their autonomy, and supporting the development and operation of the Internal Control System, in accordance with the conditions and circumstances with which individual companies are facing.

2) While cooperating with the organization in charge of internal audit of each Group Company, the organization in charge of internal auditing in the Company (Hereafter referred to as the "Internal Audit Department") shall get a grasp of and evaluate the Internal Control System and discipline in day-to-day tasks within the Asahi Group by directly and indirectly auditing the Group Companies, and this section shall also conduct the evaluation of internal control related to financial reporting of the Group Companies and submit the relevant reports.

3) Decision-making authority related to business activities of the Group Companies shall be subject to the document entitled "Asahi Group's Delegation of Authority."

4) Each of the Group Companies will provide reports at the "Corporate Management Board" one or more times each quarter on performance of its operations including risk-related information.

(6) Securement of employees in the event that Audit Committee request staff to assist in their auditing duties

Have employees belonging to the Audit Committee Office and Internal Audit Department assist work of Audit Committee.

(7) Independence of employees mentioned in the preceding paragraph assigned to assist the Audit Committee Office and Internal Audit Department from the Executive Officers and ensuring the effectiveness of instructions given to relevant staff

1) When a member of the employees belonging to the Audit Committee Office and Internal Audit Department, as stipulated in the preceding paragraph, receives an order from an Audit Committee in relation to auditing duties, he/she shall not be subject to directives or orders from Executive Officers or other employees regarding that order.

2) Any issuance of orders to, personnel transfers of, merit evaluations of, or reprimands of the employees belonging to the Audit Committee Office and Internal Audit Department as stipulated in the preceding paragraph shall require the prior concurrence of Audit Committee.

(8) System for Directors (excluding the director who is an Audit Committee member), Executive Officers' and employees' reporting to Audit Committee

1) Directors (excluding the director who is an Audit Committee member. The same applies below in this section.), Executive Officers' and employees shall report regularly to Audit Committee on matters related to the Internal Control System, and shall report on an as-needed basis when a significant event occurs. When necessary, the Audit Committee shall be entitled to request reports

from the Directors, Executive Officers and employees (including from Directors, Executive Officers and employees of the Group Companies).

2) Executive Officers shall ensure that Audit Committee members have every opportunity to participate in discussions of important bodies, etc. such as the Board of Directors meetings, the "Executive Committee", the "Corporate Management Board" meetings, the "Risk Management Committee" meetings, and the "Compliance Committee" meetings. Executive Officers shall provide details of the agenda items of such meetings beforehand for Audit Committee members.

3) Audit Committee members shall at all times have the right to review documents such as the minutes of important meetings and the documents of approval.

(9) System for reporting, by the Group Companies' Directors, Executive Officers, Corporate Auditors, employees or persons receiving reports, to the Company's Audit Committee

1) The Group Companies' Directors, Executive Officers, Corporate Auditors, employees or persons receiving reports from them shall report regularly to the Company's Audit Committee on matters related to the Internal Control System and, shall report on an as-needed basis when a significant event occurs. When necessary, the Audit Committee shall be entitled to request reports from the Executive Officers and employees of the Group Companies.

2) The Company's or the Group Companies' organizations in charge of internal auditing shall report the results of the Group Companies' internal audits to the Audit Committee of the Company without delay.

3) Establish a whistleblowing contact point to Audit Committee of the Company as a group-wide escalation contact point for whistleblowing cases, and have the organization in charge of the whistleblowing system of the Company regularly report on the status of operation of the Group's whistleblowing system to Audit Committee of the Company.

4) The Company prohibits any party from treating the whistle blower prescribed in the preceding paragraph and this paragraph in any manner disadvantageous to him/her on the ground of the whistle blow.

(10) Policy on procedures for advance or reimburse expenses incurred in association with Audit Committee Members' execution of their duties (limited to matters related to the execution of duties by the Audit Committee), and treatment of other expenses or debts incurred in association with the execution of their duties

To defray expenses incurred in association with the Audit Committee Members' execution of their duties, the Company shall secure a certain specific amount of budget and shall, in response to the request of the Audit Committee or the Selected Audit Committee Members concerned, advance or reimburse expenses or otherwise treat debts incurred in association with the Audit Committee' execution of their duties.

(11) Other systems ensuring effective auditing by Audit Committee

To ensure the effectiveness of auditing activities, Executive Officers shall ensure opportunities for Audit Committee to exchange information and opinions regularly with members of the organization in charge of internal auditing of the Company and with the Independent Accounting Auditor.

