

CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer
/ 酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

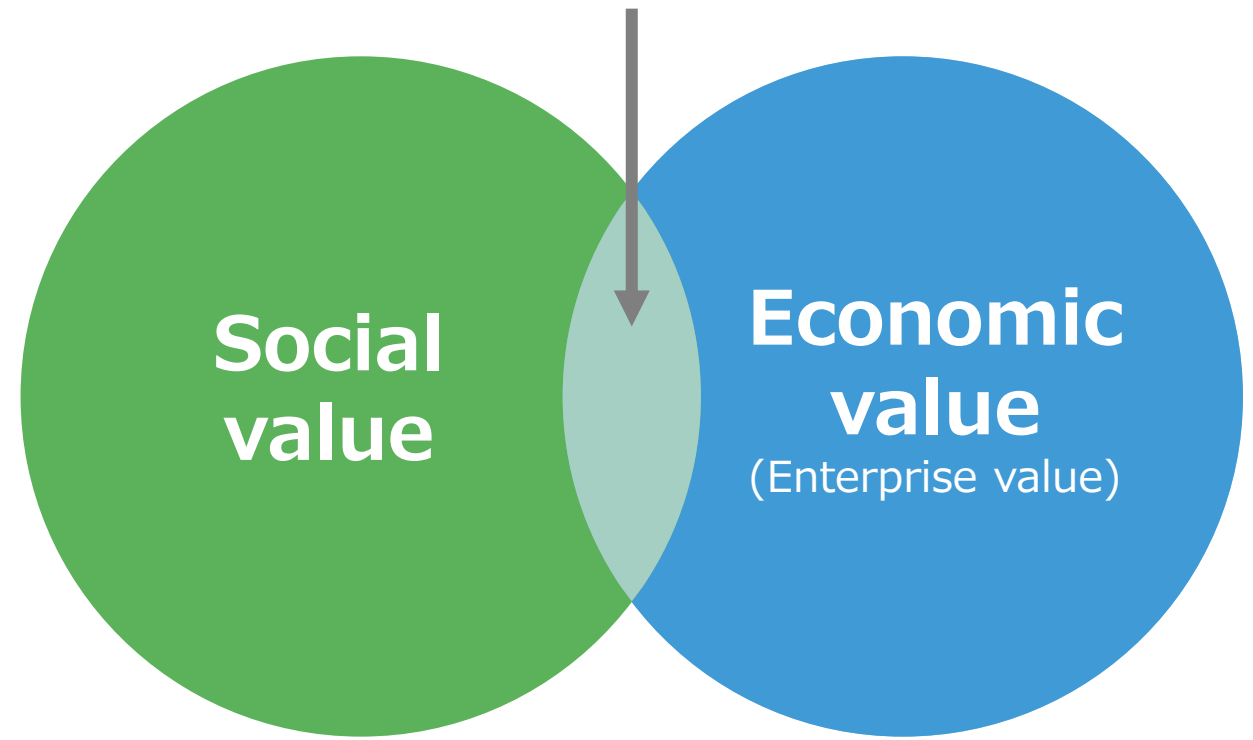
8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

What is CSV (Creating Shared Value) ?

- A concept proposed by Professor Michael E. Porter and Mark R. Kramer of Harvard University in 2011.
- Creating shared value is the practice of creating economic value in a way that also creates value for society by addressing its needs and challenges as the next driving force for growth.

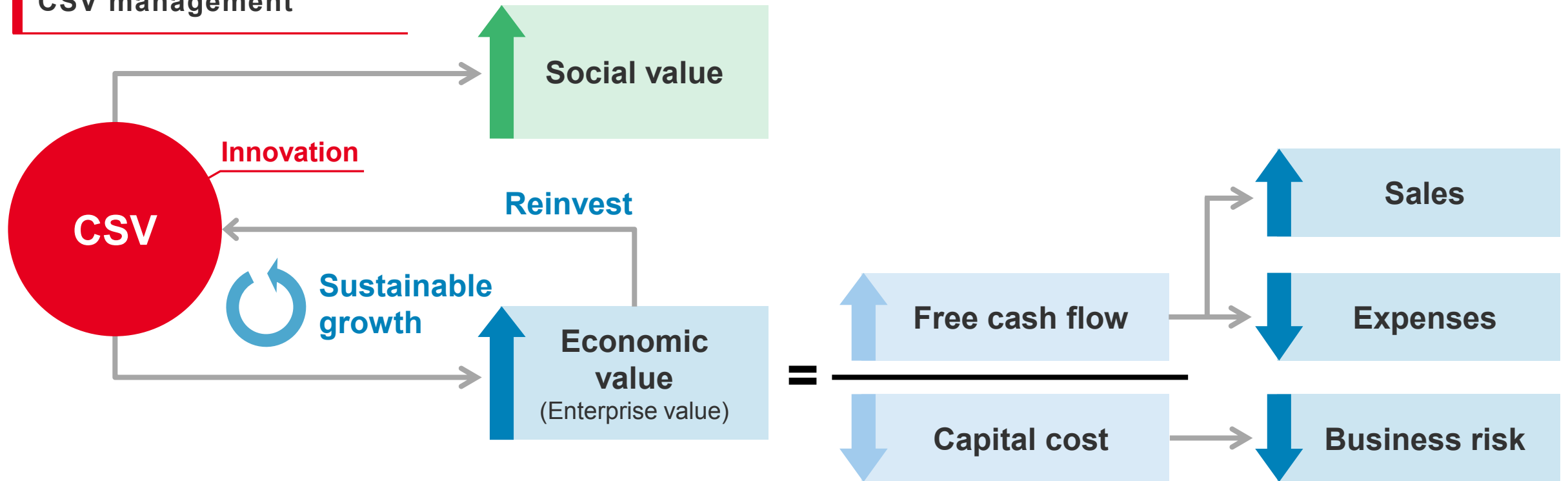
Creating Shared Value



CSV and Sustainable Growth

- CSV approach seeks to resolve the social issues through innovation, increase enterprise value by generating sales, cutting costs and reducing business risk, and further mitigate the social issues and enhance enterprise value by reinvesting profits.

Structure of sustainable value creation through CSV management

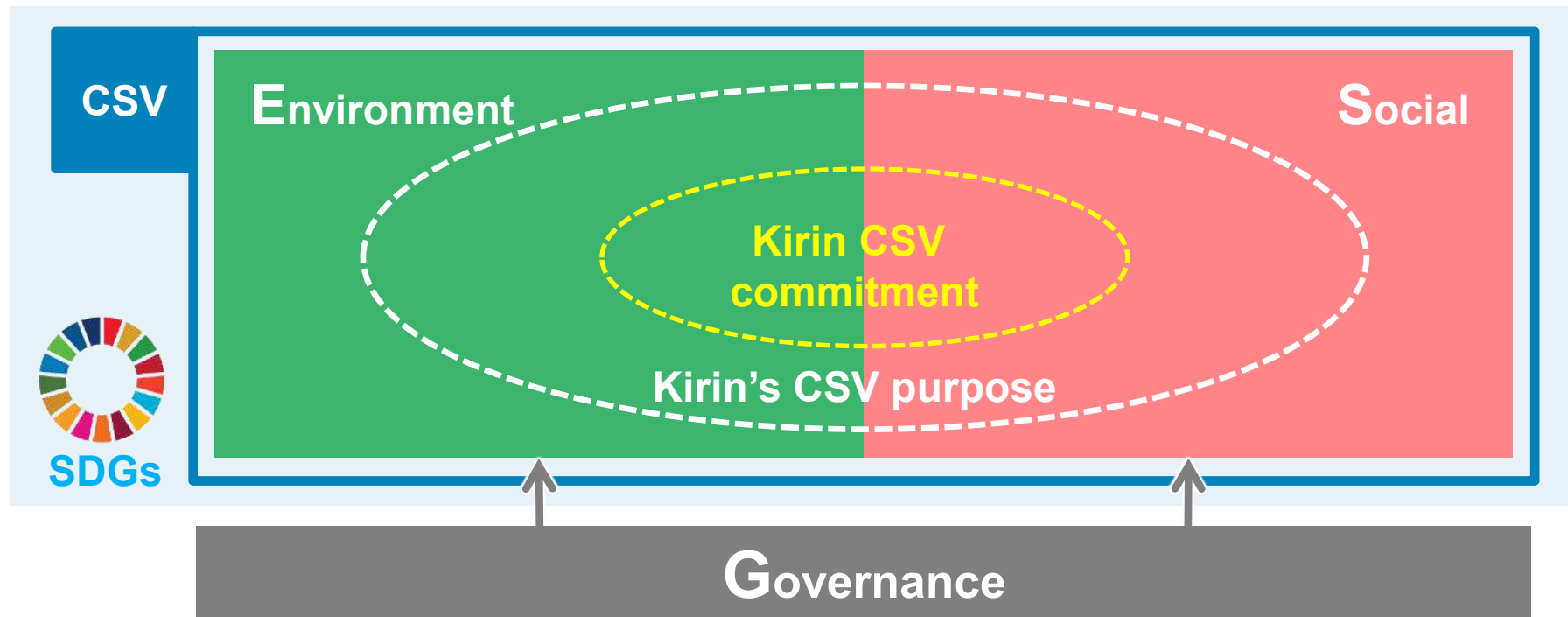


- Among all SDGs agendas to be addressed by all stakeholders, the E and S in ESG, which are used by long-term investors to evaluate investments, are the domains where the invested companies can generate returns and sustain their growth by resolving those issues. This concept expressed from the perspective of a company as the investment is Creating Shared Value (CSV)
- At Kirin, ESG is viewed to be a governance added to CSV, and by properly conducting governance of CSV management, the company will increase shareholder value, contribute to SDGs, and link these to improve ESG reputation and attract ESG investments

