

**Kyowa Kirin Co., Ltd.**  
**Corporate Governance Policy**

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\* Numbers in brackets ([ ]) in each of the Policy's clauses indicate correlation to the Corporate Governance Code established by the Tokyo Stock Exchange.

# Kyowa Kirin Co., Ltd.

## Corporate Governance Policy

### Section 1 General Provisions

#### 1.1. Purpose [2-1, 3-1(i)]

This Corporate Governance Policy is established on our own management philosophy and core values of Kyowa Kirin Co., Ltd. (hereinafter referred to as “the Company”) aligned with the management philosophy and core values of the parent company Kirin Holdings Company, Limited. The purpose is to realize a corporate governance system at the Company that supports effective and efficient promotion of sustainable growth and improvement of the corporate value of the Company over the medium to long term, by realizing the Vision and implementing the Medium Term Business Plan.

#### < Management Philosophy >

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

#### < Core Values > Commitment to Life :

For us, innovation does not just mean growth. It means doing everything we can to improve the quality of life for people around the world.

#### Innovation :

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

#### Integrity :

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

#### Teamwork/Wa :

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

#### < 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.

- 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.
- 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

- 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,

<The Kyowa Kirin Group FY2021 - 2025 Medium Term Business Plan>

The Group has established the Medium Term Business Plan for these five years to implement the following four strategies as Global Specialty Pharmaceutical Company.

- Provide pharmaceuticals for unmet medical needs
- Address patient-centric healthcare needs.
- Retain the trust of society
- Reinforce human resources and structures that support the creation of Life-changing value

#### 1.2. Basic policy on corporate governance [3-1(ii)]

- Based on the Management Philosophy and the Medium Term Business Plan stated in the purpose descriptions above, and as a company responsible for supporting the foundation of society, the Company will enhance its corporate governance to promote its sustainable growth and improve its corporate value over the medium to long term, by ensuring the transparency and fairness of its decision making processes, establishing speedy and strong decision-making and operation systems and proper supervising and monitoring systems.
- Recognizing that cooperation with stakeholders is indispensable for realizing the goals of the Medium Term Business Plan based on its management philosophy, the Company values the standpoints of respective stakeholders.
- The Company fulfills its accountability with integrity by promptly disclosing information to shareholders and investors based on the principles of transparency, fairness and continuity, and proactively engaging in constructive dialogue with shareholders and investors.
- The Company secures its independence while respecting the group management policy of Kirin Holdings Company, Limited.

#### 1.3. Policy on amendment and discontinuation

- This policy will be reviewed periodically based on constructive dialogues with shareholders and investors, and may be amended or discontinued by a resolution of the Board of Directors.

## **Section 2 Corporate Governance Organizations**

#### 2.1. Organization design [4,4-1, 4-1(1)]

- The Company adopts an organization design of a “company with audit & supervisory board” under the

Companies Act. The Board of Directors makes final decisions on important matters of the Company. The Board includes independent directors appointed from outside the Group to maintain the transparency and objectivity of the management of the Company and serves as an organ to monitor the execution of the business. The Nomination and Remuneration Consultative Committee is a voluntary organization established under the Board of Directors to supplement the functions of the Board and reinforce the monitoring of the management. The Company also establishes the Audit & Supervisory Board, as an independent organ from the Board of Directors, which includes internal members and members appointed from outside the Group. The Audit & Supervisory Board and its individual members monitor and verify the processes and the contents of decisions made by the Board of Directors. With this organization design, the Company establishes a well-balanced hybrid governance system equipped with business execution functions and supervising functions. Since directors co-serve as executive officers, close coordination between decision-making and business execution is promoted. Monitoring functions are mainly assumed by independent directors, the Audit & Supervisory Board and individual audit & supervisory board members. The voluntarily established committees ensure the transparency of the business management of the Company.

- The Company adopts an executive officer system to agilely implement business strategies and clarify the responsibilities for business execution. The Board of Directors delegates much of the authority for business execution to the respective executive officers in charge of individual businesses.

## 2.2. Board of Directors

### 2.2.1. Roles and responsibilities of the Board of Directors [4-1(1), 4-1(2), 4-2(2), 4-3(4), 4-5]

- The Board of Directors pursues the management philosophy of the Company, fulfilling its fiduciary responsibility and accountability to shareholders, and establishes and implements effective and efficient corporate governance to achieve the Group's sustainable growth over the medium to long term.
- The Board of Directors makes decisions on matters stipulated by law and the execution of the Group's important operations, which include long-term management visions, medium term business plans and annual business plans of the Group and key Group companies. The Board is also responsible for monitoring the directors' execution of their duties, developing and overseeing the Basic Policy on Sustainability and initiatives thereunder, and developing appropriate internal control systems across the Group by collaborating with the internal audit department.
- The Rules of the Board of Directors stipulate matters to be resolved by the Board, in addition to matters stipulated by law and in the Articles of Incorporation of the Company. Decision making authority for other matters is delegated to executive officers in charge of the respective businesses.

