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Kyowa Kirin Co., Ltd.

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Securities code: 4151

<https://www.kyowakirin.co.jp/>

The corporate governance of Kyowa Kirin Co., Ltd. (the “Company”) is as described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile, and Other Key Information

1. Basic Views

The Company, as a company responsible for supporting the foundation of society, works on enhancing corporate governance by ensuring transparency and fairness in decision-making as well as by aiming at establishing systems for prompt and decisive decision-making and business execution and for appropriate supervision and oversight, in order to achieve the sustainable growth and medium- to long-term increase of corporate value, based on its Vision in accordance with its management philosophy, which is “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,” and its core values.

In addition, the Company recognizes that it is essential to cooperate with stakeholders for achieving its Vision and respects their respective positions, as well as makes prompt disclosure to shareholders and investors in a transparent, fair, and continuous manner, has constructive dialogues with them in a proactive manner, and sincerely fulfills its accountability.

Furthermore, while respecting the Kirin Group’s management policy as a consolidated subsidiary of Kirin Holdings Company, Limited, the Company ensures the independence of its own business management.

[Reasons for Non-compliance with Principles of the Corporate Governance Code]

The Company complies with all principles of the Corporate Governance Code.

[Disclosure Based on Each Principle of the Corporate Governance Code]

[Supplementary Principle 1.2.4: Use of Electronic Voting Platform]

The Company participates in an electronic voting platform for institutional investors operated by ICJ, Inc.

[Principle 1.4: Cross-Shareholdings]

(Policy on cross-shareholdings)

In principle, the Company Group holds no cross-shareholdings. However, the Company Group may hold only stocks that are recognized to contribute to the medium- to long-term increase of corporate value. The Company has the Board of Directors annually review the reasonableness of individual cross-shareholdings, and reduces cross-held shares through dialogues and negotiations with its business partners for stocks that become less significant than before.

(Exercise of voting rights of cross-held shares)

When exercising voting rights of cross-shareholdings, the Company appropriately exercises the rights upon making

a decision on each proposal of an issuing company, in consideration of whether the proposal contributes to the increase of corporate value of the issuing company and to the sustainable growth and medium- to long-term increase of corporate value of the Company Group.

The above policy is stipulated in Section 3.2.3, Chapter 3 of the Company's Corporate Governance Policy.

[Principle 1.7: Related Party Transactions]

The Company's policy on related party transactions is as follows:

- The Company discloses information on related party transactions in accordance with the Companies Act, Financial Instruments and Exchange Act, and other applicable laws and regulations, as well as rules established by the Tokyo Stock Exchange.
- The Company has a director report to the Board of Directors material facts on transactions between the Company and the director and his/her relatives, if any. The Board of Directors resolves competitive transactions and other conflict-of-interest transactions involving a director, whether conducted as the direct party or as an agent or representative of a third party, in accordance with the Companies Act and Regulations for the Board of Directors.
- The Company makes a reasonable decision on any transaction with a controlling shareholder in the same manner as general terms and conditions of transactions, based on objective information on the market where goods/services provided by or to the Company are mainly traded.

The above policy is stipulated in Section 3.2.5, Chapter 3 of the Company's Corporate Governance Policy.

[Supplementary Principle 2.4.1: Ensuring Diversity in Promotion of Core Human Resources]

- The Company regards Diversity, Equity, and Inclusion (DE&I) as a foundation to its corporate culture in order to create and provide life-changing value for patients throughout the world. The Company has set the global goal, "Our DE&I Statement," under which it identifies global and regional priority issues and promotes proactive measures to create an organization where all employees with various personalities respect each other and maximize their potential.
- The Company aims at continuously producing female leaders as measures for the promotion of women's active engagement, which is one of global priority issues, by setting a goal to increase the ratio of women among global leaders to 40% and that of female managers in Japan to more than 30% by the end of the fiscal year 2030. In addition, the Company globally and proactively recruits and promotes mid-career and foreign national employees with high expertise and diverse perspectives, in order to create new value.

[Principle 2.6: Roles of Corporate Pension Funds as Asset Owners]

- The Corporate Pension Fund manages the Company's corporate pension funds.
- The Company recruits and assigns qualified persons for pension management at the Corporate Pension Fund in a planned manner, works for increasing their expertise by providing them with opportunities to participate in external training courses or pension management seminars, and establishes an appropriate operating system to support the Fund.
- The Company employs expertise of and consultations with external specialists for the fund management policy.
- The Asset Management Committee, with the participation of the Company's Chief Financial Officer, General Manager of the Finance Department, and General Manager of the Personnel and General Affairs Department, regularly monitors the management status and reviews the management policy as necessary, paying due attention to maximizing benefits for participants and beneficiaries of the Company's pension plan and impacts on the Company's financial situation.
- The Company outsources the actual fund management to a management trustee organization and is not involved

in giving investment instructions or exercising voting rights, so that it appropriately addresses possible conflict of interest with corporate pension beneficiaries.

[Principle 3.1: Full Disclosure; Supplementary Principle 3.1.2: Disclosure in English]

(i) The Company has set the Vision, in accordance with its 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,” and its core values. The Company, based on the Vision, continuously works on creating and delivering life-changing value that ultimately makes people facing illness smile, as a Japan-based Global Specialty Pharmaceutical company built on the diverse team of experts with shared passion for innovation. The Company’s Vision is available at the following website:

<https://www.kyowakirin.co.jp/about_us/vision/index.html>

(ii) The Company’s basic views on corporate governance are as described in the first section of this report. The Company, based on the basic views, has established the Corporate Governance Policy and continuously works on realizing the most appropriate corporate governance system. The Company’s Corporate Governance Policy is available at the following website:

<<https://ir.kyowakirin.com/ja/management/governance.html>>

(iii) After obtaining recommendations from the Nomination and Remuneration Advisory Committee, the Board of Directors deliberates and determines remuneration for directors who are not members of the Audit and Supervisory Committee, while the Audit and Supervisory Committee deliberates and determines remuneration for directors who are members of the Audit and Supervisory Committee. The Company delegates to the Chief Executive Officer the authority to determine remuneration for C-suite Executives who are not directors, in accordance with a basic policy and authority delegation framework established by the Board of Directors. The Board of Directors regularly checks and supervises the management status of these remuneration systems. The above policy is stipulated in Section 2.6.4 and 2.6.5, Chapter 2 of the Company’s Corporate Governance Policy.

(iv) The Nomination and Remuneration Advisory Committee deliberates and determines the appointment/dismissal of directors and nomination of candidates for directors from an objective and fair perspective and makes recommendations to the Board of Directors. The above policy is stipulated in Section 2.6.1, Chapter 2 of the Company’s Corporate Governance Policy.

(v) The Company proactively discloses information concerning sustainability as an initiative based on its business plan. The Company has identified the Materiality (important business management issues) to which the Company Group should give priority, in order to realize the Vision toward the fiscal year 2030. The Materiality is incorporated in the annual business plan linked to the medium- to long-term management vision. In addition, the progress of the plans is monitored every quarter and reported to the Board of Directors. The Company has decided to add the degree of achievement for non-financial targets set in annual business plans (including those related to the Materiality) to the performance indicators from 2024, in order to promote the resolution of medium- to long-term business management issues. The Company’s Materiality is available at the following website:

<<https://www.kyowakirin.co.jp/sustainability/materiality/index.html>>

(vi) In principle, the Company discloses IR documents in English, if such disclosure has certain reasonableness.

[Supplementary Principle 3.1.3: Initiatives for Sustainability]

(i) The sustainability means, for the Company Group, to co-create “life-changing value to make people facing illness smile” together with stakeholders of society. The Company achieves the sustainability both for the Company Group and society through realizing the Vision. Promoting the sustainability for the Company Group is connected to the CSV management advocated by it. The Company achieves the creation of two values: one is social value (the Company Group solves social issues by providing life-changing value to make people facing illness smile) and the other is economic value (the Company Group gains profits that can be the source of investment in human capital and intellectual capital to further create life-changing value). The Company understands that its sustainable business activities are to provide social value and gain economic value to create future social value so that it continues to be a company to be needed by people facing illness throughout the world. In addition, the Company regards future generations as important stakeholders and works on reducing burden on the global environment, from a perspective of continuing its business activities in a sustainable manner.

(ii) The Company positions human and intellectual capital as a source of competitiveness for the continuous creation of life-changing value, allocates the resources in a stable and flexible manner, and, as necessary, will make appropriate disclosure.

The Company’s initiatives for human resource development are available at the following website:

<https://www.kyowakirin.co.jp/csr/human_resources/development/index.html>

(iii) The Company understands that the improvement of access to pharmaceuticals is an important social issue to be addressed concerning health and welfare, and has established a basic policy from three perspectives of “providing pharmaceuticals for unmet medical needs,” “improving access to pharmaceuticals,” and “quality assurance and stable supply of products, and ensuring patient safety and promoting appropriate use.” The Company’s basic policy is available at the following website:

<https://www.kyowakirin.co.jp/csr/access_to_medicine/index.html>

(iv) The Company Group expresses its support for the TCFD recommendations, as well as assesses and manages risks and opportunities concerning climate change and appropriately discloses information based on the recommendations. The details are available at the following website:

<<https://www.kyowakirin.co.jp/csr/environment/tcfd/index.html>>

[Principle 4.1: Roles and Responsibilities of Board of Directors; Supplementary Principle 4.1.1 Scope and Content of Matters Delegated from Board of Directors to Management Executives]

The roles and responsibilities of the Board of Directors are as follows. The details are stipulated in Section 2.2.1, Chapter 2 of the Company’s Corporate Governance Policy.

- The Board of Directors aims at realizing the Company’s corporate philosophy and achieving the sustainable growth and medium- to long-term increase of corporate value of the Company Group, by establishing effective and efficient corporate governance, in consideration of directors’ fiduciary duties and accountability to shareholders.

- The Board of Directors makes decisions on important matters of the Company Group in accordance with laws and regulations, Articles of Incorporation, and the Company’s relevant rules and regulations, as well as appropriately delegates authority to the executives and supervises the status of their business execution for the purpose of increasing corporate value over the medium- to long term. In addition, the Board of Directors aims at strengthening the governance system by ensuring the effectiveness of supervisory functions in close cooperation with the Audit and Supervisory Committee. Furthermore, the Board of Directors is not only responsible for developing a basic policy on the sustainability and supervising its implementation, but also for establishing and maintaining appropriate

internal control systems across the entire Company Group in cooperation with the Audit and Supervisory Committee and internal audit departments.

- The Board of Directors, with its resolution, delegates to directors a part of its decision-making authority on important business execution. In addition, the Regulations for the Board of Directors, besides laws and regulations and the Articles of Incorporation, provide for matters to be resolved by the Board of Directors. The Board of Directors delegates the authority of other business execution to the C-suite Executives in charge of individual businesses and have them execute the authority in a responsible manner under its supervision.

