



Kyowa Kirin Co., Ltd.

ESG Meeting 2023

October 3, 2023

Event Summary

[Event Name]	ESG Meeting 2023	
[Date]	October 3, 2023	
[Number of Speakers]	5	
	Masashi Miyamoto	Representative Director of the Board, President and Chief Executive Officer
	Takashi Oyamada	Independent External Director of the Board
	Wataru Murata	Senior Managing Executive Officer, Chief People Officer & Global Human Resources Head
	Yasuo Fujii	Managing Executive Officer, Head of Strategy Division, Chief Strategy Officer
	Koichiro Ishimaru	Executive Officer, Director, CSR Management Department, Global Corporate Social Responsibility Head

Presentation

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

Let me now introduce today's speakers. Masashi Miyamoto, President and CEO; Takashi Oyamada, Independent External Director; Wataru Murata, Senior Managing Executive Officer and CPO; Yasuo Fujii, Managing Executive Officer and CSO of Strategy Division; and Koichiro Ishimaru, Executive Officer and General Manager of CSR Management Department.

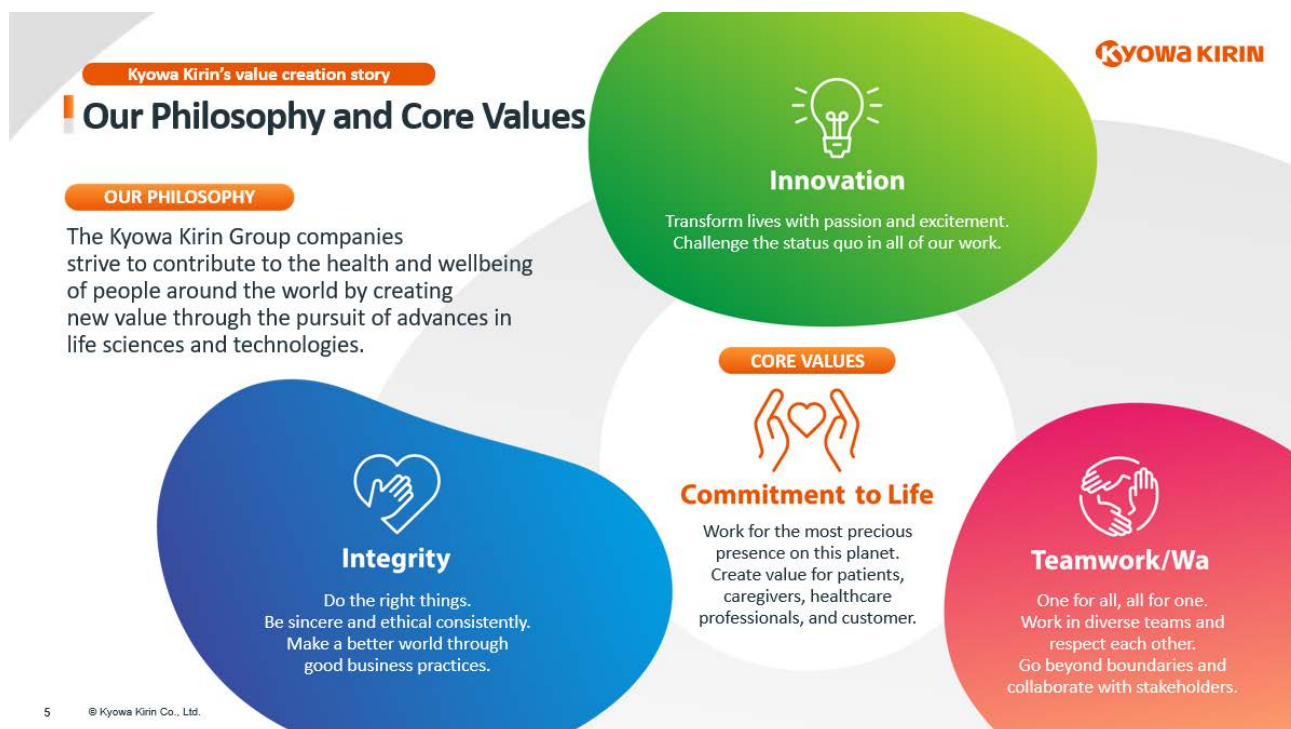


Agenda

Kyowa Kirin's value creation story	Representative Director of the Board, President and CEO	Masashi Miyamoto, Ph.D.
Kyowa Kirin's Materiality	Managing Executive Officer, Vice President, Head of Strategy Division, CSO	Yasuo Fujii
Feature : Aiming for people and organizations that lead to value creation	Senior Managing Executive Officer, CPO	Wataru Murata
Topics for value creation <ul style="list-style-type: none">● Patient Centricity in R&D	Managing Executive Officer, Vice President, Head of Strategy Division, CSO	Yasuo Fujii
Topics for value enhancement <ul style="list-style-type: none">● A thriving global environment for future generations● Cooperation and collaboration with business partners● Sound governance system	Executive Officer, Director, Corporate Social Responsibility Management Dept Senior Managing Executive Officer, CPO Representative Director of the Board, President and CEO Outside Director of the Board	Koichiro Ishimaru Wataru Murata Masashi Miyamoto, Ph.D. Takashi Oyamada, MBA
Q&A	All the above	

Today, I will make a presentation according to this agenda, and then we will have time to answer your questions. The maximum duration will be 90 minutes.

Mr. Miyamoto, please.



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

I will explain our management philosophy and the challenges we face in achieving our vision. Under the management philosophy of 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, we operate based on the values of innovation, integrity, and teamwork/wa, with commitment to life as our core concept.

Our Vision toward 2030

Our Vision toward 2030

Kyowa Kirin will realize the successful creation and delivery of life-changing value* that ultimately makes people smile, as a Japan-based Global Specialty Pharmaceutical company built on the diverse team of experts with shared passion for innovation.

Provide pharmaceuticals for unmet medical needs

We are focused on developing medicines for diseases where there is a clear patient need for new options. We make full use of multiple therapeutic modalities, including biotechnology such as antibody technology, and beyond, building on our Kyowa Kirin established strengths.

Address patient-centric healthcare needs

We will meet the needs of patients and society by providing value across the entire patient care pathway, delivering cutting-edge science and technology, grounded in our in-depth pharmaceutical knowledge and expertise.

Retain the trust of society

We pursue world-class product quality and operational excellence to grow our business in ways which build long-term trust with our stakeholders.

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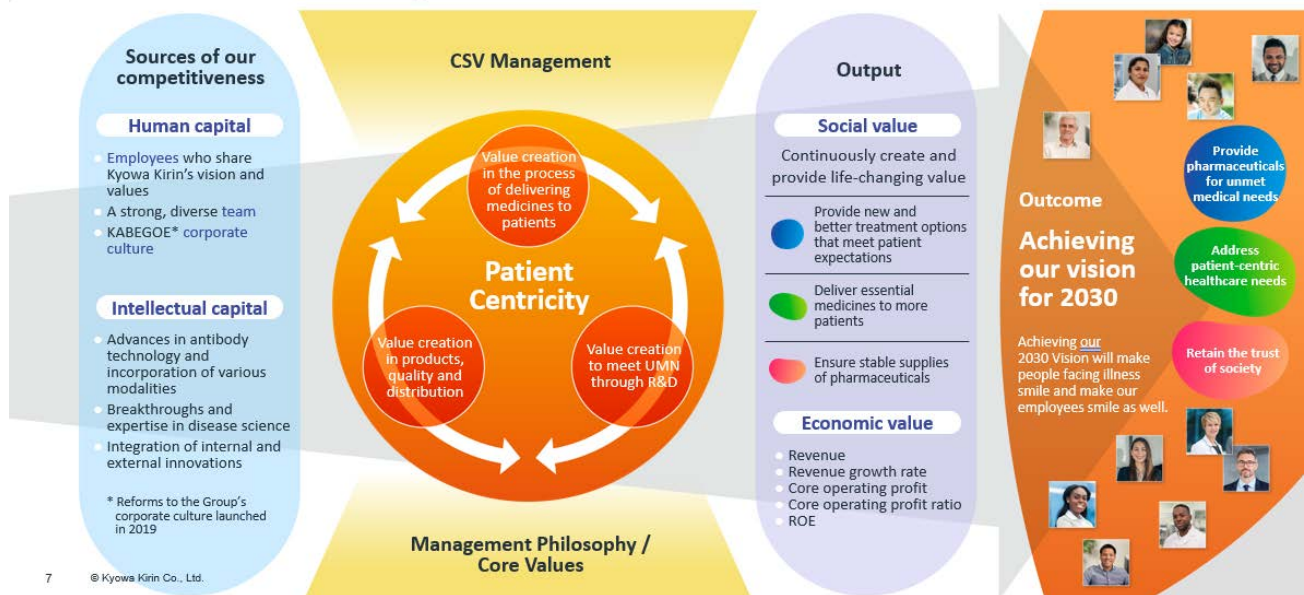
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* Make patients smile through dramatic improvements in quality of life by identifying the unmet medical needs of people battling with medical conditions and by creating and supplying new drugs or services that help them overcome those challenges.



