Kyowa Kirin ESG Meeting

October 3, 2023

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

Kyowa Kirin Co., Ltd.





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These uncertain factors include, but are not limited to, potential risks of the business activities in the pharmaceutical industry in Japan and overseas, intellectual property risks, risk of side effects, regulatory risks, product defect risks, risks of changes to the prices for raw materials, risks of changes to market prices, as well as risks of changes to foreign exchange rates and financial markets.

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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 ● Patient Centricity in R&D	Managing Executive Officer, Vice President, Head of Strategy Division, CSO	Yasuo Fujii
 Topics for value enhancement 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

All the above



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

Kyowa Kirin's value creation story



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.



Integrity

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



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.



Teamwork/Wa

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

Gyowa Kirin

Kyowa Kirin's value creation story

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.

* 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.

Kyowa Kirin's value creation story

Value Creation Story

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Sources of our **CSV Management** Output competitiveness Social value **Human capital** Provide Continuously create and Value creation **Employees** who share pharmaceuticals Kyowa Kirin's vision and in the process provide life-changing value for unmet values of delivering medical needs Outcome medicines to A strong, diverse team Provide new and patients better treatment options **KABEGOE*** corporate Achieving that meet patient culture Address expectations our vision patient-centric Patient healthcare needs Deliver essential for 2030 Centricity Intellectual capital medicines to more patients Advances in antibody Value creation Achieving our Value creation **Retain the trust** technology and 2030 Vision will make in products, Ensure stable supplies to meet UMN of society incorporation of various people facing illness quality and of pharmaceuticals through R&D modalities smile and make our distribution Breakthroughs and employees smile as well. **Economic value** expertise in disease science Integration of internal and Revenue external innovations Revenue growth rate Core operating profit * Reforms to the Group's Core operating profit ratio corporate culture launched ROE in 2019 Management Philosophy / **Core Values** © Kyowa Kirin Co., Ltd.



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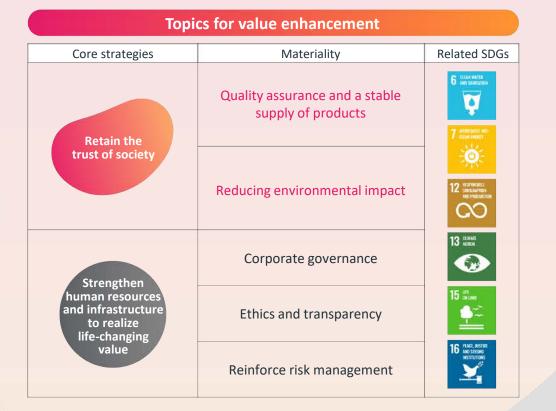
Kyowa Kirin's Materiality



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	Creation of innovative drugs	3 SEED HEATH		
pharmaceuticals for unmet medical needs	Maximize product value	5 SENDER		
	Pipeline expansion	@ "		
Address patient-centric healthcare needs	Patient advocacy	8 REENT WISE AND CONCOME GROWTH		
	Access to medicine	9 RECEIPTING INCLUMER AND INFERSIONCIAR		
Strengthen human resources and infrastructure to realize life-changing value	DE&I	10 REDUCED INEQUALITIES		
	Talent portfolio	. ₹₹		
	Corporate culture	17 PARTNERSDAPS FOR THE GOALS		
	Digital transformation	8		



Kyowa Kirin's Materiality

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 alue creation	1	Patient Centricity in R&D		
	2	A thriving global environment for future generations		
Topics for value enhancement	3	Cooperation and collaboration with business partners		
	4	Sound governance system		





Feature Aiming for people and organizations that lead to value creation



Related SDGs

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."

