

(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.

Stock Code 2503

March 4, 2022

To: Our Shareholders

Convocation Notice of the 183rd Ordinary General Meeting of Shareholders

Please be advised that the 183rd Ordinary General Meeting of Shareholders of Kirin Holdings Company, Limited will be held as set forth below.

Yours very truly,

Yoshinori Isozaki
President & Chief Executive Officer

Kirin Holdings Company, Limited
10-2, Nakano 4-chome,
Nakano-ku, Tokyo

In order to prevent the spread of COVID-19, shareholders are requested to exercise their voting rights in advance by returning the enclosed Voting Rights Exercise Form by post or via the Internet, and refrain from attending this Ordinary General Meeting of Shareholders in person. Upon exercising your voting rights, please review the accompanying “Reference Documents for the Ordinary General Meeting of Shareholders” and exercise your voting rights in one of the following ways by 5:30 p.m. (JST), March 29, 2022 (Tuesday):

Exercise of voting rights by post: [Translation omitted.]

Exercise of voting rights via the Internet: [Translation omitted.]

In order to prevent the spread of COVID-19, the number of seats available at this Ordinary General Meeting of Shareholders is limited by increasing the space between seats in the venue. Therefore, shareholders need to register in advance (lottery system) in order to attend this Ordinary General Meeting of Shareholders. Shareholders who wish to attend this Ordinary General Meeting of Shareholders are requested to apply via the enclosed postcard. Please note that only shareholders who have been selected via lottery draw will be permitted to enter. This Ordinary General Meeting of Shareholders will be distributed live via the internet. Wherever possible, we request shareholders to view the live stream instead of attending in person.

Please refer to pages 5 to 6 for details.

Details of the Meeting

1. Date and Time:

March 30, 2022, (Wednesday) at 10:00 a.m. (JST) (Reception opens at 9:00 a.m.)

2. Venue:

Ballroom, B2, The Prince Park Tower Tokyo
8-1, Shiba Koen 4-chome, Minato-ku, Tokyo

- As mentioned above, in order to prevent the spread of COVID-19, the number of seats available at this Ordinary General Meeting of Shareholders is limited by increasing the space between seats in the venue. Therefore, shareholders need to register in advance (lottery system) in order to attend this Ordinary General Meeting of Shareholders.
- This Ordinary General Meeting of Shareholders will be distributed live on the internet, so please watch it on the internet instead of attending.

3. Agenda:

Matters to be reported:

- 1) Business report, consolidated financial statements, and the results of the audit of the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board for the 183rd fiscal year (January 1, 2021 to December 31, 2021).
- 2) Financial statements for the 183rd fiscal year (January 1, 2021 to December 31, 2021).

Matters to be voted on

- | | |
|-----------------|---|
| Proposal No. 1: | Appropriation of surplus |
| Proposal No. 2: | Partial amendment to the Articles of Incorporation |
| Proposal No. 3: | Election of twelve (12) Directors of the Board |
| Proposal No. 4: | Election of two (2) Audit & Supervisory Board Members |
| Proposal No. 5: | Revision of the amount of remuneration for Directors of the Board |
| Proposal No. 6: | Revision to the amount and framework of remuneration, etc. to Eligible Directors and Officers in line with the revision to the trust-type stock compensation plan |
| Proposal No. 7: | Revision of the amount of remuneration for Audit & Supervisory Board Members |

4. Exercise of Voting Rights

In the event that any shareholder votes via both postal mail and the internet (double-vote), only the internet vote will be deemed valid.

If any shareholder submits multiple votes via the internet in respect of any single voting matter, only the last vote will be deemed valid.

- END -

Regarding Disclosure on the Internet

In accordance with relevant laws and regulations, as well as Article 15 of the Company's Articles of Incorporation, the following items are posted on the Company's website and therefore are not attached to the Convocation Notice of the Ordinary General Meeting of Shareholders.

- (1) Accounting Auditor and Systems to Ensure Appropriate Operation and the Status of its Implementation
- (2) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
- (3) Statement of Changes in Net Assets and Notes to Financial Statements

Investor Relations	https://www.kirinholdings.com/en/investors/
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The business report, which has been audited by Audit & Supervisory Board Members, and the consolidated financial statements and financial statements, which have been audited by both the Audit & Supervisory Board Members and the Accounting Auditor, comprise of not only the documents referred to in the documents attached to the Convocation Notice of the Ordinary General Meeting of Shareholders, but also the items listed at (1), (2) and (3) above which are posted on the Company's internet website.

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- If any changes are required in the Reference Documents for the Ordinary General Meeting of Shareholders, business report, consolidated financial statements and financial statements, the changes will be posted on the Company's internet website (Investor Relations) located at (<https://www.kirinholdings.com/en/investors/>).
 - Please note that the Company will not hand out souvenirs and samples of our products at the Ordinary General Meeting of Shareholders. We appreciate your understanding.

Notice Regarding Exercise of Voting Rights

[Translation omitted.]

Notice Regarding Live Streaming via the Internet

The Company's General Meeting of Shareholders will be streamed live on the Internet and can be accessed as follows.

1. Date of live streaming

March 30, 2022 (Wed), from 10 a.m. to the end of the General Meeting of Shareholders

*The live viewing page will be accessible from 9:30 a.m., 30 minutes before the start time.

2. To view live stream

- (1) Please access the Ordinary General Meeting of Shareholders' online website "Engagement Portal" (the "Website") by entering the following URL on your computer, smartphone, or other device, or by scanning the QR code below.

URL

<https://engagement-portal.tr.mufg.jp/>



(QR code)

- (2) Please enter the following ID and password on the Website, read the terms of use, check "利用規約に同意する" and click the "ログイン" button.

- 1) ID: Login ID (15 one-byte alphanumeric characters) listed on the right side of Voting Rights Exercise Form

- 2) Password: Temporary password (6 one-byte numbers) on the right side of the Voting Rights Exercise Form

*Please make sure to keep your ID and password with you before mailing the Voting Rights Exercise Form.

*Passwords changed on the "Voting Rights Exercise Website"

① ID

ログインID
1111-2222-3333-444

② Password

仮パスワード
123456

- (3) Please click the "当日ライブ視聴" button on Website, check the terms of use, select the "利用規約に同意する" check box, and then click the "View" button.

3. Method for testing viewing environment

After logging in to Website, by the method described in "2. To view live stream", the viewing environment can be tested in advance by clicking the "視聴環境テストサイト" button.

4. Notes on live stream

- (1) Please note that the Company may not be able to provide live stream due to unavoidable events. In such case, the Company will make an announcement on "Investors" section of its website (<https://www.kirinholdings.com/jp/investors/>).
- (2) Please note that viewing the live stream is not recognized as "participation" in the

General Meeting of Shareholders under the Companies Act. Accordingly, shareholders will not be able to exercise their voting rights, pose questions, or make comments via the live stream.


- (3) The live stream is available only to shareholders.
- (4) Actions such as photographing, making a video recording, making a sound recording, storing, and sharing on social media of live stream are strictly prohibited.
- (5) Please note that problems with video and sound, interruption of live streaming, and other problems may occur depending on the internet environment and other factors.
- (6) Shareholders may be unable to watch the live stream depending on their device and network environment.
- (7) Any incidental fees resulting from accessing the Website and/or live stream, such as Internet connection fees and communication charges, shall be borne by shareholders.

5. Guidance for shareholders who are attending the meeting

While photographing/filming at the venue of the General Meeting of Shareholders for live stream purposes, the Company will make reasonable efforts to limit the on-screen images to the Company's executives in consideration of shareholders' privacy. However, filming or photography of shareholders in attendance may be unavoidable. Your understanding is much appreciated.

[Inquiries regarding Website]

Mitsubishi UFJ Trust and Banking Corporation
Securities Agency Division

 0120-676-808 (toll free)

**Contact
hours**

From 9:00 AM to 5:00 PM (except weekends and holidays)
(March 30, 2022 (Wed), From 9 a.m. to the end of the
General Meeting of Shareholders)

**Notice Regarding Pre-registration System (by Lottery) for Attending the Meeting
Reference Documents for the Ordinary General Meeting of Shareholders**

[Translation omitted.]

Proposal No. 1: Appropriation of surplus

The Board proposes the payment of a year-end dividend of ¥32.50 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 ¥32.50 per share, the annual dividend for this fiscal year will amount to ¥65.0 per share.

1. Matters regarding year-end dividend:

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

¥32.50 per share of the Company's common stock

Total amount: ¥27,104,055,875

- (2) Effective date of payment of dividend:

March 31, 2022

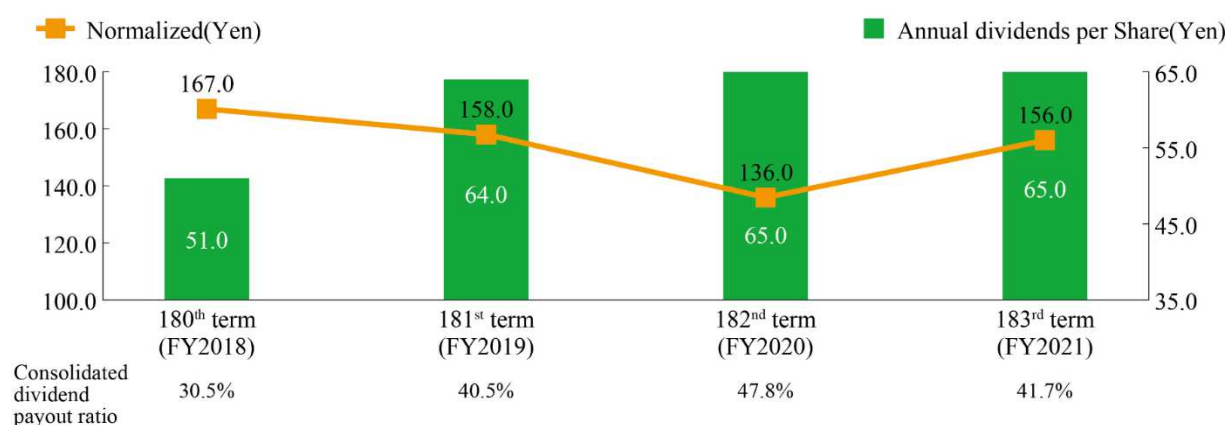
The Company's Dividend Policy

We consider a return of profits to shareholders to be one of the most important management issues, based on 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* ¹ on 40% or more of normalized EPS* ²," 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.

* ¹ Consolidated dividend payout ratio calculated in accordance with International Financial Reporting Standards (IFRS).

* ² 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:

- (1) As part of Kirin's Long-Term Management Vision "Kirin Group Vision 2027," the Company is launching and developing businesses in the health science field. To encourage continued expansion and growth of these businesses, the Company intends to modify Article 2 (Purposes of the Company) of the Articles of Incorporation in order to update and clarify that the Articles of Incorporation remain consistent with the Company's current businesses.
- (2) In order to begin implementing a system that enables electronic provision of relevant reference documents for general meetings of shareholders, Article 15 of the Articles of Incorporation shall require amending as outlined below. Incidental changes will also need to be made to supplementary provisions to accommodate timing, among other things. This amendment is proposed in anticipation of the proviso to Article 1 of the Supplementary Provisions of the "Act for Partial Revision of the Companies Act" (Act No. 70 of 2019) which is scheduled to become effective from September 1, 2022.
 - (a) Article 15 (1) of the proposed amendment stipulates that information contained within the reference documents and other documents for general meetings of shareholders shall be provided by electronic means.
 - (b) Article 15 (2) of the proposed amendment establishes the scope of documents to be delivered to shareholders who have requested hardcopies of documents.
 - (c) The provision on internet disclosure and deemed provision of reference documents and other documents for the general meeting of shareholders (Article 15 of the current Articles of Incorporation) will become unnecessary and shall be deleted.
- (3) Articles 28 and 38 of the Articles of Incorporation shall be partially amended to enable the Company to conclude contracts for limitation of liability with Directors (excluding Executive Directors, etc.) and Corporate Auditors. By doing this, the Company can prepare an environment in which appropriately talented people can be widely invited as Directors and Corporate Auditors and Directors and Corporate Auditors can fully fulfill their expected roles. The Company has already obtained the consent of the Corporate Auditors to amend Article 28 of the Articles of Incorporation.

2. Contents of the amendment

The details of this amendment are set out below:

(Underlined parts are changes.)

Current Articles of Incorporation	Proposed Amendment
(Purposes) Article 2: The purposes of the Company shall be to own shares or interests in companies (including foreign companies), associations (<i>kumiai</i>) (including foreign associations similar to <i>kumiai</i>), and other similar business entities that engage in the following businesses and to control and manage business activities of such companies and entities.	(Purposes) Article 2 (Unchanged)

<p>(1) – (5) (Omitted)</p> <p>(Newly established)</p> <p>(6) – (15) (Omitted)</p> <p><u>(Internet disclosure and deemed provision of reference documents and other information for the general meeting of shareholders)</u></p> <p><u>Article 15: As for the convocation notice of the general meeting of shareholders, the Company is considered to have provided the information to be stated or indicated in the reference documents for the general meeting of shareholders, business reports, financial statements and consolidated financial statements to the shareholders by disclosing such information via the internet in accordance with the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>(1) – (5) (Unchanged)</p> <p><u>(6) Manufacture and sale of products and provision of services related to health</u></p> <p><u>(7) – (16) (Unchanged)</u></p> <p>(Deleted)</p> <p><u>(Measure for provision of information electronically)</u></p> <p><u>Article 15: The Company shall electronically provide information contained in reference documents and other documents for the general meeting of shareholders in convening the general meeting of shareholders.</u></p> <p><u>Among information to be provided electronically, the Company reserves the right to exclude, in whole or in part, any or all of the information set forth by the Ordinance of the Ministry of Justice in the documents to be delivered to shareholders who have requested delivery of hardcopies of documents by the record date for voting rights.</u></p>
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(Exemption of Directors from liabilities)

Article 28: The Company may, by resolution of the Board of Directors, exempt any Director (including former Directors) from liabilities to the extent provided in laws and regulations.

(Newly established)

(Exemption of Corporate Auditor from liabilities)

Article 38. The Company may, by resolution of the Board of Directors, exempt any Corporate Auditor (including former Corporate Auditors) from liability to the extent provided in laws and regulations.

(Newly established)

(Exemption of Directors from liabilities)

Article 28: The Company may, by resolution of the Board of Directors pursuant to the provisions of Article 426(1) of the Companies Act, exempt any Director (including former Directors) from liabilities to the extent provided in laws and regulations.

The Company may, pursuant to the provisions of Article 427(1) of the Companies Act, enter into agreements with Directors (excluding Executive Directors, etc.) to limit their liability for damages arising from negligence in the performance of their duties. Provided, however, that any limitation of liabilities under such agreements shall be consistent with all relevant laws and regulations.

(Exemption of Corporate Auditor from liabilities)

Article 38: The Company may, by resolution of the Board of Directors pursuant to the provisions of Article 426(1) of the Companies Act, exempt any Corporate Auditor (including former Corporate Auditors) from liability to the extent provided in laws and regulations.

The Company may, pursuant to the provisions of Article 427(1) of the Companies Act, enter into agreements with Corporate Auditors to limit their liabilities for damages arising from negligence in the performance of their duties. Provided, however, that any limitation of liabilities under such agreements shall be consistent with all relevant laws and regulations.

(Newly established)	<p><u>Supplementary Provisions</u></p> <p><u>The replacement of Article 15 (Internet disclosure and deemed provision of reference documents and other information for the general meeting of shareholders) from the Articles of Incorporation prior to amendment, with Article 15 (Measure for provision of information electronically) of the Article of Incorporation after amendment shall become effective on September 1, 2022, being the effective date of the proviso to Article 1 of the Supplementary Provisions of the Act for Partial Revision of the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the Effective Date).</u></p> <p><u>Notwithstanding the provisions of the preceding paragraph, Article 15 (Internet disclosure and deemed provision of reference documents and other information for the general meeting of shareholders) of the Articles of Incorporation prior to amendment shall remain in force with respect to general meetings of shareholders held within six (6) months from the Effective Date.</u></p> <p><u>These Supplementary Provisions shall be deleted after six months have elapsed from the Effective Date or after three (3) months have elapsed from the day of the general meeting of shareholders set forth in the preceding paragraph, whichever comes later.</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 Director 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 (68)	President & Chief Executive Officer	100% (15 times of 15 meetings)	7 years
2	Candidate for Reelection	Keisuke Nishimura (65)	Representative Director, Senior Executive Vice President Business Alliance and Investment Strategy; Overseas Business; Global Craft Beer Strategy	100% (15 times of 15 meetings)	10 years
3	Candidate for Reelection	Toshiya Miyoshi (63)	Director of the Board, Senior Executive Officer Personnel & General Affairs Strategy	100% (15 times of 15 meetings)	7 years
4	Candidate for Reelection	Noriya Yokota (61)	Director of the Board, Senior Executive Officer Financial Strategy; IR; IT Strategy; Business Process Reengineering	100% (15 times of 15 meetings)	4 years
5	New Candidate	Takeshi Minakata (60)	—	—	—
6	Candidate for Reelection	Masakatsu Mori (75)	Non-executive Director Chairman of the Board	100% (15 times of 15 meetings)	3 years
	Candidate for Non-executive Director				
	Candidate for Independent Officer				
7	Candidate for Reelection	Hiroyuki Yanagi (67)	Non-executive Director Member of the Nomination and Remuneration Advisory Committee	100% (15 times of 15 meetings)	3 years
	Candidate for Non-executive Director				
	Candidate for Independent Officer				
8	Candidate for Reelection	Chieko Matsuda (57)	Non-executive Director Chairperson of the Nomination and Remuneration Advisory Committee	93% (14 times of 15 Meetings)	2 years
	Candidate for Non-executive Director				
	Candidate for Independent Officer				
9	Candidate for Reelection	Noriko Shiono (61)	Non-executive Director Member of the Nomination and Remuneration Advisory Committee	100% (15 times of 15 meetings)	2 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	Rod Eddington (72)	Non-executive Director	100% (15 times of 15 meetings)	2 years
	Candidate for Non-executive Director				
	Candidate for Independent Officer				
11	Candidate for Reelection	George Olcott (66)	Non-executive Director	93% (14 times of 15 meetings)	2 years
	Candidate for Non-executive Director				
	Candidate for Independent Officer				
12	Candidate for Reelection	Kaoru Kato (70)	Non-executive Director	100% (11 times of 11 meetings)	1 year
	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 Mr. Kaoru Kato, the Board Meetings applicable to him are only those held on and after March 30, 2021, the date of his assumption of office.
3. 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).

(Reference)**Expertise and Experience of Candidates of Director of the Board (Skill Matrix)**

The expertise and experience of candidates of Director of the Board are as follows.

No.	Name	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	ICT DX
1	Yoshinori Isozaki	•	•	•		•		•	•		
2	Keisuke Nishimura	•			•				•		
3	Toshiya Miyoshi	•	•		•	•		•			
4	Noriya Yokota		•	•	•		•		•		•
5	Takeshi Minakata	•		•			•		•	•	
6	Masakatsu Mori	•		•					•		•
7	Hiroyuki Yanagi	•					•	•	•		
8	Chieko Matsuda		•	•		•					
9	Noriko Shiono	•						•	•	•	
10	Rod Eddington	•							•		
11	George Olcott		•	•	•				•		
12	Kaoru Kato	•									•

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.

