

KIRIN



Kirin Group Investor's Guide

April 2025

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Main updates this time

- Update on Business Performance and Other Results.
- Various information updated with the announcement of the plan for 2027.

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Basic Information

Company Name

**Kirin Holdings Company,
Limited**

Date of Establishment

February 23, 1907

Capital Stock

102.0 billion yen

Representative

Representative Director of the Board & CEO

Yoshinori Isozaki

Representative Director of the Board, President &
COO

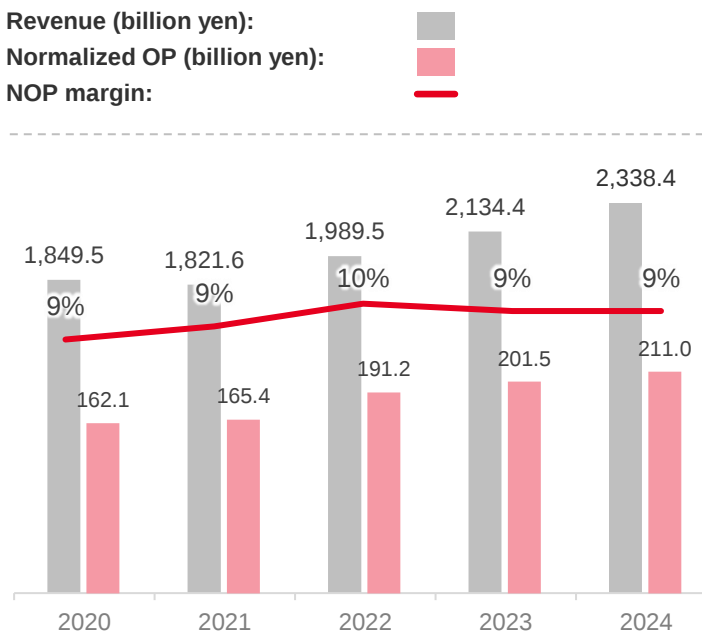
Takeshi Minakata

Sales Revenue and Normalized Operating Profit (2024)

Sales revenue: 2,338.4 billion yen

Normalized OP: 211.0 billion yen

Revenue (billion yen):
Normalized OP (billion yen):
NOP margin:



Accounting period

December

Number of Group Companies

Consolidated subsidiaries: 177

Equity method affiliates: 28

Head Office Location

4-10-2 Nakano, Nakano-ku, Tokyo

Number of employees (consolidated)

31,934 employees

Group Management Philosophy

Kirin's enduring, long-term significance in society

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

Our manufacturing technology is designed to meet the needs of our customers, to draw out the full potential of nature, and to create a reliable form. We have been pursuing high quality that meets the expectations of our customers through these technologies. With "dreams" and "aspirations," we will continue to propose new styles of "food and health" that lead to new joys, and contribute to the health, enjoyment, and comfort of people around the world.

Corporate Slogan

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

Joy Brings us Together

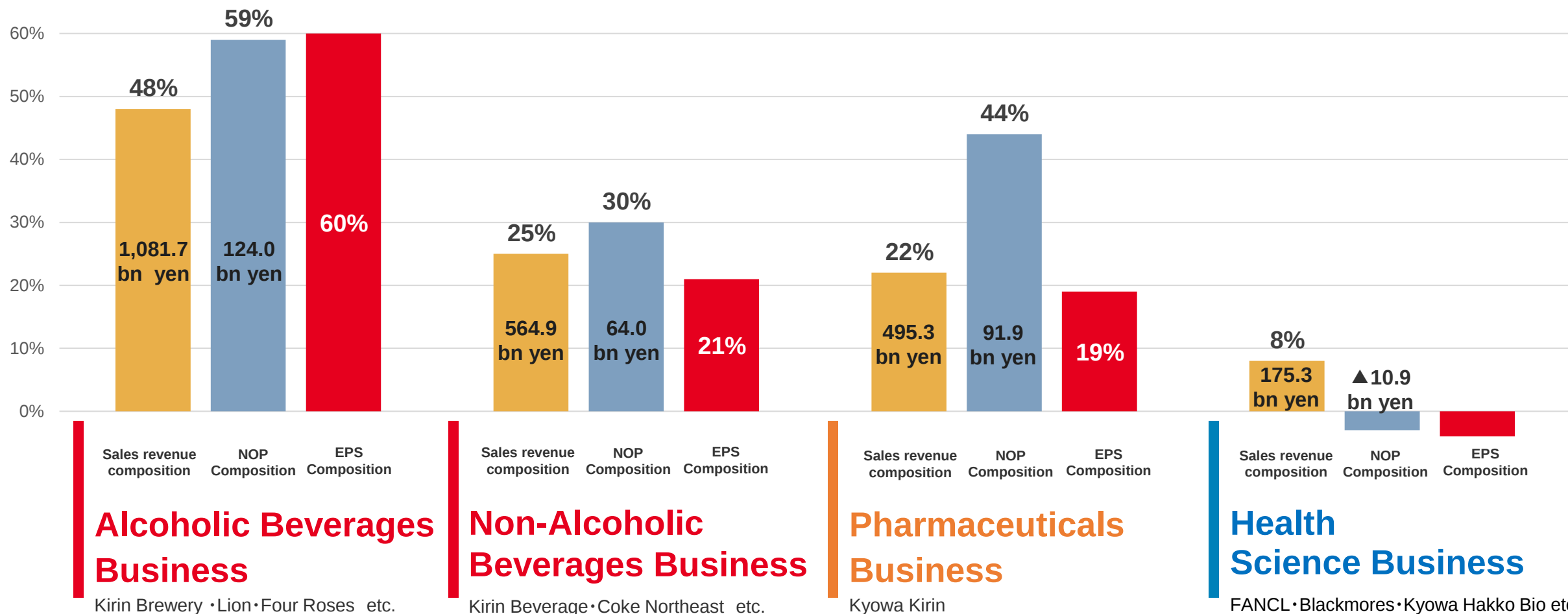
It is a motto that expresses the significance of our existence to customers and society, while encouraging each employee to continuously take on new challenges.



Kirin Holdings Business Overview

Consolidated sales revenue 2,134.4 billion yen / Consolidated NOP: 211.0 billion yen

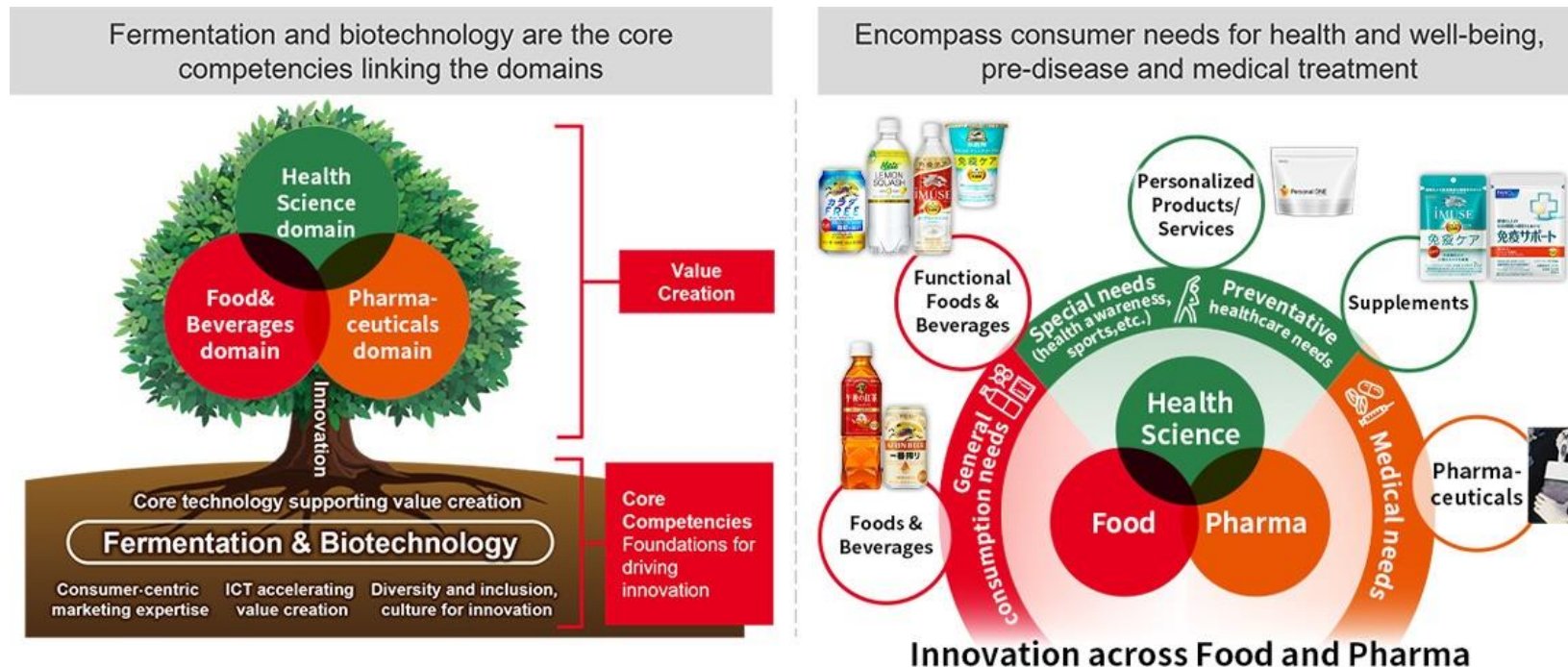
The ratio of each business to consolidated results



Unique Business Portfolio

Leveraging Fermentation and Biotechnology Cultivated in The Beer Business

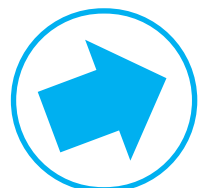
- The Kirin Group aims to create value in three business domains (Food, Health Science, and Pharmaceuticals) with fermentation biotechnology as our core competence.
- Although we are diversifying our business, we are not trying to diversify into enclaves, but all of our business areas are based on fermentation and biotechnology.
- In addition to the Food Business to meet the needs of general consumers and the Pharmaceutical business to meet medical needs, we are working on three new pillars in the Health Science business to meet health needs in the pre-disease stage before illness occurs.



Develop a Business Portfolio to Prepare for Uncertainty

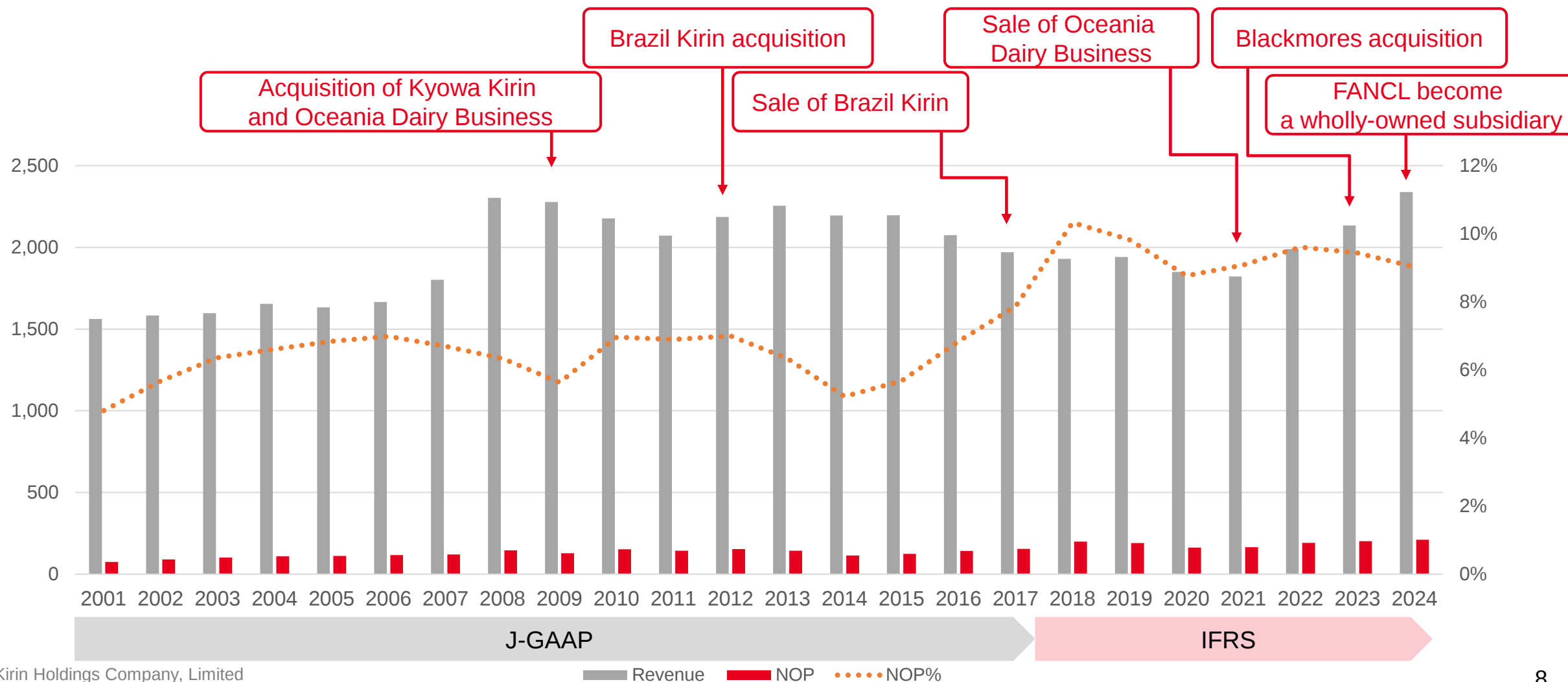


- Achieve EPS growth in each area by developing a business portfolio that takes into account the uncertainties and geopolitical risks

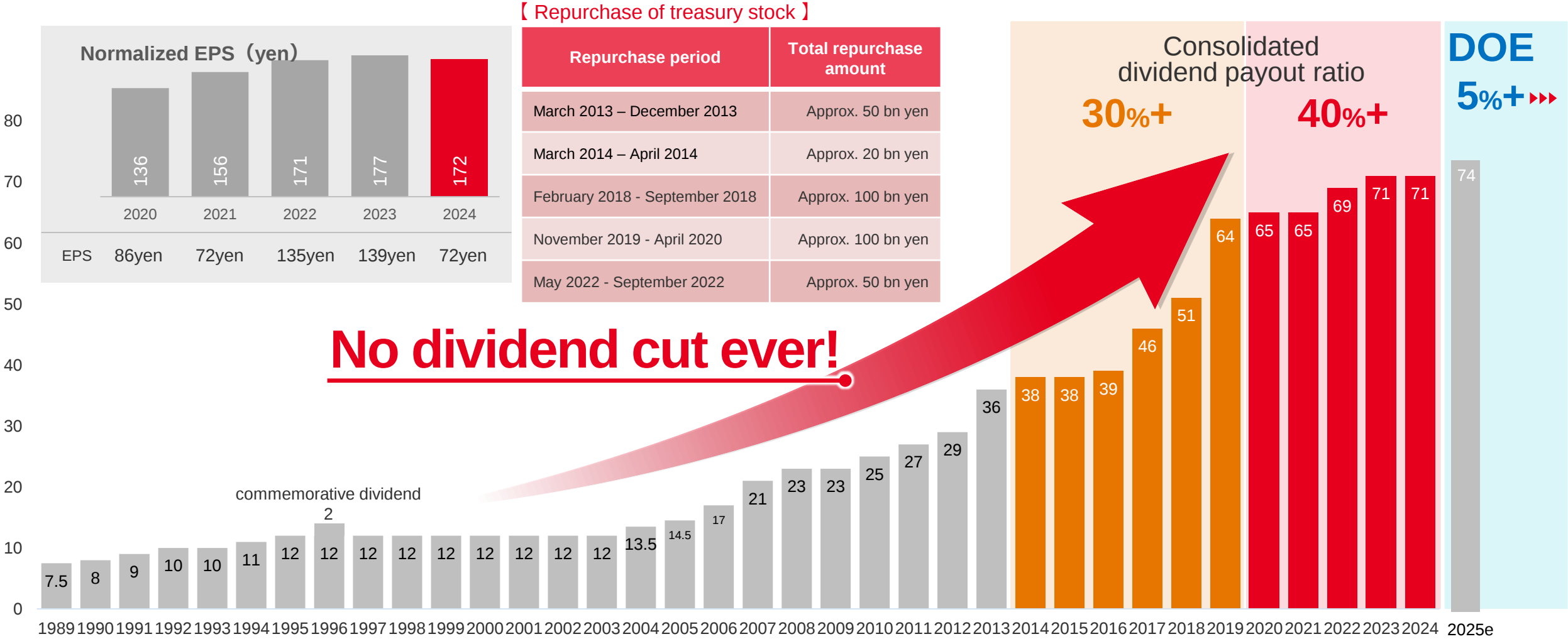
Japan EPS Composition 33%	Achieve value creation with FANCL in addition to stable growth of Alcoholic Beverages Business, etc.  	 Stable EPS growth Alcoholic & Non-Alcoholic Beverages Businesses Health Science Business	Increase unit price through brand enhancement despite a shrinking market Strengthen inner and outer approaches to health challenges and FANCL business integration
APAC EPS Composition 30%	Achieve growth through structural reform of Alcoholic Beverages Business and by leveraging Blackmores' brand power. Enhance presence within the group while also planting the seeds for future value creation.    	 Drive EPS growth Alcoholic & Non-Alcoholic Beverages Businesses Health Science Business	Strengthen brands and improve profit structure Grow the Blackmores brand and expand FANCL's operation
US, others EPS Composition 37%	The stable economic environment has let to growth in the Alcoholic Beverages & Non-Alcoholic Beverages. Growth driven by the Pharmaceuticals Business.    	 Drive EPS growth Alcoholic & Non-Alcoholic Beverages Businesses Pharmaceuticals Business	Contribute stable profit from strong brands Continue to grow global strategic products

Sales Revenue and Normalized Operating Profit Trends

- Steady increase in profit margin from the past. Aiming to recover and grow profits that declined due to COVID-19.

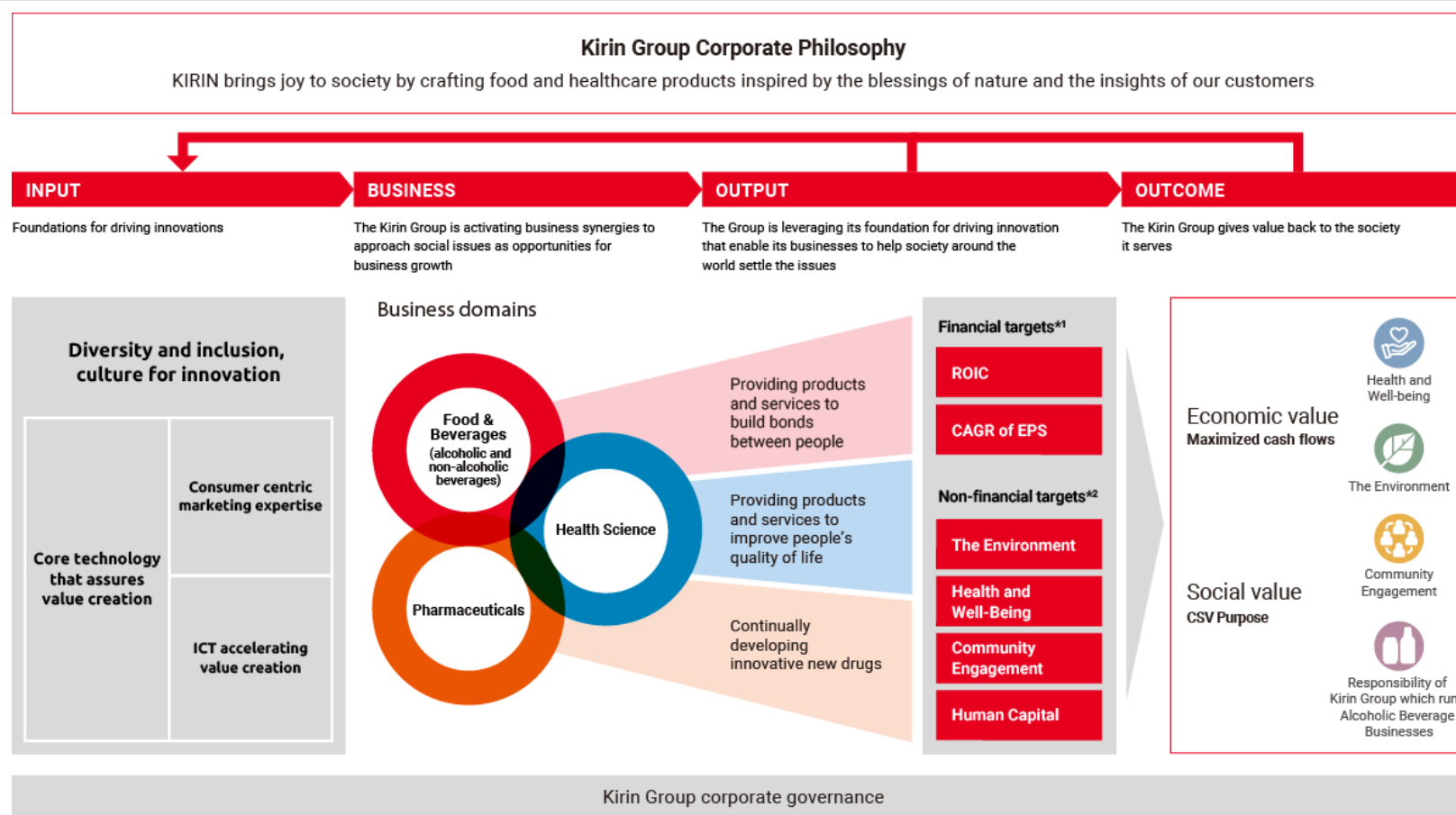


➤ Dividends are the highest priority allocation for cash allocation



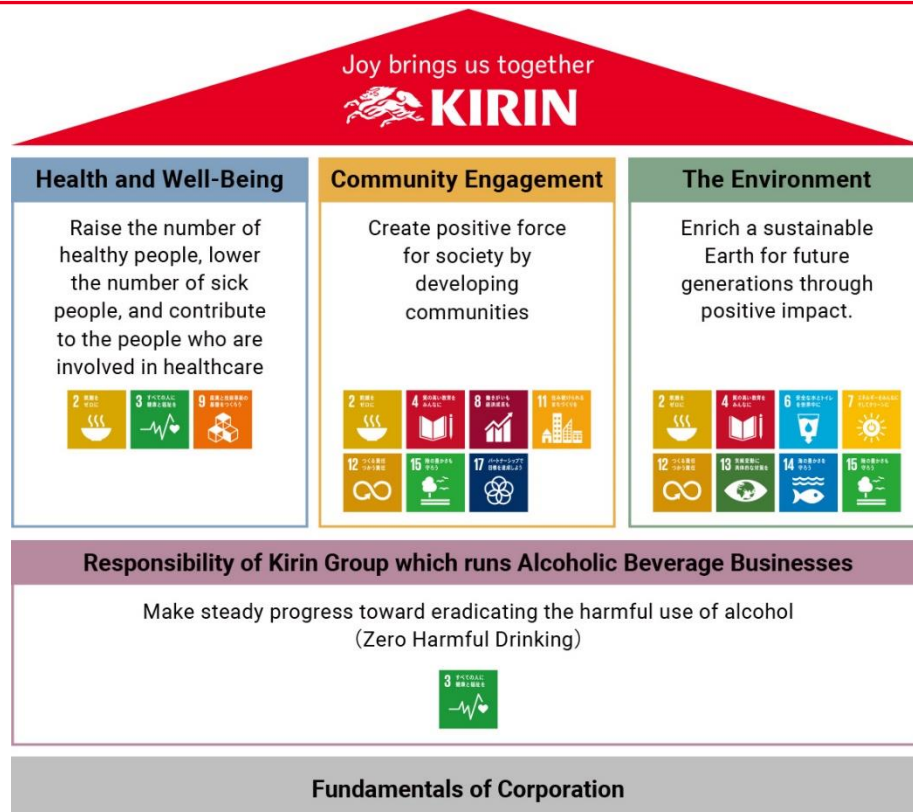
Value Creation Model

- Kirin Group strives to solve social issues through its business activities, creating economic value while generating social value simultaneously.
- The value creation model is a sustainable mechanism that amplifies the two values through a cycle of reinvesting the acquired economic value to the organization's capabilities.



- Pursuing four core purposes: "Responsibility as an alcoholic beverage manufacturer," "Health," "Community," and "Environment".
- The brewing philosophy of "Reverence for Life" is the foundation of the Kirin Group's unique CSV management.

CSV Purpose



Reverence for Life

Reverence for Life



Fermentation and Biotechnology



Craftmanship



Environmental Management



Health

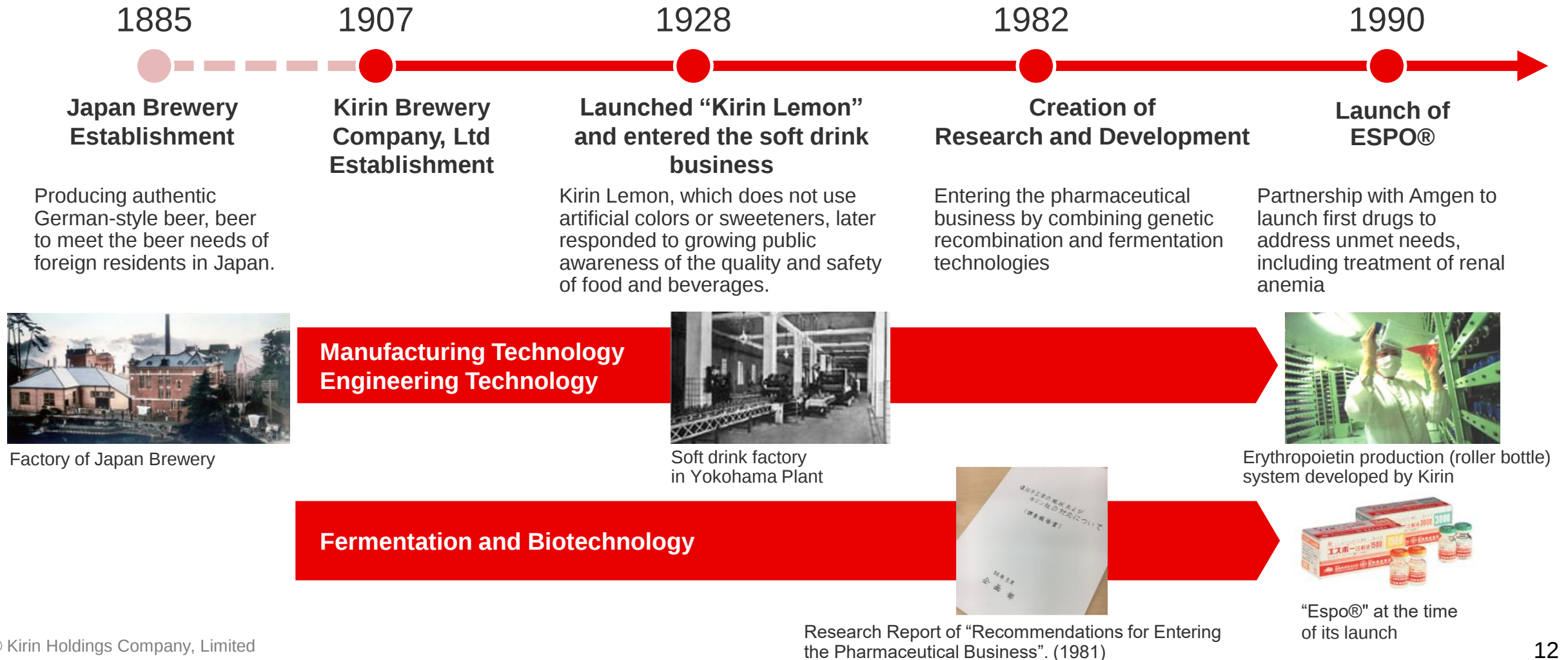
Community

Environment

CSV Purpose

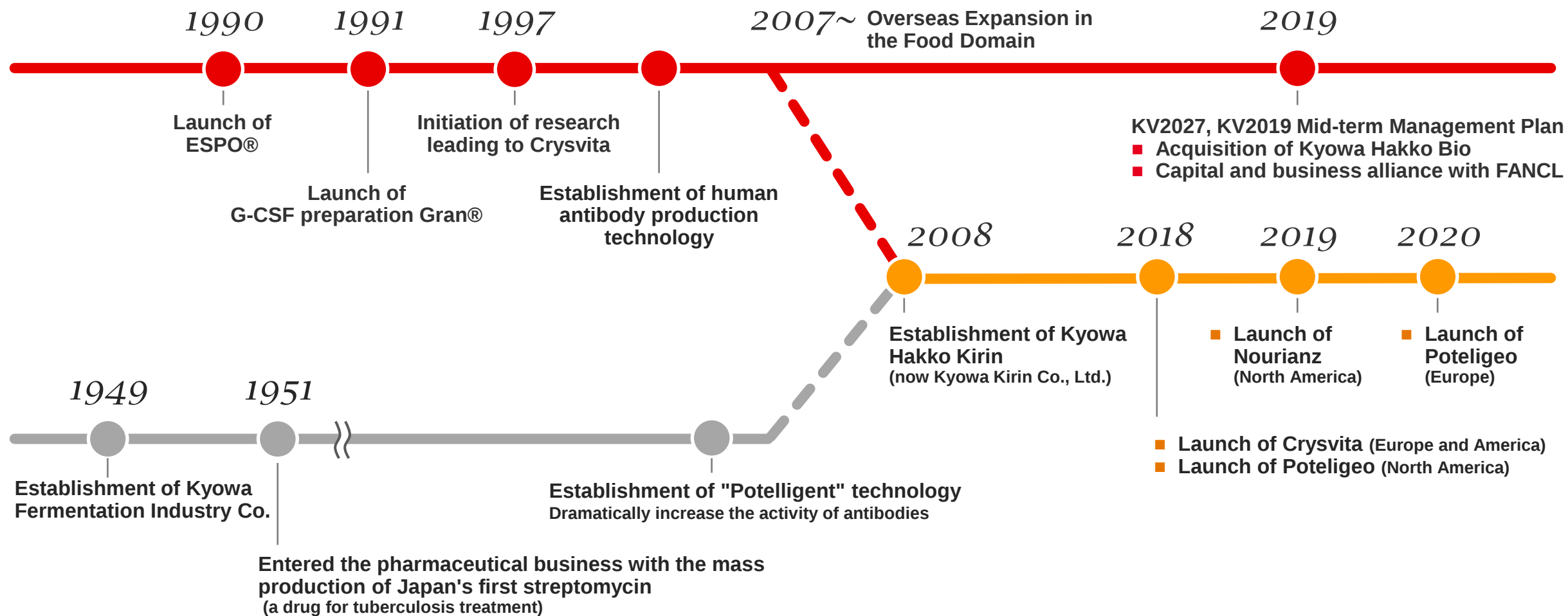
KIRIN Group History

- Entered the pharmaceutical business in the 1980s, with its origins in the beer business
- The Kirin Group has achieved growth by leveraging core technologies to meet unmet needs.



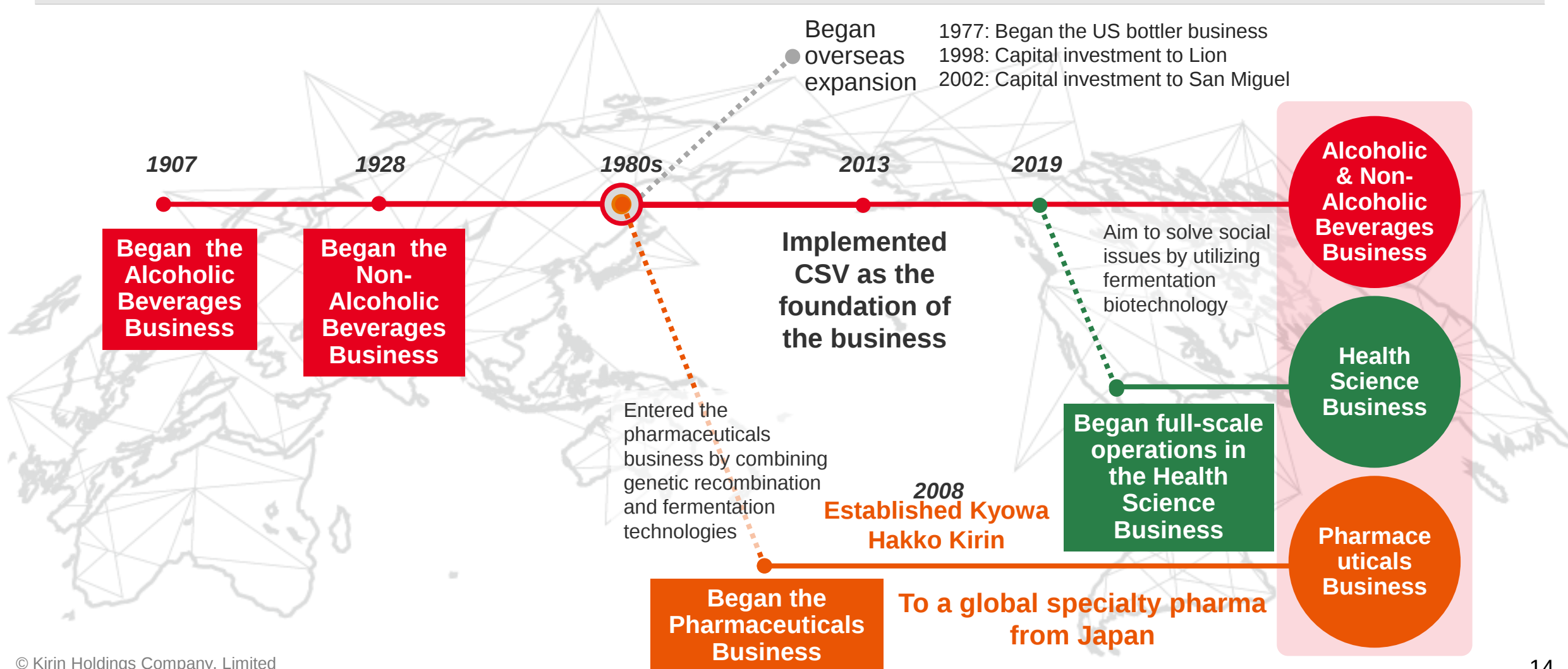
Origin and Technology of the Pharmaceutical Business

- We have enhanced our research and development capabilities, such as exploration of microorganisms and production technology through cell culture.



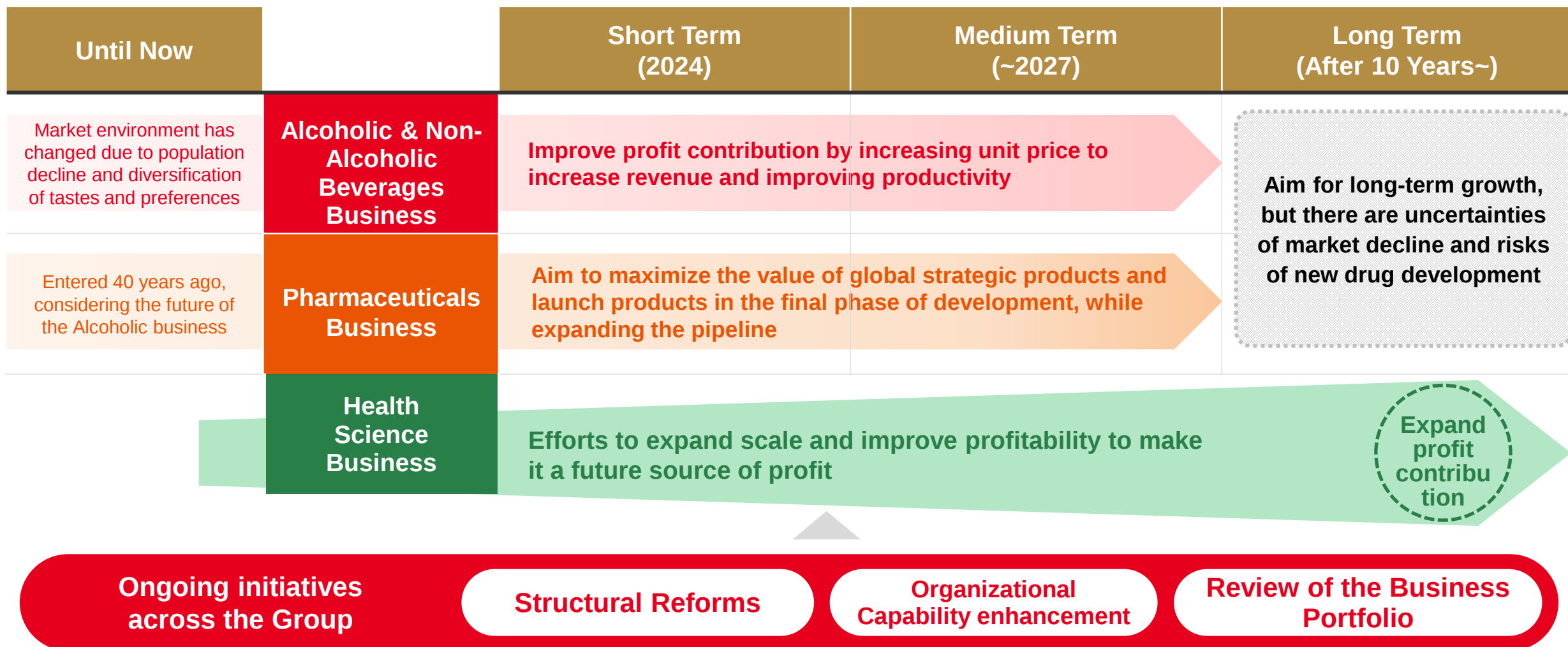
Business Portfolio Management

- In light of the changing environment, we promoted ambidextrous management and globalization to build an optimum business portfolio.



Business portfolio approach in the short, medium, and long term

- Aim for sustainable growth with an optimal business portfolio by allocating resources adequately according to the stages of each business



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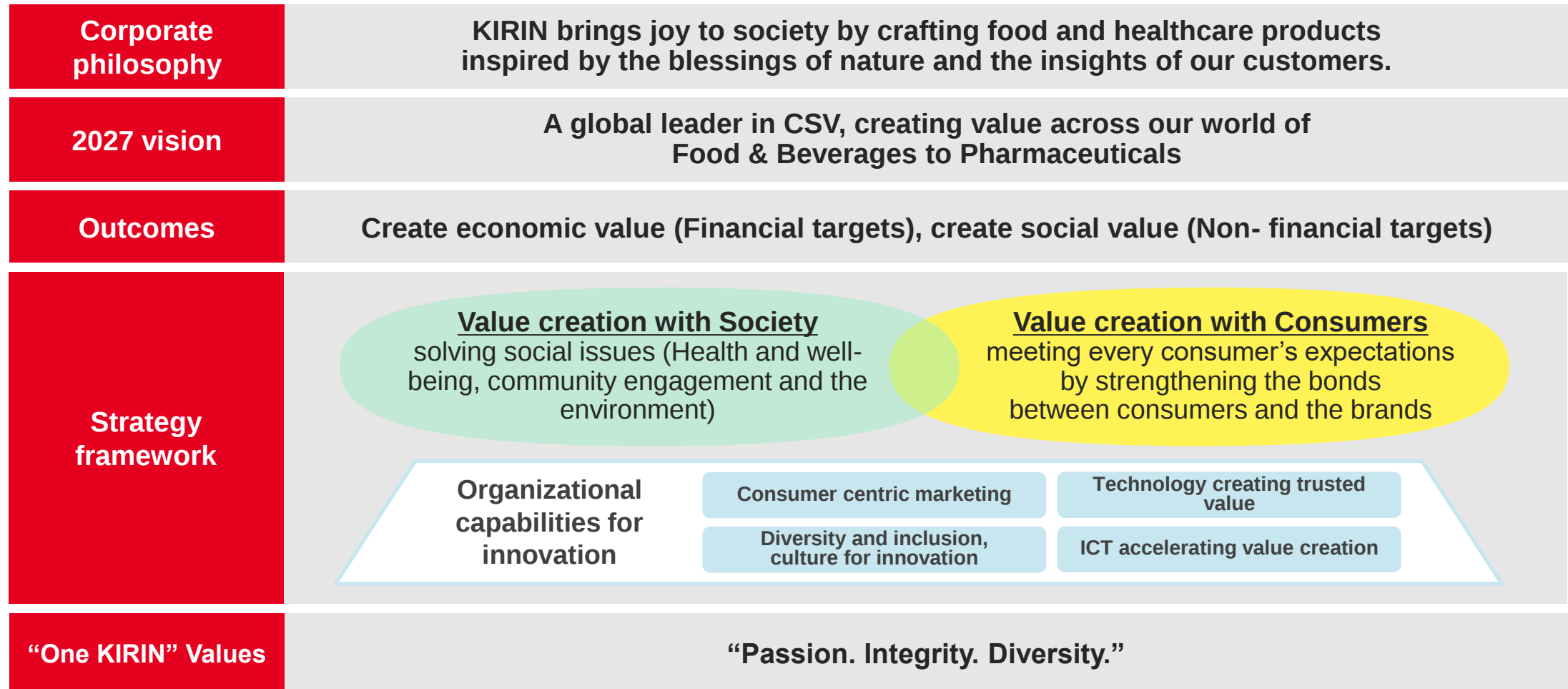
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A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals



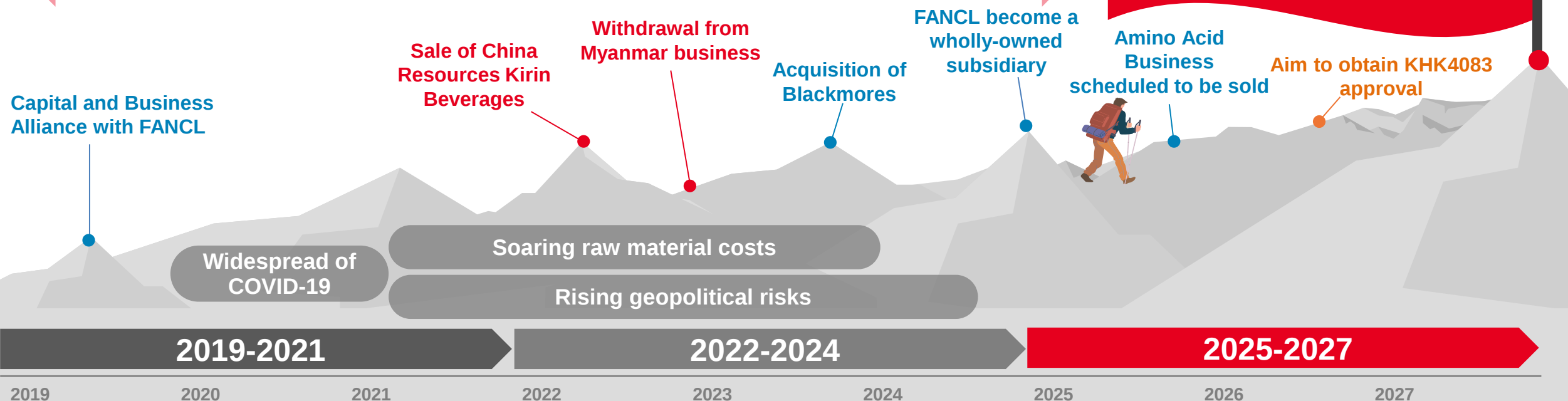
Toward Achieving KV2027

Six of the nine years of the Long-Term Management Vision period have passed, and we will climb the mountain we have identified to achieve KV2027 in the final three years

- In the 2022 Medium-Term Business Plan period, the business infrastructure of the Health Science Business has been established
- Aiming high by strengthening our proactive approach to achieve KV2027 in the Alcoholic Beverages, Non-Alcoholic Beverages, Pharmaceuticals, and Health Sciences business portfolios

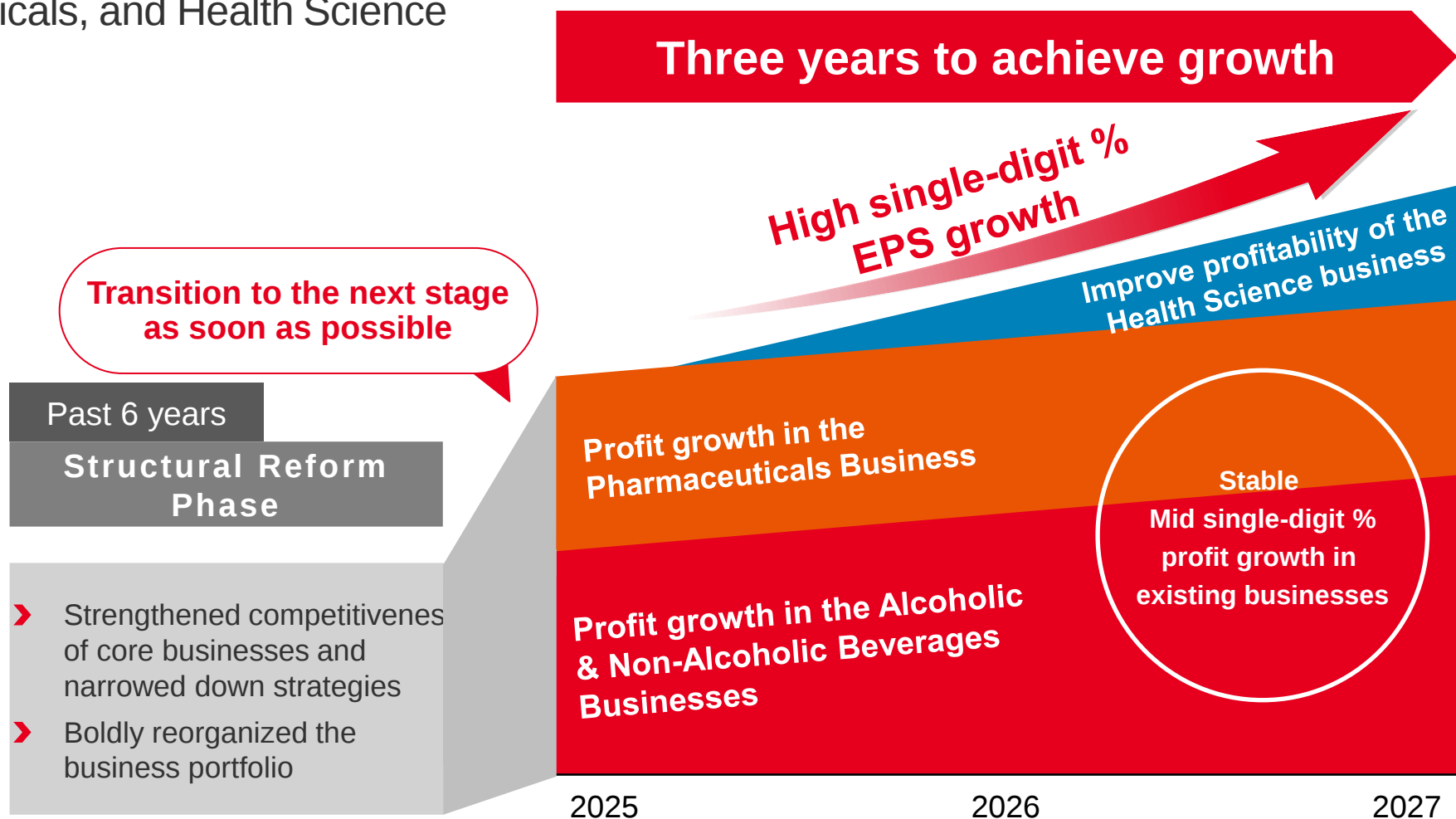
The past six years have seen significant changes in the Group's internal and external environment.

