



KIRIN

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Kirin Group

FY2023 Results & FY2024 Plan

February 14, 2024
Kirin Holdings Company, Limited

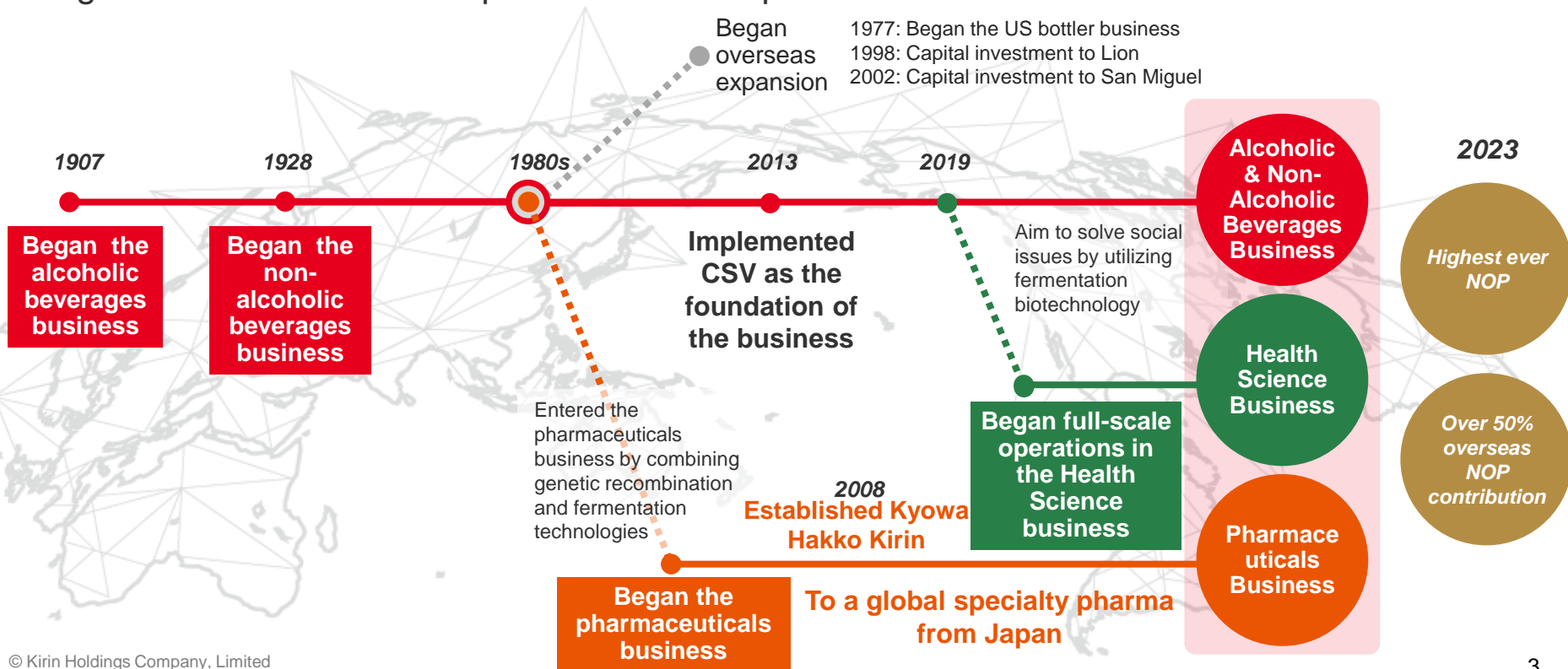
Progress Towards Achieving KV2027

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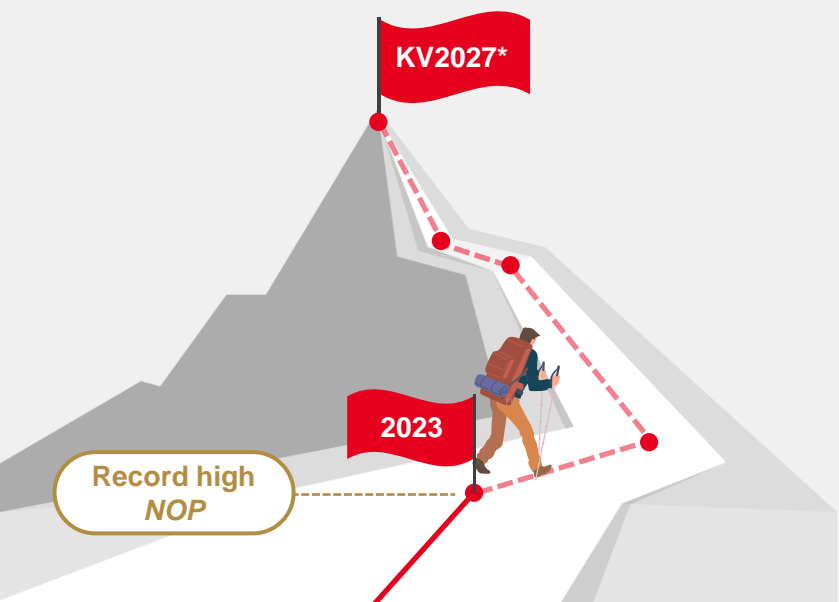
Achieved the highest ever Group Normalized Operating profit in 2023 through business portfolio management



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



We will continue to respond to the rapidly changing external environment through business portfolio management



Changing Business Environment



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



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



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



Increased competition in each market

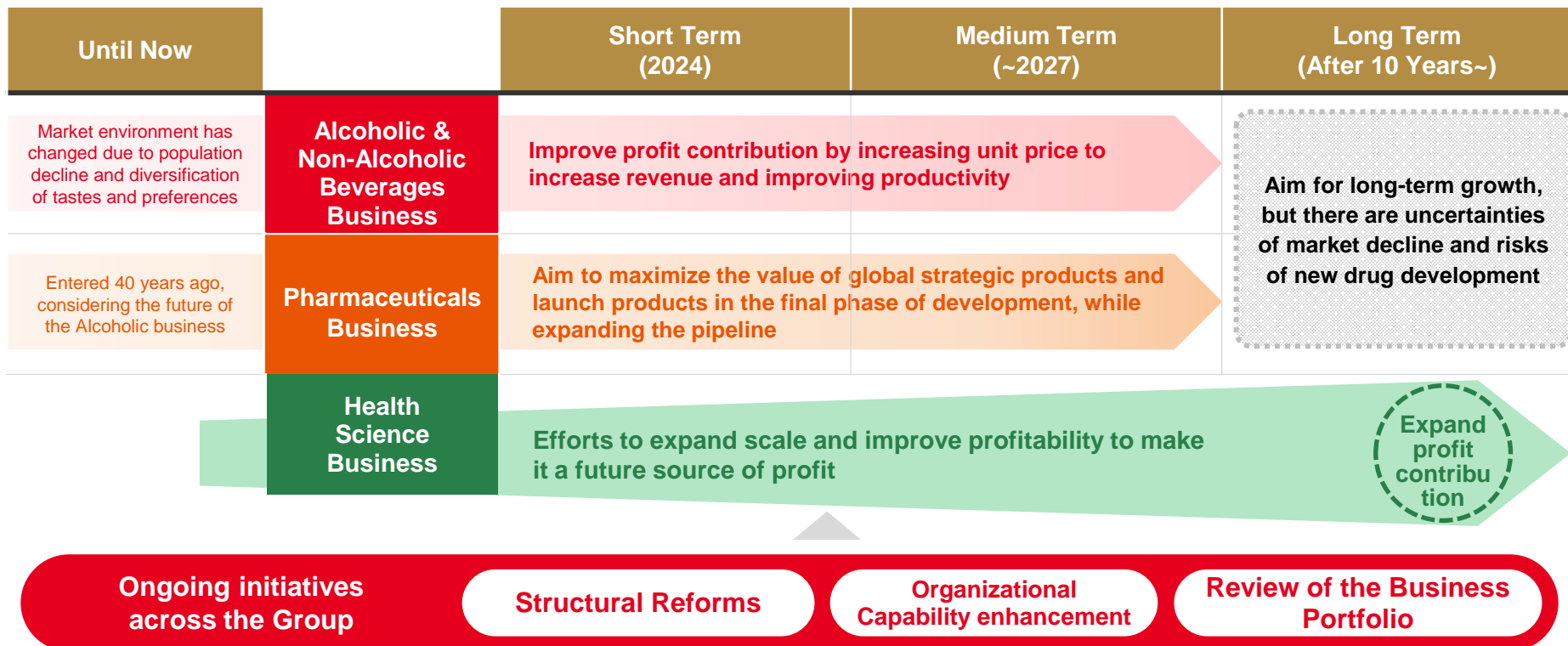


The business environment will continue to change rapidly

We will leverage the Group's organizational capabilities and assets to enhance corporate value from both short- and medium- to long-term perspectives

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

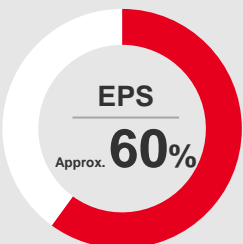
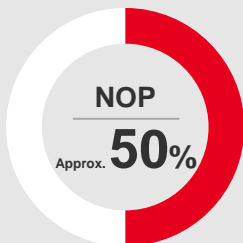
- Aim for sustainable growth with an optimal business portfolio by allocating resources adequately according to the stages of each business



Alcoholic Beverages Business

- Enhance profit contribution by allocating resources adequately as the Group's core business

Composition within the Group



Progress

- Price revisions in response to increased costs of raw materials, etc.
- Growth of several brands in the Japanese, Australian, and US markets
- Continued EPS contribution from San Miguel Brewery

Ongoing Initiatives

- Strengthen the core brands based on changing consumer needs
- Expand premium products that can provide differentiation (including brand development from Japan to overseas)
- Implement reforms to create a sales structure suited to the external environment



