

## Implementation status for the Corporate Governance Code

\*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code		Status		Corresponding articles in Asahi Holding Corporate Governance Policies		
	Principle	Contents	Comply	Explain			
1	Section 1 Securing the Rights and Equal Treatment of Shareholders	General Principle 1	Companies should take appropriate measures to fully secure shareholder rights and develop an environment in which shareholders can exercise their rights appropriately and effectively. In addition, companies should secure effective equal treatment of shareholders. Given their particular sensitivities, adequate consideration should be given to the issues and concerns of minority shareholders and foreign shareholders for the effective exercise of shareholder rights and effective equal treatment of shareholders.	●		Chapter-II: Relations with Shareholders and others	
2		Principle 1.1 Securing the Rights of Shareholders	Companies should take appropriate measures to fully secure shareholder rights, including voting rights at the general shareholder meeting.	●		Chapter-II: Relations with Shareholders and others 1. Securing the Rights of Shareholders	
3			1-1 ①	When the board recognizes that a considerable number of votes have been cast against a proposal by the company and the proposal was approved, it should analyze the reasons behind opposing votes and why many shareholders opposed, and should consider the need for shareholder dialogue and other measures.	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting
4			1-1 ②	When proposing to shareholders that certain powers of the general shareholder meeting be delegated to the board, companies should consider whether the board is adequately constituted to fulfill its corporate governance roles and responsibilities. If a company determines that the board is indeed adequately constituted, then it should recognize that such delegation may be desirable from the perspectives of agile decision-making and expertise in business judgment.	●		Chapter-V: Corporate Governance Structure 1. Organization Design and Basic Framework 2. Board of Directors – Roles -
5			1-1 ③	Given the importance of shareholder rights, companies should ensure that the exercise of shareholder rights is not impeded. In particular, adequate consideration should be given to the special rights that are recognized for minority shareholders with respect to companies and their officers, including the right to seek an injunction against illegal activities or the right to file a shareholder lawsuit, since the exercise of these rights tend to be prone to issues and concerns.	●		Chapter-II: Relations with Shareholders and others 1. Securing the Rights of Shareholders
6	Principle 1.2 Exercise of Shareholder Rights at General Shareholder Meetings	Companies should recognize that general shareholder meetings are an opportunity for constructive dialogue with shareholders, and should therefore take appropriate measures to ensure the exercise of shareholder rights at such meetings.	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting		
7		1-2 ①	Companies should provide accurate information to shareholders as necessary in order to facilitate appropriate decision-making at general shareholder meetings.	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting	
8		1-2 ②	While ensuring the accuracy of content, companies should strive to send convening notices for general shareholder meetings early enough to give shareholders sufficient time to consider the agenda. During the period between the board approval of convening the general shareholder meeting and sending the convening notice, information included in the convening notice should be disclosed by electronic means such as through TDnet1 or on the company's website.	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting	
9		1-2 ③	The determination of the date of the general shareholder meeting and any associated dates should be made in consideration of facilitating sufficient constructive dialogue with shareholders and ensuring the accuracy of information necessary for such dialogue.	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting	
10		1-2 ④	Bearing in mind the number of institutional and foreign shareholders, companies should take steps for the creation of an infrastructure allowing electronic voting, including the use of the Electronic Voting Platform, and the provision of English translations of the convening notices of general shareholder meeting.	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting Chapter-III: Proper Disclosure 2. Enhancement of Disclosure in English	
11		1-2 ⑤	In order to prepare for cases where institutional investors who hold shares in street name express an interest in advance of the general shareholder meeting in attending the general shareholder meeting or exercising voting rights, companies should work with the trust bank (shintaku ginko) and/or custodial institutions to consider such possibility.	●		Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting	

