

KIRIN



Kirin Group
Investor's Guide

April 2024

Main updates this time

- Update on Business Performance and Other Results.
- Change in order of publication due to changes in disclosure segment.

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略



Basic Information

Company Name

**Kirin Holdings Company,
Limited**

Date of Establishment

February 23, 1907

Capital Stock

102.0 billion yen

Representative

Representative Director of the Board & CEO



Yoshinori Isozaki

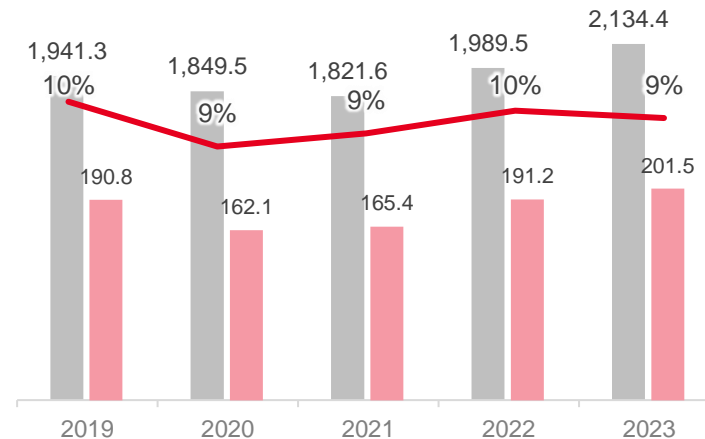
Representative Director of the Board, President &
COO

Takeshi Minakata

Sales Revenue and Normalized Operating Profit (2023)

Sales revenue: 2,134.4 billion yen
Normalized OP: 201.5 billion yen

Revenue (billions of yen): 
Normalized OP (billions of yen): 
NOP margin: 



accounting period

December

Number of Group Companies

Consolidated subsidiaries: 171
Equity method affiliates: 30

Head Office Location

4-10-2 Nakano, Nakano-ku, Tokyo

Number of employees (consolidated)

30,183 persons

Group Management Philosophy

Kirin's enduring, long-term significance in society

The Kirin Group is at work on manufacturing that looks at nature and people, We contribute to the realization of a spiritually rich society by spreading new joys of "food and health".

Our manufacturing technology is designed to meet the needs of our customers, to draw out the full potential of nature, and to create a reliable form. We have been pursuing high quality that meets the expectations of our customers through these technologies. With "dreams" and "aspirations," we will continue to propose new styles of "food and health" that lead to new joys, and contribute to the health, enjoyment, and comfort of people around the world.

Corporate slogan

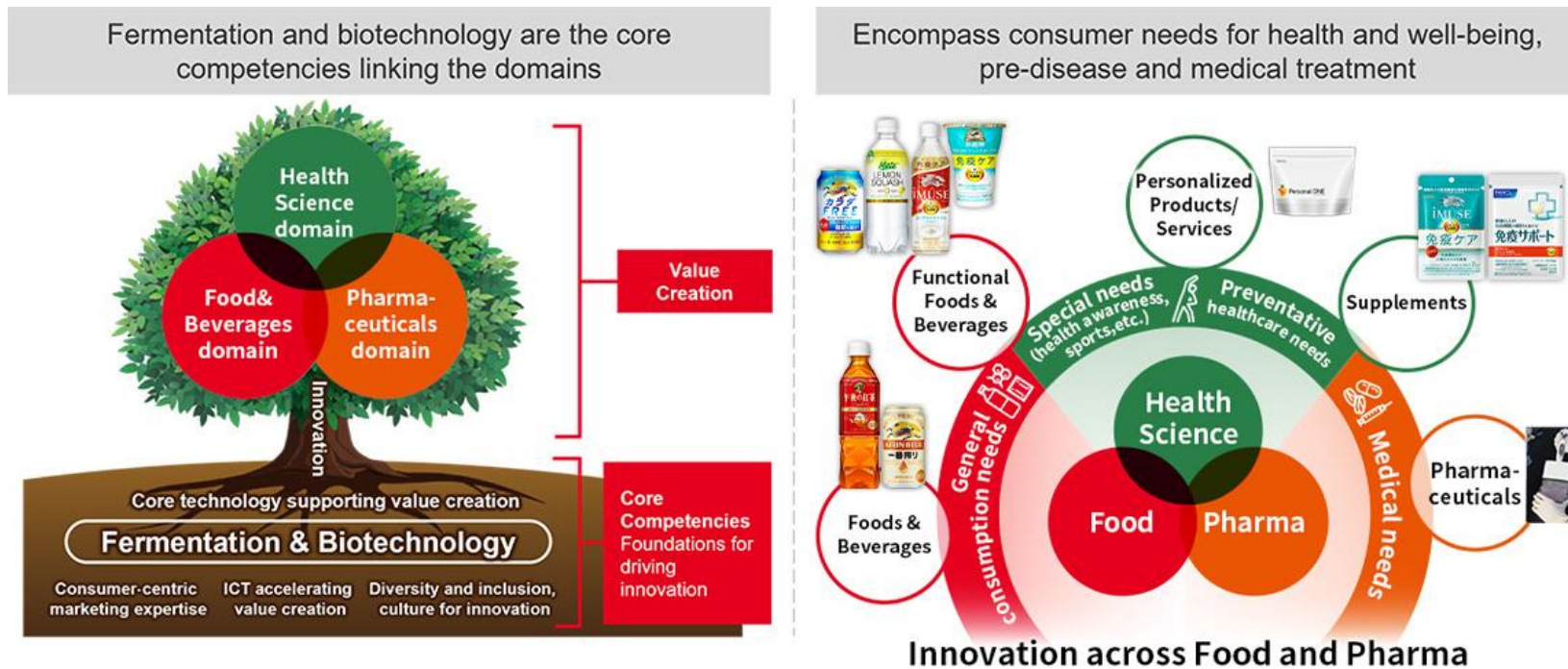
A simple expression of Kirin's raison d'etre
in the eyes of customers and society

Joy Connects Us to the World

It is a watchword that expresses the significance of our existence for our customers and society, while at the same time encouraging each and every one of our employees to continue to take on new challenges.



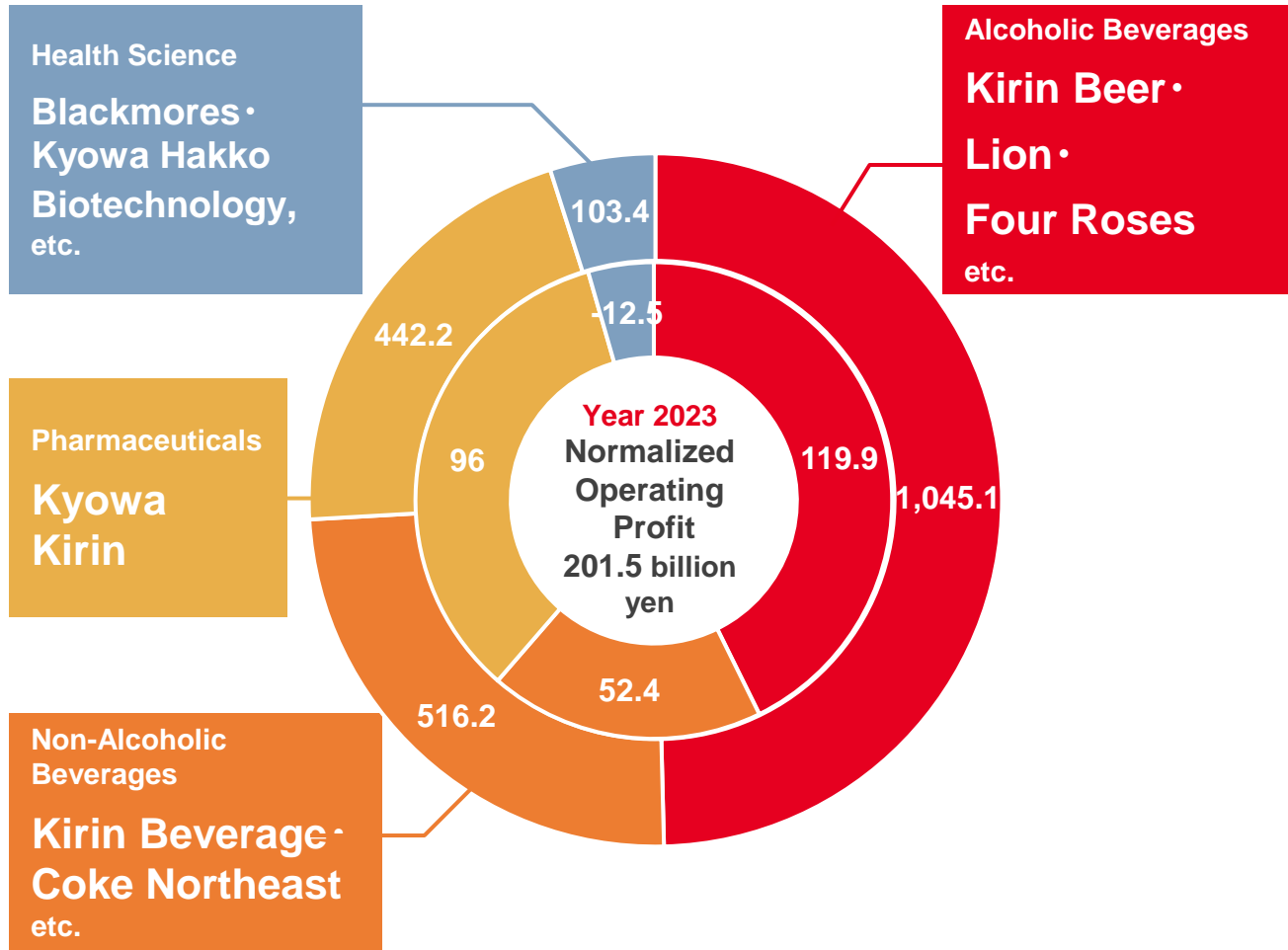
- The Kirin Group aims to create value in three business domains (Food, Health Science, and Pharmaceuticals) with fermentation biotechnology as our core competence.
- Although we are diversifying our business, we are not trying to diversify into enclaves, but all of our business areas are based on fermentation and biotechnology.
- In addition to the Food business to meet the needs of general consumers and the Pharmaceutical business to meet medical needs, we are working on three new pillars in the Health Science business to meet health needs in the pre-disease stage before illness occurs.



Kirin Holdings Business Overview

Consolidated sales revenue 2,134.4 billion yen

Products & Services Lineup



Alcoholic Beverages
Kirin Beer ·
Lion ·
Four Roses
etc.



Composition by Region (FY 2024 Plan)

➤ Aim to enhance corporate value by continuously reviewing the business portfolio, taking into account the characteristics of each area and geopolitical risks

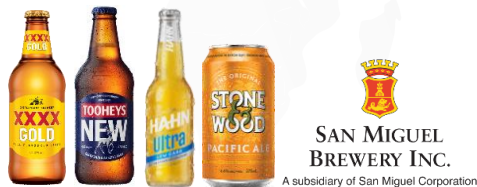
Composition by Region Calculated based on FY2024 plan

*All revenue excludes liquor tax

Asia-Pacific

Increase presence within the Group by restructuring the alcoholic beverages business and building a foundation for the health science business

Revenue approx. **15%**
 Normalized Operating profit approx. **15%**
 Normalized EPS approx. **30%**



Japan

Expand the scale of the health science business in addition to the stable profit contribution from core businesses such as alcoholic beverages

Revenue approx. **50%**
 Normalized Operating profit approx. **40%**
 Normalized EPS approx. **35%**



North America, etc.

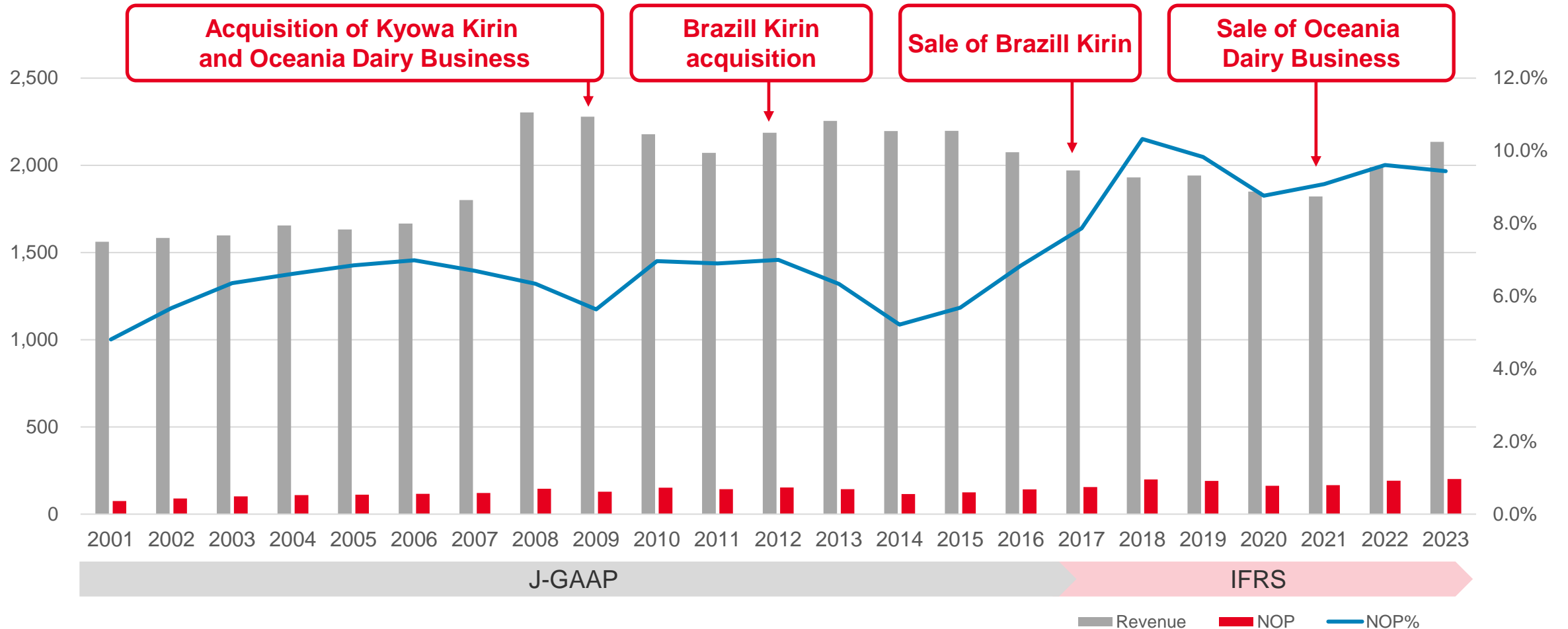
Achieve growth through business growth due to a stable economic environment and by exploring new business opportunities for the future

Revenue approx. **35%**
 Normalized Operating profit approx. **45%**
 Normalized EPS approx. **35%**



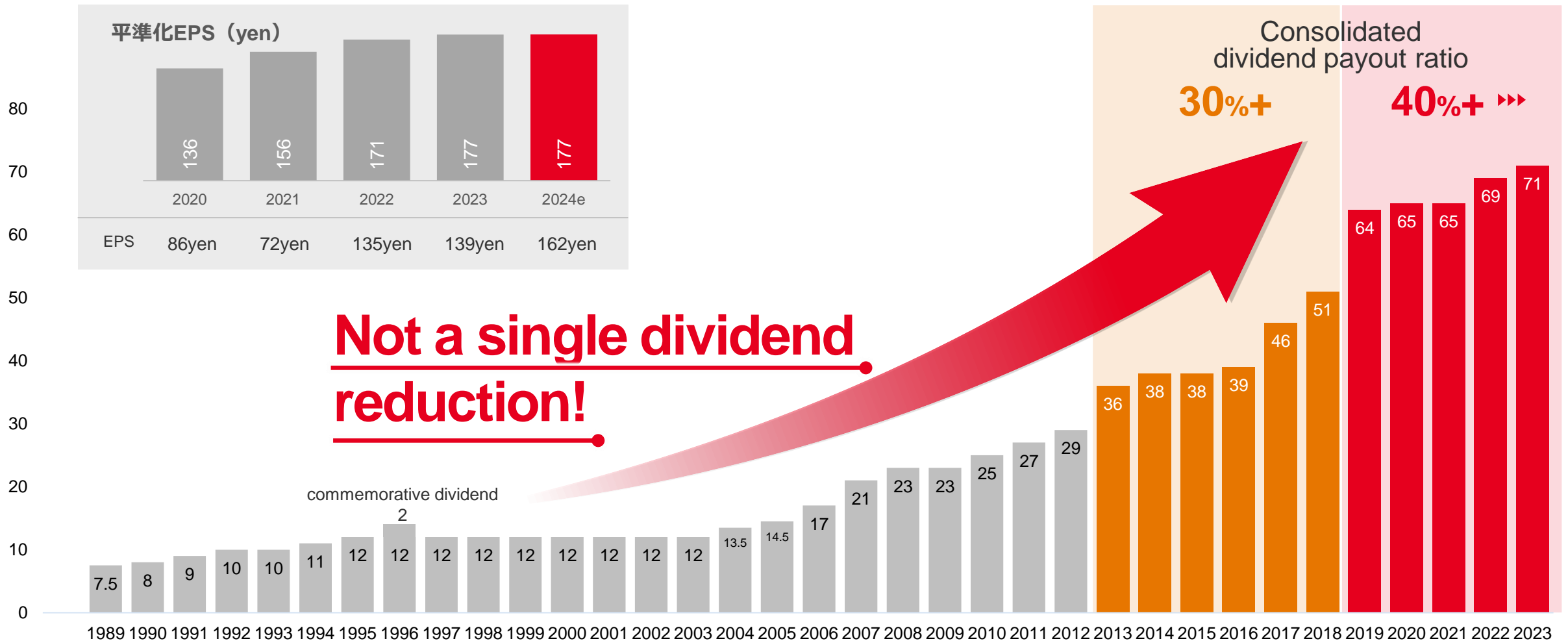
Sales Revenue and Normalized Operating Profit Trends

➤ Steady increase in profit margin from the past. Aiming to recover and grow profits that declined due to COVID-19.



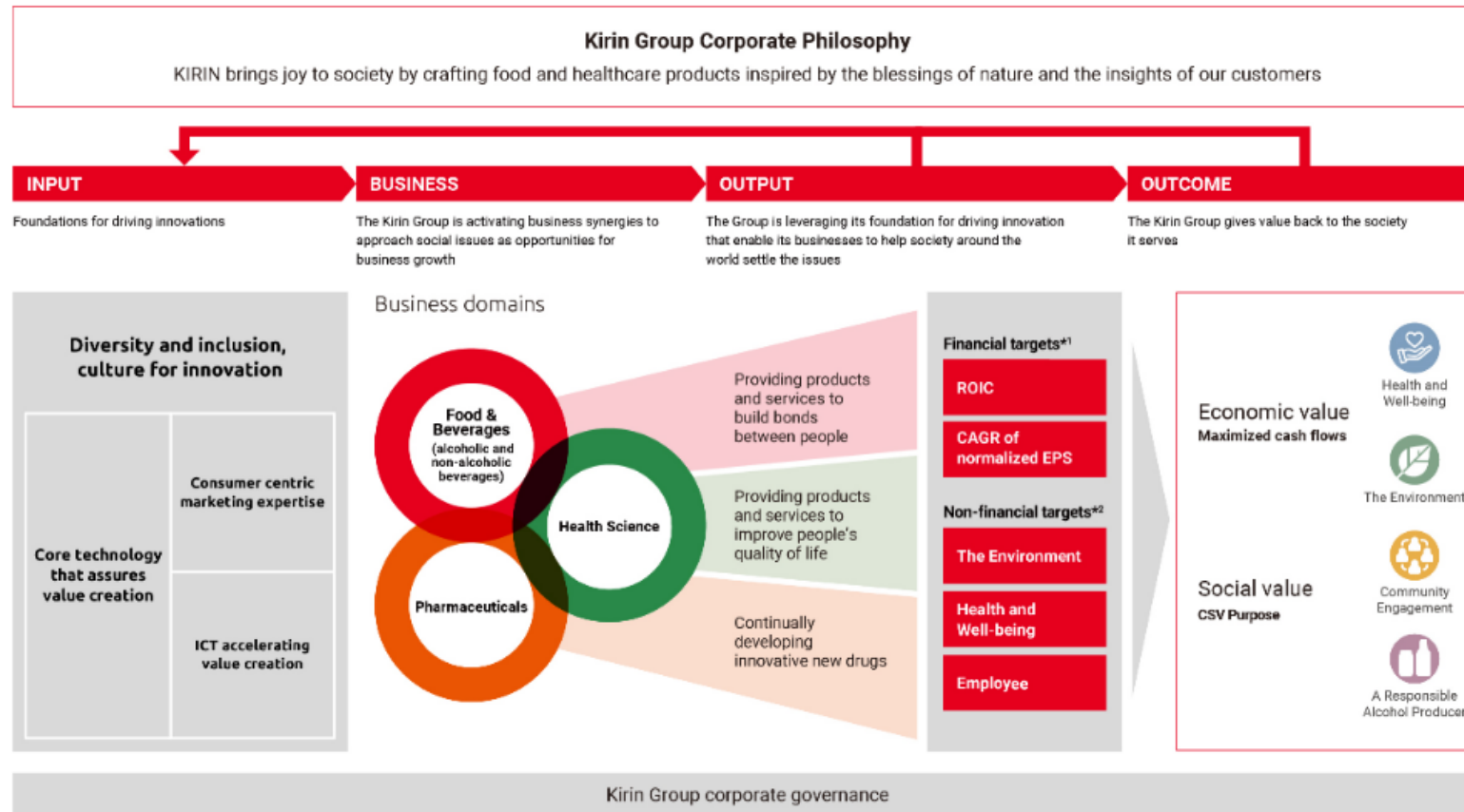
Shareholder Return (Dividends)

➤ Dividends are the highest priority allocation for cash allocation



Value Creation Model

- Kirin Group strives to solve social issues through its business activities, creating economic value while generating social value simultaneously.
- The value creation model is a sustainable mechanism that amplifies the two values through a cycle of reinvesting the acquired economic value to the organization's capabilities.



CSV Management

- CSV purpose is pursuing four objectives: "Responsibility as an alcoholic beverage manufacturer," "Health," "Community," and "Environment".
- The brewing philosophy of "Reverence for Life" is the foundation of the Kirin Group's unique CSV management.

CSV Purpose



Reverence for Life

Reverence for Life



Fermentation and Biotechnology



Craftmanship



Environmental Management



Health

Community

Environment

CSV Purpose

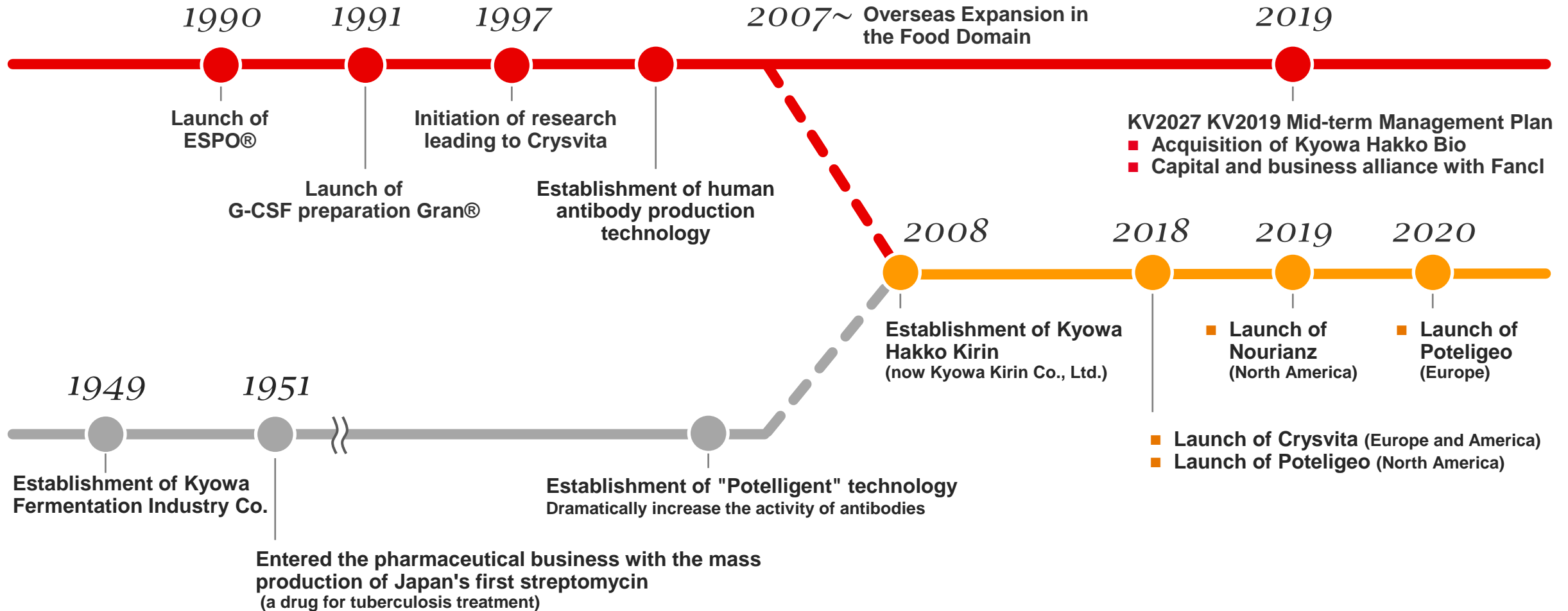
KIRIN Group History

- Entered the pharmaceutical business in the 1980s, with its origins in the beer business
- The Kirin Group has achieved growth by leveraging core technologies to meet unmet needs.



Origin and Technology of the Pharmaceutical Business

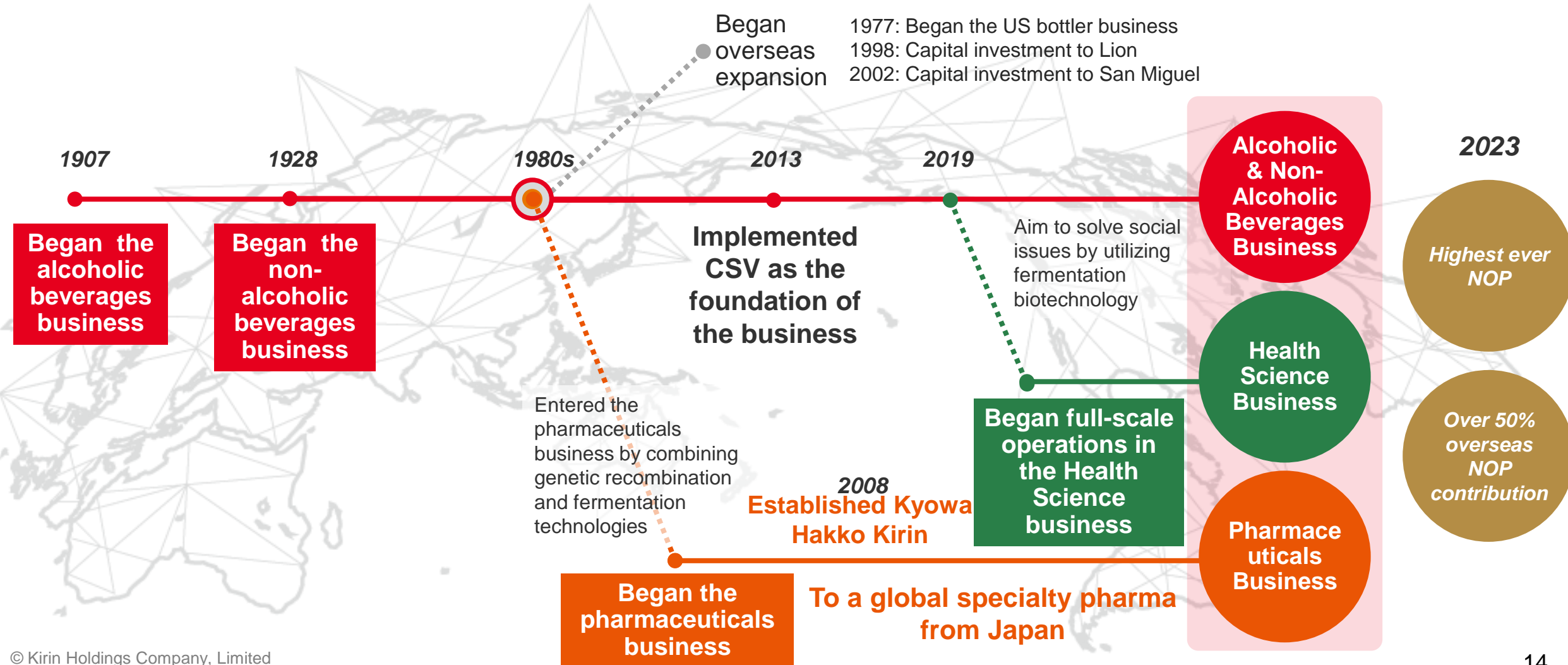
➤ We have enhanced our research and development capabilities, such as exploration of microorganisms and production technology through cell culture.



Achieved the highest ever Group Normalized Operating profit in 2023 through business portfolio management



➤ In light of the changing environment, we promoted ambidextrous management and globalization to build an optimum business portfolio.



CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

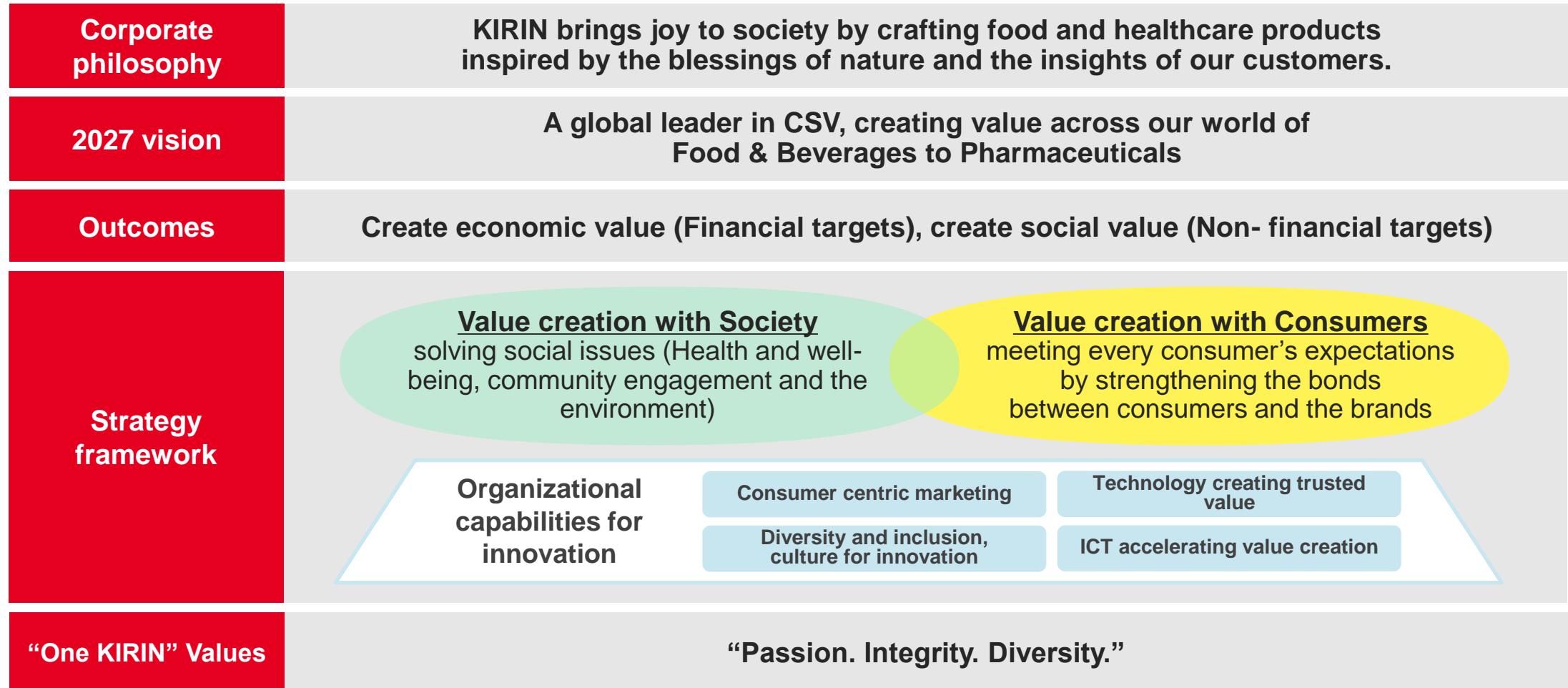
- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略



A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals



Kirin Group Vision 2027 (KV2027)

A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals

New growth track

Focusing management resources on three domains



Increase profit in
Food & Beverages
domain



Scale up business
in Health Science
domain



Strengthen global
base in Pharma-
ceuticals domain

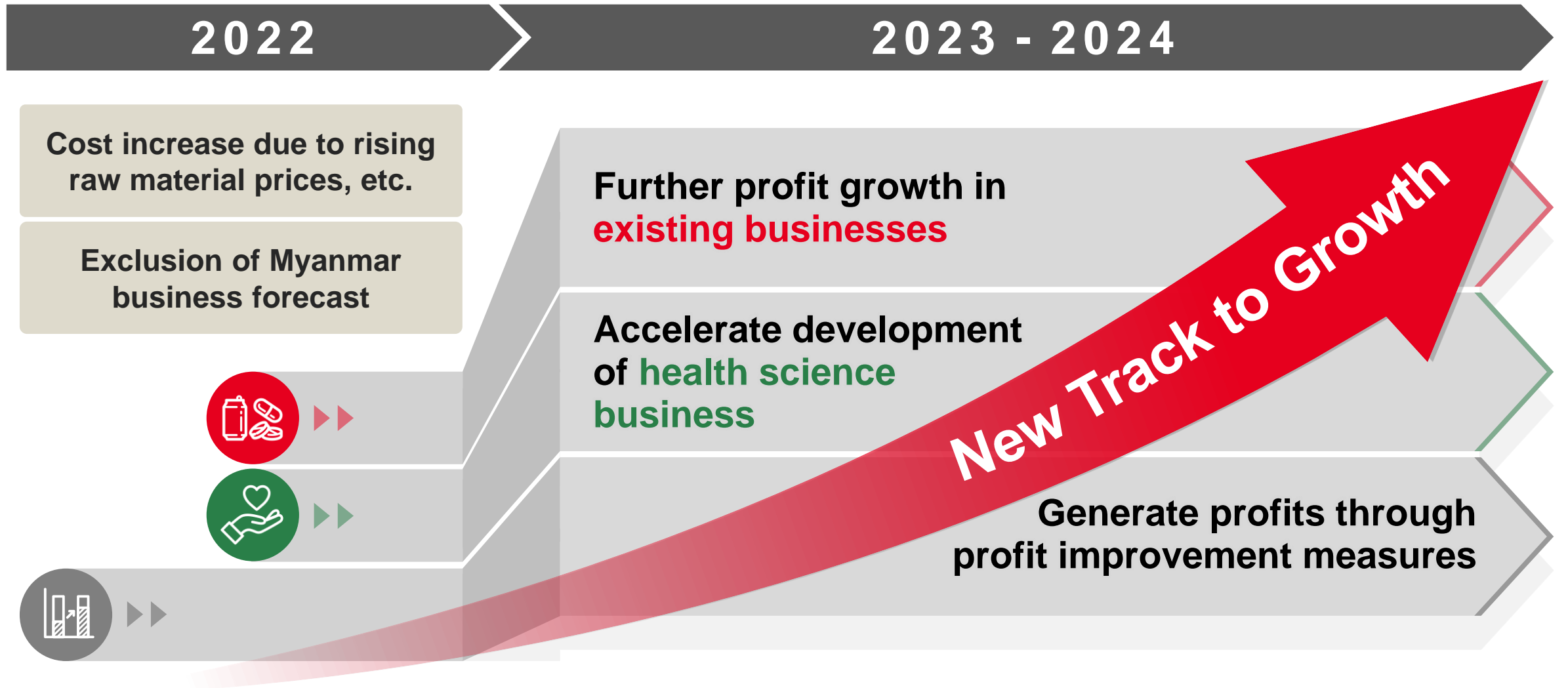
Built the
foundation of
transformation

2019-2021 MTBP

2022-2024 MTBP

Achieving
KV2027

2025-2027 MTBP



MTBP 2022-24 Non-financial Targets

Before

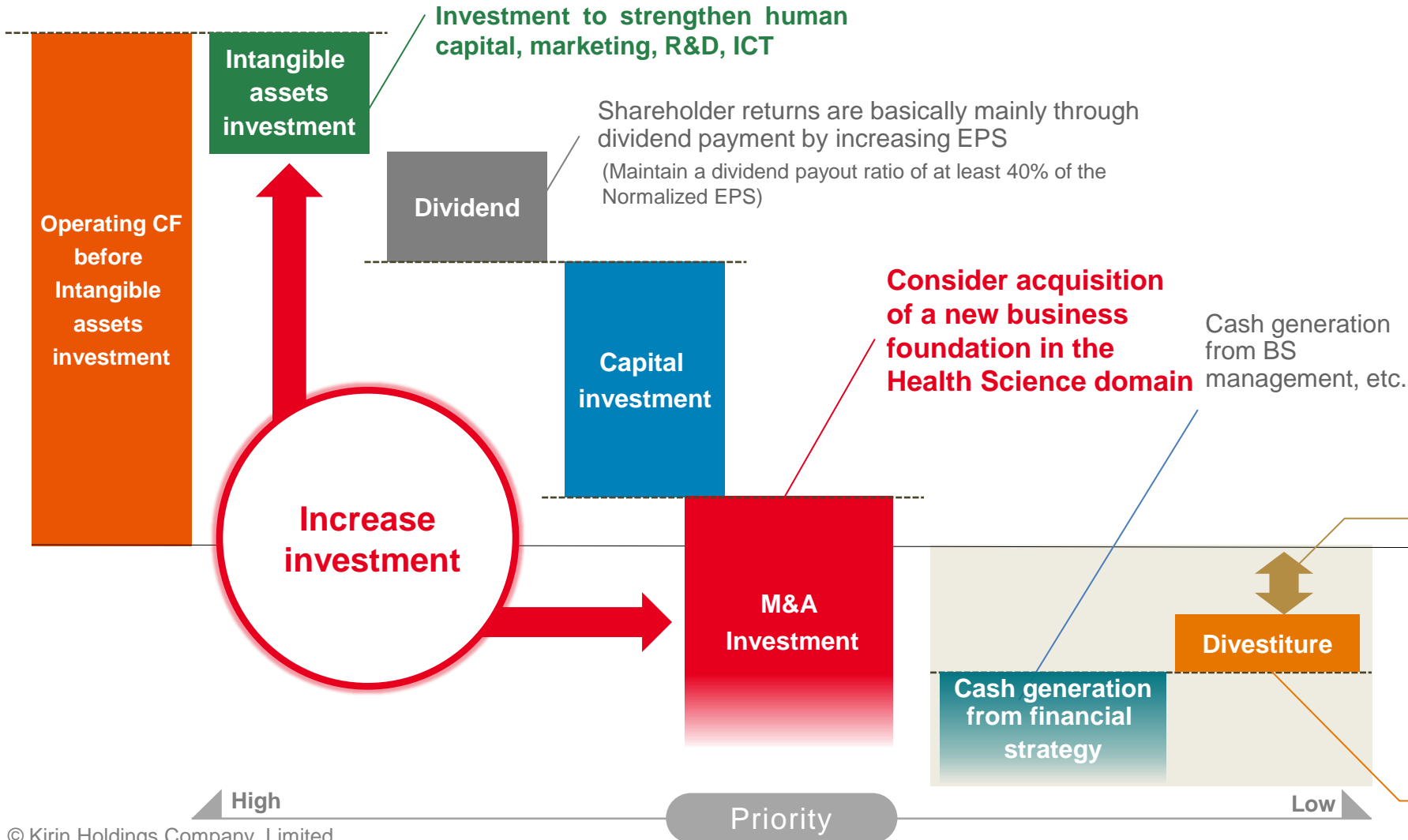
After

Before			After					
Items	Themes	Non-financial Targets	Items	Themes	Non-financial Targets ^{New}	Links to Economic Value		
CSV Commitment	ARP	CSV Commitment Approx. 20 Commitments Approx. 40 Performance Indicators	Environment	Climate Change	GHG Reduction rate of GHG emissions (Scope1+2 vs. 2019)	Reduction of cost increases when introducing carbon tax with energy saving effect		
	Health			Containers and Packaging	PET bottles Recycling rate of resin for PET bottles	Profit generation through value creation and stable procurement of PET raw materials		
	Community			Water resources	Water Water use intensity at manufacturing sites with high water stress	Reduction of production cost and production risk due to drought		
	Environment			Health	Progress of mid-term health science strategy	Support Maintenance of Immune Function Create new value in three priority areas and synergies with pharma-domain	Increase in revenue and operating profit Profit generation by satisfying unmet needs and creating new health value	
Brand	Organizational Capabilities	Corporate Brand Value Scores from nterbrand Japan			Employees	Organizational Culture	Employee Engagement Employee engagement score	Profit generation through value creation and productivity improvement
	Employees					Organizational Culture	Increasing Diversity Ratio of female managers in Japan Ratio of career hires in Japan	Profit generation through value creation and productivity improvement
				Occupational health and safety		Occupational Injury Lost time injury frequency rate	Raise motivation and productivity by improving working environment	

Indicators linked to economic value more directly

Allocate cash to intangible assets and future business platform acquisitions

➤ While cash allocation priorities remain unchanged, we will allocate more resources to intangible assets and M&A investments for medium- to long-term growth



2022 – 2024 Cash generation forecast

Cash generation through financial strategy

- Sales of cross-shareholdings: approx. 15.0 billion yen reduction
- G-CMS*: Cash generation of approx. 70.0 billion yen
- Improvement of CCC**, etc.: approx. 20.0 billion yen improvement

Divestiture

- 2022: China Resources Kirin Beverages
- 2023: Thorne, etc.

