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Securities Code 4151

(Dispatch date) March 6, 2024

(Commencement date of measures for providing information in electronic format) February 27, 2024

Dear Shareholders,

Masashi Miyamoto  
Executive Director of the Board,  
President and Chief Executive Officer  
Kyowa Kirin Co., Ltd.  
1-9-2 Otemachi, Chiyoda-ku, Tokyo

### **Notice of Convocation of the 101st Ordinary General Meeting of Shareholders**

Please be advised that the 101st Ordinary General Meeting of Shareholders (the “**Meeting**”) of Kyowa Kirin Co., Ltd. (the “**Company**”) will be held as set forth below.

When convening the Meeting, the Company takes measures for providing information such as reference documents for the General Meeting of Shareholders (matters subject to the measures for providing information in electronic format) in electronic format and posts this information as the Notice of Convocation of the 101st Ordinary General Meeting of Shareholders on the Company’s website. Please review the information on the Company’s website shown below.

The Company’s website: <https://ir.kyowakirin.com/en/stock/meeting.html>

In addition to posting matters subject to measures for providing information in electronic format on the website listed above, the Company also posts this information on the website of the Tokyo Stock Exchange (TSE). When accessing the TSE website shown below, please enter “Kyowa Kirin” under “Issue name (company name)” or the Company’s securities code “4151” under “Code” and execute a search. Next select “Basic information” and then “Documents for public inspection/PR information,” to check the information under “Filed information available for public inspection” in the “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” field.

Tokyo Stock Exchange website (Listed Company Search):  
<https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do>

If you will not attend the meeting in person, you can exercise your voting rights via the Internet, etc. or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:40 p.m. (JST) on March 21 (Thu), 2024.

## Details of the Meeting

### 1. Date and Time:

March 22, 2024 (Friday), at 10:00 a.m. (JST)

### 2. Venue:

Tokyo Sankei Building Otemachi Sankei Plaza 4th-floor Hall  
1-7-2 Otemachi, Chiyoda-ku, Tokyo

### 3. Agenda:

Matters to be reported:

1. Business Report, Consolidated Financial Statements, as well as the audit reports of the Accounting Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements, for the 101st fiscal year (from January 1, 2023 to December 31, 2023)
2. Non-consolidated Financial Statements for the 101st fiscal year (from January 1, 2023 to December 31, 2023)

Matters to be resolved:

- Proposal No. 1: Appropriation of surplus
- Proposal No. 2: Election of nine (9) Directors of the Board
- Proposal No. 3: Election of one (1) Audit & Supervisory Board Member
- Proposal No. 4: Partial revision of performance-linked share-based remuneration plan for Directors of the Board

### 4. Other Decisions on the Convocation of the Meeting:

In the case that voting rights are exercised in duplicate, via both postal mail and the Internet, etc., the vote via the Internet, etc., shall be deemed valid.

In the case that multiple votes are received via the Internet, etc., the last vote shall be deemed valid.

If neither approval nor disapproval of a proposal is indicated on the Voting Form used for exercising voting rights in writing, it will be treated as a vote for approval.

End

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- If you attend the meeting in person, please submit your Voting Form to the reception desk at the venue.
  - If revisions to the matters subject to measures for providing information in electronic format arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's aforementioned website and the TSE website.

<The way the Meeting will be run and other matters>

- If there arises a major change in the way the Meeting will be run, shareholders will be informed via the Company's website (in Japanese)  
(URL: <https://ir.kyowakirin.com/ja/index.html>).
- We plan to livestream the Meeting and to make part of the proceedings on the day available to be viewed from the Company's website afterwards.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References:

#### **Proposal No. 1:** Appropriation of surplus

The basis of the Company's policy regarding the distribution of profits is to pay dividends stably in light of a comprehensive consideration of factors including consolidated results and dividend payout ratio for each fiscal year, while also increasing its retained earnings for future business development and other purposes.

As the dividend policy in the FY2021-2025 Mid-term Business Plan, the Company sets its target dividend payout ratio on core EPS at 40%, and aims to ensure a stable and sustained increase in the level of dividend payment (continuous increase of dividend payments) in line with medium- to long-term growth in profits.

Based on this policy, the Company intends to pay a year-end dividend of ¥29 per share for the 101st fiscal year, as described below. Combined with the interim dividend of ¥27 per share, this will result in an annual dividend of ¥56 per share, an increase of ¥5 compared to the annual dividend for the previous fiscal year.

#### Year-end dividend

- (1) Type of dividend property:  
Cash
- (2) Allocation of dividend property and total amount thereof:  
¥29 per share of the Company's ordinary shares  
Total amount: ¥15,590,669,352
- (3) Effective date of dividends of surplus:  
March 25, 2024

**Proposal No. 2:** Election of nine (9) Directors of the Board

As of the conclusion of the Meeting, the terms of office of all nine (9) Directors of the Board will expire. Accordingly, based on the report from the Nomination & Remuneration Consultative Committee, which is chaired by an outside Director of the Board and made up of seven (7) members selected from the outside Directors of the Board and Audit & Supervisory Board Members and three (3) members selected from the internal Directors of the Board and Audit & Supervisory Board Members, and in the interest of continuously enhancing the transparency and objectivity of management and strengthening the supervising function over execution of operations, shareholders are requested to elect nine (9) Directors of the Board including five (5) outside Directors of the Board.

The candidates for the positions of Directors of the Board are as follows:

Candidate No.	Name	Current position and areas of responsibility in the Company	Board of Directors Meeting Attendance
1	Masashi Miyamoto Candidate for Director to be reelected	*Executive Director of the Board, President and Chief Executive Officer	100% (15/15)
2	Yutaka Osawa Candidate for Director to be reelected	*Executive Director of the Board, Executive Vice President In charge of Global Quality Management Department, Regulatory Affairs Department and Legal Department	100% (15/15)
3	Takeyoshi Yamashita Candidate for Director to be reelected	Director of the Board, Senior Managing Executive Officer In charge of Intellectual Property Department	100% (11/11)
4	Shinjiro Akieda Candidate for Director to be newly elected	—	—
5	Akira Morita Candidate for Director to be reelected Candidate for outside Director of the Board Candidate for Independent Director	Outside Director of the Board	100% (15/15)
6	Yuko Haga Candidate for Director to be reelected Candidate for outside Director of the Board Candidate for Independent Director	Outside Director of the Board	100% (15/15)
7	Takashi Oyamada Candidate for Director to be reelected Candidate for outside Director of the Board Candidate for Independent Director	Outside Director of the Board	100% (15/15)
8	Yoshihisa Suzuki Candidate for Director to be reelected Candidate for outside Director of the Board Candidate for Independent Director	Outside Director of the Board	100% (15/15)
9	Rumiko Nakata Candidate for Director to be reelected Candidate for outside Director of the Board Candidate for Independent Director	Outside Director of the Board	100% (11/11)

(Note) Director of the Board above \* concurrently serves as Executive Officer.

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
1.	<div data-bbox="248 383 454 454" style="border: 1px solid black; padding: 2px;">Candidate for Director to be reelected</div> <p data-bbox="248 495 432 600">Masashi Miyamoto (Jul. 16, 1959)</p>	<p data-bbox="480 383 1230 450">Apr. 1985: Joined Kirin Brewery Company, Limited (presently Kirin Holdings Company, Limited)</p> <p data-bbox="480 454 1198 589">Apr. 2011: Director, Regulatory Affairs Department of Pharmacovigilance and Quality Assurance Division, Kyowa Hakko Kirin Co., Ltd. (presently Kyowa Kirin Co., Ltd.)</p> <p data-bbox="480 593 1230 728">Mar. 2012: Executive Officer, Director, Regulatory Affairs Department of Pharmacovigilance and Quality Assurance Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 732 1230 911">Jul. 2014: Executive Officer, Director, Strategic Product Portfolio Department and Regulatory Affairs Department of Pharmacovigilance and Quality Assurance Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 916 1230 1016">Apr. 2015: Executive Officer, Director, Strategic Product Portfolio Department, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 1021 1214 1122">Mar. 2017: Director of the Board, Managing Executive Officer, Director, Strategic Product Portfolio Department, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 1126 1198 1261">Apr. 2017: Director of the Board, Managing Executive Officer, Director, Corporate Strategy &amp; Planning Department, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 1265 1206 1366">Mar. 2018: Executive Director of the Board, President and Chief Operating Officer, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 1370 1206 1482">Mar. 2019: Executive Director of the Board, President and Chief Executive Officer, Kyowa Hakko Kirin Co., Ltd. (to present)</p> <div data-bbox="480 1516 1230 1588" style="border: 1px solid black; padding: 2px;">Reasons for appointing him as a candidate for Director of the Board:</div> <p data-bbox="480 1599 1222 2018">Mr. Masashi Miyamoto was selected as a candidate for Director of the Board because the Company has judged that he is the right person to perform the role of decision making on material matters of management and supervising the execution of operations as Executive Director of the Board, using his extensive experience and high level of insight regarding overall business management, to push forward various measures for CSV management* and for making a leap forward to become a global specialty pharmaceutical company with his strong leadership, and to promote sustainable growth and enhanced corporate value of the Group.</p> <p data-bbox="480 2022 1150 2049">*CSV management: Management that seeks corporate</p>	96,527 shares

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
		growth through providing solutions to challenging issues in society. (CSV: Creating Shared Value)	

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
2.	<div data-bbox="248 344 454 409" style="border: 1px solid black; padding: 2px;">Candidate for Director to be reelected</div> <p data-bbox="248 450 440 517">Yutaka Osawa (Oct. 17, 1959)</p>	<p data-bbox="480 338 1134 371">Apr. 1984: Joined Kyowa Hakko Kogyo Co., Ltd.</p> <p data-bbox="480 376 1174 477">Apr. 2007: Director, Pharmaceutical Production Development Department, Kyowa Hakko Kogyo Co., Ltd.</p> <p data-bbox="480 481 1206 582">Oct. 2008: Director, CMC Development Department, Development Division, Kyowa Hakko Kirin Co., Ltd. (presently Kyowa Kirin Co., Ltd.)</p> <p data-bbox="480 586 1190 687">Apr. 2009: Director, Production Planning Department, Production Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 692 1190 792">Mar. 2013: Executive Officer, Director, Production Planning Department, Production Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 797 1174 898">Apr. 2014: Executive Officer, Vice President Head, Production Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 902 1206 1003">Mar. 2017: Managing Executive Officer, Vice President Head, Production Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 1008 1190 1108">Mar. 2018: Director of the Board, Managing Executive Officer, Vice President Head, Production Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="480 1113 1222 1214">Mar. 2019: Executive Director of the Board, Executive Vice President, Kyowa Hakko Kirin Co., Ltd. (to present)</p> <div data-bbox="480 1267 927 1301" style="border: 1px solid black; padding: 2px;">Position and areas of responsibility:</div> <p data-bbox="480 1317 986 1350">Global Quality Management Department</p> <p data-bbox="480 1355 866 1388">Regulatory Affairs Department</p> <p data-bbox="480 1393 707 1426">Legal Department</p> <div data-bbox="480 1473 1230 1541" style="border: 1px solid black; padding: 2px;">Reasons for appointing him as a candidate for Director of the Board:</div> <p data-bbox="480 1556 1222 1933">Mr. Yutaka Osawa was selected as a candidate for Director of the Board because the Company has judged that he has profound knowledge and high level of insights gained through his extensive experience regarding research and development, overseas development and manufacturing and is the right person to fulfill the role of decision making on material matters of management and supervising the execution of operations as Executive Director of the Board, and to steadily deliver the important mission of ensuring stable supply of high quality products as a pharmaceutical company.</p>	67,548 shares

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
3.	<div data-bbox="248 342 453 409" style="border: 1px solid black; padding: 2px;">Candidate for Director to be reelected</div> <p data-bbox="248 465 453 577">Takeyoshi Yamashita (Nov. 30, 1961)</p>	<p data-bbox="478 342 1228 409">Apr. 1987: Joined Kirin Brewery Company, Limited (presently Kirin Holdings Company, Limited)</p> <p data-bbox="478 409 1228 544">Apr. 2010: Director, Innovative Drug Discovery Laboratories, Research Division, Kyowa Hakko Kirin Co., Ltd. (presently Kyowa Kirin Co., Ltd.)</p> <p data-bbox="478 544 1228 656">Apr. 2012: Director, Research Planning Department, Research Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="478 656 1228 768">Apr. 2014: Director, Research Core Function Laboratories, Research Functions Unit, R&amp;D Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="478 768 1228 880">Apr. 2015: Director, Regulatory Affairs Department, Pharmacovigilance and Quality Assurance Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="478 880 1228 1014">Mar. 2017: Executive Officer, Director, Regulatory Affairs Department, Pharmacovigilance and Quality Assurance Division, Kyowa Hakko Kirin Co., Ltd.</p> <p data-bbox="478 1014 1228 1126">Mar. 2019: Executive Officer, Director, Corporate Strategy &amp; Planning Department, Kyowa Hakko Kirin Co, Ltd.</p> <p data-bbox="478 1126 1228 1238">Mar. 2021: Managing Executive Officer, Director, Corporate Strategy &amp; Planning Department, Kyowa Kirin Co., Ltd.</p> <p data-bbox="478 1238 1228 1350">Apr. 2022: Managing Executive Officer, Vice President Head, Strategy Division, Kyowa Kirin Co., Ltd.</p> <p data-bbox="478 1350 1228 1462">Mar. 2023: Director of the Board, Senior Managing Executive Officer, Vice President Head, Strategy Division, Kyowa Kirin Co., Ltd.</p> <p data-bbox="478 1462 1228 1574">Apr. 2023: Director of the Board, Senior Managing Executive Officer, Kyowa Kirin Co., Ltd. (to present)</p> <div data-bbox="478 1574 925 1619" style="border: 1px solid black; padding: 2px;">Position and areas of responsibility:</div> <p data-bbox="478 1619 890 1664">Intellectual Property Department</p> <div data-bbox="478 1686 1228 1776" style="border: 1px solid black; padding: 2px;">Reasons for appointing him as a candidate for Director of the Board:</div> <p data-bbox="478 1776 1228 2056">Mr. Takeyoshi Yamashita was selected as a candidate for Director of the Board because the Company has judged that he has abundant experience in management strategy, product strategy, and regulatory affairs and a high level of foresight from a strategic point of view, as well as profound knowledge and high level of insights accumulated by driving innovation in divisions related to research and development, and is the right person to perform the role of</p>	27,362 shares



No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
		decision making on material matters of management and supervising the execution of operations as Director of the Board and to promote the development of the Company's global management system, driving the Company forward to a global specialty pharmaceutical company.	

