



# INTEGRATED R E P O R T 2 0 2 5

For the period ended December 2024



Editorial Policy

The Kirin Group Vision 2027 (KV2027) sets the Long-Term Management Vision for the Group to become a global leader in CSV, creating value across our world of Food & Beverages and Pharmaceuticals domains. We hope this report will help readers understand how we are using our strengths in fermentation and biotechnology that have been cultivated through our beer business since its foundation, to create value in the Alcoholic Beverages & Non-Alcoholic Beverages, Pharmaceuticals, and Health Science Businesses.

Coverage

Kirin Holdings Company, Limited and the Kirin Group companies

Period

The period covered is FY2024 (January 1, 2024, to December 31, 2024). Certain activities occurred in FY2025.

Contact

Corporate Communications Department, Kirin Holdings Company, Limited

Referenced Guidelines

The integrated report was prepared with reference to the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation of the Ministry of Economy, Trade and Industry.

Cautionary statement regarding forward-looking statements

Statements in this report that are not historical facts are forward-looking statements based on plans and expectations for the future. Accordingly, these forward-looking statements are subject to risks, uncertainties, and other unpredictable factors, and may differ considerably from actual results, business performance, and other future events. In addition, forecasts of FY2025 financial results were decided as of the disclosure of financial results on February 14, 2025.

Publications Available on Kirin’s Global Website

Environmental Report (Published every June)

The report details the Kirin Group’s annual environmental activities as well as unique business-driven initiatives. It presents the Kirin Group’s annual environmental activities and how it makes use of the unique characteristics of its businesses in environmental initiatives.

[https://www.kirinholdings.com/en/investors/library/env\\_report/](https://www.kirinholdings.com/en/investors/library/env_report/)

Consolidated Financial Statements (Published every March 31)

Compiled in accordance with Article 24-1 of the Financial Instruments and Exchange Act of Japan, the report includes Kirin Holding’s financial statements along with an overview of its recent performance, business results, facilities, and operations.

[https://www.kirinholdings.com/en/investors/library/financial\\_results](https://www.kirinholdings.com/en/investors/library/financial_results)

Corporate Governance Report (Published Every April)

The report provides information on the Group’s approach to and system of corporate governance, maintained in compliance with the Corporate Governance Code of Japan.

[https://www.kirinholdings.com/en/purpose/files/pdf/governance\\_report.pdf](https://www.kirinholdings.com/en/purpose/files/pdf/governance_report.pdf)

Kirin Group Business Plan for 2025 (2025-2027) (Published in February 2025)

The webpage features the Kirin Group Business Plan for 2025 (2025-2027). The Group’s focused on realizing the KV2027 long-term management vision.

<https://pdf.irpocket.com/C2503/usA8/zRKR/FGAm.pdf>

ESG Databook (Periodically updated)

Kirin Holdings presents environment, society, and governance (ESG) data for recent years at the following website.

<https://www.kirinholdings.com/en/investors/esg/esg/>

Sales Overview (Periodically updated)

This web page presents an overview of monthly sales for each category and main brand.

<https://www.kirinholdings.com/en/investors/library/databook/reports/>

IR News Releases (Periodically updated)

IR News Releases provide summaries of timely disclosures issued by Kirin Holdings.

<https://www.kirinholdings.com/en/investors/library/explain/>

In Line with the Publication of Integrated Report 2025

Kirin Holdings has published Integrated Reports since 2015 and used them in dialogues with stakeholders such as investors.

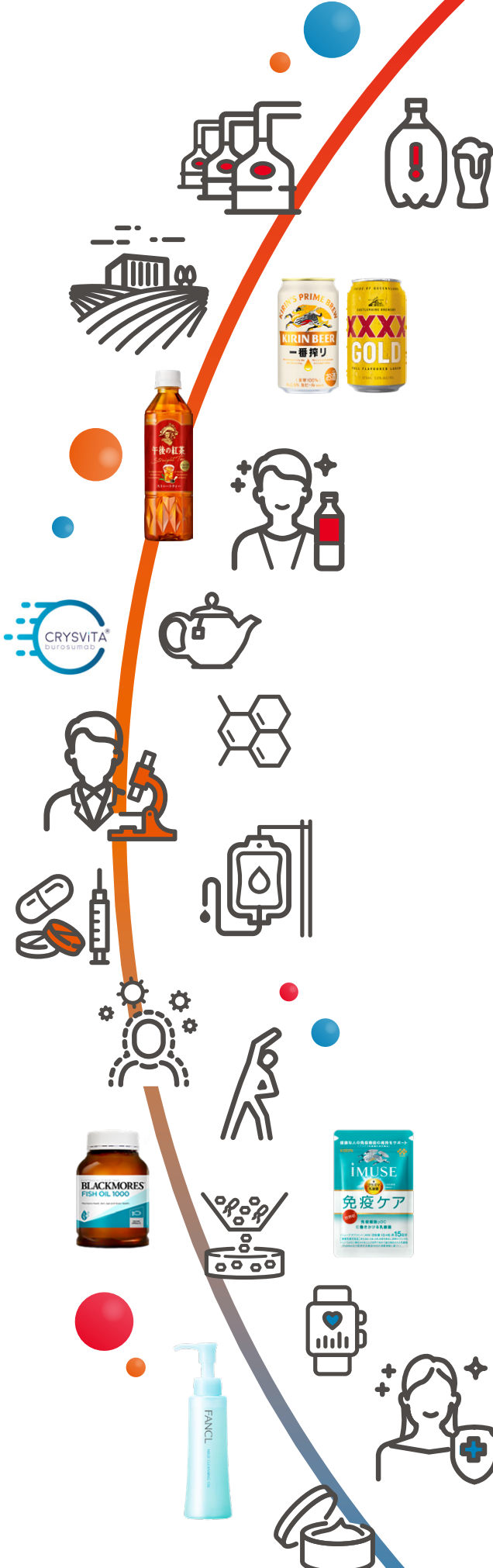
Our Group’s goal for Long-Term Management Vision, Kirin Group Vision 2027 is to become “A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals.” We hope this report will help readers understand how we are using our strengths in fermentation and biotechnology that have been cultivated through our beer business since its foundation, to create value toward realizing sustainable growth in our solid business portfolio consisting of Alcoholic Beverages, Non-Alcoholic Beverages, Pharmaceuticals, and Health Science Businesses.

Building on Integrated Report 2024, Integrated Report 2025 was mainly produced by the Corporate Communications Department at Kirin Holdings Company, Limited, through discussions with the Finance Department, the Finance Department’s Head of Corporate Disclosure and IR Section, the Corporate Strategy Department, the CSV Strategy Department, and other related departments to better meet stakeholder needs.

As the executive officer in charge of the Corporate Communications Department, I declare the creation process of Integrated Report 2025 to be legitimate and for its contents to be accurate.



Toshihito Hama  
Senior Executive Officer,  
(Chief Risk Management Officer, Public Relations Strategy),  
Kirin Holdings Company, Limited



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Yoshinori Isozaki  
Representative Director of the Board & CEO,  
Kirin Holdings Company, Limited

Takeshi Minakata  
Representative Director of the Board,  
President & COO,  
Kirin Holdings Company, Limited

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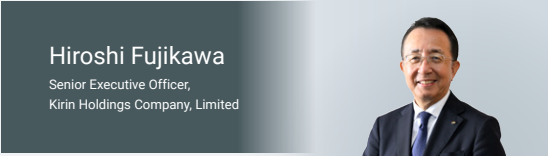
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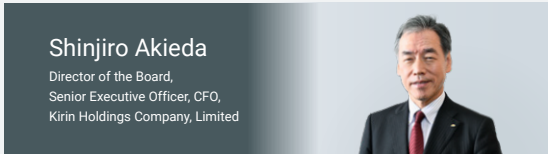
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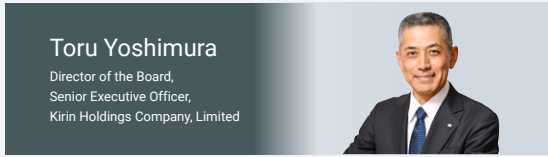
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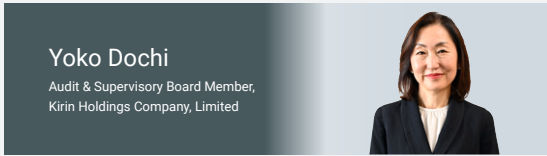
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# 01

## Message from Top Management

### Executing Our Strategy is Vital to Become a Leader in CSV



**Yoshinori Isozaki**

Representative Director of the Board & CEO,  
Kirin Holdings Company, Limited

#### Accelerating strategy execution and seeing positive results in growing profitability

In March 2024, I was appointed representative director of the board and CEO, and Takeshi Minakata was appointed representative director of the board, president, and COO as we shifted to a new management structure. In 2013, we at Kirin Group established Creating Shared Value (CSV) as our guiding compass for our ongoing operation as a company to realize sustainable growth in the midst of a changing business environment. By making CSV our pillar of management, through which we leverage our strengths to address social issues while generating economic value, we aim to maximize our corporate value. In order to fulfill this mission in this time of growing uncertainty, we have determined that it is imperative to enhance the management execution capabilities of this new executive management structure led by both the CEO and the COO.

The list of changes in the business environment is never-ending—heightening geopolitical risks, climate change, rapidly accelerating technological changes like generative AI—all of which add to the increasing sense of uncertainty in the business environment. Under the new management structure, the COO oversees daily operations and, as CEO, I focus on developing a vision and business strategy for the entire Group from a medium- and long-term perspective and implement them. As a result, I am now able to devote increased time to hosting dialogues with stakeholders, including investors.

By enhancing the management structure in this way, we have accelerated changes to the business portfolio, such as making FANCL Corporation a consolidated subsidiary in 2024 and the agreement on the transfer of Kyowa Hakko Bio Co., Ltd.'s amino acid business and others.

Following the acquisition of Blackmores in 2023, these were major decisions for the Health Science Business that firmly established a strong foundation for its growth. We are moving steadily forward toward becoming “a global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals,” as set out in our long-term management vision, Kirin Group Vision 2027. Through dialogue with investors, I have realized that they now have an increased level of understanding and appreciation of our progress toward that vision.

With respect to performance, our consolidated normalized operating profit exceeded our goal for 2024 and achieved a record high for our Group. As for profit attributable to owners of the Company, on top of making restructuring changes for the future of the Health Science Business, the sluggish performance of the Indian beer business led to significant losses. For 2025, however, with restructuring on track, we estimate the profit attributable to owners of the Company to grow exponentially to 150.0 billion yen. We are seeing positive results in the growing profitability for the entire Group.



# Message from the CEO





## Realizing growth with a solid business portfolio geared toward uncertainty

Until last year, we focused on enhancing the competitiveness of our core businesses and establishing our business foundation. From 2025 onward, the Alcoholic & Non-Alcoholic Beverages, Pharmaceuticals, and Health Science Businesses will each move into a growth phase. I envision a portfolio in which each of these three businesses accounts for one third of our consolidated normalized operating profit, and my aim is to ensure the business portfolio can withstand the uncertainty of the business environment. It will, however, probably take a little bit of time before the Health Science Business grows to such a level. That said, I am confident we will achieve this goal.

This is because we have a proven track record for fostering our Pharmaceuticals Business. Looking back to when our Group entered the Pharmaceuticals arena about 40 years ago, the business was in the red for around a decade from launch. However, instead of using that as an excuse to quit the business, we continued to foster it, believing it would generate positive results. The reason the business succeeded was because the Alcoholic Beverages Business, including Kirin Brewery Company, Limited, earned well and supported it. This was a prime example of an ambidextrous business, and the Pharmaceuticals Business that provided us with so many challenges has now grown to generate profits that drive the Group.

And now, we will take up a similar challenge in the Health Science Business. It is precisely because the existing businesses stand firm and our revenue base is solid that we can take on this challenge. In regard to the Alcoholic Beverages

Business, due to the headwind generated from the aging and declining population, the rise of health consciousness, and the global strengthening of alcohol regulations, the future consumption of alcohol is expected to decrease. The Pharmaceutical Business is also facing difficult barriers, including the creation of new medicines, the patent cliff, and drug price revisions. Achieving sustainable growth as a corporation with these two pillars alone is precarious. In the future, if risks become apparent, the Health Science Business will be responsible for supporting our Group's operations. It is with this outlook that we are implementing our current initiatives.

In addition, our Group is expanding its businesses, mainly in Japan, Asia-Pacific, and the United States, and, looking at the entire Group, each region accounts for about one third of our earnings per share. In light of geopolitical risks, it is desirable to maintain this balance. Of course, If we look at each business individually, there are some areas that are not making progress. For example, for the Health Science Business, the United States is a very attractive market. Meanwhile, a business that is not successful in the Asia-Pacific will not be successful in the United States. Therefore, it is essential to first make the business a success in the Asia-Pacific. I understand we want to enter the US market as soon as possible, but we have not yet acquired the knowledge and human capital to expand the business, making that unrealistic. We will harness all our strengths to become the top company in the Asia-Pacific, and once we succeed, we will expand into other regions, including the United States.

## The key is human capital equipped with expertise and an entrepreneurial spirit

In order to realize the growth I have mentioned, the fostering and securing of human capital is an urgent issue. This is because, even if we have numerous concepts and strategies, it is ultimately people that implement them. To our Group, it is vital we secure as many people as possible who are equipped with expertise and an entrepreneurial spirit.

First, expert human capital will be required to leverage their strengths to create more innovative value. Our ability to understand consumer insights in marketing, create unprecedented products through R&D, and efficiently use generative AI and digital technology as effective tools in all jobs is dependent on having advanced expertise.

In addition, employees must also possess an entrepreneurial spirit—discover new business opportunities, conceptualize innovative and unique

ideas, and pursue results by taking action without fearing the risks. Human capital with this approach is indispensable to realizing growth. Even in our founding beer business, when we launched over a century ago, we started by having alcoholic beverage retailers place just two or three bottles of beer in their stores, because beer was not yet well-known. The basics of business are built on the accumulation of these seemingly simple actions. It is because business is not easy that it's worth doing. We ask all employees to embrace the determination to persevere and accomplish their tasks, no matter what they are. As our greatest priority, we in top management will continue to prioritize the fostering of human capital as we go forward.

Please refer to pages 26–33 for details regarding human capital, R&D, marketing, and DX.

## Accepting diversity and passing on our culture that encourages people to challenge to future generations

Now I would like to talk a little about my personal experience. This was 50 years ago, but when I was interviewed at Kirin Brewery, I said, “This company has a stable beer business, so I want to start something new.” That’s how I got hired. People around me said I was “different,” but the company understood and assigned me to a sales position related to new business to start my career. Every day at the worksite felt fresh, and new ideas were conceived one after the other. Most of these ideas were unprecedented, but they were all realized.

In this way, the Kirin Group has always

embraced employee diversity and fostered a work culture that supports taking on challenges. I have experienced this first-hand. This good organizational culture remains strong. Furthermore, we must pass it on to future generations. I hope employees will take on more challenges so we can be recognized by consumers and society as a company that uses its various technological strengths, cultivated over many years, to resolve social issues. To achieve this, I want us to return to and reflect on the Group's starting point in terms of values and guiding principles.

## Sticking to our beliefs and meeting investors' expectations

Discussions concerning the long-term management vision beyond 2027 are underway, and we want to become even more innovative. Our great vision to become a global leader in CSV will remain unchanged, but I want to shift gears. We will evolve into a company that deepens CSV management throughout the organization by each and every one of our diverse employees repeatedly challenging themselves with the belief that all their daily work is

linked to CSV.

While resolving social issues, we will work to create profits that ensure economic value and to maximize our corporate value. That is to say, I am confident that enhancing the Kirin Group's CSV management is our duty to our various stakeholders, including investors. We will continue to strive to meet your expectations and look forward to your continued support.

# Message from the COO

## Unifying Management and *Gemba* to Maximize Our Strength and Realize Strategies

\**Gemba*: the frontline where actual operations are performed

### Managers employ all five senses to seize the real situation

In 2024, in order to enhance the profitability of each business, I strived to improve the execution capabilities of *gemba*\* by following my motto: actual place, actual things, actual situation—the three-actuals principle. During dialogues with stakeholders, including investors, I am asked questions such as, “What do you mean when you say, ‘a power of *gemba*?’” and “How will this power lead to profitability?” so I want to once again share my thoughts with you.

I believe the keys to successful management are “correct strategies,” “internal processes,” and the “mindset and actions of each employee.” No matter how correct our strategies are, any problems in our internal processes give rise to a string of obstacles. Moreover, even if our strategies are correct and our internal processes are perfect, the ones who ultimately implement the strategy are the employees. We need to look at whether each employee really understands the strategies and their importance for the survival of the company, and realizes they have a personal involvement in

each situation they encounter. If we fail to think about this, no matter how great our strategies and internal processes are, the strategies will simply remain concepts on paper. On top of drawing up major management strategies and verifying their effectiveness, the degree to which management understands the real situation at the *gemba* is crucial.

Based on this concept, in 2024, I visited and hosted meetings at sites in Japan and overseas. As of April 2025, I had hosted over 100 meetings and had had the opportunity to engage in dialogue with more than 1,000 employees. Seeing their positive, hard-working attitudes gave me great encouragement, and using all my five senses to grasp the real situation at the *gemba* allowed me to identify various issues and areas for improvement. Again, so that each and every employee can put their all into value creation, I am sharing with management the issues that came to light at these meetings and am working with them to address these issues with a sense of urgency.

### Takeshi Minakata

Representative Director of the Board,  
President & COO,  
Kirin Holdings Company, Limited



### Building a strong management structure from transparent and diverse perspectives

We are also strengthening collaboration with the management of operating companies both in Japan and overseas, and in addition to communicating daily, we make time to talk one-to-one once a month. The company presidents are also energetically visiting the *gemba*, sharing frankly with others their discoveries, and having open discussions on issues, countermeasures, and areas for improvement. Each president has different characteristics and approaches, but I feel they share a common goal and we are gradually building a sturdier management structure.

Furthermore, in regard to the foundation of all business, human capital, and the foundation of innovation, R&D, the appointment of senior executive officers Mr. Hama and Mr. Fujiwara, with their solid expertise and wealth of experience, further solidified our executive structure. On top of that, we also welcomed new non-executive directors onto

the Board who have skills well suited to achieve Kirin Group’s ideal business portfolio. Mr. Konomoto is well-versed in overseas business, M&As, ICT, and DX (digital transformation), and Ms. Mikami is highly knowledgeable about research and production areas and the cosmetics business. These appointments will enable us to review our strategies and our execution processes from a variety of perspectives. In addition, our company’s non-executive directors of the Board are unique, because they go in person to our various sites in Japan and overseas to communicate and socialize with *gemba* employees. A major strength of our company is that all members of the management team can gain a cohesive understanding of the real situation of human capital and each business through initiatives like this.

Please refer to pages 68 & 69 for messages from the new members of the board.





## Realizing short-term and medium- to long-term growth

In 2024, our revenue and normalized operating profit reached historical highs, but many of the companies’ increased revenue and profits are not merely the result of a single year’s efforts. They are proof that we learned from our failures and continued to use the trial-and-error method, that each action was conducted with a strong will to reach our goals, and that we improved our execution capabilities. Additionally, in the takeover bid for FANCL Corporation, we utilized our previous M&A experience and insights from past failures to put all we had into the post-merger integration, just as we did when we acquired Blackmores Limited in 2023.

Meanwhile, the profit attributable to owners of the company fell significantly after accounting for all expenses related to business restructures to move on to the next growth phase. Although the decision was made to avoid postponing issues, we sincerely regret our lack of foresight and analytical skills as managers. Because we can display our enhanced earnings capabilities by increasing net income, not just normalized operating profit, we aim to significantly increase profits in FY2025. As for our financial KPI, we have changed to non-normalized earnings per share, and will strengthen our commitment to improving our net income, and strive to attain our goals.

Furthermore, we reviewed the shape of our business plan. Previously, our Medium-Term Business Plans were formulated as solid three-year plans, but we have changed to plans that set long-term goals that are adjusted annually. Changes in the external environment are becoming increasingly challenging, so by flexibly reviewing the strategy every year in line with environmental changes, we believe we can realize sustainable growth. On the other hand, even

if the formulating cycle has changed, our final goal remains the same. We will realize both short-term and medium- to long-term goals by adjusting the path we take depending on the current situation.

We will achieve our goals for 2025 while ensuring we make sufficient preparations toward achieving medium- and long-term growth.

First, since 2019, we have continued investing in the Health Science Business as a future growth driver, but we have labelled 2025 as a time to shift the business from the investment phase to the growth phase. We are committed to making the business profitable by the end of this year.

Regarding the Alcoholic Beverages Business, while the true value of brand strength is being tested, together with Kirin Brewery Company, Limited, and Lion Pty Ltd., we will continue to focus investment on core brands, provide more value-added products and services, and level up the business to one of higher profitability.

In the Non-Alcoholic Beverages Business, Kirin Beverage Company, Limited will enhance the Health Science beverage product mix and further accelerate the restructuring of our product portfolio. Coca-Cola Beverages Northeast, Inc., has over 40 years of history with our Group and, through steadily investing in human capital and facilities, has experienced vast expansion these past few years. Utilizing their strength in trustful relationships between management and *gemba*, Coca-Cola Beverages Northeast will further improve their operational excellence.

As for the Pharmaceuticals Business, the performance of *Crysvita* and *Poteligeo*, the global strategic products of Kyowa Kirin Co., Ltd., improved as planned, and the company’s revenue grew to

around 500.0 billion yen. KHK4083, currently under development, is generating good results, growing our expectations for the product. In 2025, we will have R&D expenses for clinical trials, but we view these expenses as investments in our future growth, and

the entire Group will work to cover them. These four businesses will not only grow autonomously, but will aim to circulate human capital, technologies, and knowledge between them to provide unprecedented value to the world.

## Investing in organizational capabilities to create value with an outlook on an exciting future

We are already beginning to discuss beyond KV2027. We aim to realize sustainable growth through CSV management, to contribute to the various life stages of consumers using our strengths, especially in the key social issue of health, to be a company people are glad exists, and to become one of the most trusted groups in the world. To build such a future, we will invest in the four organizational capabilities that make up our foundation and become a company that creates one innovation after another.

The first of these four capabilities is human capital. In particular, we will enhance investments in the human capital of the Health Science Business to become one of Asia-Pacific’s largest health science companies and evolve into a globally competitive organization. Regarding the human resources system, we will change to one that encourages each employee to rise to challenges and take proactive actions. We will actively invest in human capital in order to improve each person’s expertise, create strong individuals that can compete globally, and build a strong team rich in diversity.

Second is R&D. We are proud to have continued to create innovations based on advanced technology. However, we cannot simply rest here but must enhance

our creativity for building innovative technologies and further improve our social implementation skills that lead to actual business. Going from 0 to 1, like when we developed *Lactococcus lactis* strain Plasma, is not easy, but we will continue to invest in developing new materials and functions related to health and focus on going from 1 to 10 and 10 to 100.

The third is ICT (information and communication technology), for which we are promoting the acquisition and fostering of DX human capital together with external parties and making great strides in advancing management and business processes. Additionally, we are actively introducing AI to quickly create a place where people and AI co-exist, which will in turn improve operational efficiency and drastically accelerate new value creation.

Fourth is marketing. While bringing our Group’s unique knowledge and know-how in brand businesses, mainly the Alcoholic Beverages and Non-Alcoholic Beverages Businesses, to a higher level with a focus on local citizens, we will also expand those strengths to the Health Science Business. By gaining a deep understanding of local needs, we will evolve into a Group that creates innovations, one after the other, that go beyond consumer expectations.

## Execution capabilities are the culmination of ingenuity and persistence

There is no shortcut to enhancing execution capabilities. Many of the initiatives I have mentioned in this message are on a modest scale and will only produce results if we continue to enact them. It is important that we, the executors, feel connected to consumers and patients, that we imagine their smiles and constantly think of ways to increase those smiles. And we need to be creative in this. This may sound naïve, but if all employees, from management to *gemba*, persistently work from this perspective,

I believe we will become a strong Group with high execution capabilities. Going forward, management, *gemba* employees, and employees supporting the *gemba* will unite as one team to enhance our execution capabilities and strengthen profitability. Additionally, I will provide sincere explanations to and continue dialogues with external stakeholders while promoting management that gains everyone’s sympathy and support.

## Overview of the Kirin Group

## The Kirin Group's Businesses

Beginning with the fermentation and biotechnology that the Kirin Group polished through our founding beer business for over a century, we have a diverse, solid business portfolio that expands the three domains of Food & Beverages, Pharmaceuticals, and Health Science.

**Kirin Holdings Company, Limited**

**Head Office:** NAKANO CENTRAL PARK SOUTH,  
10-2, Nakano 4-chome, Nakano-ku,  
Tokyo 164-0001, Japan

**Yoshinori Isozaki,**  
**Representative Director of the Board & CEO**

**Takeshi Minakata,**  
**Representative Director of the Board, President & COO**

**Date of Incorporation:** February 23, 1907

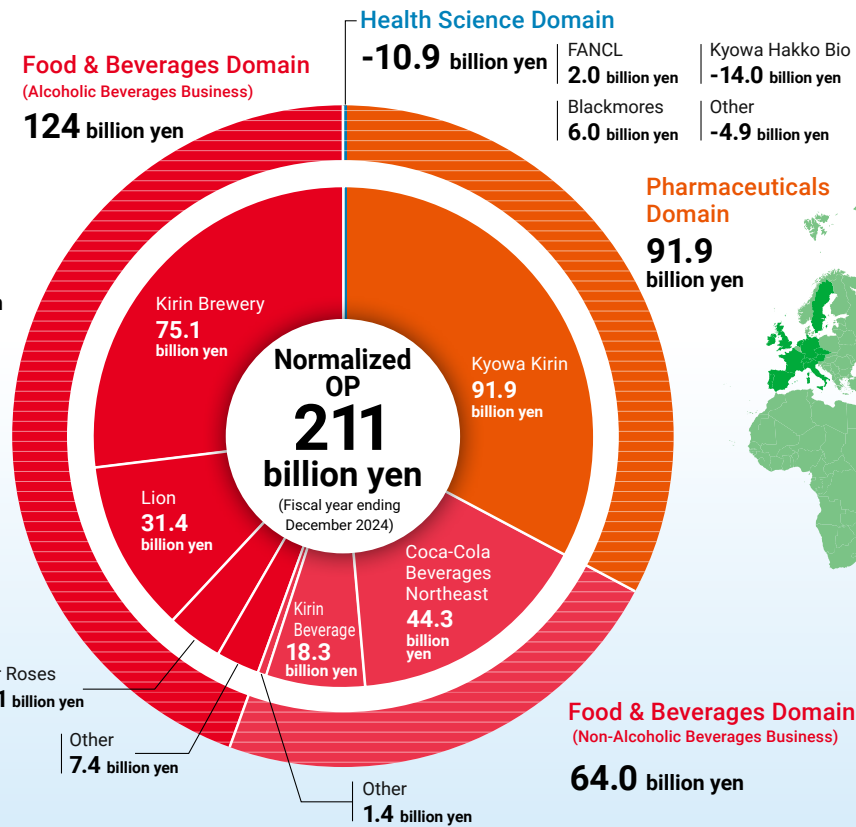
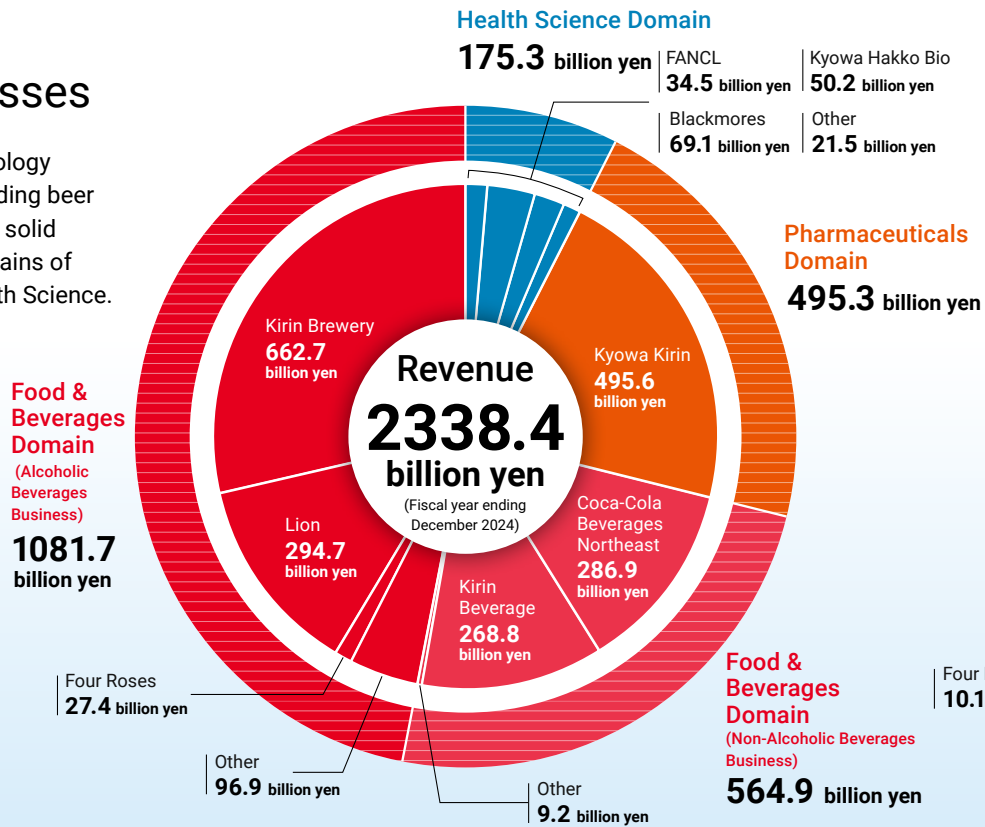
**Number of Employees:** 1,067 (individual),  
31,934 (consolidated)

**Code Number:** 2503 (Listed Stock Market = Tokyo Stock Exchange (TSE) Prime)

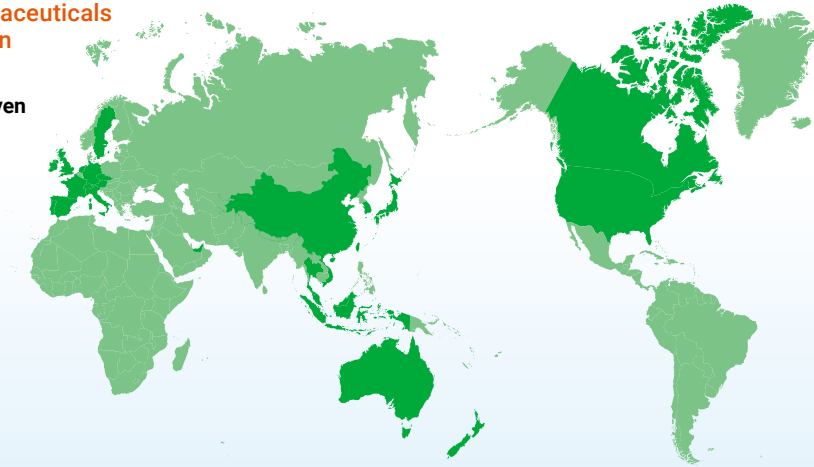
Number of Consolidated Subsidiaries: 177

**Number of Affiliates: 28**

(As of December 31, 2024)



### Kirin Group's bases around the world



Countries and regions with one or more production and/or sales facilities

## Food & Beverages Domain (Alcoholic Beverages Business)

Revenue	Normalized OP
<b>1081.7</b> billion yen	<b>124.0</b> billion yen

This business domain, which includes our founding brewing business, constitutes the backbone of the Group. Since the 1990s onward, we have expanded our Food & Beverages Business into Asia, Oceania, and other parts of the world, manufacturing and marketing products under a broad range of value-added brands.

**Main subsidiaries** Kirin Brewery (10 other companies)  
Lion (40 other companies) Four Roses



## Food & Beverages Domain (Non-Alcoholic Beverages Business)

Revenue	Normalized OP
<b>564.9</b> billion yen	<b>64.0</b> billion yen

**Main subsidiaries** Kirin Beverage (10 other companies)  
Coca-Cola Beverages Northeast



## Pharmaceuticals Domain

Revenue	Normalized OP
<b>495.3</b> billion yen	<b>91.9</b> billion yen

We combined our proprietary fermentation and cultivation technologies acquired from the brewing business with biotechnologies to launch research and development of pharmaceutical products in the 1980s. The Pharmaceuticals Business has since grown to become one of the Group's core businesses, marketing biomedicines and other products in the global arena.

**Main subsidiaries** Kyowa Kirin (55 other companies)

Providing  
pharmaceuticals that  
meet unmet medical  
needs



## Health Science Domain

Revenue	Normalized OP
<b>175.3</b> billion yen	<b>-10.9</b> billion yen

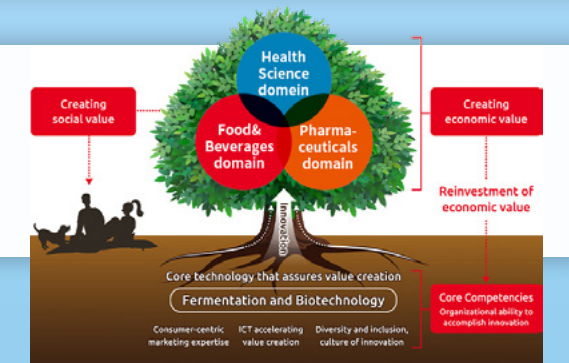
Our years of research in the Food & Beverages Domain, into naturally derived materials, as well as into fermentation and cultivation, have led to the discoveries of *Lactococcus lactis* strain Plasma (LC-Plasm, a postbiotic) and other substances proven to be beneficial to the human body. We intend to continue to make the best use of these assets to evolve the Health Science Business into a growth driver for the Group.

**Main subsidiaries** FANCL (8 other companies) Blackmores (30 other companies) Kyowa Hakko Bio (10 other companies)



## The fermentation and biotechnology at the root of all three domains

We have combined biotechnology with the technologies for controlling fermentation and culture that originated from beer brewing and applied these to the cultivation of various microorganisms, including lactic acid bacteria. This has led to the discovery and extraction of various useful substances (functional substances) in the field of health sciences. It is also used for the cultivation of animal and human cells in the Pharmaceuticals Business, and forms the basis of the Kirin Group's technological capabilities.





History of Business Development

1907-19801981-20052006-20152016-20182019-

Spanning the years from the foundation of Kirin Brewery to the expansion of the Food & Beverages BusinessDiversifying into the Pharmaceuticals and Health Science BusinessAggressively pursuing M&A opportunities to become a major player in the global arenaRestructuring and revitalizing Kirin GroupEvolving to become a global leader in CSV

Social events Company-wide events

1923 Yokohama Yamate Plant damaged due to the Great Kanto Earthquake and relocated to Namamugi, Yokohama (now Yokohama Brewery, Kirin Brewery Company, Limited).

1975 Formulates "Transformation Initiative 1975."

1981 Formulates the Long-Term Management Vision.

2006 Formulates the Long-Term Management Vision "Kirin Group Vision 2015" (KV2015).

2011 Starts to support areas affected by the Great East Japan Earthquake and begins to adopt CSV management.

2012 Formulates the Long-Term Management Vision "Kirin Group Vision 2021" (KV2021).

2013 Establishes Japan's first CSV-specialized department.

2016 Revises to new Long-Term Management Vision "Kirin Group Vision 2021" (new KV2021).

New Long-Term Management Vision "Kirin Group Vision 2021" (new KV2021)

2016 MTBP

2019 Formulates the Long-Term Management Vision "Kirin Group Vision 2027" (KV2027).

2019 Kirin Group's CSV Purpose formulated.

2019 Health Science Business Department newly established

Long-Term Management Vision "Kirin Group Vision 2027" (KV2027)

2019 MTBP

2022 MTBP

Business Plan for FY2025

Food & Beverages Since 1907

1885 Japan Brewery Co., Ltd. established.

1888 Kirin Beer introduced.

1907 Kirin Brewery Co., Ltd. established.

1928 Kirin Lemon introduced.

1943 Kirin Science Institute (the forerunner of Kirin Central Research Institute) established.

1963 Vending Machine Services Co., Ltd. (the forerunner of Kirin Beverage Co., Ltd.) established.

1972 Kirin Seagram Co., Ltd. (the forerunner of Kirin Distillery Co., Ltd.) established.

1976 Koiwai Dairy Products Co., Ltd. established.

1977 KW Inc. (the forerunner of Coca-Cola Beverages Northeast, Inc.) established.

1983 Kirin City Co., Ltd. established.

1998 Acquires a stake in Lion Nathan Limited (now Lion Pty Limited) in Australia.

2002 Acquires business rights of Four Roses in the United States.

2002 Acquires a stake in San Miguel Corporation in the Philippines.

2006 Makes Mercian Corporation a consolidated subsidiary.

2017 Completes the transfer of Brasil Kirin's Shares.

2020 Makes New Belgium Brewing Company, Inc. a wholly owned subsidiary.

2021 Completes the transfer of Lion-Dairy & Drinks Pty Ltd's Shares.

2021 Makes Fermentum Pty Ltd a wholly owned subsidiary.

2022 Makes Bell's Brewery Inc. a wholly owned subsidiary.

\*Absorbed by and merged with New Belgium Brewing Company, Inc., in December 2023.

2022 Completes the transfer of China Resources Kirin Beverages (Greater China) Company, Limited's Shares.

2023 Completes the transfer of Myanmar Brewery Limited's Shares.

Pharmaceuticals Since 1982

1982 Establishes Kirin Brewery's Research and Development Division and begins research and development in the Pharmaceuticals domain.

1984 Kirin-Amgen, Inc. established.

1990 Kirin Brewery introduces ESPO®, an erythropoietin (EPO) medicine effective on nephrogenic anemia.

2007 Kirin Pharma Co., Ltd. established.

2008 Kyowa Hakko Kirin Co., Ltd. (the forerunner of Kyowa Kirin Co., Ltd.) established.

2018 Launches global strategy products Crysvida and Poteligeo in Europe.

2023 Begins selling Crysvida in vending machines in North America

2024 Makes Orchard Therapeutics plc (currently Orchard Therapeutics Limited) a wholly owned subsidiary

2024 Partnered with Kuro Oncology

Health Science Since 1983

1983 A health food project team is formed under Kirin Brewery's Business Development Division.

1983 Launches Refle, a nutritional food made of beer yeast.

1988 Supported the establishment of La Jolla Institute for Immunology (the forerunner of La Jolla Institute for Allergy and Immunology).

2002 Discovers Lactobacillus paracasei KW3110.

2008 Kyowa Hakko Bio Co., Ltd. established.

2010 Lactococcus lactis strain Plasma discovered.

2017 Launches a new brand iMUSE.

2019 Make a capital and business alliance with FANCL Corporation.

2020 iMUSE accepts notification as Japan's first\* foods with function claims for immune function support.

