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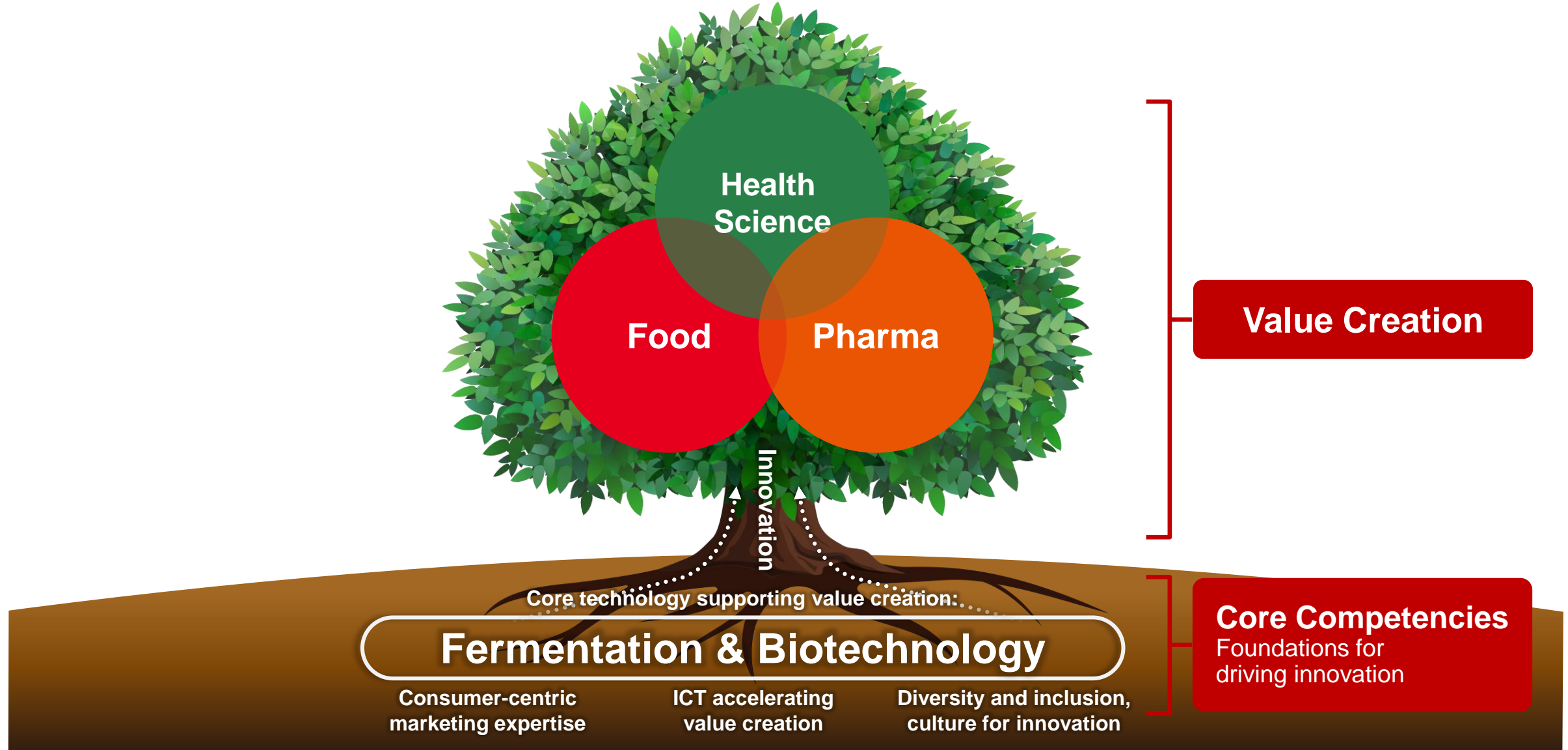
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Value creation based on our core competencies

