

(Notes)

1. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.
2. "Audit & Supervisory Board Member(s)" and "Audit & Supervisory Board" described herein mean "Kansayaku" and "Kansayaku-kai" stipulated in the Japanese Companies Act respectively.

## Reference Documents for the Ordinary General Meeting of Shareholders

### **Proposal No. 1: Appropriation of surplus**

The Board proposes the payment of a year-end dividend of ¥36.50 per share after taking various factors into account, including the Company's operating results for this fiscal year, and the business environment, in accordance with the Company's dividend policy. As a result, including the interim dividend of ¥34.50 per share, the annual dividend for this fiscal year will amount to ¥71 per share, an increase of ¥2 over the previous fiscal year.

1. Matters regarding year-end dividend:

(1) Matters related to the allocation of the dividend property to shareholders and the total amount thereof:

¥36.50 per share of the Company's common stock

Total amount: ¥29,630,147,573

(2) Effective date of payment of dividend:

March 29, 2024

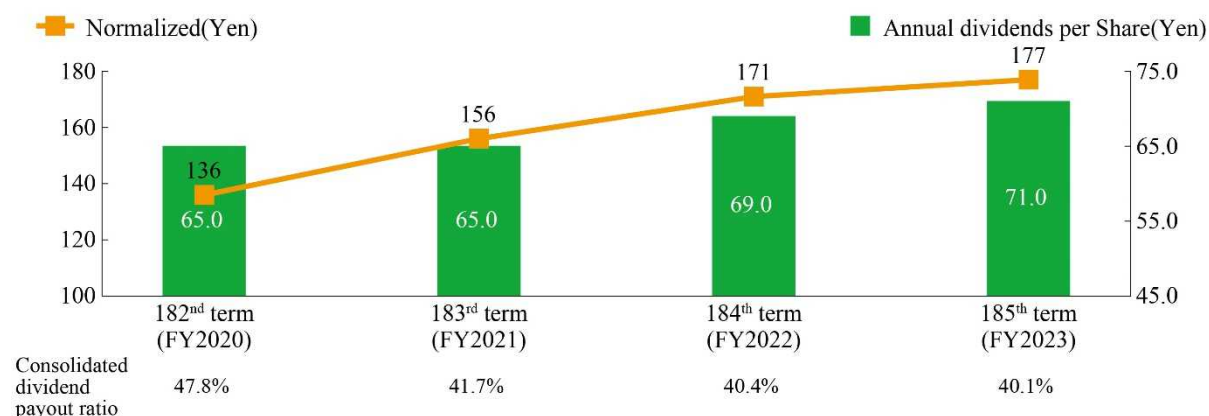
### **The Company's Dividend Policy**

We consider a return of profits to shareholders to be one of the most important management issues, based on the capital policy formulated in the Kirin Group Medium-Term Business Plan 2022 – 2024. Since our establishment in 1907, the Company has consistently distributed a dividend to shareholders in every financial period. In addition to the stable and continuous payment of dividends based on "Consolidated dividend payout ratio\*<sup>1</sup> of 40% or more of normalized EPS\*<sup>2</sup>," we will also consider opportunities to acquire treasury stock as an additional return to shareholders, taking into consideration the optimal capital structure, market environment, and financial resources after investment.

\*<sup>1</sup> Consolidated dividend payout ratio calculated in accordance with International Financial Reporting Standards (IFRS).

\*<sup>2</sup> Normalization: By removing other operating income or expenses, etc. and other non-recurring items, it is adjusted to reflect actual earnings more accurately.

(Reference) Annual dividends per share and normalized EPS



**Proposal No. 2:            Partial amendment to the Articles of Incorporation**

1. Reasons for the Amendment

The Company has introduced an executive officer system. In order to enabling the flexible construction of an optimal management system, the Company may be able to select the President not only from among Directors, but also from among Executive Officers after this amendment. In addition, the method of appointing Executive Officers will be clarified, and necessary changes will be made to the provisions regarding the Chairperson of the General Meeting of Shareholders and Directors with executive responsibilities.

2. Contents of the Amendment

The current Articles of Incorporation and proposed amendments are as follows:

(Underlined parts show proposed changes.)

Current Articles of Incorporation	Proposed Amendment
<p>(Chairpersonship)</p> <p>Article 14. Chairpersonship of a general meeting of shareholders shall be assumed by <u>the President</u>. If the <u>office of the President is vacant or if the President is unable to act</u>, the Chairpersonship shall be assumed by another Director in the order previously fixed by resolution of the Board of Directors.</p>	<p>(Chairpersonship)</p> <p>Article 14. Chairpersonship of a general meeting of shareholders shall be assumed by <u>the Director as predetermined by the Board of Directors</u>. If the <u>Director</u> is unable to act, the Chairpersonship shall be assumed by another Director in the order previously fixed by resolution of the Board of Directors.</p>
<p>Chapter IV. Directors and Board of Directors</p>	<p>Chapter IV. Directors and Board of Directors, <u>and Executive Officers</u></p>
<p>(Representative Directors <u>and</u> Senior Directors)</p> <p>Article 25. The Board of Directors may, by its resolution, appoint one Director &amp; Chairperson <u>and</u> one Director &amp; President, and one or more Director &amp; Vice President(s), <u>Senior Managing Director(s) and Managing Director(s)</u>.</p> <p><u>2. The Director &amp; President shall represent the Company.</u></p>	<p>(Representative Directors, <u>Senior Directors and Executive Officers</u>)</p> <p>Article 25. The Board of Directors may, by its resolution, appoint one Director &amp; Chairperson, one Director &amp; President, <u>and</u> one or more Director &amp; Vice President(s).</p> <p>(Deleted)</p>

<p>3. In addition to the preceding paragraph, the Board of Directors <u>may</u>, by its resolution, appoint one or more Director(s) to represent the Company.</p> <p>(Newly established)</p>  <p>(Newly established)</p>	<p><u>2. The Board of Directors shall, by its resolution, appoint one or more Director(s) to represent the Company.</u></p> <p><u>3. The Board of Directors shall, by its resolution, appoint one or more Executive Officer(s) and determine their roles and responsibilities.</u></p> <p><u>4. The Board of Directors shall, by its resolution, appoint one Senior Executive Officer &amp; President, and may appoint one Senior Executive Officer &amp; Chairperson and one or more Senior Executive Officer &amp; Vice President(s) and Senior Executive Officer(s).</u></p>
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### **Proposal No. 3: Election of twelve (12) Directors of the Board**

Upon the close of this Ordinary General Meeting of Shareholders, the terms of office of all twelve (12) Directors of the Board will expire.

Accordingly, shareholders are requested to elect twelve (12) Directors of the Board.

The candidates for the positions of Directors of the Board are as follows:

No.	Name (Age)		Current title and responsibilities at the Company	Rate and number of attendance at Board Meetings	Number of years in office
1	Candidate for Reelection	Yoshinori Isozaki (70)	President & Chief Executive Officer	100% (15 times of 15 meetings)	9 years
2	Candidate for Reelection	Takeshi Minakata (62)	Director of the Board, Senior Executive Officer Health Strategy; President of Health Science Division	100% (15 times of 15 meetings)	2 years
3	Candidate for Reelection	Junko Tsuboi (61)	Director of the Board, Senior Executive Officer Personnel and General Affairs	100% (12 times of 12 meetings)	1 year
4	New Candidate	Toru Yoshimura (59)	Senior Executive Officer	—	—
5	New Candidate	Shinjiro Akieda (58)	Senior Executive Officer Financial Strategy, IR	—	—
6	Candidate for Reelection	Masakatsu Mori (77)	Non-executive Director Chairman of the Board	100% (15 times of 15 meetings)	5 years
	Candidate for Non-executive Director				
	Candidate for Independent Officer				
7	Candidate for Reelection	Hiroyuki Yanagi (69)	Non-executive Director Member of the Nomination and Remuneration Advisory Committee	100% (15 times of 15 meetings)	5 years
	Candidate for Non-executive Director				
	Candidate for Independent Officer				
8	Candidate for Reelection	Noriko Shiono (63)	Non-executive Director Member of the Nomination and Remuneration Advisory Committee	100% (15 times of 15 meetings)	4 years
	Candidate for Non-executive Director				
	Candidate for Independent Officer				
9	Candidate for Reelection	Rod Eddington (74)	Non-executive Director	80% (12 times of 15 meetings)	4 years
	Candidate for Non-executive Director				
	Candidate for Independent Officer				

No.	Name (Age)	Current title and responsibilities at the Company	Rate and number of attendance at Board Meetings	Number of years in office	
10	Candidate for Reelection	George Olcott (68)	Non-executive Director	93% (14 times of 15 meetings)	4 years
	Candidate for Non-executive Director				
	Candidate for Independent Officer				
11	Candidate for Reelection	Shinya Katanozaka (68)	Non-executive Director	92% (11 times of 12 meetings)	1 year
	Candidate for Non-executive Director				
	Candidate for Independent Officer				
12	New Candidate	Yoshiko Ando (65)	Audit & Supervisory Board Member	93% (14 times of 15 meetings)	—
	Candidate for Non-executive Director				
	Candidate for Independent Officer				

- (Notes)
1. Age is as of the date of this Ordinary General Meeting of Shareholders.
  2. As for the attendance at the Board Meetings of Ms. Junko Tsuboi and Mr. Shinya Katanozaka, the Board Meetings applicable to them are only those held on and after March 30, 2023.
  3. As for the attendance at the Board Meetings of Ms. Yoshiko Ando, the Board Meetings applicable to her are only those which she attended as Audit & Supervisory Board Member.
  4. The number of years in office is the number of years since each candidate assumed office as Director of the Board of the Company (until the close of this Ordinary General Meeting of Shareholders).

## No. 1 Yoshinori Isozaki



### Candidate for Reelection

<b>Date of birth</b>	August 9, 1953
<b>Number of the Company's shares held</b>	71,948 shares
<b>Rate of and number of times attending Board Meetings</b>	100% (15 times of 15 meetings)

### Profile, title and responsibilities

April 1977	Joined the Company
March 2004	Director of San Miguel Corporation
March 2007	General Manager of Corporate Planning Dept. of the Company
March 2008	Executive Officer and General Manager of Corporate Planning Dept. of the Company
March 2009	Senior Executive Officer and General Manager of Corporate Planning Dept. of the Company
March 2010	Managing Director of the Company (resigned in March 2012)
March 2012	President & CEO of Kirin Brewery Company, Limited (resigned in January 2015)
January 2013	President & Chief Executive Officer of Kirin Company, Limited
March 2015	President & Chief Executive Officer of the Company (Present Position)
September 2021	President & CEO of Kirin Brewery Company, Limited (resigned in January 2022)

### Reasons for nomination as a candidate for Director of the Board

Mr. Yoshinori Isozaki has worked in the areas of business development, overseas business, and corporate planning, among others, since he joined the Company and has considerable business experience and deep insight in the management of the Group. Since taking office as President & CEO of the Company in 2015, he has realized the structural reform of the Group centered on (i) strengthening and growing profit base in the beer business, one of the Company's core businesses, and (ii) restructuring and revitalizing low-profit businesses. Further, he has ensured to promote management reform including enhancement of corporate governance. In recent years, he has demonstrated strong leadership in responding to changes in the business environment caused by soaring raw material prices and sudden exchange rate fluctuations associated with global geopolitical risk and others, and led the Group's business recovery and regrowth. For the reasons above, the Board has determined that he is a suitable candidate to carry out the tasks needed for realizing the Company's Long-Term Management Vision "Kirin Group Vision 2027" and achieving the "Kirin Group 2022-2024 Medium-Term Business Plan" toward continuous improvement of corporate value and overseeing the entire Kirin Group.

### Note:

No conflict of interests exists between the Company and Mr. Yoshinori Isozaki.

**No. 2 Takeshi Minakata**



**Candidate for Reelection**

<b>Date of birth</b>	December 31, 1961
<b>Number of the Company's shares held</b>	8,835 shares
<b>Rate of and number of times attending Board Meetings</b>	100% (15 times of 15 meetings)

**Profile, title and responsibilities**

April 1984	Joined the Company
March 2012	General Manager of Corporate Planning Dept. of Kirin Brewery Company, Limited
January 2013	Executive Officer and General Manager of Corporate Planning Dept. of Kirin Company, Limited
March 2015	Executive Officer and General Manager of Corporate Planning Dept. of Kirin Brewery Company, Limited
March 2015	Senior Executive Officer and Director of Group Strategy Planning of the Company
March 2016	Senior Executive Officer and General Manager of Corporate Planning Dept. of Kirin Company, Limited
April 2016	Senior Executive Officer of the Company (resigned in March 2018)
March 2018	President and CEO of Myanmar Brewery Limited
March 2018	Executive Director of the Board, President & Chief Executive Officer of Kyowa Hakko Bio Co., Ltd. (resigned in December 2021)
March 2020	Senior Executive Officer of the Company
March 2022	Director of the Board, Senior Executive Officer of the Company
April 2022	Director of Kyowa Kirin Co., Ltd. (Present Position)
April 2022	Director of the Board, Senior Executive Officer, President of Health Science Division of the Company (Present Position)
August 2023	Director of the Board of Blackmores Limited (Present Position)
<b>Responsible for</b>	Health Science Strategy, President of Health Science Division

**Significant positions concurrently held at other companies and organizations**

Director of Kyowa Kirin Co., Ltd.  
 Director of the Board of Blackmores Limited

**Reasons for nomination as a candidate for Director of the Board**

Mr. Takeshi Minakata has worked in the areas of production, corporate planning, and overseas business since he joined the Company, and has considerable business experience and deep insight in the management of the Group. He served as President of the Company's subsidiaries in Japan and overseas since taking office as Senior Executive Office of the Company in 2015 and served as President of Health Science Division since taking office as Director of the Board of the Company in 2022, and has made a great contribution in structural reform and management reform of the Group by managing Overseas Business and building the foundations for growth in the Domestic and International Health Science

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domain. For the reasons above, the Board has determined that he is a suitable candidate to carry out the tasks needed for realizing the Company's Long-Term Management Vision "Kirin Group Vision 2027" and achieving the "Kirin Group 2022-2024 Medium-Term Business Plan" toward continuous improvement of corporate value and overseeing the entire Kirin Group.

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**Notes:**

1. No conflict of interests exists between the Company and Mr. Takeshi Minakata.
2. Mr. Takeshi Minakata is to resign from the position of Director of Kyowa Kirin Co., Ltd. upon the close of Kyowa Kirin Co., Ltd.'s 101st Ordinary General Meeting of Shareholders to be held in March 2024, due to the expiration of his term of office.



### No. 3 Junko Tsuboi



#### Candidate for Reelection

<b>Date of birth</b>	August 8, 1962
<b>Number of the Company's shares held</b>	19,931 shares
<b>Rate of and number of times attending Board Meetings</b>	100% (12 times of 12 meetings)

#### Profile, title and responsibilities

April 1985	Joined the Company
March 2005	General Manager of Corporate Communication Dept. of Kirin Beverage Company, Limited
March 2010	Director of the Board, President and CEO of Yokohama Akarenga Inc.
March 2012	General Manager of CSR Promotion Dept. and Corporate Communication Dept. of the Company
November 2012	General Manager of Corporate Communication Dept. of the Company
January 2013	General Manager of Strategic Branding Dept., CSV Division of Kirin Company, Limited
March 2014	Executive Officer, General Manager of Strategic Branding Dept., CSV Division of Kirin Company, Limited
March 2019	Senior Executive Officer, General Manager of Strategic Branding Dept. of the Company
June 2020	Outside Director of FANCL Corporation (Present Position)
March 2022	Senior Executive Officer of the Company
March 2023	Director of the Board, Senior Executive Officer (Present Position)

<b>Responsible for</b>	Personnel and General Affairs
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#### Significant positions concurrently held at other companies and organizations

Outside Director, FANCL Corporation

#### Reasons for nomination as a candidate for Director of the Board

Ms. Junko Tsuboi has worked in the areas of manufacturing technology, marketing, public relations, corporate branding and diversified business, among others, since she joined the Company, and has considerable business experience and deep insight in the management of the Group. She was responsible for marketing strategy and brand strategy after taking office as Senior Executive Office of the Company in 2019 and has been responsible for personnel and general affairs since 2022, and, through promotion of human capital strategies aligned with long term management plan, has made a great contribution towards management reform of the Group, bringing the perspective of diversity in the management team after taking office as Director in 2023. For the reasons above, the Board has determined that she is a suitable candidate to carry out the tasks needed for realizing the Company's Long-Term Management Vision "Kirin Group Vision 2027" and achieving the "Kirin Group 2022-2024 Medium-Term Business Plan" toward continuous improvement of corporate value and overseeing the entire Kirin Group.

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**Note:**

1. No conflict of interests exists between the Company and Ms. Junko Tsuboi.
2. As for the attendance at the Board Meetings of Ms. Junko Tsuboi, the Board Meetings applicable to her are only those held on and after March 30, 2023, the date of her assumption of office.

#### No. 4 Toru Yoshimura



#### New Candidate

<b>Date of birth</b>	June 8, 1964
<b>Number of the Company's shares held</b>	9,942 shares

#### Profile, title and responsibilities

April 1988	Joined the Company
March 2016	General Manager of Corporate Planning Dept. of Kirin Company, Limited
March 2017	Director of Group Alliance Strategy of the Company Executive Officer and General Manager of Corporate Planning Dept. of Kirin Company, Limited
March 2018	Executive Officer and Director of Group Alliance Strategy of the Company Senior Executive Officer and General Manager of Corporate Planning Dept. of Kirin Company, Limited
March 2019	Senior Executive Officer and General Manager of Corporate Planning Dept. of the Company Director of the Board of Kirin Beverage Company, Limited
March 2021	Director of the Board of Kirin Brewery Company, Limited
January 2022	Senior Executive Officer of the Company (Present Position) President & CEO of Kirin Beverage Company, Limited (Present Position)

#### Significant positions concurrently held at other companies and organizations

President & CEO of Kirin Beverage Company, Limited

#### Reasons for nomination as a candidate for Director of the Board

Mr. Toru Yoshimura has worked in the areas of production, overseas business and alliance strategies since he joined the Company, and has considerable business experience and deep insight in the management of the Group. He served as General Manager of Corporate Planning Dept. of the Company and promoted building the foundations for growth in the Health Science domain since taking office as Senior Executive Officer from 2019, and he has made a great contribution in structural reform and management reform of the Group, by leading the expansion of Health Science domain in addition to the existing business of Kirin Beverage Company, Limited since taking office as President & CEO of Kirin Beverage Company, Limited in 2022. For the reasons above, the Board has determined that he is a suitable candidate to carry out the tasks needed for realizing the Company's Long-Term Management Vision "Kirin Group Vision 2027" and achieving the "Kirin Group 2022-2024 Medium-Term Business Plan" toward continuous improvement of corporate value and overseeing the entire Kirin Group.

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**Note:**

No conflict of interests exists between the Company and Mr. Toru Yoshimura.