Kirin Group Vision 2027 (KV2027)
A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals



Growth Curve for the Next 3 Years

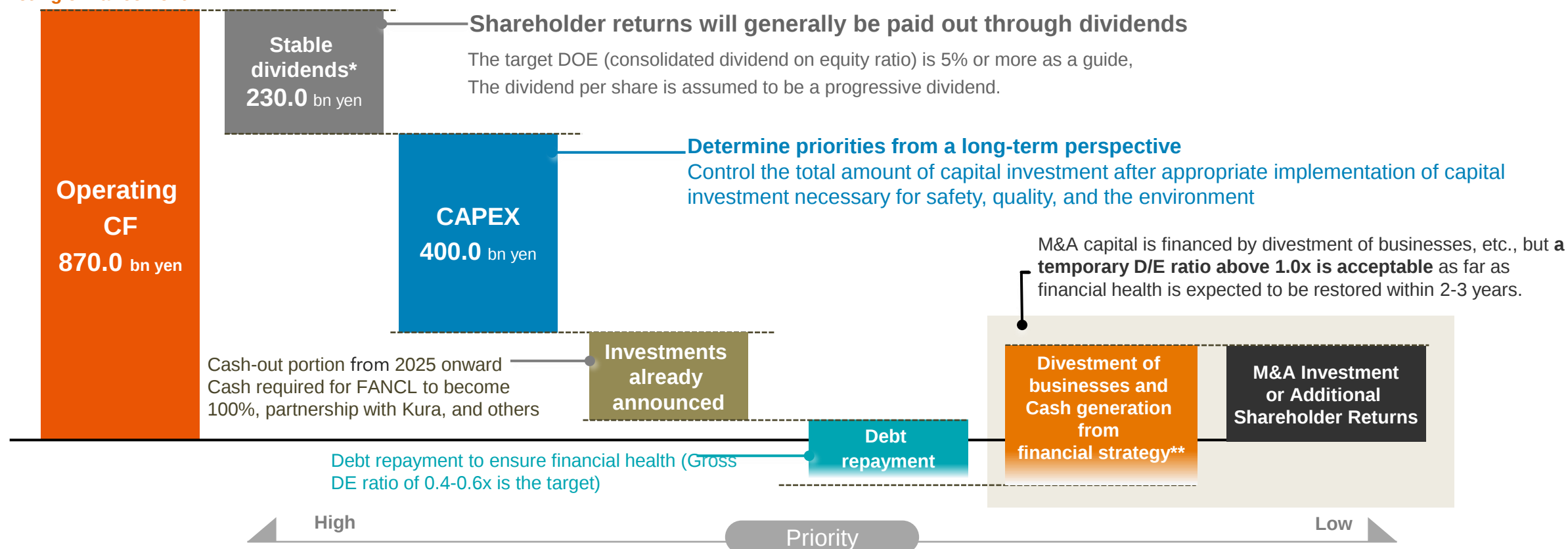
- Quick transition from the structural reform phase to the **"Growth Achievement Stage"**
- Ensure a high EPS growth rate driven by our business portfolio of Alcoholic Beverages, Non-Alcoholic Beverages, Pharmaceuticals, and Health Science



Cash Allocation, Investment Discipline and Shareholder Returns (FY2025 to FY2027)

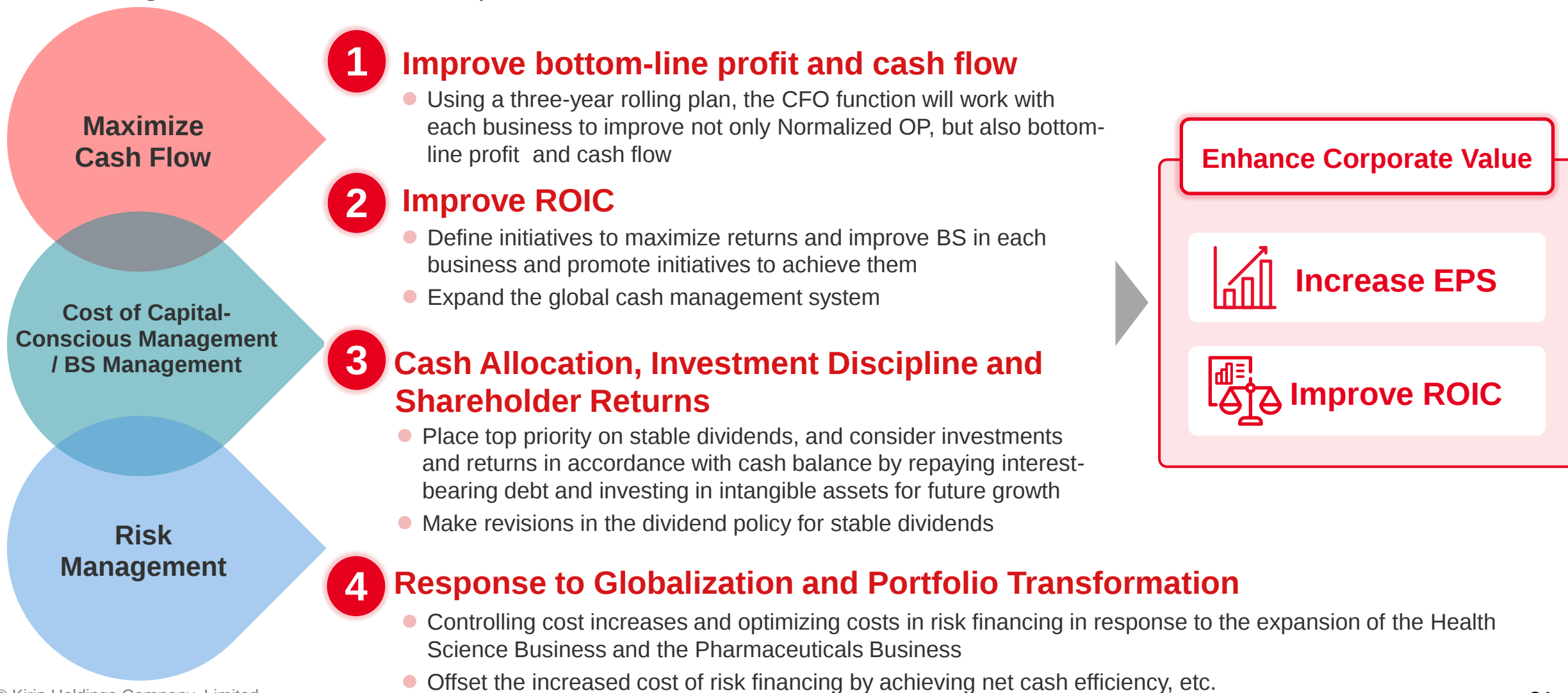
- Place top priority on stable dividends, and consider investments and shareholder returns in accordance with cash balance while repaying interest-bearing debt and investing in intangible assets for future growth
- Continue discussions to review the business portfolio
- Increase priority for M&A investments and additional shareholder returns when financial health is secured

Improve operating CF after investing
in human capital, R&D, ICT, and
marketing enhancement



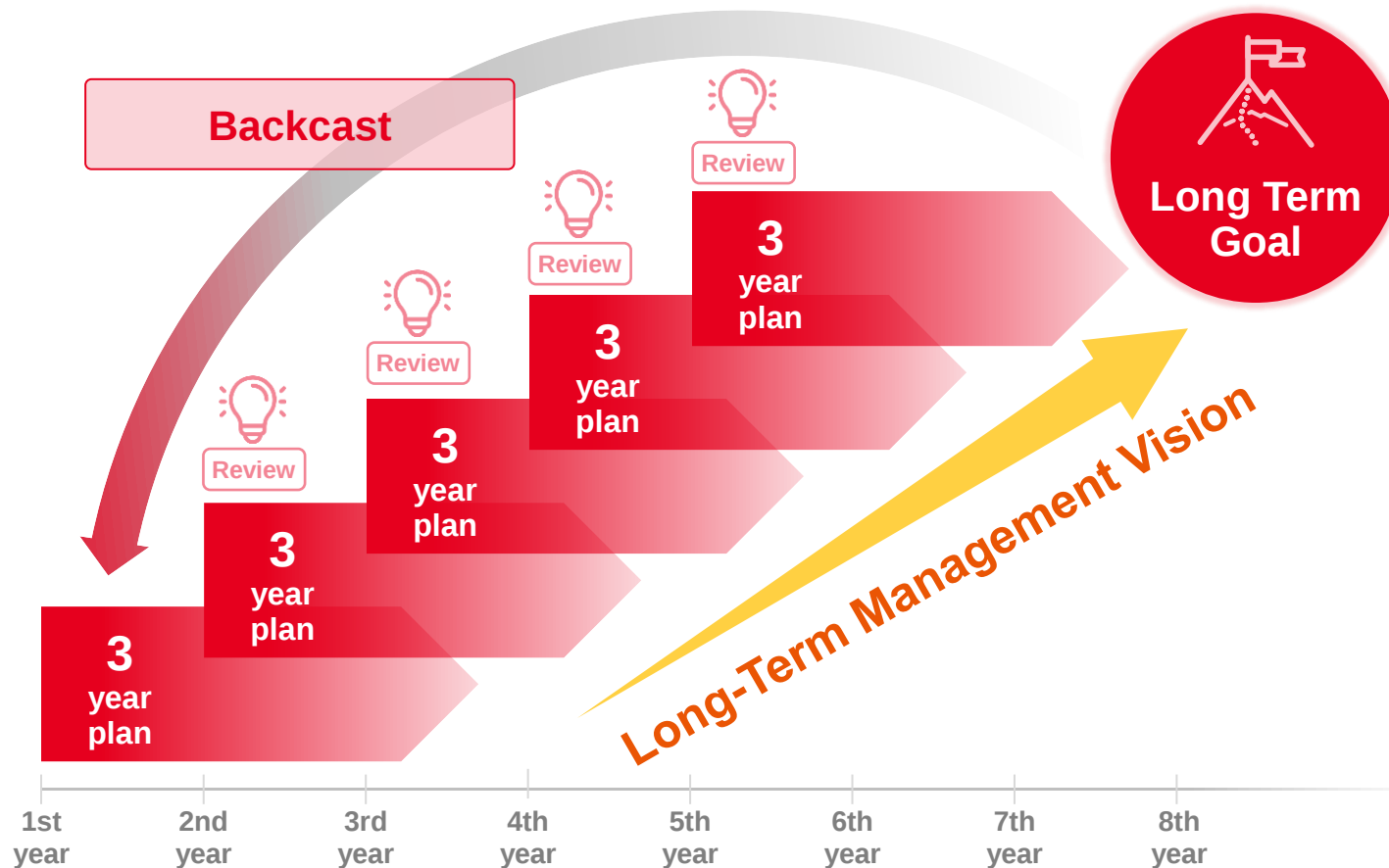
Financial Strategy to Maximize Corporate Value

- The concept of the financial strategy will not change significantly, but will be refined as a financial strategy to achieve growth and increase corporate value



Improve bottom-line profit and cash flow: Achieve through a three-year rolling business plan

Transition to a three-year rolling plan



- The CFO function and businesses will work to improve bottom-line profit and cash flow by creating a 9-10 years financial model (BS, PL, CF) for each business
- Implement cash allocation from short-, medium-, and long-term perspective through business portfolio management

Implement plans that flexibly respond to changes in the environment and ensure growth achievement

Improve Bottom-line Profit and Cash flow: Target ROIC/EPS Growth Rate



- In the 2022-2024 MTBP*, growth rate was limited to 3% due to increased costs for raw materials, fuels, and deteriorating profitability of the amino acid business, as well as increased investment in marketing and R&D expenses.
- Achieve high single-digit EPS growth rate in the short to medium and long term through continued unit price improvement and cost management initiatives, while continuing to make investments to strengthen competitiveness.

Financial Targets	Results	FY2025 Forecast	FY2027 Target	Long-term goal
EPS Set at non-Normalized "EPS" to show more substantial "earning power"***	CAGR of Normalized EPS for the past 3 years 3% (156 yen → 172 yen)	185 yen (+ 8%)	3-year CAGR high single-digit % (6% +)	CAGR high single- digit %
ROIC Aim for ROIC to continuously exceed cost of capital (WACC) ***	FY2024 4.1%	7.2%	9.0%	10% +

* Medium-term Business Plan

** The actual results used as a reference when comparing EPS growth rates should be compared to recurring EPS, so Normalized EPS is used.

*** The Group's current cost of capital (WACC) is approximately 6%

Improve ROIC

- Promote initiatives to achieve ROIC improvement through the dual efforts of increasing returns in each business and improving BS

Increase returns for each business



Top-line growth through revenue management

- Achieve unit price improvement and price revision implementation while providing products and services that meet the needs of consumers and patients



Disciplined cost management

- Benchmark comparisons in the Group's internal and external to optimize investment enhancements and cost reductions

Improve Balance Sheet



Alcoholic & Non-Alcoholic Beverages Businesses

- Reduce total SKUs by reviewing product lineup
- Implement a CCC improvement plan appropriate for the business
- Optimize assets through thorough BS management



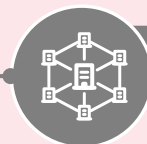
Health Science Business

- Appropriate CCC for scale expansion
- Liquidate and withdraw from unprofitable businesses



Pharmaceuticals Business

- Continuing structural reforms globally



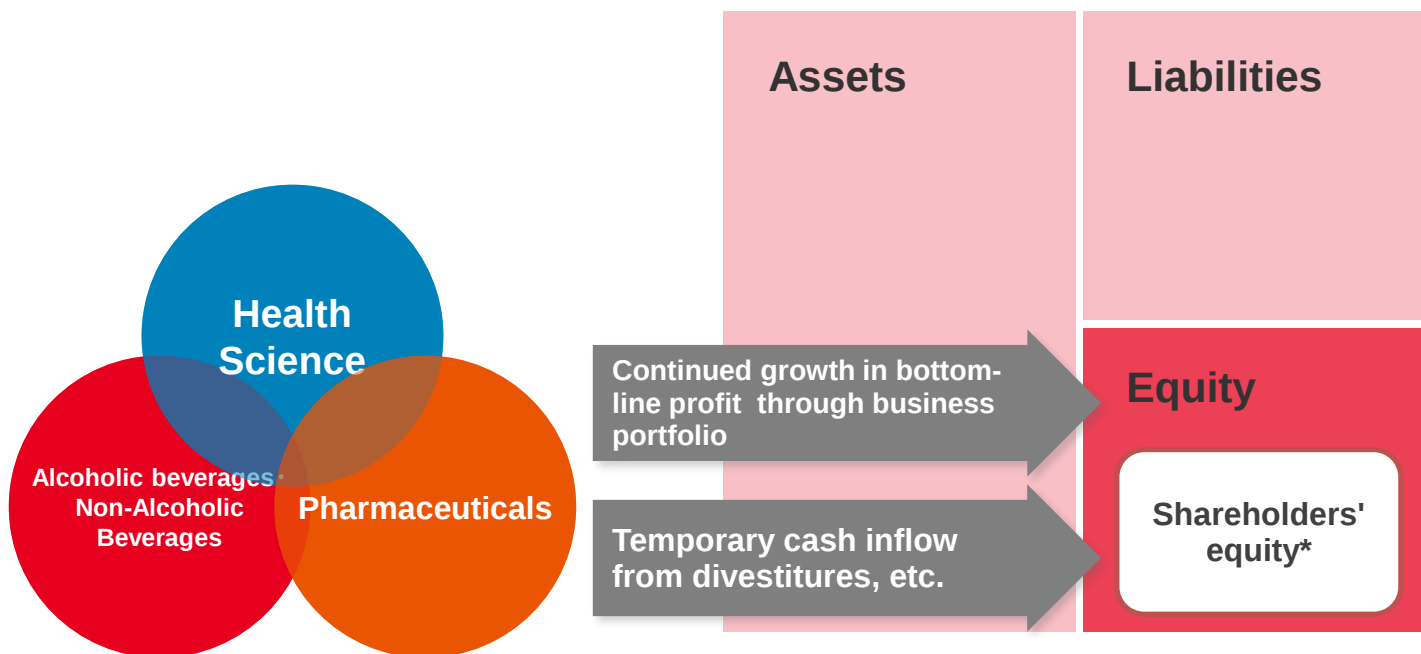
Initiatives through the Business portfolio

- Expand the global cash management system
- Optimize assets by reorganizing the business portfolio

Aim for ROIC
10%

Cash Allocation, Investment Discipline and Shareholder Returns

- Introduce a progressive dividend in addition to the change from a Consolidated dividend payout ratio of at least 40% on Normalized EPS to a more cost of capital conscious dividend on DOE (consolidated dividend on equity ratio) of at least 5% as a guide



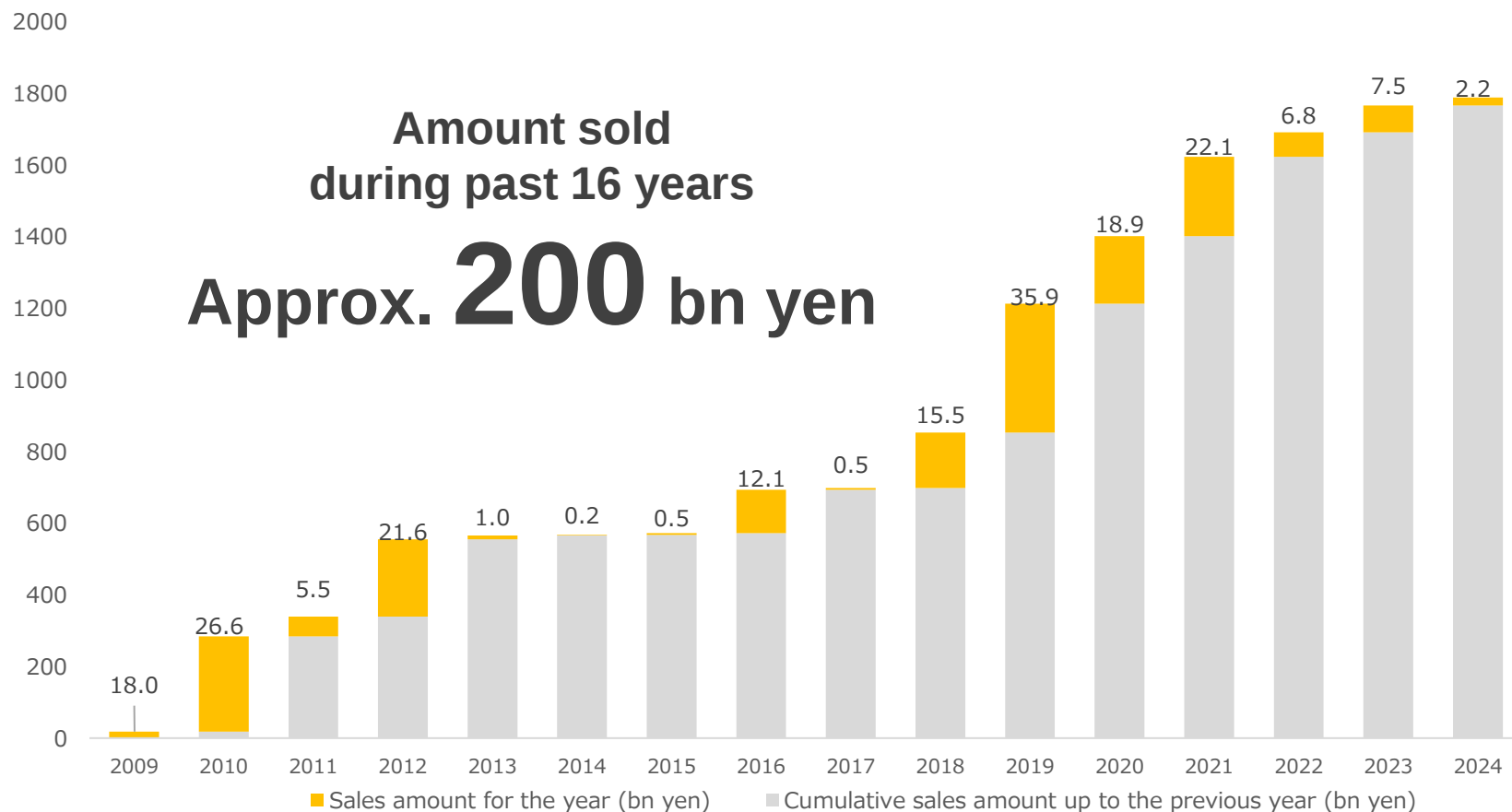
Future Dividend Policy

- Introduce progressive dividend (progressive dividend per unit**)
- Dividends based on a DOE (consolidated dividend on equity ratio) of at least 5% as a guide
- Be conscious of the cost of capital and pay stable dividends in accordance with the size of the capital
- Raise the guidance DOE ratio when higher-than-expected profit growth is confident for the future.
- Consider share buybacks to improve EPS and optimize capital amount when temporary cash is generated and there is no place to invest

Provide more stable and transparent dividend than the Normalized EPS payout ratio

* Shareholders' equity = Total equity - (Reserves + Non-controlling interests)
DOE = Dividends / Shareholders' equity

** In principle, the amount of dividend per share will not be reduced and the amount of dividend will be maintained or increased.



Amount sold during 2009 - 2018
101.5 bn yen

Amount sold during 2019 -2021
76.8 bn yen

Amount sold during 2022 -2024
16.5 bn yen

【As of the end of December 2024】

Balance of cross-shareholdings

Consolidated net assets

= 3.8%

List of Non-financial targets for 2027

item	Theme	Nonfinancial Indicators	2025 Target	Target for 2027
Health & Well-being	Health Science Strategy	Social impact of the Group's Health Science products Number of people reached through the sale of related products + Number of people reached through awareness activities	125 million people	135 million people
		Contribution to the expansion of the immunity market (LC-Plasma) Number of people reached through sales of related products + Number of people approached through educational activities	2.45 million people	3.05 million people
	Pharmaceuticals Strategy	Global product launch status in key countries	Number of products sold by country and application	Number of products sold by country and application
	Collaborative initiatives for Pharmaceutical and Health Science	Achievement level of collaboration between Pharmaceuticals and Health Science	Not disclosed*	Not disclosed*
Community engagement	Creating bonds	Level of contribution to the creation of a positive force for society through business activities Support for the sustainability of key raw material producing regions through measures such as support for farmers and environmentally friendly farming methods	Target values for each activity	Target values for each activity
Environment	Climate Change	Reduction ratio of GHG emissions Scope 1+2 emission reduction ratio compared with 2019	28%	42%
	Containers and packaging	Ratio of recycled PET resin used in Japan	40%	50%
	Water stewardship	Water use intensity at manufacturing sites with high water stress Lion (ANZ) (Water use intensity = Water usage ÷ Production amount)	Less than 2.4L/L	Less than 2.4 L/L
Human Capital	Employee engagement Empathy with Corporate Philosophy & Purpose	CSV practice score "CSV Practice Index" in the Engagement Survey	72	75
		Employee engagement score "Sustainable Engagement" in Engagement Surveys	72	75
	Employee health	LTIR Score	2.50	2.00
		Presenteeism	63.6%	66.5%
	Diversity	Ratio of female executives in Japan *This figure is based on employees with a domicile at Kirin Holdings Co., Ltd.	18%	24%

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Kirin Brewery Company, Limited



Basic Information

Company Name

Kirin Brewery Company, Limited

Business

Produce and sell beer and spirits

Operating Country

Approximately 40 countries including Japan

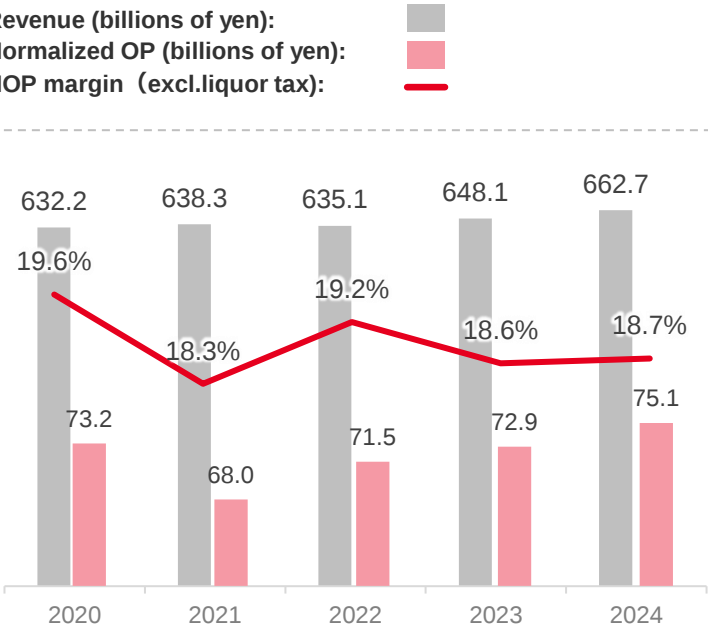
Production Site

9 Breweries nationwide
(Chitose / Sendai / Toride / Yokohama / Nagoya
Shiga/Kobe / Okayama / Fukuoka)
Fuji Gotemba Distillery

Revenue and Normalized Operating Profit (2024)

Revenue: 662.7 billion yen
Normalized operating profit:
75.1 billion yen

Revenue (billions of yen):
Normalized OP (billions of yen):
NOP margin (excl.liquor tax):



History

1885 Established Japan Brewery Co., Ltd.
(the forerunner of Kirin Brewery Co, Ltd.)
1907 Established Kirin Brewery Co, Ltd.
1990 Launched *KIRIN ICHIBAN*
2018 Launched *Honkirin*
2021 Launched *SPRING VALLEY Hojun 496*
2024 Launched *Kirin beer Harekaze*

Main Products



Main Product Categories



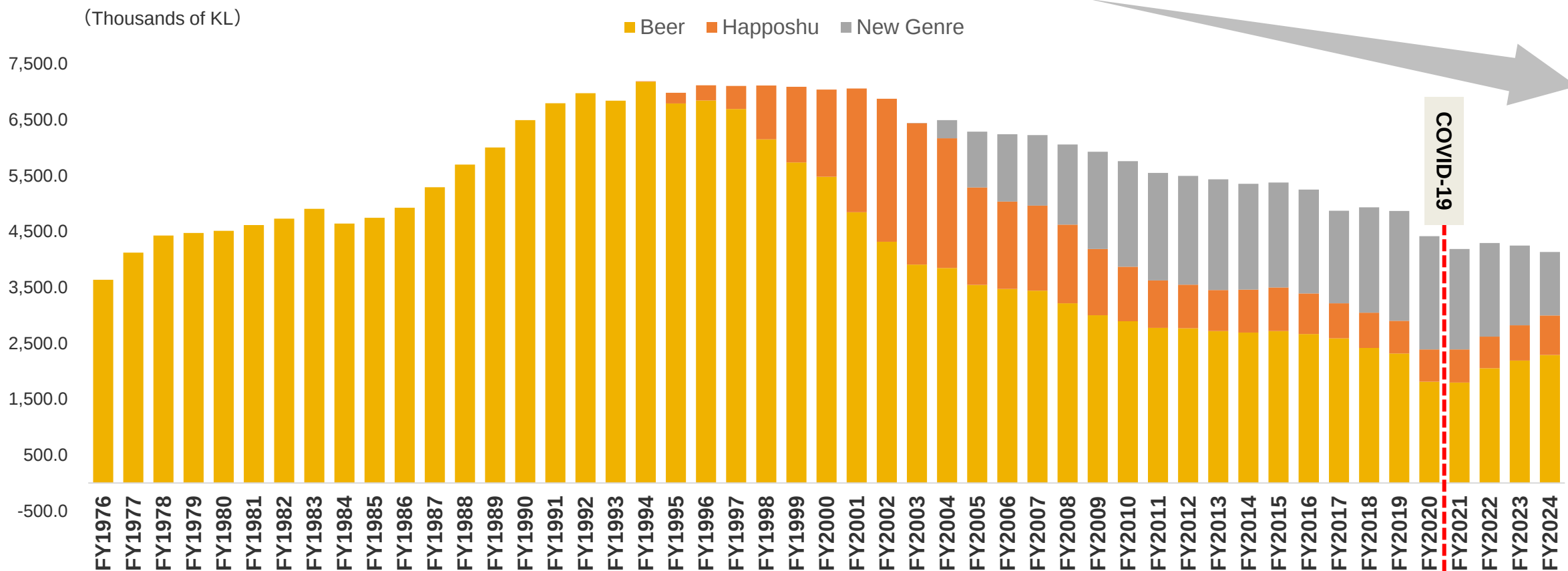
Main Kirin Brands

Beer Category	Full Malt Beer	(1) Fermented with malt, hops, and water (100% malt) (2) Fermented with malt, hops, water and specific secondary ingredients such as wheat, rice, fruits, coriander, flavoring, etc. with malt content of 50% or more.	
Economy Category	Happoshu	(1) Malt content is less than 50% of the product (2) Made from ingredients not permitted for the production of beer (3) Made from barley as part of the ingredient without using C malt	
	New Genre	(1) Malt content is less than 50% of the product (2) Made from ingredients not permitted for the production of beer; made from barley as part of the ingredient without using C malt (3) New Genre will be classified as a Happoshu from October 1, 2023	
	RTD	These are alcoholic beverages ready for consumption immediately after opening. They typically consist of cocktails made by combining spirits with citrus or other fruit juices, sugar, and various sweet ingredients, or beverages mixed with soda.	
	Non-Alcoholic (Beer・RTD)	These drinks have an alcohol content of less than 1%, designed to mimic the taste of alcoholic beverages. Most products from domestic beer manufacturers contain 0.00% alcohol by volume.	

Beer Shipment Volume in Japan

- Market peaked in 1994 and has been shrinking since then; sales volume has declined due to the shrinkage of commercial use caused by COVID in 2020.

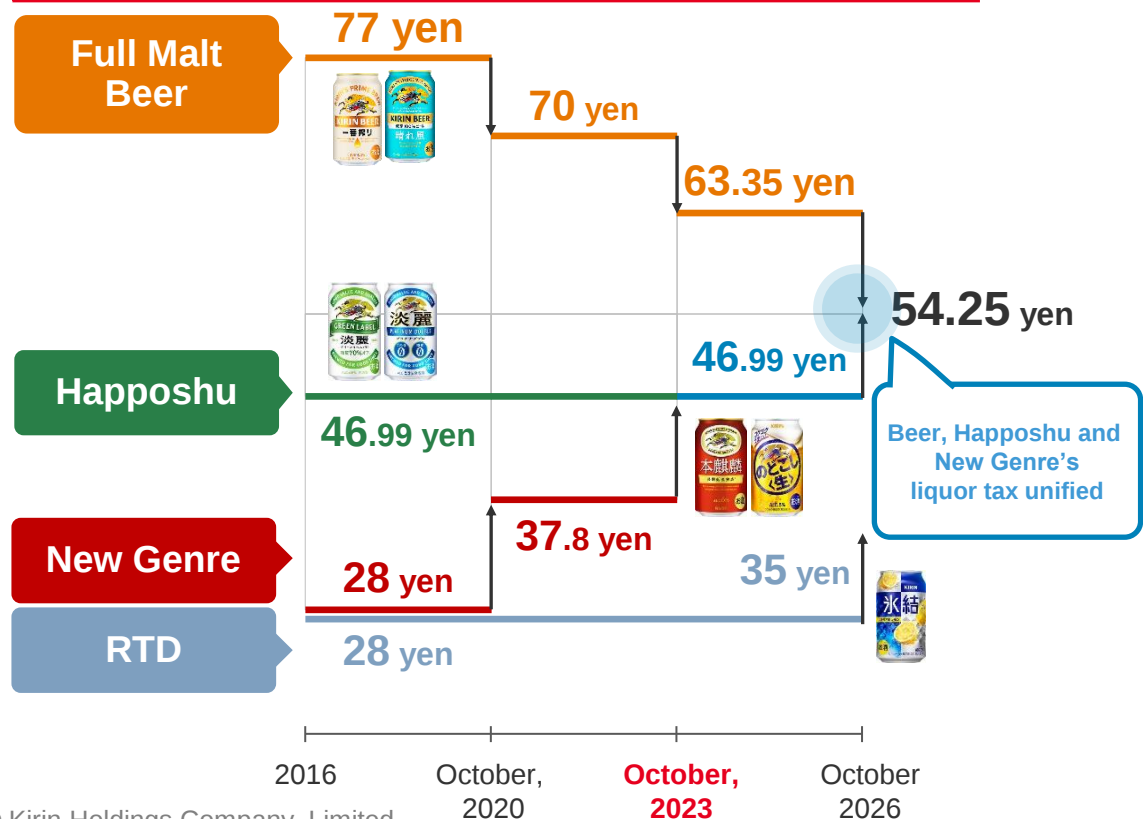
Beer Category total shipment volume 1976~2024



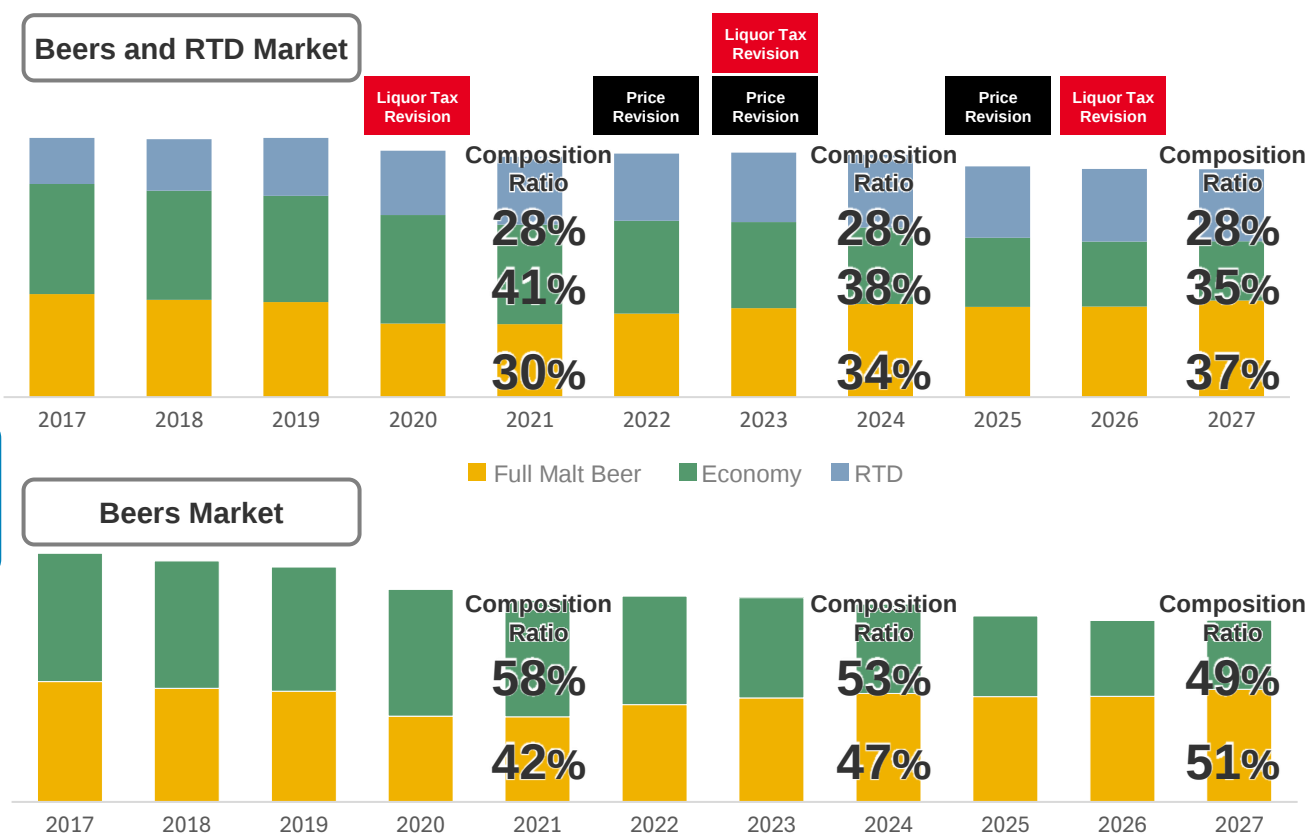
Changes in External Environment and Future Market Outlook

- The composition of the beer category is expected to change with the growth of full malt beers in preparation for a unified liquor tax in 2026.
- While the beer market is anticipated to shrink, the growth in the RTD market is expected to partially offset the overall market decline.
- The beer industry is responding to external challenges, such as rising costs, by adjusting prices and enhancing cost efficiency to improve profitability.

Change in liquor tax per 350ml can due to the liquor tax revision

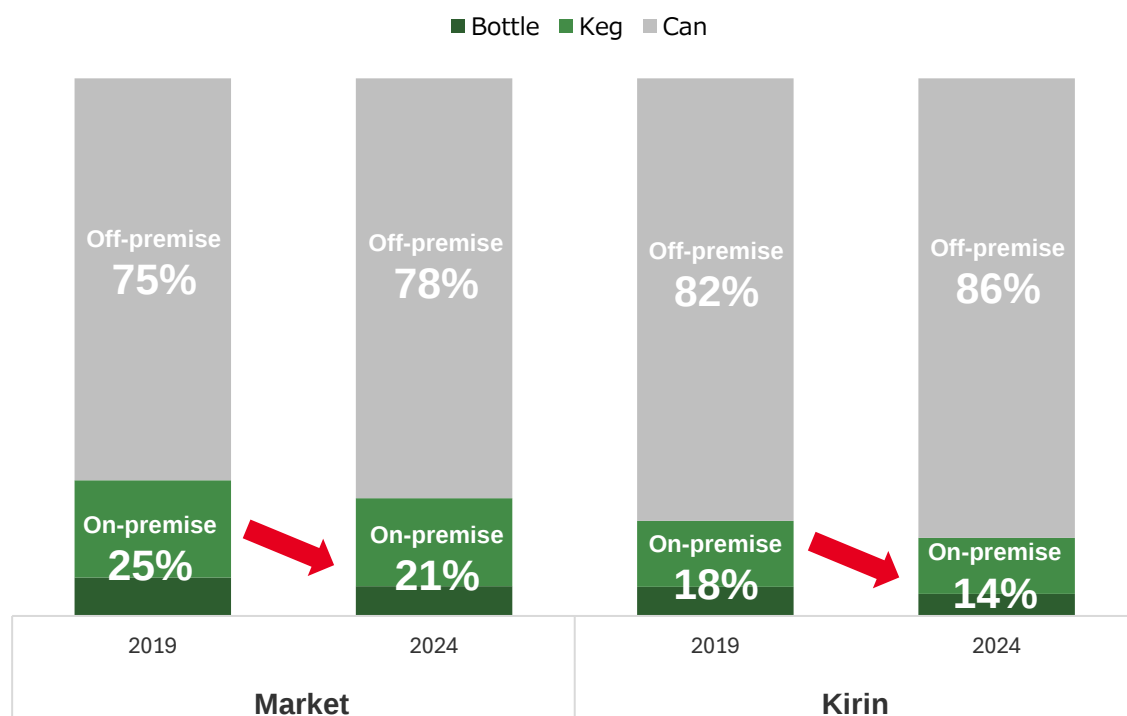


Total Beer and RTD Market Trend Forecast



- The composition ratio of on-premise channels (bottles and kegs) declined after COVID-19 and is not expected to return to pre-pandemic levels.
- Driving business development with a focus on profitability improvement.