\*The first-ever Japanese brand to be publicly announced as foods with function claims for immune function support.

2023 Makes Blackmores Limited a wholly owned subsidiary.

2024 Agreement on the transfer of Kyowa Hakko Bio Co., Ltd.'s amino acid business and others

2024 Makes FANCL CORPORATION a consolidated subsidiary.

Corporate Policy

Corporate Philosophy

Kirin's enduring, long-term significance in society

KIRIN brings joy to society by crafting food and healthcare products inspired by the blessings of nature and the insights of our customers.

We pride ourselves on offering products based on what people want. We pride ourselves on our ability to harness the blessings of nature through innovative technology. We pride ourselves on delivering tangible satisfaction and quality in everything we make. All of which ensures that we exceed customers' expectations. And naturally, we do not stop there. As we look forward with vision and dreams, we aim to continue offering food and healthcare products that bring new joy to people's lives everywhere. Always a step ahead, the Kirin Group supports health, pleasure and comfort in your life.

"One KIRIN" Values

The way of thinking and feelings that we value as members of the Kirin Group

"Passion. Integrity. Diversity."

▶**Passion** Our determination to continuously provide our customers and society with new value propositions based on innovative ideas, and our enthusiasm to meet goals with pride in the companies we work for and the brands we offer.


▶**Integrity** Our gratitude to our stakeholders for always helping us move forward, and our promise to remain honest and humble in every business activity to serve them better.

▶**Diversity** Our respect for different perspectives and values that enable constructive discussions, and our belief that the "differences" have the power to change the world and create better solutions.

Corporate Slogan

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

Joy brings us together



Financial and Non-financial Highlights

Key financial performance indicators

ROIC

4.1%

2025 Guidance → 7.2%

EPS

172<sup>\*</sup>yen

2025 Guidance → 185 yen

\*Results up through 2024 were calculated using the conventional method for calculating normalized profit.

Normalized EPS = Normalized profit / Average number of shares outstanding during period

Normalized profit = Profit attributable to Owners of the Company ± Other operating income and expenses and other items after income taxes

We will adopt non-normalized EPS from 2025.

Key non-financial performance indicators Please refer to page 97 for the Kirin Group's GHG emissions calculation method.

Environment

Climate Change

Reduction ratio of GHG emission (Scope 1+2) (compared with 2019)

34%

2025 Target → 28%

2030 Target → 50%

Environment

Containers and Packaging

Percentage of recycled resin used in PET bottles<sup>\*1</sup>

36%

2025 Target → 40%

2027 Target → 50%

Environment

Water Resources

Water use intensity at manufacturing sites with high water stress<sup>\*2</sup>

3.1 kl/kl<sup>Lion (Australia)</sup>

2025 Target → Under 2.4 kl/kl

2027 Target → Under 2.4 kl/kl

Health

Progress of mid-term health science strategy

Achievement level in supporting the maintenance of immune function

Recognition rate of LC-Plasma function in Japan<sup>\*3</sup>

30%

Number of people continuing to take LC-Plasma<sup>\*4</sup>

780,000 people

Employees

Organizational Culture

Employee engagement score<sup>\*5</sup>

71

2025 Target → 72

2027 Target → 75

Employees

Diversity

Achievement level in "Increasing diversity"

Ratio of female managers in Japan<sup>\*6</sup>

15.9%

2025 Target → 18%

2030 Target → 30%

Ratio of mid-career hires in Japan<sup>\*8</sup>

42.9%

Employees

Occupational health and safety<sup>\*7,\*9</sup>

Lost time injury frequency rate

0.97

2030 Target → 0.1

\*1 Calculations are based on PET resin used by Kirin Brewery, Kirin Beverage, and Mercian for product packaging.

\*2 Based on Aqueduct's Water Stress and WRF's Baseline Water Depletion, the three Lion sites of Tooheys Brewery/James Boag Brewery/Castlemaine Perkins are included.

\*3 From 2025, we will change the goal item to "Social impact of the Group's Health Science products (2025 Target: 125 million people)."

\*4 From 2025, we will change the indicator to "Contribution to the expansion of the immunity market (LC-Plasma) (2025 Target: 2.45 million people)."

\*5 From 2025, we will change the indicator to "CVS practice score (2025 Target: 72)." Major group companies that have production and logistics functions within the group will be included. Partner companies within the plant premises are also included.

\*6 The data covers original employees of Kirin Holdings Company, Limited. However, executive officers and rehired employees are not included. The Company defines a management position as a position equivalent to the term used in other private-sector companies, such as a manager (a person who directs workers and manages the organization).

\*7 From 2025, we will change the indicator to "LTIR score (2025 Target: 2.50)."

\*8 The ratio of mid-career hires in Japan is based on the employees with a domicile at Kirin Holdings Company, Limited. However, rehired employees are not included.

\*9 From 2025, we will change the indicator to "Presenteeism (2025 Target: 63.6%)."

(Results in 2024)



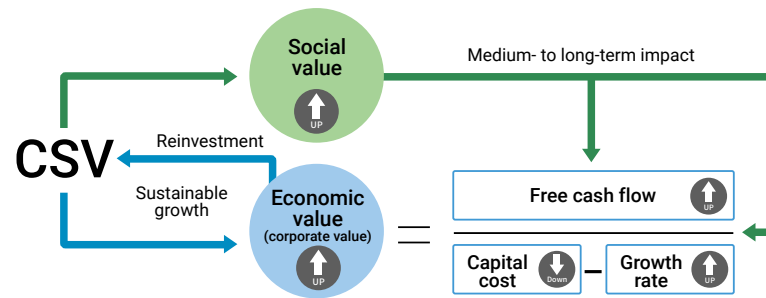
# 03

## Value Creation in the Kirin Group

### CSV Management

“CSV” stands for “creating shared value,” and is a concept that was proposed by Harvard University Professor Michael E. Porter and Mr. Mark R. Kramer in 2011. CSV is the idea that making efforts in meeting social needs and resolving social issues will create social and economic value that will become the next driving force of growth.

Structure for sustainable value creation based on CSV Management

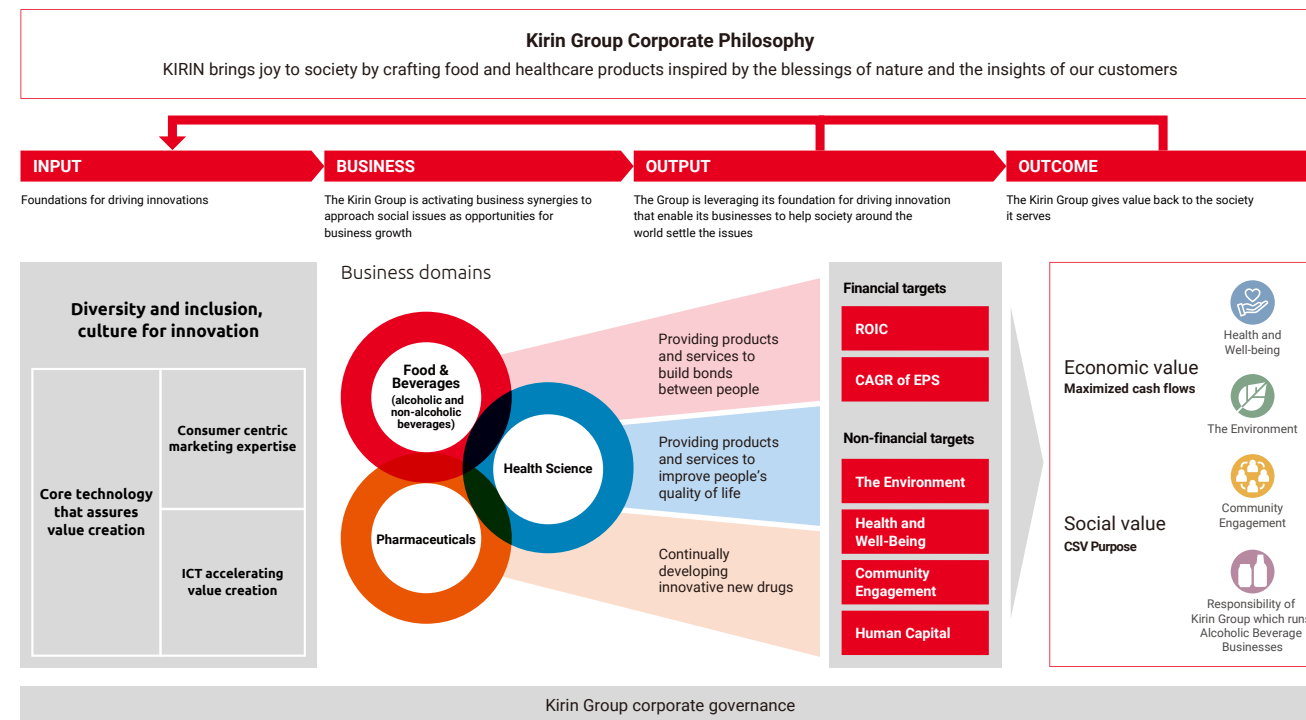


Value maintenance, including tackling risks that could impact business if not handled as a corporation, is a part of economic value.

### Value Creation Model

In the Kirin Group's CSV Management, we aim to expand and reproduce solutions to social issues and improve corporate value by using innovation to resolve social issues and reinvesting the profits gained from doing so. The key to realizing this is the Value Creation

Model. With the organizational capabilities (INPUT) necessary for creating innovation as our foundation, we are resolving social issues through business activities (BUSINESS) to create value (OUTPUT / OUTCOME) and realize our CSV Purpose.



### The origin of CSV Management

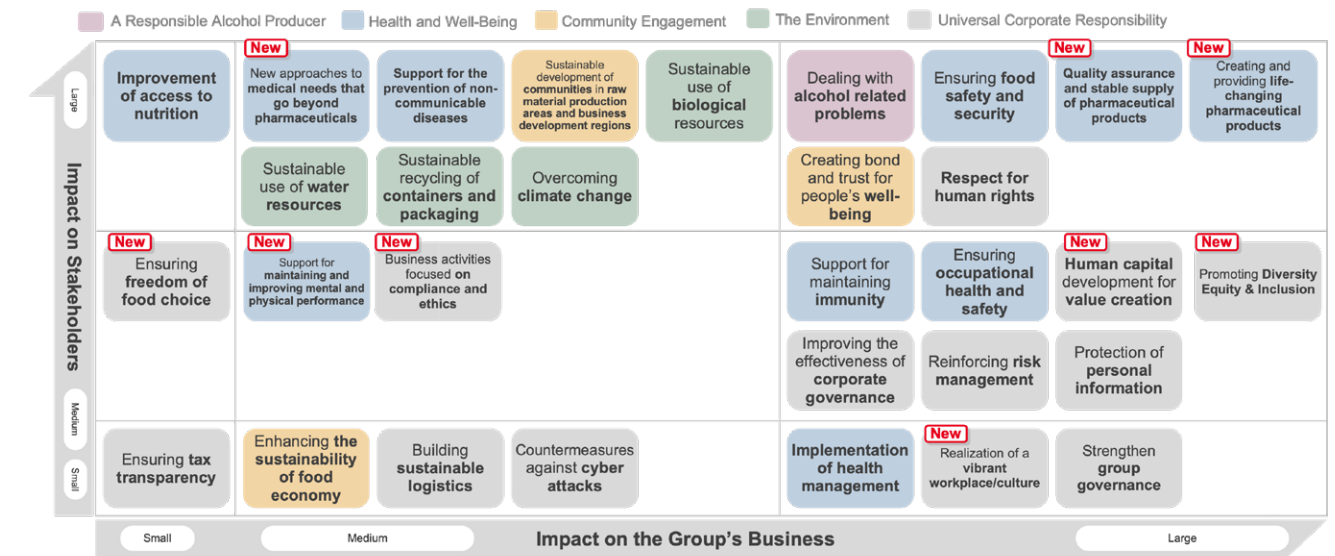
The idea behind the Kirin Group's CSV Management comes from a concept advocated for by Dr. Albert Schweitzer, winner of the 1952 Nobel Peace Prize: “Reverence for Life (Ehrfurcht vor dem Leben).” This concept suggests that humans are a part of the natural world, and that, in a natural world where everything is interconnected, we cannot hope for a sustainable future if we only pursue personal profit. The idea that inspired the CSV of today has been passed down for generations since before the word “CSV” was coined. The Kirin Group will continue to inherit this DNA, to further develop it, and to aim to be a global leader in CSV.

### Management Issues for Sustainable Growth

#### —Group Materiality Matrix (GMM)

Kirin Holdings has organized its Management Issues for Sustainable Growth (Kirin Holdings Materiality Matrix (GMM)), which outlines the challenges it should address to operate and develop sustainably in partnership with society. The Group evaluates the GMM from the two

perspectives of impact on its business and impact on stakeholders. As the Group considers that the GMM will change over time, it re-evaluates and revises the GMM as necessary.



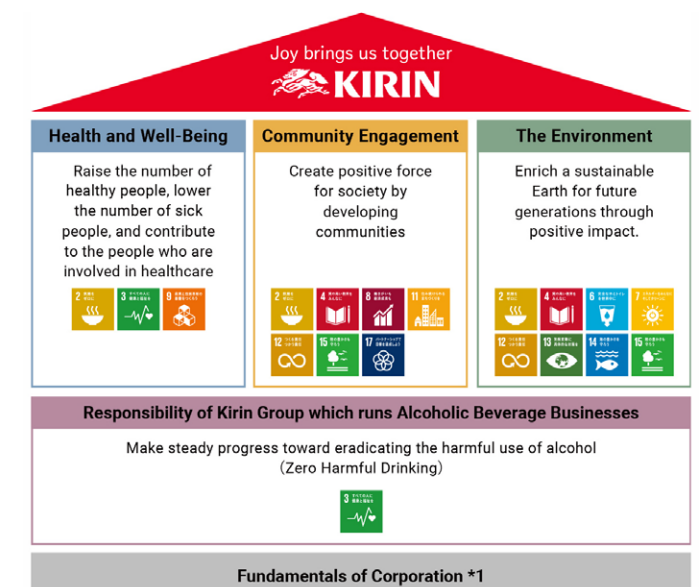
### CSV Purpose

The CSV Purpose is based on the GMM and identifies four key issues that must be addressed in order to exist sustainably and develop together with society.

In February 2025, we clearly defined the activities that are prerequisites for CSV management and that we have implemented so far as “Fundamentals of Corporation” and established as the foundation of our business management.

Additionally, in order to clarify the areas that we will focus toward the next 10 years, we changed “Community Engagement” to put more value on connections with society and changed the title of “A Responsible Alcohol Producer” to “Responsibility of Kirin Group which runs Alcoholic Beverage Businesses.” Each operating company and business segment makes efforts toward our CSV Commitment, an action plan to realize these guidelines.

Please refer to pages 88–95 for information on and results of the CSV Commitment.



\*1 "Fundamentals of Corporation" is a set of management issues that are not included in CSV Purpose, such as "human rights," "human resources," "governance," and "moral responsibility" etc.

# Message from the Senior Executive Officer of CSV Strategy

## Transforming Initiatives Toward Becoming a Global Leader in CSV

### Hiroshi Fujikawa

Senior Executive Officer,  
Kirin Holdings Company, Limited



### Updating guidelines toward realizing our vision

#### —As the senior executive officer in charge of CSV strategy, what is your take on the vision proposed in the Long-Term Management Vision of the Kirin Group Vision 2027 (KV2027): a global leader in CSV?

The year 2024 continued to be scarred by severe environmental issues, including hurricanes, wildfires, and many other natural disasters that resulted from climate change. Additionally, the prices of numerous raw materials skyrocketed due to natural disasters such as droughts. If the Kirin Group cannot obtain raw materials, naturally we will be unable to produce and sell products, which would threaten the Group's sustainability. In other words, even for continuing in business, maintaining the Earth's sustainability is vital.

Through business activities in our Alcoholic Beverages, Non-Alcoholic Beverages, Pharmaceuticals, and Health Science Businesses, our Group contributes to resolving social issues while generating economic value to become a global

leader in CSV, but we have no clear-cut requirements for what constitutes a global leader in CSV. This is because we want to avoid focusing entirely on actions simply aimed at fulfilling set requirements amidst the continuously evolving social issues and then ending our activities as soon as those requirements are met. We believe a global leader in CSV is a company in which all Group members understand and sympathize with CSV management and in which members contribute to CSV management through their daily work: It is a company that has large and small positive impacts on society through innovative initiatives and that is recognized around the world. The year 2027, the target for our long-term management vision, is fast approaching, and I believe that some good examples of value creation that embodies CSV management are emerging.

#### —How is CSV connected to management strategy and value creation?

Our Group is promoting CSV management through our diverse, solid business portfolio that includes Alcoholic Beverages, Non-Alcoholic Beverages, Pharmaceuticals, and Health Science Businesses, technological capabilities centered on fermentation and biotechnology, and diverse human capital.

In particular, in the Health Science Business, Blackmores Limited, which joined our Group in 2023, identified "People," "Planet," and "Community" as the pillars of sustainable growth, and the management strategy of FANCL Corporation, which joined in 2024, is based on their founding philosophy of "Eliminate the 'negatives' with a Sense of Justice." This illustrates that our Group's CSV management concept is shared throughout the strategies of each Group company.

In 2024, we produced results under each theme of the CSV Purpose. In regard to "Health and Well-Being," *Lactococcus lactis* strain Plasma

(LC-Plasma, a postbiotic) received the Imperial Invention Prize in 2023. In addition, our collaborative research and development of an LC-Plasma medical vaccine with the Japan Institute for Health Security was accepted as a project for research and development into new modalities contributing to vaccine development by the Strategic Center of Biomedical Advanced Research and Development for Preparedness and Response under the Japan Agency for Medical Research and Development, so we are now looking to expand the product into the Pharmaceuticals Domain in the future. We will continue to spread immune care habits throughout the world and will also aim to develop products that act as countermeasures to new infectious diseases of future concern. In addition, as a new business in the Health Science Domain, we launched a tableware device, the Electric Salt Spoon, that enhances the saltiness and umami flavors of low-salt foods by using the power of electricity. It has been well-received by consumers who want to decrease their salt intake.

In the fields of "Community Engagement" and "The Environment," our sale of beer products that contribute to revitalizing local communities, like *Kirin Beer Harekaze*, and products that support food loss reduction and farmers who produce raw materials, such as *KIRIN HYOKETSU mottainai*, have been praised by key customers and consumers. Going forward, we will continue to develop products that help address social and environmental challenges while creating economic value, and to engage in activities that improve the productivity of our value chain.

Our Group's CSV initiatives also strengthen our human capital. In recent years, we have seen an increase in the number of applicants who say they want to work with us because we use CSV management to resolve social issues. This growing interest has become a powerful driver for further promoting CSV management.

Our Group will continue to leverage our strengths in technological capabilities and diverse human capital to make innovations and to strive to enhance our sustainable corporate value.

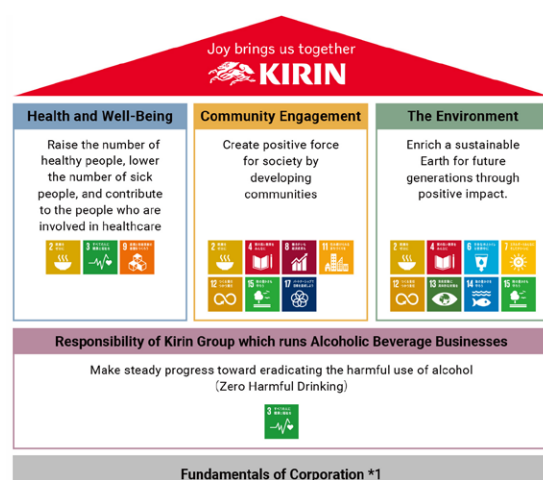
#### —What will the process be for updating the new Management Issues for Sustainable Growth (the Group Materiality Matrix: GMM) announced in February 2025?

First, the CSV Strategy Department I oversee will identify management issues from a third-party perspective and will carefully examine the degree of impact these issues will have on our Group. This will then be discussed with the Group Executive Committee, the Group CSV Committee, and other organizations, and any final decisions will be made by the Board of Directors.

We had begun to update the GMM even before making FANCL a consolidated subsidiary, and the main elements have not changed significantly since last year. Therefore, we are continuing to examine the GMM for the Health Science Business, which has established its business foundation. In addition, we have received negative comments from investors about our conventional process of reviewing the GMM once every three years when we formulate middle-term management plans. Amidst the rapidly changing environment, we plan to review the GMM in line with our annually rolling three-year goal.

#### —Can you please tell us why parts of the CSV Purpose have been edited?

One of the major edits was changing "A responsible alcohol producer" to "Responsibility of Kirin Group which runs Alcoholic Beverage Businesses." By doing this, as a Group that operates Alcoholic Beverage Businesses, operating companies throughout all our business areas have further solidified their determination to eliminate the harmful consumption of alcohol.



\*1 "Fundamentals of Corporation" is a set of management issues that are not included in CSV Purpose, such as "human rights," "human resources," "governance," and "moral responsibility" etc.



Regarding global alcohol-related problems, we have joined the International Alliance for Responsible Drinking (IARD) to promote responsible drinking and to eliminate the harmful use of alcohol, including underage drinking. IARD global standards include commitments to displaying responsible drinking messages including age-restriction reminders on product labels of alcoholic and non-alcoholic beverages. IARD members work with social media platforms to enhance age assurance and, as members, we apply five key safeguards on our digital channels, achieving an independently audited 98.2% full compliance rate in 2024.

We will continue to engage in responsible marketing for alcoholic and non-alcoholic beverages in our advertisements and sales.

For example, as part of our promotion to raise awareness about responsible drinking, a video on eliminating drunk driving featuring the non-alcoholic beer *Kirin GREENS FREE* received more than 150,000 views. In addition to the traditional awareness activities conducted for many years at beer factories,

the initiative also extended to numerous seminars held at companies and universities, leading to a deeper understanding of responsible drinking.

In February 2024, Japan’s Ministry of Health, Labour and Welfare released “Guidelines for Health-Conscious Drinking” to contribute to helping people living in Japan determine appropriate alcohol consumption and behaviors based on their individual situations. Meanwhile, alcohol also plays a role in bringing people together. We will remain committed to eliminating the harmful consumption of alcohol while cultivating an alcohol culture that contributes to bringing joy to society through its appropriate consumption.

Another alteration is the relabeling of key economic issues in the GMM that apply to all corporations as “The Fundamentals of Corporation.” Included in this section are “Human Rights,” “Governance,” and “Human Resources.” We have determined the fundamentals of a corporation to be fulfilling its role as a member of society, considering the needs of stakeholders, and acting ethically.



committed to creating biodiversity, procurement, and other guidelines. Biodiversity is a global issue, but because the weather and the quantity of water resources, etc. differ by region, we will address issues individually by considering the characteristics of each region. By accumulating various insights in this way, we will then tailor any useful approaches to other regions. A prime example of this is Mercian Corporation’s Mariko Vineyard. This vineyard grows grapes for Mercian’s wine, nurtures a rich ecosystem through hedge planting and grass cultivation, and is registered as an Approved Site for the Ministry of the Environment’s 30by30 Alliance for Biodiversity. The Château Mercian Mariko Vineyard is in no way large, but we hope to expand the scale of our social contributions by using the knowledge gained in the vineyard to other farmlands. In February 2025, the Château Mercian Jonohira Vineyard in Yamanashi Prefecture was also recognized as a Nationally

Certified Sustainably Managed Natural Site and is considered one of the few examples of a business that leads to Nature Positive. Meanwhile, as we do not own the tea plantations where the leaves for *Kirin Gogo-no-Kocha* are grown, direct control is difficult. In such cases, we work with the Rainforest Alliance to promote environmental conservation and support the local communities surrounding the farms. We will also apply similar support to coffee farms in Vietnam.

Regarding human rights, our Group announced our Human Rights Policy in 2018 in line with the United Nations’ Guiding Principles on Business and Human Rights. Following this policy, we swiftly withdrew from our beer business in Myanmar in response to the military coup there in 2021. I feel that the world’s awareness of human rights has grown significantly in recent years. We will face this issue responsibly, not just on our own, but together with companies and people that we partner with.

Lastly, regarding human capital, our Group is currently undergoing a business portfolio transformation, expanding its business across new regions and domains. In this context, diversity and expertise will become increasingly important for generating new value and driving innovation. We will steadfastly connect management strategies and human capital to implement these initiatives.

## Becoming a global leader in CSV through practical initiatives and advanced information disclosures

### —To what degree does the Kirin Group aim to disclose non-financial information?

We are preparing to comply with the sustainability disclosure standards published by the Sustainability Standards Board of Japan (SSBJ) in March 2025. Information disclosures are important for stakeholder engagement, increased company transparency, and stronger trust. As a Group, we started preparing early so as to quickly realize efficient gathering of internal data for disclosures that benefit our various stakeholders so we can integrate their opinions in our management. Thus, we aim to make easy-to-understand disclosures that lead to corporate value.

### —How is the progress of initiatives in the non-financial domain?

Collecting non-financial data is extremely difficult, and there are many issues concerning their disclosure that we need to resolve, such as the fact that detailed rules can change rapidly, although framework of the rules itself is transparent, and the need to simultaneously release Japanese and

English versions as quickly as possible. At present, we are at the forefront of disclosure in the area of the environment, even on a global scale. Our efforts include our responses to the Task Force on Climate-related Financial Disclosures’ and the Taskforce on Nature-related Financial Disclosures’ frameworks and the formulation of the Roadmap to net zero. Additionally, our efforts to reduce greenhouse gas emissions are going smoothly and have been praised internationally. On the other hand, since we have been focusing on areas where reductions could be achieved relatively quickly with high effectiveness, future initiatives will likely be more complex and expensive. Therefore, we want to enhance the quality of our initiatives. For example, in the containers and packaging domain, we will try our hands at chemical recycling and build a system for recycling materials for plastic bottles. Such initiatives are rare on a worldwide basis, so we will show ourselves to be a global leader in CSV through such innovations.

In the biodiversity area, since the 10th Conference of the Parties to the Convention on Biological Diversity in 2010, our Group has

## Building a future through dialogues with stakeholders

### —Please tell us about recent initiatives in engagement with the six stakeholders.\*

Our leading initiative in 2024 was an investigation into the awareness and purchasing habits of consumers with high interest in sustainability, as a form of engagement with consumers.

As a result, we are starting to see new signs of consumers’ growing interests in sustainability. For example, *Kirin Beer Harekaze* and *KIRIN HYOKETSU mottainai*, both launched in 2024, give a portion of their sales to local communities and farmers in their regions of origin. These products enable consumers to indirectly help address social and environmental challenges in those communities. These products are seeing success, such as in receiving endorsement from the younger consumers and retailers and being placed at store fronts for longer than conventional products. Through dialogues with stakeholders, we

have realized there is a necessity to take on more forward-looking initiatives.

It has been more than ten years since we started CSV management in 2013, and the understanding and sympathy of employees has grown, but we recognize we must further improve its execution going forward. Toward becoming a global leader in CSV, we hope to create a system in which it is easy for every employee to take action to create a future where our Group’s products and services can support consumers throughout their lives. Please stay tuned to see what new value is produced by our Group’s CSV management!

\*Customers, shareholders and investors, the environment, business partners, communities, and employees common to all Kirin Group companies. To realize the Kirin Group’s CSV, we treasure these relationships with stakeholders and aim to co-create new value with them.

Kirin Group’s Foundations for Driving Innovations

Human Capital

Diversity and Inclusion, Culture for Innovation

Kirin Group’s Human Capital Strategy

The link between the Management and Human Capital Strategies

The Kirin Group’s Basic Philosophy, “Respect for Humanity,” is based on a belief in the endless possibilities of people. We provide an environment in which each and every employee can challenge themselves to create new value, work with energy, and continue to grow through their work. By viewing human capital as the source of value creation and our competitive edge, and investing in them, we aim to be “a company where human capital grows and wins through human capital.” While the Human Capital Strategy enhances the execution of the current strategy, the capabilities of our human capital are also an essential element for raising our future corporate value and increasing the potential of the Management Strategy. The keys to this will be expertise and diversity. As every employee grows their expertise, we will provide an environment for cultivating diverse experiences and perspectives with our diverse, strong portfolio, extending from Foods & Beverages (Alcoholic and Non-Alcoholic) to Health Science and Pharmaceuticals, and foster expert and diverse human capital.

Additionally, we will promote CSV management, realize the sustainable growth of our Group, and improve our corporate value by creating an organizational culture accepting of diverse values and engaging in co-creation across the organization and teams.

Issues and initiatives

The P&C Story linking human capital strategy to value creation

While issues and high-priority initiatives may differ between countries, regions, and businesses, they are similar in that they connect the Human Capital Strategy to value creation. In order to promote a Human Capital Strategy representative of the Kirin Group, we established a Group-wide P&C Story that connects human capital (diversity and inclusion, culture for innovation) to value creation based on the Group’s Value Creation Model. The P&C Story comprises four key factors: Well-Being, Growth, DE&I, and KABEGOE. Through the P&C Story, we will cultivate human capital and an organizational culture that balance expertise and diversity and engage in KABEGOE.

Kirin Group P&C Story

- Well-being**  
Work healthy and to the fullest, and create job satisfaction through sympathy for CSV management
- Growth**  
Proactively hone expertise toward self-reliant career development and enrich values through diverse experiences
- DE&I**  
Accept diverse values that differ from their own, and have a mindset of co-creation with peers
- KABEGOE**  
Act with curiosity in everything, turn failures into learning opportunities, and proactively practice creativity and value creation.

Issues and initiatives

In order to realize Kirin Group Vision 2027 (KV2027) and sustainable growth of the Group beyond KV2027, we believe it is important to foster an organizational culture in which each and every employee understands how their job is related to CSV management and proactively practices creativity and value creation. Therefore, looking at the gap between the current situation and our outlook on future environmental changes and management strategies, we established a vision and identified key issues based on the P&C Story to improve strategy execution abilities (short-term perspective) and to continuously adjust our human capital strategy so as to not limit future management strategies (medium- to long-term perspective).

- Key issues
- 1. Well-Being: Foster employees who are healthy and energetically engage in their work with motivation
  - 2. Growth : Enhance human capital and leaders with expertise and diversity
  - 3. Growth : Group management human capital = Foster and acquire human capital capable of working overseas
  - 4. DE&I : Be an organization that accepts diversity
  - 5. KABEGOE : Create an organizational culture that encourages learning from failures and successful KABEGOE

2024 results and future initiatives

Disclosure indicators and unique items

We set indicators for each key issue based on the P&C Story, which includes Well-Being, Growth, DE&I, and KABEGOE, and disclose them as unique items.

With internal and external environments rapidly changing, we added “Increased investments in fostering Group management human capital” to our unique items in 2024. It serves as an indicator for fostering Group management human capital that can play active roles overseas, based on new management issues such as accelerating the growth of the Health Science domain and leveraging strengths in business development across domains. In order to connect the Human Capital Strategy to value creation, we will continue to sustainably promote human capital management through dialogues with stakeholders.

Key factors	P&C Story *Key factor positioning	Key issues of the Human Capital Strategy	Initiatives addressing key issues	KPIs (unique indicators) for measuring initiatives
Well-Being	<b>Well-Being</b> *Mental and physical well-being and sympathy with CSV management Work healthy and to the fullest, and create job satisfaction through sympathy for CSV management	1. Foster employees who energetically engage in their work with motivation	Initiatives to promote understanding, sympathizing, and implementation of occupational safety, health management policies, and CSV	<b>Employee Engagement Score</b> 2021 72 ➡ 2022 70 ➡ 2023 70 ➡ 2024 71
Growth	<b>Growth</b> *Diverse individuals and growth Proactively hone expertise toward self-reliant career development and enrich values through diverse experiences	2. Enhance human capital and leaders with expertise and diversity 3. Group management human capital = Foster and acquire human capital capable of working overseas (KH employees)	Enhancing ability to encourage proactive creativity and taking on challenges, strengthening leadership, fostering management human capital, and visualizing, allocating, and externally acquiring human capital necessary for business growth	<b>Percentage of employees with experience in multiple business areas<sup>*1</sup></b> 2023 43.3% ➡ 2024 47.8% <b>Rate of investments in fostering Group management human capital<sup>*2</sup></b> 2022 100% ➡ 2023 142% ➡ 2024 156%
DE&I	<b>DE&amp;I</b> *An organization accepting of diversity Accept diverse values that differ from their own, and have a mindset of co-creation with peers	4. Be an organization that accepts diversity	Identify and eliminate barriers that prevent diverse employees to work respectively	<b>Diversity Index of Engagement Survey</b> 2022 68 ➡ 2023 69 ➡ 2024 69
KABEGOE	<b>KABEGOE</b> *Creation through diversity Act with curiosity in everything, turn failures into learning opportunities, and proactively practice creativity and value creation.	5. Create an organizational culture that awards learning failures and successful KABEGOE	Structure a system for CSV practices that go beyond organizations, businesses, and international borders to receive recognition at the Kirin Group Award	<b>Total number of applicants for Kirin Group Award<sup>*3</sup></b> 2021 12.6% ➡ 2022 23.1% ➡ 2023 36.1% ➡ 2024 94.2%

<sup>\*1</sup> The number of employees who have worked in one of the four domains (Food & Beverages, Health Science, Pharmaceuticals, Others), overseas, or outside the Group is counted as one, and the number of employees who had two or more counts of experience is calculated.  
<sup>\*2</sup> The amount invested in fostering Group management human capital (investments required for fostering global human capital, programs for management human capital, etc.) was calculated based on the difference compared to 2022.  
<sup>\*3</sup> The total number of applications for Kirin Group Award among all Group employees was calculated.



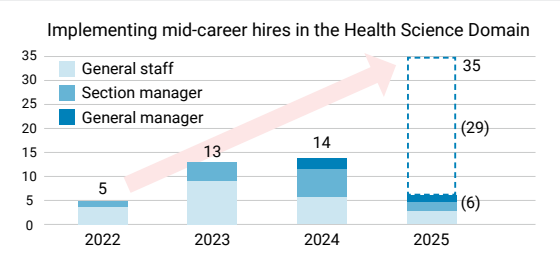
Example  
Accelerating strengthening of human capital toward realizing the Health Science Business Strategy

To realize the vision of our Health Science Business Strategy—Be one of Asia-Pacific’s Largest health Science Companies—we hired 38 employees with experience with specialized functions in the Health Science Domain,\* including corporate planning, marketing, basic research, quality assurance, and intellectual property, and plan to hire 29 more before the end of 2025. In particular, we believe that our hiring of a general manager with extensive experience in global business will accelerate the future global expansion of our business. By assigning human capital across the Group, we are generating synergy between organizational capabilities through exchanges. Toward creating synergy with FANCL Corporation, we are increasing talent exchanges between the Kirin Group and FANCL to around 30 people, mainly in corporate planning, overseas business, marketing, sales, and quality assurance.

Additionally, in order to improve our compliance with laws and regulations in various countries and improve

customer understanding, which will be necessary to expand our business globally, we will be collaborating with Blackmores’ experts to make the most of their knowledge.

<sup>\*We will improve corporate value in areas such as marketing, sales, supply chain management, finances, human resources, and R&D.</sup>





Kirin Group's Foundations for Driving Innovations

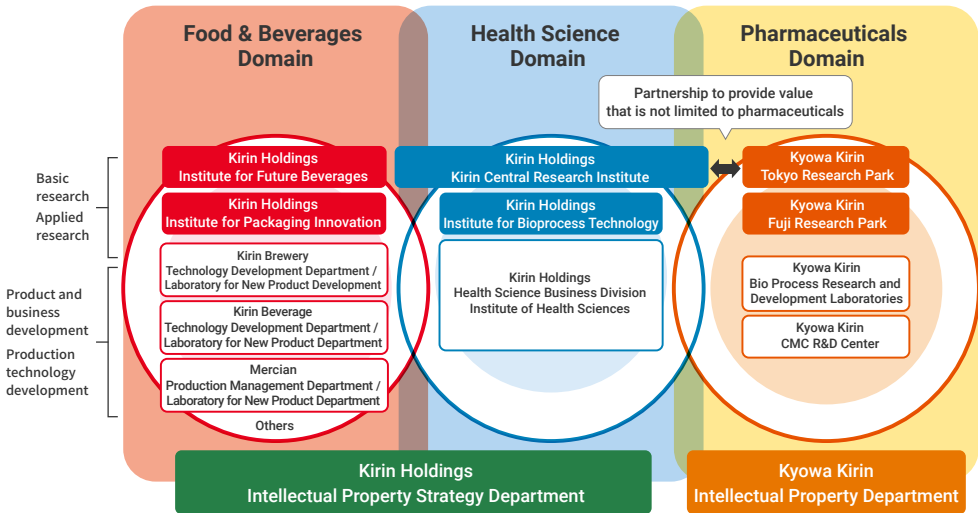
R&D  
Core Technology That Assures Value Creation

Core competencies of fermentation and biotechnology

We at the Kirin Group expanded our businesses, ranging from the Food & Beverages Domain to the Pharmaceuticals Domain. This expansion was based on our knowledge of raw material selection and processing and the fermentation and biotechnology we developed through beer production. In the Food & Beverages Domain, in order to create new value in the beer category toward the integration of alcohol tax on beer, we developed *KIRIN ICHIBAN Zero Sugar*. As for the Health Science Domain, we discovered *Lactococcus lactis* strain Plasma (LC-Plasma, a postbiotic) as a unique strain that supports the maintenance of immunity in healthy people and then developed the *iMUSE* brand (soft drinks, supplements, and more), a functional food with immune function. In regard to the Pharmaceuticals Domain, we commercialized unique therapeutic antibodies based on antibody creation technology.

An R&D system that supports technological capabilities

In the Food & Beverages and Health Science Domains, Kirin Holdings' research institutes are responsible for basic and applied research through the combination of human assets and technology. The R&D organizations for our operating companies are responsible for the practical application of products and services based on the results generated by research. In the Pharmaceuticals Domain, Kyowa Kirin Co., Ltd., is at the center of R&D.



Issues and progress since last year

Until now, the results generated at Kirin Holdings' research institutes have been passed on to our operating companies, and various products and services have been put to practical use at the companies. In this process, there were issues regarding initiatives in medium- to long-term business contributions. Therefore, from 2023, especially toward creating medium- to long-term innovation, our operating companies and Kirin Holdings' research institutes have been working together to formulate strategies and harmonize business and R&D strategies. In 2024, we created many opportunities for business and R&D divisions to engage in dialogues. As a result, we have set R&D themes with medium- and long-term outlooks on the businesses, reflected the themes in our strategies, and are promoting new initiatives toward creating added value in collaboration with our globally expanding operating companies.