## Implementation status for the Corporate Governance Code

\*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code			Status		Corresponding articles in Asahi Holding Corporate Governance Policies
	Principle		Contents	Comply	Explain	
12	<b>Principle 1.3</b> Basic Strategy for Capital Policy		Because capital policy may have a significant effect on shareholder returns, companies should explain their basic strategy with respect to their capital policy.	●		<b>Chapter-II: Relations with Shareholders and others</b> 4. Basic Strategy for Capital Policy
13	<b>Principle 1.4</b> Cross-Shareholdings		When companies hold shares of other listed companies as cross-shareholdings, they should disclose their policy about reduction of cross-shareholdings. In addition, the board should examine cross-shareholdings with respect to appropriateness of the purpose for possession and whether the benefits and risks associated with ownership are commensurate with the cost of capital, and disclose about the result. Companies should establish and disclose specific standards with respect to the voting rights as to their cross-shareholdings, and take appropriate measures according to the standards.	●		<b>Chapter-II: Relations with Shareholders and others</b> 6. Cross-Shareholding Strategy
14		1-4 ①	In the case that the company holding our stock as cross-shareholding ("cross-shareholder") shows the intention to sell the stock, companies should not hinder the sale by suggesting a reduction of the transaction.	●		<b>Chapter-II: Relations with Shareholders and others</b> 6. Cross-Shareholding Strategy
15		1-4 ②	Companies should not conduct transactions that harm the interests of the company or shareholders, such as continuing the transaction with "cross-shareholder" without sufficiently verifying the economic rationality of the transaction.	●		<b>Chapter-II: Relations with Shareholders and others</b> 6. Cross-Shareholding Strategy
16	<b>Principle 1.5</b> Anti-Takeover Measures		Anti-takeover measures must not have any objective associated with entrenchment of the management or the board. With respect to the adoption or implementation of anti-takeover measures, the board and kansayaku <sup>3</sup> should carefully examine their necessity and rationale in light of their fiduciary responsibility to shareholders, ensure appropriate procedures, and provide sufficient explanation to shareholders.	●		<b>Chapter-II: Relations with Shareholders and others</b> 7. Anti-Takeover Measures
17		1-5 ①	In case of a tender offer, companies should clearly explain the position of the board, including any counteroffers, and should not take measures that would frustrate shareholder rights to sell their shares in response to the tender offer.	●		<b>Chapter-II: Relations with Shareholders and others</b> 7. Anti-Takeover Measures
18	<b>Principle 1.6</b> Capital Policy that May Harm Shareholder Interests		With respect to a company's capital policy that results in the change of control or in significant dilution, including share offerings and management buyouts, the board and kansayaku should, in order not to unfairly harm the existing shareholders' interests, carefully examine the necessity and rationale from the perspective of their fiduciary responsibility to shareholders, should ensure appropriate procedures, and provide sufficient explanation to shareholders.	●		<b>Chapter-II: Relations with Shareholders and others</b> 4. Basic Strategy for Capital Policy
19	<b>Principle 1.7</b> Related Party Transactions		When a company engages in transactions with its directors or major shareholders (i.e., related party transactions), in order to ensure that such transactions do not harm the interests of the company or the common interests of its shareholders and prevent any concerns with respect to such harm, the board should establish appropriate procedures beforehand in proportion to the importance and characteristics of the transaction. In addition to their use by the board in approving and monitoring such transactions, these procedures should be disclosed.	●		<b>Chapter-II: Relations with Shareholders and others</b> 5. Prevention of Related Party Transactions
20	<b>Section 2</b> Appropriate Cooperation with Stakeholders Other Than Shareholders	<b>General Principle 2</b>	Companies should fully recognize that their sustainable growth and the creation of mid- to long-term corporate value are brought about as a result of the provision of resources and contributions made by a range of stakeholders, including employees, customers, business partners, creditors and local communities. As such, companies should endeavor to appropriately cooperate with these stakeholders. The board and the management should exercise their leadership in establishing a corporate culture where the rights and positions of stakeholders are respected and sound business ethics are ensured.	●		<b>Chapter-I: General Provision</b> 1. Asahi Way <b>Annex Document-1: Asahi Way</b>