The slide shown here is our vision for the year 2030. When we formulated this vision, we thoroughly discussed what values we should create and deliver to society and defined life-changing value. By continuing to provide this, we aim to bring smiles to the faces of all relevant stakeholders, including patients, their families and healthcare professionals, as well as our employees.

Value Creation Story



In this section, we will explain Kyowa Kirin's value creation story from the perspective of how we create life-changing value.

In the centrally located business model, all employees understand the concept of Patient Centricity and create value that leads to smiles for people facing diseases.

This means that each and every one of us must work to create value not only in the process of creating value to satisfy unmet medical needs through research and development, but also in the processes of product, quality, distribution, and even delivery of medicines to patients. It also means that each value chain is mutually linked to create even greater value.

Creating Shared Value, or CSV management, which the Kirin Holdings has adopted, is also positioned as a competitive strategy at Kyowa Kirin.

We create social value through the creation of pharmaceuticals that satisfy unmet medical needs, but aiming to create life-changing value that makes patients smile and feel that their lives have improved dramatically means that we are aiming to create even greater social value. We believe that this will lead to an increase in Kyowa Kirin's economic value and even corporate value.

We believe that the challenge of innovation is essential to the creation of the life-changing value, which aims to achieve both social and economic value, and that the human capital and intellectual capital that supports this challenge is the source of our competitiveness.

We are expanding our business globally. We seek people who share Kyowa Kirin's vision and values, who are diverse in nationality, gender, experience and skills, and who have a passion for innovation, while at the same time recognizing the strong team power that is created when these diverse individuals organically connect and work together, and the KABEGOE corporate culture that supports this as a source of strength.

KABEGOE is a corporate culture of overcoming individual and organizational barriers and even difficulties while practicing listening, speaking, and knowing each other well, and at Kyowa Kirin, it is becoming a pervasive approach that makes sense globally in Japanese.

We also aim to develop our business by enhancing our ability to create value along with the development of science and technology. Kyowa Kirin has been able to build a value chain of research, development, manufacturing, and marketing of innovative pharmaceuticals by creating biopharmaceuticals based on fermentation production and crossing it with cutting-edge biotechnology.

Currently, we are challenging the evolution of antibody technology and new modality initiatives to sharpen our life-changing value.

Furthermore, we hope to contribute to smiles for more people facing diseases by utilizing the latest science and technology, while deepening our collaboration not only with internal research but also with academic and research institutions outside the Company.

In this way, we will make human capital and intellectual capital the source of competition, creating a large cycle of value creation, leading to the continuous creation and provision of life-changing value as an output.

In more detail, the vision is to provide medicines that meet unmet medical needs by offering new and better treatment options that meet patients' expectations. And as for addressing patient-centric healthcare needs, it is to deliver essential medicines to more patients and to ensure a stable supply of medicines.

The values that can be obtained by providing this social value are shown below. These outputs then lead to smiles for people facing diseases. Kyowa Kirin is committed to creating value that brings smiles to the faces of all stakeholders, including employees.

Materiality

Kyowa Kirin has selected materiality (key management issues) to realize its vision for 2030. As we move into 2023, the mid-point of our Medium Term Business Plan, we have reviewed the Group's materiality in light of changes in the external environment, creating a clearer link between our vision and business strategy. Going forward, the whole Group will continue to work as one to achieve our vision for 2030.

Topics for value creation		
Core strategies	Materiality	Related SDGs
Provide pharmaceuticals for unmet medical needs	Creation of innovative drugs	3
	Maximize product value	5
	Pipeline expansion	8
Address patient-centric healthcare needs	Patient advocacy	9
	Access to medicine	10
Strengthen human resources and infrastructure to realize life-changing value	DE&I	17
	Talent portfolio	
	Corporate culture	
	Digital transformation	

Topics for value enhancement		
Core strategies	Materiality	Related SDGs
Retain the trust of society	Quality assurance and a stable supply of products	6
	Reducing environmental impact	12
Strengthen human resources and infrastructure to realize life-changing value	Corporate governance	13
	Ethics and transparency	15
	Reinforce risk management	16

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Fujii: Next, I will introduce Kyowa Kirin's materiality and co-creation of value with our stakeholders. The materiality introduced today is a key management issue to realize the 2030 Vision. As we enter 2023, the middle year of our mid-term management plan, we have reviewed our materiality in light of changes in the environment and introduced it at last year's ESG briefing.

Kyowa Kirin categorizes materiality into value creation topics and value enhancement topics, with value creation topics in particular strongly associated with value creation stories.

The Value Creation Topic includes three materialities for the provision of medicines to meet unmet medical needs: creating innovative drugs, maximizing the value of created products, and enhancing the pipeline.

In addition, materialities for addressing patient-centric healthcare needs include patient advocacy and improving access to medicines. The materialities for people and infrastructure to create life-changing value are DE&I, talent portfolio, corporate culture and digital transformation.

The Value Enhancement Topic includes assurance of product quality and stable supply, and reduction of global environmental impact as materiality for earning society's trust.

The materiality of human resources and infrastructure for creating life-changing value includes three items, including corporate governance.

We also show you the SDGs icons associated with these.

Today, we will introduce our initiatives on value creation and value enhancement materiality later today.

Co-creating Value with Stakeholders

We create both social and economic value to realize Kyowa Kirin's Vision. An essential part of this process is cooperating and collaborating with stakeholders in the value chain. We are committed to deepening relationships and co-creating value with stakeholders by engaging with them in various ways.

Today's agenda

Feature	Aiming for people and organizations that lead to value creation
Topics for value creation	<ol style="list-style-type: none"> 1 Patient Centricity in R&D 2 A thriving global environment for future generations
Topics for value enhancement	<ol style="list-style-type: none"> 3 Cooperation and collaboration with business partners 4 Sound governance system



The initiatives described here have been selected based on the theme of value co-creation with stakeholders. To realize our vision, we need to create both social and economic value. Cooperation and collaboration with all stakeholders are essential in this process. We are committed to deepening our relationships and co-creating value with our stakeholders through a variety of engagements.

In today's briefing, we will first introduce, as a feature, Kyowa Kirin's human capital initiatives aimed at people and organizations that lead to value creation in relation to employees.

Next, from the Value Creation Topic, we will introduce the Healthcare Café's approach to R&D Patient Centricity as it relates to people facing diseases.

Next, from the topic of value enhancement, in relation to local communities and future generations, we will introduce Scope 1 and 2 in our work on the global environment, and in relation to business partners, we will discuss strengthening the supply chain through cooperation and collaboration with business partners, in terms of addressing Scope 3 and addressing human rights at our suppliers. Finally, in relation to shareholders and investors, we would like to introduce our sound governance structure.

Aiming for people and organizations that lead to value creation

Aiming for people and organizations that lead to value creation —Unified team brimming with diversity—

- Talent=Source of Innovation
- We aim to realize people and organizations that lead to value creation by promoting initiatives based on HR strategy across regions/functions for the respective materiality of "DE&I," "Talent portfolio," and "Corporate culture."



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Murata: My name is Murata, Chief People Officer.

As explained in our value creation story, human capital is one of the sources of our competitiveness, and we are focusing on initiatives related to people and organization.

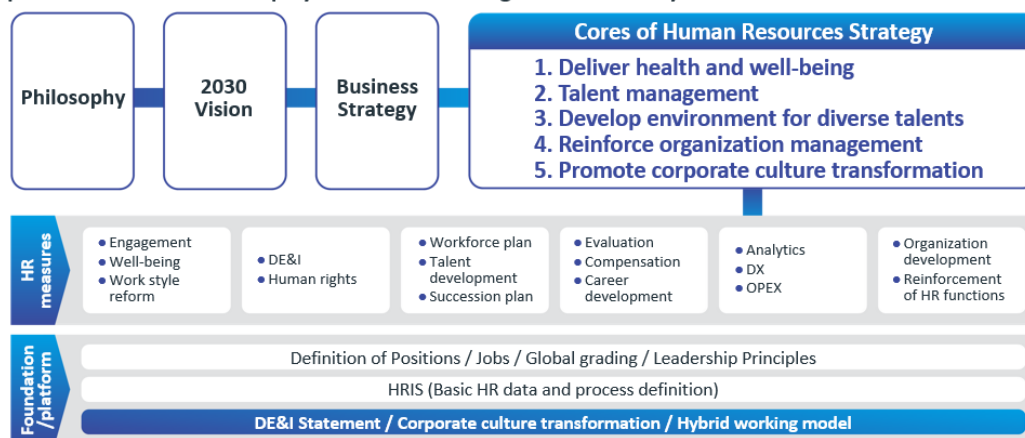
Today, I would like to explain our unique approach to people and organizations that lead to value creation.

For us at Kyowa Kirin, human resources are the source of innovation. The entire group is working to create an organizational climate and corporate culture in which a healthy and diverse workforce can thrive by promoting initiatives based on human resource strategies across regions and organizations in response to the respective materialities of DE&I, human resource portfolio, and corporate culture.

