

March 22, 2022

Notice Regarding Launch of Kirin Sustainable Finance Framework

TOKYO, Tuesday March 22, 2022 - Kirin Holdings Company, Limited (Kirin Holdings) announces that, Kirin Holdings developed the "Kirin Sustainable Finance Framework" ("this Framework") based on the four core components, that are "1.Use of Proceeds", "2.Process for Project Evaluation and Selection", "3.Management of Proceeds", and "4. Reporting", outlined in ICMA (International Capital Market Association)'s Principles, etc.

Kirin Holdings has obtained a second party opinion from DNV BUSINESS ASSURANCE JAPAN K.K. ("DNV"), an independent external reviewer.

● Background and Rationale of this Framework

Kirin Holdings issued its inaugural green bond in November 2020. Given the existed Green Bond Framework, Kirin Holdings designated additional Use of Proceeds that contribute to the resolution of social issues and formulated "Kirin Sustainable Finance Framework".

Under its long-term management vision, "the Kirin Holdings Vision 2027 ("KV2027")", the Kirin Holdings is aiming at becoming a global leader in CSV^{*1} by creating value in domains ranging from food & beverages to pharmaceuticals. In addition, the Kirin Holdings has formulated and defined CSV Purpose^{*2} as one of the long-term non-financial goals of KV2027.

CSV Purpose is the guiding principle aimed at sustainable growth and creating value together with people across society. Regarding "Health and Well-being", one of the key issues within CSV Purpose, the Kirin Holdings is making efforts to "Raise the number of healthy people, lower the number of sick people, and contribute to the people who are involved in healthcare". Especially, the Kirin Holdings has determined immunity, brain and gut microbiome as its 3 key areas and is endeavoring to solve health issues in these areas through providing products and services that use strategic ingredients produced by utilizing fermentation and biotechnology, the Kirin Holdings' core competencies.

Kirin Holdings will execute Kirin Sustainable Finance based on this Framework, thereby promoting CSV and accelerating its efforts to address social issues.

*1: Creating Shared Value. Combined added value for consumers as well as for society at large.

*2: A guideline for co-creating value with society and achieving sustainable growth as a long-term non-financial goal of the Kirin Group Vision 2027, a long-term management plan.

https://www.kirinholdings.com/en/purpose/csv_purpose/

● **Summary of this Framework**

Use of Proceeds

【Green Projects】

Categories	Projects	Green Bond Principles Projects Categories	SDGs
Businesses related to energy efficiency	<ul style="list-style-type: none"> • Introduction of heat pump systems to production sites 	<ul style="list-style-type: none"> • Energy Efficiency (Environmental objectives: Climate change mitigation) 	7. Ensure access to affordable, reliable, sustainable and modern energy for all 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation 13. Take urgent action to combat climate change and its impacts
Businesses related to pollution prevention and control Eco-efficient products and/or circular economy adapted products, production technologies and processes	<ul style="list-style-type: none"> • Procurement and capital investment of recyclable PET resin 	<ul style="list-style-type: none"> • Pollution prevention and control (Environmental objectives: Pollution prevention and control) • Eco-efficient products and/or circular economy adapted products, production technologies and processes (Environmental objectives: Natural resource conservation) 	9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation 12. Ensure sustainable consumption and production patterns 14. Life Below Water
Businesses related to renewable energy	<ul style="list-style-type: none"> • Introduction of solar power generation equipment to production sites • Procurement of renewables 	<ul style="list-style-type: none"> • Renewable Energy (Environmental objectives: Climate change mitigation) 	7. Ensure access to affordable, reliable, sustainable and modern energy for all 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation 13. Take urgent action to combat climate change and its impacts