## Implementation status for the Corporate Governance Code

\*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code		Status		Corresponding articles in Asahi Holding Corporate Governance Policies
	Principle	Contents	Comply	Explain	
21	<b>Principle 2.1</b> Business Principles as the Foundation of Corporate Value Creation Over the Mid- to Long- Term	Guided by their position concerning social responsibility, companies should undertake their businesses in order to create value for all stakeholders while increasing corporate value over the mid- to long-term. To this end, companies should draft and maintain business principles that will become the basis for such activities.	●		<b>Chapter-I: General Provision</b> 1. Asahi Way <b>Annex Document-1: Asahi Way</b>
22	<b>Principle 2.2</b> Code of Conduct	Companies should draft and implement a code of conduct for employees in order to express their values with respect to appropriate cooperation with and serving the interests of stakeholders and carrying out sound and ethical business activities. The board should be responsible for drafting and revising the code of conduct, and should ensure its compliance broadly across the organization, including the front line of domestic and global operations.	●		<b>Chapter-I: General Provision</b> 1. Asahi Way <b>Chapter-IV: Stakeholder Relationships</b> 4. Relationships with Employees
23		2-2 ① The board should review regularly (or where appropriate) whether or not the code of conduct is being widely implemented. The review should focus on the substantive assessment of whether the company's corporate culture truly embraces the intent and spirit of the code of conduct, and not solely on the form of implementation and compliance.	●		<b>Chapter-IV: Stakeholder Relationships</b> 4. Relationships with Employees
24	<b>Principle 2.3</b> Sustainability Issues, Including Social and Environmental Matters	Companies should take appropriate measures to address sustainability issues, including social and environmental matters.	●		<b>Chapter-IV: Stakeholder Relationships</b> 2. Relationships with Communities and Activities on Environment
25		2-3 ① With the recognition that dealing with sustainability issues is an important element of risk management, the board should take appropriate actions to this end. Given the increasing demand and interest with respect to sustainability issues in recent years, the board should consider addressing these matters positively and proactively.	●		<b>Chapter-IV: Stakeholder Relationships</b> 2. Relationships with Communities and Activities on Environment
26	<b>Principle 2.4</b> Ensuring Diversity, Including Active Participation of Women	Companies should recognize that the existence of diverse perspectives and values reflecting a variety of experiences, skills and characteristics is a strength that supports their sustainable growth. As such, companies should promote diversity of personnel, including the active participation of women.	●		<b>Chapter-IV: Stakeholder Relationships</b> 4. Relationships with Employees
27	<b>Principle 2.5</b> Whistleblowing	Companies should establish an appropriate framework for whistleblowing such that employees can report illegal or inappropriate behavior, disclosures, or any other serious concerns without fear of suffering from disadvantageous treatment. Also, the framework should allow for an objective assessment and appropriate response to the reported issues, and the board should be responsible for both establishing this framework, and ensuring and monitoring its enforcement.	●		<b>Chapter-IV: Stakeholder Relationships</b> 5. Whistle-blowing System
28		2-5 ① As a part of establishing a framework for whistleblowing, companies should establish a point of contact that is independent of the management (for example, a panel consisting of outside directors <sup>4</sup> and outside kansayaku <sup>5</sup> ). In addition, rules should be established to secure the confidentiality of the information provider and prohibit any disadvantageous treatment.	●		<b>Chapter-IV: Stakeholder Relationships</b> 5. Whistle-blowing System
29	<b>Principle 2.6</b> Role of asset owner of corporate pensions	In light of the fact that the operation of the reserve fund of the corporate pension affects own financial condition in addition to the stable asset formation of employees, companies should make efforts on personnel and administrative aspects such as systematic appointment and placement of personnel with appropriate qualities in operation, in order to demonstrate the functions expected as an asset owner. Companies should ensure that conflicts of interest that may arise between beneficiaries of the company pension and the company are properly managed.	●		<b>Chapter-IV: Stakeholder Relationships</b> 6. Role of asset owner

## Implementation status for the Corporate Governance Code

\*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code		Status		Corresponding articles in Asahi Holding Corporate Governance Policies
	Principle	Contents	Comply	Explain	
30	<b>Section 3</b> Ensuring Appropriate Information Disclosure and Transparency	<b>General Principle 3</b>		●	<b>Chapter-III: Proper Disclosure</b>
31		<b>Principle 3.1</b> Full Disclosure	In addition to making information disclosure in compliance with relevant laws and regulations, companies should disclose and proactively provide the information listed below (along with the disclosures specified by the principles of the Code) in order to enhance transparency and fairness in decision-making and ensure effective corporate governance: i) Company objectives (e.g., business principles), business strategies and business plans; ii) Basic views and guidelines on corporate governance based on each of the principles of the Code; iii) Board policies and procedures in determining the remuneration of the senior management and directors; iv) Board policies and procedures in the appointment and dismissal of the senior management and the nomination of directors and kansayaku candidates; and v) Explanations with respect to the individual appointments and dismissals based on iv).	●	(ALL) <b>Chapter-III: Proper Disclosure</b> ( i ) <b>Chapter-I: General Provision</b> 1. Asahi Way <b>Chapter-II: Relations with Shareholders and others</b> 3. Dialogue with Shareholders ( ii ) <b>Chapter-I: General Provision</b> 2. Basic Policies for Corporate Governance ( iii ) <b>Chapter-V: Corporate Governance Structure</b> 9. Determining Procedure of Compensation for Directors <b>Annex Document-6:</b> Compensation Policies for directors and key management ( iv ) <b>Chapter-V: Corporate Governance Structure</b> 8. Procedure of Nomination and Dismissing of Directors <b>Annex Document-5:</b> Nomination Policies for director and key management candidates ( v ) <b>Chapter-V: Corporate Governance Structure</b> 8. Procedure of Nomination and Dismissing of Directors
32		3-1 ①	These disclosures (including disclosures under laws and regulations) should add value for investors, and the board should ensure that information is not boiler-plate or lacking in detail.	●	<b>Chapter-III: Proper Disclosure</b> 1. Basic Policies for Information Disclosure
33		3-1 ②	Bearing in mind the number of foreign shareholders, companies should, to the extent reasonable, take steps for providing English language disclosures.	●	<b>Chapter-III: Proper Disclosure</b> 2. Enhancement of Disclosure in English
34		<b>Principle 3.2</b> External Auditors	External auditors and companies should recognize the responsibility that external auditors owe toward shareholders and investors, and take appropriate steps to secure the proper execution of audits.	●	<b>Chapter-V: Corporate Governance Structure</b> 7. Securing Proper Audit by Accounting Auditors
35		3-2 ①	The kansayaku board should, at minimum, ensure the following: i) Establish standards for the appropriate selection of external auditor candidates and proper evaluation of external auditors; and ii) Verify whether external auditors possess necessary independence and expertise to fulfill their responsibilities.	●	<b>Chapter-V: Corporate Governance Structure</b> 7. Securing Proper Audit by Accounting Auditors