Regarding intellectual property activities, through dialogues with the top management of business and R&D divisions, we are creating intellectual property for making medium- and long-term contributions to the businesses. Additionally, we are contributing to business development and strengthening our competitive position, such as by licensing intellectual property related to LC-Plasma to partner companies, thereby supporting the expansion of a new market for immune care. These activities are being recognized externally, and we received the Good-Standing Company Utilizing the Intellectual Property Rights System (Patent Exploitation) at the FY2025 Intellectual Property Achievement Awards, Awards from the Commissioner of the Japan Patent Office.



Pillars of strategy and initiatives

Advancing our initiatives with the collaboration of business, R&D, and intellectual property, we will simultaneously achieve R&D results and establish a competitively superior intellectual property portfolio.

In the medium- and long-term, we will identify necessary technologies based on consumer and social issues and business strategies and focus on R&D for maintaining and expanding those technologies. Furthermore, by protecting the results of this R&D as intellectual property rights and making them part of our intellectual property portfolio, we will establish a competitive technological edge against competitors to accelerate our businesses' growth. On top of that, we will combine external technologies, including digital solutions, with our own in pursuit of creating new value.

In order to expand our Health Science Business, we will simultaneously focus on R&D to enhance the profitability of LC-Plasma and citicoline, as well as on R&D activities aimed at generating new seeds for future innovation. In particular, in collaboration with FANCL Corporation, with their becoming a consolidated subsidiary, we will build an R&D foundation while engaging in joint research with Kirin Holdings' research institutes on various subjects, including skin. Together with the overseas company Blackmores Limited, we are also developing supplements and non-alcoholic beverages that use our Group's beverage development technology, packaging container development technology, and ingredients.

In October 2024, we established the joint venture Cowellnex Corporation with Kyowa Kirin Co., Ltd. We will combine our assets and collaborate to continue to identify and create new themes to "provide value that is not limited to pharmaceuticals."



Example

### Creating new, world-class technologies and products

- Creating a 3D model of cultured human skin**  
Toward creating business value with a medium- to long-term outlook on creative business value, Kirin Holdings' Kirin Central Research Institute created the world's first\* 3D reconstructed human skin model with macrophages made from induced pluripotent stem (iPS) cells in collaboration with FANCL and the Graduate School of Medicine at Juntendo University. Using this model, we expect to find more effective methods of treating symptoms related to inflammation, such as from aging or allergies.
- Developing new KIRIN HYOKETSU lineup for Australia**  
As a way to create synergy with overseas companies, we are leveraging the RTD (ready-to-drink) formula development technologies of Kirin Holdings and Kirin Brewery Company, Limited, at Lion Pty Ltd to develop new products for the Australia and New Zealand markets. We blended the characteristics of *KIRIN HYOKETSU* with Australia's needs to develop and launch *KIRIN HYOKETSU LEMON* in 2023. In 2024, we continued to develop and launch new products.
- Forums for dialogues on business and R&D**  
We held our internal exhibition (Seeds & Needs Forum) as a forum for dialogues on business and R&D at Nakano Head Office. More than 1,000 employees from Group companies around the world, including FANCL and Blackmores, participated, and the event has inspired us to continue dialogues on business and R&D that lead to innovation. Going forward, we will continue to create new themes through these dialogues.

Cross-sectional stained images of 3D reconstructed human skin model with macrophages made from human iPS cells

[H&E stained image] The skin's structure remains intact even when macrophages are incorporated

[Antibody stained image] The cultured skin with macrophages incorporated

Cell nuclei Macrophages

100 μm 100 μm

Dermal fibroblasts Macrophages

3D cultivation (Dermis construction)

Epidermal cells

3D cultivation (Dermal layer construction)

3D reconstructed human skin model



Kirin Group’s Foundations for Driving Innovations

Marketing

Consumer-Centric Marketing

The strengths, characteristics, and overall policies of the Kirin Group’s marketing

Within the Kirin Group, the marketing divisions of each operating company and the marketing central functions<sup>\*1</sup> of Kirin Holdings Company, Limited, collaborated to improve the capabilities of the Group’s marketing divisions with quick decision-making and execution skills for responding to environmental changes. The Kirin Group has identified the below opportunities for improving the Group’s consumer-centric marketing skills and is promoting relative initiatives.

<sup>\*1</sup> Functions that lead the Group on its mission to (1) generate results with enhanced Group marketing capabilities, (2) improve Kirin’s brand value, and (3) realize marketing human capital management

- ▶ Raise our “ability to understand consumers,” which is the foundation of CSV management, to an even higher level throughout the Group in the Foods & Beverages and Health Science Domains
- ▶ Embody the CSV-driven approach of “partnering with society in addressing social issues and achieving mutual growth” in both company and product brands
- ▶ Promote the development and utilization of human capital and exchange of knowledge across the Group for the future
- ▶ Provide support in resolving the challenges operating companies are facing and create collaboration across the Group, using marketing central functions

Enhance Corporate Value by further evolving consumer-centric marketing



Issues and progress since last year

We launched the marketing central functions in 2022 and have identified three issues.

First is the generation of business results through improving our “ability to understand consumers.” We do not promote the conventional company-centric marketing that prioritizes the desires of corporations and will continue to change to a marketing system that places consumers at the center of all decisions and prioritizes meeting their actual needs.

The second is changing the image of our company. In order to contribute to the growth of the Health Science Domain, our Group strove to gain a more wide-spread image as “A Group that contributes to consumers’ health.”

The third is embodying our Group’s CSV-driven approach of “partnering with society in addressing social issues and achieving mutual growth” in our product and company brands. Our Group’s operating companies in the Food & Beverages Domain remained committed to various CSV initiatives, such as through the sale of *KIRIN ICHIBAN Toretate Hop*, made with Japanese hops, by Kirin Brewery Company, Limited. However, we realized there was still room to grow the CSV image throughout the Group and strove to further enhance this image.



Strategies, pillars of initiatives, and results

To address the first issue of improving our “ability to understand consumers,” we are fostering human capital through systematic marketing training that is led by the marketing central functions and transcends the boundaries of operating companies.<sup>\*2</sup> At the same time, marketing central functions are having marketing personnel socialize and share their knowledge with the marketing departments of operating companies. We are building a system for fostering brands and establishing strategies at all operating companies that is centered on human capital with a deep understanding of consumers that have been fostered and dispatched in this way. Based on their understanding of consumers, Lion Pty Ltd launched the *KIRIN HYOKETSU* brand in Australia and New Zealand.

In regard to the second issue of shifting the Kirin Group’s image, we are enhancing the company’s brand communication that we started in 2023. In the third pediatrician version of “KIRIN Joy brings us together,” we share scenes of pediatricians being explained the importance of immunity, which our Group has researched over many years, at our immune-care system seminars through videos and owned media. In the fourth kindergarten version, we launched commercials for TV to explain the importance of immune care habits to children and their guardians and show people creating opportunities to practice immune care. According to surveys, these activities are gradually improving our Group’s health image year over year and promoting the shift in our image

Going forward, to address the third issue of embodying the Group’s CSV-driven approach, we will strengthen our commitment to social resolution activities using our representative brands (*KIRIN ICHIBAN*, *Kirin Beer Harekaze*, *KIRIN HYOKETSU*, *Kirin Gogo-no-Kocha*, and *iMUSE*) and soccer. In addition, based on “Responsibility of Kirin Group which runs Alcoholic Beverage Businesses,” we will bring joy to society and contribute to building a joyful future for consumers by addressing the social issues of “health and well-being,” “community engagement,” and “the environment” in terms of corporate and product brands.

<sup>\*2</sup> Currently targets the marketing staff at Kirin Holdings; Kirin Brewery; Kirin Beverage Company, Limited; Mercian Corporation; and Koikai Dairy Products Company, Limited

Example

Embodying our CSV-driven approach in product and company brands

• Donating some sales from *Kirin Beer Harekaze*

In April 2024, Kirin Brewery launched *Kirin Beer Harekaze* as a brand that embodies our Group’s CSV-driven approach. Based on our desire to preserve Japanese seasonal traditions and to ensure a future where people continue to enjoy them, we started Harekaze ACTION to make donations from a portion of sales to support cherry blossom conservation activities, fireworks festivals, and more. More than 190 million people<sup>\*3</sup> have joined this initiative, and donations collected for municipal governments have exceeded 130 million yen.<sup>\*4</sup> As our first new standard beer product in 17 years, we managed to acquire new consumers who do not normally drink beer and achieved our year’s target sales volume of 130%.

<sup>\*3</sup> Each sold can of *Kirin Beer Harekaze* was counted as one person. The total also includes the number of donated Harekaze coins.  
<sup>\*4</sup> As of December 31, 2024

• A partnership with the Japan Football Association

Our partnership with the Japan Football Association started in 1978 and is more than 45 years old. In addition to the conventional support of the athletes representing Japan, since 1978, we have collaborated on activities to support healthy minds and bodies and contribute to a society where people socialize with each other and find joy. As activities aligned with our CSV Commitment of “creating bonds and trust for people’s well-being,” we started the “Kirin Family Challenge Cup” to deepen the bonds between family and friends through soccer and “Big Smile Field” to support recovery after the Noto Peninsula Earthquake, and by striving to resolve social issues in community engagement, we have strengthened our image as a company that grows together with society.



## Kirin Group's Foundations for Driving Innovations

# Digital Transformation

## ICT Accelerating Value Creation

### The strengths, characteristics, and overall policies for the Kirin Group's digital ICT

With the rapid evolution of digital technology and significant changes in consumers' daily lives and behaviors, it is crucial to respond swiftly and flexibly. Recognizing these changes, the Kirin Group identified ICT as a driver for accelerating value creation and digital technology as a growth driver for innovation in the Long-Term Management Vision, Kirin Group Vision 2027. Last year, in light of the rapidly growing importance of digital technology due to the accelerated advancement of generative AI in recent years, we established the Long-Term Digital Vision, KIRIN Digital Vision 2035, and we plan to promote reform utilizing digital technology.

Our Group's strength lies in leveraging the unique data gained via various consumer touchpoints through our solid business portfolio comprising Food & Beverages, Pharmaceuticals, and Health Science Businesses. By utilizing data from diverse consumers at various life stages and with different health conditions, we can create products and services tailored to their specific needs. Additionally, by implementing cross-domain digital technology, we will generate synergy and provide new value.

On the other hand, the evolution of generative AI also necessitates countermeasures for hallucinations, or false information generated by AI, and security risks such as cyber-attacks. While properly managing these risks, our Group will accelerate the use of digital technology to become a global leader in CSV, creating value across our world of Food & Beverages and Pharmaceuticals domains.



### Issues and progress since last year

With consumer preferences diversifying and the variety of available products and services expanding, companies are expected to deliver value tailored to each individual. This trend is only accelerating with the evolution of digital technology. The importance of creating good products and delivering them to as many consumers as possible will not change, but the advancement of data and digital technology has allowed for a flexible approach based on individual consumers' needs. In line with these changes, our Group is promoting the use of consumer data and digital technology to provide personalized services optimized for individuals and create new product and business models. Through this, we aim to deliver value to as many consumers as possible, thereby expanding the market, improving the consumer experience, and realizing more sustainable value creation.

Given that in this era, a company's productivity and competitiveness are influenced by how skillfully they use AI technology, we are introducing new AI tools, but some worksites are struggling to maximize their effectiveness. To address this, we defined the roles of digital technology as "eliminating tasks that do not need to be done by people (productivity)" and "accelerating the creation of value together with people (value creation)." This serves to create an environment in which employees can focus on creative work by using generative AI like BuddyAI (based on ChatGPT developed by OpenAI) and Microsoft's Copilot. Through the introduction of these tools, we would like to clearly separate jobs that should be done by people and those that can be left to AI and digital technology, optimize resources for work directly linked to value creation, and improve productivity of the organization as a whole.

In addition, establishing an infrastructure for Group-wide usage of AI and data and improving the digital literacy of users is becoming increasingly important as a foundation for supporting corporate competitiveness. Especially given the shrinking work force and the intensifying competition for human capital, fostering digital human capital is an unavoidable issue. From 2021, our company has been implementing the DX Dojo, a training program for digital human capital, and around 3,800 people have already attended lectures. The DX Dojo's contents are continually updated, including the addition of a new program for maximizing the effective use of generative AI. Going forward, we will continue to enhance our sustainable corporate value and strengthen our competitiveness by fostering digital human capital.

### Strategies, pillars of initiatives, and results

Based on "KIRIN Digital Vision 2035," which integrates management and digital strategies, Kirin Holdings is addressing three issues: value creation, improving productivity, and fostering digital human capital. Through these efforts, we aim to create new products and services that resolve social situations by promoting the company-wide utilization of data and digital technology.

Specifically, as I mentioned earlier, we are establishing a system for each operating company to autonomously utilize consumer data and digital technology and promote personally optimized value creation. To support this initiative, we are developing a company-wide generative AI and data platform to improve productivity while fostering digital human capital with the DX Dojo.

Through initiatives like these, we aim to enhance the digital literacy of every employee, not just those in the digital division at headquarters but also those at operating companies. We will strive to establish a culture of continuously challenging ourselves by encouraging each employee to repeatedly try and learn new things. Each initiative is steadily progressing and entering the next phase. In the future, by collaborating across worksites and organizations, we will increase the breadth and depth of our knowledge, enhancing our ability to provide better value to consumers in a speedy manner. Furthermore, we will aim to become a global leader in CSV, creating value across our world of Food & Beverages and Pharmaceuticals Domains.

**Example**

### Streamlining operations With BuddyAI

The "KIRIN BuddyAI Project" is a symbolic initiative toward achieving "KIRIN Digital Vision 2035" by promoting the utilization of digital technology from the perspectives of value creation and improving productivity. As employees' "buddy," generative AI will not only take over routine tasks but also collaborate in creative work, drawing out their strengths.

In phase one of the implementation, BuddyAI will help to streamline routine operations. In phase two, we will apply BuddyAI to initiatives using the Group's unique data and creative domains with high technical barriers, aiming for collaboration between people and AI in creative operations.

In November 2024, BuddyAI was initially released for around 400 employees in the marketing domain before being expanded to 15,000 employees in Japanese Group companies in May 2025. The marketing domain has already entered phase 2, with AI being naturally incorporated into daily operational processes. We predict AI will reduce workload by 39 thousand hours annually. For other Group companies in phase 1, AI is expected to reduce workload by approximately 310 thousand hours annually, enabling sustainable and quick value creation.

# 04

## Strategies and Performance

### Long-Term Management Vision, Kirin Group Vision 2027 (KV2027)

In 2019, our company established the Long-Term Management Vision, Kirin Group Vision 2027 (KV2027) to be applied for nine years (nine business years) from December 2019 to December 2027.

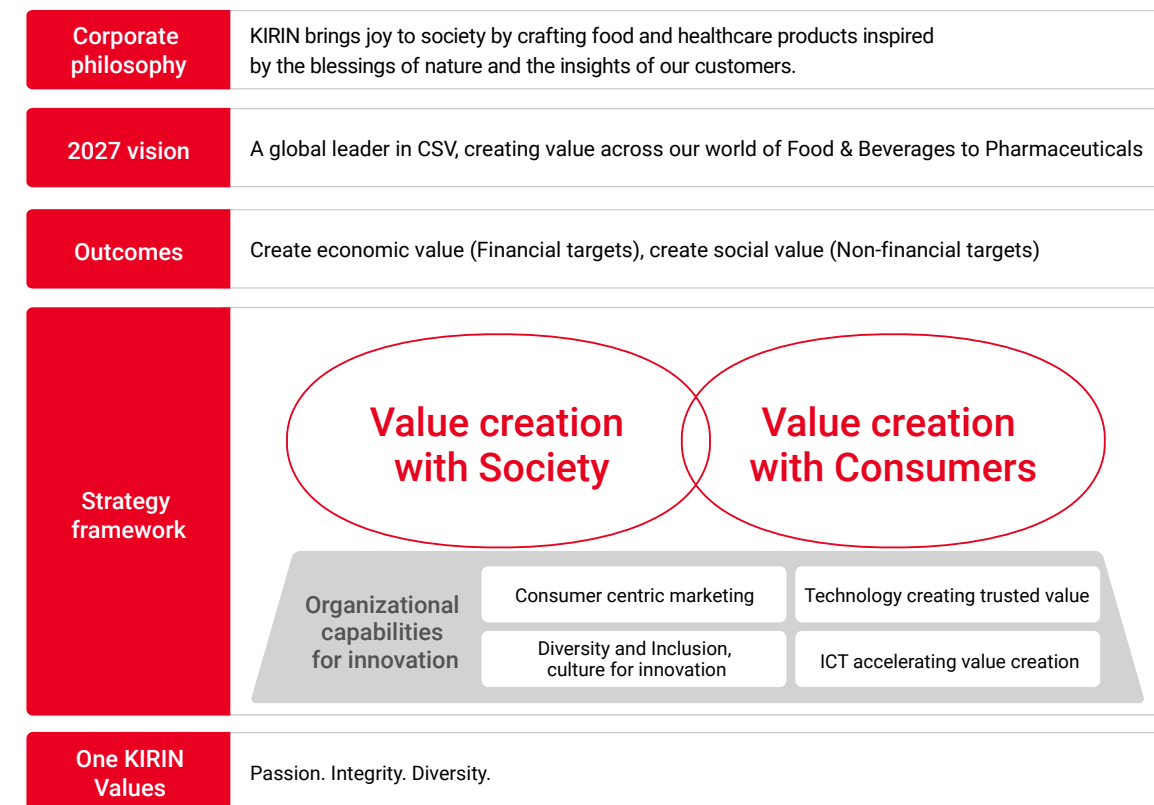
When we established it, we newly defined our Corporate Philosophy—KIRIN brings joy to society by crafting food and healthcare products inspired by the blessings of nature and the insights of our customers—to express our strong determination to achieve our ideal image by 2027: A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals.

In addition, we added the One KIRIN

Values, values for helping to achieve this image, which include “passion,” an expression of our consumer-oriented mindset, part of the Group DNA; “integrity,” which expresses our focus on quality; and “diversity,” an important element for the Group to create new value and realize innovation.

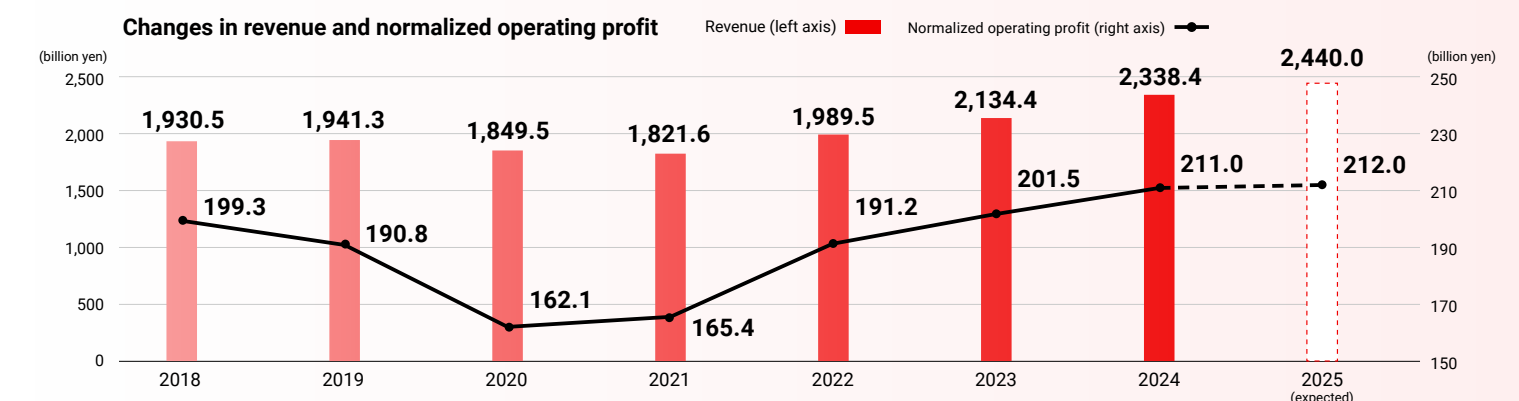
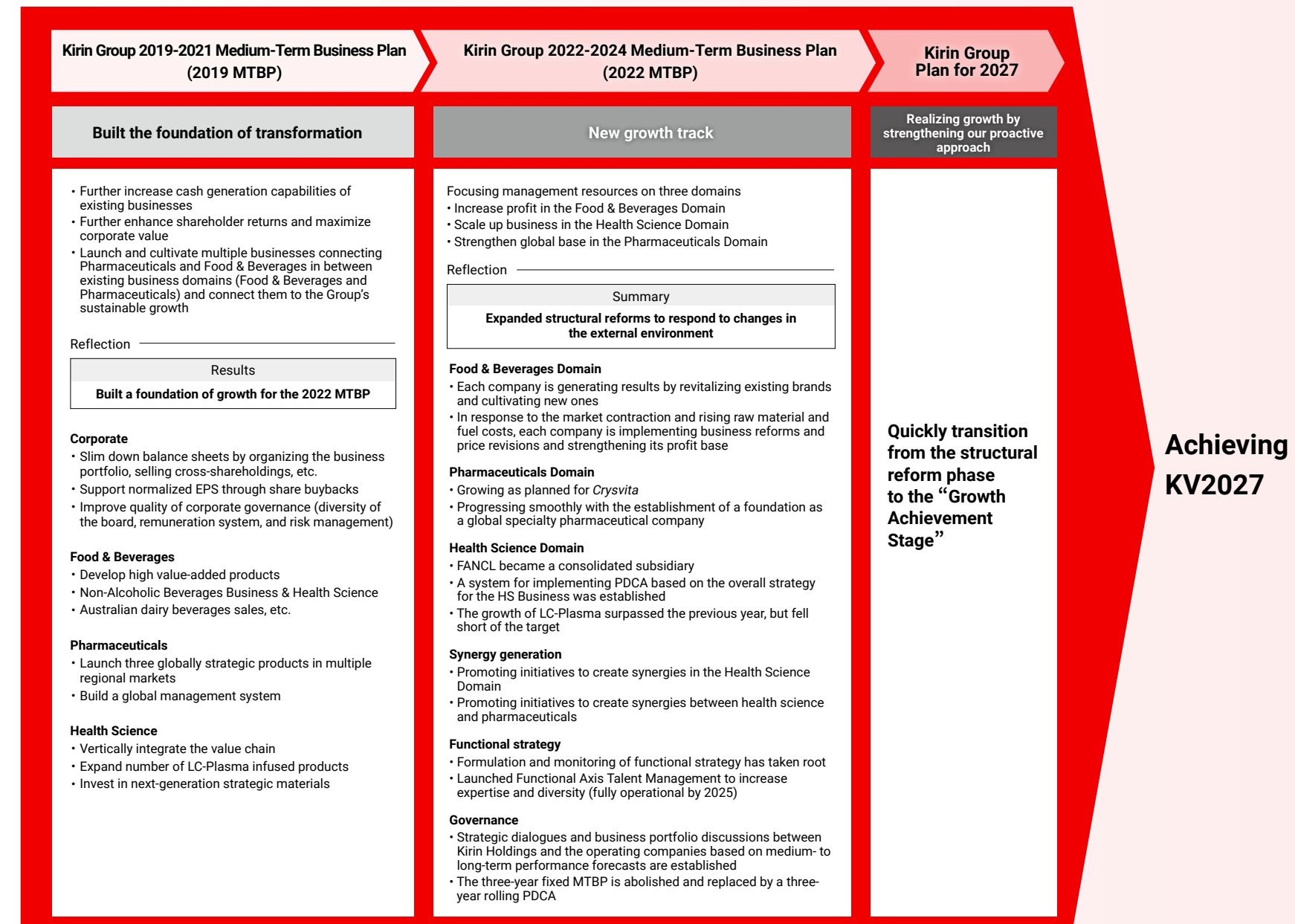
We are taking on the challenge of reaching our management goals of creating both economic and social value and achieving our ideal image by 2027 by creating value through initiatives that resolve social issues and meet consumer expectations based on the Kirin Group’s organizational capability to realize innovation.

#### Long-term Vision Statement: Kirin Group Vision 2027 (KV2027)



### Reflections on Past Medium-Term Business Plans and the Plan for 2027

On this page, we reflect on past business plans from when we established KV2027 in 2019 and onward. For more details on Kirin Group’s plan for 2027, please turn to the next page.



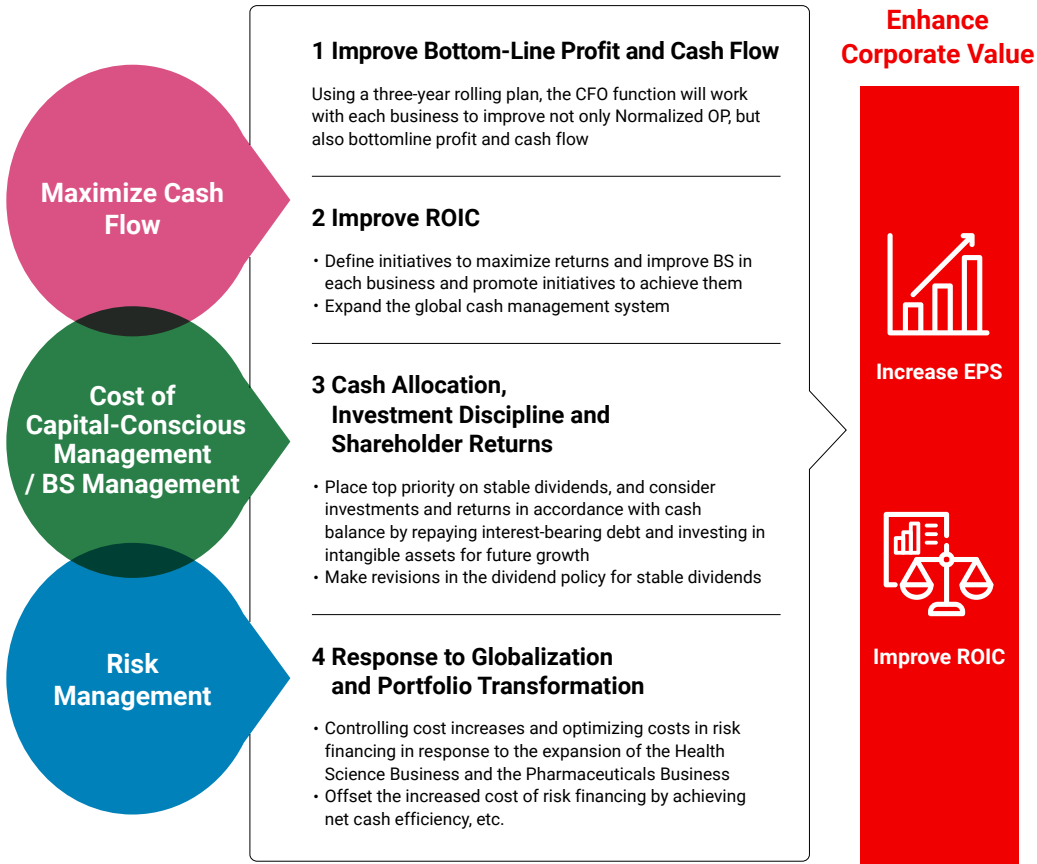


# Kirin Group Plan for FY2027

The Kirin Group Plan for 2027 is a more concrete plan that was established based on the direction of KV2027

## Financial strategy to maximize corporate value

We will grow existing businesses and nurture future core businesses while demonstrating financial discipline.



Strategies for Each Business Domain Toward 2027

The underlying conditions of the business environment that are essential to our strategy



Ongoing increase in raw materials and other costs and fluctuation of foreign exchange rates



Revision of liquor taxes in Japan and overseas, NHI price revision, etc.






Changes in economic conditions and demand due to geopolitical risks and inflation in various countries



Rapid evolution of technology such as AI

Business domain-specific strategies We aim for sustainable growth by appropriately allocating resources according to the stage of each business and creating an optimal business portfolio.

	<div><div>Alcoholic &amp; Non-Alcoholic Beverages Businesses</div></div>	<div><div>Pharmaceuticals Business</div></div>	<div><div>Health Science Business</div></div>
Focus Area	<div><p>Further evolve product development and marketing to meet consumer needs in terms of taste, health, empathy, etc., and implement pricing strategies while improving brand power</p><ul style="list-style-type: none"><li>Steadily improve unit price through price revision and mix improvement</li><li>Improve Normalized OP margin and ensure stable growth in EPS contribution</li></ul></div> <div>Segment's NOP Growth Rate (CAGR) Mid single digit %</div>	<div><p>Steady growth of global strategic products and continued aggressive R&amp;D investment for future growth to continuously create life changing value</p></div> <div>Segment's NOP Growth Rate (CAGR) Mid single digit %</div>	<div><p>Implement initiatives for each brand in developing areas to realize growth that outpaces market growth</p></div> <div>Segment's Normalized OP level for 2027 18.0-20.0 billion yen</div>
Initiatives up to 2024	<div>Strengthened focus brands in response to changing consumer needs</div> <div>Differentiated our products and contributed to society by continually expanding our health science products portfolio</div> <div>Expanded premium products that could be differentiated from other products (including brand expansion from Japan to overseas)</div> <div>Improved productivity of the supply chain through facility investments and digitalization</div>	<div>Grew global strategic products</div> <div>Began clinical trials for KHK4083 (for atopic dermatitis)</div> <div>Continued making investment to further expand our pipeline</div>	<div>Acquired Blackmores and FANCL Established a growth strategy in Japan and the Asia-Pacific</div> <div>Agreement on the transfer of Kyowa Hakko Bio Co., Ltd.'s amino acid business and others</div> <div>Expanded the LC-Plasma business</div>
Initiatives toward 2027	<div>Strengthen high-profit categories and products, with a focus on beer, to achieve above-market growth</div> <div>Improve profitability by strengthening the RTD category in Australia and the United States</div> <div>Improve profit margin by accelerating growth of health science beverages and other high-profit products</div> <div>Optimize price management and operations for the US consumption market</div>	<div>Realize sustainable growth of global strategic products</div> <div>Implement initiatives to apply for KHK4083's approval in 2026 as a treatment for atopic dermatitis</div> <div>Apply for ziftomenib's approval in the US and promote clinical trials</div>	<div>Realize growth of both Blackmores and FANCL and integrate them as planned to realize cost synergy</div> <div>Kirin Holdings and FANCL will collaborate to establish a strategy toward developing examples of new value creation in inner and outer beauty and a plan to implement it</div> <div>Enhance the value of our proprietary material LC-Plasma and expand its business both in Japan and overseas to achieve profitability by 2025</div> <div>Transfer Kyowa Hakko Bio's amino acid business and other businesses in 2025</div>
	<div>Please refer to pages 58 &amp; 59 for each operating company's strategy and review.</div>	<div>Please refer to page 60 for each operating company's strategy and review.</div>	<div>Please refer to page 61 for each operating company's strategy and review.</div>



# Message from the CFO

## Engaging in Work With a Sense of Speed to Maximize the Kirin Group's Corporate Value

**FY2024 was a year of gaining confidence from the steady improvement in our organizational capabilities**

**—Please share your reflections on FY2024, the final fiscal year of the Kirin Group 2022–2024 Medium-Term Business Plan (2022 MTBP), based on the Group's accomplishments of the 2022 MTBP.**

Looking back at these past three years, the external environment has significantly changed since we established the 2022 MTBP. We withdrew our business from Myanmar after the army's coup d'état broke out in 2021, and global inflation surged due to Russia's invasion of Ukraine, heavily affecting our business.

As a result of the impacts of these unexpected environmental changes, we fell short of our goals for return on invested capital (ROIC) and normalized earnings per share (EPS). This is a major point of reflection for us. Meanwhile, our organizational capabilities have steadily improved, with existing businesses, such as the Alcoholic Beverages and Non-Alcoholic Beverages Businesses, achieving price increases across multiple businesses through initiatives to enhance brand equity and optimize revenue management and achieving higher revenue and normalized operating profit than last year. In addition, following our acquisition of Blackmores Limited in 2023, FANCL Corporation was made a consolidated subsidiary of the Kirin Group, and we also signed an agreement on the transfer of Kyowa Hakko Bio Co., Ltd.'s amino acid business and others, which was an obstacle to the profitability of our Health Science Business. Although these were factors that prevented us from obtaining our quantitative targets, we believe we made positive decisions necessary for the future growth of our Group.

Last year, I was committed to obtaining understanding of and sympathizing with the Group's vision from numerous stakeholders, including investors, through having engagements with them. Two years have passed since being appointed as CFO, and I am

gradually strengthening relations with all stakeholders and deepening their understanding of our management, which fills me with confidence.

**—Please tell us about financial results from the perspective of the financial strategy proposed in the 2022 MTBP and issues for this year and beyond.**

We first planned for 700 billion yen in operating cash flow for the 2022 MTBP, but in the end, we only achieved 580 billion yen. On the other hand, the generation of free cash flow is progressing on track due to restructuring our business portfolio and balance sheet management, so the overall cash allocation is as we expected. However, although global costs grew more than expected, I recognize that we must reflect on why we were unable to achieve our goal in operating cash flow because it displays our earning capabilities. Going forward, I believe this is the most important point to focus on.

We have set a goal of 870 billion yen in operating cash flow for 2025 to 2027. Since we finally established the foundation for our Health Science Business in FY2024, we will now strive to maximize free cash flow through organic growth of the existing businesses as well as by reducing costs, mainly by eliminating overlapping areas of acquired businesses such as Blackmores and FANCL.

Currently, we are implementing financial modeling to precisely predict three years into the future, and we expect to reduce our debt by the end of 2027 to the same level it was in 2022 and develop enough capacity to make our next investment. We plan to repay our debts using operating cash flow, so we will secure profits by making necessary investments into our existing businesses, and then consider strategic investment targets.

### Shinjiro Akieda

Director of the Board, Senior Executive Officer, CFO,  
Kirin Holdings Company, Limited



## Building an organizational structure more resilient against change and improving profitability

**—Please explain this year's shift from a set three-year medium-term business plan to an annually rolling three-year plan.**

In a rapidly changing external environment, it becomes difficult to flexibly respond to issues when restricted by a set three-year plan, and there is a risk of focusing too much on the numbers and failing to be able to make necessary investments for our future. Additionally, during the previous set three-year business plan, there was an issue of seeing nothing but the goals of the final fiscal year of the plan when the end of its period approached. Based on these circumstances, we decided to formulate a three-year plan for every fiscal year and roll it over into the following year. For example, if our goals for the three-year plan appear in reach at the end of the fiscal year it was formulated, we'll extend the plan. However, if there is an unexpected occurrence, we will adjust our goals to be in line with the new situation.

That said, we will continue to commit to our long-term goals, including Long-Term Management Vision, Kirin Group Vision 2027 (KV2027), and will set parts of executive remunerations based on the achievement of these long-term goals. By keeping long-term goals and shifting short- and medium-term goals to a rolling system that can be flexibly changed to suit current conditions, we will build an organizational structure more resilient against environmental change.

**—Why is the Group shifting from Normalized EPS to EPS? And what initiatives do you plan to take toward improving ROIC?**

EPS symbolizes an enterprise's earning capabilities, but it can be affected by temporary increases or decreases in profit from extraordinary losses and divestments of businesses and other factors. Our Group focused on rearranging our business portfolio, creating a situation in which EPS was also likely to be affected. As this, in turn, made it difficult to see our earning capabilities as an enterprise, we adopted Normalized EPS, which excludes one-time special factors.

At the same time, we were being told by some investors it was difficult for investors to understand what is "normalized." In addition, based on the future EPS helping us to healthily understand and manage net profit, we decided to switch to EPS and make easy-to-understand disclosures now that our business portfolio revision has been completed to some extent. However, to provide an appropriate starting point where one-time events are not taken into account, we will calculate normalized EPS only for the reference year going forward.

We introduced ROIC from the perspective of not only a capital efficiency that leads to improved corporate value but also of maintaining financial discipline.

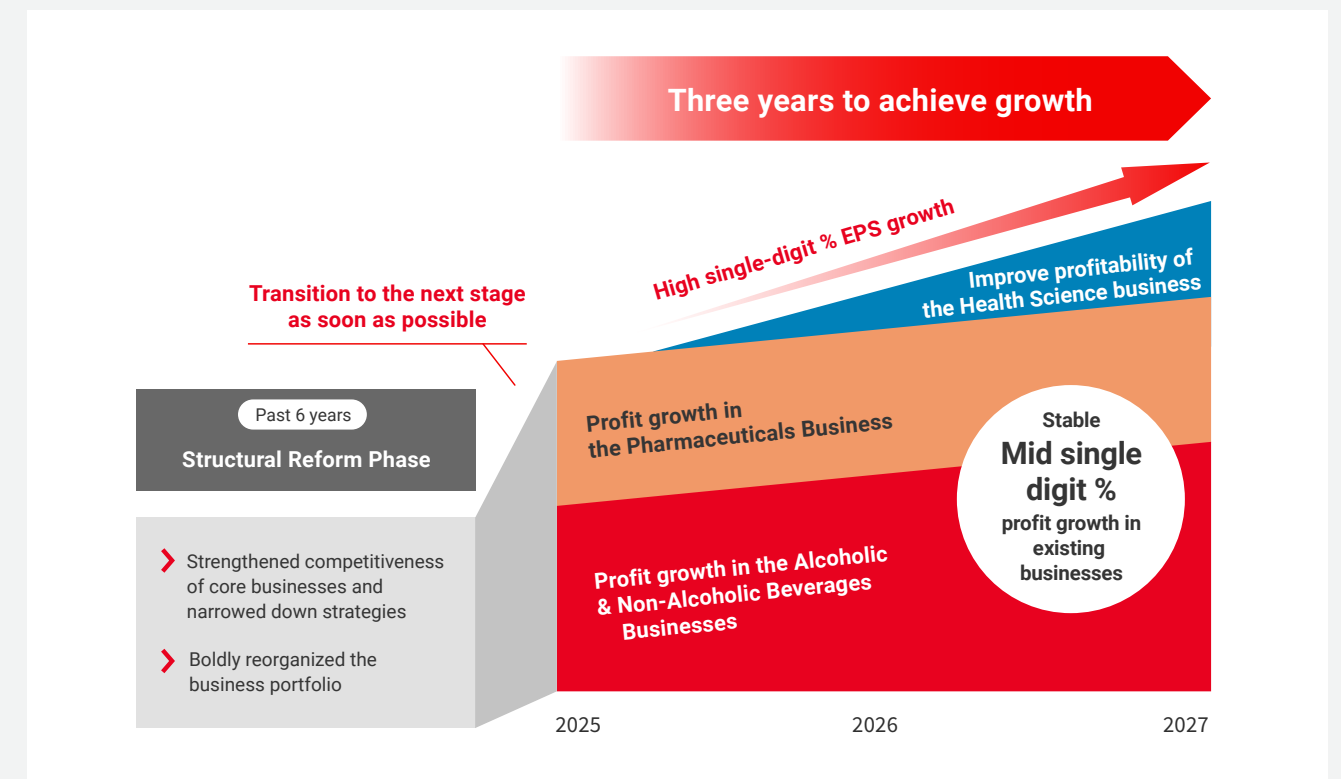
Without it, a company could prioritize increasing the total amount of normalized operating profit, even if the profit margin, for example, is a low, single-digit percentage, by simply making more investments in assets with a similar

margin. Nevertheless, because this will cause our profit margin to fall short of expectations of our shareholders and investors, we also applied ROIC in operating companies as an indicator for maintaining financial discipline. More specifically, by sharing progress in goals set by operating companies to reduce working capital, shorten the cash conversion cycle (CCC), and reduce COGS to improve gross profit, Kirin Holdings is providing support in these efforts. Additionally, while revising the business portfolio, we are remaining cautious about its effect on the entire Group's ROIC.

