Corporate Governance Report

Last Update: April 8 2019

Kirin Holdings Company, Limited
Yoshinori Isozaki, President & CEO
Contact: Nobuhiko Hori
General Manager of Corporate Communications Department
TEL: +81-3-6837-7015
Securities Code: 2503
https://www.kirinholdings.co.jp/english/

The corporate governance of Kirin Holdings Company, Limited (henceforth "the Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views <Updated>

- In line with the corporate philosophy and "One KIRIN" values that are shared across the Kirin Group (henceforth "the Group"), the Group believes that achieving the "2027 Vision" outlined in the Group's Long-Term Management Vision "Kirin Group Vision 2027" (henceforth "KV2027") will lead to the Group's sustainable growth and to greater corporate value over the medium to long term. Accordingly, the Group will develop a corporate governance system that is capable of effectively and efficiently reaching that goal.
- The Group believes that cooperation with all of its stakeholders will be indispensable in order to put the corporate philosophy into practice and turn the "2027 Vision" that is based on this philosophy into a reality, and therefore respects its stakeholders' respective viewpoints.
- The Group will disclose information promptly to its shareholders and investors in a transparent, fair and consistent fashion, will proactively engage in constructive dialogue with its shareholders and investors, and will fulfill its accountability with integrity.

<Corporate philosophy>
KIRIN brings joy to society by crafting food and healthcare products inspired by the blessings of nature and the insights of our customers.

<2027 Vision>
A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals

<"One KIRIN" Values>
"Passion. Integrity. Diversity"

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company has complied with all principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code] <Updated>

[Principle 1.4 Cross-Shareholdings]

<Policy on cross-shareholdings>

- The Company will comprehensively take into account whether there is a business management necessity and other factors and will not engage in cross-shareholding when such is deemed not to help ensure sustainable growth and boost the corporate value over the medium to long term.
- The Board will verify the reasonableness of the individual cross-shareholdings on a yearly basis. Concerning the shares for which the meaning of possessing has diminished, while discussing and negotiating with the cross-shareholding partner, etc., the Company will move to reduce such holdings.
- 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.

<Current Status>

- In Fiscal Year 2018, five of the Company's cross-shareholdings and five of the cross-shareholdings in part were sold (proceeds: approximately 15.5 billion).
- As a result, the balance sheet value of the Company's cross-shareholdings is 50.5 billion yen as of the end of 2018, a steady reduction compared to 79.1 billion yen as of the end of 2017.

[Principle 1.7 Related Party Transactions]

Policy on transactions between related parties

- The Board will make resolutions on conflict-of-interest transactions between the Company and its Directors of the Board and on competing transactions in accordance with the provisions of the Japanese Companies Act and the Board Rules, etc.

[Principle 2.6 Role as asset owner of corporate pensions]

- At the Company, corporate pension reserves will be managed through a corporate pension fund.
- The Company will develop an appropriate management system by appointing/assigning persons suitably qualified to manage pensions in relation to the corporate pension fund, and by having external advisors provide complementary specialized skills and expertise.
- Furthermore, the Asset Management Committee will monitor the management of the corporate pension fund; provide continuous, comprehensive evaluation encompassing not only management performance and other quantitative aspects, but also investment policies, management processes, risk management and other qualitative aspects; and revise asset allocation and management contractors, as necessary.

[Principle 3.1 Full Disclosure]

(i) Corporate philosophy, business strategy, and business plan

- The Group’s corporate philosophy is described in 1. Basic Views under I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information of this report.
- The Long-Term Management Vision (KV2027), the Medium-Term Business Plan “Kirin Group 2019-2021 Medium-Term Business Plan” (henceforth “MTBP”), and the yearly business plan of the Group are described on the Company’s website.
  https://www.kirinholdings.co.jp/english/ir/policy/strategy.html

(ii) Basic view on and basic policy of corporate governance

- The Company’s basic view on corporate governance is described in 1. Basic Views under I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information of this report.
- Kirin Holdings Company, Limited Corporate Governance Policy has been established as the basic policy of corporate governance and can be found on the Company’s website.
  https://www.kirinholdings.co.jp/english/ir/policy/pdf/e_governance_policy.pdf

(iii) Board policies and procedures in determining the remuneration of the senior management and directors

Policy on the remuneration of Directors of the Board and Executive Officers

<Basic policy on remuneration for officers>

1) 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.
2) Remuneration levels shall be appropriate for the roles and responsibilities of the Kirin Group's officers.
3) Remuneration shall be deliberated by the Nomination and Remuneration Advisory Committee, in which Outside Directors constitute a majority, in order to ensure objectivity and transparency.

<Structure of the remuneration of Directors of the Board and Executive Officers and the mechanism for performance-based remuneration>

・ In order to encourage awareness of the achievement of short-term performance targets and enhancing corporate value in the medium to long term, the remuneration of Directors of the Board and Executive Officers shall comprise the following three points: Basic Remuneration (fixed remuneration), Yearly Bonus (short-term incentive remuneration), and Restricted Stock Compensation (medium- to long-term incentive remuneration).
・ The Yearly Bonus shall be paid according to the achievement level of the consolidated financial performance index, etc.
・ The performance evaluation indicators for the Restricted Stock Compensation shall be the key performance indicators specified in the Medium-Term Business Plan, etc., and other indicators designated by the Board
・ Remuneration for Outside Directors shall consist exclusively of the Basic Remuneration (fixed remuneration).

(iv) Board policies and procedures in the appointment of the senior management and the nomination of Directors and *kansayaku* candidates

(v) Explanations with respect to the individual appointments and nominations based on

(iv) Policy for the nomination of Directors of the Board, Executive Officers and Audit & Supervisory Board Members

・ The Group, having expanded its business globally with Japan as its core in the fields of food and health, intends to carry out its decision-making and management monitoring in a more appropriate fashion and at a higher level. To this end, Directors of the Board, Executive Officers and Audit & Supervisory Board Members will be appointed upon taking into account the balance of their experience, achievements and specialization, etc. in relation to the Group's key businesses and business management. A number of persons having a wealth of management experience, advanced specialized knowledge, and extensive expertise will be appointed as Outside Directors and Outside Audit & Supervisory Board Members.
・ One or more persons having experience in financial affairs and accounting departments and possessing the appropriate knowledge will be appointed as Audit & Supervisory Board Member.
・ The appointment/dismissal of directors and executive officers will be decided by the Board upon deliberation by the Nomination and Remuneration Advisory Committee, taking performance into account; proposals for the nomination/dismissal of directors will be discussed at general meetings of shareholders. The nomination/dismissal of audit and supervisory board member will be discussed by the Nomination and Remuneration Advisory Committee, and will then be decided by the Board and discussed at a general meeting of shareholders (the appointment of audit and supervisory board members will require the consent of the Audit and Supervisory Board).
・ Reasons for the nomination/dismissal of candidates for the positions of director and audit and supervisory board member will be indicated on convocation notices for general meetings of shareholders.

[Supplementary Principle 4.1.1 Scope and Content of the Matters Delegated to the Management]

・ The Board takes decisions on legal matters and on the execution of the Group's important operations, which include the Long-Term Management Visions, the Medium-Term Business Plans and yearly business plans across the Group and at the key Group companies. The Board is also responsible for monitoring the Directors' execution of their professional duties, and for developing appropriate internal control systems across the Group, etc.
・ In addition to matters stipulated by laws and ordinances and in the Articles of Incorporation, the Board will stipulate matters to be resolved by the Board in the Rules of the Board. Other decisions on the execution of business will be left to the President & CEO and to Executive Officers, and the nature of such decisions will be clearly stipulated in the internal rules, such as Official Rules of Administrative Authority.
・ The Company introduces 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 will establish the scope of the responsibility of Executive Officer based on experience, performance and specialization in their respective field. As a general rule, Executive Officers will serve concurrently as Executive Officers of

Kirin Company, Limited (henceforth “Kirin Company”), which serves to drive the Japan Integrated Beverages Business (one of the Group's core businesses), in order to devise and implement strategies in close coordination with Kirin Company and promote the efficient use of Kirin Company's specialized functions.

[Principle 4.8 Effective Use of Independent Directors]

・Two or more Independent Directors that satisfy the Company's criteria regarding the independence of Outside Officers will be appointed in order to improve the fairness and transparency of corporate governance and ensure the Group's sustainable growth and boost corporate value over the medium to long term.

[Principle 4.9 Independence Standards and Qualification for Independent Directors]

・The Company’s criteria regarding the independence of Outside Officers are described in 1. Organizational Composition and Operation [Independent Directors/Auditors] Matters relating to Independent Directors/Auditors under II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management of this report.

[Supplementary Principle 4.11.1 View on the Appropriate Balance between Knowledge, Experience and Skills of the Board as a whole, and Policies and Procedures for Nominating Directors]

・Taking into account the knowledge, experience, skills and discernment that are necessary for turning the 2027 Vision into a reality, the Board will be composed of the appropriate number of members, ensuring overall balance and diversity. One-third or more of total directors will be appointed as Outside Directors and designated as Independent Directors in order to develop a highly transparent governance system and ensure that management is monitored effectively and objectively.
・The Group, having expanded its business globally with Japan as its core in the fields of food and health, intends to carry out its decision-making and management monitoring in a more appropriate fashion and at a higher level. To this end, Directors of the Board, Executive Officers and Audit & Supervisory Board Members will be appointed upon taking into account the balance of their experience, achievements and specialization, etc. in relation to the Group's key businesses and business management. A number of persons having a wealth of management experience, advanced specialized knowledge, and extensive expertise will be appointed as Outside Directors and Outside Audit & Supervisory Board Members.
・The appointment/dismissal of directors and executive officers will be decided by the Board upon deliberation by the Nomination and Remuneration Advisory Committee, taking performance into account; proposals for the nomination/dismissal of directors will be discussed at general meetings of shareholders.

