



CHAPTER

III

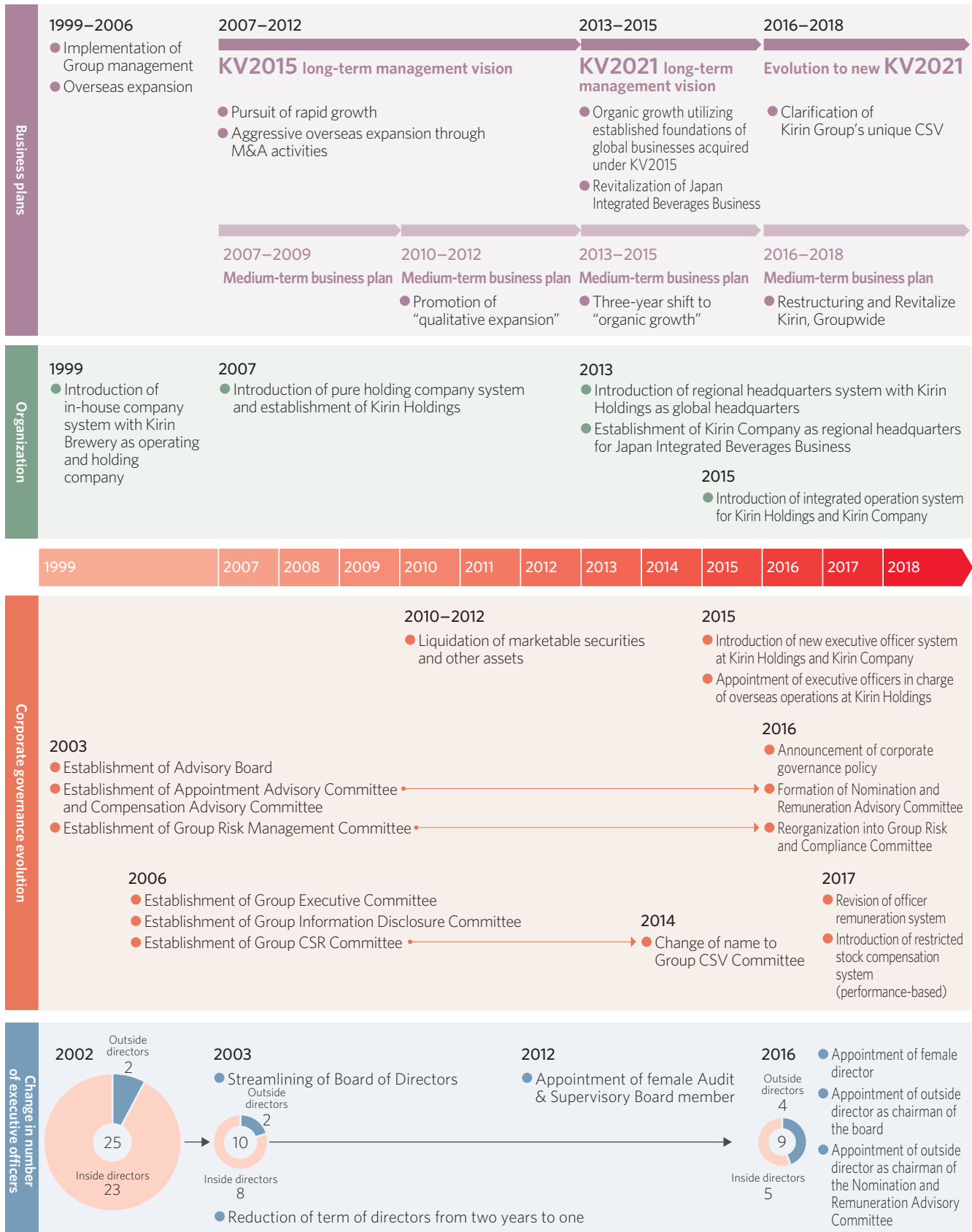
Corporate Governance

Basic view on corporate governance

In line with the Group's corporate philosophy and the "One Kirin" values that are shared across the Kirin Group, the Group believes that achieving the 2021 Vision outlined in its long-term management vision New KV2021 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 can effectively and efficiently reach that goal.