All operations, including sales, procurement, and logistics, are connected to cash flow, so there are many opportunities to improve them by making efforts in each area. However, employees still find ROIC unfamiliar, and I think it is difficult for each employee to be aware of it while working. Thus, we believe it is important to set process goals that subdivide ROIC and work them into the goals of each business and division. Thus, we are committed to building a system that will enable us to execute business operations with an awareness of ROIC by monitoring results periodically. Focusing on my duty to connect business and finance by utilizing my experiences in the Operating Company Planning Department and Kirin Holdings' Corporate Strategy Department, I will work to improve our organizational culture.

—Please elaborate on your views about businesses that are below the cost of equity. Our Group's weighted average cost of capital (WACC) is calculated at approximately 6.0%, and most of our businesses operate above the WACC, but it is true there are some businesses that do not. Kirin Holdings instructs operating companies that need to be restructured to formulate restructuring plans and comes together with them to improve the situation. As a result, when it is difficult for us to restructure a company alone, we consider other options, including selling the company to an owner who can best manage the business and make more of it than we can or withdrawing from it.

Business continuity is based on each business exceeding its WACC. However, as it is possible for the profit margin to temporarily lower depending on the business stage, if we have decided there is a strategic reason to hold on to a business that is lower than its WACC, we will continue the business. In such a case, we will continuously check the condition of the business's profit margin to see it does not remain low for the long-term, and, if there is a problem, we will work as a Group to restructure the business.



## Expanding earning capabilities through the four businesses connected by fermentation and biotechnology

### —As CFO, how would you rate the Kirin Group's business portfolio?

Our Group has a portfolio comprising four business domains, with fermentation and biotechnology as its core competencies. We also allocate operating capital according to each business' life stage, and there are no plans to change this policy in the near future.

Our founding Alcoholic Beverages Business has entered its maturity stage, and in light of the declining population, society's increased health awareness, the strengthening of alcohol restrictions, and more, I believe the strategy of maintaining a stable foundation for the Alcoholic Beverages Business, while expanding our Health Science Business, and shifting to a healthier Non-Alcoholic Beverages Business is also a viable option. In

addition, our Pharmaceuticals Business not only has its own growth potential but is also a vital asset for expanding our Health Science Business. Therefore, we will maintain our current ownership structure for the time being, taking into consideration the cash allocation strategy of the entire Group.

Now that we have somewhat established our business portfolio, we are being asked to create synergy between our businesses, which we recognize as essential. Our Group has expanded from its parent Alcoholic Beverages Business to include Non-Alcoholic Beverages, Pharmaceuticals, and Health Science Businesses by applying technologies and knowledge from each business, so each business has been displaying synergy since their launch. Additionally, the functions of each business, including research and development

(R&D), product technologies, quality management, marketing, and digital ICT (information and communication technology), can be shared across businesses and are contributing to maximizing the business' added value.

Looking back, the Non-Alcoholic Beverages Business was born from the beer-making technology of the Alcoholic Beverages Business, and the Pharmaceuticals Business was started from the fermentation and biotechnology that were honed by working with beer yeast and are used to control microorganisms. In launching the plants for the Pharmaceuticals Business, the engineering technology of Kirin Brewery, Limited, was put to great use.

The technology and knowledge contained in the Pharmaceuticals Business are also a great help in the Health Science Business. The high affinity of the Pharmaceuticals and Health Science Businesses is symbolized by Cowellnex, a 50:50 joint venture launched by Kirin Holdings and Kyowa Kirin Co., Ltd., last year. Our Group is focusing on R&D, and there are cases where we do not know if the material being researched will be for a pharmaceutical, food, or beverage product, and sometimes the same material may be judged differently in different countries, like *citicoline*. Against this backdrop, Cowellnex was established

as a platform for R&D to connect pharmaceuticals and health science.

Furthermore, some people are of the opinion that FANCL's cosmetics business is a new sector for the Group, but we just see it as a part of the Health Science Business. This is because cosmetics are largely split into two products—makeup and skin care—and FANCL's business mainly deals with skin care products.

We believe skincare has a strong affinity with our existing businesses because we can address skin health both internally and externally by using beverages and supplements for inner health and skincare products for external.

On top of that, FANCL has approximately 2.8 million purchasing touchpoints per year, and by combining this with our Group's marketing, we believe we can strengthen the presence of each of our brands. In addition, we will accelerate our growth globally by leveraging Blackmores' overseas sales network and regulatory compliance capabilities, mainly in Southeast Asia and Oceania, to develop FANCL's outstanding supplement and skincare products.

In other words, all our businesses are interconnected, and because we believe these connections to be an important synergy, we aim to maximize their impacts.



Leveling up as a global company

—Can you please talk about your initiatives in balance sheet management?

Since 2022, we have expanded the implementation of the global cash management system (GCMS) to more group companies and have established a system that can control cash, such as the lump-sum borrowing of surplus funds and loans of deficient funds. Through this, in the three years between 2022 and 2024, we reduced the surplus funds (funds set aside for risks) of each company by more than 80 billion yen. Going forward, we want to advance this one step further and quickly implement GCMS at newly consolidated companies, including FANCL.

In regard to CCC, we improved working capital by a total of 20 billion yen during the period of the 2022 MTBP by introducing Systems Applications and Products (SAP) to improve processes. In the future, we aim to further shorten CCC by promoting further process improvement through using SAP and promoting DX, improving supply and demand accuracy, and reducing inventory.

We are also continuously striving to reduce cross-shareholdings. In the three years leading up to last year, we had already reduced them by 17 billion yen, bringing their share of total capital to approximately 4%, well below the level required by proxy advisory firms. Every year, the Board of Directors reevaluates whether to keep the cross-shareholdings, and, if there are any that it would not be reasonable to hold on to, we proceed with selling them in a timely

and appropriate manner through future dialogue with our business partners.

Since our Group used to mainly consist of Japanese businesses, we have managed currency with a focus on the Japanese yen. However, now a lot of money comes in as US dollars, so we need to take a broader perspective and include currencies other than the yen. Thus, we will consider how to appropriately handle each currency, such as how much of each currency to have, and further establish a system that enables the effective use of funds.

—As part of growth investments, what are your thoughts and stance on investments in non-financial assets?

Last year, we also actively invested in non-financial assets, such as in cultivating brands and updating old facilities in the Alcoholic Beverages and Non-Alcoholic Beverages Businesses, R&D for the Pharmaceuticals Business, ICT in the digital field, and the human capital to implement these things. We valued making appropriate investments in non-financial assets to build a foundation for sustainable growth and value creation in each business, and we plan to maintain this policy.

In recent years, there has been an increase in global demand for disclosing non-financial information, and in response to this, we newly established the Corporate Disclosure Section within Kirin Holdings’ Finance Department. This section will verify

hypotheses concerning the correlation and causality between non-financial and financial information to heighten the effectiveness of our investments in non-financial assets. As you know, there is no standard method established for measuring how much investments in non-financial assets will affect financial indicators, but it is truly important to manage a company with an awareness of how investments in non-financial capital will improve the company’s future value, so we will first start these efforts as pilot initiatives. By the Finance Department handling and disclosing both financial and non-financial information, I hope we will further deepen constructive engagement with all stakeholders.

Furthermore, our Group has introduced SAP to improve our management capabilities as a group. SAP has been fully implemented, but going forward we

will promote the coordination and mutual use of data between Group companies to make management information visible and transparent. Currently, for example, both Kirin Brewery and Lion Pty Ltd are using SAP, but the rules for digitizing manufacturing costs and other information vary depending on the company. This year, we will work to standardize the rules for such data and granularity as soon as possible by utilizing the Corporate Strategy Department’s track record and experience in handling DX.

In order to promote standardization, we must change the system and our workstyles, meaning there could be a temporary increase in employee burden. However, we will strive to update job processes to be suited for the new system and nurture human capital for these processes, so we can maximize the merits gained from this by the entire company.

Implementing plans with a sense of speed to gain confidence in improving our corporate value

—What are your thoughts on shareholder returns?

Our Group considers the appropriate return of profits to shareholders through dividends to be one of its highest management priorities. We have never reduced dividends before and have been committed to stable dividends based on a dividend payout ratio of 40% of normalized EPS. From FY2025, in order to further promote management with an awareness of cost of equity, we have decided to introduce dividends through dividend on equity ratio (DOE). By simultaneously adopting a principle of progressive dividends, we will realize more stable and sustainable returns.

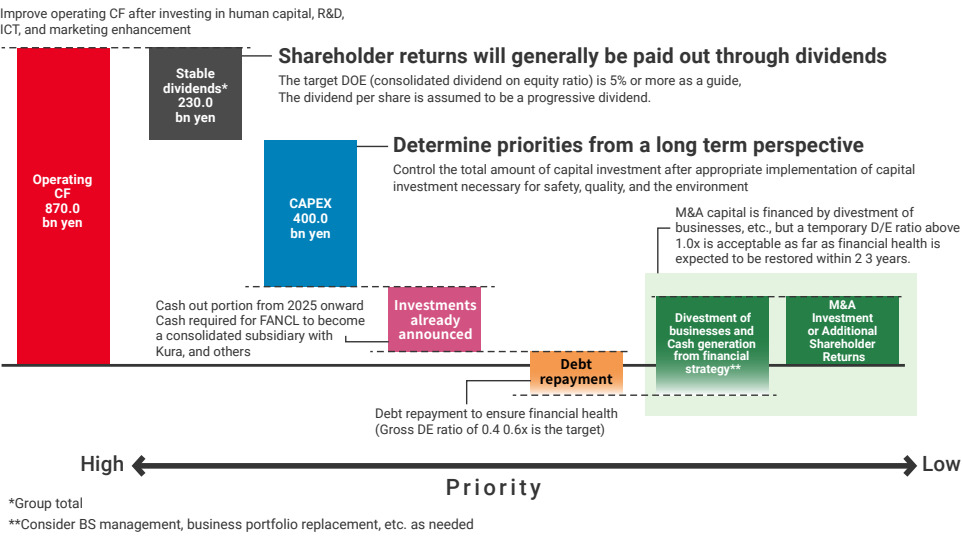
Meanwhile, we are also conscious of total shareholder returns (TSR) and will make investments in aim of realizing the growth required by investors. Additionally, we will implement measures for shareholders returns, including share buybacks, but please understand this is only if we do not find suitable investees.

—As CFO, what do you think about the current stock price levels?

I understand the current stock price levels are not necessarily satisfactory for shareholders and investors. Stock prices reflect the value of a company’s future growth in numbers. Although we have achieved record profits three years in a row, our current stock prices show that the stock market has

not shown confidence in our Group’s future growth. The 2022 MTBP was implemented during a period when we restructured our portfolio, which included the sale of our stake in China Resources Kirin Beverages Company Ltd., the signing of an agreement on the transfer of Kyowa Hakko Bio Co., Ltd.’s amino acid business and others, and the acquisitions of Blackmores and FANCL. Looking at other companies, there are multiple examples of stock prices slumping during portfolio restructuring. However, we certainly do not believe our Group’s current stock price levels are sufficient, and I want to engage with investors so we can reflect our company’s value in our stock prices as soon as possible.

More and more people are coming to understand the direction of our Group’s strategies and business portfolio restructuring. On top of that, it is vital that we quickly establish the Health Science Business, which holds the key to future profit growth, and we believe our ability to execute this will lead to gaining high expectations for improvement in our corporate value from shareholders and investors. As I said earlier, with the acquisitions of FANCL and Blackmores and signing an agreement on the transfer of Kyowa Hakko Bio Co., Ltd.’s amino acid business and others, I believe there has been great progress in building the foundation for our Health Science Business. By actualizing this growth with a sense of speed, we will meet everyone’s expectations.



# 05

## Special Feature

### Special Feature 01 The Process for Value Creation in Each Domain

## Value Creation in the Food & Beverages Domain

Various talent collaborated cross-divisionally to make delicious chuhai from non-standard fruits, thereby reducing food loss and supporting fruit farmers. Unity throughout the value chain gave birth to the *KIRIN HYOKETSU mottainai* series.

Typical  
Value Chain

### Basic Research

Starting with fermentation and biotechnology, we create next business opportunities and develop technology that supports future business. This is a driving force for developing the technology that serves as a foundation for the Food & Beverages, Health Science, and Pharmaceuticals Domains and for advancing each business.

### Technology and Product Development

We develop technology for product content, containers, and packages, design new products such as alcoholic and non-alcoholic beverages, and develop functional ingredients, adding new value to both society and the economy.

### Procurement

While maintaining a bird's-eye view of the entire value chain, we collaborate with suppliers to pursue quality and cost optimization for ingredients, materials, and indirect materials. We also address sustainable procurement in terms of the environment and human rights.

### Production

We efficiently produce high-quality products throughout the manufacturing process. To achieve stable manufacturing, we manage production and quality on a daily basis, reduce environmental impacts, and save energy.

### Supply Chain Management

In response to consumer demands, we ensure timely delivery of necessary products in the required quantities. Aiming for sustainable logistics, we proceed with initiatives such as efficiency improvements and joint logistics.

### Sales and Marketing

Through proposals that benefit consumers, business partners, and our company, we build win-win relationships to deliver products and services that contribute to consumers' fulfilling lives through various channels such as restaurants, retailers, and vending machines.



Consumers

## The KIRIN HYOKETSU mottainai project

In developing the content of *KIRIN HYOKETSU mottainai*, we visited fields to taste the fruits actually used, had discussions with farmers and stakeholders, and fostered ideas. It is a challenging but fun process to integrate the deliciousness of the *KIRIN HYOKETSU* series with the features of mottainai fruits and the farmers' emphasis. To convey how tasty the fruits we ate on-site were to consumers, we decided on the recipe after testing many patterns of ingredient proportions.



**Ryoko Sato**  
Content Development Group,  
Laboratory for New Product  
Development,  
Marketing Department,  
Marketing Division,  
Kirin Brewery Company, Limited

I joined this project by identifying mottainai fruits, which are evaluated as non-standard and discarded, throughout Japan through suppliers and introducing them to other departments. After the candidate fruits were chosen, I organized the process and timeline for the delivery from farmers to our Group's plants in collaboration with internal and external stakeholders. I strived to deliver products to consumers in the very best condition.



**Keita Noguchi**  
Ingredient Group,  
Procurement Department,  
Kirin Holdings Company,  
Limited

The role of production management is to establish standardized recipes across various plants to consistently reproduce the same flavor created by the product development team, which leverages the natural characteristics of Hamanashi pears and Ponkan oranges. We conduct test production at a plant scale and confirm the results. After mass production begins, we examine quality and evaluate flavor to ensure that the quality is stable and matches the product concept, continually pursuing higher quality.



\*A scene from the manufacturing of a Kirin product that is not *KIRIN HYOKETSU mottainai*.

**Daisuke Jike**  
Production Management,  
Production Department,  
Kirin Brewery Company,  
Limited

We achieved a stable supply by determining stock quantities at shipping centers around Japan based on daily shipping situations and forecasts. In this project, we closely communicated with the sales team and ensured timely updates on distributors' sales expectations, thereby formulating precise forecasts. We also collaborated with production and procurement teams to increase the demand-supply flexibility, both maximizing sales and minimizing disposals.



**Ryota Nakamura**  
Demand,  
SCM Department,  
Kirin Brewery Company,  
Limited

Many distributors supported the concept of this product, and around 90% of major mass retail chain companies adopted it. Additionally, we established a mechanism of eliminating discarded unsold products in cooperation with business partners who agreed to provide flexible support, such as by extending or shortening the sales period. This product achieved around 1.6 times the shipping volume of limited editions launched in the past three years (since 2022), and we successfully passed the baton from growers to stores and consumers through the *KIRIN HYOKETSU mottainai* series.



Tokyu Store, Miyazakidai Store

**Kohsuke Shirai**  
Sales Planning,  
Customer Marketing Team,  
Sales Support Department,  
Distribution Business Division,  
Kirin Brewery Company, Limited  
(at the time)

**Koujiro Matsuda**  
Distribution Office No.3,  
Tokyo Metropolitan Branch No.1,  
(at the time)

### Social Value

Food loss reduction: reducing the food loss equivalent to approximately 34,000\* Hamanashi Japanese pears grown in Yokohama and approximately 310,000\* Ponkan oranges grown in Kochi Prefecture  
\*Calculated using 2024 shipping results

Farmer support:  
Approximately 6 million yen\* in donations made to fruit farmers in 2024 through *KIRIN HYOKETSU mottainai Hamanashi* (limited edition)  
\*The total of (1) the shipping results from its launch to the end of August (1 yen/can), (2) sales during the event held on May 11 and 12 (200 yen/can), and (3) the number of posts for a social media campaign held during the aforementioned event (100 yen/post)

Approximately 5.7 million yen\* made in donations to fruit farmers in 2024 through *Kirin HYOKETSU mottainai Ponkan* (limited edition)  
\*The shipping results from its launch to the end of December (1 yen/can)

### Economic Value

The 2024 sales of the *KIRIN HYOKETSU mottainai* project reached approximately 270,000 boxes of Hamanashi and 270,000 boxes of Ponkan. Starting from April 2025, the project evolved into the "Let's Transform Mottainai! to Tasty!" Project, a cross-company initiative, expanding efforts.

Foundations for innovation include diversity and inclusion, culture for innovation; core technology that assures value creation; consumer-centric marketing expertise; and ICT accelerating value creation.

Particularly  
relevant  
foundations for  
innovation

- Talent with communication skills for sincerely dealing with suppliers, growers, and agricultural stakeholders

- Technical capabilities in product development cultivated through approximately 500 types of *KIRIN HYOKETSU* series products sold to date
- Competent talent who take action while fostering understanding among internal and external stakeholders to pursue better flavors leveraging fruits' natural characteristics

- The network involving suppliers responsible for procuring fruit juice
- A climate where members tirelessly discuss and deliberate initiatives toward implementing CSV

- The assessment system aimed at preventing quality incidents

- Collaboration with procurement, production, and sales teams
- Swift response demonstrated from decision-making to execution
- Talent capable of achieving a stable supply

- Sales capabilities that align manufactured quantities with sales in collaboration with production and demand teams
- Proposal capabilities that foster understanding among stakeholders
- Corporate culture that values consumers above all
- Brand development capabilities

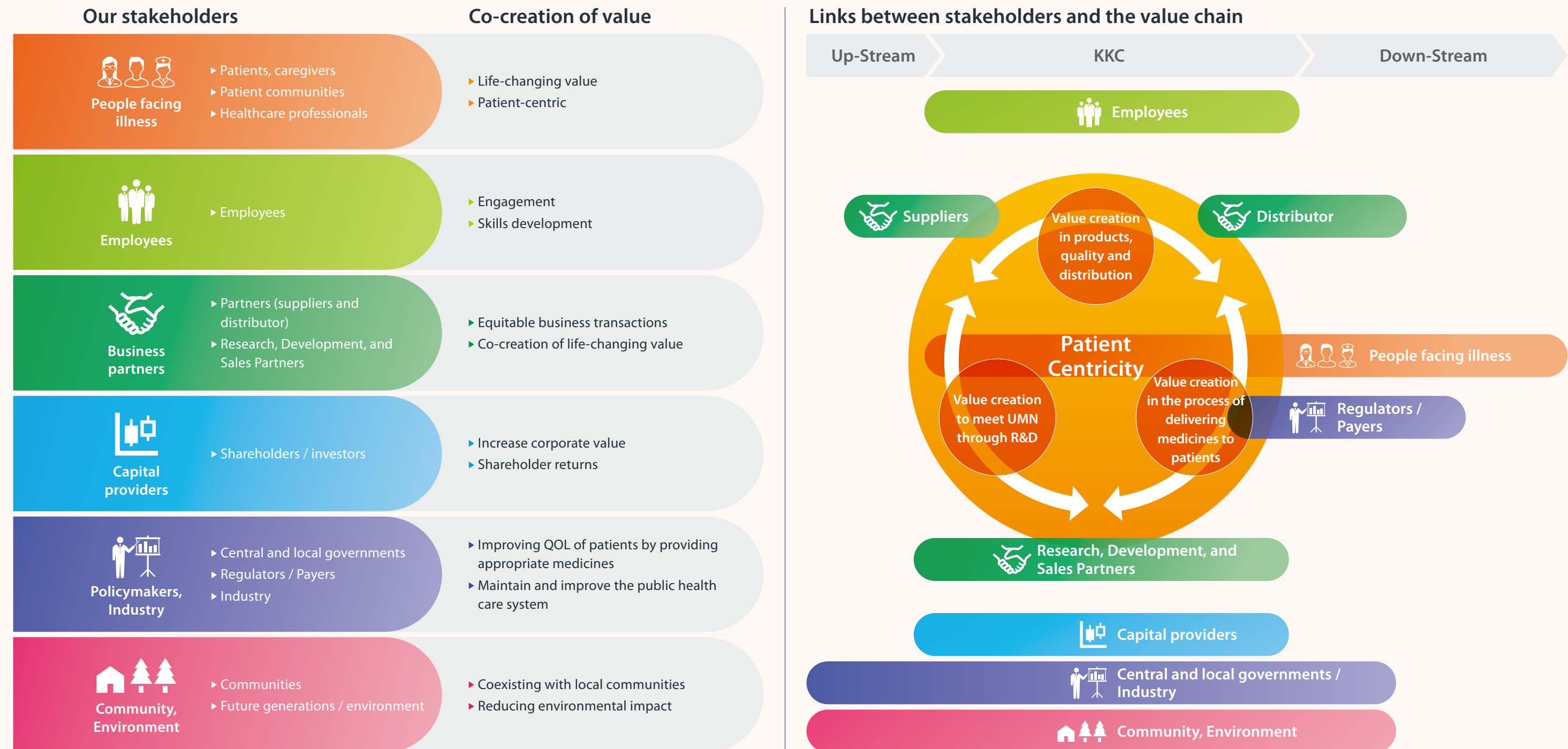


## Special Feature 01 The Process for Value Creation in Each Domain

### Value Creation in the Pharmaceuticals Domain

#### Co-Creation of Value With Stakeholders at Kyowa Kirin

Creating value relies heavily on cooperation and collaboration with various stakeholders. Here we illustrate the connections between stakeholders who play a central role in value creation and the value chain as defined by our business model and value creation story. In particular, we believe that in order to continue creating life-changing value that makes people facing illness smile, it is necessary to listen carefully to their voices at various stages of the value chain. This idea is illustrated in the figure below. Under the concept of Patient Centricity, we will create value together with our stakeholders.



#### Example

#### Initiatives in co-creating value with patients

Kyowa Kirin Co., Ltd., is running a Healthcare Café with two Japanese pharmaceutical companies. The goal of this initiative is to gain an understanding of the true needs of patients and their families by engaging in dialogue, and to harness this knowledge in drug discovery. The theme of the seventh Healthcare Café was hematopoietic stem cell transplantation. We listened directly to patients and their family

donors about their experiences. Additionally, we also received specialized knowledge from doctors and transplant coordinators and discussed concrete actions to take.

By learning about specific needs and challenges that can be difficult to elucidate in medical settings, researchers can incorporate the patients' perspectives into their drug discovery activities, in turn

laying the foundations for more patient-centric drug development. Going forward, we will continue to incorporate the experience and knowledge gained from talking to patients into our research, as we strive to develop the medicines that patients truly need.

Special Feature 01 The Process for Value Creation in Each Domain

# Value Creation in the Health Science Domain

The effects of *Lactococcus lactis* strain Plasma (LC-Plasma, a postbiotic) have been confirmed through about 40 years of basic research on the immune system. Combined with our marketing, technical, and sales capabilities and networks cultivated in other domains, the *iMUSE Immune Care Supplement* was born.



Typical  
Value Chain

## Basic Research

Starting with fermentation and biotechnology, we create next business opportunities and develop technology that supports future business. This is a driving force for developing the technology that serves as a foundation for the Food & Beverages, Health Science, and Pharmaceuticals Domains and for advancing each business. We also develop the functions of ingredients considering regulations in various countries.

## Technology and Product Development

Based on market research, we develop technology for product content, containers, and packages, design new products, and develop functional ingredients, adding new value to both society and the economy. We handle product development, including applying for the certification of foods with functional claims in Japan.

## Procurement

While maintaining a bird's-eye view of the entire value chain, we collaborate with suppliers to pursue quality and cost optimization for ingredients, materials, and indirect materials. We also address sustainable procurement in terms of the environment and human rights.

## Production

We efficiently produce high-quality products throughout the manufacturing process. To achieve stable manufacturing, we manage production and quality on a daily basis, reduce environmental impacts, and save energy.

## Supply Chain Management

In response to consumer demands, we ensure timely delivery of necessary products in the required quantities. Aiming for sustainable logistics, we proceed with initiatives such as efficiency improvements and joint logistics.

## Sales and Marketing

Through win-win-win proposals that benefit consumers, business partners, and our company, we strengthen relationships to deliver products and services that help resolve consumers' health issues through various channels such as retailers and our in-house EC.

Consumers

## iMUSE Immune Care Supplement

Example

The Kirin Group explored lactic acid bacteria that activate plasmacytoid dendritic cells (pDCs), which are the leaders of the immune system, and discovered LC-Plasma. Furthermore, we examine not only the elucidation of the mechanism of how LC-Plasma activates pDCs but also how it impacts pDCs when ingested by humans, having accumulated reliable research results.



**Kenta Jounai**  
Institute of Health Sciences,  
Health Science Business  
Division,  
Kirin Holdings Company,  
Limited

LC-Plasma is a functional component of *iMUSE Immune Care Supplement*. With the goal of promoting and instilling the habit of immune care, we developed dual health claim products that combine functions for maintaining foundational health and addressing individual health issues. We aim to expand the supplement user base by focusing on familiar health issues, such as visceral fat, sleep, and muscle strength. As of 2024, the number of dual health claim items has reached six stock keeping units, significantly contributing to the sales of *iMUSE Immune Care Supplement*.



**Erika Hayashi**  
Marketing Group,  
Health Science Business  
Division,  
Kirin Holdings Company,  
Limited

In collaboration with our Group's technology development departments, such as the Institute of Health Sciences and the Institute of Bioprocess Technology, we have adopted LC-Plasma production technology at plants with excellent fermentation technology and manufacturing experience, such as Koiwai Dairy Products Company, Limited. By optimizing manufacturing conditions, we have established a system for stably supplying ingredients with safe and secure quality. For other ingredients and materials, we collaborate with suppliers to optimize procurement so that we can obtain them at a proper cost.



**Risa Nishikido**  
Production and Quality  
Assurance Group,  
Health Science Business  
Division,  
Kirin Holdings Company,  
Limited

Our Group's supplements are produced at manufacturing plants with global food safety certifications under a proprietary quality assurance system to meet consumers' expectations for safety and quality. Although the plants face various challenges, our skilled and experienced members work together to optimize manufacturing processes, thereby ensuring continuous improvement and a stable supply.



**Kosuke Osumi**  
Production and Quality  
Assurance Group,  
Health Science Business  
Division,  
Kirin Holdings Company,  
Limited

In our in-house EC business, we have established end-user-oriented processes to ensure the delivery of valued products to consumers. To avoid disrupting consumers' daily lives and achieve smooth delivery, we regularly coordinate with logistic centers to optimize stock management, improve packaging operations, and enhance delivery quality.



**Kunitaka Araki**  
SCM Team,  
Marketing Group,  
Health Science Business  
Division,  
Kirin Holdings Company,  
Limited

By communicating the value of ingredients and products to consumers as part of the delivery process and fostering understanding, we develop diverse purchasing touchpoints. We then leverage these touchpoints and apply consumer insights gained through various sales channels to our marketing strategies, accelerating the cycle of hypothesis testing across the organization and increasing the likelihood of success. Our goal is to improve the consumer experience in collaboration with relevant departments so that more people adopt the habit of immune care.



**Yoshitaka Kamiya**  
Channel Development Team,  
Marketing Group,  
Health Science Business  
Division,  
Kirin Holdings Company,  
Limited

Foundations for innovation include diversity and inclusion, culture for innovation; core technology that assures value creation; consumer-centric marketing expertise; and ICT accelerating value creation.

Particularly  
relevant  
foundations for  
innovation

- More than 40 years of basic research on the immune system
- Many years of research on lactic acid bacteria, which are harmful to beer brewing
- Innovation based on accumulations, such as combining the strengths of research that are not directly linked

- Exploration of highly acceptable health claims through consumer research, and product development based on these findings
- Utilization of LC-Plasma, which is our unique ingredient
- R&D capabilities that reveal the relationship between visceral fat and the immune system

- R&D capabilities related to microbial breeding and fermentation production technology
- Abundant materials information stored in the materials safety evaluation system
- Favorable relationships with suppliers and subsidiaries

- Our Group's manufacturing plants that have global food safety certifications
- Our Group's quality assurance system and its proper operation
- Abundant knowledge in supplement production and experienced staff

- Standardized transportation, distribution, and operations that consider the market environment
- Supply chain establishment capabilities based on our Group's expertise
- Collaboration with development, procurement, production, and sales teams

- Competitive superiority based on solid material evidence supported by research
- Communication design based on consumer insights gained through various channels such as stores and online sales



## Message from the Senior Executive Officer of Health Science Strategy

# Aiming to Resolve the World's Growing Health Issues and Become One of the Largest Health Science Companies in the Asia-Pacific

## Achieving steady growth in core markets

The Kirin Group aims to be a global leader in CSV and is committed to resolving social issues through its business operations. There are many companies in the domain of health, but the goal of our Group is to help each person in the regions in which we operate to realize joy and a fulfilling life through health.

We are promoting initiatives to resolve consumer issues by using our unique approach, which focuses on “building natural health as the foundation” and “individual health issues.” Daily meals, exercise, and rest are important, but it is also vital to build natural health as the foundation to enhance our innate human capabilities by incorporating immune care into our routines. We believe building natural health as the foundation will enable us to effectively address individual health issues related to lifestyle-related diseases, brain function, skin health, and more. We will fully leverage our Group's strengths, ranging from technology centered around R&D for product development that meets market needs based on a deep understanding of consumers to other indispensable functions, including marketing capabilities, optimized supply chains, as well as brands and sales channels. In this way, we will tackle consumer health issues head on with everything from our materials to our services.

We have established a foundation of growth for the Health Science Domain by acquiring the Australia-based Blackmores Limited in 2023, making FANCL Corporation a consolidated subsidiary in 2024, steadily expanding the *Lactococcus lactis* strain Plasma (LC-Plasma, a post-biotic) Business, and restructuring the business of Kyowa Hakko Bio Co., Ltd.

Blackmores possesses strengths in the form of a wide range of consumer touchpoints in the Asia-Pacific region and its leading position in natural health—characteristics not previously associated with the Kirin Group. In 2024, Blackmores secured profits as planned in Australia, China, Southeast Asia, and South Korea and led the global development of our Health Science Business.

FANCL's strength is the development of its Cosmetics and Health Food Businesses based on the strong philosophy of “Eliminate ‘negatives.’” The deep understanding of consumers that the company has gained through its stores and online sales channels also constitutes a great strength. Kirin Group and FANCL have engaged in numerous collaborations since establishing a capital and business alliance agreement in 2019 and, with the company becoming a fully owned subsidiary of the Group last year, FANCL is launching new initiatives to further raise its value. We have high expectations that FANCL will enhance its brand strength in Japan and will formulate and implement an overseas growth strategy utilizing that strength.

What will support us in developing the Health Science Domain is steady growth in core markets. The status of our brands differs between countries, so effectively leveraging our strong brands of supplements, skincare, beverages, and dairy products in different markets and countries, along with making active investments, will allow us to further solidify ourselves as a market leader in the core areas of our brands.

Additionally, combining the strengths of Kirin,\* FANCL, and Blackmores will enable us to create new value that cannot be created by one company alone. For example, Kirin and FANCL are considering joint initiatives in inner and outer beauty. These initiatives constitute a new consumers proposal that combines the value of the two companies, based on the theme of “A new approach to better skin health and beauty that goes beyond focusing solely on



Developing numerous LC-Plasma products both within and outside our Group

## Toru Yoshimura

Director of the Board,  
Senior Executive Officer,  
Kirin Holdings Company, Limited



either the inside or outside of the body.” We will co-develop and market products and services that utilize technologies, materials, and various resources from FANCL and Kirin to address skin-related “negatives” that previously only had solutions for appearance or that were temporary.

\* In this message, “Kirin” refers to Kirin Holdings, Koivai Dairy Products, and Kyowa Hakko Bio

## Becoming profitable for the first time and beginning a journey of growth

The key to this new value creation will be our high value-added materials. Our LC-Plasma products that centered around the *Immune Care* series, available in various forms including beverages, supplements, and yogurt, grew steadily in 2024 as well, and achieved nearly 20% growth year-on-year, with a revenue of 24.0 billion yen. We believe the value of LC-Plasma as a material still has very strong growth potential. We are continuously promoting not only marketing in Japan but also research toward the development of pharmaceuticals, including vaccines. Going forward, we will further solidify our foundation in Japan while leveraging Blackmores' sales capabilities to promote global development. In March 2025, the *Blackmores* brand launched its first LC-Plasma supplement in Taiwan. This is also the first time an LC-Plasma product has entered the Taiwanese market. This



A photo of speakers at the Kirin Group Health Science Business Strategy Briefing Session in March 2025.  
From left: Hideki Mitsuhashi, FANCL Corporation President, Representative Director Executive Officer; Toru Yoshimura, President of the Health Science Business Division, Kirin Holdings Company, Limited; Alastair Symington, CEO, Blackmores Limited

success was achieved in only about eight months, a speed unattainable by Kirin alone, by using Blackmores' expertise on Taiwanese market regulations and their sales channels. Following this achievement, we plan to enter new markets every year, such as Australia, Thailand, and Vietnam. We will accelerate the growth of our LC-Plasma Business by expanding overseas and developing new channels, including out-licensing.

Furthermore, collaborations between the Health Science and Pharmaceuticals Businesses are in full swing. In September 2024, Kirin and Kyowa Kirin Co., Ltd., co-funded the establishment of Cowellnex Corporation. This joint venture will innovate through R&D, venture investments, and collaboration in business development. In January 2025, FANCL launched a website, *Nagomi time*, which provides comprehensive information on changes in cancer patients' appearance and care methods, and began distributing an awareness booklet. Planning of this initiative started in collaboration with Kyowa Kirin in December 2022, and the project was originally a part of Kirin and FANCL's efforts to address issues related to appearance care for cancer patients.

In this way, we aim to achieve organic growth by enhancing our business in core markets and creating added value through group-wide efforts. Our targets are to realize a revenue of approximately 300.0 billion yen and a normalized operating profit of at least 30.0 billion yen by 2030. We will also aim to become one of the largest health science companies in the Asia-Pacific by pursuing acquisitions, creating new businesses, taking on challenges, and addressing various social health issues as ways of searching for medium- to long-term growth opportunities.

The year 2025 will be a key milestone for us to achieve profitability for the first time in the Health Science Business and put it on a growth trajectory. The restructure of Kyowa Hakko Bio is progressing, as the transfer of our amino acid business is on track, and the company is stepping onto a new stage. Koivai Dairy Products Co., Ltd., also has strong sales of yogurt products as a business that plays a role in the Health Science Business with dairy products. All of us are strongly committed to growing the Health Science Business.



## Special Feature 02 The Future of the Health Science Business

### About FANCL

#### FANCL's Philosophy

FANCL Corporation's Cosmetics and Health Food Businesses are rooted in the desire to eliminate consumers' "negative" experiences, following our Foundational Philosophy: "Eliminate the 'Negatives' with a Sense of Justice." Furthermore, under our Corporate Philosophy of "Can Achieve More," we have strived to develop products that balance functionality and safety and improve our services, such as by introducing designated place and deliver services in 1995. We are continuing to attempt to address the worries of a range of targets, such as seniors, kids, and men in our cosmetics business and pre-seniors in our health food business.

Turning unease into ease, dissatisfaction into satisfaction, discomfort into comfort, and inconvenience into convenience—focusing on what will bring happiness to our customers, we will continue to face various "negatives" with a sense of justice and challenge ourselves to resolve them.

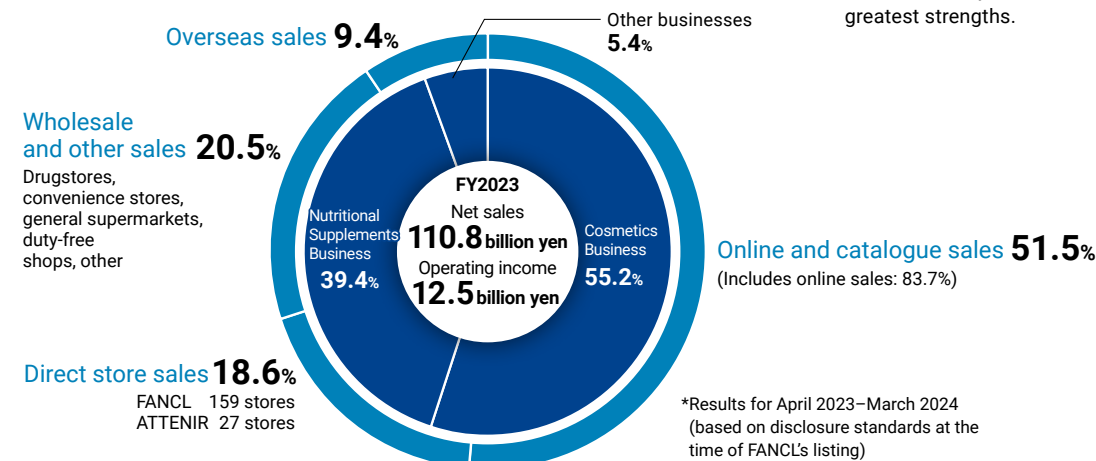
A little joy, every day.

**FANCL**

#### FANCL's main businesses

Beauty Domain	Health Domain
<b>Cosmetics Business</b> <b>FANCL</b> A natural cosmetics brand developed to bring out your skin's true beauty, based on the latest dermatological research  <b>ATTENIR</b> A brand specializing in aging care that provides luxury brand quality at a reasonable price 	<b>Health Food Business</b> <b>Supplements</b> FANCL entered this market offering high-quality, low-cost supplements. We provide high-quality supplements that focus on a "product efficacy in our body" design that delivers nutrients to where they are needed in the body based on solid evidence. 