*Calculated based on the values in the 2024 plan

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FourRoses.
BOURBON


SAN MIGUEL
BREWERY INC.
A subsidiary of San Miguel Corporation

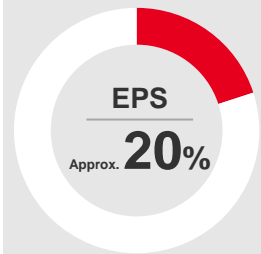
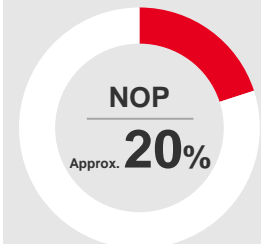
Non-Alcoholic Beverages Business

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- Efforts to build a differentiated product portfolio that consumer perceive as high value and to strengthen the sales structure

Composition within the Group



Progress

- **Kirin Beverage:**
Expanded the composition ratio of Health Science products by repositioning into the Health Science products
- **Coke Northeast:**
Dramatically improved profitability through successful PMI after territory expansion



Ongoing Initiatives

- Contribute to the society and differentiate ourselves through continued expansion of our Health Science products portfolio
- Improve supply chain productivity through capital investment and digitization
- Implement reforms to create a sales structure suited to the external environment

Acquired the tea-catechin beverage
“Healthya” brand from
Kao Corporation



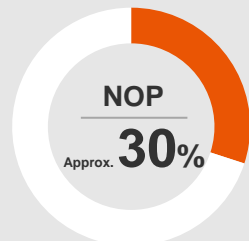
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Pharmaceuticals Business

- Aim to become a global specialty pharma as a CSV-driven business that solves social issues with a focus on rare diseases

Composition within the Group



Progress

- Sustained growth for Crysvita and Poteligeo
- Strengthened the sales structure in North America and EMEA
- Steady progress of Phase 3 clinical trials of KHK4083/AMG 451 and expanded the development focus
- Acquired Orchard shares to obtain a platform for hematopoietic stem cell gene therapy



Ongoing Initiatives

- Continuously expand the global strategic products
- Launch KHK4083/AMG 451, which is expected to have a large market size
- Consider to further expand the pipeline

KHK4083/AMG 451 (rocatinlimab)

	Phase	Market Size
Atopic dermatitis	1 2 Ph3 In progress	Over 1 trillion yen*
Asthma	1 Ph2 Approved for implementation	Over 1 trillion yen*

*Calculated based on the values in the 2024 plan

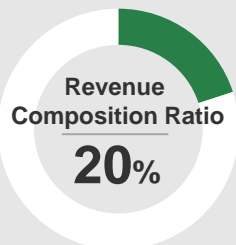
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* Market size is Kyowa Kirin's own estimate based on the sum of the sales of all products for "diseases under development".

Health Science Business

- Similar to our past entry into the pharmaceuticals business, we will promote CSV management as a new pillar for profit that will support the future

Medium- to Long-Term Goals



NOP Margin
15%

Progress

- Steady growth toward achieving 50.0 billion yen in LC-Plasma sales revenue
- Continuously created added value with FANCL (R&D, product, and infrastructure synergies)
- Acquired Blackmores shares and gained a business foundation in the Asia-Pacific

BLACKMORES®
| GROUP

FANCL

Ongoing Initiatives

- Promote brand business in Japan and Asia-Pacific by collaborating with Blackmores and FANCL
- Expand and increase profitability of the LC-Plasma business
- Structural reform of Kyowa Hakko Bio



Achieved increased corporate value through a unique global business portfolio

- Aim to enhance corporate value by continuously reviewing the business portfolio, taking into account the characteristics of each area and geopolitical risks

Composition by Region Calculated based on FY2024 plan

*All revenue excludes liquor tax

Asia-Pacific

Increase presence within the Group by restructuring the alcoholic beverages business and building a foundation for the health science business

Revenue approx. **15%**
Normalized Operating profit approx. **15%**
Normalized EPS approx. **30%**



Japan

Expand the scale of the health science business in addition to the stable profit contribution from core businesses such as alcoholic beverages

Revenue approx. **50%**
Normalized Operating profit approx. **40%**
Normalized EPS approx. **35%**



KYOWA KIRIN
FANCL

North America, etc.

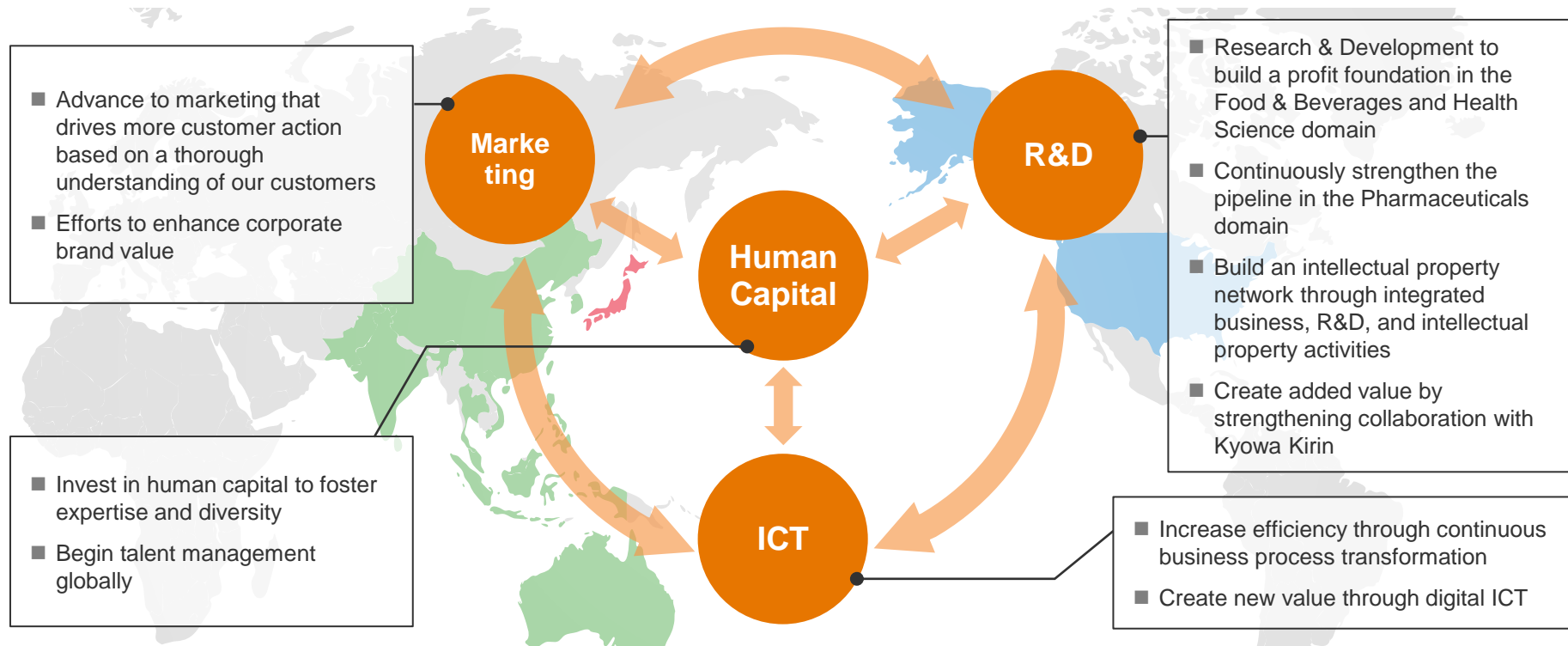
Achieve growth through business growth due to a stable economic environment and by exploring new business opportunities for the future

Revenue approx. **35%**
Normalized Operating profit approx. **45%**
Normalized EPS approx. **35%**



KYOWA KIRIN **Four Roses BOURBON**

Work across the Group to improve organizational capabilities



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

Financial Strategy Update

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-
- Operating CF before Intangible assets investment
- Intangible assets investment
- Investment to strengthen human capital, marketing, R&D, ICT
- Dividend
- Shareholder returns are basically mainly through dividend payment by increasing EPS
(Maintain a dividend payout ratio of at least 40% of the Normalized EPS)
- Capital investment
- Consider acquisition of a new business foundation in the Health Science domain
- M&A Investment
- Cash generation from financial strategy
- Divestiture
- Cash generation from BS management, etc.
- Priority
- High
- Low
- © Kirin Holdings Company, Limited



2022 – 2024 Cash generation forecast

Cash generation through financial strategy

- Sales of cross-shareholdings: approx. 15.0 billion yen reduction
- G-CMS*: Cash generation of approx. 70.0 billion yen
- Improvement of CCC**, etc.: approx. 20.0 billion yen improvement

Divestiture

- 2022: China Resources Kirin Beverages
- 2023: Thorne, etc.

*Global Cash Management System **Cash Conversion Cycle

- Funding for M&A will be provided through financial strategy and divestitures, but If funds are still insufficient, a temporary deterioration in the D/E ratio is acceptable









Share Buybacks

Make decisions with flexibility, taking into account investment opportunities and the balance of cash inflows and outflows generated by the sale of businesses, etc.

Although there currently are no complete non-cores, replacements will be considered from time to time for an optimal business portfolio.

Maximize cash generation potential through aggressive investment in each segment

- In addition to the human capital and ICT investments that form the foundation of our business, we will actively invest in areas that need to be strengthened in each business

	 Alcoholic & Non-Alcoholic Beverages Business	 Pharmaceuticals Business	 Health Science Business
Aggressive investment in each business	 Marketing investment for brand development	 R&D investment for pipeline expansion  Reinforce the North American business foundation	 Brand and R&D investment  Business expansion through M&A
	Invest in human capital and ICT as a foundation		

- Maximize the ability to generate medium- to long-term operating CF from each business
- Flexibly determine the allocation of secured cash in accordance with timing

Aim to generate cash in each business over the medium to long term, although some businesses are currently in the investment phase

- Maintain financial discipline, but allow for temporary ROIC declines due to growth investments
- We aim to consistently achieve 10% or more for the Group as a whole by continuing and evolving profitability and improving the efficiency of the business foundation

Aim to be always above 10% by recovering from declining effects as soon as possible

ROIC 10%

Temporary decline due to acquisition of a new pharmaceuticals pipeline and M&A in the Health Science business, etc.