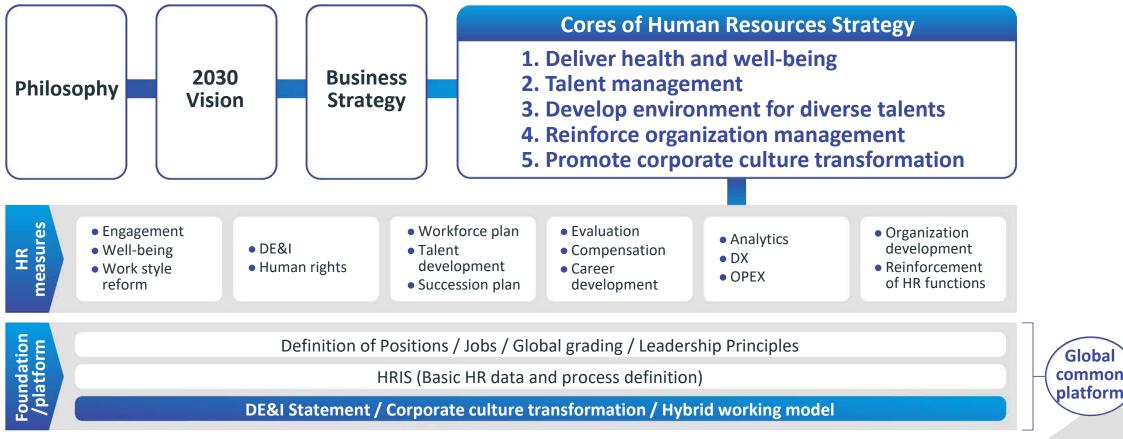




Aiming for people and organizations that lead to value creation

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.





Aiming for people and organizations that lead to value creation

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.





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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Aiming for people and organizations that lead to value creation

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

OKK Culture WS Igniting ourselves with KABEGOE



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

Meet Up (Management-employee conversation)



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

Periodic survey

- Domestic: 2 times/year (12questions) 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

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





Roundtable



External Evaluations





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

Topics for value creation





Healthcare Café —patient perspectives in drug discovery—

Value Creation Story with Patient Centricity : Approach to "Value creation to meet UMN through R&D"





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



Healthcare Café Event Outline

Host Company	Year/Month	Theme/Area	Contents
1st Takeda Pharmaceutical Company Limited	2022.9	Hearing impairment	 Lecture/Speech by physicians and Patients/Families Preliminary dialogue sessions Panel discussion
2 nd DAIICHI SANKYO COMPANY, LIMITED	2022.12	Cancer	 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	 Speeches by people with visual impairments Blindness Experience Event
4 th Kyowa Kirin	2023.6	Pediatric Care Rare Disease	 Home visit and Preliminary dialogue sessions Lecture by a physician Speeches by caregivers of children with special medical care Panel discussion

Interaction 2

(Direct dialogues)

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Towards

Drug

Discovery

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

Interaction 3 (Home visit)

Observe daily life

Impressions Sharing Session

- Sharing of thoughts from researchers, physicians, patient families, and patient advocacy group
- Exchange of opinions
- Create "Thankyou card"

Building trust with Patients/Families

Introduction of

sessions

Open Seminar

Speeches by caregivers of children

Lecture by a physician

with special medical care

preliminary interaction

Researcher's Learnings (Knowing, Understanding, and Considering what we can do) - Insights from the interactions among multiple pharmaceutical company researchers -

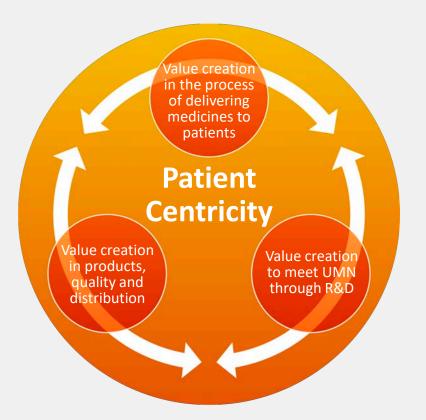
Interaction 1

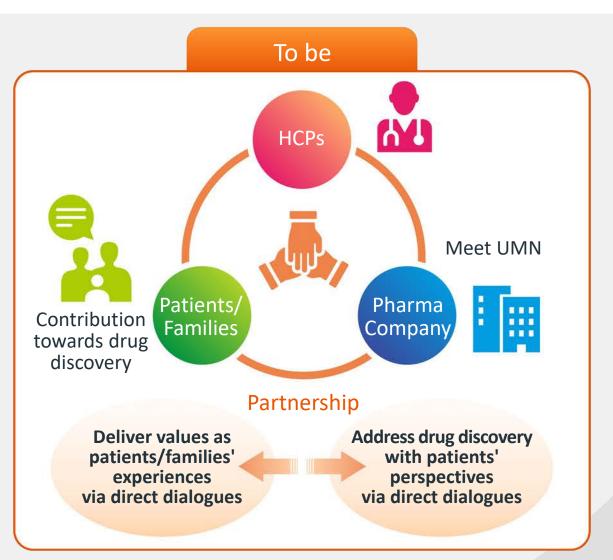
(Self-introduction)



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







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

Topics for value enhancement



A thriving global environment for future generation

A thriving global environment for future generation

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.



Recognizing "Climate Change Mitigation and Adaptation" and "Water Resources Management" as core environmental material issues.

