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Kirin Holdings Company, Limited  
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The corporate governance of Kirin Holdings Company, Limited (henceforth “the Company”) is described below.

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

### 1. Basic Views

- In line with the corporate philosophy and “One KIRIN” values that are shared across the Kirin Group (henceforth “the Group”), the Group believes that achieving the “2027 Vision” outlined in the Group's Long-Term Management Vision “Kirin Group Vision 2027” (henceforth “KV2027”) will lead to the Group's sustainable growth and to greater corporate value over the medium to long term. Accordingly, the Group will develop a corporate governance system that is capable of effectively and efficiently reaching that goal.
- The Group believes that cooperation with all of its stakeholders will be indispensable in order to put the corporate philosophy into practice and turn the “2027 Vision” that is based on this philosophy into a reality, and therefore respects its stakeholders' respective viewpoints.
- The Group will disclose information promptly to its shareholders and investors in a transparent, fair and consistent fashion, will proactively engage in constructive dialogue with its shareholders and investors, and will fulfill its accountability with integrity.

#### <Corporate philosophy>

KIRIN brings joy to society by crafting food and healthcare products inspired by the blessings of nature and the insights of our customers.

#### <2027 Vision>

A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals

#### <“One KIRIN” Values>

“Passion. Integrity. Diversity”

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

The Company has complied with all principles of the Corporate Governance Code.

### [Disclosure Based on the Principles of the Corporate Governance Code] <Updated>

#### [Principle 1.4 Cross-Shareholdings]

##### <Policy on cross-shareholdings>

- The Company will comprehensively take into account whether there is a business management necessity and other factors and will not engage in cross-shareholding when such is deemed not to help ensure sustainable growth and boost the corporate value over the medium to long term.

- The Board will verify the reasonableness of the individual cross-shareholdings on a yearly basis. Concerning the shares for which the meaning of possessing has diminished, while discussing and negotiating with the cross-shareholding partner, etc., the Company will move to reduce such holdings.
- Voting rights on cross-shareholdings will be exercised upon deciding for or against each agenda item, taking into account whether a particular cross-shareholding will help boost the corporate value of the company concerned, and whether it will help ensure sustainable growth and boost the Group's corporate value over the medium to long term.

<Current Status>

- In fiscal year 2020, 2 of the Company's cross-shareholdings were sold in full and 4 were partially sold (proceeds: 4.4 billion yen). As a result, the balance sheet value of the Company's cross-shareholdings is 11.2 billion yen as of the end of 2020, a steady reduction compared to the 16.4 billion yen value as of the end of 2019.

[Principle 1.7 Related Party Transactions]

Policy on transactions between related parties

- The Board will make resolutions on conflict-of-interest transactions between the Company and its Directors of the Board and on competing transactions in accordance with the provisions of the Japanese Companies Act and the Board Rules, etc.

[Principle 2.6 Role as asset owner of corporate pensions]

- At the Company, corporate pension reserves will be managed through a corporate pension fund.
- The Company will develop an appropriate management system by appointing/assigning persons suitably qualified to manage pensions in relation to the corporate pension fund, and by having external advisors provide complementary specialized skills and expertise.
- Furthermore, the Asset Management Committee will monitor the management of the corporate pension fund; provide continuous, comprehensive evaluation encompassing not only management performance and other quantitative aspects, but also investment policies, management processes, risk management and other qualitative aspects; and revise asset allocation and management contractors, as necessary.

[Principle 3.1 Full Disclosure]

(i) Corporate philosophy, business strategy, and business plan

- The Group's corporate philosophy is described in 1. Basic Views under I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information of this report.
- The Long-Term Management Vision (KV2027), the Medium-Term Business Plan "Kirin Group 2019-2021 Medium-Term Business Plan" (henceforth "MTBP"), and the yearly business plan of the Group are described on the Company's website.

<https://www.kirinholdings.co.jp/english/ir/policy/strategy.html>

(ii) Basic view on and basic policy of corporate governance

- The Company's basic view on corporate governance is described in 1. Basic Views under I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information of this report.
- Kirin Holdings Company, Limited Corporate Governance Policy has been established as the basic policy of corporate governance and can be found on the Company's website.

[https://www.kirinholdings.co.jp/english/ir/governance/pdf/e\\_governance\\_policy.pdf](https://www.kirinholdings.co.jp/english/ir/governance/pdf/e_governance_policy.pdf)

(iii) Board policies and procedures in determining the remuneration of the senior management and directors  
Policy on the remuneration of Directors of the Board and Executive Officers

<Basic policy on remuneration for officers>

- 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 Outside Directors constitute a majority, in order to ensure objectivity and transparency.

<Structure of the remuneration of Directors of the Board and Executive Officers and the mechanism for performance-based remuneration>

- In order to encourage awareness of the achievement of short-term performance targets and enhancing corporate value in the medium to long term, the remuneration of Directors of the Board and Executive Officers shall comprise the following three points: Basic Remuneration (fixed remuneration), Yearly Bonus (short-term incentive remuneration), and Trust-type Stock Compensation (medium- to long-term incentive remuneration).
- The Yearly Bonus shall be paid according to the achievement level of the consolidated financial performance index, etc.
- The performance evaluation indicators for the Trust-type Stock Compensation shall be the key performance indicators specified in the Medium-Term Business Plan, etc., and other indicators designated by the Board
- Remuneration for Outside Directors shall consist exclusively of the Basic Remuneration (fixed remuneration).

(iv) Board policies and procedures in the appointment of the senior management and the nomination of Directors and *kansayaku* candidates

(v) Explanations with respect to the individual appointments and nominations based on

(iv) Policy for the nomination of Directors of the Board, Executive Officers and Audit & Supervisory Board Members

- The Group, having expanded its business globally with Japan as its core in the fields of food and health, intends to carry out its decision-making and management monitoring in a more appropriate fashion and at a higher level. To this end, Directors of the Board, Executive Officers and Audit & Supervisory Board Members will be appointed upon taking into account the balance of their experience, achievements and specialization, etc. in relation to the Group's key businesses and business management. A number of persons having a wealth of management experience, advanced specialized knowledge, and extensive expertise will be appointed as Outside Directors and Outside Audit & Supervisory Board Members.
- One or more persons having experience in financial affairs and accounting departments and possessing the appropriate knowledge will be appointed as Audit & Supervisory Board Member.
- The appointment/dismissal of directors and executive officers will be decided by the Board upon deliberation by the Nomination and Remuneration Advisory Committee, taking performance into account; proposals for the nomination/dismissal of directors will be discussed at general meetings of shareholders. The nomination/dismissal of audit and supervisory board member will be discussed by the Nomination and Remuneration Advisory Committee, and will then be decided by the Board and discussed at a general meeting of shareholders (the appointment of audit and supervisory board members will require the consent of the Audit and Supervisory Board).
- Reasons for the nomination/dismissal of candidates for the positions of director and audit and supervisory board member will be indicated on convocation notices for general meetings of shareholders.

[Supplementary Principle 4.1.1 Scope and Content of the Matters Delegated to the Management]

- The Board takes decisions on legal matters and on the execution of the Group's important operations, which include the Long-Term Management Visions, the Medium-Term Business Plans and yearly business plans across the Group and at the key Group companies. The Board is also responsible for monitoring the Directors' execution of their professional duties, and for developing appropriate internal control systems across the Group, etc.
- In addition to matters stipulated by laws and ordinances and in the Articles of Incorporation, the Board will stipulate matters to be resolved by the Board in the Rules of the Board. Other decisions on the execution of business will be left to the President & CEO and to Executive Officers, and the nature of such decisions will be clearly stipulated in the internal rules, such as Official Rules of Administrative Authority.
- The Company introduces an Executive Officer based system in order to implement strategies for each of its businesses and functions in an agile fashion and clarify executive responsibilities. The Board will establish

the scope of the responsibility of Executive Officer based on experience, performance and specialization in their respective field.

[Principle 4.8 Effective Use of Independent Directors]

- One-third or more Independent Directors that satisfy the Company's criteria regarding the independence of Outside Officers will be appointed in order to improve the fairness and transparency of corporate governance and ensure the Group's sustainable growth and boost corporate value over the medium to long term.

[Principle 4.9 Independence Standards and Qualification for Independent Directors]

- The Company's criteria regarding the independence of Outside Officers are described in 1. Organizational Composition and Operation [Independent Directors/Auditors] Matters relating to Independent Directors/Auditors under II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management of this report.

[Supplementary Principle 4.11.1 View on the Appropriate Balance between Knowledge, Experience and Skills of the Board as a whole, and Policies and Procedures for Nominating Directors]

- Taking into account the knowledge, experience, skills and discernment that are necessary for turning the 2027 Vision into a reality, the Board shall be composed of the appropriate number of members, ensuring overall balance and diversity. In addition, in order to build a highly transparent governance system and ensure the effectiveness of objective management supervision, the majority of currently appointed directors are independent non-executive directors.
- The Group, having expanded its business globally with Japan as its core in the fields of food and health, intends to carry out its decision-making and management monitoring in a more appropriate fashion and at a higher level. To this end, Directors of the Board, Executive Officers and Audit & Supervisory Board Members will be appointed upon taking into account the balance of their experience, achievements and specialization, etc. in relation to the Group's key businesses and business management. A number of persons having a wealth of management experience, advanced specialized knowledge, and extensive expertise will be appointed as Outside Directors and Outside Audit & Supervisory Board Members.
- The appointment/dismissal of directors and executive officers will be decided by the Board upon deliberation by the Nomination and Remuneration Advisory Committee, taking performance into account; proposals for the nomination/dismissal of directors will be discussed at general meetings of shareholders.

[Supplementary Principle 4.11.2 Information about Outside Directors, Outside *Kansayaku*, and Other Directors and *Kansayaku* who also Serve as Directors, *Kansayaku*, or the Management at Other Companies]

- Information about Directors of the Board and Audit & Supervisory Board Members of the Company who also serve as Directors of the Board, Audit & Supervisory Board Members, or management for other companies is disclosed in the Company's Convocation Notice of the 182nd Ordinary General Meeting of Shareholders.

[https://www.kirinholdings.co.jp/english/ir/stock/pdf/181st\\_notice.pdf](https://www.kirinholdings.co.jp/english/ir/stock/pdf/181st_notice.pdf)

[Supplementary Principle 4.11.3 Analysis and Evaluation of Effectiveness of the Board of Directors as a whole]

The Company has evaluated the effectiveness of the Board of Directors for Fiscal Year 2020 based on its Corporate Governance Policy; below is an outline of the results of the evaluation.