## No. 5 Shinjiro Akieda



### New Candidate

<b>Date of birth</b>	July 18, 1965
<b>Number of the Company's shares held</b>	8,468 shares

### Profile, title and responsibilities

April 1988	Joined the Company
March 2010	Chairman and CEO of Taiwan Kirin Company, Limited
March 2013	Executive Officer and General Manager of Corporate Planning Dept. of Mercian Corporation
March 2015	Executive Officer and General Manager of Corporate Planning Dept. of Kirin Beverage Company, Limited
March 2017	Senior Executive Officer and General Manager of Corporate Planning Dept. of Kirin Beverage Company, Limited
March 2018	Executive Officer and General Manager of Corporate Planning Dept. of Kirin Brewery Company, Limited
March 2019	Executive Officer and General Manager of Corporate Planning Dept. of the Company
March 2020	Executive Officer and General Manager of Corporate Planning Dept. and DX Strategy Dept. of the Company
January 2022	Executive Officer and General Manager of Corporate Planning Dept. of the Company
March 2022	Director of the Board of Kirin Brewery Company, Limited Senior Executive Officer and General Manager of Corporate Planning Dept. of the Company
March 2023	Senior Executive Officer of the Company (Present Position)
<b>Responsible for</b>	Financial Strategy, IR

### Reasons for nomination as a candidate for Director of the Board

Mr. Shinjiro Akieda has worked in the areas of sales and overseas business, including promoting profit structure reforms as General Managers of Corporate Planning Depts. of three major domestic subsidiaries in the food domain, since he joined the Company, and has considerable business experience and deep insight in the management of the Group. He served not only as General Manager of Corporate Planning Dept. of the Company but also built the foundation of the DX strategy since taking office of Senior Executive Officer of the Company in 2022, and he has been responsible for Financial Strategy and IR since 2023, and has made a great contribution in structural reform and management reform of the Group. For the reasons above, the Board has determined that he is a suitable candidate to carry out the tasks needed for realizing the Company's Long-Term Management Vision "Kirin Group Vision 2027" and achieving the "Kirin Group 2022-2024 Medium-Term Business Plan" toward continuous improvement of corporate value and overseeing the entire Kirin Group

### Notes:

1. No conflict of interests exists between the Company and Mr. Shinjiro Akieda.

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2. Mr. Shinjiro Akieda is to assume the position of Director of Kyowa Kirin Co., Ltd. with the approval of the 101st Ordinary General Meeting of Shareholders of Kyowa Kirin Co., Ltd. to be held in March 2024.

## No. 6 Masakatsu Mori



**Candidate for Reelection**  
**Candidate for Non-executive Director**  
**Candidate for Independent Officer**

<b>Date of birth</b>	January 22, 1947
<b>Number of the Company's shares held</b>	24,600 shares
<b>Rate of and number of times attending Board Meetings</b>	100% (15 times of 15 meetings)

### Profile, title and responsibilities

April 1969	Joined Arthur Andersen, LLP
February 1989	Japan Representative of Andersen Consulting (currently Accenture Japan Ltd.)
December 1995	President and Management Director of Andersen Consulting
April 2003	Chairman and Management Director of Accenture Japan Ltd.
September 2005	Chairman and Director of Accenture Japan Ltd.
September 2007	Chief Corporate Advisor of Accenture Japan Ltd.
October 2009	President of International University of Japan
June 2010	Outside Director of STANLEY ELECTRIC CO., LTD (Present Position)
October 2012	Trustee of International University of Japan
November 2013	Vice Chairman of International University of Japan
March 2015	Audit & Supervisory Board Member of the Company
April 2018	Senior Advisor of International University of Japan (Present Position)
March 2019	Non-executive Director of the Company (Present Position)
November 2020	External Statutory Auditor of FAST RETAILING CO., LTD. (Present Position)
<b>Responsible for</b>	Chairperson of the Board

### Significant positions concurrently held at other companies and organizations

Senior Advisor, International University of Japan  
 Outside Director, STANLEY ELECTRIC CO., LTD.  
 External Statutory Auditor, FAST RETAILING CO., LTD.

### Reasons for nomination as a candidate for Non-executive Director and outline of expected roles

Mr. Masakatsu Mori has considerable experience acquired over many years spent in management of a consulting firm, as well as a president and trustee of a university. He has a wide range of knowledge and particularly exceptional insight in corporate management based on his specialized expertise in finance and accounting. Based on this, we expect him to provide valuable opinions and suggestions from an objective and professional perspective to the management of the Company as an Independent Non-executive Director. For the reasons above, the Board has determined that he, as Non-executive Director going forward, is a suitable candidate to oversee business execution of the Company toward continuous improvement of corporate value.

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**Notes:**

1. No conflict of interests exists between the Company and Mr. Masakatsu Mori.
2. Mr. Masakatsu Mori is a candidate for the position of Non-executive Director.
3. Mr. Masakatsu Mori was an Audit & Supervisory Board Member for 4 years from March 2015 until March 2019.
4. As of the close of this Ordinary General Meeting of Shareholders, Mr. Masakatsu Mori has served 5 years as a Non-executive Director since his election.
5. The Company has designated Mr. Masakatsu Mori as an independent officer in accordance with the provisions of the Tokyo Stock Exchange, Inc., and filed a notification about him with the Exchange. If he is reappointed as a Non-executive Director of the Board, the Company will continuously file a notification about him as an independent officer with the Exchange.



## No. 7 Hiroyuki Yanagi



**Candidate for Reelection**  
**Candidate for Non-executive Director**  
**Candidate for Independent Officer**

<b>Date of birth</b>	November 20, 1954
<b>Number of the Company's shares held</b>	5,200 shares
<b>Rate of and number of times attending Board Meetings</b>	100% (15 times of 15 meetings)

### Profile, title and responsibilities

April 1978	Joined Yamaha Motor Co., Ltd.
March 2010	President, Chief Executive Officer and Representative Director of Yamaha Motor Co., Ltd.
January 2018	Chairman and Representative Director of Yamaha Motor Co., Ltd.
March 2019	Non-executive Director of the Company (Present Position) Outside Director of AGC Inc. (Present Position)
March 2021	Chairman and Director of Yamaha Motor Co., Ltd.
June 2021	Outside Director of Japan Airlines Co., Ltd. (Present Position)
January 2022	Director of Yamaha Motor Co., Ltd.
March 2022	Adviser of Yamaha Motor Co., Ltd. (Present Position)
June 2022	Outside Director, Mitsubishi Electric Corporation
<b>Responsible for</b>	Member of the Nomination & Remuneration Advisory Committee

### Significant positions concurrently held at other companies and organizations

Adviser, Yamaha Motor Co., Ltd.  
 Outside Director, AGC Inc.  
 Outside Director, Japan Airlines Co., Ltd.  
 Outside Director, Mitsubishi Electric Corporation

### Reasons for nomination as a candidate for Non-executive Director and outline of expected roles

Mr. Hiroyuki Yanagi has considerable experience acquired over many years as a corporate executive. He has a wide range of knowledge and particularly highly specialized expertise in brand development in the global market through technological development and innovation through his experience as President, Chief Executive Officer and Representative Director, and Chairman and Representative Director of Yamaha Motor Co., Ltd. Based on this, we expect him to provide valuable opinions and suggestions to the management of the Company from an objective and professional perspective as an Independent Non-executive Director. For the reasons above, the Board has determined that he is a suitable candidate to oversee business execution of the Company toward continuous improvement of corporate value.

### Notes:

1. No conflict of interests exists between the Company and Mr. Hiroyuki Yanagi.
2. Mr. Hiroyuki Yanagi is a candidate for the position of Non-executive Director.
3. As of the close of this Ordinary General Meeting of Shareholders, Mr. Hiroyuki Yanagi has

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served 5 years as a Non-executive Director since his election.

4. At Mitsubishi Electric Corporation, where Mr. Hiroyuki Yanagi is serving as an Outside Director, inappropriate quality-related practices at several manufacturing sites were discovered in and after April 2021 and was issued a business suspension order and a business improvement order by the Ministry of Internal Affairs and Communications in respect of the Radio Act in March 2023. Although he was not aware of this fact in advance, which came to light after his appointment as Director of Mitsubishi Electric Corporation in June 2022, he regularly cautioned about the importance of compliance and its thoroughness in the Board, etc. In addition, after the discovery of this fact, he has been fulfilling his responsibilities by instructing measures to prevent recurrence, among others.
5. The Company has designated Mr. Hiroyuki Yanagi as an independent officer in accordance with the provisions of the Tokyo Stock Exchange, Inc., and filed a notification about him with the Exchange. If he is reappointed as a Non-executive Director of the Board, the Company will continuously file a notification about him as an independent officer with the Exchange.

**No. 8 Noriko Shiono**



**Candidate for Reelection**  
**Candidate for Non-executive Director**  
**Candidate for Independent Officer**

<b>Date of birth</b>	October 18, 1960
<b>Number of the Company's shares held</b>	9,889 shares
<b>Rate of and number of times attending Board Meetings</b>	100% (15 times of 15 meetings)

**Profile, title and responsibilities**

August 1983	Joined Japan New Media Co., Ltd.
March 2010	Representative Director, President of SSP Co., Ltd.
January 2014	President and Corporate Officer of Konami Sports & Life Co., Ltd. (currently Konami Sports Co., Ltd.)
May 2016	Chairman, Director of Konami Sports Co., Ltd.
October 2017	President of Widex Japan
March 2018	Non-executive Director of Kirin Company, Limited
March 2019	Strategic Advisor of the Company
March 2020	Non-executive Director of the Company (Present Position)

**Responsible for** Member of the Nomination & Remuneration Advisory Committee

**Reasons for nomination as a candidate for Non-executive Director and outline of expected roles**

Ms. Noriko Shiono has considerable experience and a wide range of knowledge acquired over many years as a corporate executive. She has exceptional insight in corporate management and marketing based on her specialized expertise in pharmaceuticals and healthcare strategy as a Representative Director, President of SSP Co., Ltd., and as President of Widex Japan, a medical device manufacturer. Based on this, we expect her to provide valuable opinions and suggestions from an objective and professional perspective to the management of the Company as an Independent Non-executive Director, particularly for the Company to grow businesses in Health Science domain. For the reasons above, the Board has determined that she is a suitable candidate to oversee business execution of the Company toward continuous improvement of corporate value.

**Notes:**

1. No conflict of interests exists between the Company and Ms. Noriko Shiono.
2. Ms. Noriko Shiono is a candidate for the position of Non-executive Director.
3. As of the close of this Ordinary General Meeting of Shareholders, Ms. Noriko Shiono has served 4 years as a Non-executive Director since her election.
4. Ms. Noriko Shiono was a Non-executive Director of Kirin Company, Limited for 1 year from March 2018 to March 2019.
5. The Company has designated Ms. Noriko Shiono as an independent officer in accordance with the provisions of the Tokyo Stock Exchange, Inc., and filed a notification about her with the Exchange. If she is reappointed as a Non-executive Director of the Board, the Company will continuously file a notification about her as an independent officer with the Exchange. As a result of the abolition of the Board of Directors of Kirin Company, Limited, she assumed the position of Strategic Advisor, which is equivalent to a Non-executive Director of the Company. The Company has determined that her appointment will not affect the Company's independence.

## No. 9 Rod Eddington



**Candidate for Reelection**  
**Candidate for Non-executive Director**  
**Candidate for Independent Officer**

<b>Date of birth</b>	January 2, 1950
<b>Number of the Company's shares held</b>	0 shares
<b>Rate of and number of times attending Board Meetings</b>	80% (12 times of 15 meetings)

### Profile, title and responsibilities

September 1979	Joined John Swire & Sons (H.K.) Ltd.
April 1992	Managing Director of Cathay Pacific Airways Limited
April 2000	Chief Executive Officer of British Airways plc
January 2006	Outside Director of CLP Holdings Limited (Present Position)
March 2011	Director of Lion Pty Ltd
March 2012	Chairman, Independent Non-Executive Director of Lion Pty Ltd (Present Position)
March 2020	Non-executive Director of the Company (Present Position)

### Significant positions concurrently held at other companies and organizations

Chairman, Independent Non-Executive Director of Lion Pty Ltd  
 Outside Director, CLP Holdings Limited

### Reasons for nomination as a candidate for Non-executive Director and outline of expected roles

Sir Rod Eddington has exceptional insight in corporate management and corporate governance acquired through considerable experience as a corporate executive and director of numerous global companies over many years. In addition, since he serves as Chairman of an Advisory Council of the Australia Japan Business Co-operation Committee and as a member of the International Advisory Committee of Mitsubishi Corporation, he has a deep understanding of the economies and markets of Japan and other Asia-Pacific countries, and has built an expansive network. Based on this, we expect him to provide valuable opinions and suggestions from an objective and professional perspective to the management of the Company regarding its global strategy among others as an Independent Non-executive Director. For the reasons above, the Board has determined that he is a suitable candidate to oversee business execution of the Company toward continuous improvement of corporate value.

### Notes:

1. No conflict of interests exists between the Company and Sir Rod Eddington.
2. Sir Rod Eddington is a candidate for the position of Non-executive Director. He served as a Director of the Board of Lion Pty Ltd from March 2011 to March 2012, and as a Chairman of the Board of Lion Pty Ltd from March 2012 to the present. All of these positions were/are non-executive officers.
3. As of the close of this Ordinary General Meeting of Shareholders, Sir Rod Eddington has served 4 years as a Non-executive Director since his election.
4. The Company has designated Mr. Rod Eddington as an independent officer in accordance with the provisions of the Tokyo Stock Exchange, Inc., and filed a notification about him with the Exchange. If he is reappointed as a Non-executive Director of the Board, the Company will

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- continuously file a notification about him as an independent officer with the Exchange.
5. Sir. Rod Eddington's name will be shown as "Roderick Eddington" in the commercial registration.

## No. 10 George Olcott



**Candidate for Reelection**  
**Candidate for Non-executive Director**  
**Candidate for Independent Officer**

<b>Date of birth</b>	May 7, 1955
<b>Number of the Company's shares held</b>	3,100 shares
<b>Rate of and number of times attending Board Meetings</b>	93% (14 times of 15 meetings)

### Profile, title and responsibilities

July 1986	Joined S.G. Warburg & Co., Ltd.
February 1999	President of UBS Asset Management (Japan) President of Japan UBS Brinson Group
June 2000	Managing Director, Equity Capital Market, UBS Warburg Tokyo
September 2001	Judge Business School, University of Cambridge
March 2005	FME Teaching Fellow, Judge Business School, University of Cambridge
March 2008	Senior Fellow, Judge Business School, University of Cambridge
April 2014	Guest Professor, Faculty of Business and Commerce, Keio University
March 2020	Non-executive Director of the Company (Present Position)
June 2022	Audit & Supervisory Board Member of Toyota Motor Corporation

### Significant positions concurrently held at other companies and organizations

Audit & Supervisory Board Member, Toyota Motor Corporation

### Reasons for nomination as a candidate for Non-executive Director and outline of expected roles

Mr. George Olcott has considerable experience in international financial markets and has exceptional insight in corporate management based on his academic expertise in human resource development and corporate governance in global management. Based on his experience and insight, he also has an impressive background in academic research focused on improving the value of Japanese companies. Based on this, we expect him to provide valuable opinions and suggestions from an objective and professional perspective to the management of the Company as an Independent Non-executive Director. For the reasons above, the Board has determined that he is a suitable candidate to oversee business execution of the Company toward continuous improvement of corporate value.

### Notes:

1. No conflict of interests exists between the Company and Mr. George Olcott.
2. Mr. George Olcott is a candidate for the position of Non-executive Director.
3. As of the close of this Ordinary General Meeting of Shareholders, Mr. George Olcott has served 4 years as a Non-executive Director since his election.
4. In December 2019, DENSO CORPORATION, where Mr. George Olcott held the position of Outside Director until June 2022, was issued guidance by (a) the Personal Information Protection Committee in respect of the Personal Information Protection Law and (b) the Aichi Labor Bureau in respect of the Employment Security Act and associated guidelines, and the Personal Information Protection Law. The aforementioned guidance was issued to DENSO

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CORPORATION as a result of its inappropriate behavior regarding the use of personal information of job applicants, including students. Although he was not aware of this fact in advance, he regularly cautioned about the importance of compliance and its thoroughness in the Board, etc. In addition, after the discovery of this fact, he fulfilled his responsibilities by instructing measures to prevent recurrence, among others.

5. In July 2023, Toyota Motor Corporation, where Mr. George Olcott is serving as an Audit & Supervisory Board Member, was issued guidance by the Personal Information Protection Commission in respect of the Act on the Protection of Personal Information. This guidance was issued to Toyota Motor Corporation as a result of the alleged leakage of personal data due to the misconfiguration of cloud environment at TOYOTA Connected Corporation, a subsidiary of Toyota Motor Corporation, which had been entrusted with the management of the personal data of users of the connected services provided by Toyota Motor Corporation. Although he was not aware of this fact in advance, he has regularly emphasised the importance of compliance and its thorough enforcement at the Board, etc. Subsequent to the discovery of the above irregularities, he has been fulfilling his responsibilities by pressing for measures to prevent recurrence, among others.
6. The Company has designated Mr. George Olcott as an independent officer in accordance with the provisions of the Tokyo Stock Exchange, Inc., and filed a notification about him with the Exchange. If he is reappointed as a Non-executive Director of the Board, the Company will continuously file a notification about him as an independent officer with the Exchange.

**No. 11 Shinya Katanozaka**



**Candidate for Reelection**  
**Candidate for Non-executive Director**  
**Candidate for Independent Officer**

<b>Date of birth</b>	July 4, 1955
<b>Number of the Company's shares held</b>	700 shares
<b>Rate of and number of times attending Board Meetings</b>	92% (11 times of 12 meetings)

**Profile, title and responsibilities**

April 1979	Joined ALL NIPPON AIRWAYS CO., LTD. (currently ANA HOLDINGS INC.)
April 2013	Representative Director, Senior Executive Vice President of ANA HOLDINGS INC.
April 2015	Representative Director, President & Chief Executive Officer of ANA HOLDINGS INC.
June 2020	Outside Director of Tokio Marine Holdings, Inc. (Present Position)
April 2022	Chairman of the Board of Directors of ANA HOLDINGS INC. (Present Position)
March 2023	Non-executive Director of the Company (Present Position)

**Significant positions concurrently held at other companies and organizations**

Chairman of the Board of Directors, ANA HOLDINGS INC.  
 Outside Director, Tokio Marine Holdings, Inc.

**Reasons for nomination as a candidate for Non-executive Director and outline of expected roles**

Mr. Shinya Katanozaka has considerable experience and a wide range of knowledge acquired over many years as a corporate executive. He has exceptional insight in promoting internationalization of management and diversity, fostering new businesses, branding and marketing through his experience as a Representative Director, President & Chief Executive Officer of ANA HOLDINGS INC. and Chairman of the Board of Directors thereof. Based on this, we expect him to provide valuable opinions and suggestions from an objective and professional perspective to the management of the Company as an Independent Non-executive Director. For the reasons above, the Board has determined that he is a suitable candidate to oversee business execution of the Company toward continuous improvement of corporate value.

**Notes:**

1. No conflict of interests exists between the Company and Mr. Shinya Katanozaka.
2. Mr. Shinya Katanozaka is a candidate for the position of Non-executive Director.
3. As of the close of this Ordinary General Meeting of Shareholders, Mr. Shinya Katanozaka has served 1 year as a Non-executive Director since his election.
4. As for the attendance at the Board Meetings of Mr. Shinya Katanozaka, the Board Meetings applicable to him are only those held on and after March 30, 2023, the date of his assumption of office.
5. ALL NIPPON AIRWAYS CO., LTD., where Mr. Shinya Katanozaka served as a Director of the Board until March 2022, was issued (i) a stern warning in December 2018, (ii) a business improvement recommendation in April 2019 and (iii) a business improvement order based on



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the Civil Aeronautics Act in May 2020 by the Ministry of Land, Infrastructure, Transport and Tourism due to inappropriate incidents involving aircrew drinking. He promoted efforts to prevent recurrence, including installing stricter operating rules and regulations and a stronger alcohol testing system, as well as introducing other measures to raise awareness and strengthen and support self-management among the company group employees, such as alcohol education programs and counseling, among others.

6. In December 2023, Tokio Marine & Nichido Fire Insurance Co., Ltd., a subsidiary of Tokio Marine Holdings, Inc., where Shinya Katanozaka serves as an outside director, was issued a business improvement order from the Financial Services Agency in respect of the Insurance Business Act due to the adjustments of insurance premium with other companies, etc. Although he was not aware of the fact in advance, he regularly cautioned about the importance of compliance and its thoroughness in the Board, etc. In addition, after the discovery of this fact, he has been fulfilling his responsibilities by instructing measures to prevent recurrence, among others.
7. The Company has designated Mr. Shinya Katanozaka as an independent officer in accordance with the provisions of the Tokyo Stock Exchange, Inc., and filed a notification about him with the Exchange. If he is reappointed as a Non-executive Director of the Board, the Company will continuously file a notification about him as an independent officer with the Exchange.