Aim for medium- to long-term improvement in each business

Alcoholic Beverages Business

- Improve efficiency of inventory management by reviewing SKUs
- Improve efficiency by modifying manufacturing capacity
- Reduce cross-shareholdings

Non-Alcoholic Beverages Business

- Improve efficiency of the vending machine business
- Collaborate with competitors in non-competitive areas
- Reduce cross-shareholdings

Pharmaceuticals Business

- Advanced cost control, including R&D ratio
- Revenue growth through the launch of next-generation pipelines

Health Science Business

- Increase Normalized operating profit through business expansion
- Create added value across businesses

*Includes initiatives already implemented

FY2023 Results and FY2024 Plan

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➤ Achieved increase in all profit levels. Normalized OP and Normalized EPS reached a record high.

(bn yen)	FY2023 Actual	FY2022 Actual	YoY	%
Revenue	2,134.4	1,989.5	144.9	7.3%
Normalized OP*1	201.5	191.2	10.3	5.4%
Profit before tax	197.0	191.4	5.7	3.0%
Profit attributable to owners of the Company	112.7	111.0	1.7	1.5%

Quantitative Target	FY2023 Actual	FY2022 Actual	YoY	%
ROIC	8.0%	8.5%	-	-
Normalized EPS *2	177 yen	171 yen	6 yen	3.5%

	FY2023 Actual	FY2022 Actual	YoY	%
Dividend per share	71 yen	69 yen	2 yen	2.9%

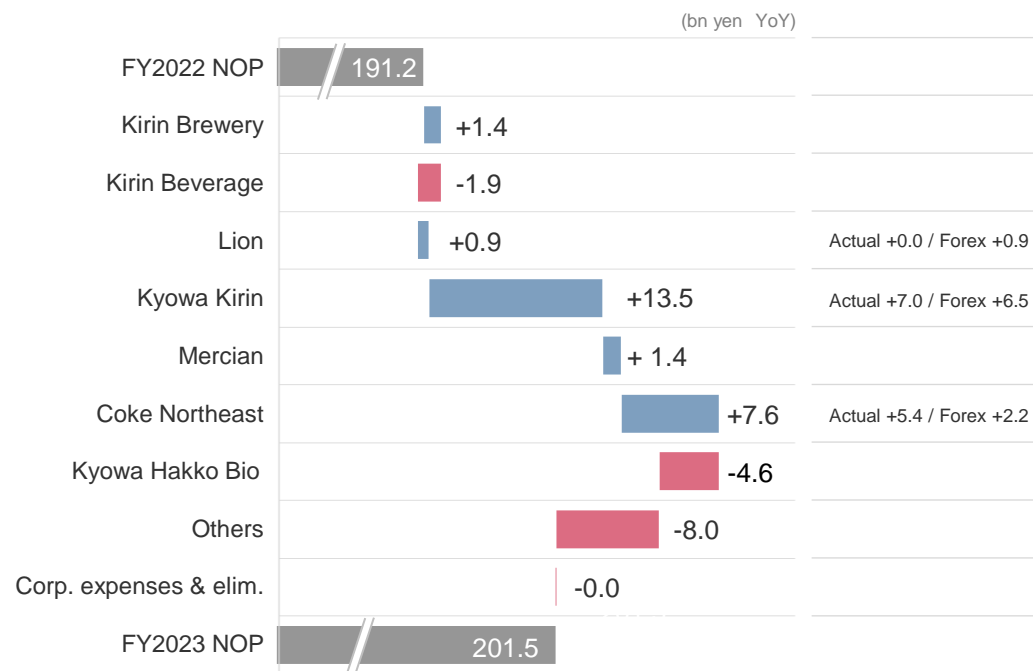
- Revenue and profits increased, and NOP achieved results significantly higher than initially planned.
- Profit before tax and Profit attributable to owners of the Company increased due to the transfer of Kyowa Kirin's European business and higher equity in earnings of affiliates, despite the absence of a gain on the sale of China Resources Kirin Beverages in 2022.
- ROIC temporarily deteriorated due to acquisition of Blackmores and other factors.
- Normalized EPS also increased by 6 yen to a record high of 177 yen due to an increase in step-up profit.
- Plans to increase dividend by 2 yen to 71 yen(dividend payout ratio on Normalized EPS of 40%).

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

*2 See page 32 for details.

FY2023 Results: Changes in Consolidated Normalized OP by Company

➤ Increased in Normalized OP through business portfolio management, led by Coke Northeast and Kyowa Kirin.



"Others" includes "Other" within the "Japan Beer & Spirits" segment.



Note

Kirin Brewery

➤ Increased due to the effect of price revisions and cost management that exceeded the increase in raw material costs, despite increased investment in main brands.

Kirin Beverage

➤ Decreased due to lower sales volume and higher selling expenses although the impact of raw material price hikes was offset by the effect of the price revisions.

Lion

➤ Increased due to higher sales volume of craft beer in North America and the effect of structural reforms, despite the impact of rising raw material costs and brand investment in Australia.

Kyowa Kirin

➤ Increased mainly due to higher sales of global strategic products, especially in North America, where Crysvita has begun in-house sales.

Coke Northeast

➤ Increased due to price measures and cost controls that exceeded the impact of sharp rises in raw materials and other costs.

Kyowa Hakko Bio

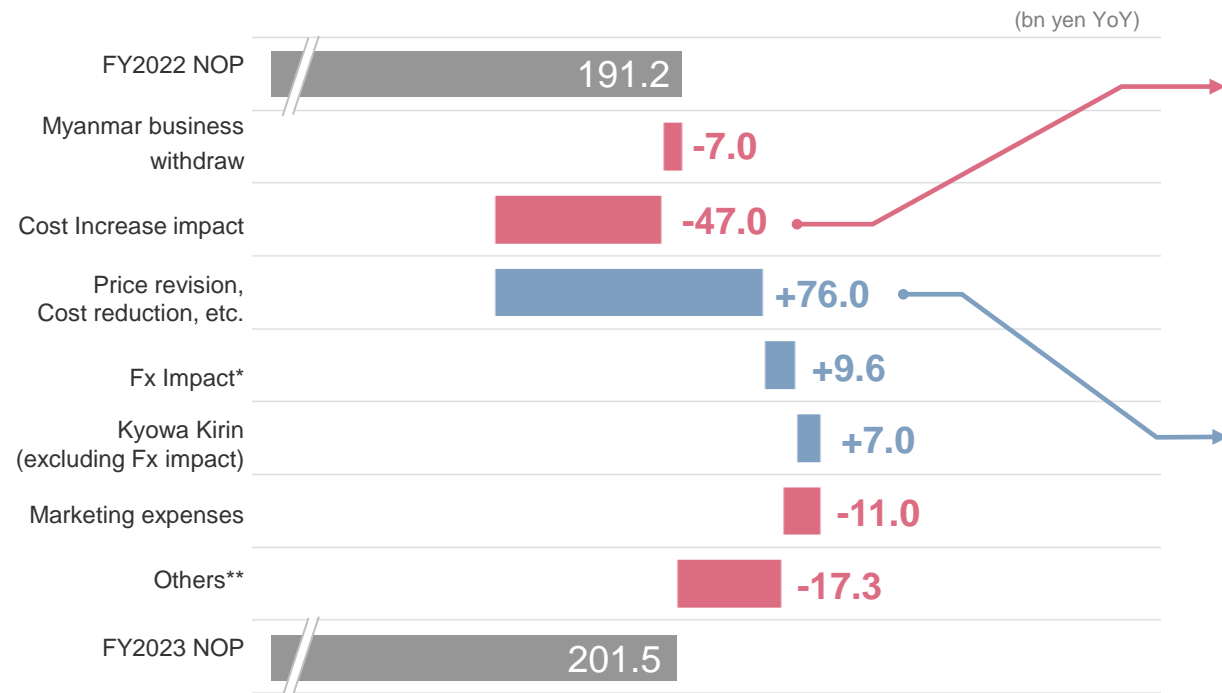
➤ Decreased due to lower-than-expected sales of amino acids.

Others

➤ Includes -7.0 billion yen impact of the exclusion of Myanmar Brewery.

Changes in Consolidated Normalized OP by Factor

➤ Rising costs of raw materials, etc. were offset by price revisions and cost reductions.



* Forex impact is the total of the forex impact of Lion, Kyowa Kirin, and Coke Northeast shown on page 18. Foreign exchange impact of imported raw materials, etc., mainly in the domestic business is included in the "cost increase impact".

** "Others" is the total impact of increase/decrease in revenue, corporate expenses, etc. in each business.

Cost Increase impact

Consolidated total approx. 47.0 bn yen

Kirin Brewery Approx. 17.0 bn yen

Lion Approx. 12.0 bn yen

Kirin Beverage Approx. 10.0 bn yen

Coke Northeast Approx. 2.0 bn yen,
etc.

Main items: raw material costs, fuel costs,
transportation costs, labor costs, etc.

Price revision, Cost reduction etc.

Consolidated total approx. 76.0 bn yen

**Due to price revision Excluding impact
of decrease in sales volume*

Kirin Brewery Approx. 35.0 bn yen

Lion Approx. 12.0 bn yen

Kirin Beverage Approx. 16.0 bn yen

Coke Northeast Approx. 6.0 bn yen,
etc.

*Main items: Price revision impact, marketing cost reduction, SCM cost reduction and other SG&A cost reduction etc. (Excluding impact of sales volume increase/decrease due to marketing investments, etc., and impact of mix improvement.)

Background and current status of Kyowa Hakko Bio's amino acid business

- Profitability of Kyowa Hakko Bio deteriorated significantly after quality issues were identified immediately after its acquisition in 2019.
- It is currently in the phase to reacquire customers by rebuilding the business with quality as its priority but has not been able to increase its sales as planned.

April 2019	Acquired shares of Kyowa Hakko Bio from Kyowa Kirin in an internal Group restructuring	Kirin Holdings: Gain a catalyst in the Health Science business Kyowa Kirin: Focus on drug discovery and globalization of the pharmaceuticals business
August 2019	Quality issues were identified, resulting in administrative penalties and temporary suspension of operations. Conducted a fundamental review of the quality assurance system and re-acquisition of GMP* compliance for all products.	

