

Strengthen leadership and promote diversity to improve human resources, the foundation of value creation.



Focus on transforming our human resources and corporate culture with the aim of a disciplined yet caring company

**Improving human resources and creating innovation**

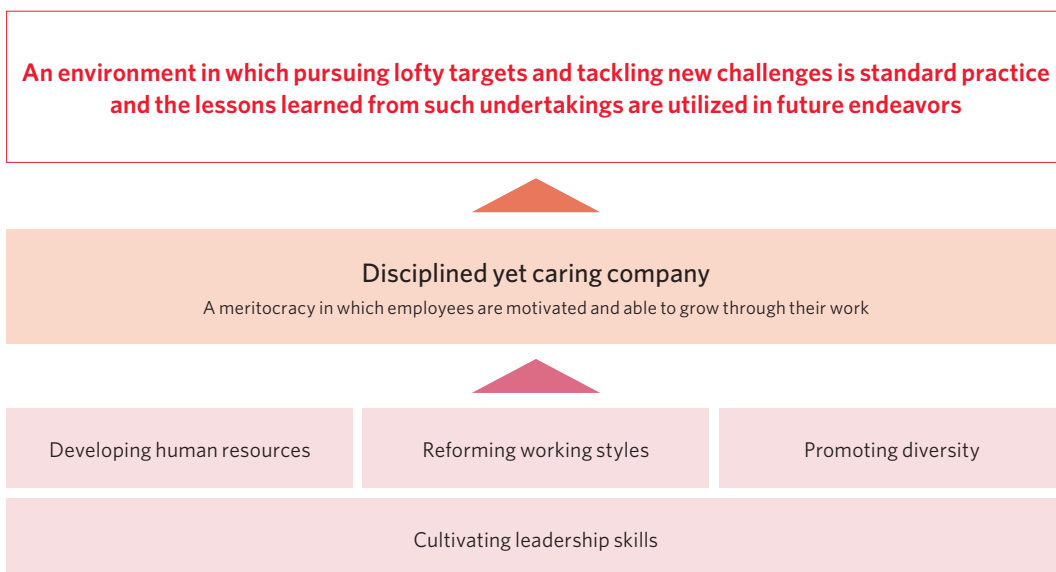
Aiming for sustained growth through value creation that contributes to solving various social issues, the Kirin Group believes that human resources are the most important resource of a company. To create new value and corporate growth, the Kirin Group is striving for a “game change” to ensure its competitiveness by breaking away from the conventional viewpoint held by each business. To achieve a “game change,” innovation in the corporate activities of all divisions including R&D, as well as production, distribution, and marketing, is essential. Human resources are the most important resource for achieving this innovation. The power of employees with rich and flexible ideas and strong reform consciousness who enjoy taking on new challenges is the basis of all value creation activities of the Kirin Group, which promotes CSV management.

**Transforming into a disciplined yet caring company**

However, the Kirin Group currently lacks a sense urgency that demands a change of the status quo and a challenging spirit that says, “I want to take on new challenges myself.” To transform itself into a company that achieves innovation routinely, the Kirin Group is now pursuing human resource and organizational culture reforms.

Through this initiative, the Kirin Group seeks to become a disciplined yet caring company. Employees who strive to innovate with a high degree of motivation are given opportunities regardless of age, rank, affiliation, and career, their growth is supported, and their results are fairly evaluated. On the other hand, we encourage self-change for employees who settle for the status quo. By fostering a merit-based organizational culture, we are taking steps to evolve into a company that boldly innovates for new value creation.

Approach to strengthening human resources





## Developing leadership in senior management

### Senior management's number one mission to develop human resources

In transforming into a disciplined yet caring company, the awareness of senior leadership and changing how they act is a key point. Although the Kirin Group has changed its organizational culture, we have not yet achieved our vision. This is mainly because the role required of leaders who should be at the center of reform was not clearly defined. While one of the most important missions of a leader is to develop human resources, organizational reforms will not advance unless

senior management is strongly self-aware and motivates employees with powerful leadership.