No. 12 Yoshiko Ando



**Candidate for Reelection**  
**Candidate for Non-executive Director**  
**Candidate for Independent Officer**

<b>Date of birth</b>	March 17, 1959
<b>Number of the Company's shares held</b>	6,500 shares
<b>Rate of and number of times attending Board Meetings</b>	93% (14 times of 15 meetings)

**Profile, title and responsibilities**

April 1982	Entered the Ministry of Labor
April 2003	Lieutenant governor of Shiga Prefecture
July 2006	Director of Equal Employment Policy Div. of Equal Employment, Children and Families Bureau of the Ministry of Health, Labour and Welfare
July 2011	Director-General of the Saitama Labor Bureau of the Ministry of Health, Labour and Welfare
July 2013	Director-General of Industrial Accident Compensation Dept. of Labour Standards Bureau of the Ministry of Health, Labour and Welfare
July 2014	Director-General of Equal Employment, Children and Families Bureau of the Ministry of Health, Labour and Welfare
October 2015	Director-General for Labour Policy Planning of the Ministry of Health, Labour and Welfare
June 2016	Director-General for Statistics and Information Policy of the Ministry of Health, Labour and Welfare
July 2017	Director-General for Human Resources Development of the Ministry of Health, Labour and Welfare
March 2019	Audit & Supervisory Board Member of the Company (Present Position)
June 2019	Outside Director of Sansei Technologies, Inc. (Present Position)
June 2020	Outside Director of JFE Holdings, Inc. (Present Position)

**Significant positions concurrently held at other companies and organizations**

Outside Director of Sansei Technologies, Inc.  
 Outside Director of JFE Holdings, Inc.

**Reasons for nomination as a candidate for Non-executive Director and outline of expected roles**

Ms. Yoshiko Ando, as a government official, has been engaged over many years in policy planning in labor administration and has highly specialized expertise, considerable experience and a high level of insight in a wide range of fields of employment and labor including promotion of women's participation and advancement. In addition, as an independent outside Audit & Supervisory Board Member of the Company, she has appropriately audited business execution of the Company through, including but not limited to, providing valuable statements from an objective perspective at the Board Meetings and the Audit & Supervisory Meetings.

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Based on this, we expect her to provide valuable opinions and suggestions to the management of the Company from an objective and professional perspective as an Independent Non-executive Director. For the reasons above, the Board has determined that she is a suitable candidate to oversee business execution of the Company toward continuous improvement of corporate value. Although Ms. Yoshiko Ando has no experience in company management, for the reasons above, the Company believes that she will be able to appropriately execute her duties as a Non-executive Director.

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**Notes:**

1. No conflict of interests exists between the Company and Ms. Yoshiko Ando.
2. Ms. Yoshiko Ando is a candidate for the position of a Non-executive Director.
3. Ms. Yoshiko Ando is currently an Audit & Supervisory Board Member of the Company and the years served (as of the close of this Ordinary General Meeting of Shareholders) by her since her election as the Audit & Supervisory Board Member are 5 years. Ms. Yoshiko Ando will resign from Audit & Supervisory Board Member upon the close of this Ordinary General Meeting of Shareholders.
4. As for the attendance at the Board Meetings of Ms. Yoshiko Ando, the Board Meetings applicable to her are only those which she attended as Audit & Supervisory Board Member.
5. The Company has designated Ms. Yoshiko Ando as an independent officer in accordance with the provisions of the Tokyo Stock Exchange, Inc., and filed a notification about her with the Exchange. If she is reappointed as a Non-executive Director of the Board, the Company will continuously file a notification about her as an independent officer with the Exchange.

### **Contracts for Limitation of Liability**

Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Masakatsu Mori, Mr. Hiroyuki Yanagi, Ms. Noriko Shiono, Mr. Rod Eddington, Mr. George Olcott and Mr. Shinya Katanozaka to limit their liability under Article 423, paragraph 1 of the Companies Act, and the maximum amount of liability under such agreements is the minimum liability amount stipulated by Article 425, paragraph 1 of the Companies Act. If each of them is elected and assumes office as Director of the Board, the Company plans to continue such agreements. Although the Company has entered into such agreement with Ms. Yoshiko Ando as the Audit & Supervisory Board Member, if she is elected and assumes office as Director of the Board, the Company will enter into a new agreement with the same content with her.

### **Indemnification Agreement**

Pursuant to Article 430-2, paragraph 1 of the Companies Act, the Company has entered into indemnification agreements with Mr. Yoshinori Isozaki, Mr. Takeshi Minakata, Ms. Junko Tsuboi, Mr. Masakatsu Mori, Mr. Hiroyuki Yanagi, Ms. Noriko Shiono, Mr. Rod Eddington, Mr. George Olcott, Mr. Shinya Katanozaka and Ms. Yoshiko Ando under which the Company will indemnify each of them for the expenses referred to in Article 430-2, paragraph 1, item (i) of the Companies Act and the losses referred to in item (ii) of the same paragraph to the extent permitted by laws and regulations. If each of them is elected and assumes office as Director of the Board, the Company plans to continue such agreements. If Mr. Toru Yoshimura is elected and assumes office as Director of the Board, the Company will enter into a new agreement with the same content with him. In addition, The Company has entered into an agreement with the same content with Mr. Shinjiro Akieda considering the provisions of the Companies Act. If he is elected and assumes office as Director of the Board, the Company plans to continue such agreement with him.

### **Directors and Officers Liability Insurance Contracts**

- The Company has entered into Directors and Officers liability insurance contracts with an insurance company as provided in Article 430, paragraph 3, item (i) of the Companies Act (hereinafter referred to as “D&O Insurance”), wherein the insured persons include Directors of the Board, Audit & Supervisory Board Members, Executive Officers, etc. of the Company and its subsidiaries. An outline of the contents of the D&O Insurance is as described on page 63.
- If each candidate is elected and assumes office as Director of the Board, all the Directors of the Board will be insured by the D&O insurance.
- The term of the D&O insurance is 1 year and it is scheduled to be renewed by resolution of the Board prior to the expiration of the term.

**Proposal No. 4:** Election of two (2) Audit & Supervisory Board Members

Upon the close of this Ordinary General Meeting of Shareholders, the terms of office of Ms. Kaoru Kashima, Audit & Supervisory Board Member, will expire; and Ms. Yoshiko Ando, Audit & Supervisory Board Member, will resign.

Accordingly, shareholders are requested to elect two (2) Audit & Supervisory Board Members. The candidates for the positions of Audit & Supervisory Board Member are as follows:

This proposal has already obtained consent of the Audit & Supervisory Board.

**No. 1 Kaoru Kashima**



**Candidate for Reelection**  
**Candidate for Audit & Supervisory Board Member**  
**Candidate for Independent Officer**

<b>Date of birth</b>	January 20, 1958 (66 years old)
<b>Number of the Company's shares held</b>	0 shares
<b>Rate of and number of times attending Board Meetings</b>	100% (15 times of 15 meetings)
<b>Rate and number of attendance at Audit &amp; Supervisory Meetings</b>	100% (19 times of 19 meetings)

**Profile and title**

November 1981	Joined Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)
April 1985	Registered as a certified public accountant
June 1996	Partner of Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
June 2002	Senior Partner of ShinNihon & Co. (currently Ernst & Young ShinNihon LLC)
July 2006	In charge of personnel of HR Development Headquarters of ShinNihon & Co.
September 2010	Managing Director of Ernst & Young ShinNihon LLC In charge of Corporate Culture Promotion Office In charge of Public Relations Office
July 2012	General Manager of Knowledge Headquarters Managing Director of Ernst & Young ShinNihon LLC
July 2013	Representative Director of Ernst & Young Institute Co., Ltd.
June 2019	Outside Audit & Supervisory Board Member of Nippon Telegraph and Telephone Corporation (Present Position)
March 2020	Audit & Supervisory Board Member of the Company (Present Position)
June 2021	External Director of Sumitomo Mitsui Trust Holdings, Inc. (Present Position)

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**Significant positions concurrently held at other companies and organizations**

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Outside Audit & Supervisory Board Member of Nippon Telegraph and Telephone Corporation

External Director of Sumitomo Mitsui Trust Holdings, Inc.

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**Reasons for nomination as a candidate for Audit & Supervisory Board Member**

Ms. Kaoru Kashima, as a certified public accountant, has been engaged over many years in corporate audit and, as management of auditing firm or corporation, has considerable experience and broad knowledge in organizational culture reform, public relations and promotion of women's participation and advancement. Based on this, as an Independent Audit & Supervisory Board Member, she has provided valuable opinions and suggestions from an objective and professional perspective. Based on the above, the Company has determined that she is suited to audit business execution of Directors of the Board of the Company toward continuous improvement of corporate value.

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**Notes:**

1. No conflict of interests exists between the Company and Ms. Kaoru Kashima.
2. Ms. Kaoru Kashima is a candidate for the position of Audit & Supervisory Board Member.
3. Ms. Kaoru Kashima has been an Audit & Supervisory Board Member of the Company for 4 years (until the conclusion of this Ordinary General Meeting of Shareholders).
4. The Company has designated Ms. Kaoru Kashima as an independent officer in accordance with the provisions of the Tokyo Stock Exchange, Inc., and filed a notification about her with the Exchange. If she is reappointed as an Audit & Supervisory Board Member, the Company will continuously file a notification about her as an independent officer with the Exchange. Although there is a payment of service fees by the Company to Ernst & Young ShinNihon LLC, where Ms. Kaoru Kashima served as the management until June 2019, the amount of payment to Ernst & Young ShinNihon LLC during this fiscal year is less than 0.1% of its total revenue. Therefore, the Company believes that Ms. Kaoru Kashima has sufficient independence where there is no possibility of conflict of interests with general shareholders.

**No. 2 Yoko Dochi**



**New Candidate**

**Candidate for Audit & Supervisory Board Member**

**Candidate for Independent Officer**

<b>Date of birth</b>	October 3, 1964 (59 years old)
<b>Number of the Company's shares held</b>	0 shares

**Profile and title**

April 1987	Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)
September 1996	Joined World Bank Group
May 2001	Joined Toyota Motor Europe NV/SA.
January 2015	General Manager, Global Treasury & Investor Relations
March 2018	Principal Investor Relations Officer, Accounting Division, Toyota Motor Corporation
November 2018	Joined SoftBank Group Corp. Managing Director, Global Head of Investor Relations, SoftBank Group Corp.
February 2020	Managing Partner, SoftBank Group International Ltd.
June 2020	Outside Director of NIPPO LTD. (Present Position)
June 2023	Outside Director of Rinnai Corporation (Present Position)

**Significant positions concurrently held at other companies and organizations**

Outside Director of NIPPO LTD.  
Outside Director of Rinnai Corporation

**Reasons for nomination as a candidate for Audit & Supervisory Board Member**

Ms. Yoko Dochi, as the head of investor relations for a major listed company, has been engaged in dialogue with institutional investors for many years, and has considerable experience in both corporate management and capital markets, and highly specialized expertise in finance, accounting, ESG, etc. Based on this, the Company expects her to provide valuable opinions and suggestions from an objective and professional perspective to the management of the Company as an Independent Audit & Supervisory Board Member, and the Company has determined that she is a suitable candidate to audit business execution of the Company toward continuous improvement of corporate value.

**Notes:**

1. No conflict of interests exists between the Company and Ms. Yoko Dochi.
2. Ms. Yoko Dochi is a candidate for Audit & Supervisory Board Member.
3. If Ms. Yoko Dochi is elected and appointed as an Audit & Supervisory Board Member, the Company will designate her as an independent officer in accordance with the provisions of the Tokyo Stock Exchange, Inc. and file a notification about her with the Exchange.
4. Ms. Yoko Dochi's name will be shown as "Yoko Everest-Phillips" in the commercial registration.

### **Contracts for Limitation of Liability**

Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Ms. Kaoru Kashima to limit her liability under Article 423, paragraph 1 of the Companies Act, and the maximum amount of liability under such agreement is the minimum liability amount stipulated by Article 425, paragraph 1 of the Companies Act. If she is elected and assumes office as an Audit & Supervisory Board Member, the Company plans to continue the agreement. In addition, if Ms. Yoko Dochi is elected and assumes office as an Audit & Supervisory Board Member, the Company will enter into a new agreement with the same content with her.

### **Indemnification Agreement**

Pursuant to Article 430-2, paragraph 1 of the Companies Act, the Company has entered into an indemnification agreement with Ms. Kaoru Kashima under which the Company will indemnify her for the expenses referred to in Article 430-2, paragraph 1, item (i) of the Companies Act and the losses referred to in item (ii) of the same paragraph to the extent permitted by laws and regulations. If she is elected and assumes office as an Audit & Supervisory Board Member, the Company plans to continue the agreement. In addition, if Ms. Yoko Dochi is elected and assumes office as an Audit & Supervisory Board Member, the Company will enter into a new agreement with the same content with her.

### **Directors and Officers liability insurance contracts**

- The Company has entered into Directors and Officers liability insurance contracts with an insurance company as provided in Article 430, paragraph 3, item (i) of the Companies Act (hereinafter referred to as “D&O Insurance”), wherein the insured persons include Directors of the Board, Audit & Supervisory Board Members, Executive Officers, etc. of the Company and its subsidiaries. An outline of the contents of the D&O Insurance is as described on page 63.
- If each candidate is elected and assumes office as an Audit & Supervisory Board Member, all the Audit & Supervisory Board Members will be insured by the D&O insurance.
- The term of the D&O insurance is 1 year and it is scheduled to be renewed by resolution of the Board prior to the expiration of the term.

(Reference)

#### Major Reorganizations of the Company

- In July 2007, the Company changed its former name, Kirin Brewery Company, Limited, to Kirin Holdings Company, Limited, and became a pure holding company, while the Company’s domestic alcoholic beverages business was transferred to a separate company through a corporate split. The separate company was renamed Kirin Brewery Company, Limited.
- In January 2013, the administration function of the Japan Integrated Beverages Business of the Company was transferred to Kirin Company, Limited, through a corporate split. Kirin Company, Limited was liquidated in July 2019 as a result of an absorption-type merger, whereby the Company became the surviving company.



## **Skills Required for the Board of Directors and Audit & Supervisory Board**

The Company places CSV\* at the core of its management, and has adopted a pure holding company structure as a framework to oversee its diverse and global business development with three core areas: Food, Pharmaceuticals and Health Science.

The structure of company with company auditors system has been adopted as the institutional design, and in order to maintain and improve a governance system that is highly transparent to stakeholders, the Board, of which independent Non-executive directors are the majority, works closely with Audit & Supervisory Board to make final decisions on important matters and strengthen management oversight functions. In addition, an executive officer system has been introduced to flexibly execute strategies for each business and function and to clarify execution responsibilities.

In order for this supervisory and execution system to function properly, and to achieve sustainable growth of the Kirin Group and improvement of corporate value, the Board and Audit & Supervisory Board are required to possess the necessary skills as a whole while ensuring diversity in terms of gender, internationality and other aspects. This requirement also applies to the executives.

From the above perspectives, the Company has selected the skills required for the Board and the Audit & Supervisory Board as follows.

First, comprehensive capabilities of "Corporate Management" through experience in management and business executives, and expertise and experience in "CSV," which is the foundation of the Company's management, are important skills as the basic premise.

Second, in making final decisions on important matters, it is necessary to have a deep understanding of the Company's business domain. In particular, expertise and experience in "Health Science" and "Pharmaceuticals," which will drive the long-term growth of Kirin Group, are skills that the Company, which oversees Kirin Group, should prioritize. In addition, expertise and experience in the following areas are required: "R&D," "Manufacture," "Quality Assurance," and "Brand Strategy/Marketing," which form the foundation of the Company's business domain; "Overseas Business," which is necessary to promote global expansion; "ICT/DX," which is becoming essential to transforming business models; and "HR/Organization Development," which supports the implementation of these business and functional strategies.

The above mentioned skills are required to fulfill the supervisory function over management. In addition, expertise and experience in "Finance/Accounting," "Legal," "Risk Management" and "ESG" are particularly essential from the perspective of realizing effective corporate governance.

In the skill matrix on the following pages, highly related skills are listed together. Although the necessary skills will change in accordance with future changes in the business environment, the Company believes that the Board and Audit & Supervisory Board as a whole possesses the skills required at this time if Proposal 3 "Election of twelve (12) Directors of the Board" and Proposal 4 "Election of two (2) Audit & Supervisory Board Members" are approved and passed as proposed.

\*Creating Shared Value: Combined added value for consumers as well as for society at large.

## Expertise and Experience of Directors of the Board (Skill Matrix)

The expertise and experience of each Director of the Board if Proposal No. 3 is approved as originally proposed will be as follows.

Name	Gender	Expertise and Experience									
		Corporate Management	CSV / ESG	Finance / Accounting	HR / Organization Development	Legal / Risk Management	Manufacture / Quality Assurance	Brand Strategy / Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT / DX
Yoshinori Isozaki	Male	•	•	•		•		•	•	•	
Takeshi Minakata	Male	•	•	•			•		•	•	
Junko Tsuboi	Female	•	•		•	•		•		•	
Toru Yoshimura	Male	•	•	•			•		•	•	•
Shinjiro Akieda	Male	•	•	•		•		•	•		•
Masakatsu Mori	Male	•		•					•		•
Hiroyuki Yanagi	Male	•					•	•	•		
Noriko Shiono	Female	•						•	•	•	
Rod Eddington	Male	•							•		
George Olcott	Male		•	•	•				•		
Shinya Katanozaka	Male	•			•			•	•		
Yoshiko Ando	Female		•		•	•					

## Expertise and Experience of Audit & Supervisory Board Members (Skill Matrix)

The expertise and experience of each Audit & Supervisory Board Members if Proposal No. 4 is approved as originally proposed will be as follows.

Name	Gender	Expertise and Experience									
		Corporate Management	CSV / ESG	Finance / Accounting	HR / Organization Development	Legal / Risk Management	Manufacture / Quality Assurance	Brand Strategy / Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT / DX
Shobu Nishitani	Male		•	•					•		
Toru Ishikura	Male		•				•			•	
Kaoru Kashima	Female			•	•						
Kenichi Fujinawa	Male		•			•			•	•	
Yoko Dochi	Female		•	•					•		

## Expertise and Experience of Senior Executive Officers (Skill Matrix)

The Company adopts an executive officer based system. The expertise and experience of Senior Executive Officers, who are not concurrently assuming the position of Director of the Board and will be appointed in the Board meeting following the conclusion of this Ordinary General Meeting of Shareholders, are as follows.

Name	Gender	Expertise and Experience									
		Corporate Management	CSV / ESG	Finance / Accounting	HR / Organization Development	Legal / Risk Management	Manufacture / Quality Assurance	Brand Strategy / Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT / DX
Mitsuharu Yamagata	Male		•					•	•	•	•
Hiroshi Fujikawa	Male	•	•		•			•	•		
Akiyoshi Iwasaki	Male	•	•				•		•		
Akihito Yokoyama	Male		•		•		•			•	•
Kazufumi Nagashima	Male	•	•				•		•	•	
Hideki Mitsuhashi	Male	•	•			•			•	•	•
Hideki Horiguchi	Male	•	•					•	•		
Kazuhiro Inoue	Male		•					•		•	
Koji Fukada	Male	•	•				•		•	•	

## **Policy for the nomination of Directors, Executive Officers and Audit and Supervisory Board Members**

- The Kirin 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, Executive Officers and Audit and Supervisory Board members shall be appointed upon taking into account the balance of their experience, achievements and specialization, etc. in relation to the Kirin Group's key businesses and business management. A number of persons having a wealth of management experience, advanced specialized knowledge, and extensive expertise shall be appointed as Non-executive Director of the Board and Non-standing Audit and Supervisory Board members.
- One or more persons with sufficient knowledge of finance and accounting shall be appointed as Audit & Supervisory Board Members.
- The appointment/dismissal of Directors and Executive Officers shall be decided by the Board of Directors upon deliberation by the Nomination and Remuneration Advisory Committee, taking performance into account; and 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 of Directors and discussed at a general meeting of shareholders (the appointment of Audit and Supervisory Board members shall require the consent of the Audit and Supervisory Board).
- The aforementioned policies and procedures for the appointment of Directors, Executive Officers and Audit & Supervisory Board Members, as well as the skills matrix listing their knowledge, experience and abilities, shall be disclosed on the Company's website, etc.
- Reasons for the nomination/dismissal of candidates for the positions of Directors and Audit and Supervisory Board members shall be indicated on reference documents, etc. for general meetings of shareholders.