Focused on the Beauty and Health Food Domains, FANCL strives to eliminate "negatives" from the world. Furthermore, we provide customers with products through various sales channels, including online, at stores, through wholesale, and overseas. Our company's integrated manufacturing system, which enables us to sell products we research, plan, and manufacture ourselves using various sales channels and to quickly reflect customers' feedback and needs internally, is one of our greatest strengths.



#### FANCL's strengths

<b>1 R&amp;D capabilities</b> FANCL Research Institute performs everything from basic research to applied research that leads to product development, researches safety and functionality, and shares research results with each business in aim of further evolving.	<b>2 High-quality manufacturing and stable supply</b> FANCL engages in safe and secure manufacturing in a safe environment under strict management by setting standards in line with product characteristics at all factories, such as filling natural cosmetics in booths as clean as the ones used in pharmaceuticals manufacturing.	<b>3 Connections with customers</b> We have widely developed our online sales, direct store sales, and distribution channels. Online and direct store sales account for 70% of our net sales, and we are engaging in attentive communication with our customers.
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### Enhancing Brand Strength and Building a Foundation for Business Expansion

#### Taking action with an eye toward the future

Since being appointed president in December 2024, I have been reminded through visiting stores and hosting dialogue meetings that FANCL Corporation's channels, which directly connect the company to customers through online sales and offline stores, are one of our greatest strengths. In addition, FANCL employees are overflowing with entrepreneurial and innovative spirit, and just like the Kirin Group, FANCL has many hard-working employees.

Looking back on our performance over the past few years, despite the increase in inbound tourism and steady implementation, we had to prioritize short-term performance and were unable to improve our brand strength from medium- and long-term perspectives due to external factors including the COVID-19 pandemic, reputational impact of the discharge of treated water from the Fukushima Daiichi Nuclear Power Station, and the red yeast rice problem. While valuing our existing long-term customers, we need to enhance brand strength and acquire the next generation of customers.

Thus, our top issue for 2025 is to create a grand design where all company activities ultimately contribute to increasing our brand value. Organizational reforms and various initiatives for realizing this design are already underway. Additionally, in order to enhance our brand strength over the medium- and long-term, we need to focus on not only indicators related to sales revenue and profits but also on those concerning brand strength. For example, we will select appropriate KPIs for measuring brand strength, including an NPS (Net Promoter Score) and changes in the number of customers, and all divisions will then work to achieve these KPIs as targets.

#### Leveraging strengths in the beauty and health domains

The supplement business is a business that we have in common with other companies in the Kirin Group, and we are steadily integrating and streamlining our back-office operations, including systems and logistics. By combining the raw materials and fundamental research of Kirin Group companies with our research capabilities and pharmaceutical production technologies, we should be able to further enhance our business.

#### Hideki Mitsuhashi

Representative Director,  
Executive Officer,  
President,  
FANCL Corporation



Furthermore, FANCL operates the Kirin Group's one-and-only cosmetics business, and our unique strength is having businesses in both the beauty and health domains. We are currently collaborating with Kyowa Kirin Co., Ltd., in appearance care for cancer patients and have plans to work together with other Group companies to further enhance our inner and outer beauty products.

I also believe the shared aspects of the two domains, including our ability to build relationships with customers, high level of understanding, and efficient supplement inventory management know-how, are strengths that enable us to contribute to the Kirin Group. Going forward, we will make full use of both corporations' resources to accelerate business growth.

A future growth driver will be the overseas business, but first we must establish our brand's position in the Japanese market and gain more customer support. In order to continue to be chosen by overseas customers, it is essential for us to have high support from customers in our home market of Japan. Also, our cosmetic brand Attenir is performing extremely well, and we are committed to cultivating it with the aim of expanding it overseas. Furthermore, just like the skincare series FANCL CLEAR UP, released for elementary school aged children in 2024, we will continue to challenge ourselves in new domains without being confined to existing markets and concepts, and strive to grow our business by leveraging our entrepreneurial spirit.





## Special Feature 03 Social Impact

# Measuring Social Impact and Visualizing Social Value Created by Kirin

The Kirin Group is collaborating with stakeholders to create social and economic value and aims to sustainably grow together with society. We believe the key to realizing sustainable growth is visualizing the value created through our business activities. Visualizing social value in addition to economic value—which is reflected in business performance—will lead to better activities and further value creation. Additionally, we also believe it will promote more communication with stakeholders. To start, we looked at *Lactococcus lactis* strain Plasma (LC-Plasma, a postbiotic) as an example and formulated a logic model.\*



### Goal

By identifying the impacts of our *L. lactis* Plasma-related activities, we will clarify results and progress in achieving joy and enriched lifestyles, thereby enhancing the sustainability of both society and the Kirin Group.

References: *L. lactis* Plasma (Effects on infectious diseases) [https://health.kirin.co.jp/en/infection\\_effects/index.html](https://health.kirin.co.jp/en/infection_effects/index.html)

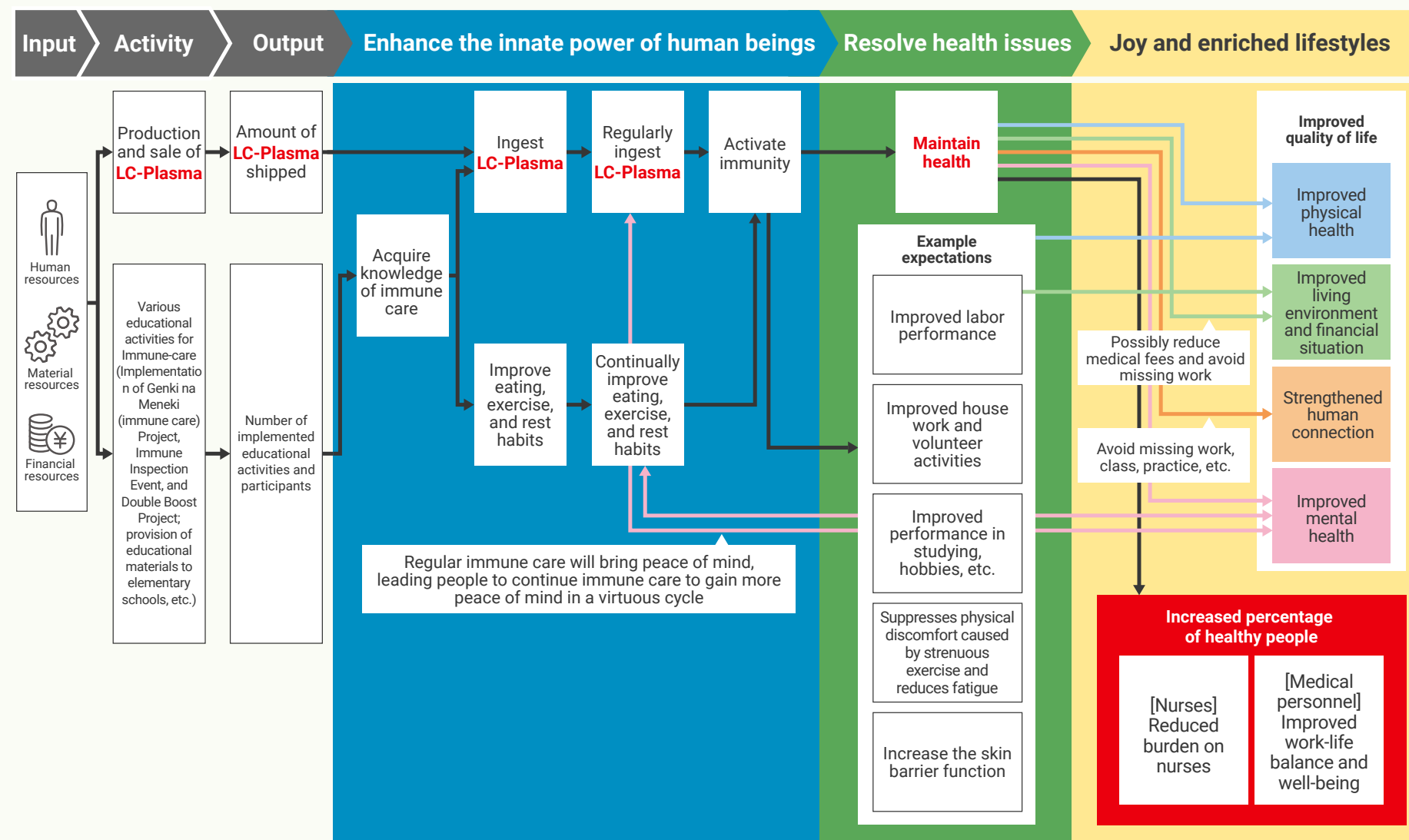
*L. lactis* Plasma (Various effects) [https://health.kirin.co.jp/en/other\\_effects/index.html](https://health.kirin.co.jp/en/other_effects/index.html)

"Immunity-Activating Lactic Acid Bacteria," Section 10, Article 5, *Strategy for Maintaining and Using Microbial Resources*, 463–473

"Discovery and Development of a Lactic Acid Bacterium that Defends Against Viral Infections and Activates the Leader of Immunity," *Microbiome Science* 1, no. 2 (2022): 38–42

\*Amounts were calculated using the Kirin Group's research results and public data, following a few assumptions, such as no one intakes LC-Plasma daily, and without taking into account market shares.

## Logic model



## Disclosure items

By promoting healthy habits (eating well-balanced meals, exercising appropriately, and getting sufficient sleep) and providing LC-Plasma, our Group is enhancing the innate power of human beings and resolving health-related issues, in turn bringing joy and enriching lives.

## Bringing joy and enriching lives

Joy and enriched lives are brought about by improved quality of life. Our Group aims to improve consumers' quality of life by proposing to maintain health based on four perspectives.

### <Four perspectives on quality of life>

- (1) Improve physical health: Being able to exercise and move at a pace that fits you, getting enough sleep and nutrients, etc.
- (2) Improve mental health: Having a positive self-image, experiencing few negative thoughts, concentrating well, etc.
- (3) Strengthen human connection: Satisfaction with human relations, feeling supported by friends, etc.
- (4) Improve living environment and financial situation: Living in a safe environment, having access to necessary information, being able to afford necessities, etc.

### <Improving quality of life by maintaining health>

- In "Improve physical health" and "Improve mental health," we believe maintaining health will enhance both physical and mental health. By maintaining the health of a total of 34.98 million people, we will contribute to improving physical and mental health.
- In regard to "Strengthen human connection," if someone becomes unwell, it gets difficult to interact with people, such as through going to work, school, family gatherings, and activity groups. By maintaining health, it is possible to avoid missing opportunities to socialize with people. In Japan, it is believed at least 1.19193 billion hours of free time a year, which could be used to meet people, are lost due to sickness or other reasons. Maintaining health will enable us to gain back a maximum of 526.06 million of these hours. Additionally, it is thought students miss at least 143.40 million hours of class a year across Japan due to falling ill or other reasons. Maintaining students' health will prevent them from missing a maximum of 63.38 million of these hours.
- Concerning "Improve living environment and financial situation," when people fall ill, they may face financial costs and losses from paying medical fees or missing work. Maintaining health will reduce these costs and losses. The total amount of annual medical expenses due to illness in Japan is estimated to be at least 1.3801 trillion yen. A maximum of 990.2 billion yen could be saved by maintaining health. Additionally, it is believed at least 3.4807 trillion yen of income is lost due to people missing work for illness or caring for sick family members. Maintaining health could reduce this by a maximum of 1.5374 trillion yen.

## Resolve health issues

The Kirin Group contributes to improving consumers' quality of life by helping to activate their immune systems and driving various effects, such as maintaining their health. We have also discovered other benefits through researching LC-Plasma. It can be expected to improve the performance of businesspersons, homemakers, students, the elderly, and others in various daily activities. In addition, LC-Plasma can be expected to reduce fatigue from sports training and have other effects.

## Enhance the innate power of human beings

The Kirin Group will not only promote healthy habits (eating well-balanced meals, exercising appropriately, and getting sufficient sleep) but also provide LC-Plasma to support the maintenance of consumers' immune systems. It is well-known that general lactic acid bacteria activate immune cells, but they only affect some immune cells. LC-Plasma activates plasmacytoid dendritic cells (pDCs), the leader of the immune system. The activated pDCs in turn activate all immune cells,\* thus supporting the immune function of healthy people.

\*Natural killer cells, B-cells, killer T-cells, and helper T-cells

## Conclusion

As can be seen above, LC-Plasma is a lactic acid bacterium that demonstrates an array of effects and can bring about a major impact on society. We will continue to contribute to society by producing and providing LC-Plasma.

# 06

## Strategies and Reviews of Operating Companies

### Alcoholic and Non-Alcoholic Beverages Businesses

Strengthening highly profitable categories and products to outperform markets

#### Kirin Brewery



##### FY2024 Review

###### External environment

- As the full malt beer and RTD (ready-to-drink) categories grew to prepare for liquor tax revisions in October 2026, each company strengthened strategies to enhance these categories. On the other hand, the economy category (happoshu and new genre beer) shrank more than expected, and the impact of rising costs, including of raw materials, persisted.

###### FY2024 initiatives and achievements

- To strengthen our full-malt beer portfolio, we launched *Kirin Beer Harekaze*, our first new brand in 17 years. The *Kirin ICHIBAN* brand has further enhanced its quality through a renewal, strengthening its presence in the beer market. In the RTD category, the *Kirin Hyoketsu* brand continued to perform well, particularly driven by the strong sales of its sugar-free series.
- As a result, we outperformed the market in the full malt beer and RTD categories, contributing to the revitalization of both categories.
- This led to achieving a revenue of 662.7 billion yen and a normalized operating profit of 75.1 billion yen, 2.3% and 3.0% more year-on-year, respectively.

##### FY2025 Plan

###### External environment

- Each company is predicted to continue strengthening investments to prepare for liquor tax revisions. Additionally, they revised prices in April 2025 due to ongoing cost increases.

###### FY2025 initiatives

- We aim to continue outperforming the full malt beer and RTD markets by strengthening highly profitable categories and products.
- As the economy category is expected to contract more than initially anticipated, we will implement appropriate strategies to increase our market share within it.
- We aim to enhance profitability by raising unit prices through the price revisions implemented in April.
- Despite continued cost increases, we aim to achieve revenue and profit growth in 2025 through the price revisions and growth in our full malt beer category.

Investing in core brands and raising unit prices

#### Lion



##### FY2024 Review

###### External environment

- In Australia, rising inflation and cost-of-living pressures created a challenging environment throughout the year, with the beer market shrinking much more than expected. Furthermore, the US market was also challenging, with a continued decrease in the consumption of craft beer.

###### FY2024 initiatives and achievements

- In Australia, we outperformed the beer market due to strong sales of *Stone & Wood*, *Hahn*, and other brands. Despite this, both revenue and normalized operating profit were lower year-on-year, based on the local currency, due to the beer market shrinking beyond expectations.
- In the United States, sales of New Belgium Brewing's *Voodoo Ranger* remained stable. Revenue increased from the previous year due to higher unit prices, but normalized operating profit decreased, based on the local currency, due to the impact of the hurricane damage at the Asheville Brewery.
- As a result, revenue increased by 4.9% year-on-year to 294.7 billion yen and normalized operating profit decreased by 3.2% to 31.4 billion yen.

##### FY2025 Plan

###### External environment

- In Australia, with continuing market severity, it is necessary to focus on effects on the consumption environment from interest rate cuts and other factors. Additionally, it is predicted the craft beer category will continue to shrink in the United States.

###### FY2025 initiatives

- In Australia, we will continue to maintain momentum to outperform the beer market by strengthening RGM\* and functional products.
- In the US craft beer market, we will expand the RTD category, including *Voodoo Hard Charged Tea*, to improve profitability.
- Although the future of the markets is uncertain, we aim to improve profitability in the Australian, New Zealand, and US craft beer markets, based on local currencies, by strengthening investments in core brands and raising unit prices.

\*Revenue growth management: Selling optimal products to appropriate consumers at a preferred price to maximize sales.

Build immune care habits to further expand the market

#### Kirin Beverage



##### FY2024 Review

###### External environment

- Amid continued surges in raw material and other input costs, each company implemented price revisions in October 2024. Furthermore, the green tea market continued to undergo commoditization, leading to intensified competition among companies.

###### FY2024 initiatives and achievements

- We strengthened *Kirin Gogo-no-Kocha* and *Kirin Nama-cha* brands in addition to focusing on expanding the lineup of Health Science products. Of these products, sales volume grew for the *Kirin Oishii Immune Care* series, while their unit prices improved through price revisions.
- Revenue increased by 4.3% year-on-year to 268.8 billion yen, and normalized operating profit rose by 8.1% year-on-year to 18.3 billion yen, driven by price revisions and cost control of selling expenses.

##### FY2025 Plan

###### External environment

- Competition is expected to intensify further in categories undergoing commoditization, while cost pressures—including rising raw material prices—are predicted to persist. The functional beverages market is anticipated to continue expanding.

###### FY2025 initiatives

- We will accelerate the growth of highly profitable Health Science products and improve normalized operating profit by increasing unit prices and improving product mix. We will further expand the market by renewing the *Kirin Oishii Immune Care* series and spreading awareness of daily immune care habits.

Maintain high profitability by managing prices and optimizing operations

#### Coke Northeast



##### FY2024 Review

###### External environment

- Consumption in the US non-alcoholic beverage market remained resilient.

###### FY2024 initiatives and achievements

- Coke Northeast maintained positive momentum due to a resilient consumption environment and effective price management aligned with the market environment. Additionally, revenue increased by 14.7% year-on-year to 286.9 billion yen and normalized operating profit rose significantly by 30.7% to 44.3 billion yen. This was due to expanding the mix of higher-margin products, such as sparkling soft drinks, and continually streamlining operations.

##### FY2025 Plan

###### External environment

- Although sales volume remains resilient, we will continue to closely monitor potential impacts on the consumption environment and raw material costs stemming from political transitions and other external factors.

###### FY2025 initiatives

- We will maintain high profitability and aim to increase it in 2025 by continuing price management considering the consumption environment and optimizing operations to generate stable profits.

Example

#### Enhancing the beer brand portfolio toward acquiring new consumers

*Kirin Beer Harekaze*, launched in April 2024, achieved 1.3 times its annual sales target by attracting consumers who previously did not drink beer: It played a key role in revitalizing the beer market. Furthermore, we launched *KIRIN ICHIBAN White Beer* in April 2025. It's a new product with a sophisticated quality and light flavor, allowing it to be enjoyed by those who do not normally drink beer. By further strengthening the *KIRIN ICHIBAN* brand and continuing to nurture *Kirin Beer Harekaze*, we will meet increasingly diverse consumer needs, driven by the growth of the full malt beer category, and achieve growth exceeding that of the overall market in 2025.





## Pharmaceuticals Business

Steadily growing global strategy products and expanding the pipeline toward future growth

## Kyowa Kirin



### FY2024 Review

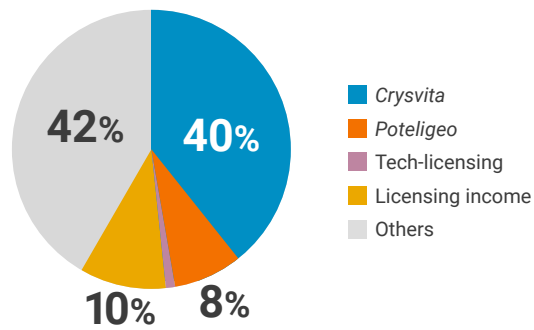
#### External environment

- Pharmaceutical price revisions in Japan and growing global pressure to control medical costs, along with rising challenges in developing new medicines, are ongoing.

#### FY2024 initiatives and achievements

- Global strategy products *Crysvita* and *Poteligeo* grew significantly, mainly in North America, due to evidence-based promotion and a focus on strengthening access to high-potential medical facilities for treatment. Furthermore, development of new product KHK4083 steadily progressed in preparation to apply for its approval.
- These initiatives grew revenue by 12.1% year-on-year to 495.6 billion yen. However, the increase in R&D expenses to expand our development pipeline for medium- to long-term growth decreased normalized operating profit by 4.3% year-on-year to 91.9 billion yen.

Revenue breakdown



### FY2025 Plan

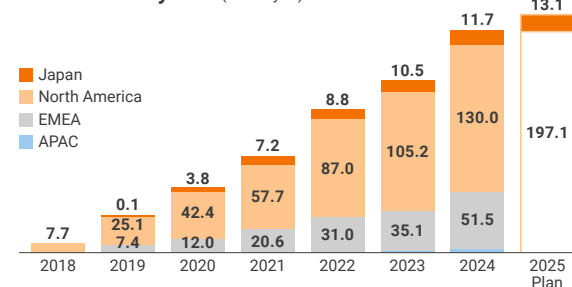
#### External environment

- Changes in the pharmaceutical industry are accelerating, with increasing economies and political instability as well as escalating and prolonged geopolitical risks. It is essential to remain vigilant against these changes and respond swiftly.

#### FY2025 initiatives

- In 2025, we will continue to strengthen promotional activities for *Crysvita* and *Poteligeo* to achieve continuous growth. As for the development pipeline's product KHK4083, numerous clinical trials are underway and we aim to file for US approval in 2025–2026 for the treatment of atopic dermatitis.
- In 2025, profits are expected to temporarily decline due to the reversal from last year's gains from brand transfers and increased R&D expenses, but we aim to steadily grow profits in 2026–2027.

Revenue of *Crysvita* (billion yen)



Revenue from the Early Access Program (EAP) is not included in the revenue until FY2022, but is included in revenue from FY2023 onward because its amount is minimal.

### Strengthening initiatives toward expanding the pipeline

Kyowa Kirin is strengthening its efforts to expand its development pipeline and is advancing clinical trials for KHK4083 and *ziftomenib* to establish a foundation for future growth. Among these, KHK4083 is expected to treat atopic dermatitis and Kyowa Kirin aims to apply for its use in the United States. In addition, through strategic investments such as in acquiring Orchard Therapeutics plc and the construction of a biopharmaceutical material manufacturing facility, Kyowa Kirin aims to support the growth of global strategic products and promote sustainable pharmaceutical manufacturing.

Market scale	
Atopic dermatitis	Over 1 trillion yen
Asthma	Over 1 trillion yen
Planned Application: 2025–2026	

## Health Science Businesses

Evolving communication methods to accelerate brand growth

## FANCL



### FY2024 Review

#### External environment

- Impacted by the decrease in supplement consumption following the red yeast rice issue in Japan and the reputational impact of treated water from the nuclear power plant and the worsening consumption environment in China.

#### FY2024 initiatives and achievements

- The supplement market was impacted by the red yeast rice problem, but the level of regular consumers has been steadily recovering since October. Meanwhile, local sales in China have been slow due to the deteriorating consumption environment.
- The consolidation of FANCL started in October 2024, resulting in revenue of 34.5 billion yen and normalized operating profit\* of 2.0 billion yen.

\*Includes amortization of intangible assets and other assets as well as one-time costs (preliminary) due to the PPA (purchase price allocation)

### FY2025 Plan

#### External environment

- While Japan is not expected to grow significantly due to population decline, competition is intensifying and the market environment remains challenging.

#### FY2025 initiatives

- In Japan, FANCL will accelerate brand growth by evolving communication methods while stimulating consumer demand through new products and promotions for both skincare and supplements.
- In China, we will begin general trade sales of *ATTENIR* products to expand sales channels, aiming to grow profits in 2025.

Realizing further growth through initiatives tailored to each country's market characteristics

## Blackmores



### FY2024 Review

#### FY2024 initiatives and achievements

- In Australia, Blackmores achieved steady growth through new product innovation, appropriate value pricing, and communication, resulting in a 4% increase in revenue.
- In China, despite facing headwinds from a deteriorating consumption environment, annual revenue grew by 8% due to factors such as price revisions.
- In Southeast Asia, the market continued to expand, and despite some temporary problems in Vietnam, there was overall growth of 5% due to Malaysia and Indonesia achieving double-digit growth.
- These factors grew revenue by 116.1% year-on-year to 69.1 billion yen, and normalized operating profit\* was at 6 billion yen.

\*Includes amortization of intangible assets and other assets as well as one-time costs (preliminary) due to the PPA (purchase price allocation)

### FY2025 Plan

#### FY2025 initiatives

- Blackmores aims to realize sustainable growth in Australia by executing new product launches and improving the shopping experience in the market leveraging our strong relationships with customers.
- In China, we will expand the Blackmores brand in more channels through local and global innovation.
- In Southeast Asia, we will promote initiatives tailored to each country's market characteristics while defining focus areas. In particular, we will increase the number of consumers accessing our services by expanding our sales channels of operation and introducing new formulations.
- Blackmores aim to grow its overall profit through growth in each market.

### Accelerating growth of the LC-Plasma business

In the Health Science Business, we are promoting numerous initiatives to become one of the largest health science companies in APAC. In particular, we aim to expand the immune care market and sale of LC-Plasma.

We plan to strengthen our foundation in Japan while expanding our overseas business to one more country a year, starting with Taiwan in 2025. In 2025, we aim to turn the LC-Plasma business profitable, add high value to our materials, and expand the business both in Japan and overseas.







Management

Directors



**Yoshinori Isozaki**  
Representative Director of the Board & CEO

April 1977    Joined the Company  
March 2024    Representative Director of the Board & CEO (present position)



**Takeshi Minakata**  
Representative Director of the Board, President & COO

April 1984    Joined the Company  
March 2024    Representative Director of the Board, President & COO (present position)



**Junko Tsuboi**  
Director of the Board, Senior Executive Vice President

April 1985    Joined the Company  
March 2024    Director of the Board, Senior Executive Vice President of the Company (present position)



**Toru Yoshimura**  
Director of the Board, Senior Executive Officer

April 1988    Joined the Company  
March 2024    Director of the Board, Senior Executive Officer of the Company (present position)



**Shinjiro Akieda**  
Director of the Board, Senior Executive Officer

April 1988    Joined the Company  
March 2024    Director of the Board, Senior Executive Officer of the Company (present position)

(Major concurrent position)  
Director of Lion Pty Ltd.



**Hiroyuki Yanagi**  
Chairperson of the Board (Independent Non-executive Director of the Board)

April 1978    Joined Yamaha Motor Co., Ltd.  
March 2010    President, Chief Executive Officer and Representative Director of Yamaha Motor Co., Ltd.  
January 2018    Chairman and Representative Director of Yamaha Motor Co., Ltd.  
March 2019    Non-executive Director of the Company (present position)  
March 2022    Adviser of Yamaha Motor Co., Ltd.



**Noriko Shiono**  
Independent Non-executive Director of the Board

August 1983    Joined Japan New Media Co., Ltd.  
March 2010    Representative Director, President of SSP Co., Ltd.  
March 2018    Non-executive Director of Kirin Company, Limited  
March 2020    Non-executive Director of the Company (present position)



**Rod Eddington**  
Independent Non-executive Director of the Board

September 1979    Joined John Swire & Sons (H.K.) Ltd.  
April 1992    Managing Director of Cathay Pacific Airways Limited  
April 2000    Chief Executive Officer of British Airways plc  
March 2011    Director of Lion Pty Ltd.  
March 2020    Non-executive Director of the Company (present position)



**Shinya Katanozaka**  
Independent Non-executive Director of the Board

April 1979    Joined ALL NIPPON AIRWAYS CO., LTD.  
April 2015    Representative Director, President & Chief Executive Officer of ANA HOLDINGS INC.  
April 2022    Chairman of the Board of Directors of ANA HOLDINGS INC.  
March 2023    Non-executive Director of the Company (present position)  
April 2024    Member of the Board, Chairman of ANA HOLDINGS INC.



**Yoshiko Ando**  
Independent Non-executive Director of the Board

April 1982    Entered the Ministry of Labor  
April 2003    Lieutenant Governor of Shiga Prefecture  
July 2006    Director of Equal Employment Policy Div. of Equal Employment, Children and Families Bureau of the Ministry of Health, Labour and Welfare  
July 2017    Director-General for Human Resources Development of the Ministry of Health, Labour and Welfare  
March 2019    Audit & Supervisory Board Member of the Company  
March 2024    Non-executive Director of the Company (present position)



**Shingo Konomoto**  
Independent Non-executive Director of the Board

April 1985    Joined Nomura Research Institute, Ltd.  
April 2016    President & CEO, Member of the Board, Representative Director, of Nomura Research Institute, Ltd.  
June 2019    Chairman and CEO, Member of the Board, Representative Director of Nomura Research Institute, Ltd.  
June 2024    Chairman, Member of the Board of Nomura Research Institute, Ltd. (to present)  
March 2025    Non-executive Director of the Company (present position)



**Naoko Mikami**  
Independent Non-executive Director of the Board

April 1983    Joined Ajinomoto Co.  
April 2007    Visiting Professor, Faculty of Pharmaceutical Sciences, Musashino University  
June 2019    Representative Director and Vice President of C'BON COSMETICS Co., Ltd.  
March 2025    Non-executive Director of the Company (present position)

Audit & Supervisory Board Members



**Shobu Nishitani**  
Standing Audit & Supervisory Board Member

April 1987    Joined the Company  
March 2016    Director of Lion Pty Ltd.  
April 2016    General Manager, Accounting Department of Kirin Company, Limited  
March 2022    Standing Audit & Supervisory Board Member of the Company (present position) Audit & Supervisory Board Member of Kyowa Hakkio Bio Co., Ltd. (present position)



**Toru Ishikura**  
Standing Audit & Supervisory Board Member

April 1989    Joined the Company  
March 2020    Director of the Board, Kyowa Hakkio Bio Co., Ltd.  
March 2023    Standing Audit & Supervisory Board Member of the Company (present company) Audit & supervisory Board Member of Kyowa Kirin Co., Ltd. (present position)



**Kaoru Kashima**  
Audit & Supervisory Board Member

November 1981    Joined Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)  
June 2002    Senior Partner of ShinNihon & Co. (currently Ernst & Young ShinNihon LLC)  
July 2013    Representative Director of Ernst & Young Institute Co., Ltd.  
March 2020    Audit & Supervisory Board Member of the Company (present position)



**Kenichi Fujinawa**  
Audit & Supervisory Board Member

April 1980    Registered as lawyer in Japan and joined Nagashima & Ohno  
January 2000    Partner of Nagashima Ohno & Tsunematsu  
January 2015    Chairman of Nagashima Ohno & Tsunematsu  
March 2022    Audit & Supervisory Board Member of the Company (present position)



**Yoko Dochi**  
Audit & Supervisory Board Member

April 1987    Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)  
March 2018    Principal Investor Relations Officer, Accounting Division, Toyota Motor Corporation  
November 2018    Joined SoftBank Group Corp. Managing Director, Global Head of Investor Relations, SoftBank Group Corp.  
February 2020    Managing Partner, SoftBank Group International Ltd.  
March 2024    Audit & Supervisory Board Member of the Company (present position)

Executive Officers



**Mitsuharu Yamagata**  
Senior Executive Officer

Marketing, Corporate Brand Strategy, Digital & Information Strategy, Senior Executive Vice President of Kirin Brewery Co., Ltd.



**Hiroshi Fujikawa**  
Senior Executive Officer

CSV Strategy



**Akiyoshi Iwasaki**  
Senior Executive Officer

SCM Strategy, Production Technology Strategy



**Kazufumi Nagashima**  
Senior Executive Officer

Chief Quality Assurance Officer, General Manager of Quality Assurance Department



**Toshihito Hama**  
Senior Executive Officer

Chief Risk Management Officer, Public Relations Strategy



**Daisuke Fujiwara**  
Senior Executive Officer

R&D Strategy, President of R&D Division



**Hideki Horiguchi**  
Senior Executive Officer

President and CEO of Kirin Brewery Co., Ltd.



**Kazuhiro Inoue**  
Senior Executive Officer

President and CEO of Kirin Beverage Co., Ltd.



**Koji Fukada**  
Senior Executive Officer

President and CEO of Kyowa Hakkio Bio Co., Ltd.



**Hideki Mitsuhashi**  
Senior Executive Officer

President and Representative Director of FANCL Corporation

Required skills for directors and Audit & Supervisory Board members

As of April 2025, seven (7) Non-Executive Directors and three (3) Audit & Supervisory Board members that satisfy the Company's independence criteria, with reference to the criteria for independence of officers as prescribed in the regulations of the Tokyo Stock Exchange, have been appointed as Independent Directors/Auditors in order to improve the fairness and transparency of corporate governance, ensure the Group's sustainable growth, and boost corporate value over the medium to long term.

Criteria regarding the independence of Officers

[https://www.kirinholdings.com/en/purpose/files/pdf/e\\_independencriteria\\_officer.pdf](https://www.kirinholdings.com/en/purpose/files/pdf/e_independencriteria_officer.pdf)

Independent Officers Notification

[https://www.kirinholdings.com/en/purpose/files/pdf/e\\_independentofficer.pdf](https://www.kirinholdings.com/en/purpose/files/pdf/e_independentofficer.pdf)

Kirin Holdings has adopted a pure holding company structure as a means of controlling its diverse and global business, which is centered on the three domains of food & beverages, pharmaceuticals, and health science. As the institutional design, we have adopted a Company with Audit & Supervisory Board system, and aim to maintain and improve on a highly transparent governance system for its stakeholders. The Board, more than half of which are Outside Directors, works closely with the Audit & Supervisory Board to take final decisions on important matters and reinforce the monitoring function on management. We have also introduced an executive officer based system in order to implement strategies for each of our businesses and functions in an agile fashion and clarify executive responsibilities.

To ensure the effective functioning of our monitoring and management structure and achieve the Group's sustainable growth and corporate value enhancement, it is essential that the directors and Audit & Supervisory Board members have the necessary skills and embrace diversity in terms of gender, nationality, and other characteristics. This same requirement applies to our management team.

Kirin Holdings has identified the skills needed for the directors and Audit & Supervisory Board members based on the perspectives outlined above.

First and foremost, comprehensive corporate management skills gained through experience in a top management or business position is important. So is expertise and experience in CSV, which is central to our management.

Next, making final decisions on important matters requires a deep understanding of our business domains. In particular, expertise and experience in health science and pharmaceuticals, which support the Kirin Group's long-term growth, should be prioritized, as our company oversees the entire Group. Additionally, R&D, production, quality assurance, and brand strategy/marketing are organizational capabilities essential for our business domains. Overseas business experience is necessary to expand business globally, and ICT/DX is becoming indispensable for a business model transformation. Human resources and organizational development expertise is required to support these business and functional strategies. Therefore, we need expertise and experience in all of these fields.

These skills are also vital for the purpose of monitoring management. Furthermore, expertise and experience in finance & accounting, legal affairs, risk management, and ESG are particularly significant for conducting effective corporate governance. The skill matrix below groups related skills together in a single column.

Directors

Name	Gender	Expertise and Experience									
		Corporate Management	CSV ESG	Finance / Accounting	HR / Organization Development	Legal / Risk Management	Manufacture / Quality Assurance	Brand Strategy / Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT DX
Yoshinori Isozaki	Male	●	●	●		●		●	●	●	
Takeshi Minakata	Male	●	●	●			●		●	●	
Junko Tsuboi	Female	●	●		●	●		●		●	
Toru Yoshimura	Male	●	●	●			●		●	●	●
Shinjiro Akieda	Male	●	●	●		●		●	●		●
Hiroyuki Yanagi	Male	●	●				●	●	●		
Noriko Shiono	Female	●	●					●	●	●	
Rod Eddington	Male	●	●	●					●		
Shinya Katanozaka	Male	●	●		●			●	●		
Yoshiko Ando	Female		●		●	●					
Shingo Konomoto	Male	●							●		●
Naoko Mikami	Female	●					●			●	

Executive Officers

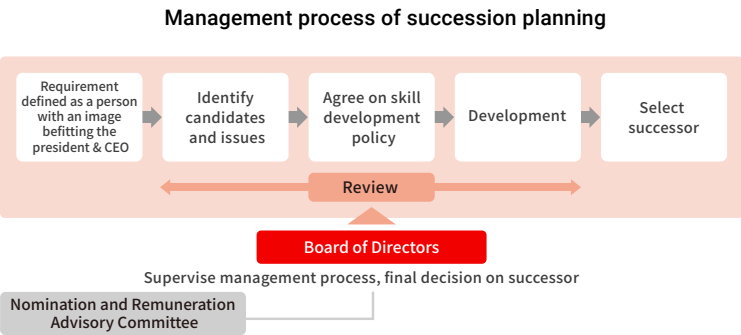
Name	Gender	Expertise and Experience									
		Corporate Management	CSV ESG	Finance / Accounting	HR / Organization Development	Legal / Risk Management	Manufacture / Quality Assurance	Brand Strategy / Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT DX
Mitsuharu Yamagata	Male		●					●	●	●	●
Hiroshi Fujikawa	Male	●	●		●			●	●		
Akiyoshi Iwasaki	Male	●	●				●		●		
Kazufumi Nagashima	Male	●	●				●		●	●	
Toshihito Hama	Male	●	●		●	●			●		
Daisuke Fujiwara	Male		●					●		●	
Hideki Horiguchi	Male	●	●	●				●	●		
Kazuhiro Inoue	Male	●	●	●				●		●	
Koji Fukada	Male	●	●	●			●		●	●	
Hideki Mitsuhashi	Male	●	●	●		●			●	●	●

Audit & Supervisory Board Members

Name	Gender	Expertise and Experience									
		Corporate Management	CSV ESG	Finance / Accounting	HR / Organization Development	Legal / Risk Management	Manufacture / Quality Assurance	Brand Strategy / Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT DX
Shobu Nishitani	Male		●	●					●	●	
Toru Ishikura	Male		●				●			●	●
Kaoru Kashima	Female		●	●	●						
Kenichi Fujinawa	Male		●			●			●	●	
Yoko Dochi	Female		●	●					●		

Succession Plan for Executive Directors

Kirin Holdings’ Nomination and Remuneration Advisory Committee deliberated on the formulation of policy for the President & CEO Succession Planning in 2016 and reported on the requirement (an image befitting the President & CEO of Kirin Holdings) and the decision process for candidates to the Board of Directors. Based on this report, Kirin Holdings has been selecting, evaluating and training candidates since 2017 under the supervision of the Board of Directors in order to determine the future successor in a highly objective and transparent process. Starting in 2024, the plan will be used as a succession plan for the chief executive officer (CEO) and chief operating officer (COO).