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
4.	<div data-bbox="248 344 454 409" style="border: 1px solid black; padding: 2px;">Candidate for Director to be newly elected</div> <p data-bbox="248 450 454 515">Shinjiro Akieda (Jul. 18, 1965)</p>	<p data-bbox="480 338 1230 403">Apr. 1988: Joined Kirin Brewery Company, Limited (presently Kirin Holdings Company, Limited)</p> <p data-bbox="480 409 1139 474">Mar. 2010: Chairman and President, Taiwan Kirin Company, Limited</p> <p data-bbox="480 481 1158 584">Mar. 2013: General Manager of Corporate Planning Department, Mercian Corporation</p> <p data-bbox="480 591 1158 694">Mar. 2015: General Manager of Corporate Planning Department, Kirin Beverage Company, Limited</p> <p data-bbox="480 701 1158 804">Mar. 2018: General Manager of Corporate Planning Department, Kirin Brewery Company, Limited</p> <p data-bbox="480 810 1150 913">Apr. 2019: General Manager of Corporate Strategy Department, Kirin Holdings Company, Limited</p> <p data-bbox="480 920 1150 1023">Jan. 2022: General Manager of Corporate Strategy Department, Kirin Holdings Company, Limited</p> <p data-bbox="480 1030 1206 1133">Mar. 2022: Senior Executive Officer and General Manager of Corporate Strategy Department, Kirin Holdings Company, Limited</p> <p data-bbox="480 1140 1177 1243">Mar. 2023: Senior Executive Officer in charge of Financial Strategy and IR, Kirin Holdings Company, Limited (to present)</p> <p data-bbox="480 1249 1190 1368">Mar. 2024: Director of the Board, Senior Executive Officer &amp; CFO, in charge of Financial Strategy and IR, Kirin Holdings Company, Limited (scheduled)</p> <div data-bbox="480 1402 1230 1473" style="border: 1px solid black; padding: 2px;">Reasons for appointing him as a candidate for Director of the Board:</div> <p data-bbox="480 1487 1230 1868">Mr. Shinjiro Akieda was selected as a candidate for Director of the Board because the Company has judged that he is the right person to perform the role of decision making on material matters of management and supervising the execution of operations as Director of the Board, using his extensive experience and high level of insight regarding overall business management, and to promote tight-knit cooperation with Kirin Group companies which have various business bases aimed at facilitating contribution to health and well-being of people by responding to various medical needs to provide solutions.</p>	0 shares

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
5.	<div data-bbox="248 344 453 407" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Director to be reelected</div> <p data-bbox="248 465 443 542">Akira Morita (Apr. 22, 1951)</p> <div data-bbox="248 577 453 640" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for outside Director of the Board</div> <div data-bbox="248 654 453 716" style="border: 1px solid black; padding: 2px;">Candidate for Independent Director</div>	<p data-bbox="478 336 1220 403">Oct. 1993: Professor, Faculty of Law and Economics, Chiba University</p> <p data-bbox="478 407 1220 474">Apr. 1994: Professor, The University of Tokyo Graduate Schools for Law and Politics</p> <p data-bbox="478 479 1220 546">Apr. 2004: Dean, Professor, Graduate School of Public Policy, The University of Tokyo</p> <p data-bbox="478 551 1220 618">Jul. 2008: Director, Policy Alternatives Research Institute, The University of Tokyo</p> <p data-bbox="478 622 1220 721">Apr. 2011: Chairman, Central Social Insurance Medical Council, Ministry of Health, Labour and Welfare</p> <p data-bbox="478 725 1220 792">Apr. 2012: Professor, Department of Political Studies, Faculty of Law, Gakushuin University</p> <p data-bbox="478 797 1220 864">Jun. 2012: Emeritus Professor, The University of Tokyo (to present)</p> <p data-bbox="478 869 1220 936">Apr. 2014: Director-General, National Institute of Population and Social Security Research</p> <p data-bbox="478 940 1220 1008">Aug. 2014: Adjunct Professor, National Graduate Institute for Policy Studies</p> <p data-bbox="478 1012 1220 1223">Apr. 2017: Professor, Department of Policy Studies, Tsuda University Visiting Professor, Mie University Graduate School of Medicine Outside Member, Administrative Council, The University of Tokyo (to present)</p> <p data-bbox="478 1227 1220 1326">Apr. 2018: Director-General, Research Institute of Science and Technology for Society, Japan Science &amp; Technology Agency</p> <p data-bbox="478 1330 1220 1429">Mar. 2019: Outside Director of the Board, Kyowa Hakko Kirin Co., Ltd. (presently Kyowa Kirin Co., Ltd.) (to present)</p> <p data-bbox="478 1433 1220 1500">Apr. 2019: Visiting Professor, Kanagawa University of Human Services (to present)</p> <p data-bbox="478 1505 1220 1603">Jul. 2020: Representative Director, Next Generation Fundamental Policy Research Institute (to present)</p> <p data-bbox="478 1608 1220 1706">May 2022: Data Health Operations Advisor, Health Insurance Claims Review &amp; Reimbursement Services (to present)</p> <div data-bbox="478 1765 1228 1832" style="border: 1px solid black; padding: 5px; margin-top: 20px;"> <p>Reasons for appointing him as a candidate for outside Director of the Board and outline of expected roles:</p> <p>Mr. Akira Morita was selected as a candidate for outside Director of the Board because the Company has judged he will contribute toward reinforcing the Company's governance function and in other ways by supervising the execution of operations from an independent standpoint and reflecting in the Company's management a perspective of</p> </div>	3,500 shares

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
		<p>protecting the rights of the general shareholders. The Company expects that he will utilize his academic experience and extensive knowledge as a researcher in the field of policy studies as well as his experience serving on deliberating committees for national and local government in the management of the Company. If he is elected, as well as leading supervision of the management of the Company and giving advices for overall business management as Chairman of meetings of the Board of Directors, he will also become engaged in discussions and decision-making on selection of candidates for Directors and Audit &amp; Supervisory Board Members of the Company, remuneration for Directors and Audit &amp; Supervisory Board Members, etc. from an objective and neutral perspective as a member of the Nomination &amp; Remuneration Consultative Committee.</p>	

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
6.	<div data-bbox="248 344 453 407" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Director to be reelected</div> <p data-bbox="248 465 453 542">Yuko Haga (Dec. 8, 1955)</p> <div data-bbox="248 595 453 658" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for outside Director of the Board</div> <div data-bbox="248 680 453 743" style="border: 1px solid black; padding: 2px;">Candidate for Independent Director</div>	<p data-bbox="478 336 1225 398">Apr. 1989: Senior Consultant, Tokyo Office, Price Waterhouse Consultants</p> <p data-bbox="478 407 1225 470">Apr. 1991: Representative, Haga Management Consulting Office (to present)</p> <p data-bbox="478 479 1225 510">Jun. 2000: Director, Linkworld Co., Ltd.</p> <p data-bbox="478 519 1225 582">Feb. 2010: Director, Social Welfare Corporation Fujikenikukai (to present)</p> <p data-bbox="478 591 1225 689">Apr. 2010: Visiting Professor, Department of Policy Management, Faculty of Policy Management, Shobi University</p> <p data-bbox="478 698 1225 761">Apr. 2017: Associate Professor, Graduate School of Management, NUCB Business School</p> <p data-bbox="478 770 1225 869">Mar. 2019: Outside Director of the Board, Kyowa Hakko Kirin Co., Ltd. (presently Kyowa Kirin Co., Ltd.) (to present)</p> <p data-bbox="478 878 1225 940">Apr. 2020: Professor, Graduate School of Management, NUCB Business School (to present)</p> <p data-bbox="478 949 1225 1012">Jun. 2020: Outside Director, MinebeaMitsumi Inc. (to present)</p> <div data-bbox="478 1048 1228 1124" style="border: 1px solid black; padding: 5px; margin-top: 10px;">Reasons for appointing her as a candidate for outside Director of the Board and outline of expected roles:</div> <p data-bbox="478 1133 1225 1796">Ms. Yuko Haga was selected as a candidate for outside Director of the Board because the Company has judged she will contribute toward reinforcing the Company's governance function and in other ways by supervising the execution of operations from an independent standpoint and reflecting in the Company's management a perspective of protecting the rights of the general shareholders. The Company expects that she will utilize her wealth of experience in the fields of medical treatment, nursing care, and healthcare, gained from her wide-ranging activities as a management consultant, as well as her insight as a researcher in corporate strategy in the management of the Company. If she is elected, she will also become engaged in discussions and decision-making on selection of candidates for Directors and Audit &amp; Supervisory Board Members of the Company, remuneration for Directors and Audit &amp; Supervisory Board Members, etc. from an objective and neutral perspective as a member of the Nomination &amp; Remuneration Consultative Committee.</p>	4,500 shares

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
7.	<div data-bbox="248 342 454 405" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Director to be reelected</div> <p data-bbox="248 465 368 577">Takashi Oyamada (Nov. 2, 1955)</p> <div data-bbox="248 629 454 692" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for outside Director of the Board</div> <div data-bbox="248 707 454 770" style="border: 1px solid black; padding: 2px;">Candidate for Independent Director</div>	<p data-bbox="480 338 1142 405">Apr. 1979: Joined The Mitsubishi Bank, Limited (presently MUFG Bank, Ltd.)</p> <p data-bbox="480 416 1166 517">Jan. 2006: Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (presently MUFG Bank, Ltd.)</p> <p data-bbox="480 528 1182 663">Jun. 2009: Managing Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd. Member of the Board of Directors, Mitsubishi UFJ Financial Group, Inc.</p> <p data-bbox="480 674 1206 741">May 2012: Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p data-bbox="480 752 1182 819">May 2013: Senior Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p data-bbox="480 831 1206 898">Jun. 2014: Representative Director, Deputy President, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p data-bbox="480 909 1142 1043">Jun. 2015: Member of the Board of Directors, Representative Corporate Executive, Deputy President and Group COO, Mitsubishi UFJ Financial Group, Inc.</p> <p data-bbox="480 1055 1214 1189">Apr. 2016: Representative Director, President &amp; CEO, The Bank of Tokyo-Mitsubishi UFJ, Ltd. Member of the Board of Directors, Mitsubishi UFJ Financial Group, Inc.</p> <p data-bbox="480 1200 1134 1267">Jun. 2017: Senior Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (to present)</p> <p data-bbox="480 1279 1222 1346">Jun. 2018: Director and Vice Chair, The Japan Institute of International Affairs (to present)</p> <p data-bbox="480 1357 1134 1424">Jun. 2018: Chairman, The Mitsubishi Economic Research Institute (to present)</p> <p data-bbox="480 1435 1150 1503">Dec. 2018: Outside Director, Mitsubishi Research Institute DCS Co., Ltd. (to present)</p> <p data-bbox="480 1514 1134 1648">Jun. 2019: Outside Director, Mitsubishi Electric Corporation Outside Director, Isetan Mitsukoshi Holdings Ltd.</p> <p data-bbox="480 1659 1222 1727">Mar. 2021: Outside Director of the Board, Kyowa Kirin Co., Ltd. (to present)</p> <div data-bbox="480 1749 1230 1816" style="border: 1px solid black; padding: 2px; margin-top: 10px;">Reasons for appointing him as a candidate for outside Director of the Board and outline of expected roles:</div> <p data-bbox="480 1827 1222 2033">Mr. Takashi Oyamada was selected as a candidate for outside Director of the Board because the Company has judged he will contribute toward reinforcing the Company's governance function and in other ways by supervising the execution of operations from an independent standpoint and reflecting in the Company's management a perspective of</p>	3,100 shares

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
		<p>protecting the rights of the general shareholders. Mr. Takashi Oyamada possesses an extremely high-level of knowledge on management from his long experience as a banking executive, and he has knowledge and insight into a broad range of industries based on his abundant experience in the financial sector. The Company expects that he will provide supervision of the Company's management from an independent standpoint based on not only his expertise in the financial industry but also his experience as a corporate manager. If he is elected, he will also become engaged in discussions and decision-making on selection of candidates for Directors and Audit &amp; Supervisory Board Members of the Company, remuneration for Directors and Audit &amp; Supervisory Board Members, etc. from an objective and neutral perspective as Chairperson of the Nomination &amp; Remuneration Consultative Committee.</p>	

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
8.	<div data-bbox="248 344 454 409" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Director to be reelected</div> <p data-bbox="248 465 438 577">Yoshihisa Suzuki (Jun. 21, 1955)</p> <div data-bbox="248 633 454 698" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for outside Director of the Board</div> <div data-bbox="248 719 454 784" style="border: 1px solid black; padding: 2px;">Candidate for Independent Director</div>	<p data-bbox="480 338 1225 371">Apr. 1979: Joined ITOCHU Corporation</p> <p data-bbox="480 376 1225 443">Apr. 2003: General Manager, Aerospace, Space and Electronics Division, ITOCHU Corporation</p> <p data-bbox="480 448 1189 481">Jun. 2003: Executive Officer, ITOCHU Corporation</p> <p data-bbox="480 486 1125 629">Apr. 2006: Managing Executive Officer, ITOCHU Corporation Executive Vice President and CAO, ITOCHU International Inc.</p> <p data-bbox="480 633 1217 701">Apr. 2007: President and CEO, ITOCHU International Inc.</p> <p data-bbox="480 705 1109 772">Jun. 2011: Executive Vice President, JAMCO Corporation</p> <p data-bbox="480 777 1193 810">Jun. 2012: President and CEO, JAMCO Corporation</p> <p data-bbox="480 815 1125 927">Jun. 2016: Senior Managing Executive Officer, Member of the Board, ITOCHU Corporation</p> <p data-bbox="480 931 1177 1043">Apr. 2018: President and Chief Operating Officer (COO), Member of the Board, ITOCHU Corporation</p> <p data-bbox="480 1048 1204 1191">Apr. 2020: President and Chief Operating Officer (COO), Chief Digital Officer (CDO), and Chief Information Officer (CIO), Member of the Board, ITOCHU Corporation</p> <p data-bbox="480 1196 1157 1263">Apr. 2021: Vice Chairman, Member of the Board, ITOCHU Corporation</p> <p data-bbox="480 1267 1228 1335">Mar. 2022: Outside Director of the Board, Kyowa Kirin Co., Ltd. (to present)</p> <p data-bbox="480 1339 1157 1373">Apr. 2022: Vice Chairman, ITOCHU Corporation</p> <p data-bbox="480 1377 1217 1444">Jun. 2022: Outside Director, OMRON Corporation (to present)</p> <p data-bbox="480 1449 1177 1561">Apr. 2023: Senior Vice Representative for Business Community Relations, ITOCHU Corporation (to present)</p> <div data-bbox="480 1603 1230 1671" style="border: 1px solid black; padding: 2px; margin-top: 10px;">Reasons for appointing him as a candidate for outside Director of the Board and outline of expected roles:</div> <p data-bbox="480 1682 1225 2029">Mr. Yoshihisa Suzuki was selected as a candidate for outside Director of the Board because the Company has judged he will contribute toward reinforcing the Company's governance function and in other ways by supervising the execution of operations from an independent standpoint and reflecting in the Company's management a perspective of protecting the rights of the general shareholders. Mr. Yoshihisa Suzuki has experience in being in charge of divisions related to aviation and electronic information and in corporate management as Representative Director and</p>	1,300 shares



No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
		<p>President at ITOCHU Corporation. Moreover, he also has experience as president of an overseas subsidiary of the said company and representative director and president of a manufacturing company, as well as in activities in the business community including Vice Chair of the Board of Councillors of KEIDANREN (Japan Business Federation). The Company expects that he will provide supervision of the Company's management based on his experience gained as a corporate manager in Japan and overseas and through activities in the business community. If he is elected, he will also become engaged in discussions and decision-making on selection of candidates for Directors and Audit &amp; Supervisory Board Members of the Company, remuneration for Directors and Audit &amp; Supervisory Board Members, etc. from an objective and neutral perspective as a member of the Nomination &amp; Remuneration Consultative Committee.</p>	

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
9.	<div data-bbox="248 344 453 407" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Director to be reelected</div> <p data-bbox="248 465 453 542">Rumiko Nakata (Apr. 6, 1956)</p> <div data-bbox="248 595 453 658" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for outside Director of the Board</div> <div data-bbox="248 676 453 739" style="border: 1px solid black; padding: 2px;">Candidate for Independent Director</div>	<p data-bbox="478 336 1228 1153"> Apr. 1979: Joined Esso Sekiyu K.K.  Apr. 1996: Center for Socio-Economic Research K.K.  Apr. 2000: Joined Pfizer K.K.  Dec. 2011: Head of HR and Global Operations, Pfizer K.K.  Mar. 2012: Corporate Officer, Pfizer K.K.  Jan. 2014: Director of the Board, Corporate Officer, Pfizer K.K.  Mar. 2018: Executive Officer, in charge of Diversity &amp; Inclusion, Mitsubishi Chemical Corporation  Apr. 2019: Managing Executive Officer, Supervising – Human Resources Department, Mitsubishi Chemical Corporation  Apr. 2020: Director of the Board, Managing Executive Officer, Supervising –Administration Department, Public Relations Department, Human Resources Department, Mitsubishi Chemical Corporation  Apr. 2022: Director of the Board, Mitsubishi Chemical Corporation  Mar. 2023: Outside Director of the Board, Kyowa Kirin Co., Ltd. (to present) </p> <div data-bbox="478 1191 1228 1254" style="border: 1px solid black; padding: 2px; margin-top: 10px;">Reasons for appointing her as a candidate for outside Director of the Board and outline of expected roles:</div> <p data-bbox="478 1272 1228 2038"> Ms. Rumiko Nakata was selected as a candidate for outside Director of the Board because the Company has judged she will contribute toward reinforcing the Company’s governance function and in other ways by supervising the execution of operations from an independent standpoint and reflecting in the Company’s management a perspective of protecting the rights of the general shareholders.  Throughout her career, she has consistently held positions in charge of departments, etc. related to human resources, and has useful knowledge and insight regarding management based on her experience in promoting various personnel measures such as diversity promotion and work style reform as a director and executive officer. She also has experience in activities as a member of the Japan Association of Corporate Executives. The Company expects that she will provide supervision of the Company’s management based on her experience gained through activities at corporations and in the business community. If she is elected, she will also become engaged in discussions and decision-making on selection of candidates for Directors and Audit &amp; Supervisory Board Members of the Company, remuneration for Directors and Audit &amp; Supervisory Board Members, etc. </p>	200 shares

No.	Name (Date of birth)	Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
		from an objective and neutral perspective as a member of the Nomination & Remuneration Consultative Committee.	