Aiming for people and organizations that lead to value creation

HR strategy Overview

- Roll out HR strategy and initiatives globally in line with the Philosophy, Vision, Core Values, and Business Strategy of the Kyowa Kirin Group
- By maximizing variety of personality and abilities of diverse talents across the organization, we aim to create a new corporate culture in which employees take on challenges autonomously for KABEGOE.



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This is an overview of the overall human resource strategy. Thus, our human resource strategy is tightly linked to our business strategy. We believe that by building a foundation and promoting personnel policies based on this HR strategy, we can create people and organizations that create value, which in turn will lead to the promotion of management strategies and the realization of our vision.

As I explained at last year's ESG briefing, since the start of our 2021 to 2025 mid-term management plan, we have focused on building a common global foundation. At the same time, we have steadily implemented measures to capitalize on this foundation.

Today, I would like to focus on the DE&I, human resources portfolio, and corporate culture initiatives that have been the focus of the entire group.

DE&I Initiatives

- Each region has set its own priorities and promotes initiatives to achieve the ideal of "one team in which diverse talent can play an active role."
- Messages are issued internally and externally at major DE&I-related events to ensure that DE&I is our foundation.
- To achieve steady increase of female leaders under the One Kyowa Kirin structure, set a global quantitative goal of the female leader's ratio aiming to increase from 29% (as of end of 2022) to 40% by 2030.
- Mandate to nominate diversified candidates in the succession plan as one of the immediate initiatives.



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First is the DE&I initiative. We promote this throughout the Group, seeing it as the foundation for creating a workplace where employees can reach their full potential, based on our commitment to DE&I, our source of innovation to drive sustainable growth, our social responsibility as a Japan-based Global Specialty Pharmaceutical company(J-GSP), and our relationship of trust.

While the importance of DE&I is shared by the Group, each region and country have different cultures and customs, so the priorities to be addressed will vary and cannot be solved by one-size-fits-all activities alone.

To this end, we are constantly communicating throughout the Company that DE&I is an important element in the realization of our vision. On the other hand, at such times as International Women's Day and Pride Month, when we are trying to raise awareness worldwide, we are working to increase the effectiveness of our efforts by developing each region's own measures to address the issues written on the right side of the page, while sending out common awareness-raising messages both internally and externally.

Among these, as one of the global KPIs, we are in the process of working toward our goal of increasing the percentage of female leaders in key positions in the One Kyowa Kirin(OKK) structure from 29% at the end of 2022 to 40% by 2030.

Aiming for people and organizations that lead to value creation

Enrich Talent Portfolio —Drive global talent management—

- Promote the discovery, training, and selection of next-generation leader candidates on a global basis in order to develop talent that realize J-GSP.
- Formulate “Kyowa Kirin’s Leadership Principles” based on Core Values for all group employees as leadership principles for creating value that leads to making people smile.
- Apply the principle as the global principles in recruitment, training, and succession planning.



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Next, I would like to explain the enhancement of our human resources portfolio. As I said at the outset, human resources are the source of innovation, and it is imperative that we enhance our human resources portfolio. In order to sustainably produce human resources who can realize J-GSP, we are promoting group-wide efforts to strengthen the global human resource pool.

We are making steady progress in developing the infrastructure necessary for human resource management, which is being promoted in the current mid-term plan, and are implementing the systems and measures described here on a group-wide basis. Examples are the development of a global succession plan, visualization and individual training of next-generation leader candidates, implementation of short-term overseas dispatch programs, and the OKK Academy.

In 2023, we also established the Kyowa Kirin Leadership Principles, which take Kyowa Kirin's values as the starting point for creating value that will lead to patients smile and formulated them for the entire Kyowa Kirin Group. This is the core of our sought-after talent portfolio, and we use it as a common operating group principle in human resources in all aspects of hiring, development, personnel evaluation, and succession planning.

We will promote the discovery, development, and selection of next-generation leader candidates for the future of functional divisions in each region throughout the Group and globally to develop the One Kyowa Kirin system in a sustainable manner.

“KABEGOE” - Fostering corporate culture as basis of Vision achievement



- We organized workshops for top management, town hall meetings and Meet-Up events which are direct conversations between the management and employees frequently, and the whole Group shares the understanding that “KABEGOE” is the mindset all Kyowa Kirin members should have to get over challenges for achieving the Vision.
- We steadily conduct PDCA cycles of performing periodic surveys, identify issues based on the results, and implement measures.
- To make people smile, we strive to realize the corporate culture where each employee try “KABEGOE” on their own initiative.

Piling up many-sided activities steadily allows us to expand the understanding of importance of Corporate Culture Reform gradually

OKK Culture Workshop



- 33 OKK leadership members incl. CEO participated

GEMS (Global Engagement and Motivation Survey)*

- Employee Engagement: 1pt improved from the previous year
- Issues identified: “Work, Structure & Process” “Resources”

* Result of survey in Sep. 2022

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Meet Up (Management-employee conversation)



- Held 36 times with 469 participants in total (as of Aug 2023)

Periodic survey

- Domestic: 2 times/year (12 questions) conducted 9 times since 2020
- Global: 1 time/year (3 questions) conducted 2 times since 2022

Town Hall meeting



- Direct conversation with CEO: held 8 times /year (4 Regions x 2 times)

Commitment to Life Award

- Commitment to life Award: 2 prizes
- KABEGOE Award: 2 prizes
- CSV Award: 2 prizes

Next is KABEGOE. KABEGOE's activities to foster a corporate culture as the foundation for achieving its vision are now in its third year. We feel that we are making steady progress, but we recognize that there is still more to be done.

In this third year of our corporate culture reform activities with KABEGOE as the keyword, we are continuing our efforts from both the top-down and bottom-up. Special emphasis has been placed on direct dialogue between top management and employees. Those include Meet Up and Town Hall Meetings, as shown in the pictures.

Meet Up, a frank discussion of various topics with top management in a small group, has been held a total of 36 times globally and in Japan, and has become a forum for both management and employees to gain insight into their work.

At town hall meetings for all employees held in each region, the president personally provides in-depth explanations of the most recent company and development status, while at the same time continuously communicating management philosophy, vision, and values to each other. Employees also ask a variety of questions, which are answered live, in an effort to create a more open-minded organization.

We also hold the Commitment to Life Award every year, a global award system that honors colleagues who have made significant contributions to improving the corporate value of the Kyowa Kirin Group and reforming its corporate culture through initiatives that embody the values of KABEGOE.

These activities are also reflected in the results of the survey on corporate culture reform, with a 69% positive response rate to the question about overcoming barriers. In addition, the results of the employee engagement survey, an important KPI for the Company as a whole, are up 1 point from the previous year in the September 2022 survey, indicating that the Company is gradually but surely making inroads. Note that this GEMS and Corporate Culture Survey is a work in progress, and the results will be available in November.

It is important to note that by analyzing the results of these employee awareness surveys and questionnaires, we can determine whether the measures we implemented were more effective and what priority issues need to be addressed, both on a company-wide and on a functional or unit basis and incorporate these into the

next year's business plan. I believe that it is very important to follow the PDCA cycle, which leads to more efficient and steady actions.

There is no end in sight for these corporate culture initiatives, so we will continue to work on them, recognizing that all employees are bearers of a corporate culture that creates life-changing value.



Aiming for people and organizations that lead to value creation

Initiatives in Japan region to be a unified team brimming with diversity

Wellbeing

Women's empowerment

Work-life balance supporting

LGBTQ+

Corporate Culture Transformation

- In 2023 spring, implemented "Smile Walk," a donation based on participation rate and number of steps taken. Participation rate was 85.7%.
- Selected as the Health & Productivity Stock Selection for two consecutive years.
- Aim to have 18% or more management positions held by women by the end of 2025 (14.7% as of Apr. 2023)
- Disclosed wage differentials between male and female to promote gender equality.
- Conducted mentoring program for women in management position (2022-) and roundtable (2023).
- Established in-house nursery schools (Mishima in 2022, Takasaki in 2023)
- Conducted a survey of all employees on the status of nursing care→ Results to be reflected in the new manager training in 2023
- Received Gold rating in PRIDE Index. In 2023, the company & union co-sponsored a booth at Tokyo Rainbow Pride for the first time.
- Conducted initiatives such as Transformation Leader (80 people in total) and "Seminar on People Facing Disease Today" (2,911 people in total participated).

Kyowa Kirin Nursery, Takasaki



Tokyo Rainbow Pride



Roundtable



External Evaluations



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Finally, I would like to explain about our activities in Japan. I would like to explain our efforts to create one team in the Japan Region where diverse personalities can shine.

We believe that wellbeing of each employee is essential, who are the source of innovation, to be able to thrive. For this reason, we have long been committed to healthy management. Thanks to this, we have been selected as a healthy management brand for two consecutive years.

