

## Special feature 1

# Example of Business Activities Based on the Value Creation Model

In business activities, the Kirin Group uses the Value Creation Model, which sustainably amplifies social and economic value through a cycle from INPUT to OUTCOME. In this special feature, we look at *TAPPY*, small dispensers, of Kirin Brewery Company, Limited, and how it is creating value.

## INPUT

## BUSINESS

## OUTPUT

## OUTCOME



As infrastructure that creates innovation, the following resources were invested



### Diversity and inclusion, culture for innovation

In order to resolve social issues in the food service industry, the Sales Department and Corporate Planning Department, Kirin Brewery, and the members of the Institute for Packaging Innovation, Kirin Holdings Company, Limited, gathered to collaborate on a project and developed *TAPPY*, a next-generation beer server.



### Core technology that assures value creation

DLC Coating, the Kirin Group's proprietary gas barrier technology, is used on the inside surface of the plastic bottle containers for the beer used with *TAPPY*. This coating prevents oxygen infiltration, suppresses beer oxidation, and enables the beer to maintain its quality for an extended period. *TAPPY* incorporates a series of unique designs in its beer flow path for rapid cleaning.



### Consumer centric marketing expertise

With the diversification of consumers' tastes, there has been a reduction in the amount of beer being ordered at restaurants and of opportunities to eat out. This has caused it to take longer for a barrel of beer (minimum of 7 L) to be consumed, creating the possibility of serving beer that has lost its quality. In order to provide customers with fresh, delicious beer, Kirin Brewery developed a service using small 3 L plastic bottle containers.



### ICT accelerating value creation

In addition to in-person sales activities conducted by Kirin Brewery's sales representative, Kirin Brewery is also making efforts in new sales activities using digital technology. They are also digitalizing negotiation methods and tools, such as using social media advertisements to guide consumers to the *TAPPY* website, leading to transactions, and creating QR codes that connect to explanatory videos for *TAPPY*.



Took social issues as opportunities for growth, leveraged INPUT, and engaged in business. As a result, *TAPPY*, a solution to social issues, was born.

### Social issues

Since COVID-19 was reclassified as a Class 5 infectious disease, food service demand has recovered, but while restaurants are becoming busier, several issues such as worker shortages and logistics issues are coming to surface in the food service industry. To create a sustainable food service industry, it is vital that these social issues are resolved.

### OUTPUT



Contribute to resolving social issues, such as by securing sufficient profits in the entire food service industry, revitalizing the beer and food service markets, and reducing the burden on logistics and food loss.

Small plastic bottle containers that are quickly replaced makes it

### Delicious

- ▶ Bottles hold 3 L. They are changed after about 10 servings, so it's always fresh.
- ▶ Bottles are consistently chilled after opening, so they are slow to expire.

Light bottles and easy cleaning makes it

### Simple

- ▶ Small, light bottles makes it easy to carry and change them.
- ▶ Cleaning the dispenser is now much easier.

Nearly negligible beer loss makes it

### Economical

- ▶ Almost no beer is lost after bottle replacement or when rinsing the server with water.
- ▶ Reduces the yearly costs of a restaurant by about 160,000 yen.\*

\*According to Kirin Brewery



Received support of restaurants and alcoholic-beverage retailers and created economic and social value.

### Economic value

- ▶ Improved the experience of drinking *KIRIN ICHIBAN*
- ▶ Expanded the number of retailers

### Social value

#### Social issues that will be resolved

- ▶ Reduction of worker shortages in the business market
- ▶ Reduction of food loss (loss of beer during cleaning, etc.)
- ▶ Reduction of worker shortages in restaurants and logistics
- ▶ Reduction of GHG from transportation

#### Value for consumers

- ▶ Delicious *KIRIN ICHIBAN* can be enjoyed at even more locations

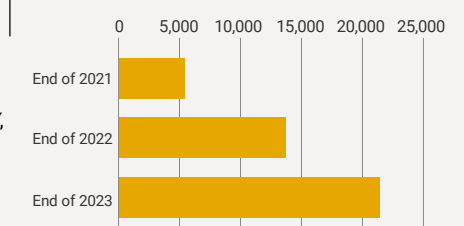
#### Value enjoyed by *TAPPY* partners

- ▶ Restaurants  
Increased sales from improved quality, less burden on workers, and larger profits from less beer loss during cleaning and less labor
- ▶ Alcoholic-beverage retailers & exclusive distributors  
Less burden on workers and larger profits from reduced logistics and labor costs

Now available at more than 20,000 locations in Japan since national launch 2.5 years ago!

