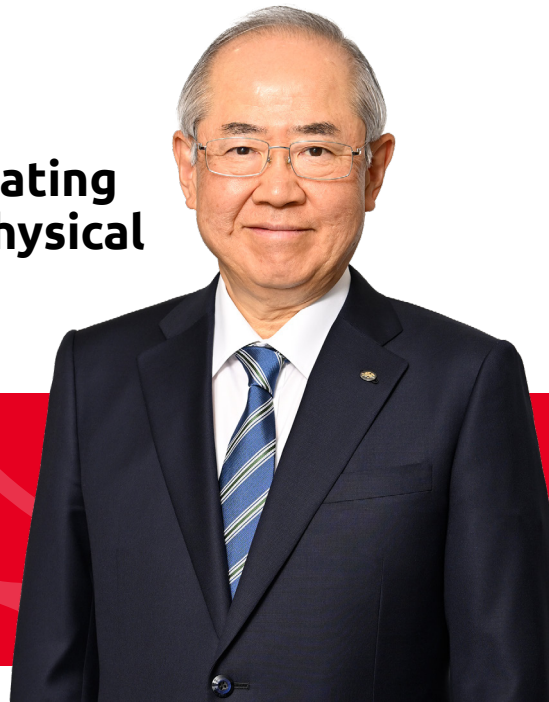


## Message from the CEO

# A Global Leader in CSV, Creating the Future of Mental and Physical Well-being for people



**Yoshinori Isozaki**

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

## Shifting to a new stage of growth by delivering on our commitments

As the final year of the nine-year Long-Term Vision, Kirin Group Vision 2027 (KV2027), launched in 2019 approaches, we have been engaging in executive-level discussions on a new long-term vision looking beyond this horizon. The result is "Innovate2035!"

In the past, although the Group formulated long-term visions and medium-term management plans, there were instances where we moved on to the next initiative without fully achieving our targets.

This time is different. Under KV2027, which I led as President & CEO, we set out to become a global leader in CSV and advanced management that views the resolution of social issues as business opportunities, driving sustainable growth. **Anticipating changes in the business environment, we determined that it would be difficult to sustain significant growth solely through our alcoholic beverages business, and have therefore transformed into a corporate group that contributes to resolving health issues through our businesses.**

While the Pharmaceuticals business has driven growth, we have also launched the Health Science Business leveraging the R&D capabilities cultivated in the Food & Beverages (alcoholic beverages and non-alcoholic beverages) and Pharmaceuticals domains, and have successfully established its business foundation.

In terms of external evaluation, we have been ranked in the highest rating of the Nikkei SDGs Management Awards for seven consecutive years since 2019, and have received an "AA" rating in the MSCI ESG Ratings for five consecutive years. We are particularly proud to be among the global leaders in the environmental domain.

In FY2025, the Health Science Business achieved profitability for the first time, and consolidated normalized operating profit reached a record high for the third consecutive year. Throughout this journey, we have faced unexpected environmental changes, including the COVID-19 pandemic, heightened geopolitical risks, and rising raw material costs. Nevertheless, our employees held firm, giving us confidence that we have become a corporate group that delivers on its commitments. With CSV now firmly embedded among our

employees and as we have steadily advanced toward becoming a global leader in CSV, we determined that the time was right to move to the next stage and formulated "Innovate2035!"

Since assuming the role of President & CEO in 2015, I have pressed forward with what Keynes a British economist referred to as "animal spirits" toward the "mountain" I envisioned, and we have now come close to reaching it. With Innovate2035!, I aim to further increase the number of employees who embody these animal spirits.

## New Long-Term Vision "Innovate2035!"

While we have formulated a new Long-Term Vision, our commitment to CSV as the compass of our management remains unchanged. In fact, as symbolized by the rapid advancement of AI, changes in the external environment are accelerating, making it all more necessary to further advance CSV management. From FY2025, we have shifted away from fixed three-year medium-term plans to a rolling three-year planning cycle, with targets are updated annually to respond more agilely to changes in the external environment.

Furthermore, by decisively sharpening our focus on "health" as the key social issue the Group addresses and integrating the Non-alcoholic Beverages business into the Health Science business, we will pursue sustainable growth through a business portfolio comprising Alcoholic Beverages, Health Science & Non-alcoholic Beverages, and Pharmaceuticals.

By 2035, we aim to achieve a balanced profit composition across these three domains at comparable levels. We have already announced quantitative targets, including a high single-digit CAGR for EPS and ROIC of 10% or higher. However, as CEO, I would like to specifically highlight our intention to achieve double-digit EPS growth.

## Business portfolio

We have established a business portfolio that treats "health" as a business opportunity and enables us to achieve our targeted profit growth, and we have already transitioned to a structure with no non-core businesses. The direction of each business domain has also been defined.

However, there is no such thing as a business portfolio that remains unchanged indefinitely.

Although the Health Science Business has achieved profitability, there remains substantial potential for further growth. To this end, we will continue to make investments and aim to build "one of the largest health science companies in the APAC region" by 2035, with revenue of 500 billion yen and a normalized operating profit margin of 15%.



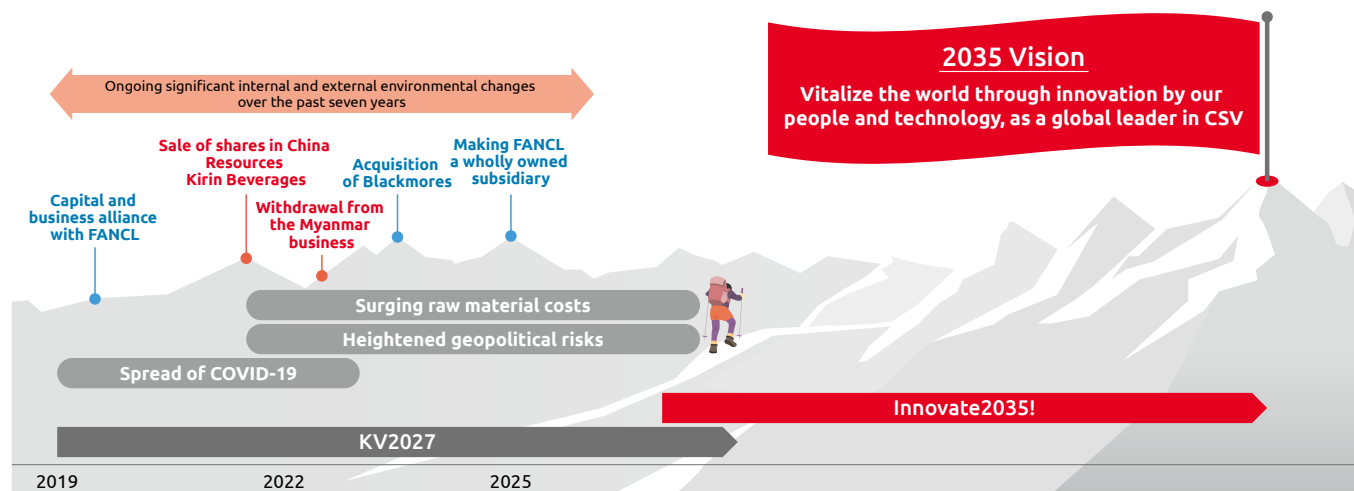
Naturally, our resources are finite. During my tenure as General Manager of the Corporate Strategy Department, I led the divestment of 15 businesses where we were not the best owner. From the perspective of realizing our long-term vision and maximizing corporate value, we continuously review our portfolio, and the recent decision in February to divest Four Roses Distillery is positioned as part of this ongoing effort.

Looking back, beginning in 2016, we carried out a decisive restructuring of low-profit businesses. While the divestment of low-profit businesses differs in nature from the divestment of Four Roses Distillery, both share the same underlying principle: making decisions with the aim of reaching the “mountain” we have envisioned. In recent years, we have executed our acquisitions and divestments based on a clear direction—namely, how best to shape our overall business portfolio to realize our vision and increase corporate value—on a case-by-case basis, initiating each approach ourselves, not passively considering offers from the outside. Without such an approach, successful M&A would be difficult to achieve. Looking ahead, we will continue to discuss and refine our business portfolio at the Board of Directors, always maintaining a clear focus on our objectives.

### Strengthening organizational capabilities in R&D, marketing, and digital, and enhancing human capital

Looking across the entire Group, strengthening our organizational capabilities is a critical priority for realizing our new long-term vision.

As a manufacturer, the Kirin Group must continue to create products and services with overwhelming differentiation and competitive advantage, the source of which lies in our R&D capabilities.



At the same time, no matter how advanced the technologies we develop may be, they have little value unless they are embraced by consumers. This is where the power of marketing—linking R&D with consumers—plays a vital role. Moreover, in the years ahead, AI will increasingly be integrated not only into R&D but also into marketing. Accordingly, we believe it is essential to focus our investments in these areas and to further strengthen our human capital.

**We will strengthen our investment in human capital.** At the same time, we are also making proactive investments in AI to ensure that we do not fall behind. However, I always tell our employees, “Do what only you can do.” I want them to take on challenges with the “animal spirits” that AI cannot replicate. **Strengthening our human capital means increasing the number of employees who take on unknown challenges with such animal spirits—an approach that ultimately enhances our organizational capabilities.**

We are also seeing a growing number of individuals who resonate with our CSV and choose to join the Group. Innovations such as Kirin Brewery’s Harekaze ACTION and the HYOKETSU mottainai brand expansion are examples of what emerges when the next generation of employees—who will lead the future—think deeply about what they can achieve in their roles.

### Aiming to achieve a market capitalization of 3 trillion yen at an early stage

In FY2025, consolidated normalized operating profit reached a record high, and both EPS and ROIC met our targets. Alongside this improvement in performance, I believe that investors are beginning to gain a better understanding of the growth strategy we are

pursuing and the efforts we are making to enhance the profitability of each business. However, I do not consider our current stock price to be satisfactory. We aim to reach a level that is recognized by global investors, specifically, a market capitalization of 3 trillion yen at an early stage. To achieve this, we believe it is essential to further improve our PER.

Since 2024, I have assumed the role of Representative Director of the Board & CEO, while Mr. Minakata serves as Representative Director of the Board, President & COO. By entrusting the execution of operations to COO Minakata, I have been able to devote more time to networking with external stakeholders. With a commitment to go anywhere for the benefit of the Kirin Group, I actively take on speaking engagements and serve in a number of external roles, including Representative Director of the Japan local network of the United Nations Global Compact, Chair of the Committee on Agricultural Revitalization at Keidanren, and Vice Chairman of the Japan Association of Corporate Directors. Through these activities, I strive to bring external information and insights back into our management.

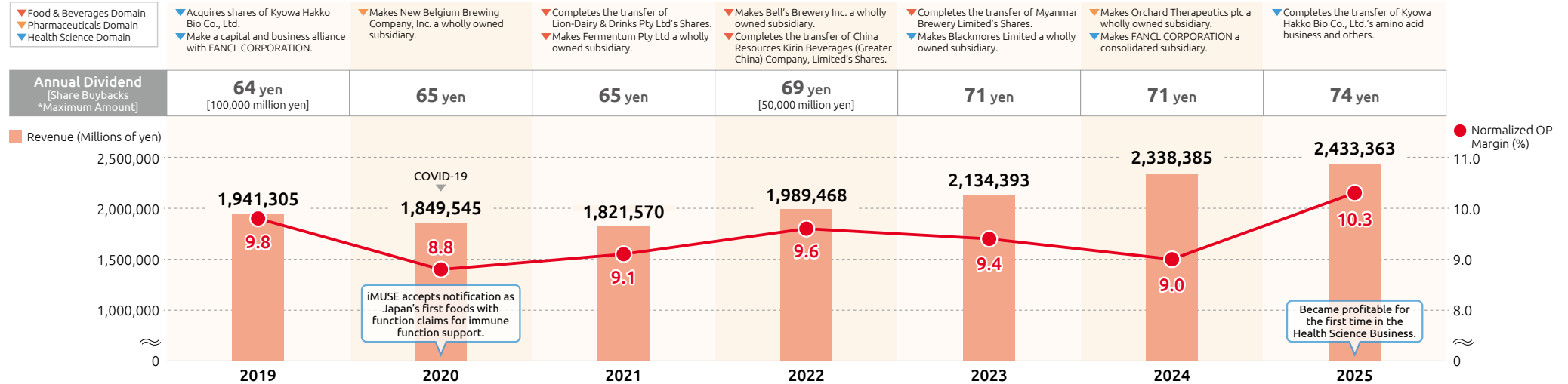
It goes without saying that we place great importance on engagement with our shareholders and investors. With Innovate 2035!, the Kirin Group is entering its next stage of growth. As a corporate group that creates the future of mental and physical well-being for people, we are steadily building a foundation that will enable us to fully meet investors’ expectations. We have also established a clear growth strategy. By demonstrating our ability to execute and deliver on this strategy, and by earning your trust, we are committed to providing solid returns.

We sincerely appreciate your continued support.

# Achievements under Kirin Group Vision 2027 (KV2027)

## Economic and Social Value Created from 2019 to 2025

Since the launch of Kirin Group Vision 2027 (KV2027) in 2019, we have restructured our business portfolio to steadily generate economic value, thereby delivering returns to our shareholders and investors. At the same time, our ESG initiatives aimed at creating social value, along with related disclosures, have earned strong external recognition. As a result of these achievements, we believe we are steadily progressing toward our long-term vision of becoming a global leader in CSV.



