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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

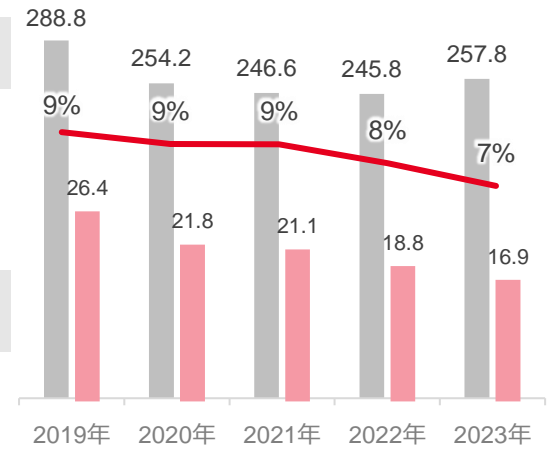
Revenue and Normalized Operating Profit (2023)

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



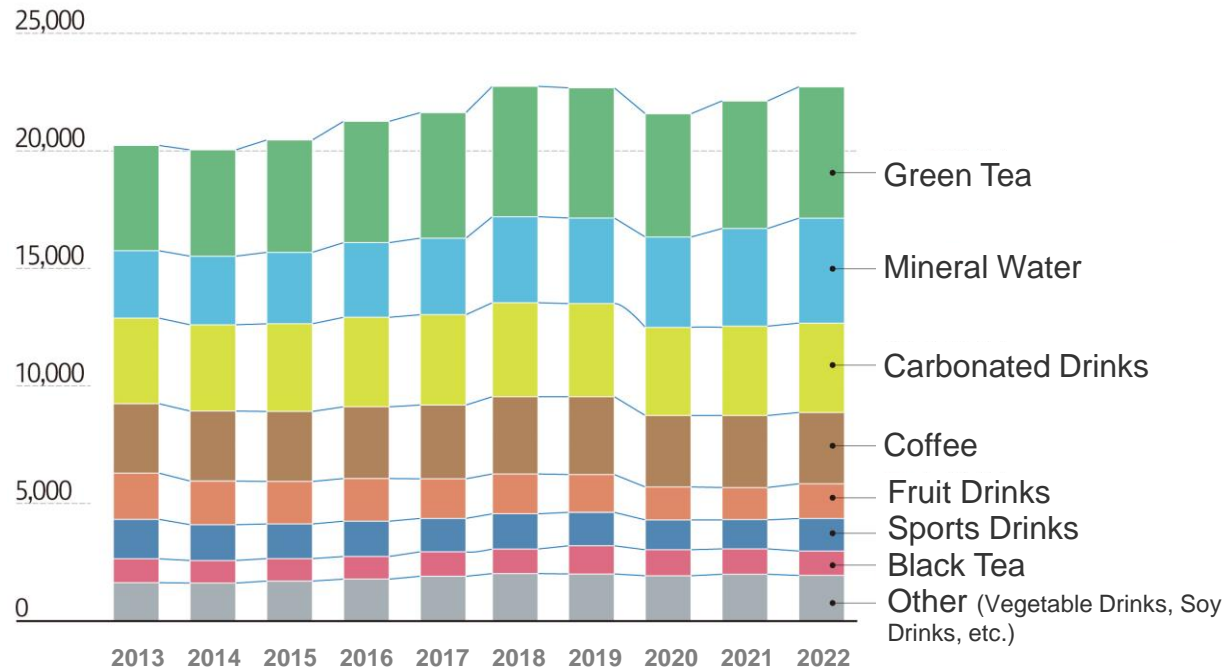
Revenue (billions of yen): ■
Normalized OP (billions of yen): ■
NOP margin: —