Relationship of

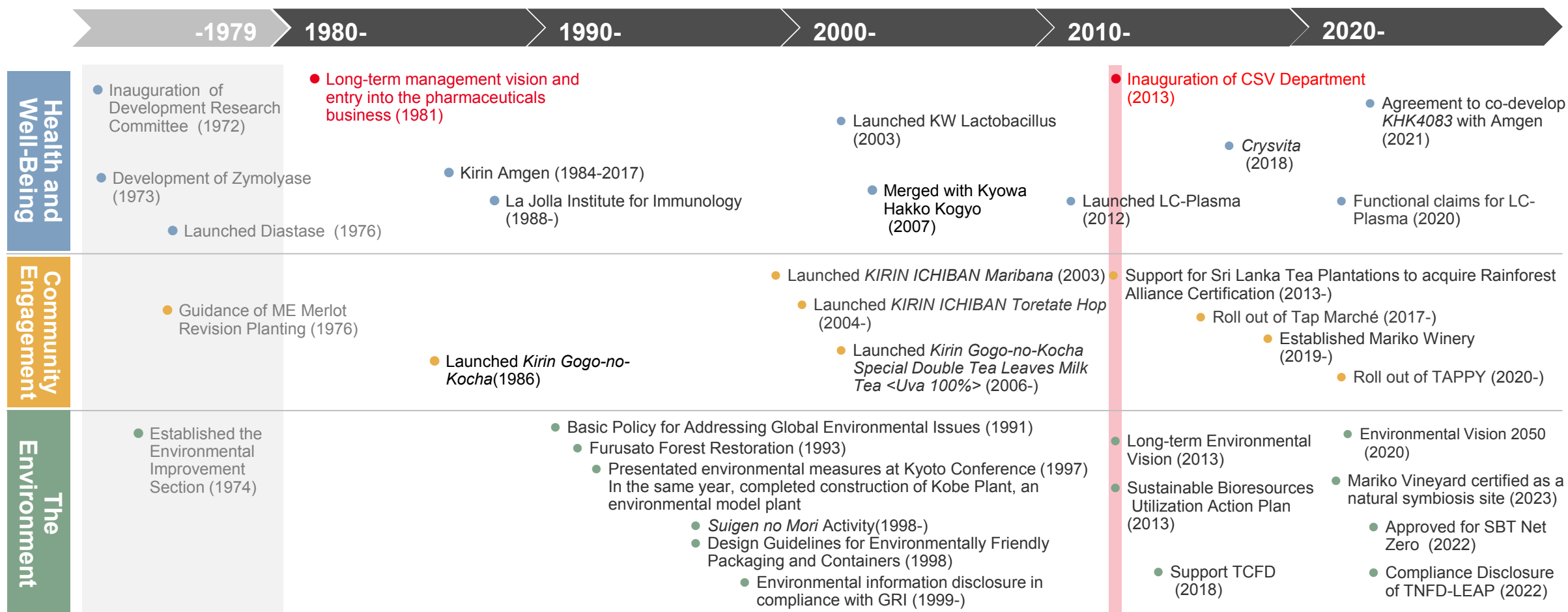
ESG and CSV

Creating Shared Value



Pre-history and History of CSV management

- The commercialization of solving social issue (CSV as we know it today) has been a practice since the Company's long-term management vision in 1981, when we entered biopharmaceutical development by utilizing fermentation and cultivation technologies developed in the beer industry to contribute to health issues associated with the aging of society.



Note: In terms of responsibilities as an alcohol producer, Kirin Free, the world's first beer-tasting beverage with 0.00% alcohol content, was launched (2009)

Examples of the Social and Economic Value of CSV Initiatives



	Starting year	Initiative	Social Value	Economic Value
Health and Well-Being	1981	● Entry into biopharmaceutical development	● Improve patient's quality of life through pharmaceutical innovations	● Pharmaceuticals business currently generates 1/3 of the Group's Normalized operating profit
	1988	● Support for the establishment of the La Jolla Institute for Immunology	● Publish world-class immunological research results	● Discovered KHK4083's lead antibody at La Jolla's Laboratory
	2012	● Launched LC-Plasma	● Maintain immune function in healthy individuals	● Sales revenue is expected to reach 20 billion yen in 2023
Community Engagement	1986	● Launched <i>Kirin Gogo-no-Kocha</i>	● Promote the Sri Lankan tea industry (Japan's import from Sri Lanka tripled from 1985 to 2010)	● Created sales volume of 50 million cases of <i>Gogo-no-Kocha</i> (using 1/4 of tea leaves imported from Sri Lanka to Japan)
	2006	● Launched <i>Kirin Gogo-no-Kocha Special Double Tea Leaves Milk Tea <Uva 100%></i>	● Increased awareness of Uva as a production area brand and increased income for tea leaf farmers	● Strengthen the <i>Gogo-no-Kocha</i> brand through selective use of branded tea leaves ● Currently, the three core products are labeled with their place of origin*
	2013	● Support for Sri Lankan tea plantations to acquire Rainforest Alliance certification	● Promote sustainable agriculture, conserve biodiversity	● Improve quality and stable procurement of raw tea leaves
	2003	● Launched <i>KIRIN ICHIBAN Toretate Hop**</i>	● Sustain domestic hop agriculture, create regional development of hop producing areas	● Cumulative sales volume of 350 million bottles***
	2017	● Rollout of Tap Marché begins	● Create local communities and promote the Japanese craft beer industry through the promotion of independent craft breweries	● Improve unit sales price ● Stimulate beer demand
	2020	● Rollout of TAPPY begins	● Reduce food waste, alleviate food and beverage labor shortages, and reduce GHG emissions from deliveries	● Installed in more than 20,000 stores
	2019	● Established Mariko Winery	● Sustain agriculture, promote the Japanese wine industry, restore biodiversity	● Voted as World's Best Vineyard for the fourth consecutive year
The Environment	1997	● Completed the construction of Kobe Plant, an environmental model plant	● Reduce GHG emissions, conserve water	● Reduce energy costs (cumulative total of tens of billions of yen across Kirin Brewery)
	1998	● Established guidelines for designing environmentally friendly packaging and containers, etc.	● Reduce GHG emissions, conserve resources	● Reduce cumulative cost of more than 70 billion yen due to lighter weighing containers
ARP	2009	● Launched the world's first product with Alc 0.00%	● Resolve issues such as drunk driving and maternal drinking	● Create a high profitable product category

Summary: Kirin Group's CSV Management

- We will (1) the transformation to our health business, which requires time, by promoting ESG investment, (2) adapt to the increase of alcohol risk by expanding our health business portfolio, and (3) sustain our alcohol business by positively controlling external economies, thereby lowering the cost of capital and increasing cash flow to enhance enterprise value while achieving our four purposes.



-
- The diagram illustrates the Group Management Model (GMM) as a pyramid structure with three main levels, each with associated components and interactions:
- Top Level (Corporate Philosophy):**
 - GMM 1):** Future after ten years from now.
 - Corporate Philosophy** is at the apex.
 - Middle Level (CSV Purpose 2):**
 - CSV Purpose 2):** Guidelines up to 2027.
 - CSV Commitment:** Plan up to 2024.
 - Vision of Each key Issue** is associated with the CSV Commitment level.
 - Bottom Level (Business Plans):**
 - Group Business Plan** (To be incorporated in business plans).
 - Business Plan of Individual Companies** (To be incorporated in business plans).
 - Evaluation of Executive Officers** (Promotion of Commitments).
 - Evaluation of Organizational Chief (MBO-S)** (Promotion of Commitments).
- Interactions and Committees:**
- Multiple Stakeholders** interact with the GMM 1) level.
 - CSV Contact person meeting 3)** interacts with GMM 1) and CSV Purpose 2).
 - Group CSV Committee 4)** interacts with CSV Purpose 2) and CSV Commitment.
 - Group Executive Committee** interacts with CSV Commitment and the Board.
 - The Board** is the final authority, interacting with the Group Executive Committee and the Board of Directors.
 - Nomination and Remuneration Advisory Committee** interacts with the Evaluation of Executive Officers and the Board.
 - Executive Committee at each Company** interacts with the Business Plan of Individual Companies and the Evaluation of Organizational Chief (MBO-S).

- 3

Group Materiality Matrix (GMM) ・CSV Purpose ・CSV Commitment

- Based on the GMM created looking 10 years into the future, the management philosophy as a universal mission is translated into the CSV Purpose as "the role and significance of existence expected in today's society," and the CSV Commitment is formulated as an action plan to achieve this goal.

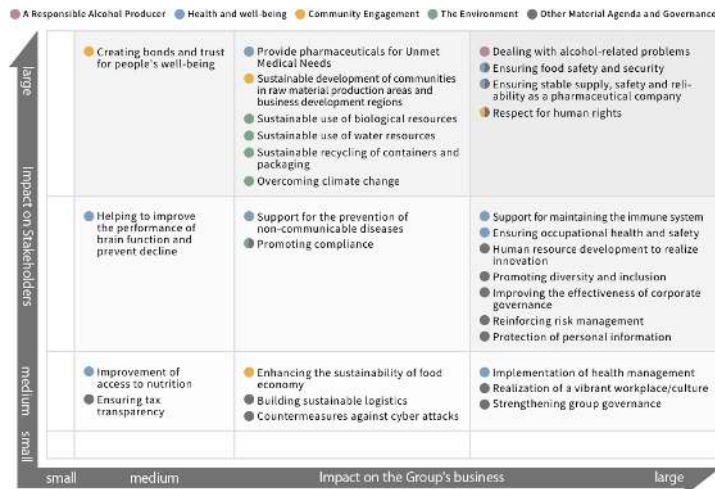
Identification of
key issues

Setting up
an action Plan

GMM

CSV Purpose

CSV Commitment



Items	Themes	Non-financial Indicators	Target Level in 2024
Environment	Climate Change	Reduction rate of GHG emissions (Scope1+2 vs. 2019)	23% (50% in 2030)
	Containers and Packaging	Recycling rate of resin for PET bottles	38% (50% in 2027)
	Water Resources	Water use intensity at manufacturing sites with high water stress (Water use intensity = Water usage / Production amount)	Under 3.0 kL/kL (Under 2.4kL/kL in 2025)
Health	Progress of mid-term health science strategy	Achievement level in supporting the maintenance of immune function 1. Recognition rate of IC-Plasma function in Japan. 2. Number of people contributing to take IC-Plasma	1. 45% 2. 1,900,000 people (1.50% in 2027)
		Achievement level of new value creation in the immunity, brain function, and intestinal environment domains and Achievement level of promotion of collaboration with pharmaceuticals domain	Not disclosed ¹⁾
Employees	Organizational Culture	Employee engagement score	75%
	Diversity	Achievement level in "Increasing diversity" ²⁾ 1. Ratio of female managers in Japan. 2. Ratio of career hires in Japan	1. 15% 2. 30%
	Occupational health and safety	Lost time injury frequency rate ³⁾	0.95 (0.40 in Japan)

¹⁾ Specific indicators and target levels are not disclosed for strategic reasons, as they include content related to intellectual property.
²⁾ The target group is employees of Kirin Holdings.
³⁾ Major group companies that have production and logistics functions within the group will be included. Partner companies within the plant premises are also included.