Composition by Container



Kirin's response to the on-premise market

We developed Kirin's unique TAPPY and Tap Marché to enhance operational efficiency in bar and restaurant, provide customers with a delightful selection experience, and boost profitability.

- **TAPPY** ➤ Improved operational efficiency in-stores and efficiency of our sales staff structure
- **Tap Marché** ➤ Offers the joy to choose with a highly profitable craft beer selection



Tap Marché

Good living is the liberty to enjoy equal measures of good beer, good times and good relationships with good people. Welcome to the marketplace where happy times are always on tap for you.

Kirin Brewery: Toward Future Growth

- Product development and marketing will continue to evolve to meet customer needs in terms of taste, health, and empathy, while implementing a pricing strategy to enhance brand power.
- Until 2026, when the liquor tax on beer category will be unified, efforts will particularly focus on the full malt beer category and the RTD category.

Full Malt Beer



Capture demand by offering a diverse range of products that align with customer needs.

RTD



Pursue sustainable growth of the *Hyoketsu* brand while nurturing products that will revitalize the RTD category.

Harekaze Brand – 2024 Review



Main Target

- Target customers who are not currently drinking beer, such as younger generations and those who have moved away from beer.
- However, the delicious taste we have achieved will also appeal to existing (beer-loving) customers."

- Demand for full malt beer is increasing with the unification of liquor taxes, and the brand portfolio is being strengthened to capture this trend, including KIRIN ICHIBAN.
- The upwardly revised mid-year plan for 2024 was achieved, with actual annual results reaching 730,000 KL.

Harekaze's Brand Actions

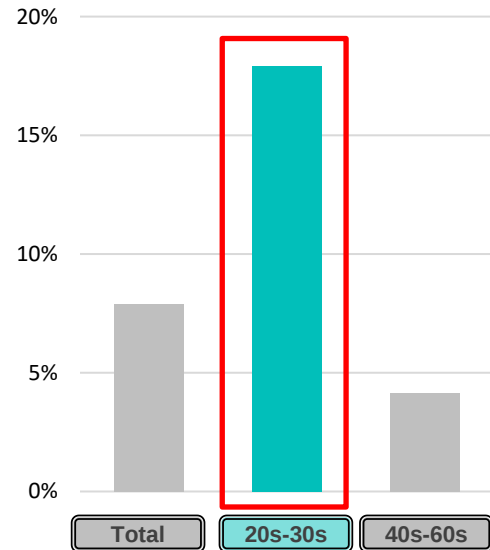


«Donation based on sales»
 350ml can: 0.5 yen per can
 «Donation via website»
 0.5 yen per support

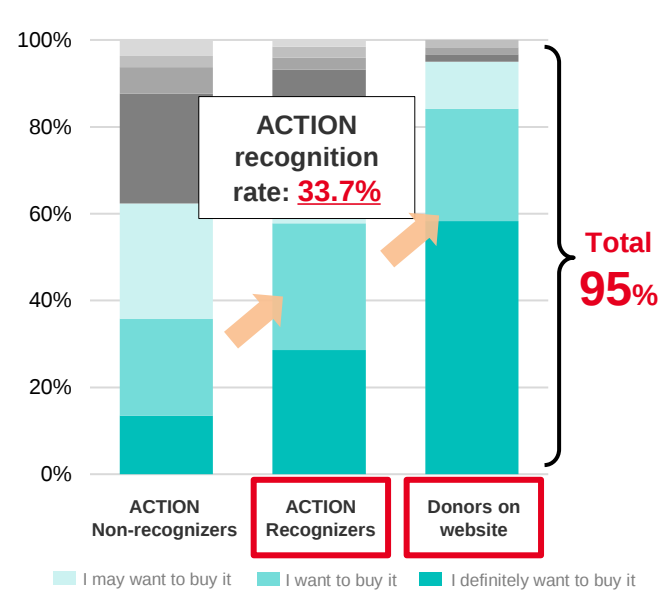
- A portion of sales is donated to activities that preserve Japanese traditions associated with beer, such as hanami (cherry blossom viewing) and hanabi (fireworks).
- This initiative has increased awareness of the importance of choosing products that contribute to society.

Increased Purchase Intent Among Younger Generations Through Deeper Involvement

Reason for purchasing *Harekaze*
"Because I can support the tradition"



Future product purchase intent
by degree of involvement with Harekaze action



Initiatives for High Profitability

- Improve mix and increase productivity in a beer market* that is expected to have a negative CAGR of several percent
- Lead Normalized Operating profit growth by pursuing the craft beer business**, which has high marginal profit ratio

Changes in the External Environment

Declining and aging population and shift away from alcohol

Increase in energy, raw materials, and logistics costs

Inflation and wage increase

Category shifts due to liquor tax revisions

Priority Activities Based on the Strategy

Build a strong brand within the existing business



High profitability through the craft beer business, etc.



Profitability improvement through cost reduction and increased productivity

Improving Profitability

- Craft beer cans have **approx. 1.5 times** the marginal profit vs other beer.
- Home Tap, with an even higher marginal profit than craft beer cans, will gain **positive return on investment by maintaining 100K subscribers**.
- The craft beer business **will earn more than 10% of the overall marginal profit** if it increases its share to 8% of KIRIN Brewery's revenue.
- **Drive Normalized operating profit growth** by proactively engaging in high marginal profit businesses such as Japanese whiskey, in addition to craft beer business.



Craft Beer Market Potential in Japan and Kirin's Initiatives

- Craft beer accounts for about 1.5% of the beer market, which is low compared to overseas markets, and has potential for growth.
- We will nurture the SPRING VALLEY BREWERY brand from a medium- to long-term perspective to expand the craft beer market.

Significant room for expansion compared to overseas markets

Craft beer composition by volume of beer in each country

		Volume Composition
	United States of America	13%
	Australia	9%
	New Zealand	13%
	Japan	1.5%

As of 2022 except Japan, Japan as of 2021
Source: Kirin

As the craft beer brand 'SPRING VALLEY BREWERY,' we continuously offer new and delightful beer experiences throughout the year

As a gateway brand for craft beer, we attract customers with distinctive flavors and unique concepts.



Products

Launch products that embody the brewery's spirit and story
These products represent the vision of 'Spring Valley Brewery,' founded in 1870. They are developed in collaboration with SPRING VALLEY BREWERY's directly operated stores in Tokyo and Kyoto.
*The Tokyo store celebrates its 10th anniversary in 2025.



Communication

A new communication strategy to convey the diverse enjoyment of craft beer.
This approach challenges traditional marketing, which focuses solely on awareness and reach, by utilizing media to generate affinity and empathy.



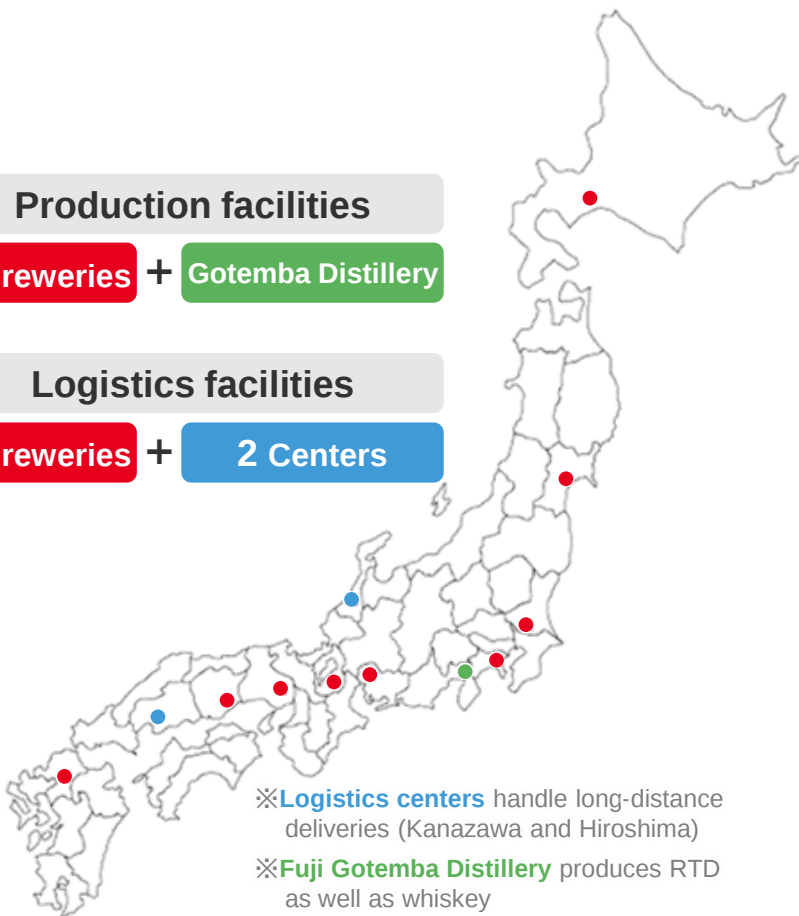
Brand Action

New initiatives to revitalize local communities in Japan
- Develop communities by engaging in events and partnerships. Collaborate with local craft breweries and beer ingredient production areas, such as the Tohoku region.

Production and Logistics Facility Layout as of 2024

- The total beer and RTD market is expected to remain flat, and the current number of production and logistics facilities is optimal. Flexible adjustments are needed to accommodate category shifts and logistics challenges.

Ensure sufficient production and logistics systems to withstand change



Production system

- Current canning line utilization rate is adequate
- Need to respond to future growth of RTD and PET products (Home Tap, etc.)



Logistics System

- Logistics challenges such as delivery driver shortages and rising logistics costs
- To resolve these challenges, an excessive consolidation will result in an increased risk



Future Initiatives

- Require further cost reduction efforts to counter the cost hikes
- Respond to container and category shifts by optimizing production and logistics capacity
- Transform to a logistics structure that enables delivery to be completed with fewer trucks

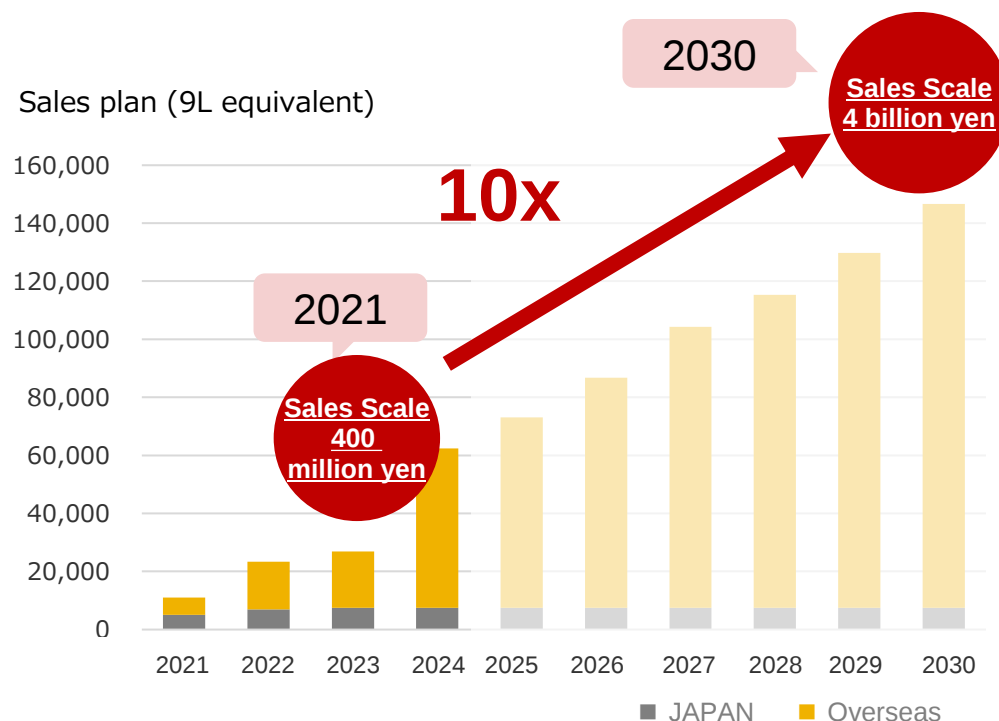
Accelerated Global Expansion of Japanese Whisky Fuji

- In August 2023, we signed a distribution agreement with Pernod Ricard and began sales in 13 countries in Europe.
- We will accelerate the global development of the "Fuji" brand, aiming to achieve 10 times the sales of 2021 in 2030.



Fuji Brand Medium- to Long-Term Sales Plan (Domestic and Overseas Total - Volume)

Sales plan (9L equivalent)



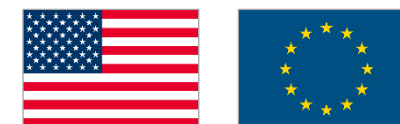
Expand export in the U.S. and Europe

2022

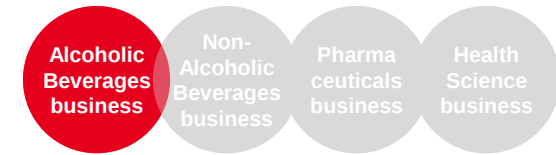
Exported to
5 countries



2023
Expanded export to
18 countries



- Expected to be sold at about twice the retail price of Japan in the exported countries.
- Will nurture the business to contribute to Normalized operating profit growth.



Lion : Overview of the Strategy in Australia

- Aim to improve and enhance profitability by strengthening mainstay beer brands, expanding RTDs, and optimizing costs.

Growth Strategy



Strengthening of
core brands



Achieving a lean
management structure



Expansion of the scale of RTD

Multiple flavors
available

No.1 in NZ

Local
manufacturing

XXXX

Maintains a high brand power in Queensland, and the brand power score has also increased in New South Wales.



TOOHEYS

A historic brand. An essential part of New South Wales for over 150 years.



HAHN

The product lineup also includes low-carb, zero-carb and gluten-free beers, which are also very popular.



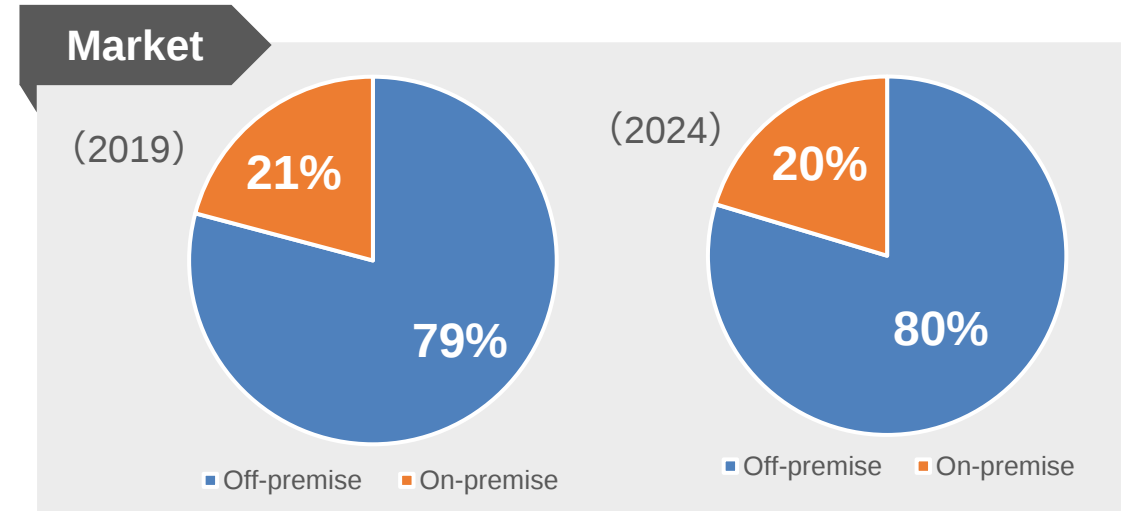
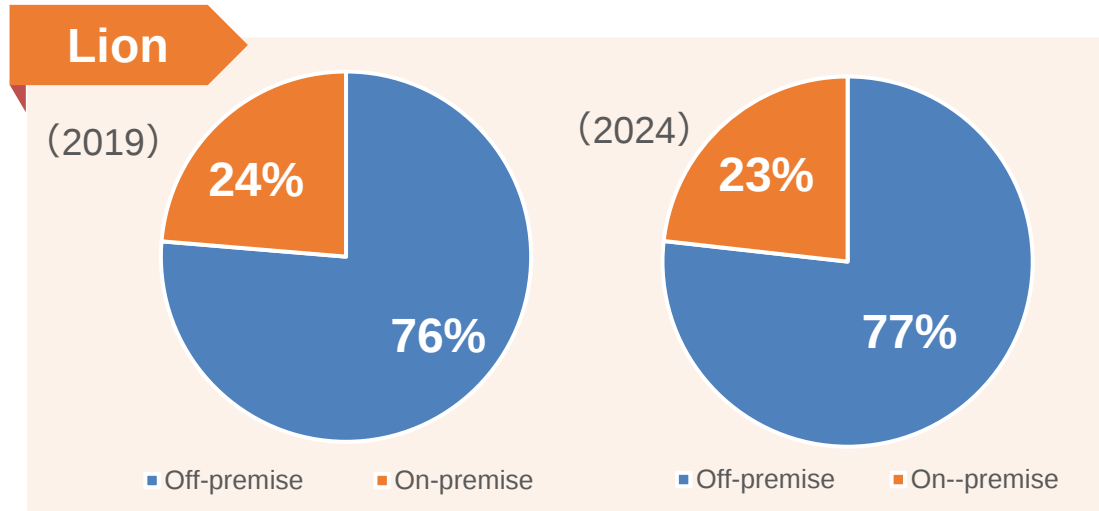
STONE WOOD

A brand acquired through the acquisition of "Fermentum", Australia's No.1 independent craft beer manufacturer, in 2021.

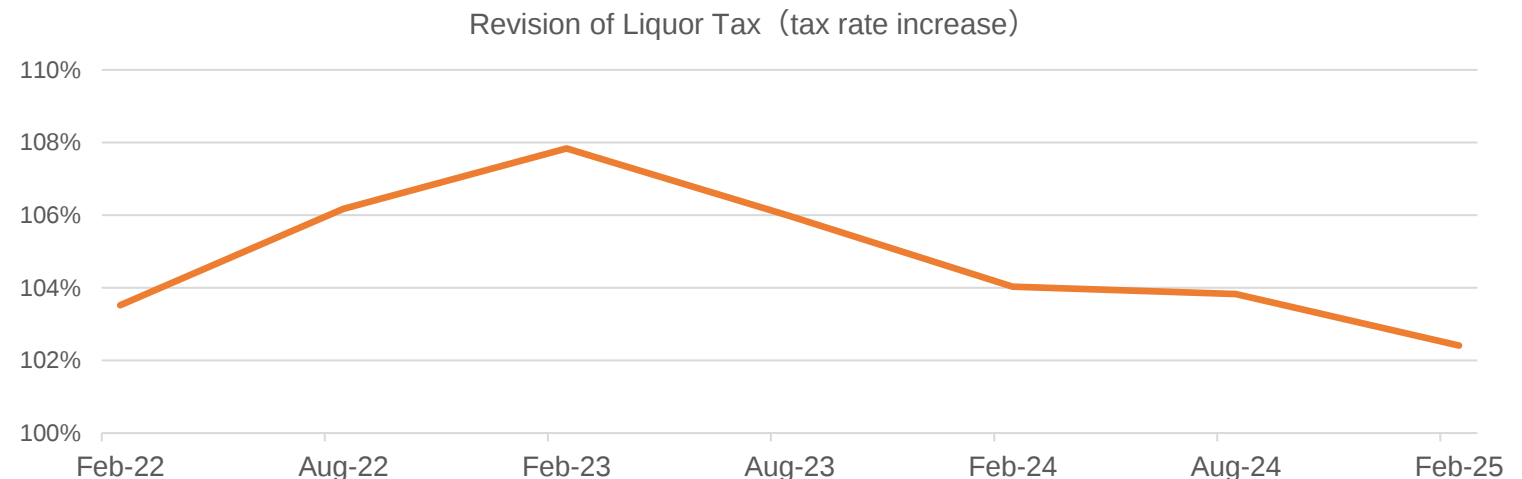


Australia : Beer Composition by Channel / Revision of Liquor Tax

- There has been no significant change in the Beer composition ratio for either Lion or the market, before and immediately after the onset of the COVID-19. Lion has a higher on-premise composition ratio than the market.

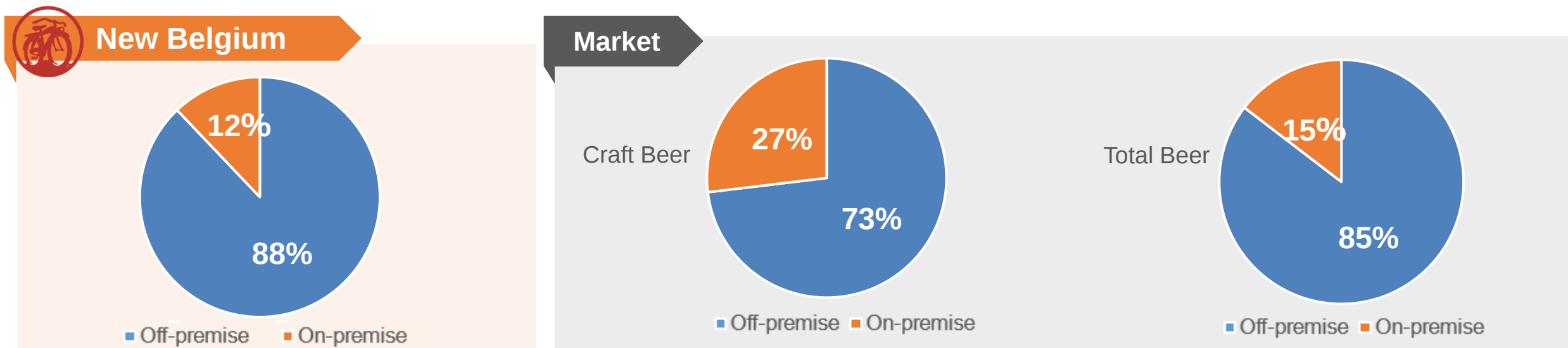


- In Australia, liquor tax is revised every February and August, and in principle, the tax rate is adjusted in line with the CPI.
- Lion **implemented a price revision that pursued RGM* at the time of the liquor tax revision.**

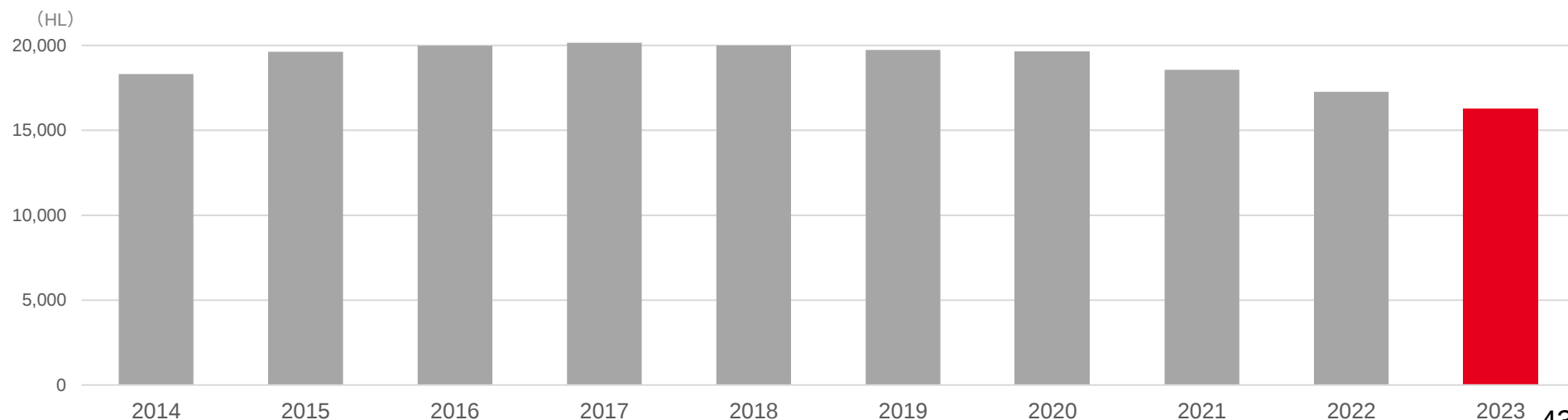


US : Beer Composition by Channel

- New Belgium is expanding the “Voodoo Ranger” nationwide, so the ratio of off-premise is high, and the composition ratio is similar to the total beer market.



10-year change (volume)
in the Craft Beer market



US: Core brand (VOODOO RANGER)

- Achieved status as **a craft brand with no regional characteristics** due to its distinctive character and distribution strategy.
- A brand that was able to achieve Kim Jordan's management philosophy of "how to win over the national breweries"



Brand Features

High-quality, flavorful IPA from the #1 craft beer brand in the US, favored by those looking for bold, unexpected fun

Invites drinkers into a "Voodoo-like state of mind", making the common beer-drinking experience more enjoyable



Younger generations in their 20s and men are the core consumers

Why we are gaining demand

- **Innovative Product Range**
Launched a series of bold extensions that embody the brand's concepts in addition to the core offerings
- **Strategic Packaging and Distribution**
Entry into a channel that craft beer has not yet expanded into by offering single-serve 19.2 oz cans in a market dominated by packaged craft beer
- **Distinctive Brands**
Its bold, unconventional character and sarcastic tone makes craft beer fun and accessible to younger generations and a more diverse audience

ENSURE WORLD CLASS OPERATIONS

We take “Best of Both” approach and protect craft identity

4 Major Brewing Facilities across the US

- ▶ New Belgium in Fort Collins, CO & Asheville, NC
- ▶ Bell's in Comstock, MI
- ▶ New Brewery in Daleville, VA



Comstock, MI



Fort Collins, CO



Asheville, NC

Daleville, VA



Acquired Daleville Brewery (2023)



Basic Information

Company Name

Four Roses Distillery, LLC

Business

Produce and sell "Four Roses" bourbon

Operating Country

Territory expansion in the United States, Japan, and Europe

Location

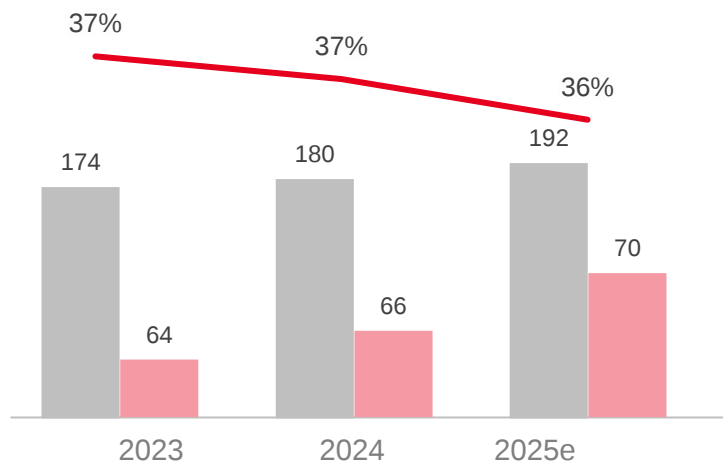
2 production sites

1. Headquarters + Distillery (Lawrenceburg)
2. Aging and bottling factory (Cox's Creek)

Market Size and Growth Forecast

The spirits market and the bourbon and American whiskey market is expected to continue to grow, but at a slightly slower rate

Revenue (million USD) :  NOP margin: 
Normalized operating profit (million USD) : 



History

1888 Established
2002 Kirin Group acquired 100%

Main Products



Four Roses' Product Expansion in the U.S.

- Bourbon whiskeys in the Premium and Ultra price range are sold in the U.S., a major market for Four Roses
- In the market, bourbons in the Premium and Ultra price ranges are growing
- To enhance profitability, we will further increase the composition ratio of the Ultra price range

	Retail price per bottle	
Ultra	\$60	
	\$25	
Premium	\$15	
Middle	\$10	
Value	\$9.99	

Boost Profitability by Strengthening Sales in Higher Price Ranges

Accelerate efforts by introducing limited edition products in the Ultra price range, alongside existing offerings





SAN MIGUEL BREWERY INC.

A subsidiary of San Miguel Corporation

Alcoholic
Beverages
business

Non-
Alcoholic
Beverages
business

Pharma-
ceuticals
business

Health
Science
business

Basic Information

Company Name

San Miguel Brewery Inc.

Business

Produce and sell beer in the Philippines and other countries. Has a market share of over 90% in the Philippines.

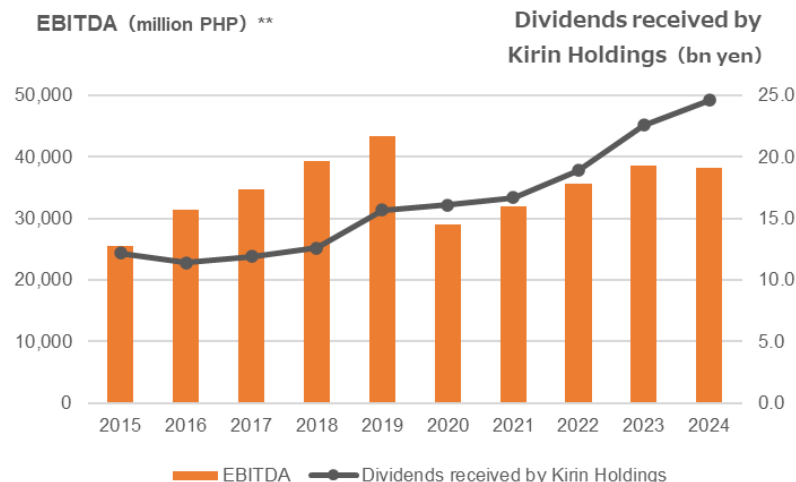
Operating Country

Territory expansion mainly in the Philippines and Southeast Asia

Location

7 production sites

Business Growth Results



Share of equity / Financial Period

Equity-method affiliate/48.4%
Kirin Holdings Annual Incorporation
Period: Oct-Sep

History

1890 Established of San Miguel Corporation
2001 Kirin acquired stake
2007 Established of San Miguel Brewery

Main Products



San Miguel
Brewery's EPS
contribution to
Kirin group

Result in
2024
22%

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- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

Kirin Beverage Company, Limited



Basic Information

Company Name

Kirin Beverage Company, Limited

Business

Produce and sell soft drinks

Operating Country

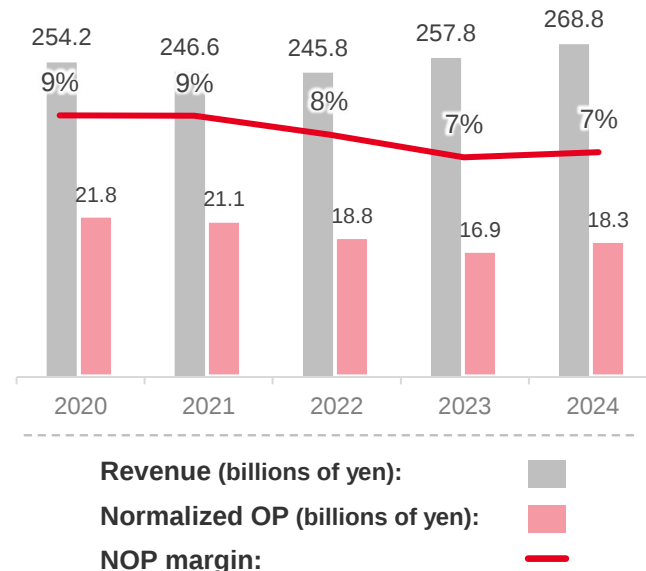
Japan

Production Site

Shonan Factory
Shiga Factory

Revenue and Normalized Operating Profit (2024)

Revenue: 268.8 billion yen
Normalized operating profit:
18.3 billion yen



History

1928 Kirin Lemon introduced
1963 Vending Machine Services Co., Ltd.
(the forerunner of Kirin Beverage Co., Ltd.) established.
1986 Kirin *Gogo-no-Kocha* introduced
2000 Kirin *Nama-cha* introduced
2017 Launches a new brand *iMUSE*.

Main Products



Strategy Overview

- In addition to strengthening the base brands, accelerating the growth of profitable Health Science products, etc., to improve Normalized Operating profit margin.



Gogo-no-Kocha



Ranked No. 1* in unit sales of black tea beverages, driving the expansion of the black tea category through new offerings to customers.

Nama-cha

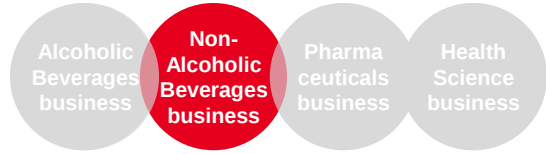


Work to improve profitability in the green tea category, which is becoming increasingly commoditized.

Health Science



Contribute to high profitability by expanding the range of profitable ultra-small beverages and conducting awareness activities on immune care.



Basic Information

Company Name

Coca-Cola Beverages Northeast, Inc.

Business

Bottling operations of Coca-Cola North America, Inc.

Operating Country

North America
Territory expansion across 8 northeastern states

Location

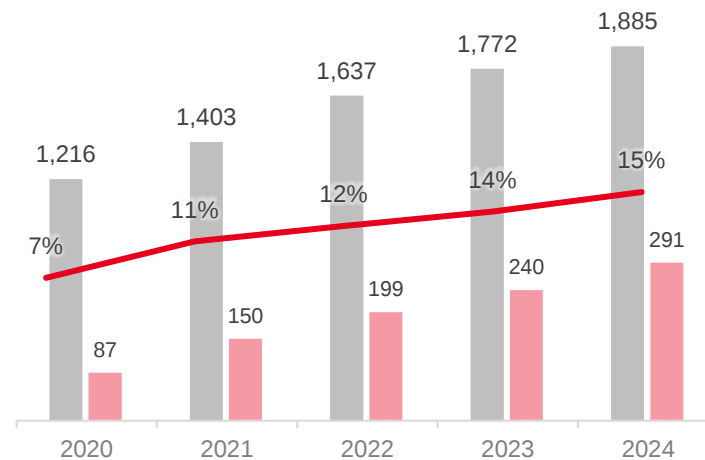
2 production sites
16 sales centers

Revenue and Normalized Operating Profit (2024)

Revenue: 1,885m

Normalized operating profit : 291m

Revenue (MILLION \$) : NOP margin:
Normalized operating profit (million \$) :



History

1977 Expanded into the bottler business and has then expanded its territory up to now

Main Products

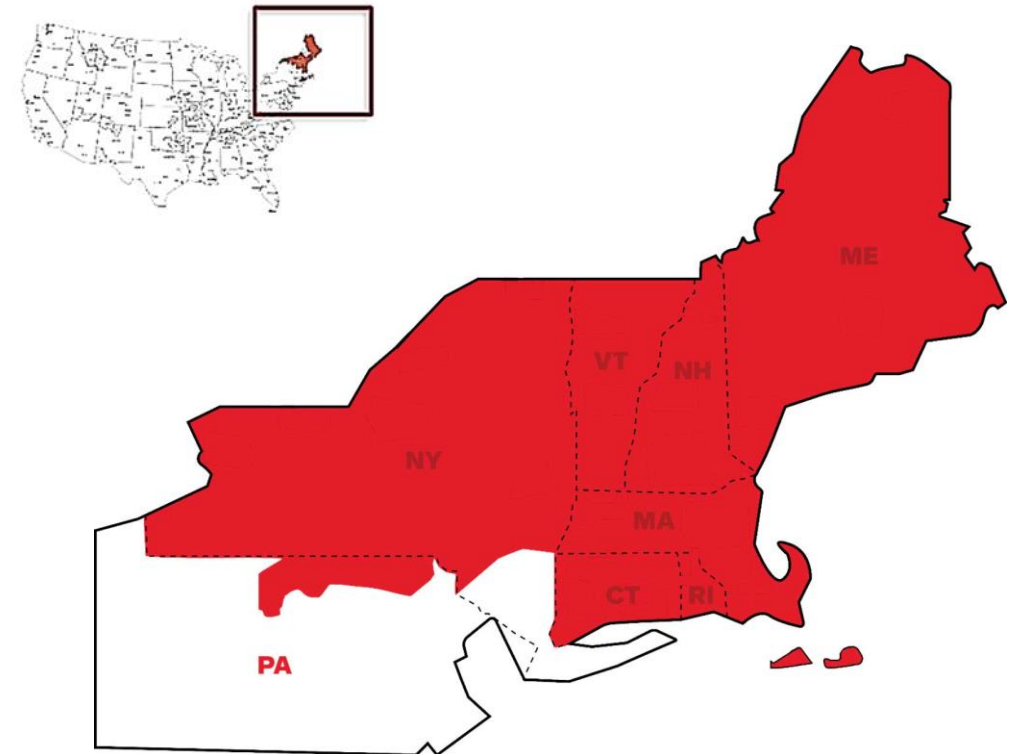


History of Coke Northeast

- Established as a joint venture in 1977, it became a wholly-owned subsidiary in 1982 amid business diversification and globalization efforts.
- Territory expansion occurred in 2017, and the company was renamed Coke Northeast in 2019.

1977	Kirin Brewery (at the time) established KW Inc. as a joint venture
1982	Became a wholly-owned subsidiary
1988	Company name changed to The Coca-Cola Bottling Company of Northern New England upon territory expansion
2017	Territory was greatly expanded, and it became its current form.
2019	Company name changed to Coca-Cola Beverages Northeast

Location	Details
Corporate Headquarters	Bedford, New Hampshire
Production Centers (production location)	2 locations
Sales Centers (distribution and sales locations)	16 locations



Operates across eight states in the northeastern United States, covering an area approximately 80% the size of Japan's land mass.

Coke Northeast Business Structure

- Coke Northeast contracts with various brand owners, primarily Coca-Cola, and manufactures beverages in-house, purchase finished products, and handle sales.
- The company operates within the Coca-Cola Group's system while maintaining governance under the Kirin Group.

<Major Cases of Sparkling Soft Drink Beverages>

The Coca-Cola Company



R&D

Brand
Marketing

Concentrate
Production

Bottling

Logistics
Center

Distribution
to Retailers

In-Store
Marketing

Recycling



Operating within the Coca-Cola Group's System



Shared services for
finance, procurement, etc.



IT Shared Services



Factory Equipment
Investment Management Services



PET Preform Manufacturing
and Sales



National Bottlers Association
In the U.S.

Features of Coke Northeast

- Maintains a high profit margin through cost reductions driven by operational efficiency and the growth of high-margin products as a bottler business.
- Sparkling soft drinks, which account for 70% of the total, are highly profitable because they are bottled in-house.

Factors Behind High Profitability

- Top line factors**
Continuous unit price improvement through price management
Focusing sales on highly profitable products such as sparkling soft drinks
- Cost factors**
Operational efficiency through proactive capital investment in manufacturing, logistics, and sales locations



Product Composition by Category



STILL & SPARKLING WATER



TEA, JUICE, & LEMONADE



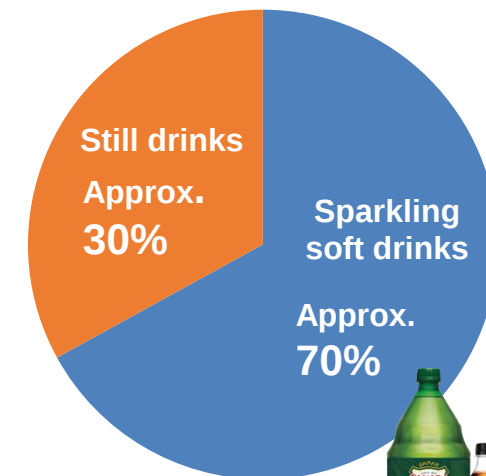
COFFEE, PROTEIN, & MILK DRINKS



ENERGY



ISOTONICS & ENHANCED WATER



SPARKLING SOFT DRINKS

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Basic Information

Company Name

Kyowa Kirin Co., Ltd.

Business

Research, development, manufacturing, marketing and import / export of pharmaceuticals

Operating Country

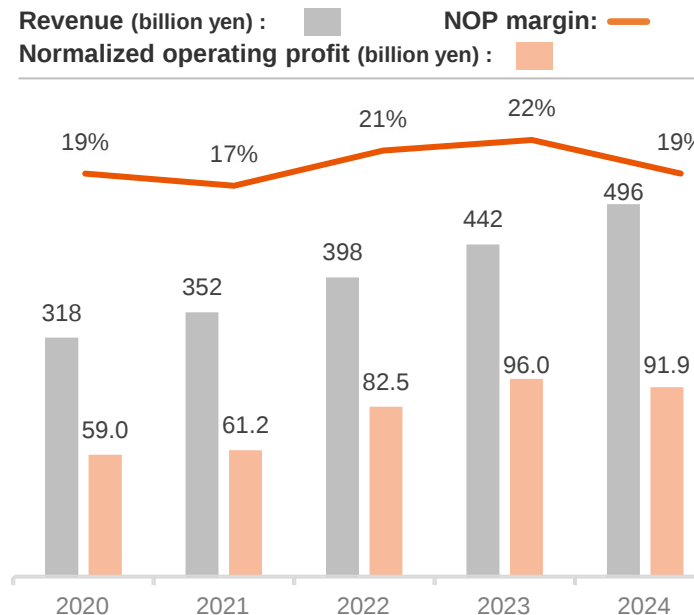
Japan, North America, EMEA, APAC

Principal Plants / R&D Network

Tokyo Research Park, Fuji Research Park CMC R&D Center, Bio Process Research and Development Laboratories
Takasaki Plant, Ube Plant,
La Jolla Institute for Immunology

Revenue and Normalized Operating Profit (2024)

Revenue 495.6 billion yen
Normalized operating profit 91.9 billion yen



Share of equity

Kyowa Kirin is a listed subsidiary of Kirin Holdings, which owns approximately 53% of the company.