Issue	<ul style="list-style-type: none">● Loss of customers due to product shortages (customers shifted to competitors)● Failed to reacquire customers as planned	<ul style="list-style-type: none">● Significant decline in manufacturing efficiency due to a production process optimization in line with GMP, etc.● As a result, product costs increased, and profit margins declined	
External Environment	<ul style="list-style-type: none">● Demand for raw materials for vaccine production ceased	<ul style="list-style-type: none">● Significant increase in variable costs such as fuel costs	<ul style="list-style-type: none">● Intense competitive environment

Currently considering a fundamental structural reform with all options in mind, taking into account the medium- to long-term profitability forecast for the amino acid market and the company's own organizational capabilities (manufacturing and sales)

- Amino acids for pharmaceutical use require a certain amount of time before reforms can be implemented due to the social responsibility to supply customers and patients
- We will continue our efforts to reacquire customers lost due to the quality issues, and simultaneously implement price increases to appropriate prices and reduce manufacturing costs

Recognition of impairment loss on Kyowa Hakko Bio's specialty materials

- We recognized impairment loss for the specialty materials as a result of a change in the business forecast due to cost increases and changes in the competitive environment.
- We will focus on materials that are growing steadily, and work to obtain certification for Human Milk Oligosaccharides (HMOs) in each country as soon as possible.

Disparities and changes to the forecast

- Cost increase due to higher utility costs
- Intense competition in Citicoline for pharmaceuticals
- Uncertainty about the timing of certification of HMOs in various countries



- Increased competition has made it more challenging to implement price revisions in line with the increase in costs, making it more difficult to expand the scale of operations and achieve the initially projected level of profitability.
- Based on a conservative review of future forecast, we recognized an impairment loss of approximately 12.0 billion yen on fixed assets of specialty materials.

Moving Forward

Focus on the growing Citicoline for health food products

- Record high revenue with YoY growth in 2023

Grow specialty materials into **Kyowa Hakko Bio's core business as quickly as possible** by promoting the following

- Citicoline for Pharmaceuticals: Recover delays from the initial forecast as quickly as possible
- HMOs: work to obtain certification in each country as soon as possible
- Expand application for each material

Forecast for FY2024

➤ Aim for record high profits despite costs will increase due to R&D expenses and brand investment, etc.

(bn yen)	FY2024 Forecast	FY2023 Actual	YoY	%
Revenue	2,270.0	2,134.4	135.6	6.4%
Normalized OP*	202.0	201.5	0.5	0.3%
Profit before tax	219.0	197.0	22.0	11.1%
Profit attributable to owners of the Company	131.0	112.7	18.3	16.2%

Quantitative Target	FY2024 Forecast	FY2023 Actual	YoY	%
ROIC	8.0%	8.0%	-	-
Normalized EPS	177 yen	177 yen	-	-

	FY2024 Forecast	FY2023 Actual	YoY	%
Dividend per share	71 yen	71 yen	-	-

➤ Aim to continue to increase revenue and profits through growth in each business segment.

➤ Normalized OP is expected to increase slightly due to continued marketing investments from the previous year and an increase in R&D expenses for the acquisition of Orchard and the launch of KHK4083.

➤ ROIC is expected to be flat YoY due to improvement measures in other businesses, although there will be a temporary deterioration due to the Orchard investment, etc.

➤ Normalized EPS is expected to be 177 yen, same as the previous year.

➤ Dividend is expected to be 71 yen, same as the previous year.

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

Changes in Disclosure Segment

- We will provide a more straightforward segment disclosure in line with the business strategy and engage in deeper stakeholder dialogue.

Current Disclosure Segment

Consolidated Revenue	
Japan Beer and Spirits	Kirin Brewery Other and elimination
Japan Non-Alcoholic Beverages	Kirin Beverage Elimination
Oceania Alcoholic Beverages	Lion Elimination
Pharmaceuticals	Kyowa Kirin Elimination
Others	Mercian Coke Northeast Kyowa Hakko Bio Other and elimination

Subsequent Disclosure Segments

Consolidated Revenue	
Alcoholic Beverages	Kirin Brewery Lion Australia and NZ US Craft, etc. Four Roses Other and elimination
Non-Alcoholic Beverages	Kirin Beverage Coke Northeast Other and elimination
Pharmaceuticals	Kyowa Kirin Elimination
Health Science	Blackmores Kyowa Hakko Bio Other and elimination
Others	

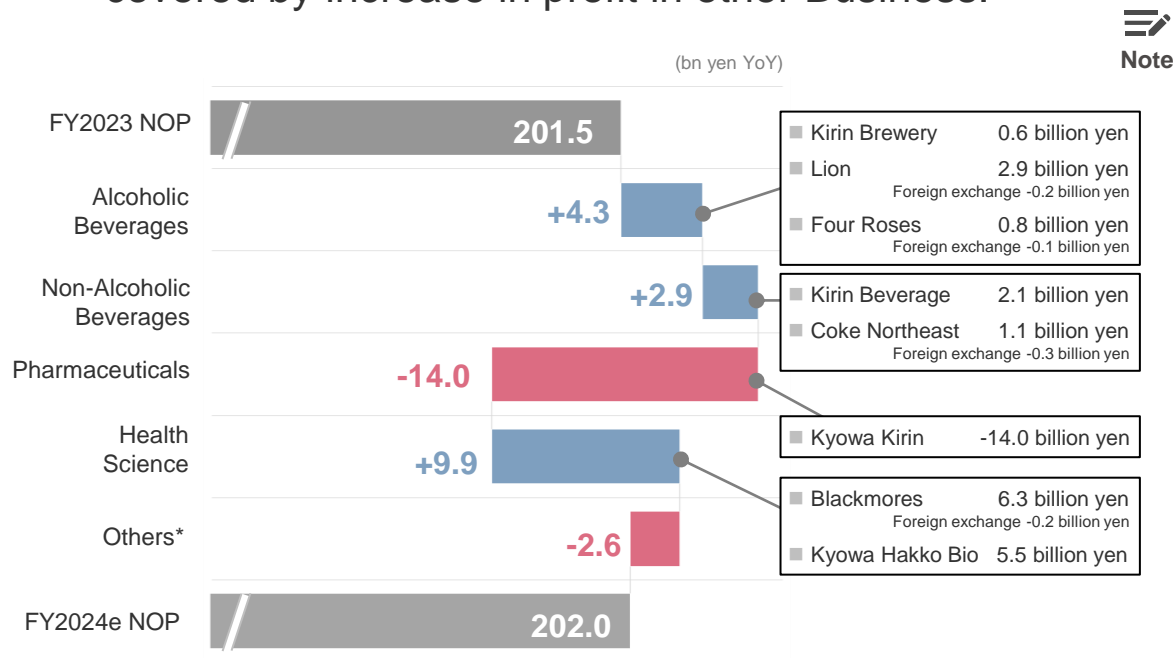
Changes

Organized the segment classifications

- Reorganized what used to be the main business = segment into four segments, "Alcoholic Beverages," "Non-Alcoholic Beverages," "Pharmaceuticals," and "Health Science," in line with the Group's strategy.
- The Health Science segment includes only the operating companies with a large portion of their business relating to health and does not include the revenue and NOP of Kirin Brewery and Kirin Beverage's related products.
- The Health Science segment is not yet profitable, but we will increase transparency through this disclosure and generate profit rapidly.

Changes in Consolidated Normalized OP by Segment

- Decrease in profit due to increase in R&D expenses in Pharmaceuticals Business to be covered by increase in profit in other Business.



Alcoholic Beverages Business

- Although Kirin Brewery and Lion will continue to invest in their main brands, will also aim to achieve volume growth and increase segment profit. Each company expects to be impacted by rising costs of raw materials, etc., this will be offset by price revisions and cost controls.

Non-Alcoholic Beverages Business

- Aims for stable growth in sales and earnings through investments in main brands and appropriate pricing strategies. Kirin Beverage will incorporate the effects of price revisions in addition to an improved mix due to a higher percentage of ultra-small containers, while Coke Northeast will continue its efforts to reduce SG&A expenses, aiming for an increase in segment total profit.

Pharmaceuticals Business

- Decline due to higher R&D expenses to the next-generation pipeline and the impact of the inclusion of Orchard Therapeutics despite growth of global strategic products is expected.

Health Science Business

- Significantly increase due to the growth of Blackmores and expansion of LC-Plasma as well as reduced losses at Kyowa Hakko Bio.

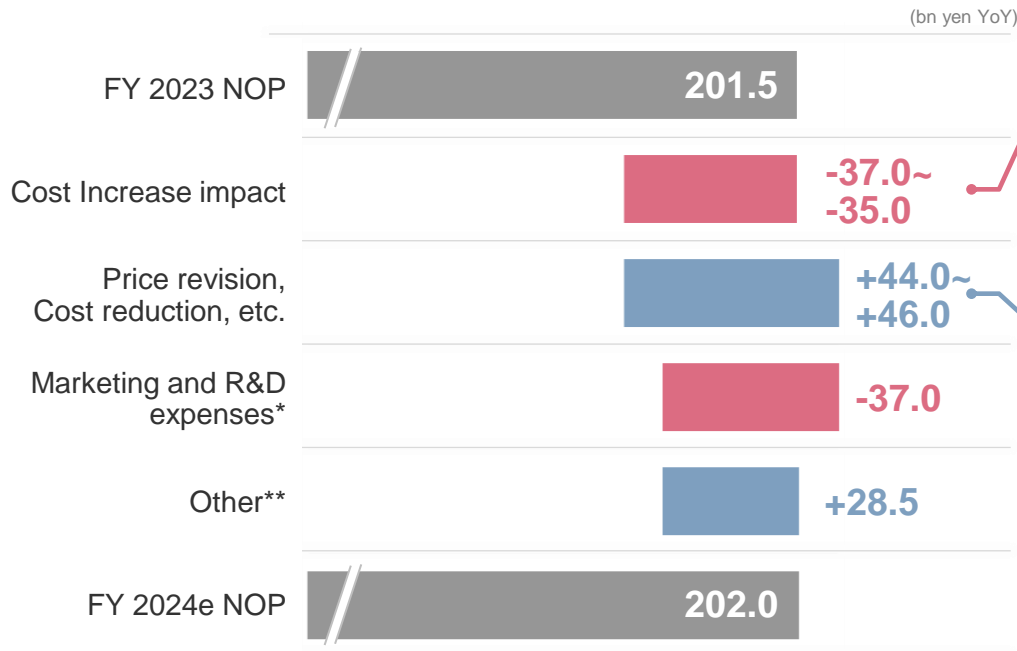
Others

- Increase in corporate expenses and inter-segment elimination.

