

Corporate Governance Report

TRANSLATION FOR REFERENCE PURPOSE ONLY

This notice has been translated from the original Japanese text of the timely disclosure statement and is for reference purpose only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.

Last Update: June 21, 2019

Asahi Holdings, Inc.

Tomoya Higashiura, President

Contact: Corporate Planning & Communications

Securities Code: 5857

<https://www.asa히holdings.com/english>

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

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

1. Basic Views

Basic Policies for Corporate Governance

Asahi Holdings Group (hereinafter referred to as “Group”) has established “**Asahi Way**” which is a value to be shared by the Group employees and contains Our Credo, Our Corporate Values, Our Employee Principles and The Ten Codes. The Directors and Group management take the lead in practicing “Asahi Way” and familiarize all Group employees with it through key employees and the internal portal sites. In accordance with “Asahi Way” principles, we have established “Asahi Holdings Corporate Governance Policies” for the purposes of Group’s sustainable corporate growth and increased corporate value over the mid- to long-term and will continuously endeavor to enhance our corporate governance by implementing the policies.

To establish corporate governance and have it work effectively is a corporate social responsibility and contributes to more efficient and transparent management as well as to sustainable corporate value growth. The Company has been building the corporate governance that will respond to the confidence of shareholders, business partners, employees, local communities and other various stakeholders so as to fulfill our social mission and responsibility as a listed company. Also, we have been developing a top-management composition and a framework for business operations that will promptly respond to the management environment changes with emphasis on compliance aiming at sustainable corporate value growth.

※We have disclosed “Corporate Governance policies” on our website.

URL: <https://www.asa히holdings.com/english/ir/library/governance/>

※For the details of basic views above, please refer to “Asahi Holdings Corporate Governance Policies” (Chapter-I: General Provision and Annex document-1 Asahi Way).

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

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| The Company has implemented all of the Principles of the Corporate Governance Code. |
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[Disclosure Based on the Principles of the Corporate Governance Code]

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| <p>The Company has implemented all of the Principles of the Corporate Governance Code. For the implementation status of the each Principle of Corporate Governance, please refer to “Implementation status for the Corporate Governance Code”.*</p> <p>*Please refer to attachment of this report (PDF ver.) or “Asahi Holdings Corporate Governance Policies” (URL above).</p> |
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2. Capital Structure

| | |
|----------------------------|---------------------------|
| Foreign Shareholding Ratio | From 20% to less than 30% |
|----------------------------|---------------------------|

[Status of Major Shareholders] UPDATED

| Name / Company Name | Number of Shares Owned | Percentage (%) |
|--|------------------------|----------------|
| Japan Trustee Services Bank, Ltd. (Trust account) | 4,050,700 | 10.16 |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 2,747,900 | 6.89 |
| TERA ENTERPRISES Co., Ltd. | 1,150,000 | 2.89 |
| Mitsuharu Terayama | 887,145 | 2.23 |
| STATE STREET BANK AND TRUST COMPANY 505025 | 843,592 | 2.12 |
| Masamichi Terayama | 802,345 | 2.01 |
| GOVERNMENT OF NORWAY | 765,300 | 1.92 |
| Asahi Employee Stock Ownership Plan | 733,800 | 1.84 |
| Japan Trustee Services Bank, Ltd. (Trust account 5) | 726,600 | 1.82 |
| K&M Co., Ltd. | 700,000 | 1.76 |

| | |
|---|-------|
| Controlling Shareholder (except for Parent Company) | _____ |
| Parent Company | None |

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|---------------------------|---|
| Supplementary Explanation | UPDATED |
|---------------------------|---|

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| ※The information is based on stock ledger as of March 31, 2019. |
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3. Corporate Attributes

| | |
|---|--|
| Listed Stock Market and Market Section | Tokyo Stock Exchange, First Section |
| Fiscal Year-End | March |
| Type of Business | Nonferrous Metals |
| Number of Employees (consolidated) as of the End of the Previous Fiscal Year | More than 1,000 |
| Sales (consolidated) as of the End of the Previous Fiscal Year | From ¥100 billion to less than ¥1 trillion |
| Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year | From 10 to less than 50 |

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

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

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

1. Organizational Composition and Operation

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| Organization Form | Company with Audit and Supervisory Committee |
|-------------------|--|