History (Kirin's pharmaceutical business)

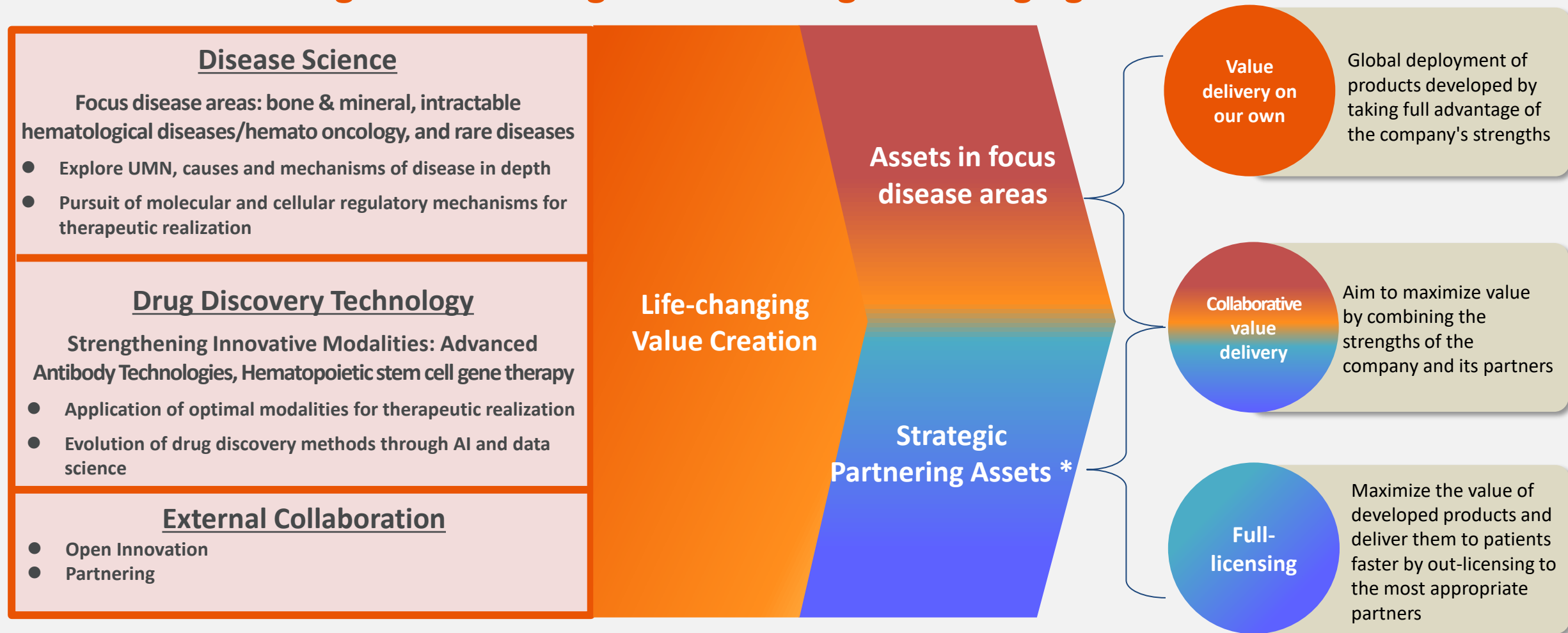
Began researching pharmaceuticals in the 1980s.

Later, Kirin Pharma merged with Kyowa Hakko Kogyo and became the current Kyowa Kirin Co., Ltd.

Main Products



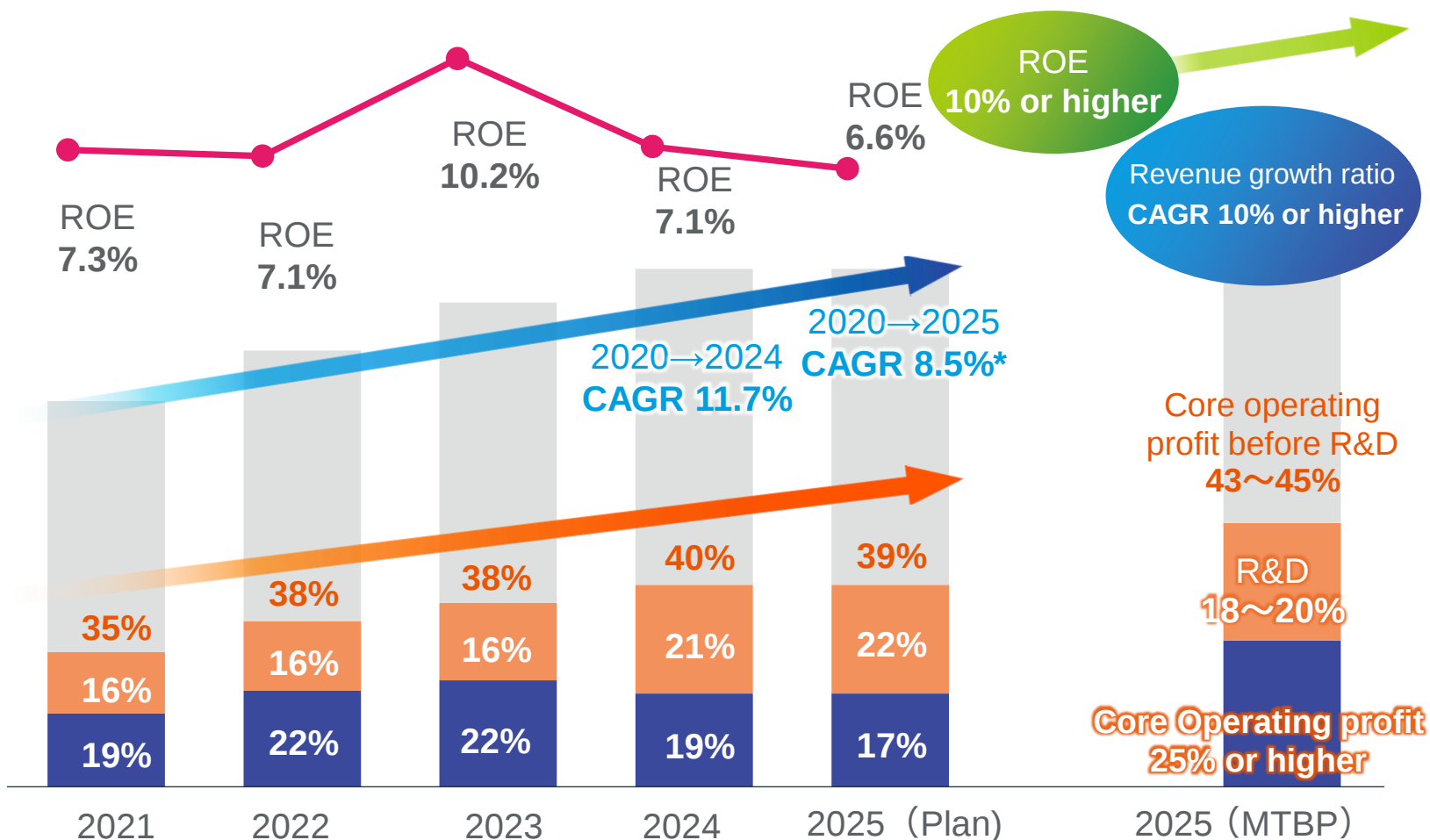
Strategies for creating and delivering life-changing value



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

Profit Structure of Kyowa Kirin

- In 2025, profits will temporarily deteriorate as Kyowa Kirin continues to invest aggressively in R&D and future growth.
- In 2026 and 2027, Kyowa Kirin will continue to bring significant Normalized Operating Profit contributions to the Kirin Group.



2025 MTBP financial KPIs
Achievement timing will be 2026 or beyond



- Steady growth in Crysvita sales
- Collaboration with Amgen on KHK4083
- Depreciation of Yen



- Short term financial impact on Orchard acquisition
- Increasing investment in KHK4083 development
- Depreciation of Drug price environment (Japan, Europe, and China)
- Unlaunched new products (discontinued pipelines, Nourianz in Europe)

Product Positioning

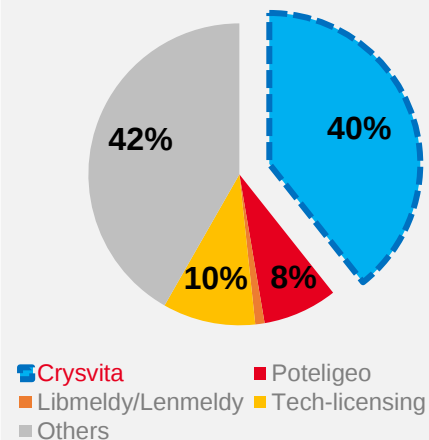
- One of the global strategic products that will be a medium-term growth driver, accounting for approximately 40% of revenue.
- Received marketing authorization from the FDA for the treatment of X-linked hypophosphatemia (XLH) in 2018, and has since expanded the availability of the drug to more countries.
- Shifted to an in-house sales structure in North America in 2023, which became a growth driver due to the increase in the number of patients in the region.

Target Disease

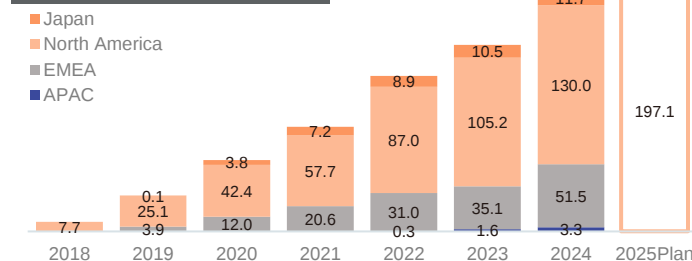
X-linked hypophosphatemia (XLH)

- A rare, hereditary, progressive and lifelong skeletal disorder characterized by renal phosphate wasting caused by excess FGF23 (which plays an important role in maintaining phosphate homeostasis in the body) production. It affects both children and adults. In children, XLH causes rickets that leads to lower-extremity deformity, delayed growth and decreased height. Adults with XLH have an increased risk of fractures. Crysvita is designed to bind the excess FGF23 in these patients, normalizing phosphorus levels, improving bone mineralization, improving rickets in children and healing fractures in adults.

Revenue Composition of Major Items

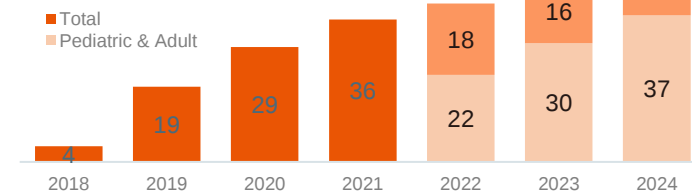


Sales Revenue (Billion Yen)



*Revenue from EAP (Early Access Program) is not included in sales until FY2022, and is included in sales from FY2023 onwards as it is insignificant in monetary terms.

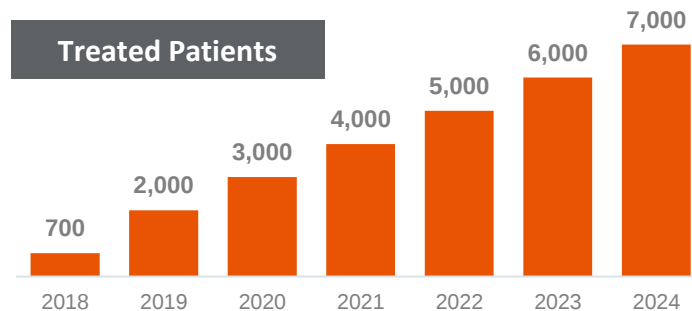
Launched Countries / Regions (XLH)



*Excludes Latin America and Turkey, where Ultragenyx records sales.

*The numbers of treated patients is an approximate number based on our calculations.

Treated Patients

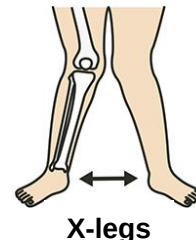


Rickets

Bone calcification (hardening of bones) is disturbed, causing deformities of the lower limbs such as O- or X-legs, and difficulty walking (falling down easily).

Osteomalacia

Bone pain, bone fractures, and muscle weakness that, when worsened, make it impossible to perform daily activities such as eating, dressing, and moving around



X-legs

*An example of symptoms of a patient with rickets

Mechanism of Action

- Crysvita binds to FGF23, a hormone that plays an important role in phosphate homeostasis in the body.
- It inhibits the action of FGF23, thereby increasing phosphate concentrations.
- Crysvita also restores phosphate reabsorption and intestinal absorption of phosphate.
- As a result, it is expected to improve bone calcification, alleviate osteomalacia and other symptoms associated with hypophosphatemia.

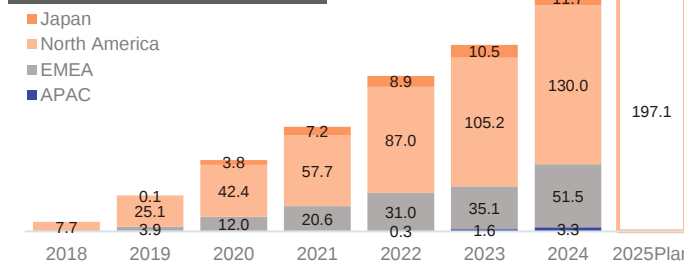
Dosing Frequency/Product Unit Price

- (Subcutaneous injection) every 4 weeks for adults, every 2 weeks for pediatric / not disclosed

Differentiation Point

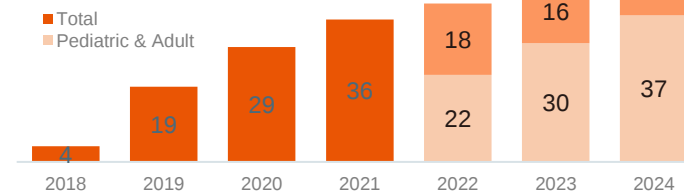
- The first drug (human IgG1 monoclonal antibody) that acts directly against FGF23, whereas conventional therapies require more frequent dosing due to symptomatic treatments, such as supplementation of deficient phosphate and vitamin D.

**Sales Revenue
(Billion Yen)**



*Revenue from EAP (Early Access Program) is not included in sales until FY2022, and is included in sales from FY2023 onwards as it is insignificant in monetary terms.

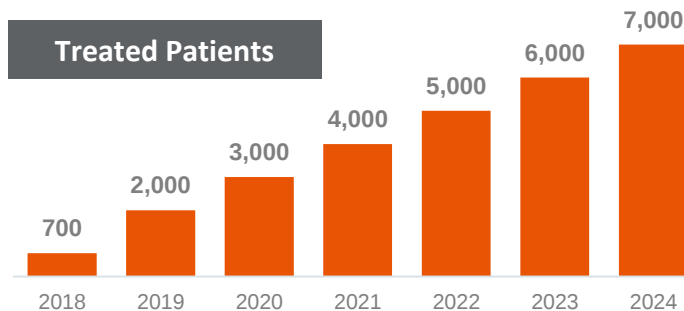
**Launched Countries
/ Regions (XLH)**



*Excludes Latin America and Turkey, where Ultragenyx records sales.

*The numbers of treated patients is an approximate number based on our calculations.

Treated Patients



Product Positioning

- One of the global strategic products that will be a medium-term growth driver, accounting for 8% of revenue.
- It is a representative product in the hemato-oncology field, one of the focus areas.

Target Diseases

- Adult T-cell leukemia-lymphoma (ATL), peripheral T-cell lymphoma (PTCL), cutaneous T-cell lymphoma (CTCL)

ATL : When ATL develops, the immune system is weakened, making the patient susceptible to infections. As the disease progresses, various organs are affected.

PTCL : Symptoms include lymphoma swelling, rashes throughout the body, and fever.

CTCL : Symptoms include rashes and severe itching.

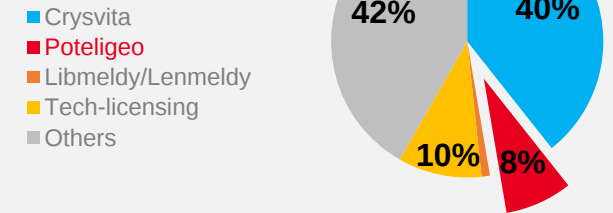
Mechanism of Action

- Therapeutic antibodies that specifically target a protein called CCR4, which appears on the surface of cancer cells

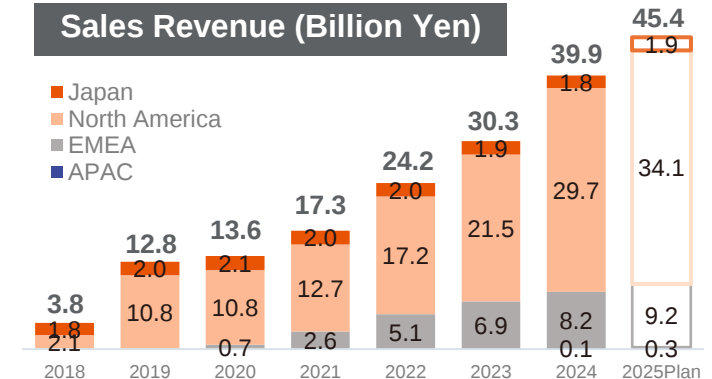
Differentiating Factor

- Poteligeo is the world's first therapeutic antibody created using Kyowa Kirin's proprietary POTELLIGENT technology for generating highly active antibodies.
- Poteligeo binds to cancer cells by targeting CCR4, a molecule that appears on the cell surface. It shows anti-tumor effects by eliminating cancer cells through its ADCC activity (one of the mechanisms by which the immune system recognizes and destroys target cells), which is enhanced by the POTELLIGENT technology.

Revenue Composition of Major Items

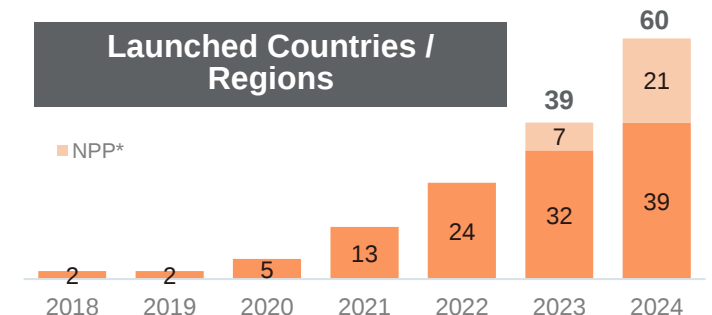


Sales Revenue (Billion Yen)



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Launched Countries / Regions



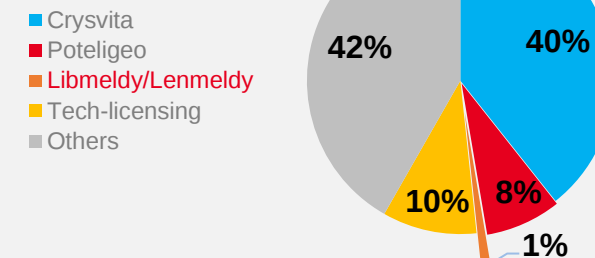
Significance of Acquisition of Orchard Therapeutics

➤ Development of new drug discovery technologies

- Ex. Synergy of Kyowa Kirin and Orchard's technology: Recombinant protein delivery to sites that are difficult to reach by conventional means.
- Ex. Create functional cells using the pluripotency of hematopoietic stem cell gene therapy technology.

➤ Acquire Libmeldy/Lenmeldy and development pipeline (OTL-201/203)

Revenue Composition of Major Items



Libmeldy / Lenmeldy

Product Positioning

Acquired in 2024 when Orchard Therapeutics became a subsidiary.

Target Diseases

Metachromatic Leukodystrophy: : A type of lysosomal disease that is an inherited disorder caused by a deficiency of the enzyme arylsulfatase-A. This enzyme deficiency causes sulfatide to accumulate in the brain, kidneys, and peripheral nerves, resulting in neurological damage. As this damage is irreversible, it is crucial to identify patients through newborn screening before symptoms progress beyond a certain point.

Area of Operation / Number of Patients*

US and Europe/estimated number of patients per year*: 40 in US and 50 in Europe

Mechanism of Action

- Hematopoietic stem cells are collected from the patient, and the normal human ARSA gene is inserted into these cells before they are re-administered to the patient.
- Some of the administered hematopoietic stem cells are expected to cross the blood-brain barrier and engraft in the central nervous system, where they will continuously produce the normal enzyme.
- This approach is expected to provide a long-lasting therapeutic effect with a single treatment.

Differentiation Point

here were no treatment options other than supportive care or end-of-life care. (Therefore, many patients die within 5 years of onset of disease.)

Kyowa Kirin's Presentation slide
"Agreement to acquire shares of
Orchard Therapeutics



Main Development Pipeline Products

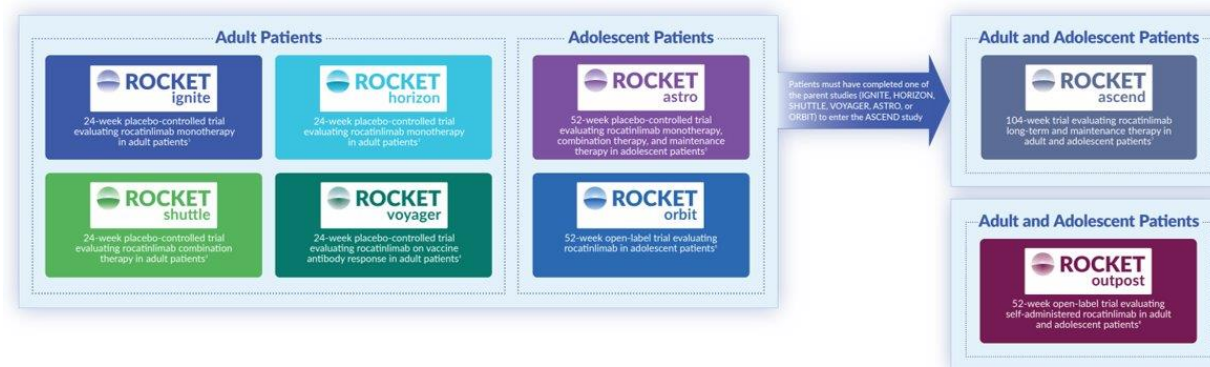
	Diseases under development ^{*1}		Planned Approval Year ^{*2}	Development status	Total addressable market ^{*3}	No. of Patients ^{*4}
Rocatinlimab KHK4083/AMG 451	Moderate to severe Atopic Dermatitis		2026/2027	P3 (Global)	★★★★★	16M
	Prurigo nodularis		TBD	P3 (Global)	★★★★	1M
	Moderate to severe Asthma		TBD	P2 (Global)	★★★★★	13.5M
Infigratinib	Achondroplasia		TBD	P3 (Japan)	★	6K
Ziftomenib	AML (NPM1-m or KMT2A-r)	R/R	2025 (Mono)	P2 (US, EU)	★★★★	20K
		1L	TBD	P1 (US)		
KHK4951 tivozanib eyedrop	nAMD		TBD	P2 (JP, US)	★★★★	2,600K
	DME		TBD	P2 (JP, US)	★★★★	3,400K
OTL-203	MPS-IA (Hurler Syndrome)		2029/2030	Registrational study ^{*5} (US, EU)	★	(1 in 100K live births) ^{*6}
OTL-201	MPS-IIIA (Sanfilippo syndrome typeA)		TBD	Proof-of-concept study ^{*7}	★	(~1 in 100K live births)

^{*1} Expected indications as of the date of this document; indications may ultimately differ to expectations due status of approvals from regulatory authorities. ^{*2} Expected year of first approval. ^{*3} Expected total addressable market estimated by Kyowa Kirin, which is the sum of all products for the indications shown in ^{*1}, not projected sales or the Company's targets. **Colored areas represent estimates for global, and the rest are for Japan.** ★: less than ¥50Bn、★★: ¥50Bn-¥100Bn、★★★: Over ¥100Bn-¥500Bn、★★★★: Over ¥500Bn-¥1Tn、★★★★★: Over ¥1Tn. ^{*4} Total number of estimated patients by Kyowa Kirin. **Colored areas represent in-house estimates for global, and the rest are in-house estimates for Japan.** ^{*5} Equivalent to P3 study. ^{*6} "1 in 100k live birth" is estimated incidence for all of MPS-I, of which approximately 60 percent of patients have the Hurler subtype. ^{*7} Equivalent to P1/2 study.

- A pipeline that is a key driver of medium- to long-term growth, and is being developed in collaboration with Amgen.
- Target diseases are moderate to severe Atopic Dermatitis (Ph3), moderate to severe Asthma (Ph2), and Prurigo Nodularis (Ph3).
- These patients suffer from "T-cell imbalance," in which the number and activity of pathogenic T cells are excessive.
KHK4083/AMG 451 has the potential to directly target pathogenic T-cells and achieve "T-cell rebalance" to correct the T-cell imbalance

Atopic Dermatitis

- **Target** : Severe atopic dermatitis
- **Market size* / number of patients****:
over 1 trillion yen* / 16 million**
- **Expected market launch** : 2026 / 2027
- **Expected unique value of this product (as of February 2025)**:
By achieving T-cell rebalancing, it aims to address the root cause of the disease and provide broad and sustained therapeutic effects.



P3 Trial ROCKET Program: Large-scale global Phase III program consisting of 8 studies

Asthma

- **Target** : Moderate to severe asthma
- **Market size* / number of patients****:
over 1 trillion yen* / 13.5 million**.
- **Expected market launch** : : TBD

Prurigo Nodularis

- **Target** : Prurigo nodularis
- **Market size* / number of patients****:
Over 500 billion yen - 1 trillion yen* / 1 million**
- **Expected market launch** : : TBD

Overview

- One of the strategic investments to fill the gap in the late-stage development pipeline toward the achievement of 2030 Vision.
- Signed a license agreement in November 2024 with Kura Oncology in the US for the development and commercialization of ziftomenib to strengthen the hemato-oncology, intractable hematological diseases, and rare disease areas.

Target Diseases/Market Size* and Number of Patients**

- Patients with acute myeloid leukemia (AML) with specific genetic mutations (NPM1 mutation and KMT2A gene rearrangements)
- Market size* and number of patients**: More than 500 billion yen - less than 1 trillion yen* / 20,000 patients**.

Mechanism of Action

- Inhibits the binding of the two proteins, menin and KMT2A, thereby promoting the differentiation of leukemic blasts to achieve therapeutic effects

Differentiation Point

- Only drug candidate to receive Breakthrough Therapy designation from the FDA for the treatment of relapsed/refractory NPM1 mutant AML

Launch Timing

First-line*** : To be determined

Second-line****: Expected to launch in the US in 2025 at the earliest.

Ziftomenib - Collaboration with Kura -		
	US	ex- US
Development	• Kura leads development • Share global development cost • Kura funds development costs (~2028)	• Kyowa Kirin leads development
Commercialization	• Kura books sales • 50/50 profit share	• Kyowa Kirin commercializes and books sales
Sales Royalties		• Double-digit royalty to Kura
Commercial supply	• Kura supplies	• Kura supplies

Kyowa Kirin makes a \$330 million up-front payment and future contingent milestone payments potentially worth up to \$1,161 million in total, including \$420 million in near-term milestone payments and \$228M opt-in right for solid tumors, as well as royalty payments on future global sales to Kura.

© Kyowa Kirin Co., Ltd.

*** The first drug treatment administered to a patient, also referred to as first-line therapy or initial treatment.

**** Drug treatment administered after the first-line treatment has failed to produce the expected effect or has caused side effects.

Significance of Group management Philosophy and Having a Listed Subsidiary

- **Role of Kyowa Kirin:** Responsible for Kirin Group's core business in the "Pharmaceuticals" domain, providing value to those facing illnesses as a Global Specialty Pharmaceutical Company. Aims for sustainable growth and increased corporate value by 2027.
- **Synergy Creation:** Pursue synergies in the Health Science domain through the exchange of human capital and sharing of research know-how with Kyowa Kirin.
- **Significance of maintaining a public listing:** Contributes to the enhancement of corporate value by providing a unique corporate culture, improving employee morale, securing talented human capital, and gaining the trust of business partners.
- **Cash management:** Net cash is managed in a lump sum through a cash management system. Lending interest rates are reasonably determined in consideration of market interest rates.

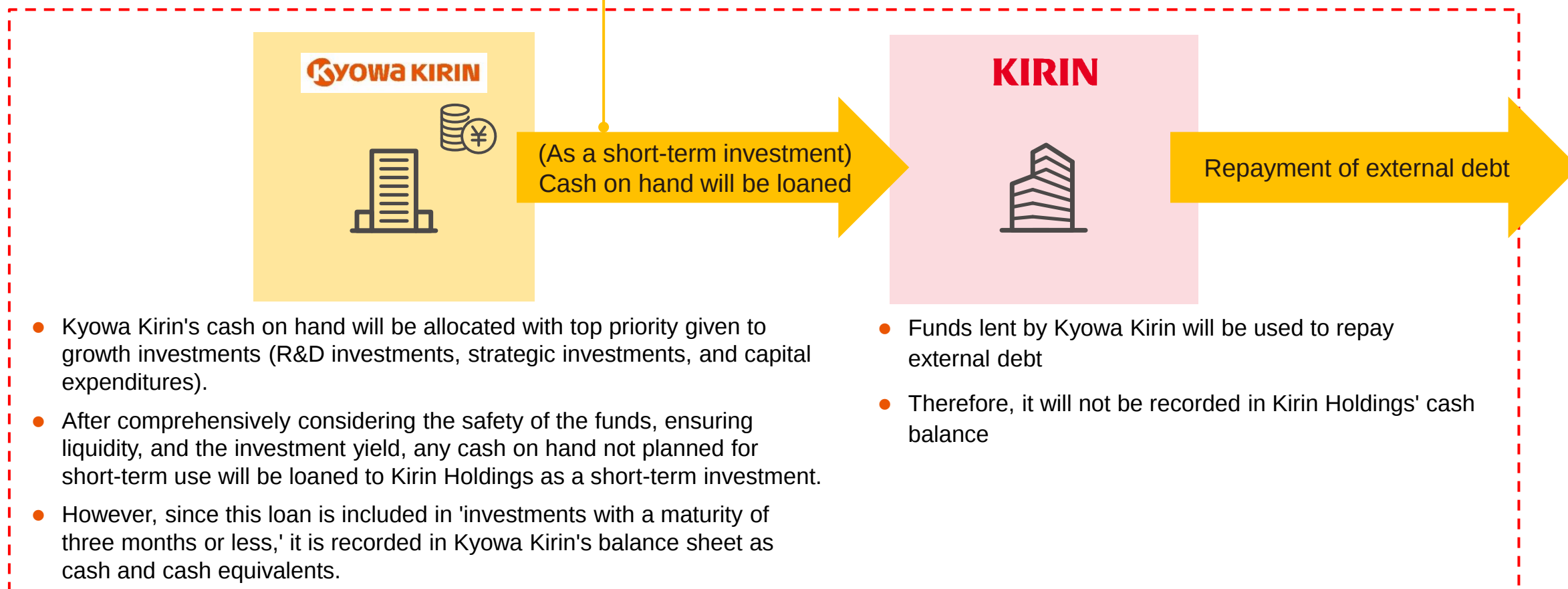
Measures to Ensure Governance Structure Effectiveness of Listed Subsidiaries

- **Process for selection and dismissal of directors and officers:** Exercise voting rights consistent with shareholder interests, respecting the judgment of the Nomination and Remuneration Advisory Committee and the Board of Kyowa Kirin, the majority of which are non-executive officers.
- **Management responsibility as a parent company:**
 - 1) Involved in the appointment of the President & CEO of Kyowa Kirin.
 - 2) As part of Group management, Kirin delegates a director of the board and an auditor to Kyowa Kirin.
- **Response to the risk of conflict of interest:** Take measures to prevent the participation of delegated directors of the board in resolutions when dealing with Kyowa Kirin.
- **Respect for minority shareholders' interests:** Maximize the interests of shareholders as a whole while respecting the interests of minority shareholders to ensure autonomous corporate activities and independence of corporate management.

Relationship between cash balances in Kyowa Kirin and Kirin Holdings

➤ Reasons for Kirin Holdings' cash balance being less than Kyowa Kirin's are as follows

Borrowing and lending rates are rationally determined in consideration of market interest rates



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Outline and Purpose of Establishment

- A joint venture was established on September 3, 2024, with a 50:50 investment by Kirin and Kyowa Kirin.
- Positioned as the Kirin Group's innovation center for health.
- Combining the strengths of both companies to create new value that neither could achieve alone.
- This initiative aims to address social issues related to health and increase corporate value.

Vision

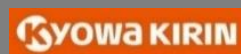
Contribute to global health by integrating the strengths of Kirin and Kyowa Kirin, and continuously creating new value.

Strengths of Kirin Holdings



- Fermentation technology
- Immunology Research
- Corporate branding to BtoC
- Customer contact regarding “food & beverage” etc.

Strengths of Kyowa Kirin



- Antibody technology & Gene cell therapy technology
- biotechnology
- Drug discovery and development capabilities that can create global products
- Industrial technology etc.

Business

- Accelerate value creation through mutual collaboration in three key areas: R&D, CVC (venture investment), and business planning and development.
- In the future, the company aims to introduce its developed technologies to both internal and external parties and implement new products in society.

Three Core Function

R&D

Technology development in basic research, applied research and development research
Discriminating and gathering information on technologies in the healthcare area
Access to technical information held by Kirin and Kyowa Kirin

CVC

Investment in and collaboration with innovative technologies, products and services
Search for assets (technology, customer base) and information that the company does not have

Business Planning and Development

Planning and development of new businesses from a technology and customer perspective, utilizing Kirin and Kyowa Kirin's assets (including licensing and exit of JV results)
Discriminating and gathering information on businesses in the healthcare field

Outline of Initiatives

- Provide FANCL skincare information and products to cancer patients with skin issues, aiming to achieve sustainable business while addressing social issues.
- Starting in 2024, a demonstration project will be launched to understand the needs for FANCL products and establish sales channels to medical facilities.
- In January 2025, the company launched 'Nagomi Time,' a comprehensive information website covering changes in appearance and care during cancer treatment.

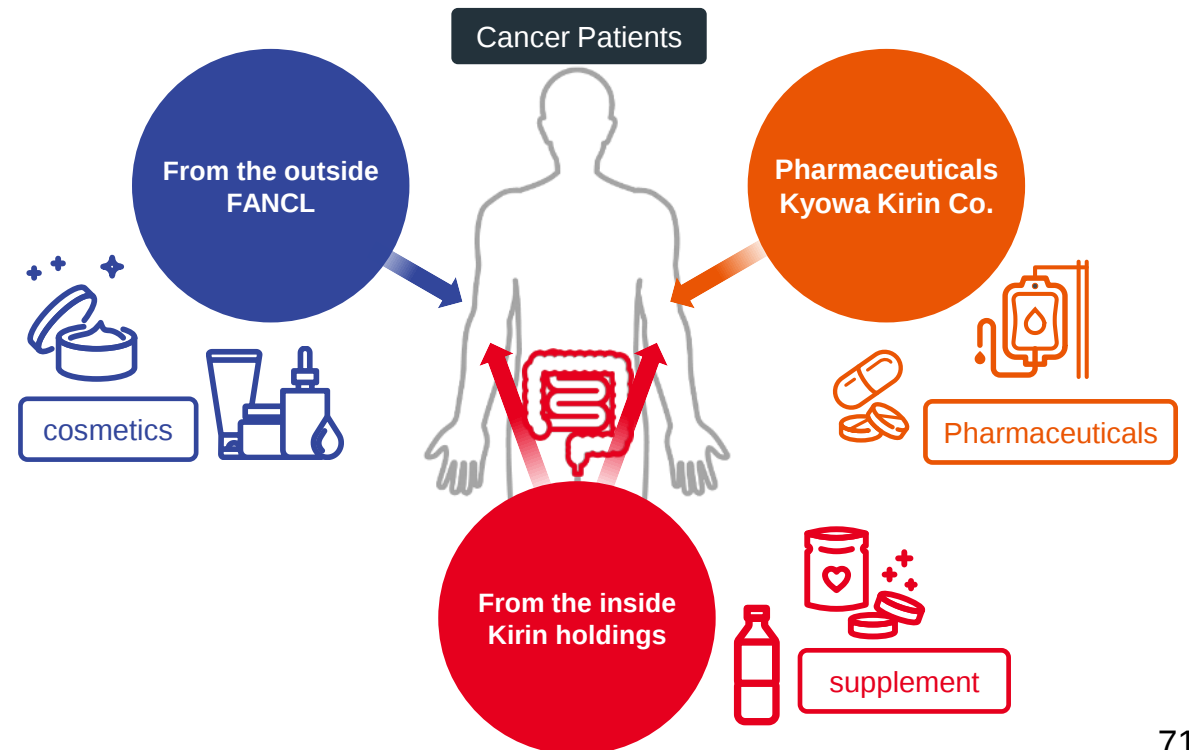


"Nagomi time"

Provide comprehensive information to help cancer patients improve their quality of life by offering guidance on changes in appearance during various cancer treatments, methods of care, grant programs, and other resources that enable them to live their daily lives as they wish, even after cancer.

Creating Added Value for the Kirin Group

- Kyowa Kirin supports cancer patients with pharmaceuticals.
- Additionally, by leveraging Kyowa Kirin's sales capabilities to medical institutions and professionals, FANCL provides skincare information and cosmetics for external use.
- From an internal perspective, Kirin Holdings aims to expand sales channels for supplements in the health science field.



Outline of Initiatives

- Utilize the Kirin Group's know-how and expertise in production-related management systems and human capital development in Kyowa Kirin's supply chain.
- Under the high-quality assurance system for pharmaceuticals, Kyowa Kirin has strengthened its pharmaceutical supply system by collaborating with the Kirin Group, and based on this, it is now able to focus its resources on drug discovery and global market expansion that create core added value.

KIRIN

❑ Leveraging Knowledge in the Food & Beverages Domain

- Production Management Know-how.
- Factory operations and production management.
- Establishment of human capital development system and training for new technical staff.

❑ Engineering Support.

❑ Cross-business experience is possible by transferring personnel from the Food & beverages domain to the Pharmaceutical domain.



Mass Production with the Roller Bottle Method

In 1993, Kirin Brewery filed an **application to expand the indications** for erythropoietin (EPO), which had been approved for the treatment of renal anemia in patients on dialysis to include chronic renal failure before dialysis and anemia in premature infants, among other conditions. However, there was a concern that if these applications were approved, the use of active pharmaceutical ingredients would increase dramatically and that it would be **highly difficult to ensure the supply with the existing production capacity**.



▲ Roller bottle system (Original bottle system)

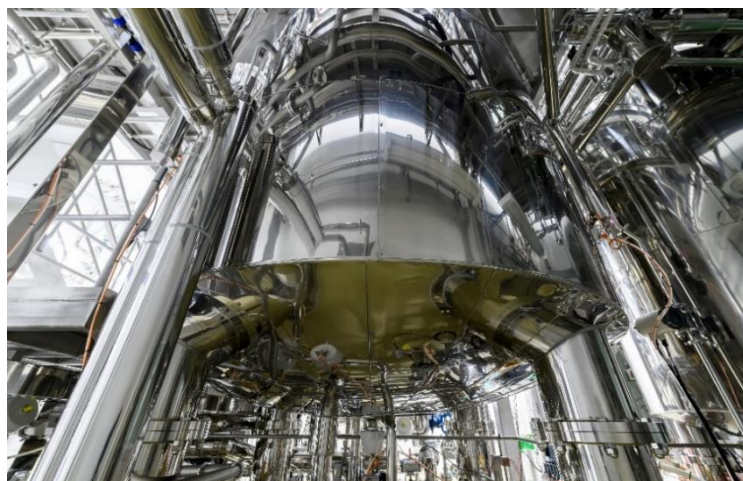
- Construction of an EPO API building on the premises of the Takasaki Plant proceeded, and **a fully automated roller bottle system for animal cell mass culture** was in place by February 1995.
- The new **roller bottle system** consisted of a culture rack for culturing cells, a filling and harvesting unit for filling, exchanging, washing, and collecting culture media, and an automatic system for loading/unloading and transferring roller bottles that connected the culture rack with the filling and harvesting unit. This allowed use of 8,000 roller bottles to perform a series of tasks aseptically and automatically.
- **This quadrupled Kirin Brewery's EPO production capacity.**

※EPO is currently manufactured with cutting-edge technology and no longer with a roller bottle process.

<Examples of Value-Added Creation> Bioreactors & Fermentation

- Biopharmaceutical fermentation of cell culture shares the **same technology** with health food/alcohol fermentation in terms of **maximizing the production of target enzymes, proteins, or metabolites**.
- Kirin Engineering's technology is being utilized.

Bioreactor Kyowa Kirin Takasaki Plant (Gunma Prefecture)



Active ingredients of biopharmaceuticals are produced from cell culture in the bioreactor.

Lactobacilli culture tank iMUSE Health Science Factory (Saitama Prefecture)



Lactobacilli are grown from sugar and other raw materials.

Beer fermentation tanks Pilot Plant (Kanagawa Prefecture)

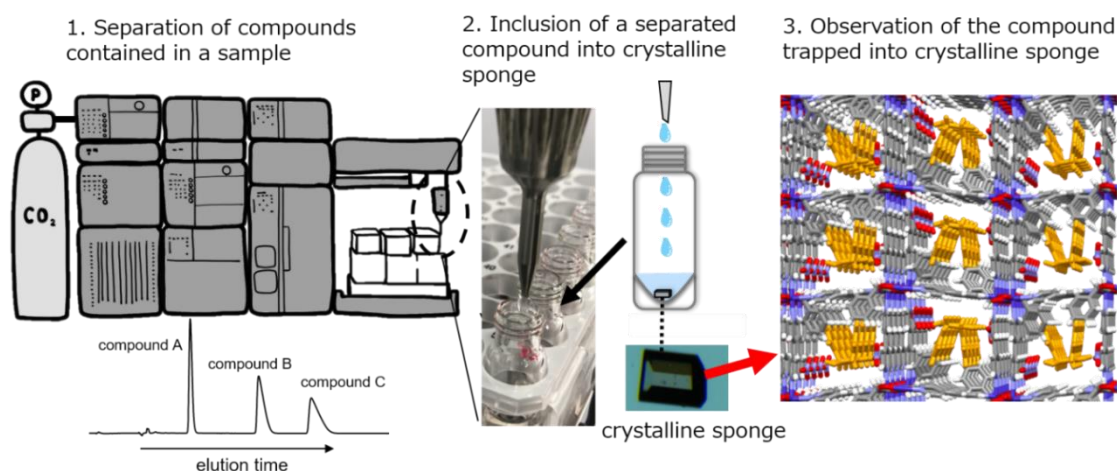


Sugar is metabolized by **brewer's yeast** to produce **ethyl alcohol** and **carbon dioxide**.

Initiative Overview

- Kirin Central Research Institute and Kyowa Kirin have established the world's first analysis platform that enables swift separation of compounds to be analyzed from investigated samples containing various compounds and rapid structural determination of unknown compounds by coupling "supercritical fluid chromatography" and "crystalline sponge method".

