

## Message from the Senior Executive Officer of CSV Strategy

# To Shift CSV Management from Resonance to Action, Accelerate Value Creation Through the Integration of Financial and Non-Financial Aspects



**Hiroaki Takaoka**  
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### From Kirin Group Vision 2027 (KV2027) to "Innovate2035!"

The external environment surrounding the Group is becoming structurally more challenging, with expanding geopolitical risks, the worsening impacts of climate change, the loss of biodiversity, growing attention to human rights and human capital, and changing social attitudes toward alcohol.

At the same time, the accelerating aging of populations and declining birth rates in mature markets, as well as ensuring the sustainability of regional economies and communities, have become urgent issues. Companies are increasingly required to respond in an integrated manner to both global and local challenges. These developments present risks for us, but also opportunities for long-term growth. I view this as a chance to leverage the strengths that Kirin has cultivated and to enhance our ability to create future value.

The Group has positioned CSV (Creating Shared Value) at the core of its corporate activities; however, this is not a special initiative newly introduced in recent years. At its foundation lies the philosophy of "Reverence for Life," which we have upheld since our founding. As a company whose business is rooted in the blessings of nature, sincerely engaging with life and nature and returning value to society has always been the foundation of Kirin's management. CSV is an articulation of this philosophy, structured as a strategy in the context of today's business environment.

Looking back on FY2025, we have seen steady progress in the CSV Commitments set by each business. At the same time, through the revision of the Group Materiality Matrix (GMM), we have been able to evolve CSV in a way that more closely links it with our business strategy. Our initiatives to eliminate harmful alcohol consumption have made steady progress, our environmental initiatives have advanced, and we have implemented a number of activities that are well accepted by local communities. We have also established a business foundation in Health Science that contributes to addressing health issues. I believe that we have made meaningful progress

toward our KV2027 vision of "becoming a global leader in CSV."

Building on this progress, under the Long-Term Vision "Innovate 2035!," we have revised our CSV Purpose to further evolve our CSV management. The key change I would like to emphasize is the clear positioning of "Health and Well-Being" as a central pillar of the CSV Purpose. With a focus on "contributing to people's mental and physical well-being," we will pursue growth that addresses both changing consumer values and social issues across our businesses in Alcoholic Beverages, Health Science and Non-alcoholic Beverages, and Pharmaceuticals. Under the new CSV Purpose, we will accelerate the creation of both economic and social value

### CSV Purpose



through our businesses in the areas of "Health and Well-Being," "The Environment," "Community Engagement," and "Responsibility of Kirin Group which runs Alcoholic Beverage Businesses."

In addition, in line with our shift toward a more agile approach to reviewing our strategies in response to changes in the external environment, we will transition to a framework for managing the progress of our CSV Commitments on a rolling three-year basis. It is important that these commitments are not an end in themselves, but are evolved into a management process for the continuous practice and improvement.

### Evolution of CSV management and the practice of value creation

Particularly since the mid-2020s, the number of cases in which both social and economic value are created simultaneously has increased significantly across a wide range of areas, including Group companies. I personally feel that CSV is not limited to a concept, but has been steadily accumulated as tangible results.

For example, we established our "Environmental Vision 2050" at an early stage and have been advancing integrated initiatives to address environmental issues under the themes of "biological resources," "water resources," "containers and packaging," and "climate change." Our proactive efforts in TCFD-aligned disclosures, as well as in information disclosure on natural capital with a view toward TNFD, are grounded in our consistent recognition that environmental risks and opportunities are directly linked to future business value.

In 2025, we held the first "Kirin Forum" in Sri Lanka, the major raw material production area for *Kirin Gogo-no-Kocha*. This initiative, in collaboration with academia and international organizations, aims to lead the creation of social impact through co-creation with diverse partners. Building on our efforts since 2013 to support tea plantations and certification, we are not only accelerating the transition to regenerative agriculture that contributes to both

climate change mitigation and biodiversity conservation, but also identifying and communicating social issues within local communities in a quantitative manner through well-being surveys of plantation workers. Through co-creation not only within the Group but also with global stakeholders, this initiative has evolved into a strategic effort that simultaneously enhances regional resilience and strengthens our business supply chain, and represents one example of value creation at the intersection of “The Environment x Community Engagement.”



Interaction with local stakeholders at the Kirin Forum held in Sri Lanka

Our nature-positive management through the wine business is also evolving to a new stage. Château Mercian Mariko Vineyard, operated by Mercian, has been certified by the Ministry of the Environment, Japan as “Nationally Certified Sustainably Managed Natural Sites”, and is becoming established as a model case that not only contributes to biodiversity restoration but also deepens relationships with local communities through volunteer programs at the vineyard. Jonohira Vineyard was certified as “Nationally Certified Sustainably Managed Natural Sites” in February 2025, followed by Tenguzawa Vineyard in March 2026. The health of natural capital is a critical factor that affects future cost structures and supply stability, and I position these initiatives as investments that enhance the long-term stability of business value. Through co-creation with local communities, these efforts aim to simultaneously regenerate natural capital and expand business value.

The practice of value creation through our products is also steadily expanding. In May 2024, Kirin Brewery launched *KIRIN HYOKETSU mottainai* as a limited-edition product using off-specification domestic fruits, and the series has since expanded to eight SKUs, including re-releases and distribution-limited offerings. The first release, Hamanashi, has been made a year-round product from March 2026 and is recognized both internally and externally as a symbolic example of CSV. In addition, under the “Let’s Transform Mottainai! to Tasty! Project,” which was launched in parallel, we have established a mechanism to utilize off-specification domestic fruits as ingredients and donate a portion of sales from the “mottainai” series to farmers. In 2025, this initiative was also extended to *Kirin Gogo-no-Kocha*, embedding CSV across a series of processes—from raw material procurement and product development to

communication—thereby creating both social and economic value.

