

# 07

## Corporate Governance

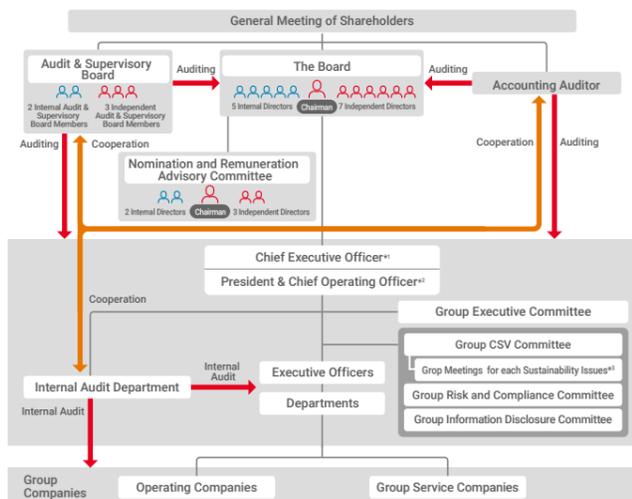


### Corporate Governance Structure

Kirin Holdings has adopted a pure holding company structure as a means of controlling its diverse and global business, which is centered on 3 domains such as Food & Beverages, Pharmaceuticals and Health Science. Kirin Holdings takes on the role of devising and implementing the Group's overall strategies, monitoring individual businesses, creating synergy, and responding to challenges surrounding sustainability through coordination across the Kirin Group.

Kirin Holdings grants appropriate authority to match the strategic stages of individual Kirin Group companies and improves governance through the Board of Directors and other organizations of individual Group companies by dispatching directors to those companies.

Kirin Holdings has adopted a company with an Audit & Supervisory Board system, and aims to maintain and improve on a highly transparent governance system. The Board, which includes a number of outside directors, works closely with the Audit & Supervisory Board, which also includes a number of Outside Audit & Supervisory Board members, and makes effective use of the statutory and other auditing function to make final decisions on important matters. At the same time, the Board endeavors to reinforce the monitoring function on management. Kirin Holdings has introduced an executive officer-based system in order to implement strategies for each of its businesses and functions in an agile fashion and clarify executive responsibilities. The Board of Directors determines the scope of delegation to the executive officers based on their experience, track record, and expertise in their respective fields.



\*1 Chief Executive Officer (CEO) - The Executive Officer responsible for overseeing the overall management of the Group.  
\*2 Chief Operating Officer (COO) - The Executive Officer responsible for overseeing the business operations of the Group.  
\*3 Group Environmental Meeting, Group Business and Human Rights Meeting, Group Health and Safety Meeting, etc.

### The Board of Directors

The Board of Directors is responsible for making decisions on important business operations and legal matters of the Group, supervising the directors' execution of their duties, and establishing an appropriate internal control system for the entire Group in cooperation with the Internal Audit Department and supervising its operation. In addition, the Board of Directors determines and approves long-term management concepts and annual business plans for the entire Group and major group companies, and monitors them regularly in light of changes in the business environment in an effort to maximize group corporate value. Taking into account the knowledge, experience, skills and discernment that are necessary for turning the 2027 Vision into a reality, the Board shall be composed of the appropriate number of members, ensuring overall balance and diversity such as gender and internationality, etc. In addition, in order to build a highly transparent governance system and ensure the effectiveness of objective management supervision, the Company appoints a majority of independent outside directors. At least one of the independent outside directors has management experience at other companies.

### FY2024 Board meeting attendance

	2022	2023	2024	
Number of meetings	13	15	16	
Attendance rate of Non-executive Directors	97%	95%	98%	
Attendance rate of Audit & Supervisory Board members	97%	98%	100%	
Attendance rate of individual members				
Executive Director	Yoshinori Isozaki	100%	100%	100%
Executive Director	Takeshi Minakata	100%	100%	100%
Executive Director	Junko Tsuboi	-	100%	100%
Executive Director	Toru Yoshimura	-	-	100%
Executive Director	Shinjiro Akieda	-	-	100%
Non-Executive Director	Masakatsu Mori	100%	100%	100%
Non-Executive Director	Hiroyuki Yanagi	92%	100%	94%
Non-Executive Director	Noriko Shiono	100%	100%	100%
Non-Executive Director	Roderick Eddington	92%	80%	100%
Non-Executive Director	George Olcott	100%	93%	100%
Non-Executive Director	Shinya Katanozaka	-	92%	100%
Non-Executive Director	Yoshiko Ando	-	93%	94%
Standing Audit & Supervisory Board Member	Shobu Nishitani	100%	100%	100%
Standing Audit & Supervisory Board Member	Toru Ishikura	-	100%	100%
Audit & Supervisory Board Member	Kaoru Fujishima	92%	100%	100%
Audit & Supervisory Board Member	Kenichi Kujinawa	100%	100%	100%
Audit & Supervisory Board Member	Yoko Dochi	-	-	100%

\*1 This table shows the number of Board members as of December 31, 2024. For members appointed during the period, the attendance rate refers to the board of directors meetings held after their appointment.  
\*2 Extraordinary meetings of the Board held in writing are excluded from the number of meetings.  
\*3 Director of the Board, Ms. Yoshiko Ando, who previously served as an Audit & Supervisory Board Member became a Non-executive Director following the Ordinary General Meeting of Shareholders held on March 28, 2024. The title presented above is as of the end of the fiscal year under review, and the attendance status includes the number of meetings attended while she served as Audit & Supervisory Board Member.

### Evaluation of the Board of Directors' Effectiveness

Kirin Holdings defines the Board's two primary functions as making important corporate decisions and providing supervisory oversight. We conduct an annual evaluation (November-December) of the Board operation and meeting content to both ensure those functions are being fulfilled and to continually improve its efficiency by identifying points to make the meetings more effective in the next fiscal year.

#### Fiscal 2024 discussion points

- Discussions on "strengthening of corporate governance"
- Discussions on "integrated strategy and risks" to realize appropriate risk-taking
- Discussions on "digital ICT strategy" to accelerate value creation

#### Fiscal 2024 evaluations

Questionnaires and interviews by the third-party advisors were conducted with all Directors of the Board and Audit & Supervisory Board Members during the period of October through December to evaluate the effectiveness of the Board. Based on the report by the third-party advisors, improvement policy on the issues identified in the current situation was reported and discussed at the Board meeting held in January 2025.

The perspectives and results of the evaluation are as follows.

- Composition and operation of the Board
- Development, execution and monitoring of strategies
- Supervision of group governance and risk management
- Supervision of decision-making on business acquisition/withdrawal, etc.
- Supervision of remuneration for officers and succession plan, etc.
- Thorough understanding and implementation of healthy corporate ethics and supervision thereof
- Supervision of overall disclosures to stakeholders
- Strengthening points to improve the effectiveness of the Board

#### Evaluation results

The report by the third-party advisors concluded that the Board is functioning properly overall, and in general, a high level of effectiveness of the Board is ensured. Accordingly, the Company has determined that the effectiveness of the Board is being maintained.

