

Overview of the Kirin Group

The Kirin Group's Businesses

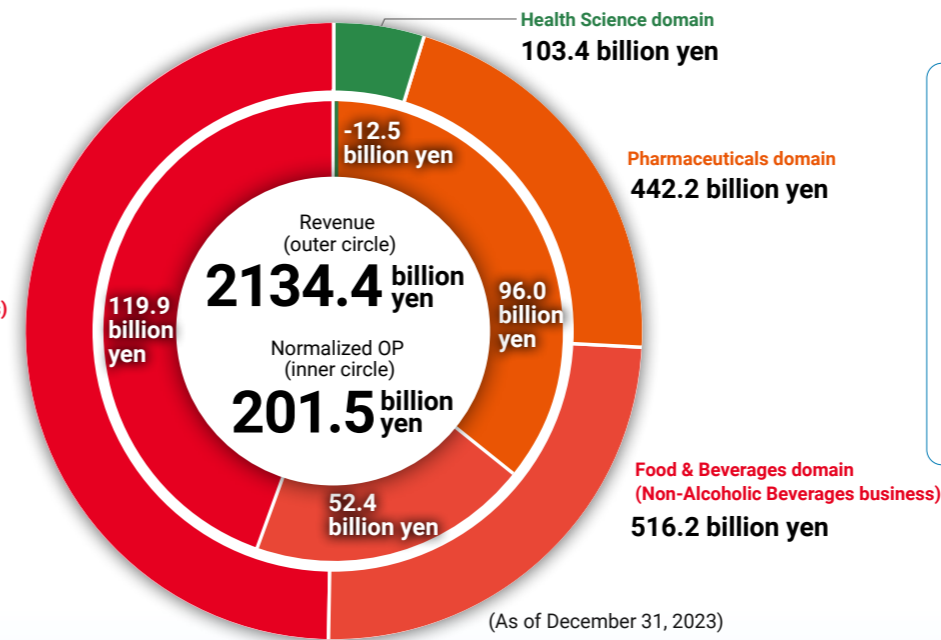
Beginning with the fermentation and biotechnology that the Kirin Group polished through our founding beer business for over a century, we have a globally unique business portfolio that expands the three domains of Food & Beverages, Pharmaceuticals, and Health Science.

Kirin Holdings Company, Limited

Head Office: NAKANO CENTRAL PARK SOUTH, 10-2, Nakano 4-chome, Nakano-ku, Tokyo 164-0001, Japan
 Yoshinori Isozaki, Representative Director of the Board & CEO
 Takeshi Minakata, Representative Director of the Board, President & COO
 Date of Incorporation: February 23, 1907

Number of Employees: 977 (individual), 30,183 (consolidated)
 Code Number: 2503 (Listed Stock Market = Tokyo Stock Exchange (TSE) Prime)
 Number of Consolidated Subsidiaries: 171
 Number of Affiliates: 30

(As of December 31, 2023)



About changes in the disclosure segment

The disclosure segments have been changed to include Alcoholic Beverages, Non-Alcoholic Beverages, Pharmaceuticals, and Health Science to suit the Group's strategy since the financial results of FY2023 were announced. The Health Science segment only includes operating companies that are mostly involved with health-related products and services, thus does not include revenue or normalized operating profit of health-related products in the Alcoholic and Non-alcoholic Beverages businesses.

See page 91 for details

Food & Beverages domain (Alcoholic Beverages business)

Revenue **1,045.1 billion yen**
 Normalized OP **119.9 billion yen**

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

Main subsidiaries

Kirin Brewery (8 other companies)
 Lion (47 other companies)
 Four Roses



Food & Beverages domain (Non-Alcoholic Beverages business)

Revenue **516.2 billion yen**
 Normalized OP **52.4 billion yen**

Main subsidiaries

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



Pharmaceuticals domain

Revenue **442.2 billion yen**
 Normalized OP **96.0 billion yen**

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

Providing pharmaceuticals that meet unmet medical needs

Main subsidiaries

Kyowa Kirin (46 other companies)