## Implementation status for the Corporate Governance Code

\*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code			Status		Corresponding articles in Asahi Holding Corporate Governance Policies
	Principle		Contents	Comply	Explain	
36		3-2 ②	The board and the kansayaku board should, at minimum, ensure the following: i) Give adequate time to ensure high quality audits; ii) Ensure that external auditors have access, such as via interviews, to the senior management including the CEO and the CFO; iii) Ensure adequate coordination between external auditors and each of the kansayaku (including attendance at the kansayaku board meetings), the internal audit department and outside directors; and iv) Ensure that the company is constituted in the way that it can adequately respond to any misconduct, inadequacies or concerns identified by the external auditors.	●		<b>Chapter-V: Corporate Governance Structure</b> 7. Securing Proper Audit by Accounting Auditors
37	<b>Section 4</b> Responsibilities of the Board	<b>General Principle 4</b>	Given its fiduciary responsibility and accountability to shareholders, in order to promote sustainable corporate growth and the increase of corporate value over the mid-to long-term and enhance earnings power and capital efficiency, the board should appropriately fulfill its roles and responsibilities, including: (1) Setting the broad direction of corporate strategy; (2) Establishing an environment where appropriate risk-taking by the senior management is supported; and (3) Carrying out effective oversight of directors and the management (including shikkoyaku7 and so-called shikkoyakuin8) from an independent and objective standpoint. Such roles and responsibilities should be equally and appropriately fulfilled regardless of the form of corporate organization – i.e., Company with Kansayaku Board (where a part of these roles and responsibilities are performed by kansayaku and the kansayaku board), Company with Three Committees (Nomination, Audit and Remuneration) or Company with Supervisory Committee.	●		<b>Chapter-V: Corporate Governance Structure</b> 1. Organization Design and Basic Framework 2. Board of Directors – Roles -
38		<b>Principle 4.1</b> Roles and Responsibilities of the Board (1)	The board should view the establishment of corporate goals (business principles, etc.) and the setting of strategic direction as one major aspect of its roles and responsibilities. It should engage in constructive discussion with respect to specific business strategies and business plans, and ensure that major operational decisions are based on the company's strategic direction.	●		<b>Chapter-V: Corporate Governance Structure</b> 2. Board of Directors – Roles -
39		4-1 ①	The board should clearly specify its own decisions as well as both the scope and content of the matters delegated to the management, and disclose a brief summary thereof.	●		<b>Chapter-V: Corporate Governance Structure</b> 2. Board of Directors – Roles -
40		4-1 ②	Recognizing that a mid-term business plan (chuuki keiei keikaku) is a commitment to shareholders, the board and the senior management should do their best to achieve the plan. Should the company fail to deliver on its mid-term business plan, the reasons underlying the failure of achievement as well as the company's actions should be fully analyzed, an appropriate explanation should be given to shareholders, and analytic findings should be reflected in a plan for the ensuing years.	●		<b>Chapter-V: Corporate Governance Structure</b> 2. Board of Directors – Roles - <b>Chapter-II: Relations with Shareholders and others</b> 3. Board of Directors – Composition -
41		4-1 ③	Based on the company objectives (business principles, etc.) and specific business strategies, the board should be involved actively in the formulation and operation of succession plannings including CEO and etc., and should engage in the appropriate oversight of proceeding to foster successor candidates with sufficient time and resources.	●		<b>Chapter-V: Corporate Governance Structure</b> 8. Procedure of Nomination and Dismissing <b>Annex Document-5:</b> Nomination Policies for director and key management candidates
42		<b>Principle 4.2</b> Roles and Responsibilities of the Board (2)	The board should view the establishment of an environment that supports appropriate risk-taking by the senior management as a major aspect of its roles and responsibilities. It should welcome proposals from the management based on healthy entrepreneurship, fully examine such proposals from an independent and objective standpoint with the aim of securing accountability, and support timely and decisive decision-making by the senior management when approved plans are implemented. Also, the remuneration of the management should include incentives such that it reflects mid- to long-term business results and potential risks, as well as promotes healthy entrepreneurship.	●		<b>Chapter-V: Corporate Governance Structure</b> 2. Board of Directors – Roles -

