

***INTEGRATED
REPORT
2026***



Corporate Philosophy

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

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

Corporate Slogan

Joy brings us together

This watchword is instrumental in empowering the Kirin Group to gear up for future demands.

At KIRIN, we staunchly believe that individual happiness paves the way to wide-ranging joy and ultimate happiness for all.

In the spirit of the "Kirin," a revered mythological creature and symbol of the eternal chain of happiness and good luck, the KIRIN pledge is to help expand a multitude of joyous occasions.



Editorial Policy

Integrated Report 2026 has been prepared to provide an overview of the Long-Term Vision "Innovate2035!" launched in 2026, and to present the current status and future outlook of the transformation we are advancing toward its realization.

This report aims to address the interests of readers, including investors, by clearly and transparently explaining how our Group's unique business portfolio generates competitive advantage and translates it into corporate value.

It also provides a clear understanding of our value as a global leader in CSV (Creating Shared Value)—transforming social issues related to food and healthcare into opportunities that drive sustainable growth—as well as our Group's "ability to drive change" and "earning power."

Coverage

Kirin Holdings Company, Limited and the Kirin Group companies

Period

The period covered is FY2025 (January 1, 2025, to December 31, 2025). Certain activities occurred in FY2026.

Contact

Corporate Disclosure Section,
Finance Department,
Kirin Holdings Company, Limited

Referenced Guidelines

The integrated report was prepared with reference to the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation of the Ministry of Economy, Trade and Industry.

Cautionary statement regarding forward-looking statements

Statements in this report that are not historical facts are forward-looking statements based on plans and expectations for the future. Accordingly, these forward-looking statements are subject to risks, uncertainties, and other unpredictable factors, and may differ considerably from actual results, business performance, and other future events. In addition, forecasts of FY2026 financial results were decided as of the disclosure of financial results on February 13, 2026.

Other Disclosure Materials

Consolidated Financial Statements

Compiled in accordance with Article 24-1 of the Financial Instruments and Exchange Act of Japan, the report includes Kirin Holdings' financial statements along with an overview of its recent performance, business results, facilities, and operations.

[For details on the Consolidated Financial Statements, please click here.](#)

Corporate Governance Report

The report provides information on the Group's approach to and system of corporate governance, maintained in compliance with the Corporate Governance Code of Japan.

[For details on the Corporate Governance Report, please click here.](#)

Investor's Guide/Fact Book/Videos

This guide provides investors with an overview of the Kirin Group's businesses and explains the strategic rationale for holding each business.

[For details on the Investor's Guide, please click here.](#)

ESG Databook

Kirin Holdings presents environment, society, and governance (ESG) data for recent years at the following website.

[For details on the ESG Databook, please click here.](#)

Environmental Report

The report details the Kirin Group's annual environmental activities as well as unique business-driven initiatives.

[For details on the Environmental Report, please click here.](#)

Group Policies

To promote CSV management, the Group has established its basic policies for each of the four areas based on its CSV Purpose, as well as for other material issues and governance.

[For details on the Group Policies, please click here.](#)

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Highlights of Integrated Report 2026



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Message from the CEO

A Global Leader in CSV, Creating the Future of Mental and Physical Well-being for people



Yoshinori Isozaki

Representative Director of the Board & CEO,
Kirin Holdings Company, Limited

Shifting to a new stage of growth by delivering on our commitments

As the final year of the nine-year Long-Term Vision, Kirin Group Vision 2027 (KV2027), launched in 2019 approaches, we have been engaging in executive-level discussions on a new long-term vision looking beyond this horizon. The result is "Innovate2035!"

In the past, although the Group formulated long-term visions and medium-term management plans, there were instances where we moved on to the next initiative without fully achieving our targets.

This time is different. Under KV2027, which I led as President & CEO, we set out to become a global leader in CSV and advanced management that views the resolution of social issues as business opportunities, driving sustainable growth. **Anticipating changes in the business environment, we determined that it would be difficult to sustain significant growth solely through our alcoholic beverages business, and have therefore transformed into a corporate group that contributes to resolving health issues through our businesses.**

While the Pharmaceuticals business has driven growth, we have also launched the Health Science Business leveraging the R&D capabilities cultivated in the Food & Beverages (alcoholic beverages and non-alcoholic beverages) and Pharmaceuticals domains, and have successfully established its business foundation.

In terms of external evaluation, we have been ranked in the highest rating of the Nikkei SDGs Management Awards for seven consecutive years since 2019, and have received an "AA" rating in the MSCI ESG Ratings for five consecutive years. We are particularly proud to be among the global leaders in the environmental domain.

In FY2025, the Health Science Business achieved profitability for the first time, and consolidated normalized operating profit reached a record high for the third consecutive year. Throughout this journey, we have faced unexpected environmental changes, including the COVID-19 pandemic, heightened geopolitical risks, and rising raw material costs. Nevertheless, our employees held firm, giving us confidence that we have become a corporate group that delivers on its commitments. With CSV now firmly embedded among our

employees and as we have steadily advanced toward becoming a global leader in CSV, we determined that the time was right to move to the next stage and formulated "Innovate2035!"

Since assuming the role of President & CEO in 2015, I have pressed forward with what Keynes a British economist referred to as "animal spirits" toward the "mountain" I envisioned, and we have now come close to reaching it. With Innovate2035!, I aim to further increase the number of employees who embody these animal spirits.

New Long-Term Vision "Innovate2035!"

While we have formulated a new Long-Term Vision, our commitment to CSV as the compass of our management remains unchanged. In fact, as symbolized by the rapid advancement of AI, changes in the external environment are accelerating, making it all more necessary to further advance CSV management. From FY2025, we have shifted away from fixed three-year medium-term plans to a rolling three-year planning cycle, with targets are updated annually to respond more agilely to changes in the external environment.

Furthermore, by decisively sharpening our focus on "health" as the key social issue the Group addresses and integrating the Non-alcoholic Beverages business into the Health Science business, we will pursue sustainable growth through a business portfolio comprising Alcoholic Beverages, Health Science & Non-alcoholic Beverages, and Pharmaceuticals.

By 2035, we aim to achieve a balanced profit composition across these three domains at comparable levels. We have already announced quantitative targets, including a high single-digit CAGR for EPS and ROIC of 10% or higher. However, as CEO, I would like to specifically highlight our intention to achieve double-digit EPS growth.

Business portfolio

We have established a business portfolio that treats "health" as a business opportunity and enables us to achieve our targeted profit growth, and we have already transitioned to a structure with no non-core businesses. The direction of each business domain has also been defined.

However, there is no such thing as a business portfolio that remains unchanged indefinitely.

Although the Health Science Business has achieved profitability, there remains substantial potential for further growth. To this end, we will continue to make investments and aim to build "one of the largest health science companies in the APAC region" by 2035, with revenue of 500 billion yen and a normalized operating profit margin of 15%.



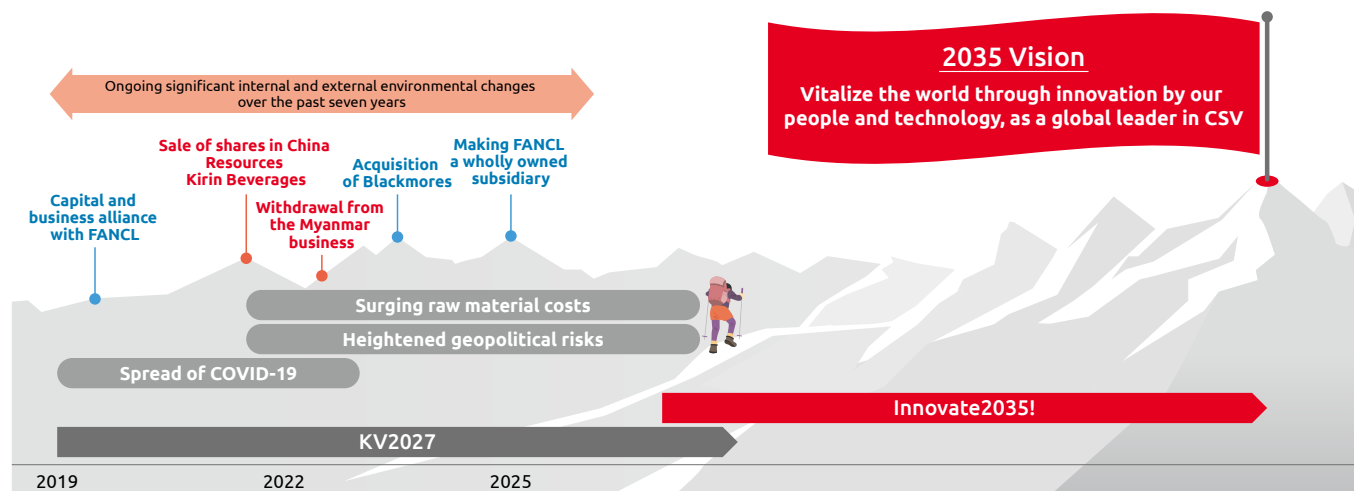
Naturally, our resources are finite. During my tenure as General Manager of the Corporate Strategy Department, I led the divestment of 15 businesses where we were not the best owner. From the perspective of realizing our long-term vision and maximizing corporate value, we continuously review our portfolio, and the recent decision in February to divest Four Roses Distillery is positioned as part of this ongoing effort.

Looking back, beginning in 2016, we carried out a decisive restructuring of low-profit businesses. While the divestment of low-profit businesses differs in nature from the divestment of Four Roses Distillery, both share the same underlying principle: making decisions with the aim of reaching the “mountain” we have envisioned. In recent years, we have executed our acquisitions and divestments based on a clear direction—namely, how best to shape our overall business portfolio to realize our vision and increase corporate value—on a case-by-case basis, initiating each approach ourselves, not passively considering offers from the outside. Without such an approach, successful M&A would be difficult to achieve. Looking ahead, we will continue to discuss and refine our business portfolio at the Board of Directors, always maintaining a clear focus on our objectives.

Strengthening organizational capabilities in R&D, marketing, and digital, and enhancing human capital

Looking across the entire Group, strengthening our organizational capabilities is a critical priority for realizing our new long-term vision.

As a manufacturer, the Kirin Group must continue to create products and services with overwhelming differentiation and competitive advantage, the source of which lies in our R&D capabilities.



At the same time, no matter how advanced the technologies we develop may be, they have little value unless they are embraced by consumers. This is where the power of marketing—linking R&D with consumers—plays a vital role. Moreover, in the years ahead, AI will increasingly be integrated not only into R&D but also into marketing. Accordingly, we believe it is essential to focus our investments in these areas and to further strengthen our human capital.

We will strengthen our investment in human capital. At the same time, we are also making proactive investments in AI to ensure that we do not fall behind. However, I always tell our employees, “Do what only you can do.” I want them to take on challenges with the “animal spirits” that AI cannot replicate. Strengthening our human capital means increasing the number of employees who take on unknown challenges with such animal spirits—an approach that ultimately enhances our organizational capabilities.

We are also seeing a growing number of individuals who resonate with our CSV and choose to join the Group. Innovations such as Kirin Brewery’s Harekaze ACTION and the HYOKETSU mottainai brand expansion are examples of what emerges when the next generation of employees—who will lead the future—think deeply about what they can achieve in their roles.

Aiming to achieve a market capitalization of 3 trillion yen at an early stage

In FY2025, consolidated normalized operating profit reached a record high, and both EPS and ROIC met our targets. Alongside this improvement in performance, I believe that investors are beginning to gain a better understanding of the growth strategy we are

pursuing and the efforts we are making to enhance the profitability of each business. However, I do not consider our current stock price to be satisfactory. We aim to reach a level that is recognized by global investors, specifically, a market capitalization of 3 trillion yen at an early stage. To achieve this, we believe it is essential to further improve our PER.

Since 2024, I have assumed the role of Representative Director of the Board & CEO, while Mr. Minakata serves as Representative Director of the Board, President & COO. By entrusting the execution of operations to COO Minakata, I have been able to devote more time to networking with external stakeholders. With a commitment to go anywhere for the benefit of the Kirin Group, I actively take on speaking engagements and serve in a number of external roles, including Representative Director of the Japan local network of the United Nations Global Compact, Chair of the Committee on Agricultural Revitalization at Keidanren, and Vice Chairman of the Japan Association of Corporate Directors. Through these activities, I strive to bring external information and insights back into our management.

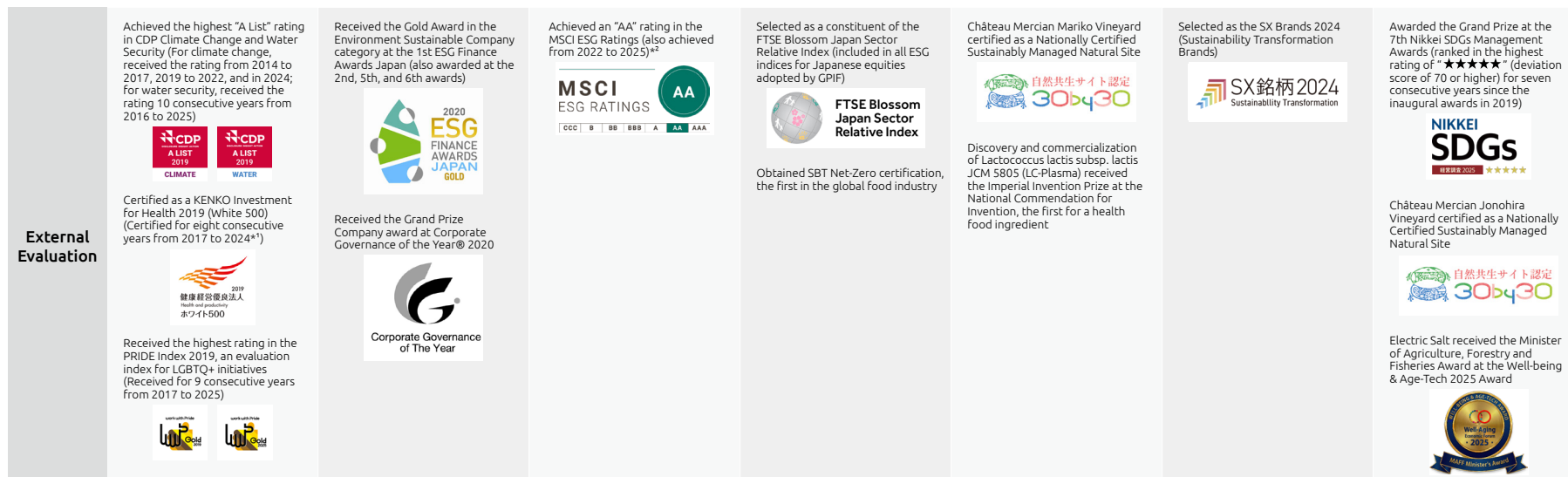
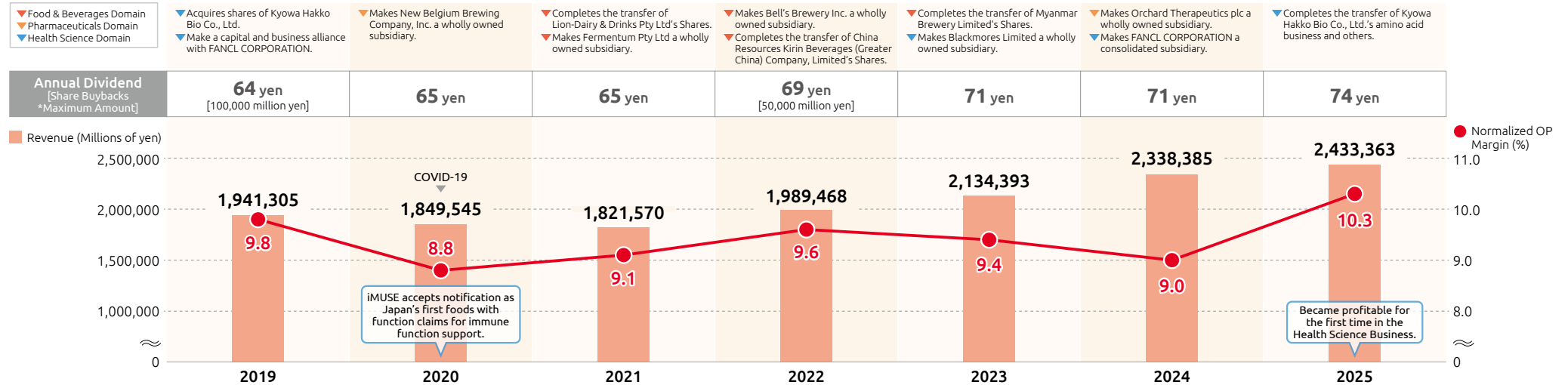
It goes without saying that we place great importance on engagement with our shareholders and investors. With Innovate 2035!, the Kirin Group is entering its next stage of growth. As a corporate group that creates the future of mental and physical well-being for people, we are steadily building a foundation that will enable us to fully meet investors’ expectations. We have also established a clear growth strategy. By demonstrating our ability to execute and deliver on this strategy, and by earning your trust, we are committed to providing solid returns.

We sincerely appreciate your continued support.

Achievements under Kirin Group Vision 2027 (KV2027)

Economic and Social Value Created from 2019 to 2025

Since the launch of Kirin Group Vision 2027 (KV2027) in 2019, we have restructured our business portfolio to steadily generate economic value, thereby delivering returns to our shareholders and investors. At the same time, our ESG initiatives aimed at creating social value, along with related disclosures, have earned strong external recognition. As a result of these achievements, we believe we are steadily progressing toward our long-term vision of becoming a global leader in CSV.



*1 Also received in 2026. *2 THE USE BY Kirin Holdings Company, Limited OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF Kirin Holdings Company, Limited BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED "AS-IS" AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

Long-Term Vision (Innovate2035!)

■ Our Vision for 2035

“Vitalize the world through innovation by our people and technology, as a global leader in CSV”

Kirin Holdings announced its Long-Term Vision “Innovate2035!”, in February 2026, setting out its direction through 2035.

Under this vision, in addition to the sustainable growth of each business, we will promote integrated Group management that transcends countries, regions, and business domains, aiming to continuously enhance corporate value through the creation of innovation.

The innovation that Kirin aims to achieve is not simply about creating new products or technologies. What we ultimately seek is to encourage behavioral change among consumers and patients and create new lifestyle habits in society. Through products and services that accompany people in various moments of their lives, “changing people’s behavior” itself is the goal of Kirin’s value creation. To realize this, it is essential that each employee embed the mindset and actions to introduce novelty into their daily work—better today than yesterday, better tomorrow than today. This forms the foundation for innovation,

and this way of thinking is the starting point of “Innovate2035!”

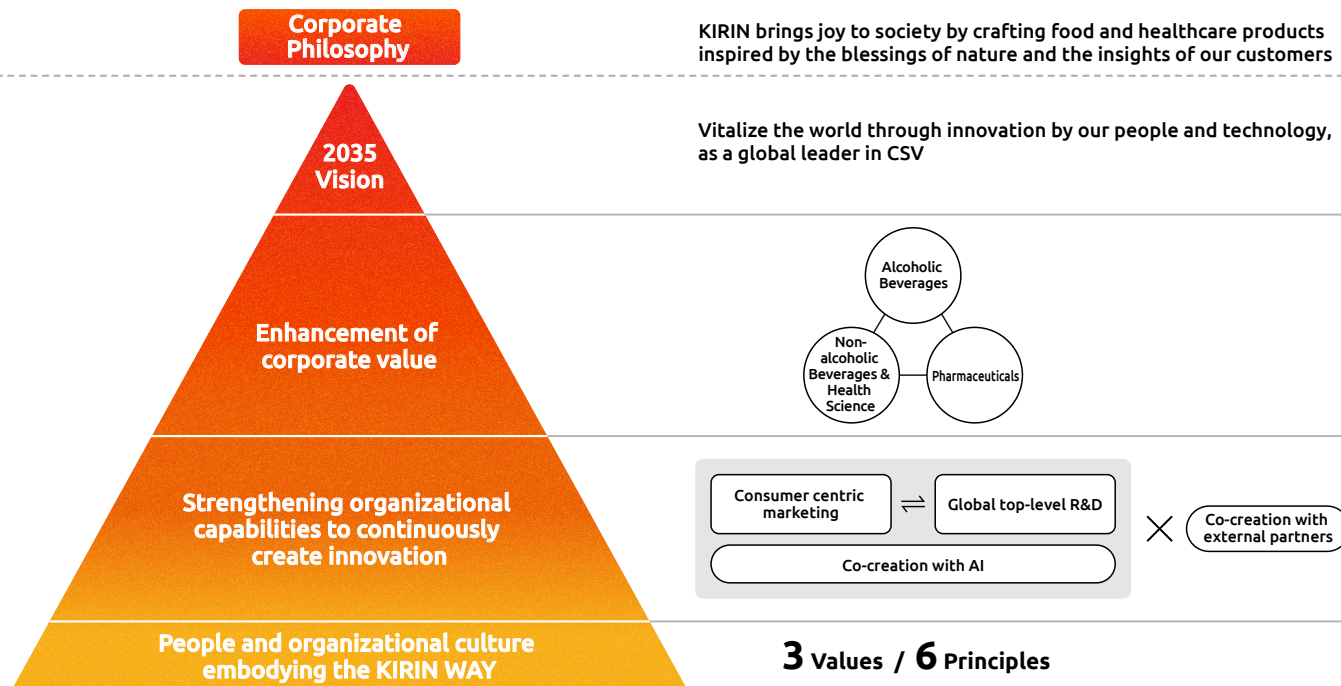
The vision Kirin seeks to realize by 2035 is not the expansion of a single business or diversification driven by technology alone. Rather, we aim to become a company where diverse businesses—Alcohol Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals—each grow autonomously while combining human capital, technologies, and knowledge, from which new value continuously emerges. Our aim is not to “create” growth, but to build a structure in which growth continues to emerge. This is the essence of our Long-Term Vision.

At the foundation of this structure are people and an organizational culture that embody the KIRIN WAY. Shared values and behavioral principles function as the basis for daily decisions and actions, making challenge, collaboration, and boundary-crossing the norm. As people and the organization evolve, the nature of our businesses also changes, and these business transformations, in turn, attract new generations of talent. This is the foundation that accelerates growth.

On this basis, Kirin will strengthen its organizational capabilities to continuously generate innovation. At the core of these capabilities are marketing and R&D. Marketing is the capability to deeply understand the behavior of consumers and patients and to grasp, as a structure, “why people’s behavior changes.” R&D is not only about creating technologies but also serves as an intellectual engine that continuously tests hypotheses about future value. By combining these two functions across businesses and domains, with consumers as the central connecting point, the organization increases the probability of successful value creation.

