



Kyowa Kirin Co., Ltd.

ESG Meeting

October 12, 2022

Event Summary

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|----------------------|---------------------|--|
| [Event Name] | ESG Meeting | |
| [Date] | October 12, 2022 | |
| [Number of Speakers] | 6 | |
| | Masashi Miyamoto | Representative Director, President and Chief Executive Officer |
| | Akira Morita | Independent External Director of the Board |
| | Yuko Haga | Independent External Director of the Board |
| | Wataru Murata | Senior Managing Executive Officer, Director, Human Resources Department |
| | Takeyoshi Yamashita | Managing Executive Officer, Head of Strategy Division |
| | Koichiro Ishimaru | Executive Officer, Corporate Social Responsibility Management Department |

Presentation

Moderator: We will now begin the ESG Meeting for Kyowa Kirin Co., Ltd.

Let me now introduce today's speakers. Masashi Miyamoto, President and Chief Executive Officer; Akira Morita, Independent External Director; Yuko Haga, Independent External Director; Wataru Murata, Senior Managing Executive Officer, Human Resources; Takeyoshi Yamashita, Managing Executive Officer, Strategy; and Koichiro Ishimaru, Executive Officer, CSR Management.



Agenda

| | | |
|---|--|-----------------------------------|
| Kyowa Kirin's value creation story Materiality, Improving access to medicines for rare diseases Unified team brimming with diversity Thriving global environment for future generations Sound governance system to support value creation | Representative Director of the Board, President and Chief Executive Officer | Masashi Miyamoto, Ph.D. |
| | Managing Executive Officer, Vice President, Head of Strategy Division | Takeyoshi Yamashita, Ph.D. |
| | Senior Managing Executive Officer, Director, Human Resources Dept | Wataru Murata |
| | Executive Officer, Director, Corporate Social Responsibility Management Dept | Koichiro Ishimaru |
| | Representative Director of the Board, President and Chief Executive Officer | Masashi Miyamoto, Ph.D. |
| Q&A | Representative Director of the Board, President and Chief Executive Officer | Masashi Miyamoto, Ph.D. |
| | Independent Outside Director and Chair of the Board | Akira Morita |
| | Independent Outside Director of the Board | Yuko Haga, Ph.D. |
| | Senior Managing Executive Officer, Director, Human Resources Dept | Wataru Murata |
| | Managing Executive Officer, Vice President, Head of Strategy Division | Takeyoshi Yamashita, Ph.D. |
| | Executive Officer, Director, Corporate Social Responsibility Management Dept | Koichiro Ishimaru |

Today, we will give a presentation following today's theme, and then we will have time to answer your questions. The maximum duration of the session will be 90 minutes.

Dr. Miyamoto, please go ahead.

Kyowa Kirin's Value Creation Story

Miyamoto: This is Miyamoto. Thank you all for taking time out of your busy schedules today to attend our ESG presentation.

Let me begin by explaining Kyowa Kirin's value creation story.

Our Philosophy and Core Values

OUR PHILOSOPHY

The Kyowa Kirin Group companies strive to contribute to the health and wellbeing of people around the world by creating new value through the pursuit of advances in life sciences and technologies.



Innovation

Transform lives with passion and excitement.
Challenge the status quo in all of our work.

CORE VALUES



Commitment to Life

Work for the most precious presence on this planet.
Create value for patients, caregivers, healthcare professionals, and customer.



Integrity

Do the right things.
Be sincere and ethical consistently.
Make a better world through good business practices.

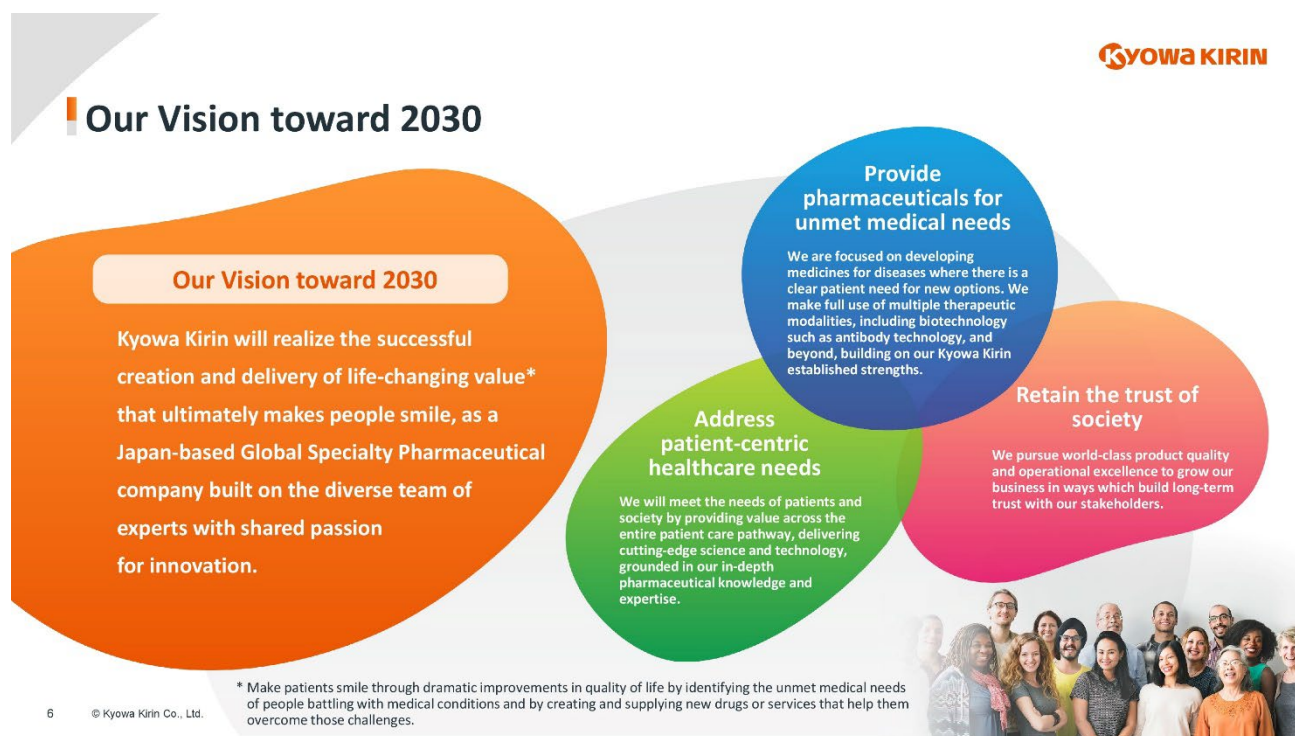


Teamwork/Wa

One for all, all for one.
Work in diverse teams and respect each other.
Go beyond boundaries and collaborate with stakeholders.

The Kyowa Kirin Group companies strive to contribute to the health and wellbeing of people around the world by creating new value through the pursuit of advances in life sciences and technologies. This is our philosophy.

We operate based on the Core Values of “Innovation,” “Integrity,” and “Teamwork/Wa,” with our core concept “Commitment to Life.”

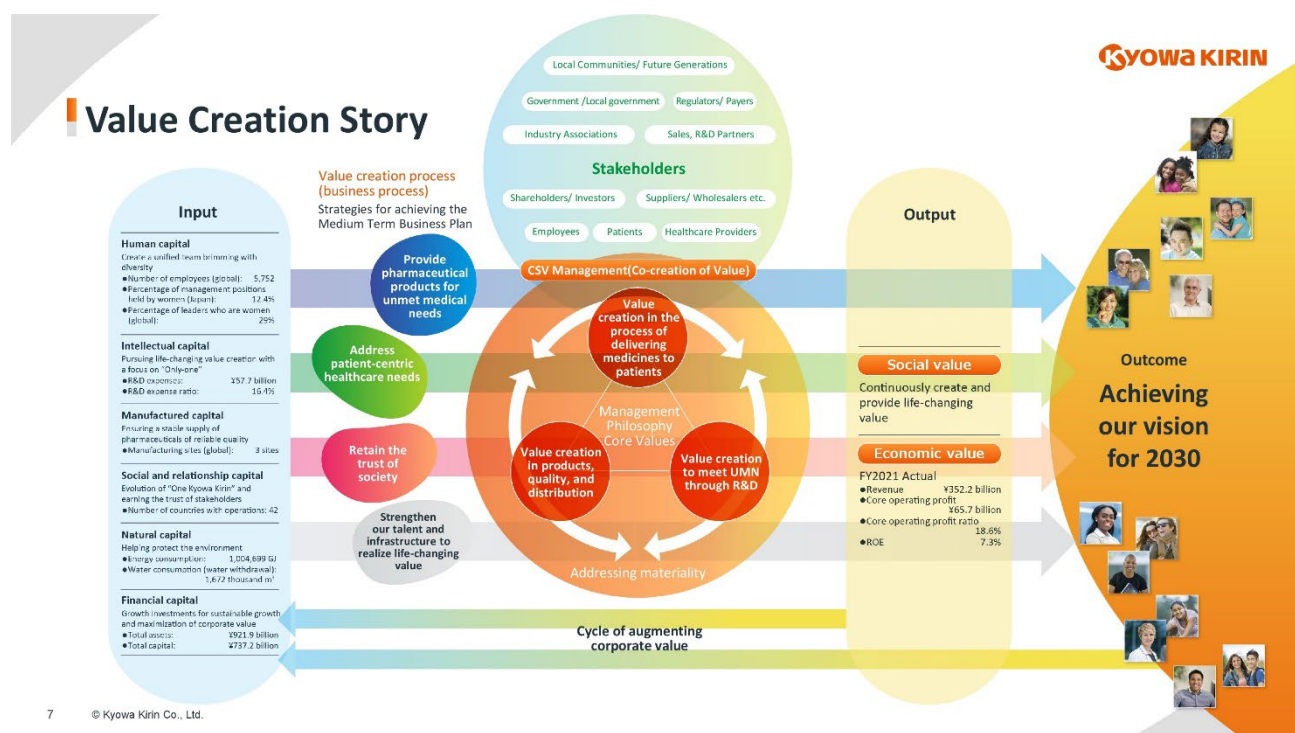


As part of our mid-term management plan starting in 2021, we have formulated a new vision toward the year 2030.

We thoroughly considered and discussed what values we should aim to deliver to society, and finally defined "life-changing value." By achieving this, we aim to "bring smiles" to patients, their families and healthcare professionals, as well as to all relevant stakeholders, including our employees.

People's lives and values are becoming more diverse, partly due to the impact of the new coronavirus pandemic. Patients' needs and values also vary depending on their diseases. We are committed to placing the patient at the center of our efforts, being close to them, and sincerely addressing their diverse needs, and will promote a variety of initiatives to meet them.