## Implementation status for the Corporate Governance Code

\*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code			Status		Corresponding articles in Asahi Holding Corporate Governance Policies
	Principle	Contents	Comply	Explain		
43		4-2 ① In order for management remuneration to operate as a healthy incentive for sustainable growth, the board should design a remuneration system and determine the specific amount of remuneration, according to objective and transparent procedures. The proportion linked to mid- to long-term results and the balance of cash and stock should be set appropriately.	●		<b>Chapter-V: Corporate Governance Structure</b> 9. Determining Procedure of Compensation for Directors <b>Annex Document-6:</b> Compensation Policies for directors and key management	
44	<b>Principle 4.3</b> Roles and Responsibilities of the Board (3)	The board should view the effective oversight of the management and directors from an independent and objective standpoint as a major aspect of its roles and responsibilities. It should appropriately evaluate company performance and reflect the evaluation in its assessment of the senior management. In addition, the board should engage in oversight activities in order to ensure timely and accurate information disclosure, and should establish appropriate internal control and risk management systems. Also, the board should appropriately deal with any conflict of interests that may arise between the company and its related parties, including the management and controlling shareholders.	●		<b>Chapter-V: Corporate Governance Structure</b> 2. Board of Directors – Roles - 9. Determining Procedure of Compensation for Directors <b>Annex Document-6:</b> Compensation Policies for directors and key management <b>Chapter-III: Proper Disclosure</b> 3. Supervision by Board of Directors for Proper Disclosure <b>Chapter-II: Relations with Shareholders and others</b> 5. Prevention of Related Party Transactions	
45		4-3 ① The board should ensure that the appointment and dismissal of the senior management are based on highly transparent and fair procedures and reflect the results of company performance.	●		<b>Chapter-V: Corporate Governance Structure</b> 8. Procedure of Nomination and Dismissing of Directors <b>Annex Document-5:</b> Nomination Policies and Dismissal criteria for directors and key management candidates	
46		4-3 ② Based on that the appointment and dismissal of CEO are the most important strategic decision at the company, the board should take sufficient time and resources to select highly qualified CEO, in accordance with objective, timely, and transparent procedures.	●		<b>Chapter-V: Corporate Governance Structure</b> 8. Procedure of Nomination and Dismissing of Directors <b>Annex Document-5:</b> Nomination Policies and Dismissal criteria for directors and key management candidates	
47		4-3 ③ Based on the appropriate evaluation for company performance, the board should establish objective, timely, and transparent procedure for dismissal of CEO, in the case that the function of the CEO is not sufficiently fulfilled.	●		<b>Chapter-V: Corporate Governance Structure</b> 8. Procedure of Nomination and Dismissing of Directors <b>Annex Document-5:</b> Nomination Policies and Dismissal criteria for directors and key management candidates	
48		4-3 ④ The establishment of effective internal control and proactive risk management systems for compliance and financial reporting has the potential of supporting sound risk-taking. The board should place priority on the appropriate establishment of such systems and the oversight of whether they effectively operate, and should not limit itself to the examination of compliance with respect to specific business operations.	●		<b>Chapter-V: Corporate Governance Structure</b> 2. Board of Directors – Roles -	
49		<b>Principle 4.4</b> Roles and Responsibilities of Kansayaku and the Kansayaku Board	Kansayaku and the kansayaku board should bear in mind their fiduciary responsibilities to shareholders and make decisions from an independent and objective standpoint when executing their roles and responsibilities including the audit of the performance of directors' duties, appointment and dismissal of external auditors and the determination of auditor remuneration. Although so-called "defensive functions," such as business and accounting audits, are part of the roles and responsibilities expected of kansayaku and the kansayaku board, in order to fully perform their duties, it would not be appropriate for kansayaku and the kansayaku board to interpret the scope of their function too narrowly, and they should positively and proactively exercise their rights and express their views at board meetings and to the management.	Not applicable	Not applicable	