- (Notes)
1. No special interests exist between the Company and each candidate.
  2. Kirin Holdings Company, Limited, which holds 53.49% of the Company's total number of issued shares (as of December 31, 2023), is the Company's parent.
  3. Mr. Shinjiro Akieda is currently a person who executes business at Kirin Holdings Company, Limited, the Company's parent. His position and areas of responsibility in the said company for the past ten years are as stated in the above "Career summary and position and areas of responsibility in the Company, and significant positions concurrently held at other organizations."
  4. Of the candidates for Directors of the Board, Mr. Akira Morita, Ms. Yuko Haga, Mr. Takashi Oyamada, Mr. Yoshihisa Suzuki and Ms. Rumiko Nakata are candidates for outside Directors of the Board.
  5. Ms. Yuko Haga's name in her family register is Yuko Hayashi.
  6. Although Mr. Akira Morita has not been directly engaged in corporate management in the past other than as an outside officer, the Company has judged from his experience as professor of a university, a director of a public research institute, and the head of a government advisory body and other qualities that he can appropriately perform his duties as an outside Director of the Board.
  7. Mr. Akira Morita, Ms. Yuko Haga, Mr. Takashi Oyamada, Mr. Yoshihisa Suzuki and Ms. Rumiko Nakata are outside Directors of the Board of the Company. As of the conclusion of the Meeting, their terms of office as outside Directors of the Board are as follows: five (5) years for Mr. Akira Morita and Ms. Yuko Haga, three (3) years for Mr. Takashi Oyamada, two (2) years for Mr. Yoshihisa Suzuki and one (1) year for Ms. Rumiko Nakata.
  8. As for Isetan Mitsukoshi Holdings Ltd., where Mr. Takashi Oyamada served as Outside Director (retired in June 2023), its subsidiary, MICARD Co. LTD., was issued an order for action in 2019 and an order for payment of a surcharge in 2020 by the Consumer Affairs Agency due to misleading representation that violates the Act against Unjustifiable Premiums and Misleading Representations in connection with transaction of services for a credit card provided by the said company. Although he assumed the office of Outside Director at the stage immediately before the issuance of the order for action, he has taken necessary responds as Outside Director through deliberations at the Board of Directors meetings, etc. since his assumption of office, such as his efforts to formulate measures to prevent recurrence for the group including Isetan Mitsukoshi Holdings Ltd. and its subsidiaries as well as to inform all the employees of that measures and strengthen employee training. In addition, as for Mitsubishi Electric Corporation, where he served as Outside Director (retired in June 2023), quality-related improper practice was uncovered at its multiple manufacturing bases, and the said company released findings of investigation in October and December 2021 and in May and October 2022. Although he was not aware of the above-mentioned facts prior to its occurrence, he had constantly called attention at the Board of Directors meetings, etc. from a standpoint of compliance with laws and regulations. Subsequently, he has taken necessary responds as Outside Director at the Board of Directors meetings, etc., such as providing direction for thorough investigation for full discovery of facts and identification of the cause, measures to further enhance the compliance system to prevent recurrence, and so on.
  9. Pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company has entered into agreements with each of Mr. Akira Morita, Ms. Yuko Haga,

Mr. Takashi Oyamada, Mr. Yoshihisa Suzuki and Ms. Rumiko Nakata to limit their liability for damages stipulated in Article 423, Paragraph (1) of the same Act. The said agreements limit their liability for damages to the higher of 5 million yen or the minimum liability amount stipulated in Article 425, Paragraph (1) of the same Act. If this proposal is approved as proposed at the Meeting, the Company intends to continue the same liability limitation agreements with each of them. Also, the Company intends to enter into the same kind of agreement with Mr. Shinjiro Akieda.

10. The Company has taken out a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph (1) of the Companies Act with an insurance company, in which Directors, Audit & Supervisory Board Members, Executive Officers and other officers of the Company and its subsidiaries are the insured persons. An outline of the details of this insurance policy is as provided in the Business Report on page 47\*. If the candidates are elected and assume their offices as Directors of the Board, the Company plans to include them as insured persons in the insurance policy. The term of the insurance policy is one year, and the Company plans to renew the policy before the expiration of that term by resolution of the Board of Directors.

(\*) The number of the page shown is the number of the page in the “Notice of Convocation of the 101st Ordinary General Meeting of Shareholders” to be posted on the Company’s website listed on page 1 and the Tokyo Stock Exchange’s website as well as that in the document to be delivered to shareholders who have requested paper-based documents.

11. The candidates for outside Directors of the Board, Mr. Akira Morita, Ms. Yuko Haga, Mr. Takashi Oyamada, Mr. Yoshihisa Suzuki and Ms. Rumiko Nakata meet the requirements for independent director and audit & supervisory board member as provided for by Tokyo Stock Exchange, Inc. and the “Criteria for the Independence of Outside Directors and Outside Audit & Supervisory Board Members” established by the Company (on pages 24 to 26). The Company has notified the said exchange of the status of Mr. Akira Morita, Ms. Yuko Haga, Mr. Takashi Oyamada, Mr. Yoshihisa Suzuki and Ms. Rumiko Nakata as independent directors, and plans that they should continue to be independent directors if they are reelected as Directors.

(Reference) Skills matrix of the Company's Board of Directors

The Company makes its Board of Directors consist of diverse human resources with various skills (such as knowledge and experience) in light of the direction of management over the medium- to long-term and the business strategy to ensure that the Board of Directors fulfills its decision-making function and management supervision function appropriately and maintain a more highly transparent governance system.

If Proposal No. 2 and Proposal No. 3 are approved as proposed at the Meeting, the composition of the Board of Directors and skills possessed by each Director and Audit & Supervisory Board Member will be as follows.

	Name	Outside Independent	Chairman of meetings of the Board of Directors	Nomination & Remuneration Consultative Committee	Professional skills							
					Corporate management Business strategy	Global business	Finance, accounting and banking	Legal, governmental affairs and compliance	Human resources and labor	Healthcare	R&D	Production and SCM
Directors of the Board	Masashi Miyamoto			○	○	○		○		○	○	
	Yutaka Osawa			○	○			○		○	○	○
	Takeyoshi Yamashita			○	○	○		○		○	○	
	Shinjiro Akieda				○	○	○	○				
	Akira Morita	○	○	○				○		○		
	Yuko Haga	○		○	○	○				○		
	Takashi Oyamada	○		Chairperson	○	○	○			○		
	Yoshihisa Suzuki	○		○	○	○					○	○
	Rumiko Nakata	○		○						○	○	
Audit & Supervisory Board Members	Hiroshi Komatsu				○	○	○			○		
	Hajime Kobayashi					○	○			○		
	Tomomi Yatsu	○		○			○	○				
	Mayumi Tamura	○		○	○	○	○					
	Toru Ishikura									○	○	○

**Proposal No. 3:** Election of one (1) Audit & Supervisory Board Member

As of the conclusion of the Meeting, the term of office of Audit & Supervisory Board Member Mr. Masaki Ueno will expire. Accordingly, based on the report from the Nomination & Remuneration Consultative Committee, which is chaired by an outside Director of the Board and made up of seven (7) members out of outside Directors of the Board and Audit & Supervisory Board Members and three (3) internal Directors of the Board and Audit & Supervisory Board Members, shareholders are requested to elect one (1) new Audit & Supervisory Board Member.

The Audit & Supervisory Board has consented to this proposal.

The candidate for the position of Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company, and significant positions concurrently held at other organizations	Number of shares of the Company held by the candidate
<div data-bbox="193 712 400 824" style="border: 1px solid black; padding: 2px; margin-bottom: 10px;">Candidate for Audit &amp; Supervisory Board Member to be newly elected</div> <div data-bbox="213 869 384 981" style="text-align: center;">Hajime Kobayashi (Jul. 5, 1965)</div> <div data-bbox="193 1010 400 1093" style="border: 1px solid black; padding: 2px; margin-top: 10px;">Candidate for outside Audit &amp; Supervisory Board Member</div>	<p>Apr. 1989: Joined Kirin Brewery Company, Limited (presently Kirin Holdings Company, Limited)</p> <p>Apr. 2011: Director, General Manager of Corporate Planning, Interfood Shareholdings Company (Vietnam)</p> <p>Jan. 2013: Deputy Director, Corporate Strategy, Kirin Holdings Company, Limited</p> <p>Apr. 2018: Head of Global Personnel Section, Personnel &amp; General Affairs, Kirin Holdings Company, Limited</p> <p>Mar. 2020: General Manager, Internal Audit Dept., Kirin Holdings Company, Limited</p> <p>Mar. 2022: Executive Officer, General Manager, Internal Audit Dept., Kirin Holdings Company, Limited (to present) (Scheduled to retire on March 21, 2024)</p> <div data-bbox="437 1312 1190 1384" style="border: 1px solid black; padding: 2px; margin-top: 10px;">Reasons for appointing him as a candidate for outside Audit &amp; Supervisory Board Member:</div> <p>In addition to experience in divisions related to internal audit, Mr. Hajime Kobayashi also has extensive work experience and profound knowledge and insights on overall Group management, including being involved in accounting and finance, corporate planning, personnel affairs and the management of overseas subsidiaries in the Kirin Group. He was selected as a candidate for outside Audit &amp; Supervisory Board Member because the Company has judged that he is the right person capable of overseeing the Group widely and expressing audit opinions.</p>	0 shares

- Notes:
1. No special interests exist between the Company and Mr. Hajime Kobayashi.
  2. Kirin Holdings Company, Limited, which holds 53.49% of the Company's total number of issued shares (as of December 31, 2023), is the Company's parent. Mr. Hajime Kobayashi is currently a person who executes business at Kirin Holdings Company, Limited, the Company's parent. He has received remuneration from the said company for the past two years and is scheduled to continue receiving remuneration until his retirement (scheduled to retire on March 21, 2024). His position and areas of responsibility in the said company for the past ten years are as stated in the above "Career summary and position in the Company, and significant positions concurrently held at

other organizations.”

3. Mr. Hajime Kobayashi is a candidate for outside Audit & Supervisory Board Member.
4. If this proposal is approved as proposed at the Meeting, pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company intends to enter into an agreement with Mr. Hajime Kobayashi to limit his liability for damages stipulated in Article 423, Paragraph (1) of the same Act. The said agreement limits his liability for damages to the higher of 5 million yen or the minimum liability amount stipulated in Article 425, Paragraph (1) of the same Act.
5. The Company has taken out a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph (1) of the Companies Act with an insurance company, in which Directors, Audit & Supervisory Board Members, Executive Officers and other officers of the Company and its subsidiaries are the insured persons. An outline of the details of this insurance policy is as provided in the Business Report on page 47\*. If Mr. Hajime Kobayashi is elected and assumes his office as Audit & Supervisory Board Member, the Company plans to include him as insured person in the insurance policy. The term of the insurance policy is one year, and the Company plans to renew the policy before the expiration of that term by resolution of the Board of Directors.  
(\* ) The number of the page shown is the number of the page in the “Notice of Convocation of the 101st Ordinary General Meeting of Shareholders” to be posted on the Company’s website listed on page 1 and the Tokyo Stock Exchange’s website as well as that in the document to be delivered to shareholders who have requested paper-based documents.

(Reference) “Criteria for the Independence of Outside Directors and Outside Audit & Supervisory Board Members”

In order for outside Directors of the Board and outside Audit & Supervisory Board Members of the Company to be judged as being independent, such outside Directors of the Board and outside Audit & Supervisory Board Members must, in addition to satisfying the requirements of an outside director and outside audit & supervisory board member provided for under the Companies Act, not fall under any of the following items:

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



receives or makes payments from or to the Company or a subsidiary of the Company of 2% or more of the Company's annual consolidated net sales in the most recent fiscal year.

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

21. Other than the above, a person that might cause a conflict of interest with general shareholders and for whom it is reasonably judged that there are circumstances suggesting that the person cannot fulfill the duties as an outside Director of the Board or outside Audit & Supervisory Board Member.

**Proposal No. 4:** Partial revision of performance-linked share-based remuneration plan for Directors of the Board

1. Reasons, etc., for proposal

This proposal is intended to change the timing of a meeting of the Board of Directors to be held for the purpose of determining the issuance of shares or disposal of treasury shares for the delivery of the Company’s shares in relation to the performance-linked share-based remuneration plan for Directors of the Board of the Company (limited to executive Directors of the Board of the Company) which was approved at the 98th Ordinary General Meeting of Shareholders and has been introduced accordingly (the “**Plan**”). Under the Plan such meeting of the Board of Directors has been supposed to be held within two months following the end of the performance evaluation period. We propose the meeting to be held within three months following the end of the performance evaluation period in order to secure a sufficient time period for administrative procedures for the delivery of shares after the finalization of financial results. The Company judges that the details of the revision aimed at smooth operation of the Plan have reasonable grounds.

Please see the “Notice Regarding Introduction of Performance-linked Share-based Remuneration Plan” dated February 18, 2021 for the details of the Plan. If Proposal No. 2 is approved as proposed, the number of eligible Directors of the Board will be three.

The revision will be applicable, starting from the plan with the performance evaluation period from 2021 to 2023 upon the introduction of the Plan.

2. Details of the revision of the Plan

The details of the revision are as follows. Revisions are underlined.

