

## Kirin Brewery Business Strategy For 2024

- Under the theme of "Challenge to create customer value with all employees," work on business strategies centered on establishment of a strong brand system and steady growth of businesses and brands that provide new value.
- Launch a new standard beer brand for the first time in 17 years, and it as a standard beer brand next to *KIRIN ICHIBAN*.
- In the craft beer business, broaden the enjoyment of craft beer and create a market for it by renewing the *SPRING VALLEY* brand and the *SPRING VALLEY BREWERY TOKYO* restaurant/bar

**TOKYO, Thursday January 11, 2024** – Kirin Brewery Company, Limited (Kirin Brewery) announced today its business strategy for 2024, the third year of the [2022-2024 Medium-Term Business Plan](#). Kirin Brewery aims to become a company that continues to cultivate deep and long-lasting bonds with consumers by delivering "the joy of connecting with people" - even in a rapidly changing environment. Kirin Brewery will contribute to consumers and society at large by refining its brand and human resources as well as promoting [CSV\\*<sup>1</sup> management](#).

\*1 Creating Shared Value. Combined added value for consumers as well as for society at large.

### 1. 2023 Year in Review

In 2023, there were major changes in the external environment, such as the recovery of economic activities due to the subsiding of COVID-19 that had been continuing for the past several years, and the revision of the liquor tax in October. Under such circumstances, Kirin Brewery estimates that the overall beer market ended at around 99% of the previous year's level. Of this, Kirin Brewery estimates that the beer category accounted for more than 50% of the market for the first time in six years, due to a recovery in consumption at restaurants and the impact of the liquor tax revision.

Under the theme of "Refining Brands and Human Resources," Kirin Brewery continued to strengthen its efforts with two strategies: building a strong brand system and fostering new growth engines. In the beer category, sales of the mainstay *KIRIN ICHIBAN* brand and *SPRING VALLEY* brand led the way. The *Kirin Hyoketsu*<sup>®</sup> *Sugar Free* series, which features a "clear, unsweetened taste" against a backdrop of health-conscious consumers, grew by approximately 30% year on year. the *Kirin Hyoketsu*<sup>®</sup> brand as a whole continued to record-high sales volumes in 2023, more than 20 years after its launch. As for domestic whiskey, Kirin Brewery marked the 50th anniversary of the *FUJI GOTEMBA DISTILLERY* and achieved dramatic growth in Japan with *KIRIN WHISKY RIKU* and overseas with the expansion of exports of the *FUJI* brand to European countries.

### Sales in 2023

Beer total	RTD (canned cocktails)	Whiskey, Spirits and Liqueur	Non-alcoholic beverages
113.9 million cases (-5.9%)	50.5 million cases (-2.4%)	28.3 billion yen (+11.5%)	3.4 million cases (-6.6)

Unit:

Beer and non-alcoholic beverages 633ml (large bottle) x 20 bottles,

RTD 350ml x 24 bottles / Sales volume in terms of 24 x 250 ml bottles was 70.7 million cases (-2.4%)

Non-alcoholic beverages are the sum of non-alcoholic beer-tasting beverages and non-alcoholic RTDs.

\*Sales figures are calculated by converting KL (kiloliters) into 10,000 cases and rounding off the first digit.

### 2. 2024 Initiatives

In 2024, under the theme of "Taking on creating customer value with all employees," Kirin Brewery aims to maximize corporate value through business strategies centered on establishment of a strong brand system and steady growth of businesses and brands that provide new value.

#### (1) Establishing a strong brand system

Kirin Brewery will nurture its mainstay brands while flexibly responding to changes in the external environment and

establish a strong brand system that will remain popular with customers for a long time in each category. The *KIRIN ICHIBAN* brand offers a diverse lineup of tastes and ways to enjoy it. Kirin Brewery will also launch a new brand of standard beer for the first time in 17 years, and develop it as a standard beer brand along with *KIRIN ICHIBAN*.

**(2) Steady growth of businesses and brands offering new value**

In the craft beer business, by renewing the *SPRING VALLEY* brand and Kirin Brewery’s *SPRING VALLEY BREWERY TOKYO*, Kirin Brewery aims to broaden the enjoyment of craft beer, to attract people who have never tried it to drink it for the first time, and to convey the appeal of craft beer from this brand to as many people as possible.

Kirin Brewery will also continue to strengthen its efforts to create a new category in collaboration with like-minded craft breweries across Japan.

**Sales targets for 2024**

Beer total	RTD (canned cocktails)	Whiskey, Spirits and Liqueur	Non-alcoholic beverages
116.8 million cases (+2.6%)	51.1 million cases (+1.3%)	27.9 billion yen (-1.7%)	3.6 million cases (+7.9 %)

Unit:

Beer and non-alcoholic beverages 633ml large bottle x 20 bottles,

RTD 350ml x 24 bottles / 250ml x 24 bottles equivalent is 71.6 million cases (+1.3%)

Non-alcoholic beverages are the sum of non-alcoholic beer-tasting beverages and non-alcoholic RTDs.

\*Sales figures are calculated by converting KL (kiloliters) into 10,000 cases and rounding off the first digit.

**About Kirin Holdings**

Kirin Holdings Company, Limited is an international company that operates in the Food & Beverages domain (Food & Beverages businesses), Pharmaceuticals domain (Pharmaceuticals businesses), and Health Science domain (Health Science business), both in Japan and across the globe.

Kirin Holdings can trace its roots to **Japan Brewery** which was established in 1885. Japan Brewery became **Kirin Brewery** in 1907. Since then, the company expanded its business with fermentation and biotechnology as its core technologies, and entered the pharmaceutical business in the 1980s, all of which continue to be global growth centers. In 2007, Kirin Holdings was established as a pure holding company and is currently focusing on boosting its Health Science domain.

Under the [Kirin Group Vision 2027](#) (KV 2027), a long-term management plan launched in 2019, the Kirin Group aims to become “A global leader in CSV\* creating value across our world of Food & Beverages to Pharmaceuticals.” Going forward, the Kirin Group will continue to leverage its strengths to create both social and economic value through its businesses, with the aim of achieving sustainable growth in corporate value.

\*Creating Shared Value. Combined added value for consumers as well as for society at large.