In particular, we will combine our experience, knowledge, and technology with cutting-edge science and technology to create medicines and services that meet unmet needs. Through these activities, we hope to achieve high product quality and operational excellence while further developing the trust of society.



As part of the value creation process to achieve our vision for 2030, we have formulated four strategies in this medium-term business plan. These are as follows: one, Providing pharmaceutical products for unmet medical needs; two, Addressing patient-centric healthcare needs; three, Retaining the trust of society, and four, Strengthening our talent and infrastructure to realize life-changing value.

To move forward with these strategies, we believe that the challenge of innovation aimed at creating new value is essential, and that the human and intellectual capital that supports this challenge is extremely important.

We believe that we can create new and added value by promoting innovative approaches not only in research and development, but also in manufacturing, quality, distribution, and other processes that deliver medicines to patients.

As we continue to expand our business globally, we aim to engage a diverse group of employees with different nationalities, genders, experiences, and skills, and to bring diverse personalities and a passion for innovation to every task.

We also believe that these diverse individuals can organically link together to create a unique organizational strength. We foster a corporate culture that overcomes individual and organizational barriers while practicing listening, speaking, and knowing each other well. Through these efforts, we will work to maximize our human capital.

Our goal is to develop our business by enhancing our ability to create value along with the development of science and technology. To this end, we are focusing on efforts to accumulate intellectual property commensurate with our objectives with our objectives by utilizing the latest science and technology not only with internal research but also with external academic and research institutions by deepening our collaboration.

Kyowa Kirin has built a value chain of research, development, and manufacturing, and sales. We started out in sales of innovative pharmaceuticals by creating biopharmaceuticals based on fermentation and by introducing cutting-edge biotechnology into it. It has been more than 30 years since we launched our first

biopharmaceutical product in 1990, and over that time we have built our own innovative antibody technologies and production technologies that have dramatically improved productivity.

We will continue aiming to create even more innovative pharmaceutical products by incorporating new cutting-edge science and technology into our established strengths.

We have three drug discovery laboratories in Machida, Mishima, and San Diego, California, and two production technology laboratories in Takasaki and Mishima, where our researchers are working day and night to create "life-changing value" by harnessing the most advanced science and technology.

We believe that the human capital I mentioned earlier, and this intellectual capital, are important sources of our competitiveness. Our value creation extends to improvements in manufacturing processes, quality, and distribution, using cutting-edge science and accumulated knowledge and experience.

Advances in science and technology have made it possible to understand diseases more deeply and to get a more accurate picture of what is troubling patients. In the process of dealing with patients through our products, we believe that there are opportunities for new value creation by strengthening our contact with patients to dig deeper into their needs. We will strengthen our efforts to put patients at the center of our efforts.

The value creation that we undertake throughout the value chain requires deeper cooperation and collaboration with related stakeholders, which will lead to solutions to social issues as well as to economic value for Kyowa Kirin. This is the CSV management we are pursuing.

To repeat, as the sum total of Kyowa Kirin's business activities, we aim to deliver new value to patients, especially by creating and providing what we call "life-changing value," which will turn around the lives of patients and other people facing illness, making them smile, and at the same time, making us smile. Our goal is to bring smiles to the faces of patients and other people facing illnesses, and at the same time to bring smiles to our own faces.

As explained earlier, to achieve our vision for 2030, our current medium-term business plan, up to 2025, is based on four strategies: "Providing pharmaceutical products for unmet medical needs," "Addressing patient-centric healthcare needs," "Retaining the trust of society," and "Strengthening our talent and infrastructure to realize life-changing value."

Strategy to Realize our Vision

- Maximize the value of global products
- Establish framework to ensure stable global supplies
- Build a drug pipeline to drive growth beyond 2025
- Launch services that go beyond pharmaceuticals
- Foster a corporate culture suited to global business development

Provide pharmaceuticals for unmet medical needs

- Maximize the value of G3B
- Continue to create groundbreaking new drugs

Address patient-centric healthcare needs

- Patient advocacy
- Provide value that goes beyond pharmaceuticals

Retain the trust of society

- Ensure stable supplies of high-quality pharmaceuticals
- Help to protect the global environment

Strengthen our talent and infrastructure to realize life-changing value

- Cultivate human resources
- Strengthen organizations
- Build digital platforms

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In promoting these initiatives, we have identified the following five key issues: Maximizing the value of global products, Establishing framework to ensure stable global supplies, Building a drug pipeline to drive growth beyond 2025, Launching services that go beyond pharmaceuticals, and Fostering a corporate culture appropriate for global business development.

This concludes my presentation on the framework of our activities in line with our value creation story.

Kyowa Kirin's initiatives for realizing a sustainable society and its business

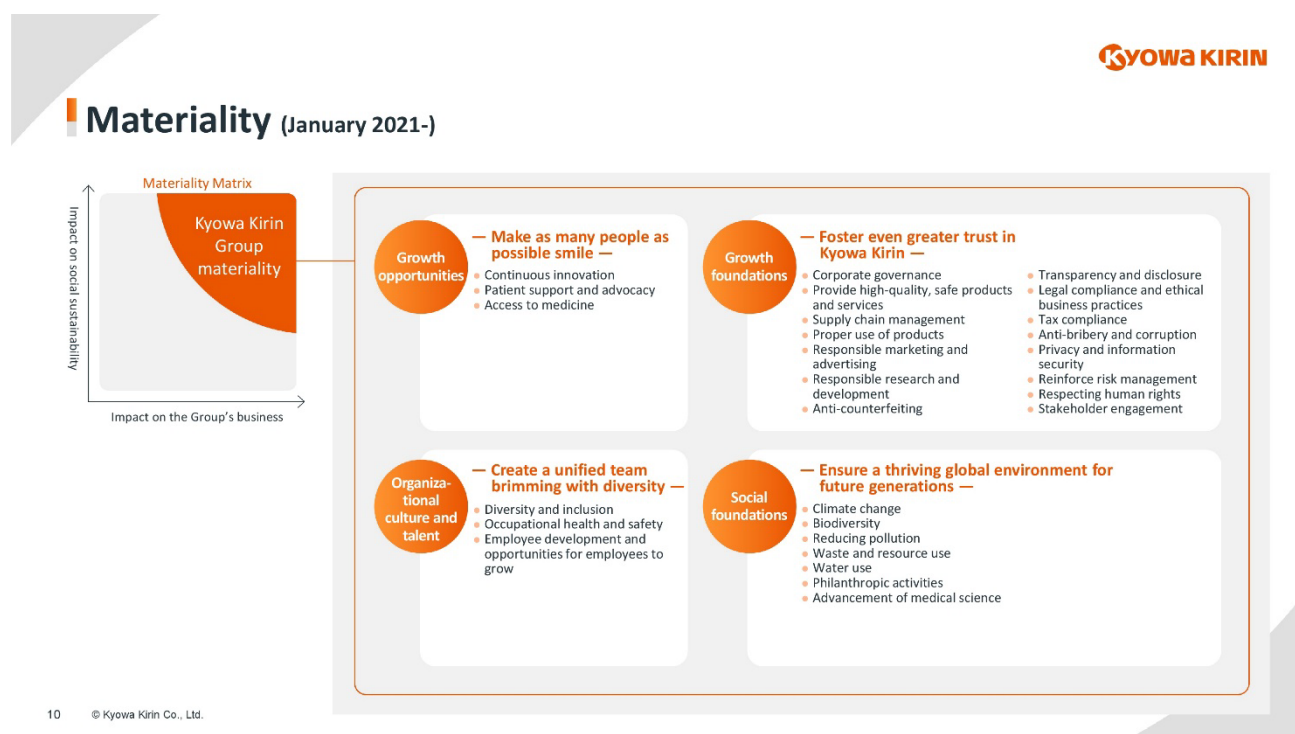
Materiality

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Yamashita: I am Yamashita, in charge of strategy. Thank you.

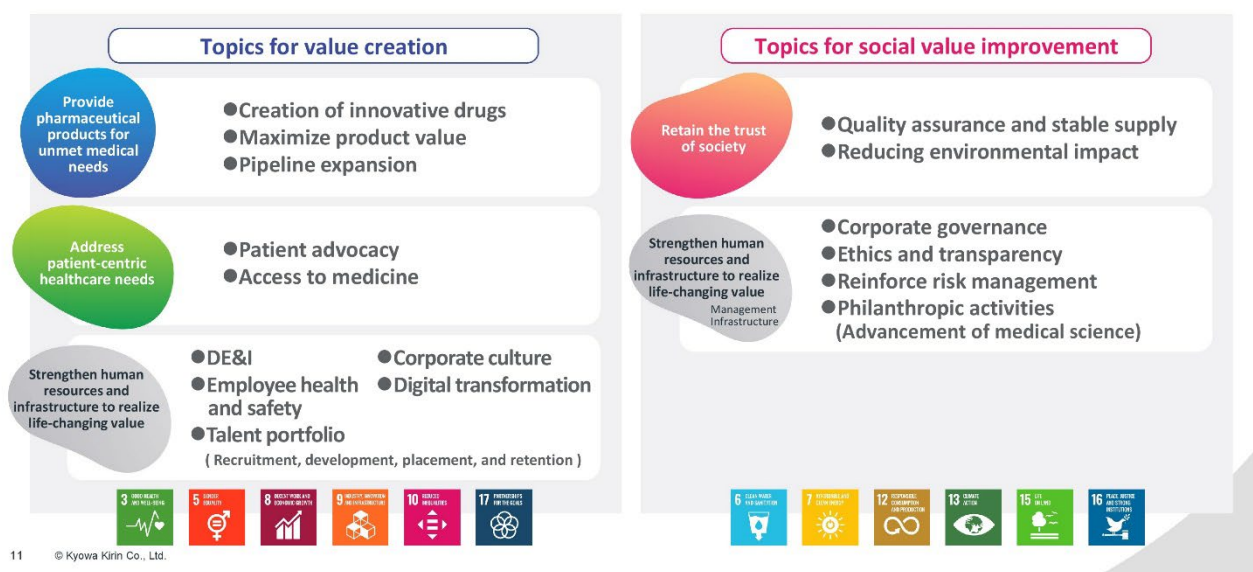
In formulating our 2021-2025 medium term business plan, we have considered materiality based on internal and external discussions and have identified 28 materiality that will have a significant impact on the sustainability of our group's business and society.



These have already been classified into four categories as shown here: Growth opportunities, Growth foundation, Organizational climate/human resources, and Social foundation. These are already posted in the annual report.

While these 28 items covered important business issues well, they seemed a bit all-around and difficult to understand in terms of relative importance. Therefore, we have reconsidered our materiality in light of our current situation going into 2023, the middle year of our mid-term management plan implementation.

