Corporate Governance

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Suntory Beverage & Food Limited

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The corporate governance of Suntory Beverage & Food Limited (the "Company") is described below.

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

1. Basic Views [Updated]

"Characteristics" of the Company's corporate governance

The Company and its subsidiaries (the "Group") comprise the beverage and food segments of the Suntory Group, and share the corporate philosophy, founding spirit, and Group Management Policy with their parent company Suntory Holdings Limited and respective Suntory Group companies. As a member of the Suntory Group, we consider that we have the characteristics of creating Group synergy and contributing to the foundation that supports the Company's sustainable growth through the utilization of its brands, human capital, intellectual property and other group business resources.
On the other hand, the Company believes that it has the characteristics of contributing to the foundation that supports the Company's sustainable growth through the improvement of the quality of management of the Company as it is required to be independent as a listed company due to its choice to be listed, in addition to it being accountable to investors and observing the regulations in the capital markets.

"Basic policy" for the Company's corporate governance

As the Company has the two characteristics stated above, there are concerns regarding conflicts of interest between Suntory Holdings Limited and the Company's general shareholders. However, we think both characteristics make up the foundation that supports the Company's sustainable growth. Therefore, the basic policy for the Company's corporate governance is that it shall promote unified group management as a member of the Suntory Group and utilize the brands, human capital, intellectual property and other group business resources while maintaining independence of management, which is necessary as a listed company, making its own decisions regarding major business resources that act as the source of the Company's corporate value, such as brands, human resources, key assets and information, which are necessary to continue to exist independently, holding and securing such business resources, and working for the Company's sustainable growth while placing due consideration on shareholder conflict of interest.
Based on the "Basic policy" for the Company's corporate governance stated above, we strive to enhance corporate governance in order to maintain good relationships with shareholders, other investors, and other stakeholders (customers, local communities, business partners and employees, etc.) and to allow us to fulfill our corporate social responsibilities.

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

The Company complies with the principles of Japan's Corporate Governance Code (the "Code").

[Disclosure Based on the Principles of the Japan's Corporate Governance Code] [Updated]

The Company discloses the status of complying with the principles of the Code as "Suntory Beverage & Food Limited Corporate Governance Policy" (the "Company Policy") and posts it on the following website of the Company.

[Japanese] https://www.suntory.co.jp/softdrink/ir/co_governance/

[English] https://www.suntory.com/softdrink/ir/co_governance/

For matters to be disclosed as required by the Code, please refer to each of the following items in the Company Policy.

[Principle 1-4 Cross-Shareholdings]
Company Policy "13. Shares owned by the Group"
[Principle 1-7 Transactions among Related Parties]
Company Policy "14. Transactions, activities, etc. with the Suntory Group" and "15. Transactions with the Directors of the Company"
[Supplementary Principle 2-4-1]
Company Policy "3. Sustainability"
[Principle 2-6 Roles as Asset Owners of Corporate Pension Plan]
Company Policy "17. Management of corporate pension fund"
[Principle 3-1 Enhancement of Disclosure]
Company Policy "Basic policy for the Company's corporate governance," "1. Corporate philosophy," "2. Code of conduct," "3. Sustainability," "4. Appropriate information disclosure" and "9. Role and composition of the Board of Directors, nomination and remuneration of Directors, and ensuring the effectiveness of the Board of Directors"
[Supplementary Principle 3-1-3]
Company Policy "3. Sustainability"
[Supplementary Principle 4-1-1]
Company Policy "9. Role and composition of the Board of Directors, nomination and remuneration of Directors, and ensuring the effectiveness of the Board of Directors"
[Principle 4-9 Independence Standards and Qualification for Independent Outside Directors]
Company Policy "10. Independent Outside Directors"
[Supplementary Principle 4-10-1]
Company Policy "9. Role and composition of the Board of Directors, nomination and remuneration of Directors, and ensuring the effectiveness of the Board of Directors"
[Supplementary Principle 4-11-1]
Company Policy "3. Sustainability" and "9. Role and composition of the Board of Directors, nomination and remuneration of Directors, and ensuring the effectiveness of the Board of Directors"
[Supplementary Principle 4-11-2]
Company Policy "9. Role and composition of the Board of Directors, nomination and remuneration of Directors, and ensuring the effectiveness of the Board of Directors" and "10. Independent Outside Directors"
[Supplementary Principle 4-11-3]
Company Policy "9. Role and composition of the Board of Directors, nomination and remuneration of Directors, and ensuring the effectiveness of the Board of Directors"
[Supplementary Principle 4-14-2]
Company Policy "9. Role and composition of the Board of Directors, nomination and remuneration of Directors, and ensuring the effectiveness of the Board of Directors"
[Principle 5-1 Policy for Constructive Dialogue with Shareholders]
Company Policy "8. Communication with shareholders"
[Action to Implement Management that is Conscious of Cost of Capital and Stock Price] [English disclosure] [Last Updated: February 13, 2025]
Company Policy "1. Corporate philosophy"

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%

[Status of Major Shareholders] [Updated]

Name	Shares Held (Shares)	Ratio of Shareholding (%)
Suntory Holdings Limited	183,800,000	59.48
The Master Trust Bank of Japan, Ltd. (Trust Account)	21,369,400	6.91
JP MORGAN CHASE BANK 385632	7,526,618	2.43
Custody Bank of Japan, Ltd. (Trust Account)	6,207,600	2.00
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	4,726,319	1.52
STATE STREET BANK WEST CLIENT – TREATY 505234	3,353,040	1.08
Mizuho Securities Co., Ltd.	2,665,631	0.86
STATE STREET BANK AND TRUST COMPANY 505224	2,625,617	0.84
STATE STREET BANK AND TRUST COMPANY 505001	2,559,815	0.82
STATE STREET BANK AND TRUST COMPANY 505103	2,466,226	0.79

Controlling Shareholder (except for Parent)	—
Parent (Listed Stock Market)	Suntory Holdings Limited (Unlisted)

Supplementary Explanation

Because Suntory Holdings Limited, a parent company of the Company, is a subsidiary of Kotobuki Realty Co., Ltd., Kotobuki Realty Co., Ltd. also falls under the category of parent company of the Company.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime
Fiscal Year-End	December
Type of Business	Foods
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1,000 or more
Revenue (Consolidated) for the Previous Fiscal Year	¥1 trillion or more

Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 50 to less than 100

4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder [Updated]

