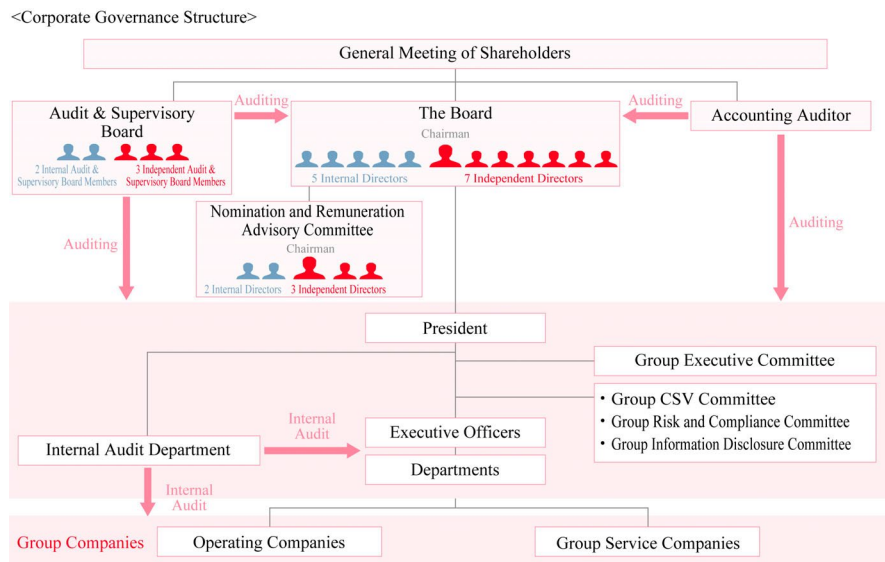


Management Structure

Corporate Governance Structure

- Kirin Holdings has adopted a pure holding company structure as a means of controlling its diverse and global business, which is centered on 3 domains such as food & beverages, pharmaceuticals and health science. As a pure holding company, Kirin Holdings takes on the role of devising and implementing the Group's overall strategies, monitoring individual businesses, creating synergy, and responding to challenges surrounding sustainability through coordination across the Kirin Group.
- The Kirin Group's individual companies conduct their business autonomously with a sense of speed, while maintaining close ties to the local customers and other stakeholders. Kirin Holdings grants appropriate authority to match the strategic stages of individual Kirin Group companies and improves governance through the Board of Directors and the Boards of individual group companies by dispatching directors to those companies. Directors or Executive Officers of Kirin Holdings serve concurrently as directors at the main companies in the Kirin Group.
- Kirin Holdings has adopted a Company with Audit & Supervisory Board system, and aims to maintain and improve on a highly transparent governance system for its stakeholders. The Board, which includes a number of Outside Directors, works closely with the Audit & Supervisory Board, which also includes a number of Outside Audit & Supervisory Board Members, and makes effective use of the statutory and other auditing function to take final decisions on important matters. At the same time, the Board endeavors to reinforce the monitoring function on management. Kirin Holdings has introduced an executive officer based system in order to implement strategies for each of its businesses and functions in an agile fashion and clarify executive responsibilities. The Board of Directors determines the scope of delegation to the Executive Officers based on their experience, track record, and expertise in their respective fields.