#### Points receiving positive evaluations

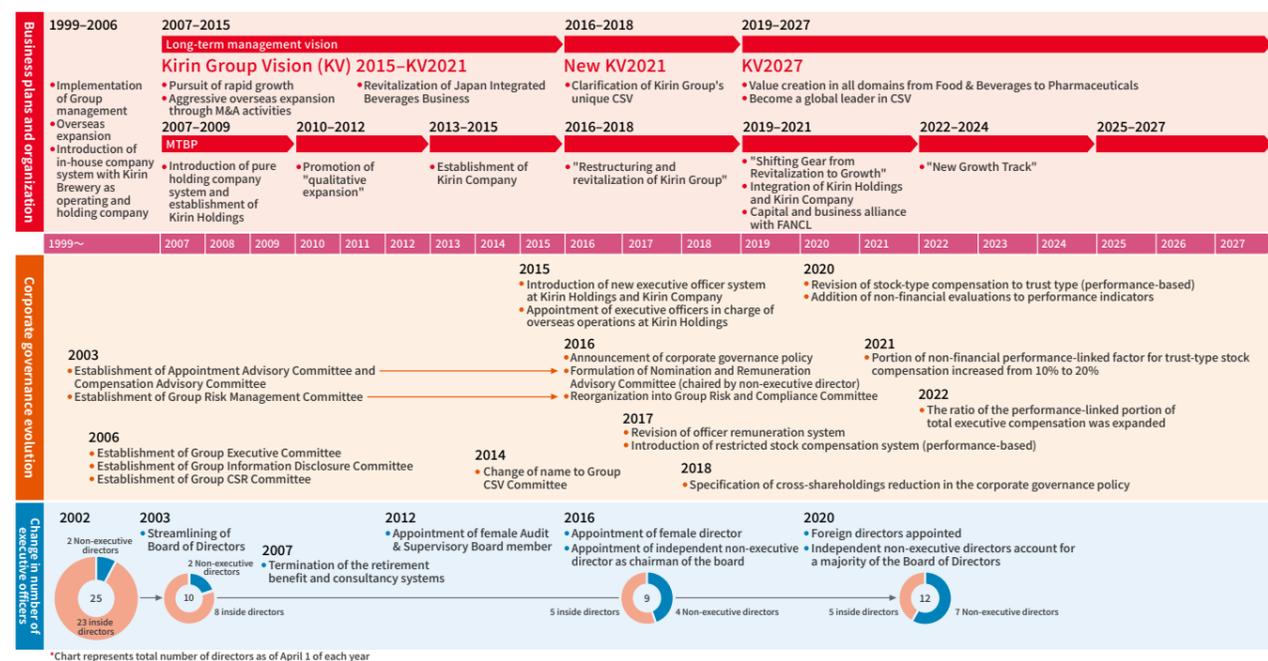
- The following points were positively evaluated in the report by the third-party advisors.
- Building on a highly diverse composition of members on the Board,

- Audit & Supervisory Board Members also actively provided their opinions, and the Chairman of the Board ensured that the Board members have the opportunity to speak on a timely basis, creating an environment conducive to free and open discussions.
- Authority is being delegated to the executive level to a high degree, and the agenda of the Board meetings is focused on crucial topics. Issues pointed out at the Board meetings are adequately addressed and followed up.
  - The Company provides a variety of training opportunities for Non-executive Directors of the Board, including on-site visits, which are generally well received.
  - The opinions of Directors of the Board, Audit & Supervisory Board Members, and relevant parties are incorporated into the operation of the Board in a timely manner, facilitating constant improvement. The capabilities of the secretariat, which supports effective discussions at the Board, are also highly evaluated.

#### Points to improve in fiscal 2025

Management has specified five points for improvement in FY2025 based on the opinions and areas for improvement indicated in the evaluations in FY2024 with a view for the changing business environment. The Company continually seeks to maintain and enhance the effectiveness of the Board by further improving its operation in addition to setting the agenda under the Chairman of the Board Hiroyuki Yanagi, an Independent Non-executive Director.

- Discussions on "business portfolio strategy" to maximize corporate value
- Discussions on growth scenarios for each area and business
- Discussions on "digital ICT" for accelerating value creation through advanced use of AI
- Discussion on "human capital strategy" for nurturing human resources who accomplish and innovate and creating supportive organizational culture
- Discussion on the desirable form of highly effective group governance



### Response to the Corporate Governance Code

Please refer to the Corporate Governance Report for details.

[https://www.kirinholdings.com/en/purpose/files/pdf/governance\\_report.pdf](https://www.kirinholdings.com/en/purpose/files/pdf/governance_report.pdf)

## Management

### Directors



**Yoshinori Isozaki**  
Representative Director of the Board & CEO

April 1977 Joined the Company  
March 2024 Representative Director of the Board & CEO (present position)



**Takeshi Minakata**  
Representative Director of the Board, President & COO

April 1984 Joined the Company  
March 2024 Representative Director of the Board, President & COO (present position)



**Junko Tsuboi**  
Director of the Board, Senior Executive Vice President

April 1985 Joined the Company  
March 2024 Director of the Board, Senior Executive Vice President of the Company (present position)



**Toru Yoshimura**  
Director of the Board, Senior Executive Officer

April 1988 Joined the Company  
March 2024 Director of the Board, Senior Executive Officer of the Company (present position)



**Shinjiro Akieda**  
Director of the Board, Senior Executive Officer

April 1988 Joined the Company  
March 2024 Director of the Board, Senior Executive Officer of the Company (present position)  
  
(Major concurrent position)  
Director of Lion Pty Ltd.



**Hiroyuki Yanagi**  
Chairperson of the Board (Independent Non-executive Director of the Board)

April 1978 Joined Yamaha Motor Co., Ltd.  
March 2010 President, Chief Executive Officer and Representative Director of Yamaha Motor Co., Ltd.  
January 2018 Chairman and Representative Director of Yamaha Motor Co., Ltd.  
March 2019 Non-executive Director of the Company (present position)  
March 2022 Adviser of Yamaha Motor Co., Ltd.

### Audit & Supervisory Board Members



**Shobu Nishitani**  
Standing Audit & Supervisory Board Member

April 1987 Joined the Company  
March 2016 Director of Lion Pty Ltd.  
April 2016 General Manager, Accounting Department of Kirin Company, Limited  
March 2022 Standing Audit & Supervisory Board Member of the Company (present position) Audit & Supervisory Board Member of Kyowa Hakkio Bio Co., Ltd. (present position)



**Toru Ishikura**  
Standing Audit & Supervisory Board Member

April 1989 Joined the Company  
March 2020 Director of the Board, Kyowa Hakkio Bio Co., Ltd.  
March 2023 Standing Audit & Supervisory Board Member of the Company (present position) Audit & Supervisory Board Member of Kyowa Kirin Co., Ltd. (present position)



**Kaoru Kashima**  
Audit & Supervisory Board Member

November 1981 Joined Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)  
June 2002 Senior Partner of ShinNihon & Co. (currently Ernst & Young ShinNihon LLC)  
July 2013 Representative Director of Ernst & Young Institute Co., Ltd.  
March 2020 Audit & Supervisory Board Member of the Company (present position)



