

Last Update: May 27, 2025

Kirin Holdings Company, Limited
Takeshi Minakata, President & COO

Contact: Finance Department

Hidefumi Matsuo, General
Manager

TEL: +81-3-6837-7015

Securities Code: 2503

<https://www.kirinholdings.com/en/>

The Corporate Governance of Kirin Holdings Company, Limited (the “Company”) shall be 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” (“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

*CSV: Creating Shared Value is a management concept that realizes corporate growth by balancing "creation of social value" and "creation of economic value" through initiatives to address social issues.

<“One KIRIN” Values>

“Passion. Integrity. Diversity.”

【Reasons for Non-compliance with the Principles of the Corporate Governance Code】

【Supplementary Principle 2-4 (1) Ensuring diversity within the company】

- "Long-term Plan for Enhancing the Advancement of Women 2030," which covers the period from 2022 to 2030, are formulated for female employees, and the ratio of female managers (30% by 2030) and female executives (30% by 2030) shall be set as voluntary and measurable targets and KPIs. Kirin Holdings Company, Limited (henceforth “the Company”) shall further diversify its decision-making ranks and strengthen its organizational capabilities by removing barriers that prevent women and other diverse human capital from playing an active role and creating an environment in which they can maximize their abilities. The plan, status, measures, etc. have been disclosed internally and externally.

- Regarding foreign employees, core foreign national human capital are autonomously managing major overseas operating companies in Asia, Oceania, North America, and other regions. On the other hand, the Company intends to further strengthen the functions of its domestic corporate divisions by proactively hiring and encouraging the active participation of foreign human capital, regardless of age or position, in accordance with the transition of its business portfolio, and will consider measurable numerical targets going forward in accordance with the situation.
- In terms of mid-career hires, the proportion of mid-career hires has increased to approximately 50%, and we are working to secure a diverse range of human capital, from general employees to key positions, which will lead to ensuring diversity within the Company.

【Disclosure Based on the Principles of the Corporate Governance Code】

[Principle 1.3. Basic Policy on Capital Management]

<Policy change regarding shareholder returns>

- The Company considers the appropriate return of profits to shareholders as one of the most important management tasks and has been paying dividends based on a consolidated payout ratio of 40% or more of normalized EPS. However, to achieve more stable and sustainable dividends, from the fiscal year ending December 2025, the Company will change its dividend policy to a progressive dividend policy in principle, with a target of 5% or more DOE (consolidated dividend on equity ratio).
- As part of our management approach aimed at increasing corporate value and conscious of the cost of equity, we will strive to further increase the return of profits to our shareholders and improve capital efficiency.

[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>

- The Company held an issue of cross-shareholdings with a book value of 1.3 billion yen at the end of 2024.

[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.

[Supplementary Principle 2.4.1 Policies for ensuring diversity in appointing core personnel, etc.]

<Significance of enhancing diversity>

- At the Company, the common values of its employees, "One KIRIN" Values, are based on the pillars of "Passion", "Integrity" and "Diversity". The Company's definition of diversity is the willingness to recognize and respect differences in individual values and perspectives. It is the belief that through constructive discussion, both internally and externally, differences can be transformed into the power to change the world and create better ways of doing things.

<Vision through diversity advancement>

- The Company is committed to creating a psychologically safe work environment where diverse human capital is accepted and where all employees, regardless of their attributes, are able to express their opinions without fear. The Company will create an environment that recognizes and accepts the differences in values and perspectives held by each and every employee and will grow into an organization that creates new value by utilizing these differences.

<Human capital development policy and internal environment for pursuing diversity>

- The Company is working to diversify the perspectives, abilities, and experiences of the organization by accepting a diverse range of human capital, including young people, seniors, women, career hires, foreign nationals, LGBTQ+ and disabled persons. In addition, the Company is working to create an environment that will further broaden individual values and perspectives by expanding and accepting transfers to companies outside the Group that provide opportunities to work in environments different from those of the Group, overseas work experience programs, and widen the range of side job applications. In addition, the Company is conducting a training program that promotes a greater understanding of diversity for all employees to deepen their understanding of psychological safety at work, for example, by identifying factors that inhibit each employee from expressing diverse opinions in the workplace through diversity awareness surveys. Leadership development initiatives such as coaching and 360-degree assessments for the top leaders who manage the organization are also accelerating the development of a corporate culture that encourages acceptance and utilization of diverse opinions.

〈Current status and goal setting for diversity advancement〉

- The Group is expanding its business globally. For example, major overseas operating companies in Asia, Oceania, North America, and other regions are mainly managed by foreign personnel, and the decision-making layer consists of diverse members with different perspectives and experiences as well as attributes such as gender and nationality. In addition, the proportion of mid-career hires among the Company's new hires has increased over the years and is now close to 50 %. On the other hand, the Company and its operating companies in Japan recognize that there are issues in fostering female leaders and have set quantitative targets for employees whose original place of employment is with Kirin Holdings Company.

■Employees with foreign nationality

Overseas operating companies within the Group will maintain and continue their current autonomous management, led by foreign personnel.

In addition, Company headquarters shall further enhance its functions by proactively engaging in hiring and pushing forward with the active participation of foreign human capital utilizing various recruitment channels such as internships, etc., regardless of age or position, in accordance with the transition of the business portfolio.

■Female employees

The Company aims to achieve a 30% ratio of women in management positions with Kirin Holdings Company as the original employer by the end of 2030.

Results for the past three years: 10.6% in 2022, 13.6% in 2023, 15.9% in 2024

■Career employees (actual figures only)

Results for the past three years: 27.3% in 2022, 45.4% in 2023, 44.5% in 2024

[Principle 2.6 Role as asset owner of corporate pensions]

- The Company will develop an appropriate management system by appointing/assigning persons suitably qualified to manage pensions in relation to the major corporate pensions funds within the Group, and by having external advisors provide complementary specialized skills and expertise.
- Furthermore, the Asset Management Committee monitors the investment status of the Fund and provides a comprehensive evaluation not only of quantitative aspects such as investment results, but also of qualitative aspects such as investment policy, investment process, risk management, ESG and sustainability initiatives in accordance with the Group's concept of CSV management, and stewardship activities including the status of exercise of voting rights, and shall review asset allocation and asset management companies as required.

[Principle 3.1 Full Disclosure]

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

- 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) and the annual business plan of the Group are described on the Company's website.
https://www.kirinholdings.com/en/purpose/management_plan

(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.com/en/purpose/files/pdf/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, Executive Officers and Audit & Supervisory Board Members

<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 Non-executive Directors of the Board 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 Remuneration (medium- to long-term incentive remuneration).
- Yearly bonuses shall be paid in accordance with the achievement level of the Company's performance evaluation indicator, business performance evaluation indicator, and individual performance evaluation, etc., with the composition ratio and indicators set based on the position and responsibilities of the subject officers.
- The performance evaluation indicators for the Trust-type Stock Remuneration shall be the key performance indicators in accordance with the Rolling Business Plan, etc., and other indicators designated by the Board

<Remuneration for Non-executive Directors and Audit & Supervisory Board Members>

Since Non-executive Directors 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 (fixed remuneration) shall be paid to each of the Non-executive Directors and Audit & Supervisory Board Members.

(iv) Board policies and procedures in the appointment of the senior management and the nomination of Directors and Audit & Supervisory Board Members candidates

(v) Explanation with respect to the individual appointments and nominations when the board of Directors appoints and dismisses senior management and nominates candidates for Directors and Audit & Supervisory Board Members based on (iv) above.

<Policy on nomination of Directors, 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 Non-executive Directors of the Board and 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 shall 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 shall be discussed at general meetings of shareholders. The nomination/dismissal of Audit and Supervisory Board Members shall be discussed by the Nomination and Remuneration Advisory Committee and shall 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).
- Policies and procedures for the appointment of Directors, Executive Officers and Audit & Supervisory Board Members as described above, as well as a skills matrix listing their knowledge, experience, and capabilities, shall be disclosed on the Company's website, etc.
- Reasons for the nomination/dismissal of candidates for the positions of Director and Audit and Supervisory Board Member shall be indicated on reference documents for the general meeting of shareholders, etc.

[Supplementary Principle 3.1.3 Approaches to sustainability, investment in human capital and intellectual properties]

<Approaches to sustainability>

In order to realize the "Vision for 2027" based on the Corporate Philosophy, the Group recognizes that collaboration with each stakeholder is essential as part of CSV management and respects each stakeholder's position. The Group has established a Group CSV Committee to promote CSV activities, including issues related to sustainability across the Group, such as the environment and human rights. The Group CSV Committee discusses and formulates policies, strategies and initiative plans for CSV activities and monitors their implementation. The Committee reports to the Board and integrates the results of its discussions into the Group's overall strategy.

