

# Kirin Holdings Company, Limited

## Corporate Governance Policy

Revised on February 14, 2019

(Notes)

1. Numbers in brackets ([ ]) in each of the Policy's clauses indicate correlation to the Corporate Governance Code established by the Tokyo Stock Exchange.
2. 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 original shall prevail.
3. "Audit & Supervisory Board Member(s)" and "Audit & Supervisory Board" described herein mean "Kansayaku" and "Kansayaku-kai" stipulated in the Japanese Companies Act respectively.

## Section 1 - General Provisions

### 1.1. Basic view on corporate governance [2-1, 3-1(i), 3-1(ii)]

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

#### <Corporate philosophy>

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

#### <2027 Vision>

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

#### <“One Kirin” Values>

“Passion. Integrity. Diversity”

### 1.2. Policy amendment and discontinuation

- This policy will be reviewed periodically on the basis of constructive dialogue with shareholders and investors, and may be amended or discontinued upon resolution by the Board.

## Section 2 - Corporate governance system

### 2.1. Corporate governance system [4-1, 4-1①]

- Kirin Holdings Company, Limited (henceforth the "Company") adopts a pure holding company structure as a means of controlling its diverse and global business, which is centered on alcoholic beverages, non-alcoholic beverages, pharmaceuticals and bio-chemicals. As a pure holding company, the Company will take on the role of devising and implementing the Group's overall strategies, monitoring individual businesses, and creating synergy through coordination across the Group.

- The Group's individual companies will conduct their business autonomously with a sense of speed, while maintaining close ties to the local customers and other stakeholders. The Company will grant appropriate authority to match the strategic stages of individual Group companies, and will improve governance through the Boards of individual Group companies by dispatching directors to said companies. Directors or executive officers of the Company will serve concurrently as directors at the main companies in the Group.
- The Company adopts a Company with Audit and Supervisory Board system, and aims to maintain and improve on a highly transparent governance for its stakeholders. The Board, which includes a number of outside directors, will work closely with the Audit and Supervisory Board, which also includes a number of outside audit and supervisory board members, and make effective use of the statutory and some other auditing function to take final decisions on important matters. At the same time, the Board will endeavor to reinforce the monitoring function on management.
- The Company introduces a executive officer based system in order to implement strategies for each of its businesses and functions in an agile fashion and clarify executive responsibilities. The Board will establish the scope of the responsibility of executive officer based on experience, performance and specialization in their respective field. As a general rule, executive officers will serve concurrently as executive officers of Kirin Company, Limited, which serves to drive the Japan Integrated Beverages Business (the Group's core business), in order to devise and implement strategies in close coordination with Kirin Company, Limited and promote the efficient use of Kirin Company, Limited's specialized functions.

## 2.2. The Board

### 2.2.1. Roles and responsibilities of the Board [4-1, 4-1①, 4-1②, 4-5]

- The Board will aim to ensure the Group's sustainable growth and the improvement of corporate value over the medium to long term in order to promote the interests of the company and the common interests of its shareholders in keeping with the Group's fiduciary responsibility and accountability vis-a-vis its shareholders.
- The Board takes decisions on legal matters and on the execution of the Group's important operations, which include long-term management plans, mid-term management plans and yearly business plans across the Group and at key Group companies. The Board is also responsible for monitoring the directors' execution of their professional duties, and for developing appropriate internal control systems across the Group, etc.
- In addition to matters stipulated by laws and ordinances and in the Articles of Incorporation, the Board will stipulate matters to be resolved by the Board in the Rules of the Board. Other decisions on the execution of business will be left to the President & CEO and to executive officers, and the nature of such decisions will be clearly stipulated in the internal rules, such as Official Rules of Administrative Authority.