Similarly, in the Alcoholic Beverages Business, we launched *Kirin Good Ale* in October 2025, a year-round beer product developed under the theme of “creating connections among people for the future and revitalizing local communities across Japan.” In collaboration with local governments in all 47 prefectures, a portion of sales is used to support regional communities. In just four months after launch, the amount donated exceeded 28 million yen, equivalent to approximately 70% of the target for 2025–2026. We have also confirmed data showing that greater engagement with brand activities leads to higher purchase intent, demonstrating that products originating from efforts to address social issues can achieve both profitability and consumer support.

In the Health Science domain, we are expanding the value we provide to a wide range of consumers through initiatives such as deepening research in the anti-aging field in collaboration with FANCL and “*Kirin Mutekids*”, which focuses on children’s health management. Leveraging our strengths in *Lactococcus lactis* strain Plasma (LC-Plasma)—focused on the immune system as a commander—as well as our knowledge of the relationship between immune regulation and the gut environment, we are advancing Kirin’s unique value creation that spans Pharmaceuticals and Food & Beverages. This connects end-to-end, from research conducted in collaboration with medical institutions and academia to everyday consumption in the form of beverages, foods, and supplements. In particular, our direction of integrating Non-alcoholic Beverages with Health Science is an important step toward enhancing our ability to execute.

At the annual Kirin Group Awards, we recognize examples in which each and every employee engages in CSV through their daily work and, through ongoing challenges and ingenuity, translates these efforts into value creation. Last year, “Electric Salt,” developed through our new business creation program, and Blackmores’ AI-driven innovation pipeline initiative were selected among the top award winners. Both are examples of designing value from a consumer perspective, validating it through data and science, and connecting it to social implementation through brand strength and the power of *gemba*. We believe that enhancing this integrated capability will lead to shorter lead times for value creation, improved likelihood of success, and ultimately the realization of the Group’s vision.

What these initiatives have in common is the clarity of the causal relationship: (1) a structural understanding of social issues, (2) the integration of R&D, the power of *gemba*, and brand strength, and (3) the linkage to financial outcomes. It is important to view non-financial

factors not as costs or requirements, but as investments that build competitive advantage, and to demonstrate their outcomes in terms of medium- to long-term cash flow generation.

### CSV is not delivered by understanding alone—moving to the next stage of integration and implementation

CSV management and value creation are steadily advancing, and our engagement survey shows that approximately 90% of employees resonate with CSV. In addition, indicators of implementation showed a statistically significant improvement year on year in FY2025, with a broader adoption of practices across functions and individuals involved in the value chain.

I believe that it is important not only to establish policies and frameworks, but also to steadily build trust with multiple stakeholders through dialogue that enhances the likelihood of execution at the *gemba*, as well as through continuous cycles of improvement.

Recently, I have come to recognize once again that the term “non-financial” can give rise to the misconception that it is somehow separate from financial matters. That is precisely why we need to view non-financial factors as “pre-financial,” linked to future financial outcomes, and incorporate them into management decision-making. The GMM and the CSV Purpose serve as a common language for this.

The year 2026 marks a major turning point toward the integration of financial and non-financial aspects. As General Manager of Corporate Strategy Department, I have also taken on responsibility for CSV since this spring, and will accelerate this integration.

The interests of stakeholders, including investors, are clearly expanding beyond financial information to non-financial information that cannot be fully captured through financial metrics alone. As disclosure standards such as ISSB and SSBJ become fully established and integrated evaluation of financial and non-financial aspects becomes the standard practice, what will determine corporate value is the consistency of an integrated narrative and the demonstration of competitive advantage from a long-term perspective.

Finally, my ambition for 2026 is clear.

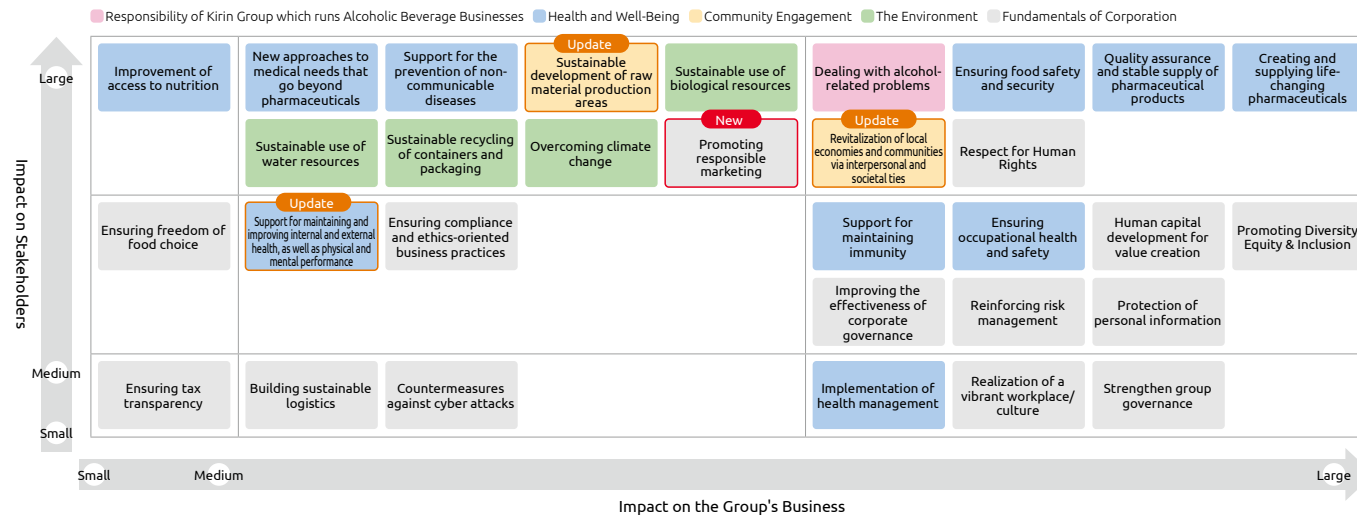
I aim to turn empathy into action, connect action to results, and cycle those results into the next phase of investment and transformation. I also aim to embed CSV not as a “special initiative,” but as a “fundamental premise for decision-making” within management. We will further accumulate examples that successfully combine social and economic value across the areas of The Environment, Health and Well-Being, and Community Engagement, and continue to take on challenges as a Group toward the realization of our 2035 Vision.