*Global Cash Management System **Cash Conversion Cycle

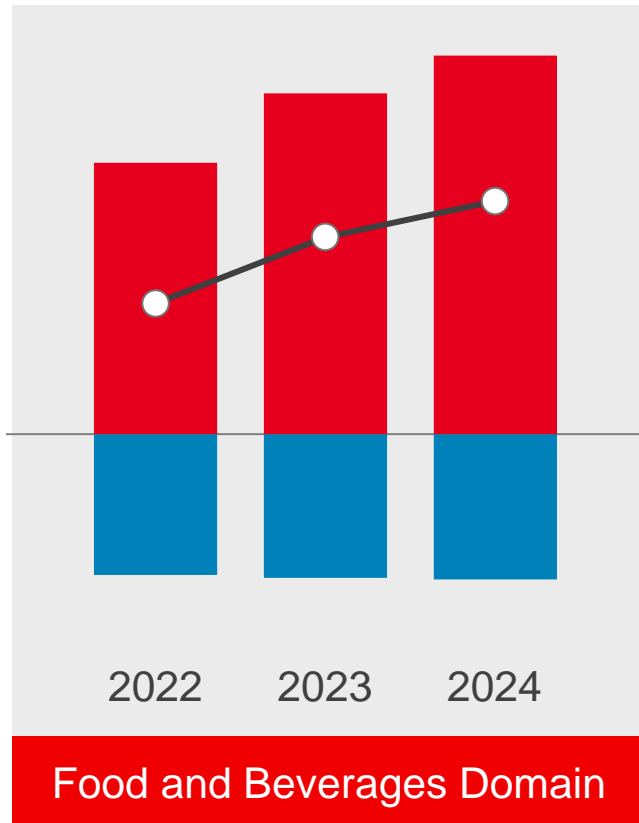
Funding for M&A will be provided through financial strategy and divestitures, but If funds are still insufficient, a temporary deterioration in the D/E ratio is acceptable

Share Buybacks
Make decisions with flexibility, taking into account investment opportunities and the balance of cash inflows and outflows generated by the sale of businesses, etc.

Although there currently are no complete non-cores, replacements will be considered from time to time for an optimal business portfolio

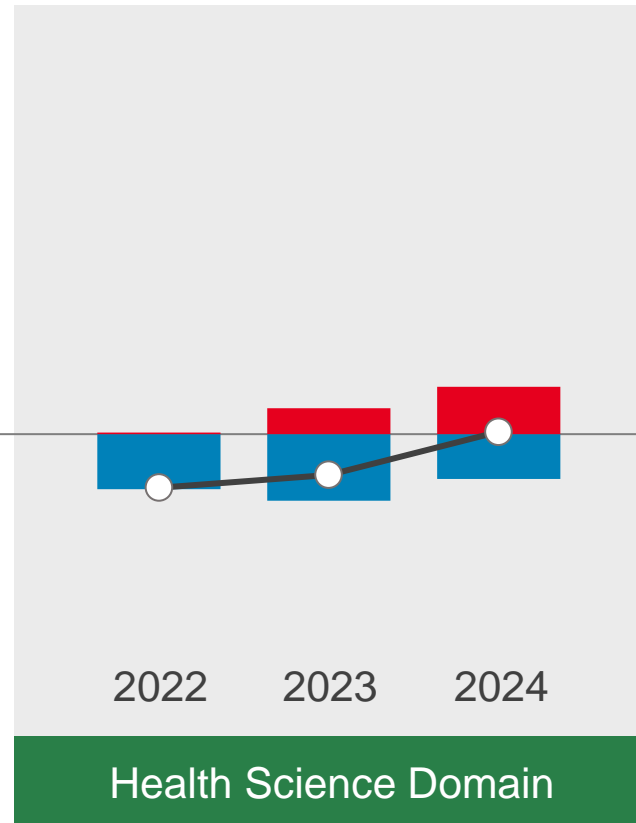
***The size of the bar graph does not represent the actual amount

Three-year cash flow plan by domain (excluding M&A investment)
 Secure entire Group's cash balance through investment strategies that match each stage of the business*



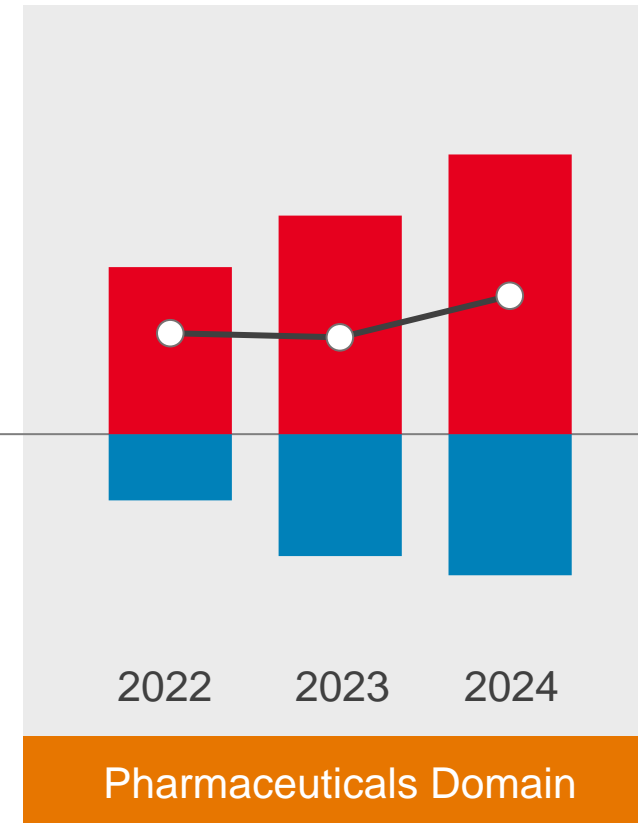
Food and Beverages Domain

Steady cash flow generation



Health Science Domain

Invest group management resources to grow operating CF



Pharmaceuticals Domain

Make investments with operating CF generated by the Pharmaceuticals Domain

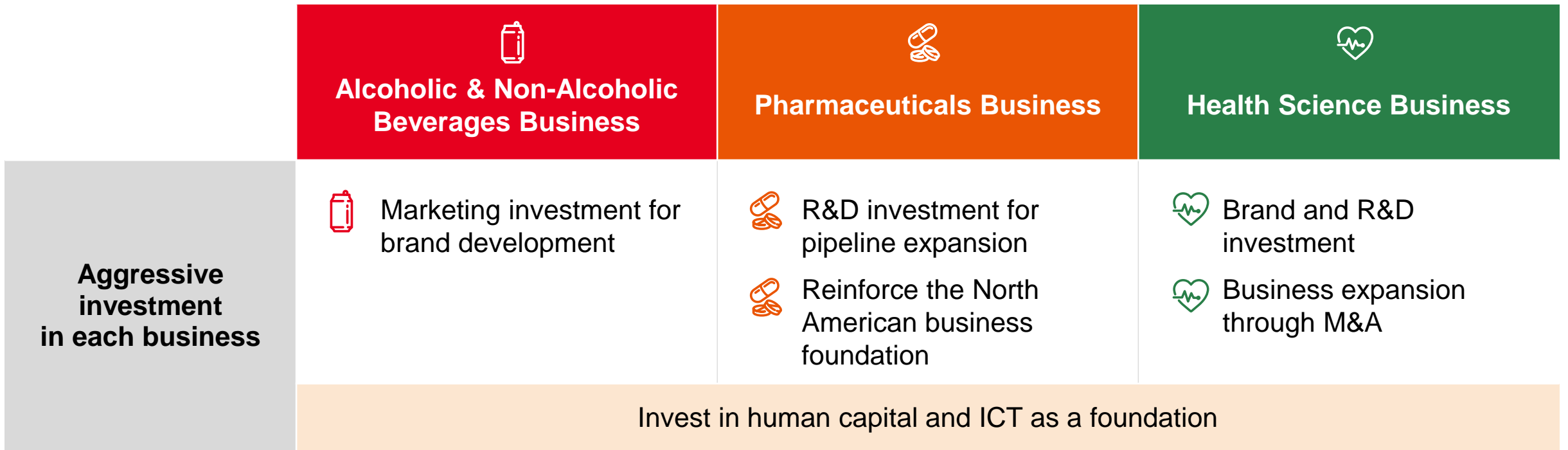
■ Operating CF
■ Investing CF
○— Free CF

*Investment CF include projects in the planning stage at the time the MTBP was formulated. Plans and timing of implementation may vary.

Maximize cash generation potential through aggressive investment in each segment



- In addition to the human capital and ICT investments that form the foundation of our business, we will actively invest in areas that need to be strengthened in each business



- Maximize the ability to generate medium- to long-term operating CF from each business
- Flexibly determine the allocation of secured cash in accordance with timing

Aim to generate cash in each business over the medium to long term, although some businesses are currently in the investment phase

Outline of Finance Strategy



Cash generation through BS / PF* management

- Asset reduction of 100 bn yen or more (global CMS** implementation, CCC*** improvement through SCM efficiency improvement, etc.)
- Divest non-core businesses



Disciplined investment to acquire growth drivers

- Accelerate investment for growth with a focus on health science
- Put a premium on investment efficiency to achieve ROIC target



Flexible shareholder return policy

- Prioritize investment for growth, but flexibly implement share buybacks

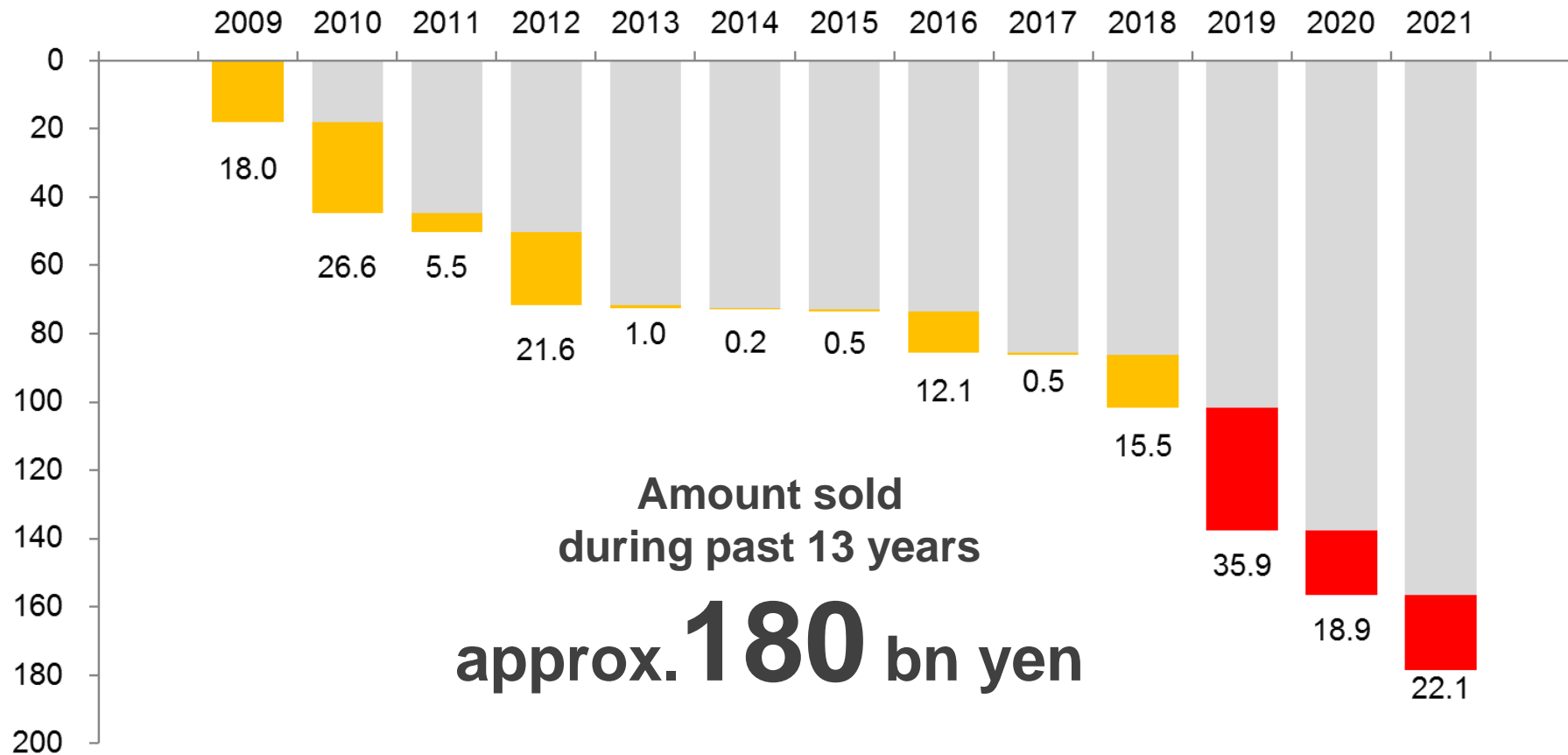


ROIC (Capital Efficiency)	Normalized EPS (Stockholder Value)	OP amount/rate (Profit Growth)
✓		
✓	✓	✓
	✓	

* BS: Balance Sheet, PF: Portfolio
 ** CMS: Cash Management System
 *** CCC: Cash Conversion Cycle

Sale of cross-shareholdings

Sold About 77 bn yen of cross-shareholdings during 2019-2021 MTBP



Amount sold during past 13 years
approx. 180 bn yen

Amount sold during 2009 - 2018
101.5 bn yen

Amount sold during 2019 -2021
76.8 bn yen

Sold in 2022 and 2023
Approx. **15.0 bn yen**

CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

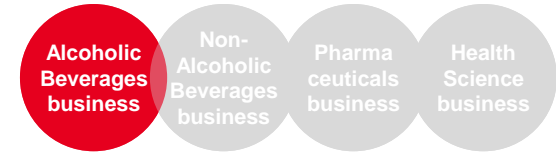
7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

Kirin Brewery Company, Limited



Basic Information

Company Name

Kirin Brewery Company, Limited

Business

Produce and sell domestic beer and spirits

Operating Country

Approximately 40 countries including Japan

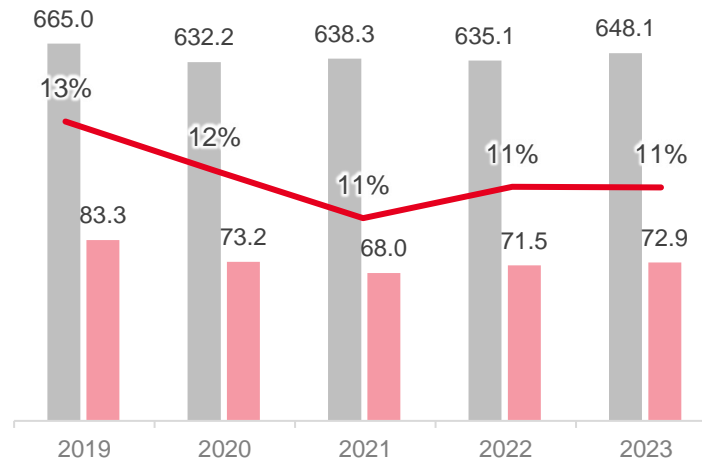
Production Site

9 Breweries nationwide
(Chitose / Sendai / Toride / Yokohama / Nagoya
Shiga/Kobe / Okayama / Fukuoka)
Fuji Gotemba Distillery

Revenue and Normalized Operating Profit (2023)

Revenue: 648.1 billion yen
Normalized operating profit:
72.9 billion yen

Revenue (billions of yen):
Normalized OP (billions of yen):
NOP margin (excl. liquor tax):



History

1885 Established Japan Brewery Co., Ltd.
(the forerunner of Kirin Brewery Co, Ltd.)
1907 Established Kirin Brewery Co, Ltd.
1990 Launched *KIRIN ICHIBAN*
2018 Launched *Honkirin*
2021 Launched *SPRING VALLEY Hojun 496*

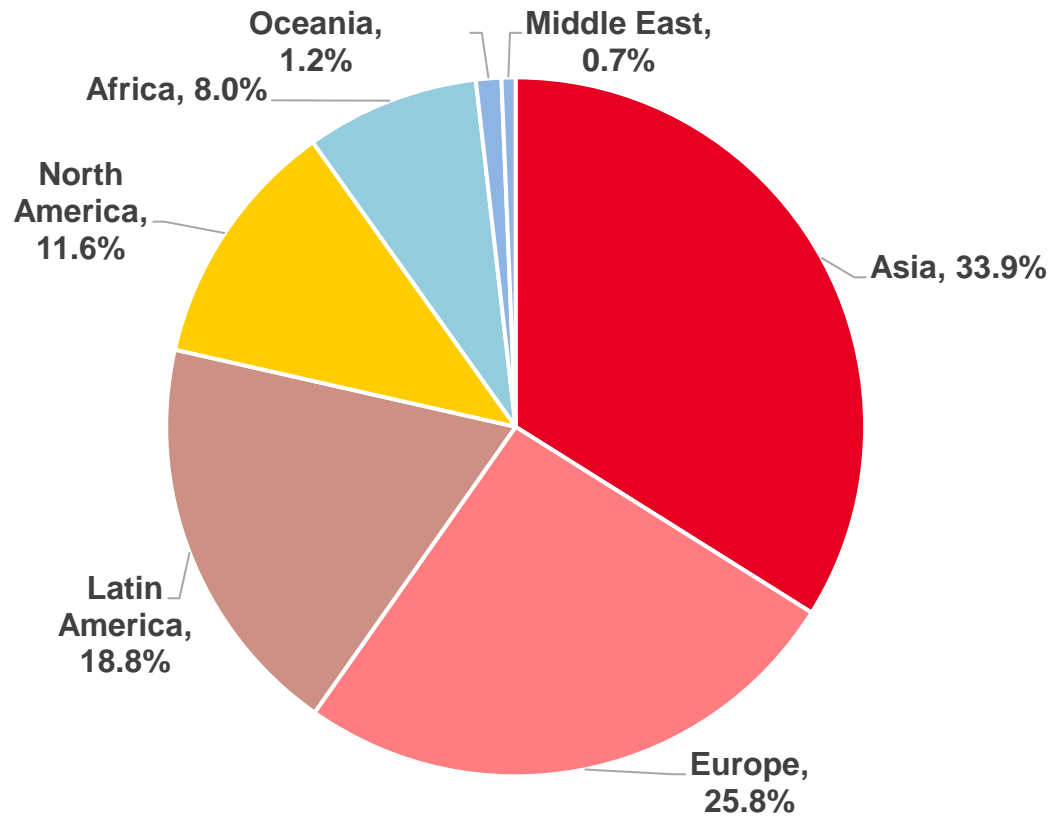
Main Products



Beer Consumption by Country

➤ Japan, Kirin Brewery's main market, ranks 8th in the world in beer consumption.

Japan's beer market ranks 10th in the world. (2022)

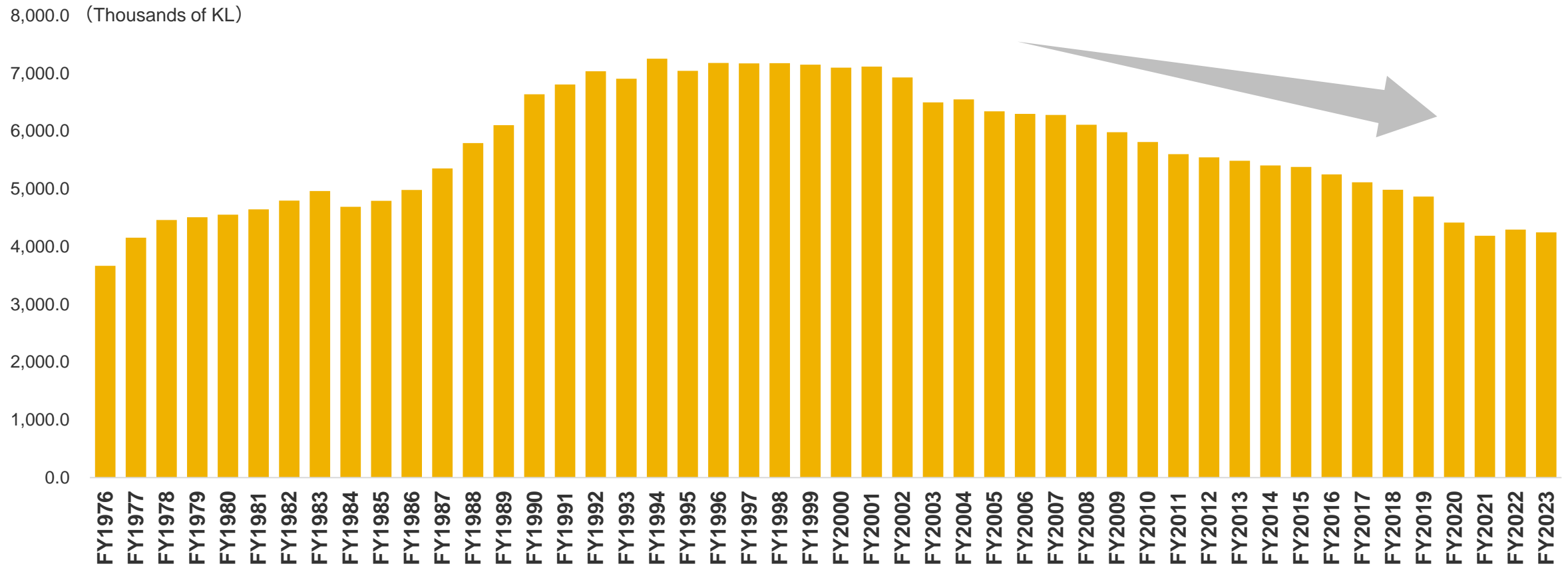


Rank	Country Name	Area	Consumption (KL)	Composition ratio
1	China	Asia	42,035,451	21.9%
2	United States of America	North America	20,377,926	10.6%
3	Brazil	Latin America	14,931,939	7.8%
4	Mexico	Latin America	9,990,318	5.2%
5	Russia	Europe	8,497,000	4.4%
6	Germany	Europe	7,827,427	4.1%
7	Vietnam	Asia	5,280,180	2.7%
8	United Kingdom	Europe	4,586,974	2.4%
9	Spain	Europe	4,440,841	2.3%
10	Japan	Asia	4,294,000	2.2%
11	South Africa	Africa	4,193,643	2.2%
12	Poland	Europe	3,755,526	2.0%
13	India	Asia	2,724,606	1.4%
14	Colombia	Latin America	2,466,362	1.3%
15	South Korea	Asia	2,270,711	1.2%
16	Italy	Europe	2,235,735	1.2%
17	France	Europe	2,205,183	1.1%
18	Czech Republic	Europe	2,016,450	1.0%
19	Argentina	Latin America	1,966,329	1.0%
20	Canada	North America	1,902,455	1.0%

Beer Shipment Volume in Japan

➤ Market peaked in 1994 and has been shrinking since then; sales volume has declined due to the shrinkage of commercial use caused by COVID in 2020.

Beer total shipment volume 1976~2023



Changes in External Environment and Future Market Outlook

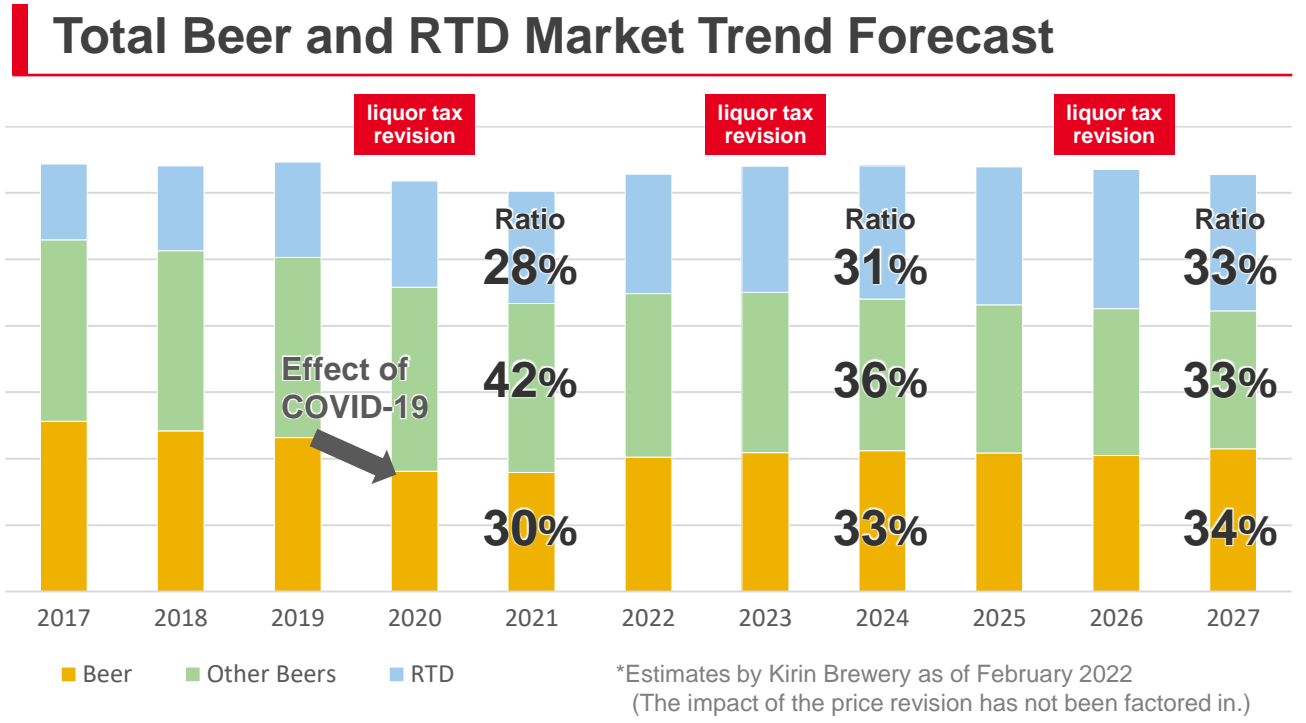
- The external environment has changed dramatically over the past few years to an unprecedented degree, but we see both risks and opportunities, and **expect the total market for beer and RTD to remain roughly the same size.**

Opportunities

- Change in customer lifestyle
- Shift between categories due to liquor tax revision
- Diversification of tastes and polarization of consumption

Risks

- Unprecedented impact in the on-premise channels
- Population decline, aging population, decrease in interest in alcohol
- Acceleration of retail reformation
- Energy, raw material, logistics cost hike



- COVID-19 has impacted the ratio of beer from the previous forecast, but there has been no significant change in the medium to long term megatrend

Change in Liquor Tax on Beer in Japan

- Liquor tax on beer, happoshu, and new genre will consolidate in 2026.
- Liquor tax on RTD will also increase, but a difference in liquor tax between RTDs and beer products will remain.

Beer	<ul style="list-style-type: none"> (1) Fermented with malt, hops, and water (100% malt) (2) Fermented with malt, hops, water and specific secondary ingredients such as wheat, rice, fruits, coriander, flavoring, etc. with malt content of 50% or more.
Happoshu	<ul style="list-style-type: none"> (1) Malt content is less than 50% of the product (2) Made from ingredients not permitted for the production of beer, made from barley as part of the ingredient without using C malt
New Genre	<ul style="list-style-type: none"> (1) Malt content is less than 50% of the product (2) Made from ingredients not permitted for the production of beer; made from barley as part of the ingredient without using C malt <p>New Genre will be classified as a Happoshu from October 1, 2023</p>



Source: Ministry of Finance, "Data on Liquor Taxes"

Kirin Brewery's Policy

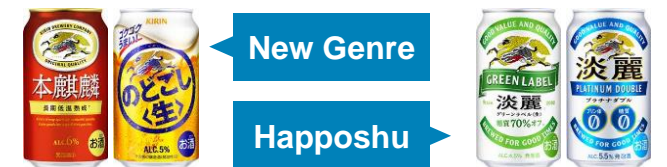
Premium and Standard Beer (Beer, Craft beer)

Increase appeal and expand the sales of beer to secure revenue and acquire new customers



Economy Category (Happoshu, New Genre)

Strengthen revenue foundation by identifying categories and brands with opportunities



- Improve mix and increase productivity in a beer market that is expected to have a negative CAGR of several percent
- Lead Normalized Operating profit growth by pursuing the craft beer business*, which has high marginal profit ratio

Changes in the External Environment

Declining and aging population and shift away from alcohol

Increase in energy, raw materials, and logistics costs

Inflation and wage increase

Category shifts due to liquor tax revisions

Priority Activities Based on the Strategy

Build a strong brand within the existing business



High profitability through the craft beer business, etc.



Profitability improvement through cost reduction and increased productivity

Improving Profitability

- Craft beer cans have **approx. 1.5 times** the marginal profit vs other beer.
- Home Tap, with an even higher marginal profit than craft beer cans, will gain **positive return on investment by maintaining 100K subscribers**.
- The craft beer business **will earn more than 10% of the overall marginal profit** if it increases its share to 8% of KIRIN Brewery's revenue.
- **Drive Normalized operating profit growth** by proactively engaging in high marginal profit businesses such as Japanese whiskey, in addition to craft beer business.



Production and logistics facility layout as of 2023

- The total beer and RTD market is expected to remain flat, and the current number of production and logistics facilities is optimal. Flexible adjustments are needed to accommodate category shifts and logistics challenges.

Ensure sufficient production and logistics systems to withstand change



Production system

- Current canning line utilization rate is adequate
- Need to respond to future growth of RTD and PET products (Home Tap, etc.)



Logistics System

- Logistics challenges such as delivery driver shortages and rising logistics costs
- To resolve these challenges, an excessive consolidation will result in an increased risk



Future Initiatives

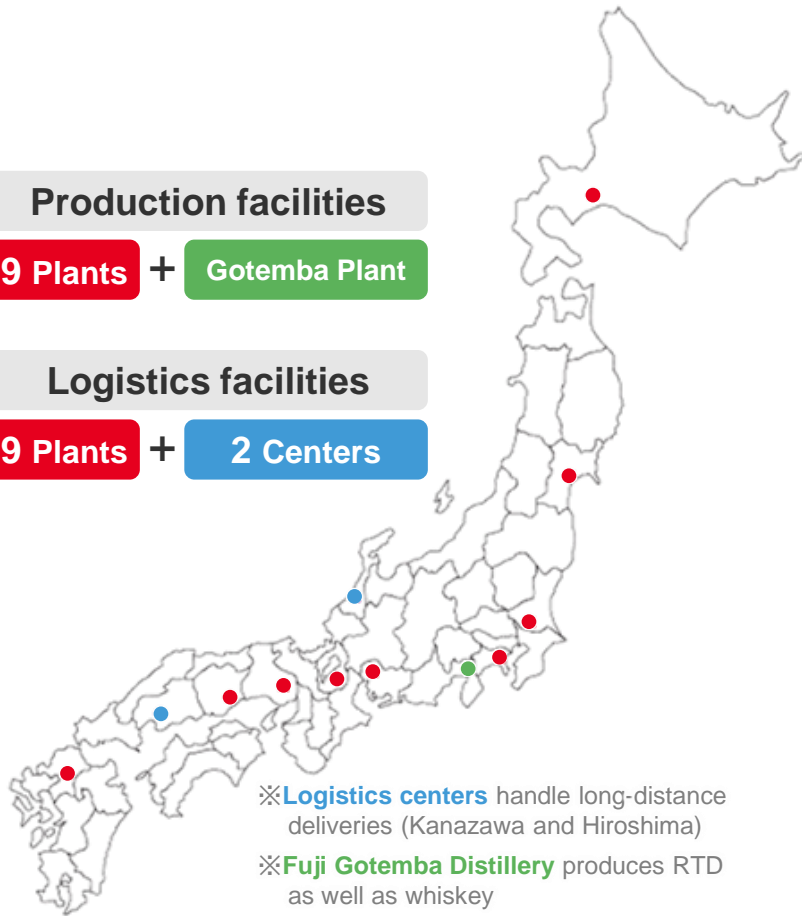
- Require further cost reduction efforts to counter the cost hikes
- Respond to container and category shifts by optimizing production and logistics capacity
- Transform to a logistics structure that enables delivery to be completed with fewer trucks

Production facilities

9 Plants + Gotemba Plant

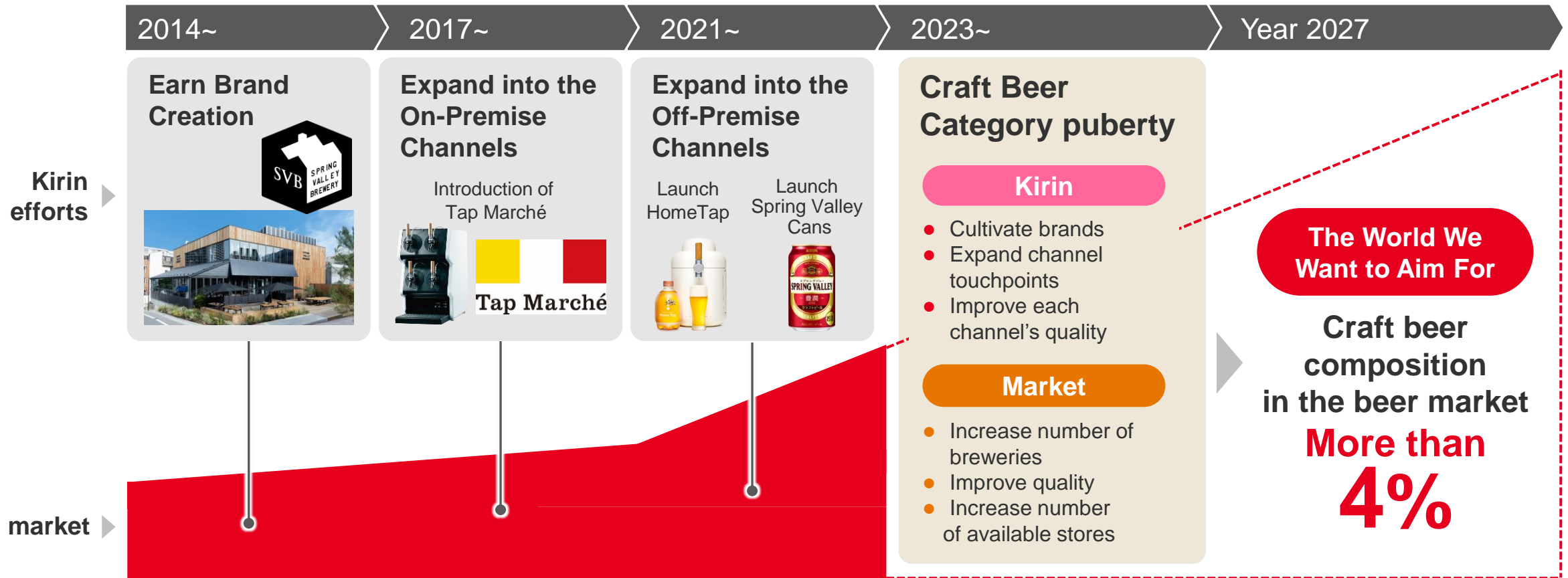
Logistics facilities

9 Plants + 2 Centers



Growth Vision of the Craft Beer Market

- Have achieved growth through brand creation and building channels that enable drinking occasions in the on-premise and off-premise channels
- For further growth, will aim to not only strengthen our own brands, but also expand the craft beer market as a whole

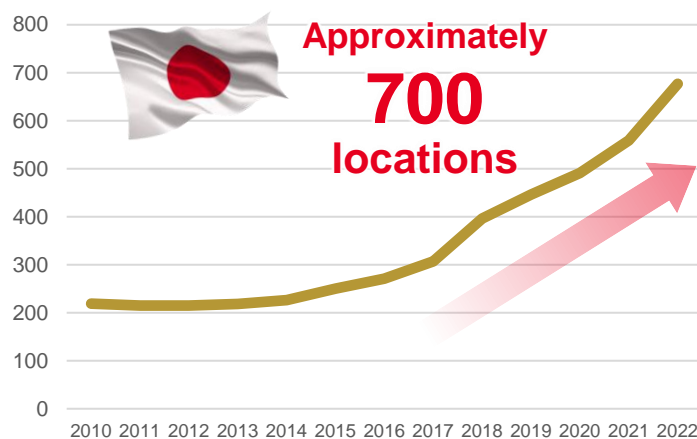


Potential of the Japanese Craft Beer Market

- The number of craft breweries in Japan has grown dramatically over the past few years. Interest in craft beer is also increasing
- On the other hand, the percentage of craft beer in total beer is about 1.5%, which is low compared to overseas markets which means there is potential for growth

Number of craft breweries in Japan increased

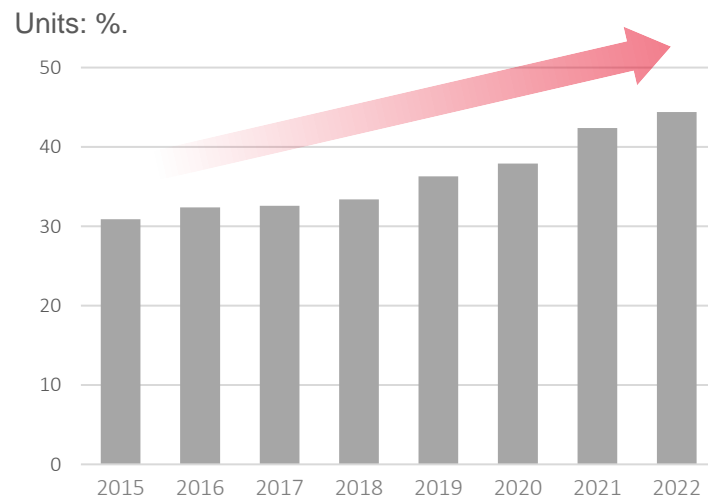
Number of craft breweries



Source: Kita Sangyo Co.

Interest in craft beer has increased over time

Interest in craft beer



Source: Kirin

Greater room for expansion compared to overseas markets

% of Craft Beer Volume in Total Beer in Each Country

	2022
United States of America	13%
Australia	9%
New Zealand	13%
Japan	1.5%

*2021 results for Japan
Source: Kirin

Achieve Growth in the Craft Beer Market with Domestic Breweries

- Contribute to the expansion of the craft beer market not only by strengthening alliances with domestic breweries, but also by building barriers to entry, and leading to the Company's continued growth



Kirin Home Tap (Off-premise craft beer server)

- Service designed with detailed attention to "beer," "delivery," and "beer server" for an authentic draft beer experience at home

01 Beer



- 1 The main beer is KIRIN ICHIBAN Premium, the most top-end line of KIRIN ICHIBAN
- 2 Wide range of Kirin's craft beer selection
- 3 A full lineup to choose 3-4 types of beer each month

02 Delivery



- 1 Adopted coated PET bottles to prevent oxygen permeation
- 2 Deliver tasty and freshly made beer as soon as possible
- 3 Scheduled delivery to your home twice a month
*Skipping and additional orders are possible

03 Beer Server



- 1 Easy to create a silky and creamy foam
- 2 Enjoy cold beer anytime (with cold storage function)
- 3 Compact and easy to clean (Winner of the 2016 Good Design Award)

Basic charge
3,190 yen
/month



Beer delivery
Twice a month
5,060 yen~
/month

Kirin Home Tap (Off-premise craft beer server)

- A small 3L PET bottle container suitable for serving multiple craft beers and a small dispenser that is easy to use and can serve up to four different craft beers in one unit
- We will increase the number of "places" where customers can easily experience the pleasure of choosing craft beer



Tap Marché

Good living is the liberty to enjoy equal measures of good beer, good times and good relationships with good people. Welcome to the marketplace where happy times are always on tap for you.

Wide range of product line-up



3L small PET Bottle Containers

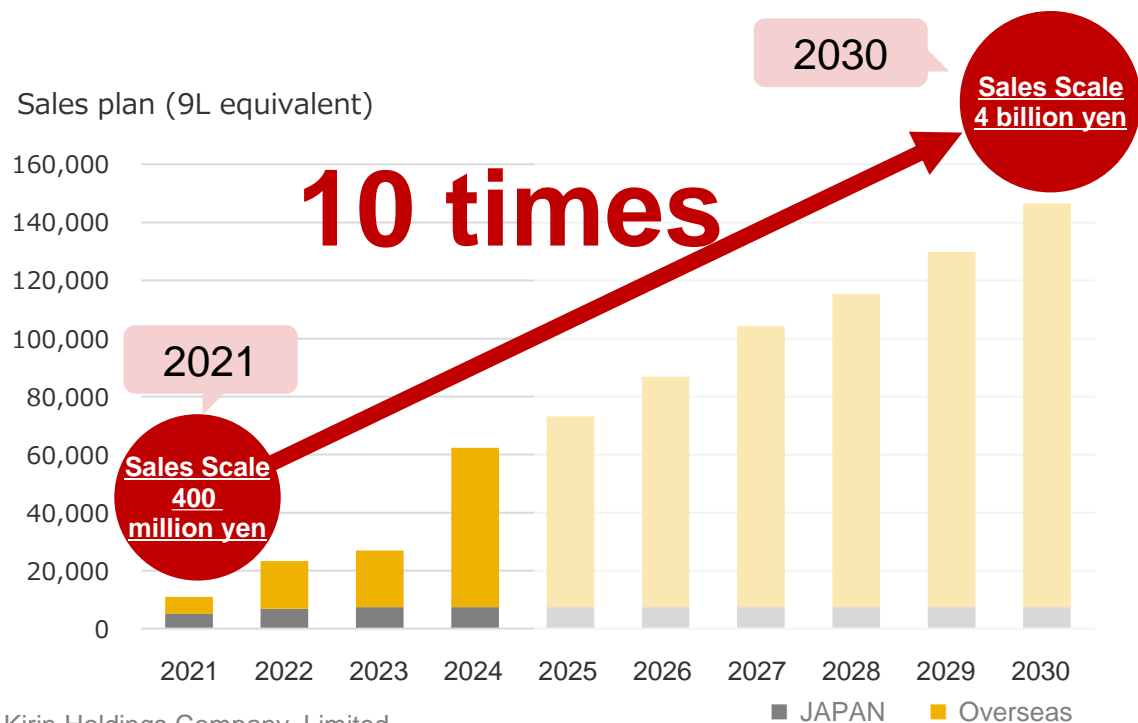
Easy to use, compact multi-product dispenser



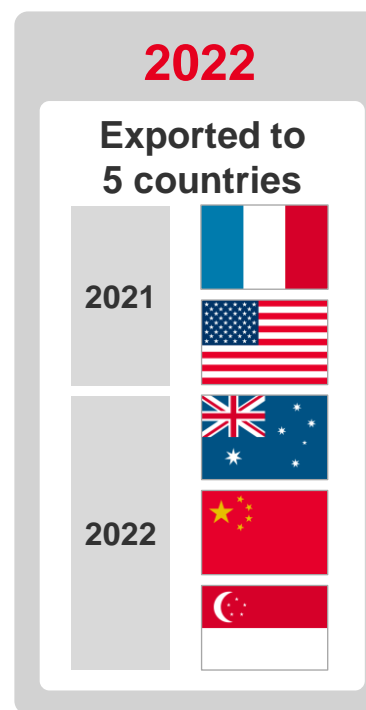
Accelerated Global Expansion of Japanese Whisky Fuji

- In August 2023, we signed a distribution agreement with Pernod Ricard and began sales in 13 countries in Europe.
- We will accelerate the global development of the "Fuji" brand, aiming to achieve 10 times the sales of 2021 in 2030.