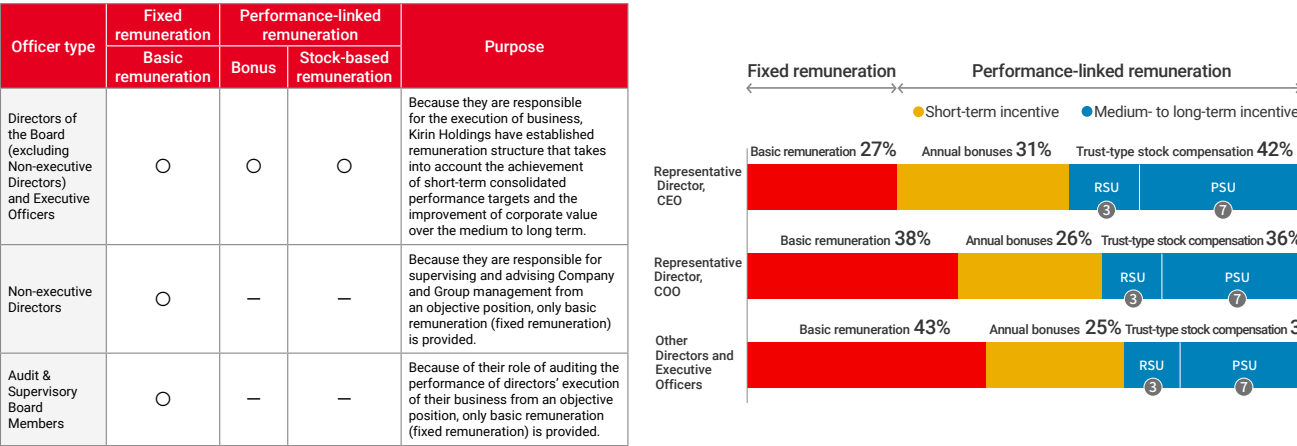
Basic Policy for the Remuneration of Executive Officers

The Nomination and Remuneration Advisory Committee will discuss the remuneration of directors and executive officers, and report to the Board based on the following policy. The Committee will consider levels of the remuneration and linkage with performance by comparing them objectively with officers’ remuneration survey data of an external research body, and incorporate findings in its report to the Board of Directors.

1. The Company shall establish a remuneration structure that emphasizes the linkage of remuneration with business performance and medium- to long-term corporate value and share value with the shareholders.
2. Remuneration levels shall be appropriate for the roles and responsibilities of the Kirin Group’s officers.
3. Remuneration shall be deliberated by the Nomination and Remuneration Advisory Committee, in which non-executive Directors constitute a majority, in order to ensure objectivity and transparency.

Composition of the Remuneration

- In order to encourage awareness of achieving short-term performance targets and enhancing medium to long term corporate value, remuneration for directors of the board is composed of three parts: basic remuneration (fixed remuneration), bonus (short-term incentive remuneration), and stock compensation (medium- to long-term incentive remuneration). The specific composition of remuneration is as follows according to the classification of officers eligible for the payment.
- The ratio of base remuneration to performance-linked remuneration for the representative director of the board & CEO is designed to be approximately 30:70 (including 30 for bonuses and 40 for stockbased remuneration), with other directors (excluding non-executive directors) and executive officers following suit in consideration of their positions and responsibilities.



Procedures for Determining the Remunerations of Executive Directors

- In order to ensure fair and reasonable application of the process in line with the above-mentioned basic policy for executive remuneration, the executive remuneration shall be deliberated at the Nomination and Remuneration Advisory Committee of which the majority of the members are Nonexecutive directors and whose chairperson is also a non-executive director, and the result is reported to the Board of Directors.
- As for determining the specific amount of remuneration, remuneration for directors shall be decided at the Board and that for Audit & Supervisory Board members upon consultation with Audit & Supervisory Board based on the report from the Nomination and Remuneration Advisory Committee and within the limits of the remuneration amount determined in advance at the general meeting of shareholders.
- Nomination and Remuneration Advisory Committee regularly deliberates on the setting of remuneration levels, the ratio of performance-linked remuneration and its mechanisms and meets in response to changes in the environment of laws and regulations related to executive remuneration and submits a report to the Board.

Please click the link below for details on the remuneration system for management

<https://www.kirinholdings.com/en/purpose/governance/compensation/>

Policy on Cross-shareholdings

- In principle, Kirin Holdings will not hold any cross-shareholdings except for stocks that are deemed to contribute to the enhancement of corporate value over the medium to long term.
- The Board of Directors will annually review the rationale for holding individual cross-shareholdings through dialogue and negotiation with business partners, etc., and will proceed with the sale of stocks that are deemed not to be rational to hold from the standpoint of the common interests of shareholders.
- Voting rights on cross-shareholdings will be exercised upon deciding for or against each agenda item, taking into account whether a particular cross-shareholding will help boost the corporate value of the company concerned, and whether it will help ensure sustainable growth and boost the Group’s corporate value over the medium to long term.



Messages from New Members of the Board



Shingo Konomoto  
Independent Non-executive Director of the Board

History	
April 1985	Joined Nomura Research Institute, Ltd.
April 2004	Senior Managing Director, Division Manager of Consulting Division III of Nomura Research Institute, Ltd.
April 2010	Senior Corporate Managing Director, Division Manager of Consulting Division of Nomura Research Institute, Ltd.
June 2015	Senior Executive Managing Director, Member of the Board, Representative Director, Supervising of Business Divisions, Head of Consulting of Nomura Research Institute, Ltd.
April 2016	President & CEO, Member of the Board, Representative Director of Nomura Research Institute, Ltd.
June 2019	Chairman and President & CEO, Member of the Board, Representative Director of Nomura Research Institute, Ltd.
April 2024	Chairman, Member of the Board, Representative Director of Nomura Research Institute, Ltd.
June 2024	Chairman, Member of the Board of Nomura Research Institute, Ltd. (to present)
June 2024	Non-executive Director of the Board, Sony Group Corporation (to present)
March 2025	Non-executive Director of Kirin Holdings Company, Limited (to present)

There are three years left to reach the goals in Long-Term Management Vision, Kirin Group Vision 2027 (KV2027), and we are shifting gears to prepare to transition to a growth phase. Having joined the Group’s Board of Directors at such a turning point, I feel a sense of determination.

After working at Nomura Research Institute as a consultant for many years, I grew the company’s medium- and long-term corporate value as chairman and president.

As president & CEO, I especially focused on CSV (solving social issues through value co-creation) to realize both the company’s sustainable growth and the creation of a sustainable future and society.

Utilizing this experience, I want to contribute to the KV2027 Vision to become “a global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals.” Additionally, in the rapidly changing digital and AI domains, I want to use my knowledge from managing an IT solutions company to supervise and advise the Kirin Group’s Board of Directors. I want to seriously engage with management to build more trust with the Group’s various stakeholders, strive to increase the Group’s medium- and long-term corporate value as a non-executive director of the Board, and meet the expectations of our shareholders.



Naoko Mikami  
Independent Non-executive Director of the Board

History	
April 1983	Joined Ajinomoto Co., Inc.
April 2007	Visiting Professor, Faculty of Pharmacy, Musashino University (retired in 2018)
January 2010	Joined C’ BON COSMETICS Co., Ltd.
June 2017	Senior Executive Officer, Director of the Board in charge of Administration Division of C’ BON COSMETICS Co., Ltd.
June 2019	Representative Director and Vice President of C’ BON COSMETICS Co., Ltd.
January 2020	Executive Vice President and Representative Director of the Board in charge of Product Development Division of C’ BON COSMETICS Co., Ltd. (retired in 2021)
June 2021	Non-executive Director of the Board, Showa Sangyo Co., Ltd. (to present)
March 2022	Non-executive Director of the Board, Earth Corporation (to present)
March 2024	Non-executive Director of the Board, Kuraray Co., Ltd. (to present)
March 2025	Non-executive Director of Kirin Holdings Company, Limited (to present)

I have been involved in the development of amino acid-based specialty materials including personal care ingredients. Based on these developed materials, I have collaborated with a variety of health science companies.

My experiences with production facilities and quality assurance operations are the foundation of my approach to optimizing operational balance in business. Additionally, I have worked as a visiting professor for a faculty of pharmaceutical sciences, and my accumulation of dialogues with experts in a diverse range of fields is at the core of my way of thinking about business development.

The earnings of the Kirin Group are currently being supported by their founding beer business and the Pharmaceuticals Business developed around the technology of said business, but in order to continue developing based on a perspective of 20 to 30 years into the future, the Group must nurture a business as a new major pillar. Regarding the Health Science Business, the current challenge of the Kirin Group, it may be difficult to see its synergy with the Group’s other business domains; however, from an R&D standpoint, it is recognized as the domain that will allow the Group to take full advantage of the technical foundation it excels in. I want to further deepen dialogues of the Board toward achieving profitability in the Health Science Business the Kirin Group has labelled as a future medium- and long-term growth driver.



Toshihito Hama  
Senior Executive Officer,  
Chief Risk Management Officer, Public Relations Strategy

History	
April 1991	Joined Kirin Brewery Company, Limited
January 2015	Deputy General Manager of Systems, HR Department, Kirin Company, Limited
January 2017	Chairman of the Board and General Manager, TAIWAN KIRIN COMPANY, LIMITED
April 2019	General Manager, HR General Affairs Department, Kirin Holdings Company, Limited
April 2023	General Manager, People & Culture Department, Kirin Holdings Company, Limited
March 2025	Senior Executive Officer, Kirin Holdings Company, Limited (to present) Director of the Board, Kirin Brewery Company, Limited (to present) Director of the Board, Kirin Beverage Company, Limited (to present)

This fiscal year, I newly joined as a member of the Kirin Group’s management as a chief risk management officer and am in charge of public relations strategy. Since joining the company, I gained a variety of experiences in logistics, sales, planning, HR, and overseas operating companies before going on to collaborate with the CPO to establish a human capital strategy linked with our management strategy, as general manager of the HR general affairs division between 2019 and 2024.

With changes to the external environment, such as the spread of COVID-19 and prices skyrocketing for various goods, people’s values and behaviors are changing. Amidst this, the Kirin Group completed preparations for expanding profits of the Health Science Business through restructuring initiatives, such as strengthening the competitiveness of core businesses and rearranging the business portfolio, toward realizing KV2027. In my new role, I don’t want to only reduce risks in addressing environmental issues, the rights of stakeholders, employees’ well-being, natural disasters, etc. to achieve KV2027 and sustainable growth: I also want to take this as an important opportunity to link our Group’s promotion of CSV management to business value creation, visualize potential issues that could arise from taking risks, and promote risk management that integrates with our strategies.



Daisuke Fujiwara  
Senior Executive Officer,  
R&D Strategy, President of R&D Division

History	
April 1995	Joined Kirin Brewery Company, Limited 2014 Part-time lecturer for Graduate School of Agricultural and Life Sciences at the University of Tokyo (to present)
April 2018	Deputy General Manager, Business Creation Department, Kirin Company, Limited
April 2019	Deputy General Manager, Health Science Business Department, Kirin Holdings Company, Limited
March 2021	General Manager, Health Science Business Department, Kirin Holdings Company, Limited
April 2023	General Manager, Institute of Health Sciences, Health Science Business Division, Kirin Holdings Company, Limited
March 2025	Senior Executive Officer, Kirin Holdings Company, Limited (to present) Director of the Board, Kyowa Kirin Company, Limited (to present)

I am honored to have joined the top management of Kirin Group, which aims to be a global leader in CSV.

I was involved in basic research for many years, throughout which I was blessed to work with outstanding researchers both inside and outside the company and made many new discoveries, including *Lactococcus lactis* strain Plasma, the core ingredient of our Health Science Business. In addition, while working to commercialize these discoveries, I gained many insights through interacting with people in value chains outside of research. In order to realize our company’s sustainable growth, we must continue to make unique innovations. I am lucky to have experienced the long road of creating value from zero and putting it out into society, equipping me with the know-how and mindset for innovation.

Going forward, I am fully committed to developing our Group by helping it to create new innovation to change society as a leading Japanese manufacturer and to nurturing scientists and business developers so that we can continue contributing to great national strength through this process.

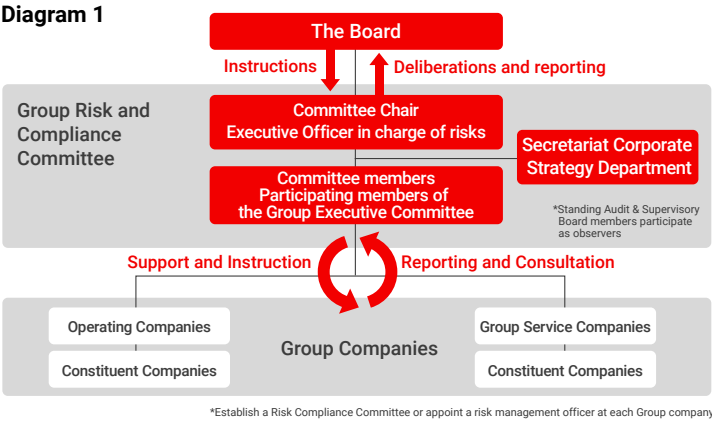
Risk Management

1 Approach to risk management

The Kirin Group defines risk as uncertainty with the potential to seriously impede the accomplishment of business targets or impact business continuity. The Group also defines crisis as risk manifested at a certain point and requiring urgent action. The Group's fundamental risk management policy is to mitigate risk, prevent risk from being actualized, and keep risk within a manageable level so that we can earn trust of our stakeholders in a sustainable manner. By treating strategies and risks as two sides of the same coin, we assess and implement appropriate risk control measures by analyzing risks in the phases of selecting and implementing strategies, as well as risks that could develop into crises, from various perspectives. Risk information is disclosed in a timely and appropriate manner on our corporate website and other means.

2 Risk management structure

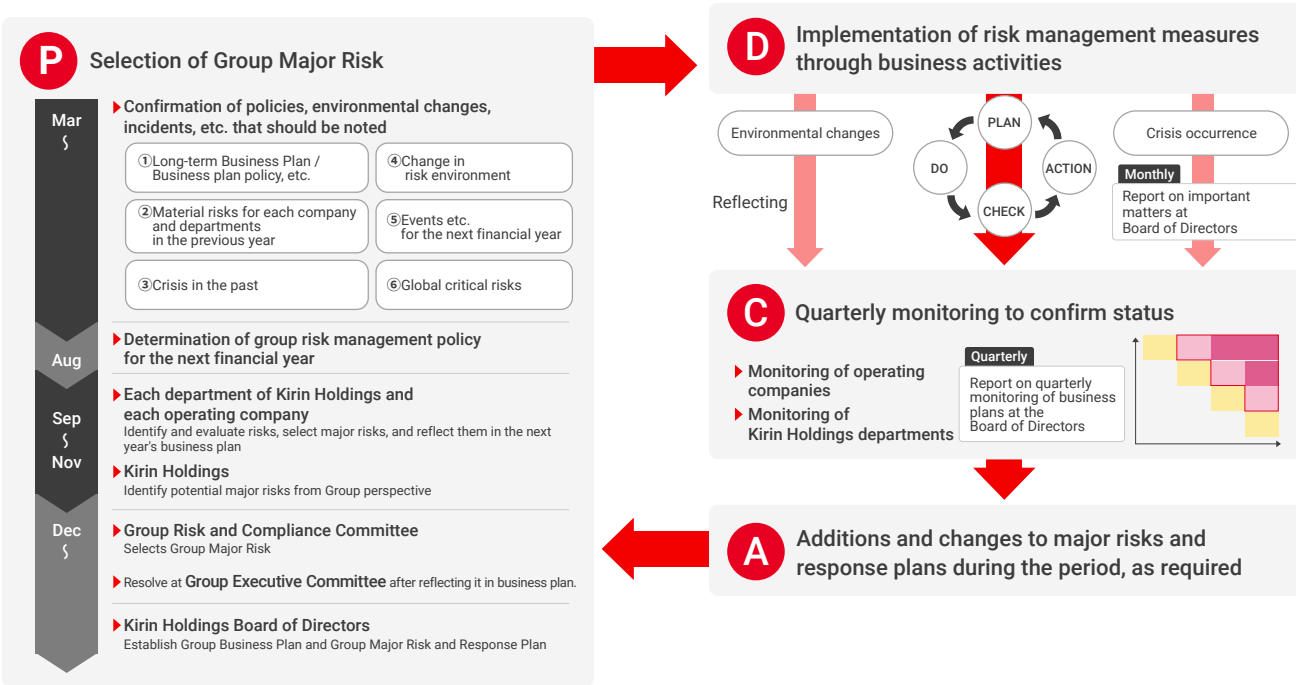
The Group has established the Group Risk and Compliance Committee consisting of Kirin Holding's senior executive officers or higher and chaired by the executive officer in charge of risk. The committee oversees the Group's risk management activities, including collecting risk information, setting the Group's risk policy, introducing risk reduction measures, communicating the information and considering countermeasures when a crisis occurs, and providing necessary instructions and support to Group companies. The Board also oversees the effectiveness of risk management through deliberations and reports on the Group's major risks.



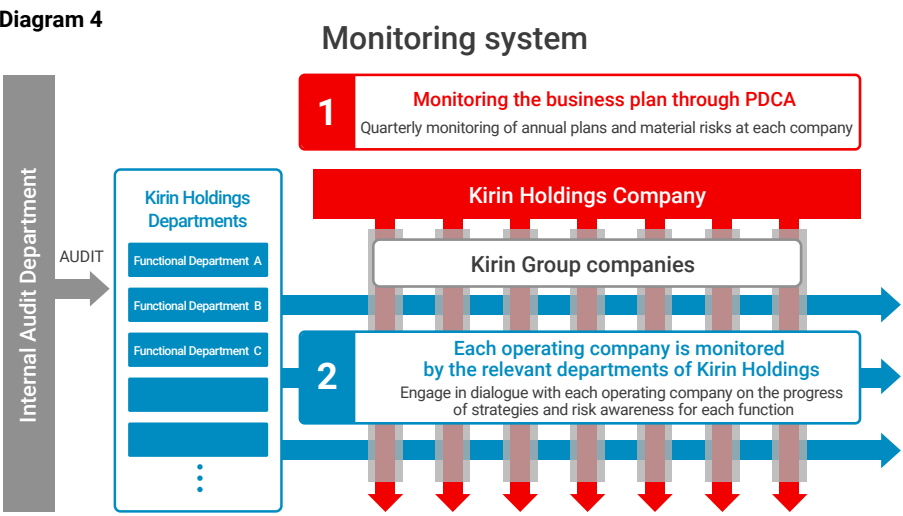
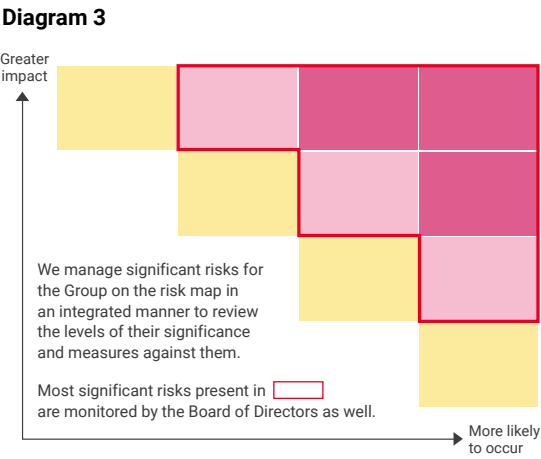
3 Process for determining and monitoring major risks

The process for identifying the Group's major risks is conducted following the risk management policy set by the Kirin Group each fiscal year. Each Group company discusses and identifies risks related to its strategy and business execution and risks that could develop into a serious crisis. The Kirin Group then aggregates these business-specific risks and investigates common risks across the Group. The Group Risk and Compliance Committee assesses the potential quantitative and qualitative impacts of major risks, such as economic losses, business continuity, and damage to reputation, from the perspective of overall group management and classifies the risks in terms of priority, taking into account the likelihood of occurrence. The Board deliberates the selected risks and determines the major risks for the Group (diagram 2).

Diagram 2 Process for determining major risks to the Group



The Group's major risks are managed centrally on a risk map based on their degree of impact and likelihood of occurrence. In regard to the most major risks, the Board also takes stock of changes in risk conditions and reviews measures against these risks (diagram 3). Kirin Holdings and the Group companies frame and implement measures tailored to each risk, promoting and operating risk management in cooperation with each other. Additionally, they monitor risks from the perspectives of business and function to manage and control strategic risks. At the same time, we have put into place a risk management system that is designed to prevent the manifestation of risks that could develop into a crisis and minimize any potential negative impact when such a crisis occurs (diagram 4). We have included major risks that could result from the Group executing strategies, business, or other activities which could affect our ability to attain management goals or to continue business on P.35-41 of the Annual Securities Report.



Example

Reinspecting the process for addressing potential health hazards

Instead of treating incidents at other companies as foreign, our Group takes them as opportunities to reevaluate our countermeasures and emergency responses to potential risks. Last year, another company had to recall their health food products, and it was stated in an external expert's research report that the delayed recall led to unnecessary damages. With this case in mind, we reassessed the entire process for determining when and how to respond to potential health risks in our health food products, including recalls.

In our Group's Food & Beverages, Health Science, and Pharmaceuticals Domains, safety and security are givens for our products and services. Preventing accidents and damages is our top priority, but in the rare case a health hazard or potential one arises, we must quickly disseminate information to minimize its impact. In April 2024, we launched a project team for verifying responses to health-hazard claims from consumers concerning foods with function claims. For this project, the team examined the flow from detecting to disseminating health-hazard information based on three processes. The team identified necessary tasks, aligned

their perceptions of the current situation regarding specific processes, such as who will implement what measures and how much time is needed, and clarified the issues that need to be addressed. The established procedural flow has been shared throughout the Group, and each Group company is striving to establish a structure for addressing these issues by implementing procedural training and reading about the process together. We will continue to create regular opportunities for sharing and disseminating information in forms other than documents.

Through this initiative, we were reminded of the importance of viewing the world's crises as our own and creating countermeasures. Additionally, confirming the status of each Group company's responses led to reviewing the quality assurance system and product and quality management processes responsible for providing safe and secure products. Bearing in mind that slight changes can lead to major crises, we are committed to accumulating knowledge and insights from various incidents to increase our Group's sensitivity to risks and improving our ability to address emergency situations.



# Message from an Audit & Supervisory Board Member

## Diverse Perspectives of Directors Contribute to Enhancing Corporate Value

To maintain and improve transparency in the governance system, the Board of Directors at Kirin Holdings actively seeks opinions not only from directors but also from Audit & Supervisory Board members. In this section, we interviewed Yoko Dochi, an external member of the Audit & Supervisory Board, about our governance structure.

**Yoko Dochi**  
Audit & Supervisory Board Member,  
Kirin Holdings Company, Limited

**Profile**  
After working at The Bank of Tokyo, Ltd. and World Bank, she took on responsibility for investor relations at Toyota Motor Corporation and SoftBank Group Corp. Since 2024, she has served as an external member of the Audit & Supervisory Board at Kirin Holdings.



### Good governance means striking a proper balance between execution and supervision

—As an external member of the Audit & Supervisory Board, how do you leverage your background and expertise?

After an earlier career in international finance as an investment banker, I took on responsibility for investor relations (IR) at two leading global companies, namely Toyota Motor Corporation (“Toyota”) and SoftBank Group Corp (“SBG”), for 22 years. Toyota Motor Corporation has always enjoyed top-class market capitalization in the automobile industry and among Japanese companies, so its existing and prospective shareholder base was extensive. I engaged with all types of investors, mainly those overseas, at the forefront. The number of dialogues that I led was well over 3,000 in the 17 years with Toyota, and through this experience, I gained valuable insights into the diverse attributes of investors, what they expect from companies, and how they make investment decisions. When

I took on the position of global head of investor relations at SoftBank Group Corp., the company had just transformed itself from Japan’s third-largest telecommunication company to one of the largest global strategic investment companies. The transformation was so fast that many investors struggled to catch up, which resulted in a significant discount of SBG’s market capitalization to its intrinsic corporate value. I focused on regaining investors’ confidence through numerous dialogues. Kirin Holdings is currently undergoing a significant transformation of its business portfolio. Its share prices, particularly since the launch of the Health Science Business, appear to have been underperforming. I gather this is probably due to the lack of confidence on the part of investors in its strategy and/or execution. I also think that the company would benefit from gaining appreciation and support from a broader range of institutional investors globally. With my executive experience in IR, I hope to make a unique contribution as an external member of the Audit & Supervisory Board at Kirin Holdings.

Furthermore, three-fourths of my career consists of overseas tenures, mainly in the United States and the United Kingdom. At Toyota Motor Corporation, I was also involved in the management of its European regional headquarters. It was a successful case of locally led management on the base of globally standardized production and business processes in a very challenging, mature car market. My experience might be relevant to supporting Kirin Holdings’ next phase of globalization.

Additionally, when Toyota faced a global

recall crisis in 2010, I gained a valuable experience in restoring the company’s reputation and stakeholders’ trust through all-out engagement efforts while company-wide countermeasures were firmly and rapidly put into place. Of course, ideally, no quality issues should emerge, but if an unexpected crisis occurs, these experiences might help in playing the role of an external member of the Audit & Supervisory Board.

—How do you describe a company in good governance?

Every company operates in uncertainty—the future is inherently unpredictable and the environment surrounding businesses is constantly changing. So good governance requires not only fundamental systems such as regulatory compliance and risk management, but also overarching systems that enable a company to continue business activities

sustainably, ethically, and in alignment with the expectations of all stakeholders, no matter how the business environment evolves. In other words, companies should maintain the right balance between two inseparable wheels: management, which strategically executes business operations with transparency while demonstrating strong accountability and leadership, and supervision, which monitors management and provides appropriate advice and guidance and challenges as necessary. If the balance results in sustainable business growth and the continued creation of corporate value, that will be a state of “good governance.” The right balance is a tricky one to define—it can vary depending on a company’s scale, industry and business characteristics, and corporate life stages. And I think any effective governance system should evolve by adapting to changes in the environment over time.

### Recognizing the company's structural alignment with its current stage of growth

—Do you think Kirin Holdings’ Audit & Supervisory Board is appropriately structured to audit the Board of Directors, which oversees the diverse businesses of the Kirin Group?

Kirin Holdings’ Audit & Supervisory Board consists of two full-time members and three independent external members. Each brings a high level of expertise and conducts multifaceted audits and supervision, which I find truly excellent. Mr. Nishitani and Mr. Ishikura, the full-time members, have decades of executive and managerial experience in Kirin Holdings’ core businesses. By applying their understanding of the organization and its culture to auditing, they offer in-depth analyses and opinions

from an independent standpoint. Regarding external members, both Ms. Kashima, who is a certified public accountant, and Mr. Fujinawa, who is a lawyer, have leading expertise and a wealth of experience in their respective fields, while I have an executive background in investor relations and finance at global companies, as was mentioned earlier.

Currently, Kirin Holdings is pursuing a long-term strategy that positions the Health Science Business as the primary driver of future growth. It is in the process of globally scaling up the Health Science Business to become the leading company in the Asia-Pacific market by materializing synergies





with Blackmores and FANCL, which recently became its wholly owned subsidiaries. At this important juncture, I believe our diverse skill sets could contribute significantly. With regard to Kyowa Hakko Bio, we continue to monitor the on-going structural reform from various risk-related perspectives and provide opinions on its effectiveness and speed, for example.

—How do you evaluate Kirin Holdings’ executive structure, including the dual leadership roles of CEO and COO?

Since the dual leadership system was introduced around the time when I assumed my current position, I am not in a position to compare it with the previous one. However, given the stage of growth that Kirin Holdings is currently in, I appreciate the current system as highly effective. Under this system, Mr. Isozaki, representative director of the Board & CEO (“CEO”), provides strategic leadership for the entire Kirin Group, while Mr. Minakata, representative director of the Board, president

& COO (“COO”), oversees the diverse operations of each business area. Their respective roles are clearly defined, so I have never come across any confusions as to who should speak between the CEO and the COO during Board of Directors meetings. Furthermore, the leadership

succession plan has been discussed by the Nomination and Remuneration Advisory Committee. A policy of evaluating individual performance over a defined timeline to deliberate a steady succession has been reported to the Board of Directors. I consider this a highly sound and healthy approach.

The management structure was renewed in spring, with the addition of two new independent non-executive directors and two senior executive officers. With the inclusion of members who possess skills that are increasingly required at Kirin Holdings, I am thrilled that the structure is now more enabling the growth that is driven by the Health Science Business. If I may, as Kirin Holdings pursues full-scale globalization, I would like to see the company place greater emphasis on fostering and promoting global talents. Additionally, the Board of Directors would benefit from acquiring more international perspectives in overseeing multiple business segments worldwide. I look forward to seeing further progress.

provide high-level opinions and suggestions candidly while measuring the impact on management, from which I also learn a great deal. I feel that Kirin Holdings’ board meetings provide an open space in which we can exchange differing opinions without hesitation.

Among the Board of Directors meetings held last year, discussions involving the TOB (takeover bid) of FANCL left a particularly strong impression on me. As the stock price rose after the initiation of the TOB, the Board discussed raising the maximum offer price. Initially, non-executive directors and external members of the Audit & Supervisory Board, including myself, had varying opinions as to whether the price proposed by management was reasonable based on strategic significance, while acknowledging that it fell within an appropriate range. It was then proposed that all executive directors in the board room say a few words on the necessity of the full acquisition one by one from their respective standpoints. By then, we had many occasions to hear from Mr. Yoshimura, the board director in charge of the Health Science Strategy, on his determination to succeed, but the reasoning, passion, and commitment expressed by the other executive directors in their own words were powerful enough to convince us. In the end, the Board unanimously agreed to raising the offer price as proposed.

—Have you noticed any characteristics of Kirin Holdings’ Audit & Supervisory Board?

At Kirin Holdings, external members of the Audit & Supervisory Board are required to attend many important meetings in addition to Board of Directors meetings. Group Executive Committee and Risk and Compliance Committee meetings are attended by the full-time members of the Audit & Supervisory Board and then reported at the monthly Audit & Supervisory Board meetings prior to Board of Directors meetings. Additionally, we hold quarterly interviews with the accounting auditors. In addition, we participate in strategic dialogues with all management directors twice a year, together with non-executive directors. We also have annual interviews with the CEO and the COO respectively, to share our takeaways from audits candidly. In this way, we have many opportunities to engage with internal stakeholders.

Furthermore, on-site inspections at Group companies and functional departments are actively conducted throughout the year. Last year, I visited the Kirin Central Research Institute, the Institute of Health Sciences, the Institute for Future Beverages, and Koivai Dairy Products, where I took part in 45-minute one-on-one meetings with about six

leaders and members in varied positions. At Coca-Cola Beverages Northeast, I visited major plants and logistics centers, in addition to conducting interviews over the course of two days. During the on-site inspections, I assess workplace conditions while reviewing the results of compliance and engagement surveys as well as the records of working-hours. If I identify any issues, I examine the root cause and try to make suggestions for improvement. In light of these opportunities to make on-site visits, I appreciate that external members of the Audit & Supervisory Board have access to sufficient information.

—What kind of communication do you think Kirin Holdings should adopt to be more recognized by investors?

What seems most important is to raise investors’ expectations and confidence in Kirin Holdings’ growth strategies to gain trust in the management’s ability to execute them. It is important that the company not only articulates its long-term strategic visions, but also executes business plans for the Health Science Business to deliver tangible financial results meeting the recently announced milestones. In terms of investors relations, following the investor event last year, more leaders, including but not limited to Mr. Yoshimura, in the Health Science Business should engage in dialogues with the investment community to demonstrate the progress of PMI (post-merger integration) and/or synergy creation, for instance, and articulate their commitment and passion in real terms. Additionally, Kirin Holdings’ corporate value creation centers on CSV management, where the creation of economic and social values are two sides of the same coin. I believe this is a unique strength of the company that increases resilience and sustainability of its earnings ability in the long run. Kirin Holdings’ leadership in CSV management can be showcased more prominently to the investment community.

Another point is that, as often occurs when companies undertake business portfolio reforms—including the launch of a new business—Kirin Holdings has made several downward revisions to its earnings forecasts in the past. I understand this was primarily due to impairment losses and other sales costs. However, if the company can make sure to achieve the bottom-line profit as planned and build a track record of doing so, that would certainly help boost investors’ confidence, wouldn’t it? Since this is my area of expertise, I would be happy to make good use of my knowledge or experience in playing the role of an Audit & Supervisory Board member going forward.

Sufficient information is available through on-site observation and analysis

—Please share with us your candid opinions on the operations, structure, and discussion content of Kirin Holdings’ Board of Directors.

At Kirin Holdings, business plans, for example, are discussed by the Board of Directors around four times from the formulation phase to the final decision-making phase. The content of the business plans are progressively refined based on suggestions from directors with diverse areas of expertise. This practice in turn encourages both board directors and Audit & Supervisory Board members to take shared ownership of the company’s strategies, which I find highly meaningful.

Meetings of Kirin Holdings’ Board of Directors are held once a month. Examples of a good practice include that Mr. Yanagi, who is a non-executive director, serves as the chair, and that the members

of the Audit & Supervisory Board are expected to express their opinions as actively as board directors. Chairman Yanagi is excellent in inviting comments from everyone—sometimes by encouraging someone with particularly relevant expertise to the discussed topic to speak up. At the Board of Directors meetings, I tend to raise questions or comment on specific areas, such as disclosure and communication to the capital markets to improve their understanding or appreciation of the company. Also, I often make comments on capital policies, including capital allocation, and target setting for the medium- to long-term financial and non-financial KPIs—whether they adequately and sufficiently measure Kirin Holdings’ corporate value, or whether they are aligned with the expectations of investors and shareholders. Other external directors also





Impact of climate change and natural capital on business and Kirin Group’s holistic approach

Industries like that of the Kirin Group, which rely on the blessings of nature such as water and agricultural products, are particularly susceptible to the impact of environmental issues, and it is essential to take prompt action to overcome this challenge. Because such challenges arise in a complex nature, an understanding of trade-offs is crucial. The Kirin Group’s basic problem-solving approach is a holistic one that addresses inter-related environmental issues (biological resources, water resources, packaging, and climate change) in an integrated manner.

The Kirin Group analyzes the risks and opportunities that various sustainability issues, including environmental challenges, pose to society and the company, and reflects the risks and opportunities in its strategies to enhance resilience. It then discloses information to various stakeholders in accordance with the frameworks recommended by the Task Force for Climate-related Financial Disclosure (TCFD) and the Task Force for Nature-related Financial Disclosure (TNFD).

Disclosure framework

The Kirin Group has disclosed climate related financial information since 2018 in conformity with the recommendations published by the TCFD in 2017. The Kirin Group was a global pioneer in disclosing information based on the LEAP approach advocated in the beta version of the TNFD framework in 2022. From 2023, we began holistic information disclosure on climate change and natural capital based on both frameworks.

This section describes how the Kirin Group is analyzing and assessing climate change and natural capital challenges, enhancing resilience, and driving a holistic transition strategy to lead a decarbonized society and address natural capital challenges in a nature positive manner, in accordance with the TCFD guidance released in October 2021 and TNFD recommendations released in September 2023.

Details are available in our Environmental Report and on the company’s website.

\*TCFD guidance: Guidance on Metrics, Targets, and Transition Plans (October 2021)

Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures(October 2021) <https://www.fsb-tcfd.org/publications/>

\*TNFD recommendations: Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations (September 2023)

Taskforce on Nature-related Financial Disclosures <https://tnfd.global/tnfd-publications/>

Governance

Supervisory structure

At the Kirin Group, the Board of Directors discusses and decides the basic policy for CSV, including environment-related issues, medium- and long-term strategies, annual plans, and important non-financial targets and KPIs, including environmental targets. It conducts quarterly monitoring of the execution of the Group’s environmental operations and material risks, including climate change, natural capital, and a circular society, by monitoring the progress of non-financial targets. When considering transactions such as corporate acquisitions, the Board of Directors takes a variety of factors into account before making its decisions, including the results of environmental due diligence (carbon footprint, exposure to climate risk, stranded assets, etc.), and risk avoidance and mitigation, opportunity maximization, and trade-off perspectives.

Excerpts of the reports of the Board of Directors for fiscal 2024 (Held 3 times)

<p><b>April 24</b></p> <ul style="list-style-type: none"><li>• The Kirin Group’s environmental investment policy for 2025 and beyond was shared. The discussion and dialogue process concerning environmental investment (capital investment, increased renewable energy spending, etc.) and business profit targets will be clarified. The Board will aim to build consensus on targets that combine non-financial and financial expectations.</li><li>• Opinions were exchanged about updating the GMM and CSV Purpose for 2025 and beyond.</li></ul> <p><b>July 4</b></p> <ul style="list-style-type: none"><li>• Information was shared about future initiatives for reducing Scope 3 emissions and the revision of the ARP policy.</li><li>• Professor Kunio Ito, Director of Hitotsubashi University CFO Education and Research Center gave a presentation to the</li></ul>	<p>Board on the topic of deepening sustainable human capital management.</p> <ul style="list-style-type: none"><li>• Opinions were exchanged on materiality for the operating companies (representatives of Kirin Brewery, Kirin Beverage, Kyowa Kirin, and Blackmores)</li></ul> <p><b>November 11</b></p> <ul style="list-style-type: none"><li>• The Board received an update of ESG information and a report from ESG evaluation body on evaluation results. Discussions were held about the impact of change in U.S. administration, need for medium- to long-term investment, etc.</li><li>• The Board received a report on the status of non-financial disclosure responses. The Board confirmed the need to identify risks and opportunities of each sustainability issue, incorporate them into strategy, and conduct monitoring.</li></ul>
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Executive structure

In the Kirin Group, the Executive Committee deliberates and makes resolutions concerning the setting and revision of important targets, as well as investment plans, related to environmental issues as a whole, such as climate-related issues, natural capital, and the circular economy. The Executive Committee receives reports from operating companies and divisions on the status of achievement of targets and risks, and supervises these operating companies and divisions.

The Group CSV Committee has been established to discuss environmental and other CSV issues across the Kirin Group. The committee is an advisory body to the President and is co-chaired by the CEO and President of Kirin Holdings, with its members being the CEOs of key Group companies and senior officers of Kirin Holdings. In 2022, Kirin Holdings increased the frequency of meetings of the Group CSV Committee and newly established the Group Environmental Meeting under the Group CSV Committee. Through this structure, Kirin Holdings is strengthening its initiatives targeting sustainability-related issues, as required by Japan’s Corporate Governance Code following revisions in 2021.

Committees	Chairperson	Committee Members	Main agenda	Meeting Frequency
Group CSV Committee	KH CEO/COO	• KH internal Directors • Kirin Group CEOs of the major operating companies in Japan and overseas	• Exchange of opinions on Group CSV policies, strategies, and action plans • Monitoring the status of implementation of CSV-related initiatives at Group companies • Reporting from affiliated meetings	Three times a year; held once as the Group ESG meeting
Group Environmental Meeting	Executive officer of CSV	• Executive officer in charge of SCM strategy • General Manager of CSV Strategy Department of KH • General Manager of Corporate Strategy Department of KH • General Manager of Financial Strategy Department of KH Others	• Monitoring progress of road maps set for sustainability-related risks and opportunities and for individual environmental issues and exchanging opinions of policies, strategies, and plans	Twice a year

Performance-linked remuneration

Considering the importance of environmental issues, including climate change, we have established non-financial environmental KPIs (Group Scope 1 and Scope 2 reduction targets, water efficiency at Lion manufacturing bases experiencing high water stress, recycling of PET bottles) as management indicators in our Medium-Term Business Plan and set executive remuneration to be linked to the evaluation of their achievement.