## Implementation status for the Corporate Governance Code

\*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code			Status		Corresponding articles in Asahi Holding Corporate Governance Policies
	Principle		Contents	Comply	Explain	
50		4-4 ①	Given that not less than half of the kansayaku board must be composed of outside kansayaku and that at least one full-time kansayaku must be appointed in accordance with the Companies Act, the kansayaku board should, from the perspective of fully executing its roles and responsibilities, increase its effectiveness through an organizational combination of the independence of the former and the information gathering power of the latter. In addition, kansayaku or the kansayaku board should secure cooperation with outside directors so that such directors can strengthen their capacity to collect information without having their independence jeopardized.	Not applicable	Not applicable	
51	<b>Principle 4.5</b> Fiduciary Responsibilities of Directors and Kansayaku		With due attention to their fiduciary responsibilities to shareholders, the directors, kansayaku and the management of companies should secure the appropriate cooperation with stakeholders and act in the interest of the company and the common interests of its shareholders.	●		<b>Chapter-V: Corporate Governance Structure</b> 6. Directors and Outside Directors
52	<b>Principle 4.6</b> Business Execution and Oversight of the Management		In order to ensure effective, independent and objective oversight of the management by the board, companies should consider utilizing directors who are neither involved in business execution nor have close ties with the management.	●		<b>Chapter-V: Corporate Governance Structure</b> 2. Board of Directors – Roles -
53	<b>Principle 4.7</b> Roles and Responsibilities of Independent Directors		Companies should make effective use of independent directors 9 , taking into consideration the expectations listed below with respect to their roles and responsibilities: i) Provision of advice on business policies and business improvement based on their knowledge and experience with the aim to promote sustainable corporate growth and increase corporate value over the mid- to long-term; ii) Monitoring of the management through important decision-making at the board including the appointment and dismissal of the senior management; iii) Monitoring of conflicts of interest between the company and the management or controlling shareholders; and iv) Appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders.	●		<b>Chapter-V: Corporate Governance Structure</b> 6. Directors and Outside Directors
54	<b>Principle 4.8</b> Effective Use of Independent Directors		Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies should therefore appoint at least two independent directors that sufficiently have such qualities. Irrespective of the above, a company that believes it needs to appoint at least one-third of directors as independent directors, based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, should appoint a sufficient number of independent directors.	●		<b>Chapter-V: Corporate Governance Structure</b> 3. Board of Directors – Composition -
55		4-8 ①	In order to actively contribute to discussions at the board, independent directors should endeavor to exchange information and develop a shared awareness among themselves from an independent and objective standpoint. Regular meetings consisting solely of independent directors (executive sessions) would be one way of achieving this.	●		<b>Chapter-V: Corporate Governance Structure</b> 6. Directors and Outside Directors
56		4-8 ②	Independent directors should endeavor to establish a framework for communicating with the management and for cooperating with kansayaku or the kansayaku board by, for example, appointing the lead independent director from among themselves.	●		<b>Chapter-V: Corporate Governance Structure</b> 6. Directors and Outside Directors
57	<b>Principle 4.9</b> Independence Standards and Qualification for Independent Directors		Boards should establish and disclose independence standards aimed at securing effective independence of independent directors, taking into consideration the independence criteria set by securities exchanges. The board should endeavor to select independent director candidates who are expected to contribute to frank, active and constructive discussions at board meetings.	●		<b>Chapter-V: Corporate Governance Structure</b> 6. Directors and Outside Directors <b>Annex Document-4: Independence Criteria for independent directors</b>
58	<b>Principle 4.10</b> Use of Optional Approach		In adopting the most appropriate organizational structure (as stipulated by the Companies Act) that is suitable for a company's specific characteristics, companies should employ optional approaches, as necessary, to further enhance governance functions.	●		<b>Chapter-V: Corporate Governance Structure</b> 1. Organization Design and Basic Framework