# GMM and Sustainability-Related Risks and Opportunities

## GMM

Kirin Holdings has organized its Management Issues for Sustainable Growth (Kirin Holdings Materiality Matrix (GMM)), which outlines the challenges it should address to operate and develop sustainably in partnership with society. As the GMM changes over time and serves as the starting point for the Group's planning process, we assess each year whether it needs to be updated. In moving toward the Long-Term Vision, "Innovate2035!," we have added "promoting responsible marketing" as a new management issue. This reflects the growing demand for fairness, transparency, and social responsibility in corporate marketing activities, driven by regulatory developments in the EU and requests from ESG rating agencies.

[For details on GMM, please click here.](#)



## Sustainability-Related Risks and Opportunities

In GMM, we identify sustainability-related risks and opportunities, with a focus on management issues assessed as having a "large" impact on the Group's business, and implement response strategies on a Group-wide basis.

Material themes in response to SSBJ Standards	Risks / Opportunities	Response strategies
Adverse effects of alcohol consumption	<b>Risk</b> Risk of strengthened regulations on the sale of alcoholic beverages (including increase of liquor tax), advertising, and promotion in the countries and regions of business operations	● Raising awareness of responsible drinking among consumers in countries where the Group operates its business
Healthy longevity society	<b>Opportunity</b> Increasing interest in building natural health as a foundation consisting of nutrition, exercise, rest, and immune care, as well as physical condition management and skin issues, driven by factors such as climate change and future uncertainty	● Expanding customer benefits to enter overseas immunity markets ● Strengthening initiatives for the growth of the cosmetics business in Japan and overseas (including leveraging synergies between FANCL and Blackmores), and creating new value through approaches to beauty and skin health from the inside and outside the body ● Strengthening initiatives to expand social impact at each group company (for details, please refer to the Annual Securities Report)
Unmet medical needs	<b>Opportunity</b> Enhancing the corporate value by creating and delivering Life-changing value <b>Risk</b> Risks of not being able to stably supply the required quantity of products or investigational drugs for important products, resulting in shipment restrictions or shortages	● Establishing and appropriately operating a system and procedures to ensure the continued quality assurance and stable supply of products supplied by the company
Human capital	<b>Opportunity</b> Opportunity to increase employee sympathy with the Group Philosophy, Values, and CSV, thereby accelerating the practice of CSV management <b>Risk</b> Risk of a decline in productivity resulting from employee occupational health and safety issues <b>Opportunity</b> Opportunity to create or expand customers and markets by promoting new ideas and strategic thinking through increasing the diversity of human capital involved in decision-making and organizational management	● Promoting global internal branding to embed the CSV management philosophy at major domestic and overseas Group companies ● Establishing a group-wide occupational health and safety policy promotion system in collaboration with Group companies ● Strengthening development and support plans for female leaders ● Creating an organizational environment that embraces diversity
Human rights	<b>Risk</b> Risk of human rights violations occurring in the Group's supply chain <b>Risk</b> Risk of the Group's officers, employees, or suppliers committing human rights violations and the subsequent remedial measures being insufficient	● Conducting human rights due diligence ● Conducting supplier risk assessment ● Operating supplier hotlines ● Operating grievance mechanisms
Consumer issues	<b>Risk</b> Risk of unexpected quality issues occurring in the Group's products	● Establishment of a quality management system in accordance with international quality assurance systems and implementation of continuous improvements
Climate change	<b>Risk</b> Physical risks such as a decline in yields of agricultural raw materials caused by climate change, and disruptions to operations or impacts on transportation due to floods or droughts <b>Risk</b> Transition risks to a decarbonized society	● Diversification of suppliers ● Support for obtaining sustainable Farm certifications ● Introduction of advanced technologies for water use reduction ● Responding to water stress in agricultural raw materials production areas ● Monitoring water use intensity at manufacturing sites with high water stress ● Evaluating flood damage risk through wind and flood damage simulations ● Conducting on-site surveys where risks are high ● Obtaining insurance coverage for business sites as necessary ● Research and development for climate change ● Steady implementation of the roadmap toward the SBT 1.5°C target ● GHG emission reduction through logistics optimization ● Long-term or agile equipment renewal and introduction through the identification of technological trends and adaptive updates to roadmaps
Natural capital	<b>Risk</b> Risk that environmental protection is insufficient at agricultural production areas and forests within the Group's supply chain <b>Risk</b> Risk of the tightening of regulations on virgin plastics, the expansion of mandatory use of recycled materials, and environmental pollution caused by the improper disposal of used PET bottles	● Sustainable Farm certification ● Sustainable Forest certification ● Sustainable palm oil purchase ● Expansion of mechanical recycling ● Expanding use of chemical recycling ● Construction of a social system for used PET bottle collection