Environmental issues, including climate change, are targeted as non-financial KPIs for Group companies, and the KPIs are reflected in each company’s management plan and senior officers’ performance evaluations, applying CSV commitment management process.

Risk management

For risks such as climate change, which will have an extremely large impact on our businesses if they occur, even though the probability of occurrence is uncertain, we have adopted a new approach to identify and examine important risks by setting scenarios and using them to analyze and assess risks. In scenario analysis, we utilize various research papers, science-based risk assessment tools such as Aqueduct, etc. The Group Environmental Meeting and the Group CSV Committee share and discuss risks and opportunities identified through scenario analysis, then submit and report them to the Board. The Group Risk and Compliance Committee Secretariat also receives reports on such risks, and manages them together with other risks.

Additionally, we appropriately reflect internal examples of sustainability-related risks, such as responses to climate disasters, in annual risk and compliance training for all employees, and share this information within the Group in order to strengthen resilience across the Group as a whole.

Results of impact assessment and response strategy

Since 2017, we have continuously conducted climate change scenario analysis, which has improved our level of understanding and strategies related to risks and opportunities posed by climate change. In addition to our own production sites and breweries, we analyze the financial impact of factors such as yields of agricultural products, procurement costs, and carbon pricing, etc. The financial impacts related to natural capital and containers and packaging are estimated based on the following approach, considering factors such as dependency and impact on nature.

The financial impact and strategy are as follows.

Financial impacts

	Business risks/Social issues	Financial impact	Response
Physical risk	Decline in yields of agricultural products	2°C scenario: Approx. 1.3 billion yen to 3.4 billion yen 4°C scenario: Approx. 3.6 billion yen to 13.7 billion yen (2050)*1	• Brewing technology that does not rely on barley • Mass plant propagation technologies • Support for farms to acquire certification for sustainable agriculture
	Disruptions of operations owing to floods	Approx. 1 billion yen (200-year disasters, total of 20 locations in Japan)	• Sharing flood knowledge • Equipment and facility measures against flooding
	Disruptions of operations owing to drought	Approx. 0.03 billion yen to 0.6 billion yen	• Sharing drought knowledge • Development and deployment of water usage reduction technology
	Negative impact of PET bottles	Approx. 1.1 billion yen	• Expansion of mechanical recycling • Establishment of chemical recycling manufacturing technology
Transitional risks	Financial impact of energy due to carbon pricing	2°C scenario: Approx. 9.4 billion yen 4°C scenario: Approx. 5.1 billion yen (2030)*2	• Achieving GHG emission reductions • Energy transition on a profit and loss neutral basis
	Financial impact of agricultural products due to carbon pricing	2°C scenario: Approx. 0.9 billion yen to 4.4 billion yen 4°C scenario: Approx. 2.4 billion yen to 8.8 billion yen (2050)*3	• Mass plant propagation technologies • Support for farms to acquire certification for sustainable agriculture
	Procurement of certified products from certified sustainable farms	Approx. 0.06 billion yen	• Support for farms to acquire certification for sustainable agriculture • Procurement of sustainable raw materials
Business opportunities	Maintenance of immune function in healthy people	Market for immunity and health supplements Approx. 28,961.4 million US dollars (2030)	• Contribution in the Health Science Domain
	Prevention of heatstroke	Market for non-alcoholic beverages that prevent heatstroke: 94.0 billion yen to 188.0 billion yen (2100, 4°C scenario)	• Contribution in heatstroke-prevention beverages
	Reduction of food waste	Approx. 0.9 billion yen	• Reduction of product disposal
	Financial impact from the reduction of chemical fertilizers and pesticides for coffee farms in Vietnam	Approx. 0.11 billion yen*4	• Enhancement of engagement

\*1 Assessed using the middle 50th percentile of the distribution of forecast data for price fluctuations

\*2 Cases when GHG emissions are not reduced

\*3 Assessed using the middle 50th percentile of the distribution of forecast data for price fluctuations

\*4 Estimated based on interviews with local coffee farms

Result of analysis of the impact on assets

From 2023 to 2024, we conducted an analysis of the impact of climate change on assets, as required by the new TCFD guidance. In terms of the impact on business acquisitions, the results of Blackmores, which joined the Group in 2023, and FANCL, which was added to the scope of calculations due to an increase in the percentage of voting rights held, will be reflected in the Group's environmental data from 2024 and their impact will be evaluated.

The financial impact of natural disasters and similar events has been assessed to be small. The company estimated exposure to general 200-year disasters (total of 20 business sites in Japan) as shown at right. The company also investigated and analyzed the possibility of being forced to discontinue the use of boilers, delivery trucks, and other equipment before the end of their service life owing to laws and regulations, etc. Kirin Holdings believes that it is unlikely that there will be a material financial impact on our assets due to tightening of the laws. For reference, the company discloses this information as "Residual value of related facilities."

In scenario analysis, the company has utilized multiple research findings and included differing views, but taken as a whole, the findings show that the impact of climate change on agricultural products and water is inevitable, which is consistent with the recognition at right. Although the company has judged that there will be no major impact that will change the structure of its industry, the impact on the company that creates value depending on ecosystem services generated by natural capital will not be small. The company has determined that it is essential to continue its focus on reducing GHG emissions, working to make agricultural production areas sustainable, and addressing water risk and water stress.

The company understands the social issues related to heatstroke and infectious diseases caused by climate change. Also, the company expects to contribute in the Health & Well-being domain, which the Kirin Group defines as a growth area.

Financial impacts

Analysis item	Impact
Exposure from a 200-year disaster at 20 business sites in Japan	Approx. 1.0 billion yen*5
Residual value of related facilities	Approx. 1.1 billion yen*6

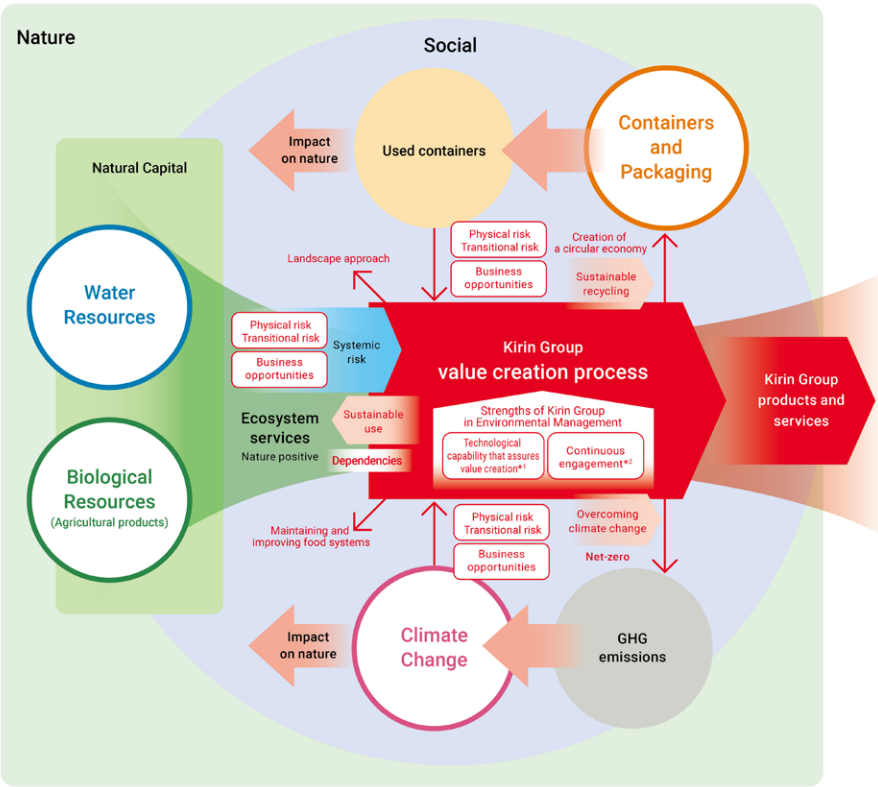
\*5 No changes since last year

\*6 No changes since last year

Strategy

As shown in the Kirin Environmental Value Correlation Chart, global warming due to climate change, changes in rainfall, and natural disasters have significant impacts on agricultural products and water, which are important raw materials. On the other hand, conservation and restoration of natural capital can also be climate change mitigation and adaptation measures under the realm of Nature-based Solutions to social issues. The company understands these relationships and takes holistic approaches to solve environmental issues by leveraging our research, technology development, and engineering capabilities.

Kirin's Environmental Value Correlation



□ With regard to climate change, Kirin Holdings sets net zero emissions target for 2050 in the Kirin Group's Environmental Vision 2050, which was renewed in 2020 using TCFD scenario analysis as input. The company sets intermediate targets by setting SBT 1.5°C and net-zero targets and joining RE100. The company encourages reduction of GHG by business partners in addition to the company's own emissions.

□ For natural capital, the company will consider location-specific conditions and dependency under the Kirin Group Action Plan for the Sustainable Use of Biological Resources, utilizing the LEAP approach advocated by TNFD. While doing so, we will improve the resilience of our businesses by sustainable procurement of raw agricultural products and use water resources. The company promotes sustainable procurement of raw materials and sustainable use of water under the Action Plan, and the activities can also be mitigation measures against climate change. The company will improve the resilience of its businesses through the activities.

□ In the area of containers and packaging, the company will contribute to building a society in which plastics are recycled by achieving the 50% target for the use of recycled plastic resin in PET bottles in Japan by 2027 and developing sustainable containers and packaging, while the company aims to reduce Scope 3 GHG emissions and the impact on the natural environment.

□ The company participates in the following to promote holistic approaches to climate change, natural capital, and other environmental challenges and to contribute to global rulemaking of environmental issues.

- Alliance to End Plastic Waste (joined in 2021)
- SBTN Corporate Engagement Program (Joined in 2021 as the first company to do so in the Japanese pharmaceutical and food and beverage industries)
- Participated in the TNFD Forum from 2021. Participated in pilot testing in 2022. TNFD Adopter registration in 2023.

Adaptation/ Mitigation	Important issue	Strategy	Progress
Adaptation (Sustainable use of natural capital)	Biological resources	• Brewing technology that does not rely on barley • Mass plant propagation technologies • Support for farms to acquire certification for sustainable agriculture	• Establishment of mass plant propagation technology for hop seedlings • Participated in SBTN Corporate Engagement Program (2021) and TNFD pilot test (2022)
	Water resources	• Sharing flood knowledge • Equipment and facility measures against flooding • Sharing drought knowledge • Development and deployment of water usage reduction technology	• Started surveys of high-risk business sites for insurance coverage, utilizing the results of simulations of natural disasters and floods (2015) • Implemented flood prevention measures and equipment measures at pharmaceutical plants that must ensure a stable supply of products (2022) • Support for tea farms to acquire certification for sustainable agriculture in Sri Lanka and continuing appropriate water conservation considering water stress (since 2013)
Mitigation (Minimize impact on natural capital)	Containers and packaging	• Promotion of PET-to-PET recycling • Creation of more lightweight containers	• Joined Alliance to End Plastic Waste (2021) • Increased use of R100 PET bottles made with 100% recycled resin • Commercialization of chemical recycling
	Climate change	• Achieving GHG emission reduction targets based on scientific evidence • Energy transition on a profit and loss neutral basis (from 2030)	• Fine-tuned understanding the financial impact of climate change (from 2022), including analysis and evaluation of asset risks and opportunities in scenario analysis in full conformity with new TCFD guidance. Holistic disclosure of financial impact of climate change and natural capital by conducting assessments to understand natural capital dependencies, impacts, risks, and opportunities (2023) • Developed a roadmap to reduce GHG emissions by 2030 (2022), updated every year. Set and implemented reduction targets and processes for Group companies • Installed large-scale solar power generation facilities in all Kirin Brewery plants (2021), Kyowa Kirin Ube Plant, and Mercian Fujisawa Plant (2023), and Kyowa Hakko Bio Hofu Plant (2024), based on the PPA model (except for the Yokohama Brewery). Achieved 100% of procured electricity from renewable energy sources at Kyowa Kirin's Takasaki Plant, all Lion Australia and New Zealand locations (2023), all Château Mercian wineries (2022), and all Kirin Brewery plants and sales bases (2024) • Became the first food and beverage company in the world to obtain approval for an SBT Net-Zero (2022) • In addition, we are working to reduce GHG emissions throughout the value chain by considering the procurement of low-GHG-emitting raw agricultural products and materials, and raising the ratio of recycled resins used in PET bottles. Made reductions with an emphasis on engagement, including collaborative consideration of reduction measures based on each company's reduction plan and reduction progress identified through surveys of major suppliers and the Kirin Supply Chain Environmental Program (2023)



Adaptation/Mitigation	Important issue	Strategy	Progress
Business opportunities	Infectious diseases	• Provision of products to address this issue	• Expansion of product lineup • Supply of materials to partner companies
	Heatstroke	• Provision of non-alcoholic beverages that prevent heatstroke	• Raising awareness of heatstroke
	Sustainable procurement	• Accumulating knowledge and promoting environmentally regenerative agriculture that contributes to climate change mitigation and adaptation	• Started development of “The Regenerative Tea Scorecard” in partnership with the Rainforest Alliance in Sri Lanka
	Development of value-added products	• Climate change	• Launched Australia’s first carbon-neutral alcohol-free beer, XXXX Zero (2022) Also rolled out multiple carbon neutral products, such as a carbon neutral beer in the United States

## Transition plans

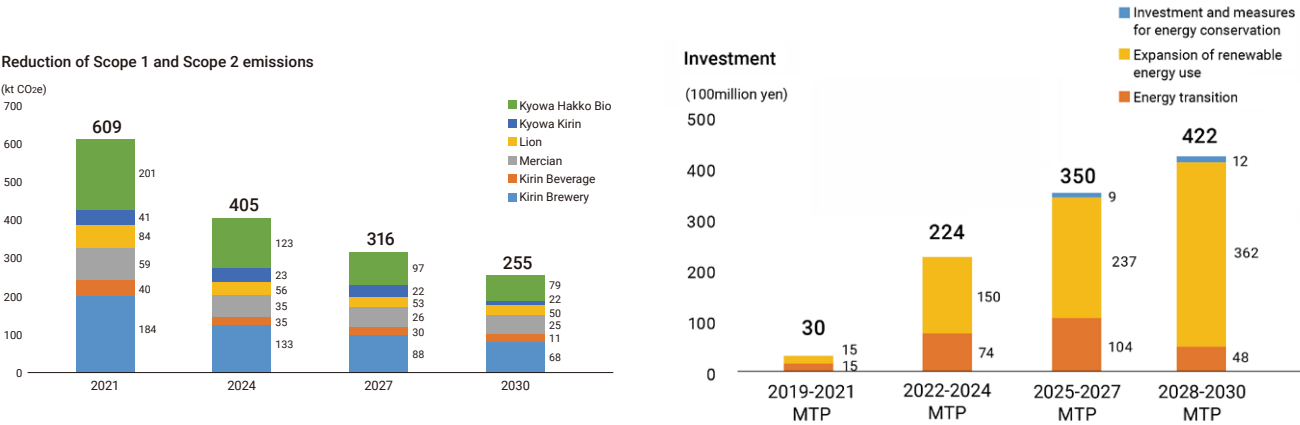
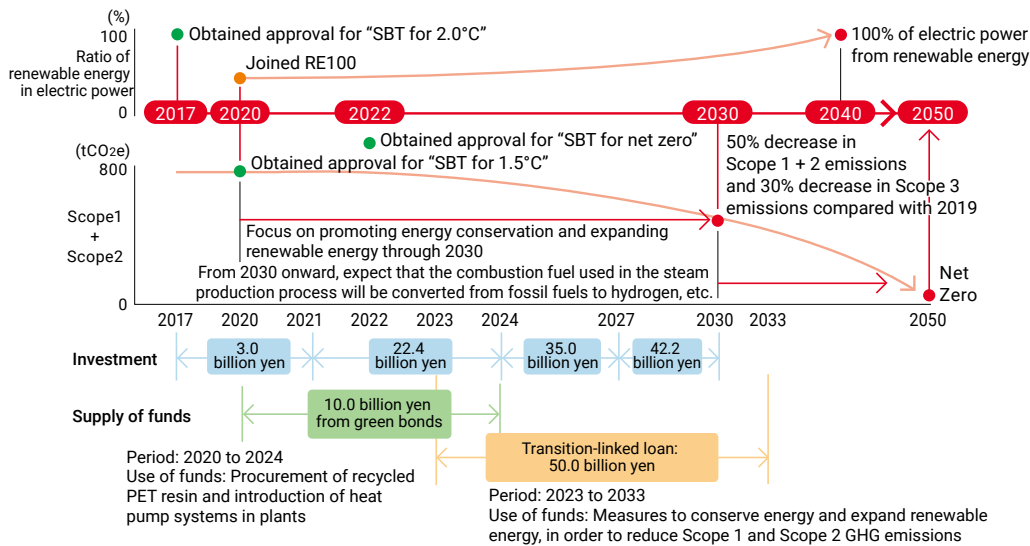
The Kirin Group has formulated a roadmap, together with investment and financing plans, for achieving science-based GHG emissions reduction targets and net zero targets, with the aim of keeping the global average temperature increase at 1.5°C or lower compared with pre-industrial levels. The group began operating these plans in January 2022, after they were deliberated and resolved by the Executive Committee. Regarding natural capital, in addition to ecosystem conservation, the group is considering developing a roadmap that includes climate change mitigation and adaptation measures as Nature-based Solutions to social issues. As for PET bottles, the group has formulated a roadmap for a 50% ratio of recycled resin use in Japan 2027 and is now working to achieve this target. Going forward, the group will continue to clarify holistic investment plans and funding measures for natural capital and climate change.

For Scope 3, the group will continue to explore and experiment with reduction measures, starting with containers and packaging and agriculture, in collaboration with suppliers through the Kirin Supply Chain Environmental Program. Regarding climate change adaptation measures, the group will expand the promotion of sustainable agriculture and forestry. The group will also participate in a pilot program and lead rulemaking for an international initiative to develop a natural capital target-setting methodology and disclosure framework. The roadmap will be reviewed periodically and updated appropriately, considering scientific advances, regulations, and other factors.

## Investment

Through 2030, the Kirin Group will maintain profit and loss neutrality in principle, and the merit from saving energy will offset depreciation and amortization from the investment and the increased costs of renewable energy introduction. We use NPV (Net Present Value) as an indicator for environmental investments aimed mainly at reducing GHG emissions, and the group introduced Internal Carbon Pricing (ICP; \$63/t CO<sub>2</sub>e) into its framework for making investment decisions. Following green bonds (period: 2020-2024, 10.0 billion yen) issued to finance the procurement of recycled PET resin and the introduction of heat pump systems at plants, in January 2023 the Kirin Group became the first food and beverage company in Japan to raise funds through a transition-linked loan (period: 2023-2033, 50.0 billion yen), which is aimed at financing energy conservation and renewable energy-related projects that will contribute to reducing Scope 1 and 2 greenhouse gas (GHG) emissions. This loan is eligible for the Ministry of Economy, Trade and Industry (METI)’s FY2022 subsidy for global warming countermeasures promotion project, as well as performance-linked interest subsidies (financial support for promoting the transition towards achieving a carbon-neutral economy) under the Industrial Competitiveness Enhancement Act.

Roadmap to net zero



## Reduction of Scope 1 and Scope 2 emissions

The Kirin Group will take a three-pronged approach to reducing Scope 1 and Scope 2 emissions, namely: “promotion of energy conservation,” “expansion of renewable energy,” and “energy transition.” By 2030, we will raise our energy efficiency and reduce energy consumption, and shift our energy mix from fossil fuels to electric power, taking advantage of electricity generated from renewable energy.

From 2030 onward, combustion fuel in the steam production process will need to be converted from fossil fuels to hydrogen, etc. that do not emit GHGs in order to achieve net zero emissions by 2050. A demonstration project for energy conversion from fossil fuels to green hydrogen energy is scheduled to start at the Kirin Brewery Hokkaido Chitose Plant. The group will be involved in policy advocacy and rulemaking, emphasizing the “additionality” of creating and increasing new renewable energy sources in the world, and the “ethics” of energy use from the perspective of environmental impact and human rights.

## Reduction of Scope 3 emissions

Of the categories in the GHG Protocol, the group will focus our efforts on Category 1 (purchased goods and services), which accounts for about 67% of the Kirin Group’s Scope 3 emissions, followed by Category 4 (upstream transportation and distribution) and Category 9 (downstream transportation and distribution) and work toward “encouragement of reduction at business partners,” as well as the “reduction of its own independent emissions.” In the area of “encouragement of reduction at business partners,” we have established the Kirin Supply Chain Environmental Program and have strengthened collaboration with 19 suppliers. With this initiative, we will proceed with the switch to raw materials with low GHG emissions, including the introduction of recycled can lids that use less primary aluminum, enabling a 40% reduction of GHG emissions compared with conventional products. As an approach to agricultural products, together with our suppliers, we have started deliberating the carbon sequestration effects of environmentally regenerative agriculture of barley. In the area of “reduction of the company’s own independent emissions,” we are working to reduce the weight of containers and packaging and to improve the rate of plastic bottle recycled resin used, leveraging the strength of our in-house research institute to develop our own containers and packaging.

In a pilot test, Lion worked with suppliers and customers to pool actual GHG emission figures to a third party without mutual disclosure, and demonstrated that the company could raise its Scope 3 reduction targets. This approach was published by the Australian “Climate Leaders Coalition” as the “Scope 3 Roadmap” and presented by the CEO of Lion at COP27 held in 2022.

Encouragement of reduction at business partners	Plan to prioritize engagement as we reduce emissions, based on each company’s reduction plans and quantitative and qualitative progress identified through surveys of major suppliers
Reduction of our own independent emissions	Reduce the weight of containers and packaging and increase the use of recycled PET resin, leveraging the strength of our in-house research institute to develop our own containers and packaging

## Metrics and targets\*7

Response	Item	Target	Achievements (End of 2023)
Targets related to climate change	GHG emissions from the entire value chain (relative value)	Net-zero (2050)	3,942 kt CO <sub>2</sub> e
	Scope1 + 2	-50% (2030 compared to 2019)	-31%
	Scope 3*8	-30% (2030 compared to 2019)	-10%
	Ratio of renewable energy purchased electric power	100% (2040)	42%
Targets related to natural capital	Number of large tea farms in Sri Lanka that received training for the acquisition of certification	Cumulative total of 15 large farms (2022 to 2023)	4 large farms
	Number of small tea farms in Sri Lanka that received training for the acquisition of certification	Cumulative total of 5,350 small farms (2022 to 2023)	629 small farms
	Ratio of certified palm oil in Japan	Maintain 100%	100%
	Water efficiency in Lion	2.4 kl/kl (2025)	3.3kl/kl
Targets related to containers and packaging	Percentage of recycled materials used in PET bottles	50% (2027)	28%
	Percentage of FSC-certified paper used for paper containers in the domestic beverage business	Maintain 100%	100%

\*7 As of the end of 2023

\*8 Used IDEA (Inventory Database for Environment Analysis) version 2.3 and version 3.1-3.3 developed by The Research Institute of Science for Safety and Sustainability to calculate Scope 3 emissions for each fiscal year





10

Data Selection

10-Year Summary of Key Financial Data

(Millions of yen)

	JGAAP	IFRS								
Fiscal year	2015	2016 <sup>*9</sup>	2017 <sup>*9</sup>	2018 <sup>*9</sup>	2019	2020	2021	2022	2023	2024
Revenue <sup>*1</sup>	2,196,925	1,853,937	1,863,730	1,930,522	1,941,305	1,849,545	1,821,570	1,989,468	2,134,393	2,338,385
Less Japanese liquor taxes	305,697	296,029	289,433	294,028	292,153	276,932	285,600	284,435	279,508	286,886
Net revenue	1,891,227	1,557,909	1,574,296	1,636,494	1,649,151	1,572,613	1,535,969	1,705,033	1,854,885	2,051,499
Normalized operating profit <sup>*2</sup>	—	181,982	194,609	199,327	190,754	162,115	165,430	191,159	201,495	210,968
Operating profit	124,751	196,590	211,000	198,322	87,727	102,919	68,084	116,019	150,294	125,340
Operating profit (Before amortization of goodwill, etc.)	158,537	—	—	—	—	—	—	—	—	—
Normalized EBITDA <sup>*3</sup>	258,922	257,612	272,301	279,907	272,619	243,959	245,879	277,695	293,039	309,012
Ordinary income	128,199	—	—	—	—	—	—	—	—	—
Profit attributable to owners of the Company <sup>*1</sup>	-47,329	148,918	241,991	164,202	59,642	71,935	59,790	111,007	112,697	58,214
Cash flows from operating activities	171,011	232,263	221,710	198,051	178,826	164,839	219,303	135,562	203,206	242,844
Cash flows from investing activities	-70,659	-82,656	63,214	47,389	-175,619	-115,981	-56,408	-10,399	-226,091	-329,375
Cash flows from financing activities	-78,221	-157,271	-182,163	-226,699	-9,997	-52,474	-180,463	-167,835	35,909	58,125

Fiscal year end

Total assets	2,443,773	2,422,825	2,398,572	2,303,624	2,412,874	2,459,363	2,471,933	2,542,263	2,869,585	3,354,159
Interest bearing debt	821,478	668,212	486,475	414,994	530,851	642,644	551,471	523,121	656,397	857,569
Equity attributable to owners of the Company <sup>*1</sup>	663,842	695,860	947,162	906,578	906,576	838,584	894,179	980,022	1,132,581	1,181,525

Share information

High	1,915.00	1,984.50	2,948.50	3,199.00	2,729.00	2,591.00	2,430.00	2,306.00	2,245.00	2,310.00
Low	1,400.00	1,436.50	1,792.00	2,163.00	2,033.00	1,826.00	1,788.00	1,739.00	1,906.00	1,896.00
Shareholder return (%) <sup>*4</sup>	—	—	—	—	106.8	111.5	88.8	98.9	104.4	100.0

Per-share data

Earnings per share (EPS) (Yen)	-51.87	163.19	265.17	183.57	68.00	85.57	71.73	135.08	139.16	72
Normalized EPS (Yen) <sup>*5</sup>	117	139	151	167	158	136	156	171	177	172
EPS (Before amortization of goodwill, etc.) (Yen)	-2.83	—	—	—	—	—	—	—	—	—
Dividends per share (Yen)	38.00	39.00	46.00	51.00	64.00	65.00	65.00	69.00	71.00	71.00

Financial indicators

Return on equity (ROE) (%) <sup>*6</sup>	-0.3	22.2	29.5	17.7	6.6	8.2	6.9	11.8	10.7	5.0
Return on invested capital (ROIC) (%) <sup>*7</sup>	—	10.8	16.3	12.0	5.2	6.0	4.2	8.5	8.0	4.1
Operating profit (Before amortization of goodwill, etc.) / Net sales (%)	8.4	—	—	—	—	—	—	—	—	—
Net debt / Normalized EBITDA (Times)	2.67	2.21	1.19	0.86	—	—	—	—	—	—
Gross debt-to-equity ratio (Times)	—	—	—	0.46	0.59	0.77	0.62	0.53	0.58	0.73
Consolidated dividend payout ratio (%) <sup>*8</sup>	32.5	28.1	30.5	30.5	40.5	47.8	41.7	40.4	40.1	98.8

\*1

Through fiscal 2015, revenue, profit attributable to owners of the Company, and equity attributable to owners of the Company were calculated based on Japanese GAAP and presented as sales, net income, and equity (net assets - non-controlling interests - stock acquisition rights). (Consolidated balance sheet).

\*2

Normalized operating profit is a profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

\*3

Through to fiscal 2015: Normalized EBITDA = Operating profit + Depreciation + Amortization of goodwill + Dividends received from entities accounted for by the equity method  
  
From fiscal 2016: Normalized operating profit + Depreciation and amortization (excluding depreciation of right-of-use assets fiscal 2019) + Dividends received from entities accounted for by the equity method

\*4

Total shareholder returns were calculated for the last five years similarly to the Annual Securities Report for the year ended December 31, 2024.

\*5

Normalized EPS = Normalized profit (Normalized net income before fiscal 2016) / Average number of shares during the period  
  
Through to fiscal 2015: Normalized net income = Net income + Amortization of goodwill ± Extraordinary gains and losses after tax adjustment  
  
From fiscal 2016: Normalized profit = Profit attributable to Owners of the Company ± Other operating income and expenses and other items after income taxes

\*6

ROE through to fiscal 2015 is the amount before amortization of goodwill, etc., and excludes losses with no effect on cash outflow.

\*7

ROIC = Profit after tax before interest / Average interest-bearing debt of the start and end of the fiscal year + average total equity of the start and end of the fiscal year

\*8

From fiscal 2010, figures for dividend payout ratio use EPS (before amortization of goodwill, etc.), and these figures exclude losses with no effect on cash outflow.  
  
From fiscal 2012, the consolidated dividend payout ratio is based on normalized EPS.

\*9

The tax effect on intangible assets acquired in business combinations has been retroactively revised for fiscal 2016, 2017 and 2018 due to the change in accounting policy in fiscal 2019.

Overall Business Conditions

(billion yen, unless otherwise stated)

	FY2023	FY2024	Change	
Consolidated revenue	2,134.4	2,338.4	204.0	9.6%
Consolidated normalized operating profit	201.5	211.0	9.5	4.7%
Consolidated operating profit	150.3	125.3	-25.0	-16.6%
Consolidated profit before tax	197.0	139.7	-57.3	-29.1%
Profit attributable to owners of the Company	112.7	58.2	-54.5	-48.3%

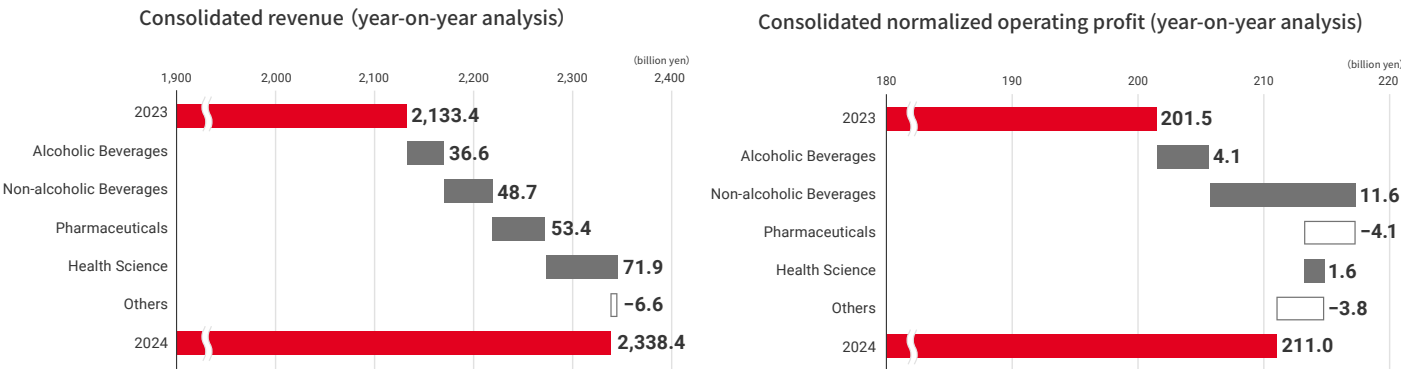
(Key performance indicators)

ROIC	8.0%	4.1%		
Normalized EPS (yen)	177	172	-5	-2.8%

Performance by Reportable Segment

(billion yen, unless otherwise stated)

	FY2023	FY2024	Change	
Consolidated revenue	2,134.4	2,338.4	204.0	9.6%
Alcoholic Beverages	1,045.1	1,081.7	36.6	3.5%
Non-alcoholic Beverages	516.2	564.9	48.7	9.4%
Pharmaceuticals	441.9	495.3	53.4	12.1%
Health Science	103.4	175.3	71.9	69.6%
Others	27.8	21.3	-6.6	-23.6%
Consolidated normalized operating profit	201.5	211.0	9.5	4.7%
Alcoholic Beverages	119.9	124.0	4.1	3.4%
Non-alcoholic Beverages	52.4	64.0	11.6	22.2%
Pharmaceuticals	96.0	91.9	-4.1	-4.3%
Health Science	-12.5	-10.9	1.6	—
Others	-54.2	-58.0	-3.8	—



Group Non-financial Indicators

Our company has set non-financial indicators for realizing the 2027 Vision that is based on our Corporate Philosophy. These non-financial indicators show indications of achieving value creation through initiatives that resolve social issues and meet consumer expectations, based on our Group's organizational capabilities in innovation. Our company shares medium- and long-term values with shareholders and investors by labelling this indicators as key performance indicators and linking them to director remunerations.

Non-Financial Indicators and Results for 2022~2024

Items	Theme	Key non-financial performance indicators	Actual results 2022	Actual results 2023	Actual results 2024
Environment	Climate Change	Reduction ratio of GHG emissions (Scope 1 and 2, compared with 2019)	18%	34%	34%
	Containers and Packaging	Recycling rate of resin for PET bottles <sup>*1</sup>	8%	28%	36%
	Water Resources	Water use intensity at manufacturing sites with high water stress <sup>*2</sup> Lion (Australia) (Unit of water use = water use ÷ production volume)	3.7 kl/kl	3.3 kl/kl	3.1 kl/kl
Health and Well-being	Progress of mid-term health science strategy	Achievement level in supporting the maintenance of immune function ①Recognition rate of LC-Plasma function in Japan <sup>*3</sup> ②Number of people continuing to take LC-Plasma <sup>*4</sup>	①32% ②640,000	①30% ②780,000	①30% ②780,000
		Achievement level of new value creation in the immunity, brain function, and intestinal environment areas and achievement of "Promotion of Collaboration in the Medical Field"	Undisclosed <sup>*10</sup>	Undisclosed <sup>*10</sup>	Undisclosed <sup>*10</sup>
Employees	Organizational Culture	Employee engagement score <sup>*5</sup>	70	70	71
	Diversity	Achievement level in "Increasing diversity" ①Ratio of female managers in Japan <sup>*6</sup> ②Ratio of mid-career hires in Japan <sup>*8</sup>	①10.6% ②27.3%	①13.6% ②45.4%	①15.9% ②42.9%
	Occupational health and safety <sup>*7,*9</sup>	Lost time injury frequency rate	1.00	1.36	0.97

Non-Financial Indicators for 2025 and Beyond

Items	Theme	Key non-financial performance indicators	Target 2025	Target 2027
Health and Well-being	Health Science Strategy	Social impact of the Group's Health Science products Number of people reached through sales of related products + Number of people approached through educational activities	125 million people	135 million people
		Contribution to the expansion of the immunity market (LC-Plasma) Number of people reached through sales of related products + Number of people approached through educational activities	2.45 million people	3.05 million people
	Pharmaceuticals Strategy	Global product launch in major countries	Number of countries launched by product and indication	Number of countries launched by product and indication
	Promotion of Medical and Health Science Collaboration	Achievement of collaborative efforts between Pharmaceuticals and Health Science	Not disclosed <sup>*10</sup>	Not disclosed <sup>*10</sup>
Community Engagement	Creating Connections	Degree of contribution to the creation of positive forces in society through business Sustainable support for major raw material producing regions through farmer support and environmentally friendly farming methods	Target values for each activity	Target values for each activity
Environment	Climate Change	Reduction ratio of GHG emissions Scope 1+2 emission reduction ratio compared with 2019	28%	42%
	Container Packaging	Percentage of recycled PET resin used in Japan	40%	50%
	Water Resources	Water use intensity at manufacturing sites with high water stress Lion (Australia) (Water use intensity = Water usage ÷ Production amount)	Less than 2.4 L/L	Less than 2.4 L/L
Human Capital	Employee Engagement Sympathy and practice of our philosophy and purpose	CSV Practice Score "CSV Practice Index" in the Engagement Survey	72	75
		Employee engagement score "Sustainable Engagement in Engagement Surveys"	72	75
	Employee Health	LTIR Score	2.50	2.00
		Presenteeism	63.6%	66.5%
	Diversity	Ratio of female managers in Japan	18%	24%

<sup>\*1</sup> Calculations are based on PET resin used by Kirin Brewery, Kirin Beverage, and Mercian for product packaging.  
<sup>\*2</sup> Based on Aqueduct's Water Stress and WRF's Baseline Water Depletion, the three Lion sites of Tooheys Brewery/James Boag Brewery/Castlemaine Perkins are included.  
<sup>\*3</sup> From 2025, we will change the goal item to "Social impact of the Group's Health Science products (2025 Target: 125 million people)."  
<sup>\*4</sup> From 2025, we will change the indicator to "Contribution to the expansion of the immunity market (LC-Plasma) (2025 Target: 2.45 million people)."  
<sup>\*5</sup> From 2025, we will change the indicator to "CVS practice score (2025 Target: 72)." Major group companies that have production and logistics functions within the group will be included. Partner companies within the plant premises are also included.  
<sup>\*6</sup> The data covers original employees of Kirin Holdings Company, Limited. However, executive officers and rehired employees are not included. The Company defines a management position as a position equivalent to the term used in other private-sector companies, such as a manager (a person who directs workers and manages the organization).  
<sup>\*7</sup> From 2025, we will change the indicator to "LTIR score (2025 Target: 2.50)."  
<sup>\*8</sup> The ratio of mid-career hires in Japan is based on the employees with a domicile at Kirin Holdings Company, Limited. However, rehired employees are not included.  
<sup>\*9</sup> From 2025, we will change the indicator to "Presenteeism (2025 Target: 63.6%)."  
<sup>\*10</sup> Specific component indicators and target levels are not disclosed for strategic reasons, as they include content related to intellectual property.



2022-2024 CSV Commitments

The CSV Commitment is a medium to long-term action plan for each business to realize the CSV Purpose, which is the translation of the Group’s management philosophy into a social purpose based on the Group Materiality Matrix.

For internal management purposes, annual targets are set, and the status of their implementation is monitored on a quarterly basis and reported to the Board of Directors of Kirin Holdings.