[Supplementary Principle 4.11.2 Information about Outside Directors, Outside *Kansayaku*, and Other Directors and *Kansayaku* who also Serve as Directors, *Kansayaku*, or the Management at Other Companies]

・Information about Directors of the Board and Audit & Supervisory Board Members of the Company who also serve as Directors of the Board, Audit & Supervisory Board Members, or management for other companies is disclosed in the Company’s Convocation Notice of the 180th Ordinary General Meeting of Shareholders.
https://www.kirinholdings.co.jp/english/ir/stock/pdf/180th_notice.pdf

[Supplementary Principle 4.11.3 Analysis and Evaluation of Effectiveness of the Board of Directors as a whole]
The Company has evaluated the effectiveness of the Board of Directors for Fiscal Year 2018 based on its Corporate Governance Policy; below is an outline of the results of the evaluation.

(1) Fiscal Year 2018 initiatives based on the results of the evaluation of effectiveness last year
Based on the results of the evaluation of effectiveness for Fiscal Year 2017, discussions regarding the following two points were further enhanced by the Board of Directors in Fiscal Year 2018.
[1] Broader discussions of ″non-financial information″: The Board of Directors formulated “KV2027” with a thorough discussion regarding the scenarios for growth through settling key CSV issues from an overall perspective of the Group’s ″business portfolio.″ The Board also fully discussed matters regarding “the environment, society and governance (ESG)” and “CSV commitments” that were designated as one of key

performance indicators, as they pertain to the initiatives in MTBP.
[2] Full discussion of "risk management": Potential global risks were reported in a timely manner and scenarios of risks escalating to a major crisis were fully considered. Also, the risks in terms of the strategy and business execution were confirmed during the discussions of MTBP.

(2) Fiscal 2018 effectiveness evaluation and results
Similar to Fiscal Year 2017, a questionnaire (multiple choice and short answer) that included questions regarding "an ideal Board of Directors" was developed in 2018 based on a survey conducted by a third-party advisory organization, and was completed by all Directors and Audit & Supervisory Board Members.
＜Evaluation criteria＞
[1] Supervision of development, execution, and monitoring of strategies, [2] Risk management and supervision of crisis control, [3] Thorough understanding and implementation of healthy corporate ethics and supervision thereof, [4] Supervision of decision-making such as business acquisition/withdrawal, [5] Supervision of executive remuneration and plans such as succession planning for next-generation leaders, [6] Supervision of overall disclosures to stakeholders, [7] Structure and management of the Board of Directors, and [8] Items to improve effectiveness
After the completion of the evaluation, the current status of the initiatives for improvement and the questionnaire results were shared during a board meeting; it was concluded that the Board of Directors was operating properly and generally functioning effectively. On the other hand, regarding the expansion of discussions in Fiscal Year 2018 to "non-financial information" in Fiscal Year 2018, it has been determined to be necessary to further enhance the discussions by monitoring the progress of "KV2027" and MTBP. Also, concerning "risk management," it has been determined to be necessary to continue making improvements based on the discussions during Fiscal Year 2018.

(3) Enhancement Policy in 2019
In order to increase corporate value in the medium to long term and realize sustainable growth, in Fiscal Year 2019, the Company will [1] Discuss risk management related to risks from globalization and increasing risk complexity, [2] Continue to discuss topics from the standpoint of non-financial targets, such as the Kirin Group CSV commitments, corporate brand value and employee engagement score, validate the strategies (theories) for the executive and operating companies, and provide accurate advice from a broad perspective, and [3] Work to maintain and improve the effectiveness of the Board of Directors by further enhancing discussions of the "functional strategies" (brand, R&D, digitalization, personnel/organization) and "business strategies" (businesses bridging pharmaceuticals and food & beverages, expansion of craft beer markets overseas, etc.) that are necessary for the execution of the overall strategy.

[Principle 4.14 Director and *Kansayaku* Training]

Training policy
- The Company will hold training and provide information to its Directors of the Board and Audit & Supervisory Board Members as necessary for the performance of their roles and responsibilities.
- Upon assuming office, Directors of the Board and Audit & Supervisory Board Members will receive lectures and training from specialists and related internal departments in relation to the Japanese Companies Act, corporate governance and corporate finance, etc. Subsequently, training and workshops will continue to be held as necessary in relation to the amendment of relevant laws and regulations, and business issues.
- Upon assuming office, Outside Directors and Outside Audit & Supervisory Board Members will receive explanations of the Group's corporate philosophy, "One KIRIN" Values and the Group's businesses, and will take part in observation at key sites.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

Basic policy concerning dialogue with shareholders and investors
- Based on the understanding that constructive dialogue with shareholders and investors will lead to a further improvement in corporate governance and, in turn, to greater corporate value over the medium to long term, the Group will periodically assess its shareholder composition, proactively respond to requests for dialogue, and take the initiative in creating opportunities for constructive dialogue.
- Requests for dialogues from shareholders and investors will be dealt with mainly by the IR Section under the supervision of Executive Officer in charge of IR. Also, the Group will take the initiative in creating opportunities for such dialogue in cases where a dialogue with the Executive Officer in charge of IR, the President & CEO, or another Director of the Board or Executive Officer is deemed appropriate.

・Depending on the agendas of dialogue, Group Finance, Corporate Strategy, Group Legal and other related departments will provide their cooperation. ・The Company will hold meetings on its Long-Term Management Vision, business plans, business strategies, financial results, individual businesses, etc.; will plan and conduct visits to its shareholders and investors; and will endeavor to promote understanding and dialogue concerning the Group. ・In the course of dialogue, explanations will be provided with integrity, listening to the opinions of shareholders and investors, and endeavoring to engage in two-way communication. The IR Department will provide reports on shareholder and investor opinions periodically or on an as-needed basis to the President & CEO, the Executive Officer in charge of IR, and other Directors of the Board and Executive Officers.

2. Capital Structure

Foreign Shareholding Ratio	More than 30%

[Status of Major Shareholders] <Updated>

Name / Company Name	Number of Shares Owned (thousand shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	72,517,400	7.93
Japan Trustee Services Bank, Ltd. (Trust account)	45,290,300	4.96
Meiji Yasuda Life Insurance Company	32,996,563	3.61
JP MORGAN CHASE BANK 380055	30,176,013	3.30
Japan Trustee Services Bank, Ltd. (Trust account 5)	17,818,400	1.95
Japan Trustee Services Bank, Ltd. (Trust account 4)	17,287,700	1.89
SSBTC CLIENT OMNIBUS ACCOUNT	15,644,914	1.71
STATE STREET BANK WEST CLIENT - TREATY 505234	14,595,751	1.60
Japan Trustee Services Bank, Ltd. (Trust account 7)	13,780,300	1.51
STATE STREET BANK AND TRUST COMPANY 505001	13,145,495	1.44

Controlling Shareholder (except for Parent Company)	Nil
Parent Company	Nil

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section, Nagoya Stock Exchange First Section, Sapporo Securities Exchange Main Board, and Fukuoka Stock Exchange Main Board
Fiscal Year-End	December
Type of Business	Foods
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than 1 trillion yen

Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

Nil

5. Other Special Circumstances which may have Material Impact on Corporate Governance

The Company has one listed subsidiary, Kyowa Hakko Kirin Co., Ltd (henceforth "Kyowa Hakko Kirin").
The Company formed a strategic alliance with the then Kyowa Hakko Kogyo Co., Ltd (henceforth "Kyowa Hakko Kogyo"). in October 2007, and completed acquisition of Kyowa Hakko Kogyo as a consolidated subsidiary in April 2008 by obtaining 50.10% of the total issued shares of Kyowa Hakko Kogyo through a tender offer and a share exchange between Kyowa Hakko Kogyo and the then Kirin Pharma Company, Limited. A merger between Kirin Pharma and Kyowa Hakko Kogyo subsequently took place in October 2008 and the resulting entity was named Kyowa Hakko Kirin.
The purpose of this alliance was to promote the independent growth of Kyowa Hakko Kirin, mainly in the pharmaceutical arm. From the perspective of securing and honoring the long-standing managerial independence of Kyowa Hakko Kirin, the Company considers it desirable to maintain Kyowa Hakko Kirin's status as a listed company.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with board of company auditors

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	9
Number of Outside Directors	4
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1) <Updated>

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Shoshi Arakawa	From another company											
Katsunori Nagayasu	From another company					○						
Masakatsu Mori	From another company											
Hiroyuki Yanagi	From another company											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2) <Updated>

Name: Shoshi Arakawa

Designation as Independent Director: Yes

Supplementary Explanation of the Relationship:
・There are no conflicts with any category from a to k above.

Reasons of Appointment:
・Mr. Shoshi Arakawa has considerable experience acquired over many years as a corporate executive and a wide range of knowledge, especially highly specialized expertise in developing business in global market and leading group companies. Based on this, since his appointment as Outside Director of the Company in March 2015, he has provided valuable opinions and suggestions to the management of the Company from an objective and neutral standpoint that is independent of any managerial role in the Company, and from professional perspectives.

・There are no conflicts of interest with any of the criteria for the independence of Independent Directors as stipulated by the Tokyo Stock Exchange, and the Company does not anticipate any concerns about conflict of interest to arise from general shareholders.

Name: Katsunori Nagayasu

Designation as Independent Director: No

Supplementary Explanation of the Relationship:
・Until March 2016, Mr. Katsunori Nagayasu had served as representative director of the Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently the Bank of Mitsubishi UFJ, Ltd.), a principal business partner of the Company. In line with the stipulations with regard to the independence of Outside Directors of the Company, he does not serve as an Independent Director of the Company. Mr. Nagayasu also currently receives remuneration from the Bank of Mitsubishi UFJ, Ltd., as Senior Advisor.

Reasons of Appointment:
・Mr. Katsunori Nagayasu has considerable experience acquired over many years as a corporate executive and a wide range of knowledge, especially highly specialized expertise in finance acquired through his management of financial institutions and deep insight in leading group companies. He had assumed the role of representative director of the Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently the Bank of Mitsubishi UFJ, Ltd.), a principal business partner of the Company, until March 2016, and thus does not serve as an Independent Director, but he personally has no conflicting interest in the Company. Since his appointment as Outside Director of the Company in March 2016, he has provided valuable opinions and suggestions to the management of the Company from an objective, neutral standpoint that is independent of any managerial role in the Company, and from professional perspectives.