Due to the recent rise in the number of restaurants with few staff members, drink service and low-cost operations are important to efficiently operate the restaurant and secure sales and profit. *TAPPY*, which provides everyone with easy access to delicious beer, is also easy to introduce at small restaurants. It has thus continued to be adopted by more restaurants in Japan since its national launch, exceeding 20,000 locations in just 2.5 years!

Number of locations using *TAPPY*



## Special feature 2

### Message from Director of the Board, Senior Executive Officer of Health Science Strategy



**Toru Yoshimura**

Director of the Board,  
Senior Executive Officer  
Kirin Holdings Company, Limited

#### A unique approach that addresses building a foundation of health and individual health issues

The Kirin Group is aiming to be a global leader in CSV and is committed to resolving social issues through business. As can be seen from the impact of COVID-19, the social issue of health is an area of great significance in terms of both social and economic value. Our Group's expertise in fermentation and biotechnology, honed through more than a century of experience in the beer industry, enabled us to enter the pharmaceutical market 40 years ago. Now, we are applying these technologies to the Health Science domain to tackle global health challenges.

Furthermore, what we value in resolving health issues is our Group's unique approach to enhance innate human capabilities. This strategy involves pursuing both the "building a foundation of health" approach that targets immunity, which is important to all people regardless of race, gender, or age, and the resolution of individual health issues such as lifestyle disease and brain function.

#### Maximizing strengths and synergies of each company and accelerating progress forward as one Group

The strength of our Group's Health Science

## Aiming to Be One of Asia-Pacific's Largest Health Science Companies by Leveraging Our Proprietary Materials and Technologies, Including LC-Plasma

domain is our ability to maximize our Group's capacity for operating our businesses in the three domains of Food & Beverages, Pharmaceuticals, and Health Science. In addition to the fermentation and biotechnology mentioned earlier, we are also maximizing the demonstration of our consumer relationship-building skills cultivated in the Food & Beverages domain and our knowledge in the Pharmaceuticals domain in the Health Science domain. Particularly since establishing the Health Science Business Department in 2022, collaboration between operating companies has become smoother not only in R&D but also in various other areas, and each company involved in the Health Science domain is heading toward a shared goal with a sense of speed.

For example, businesses utilizing LC-Plasma, our Group's unique material, collaborated with Group companies and domestic and overseas partner companies to develop a varied lineup so that more consumers can easily take part in "immune care" any

place at any time. There is now a total of 59 products from 16 companies that are infused with LC-Plasma in Japan and is sold as a finished product in 11 countries around the world.

As a result of several Group companies' efforts, including Kirin Beverage, which labels the Health Science domain as a growth driver, creating a new market; Koiwai Dairy greatly contributing to the production of yogurt and LC-Plasma bacteria; Kyowa Hakko Bio, which has played an important role in global regulatory compliance and sales; FANCL building a foundation for consumer contact in health foods; and the Group working to spread products from partner companies in a variety of categories, we achieved a sales revenue of 20 billion yen in 2023.

Going forward, we hope to further enhance Group initiatives like the above and to promote business with a greater sense of speed. In 2024, we will be focusing on expanding our brand business based on B2C consumer business, which is one of our Group's strengths, further strengthened by the acquisition of Blackmores in 2023. By concentrating our resources in areas of strength, we will maximize the strengths and synergies of each operating company to achieve business results as quickly as possible. Additionally, we will aim to become one of Asia-Pacific's largest health science companies contributing to solving the health issues of many customers in Asia-Pacific, including Japan.