A Responsible Alcohol Producer

Group Materiality Matrix		Particularly Contribute to SDG Targets	CSV Commitment							
Medium Items	Theme		Approach	Our Achievements	Company/ Department	Target Value	Target Year	Latest Achievements (2022)	Latest Achievements (2023)	Latest Achievements (2024)
Dealing with alcohol-related problems	Raising awareness of responsible drinking	3.5	By providing customers with information on responsible drinking and raising awareness, we aim to eradicate the harmful use of alcohol. In addition we will fulfill our social responsibility as an alcohol producer, and maintain the alcoholic beverage business environment.	Participation of responsible drinking programs and number of visitors to the awareness raising content on the website	Kirin Brewery	750 thousand participants / viewers	Cumulative total 2022-2024	1million 60 thousand participants / viewers	150 thousand participants / viewers	3,688 participants / viewers
					Mercian	7,200 participants / viewers	Cumulative total 2022-2024	4,530 participants / viewers	6,179 participants / viewers	7,116 participants / viewers
					Lion	100 thousand participants / viewers	Cumulative total 2022-2024	42 thousand participants / viewers	51 thousand participants / viewers	22 thousand participants / viewers
					Kirin Holdings CSV Strategy Dept.	135 thousand participants / viewers	Cumulative total 2022-2024	81 thousand participants / viewers	61 thousand participants / viewers	20 thousand participants / viewers
	Expansion of sales of non and low alcohol products	3.5	Strengthening non and low alcohol products will expand the range of options available to meet customers' objectives and enable customers to control their alcohol consumption. This will also lead to business growth of non and low alcohol products.	Sales volume growth ratio of non-alcohol beverages	Kirin Brewery	117% (compared to 2021)	2024	93% (compared to 2021)	87% (compared to 2021)	78% (compared to 2021)
				Sales volume growth ratio of non and low alcohol beverages	Mercian	115% (compared to 2021)	2024	79% (compared to 2021)	58% (compared to 2021)	59% (compared to 2021)
				Sales percentage of non and low alcohol beverages	Lion	NZ: 4% Australia: 7%	2024	NZ: 2.7% Australia: 4%	NZ: 2.5% Australia: 3.6%	NZ: 2.9% Australia: 3.5%
	Labelling of alcohol content	3.5	Labelling with the amount of alcohol will help customers understand and control their alcohol intake. In addition, we will fulfill our social responsibility as an alcohol producer, and maintain the alcoholic beverage business environment.	Percentage of products with alcohol content labelling	Kirin Brewery	To be started in 2022	2022	started	complete (excluding specific overseas brand)	complete (excluding specific overseas brand)
					Lion	100%	2024	100%	100%	100%

Health and Well-being

Group Materiality Matrix	Particularly Contribute to SDG Targets	CSV Commitment							
		Approach	Our Achievements	Company/ Department	Target Value	Target Year	Latest Achievements (2022)	Latest Achievements (2023)	Latest Achievements (2024)
Ensuring food safety and security	2.4	We promote hygiene management and food safety management systems globally using international certification (GFSI recognized scheme and ISO 22000 scheme) to ensure the safety and security of our customers.	Acquisition rate of international food safety certification (GFSI certification and ISO 22000)	Kirin Holdings Quality Assurance Dept.	96%	2024	87%	93%	96%
Provide pharmaceuticals for Unmet Medical Needs	3.8	By providing Crysvita as a life changing value to as many patients as possible and contributing to their health and well-being, we will lead to the expansion of our business.	Number of countries/regions where Crysvita has launched	Kyowa Kirin	50 or more countries/ regions	2025	40countries/ regions	46countries/ regions	52countries/ regions
Support for maintaining the immune system Support for the prevention of non-communicable diseases	3.3	We will contribute to global health by implementing Japan-originated immunological research in society. We will use <i>Lactococcus lactis</i> strain Plasma to support the maintenance of customers' immune function, promote the development of proper immune care habits, and develop new markets in Japan and overseas through product development that leverages the Group's assets.	Recognition rate of the function of <i>Lactococcus lactis</i> strain Plasma	Kirin Holdings Health Science business Dept.	50% 45%	2027 2024	32%	31%	30%
			Number of people who continue to consume <i>Lactococcus lactis</i> strain Plasma in Japan and overseas		1.9 million people	2024	0.64 million people	0.78 million people	0.78 million people
	3.3 3.4	By developing, and expanding products in the health domain, we will contribute to the maintenance of customers' health through their daily eating habits, leading to business growth.	Sales composition ratio of products that contribute to health(sugar-free / low-sugar products, health science domain products)	Kirin Beverage	49%	2024	45%	49%	49%
			Sales of sugar-free / low-sugar products		110% (compared to 2021)	2024	101% (compared to 2021)	112% (compared to 2021)	122% (compared to 2021)
			Sales of health science domain products		145% (compared to 2021)	2024	107% (compared to 2021)	147% (compared to 2021)	163% (compared to 2021)
	3.3 3.4	Through products using <i>Lactococcus lactis</i> strain Plasma that supports the maintenance of immune functions and sugar-free, non and low fat products that support the prevention of lifestyle-related diseases, we will contribute to the maintenance of customers' health and lead to the growth of our business.	Sales of products that contribute to health	Koiwai Dairy Products	120% (compared to 2021)	2024	106% (compared to 2021)	106% (compared to 2021)	117% (compared to 2021)
Support for maintaining the immune system Helping to improve the performance of brain function and prevent decline Improvement of access to nutrition	2.2 3.3 3.4 9.5	By supplying high-quality Human Milk Oligosaccharide (HMO) to a wide range of markets, from infant formula to health foods, we will contribute to the improvement of customers' health in a wide range of regions and age groups, leading to the growth of our business.	Number of users of HMO-containing products (infant formula, health foods, etc.) in Japan and overseas	Kyowa Hakko Bio	2 million people	2027	Completion of HMOs production facility	Launched the HMOs	7,309 people
Implementation of health management	3.4	As a corporate group that delivers "health" to customers, we aim to create an environment where employees and their families can spend the rest of their lives in good health and mental well-being, and where employees can demonstrate their individual abilities.	Survey score of presenteeism*2 in targeted companies*1	Kirin Holdings People & Culture Dept	Improvement from 2022	2024	62.55	63.29	63.60
			Percentage of people who maintain appropriate weight in targeted companies*1		Improvement from 2020(63.8%)	2024	63.9%(2021)	64.3%(2022)	64.6%(2023)
			Percentage of employees of domestic business companies with responsible alcohol consumption (Percentage of people whose score is less than 8 on AUDIT)		73% or more	2024	72.5%	71.6%	71.7%
Helping to improve the performance of brain function and prevent decline	2.2 3.4 9.5	By supplying Citicoline, a brain-health nutrient, we will be able to support our customers' healthy lifestyles and expand our market by prescribing it to patients and meeting the needs of the health food market for brain function.	Number of users of Citicoline-containing products (pharmaceuticals, health foods, etc.) in Japan and overseas	Kyowa Hakko Bio	4 million people	2027	1.53 million people	1.91 million people	2.37 million people

\*1 Target Company: Kirin Holdings, Kirin Brewery, Kirin Beverage, Mercian, Kyowa Hakko Bio, Kyowa Kirin  
\*2 presenteeism: A condition in which a person is working while having health problems.

2022-2024 CSV Commitments

Community Engagement

Group Materiality Matrix	Particularly Contribute to SDG Targets	CSV Commitment							
		Approach	Our Achievements	Company/ Department	Target Value	Target Year	Latest Achievements (2022)	Latest Achievements (2023)	Latest Achievements (2024)
Respect for human rights	8.7 8.8 12.7	We will comply with the Australian Modern Slavery Act to address human rights and modern slavery in the supply chain.	Compliance rate with the Australian Modern Slavery Act	Lion	100%	2024	100%	100%	100%
	8.7 8.8 12.6	We will work to reduce the risk of human rights issues and prevent crisis in the supply chain of major raw materials, leading to the sustainable procurement of raw materials.	Number of initiated human rights due diligence on supply chains for agricultural products with high human rights risk	Kirin Holdings Procurement Dept.	3 cases	Cumulative total 2022-2024	1 case	1 case	1 case
Sustainable development of communities in raw material production areas and business development regions	2.3 17.17	By resolving issues surrounding the cultivation of Japanese hops, we will contribute to the revitalization of communities and economies, leading to the sustainability of raw material production and the growth of our business.	Japanese hop production volume	Kirin Brewery	100t	2027	105t	78t	81t
	2.3 4.5 17.16	By expanding our support for acquiring Rainforest Alliance certification for "KIRIN Gogo-no-Kocha", we will contribute to the sustainable development and stable procurement of tea leaves in Sri Lanka.	Number of farms supported to obtain RA Certification for sustainable development of Sri Lankan tea plantations	Kirin Beverage	Farms: 15 Small farms: 5,350	Cumulative total 2022-2024	Farms: 4 Small farms: 9	Farms: 0 Small farms: 620	Farms: 5 Small farms: 3,389
	2.3 15.4 17.17	Through the cultivation of high-quality grapes and the expansion of vineyards, we will contribute to environmental conservation and the revitalization of local agriculture and economies, leading to the sustainability of raw material production and stable procurement.	Grape yield from company-managed vineyards	Mercian	160t	2024	167t	154t	124t
	12.6 17.17	With our business partners, we will increase the transparency of our raw material and other goods/ services procurement and improve the sustainability of our supply chain.	SEDEX (or equivalent) compliance rate of key suppliers	Lion	95%	2024	68%	86%	96%
Creating bonds and trust for people's well-being	11.a	Through "KIRIN Gogo-no-Kocha HAPPINESS Project", we will bring joy to society by connecting people who are moving forward with reconstruction with the support of the entire country, which will lead to the growth of "KIRIN Gogo-no-Kocha" brand.	Sales volume of "KIRIN Gogo-no-Kocha HAPPINESS Project"	Kirin Beverage	115% (compared to 2021)	2024	120% (compared to 2021)	130% (compared to 2021)	75% (compared to 2021)
	11.a	Through creating connections between people with wine, we will provide our customers with enjoyable times filled with smiles, thereby enhancing our brand value and strengthening our business foundation.	Consumption rate of wine in Japan	Mercian	32.3%	2024	30.7%	28.5%	27.0%
	11.a	With our community investment partners, we will contribute to the mental health of people through the communities of our customers and local communities.	Number of people reached by community investment programs	Lion	8,000 people	Cumulative total 2022-2024	2,498 people	2,737 people	7,614 people
	11.a	By supporting people's mental and physical health through sponsorship, events, and community football activities, we will bring joy to society and enhance our corporate brand value.	• "Kirin Family Challenge Cup" to be held throughout Japan, • KIRIN's corporate imagescore "Connections with People and Society" through the participant Survey	Kirin Holdings Strategic Marketing Dept.	• Held at 4 venues throughout Japan • Average score over 70%	Cumulative total 2023-2024	—	• Held at 2 venues throughout Japan • Averagescore 97.8%	• Held at 2 venues throughout Japan • Averagescore 97.6%
Enhancing the sustainability of food economy	8.9 11.a 17.17	Through the expansion of the craft beer category, we will spread the joy of beer drinking and contribute to the revitalization of business partners and industries while developing beer and food culture, and lead to business growth.	Market size of Japanese craft beer	Kirin Brewery	150% (compared to 2021)	2024	115%	124%	To be confirmed
	2.3 4.5 17.16	By growing the Japanese black tea market through the brand activities of "KIRIN Gogo-no-Kocha", we will increase the purchase of Sri Lankan tea leaves and contribute to the development of the tea industry and the growth of our business.	Black tea market share within Japanese soft drink market	Kirin Beverage	4.91%	2024	4.81%	4.76%	4.88%
	8.9 11.a 17.17	Through the creation and energizing of communities where Château Mercian wineries are located, we will contribute to the regional development and the Japanese wine industry, leading to the growth of our business.	Awareness of Japanese wine	Mercian	31.4%	2024	Setting the target	28.7%	31.1%

The Environment

Group Materiality Matrix		Particularly Contribute to SDG Targets	CSV Commitment							
Medium Items	Theme		Approach	Our Achievements	Company/ Department	Target Value	Target Year	Latest Achievements (2022)	Latest Achievements (2023)	Latest Achievements (2024)
Sustainable use of biological resources	Tea leaves	2.3 4.6 15.4	We will expand our support for acquiring Rainforest Alliance certification, which will lead to the stable procurement of tea leaves by solving environmental problems in production areas.	Number of farms supported to obtain Sri Lanka RA certification	Kirin Beverage	Farms:15 Small farms: 5,350	Cumulative total 2022-2024	Farms: 4 Small farms: 9	Farms: 0 Small farms: 620	Farms: 5 Small farms: 3,389
	Paper	15.4	Through the procurement of FSC® certified paper and other means, we will work to ensure the sustainability of raw materials that may otherwise be destroyed by deforestation.	Usage ratio of FSC-certified paper or recycled paper for paper containers and packaging*3	Kirin Brewery	100%	2024	100%	100%	100%
					Kirin Beverage	100%	2024	100%	100%	100%
					Mercian	100%	2024	100%	100%	100%
					Koiwai Dairy Products	100%	2030	Implementation of switching of 4 products	93%	93%
					Kyowa Hakko Bio	100%	2030			
					Kyowa Kirin	100%	2030	50%	74%	72%
	Food waste	12.3	We will promote the reduction of product disposal and recycling, which will lead to a reduction in food waste generated by production activities.	Amount of product waste reduction rate	Kirin Holdings Health Science Business Dept.	①Adoption of FSC-certified paper: 100% ②Switch to FSC-certified paper: 4 products ③Switch to non-metallic packaging materials: 2 products	Cumulative total 2022-2024	①100% ②2 Products ③1 Product	①100% ②0 Product ③1 Product	①No applicable items ②1 Product ③0 Product
					Kirin Brewery	50% (compared to 2015)	2024	50% or more achieved	50% or more achieved	50% or more achieved
				Kirin Beverage	50% or more (compared to 2015)	2030	50% or more achieved	50% or more achieved	50% or more achieved	
Sustainable use of water resources	6.4	By reducing the amount of water used in our business activities, we will ensure the sustainability of water resources by conducting water resource preservation activities and other measures.	Water intensity	Kirin Brewery	5.6m³/kl or less	2024	5.6m³/kl or less	5.8m³/kL	5.5m³/kL	
				Mercian *Fujisawa Plant	3.41m³/kl or less	2024	3.54m³/kl	3.60m³/kl	3.51m³/kL	
				Lion *Tooheys, Castlemaine Perkins, James Boag, Pride	Less than 2.4kl/kl	2025	3.6kl/kl	3.3kl/kl	3.1kl/kL	
				Kirin Beverage *Shonan Plant, Shinshu Beverage	Less than 2023	2024	1,950,000m³	1,750,655m³	1,873,762m³	
				Kyowa Hakko Bio	-32%(compared to 2015)	2030	-51%	-63%	-66%	
				Kyowa Kirin	-40%(compared to 2019)	2030	-33%	-36%	-34%	
Sustainable recycling of containers and packaging	12.4 14.1	In addition to the use of recycled materials and biomass, and the development of new containers and services, we will help improve the sustainability of the PET resource cycle by building recycling systems and developing resource recovery and recycling infrastructure in the regions where we operate.	Percentage of plastic bottle recycled resin used	Kirin Brewery	50%	2027	8%	28%	36%	
				Kirin Beverage						
				Mercian						
				Reduction of one-way plastic volume	Mercian	PET bottles 93t	2024	66t	159t	148t
				Reduction of PET volume		Other plastic bottles 34.5t (compared to 2020)		13.2t	20.5t	24.8t
				Percentage of containers and packaging materials that can be reused, recycled, or composted	Lion	100%	2025	99%	99%	99%
Percentage of container materials that can be recycled	Lion	More than 50%	2025	62%	71%	71%				
Overcoming climate change	7.2 13.1	In addition to achieving RE100 at an early stage and making 100% of the energy used by our company come from renewable energy sources, we will expand the use of renewable energy in society and work with stakeholders to build a business model that contributes to a decarbonized society.	GHG(Green House Gas) emission reduction rate: Scope 1+2	Kirin Brewery	55%(compared to 2019) 30%(compared to 2019)	2030 2024	10%	17%	30%	
				Kirin Beverage	55%(compared to 2019) 17%(compared to 2019)	2030 2024	11%	16%	14%	
				Mercian	55%(compared to 2019) 25%(compared to 2019)	2030 2024	6%	33%	48%	
				Lion	55%(compared to 2019) 30%(compared to 2019)	2030 2024	26%	43%	43%	
				Kyowa Hakko Bio	55%(compared to 2019) 32%(compared to 2019)	2030 2024	32%	47%	52%	
				Kyowa Kirin	55%(compared to 2019) 51%(compared to 2019)	2030 2024	42%	55%	64%	
				Ratio of renewable energy to electricity used by the entire Group	Kirin Holdings CSV strategy Dept.	100%	2040	27%	42%	To be confirmed
				GHG (Green House Gas) emission reduction rate: Scope 3	Kirin Holdings CSV strategy Dept.	30%(compared to 2019)	2030	8%	10%	To be confirmed

\*3 Paper containers and packaging handled by each operating company, with targets determined by each operating company. Overseas target companies will check the status of sustainable paper resource procurement and set targets for the future.



CSV Commitments as of 2025

The Kirin Group has done away with set three-year medium-term business plans and changed to a cycle of setting three-year targets on a rolling basis each year.

In our CSV Commitment, since long-term initiatives are required for issues such as climate change,except for those with long-term targets already set, we will update our three-year target setting cycle annually in accordance with this cycle.

While adapting to rapid environmental changes, we remain committed to realizing our CSV Purpose.

Responsibility of Kirin Group which runs Alcoholic Beverage Businesses

Group Materiality Matrix	Particularly Contribute to SDG Targets	CSV Commitment				
		Approach	Our Achievements	Company/ Department	Target Value	Target Year
Dealing with alcohol-related problems	3	By providing customers with information on responsible drinking and raising awareness , we aim to eradicate the harmful use of alcohol. In addition we will fulfill our social responsibility as an alcohol producer, and maintain the alcoholic beverage business environment.	Number of participants and views of awareness programs on proper alcohol consumption	Kirin Brewery	Over 20 million people	Cumulative total 2025-2027
				Mercian	8,550 people	Cumulative total 2025-2027
				Lion	Alcohol&Me Engagement Index (comprising quiz completions, article reads and video views) Greater than 2026	2027
	3	Strengthening non and low alcohol products will expand the range of options available to meet customers' objectives and enable customers to control their alcohol consumption. This will also lead to business growth of non and low alcohol products.	Increase in the proportion of non-alcoholic and low alcohol beverages	Kirin Brewery	Increase in the proportion of non-alcoholic and low-alcoholic beverages	2027
				Mercian	The launch of four products that will lead to an increase in the consumption of non-alcoholic and low-alcoholic beverages, and related activities	2027

Health and Well-being

Group Materiality Matrix	Particularly Contribute to SDG Targets	CSV Commitment				
		Approach	Our Achievements	Company/ Department	Target Value	Target Year
Support for maintaining the immune system Improvement of access to nutrition	3	By fostering and expanding products containing <i>Lactococcus lactis</i> strain Plasma, we will establish a market for immune care and help our customers maintain their health and grow our business.	Number of people who consume <i>Lactococcus lactis</i> strain Plasma	Kirin Beverage	1,000,000 people	2027
Support for the prevention of non-communicable diseases	3	By developing and expanding sugar-free and reduced-sugar products, we will contribute to the maintenance of customers' health through their daily eating habits, leading to business growth.	Sugar consumption reduction	Kirin Beverage	-2,300t (compared to 2020)	2030
Support for maintaining the immune system Support for the prevention of non-communicable diseases"	3	We contribute to mental and physical health through tasty food and provide preventive support and expanding the immun market.	The social impact of the Kirin Group's health science products on society. Total of ① + ②below ①Number of people consuming milk, processed milk, fermented milk and cheese for home use, by type ②Number of people reached through awareness-raising activities	Koiwai Dairy Products	945,000 people	2034

Group Materiality Matrix	Particularly Contribute to SDG Targets	CSV Commitment				
		Approach	Our Achievements	Company/ Department	Target Value	Target Year
Support for maintaining the immune system	3	We contribute to mental and physical health through tasty food and provide preventive support and expanding the immun market.	Number of people who consume immunity care products	Koiwai Dairy Products	82,000 people	2034
Helping to maintain and improve physical and mental performance	2,3,9	By supplying citicoline to health foods, we will contribute to the improvement of customers' health in a wide range of regions and age groups, leading to the growth of our business.	Number of people who regularly consume products containing citicoline (health foods, beverages, etc.) and number of people reached through awareness-raising activities	Kyowa Hakko Bio	1,600,000 people	2027
Support for the maintenance of immune function Support for the prevention of non-communicable diseases Helping to maintain and improve physical and mental performance Improvement of access to nutrition"	3	Contribute to solving customers' health issues through our products and increase our own sales.	The social impact of the Kirin Group's health science products on society. ①Number of people reached by the product	Kirin Holdings Health Science business Dept.	352,000 people	2027
	3	Contribute to raising customer awareness of various health issues through educational activities on health issues, leading to increased sales for the company.	The social impact of the Kirin Group's health science products on society. ②Number of people reached through awareness-raising activities		1,400,000 people	2027
Support for maintaining the immune system	3	Contribute to the health of customers' foundations through our immunization products and increase our own sales.	Contribution to market expansion ①Number of people reached by the product		253,000 people	2027
	3	Contribute to increasing customer health awareness through immunization awareness activities, leading to increased sales for the company.	Contribution to market expansion ②Number of people reached through awareness-raising activities		1,400,000 people	2027
Improvement of access to nutrition	2,3	The provision of health education that improves health outcomes through better use of natural medicines.	Increase delivery of credible health education touchpoints through the Blackmores Institute	Blackmores	Health Education touchpoints & accredited health modules delivered to healthcare professionals. Greater than 2026.	2027
Creating and supplying life-changing pharmaceuticals	3	Set targets for global product launch status in key countries with high social and economic impact, and report actual results, as indicators that will lead to the creation and delivering life-changing medicines.	The launch status of Crysvita, Poteligeo and Libmeldy/Lenmeldy in key countries (Japan, US, Canada, UK, France, Italy, Germany, Spain) with high social and economic impact	Kyowa Kirin	*4CRV_XLH(Adult): 8/8 CRV_XLH(Pediatric): 8/8 CRV_TIO: 6/8 POT_CTCL: 8/8 Libmeldy_PSLI: 6/8	2027
Implementation of health and productivity management	3	As a corporate group that delivers "health" to customers, we aim to create an environment where employees and their families can spend the rest of their lives in good health and mental well-being, and where employees can demonstrate their individual abilities.	Presenteeism	Kirin Holdings People & Culture Dept.	66.5%	2027
	3		Percentage of people who maintain appropriate weight		66.0%	2027
	3		Percentage of people who score below 8 on AUDIT*1		73.0%	2027
Ensuring food safety and security	2	We promote hygiene management and food safety management systems globally using international certification (GFSI recognized scheme and ISO 22000 scheme) to ensure the safety and security of our customers.	International food safety certification attainment rate (GFSI*2 certification and ISO22000)	Kirin Holdings Quality Assurance Dept.	97%	2027
Ensuring occupational health and safety	3	We create a safe and secure workplace for our human resources, the source of our company's competitiveness, so that all employees can exercise their abilities and lead to the growth of their respective businesses.	LTIR*3	Kirin Holdings People & Culture Dept.	2.00	2027

\*1 Abbreviation for Alcohol Use Disorders Identification Test. Screening test for alcohol dependence

\*2 Abbreviation for Global Food Safety Initiatives. A non-profit organization dedicated to improving food safety on a global scale

\*3 Abbreviation for Lost Time Incident Rate. Frequency rate of lost time incidents

\*4 CRV: Crysvita, POT: Poteligeo, XLH: X-linked hypophosphatemia, TIO: tumor-induced osteomalacia, CTCL: Cutaneous T-Cell Lymphoma, PS LI: pre-symptomatic late infantile

CSV Commitments as of 2025

Community Engagement

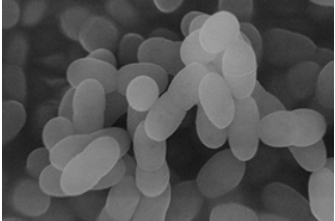
Group Materiality Matrix	Particularly Contribute to SDG Targets	CSV Commitment				
		Approach	Our Achievements	Company/ Department	Target Value	Target Year
Revitalization of the food-related economy	8,11,17	We contribute to the economic revitalisation of the area surrounding the winery by expanding interest in the region through participation in volunteer farm work.	Number of volunteers who visit the production area	Mercian	1,700 people	2027
	8,11,17	By making our Visitor Centre and the services more attractive and increasing visitor numbers, we not only aim to improve our business profits, but also to attract more visitors to the Kentucky bourbon industry as a whole and help increase consumption in local communities.	①Number of visitors to the Visitor Center ②NPS(Net Promoter Score)	Four Roses Distillery	①100,000 or more ②75% or more	2027
Creating bonds and trust for people's well-being	11	Implement brand actions aiming to solve the social issues developed by each brand, we build and expand business growth while driving consumer empathy toward those actions.	Level of empathy with community brand actions	Kirin Brewery	2026 and beyond	2027
	3	Through awareness-raising activities on the Immune Care Habit, we support customers and communities to solve problem and to promote the Immune Care Habit.	Number of people reached by the immunity care seminar	Kirin Beverage	2,000 people	2027
	11	Through our products and proposals, we create places and rich moments where people can feel connected to each other, taking advantage of the characteristics of wine to be enjoyed slowly with those closest to you.	Launch of SKUs that result in an increase in wine-drinking occasions and related activities	Mercian	Launch and promotion activities of 10 products that will lead to the revitalization of the wine category	2027
	3	Kyowa Kirin, advocating a patient centricity, will nurture wellbeing and grow its business by making patients smile, as they are its important stakeholders.	The launch status of Crysvita, Poteligeo and Libmeldy/ Lenmeldy in key countries (Japan, US, Canada, UK, France, Italy, Germany, Spain) with high social and economic impact	Kyowa Kirin	CRV_XLH(Adult): 8/8 CRV_XLH(Pediatric): 8/8 CRV_TIO: 6/8 POT_CTCL: 8/8 Libmeldy_PSLI: 6/8	2027
	11	To support people's mental and physical health and contribute to a spiritually rich society that connects people through collaboration with the Japan Football Association, including the Kirin Family Challenge Cup, which deepens connections with family and friends through football and creates joy in people's hearts and minds.	Holding the Kirin Family Challenge Cup nationwide and conducting a survey of participants "Doing Good for People and Society" scores	Kirin Holdings Strategic Marketing Dept.	① Implementation in six locations nationwide ② "Doing good for people and society" participant survey: over 80% on average	2027
	2,4,11, 12,15, 17	We improve the wellbeing of tea farmers and realise sustainable and stable tea procurement through supporting tea farmers.	Number of farms that use the score card system	Kirin Beverage	More than 50% of the volume of tea procured and the tea farms in the Kandy region of Sri Lanka are RA and Scorecard farms	2030
	11	We contribute to the sustainable development of the production area through the improvement of wine quality and the integrated appeal of the winery and the region.	Winning awards in competitions as an objective proof of quality that leads to the improvement of the reputation of the production area	Mercian	Medals awarded at the Japan Wine Competition and activities to win medals: 20 medals awarded	2027
Sustainable development of communities in raw material production areas and business development regions						

The Environment

Group Materiality Matrix	Particularly Contribute to SDG Targets	CSV Commitment				
		Approach	Our Achievements	Company/ Department	Target Value	Target Year
Sustainable use of biological resources	4,15	We achieve Nature Positive management through wine production.	Achievement of 30by30 environmental site certification and activities toward this goal	Mercian	Obtain certification for 3 vineyards (including re-certification for Mariko) and carry out the required actions	2027
	15	Minimise nature impacts through our sourcing and operations, understand our dependencies and ensure a resilient supply chain.	Increasing disclosures in line with TNFD framework reflecting our commitment to a nature positive future	Blackmores	Compliance with all AFRS-2 climate disclosures plus 20 Nature disclosures	2030
	2,12	Reduce waste by improving the accuracy of supply and demand forecasts and utilising food banks.	Food waste reduction rate	Kirin Beverage	60%(compared to 2019)	2027
	12,13	Protect our social licence to operate, use of natural resources and manage scope 3 emissions through effective recovery of waste and improving our packaging footprint.	Reduce waste to landfill	Blackmores	80% diversion of on site waste form landfill	2030
Sustainable use of water resources	6	By reducing the amount of water used in our business activities, we will ensure the sustainability of water resources by conducting water resource preservation activities and other measures.	Improvement of water stewardship	Lion	Water use intensity in areas of high-water stress (XXXX, Tooheys, Boags)Less than 2.4 l/l	2027
			Improvement of water stewardship	Lion	Water use intensity at high water stress sites (Fort Collins) Less than 3.4 l/l	2027
			Reduction rate of water consumption	Kyowa Hakko Bio	32%(compared to 2015)	2030
			Reduction rate of water consumption	Kyowa Kirin	40%(compared to 2019)	2030
Overcoming climate change	7,13	In addition to achieving RE100 at an early stage and making 100% of the energy used by our company come from renewable energy sources, we will expand the use of renewable energy in society and work with stakeholders to build a business model that contributes to a decarbonized society.	GHG(Green House Gas) emission reduction rate:Scope1+2 (compared to 2019)	Kirin Brewery	55%	2030
				Kirin Beverage	55%	2030
				Mercian	55%	2030
				Lion	55%	2030
				Kyowa Hakko Bio	55%	2030
				Kyowa Kirin	55%	2030
				Blackmores	50%	2030
			Coca-Cola Beverages Northeast	25%	2030	
			Ratio of renewable energy to electricity used by the entire Group	Kirin Holdings CSV Strategy Dept.	100%	2040
GHG(Green House Gas) emission reduction rate:Scope3 (compared to 2019)	Kirin Holdings CSV Strategy Dept.	30%	2030			
Sustainable recycling of containers and packaging resources	12,14	In addition to the use of recycled materials and biomass, and the development of new containers and services, we will help improve the sustainability of the PET resource cycle by building recycling systems and developing resource recovery and recycling infrastructure in the regions where we operate.	Percentage of plastic bottle recycled resin used	Kirin Beverage	53%	2027
	12	We will contribute to securing a stable supply of resources by reducing the amount of packaging and containers, fulfilling our social responsibility as a corporate group that uses resources, and maintaining and sustaining our corporate activities.	Reduction in plastic containers and packaging	Mercian	Plastic resin reduction of 20 tons(compared to 2023)	2027
	13	Reduction in the amount of CO <sub>2</sub> emitted during the production of the aluminium used.	Evaluation of actual equipment for switching to non-metallic packaging materials for iMUSE supplements	Kirin Holdings Health Science business Dept.	Adoption of non-metallic packaging materials	2027



Glossary

Term	Meaning
SKU (pronounced “skew”)	Stands for “stock keeping unit.” It is the smallest product unit used in the logistics and retail industries. The Kirin Group uses it to show the number of units available for a product type. For example, if the contents of each individual can of the same product contains a different amount of product, if each can is sold as an individual unit, or if cans are sold in sets, each of these will count as a different SKU.
Double health claim	A health claim shows that a food or beverage, nutrients in the product, or its functional substances have a health effect. The Kirin Group offers products that make health claims related to both immune care and visceral fat reduction, and we refer to this as a “double health claim.”
“Building natural health as the foundation” and “individual health issues”	<p>We at the Kirin Group value our unique approach to enhance innate power of human beings to resolve health issues. Based on this concept, we are pursuing both the “building natural health as the foundation” approach that targets immunity, which is important to all people regardless of race, gender, or age, and the resolution of individual health issues such as lifestyle-related diseases and brain function.</p> <p><b>Solving health issues through unique approaches</b></p> <p>What will lead to fundamental and effective solutions are not conventional treatments for individual health issues, but unique approaches from the perspectives of building natural health as the foundation and individual health issues based on the concept of enhancing innate power of human beings.</p> <div><div><p><b>Individual health issues</b></p><p>Skin beauty Mental Wellbeing Healthy aging Prevention of Habitual Diseases</p></div><div><p><b>Individual health issues</b></p><p>We aim at resolving health issues facing individual customers by leveraging the Group’s strengths in everything from materials to services.</p></div><div><p><b>The innate power of humans</b></p><p>Diet (Nutrition) Exercise Rest Immune care</p><p><b>Building natural health as the foundation</b></p><p>We boost the innate power of human beings by combining “Diet/Exercise/Rest,” which are essential factors for health, and “Immune care” centering around L. lactis strain Plasma (LC-Plasma).</p></div></div>
Pipeline	The pharmaceuticals industry pipeline refers new pharmaceutical candidates for medical treatment and can allude to the entire group of new candidates or an individual candidate. Expanding the pipeline that will ultimately become next-generation pharmaceuticals is vital to the sustainability and growth of manufacturers.
LC-Plasma	<p><i>Lactococcus lactis</i> strain Plasma (LC-Plasma, a postbiotic) is a lactic acid bacteria that supports the maintenance of immunity in healthy people. It has been reported in research papers that it is the first in the world* to work on pDCs (plasmacytoid dendritic cells), the leader of the immune system. Kirin Holdings, KOIWAI DAIRY PRODUCTS CO., LTD., and KYOWA HAKKO BIO CO., LTD. have jointly conducted research on this product, and with the cooperation of universities and research institutions in Japan and overseas, 34 papers have been published and numerous presentations made at academic conferences.</p> <p>*LC-Plasma was the first lactic acid bacteria reported to work on pDCs in humans (based on information published in PubMed and the homepage of the Central Medical Journal).</p> 

Calculation Method for Kirin Group’s GHG Emissions

The Kirin Group calculates GHG emissions (Scope 1+2) as follows.

- (1) Calculation Method
  - Emissions resulting from the use of fuel and steam are calculated using the unit calorific values and emission factors stipulated in Japan’s “Law Concerning the Promotion of the Measures to Cope with Global Warming” and “Law Concerning the Rational Use of Energy.” However, for Lion, the unit calorific values and emission factors specified by the Australian, New Zealand, and U.S. governments are used for calculations.
  - For electricity, the calculation is based on the amount of electricity purchased multiplied by the emission factor of each electric power company. In the case of Japan, adjusted emission factors for each electric utility are used. If emission factors for each electric utility are not available, national emission factors published by the IEA are used.
  - GHG emissions include emissions associated with the generation of electricity sold.
- (2) Boundary
  - The following companies are targeted. (Companies are categorized based on business segments used in financial reports at the time.)
- (3) Base Year Calculation
  - GHG emissions for the base year (2019) have been retrospectively recalculated to reflect significant structural changes, including subsequent business acquisitions and divestitures.

Scope of calculations included in the 2023 performance results

Business	Company
Japan Beer and Spirits Business	Kirin Brewery, Kirin Distillery, Spring Valley Brewery, The Brooklyn Brewery Japan, Ei Sho Gen, Kirin Brewery (Zhuhai)
Japan Non-Alcoholic Beverages Business	Kirin Beverage, Shinshu Beverage, Hokkaido Kirin Beverage, Kirin Maintenance・Service, each site of Kirin Beverage Service (Hokkaido, Sendai, Tokyo, Chubu, Kansai), Kirin Vivax, Toukai Beverage Service
Oceania Adult Beverages Business	Lion, New Belgium Brewing
Pharmaceuticals Business	Kyowa Kirin, Kyowa Kirin Frontier, Kyowa Kirin Plus, Kyowa Kirin China Pharmaceutical, Kyowa Kirin (USA)
Other Businesses (all companies included)	Mercian, Nippon Liquor, Daiichi Alcohol, Wine Curation, Interfood, Vietnam Kirin Beverage, Four Roses Distillery,Kyowa Hakko Bio, Kyowa Pharma Chemical, Kyowa Engineering, BioKyowa, Shanghai Kyowa Amino Acid, Thai Kyowa Biotechnologies, Kirin Holdings, Kirin Business Expert, Kirin Business System, Koiwai Dairy Products, Kirin Echo, Kirin & Communications, Kirin Engineering, Kirin City, Kirin Group Logistics

Company & Group Information

(As of December 31, 2024)

Company name

Kirin Holdings Company, Limited

Number of employees

1,067 (individual) / 31,934 (consolidated)

Date of incorporation

February 23, 1907

\*Kirin Brewery Co., Ltd. changes its name to Kirin Holdings Co., Ltd. and becomes a holding company of the Kirin Group on July 1, 2007.

Share capital

102,045,793,357 yen

Head office

NAKANO CENTRAL PARK SOUTH  
10-2, Nakano 4-chome, Nakano-ku, Tokyo  
164-0001, Japan

Code number

2503 (Listed Stock Market = Tokyo Stock Exchange (TSE) Prime)

Administrator of shareholder registry

Mitsubishi UFJ Trust and Banking Corporation  
4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo

Major shareholders (Top 10)

Name	Number of shares held (thousand shares)	Shareholding ratio (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	138,892	17.11
Custody Bank of Japan, Ltd. (Trust account)	57,287	7.05
Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.)	31,346	3.86
STATE STREET BANK AND TRUST COMPANY 505001(Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	20,700	2.55
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	16,569	2.04
SMBC Nikko Securities Inc.	16,136	1.98
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND (Standing proxy: Tokyo Branch, Citibank, N.A.)	12,729	1.56
JAPAN SECURITIES FINANCE CO., LTD.	10,132	1.24
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing proxy: MUFG Bank, Ltd.)	8,904	1.09
BNYM AS AGT/CLTS NON TREATY JASDEC (Standing proxy: MUFG Bank, Ltd.)	8,067	0.99
Total	320,766	39.51

Notes:

1. The Company holds 102,244 thousand treasury shares (11.18%), but is excluded from the major shareholders above.  
2. Sumitomo Mitsui Trust Asset Management Co., Ltd. submitted a statement of large-volume holdings (statement of changes) on January 10, 2024 with the joint holder of Nikko Asset Management Co., Ltd. However, the Company is not able to fully confirm the number of shares held by these corporations as of December 31, 2024, therefore, they are not included in the list of major shareholders above.

Group Information

(As of December 31, 2024)

177 consolidated subsidiaries

Kirin Brewery Company, Limited

Mercian Corporation

Eishogen Company, Limited

Kirin Distillery Company, Limited

SPRING VALLEY BREWERY COMPANY

Kirin City Company, Limited

Lion Pty Ltd

Kirin Foods Australia Holdings Pty Ltd

Lion-Beer, Spirits & Wine Pty Limited

Lion (NZ) Limited

Lion Nathan Finance (New Zealand) Limited

Lion Nathan USA Inc.

New Belgium Brewing Company, Inc.

Lion Global Craft Beverages Pty Ltd

Little World Beverages, Inc.

Fermentum Pty Ltd

Four Roses Distillery, LLC

Kirin Brewery of America, LLC

Kirin (China) Investment Company, Limited

Kirin Brewery (Zhuhai) Company, Limited

TAIWAN KIRIN COMPANY, LIMITED

Kirin Europe GmbH

Kirin Beverage Company, Limited

Coca-Cola Beverages Northeast, Inc.

Interfood Shareholding Company

Kyowa Kirin Co., Ltd.

Orchard Therapeutics Limited

Kyowa Kirin Asia Pacific Pte. Ltd.

FANCL CORPORATION

Kyowa Hakko Bio Co., Ltd.

Koiwai Dairy Products Company, Limited

Blackmores Limited

Kirin Health Science Australia Pty Ltd

Kirin Holdings Australia Pty Ltd

Kirin Holdings Singapore Pte, Ltd.

142 other companies

28 equity-accounted investees

YO-HO BREWING COMPANY

Brooklyn Brewery Corporation

San Miguel Brewery Inc.

25 other companies



Joy brings us together