[Directors]

| | |
|---|----------------|
| Maximum Number of Directors Stipulated in Articles of Incorporation | 10 |
| Term of Office Stipulated in Articles of Incorporation | One Year |
| Chairperson of the Board | Chairman & CEO |
| Number of Directors UPDATED | 8 |
| Status of the appointment of Outside Directors | Appointed |
| Number of Outside Directors | 3 |
| Number of Independent Directors | 3 |

Outside Directors' Relationship with the Company (1)

UPDATED

| Name | Attribute | Relationship with the Company* | | | | | | | | | | |
|----------------|-----------|--------------------------------|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k |
| Yuji Kimura | Other | | | | | | | | | | | |
| Kyoko Kanazawa | Lawyer | | | | | | | | | | | |
| Yoshinori Hara | Scholar | | | | | | | | | | | |

* 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 Audit and Supervisory Committee | Designation as Independent Director | Supplementary Explanation of the Relationship | Reasons of Appointment |
|-------------|---|-------------------------------------|---|--|
| Yuji Kimura | ○ | ○ | Designated as Independent Director. | Based on his expertise and experience in environmental preservation, including waste treatment and recycling, the Company appointed him as Outside Directors in order to receive his advice regarding the Company's operation from an objective view, thereby helping to continuously and sustainably enhance the corporate value of the Company. [Designation as Independent Director] |

| | | | | |
|----------------|---|---|-------------------------------------|--|
| | | | | <p>The Company has judged that no conflicts of interests will arise with the Company's shareholders in general. Therefore, under his approval, Board of Directors appointed him as Independent Director. In addition, he is not applicable to "additional disclosure requirements in terms of independency" regulated by Ordinance for Enforcement of the Listing Regulations.</p> |
| Kyoko Kanazawa | ○ | ○ | Designated as Independent Director. | <p>Based on her expertise and experience as a lawyer, the Company appointed her as Outside Directors in order to receive her advice regarding the Company's operation from an objective view, thereby helping to continuously and sustainably enhance the corporate value of the Company.</p> <p>[Designation as Independent Director]</p> <p>The Company has judged that no conflicts of interests will arise with the Company's shareholders in general. Therefore, under her approval, Board of Directors appointed her as Independent Director. In addition, she is not applicable to "additional disclosure requirements in terms of independency" regulated by Ordinance for Enforcement of the Listing Regulations.</p> |
| Yoshinori Hara | ○ | ○ | Designated as Independent Director. | <p>Based on his highly professional expertise and experience in all aspects of service innovation as the Dean and Professor of Graduate School of Management at Kyoto University, the Company appointed him as Outside Directors in order to receive his advice regarding</p> |

| | | | | |
|--|--|--|--|--|
| | | | | <p>the Company's operation from an objective view, thereby helping to continuously and sustainably enhance the corporate value of the Company.</p> <p>[Designation as Independent Director]</p> <p>The Company has judged that no conflicts of interests will arise with the Company's shareholders in general. Therefore, under his approval, Board of Directors appointed him as Independent Director. In addition, he is not applicable to "additional disclosure requirements in terms of independency" regulated by Ordinance for Enforcement of the Listing Regulations.</p> |
|--|--|--|--|--|

[Audit and Supervisory Committee]

Committee's Composition and Attributes of Chairperson

| | All Committee Members | Full-time Members | Inside Directors | Outside Directors | Chairperson |
|---------------------------------|-----------------------|-------------------|------------------|-------------------|------------------|
| Audit and Supervisory Committee | 4 | 1 | 1 | 3 | Outside Director |

| | |
|--|-----------|
| Appointment of Directors and/or Staff to Support the Audit and Supervisory Committee | Appointed |
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Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

- The Company has established and implemented each items below in "A Key Principle for Internal Control System".
1. The Company assigns employees who assist the duties of the Audit and Supervisory Committee in the Audit and Supervisory Committee secretariat.
 2. Appointment and relocation of the Audit and Supervisory Committee secretariat staff that assists such Committee in performing its duties requires prior consent of such Committee.
 3. The Audit and Supervisory Committee shall have the right to direct and order the Audit and Supervisory Committee secretariat staff who assists the Committee in performing its duties to perform his/her duties.