The Company routinely evaluates the operation of the Board and the content of its discussions among others and strives to ensure the important decision-making function and the overseeing function. In this fiscal year, the Company conducted a survey that included evaluation criteria based on the research of third-party advisors and had discussion at the Board meeting in light of the existing initiatives and improvements.

In this fiscal year, the evaluation was conducted based on the following eight 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; and (8) Strengthening points to improve the effectiveness of the Board. The evaluation results indicated that the Board was functioning properly overall and that the effectiveness of the Board was ensured.

While recognizing the importance of efforts regarding ESG (Environment, Society and Governance), such as SDGs, and looking ahead to changes in the business environment, the Company will strive to maintain and improve the effectiveness of the Board toward enhancement of corporate value in the medium- to long-term and sustained growth through (1) discussions on the “Functional strategies required to implement the overall company strategy.”; (2) discussions on the “Disseminating and infiltration of wholesome company ethics”; (3) discussions on the “Risk management”; and (4) discussions on the “Nonfinancial target, such as CSV commitment”.

[Principle 4.14 Director and *Kansayaku* Training]

Training policy

- The Company will hold training and provide information to its Directors of the Board and Audit & Supervisory Board Members as necessary for the performance of their roles and responsibilities.
- Upon assuming office, Directors of the Board and Audit & Supervisory Board Members will receive lectures and training from specialists and related internal departments in relation to the Japanese Companies Act, corporate governance and corporate finance, etc. Subsequently, training and workshops will continue to be held as necessary in relation to the amendment of relevant laws and regulations, and business issues.
- Upon assuming office, Outside Directors and Outside Audit & Supervisory Board Members will receive explanations of the Group's corporate philosophy, “One KIRIN” Values and the Group's businesses, and will take part in observation at key sites.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

Basic policy concerning dialogue with shareholders and investors

- Based on the understanding that constructive dialogue with shareholders and investors will lead to a further improvement in corporate governance and, in turn, to greater corporate value over the medium to long term, the Group will periodically assess its shareholder composition, proactively respond to requests for dialogue, and take the initiative in creating opportunities for constructive dialogue.
- Requests for dialogues from shareholders and investors will be dealt with mainly by the IR Section under the supervision of Executive Officer in charge of IR. Also, the Group will take the initiative in creating opportunities for such dialogue in cases where a dialogue with the Executive Officer in charge of IR, the President & CEO, or another Director of the Board or Executive Officer is deemed appropriate.
- Depending on the agendas of dialogue, Group Finance, Corporate Strategy, Group Legal and other related departments will provide their cooperation.
- The Company will hold meetings on its Long-Term Management Vision, business plans, business strategies, financial results, individual businesses, etc.; will plan and conduct visits to its shareholders and investors; and will endeavor to promote understanding and dialogue concerning the Group.
- In the course of dialogue, explanations will be provided with integrity, listening to the opinions of shareholders and investors, and endeavoring to engage in two-way communication. The IR Department will provide reports on shareholder and investor opinions periodically or on an as-needed basis to the President & CEO, the Executive Officer in charge of IR, and other Directors of the Board and Executive Officers.

## 2. Capital Structure <Updated>

Foreign Shareholding Ratio	More than 20% less than 30%.
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**[Status of Major Shareholders] <Updated>**

Name / Company Name	Number of Shares Owned (thousand shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	84,408,000	10.12
Custody Bank of Japan, Ltd. (Trust account)	47,561,400	5.70
Meiji Yasuda Life Insurance Company	32,996,563	3.95
JP MORGAN CHASE BANK 385632	30,835,467	3.69
Custody Bank of Japan, Ltd. (Trust account 7)	17,676,500	2.11
Custody Bank of Japan, Ltd. (Trust account 4)	17,213,300	2.06
SMBC NIKKO SECURITIES INC.	16,665,200	1.99
Custody Bank of Japan, Ltd. (Trust account 5)	13,512,400	1.62
STATE STREET BANK WEST CLIENT – TREATY 505234	12,937,251	1.55
JP Morgan Securities Japan Co., Ltd.	12,826,738	1.53

Controlling Shareholder (except for Parent Company)	Nil
Parent Company	Nil

**3. Corporate Attributes**

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section, Nagoya Stock Exchange First Section, Sapporo Securities Exchange Main Board, and Fukuoka Stock Exchange Main Board
Fiscal Year-End	December
Type of Business	Foods
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

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

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

<p>The Company has one listed subsidiary, Kyowa Kirin Co., Ltd.</p> <p>The Company believes that realizing the vision for 2027 set forth in the Long-Term Management Vision “Kirin Group Vision 2027” will lead to sustainable growth of the Kirin Group and increased corporate value over the medium to long-term.</p> <p>Kyowa Kirin is responsible for the “pharmaceuticals” domain, which is one of the core businesses within the business domains defined in KV2027. Through innovative drug discovery utilizing the strengths in fermentation and biotechnology, Kyowa Kirin is realizing both medium-term profit growth and the provision of solutions for health related issues. Also, contributions from the generation of synergies in the health science</p>
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domain are expected, and in the long-term, as the progressively aging society and longer life expectancies accelerate the shift toward preventive medicine, having Kyowa Kirin as part of the group is believed to hold great meaning for achieving sustainable growth of the Kirin Group, including utilizing in the health science domain the knowledge obtained from research and development in the pharmaceutical domain.

Within the management of the Group, while respecting the autonomy and independence of the business companies, efforts are being made to maximize medium to long-term corporate value through the flexible and agile allocation of management resources, including personnel exchanges and technology development aimed at generating synergies between the business companies.

As part of this Group management, the Company is working to secure appropriate effectiveness through the execution of a corporate governance code for Kyowa Kirin. At the same time, along with autonomous corporate activities through which Kyowa Kirin can utilize its independence and agility, the Company is striving the secure management independence as a listed company, as well as maximize profits for all shareholders and sustainably increase corporate value.

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

### 1. Organizational Composition and Operation

Organization Form	Company with board of company auditors
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	12
Number of Outside Directors	7
Number of Independent Directors	7

#### Outside Directors' Relationship with the Company (1) <Updated>

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Masakatsu Mori	From another company											
Hiroyuki Yanagi	From another company											
Chieko Matsuda	From another company											
Noriko Shiono	From another company											
Rod Eddington	From another company											
George Olcott	From another company											
Kaoru Kato	From another company								Δ			

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"Δ" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

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

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

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Outside Directors' Relationship with the Company (2) <Updated>

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**Name: Masakatsu Mori**

Designation as Independent Director: Yes

Supplementary Explanation of the Relationship:

- There are no conflicts with any category from “a” to “k” above.

Reasons of Appointment:

- Mr. Masakatsu Mori has considerable experience acquired over many years as management of a consulting firm, and as president as well as trustee of a university, and a wide range of knowledge, especially exceptional insight in corporate management based on his specialized expertise in finance and accounting. Based on this, he provides valuable opinions and suggestions from an objective and professional perspective to the management of the Company as Non-executive Director, and manages the Board as a chairman. Therefore, the Company determined that he would be an appropriate person to supervise the execution of the Company's business aiming for sustainable enhancement of corporate value.
- There are no conflicts of interest with any of the criteria for the independence of Independent Directors as stipulated by the Tokyo Stock Exchange, and the Company does not anticipate any concerns about conflict of interest to arise from general shareholders.

**Name: Hiroyuki Yanagi**

Designation as Independent Director: Yes

Supplementary Explanation of the Relationship:

- There are no conflicts with any category from “a” to “k” above.

Reasons of Appointment:

- Mr. Hiroyuki Yanagi has a wealth of experience and extensive knowledge as a corporate manager over many years, and in particular, through his experience as President and Representative Director and Chairman of Yamaha Motor Co., Ltd. he has a high level of insight into building brands in global markets through technological development and innovation. Based on the above, as an independent non-executive director, he provides useful opinions and guidance to the Company's management from an objective and professional perspective. Therefore, the Company determined that he would be an appropriate person to supervise the execution of the Company's business aiming for sustainable enhancement of corporate value.
- In addition, as stated above, he does not fall under any of the categories “a” through “k”, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

**Name: Chieko Matsuda**

Designation as Independent Director: Yes

Supplementary Explanation of the Relationship:

- There are no conflicts with any category from “a” to “k” above.



Reasons of Appointment:

- Ms. Chieko Matsuda has a wealth of experience and a wide range of knowledge in financial and capital market operations and management consulting services, including those at banks and rating agencies, and has a high level of insight into corporate management based on her expertise, particularly in finance and corporate governance. Based on this experience and insight, she specializes in corporate strategy and financial strategy, and has a strong track record in academic research on corporate management and capital markets. Based on the above, as an independent non-executive director, she provides useful opinions and guidance to the Company's management from an objective and professional perspective. Therefore, the Company determined that she would be an appropriate person to supervise the execution of the Company's business aiming for sustainable enhancement of corporate value.
- In addition, as stated above, she does not fall under any of the categories “a” through “k”, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

**Name: Noriko Shiono**

Designation as Independent Director: Yes

Supplementary Explanation of the Relationship:

- There are no conflicts with any category from “a” to “k” above.

Reasons of Appointment:

- Ms. Noriko Shiono has a wealth of experience and extensive knowledge as a corporate manager over many years, and in particular, through her experience as President and Representative Director of S.S. Pharmaceuticals K.K. and Widex K.K., a medical device manufacturer, she has deep knowledge of the pharmaceutical and healthcare domains and a high level of insight into marketing. Based on the above, as an independent non-executive director, she provides useful opinions and guidance to the Company's management from an objective and expert perspective, particularly in the health sciences domain, in order to launch and develop new businesses. Therefore, the Company determined that she would be an appropriate person to supervise the execution of the Company's business aiming for sustainable enhancement of corporate value.
- In addition, as stated above, she does not fall under any of the categories “a” through “k”, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

**Name: Rod Eddington**

Designation as Independent Director: Yes

Supplementary Explanation of the Relationship:

- There are no conflicts with any category from “a” to “k” above.

Reasons of Appointment:

- Sir Rod Eddington has extensive experience as an executive and board member of global companies over the years, and has a keen insight into corporate management and corporate governance. He also chairs the Australia-Japan Business Council and is a member of the APEC Business Advisory Council, giving him a deep understanding of the economies and markets of Japan and other Asian and Pacific Rim countries, as well as a broad network of contacts. Based on the above, as an independent non-executive director, he provides useful opinions and guidance on the Company's management, especially on global strategies, from an objective and professional perspective. Therefore, the Company determined that he would be an appropriate person to supervise the execution of the Company's business aiming for sustainable enhancement of corporate value.
- In addition, as stated above, he does not fall under any of the categories “a” through “k”, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

**Name: George Olcott**

Designation as Independent Director: Yes

Supplementary Explanation of the Relationship:

- There are no conflicts with any category from “a” to “k” above.