## **Nomination & Remuneration Advisory Committee**

- The Nomination and Remuneration Advisory Committee shall be set up to deal with the nomination and remuneration of Directors, Executive Officers and Audit and 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. As an advisory body to the Board of Directors, the Nomination and Remuneration Advisory Committee shall discuss the following matters from an objective and fair perspective, and report to the Board of Directors:
  - 1) Policy for the appointment/dismissal of Directors, Executive Officers and Audit and Supervisory Board members, and proposal of candidates
  - 2) Plans for the succession of the President & CEO
  - 3) System, standards and amounts for the remuneration of Directors, Executive Officers and Audit and Supervisory Board members
  - 4) Proposal of candidates for the positions of chairman, president and director at the Company's key Group companies based on the nature and scale of their business; remuneration systems and standards

**Criteria regarding the Independence of Non-executive Directors and Non-standing Audit & Supervisory Board Members**

- Please refer to the following URL for the Company's criteria regarding the independence of Non-executive Directors and Non-standing Audit & Supervisory Board Members.  
[https://www.kirinholdings.com/en/purpose/files/pdf/independencecriteria\\_officer\\_1.pdf](https://www.kirinholdings.com/en/purpose/files/pdf/independencecriteria_officer_1.pdf)

- END -

(Attached documents)

## **BUSINESS REPORT**

(For the period January 1 to December 31, 2023)

### **1. Overview of Kirin Group business operations**

#### **(1) Result of business operations**

- **Consolidated sales revenue:**  
Kyowa Kirin Co., Ltd. and Coca-Cola Beverages Northeast, Inc. led the overall increase, while Kirin Brewery Company, Limited and Lion Pty Ltd. also posted higher sales than the previous year.
- **Consolidated Normalized operating profit<sup>\*1</sup>:**  
The increase was mainly driven by Kyowa Kirin Co., Ltd. and Coca-Cola Beverages Northeast, Inc.
- **Profit attributable to the owners of the Company:**  
Despite the absence of the gain on the sale of China Resources Kirin Beverages (Greater China) Company, Limited in 2022, the increase was mainly due to the sale of the European business of Kyowa Kirin Co., Ltd. and an increase in equity in earnings of affiliated companies.

#### **2023 Review**

In 2023, COVID-19 was moved to Category 5 under the Infectious Diseases Control Law in Japan, and social and working life has changed once again. People's mobility has become more active, and cities are becoming more lively. Meanwhile, geopolitical risks have increased in various regions of the world, and global inflation and exchange rate fluctuations have continued. In addition, the risk of new infectious diseases is increasing due to global warming, and IT technologies, including generative AI, are rapidly evolving.

Since its founding, the Kirin Group has consistently focused on fermentation and biotechnology as its core technologies, and continues to evolve into a corporate group that is unique, with strengths not only in alcoholic beverages and non-alcoholic beverages businesses, but also in pharmaceuticals businesses.

Backed by this core technology, we have been working since 2019 on the health science business utilizing distinctive materials such as *Lactococcus lactis* strain Plasma (LC-Plasma)<sup>\*2</sup>.

We will use the strengths of the Kirin Group to solve not only health and well-being issues, but also other issues facing society, while at the same time creating economic value as a company and maximizing corporate value.

In 2023, the Kirin Group steadily produced results even in an environment of increasing uncertainty. Under the Long-Term Management Vision *Kirin Group Vision 2027* (KV2027), the Kirin Group promoted the increase of profits in the Food & Beverages domain, the strengthening of the global foundation in the Pharmaceuticals domain, and the expansion of the Health Science domain in order to achieve the goals of the *Kirin Group 2022-2024 Medium-Term Business Plan* (2022 MTBP).

In 2023, we pushed forward with the following initiatives to enhance our ability to execute toward the achievement of KV2027.

### ① Food & Beverages domain

In the Alcoholic beverages and Non-alcoholic beverages business, Kirin Holdings worked to strengthen its mainstay brands in Japan and overseas and expand high-value-added products to nurture new growth engines. In addition, we responded to the severe environment, including soaring raw material prices, by cutting costs and revising prices, and worked to improve profitability.

### ② Pharmaceuticals domain

Kyowa Kirin Co., Limited focused on maximizing the value of global strategic products. In addition, we worked to strengthen our foundation for sustainable growth as a Japan-based global specialty pharmaceutical company\*<sup>3</sup>, including signing an agreement to acquire shares of Orchard Therapeutics plc (Orchard Therapeutics), a UK-based biopharmaceutical company, in order to expand our next-generation pipeline and meet future medical needs.

### ③ Health Science domain

Centered on the LC-Plasma-related business, we expanded the scale of our business through aggressive development of our own group products such as non-alcoholic beverages and supplements, as well as through product development by external partner companies. In addition, we acquired shares in Blackmores Limited (Blackmores), an Australian company that develops health food (natural health) businesses, including supplements in the Asia-Pacific region, thereby strengthening our structure to accelerate the growth of our Health Science domain.



\*1 This is a profit indicator that measures the ordinary performance of the business by deducting the cost of sales and selling, general and administrative expenses from revenue.

\*2 A lactic acid bacterium that supports the maintenance of immune function in healthy people. Named after plasmacytoid dendritic cells (pDCs), which are immune cells, the Kirin Group has published many papers and presented at many conferences in collaboration with universities and research institutions in Japan and overseas.

\*3 A pharmaceutical company that continuously creates, develops, and markets innovative new drugs on a global scale by utilizing cutting-edge biotechnology

We have achieved many results in terms of ESG and won high acclaim both domestically and internationally.

The *Environmental Report 2023*, published in July was recognized as a pioneering effort by investors and other stakeholders around the world for its example of integrated disclosure of environmental management information on the TCFD\*<sup>4</sup> and TNFD\*<sup>5</sup>.

Kirin Brewery Company, Limited achieved 100% renewable energy for purchased electricity at all of its breweries and sales offices in Japan\*<sup>6</sup>. At Mercian Corporation, the Château Mercian Mariko Vineyard was officially recognized by the Ministry of the Environment as a socio-ecological production landscapes and seascapes site (SEPLS) that contributes to the 30 by 30 Alliance for Biodiversity (30by30)\*<sup>7</sup> global goal of halting and restoring biodiversity loss..

In the Health Science domain, Kirin Holdings was highly acclaimed for its contribution to society through the discovery and commercialization of LC-Plasma, and the company received the Imperial Invention Award\*<sup>8</sup> at the 2023 National Commendation for Invention, the first time in 59 years for a food company and the first for a health and well-being ingredient.

In addition, the company received the highest ranking in the 7th Nikkei Smart Work Management

Survey for the seventh consecutive year. This was in recognition of the diverse and flexible work styles and employee engagement areas. In the 5th Nikkei SDGs Management Survey, we also received the highest ranking for the fifth consecutive year. This award was given in recognition of the results of our efforts to create economic value through our business, sustainable resource utilization, and biodiversity initiatives conservation through our business activities.

\*4 Taskforce on Climate-related Financial Disclosures

\*5 Abbreviation of Taskforce on Nature-related Financial Disclosures, an international initiative that requires financial institutions and corporations to disclose information on business opportunities and risks in terms of natural capital and biodiversity

\*6 Achieved in January 2024

\*7 This goal was agreed upon in the G7 2030 Nature Compact and adopted as a new global goal at the 15th Conference of the Parties (COP15) to the UN Convention on Biological Diversity in December 2022, which aims to effectively conserve at least 30% of the land and oceans as healthy ecosystems by 2030.

\*8 The awards are given to inventions, devices, and designs that have made significant contributions to the advancement of science and technology and the development of industry, as well as to inventions that are expected to make significant contributions in the future.



2023 Ceremony of National Commendation for Invention



Received the highest ranking in the "7th Nikkei Smart Work Management Survey" for the seventh consecutive year.



Received the highest ranking in the "5th Nikkei SDGs Management Survey" for the fifth consecutive year.



## Results for this fiscal year

### Consolidated revenue

¥2,134.4 billion (up 7.3% compared to the previous fiscal year)

### Consolidated normalized operating profit

¥201.5 billion (up 5.4% compared to the previous fiscal year)

### Consolidated profit before tax

¥197.0 billion (up 3.0% compared to the previous fiscal year)

### Profit attributable to owners of the Company

¥112.7 billion (up 1.5% compared to the previous fiscal year)

## Key performance indicators

■ Financial targets	Normalized EPS	¥177 (up 3.5% compared to the previous fiscal year)
	ROIC	8.0%

Item	Theme	Proposed non-financial indicators for external disclosure	2023 result	2024 target level
Environment	Climate change	Reduction rate of GHG emissions Scope 1+2 vs. 2019	31% <sup>*1</sup>	23% (50% in 2030)
	Containers and Packaging	Recycling rate of resin for PET bottles	28%	38% (50% in 2027)
	Water resources	Water use intensity at manufacturing sites with high water stress Lion (Australia) (Unit of water use = water use ÷ production volume)	3.4 kl/kl	3.0 kl/kl or less (2.4 kl/kl or less in 2025)
Health	Progress of medium-term health science strategy	Achievement level in supporting the maintenance of immune function ① Recognition rate of LC-Plasma function in Japan ② Number of people continuing to take LC-Plasma	① 31% ② 780,000	① 45% ② 1,900,000 (① 50% in 2027)
		Achievement level of new value creation in the immunity, brain function, and intestinal environment areas and achievement of "Promotion of Collaboration in the Medical Field"	Undisclosed* 2	Undisclosed* 2
Employees	Organizational culture	Employee engagement score	70%	75%
	Diversity	Level of achievement in increasing diversity <sup>*3</sup> ① Ratio of female managers in Japan ② Ratio of mid-career hires in Japan	① 13.6% ② 45.4%	① 15.0% ② 30.0%
	Occupational health and safety	Lost time injury frequency rate <sup>*4</sup>	1.36 <sup>*1</sup>	0.95 (Japan: 0.40)

\*1 Current forecast before actual results are finalized

\*2 Specific component indicators and target levels are not disclosed for strategic reasons, as they include content related to intellectual property.

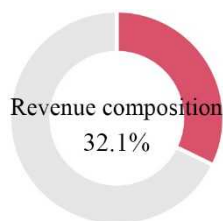
\*3 The target group is employees of Kirin Holdings.

\*4 Major group companies that have production and logistics functions within the group will be included. Partner companies within the plant/brewery premises are also included.

## Japan Beer and Spirits Business: Kirin Brewery Company, Limited (Kirin Brewery)

Consolidated revenue 684.9 billion yen, up 3.2%

Consolidated normalized operating profit 77.7 billion yen, up 4.1%



In the domestic alcoholic beverages market, amid the impact of soaring raw material prices, many companies proceeded with price revisions to secure profitability. Liquor tax revisions and price revisions in October led to a reduction in the price gap between beer and other alcoholic beverages such as happoshu and new genre\*<sup>9</sup> products. As a result, the beer category was brisk.

Kirin Brewery saw strong sales of its mainstay brand *KIRIN ICHIBAN* and the health-conscious *KIRIN ICHIBAN Zero Sugar*,\*<sup>10</sup> which were both renewed, and in addition to the firm (market) performance and the recovery of the on-premise market also provided a tailwind, and overall sales volume of the *KIRIN ICHIBAN* brand increased by 5% from the previous year.

In the craft beer category, a new growth engine, we strengthened the lineup by launching *SPRING VALLEY Japan Ale [Aroma]* from the *SPRING VALLEY* brand and *SPRING VALLEY Afterdark [Black]*, a limited edition product. We also worked with distributors and craft beer makers to expand sales outlets for craft beer. In the on-premise market, we expanded the number of outlets handling *Tap Marché*, a beer server for restaurants, to provide customers with opportunities to experience craft beer.

Kirin Brewery's whiskey production began in 1973 when the *FUJI GOTEMBA DISTILLERY* started operation, and we celebrated its 50th anniversary in 2023. *FUJI*, our flagship brand, has expanded its sales performance by 2.7 times over the previous year, and we expanded overseas, increasing the number of European countries *FUJI* is sold in.

In the RTD\*<sup>11</sup> category, the mainstay *Kirin Hyoketsu* brand sold well. In particular, sales of the *Kirin Hyoketsu Sugar Free* series grew significantly, up 35% from the previous year, with the annual sales target being achieved in October. In addition, *Kirin Jojo Shochu Soda*, a high value-added RTD product, was launched in October, cultivating new demand as an RTD that goes well with meals.

\*<sup>9</sup> Classification under the Liquor Tax Law has been changed to happoshu (2) effective October 1, 2023.

\*<sup>10</sup> According to food labeling standards products containing less than 0.5g of sugar per 100ml can be labeled "zero sugar."

\*<sup>11</sup> Abbreviation for Ready to Drink, a canned cocktail.

### Major Products:

- *KIRIN ICHIBAN*
- *KIRIN ICHIBAN Zero Sugar*
- *SPRING VALLEY Japan Ale [Aroma]*
- *Kirin Hyoketsu Sugar Free*



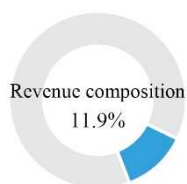
Tap Marché



FUJI GOTEMBA DISTILLERY

## Japan Non-alcoholic Beverages Business: Kirin Beverage Company, Limited (Kirin Beverage)

**Consolidated revenue** 255.0 billion yen, up 4.8%  
**Consolidated normalized operating profit** 16.9 billion yen, down 10.1%



Despite the environment in the domestic non-alcoholic beverages market being difficult due to soaring raw material prices, summer demand and the health market expanded due to the extremely hot summer and growing health and well-being awareness.

In the *Kirin Gogo-no-Kocha* brand, we renewed the mainstay *Kirin Gogo-no-Kocha* to increase summer demand. In addition, we strengthened our unsweetened black tea lineup with the launch of *Kirin Gogo-no-Kocha Oishii Muto Milk Tea*, resulting in a 2% increase in overall sales of the *Kirin Gogo-no-Kocha* brand compared to the previous year. From the *Kirin Nama-cha* brand, *Kirin Nama-cha Rich* was launched in September and sold more than 10 million bottles in the first two weeks of sales.

In the Health Science domain, where we are focusing our efforts, we introduced a variety of products to the market, centered on non-alcoholic beverages containing LC-Plasma, to meet the needs of consumers and to make immune care a habit. The newly launched *Kirin Oishii Immune Care* series, which also includes *Kirin Oishii Immune Care Calorie-Off* and *Kirin Oishii Immune Care Sleep*, increased sales volume of small-volume PET bottled non-alcoholic beverages by 3.4 times over the previous year compared to the same container from 2022 for the small volume PET bottled beverage. In addition, the *iMUSE* brand was strengthened in November with the renewal of the well-received *Kirin iMUSE Yogurt Taste*, in preparation for winter, when health and well-being awareness is on the rise. As a result of these efforts, sales volume of LC-Plasma beverages increased significantly, up 35% from the previous year.

With FANCL CORPORATION we created synergies through the joint development of *KIRIN x FANCL Calolimit Apple Sparkling* and *KIRIN x FANCL Calolimit Blended Tea* and other products.

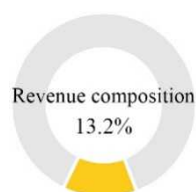
### Major Products:

- *Kirin Gogo-no-Kocha Straight Tea*
- *Kirin Gogo-no-Kocha Oishii Muto Milk Tea*
- *Kirin Oishii Immune Care Calorie Off*
- *Kirin Oishii Immune Care Sleep*



## Oceania Adult Beverages Business: Lion Pty Limited (Lion)

**Consolidated revenue** 281.0 billion yen, up 9.8%  
**Consolidated normalized operating profit** 32.4 billion yen, up 2.7%



In the Australian alcoholic beverages market, the impact of COVID-19 has subsided, and inflation remained at a high level. In this environment, Lion Pty Ltd. worked to strengthen its mainstay brands, and as a result, sales of *Hahn*, which meets increasing health consciousness and well-being needs were strong, as were sales of *XXXX* (pronounced “four-ex”) and other products.

In the growing RTD category, Kirin Brewery began manufacturing the *Kirin Hyoketsu* brand in Australia and began selling it in Australia and New Zealand. In the craft beer business, our focus in North America, sales remained strong due to continued strong sales of New Belgium Brewing Company's *Voodoo Ranger* and the effect of the integration of Bell's Brewery and New Belgium Brewing Company.

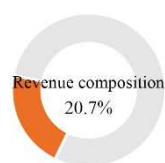
### Major Products:

- *Hahn*
- *XXXX GOLD*
- *Voodoo Ranger IPA*



## Pharmaceuticals Business: Kyowa Kirin Co., Ltd. (Kyowa Kirin)

**Consolidated revenue** 441.9 billion yen, up 11.1%  
**Consolidated normalized operating profit** 96.0 billion yen, up 16.4%



In 2023, the third year of the company's *2021-2025 Medium-Term Business Plan*, Kyowa Kirin continued its efforts for growth as a Japan-based global specialty pharmaceutical company.

The global strategic product *Crysvita*<sup>\*12</sup> began sales in North America and showed steady growth with a 20% increase over the previous year.

Regarding the development pipeline, *KHK4083* (generic name: rocatlinimab<sup>\*13</sup>) and other products are progressing well, while the development of *RTA 402*<sup>\*14</sup>, has been ceased. In addition, in order to strengthen our ability to create new drugs in the future, we signed an agreement to acquire shares of Orchard Therapeutics plc (Orchard Therapeutics), which has products and product development using hematopoietic stem cell gene therapy<sup>\*15</sup> and establishes a platform necessary for the business.

\*12 A drug for the treatment of rare diseases that cause disorders of bone growth and metabolism mainly due to genetic causes. In Japan, it is marketed under the *CRYSVITA* product name.

\*13 A drug for the treatment of atopic dermatitis. Clinical trials for asthma are also planned.

\*14 Developed for the treatment of Alport syndrome, diabetic kidney disease, and autosomal dominant polycystic kidney disease. Kyowa Kirin announced the discontinuation of development in May 2023.

\*15 This treatment for diseases caused by abnormal genes aims to restore normal function by introducing normal genes into hematopoietic stem cells taken from patients and returning them to the body.

## Other Businesses

Consolidated revenue	471.6 billion yen, up 10.0%
Consolidated normalized operating profit	32.4 billion yen, down 13.8%
Revenue Composition	22.1%

### Kyowa Hakko Bio Co., Ltd (Kyowa Hakko Bio)

Kyowa Hakko Bio focused on specialty materials and undertook structural reforms to improve profitability. Sales of overseas-sold *Cognizin*\*<sup>16</sup> for use in health and well-being foods remained strong, and regulatory approvals for human milk oligosaccharides (HMOs)\*<sup>17</sup>, progressed in the countries where we plan to expand. On the other hand, the business environment remained challenging, particularly in the amino acid business, due to intensifying competition in the market and soaring raw material and fuel prices.

\*16 Brand name for Citicoline. An ingredient found in the body that maintains the cell membranes of the brain and nerve cells, and has been used for many years around the world in medicines for brain diseases and health foods that support the improvement of cognitive functions. In Japan, it is currently classified as a pharmaceutical product.

\*17 A generic term for oligosaccharides contained in breast milk. More than 200 kinds are contained in breast milk, and the results of research contributing to immunity and brain function, among others, have been reported.