Furthermore, co-creation with AI will accelerate this value creation. AI is not intended to replace human judgment, but rather to serve as an amplifier that enables people to formulate better questions, learn faster, and think more deeply. Through co-creation between people and AI, both the speed and scale of trial and error will increase dramatically, transforming innovation from something that depends on a limited number of individuals into something that continuously emerges across the organization.

Through the strengthening of these organizational capabilities, Kirin will achieve autonomous growth in each of its businesses—Alcohol Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals—while also creating new value through combinations that transcend business domains. The value created in this way will encourage behavioral change among consumers and spread throughout society as new lifestyle habits. As a result, the enhancement of corporate value and the creation of social value will be realized in an integrated manner.



Long-Term Vision (Innovate2035!)

What

“The innovation that Kirin aims to achieve is to encourage behavioral change among consumers and create new lifestyle habits in society.”

The innovation that Kirin aims to achieve is not the creation of new products or technologies in itself. Rather, it is about enabling the value we create to change the behavior of consumers and patients, leading to the establishment of new lifestyle habits in society. By accompanying consumers in various moments of their lives and continuously encouraging behavioral change, Kirin aims to make this the goal of its value creation.

Innovation Kirin Aims to Achieve

To continue to be chosen by consumers, and to realize “mental and physical well-being,” it is essential to steadily build innovation across all businesses.

Examples of innovation that transform lifestyle habits

Pursuing differentiation in the market while promoting mental and physical well-being.



Alcoholic Beverages Business



CREATING NEW TASTE AND ENJOYMENT

- Provide people and society with the joy of connection through products, initiatives, and services, contributing to consumers' mental well-being



Gain a deep understanding of consumers, including the diversification of lifestyles and preferences

Deliver exceptional and inspiring taste to consumers



Non-alcoholic Beverages & Health Science Business



CREATING KIRIN'S UNIQUE HEALTH VALUE

- Support both internal methods and external solutions to build natural health as the foundation and address individual health issues



The anti-aging market is experiencing significant growth driven by high social demand.

Deploy proprietary ingredients (Lactococcus lactis strain Plasma (LC-Plasma), citicoline) to help people worldwide realize their dreams



Pharmaceuticals Business



CREATING LIFE-CHANGING VALUE

- In addition to antibody therapeutics, we will further advance cell and gene therapies to develop medicines that can change people's lives.



Whereas current therapies involve injections directly into the eye, we are developing “KHK4951” with the goal of achieving a noninvasive, eye drop-based treatment. **Aim to improve patients' quality of life**

Long-Term Vision (Innovate2035!)

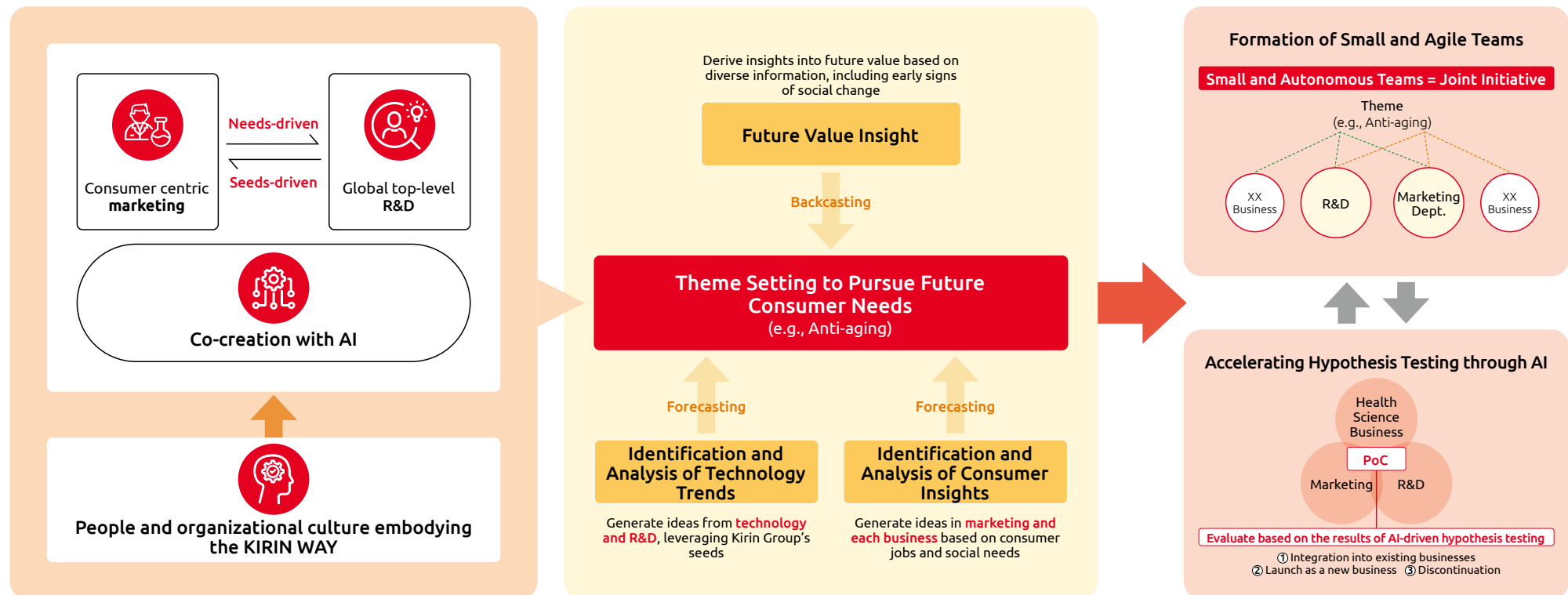
How

“Autonomous growth of each business, enabled by value creation through Kirin’s unique combinations”

Kirin aims for each of its diverse businesses—Alcoholic Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals—to grow autonomously. Building on this, leveraging our unique business portfolio of Alcoholic Beverages, Non-alcoholic Beverages, Health Science, and Pharmaceuticals, we connect human capital, technologies, and knowledge both within and outside the Group. By combining organizational capabilities with consumers as the central connecting point, Kirin will build a structure from which value continuously emerges. The core of our Long-Term Vision is not to “create” growth, but to build a structure in which growth continues to emerge.

Specifically, we will drive innovation by combining the capabilities of R&D and marketing. Through co-creation, we identify high-potential themes based on a deep understanding of consumer jobs, rapidly form small and agile teams, and accelerate all business development processes through AI and digital ICT. By doing so, we enhance both the quality and quantity of outputs while expanding their variety, aiming for the early realization of business implementation and social implementation.

A new two-way innovation creation process between R&D and marketing—Evolving from function-based initiatives to a theme-driven (theme-first) approach



Long-Term Vision (Innovate2035!)

How it works?

“People and an organization that embody the KIRIN WAY form the foundation that continues to drive growth.”

The “KIRIN WAY” comprises the values (3 Values) cherished by the Kirin Group since its inception and the principles (6 Principles) for continuously generating innovation. The foundation of Kirin’s value creation lies in the actions of each individual who embodies the KIRIN WAY. The Group’s shared values and behavioral principles function as the basis for daily decisions and actions, making challenge, collaboration, and boundary-crossing the norm. Behavioral change in people and the organization supports the evolution of our businesses and the structure in which growth continues to emerge.

Our Values



Pioneer with Innovation

先駆

With creative thinking and a spirit of curiosity, let’s keep proposing new ideas that move us forward.



Consumer/ Patient at Heart

お客様本位／患者さん本位

Deeply connect with people’s lives and deliver value beyond what society anticipates.



Quality in Mind

品質本位

Approach all work with integrity and consistently deliver the quality people expect.

Our Principles



Be Aspirational

志を高く持つ

Envision a future that excites and inspires us. Our personal passion and purpose are the driving forces that unlock tomorrow.



Go to “Gemba”

Go to “ゲンバ”

Observe at the source to uncover truth and understand real needs. The starting point of our work should always begin where these needs exist.



Act First, Learn Fast

まず動き、失敗も学びに変える

Step forward boldly, even if the path is uncertain. There’s always something to learn from every outcome.



Leap Beyond

枠を越える

Break out and explore beyond the familiar! New possibilities await on the other side of the leap.



Unite as One Team

違いを力に変える

Turn our personal uniqueness into collective strength. By working together, we make the impossible possible.



Commit to Winning

勝ちにこだわる

Bring passion and commit to delivering results! Individual ownership fuels the value we deliver to the world.

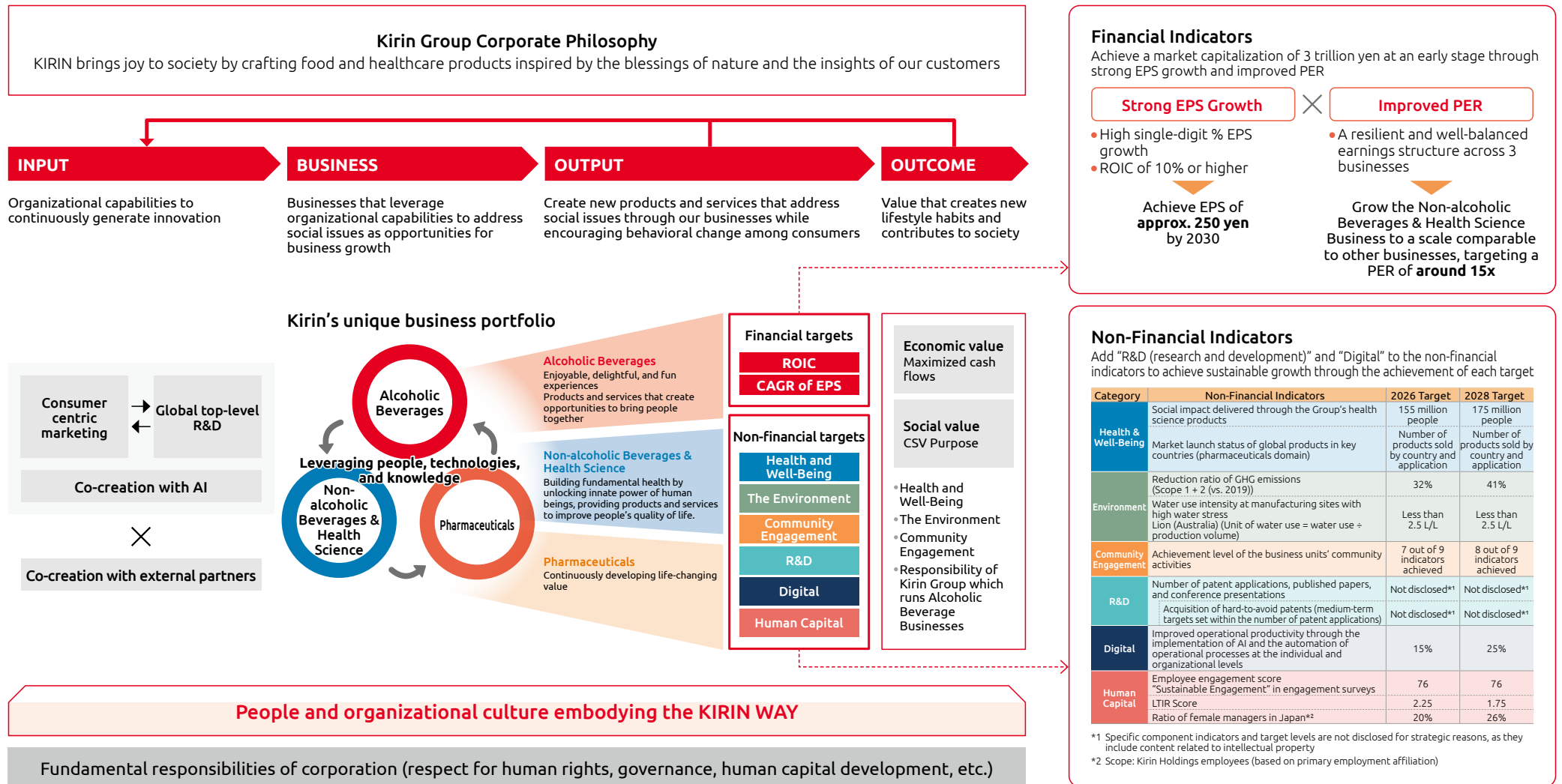
Long-Term Vision (Innovate2035!)

Value Creation Model

The Kirin Group is strengthening its organizational capabilities to continuously generate innovation (INPUT) and leveraging these capabilities to create value across its Alcoholic Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals businesses (BUSINESS/OUTPUT).

By connecting human capital, technologies, and knowledge across each business, we work as one Group to address social issues, thereby achieving the integration of economic and social value (OUTCOME).

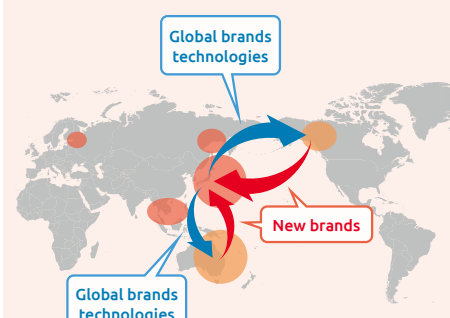
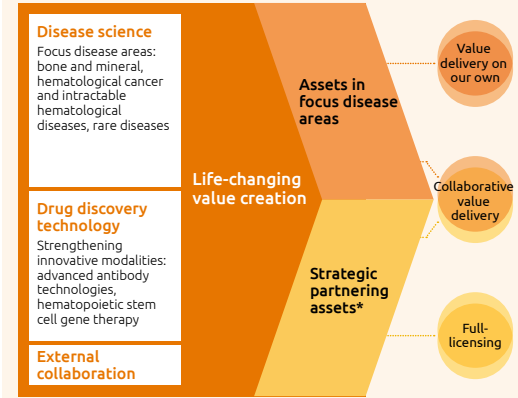
We visualize this integrated story through financial and non-financial targets and continuously link the results to the next cycle of growth.



Long-Term Vision (Innovate2035!)

Plans for Each Business Domain

We will steadily execute initiatives centered on key focus areas in Alcohol Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals, and strive to create value unique to Kirin.

	Alcoholic Beverages	Non-alcoholic Beverages & Health Science	Pharmaceuticals						
External Environment	<ul style="list-style-type: none"> Global alcohol consumption is expected to decline over the long term due to increasing alcohol regulations and changes in social norms. Differentiation and innovation based on experiential value, quality, and brand will be key drivers of growth. 	<ul style="list-style-type: none"> Quantitative growth is expected to be limited due to demographic changes, and the roles of non-alcoholic beverages and health science are evolving from "everyday consumption" to "addressing health issues." As expectations for health, functionality, and sustainability increase, regulations related to health impacts and ingredients are also becoming more stringent. In this environment, the creation of high value-added health value through proprietary technologies will be a key driver of growth. 	<ul style="list-style-type: none"> The environment surrounding the pharmaceutical industry is becoming increasingly severe, with growing political and economic instability as well as rising geopolitical risks. While responding to these changes with agility, we will select optimal strategies to deliver life-changing value to as many patients as possible. 						
Vision for 2035	<p>Current: 8.6% » Aim for 12% level financial ROIC by 2035</p> <ul style="list-style-type: none"> Business management focused on bottom-line profits Streamline small-scale non-core assets <ul style="list-style-type: none"> A business that continuously delivers innovative alcoholic beverages to consumers around the world, creating new forms of taste and enjoyment. Strengthen the earnings base through higher profitability 	<p>Current: 4.4% » Aim for 12% level financial ROIC by 2035</p> <ul style="list-style-type: none"> Rapid growth in profitability (NOP at 15% level) Efficient brand management across the entire APAC <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Non-alcoholic Beverages</p> <ul style="list-style-type: none"> A business that, as a beverage company grounded in taste and health, continuously delivers new value to diverse consumers and the Kirin Group Improve profitability through the expansion of high-priced products, primarily health drinks </td> <td style="width: 50%; vertical-align: top;"> <p>Health Science</p> <ul style="list-style-type: none"> One of the largest health science companies in APAC (+α), delivering Kirin's unique health value by combining "fundamental health" and "personalized health" Achieve both significant top-line growth and high profitability </td> </tr> </table>	<p>Non-alcoholic Beverages</p> <ul style="list-style-type: none"> A business that, as a beverage company grounded in taste and health, continuously delivers new value to diverse consumers and the Kirin Group Improve profitability through the expansion of high-priced products, primarily health drinks 	<p>Health Science</p> <ul style="list-style-type: none"> One of the largest health science companies in APAC (+α), delivering Kirin's unique health value by combining "fundamental health" and "personalized health" Achieve both significant top-line growth and high profitability 	<p>By the early 2030s, aim to achieve "more than 20 new pipeline assets and FDA approvals in over 10 indications," as well as "core operating profit of 30% and ROE in the low teens"</p> <ul style="list-style-type: none"> A global specialty pharmaceutical company committed to continuously delivering pharmaceuticals with life-changing value to patients. Steady progress of global products and the late-stage development pipeline, and expansion of the pipeline through strategic investments. 				
<p>Non-alcoholic Beverages</p> <ul style="list-style-type: none"> A business that, as a beverage company grounded in taste and health, continuously delivers new value to diverse consumers and the Kirin Group Improve profitability through the expansion of high-priced products, primarily health drinks 	<p>Health Science</p> <ul style="list-style-type: none"> One of the largest health science companies in APAC (+α), delivering Kirin's unique health value by combining "fundamental health" and "personalized health" Achieve both significant top-line growth and high profitability 								
Focus Area	<ul style="list-style-type: none"> Focus on beer, non-alcoholic beverages, and RTD across Asia, Oceania, and the United States Strengthen the value of categories that create connections between people Combine core strengths in R&D and brand Expand low-burden products (e.g., non-alcoholic beverages) 	<ul style="list-style-type: none"> Expand into untapped markets in collaboration with Group companies Strengthen resource allocation to health drinks Expand touchpoints with age groups that cannot be reached through alcoholic beverages Promote building natural health as the foundation to enhance innate power of human beings and address individual health issues more effectively and efficiently <div style="border: 1px solid #0070c0; padding: 10px; margin-top: 10px;"> <p style="text-align: center; font-weight: bold;">Kirin's unique approach of supporting both internal methods and external solutions to build natural health as the foundation and address individual health issues</p> <table border="0" style="width: 100%; text-align: center;"> <tr> <td colspan="2" style="border: 1px dashed #0070c0; padding: 5px;"> Individual health issues Prevention of lifestyle diseases Mental well-being Skin health </td> </tr> <tr> <td style="border: 1px solid #0070c0; padding: 5px;"> Internal methods Supplements Foods and beverages </td> <td style="border: 1px solid #0070c0; padding: 5px;"> External solutions Skincare Information and service devices </td> </tr> <tr> <td colspan="2" style="border: 1px dashed #0070c0; padding: 5px;"> Building natural health as the foundation Diet (Nutrition) Exercise Rest Immune care </td> </tr> </table> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">The innate power of humans</p> </div>	Individual health issues Prevention of lifestyle diseases Mental well-being Skin health		Internal methods Supplements Foods and beverages	External solutions Skincare Information and service devices	Building natural health as the foundation Diet (Nutrition) Exercise Rest Immune care		<ul style="list-style-type: none"> Strengthening innovative modalities (advanced antibody technologies, hematopoietic stem cell gene therapy) Focus disease areas (bone and mineral, intractable hematological diseases and hemato oncology, and rare disease) 
Individual health issues Prevention of lifestyle diseases Mental well-being Skin health									
Internal methods Supplements Foods and beverages	External solutions Skincare Information and service devices								
Building natural health as the foundation Diet (Nutrition) Exercise Rest Immune care									

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

Message from the COO

Driving Continuous Innovation through the Power of People and Technology



Takeshi Minakata

Representative Director of the Board,
President & COO,
Kirin Holdings Company, Limited

It's all about execution toward our vision

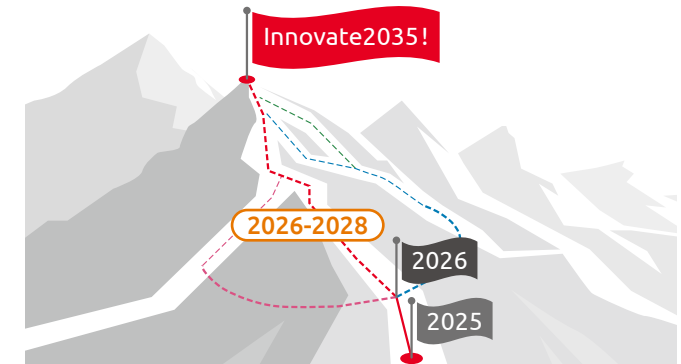
The Kirin Group is a collective of those who take pride in delivering products and services that bring joy to consumers and patients, and who, in turn, find joy themselves in seeing those smiles through their craftsmanship. This reflects our Corporate Philosophy itself, and it is something I have personally experienced since my early days at the beer brewery where I was first assigned, working with colleagues to conduct various trials in pursuit of delivering great-tasting beer.

Meanwhile, as our business portfolio has transformed, the environment surrounding our Group employees, both in Japan and overseas, has also changed significantly. In particular, under the leadership of our CEO Isozaki, the "KV2027" initiative launched in 2019 has led to the Health Science Business achieving profitability last year and growing into one of our key pillars. By responding to a rapidly changing external environment and proactively shaping that environment, we have also strengthened the "earnings power" of our existing businesses in Alcoholic Beverages, Non-alcoholic Beverages,

and Pharmaceuticals.

To achieve further growth from here, as COO, I will continue to strengthen our execution capabilities to create new value. As I mentioned earlier in relation to my experience at the beer brewery, even within the same company—Kirin Brewery—differences in productivity can arise from one plant to another. The key lies in whether three elements are in place: "equipment," "systems," and "people." Among these, it is the "people" who operate the equipment and systems that are particularly critical to execution.

I believe the same applies to the Group as a whole. Through the "KV2027" transformation, we have made progress in establishing our business portfolio and strengthening our management systems. To build on these foundations and continue to create products and services ahead of the market, thereby driving further growth, it is essential to maximize the capabilities of each and every employee, both in Japan and overseas. Based on this recognition, we have positioned CSV as our unwavering compass and formulated our new Long-Term Vision "Innovate2035!," which outlines "what we will



pursue over the next decade."

We have adopted a rolling three-year target framework starting from FY2025, updating our targets each year. What matters is that once the "mountain" we aim to climb is clearly defined, the path we take can be adjusted along the way, guided by what we can see in the year ahead. What is important is getting closer to the summit—execution is everything.

Employees as forwards in strategy execution

Since assuming the role of President & COO, I have continuously visited our business locations in Japan and overseas—the very *gemba* (frontlines)—and engaged directly with employees through ongoing dialogue. Through this dialogue, key challenges in strengthening our execution capabilities have become clearer. In response, to realize "Innovate2035!," we have established the "KIRIN WAY," which consists of the Group's shared values, the "3 Values," and the "6 Principles," a set of behavioral guidelines for each and every employee to put into practice. In particular, the "6 Principles" are intended for each individual to take ownership of and put into practice. As these efforts expand from individuals to teams, across entire businesses and the Group as a whole, I believe we will evolve into an organization with stronger execution and transformation capabilities.