Fuji Brand Medium- to Long-Term Sales Plan (Domestic and Overseas Total - Volume)



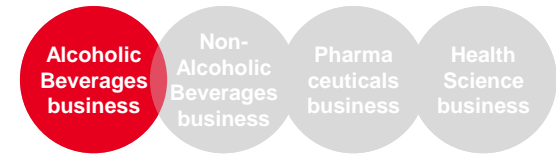
Expand export in the U.S. and Europe



2023 Expanded export to 18 countries



- Expected to be sold at about twice the retail price of Japan in the exported countries.
- Will nurture the business to contribute to Normalized operating profit growth.



Basic Information

Company Name

Lion Pty Ltd

Business

Produce and distribute beer, spirits, and wine.

Operating Country

Australia, New Zealand, United States

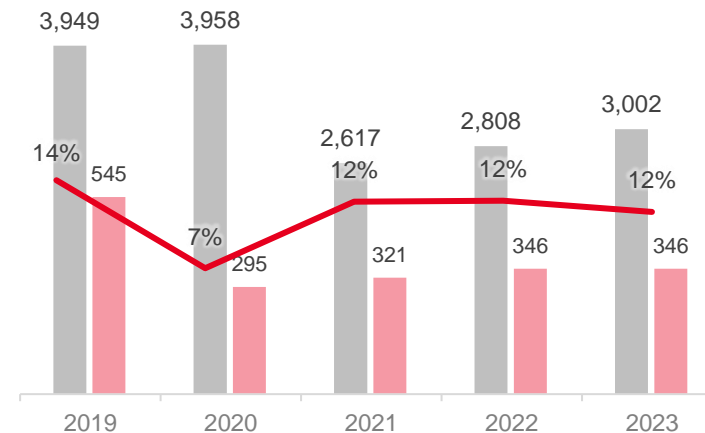
Production Site

5 large-scale factories in Australia and New Zealand

Revenue and Normalized Operating Profit (2023)

Revenue 3,002m AUD
Normalized operating profit 346m AUD

Revenue (million AUD) : NOP margin:
Normalized operating profit (million AUD) :



Financial Period

December Term

History

1861 Established
1998 Kirin acquired stake
*100% in 2009

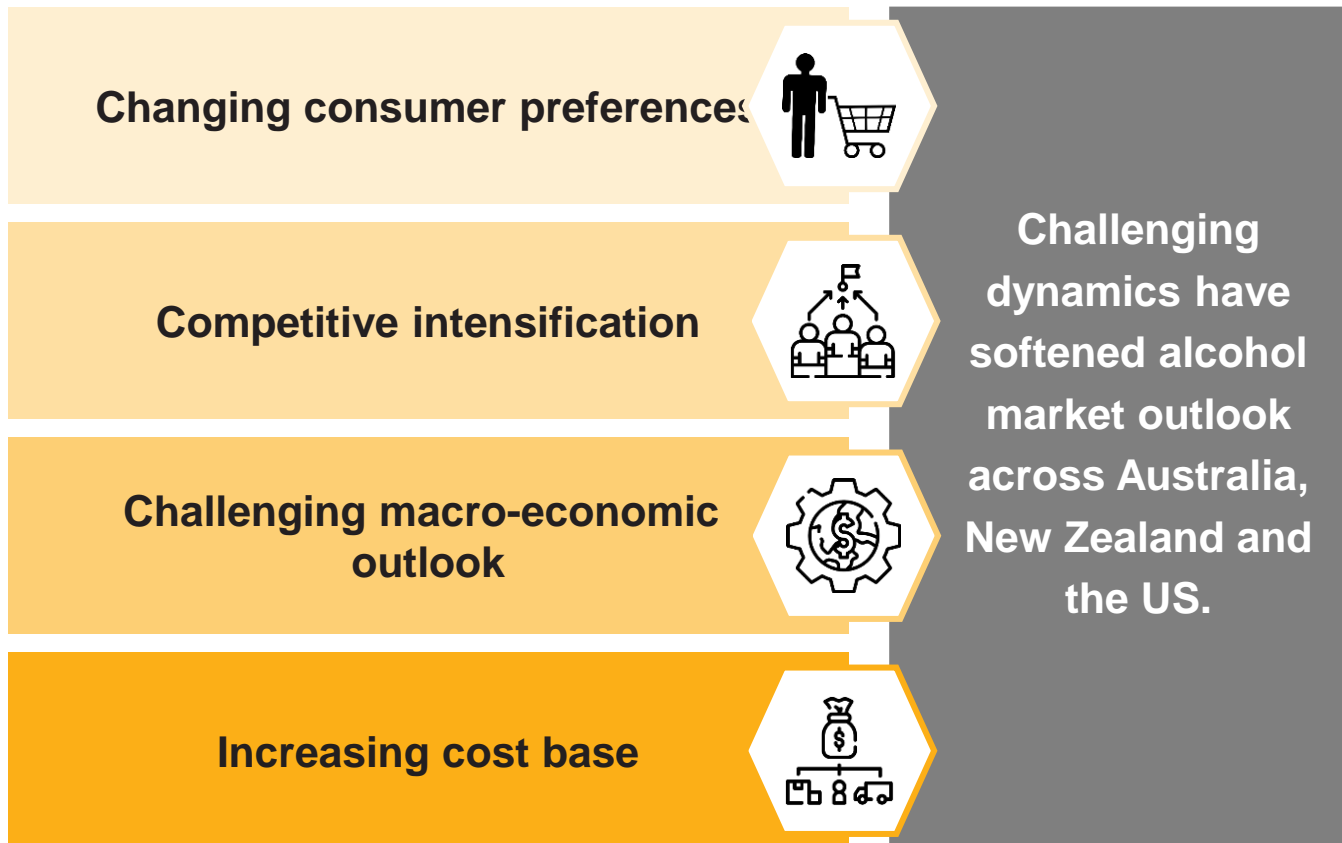
Main Products

Australia NZ U.S.



- The world we operate in is rapidly evolving, and these market dynamics present us with opportunities to maximise our potential, and emerge as a stronger, more agile, and successful organisation.

MARKET DYNAMICS



ALCOHOL MARKET OUTLOOK*

F22-F26 Retail Sales Value CAGR**

	Beer***	(-2)-0%
	Craft Beer	(-2)-0%
	RTDs	3-5%
	Spirits	3-5%

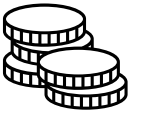
*Total market refers to key Lion Markets: AU, US and NZ, **IWSR and Nielsen, supplemented with IRI 2022 for beer subcategory splits ***Beer includes non-alc beers

Our vision serves as the foundation for our business. Under this vision, we will usher in a new era of growth to drive financial performance and be a Force for Good.



OUR VISION

Ushering in a new era of growth in adult beverages with culturally enduring brands that bring joy to every adult social occasion



FINANCIAL PERFORMANCE

DRIVE:

Top line growth

Margin expansion and profitability

Return on Investment



BE A FORCE FOR GOOD

Environmental leadership: reduce environmental impact and embed sustainability across all parts of our business

Social impact: continue to build a diverse and inclusive organisation, drive equity and gender representation, make a difference in our communities

Governance: strengthen and safeguard, do the right thing long term

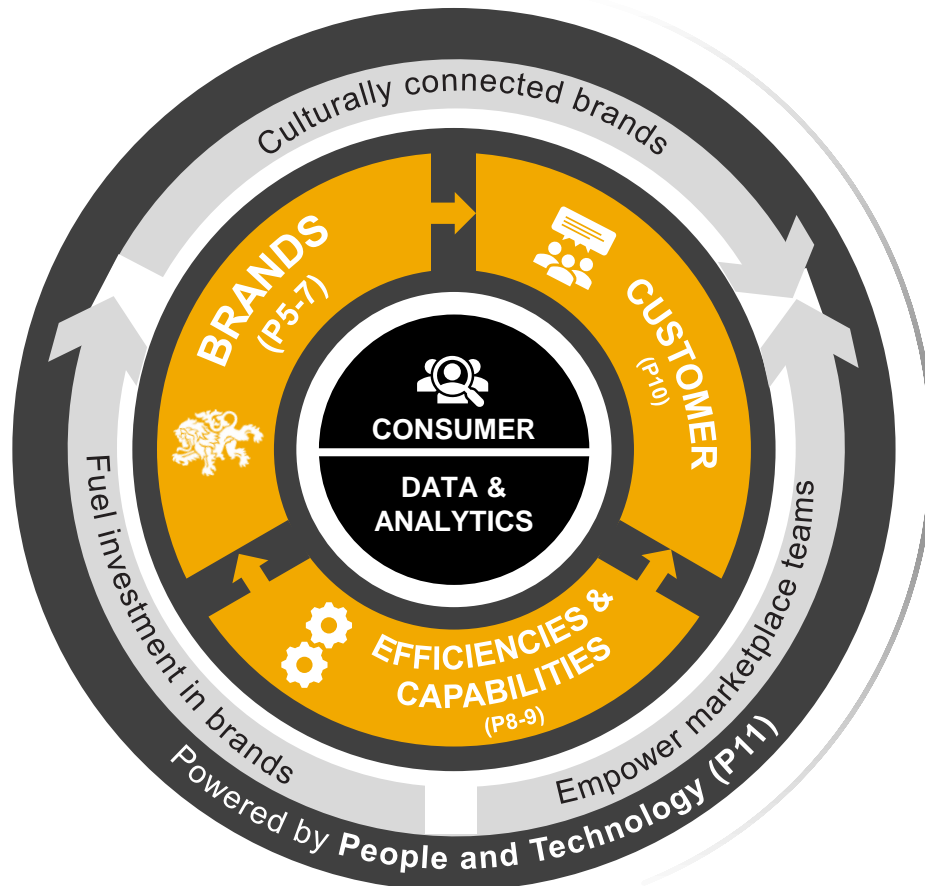
Growth Algorithm

Our growth algorithm serves as the engine for the enterprise, powering our financial performance and Force for Good ambitions (non-financial). Consumer centricity, data & analytics are at its core.



OUR VISION :

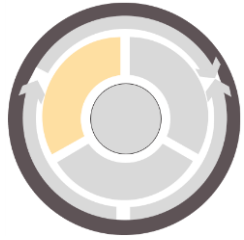
Ushering in a new era of growth in adult beverages with culturally enduring brands that bring joy to every adult social occasion



**DELIVER ON OUR
FINANCIAL AMBITIONS**



BE A FORCE FOR GOOD



Brands: a deeper look

By strategically investing in our brands and embracing innovation, we aim to strengthen our competitive position, further capture market opportunities and deliver sustainable growth and value.

BOLD INVESTMENT BEHIND MARQUEE BRANDS DRIVING MEANING, DIFFERENCE AND SALIENCE

TARGETED INNOVATION AND INVESTMENT IN GROWTH ADJACENCIES



AU



Reclaimed #1 in Brand Power in QLD and growing brand power scores in NSW*



Outperforming its revenue target and growing in brand power nationally



First to market in the ultra low carb category, ranged nationally in all customers and assisting Hahn's growth



NZ



Lion leads the NZ beer market with ~42% share of total market**



In RTDs, we are #2 in the market, growing market share by 2.3%**



Achieving 22% value share in Specialty Premix**** & #3 brand in segment 3 months post launch.**



#1 New Product Development(NPD) craft beer launch in F22



US



New Belgium brands are leading the entire US beer category in growth



Voodoo continues to defy slow growth in the US craft segment, leading growth nationally



Fruit Force is the #1 new brand launch YTD for the entire US beer category

We are expanding further into RTDs with the launch of Wild Nectar Hard Juice



Efficiencies & Capabilities: Operating model

Implementing a game-changing transformation to reset our operating model, improve our cost base, unlock investment, protect and build Lion's legacy.

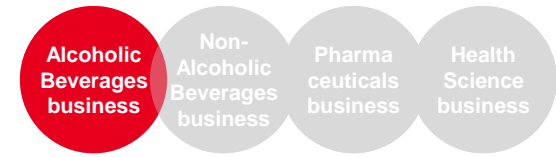
What our new operating model will achieve

- ✓ Remove unnecessary complexity and simplify our organisation
- ✓ Deploy more capital behind growth capabilities
- ✓ Leverage data and digital to drive consumer experience
- ✓ Empower our marketplace teams
- ✓ Increase investment in our brands

How we will achieve this

-  **Reorganised for empowered, end-to-end accountable BUs supported by lean and focused shared functions**
 - › By enabling greater control and autonomy, we're able to move at pace and implement strategies tailored to the unique needs of each market
-  **Eliminating non-value-added processes and right-sizing the organization to achieve cost savings**
 - › We've assessed processes and structures across the business to reduce complexity and cost
-  **Innovation: upweighted capability to act faster and capitalise on market opportunity**
 - › Our growth portfolio creates a global centre of excellence in Innovation, Strategy, Data & Intelligence and Digital, guiding our strategy and supporting our BUs

Targeting a reduction in SG&A to **industry benchmark levels of 18-20% of net sales revenue* in F25**



Basic Information

Company Name

Four Roses Distillery, LLC

Business

Produce and sell "Four Roses" bourbon

Operating Country

Territory expansion in the United States, Japan, and Europe

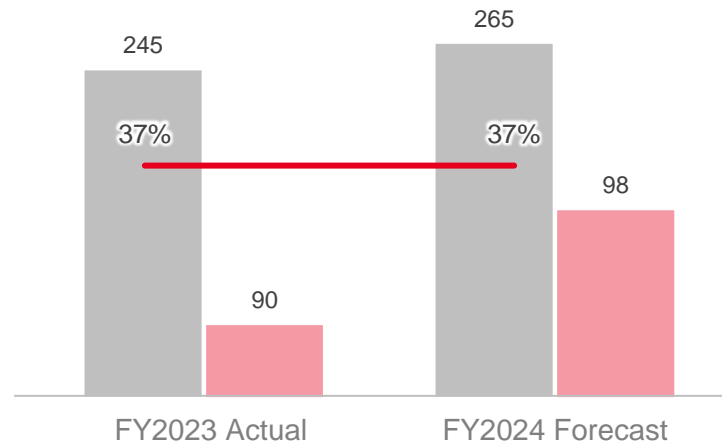
Location

- 2 production sites
- 1. Headquarters + distillery (Lawrenceburg)
- 2. Aging and bottling factory (Cox's Creek)

Market Size and Growth Forecast

The spirits market and the bourbon and American whiskey market is expected to continue to grow, but at a slightly slower rate

Revenue (million USD) : NOP margin:
 Normalized operating profit (million USD) :



History

1888 Established
 2002 Kirin Group acquired 100%

Main Products





SAN MIGUEL BREWERY INC.

A subsidiary of San Miguel Corporation



Basic Information

Company Name

San Miguel Brewery Inc.

Business

Manufacture and sell beer in the Philippines and other countries. Has a market share of over 90% in the Philippines.

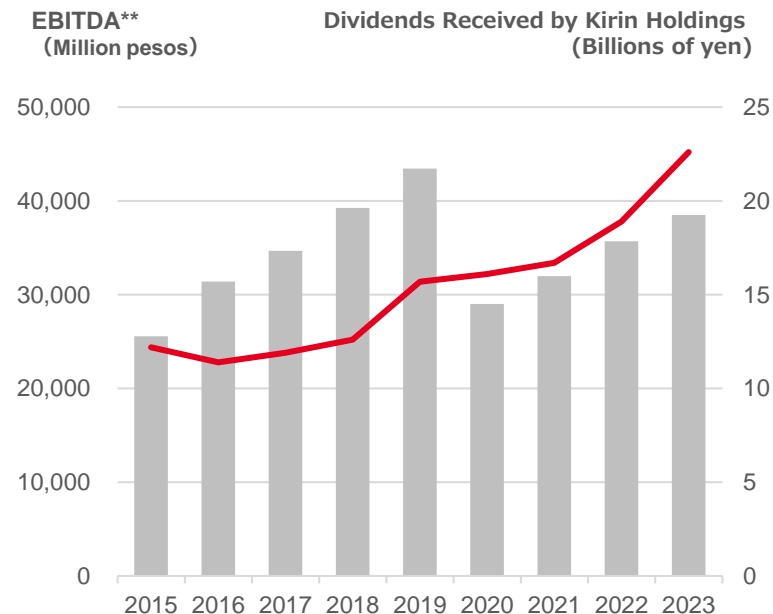
Operating Country

Territory expansion mainly in the Philippines and Southeast Asia

Location

7 production sites

Business Growth Results



EBITDA** (Million pesos) : █
 Dividends Received by Kirin Holdings (Billions of yen): —

Share of equity / Financial Period

Equity-method affiliate/48.4%
Kirin Holdings Annual Incorporation
Period:Oct-Sep

History

1890 Established of San Miguel Corporation
2001 Kirin acquired stake
2007 Established of San Miguel Brewery

Main Products



CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

Kirin Beverage Company, Limited



Basic Information

Company Name

Kirin Beverage Company, Limited

Business

Produce and sell soft drinks

Operating Country

Japan

Production Site

Shonan Factory
Shiga Factory

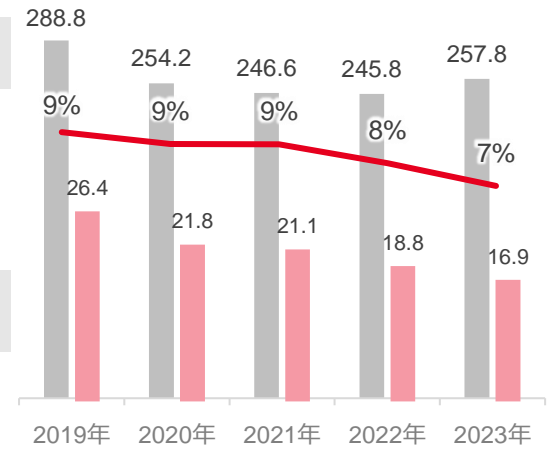
Revenue and Normalized Operating Profit (2023)

Revenue: 257.8 billion yen
Normalized operating profit:
16.9 billion yen

History

- 1928 Kirin Lemon introduced
- 1963 Vending Machine Services Co., Ltd. (the forerunner of Kirin Beverage Co., Ltd.) established.
- 1986 Kirin *Gogo-no-Kocha* introduced
- 2000 Kirin *Nama-cha* introduced
- 2017 Launches a new brand *iMUSE*.

Main Products



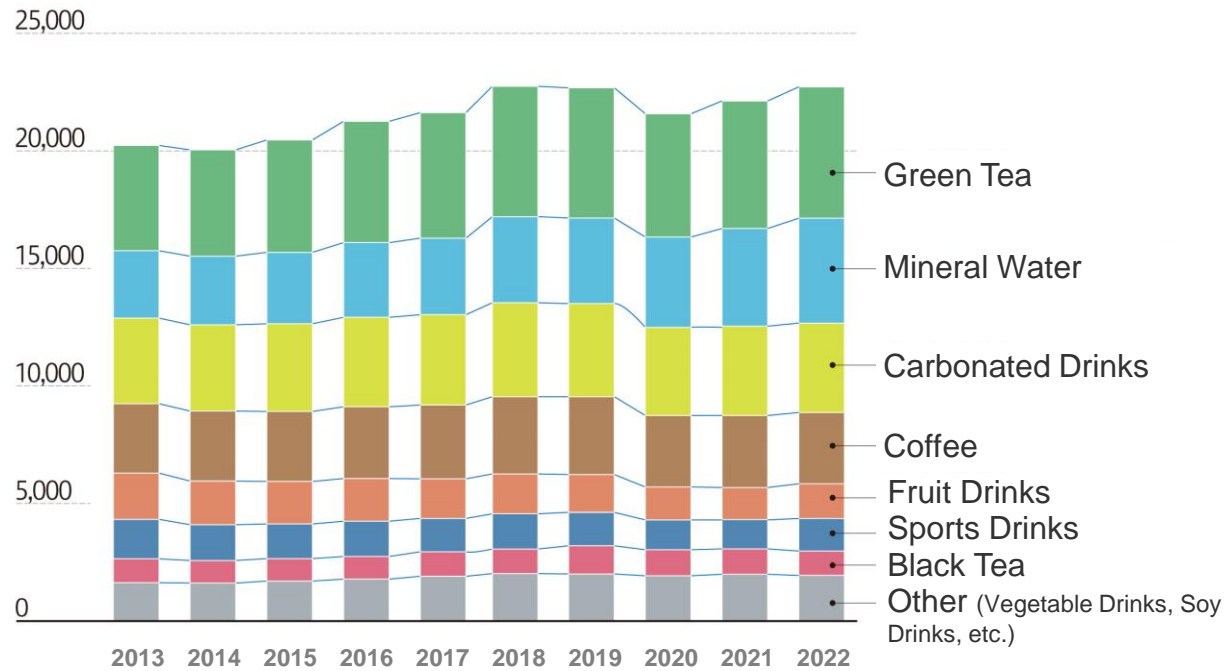
Revenue (billions of yen): ■
Normalized OP (billions of yen): ■
NOP margin: —

Market Environment (by Category)

➤ Domestic soft drink market recovers to pre-COVID levels and increase in health-consciousness

Soft Drink Production by Category

Unit: Thousand kiloliters

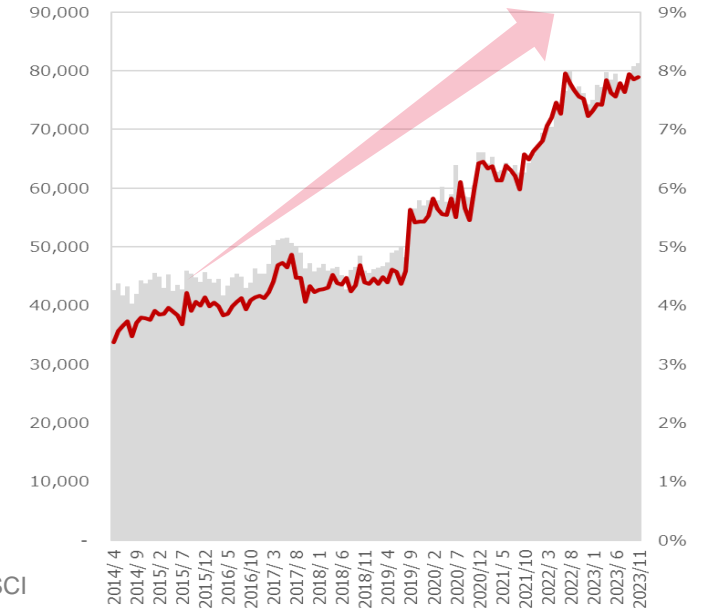


Source: Japan Soft Drink Association
The figure for mineral water does not include imported mineral water.

Foods with Function Claims + FOSHU (Food for Specified Health Uses) Beverages

Foods with Function Claims + FOSHU (Food for Specified Health Uses) Beverages
[Seasonally Adjusted: Volume (ml/per 100)]

Source : Intage SCI

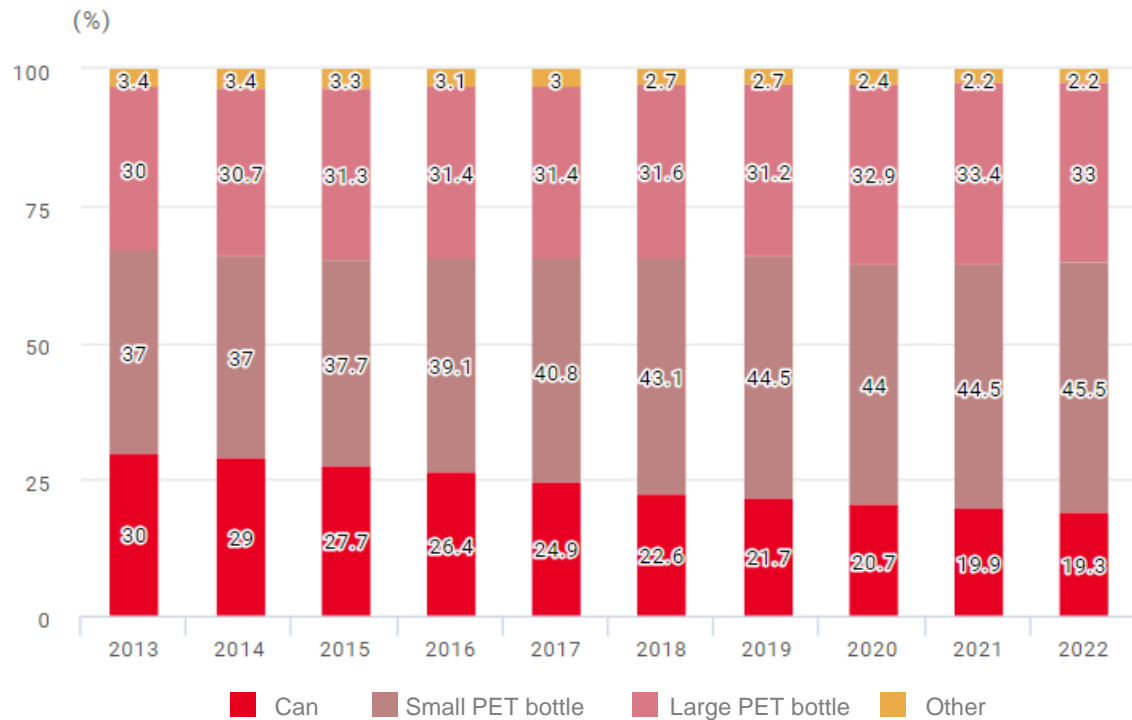


Foods with Function Claims + FOSHU (Food for Specified Health Uses) continue to increase over the long term

Composition by container

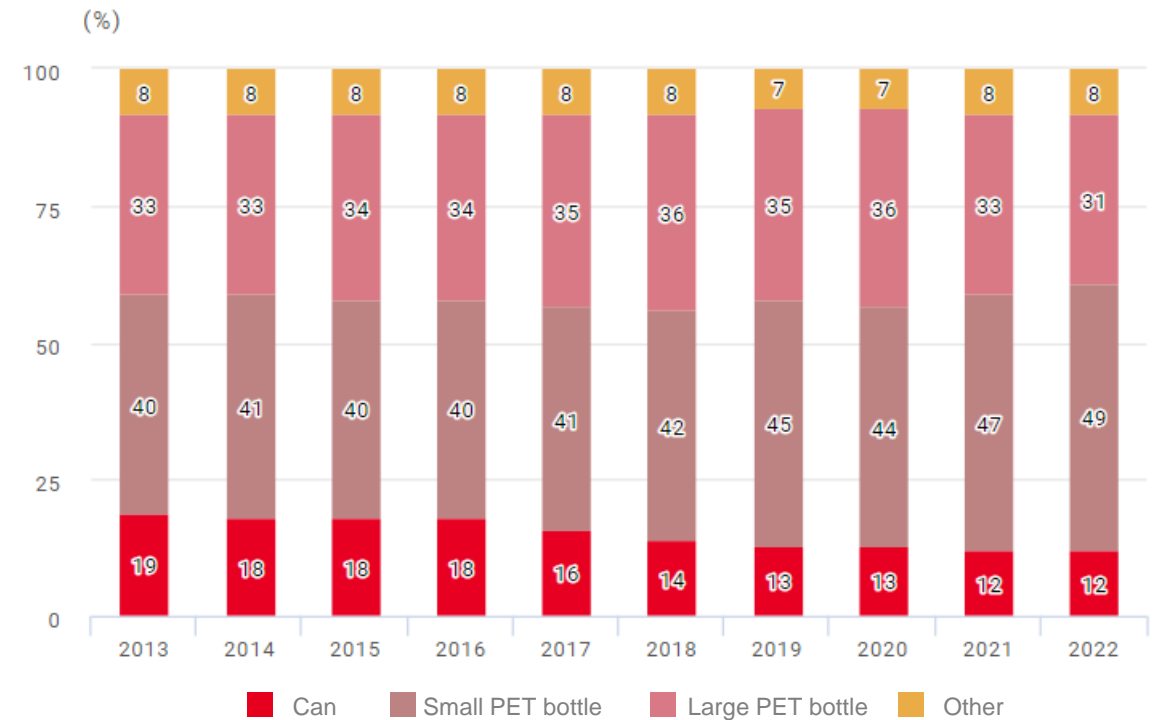
➤ Due to the reduction of unprofitable vending machines, the percentage of Kirin Beverage's cans has decreased.

Soft Drink Market Total



Source: Kirin Estimate

Kirin Beverage

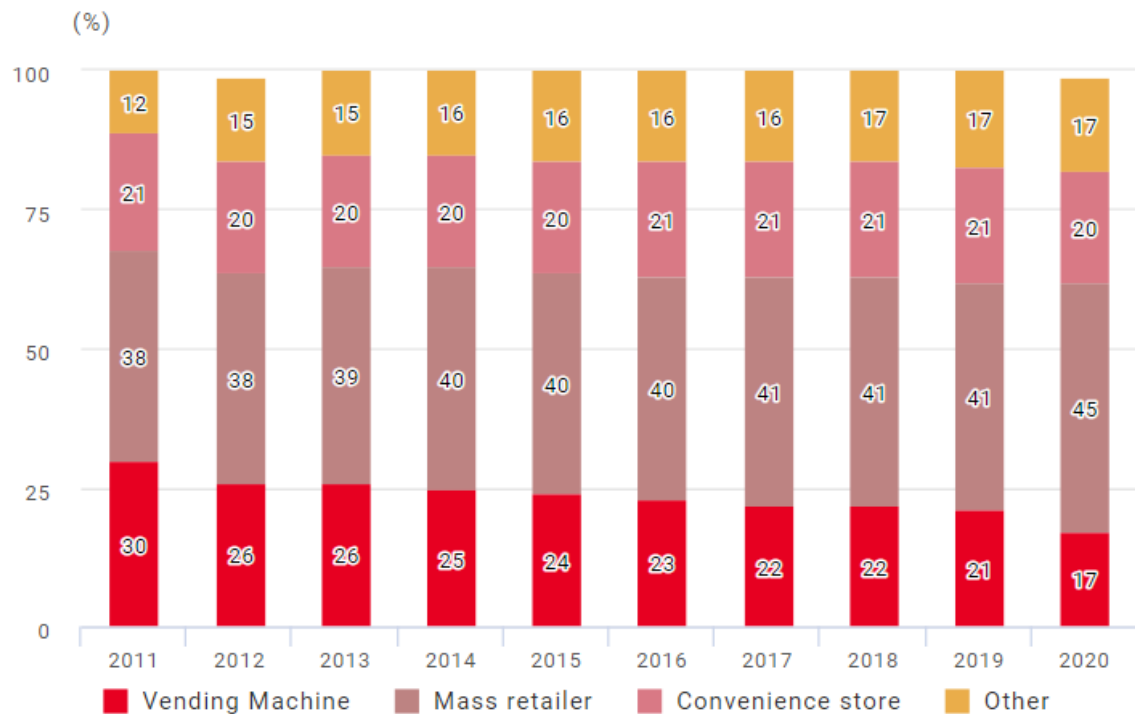


Source: Kirin Estimate

Composition by channel

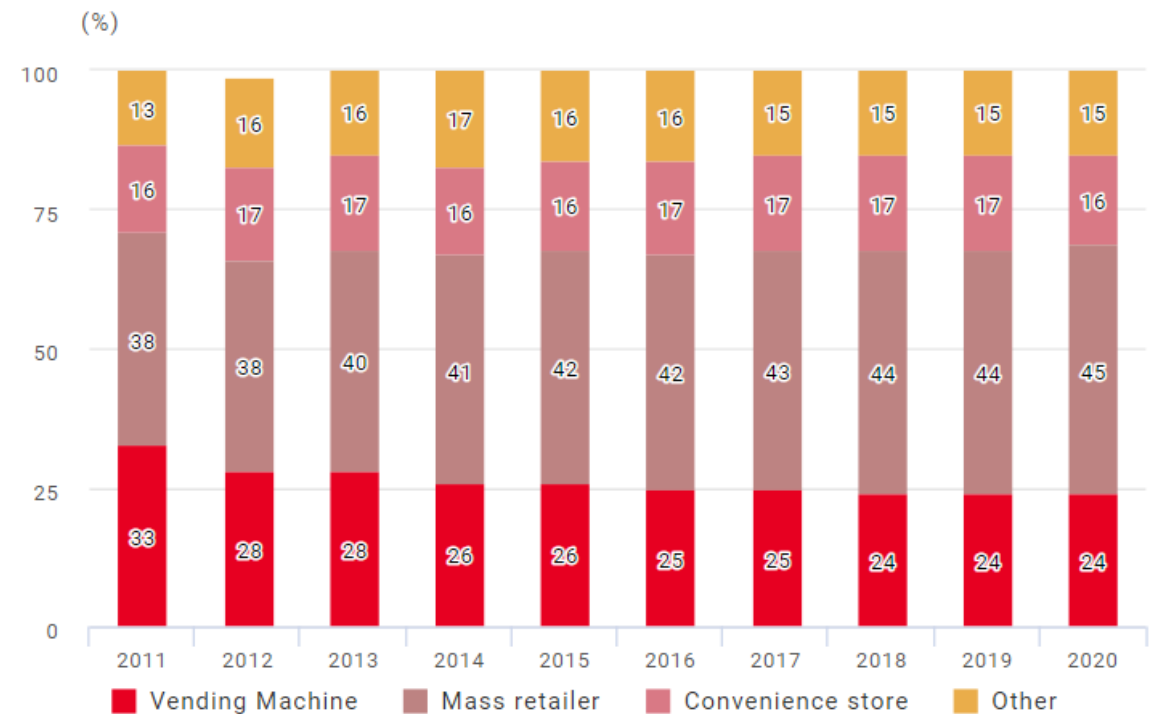
➤ Sales volume increasing at convenience stores while sales volume declining in vending machine channels

Soft Drink Market Total



Source: Kirin Estimate

Kirin Beverage



Source: Kirin Estimate

➤ Existing Core Brands + "Well-Being"

Reposition to a company with a health science strategy in non-alcoholic beverages

Growth Strategy



Existing Foundational Brands

Health Strategy

- 1 High profits from LC-Plasma beverages
- 2 Generate renewed growth by nurturing core brands
- 3 Accelerate collaboration with FANCL

➤ Expanding product portfolio of immune care, LC-Plasma products sales volume is increasing.

Immune care trial

Immune care in beverages that customers drink on a daily basis.



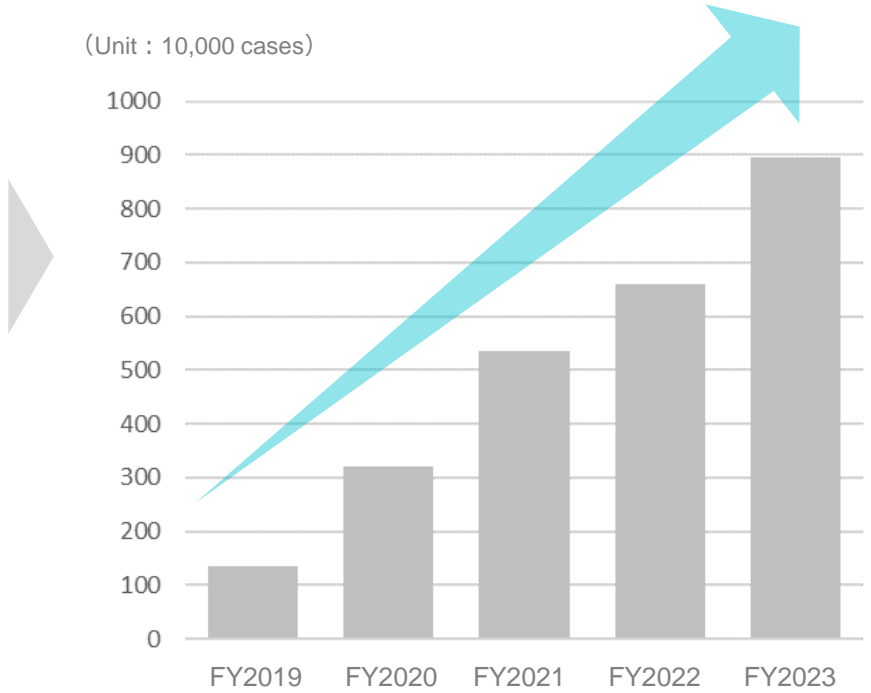
Immune care habituation

Launch of “Delicious immune care” and expansion of products that help reduce calories and sleep.



LC-Plasma products sales volume

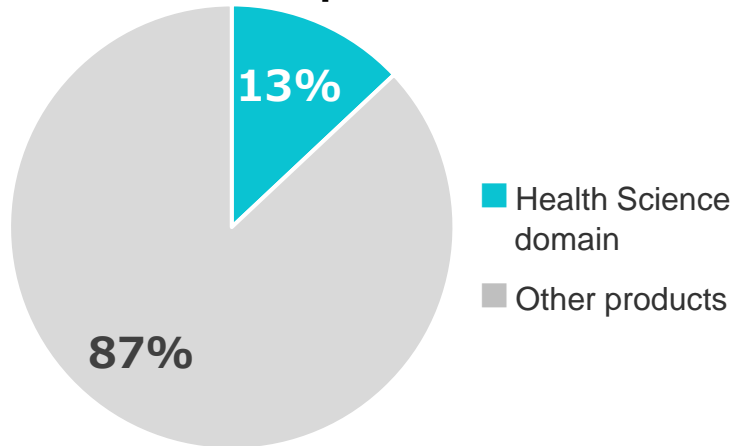
(Unit : 10,000 cases)



➤ From reforming profit structure to further improving profitability

Efforts to improve unit price

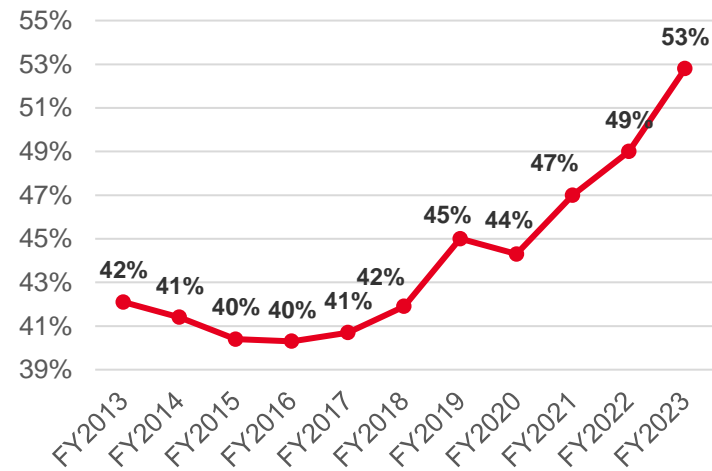
FY23 Health Science Domain Composition



- Expanded the composition ratio of health science products
- Implemented price revisions

Improve container mix

Ratio of small containers



- Increased the ratio of small containers
- Revised prices of large PET beverages

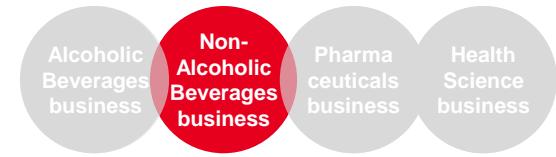
Reduce costs

- ➊ Reduce procurement & SCM costs
- ➋ Reduce vending machine operating costs

Kirin Beverage
×
Asahi Beverages



- Reduced unprofitable vending machines
- Collaborated in repairing vending machines



Basic Information

Company Name

Coca-Cola Beverages Northeast, Inc.

Business

Bottling operations of Coca-Cola North America, Inc.

