

KIRIN



Kirin Group
Investor's Guide

April 2024

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- Change in order of publication due to changes in disclosure segment.

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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

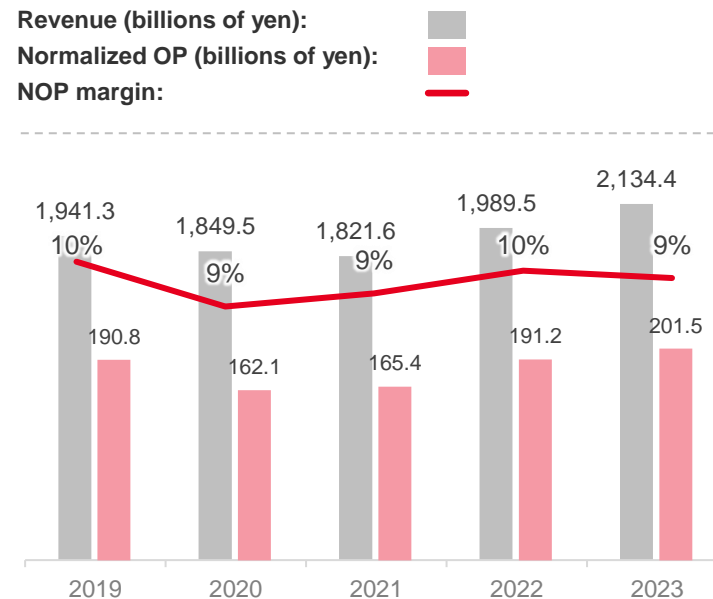
Yoshinori Isozaki

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



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

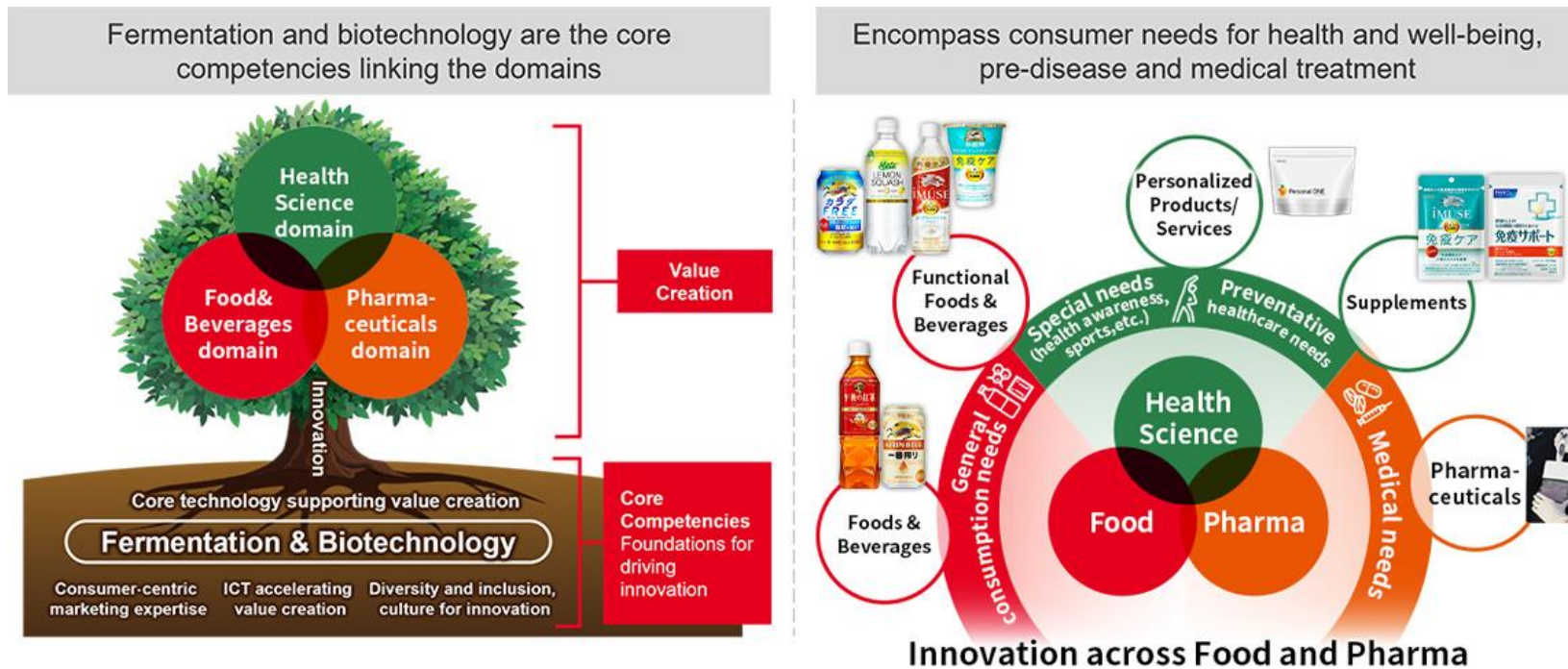
A simple expression of Kirin's raison d'etre
in the eyes of customers and society

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.



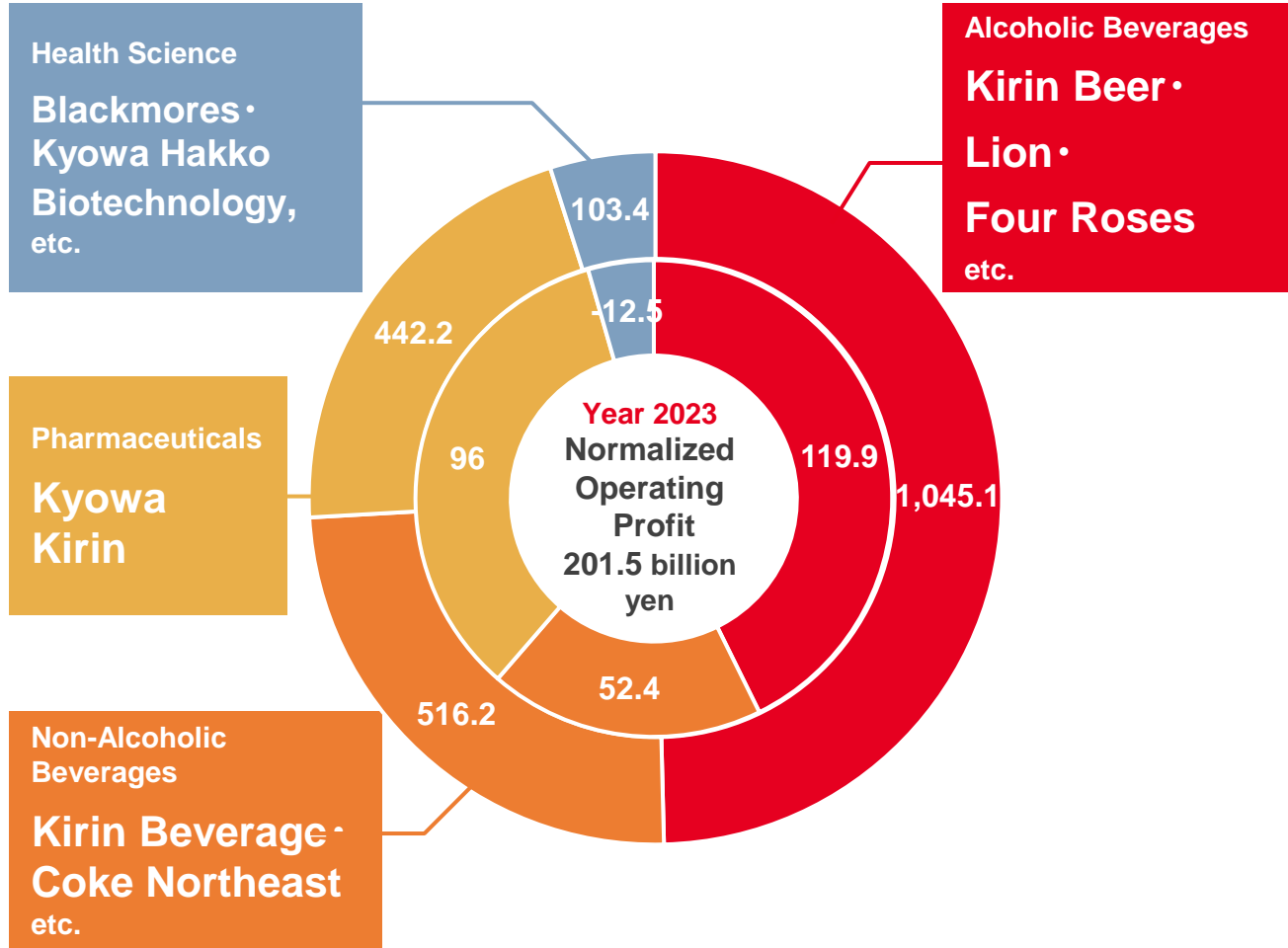
- The Kirin Group aims to create value in three business domains (Food, Health Science, and Pharmaceuticals) with fermentation biotechnology as our core competence.
- Although we are diversifying our business, we are not trying to diversify into enclaves, but all of our business areas are based on fermentation 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.**

Health Science
**Blackmores ·
Kyowa Hakko
Biotechnology,
etc.**

Pharmaceuticals
**Kyowa
Kirin**

Non-Alcoholic
Beverages
**Kirin Beverage ·
Coke Northeast
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