Name: Masakatsu Mori

Designation as Independent Director: Yes

Supplementary Explanation of the Relationship:
・There are no conflicts with any category from a to k above.

Reasons of Appointment:
・Mr. Masakatsu Mori has considerable experience acquired over many years as management of a consulting firm, and as president as well as trustee of a university, and a wide range of knowledge, especially a high level of insight in corporate management based on his specialized expertise in finance and accounting. Based on this, he provides valuable opinions and suggestions to the management of the Company from an objective, neutral standpoint that is independent of any managerial role in the Company, and from professional perspectives as Outside Audit & Supervisory Board Member. For the reasons above, the Board expects that he, as Outside

Director going forward, takes a role to oversee business execution of the Company toward continuous improvement of corporate value.
・There are no conflicts of interest with any of the criteria for the independence of Independent Directors as stipulated by the Tokyo Stock Exchange, and the Company does not anticipate any concerns about conflict of interest to arise from general shareholders.

Name: Hiyoruki Yanagi

Designation as Independent Director: Yes

Supplementary Explanation of the Relationship:
・There are no conflicts with any category from a to k above.

Reasons of Appointment:
・Mr. Hiroyuki Yanagi has considerable experience acquired over many years as a corporate executive and a wide range of knowledge, especially highly specialized expertise in brand development on the global market through technological development and innovation. Based on this, the Board expects him to provide valuable opinions and suggestions to the management of the Company from an objective, neutral standpoint that is independent of any managerial role in the Company, and from professional perspectives as Outside Director. For the reasons above, the Board also expects that he takes a role to oversee business execution of the Company toward continuous improvement of corporate value.
・There are no conflicts of interest with any of the criteria for the independence of Independent Directors as stipulated by the Tokyo Stock Exchange, and the Company does not anticipate any concerns about conflict of interest to arise from general shareholders.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination and Remuneration Advisory Committee	
All Committee Members	5	
Full-time Members	0	
Inside Directors	2	
Outside Directors	3	
Outside Experts	0	
Other	0	
Chairperson	Outside Director	

Supplementary Explanation

The Nomination & Remuneration Advisory Committee has been set up to deal with the nomination and remuneration of Directors of the Board, Executive Officers and Audit & Supervisory Board Members. The Nomination & Remuneration Advisory Committee is composed of five Directors of the Board, of whom two are internal Directors and three are Outside Directors, and the Committee Chairman is appointed out of the Outside Directors. As an advisory body to the Board, the Nomination & Remuneration Advisory Committee

discuss the following matters from an objective and fair perspective, and report to the Board:

1) Policy for the appointment/dismissal of Directors of the Board, Executive Officers and Audit & Supervisory Board Members, and proposal of candidates
2) Plans for the succession of the President & CEO
3) System, standards and amounts for the remuneration of Directors of the Board, Executive Officers and Audit & Supervisory Board Members
4) Proposal of candidates for the positions of Chairman of the Board, President and Director of the Board at the key Group companies based on the nature and scale of their business; remuneration systems and standards

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	5

Cooperation among Audit & Supervisory Board Members, Independent Accounting Auditors and Internal Audit Departments <Updated>

- The Audit & Supervisory Board defines the audit policy and audit plans, and in accordance with these, each Audit & Supervisory Board Member attends various internal important meetings, including Board meetings. In addition, audits for departments of the Company and onsite audits for Group companies in Japan and overseas enable thorough audits of the performance of duties by the Directors of the Board. For Group companies, auditors are assigned either full-time or part-time according to the scale of the company. They coordinate closely with the Audit & Supervisory Board Members of the Company to enhance the effectiveness of auditing.
- The members of Internal Audit Department are concurrently responsible for conducting internal audits at Group companies, independently from the audits of the Audit & Supervisory Board Members, with regards to the Group's significant risks and internal controls. The Internal Audit Department practically and effectively conducts auditing for the Group overall through cooperation with the internal audit departments of each key Group company, and by sharing the audit results of, and mutually supplementing the work of, the internal audit and the audit by the Audit & Supervisory Board. The Internal Audit Department members coordinate with the Company's Audit & Supervisory Board Members in setting and implementing auditing plans, coordinate with the full-time auditors of the key Group companies, and concurrently perform the role of part-time auditors in Group companies, etc.
- The Internal Audit Department, the Audit & Supervisory Board Members and an Independent Accounting Auditor also strive for mutual cooperation where they exchange information and opinions and consult each other as necessary.
- The Internal Audit Department and the Audit & Supervisory Board Members obtain the necessary information through attending meetings held by the internal control divisions, and the Independent Accounting Auditor also conducts hearings at the internal control divisions as required, both thus implementing effective audits.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3

Number of Independent Audit & Supervisory Board Members	3

Outside Audit & Supervisory Board Members' Relationship with the Company (1) <Updated>

Name	Attribute	Relationship with the Company*												
		A	b	c	d	e	f	g	h	i	j	k	l	m
Chieko Matsuda	From another company													
Nobuo Nakata	Lawyer													
Yoshiko Ando	Others													

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. *Kansayaku* of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a *kansayaku*
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)
k. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the *kansayaku* himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the *kansayaku* himself/herself only)
m. Others

Outside Audit & Supervisory Board Members' Relationship with the Company (2) <Updated>

Name: Chieko Matsuda

Designation as Independent Auditor: Yes

Supplementary Explanation of the Relationship:
・There are no conflicts with any category from a to m above.

Reasons of Appointment:
・Since her appointment as Outside Audit & Supervisory Board Member of the Company in March 2016, Ms. Chieko Matsuda has supervised the Board appropriately, through her high-level and wide-ranging specialist knowledge as well as long and considerable experience as an executive of a consulting company and a university professor, and from the perspective of an expert. Based on the above, the Company expects her to provide valuable opinions and suggestions to the management of the Company from an objective and neutral standpoint that is independent of any managerial role in the Company, and from professional perspectives.

・There are no conflicts of interest with any of the criteria for the independence of Independent Auditors as stipulated by the Tokyo Stock Exchange, and the Company does not anticipate any concerns about conflict of interest to arise from general shareholders.

Name: Nobuo Nakata

Designation as Independent Auditor: Yes

Supplementary Explanation of the Relationship:
・There are no conflicts with any category from a to m above.

Reasons of Appointment:
・Since his appointment as Outside Audit & Supervisory Board Member of the Company in March 2018, Mr. Nobuo Nakata has supervised the Board appropriately, through his highly specialized and considerable experience in general corporate legal affairs mainly in M&A projects served as a partner of law firms well-known in and outside of Japan over many years. Based on the above, the Company expects him to provide valuable opinions and suggestions to the management of the Company from an objective and neutral standpoint that is independent of any managerial role in the Company, and from professional perspectives.
・There are no conflicts of interest with any of the criteria for the independence of Independent Auditors as stipulated by the Tokyo Stock Exchange, and the Company does not anticipate any concerns about conflict of interest to arise from general shareholders.

Name: Yoshiko Ando

Designation as Independent Auditor: Yes

Supplementary Explanation of the Relationship:
・There are no conflicts with any category from a to m above.

Reasons of Appointment:
・Ms. Yoshiko Ando, as a government official, has been engaged over many years in policy planning in labor administration and has highly specialized expertise, considerable experience and a high level of insight in a wide range of fields of employment and labor including promotion of women’s participation and advancement. Based on this, the Company expects her to provide valuable opinions and suggestions to the management of the Company from an objective and neutral standpoint that is independent of any managerial role in the Company, and from professional perspectives. Although Ms. Yoshiko Ando has never been involved in corporate management in the past, for the reasons above, the Company believes that she will be able to appropriately execute her duties as an Outside Audit & Supervisory Board Member.
・There are no conflicts of interest with any of the criteria for the independence of Independent Auditors as stipulated by the Tokyo Stock Exchange, and the Company does not anticipate any concerns about conflict of interest to arise from general shareholders.

[Independent Directors/Auditors]

Number of Independent Directors/Auditors	6

Matters relating to Independent Directors/Auditors
The Company has established the criteria listed below in order to objectively determine the independence of Outside Directors and Outside Audit & Supervisory Board Members (henceforth referred to collectively as the "Outside Officers"), with reference to the criteria for independence of officers stipulated by the Tokyo Stock Exchange; given, however, that Outside Officers are appointed based not only on independence, but also on their respective knowledge, skills, discernment and character, etc. and thus persons who meet the requirements for Outside Officers stipulated in the Companies Act and can provide advice and opinions as Outside Officers concerning the Company's decision-making may be hired as Outside Officers even if they fall into the criteria listed below.

Criteria regarding the Independence of Outside Officers
For Outside Directors and Outside Audit & Supervisory Board Members to be considered as independent, none of the following criteria may apply to the respective Outside Director or Outside Audit & Supervisory Board Member.