### 2.2.2. Composition of the Board of Directors [4-8, 4-10, 4-11, 4-11(1)]

- The number of directors of the Company should not exceed ten directors in accordance with the Articles of Incorporation. At least one third of the Board should be independent directors to ensure the knowledge, experience, skills and discernment necessary for the Company as a “Global Specialty Pharmaceutical Company,” to maintain the diversity of the Board members and establish a generally balanced and highly transparent governance system and to ensure that management is monitored

effectively and objectively.

- The Company establishes the Nomination and Remuneration Consultative Committee as a voluntarily established body to supplement the functions of the Board of Directors and to enhance the transparency of the governance. The majority of the members of the committee should be appointed from outside the Group. In case independent directors do not make up a majority of the Board, when conducting a significant transaction with its controlling shareholder, Kirin Holdings Company, Limited, the Company establishes by resolution of the Board of Directors the Supervisory Committee for Conflict of Interests in Transactions between Group Companies comprising independent directors, which serves as an advisory body to the Board of Directors, for the purposes of securing the fairness and rationality of such a transaction and contributing to an improvement of the corporate value of the Company and the protection of interest of its minority shareholders.

#### 2.2.3. Evaluation of the Board of Directors [4-11, 4-11(3)]

- The Company reviews the composition and operation of the Board of Directors and other matters related to the Board. Problems identified in the review are evaluated by the Board to make improvements. In this way, the Company maintains and improves the Board's effectiveness.

### 2.3. Audit & Supervisory Board [4-4, 4-4(1), 4-5, 4-13(3)]

#### 2.3.1. Roles and responsibilities of the Audit & Supervisory Board

- The Audit & Supervisory Board and its individual members audit directors regarding the execution of their duties, as an independent body that acts for the benefit and on behalf of shareholders, to monitor and verify the processes to ensure the integrity of management, with an eye to the Group's sustainable growth and the improvement of its corporate value over the medium to long term.
- Members of the Audit & Supervisory Board will actively express opinions at the meeting of the Board of Directors, by making use of their independence and the ability of the full-time members to gather information from within the Group, and work to establish a system that ensures effective auditing conducted by individual audit & supervisory board members.
- To intensify the provision of information to outside directors, the members of the Audit & Supervisory Board exchange opinions with outside directors and provide them with information obtained in the course of auditing.
- The Audit & Supervisory Board makes appropriate judgments from an independent and objective standpoint, and exercises its authority concerning appointment/removal of and remuneration for accounting auditors.

#### 2.3.2. Composition of the Audit & Supervisory Board

- The Audit & Supervisory Board is comprised of at least three members as stipulated in the Articles of Incorporation and should include members who have sufficient knowledge of finance and accounting. A majority of the members should be appointed from outside the Group.

### 2.3.3. Relationship with accounting auditors and the internal audit department [3-2, 3-2 (1), 3-2 (2), 4-13 (3)]

- Members of the Audit & Supervisory Board maintain a system that supports thorough and appropriate auditing in coordination with accounting auditors and the internal audit department.
- Members of the Audit & Supervisory Board establish criteria for evaluating accounting auditors and examine the independence and expertise of the accounting auditors. The Audit & Supervisory Board and its individual members hold regular interviews with accounting auditors and require accounting auditors to explain whether they satisfy the quality management criteria necessary for carrying out accounting audits in an appropriate fashion.
- The Audit & Supervisory Board and its individual members establish a response system to deal with cases where an accounting auditor finds an irregularity and requests an appropriate response or points out an inadequacy or problem.

## 2.4. Consultative Committees [4-1 (3), 4-8, 4-8(3), 4-10, 4-10 (1)]

### 2.4.1. Nomination and Remuneration Consultative Committee

- The Nomination and Remuneration Consultative Committee is comprised of directors appointed from within the Group and officers appointed from outside the Group. The majority of the members should be appointed from outside the Group. The chairperson is appointed from among independent directors.
- The Nomination and Remuneration Consultative Committee deliberates and decides on the following matters from an objective and impartial viewpoint, and reports the results to the Board of Directors: policies regarding the appointment/removal of directors, executive officers and audit & supervisory board members as well as proposals on candidates for these officers; appointment/removal of senior directors; duties of individual directors; the policy for determining the successor of the current CEO of the Group; proposals on candidates for presidents and key management positions of main Group companies; and remuneration systems, levels and amounts and other related matters for directors, executive officers, audit & supervisory board members of the Company as well as presidents and key management positions of main Group companies.

### 2.4.2. The Supervisory Committee for Conflict of Interests in Transactions between Group Companies

- The Supervisory Committee for Conflict of Interests in Transactions between Group Companies shall be established by a resolution of the Board of Directors when the number of independent outside directors is less than a majority of the total number of directors.
- The Supervisory Committee for Conflict of Interests in Transactions between Group Companies shall consist of all independent outside directors, and the chairperson of the committee shall be selected by mutual vote of the members.
- The Supervisory Committee for Conflict of Interests in Transactions between Group Companies shall, upon consultation with the Board of Directors, deliberate and review important transactions with Kirin Holdings Company, Limited, the controlling shareholder, in order to ensure the fairness and reasonableness of such transactions and to contribute to the enhancement of our corporate value and the protection of the interests of our minority shareholders, and shall report to the Board of Directors.
- The Board of Directors shall respect the report of the Supervisory Committee for Conflict of Interests

in Transactions between Group Companies.