# 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

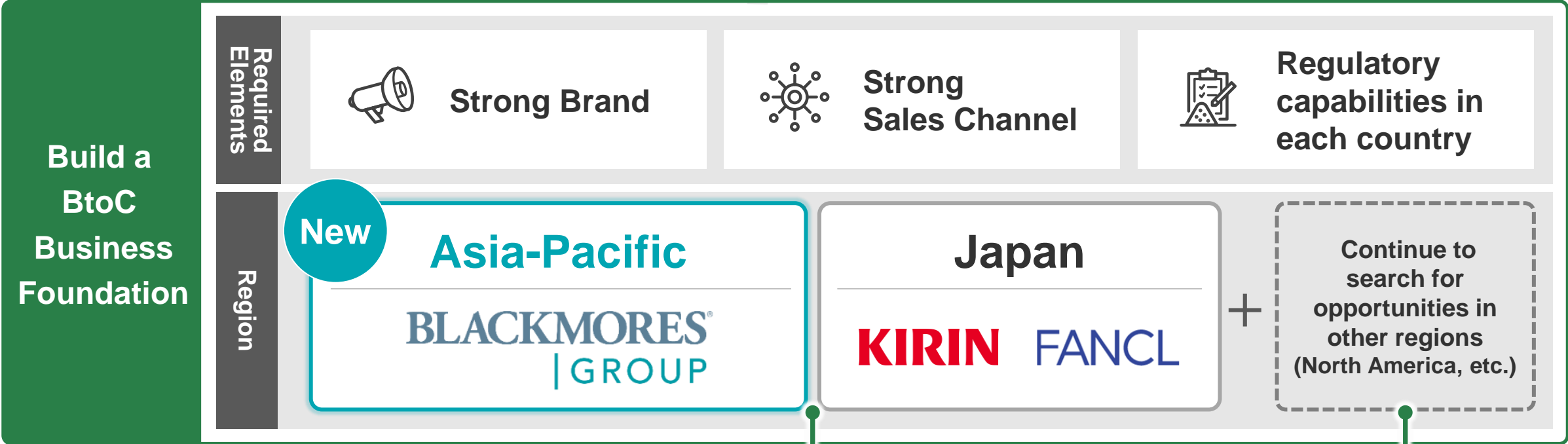
Development and production of high-value-added materials

# 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



Expand materials by leveraging brands and sales channels



Development based on market needs and consumer insight

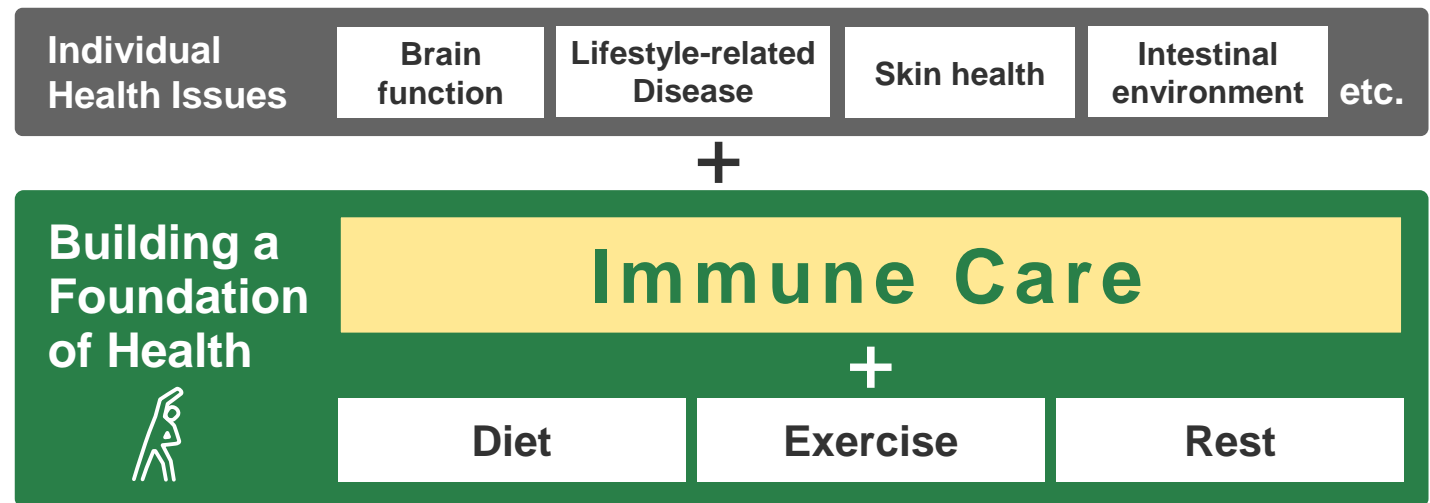
- **Expansion of pipeline through development\* of high value-added proprietary materials**

\* Consider acquiring from other companies as needed.