The Group shall proactively disclose information related to non-financial capital in line with KV2027 and the status of its sustainability initiatives, in addition to the statutory disclosure required in the countries where it operates, such as International Sustainability Standards Board (ISSB), etc. as a precondition for more transparent corporate management and constructive dialogue with multi-stakeholders, as well as the development of an internationally recognized framework in the future. With regard to climate change, the Company discloses business risks and opportunities in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD).

In addition to climate change, the Group is working on integrated environmental management information disclosure for natural capital by disclosing environmental risks and opportunities based on the proposed framework of the Task Force on Nature-Related Financial Disclosure (TNFD).

<https://www.kirinholdings.com/en/impact/env/tcfdf/>

<Investment in human capital>

The foundation of the Group's human capital strategy is the "Basic Principles of Human Capital", which positions the relationship between the Company and its employees as "equal partners through work". In order to realize the concept that the Company and its employees will grow together, the Company will respect the efforts and individuality of each employee, who has infinite potential and seeks to continue to grow and develop on his or her own, and will provide an environment in which each employee can work energetically, take on the challenge of creating new value, and grow through his or her work.

In this context, our Group aims to become a company that nurtures its human capital and wins through its human capital by investing in human capital and positioning human capital as a source of value creation and competitive advantage. By enhancing the value of human capital, we will improve organizational capabilities, enhance our business, and realize our business strategy, and achieve sustainable growth and value enhancement for the Group.

At the same time as management strategy defines the direction of human capital strategy, the capabilities of human capital become an important element in formulating future management strategy and expand the possibilities of management strategy. The key to this is expertise and diversity. We will foster human capital that combines expertise and diversity by creating an environment that allows employees to develop their expertise in their respective fields while gaining diverse business experience and perspectives across our unique portfolio of businesses, ranging from food & beverages to health sciences and pharmaceuticals.

The key initiatives of the human capital strategy may differ by country, region, or business, but the story of linking the human capital strategy to value creation will be the same. In order to promote a "human capital strategy that is unique to Kirin" for sustainable growth and increased corporate value, four key factors and their stories have been established as shared values for the Group: Well-Being, Growth, DE&I, and KABEGOE.

■ Well-Being

Work in a healthy and energetic way, create a sense of fulfillment in one's work through empathy with CSV management, and

■ GROW

Proactively enhance one's own expertise and gain diverse experiences to enrich one's own values, with a view to self-reliant career development, and

■ DE&I

Have an awareness of accepting diverse values that differ from one's own, and a mindset of co-creation with colleagues, and

■ KABEGOE

Act with curiosity in everything, turn failure into learning, and proactively practice creativity and value creation.

For more information, please also refer to the Company's website below.

<https://www.kirinholdings.com/en/drivers/hr/>

<Investment in intellectual properties, etc.>

The Company is expanding its business into domains ranging from food & beverages to pharmaceuticals by leveraging its technological capabilities and knowledge accumulated through research and development in the domains of fermentation and biotechnology. The Company is positioning the intellectual property created in each domain as one of its important management assets, and is securing and utilizing patent rights, etc. while respecting the rights of other companies, aiming for sustainable growth through differentiation by creating customer value and securing business flexibility in compliance with the law.

In the Company's food & beverages domain, for example, the "caffeine clearing process" (patented technology), which uses a naturally derived adsorbent to remove caffeine from tea leaves while retaining the flavor and richness, is used in Namacha caffeine-free to differentiate the product by creating new customer value. The Company is also working to improve the competitiveness of its products and services by utilizing intellectual property in the Home Tap® home beer server (patent and design registration) and the Tap Marche® dedicated craft beer dispenser (business model patent, etc.).

Furthermore, the Company's pharmaceuticals domain is based on research and development, and intellectual property is one of the most important management assets. With regard to intellectual property, which is important for R&D and business strategies, the Company strives to obtain effective patent rights through strategic application, to maximize product value through life cycle management. At the same time, the Company strives to ensure freedom in its research and business activities while pursuing compliance to ensure that the rights of other companies are respected and not infringed. The Company believes that this will contribute to maximizing the value and profits of its global business activities and minimizing risks and will also lead to a stable supply of pharmaceuticals.

In the health science domain, the Company has launched the "iMUSE" brand product (with a use patent, etc.) containing "Lactococcus lactis strain Plasma," which was the first product in Japan to be accepted for food labeling applications with functional claims for immune function. Using this technology as the core, the Company will strive to create an environment that is more accessible to consumers by licensing the "Lactococcus lactis strain Plasma" material to external parties without restricting its use within the Group. The Company also promotes open innovation and has developed and marketed "Electric salt spoon", which uses a weak electric current to enhance the saltiness and umami of food, making it possible to enjoy low-salt meals without sacrificing taste. By releasing materials and products that create new value, the Company is working to solve the social issue related to health. Based on the results of a multifaceted analysis, it has identified the intellectual property necessary to achieve the financial targets (for 2027) in the health science business, and is planning and implementing strategic asset formation globally by allocating the human capital and R&D department activity costs necessary to acquire rights.

As mentioned in the example of the food & beverages domain, the Company considers not only patents, but also unique and attractive designs to be important assets and is actively investing in them. Under this policy, the Company is pursuing activities to prevent imitation from other companies by securing design rights for containers, packaging materials, and beverage servers with high design quality.

In addition, the Company is working to enhance the brand value of the Company and its products, and to prevent damage and dilution by actively and strategically securing and utilizing trademark rights in Japan and overseas as a means of increasing corporate value and achieving financial targets.

As described above, the Company considers "intellectual property" to be an important management asset and pursues highly competitive business activities by proactively investing in it.

[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 and annual 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 & Executive Officer and to other 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]

- Half or more Independent Directors that satisfy the Company's criteria regarding the independence of Non-Executive 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 Non-Executive Officers are described in 1. Organizational Composition and Operation [Independent Directors/ Audit & Supervisory Board Members] Matters relating to Independent Directors/Audit & Supervisory Board Members 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]

- The Board of Directors is composed of a balanced and appropriate number of members, taking into consideration the knowledge, experience, capabilities, and insights required to realize the 2027 Vision, identifying the skills they should possess, and ensuring diversity in terms of gender and internationalization. In addition, in order to build a highly transparent governance system and ensure the effectiveness of objective management supervision, the majority of the currently appointed Directors are independent Non-executive Directors. One or more of the independent Non-executive Directors must have management experience at other companies.
- 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 Non-executive Directors of the Board and 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 Non-executive Directors of the Board, Audit & Supervisory Board Members, and Other Directors who also serve as Directors, Audit & Supervisory Board Members, or the Management at Other Companies]

- Information about Non-executive Directors of the Board, Audit & Supervisory Board Members, and Other Directors who also serve as Directors, Audit & Supervisory Board Members, or the Management at Other Companies is disclosed in the Company's Materials for General Meeting of Shareholders

<https://www.kirinholdings.com/en/investors/stock/agm/>

[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 2024 based on its Corporate Governance Policy; below is an outline of the results of the evaluation.

The Company defines the functions to be performed by the Board of Directors as "major decision-making" and "supervision". Every year, the Company conducts an evaluation of the Board's operation and the content of discussions, etc., and strives to ensure the Board's functions while clarifying the points of discussion that should be improved in the next fiscal year, thereby leading to continuous improvement in effectiveness.

- Initiatives to evaluate effectiveness in fiscal 2024

From October to December, questionnaires and interviews were conducted by third-party consultants for all Directors and Audit and Supervisory Board members to evaluate the effectiveness of the Board of Directors. In addition, based on the report of the third-party consultants, the future improvement policy based on the current issues was reported and discussed at the Board of Directors meeting held in January 2025.

The evaluation perspectives are as follows.

1. Structure and functioning of the Board
2. Formulation, implementation and monitoring of strategy
3. Supervision of Group governance and risk management
4. Supervision of decision-making regarding acquisitions, divestments, etc.
5. Supervision of executive remuneration and succession planning, etc.
6. Supervision of thorough dissemination of and compliance with sound business ethics

7. Supervision of overall disclosure to stakeholders

8. Key points for improving effectiveness

- Results of the evaluation

The third-party consultant's report concluded that "the Board as a whole functions appropriately and is generally highly effective," and we found the Board's effectiveness to be valid.

- Details of the evaluation

The following items were evaluated in the third-party consultant's report.