Cooperation among Audit and Supervisory Committee, Accounting Auditors and Audit Department

The Company has established and implemented basic policies in “Asahi Holdings Corporate Governance Policies” for appropriate cooperation and provision of information promptly among Audit and Supervisory Committee, Accounting Auditors and Audit Department.
For details, please refer to “Asahi Holdings Corporate Governance Policies” (Chapter-V: Corporate Governance Structure / 7.Securing Proper Audit by Accounting Auditors / 10.Support for Directors).

[Voluntary Establishment of Nomination/Remuneration Committee]

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|---|-------------|
| Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee | Established |
|---|-------------|

Committee's Name, Composition, and Attributes of Chairperson

| | Committee Corresponding to Nomination Committee | Committee Corresponding to Remuneration Committee |
|-----------------------|---|---|
| Committee's Name | Nominating Committee | Compensation Committee |
| All Committee Members | 3 | 3 |
| Full-time Members | 1 | 1 |
| Inside Directors | 1 | 1 |
| Outside Directors | 2 | 2 |
| Outside Experts | 0 | 0 |
| Other | 0 | 0 |
| Chairperson | Inside Director | Inside Director |

Supplementary Explanation

For details, please refer to “Asahi Holdings Corporate Governance Policies” (Chapter-V: Corporate Governance Structure / 8. Procedure of Nomination and Dismissing of Directors, 9. Determining Procedure of Compensation for Directors).

[Independent Directors]

| | |
|---------------------------------|---|
| Number of Independent Directors | 3 |
|---------------------------------|---|

Matters relating to Independent Directors**【Independence of Outside Directors】**

The Company secures independence of Outside Directors by establishing and observing “Independence Criteria for Independent Directors”.

For details, please refer to “Asahi Holdings Corporate Governance Policies” (Annex Document-4 Independence Criteria for Independent Directors).

[Incentives]

| | |
|----------------------------------|---------------------------------|
| Incentive Policies for Directors | Performance-linked Remuneration |
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Supplementary Explanation

As performance-based stock compensation, the Company's stock is granted in consideration of the level of achievement of the mid-term business target and the level of contribution by each person of the performance.

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| Recipients of Stock Options | None |
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[Director Remuneration]

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| Disclosure of Individual Directors' Remuneration | No Individual Disclosure |
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| Supplementary Explanation | UPDATED |
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Total amounts paid to Directors (fiscal year ended March 2019)

The number of Directors:10 Amounts:181 million yen

[Remuneration limit]

Directors (Excluding Directors serving as Audit and Supervisory Committee Member) 200 million yen

Directors serving as Audit and Supervisory Committee Member 100 million yen

| | |
|--|-------------|
| Policy on Determining Remuneration Amounts and Calculation Methods | Established |
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Remuneration for Directors is determined in accordance with the level of contribution for the business results.

For details, please refer to “Asahi Holdings Corporate Governance Policies” (Chapter-V: Corporate Governance Structure / 9. Determining Procedure of Compensation for Directors, Annex Document -6: Compensation Policies for directors and key management).

[Supporting System for Outside Directors]

There is a supporting system for operation of meeting, also in order to realize effective audit by Directors serving as Audit and Supervisory Committee, employees are assigned as staff to support Directors by promptly providing necessary information to them.

For details, please refer to “Asahi Holdings Corporate Governance Policies” (Chapter-V: Corporate Governance Structure / 10. Support for Directors).

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

For overview and actions to enhance corporate governance, please refer to “Asahi Holdings Corporate Governance Policies” (Chapter- V : Corporate Governance Structure).

3. Reasons for Adoption of Current Corporate Governance System

Our organization design and basic framework of corporate governance are as below.

We believe that this is the most appropriate system to speed up the business operations and to enhance the function of supervising the business operations, giving the advice and supervising the conflict of interest.

(1) By adopting a company with an Audit and Supervisory Committee as a form of organization under the Companies Act and appointing two or more Independent Outside Directors, we have enhanced the functions to supervise the business operations, to give advice and to supervise the conflict of interest and, by appointing and empowering the Executive Directors, have accelerated the business operations.

(2) We have established the “Compensation Committee” and “Nominating Committee”(the majority of which are Outside Directors) as an advisory body of the Board of Directors in order to further enhance corporate governance by securing transparency, fairness and objectivity in determining the amount of compensation of Directors and appointing and dismissing the Directors and key management candidates.

