WHEN TRUST MATTERS

SECOND PARTY OPINION KIRIN HOLDINGS COMPANY, LIMITED. SOCIAL BOND (25TH, 26TH AND 27TH SERIES OF UNSECURED BONDS) PERIODIC REVIEW

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Document title: Kirin Holdings Company, Limited Social Bond (25th, 26th and 27th Series of Unsecured Bonds) Periodic Review

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Publication History

Date of Issue	Remarks
14 February 2025	Prepared and issued as an ANNEX - Second Party Opinion for the Social Finance to be implemented.
31 August 2026	Social Bond (25th, 26th and 27th Series of Unsecured Bonds) Periodic Review (Kirin Holdings Company, Limited 25th, 26th and 27th Unsecured Straight Corporate Bonds)

Scope and Objectives

Kirin Holdings Company, Limited (hereinafter, "Kirin Holdings") has commissioned DNV to conduct a post-issuance periodic review of the Social Bonds (25th, 26th and 27th Series of Unsecured Bonds, hereinafter referred to as the "Social Bond") issued on 29 May 2025. The objective of DNV's post-issuance periodic review is to assess whether Kirin Holdings complies with the Social Bond Principles (hereinafter, "SBP") and the Social Bond Guidelines (hereinafter, "SBGL") described below, and to provide a Second Party Opinion on the eligibility of these Social Bonds.

Kirin Holdings issued the Social Bonds on 29 May 2025. The issuance amount was JPY 20 billion with a maturity of three years, JPY 30 billion with a maturity of five years, and JPY 15 billion with a maturity of seven years. DNV conducted the periodic review based on the SBP and SBGL.

This report provides a post-issuance periodic review against the requirements of the Social Bonds (Principle One to Principle Four described below).

DNV, as an independent external reviewer, declares that no real or perceived conflict of interest exists in relation to the provision of this Second Party Opinion for the fundraiser.

In this report, no assurance is provided regarding the financial performance of the Social Bonds, the value of any investment in the Social Bonds, or the long-term social benefits of the transaction.

Standards to be Applied

No.	Standards/Guidelines	Scheme owner	Applied level
1.	Social Bond Principles 2023 (SBP)	International Capital Market Association (ICMA), 2023	Apply
2.	Social Bond Guidelines 2021 (SBGL)	Financial Services Agency, 2021	Apply

Apply: Eligibility for all four common elements to each principle and guideline was evaluated.

Responsibilities of Kirin Holdings and DNV

Kirin Holdings has provided the information and data used by DNV during the delivery of this review. DNV's Statement represents an independent opinion and is intended to inform Kirin Holdings and other interested stakeholders in the Bonds as to whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by Kirin Holdings. DNV is not responsible for any aspect of the nominated social project assets referred to in this Statement and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect.Thus, DNV shall not be held liable if any of the information or data provided by the management of Kirin Holdings and used as a basis for this review were not correct or Completed.

Basis of DNV's Opinion

To provide as much flexibility for the issuer, Kirin Holdings, as possible, DNV adapted its Social Bond assessment methodology, which incorporates the requirements of the SBP and SBGL, to create a Social Bond Eligibility Assessment Protocol (hereinafter, the "Protocol"). The Protocol is applicable to Social Bonds based on the SBP and SBGL.

Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria is that a Social Bond should "enable capital-raising and investment for new and existing projects with social benefits."

As part of the periodic review, DNV applied the following four Principles relating to the implementation and management of the Social Bond.

Use of Proceeds Financing (SBP, SBGL)

Principle One: Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that a Social Bond issuer must use the funds raised to eligible activities. The eligible activities should produce clear social benefits.

Principle Two: Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that a Social Bond issuer should outline the process it follows when determining the eligibility of an investment using Social Bond proceeds and outline any impact objectives it will consider.

Principle Three: Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a Social Bond should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.

Principle Four: Reporting

The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made of the use of finance proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Kirin Holdings in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

Pre-Issuance Assessment of Social Bond (*not included in this report)

- Creation of the issuer's specific Protocol, adapted to the purpose of the Social Bond, as described above and in Schedule-2 to this assessment;
- Assessment of documentary evidence provided by the issuer on this bond and supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with the issuer, and review of relevant documentation;
- Documentation of findings against each element of the criteria.