- Based on a highly diverse Board, an environment has been created in which free and open discussions can take place, with the Audit & Supervisory Board members also actively contributing and the Chairman providing opportunities for timely input.
- Delegation of authority to management is maintained at a high level and the Board's agenda is focused on important issues. The Company is also able to respond appropriately to and follow up on issues raised at Board meetings.
- The Company provides extensive training opportunities for Non-Executive Directors, such as site visits, which are generally well received.
- The views of each Director, Audit & Supervisory Board member etc. on the functioning of the Board are considered in a timely manner and continuous improvements are made. The ability of the Secretariat to support effective Board discussions is also highly valued.

- Status of Initiatives for 2024 Improvement Points

1. Discussions to improve capital market confidence on "Enhancing Corporate Governance".

■ Initiatives

- Review of the method for evaluating the effectiveness of the Board of Directors
- Discussions on reviewing and evaluating corporate governance

2. Discussion of "strategy and risk unified" to achieve appropriate risk taking

■ Initiatives

- Discussions on initiatives to improve risk management
- Expansion of discussions on business plans, functional strategies, and risks associated with individual projects
- Discussions on unified strategy and risk and risk taking in large-scale M&A projects (acquisition of FANCL)

3. Discussions on the "Digital ICT Strategy" to accelerate value creation

■ Initiatives

- Expansion of discussions on digital ICT strategies, including medium- to long-term strategies for digital ICT
- Expansion of discussions on "digital ICT strategies" within business plans and other functional strategies
- Discussions on SAP review and response roadmap

- 2025 Improvement Points

Based on the opinions and areas for improvement raised for each evaluation perspective in 2024, as well as the outlook for future changes in the business environment, the following five items have been identified as areas for improvement in 2025. The Company will strive to maintain and enhance effectiveness through further improvements in operations, in addition to setting agendas under the leadership of Chairman Yanagi, who is an independent Non-Executive Director.

1. Discussions on "business portfolio strategy" to maximize shareholder value
2. Discussions on growth scenarios for each domain and business
3. Discussions on "digital ICT strategy" to accelerate value creation through advanced use of AI
4. Discussions on "Human Capital Strategy" to create a challenging people and culture
5. Discussions on highly effective Group governance

[Principle 4.14.2 Training for Directors and Audit & Supervisory Board Members]

<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 from specialists, observation at key sites 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, Non-executive Directors of the Board and Audit & Supervisory Board Members will receive explanations of the Group's corporate philosophy, "One KIRIN" Values and the Group's businesses.

[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 Company 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 CFO (financial strategy and IR). In addition, the Group will proactively schedule a meeting with the CEO (Chief Executive Officer), the COO (Chief Operating Officer), CFO (financial strategy and IR) and other senior executives (including Non-Executive Directors), Audit & Supervisory Board members or executive officers whenever it is reasonably deemed appropriate to do so.
- Depending on the agendas of dialogue, Finance Dept., Corporate Strategy Dept., Legal Dept. and other related departments will provide their cooperation.
- The Company shall plan and implement opportunities for individual meetings with shareholders and investors, as well as for explanations of medium- and long-term management strategies and plans based on the perspective of long-term vision, management plans, and business portfolio, financial results, individual businesses, and responses to issues related to sustainability, in order to enhance 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. In addition, disclosure documents related to IR shall be translated into English as a general rule under a certain rationality. The IR Department will provide reports on shareholder and investor opinions periodically or on an as-needed basis to CEO (Chief Executive Officer), COO (Chief Operating Officer), CFO (financial strategy and IR), other senior executives (including Non-Executive Directors), or executive officers.

Kirin Group Dialogue with Shareholders and Investors

<https://www.kirinholdings.com/en/investors/dialogue/>

[Principle 5.2 Formulation and announcement of management strategies and plans]

The Company's Board of Directors regularly confirms the basic policy regarding the business portfolio and discusses it twice or more a year at a Board meeting. For fiscal 2024, the Board of Directors confirmed at its meeting on December 16, 2024, that it will continue to implement the basic policies set forth in the Kirin Group Vision (KV2027), a long-term management concept.

<Kirin Group Vision 2027, the Long-Term Management Vision (KV2027)>

https://www.kirinholdings.com/en/purpose/management_plan/

【Measures to achieve cost of capital and share price sensitive management】

To realize KV2027, the Group is pursuing management with an awareness of the cost of capital and corporate value based on the 2027 Vision. To enhance corporate value, the Group is working on four issues: (1) improving profitability by price revisions and improved product mix in the alcoholic beverages and soft drinks business, (2) expanding the next-generation pipeline in the pharmaceutical business, (3) expanding business and generating sales in Japan and the Asia-Pacific region in the Health Sciences business, and (4) continuously reviewing its business portfolio. In terms of cost of capital sensitive management, the Company has adopted ROIC as a financial measure in addition to the compound annual growth rate of EPS, and the share price and market capitalization are regularly discussed at Board meetings along with the business portfolio. In addition, the executive remuneration plan is linked to EPS, ROIC and non-financial indicators and is designed to enable management from a shareholder perspective.

In the presentation materials for the second quarter of the fiscal year ending December 31, 2024, the Company reiterated its cost of capital-conscious management and presented the future direction of sales growth potential in the Alcoholic beverages and soft drinks, Pharmaceutical, and Health Science businesses, respectively. In addition, details on the Company's cost of capital-conscious management are posted on the Company's Investor Relations page. The Company discusses the progress of its financial targets at its earnings calls and other meetings as appropriate. In addition, the Company discloses its initiatives and policies from time to time in various IR presentation materials. Please refer to our IR page for details.

Kirin Holdings Company, Limited Financial Results (summary, explanatory materials, securities reports)

https://www.kirinholdings.com/en/investors/library/financial_results/

2. Capital Structure

Foreign Shareholding Ratio	More than 20% less than 30%.
----------------------------	------------------------------

【Status of Major Shareholders】

Name / Company Name	Number of Shares Owned (shares)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	138,892,100	17.11
Japan Custody Bank, Ltd. (Trust Account)	57,287,600	7.05
Meiji Yasuda Life Insurance Company	31,346,763	3.86
STATE STREET BANK AND TRUST COMPANY 505001	20,700,554	2.55
STATE STREET BANK WEST CLIENT - TREATY 505234	16,569,351	2.04
SMBC Nikko Securities Inc.	16,136,988	1.98
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	12,729,030	1.56
Japan Securities Finance Co.	10,132,790	1.24
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	8,904,097	1.09
BNYM AS AGT/CLTS NON TREATY JASDEC	8,067,710	0.99

Controlling Shareholder	—
-------------------------	---

Parent Company	—
Stock exchange where the parent company is listed	—

Supplementary explanation

- Sumitomo Mitsui Trust Asset Management Co., Ltd. submitted a large shareholding report (change report) dated January 10, 2024, naming Sumitomo Mitsui Trust Asset Management Co. Ltd. and Nikko Asset Management Co., Ltd. as joint holders, but as the Company is unable to fully grasp the number of shares held by the said corporations as of December 31, 2024, they are not taken into account in the aforementioned "Status of Major Shareholders".
- BlackRock Japan, Inc. submitted a large shareholding report (change report) dated August 19, 2021, naming BlackRock Japan, Inc. and nine (9) other companies as joint holders. However, as the Company is unable to

fully grasp the number of shares held by the said corporations as of December 31, 2024, they are not taken into account in the aforementioned "Status of Major Shareholders".

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange (TSE) Prime
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

—

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

<Group management concept and significance of listed subsidiaries>

The Company has a listed subsidiary, Kyowa Kirin Co., Ltd.

The Company believes that the realization of the "Vision for 2027" in the Long-Term Management Vision "Kirin Group Vision 2027 (KV 2027)" will lead to the Kirin Group's sustainable growth and increase in corporate value over the medium to long term.

Kyowa Kirin is responsible for the "pharmaceuticals" domain, one of the core businesses in the business domains defined in KV2027 and aims to continuously create life-changing value that brings smiles to people facing illness as a global specialty pharmaceutical company originating from Japan. The Company plays an important role in realizing the Group's goal of becoming a global leader in CSV through the pharmaceutical business.

In the Group's "Health Science" domain, the understanding of diseases, research know-how, and academic networks in the pharmaceutical domain are already being utilized through personnel exchanges with Kyowa Kirin. The Company believes that the significance of owning Kyowa Kirin is considerable in order for the Kirin Group to achieve sustainable growth, for example, by finding points of contact with the health science domain and working to create synergies from the perspective of solving issues in the "medical needs of society that go beyond pharmaceuticals" that Kyowa Kirin is considering in the future.

In managing the Group, the Company shall respect the self-reliance and independence of operating companies while maximizing corporate value in the medium to long term through flexible and agile allocation of management resources, including the exchange of human capital and technology development, with the aim of creating synergy among operating companies. With respect to investments by consolidated subsidiaries, including listed subsidiaries, the Company shall respect the self-reliance without restricting the use of funds, and in principle, the Company shall collectively manage funds through a cash management system, and loan interest rates shall be rationally determined in consideration of market interest rates.