### Mercian Corporation (Mercian)

Mercian continued to nurture its own highly profitable brands while its mainstay wine business was severely affected by the impact of the weak yen on imported wines and raw materials.

In the Château Mercian Japan wine category, Château Mercian Mariko Winery won the highest ranking in Asia in the "World's Best Vineyards 2023" competition and began exporting its wines to Italy.

Under the Mercian Wines brand, the sparkling wine *Cantiamo* and the small-volume size *Sunnyside Organic Sparkling Can* were launched and sold well.

#### Major Products:

- *Château Mercian Mariko Omnis*
- *Mercian Wines Cantiamo Spumante*
- *Mercian Wines Sunny Side Organic*



### Coca-Cola Beverages Northeast, Inc. (Coke Northeast) \*<sup>18</sup>

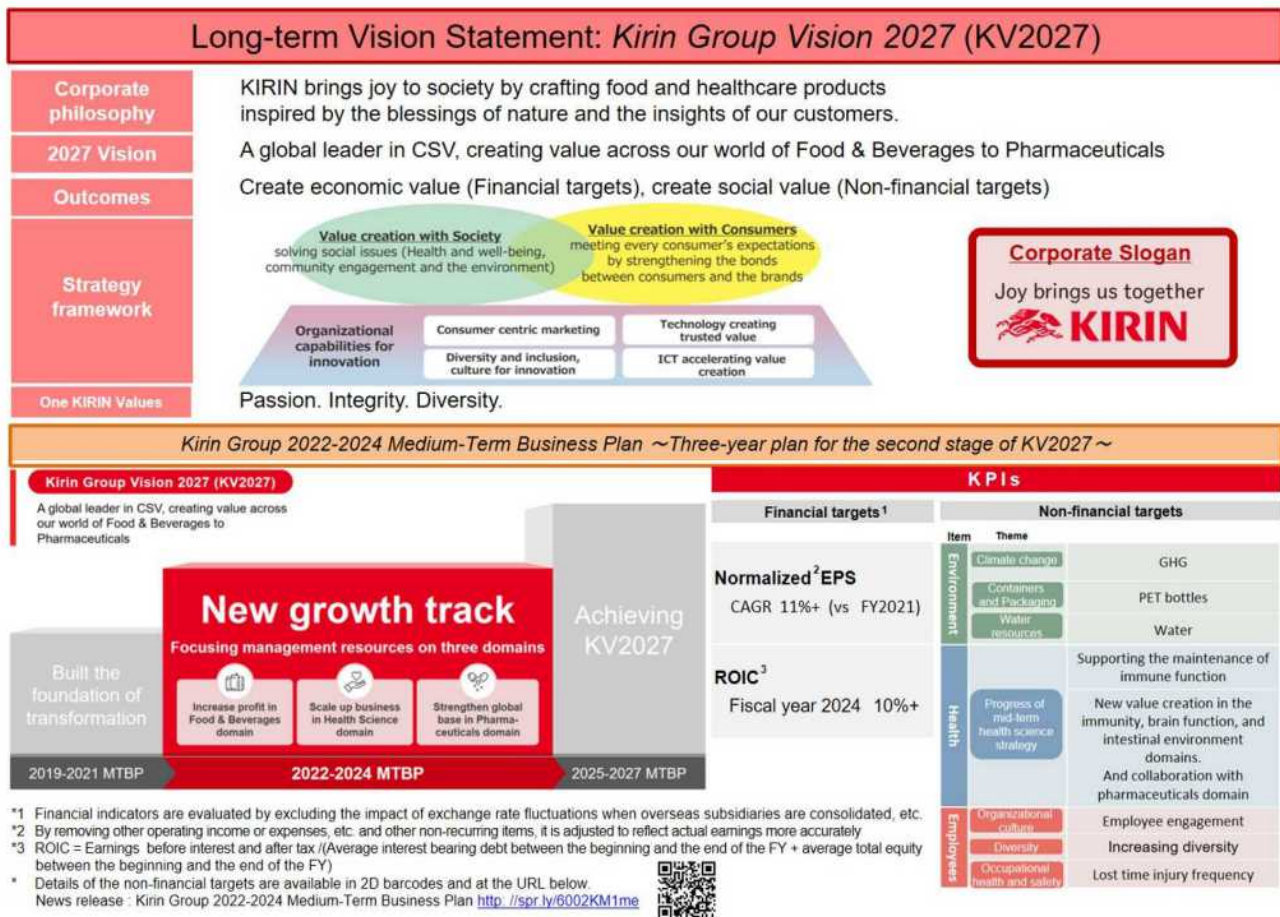
In the non-alcoholic beverages market in the U.S., consumption remained firm even as prices continued to rise due to inflation. At Coke Northeast\*<sup>18</sup>, sales of mainly carbonated non-alcoholic beverages and premium mineral water remained steady. In addition, operational reforms, including structural reforms at facilities and distribution centers and the introduction of ICT, as well as the effects of price revisions, further improved the high profitability of the company.

\*18 Company that operates a soft drink manufacturing and sales business in the northeastern United States, centered on Coca-Cola bottling.

## Kirin Group 2022-2024 Medium-Term Business Plan (2022 MTBP)

The Kirin Group is working to achieve KV2027 in order to achieve sustainable growth in the midst of a drastically changing social environment and is aiming for growth in the Food & Beverages domain, Pharmaceuticals domain, and Health Science domain, with CSV\*<sup>1</sup> as the cornerstone of our management. This section provides an overview of KV2027 and the 2022 MTBP, as well as some of the topics related to CSV management.

\*1 Creating Shared Value: combined added value for consumers as well as for society at large.



## About the Kirin Group's CSV Management

In 2019, we formulated our *CSV Purpose* reflecting the United Nations Sustainable Development Goals (SDGs), and have been aiming for growth through new value creation and implementation of business structure reforms toward the achievement of KV2027. Under the *CSV Purpose*, based on the premise of A Responsible Alcohol Producer, we are addressing social issues in the areas of Health, Community, and Environment, and contributing to the achievement of a healthy society. In the 2022 MTBP, we have established non-financial indicators from the three perspectives of environment, health, and employees. By linking non-financial indicators with financial indicators, we are working to create economic and social value.



### CSV Management Topics

#### A Responsible Alcohol Producer

##### **Promote efforts to eradicate harmful consumption of alcohol in all countries of operation**

As a company that has A Responsible Alcohol Producer as one of its CSV perspectives, Kirin Brewery Company, Limited has been working on raising awareness of responsible drinking. Kirin Brewery Company, Limited created a video appealing for the elimination of drunk driving through *KIRIN GREEN'S FREE* and disseminated it widely on social networking sites.



Lion Pty Ltd. has developed "Alcohol&Me,"\*2 a program to educate consumers about the effects of alcohol on the body and mind, and has been implementing it since 2013.

\*2 An online tool for self-paced learning. The tool provides a wide variety of materials, including study materials and teaching aids divided by various themes and topics, conducting workshops in the workplace, video lectures, quiz format, interactive demonstrations, and reflections on one's own drinking habits.

#### Health

##### **More than 35 years of immunology research to solve health and well-being challenges for more consumers**

Immunity is an indispensable function for a healthy life and can be regarded as the foundation of health and well-being. The Kirin Group has been conducting immunological research for over 35 years and has accumulated a variety of knowledge. In the process, we discovered the world's first *Lactococcus lactis* strain Plasma, (LC-Plasma) which activates a leader of the immune system, and revealed it in 2010. While ordinary lactic acids can activate only some immune cells, LC-Plasma can directly activate pDC (plasmacytoid dendritic cells)\*3, which are a leader of the immune system.



In 2020, the iMUSE brand was launched as Japan's first functional food for immune function. Non-alcoholic beverages, foods and supplements using LC-Plasma are currently being commercialized not only by the Kirin Group but also by many external partner companies.

In 2023, we established the Health Science Institute in order to build a structure for promoting R&D that more accurately understands the health and well-being issues of our consumers and the market. This will allow us to accelerate the acquisition of evidence for the functions of our materials and products, and to further improve our product development capabilities.

We are also conducting joint research with external research institutions and companies. In a joint study with the University of Malaya in Malaysia, we confirmed that continuous intake of LC-Plasma suppressed the symptoms of dengue fever.

In addition, in joint research with Kao Corporation, we discovered for the first time in Japan a link between visceral fat and pDC activity. The study confirmed that high visceral fat is associated with low pDC activity, and high visceral fat and low immune function are associated with a high risk of contracting COVID-19 and influenza.

In order to link the findings of our immunology research to solutions for many people's health and well-being issues, we are sequentially developing "immune care" classes at elementary schools across Japan and immune system awareness activities in cooperation with local governments and other organizations.



\*3 A type of immune cell that is specialized in the defense against viral infection in the body.

## Community

**Create bonds between people and communities to create positive forces in "mind and body" and in society.**

### **Local revitalization through *Gogo-no-Kocha***

Since 2021, Kirin Beverage has been developing products using strawberries grown in Kumamoto Prefecture as part of the "GOGO TEA HAPPINESS PROJECT". In addition to donating a portion of the proceeds, the company is working to revitalize the Kumamoto region by providing support in a variety of areas, including the food industry, education, and railroad infrastructure in Kumamoto Prefecture.



### **Promoting the wine industry through public-private partnerships**

We have concluded a comprehensive cooperation agreement with Ueda City in Nagano Prefecture, where the Château Mercian Mariko Winery is located, and are working to develop human resources related to the wine industry. We are also focusing on regional revitalization through the promotion of the wine industry in cooperation with grape growers, wine producers, and local retailers and restaurants. Through these efforts, we are contributing to the increase of the tourist population and the related population\*4 in Ueda City.

\*4 This does not refer to the "resident population" living in the area or the "exchange population" visiting the area as tourists, etc., but rather to people who are involved in a variety of ways with the local people.

## Environment

In recent years, the environment has been facing a variety of challenges that are having a significant impact on society. Companies are expected to understand the risks and opportunities from a medium-



to long-term perspective, and to contribute to solving environmental issues by disclosing ambitious targets and steadily achieving them. Recognizing the interconnectedness of the four environmental issues that we have positioned as key issues: climate change, biological resources, water resources, and containers and packaging, we have adopted an integrated approach to solving these issues. The *Environmental Report 2023*, released in July 2023, discloses integrated environmental management information based on the TCFD and TNFD.

## Climate Change

### Promoting climate change initiatives at group breweries and sales offices

The Kirin Group has set a goal of converting all electricity consumption to renewable energy by 2040. In January 2024, Kirin Brewery converted all electricity purchased at all of its breweries and sales offices in Japan to 100% renewable energy. GHG emissions from purchased electricity at these sites will be zero, and the percentage of renewable energy used by Kirin Brewery as a whole will be 66%.

Kirin Beverage Company, Limited has installed a solar power generation system based on the PPA model\*5 at its Shonan brewery, which is scheduled to start operation in May 2024.

\*5 The PPA model refers to a business model in which a PPA provider installs solar power generation equipment on a customer's property or roof at no charge and sells the power generated by the equipment to the customer.

## Biological and water resources

### Château Mercian Mariko Vineyard officially recognized as a socio-ecological production landscapes and seascapes (SEPLS) site

Mercian's Château Mercian Mariko Vineyard was officially certified as a "socio-ecological production landscapes and seascapes" (SEPLS) site by the Ministry of the Environment in October 2023. As an advanced nature-positive\*6 activity through its business, the company is contributing to achieving the global goal of 30by30. In addition, Château Mercian has launched a new Château Mercian Mariko Winery SDGs Tour to experience the SDGs that Château Mercian is working on, including biodiversity initiatives, recycling-oriented agriculture, and efforts to reduce carbon emissions at Mariko Vineyard.



### Supporting environmentally regenerative farming practices in collaboration with the Rainforest Alliance

Kirin Beverage, in collaboration with the Rainforest Alliance\*7, will develop a Regenerative Tea Scorecard\*8 for tea farms in Sri Lanka, a producer of tea leaves used to make Kirin *Gogo-no-Kocha* teas. The environmentally regenerative agriculture will be tested from 2024 as a tool that allows farmers to make their own judgements.

\*6 The goal of halting and restoring biodiversity loss by 2030, as agreed on in the G7 2030 Nature Compact.

\*7 An international non-governmental organization (international NGO) based in New York and Amsterdam, with activities in over 60 countries. The main activity is to provide environment certification for sustainability in forestry, agriculture and tourism.

\*8 A collection of guides for farmers to promote regenerative agriculture (aiming at soil health, biodiversity conservation, productivity improvement, etc.) at their own discretion.

## Containers and packaging

### Acceleration of chemical recycling and contribution to a recycling-oriented society

Kirin Brewery has introduced the use of chemical recycling resin in the 3L plastic bottles used as beer server containers for the *Tap Marché* and *TAPPY* brands sold in restaurants from March 2023. This is the first time in Japan that chemical recycling resin has been used in PET bottles for alcoholic beverages.

In November 2023, we also joined the Japan Business Coalition for a Global Plastics Treaty, which is supported by the World Wide Fund for Nature Japan (WWF Japan). As part of a business coalition we will request the Japanese government to take leadership toward the formulation of an international convention to eradicate plastic pollution.

### (2) Issues to be addressed

Conflicts continue to rage in many parts of the world, negatively impacting social and economic life. Although the four-year-long COVID-19 crisis is coming to an end, outbreaks of infectious diseases are inevitable in the future. The environment is becoming more complex with the increasing severity of global warming. It is precisely in times like these that the Kirin Group will face social issues head-on and practice CSV management, which creates economic value while solving problems, in order to contribute to a sustainable society and pursue sustainable growth for the Kirin Group. In the Food & Beverages domain, the Pharmaceuticals domain, and the Health Science domain, in particular, we will promote a global business structure with the addition of Blackmores Limited.

The Kirin Group's growth is supported by organizational capabilities, including: human resources, ICT, in addition to technological capabilities based on fermentation and biotechnology.

With regard to human resources, we aim to develop human resources with expertise and diversity through diverse business experience in the Kirin Group's business portfolio, while at the same time fostering an organizational culture that will continue to generate innovation.

In regards to respect for human rights initiatives, under the revised *Kirin Group Human Rights Policy*, we are promoting human rights due diligence, an integrated approach that includes identification of negative human rights impacts in the value chain, including raw material suppliers, prevention and reduction of such impacts, monitoring, and information disclosure.

In the area of ICT, we will promote business process reform and efficiency improvement through the use of digital technologies such as generative AI in various fields such as sales, product development, procurement, production, and logistics.

Through these efforts, we aim to achieve our financial targets of Normalized EPS and ROIC, as well as achieve our non-financial targets for the environment, health and well-being, and employees.

Beginning in FY2024, the business segments will be renamed Alcoholic beverages business, Non-alcoholic beverages business, Pharmaceuticals business, Health Science business, and Other businesses.

## Results forecast for the next fiscal year

Consolidated revenue  
¥2,270.0 billion (up 6.4% compared to the previous fiscal year)

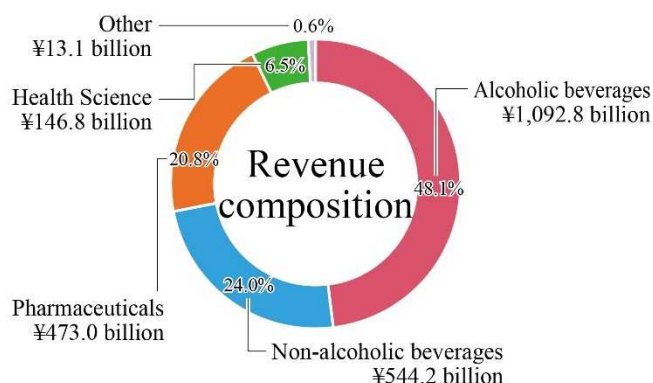
Consolidated normalized operating profit  
¥202.0 billion (up 0.3% compared to the previous fiscal year)

Consolidated profit before tax  
¥219.0 billion (up 11.1% compared to the previous fiscal year)

Profit attributable to owners of the Company  
¥131.0 billion (up 16.2% compared to the previous fiscal year)

### Key performance indicators

Normalized EPS  
■ Financial targets ¥177 (±0% compared to the previous fiscal year)  
ROIC 8.0%



## Food & Beverages Domain (Alcoholic beverages and Non-alcoholic beverages businesses)

In the Food & Beverages domain, we will continue to establish a strong brand system centered on our mainstay brands and work to increase profitability by nurturing high-value-added, high-unit-price products.

Kirin Brewery will propose the appeal and enjoyment of the brand with a diverse lineup centered on *KIRIN ICHIBAN*. *Honkirin* will be renewed, and we will continue to communicate the brand's value. We will also aim to establish a strong brand lineup by launching a new brand in the beer category this spring.

We will also continue our efforts to expand our craft beer offerings, with the renewal of the *SPRING VALLEY* brand in March to provide more opportunities for people to become more familiar with beer and to communicate the diverse ways in which beer can be enjoyed. In addition, the brand's *SPRING VALLEY BREWERY TOKYO* (Shibuya-ku, Tokyo) will be completely renovated to provide an opportunity for customers to casually experience craft beer. Through these efforts, we will work to steadily grow the business and brand by providing new value.



Kirin Beverage will work to revitalize the black tea category and make the unsweetened tea category more attractive by developing high value-added products from the *Kirin Gogo-no-Kocha* and *Kirin Nama-cha* brands. In April, we will renew *Kirin Nama-cha* to strengthen the brand. We will also continue to focus on LC-Plasma-containing beverages. In addition to the renewal of *Oishii Immune Care* and *Oishii Immune Care Calorie Off*, we aim to expand the "immune care" market by introducing new products that meet consumers' lifestyles and needs and further promote the "immune care" habit.



Lion will focus on strengthening its brands, including its flagship beer brand *XXXX* (four-ex) in Australia and *Kirin Hyoketsu*, which is newly launched in Australia and New Zealand. Lion will also continue to expand its craft beer business in Australia and North America.

Mercian will focus its efforts on its *Château Mercian* Japanese wine products to strengthen profitability. Coke Northeast will maintain a highly profitable structure by utilizing IT to increase supply chain productivity while achieving sales growth.

## Pharmaceuticals Domain (Pharmaceuticals Business)

Kyowa Kirin aims to achieve further growth of its global strategic products, *Crysvita* and *Poteligeo*\*<sup>1</sup>. In addition, Kyowa Kirin will make steady progress in the global development of its key pipeline products, *KHK4083* (generic name: rocatlinlimab) and *KHK4951* (generic name: tivozanib)\*<sup>2</sup>, and move forward with integration and collaboration with Orchard Therapeutics.



\*1 A drug for the treatment of certain types of leukemia. It is already marketed in Japan under the *POTELIGEO* brand name.

\*2 This product was developed for the treatment of exudative age-related macular degeneration (a disease in which abnormal vascularization occurs in the macula, where photoreceptor cells are closely connected, causing rapid vision loss) and diabetic macular edema (a complication of a disease in which the retina is damaged due to high blood sugar, resulting in damage to capillaries in the macula, which causes edema in the macula and vision loss).

## Health Science Domain (Health Science business)

After COVID-19, people are becoming more health and well-being conscious. We will further enhance the Group's strengths in consumer-centric marketing expertise and value-creating technologies, and promote global expansion with a focus on the Asia-Pacific region. We will establish a unique business model for the entire Kirin Group by leveraging the brand power of Blackmores Limited and FANCL CORPORATION.

BLACKMORES  
| GROUP



In Japan, we will continue to work on expanding "immune care" needs in 2024 and aim to grow the "LC-Plasma" related business. With FANCL CORPORATION, we will expand group synergies by developing the *CALOLIMIT* brand in Kirin Group companies, improving efficiency by sharing know-how in the e-commerce business, and promoting joint research.

Overseas, we will strengthen our position in the growing market of Southeast Asia, centered on the Australia-based Blackmores. Kyowa Hakko Bio will also promote the development of products utilizing LC-Plasma.