However, this will be supported, as always, by the Group's unique R&D capabilities and its ability to build relationships with customers. We will also utilize our new knowledge acquired from Blackmores to develop functional materials and products that meet consumer needs and will strengthen each organizational capability necessary to deliver them. As part of these efforts, we

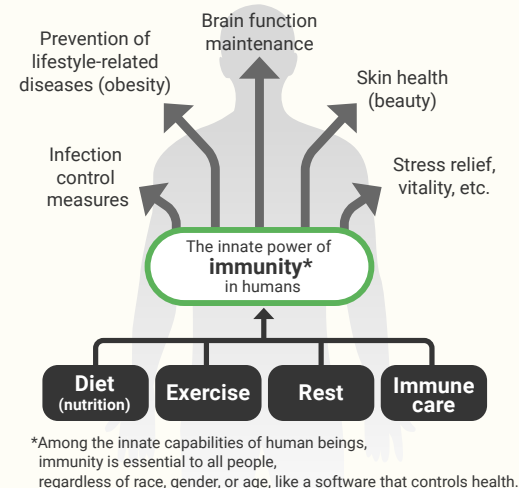
will continue to prioritize the revitalization of Kyowa Hakko Bio and the building of their strong operating base as a priority issue, and we will concentrate on promoting structural reform and our specialty businesses, as well as rebuilding the trust in our business.

#### Grow the Health Science domain into a new pillar of support for the Kirin Group

The Health Science domain is a new business within our Group. There is difficulty in not rushing to grow the business well, but we are taking it on with comprehensive support from our Group and the fiery passion of those involved in the business. Even I, who was appointed the president of the Health Science Division this spring, am feeling a strong sense of mission and excitement. This is because, beyond the health value we will provide by making the most of our Group's unique strengths, are the joy and smiles of our consumers. To start, we will bring health and smiles to more consumers around the world by establishing an operating base in the Asia-Pacific, improving profitability while accumulating organizational capabilities, expanding into areas expected to achieve new growth and be profitable in the medium- to long-term, including North America, and improving our product and service portfolio through innovation. We will deliver health and smiles to even more consumers around the world. Then, with this in mind, we will grow the Health Science domain into a new pillar that supports our Group's operations.

#### Solving health issues through unique approaches

What will lead to fundamental and effective solutions are not conventional treatments for individual health issues, but unique approaches from the perspectives of building a foundation of health and individual health issues based on the concept of enhancing innate human capabilities.



#### Individual health issues

We resolve issues that impair health and well-being by leveraging the Group's strengths in everything from materials to services.

#### Foundation

We build a foundation for health by approaching immunity with materials and products such as Lactococcus lactis strain Plasma (LC-Plasma) and HMOs, and lifestyle support such as intestinal microflora testing.





Special feature 3

Kirin Group Human Rights Policy

The Kirin Group revised the Kirin Group Human Rights Policy in October 2023 in order to step up its human rights efforts to the level of global best practices, taking into account changes in the global environment surrounding human rights and our experience in Myanmar.

We continually evolve initiatives to generate positive impacts on society.



**Junko Tsuboi**  
CPO (Group Human Capital Management)  
Director of the Board, Senior Executive Vice President  
Kirin Holdings Company, Limited

Aiming to be at the level of global best practices

Since the United Nations (UN) adopted the Guiding Principles on Business and Human Rights in 2011, the environment surrounding human rights has greatly changed, now requiring all companies to fulfill their responsibility to respect human rights. The Kirin Group, who has been committed to human rights awareness activities for more than 40 years, also views business and human rights as management issues and has placed "respect for human rights" in the top row of the GMM.\* In addition, we established the Kirin Group Human Rights Policy in 2018, one of the first Japanese companies to do so, and have aimed to address human rights in line with global standards.

After the coup d'état broke out in Myanmar in February 2021, it was in accordance with the Kirin Group Human Rights Policy that we immediately announced the dissolution of our

joint venture there. Through our experience in Myanmar, we recognized that there were challenges in terms of the current human rights efforts. Believing that it was our responsibility to pass down the lessons learned, we revised the Kirin Group Human Rights Policy (hereinafter "Human Rights Policy") in October 2023 with the aim of stepping up our human rights efforts to the level of global best practices.

Generating more positive impacts on society

Our approach has conventionally focused on the perspective of value protection, with our main efforts on mitigating negative impacts on human rights. Going forward, we will also incorporate the perspective of bringing about positive impacts on society in the form of economic development by making efforts to address respect for human rights. Additionally, until now, efforts have been centered around the Alcoholic Beverages, Non-alcoholic Beverages, and Pharmaceuticals businesses, but with the expansion of business domains, we stepped up our efforts so that they can be leveraged at all Group companies, including those in the Health Science business, in the future. When revising the Human Rights Policy, we exchanged opinions with not only labor unions, but also external human rights experts, and included their feedback in the revisions.