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

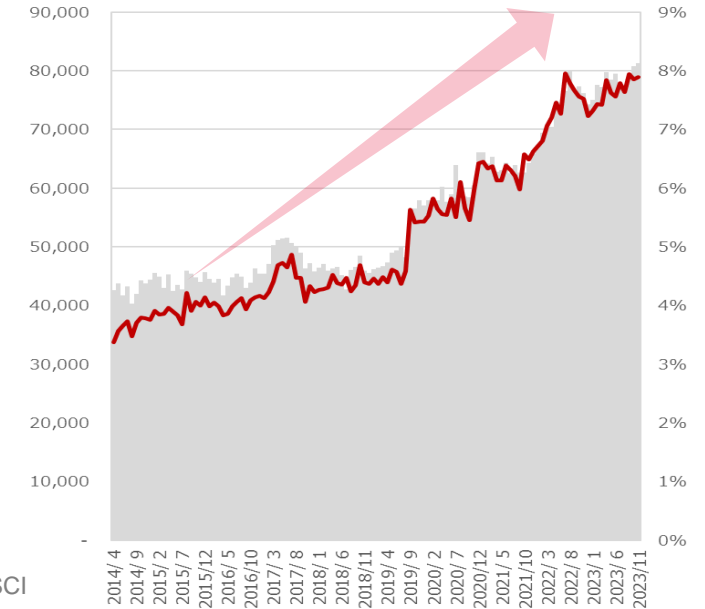


Source: Japan Soft Drink Association
The figure for mineral water does not include imported mineral water.

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

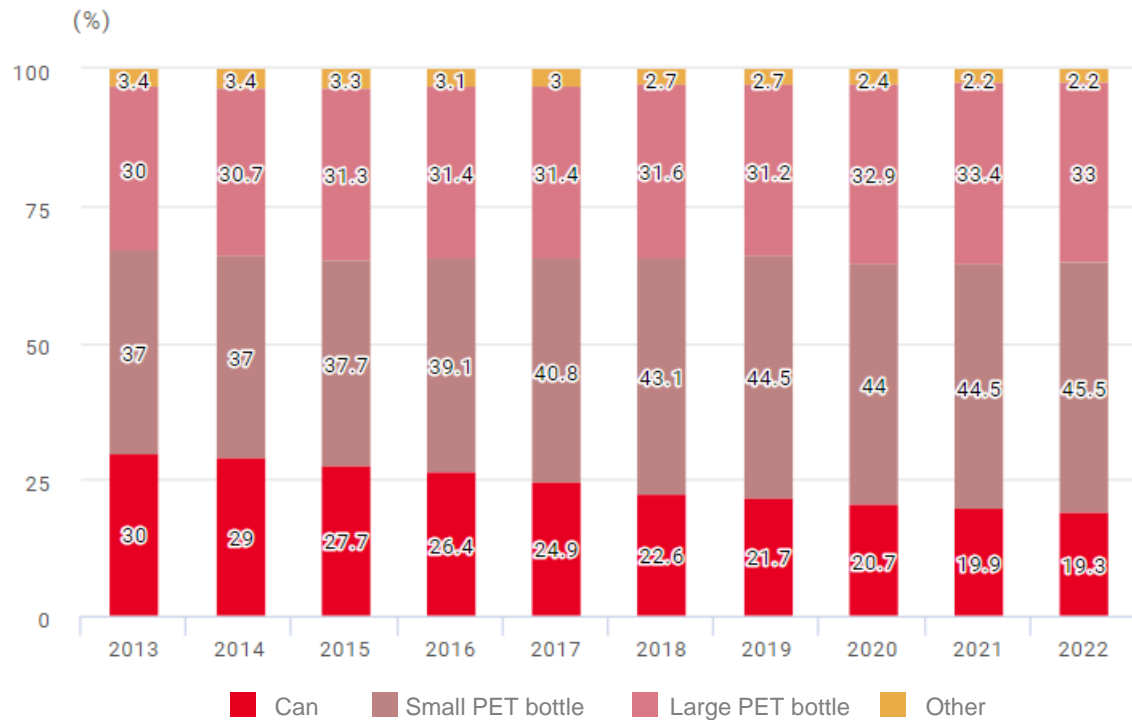


Foods with Function Claims + FOSHU (Food for Specified Health Uses) continue to increase over the long term