**External Evaluation**

- Achieved the highest "A List" rating in CDP Climate Change and Water Security (For climate change, received the rating from 2014 to 2017, 2019 to 2022, and in 2024; for water security, received the rating 10 consecutive years from 2016 to 2025)
- Certified as a KENKO Investment for Health 2019 (White 500) (Certified for eight consecutive years from 2017 to 2024\*)
- Received the highest rating in the PRIDE Index 2019, an evaluation index for LGBTQ+ initiatives (Received for 9 consecutive years from 2017 to 2025)

- Received the Gold Award in the Environment Sustainable Company category at the 1st ESG Finance Awards Japan (also awarded at the 2nd, 5th, and 6th awards)
- Received the Grand Prize Company award at Corporate Governance of the Year® 2020

- Achieved an "AA" rating in the MSCI ESG Ratings (also achieved from 2022 to 2025)\*2
- Selected as a constituent of the FTSE Blossom Japan Sector Relative Index (included in all ESG indices for Japanese equities adopted by GPIF)
- Obtained SBT Net-Zero certification, the first in the global food industry

- Château Mercier Mariko Vineyard certified as a Nationally Certified Sustainably Managed Natural Site
- Discovery and commercialization of Lactococcus lactis subsp. lactis JCM 5805 (LC-Plasma) received the Imperial Invention Prize at the National Commendation for Invention, the first for a health food ingredient

- Selected as the SX Brands 2024 (Sustainability Transformation Brands)
- Awarded the Grand Prize at the 7th Nikkei SDGs Management Awards (ranked in the highest rating of "★★★★★" (deviation score of 70 or higher) for seven consecutive years since the inaugural awards in 2019)
- Château Mercier Jonohira Vineyard certified as a Nationally Certified Sustainably Managed Natural Site
- Electric Salt received the Minister of Agriculture, Forestry and Fisheries Award at the Well-being & Age-Tech 2025 Award

\*1 Also received in 2026. \*2 THE USE BY Kirin Holdings Company, Limited OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF Kirin Holdings Company, Limited BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED "AS-IS" AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

# Long-Term Vision (Innovate2035!)

## ■ Our Vision for 2035

### “Vitalize the world through innovation by our people and technology, as a global leader in CSV”

Kirin Holdings announced its Long-Term Vision “Innovate2035!”, in February 2026, setting out its direction through 2035.

Under this vision, in addition to the sustainable growth of each business, we will promote integrated Group management that transcends countries, regions, and business domains, aiming to continuously enhance corporate value through the creation of innovation.

The innovation that Kirin aims to achieve is not simply about creating new products or technologies. What we ultimately seek is to encourage behavioral change among consumers and patients and create new lifestyle habits in society. Through products and services that accompany people in various moments of their lives, “changing people’s behavior” itself is the goal of Kirin’s value creation. To realize this, it is essential that each employee embed the mindset and actions to introduce novelty into their daily work—better today than yesterday, better tomorrow than today. This forms the foundation for innovation,

and this way of thinking is the starting point of “Innovate2035!”

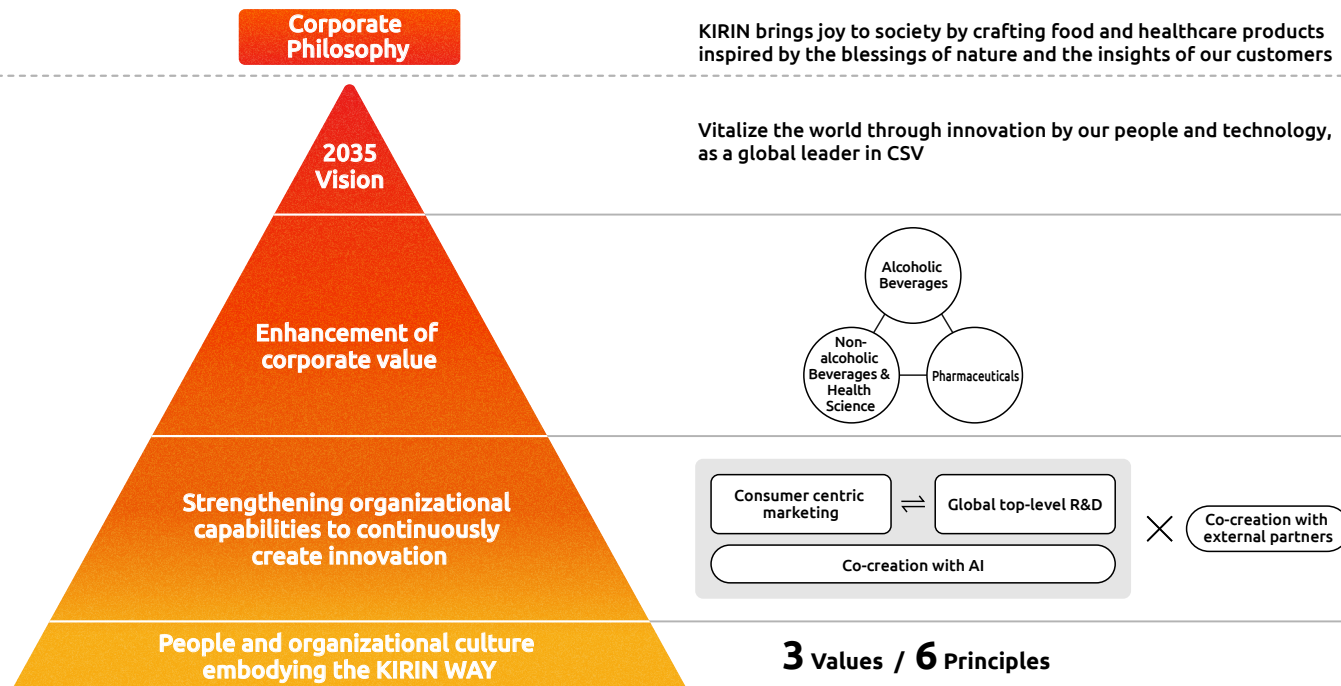
The vision Kirin seeks to realize by 2035 is not the expansion of a single business or diversification driven by technology alone. Rather, we aim to become a company where diverse businesses—Alcohol Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals—each grow autonomously while combining human capital, technologies, and knowledge, from which new value continuously emerges. Our aim is not to “create” growth, but to build a structure in which growth continues to emerge. This is the essence of our Long-Term Vision.

At the foundation of this structure are people and an organizational culture that embody the KIRIN WAY. Shared values and behavioral principles function as the basis for daily decisions and actions, making challenge, collaboration, and boundary-crossing the norm. As people and the organization evolve, the nature of our businesses also changes, and these business transformations, in turn, attract new generations of talent. This is the foundation that accelerates growth.

On this basis, Kirin will strengthen its organizational capabilities to continuously generate innovation. At the core of these capabilities are marketing and R&D. Marketing is the capability to deeply understand the behavior of consumers and patients and to grasp, as a structure, “why people’s behavior changes.” R&D is not only about creating technologies but also serves as an intellectual engine that continuously tests hypotheses about future value. By combining these two functions across businesses and domains, with consumers as the central connecting point, the organization increases the probability of successful value creation.

Furthermore, co-creation with AI will accelerate this value creation. AI is not intended to replace human judgment, but rather to serve as an amplifier that enables people to formulate better questions, learn faster, and think more deeply. Through co-creation between people and AI, both the speed and scale of trial and error will increase dramatically, transforming innovation from something that depends on a limited number of individuals into something that continuously emerges across the organization.

Through the strengthening of these organizational capabilities, Kirin will achieve autonomous growth in each of its businesses—Alcohol Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals—while also creating new value through combinations that transcend business domains. The value created in this way will encourage behavioral change among consumers and spread throughout society as new lifestyle habits. As a result, the enhancement of corporate value and the creation of social value will be realized in an integrated manner.



## Long-Term Vision (Innovate2035!)

### What

**“The innovation that Kirin aims to achieve is to encourage behavioral change among consumers and create new lifestyle habits in society.”**

The innovation that Kirin aims to achieve is not the creation of new products or technologies in itself. Rather, it is about enabling the value we create to change the behavior of consumers and patients, leading to the establishment of new lifestyle habits in society. By accompanying consumers in various moments of their lives and continuously encouraging behavioral change, Kirin aims to make this the goal of its value creation.

#### Innovation Kirin Aims to Achieve

To continue to be chosen by consumers, and to realize “mental and physical well-being,” it is essential to steadily build innovation across all businesses.

#### Examples of innovation that transform lifestyle habits

Pursuing differentiation in the market while promoting mental and physical well-being.



#### Alcoholic Beverages Business



#### CREATING NEW TASTE AND ENJOYMENT

- Provide people and society with the joy of connection through products, initiatives, and services, contributing to consumers' mental well-being



Gain a deep understanding of consumers, including the diversification of lifestyles and preferences

**Deliver exceptional and inspiring taste to consumers**



#### Non-alcoholic Beverages & Health Science Business



#### CREATING KIRIN'S UNIQUE HEALTH VALUE

- Support both internal methods and external solutions to build natural health as the foundation and address individual health issues



The anti-aging market is experiencing significant growth driven by high social demand.

**Deploy proprietary ingredients (Lactococcus lactis strain Plasma (LC-Plasma), citicoline) to help people worldwide realize their dreams**



#### Pharmaceuticals Business



#### CREATING LIFE-CHANGING VALUE

- In addition to antibody therapeutics, we will further advance cell and gene therapies to develop medicines that can change people's lives.



Whereas current therapies involve injections directly into the eye, we are developing “KHK4951” with the goal of achieving a noninvasive, eye drop-based treatment. **Aim to improve patients' quality of life**

# Long-Term Vision (Innovate2035!)

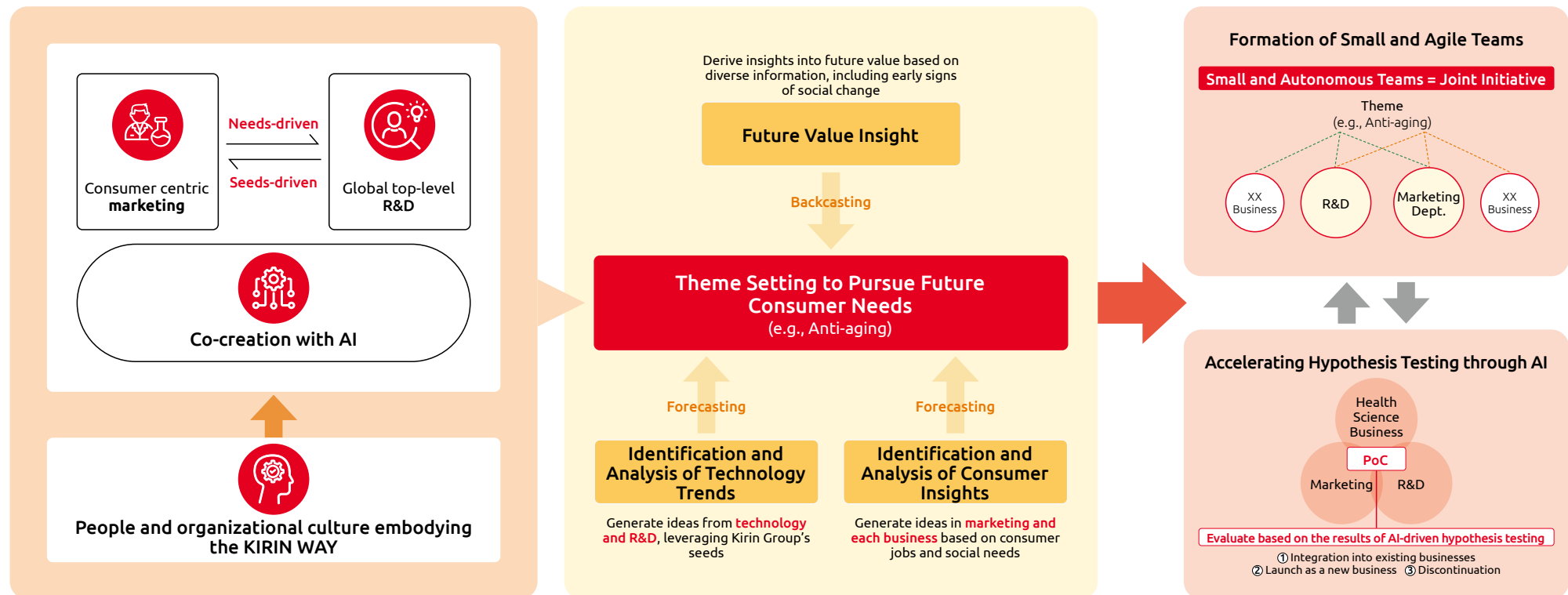
## How

### “Autonomous growth of each business, enabled by value creation through Kirin’s unique combinations”

Kirin aims for each of its diverse businesses—Alcoholic Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals—to grow autonomously. Building on this, leveraging our unique business portfolio of Alcoholic Beverages, Non-alcoholic Beverages, Health Science, and Pharmaceuticals, we connect human capital, technologies, and knowledge both within and outside the Group. By combining organizational capabilities with consumers as the central connecting point, Kirin will build a structure from which value continuously emerges. The core of our Long-Term Vision is not to “create” growth, but to build a structure in which growth continues to emerge.

Specifically, we will drive innovation by combining the capabilities of R&D and marketing. Through co-creation, we identify high-potential themes based on a deep understanding of consumer jobs, rapidly form small and agile teams, and accelerate all business development processes through AI and digital ICT. By doing so, we enhance both the quality and quantity of outputs while expanding their variety, aiming for the early realization of business implementation and social implementation.

A new two-way innovation creation process between R&D and marketing—Evolving from function-based initiatives to a theme-driven (theme-first) approach



# Long-Term Vision (Innovate2035!)

## How it works?

**“People and an organization that embody the KIRIN WAY form the foundation that continues to drive growth.”**

The “KIRIN WAY” comprises the values (3 Values) cherished by the Kirin Group since its inception and the principles (6 Principles) for continuously generating innovation. The foundation of Kirin’s value creation lies in the actions of each individual who embodies the KIRIN WAY. The Group’s shared values and behavioral principles function as the basis for daily decisions and actions, making challenge, collaboration, and boundary-crossing the norm. Behavioral change in people and the organization supports the evolution of our businesses and the structure in which growth continues to emerge.

### Our Values



#### Pioneer with Innovation

先駆

With creative thinking and a spirit of curiosity, let’s keep proposing new ideas that move us forward.



#### Consumer/ Patient at Heart

お客様本位／患者さん本位

Deeply connect with people’s lives and deliver value beyond what society anticipates.



#### Quality in Mind

品質本位

Approach all work with integrity and consistently deliver the quality people expect.

### Our Principles



#### Be Aspirational

志を高く持つ

Envision a future that excites and inspires us. Our personal passion and purpose are the driving forces that unlock tomorrow.



#### Go to “Gemba”

Go to “ゲンバ”

Observe at the source to uncover truth and understand real needs. The starting point of our work should always begin where these needs exist.