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

[Kirin's approach to solving health issues]

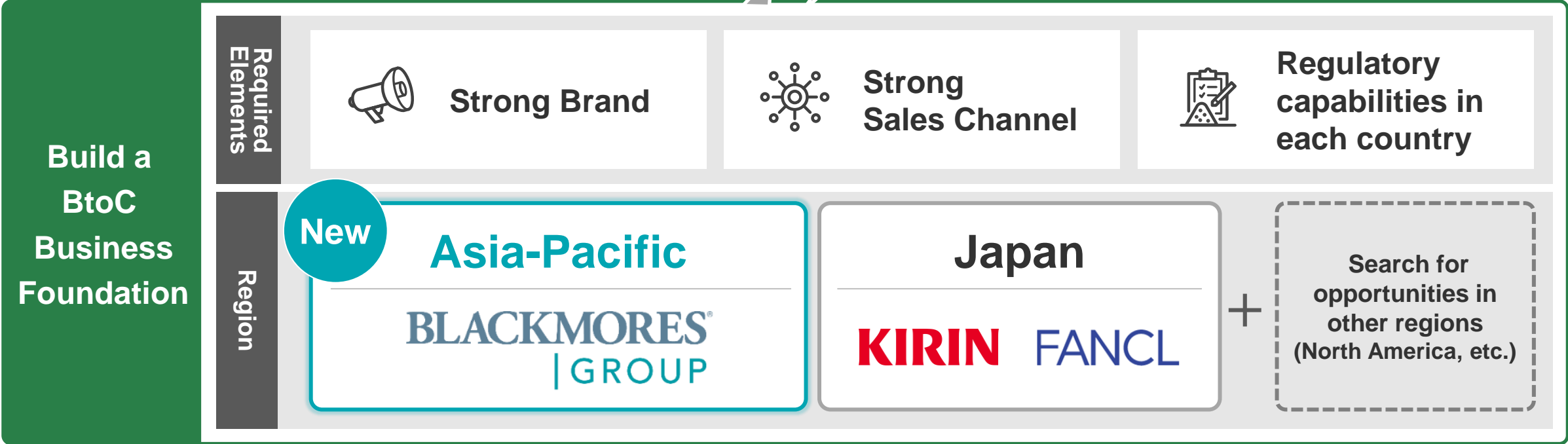
Acts from **both the foundation of health** and individual health issues



\* 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

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## 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.