(1) A person for whom the Company (including its consolidated subsidiaries; the same shall apply hereinafter) is a major client
(2) A person who is an executive director, corporate officer, Executive Officer, manager or other employee of a firm for whom the Company is a major client
(3) A person who is a major client of the Company
(4) A person who is an executive director, corporate officer, Executive Officer, manager or other employee of a firm which is a major client of the Company
(5) A lawyer, certified public accountant, tax accountant, or consultant, etc. who receives money or other economic benefit in excess of a certain amount from the Company aside from the officer's remuneration
(6) A person who belongs to a firm, union, or other similar entity (including a law office, auditing firm, tax accountant firm, or consulting firm, etc.) which receives money or other economic benefit in excess of a certain amount from the Company
(7) A person who is a major shareholder of the Company
(8) A person who is an executive director and who executes business of a firm which is a major shareholder of the Company
(9) A person who receives donations or other assistance in excess of a certain amount from the Company
(10) A person who is a director of or otherwise executes duties for a firm, union or other similar entity which receives donations or other assistance in excess of a certain amount from the Company
(11) A person who is an executive director, corporate officer, executive officer, manager or other employee of a firm for which an Executive Director or full-time Audit & Supervisory Board Member of the Companies Acts as outside director or outside auditor
(12) A person to whom any of aforementioned criteria (1)–(11) has applied within the past 3 years
(13) Where a person to whom any of aforementioned criteria (1)–(12) applies (however, excluding the person who does not serve an important role) , the person's spouse or other relations within the second degree of kinship
(14) A person who is a spouse or other relation within the second degree of kinship to a person who serves currently and has served within the past three (3) years as a Director, Executive Officer, manager or other key employees of the Company

(Notes)
1. Regarding criteria (1) and (2), "A person (or firm) for whom the Company is a major client" refers to a person (or firm) who received payment from the Company in the most recent business year that accounted for either 2% or more of consolidated sales (consolidated revenue) for the year for that person (or firm), or over ¥100 million, whichever is the higher amount. If consolidated accounting is not adopted by the person (or firm), total revenue or non-consolidated sales for the year should be employed in place of consolidated sales (consolidated revenue) for the year.
2. Regarding criteria (3) and (4), "A person (or firm) who is a major client of the Company" refers to a person (or firm) who made payment to the Company in the most recent business year that accounted for 2% or more of the Company's consolidated revenue for the year, or who financed 2% or more of the Company's consolidated total assets at the end of the most recent business year.
3. Regarding criteria (5), (9) and (10), "a certain amount" is considered as ¥10 million per year.
4. Regarding criteria (6), "a certain amount" is considered as either 2% or more of total revenue for the most recent business year for that firm, union or other similar entity, or over ¥100 million, whichever is the higher amount.
5. Regarding criteria (7) and (8), "a major shareholder" refers to a shareholder who directly or indirectly holds more than 10% of the voting rights.

[Incentives]

Incentive Policies for Directors	・Performance-linked Remuneration ・Other – introduction of the Restricted Stock Compensation System (performance-based)

Supplementary Explanation <Updated>

[Structure of remuneration and framework for performance-linked remuneration]

In order to raise awareness of the achievement of short-term performance targets and of increasing corporate value in the medium to long term, the remuneration of Directors of the Board and Executive Officers shall comprise the following three elements: Basic Remuneration (fixed remuneration), Yearly Bonus (short-term incentive remuneration), and Restricted Stock Compensation (medium- to long-term incentive remuneration)[*1].

The performance evaluation indices for the Yearly Bonus shall be the Company's consolidated normalized operating profit and individual performance evaluation indices (for the Chairman of the Board and the President & CEO, only the Company's consolidated normalized operating profit shall be taken into consideration). The payment rate will range between 0% and 200%, assuming the rate at the time of achieving the target to be 100%.

The performance evaluation indices for Restricted Stock Compensation shall be ROIC and normalized EPS, key performance indices specified in the Medium-Term Business Plan. Restrictions on the granted shares shall be lifted at the expiry of the restriction period (three years in principle) in a range of between 33% and 100% in principle, depending on the degree of target achievement in the initial business year of the restriction period. In principle, the Company allocates Restricted Stock Compensation to Directors every year in order to motivate Directors to make continuous efforts in business management to increase the stock price by permitting them to hold allocated stocks during the restriction period.

Restricted Stock Compensation System (performance-based) will be granted to Directors of the Board & Executive Officers (excluding outside members in both cases) of the Company.

[*1] Basic Remuneration (fixed remuneration) only is paid to Outside Directors and *Kansayaku* respectively, because the role of the former is to supervise and provide advice to Company management and the Group as a whole and that of the latter is to audit the business execution of Directors, both from an objective standpoint.

[Decision-making procedures]

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 Outside Directors and whose Chairperson is also an Outside 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 a board meeting and that for *Kansayaku* upon consultation with *Kansayaku* 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.

Recipients of Stock Options	—

Supplementary Explanation

—

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors

Supplementary Explanation <Updated>

・ The total amount of remuneration by type for internal Directors of the Board and Outside Directors, and Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members respectively are disclosed in the Company's business report. The Company's business report is listed on the Company's website.
・ Business report (within the convocation notice of the Ordinary General Meeting of Shareholders):
https://www.kirinholdings.co.jp/english/ir/stock/meeting.html
・ Please see below as to the remuneration of Directors of the Board in the fiscal year 2018.

The total amount of remuneration by type

Officer classification	Remuneration totals (million yen)	Remuneration type totals (million yen) and receiving officers (in numbers)					
		Basic Remuneration		Yearly Bonus		Restricted Stock Compensation	
		Total	# of officers	Total	# of officers	Total	# of officers
Inside Directors	477	225	6	153	5	99	5
Outside Directors	58	58	4	-	-	-	-
Total	535	283	10	153	5	99	-

Notes:
1. Nine (9) Directors of the Board and five (5) Audit & Supervisory Board Members remain in their positions as of the end of this fiscal year. The amounts above include the remuneration to one (1) Director of the Board and two (2) Audit & Supervisory Board Members who resigned from office as of March 29, 2018.
2. The remuneration limit for Directors of the Board (Basic Remuneration plus Bonus) is 950 million yen per year (Resolved at the 178th Ordinary General Meeting of Shareholders on March 30, 2017). In addition, on the top of this, the remuneration limit regarding the Restricted Stock Compensation System for Directors of the Board excluding Outside Directors is 250 million yen per year (Resolved at the 178th Ordinary General Meeting of Shareholders on March 30, 2017).
3. The above stock compensation, with regard to shares granted to Directors of the Board excluding Outside Directors as Restricted Stock Compensation in this fiscal year, is the amount calculated by multiplying the number of granted shares by the percentage of shares for which the restriction is lifted for cases where Eligible Directors have maintained certain positions at the Company during the Restriction Period and the amount to be paid per share for the relevant shares. However, for those Directors of the Board who resigned from their positions due to expiration of their term of office on the close of the 180th Ordinary General Meeting of Shareholders held on March 28, 2019, the percentage of the shares for which the restriction is lifted has been adjusted.

[Individual remuneration]

Name	Officer classification	Remuneration totals (million yen)	Remuneration type (million yen)		
			Basic Remuneration	Yearly Bonus	Restricted Stock Compensation
Yoshinori Isozaki	President & CEO	179	75	61	43
Keisuke Nishimura	Representative Director of the Board, Senior Executive Vice President	119	56	37	26

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Policy on the remuneration of Directors of the Board and Executive Officers

<Basic policy on remuneration for officers>

1) 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.
2) Remuneration levels shall be appropriate for the roles and responsibilities of the Kirin Group's officers.
3) Remuneration shall be deliberated by the Nomination and Remuneration Advisory Committee, in which Outside Directors constitute a majority, in order to ensure objectivity and transparency.

<Structure of the remuneration of Directors of the Board and Executive Officers and the mechanism for performance-based remuneration>

- In order to encourage awareness of the achievement of short-term performance targets and enhancing corporate value in the medium to long term, the remuneration of Directors of the Board and Executive Officers shall comprise the following three points: Basic Remuneration (fixed remuneration), Yearly Bonus (short-term incentive remuneration), and Restricted Stock Compensation (medium- to long-term incentive remuneration).
- The Yearly Bonus shall be paid according to the achievement level of the consolidated financial performance index, etc.
- The performance evaluation indicators for the Restricted Stock Compensation shall be the key performance indicators specified in the Medium-Term Business Plan, etc., and other indicators designated by the Board
- Remuneration for Outside Directors shall consist exclusively of the Basic Remuneration (fixed remuneration).

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members] <Updated>

- The Company does not allocate any full-time staff specifically for Outside Directors. The Company's Personnel & General Affairs Department Secretary Section provides support to Outside Directors as well as internal Directors. No full-time staff members are also allocated for Outside Audit & Supervisory Board Members. Advisor to Audit & Supervisory Board Members provides support to Outside Audit & Supervisory Board Members as well as internal Audit & Supervisory Board Members.
- The Outside Directors receive Board meeting materials in advance, and if necessary, regardless as to their inclusion on the Board meeting agenda, background information is provided from the relevant department and Personnel & General Affairs Department Secretary Section. The Outside Audit & Supervisory Board Members also receive Board meeting materials in advance, and requisite information and explanations are provided as needed, such as at monthly Audit & Supervisory Board Members meetings and/or before Board meetings.

【Status of retired from Representative Director and President, etc.】

Name of Advisors ("sodanyaku," "komon," etc.) who have retired from Representative Director and President, etc.

Name	Title/position	Activity Description	Working arrangement/conditions (full time/part time, paid/unpaid, etc.)	Date of retirement from President etc.	Tenure
—	—	—	—	—	—

Total number of Advisors ("sodanyaku," "komon," etc.) who have	0

retired from Representative Director and President, etc.	

Other information

- The Company has established internal regulations for Executive Advisors; in principle, the work is entrusted to a person who has served as either President or Chairperson of the Company upon a resolution at a board meeting, with a maximum tenure of three (3) years. The Executive Advisor is mainly engaged in external work such as the Company's social contribution activities (full time with remuneration) and is not engaged in any managerial work for the Company. There is currently nobody serving as Executive Advisor.
- The Company may grant a title such as Honorary Executive Advisor to a retired Executive Advisor when that person continues to engage in external activities (part time without remuneration). Currently, there are four (4) retired Executive Advisors (Yasuhiro Sato, Koichiro Aramaki, Kazuyasu Kato, and Senji Miyake). These four persons do not engage in any managerial tasks for the Company, nor did they during their service as Executive Advisors.