In addition, the walking campaign, which we have been doing for some time, has developed a new initiative in 2023 called the Smile Walk, in which the Company provides matching gifts based on the number of steps taken by employees. As a result, the participation rate was very high at 85.7%, and I am very pleased to see that the employees' awareness of their health and their sense of moving forward together with society is increasing.

In the area of women's activities, we have announced gender wage differentials to promote gender equality. There was a 25% difference in the current situation, mainly due to the difference in the ratio of management positions between men and women. We have set a goal of having at least 18% women in management positions by the end of 2025, and I believe this wage differential will narrow as we achieve this goal.

In addition, as part of our efforts to support both childcare and nursing care, we opened in-house childcare facilities in Mishima in 2022 and in Takasaki in 2023. In addition, we conduct surveys on the actual state of nursing care and incorporate the results into training programs for new managers to provide them with basic knowledge on nursing care and to support them in designing their own work styles according to their life events.

In addition, for LGBTQ+ initiatives, we have achieved Gold PRIDE certification. This year, we have also gone one step further and are promoting new proactive initiatives, such as exhibiting a booth at Tokyo Rainbow Pride.

We will implement HR strategies and measures linked to these management strategies, as well as improvement activities in each workplace, and take appropriate action based on the results of engagement surveys and other surveys. By doing so, we intend to proceed with the goal of creating a one-team where healthy and diverse human resources can work towards the realization of life-changing values while experiencing wellbeing.

This has been an explanation of the activities we are undertaking to create people and organizations that lead to value creation.



Fujii: Next, I would like to introduce our initiatives on the value creation topic.

In relation to materiality, we would like to introduce the Healthcare Café activity as a Patient Centricity in R&D activities, an initiative that falls under the category of creating innovative drugs.

Last year, we explained about improving access to medicines for basic diseases as an initiative to create value in the process of delivering medicines to patients, which is located at the top of the diagram here.

Today, in relation to value creation to meet unmet medical needs through research and development, which is described in the bottom right-hand corner, we introduce the Healthcare Café activity, which was implemented as an attempt to incorporate the perspectives of people facing diseases, patients and their families into R&D activities, from the value creation story through Patient Centricity.

Healthcare Café —patient perspectives in drug discovery—

Direct dialogue and interaction between patients living with diseases/disabilities and R&D employees in pharmaceutical companies

Utilizing real patients' voice in drug discovery



Healthcare Café

Initiatives by several pharmaceutical companies having the same vision

Various approaches utilizing the strengths of each pharmaceutical company

Traditionally, healthcare professionals, pharmaceutical companies, and researchers have played a central role in drug discovery activities. In recent years, the importance of patient engagement has been recognized, where the voices of patients and their families are taken into account and medical research and clinical trials are conducted together with patients. This has led to a movement in industry, government and academia, which is gradually beginning to spread in Japan.

On the other hand, the practice in the domestic pharmaceutical companies is still in its infancy, and each pharmaceutical company is proceeding through a trial-and-error process, so it is still necessary to accumulate best practices and know-how. In addition, compared to patient participation in clinical trials of pharmaceutical products, there are few examples worldwide of incorporating the real patients voice from the non-clinical research stage.

The Healthcare Café was launched as an initiative to accelerate learning while leveraging the strengths of multiple Japanese pharmaceutical companies that share the same vision to advance drug discovery activities in collaboration with patients.

Through direct dialogues and interactions between patients with diseases or disabilities and their families, and researchers from pharmaceutical companies, who get to know each other deeply and build a relationship of trust, we learn about the experiences and ideas of the people involved that cannot be found in medical articles. Through these experiences, the researchers will understand the significance of having a patient perspective, and the insights gained will lead to future research strategies and new ideas for co-creating patient value.

Healthcare Café Event Outline

Host Company	Year/Month	Theme/Area	Contents
1 st Takeda Pharmaceutical Company Limited	2022.9	Hearing impairment	<ul style="list-style-type: none"> ● Lecture/Speech by physicians and Patients/Families ● Preliminary dialogue sessions ● Panel discussion
2 nd DAIICHI SANKYO COMPANY, LIMITED	2022.12	Cancer	<ul style="list-style-type: none"> ● Speech by cancer patients ● Visualization with Graphic Facilitation ● Workshop to put in a position of various stakeholders
3 rd Santen Pharmaceutical Co., Ltd.	2023.1	Visual impairment	<ul style="list-style-type: none"> ● Speeches by people with visual impairments ● Blindness Experience Event
4 th Kyowa Kirin	2023.6	Pediatric Care Rare Disease	<ul style="list-style-type: none"> ● Home visit and Preliminary dialogue sessions ● Lecture by a physician ● Speeches by caregivers of children with special medical care ● Panel discussion

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Specifically, several pharmaceutical companies each take their turn to host a rotating series of opportunities for dialogue with patients. Not only will we gain insight into a greater variety of fields than a stand-alone event, but we expect to generate a wide range of thought-provoking insights by bringing together researchers from other companies with a variety of different backgrounds.

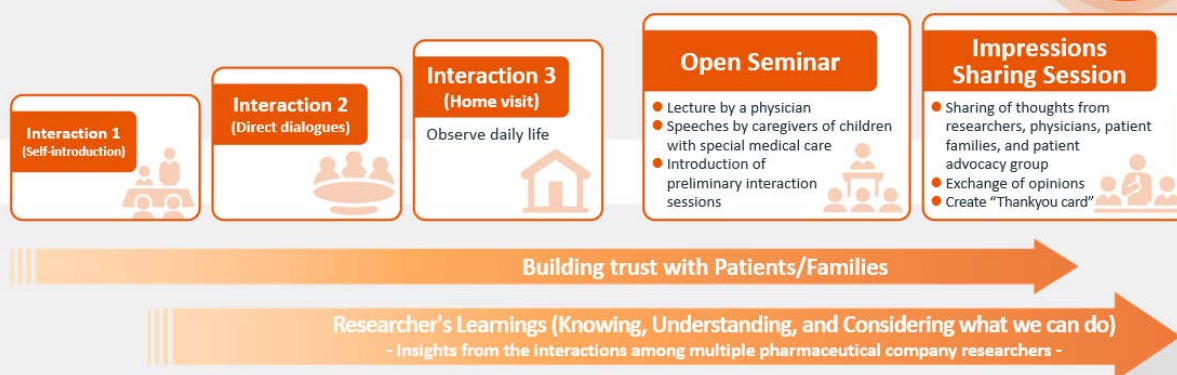
A summary of each meeting that has been held as a Healthcare Café is shown here. While each company organizes the exchange in its own way, each time the event is held, learning accumulates throughout the Company because of the deep involvement of other companies from the planning stage.

Kyowa Kirin cooperated with families with children who need special medical care and a non-profit organization to conduct this program on the themes of pediatric care and rare diseases.

What was the aim in 4th Healthcare Café (Hosted by Kyowa Kirin)

- Build trust via several interactions between 4 patients/families living with diseases/disabilities and 16 R&D employees in pharmaceutical companies in order to deepen mutual understanding
- Provide opportunities for all R&D employees to acquire insights through open seminar and impression-sharing session

**Towards
Drug
Discovery**



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Through this valuable experience, in which the researchers, together with researchers from other companies, learned and understood patients' diseases and the lives of people dealing with diseases, and thought about what they could do to help, it provided an opportunity to learn and realize new things as a researcher that had never been done before. We believe that there are clues that can lead to an understanding of unmet medical needs, which can be seen from a different angle from the disease-centered world and from the patient's point of view.

The first step in learning and realizing this is to build a trusting relationship with patients and their families, which is a very important and indispensable process. For this reason, we carefully create an environment where both patients and their families, and researchers can feel comfortable interacting with each other by holding multiple exchange opportunities. We will then conduct home visits to the homes of patients and their families to experience, albeit briefly, how they are dealing with the disease in their daily lives.

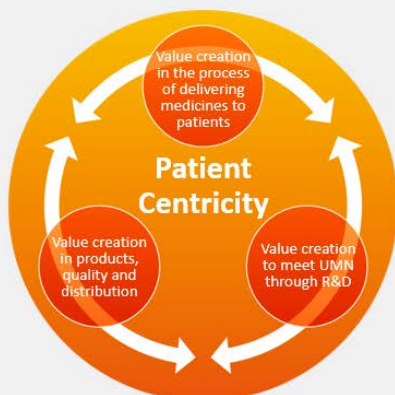
The information was then shared widely with more than 1,000 employees of each company in the form of an open seminar, even with researchers who were unable to attend the series of exchange meetings. After the open seminar, the impression-sharing session was held by the speakers of the open seminar and the researchers who participated in the home visits, where members from different backgrounds verbalized their insights and thoughts.

The participating researchers thought they had imagined the unmet medical needs of patients and their families through the articles and texts, but through the home visits and dialogues, they realized that this was not the extent of their imagination. It takes many years of long-term research and development to deliver them as medicines, and although it is a long road ahead and sometimes, we feel like we cannot see the future, we could feel again that there are patients who are waiting for us beyond our efforts. The feedback not only made us realize that we are a researcher, but also renewed our motivation.