Post-Issuance Assessment of Social Bond *This Report

- Assessment of evidential documents provided by Kirin Holdings after the Social Bond issuance, and supplemental by desk review from a higher perspective;
- Interview with key personnel of Kirin Holdings and review the relevant documentation;
- Field research and inspection (if necessary);
- Review of the nominated projects and assets at the time of post-issuance (update of the details mentioned in Schedule-1);
- Document creation at the time of post-issuance verification.

Findings and DNV's Opinion

A summary of DNV's findings is presented below. Further details are provided in Schedule-1 and the following sections.

UoP : Four Common Elements of Finance with Specific Use of Proceeds (SBP and SBGL)

UoP-1. Use of Proceeds

- DNV confirmed that, as of July 2026, the full amount of proceeds raised through the Social Bonds (JPY 65 billion) had been allocated to the following eligible project (Table 1). Specifically, the proceeds were used for the acquisition of shares in FANCL Corporation (hereinafter, "FANCL") to enable Kirin Holdings to create further economic and social value through solving more health challenges for people worldwide.
- The Social Bond proceeds were allocated to a portion of the acquisition price of FANCL, for which the amount available for allocation had been estimated and determined by proportionally allocating the sales of business segments and products that meet the requirements of the SBP and SBGL. DNV confirmed that the full amount of the Social Bond proceeds had been allocated within the amount available for allocation.

Table-1. Social Project (Please refer to Schedule-1 for details.)

Social Projects			Social issues
Social project overview	Target population	Social benefit	
Acquisition of the shares in FANCL	- General public - People with specific nutrient needs due to illness etc.	Help to solve more health challenges for people all over the world, aiming to "increase the number of healthy people, reduce the number of people who get ill, and contribute to those involved in treatment"	- Achieving health and longevity - Responding to a super-aging society - From "treatment" to "prevention" (measures against presymptomatic disease) - Empowerment of Women

Overview of FANCL's Products

- FANCL operates its businesses primarily in Japan, China, and other Asian markets, focusing on the fields of beauty and health. In the beauty domain, FANCL operates the cosmetics business as well as the undergarments and sundries goods business. In the health domain, FANCL operates the nutritional supplements business, Hatsuga Genmai (germinated brown rice) business, and Kale Juice business.
- FANCL upholds the founding philosophy of "Eliminate the 'Negatives' with a Sense of Justice" and strives to eliminate negative elements from society, including anxiety, inconvenience, and dissatisfaction. In 1980, when skin problems caused by cosmetics had become a social issue, FANCL launched its additive-free cosmetics based on the desire to provide genuine cosmetics that could beautify people's skin without the use of any harmful additives. Furthermore, FANCL helped establish the term "supplements" in Japan and promoted the widespread use of

nutritional supplements, which had previously been perceived as expensive products, while introducing high value-added products such as kale juice and Hatsuga Genmai to the market.

- The acquisition of shares in FANCL is expected to contribute to solving a wide range of health-related business challenges through the creation of broad synergies, including the following:
  ① Strengthening collaboration between domestic and overseas sales platforms in the Health Science business
  ② Enhancing customer relationship management (CRM) capabilities
  ③ Deepening collaboration in research and development.

UoP-2. Process for Project Evaluation and Selection

- DNV confirmed through the review that the Finance Department and the CSV Strategy Department of Kirin Holdings selected the eligible project defined by the “Kirin Social Finance Framework,” and that the Executive Officer in charge of Financial Strategy made the final decision on the selected eligible project.
- DNV confirmed that Kirin Holdings met the eligibility criteria set out in the “Standards/Guidelines to be Applied” in selecting the project in question, and that it assessed and considered the negative impacts associated with the implementation of the project and identified environmental and social risks in advance.

UoP-3. Management of Proceeds

- DNV confirmed how Kirin Holdings tracked and managed the proceeds during the period from the bond issuance to the periodic review.
- DNV confirmed that Kirin Holdings allocated all of the JPY 65 billion raised from the Social Bonds as refinancing for the acquisition of shares in FANCL promptly after the fundraising, and that no unallocated proceeds have arisen.

Eligible projects	Social Projects Categories	Time of allocation (actual)	Allocated amount
Acquisition of the shares in FANCL	■ Access to essential services ■ Food security and sustainable food systems ■ Socio-economic advancement and empowerment	May 2025 (Completedd)	JPY 65 billion (refinancing ratio: 100%)

UoP-4. Reporting

- DNV confirmed that Kirin Holdings has fully allocated the proceeds from the Kirin Social Bonds and no unallocated proceeds have arisen, and that it will publish certain information on the social benefits provided by the eligible project on its website on an annual basis until the proceeds are redeemed. Although the proceeds have been fully allocated, if any significant event occurs in the future, such as a major change in the implementation status of the allocated eligible project, such information will be disclosed in a timely manner. Key reporting items are expected to include the following.