Health Science domain

Revenue **103.4 billion yen**
 Normalized OP **-12.5 billion yen**

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

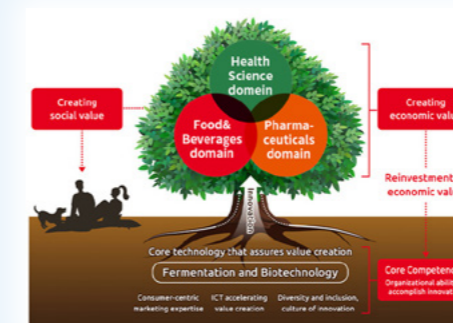
Main subsidiaries

Blackmores
 Kyowa Hakko Bio (10 other companies)



The fermentation and biotechnology at the root of all three domains

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



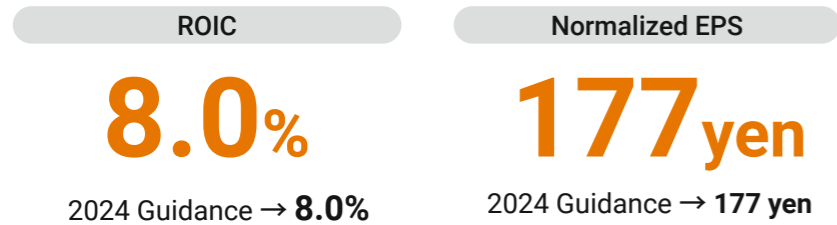
Overview of the Kirin Group

Financial and Non-financial Highlights

Corporate Policy

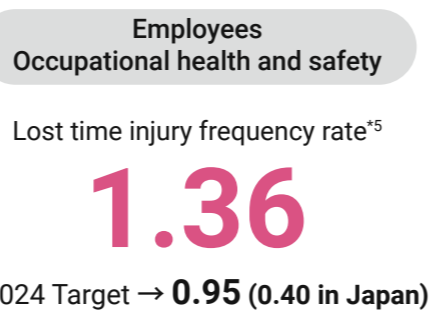
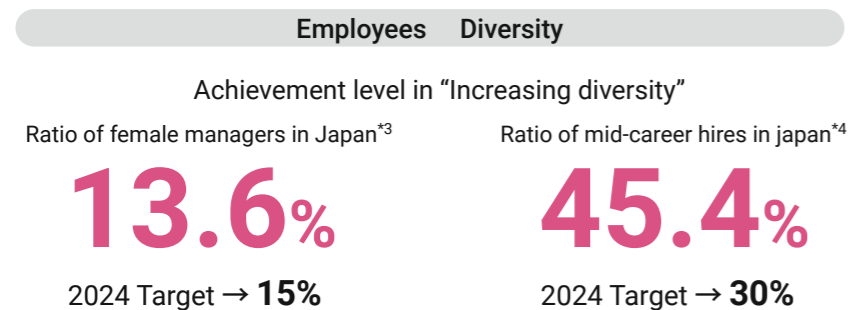
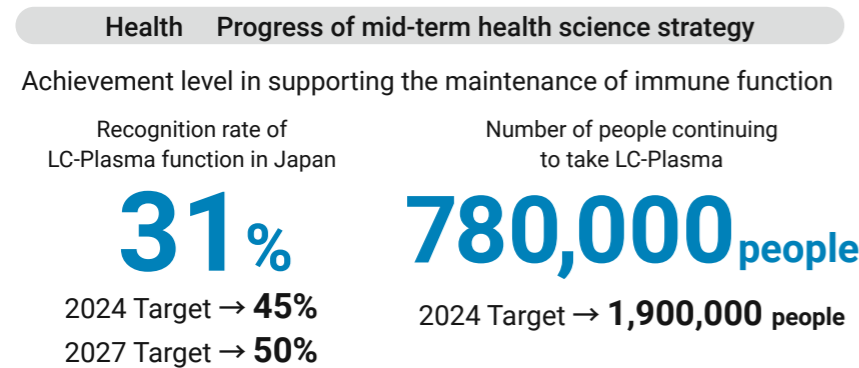
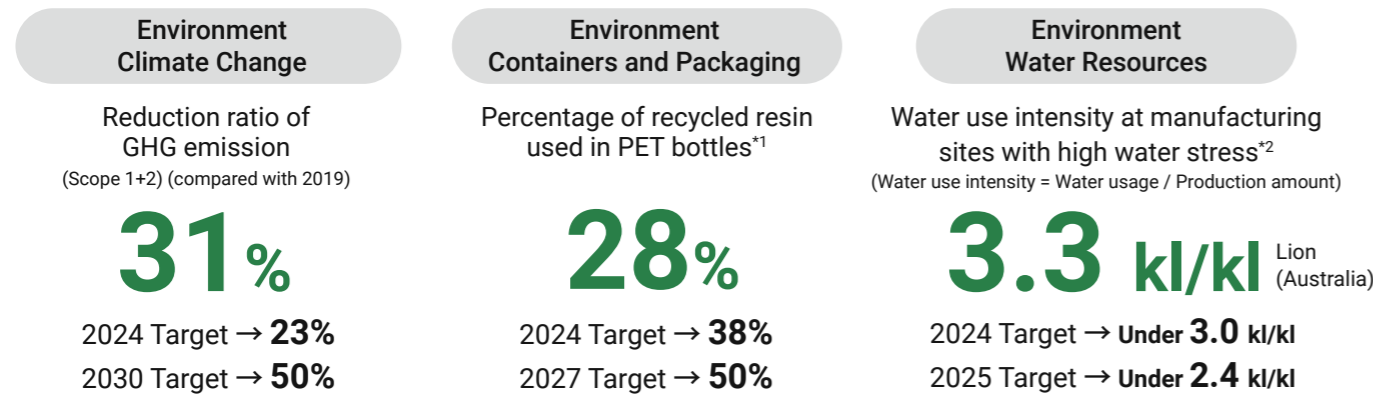