**Noriko Shiono**  
Independent Non-executive Director of the Board

August 1983 Joined Japan New Media Co., Ltd.  
March 2010 Representative Director, President of SSP Co., Ltd.  
March 2018 Non-executive Director of Kirin Company, Limited  
March 2020 Non-executive Director of the Company (present position)



**Rod Eddington**  
Independent Non-executive Director of the Board

September 1979 Joined John Swire & Sons (H.K.) Ltd.  
April 1992 Managing Director of Cathay Pacific Airways Limited  
April 2000 Chief Executive Officer of British Airways plc  
March 2011 Director of Lion Pty Ltd.  
March 2020 Non-executive Director of the Company (present position)



**Shinya Katanozaka**  
Independent Non-executive Director of the Board

April 1979 Joined ALL NIPPON AIRWAYS CO., LTD. (currently ANA HOLDINGS INC.)  
April 2015 Representative Director, President & Chief Executive Officer of ANA HOLDINGS INC.  
April 2022 Chairman of the Board of Directors of ANA HOLDINGS INC.  
March 2023 Non-executive Director of the Company (present position)  
April 2024 Member of the Board, Chairman of ANA HOLDINGS INC.



**Yoshiko Ando**  
Independent Non-executive Director of the Board

April 1982 Entered the Ministry of Labor  
April 2003 Lieutenant Governor of Shiga Prefecture  
July 2006 Director of Equal Employment Policy Div. of Equal Employment, Children and Families Bureau of the Ministry of Health, Labour and Welfare  
July 2017 Director-General for Human Resources Development of the Ministry of Health, Labour and Welfare  
March 2019 Audit & Supervisory Board Member of the Company  
March 2024 Non-executive Director of the Company (present position)



**Shingo Konomoto**  
Independent Non-executive Director of the Board

April 1985 Joined Nomura Research Institute, Ltd.  
April 2016 President & CEO, Member of the Board, Representative Director, of Nomura Research Institute, Ltd.  
June 2019 Chairman and CEO, Member of the Board, Representative Director of Nomura Research Institute, Ltd.  
June 2024 Chairman, Member of the Board of Nomura Research Institute, Ltd. (to present)  
March 2025 Non-executive Director of the Company (present position)



**Naoko Mikami**  
Independent Non-executive Director of the Board

April 1983 Joined Ajinomoto Co.  
April 2007 Visiting Professor, Faculty of Pharmaceutical Sciences, Musashino University  
June 2019 Representative Director and Vice President of C'BO COSMETICS Co., Ltd.  
March 2025 Non-executive Director of the Company (present position)



**Kenichi Fujinawa**  
Audit & Supervisory Board Member

April 1980 Registered as lawyer in Japan and joined Nagashima & Ohno  
January 2000 Partner of Nagashima Ohno & Tsunematsu  
January 2015 Chairman of Nagashima Ohno & Tsunematsu  
March 2022 Audit & Supervisory Board Member of the Company (present position)



**Yoko Dochi**  
Audit & Supervisory Board Member

April 1987 Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)  
March 2018 Principal Investor Relations Officer, Accounting Division, Toyota Motor Corporation  
November 2018 Joined SoftBank Group Corp. Managing Director, Global Head of Investor Relations, SoftBank Group Corp.  
February 2020 Managing Partner, SoftBank Group International Ltd.  
March 2024 Audit & Supervisory Board Member of the Company (present position)

### Executive Officers



**Mitsuharu Yamagata**  
Senior Executive Officer

Marketing, Corporate Brand Strategy, Digital & Information Strategy, Senior Executive Vice President of Kirin Brewery Co., Ltd.



**Hiroshi Fujikawa**  
Senior Executive Officer

CSV Strategy



**Akiyoshi Iwasaki**  
Senior Executive Officer

SCM Strategy, Production Technology Strategy



**Kazufumi Nagashima**  
Senior Executive Officer

Chief Quality Assurance Officer, General Manager of Quality Assurance Department



**Toshihito Hama**  
Senior Executive Officer

Chief Risk Management Officer, Public Relations Strategy



**Daisuke Fujiwara**  
Senior Executive Officer

R&D Strategy, President of R&D Division



**Hideki Horiguchi**  
Senior Executive Officer

President and CEO of Kirin Brewery Co., Ltd.



**Kazuhiro Inoue**  
Senior Executive Officer

President and CEO of Kirin Beverage Co., Ltd.



**Koji Fukada**  
Senior Executive Officer

President and CEO of Kyowa Hakkio Bio Co., Ltd.



**Hideki Mitsuhashi**  
Senior Executive Officer

President and Representative Director of FANCL Corporation

## Required skills for directors and Audit & Supervisory Board members

As of April 2025, seven (7) Non-Executive Directors and three (3) Audit & Supervisory Board members that satisfy the Company's independence criteria, with reference to the criteria for independence of officers as prescribed in the regulations of the Tokyo Stock Exchange, have been appointed as Independent Directors/Auditors in order to improve the fairness and transparency of corporate governance, ensure the Group's sustainable growth, and boost corporate value over the medium to long term.

#### Criteria regarding the independence of Officers

[https://www.kirinholdings.com/en/purpose/files/pdf/e\\_independencriteria\\_officer.pdf](https://www.kirinholdings.com/en/purpose/files/pdf/e_independencriteria_officer.pdf)

#### Independent Officers Notification

[https://www.kirinholdings.com/en/purpose/files/pdf/e\\_independentofficer.pdf](https://www.kirinholdings.com/en/purpose/files/pdf/e_independentofficer.pdf)

Kirin Holdings has adopted a pure holding company structure as a means of controlling its diverse and global business, which is centered on the three domains of food & beverages, pharmaceuticals, and health science. As the institutional design, we have adopted a Company with Audit & Supervisory Board system, and aim to maintain and improve on a highly transparent governance system for its stakeholders. The Board, more than half of which are Outside Directors, works closely with the Audit & Supervisory Board to take final decisions on important matters and reinforce the monitoring function on management. We have also introduced an executive officer based system in order to implement strategies for each of our businesses and functions in an agile fashion and clarify executive responsibilities.

To ensure the effective functioning of our monitoring and management structure and achieve the Group's sustainable growth and corporate value enhancement, it is essential that the directors and Audit & Supervisory Board members have the necessary skills and embrace diversity in terms of gender, nationality, and other characteristics. This same requirement applies to our management team.

Kirin Holdings has identified the skills needed for the directors and Audit & Supervisory Board members based on the perspectives outlined above.

First and foremost, comprehensive corporate management skills gained through experience in a top management or business position is important. So is expertise and experience in CSV, which is central to our management.

Next, making final decisions on important matters requires a deep understanding of our business domains. In particular, expertise and experience in health science and pharmaceuticals, which support the Kirin Group's long-term growth, should be prioritized, as our company oversees the entire Group. Additionally, R&D, production, quality assurance, and brand strategy/marketing are organizational capabilities essential for our business domains. Overseas business experience is necessary to expand business globally, and ICT/DX is becoming indispensable for a business model transformation. Human resources and organizational development expertise is required to support these business and functional strategies. Therefore, we need expertise and experience in all of these fields.