To use a football analogy, no matter how well-crafted the strategy may be, it is employees who execute, move forward, and score goals. In terms of execution at the *gemba*, employees are the forwards, while management plays a supporting role—delivering good passes from the back. When employees come to see that management is not above them, but that the *gemba* is above, and that they themselves are the ones who score the goals, I believe they will find their work even more interesting.

That's why creating a state in which Group employees take ownership of the "KIRIN WAY" is our top priority for this fiscal year. It is essential that leadership takes the initiative and communicates this

message, and under my leadership, our executives and the presidents of our operating companies have already begun to take action. One of the “6 Principles” is “Go To ‘Gemba.’” In addition to myself, the presidents of each operating company visit the *gemba* and engage in direct dialogue. Through these interactions, we are able to make sure firsthand whether execution capabilities on the ground are truly improving.

The challenges I identified varied by site, but in some cases, a risk-averse culture and multilayered approval processes limit proactive behavior. I also saw situations where employees find it difficult to make time to engage externally due to overwhelming consensus building internally. We quickly started reviewing systems of work process and evaluation.

It is leadership that ultimately shapes corporate culture, and there are no shortcuts. While I have stated that ensuring all employees take ownership of the “KIRIN WAY” is our top priority for this fiscal year, we have no intention of stopping after just one year. What matters is to continue these efforts steadily and sincerely. While this may appear to be a roundabout approach at first, once the effects begin to emerge, it will generate tremendous momentum.

Since assuming the role of President & COO in 2024, I have continued to observe execution at the *gemba* firsthand and have already begun to see very positive signs. These are reflected in last year’s performance. Both revenue and normalized operating profit reached record highs, and we achieved our targets across all business domains. Moreover, rather than losing momentum toward the end of the fiscal year, performance steadily improved, with momentum continuing to build. I also see a growing determination among employees to “follow through and achieve their goals.”

The EPS growth and ROIC targets presented in our new Long-Term Vision will be achieved without fail, with the *gemba* and management uniting as one team.

Creating value from zero to 1, and scaling it from 1 to 10, and 10 to 100 to continuously drive innovation

Our 2035 Vision is “Vitalize the world through innovation by our people and technology, as a global leader in CSV.” We define innovation as “encouraging behavioral change among consumers and patients and creating new lifestyle habits in society.”

As a company rooted in manufacturing, we must strengthen our capabilities to create new value and to deliver it to society. R&D, which creates value from zero to one, is the source of our growth. We position R&D as a core organizational capability to be particularly strengthened, in order to further enhance the power of fermentation

and biotechnology—our foundational technologies shared across the Group’s businesses. It is essential that we continue to expand the pipeline of future business opportunities by generating new materials and exploring novel combinations of technologies.

The Kirin Group has a unique business portfolio spanning Alcoholic Beverages, Health Science and Non-alcoholic Beverages, and Pharmaceuticals. Across these business domains and research fields, we have researchers who, grounded in science, bring unique ideas, diverse approaches, and deep insight. As highly specialized talent that drives competitive advantage, a total of 228 employees across the Group held doctoral degrees as of 2025. **When people with different careers, knowledge, and areas of expertise come together across business boundaries, a powerful chemical reaction can occur.** This represents significant potential for innovation unique to the Kirin Group. In addition to promoting exchanges and transfers of researchers across business domains, we also established “Cowellnex,” which aims to pursue and commercialize innovation focused on health, in 2024 as a joint venture between Kirin Holdings and Kyowa Kirin.

However, **creating value from zero to 1 alone does not constitute innovation. It must then be scaled up from 1 to 10, and from 10 to 100, and delivered to society.** LC-Plasma represents a zero-to-one innovation. With the passion of bringing this value to consumers, talent from across the entire value chain—including marketing—came together and successfully commercialized it. The phrase in our vision, “by our people and technology,” reflects our—**that people and technology function as two wheels of a single vehicle.**

In the past, the Kirin Group has experienced the bitterness of being overtaken by competitors in markets that we ourselves created through innovation. That is precisely why we are committed



to “**continuously driving innovation**”—by further improving the products we create through innovation, making them better, more enjoyable, and more effective. Through this continuity, our aim is for our products and services to become part of consumers’ lives and bring smiles, which we believe truly means “Consumer/Patient at Heart.”

Making the Kirin Group a more “exciting company”

Today, the global economy and business environment surrounding us are becoming increasingly uncertain, making it ever more difficult to anticipate what lies ahead. **While we need to continue striving to anticipate the future, we must also take the initiative to shape the environment and influence consumer and patient behavior ourselves.** Past successes do not guarantee future success. We must constantly interpret future consumer needs, respond to the various changes occurring around us, and translate them into agile and tangible proposals. As new generations such as Gen Z and Gen Alpha emerge and values continue to evolve, we are being challenged on how quickly we can adapt and transform into an organization capable of delivering value that meets the demands of the times. We live in an era where maintaining the status quo means falling behind. I believe it is essential to continue taking risks and maintaining a proactive, forward-looking mindset.

In a time of constant change, we must never lose sight of where we are headed. The Kirin Group has a clear and unwavering foundation in CSV management. Our mission is to create both social and economic value through our businesses. For us, being proactive means being committed to winning in terms of delivering both social and economic value. **By creating an environment in which each employee can fully pursue “what I truly want to do,” we will maximize our ability to generate innovation.**

What I envision is a Kirin Group that continuously brings a diverse range of exciting products and services to the world ahead of others. We aim to deliver a steady stream of compelling proposals related to both mental and physical well-being—offerings that make consumers think, “I want to use this” or “I want to try this.” Through this, we want to ensure that the unique appeal of the Kirin Group is widely recognized. We aspire to be a company that inspires people to wonder, “What will Kirin create next?”—and one that attracts those who think, “I want to try creating something exciting at Kirin myself.” Ultimately, **we aim to contribute to both the mental and physical well-being of consumers and patients and help build a society filled with smiles.**

Strategies and Review by Business Domain

Alcoholic Beverages

FY2025 Review (Initiatives and Achievements)

- Consolidated Revenue
1,075.3 billion yen (down 0.6% YoY)
- Consolidated Normalized OP
135.4 billion yen (up 9.1% YoY)

- Promoted investment in core brands and strengthened the brand portfolio in Japan in anticipation of liquor tax unification
- Secured profit growth through price revisions and rigorous cost management

Top priority

Kirin Brewery

- Strengthening brand development in the full malt beer and RTD categories, with a focus on creating consumer value in anticipation of liquor tax unification
- Creating innovation through proactive technological development

Lion

- Generating revenue and profit through core brands

New Belgium Brewing

- Strengthening the craft and import segments

2026-2028 Plan

Kirin Brewery

- Focus investment on the full-malt beer category, including *KIRIN ICHIBAN* and *Kirin Beer Harekaze*
- Enhance the *KIRIN HYOKETSU* brand portfolio, centered on sugar-free and standard series
- Formulate technology development strategies aligned with business strategy and translate them into products and services.

Lion

- Continue strengthening Ultra (zero-sugar series)
- Enhance premium value through the Hahn and Stone & Wood brands

New Belgium Brewing

- Focus investment on the core brands (*Voodoo Ranger* and *KIRIN ICHIBAN*)



Non-alcoholic Beverages

FY2025 Review (Initiatives and Achievements)

- Consolidated Revenue
578.2 billion yen (up 2.4% YoY)
- Consolidated Normalized OP
67.7 billion yen (up 5.8% YoY)

- In Japan, improved profitability by strengthening Health Science beverages centered on *Kirin Oishii Immune Care* and the core brands led by *Kirin Gogo-no-Kocha*
- In North America, maintained high profitability through steady performance of carbonated beverages, supported by price management and operational efficiency improvements.

Top priority

Kirin Beverage

- Generating profit by expanding the business and brand portfolio into high-growth areas (growth in Health Science and improvement of profitability of existing products)

Coke Northeast

- Achieving above-market revenue growth centered on carbonated beverages
- Building industry-leading supply chain operations

2026-2028 Plan

Kirin Beverage

- Accelerate the growth of LC-Plasma and launch and develop new brands as the second pillar of Health Science
- Improve profitability of the unsweetened tea portfolio, including *Kirin Nama-cha* and *Healthya*

Coke Northeast

- Achieve stable revenue growth through optimization of pricing structure across all channels
- Continuously improve OPEX per case through cost target management for each delivery, merchandising (MD), and warehouse function



Health Science

FY2025 Review (Initiatives and Achievements)

- Consolidated Revenue
251.4 billion yen (up 43.4% YoY)
- Consolidated Normalized OP
11.1 billion yen (- YoY)

- Strengthened the business foundation centered on APAC, achieving profitability in the Health Science Business
- Expanded the LC-Plasma business in Japan and overseas, enhancing its presence as a global growth driver.

Top priority

Health Science Business

- Driving revenue growth and strengthening profitability across businesses and brands
- Accelerating synergies by leveraging assets across Group companies

2026-2028 Plan

Health Science Business

- Strengthen domestic business by reinforcing the FANCL brand
- Strengthen Blackmores products in China, Hong Kong, Taiwan, and Southeast Asia + South Korea
- Expand sales of Blackmores and FANCL supplements in China



Pharmaceuticals

FY2025 Review (Initiatives and Achievements)

- Consolidated Revenue
496.5 billion yen (up 0.2% YoY)
- Consolidated Normalized OP
102.3 billion yen (up 11.4% YoY)

- Secured revenue and profit growth for the core products *Crysvita* and *Poteligeo* through increased market penetration

Top priority

Kyowa Kirin

- Maximizing the value of *Crysvita* and *Poteligeo*
- Expanding sales of *KOMZIFTI* in the U.S.
- Expanding the pipeline, including through partnerships

2026-2028 Plan

Kyowa Kirin

- Drive revenue growth driven by increasing patient access to *Crysvita* and *Poteligeo*
- Driving Growth of *KOMZIFTI* through through Partnership with Kura Oncology
- Advance pipeline development steadily and explore partnership opportunities as appropriate



Message from the CPO

Toward a Kirin Group that Drives Continuous Innovation Powered by Human Capital



Junko Tsuboi

Director of the Board, Senior Executive Vice President, Kirin Holdings Company, Limited

Human capital as the source of value creation

The innovation that the Kirin Group aims to achieve under "Innovate2035!" is about creating new lifestyle habits and transforming lifestyle habits among our consumers and society. The source of this value creation lies in our human capital. Innovation is driven by the accumulation of each individual's efforts in their daily work—taking on challenges, applying ingenuity, and generating new ideas.

We have consistently generated a wide range of innovations by leveraging the power of our human capital. Looking ahead, we will accelerate innovation unique to the Kirin Group by combining our businesses in Alcoholic Beverages, Non-alcoholic Beverages and Health Science, and Pharmaceuticals, along with highly specialized functions and cross-border regional capabilities. To achieve this, we must significantly evolve our human capital strategy. At the same time, the environment surrounding us is undergoing dramatic change. Population decline, increasing labor market mobility, and the diversification of work styles and attitudes toward work are all progressing, while the rapid advancement of AI and digital technologies is heightening the need to fundamentally transform our approach to human capital strategy.

The P&C Story linking management strategy execution and well-being

We have established the P&C (People & Culture) Story to closely align our management strategy with our human capital strategy. This framework visualizes how each P&C initiative contributes to value creation, business growth, and innovation, and how it leads to the sustainable increase of corporate value. It also serves as a shared framework to foster a common understanding among both internal and external stakeholders.

At the same time, well-being is essential for our human capital to continue demonstrating its capabilities. Only when each and every employee truly experiences the "joy of working at the Kirin Group" can

we bring joy to society and our consumers. In addition to improving employees' mental and physical health and vitality, we take a holistic approach to promote well-being—aligning individual growth, our culture, and work environment with our P&C Story. Furthermore, we will instill the newly established KIRIN WAY across the Group and drive a transformation that fosters continuous innovation through both our people and organizational capabilities.

New initiatives to drive the Group's growth amid change

In addition, with a view to the Group's growth and future environmental changes, we have launched initiatives from three key perspectives.

The first is the redesign of our human capital portfolio with AI as a partner. We will continuously redefine the value and roles that are uniquely human, while embedding a culture of co-creation in which people and AI work together as a team. We believe that companies that can transform these efforts into a source of competitive advantage will be the ones to achieve sustainable growth. To this end, we will evolve our talent management, centered on Kirin's distinctive strength of "expertise and diverse experience". This is based on our belief that it is precisely the combination of these seemingly opposing elements—expertise and diverse experience—that cultivates uniquely human capabilities in the age of AI. However, differences in approaches between Western labor markets, which are primarily position-based (job-based), and Japan, where there is a strong culture of developing human capital from a talent-based perspective, can in some cases hinder active talent mobility. While leveraging the strengths of both approaches, we aim to establish a hybrid model of talent management by advancing the visualization and structuring of skills and positions.

The second is to embed an employee-centric human capital strategy and make it a core strength of Kirin. We will thoroughly review our strategies through the lens of how employees' mindsets and behaviors will change. In doing so, We will maximize the potential of both our people and organization and enhancing the quality and

impact of our investment in human capital.

The third is the development of the foundations and data infrastructure to support these initiatives. We are now entering an era in which unstructured data can be effectively analyzed. We will continue to examine how each human capital initiative contributes to financial value, while enhancing Group-wide KPIs, strengthening the PDCA cycle, and improving the quality of our disclosures.

Commitment as CPO (Chief People Officer)

Companies are increasingly shifting from being the ones who choose people to being chosen by people. The belief that human capital is the source of value creation is already firmly embedded in the Kirin Group's management. Going forward, our human capital strategy must be firmly grounded in a deep understanding of our employees. It is essential that we consistently adopt an approach that places changes and evolution in employees' mindsets and behaviors at the center of our thinking. This also aligns with the stakeholder-driven approach to innovation set out in "Innovate2035!" I am strongly committed, as CPO, to embedding thorough employee insight and an employee-centric mindset as a defining strength of the Kirin Group's human capital strategy, and to realizing an organization in which the growth of our people and the growth of the Group reinforce one another in a virtuous cycle.

In the P&C section that follows, we will outline the overall framework of the Kirin Group's strategy and our specific initiatives.

Steps toward achieving the 2035 Vision

Transformation 1.0

Structural Transformation Phase (~2028)

Establish a foundation for transformation based on the KIRIN WAY

Transformation 2.0

Global Expansion Phase (2029–2031)

Accelerate transformation while further strengthening global collaboration

Transformation 3.0

Global Integration Phase (2032–2035)

Embed the KIRIN WAY across the Group and establish global co-creation

Human Capital Strategy — Maximizing Human Capital —

P&C Story: A model story for value creation unique to the Kirin Group

At the Kirin Group, our fundamental HR philosophy is “Respect for Humanity,” grounded in our belief in the unlimited potential of each employee. Under this philosophy, we view human capital as the source of value creation and our competitive edge, and through continuous investment, we aim to be a company where human capital grows and wins through human capital.

While the issues and high-priority initiatives in our human capital strategy may differ by country, region, and business, the direction of connecting human capital to value creation is shared across the Group. As a model story for a human capital strategy representative of the Kirin Group to realize our vision of becoming a global leader in CSV, as set out in “Innovate2035!,” we have established the P&C (People & Culture) Story.

In the P&C Story, the “KIRIN WAY,” which represents the Group’s shared values and principles, serves as the foundation for all corporate activities and value creation. Furthermore, it positions three key factors as essential elements: “Health & Engagement (a safe environment, mental and physical health, and an energetic, positive mindset),” “Growth (self-driven individuals who proactively enhance their expertise and evolve their capabilities and values through diverse experiences),” and “DE&I (an inclusive organizational culture where self-driven individuals gather and co-create by turning differences into strengths).” By working collaboratively across Group P&C functions to mutually reinforce and link these three elements, we will enable employees to feel the “joy of working at the Kirin Group” and realize “Well-Being for Innovation”, which drives continuous innovation.

Overview of human capital strategy

① Embedding the “KIRIN WAY” across the group

To realize “Innovate2035!,” we have defined the “KIRIN WAY” as the set of values we have long upheld, along with the behaviors required to continuously generate innovation, which all Group employees are expected to embrace. By positioning the “KIRIN WAY” as the foundation for all activities—covering all Group companies and employees globally, and linking it with management messages and human capital initiatives—we aim to ensure that it is embodied in employees’ daily decision-making and actions.

2035 Vision Vitalize the world through innovation by our people and technology, as a global leader in CSV



Key Initiatives

- Expanding content to promote understanding, empathy, and embodiment, and rolling it out in Japan and overseas
- Conducting town hall meetings led by COO Minakata and dialogue meetings with the presidents of operating companies
- Implementing “KIRIN WAY” practical programs in phases by hierarchical level
 - Sessions for general managers to promote the practice within their own departments
 - Leadership programs for mid-level leaders to drive the practice within their teams
 - Workplace workshops for members to embody the KIRIN WAY in their own work

② Enhancing employees' own physical and mental well-being and vitality

A safe environment, together with employees’ physical and mental health, vitality, and a sense of purpose and positive mindset in working at the Kirin Group, forms the foundation that enables employees to continue performing at their best.

In 2026, the Kirin Group renewed its “Kirin Group Health Declaration” as the “Kirin Group’s Well-Being Statement,” clearly articulating its commitment to enhancing employees’ well-being as a source of innovation, encompassing not only physical and mental health but also social well-being. Going beyond individual health promotion, we will further evolve our efforts to enhance well-being across the entire organization, while also encouraging employees to drive their own behavioral change. In addition, we have also established the

Human Capital Strategy — Maximizing Human Capital —

“Group Well-Being Conference,” chaired by the CPO. In line with our commitment to contributing to the health, pleasure, and comfort of people around the world, we will advance group-wide initiatives unique to the Kirin Group.

③ Strengthening self-driven individuals through human capital management and transformation initiatives

Kirin Holdings launched Functional Axis Talent Management in 2025, managing talent across 12 key functions, including sales, marketing, R&D, SCM, and digital ICT, that we have identified as areas where specific expertise should be strengthened. Through the acquisition, development, and strategic placement of highly specialized talent, we aim to enhance business competitiveness. From 2026, we will introduce a career challenge system to expand opportunities for diverse, cross-functional experiences, further advancing the development of our talent. Other operating companies will also strengthen their businesses through talent management tailored to their respective business and regional contexts. Over the medium to long term, we will build a Group-wide framework centered on “deep expertise and diverse experience,” adopting a hybrid approach that integrates both talent-based and position-based perspectives. Through this, we will realize a human capital management model unique to the Kirin Group that leverages our globally diverse and distinctive business portfolio.

In addition, to foster the mindset and behavioral change necessary for generating innovation, we are advancing initiatives, primarily in Japan, to transform individuals, teams, and systems in an integrated manner. In line with the “KIRIN WAY,” we are promoting individual behavioral change, evolving team management to enable co-creation not only among internal members but also through collaboration with AI and external partners, and revising evaluation systems to support daily challenges. Through these efforts, we will support self-driven individuals in continuing to perform at their best.

④ Enhancing value creation through a co-creative organizational culture

To create the kind of innovation envisioned in “Innovate2035!”—innovation that generates new lifestyle habits in society—it is essential to bring together self-driven individuals, deepen consumer understanding from diverse perspectives, and co-create value as an organization by leveraging each individual’s strengths. The Kirin Group’s sincere culture, grounded in respect for humanity, is a key strength that underpins high levels of engagement. At the same time, there remains room for improvement in consistently translating this

culture into individual challenges. Based on this recognition, we will drive a transformation toward an organization where differences are leveraged as strengths and new challenges continue to emerge. We will remove barriers to work and create an environment where everyone can thrive, while promoting the development of psychologically safe organizations. In addition, we have established recognition systems across Group companies. As a representative initiative, the KIRIN Group Award, open to all employees, celebrates behaviors and achievements aligned with the “KIRIN WAY,” enabling the sharing of best practices across the Group. We will also continue to create opportunities for employees to connect across departments and borders, fostering co-creation throughout the organization.

⑤ Strengthening governance through the diversification of Group management talent

Kirin Holdings has been building a Group management structure composed of internal and external officers with diverse experience and high levels of expertise, with the aim of strengthening governance and enhancing the quality of decision-making. We are also advancing new initiatives, including the use of the AI Executive.

As we work toward realizing “Innovate2035!,” the importance of governance and the complexity of decision-making continue to increase under our globally diverse business portfolio, making it ever more critical to strengthen our Group management talent. In 2026, we appointed our first non-Japanese Senior Executive Officer, thereby incorporating an understanding of diverse market environments and cultures into management and further strengthening both governance and business execution.

At the same time, we are working to build a framework that enables the operation of a Group-wide succession plan, ensuring the continuous development of talent who will lead the future Group management.

In parallel with these initiatives (1) through (5), we are advancing three initiatives highlighted in the CPO message. We design our strategies and initiatives by backcasting from our desired future state in a data-driven manner, while strengthening our ability to respond to changes in the external environment and flexibly evolving our initiatives. Through these efforts, we will continuously strengthen the power of people and organization to generate innovation, creating a virtuous cycle in which outcomes and learnings serve as a starting point for further challenges.

Key Non-Financial Indicators

We have established the following key non-financial indicators as KPIs to be achieved across the Group. LTIR is positioned as an indicator of the status of a safe work environment. Through strengthening cross-site monitoring systems and sharing best practices, we aim to create safer and better working environments. The ratio of female managers is positioned as an initial indicator for the diversification of management talent. In addition to an evaluation system based on absolute assessment and a positive scoring approach that also emphasizes productivity, we will create a fair environment in which diverse talent can thrive by enhancing work-life balance and support for balancing work and personal responsibilities, while also addressing challenges unique to women through initiatives such as mentoring.

Sustainable engagement is the ultimate outcome indicator for measuring the state of “Well-Being for Innovation,” and we will continue to enhance it through the collective efforts of our P&C initiatives.

Column

Rolling out the “KIRIN WAY” across the Group

In developing the “KIRIN WAY,” we engaged in extensive dialogue with employees, aligning interpretations and expressions of our shared values. Even after its establishment, COO Minakata has visited operating companies, including those overseas, holding town hall meetings and dialogue sessions with company presidents. He has placed great importance on personally communicating his commitment to “Innovate2035!” and to putting the “KIRIN WAY” into practice in his own words. Through these efforts, we are deepening employees’ understanding and encouraging behavioral change. In this process, “Gemba” is increasingly taking root as a new shared language across the Group globally, contributing to the spread of value creation driven from the frontline.



Research and Development — Toward R&D as a Source of Innovation —

Our Vision: To become a global innovation leader in fermentation and biotechnology

To realize our Long-Term Vision "Innovate 2035!," we position our R&D function as a source of corporate value creation.