2.Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) <Updated>

(1) The Board and its Members

- The Company has nine Directors of the Board, including four Outside Directors.
- The Board makes decisions on execution of important business matters and legal issues at the Company. In addition, it also has responsibility for matters including the supervision of the performance of duties by the Directors of the Board and the construction of an appropriate internal control system for the entire Group. Furthermore, it strives to maximize the corporate value of the Group by deciding upon and approving the Medium-Term Business Plans and Annual Business Plans for the Group overall and for the key Group companies and by conducting regularly monitoring based upon factors such as changes to the business climate.
- Regarding the nine Group companies: Kirin Brewery, Kirin Beverage, Mercian, LION PTY LTD, Myanmar Brewery Limited, The Coca-Cole Bottling Company of Northern New England,Inc., Kyowa Hakko Kirin, SAN MIGUEL BREWERY INC., and China Resources Kirin Beverages (Greater China), the Directors of the Board or Executive Officers of the Company are appointed as Directors of the Board (including Outside Directors) of each company and supervise the performance of duties in order to strengthen governance of the Group overall
- The Company has appointed Outside Directors in order to conduct the above decision making and management supervision at an appropriately high level. The Outside Directors provide valuable feedback and advice on the Company's corporate decisions from a practical, objective and specialist perspective based on their extensive experience as corporate managers. We do not provide any full-time staff to serve Outside Directors. The Secretary Section of the Personnel and General Affairs department provides support to corporate and Outside Directors.
- Additionally, we have created the Internal Audit department within the Company to establish an internal control system for the entire Group, and to conduct and preside over internal audits within the Company and at Group companies
- Regular Board meetings are held once a month and extraordinary meetings as necessary. In the fiscal year 2018, Board Meetings were held fifteen (15) times, with an attendance rate for Outside Directors of ninety-five (95) percent and for Outside Audit & Supervisory Board Members of one hundred (100) percent.

(2) Audit & Supervisory Board and its Members

- The Company Audit & Supervisory Board has five members, including three outside members.
- The Audit & Supervisory Board Members audit the performance of duties by Directors of the Board, attending various internal important meetings, including the Board meetings, providing advice and conducting onsite audits for Group companies in Japan and overseas in coordination with, and by exchanging information with, internal audit divisions, Independent Accounting Auditors, and auditors at Group companies, in accordance with the audit policy and plans defined by the Audit & Supervisory Board.
- Regarding Kyowa Hakko Kirin, the Audit & Supervisory Board Members of the Company are appointed as outside auditors to audit the performance of duties by the Directors of the Board in order to reinforce governance of the Group overall
- Furthermore, to strengthen the audit function two support staffs have been appointed to assist the Audit &

Supervisory Board Members' work.
・In the fiscal year 2018, Audit & Supervisory Board Meetings were held sixteen (16) times, with an attendance rate for Outside Audit & Supervisory Board Members of one hundred (100) percent.

(3) Nomination and Remuneration Advisory Committee
・The Company has established Nomination and Remuneration Advisory Committee to deal with the nomination and remuneration of Directors of the Board, Executive Officers and Audit & Supervisory Board Members. The Nomination and Remuneration Advisory Committee is composed of five Directors of the Board (two internal Directors and three Outside Directors), and the chairperson is appointed out of the Outside Directors. As an advisory body to the Board, the Nomination and Remuneration Advisory Committee discusses the following matters from an objective and fair perspective, and report to the Board:
  1) Policy for the appointment/dismissal of Directors of the Board, Executive Officers and Audit & Supervisory Board Members, and proposal of candidates
  2) Plans for the succession of the President & CEO
  3) System, standards and amounts for the remuneration of Directors of the Board, Executive Officers and Audit & Supervisory Board Members
  4) Proposal of candidates for the positions of Chairman of the Board, President and Director of the Board at the key Group companies based on the nature and scale of their business; remuneration systems and standards
・In the fiscal year 2018, the Nomination and Remuneration Advisory Committee met eleven (11) times, with an attendance rate of ninety-seven (97) percent for members.

(4) Group Executive Committee
・The Company has established the Group Executive Committee as an advisory body to support the President & CEO in decision making. It strives to improve the quality of the decision making relating to the Group's management by holding Group Executive Committee meetings in a timely fashion with the President & CEO, Senior Executive Vice President, Senior Executive Officers, Audit & Supervisory Board Members, and Strategic Advisor to discuss business strategies and investments that have significant implications for business.

(5) Other bodies advisory to the President & CEO
・A Group CSV Committee with jurisdiction over CSV activities for the entire Group has been set up, as well as a Group Risk and Compliance Committee with jurisdiction over risk management and compliance, thus promoting the entire Group's efforts.
*(Note) CSV: Creating Shared Value (CSV) is a management concept of taking on social issues to create social value, while sustaining the growth of the Group.
・Additionally, an Information Disclosure Committee has been set up as an advisory body for decisions relating to information disclosure to stakeholders and investors, to improve management transparency through the promotion of timely, fair and impartial disclosure.

(6) Accounting audit system
・The Company's Independent Accounting Auditors for the fiscal year 2018 were Messrs. Hiroto Kaneko, Shoichi Hattori, and Makoto Yamada from KPMG AZSA LLC. The length of the auditors' service for the Company was 4 years (Mr. Kaneko), 3 years (Mr. Hattori), and 6 years (Mr. Yamada), respectively. Under the authority of the three aforementioned certified public accountants, 18 certified public accountants and 38 others supported the consolidated accounting audit work for the fiscal year 2017.

3. Reasons for Adoption of Current Corporate Governance System <Updated>

・The Company adopts a pure holding company structure as a means of controlling its diverse and global business, which is centered on alcoholic beverages, non-alcoholic beverages, pharmaceuticals and bio-chemicals. As a pure holding company, the Company will take on the role of devising and implementing the Group's overall strategies, monitoring individual businesses, and creating synergy through coordination across the Group.
・Individual Group companies will conduct their business autonomously with a sense of speed, while maintaining close ties to the local customers and other stakeholders. The Company will grant appropriate

authority to match the strategic stages of individual Group companies, and will improve governance through the Boards of individual Group companies by dispatching Directors of the Board to said main companies. Directors of the Board or Executive Officers of the Company will serve concurrently as directors at the main companies in the Group.

- The Company adopts a company with Audit & Supervisory Board system, and aims to maintain and improve on a highly transparent governance for its stakeholders. The Board, which includes a number of Outside Directors, will work closely with the Audit & Supervisory Board, which also includes a number of Outside Audit & Supervisory Board Members, and make effective use of the statutory and some other auditing function to take final decisions on important matters. At the same time, the Board will endeavor to reinforce the monitoring function on management.
- The Company introduces 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 will establish the scope of the responsibility of Executive Officer based on experience, performance and specialization in their respective field.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

<Updated>

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The convocation notice of the Ordinary General Meeting of Shareholders is mailed approximately three weeks in advance of the date of the Ordinary General Meeting of Shareholders. The Company also publishes the information on the Company's website before the mailing date. In 2019, the convocation notice was published on the website on February 25 and mailed to shareholders on March 5. Japanese version: https://www.kirinholdings.co.jp/irinfo/event/soukai.html English version: https://www.kirinholdings.co.jp/english/ir/event/meeting.html
Scheduling AGMs Avoiding the Peak Day	-
Allowing Electronic Exercise of Voting Rights	Shareholders may exercise voting rights via the Internet.
Participation in Electronic Voting Platform	The Company has been participating in an electronic voting platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English	The Company prepares the English translation (full text version) of the convocation notice of the Ordinary General Meeting of Shareholders and publishes it on the Company's website the same day that the original Japanese version is released.
Other	The results of the exercise of voting rights are released on the Company's website shortly after the Ordinary General Meeting of Shareholders.

2. IR Activities <Updated>

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The Company's Disclosure Policy includes not only the basic policy, but also the method of information disclosure, the cautionary statement with respect to the forward-looking statement, non-disclosure of information on business performance over an undisclosed fiscal period, and the quiet period, and is published on the Company's website. https://www.kirinholdings.co.jp/english/ir/policy/disclosure.html
Regular Investor Briefings for Individual Investors	Since the fiscal year 2002, the Company has held seminars for individual investors several times a year, mainly by participating in seminars hosted by securities companies, with Executive Officer in charge of IR and staff members of the IR Section presenting the information. In fiscal year 2018, the Company has held factory tours for individual shareholders.
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds meetings for analysts from securities companies and institutional investors at different times including at the announcement of the financial results (second-quarter financial results/year-end financial results) and that of important management matters such as the Medium-Term Business Plan and Long-Term Management Vision, with the President & CEO and Executive Officer in charge of IR as presenters. The Company also holds telephone conferences at the announcement of the

	financial results (including first- and third-quarter financial results) and on other occasions as necessary. Furthermore, the Company releases on-demand videos for institutional investors including those based overseas who are unable to attend the meetings in Japan in person.
Regular Investor Briefings for Overseas Investors	The President & CEO and Executive Officer in charge of IR go on visits to institutional investors based overseas and the Company participates conferences and local meetings one to two time(s) a year in major cities in Europe, the United States, and Asia.
Posting of IR Materials on Website	The Company has been enhancing and expanding the content of the IR website page, and regularly uploads a range of materials including financial results, information that needs to be disclosed in a timely manner, various press releases, presentation documents, securities reports, quarterly financial reports, convocation notices of the Ordinary General Meeting of Shareholders, and Kirin Reports, basically both in the Japanese and English languages. Furthermore, the Company has created webpages for individual investors and posted videos to explain financial results, etc.
Establishment of Department and/or Manager in Charge of IR	The five staff members of the Corporate Communications Department IR Section are in charge of the Company's IR. CFO also serves as the Executive Officer in charge of IR.
Other	In principle, all information for disclosure to investors is translated into English, and listed on the Company's website at the same time as, or shortly after, disclosure of the corresponding original Japanese documents. IR site (in English): https://www.kirinholdings.co.jp/english/ir/index.html