These skills are also vital for the purpose of monitoring management. Furthermore, expertise and experience in finance & accounting, legal affairs, risk management, and ESG are particularly significant for conducting effective corporate governance.

The skill matrix below groups related skills together in a single column.

## Directors

Name	Gender	Expertise and Experience									
		Corporate Management	CSV ESG	Finance / Accounting	HR / Organization Development	Legal / Risk Management	Manufacture / Quality Assurance	Brand Strategy / Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT DX
Yoshinori Isozaki	Male	●	●	●		●		●		●	
Takeshi Minakata	Male	●	●	●			●		●	●	
Junko Tsuboi	Female	●	●		●	●		●		●	
Toru Yoshimura	Male	●	●	●			●		●	●	●
Shinjiro Akieda	Male	●	●	●		●		●	●		●
Hiroyuki Yanagi	Male	●	●				●	●	●		
Noriko Shiono	Female	●	●					●	●	●	
Rod Eddington	Male	●	●	●					●		
Shinya Katanozaka	Male	●	●		●			●	●		
Yoshiko Ando	Female		●		●	●					
Shingo Konomoto	Male	●							●		●
Naoko Mikami	Female	●					●			●	

## Executive Officers

Name	Gender	Expertise and Experience									
		Corporate Management	CSV ESG	Finance / Accounting	HR / Organization Development	Legal / Risk Management	Manufacture / Quality Assurance	Brand Strategy / Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT DX
Mitsuharu Yamagata	Male		●					●	●	●	●
Hiroshi Fujikawa	Male	●	●		●			●	●		
Akiyoshi Iwasaki	Male	●	●				●		●		
Kazufumi Nagashima	Male	●	●				●		●	●	
Toshihito Hama	Male	●	●		●	●			●		
Daisuke Fujiwara	Male		●					●		●	
Hideki Horiguchi	Male	●	●	●				●	●		
Kazuhiro Inoue	Male	●	●	●				●		●	
Koji Fukada	Male	●	●	●			●		●	●	
Hideki Mitsuhashi	Male	●	●	●		●			●	●	●

## Audit & Supervisory Board Members

Name	Gender	Expertise and Experience									
		Corporate Management	CSV ESG	Finance / Accounting	HR / Organization Development	Legal / Risk Management	Manufacture / Quality Assurance	Brand Strategy / Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT DX
Shobu Nishitani	Male		●	●					●	●	
Toru Ishikura	Male		●				●			●	●
Kaoru Kashima	Female		●	●	●						
Kenichi Fujinawa	Male		●			●			●	●	
Yoko Dochi	Female		●	●					●		

## Succession Plan for Executive Directors

Kirin Holdings' Nomination and Remuneration Advisory Committee deliberated on the formulation of policy for the President & CEO Succession Planning in 2016 and reported on the requirement (an image befitting the President & CEO of Kirin Holdings) and the decision process for candidates to the Board of Directors. Based on this report, Kirin Holdings has been selecting, evaluating and training candidates since 2017 under the supervision of the Board of Directors in order to determine the future successor in a highly objective and transparent process. Starting in 2024, the plan will be used as a succession plan for the chief executive officer (CEO) and chief operating officer (COO).



## Basic Policy for the Remuneration of Executive Officers

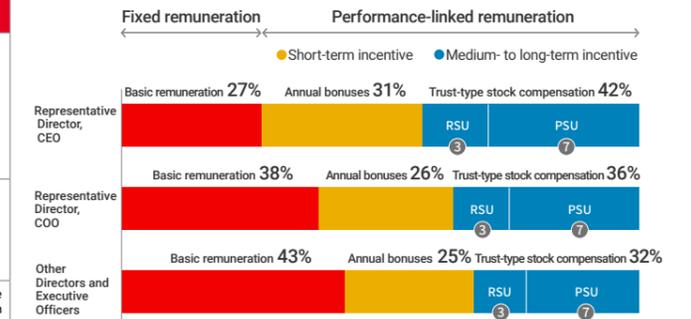
The Nomination and Remuneration Advisory Committee will discuss the remuneration of directors and executive officers, and report to the Board based on the following policy. The Committee will consider levels of the remuneration and linkage with performance by comparing them objectively with officers' remuneration survey data of an external research body, and incorporate findings in its report to the Board of Directors.

- The Company shall establish a remuneration structure that emphasizes the linkage of remuneration with business performance and medium- to long-term corporate value and share value with the shareholders.
- Remuneration levels shall be appropriate for the roles and responsibilities of the Kirin Group's officers.
- Remuneration shall be deliberated by the Nomination and Remuneration Advisory Committee, in which non-executive Directors constitute a majority, in order to ensure objectivity and transparency.

## Composition of the Remuneration

- In order to encourage awareness of achieving short-term performance targets and enhancing medium to long term corporate value, remuneration for directors of the board is composed of three parts: basic remuneration (fixed remuneration), bonus (short-term incentive remuneration), and stock compensation (medium- to long-term incentive remuneration). The specific composition of remuneration is as follows according to the classification of officers eligible for the payment.
- The ratio of base remuneration to performance-linked remuneration for the representative director of the board & CEO is designed to be approximately 30:70 (including 30 for bonuses and 40 for stockbased remuneration), with other directors (excluding non-executive directors) and executive officers following suit in consideration of their positions and responsibilities.

Officer type	Fixed remuneration	Performance-linked remuneration		Purpose
	Basic remuneration	Bonus	Stock-based remuneration	
Directors of the Board (excluding Non-executive Directors) and Executive Officers	○	○	○	Because they are responsible for the execution of business, Kirin Holdings have established remuneration structure that takes into account the achievement of short-term consolidated performance targets and the improvement of corporate value over the medium to long term.
Non-executive Directors	○	—	—	Because they are responsible for supervising and advising Company and Group management from an objective position, only basic remuneration (fixed remuneration) is provided.
Audit & Supervisory Board Members	○	—	—	Because of their role of auditing the performance of directors' execution of their business from an objective position, only basic remuneration (fixed remuneration) is provided.



## Procedures for Determining the Remunerations of Executive Directors

- In order to ensure fair and reasonable application of the process in line with the above-mentioned basic policy for executive remuneration, the executive remuneration shall be deliberated at the Nomination and Remuneration Advisory Committee of which the majority of the members are Nonexecutive directors and whose chairperson is also a non-executive director, and the result is reported to the Board of Directors.
- As for determining the specific amount of remuneration, remuneration for directors shall be decided at the Board and that for Audit & Supervisory Board members upon consultation with Audit & Supervisory Board based on the report from the Nomination and Remuneration Advisory Committee and within the limits of the remuneration amount determined in advance at the general meeting of shareholders.
- Nomination and Remuneration Advisory Committee regularly deliberates on the setting of remuneration levels, the ratio of performance-linked remuneration and its mechanisms and meets in response to changes in the environment of laws and regulations related to executive remuneration and submits a report to the Board.