Reasons of Appointment:

- Mr. George Olcott has a wealth of experience in international financial markets, including investment banking, as well as outstanding insight into corporate management based on his academic knowledge of human resource development and corporate governance in global management. He also has a strong track record in academic research on improving the value of Japanese companies based on this experience and insight. In addition, he has experience as a director of several leading listed companies in Japan. Based on the above, as an independent non-executive director, he provides useful opinions and guidance on the Company's management from an objective and professional perspective. Therefore, the Company determined that he would be an appropriate person to supervise the execution of the Company's business aiming for sustainable enhancement of corporate value.
- In addition, as stated above, he does not fall under any of the categories “a” through “k”, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

**Name: Kaoru Kato**

Designation as Independent Director: Yes

Supplementary Explanation of the Relationship:

- The Company has regular transactions related to telecommunications equipment with NTT DOCOMO, INC., for which Mr. Kaoru Kato has served as Director until June 2018, but the amount paid to NTT DOCOMO, INC. in this fiscal year under review was less than 0.01% of its consolidated operating revenues.

Reasons of Appointment:

- Mr. Kaoru Kato has a wealth of experience and extensive knowledge as a corporate manager over many years, and in particular, he has deep knowledge and high level of insight in the telecommunications and digital domain through his experience as President and Representative Director of NTT DOCOMO, INC.. He is also fully conversant with launching and nurturing new businesses through his experience since the early days of the domestic cell phone industry. Based on these, as an independent Non-executive Director of the Board, he is expected to raise useful opinions and provide guidance to the Company's management from an objective and professional perspective, particularly with respect to the appropriateness and validity of DX strategies and new businesses. Therefore, the Company determined that he would be an appropriate person to supervise the execution of the Company's business aiming for sustainable enhancement of corporate value.
- Although he is applicable for “h”, as mentioned above, the Company believes that he has sufficient independence where there is no possibility of conflict of interests with general shareholders.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination and Remuneration Advisory Committee	
All Committee Members	5	
Full-time Members	0	
Inside Directors	2	
Outside Directors	3	
Outside Experts	0	
Other	0	
Chairperson	Outside Director	

The Nomination & Remuneration Advisory Committee has been set up to deal with the nomination and remuneration of Directors of the Board, Executive Officers and Audit & Supervisory Board Members. The Nomination & Remuneration Advisory Committee is composed of five Directors of the Board, of whom two are internal Directors and three are Outside Directors, and the Committee Chairman is appointed out of the Outside Directors. As an advisory body to the Board, the Nomination & Remuneration Advisory Committee discuss the following matters from an objective and fair perspective, and report to the Board:

- 1) Policy for the appointment/dismissal of Directors of the Board, Executive Officers and Audit & Supervisory Board Members, and proposal of candidates
- 2) Plans for the succession of the President & CEO
- 3) System, standards and amounts for the remuneration of Directors of the Board, Executive Officers and Audit & Supervisory Board Members
- 4) Proposal of candidates for the positions of Chairman of the Board, President and Director of the Board at the key Group companies based on the nature and scale of their business; remuneration systems and standards

In addition, the Nomination and Remuneration Advisory Committee shall, based on the delegation of the Board of Directors, determine the evaluation indices and targets for the individual performance evaluation, the evaluation results in accordance with the degree of achievement of those indices and targets, and the individual payment rates for the individual performance evaluation with respect to bonuses for the Company's directors (excluding non-executive directors) and executive officers.

#### [Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	5

#### Cooperation among Audit & Supervisory Board Members, Independent Accounting Auditors and Internal Audit Departments

- The Audit & Supervisory Board defines the audit policy and audit plans, and in accordance with these, each Audit & Supervisory Board Member attends various internal important meetings, including Board meetings. In addition, audits for departments of the Company and onsite audits for Group companies in Japan and overseas enable thorough audits of the performance of duties by the Directors of the Board. For Group companies, auditors are assigned either full-time or part-time according to the scale of the company. They coordinate closely with the Audit & Supervisory Board Members of the Company to enhance the effectiveness of auditing.
- The members of Internal Audit Department are concurrently responsible for conducting internal audits at Group companies, independently from the audits of the Audit & Supervisory Board Members, with regards to the Group's significant risks and internal controls. The Internal Audit Department practically and effectively conducts auditing for the Group overall through cooperation with the internal audit departments of each key Group company, and by sharing the audit results of, and mutually supplementing the work of, the internal audit and the audit by the Audit & Supervisory Board. The Internal Audit Department members coordinate with the Company's Audit & Supervisory Board Members in setting and implementing auditing plans, coordinate with the full-time auditors of the key Group companies, and concurrently perform the role of part-time auditors in Group companies, etc.

- The Internal Audit Department, the Audit & Supervisory Board Members and an Independent Accounting Auditor also strive for mutual cooperation where they exchange information and opinions and consult each other as necessary.
- The Internal Audit Department and the Audit & Supervisory Board Members regularly exchange information and opinions with internal control-related departments, and the Accounting Auditor also conducts hearings with internal control-related departments as necessary, both thus implementing effective audits.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Independent Audit & Supervisory Board Members	3

Outside Audit & Supervisory Board Members' Relationship with the Company (1) <Updated>

Name	Attribute	Relationship with the Company*												
		A	b	c	d	e	f	g	h	i	j	k	l	m
Nobuo Nakata	Lawyer													
Yoshiko Ando	Others													
Kaoru Kashima	From another company										Δ			

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"Δ" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

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

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. *Kansayaku* of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

f. A party whose major client or supplier is the Company or an executive thereof

g. Major client or supplier of the Company or an executive thereof

h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a *kansayaku*

i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)

k. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the *kansayaku* himself/herself only)

l. Executive of a company or organization that receives a donation from the Company (the *kansayaku* himself/herself only)

m. Others

**Name: Nobuo Nakata**

Designation as Independent Auditor: Yes

Supplementary Explanation of the Relationship:

- There are no conflicts with any category from “a” to “m” above.

Reasons of Appointment:

- Since assuming office as an Audit & Supervisory Board Member of the Company in March 2018, Mr. Nobuo Nakata has been working as an attorney for many years, based on his advanced expertise and extensive experience in all aspects of corporate legal affairs, particularly M&A matters, having served as a partner at prominent law firms in Japan and overseas, he serves as an appropriate check and balance for the Board of Directors from an objective and neutral standpoint independent of the Company's management and from a professional perspective.
- In addition, as stated above, the Company has determined that he does not fall under any of the categories “a” through “m” and that there is no risk of conflict of interest with general shareholders.

**Name: Yoshiko Ando**

Designation as Independent Auditor: Yes

Supplementary Explanation of the Relationship:

- There are no conflicts with any category from “a” to “m” above.

Reasons of Appointment:

- Since assuming office as an Audit & Supervisory Board Member of the Company in March 2019, Ms. Yoshiko Ando, who has been engaged in policy planning, etc. in the labor administration as an administrative officer for many years, and has provided objective and neutral advice to the Board of Directors from an objective and neutral standpoint independent of the Company's management, based on her high-level expertise, extensive experience and high level of insight in a wide range of employment and labor fields, including the promotion of women's activities.
- In addition, as stated above, the Company has determined that she does not fall under any of the categories “a” through “m” and that there is no risk of conflict of interest with general shareholders.

**Name: Kaoru Kashima**

Designation as Independent Auditor: Yes

Supplementary Explanation of the Relationship:

- The company will pay business service fees to Ernst & Young ShinNihon LLC, which is where Ms. Kaoru Kashima worked until June 2019. However, the amount of the fees paid during fiscal year 2020 make up less than 0.1% of EY ShinNihon's total revenues.

Reasons of Appointment:

- Since assuming office as an Audit & Supervisory Board Member of the Company in March 2020, Ms. Kaoru Kashima, as a certified public accountant, has been engaged over many years in corporate audit and, as management of auditing firm or corporation. She has considerable experience and broad knowledge in organizational culture reform, public relations and promotion of women's participation and advancement.
- In addition, although she falls under the category of "j", the Company has determined that she is sufficiently independent that there is no risk of a conflict of interest with general shareholders as described above.

**[Independent Directors/Auditors]**

Number of Independent Directors/Auditors	10
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Matters relating to Independent Directors/Auditors
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The Company has established the criteria listed below in order to objectively determine the independence of Outside Directors and Outside Audit & Supervisory Board Members (henceforth referred to collectively as the "Outside Officers"), with reference to the criteria for independence of officers stipulated by the Tokyo Stock Exchange; given, however, that Outside Officers are appointed based not only on independence, but also on their respective knowledge, skills, discernment and character, etc. and thus persons who meet the requirements for Outside Officers stipulated in the Companies Act and can provide advice and opinions as Outside Officers concerning the Company's decision-making may be hired as Outside Officers even if they fall into the criteria listed below.

#### Criteria regarding the Independence of Outside Officers

For Outside Directors and Outside Audit & Supervisory Board Members to be considered as independent, none of the following criteria may apply to the respective Outside Director or Outside 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 full-time Audit & Supervisory Board Member of the Companies Acts as outside director or outside auditor
- (12) A person to whom any of aforementioned criteria (1)–(11) has applied within the past 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
- (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

#### (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, 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 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, 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.

#### [Incentives]

Incentive Policies for Directors	<ul style="list-style-type: none"> <li>• Performance-linked Remuneration</li> <li>• Other – introduction of the Trust-type Stock Compensation System (performance-based)</li> </ul>
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#### Supplementary Explanation <Updated>

In order to raise awareness of the need to achieve short-term performance targets and increase corporate value over the medium to long term, remuneration for Directors will consist of three components: basic remuneration (fixed remuneration), bonuses (performance-linked remuneration), and trust-type stock-based remuneration. Since Non-executive Directors of the Board play the role of supervising and advising the management of the Company and the entire Group from an objective standpoint, and Audit & Supervisory Board Members play the role of auditing the execution of duties by directors from an objective standpoint, only basic remuneration shall be paid to Non-executive Directors and Audit & Supervisory Board Members, respectively.