Key financial performance indicators



Key non-financial performance indicators

*For information on Kirin Group's GHG emissions calculation method and footnotes one through six, please refer to "Supplemental information for Calculation Method for Kirin Group's GHG Emissions (Scope 1&2)"



(Results in 2023)

Corporate Philosophy

Kirin's enduring, long-term significance in society

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

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

"One KIRIN" Values

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

"Passion. Integrity. Diversity."

- **Passion** Our determination to continuously provide our customers and society with new value propositions based on innovative ideas, and our enthusiasm to meet goals with pride in the companies we work for and the brands we offer.
- **Integrity** Our gratitude to our stakeholders for always helping us move forward, and our promise to remain honest and humble in every business activity to serve them better.
- **Diversity** Our respect for different perspectives and values that enable constructive discussions, and our belief that the "differences" have the power to change the world and create better solutions.

Corporate Slogan

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

Joy brings us together



Management Issues for Sustainable Growth (Group Materiality Matrix) P21

Important challenges to be addressed to operate and develop sustainably with society

*Reviewed and revised with the formulation of each medium-term business plan (every three years)

Long-Term Management Vision Kirin Group Vision 2027 (KV2027) P22

A strategy to realize becoming "A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals" by 2027

CSV Purpose P21

Guidelines for jointly creating value with society and achieving sustainable growth that act as long-term non-financial goals for KV2027

Kirin Group 2022-2024 Medium-Term Business Plan (2022 MTBP) P22

A concrete three-year plan for realizing KV2027

CSV Commitment P92

An action plan to realize the CSV Purpose

History of Business Development

1907-1980

1981-2005

2006-2015

2016-2018

2019-

Spanning the years from the foundation of Kirin Brewery to the expansion of the Food & Beverages business

Diversifying into the Pharmaceuticals and Health Science business

Aggressively pursuing M&A opportunities to become a major player in the global arena

Restructuring and revitalizing Kirin Group

Evolving to become a global leader in CSV

Social events
Company-wide events

- 1923** Yokohama Yamate Plant damaged due to the Great Kanto Earthquake and relocated to Namamugi, Yokohama (now Yokohama Brewery, Kirin Brewery Company, Limited).
- 1975** Formulates "Transformation Initiative 1975."

- 1981** Formulates the Long-Term Management Vision.

- 2006** Formulates the Long-Term Management Vision "Kirin Group Vision 2015" (KV2015).
- 2011** Starts to support areas affected by the Great East Japan Earthquake and begins to adopt CSV management.
- 2012** Formulates the Long-Term Management Vision "Kirin Group Vision 2021" (KV2021).
- 2013** Establishes Japan's first CSV-specialized department.