(1) The Company has established the permanent Special Committee as a system to safeguard the interests of general shareholders.
To ensure fairness, transparency and objectivity regarding transactions, activities, etc. with the Suntory Group, the Special Committee verifies the necessity and reasonableness, the appropriateness of the terms and conditions, etc., and the fairness of transactions equal to or exceeding a certain amount with the Suntory Group, including Suntory Holdings Limited, and transactions, activities, etc. related to the business resources forming the source of Company's corporate value, such as brands, human resources, key assets and information (hereinafter collectively referred to as "Important Transactions, Activities, etc."), and reports to the Board of Directors.
The members of the Special Committee must be persons who have independence from the Suntory Group to ensure the committee's independence and objectivity, and currently it is composed of three Independent Outside Directors.
(2) Transactions, activities, etc. with the Suntory Group are, in accordance with internal regulations, examined beforehand by the departments conducting the transactions, activities, etc. and by the Company's legal affairs division and finance & accounting division to confirm the necessity and reasonableness of transactions, activities, etc., the appropriateness of their terms and conditions, etc., and the fairness, taking into consideration the perspective of independence from Suntory Holdings Limited. Furthermore, the Board of Directors makes a decision on Important Transactions, Activities, etc. after sufficient deliberation has been made on the necessity and reasonableness of the Important Transactions, Activities, etc., the appropriateness of their terms and conditions, etc., and the fairness through the process of the prior deliberation and report by the Special Committee.
(3) In addition to deliberation beforehand, in accordance with internal regulations, the legal affairs division, finance & accounting division, and internal audit division conduct a check and the Audit and Supervisory Committee conducts an audit after the transactions, activities, etc. were conducted, for the purpose of confirming whether they were based on the contents of the deliberation. For Important Transactions, Activities, etc., the status is reported to the Special Committee and the Board of Directors, and they confirm the results of the transactions, activities, etc.
(4) According to these systems, fairness, transparency and objectivity of the transaction, activity, etc. with the Suntory Group is ensured.
(5) In 2024, the Special Committee held four meetings to deliberate Important Transactions, Activities, etc., including the payment of royalties and the delegation of functional duties, as a result of which it was able to confirm the necessity and reasonableness, the appropriateness of the terms and conditions, etc., and the fairness of the Important Transactions, Activities, etc., and submitted reports to the Board of Directors.

5. Other Special Circumstances Which May Have Material Impact on Corporate Governance [Updated]

Ensuring Independence From the Parent Company
The Group comprises the beverage and food segments of the Suntory Group, and shares its corporate philosophy, founding spirit, and Group Management Policy with our parent company Suntory Holdings Limited and respective Suntory Group companies, and believes that it is contributing to the foundation that supports the Company's sustainable growth through the utilization of business resources of the Suntory Group.
On the other hand, the Company recognizes that as a listed company we must address important management issues in terms of maintaining our independence and safeguarding the interests of shareholders other than the parent company.
While pursuing Group synergies to such ends, we work to make our own decisions in holding and securing major business resources that act as the source of our corporate value, such as our brands, human resources, key assets and information, and to establish and operate a framework for addressing

concerns regarding shareholder conflict of interest as stated in “4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder.”
There is no agreement between the Company and the parent company with respect to the Group’s operations and management, matters that are deliberated and agreed upon regarding decision-making on business execution by the Group, and other matters.

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

1. Organizational Composition and Operation

Organization Form	Company with audit and supervisory committee

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	9
Appointment of Outside Directors	Appointed
Number of Outside Directors	3
Number of Independent Officers Designated from among Outside Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Maki Nakamura	From another company								○			
Mika Masuyama	From another company											
Mariko Mimura	Attorney at law								○			

* 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; and
"▲" when a close relative of the director fell under the category in the past

a Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
b Non-executive director or executive of the parent of the Company
c Executive of a fellow subsidiary of the Company
d Party whose major client or supplier is the Company or an executive thereof
e Major client or supplier of the Company or an executive thereof
f Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director
g Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
h Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
i Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)

j Executive of a corporation that receives a donation from the Company (the director himself/herself only)
k Other

Outside Directors' Relationship with the Company (2) [Updated]

Name	Membership of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Maki Nakamura		○	Ms. Nakamura concurrently serves as Representative Director and President of Mamma Co., Ltd. and Director and CHRO of SATUDORA HOLDINGS CO., LTD. The Group does not conduct any transactions with Mamma Co., Ltd. Although there are transactions for vending machine installation, etc. between the Group and SATUDORA HOLDINGS CO., LTD., where Ms. Nakamura serves as Director and CHRO, and there are beverage related transactions between the Group and Seiyu LLC (currently Seiyu Co., Ltd.) where Ms. Nakamura belonged to until July 31, 2017, the monetary amount of either of these transactions is less than 1% of consolidated revenues on either side, and the Company believes that this has no material effect on Ms. Nakamura's independence.	Ms. Maki Nakamura has extensive experience as a corporate executive in the retail industry and other sectors, and keen insight in the field of human resource development, and has provided useful advice and appropriate supervision for deliberations on proposals and others at the Board of Directors meetings from an objective and neutral standpoint. In consideration of this, we judge her well qualified for the role of Outside Director. In addition, since there is nothing concerning her that breaches either the independence criteria for independent officers set by the Tokyo Stock Exchange or the independence criteria set by the Company, we judge that there is no risk of conflict of interest with general shareholders arising.

Name	Membership of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Mika Masuyama	○	○	Ms. Masuyama concurrently serves as President and Representative Partner of Masuyama & Company LLC., Outside Director of KOKUYO CO., LTD. and External Director of Konoike Transport Co., Ltd. The Group does not conduct any transactions with Masuyama & Company LLC.	Ms. Mika Masuyama has a wealth of consulting experience and keen insight in fields such as corporate governance, human resources and organizations, and M&A as well as global business knowledge in the areas of management and economy, and has provided useful advice and appropriate audits and supervision for deliberations on proposals and others at the Board of Directors meetings from an objective and neutral standpoint as Outside Director (Audit and Supervisory Committee Member). In consideration of this, we judge her well qualified for the role of Outside Director (Audit and Supervisory Committee Member). In addition, since there is nothing concerning her that breaches either the independence criteria for independent officers set by the Tokyo Stock Exchange or the independence criteria set by the Company, we judge that there is no risk of conflict of interest with general shareholders arising.

Name	Membership of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Mariko Mimura	○	○	Ms. Mimura concurrently serves as Attorney of Nishimura & Asahi (Gaikokuho Kyodo Jigyo) (Of Counsel) and Board Director (outside) of TOMY COMPANY, LTD. Although there are transactions for legal services, etc. between the Group and Nishimura & Asahi (Gaikokuho Kyodo Jigyo), the monetary amount of these transactions is less than 1% of consolidated revenues on either side, and the Company believes that this has no material effect on her independence.	Ms. Mariko Mimura has experience as an attorney and her keen insight derived from her abundant business experience, and has provided useful advice and appropriate audits and supervision for deliberations on proposals and others at the Board of Directors meetings from an objective and neutral standpoint as Outside Director (Audit and Supervisory Committee Member). In consideration of this, we judge her well qualified for the role of Outside Director (Audit and Supervisory Committee Member). In addition, since there is nothing concerning her that breaches either the independence criteria for independent officers set by the Tokyo Stock Exchange or the independence criteria set by the Company, we judge that there is no risk of conflict of interest with general shareholders arising.

[Audit and Supervisory Committee]

Committee's Composition and Chairperson's Attributes

	Total Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	3	1	1	2	Inside director

Appointment of Directors and/or Employees to Support Duties of the Audit and Supervisory Committee	Appointed

Matters Related to the Independence of Such Directors and/or Employees from Executive Directors

The internal audit division assists with the Audit and Supervisory Committee's duties. Matters such as those involving transfer and evaluation of internal audit division employees shall be performed in a manner respectful of views provided by the Audit and Supervisory Committee, and in a manner that ensures independence from the Directors (excluding Audit and Supervisory Committee Members).

In assisting with the duties of the Audit and Supervisory Committee, employees of the internal audit division shall comply with the instructions and orders from the Audit and Supervisory Committee exclusively.

Cooperation among Audit and Supervisory Committee, Accounting Auditor and Internal Audit Division

As well as receiving reports on the audits carried out by the internal audit division, the Audit and Supervisory Committee has maintained day-to-day communication with the internal audit division and has been constructing a system that allows the effective implementation of Group-wide auditing. The Audit and Supervisory Committee, the Accounting Auditor and the internal audit division have been exchanging information and opinions to mutually collaborate.