"Others" is the sum of corporate expenses/inter-segment eliminations and others.

Changes in Consolidated Normalized OP by Factor

- Continued to be affected by rising costs of raw materials, etc. Aim to increase profit while investing in marketing, R&D, etc.



Cost Hike impact

Consolidated total: approx. 35.0 - 37.0 bn yen

Main items: raw material costs, fuel costs, transportation costs, labor costs, etc.

Price revision, cost reduction etc.

Consolidated total: approx. 44.0 - 46.0 bn yen

*Due to price revision Excluding impact of decrease in sales volume

*Main items: Price revision impact, SCM cost reduction, and other SG&A cost reduction etc. (Measures to increase sales volume and to improve the mix are not included.)

FX Forecast

USD 140 yen
AUD 93 yen

FX sensitivity

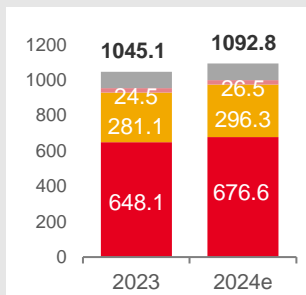
USD +0.7 bn yen / depreciation of 1 yen
AUD +0.4 bn yen / depreciation of 1 yen

* "Marketing and R&D expenses" is the total of marketing investment in Kirin Brewery, Kirin Beverage, Lion, etc. and R&D expenses in Kyowa Kirin.

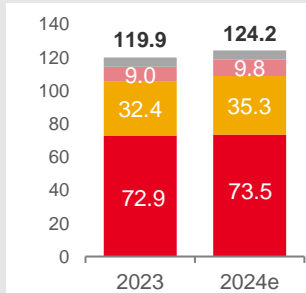
** "Others" is the total impact of increase/decrease in revenue, corporate expenses, etc. in each business.

Alcoholic Beverages Business

Revenue (bn yen)



Normalized OP (bn yen)



■ Kirin Brewery
 ■ Four Roses
 ■ Lion
 ■ Other

2023 Review

Kirin Brewery

- Steady growth of *KIRIN ICHIBAN* brand family total

Sales volume **+5%***

- Revitalized the brands by strengthening marketing

KIRIN ICHIBAN Zero Sugar and Hyoketsu brand exceeded the plan



- Implemented price revisions for the second consecutive year
Offset the impact of soaring costs

2024 Plan

- Launch a new brand in the beer category.
Achieve growth that outperforms the market



- Further strengthen the position of core brands and secure a stable profit foundation



- Continue to take on the challenge in categories with high profit margins

Craft beer
Non-alcoholic
Japanese whisky



Lion

- Achieved return on investment for focused brands
Hahn Stone & Wood
Revenue **+16%***
+20%*
- Streamlined the organization through structural reforms
Improved revenue by approx. **50m**



- Implement RGM** with brand investment and pricing strategies to achieve a sustainable revenue and Normalized operating profit growth

- In the growing RTD category, strengthen the *Hyoketsu* brand by developing multiple flavors, etc.

- Achieved significant growth outpacing the market due to the effects of marketing investments and sales structure integration

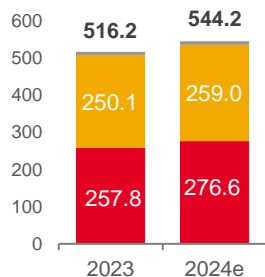
Sales volume
 US Craft Market
Lion (US Craft)
-4~-6%*
+10%*

- Continue to grow faster than the market by strengthening the sales structure and expanding the *Voodoo Ranger* brand

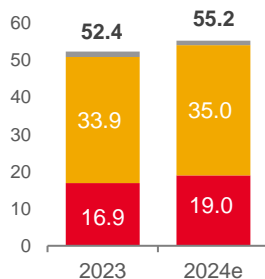


Non-Alcoholic Beverages Business

Revenue (bn yen)



Normalized OP (bn yen)



■ Kirin Beverage ■ Other
■ Coke Northeast

2023 Review

Kirin Beverage

- Improved in unit price through price revisions and expansion of high unit price products
Unit Revenue approx. +10%*
(Revenue / Number of cases sold)

- Expanded sales scale of LC-Plasma containing beverages through year-round promotion of "immune care" and product development



Ratio of Health Science products

approx. 13%

Revenues of Health Science products

over +30%*

2024 Plan

- Continue to invest in core brands and strengthen initiatives for high unit price products



- Expand scale and improve profitability of Health Science products

- Respond to diverse customer needs by leveraging in LC-Plasma, FANCL, and Healthya brands
- Improve profit margin by increasing the self-manufacturing rate of ultra-small containers

Revenues of Health Science products

approx. +30%*

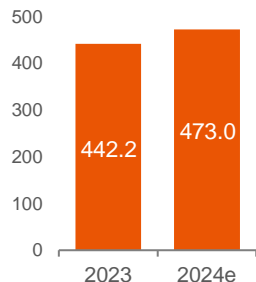
Coke Northeast

- Achieved higher unit price per case
- Cost optimization through optimizing production and transportation systems and promoting efficiency

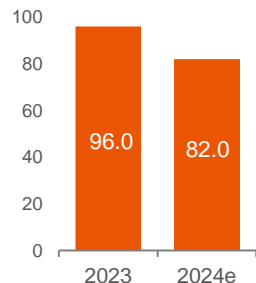
- Maintain profitability through pricing strategies and cost management
- Further strengthen the sales of Sparkling Soft Drink
- Further promote SCM efficiency



Revenue (bn yen)



Normalized OP (bn yen)



2023 Review

Kyowa Kirin

› Growth of Global Strategic Products (YoY growth rate for Japan + Overseas, yen-basis)



+20%



+25%

› Expansion of the next-generation pipeline and strategic investments

KHK4083/AMG 451 (rocatinlimab)

development progressing well

Atopic dermatitis Ph3 (ROCKET Program) progressed
Asthma Ph2 initiation schedule under review



R&D Expense Ratio

(R&D expenses of the current period YTD/Revenue)

16%

Signed the contract for the

acquisition of Orchard shares

2024 Plan

› Further expand global strategic products



+24%



+14%

Further expansion mainly in North America

› Promote the development of next-generation pipeline

Strengthen R&D investment



R&D Expense Ratio

(R&D expenses of the current period YTD/Revenue)

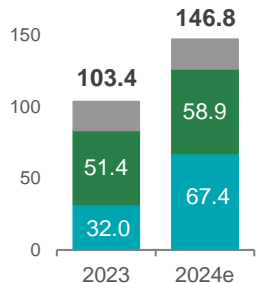
21%

› To create added value with Orchard

PMI Top Priority Issues

1. Value added in R&D
2. Value added in Customer Facing

Revenue (bn yen)



Normalized OP (bn yen)



Blackmores
Kyowa Hakko Bio
Other

2023 Review

Blackmores

Progress made as expected in both performance and PMI after the completion of acquisition

- Excess inventory due to the lap from peak COVID-19 demand has been resolved in Indonesia and Thailand etc.

2024 Plan

- Achieve profit increase through top-line growth
 - Australia/NZ: Strengthen Australia's No.1 position and promote premium strategy
 - International: Innovation that extends our brand reach and enhanced sales promotion effectiveness
 - China: Strengthen brand investment to enhance awareness
- Promote Kirin Group's value creation initiatives

LC-Plasma

Note: LC-plasma beverages are not included in the new "Health Science Segment", but the following represents the entire LC-plasma business

Achieved revenue target
Scaled up to over 20.0 billion yen



- R&D also continued to receive high recognition
 - Awarded the "Imperial Invention Prize" at the "2023 National Commendation for Invention"
 - Announced joint research with Kao, etc.

Continue scale expansion

Revenue **+30%(YoY)**

Improve profitability

Aim to return to **profitability** by 2025

1. Improve product mix
2. Improve COGS
3. Improve marketing cost efficiency

Become a global leader in CSV by taking the lead in ESG initiatives

Environment

Registered with TNFD Adopter* as an adopter of disclosures based on TNFD recommendations

- Contributed to rulemaking through participation in a pilot testing. Moving forward, we will evaluate and disclose the relationship, dependence, and impact of the entire business on natural capital in accordance with the TNFD framework.

100% of electricity purchased at all Kirin Brewery breweries and sales branches to be powered by renewable energy sources from January 2024

- GHG emissions from purchased electricity at all Kirin Brewery breweries and sales branches are expected to be zero.

Obtained a patent for a compound in collaboration with Otsuka Pharmaceutical Factory

- Obtained a patent for manufacturing in 2023 to strengthen the API business announced at the end of FY2021.
- Establishment of a socially meaningful process that solves the problems of existing compounds through biotechnology by combining the knowledge of Kirin Group and Otsuka Pharmaceutical Factory, Inc.

Collaborative research since 2017



KIRIN
BioMaterials

Powerful partner with strengths in the area of clinical nutrition

Maximize value creation by combining Kirin Group's fermentation biotechnology, knowledge of pharmaceutical development, and health science

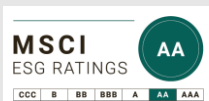
Obtained a basic patent on the manufacturing process and began construction of an API facility for clinical trials in 2023

Revised the Kirin Group Human Rights Policy

- Identified the human rights issues that are important to each stakeholder (customers, business partners, communities, and employees) in detail. Aim to step up our efforts to a global, high-level, industry-standard.

Index rating/
External
evaluation

MSCI ESG Ratings:
Earned AA for the third year in a row



Nikkei SDGs Management Survey:
Received the highest ranking in the Nikkei SDGs Management Survey Overall Ranking for five consecutive years



Read the Kirin Group Human Rights Policy here.



