



Kirin Group

FY2023 Results & FY2024 Plan

February 14, 2024
Kirin Holdings Company, Limited

Progress Towards Achieving KV2027

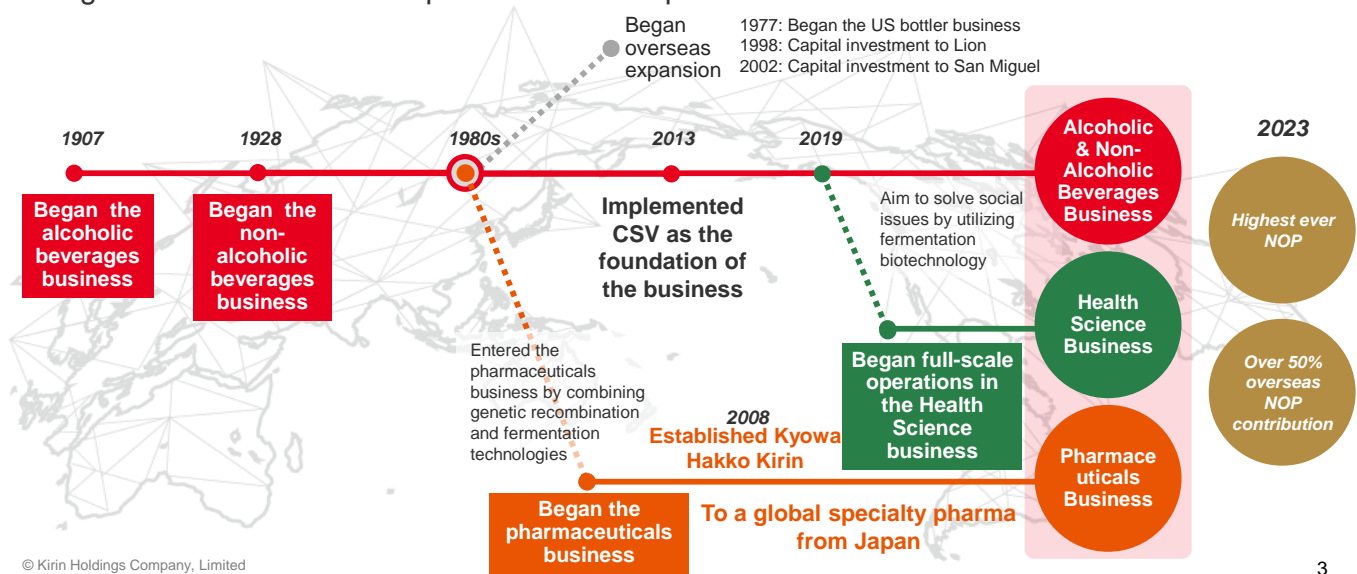
Joy brings us together

- Good morning, everyone. I am Isozaki from Kirin Holdings.
- I would like to thank you for your support of Kirin Group products and your understanding and support of our corporate activities.

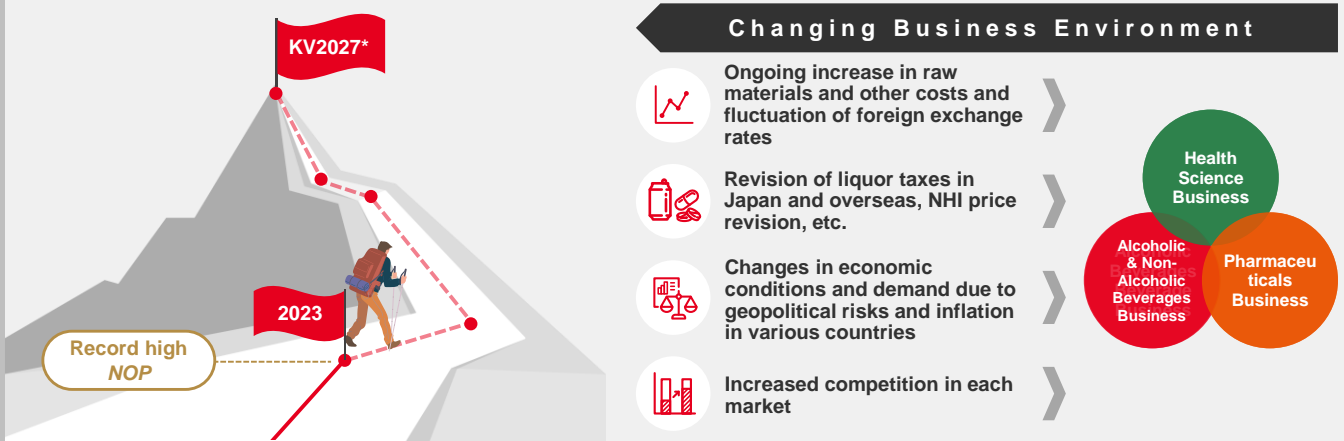
Achieved the highest ever Group Normalized Operating profit in 2023 through business portfolio management