[Voluntary Committees]

Voluntary Establishment of Committee(s) Equivalent to Nominating Committee or Remuneration Committee	Established

Committee's Name, Composition, and Chairperson's Attributes

	Committee Equivalent to Nominating Committee	Committee Equivalent to Remuneration Committee
Committee's Name	Human Resources Committee	Human Resources Committee
Total Committee Members	5	5
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Inside director	Inside director

Supplementary Explanation [Updated]

Of its own volition, the Company has established a Human Resources Committee.
The Human Resources Committee (hereinafter in this section, the committee) takes on the responsibility of exercising its authority in a manner that places due consideration on concerns regarding shareholder conflict of interest in order to ensure objectivity and transparency regarding the nomination and remuneration of Directors and continuously ensure effectiveness of the management structure tasked with facilitating the Company's sustainable growth.
To fulfill this responsibility, the committee exercises its authority through deliberating and making a report to the Board of Directors on the following: (i) proposals for selection of candidates for Directors at the General Meeting of Shareholders, and need for dismissal of Directors (ii) status of formulation and implementation of succession planning with respect to candidates for the CEO and Outside Directors, (iii) the levels of remuneration for Directors (excluding Audit and Supervisory Committee Members) and criteria, etc. to be referred to when deciding on remuneration.
The committee also confirms whether the details of remuneration, etc. for individual Directors (excluding Audit and Supervisory Committee Members) are consistent with the policy for determining the details of remuneration, etc. for individual Directors (excluding Audit and Supervisory Committee Members) established by the Board of Directors.

The committee currently consists of a majority of Independent Outside Directors to ensure its independence and objectivity. The committee currently consists of five members (three of whom are Independent Outside Directors): the Representative Director, President & Chief Executive Officer, an Outside Director and three Audit and Supervisory Committee Members. When the nomination and remuneration of Directors is considered by the Human Resources Committee, it is essential that deliberations take into account the specifics of the Company's management circumstances and measures for achieving unified management of the Suntory Group. To reflect the substantive importance of such issues, the Representative Director, President & Chief Executive Officer, who is the Chairperson, serves as chair of the Committee, providing appropriate agenda items and decision-making materials and facilitating active discussions. During actual operation, Independent Outside Directors actively participate in deliberations from an independent and objective standpoint to ensure the effectiveness and independence of the committee.
In 2024, the Human Resources Committee meetings were held eight times. Deliberations at the committee meetings encompassed matters such as proposals for Director candidates (including Outside Directors) and levels and criteria of remuneration for Directors. In order to further enhance the effectiveness of such deliberations, progress reports on the status of talent management for senior executive candidates are also submitted to the committee. The attendance records for each member are as follows.
• Makiko Ono (Representative Director, President & Chief Executive Officer) (8/8)
• Maki Nakamura (Outside Director) (7/7)
• Hideki Kanda (Director (Full-time Audit and Supervisory Committee Member)) (7/7)
• Mika Masuyama (Outside Director (Audit and Supervisory Committee Member)) (8/8)
• Mariko Mimura (Outside Director (Audit and Supervisory Committee Member)) (8/8)
• Yukari Inoue (Outside Director) (1/1)
• Yuji Yamazaki (Director (Full-time Audit and Supervisory Committee Member)) (1/1)

* Maki Nakamura and Hideki Kanda assumed office on March 27, 2024, the date of the 15th Ordinary General Meeting of Shareholders. Accordingly, their attendance records are for the meetings of the Human Resources Committee held after they assumed office.
* Yukari Inoue retired at the conclusion of the 15th Ordinary General Meeting of Shareholders held on March 27, 2024. Accordingly, her attendance records are for the meetings of the Human Resources Committee held before she retired.
* Yuji Yamazaki resigned at the conclusion of the 15th Ordinary General Meeting of Shareholders held on March 27, 2024. Accordingly, his attendance records are for the meetings of the Human Resources Committee held before he resigned.

[Independent Officers]

Number of Independent Officers	3

Matters relating to Independent Officers

The Company has selected Outside Directors in consideration of business relationships with companies/organizations at which an Outside Director serves as executive officer, and other factors, and has designated anyone who is qualified as independent officer, while referring to the independence criteria for independence officers established by the Tokyo Stock Exchange.
The Company believes that an Outside Director must be independent from the management team of the Company and the parent company Suntory Holdings Limited in order for him or her to fulfill the duties of an Outside Director. Accordingly, the Company views Outside Directors as lacking independence if they fall under one or more of the categories below.
- The relevant Outside Director is currently or has in the past (within the last ten years) been an executive officer of the Company, its subsidiaries, parent company or fellow subsidiaries, or a non-executive director of the parent company.
- A close relative (of first or second degree) of the relevant Outside Director is currently or has in the past (within the last ten years) been a key business executive of the Company, its subsidiaries, parent company or fellow subsidiaries, or a non-executive director of the parent company.

- A company where the relevant Outside Director currently serves as an executive officer has transactions with the Company, its subsidiaries, parent company or fellow subsidiaries and the monetary amount of such transactions was greater than 2% of consolidated revenue for any of the company where the relevant Outside Director serves, the Group or the Suntory Group in the past three business years.
- The relevant Outside Director has, as an expert or consultant in the field of law, accounting, or tax, received remuneration of over ¥10 million directly from the Company, its subsidiaries, parent company or fellow subsidiaries in the past three business years. This excludes remuneration as a Director of the Company and remuneration paid to the organization or business to which the relevant Outside Director belongs.
- A nonprofit organization of which the relevant Outside Director is an executive officer has received donations from the Company, its subsidiaries, parent company or fellow subsidiaries of over ¥10 million and this amount exceeded 2% of the relevant organization' s total business income in the past three business years.

[Incentives]

Implementation of Measures to Provide Incentives to Directors	Performance-based compensation

Supplementary Explanation [Updated]

Remuneration, etc. for the Executive Directors consists of fixed compensation (monthly) and performance-based compensation (annually in March). Regarding the remuneration, etc. for Executive Directors who are foreign nationals, the remuneration will be paid by overseas subsidiaries. Although the remuneration is not subject to the Company's remuneration system, it is a combination of fixed compensation and performance-based compensation, and the Company's consolidated operating income is used as one of the criteria for performance-based compensation.
Remuneration, etc. for non-executive Directors shall only consist of fixed compensation (monthly). However, full-time Audit and Supervisory Committee Members shall be paid, in addition to fixed compensation, a performance-based compensation (annually in March) as remuneration, etc. in consideration of the contribution to the Company's performance.
While fixed compensation is the main form of remuneration, the ratio of fixed compensation to performance-based compensation paid to Executive Directors (excluding Executive Directors who are foreign nationals) is set to secure outstanding personnel and provide the proper incentive to improve the Company's performance and corporate value. The human resources committee takes the trends with respect to remuneration benchmark company groupings and other factors into consideration and holds regular discussions.
The performance-based compensation, for which the key performance indicator is consolidated operating income (excluding one-time income and expenses), is calculated by multiplying the amount on the performance-based compensation calculation table set according to the individual's responsibilities/performance evaluation by a performance coefficient, where that performance coefficient is calculated by multiplying the achievement percentage of the targeted consolidated operating income (excluding one-time income and expenses) by the benchmark consolidated operating income (excluding one-time income and expenses).
The Company chose consolidated operating income (excluding one-time income and expenses) as the key performance indicator because in the Group, importance is placed on consolidated operating income (excluding one-time income and expenses) as an indicator that reflects the results of continuous business activities and because it will incentivize the recipients to improve the Company's performance and corporate value. Note that the Company has not disclosed the targets and actual results of consolidated operating income (excluding one-time income and expenses) for fiscal 2024, but the forecast and actual results for consolidated operating income, which form the bases of those amounts, are ¥153,500 million and ¥160,249 million, respectively.

