

Overview of Evaluation Results Concerning Effectiveness of the Board of Directors in FY2023.3

As a part of its efforts to enhance corporate governance, Asahi Holdings, Inc. (the “Company”) has been continuously working on analysis and evaluation of the effectiveness of the Board of Directors and consideration of measures to improve effectiveness. The Company has completed the analysis and evaluation for the fiscal year ended March 31, 2023 and discloses the overview of the results as described below.

Note that the analysis and evaluation method and the method of disclosing the overview of evaluation results are also described in “Asahi Holdings Corporate Governance Policies”.

1. Analysis and evaluation method for the fiscal year ended March 31, 2023

Questionnaire survey sheets with evaluation items for each of the following six evaluation categories were distributed to all directors, including Directors who are Audit and Supervisory Committee Members, and the answers were collected from all Directors. The evaluation results were reported and then discussed at the Board of Directors meeting.

[Evaluation categories in the questionnaire]

- (1) Discussion of corporate strategies and other broad directions
- (2) Environmental development supporting appropriate risk-taking
- (3) Fulfillment of highly effective supervision
- (4) Appropriate communication with shareholders, etc.
- (5) Composition of the Board of Directors
- (6) Operation of the Board of Directors meetings

2. Overview of evaluation results for the fiscal year ended March 31, 2023

The overview of evaluation results concerning effectiveness of the entire Board of Directors is as described below.

- (1) Discussion of corporate strategies and other broad directions
The vision of what kind of company it should be is shared and the discussions with respect to strategic issues, etc. have taken place sufficiently.
- (2) Environmental development supporting appropriate risk taking
It is expected to provide opportunities for early discussion on high-risk projects and discuss with accurate and sufficient information in order to properly assess risks.
- (3) Fulfillment of highly effective supervision
Continue opinion exchange between outside directors, executive directors and executive officers as it is good opportunities to discuss the status of execution of duties. Although the risk management system is in place, further improvement of its ability to respond to projects and report on the results are expected.
- (4) Appropriate communication with shareholders, etc.
Information is disclosed appropriately, and feedback from shareholders is shared as appropriate to ensure proper communication.
- (5) Composition of the Board of Directors
Independent outside directors make up the majority, and the knowledge and skills necessary to promote effective discussions are properly combined. Diversity is also sufficiently secured through the appointment of female directors and corporate executive. Conduct director training every year on topics that contribute to the execution of duties by directors.
- (6) Operation of the Board of Directors meetings
The frequency of holding the meetings is appropriate and opinions are actively exchanged. For important matters, advance distribution of detailed explanatory materials and advance briefings shall take place to deepen understanding of the matters. The addition of qualitative information and visualization are also expected to make the materials easier to understand.

3. Measures for improving effectiveness

The Company will further strive to improve effectiveness of operation of the Board of Director and enhance its corporate governance by the following measures:

- Actively hold discussions between outside directors and executive directors and urge effective discussions by appropriate information sharing on status of execution of duties.
- For important matters that have a significant impact on management, hold advance briefings, and if the risk is high, the Group Risk Management Department will get involved and support the realization of deeper discussions by enhancing explanatory materials with sufficient information for risk assessment.

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