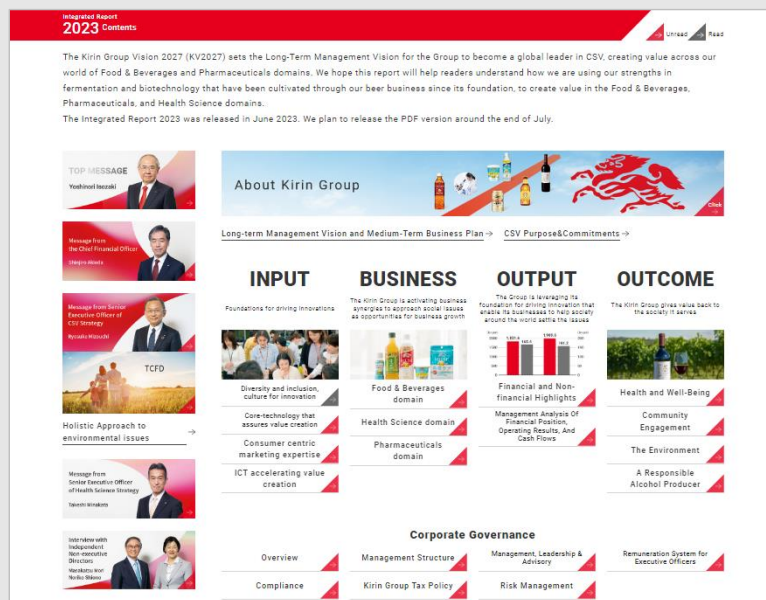




KIRIN Integrated Report 2023 Navigation Video

August, 2023
Kirin Holdings Company, Limited



June 5
Release of the web version of
the Integrated Report

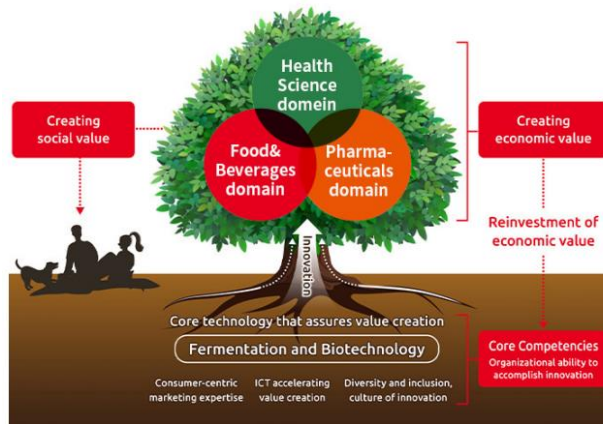
July 31
Published the PDF version of
the Integrated Report



[Access Here](#)

- Hello, everyone. My name is Hiroshi Fujikawa, General Manager of Kirin Holdings CSV Strategy Department.
- Kirin Holdings has published Sustainability Reports since 2005 and Integrated Reports since 2015 to communicate to investors, shareholders, and other stakeholders how Kirin create value and grow.
- For fiscal 2023, we published a web version of the report on June 5 and a PDF version at the end of July, presenting Kirin's growth strategy, the fundamental capabilities that support it, and the value the company provides.
- In conjunction with the publication of this report, we have created this video to reiterate Kirin's CSV management and to convey the thoughts that went into the production of Kirin's integrated report.

- Kirin operates its business in three domains: the Food and Beverages domain which includes the beer business that is Kirin's founding business, the health science domain which includes *Lactococcus lactis* strain Plasma (LC-Plasma) related business, and the Pharmaceutical domain
- Kirin has four organizational capabilities that support business growth in all these domains



- First, let me briefly introduce the Kirin Group.
- We are a company with a globally unique business portfolio that spans across three domains: Food & Beverages, Pharmaceuticals, and Health Science. It is based on “fermentation and biotechnology”, which we have been refining for more than a century through our brewery business, our foundational business.
- And the Kirin Group's growth is driven by four organizational capabilities: human capital, R&D technology, marketing, and ICT.