Recipients of Share Options	

Supplementary Explanation

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected directors

Supplementary Explanation [Updated]

In Business Reports, the total amount of remuneration by type has been disclosed by separating Inside and Outside Directors, and Audit and Supervisory Committee Members and others.
Furthermore, in addition to this, remuneration has been disclosed individually for Directors whose total remuneration amount is ¥100 million or more in Securities Reports.
Business Reports and Securities Reports have been posted on the Company's website.
Business Report (attached to the Notice of Convocation of Ordinary General Meeting of Shareholders):
https://www.suntory.com/softdrink/ir/stock_meeting/
Securities Report:
https://www.suntory.co.jp/softdrink/ir/library_securities/ (available in Japanese only)

The disclosure of the remuneration amount for Directors paid in fiscal 2023 is as follows.

[Amounts of remuneration by officer category] (Unit: Millions of yen)
Director (excluding Audit and Supervisory Committee Member) (excluding Outside Director)
Total amount of remuneration, etc.: 211
Fixed compensation: 110 Performance-based compensation: 100
Outside Director (excluding Audit and Supervisory Committee Member)
Total amount of remuneration, etc.: 15
Fixed compensation: 15 Performance-based compensation: –
Director (Audit and Supervisory Committee Member) (excluding Outside Director)
Total amount of remuneration, etc.: 72
Fixed compensation: 37 Performance-based compensation: 35
Outside Director (Audit and Supervisory Committee Member)
Total amount of remuneration, etc.: 36
Fixed compensation: 36 Performance-based compensation: –

[Individual amounts of remuneration] (Unit: Millions of yen)
Shekhar Mundlay
Total amount of remuneration, etc.: 311
(From Suntory Beverage & Food Asia Pte. Ltd.) Fixed compensation: 123
Performance-based compensation: 188
Peter Harding
Total amount of remuneration, etc.: 340
(From Orangina Schweppes Holding B.V.) Fixed compensation: 69
Performance-based compensation: 100
(From Lucozade Ribena Suntory Limited) Fixed compensation: 69
Performance-based compensation: 100

Policy for Determining Remuneration Amounts or Calculation Methods Thereof	Established

Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

Remuneration, etc. for the Company's Directors are structured at levels commensurate with their role and responsibilities in a manner that motivates them to improve the Company's performance and corporate value and secures outstanding personnel.
The Human Resources Committee, with Outside Directors accounting for at least half of its membership, deliberates the levels and criteria of remuneration, etc. for Directors (excluding Audit and Supervisory Committee Members), and reports to the Board of Directors with respect to the appropriateness thereof.
The Representative Director, President & Chief Executive Officer, appointed by the Board of Directors, makes decisions on amounts of remuneration, etc. for Directors (excluding Audit and Supervisory Committee Members) based on reports of the Human Resources Committee. Remuneration, etc. for Directors serving on the Audit and Supervisory Committee is decided upon discussion involving the Audit and Supervisory Committee Members.
The Human Resources Committee confirms that details of remuneration, etc. for individual Directors (excluding Audit and Supervisory Committee Members) are consistent with remuneration policy. The Board of Directors deems that details of remuneration, etc. for individual Directors (excluding Audit and Supervisory Committee Members) are consistent with remuneration policy based on the confirmation results of the Human Resources Committee.
Remuneration, etc. for the Executive Directors consists of fixed compensation (monthly) and performance-based compensation (annually in March). Regarding the remuneration, etc. for Executive Directors who are foreign nationals, the remuneration will be paid by overseas subsidiaries. Although the remuneration is not subject to the Company's remuneration system, it is a combination of fixed compensation and performance-based compensation, and the Company's consolidated operating income is used as one of the criteria for performance-based compensation.
Remuneration, etc. for non-executive Directors shall only consist of fixed compensation (monthly). However, full-time Audit and Supervisory Committee Members shall be paid, in addition to fixed compensation, a performance-based compensation (annually in March) as remuneration, etc. in consideration of the contribution to the Company's performance.
While fixed compensation is the main form of remuneration, the ratio of fixed compensation to performance-based compensation paid to Executive Directors (excluding Executive Directors who are foreign nationals) is set to secure outstanding personnel and provide the proper incentive to improve the Company's performance and corporate value. The human resources committee takes the trends with respect to remuneration benchmark company groupings and other factors into consideration and holds regular discussions.
The level of fixed compensation shall be set according to position and considering responsibilities.
The performance-based compensation, for which the key performance indicator is consolidated operating income (excluding one-time income and expenses), is calculated by multiplying the amount on the performance-based compensation calculation table set according to the individual's responsibilities/performance evaluation by a performance coefficient, where that performance coefficient is calculated by multiplying the achievement percentage of the targeted consolidated operating income (excluding one-time income and expenses) by the benchmark consolidated operating income (excluding one-time income and expenses).
The Company chose consolidated operating income (excluding one-time income and expenses) as the key performance indicator because in the Group, importance is placed on consolidated operating income (excluding one-time income and expenses) as an indicator that reflects the results of continuous business activities and because it will incentivize the recipients to improve the Company's performance and corporate value.
In addition, the Company does not have a retirement allowance system or a stock option system.

[Supporting System for Outside Directors]

Although any full-time staff for Outside Directors (including Audit and Supervisory Committee Members) have not been assigned, the legal affairs division and the internal audit division provide support to them. To Outside Directors (including Audit and Supervisory Committee Members), the legal affairs division sends materials regarding the Board of Directors meetings in advance and explains

details of proposals in advance as needed. In addition, to Audit and Supervisory Committee Members among Outside Directors, the internal audit division reports results of internal audits.

[Status of Persons Who Have Retired from a Position Such as Representative Director and President] [Updated]

Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company

Name	Title/Position	Responsibilities	Working Form and Conditions (Full-time/ Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
Saburo Kogo	Advisor	Provision of necessary advice on necessary matters of management to relative divisions	Part-time, paid	March 26, 2021	Until March 31, 2025

Total Number of Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company	1

Other Matters

• The Company has established a standard guideline for remuneration, etc. for Advisors, and the appointment of an Advisor requires a resolution by the Board of Directors.

2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Updated]

1. Directors and Board of Directors

The Company's articles of incorporation state that the number of Directors should be 20 or less (among these, five or less should be Audit and Supervisory Committee Members).

At present we have nine Directors (among these, three are Audit and Supervisory Committee Members). The term of office for Directors is one year with respect to Directors other than those serving on Audit and Supervisory Committee, during which time Directors are to flexibly endeavor to build an optimal management structure in response to changes in the business environment. Meanwhile, the term of office for Audit and Supervisory Committee Members is two years, during which time they shall endeavor to carry out effective audits.

The Board of Directors holds regular meetings once a month and extraordinary meetings as the need arises.

The Company's articles of incorporation state that the Company may delegate all or part of a decision regarding the execution of important duties to an Executive Director upon a resolution of the Board of Directors.

The Company has determined that important business actions including M&A, organizational restructuring, and major asset acquisitions and disposals are to be decided by the Board of Directors. However, individual business decisions as a rule are delegated to the management team including the Representative Director, President & Chief Executive Officer.