Materiality (October 2022-)



Here is our materiality organized again. Based on the value creation story presented earlier, we have organized our materiality as a company that advocates “CSV management,” which aims to achieve both economic and social value, into topics for “Value creation” and “Social value improvement.” The items have also been reviewed, reduced from 28 to 16, and presented in a way that corresponds to the strategies in the value creation story.

In Topics for “Value Creation,” “Provide pharmaceutical products for unmet medical needs” includes three materiality: “Creation of innovative drugs,” “Maximizing the value of created products,” and “Pipeline expansion.”

Materiality for “Address patient-centric healthcare needs” includes “Patient advocacy” and “Improving access to medicines.” Materiality for “Human resources and infrastructure to realize life-changing value” includes “DE&I,” “Employee health and safety,” “Talent portfolio,” “Corporate culture,” and “Digital transformation.”

Topics for “Social Value Improvement” includes “Product quality assurance and stable supply,” and “Reducing environmental impact” as materiality for “Retain the trust of society.”

The materiality the “Management infrastructure to realize Life-changing value” comprises four items, including “Corporate governance.”

We also show the relevant SDG icons below these. For example, “PEACE, JUSTICE AND STRONG INSTITUTIONS”, which is No. 16 of the SDGs, corresponds to the materiality of ethics and transparency in our business activities. Similarly, we are working on defining materiality in terms of the goals set in other SDGs.

To reiterate, Kyowa Kirin is committed to value creation, and by sincerely addressing these management issues, we aim to create social and economic value and enhance corporate value.

Materiality (October 2022-)



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Today, we will be discussing topics related to the materiality marked with an asterisk.

Kyowa Kirin's initiatives for realizing a sustainable society and its business

Improving Access to Medicines for Rare Diseases

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First, I will introduce our efforts to continue improving access to medicines and targeting rare diseases.

Policy for Access to Medicines



In April of this year, Kyowa Kirin established its Basic Policy on Access to Medicines. Under this basic policy, we consider it our mission to deliver pharmaceuticals to as many patients as possible as quickly as possible. We are working to "Provide medicines that meet unmet medical needs," "Assure product quality and stable supply, and Ensure patient safety and appropriate use of medicines," and "Improve access to medicines." We have appointed a person in charge to oversee the necessary functions and promote initiatives from these three perspectives.

Many rare diseases are difficult to be elucidated due to the small number of patients, and effective treatments have yet to be established. From the perspective of providing medicines that satisfy unmet medical needs, we have been working to create medicines for rare diseases for which there are no effective treatments.

Another problem with rare diseases is that accurate diagnosis and appropriate treatment are not readily available due to a lack of understanding and awareness of the disease. We are also working to ensure that patients have access to the rare disease drugs we create as quickly as possible.

The following slides will introduce our efforts to provide medicines and raise awareness for rare diseases.



Providing Medicines for Rare Diseases

Kyowa Kirin has been working to create new drugs for diseases for which there are no effective treatments, including rare diseases, by focusing on their pathological mechanisms.

| Rare Diseases (designated indications or effects) | General name of active ingredient | Trade name |
|--|-----------------------------------|------------|
| FGF23-related hypophosphatemic rickets and osteomalacia | Burosumab | Crysvita |
| Peripheral T-cell lymphoma Cutaneous T-cell lymphoma CCR4-positive adult T-cell leukemia/lymphoma | Mogamulizumab | Poteligeo |
| Improvement of thrombocytopenia associated with chronic idiopathic thrombocytopenic purpura | Romiplostim | Romiplate |
| Anemia with Myelodysplastic Syndromes | Darbepoetin Alfa | NESP |
| Hypercalcemia associated with parathyroid carcinoma or intractable primary hyperparathyroidism | Cinacalcet Hydrochloride | REGPARA |
| Hypercalcemia in parathyroid carcinoma, Hypercalcemia in primary hyperparathyroidism with parathyroidectomy inoperable or postoperative recurrence | Evocalcet | ORKEDIA |
| Rescue therapy for diurnal variation in symptoms of Parkinson's disease when usual drug therapy is not sufficiently effective. | Apomorphine Hydrochloride Hydrate | Apokyn |

This page lists drugs that we have developed for rare diseases and that have been designated as orphan drugs in Japan.

I will not go into each of these diseases one by one, but the number of patients suffering from each of these diseases is less than 50,000 in Japan. Such drugs on this list as NESP and REGPARA were developed and commercialized for indications that covered a larger number of patients and were then expanded to these rare diseases. On the other hand, burosumab and mogamulizumab were developed globally for the treatment of rare diseases and have been successfully commercialized and designated as treatments for rare diseases in the US and Europe.

Although our products are intended for a small number of patients, we are working hard on a global level to bring these drugs to as many patients as possible.

In the following pages, we will introduce some of our efforts to ensure that patients with rare diseases receive appropriate treatment as soon as possible.



Raise awareness of rare diseases

Raise awareness of rare diseases



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Kyowa KIRIN



There are XLH patients worldwide who are eligible for treatment with Crysvida, and we have been working with XLH patient advocacy groups in various countries to increase patient access to Crysvida.

Initially, advocacy groups existed only on a country-by-country basis, but with the help of an advocacy group in the UK, we created an opportunity for advocacy groups from different countries to come together. This evolved into the establishment, in 2019, of an international organization called the “International XLH Alliance,” shown in the top left. Currently, advocacy groups from 23 countries have joined the program. We are in ongoing dialogue with this international organization and are working on initiatives to raise awareness of XLH, including the development of a white paper on XLH and consideration of the development of a genealogy tool.

Below left is a disease awareness initiative being developed in Japan. We have established a website called “Kurukotsu Hiroba” to introduce information on FGF23-related hypophosphatemic rickets and osteomalacia, information on specialists with experience in treatment, and patient stories, as well as a free telephone consultation service.

On the right is a poster for a virtual exhibit we held this year called “Shine A Light On XLH.” We did this in the hope of shining more light on XLH and more patients to receive appropriate treatment and support. With the aim of raising awareness of XLH, we also engaged in activities to let the public know what kind of disease XLH is and what symptoms the patients may suffer from along with the patients’ thoughts, and to raise awareness about the importance of phosphate in the human body, which is a background of XLH.



Raise awareness of rare diseases

Raise awareness of rare diseases

Real patients share their journeys with MF and SS

In these stories, real patients with mycosis fungoides (MF) or Sézary syndrome (SS), 2 forms of CTCL, share their journeys to diagnosis, experiences on treatment with POTELIGEO, and what motivates them to never give up.

Jeff's journey with MF

"It's easy to feel overwhelmed and give up. I'm grateful to my clinical care team, family, and friends for helping me to see a path forward, that there was hope."

- 2016: First symptoms appeared
- 2019: Diagnosed and began treatment for mycosis fungoides
- 2020: POTELIGEO treatment began

Read Jeff's Story



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Kyowa KIRIN



Strategic Translational Action for Empowering Patient

In North America, we are developing a "Patient Ambassador Program" to raise awareness of cutaneous T-cell lymphoma, or CTCL, which is the indication for Poteligeo. This activity also aims to raise awareness of the disease by providing disease information through a website. In particular, we provide information on the process from diagnosis to treatment, using the real voices of patients based on their own experiences. This helps people deepen their understanding of this disease and its treatment.

In addition to activities related to Crysvida and Poteligeo, we also support events for Rare Disease Day, shown above right, as part of our efforts to address rare diseases. This is held annually on the last day of February.

STEP, at the bottom right, is an information community established by ASrid, a support group for rare and intractable diseases. We are participating in this community's goal of "Empowering patients and other stakeholders," in other words, encouraging them to gain strength and confidence.

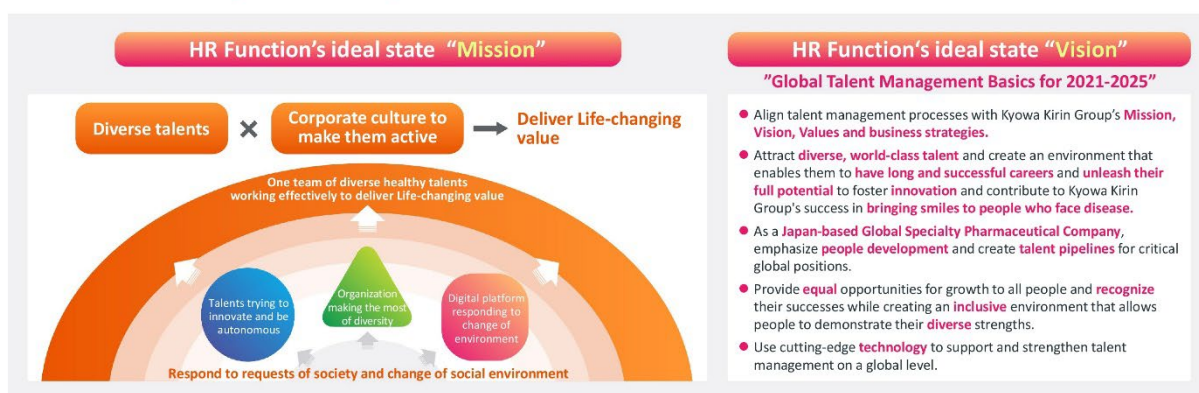
That is all from me. Thank you very much.

Unified team brimming with diversity

Murata: My name is Murata from Human Resources. I would like to explain our human capital initiatives under the title "Unified team brimming with diversity."