#### Act First, Learn Fast

まず動き、失敗も学びに変える

Step forward boldly, even if the path is uncertain. There’s always something to learn from every outcome.



#### Leap Beyond

枠を越える

Break out and explore beyond the familiar! New possibilities await on the other side of the leap.



#### Unite as One Team

違いを力に変える

Turn our personal uniqueness into collective strength. By working together, we make the impossible possible.



#### Commit to Winning

勝ちにこだわる

Bring passion and commit to delivering results! Individual ownership fuels the value we deliver to the world.

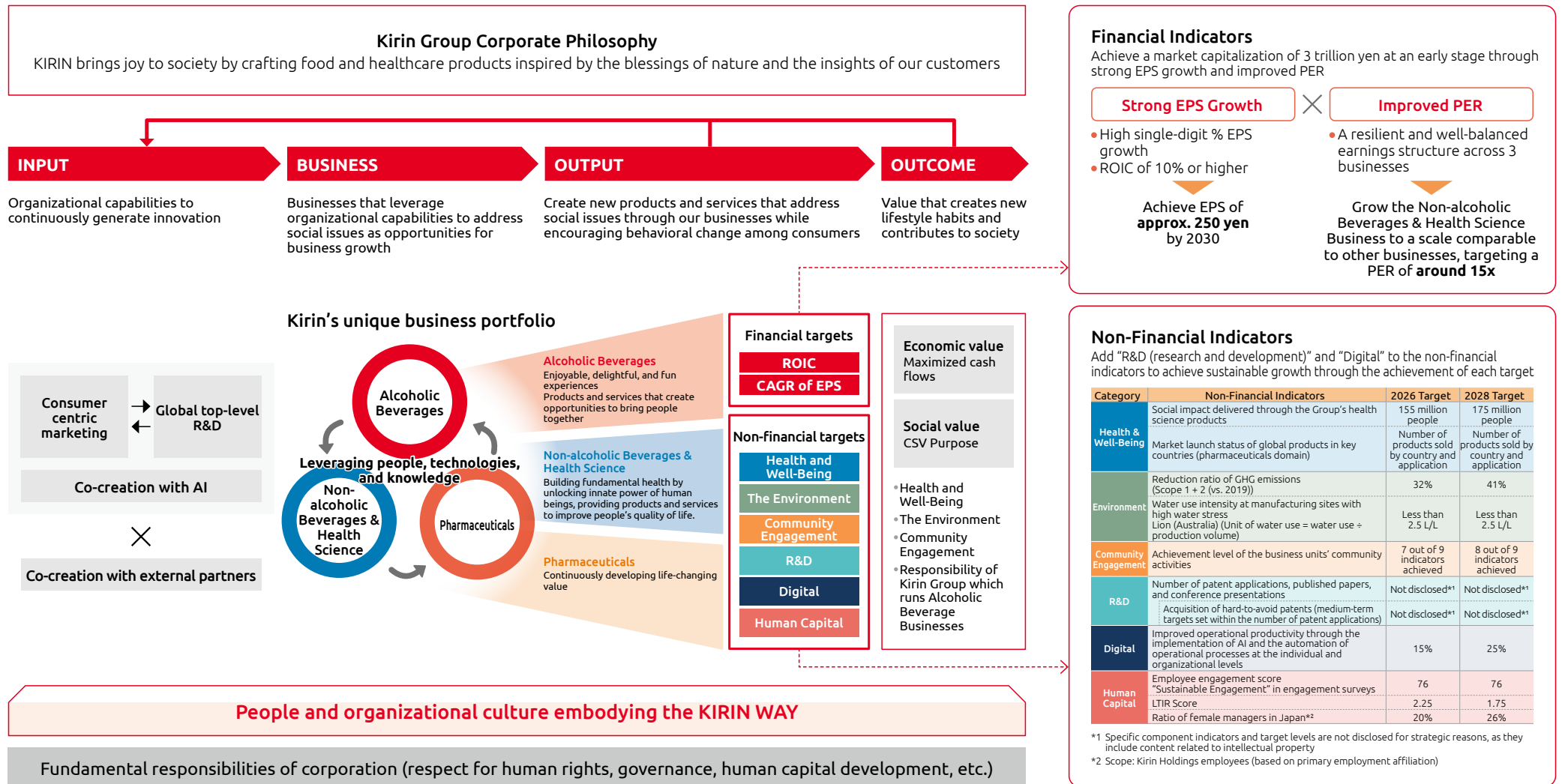
# Long-Term Vision (Innovate2035!)

## Value Creation Model

The Kirin Group is strengthening its organizational capabilities to continuously generate innovation (INPUT) and leveraging these capabilities to create value across its Alcoholic Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals businesses (BUSINESS/OUTPUT).

By connecting human capital, technologies, and knowledge across each business, we work as one Group to address social issues, thereby achieving the integration of economic and social value (OUTCOME).

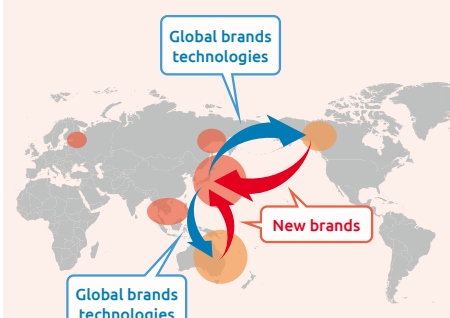
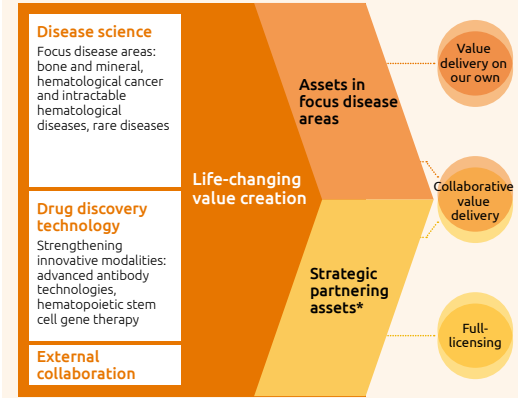
We visualize this integrated story through financial and non-financial targets and continuously link the results to the next cycle of growth.



# Long-Term Vision (Innovate2035!)

## Plans for Each Business Domain

We will steadily execute initiatives centered on key focus areas in Alcohol Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals, and strive to create value unique to Kirin.

	Alcoholic Beverages	Non-alcoholic Beverages & Health Science	Pharmaceuticals									
<b>External Environment</b>	<ul style="list-style-type: none"> <li>Global alcohol consumption is expected to decline over the long term due to increasing alcohol regulations and changes in social norms.</li> <li>Differentiation and innovation based on experiential value, quality, and brand will be key drivers of growth.</li> </ul>	<ul style="list-style-type: none"> <li>Quantitative growth is expected to be limited due to demographic changes, and the roles of non-alcoholic beverages and health science are evolving from "everyday consumption" to "addressing health issues."</li> <li>As expectations for health, functionality, and sustainability increase, regulations related to health impacts and ingredients are also becoming more stringent. In this environment, the creation of high value-added health value through proprietary technologies will be a key driver of growth.</li> </ul>	<ul style="list-style-type: none"> <li>The environment surrounding the pharmaceutical industry is becoming increasingly severe, with growing political and economic instability as well as rising geopolitical risks.</li> <li>While responding to these changes with agility, we will select optimal strategies to deliver life-changing value to as many patients as possible.</li> </ul>									
<b>Vision for 2035</b>	<p><b>Current: 8.6%</b>  <b>» Aim for 12% level financial ROIC by 2035</b></p> <ul style="list-style-type: none"> <li>Business management focused on bottom-line profits</li> <li>Streamline small-scale non-core assets</li> </ul> <ul style="list-style-type: none"> <li>A business that continuously delivers innovative alcoholic beverages to consumers around the world, creating new forms of taste and enjoyment.</li> <li>Strengthen the earnings base through higher profitability</li> </ul>	<p><b>Current: 4.4% » Aim for 12% level financial ROIC by 2035</b></p> <ul style="list-style-type: none"> <li>Rapid growth in profitability (NOP at 15% level)</li> <li>Efficient brand management across the entire APAC</li> </ul> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;"><b>Non-alcoholic Beverages</b></p> <ul style="list-style-type: none"> <li>A business that, as a beverage company grounded in taste and health, continuously delivers new value to diverse consumers and the Kirin Group</li> <li>Improve profitability through the expansion of high-priced products, primarily health drinks</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;"><b>Health Science</b></p> <ul style="list-style-type: none"> <li>One of the largest health science companies in APAC (+α), delivering Kirin's unique health value by combining "fundamental health" and "personalized health"</li> <li>Achieve both significant top-line growth and high profitability</li> </ul> </td> </tr> </table>	<p style="text-align: center;"><b>Non-alcoholic Beverages</b></p> <ul style="list-style-type: none"> <li>A business that, as a beverage company grounded in taste and health, continuously delivers new value to diverse consumers and the Kirin Group</li> <li>Improve profitability through the expansion of high-priced products, primarily health drinks</li> </ul>	<p style="text-align: center;"><b>Health Science</b></p> <ul style="list-style-type: none"> <li>One of the largest health science companies in APAC (+α), delivering Kirin's unique health value by combining "fundamental health" and "personalized health"</li> <li>Achieve both significant top-line growth and high profitability</li> </ul>	<p><b>By the early 2030s, aim to achieve "more than 20 new pipeline assets and FDA approvals in over 10 indications," as well as "core operating profit of 30% and ROE in the low teens"</b></p> <ul style="list-style-type: none"> <li>A global specialty pharmaceutical company committed to continuously delivering pharmaceuticals with life-changing value to patients.</li> <li>Steady progress of global products and the late-stage development pipeline, and expansion of the pipeline through strategic investments.</li> </ul>							
<p style="text-align: center;"><b>Non-alcoholic Beverages</b></p> <ul style="list-style-type: none"> <li>A business that, as a beverage company grounded in taste and health, continuously delivers new value to diverse consumers and the Kirin Group</li> <li>Improve profitability through the expansion of high-priced products, primarily health drinks</li> </ul>	<p style="text-align: center;"><b>Health Science</b></p> <ul style="list-style-type: none"> <li>One of the largest health science companies in APAC (+α), delivering Kirin's unique health value by combining "fundamental health" and "personalized health"</li> <li>Achieve both significant top-line growth and high profitability</li> </ul>											
<b>Focus Area</b>	<ul style="list-style-type: none"> <li>Focus on beer, non-alcoholic beverages, and RTD across Asia, Oceania, and the United States</li> <li>Strengthen the value of categories that create connections between people</li> <li>Combine core strengths in R&amp;D and brand</li> <li>Expand low-burden products (e.g., non-alcoholic beverages)</li> </ul> 	<ul style="list-style-type: none"> <li>Expand into untapped markets in collaboration with Group companies</li> <li>Strengthen resource allocation to health drinks</li> <li>Expand touchpoints with age groups that cannot be reached through alcoholic beverages</li> <li>Promote building natural health as the foundation to enhance innate power of human beings and address individual health issues more effectively and efficiently</li> </ul> <div style="border: 1px solid #0070c0; padding: 10px; margin-top: 10px;"> <p style="text-align: center; font-weight: bold;">Kirin's unique approach of supporting both internal methods and external solutions to build natural health as the foundation and address individual health issues</p> <div style="display: flex; justify-content: space-between;"> <div style="border: 1px dashed #ccc; padding: 5px;"> <p style="text-align: center; font-size: small;">Individual health issues</p> <p style="text-align: center; font-size: x-small;">Prevention of lifestyle diseases</p> </div> <div style="border: 1px dashed #ccc; padding: 5px;"> <p style="text-align: center; font-size: small;">Mental well-being Skin health</p> </div> </div> <table border="0" style="width: 100%; text-align: center; font-size: x-small;"> <tr> <td style="width: 33%;">Internal methods</td> <td style="width: 33%;"></td> <td style="width: 33%;">External solutions</td> </tr> <tr> <td>Supplements</td> <td></td> <td>Skincare</td> </tr> <tr> <td>Foods and beverages</td> <td></td> <td>Information and service devices</td> </tr> </table> <p style="text-align: center; font-weight: bold; font-size: small;">The innate power of humans</p> <div style="display: flex; justify-content: space-between; font-size: x-small;"> <div style="border: 1px dashed #ccc; padding: 5px;"> <p style="text-align: center; font-size: x-small;">Building natural health as the foundation</p> <p style="text-align: center; font-size: xx-small;">Diet (Nutrition)   Exercise   Rest   Immune care</p> </div> </div> </div>	Internal methods		External solutions	Supplements		Skincare	Foods and beverages		Information and service devices	<ul style="list-style-type: none"> <li>Strengthening innovative modalities (advanced antibody technologies, hematopoietic stem cell gene therapy)</li> <li>Focus disease areas (bone and mineral, intractable hematological diseases and hemato oncology, and rare disease)</li> </ul> 
Internal methods		External solutions										
Supplements		Skincare										
Foods and beverages		Information and service devices										

\*Assets outside of the disease areas of focus are designated as strategic partnering assets, and value maximization is achieved through collaboration with partners

## Message from the COO

# Driving Continuous Innovation through the Power of People and Technology



### Takeshi Minakata

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

## It's all about execution toward our vision

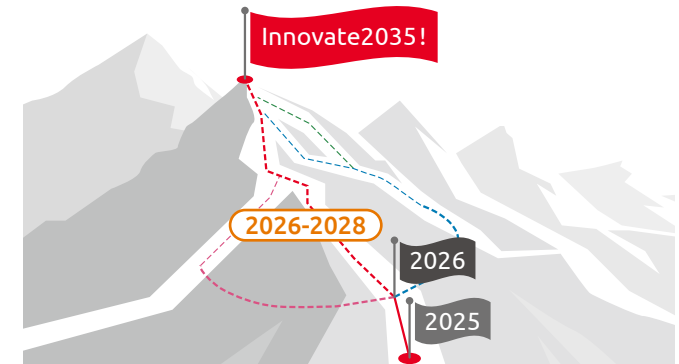
The Kirin Group is a collective of those who take pride in delivering products and services that bring joy to consumers and patients, and who, in turn, find joy themselves in seeing those smiles through their craftsmanship. This reflects our Corporate Philosophy itself, and it is something I have personally experienced since my early days at the beer brewery where I was first assigned, working with colleagues to conduct various trials in pursuit of delivering great-tasting beer.