[Principle 4.8: Effective Use of Independent Outside Directors; Supplementary Principle 4.8.3: Actions to Take as Listed Company with Controlling Shareholders]

The Company appoints independent outside directors, who satisfy its criteria for the independence of outside officers, for the majority of the Board of Directors, in order to enhance the fairness and transparency of corporate governance and achieve the sustainable growth and medium- to long-term increase of corporate value of the Company Group. When conducting important transactions with its controlling shareholder, Kirin Holdings Company, Limited, the Company establishes the Supervisory Committee for Conflict of Interest in Transactions between Group Companies consisting of independent outside directors, as an advisory body to the Board of Directors, and has the Committee deliberate and review the transactions and make recommendations to the Board of Directors, for the purposes of ensuring the fairness and reasonableness of the transactions and contributing to the increase of the Company's corporate value and protection of interest of its minority shareholders.

[Principle 4.9: Criteria for Independence and Qualification of Independent Outside Directors]

The Company appoints independent outside directors from among those who satisfy its independence criteria for outside officers, which has been separately established based on requirements under the Companies Act and criteria for the independent officers of the Tokyo Stock Exchange. Appointment of independent outside directors and the criteria for independence are respectively stipulated in Section 2.6.3, Chapter 2 of the Company's Corporate Governance Policy and Appendix 1.

[Supplementary Principle 4.10.1: Views on Independence of Voluntary Committees]

The Company has established the Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors, which deliberates and determines the Company's nomination and remuneration from an objective and fair perspective and makes recommendations to the Board of Directors. The Nomination and Remuneration Advisory Committee consists of six (6) members, including four (4) independent outside directors (excluding directors who are members of the Audit and Supervisory Committee) occupying the majority of the Committee. The Committee chair is appointed from among independent outside directors.

[Supplementary Principle 4.11.1: Balance, Diversity, and Size of Entire Board of Directors]

The Company limits the number of directors constituting the Board of Directors to no more than ten (10) directors who are not members of the Audit and Supervisory Committee and to no more than five (5) directors who are members of the Audit and Supervisory Committee, in accordance with the provisions of the Articles of Incorporation. In addition, the Company ensures skills and diversity such as knowledge, experience, competence, and insights necessary for the Company as a Global Specialty Pharmaceutical company, as well as has established a well-balanced and highly transparent governance system for the entire Board of Directors. The details are

stipulated in Section 2.2.2, Chapter 2 of the Company's Corporate Governance Policy. The Company discloses at its website a skills matrix, which enumerates directors' knowledge, experience, and competence, and the policy and procedures for appointing directors.

<<https://ir.kyowakirin.com/ja/library/annual.html>>

[Supplementary Principle 4.11.2: Directors' Concurrent Positions]

The Company annually discloses information on significant concurrent positions held by directors in a notice of calling of annual shareholders meeting and securities reports.

[Supplementary Principle 4.11.3: Evaluation of Effectiveness of Entire Board of Directors]

The Company conducted the evaluation of effectiveness of the Board of Directors, in order to recognize gaps between expected roles and responsibilities of the Board of Directors stipulated in the "Kyowa Kirin Corporate Governance Policy" and its actual status in 2025 and, also, to consider what it should work on for aiming at the most appropriate governance, including the transition to a company with audit and supervisory committee, for business solutions for the purpose of increasing corporate value by realizing the Story for Vision 2030. For the evaluation of effectiveness of Board of Directors, the Company identified wide-ranging issues, not limited to management issues of the Board of Directors, from a perspective of ensuring the effectiveness of governance.

The Company conducted questionnaire surveys and interviews by making use of an external organization for the evaluation, and exchanged opinions at the Board of Directors meetings based on their analytical results. The external organization that conducted the questionnaire surveys and interviews evaluated that, while there are issues identified in II below, the members of the Board of Directors engages in high-quality discussions at their meetings that are brought by the creation of an environment for free and open discussions under the direction of the chairperson, appropriate understanding of proposals with sufficient prior explanation, and deepening of understanding of business by on-the-spot inspection by outside directors. In addition, the Board of Directors evaluated, as a result of discussions among its members on the analytical results based on the evaluation by the external organization, that it appropriately functions and ensures its effectiveness, by improving issues identified in the past fiscal years and engaging in-depth and high-quality discussions. Furthermore, the Board of Directors evaluated that it appropriately obtains information, sets appropriate subjects for discussions, and engages in sufficient discussions by having set questions for the members of the Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors.

I. Effectiveness Evaluation Methods in 2025

In 2025, same as in the past years, the Company made use of an external organization to conduct both questionnaire surveys and interviews with the chairperson of the Board of Directors, chair of the Nomination and Remuneration Advisory Committee, Chairperson & Representative Director, and President & Representative Director, for the purpose of identifying issues from a medium- to long-term perspective. In addition, the Company analyzed the results of the questionnaire surveys and interviews while obtaining advice from the external organization, and conducted the evaluation after exchanging opinions among all directors and members of the Audit and Supervisory Board.

<Main questions and subjects for the questionnaire surveys and interviews>

1) Growth strategy/Medium-term Business Plan; 2) ensuring diversity of directors; 3) directors' fulfilling their functions; 4) skills to be added based on the strategy; 5) subjects for deliberations; 6) executive governance; 7) governance system as a listed subsidiary; 8) establishment of risk management system; 9) capital strategy; 10) sustainability; 11) human capital; 12) status of management and activities of the Board of Directors; 13) dialogues

with shareholders; 14) training courses for officers; 15) use of voluntary mechanisms (deliberations on remuneration); 16) use of voluntary mechanisms (deliberations on nomination); 17) perspectives for increasing quality of discussions at the Board of Directors meetings after the transition to a company with audit and supervisory committee; and 18) Nomination and Remuneration Advisory Committee

II. Issues in 2025 and Initiatives in 2026

The Company plans to implement the following improvements in 2026, in consideration of the results of evaluation of effectiveness.

(i) Strengthening of effectiveness of supervisory functions by reporting details and process of decision-making by the executives

The Company has the executives report the backgrounds and process of deliberations leading up to decision-making for matters to be resolved in order to have the Board of Directors fulfill its supervisory functions more effectively, under the situation where the executives expand its authority over clinical development projects in association with the transition to a company with audit and supervisory committee.

(ii) Deepening of discussions on risk management in global business

The Company has the executives regularly report the status of the Enterprise Risk Management and latest developments of global risks, in order to identify risks specific to each overseas region and have the Board of Directors effectively supervise the reasonableness of response measures to be taken, under the situation where it is required to respond to the global business environment.

(iii) Deepening of discussions on personnel requirements and development/recruitment

The Company deepens discussions on “personnel requirements for growth” and “personnel development/recruitment for expected structure of human resources,” in order to respond to opinions requiring further sufficient discussions on personnel requirements and development/recruitment, while it has an increasing number of evaluation that there have been sufficient global discussions on human capital.

III. Status of Implementation of Response Measures to Issues Identified in Evaluation of Effectiveness in 2025

Issue (i) Developing shared awareness to monitoring methods

(Implementation)

In 2025, the members of the Board of Directors discussed expected monitoring methods, while organizing thoughts about matters to be resolved and those to be reported after the transition to a company with audit and supervisory committee.

(Evaluation)

The Board of Directors evaluated that it has had discussions from a perspective of increasing corporate value over the medium- to long term based on the Story for Vision 2030. In addition, the Board of Directors evaluated that it has had sufficient discussions by passing a resolution on the transition to a company with audit and supervisory committee based on the discussions on the expected monitoring methods. The Board of Directors further strengthens its monitoring functions after the transition to a company with audit and supervisory committee.

Issue (ii) Dialogues with the executives on matters to be reported to increase feasibility of the Medium-Term Business Plan

(Implementation)

The members of the Board of Directors passed a resolution on the transition to a company with audit and supervisory committee, while discussing specific policies of authority delegation to the executives and organizing thoughts about matters to be resolved and those to be reported after the transition.

(Evaluation)

The Board of Directors evaluated that it has had sufficient discussions on matters to be reported, by organizing thoughts about matters to be resolved and those to be reported and passing a resolution on the transition to a company

with audit and supervisory committee.

Discussions on individual subjects (i) “Advancement of business management conscious of profitability and growth”
(Implementation)

The members of the Board of Directors had opportunities to discuss product portfolio strategies, financial and capital policies, and proposals of financial indicators.

(Evaluation)

The Board of Directors evaluated that it has had sufficient discussions on capital policies. It continues to have discussions based on capital demand forecasts in consideration of market forecasts and success rates for pipeline products under development and patent terms for products currently on sale for implementing the goals identified in the growth strategy.

Discussions on individual subjects (ii) “Further sufficient discussions on human capital”

(Implementation)

The members of the Board of Directors had opportunities to discuss human resources strategies and results of personnel measures.

(Evaluation)

The Board of Directors evaluated that the Company consistently globalizes human resources strategies and personnel systems as its business has been increasingly globalized. The Board of Directors continues to have discussions on human capital for further sufficient strategies and systems.

IV. Initiatives for Continuous Strengthening of Governance as Listed Subsidiary

(Implementation)

The Company has currently appointed five (5) independent outside directors, who constitute the majority of all directors, in order to ensure the effectiveness of objective supervision of business management. Mr. Yoshihisa Suzuki, an independent outside director, has assumed the position of the chairperson of the Board of Directors since 2025, and has worked on the further enhancement of governance. In addition, the Board of Directors has conducted the highly transparent evaluation of effectiveness of the Board of Directors with proactive participation of independent officers, by continuing to make use of an external organization same as in the previous year and having meetings to exchange opinions among all directors and members of the Audit and Supervisory Board, including independent officers.

(Evaluation)

The Board of Directors highly evaluated its governance system as a listed company, same as in 2024, in that the Company has systems and mechanisms to sufficiently ensure its independence from the parent company while always being conscious of being a listed company, that it fully considers the protection of minority shareholders and responds to issues of conflict of interest, and that its independent officers are fully conscious of their roles and importance.

[Supplementary Principle 4.14.2: Training Policy for Directors]

The Company provides training and information necessary for directors to appropriately fulfill their roles and responsibilities. The Company, upon directors’ assumption of office, provides them with lectures and training courses by experts and relevant internal departments concerning the Companies Act, corporate governance, and risk management and, even after their assumption of office, provides them with training courses and study sessions on legal amendments and business management issues, as necessary.

In addition, the Company, upon the assumption of office by outside directors, provides them with explanations on business of the Company Group and inspection tours to its key business locations. The details are stipulated in Section 2.6.7, Chapter 2 of the Company’s Corporate Governance Policy.

[Principle 5.1: Policy for Constructive Dialogues with Shareholders]

The Company's basic policy for dialogues with shareholders are as follows. This policy is stipulated in Section 4.2, Chapter 4 of the Company's Corporate Governance Policy.

- The Company, in principle, accepts requests for dialogues from shareholders, as well as proactively provides opportunities for constructive dialogues based on its regularly identified shareholding structure, on the basis of a perception that constructive dialogues with shareholders contribute to the further enhancement of corporate governance and eventually help to increase corporate value over the medium- to long term.
- The department in charge of IR takes the lead in responding to requests for dialogues from shareholders, under the command of the Chief Financial Officer responsible for IR. The Company, to a reasonable extent, provides opportunities for dialogues with certain shareholders, for whom the IR Officer considers that it is appropriate to have meetings with the representative directors, other directors (including outside directors), or C-suite Executives .
- The Company aims at ensuring sufficient dialogues with shareholders, by cooperation among the IR Officer, who is required to play a leading role, Finance Department, Corporate Planning Department, Legal Department, and other relevant departments, as appropriate for purposes of dialogues.
- The Company plans and holds briefing sessions and visits shareholders and investors, in order to explain its medium- to long-term management vision, annual business plans, financial results, R&D, and sustainability, aiming at facilitating their understanding of the Company and promoting dialogues.
- When having dialogues with shareholders, the Company sincerely provides explanations in consideration of timeliness, appropriateness, and fairness, as well as listens to shareholders' opinions and ensures interactive communication. The IR Officer, regularly or as necessary, reports shareholders' opinions and questions to the representative directors, other directors (including independent directors), and C-suite Executives.