Before the revision	After the revision
<p>(3) Share price at time of delivery</p> <p>The share price at time of delivery is the closing price of the Company’s ordinary trading of the Company’s Shares on the Tokyo Stock Exchange on the business day immediately before the date of the resolution by the Board of Directors that decides the share issuance or disposal of treasury shares for the relevant delivery of the Company’s Shares, which is to be held within <u>two</u> months after the end of the relevant Performance Evaluation Period (if there is no closing price on that date, the closing price on the closest preceding trading day).</p>	<p>(3) Share price at time of delivery</p> <p>The share price at time of delivery is the closing price of the Company’s ordinary trading of the Company’s Shares on the Tokyo Stock Exchange on the business day immediately before the date of the resolution by the Board of Directors that decides the share issuance or disposal of treasury shares for the relevant delivery of the Company’s Shares, which is to be held within <u>three</u> months after the end of the relevant Performance Evaluation Period (if there is no closing price on that date, the closing price on the closest preceding trading day).</p>

End

## **1. Status of the Corporate Group**

### **(1) Progress and outcomes of business activities**

#### **Overview of business**

Amid enormous and complex changes in the business environment, including heightened geopolitical risks and soaring raw material prices and energy costs, among other factors, the Group carried out activities such as strengthening research and development, production, and logistics, and collecting and providing information with the aim of providing drugs that satisfy unmet medical needs.

In 2023, the Group continued to promote initiatives aimed at realizing the Group's vision for 2030: Kyowa Kirin will realize the successful creation and delivery of life-changing value that ultimately makes people smile, as a Japan-based Global Specialty Pharmaceutical company built on the diverse team of experts with a shared passion for innovation.

In preparation for maximizing the value of global strategic products such as Crysvida and Poteligeo, we started to market Crysvida on our own in the United States, moved forward with focusing on Crysvida and Poteligeo through joint-venture collaboration in the established medicines business<sup>\*1</sup> in Europe, and strived to improve patients' access to medicines across the world.

Regarding the next-generation strategic products, the Group continued to promote developing KHK4083 for the therapeutic areas of immunology/allergy through multiple clinical studies in collaboration with Amgen Inc. of the United States. In Japan, although the Group decided to discontinue the development of RTA402 in the nephrology field, it received an approval for manufacturing and marketing PHOZEVEL for the improvement of hyperphosphatemia in chronic kidney disease patients on dialysis. We initiated clinical trials for KK2260 that adopts our proprietary bispecific antibody technology REGULGENT, and are also preparing for clinical trials for KK2269. As an important step to create innovative pharmaceuticals, we entered into an agreement to acquire Orchard Therapeutics plc in the United Kingdom<sup>\*3</sup>, a global leader in hematopoietic stem cell gene therapy (HSC-GT<sup>\*2</sup>). For stable supply of high-quality pharmaceuticals, at our Takasaki Plant we completed the construction of a building equipped with the most advanced equipment to carry out operations relating to quality control and quality assurance (Q-TOWER), and started the construction of a new biopharmaceutical drug substance manufacturing building and others.

As an initiative aimed at realizing a sustainable society, we reduced CO<sub>2</sub> emissions through the introduction of renewable energy<sup>\*4</sup> by approximately 54% compared to 2019.

\*1: This type of business mainly handles patent-expired branded drugs and generics.

\*2: hematopoietic stem cell gene therapy

\*3: The acquisition of the shares of Orchard Therapeutics plc (which became our subsidiary) was completed on January 24, 2024.

\*4: Introduced RE100-compliant renewable energy for all purchased electric power at two plants and three laboratories

**(i) Consolidated operating results**

The Group applies the International Financial Reporting Standards (“IFRS”) in line with its policy of expanding business globally, and adopts “core operating profit” as a level of profit that shows the recurring profitability from operating activities. Core operating profit is calculated by deducting “selling, general and administrative expenses” and “research and development expenses” from “gross profit,” and adding “share of profit (loss) of investments accounted for using equity method” to the amount.

**Revenue was ¥442.2 billion (up 11.0% compared to the previous fiscal year), core operating profit was ¥96.8 billion (up 11.6%), and profit attributable to owners of parent was ¥81.2 billion (up 51.5%).**

- The increase in revenue was the result of growth of global strategic products mainly in North America and a rise in revenue from technology out-licensing. The positive effect on revenue from foreign exchange was ¥18.9 billion.
- Core operating profit increased as a result of higher gross profit achieved due to gains in overseas revenue and revenue from technology out-licensing, despite higher research and development expenses and a decrease in share of profit (loss) of investments accounted for using equity method. The positive effect on core operating profit from foreign exchange was ¥6.5 billion.
- Profit attributable to owners of parent increased as a result of an increase in other income due mainly to the gain on sales of share and valuation of remaining share following the shift to a joint venture structure for the established medicines business in Europe, in addition to an increase in core operating profit, and a decrease in other expenses due mainly to a decrease in impairment losses.

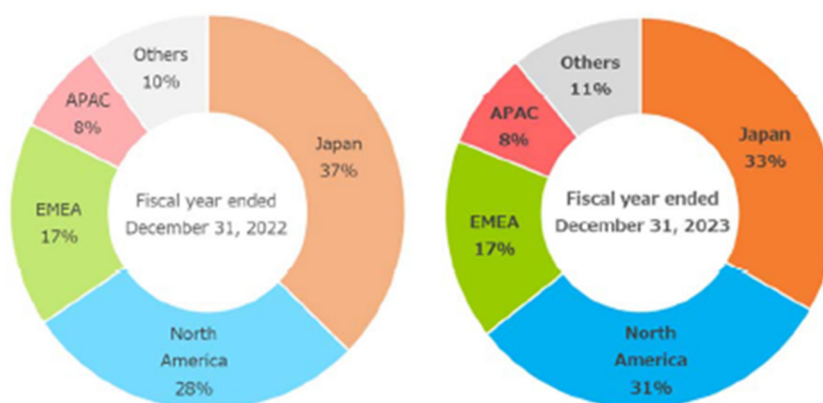
## [Revenue by regional control function]

(Billions of yen)

	100th fiscal year	101st fiscal year	Year-on-year change
Japan	148.7	147.0	(1.1)%
North America	112.6	137.8	22.4%
EMEA	66.9	73.3	9.7%
APAC	30.1	35.7	18.3%
Others	40.1	48.4	20.7%
Total consolidated revenue	398.4	442.2	11.0%

- Notes:
1. Revenue by regional control function is classified based on consolidated revenue from products of regional control functions in the One Kyowa Kirin (OKK) matrix global management structure, which combines a regional organization based on four regions of Japan, North America, EMEA and APAC, a functional organization, and a product organization (product franchises).
  2. EMEA consists of Europe, the Middle East, Africa, etc.
  3. Others consists of revenue from technology out-licensing, original equipment manufacturing, etc.

### Composition of revenue by regional control function



#### < Overview of Japan >

- Revenue in Japan decreased year on year due mainly to the impact of the reductions in drug price standards implemented in April 2022 and April 2023, despite the growth in sales of Duvroq, a treatment for renal anemia, and other products.
  - Revenue from Darbepoetin Alfa Injection Syringe [KKF] decreased due to the impact of the reductions in drug price standards and the market penetration of rival products.
  - Revenue from Duvroq, a treatment for renal anemia, has been growing steadily since its launch in 2020.
  - Revenue from G-Lasta, an agent for decreasing the incidence of febrile neutropenia, increased due to the launch of the automated injection device Bodypod in December 2022.
  - Revenue from Romiplate, a treatment for chronic idiopathic thrombocytopenic purpura, increased as a result of receiving approval for a partial change to the approved indication from “aplastic anemia in patients who had an inadequate response to conventional therapy” to “aplastic anemia” in September 2023, in addition to receiving approval of its indication for treatment of patients with aplastic anemia who have had an inadequate response to conventional therapy, in 2019, and as a result of penetrating the market.
  - Revenue from Crysvita, a treatment for FGF23-related diseases, has been growing steadily since its launch in 2019.

< Overview of North America, EMEA and APAC >

- Revenue in North America increased year on year due to the growth of global strategic products.
  - Revenue from Crysvida, a treatment for X-linked hypophosphatemia, has been growing steadily since its launch in 2018.
  - Revenue from Poteligeo, an anticancer agent, has been growing since its launch in 2018.
  - Revenue from Nourianz (product name in Japan: Nouriastr), an antiparkinsonian agent, has been growing since its launch in 2019.
- Revenue in EMEA increased year on year due to factors such as growth of global strategic products and proceeds from transfer of rights of Tostran, despite a drop in revenue from the established medicines.
  - Revenue from Crysvida, a treatment for X-linked hypophosphatemia, has been growing as the number of countries where it has been released has been increasing since its launch in 2018.
  - Revenue from Poteligeo, an anticancer agent, has been growing as the number of countries where it has been released has been increasing since its launch in 2020.
  - Following the shift to a joint venture with Grünenthal for the established medicines business, in August 2023, revenue for 13 brands shifted from product sales to sales royalties and license fees, which led to a decrease in revenue from established medicines such as Abstral.
  - Revenue of GBP 62.5 million (¥11.5 billion) was recorded in October 2023 due to the transfer of the rights for Tostran, an established medicine, to ADVANZ PHARMA.
- Revenue in APAC increased year on year.
  - Revenue from Crysvida, a treatment for X-linked hypophosphatemia, has been growing particularly in Australia where sales were launched in November 2022.
  - Revenue from Gran, a neutropenia treatment drug, declined due to the impact of the centralized governmental purchasing system\* that started in some regions in China.
    - \* Volume-Based Procurement (VBP) program that was introduced in 2018 for reducing healthcare cost in China. Even though only 2 to 5 companies are selected as suppliers through a tender, drug prices are dramatically dropped down.

< Revenue from Others >

- Revenue from Others increased year on year.
  - Royalties revenue from AstraZeneca in relation to benralizumab increased.

**(ii) Research and Development Activities**

The Group continuously and actively invests resources in research and development activities. We aim to advance both a technological pillar that can build a platform for applying various modalities and discovering innovative drugs and a disease pillar that continues to provide “only-one value drugs” for diseases for which there are no effective treatments while utilizing the disease science accumulated by the Group thus far, build a highly competitive pipeline, and provide new drugs with life-changing value worldwide.

For the fiscal year ended December 31, 2023, the Group’s research and development expenses totaled ¥72.1 billion, and our progress in the respective disease fields of our main late-stage development products is as follows.

■ Nephrology

KHK7580 (product name in Japan: Orkedia)

- An application for approval has been submitted for marketing as its indication for treatment of secondary hyperparathyroidism in China (application filed in July 2022).
- In November 2023, we received an approval for marketing as its indication for treatment of secondary hyperparathyroidism in South Korea.

KW-3357 (product name in Japan: Acoalan)

- We conducted a Phase III clinical study for the treatment of preeclampsia in Japan, but decided to discontinue its development upon taking into account results of the clinical study.

KHK7791 (product name in Japan: PHOZEVEL)

- In September 2023, we received an approval for manufacturing and marketing in Japan for the improvement of hyperphosphatemia in chronic kidney disease patients on dialysis.

■ Oncology

KRN125 (product name in Japan: G-Lasta)

- In July 2023, we applied for partial change of approved indication in the oncology field for the mobilization of hematopoietic stem cells into peripheral blood for autologous blood stem cell transplantation in Japan.

■ Immunology and allergy

KHK4827 (product name in Japan: Lumicef)

- An application for a partial change for approval has been submitted for its planned indication for treatment for systemic sclerosis in Japan (application filed in December 2021).
- In August 2023, approval was acquired in Japan for a partial change for approval of its indication for treatment of palmoplantar pustulosis.

■ Other

AMG531 (product name in Japan: Romiplate)

- In September 2023, approval was acquired in Japan for a partial change to the approved indication from “aplastic anemia in patients who had an inadequate response to conventional therapy” to “aplastic anemia.”






## (Reference) R&D pipeline

© New Molecular Entity

➡ Updated since Dec. 31, 2022

Nephrology

As of Dec 31, 2023

	Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
					Ph I	Ph II	Ph III	Filed	Approved	
	KHK7580 Evocalcet Oral	Calcimimetic	Secondary Hyperparathyroidism	KR CN TW	➡					[Mitsubishi Tanabe Pharma] product name in Japan: Orkedia
	KHK7791 Tenapanor Hydrochloride Oral	NHE3 Inhibitor	Hyperphosphatemia in Patients on Dialysis	JP	➡					[Ardelyx] product name in Japan: Phozevel
	KRN1493 Cinacalcet Hydrochloride Oral	Calcimimetic	Primary Hyperparathyroidism	HK	➡					[NPS Pharmaceuticals] product name in Japan: Regpara










Note: Since the development of KW-3357 for preeclampsia was discontinued in Japan, the relevant information was deleted from this table.

 antibody  protein  small molecule










### Glossary

- Phase I** Confirm safety including side effects on a small number of healthy people, etc. (patients, depending on the test) who gave their consent.
- Phase II** Confirm effective and safe dosage, administration methods, etc., on a small number of patients who gave their consent.
- Phase III** Confirm effectiveness and safety of a new drug by comparing it with existing drugs, etc., on a large number of patients who gave their consent.





Oncology

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KW-0761 Mogamulizumab Injection	Anti-CCR4 Humanized Antibody	Mycosis Fungoides and Sézary Syndrome	KW IL						[In-House] POTELLIGENT product name in Japan, US and Europe: Poteligeo
			ME						
			RS						
			TW SG						
 KRN125 Pegfilgrastim Injection	Long-Acting Granulocyte Colony-Stimulating Factor	Mobilization of Hematopoietic Stem Cells into Peripheral Blood for Autologous Blood Stem Cell Transplantation	JP						[Amgen K-A] product name in Japan: G-Lasta
 KK2260 Injection	EGFR-TfR1 Bispecific Antibody	Solid Tumor	JP						[In-House] Bispecific antibody utilized REGULGENT Fully human antibody production technology

Immunology/Allergy

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KHK4827 Brodalumab Injection	Anti-IL-17 Receptor A Fully Human Antibody	Ankylosing Spondylitis	TH						[Amgen K-A] product name in Japan and Asia: Lumicef
		Non-radiographic Axial Spondyloarthritis	TH						
		Palmoplantar Pustulosis	JP						
		Systemic Sclerosis	JP						
 ©KHK4083/AMG 451 Rocatinlimab Injection	Anti-OX40 Fully Human Antibody	Atopic Dermatitis	JP NA Europe Middle East CN Asia Oceania others						[In-House] POTELLIGENT Fully human antibody production technology Collaboration agreement with Amgen for the development of KHK4083/AMG 451 in all the countries except for Japan.
 ©KK4277 Injection	Anti-PTPRS Humanized Antibody	Systemic Lupus Erythematosus/Cutaneous Lupus Erythematosus	JP Asia						[SBI Biotech] POTELLIGENT

Other

Code Name Generic Name Formulation	Mechanism of Action	Indication	Area	Stage					[In-House or Licensed] Remarks
				Ph I	Ph II	Ph III	Filed	Approved	
 KRN23 Burosumab Injection	Anti-FGF23 Fully Human Antibody	Tumor Induced Osteomalacia (TIO)	OM QA UAE	→					[In-House] Fully human antibody production technology Jointly Developed with Ultragenyx in US and Europe product name in Japan, US and Europe: Crysvisa
			KW BH	→					
			RS	→					
			ME MK	→					
			BA	→					
		X-linked Hypophosphatemia (XLH)	MO	→					
			RS	→					
			MK ME	→					
			BA	→					
 AMG531 Romiplostim Injection	Thrombopoietin Receptor Agonist	Aplastic Anemia Previously Untreated with Immunosuppressive Therapy	JP	→				[Amgen K-A] product name in Japan: Romiplate	
		Treatment of Aplastic Anemia (AA) Which Is Refractory to Immunosuppressive Therapy or Immunosuppressive Therapy Being Not Suitable	Asia	→		Ph II / Ph III			
			HK	→					
 KW-3357 Antithrombin Gamma Injection	Recombinant Human Antithrombin	Disseminated Intravascular Coagulation, Congenital Antithrombin Deficiency	Europe	→				[In-House] product name in Japan: Accoalan	
 KHK4951 Tivozanib Ophthalmic	VEGF Receptor Tyrosine Kinase Inhibitor	Neovascular (wet) Age-Related Macular Degeneration	JP	→				[In-House]	

## (2) Assets and profit and loss

(Billions of yen, unless otherwise noted)

<b>International Financial Reporting Standards (IFRS)</b>	98th fiscal year (from January 1, 2020 to December 31, 2020)	99th fiscal year (from January 1, 2021 to December 31, 2021)	100th fiscal year (from January 1, 2022 to December 31, 2022)	101st fiscal year (from January 1, 2023 to December 31, 2023)
Revenue	318.4	352.2	398.4	<b>442.2</b>
Core operating profit	60.0	65.7	86.7	<b>96.8</b>
Profit attributable to owners of parent	47.0	52.3	53.6	<b>81.2</b>
Basic earnings per share (Yen)	87.56	97.43	99.68	<b>151.03</b>
Total assets	801.3	921.9	939.9	<b>1,025.9</b>
Total equity	698.4	737.2	762.8	<b>836.4</b>

### (3) Capital investments

The Group's capital investments made in the fiscal year under review totaled ¥16.5 billion. Major facilities completed during the fiscal year under review, and major facilities which were under construction or planned as at the end of the fiscal year under review are as follows.