## 2.5. Internal control [4-3, 4-3 (2)]

- The Board of Directors draws up the Internal Control System Basic Policy that ensures the appropriateness of the Group's operations, develops an appropriate system for ensuring optimal compliance, risk management and financial reporting within the Group, and monitors the state of its implementation with the assistance of the internal audit department.

### 2.5.1. Compliance/risk management organizations

- In accordance with the “Kyowa Kirin Group Compliance Policy” and the “Kyowa Kirin Group Risk Management Policy,” the Company faithfully promotes compliance, and establishes a system based on the three lines model of the Institute of Internal Auditors (IIA) to take appropriate actions against risks.
- The Company establishes internal committees that enhance compliance, risk management and corporate governance to address various risks involved in the management of the Group. Each committee periodically reports its activities to the Board of Directors. The outline of each committee is as follows:
  - Group CSR Committee: Deliberates such important matters as group-wide strategy and action policy related to CSR, covering risk management (including compliance and information security), environmental conservation and corporate value creation; In addition, the Group CSR Committee and the Regional CSR Committees in each region, including Japan, report on the status of risk management and compliance.
  - Group Information Disclosure Committee: Deliberates comprehensively on the basic policy for information activities and important matters related to information disclosure.
  - Global Quality Assurance Committee: Deliberates on the basic policy for quality assurance.
  - Group Finance Management Committee: Deliberates on the basic policy, plans and other important matters related to cash management and risks in the financial market.

## 2.6. Directors, executive officers and audit & supervisory board members

### 2.6.1. Policy for the nomination, appointment/removal of directors, executive officers and audit & supervisory board members [3-1(iv), 4-11, 4-11(1)]

- As a “Global Specialty Pharmaceutical Company” and to carry out decision making and management monitoring in a more appropriate fashion and at a higher level for its global businesses, the Company nominates directors and audit & supervisory board members and appoints executive officers, taking into account the balance of their relevant experience, achievements, specialization, and other factors in relation to the Group's key businesses and business management. More than one director and more than one audit & supervisory board member should be nominated from outside the Group taking into account their experience and advanced specialized knowledge, and extensive expertise.
- The audit & supervisory board members should include at least one member who has appropriate knowledge of financial affairs and accounting.
- The Nomination and Remuneration Consultative Committee deliberates on proposals regarding the appointment/removal of directors and audit & supervisory board members and nomination of candidates



for these officers and presents the proposals to the Board of Directors. The proposals will be approved by the Board and then presented at the general meeting of shareholders to obtain their approval. (The appointment of audit & supervisory board members and nomination of candidates requires approval of the Audit & Supervisory Board.)

- The Nomination and Remuneration Consultative Committee deliberates on a proposal regarding the appointment/removal of managing officers and nomination of candidates and presents the proposal to the Board of Directors. The Board will then decide the appointment/removal of managing officers based on the proposal.
- Reasons for the appointment/removal of directors and audit & supervisory board members should be indicated on the notice of general meeting of shareholders.
- The Company discloses on its website a skills matrix, which enumerates knowledge, experience, skills, etc. of directors and audit & supervisory board members, as well as the policy and procedures for nominating them.

#### 2.6.2. Independent directors [4-6, 4-7, 4-8, 4-8(3), 4-9]

- The Company appoints at least one third of the Board members as independent directors who satisfy its Criteria for Independence of Outside Officers stipulated in <Appendix> to improve the fairness and transparency of its corporate governance, ensure the Group's sustainable growth and boost corporate value over the medium to long term.
- Independent directors actively offer business advice, supervise the execution of business, monitor conflicts of interest and accurately convey the opinions of stakeholders, including minority shareholders, at Board meetings.
- A full-time audit & supervisory board member calls meeting with independent directors and other non-executive officers to strengthen the abilities of independent directors to gather information.
- The Company's secretarial department takes care of communications and coordination between outside directors (including independent directors) and internal directors and executive officers.

#### 2.6.3. Policy for the remuneration of directors, executive officers and audit & supervisory board members [3-1(iii), 4-2, 4-2(1)]

- The remuneration for directors, executive officers and audit & supervisory board members should be designed to strengthen their awareness of their responsibility to contribute to the further sustainable growth and improvement of corporate value of the Company; to acquire and retain officers with the abilities necessary for a Global Specialty Pharmaceutical Company; and to motivate them to contribute to the Company by executing their respective duties. The remuneration should be determined through a transparent and appropriate process, by adopting an objective perspective.
- The remuneration for executive directors and executive officers consists of three parts: (1) base compensation, (2) Performance-linked compensation, and (3) Non-monetary compensation. Performance-linked remuneration shall consist of two types: performance-linked annual bonuses as short-term incentive remuneration and performance-linked stock-based remuneration as medium- to

long-term incentive, and non-monetary remuneration shall consist of restricted stock-based remuneration as medium- to long-term incentive. The Company adopts a fixed compensation system, which consists solely of base compensation, for non-executive directors (outside directors) and audit & supervisory board members to ensure that they fully fulfill their functions to supervise the business management of the Company from an objective and independent standpoint.

- The Nomination and Remuneration Consultative Committee conducts ongoing review of the remuneration for directors, managing officers and audit & supervisory board members to ensure that remuneration works as an appropriate incentive to promote healthy and sustainable growth of the Company and its corporate value.