"Talents" = "Source of Innovation"

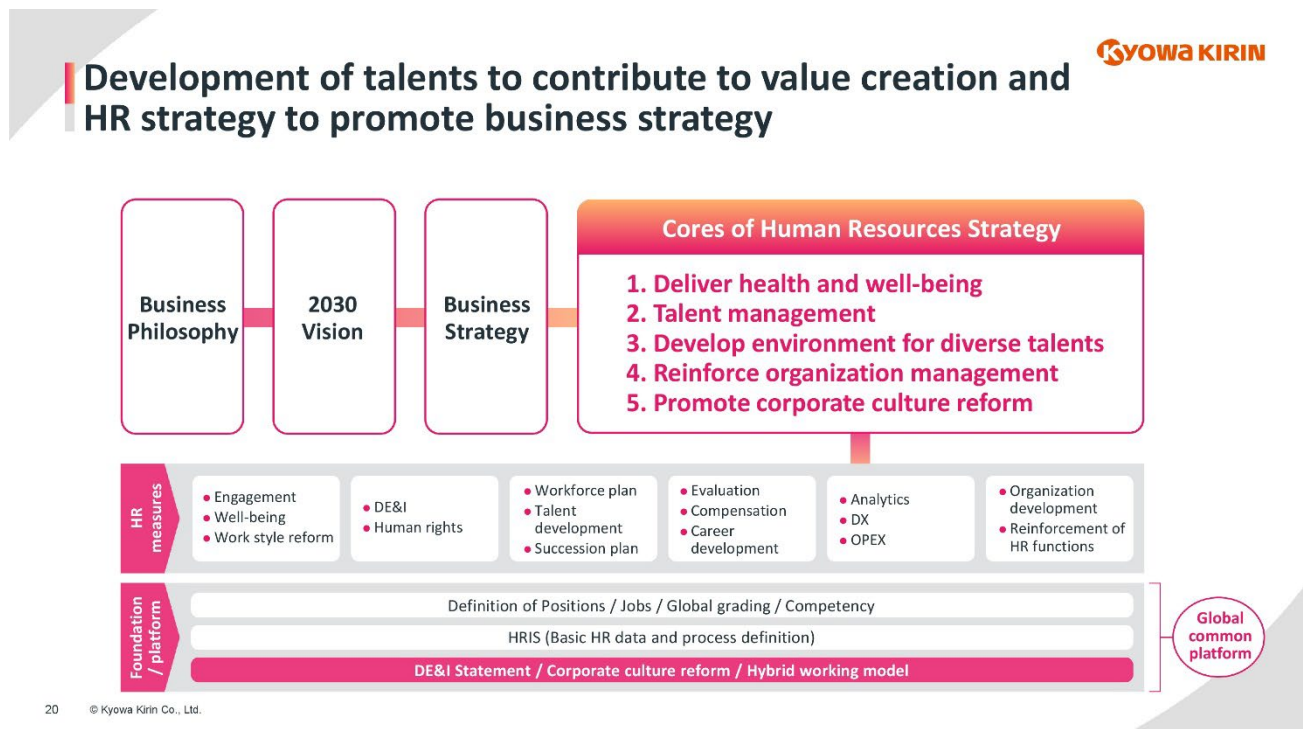
- Considering **talents to be the source of innovation**, we bring out the best in each member's ability and develop person and organization that challenge to innovate and continuously create new value.
- We **globally work on "Diversity, Equity, & Inclusion," "Employee Health and Safety," "Talent Portfolio" and "Corporate Culture,"** these are materialities about "talents."



At the Kyowa Kirin, we believe that human resources are the source of innovation. Believing that the collective abilities and challenges of each employee manifest as value and contribute to society, the Company focuses on maximizing the abilities of individual human resources and providing opportunities for them to take on challenges.

This is shown as materiality regarding human resources. As an HR department, we aim to promote our management strategy by working globally to create an environment and corporate culture in which healthy and diverse human resources can thrive, and to provide life-changing value to the world.

To ensure the realization of this objective, we developed a vision for the HR function called Global Talent Management Basics, that was discussed remotely with HR managers in Europe, the US, and Asia. Based on this, we have organized and confirmed what we will work on globally and what we will work on regionally and are proceeding with our efforts with this vision in mind.



Next, I would like to explain the relationship from the business strategy to the HR strategy, and the HR measures and foundations that are tied under the HR strategy. To achieve our company vision and mid-term plan, we are developing the following five pillars of our HR strategy. Based on this, we have promoted various measures and foundation building.

In 2021 and 2022, we are focusing on building a common global foundation or platform and have been implementing various measures applying those foundation.

Our DE&I Statement

At Kyowa Kirin, we embrace and proactively promote Diversity, Equity and Inclusion in the workplace as an embodiment of our Core Values.

Commitment to Life

Diversity, equity and inclusion in our teams enables us to reflect the people and communities we serve and be sensitive to their needs, putting patients at the heart of everything we do.

Innovation

We believe in diversity of thought where all employees are encouraged to share fresh new ideas, are listened to and empowered to deliver innovative solutions for patients around the world.

Integrity

We strive to create an environment where everyone has a sense of belonging and is free from any form of inequitable treatment

Teamwork/Wa

We will build an inclusive culture that enables our employees to bring their whole, authentic selves to work, where we can grow together, feel valued and respected, and achieve our shared corporate Vision.



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Next, I would like to provide some examples of specific measures.

First, let me explain the DE&I Declarations. Kyowa Kirin has embraced diversity, equality, and inclusion in the workplace as an embodiment of our Core Values and declared that we will proactively promote it.

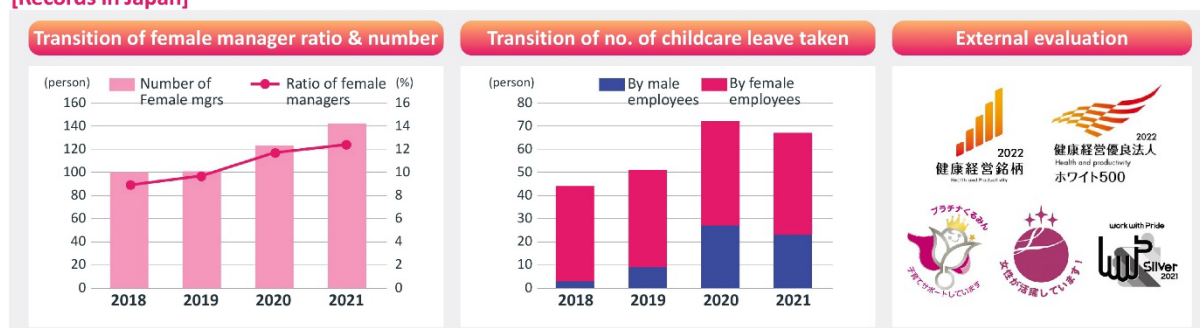
Kyowa Kirin has always emphasized the importance of D&I and has made various efforts to this end. With our efforts here, we have formally included “Equality” as a key point.

Equity represents fair and equitable treatment and equal opportunities related to careers at Kyowa Kirin, including recruitment and promotion. We believe it is an essential element in building engagement with our employees and maximizing the value and capability of each individual.

DE&I efforts

- Aiming to ensure female leaders in One Kyowa Kirin structure, we set a target of increasing the percentage of global female leaders from 29% in the end of FY2021 to 40% by 2030.
- Target in Japan: percentage of female managers to be 18% or higher in the end of 2025.
- To realize Equity, we promote environment enhancement such as revision of regulations and operation to encourage "Childcare leave for male employees" ahead of amendment of the law as of Oct. 1, 2022, service to support children's admission to nursery, setting up day nurseries in Mishima and Takasaki sites.

[Records in Japan]



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In the next slide, I would like to explain a little bit about our important DE&I initiatives, especially women's success.

As a KPI, we have set a global goal of increasing the percentage of female leaders in key positions in the One Kyowa Kirin structure to 40% by 2030. Japan aims to have women in at least 18% of management positions by the end of 2025. Although we still have some way to go in this area, we will steadily increase the number of female managers by providing opportunities for challenging assignments and mentoring for employees, retaining employees considering each one's situation, and encouraging recruitment for career positions.

In addition, men's participation of childcare and understanding are also important factors for women's success. In response to the revised Child Care and Family Care Leave Law that went into effect this year, Kyowa Kirin has introduced a system for postnatal parental leave that exceeds the legal requirements. We have also eliminated differences between men and women in treatment during the prenatal and postnatal periods. We recognize that these efforts are one of the embodiments of equity.

Furthermore, our Takasaki and Mishima offices are working to open nursery schools within their facilities.

Global expansion of corporate culture reform

- Expanding corporate culture reform “To go over a wall” activity started in Japan to Regions as “KABEGOE.”
- Organizing “One Kyowa Kirin Culture Workshop” in Regions in sequence.
- In Japan, organizing training targeted at middle management, the key for corporate culture reform.
- Renewed the original “President Award” to “Commitment to Life Award” to praise efforts that embody the Core Values or “KABEGOE” and expanding it globally.



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Next, I would like to explain the global deployment of corporate culture reform. The Overcoming Barriers initiative, which started in Japan ahead of other regions, has crossed oceans under the name of KABEGOE.

In One Kyowa Kirin Culture Workshops, we reviewed the history of Kirin Pharma and Kyowa Hakko, covering the time before the birth of Kyowa Kirin, the present, and shared goals for the future. In particular, we covered the history from research and development to launch of our three global products, and feedback from customers and patients, and worked to think about what KABEGOE means to us.

In Japan, we have implemented 140 middle management support measures to help middle managers who have a significant impact on the workplace environment, to change their mindsets and behavior and improve skills.

In addition, to recognize the KABEGOE experience, we have established and started operating a new award system called the Commitment to Life Award globally, which was previously called the President's Award.

To bring **more smiles to patients** around the world

Kyowa Kirin's Hybrid-Working Model

Key Principles

Kyowa Kirin Group advocates integrating the "Hybrid-Working Model" as our new way of working:

To the extent that the selected work arrangements are fully compatible with the nature of the assigned job and its roles and responsibilities,

employees will split their working days/hours between the office and their homes (or other remote locations where applicable) in ways that are conducive to **productivity and wellbeing** of individuals and their teams; and

special meaning and purpose will be attached to our physical office primarily as a **collaborative space for connection, innovation and teamwork/Wa**.



Next, I would like to explain Kyowa Kirin's hybrid working model. The coronavirus pandemic has necessitated significant changes in the way we work. In 2020, , we set up a global hybrid working model in consultation with global HR colleagues.

As you can see in the picture, there are three main pillars, such as "flexibility within a framework," "employees are the architects of the new Model," and "well-being" as the base. These three trunks are set up globally.

Our vision expresses our passion for innovation and our desire to be a unified team brimming with diversity. We discussed and decided to create this Hybrid-Working Model, so that our employees can be proactive to work in tune with their lifecycle and job characteristics for improved productivities and wellbeing of themselves. We believe this would lead to value creation by a team in which diverse personalities can shine.

Talent management to assign right person to right place globally



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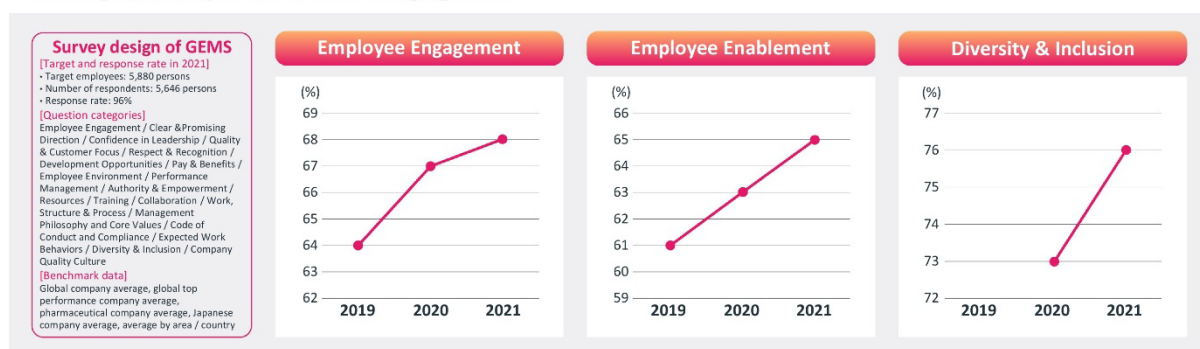
Next theme is human resource management to assign the right person for the right place globally.