Position	Name	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	ICT DX
Senior Executive Officer	Ryosuke Mizouchi		•	•				•	•		
Senior Executive Officer	Junko Tsuboi	•	•		•			•			
Senior Executive Officer	Masao Maehara						•		•		

Senior Executive Officer	Shinjiro Akieda	•		•		•		•	•		•
Senior Executive Officer	Koji Fukada						•		•	•	
Senior Executive Officer	Mitsuharu Yamagata							•	•		
Senior Executive Officer	Hideki Horiguchi	•						•	•		
Senior Executive Officer	Toru Yoshimura	•		•			•		•	•	•
Senior Executive Officer	Yuki Kanzaki	•					•			•	

No. 1 **Yoshinori Isozaki**



Candidate for Reelection

Date of birth	August 9, 1953
Number of the Company's shares held	84,862 shares
Rate and number of attendance at Board Meetings	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. Since fiscal year 2020, he has demonstrated strong leadership in responding to changes in the business environment caused by COVID-19, political upheaval in Myanmar and others, and led the Group's business recovery. 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:

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

No. 2 Keisuke Nishimura



Candidate for Reelection

Date of birth	December 7, 1956
Number of the Company's shares held	71,418 shares
Rate and number of attendance at Board Meetings	100% (15 times of 15 meetings)

Profile, title and responsibilities

April 1980	Joined the Company
March 2007	Chairman and CEO of Kirin (China) Investment Co., Ltd
March 2009	Director of San Miguel Corporation
April 2009	Director and Executive Vice President of San Miguel Brewery Inc.
October 2011	Director of San Miguel Brewery Inc. (Present Position)
	Executive Officer and General Manager of Strategy Planning Dept. of the Company
March 2012	Director of the Board of the Company
	Director of China Resources Kirin Beverages (Greater China) Company, Limited (Present Position)
March 2014	Managing Director of the Company
	Director and Chairman of the Coca-Cola Bottling Company of Northern New England, Inc.
March 2015	Representative Director of the Board, Senior Executive Officer of the Company
August 2015	Director & Vice Chairman of Myanmar Brewery Limited
April 2016	Director of Myanmar Brewery Limited
March 2017	Representative Director, Senior Executive Vice President of the Company (Present Position)
	Senior Executive Officer of Kirin Company, Limited
	Director & Vice Chairman of Myanmar Brewery Limited (Present Position)
December 2018	Director of the Coca-Cola Bottling Company of Northern New England, Inc. (currently Coca-Cola Beverages Northeast, Inc.)
March 2019	Director of Lion Pty Ltd. (Present Position)
Responsible for	Business Alliance and Investment Strategy; Overseas Business; Global Craft Beer Strategy

Significant positions concurrently held at other companies and organizations

Director, Lion Pty Ltd.
 Director, San Miguel Brewery Inc.
 Director, China Resources Kirin Beverages (Greater China) Company, Limited
 Director & Vice Chairman, Myanmar Brewery Limited

Reasons for nomination as a candidate for Director of the Board

Mr. Keisuke Nishimura has worked in the areas of human resources management, corporate planning, and overseas business, 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 Director of the Board of the Company in 2012, he has primarily been in charge of business alliance and investment strategy and overseas business, and has made a great contribution toward the structural reform of the Group, including promotion of global

craft beer business strategy and withdrawal from the low-profit overseas businesses. 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:

No conflict of interests exists between the Company and Mr. Keisuke Nishimura.

No. 3 Toshiya Miyoshi



Candidate for Reelection

Date of birth	December 30, 1958
Number of the Company's shares held	28,918 shares
Rate and number of attendance at Board Meetings	100% (15 times of 15 meetings)

Profile, title and responsibilities

April 1982	Joined the Company
March 2008	Representative Director and President & CEO of Yokohama Akarenga Inc.
March 2010	General Manager of Personnel & General Affairs Dept. of the Company
March 2012	Executive Officer and General Manager of Personnel & General Affairs Dept. of the Company
January 2013	Executive Officer and Director of Group Personnel & General Affairs of the Company
	Executive Officer and General Manager of Personnel Dept. of Kirin Company, Limited
March 2014	Senior Executive Officer and Director of Group Personnel & General Affairs of the Company
	Senior Executive Officer and General Manager of Personnel Dept. of Kirin Company, Limited
March 2015	Director of the Board, Senior Executive Officer of the Company (Present Position)
	Senior Executive Officer of Kirin Company, Limited
	Director of San Miguel Brewery Inc. (Present Position)
March 2019	Director of Kirin Brewery Company, Limited
March 2021	Director of Kirin Beverage Company, Limited (Present Position)

Responsible for	Human Resources & General Affairs Strategy
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Significant positions concurrently held at other companies and organizations

Director, Kirin Beverage Company, Limited
 Director, San Miguel Brewery Inc.

Reasons for nomination as a candidate for Director of the Board

Mr. Toshiya Miyoshi has worked in the areas of human resources management, corporate planning, and diversification of business, among others, since he joined the Company and has considerable business experience and deep insight in human resources management, risk management, etc. Since taking office as Director of the Board of the Company in 2015, he has been in charge of human resources & general affairs strategy, as well as marketing strategy, and branding strategy, among others, and has made a great contribution towards the structural reform and management reform of the Group, including strengthening corporate governance. 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:

No conflict of interests exists between the Company and Mr. Toshiya Miyoshi.

No. 4 Noriya Yokota



Candidate for Reelection

Date of birth	February 3, 1961
Number of the Company's shares held	16,156 shares
Rate and number of attendance at Board Meetings	100% (15 times of 15 meetings)

Profile, title and responsibilities	
April 1984	Joined the Company
March 2011	General Manager of Sendai Plant of Production Div. of Kirin Brewery Company, Limited
March 2014	Executive Officer and General Manager of Production Dept. of Production Div. of Kirin Brewery Company, Limited
April 2015	Director of Group Personnel & General Affairs of the Company Executive Officer and General Manager of Personnel & General Affairs Dept. of Kirin Company, Limited
March 2017	Senior Executive Officer and Director of Corporate Strategy of the Company Director of the Board, Senior Executive Officer of Kirin Company, Limited
March 2018	Director of Kyowa Hakko Kirin Company, Limited (currently Kyowa Kirin Company, Limited) (Present Position) Director of the Board, Senior Executive Officer of the Company (Present Position) Senior Executive Officer of Kirin Company, Limited Director of Kirin Business System Company, Limited (Present Position)
Responsible for	Financial Strategy; IR; IT Strategy; Business Process Reengineering

Significant positions concurrently held at other companies and organizations

Director, Kyowa Kirin Company, Limited
Director, Kirin Business System Company, Limited

Reasons for nomination as a candidate for Director of the Board

Mr. Noriya Yokota has worked in the areas of production, personnel affairs, and overseas business, 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 Director of the Board of the Company in 2018, he has been in charge of financial strategy, IR, IT strategy, and business process reengineering, and has made a great contribution in structural reform and management reform of the Group by promoting appropriate capital management policy and executing disciplined investments. 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. Noriya Yokota.
2. Mr. Noriya Yokota is to resign from the position of Director of Kyowa Kirin Co., Ltd. upon the close of Kyowa Kirin Co., Ltd.'s 99th Ordinary General Meeting of Shareholders to be held in March 2022, due to the expiration of his term of office.

No. 5 Takeshi Minakata



New Candidate

Date of birth	December 31, 1961
Number of the Company's shares held	7,135 shares

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
	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
	Senior Executive Officer and General Manager of Corporate Planning Dept. of Kirin Company, Limited
March 2016	Senior Executive Officer of the Company (resigned in March 2018)
April 2016	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 (Present Position)

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, 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 Senior Executive Office of the Company in 2015, he served as Director of Group Strategy Planning and President of the Company's subsidiaries in Japan and overseas and has made a great contribution in structural reform and management reform of the Group by building the foundations for growth in the Overseas Business and Health Science 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.

Notes:

1. No conflict of interests exists between the Company and Mr. Takeshi Minakata.
2. Mr. Takeshi Minakata is to assume the position of Director of Kyowa Kirin Co., Ltd. upon the approval of Kyowa Kirin Co., Ltd.'s 99th Ordinary General Meeting of Shareholders to be held in March 2022.

No. 6 Masakatsu Mori



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

Date of birth	January 22, 1947
Number of the Company's shares held	18,700 shares
Rate and number of attendance at Board Meetings	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
June 2013	Outside Director of YAMATO HOLDINGS CO., LTD. (Present Position)
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)
Responsible for	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.
Outside Director, YAMATO HOLDINGS 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.

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 3 years as a Non-executive Director since his election.
5. Mr. Masakatsu Mori is an independent officer as prescribed in the regulations of the Tokyo Stock Exchange, Inc., etc., and he is expected to remain as an independent officer if he is re-elected and appointed as a Director of the Board.

No. 7 **Hiroyuki Yanagi**



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

Date of birth	November 20, 1954
Number of the Company's shares held	2,900 shares
Rate and number of attendance at Board Meetings	100% (15 times of 15 meetings)

Profile, title and responsibilities

April 1978	Joined Yamaha Motor Co., Ltd.
March 2007	Executive Officer of Yamaha Motor Co., Ltd.
March 2009	Senior Executive Officer of 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. (Present Position)
Responsible for	Member of the Nomination & Remuneration Advisory Committee

Significant positions concurrently held at other companies and organizations

Director, Yamaha Motor Co., Ltd.
 Outside Director, AGC Inc.
 Outside Director, Japan Airlines Co., Ltd.

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 served 3 years as a Non-executive Director since his election.
4. Mr. Hiroyuki Yanagi is an independent officer as prescribed in the regulations of the Tokyo

Stock Exchange, Inc., etc., and he is expected to remain as an independent officer if he is re-elected and appointed as a Director of the Board.

5. Mr. Hiroyuki Yanagi is to resign from the position of Director of Yamaha Motor Co., Ltd. and to assume the position of Adviser upon the close of Yamaha Motor Co., Ltd.'s 87th Ordinary General Meeting of Shareholders to be held in March 2022.

No. 8 **Chieko Matsuda**



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

Date of birth	November 18, 1964
Number of the Company's shares held	1,600 shares
Rate and number of attendance at Board Meetings	93% (14 times of 15 meetings)

Profile, title and responsibilities

April 1987	Joined The Long-Term Credit Bank of Japan, Limited
October 1998	Joined Moody's Japan K.K.
September 2001	Joined Corporate Directions, Inc.
May 2006	Representative Director of Matrix, Inc.
October 2006	Vice President (Partner) of Booz and Company, Inc.
April 2011	Professor of School of Business Administration, Faculty of Urban Liberal Arts (Currently Faculty of Economics and Business Administration) at Tokyo Metropolitan University (Present Position)
	Professor of Department of Business Administration, Graduate School of Social Sciences (Currently Graduate School of Management) at Tokyo Metropolitan University (Present Position)
March 2016	Audit & Supervisory Board Member of the Company
March, 2020	Non-executive Director of the Company (Present Position)
June 2020	Outside Director of IHI Corporation (Present Position)
Responsible for	Chairperson of the Nomination & Remuneration Advisory Committee

Significant positions concurrently held at other companies and organizations

Professor, Faculty of Economics and Business Administration, Tokyo Metropolitan University
Professor, Graduate School of Management, Tokyo Metropolitan University
Outside Director, IHI Corporation

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

Ms. Chieko Matsuda has considerable experience and a wide range of knowledge acquired through financial and capital market operations and management consulting services, including reputable banking and credit rating agencies, especially exceptional insight in corporate management based on her specialized expertise in finance and corporate governance. Based on her experience and insight, she specializes in corporate and financial strategies and has an impressive background in academic research on corporate management and capital markets. 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. 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. Chieko Matsuda.
2. Ms. Chieko Matsuda is a candidate for the position of Non-executive Director.
3. Ms. Chieko Matsuda was formerly an Audit & Supervisory Board Member of the Company for 4 years from March 2016 until March 2020.
4. As of the close of this Ordinary General Meeting of Shareholders, Ms. Chieko Matsuda has served 2 years as a Non-executive Director since her election.
5. Ms. Chieko Matsuda is an independent officer as prescribed in the regulations of the Tokyo Stock Exchange, Inc., etc., and she is expected to remain as an independent officer if she is re-elected and appointed as a Director of the Board.

No. 9 **Noriko Shiono**



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

Date of birth	October 18, 1960
Number of the Company's shares held	6,389 shares
Rate and number of attendance at Board Meetings	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 (Present Position)
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
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Significant positions concurrently held at other companies and organizations

President, Widex Japan

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 launch and develop new 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 2 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. Ms. Noriko Shiono is an independent officer as prescribed in the regulations of the Tokyo Stock Exchange, Inc., etc., and she is expected to remain as an independent officer if she is re-elected and appointed as a Director of the Board. She served as Strategic Advisor to the Board of Directors of the Company for 1 year from March 2019 to March 2020 and she had previously served as a Non-executive Director of Kirin Company, Limited. 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. 10 **Rod Eddington**



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

Date of birth	January 2, 1950
Number of the Company's shares held	0 shares
Rate and number of attendance at Board Meetings	100% (15 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
January 1997	Outside Director of John Swire & Sons (Australia) Pty Ltd. (Present Position)
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, John Swire & Sons (Australia) 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 served as Chairman of the Australia Japan Business Co-operation Committee and as a member of the APEC Business Advisory Council, 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 2 years as a Non-executive Director since his election.
4. Sir Rod Eddington is an independent officer as prescribed in the regulations of the Tokyo

Stock Exchange, Inc., etc., and he is expected to remain as an independent officer if he is re-elected and appointed as a Director of the Board.

5. Sir. Rod Eddington's name will be referred to as "Roderick Eddington" in the commercial registration.
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No. 11 **George Olcott**



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

Date of birth	May 7, 1955
Number of the Company's shares held	1,400 shares
Rate and number of attendance at Board Meetings	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
June 2014	Outside Director of DENSO CORPORATION (Present Position)
October 2016	Outside Director of Dai-ichi Life Holdings, Inc. (Present Position)
March 2020	Non-executive Director of the Company (Present Position)

Significant positions concurrently held at other companies and organizations

Outside Director of DENSO CORPORATION
Outside Director of Dai-ichi Life Holdings, Inc.

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, including in investment banking operations. He 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 and relevant experience as a director of several leading listed companies in Japan. 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.

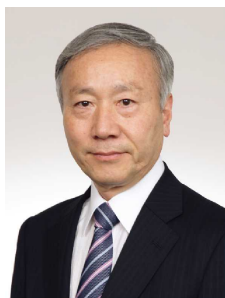
Notes:

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 2 years as a Non-executive Director since his election.
4. In December 2019, DENSO CORPORATION, where Mr. George Olcott holds the position of Outside Director, 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 CORPORATION as a result of its inappropriate behavior regarding the use of personal information of job applicants, including students. Mr. George Olcott had no knowledge of any impropriety, though he had regularly cautioned the Board of the potential legal and compliance risks broadly associated with the use of personal information, among other things, prior to any infringements. Following this incident, he has been carrying out his duties in a competent and compliant manner, and is making efforts to build measures to prevent any future recurrences.

5. Mr. George Olcott is an independent officer as prescribed in the regulations of the Tokyo Stock Exchange, Inc., etc., and he is expected to remain as an independent officer if he is re-elected and appointed as a Director of the Board.

No. 12 **Kaoru Kato**



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

Date of birth	May 20, 1951
Number of the Company's shares held	100 shares
Rate and number of attendance at Board Meetings	100% (11 times of 11 meetings)

Profile, title and responsibilities

April 1977	Joined Nippon Telegraph and Telephone Public Corporation
June 2012	Representative Director and President & CEO of NTT DOCOMO, INC.
June 2016	Corporate Advisor, Member of the Board of Directors of NTT DOCOMO, INC.
June 2018	Corporate Advisor of NTT DOCOMO, INC. (Present Position)
June 2019	Member of the Board of Directors (Outside Director) of MUFG (Present Position)
March 2021	Non-executive Director of the Company (Present Position)

Significant positions concurrently held at other companies and organizations

Corporate Advisor of NTT DOCOMO, INC.
Member of the Board of Directors (Outside Director) of MUFG

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

Mr. Kaoru Kato has considerable experience and wide range of knowledge acquired over many years, as a corporate executive. He has exceptional insight in corporate management based on his specialized expertise in Communication and Digital strategy as a Representative Director and President & CEO of NTT DOCOMO, INC. He is also well versed in the start-up and development of new businesses through his experience since the dawn of the domestic mobile phone industry. 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, particularly on the appropriateness and adequacy of the DX Strategy and new businesses. 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. Kaoru Kato.
2. Mr. Kaoru Kato is a candidate for the position of Non-executive Director.
3. As of the close of this Ordinary General Meeting of Shareholders, Mr. Kaoru Kato has served 1 year as a Non-executive Director since his election.
4. Mr. Kaoru Kato is an independent officer as prescribed in the regulations of the Tokyo Stock Exchange, Inc., etc. and he is expected to remain as an independent officer if he is re-elected and appointed as a Director of the Board. Although the subsidiary of the Company has regular transactions related to telecommunications equipment with NTT DOCOMO, INC., for which he served as Director until June 2018, the amount paid to NTT DOCOMO, INC. in this fiscal year under review was less than 0.01% of its consolidated operating revenues. Accordingly,

the Company believes that he has sufficient independence that there is no risk of conflicts of interest with general shareholders.

Directors and Officers liability insurance contracts

- The Company has entered into a Directors and Officers liability insurance contract with an insurance company as provided in Article 430-3(1) 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 and others of the Company and its subsidiaries. The outline of the contents of the D&O Insurance are described on page 82 of this convocation notice.
- If each candidate is elected and assumes office as Director of the Board, any of the Directors of the Board will be insured by D&O insurance.
- The term of the D&O insurance is 1 year and is scheduled to be renewed by resolution of the Board prior to the expiration of the term.

Matters regarding Contracts for Limitation of Liability

- If Mr. Masakatsu Mori, Mr. Hiroyuki Yanagi, Ms Chieko Matsuda, Ms Noriko Shiono, Mr. Rod Eddington, Mr. George Olcott and Mr. Kaoru Kato are re-elected and appointed as a Director of the Board, the Company will enter into agreements with each respective individual to limit their liability in compliance with Article 423(1), and Article 427(1) of the Companies Act subject to the approval of Proposal 2, "Partial Amendment to the Articles of Incorporation" as originally proposed. The maximum amount of liability under this agreement will be the minimum liability amount stipulated by laws and regulations.

(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 only surviving entity.

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 Mr. Akihiro Ito and Mr. Nobuo Nakata, Audit & Supervisory Board Members, will expire.

Accordingly, shareholders are requested to elect two (2) Audit & Supervisory Board Members.

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

The candidates for the positions of Audit & Supervisory Board Member are as follows:

No.	Name (Age)	
1	New Candidate	Shobu Nishitani (58)
2	New Candidate Candidate for Non-executive Director Candidate for Independent Officer	Kenichi Fujinawa (67)

(Note) Age is as of the date of this Ordinary General Meeting of Shareholders.

(Reference)

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

The composition of Audit and Supervisory Board and expertise and experience of each Audit & Supervisory Board Member if the Proposal No. 4 is approved as originally proposed are as follows.