#### 2.6.4. Support organization [4-12, 4-12(1), 4-13, 4-13(3)]

- The Company sets up a Secretariat to the Board within the Corporate Strategy Department that is responsible for the following activities to promote active and constructive discussion by the Board:
  - 1) Coordinates and sets the annual schedule for meetings of the Board of Directors and agenda items to be discussed in each meeting well in advance. Appropriate numbers of agenda items discussed in each meeting, the duration, and the frequency of meetings should be decided so that directors can thoroughly discuss each agenda item at each meeting.
  - 2) Distributes materials for Board meetings to directors well in advance so that directors can review them before the meeting.
  - 3) Sets an appropriate duration for each meeting so that directors can thoroughly discuss all agenda items.
  - 4) The Secretariat to the Board provides necessary information to directors and audit & supervisory board members, including outside officers, from time to time, and provides advance explanation to them regarding items to be discussed or reported at the Board meeting as necessary.
- At the request of a director or audit & supervisory board member, the executing organization should willingly provide the information necessary for the officer to perform his/her duties.

#### 2.6.5. Training policy [4-14, 4-14(1), 4-14(2)]

- The Company provides training and information to directors and audit & supervisory board members necessary for performing their roles and responsibilities as necessary.
- Upon assuming office, directors and audit & supervisory board members will receive lectures and training from specialists and relevant departments regarding the Japanese Companies Act, corporate governance, risk management and other relevant matters. Subsequently, training and workshops will continue to be provided as necessary regarding the amendment of relevant laws and regulations, and business issues.
- Upon assuming office, outside directors and outside audit & supervisory board members will receive explanations of the Group's businesses and will participate in observation tours of key sites.

## 2.7. Accounting auditors [3-2, 3-2(1)]

- The Board of Directors and the Audit & Supervisory Board will keep in mind that accounting auditors play a key role in ensuring the reliability of the Group's financial reporting and Audit & Supervisory Board appropriately coordinate with the accounting auditors so that accounting auditors can thoroughly and properly conduct independent and specialized accounting audit in collaboration with the Board of Directors and its individual members, the Audit & Supervisory Board and its individual members, and the internal audit department of the Company.
- The proposal of appointment, removal and non-renewal of appointment of accounting auditors, which is to be presented to the general meeting of shareholders, should be adopted by a resolution of the Audit & Supervisory Board.
- The remuneration for the accounting auditors or any person who temporarily performs the duties of an accounting auditor should be approved by a resolution of the Audit & Supervisory Board.

## **Section 3 Appropriate Cooperation with Stakeholders**

### 3.1. Basic policy for cooperation with stakeholders of the Group [2, 2-1]

The Company follows the concept of "Kirin Group Vision 2027 (KV2027)", which aims to create value across our business field of Food & Beverages to Pharmaceuticals as a global leader in CSV\*. The Kyowa Kirin Group also strives to improve the corporate value of the Company, by defining the realization of people's health and well-being, one of the goals of the 2021-2025 Medium Term Business Plan, as its CSV.

\*CSV: Acronym of Creating Shared Value; it aims to enhance the corporate value of a company by creating both social value and economic value.

- The Company sets out the following policies to establish good relationships with all stakeholders as a good member of society:
  - Maintain high quality and provide products and services that satisfy the expectations of customers;
  - Maintain lawful and healthy relationships with customers, shareholders, investors, employees, business partners, communities, governments and other business stakeholders of the Group;
  - Respect the different economic, social and cultural backgrounds of countries and regions in which we do business and build a rapport with local communities;
  - Respect the dignity of individual employees and maintain good workplace environments for them;
  - Comply with social rules and act with integrity and high ethics;
  - Respect human rights and personalities of all people in accordance with "Kyowa Kirin Group Human Rights Policy", which was established conforming to "Guiding Principles on Business and Human Rights" of the United Nations;
  - Actively engage in global environment preservation to hand over the planet to next generations;
  - Properly manage information related to the Group's businesses;
  - Disclose information to stakeholders properly and in a timely manner;

- Work together with all stakeholders to jointly create economic and social value, recognizing that collaboration with stakeholders is indispensable for realizing the Group's Medium Term Business Plan and the creation of corporate value over the medium to long-term.

### 3.2. Ensuring shareholder rights and equality [1, 1-1, 1-1(3)]

- The Company fully understands the importance of shareholder rights. Accordingly, it will ensure the practical effectiveness of voting rights at general meetings and other rights of shareholders, including minority shareholders, and develop the necessary conditions for shareholders to exercise these rights. The Company will respect the intentions of minor shareholders should they wish to exercise their special rights vis-à-vis the Company and the Company's officers.
- If the Board of Directors newly proposes to a general meeting of shareholders that any action requiring shareholders' approval at the general meeting of shareholders be left to the discretion of the Board in the future, the Board of Directors will ensure the Company's corporate governance system is sufficiently capable of fulfilling the relevant role/responsibility.