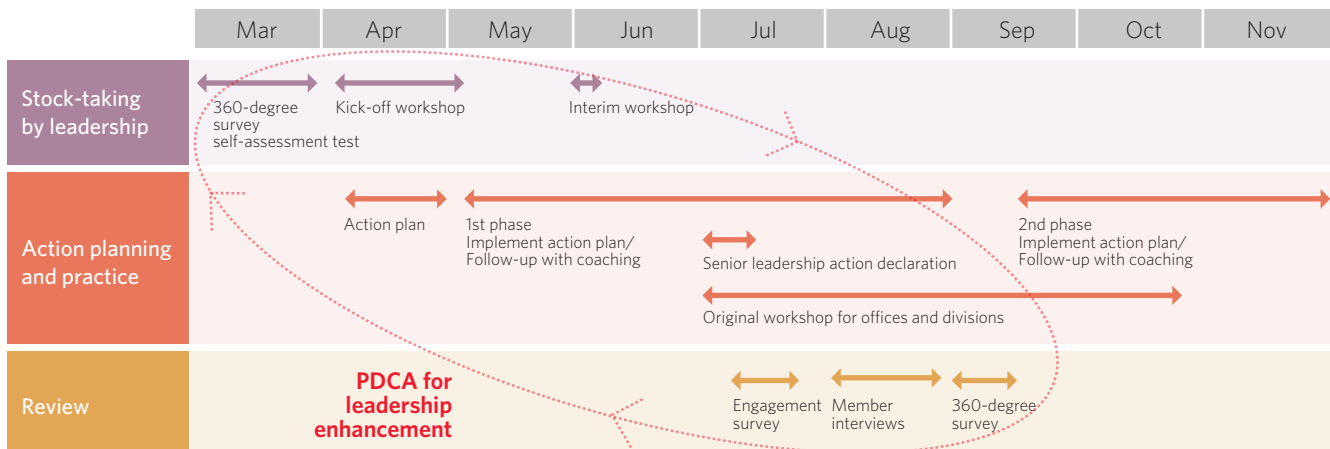
With this understanding, the Kirin Group established a policy of changing the awareness and actions of senior leadership. The Group also launched a leadership development program in fiscal 2017 for about 130 employees of senior leaders including directors of Kirin Holdings, the top management of major operating companies, and the heads of offices and divisions nationwide. This program was developed in conformity with conditions in Japan while drawing on the program of Lion Pty Ltd. of Australia.

2017 senior leader session



Lecture by Peter David Pedersen, co-founder of E-Square Inc. and Director, TAOL Leadership Academy

Leadership development program schedule





### Continually encourage self-change in a PDCA cycle

In the leadership development program, each employee is continually encouraged to undergo self-change through a PDCA cycle. Specifically, we conducted a 360-degree survey in March 2017 to evaluate each survey participant from multiple viewpoints including those of subordinates and co-workers and conducted a self-assessment test to objectively assess their leadership qualities. Based on the results, a kick-off workshop was held and each person took stock of the current reality (objective assessment and clarification of issues regarding their leadership) and formulated an action plan.

In May, as the first phase of implementation under the action plan, we began implementing regular one-on-one coaching by outside coaches and conducting workshops in divisions and other units. In July, all participants pronounced the senior leader action declaration to every employee. After that, we evaluated the results of initiatives by re-implementing the 360-degree survey, conducting member interviews, and implementing the employee engagement survey. At the same time, we have continually improved the program's content. We will continue to carry out organizational culture reforms by encouraging self-change from senior management to mid-level leaders and all employees.



Coaching by outside coaches

 Employee engagement data are shown on page 21.