Leveraging our foundation in fermentation and biotechnology, we aim to become a global innovation leader that continuously creates value capable of changing consumers' lifestyles and behaviors. To date, we have expanded from fermentation technologies cultivated through beer brewing into the Alcoholic Beverages, Non-alcoholic Beverages & Health Science, and Pharmaceuticals domains, by integrating them with bioscience. Going forward, we will further deepen this technological foundation, thereby enhancing both the speed and quality of value creation.

To realize this vision, we have established the Kirin Group R&D Philosophy, which looks ahead to the next 100 years. Grounded in a "Reverence for Life," we will deepen our scientific exploration and systematically organize the knowledge gained. Through this approach, we aim to strengthen our unique technological foundation and enhance the consistency and scalability of value creation.

Furthermore, based on diverse internal and external insights—including intellectual property information—we will open up new domains through originality and pioneering, thereby delivering innovation with a strong competitive advantage. This R&D Philosophy will serve as a shared guiding principle underpinning our value creation cycle, providing a consistent basis for decision-making across R&D activities, human capital development, and intellectual property strategy.

The core initiative for embodying this philosophy is the strengthening of basic research. By advancing basic research grounded in fundamental principles, we will generate differentiated, proprietary technologies. We will further refine and systematize these technologies

and, through intellectual property strategies aligned with the business environment, establish them as a source of competitive advantage.

In terms of human capital, star researchers take the lead in value creation. Zucker et al. have shown that approximately 0.8% of top-performing researchers account for around 17% of the total output, demonstrating exceptionally high productivity.* These researchers embody knowledge and play a vital role in innovation creation and commercialization. By placing star researchers at the core, we will bring together diverse expertise and promote collaboration to accelerate results generation. At the same time, through the development of outstanding talent, we aim to establish a sustainable competitive advantage.

Deepening basic research, elevating talent excellence, and creating proprietary technologies integrated with intellectual property strategy. Through these initiatives, we will establish a continuous cycle of value creation.

*Zucker, L. G., & Darby, M. R. (1996). Star scientists and institutional transformation: Patterns of invention and innovation in the formation of the biotechnology industry. *Proceedings of the National Academy of Sciences*, 93(23), 12709–12716.

Current position

Challenges: Driving large-scale innovation and elevating research to global standards

While we have made steady progress in addressing business-linked challenges, there remains significant room to strengthen our capabilities in generating breakthrough innovation. To become a global innovation leader, it is essential to continuously create large-scale technology seeds and further enhance our R&D foundation. In addition, to elevate the quality and speed of R&D to global standards, we need not only to strengthen our basic research competitiveness but also to enhance our ability to respond to global regulations and market requirements, while enabling the international circulation and optimal allocation of

talent. As a foundation supporting these efforts, we possess a unique technological platform and intellectual property strategy capabilities.

Strengths: Cross-functional technological foundation and intellectual property strategy

The Kirin Group possesses a cross-functional technology portfolio rooted in fermentation and microbial science, enabling us to deploy research outcomes across a diverse range of businesses. By incorporating intellectual property strategy into research from its early stages and securing multilayered protection across products, materials, applications, and manufacturing processes, we build a competitive advantage that is difficult for others to replicate. Our integrated approach—where R&D and intellectual property function in unison to design patent portfolios with a view to future business development—is a key strength that supports the social implementation of our research outcomes. For example, we have established a framework for protection and utilization of *Lactococcus lactis* strain Plasma, an immune care ingredient, based on intellectual property rights with future applications in mind, thereby supporting market expansion. These activities are being recognized externally, and we received the FY2025 Intellectual Property Achievement Award, "Award from Commissioner of the Japan Patent Office: Intellectual Property Utilization Company (Patents).

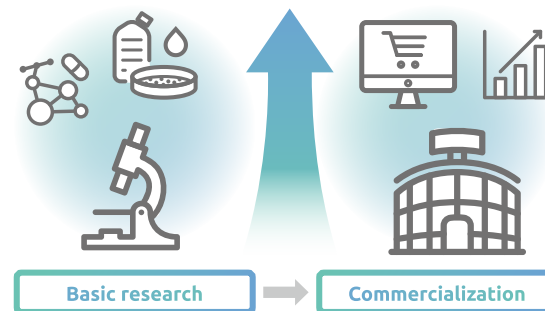
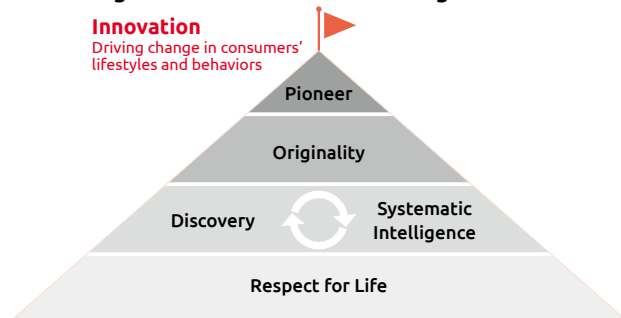
Strategic direction

Given this understanding of our current position and strengths, we will further enhance our value creation capabilities through R&D by advancing our strategy in the following three directions.

"Ambidextrous research" concept (quick wins and medium- to long-term initiatives)

We will pursue a dual approach that contributes to short-term earnings growth through quick-win initiatives that support our existing businesses, while simultaneously strengthening basic research to deepen core technologies over the medium to long term. In addition, by leveraging intellectual property information from the early stages of research planning, we will enhance our intellectual property intelligence function to visualize technology trends, competitive dynamics, and untapped areas, thereby improving the precision of research theme selection. Through these processes, we will increase the probability of value creation from our R&D investments. Furthermore, we will expand investment in priority areas and strengthen the foundation for generating differentiated technologies grounded in fundamental principles. The deepening of such basic research will also foster the development of star researchers, contributing to the establishment of a sustainable competitive advantage.

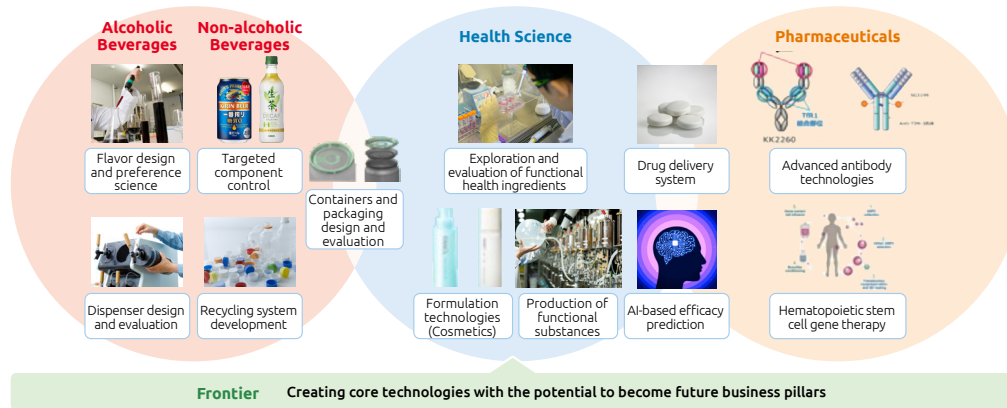
Delivering innovation that drives change in consumers' lifestyles and behaviors through strong basic research



Research and Development — Toward R&D as a Source of Innovation —

Discontinuous growth through frontier domains

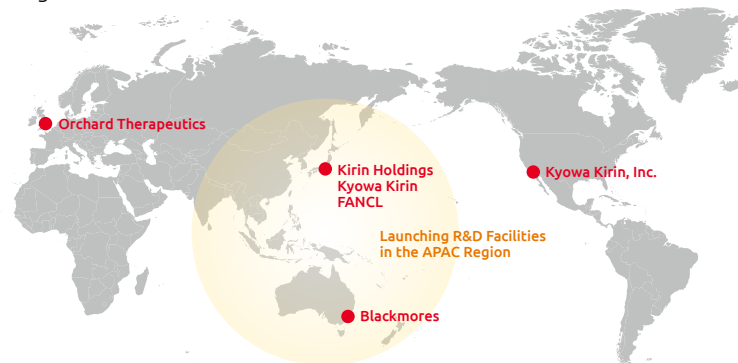
To sustainably generate breakthrough innovation, we will establish “frontier domains” that go beyond existing business domains. In these domains, we place a strong emphasis on the individuality of our researchers. By translating the future visions each researcher identifies through their curiosity into organized R&D activities, we will create core technologies that will serve as pillars of our future business.



Note: In this figure, classifications are based on technological affinity and differ from the business domains defined in the Long-Term Vision.

Advancing our research framework from a global perspective

To elevate the quality and speed of our R&D to global standards, we are advancing our research framework from a global perspective. We are building a network of domestic and international bases, including those owned by the Kirin Group as well as partner academia, and embedding a global perspective from the research theme design stage. At the same time, we are strengthening collaboration with leading researchers both within and outside the Group. Furthermore, by enabling the global circulation of data, knowledge, and regulatory information, we aim to enhance the standard of our research. Through these efforts, we will evolve beyond simply expanding overseas to become an organization that designs and drives research at a global standard.



Column

| Example | Addressing global social challenges



Raw material innovation to tackle climate change
Securing Hop Quality Under Climate Change

Climate change is raising concerns over reduced yields, changes in flavor profiles, and supply instability for hops, a key raw material in beer brewing. Leveraging its expertise in fermentation and plant biotechnology, the Kirin Group is working to develop “heat-tolerant hops.” Focusing on plants’ natural ability for “heat acclimation,” we have established a technology that enhances tolerance using mild heat stress. This approach is expected to suppress yield loss while maintaining flavor characteristics, without the need for large-scale development such as selective breeding. In addition, we are advancing indoor cultivation technologies to accelerate and stabilize the selective breeding process. Through these initiatives, we aim to contribute to improving the sustainability of biological resources and the long-term development of agriculture and production.



Advancing healthy longevity through fermentation biotechnology
Contributing to social solutions through anti-aging research

In line with global population aging, extending healthy life expectancy has become a global social challenge. The Kirin Group is engaged in anti-aging research based on its expertise in fermentation biotechnology. As one example of these initiatives, we identified a koji-derived component, 14-DHE (koji sterol), and confirmed through human trials its functions in maintaining skin moisture retention and reducing melanin. In addition, FANCL, a Group company, is engaged in the development of ingredients based on the plant Kimizuhiki (*Agrimonia pilosa*). Building on our technological foundation rooted in fermentation and biotechnology, we will deepen our understanding of aging and health maintenance and contribute to addressing health issues.



Delivering the value of immunity globally
Driving behavioral change through evidence and “visualization”

Against the backdrop of increasing infection risks and rising health consciousness, the importance of immune care is increasing globally. With LC-Plasma (*Lactococcus lactis* strain Plasma) at its core, the Kirin Group is advancing large-scale clinical trials in compliance with regulations in various countries. At the same time, we have, for the first time in the world, identified urinary proteins that reflect pDC activity* and developed a non-invasive technology to monitor immune status. Through the “visualization” of immunity, we aim to drive behavioral change, thereby promoting the societal implementation of healthy habits and creating new value. By linking science with behavioral change, we will deliver the value of immunity on a global scale.

*Based on original papers posted on PubMed and Ichushi-Web (investigated by KnowledgeWire Corp. on Tuesday, September 2, 2025).

Marketing — Creating sustainable growth through brand experiences that change consumer behavior —

Role, Vision, and Policy under the Long-Term Vision "Innovate2035!"

Marketing transformation driven by consumer understanding to achieve both business growth and CSV

Marketing at the Kirin Group is a key management foundation that drives the medium- to long-term increase of corporate value by designing brand experiences based on deep consumer understanding and generating both business outcomes and social value simultaneously. Under the Long-Term Vision "Innovate2035!," marketing is positioned as a core function that influences consumers' perceptions and reasons for choice to drive behavioral change, thereby achieving both business growth and CSV.

Amid rising health and wellness consciousness, a shift toward experience-driven value, and the rapid advancement of AI and digital technologies, marketing is required to transition from traditional advertising-centric approaches to those that build trust through experiences.

At the Kirin Group, we are advancing consistent value design based on consumer insights, building mechanisms that enable us to be continuously chosen through brand experiences, and embedding the capability to execute and see initiatives through to results. At the same time, by fully leveraging data and technology while harnessing uniquely human sensibilities and empathy, we will drive marketing transformation that integrates brands, human capital, and data.

Current status

1. Enhancement of marketing organizational capabilities

The development of a globally unified marketing framework has been completed and is being rolled out across major domestic businesses and overseas operating companies. As it is increasingly reflected in marketing strategies for 2026, it is beginning to function as a common language across Group companies.

2. Actions to address social issues for the future

- Harekaze ACTION: Through activities such as the preservation of cherry blossoms and support for fireworks festivals, we are working to protect Japan's seasonal traditions and pass them on to future generations.
- HYOKETSU® mottainai project: Through reducing fruit-related food loss, this initiative fosters connections among people and is guided by the vision of "brightening and enriching people's lives and the future."
- Lactococcus lactis strain Plasma (LC-Plasma): Through initiatives

such as the "Genki-na Immunity Project" and "Immune-Care Promotion Preschools," we aim to establish immune care as a new daily habit and enable people of all ages—from children to adults—to live healthy lives every day.

- Soccer: Through programs such as the "Kirin Family Challenge Cup," which deepens bonds with families and friends, and the "Big Smile Field," which supports recovery from the Noto Peninsula Earthquake, we create connections between people and society while contributing to the resolution of social issues in local communities.



Gap between the current status and our vision (Issues)

Over the medium to long term, we aim to strengthen our reputation as "a group that contributes to consumers' health" by continuously generating business results through brand experiences that move consumers emotionally, rooted in a deep understanding of our consumers. However, at present, variations still remain in both the reproducibility of brand experiences and the ability to execute and link them to business results. In addition, the utilization of data and AI, as well as the development and exchange of specialized human capital, are still at a developing stage, and challenges remain in their utilization and scaling across the organization. If these issues are not addressed, there is a risk that brand experiences may fail to be sustained over time. We therefore recognize this as a critical gap in achieving the continuous expansion of efforts to address social issues through brand experiences.

Strategies and initiatives toward realizing our vision

Marketing that generates sustainable growth through brand experiences that change consumer behavior

Over the medium to long term, to realize sustainable business growth and the practice of CSV through marketing, the Kirin Group will strengthen its organizational capabilities as a starting point and advance the integrated enhancement of brand experiences and the resolution of social issues.

By strengthening organizational capabilities based on a globally unified marketing framework and combining these with technologies

such as generative AI, we will enhance our ability to execute and ensure reproducibility across the entire process—from strategy formulation to execution. Through this, we will establish a foundation that reliably links brand experiences to business results and build an execution framework capable of responding swiftly to changes in the external environment. Building on these organizational capabilities, we will deepen consumer understanding and further evolve our ability to create brand experiences that move consumers emotionally and drive behavioral change.

In key areas, including the Health Science domain, marketing will collaborate with R&D by leveraging accumulated research insights to design integrated experiences encompassing products, services, and communication. Thereby achieving both business results and enhanced recognition as "a group that contributes to consumers' health." Furthermore, we will continue to advance and expand social issue-addressing initiatives leveraging Kirin's flagship brands and soccer programs. Through promoting immune care as a daily habit and fostering connections with local communities, we will put CSV management into practice and increase corporate value.

Catalyst

Driving health behavioral change through "Immune-Care Promotion Preschools"

The Kirin Group is strengthening its marketing activities in the Health Science domain, aiming to expand recognition as "a group that contributes to the physical and mental health of people of all ages, from children to adults." By directly addressing the social issue of children's health, we have developed brand experiences that foster immune care habits through integrated, cross-business marketing initiatives. In 2025, we launched the "Immune-Care Promotion Preschools" certification program, promoting awareness among children, guardians, and teachers nationwide, with the number of participating institutions expanding to 3,656 as of the end of 2025. In addition, by communicating these initiatives through TV commercials and digital channels, we are encouraging changes in health-related behaviors at home. At the same time, we are enhancing trust and empathy toward KIRIN, while creating value that contributes to the formation of our future customer base and business growth.



DX — AI accelerating value creation —

Role, Vision, and Policy under the Long-Term Vision "Innovate2035!"

Under the Long-Term Vision "Innovate2035!", the Kirin Group aims to build a mechanism that continuously generates innovation through co-creation with AI, leveraging its strengths in fermentation and biotechnology, as well as consumer-centric marketing. Aligned with this vision, under the "KIRIN DIGITAL VISION 2035," we seek to enhance the "quality," "quantity," and "speed" of value creation through the power of digital technologies, with the aim of becoming a global leader in CSV. As key business outcomes, we have set "value creation" and "productivity improvement." In terms of "value creation," we will leverage AI and data to accelerate the entire process from concept to execution, expanding both the quality and quantity of our business, deepening customer understanding, and delivering unique, personalized experience value to each individual. In terms of "productivity improvement," we will enhance and streamline internal operations, thereby creating an environment that enables greater focus on innovation. At the same time, we will strengthen organizational capabilities that allow us to respond swiftly to change and foster a culture that supports taking on challenges.

VISION

KIRIN Digital Vision 2035

Harnessing the power of digital technology, we will dramatically enhance the quality, quantity, and speed of value creation in the fields of Alcoholic Beverages, Non-alcoholic Beverages and Health Science, and Pharmaceuticals positioning Kirin as a global leader in CSV (Creating Shared Value).

Business Outcomes

Productivity Improvement

We will drive operational process innovation through digital utilization. By replacing tasks that do not require human involvement with AI, we will create more time for value-generating activities.

Value Creation

We will deliver highly personalized and long-term services to each customer through innovations powered by Kirin's unique customer data and cutting-edge technologies.

Strengthening Digital Foundation

People & Organization

Develop and attract digital talent
Build organizational readiness to accelerate DX

Corporate Culture

Foster a "let's give it a try" mindset
Create an agile organization

Data & Technology

Promote the use of AI and data
Enhance infrastructure and security

Governance

Generate global synergies
Optimize IT costs

Current status

Kirin Holdings was selected as a "DX Stock 2026," designated by Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange, in recognition of the following initiatives undertaken in 2025. In 2025, we have accelerated the adoption of our Group-wide generative AI, "BuddyAI," along with various other AI tools, with employee utilization reaching approximately 70%. At Kirin Holdings, we have achieved productivity improvements of 10% or higher, and our employee engagement surveys confirm that employees are experiencing greater operational efficiency. As key DX initiatives, we have implemented the AI Executive "CoreMate" for use in management meetings. In the R&D domain, we are leveraging multiple AI applications and engaging in joint research with other companies to accelerate the pace of research and development. In terms of organizational structure, we are establishing and strengthening DX promotion functions across major operating companies, while also advancing human capital development. Our digital skills enhancement program, the "DX Dojo," has seen more than 5,100 participants complete its core courses. In addition, we have introduced short, practical AI training modules as part of the DX Dojo, enabling employees to quickly learn how to apply AI, with more than 3,500 cumulative participants to date.

Gap between the current status and our vision (Issues)

While we have achieved a certain level of progress in the Group-wide adoption of generative AI, its use at the individual level, and productivity improvement initiatives at the organizational level, the rapid advancement of AI technologies and the pace of change in the external environment require a more fundamental transformation to realize the KIRIN DIGITAL VISION. Specifically, this includes a shift in ways of working with AI at the core, as well as bold transformation of operational processes. As the next step, we will begin by steadily advancing initiatives such as the phased integration of AI agents into operations, the development of data platform designed for AI agent utilization, and the acceleration of human capital development.

Strategies and initiatives toward realizing our vision

In the value creation domain, we will promote the enhancement of experience value through the use of AI and data, with a particular focus on the Health Science domain. We will also integrate AI into processes from R&D through to product development, shortening lead times from concept to market launch and enhancing our value creation capabilities. In terms of productivity improvement,

building on our foundation of a 70% generative AI utilization rate, we will progressively integrate AI agents into operations and aim to achieve a 15% improvement in Group productivity by 2026. Furthermore, with a medium- to long-term perspective, we will begin to develop mechanisms that enable immediate, Group-wide data utilization and redesign our architecture to support a shift to ways of working premised on AI utilization. In addition, we will advance the sophistication of our human capital through enhanced, role-based AI training, while optimizing resource allocation through strengthened ICT governance. Through these initiatives, we will steadily address short-term challenges as we work toward the realization of our vision.

Catalyst

Decoding "taste" through data: "FJWLA" and preference platform

In 2025, Kirin Holdings Company, Limited developed a proprietary preference AI, "FJWLA" (Flavor Judgment for Whole Liking Analysis), which enables the efficient and comprehensive identification of key components that influence the taste perceived by consumers (sensory evaluation). This system has already been utilized as a product development support tool, including in the 2026 renewal of Kirin Brewery's flagship product, *Harekaze*.

"FJWLA" is a system that organizes and analyzes data accumulated by KIRIN, including consumer preference research and beer component data. One of its key features is its ability to visualize areas for improvement among the components that influence taste and aroma, thereby supporting discussions and decision-making among development teams.

Looking ahead, we plan to expand its application beyond beer to a wide range of categories, including chuhai and wine. We position a series of preference analysis technologies and data platforms—including the newly developed "FJWLA"—as our "preference platform," and will continue to enhance and advance it. Through this "preference platform," we will integrate not only the consumer research data and component analysis data accumulated to date, but also market data such as purchase and repeat information. This will enable us to establish an end-to-end system that supports the entire value chain—from R&D and product development to post-launch improvement.



Special Dialogue

Special Feature

Dialogue Between the Officers in Charge of Marketing & Digital and R&D

Driving Innovation to Enhance Corporate Value

Mitsuharu Yamagata

Senior Executive Officer,
Marketing & Digital
Kirin Holdings Company, Limited



Daisuke Fujiwara

Senior Executive Officer,
R&D
Kirin Holdings Company, Limited



Creating corporate value through R&D and marketing

Fujiwara I apologize for starting from an R&D perspective, but the normalized operating profit of Kyowa Kirin, where I serve as a director, reached 102.3 billion yen in FY2025. The primary driver was *Crysvita*. In terms of revenue, it generated 216.4 billion yen, accounting for nearly 9% of the Kirin Group's consolidated revenue. The anti-FGF23 antibody used in *Crysvita* traces back to research conducted during Kirin Brewery's pharmaceutical business era. This evidences that the Kirin Group possesses R&D capabilities to create corporate value, as well as the ability to drive innovation. I myself originally conducted research on beer yeast, and it was in the Pharmaceutical Business that I learned the methodologies of immunological research. It is precisely because Kirin operates not only in Alcoholic Beverages and Non-alcoholic Beverages but also in Pharmaceuticals that I was able to discover LC-Plasma.

Yamagata Pharmaceuticals such as *Crysvita*, which address the treatment needs of patients with specific diseases, represent the core of health-related value. In contrast, when it comes to products like LC-Plasma, which help "maintain immune function in healthy individuals," marketing plays a critical role.