[For details on risks / opportunities and response strategies, please click here.](#)

# Health and Well-Being

Kirin's unique value proposition supporting people throughout every stage of life —Mental and physical well-being—

Through its unique business portfolio encompassing Alcoholic Beverages, Non-alcoholic Beverages and Health Science, and Pharmaceuticals, the Kirin Group creates value by supporting consumers and patients throughout every stage of life and contributing to their mental and physical well-being. From everyday moments of enjoyment to the prevention, treatment, and post-treatment phases of health issues, Kirin's competitive advantage lies in its ability to unlock the innate power of human beings and consistently support mental and physical well-being. Rather than simply providing products or technologies, Kirin seeks to drive behavioral change among consumers and foster new lifestyle habits, thereby realizing sustainable value creation rooted in health. This value creation is underpinned by our organizational capabilities, which combine the human capital, technologies, and knowledge cultivated across our businesses with the strengths of marketing, R&D, and digital. By building on the autonomous growth of each business, Kirin aims to enhance the probability of successful value creation and establish a structure in which growth is continuously generated, thereby achieving both social and economic value.

Value only the Kirin Group can deliver

Supporting consumers and patients in their daily lives

## Products and services that harness the people, technology, and knowledge across our unique business domains of Alcohol Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals

### Mental health

Delicious, enjoyable, and fun experiences  
Nutritious and tasty options that reduce health burdens



### Physical health

Health maintenance | Treatment | Recovery support

Solving individual health challenges



Life-changing pharmaceuticals in targeted areas



Nutrition and other means



Building foundational health by unlocking innate potential  
Nutrition × Exercise × Rest × Immune Care

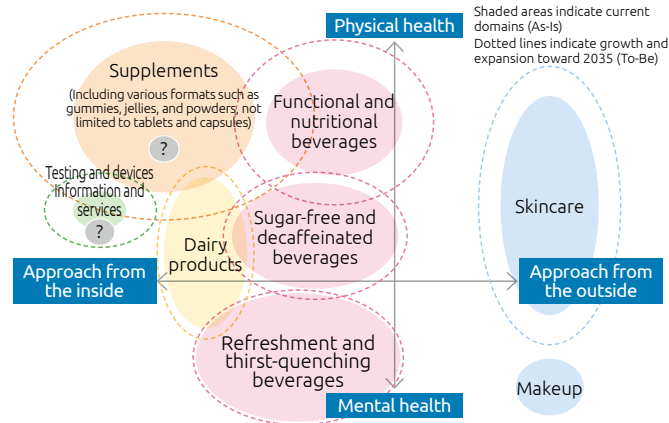
# Health and Well-Being

## Examples of initiatives across Group companies

### — Contributing to mental and physical health from both inside and out

The Kirin Group provides value that supports the mental and physical health of a wide range of consumers from both inside and out through its diverse products and services. In untapped growth areas, the Group will continue to expand its portfolio, including through M&A.

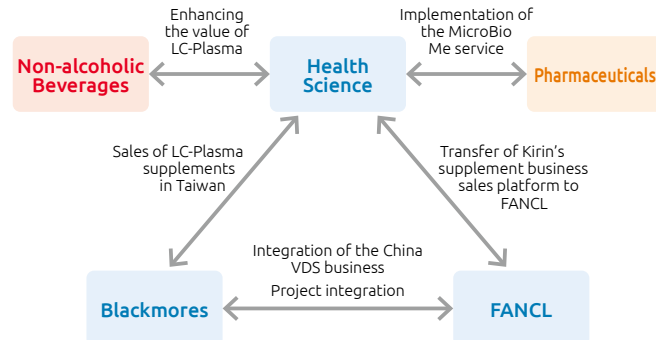
#### Kirin's Non-alcoholic Beverages & Health Science Domains



### — Examples of co-creation across the Group

Leveraging the business foundations and brand strengths of each Group company, we are driving the growth of the Health Science Business overseas.

By dividing roles between strategy and brand management and business operations in each region, we are advancing value creation on a global scale.



### Column

#### Delivering value that combines deliciousness and health: Electric Salt

Electric Salt is a new business developed by Kirin, inspired by the voices of many consumers who say, "Even though we know reducing salt intake is important, it is difficult to sustain with bland-tasting food." With the lack of flavor being a major barrier to starting and maintaining a low-sodium diet, Kirin aims to make meals—an occasion not only for nutrition but also for fostering emotional connections—more enjoyable and satisfying.

To realize this vision, Kirin partnered with Homei Miyashita Laboratory at Meiji University and focused on "electric taste technology," which controls the taste of food using a weak electric current. This led to the initiation of research into a completely new approach that enables people to "enjoy deliciousness" even with reduced salt. Subsequently, by combining Kirin's in-house expertise in food and device development with collaborations with external partners, the technology was successfully commercialized as a spoon-shaped device designed for everyday use at the dining table.

This technology enhances the saltiness and umami of low-sodium foods through a weak electric current,\* and many users have reported increased satisfaction with the taste.

The Electric Salt initiative embodies Kirin's distinctive value proposition: addressing consumer challenges and leveraging technology to achieve "a balance between taste and health." As we work to increase the number of people who can maintain healthy eating habits while enjoying their meals, we are beginning to see opportunities for business expansion, including overseas deployment and the application of this technology to other health-related issues.

Kirin will continue to take on new challenges to deliver "a life enriched by enjoyable meals" to more people.

\*Individual experiences may vary, and perceived effects may differ depending on the type of food.