[Principle 5.2: Development and Disclosure of Business Strategies and Business Plans]

(Response measures to realize business management conscious of capital cost and stock price, English disclosure is available)

- The Company discloses information on business management conscious of capital cost, as one of response measures to realize business management conscious of capital cost and stock price, in the "Integrated Report." Please refer to "Financial Strategies."

Japanese version: <https://ir.kyowakirin.com/ja/library/annual.html>

English version: <https://ir.kyowakirin.com/en/library/annual.html>

In addition, the Company has adopted a stock-based remuneration scheme as a part of business management conscious of stock price. Please refer to in "1. Organizational Composition and Operation" of "II. Business Management Organization and Other Corporate Governance Systems Concerning Decision-making, Execution of Business, and Supervision in Management."

2. Capital Structure

Foreign Shareholding Ratio	10% or more, less than 20%
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[Status of Major Shareholders]

Name/Company Name	Number of Shares Held	Percentage (%)
Kirin Holdings Company, Limited	288,819,000	55.17
The Master Trust Bank of Japan, Ltd. (Trust Account)	50,121,600	9.57
Custody Bank of Japan, Ltd. (Trust Account)	19,729,400	3.77

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Standing Proxy: Citibank, N.A., Tokyo Branch)	9,847,138	1.88
BNYMSANV RE GCLB RE JP RD LMGC (Standing Proxy: Citibank, N.A., Tokyo Branch)	9,638,116	1.84
BANK OF NEW YORK GCM CLIENT ACCOUNTS JPRD ISG. FE-AC. (Standing Proxy: MUFG Bank, Ltd.)	5,014,911	0.96
MSIP CLIENT SECURITIES (Standing Proxy: Morgan Stanley MUFG Securities Co., Ltd.)	4,944,003	0.94
SMBC Nikko Securities Inc.	4,007,000	0.77
JPMorgan Chase Bank, N.A. 385781 (Standing Proxy: Mizuho Bank, Ltd., Settlement and Clearing Services Division)	3,497,546	0.67
JPMorgan Securities Japan Co., Ltd	3,173,837	0.61

Name of Controlling Shareholder (Excluding Parent Company)	-----
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Name of Parent Company	Kirin Holdings Company, Limited
Stock Exchanges Listing Parent Company	Listed: Tokyo, Nagoya, Sapporo and Fukuoka (Code) 2503

Supplementary Explanation

3. Corporate Profile

Market Segment Scheduled to be Listed	Prime Market of Tokyo Stock Exchange
Fiscal Year-End	December
Type of Business	Pharmaceuticals
Number of (Consolidated) Employees as of End of Previous Fiscal Year	1,000 or more
(Consolidated) Sales as of End of Previous Fiscal Year	100 billion yen or more, less than 1 trillion yen
Number of Consolidated Subsidiaries as of End of Previous Fiscal Year	10 or more, less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

- The Company makes a reasonable decision on any transactions with its controlling shareholder, Kirin Holdings Company, Limited, in the same manner as general terms and conditions of transactions, based on objective information on the market where goods/services provided by or to the Company are mainly traded.

When conducting transactions with Kirin Holdings Company, Limited, the Company does not allow directors who concurrently serve as directors of Kirin Holdings Company, Limited, to participate in deliberations and resolutions on the transactions nor in consultations and negotiations with Kirin Holdings Company, Limited, in order to address risks of conflict of interest.

The Company appoints independent outside directors, who satisfy its criteria for the independence of outside officers, for the majority of the Board of Directors, in order to enhance the fairness and transparency of corporate governance and achieve the sustainable growth and medium- to long-term increase of corporate value of the Company Group. In addition, when conducting important transactions with Kirin Holdings Company, Limited, the Company establishes the Supervisory Committee for Conflict of Interest in Transactions between Group Companies consisting of independent outside directors, as an advisory body to the Board of Directors, and has the Committee deliberate and review the transactions and make recommendations to the Board of Directors, for the purposes of ensuring the fairness and reasonableness of the transactions and contributing to the increase of the Company's corporate value and protection of interest of its minority shareholders.

The Company had neither deliberation nor resolution on transactions falling under the above category in the fiscal year 2025.

The Company aims at realizing stable shareholder returns by allocating capital with growth investment as the top priority based on its capital allocation policy. The Company works on enhancing profit returns to shareholders and capital efficiency through business management conscious of capital cost, by placing emphasis on growth investment, such as R&D investment, strategic investment, and facility investment as well as adopting a dividend policy based on DOE 4% or more and progressive dividends aiming at realizing more stable and sustainable dividends. The Company has chosen to lend cash reserves (idle funds) designated for the above measures to Kirin Holdings Company, Limited as a short-term investment option, in comprehensive consideration of safety, liquidity, and investment returns. The period of the loan is, in principle, one (1) month or less, and its interest rate is set by appropriately adding a spread to the market interest rate (TIBOR).

5. Other Special Circumstances that May Have Significant Effects on Corporate Governance

The Company is a consolidated subsidiary of Kirin Holdings Company, Limited, a pure holding company that holds 55.22% of the voting rights in the Company as of December 31, 2025. While the Kirin Group aims at becoming a global leader in CSV by creating value in areas ranging from food to medicine, the Company is the

Kirin Group's core business company in charge of the "medicine" area, one of business areas defined in the long-term management vision "Innovate2035!," and aims at creating and delivering life-changing value that ultimately makes people facing illness smile, as a Japan-based Global Specialty Pharmaceutical company.

The Company, upon aiming at realizing the "creation of life-changing value," understands that management resources owned by Kirin Holdings Company, Limited and its Group companies are useful for the Company and the Company Group. The Company receives the benefits of knowledge and know-how owned by the Kirin Group in the domains of production management and engineering for strengthening the Company's business foundation, as well as advances the understanding of diseases and making use of research know-how and academic networks through personnel exchanges within the Kirin Group. In addition, the Company further promotes making use of knowledge and know-how owned by the Kirin Group in the domains of environmental conservation and stable supply of pharmaceuticals, in order to fulfill its social responsibility. Furthermore, the Company understands that there exist opportunities to create the synergy at the intersection with the "domain of health science" focused by Kirin Holdings Company, Limited by making use of the Company's knowledge in the medicinal business, for addressing "various challenges of people facing illness."

In accordance with the "Integration Agreement" dated October 22, 2007 agreed with Kirin Holdings Company, Limited, the Company, while respecting the basic management policy of the Kirin Group, conducts autonomous corporate activities with independence and flexibility, as well as ensures the independence of its own business management as a listed company and aims at maximizing the interests of all shareholders and sustainably increasing corporate value.

In addition, the Company has appointed independent outside directors who have no concern about conflict of interest with general shareholders, from a perspective of protecting minority shareholders.

The Company has established the Nomination and Remuneration Advisory Committee, whose majority consists of independent outside directors, as well as has appointed an independent outside director as a chairperson of the Board of Directors and conducts the evaluation of effectiveness of the Board of Directors by making use of an external organization.

The Nomination and Remuneration Advisory Committee deliberates the appointment/dismissal of independent outside directors from an objective and fair perspective and makes recommendations to the Board of Directors. The above process ensures the Company's independence from its parent company for appointing management executives. Kirin Holdings Company, Limited fully respects judgments made by the Nomination and Compensation Advisory Committee and Board of Directors of the Company.

II. Business Management Organization and Other Corporate Governance Systems Concerning Decision-making, Execution of Business, and Supervision in Management

1. Organizational Composition and Operation

Organization Form	Company with audit and supervisory committee
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	One (1) year
Chairperson of the Board of Directors	Independent director
Number of Directors	12
Appointment of Outside Directors	Appointed
Number of Outside Directors	7
Number of Outside Directors Designated as	7

Independent Officers

Relationship with the Company (1)

Name	Profile	Relationship with the Company (*1)										
		a	b	c	d	e	f	g	h	i	j	k
Takashi Oyamada	From other company											
Yoshihisa Suzuki	From other company											
Rumiko Nakata	From other company											
Yukiko Ito	Academic											
Yoko Wachi	Attorney-at-law											
Hiroshi Kanno	Academic											
Kohei Kan	Certified Public Accountant											

*1 Categories for “Relationship with the Company”

- a. Executive of the Company or its subsidiaries
- b. Executive or non-executive director of the parent company of the Company
- c. Executive of a fellow subsidiary of the Company
- d. Party whose major client or supplier is the Company or executive thereof
- e. Major client or supplier of the Company or executive thereof
- f. Consultant, or accountant or legal professional who receives a large amount of monetary consideration or other property from the Company, besides officers’ remuneration
- g. Major shareholder of the Company (or executive of the major shareholder if the shareholder is a legal entity)
- h. Executive of client or supplier of the Company (who does not fall under any of d, e, or f) (applying only to the executive himself/herself)
- i. Executive of a company, between which and the Company outside officers are mutually appointed (applying only to the executive himself/herself)
- j. Executive of a company or organization that receives a donation from the Company (applying only to the executive himself/herself)
- k. Other

Relationship with the Company (2)

Name	Member of Audit and Supervisory Committee	Independent Officer	Supplementary Explanation of Relationship	Reasons for Appointment
Takashi Oyamada		○	---	The Company has appointed Mr. Oyamada as an outside director, believing that he contributes to strengthening of the Company’s governance functions by supervising business execution from an independent position and reflecting a perspective of protecting interests of general shareholders in the Company’s business management. Mr. Oyamada has a high level of business

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				<p>management expertise from his long experience in the bank management and has knowledge and insights of wide-ranged industries based on his wealth of experience in the financial industry. Therefore, the Company expects that he supervises its business management based on not only his expertise in the financial industry but also his experience as a management executive. In addition, Mr. Oyamada satisfies all the criteria for the independence of outside officers established by the Company and all the requirements for independent officers established by stock exchanges. Therefore, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated him as an independent officer.</p>
Yoshihisa Suzuki		○	----	<p>The Company has appointed Mr. Suzuki as an outside director, believing that he contributes to strengthening of the Company's governance functions by supervising business execution from an independent position and reflecting a perspective of protecting interests of general shareholders in the Company's business management. Mr. Suzuki was in charge of the domain of aviation and electronic information in ITOCHU Corporation and has had experience in corporate management as the President & Representative Director. Mr. Suzuki also has had experience as a president of an overseas subsidiary of ITOCHU Corporation and president & representative director of its manufacturing company, as well as experience in activities of the business community as a vice chairperson of the Council of the Japan Business Federation. Therefore, the Company</p>