Disclosing our 2022 – 2024 CSV Commitment via our website*

* [2022-2024 CSV Commitments | CSV Management | Kirin Holdings](#)

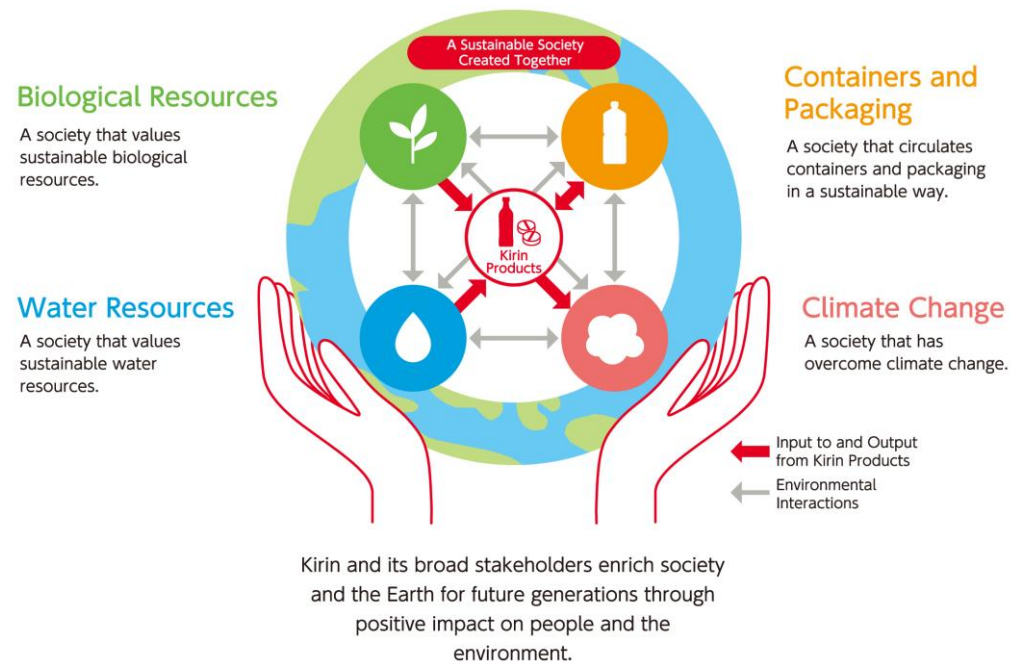
Four environmental challenges and a holistic approach

- Four key environmental themes have been established: Biological Resources, Water Resources, Containers and Packaging, and Climate Change.
- The Kirin Group's approach is to solve these issues in an integrated (holistic) manner, as they are interrelated rather than separate.

approach: **holistic**

The concept that the environmental materialities of "Biological Resources," "Water Resources," "Containers and Packaging," and "Climate Change" are not separate issues but are interrelated and therefore need to be solved in an integrated manner.

Kirin Group's Environmental Vision 2050 Enrich the Earth with Positive Impact



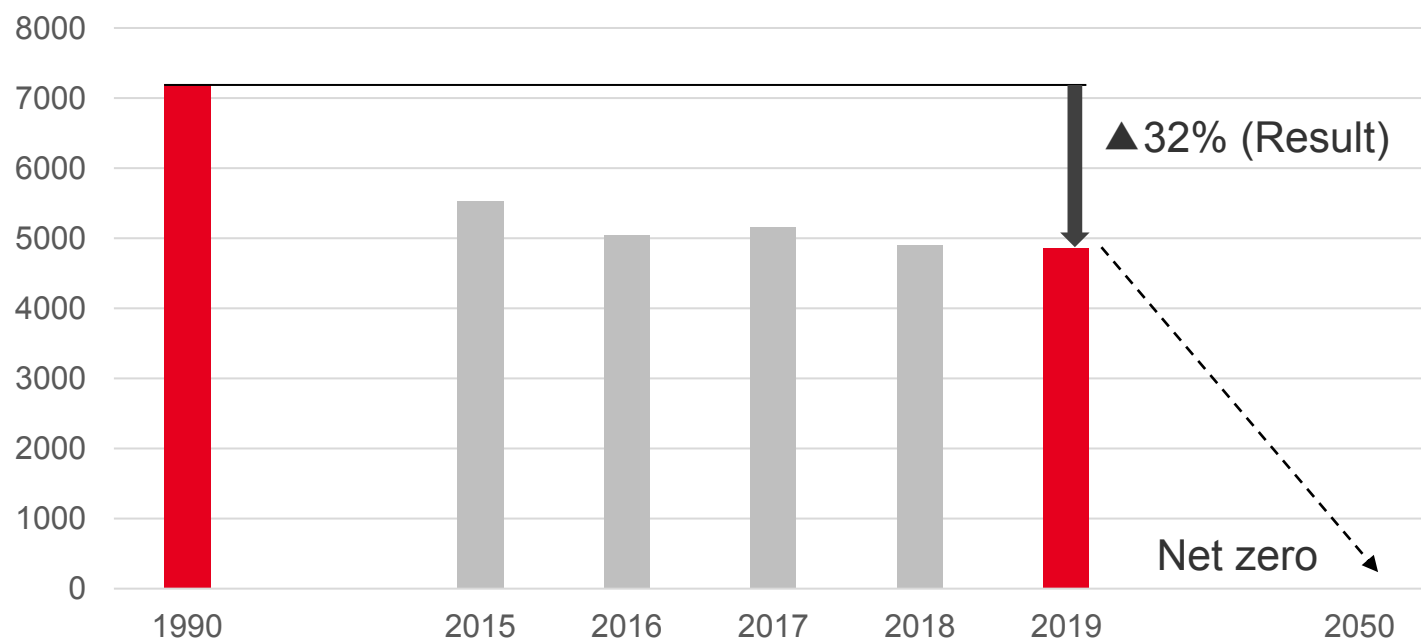
The most important message: **Positive impact**

Positive impact : The concept that we expand our environmental initiatives and their ripple effects to whole society exceeding confines of the company. We will create sustainable future together with society and people who will inherit next generation.

Climate change Long-term target

- The Kirin Group has greatly reduced GHG emissions in the overall value chain.
- Net zero emission, our 2050 target shown in environment vision, is a ambitious challenge, but we will achieve it by combining the accumulated experience and differentiated strategy in each business.

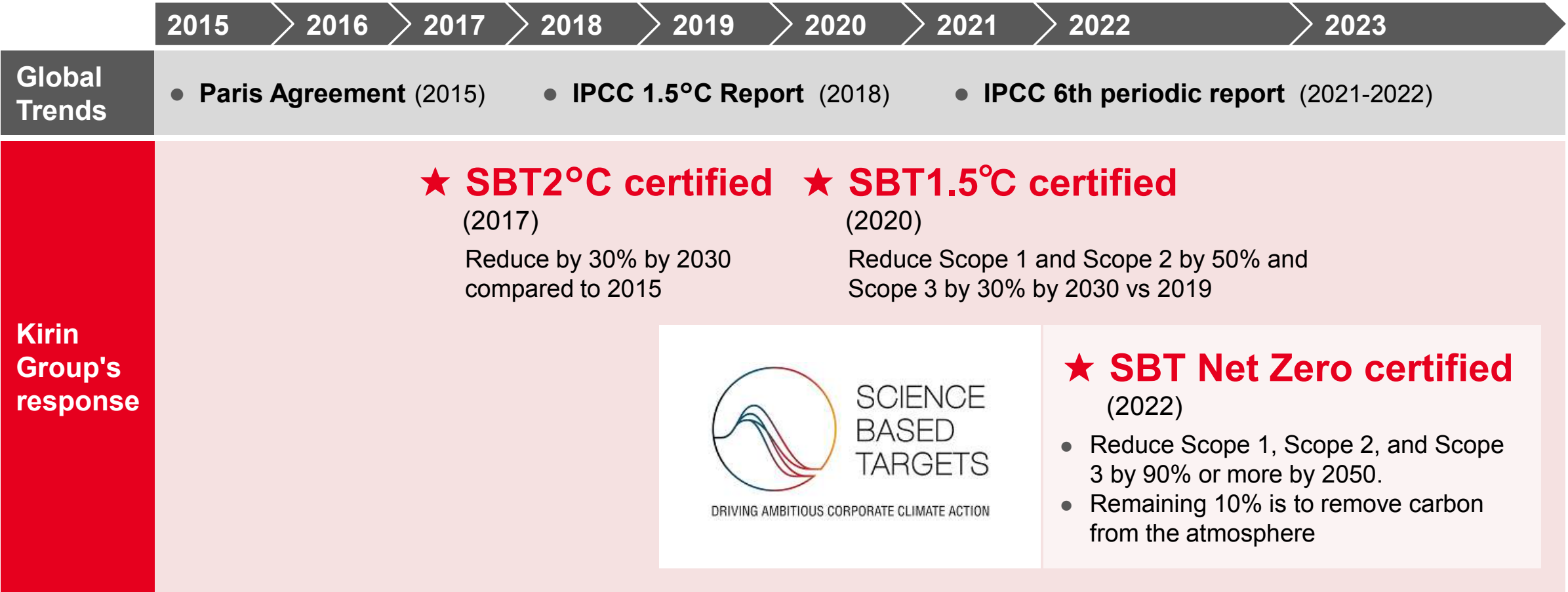
Changes in GHG emissions in the value chain (Scope 1-3)



- Install high efficiency equipment
- Improve operations
- Reduce the weight of containers and packaging

Through these kind of measures
We accumulate technical know-how that will
lead GHG reductions
(R&D, engineering, production technology)

- Since the Rio Earth Summit in 1992, Kirin Group has been working to combat climate change along with the rest of the world.
- We are the first in the Japanese food industry to be certified for SBT2°C and SBT1.5°C, and first in the world to be certified for SBT Net Zero in the food industry.



Environment (Containers) : Initiatives aimed at a society in which plastics continue to circulate

- To establish a world-leading recycling economy for PET bottles, we are promoting social implementation of chemical recycling*.
- The company is the first Japanese plastic user company to join the Alliance to End Plastic Waste (AEPW), and is working to solve the plastic waste problem from a global perspective.

Cycle of Recycling



Namacha as an environmental flagship brand



- New container reduces plastic usage in labels by approximately 180 tons and improves pallet loading efficiency

Labelless Products



Lighten the PET weight



* The process of scientifically breaking down waste plastics using various methods and reusing them as raw materials for products and other purposes. The recycling method in which waste plastic is used as raw material to make new products is called material recycling.

AEPW



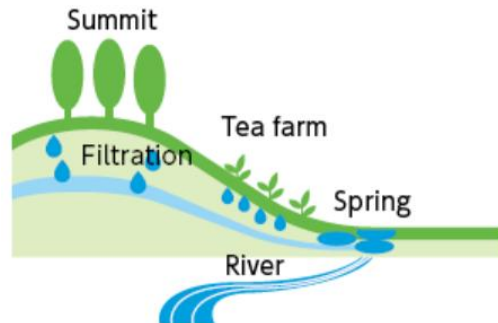
Established in 2019, a global alliance to advance solutions to reduce and eliminate plastic waste in the natural environment, especially in the ocean

- Need to address water use across the value chain, not just in the factory basin.
- Water is a resource that circulates in each region. Because the features and scale of the issues vary depending on conditions such as the climate and flood control measures, it is most important to respond to the risk based on the region and form of use.