Composition by container

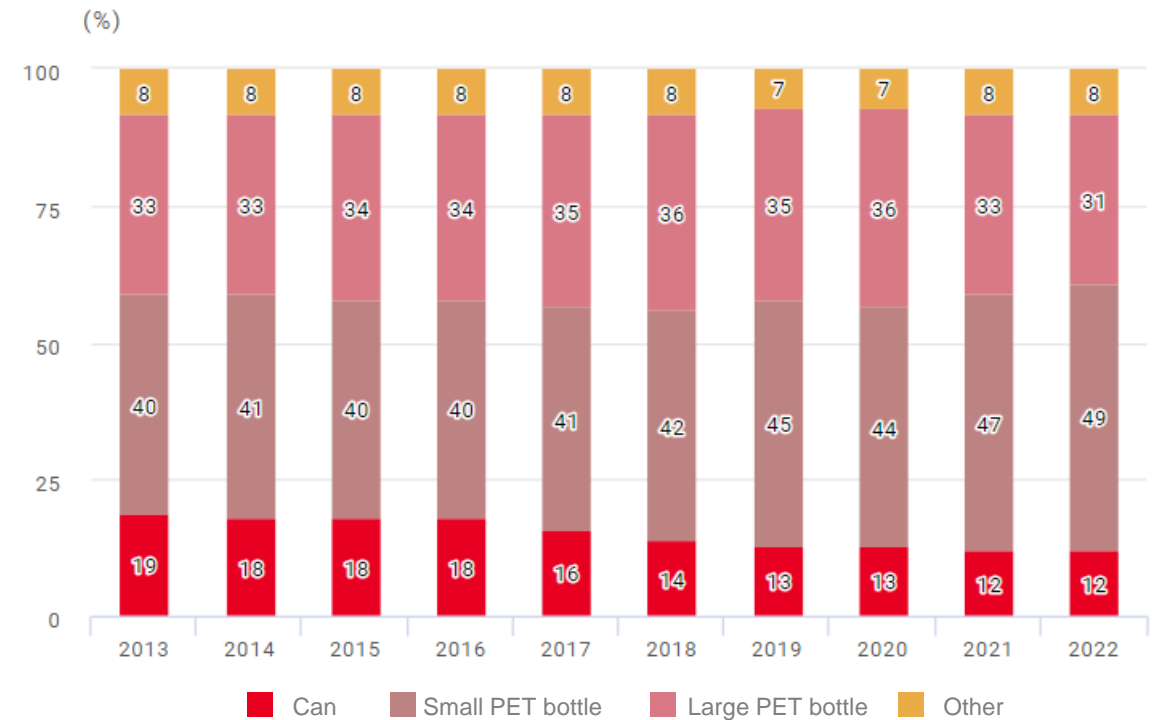
➤ Due to the reduction of unprofitable vending machines, the percentage of Kirin Beverage's cans has decreased.