For more information,
access here



Creating Added Value for the Kirin Group

- In the Pharmaceuticals domain, there are examples of the use of this technology in various evaluations for the purpose of streamlining the search process for active substances.
- With FANCL, we utilize this with the structural analysis of active ingredients in functional materials, and with Kyowa Hakko Bio Group, we utilize the results of the structural analysis in the development of substance production methods.

【Reference】

- In the Food & Beverages domain, succeeded in identifying the chemical reactions, reaction pathways, and reaction mechanisms of alpha acids associated with the oxidative aging of hops for the first time in the world and succeeded in the mass production of Kirin's unique material, "matured hop extract".
- Contributed to the launch of *KIRIN KARADA FREE* in October 2019, which contains "matured hop extract".

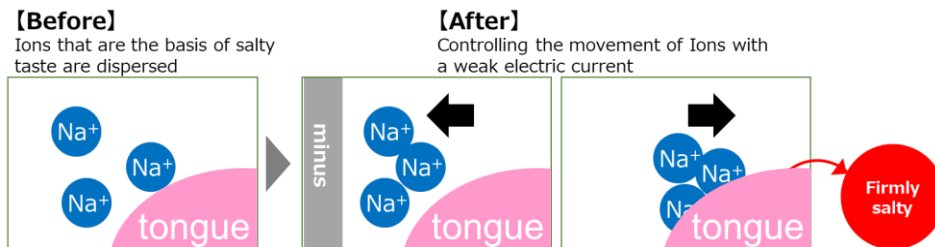


"Electric Salt" Device

Initiative Overview

- Kirin Holdings and the Meiji University Dr. Homei Miyashita Laboratory jointly developed the "Electric Salt" a tableware-type device, which uses electric current waveforms, to solve the social issue of "excessive salt intake".
- It aims to achieve "a society that enables to improve eating habits in a delicious way" by controlling the movement of sodium ions in food with a weak electric current to enhance the saltiness.
- A demonstration experiment was conducted in collaboration with Orange Page, SoftBank, and Odawara City. Sales began on the online store in May 2024.

Mechanism of saltiness enhancement in food and beverages



Creating Added Value for the Kirin Group

- Patients with a chronic kidney disease, which Kyowa Kirin is committed to treating, require dietary treatments such as salt restriction. We will utilize the "Electric Salt" a tableware-type device, which enhances the salty taste of low-sodium foods, to allow patients to feel the strong salty taste of low-sodium food so that they can experience the pleasure of eating well while continuing the diet recommended by the medical institution.

Electric Salt -Spoon-

[Intended use]

- Substitute for a ramen noodle's spoon
- For soups and curries with many ingredients
- Other meals in general



※The above design is for demonstration purposes only.

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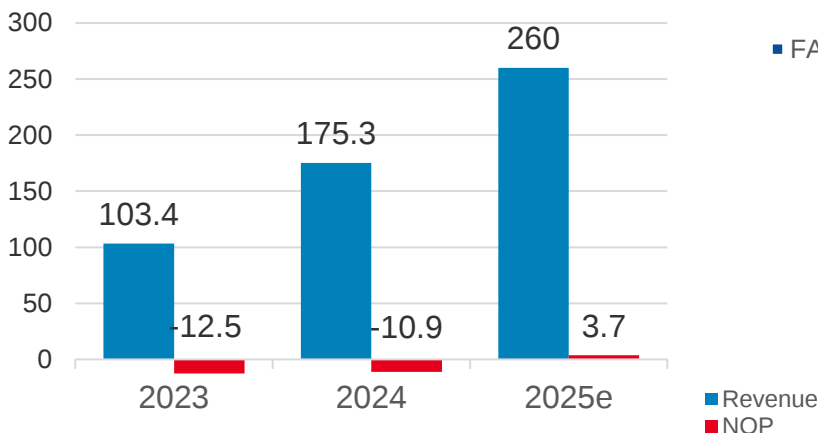
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Health Science Business

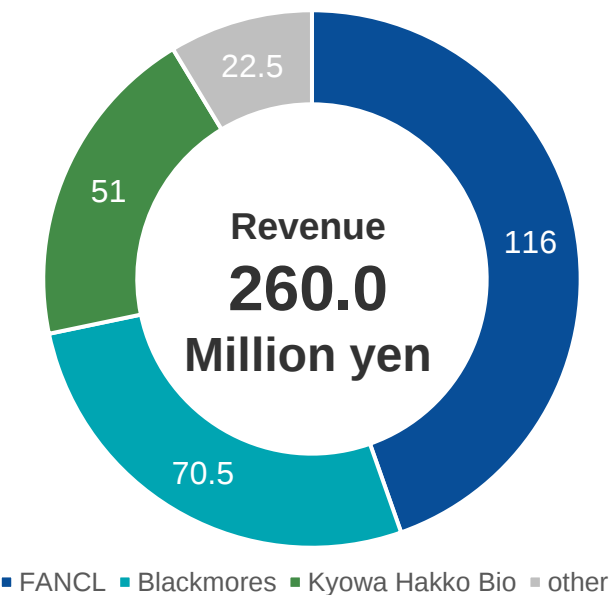
History

- 2010: Discovered "*Lactococcus lactis* strain Plasma"
- 2019: Began full-scale operation in the Health Science; Made Kyowa Hakko Bio a subsidiary; Entered into a capital and business alliance with FANCL
- 2023: Makes Blackmores Limited a wholly owned subsidiary.
- 2024: Announced the transfer of Kyowa Hakko Bio's amino acid business, etc.; Made FANCL a wholly-owned subsidiary

Revenue and Normalized Operating Profit (billion yen)



Composition ratio of business companies (2025e)



Quantitative target

Revenue

Aim for **300 billion yen** by 2030 through creating added value in the group

Normalized Operating Profit Margin

Aim for **15%** in the future by first achieving our target of 10% or more by 2030

ROIC

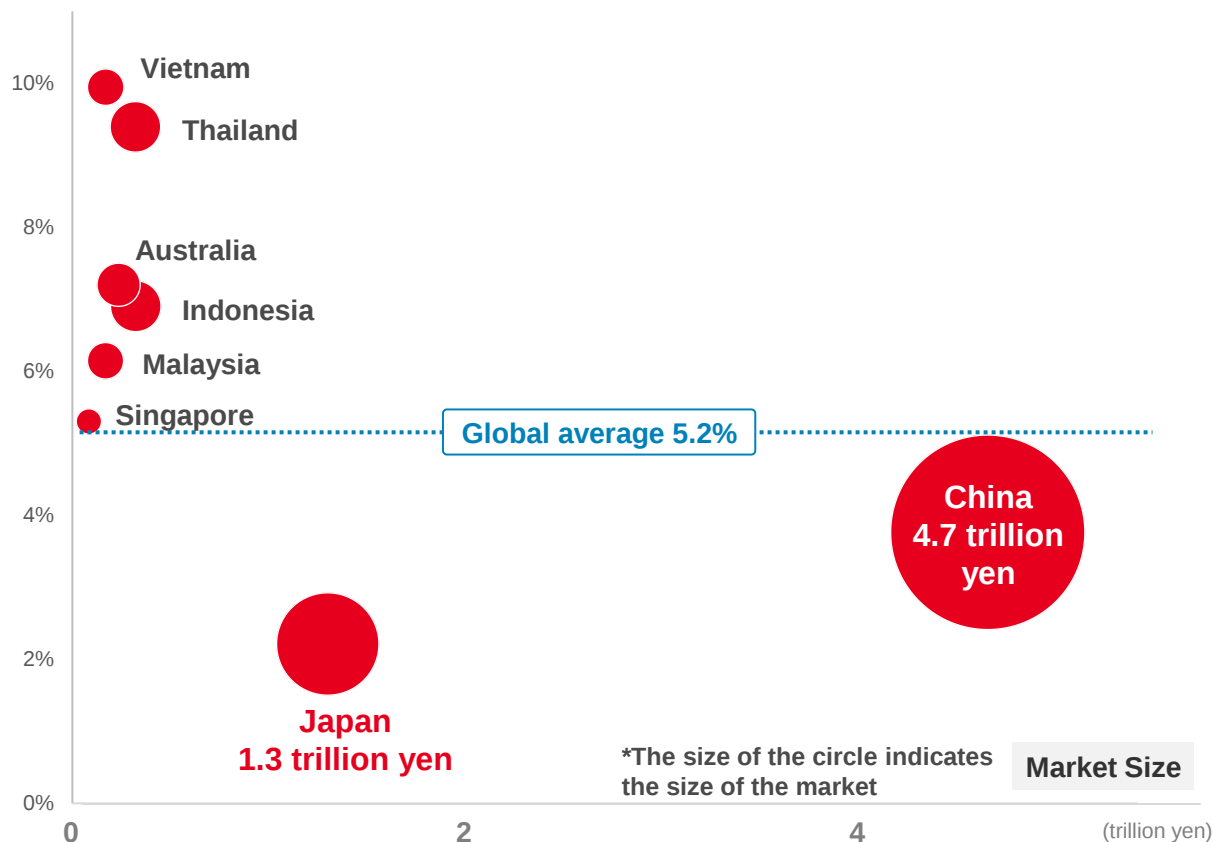
Move from the investment phase to a stage of increasing capital efficiency and exceeding capital cost (WACC)

Achieve **10%** in the future

➤ Most of APAC countries have higher growth rates than the global average

【VDS*】Market size and 5-year CAGR

CAGR FY 2023 - 2028



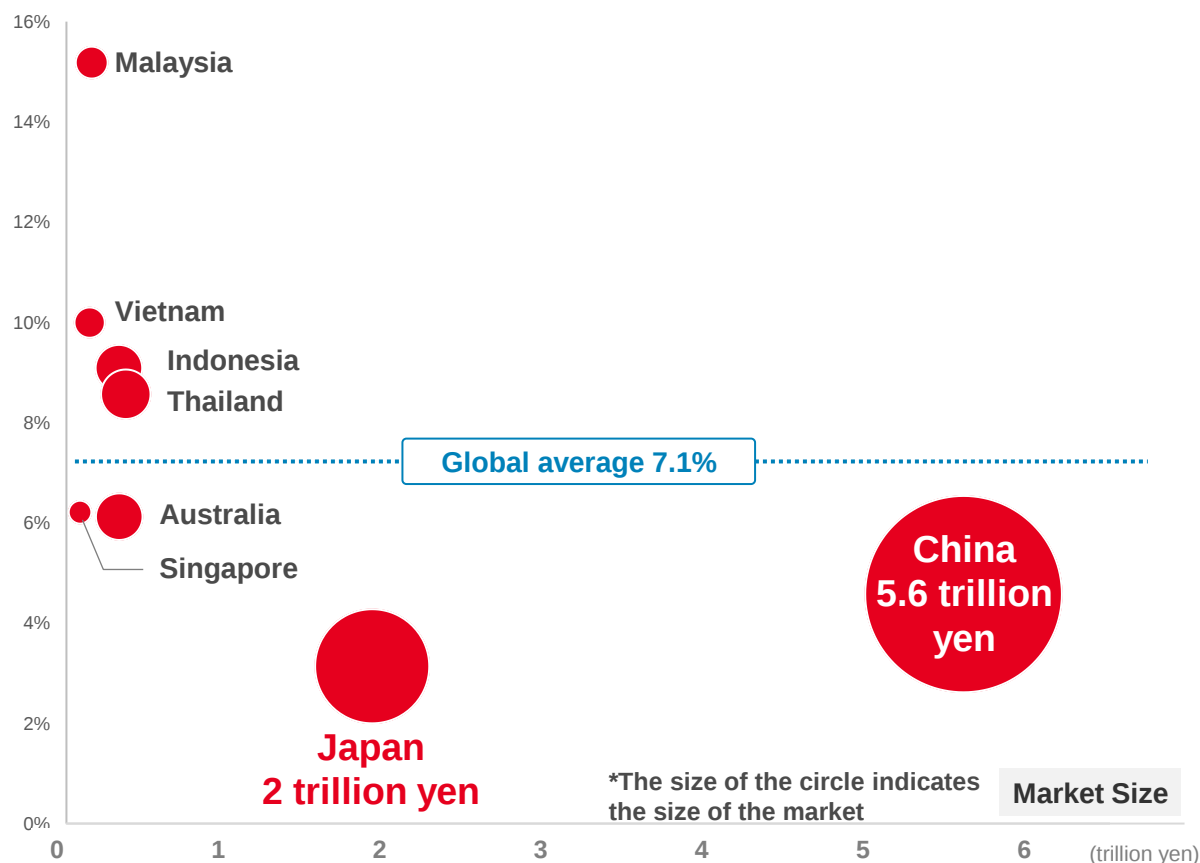
Outline of Core Markets

Japan	Market is expanding gradually - Amid increased interest in immunity and health following the COVID-19 pandemic, the demand for protein and beauty supplements has also risen. - The impact of the “red yeast rice” issue on foods with functional claims is expected to continue to a certain extent.
Australia	Achieved market growth despite a weak consumption environment due to inflation, etc. As the habit of taking supplements daily has become a common practice. Highly reliable products are in demand, especially for immunity, etc.
China	Continuing growth with an overwhelming market scale - Nutritional supplements and traditional health foods are especially popular - Online channels continue to grow
Southeast Asia	Market is growing rapidly - The market is supported by an increase in health consciousness and economic growth - Nutritional supplements and immunity products are particularly popular, but need to offer a product portfolio and product formats to meet different demands in different countries

➤ As with supplements, high growth rates are expected in Southeast Asia, and further growth is expected in China

【Skincare*】 Market size and 5 year CAGR

CAGR FY 2023 - 2028

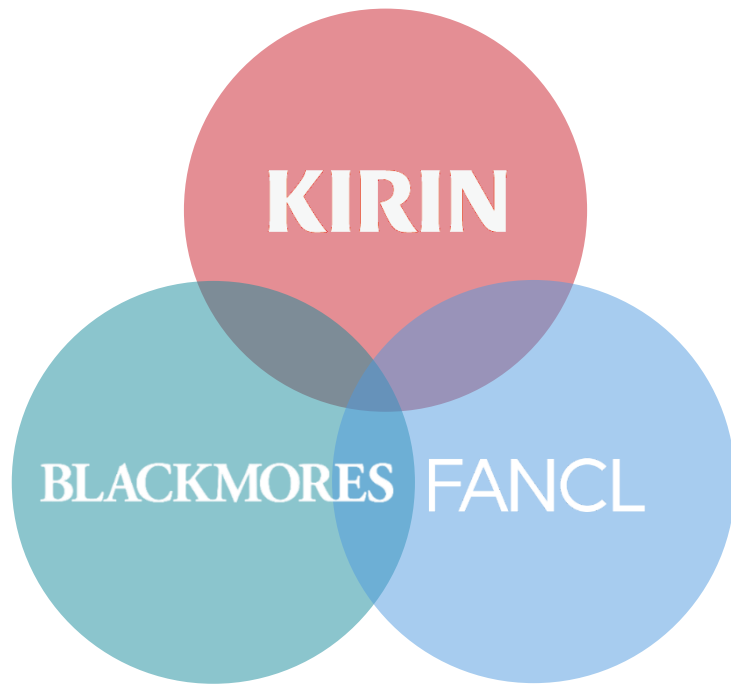


Outline of Core Markets

Japan	Market is on the road to recovery - In the cosmetics market, skincare market is the largest, followed by the hair care and makeup markets - The market grew due to a recovery in inbound demand and an increase in opportunities to go out.
Australia	Steady market growth - Natural and organic products are popular in the market. Luxury skincare products are especially growing, and foreign travelers are also influencing consumption trends. - The growth of online sales channels is also boosting the market.
China	Continuing growth with an overwhelming market scale - It is the world's largest market. - Local brands are gaining market share and competing with global brands. Duty-free policies are also influencing the market, leading to a shift back to domestic consumption.
Southeast Asian	Market is growing rapidly - Skincare and makeup products are popular in the market, especially natural ingredients and organic products - The growth of online sales channels is boosting the market, and economic growth throughout the ASEAN region is also contributing to market expansion.

What Kirin Aims to Achieve in the Health Science Business

- By enhancing the innate power of human beings, we aim to become one of the largest Health Science Companies in Asia Pacific through helping people of all races, genders, and ages to realize the joy of living and heart enriching lives.



Maximize the value provided to consumers by combining the strengths of KIRIN, FANCL, and Blackmores

Solve Social Issues related to Health

Solve individual health challenges

- Prevent lifestyle-related diseases, and Maintain brain function , skin beauty, stress relief, etc.

Natural health

- Enhance the innate power of human being through ensuring adequate Nutrition, Exercise, and Rest, as well as establishing good immune care habits.

What Kirin aims to achieve

The joy of living heart enriching life

Aim to fulfill the following needs throughout APAC

- "Continue to maintain health and eat tasty food"
- "Be confident of your own smile"
- "Cherish connections with friends and family no matter how old you are"

Competitive advantages in the Health Science Business

- Create added value by combining the strengths of each brand in the value chain while establishing a market leader position in the core markets

The Kirin Group's Competitive Advantages in the Value Chain

Market Research



Deep consumer understanding

- Regularly research and analyze consumer's evolving needs by having consumer touchpoints in each operating area
- Build long-term relationships with consumers through various channels and communities

Research and Product Development



Product innovation to meet consumer needs and develop needs

- Develop research-based formulation and health claims
- Technology related to develop diverse product formats and packages (e.g. new product formats, environmentally friendly containers, etc.)
- Capabilities to utilize IPs globally and comply local regulations.
- Cultivate consumer needs from new technologies (utilize LC-Plasma, citicoline, Koji Sterol, etc.)

Procurement, Production, Quality Assurance & Logistics



Quality and safety Building an optimal supply chain

- Provide products based on high quality and safety
- Efficient global procurement, production, and logistics systems for steady production and delivery

Develop mutual brand utilization in each area

Marketing and Sales

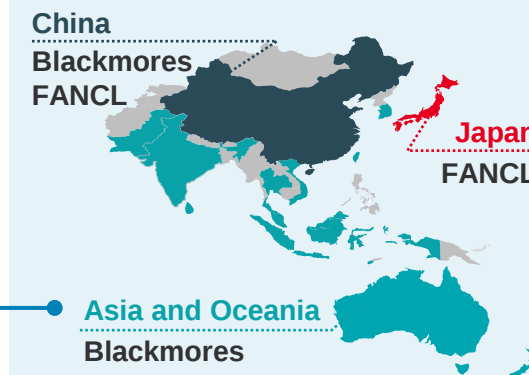


Strong Brands



Strong Sales Channel

- Build a strong position in each area



Area strategies

- Commit to increasing the profitability of our business over the next three years until 2027 to become one of the largest Health Science Companies in APAC
- Promote organic growth of KIRIN, FANCL, and Blackmores brands, as well as initiatives unique to the Group

Focus Area: Growth of supplements and skincare business in the core markets

Solidify market leadership in each brand's core markets

ANZ 

- Maintain No.1 share in a stable market
- Consider expansion of the FANCL brand in the skincare business and beauty category

Japan 

- Optimize business processes and achieve growth under the KIRIN and FANCL brands
- Further develop inner and outer care approaches to health challenges

China 

- Increase awareness through brand investment
- Accelerate growth through channel expansion

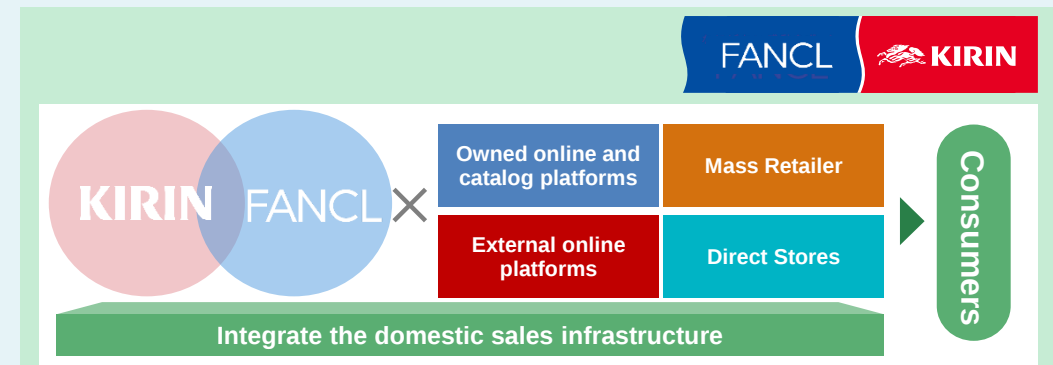
Southeast Asia 

- Expand presence by developing products that meet the needs of growing markets
- Consider to develop new skincare markets

Focus Area: Integrate the domestic business with FANCL

Create added value by leveraging both Kirin and FANCL brands to approach a wide range of consumers and strengthening approaches tailored to the characteristics of each sales channel

- Reinforce sales functions through integrating the business processes
- Promote integration of back office functions



Create top-line Added Value

➤ Aim to create added value by prioritizing top line initiatives

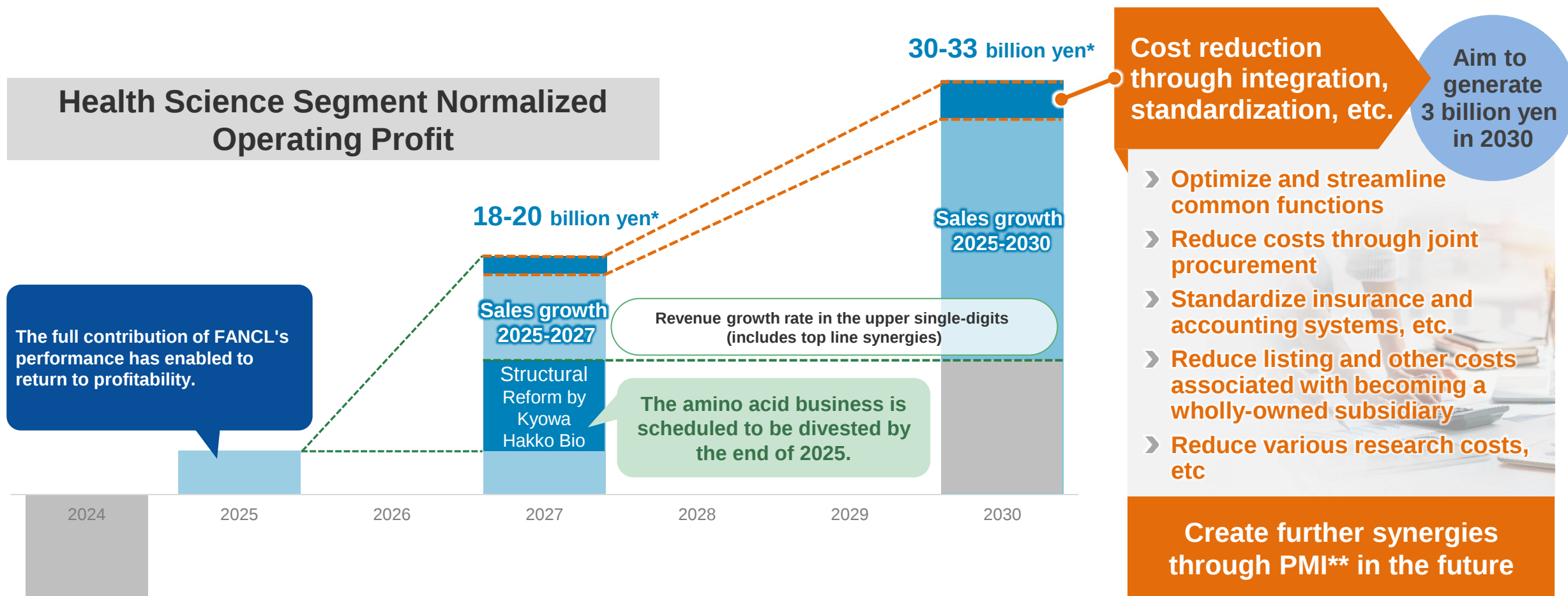
Additional Top line Growth initiatives



Achieve a growth rate
1-2% higher than the
market growth by
creating added value
in the group

Health Science Normalized Operating Profit Growth Guidance

- Accelerate profit growth through top-line growth and cost reductions higher than the existing businesses by creating added value in addition to the organic growth of FANCL and Blackmores



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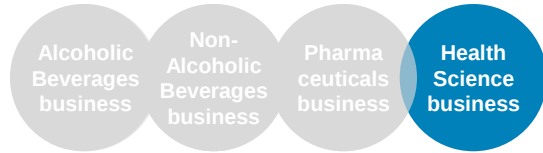
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- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
マーケティング戦略

A little joy, every day.

FANCL



Basic Information

Business

- BEAUTY segment
 - Cosmetics business etc.
- HEALTH segment
 - Supplements business etc.

Developing country

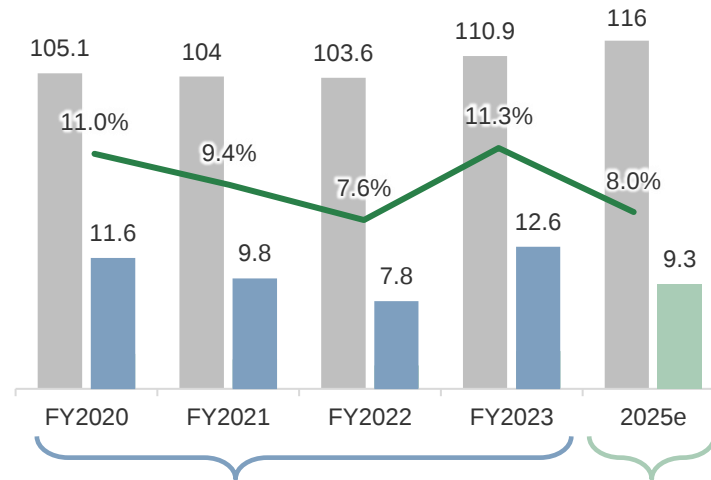
Focusing on Japan, China and other Asian countries

Manufacturing base

- Chiba Factory (Cosmetics and Supplements)
- Yokohama Factory (Supplements)
- Mishima Factory (Supplements)
- Shiga Factory (Cosmetics)
- Gunma Factory (Cosmetics)
- Nagano Factory (Hatsuga Genmai , Supplements)

Revenue and Normalized Operating Profit ※FY2025 Forecast

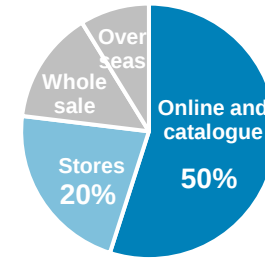
- Revenue 116.0 billion yen
- Normalized OP 9.3 billion yen (After deduction of amortization of intangible assets)



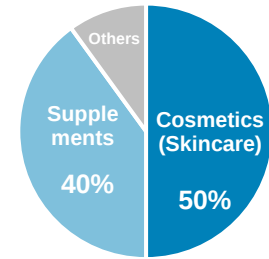
Results at the time of
FANCL listing
April-March basis

Kirin consolidated basis
(Intangible assets amortized)
January-December basis

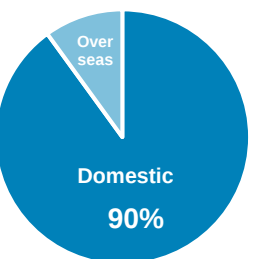
By Channels[Revenue]



By Business[Revenue]



By Region[Revenue]



History

- 1981 Established
- 1994 Mail order sales launched for Supplements products
- 2019 Formed capital and business Alliance with Kirin
- 2025 Becoming wholly owned subsidiary

Main Products



Cosmetics (Skincare) and Supplements Business

Cosmetics (skincare) business

Approx. **50%** of FANCL's revenue



Domestic Cosmetics Market

Total Approx. 3.1 trillion yen
(of which skincare: approx. 1.4 trillion yen)
*2024 forecast

Future forecast growth: low single-digit %

FANCL Cosmetics business Policy

Established a firm position as FANCL, a company that resolves "skin problems"

Features of FANCL Cosmetics

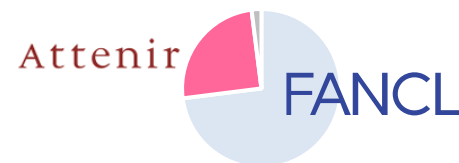
Mutenka cosmetics that eliminate skin problems by thoroughly eliminating ingredients that cause skin stress

No Preservatives, Synthetic fragrances, Artificial coloring, Petroleum surfactants, Ultraviolet absorbents

Revenue by Category



Revenue by Brand



Main Products

- **MILD CLEANSING OIL**
FANCL cosmetics' signature product that accounts for more than 20% of its sales
- **FACIAL WASHING POWDER**
- **ENRICH+**
Anti-aging care lotion and emulsion

Supplements business

Approx. **40%** of FANCL's revenue



Domestic Supplement Market

Approx. 1.1 trillion yen *2024 forecast
Future forecast growth: low single-digit %

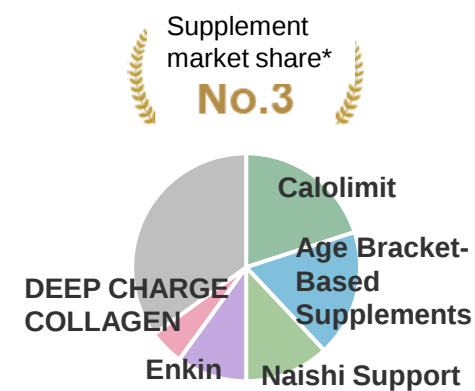
Supplement Business Policy

Earn trust as a health support company and cultivate the "FANCL" corporate brand

Features of FANCL Supplements

- **Wide range of product lineup**
More than 100 products including vitamins, minerals, and targeted supplements are available
- **Product efficacy in our body design**
Research into the absorption and accumulation properties of each component and achieving a balanced combination that enhances efficacy
- **The system of Foods with Function Claims**
Obtained evidence through clinical trials for many products.

Revenue by Category



Core products account for approx. 60% of revenue

Main Products

- **Calolimit Series**
- **Age Bracket-Based Supplements**
- **Naishi Support**
(Weight and body fat care)
- **Enkin**(Anti-aging eye care)
- **DEEP CHARGE COLLAGEN**
(Weight and body fat care)

Operating policy

Using the Kirin Group's resources, boost our strengths under the new strategy, and evolve overseas business to the next stage

Strengthening

Expansion by leveraging existing knowledge

Natural health business in China

- Make investments by means of "selection and concentration" for steady sales growth



China

Attenir

- Start general trade in China
Further strengthen presence in the Chinese market

Attenir



China

Preparation for the future

Creating synergy effect with KIRIN and Blackmores



China

- Work on rebuilding future strategy for cosmetics business



China

Thailand/Australia

- Plan new market entries by leveraging Blackmores' resources



Thailand



Australia

Status of Overseas Expansion ※2024 year-end time point

	Business format	Brand	Countries and Regions	Sales Channels
Cosmetics (Skincare) business	Wholesales to local distributors	FANCL	China・Hong Kong・Taiwan・Singapore	Direct stores (Department store, etc.)
	Direct sales	Attenir	China	Cross-border e-commerce

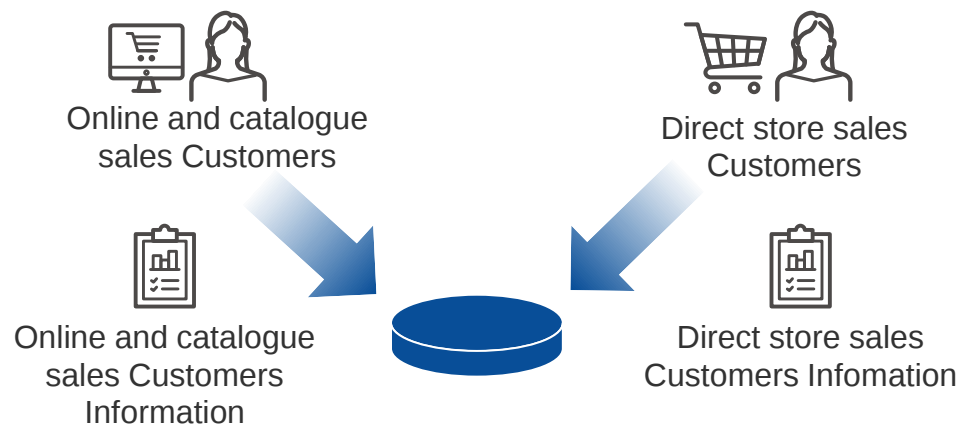
	Business format	Countries and Regions	Sales Channels
Supplements business	Wholesales to Sinopharm International	China	Cross-border e-commerce Stores (Drug store, etc.)
	Wholesales to local distributors	China・Hong Kong・Taiwan・Singapore	Direct stores (Department store, etc.)

FANCL's Unique Business Model



More than 2 million customers have direct access

Utilize sales channel data



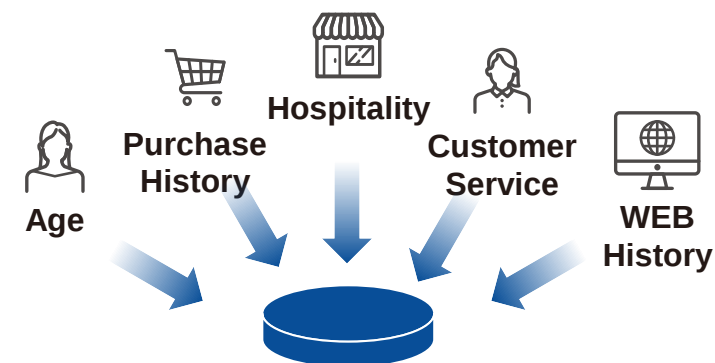
Uniquely developed FIT core system

- Unlike most companies, has a centralized management of online and Direct store customer information
- Developed a unique service that is difficult for other companies to imitate, such as directing customers between channels



Utilize the uniquely developed FIT core system

Ability to analyze customers



Build a unique estimation model by combining hundreds of elements

- Most companies utilize customer demographics and purchasing data
- FANCL utilizes a broader range of information and data to gain a deeper understanding of customers, enabling optimal approaches that promote cross-selling and prevent attrition

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Blackmores

Alcoholic
Beverages
business

Non-
Alcoholic
Beverages
business

Pharma-
ceuticals
business

Health
Science
business

Australia's Leading Natural Health Company

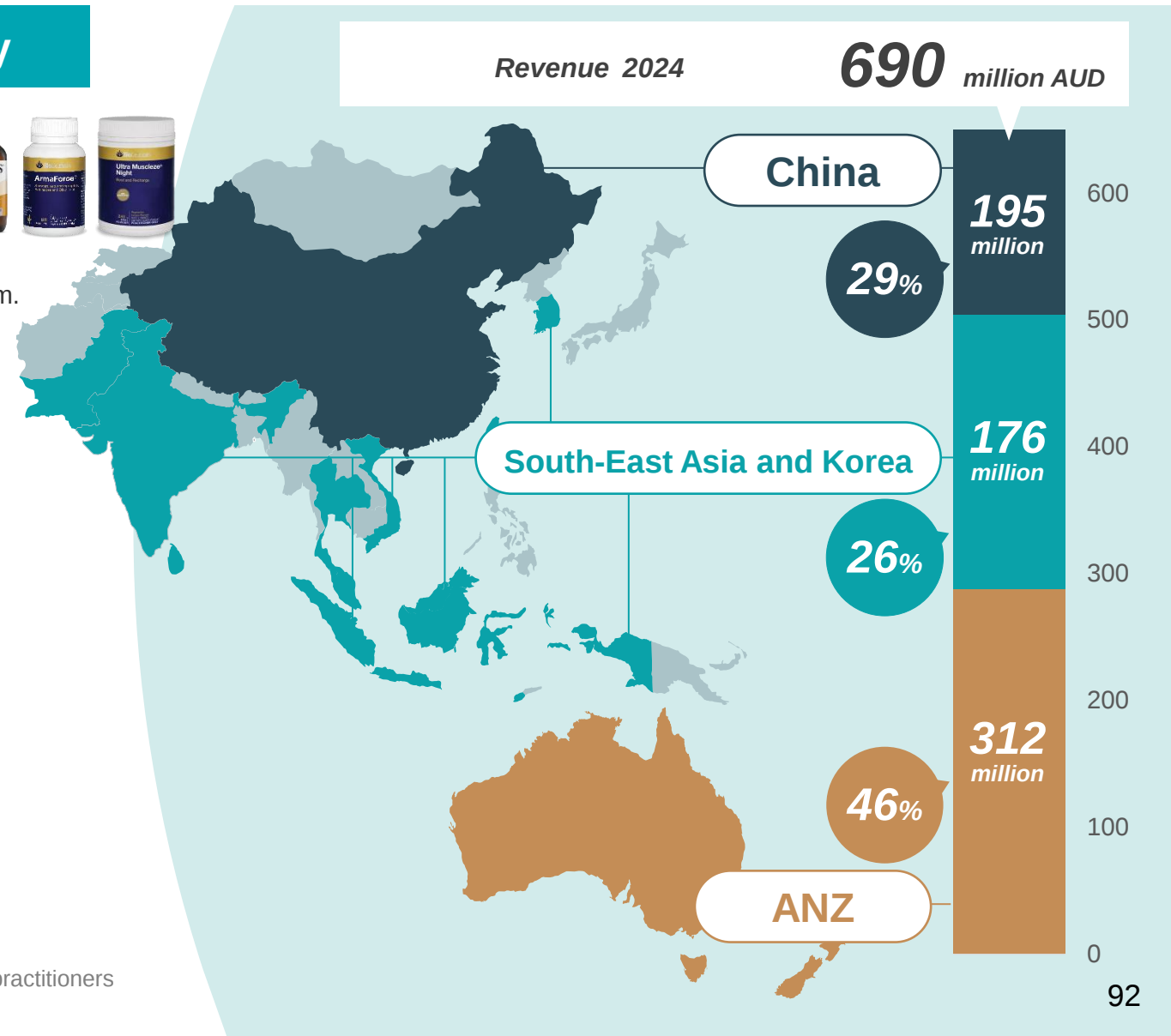
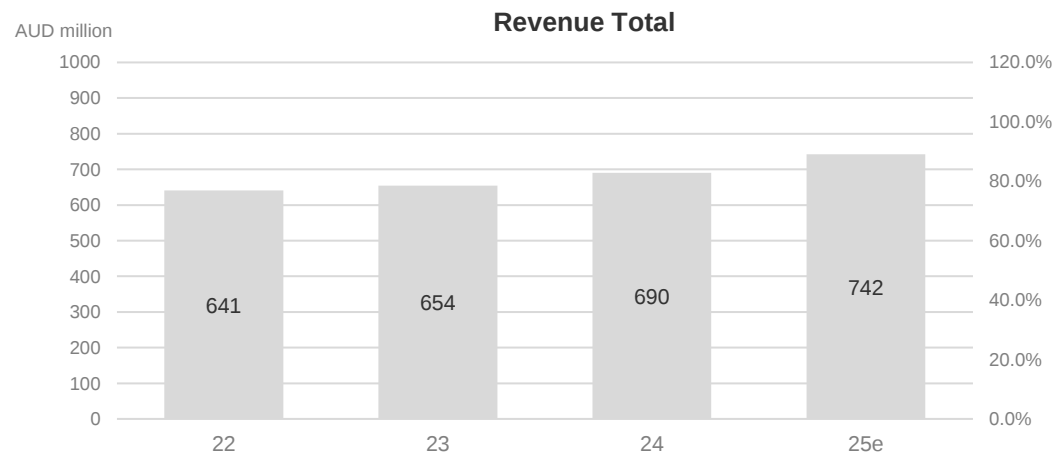
Head office : Sydney, Australia.

Founded : Established by Maurice Blackmore in 1932, more than 90 years delivering natural health expertise.

Region : Pioneering market development in Southeast Asia since 1976. Main countries of operations include Australia, New Zealand, Singapore, Malaysia, Thailand, Indonesia, South Korea, China and Vietnam. Ongoing development of new markets such as India.

Production : Main products are manufactured at the Blackmores Group Braeside facility in Victoria, Australia to maintaining high quality.

Main brands: BLACKMORES (leading supplements and infant formulas brands)
BioCeuticals (leading practitioner supplement brands*)





Highly trusted brand

- Trusted and effective premium brand from Australia
- Reliability with 90 years of history

Sales channels covering APAC countries

- Sales network with roots in key Asian countries
- Prospective consumer contact points with potential access to over 1 billion people

Intelligence in complying with regulations

- High level of knowledge and experience in dealing with country-specific regulations (e.g. Halal)
 - Regulatory readiness with regard to cultural, religious and customary backgrounds, including pharmaceutical laws
- Embedded relationships with regulators in Australia and other countries



Product development based on deep consumer and practitioner understanding

Experienced management team

- Health science business professionals
- Extensive global experiences



Blackmores CEO:
Alastair Symington

Blackmores 2025-2027: a focused strategy for growth

Growth drivers

01



Extend Blackmores in Asia

02



Accelerate Innovation in Preventative Health Leading with IMMUNITY

03



Digital Health Leadership

04



Extend Leadership in Our Heartland Businesses

Invest for the future

05



Transform our Operations

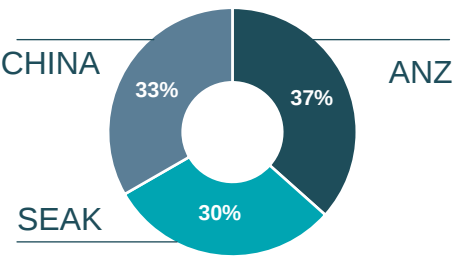
Blackmores – Brand snapshot

Marketing Positioning and Strategy

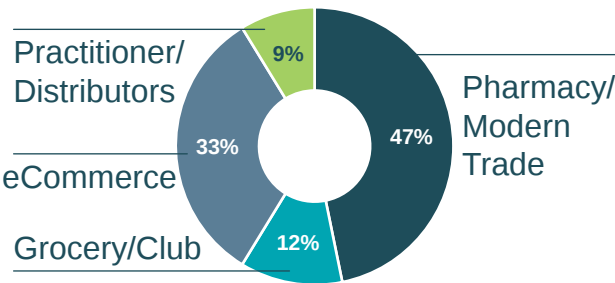
Ambition	Build Blackmores into the most trusted and distinctive VDS brand creating scale for profitable long term sustainable growth
Positioning	Empower the best of health in everyone, naturally
Strategy	Drive brand penetration by maximizing accessibility and relevance: • More accessible to more consumers in China and South-East Asia • Innovation & portfolio expansion that delivers at the intersection of major consumer health needs and government health agendas in the markets we serve.

Revenue breakdown (CY'24)

Revenue by region



Revenue by channel²



Notes: 1. Top 5 by Group revenue, grouped by product family where relevant; 2. Split based on eCommerce data provided by 3rd party platforms; 3. IQVIA/Nielsen AU Pharmacy + Grocery MAT 31/12/2024 (Retail and Practitioner); 4. IQVIA market share data CY24; 5. Fiftyfive5 Brand health tracking (Dec 2024).