The performance evaluation indicators for the bonus shall be the Company's consolidated normalized operating profit and the individual performance evaluation index, and the amount to be paid shall vary in the range of 0% to 200%, with 100% being when the target is achieved.

The performance indicators for the trust-type stock-based remuneration shall be ROIC, which is a key management indicator set forth in the medium-term business plan, as well as normalized EPS and non-financial indicators. The non-financial indicators comprehensively evaluate the progress and achievement status of the CSV Commitment, which is the action plan for realizing the Kirin Group's CSV Purpose, as well as the status of employee engagement in terms of understanding, empathy, and action toward these corporate policies.

Specific decisions on remuneration are made by the Board of Directors for directors' remuneration and by the Board of Audit & Supervisory Board Members for audit & supervisory board members' remuneration, based on the report of the Nomination & Remuneration Advisory Committee and within the limit of remuneration previously resolved at the General Meeting of Shareholders.

Specific details regarding remuneration, etc. for directors and Audit & Supervisory Board Members are disclosed in the Annual Securities Report.

Annual Securities Report : <https://www.kirinholdings.co.jp/english/ir/library/yuka/>

#### Recipients of Stock Options

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#### Supplementary Explanation

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#### [Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors
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The Business Report discloses the total amount of remuneration by type, separately for executive and non-executive directors, and for Standing Audit & Supervisory Board Members and Audit & Supervisory Board Members. In addition to this, the Annual Securities Report discloses individual remuneration for directors whose total amount of remuneration is 100 million yen or more. The Business Report and Annual Securities Report are posted on the Company's website.

Business Report (within Convocation notice) : <https://www.kirinholdings.co.jp/english/ir/stock/meeting.html>

Annual Securities Report : <https://www.kirinholdings.co.jp/english/ir/library/yuka/>

The disclosure of the amount of remuneration for directors for fiscal 2020 is as follows.

【Total amount of remuneration, etc. by category of officer, total amount of remuneration, etc., by type, and number of eligible officers】

Classification of Board Members	Total amount of remuneration, etc. (million yen)	Total amount of remuneration by type (million yen) and number of eligible officers							
		Fixed remuneration		Performance-linked remuneration					
		Monetary remuneration				Non-monetary remuneration			
		Basic remuneration		Bonus		Performance-based stock-linked remuneration (phantom stock)		Trust-type stock remuneration	
		Total amount	Number of eligible officers	Total amount	Number of eligible officers	Total amount	Number of eligible officers	Total amount	Number of eligible officers
SDirector of the Board (Excluding Non-executive Director of the Board)	389	265	5	107	5	—	—	17	5
Standing Audit & Supervisory Board Members (Excluding Audit & Supervisory Board Members)	71	71	2	—	—	—	—	—	—
Non-executive Officers	Non-executive Director of the Board	110	8	—	—	—	—	—	—
	Audit & Supervisory Board Members	51	4	—	—	—	—	—	—
Total	622	498	19	107	5	—	—	17	5

(Note)

1. The number of board members as of the end of the current fiscal year is 12 Directors and 5 Audit & Supervisory Board Members, but the above remuneration includes remuneration for one Director and one Audit & Supervisory Board Member who retired as of March 27, 2020.
2. As Director Chieko Matsuda assumed the position of Director after resigning from the position of Audit & Supervisory Board Member as of March 27, 2020, the number and total amount of eligible directors are included in the Audit & Supervisory Board Member category for the period of service as an Audit & Supervisory Board Member and in the Director category for the period of service as Director, respectively.
3. The total amount of bonuses shown above is the amount expected to be paid.
4. There are no directors or officers who were subject to the performance-linked stock price remuneration (phantom stock) described above.
5. The total amount of trust-type stock-based remuneration, which is the non-monetary remuneration mentioned above, is not fixed at this time, so the amount of the provision recorded for the current fiscal year is shown.
6. Figures are rounded to the nearest million yen.



**【Individual remuneration】**

Name	Classification of Board Members	Total amount of remuneration, etc. (million yen)	Amount of remuneration by type (million yen)		
			Fixed remuneration	Performance-linked remuneration	
			Basic remuneration	Bonus	Stock remuneration
Yoshinori Isozaki	President & Chief Executive Officer	154	96	50	7

**Policy on Determining Remuneration Amounts and Calculation Methods**

Established

**Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods <Updated>**

The Nomination and Remuneration Advisory Committee deliberates on the policy for determining remuneration, etc. for directors and executive officers, and the following matters related to the decision-making process for such policy, and the Board of Directors makes decisions on these matters, the details of which are disclosed in the Annual Securities Report.

(1) Policy for Determining Remuneration, etc. for Directors and Audit & Supervisory Board Members

- ① Basic policy on remuneration, etc. for Directors and Audit & Supervisory Board Members
- ② Remuneration structure and eligibility for payment, etc.
- ③ Setting of remuneration levels and ratio of performance-linked remuneration
- ④ Performance-Linked Structure
- ⑤ Method of Determining Remuneration, etc. for Directors and Audit & Supervisory Board Members
- ⑥ Other important matters

(2) Process for determining policy on remuneration for Directors and Audit & Supervisory Board Members

Annual Securities Report : <https://www.kirinholdings.co.jp/english/ir/library/yuka/>

**[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]**

- The Company does not allocate any full-time staff specifically for Outside Directors. The Company's Personnel & General Affairs Department Secretary Section provides support to Outside Directors as well as internal Directors. No full-time staff members are also allocated for Outside Audit & Supervisory Board Members. Advisor to Audit & Supervisory Board Members provides support to Outside Audit & Supervisory Board Members as well as internal Audit & Supervisory Board Members.
- The Outside Directors receive Board meeting materials in advance, and if necessary, regardless as to their inclusion on the Board meeting agenda, background information is provided from the relevant department and Personnel & General Affairs Department Secretary Section. The Outside Audit & Supervisory Board Members also receive Board meeting materials in advance, and requisite information and explanations are provided as needed, such as at monthly Audit & Supervisory Board Members meetings and/or before Board meetings.

**【Status of retired from Representative Director and President, etc.】**

Name of Advisors (“sodanyaku,” “komon,” etc.) who have retired from Representative Director and President, etc.

Name	Title/position	Activity Description	Working arrangement/conditions (full time/part time, paid/unpaid, etc.)	Date of retirement from President etc.	Tenure
—	—	—	—	—	—

Total number of Advisors (“sodanyaku,” “komon,” etc.) who have retired from Representative Director and President, etc.	0
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Other information

- The Company has established internal regulations for Executive Advisors; in principle, the work is entrusted to a person who has served as either President or Chairperson of the Company upon a resolution at a board meeting, with a maximum tenure of three (3) years. The Executive Advisor is mainly engaged in external work such as the Company’s social contribution activities (full time with remuneration) and is not engaged in any managerial work for the Company. There is currently nobody serving as Executive Advisor.
- The Company may grant a title such as Honorary Executive Advisor to a retired Executive Advisor when that person continues to engage in external activities (part time without remuneration). Currently, there are four (4) retired Executive Advisors (Yasuhiro Sato, Koichiro Aramaki, Kazuyasu Kato, and Senji Miyake). These four persons do not engage in any managerial tasks for the Company, nor did they during their service as Executive Advisors.

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

(1) The Board and its Members

- The Company has twelve Directors of the Board, including seven Outside Directors.
- The Board makes decisions on execution of important business matters and legal issues at the Company. In addition, it also has responsibility for matters including the supervision of the performance of duties by the Directors of the Board and the construction of an appropriate internal control system for the entire Group. Furthermore, it strives to maximize the corporate value of the Group by deciding upon and approving the Medium-Term Business Plans and Annual Business Plans for the Group overall and for the key Group companies and by conducting regularly monitoring based upon factors such as changes to the business climate.
- The Board of Directors is composed of a balanced and appropriate number of members as a whole, while ensuring diversity and taking into consideration the knowledge, experience, abilities, and insights needed to realize the vision for 2027. In addition, in order to build a highly transparent governance system and ensure the effectiveness of objective management supervision, the majority of currently appointed directors are independent Non-executive Director of the Board.
- Regarding the twelve Group companies: Kirin Brewery Company, Limited, Kirin Beverage Company, Limited, Mercian Corporation, Lion Pty Ltd, Myanmar Brewery Limited, Coca-Cola Beverages Northeast, Inc., Kyowa Kirin Co., Ltd., Kyowa Hakko Bio Co., Ltd., San Miguel Brewery Inc., and China Resources Kirin Beverages (Greater China) Company, Limited, Thorne Research Inc. and FANCL Corporation, the Directors of the Board or Executive Officers of the Company are appointed as Directors of the Board (including Outside Directors) of each company and supervise the performance of duties in order to strengthen governance of the Group overall. Concerning Kyowa Kirin Co., Ltd., because it is a listed subsidiary, while working to secure appropriate effectiveness through the implementation of the corporate governance code, efforts are being made to ensure the independence of executive management as a listed company, as well as autonomous corporate activities based on independence and agility. At the same time, the Company is striving to maximize profits for all shareholders and sustainably expand corporate value.
- The Company has appointed Outside Directors in order to conduct the above decision making and management supervision at an appropriately high level. The Outside Directors provide valuable feedback and advice on the Company's corporate decisions from a practical, objective and specialist perspective based on their extensive experience as corporate managers. We do not provide any full-time staff to serve Outside Directors. The Secretary Section of the Personnel and General Affairs department provides support to corporate and Outside Directors.
- Additionally, we have created the Internal Audit department within the Company to establish an internal control system for the entire Group, and to conduct and preside over internal audits within the Company and at Group companies

- Regular Board meetings are held once a month and extraordinary meetings as necessary. In the fiscal year 2020, Board Meetings were held fourteen (14) times, with an attendance rate for Non-executive Directors of ninety-eight (98) percent and for Audit & Supervisory Board Members of one-hundred (100) percent.

## (2) Audit & Supervisory Board and its Members

- The Company Audit & Supervisory Board has five members, including three outside members.
- The Audit & Supervisory Board Members audit the performance of duties by Directors of the Board, attending various internal important meetings, including the Board meetings, providing advice and conducting onsite audits for Group companies in Japan and overseas in coordination with, and by exchanging information with, internal audit divisions, Independent Accounting Auditors, and auditors at Group companies, in accordance with the audit policy and plans defined by the Audit & Supervisory Board.
- Regarding Kyowa Kirin, the Audit & Supervisory Board Members of the Company are appointed as outside auditors to audit the performance of duties by the Directors of the Board in order to reinforce governance of the Group overall
- Furthermore, to strengthen the audit function two support staffs have been appointed to assist the Audit & Supervisory Board Members' work.
- In the fiscal year 2020, Audit & Supervisory Board Meetings were held sixteen (16) times, with an attendance rate for Outside Audit & Supervisory Board Members of one-hundred (100) percent.

