


Contributing to Maintaining People's Health Around the World as a Leading Company in the Immunology Domain

Health and well-being

2022.07.19

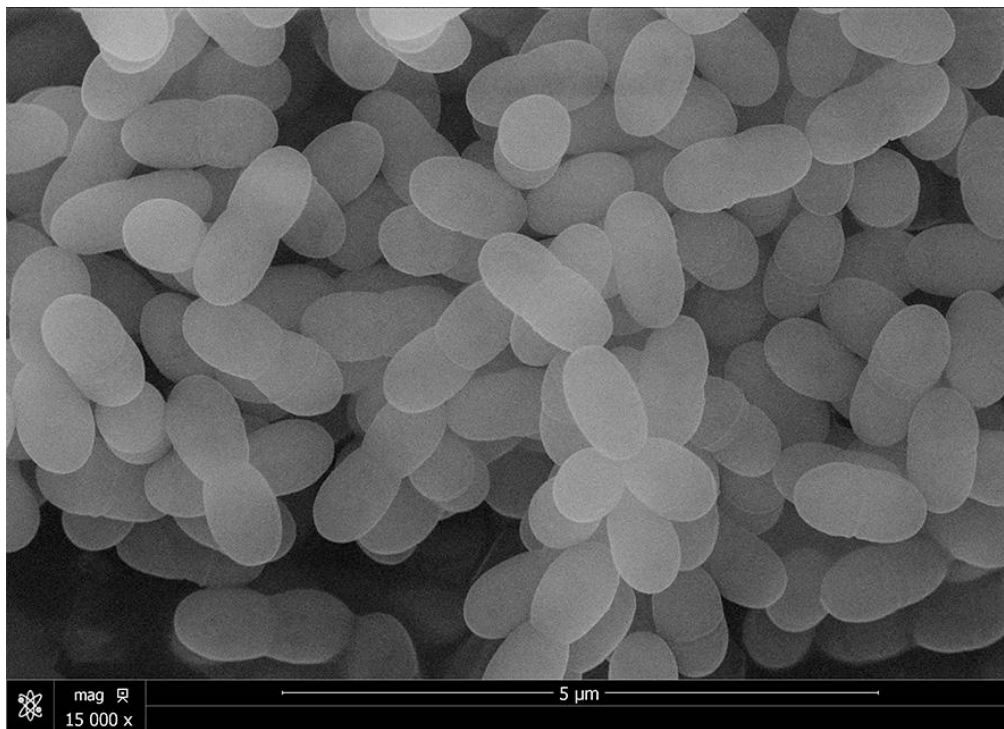


CSV Commitment	SDGs Goal	SDGs Target
<p>Support for maintaining the immune system Support for the prevention of non-communicable diseases</p> <p>Representative our achievements and target value: Number of people who continue to consume Lactococcus lactis strain Plasma in Japan and overseas 1.9 million people(2024)¹ Combined target values by target company</p>		<p>3.3</p>

The Kirin Group has formulated its Long-Term Management Vision, Kirin Group Vision 2027 (KV2027), and aims to create value across our world of Food & Beverages to Pharmaceuticals as a global leader in CSV. The Group is committed to strengthening its Health Science business to help people around the world maintain good health. We have positioned products using Lactococcus lactis strain Plasma (LC-Plasma), which we discovered based on more than 35 years of immunological research, and are developing them as our core products. The Kirin Group is recommending "immune care through food" as a new lifestyle habit that contributes to the management of one's health, with "immune care foods" centered on the iMUSE brand, for which an application for functional claims has been accepted.

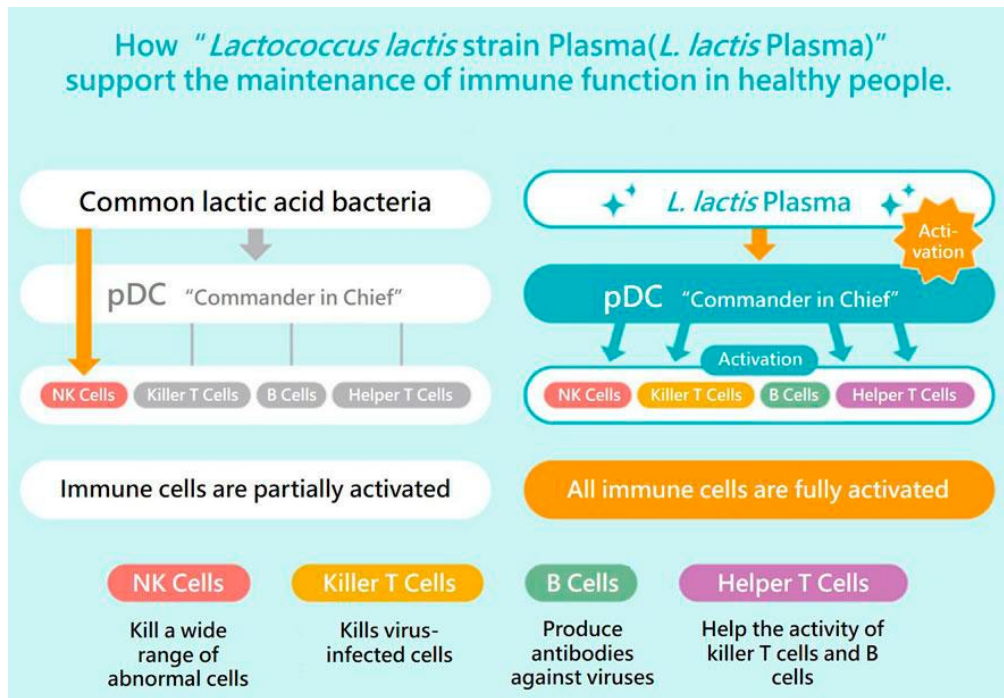
Discovered LC-Plasma that supports the maintenance of immune function in healthy people

The Kirin Group had continued to conduct in-depth research on microorganisms, which play a key role in fermentation, while at the same time mastering brewing techniques, the Group's founding business. Then, in 2010, Kirin discovered for the first time in the world lactic acid bacteria that directly activate plasmacytoid dendritic cells (pDC), one of the commander in chief of the immune system. The novel lactic acid bacteria was named as LC-Plasma.