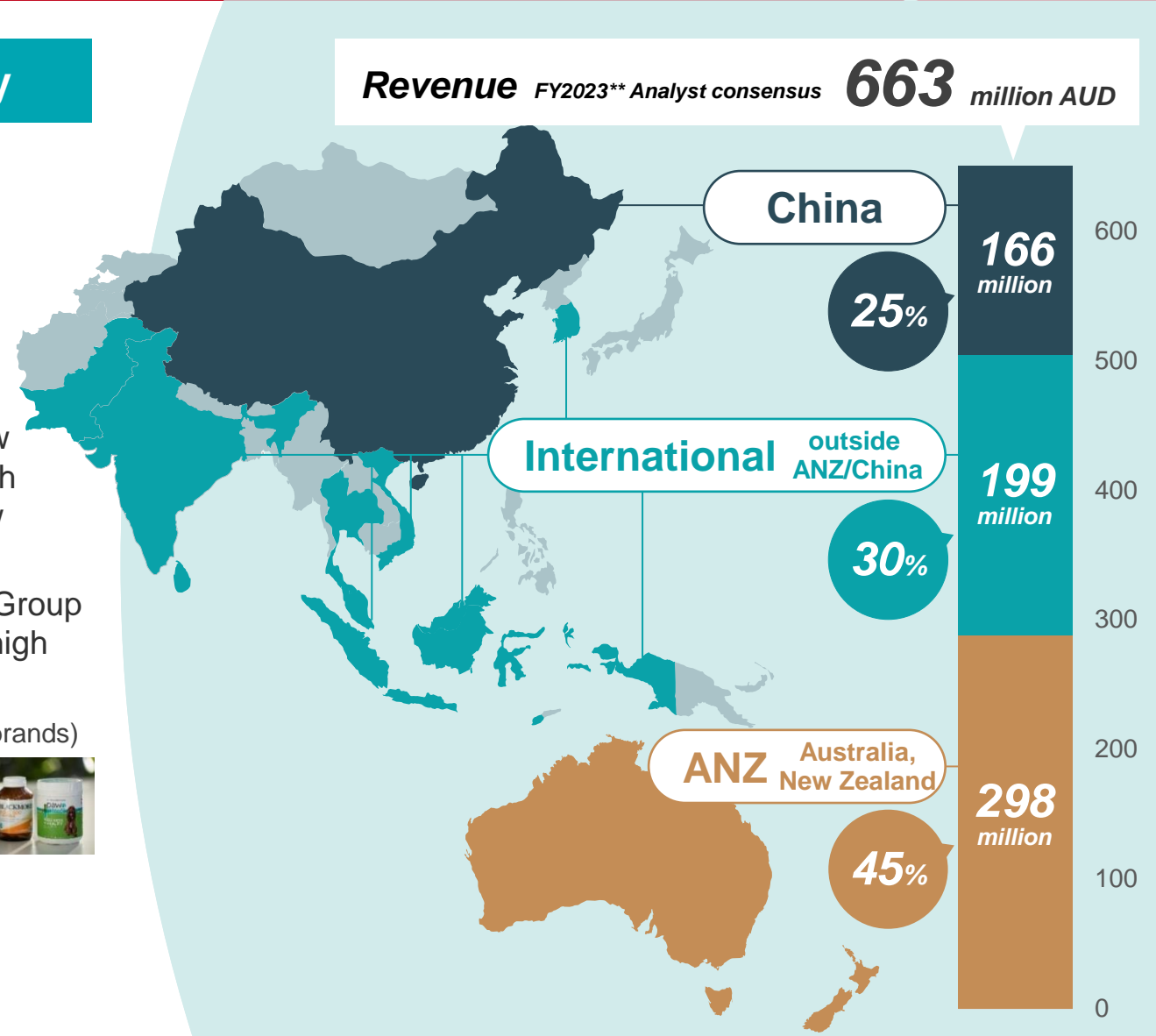
**Production** : Main products are manufactured at the Blackmores Group Braeside facility in Victoria, Australia to maintaining high quality.

**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 \*\*\*




© Kirin Holdings Company, Limited      \*\* Ending June 2023      \* Supplements that can only be sold by qualified practitioners (pharmacists, naturopaths, doctors, etc.).  
 \*\*\* Post-AASB 16



# 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
<p><b>BLACKMORES®</b></p> 	<ul style="list-style-type: none"> <li>● Australia's No.1 natural health brand<sup>1</sup></li> <li>● The only Australian natural health brand with a 90-year heritage – an iconic Australian brand</li> </ul>	<ul style="list-style-type: none"> <li>● <b>#1 market share</b> Australia<sup>1</sup> and Thailand<sup>4</sup></li> <li>● <b>Top 2 market share</b> in Malaysia<sup>3</sup> and Singapore<sup>6</sup></li> <li>● <b>#1 most trusted brand</b> 15 years<sup>7</sup></li> </ul>
<p><b>BioCeuticals</b></p> 	<ul style="list-style-type: none"> <li>● Australia's leading practitioner range<sup>2</sup></li> <li>● Highly recommended by pharmacists and other HCPs<sup>3</sup>, practitioner only supplements, guided by naturopathy principles and validated by evidence</li> </ul>	<ul style="list-style-type: none"> <li>● <b>#1 practitioner brand</b> in Australia<sup>2</sup></li> <li>● <b>Armaforce #1</b> Immunity brand in Australia<sup>1</sup></li> </ul>
<p><b>paw®</b> PURE ANIMAL WELLBEING by BLACKMORES</p> 	<ul style="list-style-type: none"> <li>● Natural health products for pets, developed by vets, leveraging Blackmores' natural health expertise</li> </ul>	<ul style="list-style-type: none"> <li>● <b>#1 pet supplements brand</b> in Australia<sup>3</sup></li> </ul>