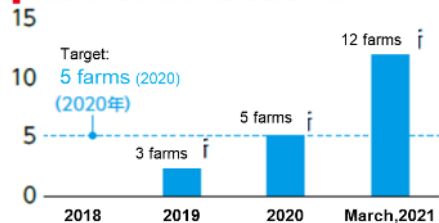
Initiatives in Raw Material Producing Regions

Watershed conservation activities in Sri Lanka

Mechanism of micro watersheds



Number of tea farms in Sri Lanka conducting watershed conservation activities

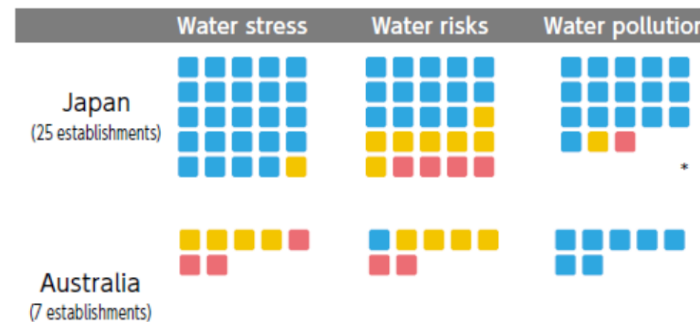


Initiatives in the Factory Area

Watershed forestry activities



Assessed water risk

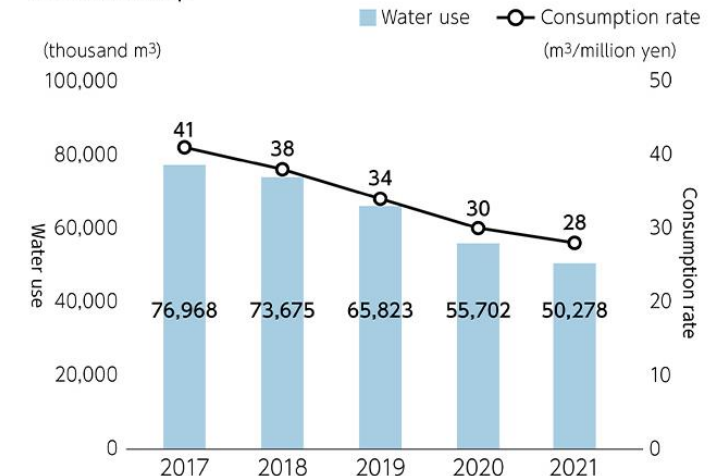


Initiatives in the Factory

Kirin Brewery



Water use and consumption rate (water use / sales revenue) of entire Group



- Presented the research results of Château Mercian Mariko Vineyard and other sites at COP15 in Montreal, showing that the “Satoyama” concept can lead to the restoration of biodiversity.
- Officially recognized by the Ministry of the Environment as a natural symbiosis site for the international goal of “30 by 30”, which aims to "conserve 30% of the land and sea as healthy ecosystems" by 2030.
- The Mariko Vineyard was selected as one of the World's Best Vineyards for the fourth consecutive year (38th in 2023). Château Mercian’s sales revenue is expected to reach a record high this year.

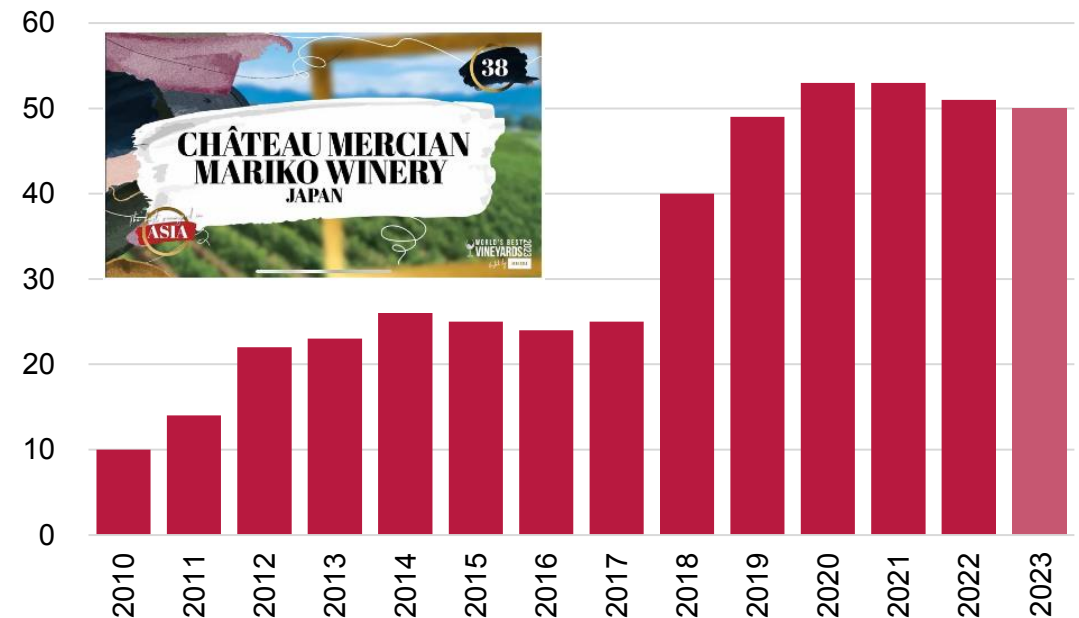


2020 UN BIODIVERSITY CONFERENCE
COP 15 - CP/MOP10-NP/MOP4
Ecological Civilization-Building a Shared Future for All Life on Earth
KUNMING – MONTREAL



Economic value

Château Mercian Sales volume (1,000 cases)



- After formulating the Kirin Group Human Rights Policy in 2018 as a high-level policy for all initiatives related to respect for human rights, we have been implementing activities in accordance with this policy.
- In November 2023, the Human Rights Policy was revised for the first time in five years in response to social demands and the business environment surrounding the Kirin Group.

		Activity Summary	Achievements
2017	CSV Committee	The CSV Committee in 2017 decided to promote initiatives in accordance with the United Nations Guiding Principles on Business and Human Rights, and as a first step, formulated the Kirin Group Human Rights Policy.	Decided by the Board of Directors of Kirin Holdings in December 2017, established and published in February 2018.
2018	Developed the Kirin Group Human Rights Policy		
	Implemented Human Rights DD* Human Rights Awareness Activities *Human Rights Due Diligence	- In line with the Guiding Principles and the Group's Human Rights Policy, we initiated efforts to identify, prevent, and mitigate negative human rights impacts related to the Kirin Group's business (human rights due diligence). - Launched activities to gain stakeholders' understanding and support for the Kirin Group Human Rights Policy.	- Implemented with the Myanmar business and Laos coffee supply chain, which were considered high priority based on the human rights risk assessment. - Provided briefing to joint venture partners and suppliers.
2020	CSV Committee	At the CSV Committee in 2020, it was agreed to establish a project team to examine initiatives to address human rights in the supply chain, with the goal of achieving the top level of the industry.	Began the development of a Group promotion system and consideration of the human rights medium- and long-term strategy.
2021	Group Promotion Structure, Reviewed the Human Rights Medium- and Long-Term Strategy		
2022	Established the Group Human Rights Council Formulated the Human Rights Medium- and Long-Term Strategy	In 2021, the Group Human Rights Council was established to formulate a human rights medium- and long-term strategy and promote initiatives, including the establishment of a structure, based on this strategy.	Established the Group promotion system and formulated the human rights medium- and long-term strategy.
2023	Began operation of Group Human Rights Meeting under CSV Committee	Started operating the Group Human Rights Conference under the Group CSV Committee, and in 2022, addressed various human rights issues, including individual human rights issues in the supply chain.	
	Revised the Kirin Group Human Rights Policy	Revised the Human Rights Policy in line with social demands, including laws and regulations, and changes in the business environment surrounding the Kirin Group, and based on the opinions of internal and external stakeholders, including the labor union.	

- In order to carry on the learning from Kirin's experience in Myanmar, we invited Mr. Chris Sidoti, an international human rights lawyer who was a member of the UN fact-finding mission on Myanmar, to give a lecture on "What we can learn from Kirin's experience in Myanmar" for the board members' human rights training program in April of this year.
- Mr. Chris Sidoti also provided feedback several times during the process of revising the human rights policy in November, which has been reflected in the final draft.

Revised Human Rights Policy

Revised the Kirin Group Human Rights Policy to accelerate initiatives at the global level

- We aim to step up our human rights initiatives to best practices considering the changes in the global environment surrounding human rights and Kirin's experience in Myanmar.
- In our Long-Term Management Vision KV2027, we aim to "become the world's leading CSV company," and human rights initiatives are positioned as the foundation for this goal.
- Kirin Group is committed to respecting human rights. We will conduct "human rights due diligence" to identify, prevent, and reduce negative human rights impacts in our value chain, including suppliers of agricultural raw materials, and take appropriate corrective measures in the event of negative impacts.
- We will prioritize and address the identified human rights issues, and continuously evolve our activities through appropriate information disclosure and dialogue with our stakeholders. We will create a positive impact on society through the identification of new human rights issues and their solutions.

https://www.kirinholdings.com/en/newsroom/release/2023/1108_06.html



Member of the UN fact-finding mission on Myanmar, international human rights lawyer

Mr. Chris Sidoti



Commitment in Respect for Human Rights

- This Human Rights Policy is our Group commitment to respect human rights.
- In addition to reducing negative impacts on human rights (such as human rights violations), we have clearly stated that we will create more positive impacts on society.
- To realize this goal, we will prioritize our efforts in order of priority, starting with areas with the greatest challenges.



Global Standards Compliance

- We have developed and refined the content of the policy compared to the 2018 version by referring to the United Nations Guiding Principles on Business and Human Rights* and examples of leading companies.

* Formulated by the United Nations in 2011.
Internationally used as a guideline for respecting human rights in corporate activities.