#### 3.2.1. General meeting of shareholders [1-1, 1-1(1), 1-2,1-2(1), 1-2(2), 1-2(3), 1-2(4), 1-2(5)]

- The Company understands that the general meeting of shareholders is the Company's top decision-making body, and guarantees substantial equality of shareholders at general meetings, as well as adequate opportunities to exercise shareholders' rights.
- The Company discloses information necessary for shareholders to make proper decisions at the general meeting of shareholders, by the notice of general meeting of shareholders, timely disclosure at the Tokyo Stock Exchange, and other appropriate communication measures.
- The Company will mail the notice of general meeting of shareholders approximately three weeks before the date of the meeting so that the shareholders have sufficient time to review the agenda items contained in the notice. The notice will be published on the websites of the Company and the Tokyo Stock Exchange approximately one week in advance of the date of mailing.
- The Company will set appropriate schedules for the general meeting of shareholders, including when to send the notice of general meeting to shareholders, the date of the meeting and dates of other related events, thoroughly considering the time necessary for shareholders to review the agenda items and decide on the exercise of their voting rights, and securing that accurate information is provided to shareholders.
- To enable the electronic exercise of voting rights by institutional investors and overseas investors, the Company participates in a platform for the electronic exercise of voting rights. Additionally, notice of convocation for general meeting of shareholders is translated into English to facilitate the exercise of voting rights by foreign investors.
- The exercise of voting rights by proxy is accepted only if the proxy is another shareholder of the Company, as stipulated in the Articles of Incorporation. In cases, however, where the identity of an institutional investor or other investor holding shares under the name of a trust bank or any other entity (hereinafter referred to as a "beneficiary shareholder") can be verified through a shareholder or standing proxy listed on the shareholder registry, attendance of the beneficiary shareholder at a general meeting

of shareholders will be considered upon consultation with the administrator of the shareholder registry.

- With regard to company proposals that are approved at the general meeting of shareholders but that are nonetheless received a considerable number of dissenting votes, the Board should analyze the reasons for the opposition and the causes of considerable number of shareholders' opposed votes, and consider the need for dialogue with shareholders and other measures.

### 3.2.2. Basic capital policy [1-3, 1-6, 3-1(3)]

- To realize sustainable growth and enhance its corporate value over the medium to long term, the Company uses Return on equity (ROE), Revenue growth ratio, R&D expense ratio, and Core operating profit\*<sup>1</sup> ratio as the key management indicators, and operates business with the medium to long term targets.
- The Company will rapidly establish a competitive business foundation as a Japan-based Global Specialty Pharmaceutical Company, and place priority on growth investment targeting sustainable growth beyond 2025 and maximizing corporate value.
- With respect to growth investments, while placing a top priority on capital investments, including R&D investment that leads to acquisition of intellectual properties, strategic investment and digital investment, the Company steadily and dynamically allocates resources to human capital investment toward the continuous creation of life-changing value and makes proper disclosures as necessary.
- The Company aims to stable and continual improve of the level of dividends (sustained dividend hikes) in line with longer term profit growth, under its basic policy for return to shareholders, which is Core EPS\*<sup>2</sup> -based Payout Ratio of 40%. The Company may buy back its shares flexibly as necessary, considering the market conditions of the share price. In case the Company plans to implement a capital transaction that will result in the change of control or significant dilution of the share value, the Board of Directors will thoroughly examine the proposed transaction from the viewpoint of protecting its corporate value for all stakeholders and make a reasonable decision.

\*1 “Gross profit”-“Selling, general and administrative expenses” - “Research and development expenses  
+”Share of profit (loss) of investment accounted for using equity method”

\*2 “Core Profit” (“Profit attribute to owners of parent” - “Other income and expenses” (excluding impact from applicable taxes)) ÷ “Average number of shares during fiscal year” .

### 3.2.3. Policy on cross-shareholdings [1-4]

- In principle, the Company's group does not hold any cross-shareholdings. However, the Company may hold only those stocks that are deemed to contribute to medium- to long-term improvement in corporate value for the Company's group..
- The Board of Directors verifies the reasonableness of the individual cross-shareholdings on a yearly basis. If the Board determines that the reasonableness of any cross-shareholding has weakened, the Company will discuss and negotiate with the cross-shareholding partner about reducing or eliminating the cross-shareholding.
- When the Company exercises the voting rights on shares of a company held for cross-shareholding

purpose, it should decide whether to vote for or against each agenda item, taking into account whether each agenda item will help boost the corporate value of the company concerned and whether each agenda item will support the sustainable growth of the Group and enhance its value over the medium to long term.

#### 3.2.4. Policy on anti-takeover measures [1-5, 1-5(1)]

- The Company does not employ any anti-takeover measures.
- If a takeover bid is offered for the Company's shares, the Board of Directors of the Company will promptly disclose its view on the bid to shareholders.

