

Supplementary information regarding
"Proposal 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"
to be submitted at the 183rd Ordinary General Meeting of Shareholders

Kirin Holdings has received several inquiries from shareholders and investors regarding "Proposal 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." (hereinafter referred to as "this Proposal") to be submitted as a company proposal at the 183rd Ordinary General Meeting of Shareholders scheduled for March 30, 2022.

The details of this agenda item and the outline of the trust-type stock compensation plan to be revised from this fiscal year (hereinafter referred to as the "Stock Compensation Plan") are outlined in the Notice of Convocation for the Ordinary General Meeting and the press release "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 to the Trust-type Stock Compensation plan" dated February 14, 2022. The purpose of this document is to provide supplementary information regarding the proposed Stock Compensation Plan to give shareholders a better view of the proposed remuneration plan's mechanisms.

1. Inquiries Kirin Holdings have received regarding the Stock Compensation Plan

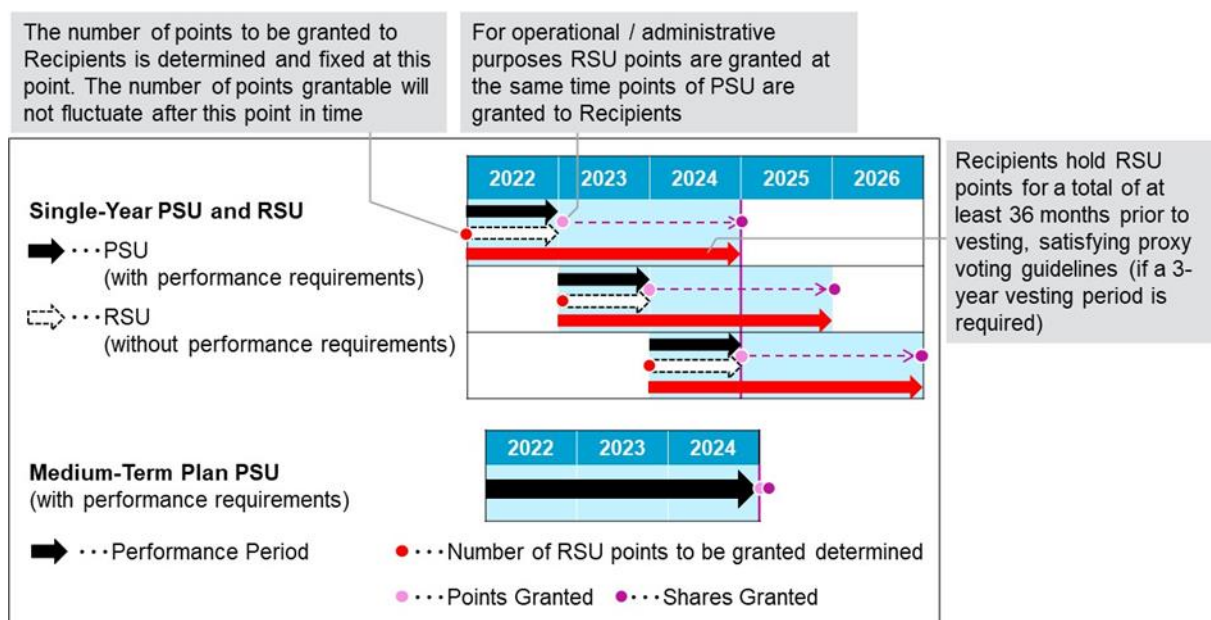
The inquiries we have received focus on the Restricted Share Units ("RSU") plan, which will be granted under the proposed Stock Compensation Plan without any specific performance hurdles. Shareholders that require a three-year vesting period for stock compensation plans under their proxy voting guidelines have inquired whether the proposed RSU plan meets their guidelines as the period between the grant of RSU 'points' and recipients (inside directors and executive officers; hereinafter "Recipients") acquiring shares is two-years.

2. Our view (summary)

The number of points to be granted to Recipients are determined / fixed at the beginning of the applicable calculation period and the timing at which RSU points are granted to the applicable recipients is for the streamlining of operational and administrative matters, which means the proposed RSU has a three-year vesting period from the beginning of the applicable calculation period to the time shares are delivered to Recipients. As such, Kirin Holdings believes that the proposed RSU plan is designed in a way that warrants the support of shareholders that require a three-year vesting period for stock compensation plans within their proxy voting guidelines.