Please click the link below for details on the remuneration system for management

<https://www.kirinholdings.com/en/purpose/governance/compensation/>

## Policy on Cross-shareholdings

- In principle, Kirin Holdings will not hold any cross-shareholdings except for stocks that are deemed to contribute to the enhancement of corporate value over the medium to long term.
- The Board of Directors will annually review the rationale for holding individual cross-shareholdings through dialogue and negotiation with business partners, etc., and will proceed with the sale of stocks that are deemed not to be rational to hold from the standpoint of the common interests of shareholders.
- Voting rights on cross-shareholdings will be exercised upon deciding for or against each agenda item, taking into account whether a particular cross-shareholding will help boost the corporate value of the company concerned, and whether it will help ensure sustainable growth and boost the Group's corporate value over the medium to long term.

## Messages from New Members of the Board



### Shingo Konomoto

Independent Non-executive Director of the Board

#### History

- April 1985 Joined Nomura Research Institute, Ltd.
- April 2004 Senior Managing Director, Division Manager of Consulting Division III of Nomura Research Institute, Ltd.
- April 2010 Senior Corporate Managing Director, Division Manager of Consulting Division of Nomura Research Institute, Ltd.
- June 2015 Senior Executive Managing Director, Member of the Board, Representative Director, Supervising of Business Divisions, Head of Consulting of Nomura Research Institute, Ltd.
- April 2016 President & CEO, Member of the Board, Representative Director of Nomura Research Institute, Ltd.
- June 2019 Chairman and President & CEO, Member of the Board, Representative Director of Nomura Research Institute, Ltd.
- April 2024 Chairman, Member of the Board, Representative Director of Nomura Research Institute, Ltd.
- June 2024 Chairman, Member of the Board of Nomura Research Institute, Ltd. (to present)
- June 2024 Non-executive Director of the Board, Sony Group Corporation (to present)
- March 2025 Non-executive Director of Kirin Holdings Company, Limited (to present)

There are three years left to reach the goals in Long-Term Management Vision, Kirin Group Vision 2027 (KV2027), and we are shifting gears to prepare to transition to a growth phase. Having joined the Group's Board of Directors at such a turning point, I feel a sense of determination.

After working at Nomura Research Institute as a consultant for many years, I grew the company's medium- and long-term corporate value as chairman and president.

As president & CEO, I especially focused on CSV (solving social issues through value co-creation) to realize both the company's sustainable growth and the creation of a sustainable future and society.

Utilizing this experience, I want to contribute to the KV2027 Vision to become "a global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals." Additionally, in the rapidly changing digital and AI domains, I want to use my knowledge from managing an IT solutions company to supervise and advise the Kirin Group's Board of Directors. I want to seriously engage with management to build more trust with the Group's various stakeholders, strive to increase the Group's medium- and long-term corporate value as a non-executive director of the Board, and meet the expectations of our shareholders.



### Naoko Mikami

Independent Non-executive Director of the Board

#### History

- April 1983 Joined Ajinomoto Co., Inc.
- April 2007 Visiting Professor, Faculty of Pharmacy, Musashino University (retired in 2018)
- January 2010 Joined C' BON COSMETICS Co., Ltd.
- June 2017 Senior Executive Officer, Director of the Board in charge of Administration Division of C' BON COSMETICS Co., Ltd.
- June 2019 Representative Director and Vice President of C' BON COSMETICS Co., Ltd.
- January 2020 Executive Vice President and Representative Director of the Board in charge of Product Development Division of C' BON COSMETICS Co., Ltd. (retired in 2021)
- June 2021 Non-executive Director of the Board, Showa Sangyo Co., Ltd. (to present)
- March 2022 Non-executive Director of the Board, Earth Corporation (to present)
- March 2024 Non-executive Director of the Board, Kuraray Co., Ltd. (to present)
- March 2025 Non-executive Director of Kirin Holdings Company, Limited (to present)

I have been involved in the development of amino acid-based specialty materials including personal care ingredients. Based on these developed materials, I have collaborated with a variety of health science companies.

My experiences with production facilities and quality assurance operations are the foundation of my approach to optimizing operational balance in business. Additionally, I have worked as a visiting professor for a faculty of pharmaceutical sciences, and my accumulation of dialogues with experts in a diverse range of fields is at the core of my way of thinking about business development.

The earnings of the Kirin Group are currently being supported by their founding beer business and the Pharmaceuticals Business developed around the technology of said business, but in order to continue developing based on a perspective of 20 to 30 years into the future, the Group must nurture a business as a new major pillar. Regarding the Health Science Business, the current challenge of the Kirin Group, it may be difficult to see its synergy with the Group's other business domains; however, from an R&D standpoint, it is recognized as the domain that will allow the Group to take full advantage of the technical foundation it excels in. I want to further deepen dialogues of the Board toward achieving profitability in the Health Science Business the Kirin Group has labelled as a future medium- and long-term growth driver.



### Toshihito Hama

Senior Executive Officer,  
Chief Risk Management Officer, Public Relations Strategy

#### History

- April 1991 Joined Kirin Brewery Company, Limited
- January 2015 Deputy General Manager of Systems, HR Department, Kirin Company, Limited
- January 2017 Chairman of the Board and General Manager, TAIWAN KIRIN COMPANY, LIMITED
- April 2019 General Manager, HR General Affairs Department, Kirin Holdings Company, Limited
- April 2023 General Manager, People & Culture Department, Kirin Holdings Company, Limited
- March 2025 Senior Executive Officer, Kirin Holdings Company, Limited (to present)  
Director of the Board, Kirin Brewery Company, Limited (to present)  
Director of the Board, Kirin Beverage Company, Limited (to present)

This fiscal year, I newly joined as a member of the Kirin Group's management as a chief risk management officer and am in charge of public relations strategy. Since joining the company, I gained a variety of experiences in logistics, sales, planning, HR, and overseas operating companies before going on to collaborate with the CPO to establish a human capital strategy linked with our management strategy, as general manager of the HR general affairs division between 2019 and 2024.

With changes to the external environment, such as the spread of COVID-19 and prices skyrocketing for various goods, people's values and behaviors are changing. Amidst this, the Kirin Group completed preparations for expanding profits of the Health Science Business through restructuring initiatives, such as strengthening the competitiveness of core businesses and rearranging the business portfolio, toward realizing KV2027. In my new role, I don't want to only reduce risks in addressing environmental issues, the rights of stakeholders, employees' well-being, natural disasters, etc. to achieve KV2027 and sustainable growth: I also want to take this as an important opportunity to link our Group's promotion of CSV management to business value creation, visualize potential issues that could arise from taking risks, and promote risk management that integrates with our strategies.



