

Health Science

















Promoting Product Development Primarily in Japan and Strengthening the Global B2B Sales Framework of Kyowa Hakko Bio

Our Strategies for the Health Science Domain

Accelerate growth

- Enhance awareness and sales of LC-Plasma
- To begin offering human milk oligosaccharides (BtoB)
- Expanding on sales for Citicoline
- Explore new growth opportunities and continue collaboration with FANCL
- Expand scale through M&A

Establish a robust value chain

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

Health Science Business Strategies of Kirin Group Companies

Kirin Holdings

Kirin Group offers strategically selected materials in the three priority areas—immunity, brain functions, and gut microbiome.

In the immunity area, Kirin offers its proprietary *Lactococcus lactis* strain Plasma (Lc-PLASMA)—which has been authorized, for the first time in the Japanese food industry, to state that it provides benefits to the human immune systems—to wider applications to meet the public's pressing need to reduce infection risks and expand our business around the products.

Kirin also plans to begin offering human milk oligosaccharides during the period of its current Medium-Term Business Plan.

In the brain functions area, Kirin focuses on Citicoline. We will aim to expand our market share mainly in the US market by strengthening the evidence through research that responds to market needs.

In the gut microbiome area, Kirin group leverages its years of experience in microbial research to establish a business that provides the best personalized solutions to customers' individual health needs.



Kirin Beverage

Kirin Beverage

Kirin Beverage will reposition itself to become a beverage company that plays a role in implementing the Group's Health Science strategy. The company strives to achieve stable growth of business even in a challenging market by bolstering sales of beverage products with health benefits.

For instance, the company markets sugar-free and low-sugar beverage products to meet the needs of health-conscious consumers. Equally important, the company markets products with positive health effects to pursue substantial growth in sales of its iMUSE-branded beverage products that contain Lc-PLASMA, and works closely with FANCL to jointly develop new products and create added value.

Koiwai Dairy Products



Koiwai Dairy Products offers dairy products that contain Lc-PLASMA and β -lactolin, which has been found to mitigate memory loss with age, to make it easy for consumers to intake them as part of their healthy daily diet. iMUSE-branded yogurt, which was repackaged with a functional claim label in 2021, is one of the company's key products to reach broader consumers.

Kyowa Hakko Bio



Following the quality-control issues which arose at the Hofu Plant of Kyowa Hakko Bio's Yamaguchi Production Center in August of 2019, Kirin Group personnel with knowledge and experience were dispatched to the plant in 2020. There, a revitalization plan was implemented, which included the rebuilding of production and quality control systems along with strengthening of coordination between the company's head office and its plants, with the result being a return to profitability in terms of normalized operating profit in 2021.

During the period of the current Medium-Term Business Plan, the company will be proceeding to a stage aimed at a shift from business revitalization initiatives to highly-profitable business operation. The company will go about expanding on sales for the highly profitable material Citicoline and will work on achieving growth through the launch of human milk oligosaccharides. In doing so, the company will aim to become a Japan-based, global specialty fermentation company by leveraging its leading-edge biochemical technologies to resolve social issues that have emerged globally.

FANCL



When it comes to Channel Synergy, wherein existing products are sold through the channels of both companies, great results have been achieved through mutual access to direct-to-consumer channels. Furthermore, in the area of Product Development Synergy, which involves the deployment of new products generated through joint product development, collaborative products have been developed and subsequently launched through Kirin Beverage and Kirin Brewery. FANCL also sells products which leverage materials and ingredients produced through research and development conducted by the Kirin Group.

Kyowa Kirin



In the Health Science domain, the company aims to generate synergy by leveraging Kyowa Kirin's knowledge within the scope of Foundation Research and the launch of the CDMO business.

Specific case examples have already been established when it comes to evaluating the functional benefits of β -Lactolin, such as cases involving the leveraging of technologies of Kyowa Kirin. As a long-term initiative, the launching of the CDMO business also took place to aim to create new value, which is a business that leverages Kyowa Hakko Bio's strengths and incorporates Kyowa Kirin's expertise when it comes to the manufacturing of pharmaceuticals.

Under its medium-term management plan, Kyowa Kirin intends to develop and offer values beyond the traditional Pharmaceuticals Business in collaboration with Kirin Group companies.