

Human Resources—Valuable Resource Supporting Sustained Growth



Message from Executive Officer in Charge of Human Resources

Our human resources, which have unlimited potential, support the sustained growth of the Kirin Group and are the Group's most valuable management resource. In the belief that employees and the Company are equal partners, the Kirin Group respects the hard work and individuality of its employees, who are thoroughly committed to their work and have a strong appetite for growth through their work. To this end, the Group strives to provide these employees with opportunities to take on new challenges and grow. This policy forms the foundation of the Basic Human Resources Principle, which outlines the basic principles for the Group's human resources development initiatives and guides us in facilitating employee growth and career development.

The Company's operating environment continues to change, and we thus recognize the need to heighten our organizational capabilities, which underpin our efforts to continue providing consumers with new value. It is for this reason that we are engaged in various initiatives focused on cultivating leadership skills, developing human resources, reforming working styles, and promoting diversity.

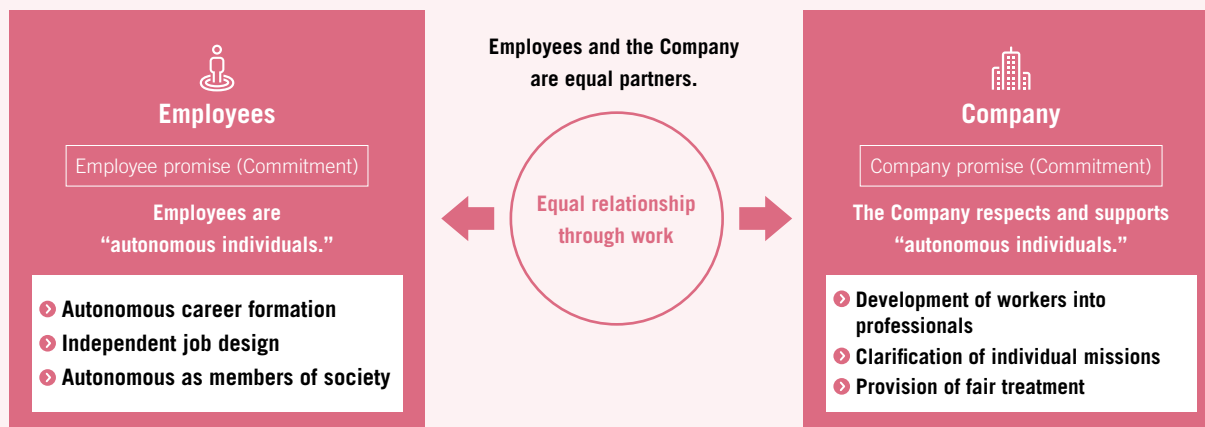
Toshiya Miyoshi

Director of the Board,
Senior Executive Officer in Charge of Human Resources

Basic Human Resources Principle

Basic Human Resources Principle = Respect for Humanity

We respect the efforts and individuality (humanity) of all employees, who have unlimited potential and naturally continue to grow and develop, and we strive to create an environment in which they can do their best.



Human Resources and Corporate Culture Reforms for Creating New Value

The Kirin Group aims to reform its human resources strategies and corporate culture in order to remain a company that continually creates new value for consumers.

Accordingly, we seek to provide employees that are thoroughly committed to their work and have a strong appetite for growth through their work with opportunities to take on new challenges and grow, regardless of their age or other attributes. In this quest, we seek to become a disciplined yet caring company that is passionately committed to developing its employees through their work and is actively involved in this growth process.

Thereby, in creating new value, we will strive to give rise to an environment in which pursuing lofty targets and tackling new challenges is standard practice and the lessons learned from such undertakings are utilized in future endeavors. Important initiatives to this end include cultivating leadership skills, developing human resources, reforming working styles, and promoting diversity.



An environment in which pursuing lofty targets and tackling new challenges is standard practice and the lessons learned from such undertakings are utilized in future endeavors

Disciplined Yet Caring Company

A meritocracy in which employees are motivated and able to grow through their work

2

Developing Human Resources

3

Reforming Working Styles

4

Promoting Diversity

1

Cultivating Leadership Skills

1 Cultivating Leadership Skills

A corporate culture in which pursuing lofty targets and tackling new challenges is standard practice and essential to the Company's ability to continue providing consumers with new value. The Group is aware of the massive influence that the words and deeds of leaders can have on the corporate culture and is thus dedicated to cultivating leadership skills. As one facet of these efforts, we are increasing opportunities for direct and reciprocal communication between senior management and division heads and the rest of our employee base. Furthermore, we have set up a program spearheaded by 130 prominent organization leaders aimed at encouraging leaders to act differently in order to better fulfill their responsibilities of accomplishing organizational targets and developing human resources.

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2 Developing Human Resources

At the Kirin Group, we continually work to develop human resources, who we strongly believe are sources of value creation. To strengthen our competitiveness in a challenging operating environment and in an era that requires change, we must do our utmost to develop the people that will lead the growth of the Group in the future and people that can realize the creation of value linked to our growth strategies.

The Kirin Group's fundamental belief regarding human resources development is that "people grow through their work." Our policy for human resources development is to aim for autonomous, enthusiastic self-development by each individual in order to realize management reform. On that basis, we are taking steps to address the three high-priority challenges described below.