### 2.2.2. Composition of the Board [4-6, 4-10, 4-10①, 4-11, 4-11①]

- Taking into account the knowledge, experience, skills and discernment that are necessary for turning the 2027 Vision into a reality, the Board will be composed of the appropriate number of members, ensuring overall balance and diversity. One-third or more of total directors will be appointed as outside directors in order to develop a highly transparent governance system and ensure that management is monitored effectively and objectively.
- The Board will establish the Nomination and Remuneration Advisory Committee composed of a majority of outside directors as a voluntarily-established body.

### 2.2.3. Evaluation of the Board [4-11, 4-11③]

- The Company will review Board composition and management, and evaluate these at Board meetings. In this way, the Company will aim to maintain and improve the Board's effectiveness. The Company will also disclose an overview of the results of evaluation.

## 2.3. Audit and Supervisory Board

### 2.3.1. Roles and responsibilities of the Audit and Supervisory Board [4-4, 4-4①, 4-5]

- In keeping with its fiduciary responsibility toward shareholders, the Audit and Supervisory Board will ensure the integrity of management with an eye to the Group's sustainable growth and the improvement of corporate value over the medium to long term, and will act to ensure in the common interests of the shareholders.
- The Audit and Supervisory Board will make use of the ability of full-time audit and supervisory board members to gather information within the Group, and of the independence of outside audit and supervisory board members to develop a system ensuring that the audits carried out by each audit and supervisory board members are effective.
- In order to intensify the provision of information to outside directors, the Audit and Supervisory Board will exchange opinions with outside directors, and provide them with information obtained in the course of auditing.

### 2.3.2. Relationship with accounting auditors and internal audit department [3-2, 3-2①, 3-2②, 4-13③]

- The Audit and Supervisory Board will develop a system capable of conducting thorough and appropriate auditing in coordination with accounting auditors and the internal audit department.
- The Audit and Supervisory Board will verify the independence and specialization of accounting auditors upon establishing evaluation criteria. The Audit and Supervisory Board will hold regular interviews with accounting auditors, and require accounting auditors to explain whether they are observing the necessary quality management criteria for carrying out accounting audits in an appropriate fashion.
- The Audit and Supervisory Board will establish a response system to deal with cases where an accounting auditor finds an irregularity and requests an appropriate response, or points out an

inadequacy or issue.

2.4. Nomination and Remuneration Advisory Committee [4-1③, 4-10, 4-10①]

- The Nomination and Remuneration Advisory Committee will 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 will be composed of five directors (two internal directors and three outside directors), and the Committee Chairman will be appointed out of the outside directors. As an advisory body to the Board, the Nomination and Remuneration Advisory Committee will discuss the following matters from an objective and fair perspective, and report to the Board:
  - 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

2.5. Internal control [4-3, 4-3②]

- The Board will draw up a basic policy for the internal control system in order to ensure the appropriateness of the Group's operations, develop an appropriate system for ensuring optimal compliance, risk management and financial reporting within the group, and monitor the state of its implementation.

<Basic policy for the internal control system>

[https://www.kirinholdings.co.jp/english/ir/policy/pdf/e\\_policy\\_internalcontrolsystem.pdf](https://www.kirinholdings.co.jp/english/ir/policy/pdf/e_policy_internalcontrolsystem.pdf)

2.6. Directors, executive officers and audit and supervisory board members

2.6.1. Policy for the nomination of directors, executive officers and audit and supervisory board members

[3-1(iv), 4-3, 4-3①, 4-11, 4-11①]

- 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 will be appointed upon taking into account the balance of their experience, achievements and specialization, etc. in relation to the Group's key businesses and business management. A number of persons having a wealth of management experience, advanced specialized knowledge, and extensive expertise will be appointed as outside directors and outside audit and supervisory board members.
- One or more persons having experience in financial affairs and accounting departments and

possessing the appropriate knowledge will be appointed as audit and supervisory board member.