## (3) Nomination and Remuneration Advisory Committee

- The Company has established Nomination and Remuneration Advisory Committee to deal with the nomination and remuneration of Directors of the Board, Executive Officers and Audit & Supervisory Board Members. The Nomination and Remuneration Advisory Committee is composed of five Directors of the Board (two internal Directors and three Outside Directors), and the chairperson is appointed out of the Outside Directors. As an advisory body to the Board, the Nomination and Remuneration Advisory Committee discusses the following matters from an objective and fair perspective, and report to the Board:
  - 1) Policy for the appointment/dismissal of Directors of the Board, Executive Officers and Audit & Supervisory Board Members, and proposal of candidates
  - 2) Plans for the succession of the President & CEO
  - 3) System, standards and amounts for the remuneration of Directors of the Board, Executive Officers and Audit & Supervisory Board Members
  - 4) Proposal of candidates for the positions of Chairman of the Board, President and Director of the Board at the key Group companies based on the nature and scale of their business; remuneration systems and standards
- In fiscal 2020, the Company deliberated and reported to the Board of Directors on the candidates for directors to be submitted to the Ordinary General Meeting of Shareholders in March 2021, the nature of performance-linked remuneration in light of changes in the environment that occurred during the year, and the remuneration system for directors for fiscal 2021. In addition, as part of efforts to strengthen corporate governance, members of the Nomination and Remuneration Advisory Committee (only three non-executive directors) held a strategic dialogue with President & CEO Yoshinori Isozaki and conducted a qualitative evaluation from the perspective of whether he possesses the necessary qualities as the Company's top management and whether he is appropriately demonstrating them, based on a quantitative evaluation including the status of earnings. In addition, the Nomination and Remuneration Advisory Committee reports the results of this evaluation to the Board of Directors to ensure more objective, timely, and fair management decisions regarding the selection and dismissal of the President & CEO.
- In the fiscal year 2020, the Nomination and Remuneration Advisory Committee met thirteen (13) times, with an attendance rate of one-hundred (100) percent for members.

## (4) Group Executive Committee

- The Company has established the Group Executive Committee as an advisory body to support the President & CEO in decision making. It strives to improve the quality of the decision making relating to the Group's management by holding Group Executive Committee meetings in a timely fashion with the President & CEO, Senior Executive Vice President, Senior Executive Officers, Audit & Supervisory Board Members,

and Strategic Advisor to discuss business strategies and investments that have significant implications for business.

(5) Other bodies advisory to the President & CEO

- A Group CSV Committee with jurisdiction over CSV activities for the entire Group has been set up, as well as a Group Risk and Compliance Committee with jurisdiction over risk management and compliance, thus promoting the entire Group's efforts.

\*(Note) CSV: Creating Shared Value (CSV) is a management concept of taking on social issues to create social value, while sustaining the growth of the Group.

- Additionally, an Information Disclosure Committee has been set up as an advisory body for decisions relating to information disclosure to stakeholders and investors, to improve management transparency through the promotion of timely, fair and impartial disclosure.

(6) Accounting audit system

- The certified public accountants who performed the accounting audit of the Company were Mr. Shoichi Hattori, Mr. Masahiro Sasaki, and Mr. Yoshihiro Fujioka from KPMG AZSA LLC. Also, an additional 17 certified public accountants and 39 others assisted with the audit work.

### 3. Reasons for Adoption of Current Corporate Governance System <Updated>

- The Company adopts a pure holding company structure as a means of controlling its diverse and global business, which is centered on Food, Pharmaceuticals, and Health Science. As a pure holding company, the Company will take on the role of devising and implementing the Group's overall strategies, monitoring individual businesses, and creating synergy through coordination across the Group.
- Individual Group companies will conduct their business autonomously with a sense of speed, while maintaining close ties to the local customers and other stakeholders. The Company will grant appropriate authority to match the strategic stages of individual Group companies, and will improve governance through the Boards of individual Group companies by dispatching Directors of the Board to said main companies. Directors of the Board or Executive Officers of the Company will serve concurrently as directors at the main companies in the Group.
- The Company adopts a company with Audit & Supervisory Board system, and aims to maintain and improve on a highly transparent governance for its stakeholders. The Board, which includes a number of Outside Directors, will work closely with the Audit & Supervisory Board, which also includes a number of Outside Audit & Supervisory Board Members, and make effective use of the statutory and some other auditing function to take final decisions on important matters. At the same time, the Board will endeavor to reinforce the monitoring function on management.
- The Company introduces an Executive Officer based system in order to implement strategies for each of its businesses and functions in an agile fashion and clarify executive responsibilities. The Board will establish the scope of the responsibility of Executive Officer based on experience, performance and specialization in their respective field.

## III. Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights <Updated>

	Supplementary Explanations
Early Notification of General Shareholder Meeting	<p>The convocation notice of the Ordinary General Meeting of Shareholders is mailed approximately three weeks in advance of the date of the Ordinary General Meeting of Shareholders. The Company also publishes the information on the Company's website before the mailing date. In 2021, the convocation notice was published on the website on February 24 and mailed to shareholders on March 3.</p> <p>Japanese version:  <a href="https://www.kirinholdings.co.jp/irinfo/event/soukai.html">https://www.kirinholdings.co.jp/irinfo/event/soukai.html</a></p> <p>English version:  <a href="https://www.kirinholdings.co.jp/english/ir/event/meeting.html">https://www.kirinholdings.co.jp/english/ir/event/meeting.html</a></p>

Scheduling AGMs Avoiding the Peak Day	-
Allowing Electronic Exercise of Voting Rights	Shareholders may exercise voting rights via the Internet.
Participation in Electronic Voting Platform	The Company has been participating in an electronic voting platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English	The Company prepares the English translation (full text version) of the convocation notice of the Ordinary General Meeting of Shareholders and publishes it on the Company's website the same day that the original Japanese version is released.
Other	The results of the exercise of voting rights are released on the Company's website shortly after the Ordinary General Meeting of Shareholders.

## 2. IR Activities <Updated>

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The Company's Disclosure Policy includes not only the basic policy, but also the method of information disclosure, the cautionary statement with respect to the forward-looking statement, non-disclosure of information on business performance over an undisclosed fiscal period, and the quiet period, and is published on the Company's website. <a href="https://www.kirinholdings.co.jp/english/ir/policy/disclosure.html">https://www.kirinholdings.co.jp/english/ir/policy/disclosure.html</a>
Regular Investor Briefings for Individual Investors	Since the fiscal year 2002, the Company has held seminars for individual investors several times a year, mainly by participating in seminars hosted by securities companies, with Executive Officer in charge of IR and staff members of the IR Section presenting the information. In addition, from fiscal 2018 onwards, the Company conducted factory tours for individual shareholders, but in fiscal 2020, due to the impact of the spread of COVID-19 infection, the tours were not conducted.
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds meetings for analysts from securities companies and institutional investors at different times including at the announcement of the financial results (second-quarter financial results/year-end financial results) and that of important management matters such as the Medium-Term Business Plan and Long-Term Management Vision, with the President & CEO and Executive Officer in charge of IR as presenters. The Company also holds remote conferences at the announcement of the financial results (including first- and third-quarter financial results) and on other occasions as necessary. Furthermore, the Company releases on-demand videos for institutional investors including those based overseas who are unable to attend the meetings in Japan in person. In addition to this, an Investor Day was held every year starting in 2019, which included medium- to long-term growth strategies, corporate governance, and other topics that are likely to be of interest to investors, and in addition, a briefing session on CSV has been held every year since 2016 (including the year it was made an Investor Day program).
Regular Investor Briefings for Overseas Investors	The President & CEO and Executive Officer in charge of IR go on visits to institutional investors based overseas and the Company participates conferences and local meetings one to two time(s) a year in major cities in Europe, the United States, and Asia. In addition, the above Investor Day has been conducted with simultaneous interpretation since fiscal 2020.

Posting of IR Materials on Website	The Company has been enhancing and expanding the content of the IR website page, and regularly uploads a range of materials including financial results, information that needs to be disclosed in a timely manner, various press releases, presentation documents, securities reports, quarterly financial reports, convocation notices of the Ordinary General Meeting of Shareholders, and Kirin Reports, basically both in the Japanese and English languages. Furthermore, the Company has created webpages for individual investors and posted videos to explain financial results, etc.
Establishment of Department and/or Manager in Charge of IR	The IR Section in the Corporate Communications Department is in charge of the Company's IR. The executive officer in charge of finance (CFO) also serves as the executive officer in charge of IR.
Other	In principle, all information for disclosure to investors is translated into English, and listed on the Company's website at the same time as, or shortly after, disclosure of the corresponding original Japanese documents. IR site (in English): <a href="https://www.kirinholdings.co.jp/english/ir/index.html">https://www.kirinholdings.co.jp/english/ir/index.html</a>

### 3. Measures to Ensure Due Respect for Stakeholders <Updated>

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	Along with establishing various policies and guidelines, including the Group corporate philosophy, Group Human Rights Policy, Group Compliance Guidelines, corporate governance policy, employment regulations, Group quality policy, Group environmental policy, basic policy on Group procurement, and supplier CSR guidelines, the Company is strengthening its engagement. In addition, the Company also participates in the United Nations Global Compact and is putting in place specific initiatives to achieve those principles. In addition, the Company ensures that the principles are informed companywide through the intranet, internal training, and other means.
Implementation of Environmental Activities, CSR Activities etc.	<ul style="list-style-type: none"> <li>Under the Long-Term Management Vision KV2027, the Group is contributing to creating social value, as well as linking those contributions to economic value in the form of business growth and aiming to become a global leader in CSV. By strengthening risk management through the resolution of the social issues concerning the management of the Group and innovation aimed at transforming the social issues into business opportunities, the Group will aim to increase the competitive capability and realize sustainable growth.</li> <li>The Group assumes six common stakeholder groups: consumers, shareholders and investors, employees, communities, business partners and the global environment. Keeping in mind that cooperation with these stakeholders will be essential in order to realize the vision for 2027, the Group will create new value together with all of its stakeholders in the process of turning the 2027 Vision into a reality.</li> <li>In order to co-create value together with society and realize sustainable growth, the CSV Purpose has been established as a guideline, and efforts are being carried out under the CSV commitments as the action plan. In addition, the Kirin Group Environmental Vision 2050 sets out the ideal state of the environment in 2050, and the Company is working to realize it.</li> </ul> <p>Our CSV Purpose: <a href="https://www.kirinholdings.co.jp/english/csv/purpose/">https://www.kirinholdings.co.jp/english/csv/purpose/</a></p>