The Healthcare Café is not intended to be a drug discovery activity related to a specific drug candidate or pipeline in development, but solely to provide researchers with a broad range of insights that will inform their future research activities. Therefore, we would like to remind you that the patients and diseases targeted in this initiative are not directly the subject of our research.

Healthcare Café —patient perspectives in drug discovery—

- from “For Patients” to “With Patients”
- “Value creation to meet UMN through R&D” by co-creating value with stakeholders



In this way, the traditional concept of “for patients”, in which the medical community and pharmaceutical companies are working together for the benefit of patients, is changing to the concept of “with patients”.

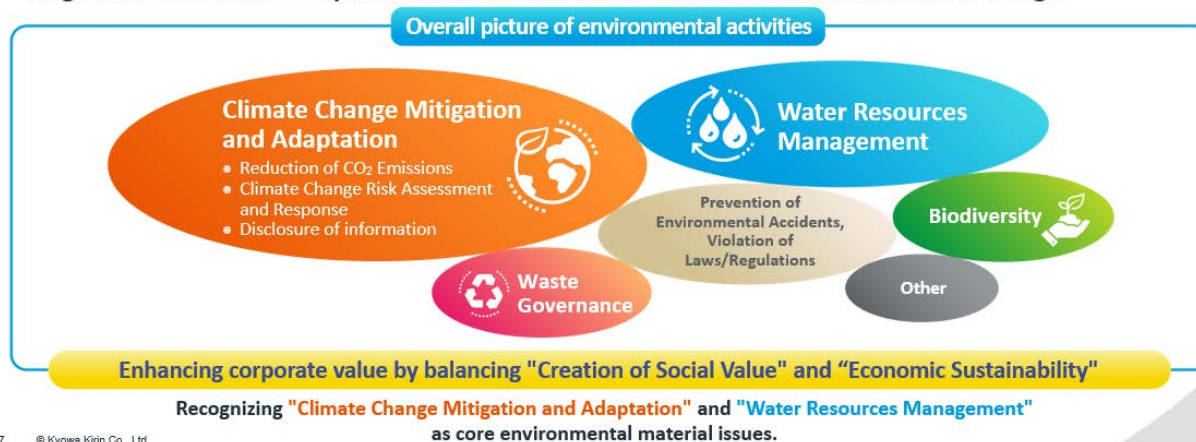
The participation in the Healthcare Café has triggered several R&D activities in Japan that make use of the real patient’s voice. An environment for co-creation with patients and the development of truly high-value drugs is being created.

By co-creating the value of Kyowa Kirin with our stakeholders, patients, families, healthcare professionals, and other people facing diseases, we hope to create both social and economic value as we move toward the realization of our vision.

That is all from Fujii.

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.



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Ishimaru: Continuing on, I would like to introduce the value enhancement topic. My name is Ishimaru and I am in charge of environment.

I will introduce our company's environmental initiatives under the title of Thriving global environment for future generations. In materiality, it is positioned to earn the trust of society.

Here are the policies and issues related to environmental management. The Kyowa Kirin Group has identified the reduction of our impact on the global environment as a materiality related to the environment, and based on the Kyowa Kirin Group Environmental Policy, 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 resource management" as core issues and 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, and we will continue to work with Kirin Holdings to achieve this vision.

Climate Change : Initiatives and Performances to Reduce CO₂ Emissions (Scope 1 and 2)

- Climate change measures tailored to business characteristics
- CO₂ emissions reduction :
Save Energy x Expand Renewable Energy x Convert Energy Sources

2030 Target

Reduce CO₂ emission by 55% from 2019 level

Efforts → 2030

Reduce CO₂ emissions by saving energy (including capex) and expanding the use of renewable energy

2040 Target

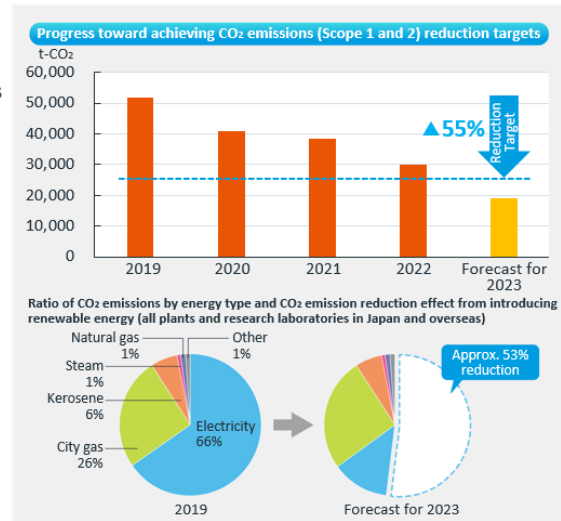
Achieve 100% renewable energy for electricity use (RE100)

2050 Target

Net zero CO₂ emissions for the entire value chain

Efforts → 2030–2050

Switch to new energy sources while continuing to save energy and expand renewable energy



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This is followed by an introduction of the Company's policy on climate change and its actual and projected reductions.

The Kirin Group aims to achieve net zero greenhouse gas emissions for the entire value chain in 2050 as a long-term goal. With regard to Scope 1 and 2, we have set a target of reducing greenhouse gas emissions for the entire Kirin Group by 50% by 2030 compared to 2019 levels. We have also set a goal of RE100 in which 100% of the electricity we use will be from renewable energy sources by 2040.

Based on this, Kyowa Kirin group has set similar targets for 2050 and 2040, but for Scope 1 and 2, we have set our own target to reduce CO₂ emissions by 55% by 2030 compared to 2019 level.

To achieve these goals, we will promote continuous energy-saving activities until 2030, while expanding the introduction of renewable energy and reducing CO₂ emissions, based on the business characteristics that about two-thirds of the energy used is electricity.

After 2030, in addition to these energy-saving and renewable energy expansion efforts, we will switch to new facilities that enable energy conversion, while keeping a close eye on trends in technological innovation.

The bar graph on the right and the pie chart on the left show the actual reductions in CO₂ emissions and the projected targets for 2023 and 2030, respectively. We believe we are on track to achieve our 2030 CO₂ emissions reduction target.

Examples of initiatives to reduce CO₂ emissions (Scope 1 and 2)

Ube Plant

- PPA (Power Purchase Agreement) model large-scale solar power generation facility in operation: Mar. 2023–
- Acquisition of ZEB (Net Zero Energy Building) certification for new office building (Kyowa Kirin Group/ Kirin Group's first)

Ube Plant



PPA model Large-scale Solar Power Generation Facility



New Office Building (SF Bldg.)

Takasaki Plant

- Q-TOWER construction completed: Dec. 2022
 - Introduction of Japan's most advanced biopharmaceutical analysis facilities and automation/labor-saving equipment
 - Reduction of environmental impact through adoption of Precast-Prestressed Concrete construction method

Takasaki Plant

Q-TOWER



Exterior



Laboratory



Office Area

Kyowa Kirin China Pharmaceutical Co., Ltd. (Shanghai)

- Installed solar power generation facilities in new warehouse building

Kyowa Kirin China Pharmaceutical Co., Ltd. (Shanghai)

Solar Power Generation Facilities



Ube Plant, Takasaki Plant, Fuji Site, HQ

Achieved zero CO₂ emissions for all purchased electricity (RE100 compliant)

(Tokyo Research Park to be achieved: 2024)

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Examples of specific initiatives for Scope 1 and 2 reductions are presented below.

To achieve the Group's 2030 target, we have formulated a roadmap and are implementing various measures. This roadmap will be reviewed annually to reflect changes in energy consumption due to changes in production volume, completion of new buildings, etc., and to verify the effects of various measures and ensure that actual results are accumulated.

This slide provides specific examples of measures implemented in the past year. First, a large-scale solar power generation facility based on the on-site PPA model was completed at the Ube Plant and began operation in March of this year. This is expected to generate and supply electricity equivalent to approximately 20% of the Ube Plant's annual electricity consumption.

The new office building completed in April of this year was the first in the Kyowa Kirin Group and Kirin Group to receive ZEB certification, which is given to buildings that aim to achieve a net-zero energy balance.

In December last year, the Takasaki Plant completed construction of Q-TOWER, a new quality assurance-related complex facility equipped with Japan's most advanced biopharmaceutical analysis facilities, as well as automation and labor-saving equipment. Q-TOWER Construction adopted the precast prestressed concrete (PCaPC) construction method, in which concrete materials are manufactured in advance at a factory and assembled on site. This has resulted in improved productivity by shortening construction periods, ensuring safety and high quality, as well as reducing noise around construction sites, reducing waste by reducing sub-materials, and reducing environmental impact by conserving resources and materials.

Meanwhile, we are also promoting initiatives at our overseas affiliates. Kyowa Kirin China Pharmaceutical in Shanghai, China, installed a solar power generation system in conjunction with the construction of a new warehouse building. It is expected to supply the equivalent of 14% of the plant's annual electricity consumption.