#### (i) Major facilities completed during the fiscal year under review

Company and office name	Details of capital investments
Takasaki Plant, Kyowa Kirin Co., Ltd.	Construction of a quality building(*) (Construction of a new multipurpose facility relating to quality assurance)

(\*) There is no change in the initial investment. The building had been completed in December 2022, and equipment work, etc., in the building was completed in 2023.

#### (ii) Major facilities which were under construction or planned as at the end of the fiscal year under review

Company and office name	Details of capital investments
Takasaki Plant, Kyowa Kirin Co., Ltd.	Construction of a new biopharmaceutical API manufacturing building
Takasaki Plant, Kyowa Kirin Co., Ltd.	Construction of a new warehouse building

### (4) Financing

There was nothing to be reported on the financing of the Group in the fiscal year under review.

### (5) Issues to be addressed

The environment in which the pharmaceutical industry operates has experienced significant and complex changes each year. As the trend for controlling drug costs accelerates across the globe and research and development becomes more challenging, there is expectation for the acceleration of and increased efficiency in drug creation and development through new modalities and progress in scientific technologies such as AI drug creation. Demand for permanent cure or inhibition of progression is growing further, and the entire world is waiting for effective therapeutic medicines for unmet medical needs.

Kyowa Kirin has identified materiality (important management issues) to realize the Vision for 2030 and is working to achieve growth as a Japan-based global specialty pharmaceutical company in accordance with the Vision for 2030 and the strategies for achieving this vision.



[Providing drugs that satisfy unmet medical needs]

We will work further on measures for expanding our business regions and penetrating markets in preparation for maximizing the value of global strategic products such as Crysvida and Poteligeo. We will continue to strengthen the structure for close cooperation between different functional divisions and subsidiaries and associates globally, and provide new drugs under the KYOWA KIRIN brand to patients all over the world. In particular, for Crysvida, we will strive to improve patients' access to medicines across the world, primarily by expanding the marketing on our own in the United States.

At the same time, through the promotion of development of KHK4083 (generic name: rocatinlimab) and KHK4951 (generic name: tivozanib), next-generation global strategic drugs, and other new drugs, research and development of KK2260 and KK2269 that adopt our proprietary bispecific antibody technology REGULGENT and other early-stage development products such as ADC's KK2845 for expanding pipelines, and strengthening of activities to acquire new pipelines, we will execute our strategy for continuing to create innovative pharmaceuticals.

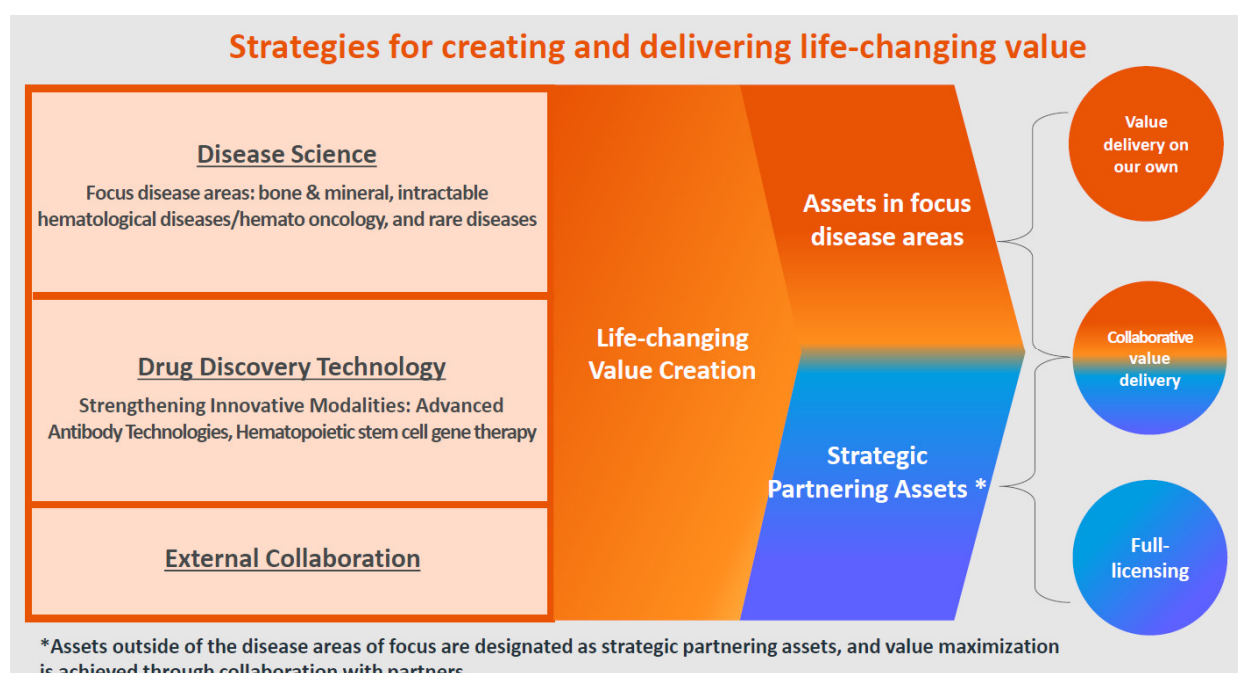
Aiming to blend the technological expertise we have accumulated with our in-depth knowledge of disease to create new medical value and speed up the process of drug discovery, in research and development we set "bone and mineral," "blood cancer and intractable blood diseases," and "rare diseases" as focus areas for promotion. On the technological aspect, we are gradually building platforms that utilize various modalities<sup>\*1</sup>, such as advanced antibody technology and hematopoietic stem cell gene therapy held by Orchard Therapeutics plc. In addition to this, we will accelerate and strengthen innovation through evolved open innovation activities that combine continued joint research activities with the academia, startup companies and others with early access to information through investment in venture capital and the Corporate Venture Capital Fund. The life-changing value<sup>\*2</sup> created in this way will deliver value on our own as well as maximize value through strategic partnering, such as collaboration with other companies and full-licensing.

**\*1 Modalities:**

Classes of drug discovery technologies (methods and means) that facilitate the realization of the envisioned therapeutic concept.

**\*2 Life-changing value:**

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



[Address patient-centric healthcare needs]

In order to make patients smile, we will promote Patient Advocacy Activities<sup>\*3</sup> globally, to address patient-centric healthcare needs. Based on the “Policy for Access to Medicines<sup>\*4</sup>,” we will work to resolve unmet medical needs by providing disease awareness activities and support tools for patients, among other things. By actively promoting activities globally through the maintenance and reinforcement of relationships with patient advocacy groups and the like in various countries, we will identify issues and healthcare needs that patients and healthcare professionals hope to get addressed and strengthen activities for making patients smile.

Furthermore, in order to make patients smile, we are pursuing the creation of value from a longer-term perspective that goes beyond pharmaceuticals based on insights from patients. In domains where we can leverage our strengths, as well as utilizing the data we have accumulated and deepening our understanding of patients to resolve issues in areas peripheral to our pharmaceutical products, we will leverage synergies arising from the Kirin Group’s initiatives in the field of health science, and work to create new value that goes beyond pharmaceuticals.

\*3 Patient Advocacy Activities:

These are activities for promoting sound public understanding of medical conditions through communication and cooperation with patient and healthcare professional communities. An additional goal of the activities is to make patients smile by working to address unmet medical needs through Kyowa Kirin’s value chain.

\*4 Policy for Access to Medicines:

The Company’s website:

[https://www.kyowakirin.com/sustainability/patient/access\\_to\\_medicine/index.html](https://www.kyowakirin.com/sustainability/patient/access_to_medicine/index.html)

[Retain the trust of society]

To reliably supply highly reliable pharmaceuticals to patients who need them worldwide, we are working to establish a robust production system while strengthening a quality assurance system and supply-chain management. In addition, we will continue to respond appropriately to issues in implementing both in-house and contracted manufacturing. We also revised the “Kyowa Kirin Group Supplier Code of Conduct” in accordance with international standards and laws and regulations and will strengthen our sustainable procurement activities. In response to climate change at the global level, the Company will work in conjunction with the Kirin Group Environmental Vision 2050, promoting continuous energy-saving programs (also covering capital expenditures) and adopting and expanding the use of renewable energy, among others. Through initiatives such as these we seek to achieve net zero greenhouse gas emissions across the value chain, to actively tackle the issue of the protection of the global environment to be handed over to the next generation. In light of the recommendations of the “Task Force on Climate-related Financial Disclosure (TCFD),” the Company will continue to manage and evaluate risks and opportunities related to climate change, and disclose information appropriately.

[Reinforce human resources and structures that support the creation of life-changing value]

As we expand our business globally, we will establish a business platform, putting in place a structure that will enable the Company to achieve sustainable growth through such measures as the maximization of product value, the creation of a substantial development pipeline, and the stable supply of products. Under the “Digital Vision 2030<sup>\*5</sup>” formulated for digital transformation for creating life-changing value, we will work to realize operational excellence and strengthen platforms to promote DX.

We consider human capital as one of the sources of competitiveness and believes that the promotion of value-creating activities leads to the realization of our vision. With a sense of mission and responsibility for “making patients smile,” we will strive to improve the internal environment and nurture corporate culture with an aim to develop diverse human resources who continue to work on transformations with superior expertise.

As an initiative on human rights, we carry out human rights due diligence on a continuing basis pursuant to the Group Human Rights Policy\*<sup>6</sup> and will further promote initiatives for respecting human rights. Regarding corporate governance, we will strive to improve the effectiveness of the Board of Directors and enhance the execution structure through the delegation of authorities to the executive side, the expansion of CxO and other initiatives.

\*5 Digital Vision 2030:

The Company's website:

[https://www.kyowakirin.com/sustainability/human\\_resources\\_infrastructure/dx/index.html](https://www.kyowakirin.com/sustainability/human_resources_infrastructure/dx/index.html)

\*6 Human Rights Policy:

The Company's website:

[https://www.kyowakirin.com/sustainability/management\\_infrastructure/ethics/index.html](https://www.kyowakirin.com/sustainability/management_infrastructure/ethics/index.html)

## (6) Principal lines of business (as of December 31, 2023)

Research, development, manufacturing, marketing and import / export of pharmaceuticals

Category		Main products
Pharmaceuticals	Nephrology	Darbepoetin Alfa Injection Syringe [KKF], Nesp, Orkedia, Duvroq, Onglyza
	Oncology	G-Lasta, Poteligeo, Rituximab BS [KHK], Gran, Neulasta/Peglata
	Immunology and allergy	Dovobet, Allelock
	Central nervous system	Nourias (Nourianz), HARUROPI
	Other	Crysvita, Romiplate

## (7) Major offices and factories (as of December 31, 2023)

### (i) The Company

Head Office	1-9-2 Otemachi, Chiyoda-ku, Tokyo
Sales offices	Sapporo Branch, Tohoku Branch (Sendai), Tokyo Branch/Chiba-Saitama Branch/Kita Kanto-Koshinetsu Branch/Yokohama Branch (Tokyo), Nagoya Branch, Osaka Branch/Keiji-Hokuriku Branch (Osaka), Chugoku-Shikoku Branch (Hiroshima), Kyusyu Branch (Fukuoka)
Production sites	Takasaki Plant, Ube Plant
Research laboratories	Bio Process Research and Development Laboratories (Takasaki), Tokyo Research Park, Fuji Research Park/CMC R&D Center (Nagaizumi, Suntou, Shizuoka)

Note: If the name of offices, sites, etc., has a name of the city representing a location, the location is not presented.



**(ii) Major subsidiaries (as of December 31, 2023)**

1	Kyowa Kirin Frontier Co., Ltd.	Head office: Chiyoda-ku, Tokyo	7	Kyowa Kirin International plc	U.K.
2	Kyowa Kirin plus Co., Ltd.	Head office: Chiyoda-ku, Tokyo	8	Kyowa Kirin Asia Pacific Pte. Ltd.	Singapore
3	Kyowa Kirin USA Holdings, Inc.	U.S.A.	9	Kyowa Kirin China Pharmaceutical Co., Ltd.	China
4	Kyowa Kirin, Inc.	U.S.A.	10	Kyowa Kirin Korea Co., Ltd.	Korea
5	BioWa, Inc.	U.S.A.	11	Kyowa Kirin Taiwan Co., Ltd.	Taiwan
6	Kyowa Kirin Canada, Inc.	Canada	12	Kyowa Kirin Hong Kong Co., Limited	Hong Kong



## (8) Significant parent company and subsidiaries

### (i) Parent company

The Company's parent company is Kirin Holdings Company, Limited, which holds 288,819 thousand shares of the Company (shareholding ratio: 53.49%; shareholding ratio after deducting treasury shares: 53.72%).

### (ii) Summary of significant contracts with the parent company

The Company entered into an "integration agreement" with Kirin Holdings Company, Limited, the parent company, on October 22, 2007. Under this agreement, the Company has agreed that, while observing core group management policies, it operates as an autonomous company with independence and flexibility, ensures management independence as a listed company, strives to maximize value for all shareholders and achieves **consistent** growth of its corporate value.

### (iii) Transactions with the parent company

- a. Particulars to be given due consideration not to harm the interests of the Company in conducting the transactions

Interest rates for loans receivable from the parent company have been reasonably determined taking into account market rates of interest according to the length of time in accordance with the Company's own management policy.

- b. Judgment of the Company's Board of Directors on whether the transactions harm the Company's interests, and reasons thereof

The Company's Board of Directors has judged that the above transactions do not harm the Company's interests, as the Company has made a final decision, independent of the parent company, in accordance with the internal regulations.

- c. The opinion in the case where the judgment of the Board of Directors is different from the opinion of outside Directors of the Board

No applicable items.