Soft Drink Market Total



Source: Kirin Estimate

Kirin Beverage

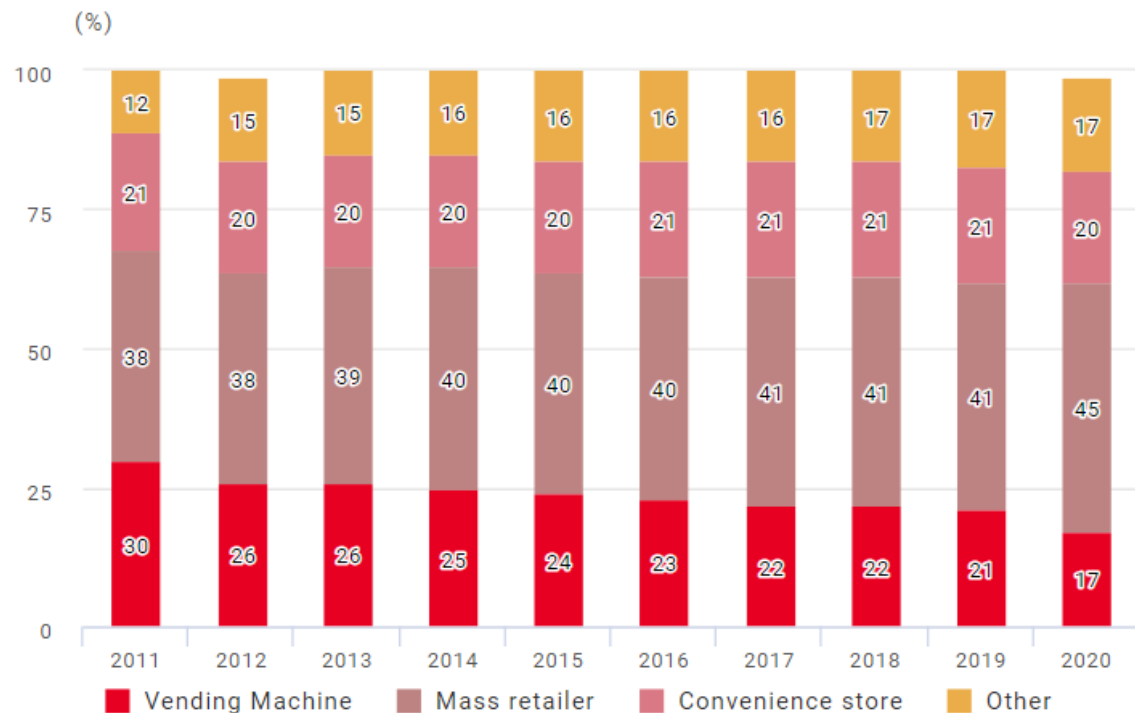


Source: Kirin Estimate

Composition by channel

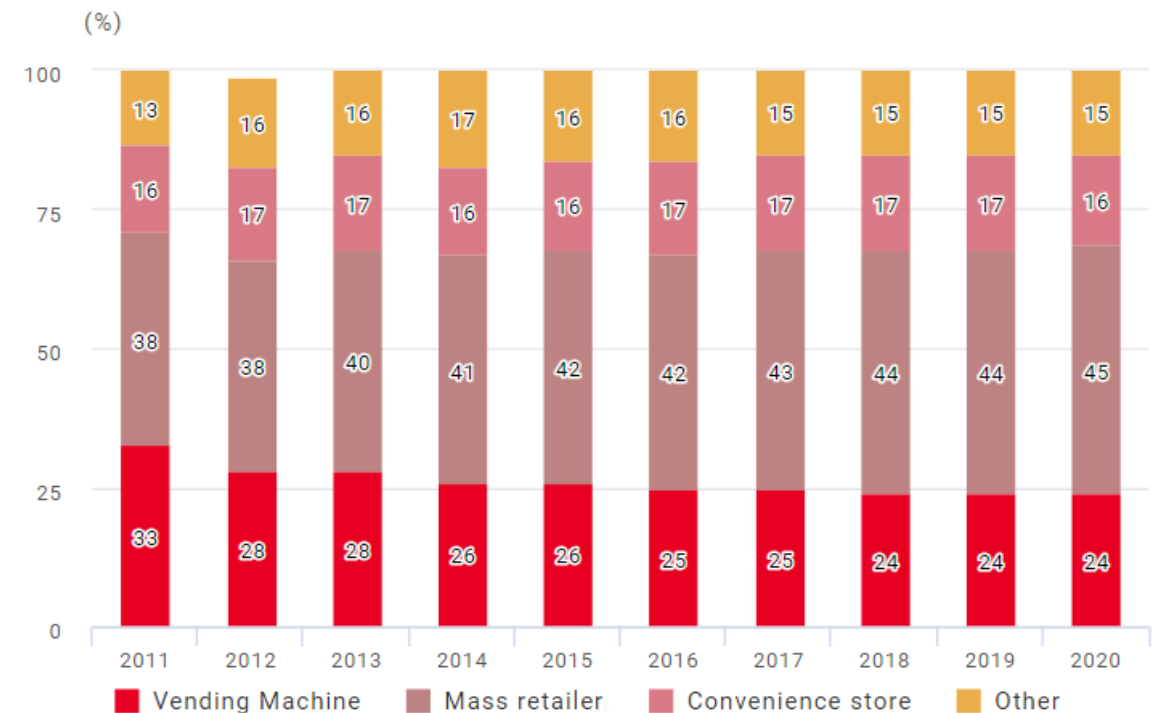
➤ Sales volume increasing at convenience stores while sales volume declining in vending machine channels