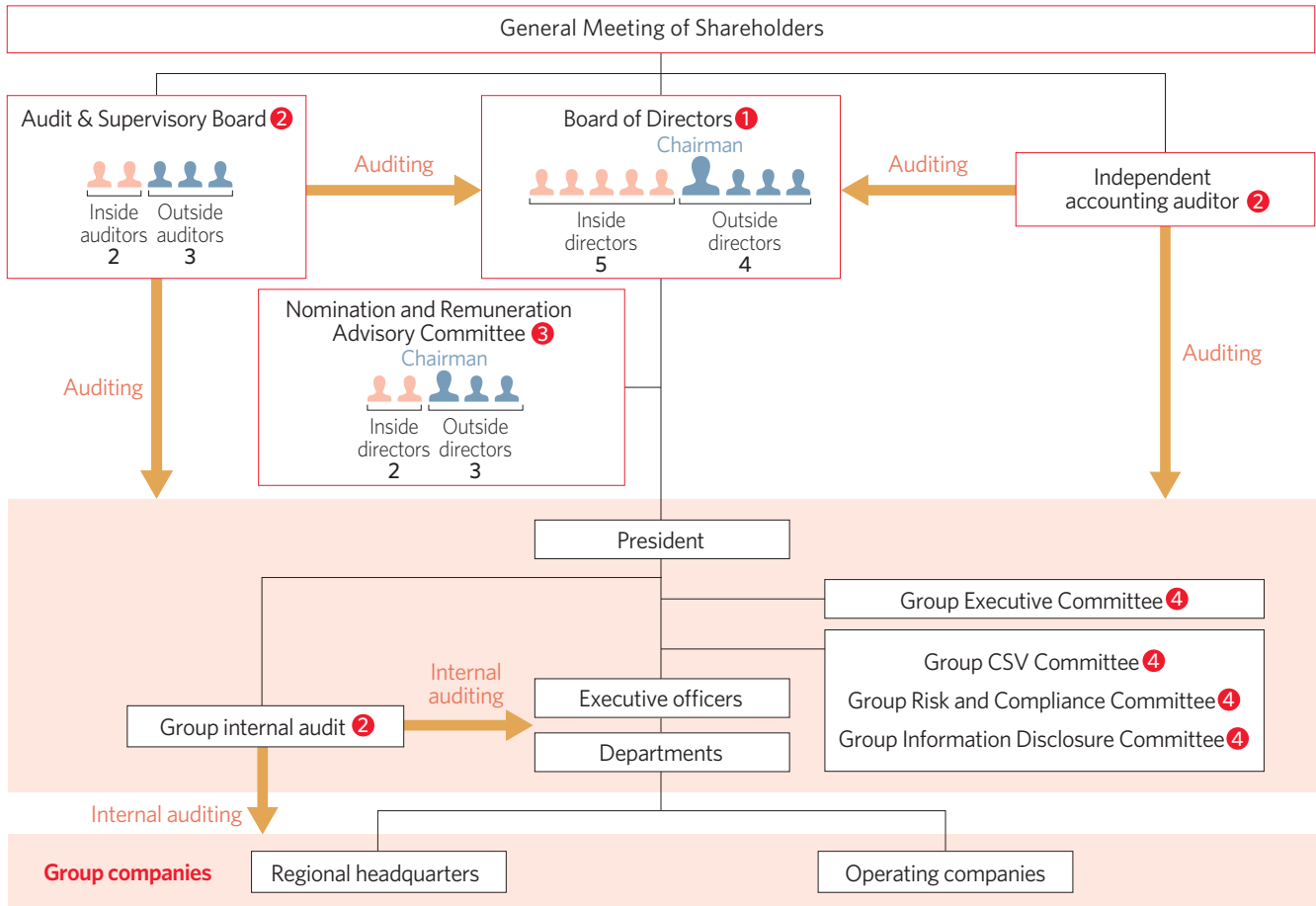
The Kirin Group believes that cooperation with its stakeholders will be indispensable to putting its corporate philosophy into practice and turn the 2021 Vision into reality, and therefore the Group respects its stakeholders' respective viewpoints. We will promptly disclose information to shareholders and investors based on transparency, fairness and continuity, actively engage in constructive dialogue, and fulfill accountability in good faith.

Evolution of corporate governance system



* Number of directors. Indicates the number as of April 1 of each year

Corporate governance organizational chart



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

By verifying the executive branch and operating company strategies and making sound recommendations from a broad-ranging view, we demonstrate "important decision-making" and "monitoring" functions and enhance corporate value over the medium to long term.

"Important decision-making" functions

- Focus on important matters and discuss them from a medium- to long-term management perspective
- Decision-making function is accelerated (delegation of authority to the executive branch)

"Monitoring" Functions

- Establish corporate governance policy and enhance monitoring
- Increase number of outside officers and exercise monitoring function from a specialized and objective standpoint

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

- In addition to the Audit & Supervisory Board, Audit & Supervisory Board members also attend important meetings including Board of Directors meetings, and audit directors' performance of their duties through visits to Group companies in Japan and overseas. Audit & Supervisory Board members also work closely with corporate auditors of Group companies to enhance the effectiveness of audits.
- The Group internal audit director (Internal Audit Division of Kirin Company, Limited) conducts internal audits of the Group's major risks and internal control system. Further, the Group internal audit director, Audit & Supervisory Board members, and independent accounting auditor exchange information and views and hold discussions when necessary. The group internal audit director and Audit & Supervisory Board members obtain necessary information by attending meetings of the internal control divisions and the independent accounting auditor interviews Internal Control Division staff as necessary to conduct an effective audit.

③ Advisory body to the Board of Directors

Nomination and Remuneration Advisory Committee: In 2016, Kirin Holdings unified the Appointment Advisory Committee and Compensation Advisory Committee to form the Nomination and Remuneration Advisory Committee. An advisory body to the Board of Directors, the committee is responsible for discussing from an objective and fair perspective the appointment and remuneration of directors, Audit & Supervisory Board members, and executive officers of major Group companies. The committee is also responsible for the Kirin Holdings CEO successor plan.

As for the composition of the committee, the chairman and the majority of committee members are outside officers, thus ensuring objectivity and transparency. The term of office is one year.

Outside directors: 👤 Kimie Iwata (Chairman), 👤 Shoshi Arakawa, 👤 Katsunori Nagayasu

Inside directors: 👤 Yoshinori Isozaki, 👤 Toshiya Miyoshi

④ Advisory bodies to the president

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

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

Group CSV Committee: 📖 Refer to page 35.

Group Risk and Compliance Committee: 📖 Refer to page 51.