Top 5 products¹



Fish Oil
(all products)



CoQ10
(all products)



Glucosamine
(all products)



Bio C 1000
(all products)



Pregnancy &
Breastfeeding
Gold

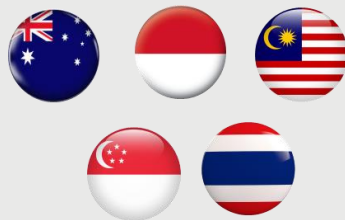
Brand metric highlights

Brand Leadership



12.9% market share³

Top 3 Market Share ranking in 5 markets⁴



Top Brand Attributes⁵

1. “Brand I trust²”
2. “Leading brand in vitamins”
3. “Works for my needs”

BioCeuticals – Brand snapshot

Marketing Positioning and Strategy

Ambition

Unlock better health for more Australians with practitioner endorsed, unparalleled natural health solutions within and beyond the pill

Positioning

Harness the unrivalled power of nature to heal

Strategy

- Drive consumer awareness at scale
- Accelerate HCP recommendation whilst priming the shopper
- Demonstrate innovation leadership

Top 4 products¹ and Clinical Range example


ArmaForce


Ultra Muscleze

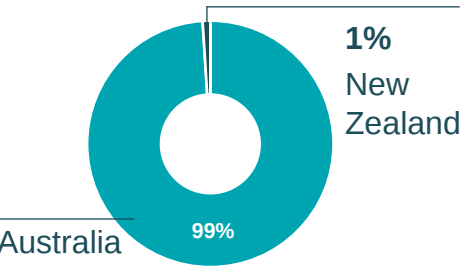

Ultra Clean


UltraBiotic

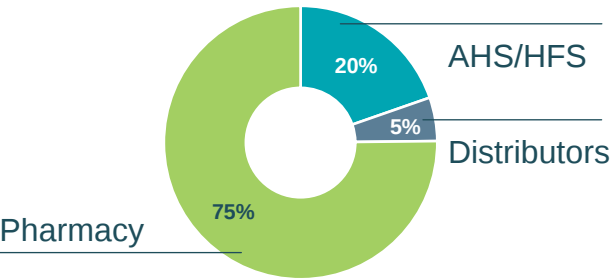

BioCeuticals Clinical

Revenue breakdown (CY'24)

Revenue by market⁴



Revenue by channel⁴



Notes: AHC = Allied Health Channel, HFS = Health Food Stores. 1. Top 4 by Group revenue, grouped by product family where relevant; 2. IQVIA/Nielsen AU Pharmacy MAT 01/02/2024 Domestic (Practitioner); 3.Elbow HCP Advocacy Tracking (Dec 2024). Excludes Registered Medicines; 4. FiftyFive5 Brand Health Tracking. Dec 24

Brand metric highlights

No.1
Pharmacy Practitioner brand² sales

Top 3
Pharmacy brand² sales

No.1
Pharmacist recommended brand³

22%
Brand awareness⁴

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Through immunity research, contribute to improving people's health

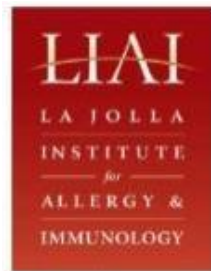
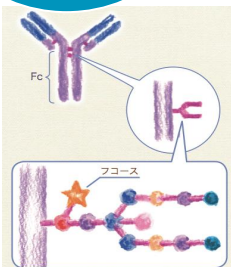
Immunity is one of the innate powers of human beings, like a software that governs our health, and it is important for all people regardless of race, gender, or age.

Through research on immunity, we aim to contribute to the happiness of everyone in the world and solve social issues such as rising medical costs and extending health life expectancy.



Contribution through Research

For 40 years, contributed to the development of immunology through the development of immunotherapeutics such as antibody drugs and the establishment of “LIAI”, the world's most advanced public immunology research institute.



↑Established in 1988 with funds from the Kirin Group

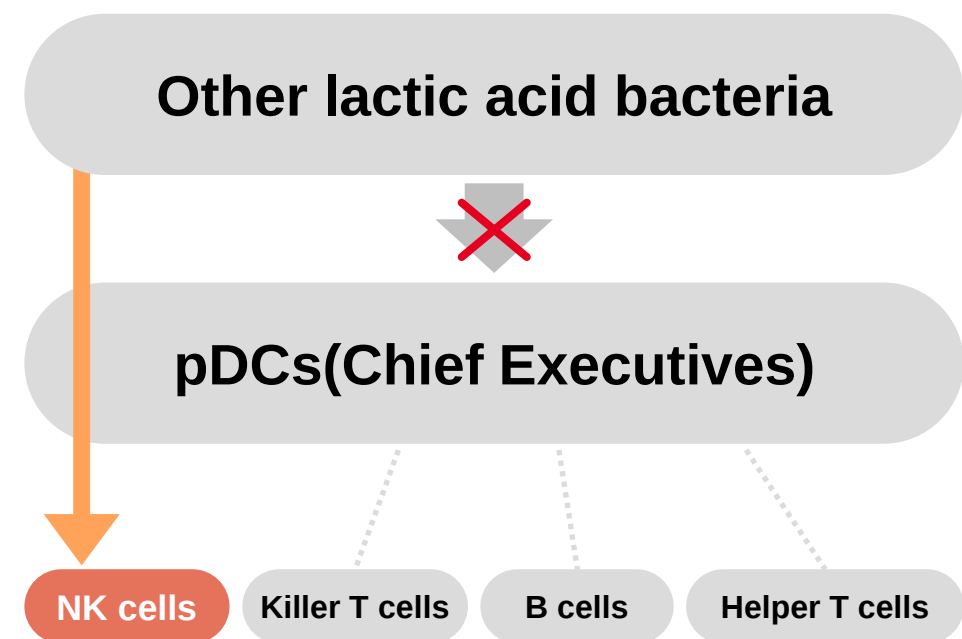
Contribution through the business

Developed LC-Plasma products in collaboration internally and externally within the Group, and conducted awareness activities on immune care

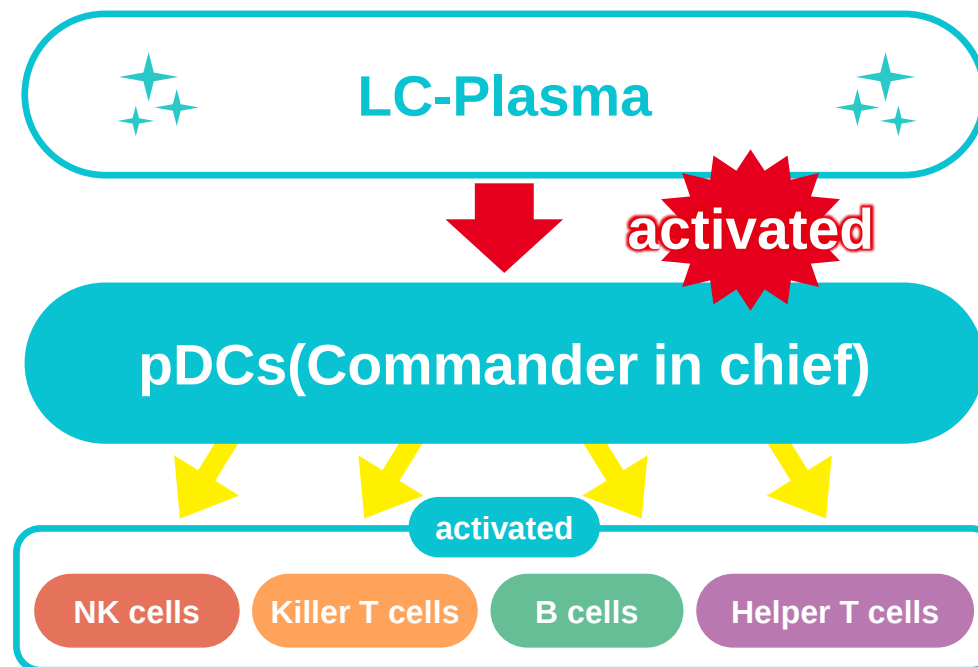


- Discovered for the first time in the world that LC-Plasma directly activates the command center of immune cells.
- LC-Plasma can activate a wide range of immune cells, while other lactic acid bacteria only partially activate them.

A new mechanism completely different from the conventional immune activation of lactic acid bacteria



Immune cells are partially activated



All immune cells are fully activated

The suppression of dengue-like symptoms with the intake of LC-Plasma

- With a focus on research results against dengue fever, clinical research collaboration with the University of Malaya, Malaysia began in 2019
- Aim to solve the major social initiative of tropical infectious diseases



Nagasaki University announced the results of a specific clinical study on patients with COVID-19 using LC-Plasma

- Immune cell pDCs were maintained, and confirmed early reduction of viruses and improvement of smell and taste impairment
- The findings from this specific clinical study have been jointly patented by Nagasaki University and Kirin



This is a presentation of research results,
It is not intended to promote the efficacy of the product.

Health Science Business (LC-Plasma)

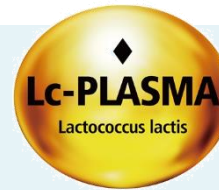
Segment's
Normalized OP
level for 2027

18.0-20.0
billion yen

- Commit to increasing the profitability of our business over the next three years until 2027 to become **one of the largest Health Science Companies in APAC**
- For LC-Plasma, increase the added value of its ingredient and expand its business both in Japan and overseas in order to achieve profitability in 2025

Focus Area: LC-Plasma

- Efforts will be made to increase the value of the ingredient of LC-Plasma, which activates a wide range of immune cells. Further value creation, including pharmaceutical development, will be promoted.
- While keeping the domestic business solid, leverage the capabilities of Blackmores to expand overseas, starting with Taiwan and gradually expanding to one or more countries each year.
- Aim to expand out-licensing by negotiating with major food companies and partnering with external companies to explore overseas opportunities
- LC-Plasma business will be profitable in 2025



Overseas development of LC-Plasma supplements

- Taiwan  **Launched in 2025**
- Australia  **Aim to launch in 2026**
- Thailand/Vietnam   **To be launched from 2026 onward**

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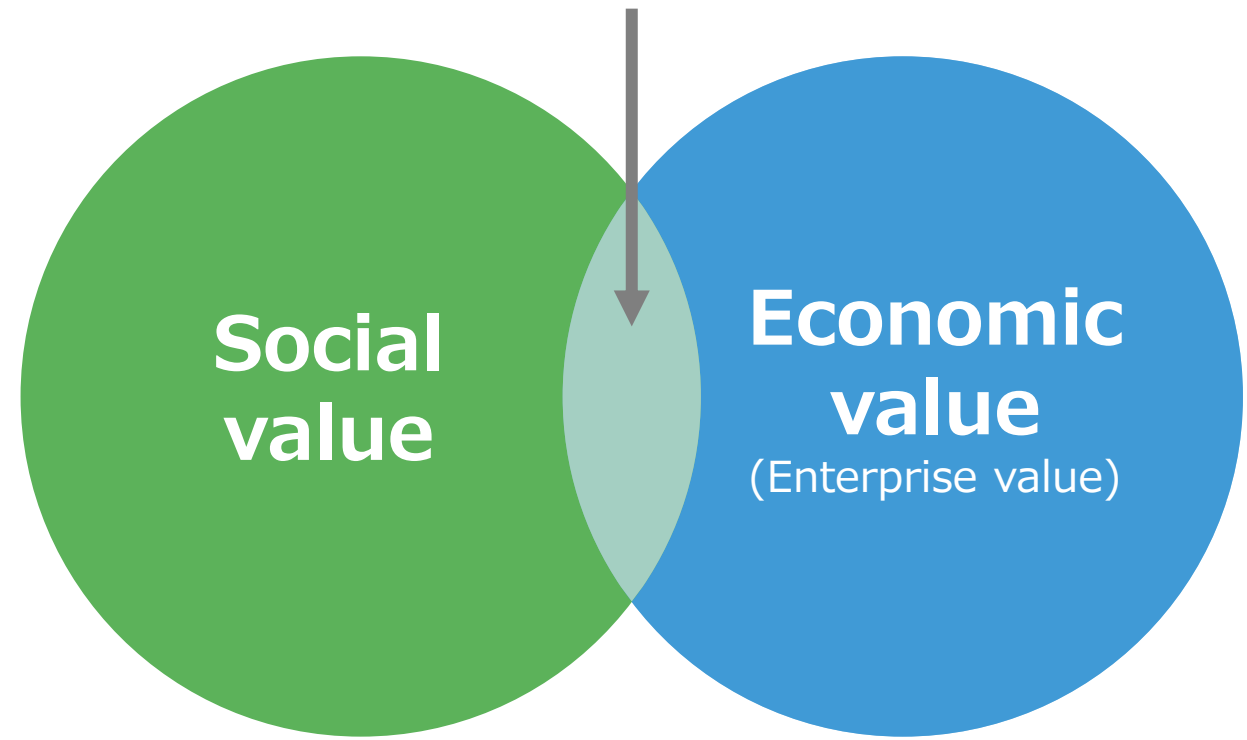
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What is CSV (Creating Shared Value) ?

- The concept was introduced by professor Michael Porter in the Harvard Business Review.
- Creating shared value is the practice of creating economic value in a way that also creates value for society by addressing its needs and challenges as the next driving force for growth.

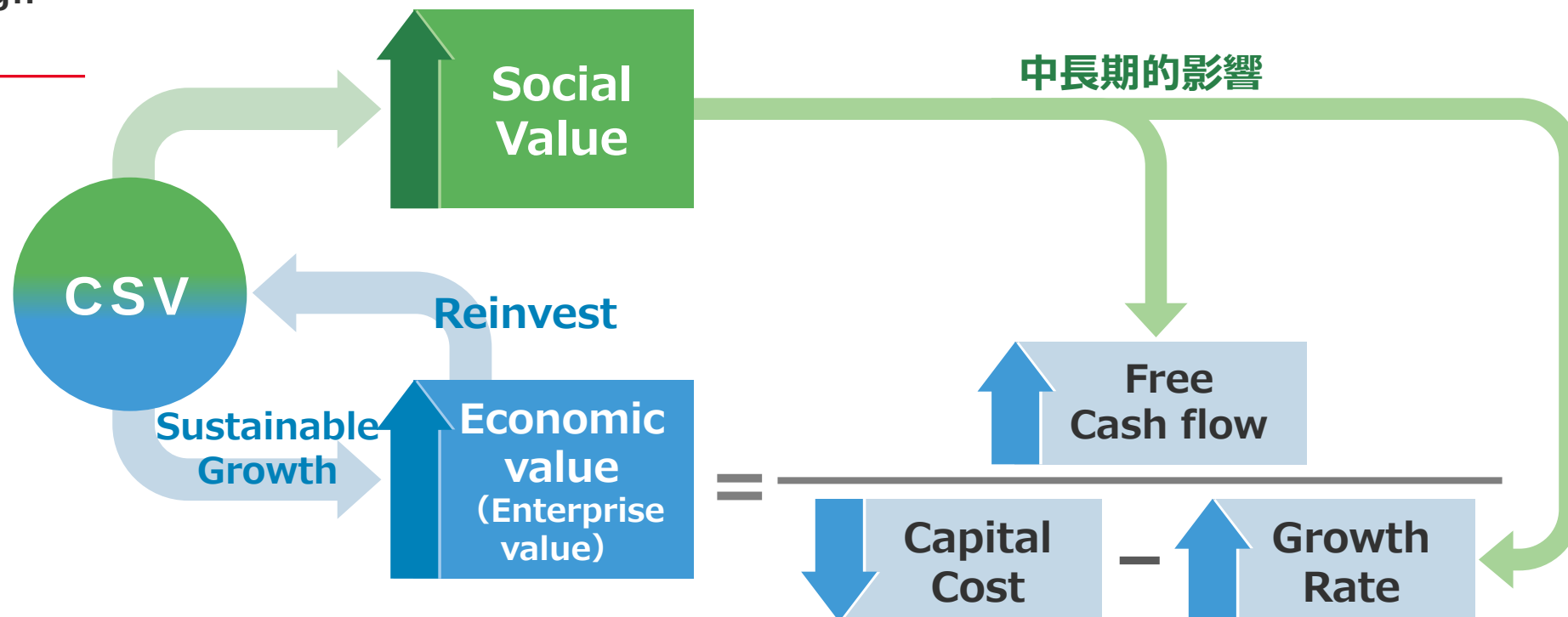
Creating Shared Value



CSV and Sustainable Growth

- CSV approach seeks to resolve the social issues through innovation, increase enterprise value by generating sales, cutting costs and reducing business risk, and further mitigate the social issues and enhance enterprise value by reinvesting profits.

Structure of sustainable value creation through CSV management

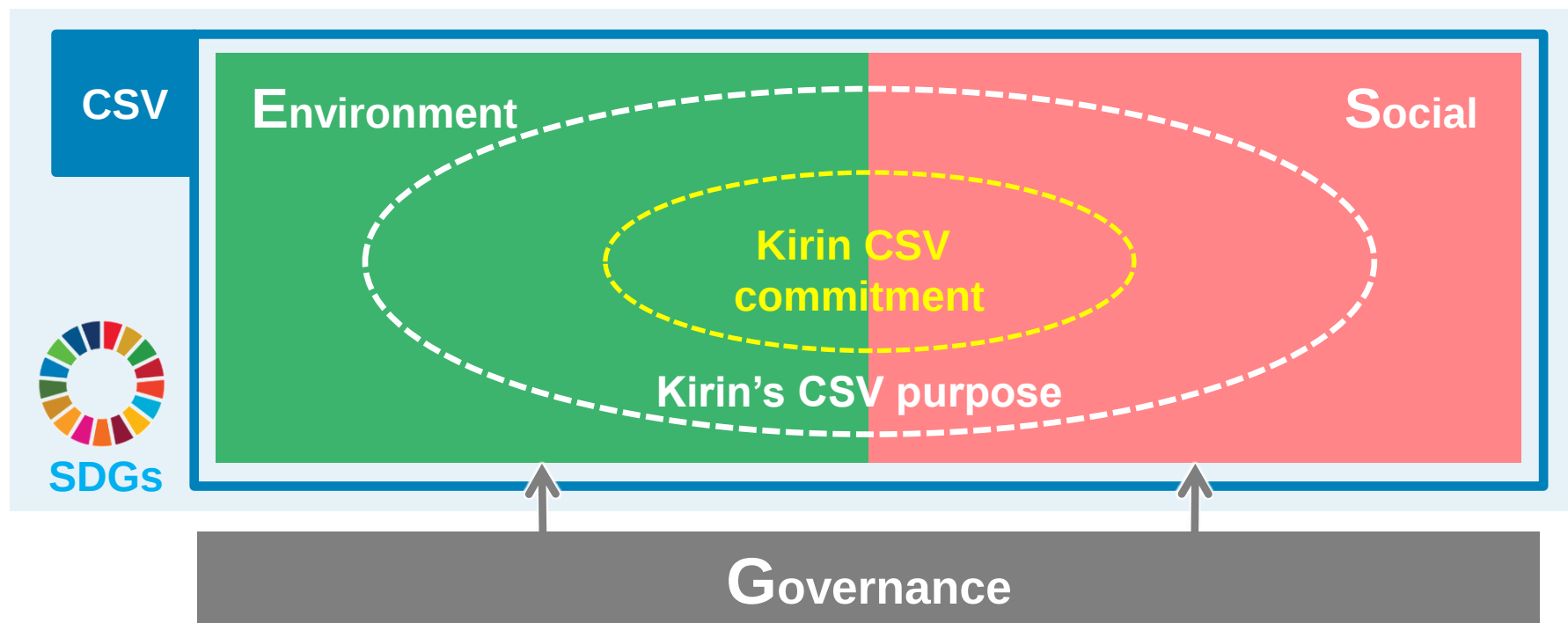


- Among all SDGs agendas to be addressed by all stakeholders, the E and S in ESG, which are used by long-term investors to evaluate investments, are the domains where the invested companies can generate returns and sustain their growth by resolving those issues. This concept expressed from the perspective of a company as the investment is Creating Shared Value (CSV)
- At KIRIN, ESG is viewed to be a governance added to CSV, and by properly conducting governance of CSV management, the company will increase shareholder value, contribute to SDGs, and link these to improve ESG reputation and attract ESG investments

Relationship of

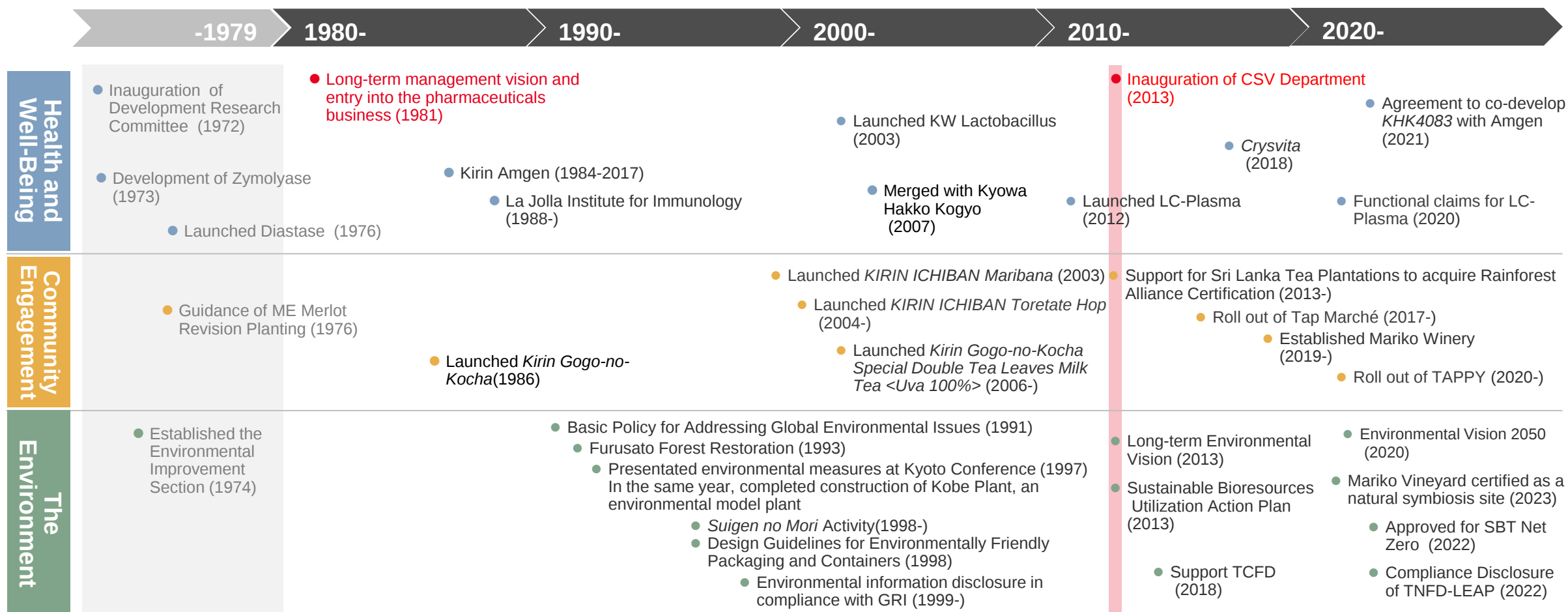
ESG and CSV

Creating Shared Value



Pre-history and History of CSV Management

- The commercialization of solving social issue (CSV as we know it today) has been a practice since the company's long-term management vision in 1981, when we entered biopharmaceutical development by utilizing fermentation and cultivation technologies developed in the beer industry to contribute to health concerns associated with aging.



Note: In terms of responsibilities as an alcohol producer, Kirin Free, the world's first beer-tasting beverage with 0.00% alcohol content, was launched (2009)

Summary: Kirin Group's CSV Management

- Set a major CSV purpose as a responsibility of a health, community, environment, and alcohol manufacturer.
- To successfully transform into the Health Science Business, it is crucial for ESG investments to understand the risks associated with the alcohol business and the opportunity in the health sector.



-
- The diagram illustrates the Group's ESG Management Framework, structured as a pyramid with three main levels, supported by various committees and evaluation mechanisms.
- Pyramid Levels:**
- Top Level (Red):** Corporate Philosophy, GMM 1), Future after ten years from now.
 - Middle Level (Red):** CSV Purpose 2), Guidelines up to 2027.
 - Bottom Level (Orange):** CSV Commitment, Plan up to 2024, Vision of Each key Issue.
- Supporting Mechanisms:**
- Multiple Stakeholders:** Represented by a vertical bar on the left, with arrows indicating interaction with the top level of the pyramid.
 - Committees:**
 - CSV Contact person meeting 3)
 - Group CSV Committee 4)
 - Group Executive Committee
 - The Board
 - Nomination and Remuneration Advisory Committee
 - Executive Committee at each Company
 - Evaluation and Planning:**
 - Group Business Plan:** To be incorporated in business plans.
 - Business Plan of Individual Companies:** Includes a circular arrow icon, indicating a continuous process.
 - Evaluation of Executive Officers:** Promotion of Commitments.
 - Evaluation of Organizational Chief (MBO-S):** Financial and Non-financial KPIs.
- Arrows indicate the flow of information and influence between these components, showing a top-down strategic framework with bottom-up feedback loops.

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Group Materiality Matrix (GMM) ・CSV Purpose ・CSV Commitment

- Based on the GMM created looking 10 years into the future, “the management philosophy as a universal mission” is translated into “the CSV Purpose as the role and significance of existence expected in today's society,” and the CSV Commitment is formulated as an action plan to achieve this goal.

Identification of
key issues

Setting up
an action Plan

GMM

CSV Purpose

CSV Commitment

● A Responsible Alcohol Producer ● Health and well-being ● Community Engagement ● The Environment ● Other Material Agenda and Governance

large Impact on Stakeholders - Creating bonds and trust for people's well-being - Helping to improve the performance of brain function and prevent decline - Improvement of access to nutrition - Ensuring tax transparency	- Provide pharmaceuticals for Unmet Medical Needs - Sustainable development of communities in raw material production areas and business development regions - Sustainable use of biological resources - Sustainable use of water resources - Sustainable recycling of containers and packaging - Overcoming climate change - Support for the prevention of non-communicable diseases - Promoting compliance - Enhancing the sustainability of food economy - Building sustainable logistics - Countermeasures against cyber attacks	- Dealing with alcohol-related problems - Ensuring food safety and security - Ensuring stable supply, safety and reliability as a pharmaceutical company - Respect for human rights - Support for maintaining the immune system - Ensuring occupational health and safety - Human resource development to realize innovation - Promoting diversity and inclusion - Improving the effectiveness of corporate governance - Reinforcing risk management - Protection of personal information - Implementation of health management - Realization of a vibrant workplace/culture - Strengthening group governance
small	medium	large
Impact on the Group's business		



Items	Themes	Non-financial Indicators	Target Level in 2024
Environment	Climate Change	Reduction rate of GHG emissions (Scope 1+2 vs. 2019)	23% (50% in 2030)
	Containers and Packaging	Recycling rate of resin for PET bottles	38% (50% in 2027)
	Water Resources	Water use intensity at manufacturing sites with high water stress (Water use intensity - Water usage / Production amount)	Under 3.0 kL/kL (Under 2.4kL/kL in 2025)
Health	Progress of mid-term health science strategy	Achievement level in supporting the maintenance of immune function 1. Recognition rate of U.C. Plasma function in Japan 2. Number of people continuing to take U.C. Plasma	1. 45% 2. 1,900,000 people (1. 50% in 2027)
		Achievement level of new value creation in the immunity, brain function, and intestinal environment domains and Achievement level of promotion of collaboration with pharmaceuticals domain	Not disclosed ¹⁾
Employees	Organizational Culture	Employee engagement score	75%
	Diversity	Achievement level in "Increasing diversity" ²⁾ 1. Ratio of female managers in Japan 2. Ratio of career hires in Japan	1. 15% 2. 30%
	Occupational health and safety	Lost time injury frequency rate ³⁾	0.95 (0.40 in Japan)

¹⁾ Specific indicators and target levels are not disclosed for strategic reasons, as they include content related to intellectual property.
²⁾ The target group is employees of Kirin Holdings.
³⁾ Major group companies that have production and logistics functions within the group will be included. Partner companies within the plant premises are also included.

Disclosing our 2022 – 2024 CSV Commitment via our website*

*2022-2024 CSV Commitments | CSV Management | Kirin Holdings

Four Environmental Challenges and a Holistic Approach

- Four key environmental themes have been established: Biological Resources, Water Resources, Containers and Packaging, and Climate Change.
- The Kirin Group's approach is to solve these issues in an integrated (holistic) manner, as they are interrelated rather than separate.

Kirin Group's Environmental Vision 2050 Enrich the Earth with Positive Impact

approach: **Holistic**

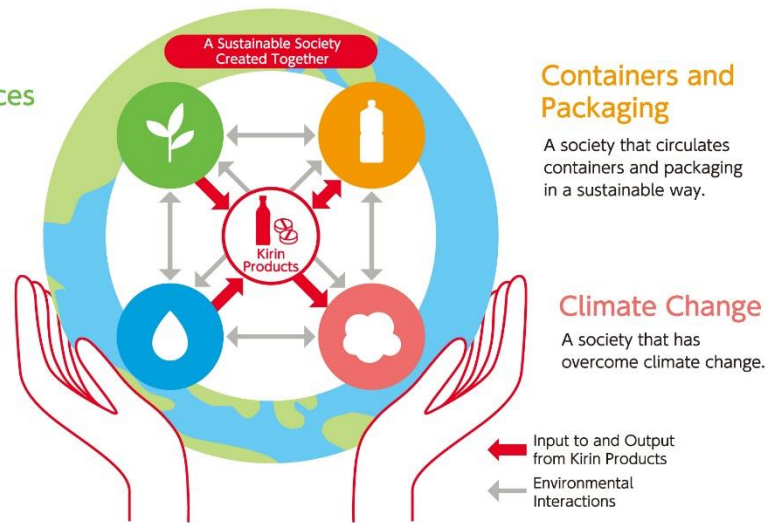
The concept that the environmental materialities of "Biological Resources," "Water Resources," "Containers and Packaging," and "Climate Change" are not separate issues but are interrelated and therefore need to be solved in an integrated manner.

Biological Resources

A society that values sustainable biological resources.

Water Resources

A society that values sustainable water resources.



Kirin and its broad stakeholders enrich society and the Earth for future generations through positive impact on people and the environment.

Containers and Packaging

A society that circulates containers and packaging in a sustainable way.

Climate Change

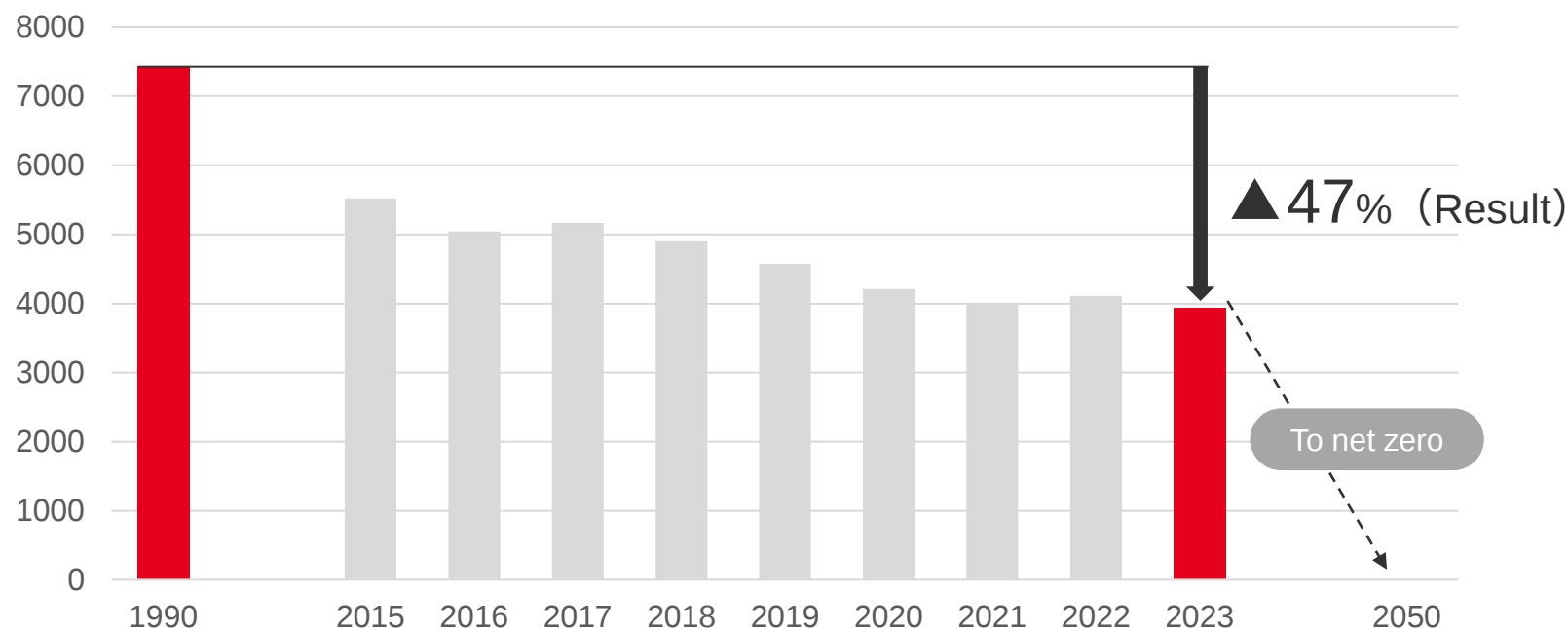
A society that has overcome climate change.

The most important message: **Positive impact**

Positive impact : The concept that we expand our environmental initiatives and their ripple effects to whole society exceeding confines of the company. We will create sustainable future together with society and people who will inherit next generation.

- The Kirin Group has greatly reduced GHG emissions in the overall value chain.
- Net zero emission, our 2050 target shown in environment vision, is a ambitious challenge, but we will achieve it by combining the accumulated experience and differentiated strategy in each business.

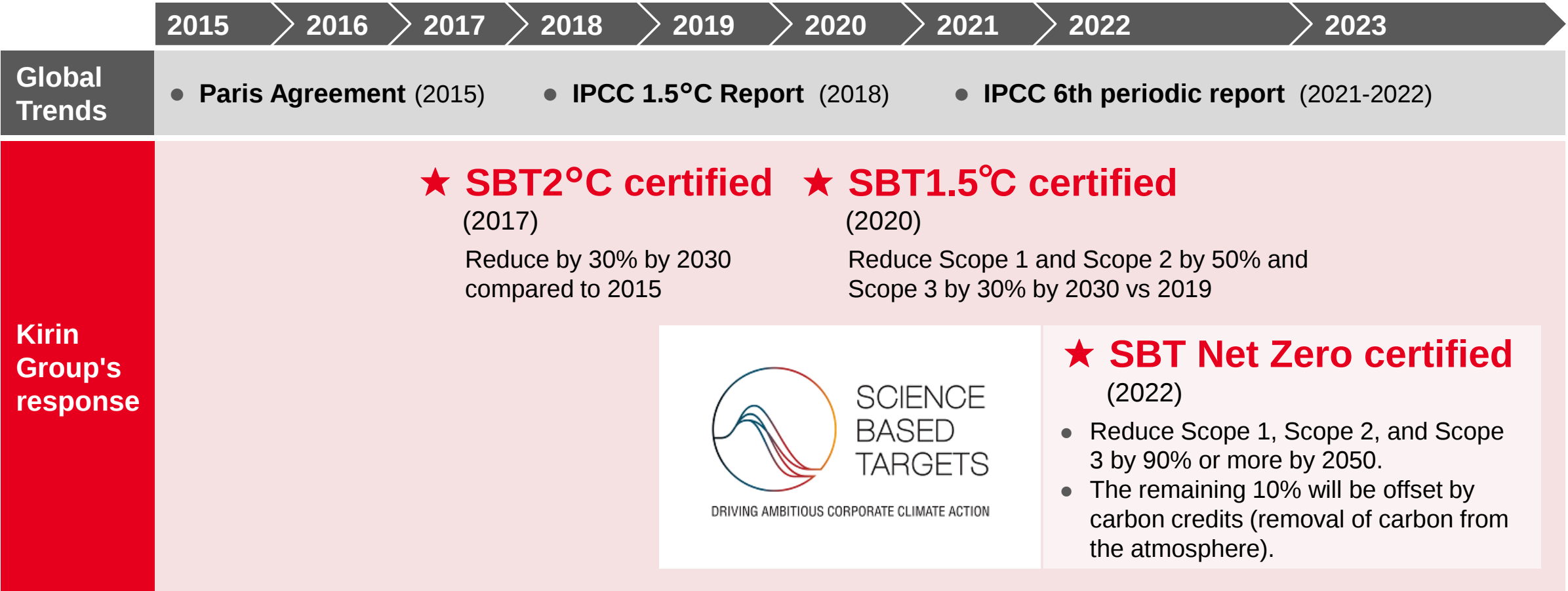
Changes in GHG emissions in the value chain (Scope 1-3)



- Install high efficiency equipment
- Improve operations
- Reduce the weight of containers and packaging

Accumulate technical know-how that will lead GHG reductions (R&D, engineering, production technology)

- Since the Rio Earth Summit in 1992, Kirin Group has been working to combat climate change along with the rest of the world.
- We are the first in the Japanese food industry to be certified for SBT2°C and SBT1.5°C, and first in the world to be certified for SBT Net Zero in the food industry.



- To establish a world-leading recycling economy for PET bottles, we are promoting social implementation of chemical recycling*.
- KIRIN is the first Japanese plastic user company to join the Alliance to End Plastic Waste (AEPW), and is working to solve the plastic waste problem from a global perspective.

Cycle of Recycling



Namacha as an environmental flagship brand



- New container reduces plastic usage in labels by approximately 180 tons and improves pallet loading efficiency

Labelless Products



Lighten the PET weight



* The process of scientifically breaking down waste plastics using various methods and reusing them as raw materials for products and other purposes. The recycling method in which waste plastic is used as raw material to make new products is called material recycling.

AEPW



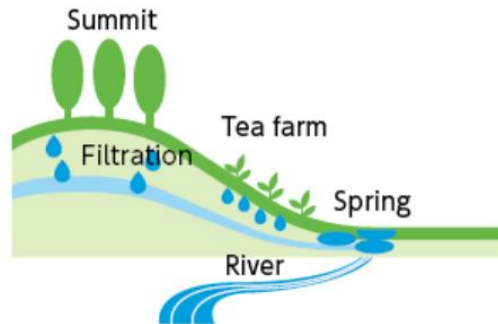
Established in 2019, a global alliance to advance solutions to reduce and eliminate plastic waste in the natural environment, especially in the ocean

- Need to address water use across the value chain, not just in the factory basin.
- Water is a resource that circulates in each region. Because the features and scale of the issues vary depending on conditions such as the climate and flood control measures, it is most important to respond to the risk based on the region and form of use.

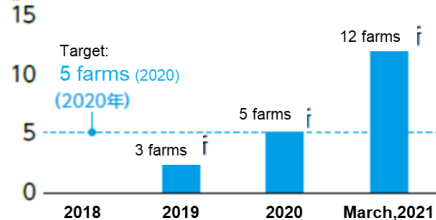
Initiatives in Raw Material Producing Regions

Watershed conservation activities in Sri Lanka

Mechanism of micro watersheds



Number of tea farms in Sri Lanka conducting watershed conservation activities

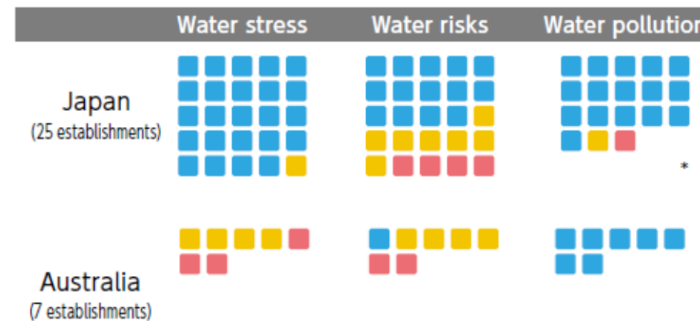


Initiatives in the Factory Area

Watershed forestry activities

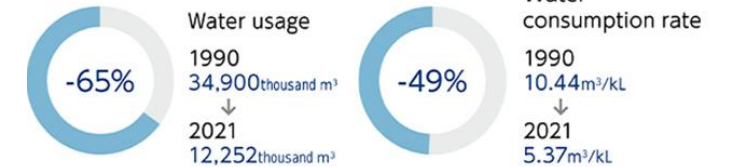


Assessed water risk

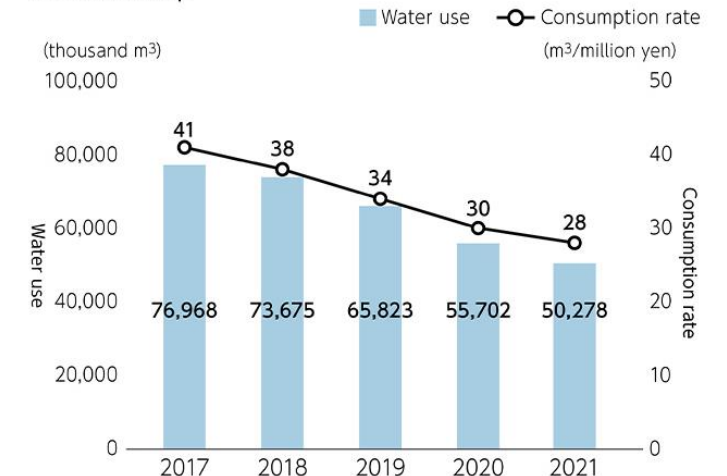


Initiatives in the Factory

Kirin Brewery



Water use and consumption rate (water use / sales revenue) of entire Group



- Presented the research results of Château Mercian Mariko Vineyard and other sites at COP15 in Montreal, showing that the “Satoyama” concept can lead to the restoration of biodiversity.
- Officially recognized by the Ministry of the Environment as a natural symbiosis site for the international goal of “30 by 30”, which aims to “conserve 30% of the land and sea as healthy ecosystems” by 2030.
- The Mariko Vineyard was selected as one of the World's Best Vineyards for the fourth consecutive year (38th in 2023). Château Mercian’s sales revenue is expected to reach a record high this year.



2020 UN BIODIVERSITY CONFERENCE
COP 15 - CP/MOP10-NP/MOP4
Ecological Civilization-Building a Shared Future for All Life on Earth
KUNMING – MONTREAL



Initiatives to restore biodiversity in the regions where ingredients are produced

One of the few certified nature-friendly sites that also produces agricultural products as a business, and a “nature-positive example” through its business activities.



- After formulating the Kirin Group Human Rights Policy in 2018 as a high-level policy for all initiatives related to respect for human rights, we have been implementing activities in accordance with this policy.
- In November 2023, the Human Rights Policy was revised for the first time in five years in response to social demands and the business environment surrounding the Kirin Group.