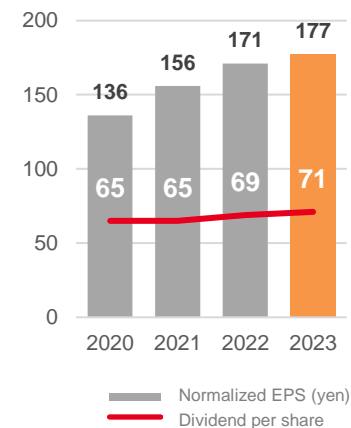
Appendix

Joy brings us together

Normalized EPS Details

(bn yen)		FY2023	FY2022
Profit attributable to Owners of the Company	①	112.7	111.0
Other operating income/expenses after taxes and other adjustments	②	30.6	29.7
Normalized profit	③ = ① + ②	143.3	140.7
Average number of shares during the period ('000)	④	809,853	821,755
Normalized EPS (yen)	③ ÷ ④	177	171

Normalized EPS and Dividend per share



Revenue by segments

(bn yen)

		FY2023 Actual	FY2022 Actual	YoY	%
Revenue		2,134.4	1,989.5	144.9	7.3%
Japan Beer and Spirits	Kirin Brewery	684.9	663.5	21.3	3.2%
	Other and elimination	648.1	635.1	13.0	2.0%
Japan Non-alcoholic Beverages		36.8	28.4	8.3	29.3%
	Kirin Beverage	255.0	243.3	11.8	4.8%
	Elimination	257.8	245.8	12.0	4.9%
Oceania Alcoholic Beverages		-2.8	-2.5	-0.3	—
	Lion	281.0	255.9	25.1	9.8%
	Elimination	281.1	256.0	25.1	9.8%
Pharmaceuticals		-0.1	-0.1	0.0	—
	Kyowa Kirin	441.9	397.9	44.0	11.1%
	Elimination	442.2	398.4	43.9	11.0%
Others		-0.4	-0.5	0.2	—
	Mercian	471.6	428.9	42.7	10.0%
	Coke Northeast	64.4	60.5	3.9	6.5%
	Kyowa Hakko Bio	250.1	216.2	34.0	15.7%
	Other and elimination	51.4	51.1	0.4	0.8%
		105.6	101.2	4.4	4.4%

Normalized OP by segments

(bn yen)

Normalized OP

Japan Beer and Spirits	
	Kirin Brewery
	Others
Japan Non-alcoholic Beverages	
	Kirin Beverage
Oceania Adult Beverages	
	Lion
Pharmaceuticals	
	Kyowa Kirin
Others	
	Mercian
	Coke Northeast
	Kyowa Hakko Bio
	Other
Corporate expenses/inter-segment	

FY2023 Actual	FY2022 Actual	YoY	%
201.5	191.2	10.3	5.4%
77.7	74.7	3.1	4.1%
72.9	71.5	1.4	1.9%
4.8	3.1	1.7	54.5%
16.9	18.8	-1.9	-10.1%
16.9	18.8	-1.9	-10.1%
32.4	31.5	0.9	2.7%
32.4	31.5	0.9	2.7%
96.0	82.5	13.5	16.4%
96.0	82.5	13.5	16.4%
32.4	37.5	-5.2	-13.8%
0.8	-0.6	1.4	—
33.9	26.3	7.6	29.0%
-8.5	-3.9	-4.6	—
6.1	15.7	-9.6	-61.3%
-53.9	-53.8	-0.0	—

Revenue by segments

(bn yen)		FY2024 Forecast	FY2023 Actual	YoY	%
Revenue		2,270.0	2,134.4	135.6	6.4%
Alcoholic Beverages	Kirin Brewery	1,092.8	1,045.1	47.7	4.6%
	Lion	676.6	648.1	28.5	4.4%
	Australia and NZ	296.3	281.1	15.2	5.4%
	US Craft, etc.	204.9	198.8	6.1	3.1%
	Four Roses	91.4	82.3	9.1	11.1%
	Other and elimination	26.5	24.5	1.9	7.8%
		93.5	91.4	2.0	2.2%
Non-Alcoholic Beverages		544.2	516.2	28.1	5.4%
Non-Alcoholic Beverages	Kirin Beverage	276.6	257.8	18.8	7.3%
	Coke Northeast	259.0	250.1	8.9	3.5%
	Other and elimination	8.7	8.2	0.4	5.2%
Pharmaceuticals		473.0	441.9	31.1	7.0%
Pharmaceuticals	Kyowa Kirin	473.0	442.2	30.8	7.0%
	Elimination	—	-0.4	0.4	—
Health Science		146.8	103.4	43.5	42.1%
Health Science	Blackmores	67.4	32.0	35.4	110.6%
	Kyowa Hakko Bio	58.9	51.4	7.5	14.5%
	Other and elimination	20.6	19.9	0.6	3.2%
Others		13.1	27.8	-14.7	-52.8%

Normalized OP by segments

(bn yen)

Normalized OP

		FY2024 Forecast	FY2023 Actual	YoY	%
Normalized OP		202.0	201.5	0.5	0.3%
Alcoholic Beverages	Kirin Brewery	124.2	119.9	4.3	3.6%
	Lion	73.5	72.9	0.6	0.8%
	Australia and NZ	35.3	32.4	2.9	9.1%
	US Craft, etc.	24.5	22.1	2.4	11.1%
	Four Roses	10.8	10.3	0.5	4.8%
	Other	9.8	9.0	0.8	9.2%
Non-Alcoholic Beverages		5.6	5.7	-0.0	-0.3%
Non-Alcoholic Beverages	Kirin Beverage	55.2	52.4	2.9	5.5%
	Coke Northeast	19.0	16.9	2.1	12.5%
	Other	35.0	33.9	1.1	3.2%
Pharmaceuticals	Other	1.2	1.5	-0.3	-19.5%
	Kyowa Kirin	82.0	96.0	-14.0	-14.6%
Health Science	Other	82.0	96.0	-14.0	-14.6%
	Blackmores	-2.6	-12.5	9.9	—
	Kyowa Hakko Bio	5.8	-0.5	6.3	—
	Other	-3.0	-8.5	5.5	—
Others		-5.4	-3.6	-1.8	—
Corporate expenses/inter-segment		-1.1	-0.1	-1.0	—
		-55.8	-54.2	-1.6	—

FY2023 Results: Kirin Brewery

(bn yen)	FY2023 Actual	FY2022 Actual	YoY	%
Revenue	648.1	635.1	13.0	2.0%
Revenue excl. liquor tax	392.2	373.0	19.2	5.1%
Normalized OP	72.9	71.5	1.4	1.9%

FY2022 Normalized OP (bn yen)		71.5	Description
YoY change (bn yen)	Increase in marginal profit of alcoholic beverages, etc.	26.2	Total beer products -8.1 (Decrease in beer -90,000 kl) Total other than beer products 0.3 (Decrease in RTD -11,000 kl, Decrease in non-alcoholic beverages -3,000 kl), etc. Difference of change in composite of products, etc. 34.0
	Increase in raw material cost	-15.8	Increase in market prices, etc.
	Increase in selling expenses	-4.7	Increase in advertising -4.7 (Total 57.6 → 62.3)
	Increase in other expenses	-4.3	Increase in expenditures, etc.
	Subtotal	1.4	
FY2023 Normalized OP (bn yen)		72.9	

(1,000 KL)	FY2023 Actual	FY2022 Actual	YoY %	Market (Category)
Beer products total*	1,442	1,532	-5.9%	-1%
RTD	424	435	-2.4%	+2%
Non-alcoholic beverage	43	46	-6.6%	+0%

*In accordance with the agreement made by the Brewers Association of Japan, sales volume of beer products will only be disclosed in the 2Q and 4Q.

KIRIN ICHIBAN Brand Family Total	370	351	5.4%	+7%
SPRING VALLEY Brand Total	21	21	0.1%	+7%
Kirin Tanrei Green Label	146	158	-7.6%	+12%
Honkirin	194	215	-9.6%	-15%
Kirin Hyoketsu Brand Total	288	270	6.6%	+2%

From FY2023, only the beer products will be disclosed from the beer category, with details of main brands and channels.

Sales volume	YoY %	Market
On-premise beer **	Approx. +20%	Approx. +20%
Off-premise beer **	-9%	-6%

Off-premise beer Market

The increase in volume is due to the increase from new product launches. Most existing products fell below the previous year's level.

**On-premise: Total of bottles, kegs and PET products;
Off-premise: Total of cans

FY2024 Forecast: Kirin Brewery

(bn yen)	FY2024 Forecast	FY2023 Actual	YoY	%
Revenue	676.6	648.1	28.5	4.4%
Revenue excl. liquor tax	409.3	392.2	17.1	4.4%
Normalized OP	73.5	72.9	0.6	0.8%
FY2023 Normalized OP (bn yen)	72.9	Description		
YoY change (bn yen)	11.9	Total beer products 5.7 (Sales increase in total beer products 37,000 kl)		
		Total other than beer products 0.3 (Sales increase in RTD 5,000 kl. Sales increase in non-alcohol beverages 3,000 kl), etc.		
		Difference of change in composite of products, etc. 5.9		
	-7.2	Increase in market prices, etc.		
	-3.2	Increase in sales promotion and advertising (Total 62.3→65.4)		
	-0.9	Increase in expenditures, etc.		
Subtotal	0.6			
FY2024 Normalized OP Forecast	73.5			

(1,000 KL)	FY2024 Forecast	FY2023 Actual	YoY %
Beer products total*	1,479	1,442	2.6%
RTD	429	424	1.3%
Non-alcoholic beverage	46	43	7.9%
<i>KIRIN ICHIBAN</i> Brand Family Total	370	370	-0.0%
<i>SPRING VALLEY</i> Brand Total	26	21	20.3%
<i>Kirin Tanrei Green Label</i>	147	146	0.9%
<i>Honkirin</i>	188	194	-3.5%
<i>Kirin Hyoketsu</i> Brand Total	273	288	-5.2%

FY2023 Results: Lion

Yen base (bn yen)