## Implementation status for the Corporate Governance Code

\*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code		Status		Corresponding articles in Asahi Holding Corporate Governance Policies
	Principle	Contents	Comply	Explain	
59		If the organizational structure of a company is either Company with Kansayaku Board or Company with Supervisory Committee, and independent directors do not compose a majority of the board, the company should seek appropriate involvement and advice from independent directors in the examination of such important matters as nominations and remuneration by establishing optional advisory committees ( for example: nomination committee and compensation committee) under the board to which independent directors make significant contributions, in order to strengthen the independence, objectivity and accountability of board functions on the matters of nomination and remuneration of the senior management and directors.	●		<b>Chapter-V: Corporate Governance Structure</b> 6. Directors and Outside Directors 8. Procedure of Nomination and Dismissing of Directors 9. Determining Procedure of Compensation for Directors
60	<b>Principle 4.11</b> Preconditions for Board and Kansayaku Board Effectiveness	The board should be well balanced in knowledge, experience, and skills, in order to fulfill its roles and responsibilities, and it should be constituted in a manner to achieve both diversity including gender, internationality and appropriate size. As kansayaku, persons who have appropriate experience, ability, and knowledge on financial, accounting, and legal affair should be appointed. In addition, at least one person who has sufficient expertise on finance and accounting should be appointed. The board should endeavor to improve its function by analyzing and evaluating effectiveness of the board as a whole.	●		<b>Chapter-V: Corporate Governance Structure</b> 3. Board of Directors – Composition - 4. Board of Directors – Operation and Securing Effectiveness - 5. Audit and Supervisory Committee
61		4-11 ① The board should have a view on the appropriate balance between knowledge, experience and skills of the board as a whole, and also on diversity and appropriate board size. Consistent with its view, the board should establish policies and procedures for nominating directors and disclose them along with its view.	●		<b>Chapter-V: Corporate Governance Structure</b> 3. Board of Directors – Composition -
62		4-11 ② Outside directors, outside kansayaku, and other directors and kansayaku should devote sufficient time and effort required to appropriately fulfill their respective roles and responsibilities. Therefore, where directors and kansayaku also serve as directors, kansayaku or the management at other companies, such positions should be limited to a reasonable number and disclosed each year.	●		<b>Chapter-V: Corporate Governance Structure</b> 3. Board of Directors – Composition -
63		4-11 ③ Each year the board should analyze and evaluate its effectiveness as a whole, taking into consideration the relevant matters, including the self-evaluations of each director. A summary of the results should be disclosed.	●		<b>Chapter-V: Corporate Governance Structure</b> 4. Board of Directors – Operation and Securing Effectiveness -
64		<b>Principle 4.12</b> Active Board Deliberations	The board should endeavor to foster a climate where free, open and constructive discussions and exchanges of views take place, including the raising of concerns by outside directors.	●	
65	4-12 ① The board should ensure the following in relation to the operation of board meetings and should attempt to make deliberations active: i) Materials for board meetings are distributed sufficiently in advance of the meeting date; ii) In addition to board materials and as necessary, sufficient information is provided to directors by the company (where appropriate, the information should be organized and/or analyzed to promote easy understanding); iii) The schedule of board meetings for the current year and anticipated agenda items are determined in advance; iv) The number of agenda items and the frequency of board meetings are set appropriately; and v) Sufficient time for deliberations.		●		<b>Chapter-V: Corporate Governance Structure</b> 4. Board of Directors – Operation and Securing Effectiveness -
66	<b>Principle 4.13</b> Information Gathering and Support Structure	In order to fulfill their roles and responsibilities, directors and kansayaku should proactively collect information, and as necessary, request the company to provide them with additional information. Also, companies should establish a support structure for directors and kansayaku, including providing sufficient staff. The board and the kansayaku board should verify whether information requested by directors and kansayaku is provided smoothly.	●		<b>Chapter-V: Corporate Governance Structure</b> 10. Support for Directors