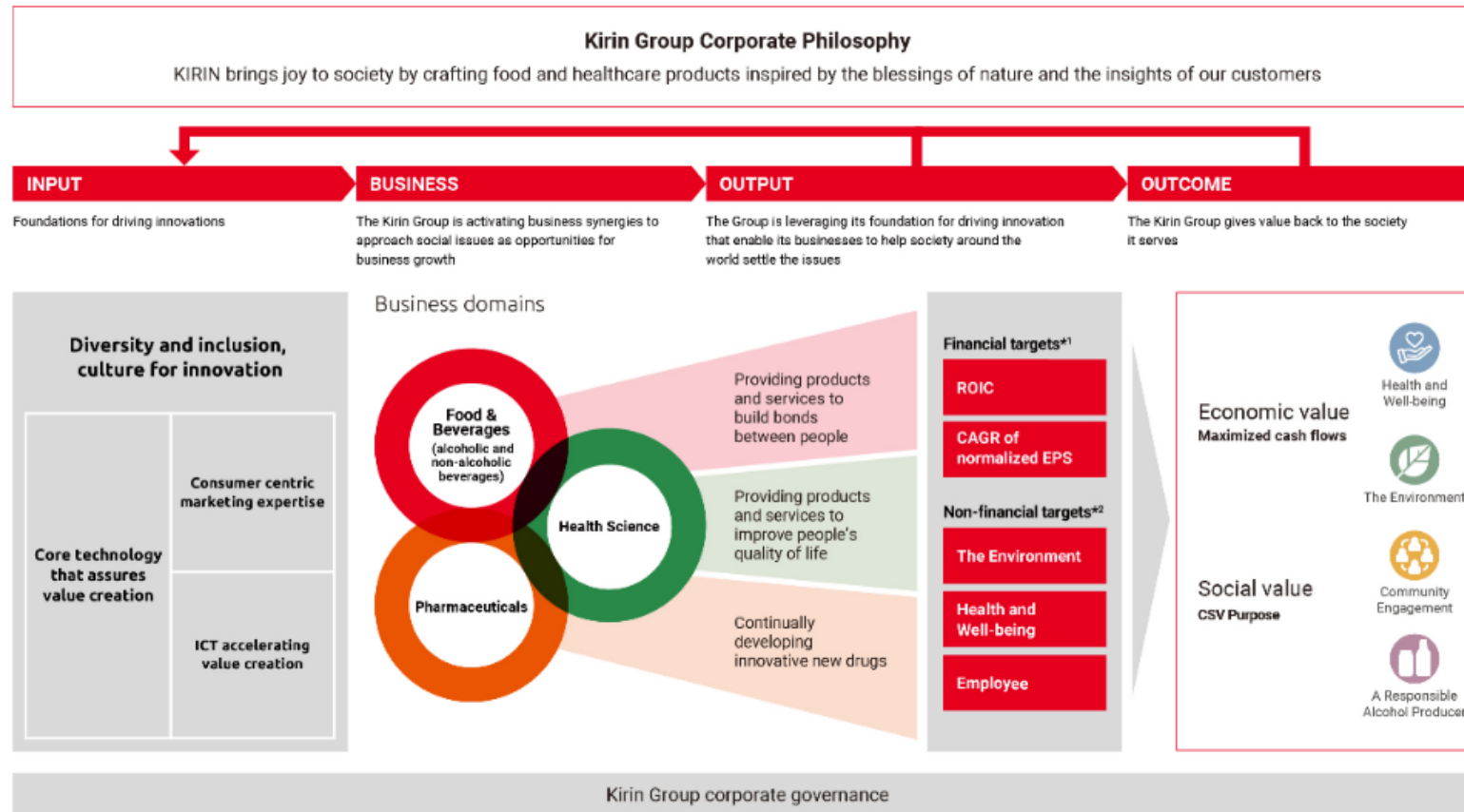
Expand the scale of the health science business in addition to the stable profit contribution from core businesses such as alcoholic beverages

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



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

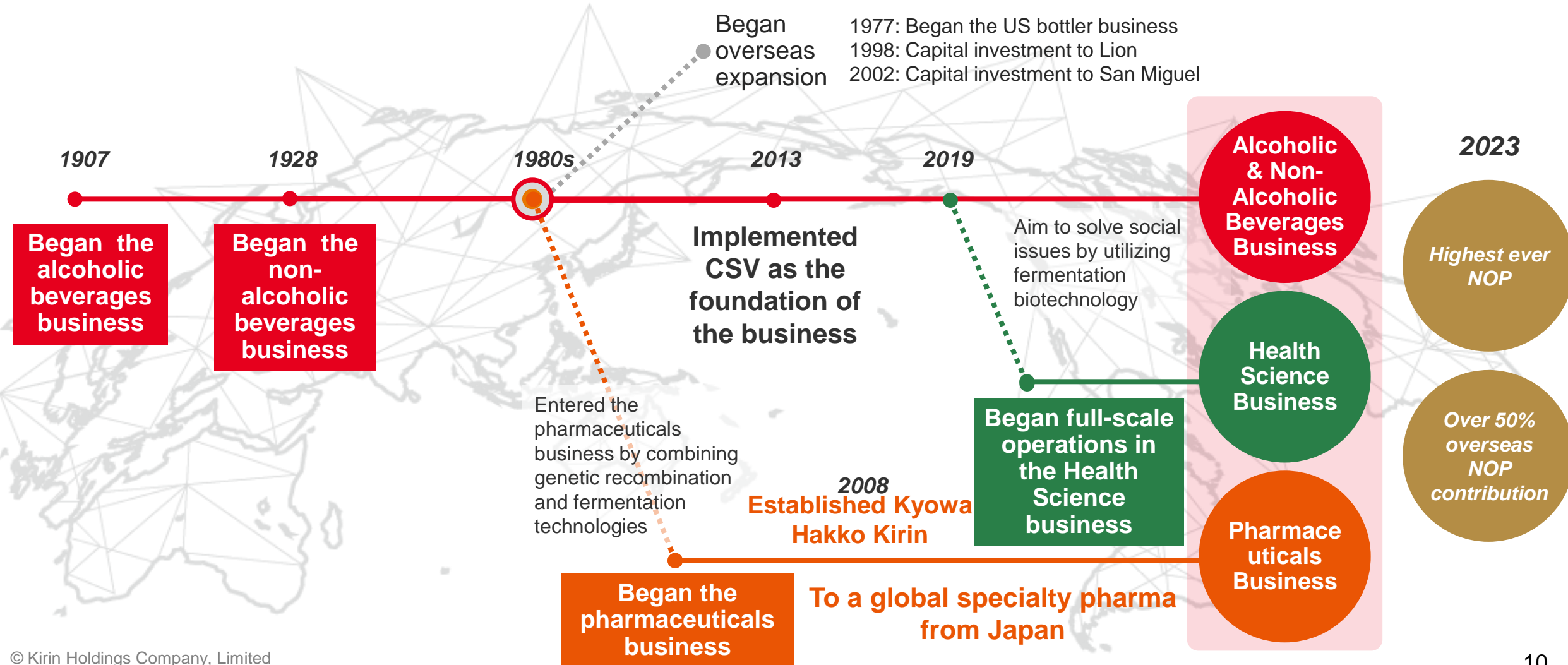
Environment

CSV Purpose

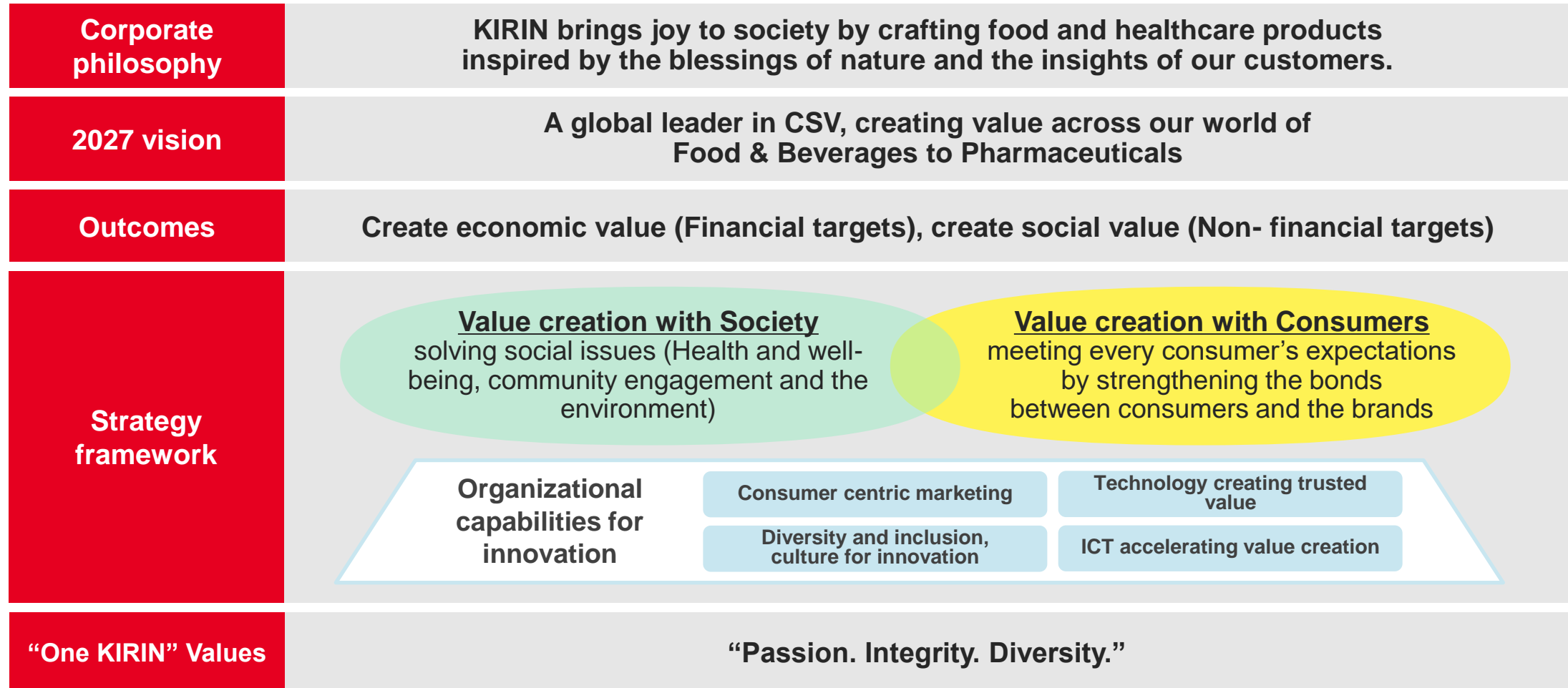
Achieved the highest ever Group Normalized Operating profit in 2023 through business portfolio management