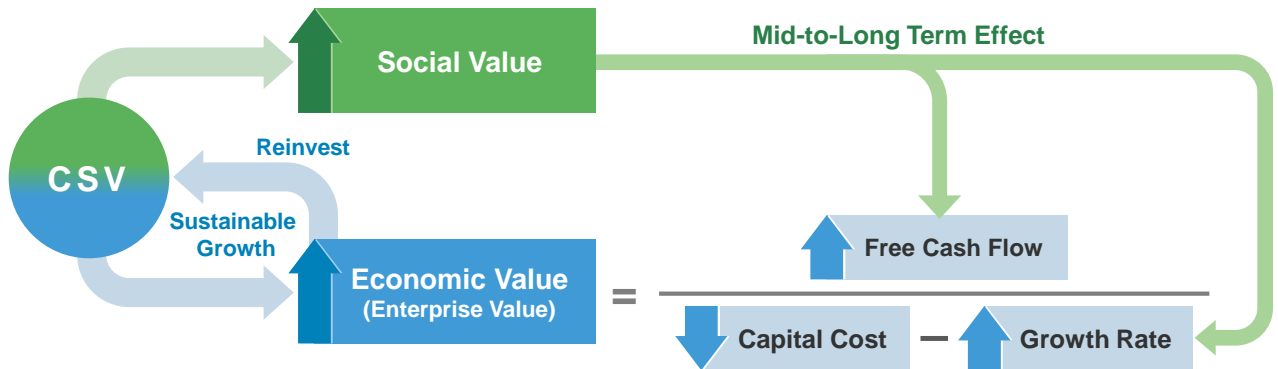
We aim to become a global leader in CSV.
To achieve sustainable growth, we will maximize "social value" and "economic value."



- In 2013, the Kirin Group became the first Japanese company to adopt "CSV" as its strategy, with the aim of continuing to grow sustainably together with society.
- In 2019, we have formulated the "Kirin Group Vision 2027," a long-term management vision, aiming to become a global leader in CSV by 2027 under the three growth scenarios of "strengthening profitability in the Food & Beverage domain," "dramatically growing the Pharmaceutical business," and "launching and fostering the Health science business."

- Solving social issues through innovation and reinvesting the profits gained. In this way, we solve social issues and, expand and reproduce corporate value.
- Economic value includes "value preservation," such as addressing risks that, if not addressed may affect the continuation of the business.

Structure of Sustainable Value Creation through CSV



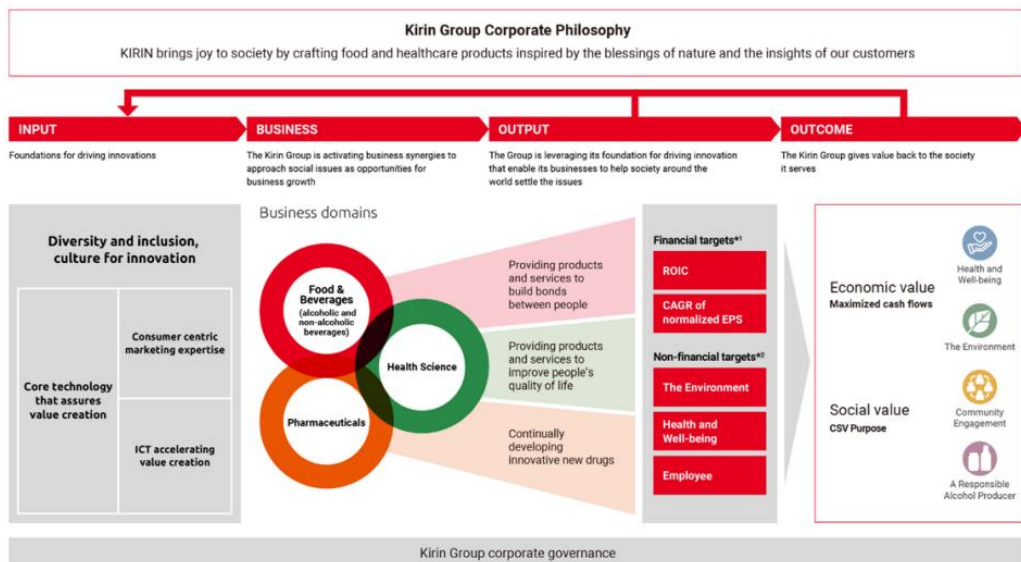
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- We believe that the promotion of CSV will lead to an increase in corporate value as shown in the diagram here, where everything comes full circle.
- Kirin generates both social value and economic value by solving social issues. We realize this value creation through innovations, leveraging the four major organizational capabilities. Generated profit is reinvested to promoting CSV, thereby we can continuously expand and reproduce corporate value.
- We also believe that social value may not see a significant effect in the short term, but social value will be a factor in increasing free cash flow and growth rates in the medium to long term.
- For example, as social value increases, the engagement of Kirin Group's employees will increase, and the corporate environment will change to one in which innovation can occur more efficiently.
- In this way, we believe that promoting CSV will lead to enhancing corporate value.