Meanwhile, as our business portfolio has transformed, the environment surrounding our Group employees, both in Japan and overseas, has also changed significantly. In particular, under the leadership of our CEO Isozaki, the "KV2027" initiative launched in 2019 has led to the Health Science Business achieving profitability last year and growing into one of our key pillars. By responding to a rapidly changing external environment and proactively shaping that environment, we have also strengthened the "earnings power" of our existing businesses in Alcoholic Beverages, Non-alcoholic Beverages,

and Pharmaceuticals.

To achieve further growth from here, as COO, I will continue to strengthen our execution capabilities to create new value. As I mentioned earlier in relation to my experience at the beer brewery, even within the same company—Kirin Brewery—differences in productivity can arise from one plant to another. The key lies in whether three elements are in place: "equipment," "systems," and "people." Among these, it is the "people" who operate the equipment and systems that are particularly critical to execution.

I believe the same applies to the Group as a whole. Through the "KV2027" transformation, we have made progress in establishing our business portfolio and strengthening our management systems. To build on these foundations and continue to create products and services ahead of the market, thereby driving further growth, it is essential to maximize the capabilities of each and every employee, both in Japan and overseas. Based on this recognition, we have positioned CSV as our unwavering compass and formulated our new Long-Term Vision "Innovate2035!," which outlines "what we will



pursue over the next decade."

We have adopted a rolling three-year target framework starting from FY2025, updating our targets each year. What matters is that once the "mountain" we aim to climb is clearly defined, the path we take can be adjusted along the way, guided by what we can see in the year ahead. What is important is getting closer to the summit—execution is everything.

## Employees as forwards in strategy execution

Since assuming the role of President & COO, I have continuously visited our business locations in Japan and overseas—the very *gemba* (frontlines)—and engaged directly with employees through ongoing dialogue. Through this dialogue, key challenges in strengthening our execution capabilities have become clearer. In response, to realize "Innovate2035!," we have established the "KIRIN WAY," which consists of the Group's shared values, the "3 Values," and the "6 Principles," a set of behavioral guidelines for each and every employee to put into practice. In particular, the "6 Principles" are intended for each individual to take ownership of and put into practice. As these efforts expand from individuals to teams, across entire businesses and the Group as a whole, I believe we will evolve into an organization with stronger execution and transformation capabilities.

To use a football analogy, no matter how well-crafted the strategy may be, it is employees who execute, move forward, and score goals. In terms of execution at the *gemba*, employees are the forwards, while management plays a supporting role—delivering good passes from the back. When employees come to see that management is not above them, but that the *gemba* is above, and that they themselves are the ones who score the goals, I believe they will find their work even more interesting.

That's why creating a state in which Group employees take ownership of the "KIRIN WAY" is our top priority for this fiscal year. It is essential that leadership takes the initiative and communicates this

message, and under my leadership, our executives and the presidents of our operating companies have already begun to take action. One of the “6 Principles” is “Go To ‘Gemba.’” In addition to myself, the presidents of each operating company visit the *gemba* and engage in direct dialogue. Through these interactions, we are able to make sure firsthand whether execution capabilities on the ground are truly improving.

The challenges I identified varied by site, but in some cases, a risk-averse culture and multilayered approval processes limit proactive behavior. I also saw situations where employees find it difficult to make time to engage externally due to overwhelming consensus building internally. We quickly started reviewing systems of work process and evaluation.

**It is leadership that ultimately shapes corporate culture, and there are no shortcuts. While I have stated that ensuring all employees take ownership of the “KIRIN WAY” is our top priority for this fiscal year, we have no intention of stopping after just one year. What matters is to continue these efforts steadily and sincerely.** While this may appear to be a roundabout approach at first, once the effects begin to emerge, it will generate tremendous momentum.

Since assuming the role of President & COO in 2024, I have continued to observe execution at the *gemba* firsthand and have already begun to see very positive signs. These are reflected in last year’s performance. Both revenue and normalized operating profit reached record highs, and we achieved our targets across all business domains. Moreover, rather than losing momentum toward the end of the fiscal year, performance steadily improved, with momentum continuing to build. I also see a growing determination among employees to “follow through and achieve their goals.”

The EPS growth and ROIC targets presented in our new Long-Term Vision will be achieved without fail, with the *gemba* and management uniting as one team.

### Creating value from zero to 1, and scaling it from 1 to 10, and 10 to 100 to continuously drive innovation

Our 2035 Vision is “Vitalize the world through innovation by our people and technology, as a global leader in CSV.” We define innovation as “encouraging behavioral change among consumers and patients and creating new lifestyle habits in society.”

As a company rooted in manufacturing, we must strengthen our capabilities to create new value and to deliver it to society. R&D, which creates value from zero to one, is the source of our growth. We position R&D as a core organizational capability to be particularly strengthened, in order to further enhance the power of fermentation

and biotechnology—our foundational technologies shared across the Group’s businesses. It is essential that we continue to expand the pipeline of future business opportunities by generating new materials and exploring novel combinations of technologies.

The Kirin Group has a unique business portfolio spanning Alcoholic Beverages, Health Science and Non-alcoholic Beverages, and Pharmaceuticals. Across these business domains and research fields, we have researchers who, grounded in science, bring unique ideas, diverse approaches, and deep insight. As highly specialized talent that drives competitive advantage, a total of 228 employees across the Group held doctoral degrees as of 2025. **When people with different careers, knowledge, and areas of expertise come together across business boundaries, a powerful chemical reaction can occur.** This represents significant potential for innovation unique to the Kirin Group. In addition to promoting exchanges and transfers of researchers across business domains, we also established “Cowellnex,” which aims to pursue and commercialize innovation focused on health, in 2024 as a joint venture between Kirin Holdings and Kyowa Kirin.

However, **creating value from zero to 1 alone does not constitute innovation. It must then be scaled up from 1 to 10, and from 10 to 100, and delivered to society.** LC-Plasma represents a zero-to-one innovation. With the passion of bringing this value to consumers, talent from across the entire value chain—including marketing—came together and successfully commercialized it. The phrase in our vision, “by our people and technology,” reflects our—**that people and technology function as two wheels of a single vehicle.**

In the past, the Kirin Group has experienced the bitterness of being overtaken by competitors in markets that we ourselves created through innovation. That is precisely why we are committed



to “**continuously driving innovation**”—by further improving the products we create through innovation, making them better, more enjoyable, and more effective. Through this continuity, our aim is for our products and services to become part of consumers’ lives and bring smiles, which we believe truly means “Consumer/Patient at Heart.”

### Making the Kirin Group a more “exciting company”

Today, the global economy and business environment surrounding us are becoming increasingly uncertain, making it ever more difficult to anticipate what lies ahead. **While we need to continue striving to anticipate the future, we must also take the initiative to shape the environment and influence consumer and patient behavior ourselves.** Past successes do not guarantee future success. We must constantly interpret future consumer needs, respond to the various changes occurring around us, and translate them into agile and tangible proposals. As new generations such as Gen Z and Gen Alpha emerge and values continue to evolve, we are being challenged on how quickly we can adapt and transform into an organization capable of delivering value that meets the demands of the times. We live in an era where maintaining the status quo means falling behind. I believe it is essential to continue taking risks and maintaining a proactive, forward-looking mindset.

In a time of constant change, we must never lose sight of where we are headed. The Kirin Group has a clear and unwavering foundation in CSV management. Our mission is to create both social and economic value through our businesses. For us, being proactive means being committed to winning in terms of delivering both social and economic value. **By creating an environment in which each employee can fully pursue “what I truly want to do,” we will maximize our ability to generate innovation.**

What I envision is a Kirin Group that continuously brings a diverse range of exciting products and services to the world ahead of others. We aim to deliver a steady stream of compelling proposals related to both mental and physical well-being—offerings that make consumers think, “I want to use this” or “I want to try this.” Through this, we want to ensure that the unique appeal of the Kirin Group is widely recognized. We aspire to be a company that inspires people to wonder, “What will Kirin create next?”—and one that attracts those who think, “I want to try creating something exciting at Kirin myself.” Ultimately, **we aim to contribute to both the mental and physical well-being of consumers and patients and help build a society filled with smiles.**

# Strategies and Review by Business Domain

## Alcoholic Beverages

### FY2025 Review (Initiatives and Achievements)

- Consolidated Revenue  
**1,075.3 billion yen** (down 0.6% YoY)
- Consolidated Normalized OP  
**135.4 billion yen** (up 9.1% YoY)

- Promoted investment in core brands and strengthened the brand portfolio in Japan in anticipation of liquor tax unification
- Secured profit growth through price revisions and rigorous cost management

### Top priority

#### Kirin Brewery

- Strengthening brand development in the full malt beer and RTD categories, with a focus on creating consumer value in anticipation of liquor tax unification
- Creating innovation through proactive technological development

#### Lion

- Generating revenue and profit through core brands

#### New Belgium Brewing

- Strengthening the craft and import segments

### 2026-2028 Plan

#### Kirin Brewery

- Focus investment on the full-malt beer category, including *KIRIN ICHIBAN* and *Kirin Beer Harekaze*
- Enhance the *KIRIN HYOKETSU* brand portfolio, centered on sugar-free and standard series
- Formulate technology development strategies aligned with business strategy and translate them into products and services.

#### Lion

- Continue strengthening Ultra (zero-sugar series)
- Enhance premium value through the Hahn and Stone & Wood brands

#### New Belgium Brewing

- Focus investment on the core brands (*Voodoo Ranger* and *KIRIN ICHIBAN*)



## Non-alcoholic Beverages

### FY2025 Review (Initiatives and Achievements)

- Consolidated Revenue  
**578.2 billion yen** (up 2.4% YoY)
- Consolidated Normalized OP  
**67.7 billion yen** (up 5.8% YoY)

- In Japan, improved profitability by strengthening Health Science beverages centered on *Kirin Oishii Immune Care* and the core brands led by *Kirin Gogo-no-Kocha*
- In North America, maintained high profitability through steady performance of carbonated beverages, supported by price management and operational efficiency improvements.

### Top priority

#### Kirin Beverage

- Generating profit by expanding the business and brand portfolio into high-growth areas (growth in Health Science and improvement of profitability of existing products)

#### Coke Northeast

- Achieving above-market revenue growth centered on carbonated beverages
- Building industry-leading supply chain operations

### 2026-2028 Plan

#### Kirin Beverage

- Accelerate the growth of LC-Plasma and launch and develop new brands as the second pillar of Health Science
- Improve profitability of the unsweetened tea portfolio, including *Kirin Nama-cha* and *Healthya*

#### Coke Northeast

- Achieve stable revenue growth through optimization of pricing structure across all channels
- Continuously improve OPEX per case through cost target management for each delivery, merchandising (MD), and warehouse function



## Health Science

### FY2025 Review (Initiatives and Achievements)

- Consolidated Revenue  
**251.4 billion yen** (up 43.4% YoY)
- Consolidated Normalized OP  
**11.1 billion yen** ( - YoY)

- Strengthened the business foundation centered on APAC, achieving profitability in the Health Science Business
- Expanded the LC-Plasma business in Japan and overseas, enhancing its presence as a global growth driver.

### Top priority

#### Health Science Business

- Driving revenue growth and strengthening profitability across businesses and brands
- Accelerating synergies by leveraging assets across Group companies

### 2026-2028 Plan

#### Health Science Business

- Strengthen domestic business by reinforcing the FANCL brand
- Strengthen Blackmores products in China, Hong Kong, Taiwan, and Southeast Asia + South Korea
- Expand sales of Blackmores and FANCL supplements in China



## Pharmaceuticals

### FY2025 Review (Initiatives and Achievements)

- Consolidated Revenue  
**496.5 billion yen** (up 0.2% YoY)
- Consolidated Normalized OP  
**102.3 billion yen** (up 11.4% YoY)

- Secured revenue and profit growth for the core products *Crysvita* and *Poteligeo* through increased market penetration

### Top priority

#### Kyowa Kirin

- Maximizing the value of *Crysvita* and *Poteligeo*
- Expanding sales of *KOMZIFTI* in the U.S.
- Expanding the pipeline, including through partnerships

### 2026-2028 Plan

#### Kyowa Kirin

- Drive revenue growth driven by increasing patient access to *Crysvita* and *Poteligeo*
- Driving Growth of *KOMZIFTI* through through Partnership with Kura Oncology
- Advance pipeline development steadily and explore partnership opportunities as appropriate



## Message from the CPO

# Toward a Kirin Group that Drives Continuous Innovation Powered by Human Capital



**Junko Tsuboi**

Director of the Board, Senior Executive Vice President, Kirin Holdings Company, Limited

### Human capital as the source of value creation

The innovation that the Kirin Group aims to achieve under "Innovate2035!" is about creating new lifestyle habits and transforming lifestyle habits among our consumers and society. The source of this value creation lies in our human capital. Innovation is driven by the accumulation of each individual's efforts in their daily work—taking on challenges, applying ingenuity, and generating new ideas.

We have consistently generated a wide range of innovations by leveraging the power of our human capital. Looking ahead, we will accelerate innovation unique to the Kirin Group by combining our businesses in Alcoholic Beverages, Non-alcoholic Beverages and Health Science, and Pharmaceuticals, along with highly specialized functions and cross-border regional capabilities. To achieve this, we must significantly evolve our human capital strategy. At the same time, the environment surrounding us is undergoing dramatic change. Population decline, increasing labor market mobility, and the diversification of work styles and attitudes toward work are all progressing, while the rapid advancement of AI and digital technologies is heightening the need to fundamentally transform our approach to human capital strategy.

### The P&C Story linking management strategy execution and well-being

We have established the P&C (People & Culture) Story to closely align our management strategy with our human capital strategy. This framework visualizes how each P&C initiative contributes to value creation, business growth, and innovation, and how it leads to the sustainable increase of corporate value. It also serves as a shared framework to foster a common understanding among both internal and external stakeholders.