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



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

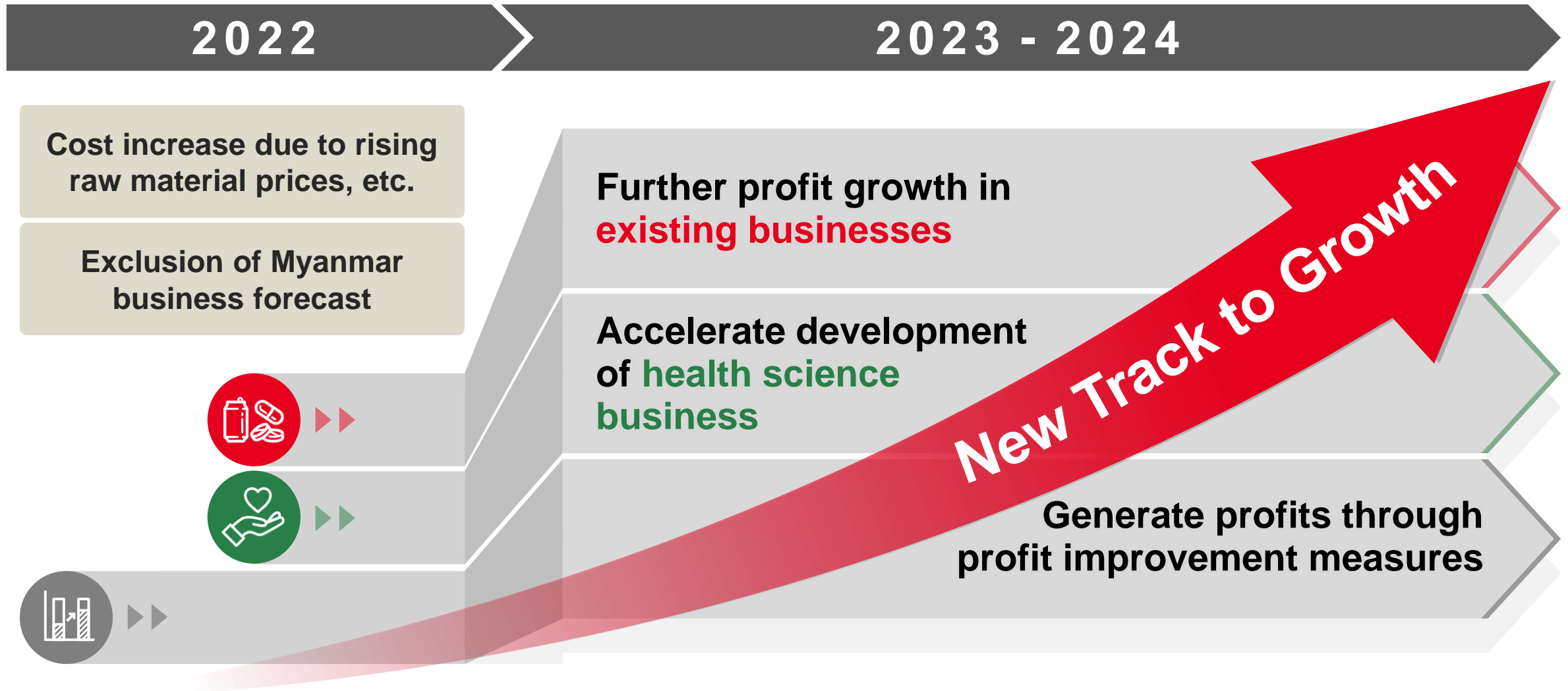
Built the
foundation of
transformation

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		Brand	Organizational Capabilities	Corporate Brand Value Scores from nterbrand Japan	
Employees	Organizational Culture	Employee Engagement Employee engagement score				
	Health	Progress of mid-term health science strategy	Support Maintenance of Immune Function		Increase in revenue and operating profit	
		Create new value in three priority areas and synergies with pharma-domain		Profit generation by satisfying unmet needs and creating new health value		
Employees	Organizational Culture	Employee Engagement Employee engagement score		Profit generation through value creation and productivity improvement		
	Diversity	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

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

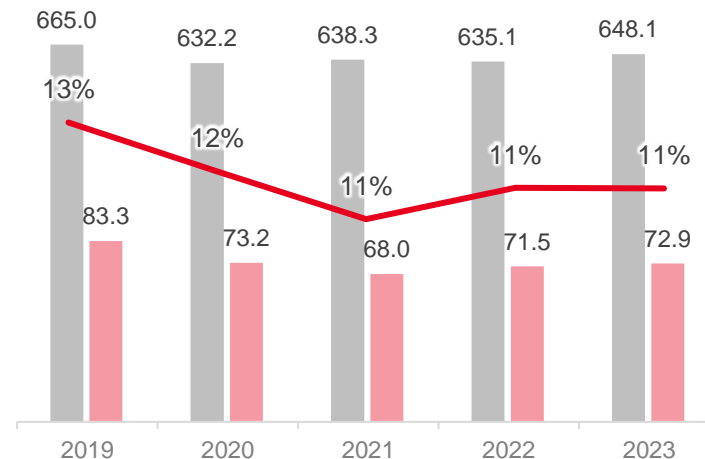
Production Site

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



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

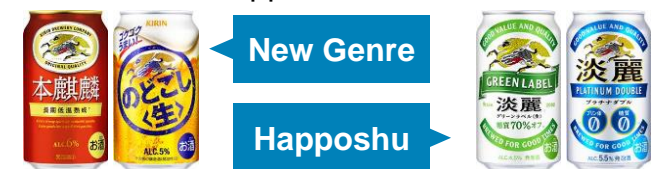
Premium and Standard Beer (Beer, Craft beer)

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



Initiatives for High Profitability

- 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.

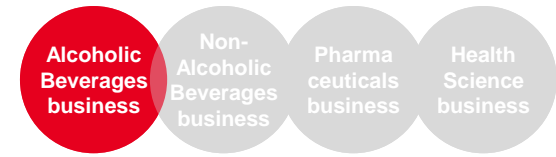


Profitability improvement through cost reduction and increased productivity

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.





Basic Information

Company Name

Lion Pty Ltd

Business

Produce and distribute beer, spirits, and wine.

Operating Country

Australia, New Zealand, United States

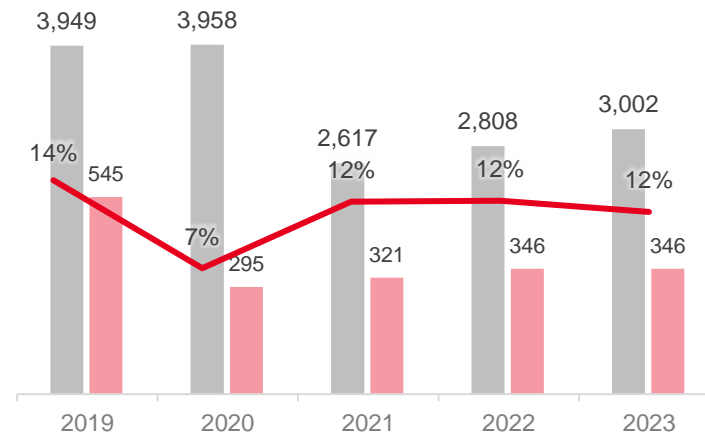
Production Site

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

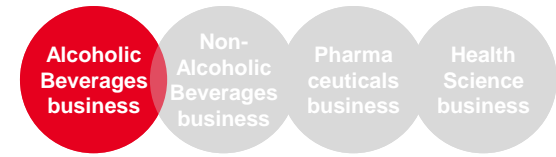
History

1861 Established
1998 Kirin acquired stake
*100% in 2009

Main Products

Australia NZ U.S.





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

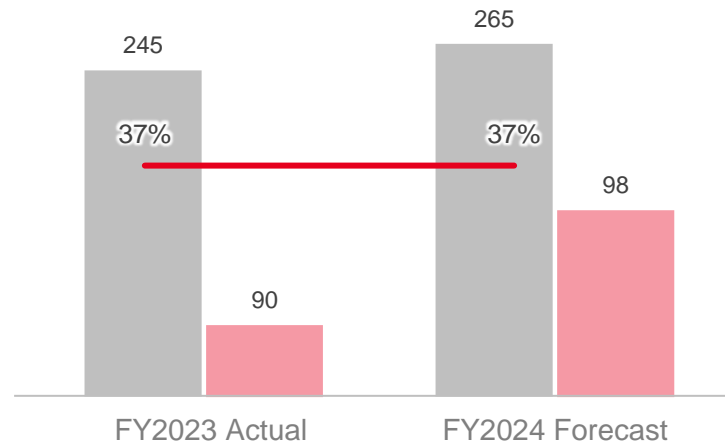
Location

- 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.

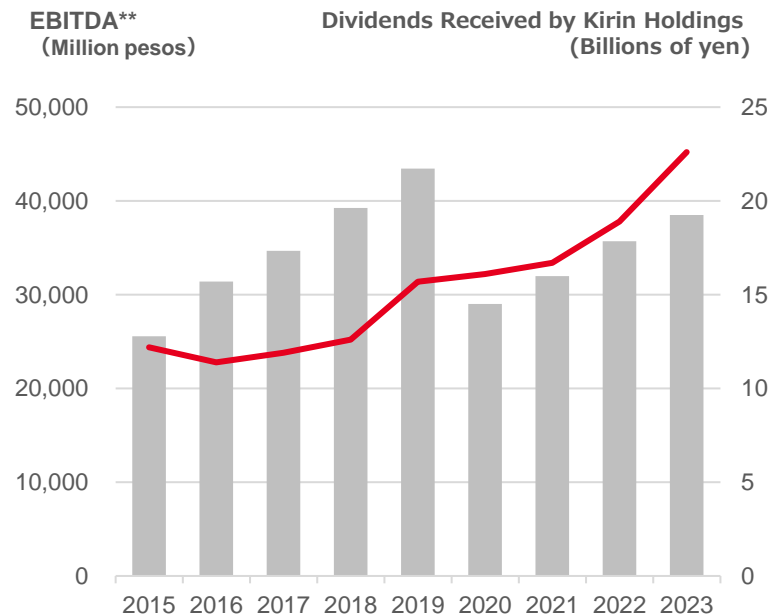
Operating Country

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



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

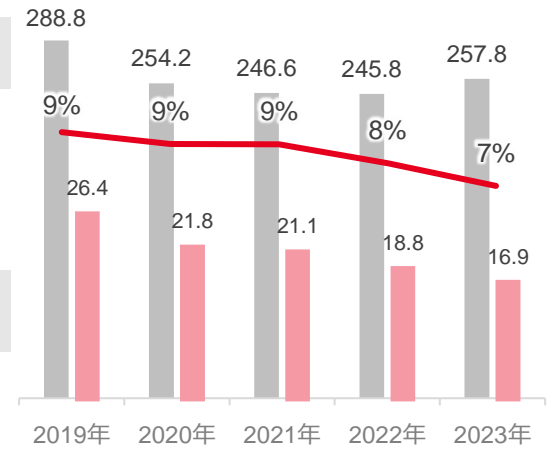
Revenue and Normalized Operating Profit (2023)

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: —

➤ Existing Core Brands + "Well-Being"