Value Creation Model

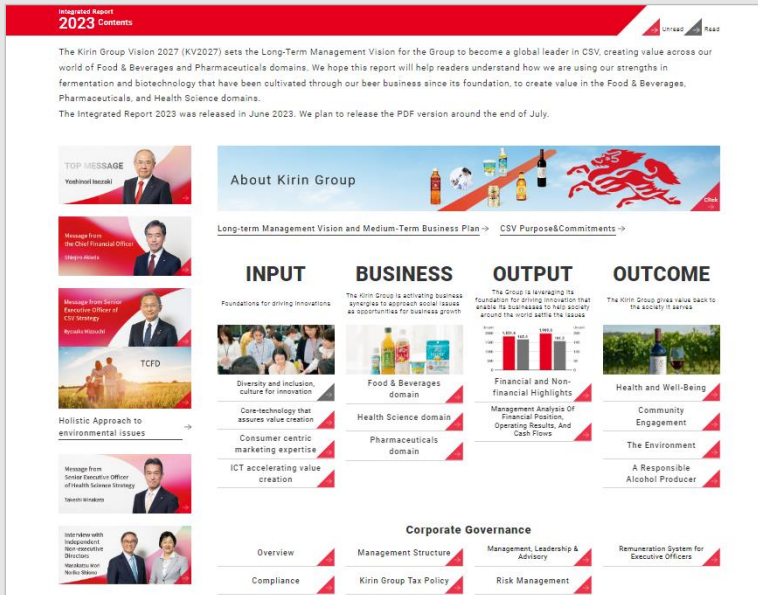
The integrated report is structured based on to this value creation.



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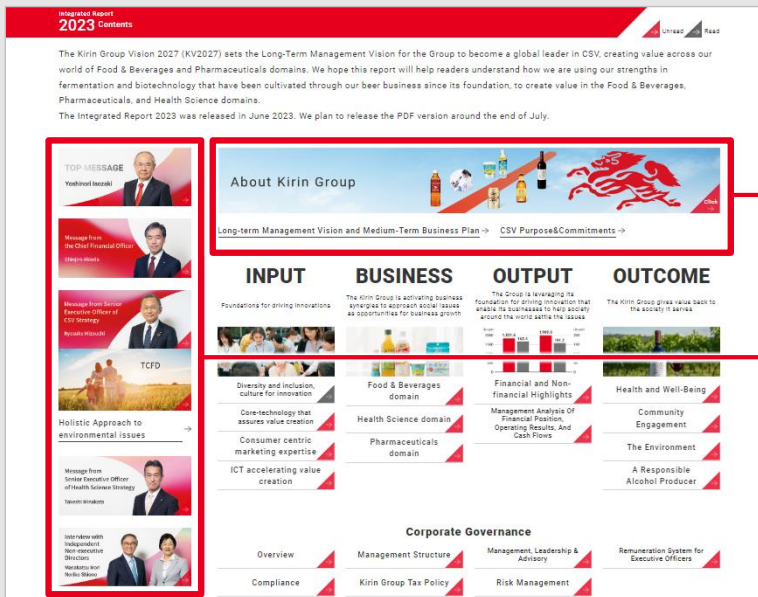
- The value creation model here illustrates Kirin's value creation a little more clearly and was created based on the commonly known value creation process in IIRC's framework.
- The Integrated Report intends to show how we create value, so we have structured the contents of the report, other than messages from executives and others, in line with this value creation model to make it easier for everyone to understand.