	FY2023 Actual	FY2022 Actual	YoY	%
Revenue	281.1	256.0	25.1	9.8%
Australia & NZ	198.8	185.8	13.0	7.0%
US Craft etc.	82.3	70.2	12.1	17.2%
Normalized OP	32.4	31.5	0.9	2.7%
Australia & NZ	22.1	23.9	-1.8	-7.5%
US Craft etc.	10.3	7.6	2.7	35.5%

AUD base (million \$)

	FY2023 Actual	FY2022 Actual	YoY	%
Revenue	3,002	2,808	194	6.9%
Australia & NZ	2,124	2,038	86	4.2%
US Craft etc.	878	770	108	14.0%
Normalized OP	346	346	0	0.1%
Australia & NZ	236	262	-26	-9.9%
US Craft etc.	110	84	26	31.0%

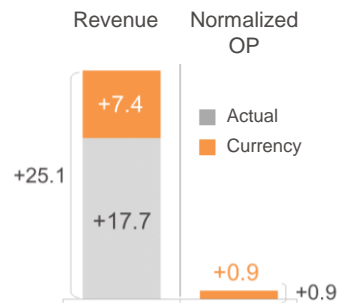
Changes in Normalized OP Australia & NZ (million \$)

FY2022 Normalized OP	262
Australia & NZ Sales Volume	-4
Other*	-23
FY2023 Normalized OP	236

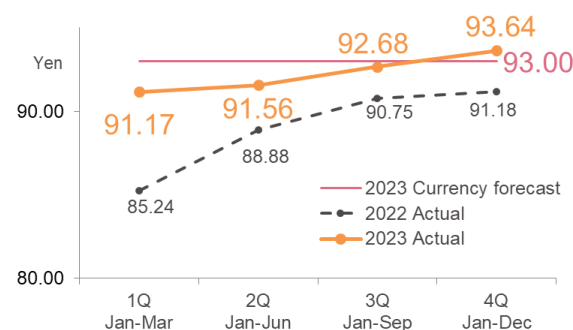
* Includes Corporate costs

- Sales volume growth rate vs. previous year was +2% for AU, NZ, and US Craft combined, and -1% for AU alone.
- The details of "AU & NZ" and "US Craft etc." are disclosed from 2023.

FY2023 Forex Impact (bn yen)



Exchange Rate - Australian Dollar

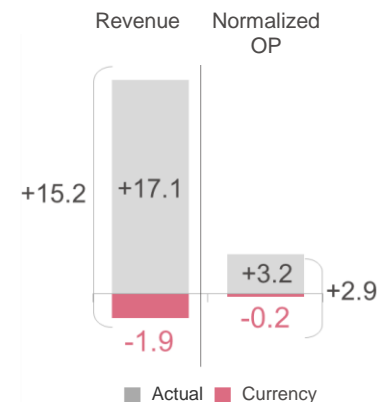


FY2024 Forecast: Lion

	Yen base (bn yen)				AUD base (million \$)			
	FY2024 Forecast	FY2023 Actual	YoY	%	FY2024 Forecast	FY2023 Actual	YoY	%
Revenue	296.3	281.1	15.2	5.4%	3,186	3,002	184	6.1%
Australia & NZ	204.9	198.8	6.1	3.1%	2,203	2,123	80	3.8%
US Craft etc.	91.4	82.3	9.1	11.1%	983	878	104	11.9%
Normalized OP	35.3	32.4	2.9	9.1%	380	346	34	9.8%
Australia & NZ	24.5	22.1	2.4	11.1%	264	236	28	11.8%
US Craft etc.	10.8	10.3	5	4.8%	116	110	6	5.5%

Estimated full-year rate: 93.00 yen (AUD)

FY2024 Forex Impact (Billions of yen)



FY2023 Results: Kirin Beverage

(bn yen)	FY2023 Actual	FY2022 Actual	YoY	%
Revenue	257.8	245.8	12.0	4.9%
Normalized OP	16.9	18.8	-1.9	-10.1%

FY2022 Normalized OP (bn yen)		18.8	Description
YoY change (bn yen)	Increase in marginal profit of soft drink beverages	11.2	Decrease in sales volume -8.99 million cases -4.0 Difference of change in products mix and composition ratio of containers, etc. 15.2
	Increase in raw material cost, Etc.	-10.4	Increase in raw material cos -3.9 Increase in material cost -4.8 Increase in processing cost -1.6
	Increase in selling expenses	-2.6	Increase in sales promotion -0.3 Increase in advertising -2.3 (Total 23.0 → 25.6)
	Increase in other expenses	-0.1	
	Subtotal	-1.9	
FY2023 Normalized OP (bn yen)		16.9	

Sales volume (10,000 cases)		FY2023 Actual	FY2022 Actual	YoY %
Non-Alcoholic Beverages Total		19,394	20,293	-4.4%
Health Science products		2,460	2,099	17.2%
LC-Plasma products		893	660	35.3%
By Container	Can	2,146	2,319	-7.5%
	Large PET bottle	5,210	6,182	-15.7%
	Small PET bottle	10,239	9,905	3.4%
	Others	1,799	1,887	-4.7%

Sales volume (10,000 cases)		FY2023 Actual	FY2022 Actual	YoY %
By Brand	Gogo-no-Kocha	5,092	4,995	2.0%
	Nama-cha	2,781	2,832	-1.8%

FY2024 Forecast: Kirin Beverage

(bn yen)	FY2024 Forecast	FY2023 Actual	YoY	%
Revenue	276.6	257.8	18.8	7.3%
Normalized OP	19.0	16.9	2.1	12.5%

FY2023 Normalized OP (bn yen)		16.9	Description
YoY change (bn yen)	Increase in marginal profit of soft drink beverages	15.2	Increase in sales volume 1.22 million cases 0.6 Difference of change in products mix and composition ratio of containers, etc. 14.7
	Increase in raw material cost, Etc.	-7.7	Increase in raw material cost -2.8 Increase in material cost -3.1 Increase in processing cost -1.8
	Increase in selling expenses	-2.4	Increase in sales promotion and advertising -2.4 (Total 25.6 → 28.0)
	Increase in other expenses	-3.0	Increase in sales equipment costs, outsourcing fees, etc.
	Subtotal	2.1	
FY2024 Normalized OP Forecast		19.0	

Sales volume (10,000 cases)		FY2024 Forecast	FY2023 Actual	YoY %
Non-Alcoholic Beverages Total		19,516	19,394	0.6%
Health Science products		2,816	2,460	14.5%
LC-Plasma products		1,242	893	39.1%
By Container	Can	2,146	2,146	0.0%
	Large PET bottle	4,822	5,210	-7.4%
	Small PET bottle	10,904	10,239	6.5%
	Others	1,644	1,799	-8.6%

Sales volume (10,000 cases)		FY2024 Forecast	FY2023 Actual	YoY %
By Brand	Gogo-no-Kocha	5,104	5,092	0.2%
	Nama-cha	2,767	2,781	-0.5%

FY2023 Results / FY2024 Forecast : Coke Northeast

Yen base (bn yen)

	FY2023 Actual	FY2022 Actual	YoY	%
Revenue	250.1	216.2	34.0	15.7%
Normalized OP	33.9	26.3	7.6	29.0%

Yen base (bn yen)

	FY2024 Forecast	FY2023 Actual	YoY	%
Revenue	259.0	250.1	8.9	3.5%
Normalized OP	35.0	33.9	1.1	3.2%

USD base (million \$)

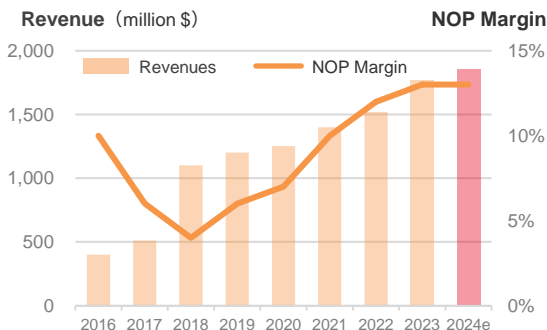
	FY2023 Actual	FY2022 Actual	YoY	%
Revenue	1,772	1,637	135	8.2%
Normalized OP	240	199	41	20.7%

USD base (million \$)

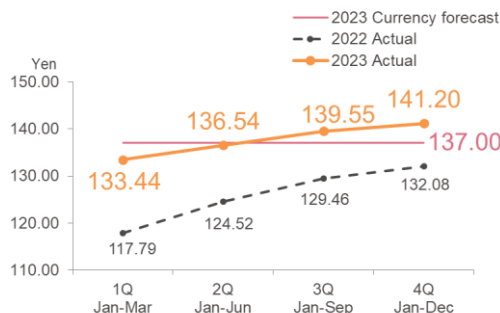
	FY2024 Forecast	FY2023 Actual	YoY	%
Revenue	1,850	1,772	78	4.4%
Normalized OP	250	240	10	4.1%

Estimated full-year rate: ¥140.00 (US\$)

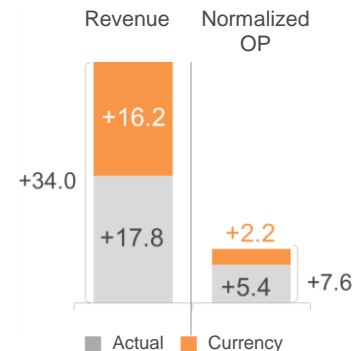
Revenue and NOP Margin



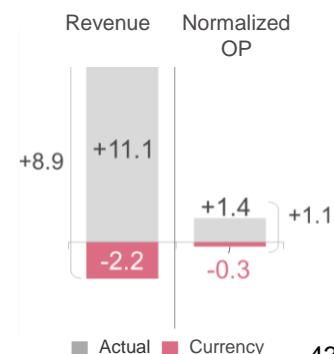
Exchange Rate - US Dollar



FY2023 Forex Impact (bn yen)



FY2024 Forex Impact (bn yen)



FY2023 Results / FY2024 Forecast : Kyowa Kirin

(bn yen)	FY2023 Actual	FY2022 Actual	YoY	%
Revenue	442.2	398.4	43.9	11.0%
Normalized OP	96.0	82.5	13.5	16.4%

(bn yen)	FY2024 Forecast	FY2023 Actual	YoY	%
Revenue	473.0	442.2	30.8	7.0%
Normalized OP	82.0	96.0	-14.0	-14.6%

Read Kyowa Kirin's earnings
announcement here.