**Commentary**

- In FY23, Blackmores Group brands had the **second largest incremental retail sales growth** in the Australian vitamins and supplements category<sup>8</sup>
- “Blackmores” global brand growth was **+5% Net Sales** in FY23
- Brand communication strategy cohesively executed across **consumer, retail and practitioner** touch points

Notes:

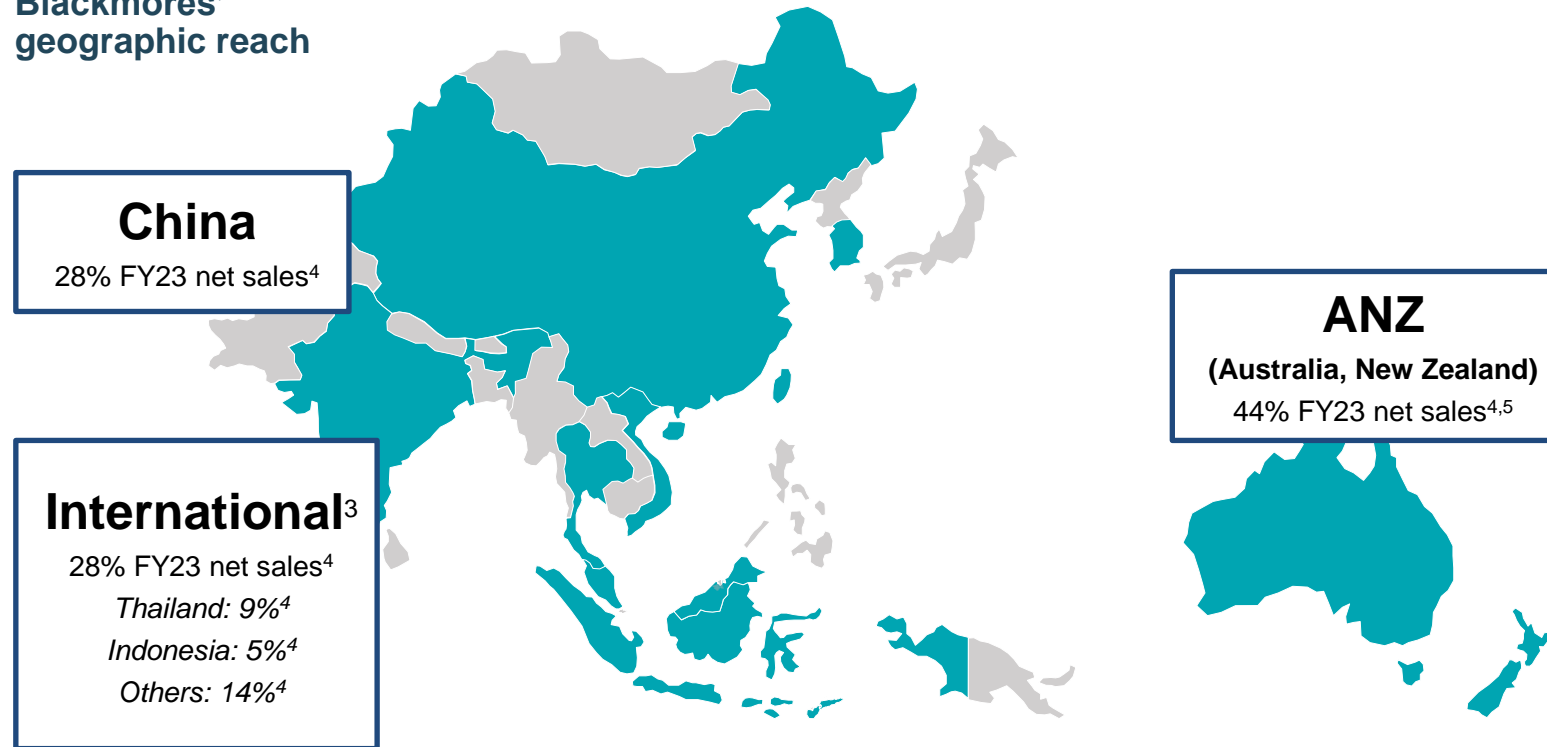
1. IQVIA/Nielsen AU Pharmacy + Grocery MAT 5/8/23 Domestic (Retail and Practitioner);
2. IQVIA/Nielsen AU Pharmacy MAT 5/8/23 Practitioner sales only;
3. Fiftyfive5 Brand health tracking (Mar – Sep 2022);
4. MSAT Int Report - IQVIA & Nielsen (Thailand) March 2023;