<Allocation of Proceeds Reporting>

- Eligible criteria and amount of allocated proceeds : Acquisition of shares in FANCL (JPY 65 billion)
- Management methods and balance of unallocated proceeds: No balance of unallocated proceeds

<Social benefits>

- Improved access to products offered by FANCL
- FANCL brand awareness: 80.86 million people
- Number of consumers purchasing FANCL products: 21.17 million people

Eligible projects	Output	Outcome	Impact
Acquisition of the shares in FANCL	Subsidiarization of FANCL	Improved access to FANCL's products	Help to solve more health challenges for people all over the world, aiming to "increase the number of healthy people, reduce the number of people who get ill, and contribute to those involved in treatment"

Based on the findings of the post-issuance eligibility assessment (periodic review) of the Social Bond conducted by DNV, as described in the section “DNV’s Opinion,” nothing has come to our attention that would lead us to believe that the Social Bond does not comply, in all material respects, with the requirements of the applicable criteria referred to above.

DNV Business Assurance Japan K.K.

Kobe, Japan 31 August 2026

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Schedule-1 Social Bond Projects

The projects in the table are those that have already been allocated after the issuance of the Social Bond (as of July 2026).

Social Projects Categories		Social Projects			Social issues	Contribution to the SDGs	Time of allocation (actual)	Allocated amount
Business category	Subdivision of Business category	Social project overview	Target population	Social benefit				
• Access to essential services (health, healthcare) • Food security and sustainable food systems (physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements, improvement of eating habits and management of presymptomatic disease) • Socio-economic advancement and empowerment	- Health, healthcare - Physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements - Improvement of eating habits and management of presymptomatic disease	Acquisition of shares in FANCL	- General public - People with specific nutrient needs due to illness etc.	Help to solve more health challenges for people all over the world, aiming to “increase the number of healthy people, reduce the number of people who get ill, and contribute to those involved in treatment”	- Achieving health and longevity - Responding to a super-aging society - From "treatment" to "prevention" (measures against presymptomatic disease) - Empowerment of Women		May 2025 (Completed)	JPY 65 billion (refinancing ratio: 100%)

Schedule-2 Social Bond Eligibility Assessment Protocol

The following SBP-1 to SBP-4 are DNV's Social Bond Eligibility Assessment Protocol developed for the assessment of Kirin Holdings' Social Bonds, based on the requirements of the Social Bond Principles (SBP).

UoP-1 Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond	The bond must fall in one of the following categories: • Use of Proceeds Bond • Revenue Bond • Project Bond • Securitized or covered Bond	Confirmed Documents: • Framework • Social bond eligibility assessment materials Interviews with stakeholders	Through the evaluation process, DNV confirmed that Kirin Holdings' Social Bond falls into the following categories. (Standard) Social Bond
1b	Social Project Categories	The cornerstone of a Social Bond is the utilization of the proceeds of the bond which should be appropriately described in the legal documentation for the security.	Confirmed Documents: • Framework • Social bond eligibility assessment materials Interviews with stakeholders	DNV confirmed that all of the proceeds have been allocated to the following projects. "Access to essential services (health, healthcare)" "Food security and sustainable food systems (physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements, improvement of eating habits and management of presymptomatic disease)" "Socio-economic advancement and empowerment"
1c	Social benefits	All designated Social Project categories should provide clear socially sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.	Confirmed Documents: • Framework • Social bond eligibility assessment materials Interviews with stakeholders	DNV confirmed that the social project addresses objective social issues identified by Kirin Holdings, that local characteristics have been taken into consideration, and that the target population and social contribution (outcome) resulting from the implementation of the project have been clearly identified. Specifically, DNV confirmed that the acquisition of FANCL is expected to help solve more health challenges for people all

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				over the world through improved access to FANCL's products, aiming to "raise the number of healthy people, lower the number of sick people, and contribute to the people who are involved in healthcare."
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. refinancing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	Confirmed Documents: • Framework • Social bond eligibility assessment materials Interviews with stakeholders	DNV confirmed that the proceeds raised through the Social Bonds have been fully allocated to the social projects listed in Schedule-1 as new investment and refinancing. DNV also confirmed that the allocation status of the proceeds and the refinancing ratio (100%) will be disclosed in the annual reporting.