At the same time, well-being is essential for our human capital to continue demonstrating its capabilities. Only when each and every employee truly experiences the "joy of working at the Kirin Group" can

we bring joy to society and our consumers. In addition to improving employees' mental and physical health and vitality, we take a holistic approach to promote well-being—aligning individual growth, our culture, and work environment with our P&C Story. Furthermore, we will instill the newly established KIRIN WAY across the Group and drive a transformation that fosters continuous innovation through both our people and organizational capabilities.

### New initiatives to drive the Group's growth amid change

In addition, with a view to the Group's growth and future environmental changes, we have launched initiatives from three key perspectives.

The first is the redesign of our human capital portfolio with AI as a partner. We will continuously redefine the value and roles that are uniquely human, while embedding a culture of co-creation in which people and AI work together as a team. We believe that companies that can transform these efforts into a source of competitive advantage will be the ones to achieve sustainable growth. To this end, we will evolve our talent management, centered on Kirin's distinctive strength of "expertise and diverse experience". This is based on our belief that it is precisely the combination of these seemingly opposing elements—expertise and diverse experience—that cultivates uniquely human capabilities in the age of AI. However, differences in approaches between Western labor markets, which are primarily position-based (job-based), and Japan, where there is a strong culture of developing human capital from a talent-based perspective, can in some cases hinder active talent mobility. While leveraging the strengths of both approaches, we aim to establish a hybrid model of talent management by advancing the visualization and structuring of skills and positions.

The second is to embed an employee-centric human capital strategy and make it a core strength of Kirin. We will thoroughly review our strategies through the lens of how employees' mindsets and behaviors will change. In doing so, We will maximize the potential of both our people and organization and enhancing the quality and

impact of our investment in human capital.

The third is the development of the foundations and data infrastructure to support these initiatives. We are now entering an era in which unstructured data can be effectively analyzed. We will continue to examine how each human capital initiative contributes to financial value, while enhancing Group-wide KPIs, strengthening the PDCA cycle, and improving the quality of our disclosures.

### Commitment as CPO (Chief People Officer)

Companies are increasingly shifting from being the ones who choose people to being chosen by people. The belief that human capital is the source of value creation is already firmly embedded in the Kirin Group's management. Going forward, our human capital strategy must be firmly grounded in a deep understanding of our employees. It is essential that we consistently adopt an approach that places changes and evolution in employees' mindsets and behaviors at the center of our thinking. This also aligns with the stakeholder-driven approach to innovation set out in "Innovate2035!" I am strongly committed, as CPO, to embedding thorough employee insight and an employee-centric mindset as a defining strength of the Kirin Group's human capital strategy, and to realizing an organization in which the growth of our people and the growth of the Group reinforce one another in a virtuous cycle.

In the P&C section that follows, we will outline the overall framework of the Kirin Group's strategy and our specific initiatives.

### Steps toward achieving the 2035 Vision

#### Transformation 1.0

Structural Transformation Phase (~2028)

Establish a foundation for transformation based on the KIRIN WAY

#### Transformation 2.0

Global Expansion Phase (2029–2031)

Accelerate transformation while further strengthening global collaboration

#### Transformation 3.0

Global Integration Phase (2032–2035)

Embed the KIRIN WAY across the Group and establish global co-creation

# Human Capital Strategy — Maximizing Human Capital —

## P&C Story: A model story for value creation unique to the Kirin Group

At the Kirin Group, our fundamental HR philosophy is “Respect for Humanity,” grounded in our belief in the unlimited potential of each employee. Under this philosophy, we view human capital as the source of value creation and our competitive edge, and through continuous investment, we aim to be a company where human capital grows and wins through human capital.

While the issues and high-priority initiatives in our human capital strategy may differ by country, region, and business, the direction of connecting human capital to value creation is shared across the Group. As a model story for a human capital strategy representative of the Kirin Group to realize our vision of becoming a global leader in CSV, as set out in “Innovate2035!,” we have established the P&C (People & Culture) Story.

In the P&C Story, the “KIRIN WAY,” which represents the Group’s shared values and principles, serves as the foundation for all corporate activities and value creation. Furthermore, it positions three key factors as essential elements: “Health & Engagement (a safe environment, mental and physical health, and an energetic, positive mindset),” “Growth (self-driven individuals who proactively enhance their expertise and evolve their capabilities and values through diverse experiences),” and “DE&I (an inclusive organizational culture where self-driven individuals gather and co-create by turning differences into strengths).” By working collaboratively across Group P&C functions to mutually reinforce and link these three elements, we will enable employees to feel the “joy of working at the Kirin Group” and realize “Well-Being for Innovation”, which drives continuous innovation.

## Overview of human capital strategy

### ① Embedding the “KIRIN WAY” across the group

To realize “Innovate2035!,” we have defined the “KIRIN WAY” as the set of values we have long upheld, along with the behaviors required to continuously generate innovation, which all Group employees are expected to embrace. By positioning the “KIRIN WAY” as the foundation for all activities—covering all Group companies and employees globally, and linking it with management messages and human capital initiatives—we aim to ensure that it is embodied in employees’ daily decision-making and actions.

## 2035 Vision Vitalize the world through innovation by our people and technology, as a global leader in CSV



### Key Initiatives

- Expanding content to promote understanding, empathy, and embodiment, and rolling it out in Japan and overseas
- Conducting town hall meetings led by COO Minakata and dialogue meetings with the presidents of operating companies
- Implementing “KIRIN WAY” practical programs in phases by hierarchical level
  - Sessions for general managers to promote the practice within their own departments
  - Leadership programs for mid-level leaders to drive the practice within their teams
  - Workplace workshops for members to embody the KIRIN WAY in their own work

### ② Enhancing employees' own physical and mental well-being and vitality

A safe environment, together with employees’ physical and mental health, vitality, and a sense of purpose and positive mindset in working at the Kirin Group, forms the foundation that enables employees to continue performing at their best.

In 2026, the Kirin Group renewed its “Kirin Group Health Declaration” as the “Kirin Group’s Well-Being Statement,” clearly articulating its commitment to enhancing employees’ well-being as a source of innovation, encompassing not only physical and mental health but also social well-being. Going beyond individual health promotion, we will further evolve our efforts to enhance well-being across the entire organization, while also encouraging employees to drive their own behavioral change. In addition, we have also established the

## Human Capital Strategy — Maximizing Human Capital —

“Group Well-Being Conference,” chaired by the CPO. In line with our commitment to contributing to the health, pleasure, and comfort of people around the world, we will advance group-wide initiatives unique to the Kirin Group.

### ③ Strengthening self-driven individuals through human capital management and transformation initiatives

Kirin Holdings launched Functional Axis Talent Management in 2025, managing talent across 12 key functions, including sales, marketing, R&D, SCM, and digital ICT, that we have identified as areas where specific expertise should be strengthened. Through the acquisition, development, and strategic placement of highly specialized talent, we aim to enhance business competitiveness. From 2026, we will introduce a career challenge system to expand opportunities for diverse, cross-functional experiences, further advancing the development of our talent. Other operating companies will also strengthen their businesses through talent management tailored to their respective business and regional contexts. Over the medium to long term, we will build a Group-wide framework centered on “deep expertise and diverse experience,” adopting a hybrid approach that integrates both talent-based and position-based perspectives. Through this, we will realize a human capital management model unique to the Kirin Group that leverages our globally diverse and distinctive business portfolio.

In addition, to foster the mindset and behavioral change necessary for generating innovation, we are advancing initiatives, primarily in Japan, to transform individuals, teams, and systems in an integrated manner. In line with the “KIRIN WAY,” we are promoting individual behavioral change, evolving team management to enable co-creation not only among internal members but also through collaboration with AI and external partners, and revising evaluation systems to support daily challenges. Through these efforts, we will support self-driven individuals in continuing to perform at their best.

### ④ Enhancing value creation through a co-creative organizational culture

To create the kind of innovation envisioned in “Innovate2035!”—innovation that generates new lifestyle habits in society—it is essential to bring together self-driven individuals, deepen consumer understanding from diverse perspectives, and co-create value as an organization by leveraging each individual’s strengths. The Kirin Group’s sincere culture, grounded in respect for humanity, is a key strength that underpins high levels of engagement. At the same time, there remains room for improvement in consistently translating this

culture into individual challenges. Based on this recognition, we will drive a transformation toward an organization where differences are leveraged as strengths and new challenges continue to emerge. We will remove barriers to work and create an environment where everyone can thrive, while promoting the development of psychologically safe organizations. In addition, we have established recognition systems across Group companies. As a representative initiative, the KIRIN Group Award, open to all employees, celebrates behaviors and achievements aligned with the “KIRIN WAY,” enabling the sharing of best practices across the Group. We will also continue to create opportunities for employees to connect across departments and borders, fostering co-creation throughout the organization.

### ⑤ Strengthening governance through the diversification of Group management talent

Kirin Holdings has been building a Group management structure composed of internal and external officers with diverse experience and high levels of expertise, with the aim of strengthening governance and enhancing the quality of decision-making. We are also advancing new initiatives, including the use of the AI Executive.

As we work toward realizing “Innovate2035!,” the importance of governance and the complexity of decision-making continue to increase under our globally diverse business portfolio, making it ever more critical to strengthen our Group management talent. In 2026, we appointed our first non-Japanese Senior Executive Officer, thereby incorporating an understanding of diverse market environments and cultures into management and further strengthening both governance and business execution.

At the same time, we are working to build a framework that enables the operation of a Group-wide succession plan, ensuring the continuous development of talent who will lead the future Group management.

In parallel with these initiatives (1) through (5), we are advancing three initiatives highlighted in the CPO message. We design our strategies and initiatives by backcasting from our desired future state in a data-driven manner, while strengthening our ability to respond to changes in the external environment and flexibly evolving our initiatives. Through these efforts, we will continuously strengthen the power of people and organization to generate innovation, creating a virtuous cycle in which outcomes and learnings serve as a starting point for further challenges.

## Key Non-Financial Indicators

We have established the following key non-financial indicators as KPIs to be achieved across the Group. LTIR is positioned as an indicator of the status of a safe work environment. Through strengthening cross-site monitoring systems and sharing best practices, we aim to create safer and better working environments. The ratio of female managers is positioned as an initial indicator for the diversification of management talent. In addition to an evaluation system based on absolute assessment and a positive scoring approach that also emphasizes productivity, we will create a fair environment in which diverse talent can thrive by enhancing work-life balance and support for balancing work and personal responsibilities, while also addressing challenges unique to women through initiatives such as mentoring.

Sustainable engagement is the ultimate outcome indicator for measuring the state of “Well-Being for Innovation,” and we will continue to enhance it through the collective efforts of our P&C initiatives.

## Column

### Rolling out the “KIRIN WAY” across the Group

In developing the “KIRIN WAY,” we engaged in extensive dialogue with employees, aligning interpretations and expressions of our shared values. Even after its establishment, COO Minakata has visited operating companies, including those overseas, holding town hall meetings and dialogue sessions with company presidents. He has placed great importance on personally communicating his commitment to “Innovate2035!” and to putting the “KIRIN WAY” into practice in his own words. Through these efforts, we are deepening employees’ understanding and encouraging behavioral change. In this process, “Gemba” is increasingly taking root as a new shared language across the Group globally, contributing to the spread of value creation driven from the frontline.



# Research and Development — Toward R&D as a Source of Innovation —

## Our Vision: To become a global innovation leader in fermentation and biotechnology

To realize our Long-Term Vision "Innovate 2035!," we position our R&D function as a source of corporate value creation.

Leveraging our foundation in fermentation and biotechnology, we aim to become a global innovation leader that continuously creates value capable of changing consumers' lifestyles and behaviors. To date, we have expanded from fermentation technologies cultivated through beer brewing into the Alcoholic Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals domains, by integrating them with bioscience. Going forward, we will further deepen this technological foundation, thereby enhancing both the speed and quality of value creation.

To realize this vision, we have established the Kirin Group R&D Philosophy, which looks ahead to the next 100 years. Grounded in a "Reverence for Life," we will deepen our scientific exploration and systematically organize the knowledge gained. Through this approach, we aim to strengthen our unique technological foundation and enhance the consistency and scalability of value creation. Furthermore, based on diverse internal and external insights—including intellectual property information—we will open up new domains through originality and pioneering, thereby delivering innovation with a strong competitive advantage. This R&D Philosophy will serve as a shared guiding principle underpinning our value creation cycle, providing a consistent basis for decision-making across R&D activities, human capital development, and intellectual property strategy.

The core initiative for embodying this philosophy is the strengthening of basic research. By advancing basic research grounded in fundamental principles, we will generate differentiated, proprietary technologies. We will further refine and systematize these technologies

and, through intellectual property strategies aligned with the business environment, establish them as a source of competitive advantage.

In terms of human capital, star researchers take the lead in value creation. Zucker et al. have shown that approximately 0.8% of top-performing researchers account for around 17% of the total output, demonstrating exceptionally high productivity.\* These researchers embody knowledge and play a vital role in innovation creation and commercialization. By placing star researchers at the core, we will bring together diverse expertise and promote collaboration to accelerate results generation. At the same time, through the development of outstanding talent, we aim to establish a sustainable competitive advantage.

Deepening basic research, elevating talent excellence, and creating proprietary technologies integrated with intellectual property strategy. Through these initiatives, we will establish a continuous cycle of value creation.

\*Zucker, L. G., & Darby, M. R. (1996). Star scientists and institutional transformation: Patterns of invention and innovation in the formation of the biotechnology industry. *Proceedings of the National Academy of Sciences*, 93(23), 12709–12716.

## Current position

### Challenges: Driving large-scale innovation and elevating research to global standards

While we have made steady progress in addressing business-linked challenges, there remains significant room to strengthen our capabilities in generating breakthrough innovation. To become a global innovation leader, it is essential to continuously create large-scale technology seeds and further enhance our R&D foundation. In addition, to elevate the quality and speed of R&D to global standards, we need not only to strengthen our basic research competitiveness but also to enhance our ability to respond to global regulations and market requirements, while enabling the international circulation and optimal allocation of

talent. As a foundation supporting these efforts, we possess a unique technological platform and intellectual property strategy capabilities.