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.



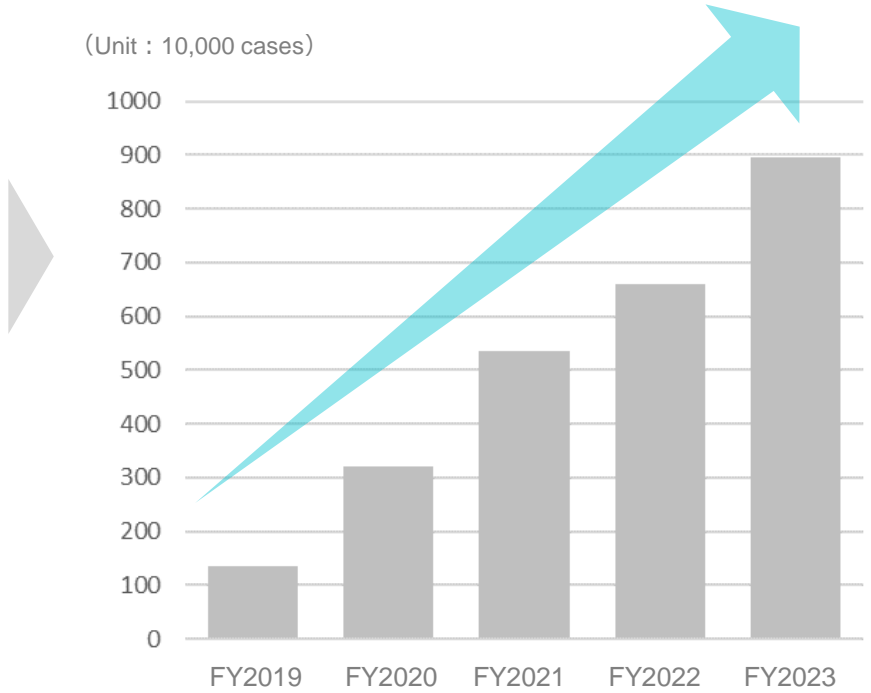
Immune care habituation

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



LC-Plasma products sales volume

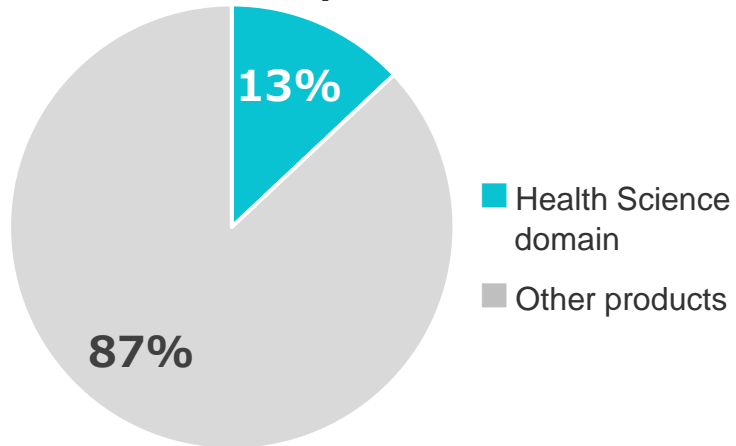
(Unit : 10,000 cases)