- The appointment/dismissal of directors and executive officers will be decided by the Board upon deliberation by the Nomination and Remuneration Advisory Committee, taking performance into account; proposals for the nomination/dismissal of directors will be discussed at general meetings of shareholders. The nomination/dismissal of audit and supervisory board member will be discussed by the Nomination and Remuneration Advisory Committee, and will then be decided by the Board and discussed at a general meeting of shareholders (the appointment of audit and supervisory board members will require the consent of the Audit and Supervisory Board).
- Reasons for the nomination/dismissal of candidates for the positions of director and audit and supervisory board member will be indicated on convocation notices for general meetings of shareholders.

#### 2.6.2. Independent directors [4-6, 4-7, 4-8, 4-8①, 4-8②, 4-9]

- Two or more independent directors that satisfy the Company's independence criteria will be appointed in order to improve the fairness and transparency of corporate governance, ensure the Group's sustainable growth and boost corporate value over the medium to long term.
- Independent directors will proactively offer business advice, supervise the execution of business, supervise the conflict of interests and accurately convey the opinions of stakeholders at Board meetings.
- Meetings will be arranged by full-time audit and supervisory board member and held with the attendance of outside directors including independent directors and outside audit and supervisory board members, in order to promote lively and constructive discussions at Board meetings.
- The Company's secretarial department will take care of communications and coordination between outside directors (including independent directors) and internal directors or executive officers.

< Criteria regarding the independence of Outside Officers >

[https://www.kirinholdings.co.jp/english/ir/policy/pdf/e\\_criteria\\_outsideofficer.pdf](https://www.kirinholdings.co.jp/english/ir/policy/pdf/e_criteria_outsideofficer.pdf)

#### 2.6.3. Policy for the remuneration of directors and executive officers [3-1(iii), 4-2, 4-2①]

<Basic policy for executive remuneration>

- 1) Remuneration shall emphasize the link to business performance and corporate value in the medium to long term, and shall encourage the sharing of value with shareholders.
- 2) Remuneration shall be at a level commensurate with the roles and responsibilities of Directors of the Group.
- 3) Executive remuneration shall be reviewed by the Nomination and Remuneration Advisory Committee in which Outside Directors account for the majority of the Committee members, in order to ensure objectivity and transparency.

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

- In order to raise awareness of the achievement of short-term performance targets and of increasing corporate value in the medium to long term, the remuneration of Directors of the Board and Executive Officers shall comprise the following three elements: Basic Remuneration (fixed compensation), Yearly Bonus (short-term incentive compensation), and Restricted Stock Compensation (medium- to long-term incentive compensation).
- The Yearly Bonus shall be paid according to the achievement level of the consolidated performance index, etc. designated by the Company.
- The performance evaluation indices for the Restricted Stock Compensation shall be those designated by the Board, including the key performance indices specified in the Medium-Term Business Plan, etc.
- Remuneration for Outside Directors shall consist exclusively of the Basic Remuneration (fixed compensation).

#### 2.6.4. Support system [4-12, 4-12①, 4-13, 4-13①, 4-13②, 4-13③]

- A Secretariat will be set up within the Corporate Strategy Department, and will be operated as follows in order to promote active and constructive discussion by the Board:
  - 1) The Secretariat will establish schedule for holding Board meetings and a prospective agenda by the end of the preceding fiscal year, in line with the matters deliberated upon each year.
  - 2) The Secretariat will time the distribution of materials for Board meetings so as to allow sufficient prior consideration.
  - 3) The Secretariat will allot appropriate deliberation times on the day of the meeting to allow matters to be thoroughly discussed.
  - 4) The Secretariat will provide directors and audit and supervisory board members, including outside ones, with the information they require, and hold briefing sessions as necessary.
- In order to bolster the audit and supervisory board member's auditing function, full-time staff members independent from the executive function will support the audit and supervisory board members in the performance of their duties.
- Upon request, the internal audit department and other executive bodies will provide directors and audit and supervisory board members with the information they require for the performance of their duties. Also, the Company will bear any expenses incurred should directors and audit and supervisory board members require the advice of external specialists.