The Board of Directors

- The Board of Directors is responsible for making decisions on important business operations and legal matters of the Group, supervising the directors' execution of their duties, and establishing an appropriate internal control system for the entire Group in cooperation with the Internal Audit Department and supervising its operation. In addition, the Board of Directors determines and approves long-term management concepts, medium-term management plans, and annual business plans for the entire Group and major group companies, and monitors them regularly in light of changes in the business environment in an effort to maximize group corporate value.
- Taking into account the knowledge, experience, skills and discernment that are necessary for turning the 2027 Vision into a reality, the Board shall be composed of the appropriate number of members, ensuring overall balance and diversity such as gender and internationality, etc. In addition, in order to build a highly transparent governance system and ensure the effectiveness of objective management supervision, the Company appoints a majority of independent outside directors. At least one of the independent outside directors has management experience at other companies. Regarding the twelve Group companies: Kirin Brewery Company, Limited, Kirin Beverage Company, Limited, Mercian Corporation, Lion Pty Ltd, Myanmar Brewery Limited, Coca-Cola Beverages Northeast, Inc., Kyowa Kirin Co., Ltd., Kyowa Hakko Bio Co., Ltd., San Miguel Brewery Inc., and China Resources Kirin Beverages (Greater China) Company, Limited, Thorne HealthTech Inc. and FANCL Corporation, the Directors of the Board or Executive Officers of the Company are appointed as Directors of the Board (including Non-executive Directors) of each company and supervise the performance of duties in order to strengthen governance of the Group overall. Concerning Kyowa Kirin Co., Ltd., because it is a listed subsidiary, while working to secure appropriate effectiveness through the implementation of the corporate governance code, efforts are being made to ensure the independence of executive management as a listed company, as well as autonomous corporate activities based on independence and agility. At the same time, the Company is striving to maximize profits for all shareholders and sustainably expand corporate value.
- Kirin Holdings has twelve (12) Directors, of whom seven (7) are Non-Executive Directors as of April, 2020, and one of the Non-Executive Directors serve as Chairman of the Board.
- The Board of Directors meeting is held regularly once a month, and is held as needed.

(As of December 31, 2021)

Frequency and Attendance rate of the Board of Directors Meeting

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of Meetings Held	15	15	15	14	15
Attendance rate regarding Non-Executive Directors	93%	95%	91%	98%	98%
Attendance rate regarding Audit & Supervisory Board members	98%	100%	98%	100%	100%

Evaluation of the Board of Director's Effectiveness

- The Board of Directors effectiveness evaluations conducted in fiscal 2016 defined the Board's two primary functions as making important corporate decisions and providing supervisory oversight. We continue to conduct regular evaluations of Board operations and meeting content to both ensure those functions are being fulfilled and to continually improve its efficiency by identifying points to make the meetings more effective in the next fiscal year.

Fiscal 2021 discussion points

1. Discussion on "Business Portfolio"
2. Discussion on "strategy formulation, implementation and monitoring" that crosses business and functional strategies
3. Discussion on "Instillation of Kirin Group Corporate Philosophy to Promote CSV Management"
4. Discussion on "Ensuring that sound business ethics are known and practiced"
5. Discussion on "Risk Management"

Fiscal 2021 evaluations

The Board of Directors discussed and evaluated the survey responses and the current status of improvement efforts based on questionnaires incorporating the observations of third-party advisors and additional interviews. The observations and evaluation results were as follows.

Observations

- (1) Composition and operation of the Board of Directors
- (2) Strategy formulation, execution, and monitoring
- (3) Oversight of risk and crisis management
- (4) Oversight of decision-making, such as in business acquisitions and withdrawals
- (5) Oversight of executive compensation and successor development plans
- (6) Depths of awareness and oversight of sound corporate ethics
- (7) General oversight of disclosure to stakeholders
- (8) Overall effectiveness

Evaluation results

As a whole, the Board of Directors is effective and functioning properly.

Points receiving positive evaluations

- (1) The diversified Board of Directors enhances the effectiveness of important decision-making and provides multiple perspectives
 - The independent non-executive director majority has broadened the Board's range of expertise and strengthened the supervisory function over business execution
 - The Company has established a strong monitoring system to reinforce its status as a company with an Audit & Supervisory Board
- (2) Board of Directors discussion content is to the point and thorough
 - Discussion of the business portfolio covers various angles for generating sustaining growth
 - Discussion centered on topics that management should focus on, enabling deep discussion of management issues
- (3) The Board of Directors is operating properly, and steps are being taken to further improve its functionality
 - Functionality has been vastly improved in agenda setting, time allocation, and opportunities to share information
 - The amount of reports and open discussions about issues that are not part of the meetings is gradually increasing, and the deeper understanding of the business and strategies is improving the quality of the discussions

Points to improve in fiscal 2022

Management has specified five points for improvement in fiscal 2022 based on the opinions and areas for improvement indicated in the evaluations in fiscal 2022 and with a view for the changing business environment.