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

Growth Strategy



Existing Foundational Brands

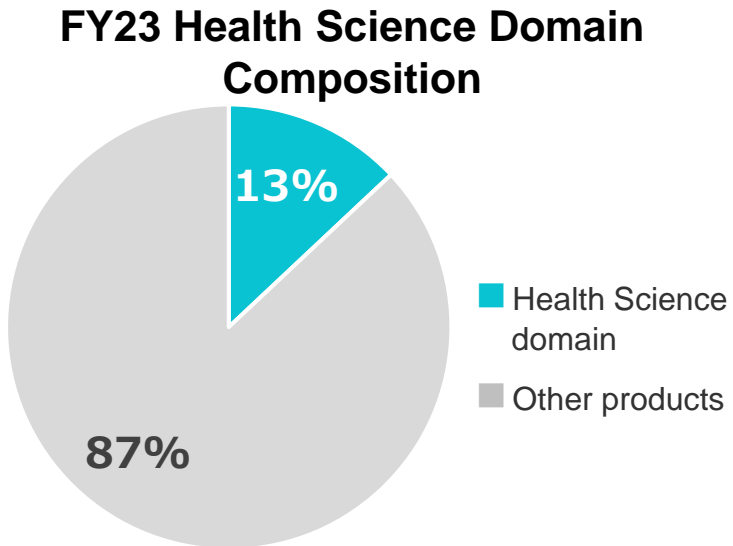


Health Strategy

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

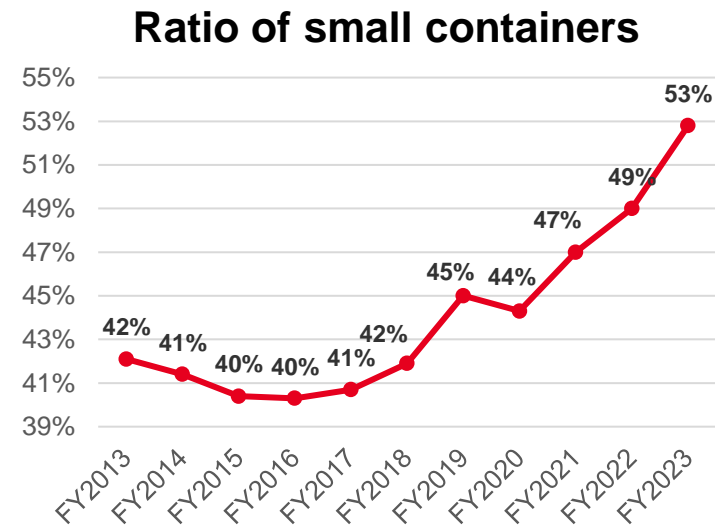
➤ From reforming profit structure to further improving profitability

Efforts to improve unit price



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

Improve container mix



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

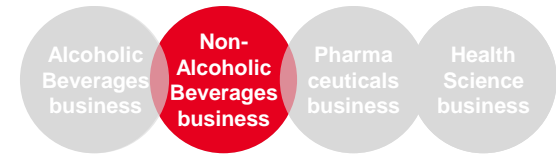
Reduce costs

- 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

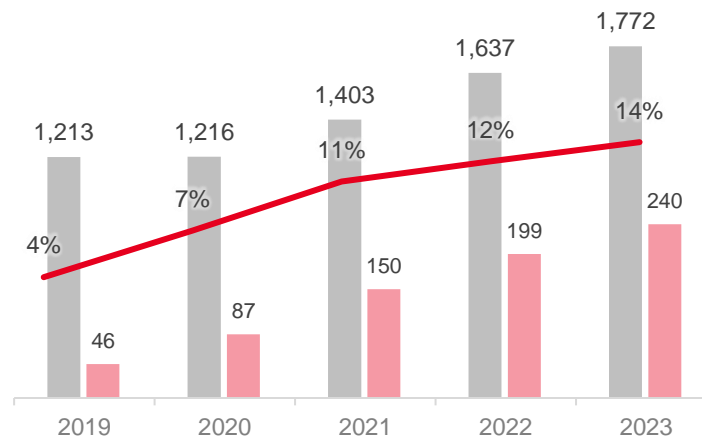
Location

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



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

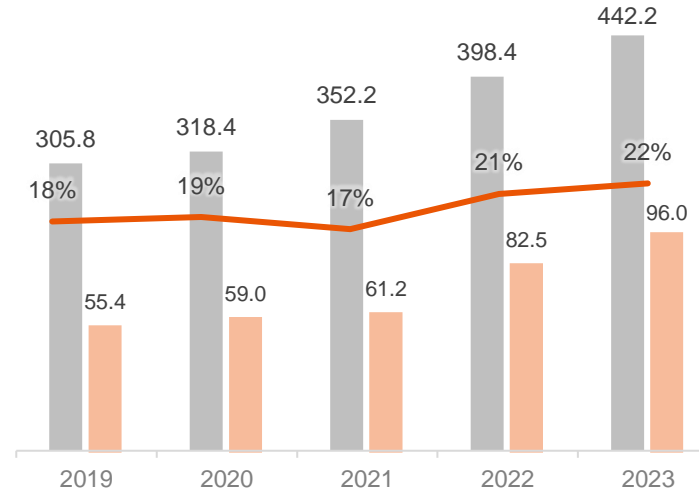
Tokyo Research Park, Fuji Research Park
CMC R&D Center, Bio Process Research and Development Laboratories

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

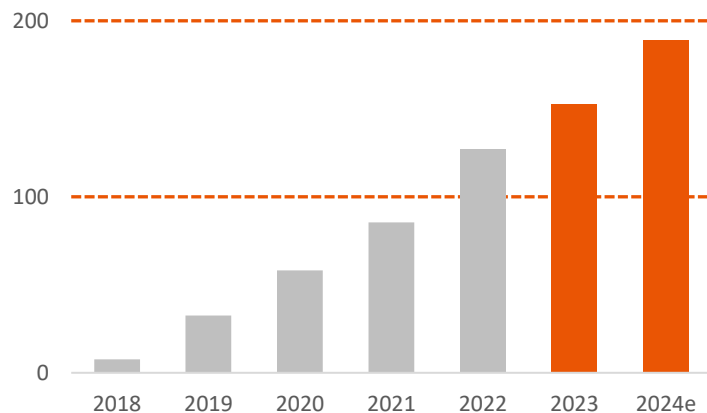




Maximize value of Global Strategic Brands



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.

Strengthen API business with Kyowa Hakko Bio's initiative

Before

Value creation by multiplying the use of Group assets



Advantage

Industrial production of APIs using unique fermentation technology

Decisions made in accordance with KV2027

Transferred Kyowa Hakko Bio directly to Kirin Holdings

Kyowa Kirin

Focus on in-house drug development in areas where advantages can be leveraged as a GSP*

Kirin Holdings

Establish and foster health science businesses

Kyowa Kirin



KIRIN



Invest in API development for external use by leveraging Kyowa Hakko Bio's advantages, which could not be realized under Kyowa Kirin.

Portfolio management that enables maximum utilization of Group assets



KIRIN

Kyowa KIRIN

Proprietary process development capabilities through fermentation biotechnology

Knowledge of global drug development (CMC**, Pharmaceuticals affairs)

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

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**.



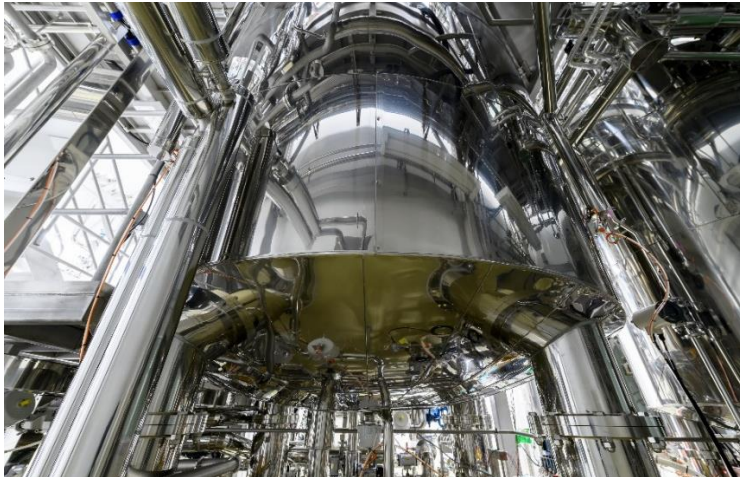
▲ Roller bottle system (Original bottle system)

- 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)



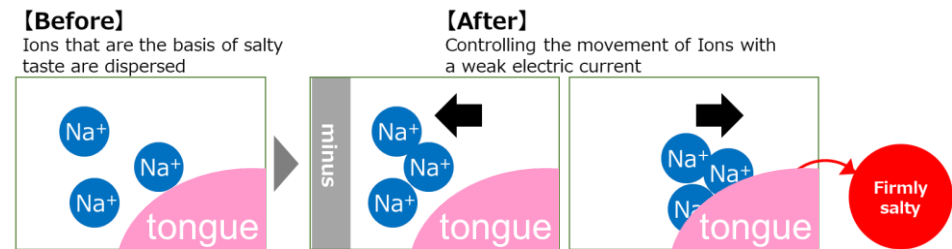
Sugar is metabolized by brewer's yeast to produce ethyl alcohol and carbon dioxide.

"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.

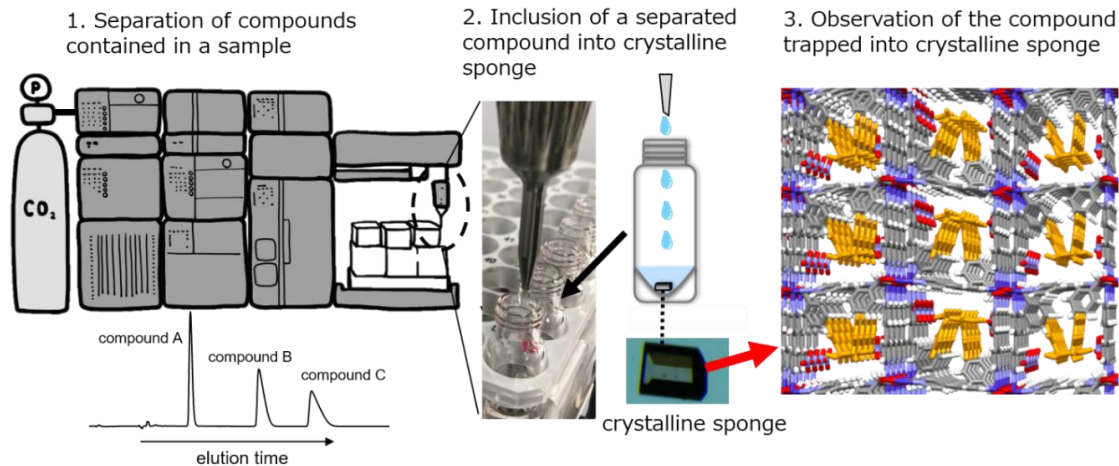


※The above design is for demonstration purposes only.

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.