### Daisuke Fujiwara

Senior Executive Officer,  
R&D Strategy, President of R&D Division

#### History

- April 1995 Joined Kirin Brewery Company, Limited  
2014 Part-time lecturer for Graduate School of Agricultural and Life Sciences at the University of Tokyo (to present)
- April 2018 Deputy General Manager, Business Creation Department, Kirin Company, Limited
- April 2019 Deputy General Manager, Health Science Business Department, Kirin Holdings Company, Limited
- March 2021 General Manager, Health Science Business Department, Kirin Holdings Company, Limited
- April 2023 General Manager, Institute of Health Sciences, Health Science Business Division, Kirin Holdings Company, Limited
- March 2025 Senior Executive Officer, Kirin Holdings Company, Limited (to present)  
Director of the Board, Kyowa Kirin Company, Limited (to present)

I am honored to have joined the top management of Kirin Group, which aims to be a global leader in CSV. I was involved in basic research for many years, throughout which I was blessed to work with outstanding researchers both inside and outside the company and made many new discoveries, including *Lactococcus lactis* strain Plasma, the core ingredient of our Health Science Business. In addition, while working to commercialize these discoveries, I gained many insights through interacting with people in value chains outside of research. In order to realize our company's sustainable growth, we must continue to make unique innovations. I am lucky to have experienced the long road of creating value from zero and putting it into society, equipping me with the know-how and mindset for innovation.

Going forward, I am fully committed to developing our Group by helping it to create new innovation to change society as a leading Japanese manufacturer and to nurturing scientists and business developers so that we can continue contributing to great national strength through this process.

# Risk Management

## 1 Approach to risk management

The Kirin Group defines risk as uncertainty with the potential to seriously impede the accomplishment of business targets or impact business continuity. The Group also defines crisis as risk manifested at a certain point and requiring urgent action. The Group's fundamental risk management policy is to mitigate risk, prevent risk from being actualized, and keep risk within a manageable level so that we can earn trust of our stakeholders in a sustainable manner. By treating strategies and risks as two sides of the same coin, we assess and implement appropriate risk control measures by analyzing risks in the phases of selecting and implementing strategies, as well as risks that could develop into crises, from various perspectives. Risk information is disclosed in a timely and appropriate manner on our corporate website and other means.

## 2 Risk management structure

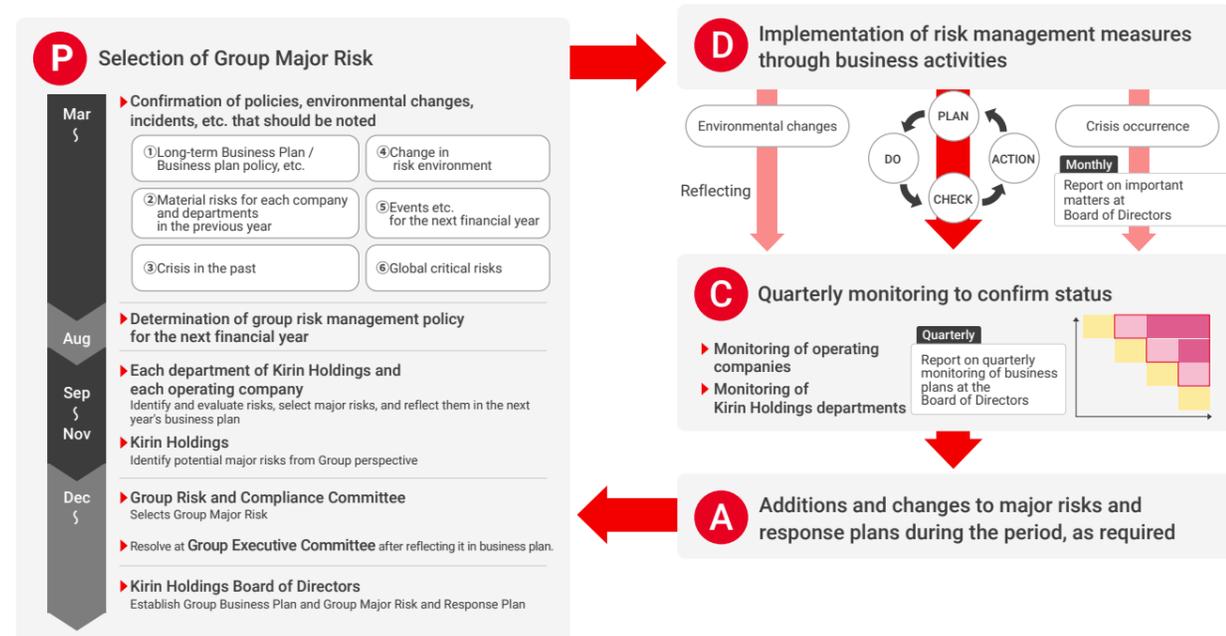
The Group has established the Group Risk and Compliance Committee consisting of Kirin Holding's senior executive officers or higher and chaired by the executive officer in charge of risk. The committee oversees the Group's risk management activities, including collecting risk information, setting the Group's risk policy, introducing risk reduction measures, communicating the information and considering countermeasures when a crisis occurs, and providing necessary instructions and support to Group companies. The Board also oversees the effectiveness of risk management through deliberations and reports on the Group's major risks.



## 3 Process for determining and monitoring major risks

The process for identifying the Group's major risks is conducted following the risk management policy set by the Kirin Group each fiscal year. Each Group company discusses and identifies risks related to its strategy and business execution and risks that could develop into a serious crisis. The Kirin Group then aggregates these business-specific risks and investigates common risks across the Group. The Group Risk and Compliance Committee assesses the potential quantitative and qualitative impacts of major risks, such as economic losses, business continuity, and damage to reputation, from the perspective of overall group management and classifies the risks in terms of priority, taking into account the likelihood of occurrence. The Board deliberates the selected risks and determines the major risks for the Group (diagram 2).

Diagram 2 Process for determining major risks to the Group



The Group's major risks are managed centrally on a risk map based on their degree of impact and likelihood of occurrence. In regard to the most major risks, the Board also takes stock of changes in risk conditions and reviews measures against these risks (diagram 3). Kirin Holdings and the Group companies frame and implement measures tailored to each risk, promoting and operating risk management in cooperation with each other. Additionally, they monitor risks from the perspectives of business and function to manage and control strategic risks. At the same time, we have put into place a risk management system that is designed to prevent the manifestation of risks that could develop into a crisis and minimize any potential negative impact when such a crisis occurs (diagram 4). We have included major risks that could result from the Group executing strategies, business, or other activities which could affect our ability to attain management goals or to continue business on P.35-41 of the Annual Securities Report.

Diagram 3

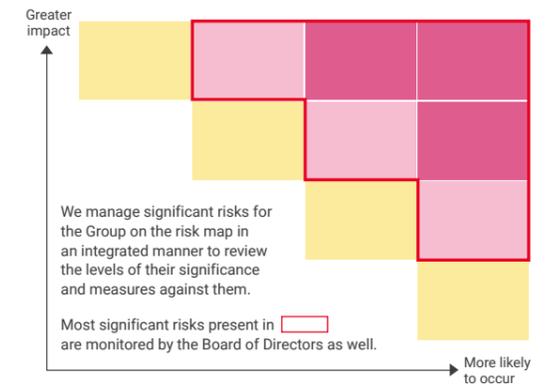
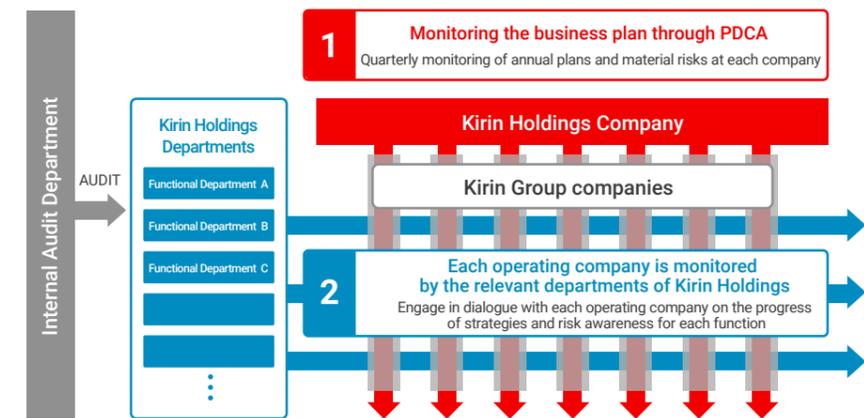