As for the conversion of purchased electricity to renewable energy, we have already switched to RE100-compliant renewable energy for all electricity purchased at the Ube Plant, Takasaki Plant, Fuji Plant, and the Head Office, and we plan to switch to RE100-compliant electricity at the Tokyo Research Park next year.

In the future, we will introduce renewable energy to all of our group's business sites, including overseas sites, to promote decarbonization.



Next, Ishimaru will continue to explain about cooperation and collaboration with business partners from an environmental perspective, and Murata will explain from a human rights perspective.

In our vision for 2030, we are committed to the continuous creation and provision of Life-changing value. To achieve this, it is essential to cooperate and collaborate with all processes in the value chain, not only with our own company but also with our stakeholders.

In recent years, strengthening our supply chain has become increasingly important from a sustainability perspective, and we are committed to addressing various sustainability issues by deepening our relationships with our stakeholders.

Today, we will focus on our environmental and human rights initiatives with our business partners among our stakeholders.

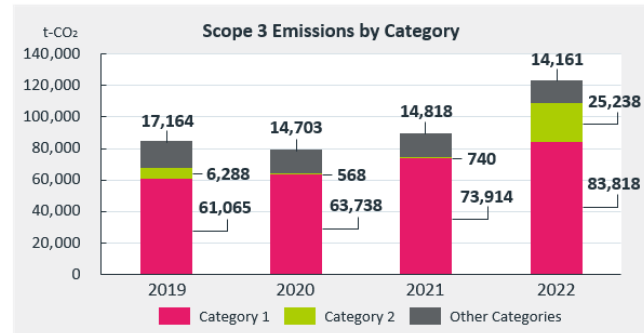
Measures for Scope 3

Kyowa Kirin's vision is to continuously create and deliver the life-changing value, and to make people smile. We have set "Reducing the Impact on the Global Environment" as one of the materialities to realize this vision, and based on our commitment to the environment, we are actively working to realize a decarbonized society in cooperation with all our stakeholders.

- Develop initial hypothesis and roadmap (initial draft) for reduction measures

Future actions

- Mid-and long-term target setting
- Identify emissions throughout the supply chain and develop measures to reduce emissions
 - Briefings for suppliers
 - Request for cooperation in initiatives
 - Identification and analysis of current status, identification of issues, and feedback
 - Development of reduction measures



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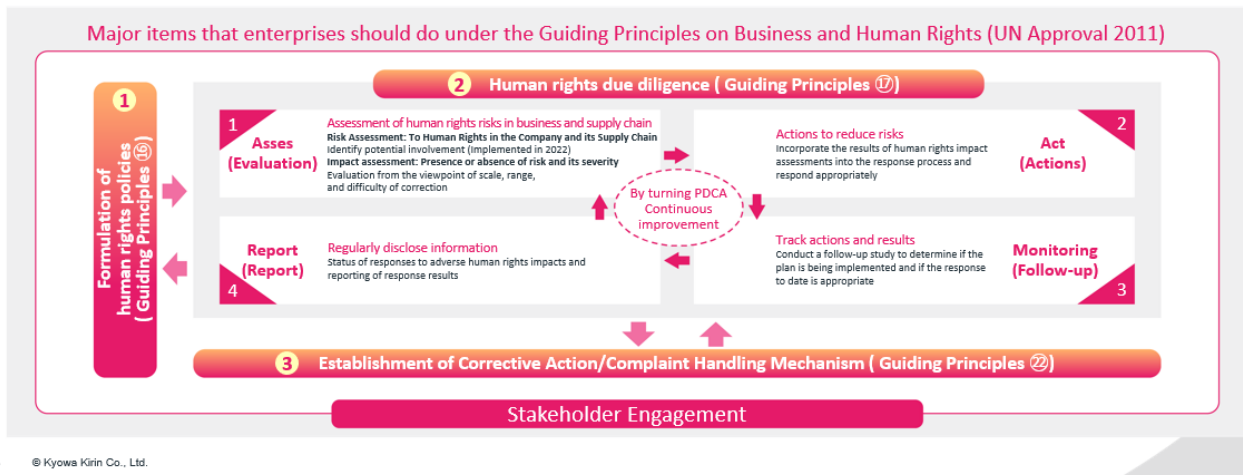
An initial draft of the roadmap for Scope 3 compliance is under development. As for our Scope 3 emissions, as shown in the graph below right, the category that is emissions from contract manufacturing, etc. accounts for about 70% of the total.

Therefore, it will be extremely important to set Kyowa Kirin's own medium- and long-term targets for Scope 3 reduction and to develop various measures throughout the supply chain, centering on this Category 1.

Therefore, we plan to work with our business partner, contract manufacturing suppliers, to understand the current situation, identify issues, and develop measures to reduce costs.

Initiatives for Human Rights that a Company Should Take

- In order to fulfill the "responsibility for respect for human rights" required of companies by the Guiding Principles on Business and Human Rights (United Nations Human Rights Council), the initiatives shown in the chart below will be appropriately promoted with transparency by the internal working team with the cooperation of the Caux Round Table – Japan (CRT – Japan), a third-party organization.



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Murata: I would like to explain further initiatives regarding human rights.

As we move forward in our business towards achieving our 2030 Vision, we believe it has become increasingly necessary to effectively promote respect for human rights based on the Guiding Principles on Business and Human Rights.

There are three major initiatives required of companies by the Guiding Principles. Specifically, there are three main areas: the first is the formulation of a human rights policy, the second is the implementation of human rights due diligence, and the third is the establishment of a corrective action and grievance mechanism.

I will explain these three issues later, but as for human rights issues, since positive impacts cannot offset negative impacts, we would like to promote efforts to implement prevention, mitigation, and remediation of negative impacts on human rights above all else.

Kyowa Kirin's Business and Human Rights Initiatives ①

① Policy commitment

Formulated the company's basic human rights policy as a pharmaceutical company (December 2022)



- Compliance with the United Nations Guiding Principles on Business and Human Rights.
- As a pharmaceutical company, we expressed our intention to respect the "Helsinki Declaration" in the same manner as other international norms.
- Describes the basic philosophy on human rights, the commitment to respect human rights based on internal policies and regulations, and support for various international norms.
- Describes the scope and responsibilities of the policy, dialogue and internal education for human rights due diligence, and remedies.
- The scope of application covers all directors, employees and all business associates of our group.
- Approved by the Board of Directors and signed by Representative Director.

First, let me explain the formulation of the human rights policy. Previously, Kyowa Kirin had been promoting human rights initiatives in accordance with the Kirin Group Human Rights Policy. In December 2022, however, the Kyowa Kirin Group formulated its own Kyowa Kirin Group Human Rights Policy in light of changes in social conditions and demands from society.

This is in compliance with the UN Guiding Principles on Business and Human Rights, and as a pharmaceutical company, we are committed to respecting the "Helsinki Declaration" as well as other international norms.

It also states our basic stance on human rights, that our efforts to respect human rights are based on internal policies and regulations, and that we support and respect various international norms.

This new policy will not only apply to all employees, but we expect all business partners to support this policy and will strive to ensure that our suppliers comply with it.

Kyowa Kirin's Business and Human Rights Initiatives ②

② Human rights due diligence

- Holding cross-divisional workshops to identify human rights issues that are prerequisites for human rights due diligence
- Understanding and analyzing the status of human rights issues identified at the workshops and implementing responses



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Next, we will discuss our human rights due diligence efforts. The human rights issues identified at the workshop held last year were not only evaluated by the Company itself, but also discussed with the CRT-Japan to identify priority issues by multiplying the level of interest from society.

We are currently monitoring and analyzing the status of efforts regarding the employment and working environment of foreign national technical intern trainees at suppliers in Japan and confirming that there is no negative impact on human rights.

Further Business and Human Rights Initiatives at Kyowa Kirin

3 Establishment of a Correction and Complaint Processing Mechanism

- Planning to join Business and Human Rights Dialogue and Relief Organization (JaCER) in collaboration with Kirin Holdings to establish a remediation mechanism.
- JaCER is targeted at all stakeholders, including those working in the supply chain and in local communities, who are adversely affected by, or may be adversely affected by, human rights concerns.
- By accepting complaints via third parties, we will endeavor to ensure fairness and transparency in the processing of complaints, and respond appropriately to complaints and reports. In this way, we will endeavor to resolve essential issues in human rights. The anonymity of the whistleblower and the confidentiality of the content of the whistleblowing report are ensured at the reporting reception.
- Reports via JaCER are disclosed anonymously on JaCER website regularly.

Next, we will explain the corrective action and grievance mechanisms. While the human rights due diligence mentioned earlier is a proactive effort to prevent and correct negative impacts on human rights, the establishment of this corrective and grievance mechanism is a reactive effort to correct the human rights issues that are reported.