The Company believes that maintaining Kyowa Kirin's listing will contribute to the enhancement of its corporate value as a listed company by improving employee morale, securing excellent human capital and securing the trust of its business partners, as well as maintaining its unique corporate culture and management autonomy.

In addition, the Board of Directors of the Company regularly reaffirms the rationale for maintaining the company as a listed subsidiary from the perspective of enhancing the corporate value of the Group as a whole.

<Measures to ensure the effectiveness of the governance systems of listed subsidiaries>

The Company strives to ensure the appropriate effectiveness of the Corporate Governance Code for Kyowa Kirin Company, Ltd. by implementing the Code.

With respect to the appointment/dismissal of Kyowa Kirin's executive officers, the Company will fully respect the judgment of the Nomination and Remuneration Advisory Committee and the Board of Directors of Kyowa Kirin, which is composed of a majority of Non-Executive Directors and Audit & Supervisory Board members (External Officers) and will exercise its voting rights after confirming that such decisions are in the best interests of the Company as a shareholder.

In addition, from the perspective of fulfilling our management responsibilities as the parent company and realizing the enhancement of Kyowa Kirin's corporate value throughout the Group, the Company will participate in the decision-making process regarding the President and Representative Director of Kyowa Kirin by proposing the selection of an appropriate person and discussing the proposed candidate.

As part of group management, the Company has a policy of delegating an executive officer(s) and an Audit & Supervisory Board member(s) from the Company. In the event of a transaction with Kyowa Kirin, the delegated executive does not participate in the decision as a countermeasure to the risk of conflict of interest.

Kyowa Kirin Company, Limited will conduct independent and agile corporate activities while ensuring management independence as a listed company and maximizing profits for all shareholders while respecting the interests of minority shareholders.

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 Audit & Supervisory Board
-------------------	--

[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	Non-executive Director of the Board
Number of Directors of the Board	12
Status of appointment of Non-executive Directors	Appointed
Number of Non-executive Directors of the Board	7
Number of Independent Directors among Non-executive Directors of the Board	7

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*1										
		a	b	c	d	e	f	g	h	i	j	k
Hiroyuki Yanagi	From another company											
Noriko Shiono	From another company											
Rod Eddington	From another company											
Shinya Katanozaka	From another company											

Yoshiko Ando	Other													
Shingo Konomoto	From another company													
Naoko Mikami	From another company													

*1: Categories for “Relationship with the Company”

- 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 remuneration as Directors/Audit & Supervisory Board Members
- 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 Non-executive Directors of the Board/Audit & Supervisory Board Members 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

Relationship with the Company (2)

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, 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, the Company expects him to provide useful opinions and guidance on the Company's management from an objective and professional viewpoint as an independent non-executive director. 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 on the above, he does not fall under any of the categories “a” through “k” above, 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, through her experience as President and Representative Director of SSP Co., Ltd. and Widex Co., Ltd., 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, the Company expects her to provide useful opinions and guidance on the Company's management from an objective and professional viewpoint as an independent non-executive director, particularly in the health sciences domain, to achieve growth. 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 on the above, she does not fall under any of the categories "a" through "k" above, 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 Advisory Committee of the Australia-Japan Business Council and is a member of the International Advisory Board of Mitsubishi Corporation, 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, the Company expects him to provide useful opinions and guidance on the Company's management from an objective and professional viewpoint as an independent non-executive director, 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 on the above, he does not fall under any of the categories "a" through "k" above, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

Name: Shinya Katanozaka

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. Shinya Katanozaka has a wealth of experience and broad knowledge as a corporate executive over many years, and, through his experience as President and Representative Director and Chairman of ANA Holdings, Inc. he has a deep understanding of how to drive internationalization and diversity in management, new business development, and branding and marketing. Based on the above, the Company expects him to provide useful opinions and guidance on the Company's management from an objective and professional viewpoint as an independent non-executive director. 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 on the above, he does not fall under any of the categories "a" through "k" above, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

Name: Yoshiko Ando

Supplementary Explanation of the Relationship:

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

Reasons of Appointment:

Ms. Yoshiko Ando has worked for many years as an administrative official engaged in policy planning and other activities in the field of labor administration, and has advanced expertise, extensive experience and a high level of insight in a wide range of fields related to employment and labor, including the promotion of women's activities. Based on the above, it is expected that she will be able to provide useful opinions and guidance on the management of the Company from an objective and expert perspective as an Independent Non-Executive Director. For the above reasons, the Company has determined that she is an appropriate human capital to supervise the execution of the Company's business aimed at enhancing the corporate value on a sustainable basis. Although she has no experience as a company director, the Company believes that she will be able to perform her duties as a Non-Executive Director in an appropriate manner for the reasons stated above. In addition, as stated on the above, she does not fall under any of the categories “a” through “k” above, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

Name: Shingo Konomoto

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. Shingo Konomoto has extensive experience and broad knowledge as a corporate manager over many years, and particularly through his experience as President and Chairman of the Board of Nomura Research Institute, Ltd., he has a high level of insight into overseas business, M&A, and ICT/DX. 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 on the above, he does not fall under any of the categories “a” through “k” above, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

Name: Naoko Mikami

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. Naoko Mikami has extensive experience and broad knowledge as a manager of a health science-related company for many years, particularly deep knowledge of the research and production fields, and a high level of insight into the cosmetics business. 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 on the above, she does not fall under any of the categories "a" through "k" above, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

【Voluntary committees】

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

Status of establishment of voluntary committee(s), composition of members, and attributes of the chair (chairperson).

A voluntary committee(s) equivalent to a Nomination Committee

Name of Committee			Nomination and Remuneration Advisory Committee			
All Committee Members	Standing Members	Directors of the Board	Non-executive Directors of the Board	Experts in the Company	Other	Chairperson
5	0	2	3	0	0	Non-executive Director of the Board

A voluntary committee(s) equivalent to a Remuneration Committee

Name of Committee			Nomination and Remuneration Advisory Committee			
All Committee Members	Standing Members	Directors of the Board	Non-executive Directors of the Board	Experts in the Company	Other	Chairperson
5	0	2	3	0	0	Non-executive Director of the Board

Additional information: Updated

For details of the Nomination and Remuneration Advisory Committee, please refer to "II. Status of Management Organization and Other Corporate Governance Systems Related to Management Decision-Making, Execution and Supervision ■2. Matters Related to Functions of Business Execution, Audit, Supervision and Determination of Nomination and Remuneration (Outline of Current Corporate Governance System) (3) Nomination and Remuneration Advisory Committee."

【Audit & Supervisory Board Members】

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board	5

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

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

<p>【Cooperation among Audit & Supervisory Board Members, Independent Accounting Auditors and Internal Audit Departments】</p> <ul style="list-style-type: none"> • 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 each key Group company, Audit & Supervisory Board Members are assigned either standing or non-executive position 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 Standing Audit & Supervisory Board Members of the key Group companies, and concurrently perform the role of Audit & Supervisory Board Members in Group companies, etc. • The Internal Audit Department, the Audit & Supervisory Board Members and an Independent Accounting Auditor also strive for 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 Audit & Supervisory Board Members	Appointed
Number of Audit & Supervisory Board Members	3
Number of Independent Audit & Supervisory Board Members	3

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*1)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Kaoru Kashima	From another company										△			
Kenichi Fujinawa	Lawyer										△			
Yoko Dochi	From another company													

*1: Categories for "Relationship with the Company"

- 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. Audit & Supervisory Board Members 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 remuneration as Audit & Supervisory Board Members
- 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 Audit & Supervisory Board Members himself/herself only)
- k. Executive of a company, between which and the Company Non-executive Directors of the Board/Audit & Supervisory Board Members are mutually appointed (the Audit & Supervisory Board Members himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Members himself/herself only)
- m. Others

Relationship with the Company (2)

Name: Kaoru Kashima

Designation as Independent Audit & Supervisory Board Member: Yes

Supplementary Explanation of the Relationship:

• The Company has paid business service fees to Ernst & Young ShinNihon LLC, which was where Ms. Kaoru Kashima worked until June 2019. However, the amount of the fees paid during fiscal year 2024 make up less than 0.1% of EY ShinNihon's total revenues.