### Column

#### Delivering value through co-creation between Pharmaceuticals and Health Science: MicroBio Me

Cowellnex Corporation, a Kirin Group company, offers MicroBio Me, a testing service that analyzes gut microbiota, which have been found to be closely associated with a wide range of diseases and health conditions. This service was developed by applying the Kirin Group's expertise in fermentation and biotechnology cultivated over many years. By leveraging technologies for microbial analysis and evaluation, as well as for modulating the gut microbiota through food, the service provides a visualization of the gut environment and delivers solutions tailored to each individual user. A key feature is the use of shotgun metagenomic analysis, which enables analysis at the most detailed taxonomic levels—species and strain—allowing the provision of highly accurate and granular data.

Since its launch in 2023, the service has been well received for its ability to identify solutions suited to individual users, and has been adopted by approximately 300 facilities, primarily clinics, with around 1,500 cumulative users having undergone testing. This business expansion has been supported by the utilization of medical expertise and networks cultivated in the Pharmaceutical Business. The participation of personnel with MR experience at Kyowa Kirin has accelerated deployment to medical institutions, while strengthening collaboration with academia—translating co-creation across the Group into value creation.

Looking ahead, the business aims to achieve further growth by leveraging its proprietary, high-precision gut microbiota data. In parallel, we will continue to promote co-creation with external partners, advancing the joint development of new testing and service offerings. By also strengthening collaboration with R&D and business development talent within the Group, we will accelerate the creation of new value in the healthcare domain centered on the gut microbiota.



# Health and Well-Being

## A Brand-Led Global Growth Strategy in the Domains of Beverages and Health Science

As part of efforts to strengthen the structure to capture the increasing global demand for healthy products and become one of the largest health science companies in the Asia-Pacific region, we established Kirin Health Science International (KHSI) in April 2026 to oversee and advance our overseas operations. Through this initiative, business operations that were previously managed independently across regions will be integrated into a unified global brand strategy with standardized business processes to increase efficiency, consistency and competitiveness of our business.

KHSI will create value to respond to the diverse needs of local citizens, primarily in the Asia-Pacific region. By bringing together the brand assets, ingredients, technology assets and expertise of our Group companies, including Blackmores, FANCL, Kyowa Hakko Bio and Koiwai Dairy Products, KHSI will leverage Kirin's distinctive "inside and outside" approach to health. This approach integrates solutions from within the body (supplements and food and beverages) and from the outside (skincare, information and services, and devices) to support foundational health and address individual health challenges, enabling us to help enhance the local well-being.

### Column

#### Example Initiative: Expansion in APAC

##### Context Story 1

#### Kirin and Blackmores Collaborate to Launch LC-Plasma Supplement

The Kirin Group sees health as a key issue in its CSV management activities. As a part of its well-being health initiatives, the Group provides products that contain LC-Plasma both in Japan and overseas. Since the integration of Blackmores into the Group in August 2023, the Kirin Group has been establishing business models and exploring synergies in the Health Science domain, aiming to address the health challenges consumers face in the Asia-Pacific region. The first collaboration between Kirin and Blackmores is the Blackmores Revolutionary Strain LC Plasma Powder 4 benefits formula, which was launched in March 2025. It is the first LC-Plasma supplement in the Taiwan market. A cross-functional team of 31 people from Kirin and Blackmores worked on the planning, quality assurance, supply chain management, and marketing of the supplement in an integrated manner. This collaboration made it possible to establish a new supply chain model in which products are manufactured in Japan and exported to Taiwan. In Taiwan, regulations prohibit immunity-related claims, so the Group developed a value proposition through a claim design based on the contained ingredients to effectively communicate value. The product is available via multiple channels, including approximately 600 retail stores and major e-commerce platforms, and sales of approximately 15 million yen were achieved by the end of 2025. Building on this success, we will continue to leverage the strengths of the Group to generate synergies and further increase the number of collaboration opportunities throughout the Asia-Pacific region.

##### Context Story 2

#### Expanding the Cognizin® market with Blackmores

Citicoline, a key material of Kyowa Hakko Bio Co., Ltd., is a naturally occurring nutrient found in the body that supports a variety of brain functions, including focus, attention, and memory, by preserving cell membranes and aiding communication between cells. Although it was once considered difficult to produce on an industrial scale, the Kirin Group has successfully established a stable mass-production system by leveraging its core fermentation and biotechnology capabilities.

In Europe and North America it is marketed as a food supplement under the brand name of Cognizin®. Kyowa Hakko Bio Co., Ltd. has expanded sales by differentiating the product based on robust scientific evidence. In 2025, sales in Europe and North America reached a record-high, and Cognizin® has a high market share in these key markets\*.

Leveraging its expertise and supply capabilities cultivated in Europe and North America, the Kirin Group is preparing to launch a citicoline-containing product in Australia under the Blackmores brand, aiming for a market introduction during 2026. The Kirin Group aims to expand the market by combining the brand strength of Blackmores with the scientific evidence and expertise accumulated by Kyowa Hakko Bio Co., Ltd.

\*Based on Kirin Group estimates of the citicoline raw material market for health foods in Europe and North America.



Cognizin®

### Catalyst

#### Kirin Health Science International (KHSI)

The establishment of KHSI represents a significant step forward in advancing the Kirin Group's "value-driven and brand-led global growth" into the execution phase. As outlined above, the Group's medium- to long-term direction has already been clearly defined. From my perspective, I would like to present a more concrete view of how KHSI will operate to realize this vision.

Our foremost priority is to establish a common operating foundation that enables the integrated management of strategy, product development, quality, operations, and go-to-market activities, while fully leveraging the strengths of each brand. While adapting to the cultural and regulatory characteristics of individual markets, we will ensure the consistent application of brand value standards and decision-making principles, thereby delivering a uniform level of quality and experience across all regions.