#### 3.2.5. Policy on transactions between related parties [1-7, 4-8, 4-8(3)]

- The Company discloses transactions between related parties in accordance with the Companies Act, the Financial Instruments and Exchange Act, other applicable laws and regulations established by the Tokyo Stock Exchange.
- The Company reports significant transactions between the Company and directors, audit & supervisory board members or their close relatives to the Board of Directors.
- A transaction made by a director as an agency or representative of a third party that competes with the business of the Group or involves conflict of interest requires a resolution for approval of the Board of Directors, in accordance with the Companies Act, the Rules of the Board of Directors and other rules.
- When conducting a transaction, etc. with the controlling shareholder, Kirin Holdings Company, Limited, in order to address risks of conflicts of interest, any director who concurrently serves as a director of Kirin Holdings Company, Limited shall not participate in deliberation and resolution of the Company's Board meetings to make a decision on such a transaction, nor participate in the Company's discussion and negotiation with Kirin Holdings Company, Limited. With respect to a significant transaction, etc. among transactions with Kirin Holdings Company, Limited, in case the Company's Board does not have a majority of independent directors, the Company establishes by resolution of the Board of Directors the Supervisory Committee for Conflict of Interests in Transactions between Group Companies comprising independent directors, which serves as an advisory body to the Board of Directors and deliberates/considers the matter, and reports back to the Board of Directors, for the purposes of securing the fairness and rationality of such a transaction and contributing to an improvement of the corporate value of the Company and the protection of interest of its minority shareholders.

#### 3.3. Appropriate cooperation with stakeholders other than shareholders [2, 2-1]

- Based on the basic concept for cooperation with stakeholders of the Group stipulated in Section 3.1, the Company strives to create brand value jointly with customers, promote environmental conservation and mutual prosperity with business partners and contribute to the development of communities through its business (provision of products and services).
- Employees are the foundation that supports the sustainable growth of the Group and enhances its corporate value over the medium to long term. Keeping this in mind, the Company creates a corporate culture that promotes the health of employees and encourages them to tackle innovative challenges.

### 3.3.1. Employee code of conduct and whistleblowing [2-2, 2-2(1), 2-5, 2-5(1)]

- The Company establishes the Kyowa Kirin Group Compliance Policy, and the Kyowa Kirin Group Risk Management Policy as well as the Kyowa Kirin Group Code of Conduct based on these Policies. The Policies and the Code are fully communicated, penetrated and educated throughout the Group and the Board of Directors regularly supervises the status of their operation.
- The Company periodically conducts an employee awareness survey and a human rights and compliance survey to find out how the Code of Conduct is understood and followed by employees. The results of these surveys are reported to the Board of Directors.
- To retain and improve the trust from society, the Company establishes a whistleblowing system for employees within the Group. By using this system, employees can report problems that they feel difficult or inappropriate to consult their immediate managers to correct, prevent and solve these problems. The Board of Directors regularly supervises the status of the operation of the whistleblowing system.
- The Company provides more than one consultation desk, each handling reports of incidents of a different level. For reports related to directors or any other officers, the Company provides a consultation channel from which whistleblowers can directly report an incident to an audit & supervisory board member of the Company.

### 3.3.2. Social and environmental policy [2-3, 2-3(1)]

- In order to contribute to realizing the sustainable society while achieving the sustainable corporate growth, the Company identifies priority business issues (materiality) from the viewpoints of both the society and its businesses, and positively and proactively works on the issues.
- The Company establishes policies for the environment, the occupational health and safety and the quality assurance of products and services. It gives consideration to protection of the environment, the safety and health of people including its employees in every process of its product development, manufacturing, sales and other business activities. As for response to global climate change, the Company will continue to promote energy conservation in cooperation with the “Kirin Group’s Environmental Vision 2050”, including capital investments, introduction and expansion of renewable energy, and shifting energy from fossil fuels to electricity. Through these activities, the Company will work on reducing greenhouse gas (GHG) emissions with stakeholders to realize Net-Zero GHG in the entire value chain and take the lead in building decarbonized society.

### 3.3.3. Policy on diversity [2-4, 2-4(1)]

- As a Global Specialty Pharmaceutical Company, we believe “taking advantage of diversity – in terms of both such surface layers as race, nationality, gender and age, and such deeper layers as values and experience of individuals – brings about further innovations,” and promote diversity & inclusion by hiring/developing human resources with diverse backgrounds, and creating a new corporate culture where employees autonomously take on challenges and overcome barriers.
- The Company works toward ensuring diversity as well as having right persons in right jobs, by clarifying qualifications for global leader positions as human resources that support the global

management structure, enhancing its pipeline of candidates to be nominated, and developing next-generation leaders.

- In accordance with the Statement of Global Diversity, Equity and Inclusion (DE&I) , In order to achieve inclusion and equity, the Company implements cross-regional/cross-functional measures as well as measures for addressing region-specific issues.
- With respect to the ratio of women in global leadership positions, the Company aims at achieving 30% in 2025 and 40% in 2030. As for the ratio of women in managerial positions in Japan, the Company aims at achieving 18% in 2025.

#### 3.3.4. Policy on employee health [2]

- Based on the Kyowa Kirin Group Health Statement, the Company promotes the maintenance and improvement of each employee's health and actively implements measures to promote their health from the preventive viewpoint. The Company also focuses on motivation and ongoing support to encourage individual employees to take care of themselves to promote their health.

#### 3.3.5. Role as asset owner of corporate pensions [2-6]

- At the Company, corporate pension reserves are managed through a corporate pension fund.
- The Company develops an appropriate system to manage the corporate pension fund, by appointing and assigning persons suitably qualified to manage pension assets, and by giving training to them to expand their expertise, including external training and seminars.
- Furthermore, the Asset Management Committee monitors the asset management of the corporate pension fund, and revises asset allocation and management contractors, as necessary, in accordance with the asset management policy of the Company, considering opinions from external advisors.