The Company has concluded limited liability agreements with Directors (excluding Executive Directors) pursuant to Article 427, paragraph (1) of the Companies Act of Japan. Based on these agreements, if the Directors cause the Company to suffer loss through neglect of their duties, then providing that they were fulfilling their duties in good faith with no gross negligence, their liability to the Company shall be limited to the minimum liability amount stipulated by Article 425, paragraph (1) of the Companies Act of Japan.

In 2024, the Board of Directors held 13 board meetings and actively discussed not only various management issues, including the management policy, investment strategies, capital Investment, corporate governance and sustainability, but also core-business related key issues and the execution of business. In addition to the number of meetings stated above, there were five written resolutions where it was deemed that a resolution of the Board of Directors had been made. The attendance records for each Director are as follows.
• Makiko Ono (Representative Director, President & Chief Executive Officer) (13/13)
• Shekhar Mundlay (Director, Executive Vice President) (13/13)
• Hachiro Naiki (Director) (13/13)
• Peter Harding (Director) (13/13)
• Maki Nakamura (Outside Director) (9/10)
• Hiroshi Miyamori (Director) (13/13)
• Hideki Kanda (Director (Full-time Audit and Supervisory Committee Member)) (10/10)
• Mika Masuyama (Outside Director (Audit and Supervisory Committee Member)) (13/13)
• Mariko Mimura (Outside Director (Audit and Supervisory Committee Member)) (13/13)
• Yukari Inoue (Outside Director) (3/3)
• Yuji Yamazaki (Director (Full-time Audit and Supervisory Committee Member)) (3/3)

* Maki Nakamura and Hideki Kanda assumed office on March 27, 2024, the date of the 15th Ordinary General Meeting of Shareholders. Accordingly, their attendance records are for the meetings of the Board of Directors held after they assumed office.
* Yukari Inoue retired at the conclusion of the 15th Ordinary General Meeting of Shareholders held on March 27, 2024. Accordingly, her attendance records are for the meetings of the Board of Directors held before she retired.
* Yuji Yamazaki resigned at the conclusion of the 15th Ordinary General Meeting of Shareholders held on March 27, 2024. Accordingly, his attendance records are for the meetings of the Board of Directors held before he resigned.
2. Audit and Supervisory Committee
Audit and Supervisory Committee Members who serve as Outside Directors constitute a majority of the committee's members. The Audit and Supervisory Committee performs audits on Directors' performance of duties and other general performance of duties relating to the Group's management, in accordance with the internal control system.
In order to strengthen the auditing and supervisory functions of the Audit and Supervisory Committee, the Company collects information from Directors (excluding Audit and Supervisory Committee Members) and shares information at important meetings. Also, with the aim of ensuring ample cooperation between the internal audit division and the Audit and Supervisory Committee, the Company has a policy of selecting one full-time Audit and Supervisory Committee Member. At present, the Company has selected Hideki Kanda as the full-time Audit and Supervisory Committee Member. He has management experience as Head of a spirits operating company of the Suntory Group, and he possesses a considerable amount of expertise related to finance and accounting.
To ensure that the chair has the information required to fulfill the duties of the Audit and Supervisory Committee in abundance, and that they have sufficient time and effort to perform their important duties as chair, a full-time Audit and Supervisory Committee Member, who is the chairperson, has been appointed as chair.
During actual operation, information routinely gathered by the full-time Audit and Supervisory Committee Member is shared with Audit and Supervisory Committee Members who are Outside Directors, which constitute a majority of the committee's members, and subsequently utilized by the Audit and Supervisory Committee to ensure its effectiveness and independence.
The Company has established the Group Audit Committee whose membership consists of Audit and Supervisory Committee Members, officers in charge of the corporate strategy division, and other officers. Audit and Supervisory Committee Members facilitate communication with the audit division, managing Directors and executive officers, thereby contributing in improving management quality.
Full-time Audit and Supervisory Committee Members attend important meetings of the Risk Management Committee, the Quality Assurance Committee and of the Sustainability Committee etc. and work to gather information and improve the audit environment.
In 2024, the Audit and Supervisory Committee meetings were held 13 times to formulate audit implementation plans, discuss important audit items, deliberate the status of the establishment and

operation of internal control systems, evaluate the Accounting Auditor, hold preliminary discussions on agenda items of the Board of Directors meetings, and conduct other business. The attendance records for each Audit and Supervisory Committee Member are as follows.
• Hideki Kanda (Director (Full-time Audit and Supervisory Committee Member)) (10/10)
• Mika Masuyama (Outside Director (Audit and Supervisory Committee Member)) (13/13)
• Mariko Mimura (Outside Director (Audit and Supervisory Committee Member)) (13/13)
• Yuji Yamazaki (Director (Full-time Audit and Supervisory Committee Member)) (3/3)

* Hideki Kanda assumed office on March 27, 2024, the date of the 15th Ordinary General Meeting of Shareholders. Accordingly, his attendance records are for the meetings of the Audit and Supervisory Committee held after he assumed office.
* Yuji Yamazaki resigned at the conclusion of the 15th Ordinary General Meeting of Shareholders held on March 27, 2024. Accordingly, his attendance records are for the meetings of the Audit and Supervisory Committee held before he resigned.

3. Accounting Auditor

The Company has selected Deloitte Touche Tohmatsu LLC as its Accounting Auditor. The Accounting Auditor conducts accounting audits in accordance with Companies Act and Financial Instruments and Exchange Act of Japan.
Names of certified public accountants who implemented auditing services for the Company and their number of continuous audit years related to the Company are as follows.
• Shinichi Ishihara (Deloitte Touche Tohmatsu LLC) (3 years)
• Ayato Hirano (Deloitte Touche Tohmatsu LLC) (6 years)
• Yuichi Asai (Deloitte Touche Tohmatsu LLC) (1 year)

4. Internal Audit Division

The Group has established an internal audit division (including Global Auditing Department) which conducts audits of the Group to ensure business operations are being conducted in an appropriate manner.
As of April 1, 2024, the total number of staff in the internal audit division of the Company and the Group companies was 41 people.
The internal audit division has a number of personnel transferred from the finance & accounting division who possess insight in finance and accounting.

5. Human Resources Committee

Details of the Human Resources Committee are as stated in the aforementioned [Voluntary Committees] under “1. Organizational Composition and Operation.”

6. Special Committee

The Company has established the Special Committee as a system to safeguard the interests of general shareholders.
To ensure fairness, transparency and objectivity regarding transactions, activities, etc. with the Suntory Group, the Special Committee verifies the necessity and reasonableness, the appropriateness of the terms and conditions, etc., and the fairness of transactions equal to or exceeding a certain amount with the Suntory Group, including Suntory Holdings Limited, and transactions, activities, etc. related to the business resources forming the source of Company’s corporate value, such as brands, human resources, key assets and information, and reports to the Board of Directors.
The members of the Special Committee must be persons who have independence from the Suntory Group to ensure the committee’s independence and objectivity, and currently it is composed of three Independent Outside Directors.
In 2024, the Special Committee held four meetings to deliberate Important Transactions, Activities, etc., including the payment of royalties and the delegation of functional duties, as a result of which it was able to confirm the necessity and reasonableness, the appropriateness of the terms and conditions, etc., and the fairness of the Important Transactions, Activities, etc., and submitted reports to the Board of Directors. The attendance records for each member are as follows.
• Maki Nakamura (Outside Director) (3/3)
• Mika Masuyama (Outside Director (Audit and Supervisory Committee Member)) (4/4)
• Mariko Mimura (Outside Director (Audit and Supervisory Committee Member)) (4/4)
• Yukari Inoue (Outside Director) (1/1)

* Maki Nakamura assumed office on March 27, 2024, the date of the 15th Ordinary General Meeting of Shareholders. Accordingly, her attendance records are for the meetings of the Special Committee held after she assumed office.
* Yukari Inoue retired at the conclusion of the 15th Ordinary General Meeting of Shareholders held on March 27, 2024. Accordingly, her attendance records are for the meetings of the Special Committee held before she retired.