In 2024, the final year of the 2022-2024 MTBP, the Kirin Group will further enhance its ability to execute its strategies through the challenge and ingenuity of all Group employees, and move forward to become one of the world's leading CSV companies. We will further enhance our ability to execute our strategies through the challenge and ingenuity of all Group employees and move forward to become a world leader in CSV.

We look forward to the continued understanding and support of our shareholders.

### (3) Assets and income

Item		182 <sup>nd</sup> term (FY2020)	183 <sup>rd</sup> term (FY2021)	184 <sup>th</sup> term (FY2022)	185 <sup>th</sup> term (FY2023)
Revenue		¥1,849,545 million	¥1,821,570 million	¥1,989,468 million	¥2,134,393 million
Normalized operating profit		¥162,115 million	¥165,430 million	¥191,159 million	¥201,495 million
Profit before tax		¥124,550 million	¥99,617 million	¥191,387 million	¥197,049 million
Profit attributable to owners of the Company		¥71,935 million	¥59,790 million	¥111,007 million	¥112,697 million
Basic earnings per share		¥85.57	¥71.73	¥135.08	¥139.16
Total equity		¥1,095,939 million	¥1,147,990 million	¥1,253,203 million	¥1,425,838 million
Equity per share attributable to owners of the Company		¥1,005.96	¥1,072.69	¥1,210.16	¥1,398.47
Total assets		¥2,459,363 million	¥2,471,933 million	¥2,542,263 million	¥2,869,585 million
Key performance indicators (Financial targets)	Normalized EPS	¥136	¥156	¥171	¥177
	ROIC	6.0%	4.2%	8.5%	8.0%

(Notes) The Company's consolidated financial statements are prepared based on International Financial Reporting Standards (IFRS).

### (4) Plant and equipment investment

Consolidated plant and equipment investment for this fiscal year amounted to ¥84.9 billion on a payment basis.

The major facilities completed during this fiscal year, and those still under construction or contemplation as of the end of the term to be reported are listed below:

#### 1) Major facilities completed during this fiscal year

Business division	Company name	Details of plant and equipment investment
Pharmaceuticals	Kyowa Kirin Co., Ltd.	(Takasaki Plant) Construction of Quality Building (Quality Assurance-Related Complex)

## 2) Major facilities under construction or contemplation as of the end of the term

Business division	Company name	Details of plant and equipment investment
Pharmaceuticals	Kyowa Kirin Co., Ltd.	(Takasaki Plant) Construction of New Biopharmaceutical API Manufacturing Building
Others	Kirin BioMaterials Co., Ltd.	(Yamaguchi Office) Establishment of new clinical trial drug substance manufacturing facility

## (5) Financing

The aggregate amount of loans payable, including bonds, was ¥657.8 billion as of the end of this fiscal year.

Major financing during this fiscal year was the issue of unsecured bonds (including social bonds\*) by the Company amounting to ¥93.0 billion.

※Bonds issued to raise funds for businesses that contribute to solving social issues.

## (6) Description of major businesses

The Kirin Group's major businesses are the production and sale of alcoholic beverages including beer, happo-shu, new genre, wine, western spirits, etc. and non-alcoholic beverages, pharmaceutical and health food products, among others.

Major products by business division are described on pages 42 to 45 of "(1) Result of business operations".

## (7) Significant subsidiaries, etc.

### 1) Significant subsidiaries

Business division	Company name	Location	Capital	Ratio of shareholding	Description of major businesses
Japan Beer and Spirits	Kirin Brewery Company, Limited	Nakano-ku, Tokyo	¥30,000 million	100.0%	Production and sale of alcoholic beverages
Japan Non-alcoholic Beverages	Kirin Beverage Company, Limited	Chiyoda-ku, Tokyo	¥8,417 million	100.0%	Production and sale of non-alcoholic beverages
Oceania Adult Beverages	Lion Pty Limited	New South Wales, Australia	AU \$8,731 million	100.0%	Management of alcoholic beverages business in Oceania

<b>Business division</b>	<b>Company name</b>	<b>Location</b>	<b>Capital</b>	<b>Ratio of shareholding</b>	<b>Description of major businesses</b>
Pharmaceuticals	Kyowa Kirin Co., Ltd.	Chiyoda-ku, Tokyo	¥26,745 million	53.5%	Research, development, production, sale, import and export etc. of prescription medicine
Others	Mercian Corporation	Nakano-ku, Tokyo	¥3,000 million	100.0%	Import, production and sale of alcoholic beverages
	Kyowa Hakko Bio Co., Ltd.	Chiyoda-ku, Tokyo	¥10,000 million	100.0%	Production and sale of pharmaceutical materials, various amino acids and materials of health food products
	Coca-Cola Beverages Northeast, Inc.	New Hampshire, U.S.	U.S. \$930 thousand	100.0%	Production and sale of non-alcoholic beverages
	Blackmores Limited	New South Wales, Australia	AU \$ 202 million	100.0%	Manufacture and sale of dietary supplements such as supplements

(Note) The ratio of shareholding includes indirect holdings.

## 2) Significant affiliated companies

<b>Business division</b>	<b>Company name</b>	<b>Location</b>	<b>Capital</b>	<b>Ratio of shareholding</b>	<b>Description of major businesses</b>
Others	FANCL CORPORATION	Yokohama, Kanagawa	¥10,795 million	30.3%	Production and sale of cosmetics and health food products
	San Miguel Brewery Inc.	Metro Manila, the Philippines	₱15,410 million	48.4%	Production and sale of beer

**(8) Major business offices, plants, etc.**

**1) Kirin Holdings Company, Limited**

Head Office: 10-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan

Laboratories: 4 Laboratories including Institute for Future Beverages (Yokohama, Kanagawa)

**2) Subsidiaries**

<b>Business division</b>	<b>Company name</b>	<b>Major centers</b>	
Japan Beer and Spirits	Kirin Brewery Company, Limited	Head Office	Nakano-ku, Tokyo
		Branch Offices	Off-Premise Head Office (Nakano-ku, Tokyo etc.), 9 Regional Sales & Marketing Divisions including Metropolitan Regional Sales & Marketing Division (Chuo-ku, Tokyo)
		Plants	9 Plants including Yokohama Plant (Yokohama, Kanagawa)
Japan Non-alcoholic Beverages	Kirin Beverage Company, Limited	Head Office	Chiyoda-ku, Tokyo
		Branch Offices	5 Regional Sales & Marketing Divisions including Metropolitan Regional Sales & Marketing Division (Chiyoda-ku, Tokyo)
		Plants	Shonan Plant (Samukawa-machi, Koza-gun, Kanagawa), Shiga Plant (Taga-cho, Inukami-gun, Shiga)
Oceania Adult Beverages	Lion Pty Limited	Head Office	New South Wales, Australia
Pharmaceuticals	Kyowa Kirin Co., Ltd.	Head Office	Chiyoda-ku, Tokyo
		Branch Offices	11 Branches including Tokyo Branch (Chuo-ku, Tokyo)
		Plants	Takasaki Plant (Takasaki, Gunma), Ube Plant (Ube, Yamaguchi)
		Laboratories	4 Laboratories including Fuji Research Park (Nagaizumi-cho, Suntou-gun, Shizuoka)
Others	Mercian Corporation	Head Office	Nakano-ku, Tokyo
		Branch Offices	7 Branches including Metropolitan Regional Sales & Marketing Branch (Chuo-ku, Tokyo)
		Plants	6 Plants including Fujisawa Plant (Fujisawa, Kanagawa)
	Kyowa	Head Office	Chiyoda-ku, Tokyo



<b>Business division</b>	<b>Company name</b>	<b>Major centers</b>	
	Hakko Bio Co., Ltd.	Plants	Yamaguchi Production Center (Hofu, Yamaguchi)
		Laboratories	Technical Research Laboratory (Hofu, Yamaguchi)
	Coca-Cola Beverages Northeast, Inc.	Head Office	New Hampshire, U.S.
	Blackmores Limited	Head Office	New South Wales, Australia

## (9) Employees

<b>Business division</b>	<b>Number of employees (persons)</b>
Japan Beer and Spirits	4,356
Japan Non-alcoholic Beverage	3,408
Oceania Adult Beverage	3,956
Pharmaceuticals	5,974
Others	11,203
Administration	1,286
<b>Total</b>	<b>30,183</b>

- (Notes)
1. The number of employees indicates the number of employees currently on duty.
  2. The number of employees indicated as Administration is mainly the number of employees of the Company, which is a holding company (excluding employees seconded by the Company and including employees seconded to the Company).

## (10) Significant business transfers to and from the Kirin Group and acquisitions and disposals of shares of other companies

- 1) In January 2023, the Company have transferred all shares of Myanmar Brewery Limited which were held by Singapore subsidiary of the Company (Kirin Holdings Singapore Pte, Limited) through share buyback by Myanmar Brewery Limited.
- 2) In August 2023, the Company, through subsidiaries in Australia (Kirin Holdings Australia Pty Ltd. and Kirin Health Science Australia Pty Ltd.) acquired all shares of Blackmores Limited, which locates in Australia.

## (11) Major lenders and loan balances

<b>Lender</b>	<b>Outstanding balance of loan</b>
Syndicated loans	¥156,841 million
MUFG Bank, Ltd.	¥74,946 million

(Note) The syndicated loans consist of those arranged by Sumitomo Mitsui Banking Corporation or MUFG Bank, Ltd. as the agent bank.

## (12) Other important matters concerning the current situation

In January 2024, Kyowa Kirin Co., Ltd. acquired all shares of Orchard Therapeutics plc, which locates in the United Kingdom.

### 2. Shares

#### (1) Total number of authorized shares

1,732,026,000

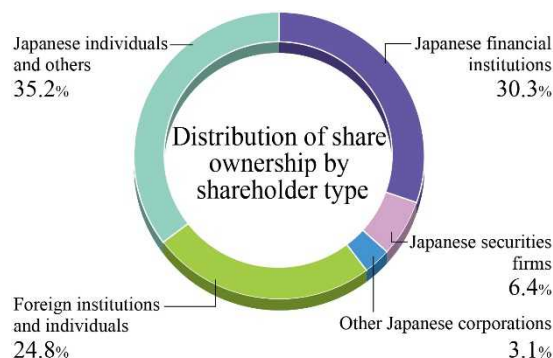
#### (2) Total number of outstanding shares

914,000,000

(No change from the end of the previous fiscal year)

#### (3) Number of shareholders

418,846 (Increased by 74,598 persons from the end of the previous fiscal year)



#### (4) Major shareholders (top ten)

Name of shareholder	Number of shares held by shareholder (thousand shares)	Ratio of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	144,197	17.7
Custody Bank of Japan, Ltd. (Trust account)	57,717	7.1
Meiji Yasuda Life Insurance Company	31,346	3.8
STATE STREET BANK AND TRUST COMPANY 505001	17,856	2.1
SMBC Nikko Securities Inc.	16,127	1.9
STATE STREET BANK WEST CLIENT - TREATY 505234	15,928	1.9
SSBTC CLIENT OMNIBUS ACCOUNT	10,156	1.2
JAPAN SECURITIES FINANCE CO., LTD.	10,048	1.2
JPMorgan Securities Japan Co., Ltd.	9,357	1.1
THE BANK OF NEW YORK MELLON 140044	8,593	1.0

(Notes) 1. The Company holds 102,215,000 shares of treasury stock but has been excluded from the above major shareholders.

2. Ratio of shares held excludes treasury stock.

3. Number of shares held by the shareholder and ratio of shares held are indicated by omitting fractions.

**(5) Shares delivered to Officers as consideration for the performance of duties during the current fiscal year**

<b>Officer type</b>	<b>Number of shares</b>	<b>Number of recipients</b>
Directors of the Board (excluding Non-executive Directors)	18,800	4

(Notes) 1. The above includes shares issued to a Director of the Board who has retired.

2. The above is the number of shares actually delivered. In addition to the above number of shares, the number of shares that were converted into cash within the trust and paid out in an amount equivalent to the conversion amount was 18,377.

**3. Company's Directors of the Board and Audit & Supervisory Board Members**

**(1) Names of Directors of the Board and Audit & Supervisory Board Members, etc.**

<b>Title</b>	<b>Name</b>	<b>Responsibilities</b>	<b>Significant positions concurrently held at other companies and organizations</b>
President & Chief Executive Officer	Yoshinori Isozaki	–	–
Representative Director of the Board, Senior Executive Vice President	Keisuke Nishimura	Responsible for Business Alliance and Investment Strategy; Overseas Business; Global Craft Beer Strategy	Director of the Board, Kirin Brewery Company, Limited Director, Lion Pty Limited Director, San Miguel Brewery Inc. Director of the Board, Blackmores Limited
Director of the Board, Senior Executive Officer	Toshiya Miyoshi	Responsible for PR Strategy; Risk Management; Legal	Director of the Board, Kirin Beverage Company, Limited Director, San Miguel Brewery Inc.
Director of the Board, Senior Executive Officer	Takeshi Minakata	Responsible for Health Science Strategy President of Health Science Division	Director, Kyowa Kirin Co., Ltd. Director of the Board, Blackmores Limited
Director of the Board, Senior Executive Officer*	Junko Tsuboi	Personnel & General Affairs Strategy	Outside Director, FANCL CORPORATION

Title	Name	Responsibilities	Significant positions concurrently held at other companies and organizations
Director of the Board	Masakatsu Mori	Chairperson of the Board	Senior Advisor, International University of Japan Outside Director, STANLEY ELECTRIC CO., LTD. External Statutory Auditor, FAST RETAILING CO., LTD.
Director of the Board	Hiroyuki Yanagi	Member of the Nomination & Remuneration Advisory Committee	Advisor, Yamaha Motor Co., Ltd. Outside Director, AGC Inc. Outside Director, Japan Airlines Co., Ltd. Outside Director, Mitsubishi Electric Corporation
Director of the Board	Chieko Matsuda	Chairperson of the Nomination & Remuneration Advisory Committee	Professor, Faculty of Economics and Business Administration, Tokyo Metropolitan University Professor, Graduate School of Management, Tokyo Metropolitan University Outside Director, IHI Corporation Outside Director, Toyota Tsusho Corporation Outside Director, Asahi Kasei Corporation
Director of the Board	Noriko Shiono	Member of the Nomination & Remuneration Advisory Committee	—
Director of the Board	Rod Eddington	—	Chairman, Independent Non-Executive Director of Lion Pty Ltd. Outside Director, CLP Holdings Limited

<b>Title</b>	<b>Name</b>	<b>Responsibilities</b>	<b>Significant positions concurrently held at other companies and organizations</b>
Director of the Board	George Olcott	–	Audit & Supervisory Board Member, Toyota Motor Corporation
Director of the Board*	Shinya Katanozaka	–	Representative Director, Chairperson of the Board of Directors of ANA HOLDINGS INC. Outside Director, Tokio Marine Holdings, Inc.
Standing Audit & Supervisory Board Member	Shobu Nishitani	–	Audit & Supervisory Board Member, Kyowa Hakko Bio Co., Ltd.
Standing Audit & Supervisory Board Member*	Toru Ishikura	–	Audit & Supervisory Board Member, Kyowa Kirin Co., Ltd.
Audit & Supervisory Board Member	Yoshiko Ando	–	Outside Director, Sansei Technologies, Inc. Outside Director, JFE Holdings, Inc.
Audit & Supervisory Board Member	Kaoru Kashima	–	Outside Audit & Supervisory Board Member, Nippon Telegraph and Telephone Corporation External Director, Sumitomo Mitsui Trust Holdings, Inc.
Audit & Supervisory Board Member	Kenichi Fujinawa	–	Senior Counsel, Nagashima Ohno & Tsunematsu

- (Notes)
1. A Director of the Board and Audit & Supervisory Board Member marked with an asterisk (\*) indicates such officer newly assumed office as of March 30, 2023.
  2. Seven Directors of the Board, Mr. Masakatsu Mori, Mr. Hiroyuki Yanagi, Ms. Chieko Matsuda, Ms. Noriko Shiono, Mr. Rod Eddington, Mr. George Olcott, and Mr. Shinya Katanozaka, are Non-executive Directors.
  3. Ms. Yoshiko Ando, Ms. Kaoru Kashima, and Mr. Kenichi Fujinawa are Audit & Supervisory Board Members.
  4. Although there is a payment of attorney fees by the Company to Nagashima Ohno & Tsunematsu, where Audit & Supervisory Board Member, Mr. Kenichi Fujinawa, concurrently holds a significant position, the amount of payment to the law firm during this fiscal year is less than 1% of the total revenue of the law firm.
  5. Standing Audit & Supervisory Board Member, Mr. Shobu Nishitani, held the position of General Manager of the Finance Department at the Company and the subsidiary of the Company, and has a wealth of expertise in finance and accounting.
  6. Audit & Supervisory Board Member, Ms. Kaoru Kashima, is a certified public accountant, has served as a manager of an auditing firm, and has a wealth of expertise in finance and accounting.
  7. Seven Directors of the Board, Mr. Masakatsu Mori, Mr. Hiroyuki Yanagi, Ms. Chieko Matsuda, Ms. Noriko Shiono, Mr. Rod Eddington, Mr. George Olcott, and Mr. Shinya Katanozaka, and Three Audit & Supervisory Board Members, Ms. Yoshiko Ando, Ms. Kaoru Kashima, and Mr. Kenichi Fujinawa are registered as

independent officers with and in compliance with the requirements of the Tokyo Stock Exchange, Inc and notified so to the same.

8. The following Director of the Board and Audit & Supervisory Board Members resigned from their position as of March 30, 2023.

Director of the Board: Noriya Yokota

Director of the Board: Kaoru Kato

Standing Audit & Supervisory Board Member: Keiji Kuwata

9. The Company adopts an executive officer based system. Senior Executive Officers who are not concurrently holding the position of Director of the Board are as follows.

<b>Title</b>	<b>Name</b>	<b>Responsibilities</b>	<b>Significant positions concurrently held at other companies and organizations</b>
Senior Executive Officer	Ryosuke Mizouchi	CSV Strategy	Director, Lion Pty Limited Director, Mercian Corporation Director, Coca-Cola Beverages Northeast, Inc.
Senior Executive Officer	Masao Maehara	SCM Strategy Production Technology Strategy	Director, Kirin Beverage Company, Limited
Senior Executive Officer	Shinjiro Akieda	Financial Strategy IR	—
Senior Executive Officer	Koji Fukada	R&D Strategy Quality Assurance President of R&D Division	Director, Kyowa Hakko Bio Co., Ltd.
Senior Executive Officer	Mitsuharu Yamagata	Brand Strategy Marketing Strategy Digital & Information Strategy	Senior Vice President, Kirin Brewery Company, Limited (Marketing)
Senior Executive Officer	Hideki Horiguchi	—	President & CEO, Kirin Brewery Company, Limited
Senior Executive Officer	Toru Yoshimura	—	President & CEO, Kirin Beverage Company, Limited
Senior Executive Officer	Yuki Kanzaki	—	President & CEO, Kyowa Hakko Bio Co., Ltd.

## **(2) Outline of Limitation of Liability Contracts**

Based on Article 427, paragraph 1 of the Companies Act, the Company has been entered into agreements with each Non-executive Director and each Audit & Supervisory Board Member to limit the liability for damages stipulated in Article 423, paragraph 1 of the same Act. The liability limit based on the contract is the minimum liability amount stipulated in Article 425, paragraph 1 of the same Act.

## **(3) Outline of the Indemnity Agreement**

The Company has entered into an indemnity agreement with each Director and each Audit & Supervisory Board Member as stipulated in Article 430-2, Paragraph 1 of the Companies Act, and the Company shall compensate for the expenses set forth in Item 1 of the same Paragraph and the losses set forth in Item 2 of the same Paragraph to the extent prescribed by laws and regulations. However, as a measure to ensure that the appropriateness of the indemnified person's execution of duties is not impaired, certain exemptions have been established, such as when the Company determines that the execution of compensation is objectively inappropriate.