Operating Country

North America
Territory expansion across 8 northeastern states

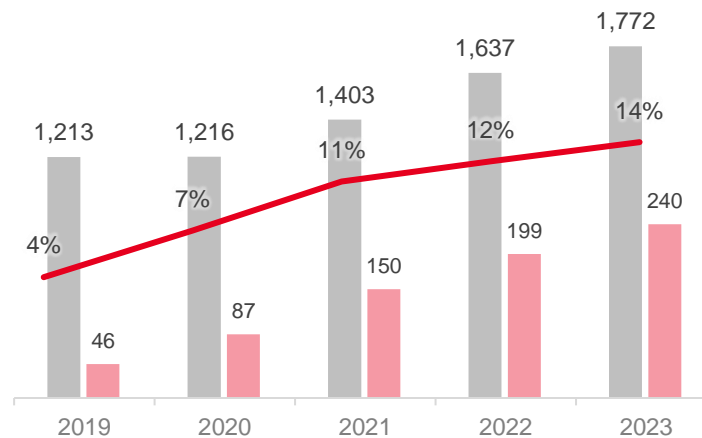
Location

2 production sites
19 sales centers

Revenue and Normalized Operating Profit (2023)

Revenue: 1,772m
Normalized operating profit : 240m

Revenue (MILLION \$) : ■ NOP margin: —
Normalized operating profit (million \$) : ■



History

1977 Expanded into the bottler business and has then expanded its territory up to now

Main Products



History of Coke Northeast

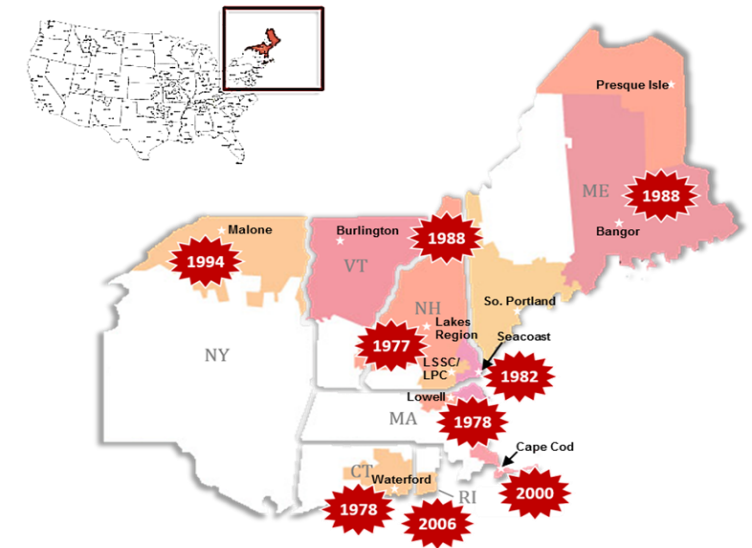
- Established in 1977 as a joint venture with Kirin Brewery (at the time) to generate stable earnings during business diversification and globalization and became a fully owned subsidiary of Kirin in 1982. It is the oldest of the existing overseas subsidiaries of the Kirin Group.

In 1988, it changed its name to Coca-Cola Bottling Company of Northern New England (also known as CCNNE) at the time of its major territory expansion.

Since then, it has continued to expand its territory progressively, and after a major expansion in 2017, its name was changed to Coca-Cola Beverages Northeast in October 2019.

Coke Northeast has grown throughout the Northeast with acquisitions since Kirin invested in KW, Inc. in 1977

1977	KW Inc. established (Joint Venture with Williams Group)
1982	Kirin owned 100%
1982	Wes Elmer became President (~2005)
1988	Acquired majority of New Hampshire, Maine, and Vermont Coca-Cola Bottler business and became CCNNE
1994	Acquired upstate New York Coca-Cola
2000	Acquired Cape Cod Coca-Cola
2006	Larry Lordi became President (~2013)
2006	Acquired New London Coca-Cola
2013	Mark Francoeur became President
2016	Signed LOI with The Coca-Cola Company to expand throughout New England & New York State
2017	CCNNE celebrated it's 40 th anniversary and completed its largest expansion to date with territory acquisitions from The Coca-Cola Company and ABARTA
2019	CCNNE successfully rebranded to Coca-Cola Beverages Northeast



Business Structure of Coke Northeast

- Coke Northeast contracts with each brand owner to sell its beverages, either by manufacturing them in-house or purchasing their finished products.
- It operates its business according to Coca-Cola Group's business system and Kirin Group's governance rules.



TCCC, KDP, MONSTER, BODYARMOR

Coke Northeast

R&D

CONCENTRATE
MANUFACTURE

PRODUCTION

SALES &
MARKETING

DISTRIBUTION

RECYCLE

*In-store marketing

Coke Northeast has important business relationships with many organizations



CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

Basic Information

Company Name

Kyowa Kirin Co., Ltd.

Business

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

Operating Country

Japan, North America, EMEA, APAC

Principal Plants / R&D Network

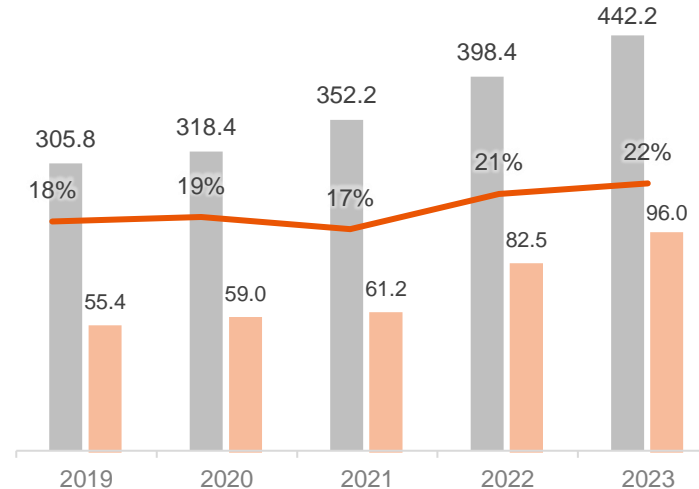
Tokyo Research Park, Fuji Research Park
CMC R&D Center, Bio Process Research and Development Laboratories

Takasaki Plant, Ube Plant

Revenue and Normalized Operating Profit (2023)

Revenue 442.2 billion yen
Normalized operating profit 96.0 billion yen

Revenue (billion yen) : ■ NOP margin: —
Normalized operating profit (billion yen) : ■



Share of equity

Kyowa Kirin is a listed subsidiary of Kirin Holdings, which owns approximately 53% of the company.

History

Began researching pharmaceuticals in the 1980s.
Later, Kirin Pharma merged with Kyowa Hakko Kogyo and became the current Kyowa Kirin Co., Ltd.

Main Products



Our New Vision toward 2030

Kyowa Kirin will realize the successful creation and delivery of life-changing value that ultimately makes people smile, as a Japan-based Global Specialty Pharmaceutical company built on the diverse team of experts with shared passion for innovation.

Pharmaceuticals domain

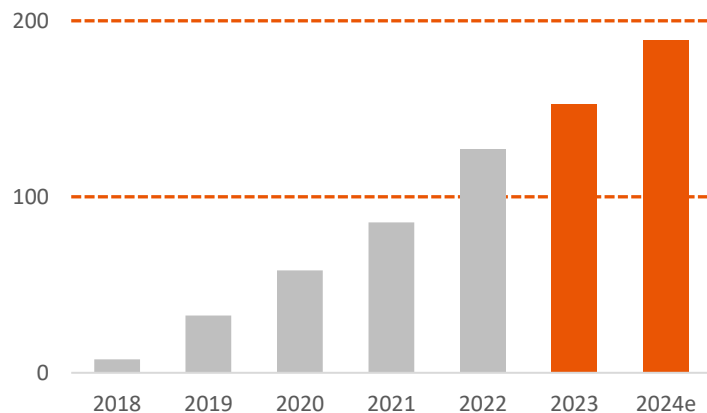
Materiality

- Provide pharmaceuticals for unmet medical needs
- Address patient-centric healthcare needs
- Retain the trust of society
- Strengthen human resources and infrastructure to realize life-changing value

Maximize value of Global Strategic Brands

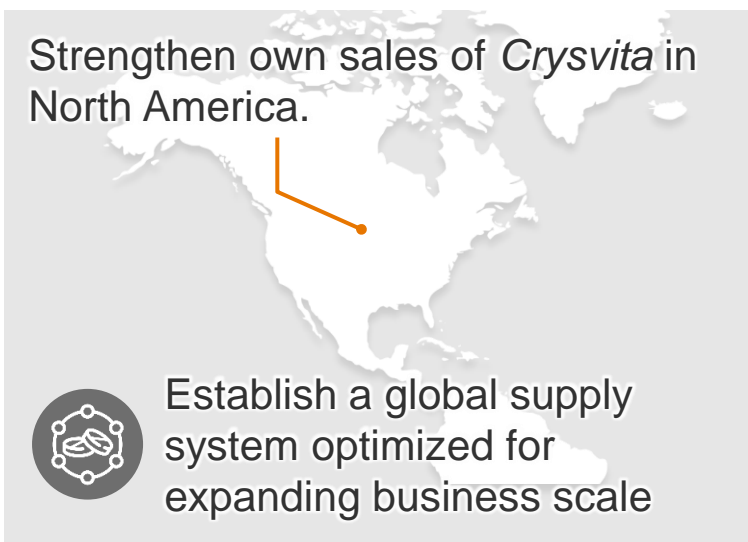


Sales Forecast in 2023
approx. 189.0 bn yen




Invest in business infrastructure centered on global production and sales

Strengthen own sales of *Crysvita* in North America.



Establish a global supply system optimized for expanding business scale



Steady development progress of next-generation pipeline

- **KHK4083 /AMG 451** (rocatinlimab)
 Atopic dermatitis: Ph3 Initiation
 Asthma: Ph2 Preparation
- **KHK4951**
 Neovascular age-related macular degeneration*: Ph2 Initiation
 Diabetic macular edema**: Ph2 Initiation

ROE
 ROE 10.2% in 2023.
 Medium- to long-term maintenance and improvement of ROE of 10% or more from 2026 onward.

10% +

After FY2025 Core OP margin 25% +
 (Core Operating Profit Margin)

(Core OP margin of 22% in 2023)

* A disease in which the macula is affected by abnormal angiogenesis. Rapid progression leads to significant vision loss. Number of drug-treated patients Domestic: approx. 0.2 million, Global: approx. 1.6 million
 ** A complication of diabetic retinopathy is damage to the capillaries in the macula, causing edema of the macula, which leads to vision loss.

Main Development Pipeline Products

As of February 7, 2024

	Diseases under development ^{*1}	Planned Approval Year ^{*2}	Development status	Total addressable market ^{*3}	No. of Patients ^{*4}
KHK4083/AMG 451 rocatinlimab	Moderate and severe Atopic Dermatitis	2026/2027	P3 (Global)	★★★★★	16M
KHK4083/AMG 451 rocatinlimab	Moderate and severe Asthma ^{*5}	TBD	Preparation underway for P2 (Global)	★★★★★	13.5M
KHK4951 tivozanib	nAMD	TBD	P2 (JP, US)	★★★★	2,600K
KHK4951 tivozanib	DME	TBD	P2 (JP, US)	★★★★	3,400K
OTL-200 Libmeldy [*]	MLD	2024 (US)	Filing to FDA	★	(1 in 40K-160K live birth)
OTL-203	MPS-IH (Hurler syndrome)	2029	Registrational study ^{*5} (US, EU)	★	(1 in 100K live birth) ^{*6}
OTL-201	MPS-IIIA (Sanfillippo syndrome type A)	TBD	Proof-of-concept ^{*7}	★	(1 in 100K)

*1 Expected indications as of the date of this document; indications may ultimately differ to expectations due status or approvals from regulatory authorities

*2 Expected year of first approval

*3 Expected total addressable market estimated by Kyowa Kirin, which is the sum of all products for the indications shown in *1, not projected sales or the Company's targets. **Colored areas represent estimates for global, and the rest are for Japan.** ★: less than ¥50Bn, ★★: ¥50Bn-¥100Bn, ★★★: ¥100Bn-¥500Bn, ★★★★: ¥500Bn-¥1Tn, ★★★★★: Over ¥1Tn

*4 Total number of estimated patients by Kyowa Kirin. **Colored areas represent in-house estimates for global, and the rest are in-house estimates for Japan.**

*5 Equivalent to P3 study. *6 "1 in 100k live birth" is estimated incidence for all of MPS-I, of which approximately 70 percent are cases of Hurler syndrome. *7 Equivalent to P1/2 study.

Main Development Pipeline Products: Future plans



T : Topline data

D : Detailed data

As of February 7, 2024

Code Generic Name	Target Disease		2024	2025	2026	+		
KHK4083/ AMG 451 rocatinlimab	Moderate and severe Atopic Dermatitis	P3						IGNITE HORIZON SHUTTLE ASTRO ORBIT VOYAGER ASCEND OUTPOST
		P3						
		P3						
		P3						
		P3						
		P3						
		P3						
		P3						
KHK4951 tivozanib	nAMD	P2						
	DME	P2						
KK4277	Systemic Lupus Erythematosus Cutaneous Lupus Erythematosus	P1						
KK2260	Advanced or metastatic solid tumors	P1						
KK2269	Advanced or metastatic solid tumors	P1						

CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス


8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

Strengthen API business with Kyowa Hakko Bio's initiative





Before Value creation by multiplying the use of Group assets

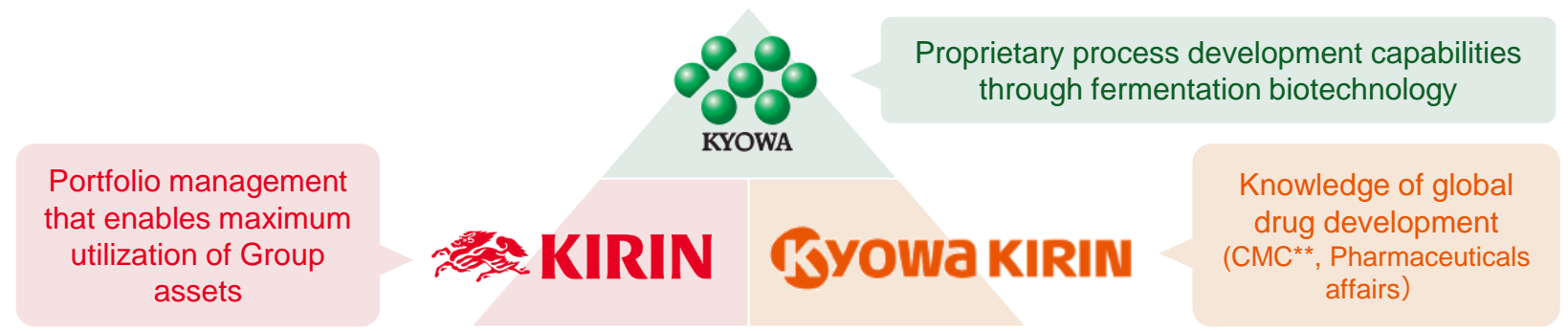

KYOWA

Advantage Industrial production of APIs using unique fermentation technology

Decisions made in accordance with KV2027

Transferred Kyowa Hakko Bio directly to Kirin Holdings

<div style="background-color: #d3d3d3; padding: 5px; text-align: center; margin-bottom: 5px;">Kyowa Kirin</div> <p style="font-size: small;">Focus on in-house drug development in areas where advantages can be leveraged as a GSP*</p>	<div style="background-color: #d3d3d3; padding: 5px; text-align: center; margin-bottom: 5px;">Kirin Holdings</div> <p style="font-size: small;">Establish and foster health science businesses</p>
	
	
<p>Invest in API development for external use by leveraging Kyowa Hakko Bio's advantages, which could not be realized under Kyowa Kirin.</p>	



Development of high value-added APIs for new drugs in collaboration with pharmaceutical companies and global deployment

- As a CDMO***, it works as not just a contract manufacturer, but is responsible for process development and manufacturing of APIs for clinical trials in collaboration with pharmaceutical companies to develop APIs for new drugs.
- Develop high value-added APIs for new drugs using proprietary fermentation technology.
- Differentiate by APIs that have high social value through manufacturing methods with low environmental impact.

2022 Construct investigational drug manufacturing facilities

2025 Start operation

2029 Manufacture and sell APIs for marketing

Aim for 100 bn yen of Sales Revenue

* Global Specialty Pharmaceutical company
 ** CMC=Chemistry, Manufacturing, and Control
 *** CDMO=Contract Development and Manufacturing Organization

Obtained a patent for a compound in collaboration with Otsuka Pharmaceutical Factory

Collaborative research since 2017



KIRIN BioMaterials

Powerful partner with strengths in the area of clinical nutrition

Maximize value creation by combining Kirin Group's fermentation biotechnology, knowledge of pharmaceutical development, and health science

Obtained a basic patent on the manufacturing process and began construction of an API facility for clinical trials in 2023

- Obtained a patent for manufacturing in 2023 to strengthen the API business announced at the end of FY2021.
- Establishment of a socially meaningful process that solves the problems of existing compounds through biotechnology by combining the knowledge of Kirin Group and Otsuka Pharmaceutical Factory, Inc.

Mass Production with the Roller Bottle Method

In 1993, Kirin Brewery filed an **application to expand the indications** for erythropoietin (EPO), which had been approved for the treatment of renal anemia in patients on dialysis to include chronic renal failure before dialysis and anemia in premature infants, among other conditions. However, there was a concern that if these applications were approved, the use of active pharmaceutical ingredients would increase dramatically and that it would be **highly difficult to ensure the supply with the existing production capacity**.



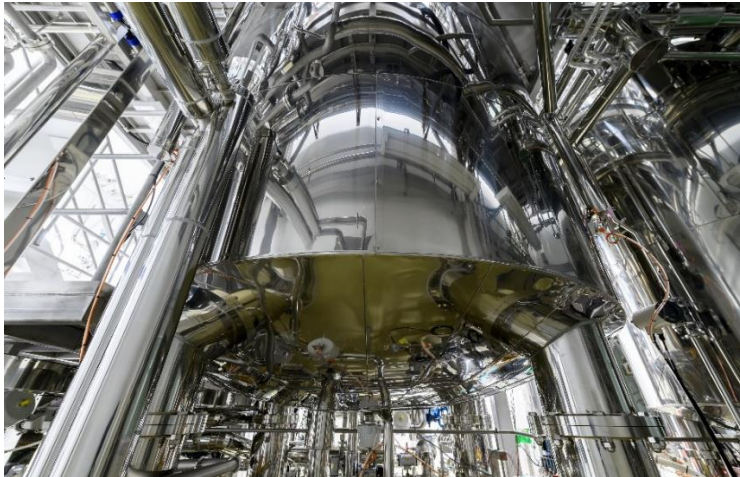
▲ Roller bottle system (Original bottle system)

- Construction of an EPO API building on the premises of the Takasaki Plant proceeded, and **a fully automated roller bottle system for animal cell mass culture** was in place by February 1995.
- The new **roller bottle system** consisted of a culture rack for culturing cells, a filling and harvesting unit for filling, exchanging, washing, and collecting culture media, and an automatic system for loading/unloading and transferring roller bottles that connected the culture rack with the filling and harvesting unit. This allowed use of 8,000 roller bottles to perform a series of tasks aseptically and automatically.
- **This quadrupled Kirin Brewery's EPO production capacity.**

※EPO is currently manufactured with cutting-edge technology and no longer with a roller bottle process.

- Biopharmaceutical fermentation of cell culture shares the **same technology** with health food/alcohol fermentation in terms of **maximizing the production of target enzymes, proteins, or metabolites**.
- Kirin Engineering's technology is being utilized.

Bioreactor Kyowa Kirin Takasaki Plant (Gunma Prefecture)



Active ingredients of biopharmaceuticals are produced from cell culture in the bioreactor.

Lactobacilli culture tank iMUSE Health Science Factory (Saitama Prefecture)



Lactobacilli are grown from sugar and other raw materials.

Beer fermentation tanks Pilot Plant (Kanagawa Prefecture)



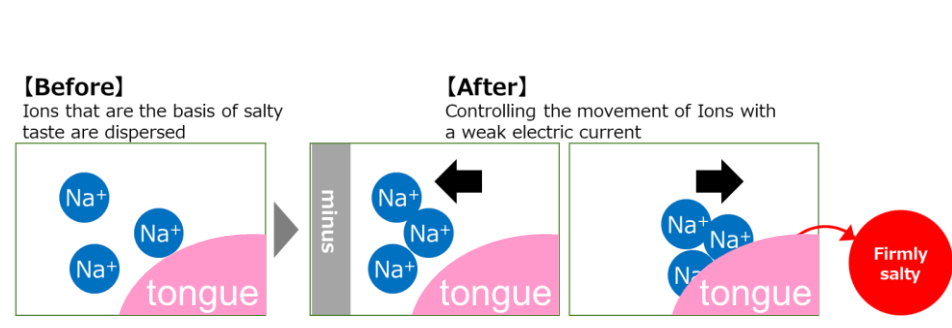
Sugar is metabolized by brewer's yeast to produce ethyl alcohol and carbon dioxide.

"Electric salt" device

Initiative Overview

- Kirin Holdings and the Meiji University Dr. Homei Miyashita Laboratory jointly developed the "Electric Salt" a tableware-type device, which uses electric current waveforms, to solve the social issue of "excessive salt intake".
- It aims to achieve "a society that enables to improve eating habits in a delicious way" by controlling the movement of sodium ions in food with a weak electric current to enhance the saltiness.
- Demonstration experiments are being conducted with Orange Page, Softbank, Tokyu Hands, Odawara City, etc., and preparations for the project are underway with the goal of starting sales in the summer of 2024.

Mechanism of saltiness enhancement in food and beverages



For more information, access here



Creating Added Value for the Kirin Group

- Patients with a chronic kidney disease, which Kyowa Kirin is committed to treating, require dietary treatments such as salt restriction. We will utilize the "Electric Salt" a tableware-type device, which enhances the salty taste of low-sodium foods, to allow patients to feel the strong salty taste of low-sodium food so that they can experience the pleasure of eating well while continuing the diet recommended by the medical institution.

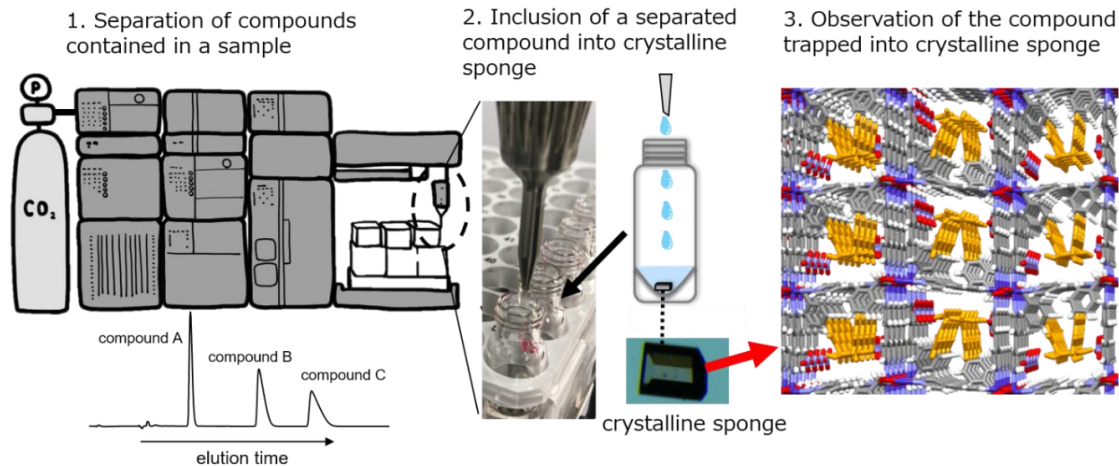


※The above design is for demonstration purposes only.

Initiative Overview

- Kirin Central Research Institute and Kyowa Kirin have established the world's first analysis platform that enables swift separation of compounds to be analyzed from investigated samples containing various compounds and rapid structural determination of unknown compounds by coupling "supercritical fluid chromatography" and "crystalline sponge method".

For more information,
access here



Creating Added Value for the Kirin Group

- In the Pharmaceuticals domain, there are examples of the use of this technology in various evaluations for the purpose of streamlining the search process for active substances.
- With FANCL, we utilize this with the structural analysis of active ingredients in functional materials, and with Kyowa Hakko Bio Group, we utilize the results of the structural analysis in the development of substance production methods.

【reference】

- In the Food & Beverages domain, succeeded in identifying the chemical reactions, reaction pathways, and reaction mechanisms of alpha acids associated with the oxidative aging of hops for the first time in the world and succeeded in the mass production of Kirin's unique material, "matured hop extract".
- Contributed to the launch of *KIRIN KARADA FREE* in October 2019, which contains "matured hop extract".



*The first product launched with matured hop-derived bitter acid as a functionally active ingredient.

Outline of Initiatives

- Utilize the Kirin Group's know-how and expertise in production-related management systems and human capital development in Kyowa Kirin's supply chain.
- Under the high-quality assurance system for pharmaceuticals, Kyowa Kirin has strengthened its pharmaceutical supply system by collaborating with the Kirin Group, and based on this, it is now able to focus its resources on drug discovery and global market expansion that create core added value.

KIRIN

- **Leveraging Knowledge in the Food & Beverages Domain**
 - Production Management Know-how.
 - Factory operations and production management.
 - Establishment of human capital development system and training for new technical staff.
- **Engineering Support.**
- **Cross-business experience is possible by transferring personnel from the Food & beverages domain to the Pharmaceutical domain.**



CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- **Health Science Strategy
/ ヘルスサイエンス戦略**
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

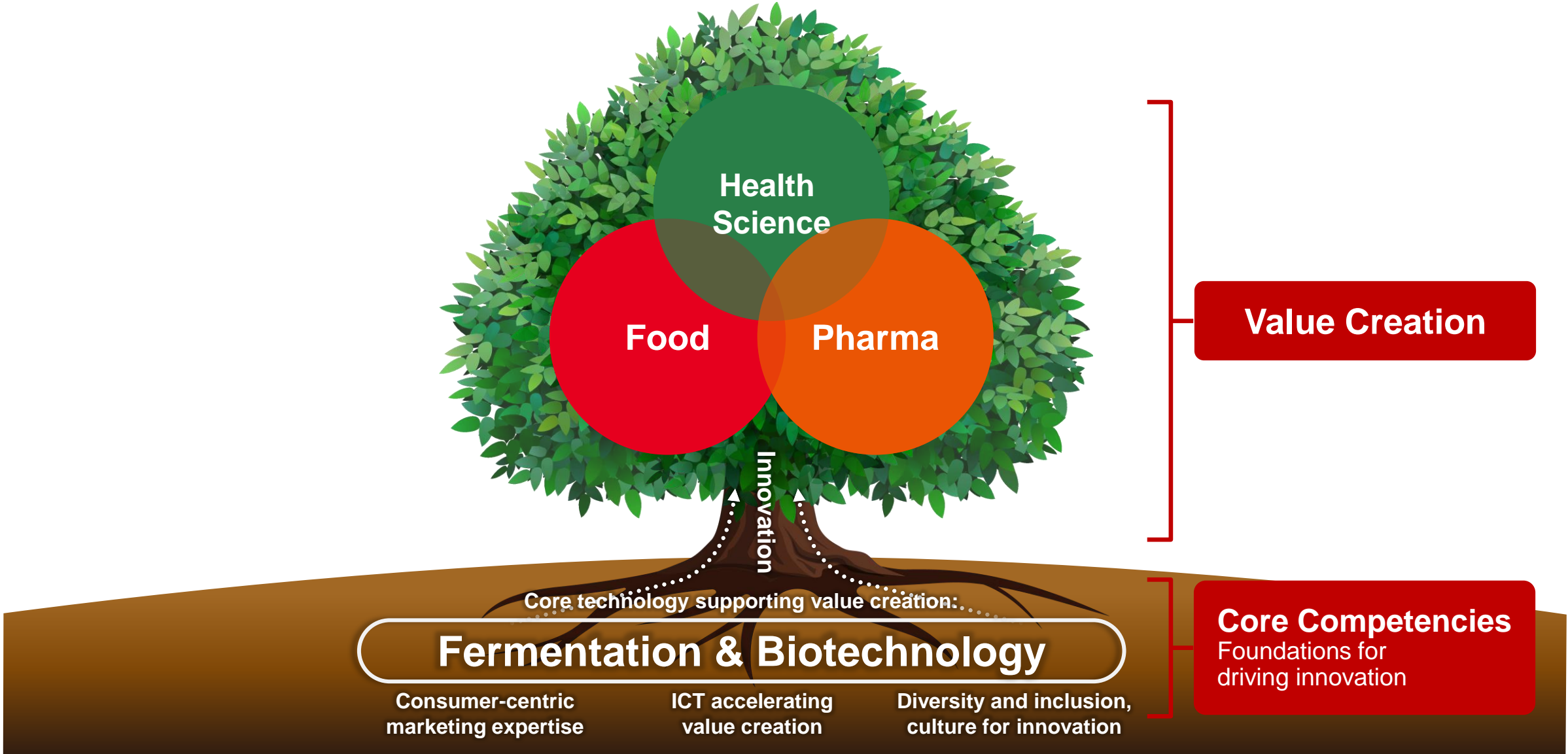
7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

Fermentation & Biotechnology as Kirin Group's core competency



What we aim to achieve in Health Science Domain

**Leveraging the strength of R&D,
aim to build a unique business model with B-to-C business (a brand business)
and development / deployment of functional materials**

Health Science Business development by leveraging our strengths

**Consumer goods
brand business underpinned by
Strong brand and channel**

**Advanced
fermentation and biotechnology**

2019- Japan

LC-plasma* growth etc.
Steady Business Expansion

2023- Asia-Pacific

Acquisition of Blackmores
Full-scale development

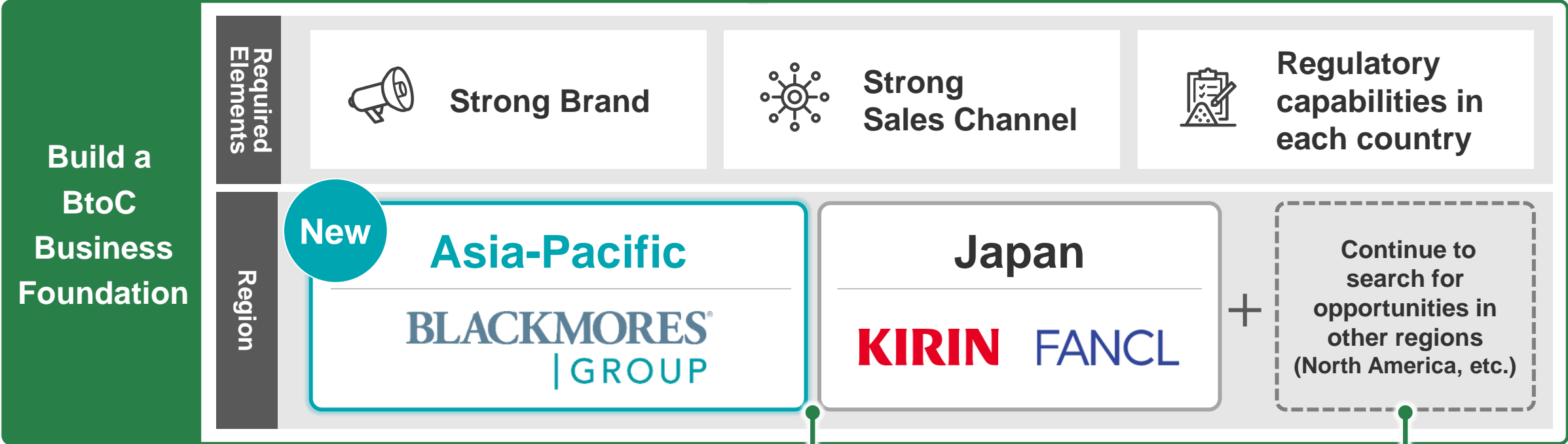
Development and production of high-value-added materials

Build a BtoC business foundation in Japan, Asia-Pacific, etc.,



Develop and produce high value-added materials by utilizing R&D capabilities **KIRIN**

Expand materials by leveraging brands and sales channels Development based on market needs and consumer insight



Acquiring the missing piece in Asia-Pacific, Expand and monetize business in Japan and Asia-Pacific

Continue to consider new investment opportunity in North America etc.

Develop and produce high value-added materials by utilizing R&D capabilities **KIRIN**

Expand materials by leveraging brands and sales channels

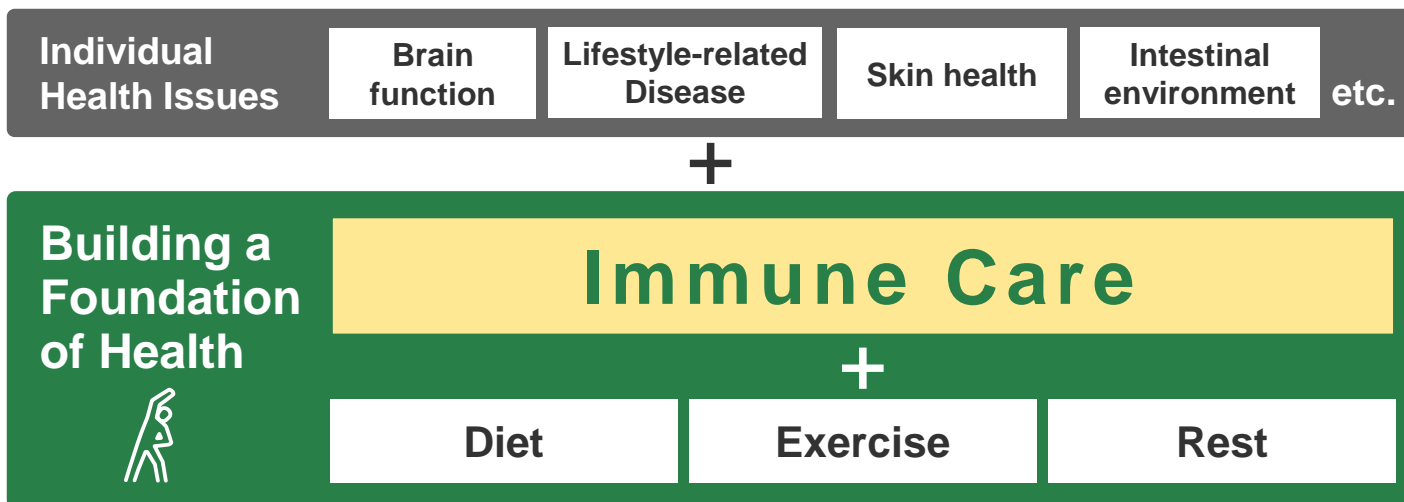
Development based on market needs and consumer insight

- **Expansion of pipeline through development* of high value-added proprietary materials**

* Consider acquiring from other companies as needed.

- **Add value by developing new functions for existing materials**

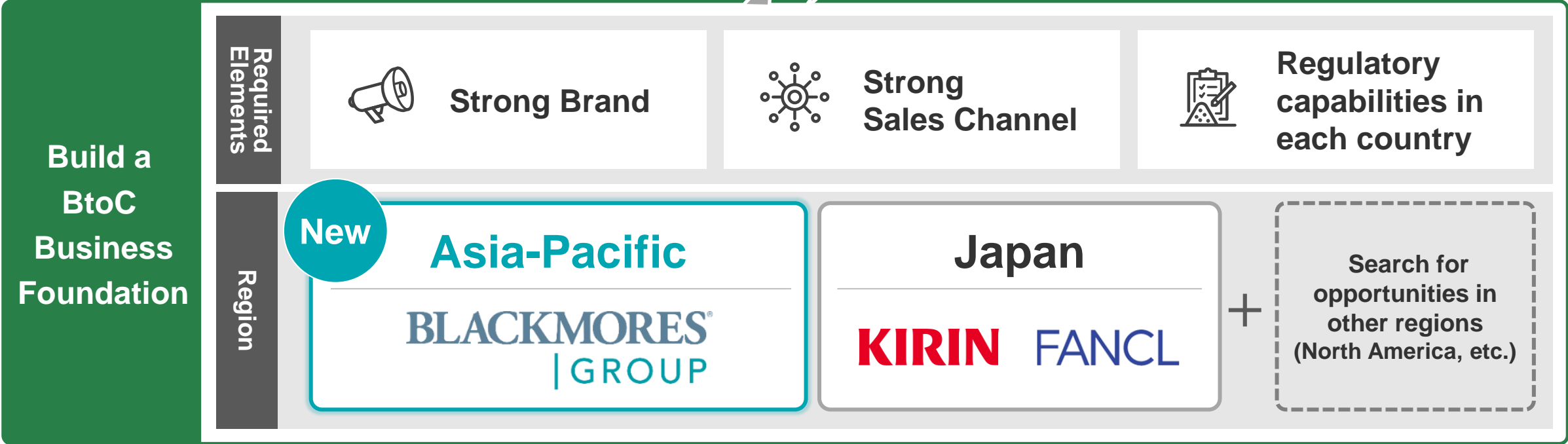
[Kirin's approach to solving health issues]
Acts from **both the foundation of health** and individual health issues



* See page 16 for details.

Develop and produce high value-added materials by utilizing R&D capabilities **KIRIN**

Expand materials by leveraging brands and sales channels  Development based on market needs and consumer insight



Target

In the future

Aim for revenue of **500 billion yen**

15% Normalized OP margin

CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- **Blackmores/ ブラックモアズ**
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略



Australia's Leading Natural Health Company

Head office : Sydney, Australia.

Founded : Established by Maurice Blackmore in 1932, more than 90 years delivering natural health expertise.

Listing : Australian Securities Exchange (ASX).

Employees : More than 1,200.

Region : Pioneering market development in Southeast Asia since 1976. Main countries of operations include Australia, New Zealand, Singapore, Malaysia, Thailand, Indonesia, South Korea, China and Vietnam. Ongoing development of new markets such as India.

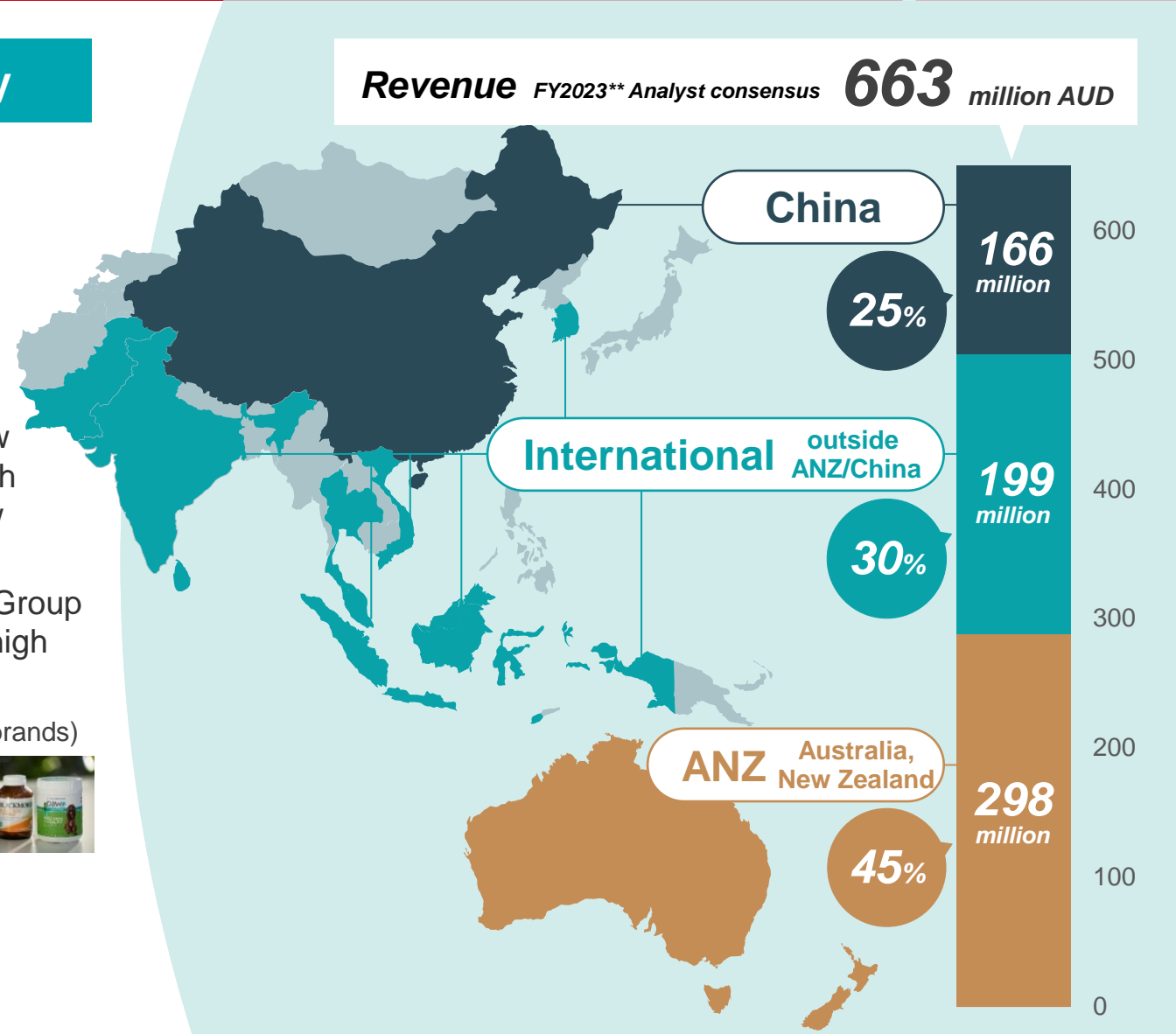
Production : Main products are manufactured at the Blackmores Group Braeside facility in Victoria, Australia to maintaining high quality.