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

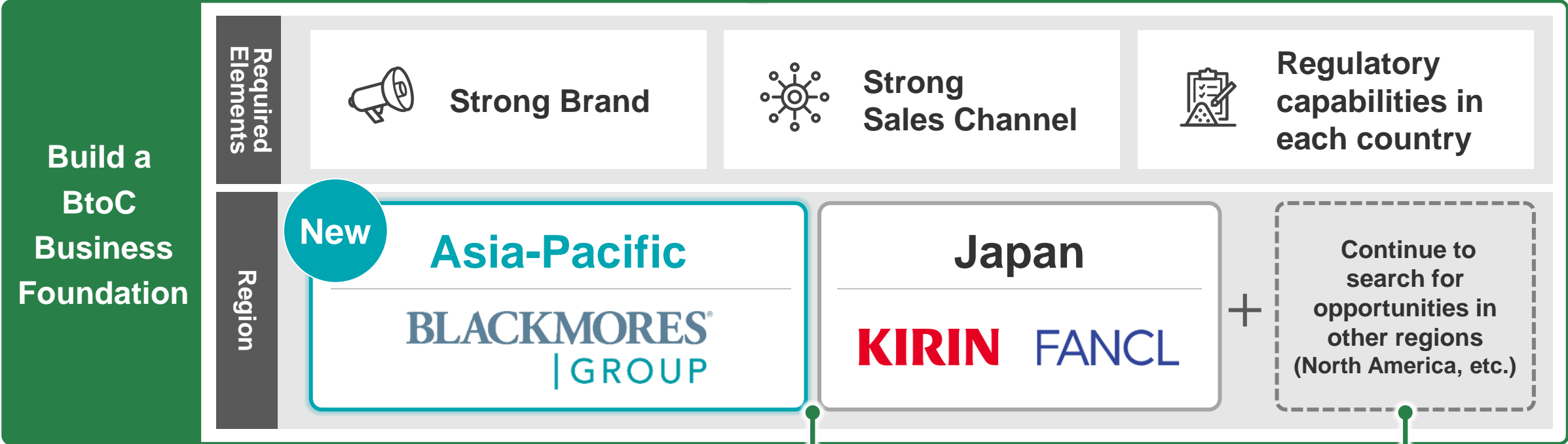
Development and production of high-value-added materials

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



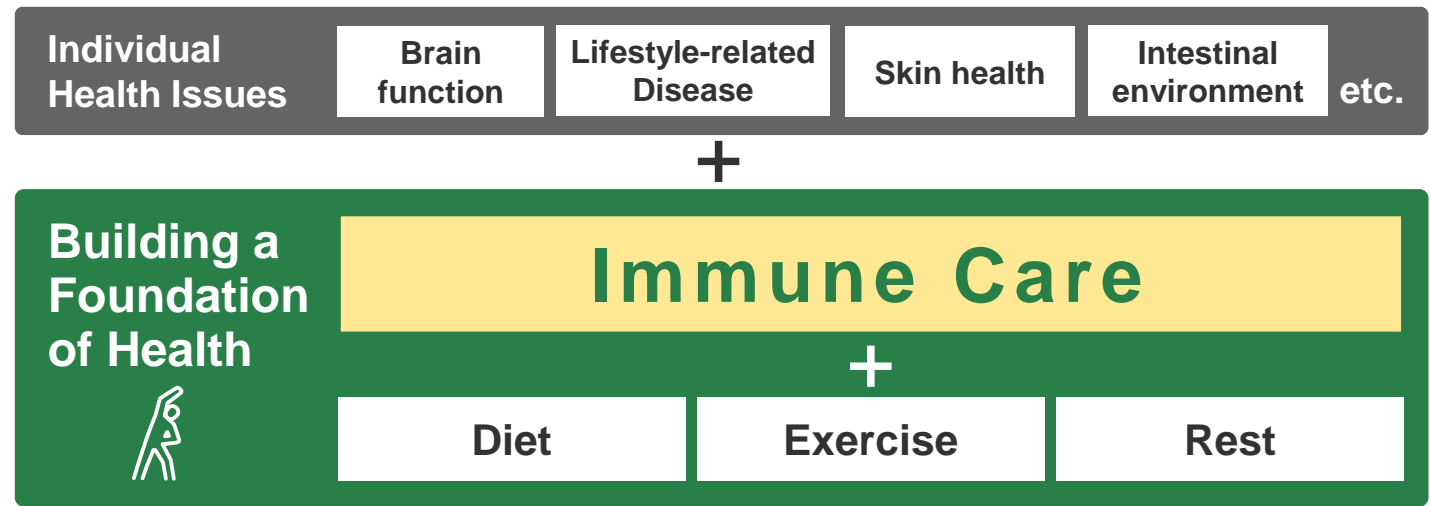
Development based on market needs and consumer insight

- **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**

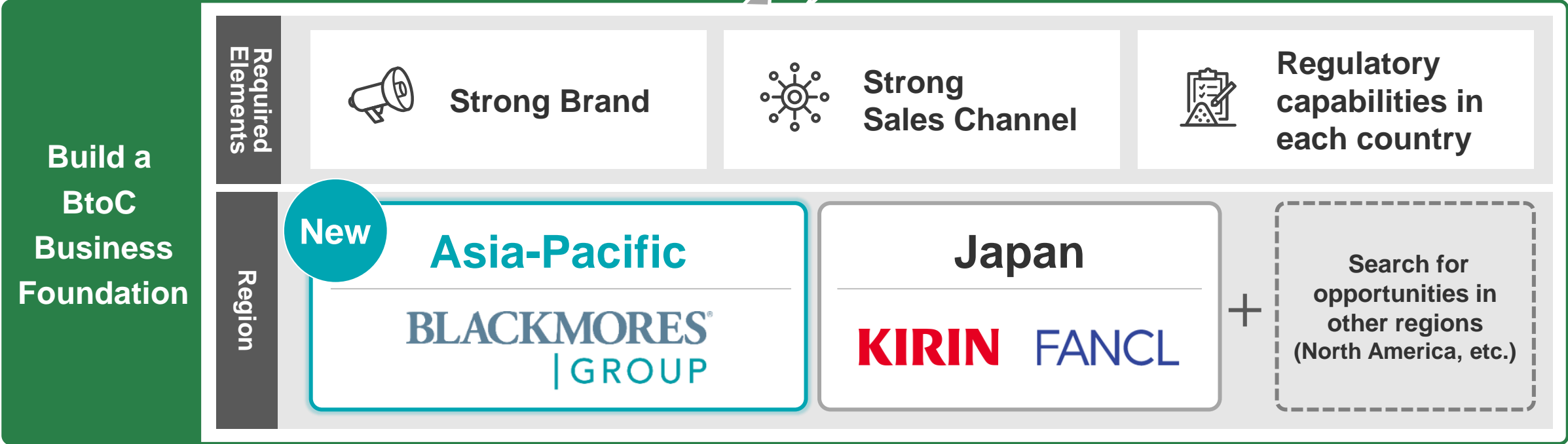
[Kirin's approach to solving health issues]
Acts from **both the foundation of health** and individual health issues



* 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



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.

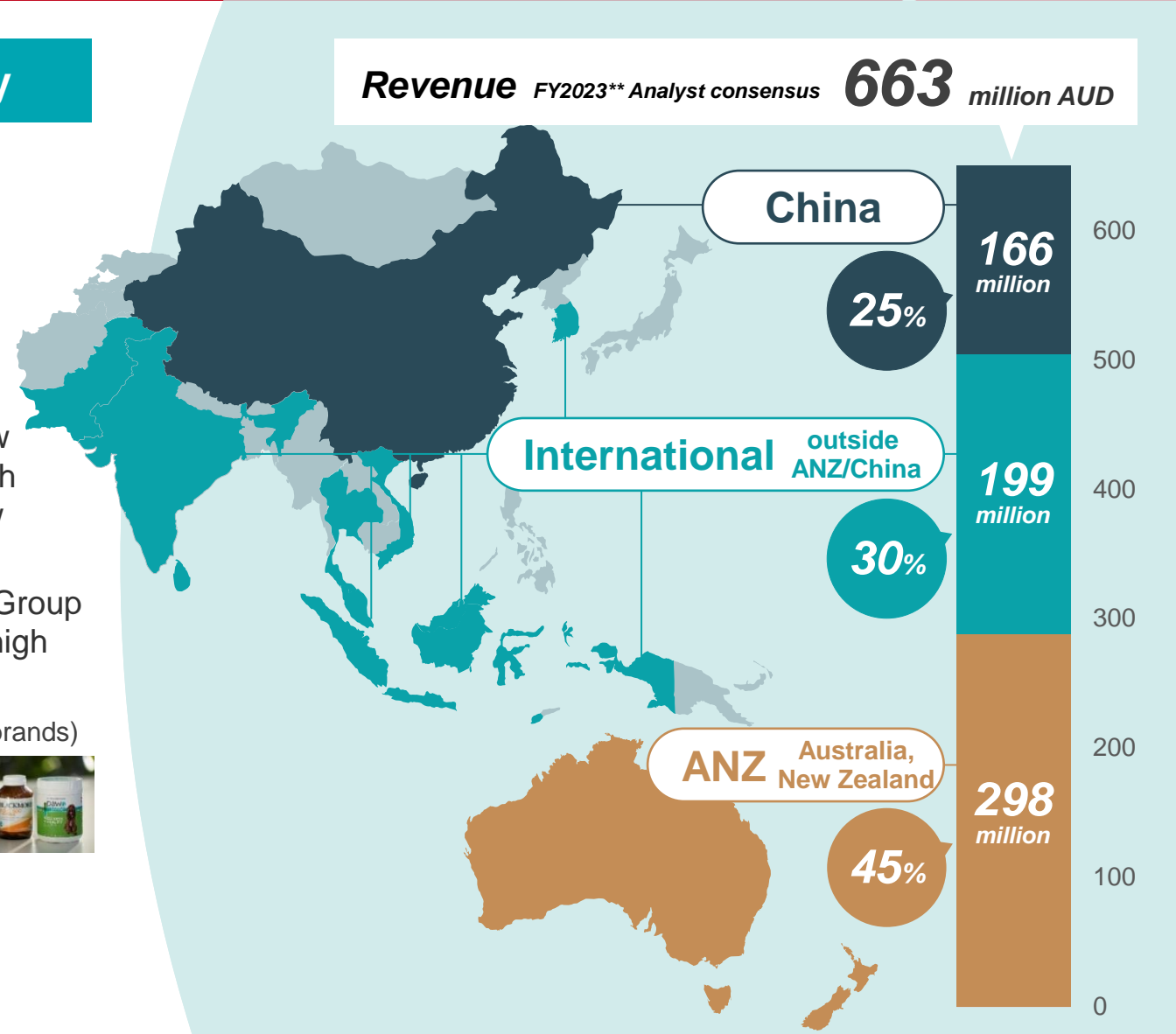
Production : Main products are manufactured at the Blackmores Group Braeside facility in Victoria, Australia to maintaining high quality.

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
<p>BLACKMORES®</p> 	<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
<p>BioCeuticals</p> 	<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
<p>paw® PURE ANIMAL WELLBEING by BLACKMORES</p> 	<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).