### Lion's leadership program

#### Aiming to achieve sustainable growth

Lion Pty Ltd. of Australia, an alcoholic and non-alcoholic beverages business in the Oceania region, is working to fortify its leadership with the goal of sustainable growth. Every officer and employee sets competency, skill, and performance targets for themselves each fiscal year through coaching. They are then reviewed for their attainment of those targets at the end of each fiscal year. A variety of programs are conducted for senior management including "Growing Our Authentic Lion," which teaches about organizational management adapted to changes in the business environment, "Leader's Conference," where management targets and business strategies are shared, and "Leadership at Lion" for employees who are new to management because of promotion or mid-career recruitment. These have earned an excellent reputation as high-quality programs that have comprehensively strengthened leadership and greatly contributed to the development and acquisition of excellent leaders in the field.





## Leveraging diverse viewpoints and values to achieve innovation

### Create an environment where employees can flourish

The diversity of an organization is a key factor in the enhancement of human resources. To understand market changes and contribute to solving social issues, we need to transform into a corporate culture that is able to reflect diverse employees' opinions and challenges in management and business more than ever before. With this awareness, the Kirin Group has set the creation of an organizational culture that enables all employees to flourish regardless of gender, disability, age, nationality, sexual orientation, and gender identity as an important management task.

For example, to promote the active participation of women, four of our domestic companies\*1 have set a goal of tripling the number of female leaders in 2013 to 300 (12% of all managers) by 2021 and have expanded the employee education program, as well as the work-life balance program, which is based around life events such as pregnancy and childbirth. A series of initiatives that promote the empowerment of women in the workplace were evaluated and Kirin was selected a Fiscal 2017 Nadeshiko Brand\*2. In 2017, we revised the compliance guidelines, which is the code of conduct for all Group employees. The guidelines specify that individuals are to



Nadeshiko Brand logo

be respected and discrimination based on sexual orientation and sexual identity will not be tolerated. At the same time, the requirement for obtaining condolence leave from work, which thus far has been confined to legal marriages, was expanded to also include common-law and same-sex marriages, and we have also conducted training to make this information widely known. These initiatives are appreciated by society and Kirin Company, Limited has received the top-level gold certification from "work with Pride."\*3



\*1. Kirin Company, Limited, Kirin Brewery Company, Limited, Kirin Beverage Company, Limited, and Mercian Corporation.

\*2. The Nadeshiko Brand initiative is a project aiming to introduce certain TSE-listed enterprises that are outstanding in terms of encouraging the empowerment of women in the workplace as attractive stocks to investors who put emphasis on improving corporate value in the mid- and long-term, thereby promoting investment in such enterprises and accelerating efforts encouraging women's success in the workplace.

\*3. A private organization that supports the pursuit and establishment of diversity management

Data on the ratio of female managers are shown on page 21.

## Kirin's Program to Simulate the Work-Styles of Mothers and Fathers

### Promoting an understanding of diverse working styles and raising productivity

Kirin's Program to Simulate the Work-Styles of Mothers and Fathers, which started in 2016 with female sales department employees, is in fact an attempt to get employees without children to act, through simulated experience, as though they are working mothers and fathers. Because a parent's time is restricted by child rearing and emergencies such as a child coming down with a fever, we are promoting an understanding of diverse working styles, reviewing how a person and the organization work, and improving work efficiency through simulated experiences that efficiently improve work by gaining the cooperation of those around us. Since the program's inception, there have been significant results such as productivity improvement. Therefore, in 2018, we expanded it to cover the entire company. Further, the program has been expanded so that employees can select from the three simulated scenarios of childcare, nursing care, and family illness.



The desks of participants in the program to simulate the work-styles of mothers and fathers

#### Program goals

Creating time for challenges x Strengthening consumer perspective  
Lessons learned from previous challenges are applied to subsequent challenges

Corporate culture that can leverage diverse human resources, such as by limiting constraints due to child and nursing care

Improve leadership and management skills through experience

Shift employee thinking from "not causing trouble for each other" to "understanding and supporting each other"