(3) Important matters delegated to the Executive Directors are deliberated and decided at the “Group Executive Committee”. Other matters for business operations are deliberated and decided at the Group’s key company management meeting. Details are set forth in the internal rules.

For details, please refer to “Asahi Holdings Corporate Governance Policies” (Chapter-V: Corporate Governance Structure).

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 |
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| Early Notification of General Shareholder Meeting | Will be dispatched no later than approx. 3 weeks prior to the date of meetings. |
| Scheduling AGMs Avoiding the Peak Day | Approx. 7 days prior to the Peak Day |
| Allowing Electronic Exercise of Voting Rights | Electronic exercise of voting rights is available from the 7th Annual General Meeting of Shareholders. |
| Participation in Electronic Voting Platform | The Company participates in electronic voting platform operated by ICJ Inc. from the 7th Annual General Meeting of Shareholders. |
| Providing Convocation Notice in English | Post a convocation notice in English on the Company’s website |

2. IR Activities

| | Supplementary Explanations |
|---|---|
| Preparation and Publication of Disclosure Policy | For the basic policy, Please refer to “Asahi Holdings Corporate Governance Policies” (Chapter-III: Proper Disclosure, Chapter- II: Relations with Shareholders and others/ 3.Dialogue with Shareholders). |
| Regular Investor Briefings for Analysts and Institutional Investors | Hold explanatory meeting at time of full-year and interim business result. |
| Regular Investor Briefings for Overseas Investors | Have dialogues with overseas institutional investors at time of full-year and interim business result, mainly in Europe, U.S.A and Asia. |

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| Posting of IR Materials on Website | In addition to disclosure documents, press release, annual securities report we have announced corporate profile, financial documents and business line on our website. |
| Establishment of Department and/or Manager in Charge of IR | Established in Corporate Planning & Communications Department, and appointed the person in charge. |

3. Measures to Ensure Due Respect for Stakeholders

| | Supplementary Explanations |
|---|---|
| Stipulation of Internal Rules for Respecting the Position of Stakeholders | Please refer to “Asahi Holdings Corporate Governance Policies”(Chapter-IV: Stakeholder Relationships for the basic policies). |
| Implementation of Environmental Activities, CSR Activities etc. | The Company is contributing to effective use of natural resources and environmental protection through Precious Metals Business, Environmental Preservation Business and Life & Health Business. We are also proactively working on CSR activities. For details, please refer to “Asahi Holdings Corporate Governance Policies” (Chapter-IV: Stakeholder Relationships). |
| Development of Policies on Information Provision to Stakeholders | For the basic policy, Please refer to “Asahi Holdings Corporate Governance Policies” (Chapter-III: Proper Disclosure). |

IV. Matters Related to the Internal Control System

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

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| <p>(1) Framework to ensure that the performance of duties by the Directors, Corporate Officers and employees of the Company and the subsidiaries are consistent with the laws and the Articles of Incorporation</p> <p>① The Board of Directors has established “Asahi Way” for the Directors and employees in order for the Directors, Corporate Officers and employees to comply with the laws, Articles of Incorporation and internal rules and to fulfill their duties.</p> <p>② The Company has distributed “Asahi Way” to the Directors and employees so as to keep them informed of legal compliance. The Audit Department makes improvements and give guidance through the business audit.</p> <p>③ The Company has established the “Internal Control Promotion Meeting” consisting of Directors and responsible persons of various divisions as an organization that controls the entire compliance in order to promote the construction, maintenance and improvement of the internal control system.</p> <p>④ To promote compliance, the actual situation of compliance is audited.</p> <p>⑤ In order to respond appropriately to any legal violation or other doubtful act under the laws which maybe discovered by a Director or an employee, we have developed and are operating a whistle-blowing system.</p> <p>⑥ We will never have any relationship, including business relationships, with anti-social forces which threaten the social order and sound corporate activities. In the event of an illegal request, we will take a firm attitude and respond to it organizationally in accordance with the laws and internal rules.</p> |
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(2) Framework for storage and management of information relating to business operations by the Directors and a framework for report to the Company about the matters relating to the performance of duties by the Directors and employees of the subsidiaries

- ① The Company appropriately controls the manner of storing, disposing of and otherwise managing the records and documents relating to the performance of duties and decision-making of the Directors and reviews the relevant rules from time to time when needed.
- ② The Directors, Audit and Supervisory Committee Members and Accounting Auditor always have access to these information and documents.
- ③ We manage the subsidiaries and they report important matters to us.