#### 2.6.5. Training policy [4-14, 4-14①, 4-14②]

- The Company will hold training and provide information to its directors and audit and supervisory board members as necessary for the performance of their roles and responsibilities.
- Upon assuming office, directors and audit and supervisory board members will receive lectures and training from specialists and related internal departments in relation to the Japanese Companies Act, corporate governance and corporate finance, etc. Subsequently, training and workshops will

continue to be held as necessary in relation to the amendment of relevant laws and regulations, and business issues.

- Upon assuming office, outside directors and outside audit and supervisory board members will receive explanations of the Group's corporate philosophy, "One Kirin" Values and the Group's businesses, and will take part in observation at key sites.

#### 2.7. Accounting auditors [3-2, 3-2②]

- Board members will keep in mind the key role of accounting auditors in ensuring the reliability of the Group's financial reporting, and will work in an appropriate fashion for the conduction of thorough and appropriate audits with the aid of the independence and expertise of accounting auditors, while ensuring the cooperation of directors, the Board, audit and supervisory board members, the Audit and Supervisory Board and the internal audit department.
- Executive officer in charge of financial affairs will be responsible for addressing any inadequacy in financial reporting pointed out by accounting auditors.

### **Section 3 - Appropriate cooperation with stakeholders**

#### 3.1. The Group's stakeholders and basic approach to CSV [2-1]

- The Group's Long-Term Vision "KV2027" outlines the "Kirin Group's unique CSV\*", to create economic value that meets customers' expectations as well as to create social value through engagement with social issues.
- The Group assumes six stakeholder groups: consumers, shareholders and investors, employees, communities, business partners and the environment. Keeping in mind that the cooperation of these stakeholders will be essential, we will create new value together with all of our stakeholders in the process of turning the 2027 Vision into a reality.

\* CSV: acronym of Creating Shared Value; Realizing gains in corporate value by addressing social issues to create both social value and economic value.

#### 3.2. Ensuring shareholder rights and equality [1-1, 1-1②, 1-1③]

- The Company fully understands the importance of shareholder rights. Accordingly, it will ensure the practical effectiveness of voting rights at general meetings and other rights of shareholders, including minor ones, and will develop the necessary conditions for shareholders to exercise such rights. The Company will respect the intentions of minor shareholders should they wish to exercise any special rights vis-a-vis the Company and the Company's officers.
- In cases where the Board newly proposes to a general meeting of shareholders that part of the resolution items of a general meeting of shareholders to be left to the Board's discretion, the Board will ensure the Company's corporate governance system is sufficiently capable of fulfilling the relevant role/responsibility.

##### 3.2.1. General meeting of shareholders [1-1①, 1-2, 1-2①, 1-2②, 1-2③, 1-2④, 1-2⑤]



- Management understands that the general meeting of shareholders is the Company's top decision-making body, and will ensure the substantial equality of shareholders at general meetings, as well as adequate opportunities for the exercise of rights.
- Information deemed helpful in ensuring appropriate decision-making by shareholders at general meetings will be disclosed by means of convocation notices, timely disclosure at the Tokyo Stock Exchange, etc.
- Convocation notices will be mailed approximately three weeks in advance of the date of the general meeting of shareholders so as to ensure that the shareholders have sufficient time available to consider agenda items, and will be disclosed on the websites of the Company and the Tokyo Stock Exchange approximately one week in advance of the date of mailing.
- The mailing dates of convocation notices, the dates of general meeting of shareholders and related schedules will be set up appropriately while taking the period of exercise of shareholder voting rights into full account, and ensuring that [shareholders] are being provided with accurate information.
- In order to enable the electronic exercise of voting rights by institutional investors and overseas investors, the Company will participate in a platform for the electronic exercise of voting rights. Additionally, all convocation notices will be translated into English in order to facilitate the exercise of voting rights by overseas investors.
- The exercise of voting rights by proxy will be limited to cases in which said proxy is a shareholder according to the provisions of the Articles of Incorporation. In cases, however, where the identity of institutional investors, etc. (henceforth "Practical Shareholders") holding shares under the name of a trust bank, etc. can be verified through a shareholder or standing proxy listed on the shareholder registry, attendance of Practical Shareholders at general meeting of shareholders will be considered upon consulting with the administrator of the shareholder registry.
- With regard to company proposals that are approved at the general meeting of shareholders but that are nonetheless met with a considerable number of opposed votes, the Board will analyze the reasons for opposition and the causes of the considerable number of opposed votes, and consider the need for dialogue with shareholders and other measures.