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

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

2016
MTBP

- 2019** Formulates the Long-Term Management Vision "Kirin Group Vision 2027" (KV2027).
- 2019** Kirin Group's CSV Purpose formulated.

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

2019
MTBP

2022
MTBP

2025
MTBP

Food & Beverages

- 1885** Japan Brewery Co., Ltd. established.
- 1888** Kirin Beer introduced.
- 1907** Kirin Brewery Co., Ltd. established.
- 1928** Kirin Lemon introduced.
- 1943** Kirin Science Institute (the forerunner of Kirin Central Research Institute) established.
- 1963** Vending Machine Services Co., Ltd. (the forerunner of Kirin Beverage Co., Ltd.) established.
- 1972** Kirin Seagram Co., Ltd. (the forerunner of Kirin Distillery Co., Ltd.) established.
- 1976** Koiwai Dairy Products Co., Ltd. established.
- 1977** KW Inc. (the forerunner of Coca-Cola Beverages Northeast, Inc.) established.



Pharmaceuticals

- 1983** Kirin City Co., Ltd. established.
- 1998** Acquires a stake in Lion Nathan Limited (now Lion Pty Limited) in Australia.
- 2002** Acquires business rights of Four Roses in the United States.
- 2002** Acquires a stake in San Miguel Corporation in the Philippines.



- 2006** Makes Mercian Corporation a consolidated subsidiary.



- 2017** Transfer of Brasil Kirin's Shares.



- 2020** Makes New Belgium Brewing Company, Inc. a wholly owned subsidiary.
- 2021** Makes Fermentum Pty Ltd a wholly owned subsidiary.
- 2022** Makes Bell's Brewery Inc. a wholly owned subsidiary.

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

Health Science

- 1982** Establishes Kirin Brewery's Research and Development Division and begins research and development in the Pharmaceuticals domain.
- 1984** Kirin-Amgen, Inc. established.
- 1990** Kirin Brewery introduces ESPO®, an erythropoietin (EPO) medicine effective on nephrogenic anemia.



- 2007** Kirin Pharma Co., Ltd. established.
- 2008** Kyowa Hakko Kirin Co., Ltd. (the forerunner of Kyowa Kirin Co., Ltd.) established.



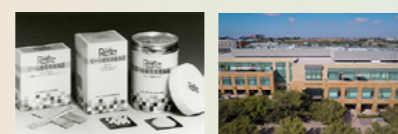
- 2018** Launches global strategy products CRYSVITA and POTEIGE® in Europe.



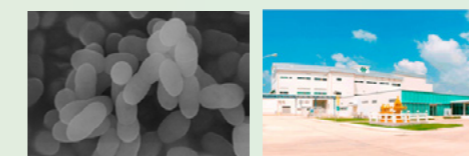
- 2023** Begins selling Crysvida in vending machines in North America
- 2024** Orchard Therapeutics becomes a wholly-owned subsidiary.



- 1983** A health food project team is formed under Kirin Brewery's Business Development Division.
- 1983** Launches Refle, a nutritional food made of beer yeast.
- 1988** Supported the establishment of La Jolla Institute for Immunology (the forerunner of La Jolla Institute for Allergy and Immunology).
- 2002** Discovers Lactobacillus paracasei KW3110.



- 2008** Kyowa Hakko Bio Co., Ltd. established.
- 2010** Lactococcus lactis strain Plasma discovered.
- 2015** Kyowa Hakko Bio's Thai subsidiary, Thai Kyowa Biotechnologies Co., Ltd. completes construction of amino acid production plant.



- 2017** Launches a new brand iMUSE.