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				<p>expects that he supervises its business management based on his domestic and international experience as a management executive and in activities of the business community. In addition, Mr. Suzuki satisfies all the criteria for the independence of outside officers established by the Company and all the requirements for independent officers established by stock exchanges. Therefore, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated him as an independent officer.</p>
Rumiko Nakata		○	-----	<p>The Company has appointed Ms. Nakata as an outside director, believing that she contributes to strengthening of the Company's governance functions by supervising business execution from an independent position and reflecting a perspective of protecting interests of general shareholders in the Company's business management. Ms. Nakata has been consistently in charge of the personnel department throughout her career and has useful knowledge and insights on business management based on her experience in promoting various personnel measures, such as promotion of diversity and reform of working styles, as a director and executive officer. Ms. Nakata has also had experience in activities as a member of the Japan Association of Corporate Executives. Therefore, the Company expects that she supervises its business management based on her experience in activities of companies and business community. In addition, Ms. Nakata satisfies all the criteria for the independence of outside officers established by the Company and all</p>

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				the requirements for independent officers established by stock exchanges. Therefore, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated her as an independent officer.
Yukiko Ito		○	-----	The Company has appointed Ms. Ito as an outside director, believing that she contributes to the strengthening of the Company's governance functions by supervising business execution from an independent position and reflecting a perspective of protecting interests of general shareholders in the Company's business management. The Company expects that Ms. Ito makes use of her academic experience and extensive knowledge accumulated as a researcher in medical economics and international economics, and her wealth of experience as a member of policy councils. In addition, Ms. Nakata satisfies all the criteria for the independence of outside officers established by the Company and all the requirements for independent officers established by stock exchanges. Therefore, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated her as an independent officer.
Yoko Wachi	○	○	-----	Ms. Wachi has wealth of experience and advanced knowledge in corporate legal affairs as an attorney-at-law and wealth of experience as an outside director/member of the audit and supervisory board of other companies. Therefore, the Company has appointed her as an outside director who is a member of the Audit and Supervisory Committee, believing that she supervises the Company's business execution based on legal expertise and insights as well as

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				<p>conducts audits and exercises supervision in an appropriate manner while securing independence from the Company. The Company expects that Ms. Wachi conducts effective audits over the execution of duties by the Company's directors at the Audit and Supervisory Committee, as well as provides advice and opinions from a professional perspective on important matters concerning finance and internal control. In addition, Ms. Wachi satisfies all the criteria for the independence of outside officers established by the Company and all the requirements for independent officers established by stock exchanges. Therefore, the Company has decided that there is no risk of conflict of interest with general shareholders and has designated her as an independent officer.</p>
Hiroshi Kanno	○	○	———	<p>Mr. Kanno has wealth of experience and advanced expertise as a business consultant and researcher in management strategy and experience as an outside director/member of the audit and supervisory board in a number of companies. Therefore, the Company has appointed him as an outside director who is a member of the Audit and Supervisory Committee, believing that he supervises the Company's business execution based on extensive insights on business management as well as conducts audits and exercises supervision in an appropriate manner while securing independence from the Company. The Company expects that Mr. Kanno conducts effective audits over the execution of duties by the Company's directors at the Audit and Supervisory Committee, as well as provides advice and opinions from a professional perspective on important matters</p>

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				concerning finance and internal control. In addition, Mr. Kanno satisfies all the criteria for the independence of outside officers established by the Company and all the requirements for independent officers established by stock exchanges. Therefore, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated him as an independent officer.
Kohei Kan	○	○	----	Mr. Kan has global and advanced expertise and insights, through wealth of business experience as a certified public accountant, overseas working experience in audit corporations, and experience as a manager and comprehensive representative in overseas audit and assurance services. Therefore, the Company has appointed Mr. Kan as an independent director who is a member of the Audit and Supervisory Committee, believing that he oversees the Company's business execution from a professional perspective of finance and accounting based on the above experience as well as conducts audits and exercises supervision in an appropriate manner while securing independence from the Company. The Company expects that Mr. Kan conducts effective audits over the execution of duties by the Company's directors at the Audit and Supervisory Committee, as well as provides advice and opinions from a professional perspective on important matters concerning finance and internal control. In addition, Mr. Kan satisfies all the criteria for the independence of outside officers established by the Company and all the requirements for independent officers established by stock exchanges. Therefore, the

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				Company has decided that there is no risk of conflict of interest with general shareholders and has designated him as an independent officer.
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[Audit and Supervisory Committee]

Committee Composition and Chairperson's Profile

	All Members (Number of Persons)	Full-time Members (Number of Persons)	Internally Promoted Directors (Number of Persons)	Outside Directors (Number of Persons)	Committee Chair (Chairperson)
Audit and Supervisory Committee	4	1	1	3	Outside director

Appointment of Directors and Staff Members to Support Duties of Audit and Supervisory Committee	Applicable
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Matters Concerning Independence of Supporting Directors and Staff Members from Executive Directors

The Company has established systems for ensuring the effectiveness of audits by the Audit and Supervisory Committee, by appointing staff members who support duties of the Audit and Supervisory Committee (hereinafter referred to as the "supporting staff members") in the Internal Audit Department. The supporting staff members support the development and implementation of audit plans as the Secretariat of the Audit and Supervisory Committee and perform tasks under the command of the Audit and Supervisory Committee, not subject to the command of executive directors.

In addition, it is required to obtain prior consent from the Audit and Supervisory Committee for personnel transfer, personnel evaluation, and disciplinary actions of the supporting staff members, in order to ensure the independence from executive directors and effectiveness of directives from the Audit and Supervisory Committee.

Cooperation among Audit and Supervisory Committee, Accounting Auditors, and Internal Audit Departments

The Company has established systems for conducting sufficient and appropriate audits, under the mutual cooperation among the Audit and Supervisory Committee, accounting auditors, and internal audit departments. (Cooperation between Audit and Supervisory Committee and Internal Audit Departments)

The Audit and Supervisory Committee works for enhancing the effectiveness of audits based on the status of risks across the entire Company Group through close cooperation with internal audit departments, by regularly receiving reports on internal audit plans and their implementation status from the Internal Audit Department, as well as providing instructions to and exchange opinions with internal audit departments.

(Cooperation between Audit and Supervisory Committee and accounting auditors)

The Audit and Supervisory Committee cooperates with accounting auditors, by regularly receiving reports on audit plans, audit systems, and audit results and exchanging opinions on important accounting issues or major considerations for audits. In addition, the Audit and Supervisory Committee evaluates the independence and expertise of accounting auditors, as well as receives explanations on quality control systems for accounting audits and verifies their reasonableness.

(Cooperation between internal audit departments and accounting auditors)

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The internal audit departments and accounting auditors regularly share information and exchange opinions on the development, operation and evaluation of internal control concerning financial reporting and internal audit results.

(Relationship among Audit and Supervisory Committee, Accounting Auditors, and internal audit departments)

The Company has established a system where the Audit and Supervisory Committee, which is required to play a leading role, cooperates with accounting auditors and internal audit departments to appropriately and promptly address issues, when accounting auditors find any injustice or brings up any material deficiencies or problems. The Company aims at maintaining and enhancing the quality and effectiveness of the entire audit process through cooperation among these three bodies.

[Voluntary Established Committee(s)]

Voluntary Established Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Applicable
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Status of Establishment of Voluntary Committee(s), Committee Composition, and Profile of Committee Chair (Chairperson)

Voluntary Established Committee Corresponding to Nomination Committee

Name of Committee			Nomination and Remuneration Advisory Committee			
All Members (Number of Persons)	Full-time Members (Number of Persons)	Internally Promoted Directors (Number of Persons)	Outside Directors (Number of Persons)	Internal Experts (Number of Persons)	Others (Number of Persons)	Committee Chair (Chairperson)
6	2	2	4	0	0	Outside director

Voluntary Established Committee Corresponding to Remuneration Committee

Name of Committee			Nomination and Remuneration Advisory Committee			
All Members (Number of Persons)	Full-time Members (Number of Persons)	Internally Promoted Directors (Number of Persons)	Outside Directors (Number of Persons)	Internal Experts (Number of Persons)	Others (Number of Persons)	Committee Chair (Chairperson)
6	2	2	4	0	0	Outside director

Supplementary Explanation

- The Company has established the Nomination and Remuneration Advisory Committee consisting of the above members as a advisory body to the Board of Directors, which deliberates and determines the following matters from an objective and fair perspective and makes recommendations to the Board of Directors: the Company's policy on the appointment/dismissal of directors and proposals on candidates for directors; appointment/dismissal of senior directors; duties of individual directors; policy for determining the successor of the Chief Executive Officer; and schemes, levels, and amounts of remuneration for directors.

- The Nomination and Remuneration Advisory Committee consists of six (6) members, including four (4)

independent outside directors constituting the majority of the Committee. The Committee chair is appointed from among independent outside directors.

[Independent Officers]

Number of Independent Officers

7

Other Matters Concerning Independent Officers

The Company has designated all officers who satisfy the requirements of independent officers as independent officers.

(The Company's views on appointment status)

The Company appoints outside directors with diverse backgrounds, expertise, and experience and ensures systems where they supervise and audit its business management in an objective and fair manner from an independent position, which, it believes, results in increasing the transparency of its business management and strengthening the function of overseeing business management.

The Company has developed its own "Criteria for the Independence of Outside Officers" to ensure the independence of outside officers from the Company Group as requirements for ensuring the independence, with reference to the provisions concerning independent officers stipulated in the "Enforcement Rules for Securities Listing Regulations" of the Tokyo Stock Exchange, as well as the "Model Criteria for Appointing Independent Directors in Rules of the Board of Directors" developed by the Japan Association of Corporate Directors in 2011. According to the Criteria, the Company has, as of March 19, 2026, designated seven (7) persons (seven (7) outside directors: Mr. Takashi Oyamada, Mr. Yoshihisa Suzuki, Ms. Rumiko Nakata, Ms. Yukiko Ito, Mr. Hiroshi Kanno, Ms. Yoko Wachi, and Mr. Kohei Kan) as independent officers defined in the "Securities Listing Regulations" of the Tokyo Stock Exchange and notified the Stock Exchange to that effect.

(The Company's "Criteria for the Independence of Outside Officers")

It is required for the Company's outside directors not to fall under any of the following items, in addition to meet the requirements of outside directors stipulated in the Companies Act, in order for them to be judged as having independence from the Company.

(i) Executive director (gyomushikko torishimariyaku), C-suite executive officer, manager (shihainin), or other employee of the Company or its subsidiary

(ii) Director (torishimariyaku), audit and supervisory board member (kansayaku), executive officer (shikkoyakuin), manager (shihainin), or other employee of the parent company or fellow subsidiary of the Company

"Fellow subsidiary" refers to other company that has the same parent company as the Company.

(iii) Director, audit and supervisory board member, corporate officer (shikkoyaku), executive officer, manager, or other employee of a major shareholder of the Company (excluding the Company's parent company)

"Major shareholder" refers to a shareholder who holds 10% or more of voting rights.

(iv) Director, audit and 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)

(v) Person whose major client or supplier is the Company or its subsidiary

"Person whose major client or supplier is the Company or its subsidiary" refers to a person who received payments from or made payments 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.

(vi) Executive director, corporate officer, executive officer, manager, or other employee of a company whose

major client or supplier is the Company or its subsidiary, or a subsidiary of such a company

“Company whose major client or supplier is 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 its subsidiary 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.