Position	Name	Expertise and Experience									
		Corporate Management	CSV /ESG	Finance / Accounting	HR / Organizational Development	Legal // Risk Management	Manufacture/ Quality Assurance	Brand Strategy / Marketing /	Overseas Business	R&D/ Health Science	ICT DX
Standing audit & supervisory board member	Keiji Kuwata					●		●			
Standing audit & supervisory board member	Shobu Nishitani			●					●		
Audit & Supervisory Board Member	Yoshiko Ando		●		●	●					
Audit & Supervisory Board Member	Kaoru Kashima			●	●						
Audit & Supervisory Board Member	Kenichi Fujinawa		●			●			●		

No. 1 **Shobu Nishitani**



New Candidate

Date of birth	November 29, 1963
Number of the Company's shares held	5,008 shares

Profile, title and responsibilities

April 1987	Joined the Company
October 2011	Director of San Miguel Brewery Inc.
March 2014	Group Finance Director of Kirin Holdings Company, Limited
March 2016	Director of the Board of Lion Pty Ltd.
April 2016	General Manager, Accounting Department of Kirin Company, Limited
March 2017	Executive Officers, General Manager, Accounting Department of Kirin Company, Limited
March 2019	Audit & Supervisory Board Member of China Resources Kirin Beverages (Greater China) Company, Limited (Present Position)
April 2019	Executive Officer, General Manager, Internal Audit Department of the Company (Present Position)

Significant positions concurrently held at other companies and organizations

Audit & Supervisory Board Member of China Resources Kirin Beverages (Greater China) Company, Limited
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Reasons for nomination as a candidate for Audit & Supervisory Board Member

Mr. Shobu Nishitani has worked in the areas of finance, accounting, overseas business and internal audit of the Company and subsidiaries of the Company since he joined the Company and has considerable business experience and deep insight in finance and accounting. He took office as Executive Officer, General Manager of the Internal Audit Department in 2019 and has fulfilled his role appropriately ever since. For the reasons above, the Board has determined that he is suited to audit business execution of Directors of the Board of the Company toward continuous improvement of corporate value as an Audit & Supervisory Board Member. In addition, he is expected to be elected as a Standing Audit & Supervisory Board Member at the Audit & Supervisory Board Meeting to be held after the close of this Ordinary General Meeting of Shareholders.

Notes:

1. No conflict of interests exists between the Company and Mr. Shobu Nishitani.
2. Mr. Shobu Nishitani is to resign from the position of Executive Officer, General Manager, Internal Audit Department of the Company before the close of this Ordinary General Meeting of Shareholders.

No. 2 Kenichi Fujinawa



New Candidate
Candidate for Non-executive Director
Candidate for Independent Officer

Date of birth	February 18, 1955
Number of the Company's shares held	0 shares

Profile, title and responsibilities

April 1980	Registered as lawyer in Japan Joined Nagashima & Ohno
October 1988	Partner of Nagashima & Ohno
January 2000	Partner of Nagashima Ohno & Tsunematsu
January 2004	Managing Partner of Nagashima Ohno & Tsunematsu
January 2015	Chairman of Nagashima Ohno & Tsunematsu
January 2020	Senior Counsel of Nagashima Ohno & Tsunematsu (Present Position)

Significant positions concurrently held at other companies and organizations

Senior Counsel of Nagashima Ohno & Tsunematsu

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

Mr. Kenichi Fujinawa has served as a partner and managing partner at a major law firm for many years as a lawyer, and has highly specialized expertise and considerable experience in the areas of general corporate legal practice, especially in M&A, international transactions, and corporate governance. Based on this, the Company expects him to provide valuable opinions and suggestions, from an objective and professional perspective, to the management of the Company. Accordingly, the Board has determined that he is fit to audit the business execution of the Company's Directors of the Board with a view to furthering continuous improvement of corporate value as an Audit & Supervisory Board Member. Although Mr. Kenichi Fujinawa has never been involved in corporate management in the past, for the reasons above, the Company believes that he will be able to appropriately execute his duties as an Audit & Supervisory Board Member.

Notes:

1. No conflict of interests exists between the Company and Mr. Kenichi Fujinawa.
2. Mr. Kenichi Fujinawa is a candidate for the position of Non-standing Audit & Supervisory Board Member.
3. If Mr. Kenichi Fujinawa is elected and appointed as an Audit & Supervisory Board Member, he is expected to become an independent officer as prescribed in the regulations of the Tokyo Stock Exchange, Inc., etc. Although there is a payment of attorney fees by the Company and the subsidiary of the Company to Nagashima Ohno & Tsunematsu, for which he served as Chairman and Partner until December 2019, the amount of payment to the law firm during this fiscal year is less than 1% of the total revenue of the law firm. Therefore, we believe that Mr. Kenichi Fujinawa has sufficient independence where there is no possibility of conflict of interests with general shareholders.

Directors and Officers liability insurance contracts

- The Company has entered into a Directors and Officers liability insurance contracts with an insurance company as provided in Article 430-3(1) of the Companies Act (Hereinafter referred to as "D&O Insurance".), wherein the insured persons include Directors of the Board, Audit & Supervisory Board Member, Executive Officer etc. of the company and its subsidiaries. The outline of the contents of D&O Insurance are described on page 82 of this convocation notice.
- If each candidate is elected and assumes office as Audit & Supervisory Board Member, they will be insured under the D&O Insurance.
- The term of D&O Insurance is 1 year and is scheduled to be renewed by resolution of the Board prior to the expiration of the term.

Matters regarding Contracts for Limitation of Liability

- If Mr. Shobu Nishitani and Mr. Kenichi Fujinawa are elected and appointed as Audit & Supervisory Board Members, our company will enter into respective agreements with them to limit their liability in compliance with Article 423(1), and Article 427(1) of the Companies Act subject to approval of Proposal 2, "Partial Amendment to the Articles of Incorporation" as originally proposed. The maximum amount of liability under these agreements will be the minimum liability amount stipulated by laws and regulations.

(Reference)**Policy for the nomination of Directors, Executive Officers and Audit and Supervisory Board members**

- The Group, having expanded its business globally with Japan as its core in the fields of food and health, intends to carry out its decision-making and management monitoring in a more appropriate fashion and at a higher level. To this end, Directors, 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 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; proposals for the nomination/dismissal of Directors shall be discussed at general meetings of shareholders. The nomination/dismissal of audit and supervisory board member 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 convocation notices 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

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

- (1) A person for whom the Company (including its consolidated subsidiaries; the same shall apply hereinafter) is a major client
- (2) A person who is an executive director, corporate officer, executive officer, manager or other employee of a firm for whom the Company is a major client
- (3) A person who is a major client of the Company
- (4) A person who is an executive director, corporate officer, executive officer, manager or other employee of a firm which is a major client of the Company
- (5) A lawyer, certified public accountant, tax accountant, or consultant, etc. who receives money or other economic benefit in excess of a certain amount from the Company aside from the officer's remuneration
- (6) A person who belongs to a firm, union, or other similar entity (including a law office, auditing firm, tax accountant firm, or consulting firm, etc.) which receives money or other economic benefit in excess of a certain amount from the Company
- (7) A person who is a major shareholder of the Company
- (8) A person who is an executive director or who executes business of a firm which is a major shareholder of the Company
- (9) A person who receives donations or other assistance in excess of a certain amount from the Company
- (10) A person who is a director of or otherwise executes duties for a firm, union or other similar entity which receives donations or other assistance in excess of a certain amount from the Company
- (11) A person who is an executive director, corporate officer, executive officer, manager or other employee of a firm for which an Executive Director or Standing Audit & Supervisory Board Member of the Company acts as non-executive director or non-standing audit & supervisory board member
- (12) A person to whom any of aforementioned criteria (1)–(11) has applied within the past 3 years
- (13) A person who is a spouse or other relation within the second degree of kinship to a person to whom any of aforementioned criteria (1)–(12) applies (excluding a person who is not a senior executive or higher)
- (14) A person who is a spouse or other relation within the second degree of kinship to a Director of the Board, Executive Officer, Manager or other important employee of the Company (including a person who was a Director of the Board, Executive Officer, Manager or other important employee of the Company within the past 3 years)

(Notes)

1. Regarding criteria (1) and (2), "A person (or firm) for whom the Company is a major client" refers to a person (or firm) who received payment from the Company in the most recent business year which accounted for either 2% or more of consolidated sales (consolidated revenue) for the year for that person (or firm), or over ¥100 million, whichever is the higher amount. If consolidated accounting is not adopted by the person (or firm), total revenue or non-consolidated sales for the year should be employed in place of consolidated sales (consolidated revenue) for the year.
2. Regarding criteria (3) and (4), "A person (or firm) who is a major client of the Company" refers to a person (or firm) who made payment to the Company in the most recent business year which accounted for 2% or more of the Company's consolidated sales (consolidated revenue) for the year, or who finances 2% or more of the Company's consolidated total assets at the end of the most recent business year.
3. Regarding criteria (5), (9) and (10), "a certain amount" is considered as ¥10 million per year.
4. Regarding criteria (6), "a certain amount" is considered as either 2% or more of total revenue for the most recent business year for that firm, union or other similar entity, or over ¥100 million, whichever is the higher amount.

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

Proposal No. 5: Revision of the amount of remuneration for Directors of the Board

At the 178th Ordinary General Meeting of Shareholders, held on March 30, 2017, the Company was approved to pay fixed basic remuneration for Directors of the Board and bonuses for Directors of the Board (excluding Non-executive Directors) up to a total amount of ¥950 million per year. At the 181st Ordinary General Meeting of Shareholders, held on March 27, 2020, the Company was approved that a performance-linked and stock-price-linked remuneration is included in the above payment and the amount of fixed basic remuneration for Non-executive Directors which does not exceed a total amount of ¥150 million per year is included in the above payment.

The Company reviewed the current remuneration plan and concluded that, with a view to further encouraging Directors of the Board to achieve financial and non-financial targets under the Medium-Term Business Plan, it should ensure that the evaluation and remuneration plan further encourages not only the achievement of immediate targets but also the realization of medium- to long-term growth and further focuses on enhancing corporate value. For that reason, the Company intends to adjust the remuneration plan for Directors of the Board.

Accordingly, the Company proposes to revise the total remuneration limit for the Directors of the Board up to an amount not exceeding ¥1,520 million (including an amount not exceeding ¥210 million for Non-executive Directors) per year in consideration of the number of the Company's Directors of the Board. The aim of this revision is, for the Directors of the Board (excluding Non-executive Directors), to increase the ratio of performance-linked remuneration in order to strengthen it as an incentive to promote proactive business management of the Company by further increasing the linkage with business performance, and to ensure that the level of remuneration is set at a competitive level with that of comparable domestic manufacturing companies, and for Non-executive Directors, to ensure that the level of remuneration is appropriately set in consideration of their expected roles in the Company and trend in levels of remuneration in such comparable companies. The Company considers that such revision is appropriate as it is consistent with the "Policy for Determining Officers' Remuneration, etc." described on pages 55 to 58 of this Notice of Convocation and have been duly deliberated upon by the Nomination & Remuneration Advisory Committee.

If Proposal 3 "Election of twelve (12) Directors of the Board" is approved as originally proposed, the number of Directors of the Board will be twelve (including seven Non-executive Directors). Employee salaries are not paid to Directors of the Board.

Proposal No. 6: Revision to the amount and framework of remuneration, etc. to Eligible Directors and Officers in line with the revision to the trust-type stock compensation plan

1. Reasons for the proposal and reasons to deem the remuneration to be appropriate

Following approval at the 181st Ordinary General Meeting of Shareholders held on March 27, 2020, the Company introduced a trust-type stock compensation plan for the Company's Directors of the Board (excluding Non-executive Directors) and Executive Officers (excluding those concurrently serving as Directors of the Board, and those in an employment relationship with the Company) ("Eligible Directors and Officers") who are residents in Japan (the "Trust Plan"), as well as performance-linked and stock-price-linked remuneration plans for Eligible Directors and Officers who are non-residents in Japan (the "Phantom Stock Plan"; together with the "Trust Plan," the "Stock Compensation Plan"). Upon review, the Company has decided to continue and partially revise the Stock Compensation Plan.

Consequently, the Company proposes to revise (i) the amount and framework of remuneration, etc. relating to the Trust Plan as well as (ii) the amount of remuneration, etc. relating to the Phantom Stock Plan.

The Company seeks to strengthen incentives to promote proactive business management by further strengthening the linkage between remuneration for the Eligible Directors and Officers and performance, and promote this plan as a stock compensation plan from the perspective of shareholders. To this end, the Company wishes to increase the level of the Stock Compensation Plan, and the ratio of stock compensation, as well as introduce a new portion to the Stock Compensation Plan that links performance levels under the Medium-Term Business Plan for multiple fiscal years. Specifically, (i) the existing plan shall be divided into 1) the performance share unit linking to the level of achievement of performance for a single fiscal year (the "Single-Year PSU"), and 2) the restricted share unit without performance requirements (the "RSU"). Additionally, the Compensation Plan shall be operated after adding 3) the performance share unit linking to the level of achievement of performance under the Medium-Term Business Plan for multiple fiscal years (the "Medium-Term Plan PSU"). The upper limit of cash contribution by the Company will also be increased. In addition, (ii) since Eligible Directors and Officers who are non-residents in Japan are not eligible under the Trust Plan, the Phantom Stock Plan shall be continuously operated with a view to ensuring a balance with remuneration for those to whom the Trust Plan is applied. The Company considers that such revision is appropriate as it is consistent with the "Policy for Determining Officers' Remuneration, etc." described in pages 55 to 58 of the notice of general meeting of shareholders, and was duly deliberated upon by the Nomination & Remuneration Advisory Committee.

If Proposal No. 3 "Election of twelve (12) Directors of the Board" is approved as originally proposed, the number of Directors of the Board to whom the Trust Plan will apply will be five (the number of Executive Officers to whom the Trust Plan will apply will be nine). At present, it is anticipated that there will not be any Directors of the Board to whom the Phantom Stock Plan will apply. Additionally, employee salaries are not paid to Directors of the Board.

While the Trust Plan is also applied to the Company's Executive Officers as stated above, and the types of remuneration based on the Trust Plan includes those for these Executive Officers, the Company seeks to establish the same trust for Eligible Directors and Officers, and request approval for the amount and framework of the entire remuneration based on the Trust Plan.

2. Outline of the Stock Compensation Plan as well as the amount and framework of remuneration, etc.

(1) The Trust Plan

The Trust Plan is a medium- to long-term incentive plan for the fiscal years covered by the Company's Medium-Term Business plan (the "Applicable Period"). Under the Trust Plan, a trust established and funded by the Company (the "Trust") acquires Company's shares. In principle, it shall deliver and pay (the "Delivery") the Company's shares and cash equivalent to the proceeds from the realization of the Company's shares that are realizable (the "Company's Shares and Cash") to Eligible Directors and Officers who have been granted points pursuant to the Company's Share Delivery Rules (the "Grantees of Points").

For fiscal year 2022 and thereafter, the Trust Plan will remain in operation albeit after some necessary changes to the Trust Plan until the fiscal year 2021 are made in order to accommodate the aforementioned revisions to the Stock Compensation Plan.

1) Those eligible under the Trust Plan	- The Company's Eligible Directors and Officers who are residents in Japan
2) Upper limit of the cash contribution by the Company	- ¥1,450 million per fiscal year (On the first day of the Applicable Period, the Company shall contribute cash up to the amount calculated by multiplying ¥1,450 million by the number of fiscal years during the Applicable Period.)
3) Method for acquiring the Company's shares and upper limit to the number of the Company's shares to be delivered	- Planned to acquire either from the stock market or the Company - The upper limit of the total number of points granted to the Eligible Directors and Officers per fiscal year shall be 1,000,000 (One share is delivered for each point, the total number of shares delivered shall amount to 1,000,000*. However, for the Company's shares realizable under the Company's Share Delivery Rules, an amount of cash equivalent to the proceeds from the realization shall be paid.)
4) Details of performance requirements, etc.	- Setting as the performance evaluation period, for 1) the Single-Year PSU, each fiscal year during the Applicable Period and, for 3) the Medium-Term Plan PSU, the Applicable Period, the performance-linked factor which forms the basis of calculating respective points shall be evaluated based on the level of achievement of financial and non-financial indicators under the Medium-Term Business Plan for each performance evaluation period (it shall be variable between 0% and 200%). - No performance requirements shall be imposed for 2) the RSU
5) Timing of the Delivery of the Company's Shares and Cash.	- In principle, the Delivery will take place at a certain point in time after two years from the start of the fiscal year that such points were granted for, 1) the Single-Year PSU, and 2) the RSU. The Delivery will also take place at a certain point in time during the fiscal year following the final fiscal year of the Medium-Term Business Plan for 3) the Medium-Term Plan PSU.

6) Conditions for deprivation and return, etc.

- If it is determined by the Board of Directors that any Eligible Directors and Officers committed an illegal act or otherwise falls under any of the certain cases specified by the Company's Share Delivery Rules, the Company may deprive those individuals of the right to receive remuneration under Stock Compensation Plan, or may demand those individuals to return to the Company any cash equivalent to the Company's Shares and Cash.

* The upper limit to the total number of points granted to the Eligible Directors and Officers per fiscal year shall be the sum of the Single-Year PSU, RSU, and the Medium-Term Plan PSU. The Medium-Term Plan PSU shall be added by converting the number of points granted for multiple fiscal years into the average number of points per fiscal year. It is equivalent to approximately 0.119% of the total number of the Company's shares outstanding (as of December 31, 2021, excluding treasury shares).

(2) The Phantom Stock Plan

Under the Phantom Stock Plan, pursuant to the Company's Share Delivery Rules, the Eligible Directors and Officers who are non-residents in Japan shall, in principle, be granted points calculated by the same formula as under the Trust Plan, and shall be paid a cash amount equivalent to the amount of the Company's shares for the Delivery to the Eligible Directors and Officers under the Trust Plan (including the Company's shares realizable under the Trust Plan) commensurate with the number of such granted points.

As for cash to be paid to Directors of the Board under the Phantom Stock Plan, if Proposal No. 5 "Revision of the amount of remuneration for Directors of the Board" is approved as originally proposed, the total amount recorded as expenses with respect to such payment, and the amount of fixed basic remuneration of Directors of the Board and bonuses for Directors of the Board (excluding Non-executive Directors) shall not exceed the limit of monetary compensation of Directors of the Board (¥1,520 million per year).

(Reference)

An outline of the Trust Plan is as described in “(1) The Trust Plan” in “2. Outline of the Stock Compensation Plan as well as the amount and framework of remuneration, etc.” in Proposal No. 6, and details of the currently planned scheme are as follows. Such details may be reviewed as necessary within the scope of approval for Proposal No. 6.

1. Upper limit to the cash contribution by the Company

The Applicable Period of the Trust Plan shall be the fiscal years covered by the Company’s Medium-Term Business Plan. The initial Applicable Period shall be three fiscal years from the 184th fiscal year to the 186th fiscal year, which are the fiscal years covered by the Medium-Term Business Plan for the fiscal year 2022 and thereafter.

The Company shall contribute cash up to the amount calculated by multiplying ¥1,450 million by the number of fiscal years during the Applicable Period as remuneration for the Company’s Eligible Directors and Officers, and establish the Trust (including the extension of the trust period described below; the same shall apply hereinafter) for the benefit of the Grantees of Points who meet beneficiary requirements with the trust period of the number of years corresponding to the Applicable Period.