		Activity Summary	Achievements
2017	CSV Committee	The CSV Committee in 2017 decided to promote initiatives in accordance with the United Nations Guiding Principles on Business and Human Rights, and as a first step, formulated the Kirin Group Human Rights Policy.	Decided by the Board of Directors of Kirin Holdings in December 2017, established and published in February 2018.
2018	Developed the Kirin Group Human Rights Policy		
	Implemented Human Rights DD* Human Rights Awareness Activities *Human Rights Due Diligence	- In line with the Guiding Principles and the Group’s Human Rights Policy, we initiated efforts to identify, prevent, and mitigate negative human rights impacts related to the Kirin Group's business (human rights due diligence). - Launched activities to gain stakeholders' understanding and support for the Kirin Group Human Rights Policy.	- Implemented with the Myanmar business and Laos coffee supply chain, which were considered high priority based on the human rights risk assessment. - Provided briefing to joint venture partners and suppliers.
2020	CSV Committee	At the CSV Committee in 2020, it was agreed to establish a project team to examine initiatives to address human rights in the supply chain, with the goal of achieving the top level of the industry.	Began the development of a Group promotion system and consideration of the human rights medium- and long-term strategy.
2021	Group Promotion Structure, Reviewed the Human Rights Medium- and Long-Term Strategy		
2022	Established the Group Human Rights Council Formulated the Human Rights Medium- and Long-Term Strategy	In 2021, the Group Human Rights Council was established to formulate a human rights medium- and long-term strategy and promote initiatives, including the establishment of a structure, based on this strategy.	Established the Group promotion system and formulated the human rights medium- and long-term strategy.
2023	Began operation of Group Human Rights Meeting under CSV Committee	Started operating the Group Human Rights Conference under the Group CSV Committee, and in 2022, addressed various human rights issues, including individual human rights issues in the supply chain.	
	Revised the Kirin Group Human Rights Policy	Revised the Human Rights Policy in line with social demands, including laws and regulations, and changes in the business environment surrounding the Kirin Group, and based on the opinions of internal and external stakeholders, including the labor union.	

- In order to carry on the learning from Kirin's experience in Myanmar, KIRIN invited Mr. Chris Sidoti, an international human rights lawyer who was a member of the UN fact-finding mission on Myanmar, to give a lecture on "What we can learn from Kirin's experience in Myanmar" for the board members' human rights training program in April of this year.
- Mr. Chris Sidoti also provided feedback several times during the process of revising the human rights policy in November, which has been reflected in the final draft.

Revised Human Rights Policy

Revised the Kirin Group Human Rights Policy to accelerate initiatives at the global level

- We aim to step up our human rights initiatives to best practices considering the changes in the global environment surrounding human rights and Kirin's experience in Myanmar.
- In our Long-Term Management Vision KV2027, we aim to "become the world's leading CSV company," and human rights initiatives are positioned as the foundation for this goal.
- Kirin Group is committed to respecting human rights. We will conduct "human rights due diligence" to identify, prevent, and reduce negative human rights impacts in our value chain, including suppliers of agricultural raw materials, and take appropriate corrective measures in the event of negative impacts.
- We will prioritize and address the identified human rights issues, and continuously evolve our activities through appropriate information disclosure and dialogue with our stakeholders. We will create a positive impact on society through the identification of new human rights issues and their solutions.

https://www.kirinholdings.com/en/newsroom/release/2023/1108_06.html



Member of the UN fact-finding mission on Myanmar, international human rights lawyer

Mr. Chris Sidoti



Commitment in Respect for Human Rights

- This Human Rights Policy is our Group commitment to respect human rights.
- In addition to reducing negative impacts on human rights (such as human rights violations), we have clearly stated that we will create more positive impacts on society.
- To realize this goal, we will prioritize our efforts in order of priority, starting with areas with the greatest challenges.



Global Standards Compliance

- We have developed and refined the content of the policy compared to the 2018 version by referring to the United Nations Guiding Principles on Business and Human Rights* and examples of leading companies.

* Formulated by the United Nations in 2011.
Internationally used as a guideline for respecting human rights in corporate activities.



With All Stakeholders on the Value Chain

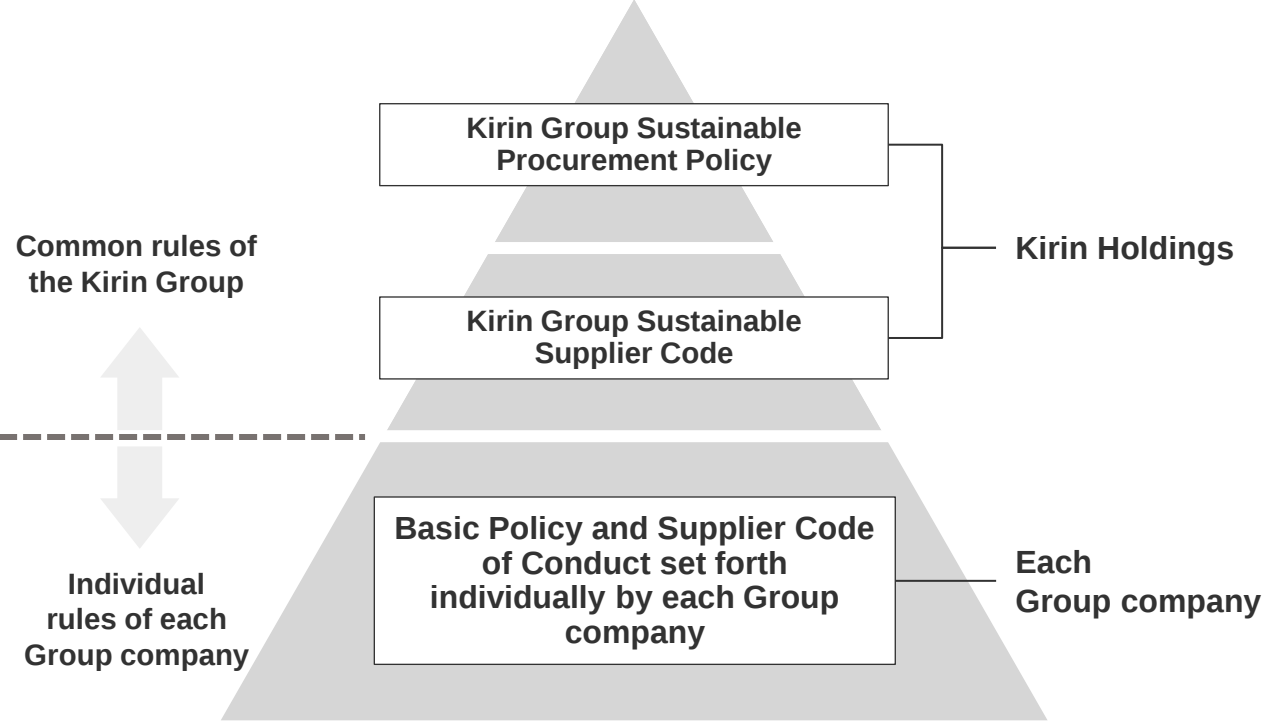
- In addition to applying the policy to all officers and employees of domestic and overseas group companies, we have clearly stated that we require our various business partners involved in our entire business (value chain), including R&D, procurement, manufacturing, logistics, sales, distribution, and disposal, to understand and comply with this policy.

Year of Implementation	Details
2017	The Kirin Group Sustainable Procurement Policy was established, and the Group declared to accept, support, and implement the set of essential values in the areas of human rights, labor, environment, and anti-corruption as set forth in the United Nations Global Compact.
2018	Revised the existing Supplier CSR Guidelines in response to the Kirin Group Human Rights Policy and Kirin Group Sustainable Procurement Policy and held supplier briefing sessions for primary suppliers. Conducted human rights due diligence led by People & Culture Department (rice in Myanmar, coffee supply chain in Laos)
2019	Adopted the CSR Procurement Self-Assessment Questionnaire (standard SAQ) developed by the Global Compact Network Japan. Conducted a fact-finding survey of primary suppliers using the standard SAQ.
2020	Launched the Human Rights Project, following the decision by the Group CSV Committee to strengthen its supply chain human rights efforts.
2021	Established a Kirin Group Sustainable Procurement Policy and Supplier Code of Conduct covering all Group companies, held supplier briefing sessions remotely, and requested suppliers to submit a checklist against the supplier code and a letter of acceptance promising to promote efforts toward compliance and report violations. Identified and prioritized risks in the supply chain using Sedex* risk assessment tools and advice from external experts.
2022	Joined Sedex as the Kirin Group. Held supplier briefing sessions to promote membership. Conducted human rights due diligence in Sri Lankan tea leaves.
2023	Joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) and invited external experts to conduct supplier information sessions on the subject of JaCER. Plan to conduct human rights due diligence in Argentine grapes and conducted follow-up audit of Sri Lanka by our employees.

* Sedex : Abbreviation for Supplier Ethical Data Exchange. An online system that allows suppliers to maintain data on their ethical and responsible practices and share this information with their customers.

- Established the Kirin Group Sustainable Supplier Code , requiring suppliers to expand to primary suppliers in the supply chain.
- At the start of a procurement, we require the submission of a checklist to check for violations of the Supplier Code, as well as a letter of acceptance promising to promote efforts toward compliance and to report any violations.

Procurement Policy



Categories of Human Rights in Supplier Code

1	Child labor
2	Forced labor
3	Freedom of association and the right to collective bargaining
4	Fair and equal treatment
5	Working hours and holidays
6	Wages and benefits
7	Responsibility to the community
8	Access to remedies

- In the community, We are not only revitalizing the beer and RTD markets by attracting young people who have been turning away from alcohol due to the COVID-19, but is also creating social value by creating a system to solve social issues through its products and services.
- In addition to the delicious taste, the social nature of the product has also attracted a lot of sympathy, and the number of customers, especially among young people, is increasing. In addition to creating economic value, the company is also promoting the spread of a CSV mindset within Our Company.

Kirin beer Harekaze (Contributing to Community and Local Governments)

- We create a system that connects people and society and leads to the development of community, and we support local customs through donations from product purchases.
- We work to maintain and pass on traditions over the long term and increase the number of people with a connection to local governments.



Hyoketsu® mottainai (food loss reduction)

- Reduced food loss by utilizing off-spec fruits
- Donated a portion of sales to fruit farmers to support the sustainable development of the region of origin of raw materials



- ▶ We are working to eradicate the harmful use of alcohol and actively promoting the reinforcement of non-alcoholic beverages and various awareness activities to contribute to the development of a culture of moderate drinking.

Non-alcoholic beverage sales

- By providing non-alcoholic products, we are expanding the options available to our customers and helping them to control their alcohol intake.

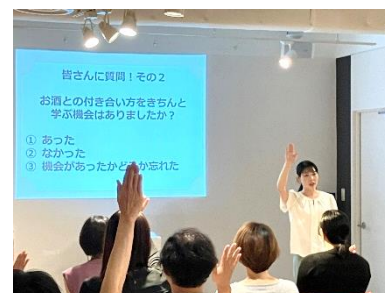


Various awareness activities

Advocate Slow Drink



Conduct seminars on responsible drinking



Conduct seminars at universities



Stakeholder Engagement (through products that solve social issues)

- Kirin is strengthening and placing importance on multi-stakeholder engagement.
- In 2024, we confirmed the awareness of our customers and business partners regarding social issues, as well as the receptiveness to products that solve social issues and expectations for our continued activities as a company and provided strategic feedback.

Customers (High sustainability awareness /behavioral group x Alcoholic beverage drinkers)



Business partners (Major retailer sustainability representatives, buyers)

Looking at how sustainability is incorporated into a lifestyle, there is a gap between 8th graders and 3rd graders of this year. **Considering that the generation after the current 8th graders will become adults and become the core generation of consumption, I think we need to prepare for this now.**



After an era of mass consumption and production, food and agriculture have become disconnected. With the industrialization of food, standards have been created, resulting in off-spec and production area issues. **Hyoketsu Mottainai** is “communicating information with new production areas,” and may provide an opportunity for consumers to rethink their lifestyles and eating habits.

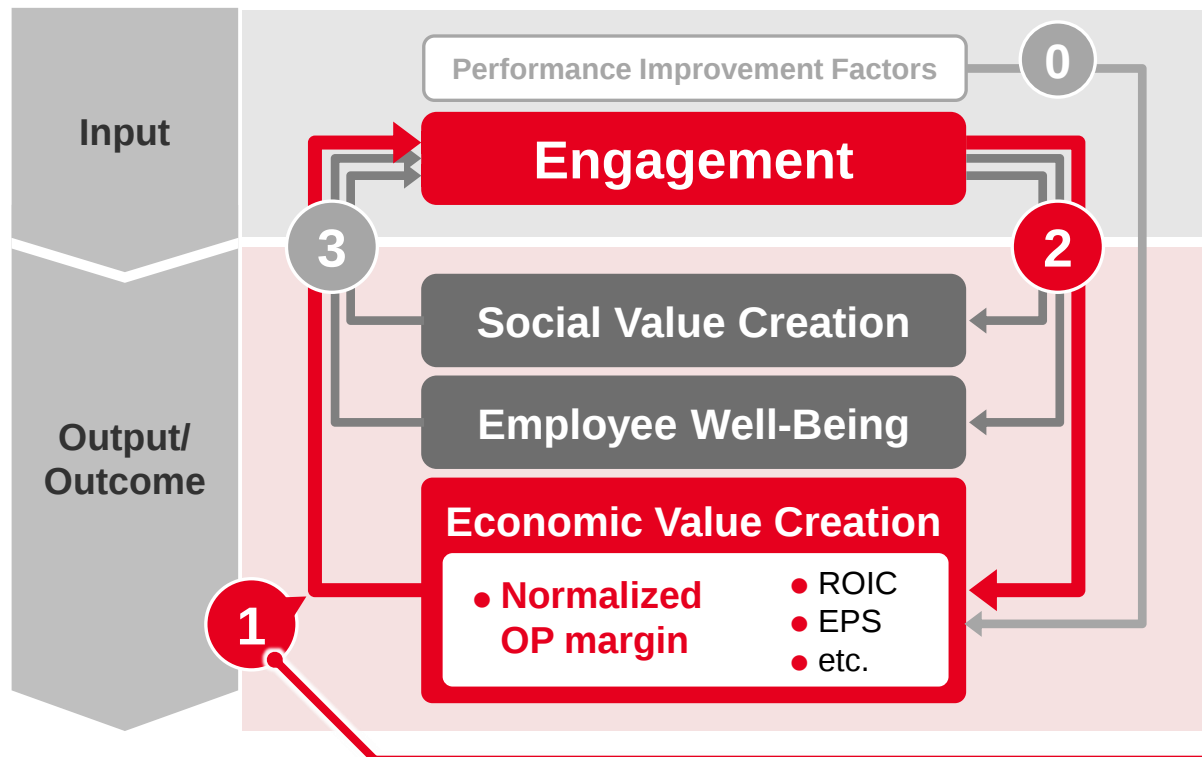


I would like to see Kirin continue its socially positive initiatives and awareness activities that may become a motivation to purchase in the future.



- Kirin began measuring employee engagement scores as a non-financial indicator in 2013. This has been set as a non-financial KPI from the previous Medium-Term Business Plan.
- Engagement is strongly correlated with business profitability (①). Engagement promotes wellbeing and social and economic value creation through work (②), outcomes are linked back to engagement (③) and Output/Outcome is amplified.

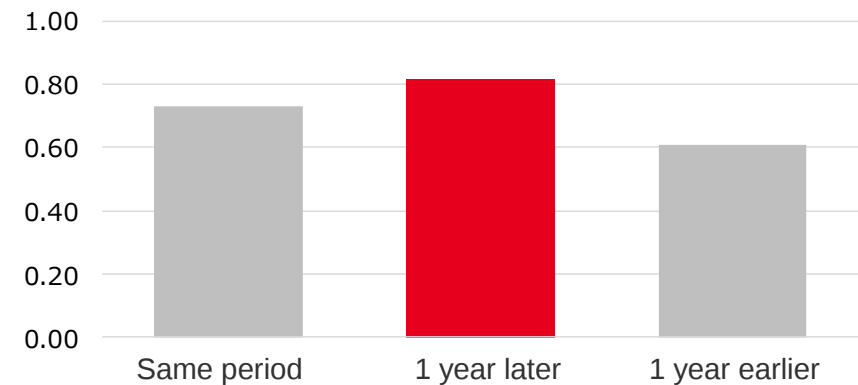
Engagement and the Output/Outcome Extended Reproduction Relationship



Correlation between engagement score and NOP margin

Since the changes in engagement tend to proceed the changes in business profits by one year, economic outcomes are presumed to be the starting point of the cycle (①)

Correlation coefficient



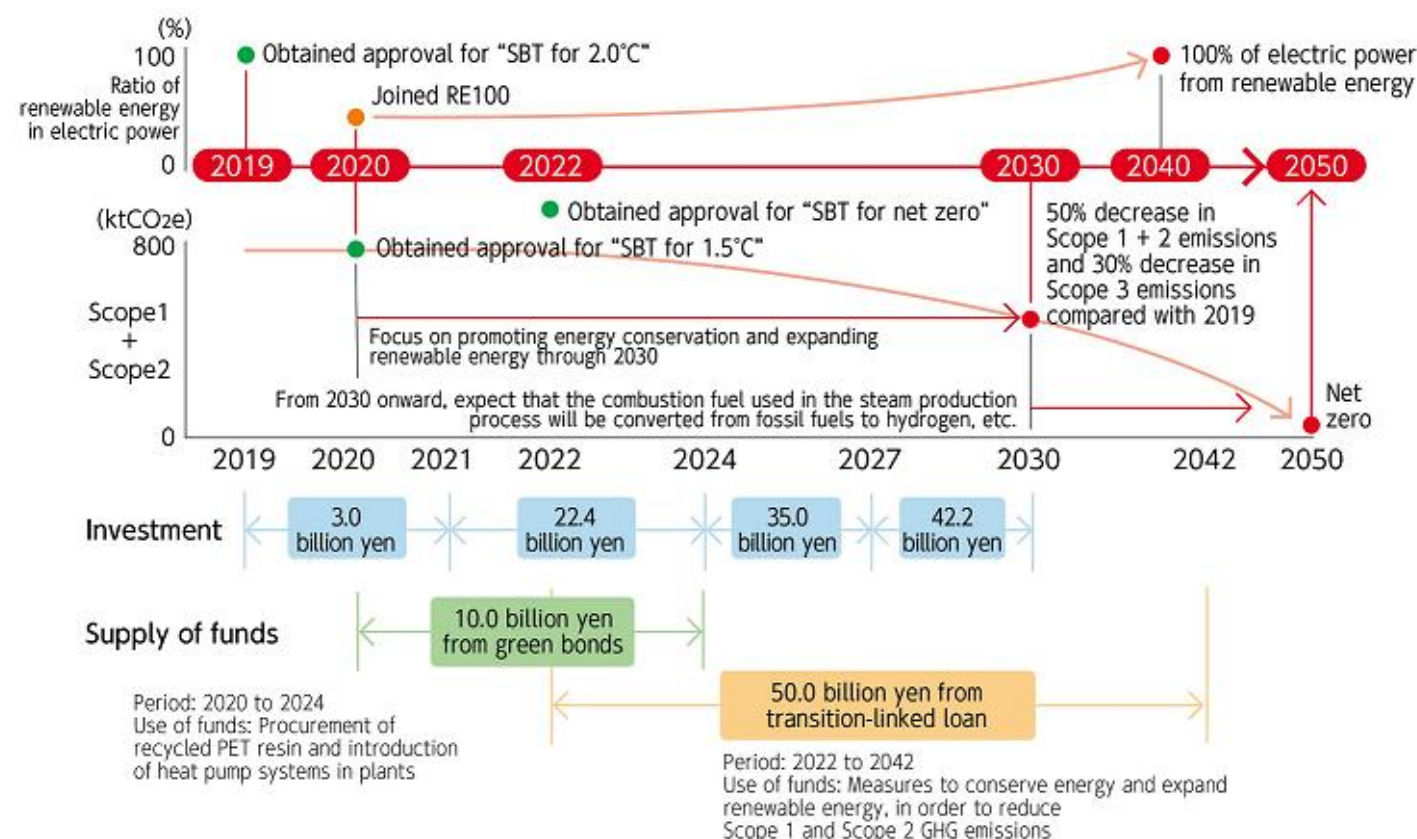
Correlation between engagement score and NOP margin based on the combination of the comparative years

Data: 2013-2021

Using standardized data from two companies, Kirin Brewery and Kirin Beverage

- Kirin received the highest number of nominations from asset managers in GPIF's "Excellent TCFD Disclosure" survey.
- TCFD disclosure shows GHG reductions, investment strategies and amounts invested, and investment financing in relation to each other, improving the integration of environmental and management strategies.

Roadmap to net zero



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CSV / ESG

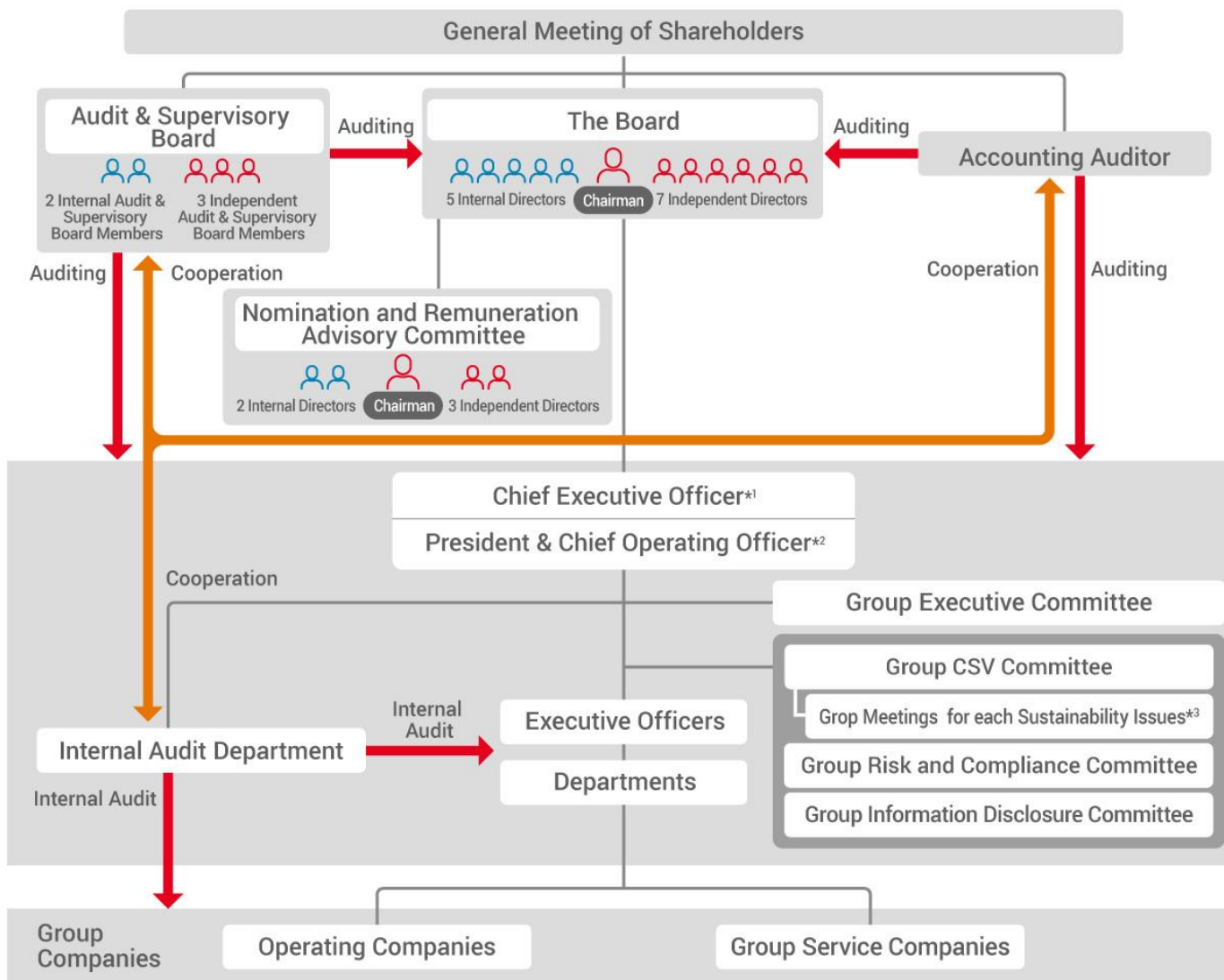
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- DX Strategy / DX戦略
- R&D Strategy / R&D戦略
- Marketing Strategy /
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The Board of Directors of Kirin Holdings



*1 Chief Executive Officer(CEO) : The Executive Officer responsible for overseeing the overall management of the Group.

*2 Chief Operating Officer(COO) : The Executive Officer responsible for overseeing the business operations of the Group.

*3 Group Environmental Meeting, Group Business and Human Rights Meeting, Group Health and Safety Meeting, etc.

Structure

- The Board of Directors has 12 directors, including 7 non-executive directors (1 of whom is foreign directors). From 2020, we started a structure with independent non-executive directors, including foreign directors, accounting for the majority of the directors.
- Chairperson is an independent non-executive director. (since 2016)
- Female directors have been appointed since 2016. Currently there are 1 inside and 3 non-executive female directors, accounting for 33% of the Board of Directors.

Involvement in ESG issues

- **Group CSV Committee:** Chaired by the President & CEO, and attended by presidents of major operating companies as committee members, they discuss CSV (ESG) issues and set goals for the entire Group, and reports to the Board of Directors.
- Recognizing the importance of ESG initiatives, the Board of Directors further strengthens the discussions on "non-financial targets (CSV commitments, etc.)"

The Board of Directors of Kirin Holdings (Non-Executive Officers)

Opportunities for discussions by non-executive officers (including audit & supervisory board members)

- In order to improve the quality of remarks and oversee the performance of non-executive officers, the Company provides opportunities for non-executive officers to visit business locations on a regular basis to talk with the management and employees of the domestic and overseas group companies, and to inspect manufacturing and sales sites.
- Opportunities are also provided for informal discussions with executive members on specific management topics. In addition, in order to promote active and constructive discussion at board meetings, the chairman of the board of directors may hold meetings of independent non-executive directors only.
- Opportunities for conversations with investors are also provided (e.g., speaking at Investor Day, interviews in the Integrated Report, individual meetings with investors, etc.).
- Most recently, we received a number of objective opinions on the discussion of making FANCL a wholly owned subsidiary.

Term of office, concurrent positions, etc. of non-executive directors

- The term of office for directors of the Board is one year, as stipulated in the Articles of Incorporation.
- Although there is no limit on the number of concurrent positions, the status of concurrent positions is verified at the time of appointment, and after taking office, the status of concurrent positions is regularly reviewed.

(Reference) Criteria for Independency of Non-Executive Officers

*As stated in the Corporate Governance Report

➤ For Non-executive Directors of the Board and Audit & Supervisory Board Members to be considered as independent, none of the following criteria may apply to the respective Non-executive Director of the Board or Audit & Supervisory Board Member.

- (1) A person for whom the Company (including its consolidated subsidiaries; the same shall apply hereinafter) is a major client
- (2) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm for whom the Company is a major client
- (3) A person who is a major client of the Company
- (4) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm which is a major client of the Company
- (5) A lawyer, certified public accountant, tax accountant, or consultant, etc. who receives money or other economic benefit in excess of a certain amount from the Company aside from the officer's remuneration
- (6) A person who belongs to a firm, union, or other similar entity (including a law office, auditing firm, tax accountant firm, or consulting firm, etc.) which receives money or other economic benefit in excess of a certain amount from the Company
- (7) A person who is a major shareholder of the Company
- (8) A person who is an executive Director and who executes business of a firm which is a major shareholder of the Company
- (9) A person who receives donations or other assistance in excess of a certain amount from the Company
- (10) A person who is a Director of or otherwise executes duties for a firm, union or other similar entity which receives donations or other assistance in excess of a certain amount from the Company
- (11) A person who is an executive Director, corporate officer, Executive Officer, manager or other employee of a firm for which an Executive Director or Standing Audit & Supervisory Board Member of the Companies Acts as a Non-executive Director of the Board or Audit & Supervisory Board Member
- (12) A person to whom any of aforementioned criteria (1)–(11) has applied within the past three (3) years
- (13) Where a person to whom any of aforementioned criteria (1)–(12) applies (however, excluding the person who does not serve an important role) , the person's spouse or other relations within the second degree of kinship - 20 -
- (14) A person who is a spouse or other relation within the second degree of kinship to a person who serves currently and has served within the past three (3) years as a Director, Executive Officer, manager or other key employees of the Company (Note) The following is a summary of the results for the year ended March 31, 2012.

(Notes)

1. Regarding criteria (1) and (2), "A person (or firm) for whom the Company is a major client" refers to a person (or firm) who received payment from the Company in the most recent business year that accounted for either 2% or more of consolidated sales (consolidated revenue) for the year for that person (or firm), or over 100 million yen, whichever is the higher amount. If consolidated accounting is not adopted by the person (or firm), total revenue or non-consolidated sales for the year should be employed in place of consolidated sales (consolidated revenue) for the year.
2. Regarding criteria (3) and (4), "A person (or firm) who is a major client of the Company" refers to a person (or firm) who made payment to the Company in the most recent business year that accounted for 2% or more of the Company's consolidated

revenue for the year, or who financed 2% or more of the Company's consolidated total assets at the end of the most recent business year.

3. Regarding criteria (5), (9) and (10), "a certain amount" is considered as 10 million yen per year.
4. Regarding criteria (6), "a certain amount" is considered as either 2% or more of total revenue for the most recent business year for that firm, union or other similar entity, or over 100 million yen, whichever is the higher amount.
5. Regarding criteria (7) and (8), "a major shareholder" refers to a shareholder who directly or indirectly holds more than 10% of the voting rights.

Required Skills for the Board of Directors and Audit & Supervisory Board Members

		Corporate Management	CSV / ESG	Finance / Accounting	HR / Organization Development	Legal/Risk Management	Manufacture / Quality Assurance	Brand Strategy/ Marketing	Overseas Business	R&D / Health Science / Pharmaceuticals	ICT / DX
Representative Director of the Board & CEO	Yoshinori Isozaki	●	●	●		●		●	●	●	
Representative Director of the Board, President & COO	Takeshi Minakata	●	●	●			●		●	●	
Director of the Board and Senior Executive Vice President	Junko Tsuboi	●	●		●	●		●		●	
Director of the Board and Senior Executive Officer	Toru Yoshimura	●	●	●			●		●	●	●
Director of the Board and Senior Executive Officer	Shinjiro Akieda	●	●	●		●		●	●		●
Independent Non-executive Director of the Board	Hiroyuki Yanagi	●					●	●	●		
Independent Non-executive Director of the Board	Noriko Shiono	●	●					●	●	●	
Independent Non-executive Director of the Board	Rod Eddington	●	●	●					●		
Independent Non-executive Director of the Board	Shinya Katanozaka	●	●		●			●	●		
Independent Non-executive Director of the Board	Yoshiko Ando		●		●	●					
Independent Non-executive Director of the Board	Shingo Konomoto	●							●		●
Independent Non-executive Director of the Board	Naoko Mikami	●					●			●	
Senior Executive Officer	Mitsuharu Yamagata		●					●	●	●	●
Senior Executive Officer	Hiroshi Fujikawa	●	●		●			●	●		
Senior Executive Officer	Akiyoshi Iwasaki	●	●				●		●		
Senior Executive Officer	Kazufumi Nagashima	●	●				●		●	●	
Senior Executive Officer	Toshihito Hama	●	●		●	●			●		
Senior Executive Officer	Daisuke Fujiwara		●			●		●		●	
Senior Executive Officer	Hideki Horiguchi	●	●	●				●	●		
Senior Executive Officer	Kazuhiro Inoue	●	●	●				●		●	
Senior Executive Officer	Koji Fukada	●	●	●			●		●	●	
Senior Executive Officer	Hideki Mitsuhashi	●	●	●		●			●	●	●
Standing Audit & Supervisory Board Member	Shobu Nishitani		●	●					●	●	
Standing Audit & Supervisory Board Member	Toru Ishikura		●				●			●	●
Audit & Supervisory Board Member	Kaoru Kashima		●	●	●						
Audit & Supervisory Board Member	Kenichi Fujinawa		●			●			●	●	
Audit & Supervisory Board Member	Yoko Dochi		●	●					●		

- Every year, the Nomination and Remuneration Advisory Committee examines the skill sets required of the Board of Directors as a whole in terms of consistency with management strategy and the management oversight function required of the Board of Directors. (This includes senior executive officers and audit & supervisory board members.)
- The committee then identifies the specifications required and proceeds with the specific selection of candidates for appointment.
- The business environment is constantly changing and will be constantly reviewed. In the past, "ICT/DX" was added, and descriptions of health science, etc., were clarified.

Nomination and Remuneration Advisory Committee



Discussion Topics	Points
➤ Election and retirement policies, candidate proposals, and reappointment, resignation, or dismissal of directors of the boards, audit & supervisory board members, and executive officers of Kirin Holdings and its major group companies. ➤ Remuneration system, level and amount of remuneration for directors of the board, audit & supervisory board members and executive officers of Kirin Holdings and its major group companies. ➤ Election and retirement policies, candidate proposals, reappointment, resignation, and dismissal as well as remuneration system and level of remuneration for the presidents of major group companies. ➤ Succession Plan for the President & CEO and the President & COO of Kirin Holdings.	➤ Role of inside directors: Internal assessment and information is essential when considering officer candidates, and therefore inside directors are also members of the committee. ➤ The Nomination and Remuneration Advisory Committee is chaired by an independent non-executive director, and the majority of the committee members are independent non-executive directors. ➤ Develop next-generation leaders: The Nominating and Remuneration Advisory Committee considers the succession plan, as well as the development of next-generation leaders, to be one of its most important discussion topics. ➤ The Human Resources Department conducts transfers and assignments as well as subject assessment evaluations through external agencies based on the training policy, and the two parties work together to promote the plan.

The Board Evaluation for FY2024

➤ Evaluation Criteria

- (1) Composition and operation of the Board
- (2) Development, execution and monitoring of strategies
- (3) Supervision of risk management and crisis control
- (4) Supervision of decision-making on business acquisition/withdrawal, etc.
- (5) Supervision of remuneration for officers and succession plan, etc.
- (6) Thorough understanding and implementation of healthy corporate ethics and supervision thereof
- (7) Supervision of overall disclosures to stakeholders
- (8) Strengthening points to improve the effectiveness of the Board

The Board is evaluated as functioning appropriately and is ensuring its effectiveness.

➤ **Appropriate decision-making in terms of "important decision-making" and "overseeing the performance of duties"**

➤ **Appropriate agenda is set for the Board and the quality of discussion is improving**

➤ **Improvements and innovations that lead to increased effectiveness are continuously being made, and the Company is fairly well managed.**

Enhancement for FY2025

➤ Based on the comments and areas for improvement raised for each evaluation criteria in FY2024 and our view of future changes in the business environment, we have summarized the areas to be enhanced in FY2025.

1. Discussion of "business portfolio strategy" for maximizing corporate value
2. Discussion of growth scenarios for each area and business
3. Discussion of "digital ICT strategy" for accelerating value creation through advanced use of AI
4. Discussion of "human resources strategy" for creating a challenging workforce and organizational culture
5. Discussion of highly effective group governance

Basic Policy

- The Nomination and Remuneration Advisory Committee will discuss the remuneration of Directors and Executive Officers, and report to the Board.
- The Committee will consider levels of the remuneration and linkage with performance by comparing them objectively with officers' remuneration survey data of an external research body, and incorporate findings in its report to the Board of Directors.

1. The Company shall establish a remuneration structure that emphasizes the linkage of remuneration with business performance and medium- to long-term corporate value and share value with the shareholders.
2. Remuneration levels shall be appropriate for the roles and responsibilities of the Kirin Group's officers.
3. Remuneration shall be deliberated by the Nomination and Remuneration Advisory Committee, in which Non-Executive Directors constitute a majority, in order to ensure objectivity and transparency.

Procedures for determining the remunerations

- In order to ensure fair and reasonable application of the process in line with the basic policy for executive remuneration, the Nomination and Remuneration Advisory Committee will discuss and report to the Board.
- As for determining the specific amount of remuneration, remuneration for Directors shall be decided at the Board and that for Audit & Supervisory Board members upon consultation with Audit & Supervisory Board based on the report from the Nomination and Remuneration Advisory Committee and within the limits of the remuneration amount determined in advance at the general meeting of shareholders.
- Nomination and Remuneration Advisory Committee regularly deliberates on the setting of remuneration levels, the ratio of performance-linked remuneration and its mechanisms, and meets in response to changes in the environment of laws and regulations related to executive remuneration, and submits a report to the Board.

Composition

- Remuneration for Directors of the Board is composed of three parts: basic remuneration (fixed remuneration), bonus (short-term incentive remuneration), and Stock Compensation (medium- to long-term incentive remuneration).

Officer Type	Basic Remuneration	Bonus	Stock-based Remuneration	
Directors of the Board and Executive Officers	○	○	○	Because they are responsible for the execution of business, Kirin Holdings have established remuneration structure that takes into account the achievement of short-term consolidated performance targets and the improvement of corporate value over the medium to long term.
Non-Executive Directors	○			Because they are responsible for supervising and advising Company and Group management from an objective position, only basic remuneration (fixed remuneration) is provided.
Audit & Supervisory Board Members	○			Because of their role of auditing the performance of directors' execution of their business from an objective position, only basic remuneration (fixed remuneration) is provided.

- The ratio of base remuneration to performance-linked remuneration for the President and Representative Director is designed to be approximately 30:70 (including 30 for bonuses and 40 for stock-based remuneration), with other directors and others following suit in consideration of their positions and responsibilities.
- In order to strengthen incentives for medium- to long-term improvements in business performance and increases in corporate value, and to make the system more shareholder-oriented, from March 2025, the Company will abolish single-year PSUs and introduce three-year rolling PSU and RSU.
- The composition ratio of RSU and PSU in the base amount of stock-based compensation is the same for all eligible persons (approximately 30:70).

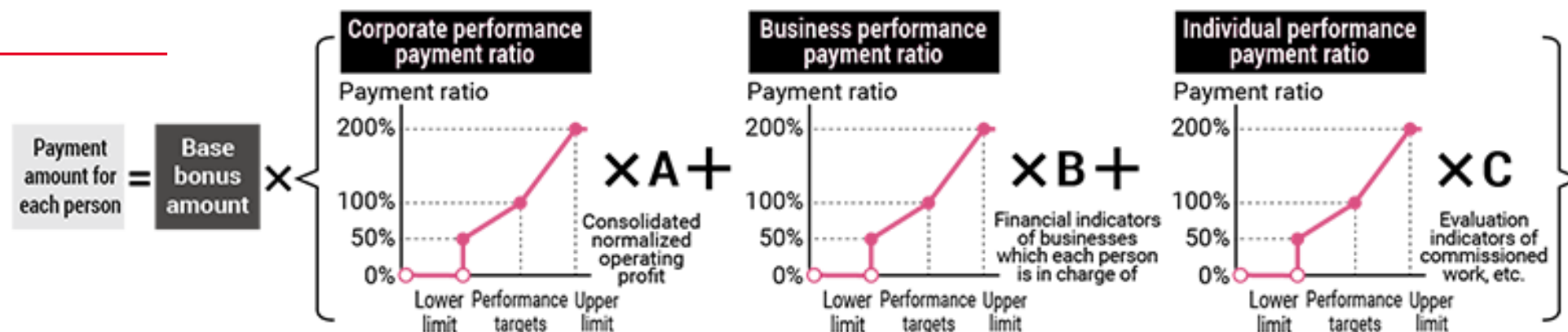


Remuneration of Executive Officers (performance-linked remuneration)

- Remuneration for executive officers is linked to the Group's performance and medium- to long-term corporate value, and is designed to be aligned with the interests of shareholders.