7. Risk Management Committee, Etc.

The Company has established the Risk Management Committee, the Quality Assurance Committee, and the Sustainability Committee.

The Risk Management Committee takes on the role of promoting the risk management activities of the entire Group. The Committee identifies the Group's risks, designs countermeasures for these risks, and verifies the progress of responding to these risks. In 2024, the Risk Management Committee meetings were held two times.

The Quality Assurance Committee is in charge of promoting quality assurance activities for the entire Group. The Committee identifies issues pertaining to the Group in terms of quality assurance, works to develop countermeasures, and confirms the progress of responding to such quality assurance issues. In 2024, the Quality Assurance Committee meetings were held two times.

The Sustainability Committee is responsible for promoting sustainability management of the entire Group, and will formulate and promote the Group's sustainability strategies that contribute to sustainable development of society and business. In 2024, the Sustainability Committee meetings were held two times.

3. Reasons for Adoption of Current Corporate Governance System

The Company has chosen to be incorporated as a company with an Audit and Supervisory Committee for its organizational composition.

Based on this organizational composition, the Company may delegate all or part of a decision regarding the execution of important duties to an Executive Director in accordance with the Companies Act and the Articles of Incorporation. The Board of Directors shall mainly hold discussions, etc. regarding corporate strategy, medium- and long-term plans, and management issues and, while focusing on managerial decision-making and management supervision, which are the responsibilities of the Board of Directors, shall actively delegate decision-making authority regarding business execution to the management team in order to expedite decision-making of the management team regarding business execution. The Audit and Supervisory Committee works to improve the level of auditing by improving the effectiveness of auditing and supervisory functions through the implementation of auditing by Audit and Supervisory Committee Members, who have the right to vote at board meetings, and by enhancing the effectiveness of internal controls through the implementation of auditing that utilizes and is conducted in cooperation with the internal audit division.

Working under this corporate governance system, the Independent Outside Directors undertake initiatives that contribute to the fulfilment of duties by the Board of Directors and facilitate the realization of effective corporate governance in relation to the Audit and Supervisory Committee, Human Resources Committee, Special Committee, and other matters.

III Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Energize General Meetings of Shareholders and Smooth Exercise of Voting Rights [Updated]

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The notification is dispatched no later than approximately three weeks before the date of the general meeting of shareholders.
Allowing Electronic or Magnetic Exercise of Voting Rights	The Company allows exercising voting rights by the Internet, etc.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company has participated in the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English (Translated Fully or Partially)	The Company has made an English translation and published it on its English website and on the Tokyo Stock Exchange website.
Other	At least three weeks before the date of the General Meeting of Shareholders, the Company discloses on its website the Reference Document for the General Meeting of Shareholders, the Business Report, the Financial Statements, and the Consolidated Financial Statements, etc. (matters for which measures for providing information in electronic format are to be taken) in Japanese with an English translation. [Japanese] https://www.suntory.co.jp/softdrink/ir/stock_meeting/ [English] https://www.suntory.com/softdrink/ir/stock_meeting/

2. IR Activities [Updated]

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	In addition to basic policies, a disclosure method, points to be considered with regard to earnings forecasts, etc., and quiet period have been set. These matters have been published on the Company's website. https://www.suntory.com/softdrink/ir/management/disclosure.html	
Holding Regular Investor Briefings for Analysts and Institutional Investors	In financial results briefings (financial results in the second quarter and at the end of the fiscal year), investor briefings and small meetings are held with President and officers in charge of the corporate strategy division as explainers. Moreover, in addition to financial results briefings including those for the first and third quarters, face-to-face/telephone/online conferences, etc. are held.	Yes

Holding Regular Investor Briefings for Overseas Investors	In major cities in Europe, the United States, etc., an individual visiting meeting or telephone/online conference is held once or twice a year at each location, with President and officers in charge of the corporate strategy division as explainers.	Yes
Posting IR Materials on Website	In an effort to enhance the content of the IR section of the Company's website, the Company has posted materials for financial results briefings, timely disclosure materials, press releases, presentation materials, annual securities reports, quarterly securities reports, notices of convocation of the general meeting of shareholders, and others, as well as made audio delivery of financial results briefing meetings for analysts and institutional investors.	
Establishment of Department and/or Manager in Charge of IR	The department in charge of IR is Corporate Communication Department	
Other	All important disclosure materials for institutional investors are translated into English in principle, and published on the website along with the Japanese-language version or promptly after the disclosure of the Japanese-language version. English IR section URL https://www.suntory.com/softdrink/ir/	

3. Measures to Ensure Due Respect for Stakeholders [Updated]

	Supplementary Explanations
Provisions to Ensure Due Respect for Stakeholders in Internal Regulations, etc.	The management philosophy, corporate action guidelines, etc. stipulate respect for each stakeholder.
Implementation of Environmental Conservation Initiatives and CSR Activities, etc.	(1) As a beverage and food company that is supported by water, agricultural crops and other blessings of nature, the Suntory Group has established the Sustainability Vision with the aim of building a world that inspires the brilliance of life in which protecting and nurturing our natural environment and enriching people's lives can coexist. Based on the Sustainability Vision, the Company holds regular discussions regarding the sustainability initiatives in meetings of the Board of Directors, and carries out various activities with stakeholders to promote water sustainability and climate change measures, and aim for 100% sustainability involving PET bottles. In addition, the Group makes disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB). Please use the links provided for information on the following. The Group Sustainability Vision https://www.suntory.com/softdrink/company/sustainability/management/ Disclosures based on the TCFD recommendations https://www.suntory.com/softdrink/company/sustainability/environment/tcfd.html (2) Based on our view that people are the most important foundation for management, the Suntory Group is pursuing various initiatives aimed at enabling each and every employee to work with enthusiasm and motivation, and to achieve their full potential in terms of individuality and skills as they continue their personal development. The Company takes a medium- to long-term approach to human resource development and strives to provide opportunities for growth to all of its employees, regardless of nationality, age, etc. To continue to unceasingly create new value, we are also actively incorporating diverse human resources and diverse values, and promoting Diversity, Equity & Inclusion. The Company will continue to work to establish an internal environment to facilitate its evolution into an organization in which each and every employee can work with enthusiasm. Please use the links provided for information on the following. Approach and the Company's targets and level of achievement for ensuring diversity in the recruiting, etc. of core personnel https://www.suntory.com/softdrink/company/sustainability/society/diversity.html Policies and status of their implementation regarding human resource development for ensuring diversity and internal environment improvements https://www.suntory.com/softdrink/company/sustainability/society/resource.html Other sustainability initiatives https://www.suntory.com/softdrink/company/sustainability/
Formulation of Policies for Information Provision to Stakeholders	The Company provides information to the outside of the Company in accordance with the Disclosure Policy. The Company has been working to improve transparency of management through promotion of timely, fair and equitable disclosure.

IV Matters Related to Internal Control System

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

The system (internal control system) to ensure the appropriateness of the business which was resolved by the Board of Directors of the Company is as follows.