<Overview of operation of systems to ensure appropriate business operations>

(1) Overall Internal Control System

1) In order to develop and operate the Internal Control Systems of the Company and the Group Companies and effectively achieve the objectives of internal control, the section of the Company in charge of internal auditing cooperates with the internal auditing organs established within the Asahi Group in conducting audits to determine whether business operations are executed properly and efficiently in accordance with annual audit plans.

2) With respect to internal control over financial reporting, the section of the Company in charge of evaluation of internal control cooperates with the organs in charge of evaluation of internal control established within the Asahi Group and performs evaluations of the Group Companies' internal control activities pursuant to the "Policies of Management Assessment and Reporting of Internal Controls over Financial Reporting."

(2) Compliance System

1) The Company established "The Asahi Group Code of Conduct," and tries hard to keep its employees informed about it.

- 2) The Company promotes awareness of compliance by putting managers responsible for compliance in place in the Company and the Group Companies and conducting education by job class.
- 3) The Company conducts multifaceted and multilayered surveys of compliance awareness and behavior by conducting a "Compliance Survey" to the employees of the Company and the Group Companies.
- 4) By keeping in place the whistleblowing system "Speak Up" system, the Company detects and resolves risk problems early, and effectively prevents risk problems themselves from occurring.

(3) Risk Management System

- 1) The Risk Management System adopts enterprise risk management (ERM) for the overall Asahi Group.
- 2) The respective companies of the Asahi Group identify and evaluate critical risks that could impede achievement of business objectives across all risk categories such as strategy and operations. They also draw up action plans and continually implement and monitor such plans. The respective companies of the Asahi Group report details of such initiatives to the Company's Risk Management Committee, which monitors such initiatives, while its members identify and evaluate critical risk across the Group, draw up action plans, and execute and monitor such plans. They also report to the Board of Directors with the aim of ascertaining effectiveness of such initiatives.
- 3) The Company has a system in place to deal with any major accident, disaster, scandal, etc. by setting up an "Emergency Response Headquarters" under the management of the President and Group CEO, Representative Executive Officer.
This has entailed implementing risk management practices under ordinary conditions, which involves identifying risks that require immediate responses when the risks materialize, as well as forecasting the degree of impact and the necessary responses, as preparation for enabling smooth mobilization of the crisis management in the event of an actual crisis. Meanwhile, the Company has been strengthening its crisis management structure internationally in part by clearly assigning entities primary responsibility for addressing different categories of crisis and by streamlining flows of information used in the event of a crisis.

(4) Business Management of Group Companies

- 1) With respect to the Group Companies' business management, the Company has put in place a system whereby, pursuant to the "Asahi Group's Delegation of Authority," the Group Companies' business executions are subject to resolutions of the Company's Board of Directors or decisions of an Executive Officer or the responsible persons of the responsible sections of the Company, depending on the degree of their importance.
- 2) Once a month, the "Corporate Management Board" receives reports from main Group Companies on the status of their business executions.

(5) Execution of Executive Officers' Duties

To ensure efficient performance of duties by Executive Officers, the Board of Directors divides duties in a reasonable way to be delegated to respective Executive Officers.

(6) Execution of Audit Committee's Duties

- 1) Audit Committee confirms the status of development and operation of the Internal Control System through organizational audits, which lead the internal audit function, and audits of the execution of duties by Directors and Executive Officers through the attendance of Audit Committee Members at meetings of the "Executive Committee," the "Corporate Management Board," the "Risk Management Committee," the "Compliance Committee" and other important organs, as well as by receiving reports from Directors, Executive Officers and employees.
- 2) The Audit Committee works to enhance the effectiveness of auditing by finding opportunities regularly or as needed for exchanging information and views with the Independent Accounting Auditor, etc. In addition, as an organization directly under the Audit Committee, Internal Audit reports directly to the Audit Committee on the status of internal audits. During fiscal 2024, Audit and Supervisory Board Members had opportunities to exchange information and views with the section in charge of internal auditing for a total of eleven (11) times, with the Independent Accounting Auditor for a total of eighteen (18) times as a Company with Audit and Supervisory Board. Audit Committee

Members also find opportunities to exchange information and views with Audit and Supervisory Board Members of the main Group Companies once a month generally.

3) The Company ensures that Audit Committee Members will be able to smoothly perform their duties by posting four (4) dedicated employees to the Audit Committee Office, who are able to assist appropriately with the duties of the Audit Committee.

2. Basic Views on Eliminating Anti-Social Forces

<Basic Views>

Under “The Asahi Group Code of Conduct,” which is common to the entire group in Japan and overseas, it is strictly forbidden in the Group to have any kind of relationship with anti-social forces or persons involved in illegal acts such as money laundering.