There are three key points of the Kirin Group Human Rights Policy. The first is that this policy is our Group's

Key Points of the Kirin Group Human Rights Policy Revisions

**Commitment in Respect for Human Rights**

- This Human Rights Policy is our Group commitment to respect human rights.
- In addition to reducing negative impacts on human rights (such as human rights violations), we have clearly stated that we will create more positive impacts on society.
- To realize this goal, we will prioritize our efforts in order of priority, starting with areas with the greatest challenges.

**Compliance with Global Standards**

- We have developed and refined the content of the policy compared to the 2018 version by referring to the United Nations Guiding Principles on Business and Human Rights\* and examples of leading companies.

\*Formulated by the United Nations in 2011. Internationally used as a guideline for respecting human rights in corporate activities.

**With All Stakeholders on the Value Chain**

- In addition to applying the policy to all officers and employees of domestic and overseas Group companies, we have clearly stated that we require our various business partners involved in our entire business (value chain), including R&D, procurement, manufacturing, logistics, sales, distribution, and disposal, to understand and comply with this policy.

commitment to respect human rights. The Human Rights Policy has been positioned as the top-level policy for all documents and standards related to efforts to respect human rights in Group business activities and aims to reduce the negative impacts on human rights as well as bring about positive impacts on society.

The second is that the policy conforms to global standards. This Human Rights Policy aims to support and implement the contents of international human rights standards, such as the International Bill of Human Rights, the Declaration on Fundamental Principles and Rights at Work, and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) of the International Labour Organization (ILO).

The third is that the Human Rights Policy requires all related parties throughout the value chain to understand and comply with it. The Human Rights Policy clearly states that understanding and compliance are required of not only Group officers and employees inside and outside of Japan, but also of business partners involved in our entire business, including R&D, procurement, manufacturing, logistics, sales, distribution, and disposal.

Evaluating human rights risks throughout the value chain

Until now, our Group has identified important human rights issues and performed on-site audits in the supply chain based on human rights risk evaluations toward building a foundation for the Group's human rights due diligence. Furthermore, we established a cross-group meeting beneath the Group CSV Committee and built a governance structure.

In order to continue to transform our human rights initiatives beyond 2024, we will review internal rules and regulations and contracts with business partners and, as we roll them out, we will analyze and evaluate human risks throughout the entire value chain.

As the base of these efforts to respect human rights, we will continue our human rights awareness training for officers and employees so as to create understanding and practical implementation. On top of that, we will fulfill our responsibility as a company while bringing about positive impacts and contributing to the realization of a sustainable society through respect for the human rights of society and communities.

\*Group Materiality Matrix. Identifies management issues for sustainable growth. Details on page 21

Exchanging ideas with external human rights experts



Example

Human rights awareness training for officers and employees

When it comes to efforts to respect human rights, understanding and implementation by officers and employees are essential. We are continuing the annual implementation of training at different levels and human rights awareness training for all employees to instill the Human Rights Policy, create a great place to work, deepen understanding of business and human rights, and so that everyone respects the human rights of all our stakeholders, including our business partners. One of our particularly unique efforts is our annual human rights awareness training for presidents and officers of Group companies in Japan. We invite external lecturers to help top management deepen their understanding of contemporary human rights issues and recognize the importance of embedding respect for human rights in the management foundation, with the aim of reflecting these insights in their management practices.

Additionally, each Group company has appointed a human rights contact person to provide consultation services. The assigned person will attend internal and external training programs, etc. to polish their skills in order to offer effective consultation services and improve each company's human rights awareness. In order to confirm the effectiveness of these services, we implement yearly human rights awareness surveys and analyze the results to gain an understanding of changes in awareness and issues that need to be addressed.