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 markets<sup>1</sup>
- 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 channel<sup>2</sup>

### 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

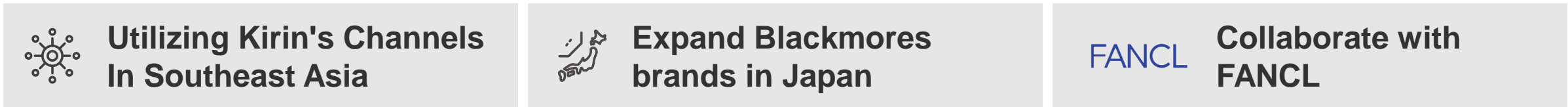


- In the initial study of PMI, the first phase of "material evaluation" has been completed.
- We will proceed with procedures such as "regulatory compliance and quality assurance," "market research," and so on but we expect that it will take a considerable amount of time.

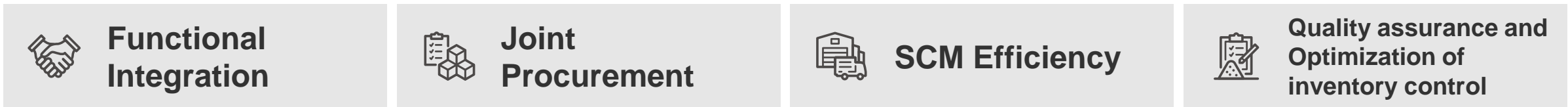
**From 2025**

Aiming to **launch in multiple countries**

## Expand sales by leveraging each asset



## Management Efficiency



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# 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

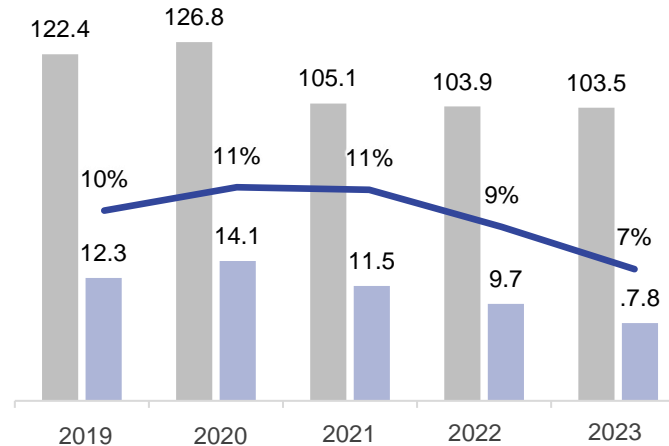
- Chiba Plant (Cosmetics and Supplements)
- Yokohama Plant (Supplements)
- Mishima Plant (Supplements)
- Shiga Plant (Cosmetics)
- Gunma Factory (Cosmetics)
- Nagano Plant (Hatsuga Genmai, Supplements)