<Readiness>

(1) Establishment of Supervisory Department in Charge and Person responsible for the Prevention of Unreasonable Demands

A “Person responsible for the prevention of unreasonable demands” is appointed in the organization in charge of general affairs of each of the Group Companies.

(2) Cooperation with External Professional Agencies

Even if an unreasonable demand is received, the Company Group is prepared to deal with it in cooperation with the relevant government agencies including police, organized crime fighting specialists, legal counsel, and other professional consultants.

(3) Collection and Management of Information about Anti-Social Forces

The organizations in charge of general affairs of each of the Group Companies collect information on cases of an anti-social force’s unreasonable demands and record that information. The collected information including basic countermeasures are distributed within the Group on a monthly basis for the sharing of information.

(4) Preparation of Response Manuals

Basic views are indicated in the “The Asahi Group Code of Conduct” and, in addition, manuals related to procedures such as the “Asahi Group Manual for Racketeering by Interceding in Civil Disputes and Threatening the Use of Violence” are prepared. Also, to raise the accuracy of response, the “Crisis Management Website” has been opened on the group portal site to disclose the information on remedies.

(5) Implementation of Training

At training sessions and workshops for new employees and legal personnel, “The Asahi Group Code of Conduct,” which sets forth basic views, is used as a teaching material. In addition, personnel in charge of general affairs regularly hold information exchange meetings where cases of unreasonable demands in the Group are shared.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

(1) Basic policy

According to the Company’s view, the persons who control decisions on its financial and business policy must properly grasp various matters concerning its business, including the initiatives to “create appealing products,” to “care about quality and craftsmanship” and to “convey the inspiration to customers,” which form the source of the corporate value of the Asahi Group, and other tangible and intangible management resources thereof, potential effects of forward-looking measures and other items that constitute the corporate value, and must enable the Company to maintain and

increase the Asahi Group's corporate value as well as the common interests of shareholders continuously and sustainably.

Upon facing a proposal of large-scale share purchases, the Company is not always in a position to automatically object to the purchases even if it is a so-called hostile takeover, which is pursued without approval from the Board of Directors, provided that such takeover contributes to the increase of the corporate value and the common interests of shareholders of the Company. Also, the Company recognizes that the final decision as to whether to accept a proposal for an acquisition of shares in the Company that would lead to a transfer of control of the Company should be made based on the will of the shareholders as a whole.

It shall be noted, however, that there are not a few cases of large-scale share purchases that would not contribute to the increase of the corporate value and the common interests of shareholders of a company, including ones that would, in light of their purposes, etc., cause obvious damage to the corporate value and the common interests of shareholders or could effectively coerce shareholders to sell their shares, ones that the purchaser does not provide information and/or time reasonably necessary for the target company's board of directors and shareholders to review and examine details of the proposed purchase or for the target company's board of directors to make an alternative proposal, and ones where the target company's board of directors would have to conduct negotiation with the purchaser so as to seek more favorable terms than those initially proposed by the purchaser.

The person who intends to conduct a large-scale purchase of shares in the Company must have an understanding of the source of the Asahi Group's corporate value and have the capability to maintain and enhance it in the medium- and long-term; otherwise, the Asahi Group's corporate value and the common interests of shareholders would be damaged.

The Company thus believes that it is necessary to protect the Asahi Group's corporate value, and in turn, the common interests of shareholders, from such large-scale share purchases.

(2) Framework that contributes to realization of the basic policy

1) Special Measures Contributing to Realization of the Basic Policy

The Company established a group philosophy, the "Asahi Group Philosophy," which articulates the Group's mission and vision for the future, reaffirms values cherished and handed down over the years, and serves as a code of conduct for our stakeholders and the Group's commitments to them. At the same time, the Company established a "Medium- to Long-Term Management Policy" for the realization of the "Asahi Group Philosophy" and put group-wide efforts in line with them.

For details of the "Asahi Group Philosophy" and the Medium- to Long-Term Management Policy, please refer to "I.1. Basic Views" and "I. [Disclosure Based on the Principles of the Corporate Governance Code] (Principle 3-1 Full Disclosure)" in this Report.

The Company believes that it will be able to assure the flexibility of its corporate strategy by setting and carrying out such management policy and will be able to increase its sustained corporate value and ultimately secure common interests of its shareholders by setting such a policy as "Engagement Agenda" (agenda for constructive dialogs) and making dialogs with the stakeholders even more firm, and is striving to further strengthen its corporate governance.