We will also strengthen a consumer-centric brand growth model, particularly in key APAC markets. By integrating Blackmores' extensive expertise in natural health, FANCL's uncompromising commitment to quality, and Kirin's scientific capabilities, we will design optimal value propositions tailored to the specific characteristics of each market. Furthermore, by linking market research, product development, and post-launch feedback in a continuous cycle, we will enhance the speed and effectiveness of brand growth.

In addition, to realize value creation through the Group's "three business domains," as well as through the integration of expertise across Alcoholic Beverages, Non-alcoholic Beverages and Health Science, and Pharmaceuticals, cross-border collaboration in talent, knowledge, and data will be essential. KHSI will serve as a hub that brings together the expertise of each region and brand, fostering an organizational environment in which capabilities are continuously strengthened through mutual learning.

#### Alastair Symington

President of Kirin Health Science International Pty Ltd,  
Chief Executive Officer &  
Managing Director of  
Blackmores Limited



# Community Engagement

The Kirin Group has reviewed its materiality related to Community Engagement, which has a significant impact on stakeholders, and defined it as the “revitalization of local economies and communities via interpersonal and societal ties” and “the sustainable development of raw material production areas.” The Group has long valued connections with communities by providing opportunities for interaction through its products and brands, fostering strong ties between people and local societies. Across a wide range of fields—from food to pharmaceuticals—the Group will leverage its strengths to address social issues through its businesses and create impact in communities through co-creation.

Based on the materiality revised at the Group level, Kirin Brewery has also established its own business-specific materiality. In addition, in light of the rapidly changing external environment—including stricter regulations on alcoholic beverages and shifts in customers’ lifestyles, Kirin Brewery has defined its vision as “a company that creates the future of alcohol beverages, and provide joy that brings

people and society together.” Guided by this vision, we are promoting business activities aimed at value creation from a medium- to long-term perspective.

As part of our responsibility for the future, we position our initiatives as “dual-track actions”: contributing to the elimination of harmful alcohol consumption, while also creating new value in alcoholic beverages and fostering sustainable market development. As a concrete initiative on the latter front, Kirin is developing community-based activities centered on its core brands, including *KIRIN ICHIBAN*, *KIRIN HYOKETSU*, *Kirin Beer Harekaze*, and *Kirin Good Ale*, leveraging each brand’s unique identity and value proposition. In a society where social connections are becoming increasingly fragmented, these initiatives—collectively referred to as “community brands”—contribute to addressing specific social issues while enhancing brand value and supporting sustainable growth.

Through *KIRIN ICHIBAN*, we foster connections with local communities and share the value of food culture and production

areas with consumers through projects focused on food across Japan, as well as long-standing collaboration with hop producers. Through *KIRIN HYOKETSU*, we have launched the “Let’s Transform Mottainai! to Tasty! Project,” addressing issues such as non-standard fruits that cannot be sold and are discarded, challenges faced by fruit farmers, as well as broader issues including climate change and a shortage of successors. By utilizing such non-standard fruits, the initiative simultaneously reduces food loss and supports farmers. Through *Kirin Good Ale*, we have established a framework that allocates a portion of sales to support community activities in collaboration with 47 municipalities. By enabling consumers themselves to choose and participate in the initiatives they wish to support, the brand is expanding new forms of co-creation.

Through these brand-driven actions, Kirin Brewery aims to pass on the positive value of alcoholic beverages to future generations, thereby achieving the simultaneous creation of corporate value and social value.



## Catalyst

## Dedicated CSV Initiative to Sustain Cherry Blossoms and Fireworks for the Future

## The role of a beer born for today's era

Launched in April 2024, the beer *Harekaze* is built on the concept of “giving back from beer.” Under this concept, Kirin is promoting the Harekaze ACTION initiative, which aims to pass on Japanese traditional customs—such as cherry blossoms and fireworks—to future generations. As part of this initiative, a portion of sales proceeds is donated to municipalities across Japan to support the preservation and continuation of cherry blossom landscapes and fireworks festivals.

When the development project for a new beer was launched in 2023, one of the key challenges was how to approach the mature beer market. What role can a beer born in today's era truly fulfill? This question led the team back to the Kirin Group's corporate slogan, “Joy brings us together.” Rather than focusing solely on product value, the aim was to cultivate *Harekaze* as a brand that embodies the concept of CSV—connecting people and society while passing on beer culture to future generations. Amid this thinking, the team's attention was drawn to news reports concerning cherry blossoms and fireworks. Across Japan, many municipalities are facing difficulties in maintaining and passing on these cultural assets due to financial constraints, labor shortages, and the lingering impact of the COVID-19 pandemic. In particular, many Somei Yoshino cherry trees planted after World War II are now aging, requiring significant funding and expertise for replacement and maintenance. Cherry blossom viewing and fireworks festivals are uniquely Japanese traditions that have long fostered connections and shared joy among people—often accompanied by beer. With a desire to preserve these traditional customs for future generations and to give back to the culture that has supported beer, the *Harekaze* brand concept and the *Harekaze* ACTION initiative were created.



[For details of Harekaze ACTION, please click here. \(Japanese only\)](#)



Cherry tree planting activity

## The expanding impact of Harekaze: from market to community

Since its launch, *Harekaze* ACTION has been steadily gaining traction. A post-launch survey shows that approximately 20% of consumers in their 20s and 30s who purchase *Harekaze* cite “empathy with its social contribution initiatives” as a reason for their purchase. Younger generations tend to have a stronger awareness of ethical consumption, and this alignment with social initiatives is driving purchasing behavior. At the same time, amid a declining beer market, these efforts are also creating new opportunities to strengthen engagement with younger consumers. Local governments have responded positively as well. The number of municipalities participating in initiatives such as cherry blossom preservation and support for fireworks events has expanded from 47 at the start to approximately 300 today.