### (iv) Significant subsidiaries

Company name	Share capital	Shareholding ratio of the Company	Principal lines of business
Kyowa Kirin USA Holdings, Inc.	USD76,300 thousand	100%	Supervision and management of its subsidiaries
Kyowa Kirin, Inc.	USD0 thousand	100%	Research, development, and marketing of pharmaceuticals
Kyowa Kirin International plc	GBP13,849 thousand	100%	Supervision and management of its subsidiaries
Kyowa Kirin Asia Pacific Pte. Ltd.	SGD123,045 thousand	100%	Supervision and management of its subsidiaries Marketing of pharmaceuticals

Notes: 1. Shareholding ratio of the Company shows the shareholding ratio including indirect shareholding.  
2. There are no companies that fall under specified wholly owned subsidiaries.

## (9) Employees (as of December 31, 2023)

Number of employees	Year-on-year change
5,974	Decrease of 8

Note: The number of employees represents individuals working within the Group (excluding employees seconded outside the Group from the Group, but including employees seconded to the Group from outside the Group). Executive Officers and temporary employees (employees rehired after retiring, contract employees and part-time employees) are excluded.

**(10) Major creditors** (as of December 31, 2023)

No applicable items.

**(11) Other significant matters concerning the status of the Corporate Group**

The Company completed the acquisition of the shares of Orchard Therapeutics plc (becoming our subsidiary), a biopharmaceutical company in United Kingdom, in January 2024.

**2. Shares of the Company (As of December 31, 2023)**

**(1) Total number of authorized shares 987,900,000 shares**

**(2) Total number of issued shares 540,000,000 shares**

**(3) Number of shareholders 39,131 (Increase of 6,984 from the end of the previous fiscal year)**

**(4) Major shareholders**

Name of shareholder	Number of shares held (Thousand shares)	Shareholding ratio (%)
Kirin Holdings Company, Limited	288,819	53.72
The Master Trust Bank of Japan, Ltd. (Trust Account)	58,462	10.87
Custody Bank of Japan, Ltd. (Trust Account)	25,600	4.76
STATE STREET BANK AND TRUST COMPANY 505223	8,936	1.66
STATE STREET BANK WEST CLIENT – TREATY 505234	5,844	1.09
SMBC Nikko Securities Inc.	5,210	0.97
JPMorgan Securities Co., Ltd.	5,142	0.96
STATE STREET BANK AND TRUST COMPANY 505025	3,473	0.65
JPMorgan Chase Bank 385781	3,382	0.63
The Dai-ichi Life Insurance Company, Limited	2,920	0.54

Note: The shareholding ratio was calculated after deducting treasury shares (2,390,712 shares).

**(5) Shares delivered to the Company’s officers as a consideration for the performance of the duties during the fiscal year under review**

Category	Number of delivered shares by type of share-based remuneration (shares)		Number of persons eligible for the granting (persons)
	Share-based remuneration with restriction on transfer	Performance-linked share-based remuneration	
Directors of the Board (excluding outside Directors of the Board)	21,790	–	3
Outside Directors of the Board	–	–	–
Audit & Supervisory Board Members	–	–	–

Notes: 1. Shares shown in the above table were delivered to Directors of the Board through disposal of treasury shares.

2. Other than the above, 49,118 shares were delivered to Executive Officers (excluding those who are Directors of the Board) as restricted shares based on the share-based remuneration with restriction on transfer through disposal of treasury shares.

**(6) Other significant matters concerning shares**

No applicable items.

### 3. Matters Related to Share Acquisition Rights, Etc., of the Company

#### (1) Share acquisition rights at the end of the fiscal year under review

Total share acquisition rights held by Directors of the Board and other officers by category

Category	Amount to be paid in	Exercise price	Exercise period	Number of units	Number of holders	Remarks
Directors of the Board	Without compensation	¥1 per share	From March 22, 2014 to March 20, 2034	0	0	1
	Without compensation	¥1 per share	From March 22, 2015 to March 20, 2035	0	0	
	Without compensation	¥1 per share	From March 26, 2016 to March 24, 2036	0	0	
	Without compensation	¥1 per share	From March 25, 2020 to March 23, 2023	0	0	2
	Without compensation	¥1 per share	From March 27, 2021 to March 25, 2024	0	0	
	Without compensation	¥1 per share	From March 23, 2022 to March 21, 2025	9	1	

Notes: 1. The number of shares subject to share acquisition rights is 1,000 shares per share acquisition right.  
 2. The number of shares subject to share acquisition rights is 100 shares per share acquisition right.  
 3. Not applicable for non-executive Directors of the Board and Audit & Supervisory Board Members.

#### (2) Share acquisition rights delivered during the fiscal year under review

No applicable items.

#### 4. Corporate Officers

##### (1) Names and other details of Directors of the Board and Audit & Supervisory Board Members (as of December 31, 2023)

	Position	Name	Responsibility in the Company and significant positions concurrently held at other organizations
*	Executive Director of the Board, President and Chief Executive Officer	Masashi Miyamoto	Member of Nomination & Remuneration Consultative Committee
*	Executive Director of the Board, Executive Vice President	Yutaka Osawa	In charge of Global Quality Management Department, Regulatory Affairs Department and Legal Department Member of Nomination & Remuneration Consultative Committee
*	Director of the Board, Senior Managing Executive Officer	Takeyoshi Yamashita	In charge of Intellectual Property Department Member of Nomination & Remuneration Consultative Committee
	Director of the Board	Takeshi Minakata	Director of the Board, Senior Executive Officer & CFO, Kirin Holdings Company, Limited Director of Blackmores Ltd.
	Directors of the Board	Akira Morita	Chairman of meetings of the Board of Directors Member of Nomination & Remuneration Consultative Committee Emeritus Professor and Outside Member, Administrative Council, The University of Tokyo Representative Director, Next Generation Fundamental Policy Research Institute
	Director of the Board	Yuko Haga	Member of Nomination & Remuneration Consultative Committee Representative, Haga Management Consulting Office Professor, Graduate School of Management, NUCB Business School
	Director of the Board	Takashi Oyamada	Outside Director, MinebeaMitsumi Inc. Chairperson of Nomination & Remuneration Consultative Committee Senior Advisor, MUFG Bank, Ltd. Outside Director, Mitsubishi Research Institute DCS Co., Ltd.
	Director of the Board	Yoshihisa Suzuki	Member of Nomination & Remuneration Consultative Committee Senior Vice Representative for Business Community Relations, ITOCHU Corporation Outside Director, OMRON Corporation
	Director of the Board	Rumiko Nakata	Member of Nomination & Remuneration Consultative Committee
	Full-time Audit & Supervisory Board Member	Hiroshi Komatsu	
	Full-time Audit & Supervisory Board Member	Masaki Ueno	
	Audit & Supervisory Board Member	Tomomi Yatsu	Member of Nomination & Remuneration Consultative Committee Representative, Yatsu Law & Accounting Firm Outside Director, SMBC Nikko Securities Inc. Outside Corporate Auditor, Kuraray Co., Ltd.

Position	Name	Responsibility in the Company and significant positions concurrently held at other organizations
Audit & Supervisory Board Member	Mayumi Tamura	Member of Nomination & Remuneration Consultative Committee Outside Director, SHIMIZU CORPORATION
Audit & Supervisory Board Member	Toru Ishikura	Outside Director, LIXIL Corporation Full-time Audit & Supervisory Board Member, Kirin Holdings Company, Limited

- Notes:
1. Director of the Board above \* concurrently serves as Executive Officer.
  2. Of the members of Directors of the Board, Mr. Akira Morita, Ms. Yuko Haga, Mr. Takashi Oyamada, Mr. Yoshihisa Suzuki, and Ms. Rumiko Nakata are outside Directors of the Board.
  3. Director of the Board, Ms. Yuko Haga's name in her family register is Yuko Hayashi.
  4. Full-time Audit & Supervisory Board Member, Mr. Masaki Ueno, and Audit & Supervisory Board Members, Mses. Tomomi Yatsu and Mayumi Tamura, are outside Audit & Supervisory Board Members.
  5. The Company has notified the Tokyo Stock Exchange of the status of Directors of the Board, Mr. Akira Morita, Ms. Yuko Haga, Mr. Takashi Oyamada, Mr. Yoshihisa Suzuki, and Ms. Rumiko Nakata and Audit & Supervisory Board Members, Mses. Tomomi Yatsu and Mayumi Tamura as independent directors and audit & supervisory board members under Tokyo Stock Exchange regulations.
  6. Full-time Audit & Supervisory Board Member, Mr. Hiroshi Komatsu, and Audit & Supervisory Board Member, Ms. Mayumi Tamura, have experience in accounting and finance divisions of business corporations. Outside Full-time Audit & Supervisory Board Member, Mr. Masaki Ueno, has experience in financial institutions, and Audit & Supervisory Board Member, Ms. Tomomi Yatsu, is an attorney-at-law and a certified public accountant. Thus, each of them has considerable knowledge of accounting and finance.
  7. Directors of the Board and Audit & Supervisory Board Members who retired during the fiscal year under review are as follows.

Position in the Company	Name	Date and reasons of retirement
Director of the Board	Toshifumi Mikayama	Retired from the position due to expiration of the term of office on March 24, 2023
Director of the Board	Jun Arai	Retired from the position due to expiration of the term of office on March 24, 2023
Audit & Supervisory Board Member	Keiji Kuwata	Retired from the position due to expiration of the term of office on March 24, 2023

## (2) Summary of details of liability limitation agreements

Pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company has entered into agreements with Directors of the Board, Mr. Takeshi Minakata, Mr. Akira Morita, Ms. Yuko Haga, Mr. Takashi Oyamada, Mr. Yoshihisa Suzuki and Ms. Rumiko Nakata, as well as full-time Audit & Supervisory Board Members, Mr. Hiroshi Komatsu and Mr. Masaki Ueno, and Audit & Supervisory Board Members, Ms. Tomomi Yatsu, Ms. Mayumi Tamura and Mr. Toru Ishikura to limit their liability for damages stipulated in Article 423, Paragraph (1) of the same Act. The maximum amount of liability for damages under such agreements shall be the higher of either ¥5 million, or the minimum liability amount stipulated in Article 425, Paragraph (1) of the same Act.

## (3) Summary of details of a directors and officers liability insurance policy, etc.

The Company has taken out a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph (1) of the Companies Act with an insurance company, in which Directors of the Board, Audit & Supervisory Board Members, Executive Officers and other officers of the Company and its subsidiaries are the insured persons. The Company and its

subsidiaries bear all insurance premiums. This insurance contract covers compensation for damages, legal, and other such costs in the event that an insured person(s) is liable for damages arising from their conduct in the course of performing their duties. However, the contract has exceptions such as excluding damages caused by criminal or fraudulent acts etc. committed by insured persons. In addition, there is a provision for a deductible amount, and damages that do not reach that deductible amount are not covered by this insurance contract.

**(4) Remuneration, etc., of Directors of the Board and Audit & Supervisory Board Members**

**(i) Policy on determining the amount of officers' remuneration, etc.**

At the Board of Directors meeting held on February 18, 2021, the Company resolved the policy on determining details of individual remuneration, etc., for Directors of the Board. This determination policy was approved based on a report of the Nomination & Remuneration Consultative Committee, following deliberation by the said committee.

In addition, the Nomination & Remuneration Consultative Committee confirmed and reported that individual remuneration, etc., for Directors of the Board for the fiscal year under review was in line with the determination policy. Respecting the report from the Nomination & Remuneration Consultative Committee, the Board of Directors concluded that the details of the remuneration, etc., were in line with the determination policy.

Individual remuneration, etc., for Audit & Supervisory Board Members for the fiscal year under review was determined in consultation with Audit & Supervisory Board Members with reference to deliberation of the Nomination & Remuneration Consultative Committee.

The determination policy for the details of remuneration, etc., for Directors of the Board and Audit & Supervisory Board Members, and the summary of remuneration, etc., are as follows:

**a. Basic policy**

Basically, the Company's remuneration for Directors of the Board and Audit & Supervisory Board Members is paid for the purposes of raising their awareness of contributing to the Company's sustainable growth and further increase in corporate value, securing human resources appropriate for a global specialty pharmaceutical company, and motivating them to contribute to the Company through execution of their duties; and remuneration should be determined through a transparent and appropriate process by adopting an objective viewpoint.

In order to realize this basic policy, investigations and deliberations on officers' remuneration are conducted by the Nomination & Remuneration Consultative Committee, which consists of a majority of outside officers, and is chaired by an outside Director of the Board.

**b. Remuneration structure and payment eligibility, etc.**

The Company's remuneration for executive Directors of the Board consists basic remuneration, performance-linked remuneration, and non-monetary remuneration. Performance-linked remuneration consists of two parts: (1) performance-linked annual bonus as a short-term incentive, and (2) performance-linked share-based remuneration as a medium- to long-term incentive. Non-monetary remuneration is in the form of share-based remuneration with restriction on transfer as a medium- to long-term incentive. Remuneration for non-executive Directors of the Board and Audit & Supervisory Board Members is only basic remuneration in a fixed amount or no remuneration, in order to ensure they fully perform their oversight functions from the objective and independent standpoint.

A rough indication for the ratio of each type of remuneration is shown in the table below. The ratio of each type of remuneration is deliberated by the Nomination & Remuneration Consultative Committee in light of each Director of the Board's position and determined by the Board of Directors by taking into account the company size, and by using data from



officers' remuneration survey obtained from an external research institution to conduct an objective comparison/examination of remuneration levels and remuneration structures of other companies in industry sectors relevant to the Company.

Type of remuneration, etc.		Summary	Remuneration structure for executive Directors of the Board (with basic remuneration being 100)
Basic remuneration		<ul style="list-style-type: none"> <li>Remuneration in a fixed amount based on each officer's position or job responsibility</li> <li>An annual amount to be paid in 12 equal installments</li> </ul>	100
Performance-linked remuneration	Performance-linked annual bonus	<ul style="list-style-type: none"> <li>Performance-linked monetary compensation for the purpose of providing incentives to become more motivated to contribute to improving business performance in each fiscal year (short-term incentive)</li> <li>Pay rates vary, ranging from 0% to 200% according to the degree of achievement of performance targets, with payment amounts when the targets set based on each officer's position or job responsibility are achieved (reference value) being 100%</li> <li>Paid in a lump sum after the closure of a fiscal year (usually in April)</li> </ul>	40 to 50
	Performance-linked share-based remuneration	<ul style="list-style-type: none"> <li>Performance-linked remuneration that provides incentives for achieving the Medium-Term Business Plan and sustainable growth of corporate value (medium- to long-term incentive)</li> <li>Share-based remuneration for the purpose of providing incentives to become more motivated to contribute to an increase in share price and corporate value over the medium- to long-term</li> <li>Payment amounts vary, ranging from 0% to 150% according to the degree of achievement of performance targets, with the number of shares to be delivered when the targets set based on each officer's position or job responsibility are achieved being 100%</li> <li>To be delivered and paid after the end of the third fiscal year (usually in April)</li> </ul>	25 to 45
Non-monetary remuneration	Share-based remuneration with restriction on transfer	<ul style="list-style-type: none"> <li>Share-based remuneration for the purpose of providing incentives to become more motivated to contribute to an increase in share price and corporate value over the medium- to long-term (medium- to long-term incentive)</li> <li>To be allotted at a certain point of time (usually in April) every year, with the transfer restriction period of three years</li> </ul>	35

Note: Although, among remuneration, etc., above, performance-linked share-based remuneration falls under both performance-linked and non-monetary remuneration, it is categorized and shown as performance-linked remuneration for this purpose.