(3) Rules and other frameworks for management for risk of loss in the Company and subsidiaries

- ① The Company has established the risk management rules and built a risk management system in accordance with such rules.
- ② In the event of an unexpected event, we will discuss and make decisions at the management meeting, etc. and the responsible manager will inform such decisions to each division and plant. Each division and plant will take prompt actions to prevent damage from expanding and will take necessary measures to minimize the damage.

(4) Framework to secure the efficient performance of duties by the Directors of the Company and subsidiaries

- ① The Board of Directors holds a meeting regularly no less than once every three months and from time to time when needed in order to determine the management policies and other important matters relating to the business strategies and to supervise the situation of business operations by the Directors.
- ② In order to enhance the functions of the Board of Directors and improve management efficiency, the Board of Directors will hold an extraordinary meeting from time to time when needed in order to expeditiously make decisions on basic matters and important matters relating to the business operations.
- ③ The Board of Directors drafts a mid-term business plan and a budget for each fiscal year to set the business target and supervises the progress.
- ④ Regarding the business operations according to decisions made by the Board of Directors, we will establish the responsibility of the Directors for performance of duties and the procedures for performance so as to ensure the efficient performance of duties. Such procedures will be reviewed from time to time when needed.

(5) Framework to secure the appropriateness of business of the corporate group consisting of the Company and subsidiaries

- ① The Company has built a system to manage the subsidiaries and developed a system to report their business results, business activities and the like to the Board of Directors on a regular basis.
- ② A manager of the Company serves as an officer of the subsidiary and develops a system to observe the

appropriateness of such subsidiary's business.

- ③ The Audit Department of the Company conducts the internal audit regularly or when needed and develops a system to report the result of audit to the Representative Director and President, the Audit and Supervisory Committee and the relevant divisions of the Company.

(6) Framework to appoint an employee who assists the duties of the Audit and Supervisory Committee of the Company, and the matters relating to the independence of such employee from the Directors (except those who are Audit and Supervisory Committee Members) and the matters relating to the assurance of effective instructions given by the Audit and Supervisory Committee to such employee

- ① The Company has assigned an employee who assists the duties of the Audit and Supervisory Committee in the Audit and Supervisory Committee office.
- ② Appointment and relocation of the Audit and Supervisory Committee office staff that assists such Committee in performing its duties requires prior consent of such Committee.
- ③ The Audit and Supervisory Committee shall have the right to direct and order the Audit and Supervisory Committee office staff who assists the Committee in performing its duties to perform his/her duties.

(7) Framework where the Directors (except those who are Audit and Supervisory Committee Members) and employees of the Company and the Directors, Corporate Officers, employees and Auditors of the subsidiaries or parties who receive a report from aforementioned persons report to the Audit and Supervisory Committee of the Company, and other matters relating to reporting to the Audit and Supervisory Committee

- ① The Directors (except those who are Audit and Supervisory Committee Members) and employees of the Company and the Directors, Corporate Officers, employees and Auditors of the subsidiaries or parties who receive a report from aforementioned persons promptly report the important matters relating to, without limitation, the management, the accounting division and division in charge of compliance and awards and penalties to the Audit and Supervisory Committee of the Company, in addition to the matters which conflict with the laws and Articles of Incorporation and the matters which may remarkably damage the Company and the subsidiaries.
- ② In order to grasp the important decision-making process and the situation of its business operations, the Audit and Supervisory Committee Members may attend important meetings in addition to the meeting of the Board of Directors, access important documents relating to the business operations and request a Director or an employee to explain the situation when needed.

(8) Framework to ensure that no person who reported to the Audit and Supervisory Committee of the Company is treated disadvantageously by reason of the report

The Company will not treat any Officer or employee of the Company and the subsidiaries who reported to the Audit and Supervisory Committee disadvantageously by reason of such report.

(9) Matters relating to the policies for settlement of expenses or debts associated with the procedures for prepayment or reimbursement of expenses incurred for the performance of duties by the Audit and Supervisory Committee Members of the Company (limited to the performance of duties of the Audit and Supervisory Committee) and the performance of other duties

The Audit and Supervisory Committee Members may request the Company to repay the expenses required for the performance of their duties (limited to the performance of duties of the Audit and Supervisory Committee.)