	<p>Our CSV Commitment:  <a href="https://www.kirinholdings.co.jp/english/csv/materiality/commitment.html">https://www.kirinholdings.co.jp/english/csv/materiality/commitment.html</a></p> <p>Kirin Group Long-Term Environmental Vision:  <a href="https://www.kirinholdings.co.jp/english/csv/env/report/vision.html">https://www.kirinholdings.co.jp/english/csv/env/report/vision.html</a></p> <p>Integrated Reports  <a href="https://www.kirinholdings.co.jp/english/ir/library/integrated/">https://www.kirinholdings.co.jp/english/ir/library/integrated/</a></p>
Development of Policies on Information Provision to Stakeholders	<p>The Company provides information externally through its disclosure policy. In addition, the Information Disclosure Committee of the Company, an advisory body for decision-making about disclosure to shareholders and investors, has the function of improving management transparency through the promotion of timely, fair, and impartial disclosure of information.</p>
Other	<p>Promotion of diversity</p> <ul style="list-style-type: none"> <li>Under the Long-Term Management Vision KV2027, the Company is aiming to become “a global leader in CSV, creating value across our world of food &amp; beverages to pharmaceuticals”, and new innovation is necessary to achieve this. “Diversity and inclusion, culture for innovation” has been designated as the foundation of the organizational capabilities for realizing that innovation. In 2019, “diversity” was added to the existing One KIRIN Values of “passion” and “integrity”. Also, in addition to the current measures for promoting the participation and advancement of women, a diverse range of initiatives that will lead to an improved workplace environment and broaden the perspectives of individuals are being conducted, including the hiring of people with external experience, and the “working overseas” program, and expanded application of “second jobs” and started accepting them.</li> </ul> <p>Diversification of decision-makers</p> <ul style="list-style-type: none"> <li>In the belief that diversity is a source of innovation, the Company aims to secure a diversity of people at the decision-making level and, as the first step towards achieving this goal, has appointed female officers in key Group companies in Japan.</li> </ul> <p>&lt; Number of female officers &gt;</p> <ul style="list-style-type: none"> <li>Directors of the Board: the Company (2) Kyowa Kirin Co., Ltd. (1)</li> <li>Audit &amp; Supervisory Board Member: the Company (2) Kyowa Kirin Co., Ltd. (1)</li> </ul> <p>(As of March 30, 2021)</p> <p>Promoting the active participation of female employees</p> <ul style="list-style-type: none"> <li>In October 2006, “Kirin Positive Action” was established and an internal organization called the “Kirin Women’s Network (KWN)” was launched in order to proactively support female employees and to promote networking among women. Furthermore, in 2013, “KWN2021,” a long-term plan for promoting female employees’ active participation, was established, setting a goal for the number of female leaders. Through this initiative, both top-down (developing the corporate organization and environment) and</li> </ul>

	<p>bottom-up (raised awareness of female employees) approaches have been put in place to achieve the target.</p> <ul style="list-style-type: none"> <li>Initiatives such as systems and programs (including changes in working style and awareness of male workers based on the concept of the gender division of labor by that is deeply rooted in society as a whole) necessary to support female employees during life events (e.g., marriage and childbirth) have been put in place as part of the top-down approach, while various career-enhancing and leadership training programs for female employees to increase motivation for work and raise awareness of on-going self-development constitute part of the bottom-up approach.</li> </ul> <p>&lt; Number and ratio of female leaders* &gt;</p> <ul style="list-style-type: none"> <li>Alcoholic and non-alcoholic beverage businesses in Japan + Kyowa Hakko Bio Co., Ltd. + Kyowa Kirin Co., Ltd. (368, 10.3%)</li> <li>Alcoholic and non-alcoholic beverage businesses in Japan (232, 9.9%)</li> </ul> <p>(As of December 31, 2020)</p> <p>*Female leaders include female employees with the titles of departmental director, section chief, or section sub-chief</p> <ul style="list-style-type: none"> <li>The Company will take action to increase the ratio of female leaders from the current 10% level to 12% by the end of 2021. The Company is also aiming to develop a corporate environment in which not only female employees but also other employees from a diverse range of backgrounds can succeed in the workplace.</li> </ul>
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#### IV. Matters Related to the Internal Control System

##### 1. Basic Views on Internal Control System and the Progress of System Development <Updated>

###### 1. Basic policy for the internal control system

The Board has made a resolution on the fundamental principles of a system (an internal control system) to ensure appropriate performance of duties within the Kirin Group.

###### (1) System to ensure compliance of performance of duties by the Group Directors, etc.\* and employees with laws and the articles of incorporation (“Compliance System”)

\* Directors, etc. refers to Directors of the Board, Executive Officers and other business administrators.

Also hereinafter in this basic policy for the internal control system only.

The Company Directors of the Board shall establish basic policy on the compliance of the Group and promote the policy by maintaining an organization and provisions to execute the policy and integrating them with the activities in each the Group company. In addition, the Directors of the Board shall carry out educational programs on compliance, clarify procedures concerning responses to breaches of compliance, and make those procedures well-known within each Group company. The Kirin Holdings Internal Audit Department (including internal audits at each Group company) shall carry out internal auditing to ensure that these systems are properly developed and applied.

Also, the Directors of the Board shall establish an internal control reporting system to ensure reliability of the financial reports and conduct their operation and evaluation effectively and efficiently.

###### (2) System to ensure the proper preservation and maintenance of information regarding the performance of duties by the Company Directors of the Board (“System of Information Preservation and Maintenance”)

The Company Directors of the Board shall preserve the following documents (including electromagnetic records) together with the related materials for at least ten (10) years and make them available for inspection as necessary.

- Minutes of general meetings of shareholders
- Minutes of the Board meetings



- Minutes of the Group Executive Committee meetings and other significant meetings
- Approval applications (approval authority of General Manager and above)
- Financial statements, business reports, and their detailed statements

(3) Regulations and other systems related to the control of the risk of the Group loss (“Risk Management System”)

The Company Directors of the Board shall establish basic policy on the risk management of the Group and promote the policy by maintaining an organization and provisions to execute the policy and integrating them with activities in each Group company. In addition, the Directors of the Board shall carry out educational programs on risk management, clarify procedures concerning the disclosure of risks and responses to the occurrence of crises, and make those procedures well-known within each Group company.

The Kirin Holdings Internal Audit Department (including internal audits within each Group company) shall carry out internal auditing to ensure that these systems are properly developed and applied in each Group company.

(4) System to ensure the efficient performance of duties by the Group Directors, etc. (“Efficient Performance System”)

The Company Directors of the Board shall maintain a management control system comprising the following items to ensure the efficient performance of duties by Group Directors, etc.

- In addition to Board meetings, the Group Executive Committee shall be organized to deliberate significant matters affecting the entire Group, thereby ensuring that decisions are reached carefully based on considerations of multi-dimensional aspects.
- Along with the appointment of Executive Officers, who are responsible for business administration at the Company, as necessary the Company shall dispatch Directors of the Board to each Group company to oversee appropriate and efficient performance of duties and decision making.
- Ensure appropriate and efficient performance of duties according to the limits of authority and decision-making rules based on the Regulations on Work Authority.
- Establish quantitative and qualitative targets in the annual plan by business category and monitor performance, including quarterly monitoring at each Group company.

(5) System to ensure appropriate operations including a system for reporting performance of duties by the Company Directors, etc. (“Group Internal Control System including Reporting Performance of Duties”)

In order to ensure appropriate operations including reporting performance of duties by the Group Directors, etc., the Company Directors of the Board shall establish rules and standards to be applied to each Group company, including the following items, and carry out operation in compliance with these rules and standards.

- Items related to the governance and monitoring of each Group company
- Items related to guidance and management concerning the maintenance of the internal control system for each Group company
- Items related to the communication system\* linking the Group companies
- Items related to the Group internal auditing system operated by the Kirin Holdings Group Internal Audit Department

\* The system to share information within the Group, the compliance hotline system, and other related items.

(6) Items regarding assignment of employees as support staff for the Company Audit & Supervisory Board Members when Audit & Supervisory Board Members request support staff (hereinafter in this basic policy for the internal control system only, “Audit & Supervisory Board Member System”)

The Company’s Directors of the Board shall assign employees as support staff for the Company Audit & Supervisory Board Members.

(7) Items related to the assurance that employees assigned as support staff as mentioned in the preceding provision remain independent from the Company Directors of the Board and to ensure the effectiveness of directions by the Company Audit & Supervisory Board Members to these employees

In order to ensure independence from the Company Directors of the Board of the employees assigned as

support staff as mentioned in the preceding provision, the consent of the Company Audit & Supervisory Board Members shall be required for any decision related to personnel affairs, including the appointment, transfer and assessment of such employees. Such employees shall not simultaneously assume any other appointment related to the operation of business and shall only follow instructions of the Company Audit & Supervisory Board Members.

(8) System to ensure reporting to the Company Audit & Supervisory Board Members by the Group Directors, Audit & Supervisory Board Members and employees

The Company Directors of the Board shall report to the Company Audit & Supervisory Board Members on matters specified by the Audit & Supervisory Board Members in advance in accordance with the provisions of Audit & Supervisory Board Members' audit standard of the Company. Principal items are as follows.

- Any matter that may cause material damage to any Group company, when the Audit & Supervisory Board Members find such a matter
- Legal matters that require the consent of Kirin Holdings Audit & Supervisory Board Members
- The status of maintenance and application of the Group's internal control system

Notwithstanding the items listed above, the Company Audit & Supervisory Board Member may request the Directors of the Board, Audit & Supervisory Board Members and employees of each Group company to report on other matters any time as necessary.

The Directors of the Board, Audit & Supervisory Board Members, and employees of each Group company (including those who receive reports from these Directors of the Board, Audit & Supervisory Board Members and employees) may directly report matters that they judge to be appropriate to the Company Audit & Supervisory Board Members in order to ensure appropriate performance of duties at each Group company.

The Company Audit & Supervisory Board Members shall receive an update each quarter on the operation of the internal reporting system. Also, where they personally feel it is necessary, they can immediately report on the operation of the said system.