(1) System for Ensuring That the Execution of Duties by Officers and Employees of the Group Conforms with Laws and Regulations and the Articles of Incorporation

1. In accordance with the “Suntory Group Code of Business Ethics,” the Group shall conduct management that prioritizes compliance, and not only obey the law, but also demonstrate even higher ethical standards as we strive for best practices that meet or even exceed the expectations of all stakeholders the Group is involved with, such as our shareholders, consumers, customers, suppliers, business partners, communities, global society, natural environment, employees.
2. In accordance with the Suntory Group Code of Business Ethics, and in line with laws and regulations and a high ethical viewpoint, the Group shall make the operation of fair and transparent activities as one of its basic policies, and it shall practice “Compliance with the law, respect for standards and culture,” “Fair competition,” “Prohibition of corruption,” “Monitoring of conflicts of interest,” “Severance of all relations with organized crime groups and thorough trade controls,” and “Fair and appropriate financial and business records and disclosure.” The officers shall take the initiative in complying with laws and regulations and business ethics, and actively make efforts to maintain and improve the management based on compliance.
3. In order to ensure that the execution of duties by officers and employees of the Group conforms with laws and regulations and the Articles of Incorporation, the Group shall establish and promote a compliance system for the entire Group, which shall encompass promoting education and training programs; establishing and operating systems for administrative divisions, an internal audit division, and whistleblowing reporting system; and providing support, advice and oversight for subsidiaries of the Company along with other initiatives.
4. The Group shall establish Compliance hotlines within and outside the Company to allow officers and employees of the Group to directly report compliance-related problems. Upon working to obtain information, the divisions in charge of compliance shall investigate the details, discuss the issue with the relevant departments as necessary, take corrective measures, establish measures aimed at preventing recurrence, and have such measures implemented across the entire Group.
5. In order to maintain soundness for the appropriate execution of business operations within the Group, an internal audit division shall be established to perform internal audits pertaining to the status of compliance and the appropriateness of business operations of the Group. The internal audit division shall report results of such audits to the Audit and Supervisory Committee and the Representative Director, President & Chief Executive Officer, as necessary.

(2) System for the Preservation and Management of Information of the Group

1. The Group shall, in accordance with laws and regulations and internal regulations, preserve and manage minutes of General Meetings of Shareholders, minutes of Board of Directors meetings, and other documents and materials related to important decision-making (including electronic or magnetic records, the same applies hereinafter) in order to ensure the transparency and objectivity of decision-making.
2. The Group shall maintain the documents and other materials mentioned above in a condition that allows for them to be viewed, and decide the authority, scope, procedures, etc. concerning their viewing.
3. The Group shall establish and promote an information security system that does not only protect and preserve information, including personal information, but also facilitates the increase of corporate value through the use of information.

(3) Regulations and Other Systems for Managing Risk of Losses of the Group

1. The Board of Directors supervises the design and operation of the Group’s risk management system. The Board of Directors establishes the Risk Management Committee, the Quality Assurance

Committee, and the Sustainability Committee, and gives instructions after receiving reports from these committees.
2. The Risk Management Committee takes on the role of promoting the risk management activities of the entire Group. The Committee identifies the Group's risks, designs countermeasures for these risks, and confirms the progress of responding to these risks.
3. The Quality Assurance Committee is in charge of the role of promoting quality assurance activities of the entire Group. The Committee identifies issues pertaining to the Group in terms of quality assurance, designs countermeasures for these issues, and confirms the progress of responding to these quality assurance issues.
4. The Sustainability Committee is in charge of the role of promoting sustainability management of the entire Group, and formulates and promotes sustainability strategies within the Group that contribute to sustainable development of society and business.

(4) System for Ensuring the Efficiency of Execution of Duties by Officers and Employees of the Group

1. The Board of Directors determines the basic policies on management of the Group.
2. The Board of Directors shall determine Company-wide goals shared by the officers and employees of the Group, and officers in charge shall specify efficient methods for achieving such goals, such as specific targets and appropriate allocation of authority aimed at achieving the Company-wide goals.
3. Officers in charge shall confirm progress made in achieving goals and report the specific measures to achieve the goals at Board of Directors meetings.
4. The Group shall allot the execution of business operations appropriately and strive to make decisions efficiently under the Responsibility and Authority Rules.

(5) System for Reporting to the Company Matters Related to the Execution of Duties by Officers and Employees of the Company's Subsidiaries

1. The Board of Directors requires regular reports regarding the status of the Company's subsidiaries' business execution.
2. Officers require reports regarding the status of the business execution of the Company's subsidiaries of which they are in charge, as needed.
3. In order to promote the Group's management strategy, risk management and management based on compliance, the Company shall design and operate a system that requires consultations with and reports to the Company's relevant departments or approval from the Board of Directors for certain matters concerning management of the Company's subsidiaries.
4. The internal audit division performs internal audits of the Company's subsidiaries, and reports the results to the Company's Representative Directors, officers in charge and Audit and Supervisory Committee as necessary.

(6) System for Ensuring a Proper Relationship Between the Company and its Parent Company

1. The Company shall promote unified group management as a member of the Suntory Group and utilize the brands, human capital, intellectual property and other group business resources while maintaining independence of management, which is necessary as a listed company, making its own decisions regarding major business resources that act as the source of the Company's corporate value, holding and securing such business resources, and working for the Company's sustainable growth while placing due consideration on shareholder conflict of interest.
2. The Company shall establish the Special Committee and make decisions at meetings of the Board of Directors regarding significant transactions, activities, etc. carried out with the Suntory Group after deliberations and reports from the Special Committee, and design and operate a system in order to ensure fairness, transparency and objectivity regarding transactions, activities, etc. with the Suntory Group.

(7) Matters Regarding Officers and Employees Who Assist in the Duties of the Audit and Supervisory Committee of the Company, Matters Regarding the Independence of Such Officers and Employees from Other Directors (Excluding Directors Serving on the Audit and Supervisory Committee), and

Matters Related to Ensuring the Effectiveness of Instructions Given by the Audit and Supervisory Committee to Such Officers and Employees

1. The internal audit division shall assist with the Audit and Supervisory Committee's duties. Matters such as those involving transfer and evaluation of internal audit division officers and employees shall be performed in a manner respectful of views provided by the Audit and Supervisory Committee, and in a manner that ensures independence from the Directors (excluding Directors serving on the Audit and Supervisory Committee).
2. In assisting with the duties of the Audit and Supervisory Committee, officers and employees of the internal audit division shall comply with the instructions and orders from the Audit and Supervisory Committee exclusively.

(8) System for Reporting to the Audit and Supervisory Committee of the Company by Officers and Employees of the Group or Other Persons Who Receive Reports from Such Officers and Employees and Other Systems for Reporting to the Audit and Supervisory Committee

1. The Audit and Supervisory Committee shall investigate the status of company business operations and property for audits, and the officers and employees of the Group shall respond promptly and accurately if required by the Audit and Supervisory Committee.
2. Upon discovery of any incident that could cause the Group substantial damage, such as acts in violation of laws and regulations, the officers and employees of the Group shall immediately report the matter to the Audit and Supervisory Committee.
3. The internal audit division shall regularly report internal audit results and the status of other activities in the Group to the Audit and Supervisory Committee.
4. The division in charge of compliance shall regularly report the status of whistleblowing in the Group to the Audit and Supervisory Committee.

(9) System to Ensure That a Person Who Has Reported to the Company's Audit and Supervisory Committee Are Not Treated Adversely Based on the Fact Such a Report Has Been Made by the Person

Officers and employees of the Group may report directly to the Audit and Supervisory Committee, and the Company shall design and operate a system in which officers and employees of the Group are not treated adversely based on the fact such a report has been made.