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



- First, I would like to reflect back in 2023.
- Yesterday, we announced our financial results, and thanks to your support, we achieved a record high NOP for 2023.
- Achieving this result in a challenging business environment is a major achievement of the Kirin Group's commitment to the business portfolio management.
- This time, Kyowa Kirin, which operates the Pharmaceuticals business, was a strong driver for profit growth.
- Looking back, Entered 40 years ago, considering the future of the Alcoholic business, the Kirin Group entered the pharmaceuticals industry and leveraging its strengths in genetic modification and fermentation biotechnology.
- The Pharmaceuticals business represents the CSV management and is a successful example of ambidextrous management to create a second pillar to the Group. At the time, not all were in favor of entering the Pharmaceuticals business, as it had not been profitable for about 10 years.
- From there it became Kyowa Kirin and is now an important part of the Kirin Group's growth, earning about one-third of the highest profit achieved this time through the expansion of global strategic products.
- We are working to make the Health Science business, as well as the Pharmaceuticals business, the third pillar of the Kirin Group's growth in the future.
- The Kirin Group has also taken on the challenge of expanding overseas from early on. Our current investment in Coke Northeast was more than 40 years ago, and our investments in Lion and San Miguel were about 20 years ago.
- Since most of the Pharmaceuticals business is also expanding overseas, overseas operations now account for more than half of the Group's NOP and Normalized EPS, and this trend toward globalization is expected to become more pronounced in the future.
- I believe that not only our beer business in Japan, but also our past challenges in the Pharmaceuticals business and overseas business have led to Record high NOP in 2023.