(9) System to ensure that someone who makes a report to the Audit & Supervisory Board

Members as outlined in the preceding provision are not subjected to unfair treatment. The Company Directors of the Board have prepared common regulations for the Group worldwide to ensure that someone who makes a report to the Directors of the Board as outlined in the preceding provision is not subjected to unfair treatment for this reason, and shall make those procedures well-known within each Group company.

(10) Policy for pre-payment or reimbursement of expenses incurred in the performance of the Company Audit & Supervisory Board Members' duties

After discussions with the Company Audit & Supervisory Board Members, the Company Directors of the Board have deemed that expenses incurred in the performance of the Company Audit & Supervisory Board Members' duties shall either be pre-paid or reimbursed.

(11) Other systems to ensure effective auditing by the Company Audit & Supervisory Board Members

The Company Audit & Supervisory Board Members shall hold a regular meeting with the Company Directors of the Board and Outside Directors for the exchange of opinions.

Also, the Company Directors of the Board shall establish systems to ensure effective auditing by the Company Audit & Supervisory Board Members. This will include ensuring that the Company Audit & Supervisory Board Members have the opportunity to attend the meetings of each Group company, at the request from the Company Audit & Supervisory Board Members.

2. Establishment of the internal control system

The Company has steadily developed the internal control system, and has been working on continuous improvement.

## 2. Basic Views on Eliminating Anti-Social Forces

### 1. Basic view on the subject of eliminating anti-social forces

- For the Group, compliance goes beyond the level of simply observing laws and ordinances, and is defined as follows: “Each Kirin Group company and their employees will observe laws and ordinances and all internal and external rules and regulations, uphold social norms, fulfill legal obligations and social ethical responsibilities, and thereby prevent unexpected losses and loss of credibility and maintain and increase stakeholders’ trust in Kirin Group.” Under the scope of compliance, the Group undertakes specific initiatives to eliminate any connections with anti-social forces in its everyday corporate activities.

### 2. Initiatives to eliminate anti-social forces

#### (1) Code of conduct

- The code of conduct that each Group company and its employees must observe, “Kirin Group Compliance Guidelines”, has been established, which discusses the elimination of all connections with anti-social forces.

#### (2) Internal systems and programs

- The Company has designated a department responsible for handling unjustifiable requests from anti-social forces on an ongoing basis, and has appointed a person responsible for preventing such unjustifiable requests. Meanwhile, the Company obtains relevant information in cooperation with expert external organizations such as the police, the National Center for the Elimination of Criminal Organizations, and lawyers. All employees of Group companies also receive annual training on the Compliance Guidelines mentioned above.

## V. Other

### 1. Adoption of Anti-Takeover Measures

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

The Company does not employ any anti-takeover measures; in cases where the Company's shares are purchased in a takeover bid, the Board will ask the bidder for an explanation of measures for boosting the Group's corporate value, and will promptly disclose its view on the bid.

### 2. Other Matters Concerning to Corporate Governance System <Updated>

Overview of internal system with regard to the timely disclosure (information disclosure system)

- The Company has the following internal system with regard to the timely disclosure of corporate information.

#### 1. Basic principle/view on the subject of the timely disclosure of corporate information and its dissemination to all employees

- (1) As “integrity” is included within the “One KIRIN” Values defined by the Company as shared values across all Group employees worldwide, the Group aims to become a group of trusted companies. The six common stakeholders within the Group are Consumers, Communities, Business Partners, Employees, Shareholders/Investors, and the Environment.

- (2) The Company positions its proactive efforts towards disclosure as part of corporate governance. As an overall guideline for the undertaking of information disclosure to stakeholders such as Shareholders/Investors and Consumers, the Company has established the Disclosure Policy (see Attachment A for details), which is available on the Company website.

- (3) The Company has established the “Kirin Group Compliance Guidelines” as the minimum necessary

standards of behavior that must be observed by each Group company and its employees. The section “Disclosure of Management Information” under “Relations with Shareholders and Investors” in the Guidelines outlines the need to “disclose financial and business activities and conditions and other company management information to stockholders and investors timely and accurately, clearly convey company management philosophy and policies, and earnestly respond to related opinions and criticisms.”

(4) The section stipulating the “Prohibition of Insider Trading” found under “Relations with Shareholders and Investors” in the Guidelines calls for the officers and employees of the Company and consolidated subsidiaries to observe the “Group Insider Trading Prevention Regulations.”

- Based on the above-mentioned standards and codes of conduct, each responsible department (Corporate Strategy Department for the “Kirin Group Compliance Guidelines” and Legal Department for the “Insider Trading Prevention Regulations”) conducts information sessions within the Group in order to fully inform and educate Group employees. Meanwhile, the Company also takes efforts to achieve the timely disclosure of corporate information under the following internal systems.

## 2. Gathering of information

(1) Information about matters that have been decided

- Information about matters that have been decided, upon deliberation and decision-making at Board meetings, is submitted to and managed by the general manager of Corporate Communications Department; and information about matters that have been decided regarding subsidiaries is submitted through responsible departments to and managed by the general manager of Corporate Communications Department.

(2) Information about matters that have taken place

- Information about matters that have taken place is communicated by various departments within the Company (or responsible departments if such information is regarding subsidiaries) to Corporate Communications Department and IR Section without delay, and further gathered to the general manager of Corporate Communications Department. In some cases, the information is provided to Corporate Communications Department and IR Section via the Group Risk and Compliance Committee, upon deliberation and decision-making at Board meetings. Meanwhile, a contact person for each department is appointed in either Corporate Communications Department and IR Section to enhance such information gathering.

(3) Information about financial results/forecasts

- Information concerning financial results/forecasts is deliberated and finalized at Board meetings, and then submitted to and managed by the general manager of Corporate Communications Department. The scope of disclosure of information concerning financial results/forecasts is explored by the Group Information Disclosure Committee.

(4) Important information (in accordance with Article 27-36 of the Financial Instruments and Exchange Act of Japan; henceforth “material information”)

- Information that may fall under the category of material information is reviewed and decided by the Group Information Disclosure Committee, and when it is disclosed, it is gathered to the general manager of Corporate Communications Department and reported to the Board. ; and if material information is needs to be disclosed promptly, it is disclosed after the decision of the chairperson of the Group Information Disclosure Committee (CFO) and subsequently reported to the Board.

## 3. Decisions about information disclosure and disclosure procedures

- The Company has defined its “Corporate Disclosure Policy” as the overall guidelines for disclosing information. Meanwhile, it has established the Group Information Disclosure Committee as an advisory board for business execution, which discusses, judges and makes decisions on the materiality and necessity of disclosing the information in a timely manner (see Attachment B for details).

(1) IR Section is responsible for making the basic decision as to whether information gathered by the general manager of Corporate Communications Department from different departments falls into the category of

requiring timely disclosure or material information.

- (2) In case it needs to be determined whether certain information falls into the category of timely disclosure items or material information, or in case the necessity of disclosure of particular information, among voluntary disclosure items or material information, needs to be determined, the Group Information Disclosure Committee commissioned by the President & CEO makes a final decision; and then the chairperson of the Committee reports its final decision to the President & CEO if necessary. However, the case described in (3) below is excluded from the above-mentioned process.

As for timely disclosure items, the information is disclosed to the TSE and on the Company's website. As for material information, the Group Information Disclosure Committee deliberates and decides on the method of disclosure.

- (3) Concerning information which is judged as especially important by the Group Information Disclosure Committee, the chairperson of the Committee reports to the President & CEO with the outcome of the deliberation at the Group Information Disclosure Committee.

- Once disclosure deemed necessary through the above-mentioned processes (1) to (3), the Group Corporate Communications IR Section promptly takes necessary procedures to disclose the information.

#### 4. Monitoring of disclosure

- Audit & Supervisory Board Members and the general manager of the Internal Audit attend Group Information Disclosure Committee meetings as observers and monitor the disclosure of important information deliberated at the Group Information Disclosure Committee from an independent and objective standpoint.

#### 5. Other

##### (1) Features of the Company regarding information disclosure

- The Group consists of 153 consolidated subsidiaries and 35 affiliates accounted for by the equity method (as of December 31, 2020), and the scope of information-gathering is extensive.

##### (2) Handling of disclosure risk

- To avoid arbitrary judgements by Corporate Communications Department or IR Section, information-sharing mechanisms and checks and balances have been put in place among Corporate Communications, IR section and other relevant departments including Legal Department. Information for which the necessity of disclosure is unclear is reported to the Group Information Disclosure Committee for its deliberation.

##### (3) Educating about the disclosure of information

- As described above 1., each responsible department (e.g. Corporate Strategy Department for "Kirin Group Compliance Guidelines" and Legal Department for "Group Insider Trading Prevention Regulations") conducts internal education sessions to inform and educate about the disclosure of information.

#### Attachment A: Disclosure Policy

Kirin Holdings (hereinafter the "Company") endeavors to ensure transparency, fairness and continuity in disclosing information to shareholders and investors on a timely basis. In order to ensure transparency and fairness of information disclosure, the Company will be thorough in implementing its system for managing information, provide information in Japanese and English, and establish a "quiet period" as outlined in Section 4.

The Company discloses information in accordance with the Financial Instruments and Exchange Act of Japan and other applicable ordinances (hereinafter the "FIEA") as well as the Securities Listing Regulations and other applicable regulations (hereinafter "TSE regulations") enforced by the Tokyo Stock Exchange (hereinafter the "TSE"). In addition, as necessary and upon deliberation by the Group Information Disclosure Committee\*, the Company makes available other information that it believes to be effective in ensuring a better understanding of the Group, and, in particular, the Company proactively and promptly provides financial and non-financial information concerning the improvement of corporate value over the medium to long term.

Terms used in this Policy are defined and interpreted as specified in the FIEA or TSE laws or regulations.

\* The Group Information Disclosure Committee refers to the executive committee which was established and appointed by President & CEO, and deliberates and decides on the importance of information and necessity for disclosure from the perspective of providing shareholders/investors with useful information.

1. Method of Information Disclosures

In case it is necessary to make timely disclosure as specified in TSE regulations, the Company discloses such information through the Timely Disclosure Network (hereinafter “TDnet”) operated by the TSE after delivering an advance briefing to it, and promptly provides the same information to the news media and posts it on the Company's website without delay.