Main brands: BLACKMORES (leading supplements and infant formulas brands)
 BioCeuticals (leading practitioner supplement brands*)
 PAW by Blackmores (leading pet supplement brands)



Key financials (FY2023 Analyst Consensus):**

Revenue 663 million AUD (AUD) | 59.7 billion yen
 EBITDA 93 million AUD (AUD) | 8.4 billion yen 1AUD = ¥90
 Implied EV / FY23 EBITDA multiple of 19.7x ***



Our brands are leaders in their respective target categories and are positioned to win with consumers and practitioners



Our brands	Brand identity and positioning	Brand highlights
	<ul style="list-style-type: none"> ● Australia's No.1 natural health brand¹ ● The only Australian natural health brand with a 90-year heritage – an iconic Australian brand 	<ul style="list-style-type: none"> ● #1 market share Australia¹ and Thailand⁴ ● Top 2 market share in Malaysia³ and Singapore⁶ ● #1 most trusted brand 15 years⁷
	<ul style="list-style-type: none"> ● Australia's leading practitioner range² ● Highly recommended by pharmacists and other HCPs³, practitioner only supplements, guided by naturopathy principles and validated by evidence 	<ul style="list-style-type: none"> ● #1 practitioner brand in Australia² ● Armaforce #1 Immunity brand in Australia¹
	<ul style="list-style-type: none"> ● Natural health products for pets, developed by vets, leveraging Blackmores' natural health expertise 	<ul style="list-style-type: none"> ● #1 pet supplements brand in Australia³

Commentary

- In FY23, Blackmores Group brands had the **second largest incremental retail sales growth** in the Australian vitamins and supplements category⁸
- “Blackmores” global brand growth was **+5% Net Sales** in FY23
- Brand communication strategy cohesively executed across **consumer, retail and practitioner** touch points

Notes:

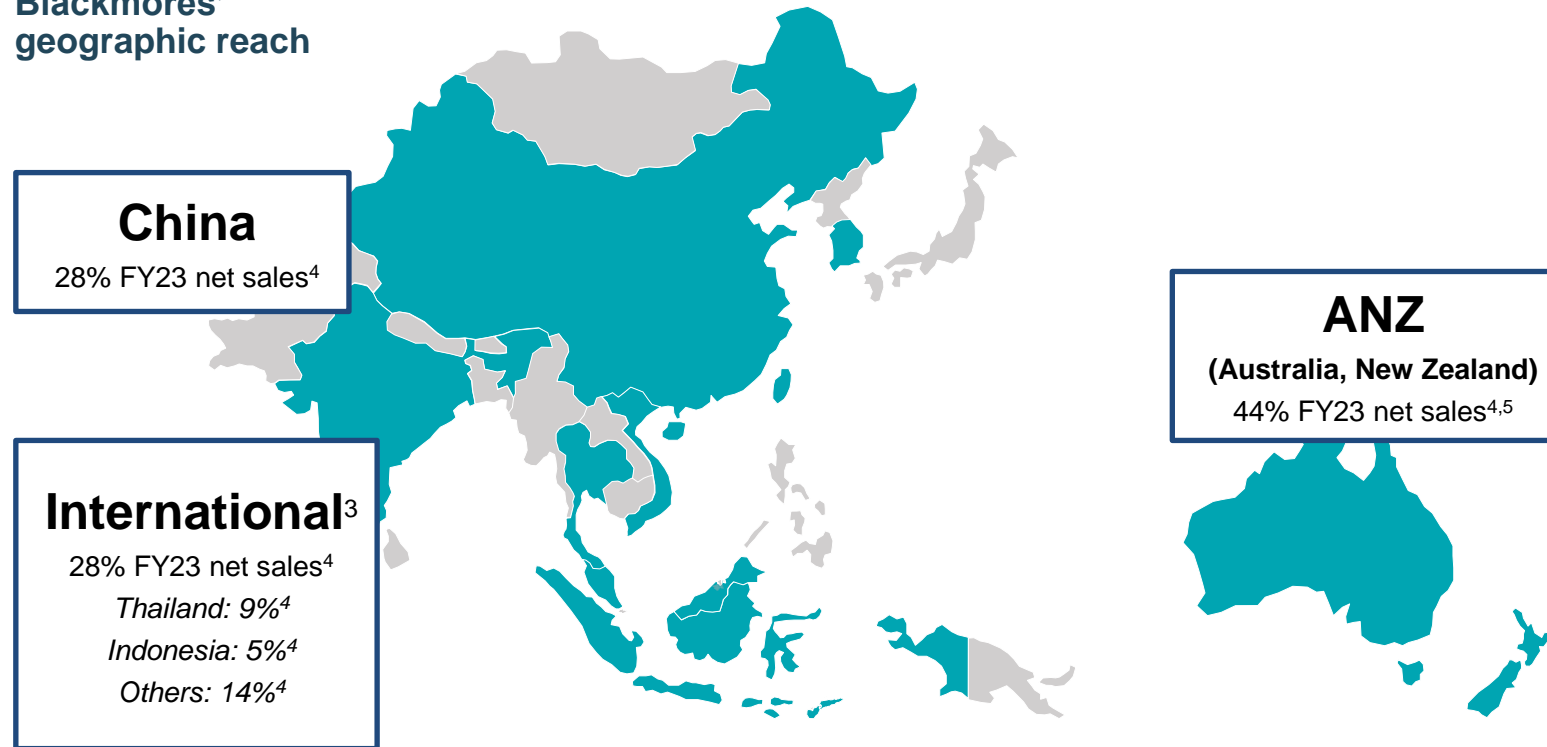
1. IQVIA/Nielsen AU Pharmacy + Grocery MAT 5/8/23 Domestic (Retail and Practitioner);
2. IQVIA/Nielsen AU Pharmacy MAT 5/8/23 Practitioner sales only;
3. Fiftyfive5 Brand health tracking (Mar – Sep 2022);
4. MSAT Int Report - IQVIA & Nielsen (Thailand) March 2023;

5. International Market Landscape – Malaysia IQVIA (MAT June 2023);
6. International Market Landscape – IQVIA (MAT June 2023);
7. Readers Digest Letter 2023;
8. IQVIA/Nielsen AU Pharmacy + Grocery FYTD 31/7/23 Domestic (Retail & Practitioner).

We operate in a highly attractive geographic footprint

➤ Well balanced portfolio of growth and defensive markets

Blackmores' geographic reach



Commentary

- #1 or #2 Vitamin Dietary Supplements position in key markets¹
- Strong growth in Asia markets across most categories, where Blackmores is well-positioned to grow further market share
- Blackmores' market position in Australia provides a backdrop for defensive growth
- Leading position in practitioner channel²

Notes:

1. Australia Thailand, Malaysia, Singapore. – Source IQVIA MAT June 2023 for MY and SG, MAT March 2023 for TH & Smartpath Sep 2022;
2. IQVIA MAT 5/8/23 Domestic Practitioner Only (Practitioner channel includes allied health care practitioners).

3. International: Thailand, Singapore, Malaysia, Indonesia, India, Pakistan, Vietnam (including Infant Formula to Vietnam), Korea;
4. % of Group net sales;
5. Includes Braeside sales.

Highly trusted brand

- Trusted and effective premium brand from Australia
- Reliability with 90 years of history

"Most Trusted Brand*" for 15 consecutive years.

BLACKMORES®

BioCeuticals

paw
PURE ANIMAL WELLBEING

Australia VDS Market share **No.1**

Australia Market share **No.1**

Australia Market share **No.1**

Sales channels covering APAC countries

- Sales network with roots in key Asian countries
- Prospective consumer contact points with potential access to over 1 billion people

VDS** Market share

No.1 Australia, Thailand, Malaysia

No.2 Singapore **No.3** Indonesia

Data Sources***

Intelligence in complying with regulations

- High level of knowledge and experience in dealing with country-specific regulations (e.g. Halal)
 - Regulatory readiness with regard to cultural, religious and customary backgrounds, including pharmaceutical laws
- Embedded relationships with regulators in Australia and other countries



Already deployed in major countries of Asia-Pacific

Product development based on deep consumer and practitioner understanding

Experienced management team

- Health science business professionals
- Extensive global experiences



Blackmores CEO: Alastair Symington

* Reader's Digest Most Trusted Brand Survey 2022 (Voted by Australians) <https://www.trustedbrands.com.au/results/>

** VDS = Vitamins and Dietary Supplements

*** IQVIA, Nielsen, Fiftyfive5

Priority #1

Utilize Kirin materials: Deploy in Asia-Pacific under the Blackmores brand

Blackmores also sees this as new opportunities

Lc-plasma

Citicoline

Human milk oligosaccharide

- In the initial study of PMI, the first phase of "material evaluation" has been completed.
- We will proceed with procedures such as "regulatory compliance and quality assurance," "market research," and so on but we expect that it will take a considerable amount of time.

From 2025

Aiming to **launch in multiple countries**

Expand sales by leveraging each asset



Utilizing Kirin's Channels In Southeast Asia



Expand Blackmores brands in Japan

FANCL

Collaborate with FANCL

Management Efficiency



Functional Integration



Joint Procurement



SCM Efficiency



Quality assurance and Optimization of inventory control

CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- **FANCL / ファンケル**
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

FANCL

正直品質。



Basic Information

Business

- Beauty segment
 - Cosmetics business etc.
- Health segment
 - Supplements business, etc.

developing country

Focusing on Japan, China and other Asian countries.
Also available in North America

Manufacturing base

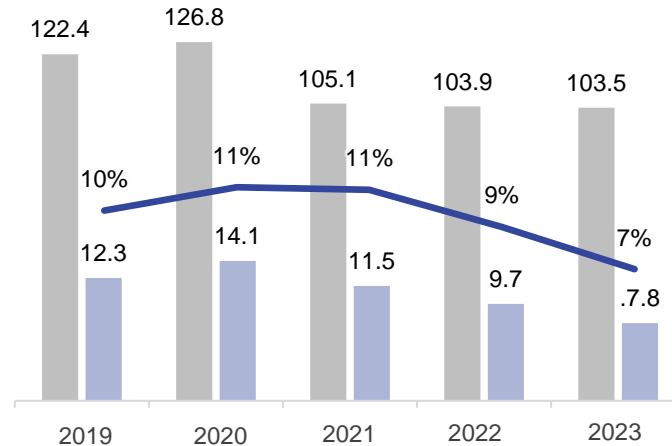
- Chiba Plant (Cosmetics and Supplements)
- Yokohama Plant (Supplements)
- Mishima Plant (Supplements)
- Shiga Plant (Cosmetics)
- Gunma Factory (Cosmetics)
- Nagano Plant (Hatsuga Genmai, Supplements)

Sales and operating income scale

(Actual results as of March 31, 2023)

- Sales 103.5 billion yen
- Operating Income 7.8 billion yen

Sales (billion yen) : Operating Income Margin:
Operating Income (billion yen) :



Segment / Fiscal Year

- Equity method affiliates/32.7%
- Fiscal Year Ended March 31
- Kirin HD Annual Incorporation Period: Jan-Dec

History

- 1981 Established in 1981
- September 2019 Kirin acquired stakes

Main Products



Product Development Synergies

Launch of co-developed products utilizing the brands, materials, and technologies of both companies

Major co-developed products

Kirin Beverage	FANCL	
	Soft drinks	Supplements
		
Calolimit Brand	Immune Care	MILD CLEANSING OIL Mutenka skin care ENRICH+

Channel / Infrastructure Synergies

Consolidation of supplement production sites
Launch of cosmetic products

- Production sites for supplements are consolidated at the FANCL Biken Mishima Factory.



- FANCL cosmetics is now available at Kirin Kyowa Hakko Bio's online store.



Others

















Personnel exchange, study sessions, and joint research

- Exchanges are conducted between the two companies in the R&D, marketing, sales, planning, and DtoC departments.
- Implemented knowledge sharing and collaboration in areas such as Online and catalogue sales CRM* and Wholesale sales.
- Promoted joint research in the fields of immunology, brain, and gut-microbiome for future business growth.

Strong value chain including FANCL

Created a vertically integrated value chain in Japan



	 Foundation Research	 Application Research	 Merchandise Development	 Manufacturing	 Sales Channel
KIRIN	 Food and Pharma seeds		 Beverage development packaging	 Manufacturing technology and production control engineering	
FANCL		 Functional evaluation Masking technology	 Formulation technology	Marketing expertise	 Brand and wholesale distribution on/offline sales
	 Highly proprietary materials research			 Low-cost fermentation production technology	 EC and B2B
KYOWA KIRIN	 Pharmaceutical discovery seeds	Not applicable for pharmaceuticals			

CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

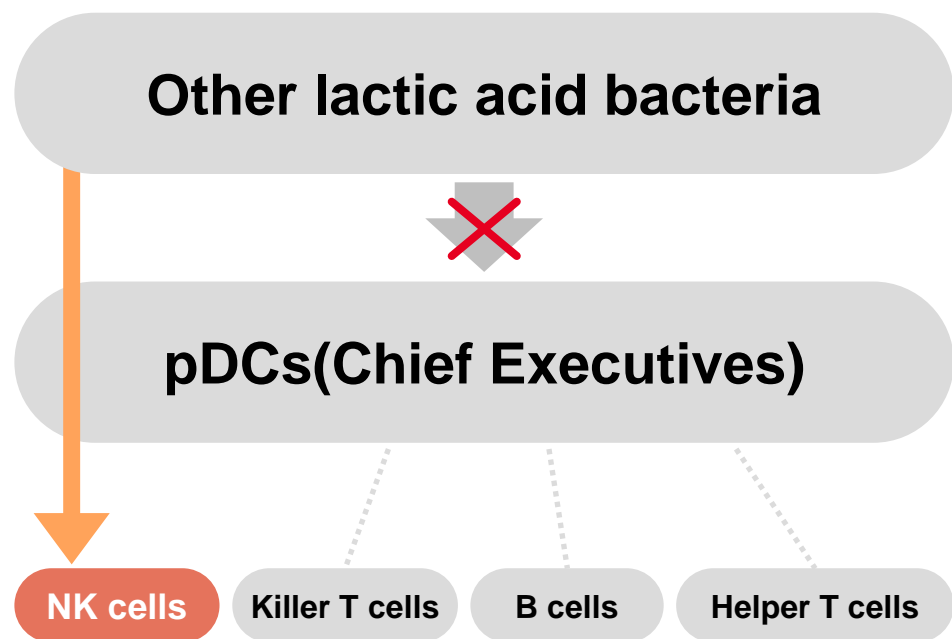
- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

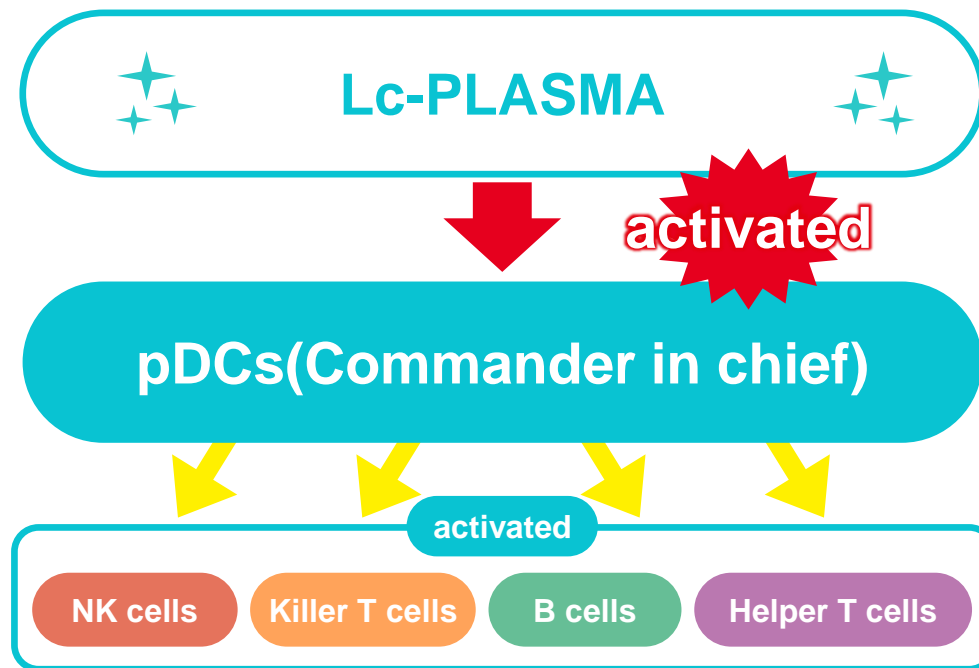
- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

- > Discovered for the first time in the world that Lc-Plasma directly activates the command center of immune cells.
- > LC-plasma can activate a wide range of immune cells, while other lactic acid bacteria only partially activate them.

A new mechanism completely different from the conventional immune activation of lactic acid bacteria



Immune cells are partially activated



All immune cells are fully activated

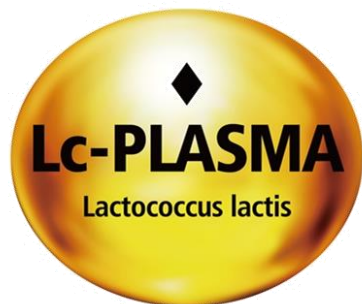
Compiled a systematic review of 6 papers from 25 scientific papers



Submitted as a food with functional claims to the Consumer Affairs Agency



August 7, 2020 Approved as Japan's first ever "immunity" submission



Helps maintain immune function in healthy individuals

<Submitted Claim>

This product contains LC-Plasma (*L. lactis* strain Plasma). LC-Plasma activates the pDC (plasmacytoid dendritic cells) and have been reported to help maintain immune function in healthy individuals.

World's first* lactic acid bacteria that activates the pDC

The world's first lactic acid bacteria to be reported in a paper to activate the pDC in humans (based on information published in PubMed and Igaku Chuo Zasshi (ICHUSHI) Web).

Confirmed the efficacy of LC-Plasma against dengue fever-like symptoms

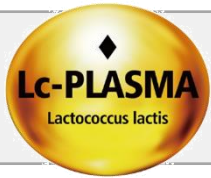
- Began a joint clinical research with the University of Malaya in Malaysia from 2019, focusing on the research results against dengue fever
- Aim to solve the major social issue of tropical infectious diseases



Nagasaki University announced the results of a specified clinical research on the use of LC-Plasma on patients with COVID-19

- Confirmed that pDC immune cells are maintained, resulting in early reduction of viruses and improvement of smell and taste dysfunction
- The findings of this specified clinical research have been submitted for a joint patent by Nagasaki University and Kirin





Develop food with functional claims containing LC-Plasma with partner companies

The LC-Plasma series (food with functional claims) is now available in 59 products*.

LC-Plasma with Partner Companies



Cough drop and gummy candy



Aojiru (Green juice)



Kirin Products



Yogurt



Soft drink



Supplements



Collaboration with FANCL

Pet goods (dogs and cats)
*Not a food with functional claims



CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer
/ 酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

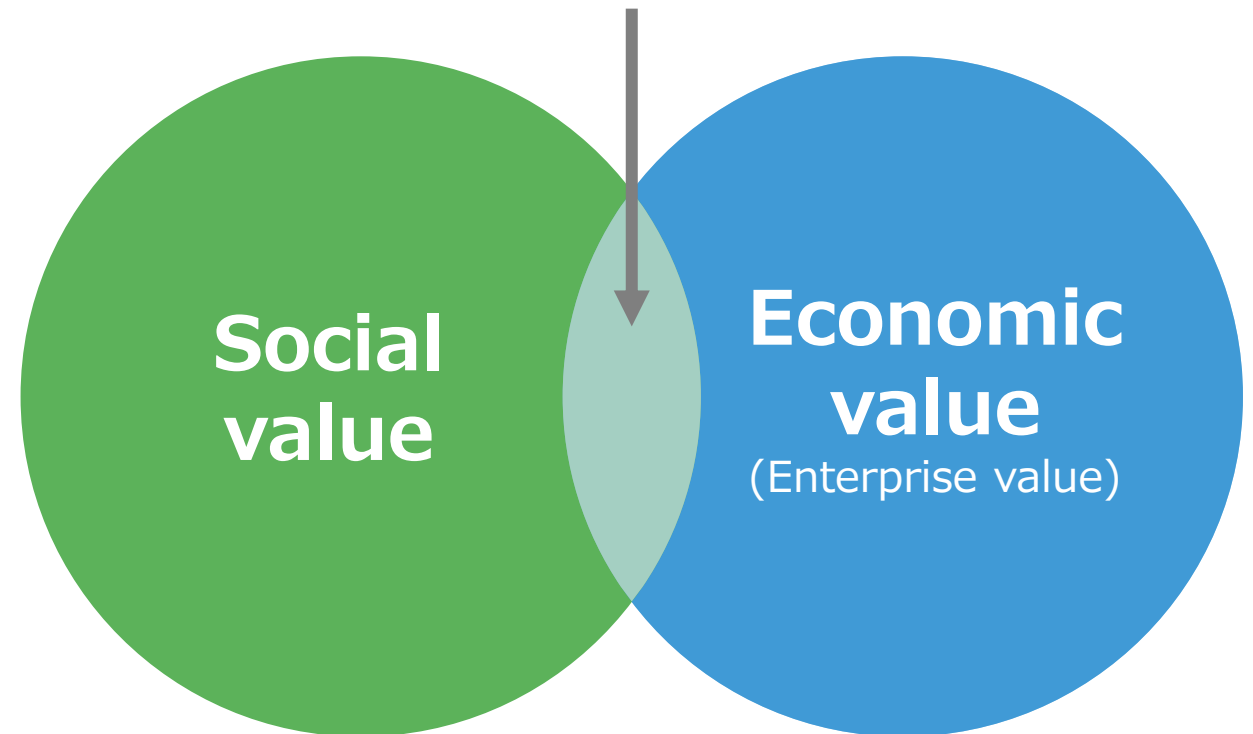
8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

What is CSV (Creating Shared Value) ?

- A concept proposed by Professor Michael E. Porter and Mark R. Kramer of Harvard University in 2011.
- Creating shared value is the practice of creating economic value in a way that also creates value for society by addressing its needs and challenges as the next driving force for growth.

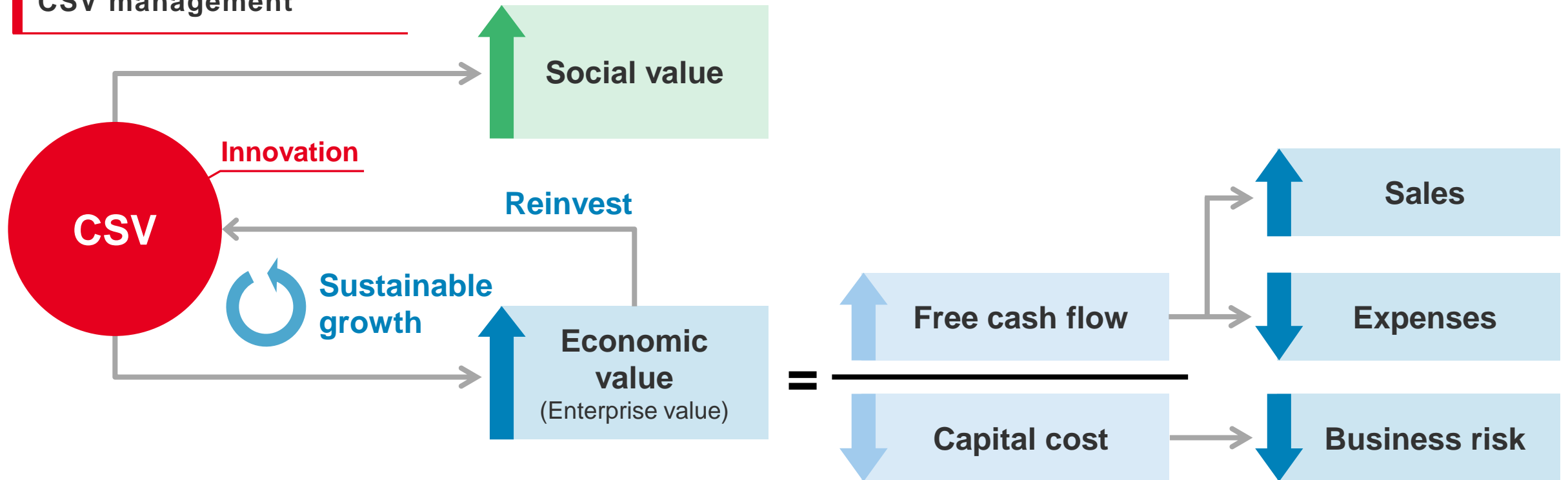
Creating Shared Value



CSV and Sustainable Growth

- CSV approach seeks to resolve the social issues through innovation, increase enterprise value by generating sales, cutting costs and reducing business risk, and further mitigate the social issues and enhance enterprise value by reinvesting profits.

Structure of sustainable value creation through CSV management

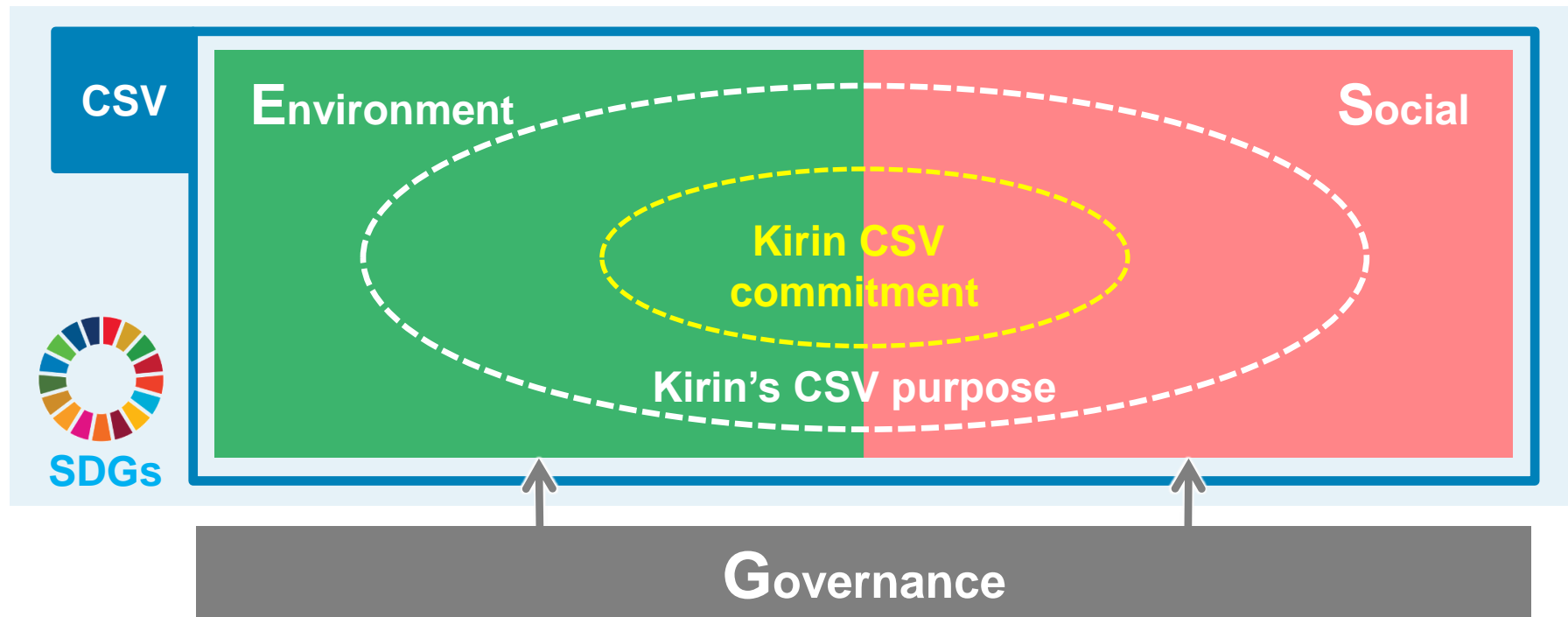


- Among all SDGs agendas to be addressed by all stakeholders, the E and S in ESG, which are used by long-term investors to evaluate investments, are the domains where the invested companies can generate returns and sustain their growth by resolving those issues. This concept expressed from the perspective of a company as the investment is Creating Shared Value (CSV)
- At Kirin, ESG is viewed to be a governance added to CSV, and by properly conducting governance of CSV management, the company will increase shareholder value, contribute to SDGs, and link these to improve ESG reputation and attract ESG investments

Relationship of

ESG and CSV

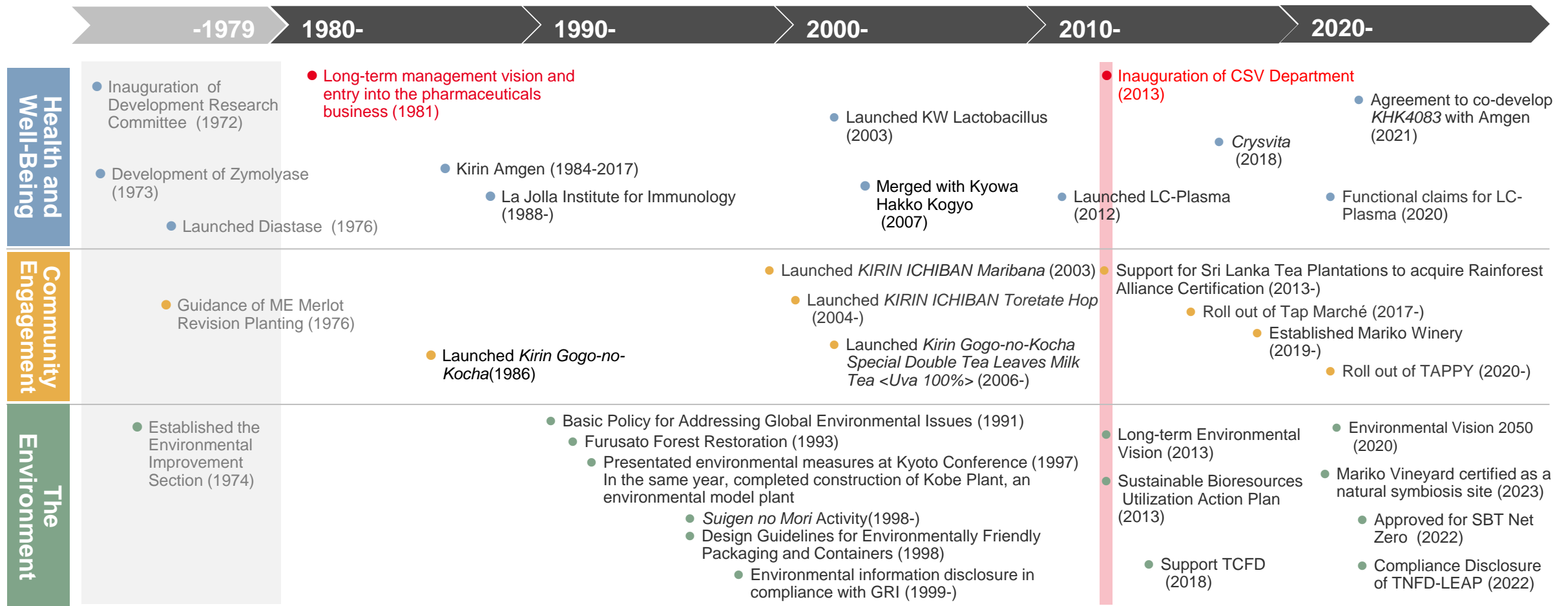
Creating Shared Value



Pre-history and History of CSV management



➤ The commercialization of solving social issue (CSV as we know it today) has been a practice since the Company's long-term management vision in 1981, when we entered biopharmaceutical development by utilizing fermentation and cultivation technologies developed in the beer industry to contribute to health issues associated with the aging of society.



Note: In terms of responsibilities as an alcohol producer, Kirin Free, the world's first beer-tasting beverage with 0.00% alcohol content, was launched (2009)

Examples of the Social and Economic Value of CSV Initiatives

	Starting year	Initiative	Social Value	Economic Value
Health and Well-Being	1981	● Entry into biopharmaceutical development	● Improve patient's quality of life through pharmaceutical innovations	● Pharmaceuticals business currently generates 1/3 of the Group's Normalized operating profit
	1988	● Support for the establishment of the La Jolla Institute for Immunology	● Publish world-class immunological research results	● Discovered KHK4083's lead antibody at La Jolla's Laboratory
	2012	● Launched LC-Plasma	● Maintain immune function in healthy individuals	● Sales revenue is expected to reach 20 billion yen in 2023
Community Engagement	1986	● Launched <i>Kirin Gogo-no-Kocha</i>	● Promote the Sri Lankan tea industry (Japan's import from Sri Lanka tripled from 1985 to 2010)	● Created sales volume of 50 million cases of <i>Gogo-no-Kocha</i> (using 1/4 of tea leaves imported from Sri Lanka to Japan)
	2006	● Launched <i>Kirin Gogo-no-Kocha Special Double Tea Leaves Milk Tea <Uva 100%></i>	● Increased awareness of Uva as a production area brand and increased income for tea leaf farmers	● Strengthen the <i>Gogo-no-Kocha</i> brand through selective use of branded tea leaves ● Currently, the three core products are labeled with their place of origin*
	2013	● Support for Sri Lankan tea plantations to acquire Rainforest Alliance certification	● Promote sustainable agriculture, conserve biodiversity	● Improve quality and stable procurement of raw tea leaves
	2003	● Launched <i>KIRIN ICHIBAN Toretate Hop**</i>	● Sustain domestic hop agriculture, create regional development of hop producing areas	● Cumulative sales volume of 350 million bottles***
	2017	● Rollout of Tap Marché begins	● Create local communities and promote the Japanese craft beer industry through the promotion of independent craft breweries	● Improve unit sales price ● Stimulate beer demand
	2020	● Rollout of TAPPY begins	● Reduce food waste, alleviate food and beverage labor shortages, and reduce GHG emissions from deliveries	● Installed in more than 20,000 stores
	2019	● Established Mariko Winery	● Sustain agriculture, promote the Japanese wine industry, restore biodiversity	● Voted as World's Best Vineyard for the fourth consecutive year
The Environment	1997	● Completed the construction of Kobe Plant, an environmental model plant	● Reduce GHG emissions, conserve water	● Reduce energy costs (cumulative total of tens of billions of yen across Kirin Brewery)
	1998	● Established guidelines for designing environmentally friendly packaging and containers, etc.	● Reduce GHG emissions, conserve resources	● Reduce cumulative cost of more than 70 billion yen due to lighter weighing containers
ARP	2009	● Launched the world's first product with Alc 0.00%	● Resolve issues such as drunk driving and maternal drinking	● Create a high profitable product category

Summary: Kirin Group's CSV Management

- We will (1) the transformation to our health business, which requires time, by promoting ESG investment, (2) adapt to the increase of alcohol risk by expanding our health business portfolio, and (3) sustain our alcoholic beverage business by positively controlling external economies, thereby lowering the cost of capital and increasing cash flow to enhance enterprise value while achieving our four purposes.



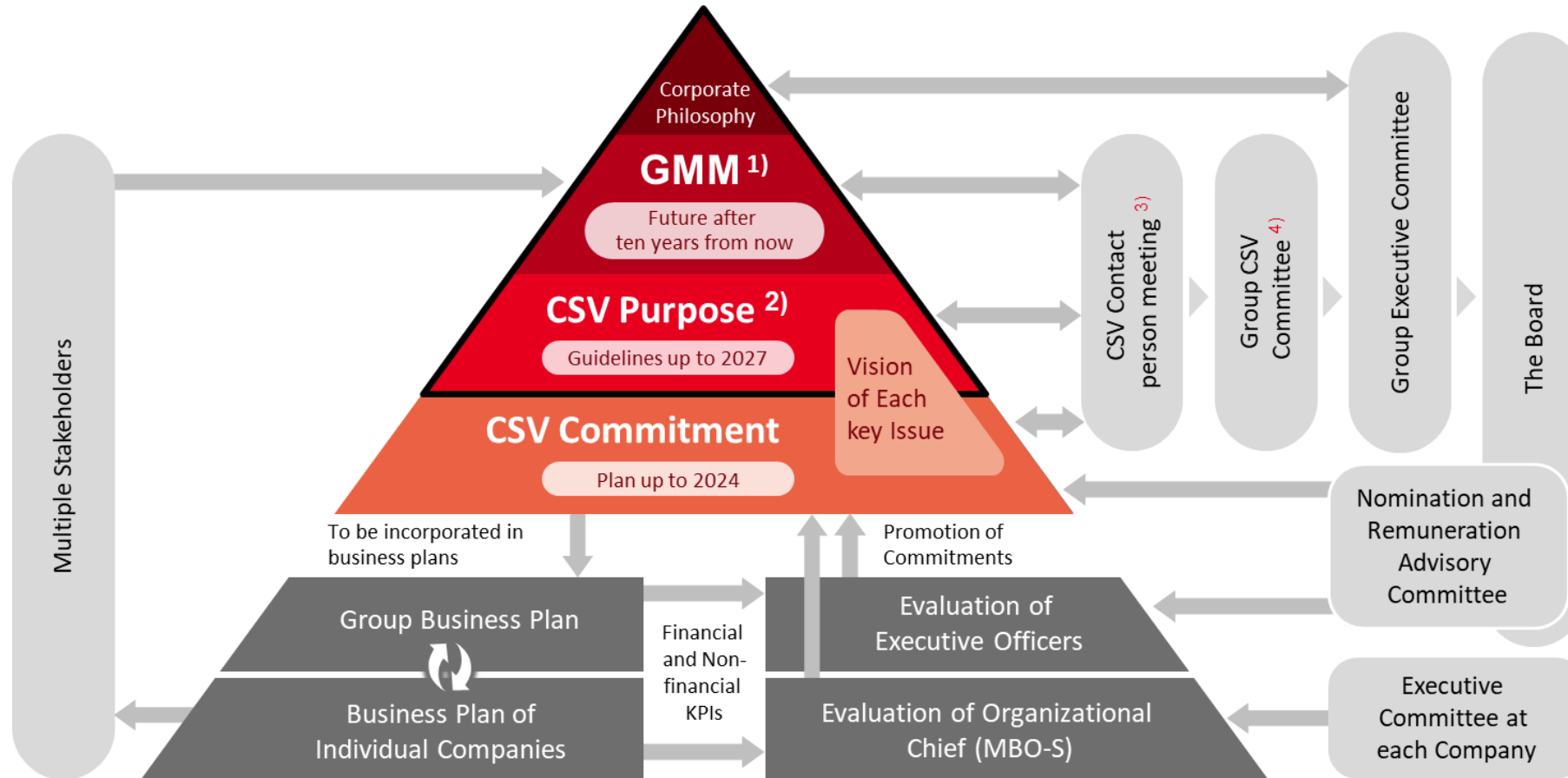
2
Adapt to the risks of alcohol by expanding the portfolio of health businesses

1
Advance environmental management and disclosure of non-financial information to support the transformation to a health business by promoting ESG investment

3
Sustain the alcoholic beverage business by eliminating external diseconomies and fulfilling its role as a social good.

Group Materiality Matrix (GMM) · CSV Purpose · CSV Commitment

- Establish a system to actively promote CSV Management for sustainable growth.
- Establish a system in which PDCA cycles through business planning, monitoring, and evaluation to ensure the company's ability to promote.



- 1) Group Materiality Matrix
- 2) Translate management philosophy into social significance.
- 3) Chair: The CEO of Kirin Holdings (KH)
Members: KH functional units Director, The CEO of major operating companies
- 4) Members: KH functional units Planning staffs, major operating companies' Planning staffs

Group Materiality Matrix (GMM) • CSV Purpose • CSV Commitment

➤ Based on the GMM created looking 10 years into the future, the management philosophy as a universal mission is translated into the CSV Purpose as "the role and significance of existence expected in today's society," and the CSV Commitment is formulated as an action plan to achieve this goal.

Identification of key issues

Setting up an action Plan

GMM

CSV Purpose

CSV Commitment

● A Responsible Alcohol Producer ● Health and well-being ● Community Engagement ● The Environment ● Other Material Agenda and Governance

Impact on Stakeholders	large	<ul style="list-style-type: none"> Creating bonds and trust for people's well-being 	<ul style="list-style-type: none"> Provide pharmaceuticals for Unmet Medical Needs Sustainable development of communities in raw material production areas and business development regions Sustainable use of biological resources Sustainable use of water resources Sustainable recycling of containers and packaging Overcoming climate change 	<ul style="list-style-type: none"> Dealing with alcohol-related problems Ensuring food safety and security Ensuring stable supply, safety and reliability as a pharmaceutical company Respect for human rights 	
		medium	<ul style="list-style-type: none"> Helping to improve the performance of brain function and prevent decline 	<ul style="list-style-type: none"> Support for the prevention of non-communicable diseases Promoting compliance 	<ul style="list-style-type: none"> Support for maintaining the immune system Ensuring occupational health and safety Human resource development to realize innovation Promoting diversity and inclusion Improving the effectiveness of corporate governance Reinforcing risk management Protection of personal information
		small	<ul style="list-style-type: none"> Improvement of access to nutrition Ensuring tax transparency 	<ul style="list-style-type: none"> Enhancing the sustainability of food economy Building sustainable logistics Countermeasures against cyber attacks 	<ul style="list-style-type: none"> Implementation of health management Realization of a vibrant workplace/culture Strengthening group governance
		small	medium	large	

Impact on the Group's business

Joy brings us together
KIRIN

Health and Well-Being

Raise the number of healthy people, lower the number of sick people, and contribute to the people who are involved in healthcare

Community Engagement

Create positive forces for people's well-being and society by developing communities

The Environment

Enrich a sustainable Earth for future generations through positive impact

A Responsible Alcohol Producer

Make steady progress toward eradicating the harmful use of alcohol in all countries of operation (Zero Harmful Drinking)

Items	Themes	Non-financial Indicators	Target Level in 2024
Environment	Climate Change	Reduction rate of GHG emissions (Scope 1+2 vs. 2019)	23% (50% in 2030)
	Containers and Packaging	Recycling rate of resin for PET bottles	38% (50% in 2027)
	Water Resources	Water use intensity at manufacturing sites with high water stress (Iron (Australia) (Water use intensity = Water usage / Production amount))	Under 3.0 kL/kL (Under 2.4kL/kL in 2025)
Health	Progress of mid-term health science strategy	Achievement level in supporting the maintenance of immune function 1. Recognition rate of LC-Plasma function in Japan 2. Number of people continuing to take LC-Plasma	1. 45% 2. 1,900,000 people (Under 2.4kL/kL in 2025)
		Achievement level of new value creation in the immunity, brain function, and intestinal environment domains and Achievement level of promotion of collaboration with pharmaceuticals domain	Not disclosed ¹⁾
Employees	Organizational Culture	Employee engagement score	75%
	Diversity	Achievement level in "Increasing diversity" ²⁾ 1. Ratio of female managers in Japan 2. Ratio of career hires in Japan	1. 15% 2. 30%
	Occupational health and safety	Lost time injury frequency rate ³⁾	0.95 (0.40 in Japan)

¹⁾ Specific indicators and target levels are not disclosed for strategic reasons, as they include content related to intellectual property.
²⁾ The target group is employees of Kirin Holdings.
³⁾ Major group companies that have production and logistics functions within the group will be included. Partner companies within the plant premises are also included.