(vii) Major client or supplier of the Company or its subsidiary

“Major client or supplier 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.

(viii) Executive director, corporate officer, executive officer, manager, or other employee of a company which is a major client or supplier of the Company or its subsidiary, or a subsidiary of such a company

“A company which is a major client or supplier 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 its subsidiary 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.

(ix) Certified public accountant (or certified public tax accountant), or member, partner, or employee of audit corporation (or tax accounting firm) who is the accounting auditor or accounting advisor of the Company or its subsidiary

(x) Attorney-at-law, certified public accountant, certified public tax accountant, or consultant who receives 10 million yen or more of monetary consideration or other property benefits per year on average during the past three (3) years from the Company or its subsidiary, besides officers’ remuneration

(xi) 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 above a certain amount from the Company or its subsidiary

“A certain amount” in this item means the amount equal to 2% of total net sales (total revenue) on average during the past three (3) years of the corporation, association, or organization.

(xii) Director, audit and 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

(xiii) Director or other person who executes business in a corporation, association, or other organization that receives donations or subsidies above a certain amount from the Company or its subsidiary

“A certain amount” in this item means either 10 million yen per year on average during the past three (3) years or the amount equal to 30% of annual total expenses of the corporation, association, or organization, whichever is higher.

(xiv) Director, audit and supervisory board member, accounting advisor, corporate officer, or executive officer of a company or its subsidiary that accepts a person from the Company or its subsidiary as a director (either full-time or part-time)

(xv) Person who has fallen under a category either of the items (i) or (ii) in the past ten (10) years

(xvi) Person who has fallen under a category of the item (iii) in the past five (5) years

(xvii) Person who has fallen under a category of any of the items from (v) through (xiii) in the past three (3) years

(xviii) Spouse or first- to second-degree relative, or other relative sharing same residence of any person who has fallen under a category of any of the items from (ii) through (xvii); provided, however, that the phrase of “manager, or other employee” in the items from (ii) through (xvii) is replaced with the phrase of “manager, or other important employee” for this item.

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- (xix) Spouse, first- to second-degree relative, or other relative sharing same residence of director, C-suite executive officer, executive officer, manager, or other important employee of the Company or its subsidiary
- (xx) Spouse, first- to second-degree relative, or other relative sharing same residence of a person who served as director, C-suite executive officer, executive officer, manager, or other important employee of the Company or its subsidiary in the past five (5) years
- (xxi) Other person who may give rise to conflict of interest with general shareholders and who has reasons that are reasonably judged as not being able to execute duties as independent outside director

[Incentives]

Implementation Status of Measures to Provide Incentives to Directors	Introduced performance-based remuneration scheme and others
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Supplementary Explanation

- Basically, the Company determines remuneration for directors through a transparent and appropriate process by adopting an objective perspective, for the purposes of raising their awareness of contributing to the Company's sustainable growth and further increase in corporate value, ensuring human resources appropriate for a Global Specialty Pharmaceutical company, and motivating them to contribute to the Company through the execution of their respective duties.
- The remuneration of the Company's executive directors consists of basic remuneration, performance-based remuneration, and non-monetary remuneration. The performance-based remuneration consists of two types: performance-based annual bonuses as short-term incentive remuneration and performance-based stock remuneration (performance share units) as medium- to long-term incentive remuneration. The non-monetary remuneration is restricted stock remuneration as medium- to long-term incentive remuneration.
- As performance-based evaluation indicators, the performance-based annual bonuses have nonfinancial targets set in annual business plans, in addition to financial targets for sales revenue and current income. In addition, the performance-based stock remuneration has financial targets based on the medium- to long-term financial plan.
- Non-executive directors receive only basic remuneration as fixed remuneration, in order to fully exercise their supervisory functions of business management from an objective and independent position.
- The Company has established suitable levels of remuneration, based on the Company's business type and scale and with reference to data from surveys of other companies conducted by external survey organizations.

Recipients of Stock Options	-----
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Supplementary Explanation

[Director Remuneration]

Status of Disclosure of Individual Remuneration Amounts	Disclosed individual remuneration amounts for selected directors
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Supplementary Explanation

- Amount of remuneration for directors and the Audit and Supervisory Board members (January - December 2025)
- Total amount of remuneration for directors (excluding outside directors): 593 million yen (basic remuneration:

211 million yen, performance-based annual bonuses: 132 million yen, performance-based stock remuneration: 70 million yen, and restricted stock remuneration: 74 million yen, other remuneration: 107 million yen) for three (3) persons

- Total amount of remuneration for members of the Audit and Supervisory Board (excluding outside members of the Audit and Supervisory Board): 32 million yen (basic remuneration: 32 million yen) for one (1) person

- Total amount of remuneration for outside directors: 96 million yen (basic remuneration: 96 million yen) for seven (7) persons

- Total amount of remuneration for outside members of the Audit and Supervisory Board: 68 million yen (basic remuneration: 68 million yen) for four (4) persons

The Company has disclosed individual remuneration amounts for selected directors in the Securities Report, in accordance with laws and regulations.

Note 1. The above information includes one (1) director, two (2) outside directors, one (1) outside member of the Audit and Supervisory Board who retired at the end of the annual shareholders meeting held in the previous year. In addition, it does not include two (2) unpaid directors and one (1) unpaid outside member of the Audit and Supervisory Board.

Note 2. The amounts of performance-based annual bonuses, restricted stock remuneration, and performance-based stock remuneration are all recorded as expenses in the current fiscal year. The amount of performance-based stock remuneration is the sum of the amounts recorded as expenses in the fiscal year 2025 for each of performance-based stock remuneration with the fiscal years 2024 and 2025 as the beginning of performance evaluation periods, according to the expected achievement of targets at the end of the fiscal years. The Company pays/provides performance-based stock remuneration in the forms of both monetary and non-monetary remuneration after the relevant performance evaluation period.

Note 3. The number of restricted stocks provided to executive directors in the current fiscal year was 35,597 stocks and that of stocks based on performance-based stock remuneration was 5,423 stocks (the amount to be paid per stock for each of the above was 2,184 yen, which was the closing price on March 18, 2025).

Note 4. "Other remuneration" is collateral remuneration incurred in association with stays in Japan, resolved at the Board of Directors meeting after deliberations at the Nomination and Remuneration Advisory Committee, including company housing expenses, temporary return allowances, and amounts of tax adjustment in association with provision of various allowances.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

- Basically, the Company determines remuneration for directors through a transparent and appropriate process by adopting an objective perspective, for the purposes of raising their awareness of contributing to the Company's sustainable growth and further increase in corporate value, ensuring human resources appropriate for a Global Specialty Pharmaceutical company, and motivating them to contribute to the Company through execution of their respective duties.

- The remuneration of the Company's executive directors consists of basic remuneration, performance-based remuneration, and non-monetary remuneration. The performance-based remuneration consists of two types: performance-based annual bonuses as short-term incentive remuneration and performance-based stock remuneration as medium- to long-term incentive remuneration. The non-monetary remuneration is restricted stock remuneration as medium- to long-term incentive remuneration. Non-executive directors receive basic remuneration only or no remuneration, in order to fully exercise their supervisory functions of business

management from an objective and independent position.

- The percentage of each remuneration is determined, based on directors' positions and recommendations of the Nomination and Remuneration Advisory Committee, by the Board of Directors for directors who are not members of the Audit and Supervisory Committee and by the Audit and Supervisory Committee for directors who are members of the Audit and Supervisory Committee, after considering the company scale and conducting objective comparison and verification of remuneration levels and composition at other companies in industries related to the Company by making use of data from surveys of officers' remuneration conducted by external survey organizations.

- The Company provides executive directors with monetary remuneration, whose amounts change according to business performance, for the purpose of motivating them to contribute to enhancing business performance in each fiscal year. The Company calculates the amount of remuneration according to the degree of achievement for targets of performance indicators that are set for the applicable fiscal year, and provides it to executive directors at a certain point of time every year (usually in April). The amount of performance-based annual bonuses, which are calculated according to performance indicators, targets, and the degree of achievement for the targets, are determined after deliberations of the Nomination and Remuneration Advisory Committee. The Company has decided to add the degree of achievement for non-financial targets set in annual business plans to the performance indicators from 2024, in order to promote the resolution of medium- to long-term business management issues.

- The purpose of the performance-based stock remuneration scheme is to provide incentives to achieve the medium- to long-term financial plan and to sustainably increase corporate value by further clarifying the linkage between remuneration for executive directors and the Company's business performance and stock value, as well as to further promote value sharing with shareholders. The amount of the performance-based stock remuneration increases or decreases according to the degree of achievement of performance targets for a performance evaluation period consisting of three (3) consecutive fiscal years. The performance-based stock remuneration scheme has an institutional design, where the Board of Directors determines the "base number of stocks to be delivered" by its resolution at the beginning of the performance evaluation period and the Company delivers and provides executive directors with amounts calculated by multiplying the "base number of stocks to be delivered" by the degree of achievement of performance targets in the range from 0% to 150% after the end of the performance evaluation period of three (3) fiscal years, approximately half of which is delivered in the form of stocks and the rest in the form of cash at a certain point of time every year (usually in April). The performance indicators uses ROE, average annual growth rate of sales revenue, and core operating profit margin, which are the indicators used in the medium- to long-term financial target, and the degree of achievement of performance targets is calculated based on the degree of achievement of each indicator.

- The purpose of the restricted stock remuneration scheme is to enable executive directors to share benefits and risks of stock price fluctuations with shareholders and to provide them with incentives to contribute, more than ever before, to raising the stock price and increasing corporate value. The Board of Directors allocates the number of stocks, corresponding to the base amount and stock price based on the basic remuneration, to executive directors by its resolution at a certain point of time every year (usually in April). The stocks to be delivered have restriction on transfer for three (3) years.

- The Board of Directors determines a remuneration table of the basic remuneration for directors and remuneration performance-based annual bonuses for each of their positions, based on deliberations and recommendations of the Nomination and Remuneration Advisory Committee, whose majority is occupied by independent outside officers and whose chair is an independent outside director. Then, Mr. Abdul Mullick, President & Representative Director, Chief Executive Officer, who has decision-making authority delegated by the Board of Directors in order to realize its efficient management, determines amounts of basic remuneration and annual performance-based bonuses for individual directors based on deliberations by the Nomination and

Remuneration Advisory Committee within the limit of remuneration resolved at a shareholders meeting. The Board of Directors determines the allocation and delivery of stock remuneration to individual directors, based on deliberations and recommendations of the Nomination and Remuneration Advisory Committee. In addition, the Company has established a clawback clause that allows the Company to demand the return of remuneration from executive directors, following deliberations of the Nomination and Remuneration Advisory Committee, in case of illegal acts or violations of laws and regulations.

[Support System for Outside Directors]

- The Secretariat for the Board of Directors provides necessary information to directors including outside directors as necessary, and also provides prior explanations about matters to be deliberated by and reported to the Board of Directors.
- When requested by outside directors, the executive organization proactively provides them with information necessary for directors to execute their duties.