Diagram 4

## Monitoring system



## Example Reinspecting the process for addressing potential health hazards

Instead of treating incidents at other companies as foreign, our Group takes them as opportunities to reevaluate our countermeasures and emergency responses to potential risks. Last year, another company had to recall their health food products, and it was stated in an external expert's research report that the delayed recall led to unnecessary damages. With this case in mind, we reassessed the entire process for determining when and how to respond to potential health risks in our health food products, including recalls.

In our Group's Food & Beverages, Health Science, and Pharmaceuticals Domains, safety and security are givens for our products and services. Preventing accidents and damages is our top priority, but in the rare case a health hazard or potential one arises, we must quickly disseminate information to minimize its impact. In April 2024, we launched a project team for verifying responses to health-hazard claims from consumers concerning foods with function claims. For this project, the team examined the flow from detecting to disseminating health-hazard information based on three processes. The team identified necessary tasks, aligned

their perceptions of the current situation regarding specific processes, such as who will implement what measures and how much time is needed, and clarified the issues that need to be addressed. The established procedural flow has been shared throughout the Group, and each Group company is striving to establish a structure for addressing these issues by implementing procedural training and reading about the process together. We will continue to create regular opportunities for sharing and disseminating information in forms other than documents.

Through this initiative, we were reminded of the importance of viewing the world's crises as our own and creating countermeasures. Additionally, confirming the status of each Group company's responses led to reviewing the quality assurance system and product and quality management processes responsible for providing safe and secure products. Bearing in mind that slight changes can lead to major crises, we are committed to accumulating knowledge and insights from various incidents to increase our Group's sensitivity to risks and improving our ability to address emergency situations.

# Message from an Audit & Supervisory Board Member

## Diverse Perspectives of Directors Contribute to Enhancing Corporate Value

To maintain and improve transparency in the governance system, the Board of Directors at Kirin Holdings actively seeks opinions not only from directors but also from Audit & Supervisory Board members. In this section, we interviewed Yoko Dochi, an external member of the Audit & Supervisory Board, about our governance structure.

### Yoko Dochi

Audit & Supervisory Board Member, Kirin Holdings Company, Limited

**Profile**

After working at The Bank of Tokyo, Ltd. and World Bank, she took on responsibility for investor relations at Toyota Motor Corporation and SoftBank Group Corp. Since 2024, she has served as an external member of the Audit & Supervisory Board at Kirin Holdings.



### Good governance means striking a proper balance between execution and supervision

**—As an external member of the Audit & Supervisory Board, how do you leverage your background and expertise?**

After an earlier career in international finance as an investment banker, I took on responsibility for investor relations (IR) at two leading global companies, namely Toyota Motor Corporation (“Toyota”) and SoftBank Group Corp (“SBG”), for 22 years. Toyota Motor Corporation has always enjoyed top-class market capitalization in the automobile industry and among Japanese companies, so its existing and prospective shareholder base was extensive. I engaged with all types of investors, mainly those overseas, at the forefront. The number of dialogues that I led was well over 3,000 in the 17 years with Toyota, and through this experience, I gained valuable insights into the diverse attributes of investors, what they expect from companies, and how they make investment decisions. When

I took on the position of global head of investor relations at SoftBank Group Corp., the company had just transformed itself from Japan’s third-largest telecommunication company to one of the largest global strategic investment companies. The transformation was so fast that many investors struggled to catch up, which resulted in a significant discount of SBG’s market capitalization to its intrinsic corporate value. I focused on regaining investors’ confidence through numerous dialogues. Kirin Holdings is currently undergoing a significant transformation of its business portfolio. Its share prices, particularly since the launch of the Health Science Business, appear to have been underperforming. I gather this is probably due to the lack of confidence on the part of investors in its strategy and/or execution. I also think that the company would benefit from gaining appreciation and support from a broader range of institutional investors globally. With my executive experience in IR, I hope to make a unique contribution as an external member of the Audit & Supervisory Board at Kirin Holdings.

Furthermore, three-fourths of my career consists of overseas tenures, mainly in the United States and the United Kingdom. At Toyota Motor Corporation, I was also involved in the management of its European regional headquarters. It was a successful case of locally led management on the base of globally standardized production and business processes in a very challenging, mature car market. My experience might be relevant to supporting Kirin Holdings’ next phase of globalization.

Additionally, when Toyota faced a global

recall crisis in 2010, I gained a valuable experience in restoring the company’s reputation and stakeholders’ trust through all-out engagement efforts while company-wide countermeasures were firmly and rapidly put into place. Of course, ideally, no quality issues should emerge, but if an unexpected crisis occurs, these experiences might help in playing the role of an external member of the Audit & Supervisory Board.

**—How do you describe a company in good governance?**

Every company operates in uncertainty—the future is inherently unpredictable and the environment surrounding businesses is constantly changing. So good governance requires not only fundamental systems such as regulatory compliance and risk management, but also overarching systems that enable a company to continue business activities

sustainably, ethically, and in alignment with the expectations of all stakeholders, no matter how the business environment evolves. In other words, companies should maintain the right balance between two inseparable wheels: management, which strategically executes business operations with transparency while demonstrating strong accountability and leadership, and supervision, which monitors management and provides appropriate advice and guidance and challenges as necessary. If the balance results in sustainable business growth and the continued creation of corporate value, that will be a state of “good governance.” The right balance is a tricky one to define—it can vary depending on a company’s scale, industry and business characteristics, and corporate life stages. And I think any effective governance system should evolve by adapting to changes in the environment over time.

### Recognizing the company’s structural alignment with its current stage of growth

**—Do you think Kirin Holdings’ Audit & Supervisory Board is appropriately structured to audit the Board of Directors, which oversees the diverse businesses of the Kirin Group?**

Kirin Holdings’ Audit & Supervisory Board consists of two full-time members and three independent external members. Each brings a high level of expertise and conducts multifaceted audits and supervision, which I find truly excellent. Mr. Nishitani and Mr. Ishikura, the full-time members, have decades of executive and managerial experience in Kirin Holdings’ core businesses. By applying their understanding of the organization and its culture to auditing, they offer in-depth analyses and opinions

from an independent standpoint. Regarding external members, both Ms. Kashima, who is a certified public accountant, and Mr. Fujinawa, who is a lawyer, have leading expertise and a wealth of experience in their respective fields, while I have an executive background in investor relations and finance at global companies, as was mentioned earlier.