We composed the content to elaborate on our communication, particularly the lack of visibility of growth potential in the health science domain.

We have also improved usability by designing the website with readability in mind.

- Let's walk through our Integrated Report 2023 website.
- The interview between two independent non-executive directors of Kirin focuses on the Health science business. Also, we add a message from the director in charge of the Health science domain.
- In addition, we have designed the website with readability and usability in mind, so that our stakeholders can view the website without stress.
- Each content can also be identified as unread or read by a triangle placed in the lower right corner that changes from red to gray, which we hope will help you understand where you have read or not.



Kirin Group's overview is explained.
If you are unfamiliar with Kirin, please click here first.

In addition to messages from the CEO and CFO, we have messages from our Director in charge of CSV strategy.

We also presented a message from our Health Science Strategy Director to show you the growth potential of Health Science business.

We put an icon on the dialogue with non-executive directors so that many of you can easily access it.

- The first thing we would like you to click on is the banner that says, "About Kirin Group". It will take you a few minutes to get an overview of the Kirin Group.
- Next are messages from the CEO, CFO, and other directors of the Kirin Group, which are arranged on the left side. Please take a look at the messages here as those responsible for the management and oversight of the Kirin Group.
- We put an icon on the dialogue with the two independent non-executive directors so that many of you can easily access it.



The following contents are placed in accordance with the flow of the value creation model.

Input: The four organizational capabilities

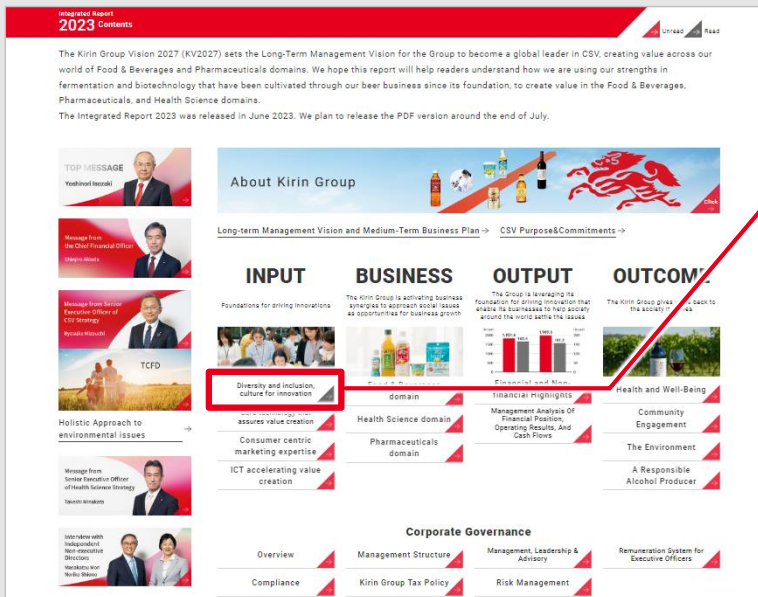
Business : Kirin's business

Output: Kirin's impact generated through our business

Outcome: Explanation of the value which Kirin gives back to society

Kirin regards corporate governance at the foundation of its value creation.