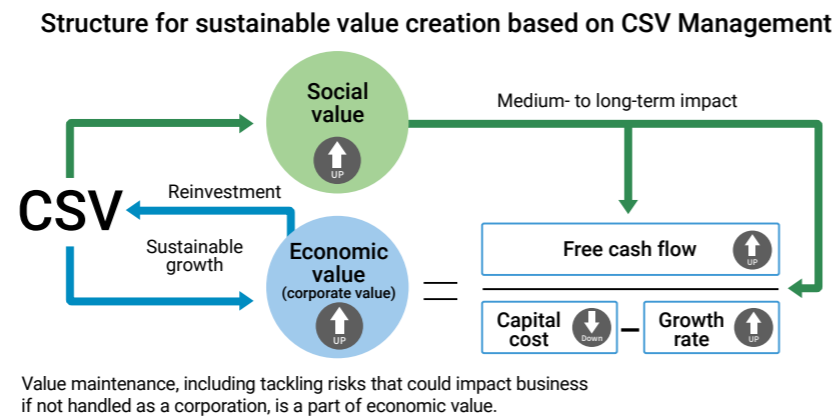
- 2019** Kirin Holdings Company establishes the iMUSE Health Science Factory, a new base for manufacturing lactic acid bacteria raw materials, and commences production.
- 2019** Make a capital and business alliance with FANCL Corporation.
- 2020** iMUSE accepts notification as Japan's first* foods with function claims for immune function support.
- 2023** Makes Blackmores Limited a consolidated subsidiary.



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

CSV Management and the Value Creation Model

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



Value Creation Model

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

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



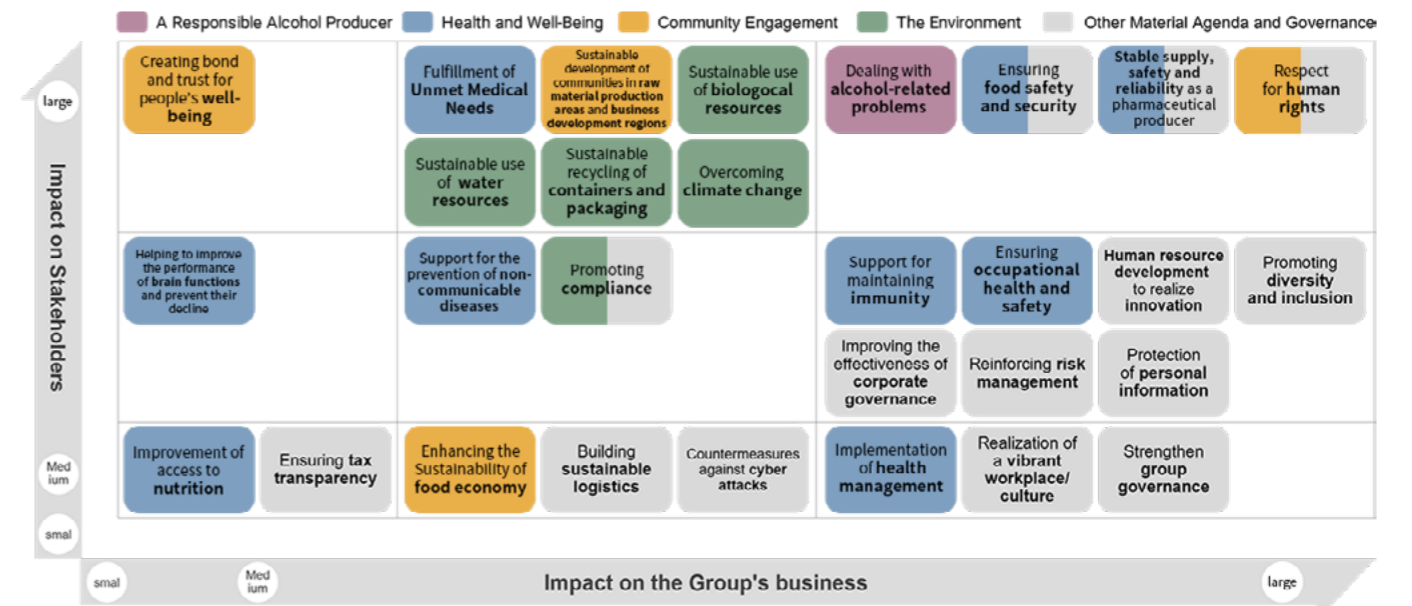
The origin of CSV Management

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

Management Issues for Sustainable Growth –Group Materiality Matrix (GMM)

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

perspectives of impact on its business and impact on stakeholders. As the Group considers that the GMM will change over time, it re-evaluates and revises the GMM every time it formulates a three-year Medium-Term Business Plan.



CSV Purpose

The CSV Purpose is based on the GMM, which outlines the key issues that must be addressed in order to exist sustainability and develop together with society. The respective principles are a set of guidelines for the role and purpose expected to us in society for each of the four priority issues: A Responsible Alcohol Producer, Health and Well-Being, Community Engagement, and The Environment. Each business segment makes efforts toward our CSV Commitment, an action plan to realize these guidelines.