2. Matters Concerning Functions of Business Execution, Audit and Supervision, and Decisions on Nomination and Remuneration (Overview of Current Corporate Governance System)

The Company has adopted a company with audit and supervisory committee as its organizational design under the Companies Act. The Board of Directors makes final decisions on important business execution in accordance with laws and regulations, Articles of Incorporation, and the Company's relevant rules and regulations, as well as enhances transparency and objectivity of business management and fulfills its supervisory functions for business execution by appointing multiple independent outside directors. In addition, the Company has voluntarily established the Nomination and Remuneration Advisory Committee to supplement the functions of the Board of Directors as well as further strengthen supervisory functions for business management. Furthermore, the Company has established the Audit and Supervisory Committee whose majority is occupied by independent outside directors to conduct audits of the execution of duties by directors. Through this organizational design, the Company has established a governance system equipped with the promptness and transparency of business management and a well balance between business execution and supervision.

(Directors and Board of Directors)

The Board of Directors aims at realizing the Company's corporate philosophy and achieving the sustainable growth and medium- to long-term increase of corporate value of the Company Group, by establishing effective and efficient corporate governance, in consideration of directors' fiduciary duties and accountability to shareholders. In addition, the Board of Directors makes decisions on important matters on the business execution of the Company Group, including long-term management vision and annual business plans of the entire Company Group and key Group companies, and statutory matters, as well as is responsible for supervising the execution of duties by directors and establishing an appropriate internal control system for the entire Corporate Group. The Board of Directors, with its resolution, delegates to directors a part of its decision-making authority on important business execution. In addition, the Regulations for the Board of Directors, besides laws and regulations and the Articles of Incorporation, provide for the matters to be resolved by the Board of Directors. The Board of Directors delegates authority of other business execution to the C-suite Executives in charge of individual businesses and have them execute the authority in a responsible manner under its supervision.

The Company limits the number of directors constituting the Board of Directors to no more than ten (10) directors who are not members of the Audit and Supervisory Committee and to no more than five (5) directors

who are members of the Audit and Supervisory Committee, in accordance with the provisions of the Articles of Incorporation. In addition, the Company ensures skills and diversity such as knowledge, experience, competence, and insights necessary for the Company as a Global Specialty Pharmaceutical company, as well as has established a well-balanced and highly transparent governance system for the entire Board of Directors. Furthermore, the Company has appointed independent outside directors for the majority of the Board of Directors and an independent outside officer as a chairperson of the Board of Directors, in order to supervise business management in an objective and highly effective manner. The Board of Directors determines the policy and procedures for appointing directors, based on deliberations at the Nomination and Remuneration Advisory Committee.

As of March 19, 2026, the Company has 12 directors (including nine (9) male and three (3) female directors, and among them seven (7) independent outside directors). The directors supervise decision-making on important matters, such as the Company's management policy, and business execution. The Board of Directors held 14 meetings and supervised decision-making on important matters, such as the Company's management policy, and business execution in the fiscal year 2025.

(Audit and Supervisory Committee)

The Audit and Supervisory Committee oversees and verifies the soundness and transparency of business management, aiming for the sustainable growth and medium- to long-term increase of corporate value of the Company Group, by exercising its independent audit authority to audit the legality and appropriateness of execution of duties by directors. Members of the Audit & Supervisory Committee proactively express their opinions at the meeting of the Board of Directors, by making full use of the full-time members' ability to gather information and independent positions, as well as work for establishing a system that ensures the effectiveness of their audits. In addition, the Audit and Supervisory Committee exchanges opinions and shares information with outside directors and makes an appropriate judgement from an objective and independent position, in order to enhance the supervisory functions of the entire Board of Directors. Furthermore, the Audit and Supervisory Committee exercises its consent right on the appointment/dismissal and remuneration of accounting auditors in accordance with the Companies Act.

The Company limits the number of directors constituting the Audit and Supervisory Committee to no more than five (5) directors in accordance with the provisions of the Articles of Incorporation, and appoints the majority of the Audit and Supervisory Committee from among outside independent directors in order to enhance independence and neutrality of the audit system.

As of March 19, 2026, the Company's directors who are members of the Audit and Supervisory Committee are four (4) members (including three (3) male and one (1) female directors, and among them three (3) independent outside directors). In the fiscal year 2025, the Audit and Supervisory Board held 13 meetings under the organizational design of a company with board of company auditors, and discussed and determined audit policies and conducted audits of execution of duties by directors.

(Global Executive Committee and Executive Committee)

The Company has established the Global Executive Committee and Executive Committee, as the bodies to support and assist the President & Representative Director to make decisions on important matters concerning management policies and business execution. In the fiscal year 2025, the Global Executive Committee held 18 meetings and the Executive Committee held six (6) meetings, in order to make adequate and efficient management judgments on overall important matters concerning global and domestic business management from a strategic perspective.

(Executive organization)

The Company executes business based on a matrix management system of regional, functional, and product axes, under the name of "One Kyowa Kirin," as its global management system. The Company has introduced the One Kyowa Kirin Leadership, in order to implement this system in a flexible manner.

(Accounting audit and legal compliance)

The Company undergoes audits by accounting auditors in order to ensure appropriate presentation of financial statements. In addition, the Company gives the highest priority to legal compliance for issues that arise in the course of business execution and, as necessary, receives appropriate advice from third parties, such as attorneys-at-law.

(Compliance system)

The Company develops a basic compliance policy for the Company Group as well as establishes organizations and regulations to materialize the policy, in order to promote compliance within the Company Group. The Company establishes an organization to supervise compliance, which undertakes developing the awareness of compliance among officers and employees of the Company Group through educational programs and awareness-raising activities, and ensures a system to take appropriate responses in case of compliance violations.

(Risk management system)

The Company develops a basic policy on risk management for the Company Group as well as establishes organizations and regulations to appropriately manage risks within the Company Group. The Company establishes an organization to supervise risk management, which ensures the effectiveness of risk management through risk management activities at each organization of the Company Group, as well as ensures a system to take appropriate response measures to risks in accordance with the three-line model proposed by the Institute of Internal Auditors.

(Internal audit)

1. Organizations, members, and procedures for internal audit

The Company has established internal audit departments (global internal audit organizations, including the Internal Audit Department) as the third line for internal control, to which 19 staff members are assigned (as of March 19, 2026). The internal audit departments evaluate the performance status of various management activities concerning each process of governance, risk management, and control within the Company Group in terms of legality and reasonableness and from a fair and independent position, and provides advice and recommendations. The internal audit departments report audit results to the Audit and Supervisory Committee and President & Representative Director as necessary, and to the Board of Directors regularly. The internal audit departments continuously conduct improvement activities, such as employing external evaluation, in addition to efforts for quality evaluation and improvement within the departments, for the purposes of maintaining and enhancing the quality of audit activities. The internal audit departments also evaluate the development and management status of internal control to ensure the reliability of financial reports in accordance with the Financial Instruments and Exchange Act.

2. Mutual cooperation among internal audit departments, Audit and Supervisory Committee, and accounting auditors

The internal audit departments and members of the Audit and Supervisory Committee cooperate with each other, by mutually sharing their audit plans and audit results and exchanging opinions as necessary, under the direct chain of command. In addition, the internal audit departments and accounting auditors, as necessary, exchange opinions concerning the development and management status of internal control to ensure the reliability of financial reports and make necessary improvements, as well as regularly exchange information on important

audit results. The internal audit departments contribute to the enhancement of effectiveness and efficiency of the internal control system within the Company Group through these activities.

(Corporate ethics)

The Company Group has established the “Kyowa Kirin Group Compliance Policy” and “Kyowa Kirin Group Risk Management Policy” as well as “Kyowa Kirin Group Code of Conduct” based on the Policies in order to clarify its approach to compliance with corporate ethics in business execution, and ensures full awareness of the Policies and Code to international and domestic Group companies and their enforcement.

3. Reasons for Adoption of Current Corporate Governance System

(Reasons for adoption of current corporate system)

The Company understands that it is important to ensure supervisory functions highly effective to business management as well as to establish a decision-making system promptly responsive to changes in business environment in order to increase sustainable corporate value. The Company has adopted the current corporate governance system, as a system that can achieve both the highly transparent and objective supervision of business management by making use of insights of outside directors and prompt business execution with clear execution responsibility.

(Functions and roles performed by outside directors)

The Company’s outside directors have diverse backgrounds, expertise, and experience, and make use of wealth of experience and knowledge for the Company’s business management, as well as fulfill their supervisory functions for the Company’s business management from an objective and fair position.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Initiatives for Vitalization of Shareholders Meeting and Smooth Exercise of Voting Rights

	Supplementary Explanation
Early Dispatch of Notice of Calling of Shareholders Meeting	The Company, in accordance with the Company’s Corporate Governance Policy requiring early disclosure, dispatched the notice of calling of a shareholders meeting on March 4, 2026, and posted the notice at the websites of the Company and Tokyo Stock Exchange on February 21, 2026, in order to ensure a sufficient period allowing shareholders to examine proposals for the shareholders meeting.
Scheduling of Shareholder Meeting on a Non-Peak Day	The Company held a shareholders meeting on March 19, 2026, as its fiscal year ended in December.
Electronic Exercise of Voting Rights	The Company allows shareholders to exercise voting rights via the Internet.
Participation in Platform for Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors	The Company participates in an electronic voting platform for institutional investors operated by ICJ, Inc.

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to Exercise Voting Rights	
Provision of Notice (or Summary of Notice) of Shareholders Meeting in English	The Company prepares the English translation (summary version) of notices of calling.
Others	The Company promotes visualization of administration of shareholders meetings. The Company gives due consideration to the ease of reading notices of calling by using color printing and universal fonts.
No implementation	----

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company has established the Disclosure Policy, which is its basic policy on information disclosure, and posts it at its website. < https://ir.kyowakirin.com/ja/disclosure.html >	
Regular Investor Briefings for Individual Investors	----	N/A
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds financial results meetings, after having announced the first, second, and third quarters and year-end financial results. In addition, the Company separately holds briefings besides the financial results meetings, when announcing important matters concerning business management. This year, the Company held briefings twice on clinical trials of rocatinlimab, currently under development for atopic dermatitis. Furthermore, the Company held the Sustainability Meeting this year same as in the past years to explain its sustainable business activities for challenging to gain economic value and create future social value. The Company plans to continuously hold briefings on its important matters or matters leading to its medium- to long-term growth after the next fiscal year as well.	Applicable
Regular Investor Briefings for Overseas Investors	The Company holds individual meetings with overseas investors in the United States and Europe once a year.	Applicable
Posting of IR Materials on Website	The Company posts materials, including financial results, timely disclosure documents, various presentation materials, securities reports and semi-annual reports, notice of calling of shareholders meeting, and integrated reports. In addition, the Company provides on-demand audio streaming and transcripts of financial results briefings, including Q&A sessions, at its IR website. Both Japanese and English versions of IR materials are available (excluding some materials).	
Establishment of	The department in charge of IR is IR Group of the Finance	

Department (Manager in Charge) of IR	<p>Department. The Company holds the Group Information Disclosure Committee twice a year to have cross-departmental discussions on information disclosure.</p> <p>Manager in charge of IR: Koji Igarashi, Chief Financial Officer Contact in charge of IR: tel. +81-3-5205-7206, ir@kyowakirin.com</p>
Others	-----
No implementation	-----

