

**KIRIN**



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# Kirin Beverage Business Strategy for 2022

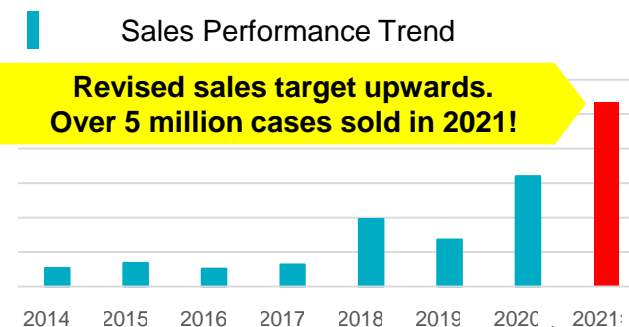
Thursday, January 20, 2022  
Kirin Beverage Company, Limited

- Sales in 2021: 205.89 million cases, down 3% from the previous year
- 5.34 million cases of beverages containing LC-Plasma (*Lactococcus lactis* strain Plasma), a significant increase of 66% over the previous year
- Sales of *Kirin Gogo-no-Kocha* and *Kirin Nama-cha* fell below the previous year's level, despite the company's 35th anniversary promotional measures and environmental efforts such as expanding the use of R100 bottles, respectively.

## 2021 Sales Volume

	Sales volume	Year on year	market forecast
Total soft drinks	205.89 million cases	97%	Overall Market +1% or so
<i>Kirin Gogo-no-Kocha</i>	48.03 million cases	98%	Black tea market ±About 0
<i>Kirin Nama-cha</i>	27.52 million cases	98%	Unsweetened tea market +2% or so
<i>Fire</i>	22.52 million cases	115%	Coffee market -1% or so
Beverages containing LC-Plasma	5.34 million cases	166%	Health drinks (FOSHU and functional food) market +9% approx.

## Health Initiatives: Beverages Containing LC-Plasma



- New products *Kirin Gogo-no-Kocha Milk Tea Plus* and *Kirin Nama-cha Life Plus Immune Assist* debut, become hit products
- Health value-added: **135%**, Sugar Free/Low Sugar: **107%** (compared to 2018)

## Further promote CSV management...

### Existing Beverage Business

By focusing on our strengths, boost profitability of existing beverage business



### Health Science Domain

Strengthen Kirin Beverage's Health Science Domain and transform into a beverage company that caters to consumers' health needs

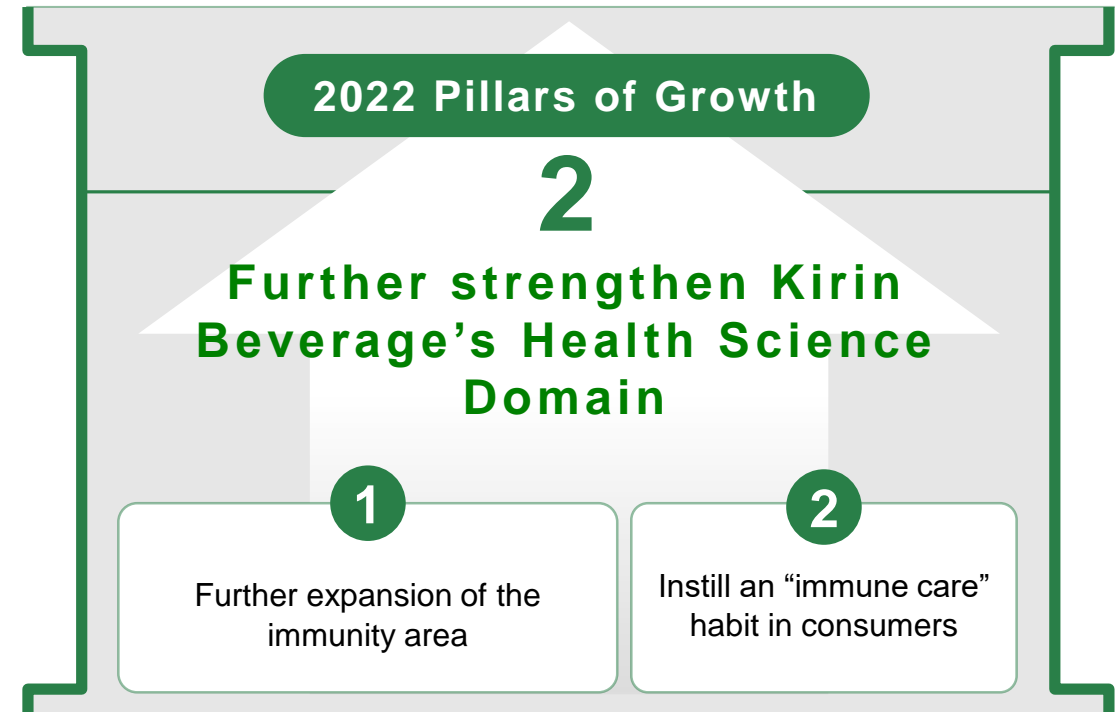
**...by churning both of these two gears**