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

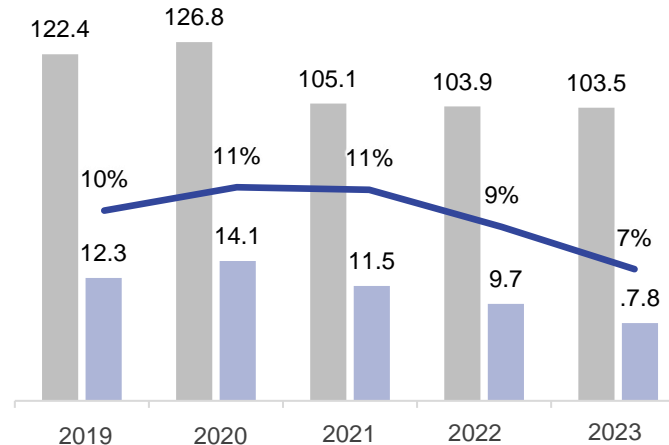
- Chiba Plant (Cosmetics and Supplements)
- Yokohama Plant (Supplements)
- Mishima Plant (Supplements)
- Shiga Plant (Cosmetics)
- Gunma Factory (Cosmetics)
- Nagano Plant (Hatsuga Genmai, Supplements)

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

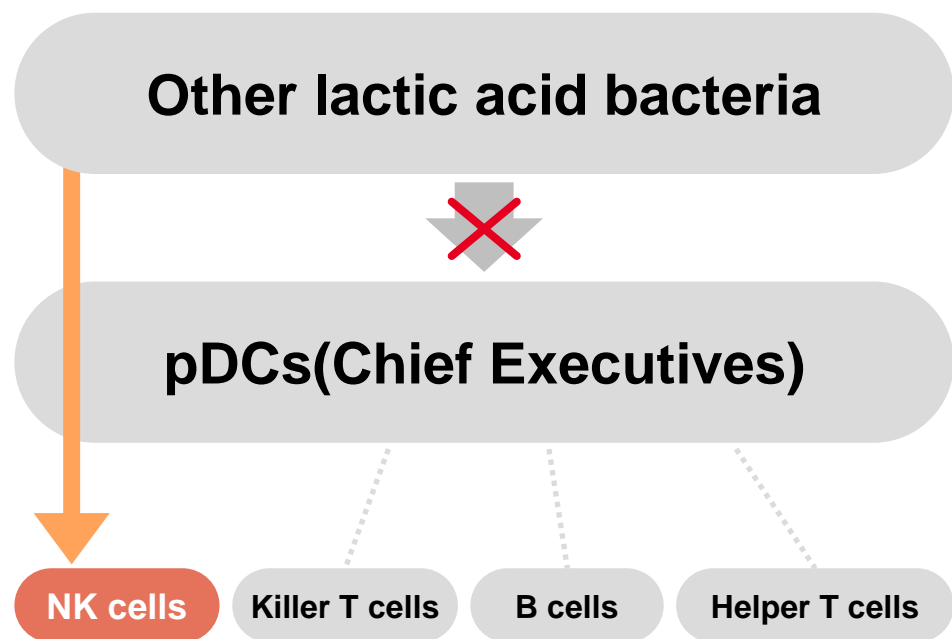
- 1981 Established in 1981
- September 2019 Kirin acquired stakes

Main Products

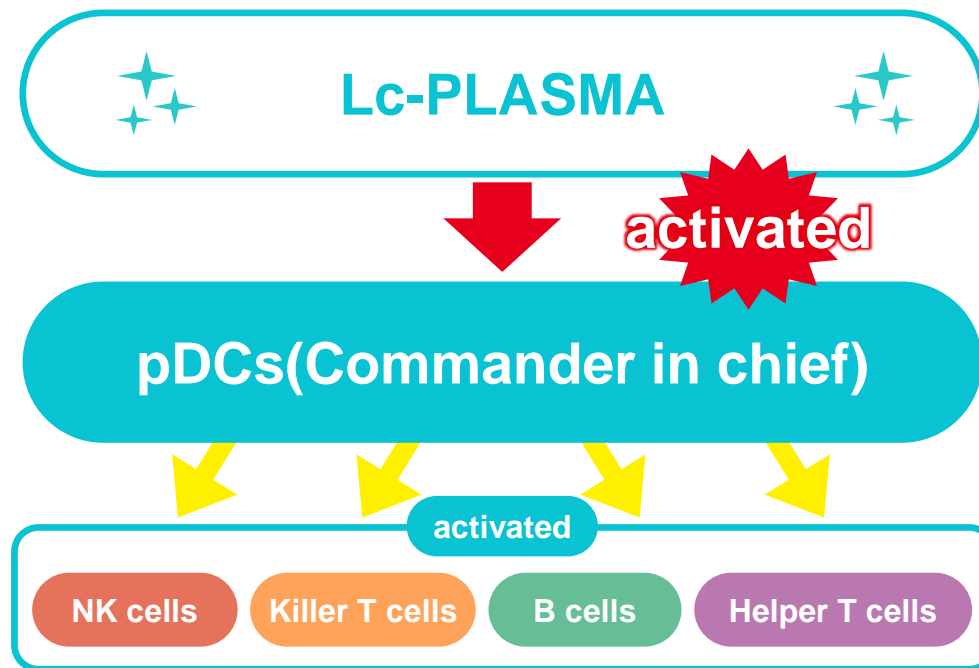


- Discovered for the first time in the world that Lc-Plasma directly activates the command center of immune cells.
- LC-plasma can activate a wide range of immune cells, while other lactic acid bacteria only partially activate them.

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



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

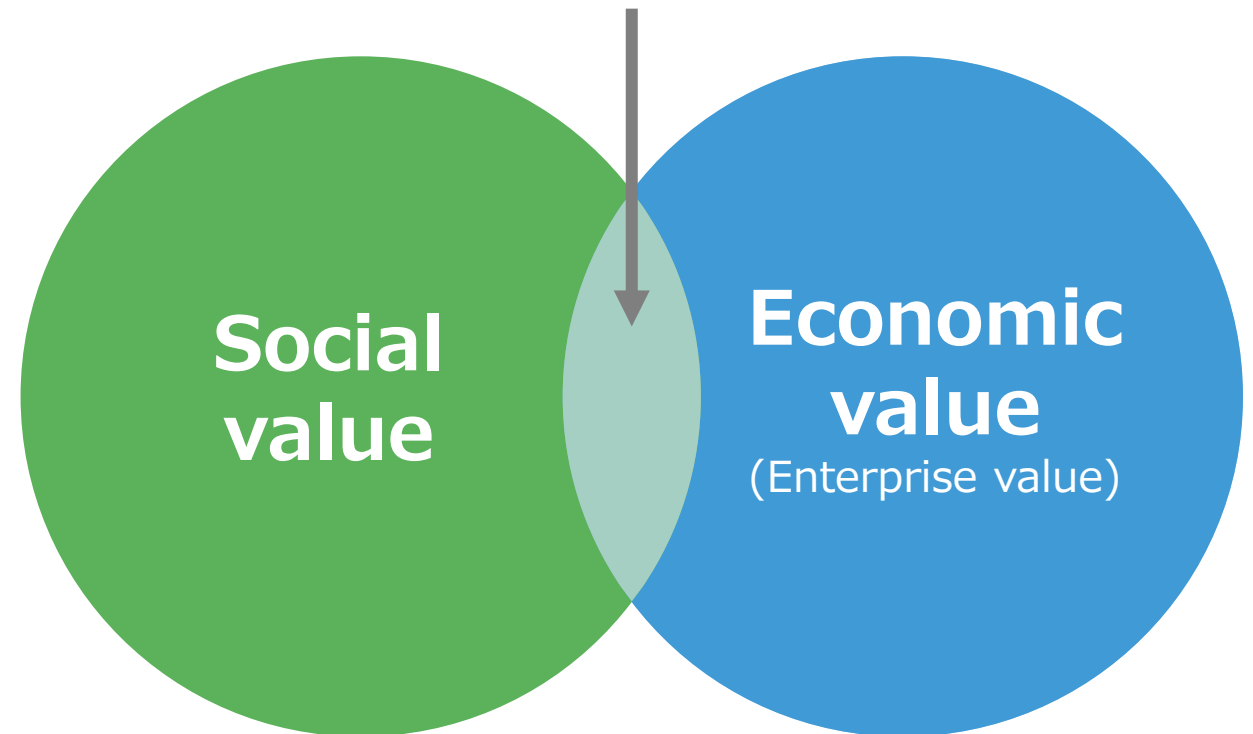
Pet goods (dogs and cats)
*Not a food with functional claims



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.