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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)

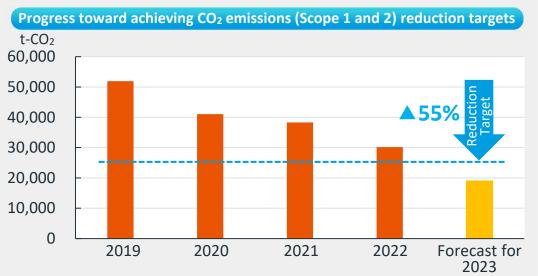
2050 Target

Net zero CO₂ emissions for the entire value chain

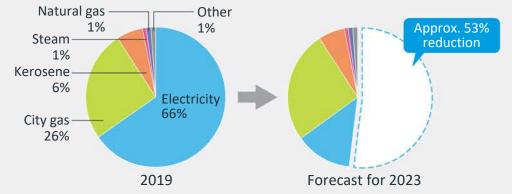
Efforts

2030-2050

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



Ratio of CO₂ emissions by energy type and CO₂ emission reduction effect from introducing renewable energy (all plants and research laboratories in Japan and overseas)



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

Takasaki

O-TOWER

Plant

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)

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

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

 Installed solar power generation facilities in new warehouse building

Ube Plant, Takasaki Plant, Fuji Site, HQ

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

(Tokyo Research Park to be achieved: 2024)







New Office Building (SF Bldg.)





Laboratory



Office Area



Solar Power Generation Facilities

Exterior







Cooperation and collaboration with business partners



Strengthen the supply chain through cooperation and collaboration with business partners

Our Approach Kyowa Kirin will continuously create and deliver "Life-changing value" by cooperating and collaborating with business partners in all processes of value creation.



Today, we will introduce our environmental and human rights initiatives



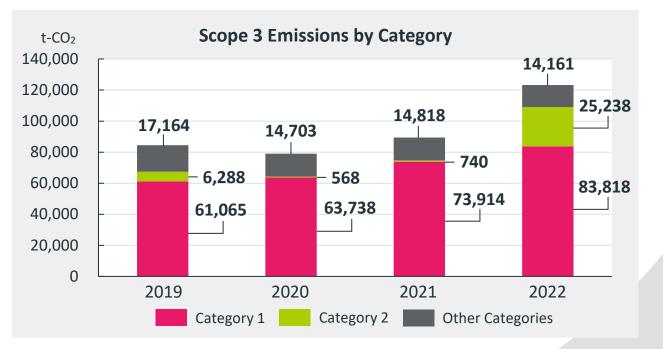
Measures for Scope 3

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

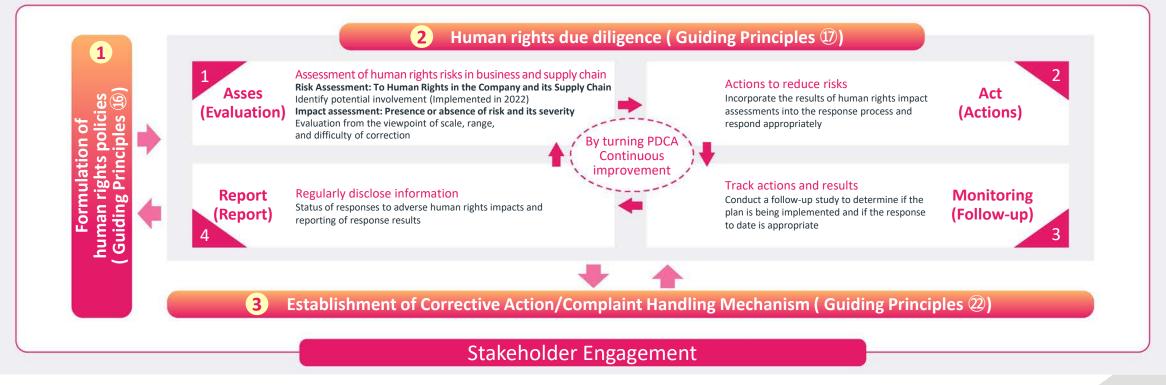




Initiatives for Human Rights that a Company Should Take

 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.

Major items that enterprises should do under the Guiding Principles on Business and Human Rights (UN Approval 2011)





Kyowa Kirin's Business and Human Rights Initiatives ${f 1}$

1 Policy commitment

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

Kyowa Kirin Group Human Rights Policy

Kyowa Kirin Group Human Rights Policy

Established on December 8, 2022

Kyowa Kirin Group (hereinafter "the Group") conducts its own research with high technology and unique points of view, develops and provides products in "pharmaceutical" business area, and is working on approaches to sustainable society through autonomous and responsible actions in fair and open competition. In order to realize our business philosoph "to contribute to the health and wellbeing of people around the world," the Group strives to continuously create life-changing value based on the Group's Core Values, having passion for innovation, teamwork of diverse brilliant personalities, and strong ethical views.