^{P92} Refer to page 92 for information on and results of the CSV Commitment



Long-Term Management Vision / Medium-Term Business Plan

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

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

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

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

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

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

Corporate philosophy	KIRIN brings joy to society by crafting food and healthcare products inspired by the blessings of nature and the insights of our customers.
2027 vision	A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals
Outcomes	Create economic value (Financial targets), create social value (Non-financial targets)
Strategy framework	
One KIRIN Values	Passion. Integrity. Diversity.

Kirin Group 2022–2024 Medium-Term Business Plan (2022 MTBP)

The nine years of KV2027 are broken into three-year periods with more concrete strategies. These strategies are formulated in the medium-term business plans.

The 2022–2024 Medium-Term Business Plan (2022 MTBP) covers the period from 2022 to 2024, a period of shifting to a new growth track and solidifying the story of our journey to realizing KV2027.

Reflection on the 2019 MTBP and summary of the 2022 MTBP

Built the foundation of transformation

- Further increase cash generation capabilities of existing businesses
- Further enhance shareholder returns and maximize corporate value
- Launch and cultivate multiple businesses connecting Pharmaceuticals and Food & Beverages in between existing business domains (Food & Beverages and Pharmaceuticals) and connect them to the Group’s sustainable growth

Reflection	Results	Built a foundation of growth for the 2022 MTBP
Corporate		<ul style="list-style-type: none"> Slim down balance sheets by organizing the business portfolio, selling cross-shareholdings, etc. Support normalized EPS through share buybacks Improve quality of corporate governance (diversity of the board, remuneration system, and risk management)
Food & Beverages		<ul style="list-style-type: none"> Develop high value-added products Non-alcoholic Beverages business & Health Science Australian dairy beverages sales, etc.
Pharmaceuticals		<ul style="list-style-type: none"> Launch three globally strategic products in multiple regional markets Build a global management system
Health Science		<ul style="list-style-type: none"> Vertically integrate the value chain Expand number of LC-Plasma infused products Invest in next-generation strategic materials

New growth track

Focusing management resources on three domains

- Increase profit in Food & Beverages domain
- Scale up business in Health Science domain
- Strengthen global base in Pharmaceuticals domain

Achieving KV2027

2019–2021 MTBP

2022–2024 MTBP

2025–2027 MTBP

Goals of the 2022 MTBP

Financial goals*1

Normalized EPS*2 (profit per share)	Average annual growth rate	More than 11%
ROIC*3	FY2024	More than 10%

*1 Financial indicators are evaluated by excluding the impact of exchange rate fluctuations when overseas subsidiaries are consolidated, etc.
*2 Normalized EPS = Normalized profit / Average number of shares outstanding during period
Normalized profit = Profit attributable to owners of the Company ± Other operating income and expenses and other items after income taxes
*3 ROIC = Earnings before interest and after tax (Average interest bearing debt between the beginning and the end of the FY + average total equity between the beginning and the end of the FY)

Non-financial goals

	Theme	Non-financial indicators	Plan for fiscal year ending December 2024
Environment	Climate change	GHG reduction rate	23%
	Container & Packaging	Percentage of recycled resin used in resin for plastic bottles	38%
	Water resources	Water intensity at manufacturing sites with high water stress	Less than 3.0 kl / kl
Health	Progress of mid-term health science strategy	Degree of achievement in supporting the maintenance of immune function (1) Rate of recognition of function of LC-Plasma in Japan (2) Number of people continually intaking LC-Plasma	(1) 45% (2) 1.9 million people
		New value creation in the immunity, brain function, and intestinal environment domains and collaboration with the Pharmaceuticals domain	Undisclosed
Employees	Organizational culture	Employee engagement score	75%
	Diversity	Degree of achievement in increasing diversity (1) Rate of women in management in Japan (2) Rate of career hires in Japan	(1) 15% (2) 30%
	Occupational health and safety	Lost-time injury frequency rate	0.95 (Japan: 0.40)