### 3.2.2. Basic capital policy [1-3, 1-6]

- The Kirin Group will aim to optimize the balance sheet and improve the ability to generate sustainable cash flows in order to increase corporate value.
- Assets will be allotted stably and continuously to intangible assets which can support future cash flow growth (brands, R&D, ICT personnel, etc.) and the creation of new businesses while prioritizing investments (capital investments and business investments) that will further grow and strengthen the existing businesses with high earnings capability. When making an investment, discipline will be used from the perspective of maintaining and improving the capital efficiency of the overall group.
- The Company believes that the appropriate redistribution of profits to shareholders is one of the important tasks of management. While continuing to issue dividends based on a "consolidated

dividend payout ratio of 40% or more vs. normalized earnings per share (EPS)", from a comprehensive perspective including the optimum capital structure, market environment and surplus capital after making investments, consider share buybacks as a flexible additional return to shareholders.

- Concerning capital procurement, in preparation for sudden changes in the economic environment, etc., prioritize debt-based financing while maintaining a high rating that is not affected by the financial situation. Concerning capital procurement that could lead to control fluctuations or large-scale dilution, sufficiently consider the achievement of the targets set under the Medium-Term Business Plan and Long-Term Management Vision "KV2027", as well as the impact on stakeholders, and after verification and validation by the Board meeting, provide an explanation to shareholders.
- Through the above, aim to achieve a "return on invested capital (ROIC) of 10% or higher" and "normalized EPS growth rate of 5% or higher" during the 2019-2021 Medium-Term Business Plan term.

#### 3.2.3. Policy on cross-shareholdings [1-4]

- The Company will comprehensively take into account whether there is a business management necessity and other factors and will not engage in cross-shareholding when such is deemed not to help ensure sustainable growth and boost the corporate value over the medium to long term.
- The Board will verify the reasonableness of the individual cross-shareholdings on a yearly basis. Concerning the shares for which the meaning of possessing has diminished, while discussing and negotiating with the cross-shareholding partner, etc., the Company will move to reduce such holdings.
- Voting rights on cross-shareholdings will be exercised upon deciding for or against each agenda item, taking into account whether a particular cross-shareholding will help boost the corporate value of the company concerned, and whether it will help ensure sustainable growth and boost the Group's corporate value over the medium to long term.

#### 3.2.4. Policy on anti-takeover measures [1-5, 1-5①]

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

#### 3.2.5. Policy on transactions between related parties [1-7]

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

### 3.3. Appropriate cooperation with stakeholders other than shareholders [2-1]

- In line with "the Kirin Group's unique CSV" outlined in the Group's Long-Term Vision "KV2027", the Company will further strengthen its ties with stakeholders through businesses (products and services). By co-creating new value, the Company will aim to bring customers happiness and fulfillment, and contribute to the development of society.
  - Customers: use the technological expertise in manufacturing to pursue high quality and meet customers' expectations; bring health, pleasure and comfort to people's lives everywhere through the joy of food and well-being.
  - Employees: foster an organizational culture where a diversity of people can enjoy working, feel that they are experiencing human growth through their jobs, and tackle the challenge of innovation.
  - Communities treasure the local communities that support our business activities, and contribute to their healthy and sustainable growth.
  - Business partners: through fair transactions, build relationship of mutual trust with all business partners toward the creation of a sustainable society, and offer better products and services to customers.
  - The environment: ensure that resources circulate in such a way as to reduce the environmental load generated by our value chain, ensuring that the earth can replenish its resources.