Because of its complexity, there are many aspects of the immune system that are not yet understood, and it is difficult to validate the maintenance of immune function. In this context, we have accumulated a great track record of science in the form of 30 academic papers* regarding with LC-Plasma, including human clinical trials. Building on this experience, we were successful in registering the iMUSE brand with the Japanese authorities as Foods with Function Claims (FFCs) relating to immunity in August 2020 for the first time in Japanese history. This led to the sale of a line of products containing LC-Plasma as FFCs, and sales have steadily increased. We will continue to contribute to the health of many people through LC-Plasma by utilizing the various knowledge and experiences of our group.

*As of June 2022



Promoting both "awareness-raising activities" and "expanding recognition"

In a survey taken by Kirin, around 80% of respondents across all demographics said that their interest in and awareness of immunity "has become stronger" or "has become somewhat stronger" in the year since November 2020. It goes without saying that the "immune function," which is inherent to human beings, is essential. When an external enemy invades the human body, first, natural immunity is activated by the body's innate immune system, then acquired immunity is activated, and finally memory function is acquired to make the body less susceptible to diseases once contracted. Such efforts to enhance immune function are called "immune care."

Despite the growing interest in immunity in society as a whole, only a minority (about 30%) of people are actually taking action to maintain their immunity. Against this backdrop, the Kirin Group, which has a proprietary material called LC-Plasma that supports the maintenance of immune function in healthy people, considered it important to further raise awareness of the importance of immune care and at the same time create an environment in which LC-Plasma is close at hand. In other words, Kirin thought that as a leading company in the immunology domain, it should create the immunology market itself. To this end, the marketing in LC-Plasma is focused on promoting both "raising awareness of the importance of immune care" and "expanding recognition of LC-Plasma."

In "raising awareness of the importance of immunization care," Kirin is collaborating with the national government and administrative agencies, as well as utilizing venues such as vaccination sites and school classes. In addition, in "expanding recognition of LC-Plasma," we aim to expand sales by developing advertising and public relations activities to help customers understand the functions and effects of the FFCs we are developing and to gain their trust.

Furthermore, "the recognition rate of the function of LC-Plasma" and "the number of people who continuously consume LC-Plasma in Japan and overseas," are included among the non-financial indicators in the 2022 Medium-Term Business Plan (MTBP) and these metrics are also linked to executive compensation at Kirin Holdings. We will leverage the full power of the Group toward cultivating the Health Science business, including LC-Plasma, with the aim of maximizing our own economic value through the resolution of social issues.

Product lineup expanding domestically and internationally

To create and expand the "immune care" market, we need to develop products that are more accessible and easier to continue as a daily habit, while continuing to educate consumers about the importance of immune care.

LC-Plasma-related products were launched in November 2020 as Japan's first FFCs relating to immunity. Kirin Beverage then launched beverages containing LC-Plasma in its Nama-cha and Gogo-no-Kocha brands, which have high customer recognition, as well as Kirin's first 100ml small-volume PET bottle products. In addition, certain supplements and yogurt from KOIWA DAIRY PRODUCTS are sold under the iMUSE brand. We have also collaborated with partner companies to create an environment in which more consumers can easily ingest LC-Plasma by blending it into a wide range of product lineups, such as snacks and protein products. As a result, as of May 2022, the number of LC-Plasma FFCs has grown to a total of 28 products.



Lactococcus lactis strain Plasma series "iMUSE"

Overseas, we are expanding the products in Vietnam, the United States, and other countries. Interfood Shareholding Company, a non-alcoholic beverage manufacturer and distributor in Vietnam, began selling Kirin iMUSE in 2019 and expanded its sales area from 2022. The brand has performed well due to expanded customer contacts and improved immune literacy in Vietnam, and had already surpassed its annual sales volume for 2021 as of end-March 2022. We will continue to actively participate in government initiatives to expand recognition of LC-Plasma in Vietnam and raise health consciousness. LC-Plasma is also spreading overseas, with nine products from seven companies containing LC-Plasma available for purchase in the United States as of May 2022.

The annual LC-Plasma-related business sales in Japan and overseas in fiscal 2021 was approximately 166% of the previous year's level, and has been growing steadily in the last two years following its acceptance as an FFC. Aiming for further growth of the Health Science business toward becoming a global leader in CSV, the Kirin Group has established a new Health Science Division to oversee strategy and business collaboration in the health science domain across its operating companies. This will strengthen the governance structure to create synergies within the Group and improve the speed of strategy penetration and execution. We also decided to become the first Japanese food manufacturer to issue a social bond. We plan to invest in expansion of production facilities and research activities to further solve health issues. We will continue to increase the degree of strategy execution to achieve sustainable growth and attain the goals of the KV2027 and 2022 MTBP.

Profile



Yumi Semura

Kirin Holdings Company, Limited Health Science Business Department Senior Manager

Since 2017, she had been the Brand Manager of iMUSE at Kirin Beverage. Currently, she is a project leader for the entire Health Science business (Immunology, Brain & Vitality area) at Kirin Holdings.

*Stated information as at the date it is made