Extending healthy life expectancy is a major social challenge. However, it is not easy to encourage healthy individuals to recognize the need for such products. This may sound disrespectful to Mr. Fujiwara, the discoverer of LC-Plasma, but consumers do not go about their daily lives consciously thinking about the mechanisms by which LC-Plasma maintains immune function in the body.

Fujiwara That is exactly right. At the time, what we found most challenging was communicating the value of the technology.

We visited institutional investors together with our IR team to explain LC-Plasma, and while it did generate interest, the candid response was whether it would truly translate into corporate value. Consumers, too, generally perceived it as just another type of lactic acid bacteria.

Yamagata I formally joined the LC-Plasma project around 2022. However, simply striving to communicate the excellence of a technology or idea does not have much meaning for consumers. The objective is not merely to explain the function of LC-Plasma. Rather, it is to help consumers feel that immunity may be important in their daily lives and to consider how we can encourage them to incorporate it into those lives. With this perspective in mind, I have been working on the initiative together with the team. **Beyond the technology itself, what matters is how it is embedded into the everyday lives of consumers. I believe that true innovation emerges only when both of these elements come together.**

The same can be said of beer, Kirin's founding business. It is true that beer sold in Japan because it tastes good. However, it achieved the position it holds today precisely because the "Sabuchan of Mikawayama"—a Japanese traditional home-delivery figure who regularly supplied beer to households—became embedded in everyday life.

Fujiwara I completely agree on the importance of delivering value to society. The true measure of a researcher lies in their ability to generate sound and scalable research. LC-Plasma is highly versatile, as it can deliver comparable benefits even in an inactivated form. I place great emphasis on fostering this kind of business mindset among our researchers.

Innovation unique to Kirin created via the combination of capabilities/businesses

Fujiwara It is important to define the path to market at an early stage in collaboration with marketing in order to translate innovation into corporate value. Currently, our R&D and marketing teams are working together in the field of anti-aging. Addressing aging is the ultimate health challenge for people and an area that Kirin has been researching for many years.

Yamagata In areas such as anti-aging, it is essential to have a structure in place that enables the entire Group to identify and nurture "seeds of innovation." The Business Creation Department,* which successfully commercialized LC-Plasma, exemplifies this approach.

Fujiwara Yes, the Business Creation Department was established in 2016. Although it had fewer than ten members, it brought together talent from across the entire value chain—including myself as a developer, as well as colleagues from marketing, production, and sales. Because of this, we were able to rapidly and effectively integrate ideas into a single business.

Yamagata These successful experiences have indeed been carried forward as a strength of the Kirin Group. We should share them with the Board of Directors and management as Kirin's unique ways of taking initiatives and the mechanisms behind them. By doing so, we can become a company that continuously generates one-of-a-kind innovation that cannot be replicated by others.

Fujiwara For example, in the consumer electronics industry, a single technology—namely the transistor—has been leveraged across a wide range of applications, such as televisions and radios,

and through multiple channels to drive business expansion. I am convinced that this way of thinking—incorporating ideas across the value chain and designing offerings aligned with multiple customer touchpoints—is something only the Kirin Group can achieve, given its businesses in Alcoholic Beverages, Non-alcoholic Beverages and Health Science, and Pharmaceuticals.

Innovation co-creation with AI

Yamagata From the perspective of consumer touchpoints, AI will become increasingly integrated into their daily lives. Consumer purchasing behavior will shift from “buying products” to “buying experiences and solutions” with the advancement of AI.

For example, when someone is injured, rather than first deciding on specific measures—such as bandages, disinfectants, or dressings—and then searching for products, consumers will instead seek one-stop solutions that address a more fundamental question: what should be done to treat the injury in the first place. As a manufacturer, we believe that we will be required not only to provide products that meet consumer needs, but also to create services and solutions that enable such experiences.

Fujiwara As consumers place greater emphasis on “experiences,” we need to develop effective approaches in areas such as health maintenance and prevention. Tea products with fat-reduction benefits became a hit because consumers could see measurable results on a scale. The immune visualization service for which we have already released a prototype is precisely the kind of technology needed to enable this.



Yamagata This applies not only to health-related products but also to enjoyment-driven products. By providing experiential value, visualizations, and the use of customer data, we expect further progress in the personalization of products and services. Against this backdrop, the importance of brands will continue to grow. A brand is not merely a label; it creates relationships through experiences. Going forward, brands will be increasingly expected to play a vital role in building relationships of “trust” with consumers by engaging with them in various forms—through companies, services, and technologies.

Consumer touchpoints will therefore become even more critical. The Kirin Group has a wide range of products and brands—from beverages, including beer, to pharmaceuticals—that enable us to connect with diverse consumers, from children to the elderly, as well as patients and their families. To deepen relationships with consumers and leverage data through AI, direct consumer contact will become essential. FANCL, which has joined the Kirin Group, has a particular strength in direct consumer touchpoints and CRM.

Fujiwara FANCL is an operating company with strong capabilities not only in CRM but in R&D, and AI is dramatically accelerating the speed of research and development in this field as well. In the Pharmaceutical Business, it is generally said that it takes more than 15 years to bring a single product to market, making it the most time-intensive field of research. However, the use of AI is already advancing in this field, and we are applying these technologies to the Health Science domain, including the food sector. We are currently conducting joint research with Fujitsu Limited on reducing research timelines through the use of AI for drug discovery, and we are beginning to see results. In addition, systematic reviews required for the notification of Foods with Function Claims have traditionally involved reviewing a large number of academic papers. However, AI now enables this process to be carried out at an overwhelmingly faster pace. Patent applications, too, may no longer require significant human time and effort. Shortening R&D timelines is expected to contribute directly to enhanced corporate value.

One of our key challenges going forward is how to leverage data that has not yet been fully utilized within the Kirin Group. For example, we have accumulated more than 100,000 data points from consumer research and component analysis of beer. Identifying the relevant factors through manual analysis would require significant time and cost. However, in December 2025, we launched a joint research initiative with Hitachi, Ltd., which has enabled us to predict consumer preferences. Of course, turning AI-generated outputs into beer that can actually be produced requires Kirin Brewery's gemba capabilities—this is precisely the source of Kirin's innovation.

Applying AI to this “treasure trove” of data held by the Kirin Group will uncover new patterns and generate new insights.

The evolution of Kirin's innovation driven by marketing and R&D

Yamagata As seen in the use of consumer research data you mentioned earlier, the most critical factor in generating innovation going forward will ultimately be a deep understanding of consumers. Marketing must play a central role in this. To respond to changes in consumer behavior and market dynamics driven by AI, it is essential to accurately capture what consumers truly need and to create technologies accordingly. While AI plays a critical role in this process, it is not an end in itself.

Fujiwara I agree that understanding consumers is the most important principle we should prioritize. In terms of delivering to consumers, across the Kirin Group, we have made significant progress in establishing the necessary systems and frameworks. I believe mission of R&D is to bring breakthrough solutions to this foundation.

In Japan, there has been a tendency in recent years to overemphasize organizational strength, at the expense of individual breakthrough capability. However, the first step in truly innovative research originates from the curiosity of each individual researcher. Curiosity is something that cannot truly be shared with others. That is why each individual must think about the future and act with the aim of creating something that is genuinely meaningful. I call such “true researchers” star researchers. By cultivating more of these individuals, we will drive innovation at Kirin Holdings from the research front.



Message from the CFO

Accelerating business growth and the increase of corporate value from six key perspectives



Shinjiro Akieda

Director of the Board,
Senior Executive Officer, CFO,
Kirin Holdings Company, Limited

Review of FY2025

In FY2025, EPS increased significantly by 110 yen year on year to 182 yen, nearly reaching the target level, while ROIC was 7.6%, exceeding the target of 7.2%. This performance was driven by strong results across our operating companies, with all segments—Alcoholic Beverages, Non-alcoholic Beverages, Pharmaceuticals, and Health Science—achieving their normalized operating profit targets. In particular, the Health Science Business recorded a profit of 11.1 billion yen. This was supported by the successful closing on July 1 of the divestiture of Kyowa Hakko Bio's amino acid business and other businesses, which had originally been expected to take until the end of 2025, as well as by the continued growth of Blackmores and FANCL in line with our expectations following their M&As. These outcomes reflect an improvement in our execution. Based on the current stock price, we believe that investors are recognizing our management efforts to a certain extent.

The role of the CFO is to advance management strategy from both financial and non-financial perspectives. In line with the direction set out in KV2027, we believe we have established a business portfolio that enables sustainable growth across the Group. We also believe that the enhanced "earning power" of each segment and the achievement of our normalized operating profit targets represent a significant accomplishment.

New Long-Term Vision

Seven years have passed since the launch of KV2027. During this time, we have steadily advanced the transformation toward our target business portfolio while establishing a framework for global Group management. We have also responded flexibly to changes in the external environment that were not anticipated at the time KV2027 was formulated, including heightened geopolitical risks and the COVID-19 pandemic.

As we approach 2027 next year, we have launched our new Long-Term Vision, "Innovate2035!", starting this year with a view to the next decade. There are no significant changes from the direction we have pursued under KV2027. **Now that we have established our business portfolio, clarified the roles of each business, and developed our management framework, we are entering a new stage in which each business will grow autonomously.** In particular, we aim to steadily advance the global standardization of our management systems. To this end, the following "changes" will be implemented.

- To ensure that strategic dialogue between corporate and operating companies is not overly focused on normalized operating profit, we will manage the business in a balanced manner across six key perspectives (KIRIN HEXAGON-VIEW).
- For domestic operating companies, as a certain level of efficiency has been achieved through the integration of indirect functions, we will transfer selected frontline functions to these companies so that they can autonomously improve and streamline their operations.
- While management systems have differed across operating companies to date, we will progressively transition to a globally standardized management system utilizing SAP.

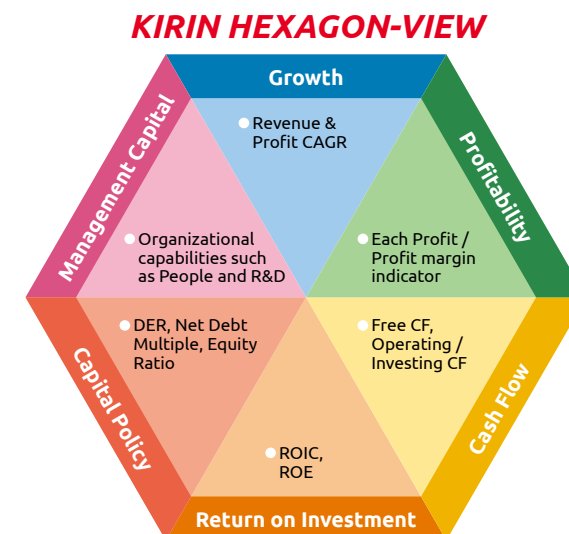
► Six key perspectives—KIRIN HEXAGON-VIEW

Currently, across the Kirin Group, each operating company conducts financial modeling looking ahead 10 years. Based on this, corporate and the operating companies engage in dialogue on identifying growth drivers, related investments, and risk factors. These financial models are reviewed annually to reflect performance results and environmental changes. Based on a rolling three-year outlook, we disclose three-year targets to investors.

This rolling three-year approach was formally introduced last year, replacing the fixed three-year medium-term plan, although it had already been implemented at the operational level several years

earlier. From FY2026, we will place greater emphasis on adapting agilely to current environmental changes while moving toward our new Long-Term Vision, as well as on allocating more resources to execution rather than to planning itself.

We will continue to engage in dialogue with operating companies based on rolling plans grounded in financial modeling. The perspectives applied in this process have been newly organized as the KIRIN HEXAGON-VIEW. As you will see, it does not present anything particularly new. However, we believe that its value lies in establishing a common language across the Group. Given the differences among businesses—such as Alcoholic Beverages, Health Science and Non-alcoholic Beverages, and Pharmaceuticals—as well as regional differences across Japan, APAC, and North America, it is becoming increasingly important to apply clear criteria and



strengthen alignment of the finance function throughout businesses.

In terms of perspective, operating companies have tended to focus excessively on short-term normalized operating profit and adopt a P&L-oriented approach. However, now that structural reforms aimed at transforming our business portfolio and establishing a solid earnings base have largely been completed, we will place greater emphasis than ever on a forward-looking perspective with a balance sheet- and cash flow-oriented approach. From the corporate CFO function, we will engage in dialogue with each business while taking a holistic, Group-wide perspective and allocate cash in a manner that enables EPS growth and ROIC improvement over the long, medium, and short term. In other words, when structural reforms are required in a particular business from a long-term perspective—even if they have a negative impact on short-term bottom-line profit—we will restrain lower-priority investments in other businesses. By doing so, we aim to achieve the Group's short-term targets while ensuring that we do not undermine the foundations for sustainable growth in individual businesses.

In addition, we have established regional financial management companies in APAC, China, and North America, and have begun operations under which these entities manage funding and investment within each region, while also overseeing cash control across the Group. Some of these regional financial management companies are expected to take on tax management functions in the future, further enhancing our global tax governance. These initiatives are also aimed at continuously strengthening the Group's cash generation capabilities.

KIRIN HEXAGON-VIEW was shared across the Group at the Global CFO Meeting held in September 2025, which brought together the heads of finance functions from major operating companies in Japan and overseas. We develop financial models looking ahead 10 years and, based on these, refine our rolling three-year outlook with greater precision. To maximize these benefits, we will engage in transparent dialogue with operating companies based on consistent perspectives, and steadily increase corporate value across the Group.



Global CFO Meeting (Sydney)

► Transfer of frontline functions

Under our new Long-Term Vision, we aim to achieve both “autonomous growth of each business domain and operating company” and “growth via cross-domain collaboration.” To realize this, we have reviewed and clarified the functions that should be undertaken by corporate and those that should be held by operating companies.

The Kirin Group introduced a pure holding company structure in 2007 and rapidly expanded its overseas operations. During a period when we actively pursued overseas acquisitions, we adopted a federal-style management structure with regional headquarters in each region. In Japan as well, a regional headquarters was established to consolidate indirect functions across domestic operating companies. However, following the subsequent merger of the Japan headquarters with Kirin Holdings, certain frontline functions still remain within Kirin Holdings today.

Now that the direction of each business has been clearly defined, **we will return these frontline functions to the operating companies. This will support autonomous profit growth while enabling each business to streamline and reduce lower-priority activities based on its own judgment.** The transfer of these frontline functions is expected to be completed within one to two years. The standardization of monitoring perspectives through KIRIN HEXAGON-VIEW—particularly the shift away from an excessive focus on normalized operating profit—is an essential foundation for this transition.

► Standardization and quantification of management data

We have introduced SAP as our ERP system across many operating companies. Like many Japanese companies, our Group previously relied on internally developed proprietary systems. However, taking into account the organizational capabilities of our IT function and security considerations, we have been progressing the transition to SAP. In this regard, the migration to SAP can be considered to have proceeded smoothly. On the other hand, despite the fact that many operating companies are using the same SAP system, the way data is structured and defined has not been standardized, and it cannot yet be said that we are fully utilizing it as a management system. Looking at the external environment, AI is advancing rapidly. By urgently standardizing data structures and definitions and becoming a leader in AI utilization, we can establish a competitive advantage.

First, in our dialogue with operating companies as described above, **we aim to ensure that both corporate and operating companies consistently work from the same data, so as to avoid any misalignment.** By implementing SAP at Blackmores and FANCL and thoroughly applying a Fit-to-Standard approach, we aim to achieve integrated operations in the Health Science Business by FY2028.

We will then leverage these learnings across other business domains, including the Alcoholic Beverages Business, and aim to establish the foundation for unified infrastructure as early as FY2030.

Next is risk-taking. **To support operating companies in taking risks for growth, we are advancing the quantification of risk.** At Kirin Holdings, there are teams within both the corporate strategy function and the finance function that oversee risk management from their respective functional perspectives. In addition, the finance function has launched initiatives to quantify risk, incorporating FP&A and treasury capabilities. Following trial initiatives at both domestic and overseas operating companies, we plan to establish a model by FY2028 and roll it out across the Group. While avoiding risks that should be avoided, we will clearly define the level of risk the Group can take based on its financial strength, and proactively take risks where returns can be quantitatively expected to exceed those risks, thereby contributing to the increase of corporate value.

Finally, we turn to **investment in non-financial capital.** In our Long-Term Vision, we refer R&D, marketing, and AI as “organizational capabilities to continuously create innovation,” positioning them and the human capital that drives execution as key non-financial capital.

As noted in the previous Integrated Report, we have established the Corporate Disclosure Section within the Finance Department. The Corporate Disclosure Section is an organization within the finance function aimed at making non-financial capital visible in corporate value. In FY2025, it worked to achieve the early implementation of SSBJ-aligned disclosures and to enhance the visibility of how non-financial factors are linked to financial outcomes.

With regard to the former, in our Annual Securities Report issued on March 27, 2026, we became the first Japanese company to provide disclosures in accordance with the SSBJ standards. We disclosed material sustainability-related risks and opportunities, as well as their financial impacts, in a manner that enhances international comparability. As a “global leader in CSV,” we made these disclosures three years ahead of the mandatory requirement. However, our objective is not disclosure itself. **By disclosing early, we aim to accelerate the accumulation and integration of non-financial data and transition to data utilization as quickly as possible.**

Causal analysis of the relationship between non-financial and financial factors is also not undertaken for the purpose of disclosure itself. Rather, it is intended to support investment decisions based on hypotheses as to whether investments in human capital, R&D, marketing, and AI will lead to an increase corporate value in the future. Through a joint project with Fujitsu Limited, we analyzed historical data on both non-financial and financial performance in human capital and intellectual capital (R&D and AI) using causal

inference. This analysis has provided insights into which non-financial indicators, when improved, may have a positive financial impact, as well as the extent of such impact and the time frame over which it may materialize. Our key non-financial indicators for 2026–2028 have been set in alignment with these hypothetical causal pathways. However, we recognize that these causal pathways are still at a stage

where they will be further refined as data accumulates and analysis progresses. Going forward, we will **continue to accumulate data** and, through a deeper analysis of causal relationships, narrow down impactful indicators and generate new insights, thereby **evolving our ability to make appropriate investment decisions in non-financial capital that lead to competitive advantage.**

Enhancing corporate value

In line with the formulation of the Long-Term Vision toward 2035, we have also developed a 10-year strategy for the finance function. In this message, I have shared several of its key elements. Through the Group-wide CFO function, we will continue to advance further transformation in line with this long-term strategy, with the aim of increasing corporate value from both financial and non-financial perspectives.

I aim to achieve the maximization of corporate value through EPS growth and an improvement in PER, and we target reaching a market capitalization of 3 trillion yen as early as possible. This level of 3 trillion yen represents a rough benchmark of approximately 1.5 times our current level. If we can sustain EPS growth at a CAGR of 6%

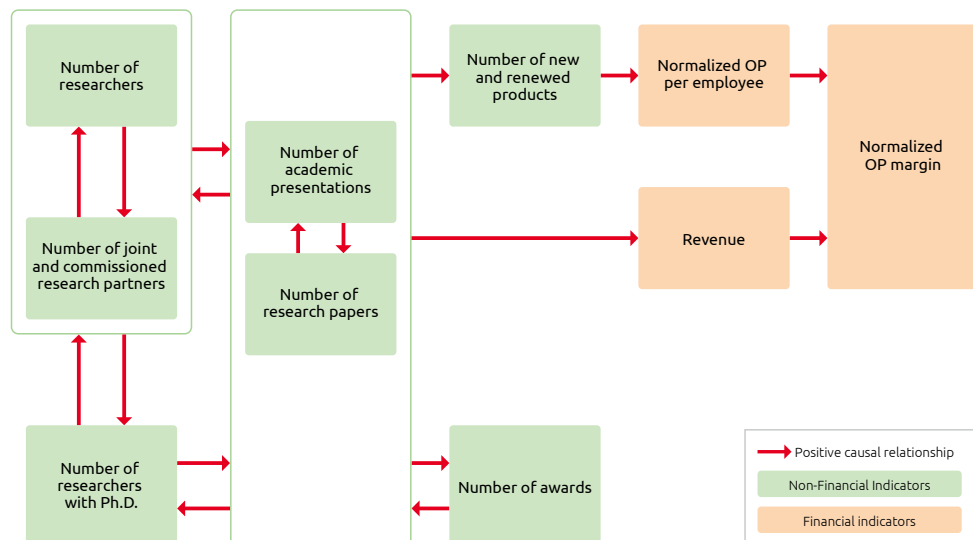
through 2035, this target would be achievable even at the current PER. However, we aim to build investor confidence in our future growth and to reach a market capitalization of 3 trillion yen as early as possible, with the intention of expanding it further thereafter. We recognize that investors are not only focused on the growth of the Health Science Business, but are also highly interested in whether the Alcoholic Beverages Business—where volume growth is generally perceived as difficult—can continue to deliver profit growth going forward. In particular, the unification of beer taxes in Japan is scheduled for FY2026. Even amid such a significant change in the external environment, we will position this as one of our top priorities to ensure that investors continue to have expectations for sustained profit growth in the Alcoholic Beverages Business.

From FY2025, we have adopted a new dividend policy of maintaining a DOE of about 5%, together with progressive dividends. While ensuring stable and sustainable shareholder returns, we will enhance efficiency using ROIC as a key indicator and further strengthen growth investments.

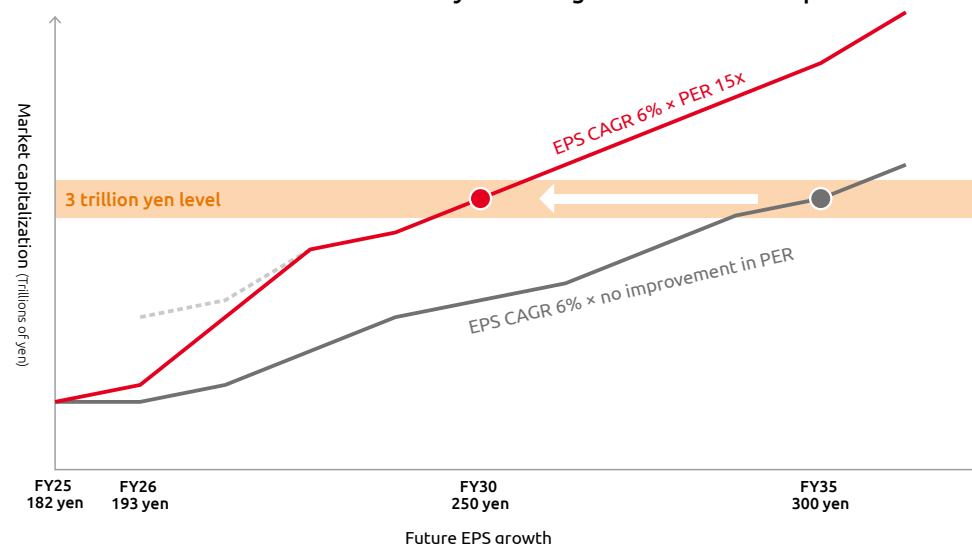
We will continue to engage in constructive engagement with our shareholders and investors and fulfill our accountability, and we appreciate your continued support.