3. Measures to Ensure Due Respect for Stakeholders <Updated>

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company demonstrates its respect for the position of stakeholders by establishing various policies and guidelines, including its corporate philosophy, "Group Human Rights Policy", "Group Compliance Guidelines", employment regulations, Group quality policy, basic policy on Group procurement, and Group CSR procurement guidelines. The Company also participates in the United Nations Global Compact and is putting in place initiatives to achieve its principles. In addition, The Company ensures that the principles permeate throughout the Company through the intranet and internal training, etc. to keep everyone informed.
Implementation of Environmental Activities, CSR Activities etc.	・In the KV2027, the Group has positioned CSV unique to the Group as strategic framework. The Group aims both at addressing social issues and at providing value to consumers. Through CSV it endeavors to create both economic and social values. ・The Group assumes six stakeholder groups: consumers, shareholders and investors, employees, communities, business partners and the environment. Keeping in mind that the cooperation of these stakeholders will be essential, the Group will create new value together with all of its stakeholders in the process of turning the 2027 Vision into a reality. Our CSV Purpose: https://www.kirinholdings.co.jp/english/csv/purpose/ Our CSV Commitment: https://www.kirinholdings.co.jp/english/csv/materiality/commitment.html

	Kirin Group Long-Term Environmental Vision: https://www.kirinholdings.co.jp/english/csv/env/report/vision.html
Development of Policies on Information Provision to Stakeholders	The Company provides information externally through its disclosure policy. In addition, the Information Disclosure Committee of the Company, an advisory body for decision-making about disclosure to shareholders and investors, has the function of improving management transparency through the promotion of timely, fair, and impartial disclosure of information.
Other	Promotion of diversity ・ As a globally active corporation, the Company understands that diversity in terms of its employees' nationality, race, gender, value, mentality and skills leads to innovation, and will hire and train a diverse workforce. In Japan, the Company will promote the Kirin Women's Network - an internal organization that proactively supports participation and network development by women in the workforce - as well as other initiatives in support of working women, and will create the conditions and opportunities for women to play a greater role. Diversification of decision-makers ・ In the belief that diversity is a source of innovation, the Company aims to secure a diversity of people at the decision-making level and, as the first step towards achieving this goal, has appointed female officers in key Group companies in Japan. < Number of female officers > ・Directors of the Board: Kyowa Hakko Kirin Co., Ltd. (1) ・Audit & Supervisory Board Member: the Company (2) (As of April 1, 2019) Promoting the active participation of female employees ・ In October 2006, “Kirin Positive Action” was established and an internal organization called the “Kirin Women’s Network (KWN)” was launched in order to proactively support female employees and to promote networking among women. Furthermore, in 2013, “KWN2021,” a long-term plan for promoting female employees’ active participation, was established, setting a goal for the number of female leaders. Through this initiative, both top-down (developing the corporate organization and environment) and bottom-up (raised awareness of female employees) approaches have been put in place to achieve the target. ・ Initiatives such as systems and programs (including changes in working style and awareness of male workers based on the concept of the gender division of labor by that is deeply rooted in society as a whole) necessary to support female employees during life events (e.g., marriage and childbirth) have been put in place as part of the top-down approach, while various career-enhancing and leadership training programs for female employees to increase motivation for work and raise awareness of on-going self-development constitute part of the bottom-up approach. < Number and ratio of female leaders* > ・Alcoholic and non-alcoholic beverage businesses in Japan + Kyowa Hakko Kirin Co., Ltd. (267, 8.8%) ・Alcoholic and non-alcoholic beverage businesses in Japan (163, 7.6%) (As of April 1, 2018) *Female leaders include female employees with the titles of departmental director, section chief, or section sub-chief ・ The Company will take action to increase the ratio of female leaders,

	currently the 7% level, to 12% by 2021. The Company also aims to develop a corporate environment where not only female but also male employees from a range of backgrounds can exercise their strengths in the workplace.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development <Updated>

1. Basic policy for the internal control system

The Board has made a resolution on the fundamental principles of a system (an internal control system) to ensure appropriate performance of duties within the Kirin Group.

(1) System to ensure compliance of performance of duties by the Group Directors, etc.* and employees with laws and the articles of incorporation ("Compliance System")

* Directors, etc. refers to Directors of the Board, Executive Officers and other business administrators. Also hereinafter in this basic policy for the internal control system only.

The Company Directors of the Board shall establish basic policy on the compliance of the Group and promote the policy by maintaining an organization and provisions to execute the policy and integrating them with the activities in each the Group company. In addition, the Directors of the Board shall carry out educational programs on compliance, clarify procedures concerning responses to breaches of compliance, and make those procedures well-known within each Group company. The Kirin Holdings Internal Audit Department (including internal audits at each Group company) shall carry out internal auditing to ensure that these systems are properly developed and applied.

Also, the Directors of the Board shall establish an internal control reporting system to ensure reliability of the financial reports and conduct their operation and evaluation effectively and efficiently.

(2) System to ensure the proper preservation and maintenance of information regarding the performance of duties by the Company Directors of the Board ("System of Information Preservation and Maintenance")

The Company Directors of the Board shall preserve the following documents (including electromagnetic records) together with the related materials for at least ten (10) years and make them available for inspection as necessary.

- Minutes of general meetings of shareholders
- Minutes of the Board meetings
- Minutes of the Group Executive Committee meetings and other significant meetings
- Approval applications (approval authority of General Manager and above)
- Financial statements, business reports, and their detailed statements

(3) Regulations and other systems related to the control of the risk of the Group loss ("Risk Management System")

The Company Directors of the Board shall establish basic policy on the risk management of the Group and promote the policy by maintaining an organization and provisions to execute the policy and integrating them with activities in each Group company. In addition, the Directors of the Board shall carry out educational programs on risk management, clarify procedures concerning the disclosure of risks and responses to the occurrence of crises, and make those procedures well-known within each Group company.

The Kirin Holdings Internal Audit Department (including internal audits within each Group company) shall carry out internal auditing to ensure that these systems are properly developed and applied in each Group company.

(4) System to ensure the efficient performance of duties by the Group Directors, etc. ("Efficient Performance System")

The Company Directors of the Board shall maintain a management control system comprising the following items to ensure the efficient performance of duties by Group Directors, etc.

- In addition to Board meetings, the Group Executive Committee shall be organized to deliberate significant matters affecting the entire Group, thereby ensuring that decisions are reached carefully based on considerations of multi-dimensional aspects.
- Along with the appointment of Executive Officers, who are responsible for business administration at the Company, as necessary the Company shall dispatch Directors of the Board to each Group company to oversee appropriate and efficient performance of duties and decision making.
- Ensure appropriate and efficient performance of duties according to the limits of authority and decision-making rules based on the Regulations on Work Authority.
- Establish quantitative and qualitative targets in the annual plan by business category and monitor

performance, including quarterly monitoring at each Group company.

(5) System to ensure appropriate operations including a system for reporting performance of duties by the Company Directors, etc. ("Group Internal Control System including Reporting Performance of Duties")

In order to ensure appropriate operations including reporting performance of duties by the Group Directors, etc., the Company Directors of the Board shall establish rules and standards to be applied to each Group company, including the following items, and carry out operation in compliance with these rules and standards.

- Items related to the governance and monitoring of each Group company
- Items related to guidance and management concerning the maintenance of the internal control system for each Group company
- Items related to the communication system* linking the Group companies
- Items related to the Group internal auditing system operated by the Kirin Holdings Group Internal Audit Department

* The system to share information within the Group, the compliance hotline system, and other related items.

(6) Items regarding assignment of employees as support staff for the Company Audit & Supervisory Board Members when Audit & Supervisory Board Members request support staff (hereinafter in this basic policy for the internal control system only, "Audit & Supervisory Board Member System")

The Company's Directors of the Board shall assign employees as support staff for the Company Audit & Supervisory Board Members.

(7) Items related to the assurance that employees assigned as support staff as mentioned in the preceding provision remain independent from the Company Directors of the Board and to ensure the effectiveness of directions by the Company Audit & Supervisory Board Members to these employees

In order to ensure independence from the Company Directors of the Board of the employees assigned as support staff as mentioned in the preceding provision, the consent of the Company Audit & Supervisory Board Members shall be required for any decision related to personnel affairs, including the appointment, transfer and assessment of such employees. Such employees shall not simultaneously assume any other appointment related to the operation of business and shall only follow instructions of the Company Audit & Supervisory Board Members.

(8) System to ensure reporting to the Company Audit & Supervisory Board Members by the Group Directors, Audit & Supervisory Board Members and employees

The Company Directors of the Board shall report to the Company Audit & Supervisory Board Members on matters specified by the Audit & Supervisory Board Members in advance in accordance with the provisions of Audit & Supervisory Board Members' audit standard of the Company. Principal items are as follows.

- Any matter that may cause material damage to any Group company, when the Audit & Supervisory Board Members find such a matter
- Legal matters that require the consent of Kirin Holdings Audit & Supervisory Board Members
- The status of maintenance and application of the Group's internal control system

Notwithstanding the items listed above, the Company Audit & Supervisory Board Member may request the Directors of the Board, Audit & Supervisory Board Members and employees of each Group company to report on other matters any time as necessary.

The Directors of the Board, Audit & Supervisory Board Members, and employees of each Group company (including those who receive reports from these Directors of the Board, Audit & Supervisory Board Members and employees) may directly report matters that they judge to be appropriate to the Company Audit & Supervisory Board Members in order to ensure appropriate performance of duties at each Group company.

The Company Audit & Supervisory Board Members shall receive an update each quarter on the operation of the internal reporting system. Also, where they personally feel it is necessary, they can immediately report on the operation of the said system.

(9) System to ensure that someone who makes a report to the Audit & Supervisory Board

Members as outlined in the preceding provision are not subjected to unfair treatment. The Company Directors of the Board have prepared common regulations for the Group worldwide to ensure than someone who makes a report to the Directors of the Board as outlined in the preceding provision is not subjected to unfair treatment for this reason, and shall make those procedures well-known within each Group company.

(10) Policy for pre-payment or reimbursement of expenses incurred in the performance of the Company Audit & Supervisory Board Members' duties

After discussions with the Company Audit & Supervisory Board Members, the Company Directors of the Board have deemed that expenses incurred in the performance of the Company Audit & Supervisory Board Members' duties shall either be pre-paid or reimbursed.