#### 3.3.1. Employee code of conduct and whistleblowing [2-2, 2-2①, 2-5, 2-5①]

- The Group will continuously embed the message of "Passion. Integrity. Diversity" as "One KIRIN" Values, to all the employees.
- Based on the Group's corporate philosophy, the 2027 Vision and "One KIRIN" Values, the Group will continuously communicate and provide training to all employees on the Kirin Group Compliance Guideline or any other equivalent guidelines developed by each individual company which stipulate the required conduct to fulfill ethical requirements and enhance compliance with laws and regulations. The Board will continually supervise penetration of the message.
- In addition to the whistleblowing systems established by each individual company, the Group will organize a direct hotline to Kirin Holdings executive officer who is in charge of compliance affair, to ensure corporate integrity. The Board will regularly supervise the operation of the Group's whistleblowing systems. A direct hotline to Kirin Holdings audit and supervisory board members will be also established as a communication channel independent from directors.

#### 3.3.2. Approach to diversity [2-4]

- As a globally active corporation, the Company understands that diversity in terms of its employees' nationality, race, gender, value, mentality and skills leads to innovation, and will hire and train a diverse workforce.
- In Japan, the Company will promote the Kirin Women's Network - an internal organization that proactively supports participation and network development by women in the workforce - as well as other initiatives in support of working women, and will create the conditions and opportunities for

women to play a greater role.

3.3.3. Approach to society and the environment [2-3, 2-3①]

- In line with the Group's corporate philosophy, we will ensure that we operate our business in such a way as to ensure that it is environmentally sustainable and that it continues to bring value to society at large.
- By working to bring new energy to businesses in local communities, the Group aims to grow sustainably together with society.

3.3.4 Role as asset owner of corporate pensions [2-6]

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

**Section 4 - Proper disclosure of information and constructive dialogue with shareholders and investors**

4.1. Basic approach to the disclosure of information [3-1②, 5-1②]

- The Group understands that the proper disclosure of information is the basis for constructive dialogue with shareholders and investors, and will disclose information in accordance with the Disclosure Policy.

< Corporate Disclosure Policy >

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

4.2. Basic policy concerning dialogue with shareholders and investors [5-1, 5-1①, 5-1②, 5-1③, 5-2]

- Based on the understanding that constructive dialogue with shareholders and investors will lead to a further improvement in corporate governance and, in turn, to greater corporate value over the medium to long term, the Group will periodically assess its shareholder composition, proactively respond to requests for dialogue, and take the initiative in creating opportunities for constructive dialogue.
- Requests for dialogues from shareholders and investors will be dealt with mainly by the IR Department under the supervision of executive officer in charge of IR. Also, the Group will take the initiative in creating opportunities for such dialogue in cases where a dialogue with the executive officer in charge of IR, the President & CEO, or another director or executive officer is deemed appropriate.
- Depending on the agendas of dialogue, the Financial Affairs Department, the Corporate Strategy Department, the Legal Department and other related departments will provide their cooperation.

- The Company will hold meetings on its long-term vision, business plans, business strategies, financial results, individual businesses, etc.; will plan and conduct visits to its shareholders and investors; and will endeavor to promote understanding and dialogue concerning the Group.
- In the course of dialogue, explanations will be provided with integrity, listening to the opinions of shareholders and investors, and endeavoring to engage in two-way communication. The IR Department will provide reports on shareholder and investor opinions periodically or on an as-needed basis to the President & CEO, the executive officer in charge of IR, and other directors and executive officers.