Reasons of Appointment:

•Ms. Kaoru Kashima has long been engaged in corporate auditing services as a certified public accountant, and has extensive experience and wide-ranging knowledge in organizational culture reform, public relations, and pursuing women's activities, both as an auditing firm and as a corporate executive. Based on the above, the Company expects that, as an independent Non-Executive Board Member, she will provide useful opinions and suggestions on the Company's management from an objective and professional perspective, and has determined that she is an appropriate human capital to audit the execution of duties by the Company's executive directors as it seeks to sustainably increase its corporate value.

•In addition, although she falls under the category of "j" above, the Company has determined that she is sufficiently independent that there is no risk of a conflict of interest with general shareholders as described on the left.

Name: Kenichi Fujinawa

Designation as Independent Audit & Supervisory Board Member: Yes

Supplementary Explanation of the Relationship:

The Company paid business service fees to Nagashima Ohno & Tsunematsu Law Office, which was where Mr. Kenichi Fujinawa worked until December 2019 as an executor of business. However, the amount of the fees paid during fiscal year 2024 make up less than 1% of Nagashima Ohno & Tsunematsu Law Office's total revenues.

Reasons of Appointment:

•Mr. Kenichi Fujinawa has been a partner and managing partner of a major law firm for many years as an attorney at law, and has a high degree of expertise and extensive experience in all aspects of corporate legal affairs with a focus on M&A, international transactions and corporate governance. Based on the above, the Company expects that, as an independent Non-Executive Board Member, he will provide useful opinions and suggestions on the Company's management from an objective and professional perspective and has determined that he is an appropriate human capital to audit the execution of duties by the Company's executive directors as it seeks to sustainably increase its corporate value.

•In addition, although he falls under the category of "j" above, the Company has determined that he is sufficiently independent that there is no risk of a conflict of interest with general shareholders as described on the left.

Name: Yoko Dochi

Designation as Independent Audit & Supervisory Board Member: Yes

Supplementary Explanation of the Relationship:

•There are no conflicts with any category from "a" to "m" above.

Reasons of Appointment:

•Mr. Yoko Dochi has a long history of interacting with institutional investors as the head of investor relations for a major listed company and has extensive experience in both business management and capital markets, as well as a high level of expertise in finance, accounting, ESG, and other areas. Based on the above, the Company expects that, as an independent Non-Executive Board Member, she will provide useful opinions and suggestions on the Company's management from an objective and professional perspective and has determined that she is an appropriate human capital to audit the execution of duties by the Company's executive directors as it seeks to sustainably increase its corporate value.

•In addition, as stated on the above, the Company has determined that she does not fall under any of the categories “a” through “m” above and that there is no risk of conflict of interest with general shareholders.

【Independent Directors/ Audit & Supervisory Board Members】

Number of Independent Directors/ Audit & Supervisory Board Members	10
--	----

Other matters relating to Independent Directors/ Audit & Supervisory Board Members

The Company has established the criteria listed below in order to objectively determine the independence of External Officers, with reference to the criteria for independence of officers stipulated by the Tokyo Stock Exchange; given, however, that Non-Executive 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 Non-Executive Officers stipulated in the Companies Act and can provide advice and opinions as Non-Executive Officers concerning the Company's decision-making may be hired as Non-Executive Officers even if they fall into the criteria listed below.

【Criteria regarding the Independence of Non-Executive Officers】

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

- (1) A person for whom the Company (including its consolidated subsidiaries; the same shall apply hereinafter) is a major client
- (2) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm for whom the Company is a major client
- (3) A person who is a major client of the Company
- (4) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm which is a major client of the Company
- (5) A lawyer, certified public accountant, tax accountant, or consultant, etc. who receives money or other

economic benefit in excess of a certain amount from the Company aside from the officer's remuneration

- (6) A person who belongs to a firm, union, or other similar entity (including a law office, auditing firm, tax accountant firm, or consulting firm, etc.) which receives money or other economic benefit in excess of a certain amount from the Company
- (7) A person who is a major shareholder of the Company
- (8) A person who is an executive Director and who executes business of a firm which is a major shareholder of the Company
- (9) A person who receives donations or other assistance in excess of a certain amount from the Company
- (10) A person who is a director of or otherwise executes duties for a firm, union or other similar entity which receives donations or other assistance in excess of a certain amount from the Company
- (11) A person who is an Executive Director, corporate officer, Executive Officer, manager, or other employee of a firm for which an Executive Director or Standing Audit & Supervisory Board Member of the Companies Acts as a Non-executive Director of the Board or Audit & Supervisory Board Member
- (12) A person to whom any of aforementioned criteria (1) - (11) has applied within the past three (3) years
- (13) Where a person to whom any of aforementioned criteria (1) - (12) applies (however, excluding the person who does not serve an important role) , the person's spouse or other relations within the second degree of kinship
- (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 yen, whichever is the higher amount. If consolidated accounting is not adopted by the person (or firm), total revenue or non-consolidated sales for the year should be employed in place of consolidated sales (consolidated revenue) for the year.
- 2. Regarding criteria (3) and (4), "A person (or firm) who is a major client of the Company" refers to a person (or firm) who made payment to the Company in the most recent business year that accounted for 2% or more of the Company's consolidated revenue for the year, or who financed 2% or more of the Company's consolidated total assets at the end of the most recent business year.
- 3. Regarding criteria (5), (9) and (10), "a certain amount" is considered as 10 million yen per year.
- 4. Regarding criteria (6), "a certain amount" is considered as either 2% or more of total revenue for the most recent business year for that firm, union or other similar entity, or over 100 million yen, whichever is the higher amount.

5.Regarding criteria (7) and (8), “a major shareholder” refers to a shareholder who directly or indirectly holds more than 10% of the voting rights.

【Incentives】

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

Additional information

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, only basic remuneration shall be paid to Non-executive Directors.

The performance evaluation indicators for the bonus shall be the Company performance indicators (consolidated Normalized Operating Profit), business performance indicators and individual performance evaluation, and the amount to be paid shall vary in the range of 0% to 200%, with 100% being when the target is achieved.

Trust-type share-based remuneration consists of (1) restricted share units (RSUs) with no performance achievement conditions attached, and (2) performance share units linked to the achievement of business plan goals for multiple fiscal years (PSUs). The performance indicators for PSUs shall be ROIC and EPS growth rate, which are key management indicators in the business plan, and non-financial indicators. Non-financial indicators are determined based on a quantitative judgment of the level of achievement of specific indicators defined for each item in the three categories of "environment," "community," "health," and "human capital," followed by an item-by-item evaluation of each indicator and the qualitative aspects of the entire item, and an overall evaluation of non-financial indicators based on the results of those evaluations and consideration of qualitative aspects. The payment rate for PSUs will fluctuate between 0% and 200%, with 100% at the time of target achievement.

Specific decisions on remuneration are made by the Board of Directors 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.com/en/investors/library/financial_results/

Recipients of Stock Options

—

Additional information

—

【Director Remuneration】

Disclosure of Individual Directors' Remuneration

Selected Directors

Additional information

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 the materials for the general meeting of shareholders):
<https://www.kirinholdings.com/en/investors/stock/agm/>

Annual Securities Report: https://www.kirinholdings.com/en/investors/library/financial_results/

The disclosure of the amount of remuneration for Directors for fiscal 2024 is as follows.

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

- ① Director of the Board (Excluding Non-executive Director of the Board)
 - Total amount of remuneration, etc. (million yen) 804
 - Total amount of remuneration by type (million yen) and number of eligible officers
 Basic remuneration: 315 (7) , Bonus: 329 (5) , Stock remuneration: 160 (7)
- ② Non-executive Directors of the Board
 - Total amount of remuneration, etc. (million yen) 143
 - Total amount of remuneration by type (million yen) and number of eligible officers
 Basic remuneration: 143 (8)
- ③ Standing Audit & Supervisory Board Members (Excluding Independent Audit & Supervisory Board Members)
 - Total amount of remuneration, etc. (million yen) 78
 - Total amount of remuneration by type (million yen) and number of eligible officers
 Basic remuneration: 78 (2)
- ④ Independent Audit & Supervisory Board Members
 - Total amount of remuneration, etc. (million yen) 58
 - Total amount of remuneration by type (million yen) and number of eligible officers
 Basic remuneration: 58 (4)
- ⑤ Total
 - Total amount of remuneration, etc. (million yen) 1,084
 - Total amount of remuneration by type (million yen) and number of eligible officers
 Basic remuneration: 595 (21) , Bonus: 329 (5) , Stock remuneration: 160 (7)

(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 three (3) Directors and one (1) Audit & Supervisory Board Member who retired as of March 28, 2024.
2. The above total amount of stock remuneration was the posted expenses during the fiscal year with respect to the executive remuneration BIP trust.
3. Figures are rounded to the nearest million yen.