Hypothesis on the relationship between R&D and financial performance (Based on causal inference analysis of historical data)



Even with high-single-digit EPS growth alone, a market capitalization of 3 trillion yen can be achieved within 10 years; we aim to reach it earlier by increasing the valuation multiple.



Message from the Senior Executive Officer of CSV Strategy

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



Hiroaki Takaoka
Senior Executive Officer
Kirin Holdings Company, Limited

From Kirin Group Vision 2027 (KV2027) to "Innovate2035!"

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

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

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

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

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

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

CSV Purpose



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

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

Evolution of CSV management and the practice of value creation

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

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

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

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



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

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

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

communication—thereby creating both social and economic value.

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

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

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

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

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

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

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

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

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

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

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

Finally, my ambition for 2026 is clear.

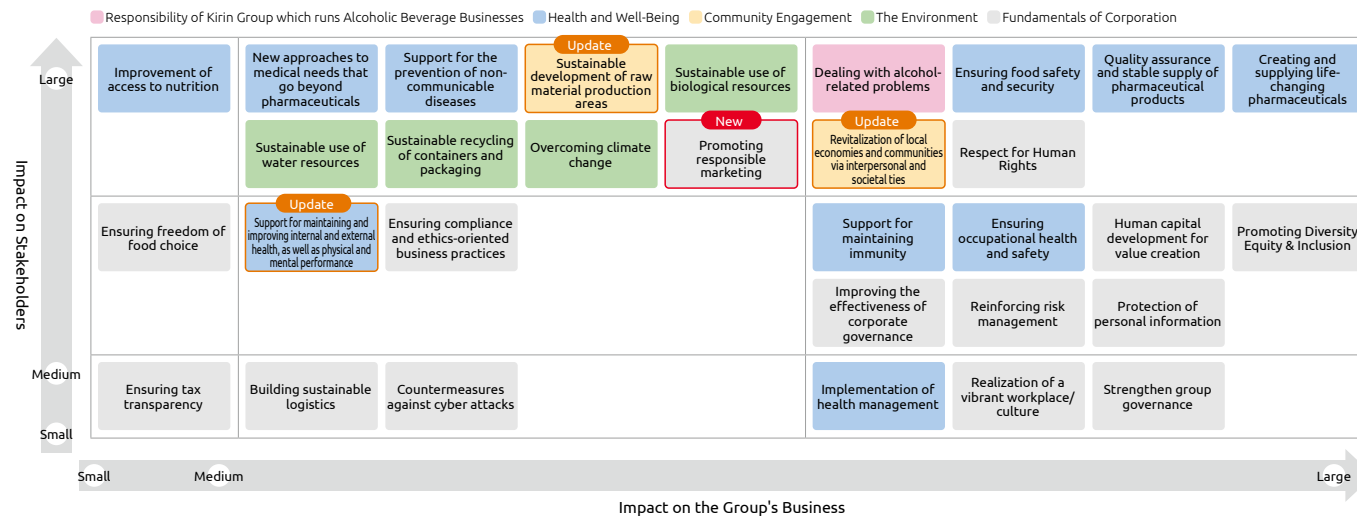
I aim to turn empathy into action, connect action to results, and cycle those results into the next phase of investment and transformation. I also aim to embed CSV not as a “special initiative,” but as a “fundamental premise for decision-making” within management. We will further accumulate examples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

GMM and Sustainability-Related Risks and Opportunities

GMM

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

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



Sustainability-Related Risks and Opportunities

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

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

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

Health and Well-Being

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

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

Value only the Kirin Group can deliver

Supporting consumers and patients in their daily lives

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

Mental health

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



Physical health

Health maintenance | Treatment | Recovery support

Solving individual health challenges



Life-changing pharmaceuticals in targeted areas

Nutrition and other means



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

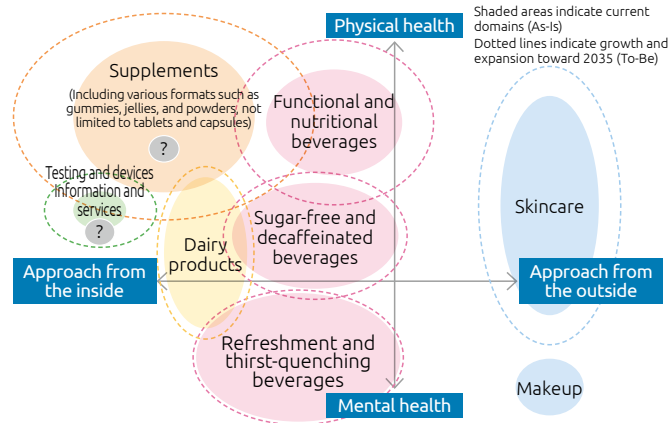
Health and Well-Being

Examples of initiatives across Group companies

Contributing to mental and physical health from both inside and out

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

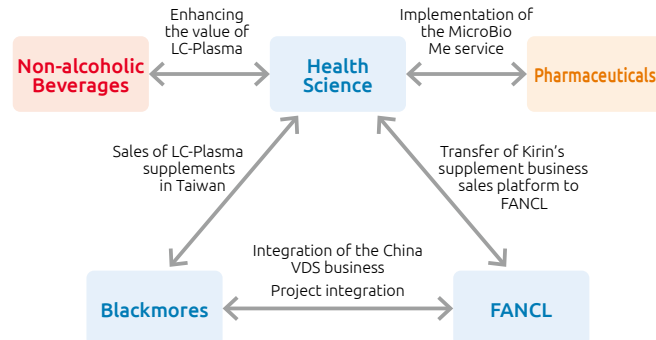
Kirin's Non-alcoholic Beverages & Health Science Domains



Examples of co-creation across the Group

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

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



Column

Delivering value that combines deliciousness and health: Electric Salt

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

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

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

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

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

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



Column

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

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

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

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



Health and Well-Being

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

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

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

Column

Example Initiative: Expansion in APAC

Context Story 1

Kirin and Blackmores Collaborate to Launch LC-Plasma Supplement

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

Context Story 2

Expanding the Cognizin® market with Blackmores

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

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

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

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



Cognizin®

Catalyst

Kirin Health Science International (KHSI)

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

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

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

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

Alastair Symington

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



Community Engagement

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

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

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

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

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

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

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



Catalyst

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

The role of a beer born for today's era

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

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



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



The expanding impact of Harekaze: from market to community

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

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

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

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



Cherry tree planting activity

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

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

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

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

Shiho Murai
Marketing Department
Kirin Brewery Company,
Limited



Environment

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

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



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

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



Catalyst

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

Reimagining Aluminum Packaging to Address Scope 3 Emissions

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

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

Collaboration Across the Entire Value Chain Enables Breakthrough Impact

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

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

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

From Proof of Concept to Scalable Value Creation

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

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

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



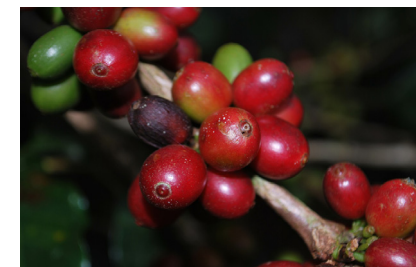
Justin Merrell

Lion
Sustainability Director

Responsibility of Kirin Group which runs Alcoholic Beverage Businesses



CSV Strategy Department,
Kirin Holdings Company, Limited
Ryoya Kurihara



Coffee cherries

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

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

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

— Products and innovative ingredients that support consumer choice

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

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

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

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

— International collaboration with IARD

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

Interview with Chairperson of the Board

Enhancing Capital Efficiency and Increasing the Visibility of Transformation to Drive New Value Creation



Hiroyuki Yanagi

Non-Executive Director,
Chairperson of the Board
Kirin Holdings Company, Limited

Kirin Holdings is advancing initiatives to enhance the effectiveness of its Board of Directors in order to further increase corporate value.

We interviewed Mr. Hiroyuki Yanagi, Chairperson of the Board and a Non-Executive Director, about the Company's management reforms and discussions regarding "Innovate2035!"

Strengths supporting Kirin's capacity for transformation

—Since your appointment as a Non-Executive Director in March 2019, how do you view the Company's management reforms and the role of the Board of Directors?

Since 2019, there have been several events that required major management decisions. One was the deviation of Standard Operating Procedures at Kyowa Hakko Bio that occurred between 2019 and 2020, which ultimately led to a fundamental structural reform of the company. Another was the withdrawal from Myanmar. Following the coup in 2021, this became an example of Kirin Holdings' ability to make swift decisions. In addition, there were developments such as the acquisition of Blackmores and the move to make FANCL a wholly owned subsidiary.

In this way, as strategic initiatives and issue-resolution efforts progressed in parallel, internal management reforms also advanced significantly. In particular, the strengthening of business integration by function across the organization has been notable. In the past, I felt that this was an area where Kirin Holdings was relatively weak. However, for an organization to function effectively, both vertical and horizontal connections must be firmly established and well balanced. As a Non-Executive Director, I offered comments and advice on this point on several occasions, and today, it has been

significantly strengthened across a wide range of areas, including marketing, R&D, quality assurance, production, and people and culture. Another notable aspect of this process was the strong commitment to learning from outside the Company. My impression of Kirin Holdings' employees is that many are highly open and receptive. They demonstrate a strong willingness to study practices from other companies, and at exchange meetings with Yamaha Motor, where I previously served as Chairman, participants joined from a broad range of departments.

In addition, the Company's decision-making in acquisitions and divestitures has been outstanding. Efforts to enhance the quality of acquisition decisions and the precision of PMI have evolved significantly in recent years, and valuable knowledge has been steadily accumulated through reviews at the Board of Directors. In particular, in acquisition processes, a well-defined grand design is established from the outset, followed by rigorous and objective discussions. Moreover, there is a strong commitment to approaching acquisitions as a unified company-wide effort. I was especially struck by this during the final Board resolution on the FANCL acquisition. On the day of the decision, members of the executive team each asked to speak briefly and shared their individual commitments regarding the acquisition. It was a moment that clearly reflected the Company's unified, company-wide commitment to such initiatives. In many other companies, such efforts do not always become fully integrated, company-wide initiatives. In contrast, Kirin Holdings consistently demonstrates all three elements—grand design, objectivity, and a unified company-wide effort. These strengths serve as a key driving force behind the Company's portfolio transformation.

Discussions at the Board of Directors have also deepened in reviewing the business portfolio that has been built.

What is most critical, however, is the approach to growth strategy. During the period of KV2027, the Company carried out the acquisitions of Blackmores and FANCL, and it is fair to say

that these have brought the business portfolio closer to its ideal form—an achievement of considerable significance. Building on this foundation, under "Innovate2035!," the Company has moved into the next phase of creating new value. Kirin Holdings is pursuing a highly distinctive management strategy spanning Alcoholic Beverages, Non-alcoholic Beverages through to Health Science and Pharmaceuticals. The strength of the current management team lies in its unwavering commitment to this strategic direction and its determination to see it through.

Board operations to enhance effectiveness

—You were appointed Chairperson of the Board in 2024. What are the key points you focus on in terms of board operations?

To enhance the effectiveness of the Board of Directors, I focus on four key aspects in managing its proceedings. First, I aim to ensure that the Board serves as a forum for high-level, strategic discussion. To that end, I ask that detailed questions be addressed in advance. Second, it is important for all members to engage in and share discussions on solving key issues. Since the Board brings together both internal and external members of Kirin Holdings, I expect the executive team to present well-focused materials—with clearly defined issues for discussion. Third, I emphasize the importance of making decisive decisions. The role of outside directors is not to act as a brake. Rather, our mission is to confirm the resolve of the executive team and support their decisions. Fourth, I would like discussions to be grounded in what I call the Four Realities. These are the actual place, the actual thing, the actual situation, and direct interaction with people. By focusing on these four perspectives, I aim to foster discussions that are firmly rooted in reality.

Discussions at the Board of Directors on the Long-Term Vision "Innovate2035!"

—What kind of discussions took place at the Board of Directors in formulating the Long-Term Vision "Innovate2035!"?

With regard to "Innovate2035!," discussions between the executive team and the Board were conducted over a period of more than one year. I will explain the process at the Board by dividing it into seven stages. Stages one through six represent the process of discussion, while stage seven covers the ongoing issues that continue to be addressed.

Stage one was the "introduction." From the outset, Representative Director of the Board, President & COO Minakata (hereafter, the COO) made a very clear statement of intent. It left a strong impression on me. He set out to validate Kirin's portfolio management, particularly its decision to establish the Health Science domain. He also outlined a vision to develop both people and technology in order to build an innovative organizational capability that can surpass global competitors, and shared this vision among us.

In stage two, we worked on defining several key concepts. First, we established the KIRIN WAY, consisting of 3 Values and 6 Principles. Through repeated discussions to clarify our values and behavioral guidelines, the Principles in particular were gradually refined into their current form. Second, we engaged in a deeper exploration of what it means to "vitalize the world." What does it truly mean to vitalize people? We aligned on the idea that it encompasses both mental and physical well-being, as well as connections among people and with society—elements that generate vitality and enable people to fully enjoy their lives.

In stage three, we confirmed at the Board that, since employees are the foundation of all management policies, it is essential to consider how to inspire and engage each individual.

In stage four, we discussed innovation. We defined innovation not as simply increasing the number of consumers, but as changing consumer behavior. I believe there was a strong sense of alignment within the Board regarding this definition. We agreed that this would be achieved through consumer-centric marketing and R&D that inspires excitement. To do so, it is essential to advance research and development that delivers clear differentiation and uniqueness capable of outperforming global competitors. While we will also pursue innovation in areas such as production, quality, and corporate functions, we believe that marketing and R&D—being the functions

that directly create consumer value—should take the lead in driving innovation. Accordingly, we agreed to advance these two key initiatives.

In stage five, we discussed the "perspectives" of various stakeholders. From an employee perspective, we established a policy that emphasizes the importance of continuous, incremental improvements in daily work to drive behavioral change among each individual. From the perspectives of investors and society, we set a goal for "Innovate2035!" to enhance the visibility of value creation, building on the progress made under KV2027, which improved the visibility of the Company's organizational structure.

The final stage, stage six, was as strongly memorable as stage one. Representative Director of the Board & CEO Isozaki (hereafter, the CEO) and COO Minakata expressed a clear commitment to "making the KIRIN WAY something embraced by all." Although I have not observed Kirin Holdings over a very long period, it is possible that in the past, certain policies were set but did not sustain momentum or lost traction over time. This time, however, both management and employees have firmly committed to sharing a common purpose, supporting the KIRIN WAY as one organization, and striving to achieve their goals by increasing the number of employees with animal spirits. Kirin Group already has a high level of employee engagement, but there remains room for growth in gaining experience in overcoming constraints to achieve outcomes. By accumulating such experiences, the Company aims to foster more talent with, in a sense, instinctive bold ambition and rich sensitivity, driving further growth. Through this, Kirin will generate even

more innovative ideas and products than before, thereby further enhancing the visibility of value creation.

Stage seven represents the ongoing challenge of how the Board will monitor and assess progress on these initiatives. We intend to closely track the autonomous growth of operating companies, the creation of innovation driven by marketing and R&D, and the execution of human capital strategy.

Could you share a message for our shareholders and investors?

—At the Board of Directors, we aim to focus our discussions on enhancing corporate value. To that end, it is essential to improve capital efficiency and increase the visibility of corporate transformation.

While Kirin continues to demonstrate its traditional strengths—its unwavering commitment to craftsmanship and its strong execution capabilities at gemba—we are also seeing clear progress in strengthening functional integration, an area that was previously considered a weakness.

Looking ahead, it will be critical to ensure that a clear path to success through innovation is shared across the organization and that appropriate investments are made in line with this path. As various concrete initiatives begin to take shape, we will strive to ensure that our efforts are recognized and evaluated by shareholders and investors

Discussions at the Board of Directors on "Innovate2035!" — 7 Stages

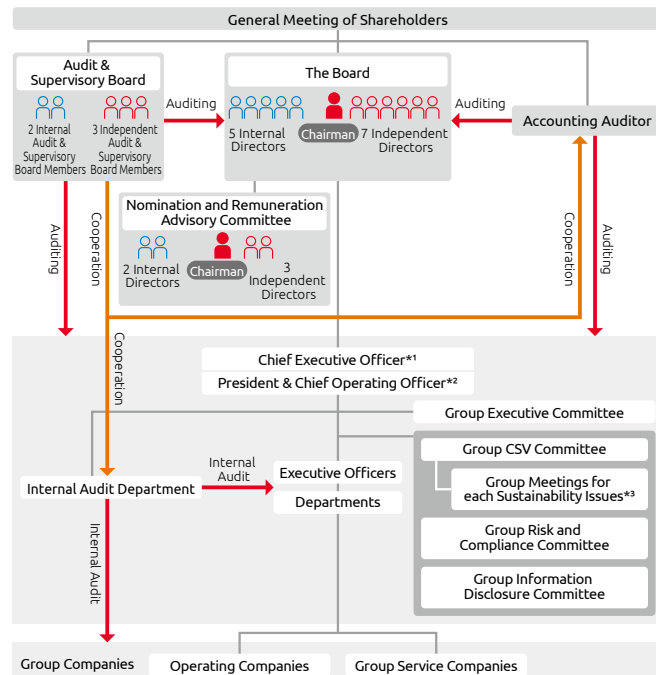
Stage 1	Statement of intent by COO Minakata
Stage 2	Definition of the 2035 Vision and KIRIN WAY
Stage 3	The importance of inspiring each individual employee
Stage 4	Definition of innovation
Stage 5	Enhancing the visibility of value creation from stakeholder perspectives
Stage 6	Statement of intent by CEO Isozaki and COO Minakata
Stage 7	How the Board of Directors will monitor progress going forward



Governance Overview

— Corporate Governance Structure

Kirin Holdings adopts a Company with Audit and Supervisory Board system as its institutional design under the Companies Act of Japan, and the Board is composed of a well-balanced mix of the Board and Audit & Supervisory Board Members with diverse knowledge, experience, skills, and insights. Through close coordination between the Board, in which Non-executive Directors constitute a majority, and the Audit & Supervisory Board, in which Independent Audit & Supervisory Board Members constitute a majority, we ensure a highly effective monitoring function under a highly transparent governance system, and facilitate high-quality decision-making on the execution of important operational and legal matters. In addition, the nomination and remuneration of Directors of the Board, Executive Officers and Audit & Supervisory Board Members are determined through deliberations by the Nomination and Remuneration Advisory Committee, whose majority are Non-executive Directors, to ensure objectivity and transparency.



*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.

— The Board, Audit & Supervisory Board, and Nomination and Remuneration Advisory Committee

Body	Purpose	Composition	Number of meetings (FY2025)
The Board	Aims to ensure the Group's sustainable growth and the improvement of corporate value over the medium to long term in order to promote the interests of the Group and the common interests of its shareholders in keeping with the Group's fiduciary responsibility and accountability vis-a-vis its shareholders	Chairperson: Non-Executive Director Members: 12 Directors of the Board and 5 Audit & Supervisory Board Members (including 7 Non-executive Directors and 3 Independent Audit & Supervisory Board Members)	15 meetings (one was conducted by written resolution)
Audit & Supervisory Board	In keeping with its fiduciary responsibility toward shareholders, ensures the soundness of management with an eye to the Group's sustainable growth and the improvement of corporate value over the medium to long term, and acts to ensure the common interests of the shareholders	Members: 5 Audit & Supervisory Board Members (including 3 Independent Audit & Supervisory Board Members)	15 meetings
Nomination and Remuneration Advisory Committee	As an advisory body to the Board, discusses the policy for the appointment/dismissal of Directors of the Board, Executive Officers and Audit & Supervisory Board Members, plans for the succession of the Chief Executive Officer (CEO) and Chief Operating Officer (COO), and remuneration, etc. from an objective and fair perspective, and reports to the Board	Chairperson: Non-executive Director Members: 5 Directors of the Board (including 3 Non-executive Directors)	12 meetings

— Relationship between the Board and the Nomination and Remuneration Advisory Committee

Nomination: Under this framework, members of the Nomination and Remuneration Advisory Committee (limited to the three Non-executive Directors) engage in strategic dialogue with executive management, including the Chairman & CEO and the President & COO. Based on both quantitative evaluations, such as financial performance, and qualitative evaluations, they evaluate the progress of management strategies, as well as the capabilities and performance of top management. In addition, with regard to successor candidates, the Nomination and Remuneration Advisory Committee reviews the development and selection process on an annual basis and deliberates based on past performance criteria and external evaluations by third parties. The evaluation results of the Representative Director of the Board & CEO and the Representative Director of the Board, President & COO, as well as the development and selection process for successor candidates, are reported from the Nomination and Remuneration Advisory Committee to the Board, thereby ensuring objectivity and transparency in the appointment and dismissal of executive management.

Remuneration: Based on a delegation from the Board, the Nomination and Remuneration Advisory Committee determines on bonuses for the Company's Directors of the Board (excluding Non-executive Directors) and Executive Officers, including evaluation indicators and targets for individual performance evaluations, evaluation results based on the degree of achievement, and individual pay rates related to individual performance evaluations.

Column

Introduction of "AI Executive (CoreMate)" to the Group Executive Committee

In 2025, Kirin Holdings introduced its proprietary AI Executive "CoreMate," a system that embeds AI at the core of management. Incorporating the knowledge of Non-executive and other Directors of the Board, past discussions, Group management information, and external information, the AI Executive presents key issues during meetings, thereby enhancing the quality and transparency of decision-making by integrating diverse perspectives and expertise. Starting with its use in the Group Executive Committee, an advisory body to the President, we are expanding its deployment to the management meetings at operating companies, thereby improving the effectiveness of Group governance. Driven by the President's leadership in AI utilization and supported by a corporate culture that encourages the management team to take on challenges, the meeting secretariat and the Digital ICT Strategy Department led the development, implementing it in an agile manner within a short timeframe of approximately two months. Going forward, through co-creation between people and AI, we will further accelerate the evolution of management and corporate transformation, aiming to achieve sustainable growth and increase corporate value.