(11) Other systems to ensure effective auditing by the Company Audit & Supervisory Board Members

The Company Audit & Supervisory Board Members shall hold a regular meeting with the Company Directors of the Board and Outside Directors for the exchange of opinions.

Also, the Company Directors of the Board shall establish systems to ensure effective auditing by the Company Audit & Supervisory Board Members. This will include ensuring that the Company Audit & Supervisory Board Members have the opportunity to attend the meetings of each Group company, at the request from the Company Audit & Supervisory Board Members.

2. Establishment of the internal control system

The Company has steadily developed the internal control system, and has been working on continuous improvement.

2. Basic Views on Eliminating Anti-Social Forces

1. Basic view on the subject of eliminating anti-social forces

・ For the Group, compliance goes beyond the level of simply observing laws and ordinances, and is defined as follows: "Each Kirin Group company and their employees will observe laws and ordinances and all internal and external rules and regulations, uphold social norms, fulfill legal obligations and social ethical responsibilities, and thereby prevent unexpected losses and loss of credibility and maintain and increase stakeholders' trust in Kirin Group." Under the scope of compliance, the Group undertakes specific initiatives to eliminate any connections with anti-social forces in its everyday corporate activities.

2. Initiatives to eliminate anti-social forces

(1) Code of conduct

・ The code of conduct that each Group company and its employees must observe, "Kirin Group Compliance Guidelines", has been established, which discusses the elimination of all connections with anti-social forces.

(2) Internal systems and programs

・ The Company has designated a department responsible for handling unjustifiable requests from anti-social forces on an ongoing basis, and has appointed a person responsible for preventing such unjustifiable requests. Meanwhile, the Company obtains relevant information in cooperation with expert external organizations such as the police, the National Center for the Elimination of Criminal Organizations, and lawyers. All employees of Group companies also receive annual training on the Compliance Guidelines mentioned above.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

The Company does not employ any anti-takeover measures; in cases where the Company's shares are purchased in a takeover bid, the Board will ask the bidder for an explanation of measures for boosting the Group's corporate value, and will promptly disclose its view on the bid.

2. Other Matters Concerning to Corporate Governance System <Updated>

Overview of internal system with regard to the timely disclosure (information disclosure system)

・The Company has the following internal system with regard to the timely disclosure of corporate information.

1. Basic principle/view on the subject of the timely disclosure of corporate information and its dissemination to all employees

(1) As “integrity” is included within the “One Kirin” Values defined by the Company as shared values across all Group employees worldwide, the Group aims to become a group of trusted companies. The six common stakeholders within the Group are Consumers, Communities, Business Partners, Employees, Shareholders/Investors, and the Environment.

(2) The Company positions its proactive efforts towards disclosure as part of corporate governance. As an overall guideline for the undertaking of information disclosure to stakeholders such as Shareholders/Investors and Consumers, the Company has established the Disclosure Policy (see Attachment A for details), which is available on the Company website.

(3) The Company has established the “Kirin Group Compliance Guidelines” as the minimum necessary standards of behavior that must be observed by each Group company and its employees. The section “Disclosure of Management Information” under “Relations with Shareholders and Investors” in the Guidelines outlines the need to “disclose financial and business activities and conditions and other company management information to stockholders and investors timely and accurately, clearly convey company management philosophy and policies, and earnestly respond to related opinions and criticisms.”

(4) The section stipulating the “Prohibition of Insider Trading” found under “Relations with Shareholders and Investors” in the Guidelines calls for the officers and employees of the Company and consolidated subsidiaries to observe the “Group Insider Trading Prevention Regulations.”

・Based on the above-mentioned standards and codes of conduct, each responsible department (Corporate Strategy Department for the “Kirin Group Compliance Guidelines” and Legal Department for the “Insider Trading Prevention Regulations”) conducts information sessions within the Group in order to fully inform and educate Group employees. Meanwhile, the Company also takes efforts to achieve the timely disclosure of corporate information under the following internal systems.

2. Gathering of information

(1) Information about matters that have been decided

・Information about matters that have been decided, upon deliberation and decision-making at Board meetings, is submitted to and managed by the general manager of Corporate Communications Department; and information about matters that have been decided regarding subsidiaries is submitted through responsible departments to and managed by the general manager of Corporate Communications Department.

(2) Information about matters that have taken place

・Information about matters that have taken place is communicated by various departments within the

Company (or responsible departments if such information is regarding subsidiaries) to Corporate Communications Department and IR Section without delay, and further gathered to the general manager of Corporate Communications Department. In some cases, the information is provided to Corporate Communications Department and IR Section via the Group Risk and Compliance Committee, upon deliberation and decision-making at Board meetings. Meanwhile, a contact person for each department is appointed in either Corporate Communications Department and IR Section to enhance such information gathering.

(3) Information about financial results/forecasts

・ Information concerning financial results/forecasts is deliberated and finalized at Board meetings, and then submitted to and managed by the general manager of Corporate Communications Department. The scope of disclosure of information concerning financial results/forecasts is explored by the Group Information Disclosure Committee.

(4) Important information (in accordance with Article 27-36 of the Financial Instruments and Exchange Act of Japan; henceforth "material information")

・Information that may fall under the category of material information is reviewed and decided by the Group Information Disclosure Committee, and when it is disclosed, it is gathered to the general manager of Corporate Communications Department and reported to the Board. ; and if material information is needs to be disclosed promptly, it is disclosed after the decision of the chairperson of the Group Information Disclosure Committee (CFO) and subsequently reported to the Board.

3. Decisions about information disclosure and disclosure procedures

・ The Company has defined its "Corporate Disclosure Policy" as the overall guidelines for disclosing information. Meanwhile, it has established the Group Information Disclosure Committee as an advisory board for business execution, which discusses, judges and makes decisions on the materiality and necessity of disclosing the information in a timely manner (see Attachment B for details).

(1) IR Section is responsible for making the basic decision as to whether information gathered by the general manager of Corporate Communications Department from different departments falls into the category of requiring timely disclosure or material information.

(2) In case it needs to be determined whether certain information falls into the category of timely disclosure items or material information, or in case the necessity of disclosure of particular information, among voluntary disclosure items or material information, needs to be determined, the Group Information Disclosure Committee commissioned by the President & CEO makes a final decision; and then the chairperson of the Committee reports its final decision to the President & CEO if necessary. However, the case described in (3) below is excluded from the above-mentioned process.
As for timely disclosure items, the information is disclosed to the TSE and on the Company's website. As for material information, the Group Information Disclosure Committee deliberates and decides on the method of disclosure.

(3) Concerning information which is judged as especially important by the Group Information Disclosure Committee, the chairperson of the Committee reports to the President & CEO with the outcome of the deliberation at the Group Information Disclosure Committee.

・ Once disclosure deemed necessary through the above-mentioned processes (1) to (3), the Group Corporate Communications IR Section promptly takes necessary procedures to disclose the information.

4. Monitoring of disclosure

・ Audit & Supervisory Board Members and the general manager of the Internal Audit attend Group Information Disclosure Committee meetings as observers and monitor the disclosure of important information deliberated at the Group Information Disclosure Committee from an independent and objective standpoint.

5. Other

(1) Features of the Company regarding information disclosure

・ The Group consists of 171 consolidated subsidiaries and 29 affiliates accounted for by the equity method (as of December 31, 2018), and the scope of information-gathering is extensive.

(2) Handling of disclosure risk

・To avoid arbitrary judgements by Corporate Communications Department or IR Section, information-sharing mechanisms and checks and balances have been put in place among Corporate Communications, IR section and other relevant departments including Legal Department. Information for which the necessity of disclosure is unclear is reported to the Group Information Disclosure Committee for its deliberation.

(3) Educating about the disclosure of information

・As described above 1., each responsible department (e.g. Corporate Strategy Department for “Kirin Group Compliance Guidelines” and Legal Department for “Group Insider Trading Prevention Regulations”) conducts internal education sessions to inform and educate about the disclosure of information.

Attachment A: Disclosure Policy

Kirin Holdings (hereinafter the "Company") endeavors to ensure transparency, fairness and continuity in disclosing information to shareholders and investors on a timely basis. In order to ensure transparency and fairness of information disclosure, the Company will be thorough in implementing its system for managing information, provide information in Japanese and English, and establish a "quiet period" as outlined in Section 4.

The Company discloses information in accordance with the Financial Instruments and Exchange Act of Japan and other applicable ordinances (hereinafter the “FIEA”) as well as the Securities Listing Regulations and other applicable regulations (hereinafter “TSE regulations”) enforced by the Tokyo Stock Exchange (hereinafter the “TSE”). In addition, as necessary and upon deliberation by the Group Information Disclosure Committee*, the Company makes available other information that it believes to be effective in ensuring a better understanding of the Group, and, in particular, the Company proactively and promptly provides financial and non-financial information concerning the improvement of corporate value over the medium to long term.

Terms used in this Policy are defined and interpreted as specified in the FIEA or TSE laws or regulations.

* The Group Information Disclosure Committee refers to the executive committee which was established and appointed by President & CEO, and deliberates and decides on the importance of information and necessity for disclosure from the perspective of providing shareholders/investors with useful information.

1. Method of Information Disclosures

In case it is necessary to make timely disclosure as specified in TSE regulations, the Company discloses such information through the Timely Disclosure Network (hereinafter “TDnet”) operated by the TSE after delivering an advance briefing to it, and promptly provides the same information to the news media and posts it on the Company's website without delay.

In the event where an officer or employee of the Company (limited to a person in charge of communicating information to trade-related parties (torihiki kankeisha)) communicated or is likely to have communicated material information (juyo jyohou) pursuant to the FIEA in connection with its business, only to a certain business contact(s), the Company will promptly take necessary measures, including public disclosure on the Company’s website, upon a decision of the Group Information Disclosure Committee. However, even if the communicated information falls under the category of material information, if immediate public disclosure of the information is considered to be inappropriate, the Company might refrain from disclosing the information for a certain period of time, provided that the Company and a disclosed party/parties conclude an agreement stipulating confidentiality and other obligations including the prohibition of trading stocks of the Company.