【Individual remuneration】

Yoshinori Isozaki (President & CEO)

- Total amount of remuneration, etc. (million yen) 314

- Total amount of remuneration by type (million yen)
Basic remuneration: 103, Bonus: 135, Stock remuneration: 77
Takeshi Minakata (President & COO)
- Total amount of remuneration, etc. (million yen) 210
- Total amount of remuneration by type (million yen)
Basic remuneration: 86, Bonus: 94, Stock remuneration: 29
Junko Tsuboi (Representative Director of the Board, Senior Executive Vice President)
- Total amount of remuneration, etc. (million yen) 102
- Total amount of remuneration by type (million yen)
Basic remuneration: 45, Bonus: 39, Stock remuneration: 17

(Note)

- (1) Remuneration of 100 million yen or more in total is listed.
- (2) The total amount of stock-based remuneration above is the amount posted as expenses during the fiscal year with respect to the executive remuneration BIP trust remuneration.
- (3) Amounts are rounded to the nearest million yen.

Policy on Determining Remuneration Amounts and
Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

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.

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. Determination of evaluation indicators and targets for performance-linked remuneration
5. Method of Determining Remuneration, etc. for Directors and Audit & Supervisory Board Members
6. Other important matters

Annual Securities Report : https://www.kirinholdings.com/en/investors/library/financial_results/

【Supporting System for Non-executive Directors of the Board and/or Audit & Supervisory Board Members】

- The Company does not allocate any standing members specifically for Non-executive Directors of the Board.
The Company's People & Culture Department Secretary Section provides support to Non-executive Directors of the Board as well as internal Directors. No standing members are also allocated for Audit & Supervisory Board Members. The Advisor to the Audit & Supervisory Board Member and the People & Culture Department Secretary Section, along with the Internal Audit & Supervisory Board Members, provide support.
- As a rule, the Board Secretariat shall provide the convening notice (agenda) and the materials for the Board meeting five working days before the date of the meeting and shall also inform the Non-Executive Directors, including the Chairman, in advance of the meeting to enable them to prepare adequately in advance. For Non-Executive Directors of foreign nationality, the Company provides support by distributing materials in English and providing interpreters on meeting days. The Audit & Supervisory Board Members requisite information and explanations 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 President & CEO, etc.

Name	Title / Position	Activity Description	Working patterns and conditions (full-time/part-time, paid/unpaid, etc.)	Date of resignation of the president, etc.	Tenure
—	—	—	—	—	—

Total number of Advisors (“sodanyaku,” “komon,” etc.) who have retired from President & CEO, etc.

0

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 (standing members 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 (non-executive members without remuneration). Currently, there are three (3) retired Executive Advisors (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)

< Overview of Corporate Governance System >

- The Company has adopted a pure holding company structure to oversee the diverse and global nature of its businesses, which are focused on three core domains: Food & Beverages, Pharmaceuticals and Health Science. As a pure holding company, the Company is responsible for formulating and promoting Group-wide strategies, monitoring each business, promoting the creation of synergies through Group collaboration, and addressing issues related to sustainability.
- Each Group company conducts independent and responsive management in locations closer to consumers and other stakeholders. The Company provides each Group company with appropriate authority in accordance with its strategic stage and provides each Group company with Directors to improve governance in or through the Board of Directors of each company. For major Group companies, Directors, Executive Officers, or their

equivalents of the Company also serve as Directors of each company.

- The Company has adopted an audit and supervisory board system in order to maintain and enhance a governance structure with a high level of transparency for stakeholders. The Board of Directors, which includes several independent non-executive directors, works closely with the Audit and Supervisory Board, which includes several external audit and supervisory board members, to make final decisions on important matters while effectively utilizing the functions of the audit and supervisory board members and enhancing the supervisory function over management. In addition, the Board of Directors has established an executive officer system to enable flexible implementation of business and functional strategies and to clarify management responsibilities. The Board of Directors has determined the scope of delegation to the Executive Officers based on their experience, results, expertise, etc. in their respective fields.

< The Board >

- The Board has twelve (12) Directors, including seven (7) Non-Executive Directors, and five (5) Audit & Supervisory Board members, including three (3) external members, and the meetings are chaired by an independent Non-Executive Director.
- The Board is responsible for making decisions on the execution of important business matters and legal issues of the Group, supervising the execution of duties by the Directors, establishing an appropriate internal control system for the entire Group in cooperation with the Internal Audit Department and supervising the operation of the system. In addition, it strives to maximize the corporate value of the Group by deciding and approving Long-Term Management Vision and Annual Business Plan for the Group as a whole and for key Group companies, and by conducting regular monitoring based on factors such as changes in the business climate.
- The Board of Directors is composed of a balanced and appropriate number of members, taking into consideration the knowledge, experience, abilities, and insights required to realize Vision for 2027, while ensuring diversity in terms of gender and internationalization. In addition, 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. One or more of the independent Non-Executive Directors must have management experience at other companies
- Regarding Kirin Brewery Co.,Ltd., LION Pty Ltd., Kirin Beverage Co.,Ltd., Coke Northeast Inc, Kyowa Kirin Co.,Ltd., FANCL Corporation, Blackmores Ltd*, Kyowa Hakko Bio Co. Ltd. And San Miguel Brewery Inc., the members of the Board of Directors, Executive Officers or their equivalent of the Company are appointed as Directors of the Board (including Non-executive Directors of the Board) of each company and supervise the performance of duties to strengthen governance of the Group overall (* Blackmores Ltd is supervised through the posting of directors to an intermediate holding company) 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 Non-executive Directors of the Board 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.
- Standing Audit and Supervisory Board members may convene meetings with the attendance of non-executive Director of the Board, including independent non-executive Directors and Audit and Supervisory Board members, in order to promote lively and constructive discussions at Board meetings.
- The Chairman of the Board of Directors may convene meetings comprised solely of independent non-executive Director in order to promote lively and constructive discussions at Board meetings.
- The Company does not provide any standing members to serve Non-executive Directors of the Board. The Secretary Section of the People & Culture Department provides support to corporate and Non-executive Directors of the Board.
- In addition, the Company has 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 2024, Board Meetings were held sixteen (16) times (Other, 1 written meeting held) , with an attendance rate for Non-executive Directors of ninety-eight (98) percent and for Audit & Supervisory Board Members of hundred (100) percent

<Audit & Supervisory Board>

- The Audit & Supervisory Board has five (5) members, including three (3) Non-executive 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 Audit & Supervisory Board Members 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 Part-time Audit & Supervisory Board Members to audit the performance of duties by the Directors of the Board to reinforce governance of the Group overall.
- In addition, in order to strengthen the auditing function, the Company has established the Advisor to Audit & Supervisory Board Members consisting of full-time employees as a system to support the duties of Audit & Supervisory Board Members.
- The Board of Audit & Supervisory Board Members meets regularly once a month and as necessary. In the fiscal year 2024, Audit & Supervisory Board Meetings were held nineteen (18) times, with an attendance rate

for Audit & Supervisory Board Members of one hundred (100) percent.

- Regarding the Audit & Supervisory Board's effectiveness evaluation, the members of the Audit & Supervisory Board discuss the results of the self-evaluation questionnaires completed by each member of the Audit & Supervisory Board in advance and then clarify the issues to be addressed by the Audit & Supervisory Board and work on these issues.

<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 shall be composed of Directors, the majority of whom shall be independent Non-Executive Directors, and its Chairman shall be appointed from independent Non-Executive Directors. With respect to the appointment of members to the Nomination and Remuneration Advisory Committee, the Chairman of the Board of Directors is involved in formulating the list of candidates, which are then submitted to the Board of Directors by the Chief People Officer (CPO). The Nomination and Remuneration Advisory Committee, which shall act as an advisory body to the Board, shall consider and report to the Board on the following matters from an objective and fair perspective:

- (1) The policy for the appointment and retirement of directors, executive officers and audit & supervisory board members, and the proposed appointment and retirement (including dismissal, same shall applies hereinafter) of each of the proposed candidates for director, audit & supervisory board member and executive officer and preparation of criteria and policies for candidates as well as the appointment and retirement of directors.
- (2) Succession planning for the President, and appointment and retirement of representative directors and executive directors.
- (3) Remuneration plan, level of remuneration, and amount of remuneration for Executive Directors, Audit & Supervisory Board Members, Executive Officers, and Audit & Supervisory Board Members
- (4) Policies and criteria for the appointment and retirement of the Chairman and President of the Company's major Group companies in accordance with the nature and size of their businesses, the preparation of proposals for candidates, plans for appointment and retirement and candidates for directors, and the remuneration plan and level of remuneration.
- (5) Appointment and retirement of the Chief Executive Officer (CEO) and Chief Operating Officer (COO).
- (6) Succession planning for the Chief Executive Officer (CEO) and Chief Operating Officer (COO).