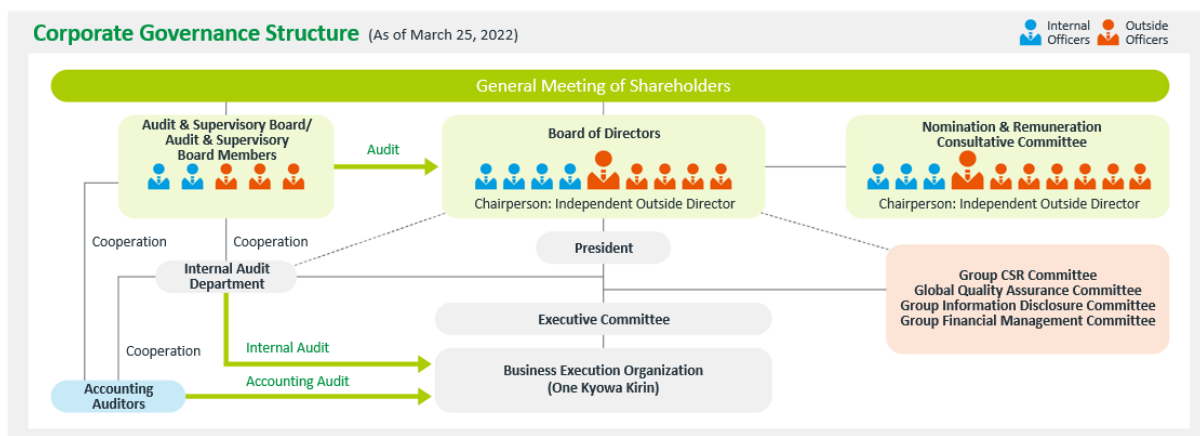
To establish a mechanism to meet the requirements of the Guiding Principles on Business and Human Rights, Kirin Holdings plans to join JaCER, a general incorporated association that is a member of the Japan Business and Human Rights Dialogue and Relief Organization. JaCER's dialogue and remedy platform will now accept human rights complaints and reports from all stakeholders in the supply chain.

By accepting this through a third party, the fairness and transparency of the complaint process and the appropriate response to complaints and reports can be addressed to resolve essential issues in human rights. In addition, we believe that the anonymity of whistleblowers and the confidentiality of the content of whistleblowing are ensured in the reception of reports.

While raising human rights initiatives to a global issue, we will continue to value without change the compassion for those close to us that we have always valued, and each individual employee will take human rights issues into his or her own hands as we work to create a workplace and society free of discrimination and harassment.

Governance Structure – Ensure sounder transparency –

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



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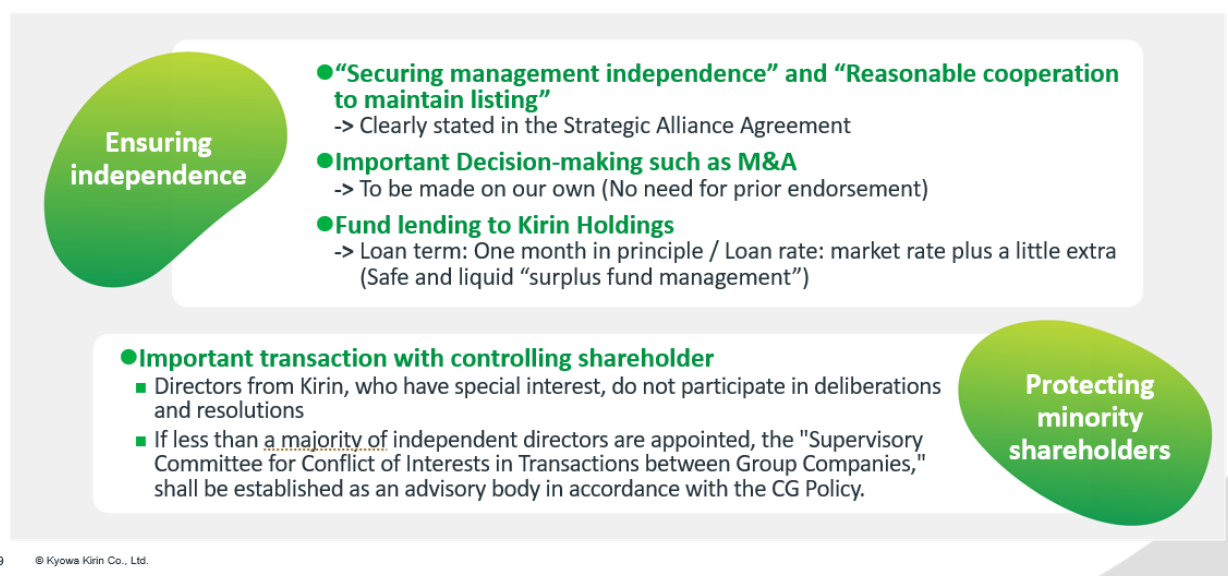
Miyamoto: Finally, I would like to introduce governance.

Taking the opportunity of the revision of the Corporate Governance Code in 2021, we are building a governance system to ensure more transparency as a Japan-based Global Specialty Pharmaceutical company.

Although one outside director was replaced at the General Meeting of Shareholders in March of this year, we continue to have a total of nine directors, with five independent outside directors, more than a majority.

The Nomination & Remuneration Consultative Committee also operates with a 70% ratio of independent directors. In addition, the Chairperson of the Board of Directors and the Chairperson of the Advisory Committee are also independent outside directors and outside corporate auditors, respectively.

Decent governance system as a listed subsidiary



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This page introduces the current situation from the perspective of guaranteeing independence and protecting minority shareholders, both of which we need to keep in mind in the governance of our listed subsidiaries.

In terms of independence, the strategic alliance agreement that we have with the parent company clearly states that our management independence is secured and that we will reasonably cooperate with the parent company in maintaining our listing.

This means that we can basically make decisions on very large projects, such as M&A, on our own.

Regarding the question we are sometimes asked about loans to the parent company, we consider this to be a safe and liquid investment of surplus funds. Since about two years ago, the loan period has been reduced to one month, and as shown in the financial statements as cash equivalents, the funds are basically readily available at any time. Interest rates on loans are also slightly higher than market rates. 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, our priority is to use this money for growth investments, in other words, to acquire new pipelines and technologies.

In terms of protecting minority shareholders, the Company pays particular attention to governance related to significant transactions with the parent company. Directors from the parent company are considered special interested parties, and as was the case, for example, with the transfer of Kyowa Hakko Bio, they are not supposed to participate in any deliberations or resolutions on specific matters.

Although the Company has a majority of independent executive directors on the Board, in the unlikely event that less than a majority of the directors are independent, or in the event that a conflict of interest transaction with the parent company occurs, a "Supervisory Committee for Conflict of Interests in Transactions between Group Companies" consisting of independent directors will be established, and the Board of Directors will respect the report of this committee, as stipulated in our Corporate Governance Policy. We intend to make fair and appropriate decisions while placing the highest priority on the protection of minority shareholders.

Enhancing Board effectiveness and Executive Structure



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Concurrent with the increase in the majority of independent outside directors, the Company is continuing its efforts to strengthen the effectiveness of the Board of Directors and its executive structure.

We are reviewing the level of decision-making to a level appropriate for our current business scale and governance structure and are promoting the delegation of authority from the Board of Directors to the Executive Committee, while striking a balance between agile decision-making and appropriate governance.

As a specific initiative, we have raised the monetary standard to be discussed at the Board of Directors meetings and expanded the scope of decision-making by the Corporate Strategy Committee. In addition, based on the evaluation of the effectiveness of the Board of Directors, the Company continues to reform its agenda, operations, etc., in order to enhance strategic discussions.

At the same time, we are strengthening our executive structure in response. Since April of this year, the Chief Medical Officer and Chief People Officer have been newly appointed as CxOs. Each CxO is empowered to make decisions more flexibly by delegating some of the matters to be resolved by the CEO or the Corporate Strategy Committee.

Kyowa Kirin will continue to improve and strengthen its global execution and governance systems, including those of its overseas bases.

That concludes today's presentation. Thank you very much.

Moderator [Q]: Now, I would like to have a brief Q&A session with Oyamada, an independent outside director, on governance.

First of all, from your point of view, Mr. Oyamada, please tell us your evaluation of our governance structure and your thoughts on management independence.

Oyamada [A]: This is Oyamada. I am sure you have all seen the governance structure chart. Governance systems often tend to be a formality, but in this respect, we assess that the Company has a solid awareness of the issues and is working diligently on how to improve the effectiveness of its governance system and its level of effectiveness.

Initially, from the standpoint of independence and protection of minority shareholders, a majority of the Board of Directors will be comprised of independent outside directors beginning March 2022. In the deliberations of the Board of Directors, the independent audit officers, including the outside auditors, are actively discussing how to maximize the Company's corporate value and how to properly protect minority shareholders.

Depending on the topic, discussions may be held with independent outside directors alone, or we may have meetings with Mr. Miyamoto and other representative directors. Of course, these discussions are not limited to conflict-of-interest matters, but also include important medium- to long-term strategic themes such as our growth strategy, product portfolio strategy, and global structure.