Note: The composition ratio for performance-linked remuneration shown is a figure when performance targets are fully achieved.

c. Summary of each type of remuneration

i) Basic remuneration

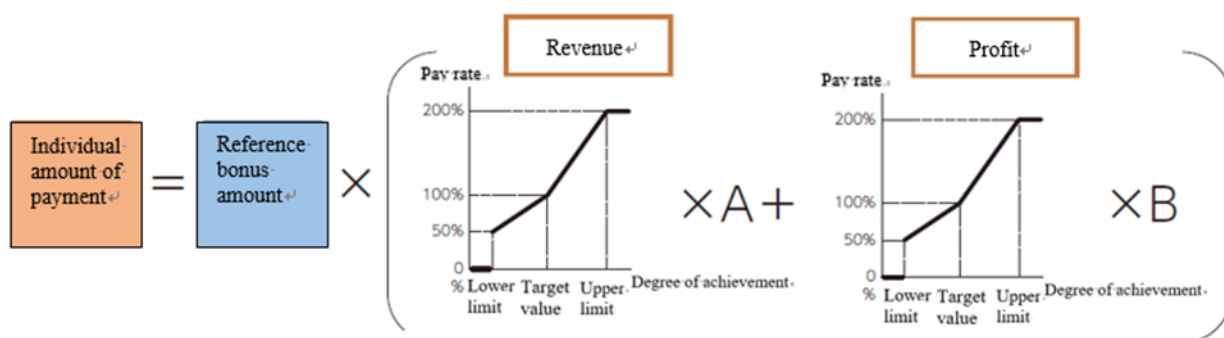
Basic remuneration is paid monthly in a fixed amount based on each officer's position or job responsibility. Amounts are determined upon considering the company size, using officers' remuneration data from an external research institution, and conducting an objective comparison/examination of compensation levels and compensation structures of other companies in industry sectors relevant to the Company, and after deliberations of the Nomination & Remuneration Consultative Committee. Remuneration for Audit & Supervisory Board Members is determined in consultation with Audit & Supervisory Board Members taking reference from deliberation of the Nomination & Remuneration Consultative Committee, which uses data from an officers' remuneration survey obtained from an external research institution.

ii) Performance-linked annual bonus

Performance-linked annual bonus is monetary compensation, where amounts change according to business performance for the purpose of providing executive Directors of the Board with incentives to contribute to improving business performance in each fiscal year. The amounts are calculated according to the degree of achievement of performance targets which were set for the applicable fiscal year, and paid to executive Directors of the Board at a certain point of time (usually in April) every year. Amounts of performance-linked annual bonus, which are calculated according to performance indicators, targets, and the degree of achieving the targets, are determined after deliberations of the Nomination & Remuneration Consultative Committee.

For performance evaluation indicators, we have set revenue from the perspective of growth potential and profit from the perspective of profitability in order to share value with our shareholders and sustainably increase corporate value of the Company. For each of them, the targets were based on business forecasts at the time of announcement of the financial results, and the pay rate (from 0% to 200%) was determined according to the degree of achievement. Starting from 2024, the degree of achievement of non-financial targets set in an annual management plan will be added to performance evaluation indicators with a view to promoting the resolution of medium- to long-term management issues.

Illustrative image 1: Mechanism of linking bonus to performance



\* The weights for executive Directors of the Board in FY2023 are A to B = 3 to 7.

iii) Performance-linked share-based remuneration (Performance Share Unit)

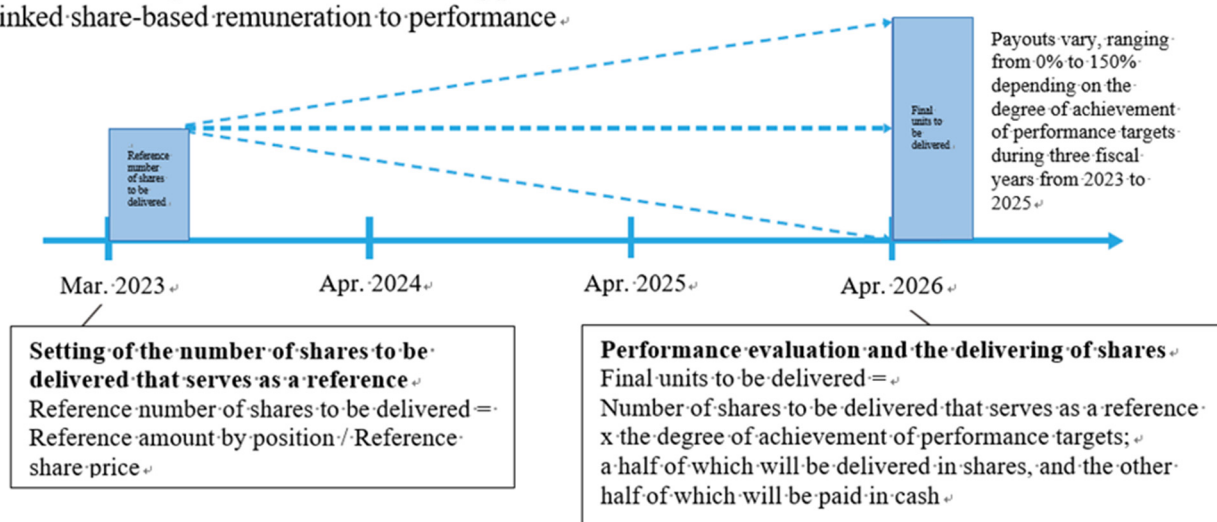
Performance-linked share-based remuneration plan (Performance Share Unit) is intended to clarify the linkage between executive Directors of the Board's compensation and the Company's business performance and share price, and thereby provide them with incentives for achieving the Medium-Term Business Plan and sustainable growth of corporate value, as well as to facilitate their sense of sharing value with shareholders. The performance

evaluation period is three consecutive fiscal years, and pay rates vary depending on the achievement of performance targets.

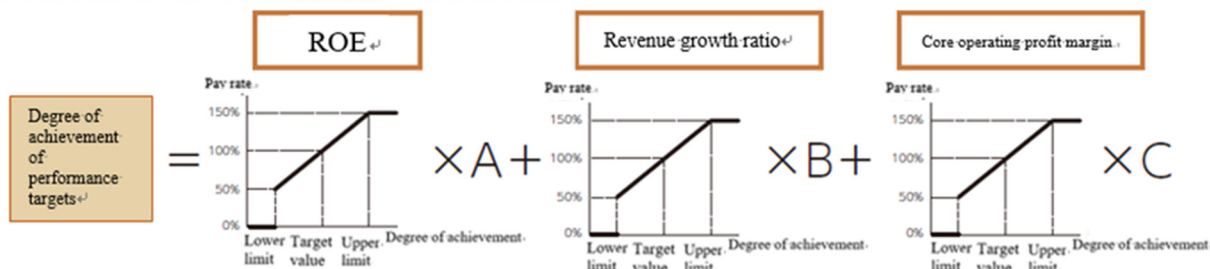
The “reference number of shares to be delivered” is determined by a resolution of the Board of Directors at the beginning of each performance evaluation period. After the end of the performance evaluation period for three fiscal years, the compensation is calculated by multiplying the “reference number of shares to be delivered” by the degree of achievement of performance targets ranging from 0% to 150%; and a half of the compensation is provided in the form of shares and the remaining half is paid in cash to executive Directors of the Board at a point of time (usually in April) every year. Performance indicators are ROE, average annual growth rate of revenue and core operating profit margin, which are the indicators used in the Medium-Term Business Plan, and others. The degree of achievement of performance targets is calculated in accordance with the degree of achieving each target.

FY2021-2025 Medium-Term Business Plan financial performance indicators (numerical guidance) (extract)	
ROE	10% or higher (achieve target early / increase over the medium- to long-term)
Revenue growth ratio	CAGR: 10% or higher (Average annual growth rate over five years with FY2020 as base year)
Core operating profit margin	25% or higher (FY2025)

Illustrative image 2: Mechanism of linking performance-linked share-based remuneration to performance



Illustrative image 3: Mechanism of calculating the degree of achievement of performance targets for performance-linked share-based remuneration



\* The weights for executive Directors of the Board in FY2023 are A to B to C = 1 to 1 to 1.

iv) Share-based remuneration with restriction on transfer

The share-based remuneration with restriction on transfer is intended for executive Directors of the Board to share benefits and risks of stock price fluctuations with shareholders, and to become more motivated to contribute to an increase in share price and corporate value. It

allots the number of shares in accordance with the reference value that are to be determined based on basic remuneration and share price to an executive Director of the Board at a certain time (usually in April) each year, by a resolution of the Board of Directors. The shares to be delivered are subject to transfer restriction for three years.

d. Procedure for determining remuneration, and activities carried out by the Nomination & Remuneration Consultative Committee and the Board of Directors

With respect to the remuneration table showing basic remuneration and performance-linked annual bonus for Directors of the Board by job rank and other related matters, the Board of Directors makes decisions, based on deliberations and recommendation of the Nomination & Remuneration Consultative Committee, which is composed of a majority of outside officers and chaired by an outside Director Takashi Oyamada. Then, with respect to amounts of basic remuneration and performance-linked annual bonus for individual Directors of the Board, as the Board of Directors left it to the discretion of Masashi Miyamoto, Executive Director of the Board, President and Chief Executive Officer, for the Board's efficiency, he makes decisions in accordance with deliberations of the Nomination & Remuneration Consultative Committee and within the maximum limit of remuneration determined by the resolution of the General Meeting of Shareholders. With respect to the allocation and granting of share-based remuneration for individuals, based on deliberations and recommendation of the Nomination & Remuneration Consultative Committee, the Board of Directors makes decisions. As for remuneration for executive Directors of the Board, the Company has established a clawback provision, in case there is any illegal conduct or violation of law, upon deliberations of the Nomination & Remuneration Consultative Committee, the company shall be able to demand the return of remuneration.

Individual remuneration, etc., for Audit & Supervisory Board Members is determined in consultation with Audit & Supervisory Board Members within the remuneration limit resolved at the General Meeting of Shareholders, taking reference from deliberation of the Nomination & Remuneration Consultative Committee, which uses data from officers' remuneration survey obtained from an external research institution.

As at the end of the fiscal year under review, the Nomination & Remuneration Consultative Committee consisted of three internal Directors of the Board and seven independent outside officers. During the fiscal year under review, a total of 12 Nomination & Remuneration Consultative Committee meetings were held to examine the remuneration levels for Directors of the Board, executive officers, and major global potions as well as deliberating on target values, etc., for performance-linked bonus and performance-linked share-based remuneration.

(ii) Details of resolutions for remuneration, etc., at the General Meeting of Shareholders

It was approved at the 98th Ordinary General Meeting of Shareholders held on March 24, 2021 that the total amount of monetary remuneration including basic remuneration and performance-linked annual bonus for Directors of the Board shall be within ¥600 million per year (part of which is allotted to outside Directors of the Board within ¥100 million). As of the conclusion of this Ordinary General Meeting of Shareholders, the number of eligible Directors was seven (including four outside Directors of the Board). Furthermore, in addition to the foregoing, it was approved, at the 97th Ordinary General Meeting of Shareholders held on March 19, 2020, that the total amount of monetary remuneration receivables provided as remuneration, etc., linked to restricted shares shall be no more than ¥155 million per year, and at the 98th Ordinary General Meeting of Shareholders held on March 24, 2021, that the amount of remuneration under performance-linked share-based remuneration plan (Performance Share Unit) shall be no more than ¥300 million per each applicable period, and the total number of the Company's shares allotted per each applicable period shall be no more than 200,000 shares. As of the conclusion of

the 97th and 98th Ordinary General Meetings of Shareholders, the number of eligible Directors (excluding outside Directors of the Board) was three each.

It was approved at the Extraordinary General Meeting of Shareholders held on February 29, 2008 that the upper limit of remuneration for Audit & Supervisory Board Members shall be ¥9 million per month. As of the conclusion of this Extraordinary General Meeting of Shareholders, the number of eligible Audit & Supervisory Board Members was four.

(iii) Results of remuneration, etc., for the fiscal year under review

a. Total amount of remuneration, etc., for the fiscal year under review

i) Total amount of remuneration, etc., by category of Directors of the Board and Audit & Supervisory Board Members, total amount by type of remuneration, etc., and number of eligible officers

Category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)				Number of eligible officers (Persons)
		Fixed remuneration	Variable remuneration			
			Performance-linked remuneration	Performance-linked share-based remuneration	Non-monetary remuneration	
Basic remuneration	Performance-linked annual bonus (Note 2)	Performance-linked share-based remuneration (Note 2)	Share-based remuneration with restriction on transfer (Note 2)			
Directors of the Board (excluding outside Directors of the Board)	330	178	78	11	62	4
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	29	29	–	–	–	1
Outside Directors of the Board	89	89	–	–	–	6
Outside Audit & Supervisory Board Members	63	63	–	–	–	3

- Notes:
1. The above figures include one Director of the Board who retired at the conclusion of the Ordinary General Meeting of Shareholders in the previous fiscal year. Further, they do not include one Director of the Board and two Audit & Supervisory Board Members to whom no remuneration was paid.
  2. All the amounts of performance-linked annual bonus, share-based remuneration with restriction on transfer and performance-linked share-based remuneration are the amounts recorded as expenses during the fiscal year under review. The amount of performance-linked share-based remuneration is the sum of the amounts recorded as expenses during FY2023 for each of performance-linked share-based remuneration with the performance evaluation period starting in FY2022 and FY2023 in accordance with the expected degree of achievement of the targets as of the end of the fiscal year. Performance-linked share-based remuneration is paid and delivered in the form of monetary and non-monetary compensation after the elapse of the performance evaluation period.
  3. The number of restricted shares delivered to executive Directors of the Board during the fiscal year under review was 21,790 shares (paid-in amount per share was ¥2,838, the closing price on March 23, 2023).

ii) Targets and results of evaluation indicators related to performance-linked remuneration for Directors of the Board

Targets and results of evaluation indicators related to performance-linked remuneration that were finalized during the fiscal year under review are as follows:

i Performance-linked annual bonus

Targets and results of financial performance indicators related to performance-linked annual bonus		
Financial performance indicators	Targets (announced on February 7, 2023)	Results
Revenue	¥426 billion	¥442.2 billion
Profit	¥76 billion	¥81.2 billion

ii Performance-linked share-based remuneration (PSU) (performance-linked share-based remuneration with the performance evaluation period of FY2021-2023)

Performance targets and results related to performance-linked share-based remuneration		
Financial performance indicators	Targets under the Medium Term Business Plan	Results for the fiscal year under review
ROE	10%	10.2%
Revenue growth ratio	10%	11.6%
Core operating profit margin	25%	21.9%

Note: For the revenue growth ratio, the target under the Medium-Term Business Plan is based on an average growth rate over five years with fiscal 2020 being the base year, and the result is an average growth rate over three years with the fiscal year immediately preceding the start year of the performance evaluation period being the base year.

b. Total amount of consolidated remuneration, etc., by officer

Name (Category)	Total amount of remuneration, etc., by type (Millions of yen)				Total amount of consolidated remuneration, etc. (Millions of yen)
	Fixed remuneration	Variable remuneration		Non-monetary remuneration	
		Performance-linked remuneration	Performance-linked share-based remuneration		
	Basic remuneration	Performance-linked annual bonus	Performance-linked share-based remuneration		
Masashi Miyamoto (Executive Director of the Board, President and Chief Executive Officer)	83	39	6	29	158

Notes: 1. The amount of each remuneration is the same as in (Note 2) in a. (i) “Total amount of remuneration, etc., by category of Directors of the Board and Audit & Supervisory Board Members, total amount by type of remuneration, etc., and number of eligible officers” in the above.  
2. Only the person for whom the total amount of consolidated remuneration, etc., is ¥100 million or more is shown.