- This section is the part of the structure that follows the flow of the value creation model I just described. From the left, Input describes the four key organizational capabilities that support value creation, followed by Business, which introduces our business activities, Output, which presents the financial and non-financial results of 2022, and Outcome, which explains the value that our activities generated to society. All of these activities are supported by our solid corporate governance.
- I would like you to understand of this overall picture, and then I will guide you through three noteworthy aspects of this report.

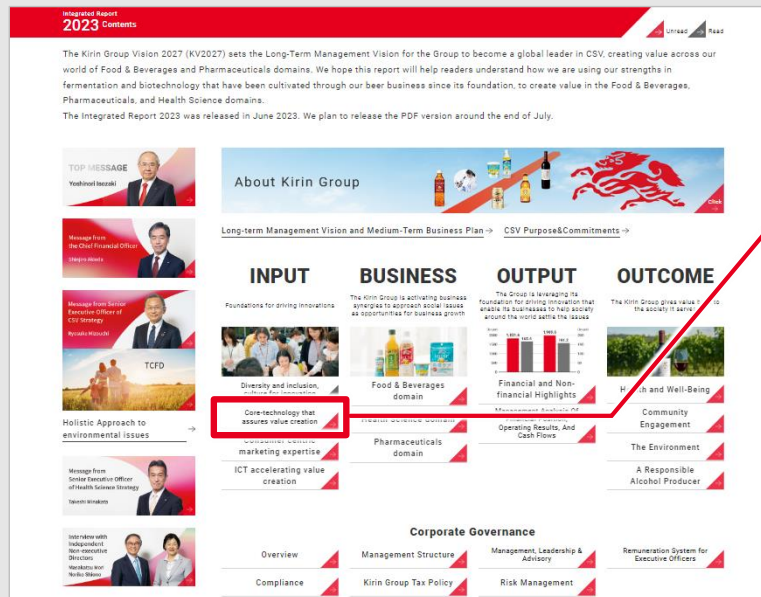


One of our organizational capabilities is the human capital. Our uniqueness is “diversity and inclusion, culture for innovation”.

In addition to Kirin's Human Capital Strategy, this year we have begun disclosing quantitative results for comparability indicators and the items for unique indicators.

You can find out more about the human capital strategy.

- The first is content about human capital, a one of major capability, which has a common impact on all matters within Input. Kirin has set this up as "Diversity and inclusion, culture for innovation." We will increase opportunities for innovation by fostering an organizational culture that embraces diversity and creating an environment that supports the growth of employees who are motivated to grow and take on new challenges.
- This year in this report, we explain this human capital strategy, and began a new disclosure of quantitative results, a part of the results provides comparability to stakeholders and the others explain our strategy.
- Please take a look at our website to learn more about the human capital strategy that is the source of Kirin's innovation.



One of our organizational capabilities is “Core technology that assures value creation” a competitive strategy combining R&D capabilities and intellectual property strategy.

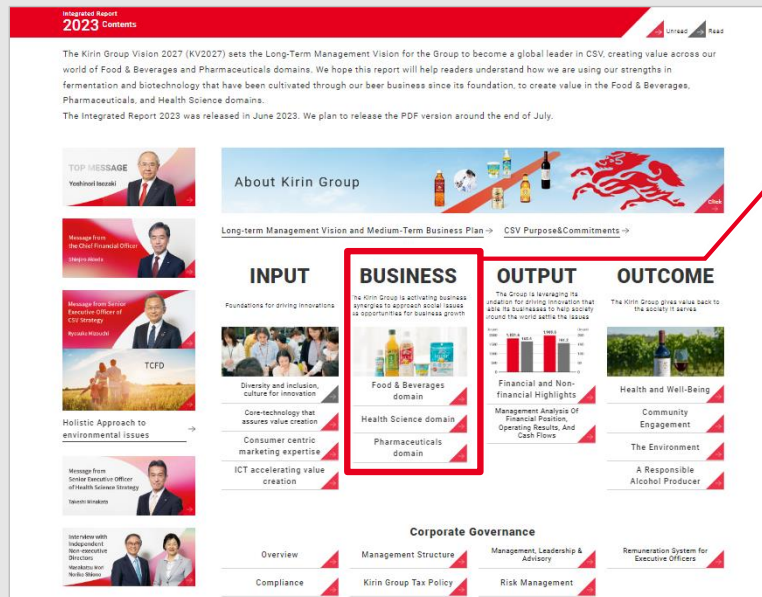
Lactococcus lactis strain Plasma (LC-Plasma) is an important material for Kirin's business. Kirin's R&D and intellectual property have commercialized the LC-Plasma.