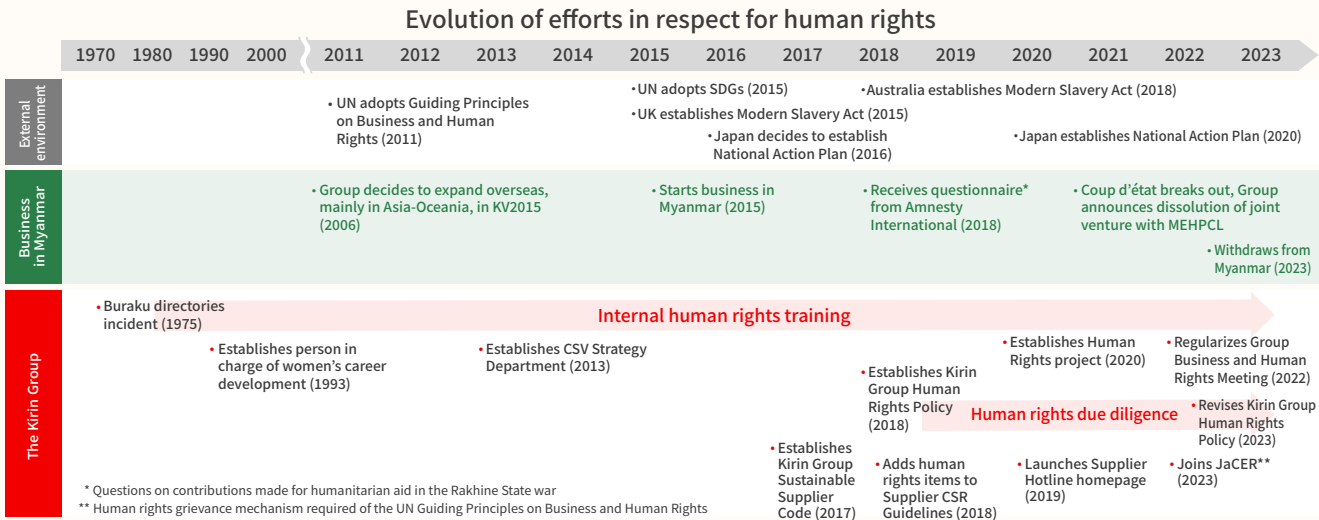
On-site audits by third-party organizations

In the upstream supply chain, where risks are high, we have prioritized and performed detailed checks on the status of human rights compliance at raw material suppliers. In regard to Sri Lankan black tea leaves, we performed third-party on-site audits at the topmost black tea plantation, whose results showed some issues in the work environment. Thereafter, we introduced corrective actions and performed follow-up audits. We will prevent the recurrence of these issues through continual monitoring going forward.

Joining JaCER (external grievance mechanism)

In 2023, we joined JaCER, an external organization that responds to grievances and reports from various stakeholders about human rights in English and Japanese. In response to the reports received by JaCER's consultation desk, we carry out investigations based on the results of JaCER's initial investigation of the report's contents. We then implement the necessary dialogues regarding the report and corrective action (including recurrence prevention and responses to opposition). We are committed to resolving human rights issues by fairly and transparently handling grievances and appropriately responding to reports.

The progress regarding these efforts is available on our corporate information website.



## Special feature 4



**Shinya Katanozaka**  
Independent Non-executive Director  
of the Board  
(Member of the Nomination and  
Remuneration Advisory Committee)

## Interview with Independent Non-executive Directors

## Providing a Unique Outside Perspective and Stimulating Discussion on Achievement of Growth Strategies

### Shinya Katanozaka

Member of the board, chairman, ANA Holdings Inc. (current).  
Assumed position of director (outside director), Tokio Marine Holdings, Inc., in 2020, and as independent non-executive director of the board (member of the Nomination and Remuneration Advisory Committee) of Kirin Holdings Company, Limited, in 2023.

### Assessing the Group's Entrance Into the New Health Science Business

—One year has passed since you were appointed a non-executive director of the board. How would you assess Kirin's business portfolio management?

The Kirin Group has built a business portfolio from its existing Alcoholic Beverages, Non-alcoholic Beverages, and Pharmaceuticals businesses and their new Health Science business, with their founding business' fermentation and biotechnology at its core. If looking at the Food & Beverages, Pharmaceuticals, and Health Science businesses separately, there are corporations with bigger business than the Kirin Group, but there is no other company centered on the above three at the same time. I believe this is what makes the Group's business portfolio incredibly unique.