Overall structure of “KV2027”

<b>Corporate philosophy</b>	<b>KIRIN brings joy to society by crafting food and healthcare products inspired by the blessings of nature and the insights of our customers.</b>
<b>2027 vision</b>	<b>A global leader in CSV, creating value across Food &amp; Beverages to Pharmaceuticals</b>
<b>Outcomes</b>	<b>Create economic value (Financial targets) Create social value (Non- financial targets)</b>
<b>Strategy framework</b>	<p><b>Value creation with Society</b> solving social issues (Health and well-being, community engagement and the environment)</p> <p><b>Value creation with Consumers</b> meeting every consumer’s expectations by strengthening the bonds between consumers and the brands</p> <p><b>Organizational capabilities for innovation</b></p> <p><b>Consumer centric marketing</b></p> <p><b>Technology creating trusted value</b></p> <p><b>Diversity and Inclusion, Culture for innovation</b></p> <p><b>ICT accelerating value creation</b></p>
<b>Values</b>	<b>“Passion. Integrity. Diversity.”</b>

**Table on Compliance with the Corporate Governance Code (for reference)**

\* C: Comply E: Explain

<b>Section 1 - Securing the Rights and Equal Treatment of Shareholders</b>					
Corporate Governance Code		Supplementary principles	Parts mentioning the Principles in the Company's Corporate Governance Policy	Progress	
Principles				C	E
General principle 1			As follows	●	
1-1	Securing the Rights of Shareholders	—	Policy 3.2.	●	
		1-1①	Policy 3.2.1.	●	
		1-1②	Policy 3.2.	●	
		1-1③	Policy 3.2.	●	
1-2	Exercise of Shareholder Rights at General Shareholder Meetings	—	Policy 3.2.1.	●	
		1-2①	Policy 3.2.1.	●	
		1-2②	Policy 3.2.1.	●	
		1-2③	Policy 3.2.1.	●	
		1-2④	Policy 3.2.1.	●	
1-3	Basic Strategy for Capital Policy	—	Policy 3.2.2.	●	
		1-3①	Policy 3.2.2.	●	
1-4	Cross-Shareholdings	—	Policy 3.2.3.	●	
		1-4①	Policy 3.2.3.	●	
		1-4②	Policy 3.2.3.	●	
1-5	Anti-Takeover Measures	—	Policy 3.2.4.	●	
		1-5①	Policy 3.2.4.	●	
1-6	Capital Policy that May Harm Shareholder Interests	—	Policy 3.2.2.	●	
1-7	Related Party Transactions	—	Policy 3.2.5.	●	

<b>Section 2 - Appropriate Cooperation with Stakeholders Other Than Shareholders</b>					
Corporate Governance Code		Supplementary principles	Parts mentioning the Principles in the Company's Corporate Governance Policy	Progress	
Principles				C	E
General principle 2			As follows	●	
2-1	Business Principles as the Foundation of Corporate Value Creation Over the Mid- to Long-Term	—	Policies 1.1., 3.1., 3.3.	●	
2-2	Code of Conduct	—	Policy 3.3.1.	●	
		2-2①	Policy 3.3.1.	●	
2-3	Sustainability Issues, Including Social and Environmental Matters	—	Policy 3.3.3.	●	
		2-3①	Policy 3.3.3.	●	
2-4	Ensuring Diversity, Including Active Participation of Women	—	Policy 3.3.2.	●	
2-5	Whistleblowing	—	Policy 3.3.1.	●	
		2-5①	Policy 3.3.1.	●	
2-6	Role as asset owner of corporate pensions		Policy 3.3.4.	●	

Section 3 - Ensuring Appropriate Information Disclosure and Transparency					
Corporate Governance Code		Supplementary principles	Parts mentioning the Principles in the Company's Corporate Governance Policy	Progress	
Principles				C	E
General principle 3			As follows	●	
3-1	Full Disclosure	—	Policy 1.1., Appendix	●	
		(i)	Policy 1.1.	●	
		(ii)	Policy 1.1.	●	
		(iii)	Policy 2.6.3.	●	
		(iv)	Policy 2.6.1.	●	
		(v)	Disclosure through convocation notices for general meetings of shareholders	●	
		3-1①	Mentioned in this policy	●	
		3-1②	Policy 4.1., Disclosure Policy	●	
3-2	External Auditors	—	Policies 2.3.2., 2.7.	●	
		3-2①	Policy 2.3.2.	●	
		3-2②	Policies 2.3.2., 2.7.	●	