The Trust shall acquire the Company’s shares either from the stock market or the Company using funds already held by the Trust and additional funds to be provided to the Trust within the scope of approval for Proposal No. 6, in accordance with the instructions of the trust administrator. The Company shall, in principle, grant points to the Eligible Directors and Officers, and the Trust shall execute the Delivery of the Company’s Shares and Cash commensurate with the number of such granted points at a certain point in time each fiscal year and in the fiscal year following the final fiscal year of the Medium-Term Business Plan.

Upon expiry of the period of the Trust, the Company intends to continue operating the Trust by either establishing a new trust, or amending the trust agreement for the existing Trust whose trust period has expired and contributing additional funds to the Trust. In the latter case, the period of the Trust shall be extended in accordance with the number of years of the Applicable Period corresponding to the Company’s Medium-Term Business Plan in place at the time. For each extended trust period, the Company shall contribute additional funds up to the amount calculated by multiplying ¥1,450 million by the number of years during the Applicable Period and continue to grant points to the Eligible Directors and Officers. During the extended trust period, the Trust shall continue the Delivery of the Company’s Shares and Cash.

Concerning the contribution of additional funds, if the Trust still holds any of the Company shares at the end of the trust period before the extension (excluding the Company’s shares corresponding to the points granted to the Grantees of Points of which the Delivery has not been completed) and cash (excluding an amount of cash equivalent to the proceeds from the realization of the Company’s shares corresponding to the points granted to the Grantees of Points which have not been paid) (collectively, the “Remaining Shares and Cash”), the sum of the Remaining Shares and Cash and the additional cash contribution by the Company shall not exceed the amount calculated by multiplying ¥1,450 million by the number of years during the new Applicable Period.

Upon expiration of the period of the Trust and, in the event that amendment to the trust agreement and contribution of additional funds to the Trust is decided against, such points

shall no longer be granted to Eligible Directors and Officers. However, if any Grantee of Points exists who satisfies all beneficiary requirements at that point in time, the Trust period may be extended up to the completion of the Delivery of Company's Shares and Cash to those Grantees of Points.

2. Method for calculating the number and value of the Company's Shares and Cash for the Delivery and the upper limit thereof

The number and value of the Company's Shares and Cash for the Delivery to the Grantees of Points shall be determined by the number of points granted based on the executive rank of the Eligible Directors and Officers, the level of achievement of performance targets and others at certain times during each fiscal year and the year following the final fiscal year of the Medium-Term Business Plan.

Specifically, the number of points shall be composed of 1) the Single-Year PSU linking to the level of achievement of performance for a single fiscal year, 2) the RSU without performance requirements, and 3) the Medium-Term Plan PSU linking to the level of achievement of performance under the Medium-Term Business Plan for multiple fiscal years.

That is, as for 1) the Single-Year PSU and 3) the Medium-Term Plan PSU, , setting as the performance evaluation period, for 1) the Single-Year PSU, each fiscal year during the Applicable Period and, for 3) the Medium-Term Plan PSU, the Applicable Period (the fiscal years covered by the Medium-Term Business Plan), the number of points shall be calculated by multiplying the basic points predetermined based on the stock compensation base amount for each executive rank (which shall be, for the Medium-Term Plan PSU, the cumulative total of the basic points calculated based on the stock compensation base amount for each executive rank in each fiscal year during the Applicable Period over the Applicable Period), by the performance-linked factor* determined based on the level of achievement of performance targets during each performance evaluation period. The corresponding points shall be granted in the fiscal year following each performance evaluation period. As for 2) the RSU, the number of points predetermined based on the stock compensation base amount for each executive rank shall be granted in the fiscal year following each fiscal year during the Applicable Period.

In this case, the upper limit to the total number of points granted to the Eligible Directors and Officers per fiscal year shall be 1,000,000. This upper limit has been set in consideration of factors including the upper limit to the cash contribution by the Company in 1. above.

As for the Company's Shares and Cash, for the Delivery to the Grantees of Points, one point shall be converted into one common share of the Company; however, for the Company's shares realizable under the Company's Share Delivery Rules, an amount of cash equivalent to the proceeds from the conversion shall be paid. If the number of the Company's shares held in the Trust increases or decreases due to a share split or share consolidation during the trust period, the Company shall adjust the number and value of the Company's Shares and Cash for the Delivery depending on the ratio of such increase or decrease.

* The performance-linked factor shall be evaluated based on financial and non-financial indicators under the Medium-Term Business Plan for each performance evaluation period. The performance-linked factor for 1) the Single-Year PSU and 3) the Medium-Term Plan PSU shall range from 0% to 200%.

3. Timing and method of the Delivery of the Company's Shares and Cash to the Grantees of Points

The Grantees of Points who meet beneficiary requirements under the Company's Share Delivery Rules shall receive delivery of the number of the Company's shares (where shares less than one unit shall be counted as one unit) by following the prescribed beneficiary-determining procedure. In principle, such delivery shall be made, for 1) the Single-Year PSU and 2) the RSU, at a certain time after two years from the start of the fiscal year that such points were granted, and, for 3) the Medium-term Plan PSU, at a certain time during the fiscal year following the final fiscal year of the Medium-Term Business Plan. Such grants shall correspond to the points granted for 1) the Single-Year PSU, 2) the RSU, and a certain proportion of the points granted for 3) the Medium-Term Plan PSU, 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.

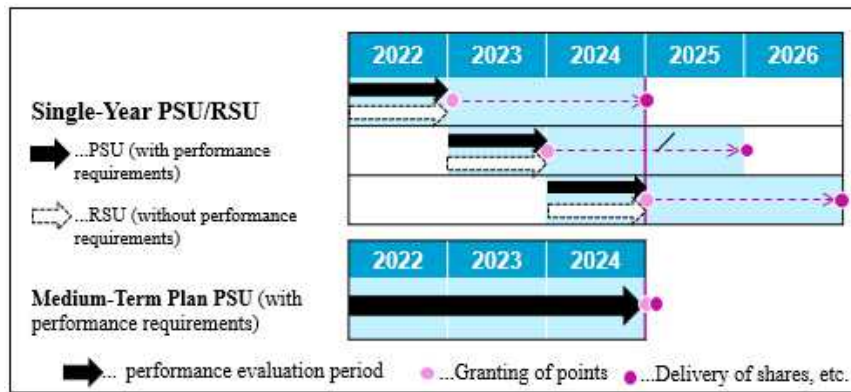
4. Voting rights of the Company's shares

Voting rights of the Company's shares held in the Trust shall not be exercised during the trust period, in order to ensure neutrality of the Trust in relation to the management of the Company.

5. Other details of the Trust Plan

Other details of the Trust Plan shall be determined by the Board of Directors following deliberations by the Nomination & Remuneration Advisory Committee whenever the Trust is established, the trust agreement is amended, or additional funds are contributed to the Trust.

The Trust Plan is illustrated in the Figure below. For details of the Stock Compensation Plan, please refer to the timely disclosure entitled "Notice Regarding the Revision to the Amount of Officers' Remuneration, as well as the Revision to the Amount and Framework of Remuneration, etc. in Line with the Revision of the Trust-type Stock Compensation Plan" dated February 14, 2022.



(Reference)

Policy for Determining Officers' Remuneration, etc. (Summary)

The Company resolved the following matters at a Board meeting held on February 14, 2022 as a new policy for determining officers' remuneration, etc. for the fiscal year 2022 and thereafter in lieu of the policy for determining officers' remuneration, etc. described in pages 82 to 88 of the notice of general meeting of shareholders.

(1) Basic policy on officers' remuneration, etc.

- 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.
- Remuneration levels shall be appropriate for the roles and responsibilities of the Kirin Group's officers.
- Remuneration shall be deliberated by the Nomination & Remuneration Advisory Committee, of which Non-executive Directors shall constitute the majority, in order to ensure objectivity and transparency.

(2) Remuneration structure and recipients

- Remuneration, etc. for officers of the Company is comprised of three parts: basic remuneration, bonuses, and stock-based remuneration. Non-executive Directors are responsible for monitoring and advising the management of the Company and the Kirin Group as a whole from an objective point of view. Accordingly, Non-executive Directors shall only receive basic remuneration.
- Basic remuneration: Fixed remuneration paid each month based on executive rank and responsibilities.
- Bonuses: Performance-linked remuneration intended to incentivize the achievement of annual performance targets of each fiscal year and encourage engagement in future growth oriented initiatives. Evaluation indicators to promote stable profit growth and implementation of strategies for the entire Group and for core businesses shall be selected for each of corporate performance, business performance and individual performance. Bonuses shall range from 0% to 200% depending on the level of achievement of the performance target, and shall be paid in a lump sum after the end of each fiscal year.
- Stock-based remuneration: Performance-linked remuneration intended to incentivize the improvement of corporate value over the medium- to long-term. Evaluation indicators to promote improvement of shareholder value over the medium- to long-term, and to create social value shall be selected from the financial and non-financial indicators for the consolidated Kirin Group set out in the Medium-Term Business plan. Stock-based remuneration shall be comprised of the RSU (restricted share unit), which is paid in a fixed manner, the Single-Year PSU (performance share unit) and the Medium-Term Plan PSU, the latter two being paid in conjunction with the level of achievement of performance targets, among other things, while setting as the performance evaluation period each fiscal year or the fiscal years covered by the Medium-Term Business Plan. The number of shares commensurate with the number of points granted based on the basic points (fixed points for the RSU) calculated based on the base amount predetermined for each executive rank

and responsibilities shall be delivered (the trust-type stock compensation; shares equivalent to 50% shall be realized and paid in cash). Non-residents in Japan shall be given a performance-linked and stock-price-linked remuneration (Phantom Stocks) in lieu of the stock-based remuneration above.

	Number of points	Timing of granting of points	Timing of Delivery of shares and cash
RSU	Fixed points	After the end of each fiscal year	At a certain point in time after the lapse of two years from the start of the fiscal year when points were granted
Single-Year PSU	The number calculated by multiplying the basic points (for the Medium-Term Plan PSU, the basic points for three years) by the performance-linked factor (0% to 200%) depending on the level of achievement of performance targets and others for each performance evaluation period		
Medium-Term Plan PSU		After the end of the final fiscal year of the Medium-Term Business Plan	At a certain point in time in the fiscal year following the final fiscal year of the Medium-Term Business Plan

- (3) Establishment of remuneration levels and the ratio of performance-linked remuneration
- Objective verification is conducted by comparing the Company's officer remuneration levels and its linkage to performance, using relevant survey data obtained from an external research organization. The remuneration levels for the Company's officers and the ratio of performance-linked remuneration are designed and set based on the executive rank and responsibilities, among other things, of each person.
 - The comparative analysis shall cover Japan's leading global manufacturing companies, and remuneration shall be set at a competitive level so that basic remuneration is at or near the median, and remuneration upon achievement of performance targets is at or above median levels.
 - The ratio of performance-linked remuneration shall be set at an advanced level compared with domestic leading companies, and the ratio of stock compensation in particular shall be increased to strengthen incentives to achieve performance targets and its linkage to shareholder value. Specifically, the 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 ratio for other Eligible 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 the trust-type stock compensation base amount shall be common to all intended beneficiaries (approximately 4:2:1).
 - The basic remuneration for Non-executive Directors shall be at or above the median level among comparable companies in consideration of their roles expected to strengthen the Company's governance.
- (4) Determination of the evaluation indicators and targets for performance-linked remuneration
- Corporate performance evaluation indicators and business performance evaluation indicators for bonuses as well as evaluation indicators and targets for trust-type stock compensation shall be determined based on the details of the Medium-Term Business Plan, and performance forecasts set at the beginning of the fiscal year, among other things.
 - For the President & CEO, after holding an interview with a Non-executive member of the Nomination & Remuneration Advisory Committee, individual performance evaluation indicators and targets for bonuses shall be determined by the Nomination & Remuneration Advisory Committee. For other Eligible Directors and Officers, the President & CEO will hold an interview with each respective Executive Director before preparing a draft proposal. The Nomination & Remuneration Advisory Committee shall deliberate those draft proposals, and determine the individual performance evaluation indicators and targets for bonuses.
- (5) Method for determining officers' remuneration, etc.
- In order to ensure fair and reasonable operation of this plan in accordance with the basic policy described in (1)–(4) above, remuneration, etc. for officers is deliberated on by the Nomination & Remuneration Advisory Committee, of which independent directors constitute a majority and an independent director is the chair. The Nomination & Remuneration Advisory Committee reports to the Board of Directors.

- The specific remuneration for each Director of the Board and Executive Officer is determined by the Board of Directors within the limit of remuneration resolved in advance at a general meeting of shareholders in consideration of a report submitted by the Nomination & Remuneration Advisory Committee.
- As for bonuses, however, the determination of the results of individual performance evaluation, and the individual payment ratio regarding individual performance evaluation for each officer, is delegated to the Nomination & Remuneration Advisory Committee. For the President & CEO, in determining the above, a Non-executive member of the Nomination & Remuneration Advisory Committee shall interview them. For other Eligible Directors and Officers, in determining the above, the Nomination & Remuneration Advisory Committee shall deliberate on draft proposals prepared by the President & CEO after they have interviewed each officer.

(6) Other important matters

- Notwithstanding the provision of (1) to (5) above, in the event of unexpected, extraordinary factors or events, the Board of Directors may, at their discretion, resolve to determine remuneration, etc. for Eligible Directors and Officers that may differ from that set forth above, after extraordinary deliberations by the Nomination & Remuneration Advisory Committee as necessary.

Proposal No. 7: Revision of the amount of remuneration for Audit & Supervisory Board Members

At the 178th Ordinary General Meeting of Shareholders held on March 30, 2017, the Company was approved to pay fixed basic remuneration for Audit & Supervisory Board Members up to ¥130 million per year.

The Company proposes to revise the total remuneration limit for Audit & Supervisory Board Members to an amount not exceeding ¥200 million per year, at the same time as the revision of the amount of remuneration for Director of the Board, taking into comprehensive consideration the level of remuneration for domestic manufacturing companies which are the subjects of comparison and the number of Audit & Supervisory Board Members.

If Proposal 4 “Election of two (2) Audit & Supervisory Board Members” is approved as originally proposed, the number of Audit & Supervisory Board Members will be five (including three Non-standing Audit & Supervisory Board Members).

- END -

(Attached documents)

BUSINESS REPORT

(For the period January 1 to December 31, 2021)

1. Overview of Kirin Group business operations

(1) Result of business operations

● Revenue:	Sales decreased due to the impact of the re-emergence of COVID-19 on sales of alcoholic beverages and other beverages in Japan and overseas, and the sale of Lion's dairy beverage business.
● Normalized operating profit ^{*1}:	The Japan beer and spirits business and Myanmar Brewery Co. Ltd. ^{*2} experienced a decrease in profits. However, Coke Northeast Co., Ltd., ^{*2} the Oceania Adult Beverages business, as well as Kyowa Hakko Bio ^{*2} all saw an increase in profits, resulting in an overall increase in profit.
● Profit attributable to owners of the Company:	Income decreased due to the recording of an impairment loss in the Myanmar business.

2021 Review

Like 2020, 2021 was greatly affected by COVID-19. A new COVID-19 variant is spreading worldwide, and the virus is still not under control. In this environment, the Kirin Group moved forward toward becoming a leading global CSV^{*3} company based on its *Kirin Group Vision 2027* (KV 2027), long-term management statement. Seeing the solving of social issues as opportunities for growth, Kirin Holdings has sought to achieve both social and economic value in the three domains of Food & Beverages, Pharmaceuticals, and Health Science, which Kirin Holdings has cultivated through its strengths in fermentation - from its beginnings as a beer business - and biotechnology.

1. Food & Beverages Domain

In the Food & Beverages business, Kirin Holdings built a strong brand system by concentrating investment in core products, while focusing on providing products and services that lead to the creation of new value, thereby mitigating the decline in earnings caused by COVID-19.

2. Pharmaceuticals Domain

In the Pharmaceuticals field, the global strategic products grew steadily as a result of the ‘ongoing transformation to a global organizational structure’ that began in 2019. Kirin Holdings also made steady progress in the development of next-generation strategic products.

3. Health Science Domain

This was a year in which Kirin Holdings’ efforts to date to promote ingredient research and product development using R&D technology - one of its strengths – yielded great results. LC-Plasma^{*4} (*Lactococcus lactis* strain Plasma), a strategic ingredient in the immunology field, took the Gold Prize the ‘1st STOP Infectious Disease Grand Prix in the ‘1st Japan Resilience Awards 2021’ conducted by the Resilience Japan Promotion Council^{*5}. LC-Plasma was highly commended for factors including its discovery, product development into a functional food. In addition, Kirin Holdings expanded its lineup of products containing LC-Plasma, and with the rise in health consciousness, sales grew significantly, up 50% from the previous year, contributing to solving consumers' health issues.



1st Japan Resilience Awards 2021 ceremony

Results for this fiscal year

Consolidated revenue
¥1,821.6 billion (down 1.5% compared to the previous fiscal year)

Consolidated normalized operating profit
¥165.4 billion (up 2.0% compared to the previous fiscal year)

Consolidated profit before tax
¥99.6 billion (down 20.0% compared to the previous fiscal year)

Profit attributable to owners of the Company
¥59.8 billion (down 16.9% compared to the previous fiscal year)

Key performance indicators

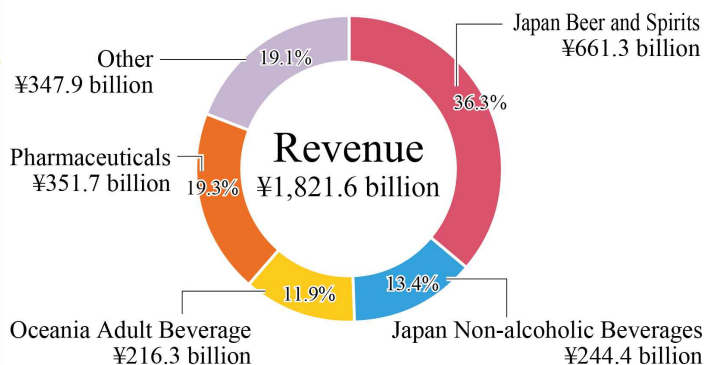
Financial targets
Normalized EPS
¥156 (up 14.7% compared to the previous fiscal year)
ROIC 4.2%

Non-financial targets
CSV commitment
Please refer to the Company's website.
https://www.kirinholdings.com/en/impact/csv_management/commitment/2019/

Corporate brand value U.S.\$2,476 million (2020 result: U.S.\$2,236 million)

Employee engagement 72% (2020 result: 73%)

Revenue by Business Division



On the other hand, Kirin Holdings received high marks from society in terms of ESG (Environment, Society, and Governance). In the Environment area, Kirin Holdings has been working to reduce GHG*⁶ emissions, promote the use of renewable energy, and recycle and promote a [virtuous 'cycle of recycling' among other initiatives](#) in line with the *Kirin Group Environmental Vision 2050* formulated in February 2020. [As a result, Kirin Holdings received the Gold Award in the Environmentally Sustainable Company category at the Finance Awards Japan \(Minister of the Environment Award\)](#). In addition, Kirin Holdings has been selected for the CDP's*⁷ 'A List' in both climate change and water security for the third year in a row.