## Moving to a New Stage of CSV Across Food and Health Sciences

Slogan

**Shift to new value creation with  
health science as a driver**

**Strategic issue: Renewal of brand portfolio strategy and  
development of business infrastructure**



## Strengthen the foundation of the existing beverage business by accelerating CSV

Growth Pillar One	<b>Revitalize core brands</b>	<ul style="list-style-type: none"> <li>➤ Aiming for renewed brand growth by strengthening CSV initiatives for <i>Kirin Gogo-no-Kocha</i> and <i>Kirin Nama-cha</i>, the core brands.</li> <li>➤ <i>Kirin Gogo-no-Kocha</i> will focus on sugar-free and low-sugar products to increase its value as a CSV flagship brand.</li> <li>➤ A major renewal of <i>Kirin Nama-cha</i> will be carried out in Spring to develop a brand image of sustainability.</li> </ul>
	<b>Further Promotion of Environmental Initiatives</b>	<ul style="list-style-type: none"> <li>➤ Establishment of a plastic recycling system using chemical recycling.</li> <li>➤ Achieving a 'cycle of recycling' by building a process from post-use to reuse of plastic bottles.</li> </ul>
	<b>Profit structure reform</b>	<ul style="list-style-type: none"> <li>➤ The vending machine channel should continue to decline, so vending machine structural reforms will continue in 2022.</li> <li>➤ In addition to cost reduction mainly in production and logistics, boost cost competitiveness through value chain collaboration based on CSV management.</li> </ul>

## Further strengthen Kirin Beverage's Health Science Domain

Growth Pillar Two	<b>Further expansion of the immunity area</b>	<ul style="list-style-type: none"> <li>➤ 'KIRIN' to be synonymous with 'immune care.'</li> <li>➤ Expand the market through consumer understanding of the importance of immune care that can be difficult to habituate.</li> </ul>
	<b>Instill an immune care habit</b>	<ul style="list-style-type: none"> <li>➤ Launch <i>KIRIN iMUSE Morning Immune Care</i> featuring a 100ml PET bottle nationwide on March 29.</li> <li>➤ Aiming to gain the morning habit to buy <i>Kirin iMUSE Morning Immune Care</i> in the chilled beverage category to establish immune care category.</li> <li>➤ Invested approximately 10 billion yen in the Shonan Plant to expand production facilities for small PET bottles and increase supply capacity for 100ml PET beverages.</li> </ul>

# Sales Plan for 2022

- Sales volume target for 2022: 209.5 million cases, up 2% from the previous year
- Target 42% YoY growth in beverages containing *LC-Plasma*, with CSV as a source of growth
- Establish a business foundation by churning the two gears of the existing beverage business and Kirin Beverage's Health Science Domain

		Sales volume	Year on year	Market forecast
Health Science Domain		23.2 million cases	114%	Health drink (FOSHU, functional food) market around +5%
Beverages containing <i>LC-Plasma</i>		7.6 million cases	142%	
Existing beverage areas		186.3 million cases	100%	Soft drink market around +2%
Total		209.5 million cases	102%	
By Brand	<i>Kirin Gogo-no-Kocha</i>	52.2 million cases	109%	Tea market around +2%
	<i>Kirin Nama-cha</i>	30 million cases	109%	Unsweetened tea market around +1%
	<i>Fire</i>	22.3 million cases	99%	Coffee market around ± 0



\* Results from *Kirin Kirin Gogo-no-Kocha Milk Tea Plus* and *Kirin Kirin Nama-cha Life Plus Immune Assist* are included in both *Kirin Gogo-no-Kocha* and *Kirin Nama-cha*, as well as in beverages containing *LC-Plasma*. Included in Kirin Beverage's Health Science Domain, but not in the 'existing beverage business'