With All Stakeholders on the Value Chain

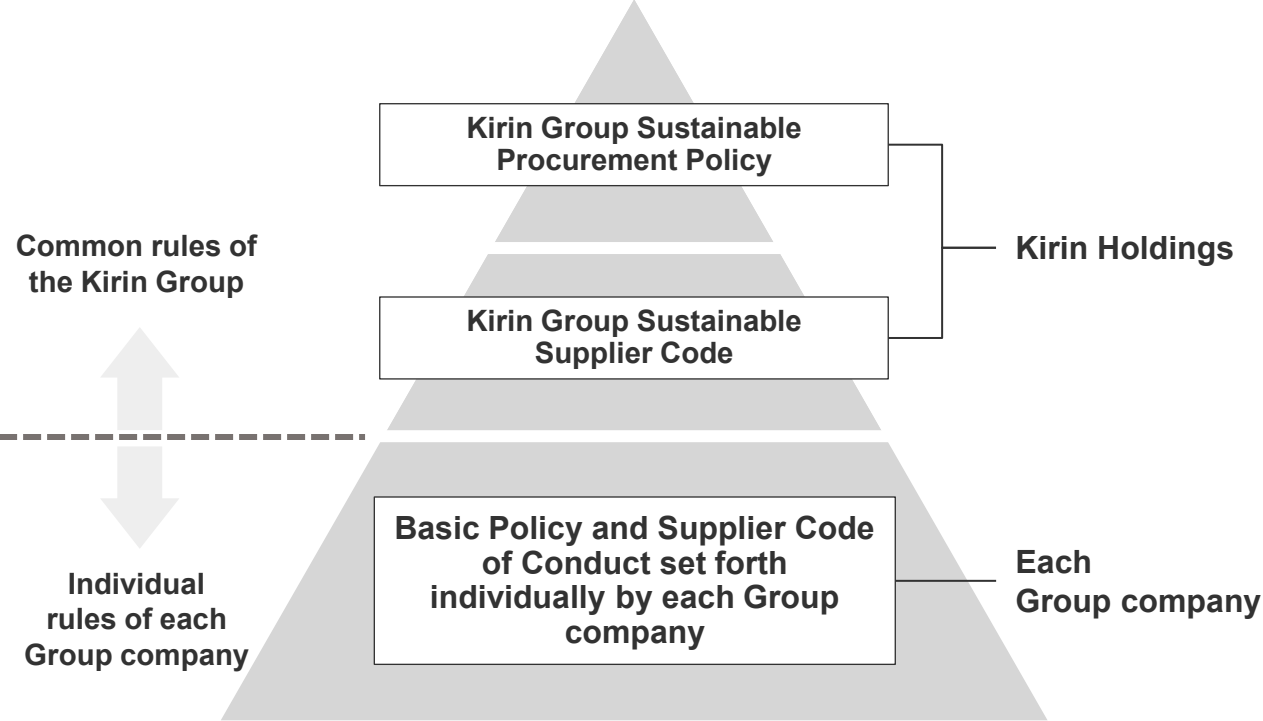
- In addition to applying the policy to all officers and employees of domestic and overseas group companies, we have clearly stated that we require our various business partners involved in our entire business (value chain), including R&D, procurement, manufacturing, logistics, sales, distribution, and disposal, to understand and comply with this policy.

Year of Implementation	Details
2017	The Kirin Group Sustainable Procurement Policy was established, and the Group declared to accept, support, and implement the set of essential values in the areas of human rights, labor, environment, and anti-corruption as set forth in the United Nations Global Compact.
2018	Revised the existing Supplier CSR Guidelines in response to the Kirin Group Human Rights Policy and Kirin Group Sustainable Procurement Policy and held supplier briefing sessions for primary suppliers. Conducted human rights due diligence led by People & Culture Department (rice in Myanmar, coffee supply chain in Laos)
2019	Adopted the CSR Procurement Self-Assessment Questionnaire (standard SAQ) developed by the Global Compact Network Japan. Conducted a fact-finding survey of primary suppliers using the standard SAQ.
2020	Launched the Human Rights Project, following the decision by the Group CSV Committee to strengthen its supply chain human rights efforts.
2021	Established a Kirin Group Sustainable Procurement Policy and Supplier Code of Conduct covering all Group companies, held supplier briefing sessions remotely, and requested suppliers to submit a checklist against the supplier code and a letter of acceptance promising to promote efforts toward compliance and report violations. Identified and prioritized risks in the supply chain using Sedex* risk assessment tools and advice from external experts.
2022	Joined Sedex as the Kirin Group. Held supplier briefing sessions to promote membership. Conducted human rights due diligence in Sri Lankan tea leaves.
2023	Joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) and invited external experts to conduct supplier information sessions on the subject of JaCER. Plan to conduct human rights due diligence in Argentine grapes and conducted follow-up audit of Sri Lanka by our employees.

* Sedex : Abbreviation for Supplier Ethical Data Exchange. An online system that allows suppliers to maintain data on their ethical and responsible practices and share this information with their customers.

- Established the Kirin Group Sustainable Supplier Code , requiring suppliers to expand to primary suppliers in the supply chain.
- At the start of a procurement, we require the submission of a checklist to check for violations of the Supplier Code, as well as a letter of acceptance promising to promote efforts toward compliance and to report any violations.

Procurement Policy



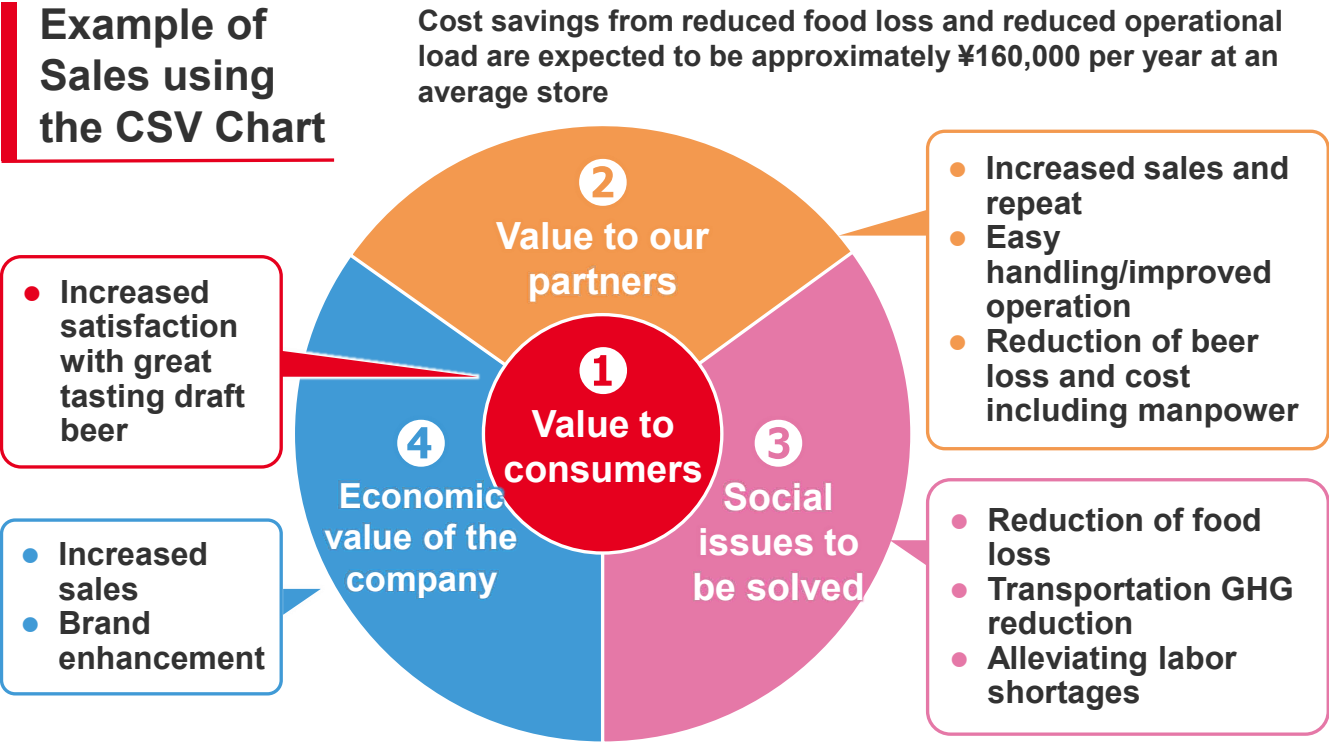
Categories of Human Rights in Supplier Code

1	Child labor
2	Forced labor
3	Freedom of association and the right to collective bargaining
4	Fair and equal treatment
5	Working hours and holidays
6	Wages and benefits
7	Responsibility to the community
8	Access to remedies

- Developed by Kirin's Packaging Innovation Institute, the rollout of TAPPY will support small-scale restaurant and bars, which are the hubs of communities that are on the verge of fading due to the COVID-19, and are suffering from a shortage of staff and rising costs. The number of stores with TAPPY installed reached the initial target of 10,000.
- Field sales are utilizing the CSV Chart to communicate with our customers. The CSV mindset is spreading throughout the organization.



Example of Sales using the CSV Chart



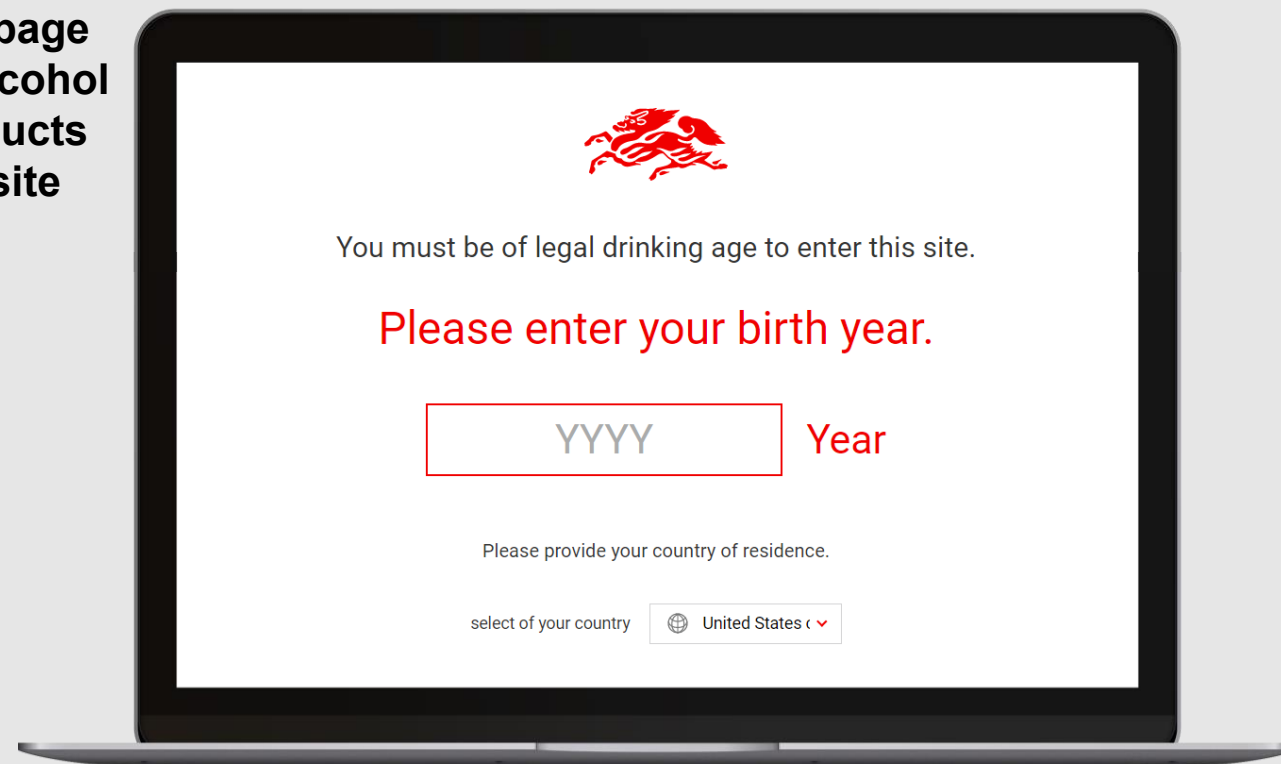
Reference: Nikkei Business Electronic SPECIAL, "Kirin's CSV Management Gaku: Supporting Restaurants through Problem-Solving Beer Servers that Create Connections between People and Expand the Circle of Happiness" (Japanese only)

- Kirin has begun labeling the amount of pure alcohol on major products in Japan from May 2022, aiming to complete the labeling by the end of 2023. Shortened URL (tekiryo.jp) leading to the company's website on appropriate drinking will also be displayed.
- Age verification on the website has been enhanced to a combination of "year of birth" and "country of residence" from June 2021.