Management

— Directors of the Board and Audit & Supervisory Board Members








	Internal Director*1					Independent Non-executive Director of the Board*1							Audit & Supervisory Board Member*2		Independent Audit & Supervisory Board Member*2		
	Yoshinori Isozaki	Takeshi Minakata	Junko Tsuboi	Toru Yoshimura	Shinjiro Akieda	Hiroyuki Yanagi	Noriko Shiono	Shinya Katanozaka	Yoshiko Ando	Shingo Konomoto	Naoko Mikami	Kenichi Fujinawa	Toru Ishikura	Hajime Kobayashi	Kaoru Kashima	Yoko Dochi	Tim Lester
Position	Representative Director of the Board & CEO	Representative Director of the Board, President & COO	Director of the Board, Senior Executive Vice President	Director of the Board, Senior Executive Officer	Director of the Board, Senior Executive Officer	Chairperson of the Board (Non-executive Director of the Board)	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Standing Audit & Supervisory Board Member	Standing Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member
Gender	Male	Male	Female	Male	Male	Male	Female	Male	Female	Male	Female	Male	Male	Male	Female	Female	Male
Nationality	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Australia
Nomination and Remuneration Advisory Committee	Member	Member					Chairperson	Member	Member								
Expertise and Experience																	
Management / Governance	Corporate Management	◎	◎	○	◎	○	●	●	●	●							
	Sustainability	◎	○	○	○	◎			●							●	●
	Global	○	○		◎	○		●	●			●		●		●	●
	Finance / IR	◎	○		○	◎				●				●		●	●
	Legal / Risk Management	○		◎		○			●			●		●		●	●
Source of Innovation	R&D		◎		○	●					●		●				
	Marketing	○		◎	○		●										
	Human Resources / Organization	○	◎	◎	○			●	●		●	●			●		
	ICT / DX				○	◎				●			●				
	Manufacture / Quality Assurance		○		◎		●				●		●				

*1 For Internal Directors, areas in which they possess expertise and experience are indicated by "○," and among those, areas where particularly significant contributions are expected are indicated by "◎." For Non-executive Directors, areas where particularly significant contributions are expected are indicated by "●." (The maximum number of "◎" and "●" is set at three)

*2 For Audit & Supervisory Board Members, areas where particularly significant contributions are expected are indicated by "●." (The maximum number of "●" is set at three)

Management

Executive Officers

Senior Executive Officer*											AI Executive
											
	Mitsuharu Yamagata	Kazufumi Nagashima	Toshihito Hama	Daisuke Fujiwara	Yoshiyuki Yonetani	Hiroaki Takaoka	Hideki Horiguchi	Kazuhiro Inoue	Hideki Mitsuhashi	Alastair Symington	CoreMate
Responsibilities / Positions	Brand Strategy Marketing Strategy Digital & IT Strategy Senior Executive Vice President of Kirin Brewery Company, Limited (in charge of Marketing)	SCM Strategy Production Technology Strategy	Chief Risk Management Officer Public Relations Strategy Chief Legal Officer	R&D Strategy, President of R&D Division	Chief Quality Assurance Officer	General Manager of Corporate Strategy Department (Business Partnerships & Investment Strategy excluding Health Science domain) CSV Strategy	President & COO of Kirin Brewery Company, Limited	President & COO of Kirin Beverage Company, Limited	President, Representative Director of FANCL Corporation	President of Kirin Health Science International Pty Ltd, Chief Executive Officer & Managing Director of Blackmores Limited	–
Gender	Male	Male	Male	Male	Male	Male	Male	Male	Male	Male	–
Nationality	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Australia	–
Expertise and Experience											
Management / Governance	Corporate Management	○	○	○			◎	◎	◎	◎	○
	Sustainability	○	○	◎	○	○	◎	◎	○	○	○
	Global	◎	○	○	◎	○	◎	◎	◎	◎	○
	Finance / IR					◎	○	○	○	○	○
	Legal / Risk Management			◎					○		○
Source of Innovation	R&D		◎		◎	◎					○
	Marketing	◎			○		◎	○	◎	◎	○
	Human Resources / Organization			◎			○	○	○	○	○
	ICT / DX	◎				◎			○		○
	Manufacture / Quality Assurance		◎			◎					○

*For Senior Executive Officers, areas in which they possess expertise and experience are indicated by "○," and among those, areas where particularly significant contributions are expected are indicated by "◎."
(The maximum number of "◎" is set at three)

Column

Training for Directors and Audit & Supervisory Board Members

Kirin Holdings provides, as appropriate, training and information necessary for Directors of the Board and Audit & Supervisory Board Members to properly fulfill their roles and responsibilities.

When Directors of the Board and Audit & Supervisory Board Members assume office, we conduct lectures and training by experts and relevant internal departments regarding the Companies Act of Japan, corporate governance, corporate finance, and other relevant matters. After assuming office, we continuously conduct training regarding legal amendments and management issues, as well as inspections of major sites, as necessary. When Non-executive Directors and Outside Audit & Supervisory Board Members assume office, we provide explanations regarding the Group Corporate Philosophy, "KIRIN WAY," which sets out the Group-wide values and principles, and its business operations. Regarding business operations, we provide explanations on each major operating company so that they can deliberate based on a fundamental understanding of the Company's businesses.

Furthermore, regardless of whether they are newly appointed or reappointed, we conduct site visits to operating companies and business sites several times a year for Non-executive Directors and Outside Audit & Supervisory Board Members in order to further deepen their understanding of the Kirin Group's businesses. Inspections are conducted both in Japan and overseas. In 2025, visits were made to the Kirin Brewery Yokohama Plant and the FANCL Research Institute to conduct on-site observation and analysis, while also receiving direct explanations from employees.

Furthermore, training on the Companies Act of Japan, corporate governance, corporate finance, and other relevant matters is also provided to newly appointed department heads and other personnel. Through discussions with executive management, we also aim to strengthen the talent pipeline for the next generation of management.



FANCL Research Institute

Officers' Skills and Remuneration

Review of Skills

Following the announcement of its new Long-Term Vision, "Innovate2035!", Kirin Holdings reviewed the skills required of Directors of the Board, Audit & Supervisory Board Members, and Executive Officers.

We consider a deep understanding of and empathy for the philosophy of "CSV management" promoted by the Kirin Group to be a basic and essential requirement common to all officers.

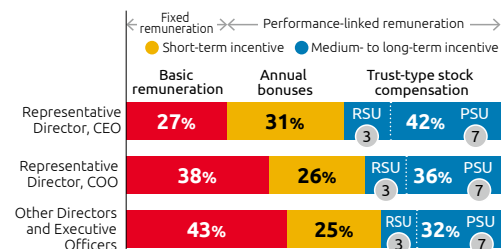
*1 A listed company, etc. means a listed company or other comparable organizations.
*2 Organizations include government agencies, law firms, audit firms, academia, NPOs, and other similar entities.

Areas	Definitions	Benchmark for fulfillment
Management / Governance	Corporate Management	Capability to oversee the formulation and execution of group-wide strategies, the optimal allocation of management resources, and the building of trust with stakeholders, for the purpose of sustainable improvement of corporate value.
	Sustainability	Capability to identify material issues such as climate change, natural capital, human rights, and the supply chain, and integrate these issues into business strategy, capital allocation, risk management, and KPIs to lead to the medium- to long-term improvement of corporate value.
	Global	International management capability to capture growth opportunities in global markets and expand corporate value.
	Finance / IR	Strategic financial management capability to enhance corporate value by ensuring financial soundness and optimizing capital efficiency.
	Legal / Risk Management	Capability to ensure the reliability and sustainability of the Company through compliance with laws and regulations and through the identification, assessment, and response to corporate risks.
Source of Innovation	R&D	Experience overseeing R&D departments at a listed company or research institutions, experience of commercializing research themes, and experience as the person responsible for formulating technology roadmaps.
	Marketing	Experience as a CMO at a listed company, etc., experience in formulating and executing global brand strategies, experience overseeing advertising and PR activities, or equivalent achievements in other organizations.
	Human Resources / Organization	Experience as a CEO or CHRO at a listed company, etc., experience in the formulation and operation of succession plans, and experience as the person responsible for promoting DE&I, or equivalent achievements in other organizations.
	ICT / DX	Experience as a CDO at a listed company, etc., experience in the formulation and execution of DX strategies, and experience in establishing IT governance and information security systems, or equivalent achievements in other organizations.
	Manufacture / Quality Assurance	Experience as a head of production departments in the manufacturing industry, experience leading the formulation and execution of SCM strategies, and experience of improving inventory, logistics, and supply systems. Experience as a head of quality assurance departments, acquisition and maintenance of ISO and other certifications, experience in handling major quality issues, or equivalent achievements in other organizations.

Composition of the Remuneration

The remuneration of Kirin Holdings' officers is composed of three parts: basic remuneration (fixed remuneration), bonus (short-term incentive) as performance-linked remuneration, and stock-based remuneration (medium- to long-term incentive).

Furthermore, remuneration for Non-executive Directors and Audit & Supervisory Board Members consists only of basic remuneration (fixed remuneration).



*RSU: Restricted Share Units without performance requirements.
*PSU: Performance Share Units linked to the degree of achievement of performance targets under the three-year rolling business plan.

Bonus To promote steady profit growth and the execution of strategies across the Group as a whole and in its core businesses, we have established corporate performance evaluation indicators (consolidated normalized operating profit), business performance evaluation indicators (normalized operating profit of each business), and individual performance evaluation indicators.

Mechanism for linkage of bonuses to performance

$$\text{Individual payout} = \text{Target bonus} \times \left\{ \text{Corporate performance} \times A + \text{Business Unit performance} \times B + \text{Individual performance} \times C \right\}$$

*1 Target bonus amount is determined for each executive rank in accordance with internal regulations.

*2 "A" represents the ratio of the corporate performance-linked component, "B" represents the ratio of the business performance-linked component, and "C" represents the ratio of the individual performance-linked component. The respective ratios are as follows:

Weighting of performance indicators by category (FY2025)

Performance evaluation indicators	Representative Director, CEO	Representative Director, COO	Directors and Executive Officers concurrently serving as executives of subsidiaries of Kirin Holdings	Other Directors and Executive Officers
Corporate performance evaluation	70%	70%	20%	50%
Business performance evaluation	-	-	40%	-
Individual performance evaluation	30%	30%	40%	50%

The Nomination and Remuneration Advisory Committee determines specific evaluation indicators, targets, and evaluation results following discussion between the Representative Director, CEO and the Representative Director, COO, and a Non-executive Director who is the Chairperson or a member of the Nomination and Remuneration Advisory Committee.

The Representative Director, COO drafts proposals for specific evaluation indicators, targets, and evaluation results based on individual priority issues and the performance of the respective departments or companies, following discussions with each Director of the Board and Executive Officer. These proposals are then finalized by the Nomination and Remuneration Advisory Committee after approval by the Representative Director, CEO.

Stock-based remuneration Evaluation indicators are established based on the consolidated financial and non-financial indicators for the Kirin Group set out in the business plan, with the aim of promoting both medium- to long-term improvement of shareholder value and the creation of social value.

Overview of Trust-type stock compensation

	Number of points*	Timing of granting points	Timing of delivery of shares, etc.
RSU	Fixed points	After the end of each fiscal year	At a certain point in time after three years have passed since the start of each performance evaluation period (fiscal year)
PSU	Basic points multiplied by a performance-linked factor (0% - 200%) depending on the level of achievement of performance targets, etc. for each performance evaluation period	After the end of the final fiscal year of the three-year rolling Business Plan	At a certain point in time in the fiscal year following the final fiscal year of the three-year rolling Business Plan

*Basic points (fixed points for RSU) are calculated based on the base amount predetermined for each executive rank and responsibility.

Calculation formula for PSU performance-linked factor under the trust-type stock compensation

$$\text{Performance-linked factor} = \left\{ \text{ROIC pay rate} \times 40\% + \text{EPS pay rate} \times 40\% + \text{Non-financial performance pay rate}^* \times 20\% \right\}$$

*The non-financial performance pay rates in the above table are for reference only and may differ from those shown above (but will be kept within the range of 0%-200%) after deliberations by the Nomination and Remuneration Advisory Committee.

Effectiveness of the Board of Directors

— Effectiveness of the Board of Directors

Kirin Holdings conducts an annual evaluation of the Board discussions and operations to both ensure those functions are being fulfilled and to continually improve its efficiency by identifying points to make the meetings more effective in the next fiscal year.

	FY2023		FY2024 *Questionnaires and interviews were conducted by a third-party.		FY2025		FY2026																
	Areas to improve	Actions taken	Areas to improve	Actions taken	Areas to improve	Actions taken	Areas to improve																
Discussions at the Board of Directors	Discussions on “inorganic growth” utilizing expertise and organizational knowledge	<ul style="list-style-type: none"> Continued discussions on the business portfolio Shared the consideration process and insights for inorganic growth in the Health Science domain Conducted reviews and evaluations of past M&A transactions, including not only financial evaluations but also validation and evaluation of business strategies 	Discussions on “digital ICT strategy” to accelerate value creation	<ul style="list-style-type: none"> Enhanced discussions on digital ICT strategy, including medium- to long-term strategies for digital ICT Broadened the discussions on “digital ICT strategy” within the context of business planning and other function-specific strategies Conducted a review on SAP and discussions on the relevant Road Maps 	Discussions on “business portfolio strategy” to maximize corporate value	<ul style="list-style-type: none"> Conducted discussions on business portfolio strategy three times in 2025 Deepened discussions on the allocation of management resources from both financial and brand perspectives, taking into account capital costs, in addition to the strategic positioning of each domain and business 	Business portfolio Human capital strategy Financial and stakeholder strategy																
	Discussions on “risk management” integrating strategy and risks	<ul style="list-style-type: none"> Promoted the visualization of risks in key initiatives Discussed approaches to risk management that integrate strategy and risk Promoted monthly information sharing on risk and crisis management 		Discussions on “integrated strategy and risks” to realize appropriate risk-taking		<ul style="list-style-type: none"> Conducted discussions on initiatives to strengthen risk management Enhanced discussions on risk in business planning, function-specific strategies, and individual projects or issues Conducted discussions on strategies combined with risk and took risks in a large-scale M&A deal (acquisition of FANCL Corporation) 		Discussions on growth scenarios for each area and business	<ul style="list-style-type: none"> Conducted discussions on long-term growth scenarios for each area and key operating companies based on the Long-Term Vision, including through the use of off-site meetings. 														
	Discussions on “dialogue with stakeholders” in line with changes in the business environment	<ul style="list-style-type: none"> Enhanced reporting and discussions on evaluations not only from shareholders but also from customers and local communities, which are key stakeholders in B2C businesses Accelerated discussions on the transformation of function-based human capital management 		Discussions on “digital ICT” for accelerating value creation through advanced use of AI		<ul style="list-style-type: none"> To realize the Long-Term Vision, held discussions on the direction for “creating new lifestyle habits in society” by integrating digital ICT with marketing Reported on current cybersecurity status and future reinforcement measures 		Discussion on “human capital strategy” for nurturing human resources who accomplish and innovate and creating supportive organizational culture	<ul style="list-style-type: none"> Conducted discussions on the establishment of KIRIN WAY, the Group-wide values and principles, and on P&C (People & Culture) strategy based on this framework, in pursuit of the Long-Term Vision. 														
	Strengthening of “monitoring on strategy execution” to build organizational capabilities	<ul style="list-style-type: none"> Strengthened monitoring of the execution of business strategies, taking into account industry, market, and competitive trends Strengthened monitoring of the execution of functional strategies, including initiatives to enhance sales capabilities 		Discussions on “strengthening of corporate governance” to improve confidence in the capital markets		<ul style="list-style-type: none"> Revised the method for evaluating the effectiveness of the Board Reviewed and discussed the evaluation on corporate governance 		Discussion on the desirable form of highly effective “group governance”	<ul style="list-style-type: none"> Conducted discussions on the role of holding company functions and the management structure for each business domain toward realizing the Long-Term Vision 														
Operations of the Board	<ul style="list-style-type: none"> Streamlined explanations and set aside time for discussion by enhancing the advance distribution of video presentations, introduced in 2022 Expanded opportunities to deepen understanding of the business through discussions outside the Board and site visits 	<ul style="list-style-type: none"> Began sharing minutes of the Group Executive Committee meetings with the Chairman of the Board Established opportunities for dialogue between the Nomination and Remuneration Advisory Committee and non-executive officers outside the Board Enhanced training programs for newly appointed officers 	<ul style="list-style-type: none"> Introduced written resolutions and reports to expand discussion time while avoiding an increase in total the Board meeting hours Introduced AI-generated pre-recorded video presentations (in Japanese and English) Delegated authority to the executive side through a review of matters to be submitted to the Board 	<ul style="list-style-type: none"> Improvements aimed at enabling discussions from a broad perspective and decisive decision-making, and at creating a forum that contributes more than ever to the enhancement of corporate value. 																			
Breakdown of agenda items	<table border="1"> <caption>Breakdown of agenda items</caption> <thead> <tr> <th>Year</th> <th>Matters for discussion</th> <th>Matters for reporting</th> <th>Written resolutions</th> </tr> </thead> <tbody> <tr> <td>FY2023</td> <td>35.3%</td> <td>64.7%</td> <td>0%</td> </tr> <tr> <td>FY2024</td> <td>20.8%</td> <td>30.7%</td> <td>47.5%</td> </tr> <tr> <td>FY2025</td> <td>16.5%</td> <td>32.0%</td> <td>44.3%</td> </tr> </tbody> </table>							Year	Matters for discussion	Matters for reporting	Written resolutions	FY2023	35.3%	64.7%	0%	FY2024	20.8%	30.7%	47.5%	FY2025	16.5%	32.0%	44.3%
Year	Matters for discussion	Matters for reporting	Written resolutions																				
FY2023	35.3%	64.7%	0%																				
FY2024	20.8%	30.7%	47.5%																				
FY2025	16.5%	32.0%	44.3%																				
Average time per agenda item	14 minuets		20 minuets		22 minuets																		

Risk Management

Approach

The Kirin Group positions risk management as an integral part of its business management system, integrating it into business strategy formulation, investment decision-making, and business operations, and aims to achieve sustainable growth through appropriate risk-taking.

Risk perspective	Basic approach to risk	
	Controlling risks while taking them	Risks that are not taken
Promotion of innovation	<ul style="list-style-type: none"> The Kirin Group will proactively develop new, high-value products, pharmaceuticals, and services through innovation while maintaining financial soundness 	<ul style="list-style-type: none"> The Kirin Group will not adopt strategies that are inconsistent with its policies
Stable supply of high-quality, safe products and services	<ul style="list-style-type: none"> The Kirin Group will enhance its global supply chain management and maintain and improve its quality management system while balancing costs to ensure a stable supply of high-quality products and services 	<ul style="list-style-type: none"> The Kirin Group will never provide products or services to patients or consumers that raise doubts about the safety of pharmaceuticals or food & beverages
Communication with consumers and patients	<ul style="list-style-type: none"> The Kirin Group will continue to communicate the value of its products and services to consumers and patients in a more appropriate and understandable manner. 	<ul style="list-style-type: none"> The Kirin Group will not engage in activities that violate the three principles of advertising: "Do not lie, do not be vulgar, and do not slander"
Social responsibility (Compliance)	<ul style="list-style-type: none"> The Kirin Group prioritizes the sustainable growth of its business by resolving social issues and aims to address environmental issues while maintaining cost efficiency 	<ul style="list-style-type: none"> The Kirin Group will not take risks that violate human rights throughout the supply chain, including business partners The Kirin Group defines compliance as "fulfilling our legal and ethical responsibilities to society" and will not violate compliance policies and guidelines

Structure

The Kirin Group has established the Group Risk and Compliance Committee to oversee the Group's risk management activities.

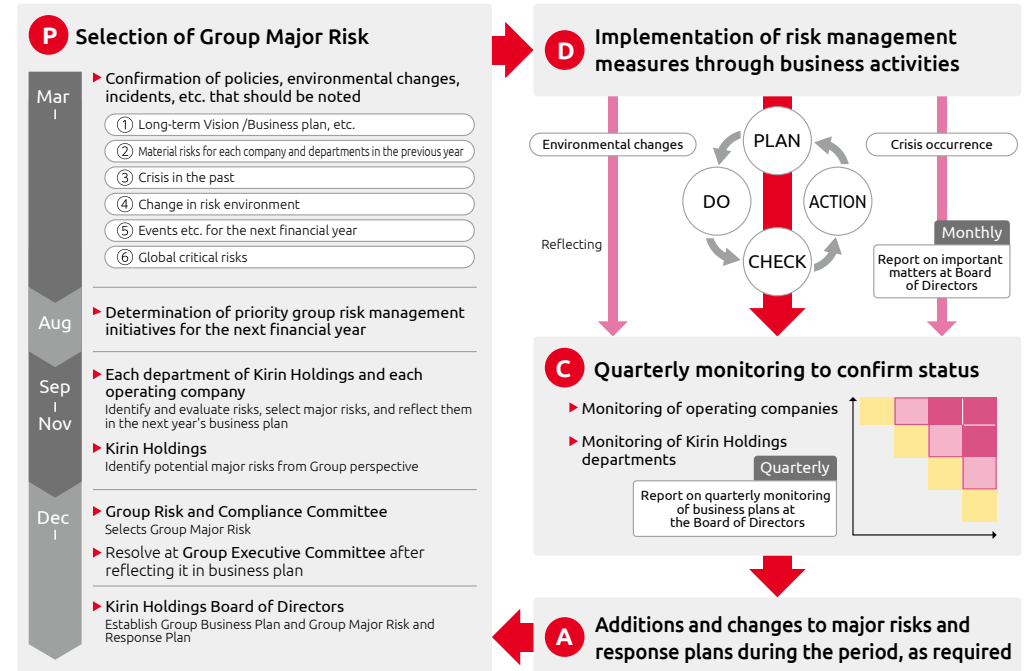


*Establish a Risk Compliance Committee or appoint a risk management officer at each Group company

Process for determining and monitoring major risks

The Group's major risks are identified from both Group-wide risks and risks specific to individual Group companies, and are determined following deliberation by the Group Risk and Compliance Committee. The identified major risks to the Group are monitored in conjunction with business plans, with a PDCA cycle applied.

Process for determining major risks to the Group



Column

| Track Record | Cybersecurity

The Kirin Group positions cybersecurity as one of its key management foundations and promotes Group-wide initiatives to continue delivering safe and secure products and services to consumers around the world. In recent years, cyberattacks have been increasing globally, with cases affecting not only business activities but also social infrastructure and people's daily lives. We recognize these changes in the environment as a major management risk and are working to continuously strengthen our countermeasures and enhance operational sophistication. Specifically, we implement technical measures based on a multilayered defense approach to strengthen defense and detection, while also enhancing access management. In addition, we have established a continuous monitoring system by specialized teams, enabling early detection of and response to suspicious activities. To minimize the impact in the event of an incident, we have developed Group-wide response procedures and conduct regular drills based on assumed scenarios. Through these efforts, we aim to accelerate initial response and improve the accuracy of decision-making. Furthermore, we regularly review backup systems and recovery plans to ensure business continuity, thereby enhancing resilience to maintain product supply and uphold our commitments to society. The Kirin Group will continue to strengthen cybersecurity as a core management foundation and strive to remain a corporate group trusted by society.