## **(4) Directors and Officers Liability Insurance Contracts**

The Company has entered into Directors and Officers liability insurance contracts with an insurance company as provided in Article 430-3, paragraph 1 of the Companies Act, wherein the insured persons include Directors of the Board, Audit & Supervisory Board Members, Executive Officers etc. of the Company and its subsidiaries. The Company and its subsidiaries bear all insurance premiums.

This insurance contract covers compensation for damages, legal, and other such costs in the event that an insured person(s) is liable for damages arising from their conduct. However, damages caused by criminal or fraudulent acts etc. committed by insured persons are excluded. In addition, there is a provision for a deductible amount and damages that do not reach the deductible amount are not covered by this insurance contract.

## **(5) Remuneration, etc. to Directors of the Board and Audit & Supervisory Board Members**

### **1) Policy for determining Officers' remuneration, etc.**

The Company's policy for determining Officers' remuneration, etc. is determined by the Board of Directors after deliberation of its validity by the Nomination & Remuneration Advisory Committee, of which Independent Directors constitute a majority and an Independent Non-executive Director is the Chairperson.

Remuneration, etc. for each Officer is deliberated on by the Nomination & Remuneration Advisory Committee, reported to the Board of Directors, and then, for remuneration, etc. for Directors of the Board, determined by the Board of Directors, and for remuneration, etc. for Audit & Supervisory Board Members, determined in consultation with Audit & Supervisory Board Members.

Provided, however, that determination of individual performance evaluations and individual payment ratio for the bonuses of each Director of the Board (excluding Non-executive Directors) and each Executive Officer, including the President & CEO, is

delegated to the Nomination & Remuneration Advisory Committee, comprised of the following five persons (three Non-executive Directors and two Directors of the Board)—Chairperson: Chieko Matsuda (Non-executive Director), members: Hiroyuki Yanagi (Non-executive Director), Noriko Shiono (Non-executive Director), Yoshinori Isozaki (President & CEO), and Toshiya Miyoshi (Director of the Board, Senior Executive Officer: his responsibilities are described on page 59). To ensure that such authority is properly exercised, the committee will be structured as described above, and decisions will be made by excluding interested persons from the committee, and the committee will report to the Board in a timely and appropriate manner.

The outline of the Company’s policy for determining remuneration, etc., for Officers for the current fiscal year is as follows.

(i) Basic policy on remuneration, etc. for Officers

- i) 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.
- ii) Remuneration levels shall be appropriate for the roles and responsibilities of the Kirin Group’s Officers.
- iii) Remuneration shall be deliberated by the Nomination & Remuneration Advisory Committee, of which Independent Non-executive Directors constitute a majority, to ensure objectivity and transparency.

(ii) Remuneration structure and recipients, etc.

Remuneration, etc. for Officers of the Company is composed of three parts: basic remuneration which is fixed remuneration; bonus as short-term incentive remuneration; and stock-based remuneration as medium- to long-term incentive remuneration. The Non-executive Directors are responsible for monitoring and advising management of the Company and the Kirin Group as a whole from an objective point of view, and Audit & Supervisory Board Members are responsible for auditing the execution of duties by the Directors of the Board from an objective point of view. Accordingly, only basic remuneration shall be paid to the respective parties.

Basic remuneration	Annual sum consists of fixed remuneration based on the executive rank and responsibilities, and additional remuneration based on responsibilities is divided equally by 12 and paid each month.
Bonus	Performance-linked remuneration for motivation to achieve annual performance targets of each fiscal year and engage in initiatives for future growth; assuming the amount to be paid upon achievement of a target (base amount) predetermined for each executive rank and responsibility is set at 100%, this remuneration is variable between 0% and 200% depending on the level of achievement of the performance target; and lump-sum payment after the end of each fiscal year.



Stock remuneration	Trust-type stock compensation; it consists of Performance Share Units which is linked to the degree of achievement of performance in a single fiscal year ("Single-Year PSU"), Performance Share Units which is linked to the degree of achievement of Medium-Term Business Plan's goals in multiple fiscal years ("Medium-Term Plan PSU") and Consists of Restricted Share Units (RSU) which has no performance conditions attached; Stock and cash will be paid in a single payment in 50:50 ratio for shares and cash based on the respective points awarded at a certain time after the lapse of each business year for Single-Year PSU and RSU, and in the following business year of the target period of Medium-Term Business Plan (three business years) for Medium-Term Plan PSU.
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(Note) A performance-linked and stock-price-linked remuneration plan (the "Phantom Stock Plan") applies to those who are non-residents in Japan and are not subject to the stock remuneration. Under the plan, in accordance with the Share Delivery Rules of the Company, cash equivalent to the amount of the Company's shares (including the Company's shares subject to exchange under the stock remuneration) calculated using the same formula as the stock remuneration plan.

### (iii) Ratio of performance-linked remuneration

The remuneration ratio for the President & CEO is as shown below: ratio of basic remuneration to the performance-linked remuneration base amount for the President & CEO shall be approximately 30:70 (the ratio of bonuses to stock-based remuneration is 30:40). The remuneration ratio for other eligible Directors (excluding Non-executive Directors) and Officers shall be determined in a similar manner as above in consideration of their executive rank and responsibilities. The composition ratio of the Single-Year PSU, to the RSU, to the Medium-Term Plan PSU (per year) in stock compensation base amount shall be common to all intended beneficiaries (approximately 4:2:1).

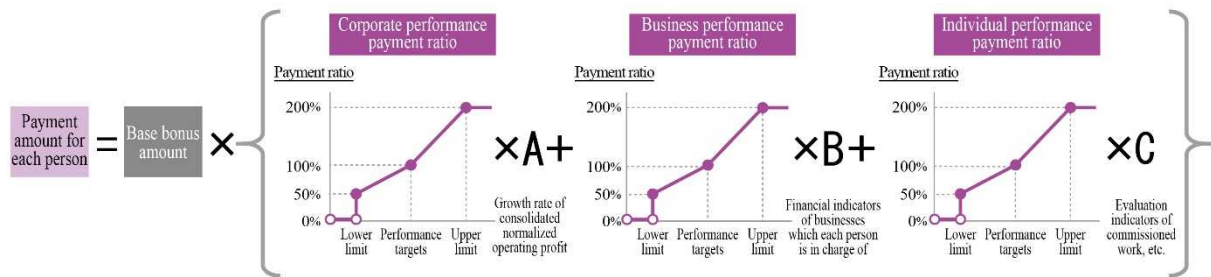
### (iv) Mechanism for linkage to performance

The Company's policy for determining the method to calculate performance-linked remuneration is as follows.

#### i) Bonuses

The evaluation indicators for bonuses of corporate performance evaluation (Consolidated normalized operating profit) and individual performance are selected to promote solid earnings growth and strategic execution for the entire Kirin Group and its major businesses. The business performance (normalized operating profit, etc., of each business) are additionally applicable to the President of an operating company or the Officer in charge of Health Science Strategy. The amount paid upon the achievement of targets (base bonus amount) is predetermined for each executive rank. When this amount is regarded as a pay rate of 100%, this remuneration is variable between 0% and 200% depending on the degree of achievement of targets. The evaluation method for bonus amount paid to each individual for the current fiscal year is as shown in Sample 1 below.

Sample 1: Evaluation method of bonus amount paid to each individual

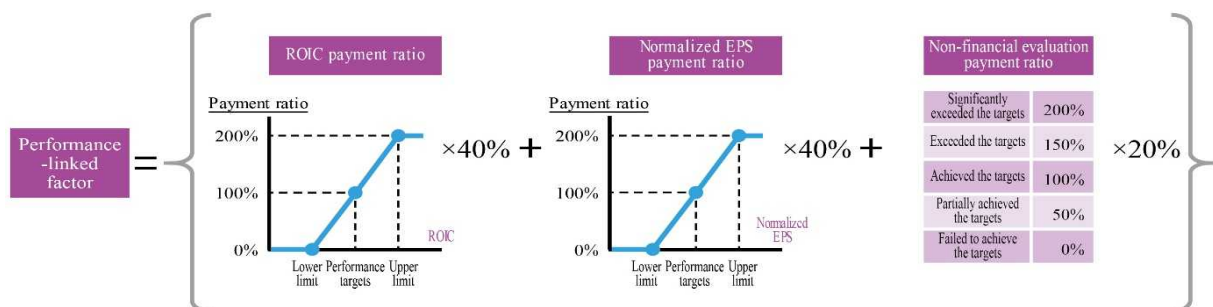


ii) Stock compensation

In order to promote both medium- to long-term improvement of shareholder value and the creation of social value, ROIC, normalized EPS, and non-financial evaluation (Environment, Health, and Employees) are selected as evaluation indicators for stock compensation. RSU are awarded fixed points that are calculated based on defined thresholds for each executive rank. Single-Year PSU are awarded points for each business year, and Medium-Term Plan PSU are awarded points for the target period of the Medium-Term Business Plan (three business years), which are calculated in the business year following such respective performance evaluation period by multiplying the predefined base points calculated based on thresholds for each executive rank by the performance-linked factor as described in Sample 2 below. At a certain point in time after the lapse of three years from the start of each performance evaluation period, the number of the Company's shares, corresponding to the number equivalent to 50% of the points (one point shall be converted to one common share of the Company) granted for the performance evaluation period, shall be delivered along with the payment of cash equivalent to the proceeds from the realization of the number of the Company's shares corresponding to the outstanding portion of the points.

Calculation formula for performance-linked factor for the Single-Year PSU and Medium-Term Plan PSU is as described in Sample 2 below.

Sample 2: Calculation formula for PSU performance-linked factor (excluding the performance evaluation period; the scheme is common to the Single-Year PSU and Medium-Term Plan PSU)



(v) Others

In the event of significant changes in the business environment due to an occurrence of unexpected, extraordinary events, the Company may make a discretionary judgment in a resolution of the Board of Directors after extraordinary deliberation by the Nomination & Remuneration Advisory Committee as necessary.

**2) Remuneration, etc. for the current fiscal year**

(i) Total amount of remuneration, etc. for Directors of the Board and Audit & Supervisory Board Members by officer type, total amount of remuneration, etc. by type and number of officers

Officer type	Total amount of remuneration, etc. (millions of yen)	Total amount (millions of yen) of remuneration etc. by type and number of persons							
		Fixed remuneration		Performance-linked remuneration					
		Monetary remuneration						Non-monetary remuneration	
		Basic remuneration		Bonus		Performance-linked and stock-price-linked remuneration (Phantom Stock Plan)		Stock compensation	
Total amount	Number of persons	Total amount	Number of persons	Total amount	Number of persons	Total amount	Number of persons		
Directors of the Board (excluding Non-executive Directors)	809	281	6	321	5	-	-	207	6
Audit & Supervisory Board Members (excluding Non-standing Audit & Supervisory Board Members)	76	76	3	-	-	-	-	-	-
Non-executive Officers	Non-executive Directors	142	142	8	-	-	-	-	-
	Non-standing Audit & Supervisory Board Members	58	58	3	-	-	-	-	-
Total	1,084	556	20	321	5	-	-	207	6

(Notes) 1. Twelve (12) Directors of the Board and five (5) Audit & Supervisory Board Members remain in their positions as of the end of this fiscal year, but the amounts above include remuneration for two (2) Directors and one (1) Audit & Supervisory Board Members who retired as of March 30, 2023.

2. The above total amount of bonus is the amount expected to be paid. For actual performance evaluation indicators and others, please refer to (ii) below.

3. There were no officers to whom the above performance-linked and stock-price-linked remuneration (Phantom Stock Plan) was applicable.
4. Stock compensation was granted to Directors of the Board (excluding Non-executive Directors) as non-monetary remuneration. The above total amount of stock compensation is the amount recorded as expenses during the current fiscal year for the Board Incentive Plan (BIP) Trust.
5. In accordance with the policy for Officers' remuneration, etc., the Nomination & Remuneration Advisory Committee deliberates and considers with a diversified viewpoint the method for calculating remuneration, etc. for Directors of the Board and the calculation of the payment amount based on this, among others. The committee then reports the draft to the Board of Directors, and the Board of Directors respects the deliberation process and reports. Accordingly, the Company considers that details of remuneration, etc. for each Director of the Board are consistent with the policy for Officers' remuneration, etc. of the Company.

(ii) Targets, etc. and actual results regarding evaluation indicators for performance-linked remuneration for Directors of the Board

i) Bonuses (whose performance evaluation period is the current fiscal year)

Performance evaluation indicators		Evaluation ratio	Fluctuation range of payment ratio	Performance target		Actual results	Payment ratio for each indicator	Final payment ratio
Corporate performance evaluation	Consolidated normalized operating profit	20% - 70%	0 - 200%	Upper limit	230.4 billion yen	201.5 billion yen	124.7%	132.3% - 184.9%
				Base	192.0 billion yen			
				Lower limit	153.6 billion yen			
Business performance evaluation	Revenue in in Health Science domain	40%	0 - 200%	Upper limit	132.0 billion yen	145.6 billion yen	200%	132.3% - 184.9%
				Base	120.0 billion yen			
				Lower limit	108.0 billion yen			
Individual performance evaluation		30% - 50%	0 - 200%	Decided based on evaluation indicators of commissioned work, etc. for each person.		150% - 200%		

(Notes) 1. Individual performance evaluation was determined by the method described in 1) above.

2. Business performance evaluation is an evaluation indicator applied to the Director of the Board who is in charge of Health Science Strategy.

ii) Stock compensation (Single-Year PSU with the current fiscal year as the performance evaluation period)

Performance evaluation indicators	Evaluation ratio	Fluctuation range of payment ratio	Performance targets		Actual results	Payment ratio for each indicator	Final payment ratio
ROIC	40%	0% - 200%	Upper limit	12.8%	7.6%	79.0%	100.6%
			Base	8.5%			
			Lower limit	4.2%			
Normalized EPS	40%	0% - 200%	Upper limit	197 yen	164 yen	72.7%	
			Base	171 yen			
			Lower limit	145 yen			
Non-financial evaluation	20%	0% - 200%	Decided after evaluating each indicator in the categories of Environment, Health and Employees.		SS	200%	

(Note) When evaluating the degree of achievement of financial indicators, the impact of exchange fluctuations, etc. for each fiscal year is excluded from calculating items in the financial statements of overseas subsidiaries, etc.

### 3) Provisions resolved by a general meeting of shareholders

The remuneration limit and other matters Regarding Directors of the Board and Audit & Supervisory Board Members etc. for a fiscal year are as follows.

Position	Type of remuneration	Remuneration Limit and Maximum Number of Granted Shares	Date of resolution by a general meeting of shareholders	Number of persons on the date of resolution
Directors of the Board	Basic remuneration and bonus	Remuneration Limit: 1,520 million yen <sup>*1</sup> (including 210 million yen for Non-executive Directors)	March 30, 2022	12 (including 7 Non-executive Directors)
Directors of the Board (excluding Non-executive Directors)	Stock-based remuneration	Remuneration Limit: 1,450 million yen Maximum Number of Granted Shares: 1,000,000 shares <sup>*2</sup>		5 Directors of the Board <sup>*3</sup>
Audit & Supervisory Board Members	Basic remuneration	Remuneration Limit: 200 million yen		5 (including 3 Non-standing Audit & Supervisory Board Members)

\*1 Amounts to be expensed in connection with the payment of performance-linked and stock-price-linked remuneration (Phantom Stock Plan) to Directors of the Board (excluding Non-executive Directors) and Executive Officers, who are non-residents in Japan, are included.

\*2 Regarding the stock compensation plan for Directors of the Board (excluding Non-executive Directors) and Executive Officers, who are residents in Japan, the upper limit of the amount of money to be contributed by the Company and the number of shares of the Company to be delivered per business year.

\*3 The stock-based remuneration plan, which was resolved at the General Meeting of Shareholders, covers not only Directors of the Board but also Executive Officers, and the number of such Executive Officer as of the date of the resolution is nine.

**(6) Major activities of Non-executive Directors and Non-standing Audit & Supervisory Board Members during this fiscal year**

Title	Name	Attendance at Board Meetings	Statements contribution
Director of the Board	Masakatsu Mori	15 times of 15 meetings	At the Board Meeting, he managed the Board Meetings in an active and efficient manner as Chairperson. Additionally, he fulfilled the role expected as Non-executive Director, including overseeing business execution of the Company, through his activities such as making instructive statements at the Board Meeting, from an independent and objective standpoint, based on his wealth of experience and broad perspective in corporate management, finance and accounting.
	Hiroyuki Yanagi	15 times of 15 meetings	At the Board Meeting, he made instructive statements, from an independent and objective standpoint, based on his wealth of experience in corporate management and broad perspective in technology development and innovation, and, at the Nomination and Remuneration Advisory Committee Meeting, he was involved in and advised this Committee to ensure objective and transparent nomination and compensation procedures as a member of this Committee. Through these and other activities, he fulfilled the role expected as Non-executive Director, including overseeing business execution of the Company.
	Chieko Matsuda	15 times of 15 meetings	At the Board Meeting, she made instructive statements, from an independent and objective standpoint, based on her expertise in finance and corporate governance and broad perspective in corporate management, and, at the Nomination and Remuneration Advisory Committee Meeting, as Chairperson, she lead the management of this

			Committee and she was involved in and advised this Committee to ensure objective and transparent nomination and compensation procedures. Through these and other activities, she fulfilled the role expected as Non-executive Director, including overseeing business execution of the Company.
	Noriko Shiono	15 times of 15 meetings	At the Board Meeting, she made instructive statements, from an independent and objective standpoint, based on her wealth of experience in corporate management and broad perspective in the pharmaceutical and healthcare field, and, at the Nomination and Remuneration Advisory Committee Meeting, she was involved in and advised this Committee to ensure objective and transparent nomination and compensation procedures as a member of this Committee. Through these and other activities, she fulfilled the role expected as Non-executive Director, including overseeing business execution of the Company.
	Rod Eddington	12 times of 15 meetings	He fulfilled the role expected as Non-executive Director, including overseeing business execution of the Company, through his activities such as making instructive statements at the Board Meeting, from an independent and objective standpoint, based on his wealth of experience in global company management and broad perspective in corporate governance.
	George Olcott	14 times of 15 meetings	He fulfilled the role expected as Non-executive Director, including overseeing business execution of the Company, through his activities such as making instructive statements at the Board Meeting, from an independent and objective standpoint, based on his wealth of experience in international financial markets and broad perspective in global management and corporate governance.
	Shinya Katanozaka	11 times of 12 meetings	He fulfilled the role expected as Non-executive Director, including overseeing business execution of the Company, through his activities such as making instructive statements at the Board Meeting, from an independent and objective standpoint, based

			on his wealth of experience in corporate management and broad perspective in internationalization of business and promotion of diversity, establishment of new business, and branding and marketing.
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<b>Title</b>	<b>Name</b>	<b>Attendance at Board Meetings</b>	<b>Attendance at Audit &amp; Supervisory Board Meetings</b>	<b>Statements contribution</b>
Audit & Supervisory Board Member	Yoshiko Ando	14 times of 15 meetings	19 times of 19 meetings	She properly audited business execution of the Company through her activities such as making instructive statements at the Board Meeting and Audit & Supervisory Board Meeting, from an independent and objective standpoint, based on her highly specialized expertise, as well as wealth of experience and broad perspective in the fields of employment and labor.
	Kaoru Kashima	15 times of 15 meetings	19 times of 19 meetings	She properly audited business execution of the Company through her activities such as making instructive statements at the Board Meeting and Audit & Supervisory Board Meeting, from an independent and objective standpoint, based on her wealth of experience and broad perspective in audit operations and corporate management at an auditing firm.
	Kenichi Fujinawa	15 times of 15 meetings	19 times of 19 meetings	He properly audited business execution of the Company through his activities such as making instructive statements at the Board Meeting and Audit & Supervisory Board Meeting, from an independent and objective standpoint, based on his expertise, as well as wealth of experience and broad perspective in corporate legal affairs as an attorney.

(Note) As for the attendance at the Board Meetings of Director of the Board Mr. Shinya Katanozaka, the Board Meetings applicable to him are only those held on and after March 30, 2023, the date of his assumption of office.