Through ongoing cherry blossom preservation activities, interactions with municipal staff have deepened, and there has been a growing number of cases in which local communities actively support the initiative—for example, by displaying *Harekaze* posters. From FY2025, Kirin will introduce the “SAKURA SCAN,” which diagnoses the condition of cherry blossoms based on images taken, thereby supporting municipalities in managing these resources.

In 2025, Kirin also implemented an initiative to collect fireworks shells from events that had been canceled shortly before their scheduled dates and launch them at the Osaka Kansai Expo. When those involved in the canceled fireworks festivals were invited to attend, many were moved to tears and expressed strong motivation to resume the events the following year, highlighting a renewed appreciation for the value of regional cultural traditions. At the same time, the initiative provided an opportunity for general visitors to become aware of the challenges facing the continuation of fireworks festivals and to better understand the importance of preserving regional culture for the future.

Support is also expanding among business partners, including distributors and restaurants, with increased product adoption and participation in donation programs. Internally, there is a growing sense of engagement with addressing social issues through products, and employees are increasingly embracing CSV as a personal commitment. This has led to more proactive initiatives emerging from the frontlines of sales.

## From a movement driven by empathy to a future where business and society coexist

What *Harekaze* ACTION aims to achieve goes beyond a single company's initiative—it seeks to create value through co-creation together with the stakeholders surrounding social issues. The preservation and continuation of cherry blossoms and fireworks cannot be achieved by a single company or municipality alone. Only when a wide range of stakeholders recognize the current situation and support one another incrementally can these efforts become truly sustainable. To this end, it is important to continue raising awareness of *Harekaze* ACTION, while expanding networks among companies and broadening the circle of collaboration to increase the number of partners who share and support the initiative.

At the same time, by promoting initiatives that can be sustained over the long term—such as the Sakura AI Camera—in collaboration with municipalities and embedding them into systems, we are able to carry forward the insights gained on the ground into future support efforts. Through such co-creation, we are building mechanisms that accelerate solutions to regional challenges that are difficult for a single organization to address alone.

What matters most is to continue these efforts with sincerity and dedication. As long as it is clearly communicated that *Harekaze* is earnestly committed to preserving seasonal traditions such as cherry blossoms and fireworks, support will naturally grow both inside and outside Kirin, and the circle of collaboration will continue to expand. CSV initiatives inherently have a broad scope, and there were times when it was not clear where to start. However, through the cooperation of colleagues across various internal departments, as well as municipalities and arborists who share the same vision, the initiative has grown into a large-scale effort. Looking ahead, we will further strengthen collaboration with private companies and public institutions, working to build a framework in which society as a whole supports the preservation of regional culture. Under the shared aspiration to protect cherry blossoms and fireworks, we hope *Harekaze* will also be embraced as one way to support this goal. In this way, these traditions will be passed on to future generations, with beer continuing to be part of those moments. We aim to further expand this long-term relationship going forward.

**Shiho Murai**  
Marketing Department  
Kirin Brewery Company,  
Limited



## Environment

At the Kirin Group, we have identified four environmental management issues with significant impacts on our stakeholders: *the sustainable use of biological resources, the sustainable use of water resources, the sustainable recycling of containers and packaging, and overcoming climate change.*

Because these environmental issues—biological resources, water resources, containers and packaging, and climate change—are interrelated and occur in a complex, interconnected manner, addressing them requires a holistic perspective. Accordingly, the Kirin Group is advancing an **integrated approach** to tackling these challenges.



For details on Kirin Group's Environmental Vision 2050, please click here.

At Lion, we are taking an integrated approach to addressing climate change and advancing the circular economy through aluminum cans, our primary packaging format, thereby creating value through our brands.



### Catalyst

## The Circular Economy Begins with Dialogue: ~A Sustainable Aluminum Can Realized Across the Entire Value Chain~

### Reimagining Aluminum Packaging to Address Scope 3 Emissions

Reducing greenhouse gas (GHG) emissions across the value chain has become one of the most pressing challenges for the beverage industry. For Lion, packaging represents the single largest source of Scope 3 emissions. At the same time, aluminum cans are rapidly gaining popularity, particularly in the craft beer segment. In fact, last year Stone & Wood recorded its largest growth in cans ever, with a 52.7% year-on-year increase in can sales—from 7.2 million cans in 2024 to 11 million in 2025. This rapid growth reinforced the urgency of addressing the environmental impact of aluminum packaging at scale.

Aluminum is highly functional: strong, lightweight, and infinitely recyclable. However, the production of primary aluminum is extremely carbon intensive. Lion therefore identified aluminum cans as the area where meaningful emissions reduction could be achieved by advancing circular economy practices—specifically, increasing recycled content and sourcing low-carbon materials.

### Collaboration Across the Entire Value Chain Enables Breakthrough Impact

To tackle this challenge, Lion launched the *Re-In-Can-Ation* initiative, bringing together partners across the entire aluminum value chain. Rio Tinto supplied low-carbon primary aluminum produced using renewable hydropower. Novelis combined this with recycled aluminum to manufacture high-recycled-content coils, while Visy produced the final cans in Australia.

Through close collaboration and shared ambition, the partners increased the recycled content of the cans from approximately 55% to 83%, while also incorporating low-carbon primary aluminum. This end-to-end optimization would not have been possible without trust, transparency, and a willingness to align sustainability priorities across different organizations.