## Implementation status for the Corporate Governance Code

\*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code			Status		Corresponding articles in Asahi Holding Corporate Governance Policies	
	Principle		Contents	Comply	Explain		
67		4-13 ①	Directors, including outside directors, should request the company to provide them with additional information, where deemed necessary from the perspective of contributing to transparent, fair, timely and decisive decision-making. In addition, kansayaku, including outside kansayaku, should collect information appropriately, including the use of their statutory investigation power.	●		<b>Chapter-V: Corporate Governance Structure</b> 10. Support for Directors	
68		4-13 ②	Directors and kansayaku should consider consulting with external specialists at company expense, where they deem it necessary.	●		<b>Chapter-V: Corporate Governance Structure</b> 10. Support for Directors	
69		4-13 ③	Companies should ensure coordination between the internal audit department, directors and kansayaku. In addition, companies should take measures to adequately provide necessary information to outside directors and outside kansayaku. One example would be the appointment of an individual who is responsible for communicating and handling requests within the company such that the requests for information about the company by outside directors and outside kansayaku are appropriately processed.	●		<b>Chapter-V: Corporate Governance Structure</b> 2. Board of Directors – Roles - 10. Support for Directors	
70	Section 5 Dialogue with Shareholders	<b>Principle 4.14</b> Director and Kansayaku Training	New and incumbent directors and kansayaku should deepen their understanding of their roles and responsibilities as a critical governance body at a company, and should endeavor to acquire and update necessary knowledge and skills. Accordingly, companies should provide and arrange training opportunities suitable to each director and kansayaku along with financial support for associated expenses. The board should verify whether such opportunities and support are appropriately provided.	●		<b>Chapter-V: Corporate Governance Structure</b> 11. Policies of Training for Directors <b>Annex Document-7: Training Policies for directors</b>	
71			4-14 ①	Directors and kansayaku, including outside directors and outside kansayaku, should be given the opportunity when assuming their position to acquire necessary knowledge on the company's business, finances, organization and other matters, and fully understand the roles and responsibilities, including legal liabilities, expected of them. Incumbent directors should also be given a continuing opportunity to renew and update such knowledge as necessary.	●		<b>Chapter-V: Corporate Governance Structure</b> 11. Policies of Training for Directors <b>Annex Document-7: Training Policies for directors</b>
72			4-14 ②	Companies should disclose their training policy for directors and kansayaku.	●		<b>Chapter-V: Corporate Governance Structure</b> 11. Policies of Training for Directors <b>Annex Document-7: Training Policies for directors</b>
73		<b>General Principle 5</b>	In order to contribute to sustainable growth and the increase of corporate value over the mid- to long-term, companies should engage in constructive dialogue with shareholders even outside the general shareholder meeting. During such dialogue, senior management and directors, including outside directors, should listen to the views of shareholders and pay due attention to their interests and concerns, clearly explain business policies to shareholders in an understandable manner so as to gain their support, and work for developing a balanced understanding of the positions of shareholders and other stakeholders and acting accordingly.	●		<b>Chapter-II: Relations with Shareholders and others</b> 3. Dialogue with Shareholders	
74		<b>Principle 5.1</b> Policy for Constructive Dialogue with Shareholders	Companies should, positively and to the extent reasonable, respond to the requests from shareholders to engage in dialogue (management meetings) so as to support sustainable growth and increase corporate value over the mid- to long-term. The board should establish, approve and disclose policies concerning the measures and organizational structures aimed at promoting constructive dialogue with shareholders.	●		<b>Chapter-II: Relations with Shareholders and others</b> 3. Dialogue with Shareholders	
75		5-1 ①	Taking the requests and interests of shareholders into consideration, to the extent reasonable, the senior management and directors, including outside directors, should have a basic position to engage in dialogue (management meetings) with shareholders.	●		<b>Chapter-II: Relations with Shareholders and others</b> 3. Dialogue with Shareholders	

## Implementation status for the Corporate Governance Code

\*Our implementation status for each principle in the Corporate Governance Code is disclosed in "Asahi Holdings Corporate Governance Policies" as follows;

No	Corporate Governance Code			Status		Corresponding articles in Asahi Holding Corporate Governance Policies
	Principle		Contents	Comply	Explain	
76		5-1 ②	At minimum, policies for promoting constructive dialogue with shareholders should include the following: i) Appointing a member of the management or a director who is responsible for overseeing and ensuring that constructive dialogue takes place, including the matters stated in items ii) to v) below; ii) Measures to ensure positive cooperation between internal departments such as investor relations, corporate planning, general affairs, corporate finance, accounting and legal affairs with the aim of supporting dialogue; iii) Measures to promote opportunities for dialogue aside from individual meetings (e.g., general investor meetings and other IR activities); iv) Measures to appropriately and effectively relay shareholder views and concerns learned through dialogue to the senior management and the board; and v) Measures to control insider information when engaging in dialogue.	●		<b>Chapter-II: Relations with Shareholders and others</b> 3. Dialogue with Shareholders <b>Chapter-III: Proper Disclosure</b> 1. Basic Policies for Information Disclosure
77		5-1 ③	Companies should endeavor to identify their shareholder ownership structure as necessary, and it is desirable for shareholders to cooperate as much as possible in this process.	●		<b>Chapter-II: Relations with Shareholders and others</b> 3. Dialogue with Shareholders
78	<b>Principle 5.2</b> Establishing and Disclosing Business Strategy and Business Plan		When establishing and disclosing business strategies and business plans, companies should articulate their earnings plans and capital policy, and present targets for profitability and capital efficiency after understanding the company's capital cost. Also, companies should provide explanations about specific measures taken, including the review of the business portfolio and the allocation of management resources that include capital investment, R&D investment, and human resources investment, in order to achieve their plans and targets, clearly and logically to shareholders.	●		<b>Chapter-II: Relations with Shareholders and others</b> 3. Dialogue with Shareholders