As shown on the right, we have begun to promote specific personnel policies such as the Global Remuneration Principle, Global Grade, and Global Succession Planning.

In the area of human resource management, which is particularly important, we are making progress in developing systems, training initiatives, and recruitment, both on a global basis and on a region-by-region basis. We are currently in the process of revising the Japanese personnel system, with implementation in 2023.

Global Engagement and Motivation Survey (GEMS)

- We use the employees' attitude survey "Global Engagement and Motivation Survey (GEMS)" as an important indicator to make the most of ability of each employee, monitoring "Employee Engagement" and "Employee Enablement" over time.
- We added "Diversity & Inclusion" to the indicator in 2020 and show we aim for an organization that can make the diversity to our advantage.
- We link survey results with measures, carry out PDCA cycles steadily, and aim for "One team of diverse healthy talents working effectively to deliver Life-changing value."



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Last but not least, I would like to explain the Global Engagement and Motivation Survey (GEMS).

Two of the key evaluation items are employee engagement and employee enablement. You can see how the two scores have changed over the past three years. We can see a steady improvement in the scores.

In the area of diversity and inclusion, the scores for the past two years show an improvement, which we recognize as a clear strength.

By linking these survey results with the HR policies and improvement activities in the workplace, and by firmly implementing the PDCA cycle, we aim to create a unified team in which diverse and healthy human resources can work together to realize life-changing values.

This concludes my presentation on human capital initiatives.

Thriving global environment for future generations

Ishimaru: My name is Ishimaru, CSR Management. I would like to introduce our company's environmental initiatives under the title of "Thriving global environment for future generations." The related materiality will be "Retaining the trust of society."

Environmental Management Policy and Issues – Reducing Impact on the Global Environment –

- Business activities are conducted in accordance with the Kyowa Kirin Group Basic Environmental Policy.
- Aiming to realize a decarbonized society and promote the protection of the global environment for future generations.
- Aligned with the Kirin Group Environmental Vision 2050 and collaborated with Kirin Holdings.



Here are the policies and issues related to environmental management. The Kyowa Kirin Group's environmental materiality is the "Reducing impact on the global environment." It is based on the "Kyowa Kirin

Group Basic Environmental Policy,” in which we have clarified our commitment to the environment and are implementing various measures.

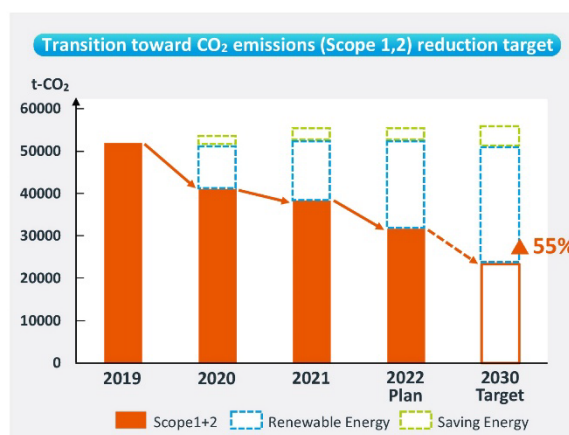
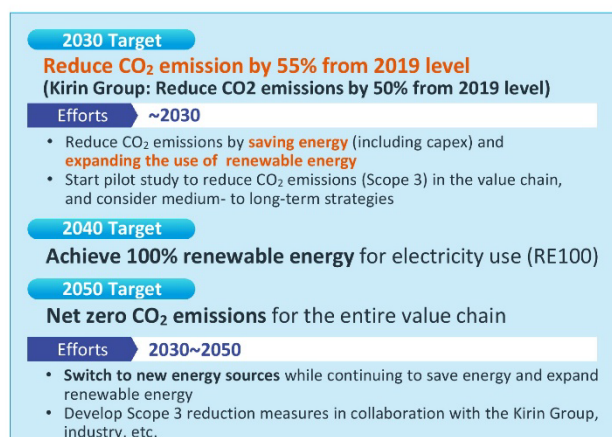
Among these, we have positioned “Climate change mitigation and adaptation” and “Water resources management” as core issues. We are actively working to protect the global environment for future generations.

The Group's policies on various environmental initiatives are consistent with Kirin Holdings' “Kirin Group Environmental Vision 2050.” We will continue to collaborate with Kirin Holdings to realize these policies.



Initiatives Policy and Performance of Climate Change

- Contribute to reductions in CO₂ emissions as a global issue and disclose information in line with TCFD Recommendations
- CO₂ emissions (Scope 1,2) reduction : Save Energy x Expand Renewable Energy x Convert Energy Sources



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This will be followed by an introduction of our policy on climate change initiatives, our achievements to date, and our prospects for this year.

The Kirin Group has set a long-term goal of achieving net-zero greenhouse gas emissions for the entire value chain by 2050, and a target of reducing the Kirin Group's overall greenhouse gas emissions by 50% by 2030 compared to 2019 levels. We have also set the goal of “RE100,” whereby 100% of the electricity we use will come from renewable energy sources by 2040.

Our Group also have set similar targets for 2050 and 2040, and for 2030, we have set a goal of reducing CO₂ emissions by 55% from 2019 levels.

To achieve these goals, we will promote continuous energy-saving activities up to 2030, while expanding the introduction of renewable energy and reducing CO₂ emissions, because electricity accounts for 2/3 of the energy used. After 2030, in addition to these energy-saving and renewable energy expansion efforts, we will switch to new facilities that will enable energy conversion, while keeping a close eye on trends in technological innovation.

For Scope 3, we will collect and analyze more detailed emissions data necessary to formulate policies and strategies to reduce emissions, and then formulate strategies and promote various measures to achieve net-zero emissions.

Climate Change Disclosure

- Statement of support for TCFD recommendations (November 2021)
- Information disclosure (Website, Annual securities reports, Integrated reports)

| Risks and Opportunities Related to Climate Change | | | | | Responding to Resilience Improvement |
|---|---|---|--------------------------------------|----------|--|
| Scenario classification | Climate change-related drivers that have been impact assessed | Potential Impact | Change through response (Resilience) | | |
| Transition Risks | Policies and regulations | Carbon pricing (decarbonization, emissions trading system) | Small | – | <ul style="list-style-type: none"> • Early achievement of 2030 CO₂ emission reduction targets |
| | Stricter CO ₂ emission regulations | Minimal | Small | | |
| | Demographics, economics, and geopolitics | Population growth in emerging countries / Economic globalization | – | – | |
| | Society | Change in social values | Minimal | – | |
| Physical risks | Increase in average temperature | Extreme temperature rise | Small | Small | <ul style="list-style-type: none"> • Review of BCP for large-scale natural disasters at business site • Disaster countermeasures for facilities themselves |
| | Change in rainfall pattern (Acute) | Increase in torrential rains, typhoons, and floods | Large | Minimal | |
| | Increase in average temperature | Changes in pollen allergy patients | Moderate | Moderate | |
| | Changes in rainfall patterns (Chronic) | Increase in energy consumption due to increased air conditioning load | Small | Small | |

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The Group has expressed its support for the TCFD in 2021 and has been disclosing information based on the TCFD recommendations through its website, annual securities reports, and integrated reports.

We analyze and assess the risks and opportunities associated with climate change under multiple climate change scenarios and formulate corporate strategies and various response measures to enhance resilience to climate change.

The analysis shows that the business impact is significant for carbon pricing, which is a transition risk, and for flood risk which is a physical risk due to increased torrential rains, typhoons, and flooding. Based on this, as stated on the right side of the page, we will minimize risks by achieving our CO₂ emission reduction target for 2030 as soon as possible and developing hardware measures against disasters in the facilities themselves, as well as software measures such as reviewing the BCP for large-scale natural disasters at our business sites.

Each specific response is explained on the following pages.

Early Achievement of 2030 CO₂ Emission Reduction Targets

- Implement various reduction measures in accordance with the roadmap to achieve the annual target and build a solid track record toward achieving the 2030 target.

CO₂ Emission Reduction Results and Forecasts < 2020~2030 >

Roadmap as of 2022

| Item | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|----------|-------------|----------|--------------|----------|------|------|-------|------|------|------------------|
| CO ₂ emission reduction rate (compared to 2019) | ▲22% | ▲26% | ▲42% | ▲55% | ▲54% | ▲51% | | | | | ▲58% |
| Save Energy Capital investment/upgrading to high-efficiency equipment | | | Takasaki | Takasaki Ube | Takasaki | | | | | | |
| Expand Renewable Energy Introduction of solar power generation and renewable electricity | Takasaki | Head Office | Fuji Ube | Takasaki Ube | TRP | | KKCN | KKUSR | | | Domestic Offices |

TRP: Tokyo Research Park; KKCN: Kyowa Kirin China Pharmaceutical Co., Ltd.; KKUSR: Kyowa Kirin USA Holdings, Inc. Research Division

Main measures

| FY | Site | Measures |
|------|----------------|--|
| 2020 | Takasaki Plant | Introduced Aqua Premium (first in the pharmaceuticals manufacturing industry to convert 75% of purchased electricity) |
| 2021 | Head Office | Introduced renewable electricity (100% of purchased electricity) |
| 2022 | Fuji Site | Introduced Aqua Premium (100% of purchased electricity) |
| | Takasaki Plant | Plans to expand introduction of renewable energy (100% of purchased electricity) |
| 2023 | Ube Plant | Plans to expand introduction of renewable energy (100% of purchased electricity) Installation of large-scale solar power generation facilities based on on-site PPA model (currently under construction) New office building completed (ZEB compliant) |
| | Takasaki Plant | Completed construction of a new biopharmaceutical API manufacturing building (installation of photovoltaic panels, introduction of waste heat utilization equipment, etc.) |
| 2024 | TRP | Plans to introduce renewable energy (100% of purchased electricity) |



Takasaki Plant

New Biopharmaceutical API Manufacturing Building (Installation of photovoltaic panels, image)



Ube Plant

PPA photovoltaic power generation facility (image)

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We have created a road map to achieve the Group's 2030 CO₂ emissions reduction target of 55% below the 2019 level. Since energy consumption is expected to increase due to the increase in production volume and the completion of the new building, we will review the road map every year to verify the effects of our measures and ensure that we are building up a solid track record. The deficit shown in the table is the estimated value based on this year's review.

The main measures to be implemented during the mid-term business plan include the conversion of electricity consumption to renewable energy at major business sites in Japan, as well as the introduction of the latest energy-saving equipment in the new plants and improvements in refrigeration control and air conditioning management.