Formula for calculating the linkage of bonuses to performance

Mechanism for linkage of bonuses to performance



Formula for calculating the linkage of trust-type stock based compensation to performance



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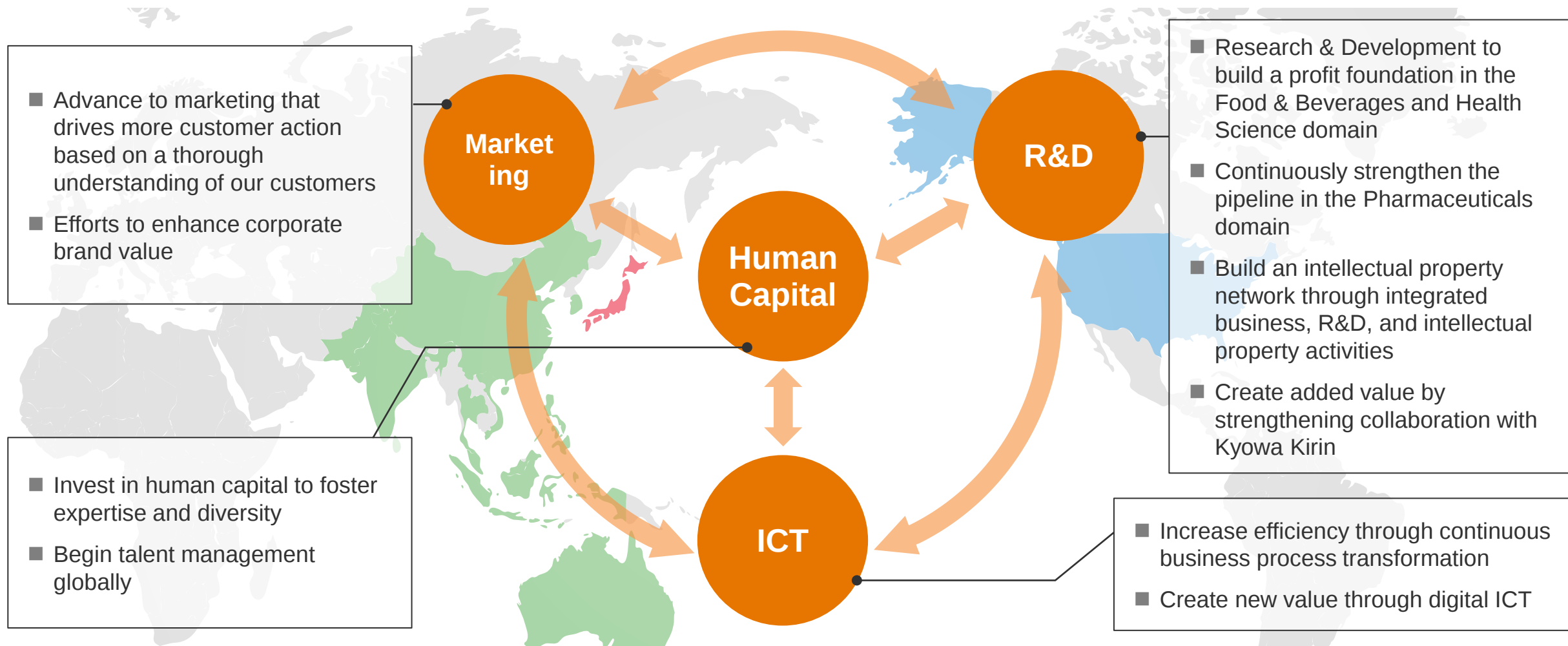
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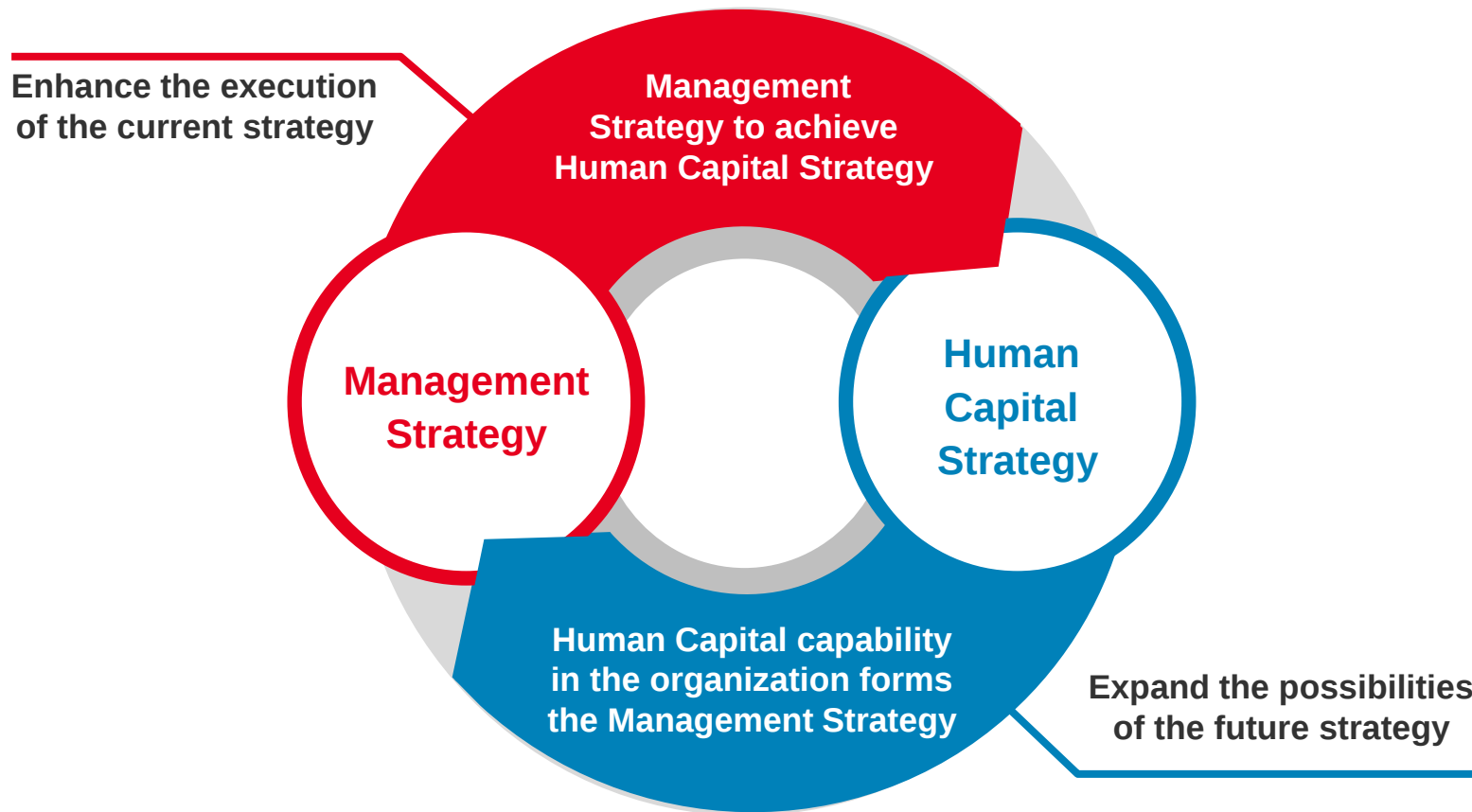
Work across the Group to improve organizational capabilities



Aim to improve the organizational capabilities of the entire group by fully utilizing the knowledge of each business domain across the world

Interrelationship between Human Capital Strategy and Management Strategy

- We are circulating between the human capital strategy to achieve the current management strategy and the strategy to expand our future possibilities.



Strengths of Kirin Group's Human Capital

- The candidates for key management human capital will **gain a wide range of experience in the Alcoholic Beverages, Non-Alcoholic Beverages, Pharmaceuticals, and Health Science Businesses**, and grow into human capital responsible for the growth of Kirin Group
- Developed human capital will **transform the Kirin Group's management and business strategy** to create strong businesses

Human Capital Strategy from Short-term and Medium- to Long-term Perspectives



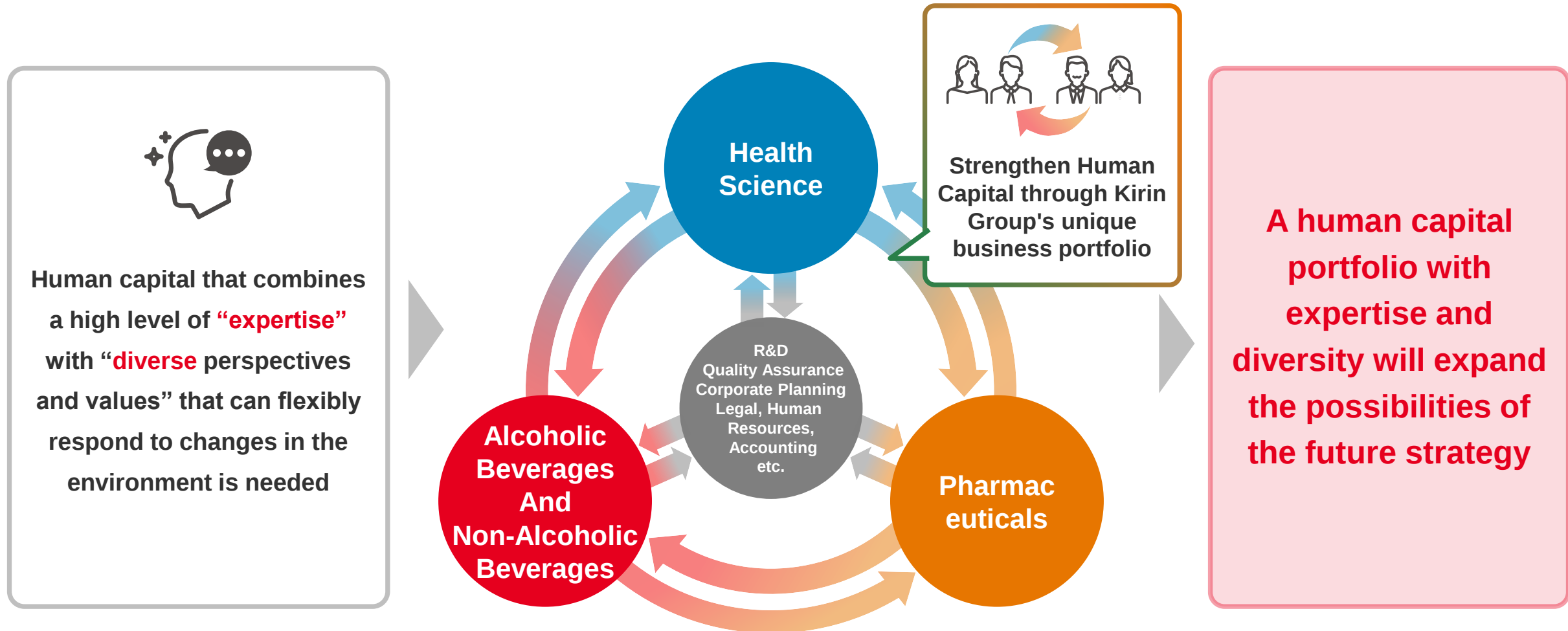
➤ In Human capital strategy, it is necessary to improve the execution of the current strategy and a long-term strategy to enhance corporate value into the future.



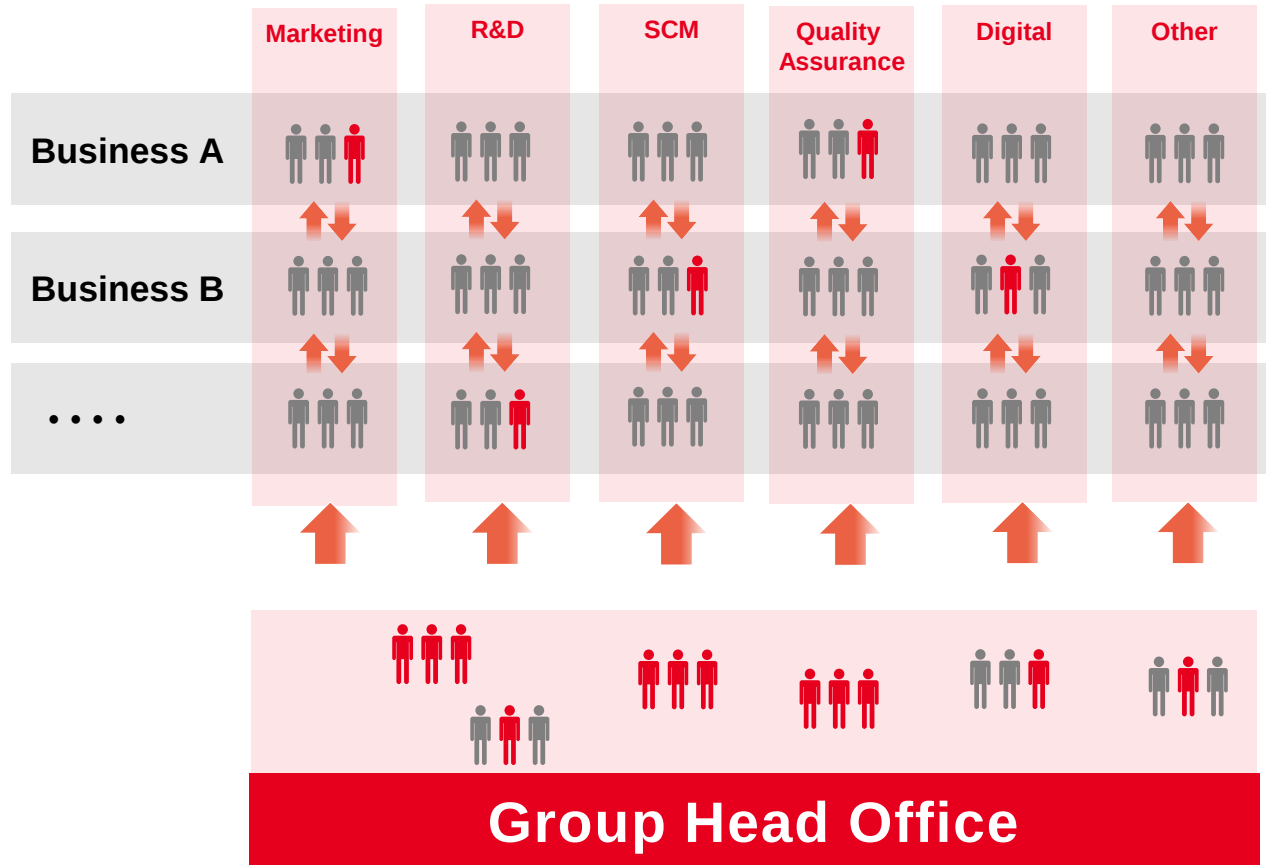
We will update our human capital strategy linked to the management strategy in both the short- and medium- to long-term in response to changes in the internal and external environment.

Combine “expertise” and “diversity” to Expand the Possibilities of the Future Strategy

➤ KIRIN commits to “expertise” and “diversity” in an era where future predictions are challenging.



Talent Management on a Functional Basis



Human capital who have mastered their expertise

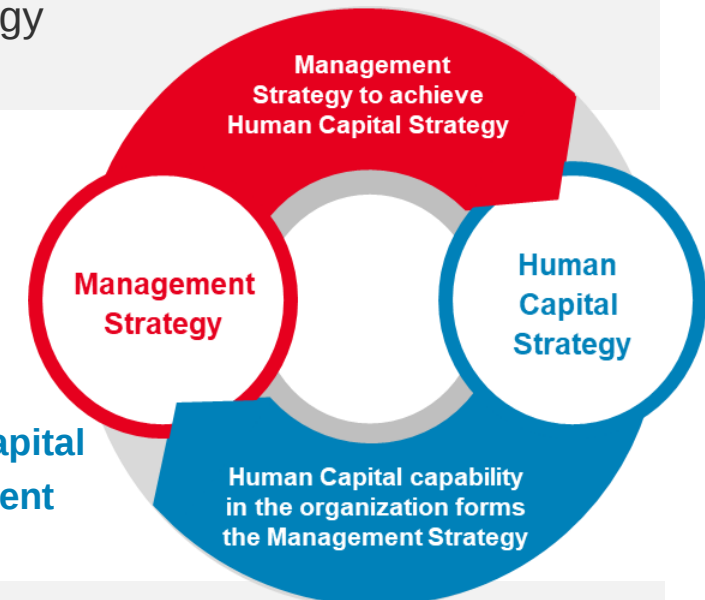
Human capital with diverse experience and expertise

Cycle from Management Strategy to Human Capital Strategy

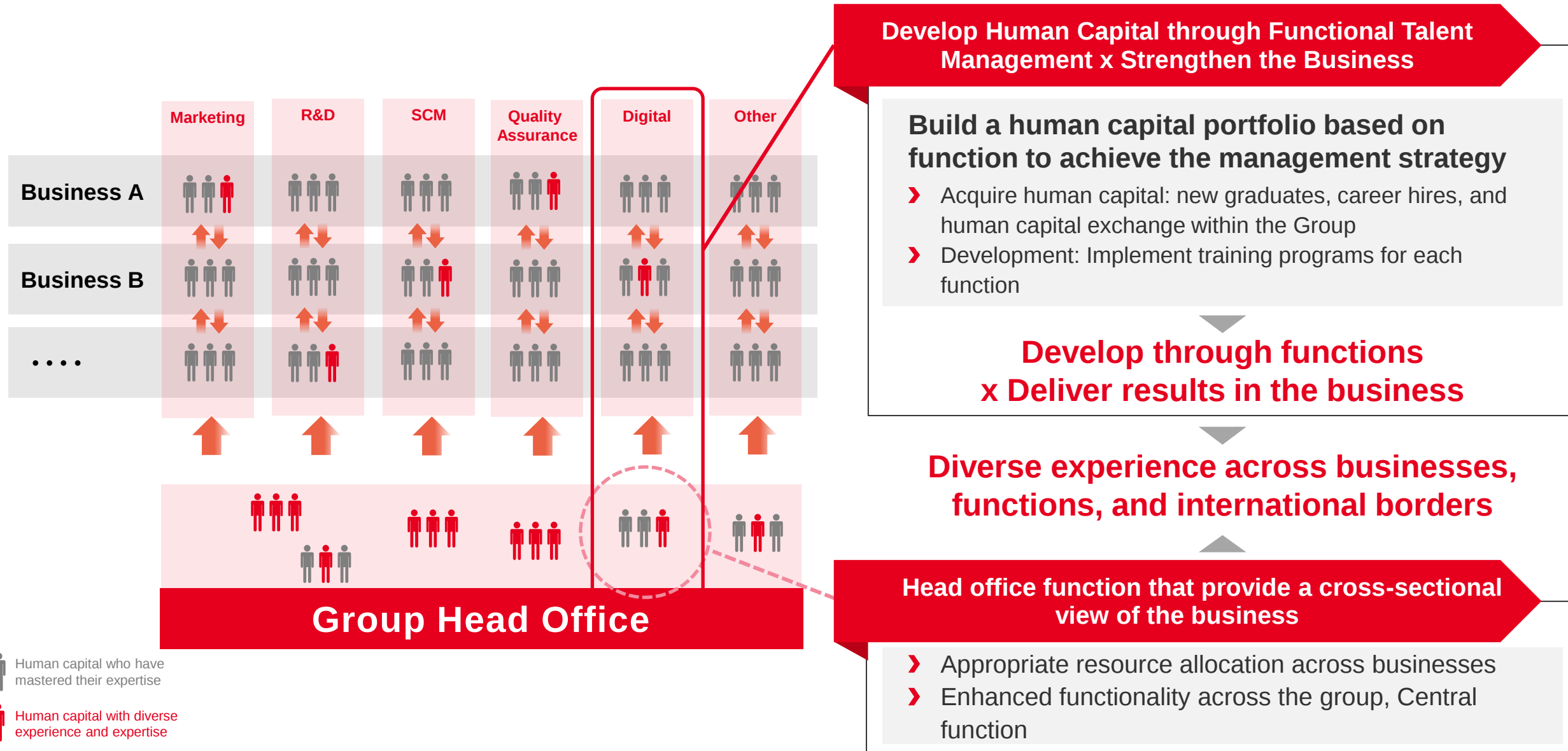
- Developed human capital will help achieve the business strategy

Cycle from Human Capital Strategy to Management Strategy

- Talent Management on a functional basis will accelerate expertise and diversity in the human capital portfolio and expand the possibilities of the future business strategy



Talent Management on a Functional Basis : Develop Human Capital x Strengthen the Business



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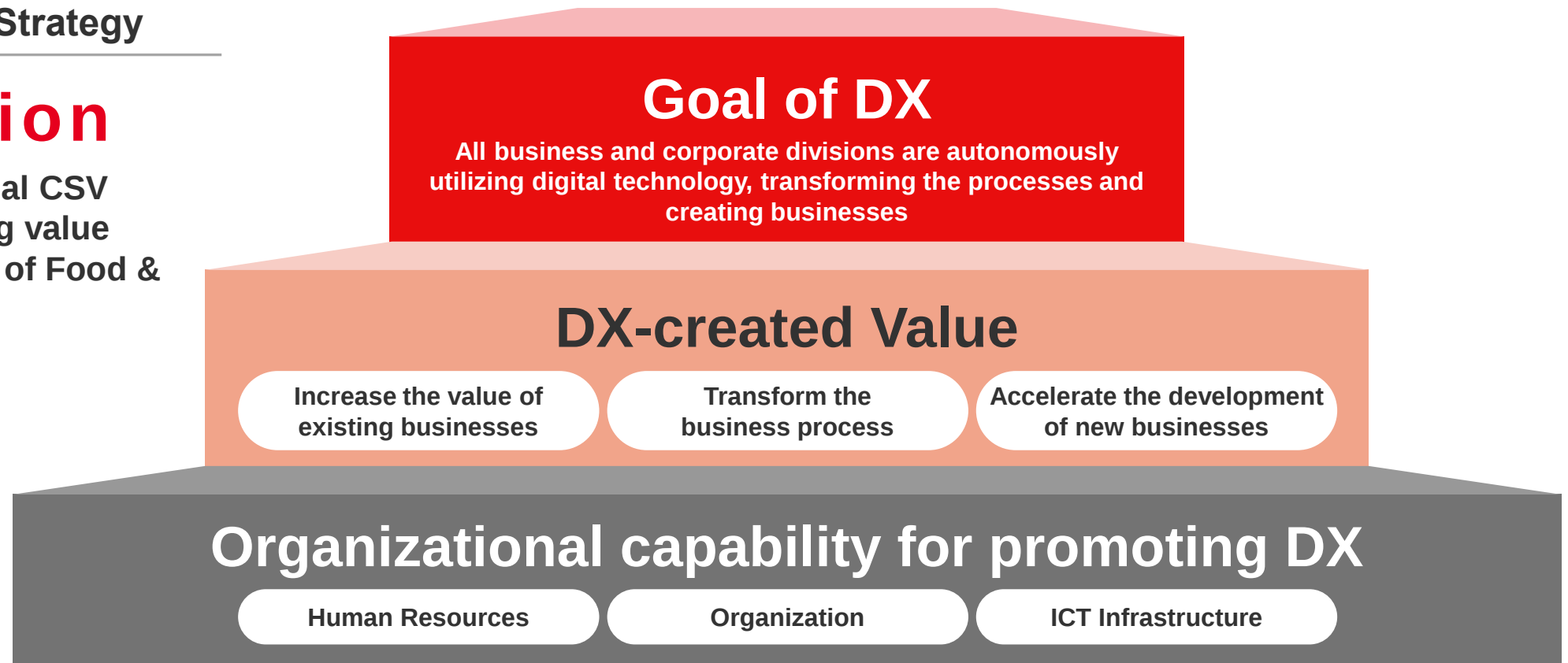
Promote ICT Utilization (DX) as an Organizational Capability to Accelerate Innovation

- Aim to quickly achieve a state where all business and corporate divisions are autonomously utilizing digital technology for business process transformation and business creation

Kirin Group's DX Strategy

2027 Vision

To be a leading global CSV company by creating value across the domains of Food & Beverages and Pharmaceuticals



- KIRIN builds an execution system across the entire Group and developing and securing human capital to promote DX, with the aim to plan and execute DX initiatives in close proximity to the business operations and customers

Organizational Structure

Establish an execution system across the Group, led by an expertise organization, to accelerate initiatives across operating companies, corporate divisions, and business domains throughout the entire Group



Establish a DX-specialized organization for promoting DX
(DX Strategy Promotion Office)

System for executing group-wide DX initiatives
(Group's DX Promotion Committee)

DX Human Capital

Develop and secure DX professional human capital and increase DX literacy of all employees through unique training programs to enable each company and division to autonomously promote the DX initiatives at their workplaces within the Group

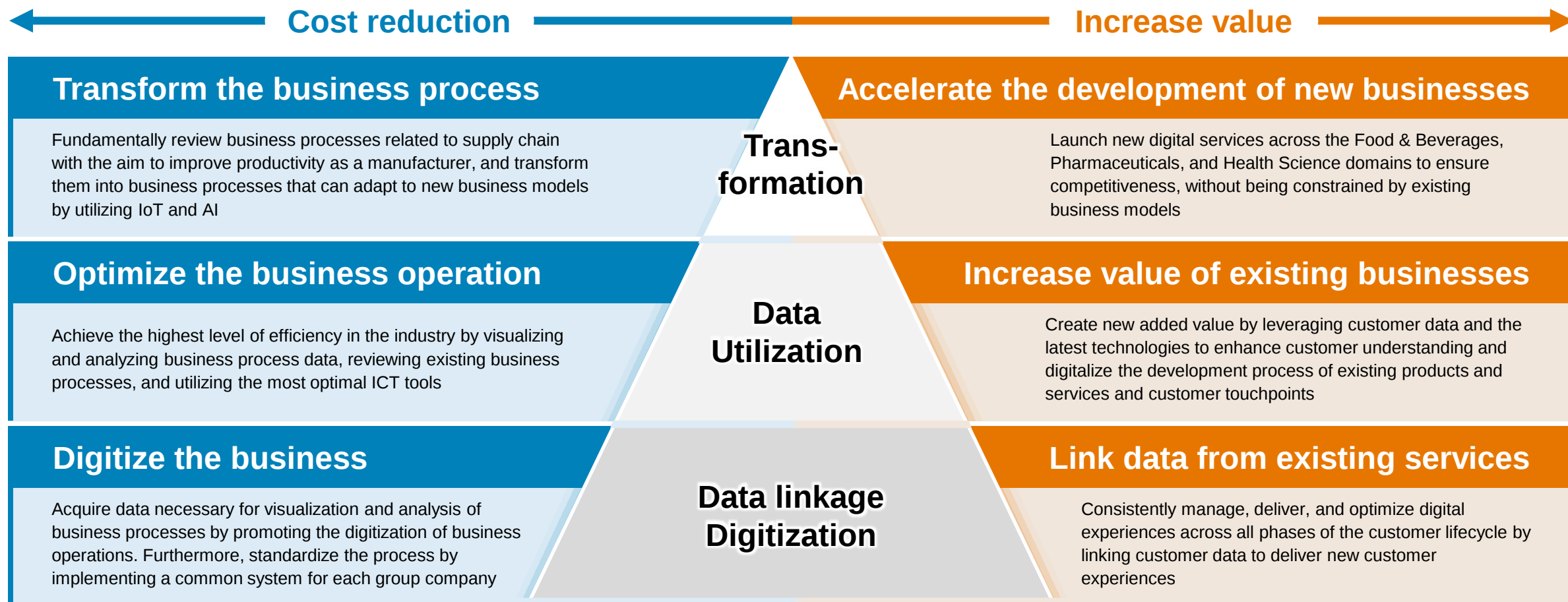


Secure DX professional human capital
Develop and enhance skills

Increase DX literacy of all employees
(DX Dojo)

Value Creation Framework

- Promote "cost reduction through business process reform" and "value enhancement through new business development" while expanding the foundation of "digitalization of data" and "linkage of digitalized data"



Adaptive Areas for Value Creation through DX

- Achieve higher productivity as a manufacturer and accelerate and develop new businesses by promoting digital transformation across all business domains and all functions in the value chain of the Group



R&D & Product Development

Utilize AI in product development to achieve formulations and manufacturing raw material formulations at low risk



Procurement & Production

Utilize factory production data to improve the efficiency of manufacturing systems and advance business operations



Logistics

Optimize costs, production, and logistics capabilities through overall simulations of the SCM



Sales & Marketing

Improve productivity of sales process by utilizing IT tools to adapt to changes in society, distribution, and customers



Products & Services

Accelerate and develop new businesses by utilizing digital technology without being constrained by traditional business models



Human Resources

Implement and utilize talent management tools to visualize employee information and achieve a specialized and diverse human capital management



General Affairs

Achieved a digital office with the renovation of the Kirin Group's head office. Accelerate collaboration among employees while promoting paperless operations.



Accounting

Improve accessibility of group-related information at a group management level with the development of a new management dashboard



Legal

Promote paperless and cost reduction by introducing electronic contracts and digital signatures

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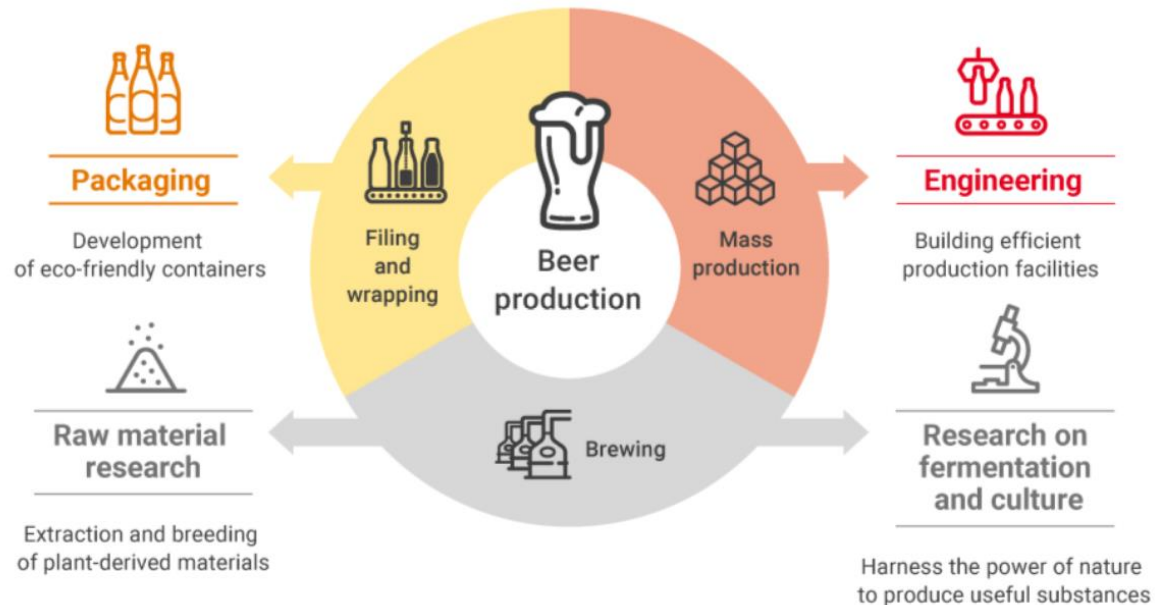
- HR Strategy / 人財戦略
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- **Marketing Strategy /
マーケティング戦略**

“Core Technology that Creates Accurate Value” & Expansion of Kirin Group's Business Domain

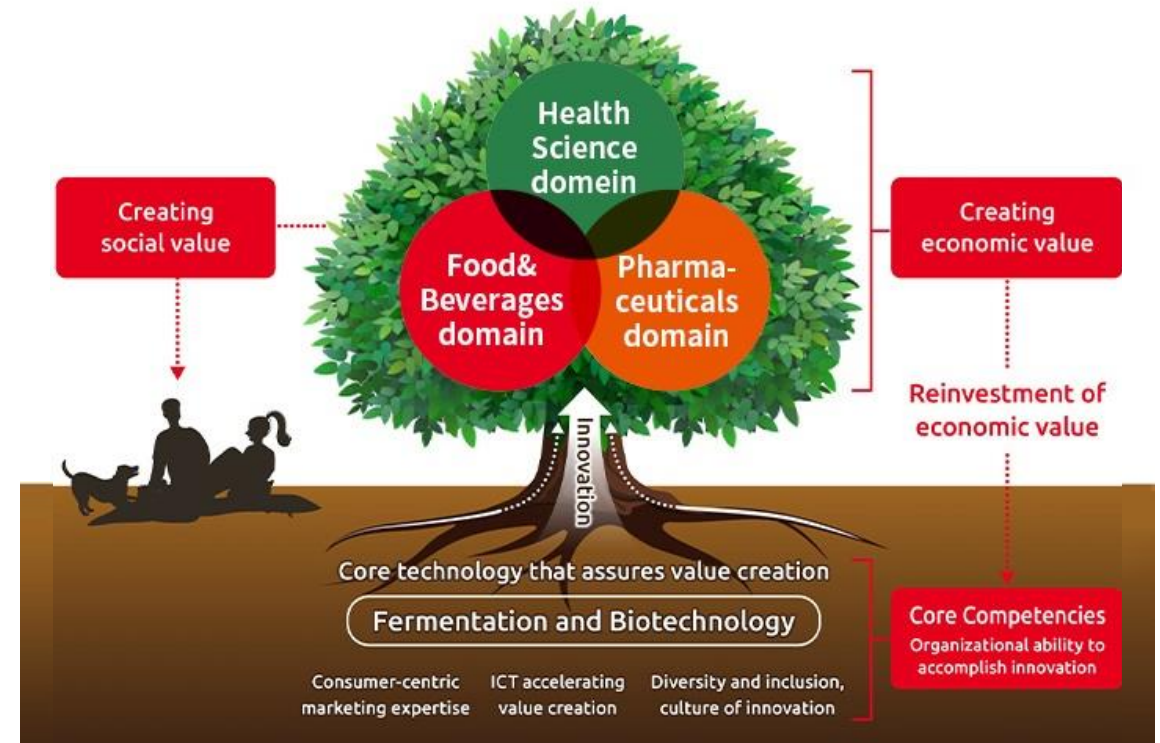
➤ Kirin's technological expertise originates in beer brewing.

Expanding Business Domain by Utilizing **“Fermentation and Biotechnology”**

In the course of mastering beer brewing, research on raw materials, fermentation, and cultivation is progressing.



Fermentation and biotechnology are the core competencies linking the domains



R&D System of Kirin Holdings

- In the Food & Beverages and Health Science domains, basic research and applied research for commercialization are being performed at the Kirin Holdings' Kirin Central Research Institute, Institute for Future Beverages, and Institute for Packaging Innovation. On the other hand, at each operating company's or division's research institute, R&D directly connected to business, such as product development that makes use of the technologies born there, are being performed.
- Additionally, in the Pharmaceuticals domain, most R&D activities are handled by Kyowa Kirin, who is promoting collaborative efforts with Kirin Holding's Kirin Central Research Institute in an effort to provide value that is not limited to pharmaceuticals.

	Food & Beverages domain Alcoholic & Non-Alcoholic beverages	Health Science domain Foods with functional claims, supplements	Pharmaceuticals domain Pharmaceuticals
Basic research Applied research	Kirin Holdings Institute for Future Beverages Kirin Holdings Institute for Packaging Innovation	Kirin Holdings Kirin Central Research Institute Institute for Bioprocess Technology	Kyowa Kirin Tokyo Research Park Fuji Research Park
Product and business development Production technology development	Kirin Brewery Technology Department / Laboratory for New Product Development Kirin Beverage Technology Development Department / Laboratory for New Product Department Mercian Product Development Department / Product Development Group	Kirin Holdings Health Science Business Division Health Science Research Institute	Kyowa Kirin Bio Process Research and Development Laboratories Kyowa Kirin CMC R&D Center
	Kirin Holdings Intellectual Property Strategy Promotion		Kyowa Kirin Intellectual Property Department

External awards received in recognition of the success of LC-Plasma



- At the FY2023 National Commendation for Invention (hosted by the Japan Institute of Invention and Innovation), Kirin Holdings Company, Limited and Koiwai Dairy Products Co., Ltd. received the Imperial Invention Prize for our invention of food compositions for immunostimulation containing lactic acid bacteria (Japanese patent number 6598824), which was awarded to our employees, the inventors for their efforts in the discovery and commercialization of LC-Plasma. This is the first time this prize has been given to a health food ingredient and the first time in 59 years to a food company. Our representatives of enterprises also received the Distinguished Service Prize for Employment of Invention.



The National Commendation for Invention is hosted by the Japan Institute of Invention and Innovation (JIII) and is held annually to honor inventions that have made significant achievements and those that are expected to make significant contributions in the future. In particular, the Imperial Invention Prize is given to inventions that have made significant contributions to the promotion of science and technology and the development of Japan's industrial economy. This Prize is also the symbolic award of the National Commendation for Invention, which is given with a gift from the Imperial Household, and is presented to the person whose invention is recognized as the most outstanding. Additionally, at the 11th Technology Management & Innovation Awards (hosted by the Japan Techno-Economics Society), which recognize outstanding innovations that will change the world, we received the Minister of Education, Culture, Sports, Science and Technology Award for our discovery, research, and commercialization of LC-Plasma.



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Opportunities to Strengthen Marketing Capability in the Group

The whole Group's consumer-centric marketing capability is still part way and has opportunities for further improvement.



Elevate the **"ability to understand consumers"**, which is the foundation of CSV management, to an even higher level throughout the group



Create **marketing capabilities** to be adapted in new business areas



Develop and utilize human capital from a group's perspective with a view on the future (↔ individual optimization by operating companies)

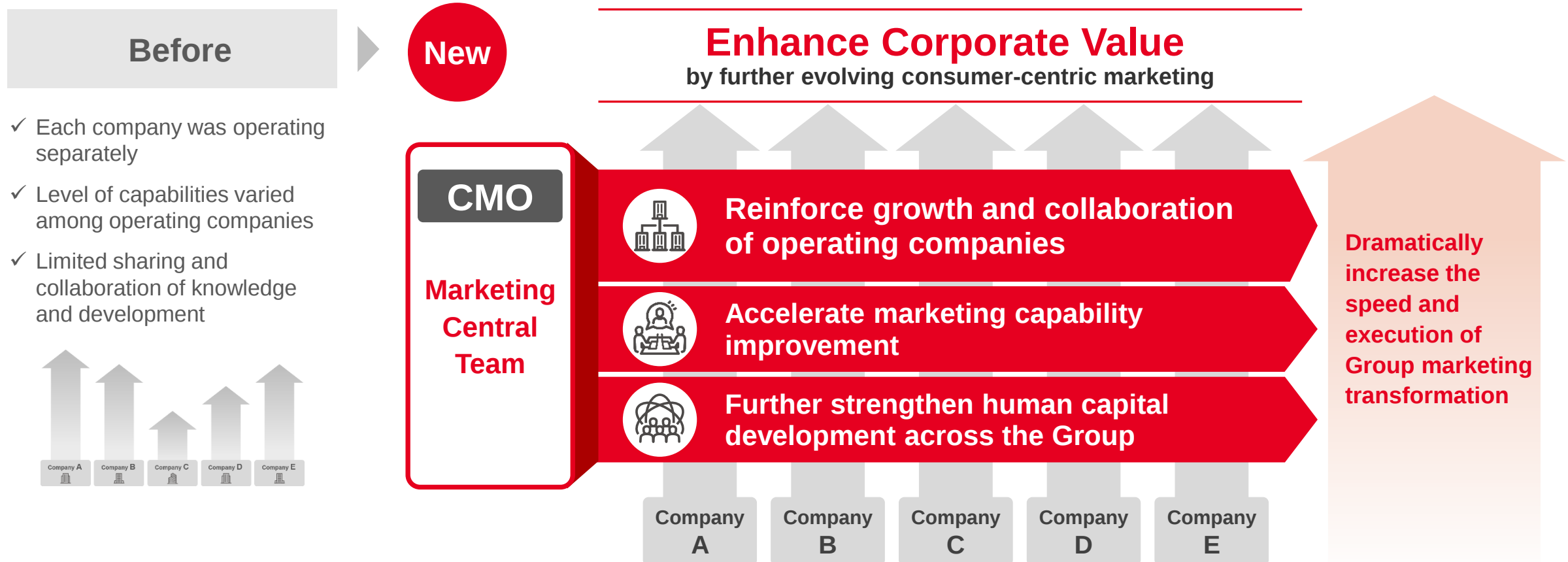


Support individual businesses in resolving their issues and **generate collaboration across companies**

About the Group Marketing Cross-function Through a Central Team

Strengthen the support for growth through the central team's cross-functions in addition to marketing activities by each operating company

⇒ Enhance corporate value by increasing the speed and execution of the transformation

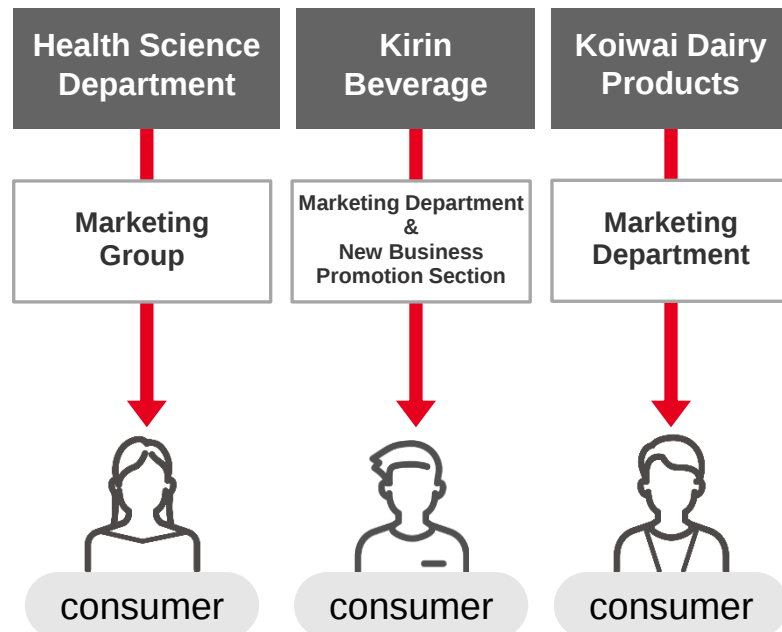


The central team is responsible for consistency in the marketing strategy by directly supporting the cross-functions

⇒ **Group initiatives will be integrated to create synergies for consumer-based value creation**

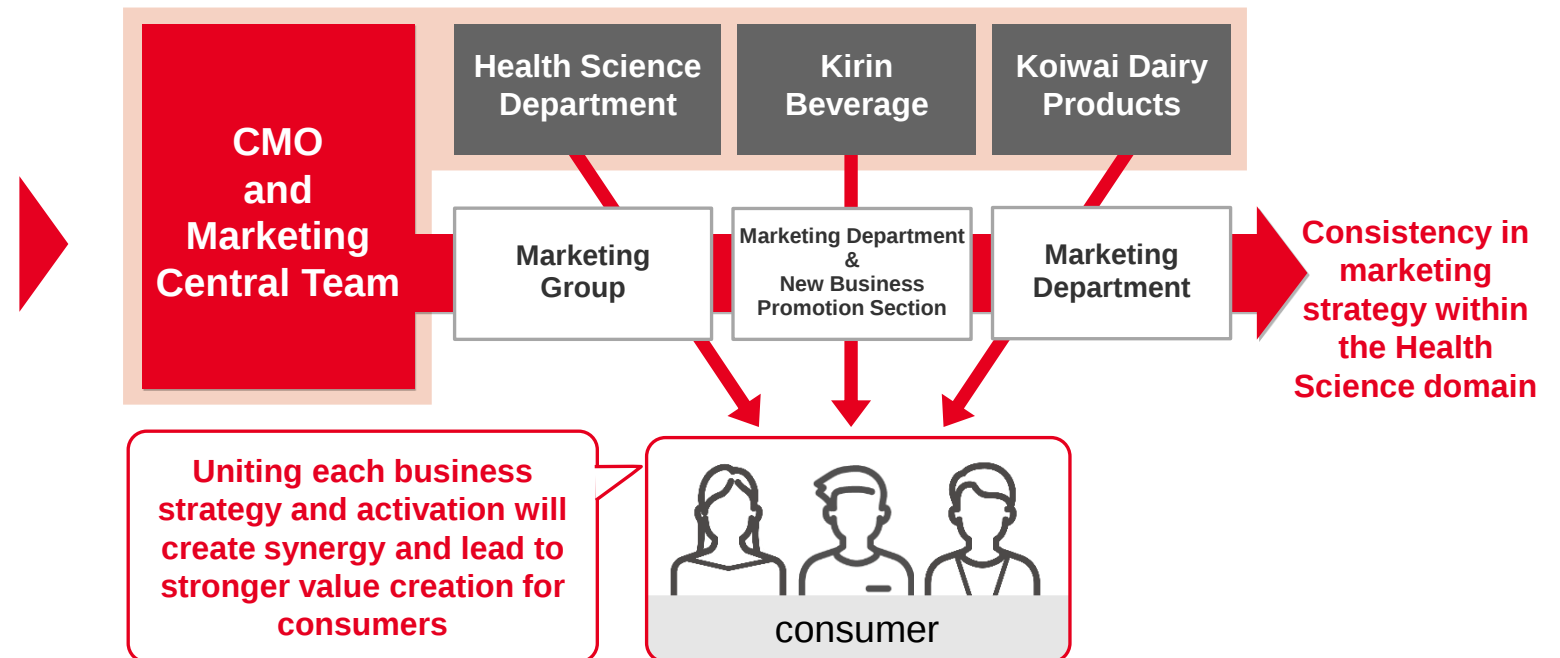
FROM

Individual optimization
in each business



TO

The group unites to create value from the
consumer's point of view





よろこびがつなぐ世界へ Joy brings us together