UoP-2 Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of a Social Bond should outline the decision making process it follows to determine the eligibility of projects using Social Bond proceeds. This includes, without limitation: • A process to determine how the projects fit within the eligible Social Projects categories identified in the ICMA SBP 2023; • The criteria making the projects eligible for using the Social Bond proceeds; • The social sustainability objectives	Confirmed Documents: • Framework • Social bond eligibility assessment materials Interviews with stakeholders	DNV confirmed that the finance department and the CSV strategy department selected the eligible projects which meet the eligible criteria defined by the Framework, and the Executive Officer in the finance department made the final decisions on the selected eligible projects. DNV also confirmed that Kirin Holdings has met the eligibility criteria set out in the "Standards to be applied" in selecting the project in question, and that it has assessed and considered the negative impacts associated with the implementation of the project and identified the environmental and social risks in advance.
2b	Issuer's environmental social governance framework	In addition to information disclosed by an issuer on its Social Bond process, criteria and assurances, Social Bond investors may also take into consideration the quality of the issuer's overall framework and performance regarding social sustainability.	Confirmed Documents: • Framework • Social bond eligibility assessment materials Interviews with stakeholders	DNV confirmed that Kirin Holdings' social projects are in line with Kirin Holdings' "CSV Purpose" and the Long-Term Management Vision "Kirin Group Vision 2027 (KV2027)," and compliance with environmental laws, regulations, ordinances and agreements with the relevant regions was taken into account when implementing the projects, and that risk items specific to eligible projects are identified through various due diligence procedures and appropriate responses and procedures are implemented. DNV also confirmed that the social benefits of social projects have been clearly identified through the review of the Framework and other documents and interviews with relevant stakeholders.

UoP-3 Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Social Bonds should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Social Projects.	Confirmed Documents: • Framework • Social bond eligibility assessment materials • Proceeds management information (remittance details) Interviews with stakeholders	DNV confirmed through document review and interviews that the net proceeds were promptly allocated to social eligible projects.
3b	Tracking procedure	So long as the Social Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Social investments or loan disbursements made during that period.	Confirmed Documents: • Framework • Social bond eligibility assessment materials • Proceeds management information (remittance details) Interviews with stakeholders	DNV confirmed that Kirin Holdings managed the allocation status of proceeds from the implementation of the Social Bond to the completion of the allocation.
3c	Temporary holdings	Pending such investments or disbursements to eligible Social Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Confirmed Documents: • Framework • Social bond eligibility assessment materials • Proceeds management information (remittance details) Interviews with stakeholders	DNV confirmed that the full amount of proceeds from the Social Bond was fully allocated promptly after the fundraising and no unallocated proceeds have arisen.

UoP-4 Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Social Bond proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected socially sustainable impact.	Confirmed Documents: • Framework • Social bond eligibility assessment materials • Social Bonds Allocation status of proceeds and Impact reporting (Draft) Interviews with stakeholders	DNV confirmed that Kirin Holdings has fully allocated the proceeds from the Kirin Social Bond and plans to disclose on its website that no unallocated proceeds have arisen. Although the proceeds have been fully allocated, if any significant events occur in the future, such as major changes in the implementation status of the allocated eligible projects, these will be disclosed in a timely manner. (Social benefits) DNV confirmed that Kirin Holdings is currently envisaging the following reporting indicator. Depending on the future development of the business with FANCL, the initiatives will be reported to the extent practicable. • Improved access to FANCL's products (brand awareness and number of purchasers of FANCL products)

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE STANDARDS & PRINCIPLES

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Loan Framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Standards & Principles, In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.

2. **Verification:** *A/An* *borrower/issuer* can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainable Financing Instrument proceeds, statement of environmental impact or alignment of reporting with the Standards & Principles, may also be termed verification.

3. **Certification:** *A/An* *borrower/issuer* can have its Sustainable Financing Instrument or associated *Sustainable Financing Framework* or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

4. **Green Loan Scoring/Rating:** *A/An* *borrower/issuer* can have its Sustainable Financing Instrument or associated Sustainable Financing Framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the Standards & Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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About DNV
Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener group. All rights reserved.