In the event where an officer or employee of the Company (limited to a person in charge of communicating information to trade-related parties (torihiki kankeisha)) communicated or is likely to have communicated material information (juyo jyohou) pursuant to the FIEA in connection with its business, only to a certain business contact(s), the Company will promptly take necessary measures, including public disclosure on the Company's website, upon a decision of the Group Information Disclosure Committee. However, even if the communicated information falls under the category of material information, if immediate public disclosure of the information is considered to be inappropriate, the Company might refrain from disclosing the information for a certain period of time, provided that the Company and a disclosed party/parties conclude an agreement stipulating confidentiality and other obligations including the prohibition of trading stocks of the Company.

2. Earnings Forecast and Forward-Looking Statements

Statements publicly available on the Company's website with respect to the Group's plans, earnings forecast, and strategies as well as those of its affiliated companies, that are not historical or current facts, are forward-looking statements about the future performance of the Group. These statements are based on management's assumptions and beliefs in light of the information available at the time of the statements.

Actual results may differ materially from those discussed in the forward-looking statements due to changes in various risks and uncertainties as well as economic conditions.

3. Disclosure of Information on Business Performance over an Undisclosed Fiscal Period

The Company does not disclose information on the business performance over any undisclosed fiscal period (quarterly/full-year), regardless of the nature of the information (quantitative or qualitative) and the method of disclosure (oral, written, or electronic).

If, exceptionally, there is any information to disclose, the Company discloses it on the Company's website and answers questions, etc., only within the scope of the disclosed information.

4. Quiet Period

The Company has a "quiet period" that extends from the day following the end of a fiscal period to the day of an earnings announcement for that fiscal period to maintain transparency and fairness of information disclosure as well as to ensure that any information leaks on the business performance over an undisclosed fiscal period are prevented.

During the quiet period, the Company does not respond to any requests for information gathering purposes. However, even during the quiet period, the Company answers questions about information which has already been disclosed, made public domain, or disclosed through TDnet during the quiet period.

Attachment B: Group Information Disclosure Committee

1. Purpose and positioning

This committee has been established as part of the Company's internal control system and as an advisory body for business execution, and makes the final decision on the disclosure of information (excluding the information deemed especially important by the committee). The committee deliberates, judges and makes a decision on the materiality of the information and the necessity of its disclosure in a timely manner. In addition, it is responsible for developing and establishing the Disclosure Policy, a basic policy on the

appropriate disclosure of information.

## 2. Specific roles

- (1) Establish the Disclosure Policy, inform and educate about the Policy
- (2) Share information (matters that have been decided, matters that have taken place, and financial results) for timely disclosure based on the requirements of the Tokyo Stock Exchange, and decide on the scope of disclosure, etc.
- (3) Decide upon the disclosure of matters for which disclosure is voluntary (e.g. risks and other matters to be under consideration for inclusion in the securities report/quarterly report)
- (4) Make decisions on information for disclosure through the processes described in (2) and (3) above and report to the President & CEO (matters the committee deems especially important must be returned to the President & CEO)
- (5) Take other necessary actions for Group companies regarding the disclosure of information (including giving instructions for implementing improvements to relevant departments within the Company and to Group companies)

\*As to (2) and (3) above, discussions include decisions on information to be mentioned in documents such as the summary of consolidated financial results (including supplementary documents), securities report/quarterly report (only in Japanese), and the Kirin Report

## 3. Structure

- (1) Chairperson: CFO
- (2) Members: general manager of Corporate Strategy Department, general manager of Finance Department, general manager of Legal Department, and general manager of Corporate Communications Department  
(Observers: Audit & Supervisory Board Members and general manager of Internal Audit)
- (3) Working-level members: One to two person(s) from each department mentioned above (2)
- (4) Secretariat: Corporate Communications Department IR Section

## 4. Meetings

Regular meetings are held in advance of the announcement of financial results (four times/year) and that of publications.

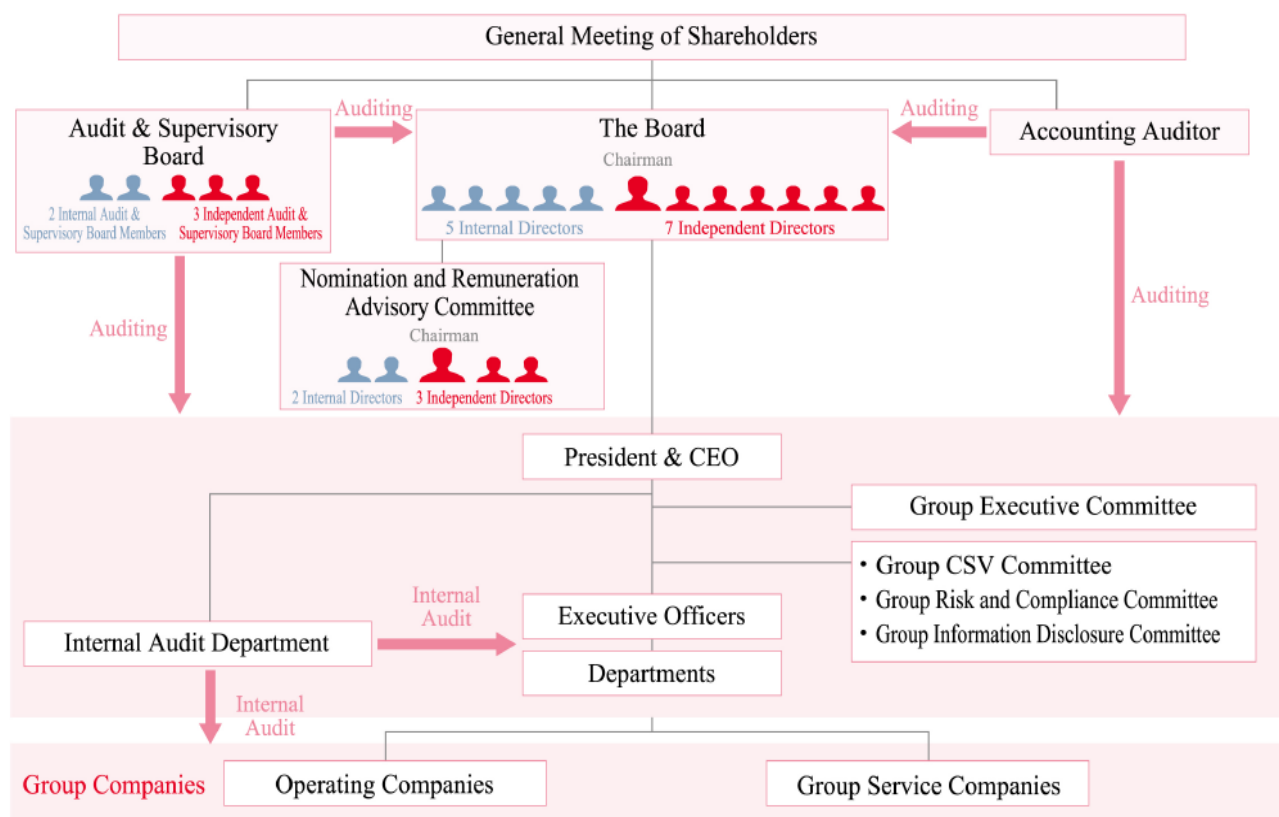
Extraordinary meetings are to be convened if necessary.

## 5. Other

The Committee must be aligned with the Company's internal control system; Specific roles mentioned in 2. above and other items are to be reviewed if necessary.

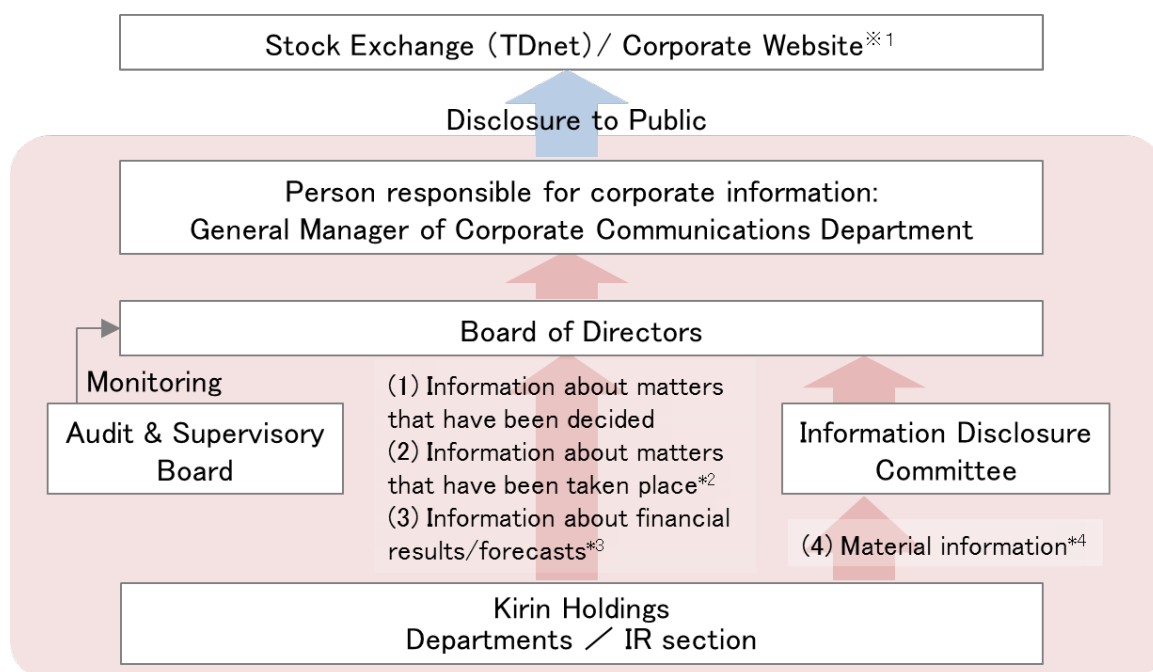
## Corporate Governance Structure <Updated>

### <Corporate Governance Structure>





## Internal System with regard to the Timely Disclosure



### < Note >

- \*1 Material information (Article 27-36 of the Financial Instruments and Exchange Act) may be disclosed only on the Company's website.
- \*2 Information relating to risk management among information about matters that have been taken place may be disclosed by the Chairman of the Group Risk and Compliance Committee (director in charge of risk management) and posted to the Board.
- \*3 Details and methods of disclosing Information about financial results/forecasts shall be discussed in the Group Information Disclosure Committee.
- \*4 If material information needs to be disclosed promptly, it may be disclosed by the Chairperson of the Group Information Disclosure Committee (CFO) and posted to the Board. From the above (4) material information, the above (1) information about matters that have been decided, (2) information about matters that have been taken place, and (3) Information about financial results/forecasts shall be excluded.