Currently, Kirin Holdings is pursuing a long-term strategy that positions the Health Science Business as the primary driver of future growth. It is in the process of globally scaling up the Health Science Business to become the leading company in the Asia-Pacific market by materializing synergies





& COO (“COO”), oversees the diverse operations of each business area. Their respective roles are clearly defined, so I have never come across any confusions as to who should speak between the CEO and the COO during Board of Directors meetings. Furthermore, the leadership

with Blackmores and FANCL, which recently became its wholly owned subsidiaries. At this important juncture, I believe our diverse skill sets could contribute significantly. With regard to Kyowa Hakko Bio, we continue to monitor the on-going structural reform from various risk-related perspectives and provide opinions on its effectiveness and speed, for example.

**—How do you evaluate Kirin Holdings’ executive structure, including the dual leadership roles of CEO and COO?**

Since the dual leadership system was introduced around the time when I assumed my current position, I am not in a position to compare it with the previous one. However, given the stage of growth that Kirin Holdings is currently in, I appreciate the current system as highly effective. Under this system, Mr. Isozaki, representative director of the Board & CEO (“CEO”), provides strategic leadership for the entire Kirin Group, while Mr. Minakata, representative director of the Board, president

succession plan has been discussed by the Nomination and Remuneration Advisory Committee. A policy of evaluating individual performance over a defined timeline to deliberate a steady succession has been reported to the Board of Directors. I consider this a highly sound and healthy approach.

The management structure was renewed in spring, with the addition of two new independent non-executive directors and two senior executive officers. With the inclusion of members who possess skills that are increasingly required at Kirin Holdings, I am thrilled that the structure is now more enabling the growth that is driven by the Health Science Business. If I may, as Kirin Holdings pursues full-scale globalization, I would like to see the company place greater emphasis on fostering and promoting global talents. Additionally, the Board of Directors would benefit from acquiring more international perspectives in overseeing multiple business segments worldwide. I look forward to seeing further progress.

provide high-level opinions and suggestions candidly while measuring the impact on management, from which I also learn a great deal. I feel that Kirin Holdings’ board meetings provide an open space in which we can exchange differing opinions without hesitation.

Among the Board of Directors meetings held last year, discussions involving the TOB (takeover bid) of FANCL left a particularly strong impression on me. As the stock price rose after the initiation of the TOB, the Board discussed raising the maximum offer price. Initially, non-executive directors and external members of the Audit & Supervisory Board, including myself, had varying opinions as to whether the price proposed by management was reasonable based on strategic significance, while acknowledging that it fell within an appropriate range. It was then proposed that all executive directors in the board room say a few words on the necessity of the full acquisition one by one from their respective standpoints. By then, we had many occasions to hear from Mr. Yoshimura, the board director in charge of the Health Science Strategy, on his determination to succeed, but the reasoning, passion, and commitment expressed by the other executive directors in their own words were powerful enough to convince us. In the end, the Board unanimously agreed to raising the offer price as proposed.

**—Have you noticed any characteristics of Kirin Holdings’ Audit & Supervisory Board?**

At Kirin Holdings, external members of the Audit & Supervisory Board are required to attend many important meetings in addition to Board of Directors meetings. Group Executive Committee and Risk and Compliance Committee meetings are attended by the full-time members of the Audit & Supervisory Board and then reported at the monthly Audit & Supervisory Board meetings prior to Board of Directors meetings. Additionally, we hold quarterly interviews with the accounting auditors. In addition, we participate in strategic dialogues with all management directors twice a year, together with non-executive directors. We also have annual interviews with the CEO and the COO respectively, to share our takeaways from audits candidly. In this way, we have many opportunities to engage with internal stakeholders.

Furthermore, on-site inspections at Group companies and functional departments are actively conducted throughout the year. Last year, I visited the Kirin Central Research Institute, the Institute of Health Sciences, the Institute for Future Beverages, and Koiwai Dairy Products, where I took part in 45-minute one-on-one meetings with about six

leaders and members in varied positions. At Coca-Cola Beverages Northeast, I visited major plants and logistics centers, in addition to conducting interviews over the course of two days. During the on-site inspections, I assess workplace conditions while reviewing the results of compliance and engagement surveys as well as the records of working-hours. If I identify any issues, I examine the root cause and try to make suggestions for improvement. In light of these opportunities to make on-site visits, I appreciate that external members of the Audit & Supervisory Board have access to sufficient information.

**—What kind of communication do you think Kirin Holdings should adopt to be more recognized by investors?**

What seems most important is to raise investors’ expectations and confidence in Kirin Holdings’ growth strategies to gain trust in the management’s ability to execute them. It is important that the company not only articulates its long-term strategic visions, but also executes business plans for the Health Science Business to deliver tangible financial results meeting the recently announced milestones. In terms of investors relations, following the investor event last year, more leaders, including but not limited to Mr. Yoshimura, in the Health Science Business should engage in dialogues with the investment community to demonstrate the progress of PMI (post-merger integration) and/or synergy creation, for instance, and articulate their commitment and passion in real terms. Additionally, Kirin Holdings’ corporate value creation centers on CSV management, where the creation of economic and social values are two sides of the same coin. I believe this is a unique strength of the company that increases resilience and sustainability of its earnings ability in the long run. Kirin Holdings’ leadership in CSV management can be showcased more prominently to the investment community.

Another point is that, as often occurs when companies undertake business portfolio reforms—including the launch of a new business—Kirin Holdings has made several downward revisions to its earnings forecasts in the past. I understand this was primarily due to impairment losses and other sales costs. However, if the company can make sure to achieve the bottom-line profit as planned and build a track record of doing so, that would certainly help boost investors’ confidence, wouldn’t it? Since this is my area of expertise, I would be happy to make good use of my knowledge or experience in playing the role of an Audit & Supervisory Board member going forward.

## Sufficient information is available through on-site observation and analysis

**—Please share with us your candid opinions on the operations, structure, and discussion content of Kirin Holdings’ Board of Directors.**

At Kirin Holdings, business plans, for example, are discussed by the Board of Directors around four times from the formulation phase to the final decision-making phase. The content of the business plans are progressively refined based on suggestions from directors with diverse areas of expertise. This practice in turn encourages both board directors and Audit & Supervisory Board members to take shared ownership of the company’s strategies, which I find highly meaningful.

Meetings of Kirin Holdings’ Board of Directors are held once a month. Examples of a good practice include that Mr. Yanagi, who is a non-executive director, serves as the chair, and that the members

of the Audit & Supervisory Board are expected to express their opinions as actively as board directors. Chairman Yanagi is excellent in inviting comments from everyone—sometimes by encouraging someone with particularly relevant expertise to the discussed topic to speak up. At the Board of Directors meetings, I tend to raise questions or comment on specific areas, such as disclosure and communication to the capital markets to improve their understanding or appreciation of the company. Also, I often make comments on capital policies, including capital allocation, and target setting for the medium- to long-term financial and non-financial KPIs—whether they adequately and sufficiently measure Kirin Holdings’ corporate value, or whether they are aligned with the expectations of investors and shareholders. Other external directors also