In 2020, Kyowa Kirin became the first pharmaceutical manufacturing company that introduced "Aqua Premium" in the Takasaki Plant, electricity derived from hydroelectric power generation that emits no CO₂. At present, 75% of the Takasaki Plant's electricity is derived from this source. In 2022, we also introduced "Aqua Premium" at the Fuji Plant, switching 100% of the electricity there. With the introduction of "Aqua Premium," approximately 63% of the Kirin Group's annual electricity consumption has been switched to renewable energy, which is expected to reduce annual CO₂ emissions by approximately 39%.

Together with energy-saving measures such as optimizing the operation of air-conditioning equipment, and reductions due to more efficient energy use, we expect a 42% reduction this year compared to 2019.

In 2023, the Ube Plant will install and operate large-scale solar power generation facilities based on the so-called "On-site PPA model," in which electric power providers install power generation facilities at locations provided free of charge by companies and enter into direct electricity purchase contracts. And we will also switch 100% of the electricity to the renewable energy in the Takasaki Plant. Through these measures, we will promote the reduction of CO₂ emissions.

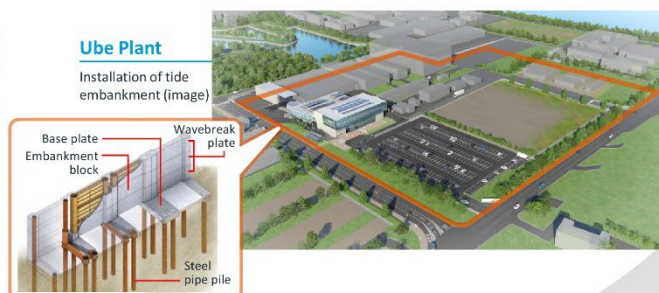
In addition, we are planning to expand the introduction of renewable energy to all our Group business sites, including overseas sites and domestic branches and sales offices. We are considering the introduction of solar power generation equipment to our overseas production sites.

Review of BCP for Large-Scale Natural Disasters, and Disaster Countermeasures for the Facilities

- Review of BCPs for large-scale natural disasters for each plant to prevent the impact on production activities due to flooding on the plant premises, etc.
- Implement flood prevention measures against flooding
 - Geographically dispersed storage of critical assets related to production
 - Waterproofing of buildings
 - Placement of critical facilities in high-rise and elevated locations
 - Installation of tide embankments, etc.
- In the future, we will assess and address the impact throughout the supply chain to minimize risk on an ongoing basis.

Main measures

| FY | Site | Measures |
|------|-----------------------------|---|
| 2021 | Takasaki Plant Ube Plant | Large-scale natural disaster BCP formulation |
| 2022 | Takasaki Plant | Construction of a new quality building (waterproofing of the building, higher floors and higher locations for critical facilities) |
| 2023 | Ube Plant | Installation of a tide embankment |
| 2024 | Takasaki Plant | Construction of a new biopharmaceutical API manufacturing building (with critical facilities located at higher floors and elevated locations) |



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Regarding large-scale natural disasters, we believe that there will be a significant impact on production activities, such as long-term shutdown of operations due to flooding of factory and laboratory premises and costs incurred for restoration of the original conditions. In addition to reviewing the BCP for large-scale natural disasters at the Takasaki and Ube plants, we will also take measures to avoid and minimize risks, such as flooding prevention measures and other measures for the facilities themselves.

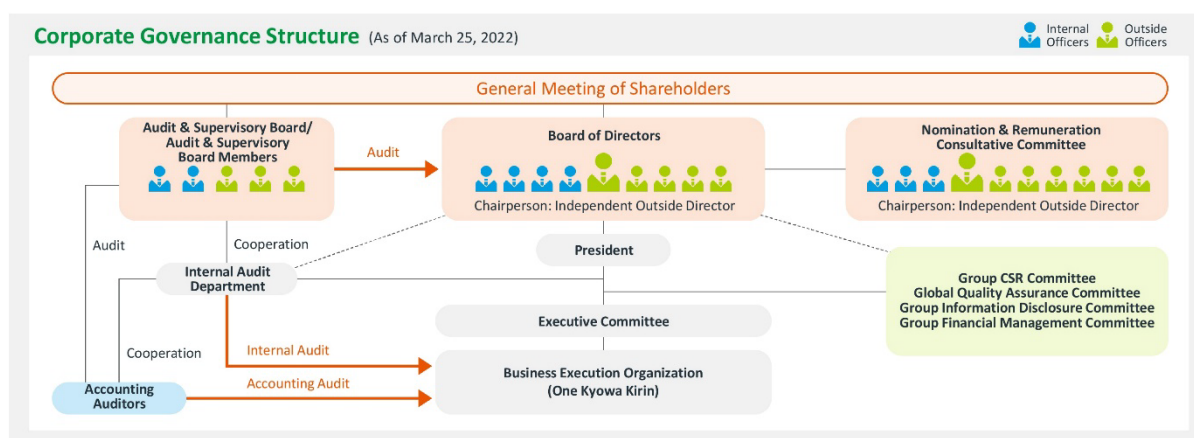
In my presentation, I have discussed our efforts to thrive global environment for future generations, with a focus on decarbonization. That is all from me.

Sound governance system to support value creation

Miyamoto: Lastly, I will now talk about governance.

Response to revised CG code – Ensure further transparency –

- Independent director ratio of the Board: 56% (5/9 persons)
- Independent officer ratio of Nomination and Remuneration Consultative Committee: 70% (7/10 persons)



Corporate Governance Code was revised last year. We are taking this opportunity to renew our governance structure as a GSP.

After the General Meeting of shareholders in March, one new outside director joined the board, bringing the total number of directors to nine. As a result, there are five independent outside directors, accounting for 56%, more than half of the total number of directors.

The Nomination and Remuneration Consultative Committee also operates with a 70% proportion of independent directors. In addition, the Chairman of the Board of Directors and the Chairman of the Advisory Committee are each chaired by an independent outside director.



Response to revised CG code – Diverse Board members –

- “Skill Matrix” of Directors and Auditors publicly available
- Diverse skills including global business management experience



| | Name | Outside Independent | Nomination & Remuneration Consultative Committee | Corporate management/ Business strategy | Professional skills | | | | | | |
|-------------------------------------|--------------------------------|---------------------|--|---|---------------------|---------------------------------|--|--------------|------------|-----|--------------------|
| | | | | | Global business | Finance, accounting and banking | Legal, governmental affairs and compliance | HR and labor | Healthcare | R&D | Production and SCM |
| Directors | Masashi Miyamoto | | ● | ● | ● | | ● | | ● | ● | |
| | Yutaka Osawa | | ● | ● | | | ● | | ● | ● | ● |
| | Toshifumi Miyayama | | ● | ● | ● | | | | ● | ● | |
| | Takeshi Minakata | | | ● | ● | | | | ● | | ● |
| | Akira Morita [The Board chair] | ● | ● | | | | ● | | ● | | |
| | Yuko Haga | ● | ● | ● | ● | | | | ● | | |
| | Jun Arai | ● | Chairperson | ● | ● | ● | | | | | |
| | Takashi Oyamada | ● | ● | ● | ● | ● | | ● | | | |
| Auditor & Supervisory Board Members | Yoshihisa Suzuki | ● | ● | ● | ● | | | | | ● | ● |
| | Hiroshi Komatsu | | | ● | ● | ● | | | ● | | |
| | Masaki Ueno | | | | ● | ● | ● | | | | |
| | Keiji Kuwata | | | ● | | | | | | | ● |
| | Tomomi Yatsu | ● | ● | | | ● | ● | | | | |
| | Mayumi Tamura | ● | ● | ● | ● | ● | | | | | |


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Here is the skills matrix for directors and auditors. We began disclosing our skills matrix in our 2018 annual report. Initially, this was only presented for independent outside directors, but starting in FY2020, the matrices for all directors and auditors are disclosed.

We have lively discussions with many outside directors who have a wide variety of skills and knowledge, including global management experience, while receiving much advice from them.

Response to revised CG code – Others –

Endorsement for TCFD Recommendations (November 2022)



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES


➔

Initiated disclosure based on TCFD recommendations on our website

Global DE&I Statement (December 2022)

➔

Aiming for female ratio of 40% in global leader positions



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This is related to the revised code. I will not go into details as I have already introduced them in the previous part, but we are actively promoting TCFD initiatives and ensuring diversity.

Decent governance system as a listed subsidiary

Ensuring independence

- **“Securing management independence” and “Reasonable cooperation to maintain listing”**
-> Clearly stated in the Strategic Alliance Agreement
- **Important decision-making such as M&A**
-> To be made on our own (No need for prior endorsement)
- **Fund lending to Kirin Holdings**
-> Loan term: One month in principle / Loan rate: market rate plus a little extra (Safe and liquid “surplus fund management”)

- **Important transaction with controlling shareholder**
 - Directors from Kirin, who have special interest, do not participate in deliberations and resolutions
 - “Supervisory Committee for Conflict of Interests in Transactions between Group Companies,” which is comprised of independent directors, to be set up for a fair decision as necessary
- > Aim for both minority protection and group synergy generation

Protecting minority shareholders

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This page introduces the current situation from the perspective of “Ensuring independence” and “Protecting minority shareholders,” which the Company needs to keep in mind in the governance of its listed subsidiaries.

In terms of independence, the integration agreement that we have with the parent company clearly states that our management independence is guaranteed and that the parent company will reasonably cooperate with the Company in maintaining our listing. For example, I would like to reiterate that we can basically make decisions alone, even on very large decisions such as M&A.

Regarding loan agreements with the parent company, which we are often asked about, we regard this as a “safe and highly liquid investment of surplus funds.” The loan period was shortened to one month about two years ago, and as shown in the financial statements as cash equivalents, the funds are basically immediately available for use at any time.

The interest rate is also slightly higher than the market rate, which is more advantageous than leaving the money in a bank account. Of course, we will never harm the interests of minority shareholders. Currently, there are over JPY300 billion in outstanding loans. As we have explained for some time, we consider these funds to be used for growth investments, that is, to acquire new pipelines and technologies.

Furthermore, from the perspective of protecting minority shareholders, the Company pays particular attention to governance regarding material transactions with the parent company. Since Directors from the parent company are special interested parties, they will not participate in any deliberations or resolutions on certain matters, as was the case, for example, with the transfer of Kyowa Hakko Bio.

As stated in our Corporate Governance Policy, in similar cases in the future, we will establish a “Group Company Transaction Conflict of Interest Committee,” consisting of independent directors as necessary. In this way, we will make fair and appropriate judgments, placing the highest priority on protecting minority shareholders while at the same time creating group synergies that will also benefit us as a member of the Kirin Group.