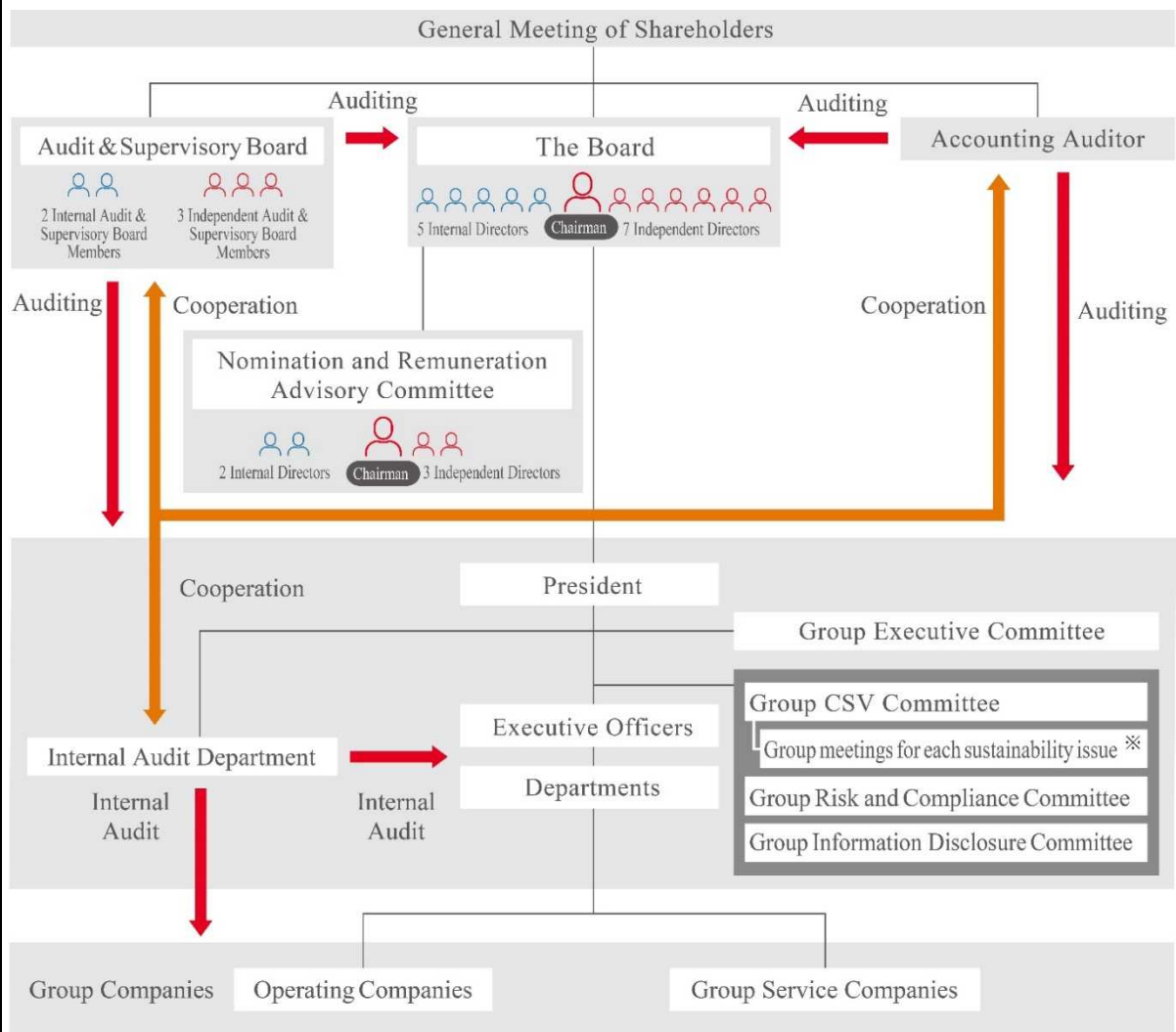
(Reference)

## Corporate Governance System

### (1) Basic Philosophy and Policy Concerning Corporate Governance

In line with the Kirin Group’s corporate philosophy and “One KIRIN” Values that are shared across the Kirin Group, the Kirin Group recognizes that achieving “2027 Vision” in Long-Term Management Vision “Kirin Group Vision 2027,” will lead to sustainable growth for the Group and improvement of its corporate value over the medium to long term, and also establishes a corporate governance system that is capable of effectively and efficiently achieving this goal.

The Kirin Group recognizes that collaboration with Group stakeholders is essential to realizing “2027 Vision” based on the Kirin Group’s corporate philosophy and management principles, and respecting each stakeholder’s position. The Kirin Group will promptly disclose information to shareholders and investors based on transparency, fairness and continuity, and will actively engage in constructive dialogue with shareholders and investors to fulfill its accountability in good faith.



※Group Environmental Meeting, Group Business and Human Rights Meeting, Group Health and Safety Meeting, etc

## (2) Composition of the Board

Taking into account the knowledge, experience, skills and insight etc. that are necessary for turning the 2027 Vision into a reality, the Board of the Company is composed of the appropriate number of members, ensuring overall balance and diversity. At the 184<sup>th</sup> Ordinary General Meeting of Shareholders, the Company continuously elected Non-executive directors including two female directors and two non-Japanese directors, and keeps its governance structure to maintain a majority of Non-executive (outside) directors (five internal directors and seven Non-executive (outside) directors). By doing this, the Company is striving to build a highly diverse and transparent governance system, as well as to ensure effective and objective management supervision. Currently, a Non-executive director serves as Chairman of the Board.

The Board of the Company has established the Nomination & Remuneration Advisory Committee composed of a majority of Non-executive directors as a voluntarily-established body. Currently the Committee is composed of two internal directors and three Non-executive directors, and a Non-executive director serves as Chairman.

## (3) Evaluation of the Effectiveness of the Board

The Company routinely evaluates the operation of the Board and the content of its discussions, among others, and strives to ensure the important decision-making function and the overseeing function.

During this fiscal year, the Company conducted a survey that included evaluation criteria based on the research of third-party advisors and had discussions at the Board meeting in light of the existing initiatives and improvements.

In this fiscal year, the evaluation was conducted based on the following eight evaluation criteria: (1) Composition and operation of the Board; (2) Development, execution and monitoring of strategies; (3) Supervision of risk management and crisis control; (4) Supervision of decision-making on business acquisition/withdrawal, etc.; (5) Supervision of remuneration for officers and succession plan, etc.; (6) Thorough understanding and implementation of healthy corporate ethics and supervision thereof; (7) Supervision of overall disclosures to stakeholders; and (8) Strengthening points to improve the effectiveness of the Board. The evaluation results indicated that the Board was functioning properly overall and that the effectiveness of the Board was ensured.

While recognizing the importance of efforts regarding ESG (Environment, Society and Governance), the Company will strive to maintain and improve the effectiveness of the Board toward enhancement of corporate value in the medium- to long-term and sustained growth through (1) discussions on “strengthening corporate governance;” (2) discussions on “integrated strategy and risks” to realize appropriate risk-taking, and (3) discussions on “digital ICT strategy” to accelerate value creation, in fiscal year 2024.

### **Election and Dismissal Process for President & CEO**

As part of its efforts to strengthen corporate governance, the Company adopts the process to have further involvement of the Board and the Nomination and Remuneration Advisory Committee in the election and dismissal of a President & CEO. Specifically, the Nomination and Remuneration Advisory Committee (three Non-executive Director members only) shall have strategic dialogue with the current President & CEO. Based on a quantitative evaluation of earnings, progress of management strategy, and a qualitative evaluation of potential and current qualifications necessary for the top management of the Company. In addition, the Nomination and Remuneration Advisory Committee reviews the training and selection process annually and considers successor candidates based on the selection criteria and external evaluations by third parties. The results of the evaluation of the President & CEO and the process for the training and selection of successor candidates are reported to the Board of Directors by the Nomination and Remuneration Advisory Committee to ensure objectivity and transparency in the appointment and

dismissal of the President & CEO.

For more details about the Company's corporate governance, please refer to the following "Corporate Governance Policy."

[https://www.kirinholdings.com/en/purpose/files/pdf/governance\\_policy.pdf](https://www.kirinholdings.com/en/purpose/files/pdf/governance_policy.pdf)

(Note) Amounts and ratios stated in this business report are rounded off to the nearest unit unless otherwise noted.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(At December 31, 2023)

(¥ millions)

<u>ASSETS</u>	
<b>Non-current assets</b>	
Property, plant and equipment	592,928
Goodwill	390,568
Intangible assets	303,540
Equity-accounted investees	370,720
Other financial assets	105,346
Other non-current assets	39,340
Deferred tax assets	109,322
<b>Total non-current assets</b>	<b>1,911,764</b>
<b>Current assets</b>	
Inventories	330,984
Trade and other receivables	444,940
Other financial assets	8,944
Other current assets	37,552
Cash and cash equivalents	131,399
(Sub-total)	953,818
Assets held for sale	4,004
<b>Total current assets</b>	<b>957,821</b>
<b>Total assets</b>	<b>2,869,585</b>

<u>EQUITY</u>	
Share capital	102,046
Share premium	21,150
Retained earnings	1,128,541
Treasury shares	(251,675)
Reserves	132,519
Equity attributable to owners of the Company	<u>1,132,581</u>
Non-controlling interests	293,257
<b>Total equity</b>	<b><u>1,425,838</u></b>

<u>LIABILITIES</u>	
<b>Non-current liabilities</b>	
Bonds and borrowings	555,725
Other financial liabilities	82,914
Defined benefit liability	55,228
Provisions	4,316
Liabilities from application of equity method	13,966
Other non-current liabilities	19,921
Deferred tax liabilities	38,871
<b>Total non-current liabilities</b>	<b><u>770,941</u></b>
<b>Current liabilities</b>	
Bonds and borrowings	100,673
Trade and other payables	306,670
Other financial liabilities	61,720
Current tax liabilities	9,687
Provisions	4,153
Other current liabilities	189,904
<b>Total current liabilities</b>	<b><u>672,806</u></b>
<b>Total liabilities</b>	<b><u>1,443,747</u></b>
<b>Total equity and liabilities</b>	<b><u>2,869,585</u></b>

\*Amounts are rounded to the nearest ¥1 million.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(From January 1, 2023 to December 31, 2023)

(¥ millions)

<b>Revenue</b>	<b>2,134,393</b>
<b>Cost of sales</b>	<b>1,170,927</b>
<b>Gross profit</b>	<b>963,466</b>
Selling, general and administrative expenses	761,971
Other operating income	28,835
Other operating expenses	80,036
<b>Operating profit</b>	<b>150,294</b>
Finance income	9,035
Finance costs	10,523
Share of profit of equity-accounted investees	32,773
Gain on sale of equity-accounted investees	15,470
<b>Profit before tax</b>	<b>197,049</b>
Income tax expense	46,611
<b>Profit</b>	<b>150,438</b>
<b>Profit attributable to:</b>	
Owners of the Company	112,697
Non-controlling interests	37,741
<b>Profit</b>	<b>150,438</b>

\*Amounts are rounded to the nearest ¥1 million.

## BALANCE SHEET

(At December 31, 2023)

	(¥ millions)
<u>ASSETS</u>	
<b>Current assets</b>	<b><u>358,840</u></b>
Cash and time deposits	20,213
Short-term loans receivable	310,959
Other	27,668
<b>Non-current assets</b>	<b><u>1,923,240</u></b>
<b>Property, plant and equipment</b>	<b><u>13,560</u></b>
Buildings	2,943
Structures	142
Machinery and equipment	1,457
Vehicles	0
Tools, furniture and fixtures	2,690
Land	1,642
Leased assets	2,779
Construction in progress	1,907
<b>Intangible assets</b>	<b><u>62,400</u></b>
Goodwill	8,596
Software	44,952
Leased assets	882
Software in progress	7,754
Other	217
<b>Investments and other assets</b>	<b><u>1,847,280</u></b>
Investment securities	1,366
Shares of subsidiaries and affiliates	1,824,929
Deferred tax assets	14,807
Other	11,564
Allowance for doubtful accounts	(5,388)
<b>Total assets</b>	<b><u>2,282,080</u></b>

LIABILITIES

<b>Current liabilities</b>	<b><u>561,822</u></b>
Short-term loans payable	508,506
Lease liabilities	1,444
Bonds due within one year	30,000
Non-trade accounts payable	13,913
Accrued expenses	2,244
Allowance for employees' bonuses	3,374
Allowance for bonuses for directors and corporate auditors	270
Other	2,070
<b>Non-current liabilities</b>	<b><u>756,018</u></b>
Bonds	268,000
Long-term debt	464,278
Lease liabilities	1,376
Reserve for retirement benefits	19,327
Other	3,036
<b>Total liabilities</b>	<b><u>1,317,839</u></b>

NET ASSETS

<b>Shareholders' equity</b>	<b><u>963,965</u></b>
<b>Common stock</b>	<b>102,046</b>
<b>Capital surplus</b>	<b><u>81,415</u></b>
Additional paid-in capital	81,412
Other capital surplus	3
<b>Retained earnings</b>	<b><u>1,031,005</u></b>
Legal reserve	25,511
Other retained earnings	1,005,494
General reserve	506,368
Retained earnings carried forward	499,126
<b>Treasury shares</b>	<b>(250,501)</b>
<b>Valuation and translation adjustments</b>	<b><u>275</u></b>
Net unrealized gains on securities	275
<b>Total net assets</b>	<b><u>964,241</u></b>
<b>Total liabilities and net assets</b>	<b><u>2,282,080</u></b>

\*Amounts are rounded to the nearest ¥1 million.



## **STATEMENT OF INCOME**

(From January 1, 2023 to December 31, 2023)

(¥ millions)

Operating revenue		
Group management revenue	58,088	
Dividend revenue from subsidiaries and affiliates	66,969	
Other	13,973	139,030
Operating expenses		
General and administrative expenses	67,408	
Other	7,193	74,601
<b>Operating income</b>		<b>64,429</b>
Non-operating income		
Interest and dividend income	4,454	
Foreign exchange gain	1,506	
Other	1,733	7,692
Non-operating expenses		
Interest expense	4,510	
Provision of allowance for doubtful accounts	3,914	
Other	1,458	9,881
<b>Ordinary income</b>		<b>62,239</b>
Special income		
Gain on sale of property, plant and equipment and intangible assets	1,112	
Gain on sale of shares of subsidiaries and affiliates	14,454	15,567
Special expenses		
Loss on sale and disposal of property, plant and equipment and intangible assets	432	
Other	199	631
<b>Income before income taxes</b>		<b>77,175</b>
Income taxes – current		4,961
Income taxes – deferred		1,828
<b>Net income</b>		<b>70,386</b>

\* Amounts are rounded to the nearest ¥1 million.

## **Independent Auditor's Report**

February 14, 2024

To the Board of Directors of  
Kirin Holdings Company, Limited

KPMG AZSA LLC  
Tokyo Office, Japan

Isao Kamizuka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masahiro Sasaki  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yoshihiro Fujioka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of Kirin Holdings Company, Limited (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), as at December 31, 2023 and for the year from January 1, 2023 to December 31, 2023 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the latter part of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other

information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the latter part of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the latter part of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the latter part of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

## Independent Auditor's Report

February 14, 2024

To the Board of Directors of  
Kirin Holdings Company, Limited

KPMG AZSA LLC  
Tokyo Office, Japan

Isao Kamizuka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masahiro Sasaki  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yoshihiro Fujioka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules (“the financial statements and others”) of Kirin Holdings Company, Limited (“the Company”) as at December 31, 2023 and for the year from January 1, 2023 to December 31, 2023 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and others referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and others were prepared, in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the financial statements and others in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and others that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and others, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements and Others**

Our objectives are to obtain reasonable assurance about whether the financial statements and others as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and others.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and others, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and others or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements and others are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and others, including the disclosures, and whether the financial statements and others represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **Notes to the Reader of Independent Auditor's Report:**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

## Audit & Supervisory Board Members' Report

We the Audit & Supervisory Board Members of the Company, based on the audit reports prepared by each Audit & Supervisory Board Member regarding the performance of duties by the Directors of the Board during the 185<sup>th</sup> business year from January 1, 2023 to December 31, 2023, prepared this audit report upon deliberation and hereby report as follows:

### 1. Audit Methods by Audit & Supervisory Board Members and the Audit & Supervisory Board and its Details

(1) The Audit & Supervisory Board established audit policy of this term, planning of audits, etc., and received reports from each Audit & Supervisory Board Member regarding the state of implementation of his or her audits and results thereof, as well as received reports from the Directors of the Board, etc., and the Accounting Auditor regarding performance of their duties, and sought explanations whenever necessity arose.

(2) Each Audit & Supervisory Board Member complied with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, in accordance with the audit policy of this term, planning of audits, etc., communicated with the Directors of the Board, the internal audit department, other employees, etc., and made efforts to collect information and improve audit environment, and conducted audits in the following methods:

- 1) We attended the Board Meetings and other important meetings, received reports from the Directors of the Board, employees, etc., regarding the state of performance of their duties, sought explanations whenever necessity arose, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and other main business offices of the Company. With respect to subsidiaries, we communicated and exchanged information with directors, audit & supervisory board members, etc., of the subsidiaries, and visited subsidiaries whenever necessity arose to make investigation into the state of activities and property thereof.
- 2) We monitored and verified the status of the construction and implementation by the Directors of the Board of the system for ensuring that the performance of duties by the Directors of the Board listed on the business report conforms to the laws, regulations and Articles of Incorporation, as well as the resolutions of the Board regarding the improvement of the system stipulated in Article 100, Paragraph (1) and Paragraph (3) of the Ordinance for Enforcement of the Japanese Companies Act and the status of the establishment and operation of the system (internal controls system) that is prepared based on the resolutions, which are necessary for ensuring an appropriateness of operations of a joint stock corporation and corporate group comprised of its subsidiaries.
- 3) We monitored and verified whether the Accounting Auditor maintained their independence and implemented appropriate audits, and we received reports from the Accounting Auditor regarding the state of performance of their duties and sought explanations whenever necessity arose. In addition, we received notice from the Accounting Auditor that “The systems for ensuring the proper performance of duties” (matters set forth in each item of Article 131 of the Rules of Corporate Financial Calculation) is organized in accordance with the “Standards for Quality Control of Audit” (Business Accounting Council) and other relevant standards, and sought explanations whenever necessity arose.

Based on the above methods, we examined the business report and supporting schedules, financial statements (balance sheet, statement of income, statement of changes in net assets, and related notes) and the supporting schedules related to the relevant business term, and the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, and related notes).



## 2. Results of Audit

### (1) Results of Audit of Business Report and Other Relevant Documents

- 1) In our opinion, the business report and the supporting schedules fairly presents the state of the Company in accordance with the laws, regulations and Articles of Incorporation.
- 2) In connection with the performance of duties by the Directors of the Board, no dishonest act or material fact of violation of laws, regulations, or the Articles of Incorporation exists.
- 3) In our opinion, the contents of the resolutions of the Board regarding the internal controls system, including internal controls related to financial reporting, are fair and reasonable. In addition, we have not found anything that would need to be pointed out in relation to the performance of duties by the Directors of the Board regarding the internal controls system.

### (2) Results of Audit of Financial Statements and Supporting Schedules

In our opinion, the methods and results of audit conducted by the Accounting Auditor, KPMG AZSA LLC are proper.

### (3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results of audit conducted by the Accounting Auditor, KPMG AZSA LLC are proper.

February 14, 2024

Audit & Supervisory Board  
Kirin Holdings Company, Limited

Toru Ishikura (Seal)  
Standing Audit & Supervisory Board Member

Shobu Nishitani (Seal)  
Standing Audit & Supervisory Board Member

Yoshiko Ando (Seal)  
Audit & Supervisory Board Member

Kaoru Kashima (Seal)  
Audit & Supervisory Board Member

Kenichi Fujinawa (Seal)  
Audit & Supervisory Board Member

- END -