Examples of Product Labeling

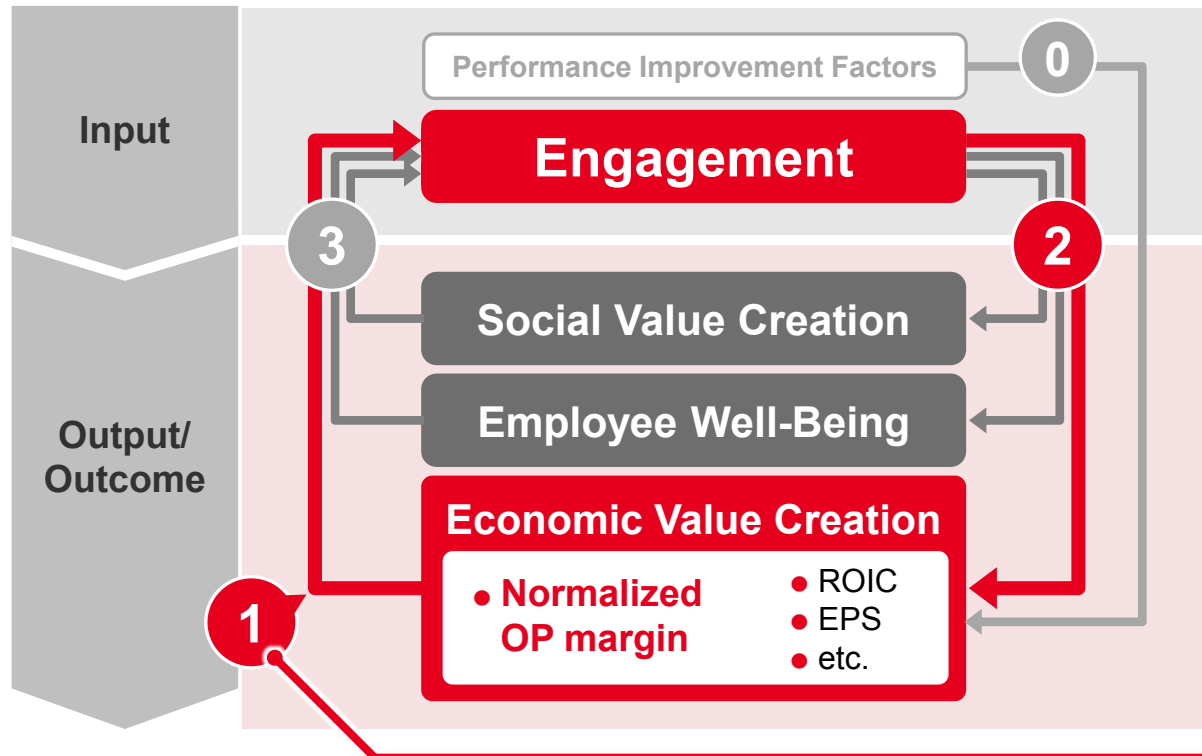


Top page of Alcohol Products website



- Kirin began measuring employee engagement scores as a non-financial indicator in 2013. This has been set as a non-financial KPI from the previous Medium-Term Business Plan.
- Engagement is strongly correlated with business profitability (①). Engagement promotes wellbeing and social and economic value creation through work (②), outcomes are linked back to engagement (③) and Output/Outcome is amplified.

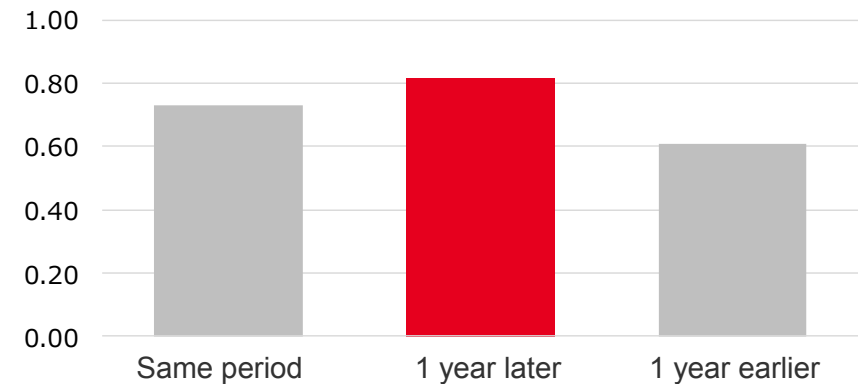
Engagement and the Output/Outcome Extended Reproduction Relationship



Correlation between engagement score and NOP margin

Since the changes in engagement tend to proceed the changes in business profits by one year, economic outcomes are presumed to be the starting point of the cycle (①)

Correlation coefficient



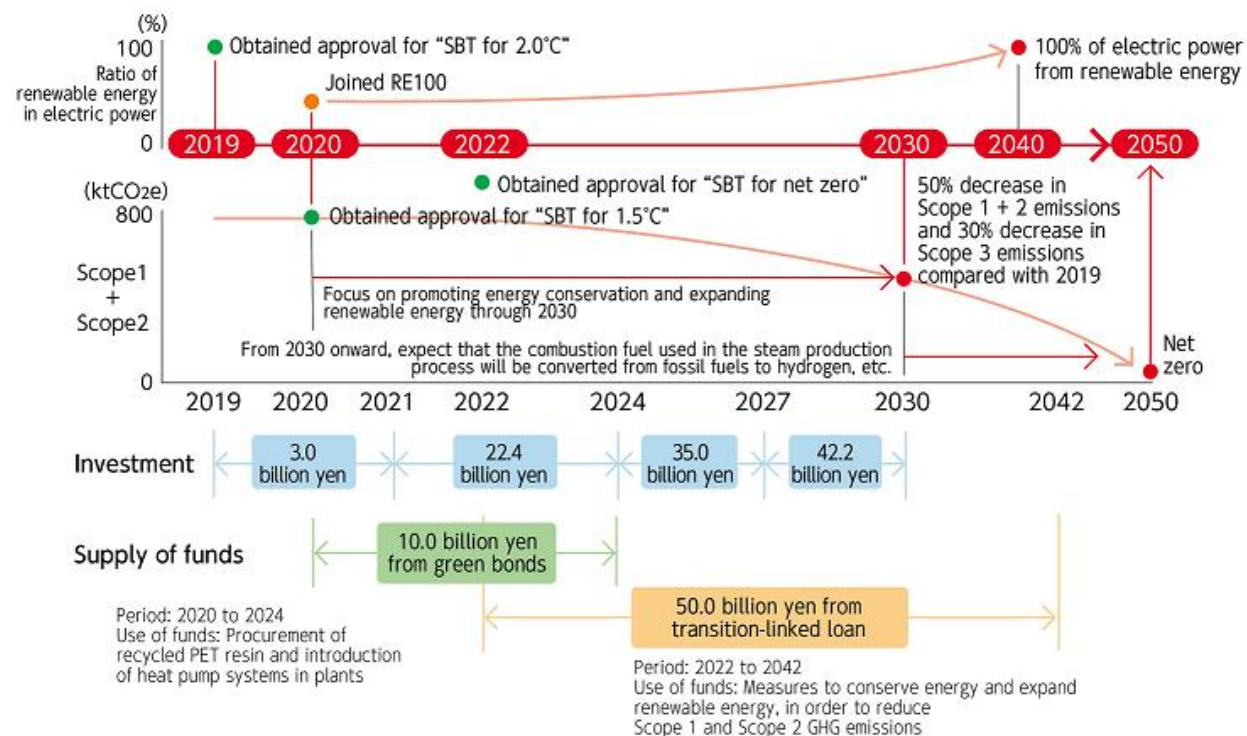
Correlation between engagement score and NOP margin based on the combination of the comparative years

Data: 2013-2021

Using standardized data from two companies, Kirin Brewery and Kirin Beverage

- Kirin received the highest number of nominations from asset managers in GPIF's "Excellent TCFD Disclosure" survey.
- TCFD disclosure shows GHG reductions, investment strategies and amounts invested, and investment financing in relation to each other, improving the integration of environmental and management strategies.

Roadmap to net zero



Note: Transition-linked loan made in January was the first for a domestic food company.

- In the 2023 Environmental Report, we have tried to integrate TCFD and TNFD (beta version) disclosures. Kirin's LEAP approach is also introduced in the TNFD's final recommendations.
- At the first annual meeting of the UN Principles for Responsible Investment held in Tokyo, Kirin's disclosure case study was introduced in the TNFD session.

TNFD : Guidance on the identification and assessment of nature related issues: The LEAP approach

 Guidance on the identification and assessment of nature-related issues: The TNFD LEAP approach
Version 1.0 September 2023

 Taskforce on Nature-related Financial Disclosures

Box 16: Assessing water stress related risk – Kirin Holdings Company

Kirin Holdings Company is an integrated Japanese food and beverage, biotechnology and pharmaceutical company founded in 1907. Kirin Holdings recognises that its business model and value chains are based primarily on agricultural products, and it relies heavily on a range of ecosystem services, including water provision, for its business activities.

Kirin Holdings scoped its LEAP assessment to focus on three priority areas related to its beverage business in July 2022: Sri Lankan tea farms, Japanese vineyards and water stressed areas in Australia. The results from this analysis, and an integrated climate/nature scenario assessment, informed the company's overall risk assessment.