The Company continually seeks to maintain and improve the effectiveness of the Board of Directors in accordance with the agenda set by Independent Non-executive Director and Chairman of the Board Masakatsu Mori and by providing more opportunities to share information and engage in open discussions.

Main discussion points for fiscal 2022

1. Discussion on "Business Portfolio"
2. Discussion on "strategy formulation, implementation and monitoring" that crosses business and functional strategies
3. Discussion on "Instillation of Kirin Group Corporate Philosophy to Promote CSV Management"
4. Discussion on "Ensuring that sound business ethics are known and practiced"
5. Discussion on "Risk Management"

Audit & Supervisory Board

- In keeping with its fiduciary responsibility toward shareholders, the Audit & Supervisory Board ensures the integrity of management with an eye to the Kirin Group's sustainable growth and the improvement of corporate value over the medium to long term, and acts to ensure in the common interests of the shareholders.
- The Audit & Supervisory Board makes use of the ability of the Standing Audit & Supervisory Board Members to gather information within the Kirin Group and the independence of Audit & Supervisory Board Members. The Audit & Supervisory Board also develops a system to ensure that the audits carried out by each Audit & Supervisory Board Members are effective.
- In order to intensify the provision of information to Non-Executive Directors, the Audit & Supervisory Board exchanges opinions with Non-Executive Directors, and provide them with information obtained in the course of auditing.
- As of April, 2022, Kirin Holdings has five (5) Audit & Supervisory Board Members, of whom two (2) are Standing Audit & Supervisory Board Members, and three (3) are Audit & Supervisory Board Members.

Frequency and Attendance rate of the Audit & Supervisory Board Meeting

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of the Meeting held	16	16	16	16	15
Attendance rate regarding Audit & Supervisory Board members	98%	100%	98%	100%	100%

Auditor's Audit

Kirin Holdings has adopted an audit system consisting of two (2) Standing Audit & Supervisory Board Members and three (3) Audit & Supervisory Board Members. Each Audit & Supervisory Board Member attends various internal important meetings, including the Board of Directors in accordance with the audit policy and audit plans which are defined by the Audit & Supervisory Board. In addition, the Company has a system in place to adequately audit the status of directors' execution of their duties, including audits of each division of the Company and on-site inspections of domestic and overseas group companies. For Group companies, the Auditors are assigned either full-time or part-time according to the scale of the company. The Auditors of Group companies coordinate closely with the Audit & Supervisory Board Members of Kirin Holdings to enhance the effectiveness of auditing.

Internal Audit

- The Members of Internal Audit Department are concurrently responsible for conducting internal audits at Group companies, independently from the auditor's audit, with regards to the Group's significant risks and internal controls. The Internal Audit Department practically and efficiently conducts auditing for the Group overall, and by sharing the audit results of, and mutually supplementing the work of, the internal audit and the audit by the Audit & Supervisory Board. The Internal Audit Department Members coordinate with the Audit & Supervisory Board Members in setting and implementing auditing plans, coordinate with the full-time auditors of the key Group companies, and concurrently perform the role of part-time auditors in the Group companies, etc.
- The Internal Audit Department, the Audit & Supervisory Board Members and an Independent Accounting Auditor also strive for mutual cooperation where they exchange information and opinions and consult each other as necessary. The Internal Audit Department and the Audit & Supervisory Board Members regularly exchange information and opinions with internal control-related departments, and the Accounting Auditor also conducts hearings with internal control-related departments as necessary, both thus implementing effective audits.

Relationship with the Independent Accounting Auditor and Internal Audit Department

- The Audit & Supervisory Board develops a system capable of conducting thorough and appropriate auditing in coordination with the Independent Accounting Auditors and the Internal Audit Department.
- The Audit & Supervisory Board verifies the independence and specialization of the Independent Accounting Auditors upon establishing evaluation criteria. The Audit & Supervisory Board holds regular interviews with the Independent Accounting Auditors, and requires the Independent Accounting Auditors to explain whether they are observing the necessary quality management criteria for carrying out accounting audits in an appropriate fashion.