3. Status of Initiatives for Ensuring of Due Respect for Stakeholders

	Supplementary Explanation
Provisions for Respect for Stakeholders in Internal Rules and Regulations	<p>The Company Group stipulates appropriate collaboration and cooperation with stakeholders in the “Kyowa Kirin Group Compliance Policy,” “Kyowa Kirin Group Code of Conduct,” and “Corporate Governance Policy.”</p> <p>Kyowa Kirin Group Compliance Policy Kyowa Kirin Group Code of Conduct <https://www.kyowakirin.co.jp/csr/corporate_governance/compliance/></p> <p>Corporate Governance Policy <https://ir.kyowakirin.com/ja/management/governance.html></p>
Implementation of Environmental Conservation Activities and CSR Activities	<p>The sustainability for the Company Group means to co-create “life-changing value to make people facing illness smile” together with stakeholders of society. The Company achieves the sustainability both for the Company Group and society through realizing the Vision. Promoting the sustainability for the Company Group is connected to the CSV management advocated by it. The Company achieves the creation of two values: one is social value (the Company Group solves social issues by providing life-changing value to make people facing illness smile) and the other is economic value (the Company Group gains profits that can be the source of investment in human capital and intellectual capital to further create life-changing value). The Company understands that its sustainable business activities are to provide social value and gain economic value to create future social value so that it continues to be a company to be needed by people facing illness throughout the world. In addition, the Company regards future generations as important stakeholders and works on reducing burden on the global environment, from a perspective of continuing its business activities in a sustainable manner.</p> <p>The Company, against the above backdrop, sets “Reducing Impacts to Global Environment” as one of the Materiality and actively works on protecting the global environment for future generations by addressing climate changes, water resources management, and biodiversity diversity. For climate change in particular, the Company works on reducing greenhouse gas emissions together with its stakeholders, in order to reduce the emissions across the entire value chain to net zero as well as to lead the way toward building a decarbonized society in cooperation with the “Kirin Group Environmental Vision 2050.” The details are available at the following website: <https://www.kyowakirin.co.jp/sustainability/trust/environment/index.html></p> <p>In addition, the Company Group has developed the “Kyowa Kirin Group Human Rights</p>

	<p>Policy” based on the United Nations’ “Guiding Principles on Business and Human Rights,” and ensures that all its officers and employees and all its business partners involved in its business, services, and products comply with the Policy. Furthermore, the Company implements human rights due diligence in accordance with the Policy. In other words, the Company assesses and analyzes the status of initiatives on priority issues identified in consideration of not only its own assessment but also the level of interest in society, and confirms with its business partners that there is no negative impact on human rights, The details are available at the following website:</p> <p><https://www.kyowakirin.co.jp/csr/human_rights/index.html></p>
Development of Policies on Information Provision to Stakeholders	<p>The Company has established the Disclosure Policy, which is its basic policy on information disclosure, and posts it at its website.</p> <p><https://ir.kyowakirin.com/ja/disclosure.html></p>
Others	<p>The Company regards Diversity, Equity, and Inclusion (DE&I) as a foundation to its corporate culture in order to create and provide life-changing value for patients throughout the world. The Company has set its global goal, “Our DE&I Statement,” under which it identifies global and regional priority issues and continuously promotes proactive measures to create an organization where all employees with various personalities respect each other and maximize their potential.</p> <p>The Company proactively implements mid-career recruitment in order to ensure human resources with diverse expertise and perspectives for the purpose of strengthening human infrastructure for promoting DE&I. The Company hired 146 employees including new graduates in the fiscal year 2025, out of which the number of mid-career employees is 96 accounting for 65.8% of the total number of newly hired employees.</p> <p>The Company works on ensuring diversity in decision-makers, based on these diverse human resources. As of October 2025, 46% of 95 global and regional leadership positions are held by non-Japanese nationals and 24% by women. The Company aims at achieving 40% by 2030 for the ratio of women in global leadership positions.</p> <p>In Japan, the Company has introduced the “Nanamentoring (cross-departmental and cross-hierarchical mentor training programs),” developed from mentor training programs for female managers, for the purposes of developing female human resources and promoting their empowerment, and provides female employees with opportunities for mutual study among cross-departmental and cross-hierarchical employees and supports their career formation. In addition, the Company has established Employee Resource Group (ERG) consisting of female employees in the Sales & Marketing Division in 2024, and promotes their proactive network formation and issue raising through establishment of sub-groups. Furthermore, the Company strengthens the career formation of female employees and support for balancing work and childcare, by operating in-house childcare facilities (newly opened in the Fuji district in 2022 and in the Takasaki district in 2023) and implementing community-based support measures for returning from parental leave in cooperation with workplaces. In 2025, the ratio of women in managerial positions was 17.1% as a result of these initiatives. The Company aims at achieving 30% by 2030. As an appreciation for these initiatives, the Company obtained, in 2016, “Eruboshi (Level 3),” the certification mark of the Minister of Health, Labor and Welfare, in accordance with the “Act on the Promotion of Women's Active Engagement in Professional Life” and, in 2019, the certification mark of “Platinum Kurumin”</p>

	<p>as a “childcare support company” in accordance with the “Act on Advancement of Measures to Support Raising Next-Generation Children.”</p> <p>The Company regards flexible and inclusive working styles and their system development as an important pillar of DE&I promotion, in order for diverse human resources to be continuously active in their workplaces. The Company develops working environment where employees are able to maximize their potential without any anxieties, by promoting appropriate working styles according to characteristics of business operations and roles and ensuring smooth communication, human resource development, and development of a sense of unity as a team through business operations making use of face-to-face and online meetings, as well as giving due consideration to working hours management, securement of rest time, global business operations, childcare/caregiving, and medical treatment. In terms of systems of holiday and leave, the Company grants, in addition to 20 days of annual paid holiday regardless of the number of years of continuous employment, 10 days of annual (paid) self-management holiday to employees in order for them to proactively create a state under which they manage their own physical and mental conditions and personal events and perform their duties in the best condition. Furthermore, the Company has established a system where employees are able to take leave for a maximum of two (2) years because of the transfer of their spouses. In terms of working styles, the Company has introduced the super-flex time system, teleworking system, and specialized discretionary work system, and, for employees in sales positions, has established a system under which they are allowed to live with their spouses upon marriage or child’s birth.</p> <p>In terms of support for balancing work and caregiving, the Company has introduced external caregiving support services and holds seminars and e-learnings on caregiving. In addition, the Company conducts questionnaire surveys on actual conditions of caregiving for all employees and makes use of them for the future improvement of system design and support measures.</p> <p>The Company promotes the creation of a workplace where employees with diverse personalities and backgrounds are respected. For the promotion of understanding of LGBTQ+, it held a joint exhibition with Kirin Holdings Company, Limited and FANCL CORPORATION at Tokyo Pride 2025 to convey information both internally and externally. The Company has obtained about 110 employees’ support for the Ally Community within it, and received the "Gold Award" for the 4 consecutive year in the PRIDE Index.</p> <p>In terms of employment of persons with disabilities, the Company, through awareness events held on the International Day of Persons with Disabilities, not only achieves the statutory employment rate but also proceeds with creating a workplace environment focusing on support for employment retention and safety considerations.</p> <p>The Company’s other initiatives for promoting diversity are available at the following website: https://www.kyowakirin.co.jp/sustainability/human_resources_infrastructure/dei/index.html</p>
No implementation	-----

IV. Matters Concerning Internal Control System

1. Basic Views on Internal Control System and Status of Establishment

(Basic Views on Internal Control System)

The Company has stipulated the following set of systems, based on the “Basic Policy for Internal Control System” of its parent company, Kirin Holdings Company, Limited and as the “systems necessary to ensure that the execution of duties by directors complies with laws and regulations and the articles of incorporation, and other systems prescribed by Ministry of Justice Order as systems necessary to ensure the properness of operations of a stock company and operations of group of enterprises consisting of the stock company and its subsidiary companies” provided in Article 362, paragraph 4, item vi of the Companies Act.

1. System to ensure compliance of execution of duties by directors and employees of the Company and its subsidiaries (hereinafter, the “Company Group”) with laws and regulations and the Articles of Incorporation (“Compliance System”)

The Company establishes the following systems in order to promote compliance within the Company Group.

- The Company establishes a basic compliance policy for the Company Group as well as organizations and regulations to materialize the policy.
- The Company establishes an organization to supervise compliance, which undertakes developing the awareness of compliance among officers and employees of the Company Group through educational programs and awareness-raising activities, as well as clearly defines responsive procedures in case of compliance violations and ensures full awareness of each subsidiary of the Company Group to the procedures.
- The Company has an organization dedicated to internal audit to conduct audits of the establishment and management status of the compliance system.
- The Company establishes an internal control reporting system to ensure the reliability of financial reports, and ensures its effective and efficient operation and evaluation.

2. System to ensure preservation and management of information concerning execution of duties by the Company’s directors (“Information Preservation and Management System”)

The Company appropriately preserves and manages information concerning execution of duties by the Company’s directors in accordance with internal rules and regulations, as well as makes them available to the directors.

3. Rules and regulations and other systems concerning management of risk of loss of the Company Group (“Risk Management System”)

The Company establishes the following systems in order to appropriately manage risks of the Company Group.

- The Company establishes a basic risk management policy for the Company Group as well as organizations and regulations to materialize the policy.
- The Company establishes an organization to supervise risk management, which ensures the effectiveness of risk management through risk management activities of each organization of the Company Group, as well as clearly defines procedures for disclosing risks and taking responses in case of crisis occurrence and ensures full awareness of each subsidiary of the Company Group to these procedures.
- The Company has an organization dedicated to internal audit to conduct audits of the establishment and management status of the risk management system.

4. System to ensure efficient execution of duties by directors of the Company Group (“Efficient Execution of Duties System”)

The Company establishes the following systems in order to ensure the efficient execution of duties by directors of the Company Group.

- The Company establishes regulations and standards on division of duties, scope of authority, decision-making, and other organizational matters.

- The Company adopts the system of C-suite executives in order to aim at realizing accelerated and efficient business execution.
- The Company establishes the Executive Committee to accelerate decision-making.
- The Company, as necessary, dispatches director(s) to each subsidiary of the Company Group to supervise appropriate business execution and decision-making.
- Each Group company clearly defines directors' authority and responsibility for the execution of their duties in internal rules and regulations on division of duties, authority of management, and other matters. Each director engages in efficient business execution in accordance with these rules and regulations.
- Each subsidiary of the Company Group develops its own annual plan and regularly manages business performance through monitoring.

5. System for reporting on the execution of duties by directors of the Company Group and system to ensure the appropriateness of other business operations by the corporate group consisting of the Company Group and the Company's parent company ("Systems for reporting of business execution and other group internal control system")

The Company establishes the following systems, based on the basic group management policy of its parent company, Kirin Holdings Company, Limited, in order to ensure reporting on the execution of duties by directors of the Company Group and the appropriateness of other business operations by the corporate group consisting of the Company Group and the Company's parent company.

- The Company establishes a department in charge of the management of subsidiaries of the Company Group, which receives regular reports concerning their business status as well as provides them with guidance and advice as necessary, such as prior consultations for important matters, while continuing to respect their autonomy.
- The Company establishes responsibilities and authority of the business execution by subsidiaries of the Company Group, and has each subsidiary conduct audits of the business execution by its organization dedicated to internal audit.