ENCORE was used at an early stage to assess the impact of upstream activities across all Kirin Holdings' value chains, indicating the moderate impact of agricultural activities. This was complemented by secondary research into individual commodities, which provided important additional insight to contextualise the industry average data available through ENCORE.

For example, barley is a rainfed agricultural product and is considered in ENCORE to have a moderate impact on nature. However, in Kirin's Colorado operations, site visits and discussions with stakeholders revealed that barley farmers are located in areas of high water stress that farmers are handling using diverse methods, some using irrigation and others reducing water use through low impact agriculture.

PRR in Person: "TNFD reporting: how to get started on nature related disclosure" (October 5, 2023)



CONTENTS

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- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

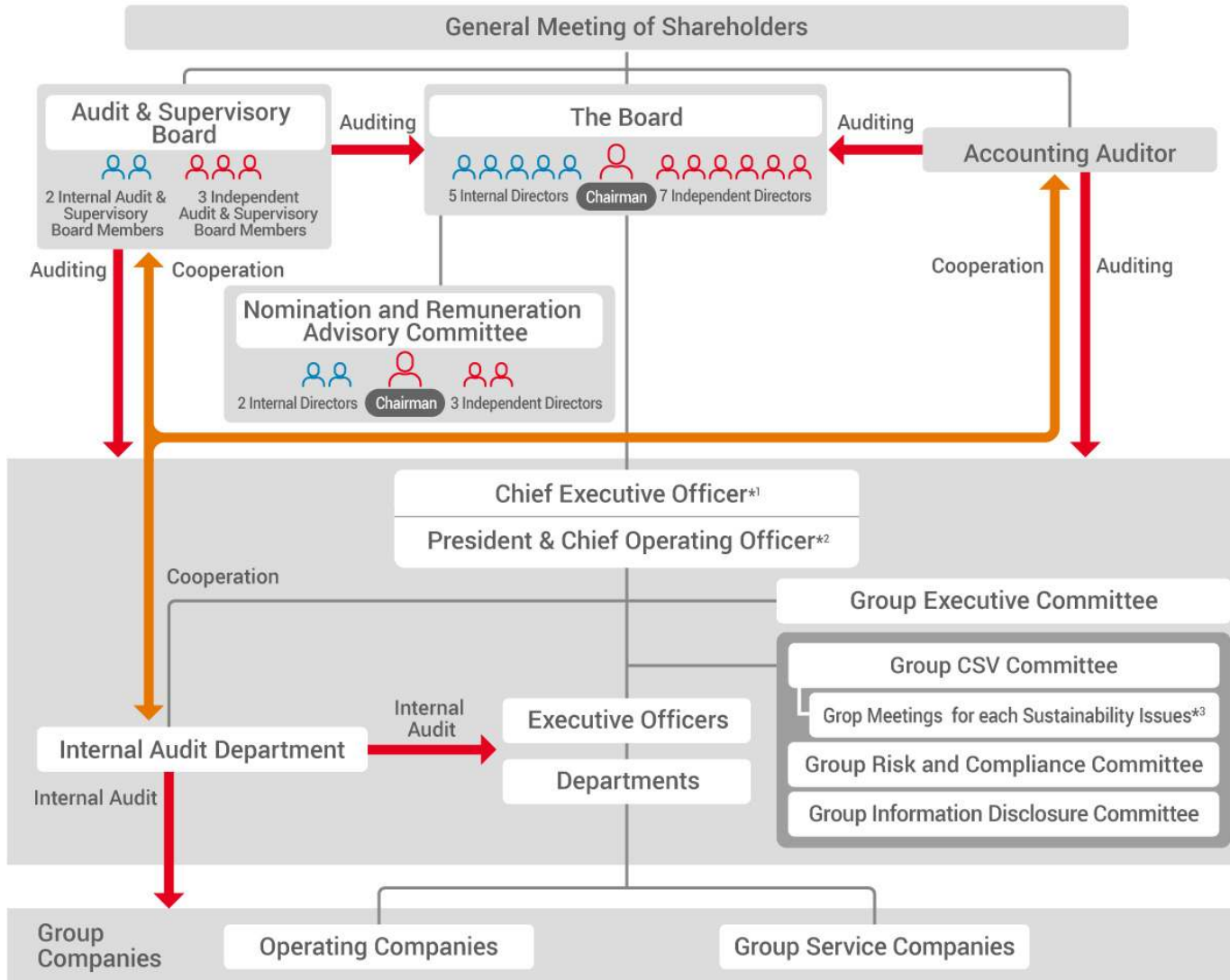
7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- **Corporate Governance /
ガバナンス**

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

The Board of Directors of Kirin Holdings



*1 Chief Executive Officer(CEO) : The Executive Officer responsible for overseeing the overall management of the Group.

*2 Chief Operating Officer(COO) : The Executive Officer responsible for overseeing the business operations of the Group.

*3 Group Environmental Meeting, Group Business and Human Rights Meeting, Group Health and Safety Meeting, etc.

Structure

- The Board of Directors has 12 directors, including 7 non-executive directors (2 of whom are foreign directors). From 2020, we started a structure with independent non-executive directors, including foreign directors, accounting for the majority of the directors.
- Chairperson is an independent non-executive director. (since 2016)
- Female directors have been appointed since 2016. Currently there are 1 inside and 2 non-executive female directors, accounting for 25% of the Board of Directors.

Involvement in ESG issues

- **Group CSV Committee:** Chaired by the President & CEO, and attended by presidents of major operating companies as committee members, they discuss CSV (ESG) issues and set goals for the entire Group, and reports to the Board of Directors.
- Recognizing the importance of ESG initiatives, the Board of Directors further strengthens the discussions on "non-financial targets (CSV commitments, etc.)"

The Board of Directors of Kirin Holdings (Non-Executive Officers)

Opportunities for discussions by non-executive officers (including audit & supervisory board members)

- In order to improve the quality of remarks and oversee the performance of non-executive officers, the Company provides opportunities for non-executive officers to visit business locations on a regular basis to talk with the management and employees of the domestic and overseas group companies, and to inspect manufacturing and sales sites.
- Opportunities are also provided for informal discussions with executive members on specific management topics.
- Opportunities for conversations with investors are also provided (e.g., speaking at Investor Day, interviews in the Integrated Report, individual meetings with investors, etc.).
- Most recently, we received several objective feedback on the discussions leading up to the acquisition of Blackmores.

Term of office, concurrent positions, etc. of non-executive directors

- The term of office for directors of the Board is one year, as stipulated in the Articles of Incorporation.
- Although there is no limit on the number of concurrent positions, the status of concurrent positions is verified at the time of appointment, and after taking office, the status of concurrent positions is regularly reviewed.

(Reference) Criteria for Independency of Non-Executive Officers

*As stated in the Corporate Governance Report

➤ For Non-executive Directors of the Board and Audit & Supervisory Board Members to be considered as independent, none of the following criteria may apply to the respective Non-executive Director of the Board or Audit & Supervisory Board Member.

- (1) A person for whom the Company (including its consolidated subsidiaries; the same shall apply hereinafter) is a major client
- (2) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm for whom the Company is a major client
- (3) A person who is a major client of the Company
- (4) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm which is a major client of the Company
- (5) A lawyer, certified public accountant, tax accountant, or consultant, etc. who receives money or other economic benefit in excess of a certain amount from the Company aside from the officer's remuneration
- (6) A person who belongs to a firm, union, or other similar entity (including a law office, auditing firm, tax accountant firm, or consulting firm, etc.) which receives money or other economic benefit in excess of a certain amount from the Company
- (7) A person who is a major shareholder of the Company
- (8) A person who is an executive Director and who executes business of a firm which is a major shareholder of the Company
- (9) A person who receives donations or other assistance in excess of a certain amount from the Company
- (10) A person who is a Director of or otherwise executes duties for a firm, union or other similar entity which receives donations or other assistance in excess of a certain amount from the Company
- (11) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm for which an Executive Director or Standing Audit & Supervisory Board Member of the Companies Acts as a Non-executive Director of the Board or Audit & Supervisory Board Member
- (12) A person to whom any of aforementioned criteria (1)–(11) has applied within the past three (3) years
- (13) Where a person to whom any of aforementioned criteria (1)–(12) applies (however, excluding the person who does not serve an important role) , the person's spouse or other relations within the second degree of kinship - 20 -
- (14) A person who is a spouse or other relation within the second degree of kinship to a person who serves currently and has served within the past three (3) years as a Director, Executive Officer, manager or other key employees of the Company (Note) The following is a summary of the results for the year ended March 31, 2012.

(Notes)

1. Regarding criteria (1) and (2), "A person (or firm) for whom the Company is a major client" refers to a person (or firm) who received payment from the Company in the most recent business year that accounted for either 2% or more of consolidated sales (consolidated revenue) for the year for that person (or firm), or over 100 million yen, whichever is the higher amount. If consolidated accounting is not adopted by the person (or firm), total revenue or non-consolidated sales for the year should be employed in place of consolidated sales (consolidated revenue) for the year.
2. Regarding criteria (3) and (4), "A person (or firm) who is a major client of the Company" refers to a person (or firm) who made payment to the Company in the most recent business year that accounted for 2% or more of the Company's consolidated

revenue for the year, or who financed 2% or more of the Company's consolidated total assets at the end of the most recent business year.

3. Regarding criteria (5), (9) and (10), "a certain amount" is considered as 10 million yen per year.
4. Regarding criteria (6), "a certain amount" is considered as either 2% or more of total revenue for the most recent business year for that firm, union or other similar entity, or over 100 million yen, whichever is the higher amount.
5. Regarding criteria (7) and (8), "a major shareholder" refers to a shareholder who directly or indirectly holds more than 10% of the voting rights.