2) Efforts to prevent decisions on the Company's financial and business policy from being controlled by any person who is inappropriate according to the basic policy

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

(3) Judgment of the Company's Board of Directors regarding the specific measures and reasons therefor

The measures described above in 1) of (2) conform to the basic policy of the Company as described above (1), are fully compatible with the corporate value and the common interests of shareholders of the Asahi Group including the Company, and are never implemented for the purpose of maintaining the status of Directors and Executive Officer of the Company.

2. Other Matters Concerning Corporate Governance System

The internal system for the timely disclosure of the company information and the disclosure policy of the Company are as set forth below.

<Overview of Timely Disclosure System>

(1) Collection of Information

The basic attitude of the Company is to timely disclose the appropriate company information to the investors, and the information to be timely disclosed shall be handled in accordance with the internal regulations (Asahi Group Information Management Regulations and Asahi Group Insider Trade Prevention Regulations) as follows:

- The aggregation/management of the information shall be conducted by the officer in charge of PR or the organization in charge of PR. The officer in charge of PR or the organization in charge of PR shall strictly manage the internal information, and promptly transmit the matters to be timely disclosed to the Information Disclosure Committee.
- The timely disclosure of the company information defined by the Stock Exchange, including the material facts, etc., of the Company shall be conducted by the organization in charge of PR under the direction of the Director appointed by the President and Group CEO, Representative Executive Officer, or the manager of the organization in charge of PR as the person responsible for the handling of information.

(2) Procedures for Information Disclosure

a. For the information aggregated to the officer in charge of PR or the organization in charge of PR from each organization of the Company and each of the Group Companies, the organization in charge of PR, as a supervisor, makes a basic decision on whether such information is a matter subject to timely disclosure. For the facts of determination, the occurred facts, and the information of the settlement of accounts out of the above, the "Information Disclosure Committee" analyzes the content of such information, and conducts the prior examination of the necessity of disclosure, content/method of disclosure, etc. in accordance with the Timely Disclosure Regulations, etc.

b. For the information that is judged as special material matters by the Information Disclosure Committee in the above process, the proceedings and content at the meeting of the Information Disclosure Committee are reported by the chief to the President and Group CEO, Representative Executive Officer.

(3) Timely Disclosure to the Stock Exchange

The person responsible for the handling of information timely discloses the fact, the timely disclosure of which is judged as necessary, immediately after the occurrence thereof.

<Disclosure Policy>

(1) Basic Disclosure Policy

For the disclosure of the important information in the case where the facts of determination, occurred facts or information on the settlement of accounts affecting on the judgement of investment occur, the Company discloses such facts in accordance with the laws and regulations, including the Financial Instruments and Exchange Act, etc., as well as the "Regulations on Timely Disclosure, etc. of the Company Information of the Issuer of Listed Securities" (hereinafter referred to as "Timely Disclosure Regulations") established by the Financial Instruments Exchange in which the Company lists stocks.

Also, for the information that is not subject to the Timely Disclosure Regulations, the Company, as a basic policy for information disclosure, conducts a fair/prompt and comprehensive information disclosure to meet the demands from the investors and security analysts.

(2) Method of Information Disclosure

The disclosure of the important information that is subject to the Timely Disclosure Regulations is registered in the "Timely Disclosure Information Transfer System (TDnet)" provided by the Tokyo Stock Exchange in accordance with the above Regulations.

After the registration, the Company promptly provides the same information to news media, and the same information is posted on the website of the Company.

Also, even in the case where the information that is not subject to the Timely Disclosure Regulations, etc. is disclosed, the Company endeavors to ensure that such information is fairly transferred via the website of the Company, media, etc. in accordance with a spirit of the timely disclosure.

(3) Items to be Voluntarily Disclosed

The Company voluntarily discloses the information that is not subject to the Timely Disclosure Regulations, etc., but is judged as being useful for the investment judgement. The information so disclosed includes the “Medium- to Long-Term Management Policy,” the monthly sales information, supplemental/presentation materials used in the financial results briefing, etc.

(4) Earnings Forecast and Future Prospect

In addition to the earnings forecast set forth in the statement of accounts, the Company may include the future prospect and opinions in the media, briefings, various materials, questions and answers, etc. In any case, any forecast or prospect, which did not become a fact, is based on the judgement rendered by the Company on certain assumptions at that time.