1. Basic Principles on Human Rights

"Kyowa Kirin Group Human Rights Policy" (hereinafter "this policy") was established conforming to "Guiding Principles on Business and Human Rights" of the United Nations. This policy promises the Group makes efforts at respecting human rights based on the Group's Business Philosophy, Vision, Core Values, Code of Conduct, and internal principles and regulations to fulfil our responsibility for respecting human rights toward our stakeholders. It also promises the Group does not allow or contribute to any threat, intimidation, or (physical or legal) attack to human rights defenders. Accordingly, in the efforts at respecting human rights, the Group supports and respects the international standards on human rights listed below.

- ⁻ The United Nations International Bill of Human Rights (specifically the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) which sets out the basic human rights of every individual
- The Declaration on Fundamental Principles and Rights at Work by the International Labour Organization (ILO) *1 which sets out people's fundamental rights at work and the conventions on workers' human rights such as remuneration and hours of work
- United Nations Declaration on the Rights of Indigenous Peoples *2 Ethical Principles for Medical Research Involving Human Subjects (WMA Declaration of
- Helsinki)

Children's Rights and Business Principles

*1 It includes support and respect for the Core Labour Standarda: "Effective abolition of child labour," "effective abolition of all forms of forced or compulsory labour," "elimination of discrimination in respect of employment and occupation," and "freedom of association and the effective recognition of the right to collective bargaining." *2 It includes respect for their proper ownership rights related to possession and use of land,

water, and natural resources besides respect for the rights of indigenous peoples.

 Scope of Application This policy applies to all directors, officers, and employees of the Group. We also require all our business partners related to the Group's business, products, and services to comply with the policy.

3. Responsibility for Respecting Human Rights

The Group recognizes the possibility that our business activities may directly or indirectly have an adverse impact on human rights. We aim to fulfill our responsibility for respecting human rights by ensuring that we don't infringe human rights of individuals affected by our business

- 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.



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

Specific to Kyowa Kirin Human rights issues



Employment and working environment of foreign technical intern trainees at suppliers in Japan

- Conducted questionnaire surveys of major suppliers
- Interview with the manager of the supplier employing foreign technical intern trainees and confirm 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.



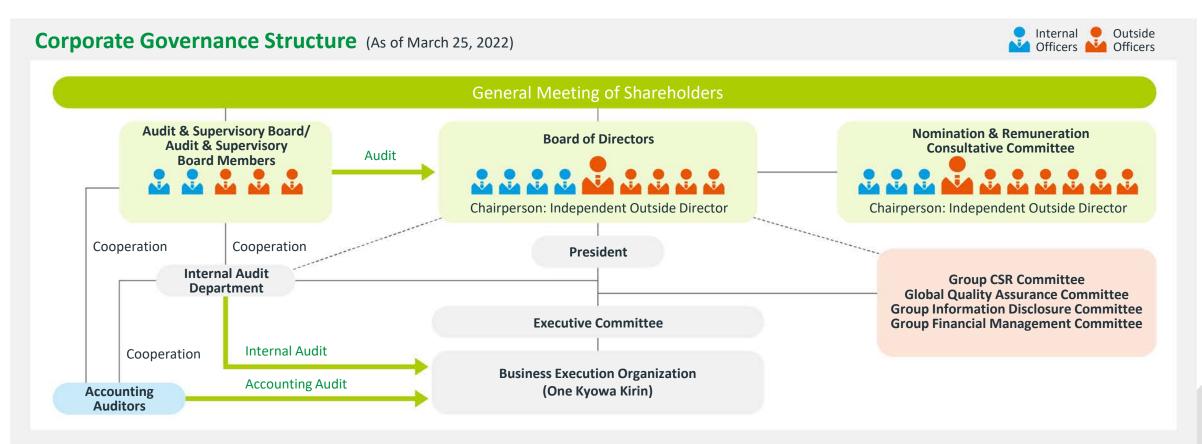
Sound governance system



Sound governance system

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)



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
- If less than a majority of independent directors are appointed, the "Supervisory Committee for Conflict of Interests in Transactions between Group Companies," shall be established as an advisory body in accordance with the CG Policy.

Protecting minority shareholders



Board

Enhancing Board effectiveness and Executive Structure



- Delegation of authority to execution
- Enhancement of strategic discussions (through agenda reform, etc.)