Required Skills for the Board of Directors and Audit & Supervisory Board Members

		Corporate Management	CSV / ESG	Finance / Accounting	HR / Organization Development	Legal/Risk Management	Manufacture / Quality Assurance	Brand Strategy/ Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT / DX
Representative Director of the Board & CEO	Yoshinori Isozaki	●	●	●		●		●	●	●	
Representative Director of the Board, President & COO	Takeshi Minakata	●	●	●			●		●	●	
Director of the Board and Senior Executive Vice President	Junko Tsuboi	●	●		●	●		●		●	
Director of the Board and Senior Executive Officer	Toru Yoshimura	●	●	●			●		●	●	●
Director of the Board and Senior Executive Officer	Shinjiro Akieda	●	●	●		●		●	●		●
Independent Non-executive Director of the Board	Masakatsu Mori	●		●					●		●
Independent Non-executive Director of the Board	Hiroyuki Yanagi	●					●	●	●		
Independent Non-executive Director of the Board	Noriko Shiono	●						●	●	●	
Independent Non-executive Director of the Board	Rod Eddington	●							●		
Independent Non-executive Director of the Board	George Olcott		●	●	●				●		
Independent Non-executive Director of the Board	Shinya Katanozaka	●			●			●	●		
Independent Non-executive Director of the Board	Yoshiko Ando		●		●	●					
Senior Executive Officer	Mitsuharu Yamagata		●					●	●	●	●
Senior Executive Officer	Hiroshi Fujikawa	●	●		●			●	●		
Senior Executive Officer	Akiyoshi Iwasaki	●	●				●		●		
Senior Executive Officer	Akihito Yokoyama		●		●		●			●	●
Senior Executive Officer	Kazufumi Nagashima	●	●				●		●	●	
Senior Executive Officer	Hideki Mitsuhashi	●	●			●			●	●	●
Senior Executive Officer	Hideki Horiguchi	●	●					●	●		
Senior Executive Officer	Kazuhiro Inoue		●					●		●	
Senior Executive Officer	Koji Fukada	●	●				●		●	●	
Standing Audit & Supervisory Board Member	Shobu Nishitani		●	●					●		
Standing Audit & Supervisory Board Member	Toru Ishikura		●				●			●	
Audit & Supervisory Board Member	Kaoru Kashima			●	●						
Audit & Supervisory Board Member	Kenichi Fujinawa		●			●			●	●	
Audit & Supervisory Board Member	Yoko Dochi		●	●					●		

- Every year, the Nomination and Remuneration Advisory Committee examines the skill sets required of the Board of Directors as a whole in terms of consistency with management strategy and the management oversight function required of the Board of Directors. (This includes senior executive officers and audit & supervisory board members.)
- The committee then identifies the specifications required and proceeds with the specific selection of candidates for appointment.
- The business environment is constantly changing and will be constantly reviewed. In the past, "ICT/DX" was added, and descriptions of health science, etc., were clarified.

Nomination and Remuneration Advisory Committee



Discussion Topics	Points
➤ Election and retirement policies, candidate proposals, and reappointment, resignation, or dismissal of directors of the boards, audit & supervisory board members, and executive officers of Kirin Holdings and its major group companies. ➤ Remuneration system, level and amount of remuneration for directors of the board, audit & supervisory board members and executive officers of Kirin Holdings and its major group companies. ➤ Election and retirement policies, candidate proposals, reappointment, resignation, and dismissal as well as remuneration system and level of remuneration for the presidents of major group companies. ➤ Succession Plan for the President & CEO and the President & COO of Kirin Holdings.	➤ Role of inside directors: Internal assessment and information is essential when considering officer candidates, and therefore inside directors are also members of the committee. ➤ The Nomination and Remuneration Advisory Committee is chaired by an independent non-executive director, and the majority of the committee members are independent non-executive directors. ➤ Develop next-generation leaders: The Nominating and Remuneration Advisory Committee considers the succession plan, as well as the development of next-generation leaders, to be one of its most important discussion topics. ➤ The Human Resources Department conducts transfers and assignments as well as subject assessment evaluations through external agencies based on the training policy, and the two parties work together to promote the plan.

The Board Evaluation for FY2023

➤ Evaluation Criteria

- (1) Composition and operation of the Board
- (2) Development, execution and monitoring of strategies
- (3) Supervision of risk management and crisis control
- (4) Supervision of decision-making on business acquisition/withdrawal, etc.
- (5) Supervision of remuneration for officers and succession plan, etc.
- (6) Thorough understanding and implementation of healthy corporate ethics and supervision thereof
- (7) Supervision of overall disclosures to stakeholders
- (8) Strengthening points to improve the effectiveness of the Board

The Board is evaluated as functioning appropriately and is ensuring its effectiveness.

➤ **Appropriate decision-making in terms of "important decision-making" and "overseeing the performance of duties"**

➤ **Appropriate agenda is set for the Board and the quality of discussion is improving**

➤ **Improvements and innovations that lead to increased effectiveness are continuously being made, and the Company is fairly well managed.**

Enhancement for FY2024

➤ Based on the comments and areas for improvement raised for each evaluation criteria in FY2023 and our view of future changes in the business environment, we have summarized the areas to be enhanced in FY2024.

- 1) Discussions on “strengthening corporate governance.
- 2) Discussions on “integrated strategy and risks” to realize appropriate risk-taking.
- 3) Discussions on “digital ICT strategy” to accelerate value creation.

Basic Policy

- The Nomination and Remuneration Advisory Committee will discuss the remuneration of Directors and Executive Officers, and report to the Board.
- The Committee will consider levels of the remuneration and linkage with performance by comparing them objectively with officers' remuneration survey data of an external research body, and incorporate findings in its report to the Board of Directors.

1. The Company shall establish a remuneration structure that emphasizes the linkage of remuneration with business performance and medium- to long-term corporate value and share value with the shareholders.
2. Remuneration levels shall be appropriate for the roles and responsibilities of the Kirin Group's officers.
3. Remuneration shall be deliberated by the Nomination and Remuneration Advisory Committee, in which Non-Executive Directors constitute a majority, in order to ensure objectivity and transparency.

Procedures for determining the remunerations

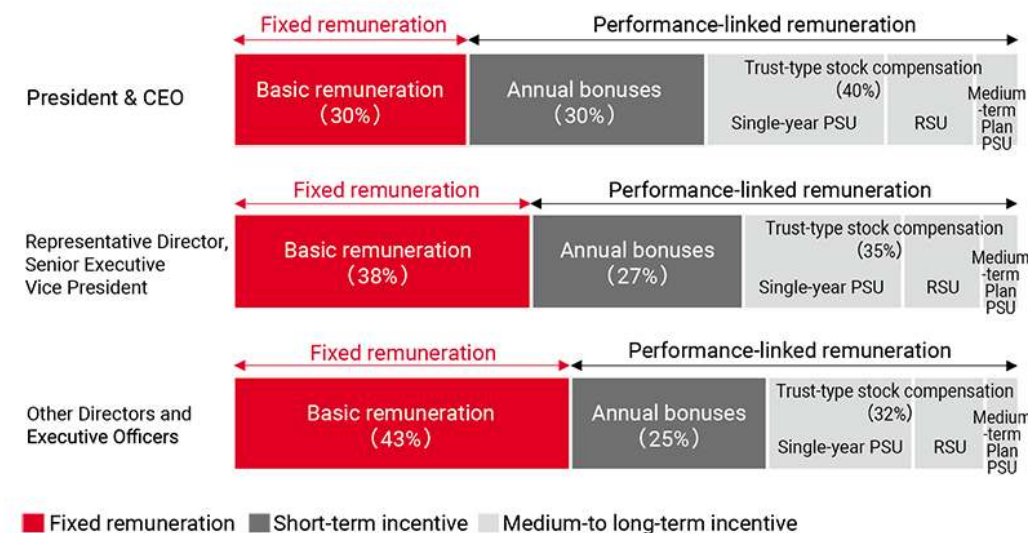
- In order to ensure fair and reasonable application of the process in line with the basic policy for executive remuneration, the Nomination and Remuneration Advisory Committee will discuss and report to the Board.
- As for determining the specific amount of remuneration, remuneration for Directors shall be decided at the Board and that for Audit & Supervisory Board members upon consultation with Audit & Supervisory Board based on the report from the Nomination and Remuneration Advisory Committee and within the limits of the remuneration amount determined in advance at the general meeting of shareholders.
- Nomination and Remuneration Advisory Committee regularly deliberates on the setting of remuneration levels, the ratio of performance-linked remuneration and its mechanisms, and meets in response to changes in the the environment of laws and regulations related to executive remuneration, and submits a report to the the Board.

Composition

- Remuneration for Directors of the Board is composed of three parts: basic remuneration (fixed remuneration), bonus (short-term incentive remuneration), and Stock Compensation (medium- to long-term incentive remuneration).

Officer Type	Basic Remuneration	Bonus	Stock-based Remuneration	
Directors of the Board and Executive Officers	○	○	○	Because they are responsible for the execution of business, Kirin Holdings have established remuneration structure that takes into account the achievement of short-term consolidated performance targets and the improvement of corporate value over the medium to long term.
Non-Executive Directors	○			Because they are responsible for supervising and advising Company and Group management from an objective position, only basic remuneration (fixed remuneration) is provided.
Audit & Supervisory Board Members	○			Because of their role of auditing the performance of directors' execution of their business from an objective position, only basic remuneration (fixed remuneration) is provided.

- The ratio of base remuneration to performance-linked remuneration for the President and Representative Director is designed to be approximately 30:70 (including 30 for bonuses and 40 for stock-based remuneration), with other directors and others following suit in consideration of their positions and responsibilities.

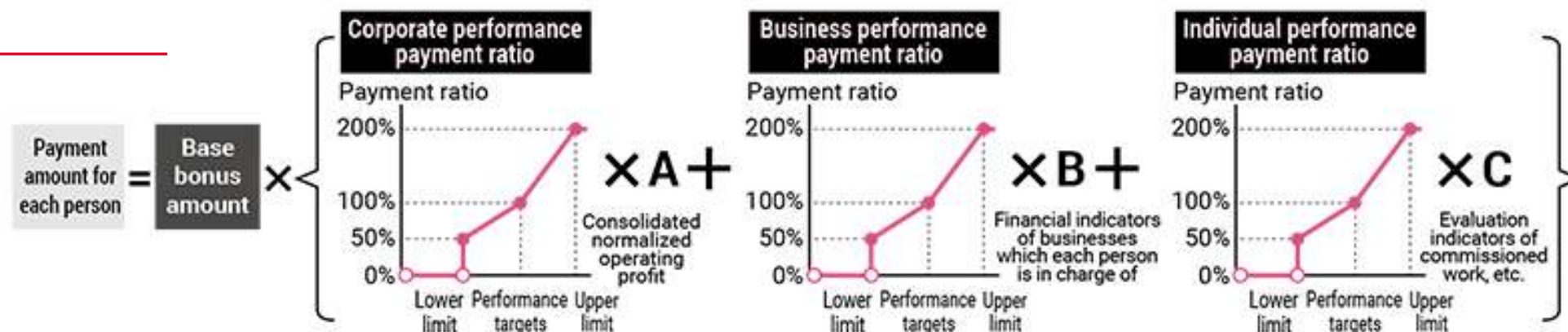


Remuneration of Executive Officers (performance-linked remuneration)

- Remuneration for executive officers is linked to the Group's performance and medium- to long-term corporate value, and is designed to be aligned with the interests of shareholders.

Formula for calculating the linkage of bonuses to performance

Mechanism for linkage of bonuses to performance



Formula for calculating the linkage of trust-type stock based compensation to performance