(10) Other framework to ensure that the Audit and Supervisory Committee of the Company conducts audits effectively

The Audit and Supervisory Committee, Accounting Auditor and Audit Department cooperate with each other in audit tasks and the Director and the employees assist them in conducting audits efficiently.

2. Basic Views on Eliminating Anti-Social Forces

Group strictly prohibits all Officers and employees from having any relationship or doing any transaction with anti-social activities or forces. Also, Group has a system to closely affiliate with outside expert organs and to respond to any situation promptly.

V. Other

1. Adoption of Anti-Takeover Measures

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|------------------------------------|-------------|
| Adoption of Anti-Takeover Measures | Not Adopted |
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Supplementary Explanation

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2. Other Matters Concerning to Corporate Governance System

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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 |
|----|--|--|-------|--------|---------|--|
| | | | | Comply | Explain | |
| 1 | Section 1 Securing the Rights and Equal Treatment of Shareholders | General Principle 1 | | ● | | Chapter-II: Relations with Shareholders and others |
| 2 | | Principle 1.1 Securing the Rights of Shareholders | | ● | | Chapter-II: Relations with Shareholders and others 1. Securing the Rights of Shareholders |
| 3 | | | 1-1 ① | ● | | Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting |
| 4 | | | 1-1 ② | ● | | Chapter-V: Corporate Governance Structure 1. Organization Design and Basic Framework 2. Board of Directors – Roles - |
| 5 | | | 1-1 ③ | ● | | Chapter-II: Relations with Shareholders and others 1. Securing the Rights of Shareholders |
| 6 | | Principle1.2 Exercise of Shareholder Rights at General Shareholder Meetings | | ● | | Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting |
| 7 | | | 1-2 ① | ● | | Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting |
| 8 | | | 1-2 ② | ● | | Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting |
| 9 | | | 1-2 ③ | ● | | Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting |
| 10 | | | 1-2 ④ | ● | | 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 | ● | | Chapter-II: Relations with Shareholders and others 2. General Shareholders Meeting |
| 12 | | Principle 1.3 Basic Strategy for Capital Policy | | ● | | Chapter-II: Relations with Shareholders and others 4. Basic Strategy for Capital Policy |
| 13 | | Principle 1.4 Cross-Shareholdings | | ● | | Chapter-II: Relations with Shareholders and others 6. Cross-Shareholding Strategy |
| 14 | | | 1-4 ① | ● | | Chapter-II: Relations with Shareholders and others 6. Cross-Shareholding Strategy |
| 15 | | | 1-4 ② | ● | | Chapter-II: Relations with Shareholders and others 6. Cross-Shareholding Strategy |
| 16 | | Principle 1.5 Anti-Takeover Measures | | ● | | Chapter-II: Relations with Shareholders and others 7. Anti-Takeover Measures |
| 17 | | | 1-5 ① | ● | | Chapter-II: Relations with Shareholders and others 7. Anti-Takeover Measures |
| 18 | | Principle 1.6 Capital Policy that May Harm Shareholder Interests | | ● | | Chapter-II: Relations with Shareholders and others 4. Basic Strategy for Capital Policy |
| 19 | | Principle 1.7 Related Party Transactions | | ● | | Chapter-II: Relations with Shareholders and others 5. Prevention of Related Party Transactions |
| 20 | Section 2 Appropriate Cooperation with Stakeholders Other Than Shareholders | General Principle 2 | | ● | | Chapter-I: General Provision 1. Asahi Way Annex Document-1: Asahi Way |
| 21 | | Principle 2.1 Business Principles as the Foundation of Corporate Value Creation Over the Mid- to Long-Term | | ● | | Chapter-I: General Provision 1. Asahi Way Annex Document-1: Asahi Way |
| 22 | | Principle 2.2 Code of Conduct | | ● | | Chapter-I: General Provision 1. Asahi Way Chapter-IV: Stakeholder Relationships 4. Relationships with Employees |
| 23 | | | 2-2 ① | ● | | Chapter-IV: Stakeholder Relationships 4. Relationships with Employees |
| 24 | | Principle 2.3 Sustainability Issues, Including Social and Environmental Matters | | ● | | Chapter-IV: Stakeholder Relationships 2. Relationships with Communities and Activities on Environment |