In the Society area, Kirin Holdings was selected as a 'Nadeshiko Brand' among publically listed companies that excel in promoting the advancement of women. For the fifth year in a row, Kirin Holdings was recognized as a ['Certified Health & Productivity Management Outstanding Organization \(Large Enterprise Category \[White 500\]\)'](#) (Ministry of Economy, Trade and Industry) for practicing particularly excellent health management.

Furthermore, Kirin Holdings has received high praise for its overall ESG initiatives, with a focus on Governance. The company's overall ESG initiatives - with a focus on governance - were highly commended; and for the third year in a row it received the highest ranking in the [Nikkei Research Inc.'s SDGs Management Survey](#), which commends corporate efforts to meet the Sustainable Development Goals (SDGs). [In the MSCI ESG Index*⁸](#) - which is calculated by Morgan Stanley Capital International (MSCI) and is also used by Japan's [Government Pension Investment Fund](#) - Kirin Holdings received the 'AA' rating, which is in line with the world's leading CSV companies. In the midst of an uncertain social climate, Kirin Holdings has been able to increase employee engagement*⁹ in its management by promoting the significance of its CSV management initiatives.

Employee engagement*⁹, which is a key performance indicator in the *Kirin Group 2019-2021 Medium-Term Business Plan* (2019-2021 MTBP), was at the same level as in 2020, when the score had improved significantly. In the midst of an uncertain social climate, Kirin Holdings has worked to disseminate the significance of its commitment to CSV management, which has increased employee engagement with management and helped Kirin Holdings achieve the goals set in the 2019-2021 MTBP.

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 Myanmar Brewery Company Limited, Kyowa Hakko Bio Co., Ltd. and Coke Northeast Co., Ltd. are subsidiaries listed in the "Other Business" segment.

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

4 *Lactococcus lactis* strain Plasma is a lactic acid bacterium that supports the maintenance of immune function in healthy people. Named after plasma cytotid 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.

5 The JRPJC is an organization established for the purpose of building a resilient nation through the collective efforts of industry, academia, government, and the private sector. Its goal is to promote and achieve the Japanese government's Fundamental Plan for National Land Resilience - itself based on the Basic Act for National Resilience Contributing to Preventing and Mitigating Disasters for Developing Resilience in the Lives of the Citizenry.

6 Greenhouse gas.

7 CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. Founded in

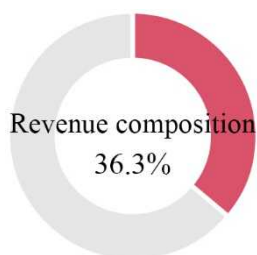
2000 and working with more than 590 investors with over \$110 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests. Over 14,000 organizations around the world disclosed data through CDP in 2021, including more than 13,000 companies worth over 64% of global market capitalization, and over 1,100 cities, states and regions. Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative.

8 A measure of a company's resilience to significant long-term environmental, social and governance risks in the industry and is rated AAA-CCC.

9 An indicator of the degree of trust employees have in the company and their willingness to voluntarily contribute to the company by empathizing with its direction.

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

Consolidated revenue 661.3 billion yen, up 1.5%
Consolidated normalized operating profit 70.5 billion yen, down 6.6%



In the domestic alcoholic beverage market, sales of products for the on-premise market continued to be sluggish and off-premise sales grew due to effects of COVID-19 - as in the previous year - however the beer segment expanded following tax reductions in the October 2020 revision of the liquor tax. At Kirin Brewery Company, Limited, canned *KIRIN ICHIBAN*, the mainstay brand, as well as *KIRIN ICHIBAN Zero Sugar*^{*10} - which captured growing health consciousness - performed well. As a result, sales volume of canned *KIRIN ICHIBAN* brand products grew significantly, up 20% year on year.

With more time spent at home due to COVID-19, there is also a need to make that time more fulfilling. Canned craft beer *SPRING VALLEY Hojun 496* captured this demand, selling 1 million cases^{*11} in just six months after its launch - growing at an unusually fast pace for a craft beer. In addition, the number of *KIRIN Home Tap* (which allows people to enjoy authentic craft beer at home) subscribers, providing more than 100,000 customers with the special taste of beer directly from the brewery.

In the on-premise market, Kirin Brewery worked closely with on-premise establishments to provide Kirin's unique value propositions, such as *TAPPY*, which can provide fresh and tasty draft beer, and *Tap Marché*, which can provide four types of craft beer in one unit. As a result, although the beer category's overall sales volume decreased due to the decline in the on-premise market, these efforts helped Kirin Brewery outperform the market trend for the fourth consecutive year. In the RTD^{*12} category - which is mainly for home use - the *Kirin Hyoketsu Sugar-Free* performed very well, and the *Kirin Hyoketsu*® brand^{*13} achieved record sales, surpassing 16 billion cans in cumulative sales. *Kirin Koji Lemon Sour*, as well as the *Kirin Honshibori™ Chuhaï* high value-added brand that focuses on ingredients and manufacturing methods also performed well, with total RTD category sales volume increasing year on year.

¹⁰ [According to food labeling standards products containing less than 0.5g of sugar per 100ml can be labeled "zero sugar."](#)

¹¹ 633ml x 20 per case.

¹² Abbreviation for Ready to Drink, a canned cocktail.

¹³ 250ml conversion.

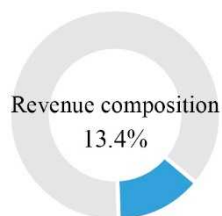
Major Products:

- KIRIN ICHIBAN
- SPRING VALLEY Hojun 496
- Kirin Nodogoshi Nama
- Kirin Hyoketsu
- KIRIN Home Tap
- Tap Marché
- TAPPY



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

Consolidated revenue 244.4 billion yen, down 3.1%
Consolidated normalized operating profit 21.1 billion yen, down 3.0%



The domestic beverage market saw a gradual recovery in sales volume from April onward with the gradual lifting of the state of emergency declaration, but the re-emergence of COVID-19 and unseasonable weather conditions resulted in only a slight increase over the previous year. In addition, FOSHU and foods with functional claims as well as the sugar-free and low-sugar categories continued to expand due to the further rise in health consciousness.

Kirin Beverage Company, Ltd. (Kirin Beverage) focused on the health science domain as one of the pillars of its business in addition to its existing beverage business and invested aggressively in health-focused initiatives based on a '[post-COVID recovery based on CSV](#)' thinking.

In the existing beverage business, Kirin Beverage took the growing demand for sugar-free products as an opportunity to strengthen the lineup of the *Kirin Gogo-no-Kocha Oishii Muto* (sugar-free) series under the *Kirin Gogo-no-Kocha* brand. In addition to focusing on the health area, Kirin Beverage also focused on environmental initiatives. For the *Kirin Nama-cha* brand, Kirin Beverage launched *Kirin Nama-cha* in R100 PET bottles, which are made of 100% recycled PET plastic, as well as labelless PET bottles to cater to growing consumer environmental awareness.

In the health science domain, Kirin Beverage worked to instill an 'immune care' habit in consumers by rolling out beverages that contain LC-Plasma, labeled as foods with functional claims for immune function. In addition to reinforcing the *iMUSE* brand, Kirin Beverage launched [Kirin Gogo-no-Kocha Milk Tea Plus](#) and [Kirin Nama-cha Life Plus Immune Assist](#) to make it easier for people who want more access to immunity-related products to get LC-Plasma. As a result, Kirin Beverage was able to achieve the annual sales target of 5 million cases of beverages containing LC-Plasma, which Kirin Beverage revised upward during the term.

While the operating environment remained severe due to the impact of COVID-19 and other factors, overall sales volume of soft drinks decreased slightly, but Kirin Beverage worked to improve profitability through structural reforms in the vending machine business and further focusing on small-sized PET products.

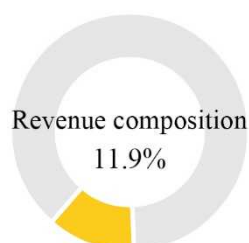
Major Products:

- Kirin Gogo-no-Kocha
- Kirin Nama-cha
- Kirin iMUSE
(Kirin iMUSE Yogurt Taste, Kirin iMUSE Lemon, Kirin iMUSE Water)



Oceania Adult Beverages Business: Lion Pty Limited (Lion)

Consolidated revenue 216.3 billion yen, down 26.0%
Consolidated normalized operating profit 26.6 billion yen, up 20.0%



Following the sale of the dairy beverage business in January 2021, sales revenue for Lion Pty Limited (Lion) declined significantly. In the alcoholic beverages business, the on-premise market in Australia and New Zealand was affected by COVID-19, however the market has been recovering since mid-October with the gradual lifting of COVID-related movement restrictions, and sales volume in the premium beer and craft beer categories increased year on year.

In Lion's craft beer business - positioned as a future growth area - New Belgium Brewing in

the United States' *Voodoo Ranger*, which is highly popular among young people, accurately captured demand for home use and sales were strong.

In addition, to further solidify the Australian craft beer business Lion also completed the acquisition of Fermentum, Australia's largest independent craft brewer, and announced the acquisition of Bell's Brewery in the United States to create synergies in Lion's overseas craft beer business. In these ways, Kirin Holdings achieved an increase in profit through progress in its craft beer strategy and cost reduction efforts.

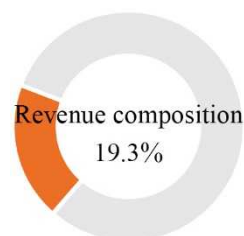
Major Products:

- XXXX Gold
- James Squire
- Voodoo Ranger



Pharmaceuticals Business: Kyowa Kirin Co., Ltd.

Consolidated revenue	351.7 billion yen, up 10.7%
Consolidated normalized operating profit	61.2 billion yen, up 3.7%



In the first year of the [2021 Medium Term Business Plan, Kyowa Kirin Co., Ltd. \(Kyowa Kirin\) has established a new mission statement to guide it through to 2030^{*14}, and worked to achieve growth as a Japan-based Global Specialty Pharmaceutical company^{*15}.](#)

In 2021, while the global pharmaceutical environment continued to be affected by COVID-19 as in the previous year - limiting Kyowa Kirin's business activities - Kyowa Kirin steadily grew its global strategic products, including *Crysvita*^{*16} and *Poteligeo*^{*17}.

Kyowa Kirin also made steady progress in the development of next-generation strategic products such as *KHK4083*^{*18} and *ME-401*^{*19} (*zandelisib*) in the field of oncology. On the other hand, Kyowa Kirin was unable to obtain approval for the *KW-6002*^{*20} (*istradefylline*) global strategic product in Europe. Kyowa Kirin will continue to closely monitor the decisions of the authorities in each country and respond appropriately for the products that are pending filing and approval.

Kyowa Kirin has positioned this ['contributing to the health and well-being of people around the world' as CSV management, and as part of its patient-centered approach to addressing healthcare needs.](#) Kyowa Kirin is continuously engaged in disease awareness-raising activities to increase public understanding of kidney disease, as well as [rickets and osteomalacia](#), among others, which are not widely recognized as diseases themselves.

¹⁴ [Kyowa Kirin will realize the successful creation and delivery of life-changing value that ultimately makes people smile, as a Japan-based Global Specialty Pharmaceutical company built on the diverse team of experts with shared passion for innovation.](#)

¹⁵ A pharmaceutical company that continuously creates, develops, and markets innovative new drugs on a global scale using cutting-edge biotechnologies centered on antibody technologies in the fields of nephrology, oncology, immunology/allergy, and central nervous system.

¹⁶ 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.

¹⁷ A drug for the treatment of certain types of leukemia. It is already marketed in Japan under the *POTELIGEo* brand name.

¹⁸ A drug for the treatment of atopic dermatitis.

¹⁹ A drug for the treatment of certain types of leukemia.

²⁰ A treatment for Parkinson's disease. Sold as *Nourianz* in the United States and as *Nourias* in Japan.

Other Businesses

Consolidated revenue	347.9 billion yen, up 3.5%
Consolidated normalized operating profit	31.3 billion yen, up 7.0%
Revenue Composition	19.1%

KYOWA HAKKO BIO CO., LTD. (Kyowa Hakko Bio)

Since receiving administrative punishment for deviating from manufacturing methods at the end of 2019, Kyowa Hakko Bio has rebuilt its entire business system with quality as the basis for all operations.

Kyowa Hakko Bio has positioned 2021 as a year to move from revitalization to growth. With quality as the foundation of all its operations, Kyowa Hakko Bio has worked to restore the trust of consumers by gradually reviving its manufacturing volume.

At the end of December, Kyowa Hakko Bio transferred control of its consumer products business to Kirin Holdings, and by concentrating on BtoB business, Kyowa Hakko Bio established an operating structure that will accelerate the development of new ingredients by utilizing cutting-edge fermentation technologies and biotechnology knowhow it has cultivated over many years.

Despite challenges such as the sharp rise in raw material and fuel costs, etc. due to the impact of COVID-19, Kyowa Hakko Bio worked to reform its organizational culture, improve its product portfolio, and reform its operating structure, among others, resulting in a return to profitability in 2021.

Major Products:

- Cognizin



Mercian Corporation (Mercian)

Mercian worked to expand the number of wine drinkers and improve profitability in the off-premise (home) wine market. In the midst of diversifying consumer wine tastes due to environmental changes such as the impact of COVID-19, Mercian debuted *MOCK Bar*, a non-alcoholic sangria that offers the luxury of fruit juice and the lingering taste of wine. In addition, development of high-quality products in the organic wine category that are environmentally friendly were well-received by consumers. In the Château Mercian business, the Mariko Winery was selected as one of the World's Best Vineyards 2021^{*21} for the second year in a row.

21 The awards are presented by William Reed Business Media, the UK-based organizer of the world's premier wine competition, the International Wine Challenge. In 2021, more than 2,000 wineries were nominated, and Chateau Mercian Mariko Winery was ranked 33rd in the world.

Major Products:

- Château Mercian
- Oishii-Sankaboushizai-Mutenka Wine
- Frontera



Myanmar Brewery Ltd. (Myanmar Brewery)

In Myanmar, the off-premise market declined significantly due to the reemergence of COVID-19 and the political changes that occurred in February 2021. In Myanmar, the beer market shrank by about 20% due to the effects of financial and supply chain disruptions. In addition, due to a decrease in production volume caused by material shortages and other factors, as well as restrictions on sales activities, Myanmar Brewery's sales volume decreased by approximately 30% compared to the same period of the previous year.

Major Products:

- Myanmar Beer
- Andaman Gold



Coca-Cola Beverages Northeast, Inc. (Coke Northeast)

The United States beverage market overall sales volume increased due to the expansion of e-commerce sales and a significant increase in household consumption due to the impact of COVID-19, as well as a recovery in the on-premise market associated with an increase in the COVID-19 vaccination rate. On the other hand, inflation occurred as the supply of goods and services could not keep up with the recovery in consumer spending. In the midst of these market changes, Coke Northeast achieved the highest profit in its history through price revisions, continuous cost reduction, and operational efficiency.

The Kirin Group's 2022-2024 Medium-Term Business Plan

The Kirin Group is working on KV2027 to achieve sustainable growth amidst a drastically changing social environment. In the *Kirin Group 2022-2024 Medium-Term Business Plan (2022-2024 MTBP)*, a new three-year plan launched in January of this year, Kirin Holdings will continue to place CSV at the core of its management and aim for growth in the Food & Beverages, Pharmaceuticals, and Health Science domains.

Management policy



Kirin Group's CSV Management

In 2019, Kirin Holdings has formulated its *CSV Purpose* to reflect the United Nations' Sustainable Development Goals (SDGs), and has been aiming to reform its operating structure as well as grow to create new value to achieve KV2027 goals. In the 2022-2024 MTBP, Kirin Holdings has set its non-financial indicators from the three perspectives of environment, health, and employees in order to accelerate the above mentioned.

The *CSV Purpose* - a guideline for co-creating value with society and achieving sustainable growth – has redefined ‘community’ as ‘all the places where people connect with each other,’ based on the impact of COVID-19 on society. Through its business activities, Kirin Holdings will contribute to this sense of ‘community’ by creating human connections that form the foundation of a vibrant society. Kirin Holdings has also reformed the *CSV Commitment* into a more specific action plan for achieving the *CSV Purpose*, setting detailed performance indicators and targets for each of its operating companies.



Kirin Holdings, as a [responsible alcohol producer](#), will contribute to the foundation of a vibrant society by addressing social issues in the areas of health, community, and the environment.

CSV Topics for FY2021

Kirin Holdings as a Responsible Alcohol Producer

[Slow Drink® Initiative to Promote Responsible Drinking](#)

In March 2021, the Diet passed the [Basic Act on Measures against Alcohol-related Health Harm](#), and society as a whole is expected follow and tackle alcohol-related problems. Along these lines, Kirin Holdings has been advocating Slow Drink®*¹ as a way to pass a culture of enjoying alcoholic beverages to the next generation, and has been continuously developing activities to raise awareness of responsible drinking through video sites and social media. In addition, in order to accurately inform consumers of the amount of alcohol consumed when drinking, Kirin Holdings has moved up addition of alcohol content information on product labels to 2022.

[1 “Slow Drinking” is a way for people take a relaxed approach to consuming alcohol. This means being smart and keeping the situation pleasant by drinking in moderation while enjoying good food and conversation with others.](#)

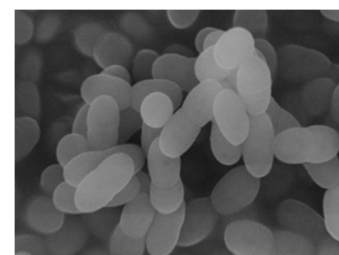


Health

[Instilling an ‘Immune Care Habit’ Among Consumers with LC-Plasma](#)

LC-Plasma is the only lactic acid bacteria that activates pDCs (plasmacytoid dendritic cells) - the command center of the immune system. Backed by scientific evidence, the LC-Plasma-containing iMUSE became the first ingredient in Japan*² to be registered as a food with functional claims for immune function in 2020.

In order to instill an ‘immune care’ habit among consumers and address their health issues, Kirin Holdings has expanded the number of functional food products with immune functions containing LC-Plasma to more than 20 products in collaboration with external partner companies. In addition, Kirin Holdings aired TV commercials introducing the functions of LC-Plasma in an easy-to-understand manner.



LC-Plasma

Together with domestic and international universities and research institutions, non-clinical and clinical trials using *Lactococcus lactis* strain Plasma have also been progressing. In 2021, in collaboration with the University of Malaya in Malaysia, Kirin Holdings conducted clinical research on *Lactococcus lactis* strain Plasma and dengue fever, which is rampant mainly in Southeast Asia. Results confirmed that *Lactococcus lactis* strain Plasma significantly reduced the cumulative number of days of onset of clinical symptoms specific to dengue fever, such as headache, joint pain, and pain behind the eyes. In December 2021, Nagasaki University started a specific clinical study regarding the *Lactococcus lactis* strain Plasma ingredient and patients with COVID-19.

2 First brand in Japan registered as a functional food for immune function by Japan's Consumer Affairs Agency.

Community

Supporting Japanese Hop Yield and Regional Development

Kirin Holdings is involved in the stable procurement of hops, one of the important raw materials for beer, and in the revitalization of local communities.