【Social Projects】

Categories	Projects	Social Bond Principles Projects Categories	SDGs
Businesses that contribute to the achievement of a society of health and longevity, mainly through infant and toddler health improvement and disease prevention	<ul style="list-style-type: none"> Capital investment, operation, and procurement of raw materials contributing to the production of Human Milk Oligosaccharide (HMO) 	<ul style="list-style-type: none"> Access to essential services (health, health care) (target population: general public) 	2. Zero hunger 3. Good health and well-being 9. Industry, Innovation and infrastructure
Businesses that contribute to the achievement of a society of health and longevity, through brain function improvement and brain function decline prevention	<ul style="list-style-type: none"> Capital investment, operation, and procurement of raw materials contributing to the production of Citicoline 	<ul style="list-style-type: none"> Access to essential services (health, health care) (target population: general public, aging people, patients) 	2. Zero hunger 3. Good health and well-being 9. Industry, Innovation and infrastructure
Businesses that contribute to the achievement of a society of health and longevity, through the maintenance of immune function	<ul style="list-style-type: none"> Capital investment, operation, and procurement of raw materials contributing to the research and development of Lc-PLASMA and the production of raw material powder utilizing Lc-PLASMA 	<ul style="list-style-type: none"> Access to essential services (health, health care) (target population: general public, aging people, vulnerable youth) 	3. Good health and well-being 9. Industry, Innovation and infrastructure

Process for Project Evaluation and Selection

Kirin Holdings's Accounting Department and CSV Strategy Department will select the eligible projects as defined in "Use of Proceeds", and the final decision on the selected eligible projects will be made by the Executive Officer in charge of Financial Strategy.

The eligibility of projects is based on an overall evaluation of their contribution to the achievement of the CSV Purpose.

Management of Proceeds

Kirin Holdings'Accounting Department will manage the allocation of the net proceeds from Kirin Sustainable Finance once every half year using the internal management system until the net proceeds have been fully redeemed.

Such allocation will be made to the eligible projects within one year of fundraising. The proceeds from Kirin Sustainable Finance will be managed in cash or cash equivalents until the proceeds have been fully allocated.

Reporting by the fundraiser

Kirin Holdings will annually provide allocation reporting until the proceeds have been fully allocated to eligible

projects, as well as impact reporting until full redemption, both on its website.

External Review

Second Party Opinion^{*3}

Kirin Holdings has obtained a second party opinion from DNV, an independent external reviewer, that this Framework is aligned with the Green Bond Principles 2021(ICMA), Social Bond Principles 2021(ICMA), Sustainability Bond Guidelines 2021(ICMA), Green Bond Guidelines 2020 (Ministry of the Environment Japan), Social Bond Guidelines (October 2021 Financial Services Agency of Japan), Green Loan Principles (LMA) (APLMA) (LSTA) and Green Loan and Sustainability Linked Loan Guidelines 2020 (Ministry of the Environment Japan).

^{*3}: Please refer to DNV's website for further information about the second party opinion

https://webmagazine.dnv.co.jp/assets/images/sus_list/data/sus_finance_list/_pdfreport_e/55.Kirin%20Holdings%20Company,%20Limited.pdf

Annual Review

Within one year from the date of the execution of Kirin Sustainable Finance, Kirin Holdings will obtain a review from DNV, an independent external reviewer, to evaluate whether its reporting is aligned with this Framework.

This review will be conducted annually until the proceeds from Kirin Sustainable Finance have been fully allocated.

Please refer to the following attached file for further information about this Framework.

<https://www.kirinholdings.com/en/investors/stock/bond/2022/sustainability2022.pdf>

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About Kirin Holdings

Kirin Holdings Company, Limited is an international company that operates in the Food & Beverages domain (Food & Beverages businesses), Pharmaceuticals domain (Pharmaceuticals businesses), and Health Science domain (Health Science business), both in Japan and across the globe.

Kirin Holdings can trace its roots to **Japan Brewery** which was established in 1885. Japan Brewery became **Kirin Brewery** in 1907. Since then, the company expanded its business with fermentation and biotechnology as its core technologies, and entered the pharmaceutical business in the 1980s, all of which continue to be global growth centers. In 2007, Kirin Holdings was established as a pure holding company and is currently focusing on boosting its Health Science domain.

Under the [*Kirin Vision 2027*](#) (KV 2027), a long-term management plan launched in 2019, the Kirin aims to become “A global leader in CSV*, creating value across our world of Food & Beverages to Pharmaceuticals.” Going forward, the Kirin will continue to leverage its strengths to create both social and economic value through its businesses, with the aim of achieving sustainable growth in corporate value.

* Creating Shared Value: combined added value for consumers as well as for society at large.

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