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 |
|----|---|---|-------|--------|---------|--|
| | | | | Comply | Explain | |
| 25 | | | 2-3 ① | ● | | Chapter-IV: Stakeholder Relationships 2. Relationships with Communities and Activities on Environment |
| 26 | | Principle 2.4 Ensuring Diversity, Including Active Participation of Women | | ● | | Chapter-IV: Stakeholder Relationships 4. Relationships with Employees |
| 27 | | Principle 2.5 Whistleblowing | | ● | | Chapter-IV: Stakeholder Relationships 5. Whistle-blowing System |
| 28 | | | 2-5 ① | ● | | Chapter-IV: Stakeholder Relationships 5. Whistle-blowing System |
| 29 | | Principle 2.6 Role of asset owner of corporate pensions | | ● | | Chapter-IV: Stakeholder Relationships 6. Role of asset owner |
| 30 | Section 3 Ensuring Appropriate Information Disclosure and Transparency | General Principle 3 | | ● | | Chapter-III: Proper Disclosure |
| 31 | | Principle 3.1 Full Disclosure | | ● | | (ALL) Chapter-III: Proper Disclosure (i) Chapter-I: General Provision 1. Asahi Way Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders (ii) Chapter-I: General Provision 2. Basic Policies for Corporate Governance (iii) Chapter-V: Corporate Governance Structure 9. Determining Procedure of Compensation for Directors Annex Document-6: Compensation Policies for directors and key management (iv) Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing of Directors Annex Document-5: Nomination Policies and Dismissal criteria for directors and key management candidates (v) Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing of Directors |
| 32 | | | 3-1 ① | ● | | Chapter-III: Proper Disclosure 1. Basic Policies for Information Disclosure |
| 33 | | | 3-1 ② | ● | | Chapter-III: Proper Disclosure 2. Enhancement of Disclosure in English |
| 34 | | Principle 3.2 External Auditors | | ● | | Chapter-V: Corporate Governance Structure 7. Securing Proper Audit by Accounting Auditors |
| 35 | | | 3-2 ① | ● | | Chapter-V: Corporate Governance Structure 7. Securing Proper Audit by Accounting Auditors |
| 36 | | | 3-2 ② | ● | | Chapter-V: Corporate Governance Structure 7. Securing Proper Audit by Accounting Auditors |
| 37 | | General Principle 4 | | ● | | Chapter-V: Corporate Governance Structure 1. Organization Design and Basic Framework 2. Board of Directors – Roles - |
| 38 | | Principle 4.1 Roles and Responsibilities of the Board (1) | | ● | | Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - |
| 39 | | | 4-1 ① | ● | | Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - |
| 40 | | | 4-1 ② | ● | | Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - Chapter-II: Relations with Shareholders and others 3. Board of Directors – Composition - |
| 41 | | | 4-1 ③ | ● | | Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing Annex Document-5: Nomination Policies and Dismissal criteria for directors and key management candidates |
| 42 | | Principle 4.2 Roles and Responsibilities of the Board (2) | | ● | | Chapter-V: Corporate Governance Structure 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 |
|----|--|--------|----------------|----------------|---------|---|
| | | | | Comply | Explain | |
| 43 | | 4-2 ① | ● | | | Chapter-V: Corporate Governance Structure 9. Determining Procedure of Compensation for Directors Annex Document-6: Compensation Policies for directors and key management |
| 44 | Principle 4.3 Roles and Responsibilities of the Board (3) | | ● | | | Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - 9. Determining Procedure of Compensation for Directors Annex Document-6: Compensation Policies for directors and key management Chapter-III: Proper Disclosure 3. Supervision by Board of Directors for Proper Disclosure Chapter-II: Relations with Shareholders and others 5. Prevention of Related Party Transactions |
| 45 | | 4-3 ① | ● | | | Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing of Directors Annex Document-5: Nomination Policies and Dismissal criteria for directors and key management candidates |
| 46 | | 4-3 ② | ● | | | Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing of Directors Annex Document-5: Nomination Policies and Dismissal criteria for directors and key management candidates |
| 47 | | 4-3 ③ | ● | | | Chapter-V: Corporate Governance Structure 8. Procedure of Nomination and Dismissing of Directors Annex Document-5: Nomination Policies and Dismissal criteria for directors and key management candidates |
| 48 | | 4-3 ④ | ● | | | Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - |
| 49 | | | Not applicable | Not applicable | | |
| 50 | | 4-4 ① | Not applicable | Not applicable | | |
| 51 | Principle 4.5 Fiduciary Responsibilities of Directors and Kansayaku | | ● | | | Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors |
| 52 | Principle 4.6 Business Execution and Oversight of the Management | | ● | | | Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - |
| 53 | Principle 4.7 Roles and Responsibilities of Independent Directors | | ● | | | Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors |
| 54 | Principle 4.8 Effective Use of Independent Directors | | ● | | | Chapter-V: Corporate Governance Structure 3. Board of Directors – Composition - |
| 55 | | 4-8 ① | ● | | | Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors |
| 56 | | 4-8 ② | ● | | | Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors |
| 57 | Principle 4.9 Independence Standards and Qualification for Independent Directors | | ● | | | Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors Annex Document-4: Independence Criteria for independent directors |
| 58 | Principle 4.10 Use of Optional Approach | | ● | | | Chapter-V: Corporate Governance Structure 1. Organization Design and Basic Framework |
| 59 | | 4-10 ① | ● | | | Chapter-V: Corporate Governance Structure 6. Directors and Outside Directors 8. Procedure of Nomination and Dismissing of Directors 9. Determining Procedure of Compensation for Directors |
| 60 | Principle 4.11 Preconditions for Board and Kansayaku Board Effectiveness | | ● | | | Chapter-V: Corporate Governance Structure 3. Board of Directors – Composition - 4. Board of Directors – Operation and Securing Effectiveness - 5. Audit and Supervisory Committee |