## **Section 4 Proper Disclosure of Information and Constructive Dialogue with Shareholders**

### 4.1. Basic policy for information disclosure [3-1(3)]

- The Company understands that proper disclosure of information is the basis for constructive dialogue with shareholders (and investors who may become shareholders) and discloses information in accordance with the Disclosure Policy (see Appendix).
- The Company proactively discloses sustainability-related information as an initiative under the 2021-2025 Medium Term Business Plan. Especially, with respect to its climate change initiatives, the Company discloses the progress in accordance with the framework of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

### 4.2. Basic policy concerning dialogue with shareholders [3-1, 3-1(3), 5, 5-1, 5-1(1), 5-1(2), 5-1(3), 5-2]

- Understanding that constructive dialogue with shareholders will lead to further improvement in corporate governance and, in turn, to greater corporate value over the medium to long term, the Company actively responds to requests for dialogue, and voluntarily offers opportunities for constructive dialogue based on the



shareholder composition periodically confirmed.

- Requests for dialogue from individual shareholders are dealt with mainly by the IR Group of the Corporate Communication Department, under the supervision of the officer in charge of IR. If the officer in charge of IR determines that a meeting is necessary between the requesting shareholder and the president, a director (including outside directors) or an executive officer, such meeting will be arranged within the reasonable extent.
- Depending on the purpose of the dialogue, the Financial Affairs Department, the Corporate Planning Department, the Legal Department and other related departments will provide their cooperation to the officer in charge of IR to enhance the contents of the dialogue with the shareholders.
- The Company plans and implements presentation meetings and shareholder/investor visits to explain the Company's long-term business vision, medium term and annual business plans, financial results, research & development (R&D), ESG, and other matters to promote dialogue with shareholders to deepen their understanding.
- The Company pays attention to the timeliness, appropriateness and impartiality of dialogues, gives explanations in a sincere manner, listens to the opinions of shareholders, and endeavors to engage in interactive communication. The officer in charge of IR provides reports on the opinions of and questions from shareholders periodically or as-needed basis to the CEO, directors and executive officers.
- With respect to IR-related disclosure documents, the Company, in principle, provides English translations of such documents when there is certain rationality.

Established on January 29, 2016

Revised on March 23, 2017

Revised on December 14, 2018

Revised on March 20, 2019

Revised on July 1, 2019

Revised on March 19, 2020

Revised on March 24, 2021

Revised on December 23, 2021

Revised on March 25, 2022

Revised on March 24, 2023

Revised on March 22, 2024

<Appendix 1>

Criteria for Independence of Outside Officers [4-9]

In order for outside Directors and outside Audit & Supervisory Board Members of the Company to be judged as being independent, such outside Directors and outside Audit & Supervisory Board Members must not fall under any of the following items, in addition to satisfying requirements stipulated in the Companies Act with respect to outside Directors and outside Audit & Supervisory Members:

1. Executive director (gyomushikko torishimariyaku), executive officer (shikkoyakuin), manager (shihainin) or other employee of the Company or its subsidiary
2. Director (torishimariyaku), audit & supervisory board member (kansayaku), executive officer (shikkoyakuin), manager (shihainin) or other employee of a parent company or fellow subsidiary of the Company  
“Fellow subsidiary” refers to another company that has the same parent company as the Company.
3. Director, audit & supervisory board member, corporate officer (shikkoyaku), executive officer, manager or other employee of a major shareholder of the Company (excluding a parent company of the Company)  
“Major shareholder” refers to a shareholder who holds 10% or more of voting rights.
4. Director, audit & supervisory board member, accounting advisor (kaikeisanyo), corporate officer, executive officer, manager or other employee of a company of which the Company is a major shareholder (excluding a subsidiary of the Company)
5. Person whose major business counterparty is the Company or a subsidiary of the Company  
“Person whose major business counterparty is the Company or a subsidiary of the Company” refers to a person who receives or makes payments from or to the Company or a subsidiary of the Company of 2% or more of that person’s annual total net sales in the most recent fiscal year.
6. Executive director (gyomushikko torishimariyaku), corporate officer, executive officer, manager or other employee of a company whose major business counterparty is the Company or a subsidiary, or a subsidiary of such a company  
“Company whose major business counterparty is the Company or a subsidiary, or a subsidiary of such a company” refers to a company which receives or makes payments from or to the Company or a subsidiary of the Company of 2% or more of that company’s annual consolidated net sales in the most recent fiscal year, or a subsidiary of such a company.
7. Major business counterparty of the Company or its subsidiary  
“Major business counterparty of the Company or its subsidiary” refers to a person who received payments from or made payments to the Company or its subsidiary of 2% or more of the Company’s annual consolidated net sales in the most recent fiscal year.
8. Executive director, corporate officer, executive officer, manager or other employee of a company which is a major business counterparty of the Company or its subsidiary, or a subsidiary of such a company  
“A company that is a major business counterparty of the Company or its subsidiary, or a subsidiary of such a company” refers to a company which received payments from or made payments to the Company or a subsidiary of the Company of 2% or more of the Company’s annual consolidated net sales in the most recent fiscal year, or a subsidiary of such a company.