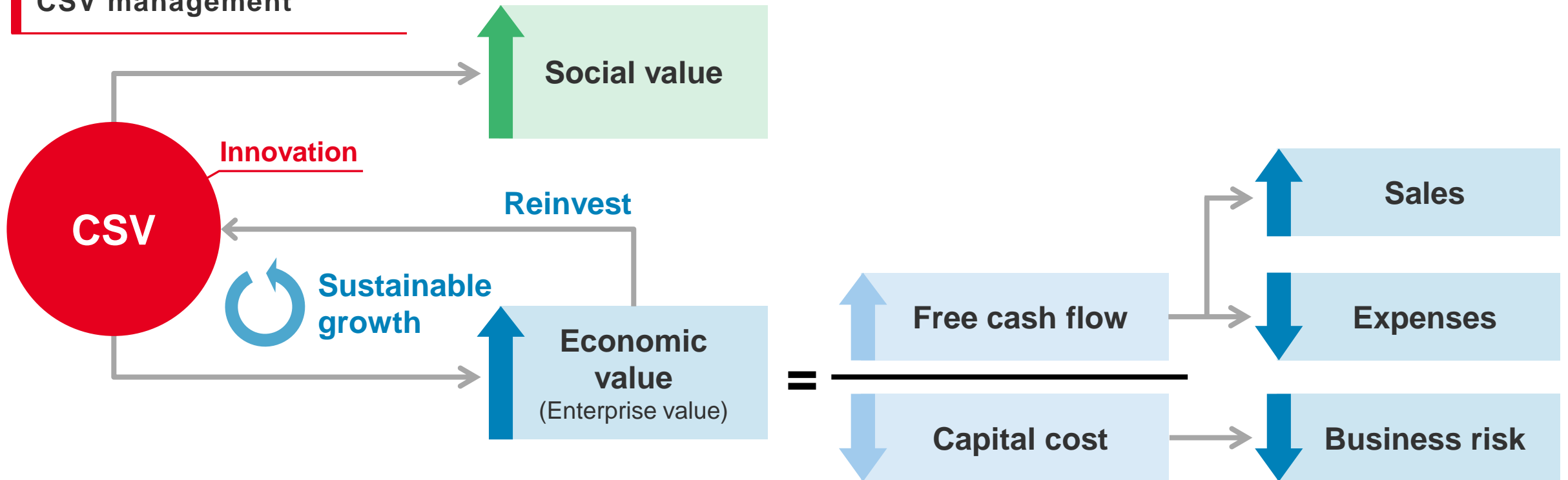
Creating Shared Value



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



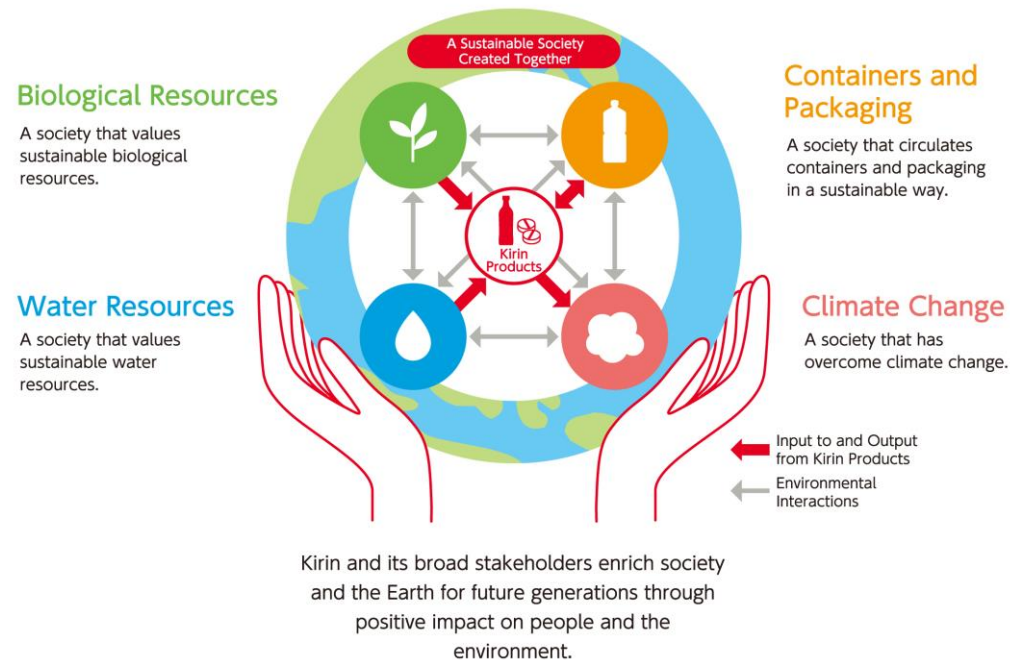
Four environmental challenges and a holistic approach

- 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.

- 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

- 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

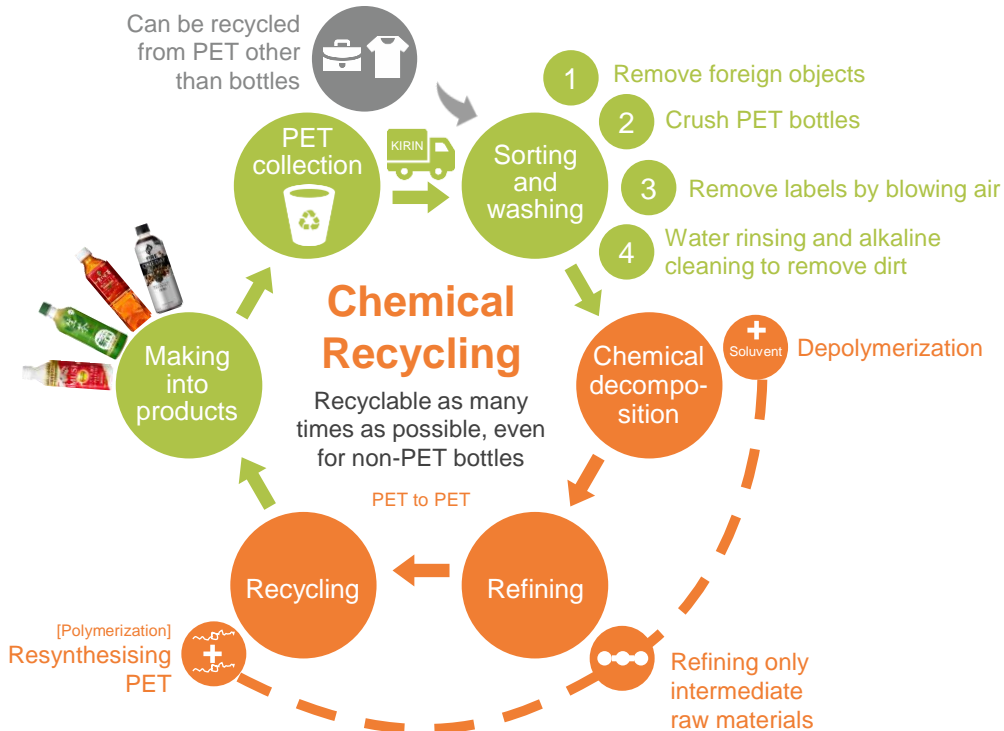
(2022)

- 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.

- 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.

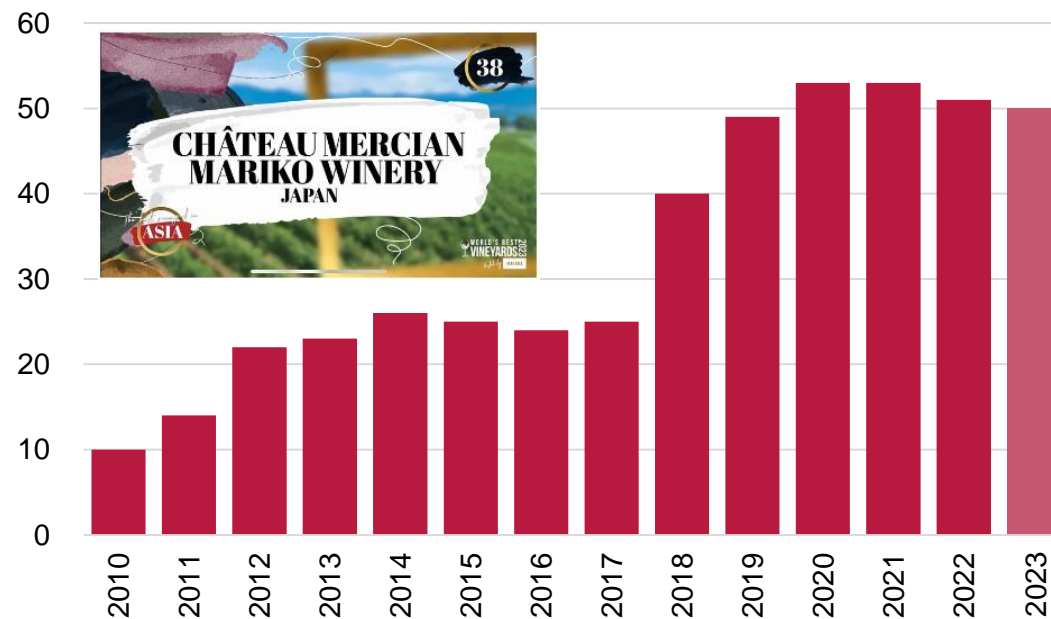


2020 UN BIODIVERSITY CONFERENCE
COP 15 - CP/MOP10-NP/MOP4
Ecological Civilization-Building a Shared Future for All Life on Earth
KUNMING – MONTREAL



Economic value

Château Mercian Sales volume (1,000 cases)





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

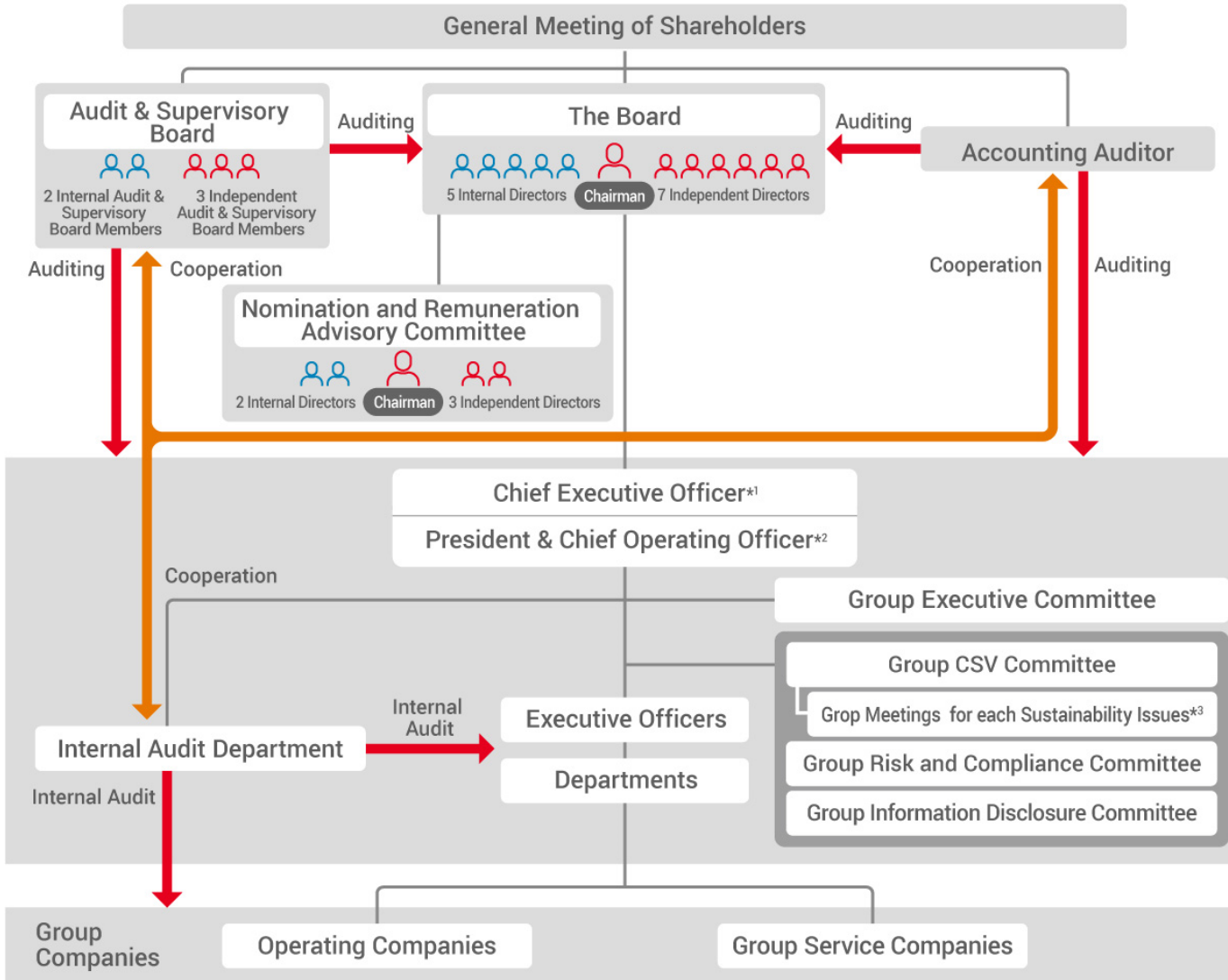
- In addition to applying the policy to all officers and employees of domestic and overseas group companies, we have clearly stated that we require our various business partners involved in our entire business (value chain), including R&D, procurement, manufacturing, logistics, sales, distribution, and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

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.)"