Currently, the Kirin Group is stepping up investment in its new Health Science business, but as of the end of FY2023, the Health Science business has not produced clear results, and Kyowa Hakko Bio has posted impairment losses for two consecutive years, which has raised harsh comments from shareholders and others in capital markets. It is true that the monetization of the Health Science business—labeled a driver of medium- to long-term growth—is delayed, so it is not surprising that we are hearing stark criticism from all our investors. Thus, the Board of Directors is focusing on the progress of the Health Science

business and its future growth strategies, taking up a large portion of our discussions. We especially spent time on the topic in FY2023 due to the acquisition of Blackmores Limited.

I believe that in the age of VUCA (volatility, uncertainty, complexity, and ambiguity), it is difficult for a company to grow further if it only stays in its existing businesses, and in some cases, it may even decline. Hence, I have no qualms about the Kirin Group's policy of entering and investing in new Health Science businesses. However, it takes time for new initiatives to produce results, and until then, I think it is natural that stakeholders may not be all in favor of the Health Science business.

Looking back on my own experience, ANA Holdings Inc., at which I am chairman of the board, experienced a similar situation when they started scheduling regular international flights as a new business 38 years ago. At the time, ANA Holdings boasted the largest share of the existing domestic flight business at 50%. However, in the international flight business, there was already a leading company with a monopoly on the business, and due to ANA Holdings' status as a latecomer, awareness of the company's name continued to be low overseas. For this reason, the belief that it was unnecessary to attempt new business with such risks was the trend

for a while, and many people, both outside and inside the company, argued that ANA Holdings should withdraw from the international flight business.

Despite this past, however, ANA Holdings' absolute position in the domestic flight business was shaken 16 years later when the second and third largest competitors increased their domestic flight market share significantly through mergers and the wave of new airline companies entered the market.

Under such circumstances, the international flight business was now what was supporting ANA Holdings' management. In addition to being highly praised for their courteous, Japanese-style hospitality services, the company's awareness grew through tie-ups, such as Pokémon Air Adventures. Inbound demand has also become favorable, and non-

Japanese shares have grown from approximately 30% to more than 50%, indicating the company's recognition as a global airline company both by Japan and overseas. However, when the COVID-19 virus spread in 2020, ANA Holdings faced severe financial difficulties as the movement of people on both domestic and international flights came to a halt.

However, there is no telling how long these circumstances will continue. It is for this reason that, in addition to their existing airline and cargo businesses, ANA Holdings will continue to take on new challenges to drive continued growth. These challenges include ANA Avatar, which will be used in transportation as a measure to help reduce CO2 emissions, development of a flying car to achieve emission-free urban air transportation, and other efforts.

This trend is common with that of the Kirin Group. The Pharmaceuticals business that has now cemented its position as a pillar within the Group was launched in 1982, and it took time to embrace the introduction of fermentation and biotechnology into pharmaceuticals. But, looking back at it now, it can be said that top management's decision at the time was the correct one.

Based on this history, I am sympathetic to the Kirin Group's approach to new businesses with an eye to the future. I am also confident that, in the near future, a time will come when stakeholders will agree with the Kirin Group's decision to enter the Health Science business.





## Special feature 4

### Interview with Independent Non-executive Directors

#### Sufficient information is provided during the board's deliberations

##### —How do you feel about participating in Kirin's Board of Directors?

The Kirin Group's Board of Directors is unique in that it is chaired by a non-executive director. While there are companies in Japan where a non-executive director chairs the board, the Kirin Group's system is new to me because ANA Holdings, for which I serve as chairman of the board, and Tokio Marine Holdings, for which I serve as outside director, are chaired by internal directors. Thus, I find the structure of the Kirin Group's board to be refreshing. If the chairperson comes from within the company, it is easy to positively approach the implementation and achievement of the agenda due to having desires similar to those of the executives. On the other hand, non-executive directors of the board can calmly approach them from a non-biased position.

Another feature of the Kirin Group's Board of Directors is that, generally, directors in charge directly respond to questions received from non-executive directors. I was also surprised that the CEO does not speak more than is necessary. I understand that this is so that he does not guide the direction of discussions. Of course, the CEO clearly states his views on important issues and questions that should be answered by top management. Because we are able to openly exchange opinions, regardless of being from within or outside the company, I do not see any major shortcomings in the current Board of Directors' method of discussion.