Focusing on Tōno City in Iwate Prefecture and Yokote City in Akita Prefecture - two of Japan's leading hop producing areas – Kirin Holdings is working with local residents to maintain Japanese hops harvesting and revitalize local tourism businesses.



Environment

Kirin Holdings is leading efforts toward a 'vibrant planet through positive impact' along the lines of the *Kirin Group Environmental Vision 2050*.

Climate Change

Efforts to Reduce GHG Emissions at all Nine of Domestic Breweries

As part of the Kirin Brewery's decarbonization efforts, Kirin Brewery completed installation of large-scale solar power generators at all nine of its domestic breweries. As a result of these measures, the ratio of renewable energy to electricity used by Kirin Brewery as a whole will increase from approximately 18% in 2020 to approximately 34%. Going forward, Kirin Holdings will continue to promote the introduction of renewable energy at the Kirin Group's domestic and overseas operations, and in the future aim to replace all of the electricity used in the Kirin Group's operations with renewable energy, quickly achieve RE100*³ compliance.



3 An index of an international environmental initiative consisting of companies aiming for 100% renewable energy for electricity. The Kirin Group has declared that it will achieve 100% power consumption by 2040. <https://www.there100.org/>.

Disclosure Based on TCFD Recommendations

Kirin Holdings was the first in the Japanese food industry to endorse the TCFD*⁴ in 2018. Since 2020, we have analyzed and disclosed opportunities for business growth brought about by climate change. In addition, based on the TCFD recommendations, Kirin Holdings has been working to reflect them in its business strategies. In November 2021, Kyowa Kirin expressed its support for the TCFD recommendations and made its own disclosure.

4 Task Force on Climate-related Financial Disclosure.

Results of scenario analysis and reflection in strategy based on 2021 TCFD recommendations

Risks and Opportunities	Affected Item	Financial Impact	Response Strategies
Physical risk	Decline in yields of agricultural products, procurement costs	Approximately 3 billion yen to 12 billion yen (4°C scenario, 75th percentile)	Brewing technology that is not dependent barley Mass plant propagation technologies Support for farms to acquire sustainable farming certifications
Transition Risk	Increase in energy costs due to carbon pricing	Tax savings if GHGs are reduced/not reduced: 2030: approx. 600 million yen/about 1.3 billion yen 2050: 0 yen/about 1.7 billion yen	Reduce GHG emissions on a medium- to long-term profit neutral basis
Opportunities (product services, markets)	Population exposed to infectious diseases	Total market for immunity-related products in Asia expected to be worth 750 billion yen by 2030	Promote the commercialization of immunity-related products

Containers and Packaging

Joint recycling project with convenience store operator Lawson, Inc. using Kirin Holdings' own infrastructure and proprietary PET bottle collector machines

Kirin Holdings is actively working to build an efficient collection and recycle system for high-quality used PET bottles, [with the goal of converting 50% of the PET plastic used by Kirin Brewery, Kirin Beverage, and Mercian in Japan to recycled plastic by 2027](#). As a demonstration of this initiative, Kirin Beverage Co., Ltd. has been installing the Kirin Group's own PET bottle collector machines at Lawson, Inc. convenience stores starting from July 2021 to collect used PET bottle containers.



Bioresources

Supporting Tea Plantations in Sri Lanka to Obtain Rainforest Alliance Certification

Since 2013, Kirin Holdings has been supporting Sri Lankan tea farms in obtaining Rainforest Alliance certification, an international certification system for farms recognized for their commitment to more sustainable farming practices while protecting nature and the farmers.

In August 2021, Kirin Holdings will launch products under the *Kirin Gogo-no-kocha* brand that use tea leaves from farms that have acquired the certification, and Kirin Holdings is working to enhance brand value by making the farms' initiatives visible through these products.

(2) Future Challenges

In the 2022-2024 MTBP, KV2027's basic direction will remain unchanged and Kirin Holdings will continue to strengthen its existing businesses and create new value by promoting CSV as the core of its management. Specifically, Kirin Holdings will make growth investments and strategic investments in the following three domains: (1) Increase profit in Food & Beverages Domain, (2) strengthen the operating base of the Pharmaceuticals Domain's global base and (3). Scaling up the Health Science Domain, aiming for sustainable growth.

To achieve these goals, Kirin Holdings will continue to work on strengthening the Kirin Group's organizational capabilities towards innovation. In addition, Kirin Holdings will build a solid organizational foundation by thoroughly adhering to the Kirin Group's DNA of focusing on quality, building an SCM^{*1} system that balances

efficiency and sustainability, and strengthening governance to support value creation. Through these efforts, Kirin Holdings will achieve its financial targets of a normalized EPS CAGR of at least 11% by 2024*² and ROIC of at least 10% as of 2024, and ride a new growth track toward achieving KV2027.

1 An abbreviation for Supply Chain Management, which refers to the efficient establishment and management of the supply chain, including the procurement of raw materials, production at factories, and the supply, demand, and distribution of products.

2 Standard is FY2021.

Results forecast for the next fiscal year

Consolidated revenue
¥1,950.0 billion (up 7.1% compared to the previous fiscal year)

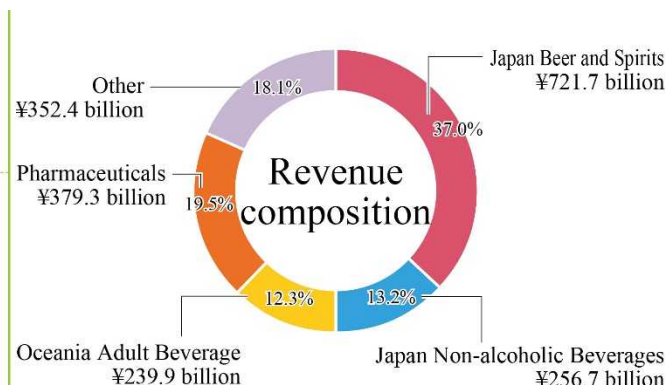
Consolidated normalized operating profit
¥166.0 billion (up 0.3% compared to the previous fiscal year)

Consolidated profit before tax
¥177.0 billion (up 77.7% compared to the previous fiscal year)

Profit attributable to owners of the Company
¥114.5 billion (up 91.5% compared to the previous fiscal year)

Key performance indicators

Financial targets	Normalized EPS	ROIC
	¥157 (up 0.6% compared to the previous fiscal year)	8.3%



1. Food & Beverages Domain

In the Food & Beverages Domain, Kirin Holdings will build a strong brand system, strengthen the Kirin Group's profitability and financial base, and explore as well as expand new businesses.

Kirin Brewery, will build a strong brand system by strengthening investment in its mainstay *KIRIN ICHIBAN* brand, *KIRIN ICHIBAN Zero Sugar*, which caters to health-conscious consumers, and *SPRING VALLEY Hojun 496*, a high-value-added, highly profitable brand. *KIRIN Home Tap* appeal will further be enhanced through strengthening its craft beer lineup, with the aim of revitalizing the craft beer market and make it more attractive. In the RTD category, Kirin Brewery will boost the development of high-value-added products that meet the needs of people who want to enjoy quality time when at home.

Lion will focus on improving profitability through marketing reform and supply chain optimization. Moreover, Lion will promote the integration of its acquired craft beer businesses and create synergies in order to accelerate the growth of the craft beer business in North America and Australia.

Mercian will launch *Mercian Wines* as a new imported wine brand. Mercian will reinstall the inherent value of wine in Japan, make the wine market more attractive to consumers, and co-create high-quality imported wines that suit the Japanese palate with wineries that are sincerely committed to sustainable winemaking - including consideration for the environment.

Kirin Beverage will further promote CSV management and strengthen the profitability of the existing beverage business through focusing on its strengths. At the same time, Kirin Beverage will strengthen its Health Science domain by transforming itself into a beverage company with health as a new company pillar.

For the mainstay *Gogo-no-Kocha* brand, Kirin Beverage will focus on developing *Kirin Gogo-no-Kocha Oishii Muto (sugar-free)* and achieve renewed growth of the brand by expanding low-sugar product offerings. Kirin Beverage will promote the use of sustainable PET plastic in the development of *Kirin Nama-cha* products, aiming to win the goodwill of society and consumers as a brand that contributes to their health and the environment.

In the Health Science field, Kirin Holdings will contribute to better consumer health and open up new markets by expanding the development of beverages containing LC-Plasma. This includes the addition of *Kirin iMUSE Morning Immune Care*, a yogurt-tasting beverage in a 100ml PET bottle, to be launched nationwide in March, and further development of beverages containing LC-Plasma in collaboration with FANCL ("fahn-kell") Corporation.

Coke Northeast will build a structure capable of generating stable and high profits on an ongoing basis. Coke

Northeast will continue to further increase its share of the highly profitable carbonated beverage market and cater to distribution needs with a sense of urgency, keeping an eye on trends in other beverage categories. In addition, Coke Northeast will adapt to changes in customer needs and strengthen DX^{*3} to promote internal operational efficiency.

3 An abbreviation for ‘digital transformation.’ It is the transformation of people's lives for the better through the penetration of advanced digital technologies.

2. Pharmaceuticals Domain

The environment surrounding the pharmaceutical industry in recent years has undergone severe changes, including the promotion of measures to curb drug costs, a decrease in spending on pharmaceuticals due to the promotion of generics, and increased costs and complexity of processes in the new drug development, etc. At the same time, there are also moves to encourage the development of new drug discovery methods that enable innovative treatments through advances in science and technology.

In addition, breakthrough drugs for unmet medical needs^{*4} are still eagerly awaited around the world. Moreover, new medical needs are emerging as the overall social environment undergoes major changes, such as the development and penetration of digital technology and the diversification of consumer touchpoints.

In this environment, Kyowa Kirin will achieve further growth as a Global Specialty Pharmaceutical company by promoting the development of next-generation global strategic products such as *KHK4083*, *ME-401* (*zandelisib*), and *KW-6356*^{*5} in addition to the *Crysvita*, *Poteligeo* and *Nourianz* global strategic products. Kirin Holdings will also promote the development of new drugs for the domestic market, such as *KHK-7791*^{*6} (*Tenapanor*), and *RTA402*^{*7} (*bardoxolone methyl*).

4 Refers to medical needs for diseases for which no cure has yet been found.

5 Next generation of *KW-6002* (*Nourianz* in the United States, *Nourias* in Japan) drugs for Parkinson's disease.

6 A treatment that inhibits phosphorus absorption for hemodialysis patients.

7 A treatment for patients with Alport syndrome and diabetic kidney disease

Kyowa Kirin will achieve business growth as a [Japan-based Global Specialty Pharmaceutical Company by implementing *Kyowa Kirin's New Vision for 2030*](#), which was announced in February 2021 in conjunction with the five-year mid-term business plan, and strategies for achieving this vision.

3. Health Science Domain

In KV2027, the Kirin Group launched the Food & Beverage, Pharmaceuticals, and Health Science Business, which is important for CSV management. As COVID-19 continues to expand on a global scale after 2020, interest in health and disease prevention is increasing even more. Seeing this as a new opportunity, Kirin Holdings will strengthen its investment in the Health Science domain and expand the domain's scale in the 2022-2024 MTBP. Kirin Holdings will also explore new growth opportunities for further business growth. In particular, Kirin Holdings will use the expansion of LC-Plasma in the immunology field as a springboard for growth in the brain function and intestinal environment fields.

In 2022, the first year of the mid-term plan, Kirin Holdings will continue to focus on accelerating the expansion of the LC-Plasma business. Kirin Holdings will also boost the development of yogurt and supplements that are easy to take up as a daily habit, aiming to further instill an ‘immune care’ habit. In line with the expansion of the Kirin Group's business, Kirin Holdings will increase LC-Plasma production facilities and increase the beverage production line at the Kirin Beverage's Shonan Plant. In addition, Kirin Holdings will proceed with verifying the effect of LC-Plasma on tropical infectious diseases at the research base of the University of Malaya.

In overseas markets, Kyowa Hakko Bio will accelerate its B-to-B business, focusing on mainly in the United States and Southeast Asia for LC-Plasma, and boosting overall sales of



Kirin iMUSE Morning Immune Care

Thai Kyowa

Citicoline^{*8} will be sold in the United States. In 2022, Kyowa Hakko Bio will begin production of human milk oligosaccharides^{*9} – in which Kyowa Hakko Bio succeeded in developing the world's first production technology using its proprietary fermentation technology - at its plant in Thailand with the aim of launching the product overseas.



Kirin Holdings will continue to engage in joint research and new product development with FANCL, utilizing the ingredients and technologies of both companies. In addition, Kirin Holdings will aim to create synergies by utilizing the knowledge of the online shopping business, which is one of FANCL's strengths, within the Kirin Group and by strengthening organizational capabilities through personnel exchanges.

In order to contribute to the health and well-being of consumers, Kirin Holdings will vigorously pursue business development in the areas of immunity, brain function, intestinal environment, and physical vitality centered on ornithine, as well as move forward with new business exploration, internal ventures, and corporate venture capital. In addition, Kirin Holdings will move forward with new business exploration, [intrapreneurial](#) ventures, and corporate venture capital^{*10} to solve social issues related to the health of consumers at all touchpoints.

In order to increase the scale of these initiatives, Kirin Holdings will establish a Health Science Business Headquarters in the spring of 2022 to oversee strategy and business collaboration in the Health Science domain. This will strengthen the governance structure to create synergies within the Group and improve the speed of promoting company strategy understanding internally and implementation.

8 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.

9 A generic term for oligosaccharides contained in breast milk. More than 250 types of oligosaccharides are currently contained in breast milk, and the results of research contributing to "immunity" and "brain function" have been reported.

10 Refers to an organization for operating companies to contribute their own funds to form a fund to invest in startup companies or to invest in startup companies. Many operating companies invest in companies that are related to their own business, aiming to create synergies and new businesses.

With regard to the business of Myanmar Brewery Company Limited, Over the following year, Kirin Holdings took every measure to find a way forward that would allow it to continue to contribute to Myanmar's economy and society through the beer business. These included discussions with Myanma Economic Holdings Public Company Limited (MEHPCL) and filing for arbitration in Singapore, seeking to terminate the joint venture. In the end, Kirin Holdings determined that it would be difficult to quickly terminate the joint venture in the manner it desires.

Therefore, Kirin Holdings has now commenced and is proceeding with discussions with MEHPCL in order to withdraw from the business in Myanmar, giving top priority to the termination of the joint venture as soon as possible.

Finally, in order to achieve KV2027 and sustainable corporate growth, Kirin Holdings' Board of Directors regularly will discuss the optimal business portfolio. Kirin Holdings will accelerate creating value in areas ranging from Food & Beverages to Pharmaceuticals by applying its highly-acclaimed governance to transform its business portfolio.

Kirin Holdings sincerely thanks the Kirin Group's shareholders for their continued understanding and support.

(3) Assets and income

Item	180 th term (FY2018)	181 st term (FY2019)	182 nd term (FY2020)	183 rd term (FY2021)
Revenue	¥1,930,522 million	¥1,941,305 million	¥1,849,545 million	¥1,821,570 million
Normalized operating profit	¥199,327 million	¥190,754 million	¥162,115 million	¥165,430 million
Profit before tax	¥246,852 million	¥116,823 million	¥124,550 million	¥99,617 million
Profit attributable to owners of the Company	¥164,202 million	¥59,642 million	¥71,935 million	¥59,790 million
Basic earnings per share	¥183.57	¥68.00	¥85.57	¥71.73
Total equity	¥1,191,418 million	¥1,146,825 million	¥1,095,939 million	¥1,147,990 million
Equity per share attributable to owners of the Company	¥1,032.55	¥1,043.57	¥1,005.96	¥1,072.69
Total assets	¥2,303,624 million	¥2,412,874 million	¥2,459,363 million	¥2,471,933 million

- (Notes)
1. The Company's consolidated financial statements are prepared based on International Financial Reporting Standards (IFRS).
 2. The Company has retroactively adjusted the tax effects on intangible assets acquired through business combination in the 180th terms as a result of a change in accounting policy in the 181st term.

(4) Plant and equipment investment

Consolidated plant and equipment investment for this fiscal year amounted to ¥57.1 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

No matters to report.

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 Company, Limited	(Takasaki Plant) Construction of New Quality Building

(5) Financing

The aggregate amount of loans payable, including bonds, was ¥551.5 billion as of the end of this fiscal year.

Major financing during this fiscal year was the issue of unsecured bonds by the Company amounting to ¥70 billion.

(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 62 to 66 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%	Production and sale of alcoholic beverages
Japan Non-alcoholic Beverages	Kirin Beverage Company, Limited	Chiyoda-ku, Tokyo	¥8,417 million	100%	Production and sale of non-alcoholic beverages
Oceania Adult Beverages	Lion Pty Limited	New South Wales, Australia	A\$7,531 million	100%	Management of alcoholic beverages business in Oceania
Pharmaceuticals	Kyowa Kirin Company, Limited	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%	Import, production and sale of alcoholic beverages

Business division	Company name	Location	Capital	Ratio of shareholding	Description of major businesses
	Kyowa Hakko Bio Company, Limited	Chiyoda-ku, Tokyo	¥10,000 million	100% (5%)	Production and sale of pharmaceutical materials, various amino acids and materials of health food products
	Myanmar Brewery Limited	Yangon, Myanmar	K16,207 million	51.0% (51.0%)	Production and sale of beer
	Coca-Cola Beverages Northeast, Inc.	New Hampshire, U.S.	U.S. \$930 thousand	100%	Production and sale of non-alcoholic beverages

(Note) The number in brackets of the ratio of shareholding means indirect holdings ratio.

2) Significant affiliated companies

Business division	Company name	Location	Capital	Ratio of shareholding	Description of major businesses
Others	FANCL CORPORATION	Yokohama	¥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
	China Resources Kirin Beverages (Greater China) Company, Limited	British Virgin Islands	U.S. \$1,000	40.0%	Management of non-alcoholic beverages business in China

(8) Major business offices, plants, etc.

1) Kirin Holdings Company, Limited

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

Laboratories: 3 Laboratories including Institute for Future Beverages (Yokohama)

2) Subsidiaries

Business division	Company name	Major centers	
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)
Japan Non-alcoholic Beverages	Kirin Beverage Company, Limited	Head Office	Chiyoda-ku, Tokyo
		Branch Offices	7 Area Divisions including Kanto Metropolis Area 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 Company, Limited	Head Office	Chiyoda-ku, Tokyo
		Branch Offices	11 Branches including Tokyo Branch (Chuo-ku, Tokyo)
		Plants	Takasaki Plant (Takasaki), Ube Plant (Ube)
		Laboratories	4 Laboratories including Fuji Research Park (Nagaizumi-cho, Suntou-gun, Shizuoka)
Others	Mercian Corporation	Head Office	Nakano-ku, Tokyo
		Branch Offices	9 Branches including Metropolitan Regional Sales & Marketing Branch (Chuo-ku, Tokyo)
		Plants	6 Plants including Fujisawa Plant (Fujisawa)
	Kyowa Hakko Bio Company, Limited	Head Office	Chiyoda-ku, Tokyo
		Plants	Yamaguchi Production Center (Hofu)
		Laboratories	Research & Innovation Center (Tsukuba), Technical Research Laboratory (Hofu)
	Myanmar Brewery Limited	Head Office	Yangon, Myanmar
	Coca-Cola Beverages Northeast, Inc.	Head Office	New Hampshire, U.S.