(10) Policies Regarding Procedures for Advance Payment or Reimbursement of Expenses Arising in Conjunction with the Execution of Duties by Audit and Supervisory Committee Members of the Company (Limited to Those Expenses Incurred in Relation to Execution of Audit and Supervisory Committee Duties) and Other Policies for Processing Expenses and Obligations Arising with Respect to Execution of Such Duties, and Other Systems for Ensuring That the Audit and Supervisory Committee Effectively Performs Audits

1. If the Audit and Supervisory Committee, in conjunction with the execution of its duties, asks the Company for advance payment, etc. of expenses under Article 399-2, paragraph (4) of the Companies Act, the Company shall promptly process such expenses or obligations, unless they are not necessary for the Audit and Supervisory Committee Members to execute their duties.
2. If the Audit and Supervisory Committee requests independent use of an external expert for the purpose of executing duties of the Audit and Supervisory Committee Members, the Company shall then bear those expenses, unless they are not necessary for the Audit and Supervisory Committee Members to execute their duties.
3. The Audit and Supervisory Committee makes efforts to carry out effective audits by communicating, collaborating and exchanging opinions and information with the Company's officers, the internal audit division and the Accounting Auditor, and officers and internal audit divisions of the Company's subsidiaries.

2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts

<Basic Views>
The Group makes decisive responses to anti-social forces in accordance with the Code of Business Ethics.
<Progress of Related Efforts>
Centered around the Company's legal affairs division, a responsible person has been assigned in each company. The Group has put a system to take action in cooperation with relevant administrative agencies such as the police, the company attorney, and others in the event that any improper demand is made. The Group has been working to improve the system by preparing a manual for responding to anti-social forces, making it known across the Group and providing various training programs, and other means.
In addition, research is carried out at the time of starting a transaction in an effort to prevent business with anti-social forces.

V Other

1. Adoption of Anti-Takeover Measures

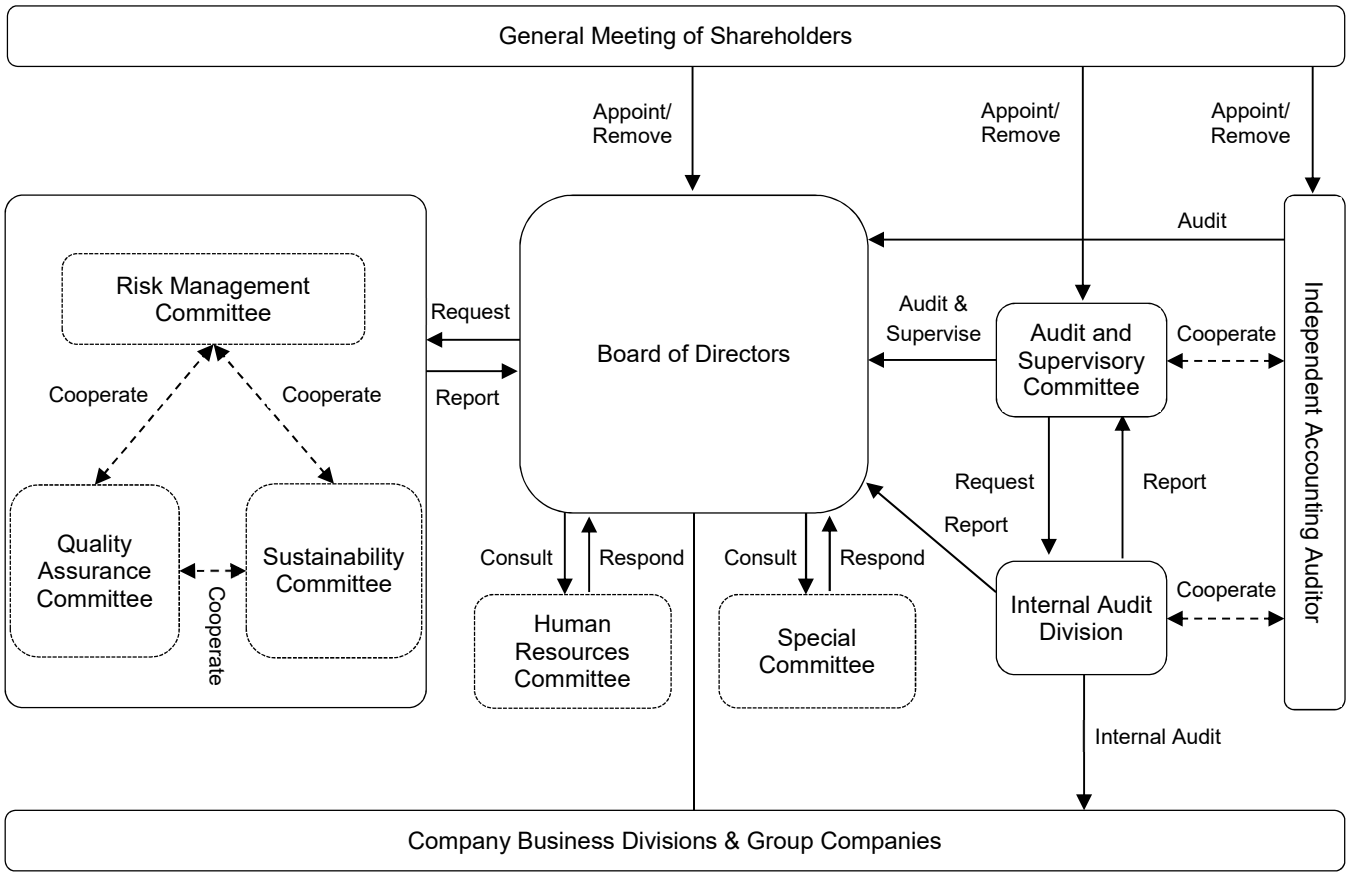
Adoption of Anti-Takeover Measures	Not adopted

Supplementary Explanation

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2. Other Matters Concerning Corporate Governance System

[Overview of Timely Disclosure System]
The Group's basic stance is to disclose corporate information to investors in a timely and appropriate manner, and it handles the following information to be disclosed timely in accordance with internal regulations.
(1) The investor relations division and the legal affairs division are in charge of the aggregation and management of information. These divisions ensure thorough internal information management, and communicate any issue that falls under matters subject to timely disclosure to the Risk Management Committee as necessary.
(2) The investor relations division is in charge of timely disclosure of company information stipulated by the Tokyo Stock Exchange, including the Company's material facts.
(3) Information from each division that has been aggregated by the investor relations division and the legal affairs division is discussed by the investor relations division and the legal affairs division, and disclosed by the investor relations division in a timely manner without delay after the material fact occurs or is determined.
(4) The Group ensures that the above system is made known across the Group, and the disclosure status is regularly reported at meetings of the Board of Directors including outside officers and on other occasions to achieve improvements.


General Meeting of Shareholders
Appoint/ Remove
Appoint/ Remove
Appoint/ Remove
Audit
Risk Management Committee
Request
Report
Board of Directors
Audit & Supervise
Audit and Supervisory Committee
Cooperate
Independent Accounting Auditor
Cooperate
Cooperate
Quality Assurance Committee
Cooperate
Sustainability Committee
Consult
Respond
Consult
Respond
Request
Report
Report
Human Resources Committee
Special Committee
Internal Audit Division
Cooperate
Internal Audit
Company Business Divisions & Group Companies