Disclosing our 2022 – 2024 CSV Commitment via our website*

* [2022-2024 CSV Commitments | CSV Management | Kirin Holdings](#)

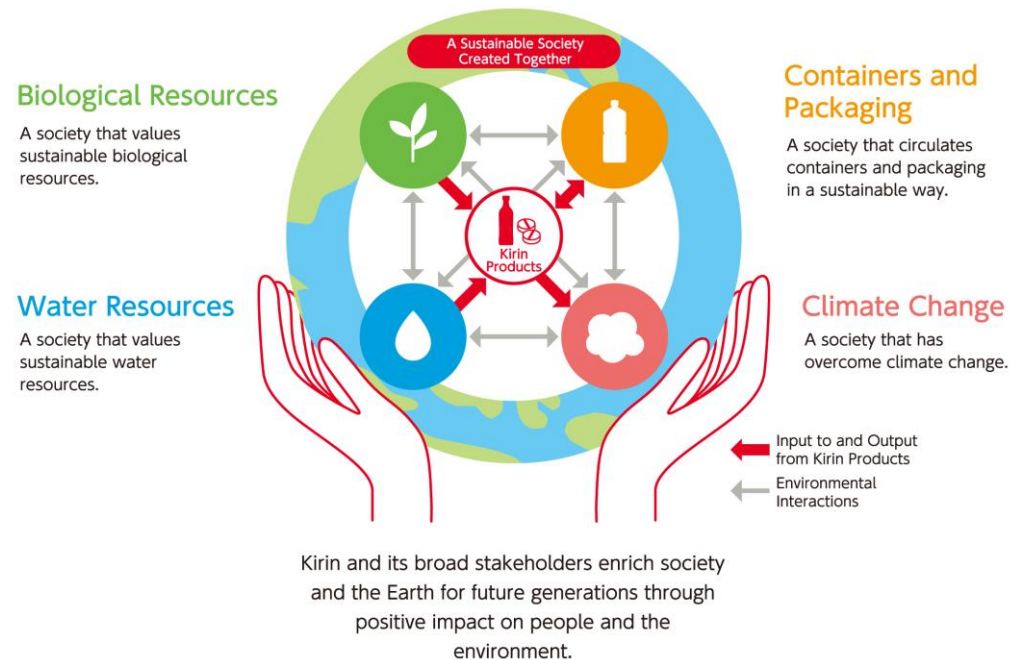
Four environmental challenges and a holistic approach

- Four key environmental themes have been established: Biological Resources, Water Resources, Containers and Packaging, and Climate Change.
- The Kirin Group's approach is to solve these issues in an integrated (holistic) manner, as they are interrelated rather than separate.

approach: **holistic**

The concept that the environmental materialities of "Biological Resources," "Water Resources," "Containers and Packaging," and "Climate Change" are not separate issues but are interrelated and therefore need to be solved in an integrated manner.

Kirin Group's Environmental Vision 2050 Enrich the Earth with Positive Impact



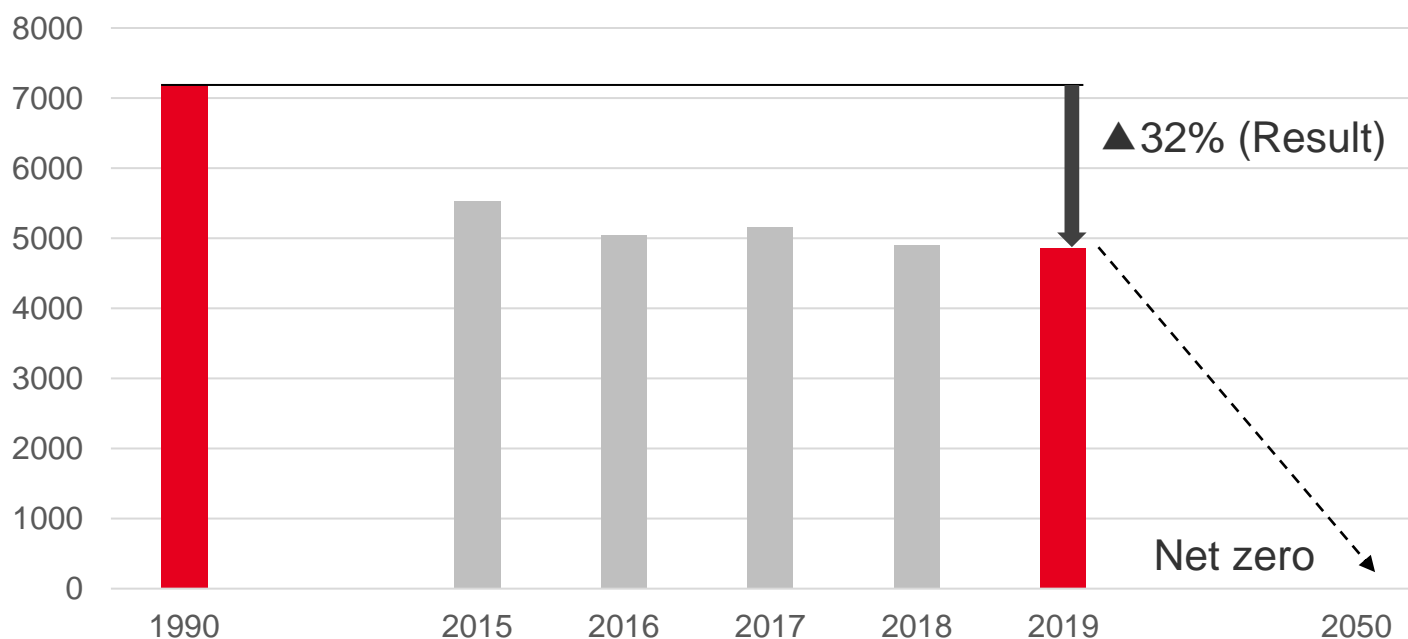
The most important message: **Positive impact**

Positive impact : The concept that we expand our environmental initiatives and their ripple effects to whole society exceeding confines of the company. We will create sustainable future together with society and people who will inherit next generation.

Climate change Long-term target

- The Kirin Group has greatly reduced GHG emissions in the overall value chain.
- Net zero emission, our 2050 target shown in environment vision, is a ambitious challenge, but we will achieve it by combining the accumulated experience and differentiated strategy in each business.

Changes in GHG emissions in the value chain (Scope 1-3)



- Install high efficiency equipment
- Improve operations
- Reduce the weight of containers and packaging

Through these kind of measures
We accumulate technical know-how that will
lead GHG reductions
(R&D, engineering, production technology)

- Since the Rio Earth Summit in 1992, Kirin Group has been working to combat climate change along with the rest of the world.
- We are the first in the Japanese food industry to be certified for SBT2°C and SBT1.5°C, and first in the world to be certified for SBT Net Zero in the food industry.



Global Trends	<ul style="list-style-type: none"> ● Paris Agreement (2015) ● IPCC 1.5°C Report (2018) ● IPCC 6th periodic report (2021-2022)
---------------	--

Kirin Group's response

★ **SBT2°C certified**

(2017)

Reduce by 30% by 2030 compared to 2015

★ **SBT1.5°C certified**

(2020)

Reduce Scope 1 and Scope 2 by 50% and Scope 3 by 30% by 2030 vs 2019



★ **SBT Net Zero certified**

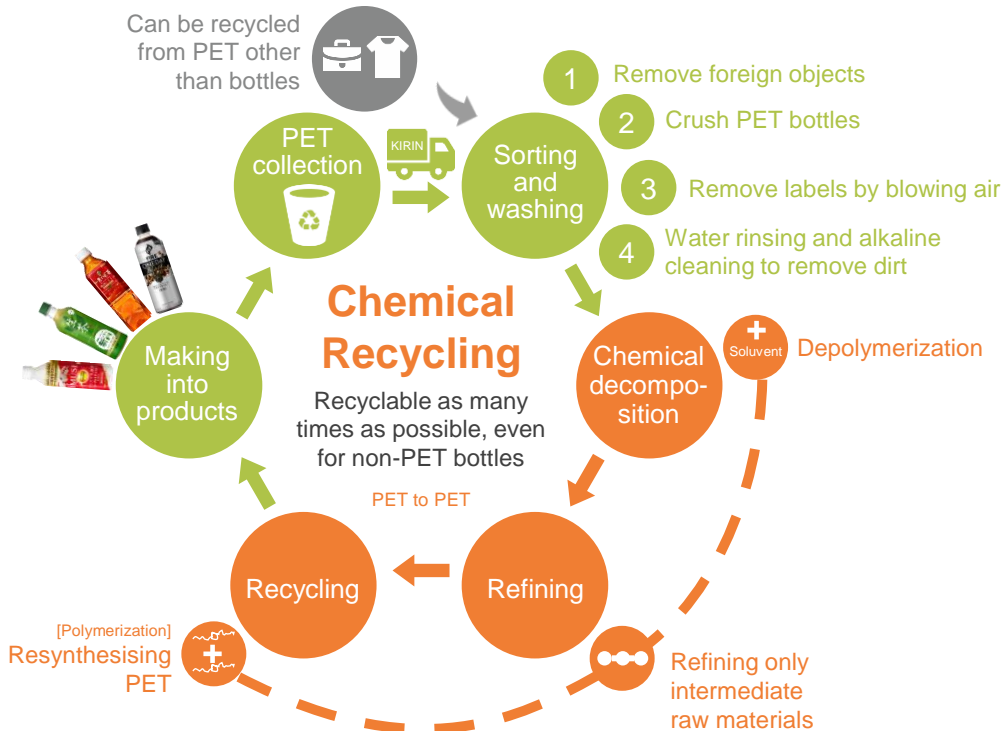
(2022)

- Reduce Scope 1, Scope 2, and Scope 3 by 90% or more by 2050.
- Remaining 10% is to remove carbon from the atmosphere

Environment (Containers) : Initiatives aimed at a society in which plastics continue to circulate

- To establish a world-leading recycling economy for PET bottles, we are promoting social implementation of chemical recycling*.
- The company is the first Japanese plastic user company to join the Alliance to End Plastic Waste (AEPW), and is working to solve the plastic waste problem from a global perspective.

Cycle of Recycling



Namacha as an environmental flagship brand



- New container reduces plastic usage in labels by approximately 180 tons and improves pallet loading efficiency

Labelless Products



Lighten the PET weight



AEPW



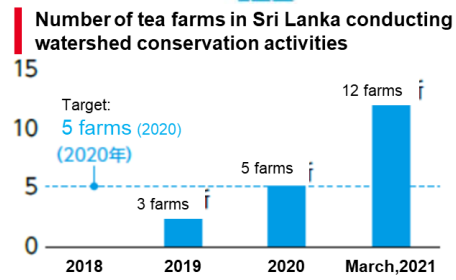
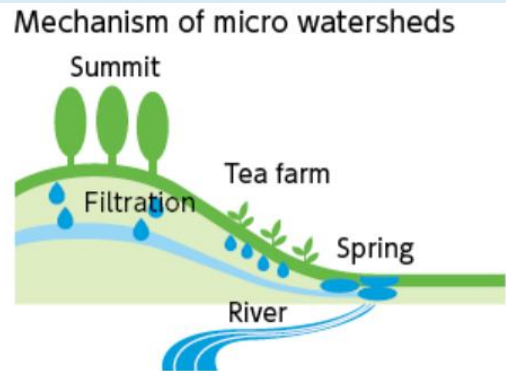
Established in 2019, a global alliance to advance solutions to reduce and eliminate plastic waste in the natural environment, especially in the ocean

* The process of scientifically breaking down waste plastics using various methods and reusing them as raw materials for products and other purposes. The recycling method in which waste plastic is used as raw material to make new products is called material recycling.

- Need to address water use across the value chain, not just in the factory basin.
- Water is a resource that circulates in each region. Because the features and scale of the issues vary depending on conditions such as the climate and flood control measures, it is most important to respond to the risk based on the region and form of use.

Initiatives in Raw Material Producing Regions

Watershed conservation activities in Sri Lanka

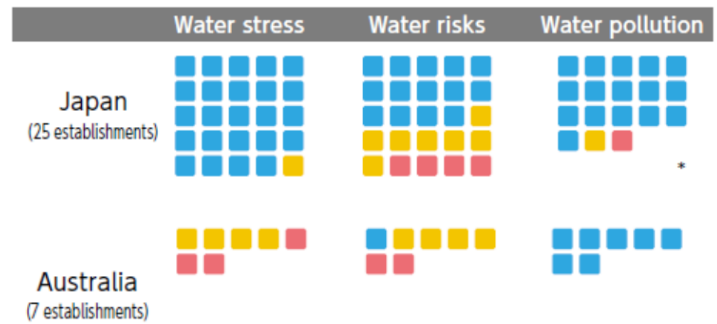


Initiatives in the Factory Area

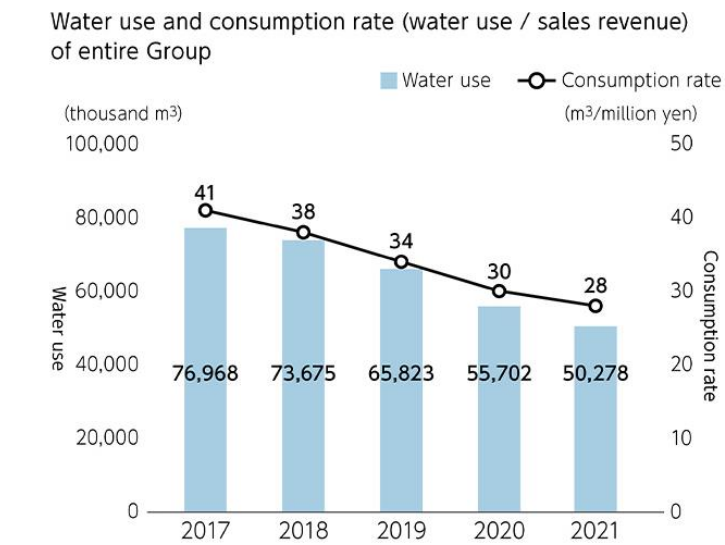
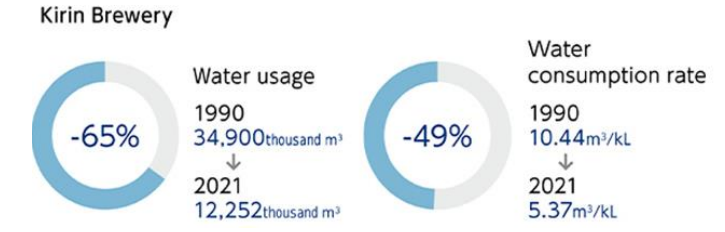
Watershed forestry activities



Assessed water risk



Initiatives in the Factory



- Presented the research results of Château Mercian Mariko Vineyard and other sites at COP15 in Montreal, showing that the “Satoyama” concept can lead to the restoration of biodiversity.
- Officially recognized by the Ministry of the Environment as a natural symbiosis site for the international goal of “30 by 30”, which aims to "conserve 30% of the land and sea as healthy ecosystems" by 2030.
- The Mariko Vineyard was selected as one of the World's Best Vineyards for the fourth consecutive year (38th in 2023). Château Mercian’s sales revenue is expected to reach a record high this year.

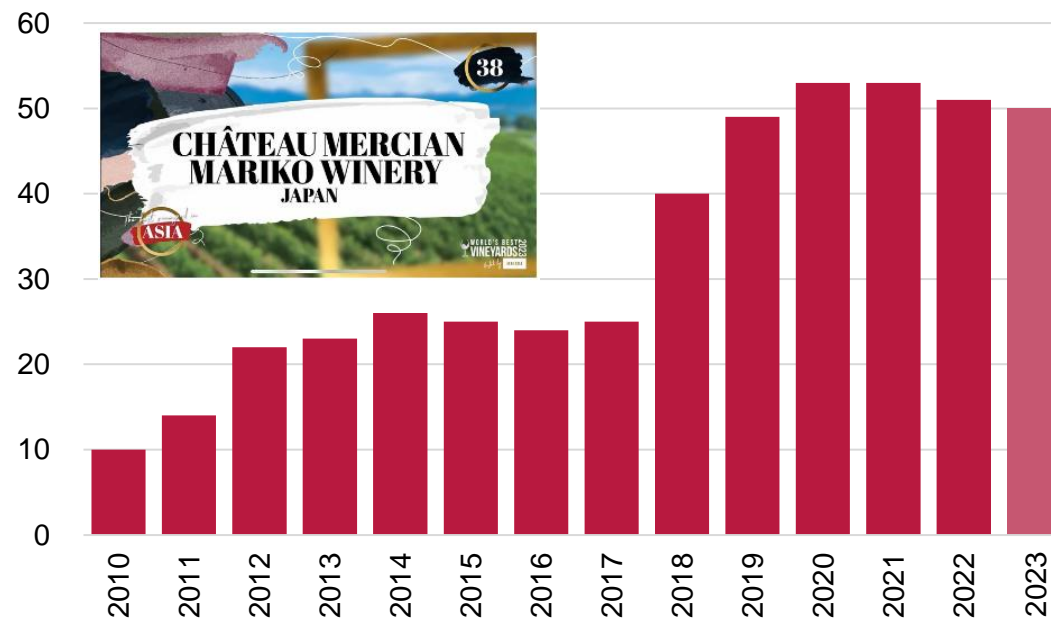


2020 UN BIODIVERSITY CONFERENCE
COP 15 - CP/MOP10-NP/MOP4
 Ecological Civilization-Building a Shared Future for All Life on Earth
 KUNMING – MONTREAL



Economic value

Château Mercian Sales volume (1,000 cases)





- After formulating the Kirin Group Human Rights Policy in 2018 as a high-level policy for all initiatives related to respect for human rights, we have been implementing activities in accordance with this policy.
- In November 2023, the Human Rights Policy was revised for the first time in five years in response to social demands and the business environment surrounding the Kirin Group.

		Activity Summary	Achievements
2017	CSV Committee	<ul style="list-style-type: none"> The CSV Committee in 2017 decided to promote initiatives in accordance with the United Nations Guiding Principles on Business and Human Rights, and as a first step, formulated the Kirin Group Human Rights Policy. 	<ul style="list-style-type: none"> Decided by the Board of Directors of Kirin Holdings in December 2017, established and published in February 2018.
	Developed the Kirin Group Human Rights Policy		
2018	Implemented Human Rights DD* Human Rights Awareness Activities *Human Rights Due Diligence	<ul style="list-style-type: none"> In line with the Guiding Principles and the Group's Human Rights Policy, we initiated efforts to identify, prevent, and mitigate negative human rights impacts related to the Kirin Group's business (human rights due diligence). 	<ul style="list-style-type: none"> Implemented with the Myanmar business and Laos coffee supply chain, which were considered high priority based on the human rights risk assessment.
		<ul style="list-style-type: none"> Launched activities to gain stakeholders' understanding and support for the Kirin Group Human Rights Policy. 	<ul style="list-style-type: none"> Provided briefing to joint venture partners and suppliers.
2020	CSV Committee	<ul style="list-style-type: none"> At the CSV Committee in 2020, it was agreed to establish a project team to examine initiatives to address human rights in the supply chain, with the goal of achieving the top level of the industry. 	<ul style="list-style-type: none"> Began the development of a Group promotion system and consideration of the human rights medium- and long-term strategy.
	Group Promotion Structure, Reviewed the Human Rights Medium- and Long-Term Strategy		
2021	Established the Group Human Rights Council Formulated the Human Rights Medium- and Long-Term Strategy	<ul style="list-style-type: none"> In 2021, the Group Human Rights Council was established to formulate a human rights medium- and long-term strategy and promote initiatives, including the establishment of a structure, based on this strategy. 	<ul style="list-style-type: none"> Established the Group promotion system and formulated the human rights medium- and long-term strategy.
2022	Began operation of Group Human Rights Meeting under CSV Committee	<ul style="list-style-type: none"> Started operating the Group Human Rights Conference under the Group CSV Committee, and in 2022, addressed various human rights issues, including individual human rights issues in the supply chain. 	
	Revised the Kirin Group Human Rights Policy		
2023		<ul style="list-style-type: none"> Revised the Human Rights Policy in line with social demands, including laws and regulations, and changes in the business environment surrounding the Kirin Group, and based on the opinions of internal and external stakeholders, including the labor union. 	

- In order to carry on the learning from Kirin's experience in Myanmar, we invited Mr. Chris Sidoti, an international human rights lawyer who was a member of the UN fact-finding mission on Myanmar, to give a lecture on "What we can learn from Kirin's experience in Myanmar" for the board members' human rights training program in April of this year.
- Mr. Chris Sidoti also provided feedback several times during the process of revising the human rights policy in November, which has been reflected in the final draft.

Revised Human Rights Policy

Revised the Kirin Group Human Rights Policy to accelerate initiatives at the global level

- We aim to step up our human rights initiatives to best practices considering the changes in the global environment surrounding human rights and Kirin's experience in Myanmar.
- In our Long-Term Management Vision KV2027, we aim to "become the world's leading CSV company," and human rights initiatives are positioned as the foundation for this goal.
- Kirin Group is committed to respecting human rights. We will conduct "human rights due diligence" to identify, prevent, and reduce negative human rights impacts in our value chain, including suppliers of agricultural raw materials, and take appropriate corrective measures in the event of negative impacts.
- We will prioritize and address the identified human rights issues, and continuously evolve our activities through appropriate information disclosure and dialogue with our stakeholders. We will create a positive impact on society through the identification of new human rights issues and their solutions.

https://www.kirinholdings.com/en/newsroom/release/2023/1108_06.html



Member of the UN fact-finding mission on Myanmar, international human rights lawyer

Mr. Chris Sidoti



Commitment in Respect for Human Rights

- This Human Rights Policy is our Group commitment to respect human rights.
- In addition to reducing negative impacts on human rights (such as human rights violations), we have clearly stated that we will create more positive impacts on society.
- To realize this goal, we will prioritize our efforts in order of priority, starting with areas with the greatest challenges.



Global Standards Compliance

- We have developed and refined the content of the policy compared to the 2018 version by referring to the United Nations Guiding Principles on Business and Human Rights* and examples of leading companies.

* Formulated by the United Nations in 2011.
Internationally used as a guideline for respecting human rights in corporate activities.



With All Stakeholders on the Value Chain

- In addition to applying the policy to all officers and employees of domestic and overseas group companies, we have clearly stated that we require our various business partners involved in our entire business (value chain), including R&D, procurement, manufacturing, logistics, sales, distribution, and disposal, to understand and comply with this policy.

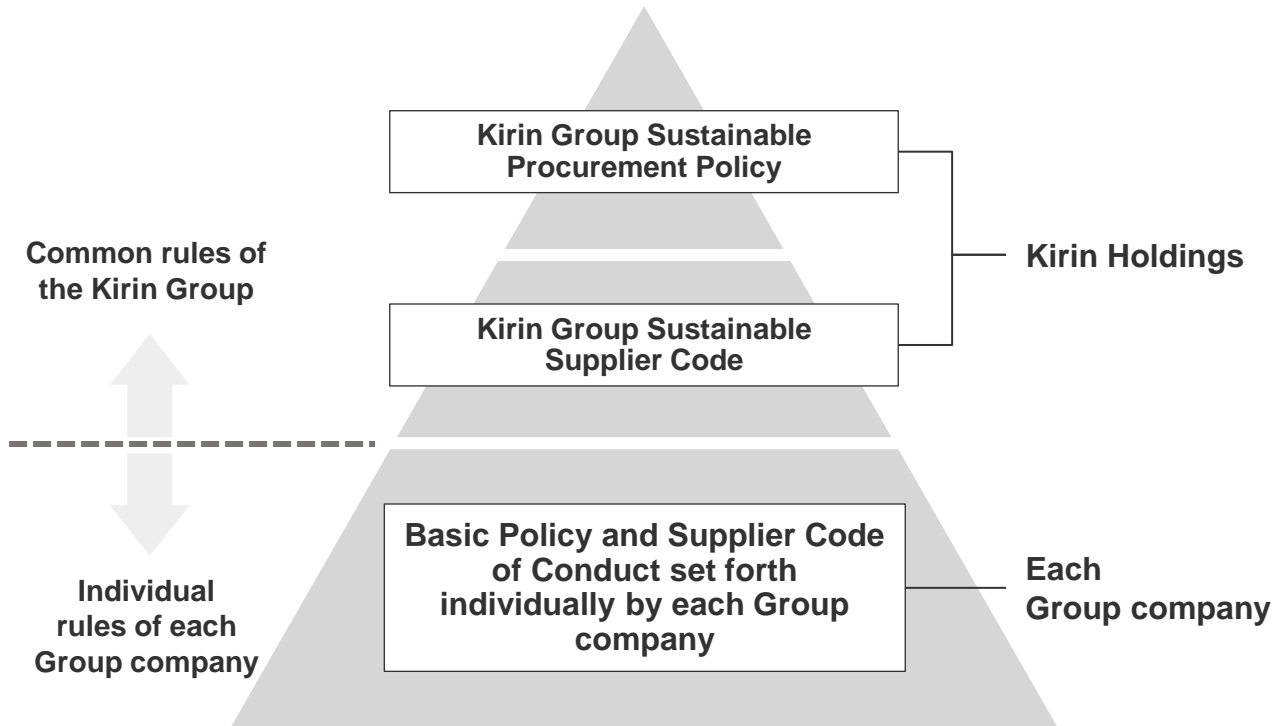


Year of Implementation	Details
2017	The Kirin Group Sustainable Procurement Policy was established, and the Group declared to accept, support, and implement the set of essential values in the areas of human rights, labor, environment, and anti-corruption as set forth in the United Nations Global Compact.
2018	<p>Revised the existing Supplier CSR Guidelines in response to the Kirin Group Human Rights Policy and Kirin Group Sustainable Procurement Policy and held supplier briefing sessions for primary suppliers.</p> <p>Conducted human rights due diligence led by People & Culture Department (rice in Myanmar, coffee supply chain in Laos)</p>
2019	<p>Adopted the CSR Procurement Self-Assessment Questionnaire (standard SAQ) developed by the Global Compact Network Japan.</p> <p>Conducted a fact-finding survey of primary suppliers using the standard SAQ.</p>
2020	Launched the Human Rights Project, following the decision by the Group CSV Committee to strengthen its supply chain human rights efforts.
2021	<p>Established a Kirin Group Sustainable Procurement Policy and Supplier Code of Conduct covering all Group companies, held supplier briefing sessions remotely, and requested suppliers to submit a checklist against the supplier code and a letter of acceptance promising to promote efforts toward compliance and report violations.</p> <p>Identified and prioritized risks in the supply chain using Sedex* risk assessment tools and advice from external experts.</p>
2022	<p>Joined Sedex as the Kirin Group. Held supplier briefing sessions to promote membership.</p> <p>Conducted human rights due diligence in Sri Lankan tea leaves.</p>
2023	<p>Joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) and invited external experts to conduct supplier information sessions on the subject of JaCER.</p> <p>Plan to conduct human rights due diligence in Argentine grapes and conducted follow-up audit of Sri Lanka by our employees.</p>

* Sedex : Abbreviation for Supplier Ethical Data Exchange. An online system that allows suppliers to maintain data on their ethical and responsible practices and share this information with their customers.

- Established the Kirin Group Sustainable Supplier Code , requiring suppliers to expand to primary suppliers in the supply chain.
- At the start of a procurement, we require the submission of a checklist to check for violations of the Supplier Code, as well as a letter of acceptance promising to promote efforts toward compliance and to report any violations.

Procurement Policy



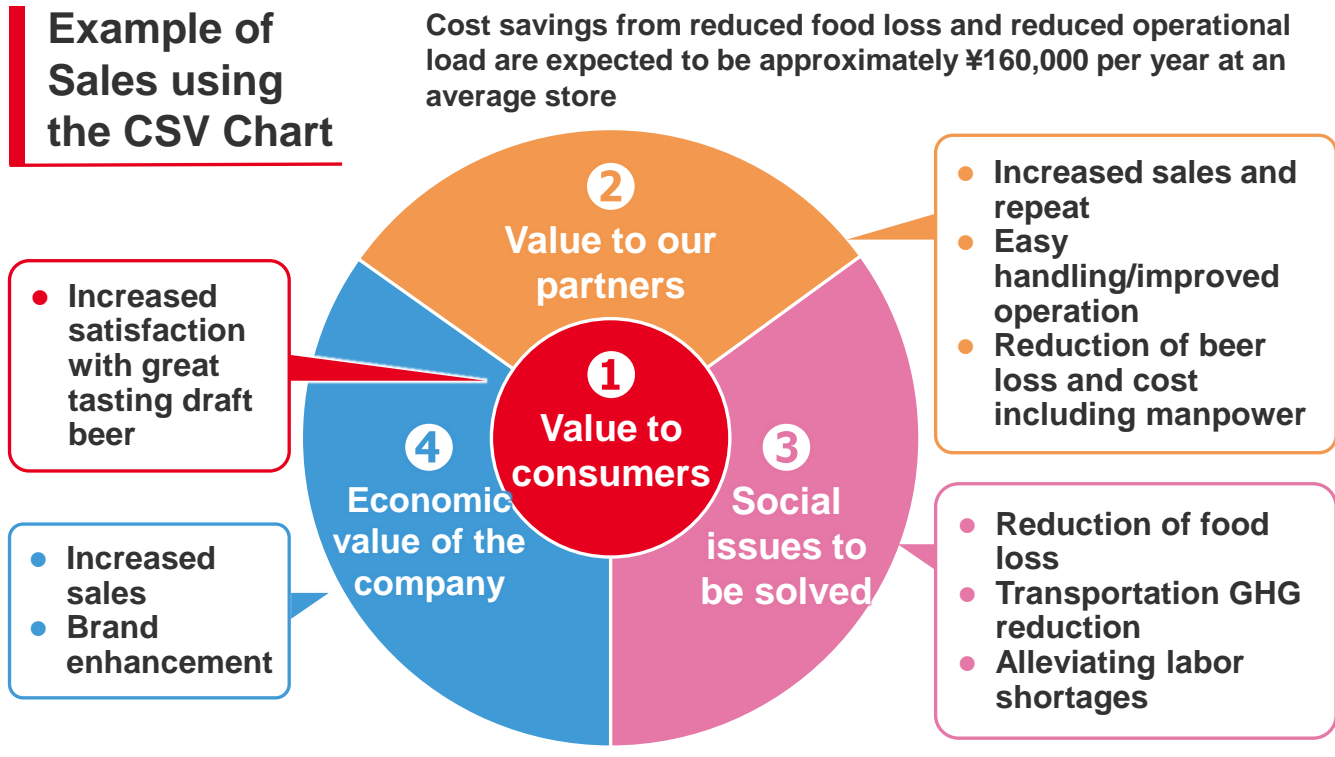
Categories of Human Rights in Supplier Code

1	Child labor
2	Forced labor
3	Freedom of association and the right to collective bargaining
4	Fair and equal treatment
5	Working hours and holidays
6	Wages and benefits
7	Responsibility to the community
8	Access to remedies

- Developed by Kirin's Packaging Innovation Institute, the rollout of TAPPY will support small-scale restaurant and bars, which are the hubs of communities that are on the verge of fading due to the COVID-19, and are suffering from a shortage of staff and rising costs. The number of stores with TAPPY installed reached the initial target of 10,000.
- Field sales are utilizing the CSV Chart to communicate with our customers. The CSV mindset is spreading throughout the organization.



Example of Sales using the CSV Chart



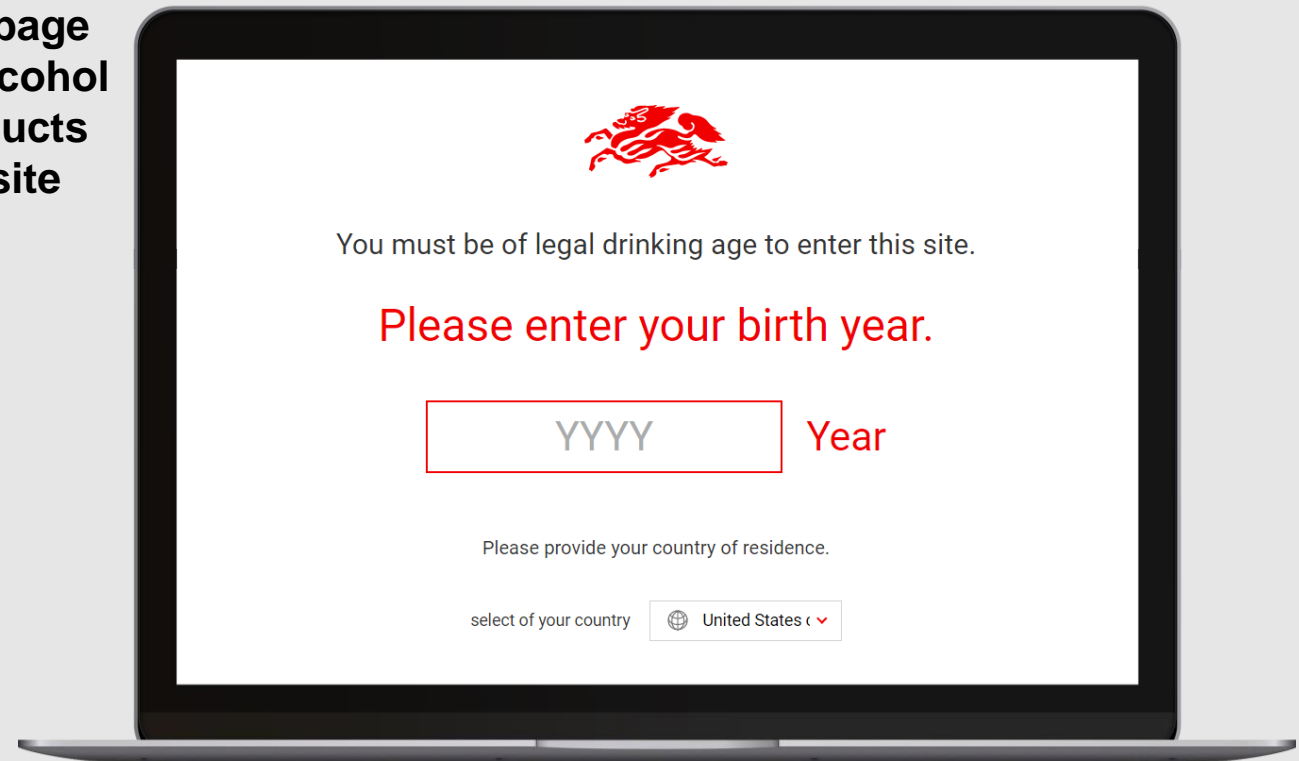
Reference: Nikkei Business Electronic SPECIAL, "Kirin's CSV Management Gaku: Supporting Restaurants through Problem-Solving Beer Servers that Create Connections between People and Expand the Circle of Happiness" (Japanese only)

- Kirin has begun labeling the amount of pure alcohol on major products in Japan from May 2022, aiming to complete the labeling by the end of 2023. Shortened URL (tekiryo.jp) leading to the company's website on appropriate drinking will also be displayed.
- Age verification on the website has been enhanced to a combination of "year of birth" and "country of residence" from June 2021.

Examples of Product Labeling

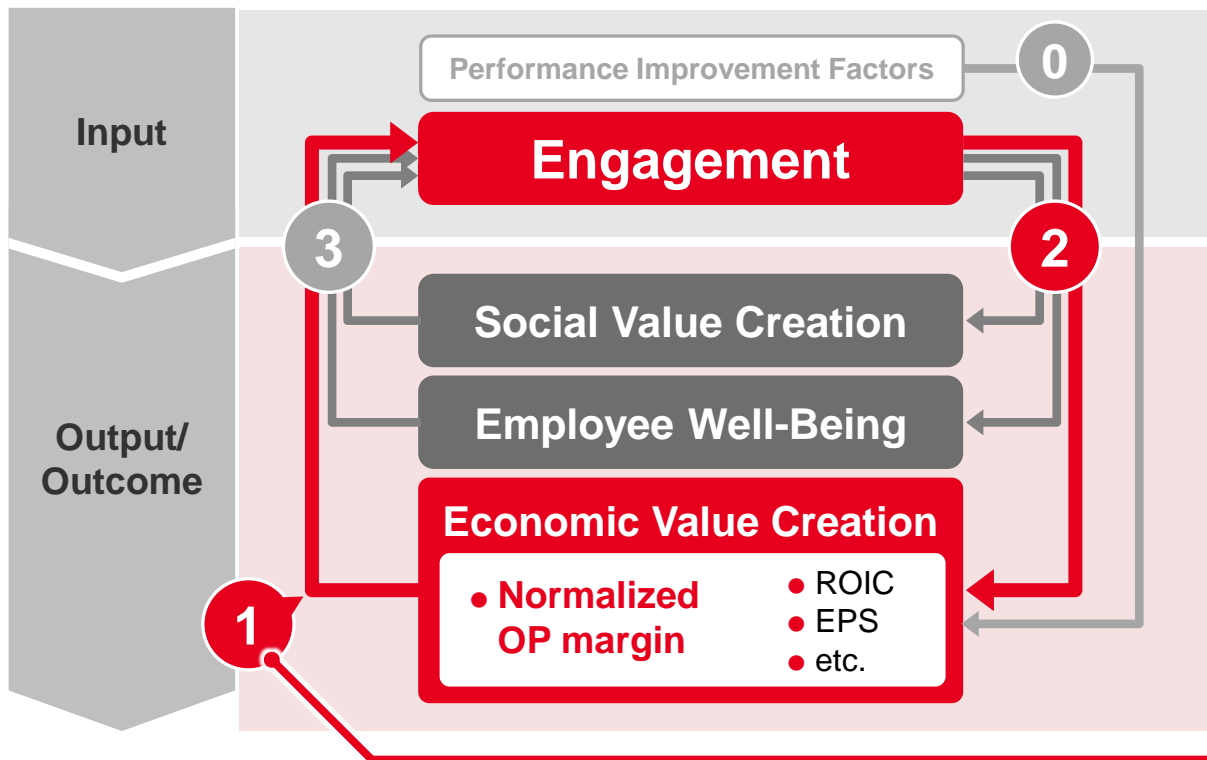


Top page of Alcohol Products website



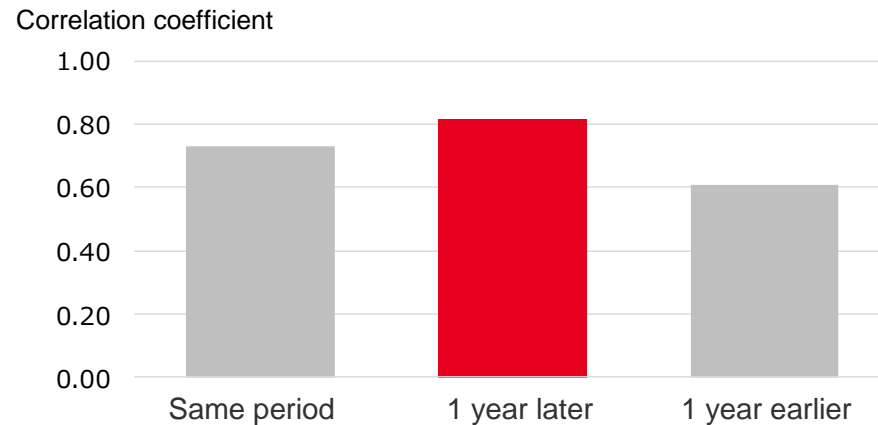
- Kirin began measuring employee engagement scores as a non-financial indicator in 2013. This has been set as a non-financial KPI from the previous Medium-Term Business Plan.
- Engagement is strongly correlated with business profitability (①). Engagement promotes wellbeing and social and economic value creation through work (②), outcomes are linked back to engagement (③) and Output/Outcome is amplified.

Engagement and the Output/Outcome Extended Reproduction Relationship



Correlation between engagement score and NOP margin

Since the changes in engagement tend to proceed the changes in business profits by one year, economic outcomes are presumed to be the starting point of the cycle (①)

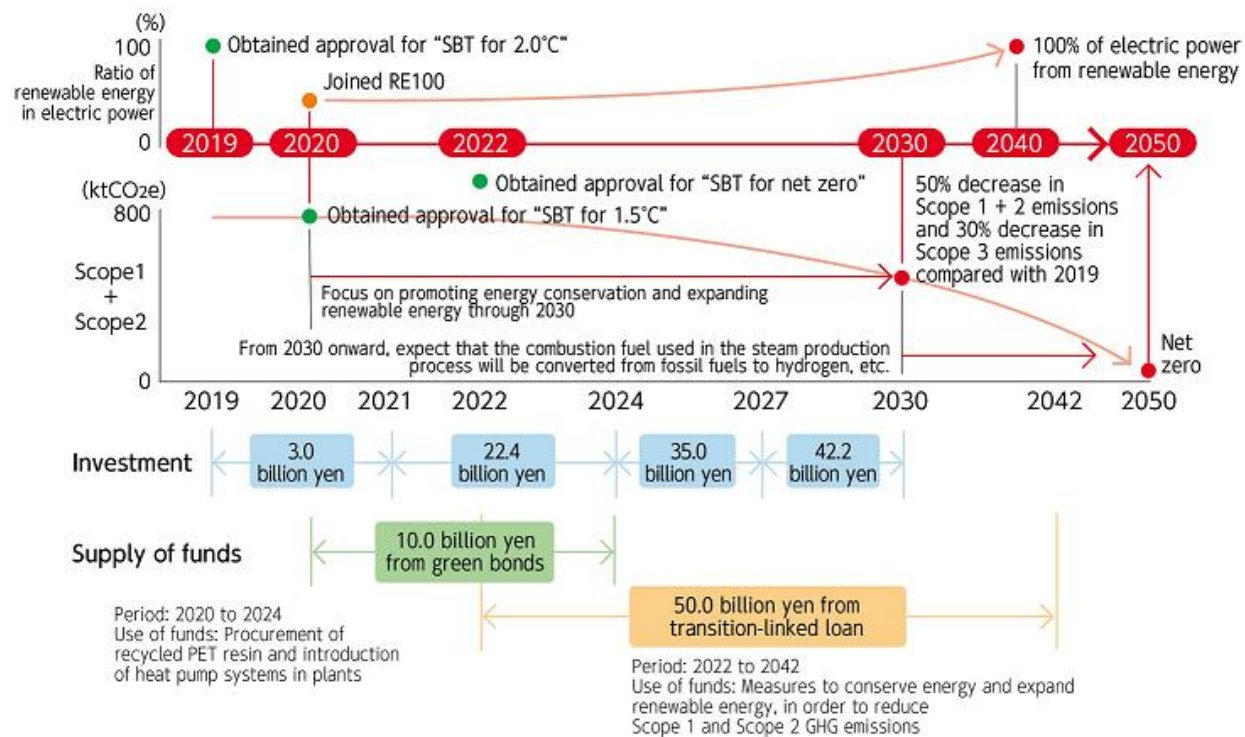


Correlation between engagement score and NOP margin based on the combination of the comparative years

Data: 2013-2021
Using standardized data from two companies, Kirin Brewery and Kirin Beverage

- Kirin received the highest number of nominations from asset managers in GPIF's "Excellent TCFD Disclosure" survey.
- TCFD disclosure shows GHG reductions, investment strategies and amounts invested, and investment financing in relation to each other, improving the integration of environmental and management strategies.