Long-Term Management Vision / Medium-Term Business Plan

Business Domain-specific Strategies of the 2022 MTBP

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



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



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



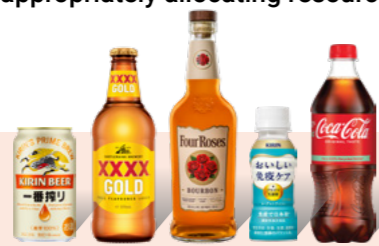
Changes in economic conditions and demand due to geopolitical risks and inflation in various countries



Increased competition in each market

Business domain-specific strategies

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



Increase profit in Food & Beverages domain

Alcoholic Beverages business

Appropriately allocate resources as a core Group business and further enhance contributions to profits

Non-alcoholic Beverages business

Commit to building a distinguished product portfolio that is recognized as high value by consumers and to strengthening our sales structure

- Revised prices in response to increase in cost of raw materials and more
- Grew multiple brands in the Japanese, Australian, and American markets
- Continuous EPS contributions of San Miguel Brewery

- Kirin Beverage: Expanded product variety through repositioning in health science products
- Coca-Cola Beverages Northeast: Profitability greatly improved after a successful PMI following expansion of territory

- Strengthen focus brands in response to changing consumer needs
- Expand premium products that can be differentiated from other products (including brand expansion from Japan to overseas)
- Reform sales structure to match the external environment

- Differentiate our products and contribute to society by continually expanding our health science products portfolio
- Improve productivity of the supply chain through facility investments and digitalization
- Reform sales structure to match the external environment

TOPICS

Strengthening focus brands in light of changing customer needs

In Japan, due to factors such as the impact of the liquor tax revision in October 2023, the narrow beer category has been favorable. In addition to the steady growth of the *KIRIN ICHIBAN* brand, Kirin Brewery will aim to achieve growth in the narrow beer category that outperforms the market with the launch of *Kirin Beer Harekaze*, the first new product in the beer category in 17 years.



Strengthen global base in Pharmaceuticals domain

Aim to be a Japan-based Global Specialty Pharmaceutical company* as a business that promotes CSV that resolves social issues, mainly rare diseases

- Sustainable growth of *Crysvita* and *Poteligeo*
- Strengthened sales structure in North America and EMEA
- Phase 3 testing of KHK4083 / AMG451 progressed steadily and target diseases of development expanded
- Secured a platform for hematopoietic stem cell gene therapy by acquiring Orchard Therapeutics plc

- Continuously expand global strategic products
- Enter the market with KHK4083, which is expected to have significant potential
- Consider further expanding our pipeline

TOPICS

Continuous expansion of global strategic products

Kyowa Kirin will grow its global strategic products in accordance with its plan and aim to be a Global Specialty Pharmaceutical company* by advancing clinical trials for the launch of KHK4083, which has the most promise within the next-generation pipeline.

*A pharmaceutical company that constantly creates, develops, and sells new, groundbreaking drugs globally using cutting-edge biotechnology with antibody technology at its core in a domain focused on the kidneys, cancer, immunity & allergies, and the central nerves.



Scale up business in Health Science domain

With the aim of making it a pillar of revenue that supports future growth, we are working on expanding our business scale and achieving early profitability, just like our previous entry into the Pharmaceuticals business

- Grew steadily to achieve a sales revenue of 50 billion yen for LC-Plasma
- Continuously created added value (R&D, products, infrastructure synergy) with FANCL
- Secured a foundation in the Asia-Pacific after acquiring Blackmores

- Promote the brand business in Japan and the Asia-Pacific through collaboration with Blackmores and FANCL
- Expand and monetize the LC-Plasma business
- Reform structure of Kyowa Hakko Bio

TOPICS

About LC-Plasma

LC-Plasma is a lactic acid bacteria that supports the maintenance of immunity in healthy people. It has been reported in research papers that it is the first in the world to work on pDC (plasmacytoid dendritic cells), a leader of the immune system. Kirin Holdings, KOIWA DAIYU PRODUCTS CO., LTD., and KYOWA HAKKO BIO CO., LTD. have jointly conducted research on this product, and with the cooperation of universities and research institutions in Japan and overseas, 33 papers have been published and numerous presentations made at academic conferences. 8 LC-Plasma was the first lactic acid bacteria reported to work on pDC in humans (based on information published in PubMed and the homepage of the Central Medical Journal).