The Future We Envision

—A Letter of Appreciation from the Prosperous Society of 2035—

The letters of gratitude we receive from our customers every day increase our employee engagement. They are a force driving us toward our Vision 2035.

Inspired by these letters, this project envisions the letters we hope to receive in the future world of 2035.

It shows a world in which Kirin's initiatives are seamlessly woven into everyday life, enabling everyone to naturally be healthy and happy.

Dear Everyone at Kirin,

The other day, I received a letter from a friend living in the United States. He had struggled for many years with a serious illness, but he wrote to tell me that he had recovered thanks to a medicine from Kirin and that he hoped to visit Australia this summer. In every line of his letter, I could sense his joy at finally regaining his everyday life.

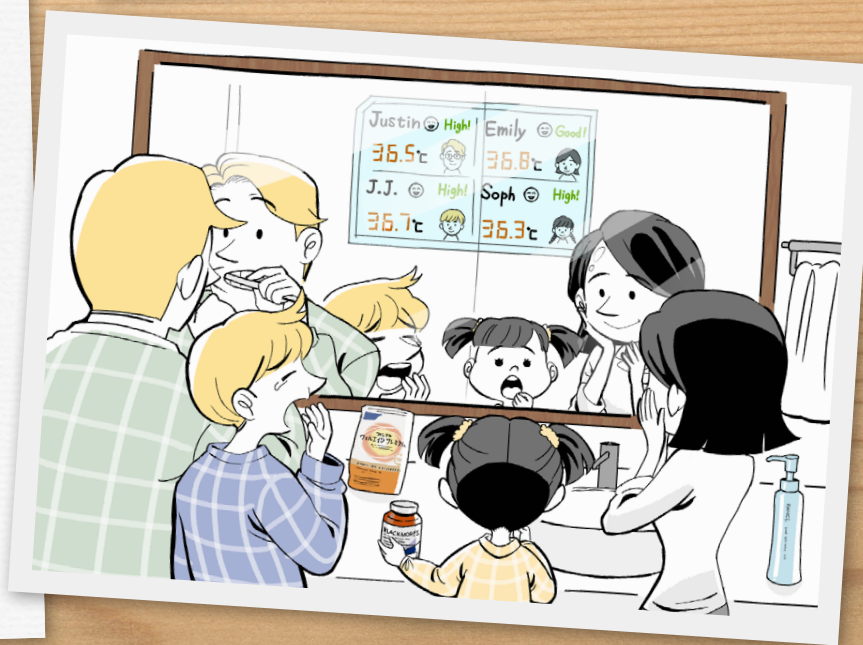
Moved by his story, I looked more closely and realized that not only the medicines, but also the beverages, supplements, cosmetics, and services we rely on in our daily lives have gradually evolved in ways that make it easier for us to choose things that support both our mental and physical well-being. When I learned that your efforts were behind these changes, I felt compelled to write and share my experience.

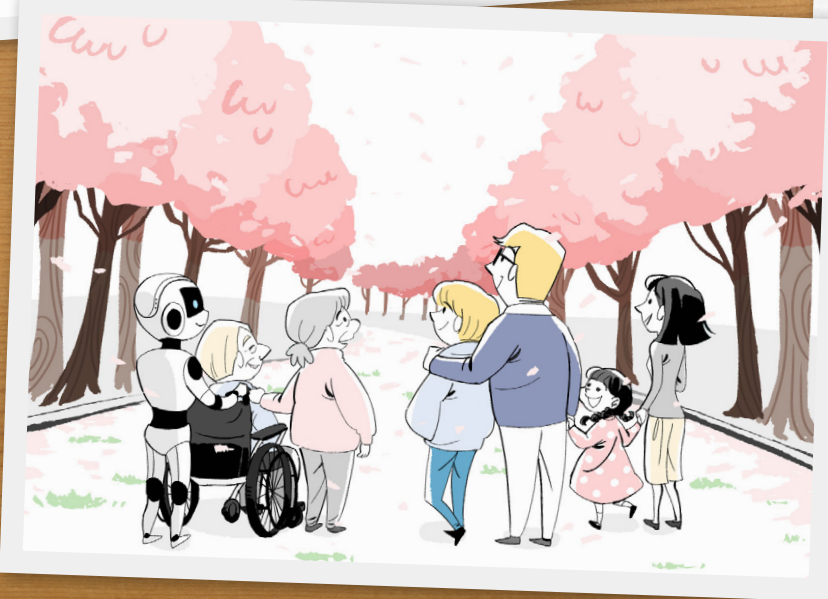
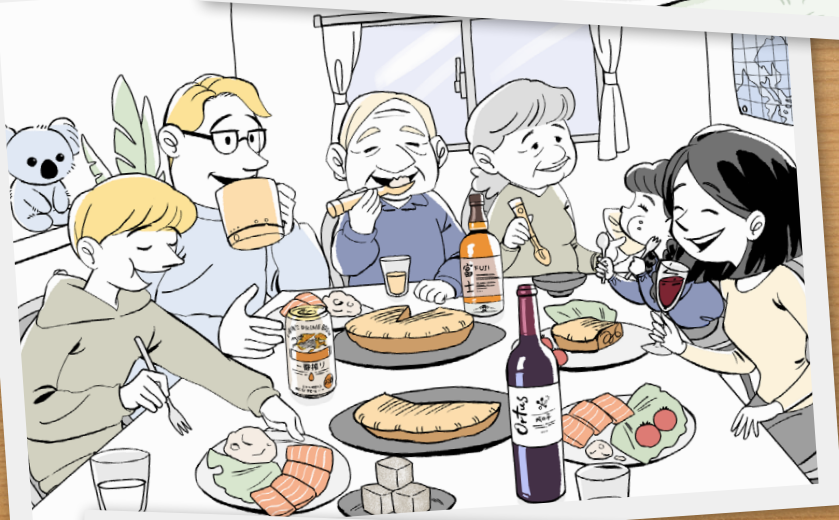
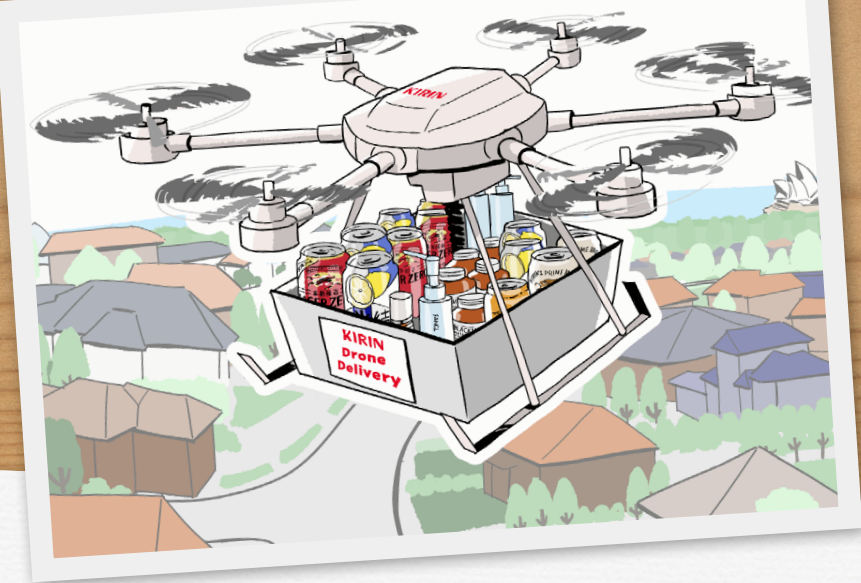
Our mornings begin at the sink, where the mirror displays each family member's health condition that day. After a breakfast full of fresh vegetables grown on fertile land nearby, we take the supplements that have been recommended to us. When needed, medication support services connected to healthcare providers deliver the medicines and supplements that we require. Managing our family's health has become as natural as brushing our teeth.

Watching my children head off to school, I remember when they were little and I used to work in constant fear of receiving an unexpected call from school. Now, rather than responding only after someone becomes unwell, strengthening our immunity and focusing on prevention so that we do not get sick in the first place have become parts of our daily routine.

In the afternoon, I hear the laughter of children happily running around and playing after school. Even the beverages they hold in their hands have become easy choices—ones we can choose without hesitation or concern for our health or the environment.

These days, the drink best suited to how I feel on any given day naturally finds its way into my hands. That one drink helps relax both my mind and body and gently eases the fatigue of the day.





At work, AI has reduced the time I spend simply sitting in front of a computer preparing materials, and the exhaustion I once carried home has visibly lessened. In the evening, I return home with energy to spare and gather around the dinner table with my family. To close out the day, I enjoy a glass of cold beer. On other days, I meet virtually with friends around the world, each of us raising our favorite drink in a toast at a virtual drinking party. Simply being able to connect with people that way enables me to unwind both mentally and physically.

My father, who is about to turn 85, smiles as he says that his low-sodium meals are just as delicious as ever. It has become perfectly natural for everyone at the same table to enjoy meals together, without anyone having to sacrifice flavor or feel they are inconveniencing others.

Caregiving, too, is no longer something that only family members must struggle with on their own thanks to recent technological advancements. Recent advances in compassionate technology now quietly support families, allowing them to truly enjoy the time they spend together.

Last month, I took my father on a trip to Japan. I have never forgotten the cherry blossoms I saw in Japan ten years ago, and I had hoped for a long time that one day I would be able to show them to my family. At last, that wish came true. The cherry blossoms in Japan were just as breathtaking as they had been ten years ago—if not even more so—and the sight is now etched in our hearts forever.

Even with illness, even as we grow older, we do not have to give up the joy of connecting with others. Because these things have become a natural and sustainable part of life, health and beauty are no longer goals that require us to constantly strive to achieve them. They are simply part of everyday life for everyone.

The lives we live today are not built on sacrifice for the sake of the future. Simply by living each ordinary day in comfort, we had, before we knew it, moved closer to a brighter future. Perhaps even now, in 2035, you are still striving to renew and elevate what we now take for granted. Please continue to expand the choices that help create a society that enables each and every consumer to prosper. I will continue to support you.

10-Year Summary of Key Financial Data

(Millions of yen)

Fiscal year	2016 ^{*4}	2017 ^{*4}	2018 ^{*4}	2019	2020	2021	2022	2023	2024	2025
Revenue	1,853,937	1,863,730	1,930,522	1,941,305	1,849,545	1,821,570	1,989,468	2,134,393	2,338,385	2,433,363
Less Japanese liquor taxes	296,029	289,433	294,028	292,153	276,932	285,600	284,435	279,508	286,886	278,623
Net revenue	1,557,909	1,574,296	1,636,494	1,649,151	1,572,613	1,535,969	1,705,033	1,854,885	2,051,499	2,154,740
Normalized Operating Profit ^{*1}	181,982	194,609	199,327	190,754	162,115	165,430	191,159	201,495	210,968	251,785
Operating profit	196,590	211,000	198,322	87,727	102,919	68,084	116,019	150,294	125,340	209,677
Profit attributable to owners of the Company	148,918	241,991	164,202	59,642	71,935	59,790	111,007	112,697	58,214	147,542
Cash flows from operating activities	232,263	221,710	198,051	178,826	164,839	219,303	135,562	203,206	242,844	295,428
Cash flows from investing activities	(82,656)	63,214	47,389	(175,619)	(115,981)	(56,408)	(10,399)	(226,091)	(329,375)	(185,019)
Cash flows from financing activities	(157,271)	(182,163)	(226,699)	(9,997)	(52,474)	(180,463)	(167,835)	35,909	58,125	(110,524)

Fiscal year end

Total assets	2,422,825	2,398,572	2,303,624	2,412,874	2,459,363	2,471,933	2,542,263	2,869,585	3,354,159	3,494,043
Interest bearing debt	668,212	486,475	414,994	530,851	642,644	551,471	523,121	656,397	857,569	923,434
Equity attributable to owners of the Company	695,860	947,162	906,578	906,576	838,584	894,179	980,022	1,132,581	1,181,525	1,286,991

Share information

High	1,984.50	2,948.50	3,199.00	2,729.00	2,591.00	2,430.00	2,306.00	2,245.00	2,310.00	2,474.00
Low	1,436.50	1,792.00	2,163.00	2,033.00	1,826.00	1,788.00	1,739.00	1,906.00	1,896.00	1,902.00
Shareholder return ^{*2}	(%)				104.6	82.7	92.5	97.7	100.0	110.8

Per-share data

Earnings per share (EPS)	(Yen)	163	265	184	68	86	72	135	139	72	182
Dividends per share	(Yen)	39.00	46.00	51.00	64.00	65.00	65.00	69.00	71.00	71.00	74.00

Financial indicators

Return on equity (ROE)	(%)	22.2	29.5	17.7	6.6	8.2	6.9	11.8	10.7	5.0	12.0
Return on invested capital (ROIC) ^{*3}	(%)	10.8	16.3	12.0	5.2	6.0	4.2	8.5	8.0	4.1	7.6
Gross debt-to-equity ratio	(Times)	0.95	0.51	0.46	0.59	0.77	0.62	0.53	0.58	0.73	0.72

*1 Normalized operating profit is a profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

*2 Total shareholder returns starting from fiscal 2019 were calculated similarly to the Annual Securities Report for the year ended December 31, 2024.

*3 ROIC = Profit after tax before interest / Average interest-bearing debt of the start and end of the fiscal year + average total equity of the start and end of the fiscal year

*4 The tax effect on intangible assets acquired in business combinations has been retroactively revised for fiscal 2016, 2017 and 2018 due to the change in accounting policy in fiscal 2019.

History of Business Development

1907 - 1980

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

Social events / Company-wide events

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

1981 - 2005

Diversifying into the Pharmaceuticals and Health Science Business

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

2006 - 2018

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

- 2006 Formulates the Long-Term Vision "Kirin Group Vision 2015" (KV2015).
- 2011 Starts to support areas affected by the Great East Japan Earthquake and begins to adopt CSV management.
- 2012 Formulates the Long-Term Vision "Kirin Group Vision 2021" (KV2021).
- 2013 Establishes Japan's first CSV-specialized department.
- 2016 Revises to new Long-Term Vision "Kirin Group Vision 2021" (new KV2021).

2019 - 2025

Evolving to become a global leader in CSV

Long-Term Vision "Kirin Group Vision 2027" (KV2027)

- 2019 MTBP
- 2022 MTBP
- Business Plan for FY2025

- 2019 Formulates the Long-Term Vision "Kirin Group Vision 2027" (KV2027)
- 2019 Kirin Group's CSV Purpose formulated.
- 2019 Health Science Business Department newly established

2026 -

Becoming a corporate group that creates the future of people's mental and physical well-being

Long-Term Vision "Innovate2035!"

Innovate 2035!

- 2026 Formulates the Long-Term Vision "Innovate2035!"

Alcoholic Beverages Business Since 1907

- 1885 Japan Brewery Co., Ltd. established.
- 1888 Kirin Beer introduced.
- 1907 Kirin Brewery Co., Ltd. established.
- 1943 Kirin Science Institute (the forerunner of Kirin Central Research Institute) established.
- 1972 Kirin Seagram Co., Ltd. (the forerunner of Kirin Distillery Co., Ltd.) established.

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



- 2006 Makes Mercian Corporation a consolidated subsidiary.
- 2017 Completes the transfer of Brasil Kirin's Shares.



- 2020 Makes New Belgium Brewing Company, Inc. a wholly owned subsidiary.
- 2021 Completes the transfer of Lion-Dairy & Drinks Pty Ltd's Shares.
- 2021 Makes Fermentum Pty Ltd a wholly owned subsidiary.
- 2022 Makes Bell's Brewery Inc. a wholly owned subsidiary. *Absorbed by and merged with New Belgium Brewing Company, Inc., in December 2023.
- 2023 Completes the transfer of Myanmar Brewery Limited's Shares.

- 2026 Completes the transfer of membership interests in Four Roses.

Non-alcoholic Beverages Business Since 1928

- 1928 Kirin Lemon introduced.
- 1963 Vending Machine Services Co., Ltd. (the forerunner of Kirin Beverage Co., Ltd.) established.
- 1976 Kowai Dairy Products Co., Ltd. established.
- 1977 KW Inc. (the forerunner of Coca-Cola Beverages Northeast, Inc.) established.

- 1986 Kirin Gogo-no-Kocha, a PET bottled black tea beverage introduced.
- 1991 Kirin Beverage Company, Limited established through the transfer of the soft drink business of Kirin Brewery Company, Limited.



- 2006 Makes Kirin Beverage Company, Limited a wholly owned subsidiary.
- 2011 Makes InterFood Shareholdings Company a consolidated subsidiary.
- 2011 China Resources Kirin Beverages (Greater China) Company, Limited established.
- 2017 Launches a new brand iMUSE.



- 2022 Completes the transfer of China Resources Kirin Beverages (Greater China) Company, Limited's Shares.

Non-alcoholic Beverages and Health Science Business

Since 2026

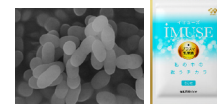
- 2026 Kirin Health Science International Pty Ltd established.

Health Science Business Since 1983

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



- 2008 Kyowa Hako Bio Co., Ltd. established.
- 2010 Lactococcus lactis strain Plasma discovered.
- 2017 Launches a new brand iMUSE.



- 2019 Make a capital and business alliance with FANCL Corporation.
- 2020 iMUSE accepts notification as Japan's first* Foods with function claims for immune function support. *The first-ever Japanese brand to be publicly announced as foods with function claims for immune function support.
- 2023 Makes Blackmores Limited a wholly owned subsidiary.
- 2024 Agreement on the transfer of Kyowa Hako Bio Co., Ltd.'s amino acid business and others
- 2024 Makes FANCL CORPORATION a consolidated subsidiary.

FANCL

Pharmaceuticals Business Since 1982

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



- 2007 Kirin Pharma Co., Ltd. established.
- 2008 Kyowa Hako Kirin Co., Ltd. (the forerunner of Kyowa Kirin Co., Ltd.) established.
- 2018 Launches global strategy products CrysVita and Poteligeo in Europe.



- 2023 Begins selling CrysVita in vending machines in North America
- 2024 Makes Orchard Therapeutics plc (currently Orchard Therapeutics Limited) a wholly owned subsidiary
- 2024 Partnered with Kuro Oncology



Company & Group Information (As of December 31, 2025)

Company name

Kirin Holdings Company, Limited

Date of Incorporation:

February 23, 1907

*Kirin Brewery Co., Ltd. changes its name to Kirin Holdings Co., Ltd. and becomes a holding company of the Kirin Group on July 1, 2007.

Head Office:

NAKANO CENTRAL PARK SOUTH,
10-2, Nakano 4-chome, Nakano-ku,
Tokyo 164-0001, Japan

Number of Employees:

1,124 (individual) /
31,144 (consolidated)

Share capital

102,046 million yen

Code number

2503 (Listed Stock Market = Tokyo
Stock Exchange (TSE) Prime)

Administrator of shareholder registry

Mitsubishi UFJ Trust and Banking
Corporation
1-1 Nikko-cho, Fuchu-shi

Major shareholders (Top 10)

Name	Number of shares held (thousand shares)	Shareholding ratio (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	141,758	17.46
Custody Bank of Japan, Ltd. (Trust account)	54,803	6.75
Meiji Yasuda Life Insurance Company	31,346	3.86
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25,279	3.11
SMBC Nikko Securities Inc.	12,828	1.58
JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	11,619	1.43
JAPAN SECURITIES FINANCE CO., LTD.	10,578	1.30
JPMorgan Securities Japan Co., Ltd.	9,577	1.17
Custody Bank of Japan, Ltd. (Trust account 4)	8,837	1.08
MOXLEY AND CO LLC (Standing proxy: MUFG Bank, Ltd.)	6,820	0.84
Total	313,450	38.61

(Notes) 1. The Company holds 102,252 thousand treasury shares (11.18%), but is excluded from the major shareholders above.
2. Sumitomo Mitsui Trust Asset Management Co., Ltd. submitted a statement of large-volume holdings on September 19, 2025 with the joint holder of Amova Asset Management Co., Ltd. However, the Company is not able to fully confirm the number of shares held by these corporations as of December 31, 2025, therefore, they are not included in the list of major shareholders above.

Group Information (As of December 31, 2025)

164 consolidated subsidiaries

Kirin Brewery Company, Limited
Mercian Corporation
Eishogen Company, Limited
Kirin Distillery Company, Limited
SPRING VALLEY BREWERY COMPANY
Kirin City Company, Limited
LION PTY LTD
Kirin Foods Australia Holdings Pty Ltd
Lion-Beer, Spirits & Wine Pty Limited
Lion (NZ) Limited
Lion Nathan Finance (New Zealand) Limited
Lion Nathan USA Inc.
New Belgium Brewing Company, Inc.
Lion Global Craft Beverages Pty Ltd
Little World Beverages, Inc.
Four Roses Distillery, LLC
Kirin Brewery of America, LLC
Kirin (China) Investment Company, Limited
Kirin Brewery (Zhuhai) Company, Limited

TAIWAN KIRIN COMPANY, LIMITED
Kirin Europe GmbH
Kirin Beverage Company, Limited
Coca-Cola Beverages Northeast, Inc.
Interfood Shareholding Company
Kyowa Kirin Co., Ltd.
Orchard Therapeutics Limited
Kyowa Kirin Asia Pacific Pte. Ltd.
FANCL CORPORATION
Kyowa Hakko Bio Co., Ltd.
Koiwai Dairy Products Company, Limited
Blackmores Limited
Kirin Health Science Australia Pty Ltd
Kirin Holdings Australia Pty Ltd
Kirin Holdings Singapore Pte, Ltd.
130 other companies

26 equity-accounted investees

YO-HO BREWING COMPANY
Brooklyn Brewery Corporation
San Miguel Brewery Inc.
23 other companies

In Line with the Publication of Integrated Report 2026

Kirin Holdings has published Integrated Reports since 2015 and used them in dialogues with stakeholders such as investors.

In its Long-Term Vision, the Kirin Group aims to "vitalize the world through innovation by our people and technology, as a global leader in CSV."

We hope this report will help readers understand how we will create innovation and work to enhance corporate value toward realizing sustainable growth through our unique business portfolio of Alcoholic Beverages, Non-alcoholic Beverages and Health Science, and Pharmaceuticals, using our strengths in fermentation and biotechnology that have been cultivated through our beer business since its foundation.

Building on Integrated Report 2025, this report was mainly produced by the Corporate Disclosure Section within the Finance Department, through discussions with the Corporate Strategy Department, the Corporate Communications Department, the CSV Strategy Department, and other related departments, to better meet the needs of stakeholders, including investors.

As CFO, I declare the creation process of Integrated Report 2026 to be legitimate and for its contents to be accurate.



Shinjiro Akieda

Director of the Board,
Senior Executive Officer, CFO,
Kirin Holdings Company, Limited

Joy brings us together