**(5) Matters concerning outside officers**

(i) Relationships between significant organizations where concurrent positions are held and the Company

Category	Name	Organizations where concurrent positions are held	Title
Outside Director of the Board	Akira Morita	The University of Tokyo	Emeritus Professor and Outside Member, Administrative Council Representative Director
Outside Director of the Board	Yuko Haga	Next Generation Fundamental Policy Research Institute Haga Management Consulting Office Graduate School of Management, NUCB Business School	Representative Professor
Outside Director of the Board	Takashi Oyamada	MinebeaMitsumi Inc. MUFG Bank, Ltd. Mitsubishi Research Institute DCS Co., Ltd.	Outside Director Senior Advisor Outside Director
Outside Director of the Board	Yoshihisa Suzuki	ITOCHU Corporation	Senior Vice Representative for Business Community Relations
Outside Audit & Supervisory Board Member	Tomomi Yatsu	OMRON Corporation Yatsu Law & Accounting Firm	Outside Director Representative, Attorney-at-Law, Certified Public Accountant
Outside Audit & Supervisory Board Member	Mayumi Tamura	SMBC Nikko Securities Inc. Kuraray Co., Ltd. SHIMIZU CORPORATION LIXIL Corporation	Outside Director Outside Corporate Auditor Outside Director Outside Director

Note: There is no special relationship between each of the above significant organizations where concurrent positions are held and the Company.

(ii) Major activities during the fiscal year under review

a. Outside Directors of the Board

Name	Attendance, expression of opinions, and outline of duties performed in association with expected roles
Akira Morita	<p>As Chairman, he attended all 15 Board of Directors meetings held during the fiscal year under review. He has fully carried out his expected roles and responsibilities such as management supervision and giving advice for overall business management based on his academic experience and extensive knowledge as a researcher in the field of policy studies as well as his experience serving on deliberating committees for national and local government.</p> <p>He attended all 12 meetings of the Nomination &amp; Remuneration Consultative Committee held during the fiscal year under review, has been involved in deliberations on personnel matters and remuneration of officers, etc., from an objective and neutral perspective, and has largely contributed to an improvement in the Company's corporate governance.</p>
Yuko Haga	<p>She attended all 15 Board of Directors meetings held during the fiscal year under review. She has fully carried out her expected roles and responsibilities such as management supervision and giving advice for overall business management based on her wealth of experience in the fields of medical treatment, nursing care, and healthcare, gained from her wide-ranging activities as a management consultant, as well as her insight as a researcher in corporate strategy.</p> <p>She attended all 12 meetings of the Nomination &amp; Remuneration Consultative Committee held during the fiscal year under review, and made necessary comments in an appropriate manner in deliberations on personnel matters and remuneration of officers, etc. from an objective and neutral perspective, and has largely contributed to an improvement in the Company's corporate governance.</p>
Takashi Oyamada	<p>He attended all 15 Board of Directors meetings held during the fiscal year under review. He has fully carried out his expected roles and responsibilities such as management supervision and giving advice for overall business management based on not only his expertise in the financial industry but also his experience as a corporate manager.</p> <p>He attended all 12 meetings of the Nomination &amp; Remuneration Consultative Committee held during the fiscal year under review, has been involved in deliberations on personnel matters and remuneration of officers, etc., from an objective and neutral perspective. In addition, he has communicated directly with investors as outside Director of the Company and largely contributed to an improvement in the Company's corporate governance.</p>
Yoshihisa Suzuki	<p>He attended all 15 Board of Directors meetings held during the fiscal year under review. He has fully carried out his expected roles and responsibilities such as management supervision and giving advice for overall business management based on not only his expertise in trading firms and the business community but also his extensive experience as a corporate manager including president of a manufacturing company and an overseas subsidiary.</p> <p>He attended all 12 meetings of the Nomination &amp; Remuneration Consultative Committee held during the fiscal year under review, has been involved in deliberations on personnel matters and remuneration of officers, etc., from an objective and neutral perspective, and has largely contributed to an improvement in the Company's corporate governance.</p>
Rumiko Nakata	<p>She attended all 11 Board of Directors meetings held after her appointment on March 24, 2023. She has fully carried out her expected roles and responsibilities such as management supervision and giving advice for overall business management by leveraging her wide-ranging knowledge and insight regarding management, in addition to her experience in promoting various personnel measures such as diversity promotion and work style reform.</p> <p>She attended all eight meetings of the Nomination &amp; Remuneration Consultative Committee held after her appointment on March 24, 2023, has been involved in deliberations on personnel matters and remuneration of officers, etc., from an objective and neutral perspective, and has largely contributed to an improvement in the Company's corporate governance.</p>



b. Outside Audit & Supervisory Board Members

Name	Attendance and expression of opinions
Masaki Ueno	He attended all 15 Board of Directors meetings and all 13 Audit & Supervisory Board meetings held during the fiscal year under review. He has fully carried out roles and responsibilities expected of outside Audit & Supervisory Board Member, such as management supervision and giving advice for overall business management, giving advice and guidance to divisions related to finance/accounting and internal audits, and consultation and exchange of opinions with the Accounting Auditor based on not only his expertise in corporate law but also his extensive experience in corporate planning.
Tomomi Yatsu	She attended all 15 Board of Directors meetings and all 13 Audit & Supervisory Board meetings held during the fiscal year under review. She has fully carried out roles and responsibilities expected of outside Audit & Supervisory Board Member, such as management supervision and giving advice for overall business management, giving advice and guidance to divisions related to finance/accounting and internal audits, and consultation and exchange of opinions with the Accounting Auditor based on her abundant experience and expertise as an attorney-at-law and certified public accountant. She attended all 12 meetings of the Nomination & Remuneration Consultative Committee held during the fiscal year under review, has been involved in deliberations on personnel matters and remuneration of officers, etc., from an objective and neutral perspective, and has largely contributed to an improvement in the Company's corporate governance.
Mayumi Tamura	She attended all 15 Board of Directors meetings and all 13 Audit & Supervisory Board meetings held during the fiscal year under review. She has fully carried out roles and responsibilities expected of outside Audit & Supervisory Board Member, such as management supervision and giving advice for overall business management, giving advice and guidance to divisions related to finance/accounting and internal audits, and consultation and exchange of opinions with the Accounting Auditor based on her abundant experience and expertise in being in charge of finance/accounting and corporate planning at global companies and engaging in support for diversity and inclusion at an incorporated NPO. She attended all 12 meetings of the Nomination & Remuneration Consultative Committee held during the fiscal year under review, has been involved in deliberations on personnel matters and remuneration of officers, etc., from an objective and neutral perspective, and has largely contributed to an improvement in the Company's corporate governance.

(iii) Total amount of remuneration, etc., for outside officers

The total amount of remuneration, etc., for nine outside officers for the fiscal year under review is ¥152 million.

Note: The above figure includes one Director of the Board who retired at the conclusion of the Ordinary General Meeting of Shareholders in the previous fiscal year.

## 5. Accounting Auditor

### (1) Name of Accounting Auditor

KPMG AZSA LLC

### (2) Amount of remuneration, etc., for the Accounting Auditor for the fiscal year under review

(i)	Amount of remuneration, etc., for the services provided as the Accounting Auditor for the fiscal year under review	¥102 million
(ii)	Total of money and other economic benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	¥102 million

- Notes:
1. Since the audit contract between the Company and the Accounting Auditor does not clearly separate the amount of remuneration, etc., for audits by the Accounting Auditor pursuant to the Companies Act from remuneration, etc., for audits by the Accounting Auditor pursuant to the Financial Instruments and Exchange Act, and these remunerations, etc., also cannot be substantively separated, the above amount shows the total amount of these remunerations.
  2. As a result of conducting necessary verifications as to whether the content of the Accounting Auditor's audit plan, performance of duties of accounting audit, basis for calculating estimates for remuneration and other factors are appropriate, the Company's Audit & Supervisory Board has considered that the Accounting Auditor secured the necessary auditing system and audit time and the level of the above audit remuneration amount is reasonable for implementing appropriate audits, and therefore consented to remuneration, etc., for the Accounting Auditor.
  3. Kyowa Kirin, Inc., Kyowa Kirin International plc, and Kyowa Kirin Asia Pacific Pte. Ltd., significant subsidiaries of the Company, were audited by audit firms other than the auditor of the Company.

### (3) Policy for determining removal or non-reappointment of the Accounting Auditor

When the Audit & Supervisory Board of the Company judges that the Accounting Auditor falls under any category stipulated in each item of Article 340, Paragraph (1) of the Companies Act, and there is serious difficulty in accounting audit of the Company, the Audit & Supervisory Board removes the Accounting Auditor based on the consent of all Audit & Supervisory Board Members.

In addition, in the case where the Audit & Supervisory Board of the Company judges that the Accounting Auditor needs to be changed, including the case where there is difficulty in the execution of duties by the Accounting Auditor, the Audit & Supervisory Board determines details of a proposal for removal or non-reappointment of the Accounting Auditor, and the Board of Directors of the Company submits the proposal to the General Meeting of Shareholders based on this decision.

## Consolidated Financial Statements

Consolidated Statement of Financial Position (As of December 31, 2023)

(Millions of yen)

Account	Amount	Account	Amount
<b>Assets</b>		<b>Equity</b>	
<b>Non-current assets</b>		Share capital	26,745
Property, plant and equipment	94,508	Capital surplus	464,731
Goodwill	140,450	Treasury shares	(2,933)
Intangible assets	62,918	Retained earnings	338,764
Investments accounted for using equity method	12,357	Other components of equity	9,112
Other financial assets	33,374	<b>Total equity attributable to owners of parent</b>	<b>836,418</b>
Retirement benefit asset	15,655	<b>Total equity</b>	<b>836,418</b>
Deferred tax assets	49,538	<b>Liabilities</b>	
Other non-current assets	6,018	<b>Non-current liabilities</b>	
<b>Total non-current assets</b>	<b>414,818</b>	Liabilities from application of equity method	13,966
<b>Current assets</b>		Retirement benefit liability	293
Inventories	71,363	Provisions	8,439
Trade and other receivables	119,082	Deferred tax liabilities	428
Other financial assets	1,923	Other financial liabilities	16,111
Other current assets	15,673	Other non-current liabilities	17,049
Cash and cash equivalents	403,083	<b>Total non-current liabilities</b>	<b>56,287</b>
<b>Total current assets</b>	<b>611,124</b>	<b>Current liabilities</b>	
<b>Total assets</b>	<b>1,025,942</b>	Trade and other payables	92,983
		Provisions	2,379
		Other financial liabilities	8,136
		Income taxes payable	4,022
		Other current liabilities	25,718
		<b>Total current liabilities</b>	<b>133,237</b>
		<b>Total liabilities</b>	<b>189,524</b>
		<b>Total equity and liabilities</b>	<b>1,025,942</b>

Consolidated Statement of Profit or Loss (From January 1, 2023 to December 31, 2023)

(Millions of yen)

Account	Amount
<b>Revenue</b>	<b>442,233</b>
Cost of sales	(111,207)
<b>Gross profit</b>	<b>331,026</b>
Selling, general and administrative expenses	(163,078)
Research and development expenses	(72,106)
Share of profit (loss) of investments accounted for using equity method	943
Other income	16,785
Other expenses	(21,007)
Finance income	4,873
Finance costs	(190)
<b>Profit before tax</b>	<b>97,246</b>
Income tax expense	(16,058)
<b>Profit</b>	<b>81,188</b>
Profit attributable to	
Owners of parent	81,188

## Non-consolidated Financial Statements

Non-consolidated Balance Sheet (As of December 31, 2023)

(Millions of yen)

Account	Amount	Account	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>581,659</b>	<b>Current liabilities</b>	<b>239,518</b>
Cash and deposits	12,391	Accounts payable - trade	11,445
Accounts receivable - trade	96,569	Accounts payable - other	51,969
Merchandise and finished goods	39,037	Income taxes payable	3,660
Work in process	13,021	Deposits received from subsidiaries and associates	140,394
Raw materials and supplies	13,895	Contract liabilities	24,218
Short-term loans receivable from subsidiaries and associates	384,136	Provision for loss on contract	2,380
Other	22,740	Other	5,452
Allowance for doubtful accounts	(129)	<b>Non-current liabilities</b>	<b>7,362</b>
<b>Non-current assets</b>	<b>287,929</b>	Provision for compensation loss	3,400
<b>Property, plant and equipment</b>	<b>67,992</b>	Provision for loss on contract	134
Buildings	33,679	Asset retirement obligations	3,777
Structures	2,669	Other	51
Machinery and equipment	9,658	<b>Total liabilities</b>	<b>246,880</b>
Tools, furniture and fixtures	7,145	<b>Net assets</b>	
Land	4,452	<b>Shareholders' equity</b>	<b>622,897</b>
Construction in progress	8,528	<b>Share capital</b>	<b>26,745</b>
Other	1,861	<b>Capital surplus</b>	<b>104,420</b>
<b>Intangible assets</b>	<b>18,050</b>	Legal capital surplus	103,807
Sales rights	12,626	Other capital surplus	613
Other	5,424	<b>Retained earnings</b>	<b>494,732</b>
<b>Investments and other assets</b>	<b>201,888</b>	Legal retained earnings	6,686
Investment securities	5,920	Other retained earnings	488,046
Shares of subsidiaries and associates	122,022	Reserve for tax purpose reduction entry of non-current assets	1,073
Bonds of subsidiaries and associates	23,500	General reserve	297,424
Long-term prepaid expenses	4,929	Retained earnings brought forward	189,549
Prepaid pension costs	9,848	<b>Treasury shares</b>	<b>(3,000)</b>
Deferred tax assets	33,585	<b>Valuation and translation adjustments</b>	<b>(291)</b>
Other	2,111	Valuation difference on available-for-sale securities	1,507
Allowance for doubtful accounts	(27)	Deferred gains or losses on hedges	(1,798)
		<b>Share acquisition rights</b>	<b>102</b>
<b>Total assets</b>	<b>869,589</b>	<b>Total net assets</b>	<b>622,709</b>
		<b>Total liabilities and net assets</b>	<b>869,589</b>

Non-consolidated Statement of Profit or Loss (From January 1, 2023 to December 31, 2023)  
(Millions of yen)

Account	Amount	
<b>Net sales</b>		<b>277,161</b>
Cost of sales		92,039
<b>Gross profit</b>		<b>185,122</b>
Selling, general and administrative expenses		131,695
<b>Operating profit</b>		<b>53,427</b>
Non-operating income		
Interest and dividend income	11,787	
Foreign exchange gain	8,527	
Other	565	20,880
Non-operating expenses		
Interest expenses	5,767	
Other	1,321	7,088
<b>Ordinary profit</b>		<b>67,218</b>
Extraordinary income		
Gain on sale of investment securities	2,670	2,670
Extraordinary losses		
Impairment losses	44	
Settlement for transfer pricing taxation	5,159	
Loss on contract	2,577	
Provision for loss on contracts	617	8,397
<b>Profit before income taxes</b>		<b>61,491</b>
Income taxes - current	6,195	
Income taxes - deferred	4,926	11,121
<b>Profit</b>		<b>50,370</b>