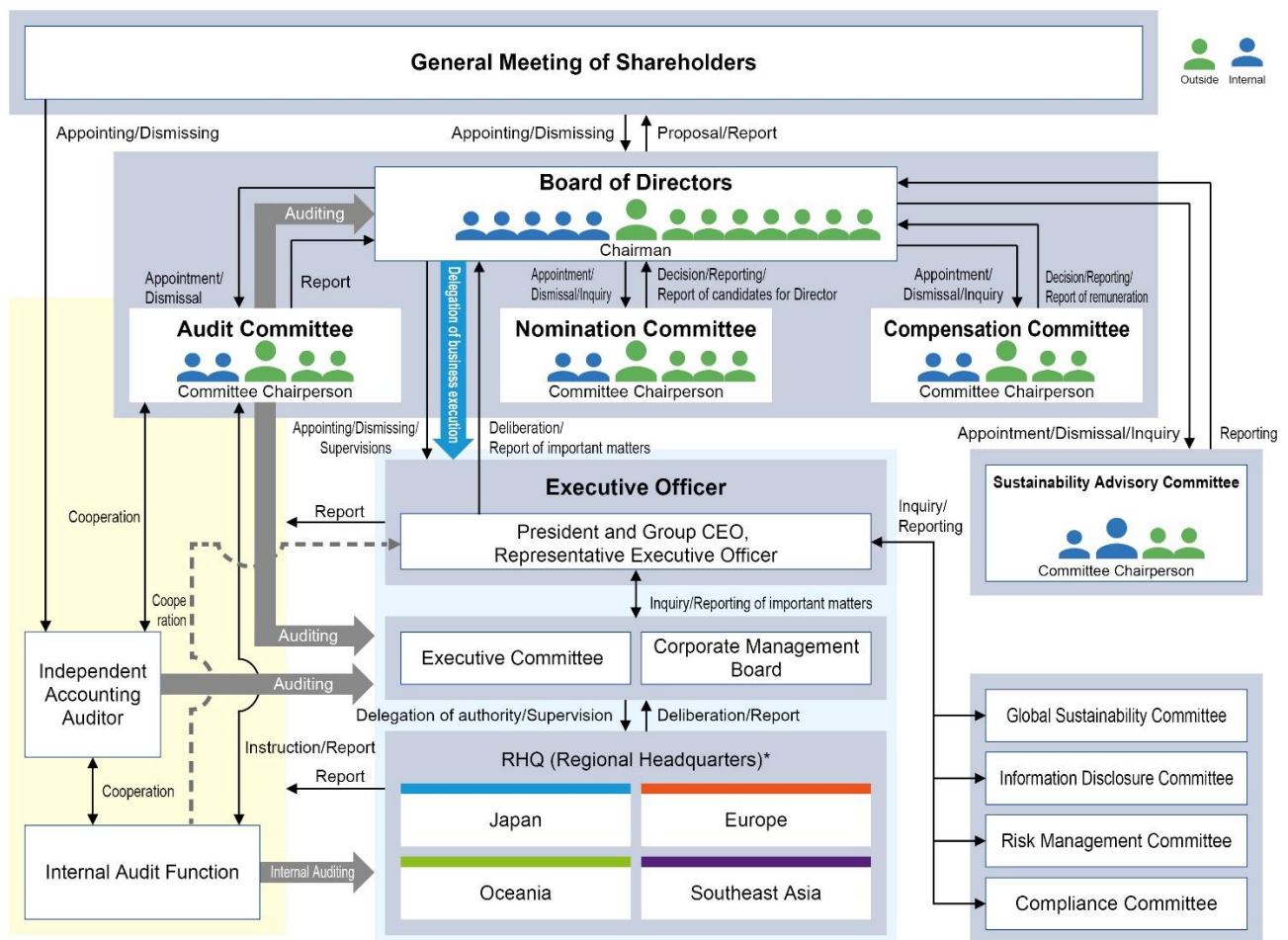
Therefore, please note that the future prospect may be changed without notice according to the change of the assumptions, and the actual earnings may vary greatly from such prospect due to various elements.

(5) Silent Period

In the Company, the period from the following date of the settlement of accounts to the date of the announcement of the settlement of accounts is the silent period of IR activities to prevent the divulgement of the information of the settlement of accounts and to ensure the fairness of information disclosure. During such period, the Company refrains from giving any comment on the settlement of accounts or any reply to questions.

However, if any fact that is subject to the timely disclosure occurs during such period, the Company will disclose such fact in accordance with the Timely Disclosure Regulations.

<Schema of Corporate Governance Structure>



* As of April 1, 2025, the 4RHQ system consisting of Japan, Europe, Oceania, and Southeast Asia will transition to a 3RHQ system, with the integration of Oceania RHQ and Southeast Asia RHQ.

<Schema of Timely Disclosure System>