Section 4 - Responsibilities of the Board					
Corporate Governance Code		Supplementary principles	Parts mentioning the Principles in the Company's Corporate Governance Policy	Progress	
Principles				C	E
General principle 4			As follows	●	
4-1	Roles and Responsibilities of the Board (1)	—	Policies 2.1., 2.2.1.	●	
		4-1①	Policies 2.1., 2.2.1.	●	
		4-1②	Policies 2.2.1., 4.2.	●	
		4-1③	Policy 2.4.	●	
4-2	Roles and Responsibilities of the Board (2)	—	Policy 2.6.3.	●	
		4-1①	Policy 2.6.3.	●	
4-3	Roles and Responsibilities of the Board (3)	—	Policies 2.5., 2.6.1.	●	
		4-3①	Policy 2.6.1.	●	
		4-3②	Policy 2.6.1.	●	
		4-3③	Policy 2.6.1.	●	
4-4	Roles and Responsibilities of Audit and Supervisory Board member and the audit and supervisory Board	—	Policy 2.3.1.	●	
		4-4①	Policy 2.3.1.	●	
4-5	Fiduciary Responsibilities of Directors and Audit and Supervisory Board member	—	Policies 2.2.1., 2.3.1.	●	
4-6	Business Execution and Oversight of the Management	—	Policies 2.2.2., 2.6.2.	●	
4-7	Roles and Responsibilities of Independent Directors	—	Policy 2.6.2.	●	
4-8	Effective Use of Independent Directors	—	Policy 2.6.2.	●	
		4-8①	Policy 2.6.2.	●	
		4-8②	Policy 2.6.2.	●	
4-9	Independence Standards and Qualification for Independent Directors	—	Policy 2.6.2., Criteria regarding the independence of Outside Officers	●	
4-10	Use of Optional Approach	—	Policies 2.2.2., 2.4.	●	
		4-10①	Policies 2.2.2., 2.4.	●	



4-11	Preconditions for Board and audit and supervisory Board Effectiveness	—	Policies 2.2.2., 2.2.3., 2.6.1.	•	
		4-11①	Policies 2.2.2., 2.6.1.	•	
		4-11②	Disclosure through convocation notices for general meetings of shareholders	•	
		4-11③	Policy 2.2.3.	•	
4-12	Active Board Deliberations	—	Policy 2.6.4.	•	
		4-12①	Policy 2.6.4.	•	
4-13	Information Gathering and Support Structure	—	Policy 2.6.4.	•	
		4-13①	Policy 2.6.4.	•	
		4-13②	Policy 2.6.4.	•	
		4-13③	Policy 2.3.2, 2.6.4.	•	
4-14	Director and Audit and Supervisory Board member Training	—	Policy 2.6.5.	•	
		4-14①	Policy 2.6.5.	•	
		4-14②	Policy 2.6.5.	•	

Section 5 - Dialogue with Shareholders					
Corporate Governance Code			Parts mentioning the Principles in the Company's Corporate Governance Policy	Progress	
Principles	Supplementary principles			C	E
General principle 5			As follows	•	
5-1	Policy for Constructive Dialogue with Shareholders	—	Policy 4.2.	•	
		5-1①	Policy 4.2.	•	
		5-1②	Policies 4.1., 4.2., Appendix 3	•	
		5-1③	Policy 4.2.	•	
5-2	Establishing and Disclosing Business Strategy and Business Plan	—	Policy 4.2., Disclosed on the Company's website	•	