➤ From reforming profit structure to further improving profitability

Efforts to improve unit price

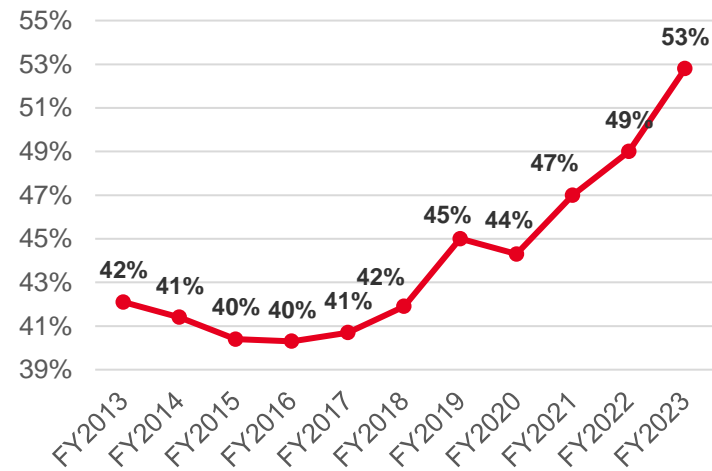
FY23 Health Science Domain Composition



- 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

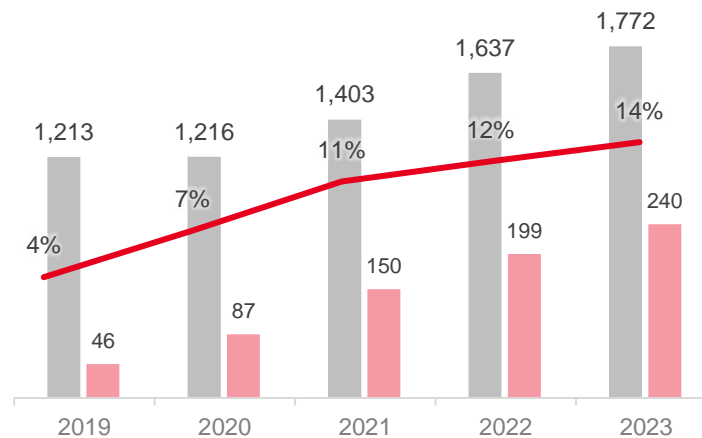
Location

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

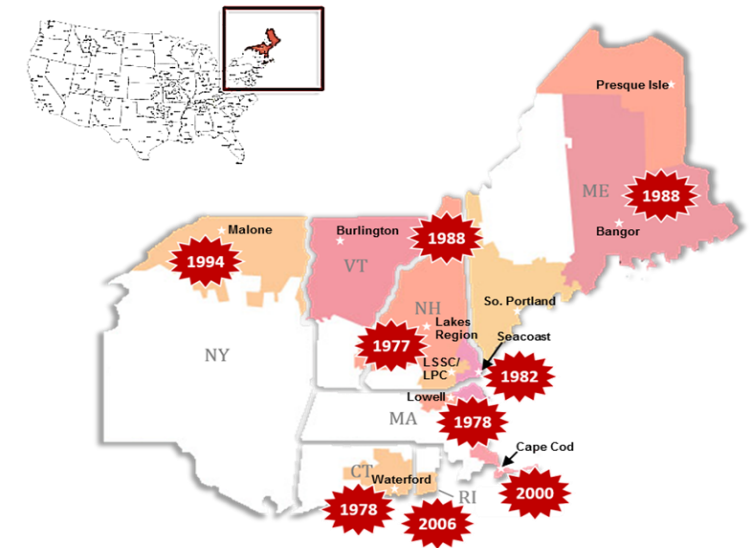
- Established in 1977 as a joint venture with Kirin Brewery (at the time) to generate stable earnings during business diversification and globalization and became a fully owned subsidiary of Kirin in 1982. It is the oldest of the existing overseas subsidiaries of the Kirin Group.

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.



Coke Northeast has important business relationships with many organizations