### Strengths: Cross-functional technological foundation and intellectual property strategy

The Kirin Group possesses a cross-functional technology portfolio rooted in fermentation and microbial science, enabling us to deploy research outcomes across a diverse range of businesses. By incorporating intellectual property strategy into research from its early stages and securing multilayered protection across products, materials, applications, and manufacturing processes, we build a competitive advantage that is difficult for others to replicate. Our integrated approach—where R&D and intellectual property function in unison to design patent portfolios with a view to future business development—is a key strength that supports the social implementation of our research outcomes. For example, we have established a framework for protection and utilization of *Lactococcus lactis* strain Plasma, an immune care ingredient, based on intellectual property rights with future applications in mind, thereby supporting market expansion. These activities are being recognized externally, and we received the FY2025 Intellectual Property Achievement Award, "Award from Commissioner of the Japan Patent Office: Intellectual Property Utilization Company (Patents).

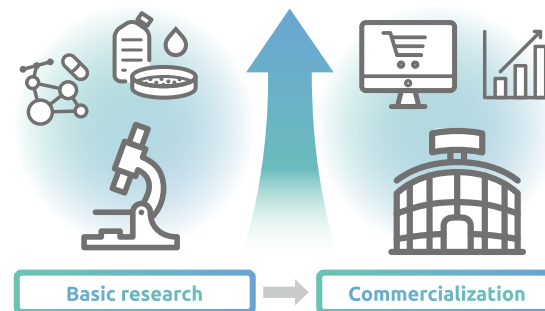
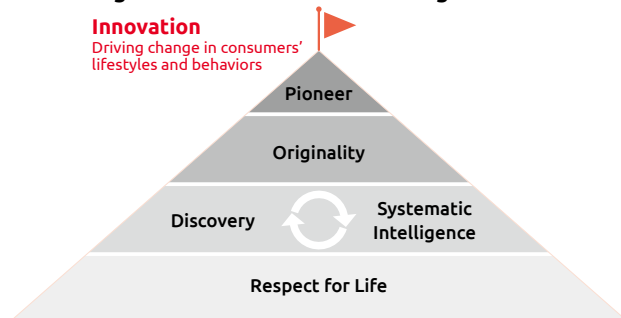
## Strategic direction

Given this understanding of our current position and strengths, we will further enhance our value creation capabilities through R&D by advancing our strategy in the following three directions.

### "Ambidextrous research" concept (quick wins and medium- to long-term initiatives)

We will pursue a dual approach that contributes to short-term earnings growth through quick-win initiatives that support our existing businesses, while simultaneously strengthening basic research to deepen core technologies over the medium to long term. In addition, by leveraging intellectual property information from the early stages of research planning, we will enhance our intellectual property intelligence function to visualize technology trends, competitive dynamics, and untapped areas, thereby improving the precision of research theme selection. Through these processes, we will increase the probability of value creation from our R&D investments. Furthermore, we will expand investment in priority areas and strengthen the foundation for generating differentiated technologies grounded in fundamental principles. The deepening of such basic research will also foster the development of star researchers, contributing to the establishment of a sustainable competitive advantage.

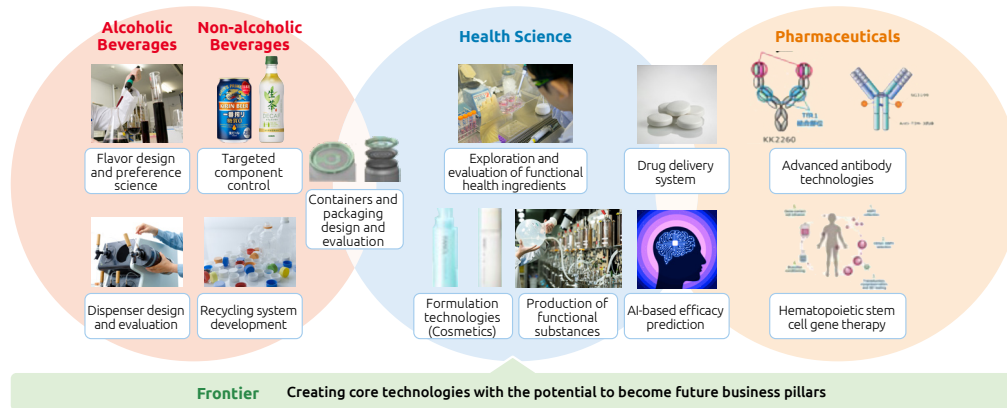
## Delivering innovation that drives change in consumers' lifestyles and behaviors through strong basic research



# Research and Development — Toward R&D as a Source of Innovation —

## Discontinuous growth through frontier domains

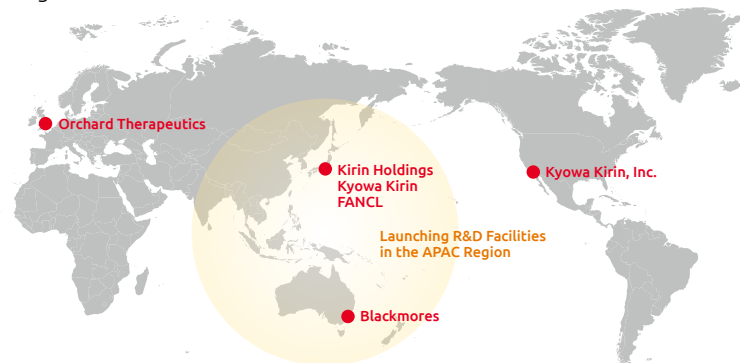
To sustainably generate breakthrough innovation, we will establish “frontier domains” that go beyond existing business domains. In these domains, we place a strong emphasis on the individuality of our researchers. By translating the future visions each researcher identifies through their curiosity into organized R&D activities, we will create core technologies that will serve as pillars of our future business.



Note: In this figure, classifications are based on technological affinity and differ from the business domains defined in the Long-Term Vision.

## Advancing our research framework from a global perspective

To elevate the quality and speed of our R&D to global standards, we are advancing our research framework from a global perspective. We are building a network of domestic and international bases, including those owned by the Kirin Group as well as partner academia, and embedding a global perspective from the research theme design stage. At the same time, we are strengthening collaboration with leading researchers both within and outside the Group. Furthermore, by enabling the global circulation of data, knowledge, and regulatory information, we aim to enhance the standard of our research. Through these efforts, we will evolve beyond simply expanding overseas to become an organization that designs and drives research at a global standard.



## Column

### | Example | Addressing global social challenges



Raw material innovation to tackle climate change  
Securing Hop Quality Under Climate Change

Climate change is raising concerns over reduced yields, changes in flavor profiles, and supply instability for hops, a key raw material in beer brewing. Leveraging its expertise in fermentation and plant biotechnology, the Kirin Group is working to develop “heat-tolerant hops.” Focusing on plants’ natural ability for “heat acclimation,” we have established a technology that enhances tolerance using mild heat stress. This approach is expected to suppress yield loss while maintaining flavor characteristics, without the need for large-scale development such as selective breeding. In addition, we are advancing indoor cultivation technologies to accelerate and stabilize the selective breeding process. Through these initiatives, we aim to contribute to improving the sustainability of biological resources and the long-term development of agriculture and production.



Advancing healthy longevity through fermentation biotechnology  
Contributing to social solutions through anti-aging research

In line with global population aging, extending healthy life expectancy has become a global social challenge. The Kirin Group is engaged in anti-aging research based on its expertise in fermentation biotechnology. As one example of these initiatives, we identified a koji-derived component, 14-DHE (koji sterol), and confirmed through human trials its functions in maintaining skin moisture retention and reducing melanin. In addition, FANCL, a Group company, is engaged in the development of ingredients based on the plant Kimizuhiki (*Agrimonia pilosa*). Building on our technological foundation rooted in fermentation and biotechnology, we will deepen our understanding of aging and health maintenance and contribute to addressing health issues.



Delivering the value of immunity globally  
Driving behavioral change through evidence and “visualization”

Against the backdrop of increasing infection risks and rising health consciousness, the importance of immune care is increasing globally. With LC-Plasma (*Lactococcus lactis* strain Plasma) at its core, the Kirin Group is advancing large-scale clinical trials in compliance with regulations in various countries. At the same time, we have, for the first time in the world, identified urinary proteins that reflect pDC activity\* and developed a non-invasive technology to monitor immune status. Through the “visualization” of immunity, we aim to drive behavioral change, thereby promoting the societal implementation of healthy habits and creating new value. By linking science with behavioral change, we will deliver the value of immunity on a global scale.

\*Based on original papers posted on PubMed and Ichushi-Web (investigated by KnowledgeWire Corp. on Tuesday, September 2, 2025).

# Marketing — Creating sustainable growth through brand experiences that change consumer behavior —

## Role, Vision, and Policy under the Long-Term Vision "Innovate2035!"

### Marketing transformation driven by consumer understanding to achieve both business growth and CSV

Marketing at the Kirin Group is a key management foundation that drives the medium- to long-term increase of corporate value by designing brand experiences based on deep consumer understanding and generating both business outcomes and social value simultaneously. Under the Long-Term Vision "Innovate2035!," marketing is positioned as a core function that influences consumers' perceptions and reasons for choice to drive behavioral change, thereby achieving both business growth and CSV.

Amid rising health and wellness consciousness, a shift toward experience-driven value, and the rapid advancement of AI and digital technologies, marketing is required to transition from traditional advertising-centric approaches to those that build trust through experiences.

At the Kirin Group, we are advancing consistent value design based on consumer insights, building mechanisms that enable us to be continuously chosen through brand experiences, and embedding the capability to execute and see initiatives through to results. At the same time, by fully leveraging data and technology while harnessing uniquely human sensibilities and empathy, we will drive marketing transformation that integrates brands, human capital, and data.

## Current status

### 1. Enhancement of marketing organizational capabilities

The development of a globally unified marketing framework has been completed and is being rolled out across major domestic businesses and overseas operating companies. As it is increasingly reflected in marketing strategies for 2026, it is beginning to function as a common language across Group companies.

### 2. Actions to address social issues for the future

- Harekaze ACTION: Through activities such as the preservation of cherry blossoms and support for fireworks festivals, we are working to protect Japan's seasonal traditions and pass them on to future generations.
- HYOKETSU® mottainai project: Through reducing fruit-related food loss, this initiative fosters connections among people and is guided by the vision of "brightening and enriching people's lives and the future."
- Lactococcus lactis strain Plasma (LC-Plasma): Through initiatives

such as the "Genki-na Immunity Project" and "Immune-Care Promotion Preschools," we aim to establish immune care as a new daily habit and enable people of all ages—from children to adults—to live healthy lives every day.

- Soccer: Through programs such as the "Kirin Family Challenge Cup," which deepens bonds with families and friends, and the "Big Smile Field," which supports recovery from the Noto Peninsula Earthquake, we create connections between people and society while contributing to the resolution of social issues in local communities.



## Gap between the current status and our vision (Issues)

Over the medium to long term, we aim to strengthen our reputation as "a group that contributes to consumers' health" by continuously generating business results through brand experiences that move consumers emotionally, rooted in a deep understanding of our consumers. However, at present, variations still remain in both the reproducibility of brand experiences and the ability to execute and link them to business results. In addition, the utilization of data and AI, as well as the development and exchange of specialized human capital, are still at a developing stage, and challenges remain in their utilization and scaling across the organization. If these issues are not addressed, there is a risk that brand experiences may fail to be sustained over time. We therefore recognize this as a critical gap in achieving the continuous expansion of efforts to address social issues through brand experiences.

## Strategies and initiatives toward realizing our vision

### Marketing that generates sustainable growth through brand experiences that change consumer behavior

Over the medium to long term, to realize sustainable business growth and the practice of CSV through marketing, the Kirin Group will strengthen its organizational capabilities as a starting point and advance the integrated enhancement of brand experiences and the resolution of social issues.

By strengthening organizational capabilities based on a globally unified marketing framework and combining these with technologies

such as generative AI, we will enhance our ability to execute and ensure reproducibility across the entire process—from strategy formulation to execution. Through this, we will establish a foundation that reliably links brand experiences to business results and build an execution framework capable of responding swiftly to changes in the external environment. Building on these organizational capabilities, we will deepen consumer understanding and further evolve our ability to create brand experiences that move consumers emotionally and drive behavioral change.

In key areas, including the Health Science domain, marketing will collaborate with R&D by leveraging accumulated research insights to design integrated experiences encompassing products, services, and communication. Thereby achieving both business results and enhanced recognition as "a group that contributes to consumers' health." Furthermore, we will continue to advance and expand social issue-addressing initiatives leveraging Kirin's flagship brands and soccer programs. Through promoting immune care as a daily habit and fostering connections with local communities, we will put CSV management into practice and increase corporate value.

## Catalyst

### Driving health behavioral change through "Immune-Care Promotion Preschools"

The Kirin Group is strengthening its marketing activities in the Health Science domain, aiming to expand recognition as "a group that contributes to the physical and mental health of people of all ages, from children to adults." By directly addressing the social issue of children's health, we have developed brand experiences that foster immune care habits through integrated, cross-business marketing initiatives. In 2025, we launched the "Immune-Care Promotion Preschools" certification program, promoting awareness among children, guardians, and teachers nationwide, with the number of participating institutions expanding to 3,656 as of the end of 2025. In addition, by communicating these initiatives through TV commercials and digital channels, we are encouraging changes in health-related behaviors at home. At the same time, we are enhancing trust and empathy toward KIRIN, while creating value that contributes to the formation of our future customer base and business growth.



## DX — AI accelerating value creation —

### Role, Vision, and Policy under the Long-Term Vision "Innovate2035!"

Under the Long-Term Vision "Innovate2035!", the Kirin Group aims to build a mechanism that continuously generates innovation through co-creation with AI, leveraging its strengths in fermentation and biotechnology, as well as consumer-centric marketing. Aligned with this vision, under the "KIRIN DIGITAL VISION 2035," we seek to enhance the "quality," "quantity," and "speed" of value creation through the power of digital technologies, with the aim of becoming a global leader in CSV. As key business outcomes, we have set "value creation" and "productivity improvement." In terms of "value creation," we will leverage AI and data to accelerate the entire process from concept to execution, expanding both the quality and quantity of our business, deepening customer understanding, and delivering unique, personalized experience value to each individual. In terms of "productivity improvement," we will enhance and streamline internal operations, thereby creating an environment that enables greater focus on innovation. At the same time, we will strengthen organizational capabilities that allow us to respond swiftly to change and foster a culture that supports taking on challenges.