Roadmap to net zero



Note: Transition-linked loan made in January was the first for a domestic food company.

- In the 2023 Environmental Report, we have tried to integrate TCFD and TNFD (beta version) disclosures. Kirin's LEAP approach is also introduced in the TNFD's final recommendations.
- At the first annual meeting of the UN Principles for Responsible Investment held in Tokyo, Kirin's disclosure case study was introduced in the TNFD session.

TNFD : Guidance on the identification and assessment of nature related issues: The LEAP approach

 **Guidance on the identification and assessment of nature-related issues: The TNFD LEAP approach**
Version 1.0 September 2023

TNFD Taskforce on Nature-related Financial Disclosures

Box 16: Assessing water stress related risk – Kirin Holdings Company

Kirin Holdings Company is an integrated Japanese food and beverage, biotechnology and pharmaceutical company founded in 1907. Kirin Holdings recognises that its business model and value chains are based primarily on agricultural products, and it relies heavily on a range of ecosystem services, including water provision, for its business activities.

Kirin Holdings scoped its LEAP assessment to focus on three priority areas related to its beverage business in July 2022: Sri Lankan tea farms, Japanese vineyards and water stressed areas in Australia. The results from this analysis, and an integrated climate/nature scenario assessment, informed the company's overall risk assessment.

ENCORE was used at an early stage to assess the impact of upstream activities across all Kirin Holdings' value chains, indicating the moderate impact of agricultural activities. This was complemented by secondary research into individual commodities, which provided important additional insight to contextualise the industry average data available through ENCORE.

For example, barley is a rainfed agricultural product and is considered in ENCORE to have a moderate impact on nature. However, in Kirin's Colorado operations, site visits and discussions with stakeholders revealed that barley farmers are located in areas of high water stress that farmers are handling using diverse methods, some using irrigation and others reducing water use through low impact agriculture.

PRR in Person: "TNFD reporting: how to get started on nature related disclosure" (October 5, 2023)



CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

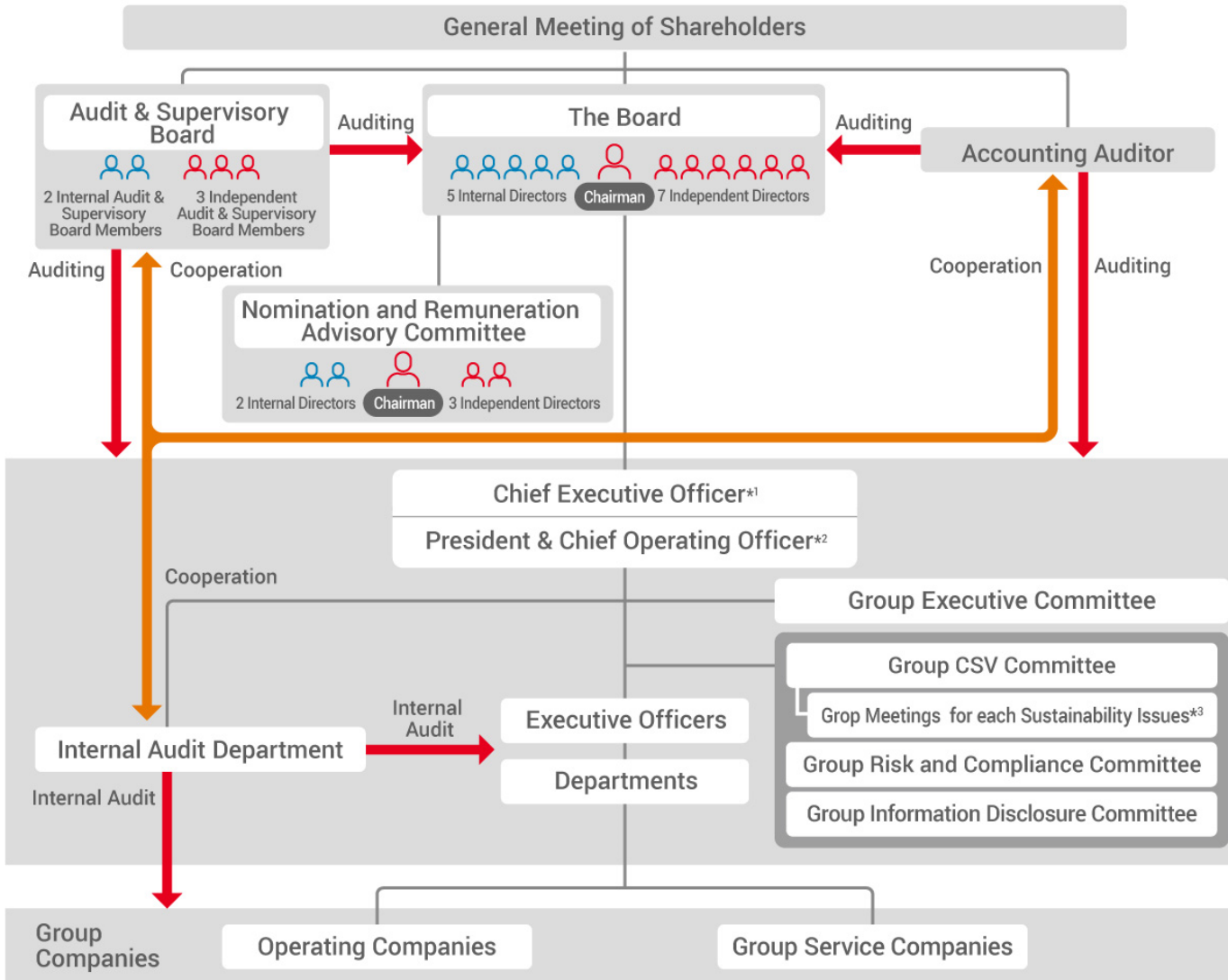
7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- **Corporate Governance /
ガバナンス**

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

The Board of Directors of Kirin Holdings



*1 Chief Executive Officer(CEO) : The Executive Officer responsible for overseeing the overall management of the Group.

*2 Chief Operating Officer(COO) : The Executive Officer responsible for overseeing the business operations of the Group.

*3 Group Environmental Meeting, Group Business and Human Rights Meeting, Group Health and Safety Meeting, etc.

Structure

- The Board of Directors has 12 directors, including 7 non-executive directors (2 of whom are foreign directors). From 2020, we started a structure with independent non-executive directors, including foreign directors, accounting for the majority of the directors.
- Chairperson is an independent non-executive director. (since 2016)
- Female directors have been appointed since 2016. Currently there are 1 inside and 2 non-executive female directors, accounting for 25% of the Board of Directors.

Involvement in ESG issues

- **Group CSV Committee:** Chaired by the President & CEO, and attended by presidents of major operating companies as committee members, they discuss CSV (ESG) issues and set goals for the entire Group, and reports to the Board of Directors.
- Recognizing the importance of ESG initiatives, the Board of Directors further strengthens the discussions on "non-financial targets (CSV commitments, etc.)"

The Board of Directors of Kirin Holdings (Non-Executive Officers)

Opportunities for discussions by non-executive officers (including audit & supervisory board members)

- In order to improve the quality of remarks and oversee the performance of non-executive officers, the Company provides opportunities for non-executive officers to visit business locations on a regular basis to talk with the management and employees of the domestic and overseas group companies, and to inspect manufacturing and sales sites.
- Opportunities are also provided for informal discussions with executive members on specific management topics.
- Opportunities for conversations with investors are also provided (e.g., speaking at Investor Day, interviews in the Integrated Report, individual meetings with investors, etc.).
- Most recently, we received several objective feedback on the discussions leading up to the acquisition of Blackmores.

Term of office, concurrent positions, etc. of non-executive directors

- The term of office for directors of the Board is one year, as stipulated in the Articles of Incorporation.
- Although there is no limit on the number of concurrent positions, the status of concurrent positions is verified at the time of appointment, and after taking office, the status of concurrent positions is regularly reviewed.

(Reference) Criteria for Independency of Non-Executive Officers

*As stated in the Corporate Governance Report

➤ For Non-executive Directors of the Board and Audit & Supervisory Board Members to be considered as independent, none of the following criteria may apply to the respective Non-executive Director of the Board or Audit & Supervisory Board Member.

- (1) A person for whom the Company (including its consolidated subsidiaries; the same shall apply hereinafter) is a major client
- (2) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm for whom the Company is a major client
- (3) A person who is a major client of the Company
- (4) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm which is a major client of the Company
- (5) A lawyer, certified public accountant, tax accountant, or consultant, etc. who receives money or other economic benefit in excess of a certain amount from the Company aside from the officer's remuneration
- (6) A person who belongs to a firm, union, or other similar entity (including a law office, auditing firm, tax accountant firm, or consulting firm, etc.) which receives money or other economic benefit in excess of a certain amount from the Company
- (7) A person who is a major shareholder of the Company
- (8) A person who is an executive Director and who executes business of a firm which is a major shareholder of the Company
- (9) A person who receives donations or other assistance in excess of a certain amount from the Company
- (10) A person who is a Director of or otherwise executes duties for a firm, union or other similar entity which receives donations or other assistance in excess of a certain amount from the Company
- (11) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm for which an Executive Director or Standing Audit & Supervisory Board Member of the Companies Acts as a Non-executive Director of the Board or Audit & Supervisory Board Member
- (12) A person to whom any of aforementioned criteria (1)–(11) has applied within the past three (3) years
- (13) Where a person to whom any of aforementioned criteria (1)–(12) applies (however, excluding the person who does not serve an important role) , the person's spouse or other relations within the second degree of kinship - 20 -
- (14) A person who is a spouse or other relation within the second degree of kinship to a person who serves currently and has served within the past three (3) years as a Director, Executive Officer, manager or other key employees of the Company (Note) The following is a summary of the results for the year ended March 31, 2012.

(Notes)

1. Regarding criteria (1) and (2), "A person (or firm) for whom the Company is a major client" refers to a person (or firm) who received payment from the Company in the most recent business year that accounted for either 2% or more of consolidated sales (consolidated revenue) for the year for that person (or firm), or over 100 million yen, whichever is the higher amount. If consolidated accounting is not adopted by the person (or firm), total revenue or non-consolidated sales for the year should be employed in place of consolidated sales (consolidated revenue) for the year.
2. Regarding criteria (3) and (4), "A person (or firm) who is a major client of the Company" refers to a person (or firm) who made payment to the Company in the most recent business year that accounted for 2% or more of the Company's consolidated

revenue for the year, or who financed 2% or more of the Company's consolidated total assets at the end of the most recent business year.

3. Regarding criteria (5), (9) and (10), "a certain amount" is considered as 10 million yen per year.
4. Regarding criteria (6), "a certain amount" is considered as either 2% or more of total revenue for the most recent business year for that firm, union or other similar entity, or over 100 million yen, whichever is the higher amount.
5. Regarding criteria (7) and (8), "a major shareholder" refers to a shareholder who directly or indirectly holds more than 10% of the voting rights.

Required Skills for the Board of Directors and Audit & Supervisory Board Members

		Corporate Management	CSV / ESG	Finance / Accounting	HR / Organization Development	Legal/Risk Management	Manufacture / Quality Assurance	Brand Strategy/ Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT / DX
Representative Director of the Board & CEO	Yoshinori Isozaki	●	●	●		●		●	●	●	
Representative Director of the Board, President & COO	Takeshi Minakata	●	●	●			●		●	●	
Director of the Board and Senior Executive Vice President	Junko Tsuboi	●	●		●	●		●		●	
Director of the Board and Senior Executive Officer	Toru Yoshimura	●	●	●			●		●	●	●
Director of the Board and Senior Executive Officer	Shinjiro Akieda	●	●	●		●		●	●		●
Independent Non-executive Director of the Board	Masakatsu Mori	●		●					●		●
Independent Non-executive Director of the Board	Hiroyuki Yanagi	●					●	●	●		
Independent Non-executive Director of the Board	Noriko Shiono	●						●	●	●	
Independent Non-executive Director of the Board	Rod Eddington	●							●		
Independent Non-executive Director of the Board	George Olcott		●	●	●				●		
Independent Non-executive Director of the Board	Shinya Katanozaka	●			●			●	●		
Independent Non-executive Director of the Board	Yoshiko Ando		●		●	●					
Senior Executive Officer	Mitsuharu Yamagata		●					●	●	●	●
Senior Executive Officer	Hiroshi Fujikawa	●	●		●			●	●		
Senior Executive Officer	Akiyoshi Iwasaki	●	●				●		●		
Senior Executive Officer	Akihito Yokoyama		●		●		●			●	●
Senior Executive Officer	Kazufumi Nagashima	●	●				●		●	●	
Senior Executive Officer	Hideki Mitsuhashi	●	●			●			●	●	●
Senior Executive Officer	Hideki Horiguchi	●	●					●	●		
Senior Executive Officer	Kazuhiro Inoue		●					●		●	
Senior Executive Officer	Koji Fukada	●	●				●		●	●	
Standing Audit & Supervisory Board Member	Shobu Nishitani		●	●					●		
Standing Audit & Supervisory Board Member	Toru Ishikura		●				●			●	
Audit & Supervisory Board Member	Kaoru Kashima			●	●						
Audit & Supervisory Board Member	Kenichi Fujinawa		●			●			●	●	
Audit & Supervisory Board Member	Yoko Dochi		●	●					●		

- Every year, the Nomination and Remuneration Advisory Committee examines the skill sets required of the Board of Directors as a whole in terms of consistency with management strategy and the management oversight function required of the Board of Directors. (This includes senior executive officers and audit & supervisory board members.)
- The committee then identifies the specifications required and proceeds with the specific selection of candidates for appointment.
- The business environment is constantly changing and will be constantly reviewed. In the past, "ICT/DX" was added, and descriptions of health science, etc., were clarified.

Nomination and Remuneration Advisory Committee



Discussion Topics

- Election and retirement policies, candidate proposals, and reappointment, resignation, or dismissal of directors of the boards, audit & supervisory board members, and executive officers of Kirin Holdings and its major group companies.
- Remuneration system, level and amount of remuneration for directors of the board, audit & supervisory board members and executive officers of Kirin Holdings and its major group companies.
- Election and retirement policies, candidate proposals, reappointment, resignation, and dismissal as well as remuneration system and level of remuneration for the presidents of major group companies.
- Succession Plan for the President & CEO and the President & COO of Kirin Holdings.

Points

- **Role of inside directors:** Internal assessment and information is essential when considering officer candidates, and therefore inside directors are also members of the committee.
- The Nomination and Remuneration Advisory Committee is chaired by an independent non-executive director, and the majority of the committee members are independent non-executive directors.
- **Develop next-generation leaders:** The Nominating and Remuneration Advisory Committee considers the succession plan, as well as the development of next-generation leaders, to be one of its most important discussion topics.
- The Human Resources Department conducts transfers and assignments as well as subject assessment evaluations through external agencies based on the training policy, and the two parties work together to promote the plan.

The Board Evaluation for FY2023

➤ Evaluation Criteria

- (1) Composition and operation of the Board
- (2) Development, execution and monitoring of strategies
- (3) Supervision of risk management and crisis control
- (4) Supervision of decision-making on business acquisition/withdrawal, etc.
- (5) Supervision of remuneration for officers and succession plan, etc.
- (6) Thorough understanding and implementation of healthy corporate ethics and supervision thereof
- (7) Supervision of overall disclosures to stakeholders
- (8) Strengthening points to improve the effectiveness of the Board

The Board is evaluated as functioning appropriately and is ensuring its effectiveness.

➤ **Appropriate decision-making in terms of "important decision-making" and "overseeing the performance of duties"**

➤ **Appropriate agenda is set for the Board and the quality of discussion is improving**

➤ **Improvements and innovations that lead to increased effectiveness are continuously being made, and the Company is fairly well managed.**

Enhancement for FY2024

➤ Based on the comments and areas for improvement raised for each evaluation criteria in FY2023 and our view of future changes in the business environment, we have summarized the areas to be enhanced in FY2024.

- 1) Discussions on “strengthening corporate governance.
- 2) Discussions on “integrated strategy and risks” to realize appropriate risk-taking.
- 3) Discussions on “digital ICT strategy” to accelerate value creation.

Basic Policy

- The Nomination and Remuneration Advisory Committee will discuss the remuneration of Directors and Executive Officers, and report to the Board.
- The Committee will consider levels of the remuneration and linkage with performance by comparing them objectively with officers' remuneration survey data of an external research body, and incorporate findings in its report to the Board of Directors.

1. The Company shall establish a remuneration structure that emphasizes the linkage of remuneration with business performance and medium- to long-term corporate value and share value with the shareholders.
2. Remuneration levels shall be appropriate for the roles and responsibilities of the Kirin Group's officers.
3. Remuneration shall be deliberated by the Nomination and Remuneration Advisory Committee, in which Non-Executive Directors constitute a majority, in order to ensure objectivity and transparency.

Procedures for determining the remunerations

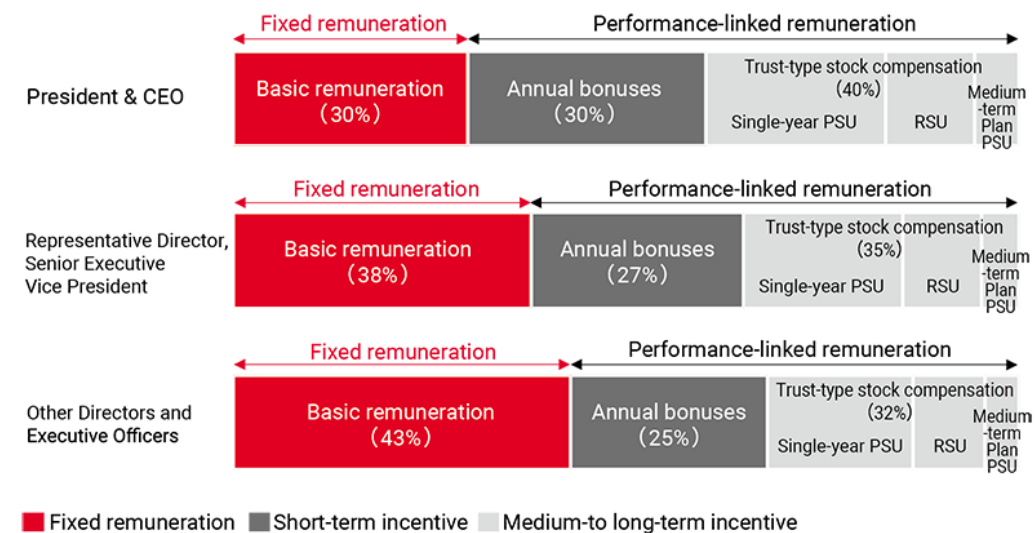
- In order to ensure fair and reasonable application of the process in line with the basic policy for executive remuneration, the Nomination and Remuneration Advisory Committee will discuss and report to the Board.
- As for determining the specific amount of remuneration, remuneration for Directors shall be decided at the Board and that for Audit & Supervisory Board members upon consultation with Audit & Supervisory Board based on the report from the Nomination and Remuneration Advisory Committee and within the limits of the remuneration amount determined in advance at the general meeting of shareholders.
- Nomination and Remuneration Advisory Committee regularly deliberates on the setting of remuneration levels, the ratio of performance-linked remuneration and its mechanisms, and meets in response to changes in the the environment of laws and regulations related to executive remuneration, and submits a report to the the Board.

Composition

- Remuneration for Directors of the Board is composed of three parts: basic remuneration (fixed remuneration), bonus (short-term incentive remuneration), and Stock Compensation (medium- to long-term incentive remuneration).

Officer Type	Basic Remuneration	Bonus	Stock-based Remuneration	
Directors of the Board and Executive Officers	○	○	○	Because they are responsible for the execution of business, Kirin Holdings have established remuneration structure that takes into account the achievement of short-term consolidated performance targets and the improvement of corporate value over the medium to long term.
Non-Executive Directors	○			Because they are responsible for supervising and advising Company and Group management from an objective position, only basic remuneration (fixed remuneration) is provided.
Audit & Supervisory Board Members	○			Because of their role of auditing the performance of directors' execution of their business from an objective position, only basic remuneration (fixed remuneration) is provided.

- The ratio of base remuneration to performance-linked remuneration for the President and Representative Director is designed to be approximately 30:70 (including 30 for bonuses and 40 for stock-based remuneration), with other directors and others following suit in consideration of their positions and responsibilities.

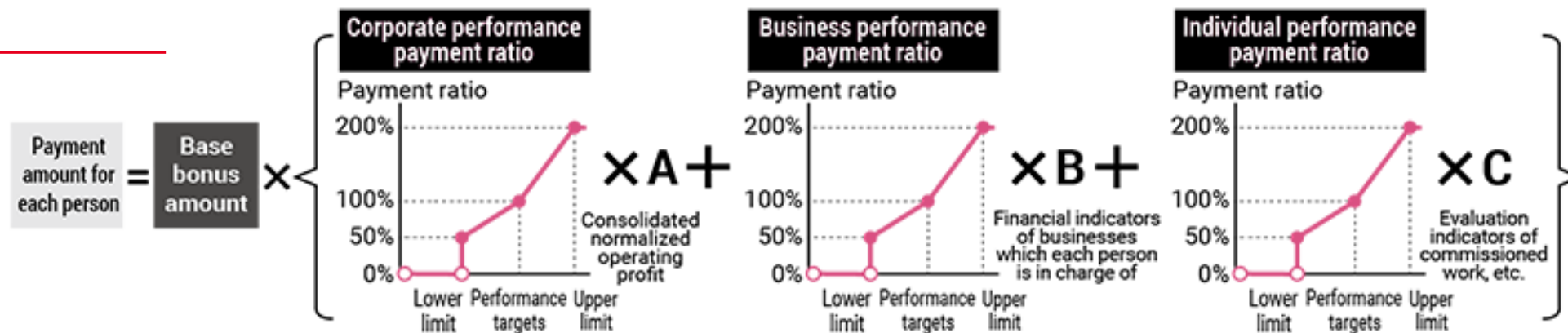


Remuneration of Executive Officers (performance-linked remuneration)

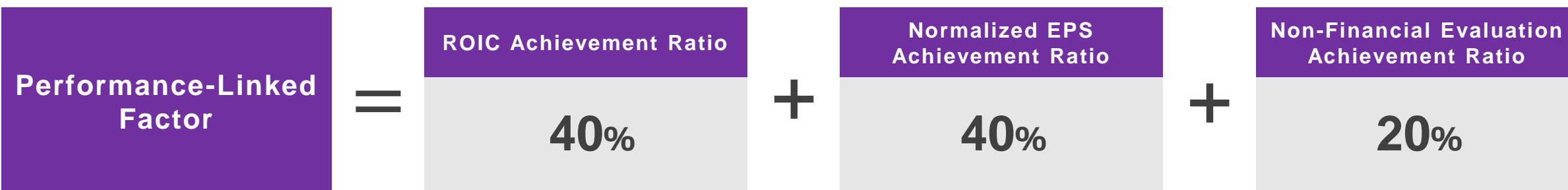
- Remuneration for executive officers is linked to the Group's performance and medium- to long-term corporate value, and is designed to be aligned with the interests of shareholders.

Formula for calculating the linkage of bonuses to performance

Mechanism for linkage of bonuses to performance



Formula for calculating the linkage of trust-type stock based compensation to performance



CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

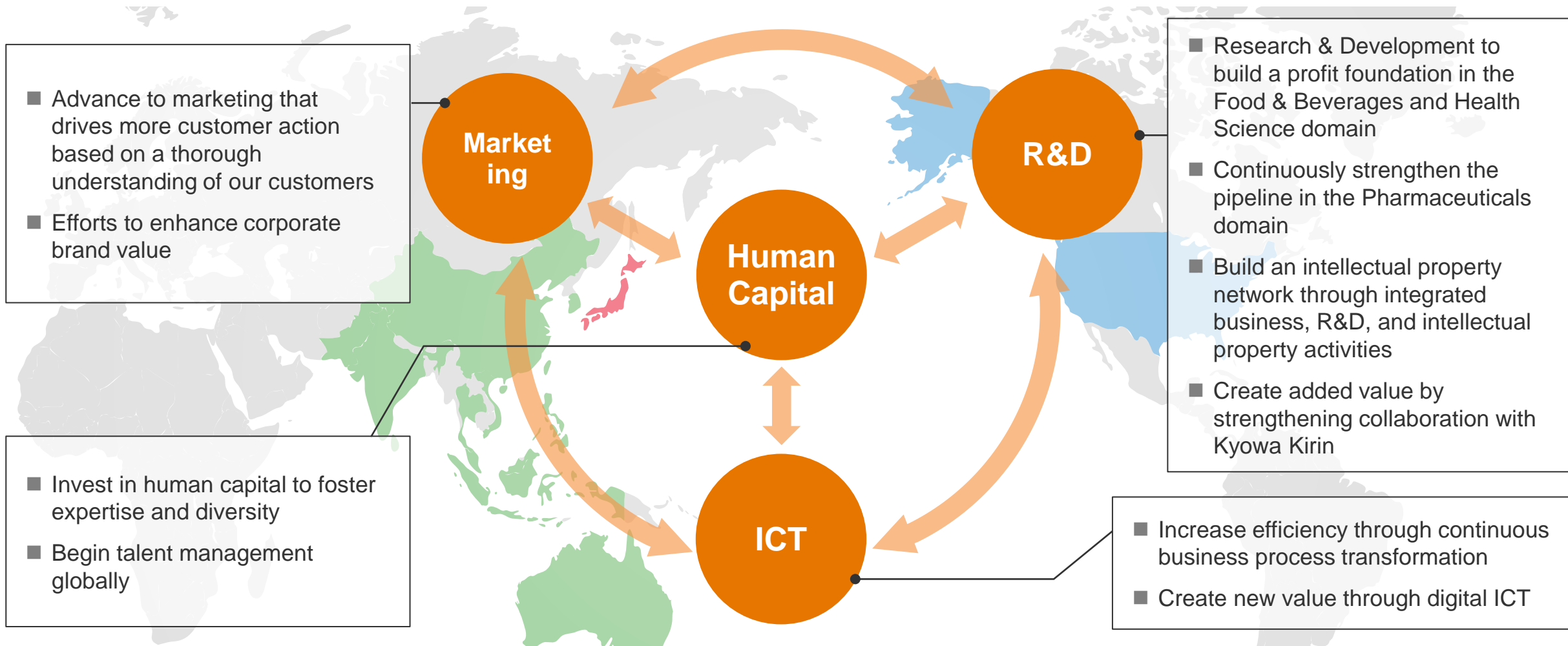
7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

Work across the Group to improve organizational capabilities



Aim to improve the organizational capabilities of the entire Group by fully utilizing the knowledge of each business domain across the world

- The Kirin Group views human capital as a source of competitive advantage, and at the same time, we develop it as an valuable capital for the entire society. This approach is the very essence of CSV management.

Aim

Achieve sustainable business growth and increase corporate value by making **the entire Kirin Group "a company where human capital grows and wins through human capital"**

What to Achieve

- Driving the strategy with high organizational capability by utilizing a unique business portfolio and nurturing human capital that is **both "specialized" and "diverse"**.
- Foster an environment and culture that attracts a diverse range of human capital who can take on challenges and play an active role.
- Highly regarded for its linkage to the management strategy through communication with the stakeholders and continuously evolving the human capital strategy.
- Establish a virtuous cycle that attracts unique and talented human capital and be recognized as "a company where human capital grows and wins through human capital"

Transformation to a Human Capital Talent Management

- Change from developing generalists through a human capital management to a focus on developing specialized human capital through talent management based on function.

Key Action

**Transform to a talent management on a functional basis
(recruitment, development, and deployment)**

As is

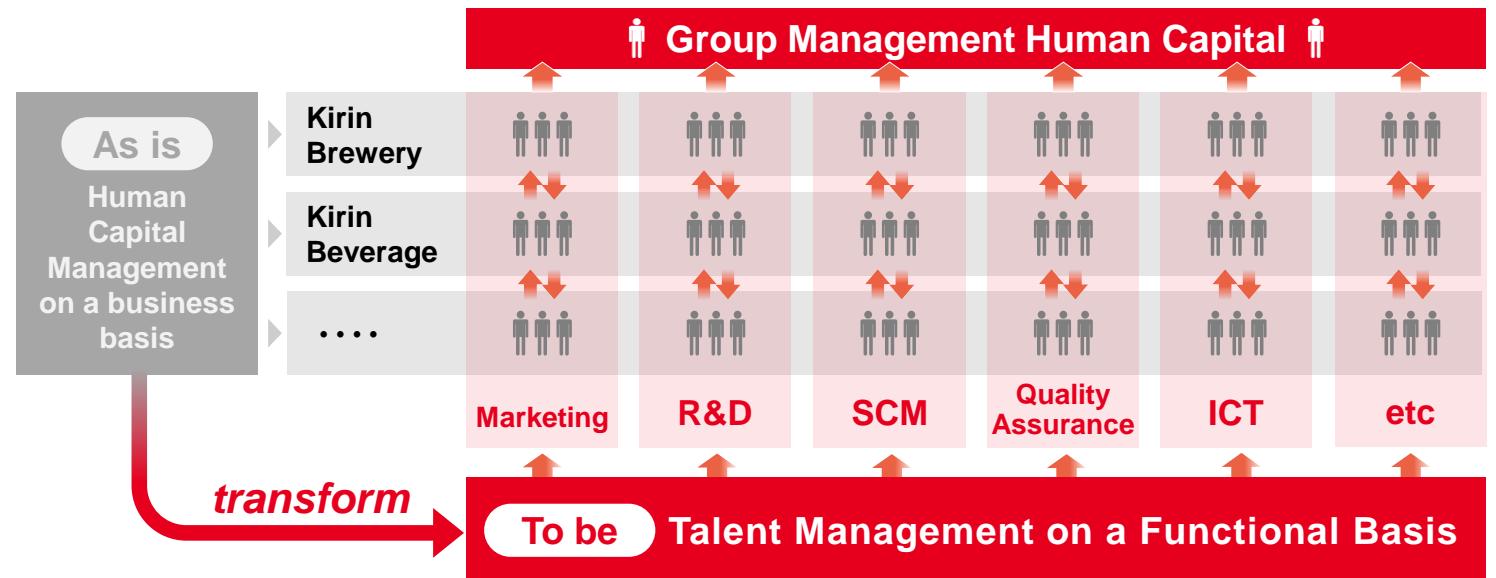
Focus on developing generalist human capital based on the business.

Risk

Failure to sustainably develop human capital with expertise will reduce the viability of the management strategy and the range of strategy choices in an era of VUCA, where the future is difficult to foresee.

To be

Developing highly specialized human capital on a based on function.



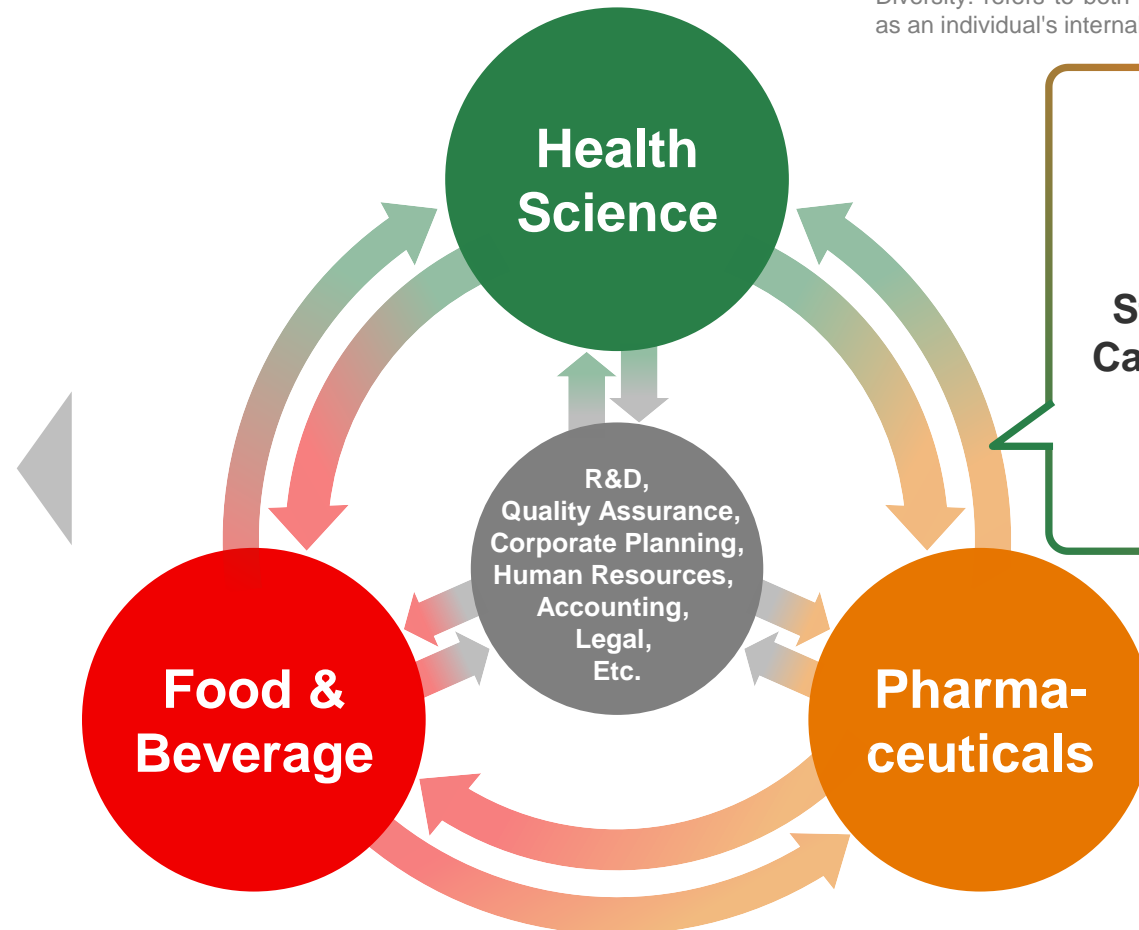
Develop human capital with both expertise and diversity

- It is essential to develop human capital with both "expertise" and "diversity[※]" for sustainable value creation.
- We can further strengthen our "expertise" by leveraging the Kirin Group's unique business portfolio.

Diversity: refers to both diversity as an attribute and diversity as an individual's internal nature (perspectives/values, etc.)



Human capital that combines a high level of **expertise** with **diverse** perspectives and values that can flexibly respond to changes in the environment is needed.



Accelerate Diversity, Equity & Inclusion

➤ It is important to have an organizational culture that embraces diverse perspectives and values and transform the differences into strength, to create value by leveraging the expertise and diversity of human capital.

Key Action

- Create an organization with high psychological safety
- Accelerate equity that remove impediments

As is

The importance of diversity is well understood, but has not been implemented yet. There are still factors that prevent each attribute from being a driving force.

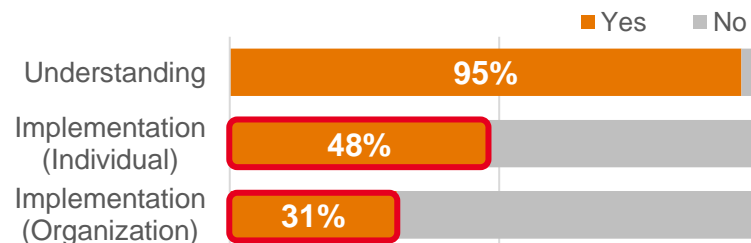
Risk

Even if the expertise is enhanced, it will not lead to value creation if the human capital is not able to demonstrate its capabilities, and there is a possibility of human capital loss.

To be

Human capital attributes and individual values/abilities (expertise) are becoming more diverse, accelerating the formation of a workplace and organization that make the most of these differences (Diversity, Equity & Inclusion).

Level of Understanding and implementation of “Transforming the Differences into Strength”



2021 Kirin Group Diversity Awareness Survey in Japan (n=18629)

- The level of understanding of diversity enforcement (95%) is high, but the level of implementation as an organization (31%) is low.
- The difference between the level of implementation by individuals and the level of implementation by the organization suggests that there are factors that prevent the implementation of diversity in an organizational culture (relating to psychological safety, such as unwillingness to take risks) .

Discover and foster group management human capital

- In order to develop human capital candidates who can play an active role in the future management of the Group on a global scale (CxO candidates), we will form a pool of top talent human capital who have achieved results based on function. Top management and the Human Resources Department will work together to foster such talent based on the necessary criteria.

Key Action

Visualization of experience required for managing human capital, utilization of human capital data and training platform

As is

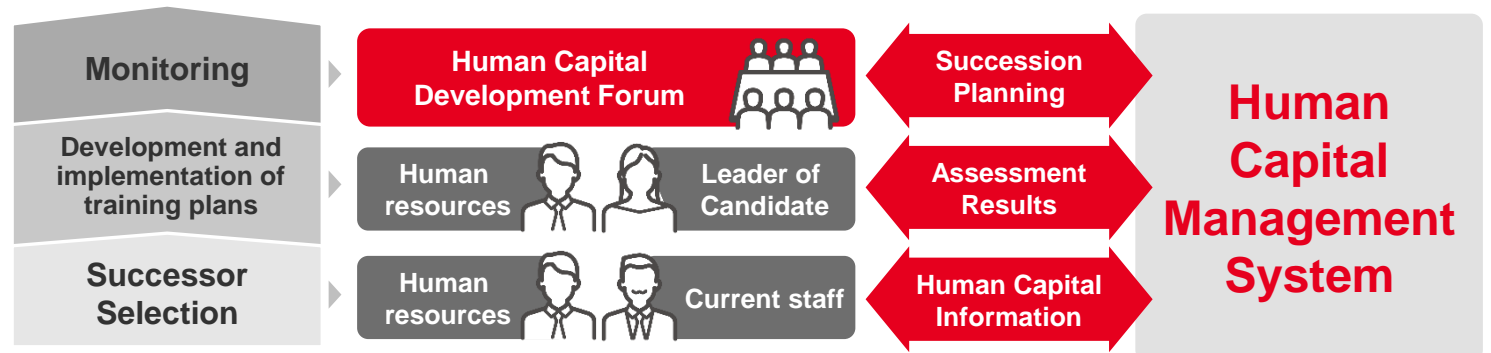
Criteria for group management human capital candidates (CxO candidates) are abstract, and the training system is limited to senior executives.

Risk

If the human capital that will be responsible for the future management of the group is not developed sustainably and if the essence of management is not properly passed on, the group will fall back on ad hoc management strategies.

To be

Criteria for group management human capital candidates (CxO candidates) are specified at each level, and human capital is being produced sustainably.



Human Capital Development Forum: A forum for top management at the senior executive officer level and above, including the president and vice presidents, to discuss the development and succession plans for Group management human capital and CxO candidates.

Disclosure relating to Human Resources

- ▶ Regarding information related to human capital, the KIRIN Group has positioned employee engagement, diversity, and occupational health and safety indicators as important indicators that contribute to improving corporate value, and have disclosed such information. Also, we disclose a variety of data as ESG data.

Disclose as non-financial indicators, including target setting

Items	Themes	Non-financial Targets	Links to Economic Value
Employees	Organizational Culture	Employee Engagement (2022 Actual)	70% Profit generation through value creation and productivity improvement
	Diversity	Achievement level in Increasing Diversity (1) Ratio of female managers in Japan (2022 Actual) (2) Ratio of career hires in Japan (2022 Actual)	(1) 10.6% (2) 27.3% Profit generation through value creation and productivity improvement
	Occupational health and safety	Lost time injury frequency rate (2022 Actual Forecast)	0.90 Raise motivation and productivity by improving working environment

Disclosure on the Annual Securities Report

The addition of "human resources development policy" and "internal environment improvement" are required for the Human Resources section, while the Diversity section requires the addition of "gender wage difference," "female manager ratio" and "Percentage of male employees taking paternity leave" to the items in the financial report.

In response to the new mandatory disclosure policy, Kirin Holdings decided to disclose the information from the fiscal year ending December 31, 2022. In the "Human Resources Development Policy" and "Internal Environmental Improvement" sections, an outline of the "Kirin Group Human Resources Strategy" was included, and in the diversity sections, the information on the right was disclosed.