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

© Kirin Holdings Company, Limited *Kirin Group Vision 2027

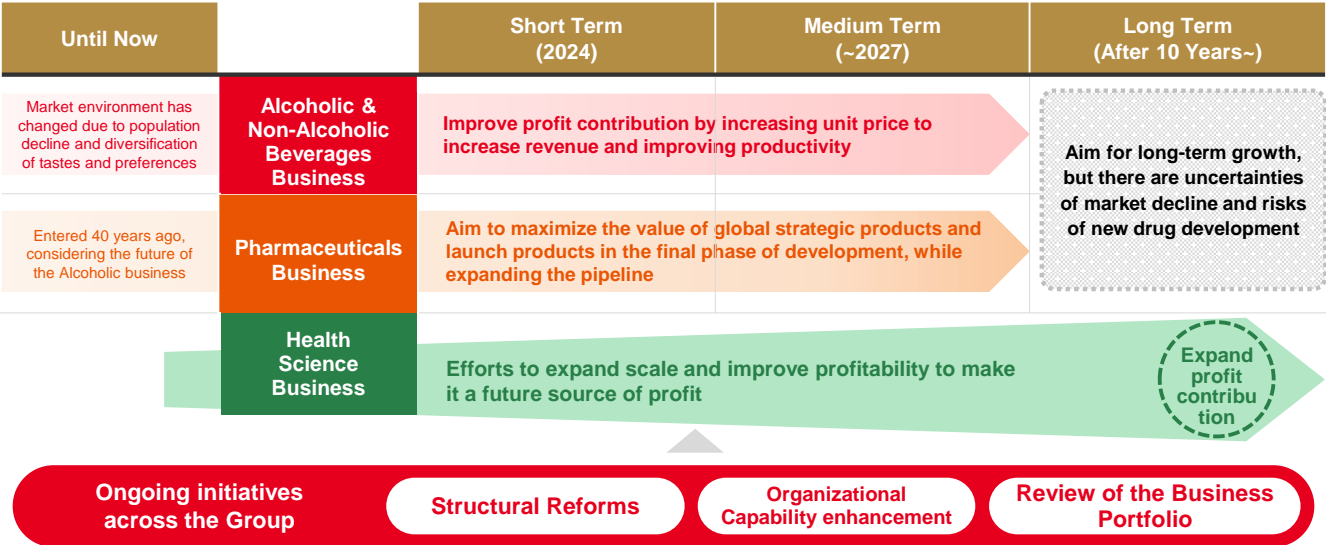
4

- Now, looking back, many things happened in 2023.
- For example, there are ongoing cost increases, currency fluctuations, the emergence of new geopolitical risks such as the Palestinian-Israeli issue, and changes in consumer purchasing behavior due to drastic economic changes in various countries.
- And the business environment has changed dramatically, including the intensifying competitive environment in each market that has resulted from these changes.
- A lot has been happening since the beginning of 2024, and we must be prepared for all kinds of changes in the future.
- We must then adapt to that environment while achieving sustainable growth.
- For sustainable growth, the Kirin Group is in the midst of taking on the challenge of a new business portfolio.
- In the process of continuous change, unimaginable things will happen, but we are committed to improving corporate value from both the short- and medium- to long-term perspectives by leveraging the organizational capabilities and assets of the Kirin Group.

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



© Kirin Holdings Company, Limited

- In this slide, I will explain our approach to the business portfolio from the short to medium to long term.
- The three businesses in the Kirin Group, Alcoholic and Non-Alcoholic Beverages, Pharmaceuticals, and Health Science, are at different stages of their business development, and therefore have different roles to play in the short-, medium-, and long-term period.
- The Alcoholic and Non-Alcoholic Beverages business, which supports the Group, mainly targets mature markets, and we have long predicted that the market would shrink due to a declining population and changing consumer values.
- Therefore, rather than expanding the volume, we must increase marginal profit by increasing unit prices through the provision of products and services that offer high value, and by improving productivity.
- In addition, our strategic decision to enter the Pharmaceuticals business 40 years ago, in anticipation of the future market environment for the Alcoholic Beverages business, has been successful.
- And when we look 10 to 20 years into the future, we are working to make the Health Science business the third pillar in the future, in addition to the Alcoholic and Non-Alcoholic Beverages and Pharmaceuticals businesses, in order to better ensure sustainable growth.
- We intend to deliver results by appropriately allocating management resources to our businesses that are in these different stages to meet the expectations of our various stakeholders.
- We will not only make individual efforts in each business, but will also continue to pursue three initiatives across the Group: organizational capability enhancement, structural reforms, and review our business portfolio.
- Now, starting on the next page, I would like to explain the progress to date and future initiatives for each of our businesses.

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

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

Composition within the Group



*Calculated based on the values in the 2024 plan
© Kirin Holdings Company, Limited