#### VISION

### KIRIN Digital Vision 2035

Harnessing the power of digital technology, we will dramatically enhance the quality, quantity, and speed of value creation in the fields of Alcoholic Beverages, Non-alcoholic Beverages and Health Science, and Pharmaceuticals positioning Kirin as a global leader in CSV (Creating Shared Value).

#### Business Outcomes

##### Productivity Improvement

We will drive operational process innovation through digital utilization. By replacing tasks that do not require human involvement with AI, we will create more time for value-generating activities.

##### Value Creation

We will deliver highly personalized and long-term services to each customer through innovations powered by Kirin's unique customer data and cutting-edge technologies.

#### Strengthening Digital Foundation

##### People & Organization

Develop and attract digital talent  
Build organizational readiness to accelerate DX

##### Corporate Culture

Foster a "let's give it a try" mindset  
Create an agile organization

##### Data & Technology

Promote the use of AI and data  
Enhance infrastructure and security

##### Governance

Generate global synergies  
Optimize IT costs

### Current status

Kirin Holdings was selected as a "DX Stock 2026," designated by Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange, in recognition of the following initiatives undertaken in 2025. In 2025, we have accelerated the adoption of our Group-wide generative AI, "BuddyAI," along with various other AI tools, with employee utilization reaching approximately 70%. At Kirin Holdings, we have achieved productivity improvements of 10% or higher, and our employee engagement surveys confirm that employees are experiencing greater operational efficiency. As key DX initiatives, we have implemented the AI Executive "CoreMate" for use in management meetings. In the R&D domain, we are leveraging multiple AI applications and engaging in joint research with other companies to accelerate the pace of research and development. In terms of organizational structure, we are establishing and strengthening DX promotion functions across major operating companies, while also advancing human capital development. Our digital skills enhancement program, the "DX Dojo," has seen more than 5,100 participants complete its core courses. In addition, we have introduced short, practical AI training modules as part of the DX Dojo, enabling employees to quickly learn how to apply AI, with more than 3,500 cumulative participants to date.

### Gap between the current status and our vision (Issues)

While we have achieved a certain level of progress in the Group-wide adoption of generative AI, its use at the individual level, and productivity improvement initiatives at the organizational level, the rapid advancement of AI technologies and the pace of change in the external environment require a more fundamental transformation to realize the KIRIN DIGITAL VISION. Specifically, this includes a shift in ways of working with AI at the core, as well as bold transformation of operational processes. As the next step, we will begin by steadily advancing initiatives such as the phased integration of AI agents into operations, the development of data platform designed for AI agent utilization, and the acceleration of human capital development.

### Strategies and initiatives toward realizing our vision

In the value creation domain, we will promote the enhancement of experience value through the use of AI and data, with a particular focus on the Health Science domain. We will also integrate AI into processes from R&D through to product development, shortening lead times from concept to market launch and enhancing our value creation capabilities. In terms of productivity improvement,

building on our foundation of a 70% generative AI utilization rate, we will progressively integrate AI agents into operations and aim to achieve a 15% improvement in Group productivity by 2026. Furthermore, with a medium- to long-term perspective, we will begin to develop mechanisms that enable immediate, Group-wide data utilization and redesign our architecture to support a shift to ways of working premised on AI utilization. In addition, we will advance the sophistication of our human capital through enhanced, role-based AI training, while optimizing resource allocation through strengthened ICT governance. Through these initiatives, we will steadily address short-term challenges as we work toward the realization of our vision.

### Catalyst

#### Decoding "taste" through data: "FJWLA" and preference platform

In 2025, Kirin Holdings Company, Limited developed a proprietary preference AI, "FJWLA" (Flavor Judgment for Whole Liking Analysis), which enables the efficient and comprehensive identification of key components that influence the taste perceived by consumers (sensory evaluation). This system has already been utilized as a product development support tool, including in the 2026 renewal of Kirin Brewery's flagship product, *Harekaze*.

"FJWLA" is a system that organizes and analyzes data accumulated by KIRIN, including consumer preference research and beer component data. One of its key features is its ability to visualize areas for improvement among the components that influence taste and aroma, thereby supporting discussions and decision-making among development teams.

Looking ahead, we plan to expand its application beyond beer to a wide range of categories, including chuhai and wine. We position a series of preference analysis technologies and data platforms—including the newly developed "FJWLA"—as our "preference platform," and will continue to enhance and advance it. Through this "preference platform," we will integrate not only the consumer research data and component analysis data accumulated to date, but also market data such as purchase and repeat information. This will enable us to establish an end-to-end system that supports the entire value chain—from R&D and product development to post-launch improvement.



## Special Dialogue

### Special Feature

Dialogue Between the Officers in Charge of Marketing & Digital and R&D

## Driving Innovation to Enhance Corporate Value

### Mitsuharu Yamagata

Senior Executive Officer,  
Marketing & Digital  
Kirin Holdings Company, Limited



### Daisuke Fujiwara

Senior Executive Officer,  
R&D  
Kirin Holdings Company, Limited



### Creating corporate value through R&D and marketing

**Fujiwara** I apologize for starting from an R&D perspective, but the normalized operating profit of Kyowa Kirin, where I serve as a director, reached 102.3 billion yen in FY2025. The primary driver was *Crysvita*. In terms of revenue, it generated 216.4 billion yen, accounting for nearly 9% of the Kirin Group's consolidated revenue. The anti-FGF23 antibody used in *Crysvita* traces back to research conducted during Kirin Brewery's pharmaceutical business era. This evidences that the Kirin Group possesses R&D capabilities to create corporate value, as well as the ability to drive innovation. I myself originally conducted research on beer yeast, and it was in the Pharmaceutical Business that I learned the methodologies of immunological research. It is precisely because Kirin operates not only in Alcoholic Beverages and Non-alcoholic Beverages but also in Pharmaceuticals that I was able to discover LC-Plasma.

**Yamagata** Pharmaceuticals such as *Crysvita*, which address the treatment needs of patients with specific diseases, represent the core of health-related value. In contrast, when it comes to products like LC-Plasma, which help "maintain immune function in healthy individuals," marketing plays a critical role.

Extending healthy life expectancy is a major social challenge. However, it is not easy to encourage healthy individuals to recognize the need for such products. This may sound disrespectful to Mr. Fujiwara, the discoverer of LC-Plasma, but consumers do not go about their daily lives consciously thinking about the mechanisms by which LC-Plasma maintains immune function in the body.

**Fujiwara** That is exactly right. At the time, what we found most challenging was communicating the value of the technology.

We visited institutional investors together with our IR team to explain LC-Plasma, and while it did generate interest, the candid response was whether it would truly translate into corporate value. Consumers, too, generally perceived it as just another type of lactic acid bacteria.

**Yamagata** I formally joined the LC-Plasma project around 2022. However, simply striving to communicate the excellence of a technology or idea does not have much meaning for consumers. The objective is not merely to explain the function of LC-Plasma. Rather, it is to help consumers feel that immunity may be important in their daily lives and to consider how we can encourage them to incorporate it into those lives. With this perspective in mind, I have been working on the initiative together with the team. **Beyond the technology itself, what matters is how it is embedded into the everyday lives of consumers. I believe that true innovation emerges only when both of these elements come together.**

The same can be said of beer, Kirin's founding business. It is true that beer sold in Japan because it tastes good. However, it achieved the position it holds today precisely because the "Sabuchan of Mikawayama"—a Japanese traditional home-delivery figure who regularly supplied beer to households—became embedded in everyday life.

**Fujiwara** I completely agree on the importance of delivering value to society. The true measure of a researcher lies in their ability to generate sound and scalable research. LC-Plasma is highly versatile, as it can deliver comparable benefits even in an inactivated form. I place great emphasis on fostering this kind of business mindset among our researchers.

### Innovation unique to Kirin created via the combination of capabilities/businesses

**Fujiwara** It is important to define the path to market at an early stage in collaboration with marketing in order to translate innovation into corporate value. Currently, our R&D and marketing teams are working together in the field of anti-aging. Addressing aging is the ultimate health challenge for people and an area that Kirin has been researching for many years.

**Yamagata** In areas such as anti-aging, it is essential to have a structure in place that enables the entire Group to identify and nurture "seeds of innovation." The Business Creation Department,\* which successfully commercialized LC-Plasma, exemplifies this approach.

**Fujiwara** Yes, the Business Creation Department was established in 2016. Although it had fewer than ten members, it brought together talent from across the entire value chain—including myself as a developer, as well as colleagues from marketing, production, and sales. Because of this, we were able to rapidly and effectively integrate ideas into a single business.

**Yamagata** These successful experiences have indeed been carried forward as a strength of the Kirin Group. We should share them with the Board of Directors and management as Kirin's unique ways of taking initiatives and the mechanisms behind them. By doing so, we can become a company that continuously generates one-of-a-kind innovation that cannot be replicated by others.

**Fujiwara** For example, in the consumer electronics industry, a single technology—namely the transistor—has been leveraged across a wide range of applications, such as televisions and radios,

\*The Business Creation Department was established in 2016 to develop new businesses addressing social issues, primarily in the health domain. Its functions have since been carried forward by the New Business Group within the Health Science Business.

and through multiple channels to drive business expansion. I am convinced that this way of thinking—incorporating ideas across the value chain and designing offerings aligned with multiple customer touchpoints—is something only the Kirin Group can achieve, given its businesses in Alcoholic Beverages, Non-alcoholic Beverages and Health Science, and Pharmaceuticals.

### Innovation co-creation with AI

**Yamagata** From the perspective of consumer touchpoints, AI will become increasingly integrated into their daily lives. Consumer purchasing behavior will shift from “buying products” to “buying experiences and solutions” with the advancement of AI.

For example, when someone is injured, rather than first deciding on specific measures—such as bandages, disinfectants, or dressings—and then searching for products, consumers will instead seek one-stop solutions that address a more fundamental question: what should be done to treat the injury in the first place. As a manufacturer, we believe that we will be required not only to provide products that meet consumer needs, but also to create services and solutions that enable such experiences.

**Fujiwara** As consumers place greater emphasis on “experiences,” we need to develop effective approaches in areas such as health maintenance and prevention. Tea products with fat-reduction benefits became a hit because consumers could see measurable results on a scale. The immune visualization service for which we have already released a prototype is precisely the kind of technology needed to enable this.



**Yamagata** This applies not only to health-related products but also to enjoyment-driven products. By providing experiential value, visualizations, and the use of customer data, we expect further progress in the personalization of products and services. Against this backdrop, the importance of brands will continue to grow. A brand is not merely a label; it creates relationships through experiences. Going forward, brands will be increasingly expected to play a vital role in building relationships of “trust” with consumers by engaging with them in various forms—through companies, services, and technologies.

Consumer touchpoints will therefore become even more critical. The Kirin Group has a wide range of products and brands—from beverages, including beer, to pharmaceuticals—that enable us to connect with diverse consumers, from children to the elderly, as well as patients and their families. To deepen relationships with consumers and leverage data through AI, direct consumer contact will become essential. FANCL, which has joined the Kirin Group, has a particular strength in direct consumer touchpoints and CRM.

**Fujiwara** FANCL is an operating company with strong capabilities not only in CRM but in R&D, and AI is dramatically accelerating the speed of research and development in this field as well. In the Pharmaceutical Business, it is generally said that it takes more than 15 years to bring a single product to market, making it the most time-intensive field of research. However, the use of AI is already advancing in this field, and we are applying these technologies to the Health Science domain, including the food sector. We are currently conducting joint research with Fujitsu Limited on reducing research timelines through the use of AI for drug discovery, and we are beginning to see results. In addition, systematic reviews required for the notification of Foods with Function Claims have traditionally involved reviewing a large number of academic papers. However, AI now enables this process to be carried out at an overwhelmingly faster pace. Patent applications, too, may no longer require significant human time and effort. Shortening R&D timelines is expected to contribute directly to enhanced corporate value.

One of our key challenges going forward is how to leverage data that has not yet been fully utilized within the Kirin Group. For example, we have accumulated more than 100,000 data points from consumer research and component analysis of beer. Identifying the relevant factors through manual analysis would require significant time and cost. However, in December 2025, we launched a joint research initiative with Hitachi, Ltd., which has enabled us to predict consumer preferences. Of course, turning AI-generated outputs into beer that can actually be produced requires Kirin Brewery's gemba capabilities—this is precisely the source of Kirin's innovation.

Applying AI to this “treasure trove” of data held by the Kirin Group will uncover new patterns and generate new insights.

### The evolution of Kirin's innovation driven by marketing and R&D

**Yamagata** As seen in the use of consumer research data you mentioned earlier, the most critical factor in generating innovation going forward will ultimately be a deep understanding of consumers. Marketing must play a central role in this. To respond to changes in consumer behavior and market dynamics driven by AI, it is essential to accurately capture what consumers truly need and to create technologies accordingly. While AI plays a critical role in this process, it is not an end in itself.

**Fujiwara** I agree that understanding consumers is the most important principle we should prioritize. In terms of delivering to consumers, across the Kirin Group, we have made significant progress in establishing the necessary systems and frameworks. I believe mission of R&D is to bring breakthrough solutions to this foundation.

In Japan, there has been a tendency in recent years to overemphasize organizational strength, at the expense of individual breakthrough capability. However, the first step in truly innovative research originates from the curiosity of each individual researcher. Curiosity is something that cannot truly be shared with others. That is why each individual must think about the future and act with the aim of creating something that is genuinely meaningful. I call such “true researchers” star researchers. By cultivating more of these individuals, we will drive innovation at Kirin Holdings from the research front.