Internal Control System

Kirin Holdings draws up a basic policy for the internal control system in order to ensure the appropriateness of the Kirin 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.

Group company governance and performance assessment

- Kirin Holdings formulates and promotes Group strategy, monitors all Group businesses, and creates synergies across the Group. Each Kirin Group company is located close to its customers and stakeholders and administers its operations autonomously and speedily with full authority to make business execution decisions tailored to their specific strategies. Kirin Holdings seats a director on each company's Board of Directors to help maintain a high level of corporate governance.
- Until 2021, return on assets (ROA) and earnings before income tax (EBIT) for each company, which is directly linked to return on invested capital (ROIC), were used as the performances evaluation indicators for operating companies, and ROIC and business profit are used as unified indicators from 2022.

$$\text{ROIC} = \frac{\text{Profit after tax before interest}}{\text{Average total interest-bearing liabilities at beginning and end of the period} + \text{Average total equity at beginning and end of the period}}$$

Nomination & Remuneration Advisory Committee

- The Nomination & Remuneration Advisory Committee has been set up to deal with the nomination and remuneration of Directors, Executive Officers and Audit & Supervisory Board Members.
- As an advisory body to the Board, the Committee discusses the following matters from an objective and fair perspective, and report to the Board of Directors. The matters that are discussed and reported on include the nomination and remuneration of directors, executive officers, Audit & Supervisory Board Members, and succession plan regarding the President & Chief Executive Officer.
- The Nomination and Remuneration Advisory Committee shall, based on the delegation of the Board of Directors, determine the evaluation indices and targets for the individual performance evaluation, the evaluation results in accordance with the degree of achievement of those indices and targets, and the individual payment rates for the individual performance evaluation with respect to bonuses for the Company's directors (excluding non-executive directors) and executive officers.
- The Committee is composed of five (5) Directors, consisting of two (2) Internal Directors and three (3) Non-Executive Directors, The committee chairperson is appointed out of the non-executive directors. The term of office is one (1) year.
- The members of the committee in 2022 are as follows:
 Non-executive directors: Ms. Chieko Matsuda (Chairperson), Mr. Hiroyuki Yanagi, Ms. Noriko Shiono
 Internal directors: Mr. Yoshinori Isozaki, Mr. Toshiya Miyoshi

Frequency and Attendance rate of the Nomination & Remuneration Advisory Committee

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of the Committee held	7	11	12	13	16
Attendance rate regarding the Committee members	97%	97%	93%	100%	99%

Advisory Bodies

The following bodies have been established as other advisory bodies to the President.

1. Group Executive Committee

As an advisory body that assists and supports the President & CEO in decision-making, the Company strives to improve the quality of decision-making by flexibly holding meetings consisting of the President, Executive Vice Presidents, Managing Executive Officers, Internal Auditors, and Strategic Advisors to discuss strategies and investments that have a large impact among the decisions related to group management.

2. Group CSV Committee

The Group CSV Committee deliberates the planning of Group CSV policies and strategies and monitors the progress status of CSV initiatives. The committee presents proposals and reports as necessary to the Group Executive Committee and the Board of Directors, which are reflected in the Group's overall strategy.

3. Group Risk and Compliance Committee

The Group Risk and Compliance Committee promotes and supervises risk management and the steadfast execution of compliance. The committee ensures the proper activation of response systems for crisis situations, such as by supporting information sharing and responses among Group companies in Japan and overseas.

4. The Group Information Disclosure Committee

The Group Information Disclosure Committee decides relating to information disclosure to stakeholders and investors, and improves management transparency through the promotion of timely, fair and impartial disclosure. The Director in charge of finance is appointed as the committee chair. The heads of the department in charge attend the committee, and the standing audit & supervisory board members and the head of internal audit department serve as observers.