1. Leaders should have responsibility for the development of their people and implement on-the-job training.
2. Everyone should understand the human resources development system and actively use the system to work toward self-development.
3. People aiming to be management leaders of the future should take steps to develop their capabilities with self-awareness and resolution.

3 Reforming Working Styles

The Kirin Group has continued to push forward with workplace environment initiatives for ensuring the proper management of work hours, including promoting strict compliance with arrangements pertaining to Article 36 of the Labor Standards Act and encouraging employees to take multiple consecutive days off. In 2017, we will deploy measures to help create time for employees to tackle new challenges and engage in reflective thought. Through these initiatives, we are cultivating an environment in which pursuing lofty targets and tackling new challenges is standard practice and the lessons learned from such undertakings are utilized in future endeavors.

One specific initiative in this regard is the implementation of measures that enable all employees to work from home, which include making it possible for employees to connect to Company servers from their home computer via the Internet. These measures are helping to create more free time for employees through increased productivity and efficiency.

Meanwhile, Kyowa Hakko Kirin Co., Ltd., launched its "smart work" campaign following the July 2016 relocation of its head office as an initiative for cultivating its desired corporate culture and employee awareness.

Health-Oriented Business Management

As a conglomerate that delivers products and services contributing to consumer health and well-being, the Kirin Group will promote health-oriented business management and work to create an environment and opportunities that allow employees to proactively improve their own health. The end goal of these efforts is to thoroughly energize the organization. We are implementing measures that go a step further than our customary occupational health and safety activities (regular health examinations, stress checks, measures for preventing health issues from working excessive hours, etc.), with an eye to enhancing the effectiveness of these activities.

In 2017, the president & CEO of Kirin Holdings made a health-oriented business management declaration to employees. Our initiatives on this front are focused on four themes of particular importance with regard to occupational health and safety and employee healthcare: lifestyle diseases, mental health, workplace environment, and appropriate relationship with alcohol.

In February 2017, Kirin Holdings and Kyowa Hakko Kirin were recognized in the Excellent Enterprise of Health and Productivity Management—White 500 list released by the Ministry of Economy, Trade and Industry (METI).



4 Promoting Diversity

Currently, the Kirin Group employs approximately 40,000 people at bases around the world. An important management challenge that we face is to increase our organizational capabilities by making full use of the strengths of these diverse human resources. Under the New Kirin Group Vision 2021 (New KV2021), we are aiming for a corporate culture in which all people associated with Kirin Group businesses in global business fields accept each other and in which diversity is leveraged as a strength. Centered on the Diversity Development Section, we are working to create a corporate culture and workplaces in which enthusiastic, diverse employees can work energetically to create new value and achieve growth through their work, without regard to gender, disability, age, nationality, sexual orientation, or gender identity.

▶ Promoting Opportunities for Women

More than a decade has passed since the establishment of the Kirin Women's Network, an internal organization for actively supporting women's careers and network formation. Today, we continue to implement both top-down activities, in which the Group creates opportunities and environments that facilitate active careers for women, and bottom-up activities, which support women's self-development and career growth.

As a recent initiative, we formulated the Long-Term Plan to Promote Active Participation by Women "KWN2021" in 2013, a step ahead of the implementation of the Act on Promotion of Women's Participation and Advancement in the Workplace. Through systematic development and assignments, this plan has expanded career opportunities and advanced promotions for women and developed women's careers in such positions as executive officer, president of Group companies in Japan and overseas, general manager, and plant manager.

EIJYO COLLEGE Award

Kirin has been involved in EIJYO COLLEGE, a cross-industry organization for promoting the efforts of women employees in sales positions, since its establishment. As part of our involvement, we conducted an experiment in which a team of female employees without children sought to realize substantial improvements in labor productivity while adhering to the time restrictions that are faced by working mothers. Based on the findings of this experiment, we made suggestions including relevant management reforms to help women in sales positions to continue working after having children (mother accommodation guidelines), and training for male employees to encourage conduct that contributes to a more accommodating corporate culture. Another suggestion was giving working mothers special business cards that identify them as such in order to foster understanding among business partners regarding their efficiency efforts and time limitations. These suggestions were highly evaluated by third-party judges, and Kirin was thus presented with the fiscal 2016 EIJYO COLLEGE Award. Kirin has actually put these suggestions into practice and is thereby working to cultivate a corporate culture that is more conducive to the efforts of female employees.



TOPICS Support for Human Resources Development at Myanmar Brewery

The Company commenced investment in Myanmar Brewery Limited in August 2015, and we have since been leveraging the full capacity of the Kirin Group to help this company maintain and fortify its leading position in Myanmar's rapidly changing beer market. These efforts have included planning and conducting training for management candidates at Myanmar Brewery to support the company's human resources development. The goal of these efforts is to cultivate understanding with regard to the Kirin Group and facilitate engagement in order to foster management literacy that is suited to global leaders.

Support and involvement in the development of future leaders at an overseas company is a first for Kirin. This undertaking enabled us to accumulate expertise in this area and to strengthen our organizational capabilities with regard to global human resources management.