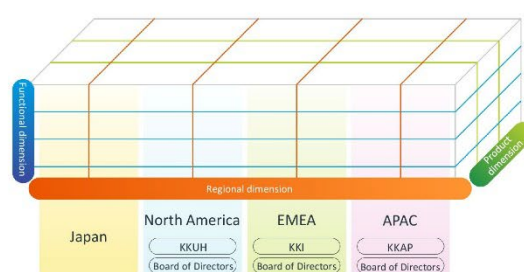
Enhanced global business operation

Launched “One Kyowa Kirin,” a Region-Function matrix management system, in April 2019

- Accurately and rapidly respond to region-specific and global issues
- Streamline and speed up functions’ operation

Added Franchise (product) axis to further strengthen the system in July 2021

- Maximize product values due to more healthy conflicts by adding the closest perspective to patients



Next, I would like to introduce our global execution structure. Since April 2019, under the name of “One Kyowa Kirin,” we have been executing operations under a matrix management structure of “Region” and “Function.” In addition, last July, we added a new “Product” axis.

Our goal is not regional or functional optimization, but the smiles of patients. That is why we incorporated teams centered on the “Product” closest to the patient and aim to put the patient first, and then formulate and execute strategies in both regions and functions.



One Kyowa Kirin Leadership



Masashi Miyamoto, PhD
Chief Executive Officer (CEO)
& Japan Region Head



Yutaka Osawa, MBA
Chief Compliance Officer
(CCO)



Toshifumi Mikayama, PhD
Chief International
Business Officer (CIBO)



Takeyoshi Yamashita, PhD
Chief Strategy Officer
(CSO)



Motohiko Kawaguchi
Chief Financial Officer (CFO)
& Global Finance Head



Abdul Mullick, PhD
EMEA Region Head



Tan Boon Heon, PhD
Asia Pacific Region Head



Gary Zieziula, MBA
North America Region Head



Hiroshi Sonekawa
Japan Region Sales
& Marketing Head



Shoko Itagaki
Global Corporate
Planning Head



Tomohiro Sudo, MS, MBA
Global Product
Strategy Head



Koichiro Ishimaru
Global Corporate Social
Responsibility Head



Manabu Nishikawa
Global Legal & Intellectual
Property Head



Ian Duguid, PhD, MRPharmS
Global Regulatory
Affairs Head

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One Kyowa Kirin Leadership



Yoshifumi Torii, PhD
Global Research Head



Ernesto Aycardi
Global Development Head



Takefumi Matsushita, PhD, MBA
Global Medical
Affairs Head



Jonathan Patroni, MBA
Global Quality
Assurance Head



JD Rafizadeh-Kabe, MD, JD
Global Pharmaco-
vigilance Head



Toshiyuki Kurata, MBA
Global Manufacturing Head



Masao Hirokawa
Global Supply Chain
Management Head



Yasuo Fujii, MBA
Global Business
Development Head



Satoko Yoshida, MBA
Global Corporate
Communications Head



Akimitsu Yamamoto
Global Procurement Head



Wataru Murata, MBA
Global Human
Resources Head



Emi Arakawa, PhD
Global General
Administration Head



Takuo Hirose
Global Information and
Communication Technology Head



Kenji Shibata, PhD
Global Internal
Audit Head

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We are pleased to present the leaders of regions and functions in this matrix management structure, as well as the members of One Kyowa Kirin Leadership. As you can see, the heads of the overseas regional

headquarters are overseas personnel with a thorough knowledge of each region's market. Some function heads are also members with extensive experience in global pharma.

We are still a small company. Taking advantage of this scale, we work every day to deliver "Life-changing Value" that make people smile while maintaining very close communication.



Regional supervisory structure

- Board organized at each regional headquarters
- 2 outside directors with rich global pharma experiences appointed, respectively
- Direct communication with HQs' independent outside directors started in 2022



Francesco Granata
(GSK, Pharmacia,
Pfizer, Schering-Plough,
Biogen Idec)



David Ebsworth
(Bayer, Vifor, Galenica,
Verona, Synlab)



Olivier Daubry
(GSK, Celgene,
Sanofi)



Iris Kang
(Pfizer, AstraZeneca,
Schering-Plough, Bayer)



James Shannon
(Novartis, GSK,
Sterling Winthrop)



Paula Soteropoulos
(Genzyme, Moderna,
Akcea)



EMEA

Kyowa Kirin International plc



ASIA PACIFIC

Kyowa Kirin Asia Pacific Pte Ltd.



NORTH AMERICA

Kyowa Kirin US Holdings Inc.

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Finally, I would like to introduce the executive oversight structure of our overseas regions. Each of the Company's overseas regional headquarters has its own Board of Directors, and two outside directors are appointed at each location through an appointment process conducted by the Nomination and Remuneration Consultative Committee at the head office.

All of them have held key positions in global pharma during their active careers, and all of them have extensive experience as outside directors and chairpersons of boards of directors since then. They oversee the execution of operations in each region and provide advice from a high-level perspective.

Furthermore, since the beginning of this year, they have begun direct communication with Kyowa Kirin's independent outside directors to further deepen discussions toward a sound governance structure that supports value creation. Kyowa Kirin will continue to improve and strengthen its global execution and governance systems, including those of its overseas bases.

This concludes my presentation. Thank you very much for your attention.

Question & Answer

Moderator [M]: I would now like to move on to the question-and-answer session.

Wakao [Q]: My name is Wakao from JPMorgan Securities. Thank you for your presentation today. I have two questions.

Regarding improving access to medicines for rare diseases, especially XLH, please tell us about your efforts to improve awareness, in terms of achievements and challenges. Sales in Japan and Europe have remained steady, and the Company has achieved a certain level of success. Could you say a few words about the results so far and about your future plans?

Also, from April of next year, I believe that your company will be selling Crysvisa in North America, and I would like to know whether you will continue to raise awareness of XLH in North America as Ultragenyx has been doing, or whether you will take advantage of what you have cultivated in Japan and Europe and promote it as an addition to Ultragenyx. Will you take over Ultragenyx's role in improving recognition? Please tell us about the situation in North America starting next year. This is my first question.

Miyamoto [A]: Thank you for your question, Mr. Wakao. I will answer your question. If there is anything missing, Dr. Yamashita will pick it up.

First, I would like to talk about the results in terms of raising awareness of XLH. We are steadily working on the initiatives I have just described, but it is not easy to improve recognition all at once. The first thing I feel is that patients who have already been using Crysvisa are becoming more and more connected with other patients on a global scale, and they are regaining confidence that they are not left behind, that they have friends, and that they are still necessary people in the world.

I recently traveled to Europe and had the opportunity to meet patients directly, and that is exactly what they told me. I believe that we must continue our activities to encourage those who have not yet been properly treated or have not yet joined patient groups to participate in the community, even if it may be on a more modest basis.

This is exactly the point in terms of challenges, and I believe that we are still lacking in terms of recognition. This is true for the community as a whole, but especially for doctors. Highly professional doctors have no problem, but there are still more cases it takes some time before patients are accurately diagnosed as XLH. I believe that it is necessary to raise awareness of XLH among medical professionals as well, as is true for this type of disease in general. That has been the challenge in the past and will be same in the future.

In North America, Ultragenyx has been working steadily, and as you know, has achieved some success. Naturally, we are in close communication with Ultragenyx and support their activities, and since it comes back to us 100%, we would like to strengthen our global collaboration and further intensify our activities. We are still considering what to do specifically, but since it will all come back to in-hand, we would like to increase our activities there even more than before. Thank you.

Wakao [Q]: Thank you very much. Understood.

My second question is about human resources. We were told at last year's briefing that this is an area that needs to be focused on, and specifically, changing the mindset of employees. In this context, I understand

from what you said today that you are in the process of creating a new institutional design. I understand that you are planning some changes in the Japanese personnel system, perhaps starting next year, but what is the current system design and what exactly will change in the Japanese evaluation system starting next year? Please let me know about this point. Thank you.

Miyamoto [A]: Thank you. Mr. Murata will add a few more details, but it is exactly as you have said.

Especially from a global perspective, the mindset of employees is a very important point for Kyowa Kirin. This naturally means that not only the mindset of Japanese employees, but also the mindset of people in regions outside Japan must be globalized. As Mr. Murata explained earlier, in the area of human resources, we are having discussions on a global basis to determine how to proceed, and the results of these activities are gradually being reflected in the design of various systems. The results of these activities are gradually being reflected in the design of various systems.

Murata [A]: I will add a few words about the details.

As I mentioned earlier, we are making various efforts in the global arena, such as Global Grading and Global Succession Planning. It is not allowed to have a different personnel system only for Japan. We are trying to create a personnel system that is as globally aligned as possible, despite Japan's unique environment. Specifically, we will establish a job-based evaluation and grading system, and we will change the personnel system next year to one that is globally arranged, although it may have some Japanese advantages. Thank you.

Wakao [M]: Understood. Thank you very much. Thank you.

Hyogo [Q]: My name is Hyogo from Mitsubishi UFJ Trust and Banking. Thank you very much. I have two questions for you.

Firstly, what is the significance of Kyowa Kirin's being listed on the stock exchange from the viewpoint of an outside director? In addition, please tell us about what you consider to be the meaning, significance, and synergy of being a subsidiary of Kirin Holdings.

Morita [A]: Morita here. I am an external director. Thank you for your question. Your first question is about how Kyowa Kirin's current situation as a listed enterprise is, and the second is about the relationship with Kirin Holdings, from the viewpoint of an outside director.

It is a difficult question to answer. As for the significance of being listed, I think it is important for us to continue our corporate activities in a proper manner as an independent company. For example, as we mentioned earlier, when we contribute to society through the development of drugs for rare diseases, I believe that social trust as a listed company is very important for us especially.

As for relationship with Kirin Holdings, when I became an outside director, they had been the so-called parent-subsidiary listing relationship, therefore I have heard questions and comments from various sources about it. However, on my point of view as an outside director, I would say that we collaborate and relate with Kirin Holdings while maintaining a certain distance. As far as I can see as an outside director, there is no special intervention from Kirin Holdings, and we are independent and make decisions on our own.

I believe that we are being able to protect the interests of minority shareholders in this position. And I also feel that the relationship between the two is currently very good with a certain distance. Thank you.

Haga [A]: My name is Haga, I am also an external director. I would especially like to talk about why it is significant to have Kirin Holdings as a parent company.

I think my answer would be that I can confirm that the goal of that keyword “People's health,” which Kirin Holdings is aiming for, as you know, is facing the same direction as what KKC is now aiming for.

As an outside director, I must always consider whether there is still value in having Kirin Holdings as a parent company. To this end, what outside directors must do is to take a close look at the mission of Kirin Holdings each year, what kind of purpose they are trying to manage with, and whether there is any divergence from what KKC is trying to achieve.