- Based on the delegation of the Board of Directors, the Nomination and Remuneration Advisory Committee shall determine the evaluation indicators and targets for the individual performance evaluation and the evaluation results and the individual payment rate of hiring for the individual performance evaluation for the bonuses of the Company's directors (excluding Non-Executive Directors) and executive officers in accordance with the level of achievement of those indicators and targets, etc.

- In FY2024, the Board deliberated on the proposed management structure for the next generation and the

establishment of a sustainable mechanism to maintain the quality of the management team, in addition to the appointment and retirement of executive officers for FY2025 and the CEO succession plan. Regarding executive remuneration, the Board discussed the policy and design for FY2025, which will be synchronized with the FY2024 performance evaluation and finalization of the amount, as well as changes to the three-year rolling management plan for 2025-2027.

- As part of its efforts to improve corporate governance, the Company has adopted a system whereby the Board of Directors and the Nomination and Remuneration Advisory Committee are closely involved in the appointment and dismissal of senior management. Under this system, the members of the Nomination and Remuneration Advisory Committee (only three of whom are Non-Executive Directors) engage in strategic dialogues with the President & CEO, President & COO, and other senior executives and make qualitative assessments of the status of the advancement of management strategies and the level of their qualifications and performance as senior executives based on quantitative assessments, including the earnings situation. In addition, the Nomination and Remuneration Advisory Committee annually confirms the training and selection process for successor candidates and reviews them based on past performance selection criteria and external third-party evaluations. The Nomination and Remuneration Advisory Committee reports to the Board on the results of the evaluation of the President & CEO, President & COO and the appointment/dismissal process to ensure objectivity and transparency in the appointment and dismissal of senior executives.
- The Company holds a Non-Executive Directors Only Council meeting to provide a forum for the exchange of information and views with Non-Executive Directors, other than those on the Nomination and Remuneration Advisory Committee.
- In the fiscal year 2024, the Nomination and Remuneration Advisory Committee met twelve (12) times, with an attendance rate of hundred (100) percent for members.

< Group Executive Committee >

- The Company has established the Group Executive Committee as an advisory body to support the President & Executive Officer 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 & Executive Officer, Senior Executive Vice President, Senior Executive Officers, and Standing Audit & Supervisory Board Members, etc. to discuss business strategies and investments that have significant implications for business.

< Other bodies advisory to the President & Executive Officer >

1. Group CSV Committee

- The Committee discusses the Group's CSV policies, strategies and plans and monitors the implementation of the CSV plan. Its decisions are referred to and reported to the Group Executive Committee and the Board of Directors, as appropriate, and are reflected in the Group's overall strategy.

URL https://www.kirinholdings.com/en/impact/csv_management/promotion_impact/

2. Group Risk and Compliance Committee

- The Committee promotes and monitors risk management. As part of this, compliance is positioned as an important element, and the Committee works to ensure that it is carried out properly. In the event of a crisis, the Committee shares information with each Group company in Japan and overseas, provides support for responses, and takes other measures to ensure that appropriate responses are made. The Committee is composed of internal directors and executive officers of Kirin Holdings, and the executive officer in charge of risk management serves as the Chairman of the Committee.

URL https://www.kirinholdings.com/en/purpose/governance/risk_management/

3. Disclosure Committee

- From the perspective of providing useful information to shareholders and investors, the Committee deliberates and decides on the importance and necessity of information disclosure, including timely disclosure, and works to improve management transparency by promoting timely, fair and equal disclosure. The Committee is composed of the General Manager of the relevant division and the CFO (in charge of financial strategy and IR), with the Standing Audit & Supervisory Board Member and the General Manager of the Internal Audit Department as observers.

<Accounting audit system>

- The certified public accountants who performed the accounting audit of the Company were Mr. Isao Kamizuka, Mr. Masahiro Sasaki, and Mr. Yoshihiro Fujioka from KPMG AZSA LLC. Also, an additional twenty-eight (28) certified public accountants and seventy-four (74) others assisted with the audit work.

3. Reasons for Adoption of Current Corporate Governance System

Based on our basic concept of corporate governance, the Company has adopted an Audit & Supervisory Board Company as its organizational form under the Companies Act, and its Board of Directors is composed of a balanced mix of directors and Audit & Supervisory Board members with diverse knowledge, experience, skills and insight. To realize KV2027, the Board of Directors, which is composed of a majority of Non-Executive Directors, works closely with the Audit & Supervisory Board, which is composed of a majority of external Audit & Supervisory Board members, to ensure highly effective supervisory functions under a highly transparent governance system and to make high quality decisions on important business execution and statutory matters. In addition, the Company ensures objectivity and transparency in the nomination and remuneration of Directors, Executive Officers and Audit & Supervisory Board members by having these matters discussed by the Nomination and Remuneration Advisory Committee, which consists of a majority of Non-Executive Directors. For the reasons stated above, the Company believes that the current system ensures transparency and propriety of management and that an effective corporate governance system is in place.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Additional information
Early Notification of General Shareholder Meeting	<p>The convocation notice of the Ordinary General Meeting of Shareholders is sent out approximately three (3) weeks in advance of the date of the Ordinary General Meeting of Shareholders. Prior to the date of dispatch, the materials for the General Meeting of Shareholders will be available electronically on the Company's website and on the website of the Tokyo Stock Exchange.</p> <p>Japanese version : https://www.kirinholdings.com/jp/investors/stock/agm/</p> <p>English version : https://www.kirinholdings.com/en/investors/stock/agm/</p>
Scheduling AGMs Avoiding the Peak Day	The Company holds its Ordinary General Meeting of Shareholders in March.
Allowing Electronic Exercise of Voting Rights	Shareholders may exercise voting rights via the Internet.
Participation in Electronic Voting Platform, and other initiatives to improve the environment for institutional investors to exercise their voting rights	The Company has been participating in an electronic voting platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice (summary) 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 Company holds a virtual Ordinary General Meeting of Shareholders with hybrid participation. The voting results will be published on the Company's website shortly after the end of the meeting.

2. IR Activities

	Additional information
Preparation and Publication of Disclosure Policy	<p>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.</p> <p>https://www.kirinholdings.com/en/investors/policy/disclosure/</p>
Regular Investor Briefings for Analysts and Institutional Investors	<p>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 Long-Term Management Vision, with the CEO (Chief Executive Officer), CFO (Financial Strategy and IR), etc. as presenters. The Company also holds face-to-face or remote meetings 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 fiscal year 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 fiscal year 2016 (including the year it was made an Investor Day program).</p>
Regular Investor Briefings for Overseas Investors	<p>CEO (Chief Executive Officer), CFO (Financial Strategy and IR), etc., Deputy General Manager of IR Section, etc. go on visits to institutional investors based overseas and the Company participates conferences and local meetings one to two (2) 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 year 2020.</p>
Posting of IR Materials on Website	<p>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, dialogue with shareholders and investors, various press releases, presentation documents, securities reports, biannually financial reports, convocation notices of the Ordinary General Meeting of Shareholders, and Integrated Report, basically both in the Japanese and English languages. The Company discloses securities reports simultaneously in English and Japanese, starting from the financial results at the end of FY2022. Furthermore, the Company has also created a page for individual investors with content designed to introduce them to the Group.</p>

Establishment of Department and/or Manager in Charge of IR	Investor relations are the responsibility of the IR section of the Finance department, and the CFO (Financial Strategy and IR) is responsible for investor relations.
Other	<p>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.</p> <p>Since FY2021, the Company has been providing full translation of securities reports, with simultaneous disclosure starting in FY2022.</p> <p>IR site (in English): https://www.kirinholdings.com/en/investors/</p> <p>The Company has long provided opportunities for dialogue between Non-Executive Directors and shareholders/investors, and in fiscal year 2023 as well, Non-Executive Directors held meetings with shareholders.</p>

3. Measures to Ensure Due Respect for Stakeholders

	Additional information
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>Along with establishing various policies and guidelines, including the Group corporate philosophy, Group Human Rights Policy, Group Compliance Guidelines, corporate governance policy, employment regulations, Responsibility Policy as the Kirin Group, which operates an alcoholic beverage business, Group quality policy, Group environmental policy, basic policy on Group procurement, Kirin Group Sustainable Supplier Code, and marketing communication policy, 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, training, and other means.</p>
Implementation of Environmental Activities, CSR Activities etc.	<p>In its Long-Term Management Vision, KV2027, the Group aims to achieve sustainable growth by addressing social issues through its business, creating both social and economic value, and strengthening its management resilience and competitiveness.</p> <p>The Company considers its consumers, shareholders, investors, employees, communities, business partners, and the global environment to be stakeholders common to the Group and recognizes that collaboration with multiple stakeholders is essential to achieving its vision for 2027 and shall co-create new value with all stakeholders.</p> <p>In addition, the Company shall promote CSV management by proactively responding to social issues as management issues in order to sustainably survive and develop</p>