## Message from the CFO

# Accelerating business growth and the increase of corporate value from six key perspectives

**Shinjiro Akieda**

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

## Review of FY2025

In FY2025, EPS increased significantly by 110 yen year on year to 182 yen, nearly reaching the target level, while ROIC was 7.6%, exceeding the target of 7.2%. This performance was driven by strong results across our operating companies, with all segments—Alcoholic Beverages, Non-alcoholic Beverages, Pharmaceuticals, and Health Science—achieving their normalized operating profit targets. In particular, the Health Science Business recorded a profit of 11.1 billion yen. This was supported by the successful closing on July 1 of the divestiture of Kyowa Hakko Bio's amino acid business and other businesses, which had originally been expected to take until the end of 2025, as well as by the continued growth of Blackmores and FANCL in line with our expectations following their M&As. These outcomes reflect an improvement in our execution. Based on the current stock price, we believe that investors are recognizing our management efforts to a certain extent.

The role of the CFO is to advance management strategy from both financial and non-financial perspectives. In line with the direction set out in KV2027, we believe we have established a business portfolio that enables sustainable growth across the Group. We also believe that the enhanced "earning power" of each segment and the achievement of our normalized operating profit targets represent a significant accomplishment.

## New Long-Term Vision

Seven years have passed since the launch of KV2027. During this time, we have steadily advanced the transformation toward our target business portfolio while establishing a framework for global Group management. We have also responded flexibly to changes in the external environment that were not anticipated at the time KV2027 was formulated, including heightened geopolitical risks and the COVID-19 pandemic.

As we approach 2027 next year, we have launched our new Long-Term Vision, "Innovate2035!", starting this year with a view to the next decade. There are no significant changes from the direction we have pursued under KV2027. **Now that we have established our business portfolio, clarified the roles of each business, and developed our management framework, we are entering a new stage in which each business will grow autonomously.** In particular, we aim to steadily advance the global standardization of our management systems. To this end, the following "changes" will be implemented.

- To ensure that strategic dialogue between corporate and operating companies is not overly focused on normalized operating profit, we will manage the business in a balanced manner across six key perspectives (KIRIN HEXAGON-VIEW).
- For domestic operating companies, as a certain level of efficiency has been achieved through the integration of indirect functions, we will transfer selected frontline functions to these companies so that they can autonomously improve and streamline their operations.
- While management systems have differed across operating companies to date, we will progressively transition to a globally standardized management system utilizing SAP.

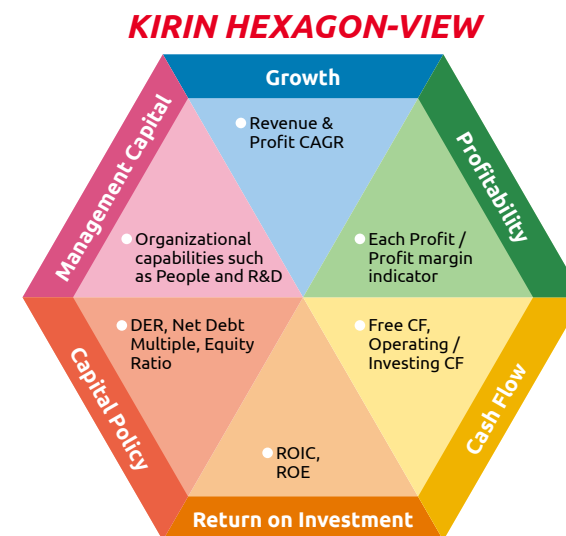
### ► Six key perspectives—KIRIN HEXAGON-VIEW

Currently, across the Kirin Group, each operating company conducts financial modeling looking ahead 10 years. Based on this, corporate and the operating companies engage in dialogue on identifying growth drivers, related investments, and risk factors. These financial models are reviewed annually to reflect performance results and environmental changes. Based on a rolling three-year outlook, we disclose three-year targets to investors.

This rolling three-year approach was formally introduced last year, replacing the fixed three-year medium-term plan, although it had already been implemented at the operational level several years

earlier. From FY2026, we will place greater emphasis on adapting agilely to current environmental changes while moving toward our new Long-Term Vision, as well as on allocating more resources to execution rather than to planning itself.

We will continue to engage in dialogue with operating companies based on rolling plans grounded in financial modeling. The perspectives applied in this process have been newly organized as the KIRIN HEXAGON-VIEW. As you will see, it does not present anything particularly new. However, we believe that its value lies in establishing a common language across the Group. Given the differences among businesses—such as Alcoholic Beverages, Health Science and Non-alcoholic Beverages, and Pharmaceuticals—as well as regional differences across Japan, APAC, and North America, it is becoming increasingly important to apply clear criteria and



strengthen alignment of the finance function throughout businesses.

In terms of perspective, operating companies have tended to focus excessively on short-term normalized operating profit and adopt a P&L-oriented approach. However, now that structural reforms aimed at transforming our business portfolio and establishing a solid earnings base have largely been completed, we will place greater emphasis than ever on a forward-looking perspective with a balance sheet- and cash flow-oriented approach. From the corporate CFO function, we will engage in dialogue with each business while taking a holistic, Group-wide perspective and allocate cash in a manner that enables EPS growth and ROIC improvement over the long, medium, and short term. In other words, when structural reforms are required in a particular business from a long-term perspective—even if they have a negative impact on short-term bottom-line profit—we will restrain lower-priority investments in other businesses. By doing so, we aim to achieve the Group's short-term targets while ensuring that we do not undermine the foundations for sustainable growth in individual businesses.

In addition, we have established regional financial management companies in APAC, China, and North America, and have begun operations under which these entities manage funding and investment within each region, while also overseeing cash control across the Group. Some of these regional financial management companies are expected to take on tax management functions in the future, further enhancing our global tax governance. These initiatives are also aimed at continuously strengthening the Group's cash generation capabilities.

KIRIN HEXAGON-VIEW was shared across the Group at the Global CFO Meeting held in September 2025, which brought together the heads of finance functions from major operating companies in Japan and overseas. We develop financial models looking ahead 10 years and, based on these, refine our rolling three-year outlook with greater precision. To maximize these benefits, we will engage in transparent dialogue with operating companies based on consistent perspectives, and steadily increase corporate value across the Group.



Global CFO Meeting (Sydney)

### ► Transfer of frontline functions

Under our new Long-Term Vision, we aim to achieve both “autonomous growth of each business domain and operating company” and “growth via cross-domain collaboration.” To realize this, we have reviewed and clarified the functions that should be undertaken by corporate and those that should be held by operating companies.

The Kirin Group introduced a pure holding company structure in 2007 and rapidly expanded its overseas operations. During a period when we actively pursued overseas acquisitions, we adopted a federal-style management structure with regional headquarters in each region. In Japan as well, a regional headquarters was established to consolidate indirect functions across domestic operating companies. However, following the subsequent merger of the Japan headquarters with Kirin Holdings, certain frontline functions still remain within Kirin Holdings today.

Now that the direction of each business has been clearly defined, **we will return these frontline functions to the operating companies. This will support autonomous profit growth while enabling each business to streamline and reduce lower-priority activities based on its own judgment.** The transfer of these frontline functions is expected to be completed within one to two years. The standardization of monitoring perspectives through KIRIN HEXAGON-VIEW—particularly the shift away from an excessive focus on normalized operating profit—is an essential foundation for this transition.

### ► Standardization and quantification of management data

We have introduced SAP as our ERP system across many operating companies. Like many Japanese companies, our Group previously relied on internally developed proprietary systems. However, taking into account the organizational capabilities of our IT function and security considerations, we have been progressing the transition to SAP. In this regard, the migration to SAP can be considered to have proceeded smoothly. On the other hand, despite the fact that many operating companies are using the same SAP system, the way data is structured and defined has not been standardized, and it cannot yet be said that we are fully utilizing it as a management system. Looking at the external environment, AI is advancing rapidly. By urgently standardizing data structures and definitions and becoming a leader in AI utilization, we can establish a competitive advantage.

First, in our dialogue with operating companies as described above, **we aim to ensure that both corporate and operating companies consistently work from the same data, so as to avoid any misalignment.** By implementing SAP at Blackmores and FANCL and thoroughly applying a Fit-to-Standard approach, we aim to achieve integrated operations in the Health Science Business by FY2028.

We will then leverage these learnings across other business domains, including the Alcoholic Beverages Business, and aim to establish the foundation for unified infrastructure as early as FY2030.

Next is risk-taking. **To support operating companies in taking risks for growth, we are advancing the quantification of risk.** At Kirin Holdings, there are teams within both the corporate strategy function and the finance function that oversee risk management from their respective functional perspectives. In addition, the finance function has launched initiatives to quantify risk, incorporating FP&A and treasury capabilities. Following trial initiatives at both domestic and overseas operating companies, we plan to establish a model by FY2028 and roll it out across the Group. While avoiding risks that should be avoided, we will clearly define the level of risk the Group can take based on its financial strength, and proactively take risks where returns can be quantitatively expected to exceed those risks, thereby contributing to the increase of corporate value.

Finally, we turn to **investment in non-financial capital.** In our Long-Term Vision, we refer R&D, marketing, and AI as “organizational capabilities to continuously create innovation,” positioning them and the human capital that drives execution as key non-financial capital.

As noted in the previous Integrated Report, we have established the Corporate Disclosure Section within the Finance Department. The Corporate Disclosure Section is an organization within the finance function aimed at making non-financial capital visible in corporate value. In FY2025, it worked to achieve the early implementation of SSBJ-aligned disclosures and to enhance the visibility of how non-financial factors are linked to financial outcomes.

With regard to the former, in our Annual Securities Report issued on March 27, 2026, we became the first Japanese company to provide disclosures in accordance with the SSBJ standards. We disclosed material sustainability-related risks and opportunities, as well as their financial impacts, in a manner that enhances international comparability. As a “global leader in CSV,” we made these disclosures three years ahead of the mandatory requirement. However, our objective is not disclosure itself. **By disclosing early, we aim to accelerate the accumulation and integration of non-financial data and transition to data utilization as quickly as possible.**

Causal analysis of the relationship between non-financial and financial factors is also not undertaken for the purpose of disclosure itself. Rather, it is intended to support investment decisions based on hypotheses as to whether investments in human capital, R&D, marketing, and AI will lead to an increase corporate value in the future. Through a joint project with Fujitsu Limited, we analyzed historical data on both non-financial and financial performance in human capital and intellectual capital (R&D and AI) using causal

inference. This analysis has provided insights into which non-financial indicators, when improved, may have a positive financial impact, as well as the extent of such impact and the time frame over which it may materialize. Our key non-financial indicators for 2026–2028 have been set in alignment with these hypothetical causal pathways. However, we recognize that these causal pathways are still at a stage

where they will be further refined as data accumulates and analysis progresses. Going forward, we will **continue to accumulate data** and, through a deeper analysis of causal relationships, narrow down impactful indicators and generate new insights, thereby **evolving our ability to make appropriate investment decisions in non-financial capital that lead to competitive advantage.**

### Enhancing corporate value

In line with the formulation of the Long-Term Vision toward 2035, we have also developed a 10-year strategy for the finance function. In this message, I have shared several of its key elements. Through the Group-wide CFO function, we will continue to advance further transformation in line with this long-term strategy, with the aim of increasing corporate value from both financial and non-financial perspectives.

I aim to achieve the maximization of corporate value through EPS growth and an improvement in PER, and we target reaching a market capitalization of 3 trillion yen as early as possible. This level of 3 trillion yen represents a rough benchmark of approximately 1.5 times our current level. If we can sustain EPS growth at a CAGR of 6%

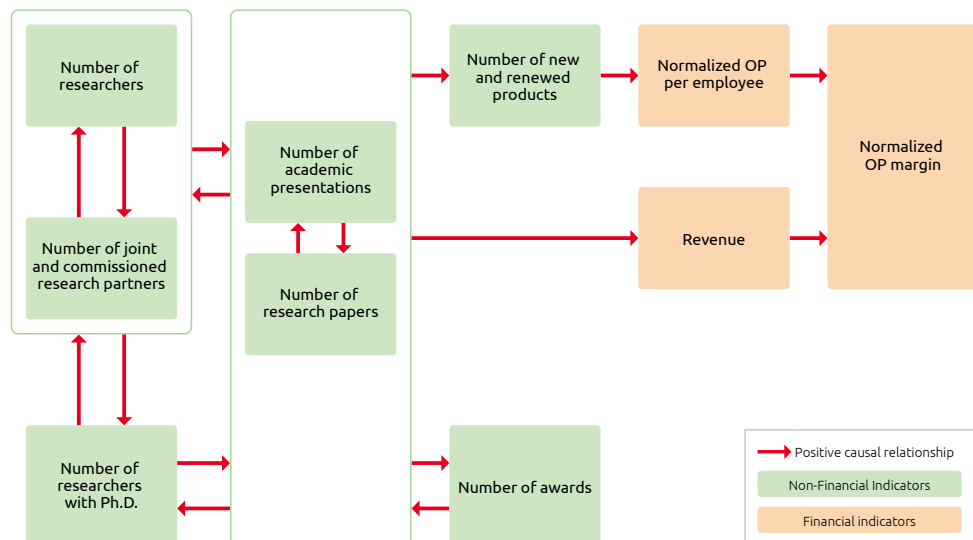
through 2035, this target would be achievable even at the current PER. However, we aim to build investor confidence in our future growth and to reach a market capitalization of 3 trillion yen as early as possible, with the intention of expanding it further thereafter. We recognize that investors are not only focused on the growth of the Health Science Business, but are also highly interested in whether the Alcoholic Beverages Business—where volume growth is generally perceived as difficult—can continue to deliver profit growth going forward. In particular, the unification of beer taxes in Japan is scheduled for FY2026. Even amid such a significant change in the external environment, we will position this as one of our top priorities to ensure that investors continue to have expectations for sustained profit growth in the Alcoholic Beverages Business.

From FY2025, we have adopted a new dividend policy of maintaining a DOE of about 5%, together with progressive dividends. While ensuring stable and sustainable shareholder returns, we will enhance efficiency using ROIC as a key indicator and further strengthen growth investments.

We will continue to engage in constructive engagement with our shareholders and investors and fulfill our accountability, and we appreciate your continued support.



Hypothesis on the relationship between R&D and financial performance (Based on causal inference analysis of historical data)



Even with high-single-digit EPS growth alone, a market capitalization of 3 trillion yen can be achieved within 10 years; we aim to reach it earlier by increasing the valuation multiple.