(Performance evaluation, point granting, and stock delivery for stock-based compensation)

* Supplementary information added to the original graphic included in the Notice of Convocation for the Ordinary General Meeting of Shareholders



3. Our view (details)

The mechanism by which the proposed RSU points and shares will be granted to Recipients under the Stock Compensation Plan is as follows. RSU points are calculated at the start of the relevant fiscal year (hereinafter “the Beginning of the Calculation Period”) and Recipients will be granted the same number of shares as the granted points (calculated at the Beginning of the Calculation Period) on the condition that the Recipients are still incumbent 3-years from the Beginning of the Calculation Period. Shares are granted at a specified time during the fiscal year in which awards vest.

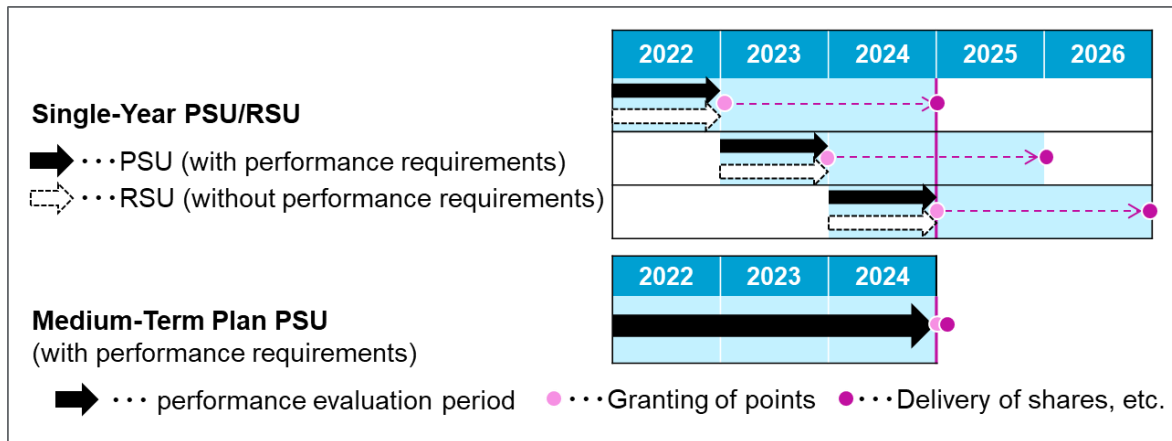
The number of points to be awarded under the RSU plan is calculated by dividing the target award determined by the position and responsibilities of Recipients at the Beginning of the Calculation Period by the share price at that time. RSU points are granted in the year following finalization of business results for the first fiscal year in the 3-year vesting period. However, the timing at which RSU points are granted are for operational and administrative purposes to effectively manage annual grants of the RSU in conjunction with the single-year performance share unit plan (hereinafter “Single-Year PSU”) that are granted in each fiscal year.

Accordingly, the RSU plan, is designed to ensure a three-year vesting period from the Beginning of the Calculation Period until the vesting of rights that allow Recipients to acquire shares of the Company, and the plan is designed so that points are linked to the share price during this three-year vesting period. During the three-year vesting period, Recipients will not receive shares of Kirin Holdings Company, Ltd., and rights will not be transferable thereof, except in exceptional cases where Recipients retire due to unavoidable circumstances such as expiration of term or death. We believe that the Stock Compensation Plan, with its 3-year vesting period until shares are granted, will effectively achieve its intended purpose of retaining executives and achieving corporate value over the mid- to long-term.

The proposed Stock Compensation Plan has been designed to further encourage Recipients to meet the financial and non-financial goals set out in the Company’s new mid-term business plan starting in 2022, while bolstering the link between compensation and business performance / corporate value. We stress that the main purpose of this Proposal is to promote a stock compensation structure aligned with shareholder interests. We hereby request shareholders and investors of Kirin Holdings to please consider the above when reviewing proposed RSU plan.

(Performance evaluation, point granting, and stock delivery for stock-based compensation)

* Original Graphic included in the Notice of Convocation for the Ordinary General Meeting of Shareholders



(Pay mix by position)