(9) Employees

Business division	Number of employees (persons)
Japan Beer and Spirits	4,315
Japan Non-alcoholic Beverage	3,568
Oceania Adult Beverage	3,502
Pharmaceuticals	5,752

Others	10,914
Administration	1,464
Total	29,515

- (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 2021, a subsidiary of Lion Pty Limited (Kirin Foods Australia Holdings Pty Ltd) sold and transferred all of its shares in Lion-Dairy and Drinks Pty Ltd to Bega Cheese Limited.
- 2) In November 2021, the Company, by way of Lion Pty Ltd, acquired all of shares in Fermentum Pty Ltd.

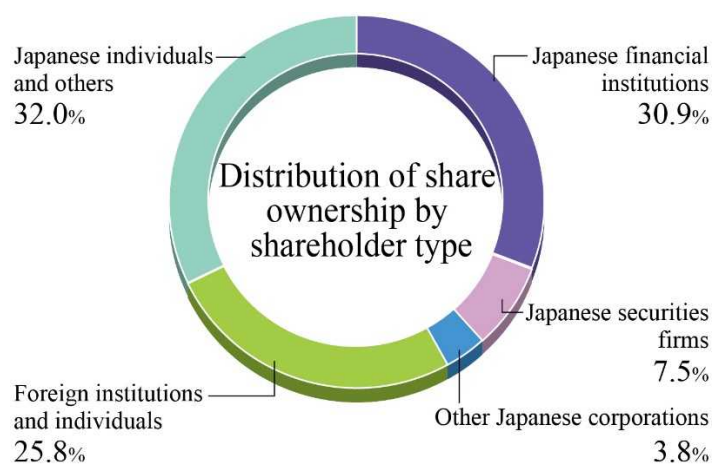
(11) Major lenders and loan balances

Lender	Outstanding balance of loan
MUFG Bank, Ltd.	¥64,705 million
Syndicated loans	¥64,533 million

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

2. Shares

- (1) Authorized shares** 1,732,026,000 shares
- (2) Outstanding shares** 914,000,000 shares
(No change from the end of the previous fiscal year)
- (3) Number of shareholders** 345,427 persons
(Increased by 146,234 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)	127,742	15.3
Custody Bank of Japan, Ltd. (Trust account)	42,209	5.0
Meiji Yasuda Life Insurance Company	32,996	3.9
Custody Bank of Japan, Ltd. (Trust account 4)	22,465	2.6
SMBC Nikko Securities Inc.	17,799	2.1
STATE STREET BANK AND TRUST COMPANY 505001	15,250	1.8
JPMorgan Securities Japan Co., Ltd.	14,577	1.7
STATE STREET BANK WEST CLIENT - TREATY 505234	14,411	1.7
THE BANK OF NEW YORK MELLON 140044	11,689	1.4
STATE STREET BANK AND TRUST COMPANY 505223	11,097	1.3

- (Notes) 1. The Company holds 80,029,000 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.

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.

Title	Name	Responsibilities	Significant positions concurrently held at other companies and organizations
President & Chief Executive Officer	Yoshinori Isozaki	—	President & CEO, Kirin Brewery Company, Limited
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, Lion Pty Limited Director, San Miguel Brewery Inc. Director, China Resources Kirin Beverages (Greater China) Company, Limited Director & Vice Chairman, Myanmar Brewery Limited
Director of the Board, Senior Executive Officer	Toshiya Miyoshi	Responsible for Personnel & General Affairs Strategy	Director of the Board, Kirin Beverage Company, Limited Director, San Miguel Brewery Inc.
Director of the Board, Senior Executive Officer	Noriya Yokota	Responsible for Financial Strategy; IR; IT Strategy; Business Process Re-engineering	Director, Kyowa Kirin Co., Ltd. Director, Kirin Business System Company, Limited
Director of the Board, Senior Executive Officer	Noriaki Kobayashi	Responsible for R&D Strategy; Quality Assurance	Director, Kyowa Hakko Bio Co., Ltd.
Director of the Board	Masakatsu Mori	Chairperson of the Board	Senior Advisor, International University of Japan Outside Director, STANLEY ELECTRIC CO., LTD. Outside Director, YAMATO HOLDINGS CO., LTD. External Statutory Auditor, FAST RETAILING CO., LTD.
Director of the Board	Hiroyuki Yanagi	Member of the Nomination & Remuneration Advisory Committee	Chairman and Director, Yamaha Motor Co., Ltd. Outside Director, AGC Inc. Outside Director, Japan Airlines Co., Ltd.

Title	Name	Responsibilities	Significant positions concurrently held at other companies and organizations
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
Director of the Board	Noriko Shiono	Member of the Nomination & Remuneration Advisory Committee	President, Widex Japan
Director of the Board	Rod Eddington	—	Chairman, Independent Non-Executive Director of Lion Pty Ltd. Outside Director, John Swire & Sons (Australia) Pty Ltd. Outside Director, CLP Holdings Limited
Director of the Board	George Olcott	—	Outside Director, DENSO CORPORATION Outside Director, Dai-ichi Life Holdings, Inc.
Director of the Board*	Kaoru Kato	—	Corporate Advisor, NTT DOCOMO, INC. Outside Director, Mitsubishi UFJ Financial Group, Inc.
Standing Audit & Supervisory Board Member	Akihiro Ito	—	Audit & Supervisory Board Member, Kyowa Hakko Bio Co., Ltd.
Standing Audit & Supervisory Board Member	Keiji Kuwata	—	Audit & Supervisory Board Member, Kyowa Kirin Co., Ltd.
Audit & Supervisory Board Member	Nobuo Nakata	—	Representative Partner, Hibiya-Nakata Outside Audit & Supervisory Board Member, NEC Corporation
Audit & Supervisory Board Member	Yoshiko Ando	—	Outside Director, Sansei Technologies, Inc. Outside Director, JFE Holdings, Inc.

Title	Name	Responsibilities	Significant positions concurrently held at other companies and organizations
Audit & Supervisory Board Member	Kaoru Kashima	—	Outside Audit & Supervisory Board Member, Nippon Telegraph and Telephone Corporation External Director, Sumitomo Mitsui Trust Holdings, Inc.

- (Notes)
1. Director of the Board marked with an asterisk (*) indicates such officer was newly assumed office as of March 30, 2021.
 2. Mr. Masakatsu Mori, Mr. Hiroyuki Yanagi, Ms. Chieko Matsuda, Ms. Noriko Shiono, Mr. Rod Eddington, Mr. George Olcott, and Mr. Kaoru Kato, are Non-executive Directors.
 3. Mr. Nobuo Nakata, Ms. Yoshiko Ando, and Ms. Kaoru Kashima, are Audit & Supervisory Board Members.
 4. Business relations involving IT outsourcing, etc. exist between the Company and NEC Corporation, where Audit & Supervisory Board Member, Mr. Nobuo Nakata, concurrently holds a significant position.
 5. Standing Audit & Supervisory Board Member, Mr. Akihiro Ito, held the position of Director of the Board responsible for Group Financial Strategy at 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. Directors of the Board, Mr. Masakatsu Mori, Mr. Hiroyuki Yanagi, Ms. Chieko Matsuda, Ms. Noriko Shiono, Mr. Rod Eddington, Mr. George Olcott, and Mr. Kaoru Kato, and Audit & Supervisory Board Members, Mr. Nobuo Nakata, Ms. Yoshiko Ando, and Ms. Kaoru Kashima, are independent officers in compliance with the requirements of the Tokyo Stock Exchange, Inc., etc.
 8. Mr. Shoshi Arakawa resigned his position as Director of the Board as of March 30, 2021.
 9. As of January 1, 2022, President & Chief Executive Officer Mr. Yoshinori Isozaki resigned from President & CEO of Kirin Brewery Company, Limited, a significant position concurrently, and Director of the Board, Mr. Hiroyuki Yanagi, resigned from Chairman and Director of Yamaha Motor Co., Ltd., a significant position concurrently, and remains holding the position of its Director.
 10. The Company adopts an executive officer based system. Senior Executive Vice President and Senior Executive Officers who are not concurrently holding the position of Director of the Board as of January 1, 2022 are as follows.

Title	Name	Responsibilities	Significant positions concurrently held at other companies and organizations
Senior Executive Vice President	Hiroshi Ogawa	PR Strategy Risk Management Legal	Director of the Board, Kirin Brewery Company, Limited
Senior Executive Officer	Ryosuke Mizouchi	CSV Strategy North America Beer Business	Director, Lion Pty Limited Director, Mercian Corporation Director, Coca-Cola Beverages Northeast, Inc.
Senior Executive	Takeshi Minakata	Health Strategy	—

Title	Name	Responsibilities	Significant positions concurrently held at other companies and organizations
Officer			
Senior Executive Officer	Junko Tsuboi	General Manager of Strategic Branding Department Marketing Strategy Brand Strategy	Outside Director, FANCL CORPORATION
Senior Executive Officer	Masao Maehara	SCM (Production, Logistics and Procurement) Strategy	Director, Kirin Beverage Company, Limited
Senior Executive Officer	Hideki Horiguchi	—	President & CEO, Kirin Brewery Company, Limited
Senior Executive Officer	Toru Yoshimura	—	President & CEO, Kirin Beverage Company, Limited

(2) 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 (1) of the Companies Act, wherein the insured persons include Director of the Board, Audit & Supervisory Board Member, Executive Officer 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.

(3) 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, each fiscal year. As part of this process, the Nomination & Remuneration Advisory Committee considers changes in the management environment each fiscal year, shareholder/investor requests, and objective and professional opinions of external remuneration consulting firms are referred to when appropriate. An outline of the Company's policy for Officers' remuneration, etc. for the current fiscal year, which was determined after the aforementioned deliberation process, 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 Non-executive Directors constitute a majority, in order 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, which is performance-linked 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.

Type of remuneration, etc.	Outline	Evaluation indicators and reasons for adopting them	Persons eligible for the payment		Composition ratio of remuneration for the President & CEO (%)
			Directors of the Board (excluding Non-executive Directors)	Non-executive Directors and Audit & Supervisory Board Members	
Fixed remuneration	Basic remuneration	<ul style="list-style-type: none"> ● Fixed remuneration based on the executive rank and responsibilities ● Annual sum is divided equally by 12 and paid each month. ● For a Non-executive Director concurrently serving as Chairperson of the Board, a Chairperson allowance shall be added. 	-	○	45
Performance-linked remuneration	Bonus (short-term incentive)	<ul style="list-style-type: none"> ● 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 	Selected by a resolution of the Board of Directors after deliberation by the Nomination & Remuneration Advisory Committee by focusing on the profit growth of the existing businesses	○	32

		<p>(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.</p> <ul style="list-style-type: none"> ● Lump-sum payment after the end of each fiscal year. 	<p>and future-oriented investments. For the current fiscal year, the following two indicators are selected.</p> <ul style="list-style-type: none"> ● Corporate performance evaluation indicators (consolidated normalized operating profit or operating companies' normalized operating profit) ● Individual performance evaluation indicators 			
	Trust-type stock compensation (*For residents in Japan) (medium- to long-term incentive)	<ul style="list-style-type: none"> ● Performance-linked remuneration for motivation to improve corporate value over the medium- to long-term. ● In principle, the points obtained by multiplying the basic points (calculated by dividing the base amount predetermined for each executive rank by the prescribed closing stock price every year) by the performance-linked factor (50–150%) depending on the degree of achievement of the performance targets for each fiscal year shall be granted after the end of the fiscal year. ● In principle, at a certain time after the lapse of three years from the start of the performance evaluation period, the number of shares corresponding to the number of points shall be delivered, and shares equivalent to 50% shall be realized and paid in cash. 	<p>Selected from key performance indicators by a resolution of the Board of Directors after deliberation by the Nomination & Remuneration Advisory Committee. The aim is to maximize cash flows through enhancement of shareholder value and investment in future growth, and to realize the CSV Purpose to create social value based on the Medium-Term Business Plan. For the current fiscal year, the following indicators are selected from key performance indicators in the 2019 Medium-Term Business Plan.</p> <ul style="list-style-type: none"> ● ROIC ● Normalized EPS ● Non-financial indicators 	○	---	23

*A performance-linked and stock-price-linked remuneration plan (the “Phantom Stock Plan”), which has an evaluation system equivalent to the trust-type stock compensation plan, applies to those who are non-residents in Japan and are not subject to the trust-type stock compensation plan. (For details of the plan, please refer to (iv) iii) below.)

(iii) Establishment of optimal remuneration levels and ratio of performance-linked remuneration

First, objective verification is conducted by comparing the levels of remuneration and its linkage to performance, using survey data of remuneration for officers obtained from an external research organization. Second, the remuneration levels for the Company’s officers and the ratio of performance-linked remuneration (bonus and trust-type stock compensation) are determined by a resolution of the Board of Directors based on the executive rank, responsibilities and others of each person after deliberation by the Nomination & Remuneration Advisory Committee. The ratio of performance-linked remuneration out of the total remuneration is designed to be approximately 50% upon the achievement of performance targets (for base amount), in principle. Specifically, the ratio between the base amounts of basic remuneration and performance-linked remuneration for the President & CEO is set at 45:55 (comprising bonuses: 32 and stock-based remuneration: 23), and the ratios for other Directors of the Board (excluding Non-executive Directors) are determined in accordance with the above, as well as in consideration of the executive rank and responsibilities.

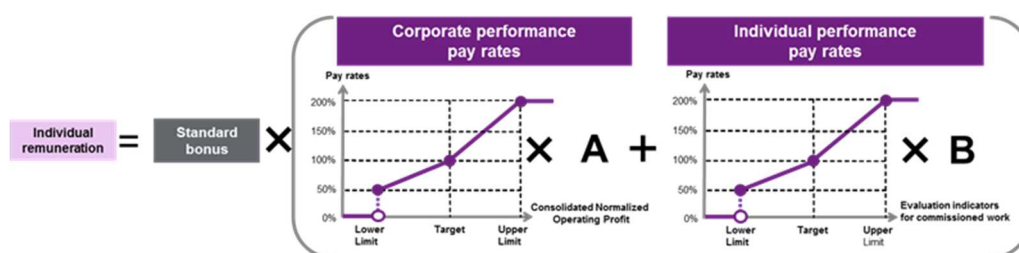
(iv) Mechanism for linkage to performance

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

i) Bonuses

The evaluation indicators for bonuses are selected by a resolution of the Board of Directors after deliberation by the Nomination & Remuneration Advisory Committee by focusing on profit growth of the existing businesses and future-oriented investments. The evaluation indicators for bonuses for the current fiscal year are corporate performance evaluation indicators (Consolidated normalized operating profit. For the president of an operating company, the operating company’s normalized operating profit. Targets for each fiscal year are determined by the Board of Directors after deliberation by the Nomination & Remuneration Advisory Committee based on past achievement, the details of the Medium-Term Business Plan, business forecasts at the beginning of the fiscal year and other factors.) and individual performance evaluation indicators (specific evaluation indicators and targets are determined by the Nomination & Remuneration Advisory Committee. For details, please refer to (v) below). 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.

Sample 1: Mechanism for linkage of bonuses to performance



* The ratio of A to B for the President & CEO is 70:30, for Representative Director, Senior Executive Vice President is 60:40, and for other Directors of the Board (excluding Non-executive Directors) is 50:50, respectively.

ii) Stock-based remuneration

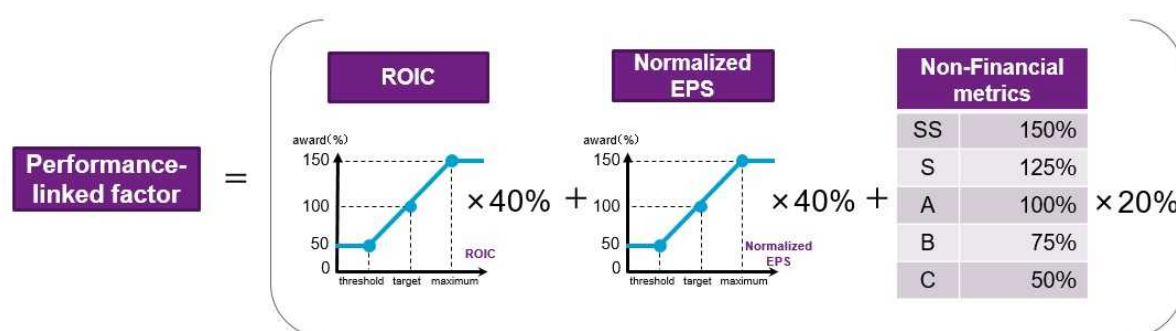
The Company's stock-based remuneration is a Trust-type stock compensation plan. Under this plan, a trust established by the Company's contribution of money acquires the Company's shares using such money. In principle, the Company delivers and grants the Company's shares and money in the amount equivalent to the proceeds from converting into cash, the Company's shares subject to sale, to the Company's Directors (excluding Non-executive Directors) and Executive Officers who are granted points in accordance with the Share Delivery Rules of the Company. The applicable period of the Trust-type stock compensation plan shall be the fiscal years covered under the Company's Medium-Term Business Plan. In the fiscal year following each fiscal year during the applicable period, the Company grants the points calculated by multiplying the basic points predetermined based on the base amount for stock-based remuneration for each executive rank by the performance-linked factor determined based on the degree of achievement of performance targets. By following the prescribed beneficiary-determining procedure at a certain point in time after the lapse of three years from the start of each performance evaluation period in principle, the number of the Company's shares (where a fractional share shall be counted as one share), 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 to be appropriated to funds for tax payment.

The performance indicators for stock-based remuneration are determined by resolution of the Board of Directors after deliberation by the Nomination & Remuneration Advisory Committee. The aim is to maximize cash flows through enhancement of shareholder value and investment in future growth, and to achieve the CSV purpose to create social value based on the Kirin Group Medium-Term Business Plan. Targets for each fiscal year are determined by the Board of Directors after deliberation by the Nomination & Remuneration Advisory Committee in light of the actual results for past fiscal years, details of the Medium-Term Business Plan, performance forecasts at the beginning of the fiscal year and others.

For the current fiscal year, ROIC, Normalized EPS, and non-financial indicators are selected from key performance indicators in the 2019 Medium-Term Business Plan, and the performance-linked factor is calculated depending on the degree of achievement of targets. The non-financial indicators are based on a comprehensive evaluation of the progress and achievement status of the CSV commitment, which is an action plan for achieving the Kirin Group's goal of the CSV purpose, and the status of employee

engagement from a viewpoint of understanding of, sympathy for and actions for the Company's policy. The evaluation of non-financial indicators is deliberated on by the Nomination & Remuneration Advisory Committee and determined at the Board of Directors in light of the evaluation at the Group Executive Committee in order to ensure objectivity and transparency. The performance-linked factor ranges from 50% to 150% for each evaluation indicator, where 100% indicates the achievement of targets. The lower limit of the performance-linked factor is 50% in order to promote the shareholding by Directors of the Board.

Sample 2: Calculation formula for performance-linked factor under Trust-type stock compensation



iii) Performance-linked and stock-price-linked remuneration (Phantom Stock Plan)

A performance-linked and stock-price-linked remuneration plan applies to officers who are non-residents in Japan. Under the plan, in accordance with the Company's Share Delivery Rules, the Company grants points calculated by the same formula as for the Trust-type stock compensation plan, and grants money in the amount equivalent to the Company's shares to be delivered under the Trust-type stock compensation plan (including the Company's shares convertible into cash under the Trust-type stock compensation plan).