This issue has already been resolved, but until last fiscal year, the Kirin Group did not record comments made during opinion exchanges, information sharing, or other discussions held outside of board meetings on topics outside of issues to be resolved and reported in the minutes in order to encourage free speech. However, all non-executive directors of the board, including myself, are freely sharing our honest opinions, and I felt that they should be recorded. This is because it is better for the Board of Directors to be more transparent and to make the discussions had and decisions made more accessible. Furthermore, by leaving minutes, people are more likely to speak with a greater sense of responsibility.

Other non-executive directors of the board were of the same opinion, and, from this April, we held discussions with the board about some matters of opinion exchanges and decided to record minutes. I am encouraged by the

Kirin Group's ability to act quickly.

##### —Is sufficient information being shared with non-executive directors?

At the Kirin Group, an agenda and documents for board meetings are distributed about a week in advance. Along with these documents, I was very surprised to see videos of each executive, each leader, and others explaining the agenda items. It is a great system in which the people in charge can explain the topics in their own words, clearly communicating their passion.

As opportunities to engage with Group members, I also participated in Group President Meetings, which are attended by top leaders of each Group company, and observed factories/breweries, offices, research centers, and other Group company facilities. During these observations, I had opportunities to socialize with Group members, such as by listening to presentations on projects being implemented by employees at each location and more. Additionally, my visits to multiple retailers to observe actual product sales, sales space creation, and more were great opportunities.

Through such initiatives, I am able to gain a deeper understanding of the agenda. I am also very impressed with the sufficient sharing of information with non-executive directors. Rather, the amount of information and documents provided is about double or triple that of other companies. It's almost too much (laughs).

To raise the level of information provision to another level, we believe that it would be effective to provide additional information on the status of opinions in favor of or against proposals made at meetings held within each Group company prior to their submission to the Board of Directors. Say that a proposal was unanimously agreed upon at a Group company meeting—this would point to the high possibility that the proposal is one that should be implemented by the Kirin Group. Therefore, we must be more careful in determining whether the decision to implement the proposal deviates from the opinions of society and shareholders. Knowing how decisions were made during company discussions and why people in the company were against agenda items would help to deepen discussions with the board, so I want this information to be shared in addition.

Continuing to assess performance of the Kirin Group as an non-executive director



#### New structure expresses seriousness in achieving KV2027

##### —How do you rate Kirin's governance structure?

It is generally accepted that Japan began governance efforts after the first corporate governance code was enacted in 2015. The Kirin Group has been strengthening governance efforts since more than 10 years prior to that, and I think that is wonderful.

Furthermore, in addition to the chairperson of the board being an independent non-executive director, I am impressed by the directors' wide variety of skills and that many of the auditors are experts in their field. The Pharmaceuticals and Health Science domains are highly specialized areas, and I often find governance in these areas to be difficult because they are far outside my field. However, I am encouraged by the fact that there are members of the board, including non-executive directors of the board, that are experts in these fields.

In addition to the above, the discussions are based on the opinions of investors, which is why we are convinced that Mr. Masakatsu Mori, independent non-executive director (chairman of the Board of Directors\* at the time) and Ms. Noriko Shiono, independent non-executive director (member of the Nomination and Remuneration Advisory Committee), are correct in stating in the FY2023 Integrated Report 2023 that "Kirin Group's corporate governance initiatives are world class."

Takeshi Minakata was appointed as the new president & COO in FY2024. In the Integrated Report 2023, Mr. Minakata shared his vision for the business from his

standpoint as the then-officer in charge of health science strategy, in addition he is also the director in charge of Blackmores. The fact that the officer in charge of the Health Science domain—which is a new area of focus for the Kirin Group—was appointed as the new president shows the Group's seriousness about growing the Health Science domain while strengthening the existing business.

The new president was selected by the board after sufficient discussion on a succession plan and receiving a report from the Nomination and Remuneration Advisory Committee. The Board of Directors also has appointment and supervision responsibilities and will continue to supervise and oversee thoroughly.

As CEO and representative director of the board, Mr. Yoshinori Isozaki will be responsible for developing a long-term vision and strategy for KV2027 and beyond, driving the growth of the organization, and strengthening relationships with non-executive stakeholders. I will keep a close eye on whether the CEO and COO can work together to quickly produce results.

This fiscal year, I will continue to fulfill my duties as a non-executive director of the board and will leverage my personal experiences and views to evaluate the business portfolio resource allocation and CSV commitment targets and performance that form the base of Kirin's management.