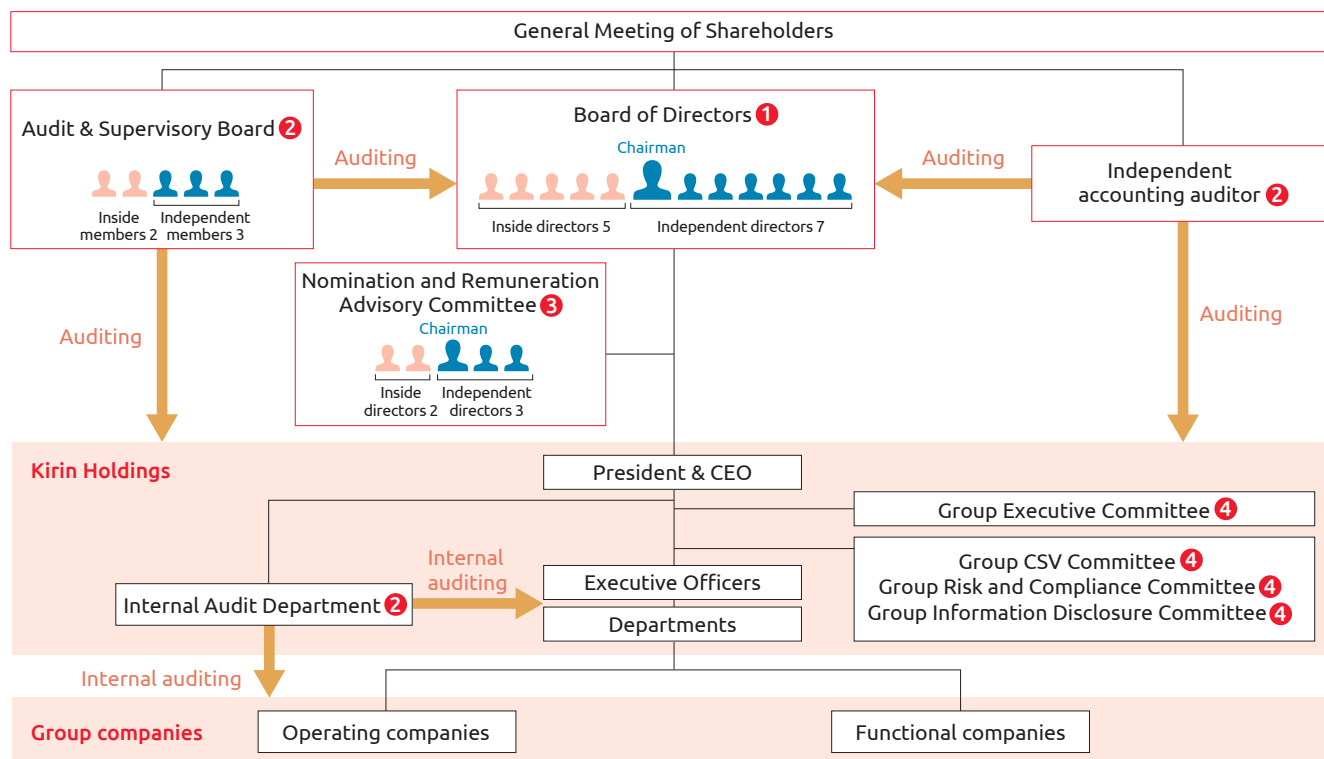


# Corporate Governance Systems



### 1 Desired functions of the Board of Directors of the Kirin Group

Enhance medium-to-long term corporate value by making important corporate decisions and providing supervisory functions through verifying executive and business company strategies (proposals), making sound recommendations from a broad perspective, and providing oversight.

#### Important decision-making

- Focus on important matters and discuss them from a medium-to-long term management perspective by using a compact decision-making structure that delegates responsibility to executing managers

#### Oversight

- Establish corporate governance policy and enhance performance evaluations and other monitoring activities
- Boost supervisory functions with input from non-executive directors with expertise and objective perspectives

### 2 Mutual cooperation between Audit & Supervisory Board members, independent accounting auditor, and internal control divisions

- Audit & Supervisory Board members regularly attend Board of Directors meetings and other important corporate meetings, and visit Group companies in Japan and overseas to audit directors in the performance of their duties. Members also work closely with corporate auditors of Group companies to enhance the effectiveness of audits.
- The Internal Audit Department audits the Group's major risks and internal control system. The Internal Audit Department, Audit & Supervisory Board members, and independent auditors exchange information and views and hold discussions when necessary. The Internal Audit Department and Audit & Supervisory Board members obtain pertinent information by attending meetings of the internal control divisions and the independent accounting auditor interviews internal control division staff as necessary to conduct an effective audit.

### 3 Advisory body to the Board of Directors

**Nomination and Remuneration Advisory Committee:** An advisory body to the Board of Directors; the committee is responsible for discussing from an objective and fair perspective the appointment/removal and remuneration of directors, Audit & Supervisory Board members, and executive officers of major Group companies. The committee is also responsible for the Kirin Holdings CEO successor plan.

As for the composition of the committee, the chairman and the majority of committee members are non-executive directors, thus ensuring objectivity and transparency. The term of office is one year.

Independent directors: Shoshi Arakawa (Chairman), Hiroyuki Yanagi, Chieko Matsuda

Inside directors: Yoshinori Isozaki, Toshiya Miyoshi

### 4 Advisory bodies to the president

**Group Executive Committee:** The Group Executive Committee assists the president & CEO in decision-making on matters related to strategies and investments that will have a significant impact on the Kirin Group.

**Group Information Disclosure Committee:** Delegated by the president, the committee deliberates and decides the importance of information including its timely disclosure and the necessity of timely disclosure.

**Group CSV Committee:** Refer to page 38.

**Group Risk and Compliance Committee:** Refer to page 64.

#### International Advisory Board

The International Advisory Board (IAB) was set up as a consultative body to the CEO to offer advice and proposals regarding the Group's global growth strategies, risk management, and corporate governance. The IAB comprises members with abundant international experience, along with directors and executive officers from Kirin Holdings.

#### Strategic advisors

Strategic advisors are outside experts with extensive experience and expertise who are appointed to provide specialized and global perspectives. The advisors attend meetings of the Group Executive Committee, an advisory body to the president (CEO).