<https://ir.kyowakirin.com/en/library/earnings.html>



FY2023 Results / FY2024 Forecast : Blackmores

➤ FY2023 Results

	Yen base (bn yen)	AUD base (million \$)
	FY23 Actual (2 nd Half)	FY23 Actual (2 nd Half)
Revenue	32.0	334
Normalized OP*	-0.5	-5

Currency rate: 95.73 yen (AUD)

- Consolidated Blackmores' results from 2nd Half in 2023.
- Normalized OP was slightly negative due to amortization of intangible assets and one-time expenses from the acquisition.

➤ FY2024 Forecast

	Yen base (bn yen)				AUD base (million \$)			
	FY2024 Forecast	FY2023 Actual (2 nd Half)	YoY	%	FY2024 Forecast	FY2023 Actual (2 nd Half)	YoY	%
Revenue	67.4	32.0	35.4	110.6%	724	334	390	116.8%
Normalized OP *	5.8	-0.5	6.3	-	62	-5	67	-

* Including amortization and one-time costs.

* These expenses are tentative and subject to change.

Estimated full-year rate: 93.00 yen (AUD)

[Reference]	AUD base (million \$)		
	FY2023 Actual (2 nd Half)	FY2023 Actual (Full Year)	FY2024 Forecast YOY % (Full Year)
Revenue**	334	654	+10.7%
Australia & NZ	158	300	+ Mid single digit %
International	75	169	+ High single digit %
China	98	182	+ Double digit %

**Total including other contracted manufacturing etc.

Equity-method Affiliate

Performance of San Miguel Brewery



➤ Secured increase in revenue and profit, with stable growth in both EBITDA and dividend income.

(million PHP)	October 2022 – September 2023		Same period of the previous year
	Actual	YoY%	Actual
Sales*	145,576	9.3%	133,196
Operating Income*	31,404	1.4%	30,959
Operating Income Ratio	21.6%	-1.6%	23.2%
Depreciation & Amortization*	7,100	22.2%	5,812
EBITDA (Operating Income + Depreciation Amortization etc.)	38,504	4.7%	36,771

*Based on local disclosure (Kirin Holdings FY2023 financial results incorporation period: October 2022 - September 2023)

Source: San Miguel Brewery Inc. Financial Highlights, Quarterly Reports

Equity-method Incorporation and Kirin Holdings' dividend income

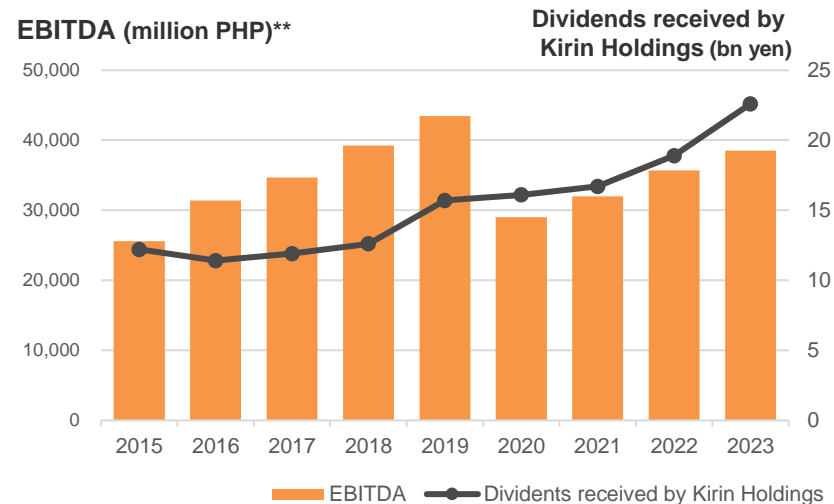
(bn yen)	FY2023	FY2022	YoY%
Net income (SMB)	63.1	52.4	20.4%
Consolidated net income (Included in the consolidated results)	30.3	25.4	19.3%
Dividends (bn yen)	22.6	18.9	19.6%
Cash dividends declared per share (pesos)	1.20	1.04	15.4%

Exchange rate: 1 peso = 2.52 yen (previous year: 2.38 yen)

(Kirin Holdings FY2023 financial results incorporation period: October 2022 - September 2023)

Dividends are recorded on a cash-in basis.

EBITDA and Dividends Received



** Based on local disclosure (January-December)

➤ San Miguel Brewery has over 90% market share in the Philippines.

Statement of Financial Position / Statement of Cash flows

(bn yen)	FY2023 Actual	FY2022 Actual	YoY
Total assets	2,869.6	2,542.3	327.3
Total equity	1,425.8	1,253.2	172.6
Total liabilities	1,443.7	1,289.1	154.7
ROIC ※1	8.0	8.5	—
Gross Debt Equity Ratio	0.58	0.53	—
Net Debt / Normalized EBITDA ※2	1.79	1.56	—
PBR (Price book-value ratio) ※3	1.5	1.7	—

ROIC and Net Debt/Normalized EBITDA only are disclosed in 4Q.

(bn yen)	FY2023 Actual	FY2022 Actual	YoY
CF from operating activities	203.2	135.6	67.6
CF from investing activities	-226.1	-10.4	-215.7
Free CF	-22.9	125.2	-148.1
CF from financing activities	35.9	-167.8	203.7

*1 Profit after tax before interest / (Average total interest-bearing liabilities at beginning and end of the period + Average total equity at beginning and end of the period)

2 Normalized EBITDA = Normalized operating profit + Depreciation and amortization + Dividends received from equity-accounted investees

* Depreciation and amortization exclude those from right-of-use assets.

*3 Share price at the end of the period / (Profit attributable to owners of the Company / Number of shares outstanding at the end of the period (excluding treasury shares))



Note

Statement of Financial Position

➤ **Total assets** : 2,869.6 billion yen, an increase of 327.3 billion yen from the end of the previous fiscal year, mainly due to an increase in goodwill and intangible assets resulting from the acquisition of Blackmores.

➤ **Total equity** : Total equity increased by 172.6 billion yen from the end of the previous fiscal year to 1,425.8 billion yen, mainly due to an increase in other components of equity resulting from the effect of exchange rate fluctuations.

➤ **Total liabilities** : Total liabilities increased by 154.7 billion yen from the end of the previous fiscal year to 1,443.7 billion yen, mainly due to an increase in bonds payable and borrowings (non-current) resulting from an increase in long-term loans payable, etc.

➤ **ROIC** : While Profit after tax before interest increased by 5%, Average total interest-bearing liabilities at beginning and end of the period and Average total equity at beginning and end of the period by 11%, resulting in a decrease from the end of the previous fiscal year.

➤ **Gross DE ratio** : Interest-bearing debt increased by 22% while profit attributable to owners of the company increased by 15% from the end of the previous year.

➤ **Net Debt / Normalized EBITDA** : Net Debt increased 21.5% while Levelized Normalized EBITDA increased only 5.5% from the end of the previous year.

➤ **PBR** : This was a decrease from the end of the previous year due to a 15% increase in profit attributable to owners of the company, while the closing share price at the end of the period increased by 3%.

Statement of Cash Flows

➤ **CF from operating activities** : Working capital outflows decreased by 14.9 billion yen and income tax payments decreased by 32.2 billion yen.

➤ **CF from investing activities** : Proceeds from sales of investments accounted for by the equity method amounted to 24.0 billion yen, and proceeds from sales of investments in subsidiaries amounted to 8.0 billion yen. On the other hand, purchase of investments in subsidiaries resulted in an outflow of 162.1 billion yen, and purchase of property, plant and equipment and intangible assets resulted in an outflow of 113.8 billion yen, an increase of 15.3 billion yen from the same period last year.

➤ **CF from financing activities** : Cash outflows included 71.2 billion yen for dividend payments, 63.5 billion yen for repayment of long-term debt, 55.0 billion yen for redemption of bonds, and 18.6 billion yen for repayment of lease liabilities. On the other hand, there were proceeds of 171.5 billion yen from long-term borrowings and 93.0 billion yen from the issuance of bonds.

Progress on Non-financial Indicators

Items	Themes	Non-financial Indicators	Actual results for 2022	Actual results for 2023	Target Level in 2024
Environment	Climate Change	Reduction rate of GHG emissions (Scope1+2 vs. 2019)	18%	31% ^{*4}	23% (50% in 2030)
	Containers and Packaging	Recycling rate of resin for PET bottles	8%	28%	38% (50% in 2027)
	Water Resources	Water use intensity at manufacturing sites with high water stress Lion (Australia) (Water use intensity = Water usage / Production amount)	3.7 kl/kl	3.4kl/kl	Under 3.0 kl/kl (2.4 kl/kl or less in 2025)
Health	Progress of mid-term health science strategy	Achievement level in supporting the maintenance of immune function 1. Recognition rate of LC-Plasma function in Japan 2. Number of people continuing to take LC-Plasma	(1) 32% (2) 640,000 people	(1) 31% (2) 780,000 people	(1) 45% (2) 1,900,000 people (1) 50% in 2027
		Create new value in three priority areas and synergies with pharma-domain	Not disclosed ^{*1}	Not disclosed ^{*1}	Not disclosed ^{*1}
Employee	Organizational Culture	Employee Engagement	70%	70%	75%
	Diversity	Achievement level in Increasing Diversity^{*2} (1) Ratio of female managers in Japan (2) Ratio of career hires in Japan	(1) 10.6% (2) 27.3%	(1) 13.6% (2) 45.4%	(1) 15.0% (2) 30.0%
	Occupational health and safety	Lost time injury frequency rate^{*3}	1.00	1.36 ^{*4}	0.95 (Japan: 0.40)

*1 Specific component indicators and target levels are not disclosed for strategic reasons because they include content related to intellectual property.

*2 The figures are for original employees of Kirin Holdings Company.

*3 The main group companies that have production and logistics functions within the group are to be covered. Include partner companies within the factory premises.

*4 Current forecast before actual results are finalized

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