(v) Method for determining remuneration, etc. for officers

In order to ensure fair and reasonable operation of the plan in accordance with the basic policy described in (i)–(iv) above, remuneration, etc. for officers is deliberated on by the Nomination & Remuneration Advisory Committee, of which independent directors constitute a majority and an independent director is the chair, and reported to the Board of Directors. Then, remuneration for Directors of the Board is determined by the Board of Directors, and remuneration for Audit & Supervisory Board Members is determined in consultation with Audit & Supervisory Board Members within the remuneration limit resolved in advance by a general meeting of shareholders.

Provided, however, that determination of individual performance evaluations for the bonuses of each Director of the Board (excluding Non-executive Directors), including the President & CEO (including the setting of evaluation indicators and targets), and the evaluation results depending on the degree of achievement of them and the individual payment ratio regarding the individual performance evaluation, is delegated to the Nomination & Remuneration Advisory Committee in order to ensure objectivity and transparency. Specifically, (i) for the President & CEO, the Nomination & Remuneration Advisory Committee determines details of these matters after a Non-executive Director, who is the chair or member (excluding interested persons) of the Nomination &

Remuneration Advisory Committee, holds an interview with the President & CEO regarding the evaluation and the setting of targets; and (ii) for Directors of the Board other than the President & CEO, the President & CEO drafts these matters through an interview with each respective Director regarding the evaluation and the setting of targets and the Nomination & Remuneration Advisory Committee determines these matters after deliberation of the draft. The Nomination & Remuneration Advisory Committee then determines the outcomes of each individual performance evaluation and sets an appropriate individual payment ratio regarding the individual performance evaluation which is then reported to the Board of Directors in a timely and appropriate manner.

For the current fiscal year, in accordance with this policy, the determination on the individual performance evaluation for the bonus of each Director including that of the President & CEO, was delegated to the Nomination & Remuneration Advisory Committee (comprised of the following five persons (three Non-executive Directors and two Directors of the Board), chair: 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, responsible for Personnel & General Affairs Strategy)), and the Nomination & Remuneration Advisory Committee determined them.

In determining the details of individual remuneration, etc. for Directors of the Board, 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 mount based on this. It 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.

(vi) Other important matters

In the event of significant changes in the business environment due to an occurrence of unexpected, extraordinary events (including, but not limited to, natural disasters, sharp fluctuations in foreign exchange rates, misconducts, and organizational restructuring), the Company may make a discretionary judgment in a resolution of the Board of Directors in determining remuneration, etc. for Directors of the Board (including Non-executive Directors) and Executive Officers 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. 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 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)		Trust-type 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)	480	265	5	166	5	—	—	49	5
Audit & Supervisory Board Members (excluding Non-standing Audit & Supervisory Board Members)	71	71	2	—	—	—	—	—	—
Non-executive Officers	Non-executive Directors	127	8	—	—	—	—	—	—
	Non-standing Audit & Supervisory Board Members	54	3	—	—	—	—	—	—
Total	732	518	18	166	5	—	—	49	5

- (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 one Director who retired as of March 30, 2021.
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. Trust-type stock compensation was granted to Directors of the Board (excluding Non-executive Directors) as non-monetary remuneration. The above total amount of trust-type stock compensation is the amount recorded as expenses during the current fiscal year for the Board Incentive Plan (BIP) Trust.
5. For details of trust-type stock compensation, please refer to 1) (iv) ii) above.

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

The targets, etc. and actual results regarding evaluation indicators for performance-linked remuneration for the current fiscal year, determined by a way of resolution by the Board of Directors following deliberation by the Nomination & Remuneration Advisory Committee, are as follows.

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

In determining remuneration, etc. for officers for the current fiscal year, the base value of the performance target for corporate performance (consolidated normalized operating profit) for bonuses reflects the downward revision of the consolidated performance forecast and upper and lower limit of target performance were also revised. This revision was made during the current fiscal year in consideration of the impact of the political upheaval in the business of Myanmar Brewery Limited. The Company determined that this political upheaval corresponds to a significant change in the business environment due to the unexpected extraordinary events described in 1) (vi) above, and, based on the efforts of the Board of Directors made to minimize the decline in profit due to the above impact, made the above determination after deliberation at the Nomination and Remuneration Advisory Committee.

Performance evaluation indicators	Evaluation ratio	Fluctuation range of payment ratio	Performance target		Actual results	Actual results (payment ratio for each indicator)	Final payment ratio
Corporate performance evaluation (consolidated normalized operating profit)	50–70%	0–200%	Upper limit	204 billion yen	163.2 billion yen	90.0%	108-120%
			Base	170 billion yen			
			Lower limit	136 billion yen			
Individual performance evaluation	30–50%	0–200%	Decided based on evaluation indicators of commissioned work, etc. for each person.			150%	

- (Notes) 1. When evaluating the degree of achievement of corporate performance evaluation, the impact of exchange fluctuations, etc. for each fiscal year is excluded from calculating items in the financial statements of overseas subsidiaries, etc.
2. Individual performance evaluation was determined by the method described in 1) (v) above.

ii) Trust-type stock compensation (whose performance evaluation period is the current fiscal year)

Performance evaluation indicators	Evaluation ratio	Fluctuation range of payment ratio	Performance targets		Actual results (payment ratio for each indicator)	Final payment ratio
ROIC	40%	50–150%	Upper limit	11.9%	3.6% (53.4%)	90.32%
			Base	7.6%		
			Lower limit	3.3%		
Normalized EPS	40%	50–150%	Upper limit	167.1 yen	151 yen (109.9%)	
			Base	147 yen		
			Lower limit	125 yen		
Non-financial indicators	20%	50–150%	The progress and achievement status of the CSV commitment and the status of employee engagement etc. are comprehensively evaluated.		S (125%)	

(Notes) 1. 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.

2. With respect to non-financial indicators, the Board of Directors evaluated that results of performance exceeded the target as a comprehensive evaluation and decided to rate "S" (payment ratio: 125%) based on the following results and other factors after deliberation by the Nomination & Remuneration Advisory Committee.

- CSV commitment: While some performance indicators failed to achieve their targets due to the impact of COVID-19, "Environment" was almost achieved through activities of reduction of GHG emissions and others.
- Employee engagement: Achieved the target score for FY 2021 by maintaining favorable levels at domestic operating companies and controlling the decrease in scores at overseas operating companies, which are in a difficult business environment.
- Others: Improvement of external evaluation related to ESG/SDGs (acquisition of "AA rating" by MSCI ESG rating, among others).

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 (millions of yen) / 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	(i) Basic remuneration and bonus	950	March 30, 2017	9 (including 4 Non-Executive Directors)
		(including 150 for Non-executive Directors)	March 27, 2020	12 (including 7 Non-executive Directors)
	(ii) Stock-based remuneration	600/600,000 shares	March 27, 2020	13 (5 Directors and 8 Executive Officers)
Audit & Supervisory Board Members	Only basic remuneration	130	March 30, 2017	5 (including 3 Audit & Supervisory Board Members)

(Note) At the 181st Ordinary General Meeting of Shareholders held on March 27, 2020, the Company was approved that a performance-linked and stock-price-linked remuneration is included in basic remuneration and bonuses.

(4) 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 and broad perspective in corporate management, 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	14 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	15 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.
	Kaoru Kato	11 times of 11 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 Digital strategy.

Title	Name	Attendance at Board Meetings	Attendance at Audit & Supervisory Board Meetings	Statements contribution
Audit & Supervisory Board Member	Nobuo Nakata	14 times of 15 meetings	15 times of 15 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.
	Yoshiko Ando	15 times of 15 meetings	15 times of 15 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	15 times of 15 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.

(Note) As for the attendance at the Board Meetings of Director of the Board Mr. Kaoru Kato, the Board Meetings applicable to him are only those held on and after March 30, 2021, the date of his assumption of office.

(Reference)

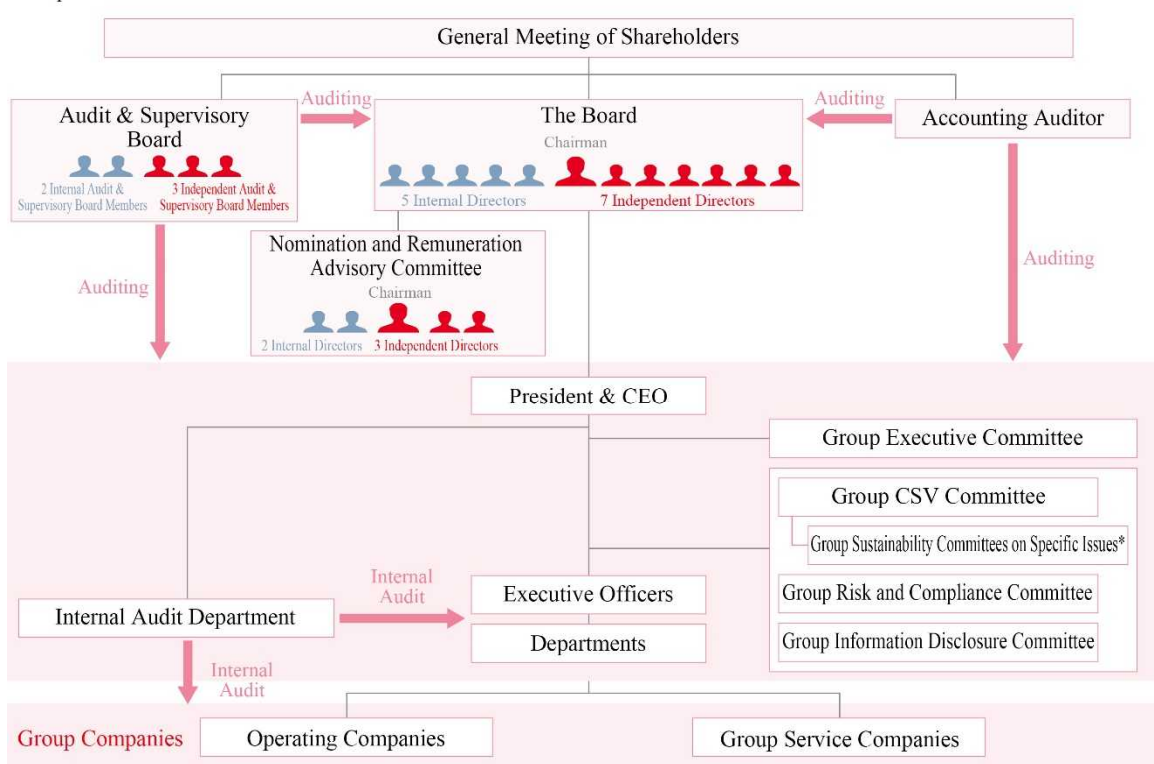
Corporate Governance System

(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 the accountability in good faith.

<Corporate Governance Structure>



* The Group Sustainability Committees on Specific Issues include the Group Environment Committee, the Group Human Rights Committee and the Group Health and Productivity Management Committee.

(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 182nd 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 discussion at the Board meeting in light of the existing initiatives and improvements.

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

While recognizing the importance of efforts regarding ESG (Environment, Society and Governance), the Company will strive to maintain and improve the effectiveness of the Board toward enhancement of corporate value in the medium- to long-term and sustained growth through (1) discussions on the "Business portfolio"; (2) discussion on the "Formulation and implementation of strategy and its monitoring" based on combination of business strategy and functional strategy; (3) discussions on the "Thorough understanding and implementation of the Kirin Group Corporate Philosophy which promotes CSV management and infiltration thereof" (4) discussions on the "Disseminating of wholesome company ethics"; and (5) discussions on the "Risk management" in fiscal year 2022.

Reform of the Election and Dismissal Process for President & CEO

As part of its efforts to strengthen corporate governance, the Company is reforming the election and dismissal process for a President & CEO. Specifically, to promote the involvement of the Board and the Nomination and Remuneration Advisory Committee in the election and dismissal of a President & CEO, the three Non-executive Director members of the Nomination and Remuneration Advisory Committee conducted strategic dialogues with the current President & CEO, Yoshinori Isozaki. Based on a quantitative evaluation of earnings and other factors, a qualitative evaluation was conducted from the viewpoint of whether Yoshinori Isozaki possesses the qualities necessary for the top management of the Company and whether he demonstrates the qualities appropriately. The Nomination and Remuneration Advisory Committee also reported the results of this evaluation to the Board, which led to a management decision regarding election and dismissal of a President & CEO that ensured more objectivity, timeliness, and fairness.

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

(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, 2021)

(¥ millions)

ASSETS

Non-current assets

Property, plant and equipment	533,859
Goodwill	264,225
Intangible assets	196,341
Equity-accounted investees	399,367
Other financial assets	117,431
Other non-current assets	24,736
Deferred tax assets	109,354

Total non-current assets

1,645,313

Current assets

Inventories	247,229
Trade and other receivables	387,921
Other financial assets	7,910
Other current assets	34,071
Cash and cash equivalents	149,488
(Sub-total)	826,620

Total current assets

826,620

Total assets

2,471,933

EQUITY

Share capital	102,046
Share premium	25,104
Retained earnings	998,177
Treasury shares	(201,801)
Reserves	(29,347)
Equity attributable to owners of the Company	894,179
Non-controlling interests	253,811
Total equity	1,147,990

LIABILITIES**Non-current liabilities**

Bonds and borrowings	449,970
Other financial liabilities	145,453
Defined benefit liability	61,954
Provisions	4,707
Liabilities from application of equity method	19,426
Other non-current liabilities	32,875
Deferred tax liabilities	10,606

Total non-current liabilities	724,990
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Current liabilities

Bonds and borrowings	101,502
Trade and other payables	229,552
Other financial liabilities	65,907
Current tax liabilities	22,162
Provisions	1,901
Other current liabilities	177,929
(Sub-total)	598,953

Total current liabilities	598,953
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Total liabilities	1,323,943
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Total equity and liabilities	2,471,933
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*Amounts are rounded to the nearest ¥1 million.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(From January 1, 2021 to December 31, 2021)

(¥ millions)

Revenue	1,821,570
Cost of sales	998,728
Gross profit	822,842
Selling, general and administrative expenses	657,412
Other operating income	8,239
Other operating expenses	105,585
Operating profit	68,084
Finance income	4,087
Finance costs	7,044
Share of profit of equity-accounted investees	34,490
Profit before tax	99,617
Income tax expense	31,193
Profit	68,424
Profit attributable to:	
Owners of the Company	59,790
Non-controlling interests	8,634
Profit	68,424

*Amounts are rounded to the nearest ¥1 million.

BALANCE SHEET

(At December 31, 2021)

<u>ASSETS</u>	(¥ millions)
Current assets	<u>258,636</u>
Cash and time deposits	21,429
Short-term loans receivable	208,385
Other	28,822
Non-current assets	<u>1,738,125</u>
Property, plant and equipment	<u>13,477</u>
Buildings	2,434
Structures	169
Machinery and equipment	1,091
Vehicles	0
Tools, furniture and fixtures	2,782
Land	1,901
Leased assets	4,475
Construction in progress	626
Intangible assets	<u>65,111</u>
Goodwill	10,745
Software	4,817
Leased assets	2,111
Software in progress	47,255
Other	183
Investments and other assets	<u>1,659,536</u>
Investment securities	3,893
Shares of subsidiaries and affiliates	1,620,367
Deferred tax assets	28,665
Other	8,557
Allowance for doubtful accounts	(1,946)
<hr/>	
Total assets	1,996,761

LIABILITIES

Current liabilities	<u>512,835</u>
Short-term loans payable	422,412
Commercial paper	73,009
Lease liabilities	1,856
Non-trade accounts payable	9,020
Accrued expenses	1,113
Income taxes payable	801
Allowance for employees' bonuses	2,486
Allowance for bonuses for directors and corporate auditors	130
Other	2,008
Non-current liabilities	<u>476,904</u>
Bonds	240,000
Long-term debt	213,135
Lease liabilities	3,744
Reserve for retirement benefits	16,180
Other	3,844
Total liabilities	<u>989,738</u>

NET ASSETS

Shareholders' equity	<u>1,006,080</u>
Common stock	102,046
Capital surplus	<u>81,412</u>
Additional paid-in capital	81,412
Retained earnings	<u>1,024,061</u>
Legal reserve	25,511
Other retained earnings	998,550
General reserve	506,368
Retained earnings carried forward	492,182
Treasury shares	<u>(201,439)</u>
Valuation and translation adjustments	<u>942</u>
Net unrealized gains on securities	942
Total net assets	<u>1,007,022</u>
Total liabilities and net assets	<u>1,996,761</u>

*Amounts are rounded to the nearest ¥1 million.

STATEMENT OF INCOME

(From January 1, 2021 to December 31, 2021)

(¥ millions)

Operating revenue		
Group management revenue	53,468	
Dividend revenue from subsidiaries and affiliates	79,926	
Other	6,110	139,504
		<hr/>
Operating expenses		
General and administrative expenses	64,209	
Other	949	65,158
		<hr/>
Operating income		74,346
Non-operating income		
Interest and dividend income	787	
Foreign exchange gain	1,704	
Other	1,292	3,782
		<hr/>
Non-operating expenses		
Interest expense	2,292	
Other	2,006	4,298
		<hr/>
Ordinary income		73,830
Special income		
Gain on sale of property, plant and equipment and intangible assets	189	
Gain on sale of investment securities	5,296	5,485
		<hr/>
Special expenses		
Loss on sale and disposal of property, plant and equipment and intangible assets	422	
Impairment loss	2,546	
Other	1,296	4,264
		<hr/>
Income before income taxes		75,052
Income taxes – current		(2,075)
Income taxes – deferred		(124)
		<hr/>
Net income		77,251
		<hr/>

* Amounts are rounded to the nearest ¥1 million.

Independent Auditor's Report

February 14, 2022

To the Board of Directors of
Kirin Holdings Company, Limited

KPMG AZSA LLC
Tokyo Office, Japan

Masakazu Hattori
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, 2021 and for the year from January 1, 2021 to December 31, 2021 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 Rules of 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.

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 Rules of 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 Rules of 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 Rules of 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, 2022

To the Board of Directors of
Kirin Holdings Company, Limited

KPMG AZSA LLC
Tokyo Office, Japan

Masakazu Hattori
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 supplementary schedules ("the financial statements and others") of Kirin Holdings Company, Limited ("the Company") as at December 31, 2021 and for the year from January 1, 2021 to December 31, 2021 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.

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 183rd business year from January 1, 2021, to December 31, 2021, 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, October 28, 2005) 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.

3. Subsequent Event

As described in the notes to significant subsequent events in the Notes to the Consolidated and Non-consolidated Financial Statements, the Company resolved to repurchase own-shares at the Board of Directors on February 14, 2022.

February 14, 2022

Audit & Supervisory Board
Kirin Holdings Company, Limited

Keiji Kuwata (Seal)
Standing Audit & Supervisory Board Member

Akihiro Ito (Seal)
Standing Audit & Supervisory Board Member

Nobuo Nakata (Seal)
Audit & Supervisory Board Member

Yoshiko Ando (Seal)
Audit & Supervisory Board Member

Kaoru Kashima (Seal)
Audit & Supervisory Board Member

- END -