### 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

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

**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



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



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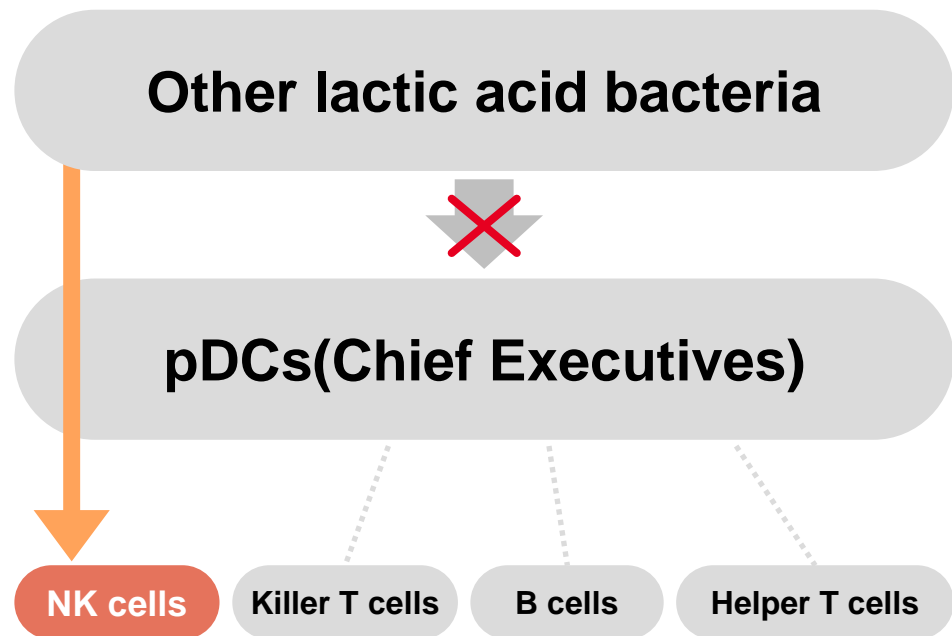
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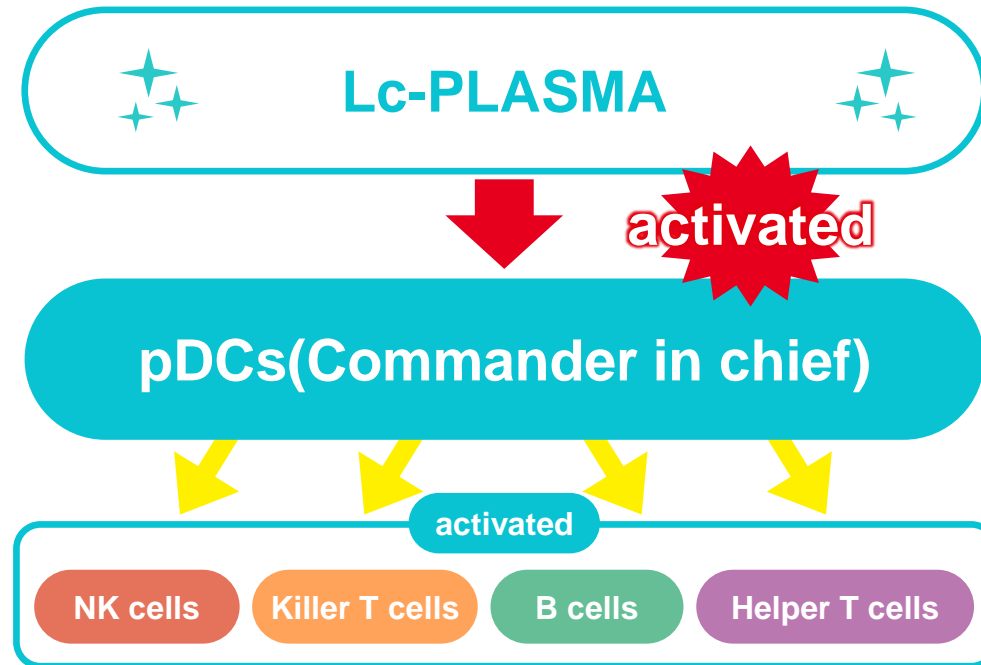
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- Discovered for the first time in the world that Lc-Plasma directly activates the command center of immune cells.
- LC-plasma can activate a wide range of immune cells, while other lactic acid bacteria only partially activate them.

**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

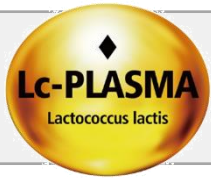


## Nagasaki University announced the results of a specified clinical research on the use of LC-Plasma on patients with COVID-19

- 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