Disclose current figures as ESG data over time

健康・安全 Health & Safety [ESG Data Book | KIRIN \(kirinholdings.com\)](#)

指標 Indicator	報告対象会社 Boundary of companies	2019	2020	2021	2022
出産・育児休暇後の復職率(%) Return to work rates after parental leave (%)	主要会社 Group overall	95.5	99.1	98.4	93.3
	男性 Man	99.0	100	100	93.1
	女性 Woman	92.5	98.6	97.6	93.6
休業災害度数率(LTIR)(件/百万時間) ^{※5} Lost time injury rate (LTIR) (number/million hours) ^{※5}	※6/※6	1.36	1.59	0.93	1.00
	日本 ^{※7} Japan ^{※7}	0.61	0.70	0.55	0.37
	海外 Overseas	※9/※9	4.19	4.93	2.45
従業員一人当たりの年間総実労働時間(時間/人) Average number of actual hours worked per year (hours/employee)	主要会社 Major companies	1,843	1,888	1,879	1,940
	日本 Japan	1,926	1,960	1,954	1,984
	海外 Overseas	主要会社(海外) Major companies in overseas	1,727	1,724	1,668
労働安全方針が適用された従業員の割合(%) Percentage of employees to whom health and safety policy has been applied (%)	グループ全体 Group overall	100	100	100	100
労働災害による死亡者数(人) Employee fatalities due to accidents at work	※10/※10	0	0	0	0

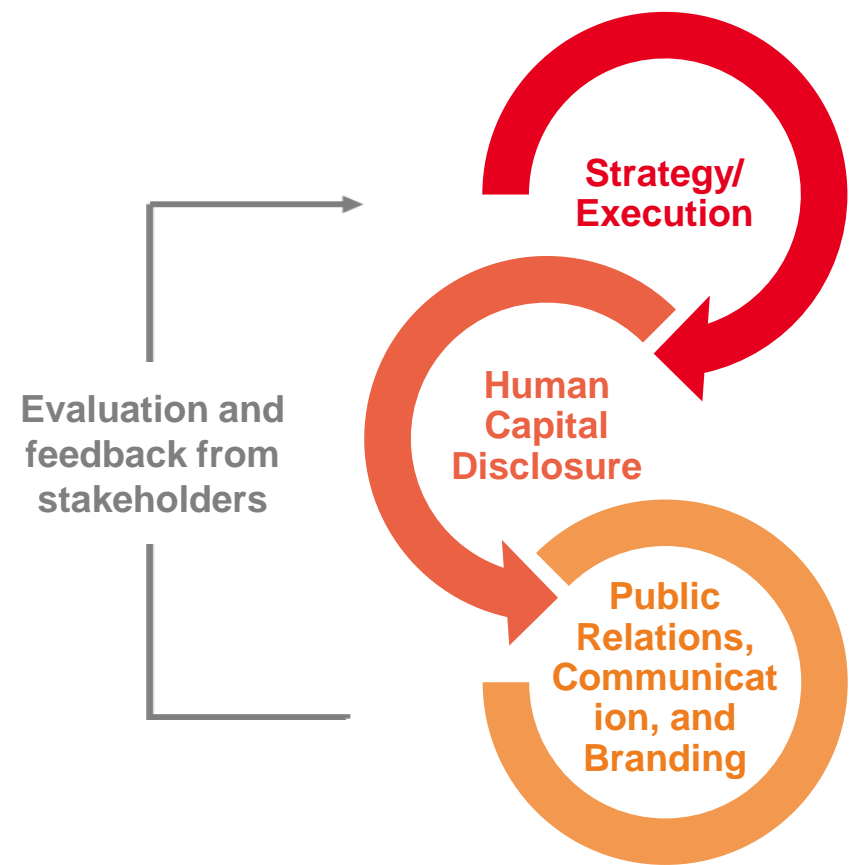
Percentage of female managers	Gender wage difference	Percentage of male employees taking paternity leave
10.6%	1) All Employees	70.5%
	2) Full-time Employees	71.2%
	3) Non-regular workers	44.9%
		73.0%

※Wage differentials between men and women and the percentage of men taking childcare leave are calculated by the Ministry of Health, Labor and Welfare.

Evolution of Strategy Through Communication with Stakeholders



➤ Seeing the focus on human capital as an opportunity, we will increase communication with internal and external stakeholders through visualization (information disclosure) of our human capital strategy, and reflect and evolve the feedback in our strategy.



Engagement with Shareholders and Investors (CSV-Day)



Collaboration with related organizations and other companies



Reference: [Kirin Holdings News Release](#)

Engagement with Employees (Dialogue with executives, direct dialogue between employees and the HR Department)



Enhancement of the Disclosure of Human Capital Strategy

- To structure and visualize the human capital strategy, quantitative results are disclosed for comparable items. We have also disclosed the Uniqueness indicators.

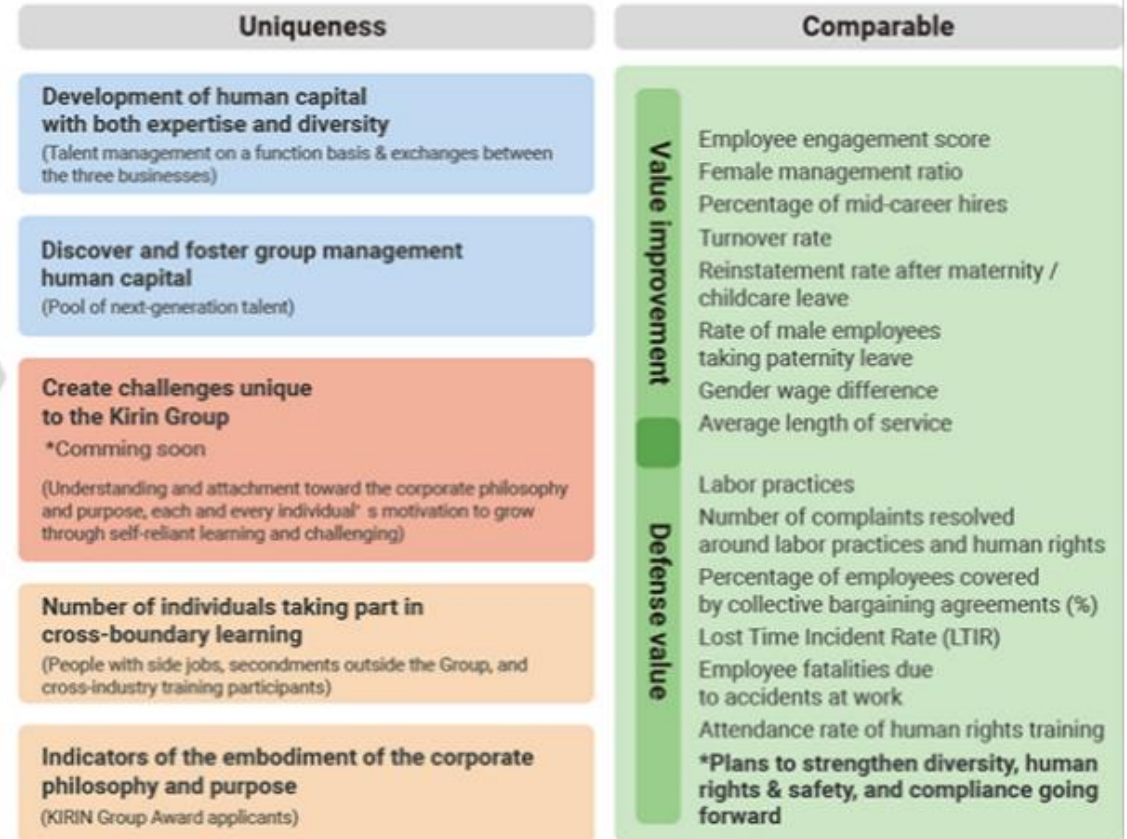
Viewed from Group Management Issues Recognition of Human Capital Strategy Issues



Key Initiatives for Human Capital Strategy



Disclosure indicators



CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- **DX Strategy / DX戦略**
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

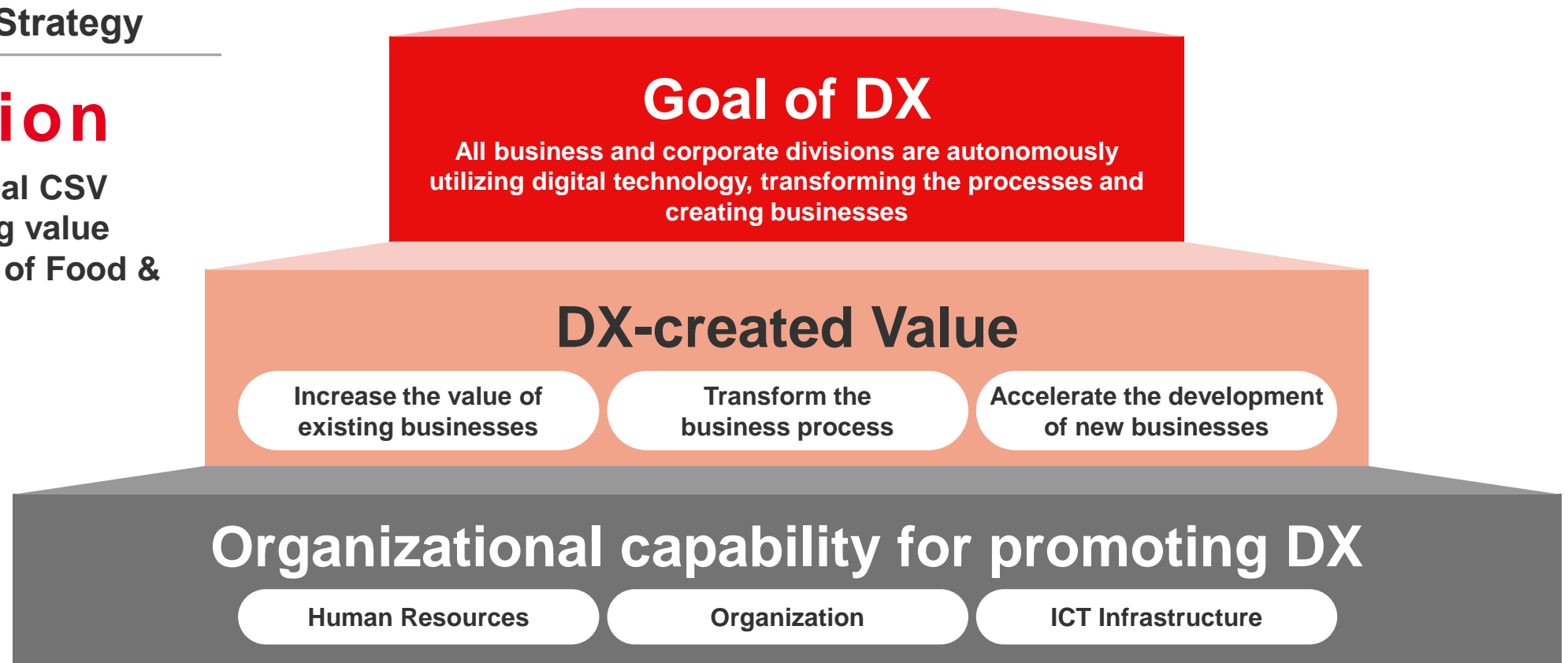
Promote ICT utilization (DX) as an organizational capability to accelerate innovation

- Aim to quickly achieve a state where all business and corporate divisions are autonomously utilizing digital technology to transform the processes and create businesses

Kirin Group's DX Strategy

2027 Vision

To be a leading global CSV company by creating value across the domains of Food & Beverages and Pharmaceuticals



- We are building an execution system across the entire Group and developing and securing human capital to promote DX, with the aim to plan and execute DX initiatives in close proximity to the business operations and customers

Organizational Structure

Establish an execution system across the Group, led by an expertise organization, to accelerate initiatives across operating companies, corporate divisions, and business domains throughout the entire Group



Establish a DX-specialized organization for promoting DX
(DX Strategy Promotion Office)

System for executing group-wide DX initiatives
(Group's DX Promotion Committee)

DX Human Capital

Develop and secure DX professional human capital and increase DX literacy of all employees through unique training programs to enable each company and division to autonomously promote the DX initiatives at their workplaces within the Group

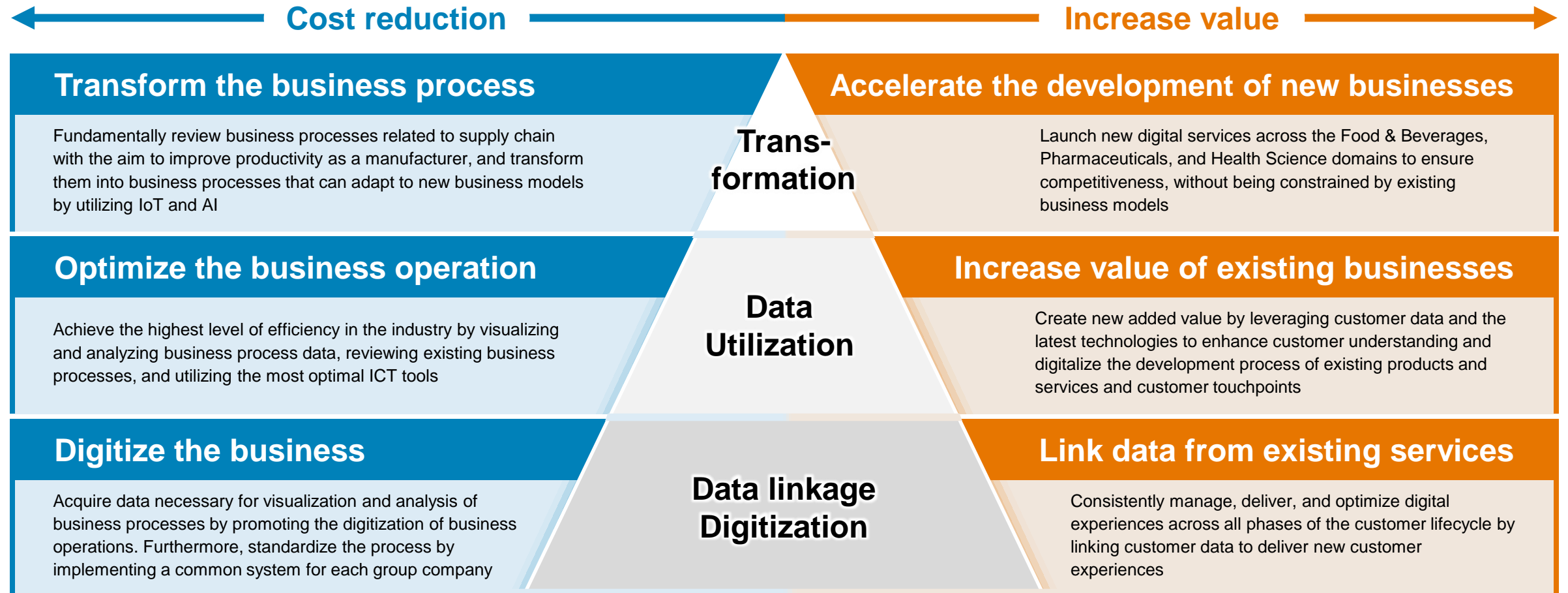


Secure DX professional human capital
Develop and enhance skills

Increase DX literacy of all employees
(DX Dojo)

Value Creation Framework

- Promote "cost reduction through business process reform" and "value enhancement through new business development" while expanding the foundation of "digitalization of data" and "linkage of digitalized data"



Adaptive Areas for Value Creation through DX

➤ Achieve higher productivity as a manufacturer and accelerate and develop new businesses by promoting digital transformation across all business domains and all functions in the value chain of the Group



Human Resources

Implement and utilize talent management tools to visualize employee information and achieve a specialized and diverse human capital management

General Affairs

Achieved a digital office with the renovation of the Kirin Group's head office. Accelerate collaboration among employees while promoting paperless operations.

Accounting

Improve accessibility of group-related information at a group management level with the development of a new management dashboard

Legal

Promote paperless and cost reduction by introducing electronic contracts and digital signatures

CONTENTS

- 1 Overview of Kirin Group / キリングループ概要**
- 2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想「キリングループ・ビジョン2027」**
 - Medium-Term Business Plan / 2022-2024中期経営計画
- 3 Alcoholic Beverages business / 酒類事業**
 - Kirin Brewery / キリンビール
 - Lion / ライオン
 - Four Roses / フォアローゼズ
 - San Miguel Brewery / サンミゲルビール

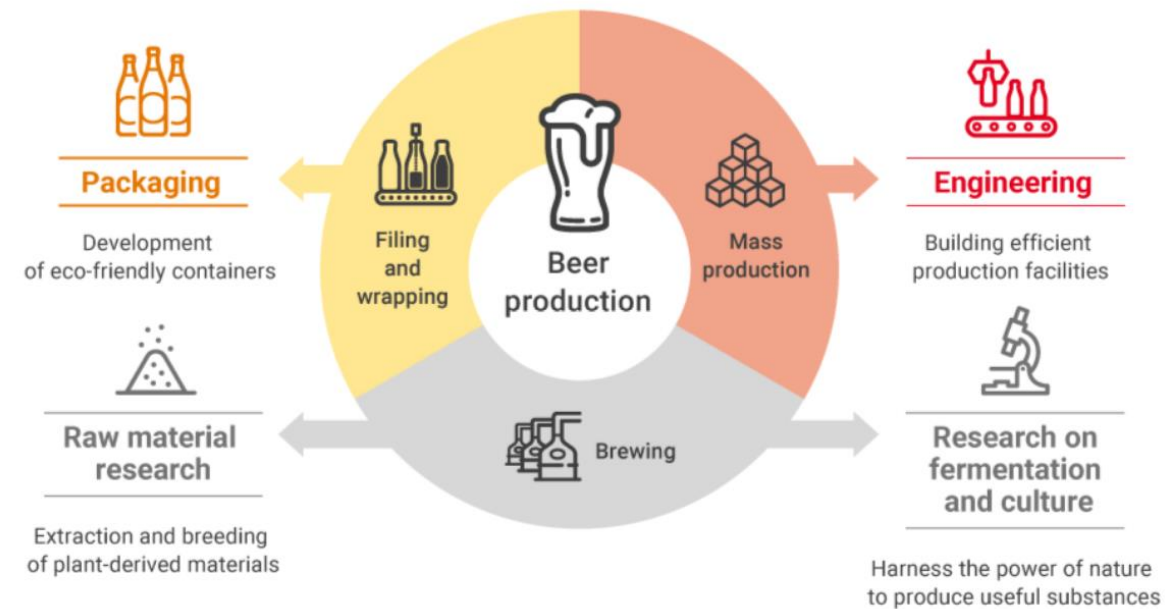
- 4 Non-Alcoholic Beverages business / 飲料事業**
 - Kirin Beverage / キリンビバレッジ
 - Coke Northeast / コーク・ノースイースト
- 5 Pharmaceuticals business / 医薬事業**
 - Kyowa Kirin / 協和キリン
 - 付加価値創出事例 / Case Studies of Value Creation
- 6 Health Science business / ヘルスサイエンス事業**
 - Health Science Strategy / ヘルスサイエンス戦略
 - Blackmores/ ブラックモアズ
 - FANCL / ファンケル
 - LC-Plasma / プラズマ乳酸菌

- 7 CSV / ESG**
 - CSV Management / CSV経営
 - Environment / 環境
 - Human rights / 人権
 - Community / コミュニティ
 - A responsible alcohol producer / 酒類メーカーとしての責任
 - Corporate Governance / ガバナンス
- 8 Functional Strategies / 機能別戦略**
 - HR Strategy / 人財戦略
 - DX Strategy / DX戦略
 - **R&D Strategy / R&D戦略**
 - Marketing Strategy / マーケティング戦略

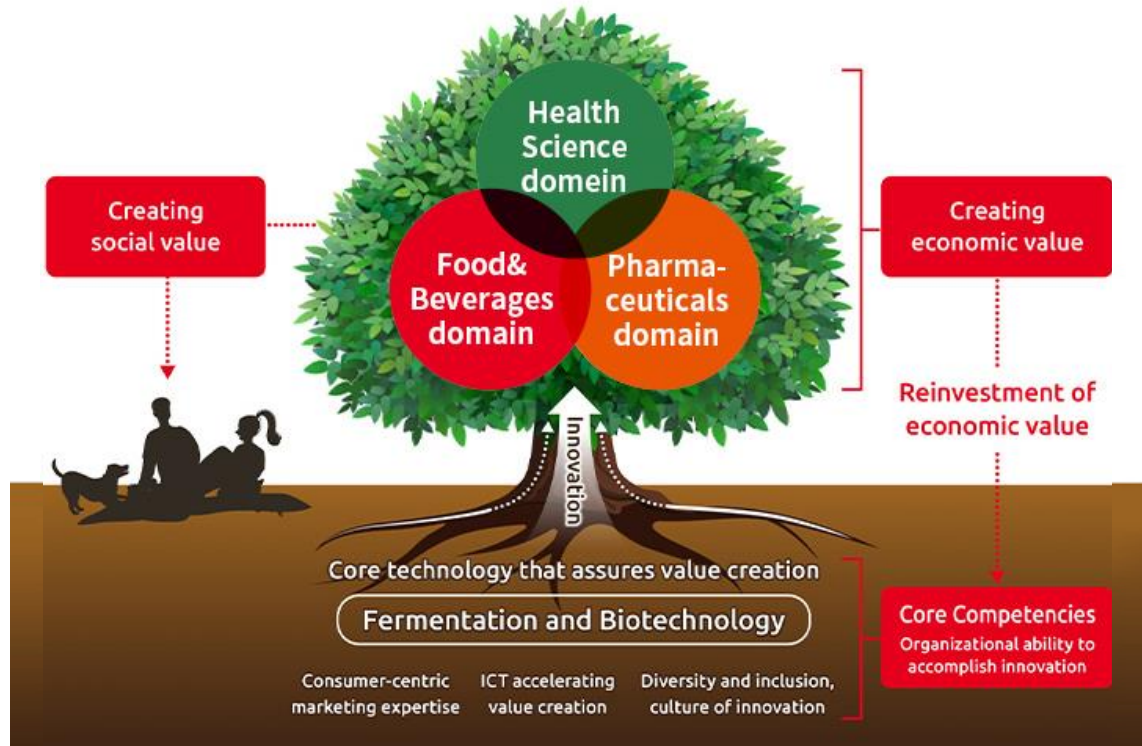
“Core technology that creates accurate value” & Expansion of Kirin Group's Business Domain

➤ Kirin's technological expertise originates in beer brewing.
Expanding Business Domain by Utilizing **“Fermentation and Biotechnology”**

In the course of mastering beer brewing, research on raw materials, fermentation, and cultivation is progressing.

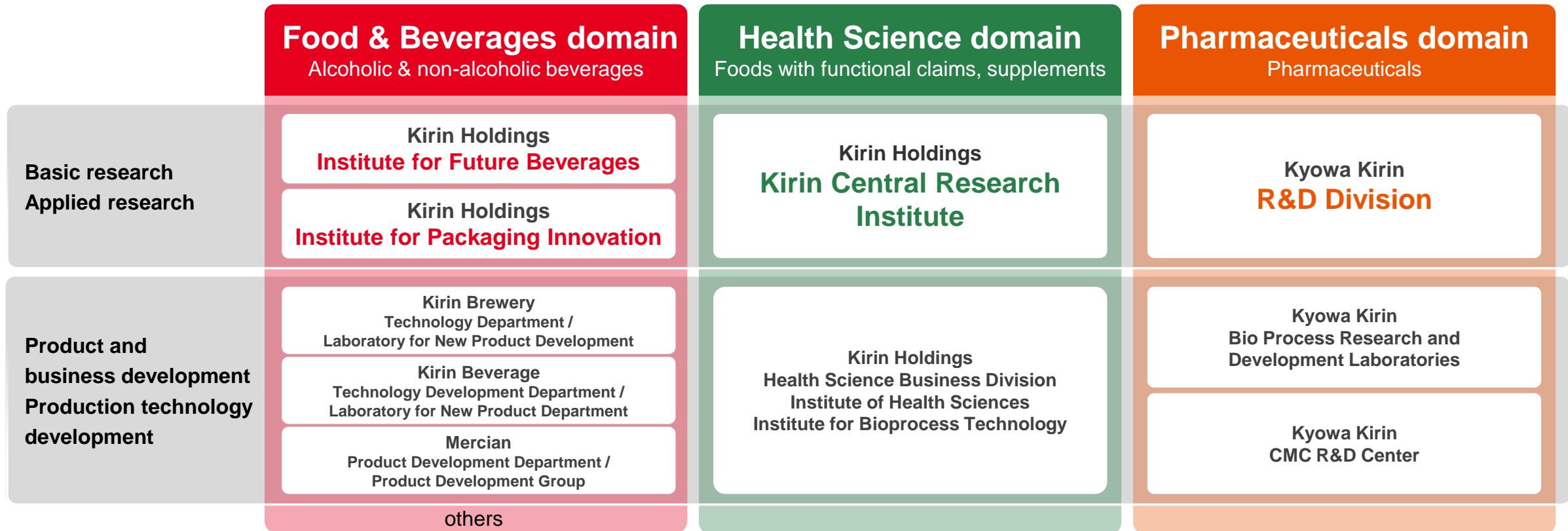


Fermentation and biotechnology are the core competencies linking the domains



R&D system of Kirin Holdings

➤ In the Food & Beverages and Health Science domains, basic research and applied research for commercialization are being performed at the Kirin Holdings' Kirin Central Research Institute, Institute for Future Beverages, and Institute for Packaging Innovation. On the other hand, at each operating company's or division's research institute, R&D directly connected to business, such as product development that makes use of the technologies born there, are being performed. Additionally, in the Pharmaceuticals domain, most R&D activities are handled by Kyowa Kirin, who is promoting collaborative efforts with Kirin Holding's Kirin Central Research Institute in an effort to provide value that is not limited to pharmaceuticals.



External awards received in recognition of the success of LC-Plasma



- At the FY2023 National Commendation for Invention (hosted by the Japan Institute of Invention and Innovation), Kirin Holdings Company, Limited and Koiwai Dairy Products Co., Ltd. received the Imperial Invention Prize for our invention of food compositions for immunostimulation containing lactic acid bacteria (Japanese patent number 6598824), which was awarded to our employees, the inventors for their efforts in the discovery and commercialization of LC-Plasma. This is the first time this prize has been given to a health food ingredient and the first time in 59 years to a food company. Our representatives of enterprises also received the Distinguished Service Prize for Employment of Invention.



The National Commendation for Invention is hosted by the Japan Institute of Invention and Innovation (JIll) and is held annually to honor inventions that have made significant achievements and those that are expected to make significant contributions in the future. In particular, the Imperial Invention Prize is given to inventions that have made significant contributions to the promotion of science and technology and the development of Japan's industrial economy. This Prize is also the symbolic award of the National Commendation for Invention, which is given with a gift from the Imperial Household, and is presented to the person whose invention is recognized as the most outstanding. Additionally, at the 11th Technology Management & Innovation Awards (hosted by the Japan Techno-Economics Society), which recognize outstanding innovations that will change the world, we received the Minister of Education, Culture, Sports, Science and Technology Award for our discovery, research, and commercialization of LC-Plasma.



CONTENTS

1 Overview of Kirin Group / キリングループ概要

2 Long-Term Management Vision “Kirin Group Vision 2027 / 長期経営構想 「キリングループ・ビジョン2027」

- Medium-Term Business Plan / 2022-2024中期経営計画

3 Alcoholic Beverages business / 酒類事業

- Kirin Brewery / キリンビール
- Lion / ライオン
- Four Roses / フォアローゼズ
- San Miguel Brewery / サンミゲルビール

4 Non-Alcoholic Beverages business / 飲料事業

- Kirin Beverage / キリンビバレッジ
- Coke Northeast / コーク・ノースイースト

5 Pharmaceuticals business / 医薬事業

- Kyowa Kirin / 協和キリン
- 付加価値創出事例
/ Case Studies of Value Creation

6 Health Science business / ヘルスサイエンス事業

- Health Science Strategy
/ ヘルスサイエンス戦略
- Blackmores/ ブラックモアズ
- FANCL / ファンケル
- LC-Plasma / プラズマ乳酸菌

7 CSV / ESG

- CSV Management / CSV経営
- Environment / 環境
- Human rights / 人権
- Community / コミュニティ
- A responsible alcohol producer /
酒類メーカーとしての責任
- Corporate Governance /
ガバナンス

8 Functional Strategies / 機能別戦略

- HR Strategy / 人財戦略
- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- **Marketing Strategy /
マーケティング戦略**

Consumer-centric marketing

In the past few years, we have promoted "consumer-centric marketing" in our operating companies and have achieved a certain level of progress.

KIRIN

Investor Day 2021

Kirin Brewery
Consumer Centric Marketing Expertise Reform

March 3, 2021 Kirin Holdings Company, Limited

Strengthening marketing organization (1) System

- Introducing a brand manager system
- Strengthening PDCA for brands (monthly/annually)
- Developing/introducing brand ROI system

Establishing a framework enabling better corporate management

© Kirin Holdings Company, Limited 21

Strengthening marketing organization (2) Human resources

Define required human resources for marketing from the perspective of competency and expertise, and put it into practice as a part of the management process of human resources development

- For KIRIN's marketing, all leaders are working on competency-based human resources development (sharing across the Group)

Enhancing competency and expertise

Competency (pattern of behavior) + Marketing expertise

© Kirin Holdings Company, Limited 22

Thorough understanding of consumers

We are committed to deeply understanding each consumer, training ourselves to do so, and repeatedly trying until we capture what consumers really want and cater to their needs.

Consumers

Deep understanding of each consumer (N=1)

© Kirin Holdings Company, Limited 23

Revisiting product development process

In order to meet consumers' expectations = to increase the likelihood of success, we set a gate in the product development process to ensure uncompromising preparation for commercialization as well as rigorous screening procedure.

Gate system for product development

As a result, in 2017, 35% of product development projects were stopped

© Kirin Holdings Company, Limited 24

Typical slide used for obtaining an internal approval

Discussion focused on what is different from competitors

Shift the focus of discussion to what consumers want

© Kirin Holdings Company, Limited 25

Human resources for marketing required by KIRIN

Hit makers, Good at advertising, Creative types, etc.

Marketers capable of running a brand business (corporate management)

© Kirin Holdings Company, Limited 26

Customer journey (4 moments)

Formulate an action plan for brand development based on the customer journey as illustrated below. Doing so will allow us to integrate various marketing elements in a consumer-centered manner, secure consistency in strategies, and implement them.

Initial activities for brand development at each of the above moments

© Kirin Holdings Company, Limited 27

To be an organization that develops brands

Through such activities, while obtaining deeper understanding of consumers and brands, the organizational climate to develop brands has been strengthened, certainly

All employees work on brand development

© Kirin Holdings Company, Limited 28

Opportunities to strengthen marketing capability in the Group

The whole Group's consumer-centric marketing capability is still part way and has opportunities for further improvement.



Elevate the **"ability to understand consumers"**, which is the foundation of CSV management, to an even higher level throughout the Group



Create **marketing capabilities** to be adapted in new business areas



Develop and utilize human capital from a Group's perspective with a view on the future (⇔ individual optimization by operating companies)



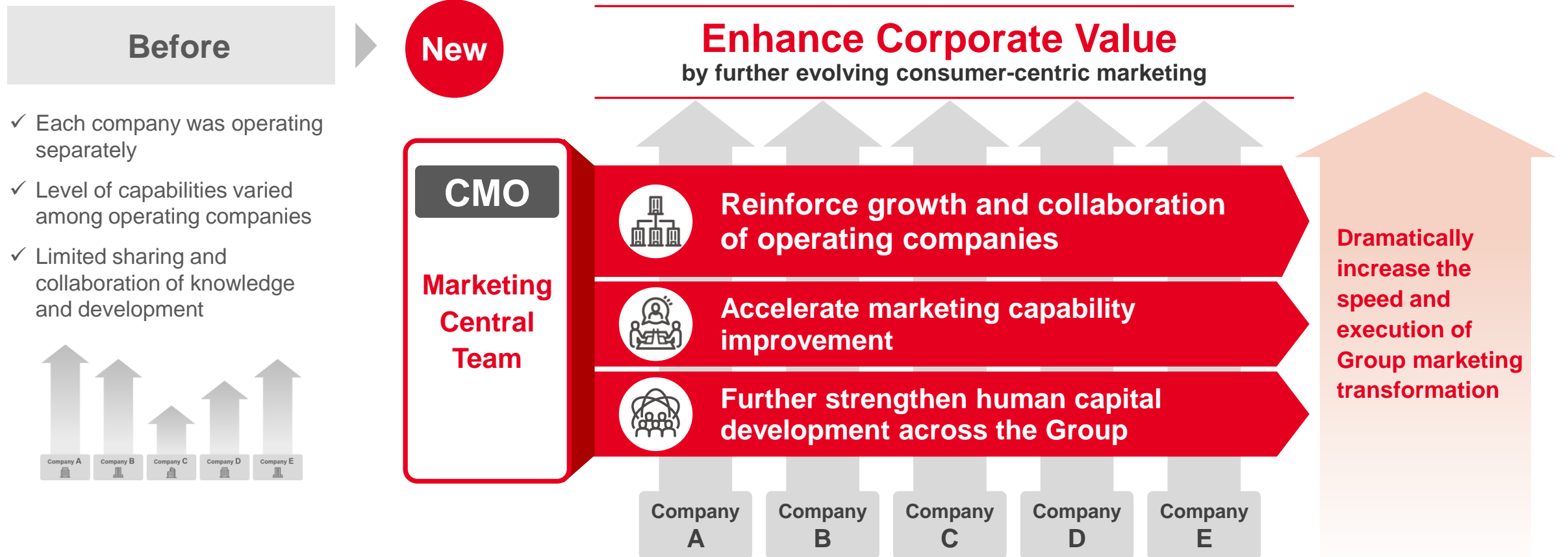
Support individual businesses in resolving their issues and **generate collaboration across companies**



About the group marketing cross-function through a central team

Strengthen the support for growth through the central team's cross-functions in addition to marketing activities by each operating company

⇒ Enhance corporate value by increasing the speed and execution of the transformation

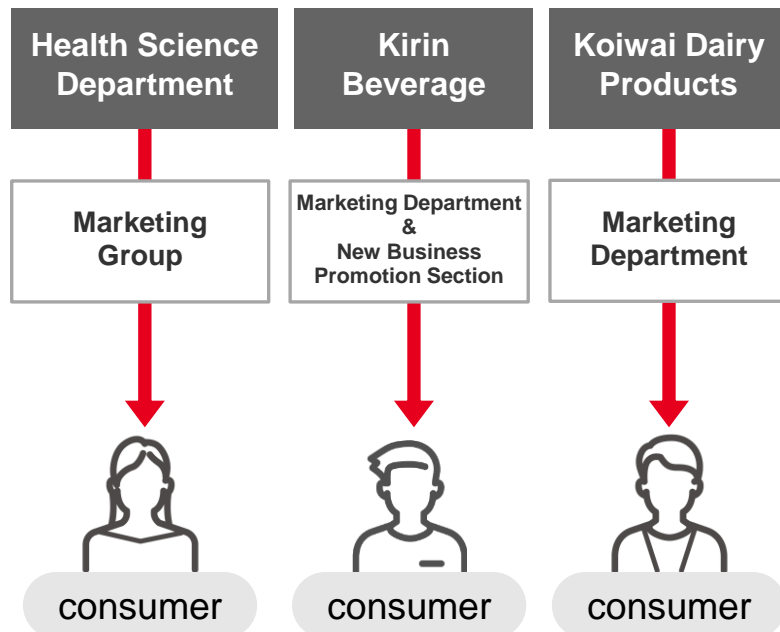


The central team is responsible for consistency in the marketing strategy by directly supporting the cross-functions

⇒ **Group initiatives will be integrated to create synergies for consumer-based value creation**

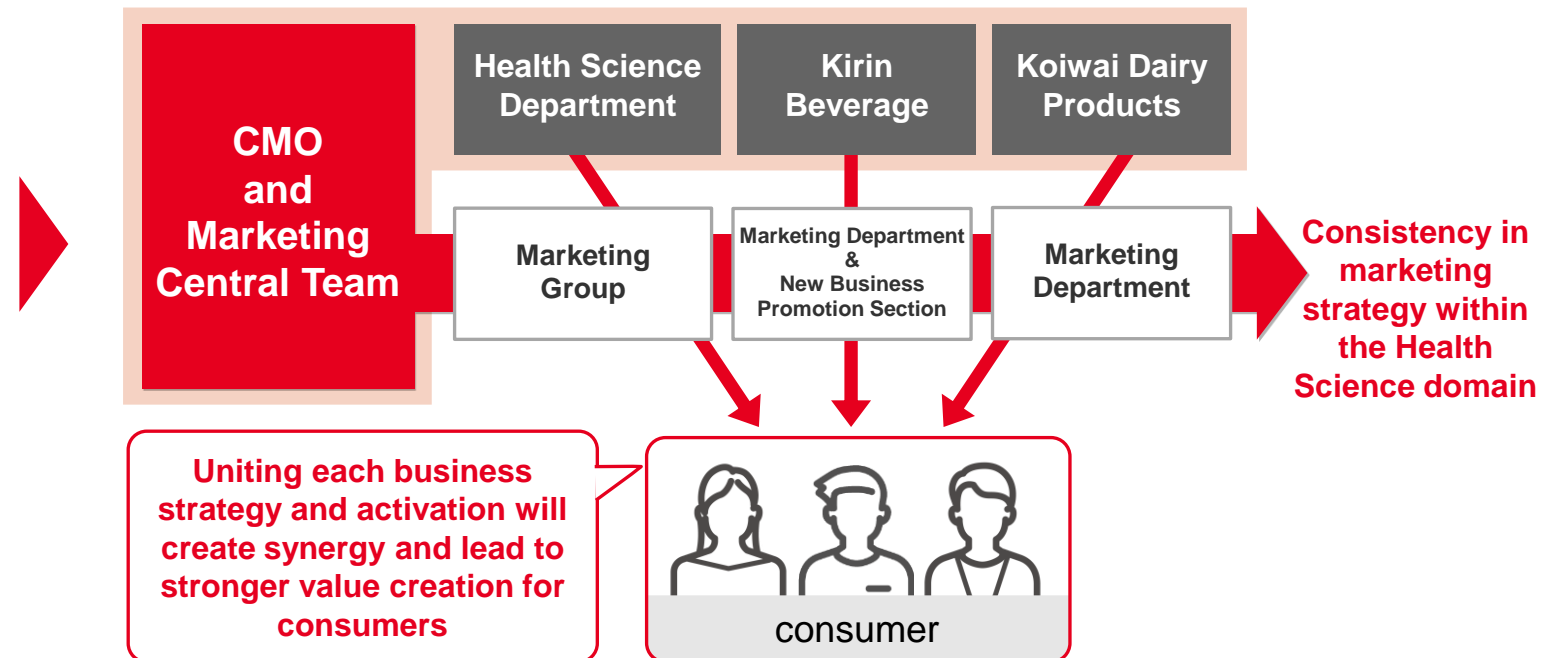
FROM

Individual optimization
in each business



TO

The Group unites to create value from the
consumer's point of view



Raise the level of consumer understanding throughout the Group, develop and introduce new mechanisms, and increase **consumer understanding** to the point where it becomes a compelling strength of the Group.

1

Increase in consumer understanding within the Group

Typical slide used for

Discussion focused on what is different from competitors

Shift the focus of discussion to what consumers want

Thorough understanding of consumers
We are committed to deeply understanding each consumer, training ourselves to do so, and repeatedly trying until we capture what consumers really want and cater to their needs.

Deep understanding of each consumer (N=1)

Customer journey (4 moments)
Formulate an action plan for brand development based on the customer journey as illustrated below. Each team uses its expertise toward realization of expected feelings and behaviors of consumers at each moment. Doing so will allow us to integrate various marketing elements in a consumer-centered manner, secure consistency in strategies, and implement them.

Product development process
to meet consumers' expectations = to increase the likelihood of gate in the product development process to ensure uncomplicated commercialization as well as rigorous screening procedure.

Gate for product development

GO
Met criteria, move to the next stage

GO with conditions
Did not sufficiently meet criteria, move to the next stage on condition that certain issues are to be resolved

No-GO
Failed to meet criteria, redo the development

STOP

As a result, in 2017, **35%** of product development projects were stopped

Source: Investor Day "Consumer Centric Marketing Expertise Reform" presentation, March 2021

2

Further deepening of consumer understanding by developing and introducing new mechanisms

Development	Develop new mechanisms and themes with operating companies.	
Introduction and Penetration	Introduce and penetrate the new mechanism through training programs.	
Embedment	Embed through training.	

Further strengthen human capital development across the group
 What makes it possible to implement a striking human capital utilization and strengthen the human capital base?

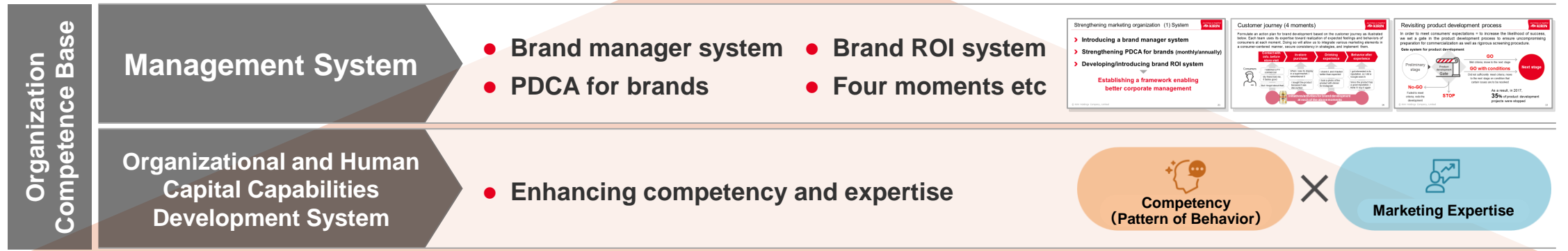


It enables **early development of high quality human capital and immediate contribution of mid-career hires** by standardizing the management system and human capital development system across the Group.

KIRIN Consumer-centric marketing expertise

Marketing core competencies based on consumer understanding

Management systems and organizational/human capital development systems which support marketing capabilities





よろこびがつなぐ世界へ

Joy brings us together