	<p>together with stakeholders. The Company shall establish a company-wide system to promote sustainability issues and create revenue opportunities through co-creation with stakeholders, while managing risks.</p> <p>The Company has established the "Kirin Group CSV Purpose" as a guideline for co-creating value with society and achieving sustainable growth, and the "Kirin Group CSV Commitment" as an action plan for realizing KV2027. In addition, the Company is pursuing initiatives to realize the "Kirin Group Environmental Vision 2050," which outlines the Kirin Group's vision for the environment in the future.</p> <p>The Company has received the following external recognition for its CSV/ESG activities.</p> <p>It was selected by CDP as one of the highest-rated companies in the areas of "Climate Change" and "Water".</p> <p>It has been selected for inclusion in the FTSE4Good Index Series, FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Equity Women's Activity Index (WIN), Morningstar Japan ex-REIT Gender Diversity Tilt Index (excluding REIT), S&P/JPX Carbon Efficient Index, and others.</p> <p>CSV Purpose https://www.kirinholdings.com/en/purpose/csv_purpose/</p> <p>CSV Commitment https://www.kirinholdings.com/en/impact/csv_management/commitment/</p> <p>Environnemental Report https://www.kirinholdings.com/en/investors/library/env_report/</p> <p>Integrated Report https://www.kirinholdings.com/en/investors/library/integrated/</p>
Development of Policies on Information Provision to Stakeholders	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.
Other	—

IV. Matters Related to the Internal Control System

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

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 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.

In addition, 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 Company Executive Committee shall be organized to deliberate significant matters affecting the entire Company, 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 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) 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 Non-executive Directors of the Board for the exchange of opinions.

In addition, 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 shall 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 Group has set forth the Group Compliance Policy, which is a code of conduct that must be observed by Kirin Group companies and employees, and in this policy, the Company is working to sever ties with anti-social forces.

(2) Internal systems and programs

The Group 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
------------------------------------	-------------

Additional information

The Company does not adopt 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

Overview of Timely Disclosure System (Information Disclosure System)

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

1. Basic policy and approach to the timely disclosure of corporate information and its internal dissemination and enlightenment

(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, which is available on the Company website.

< Disclosure Policy >

<https://www.kirinholdings.com/en/investors/policy/disclosure/>

(3) The Company has established the "Group Compliance Policy" as the minimum code of conduct that must be observed by the Group companies and employees and is committed to maintaining and improving trust in the Group and its corporate value by meeting the expectations of stakeholders. The "Group Compliance Guidelines" stipulate that "the Company shall disclose management information, including its financial position and the status of its business activities, to shareholders and investors in a timely and appropriate manner, clearly

communicate the Company's management philosophy and policies, and sincerely accept opinions and criticism regarding these matters."

(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 taken place is reported to the Board of Directors by each internal department (or by the leading department for information related to subsidiaries), discussed and decided by the Board of Directors, and then consolidated by the General Manager of Finance Department. Information regarding decisions made by subsidiaries may be communicated by the lead department to the General Manager of Finance Department and reported to the Board of Directors after the fact.

(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 Finance Department and its IR Section without delay, and further gathered to the General Manager of Finance Department. In some cases, the information is provided to Finance Department and its 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 Finance Department or its 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 Finance 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 Finance 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 (Financial Strategy and IR)) 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 "About the Disclosure Committee" at the end of this document for details).

(1) IR Section is responsible for making the basic decision as to whether information gathered by the General Manager of Finance 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 & Executive Officer makes a final decision; and then the chairperson of the Committee reports its final decision to the President & Executive Officer 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 & Executive Officer 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 177 consolidated subsidiaries and 28 affiliates accounted for by the equity method (as of December 31, 2024), and the scope of information-gathering is extensive.

(2) Handling of disclosure risk

- To avoid arbitrary judgements by Finance Department or its IR Section, information-sharing mechanisms and checks and balances have been put in place among Finance Department, its 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.

<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 & Executive Officer (matters the committee deems especially important must be returned to the President & Executive Officer)

(5) Take other necessary actions for the Group companies regarding the disclosure of information (including giving instructions for implementing improvements to relevant departments within the Company and to the Group companies)

** (2) and (3) above includes what is written in financial statements (including supplemental information), securities reports/quarterly reports, and integrated reports.

3. Structure

(1) Chairperson: CFO (Financial Strategy and IR)

(2) Members: General Manager of Corporate Strategy Department, General Manager of Finance Department, General Manager of Legal Department, and General Manager of CC

(Observers: Audit & Supervisory Board Members and General Manager of Internal Audit Department)

(3) Working-level members: One to two person(s) from each department mentioned above (2)

(4) Secretariat: IR Section, Finance Department

4. Meetings

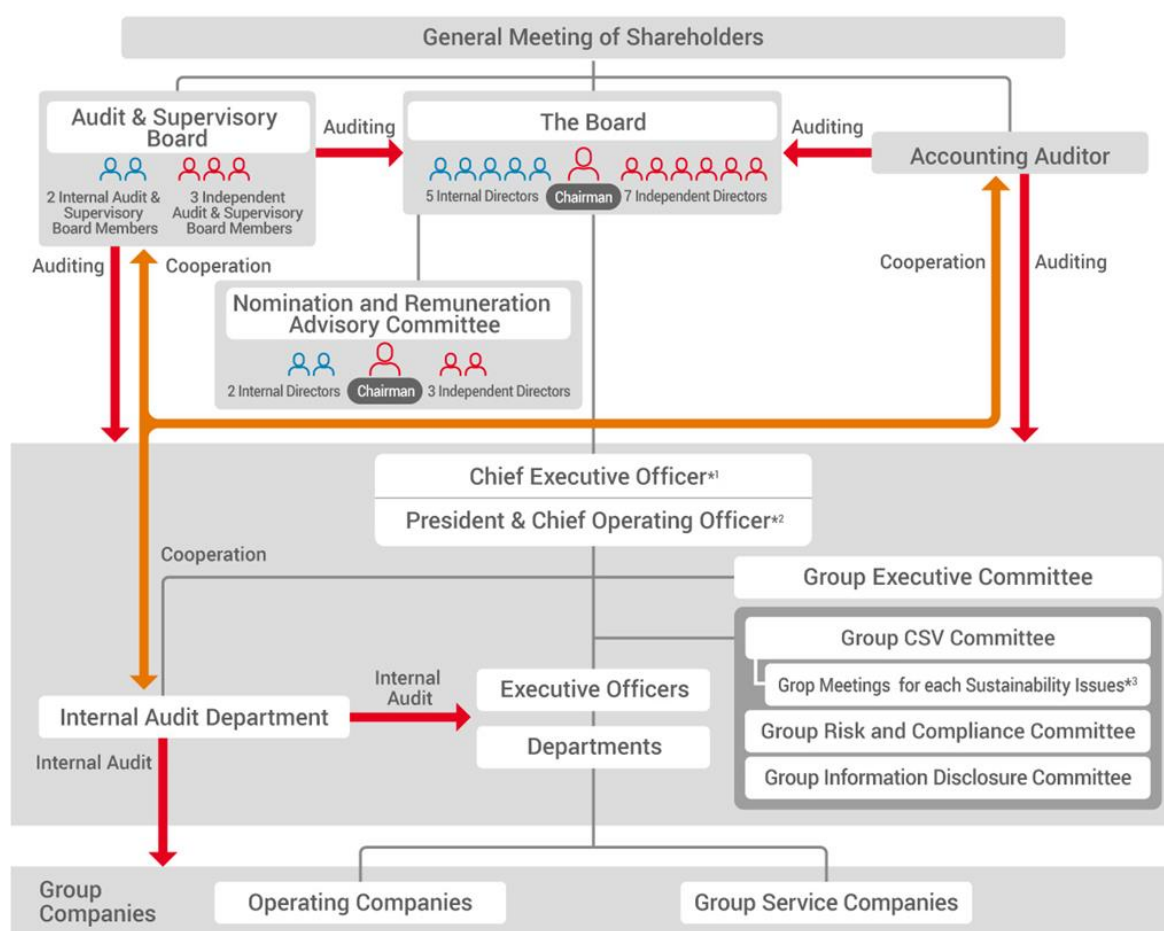
Regular meetings are held in advance of the announcement of financial results (four times/year) and that of publications.

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】



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

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

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

END