6. Matters concerning employees who support the Company's Audit and Supervisory Committee upon the Audit and Supervisory Committee's request for appointing such employees, matters concerning such employees' independence from the Company's directors, and matters concerning ensuring of the effectiveness of directions given to such employees by the Company's Audit and Supervisory Committee (hereinafter collectively referred to as the "Systems Related to Members of Audit and Supervisory Committee")

The Company assigns a small number of employees to support duties of members of its Audit and Supervisory Committee upon request of the Audit and Supervisory Committee. In addition, it is required to obtain the consent of the Company's Audit and Supervisory Committee for any decision concerning personnel matters of such employees, such as appointment, transfer, and evaluation, in order to ensure the independence of such employees. Such employees do not hold the concurrent positions in charge of business execution and are subject only to the commands of the Company's Audit and Supervisory Committee, when they support the execution of duties by members of the Audit and Supervisory Committee.

7. System for reporting to the Company's Audit and Supervisory Committee by directors and employees of the Company Group

(i) The Company's directors make the following reports to the Audit and Supervisory Committee.

- Prior information of matters to be submitted to the Board of Directors and other relevant matters that are considered as useful for audits by the Audit and Supervisory Committee.
- Any fact that may cause material damage to any subsidiary of the Company Group, if found.

- Any fact that a director or an employee of the Company Group has committed an act in violation of laws or Articles of Incorporation or that there is a risk that such act may occur.
- Statutory matters requiring the consent of the Company's Audit and Supervisory Committee.
- Status of the establishment and management of the Company's internal control system.

The Company's Audit and Supervisory Committee may, as necessary, request directors, members of the Audit and Supervisory Board, and employees of each subsidiary of the Company Group to report any other matters, not limited to the above matters.

(ii) Directors, members of the Audit and Supervisory Board, and employees of each subsidiary of the Company Group (including those who have received reports from these directors, members of the Audit and Supervisory Board, and employees) may directly report to the Company's Audit and Supervisory Committee, when there is an occurrence of an event that is considered reasonable to do so in order to ensure the appropriateness of business operations of each subsidiary of the Company Group. In addition, the Company's Audit and Supervisory Committee receives regular reports of the management status of the whistle-blower system from departments in charge, as well as may have them immediately make a report of the management status when it considers such report necessary.

8. System to ensure that anyone who has made a report as described in the preceding item to the Company's Audit and Supervisory Committee is not subject to any unfair treatment due to the report

The Company establishes rules and regulations common to the Company Group to ensure that anyone who has made a report as described in the preceding provision is not subject to any unfair treatment due to the report, and ensures the full awareness of each subsidiary of the Company Group to the rules and regulations and their appropriate enforcement.

9. Matters concerning procedures for advance payment or reimbursement of expenses that have been incurred in connection with the execution of duties by members of the Company's Audit and Supervisory Committee

The Company promptly processes expenses to be paid in advance or liabilities to be reimbursed that have been incurred in connection with the execution of duties by members of the Company's Audit and Supervisory Committee.

10. Other systems to ensure the effectiveness of audits by the Company's Audit and Supervisory Committee

The Company's Audit and Supervisory Committee holds regular meetings to exchange opinions with the Company's Representative Directors. The Company's Audit and Supervisory Committee may conduct audits in cooperation with organizations dedicated to internal audit. In addition, the Company establishes systems to ensure the effectiveness of audits by the Company's Audit and Supervisory Committee, by providing members of the Audit and Supervisory Committee appointed by the Audit and Supervisory Committee with opportunities to attend meetings of each subsidiary of the Company Group upon requests of the Audit and Supervisory Committee.

(Status of establishment of internal control system)

The Company consistently establishes and manages the internal control system. The Board of Directors received and confirmed a report on the establishment and management status on January 16, 2026.

2. Basic Views on and Status of Establishment of Eliminating Antisocial Forces

(Basic views)

The Company Group understands that "compliance" means not only observing laws and regulations, but also

ensuring that every officer and employee acts ethically for business activities of each Group company by sincerely responding to societal demands, paying due attention to conventional wisdom and general knowledge as well. Accordingly, the Company has established the “Kyowa Kirin Group Compliance Policy” and “Kyowa Kirin Group Code of Conduct,” which all officers and employees must comply with in their day-to-day business activities. The Company, in these documents, sets a goal of eliminating any relationship with antisocial forces, and every person, from management executives to front-line staff members, works on achieving the goal in a systematic manner.

(Status of establishment)

The Company, in preparation for unreasonable demands from antisocial forces, designates a department in charge, appoints a person in charge of preventing unreasonable demands, and prepares guidelines for response measures. Meanwhile, the Company works for obtaining relevant information in cooperation with external professional organizations, such as the police, Anti-Organized Crime Campaign Center, and attorneys-at-law. In addition, the department in charge regularly provides training courses concerning the above “Kyowa Kirin Group Compliance Policy” and “Kyowa Kirin Group Code of Conduct.”

V. Others

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

N/A

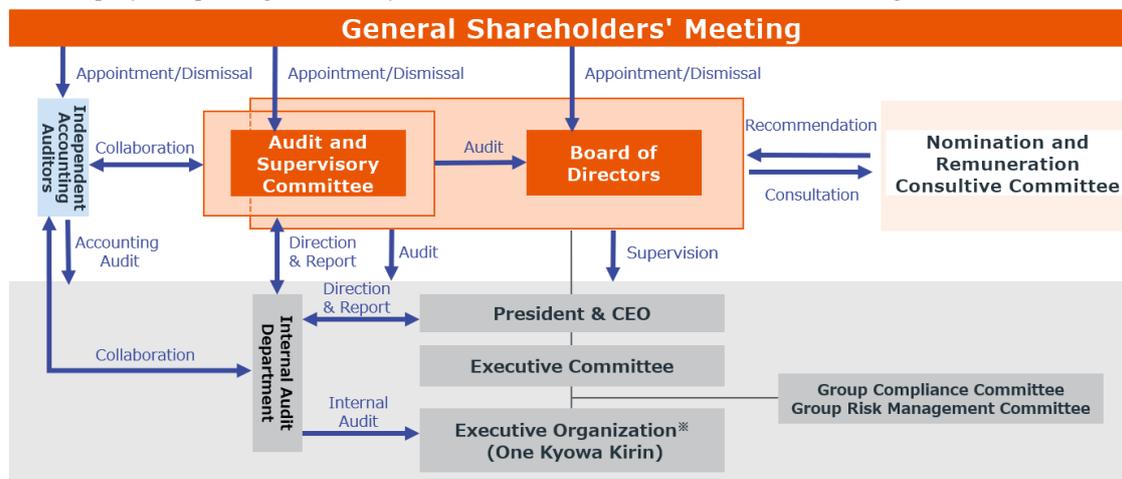
Supplementary Explanation

2. Other Matters Concerning Corporate Governance System

The Company works for further enhancing its corporate governance system, in accordance with the “Basic Views on Corporate Governance.”
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Corporate Governance System

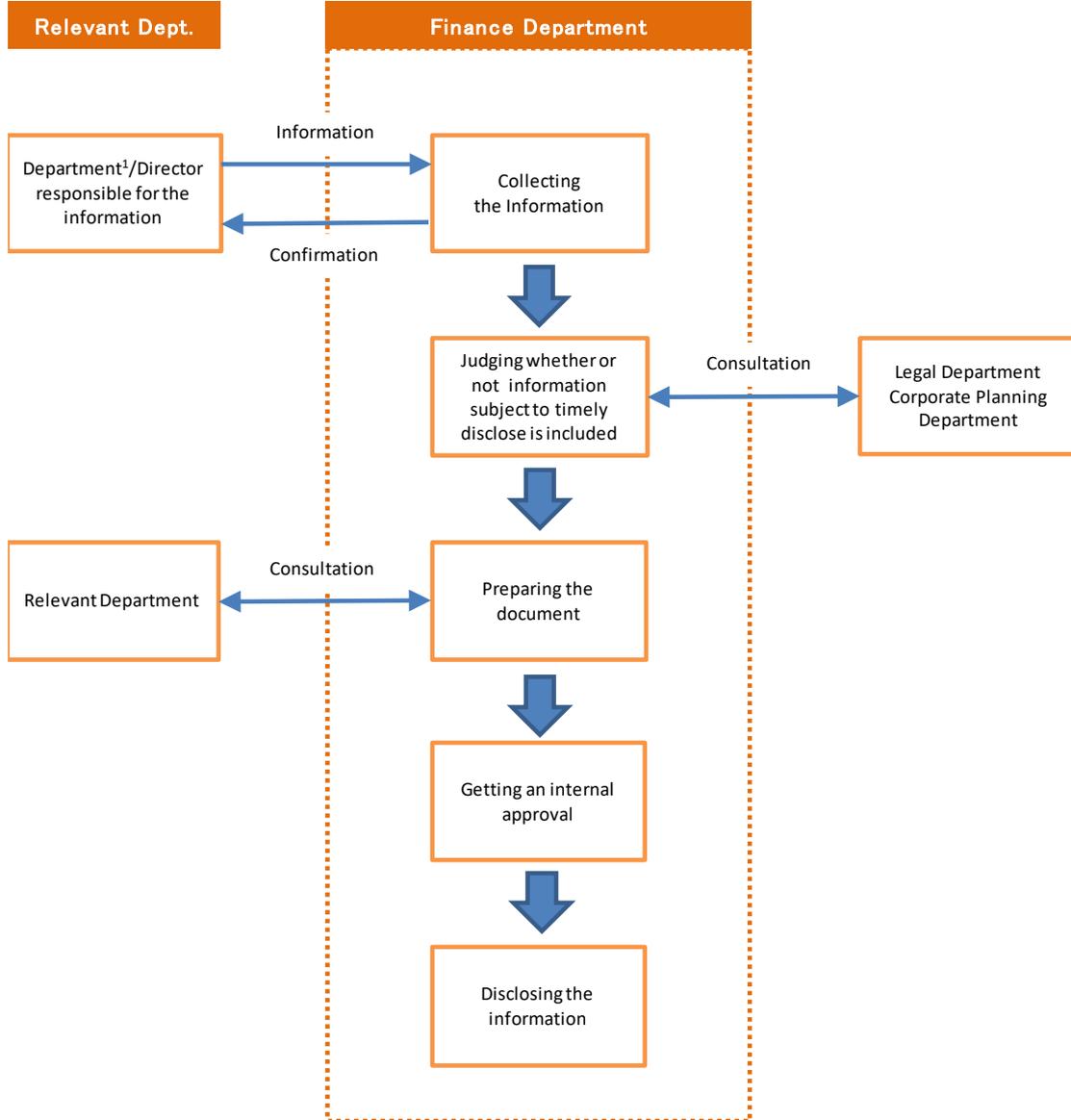
The Company's corporate governance system as of March 19, 2026, is as described in the figure below.



※Governance of the executive organization is structured as a matrix management system (One Kyowa Kirin) combines regional (region) axes, the functional (function) axes, and product (franchise) axes.

Fom March 19, 2026

System of information Disclosure (Timely Disclosure Rules)



1) Including subsidiaries

End of Document