And although there is no specific illustration of this governance structure, we have established a Board of Directors in each of our overseas regions in Europe, the US, and Asia for the purpose of strengthening our executive oversight structure. And we have appointed two or three independent outside directors with global healthcare business experience, etc., to each of those boards. We have learned a great deal from the exchange of opinions with these foreign outside directors, and we feel that it has greatly helped us to improve the content of the deliberations and discussions of the Board of Directors.

In this sense, we believe that our governance system, including the assurance of management independence, is currently at an acceptable level, although of course it needs to be constantly upgraded.

Moderator [Q]: Earlier, you introduced initiatives such as agenda reform and review of authority and structure as part of efforts to enhance strategic discussions based on board effectiveness assessment.

As an outside director representing minority shareholders, from what perspective have you made recommendations to the Board of Directors regarding these initiatives, and what in particular do you keep in mind when making recommendations to the Board of Directors?

Oyamada [A]: As Mr. Miyamoto mentioned earlier, I think it is important to discuss strategy at board meetings, etc., but it is necessary to enhance this discussion and at the same time increase the speed and mobility of decision-making on the executive side. From this perspective, I believe that the agenda reforms, authority review, or strengthening of the executive structure that we are currently undertaking are in the right direction.

I personally feel that the Board of Directors should spend more time discussing important strategic issues such as global growth strategy, product portfolio strategy, human resource strategy, which was explained earlier, and synergy strategy with the parent company.

In addition, we have also seen the need to strengthen the supervisory function of the Board of Directors with respect to execution. In fact, we have expressed various opinions from this perspective at board meetings. In fact, in order to realize these in concrete terms, it will be necessary to raise the criteria for board meetings to

allow more time for strategic deliberations at board meetings. This, on the other hand, would mean devolving considerable authority to the Corporate Strategy Committee and CxOs stated here. Therefore, we must also make sure to evaluate the execution system and execution capability, and whether this is being done properly, which is an important point to strengthen the supervisory function.

From this perspective, the Board of Directors and the Nomination and Compensation Advisory Committee follow up on the status of key CxO appointments and executive capabilities quite closely in order to exercise their supervisory or monitoring functions. If there are any problems, we need to seek to improve them again in a timely manner. In a sense, the executive side is delegated authority to respond quickly and flexibly, and the board of directors must ensure that governance is effective in this regard. We are determined to fulfill the role expected of outside directors with a firm awareness of the importance of both wheels of governance.

Question & Answer

Moderator [M]: We would now like to move on to a question-and-answer session from those in attendance.

Muraoka [Q]: My name is Muraoka from Morgan Stanley. Let me ask Mr. Oyamada, an outside director, a question. It is unfortunate, and as was the case the other day, I think there have been quite a few pipeline failures and disappointing results in Kyowa Kirin recently. I am not sure if it is correct to say that you are seeking improvements in this regard from the standpoint of the board of directors and the outside director, but what kind of discussions, positive direction, etc., are you advising?

Oyamada [A]: Thank you for your question. Certainly, as you mentioned, since July last year, there have been a number of cases of Parkinson's disease, KW-6356, and maybe four other cases, such as the discontinuation of development, and so on. This is also a major problem for the Board of Directors, and we are asking them to thoroughly discuss why these situations are occurring, analyze the true cause of each case, and make the best use of the situation next time.

Another important point is how to create an overall product portfolio. We are now receiving regular briefings on our product portfolio and where we need to grow in the future. This time, since the late-stage development products have become thin due to the discontinuation of development, we have to work very hard on the very important, very specific points of pharmaceuticals that we are currently working on with Amgen, and there are several other promising products, so we have to allocate our resources firmly to them and how to raise the probability of them.

In the longer term, we need to improve our development capabilities, including from the initial stage, or, in some cases, how to improve our ability to identify and introduce new products through successful partnerships with outside companies. We are now asking for a clear explanation of how the executive side plans to raise the overall level of this area. I believe that the executive side is also moving forward with a strong awareness of this issue. I believe that this continues to be the most important topic for deliberation at the Board of Directors meetings, and I would like to do my best to make sure that it remains so.

Muraoka [Q]: Thank you very much. I am not sure if this is a question for Mr. Oyamada or for President Miyamoto, but I think you mentioned somewhere that you have received independent outside opinions for your overseas subsidiaries, and that this has been quite useful. It would be helpful if you could be more specific, for example, if you have any episodes or topics where you received advice on this kind of thing and it was used in management or decision making.

Miyamoto [A]: Thank you very much. I would like to start with an answer from Miyamoto, and if there is anything to add, I would like to ask Mr. Oyamada to follow up.

We have three overseas subsidiaries, one in Singapore, one in London, and one in New Jersey, and we have three companies with two, two, and three independent, or advisory, non-executive directors, respectively. Each of them has experience in global pharma, and some of them has also experienced start-ups. We also have two women in it, so diversity is also maintained.

They have many years of experience in activities in Europe, the US, China, and other parts of Asia within Pharma, so the first thing they do for us is to consult with us on a variety of very basic issues, including how to manage overseas, or rather, globally.

For example, when we are recruiting new top management for each location, we are also advised on how this person should be recruited. We have also received a lot of advice from experienced people on how to proceed

with various pipelines, the direction of development when expanding globally, and the direction on the way we develop.

This is another big point, but we also have little experience in commercial and marketing activities in each region, although we have to work with local management, and they have provided us with great advice.

Furthermore, they have been very strict in overseeing the management of each of the regions, including budget management, and has given us very useful advice on a variety of matters. In addition, once a year, when the opportunity arises, we have individual discussions with the outside directors of Kyowa Kirin, and they put in a great deal of input by discussing the overall strategy of Kyowa Kirin.

Mr. Oyamada, if you have anything to add, please do.

Oyamada [A]: Thank you. I think it is all about what Mr. Miyamoto just said. Personally, I was particularly impressed by the diverse range of people who have experience in management at big pharma and venture companies, as you mentioned earlier. When we asked them various questions about how big pharma compares with Kyowa Kirin, they gave us very concrete explanations of the huge potential of Kyowa Kirin on a very large scale.

However, it is necessary to network well, rather than to do it alone, and to create a variety of open innovation with other companies, which is the current practice in the US and Europe, and we can ask about Kyowa Kirin in a very concrete way what we should do. In this sense, it is a great learning experience for me. We are also discussing various issues from this perspective at board meetings and other meetings.

Muraoka [M]: I understand. That is all. Thank you very much. Very helpful.

Hashiguchi [Q]: My name is Hashiguchi from Daiwa Securities. Best regards. Thank you very much. KABEGOE was introduced on page 16. I think you may have commented that initiatives such as Meet Up are also a great way for the management team to become aware of the situation. What issues have you been able to identify through these activities, and what new initiatives have you taken in response? Also, if you have any episodes of what further results are being achieved or have been achieved as a result of these efforts, could you share them with us?

Miyamoto [A]: Thank you, Mr. Hashiguchi. I would like to start with a brief answer from me, followed by a follow-up from Mr. Murata.

As I explained, we started doing this Meet Up about three years ago, and recently there has been a Global Meet Up as well. We receive a lot of input, but to be honest, the biggest thing I notice every time is that what I am saying is not getting through to the whole company as much as I would like. I wouldn't say every time, but often I am reminded of it.

Therefore, we need to make further improvements and have our voices digested and delivered to the front lines. Conversely, we often think that there are cases where the voice of the frontline is not yet firmly at the top. So I most often realize how to improve communication in this area, and that we are still halfway to the true KABEGOE culture that we are aiming for.

We discuss how to improve these issues very closely, for example, at CxO meetings and often at management strategy meetings, and we often discuss how we can convey our message to our members in a way that they can better understand. Mr. Murata, if you have anything to add, please do so.

Murata [A]: I would like to add a few additional words about my experience and what I felt while listening. The Company is asking everyone to share our vision, and that is what we are doing. I also talk to them about the vision they feel they have for themselves and the significance of their existence, and I ask them about the

thoughts and feelings that led them to join Kyowa Kirin. Therefore, it was very helpful for me to hear from the other side of what they were thinking, rather than telling our thoughts, and I felt that it led to subsequent actions.

For example, when I went to the sales office, an employee clearly said that I came into Kyowa Kirin to sell a product developed by Reata (RTA 402). Unfortunately, this is what happened to Reata (Kyowa Kirin announced the discontinuation of the clinical development program for RTA 402), and we talked about what to do then. That person told me that the activities to bring smiles to patients are being done at Kyowa Kirin, and that he would like to continue those activities even if he is no longer a Reata. I was very happy to be able to talk like this, and I felt that everyone's face cleared up after the talk.

So, I feel that these and other factors are also very good, and on the contrary, are helpful and beneficial to us in the sense that we receive the information, are cheered up, and are encouraged.

Hashiguchi [M]: Thank you very much. That is all.

Moderator [M]: Thank you very much. There being no further questions, we will conclude today's ESG briefing. Thank you very much for taking time out of your busy schedule to join us today.

Thank you for your continued support of Kyowa Kirin.