As a result, the carbon footprint of the new cans was reduced by approximately 60% compared with previous versions. Over an estimated production volume of 15 million cans across two years, this equates to a reduction of around 1,200 tonnes of GHG emissions. These outcomes were assessed using a life cycle assessment (LCA) approach and supported by third-party verification, ensuring credibility and robustness in environmental claims.

### From Proof of Concept to Scalable Value Creation

Notably, the greatest challenge was not technical. Ensuring quality and safety was well within existing capabilities. Instead, the most demanding aspect was aligning communication, branding, and legal considerations across four large organizations—particularly amid heightened scrutiny around greenwashing. Open dialogue and data transparency proved essential in overcoming these challenges.

Beyond emissions reduction, *Re-In-Can-Ation* demonstrates how the circular economy can function in practice. In Australia, roughly one in three aluminum cans is not recycled, resulting in lost resources and avoidable emissions. By communicating clearly how consumer recycling behavior enables material recovery and reuse, the initiative links environmental innovation with community engagement.

This project exemplifies Lion's approach to Creating Shared Value (CSV): addressing material environmental issues while strengthening business resilience, brand trust, and long-term partnerships. The lessons learned—starting the conversation, collaborating across the value chain, and scaling proven solutions—are now being applied to other areas, including agricultural supply chains, as Lion accelerates progress toward a low-carbon, circular future.



**Justin Merrell**

Lion  
Sustainability Director

## Responsibility of Kirin Group which runs Alcoholic Beverage Businesses



CSV Strategy Department,  
Kirin Holdings Company, Limited  
**Ryoya Kurihara**



Coffee cherries

### — Value provided by the Kirin Group in response to changes in the social context surrounding drinking

In our newly formulated Long-Term Vision "Innovate2035!," the Kirin Group aims to "vitalize the world" as a global leader in CSV that continuously creates innovation across the Alcoholic Beverages, Non-alcoholic Beverages and Health Science, and Pharmaceuticals domains and the brewing business is our founding business. The main ingredients of beer—water, hops, malt, and yeast—are the blessings of nature. The brewing philosophy of "Reverence for Life," which has been passed down within our Group, reflects our attitude of respecting all these forms of life and humbly learning from their power. In the Kirin Group, "Reverence for Life" is also the philosophy behind CSV management, which aims to balance the growth of the company with the prosperity of society. While CSV is the core of our Group's management, we position "Responsibility of Kirin Group which runs Alcoholic Beverage Businesses" as a basis of CSV purpose.

In recent years, the social context surrounding drinking has changed significantly both in Japan and overseas. The World Health Organization (WHO)'s target of "reducing the harmful use of alcohol" aligns with our CSV Purpose of "eradicating the harmful use of alcohol." To contribute to achieving this target, our Group is advancing various initiatives, including activities to raise awareness of responsible drinking. At the same time, we are committed to cultivating a culture of moderate drinking.

### — Products and innovative ingredients that support consumer choice

As part of our efforts toward "eradicating the harmful use of alcohol," we are growing our portfolio of non-alcoholic products. In addition to rising health consciousness and a decline in drinking opportunities and alcohol consumption, particularly among younger generations such as Gen Z, consumer preferences and lifestyle habits are becoming increasingly diverse. The number of people who do not drink alcohol is rising, and even those who do drink are making different choices depending on the occasion. By responding to this diversification of consumer choices, we aim to support the control of alcohol consumption through the growth of our non-alcoholic product offerings. In addition to the existing *Kirin GREENS FREE* and *KIRIN HYOZERO SPARKLING*, Kirin Brewery launched *Kirin Authentic Brew Non-Alcoholic Lager Zero* in 2025, brewed using a lager beer-style brewing method (dealcoholization process). By first brewing a lager-type beer and then removing the alcohol through a dealcoholization process, *Lager Zero* achieves the closest taste to beer in Kirin Brewery's non-alcoholic product history. We believe that, by enabling consumers to experience the "joy of drinking beer" despite it being a non-alcoholic product, we can pass down a culture of moderate drinking to the future.

In 2025, Kirin Holdings succeeded in developing a fermented ingredient derived from coffee cherries.\* The pulp and skin, aside from the seeds used to produce coffee beans, are discarded in large quantities around the world, raising concerns about environmental impacts such as water and soil pollution. By applying Kirin's proprietary wine aroma enhancement technology originally developed for wine, a new ingredient was created by fermenting

juice extracted and concentrated from coffee cherries using lactic acid bacteria and yeast. This fermented material was found to enhance various sensory qualities—such as warmth, fermentation character, alcoholic impression, fruity notes, and richness—across a range of alcoholic and non-alcoholic beverages. As this ingredient has characteristics such as "enhancing body" and "improving aroma," and has shown potential to improve satisfaction with non-alcoholic and low-alcohol beverages, we will explore its adoption in such beverages as an effective approach to addressing alcohol-related social issues, while also contributing to resolving challenges in coffee-producing regions.

\*Coffee cherries are the red fruits of the coffee plant, and their seeds are used as the raw material for coffee.

### — International collaboration with IARD

In addition to our independent corporate initiatives, we participate in the International Alliance for Responsible Drinking (IARD), an organization comprising leading global alcohol beverage companies, and are engaged in developing and implementing international standards. IARD aims to reduce the harmful use of alcohol and has established guidelines and programs on issues such as preventing underage drinking and promoting responsible advertising and marketing. Our Group is working to incorporate these initiatives into our business activities. Going forward, our Group will continue to meet diverse consumer needs through the growth of non-alcoholic products, while further strengthening our collaboration with IARD. By taking into account trends in Japan and overseas, we will advance initiatives toward eradicating the harmful use of alcohol and contribute to cultivating a sustainable, moderate drinking culture together with society.