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 |
|----|--|---|--------|--------|---------|---|
| | | | | Comply | Explain | |
| 61 | | | 4-11 ① | ● | | Chapter-V: Corporate Governance Structure 3. Board of Directors – Composition - |
| 62 | | | 4-11 ② | ● | | Chapter-V: Corporate Governance Structure 3. Board of Directors – Composition - |
| 63 | | | 4-11 ③ | ● | | Chapter-V: Corporate Governance Structure 4. Board of Directors – Operation and Securing Effectiveness - |
| 64 | | Principle 4.12 Active Board Deliberations | | ● | | Chapter-V: Corporate Governance Structure 4. Board of Directors – Operation and Securing Effectiveness - |
| 65 | | | 4-12 ① | ● | | Chapter-V: Corporate Governance Structure 4. Board of Directors – Operation and Securing Effectiveness - |
| 66 | | Principle 4.13 Information Gathering and Support Structure | | ● | | Chapter-V: Corporate Governance Structure 10. Support for Directors |
| 67 | | | 4-13 ① | ● | | Chapter-V: Corporate Governance Structure 10. Support for Directors |
| 68 | | | 4-13 ② | ● | | Chapter-V: Corporate Governance Structure 10. Support for Directors |
| 69 | | | 4-13 ③ | ● | | Chapter-V: Corporate Governance Structure 2. Board of Directors – Roles - 10. Support for Directors |
| 70 | | Principle 4.14 Director and Kansayaku Training | | ● | | Chapter-V: Corporate Governance Structure 11. Policies of Training for Directors Annex Document-7: Training Policies for directors |
| 71 | | | 4-14 ① | ● | | Chapter-V: Corporate Governance Structure 11. Policies of Training for Directors Annex Document-7: Training Policies for directors |
| 72 | | | 4-14 ② | ● | | Chapter-V: Corporate Governance Structure 11. Policies of Training for Directors Annex Document-7: Training Policies for directors |
| 73 | Section 5 Dialogue with Shareholders | General Principle 5 | | ● | | Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders |
| 74 | | Principle 5.1 Policy for Constructive Dialogue with Shareholders | | ● | | Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders |
| 75 | | | 5-1 ① | ● | | Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders |
| 76 | | | 5-1 ② | ● | | Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders Chapter-III: Proper Disclosure 1. Basic Policies for Information Disclosure |
| 77 | | | 5-1 ③ | ● | | Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders |
| 78 | | Principle 5.2 Establishing and Disclosing Business Strategy and Business Plan | | ● | | Chapter-II: Relations with Shareholders and others 3. Dialogue with Shareholders |

Overview of Timely Disclosure Framework