2. Earnings Forecast and Forward-Looking Statements

Statements publicly available on the Company's website with respect to the Group's plans, earnings forecast, and strategies as well as those of its affiliated companies, that are not historical or current facts, are forward-looking statements about the future performance of the Group. These statements are based on management's assumptions and beliefs in light of the information available at the time of the statements.

Actual results may differ materially from those discussed in the forward-looking statements due to changes in various risks and uncertainties as well as economic conditions.

3. Disclosure of Information on Business Performance over an Undisclosed Fiscal Period

The Company does not disclose information on the business performance over any undisclosed fiscal

period (quarterly/full-year), regardless of the nature of the information (quantitative or qualitative) and the method of disclosure (oral, written, or electronic).

If, exceptionally, there is any information to disclose, the Company discloses it on the Company's website and answers questions, etc., only within the scope of the disclosed information.

4. Quiet Period

The Company has a "quiet period" that extends from the day following the end of a fiscal period to the day of an earnings announcement for that fiscal period to maintain transparency and fairness of information disclosure as well as to ensure that any information leaks on the business performance over an undisclosed fiscal period are prevented.

During the quiet period, the Company does not respond to any requests for information gathering purposes. However, even during the quiet period, the Company answers questions about information which has already been disclosed, made public domain, or disclosed through TDnet during the quiet period.

Attachment B: Group Information Disclosure Committee

1. Purpose and positioning

This committee has been established as part of the Company's internal control system and as an advisory body for business execution, and makes the final decision on the disclosure of information (excluding the information deemed especially important by the committee). The committee deliberates, judges and makes a decision on the materiality of the information and the necessity of its disclosure in a timely manner. In addition, it is responsible for developing and establishing the Disclosure Policy, a basic policy on the appropriate disclosure of information.

2. Specific roles

(1) Establish the Disclosure Policy, inform and educate about the Policy
(2) Share information (matters that have been decided, matters that have taken place, and financial results) for timely disclosure based on the requirements of the Tokyo Stock Exchange, and decide on the scope of disclosure, etc.
(3) Decide upon the disclosure of matters for which disclosure is voluntary (e.g. risks and other matters to be under consideration for inclusion in the securities report/quarterly report)
(4) Make decisions on information for disclosure through the processes described in (2) and (3) above and report to the President & CEO (matters the committee deems especially important must be returned to the President & CEO)
(5) Take other necessary actions for Group companies regarding the disclosure of information (including giving instructions for implementing improvements to relevant departments within the Company and to Group companies)

*As to (2) and (3) above, discussions include decisions on information to be mentioned in documents such as the summary of consolidated financial results (including supplementary documents), securities report/quarterly report (only in Japanese), and the Kirin Report

3. Structure

(1) Chairperson: CFO
(2) Members: general manager of Corporate Strategy Department, general manager of Finance Department, general manager of Legal Department, and general manager of Corporate Communications Department
(Observers: Audit & Supervisory Board Members and general manager of Internal Audit)
(3) Working-level members: One to two person(s) from each department mentioned above (2)
(4) Secretariat: Corporate Communications Department IR Section

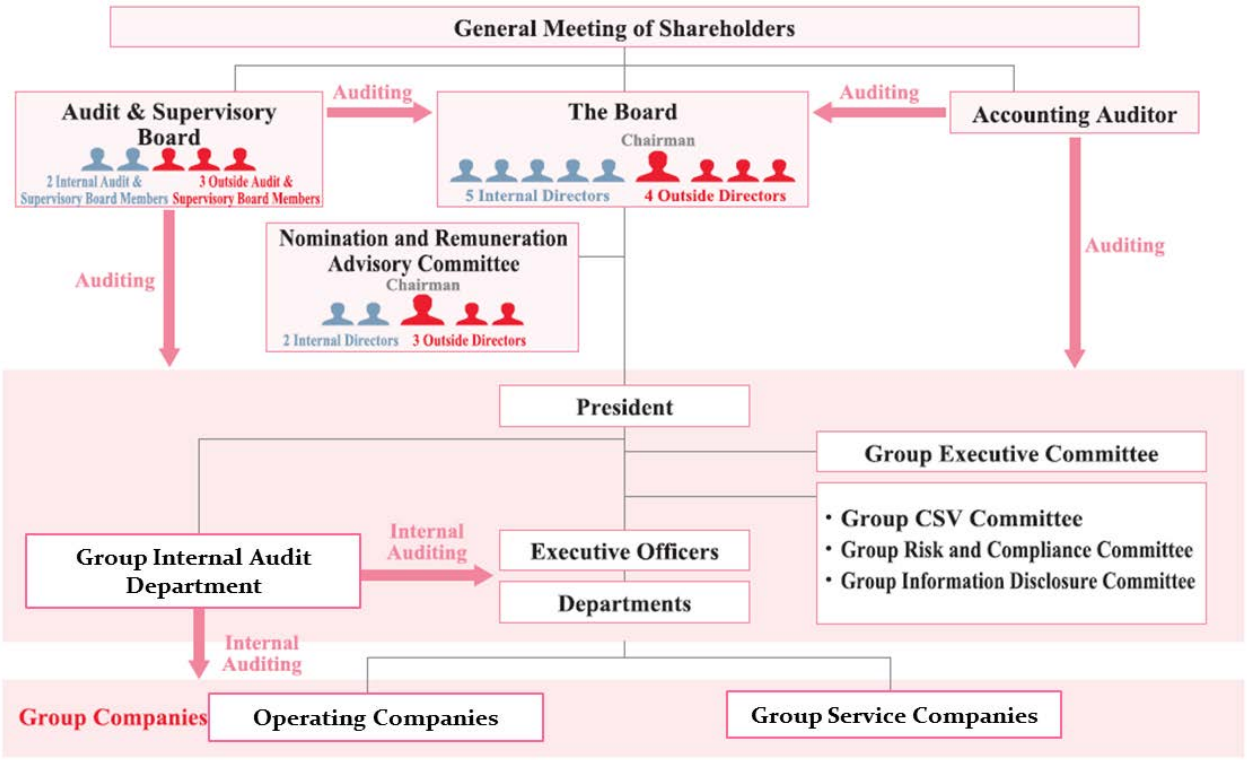
4. Meetings

Regular meetings are held in advance of the announcement of financial results (four times/year) and that of publications.
Extraordinary meetings are to be convened if necessary.

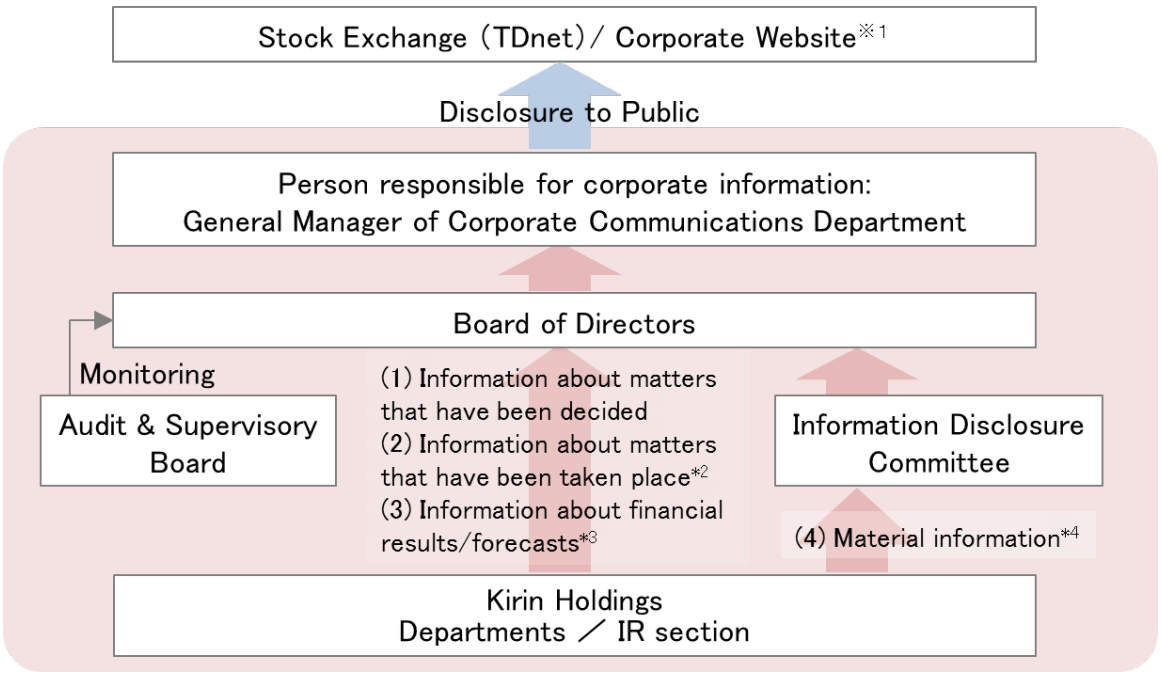
5. Other

The Committee must be aligned with the Company's internal control system; Specific roles mentioned in 2. above and other items are to be reviewed if necessary.

Corporate Governance Structure



Internal System with regard to the Timely Disclosure



＜Note＞

*1 Material information (Article 27-36 of the Financial Instruments and Exchange Act) may be disclosed only on the Company's website.

*2 Information relating to risk management among information about matters that have been taken place may be disclosed by the Chairman of the Group Risk and Compliance Committee (director in charge of risk management) and posted to the Board.

*3 Details and methods of disclosing Information about financial results/forecasts shall be discussed in the Group Information Disclosure Committee.

*4 If material information needs to be disclosed promptly, it may be disclosed by the Chairperson of the Group Information Disclosure Committee (CFO) and posted to the Board. From the above (4) material information, the above (1) information about matters that have been decided, (2) information about matters that have been taken place, and (3) Information about financial results/forecasts shall be excluded.