The discovery and commercialization of LC-Plasma was highly evaluated.

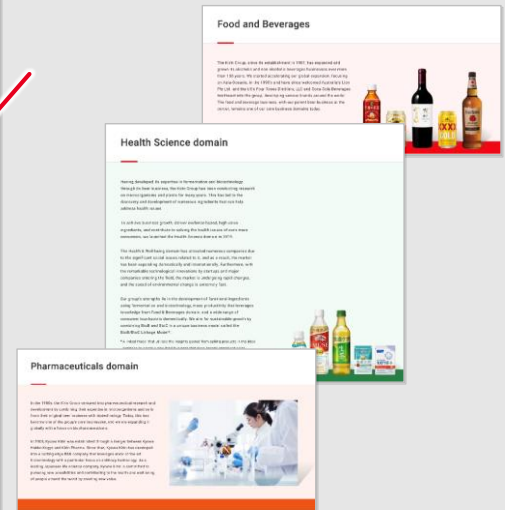
LC-Plasma received the Japanese Imperial Invention Prize at the 2023 National Commendation for Invention as the first health food material.



- The second is technological capabilities that create solid value. The revision of Japanese Corporate Governance Code now requires disclosure of intellectual capital. Continuing from last year, we presented Kirin's competitive strategy of intellectual capital, which is a combination of the R&D capabilities and intellectual property strategy.
- We are conveying our message that business, R&D, and intellectual property work in unison to build competitive advantages and contribute to sustainable growth.
- As a specific example of this, we explain Kirin's strategy for acquiring and expanding intellectual property related to plasma lactobacilli. In addition, Kirin was awarded Japanese Imperial Invention Prize in the National Commendation for Invention for its efforts to discover and commercialize the Lactococcus lactis strain Plasma (LC-Plasma).
- This is the first award for health food material, and we believe it represents a very impressive achievement.



This part provides an comprehensive overview of Kirin's three business domains



- The last part is the Business part.
- This year, we have largely revamped this part and structured it to give you an overview of our business.
- With a portfolio spanning three domains, the Kirin Group may seem confusing at first glance, but we think this will help clear that up.
- We show actual stories of the business so that it will promote your understanding of the business.
- I conclude my explanation of the Integrated Report 2023.

Conclusion

Kirin's Integrated Report is a tool to understand Kirin's CSV. Please read through and understand what Kirin is practicing. We annually publish the Environmental Report which is more focused on environmental matters to complement the integrated report. We would appreciate it if you could take a look at them as well.



supplementary



[Kirin Group Environmental Report](#) | [IR Library](#) | [Kirin Holdings](#)

- The Integrated Report is a tool to communicate Kirin's CSV.
- In addition to this, we published our Environmental Report 2023 at the end of July.
- The Environmental report is intended to complement the Integrated Report by focusing on environmental issues, such as TCFD and TNFD, not covered in the Integrated Report.
- Kirin will continue to share our corporate value enhancement story with you in an easy-to-understand way.
- If you have any comments or suggestions, please send them through the IR Inquiry.
- We hope you look forward to the future growth of the Kirin Group.
- Thank you.