In that sense, I can say that if we ask the company an explanation for necessary, we will have the opportunity to have it properly explained to us. At present, the outside directors understand what both companies are trying to do and in what direction, and on our understanding, we are satisfied that it makes sense to be a subsidiary of Kirin Holdings.

Of course, I understand that this will not always be the case, and we must continue to see how the strategy of Kirin Holdings itself will shift, as it will, because we understand that we must also look at this on a regular basis. However, we believe that we can firmly agree that we are facing the same direction in the current situation. Thank you.

Hyogo [Q]: Thank you for your answer. My second question is, in the important transactions of the parent company that you explained in slide 37, you mentioned that the committee for conflicts of interest in transactions between group companies would be established “as necessary.” Please specify who makes the decision to initiate a committee meeting. I was thinking that it would be better to have a process that includes periodic verification, but I would like to hear if you have any confirmation on this. Those are all the questions I have to you.

Miyamoto [A]: Thank you very much.

This is something that we have received a lot of feedback on. We will set up this “Supervisory Committee for Conflict of Interests in Transactions between Group Companies” as necessary. On the point of “as necessary,” the Board of Directors will naturally decide. If it is decided to establish a committee, a committee consisting of independent outside directors will be established as described in the slide.

Of course, we would like to continue to ask for your guidance regarding the operation of the committee, and so on. Since we have not yet opened the committee, if we do so in the future, we will report that we have established and operated the conflicts of interests committee in a manner like this. Thank you very much.

Hyogo [M]: Thank you for your thoughtful response. Thank you very much. I was very relieved when I saw your company's slides earlier because Chugai has just put something like this in. Thank you. That's all from me.

Yamaguchi [Q]: My name is Yamaguchi from Citigroup Global Markets. Thank you very much.

The first question is about surplus funds, which you also mentioned during the presentation, and I think you have quite a bit of money saved up right now. On the other hand, to put it simply, US stock prices have fallen and, of course the yen's depreciation is a negative factor, there is a view that in many ways, this is a good environment for buying products and technologies. We only know the results and don't really know what is going on during the process, but I would like to ask you if you have received a lot of proposals for such projects,

and if you have not been able to come to a consensus after various discussions. Or is it your company's culture not to get swayed so easily, and not to consider this type of proposal?

I know you have been asked many times by investors about the use of surplus funds in that area, and I would be very grateful if you could give us an idea of how often and what kind of discussions are actually taking place about activity, as well as specific examples.

Miyamoto [A]: Thank you, Mr. Yamaguchi. I will answer.

Certainly, it is difficult to see from the outside, but in fact we are considering this quite actively. There are quite a few deals that have gone through due diligence process. There have been some that have been done right up until just before the announcement, but in terms of what fits our needs, we have not been able to achieve any results that we can announce to you.

On a regular basis, about once a month, a dedicated team is assembled directly under me to discuss some specific cases. In the case a deal proceeds, we discuss, for example, how the due diligence process is going and where we are in the process, at a frequency of once two weeks or a week. This discussion process includes global team members.

As I mentioned in my explanation, the enhancement of our pipeline and the acquisition of new technologies are very important points for us, and we are putting a lot of effort into these areas. Unfortunately, we have not yet reached a result, but it is true that we have been discussing it quite often and have devoted considerable resources to it, even doing due diligence, for example.

Yamaguchi [Q]: Thank you.

Secondly, the marketing of Crysvita will start next April. We have been told that the agreement was originally designed in this way. However, although you mentioned your efforts on rare diseases today, I feel the connection between the franchise and the development pipeline is not clear in terms of orphan drugs.

I wonder if you have discussed about the significance of going into rare diseases and the synergies that will result from it within the Company or not. Some people might think that since the Company has sold one orphan product using an in-house system and that is a good thing, but from the outside, it seems that there aren't any synergies because it does not lead to a point where all the products are put together as an orphan company. What do you think about that?

Miyamoto [A]: Thank you.

I think this is also probably linked to the enhancement of the pipeline that I mentioned earlier. As you mentioned, we have established a certain level of scope for licensing in, for example, as I explained earlier, and we are working within that scope. However, the first and most important area of focus for scope is to include products that can generate synergies with Crysvita or Poteligeo.

As you can see from the figures, we still have a very high ratio of SG&A expenses. This is still a very expensive part when expanding the business globally. We need to create a single infrastructure and use it more efficiently to increase sales and profits while lowering the SG&A to sales ratio. This is exactly what you just pointed out is the central target. With this in mind, we are looking for the highest priority areas to use the surplus funds for the licenses you mentioned earlier. It is true that we are looking for that as a priority.

Yamaguchi [Q]: Thank you. If you have a comment on these two points, I would be grateful if external directors would share them with me.

Haga [A]: This is Haga. This point has come up in discussions regarding the Board's strategy. We believe that a strategic scenario is very important for sustainable growth, and our Board of Directors has been discussing how to position rare diseases in this scenario. In this context, it may be a bit of an exaggeration to say that we need to effectively synergize the management resources we have already built up, but the members of the Board of Directors and the Management Committee agree that we must create a strategic story in which we can use these management resources to anticipate the next stage of growth.

However, as you pointed out, it is not easy to see that as an achievement, and we are still in the middle of that process. However, as Dr. Miyamoto mentioned, I believe that we have agreed to start our search from the periphery of orphan diseases, in the sense that we are considering how to expand our current management resources for sustainable growth and such strategic growth. Thank you.

Yamaguchi [M]: Thank you.

Hashiguchi [Q]: I am Hashiguchi from Daiwa Securities. Thank you for your time today. I have two questions that will help me understand the character of Kyowa Kirin.

For one thing, could you please explain a little more about the process you went through in narrowing down the value creation story and materiality, and what else you considered when you came up with the final product? Regarding materiality, I would like to know if there are any episodes where you thought about keeping one item but decided not to during the consideration stage, or where you thought about removing one item but it stayed in place. I would like to know how Kyowa Kirin's unique positioning as one of the core companies within the Kirin Holdings Group is reflected in the way it has come to be.

Miyamoto [A]: Thank you, Mr. Hashiguchi. After my brief comments, I would like to ask Dr. Yamashita to say a few words.

Basically, I think the most important point of the discussion was to create the "life-changing value." As I mentioned earlier, the term "life-changing value" itself came from a conversation I had with a patient who had been using a drug we had just launched. I was very much impressed by their use of the word "Life-changing." We finally agreed that this is what we all wanted to do, but I believe that we have narrowed it down based on the discussions, including the materiality.

Dr. Yamashita, would you like to say something?

Yamashita [A]: Yes, thank you.

First, we have been focusing on innovation when we discussed our value creation story. Human capital and intellectual capital will be very important to make an innovation. Innovation can occur in a variety of places, and while pharmaceuticals themselves are naturally our goal, I believe we can also create value in a variety of other ways in our business activities.

We advocate CSV management, which is the pursuit of economic value while at the same time bringing value to society. We want to create that value through our business activities. We believe that in doing so, we need to think innovatively and build up our human resources and our experience.

In terms of materiality, our main focus is to create innovative and breakthrough drugs that address unmet medical needs. The second is that, as mentioned earlier about life-changing value, it is important to offer something of real value to the patients and medical personnel who receive it, and we have been considering our tasks placing the patients at the center in mind. We have been promoting our agenda by focusing on patients. Thank you.

Hashiguchi [Q]: Thank you very much.

My second question is about environmental management. In your explanation, I think you mentioned several times that you are collaborating with Kirin Holdings. Of course, it is important for you to work in accordance with Kirin Holdings' policies.

On the other hand, in terms of innovation initiatives and human resources, I think you introduced many ideas that are unique to Kyowa Kirin, which operates a pharmaceutical business. I was not clear about Kyowa Kirin's own efforts in environment-related matters, so I was wondering if you could introduce some of your own set targets, or elements that add more spice to Kirin Holdings' approach.

Ishimaru [A]: Thank you.

Basically, our activities are in line with the Kirin Group's Environmental Vision 2050, which I mentioned earlier. However, when setting our own targets, we have also decided to promote what we can do on our own, such as setting a target of reducing CO2 emissions by 55% by 2030, compared to the Group's overall target of 50%. While we are following the Group vision, Kyowa Kirin is also promoting its own unique initiatives.

On the other hand, Kirin has recently announced a policy on plastics, which is a very high hurdle to overcome in the pharmaceutical field. However, packaging materials are now about to be available, that can solve the recent problems of quality and stable supply, and we have begun to obtain sample products for these areas as part of our pharmaceuticals business. We would like to promote our own initiatives in these areas.

Hashiguchi [M]: Thank you very much. Thank you.

Hyogo [Q]: Sorry to ask a question again. Hyogo from Mitsubishi UFJ Trust and Banking here. I wondered if you could give a little more detail about your environmental initiatives.

I think it is certainly good targets, and since Kirin Brewery's environmental initiatives are very outstanding, I believe there are group synergies. However, we recognize that the materiality of beverage manufacturers and pharmaceutical companies inevitably differs. Please tell us how you are organizing this.

Also, considering that Kyowa Kirin accounts for a very large percentage of the market capitalization of Kirin Holdings, I wonder if it would be natural for your company's unique materiality to be reflected more in Kirin Holdings'. I would appreciate your comments on this point as well. That's all from me.

Ishimaru [A]: Thank you.

At Kyowa Kirin, we are focusing on "Climate change response and adaptation" and "Water resource management" as major issues. I think that Kyowa Kirin will be tackling these issues on its own, rather than in line with Kirin Holdings.

In terms of materiality, if it is necessary, I would like to ask Dr. Yamashita to give a brief explanation, but materiality is structured in terms of value creation and social value improvement. We consider environmental initiatives to be very important and fundamental, regardless of the business, so we believe that is the kind of materiality that we need to promote with Kirin.

Yamashita [A]: I would like to add a little on the materiality part.

Your question was about the difference between a food and beverage manufacturer and a pharmaceutical business, and the fact that Kyowa Kirin's position is growing in that context. Kirin Holdings has created and

presented a materiality matrix that includes the social impact, as Mr. Ishimaru just explained, and business impact.

In this context, our materiality that we will deliver value to patients with our pharmaceutical products, is positioned in the upper right corner of the two axes mentioned earlier. Kirin Holdings itself is promoting initiatives for people's health under the banner of health science, and as Dr. Haga mentioned earlier, they are taking up the areas that are in line with our direction as very important. That is all.

Hyogo [M]: Thank you very much. That's all from me.

Moderator [M]: Thank you very much. Since there seem to be no further questions, I will close the briefing. Thank you very much for attending our ESG presentation today and for your continued support of Kyowa Kirin.