9. Certified public accountant (or certified public tax accountant), or member, partner or employee of audit corporation (or tax accounting firm), that is the accounting auditor or accounting advisor of the Company or a subsidiary of the Company
10. Attorney-at-law, certified public accountant, certified public tax accountant or consultant, etc. who, excluding the remuneration received as a director or audit & supervisory board member, receives 10 million yen or more per year on average during the past three years of monetary consideration or other property benefits from the Company or a subsidiary of the Company
11. Member, partner or employee of a corporation, association, or other organization such as law firm, audit corporation, tax accounting firm, or consulting firm that receives monetary consideration or other property benefits of more than a certain amount from the Company or a subsidiary of the Company  
In this item, a corporation, association, or other organization above receives “more than a certain amount” when such organization, etc. receives 2% or more on average of the total net sales (total revenue) of the organization, etc. per year during the past three years.
12. Director, audit & supervisory board member, accounting advisor, corporate officer, executive officer, manager or other employee of a financial institution or other large creditor that is essential to the financing of the Company or its subsidiary and that the Company or its subsidiary is dependent on to a degree that there is no substitute
13. Director or other person who executes business in a corporation, association or other organization which receives donations or subsidies from the Company or a subsidiary of the Company more than a certain amount  
In this item, a corporation, association or other organization receives “more than a certain amount” when such organization, etc. receives, during the past three years, more than  
(i) 10 million yen per year on average or (ii) 30% on average of the annual total expenses of the organization, etc., whichever is higher.
14. Director, audit & supervisory board member, accounting advisor, corporate officer, or executive officer of a company or its subsidiary that has accepted a person from the Company or a subsidiary of the Company as a director (serving at that company on either a full-time or part-time basis)
15. Person who has come under a category listed in either of items 1 or 2 in the past ten years
16. Person who has come under a category of items 3 in the past five years
17. Person who has come under a category listed in any of items 5 through 13 in the past three years
18. Spouse or first- to second-degree relative, or other relative sharing same residence of any person who has come under a category listed in any of items 2 through 17; provided, however, that any mention of “manager or other employee” in items 2 through 17 shall be deemed to be replaced with “manager or other important employee.”
19. Spouse, first- to second-degree relative, or other relative sharing same residence of director, executive officer, manager or other important employee of the Company or its subsidiary
20. Spouse, first- to second-degree relative, or other relative sharing same residence of a person who served as director, executive officer or other important employee of the Company or its subsidiary of the Company in the past five years
21. Other person who may give rise to conflict of interest with general shareholders and is rationally deemed to have reasons for being unable to perform duties of an independent officer

Established on February 21, 2013

Revised on January 29, 2016

Revised on December 1, 2020

## <Appendix 2>

### Disclosure Policy

#### <Basic Policy>

Kyowa Kirin Co., Ltd. (Hereinafter referred to as “KKC”) promptly discloses correct information to shareholders and investors, based on the principles of transparency, fairness and continuity, in accordance with the Financial Instruments and Exchange Act and the Timely Disclosure Rules established by the Tokyo Stock Exchange. KKC also strives to implement timely and proactive disclosure of other information that it determines is useful for enhancing understanding of KKC by shareholders and investors.

#### <Disclosure Method>

KKC explains important information defined in the Timely Disclosure Rules of the Tokyo Stock Exchange to the Tokyo Stock Exchange in advance and then registers it in the Timely Disclosure Network system provided by the Tokyo Stock Exchange (TDnet) for public disclosure. Promptly after the registration with TDnet, KKC releases the same information to the press, and promptly publishes the information on the website of Kyowa Kirin (hereinafter referred to as the “KKC Website”).

As for information that does not fall under important information defined in the Timely Disclosure Rules, KKC also makes disclosure by releasing it to the press and publishing it on the KKC Website to ensure the fairness of information disclosure.

#### <Performance Results Estimates and Future Forecasts>

KKC may provide forward-looking statements, including forecasts for plans and strategies of KKC and its related companies. Information provided to the mass media, or in presentations, documents, Q&As and other materials may also include forward-looking statements and opinions. In any case, all information items except for past and present facts are forecasts for future performance results that are estimated based on judgments and assumptions made by the management taking into consideration information currently available to the management. Accordingly, the actual results may differ from these forecasts due to changes in various risk factors, uncertain factors, economic conditions and other matters.

#### <Quiet Period>

To prevent leakage of financial report information and guarantee the fairness of information disclosure, KKC sets a “quiet period” from the day following the annual account closing date to the date of the disclosure of financial reports. During this quiet period, KKC refrains from answering any question or making any comment on the financial reports; provided, however that if it is expected that the actual results may differ significantly from the previously announced forecasts during the quiet period, KKC will announce that expectation as needed in accordance with the Timely Disclosure Rules. During the quiet period, KKC will answer questions regarding information that has been already disclosed.

## Timely Disclosure Statement

KKC's internal system for Timely Disclosure that is submitted to the Tokyo Stock Exchange in accordance with its rules is available for review on the KKC Website:

<https://ir.kyowakirin.com/en/disclosure.html>