Nomination and Remuneration Advisory Committee



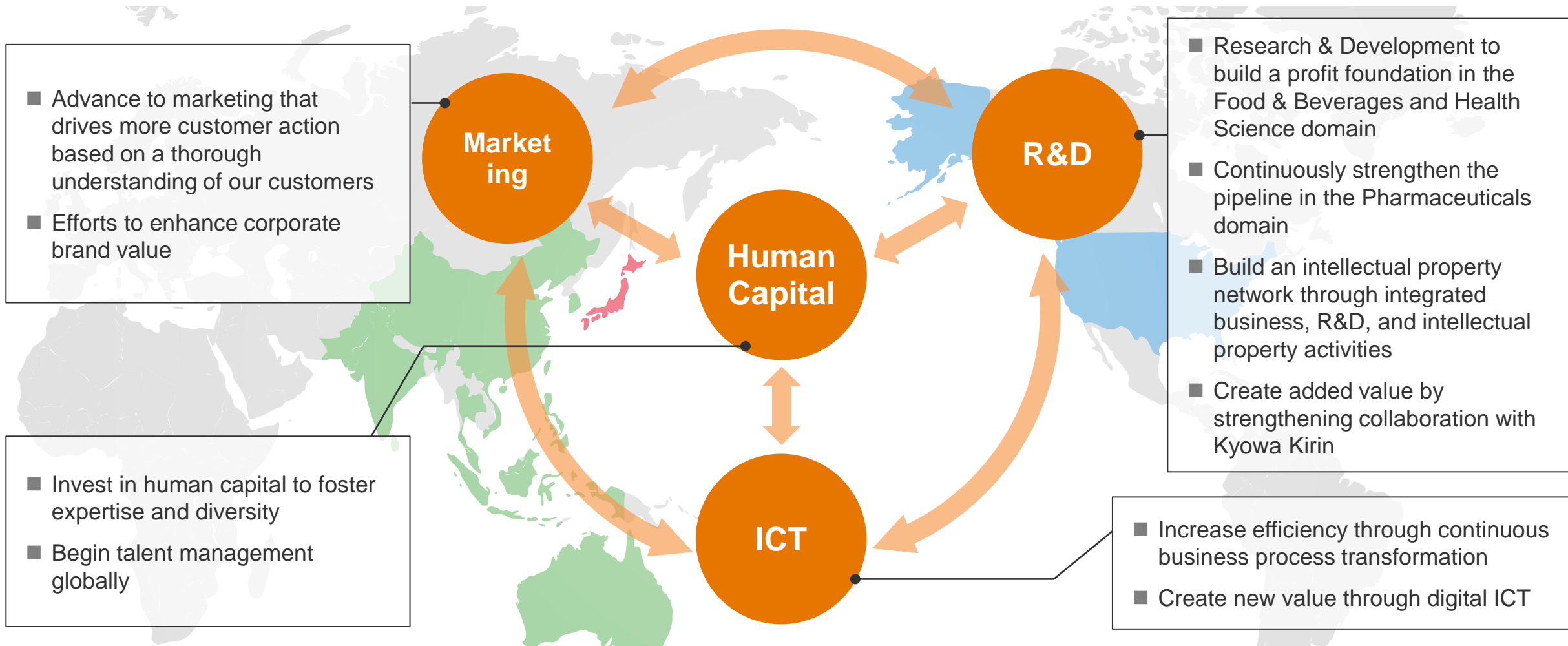
Discussion Topics

- 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.

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"

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

- Strengthen organizational capabilities** In line with the business portfolio transformation (Health Sciences, New Businesses, etc.)
- Human capital management focused on expertise and diversity** is required when looking ahead in times of an uncertain future
- Create a culture that supports and strengthens human capital who can accomplish and innovate = **capability to execute the strategy** to achieve the advanced strategies
- Create job satisfaction** In response to changes in the labor market and Individual values
- Strategic evolution through communication with the stakeholders**, with an opportunity on attention on human capital

Key Initiatives for Human Capital Strategy

 Improvement of professional skills required to execute the strategy	Human Capital Improvement
 Discover and foster group management human capital who will be responsible for future management	
 Improvement of leader support and promotion of Will-driven self reliant growth and career development	
 Evolving into a culture of challenge and commitment	Organizational Improvement
 Diversity, Equity & Inclusion that transform the differences into strength	
 Pride and attachment to the organization, understanding toward the company philosophy and purpose	

Disclosure indicators

	Uniqueness	Comparable
Value improvement	Development of human capital with both expertise and diversity (Talent management on a function basis & exchanges between the three businesses)	Employee engagement score Female management ratio Percentage of mid-career hires Turnover rate Reinstatement rate after maternity / childcare leave Rate of male employees taking paternity leave Gender wage difference Average length of service
	Discover and foster group management human capital (Pool of next-generation talent)	
	Create challenges unique to the Kirin Group *Comming soon (Understanding and attachment toward the corporate philosophy and purpose, each and every individual's motivation to grow through self-reliant learning and challenging)	
Defense value	Number of individuals taking part in cross-boundary learning (People with side jobs, secondments outside the Group, and cross-industry training participants)	Labor practices Number of complaints resolved around labor practices and human rights Percentage of employees covered by collective bargaining agreements (%) Lost Time Incident Rate (LTIR) Employee fatalities due to accidents at work Attendance rate of human rights training *Plans to strengthen diversity, human rights & safety, and compliance going forward
	Indicators of the embodiment of the corporate philosophy and purpose (KIRIN Group Award applicants)	

- 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

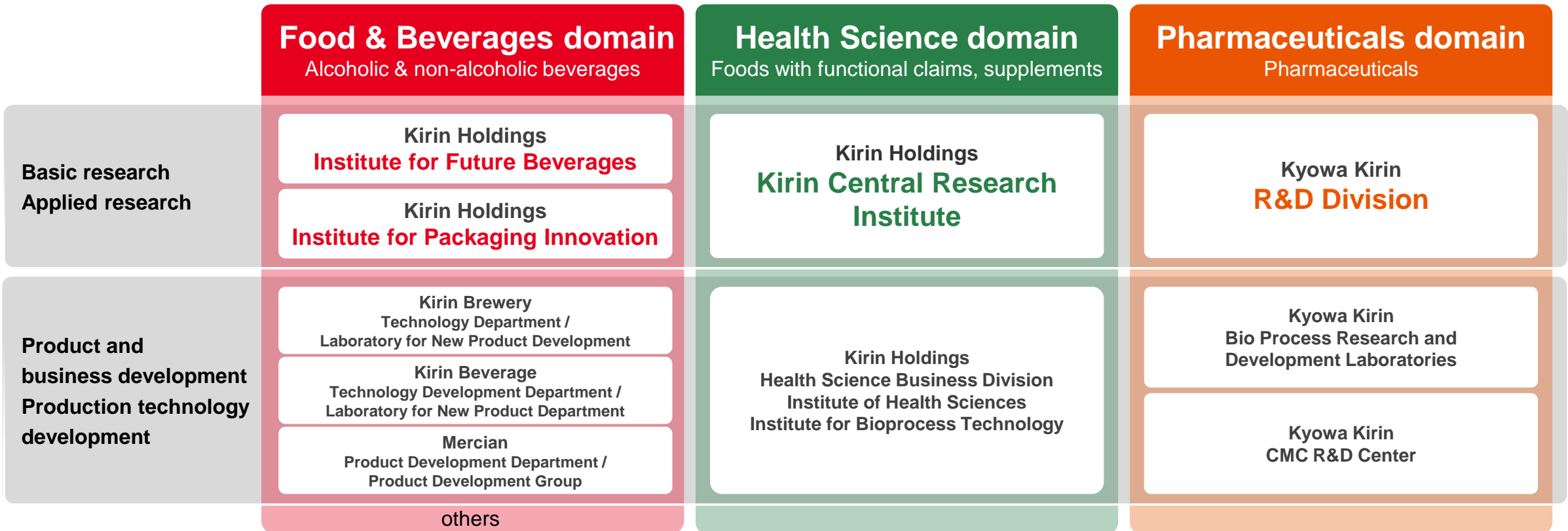


Secure DX professional human capital
Develop and enhance skills

Increase DX literacy of all employees
(DX Dojo)

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.



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)



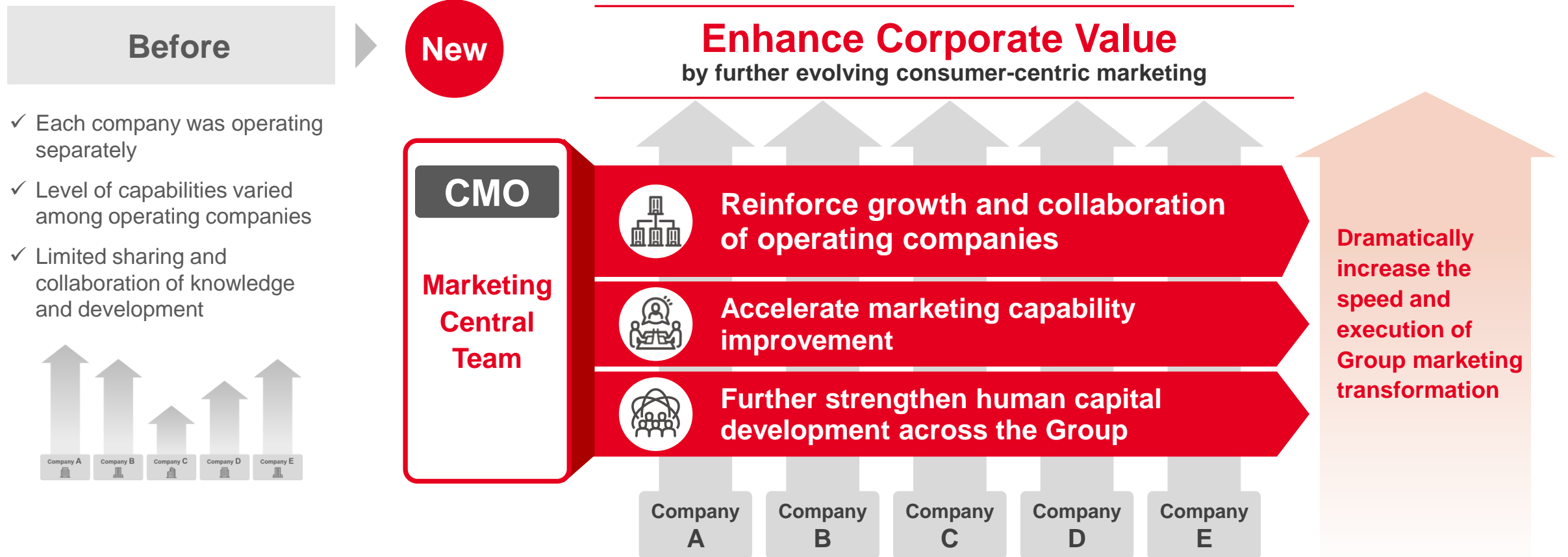
Support individual businesses in resolving their issues and **generate collaboration across companies**



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





よろこびがつなぐ世界へ

Joy brings us together