Four Roses
BOURBON

SAN MIGUEL
BREWERY INC.
A subsidiary of San Miguel Corporation

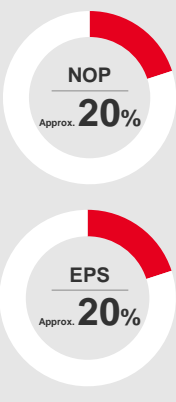
6

- The Alcoholic Beverages business is the Group's core business, contributing about half of the Group's NOP and about 60% to EPS. We must allocate our management resources firmly as the driving force of the Group and further increase its contribution to the profit.
- We are seeing the emergence of brands that have grown significantly in the Japanese and Australian markets, as well as in the US craft business, and in the Japanese market we have been able to steadily price revisions, which has been challenging in the past.
- In the Philippines, the San Miguel brand has steadily increased in value and continues to contribute to EPS.
- Going forward, it is of utmost importance that we continue to evolve our marketing methods to capture changing consumer demands and continue to invest to nurture our core brands.
- At the same time, it is important to have an exciting and attractive proposition for an alcohol beverage business.
- Craft beer, which we are working on in Japan, Australia, and US, is one example. As our consumers' consumption needs change, we will take on the challenge of creating new markets rather than delivering beers with a uniform taste.
- In addition, since Japanese whisky and RTDs are very popular overseas, we will accelerate our overseas expansion.
- To improve productivity, we are also looking into optimizing our sales structure. Consumer behavior is also changing in each market, and we are reforming our sales structure to be leaner in line with these changes.

Non-Alcoholic Beverages Business

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

Composition within the Group



*Calculated based on the values in the 2024 plan

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

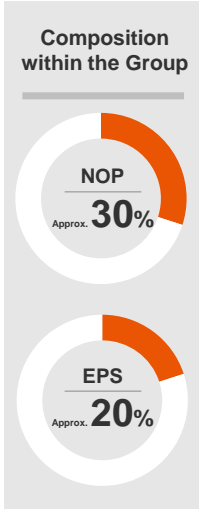
- Contribute to the society and differentiate ourselves through continued expansion of our Health Science products portfolio
- Improve supply chain productivity through capital investment and digitization
- Implement reforms to create a sales structure suited to the external environment

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



- Next is the Non-Alcoholic Beverages business. The priority for the Non-Alcoholic Beverages business is to build a portfolio with products that are perceived as having high value, not only in terms of their refreshing effect.
- At Kirin Beverage, we are taking on the challenge of repositioning ourselves as a Health Science business in the Non-Alcoholic Beverages business under the theme of "deliver tasty health to consumers every day". And now, our Health Science products mix ratio have reached over 10%.
- We recently announced that we will acquire the business related to "Healthya," a tea catechin drink, from Kao Corporation.
- With this, Kirin Beverage aims to further strengthen and expand its Health Science products and achieve higher profitability by offering a broad lineup of beverages to our consumers.
- Coke Northeast's aggressive PMI efforts since its territory expansion in 2017 have dramatically improved its profitability, achieving a high level of profitability for a bottler business and contributing to the Group's profit.
- For these two companies, we will differentiate ourselves from our competitors and contribute to society by delivering more products that meet the ever-expanding health consciousness of our consumers.
- We will also aggressively invest in and digitize our operations to improve productivity through operational optimization, as this is also an important aspect of our business.

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



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	Over 1 trillion yen*
Asthma	1	Ph2	Approved for implementation	Over 1 trillion yen*

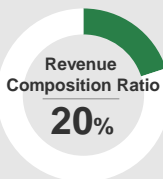
* Market size is Kyowa Kirin's own estimate based on the sum of the sales of all products for "diseases under development".

*Calculated based on the values in the 2024 plan
© Kirin Holdings Company, Limited

- In the Pharmaceuticals business, the current global strategic products are steadily expanding, with the establishment of Crysvita's in-house sales structure in North America last year.
- At the same time, we are working to expand our next-generation pipeline in order to maintain and increase profits over the medium to long term.
- At this time, the most promising new blockbuster is KHK4083.
- Phase 3 clinical trial for the treatment of atopic dermatitis is underway with our partner Amgen, and is progressing very smoothly so far, with a launch date at the end of 2026 or the first half of 2027.
- As for future possibilities, we currently estimate that the market for drugs for atopic dermatitis is worth over 1 trillion yen, and the market for asthma, for which we are considering a new development, is also estimated to be worth over 1 trillion yen.
- Both of these markets have a lot of competition, but if we can secure a certain share of the market as a distinctive drug with an advantage of our collaboration with Amgen, we expect it to become one of the major pillars of Kyowa Kirin's profit.
- In addition, we successfully completed the acquisition of Orchard in January, which we announced last year.
- This will provide R&D capability in cellular gene therapy and enable us to address a wider range of unmet medical needs in the future.
- We will continue to allocate management resources to expand the pipeline to support the Pharmaceuticals business over the next five to ten years and the future.

- 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



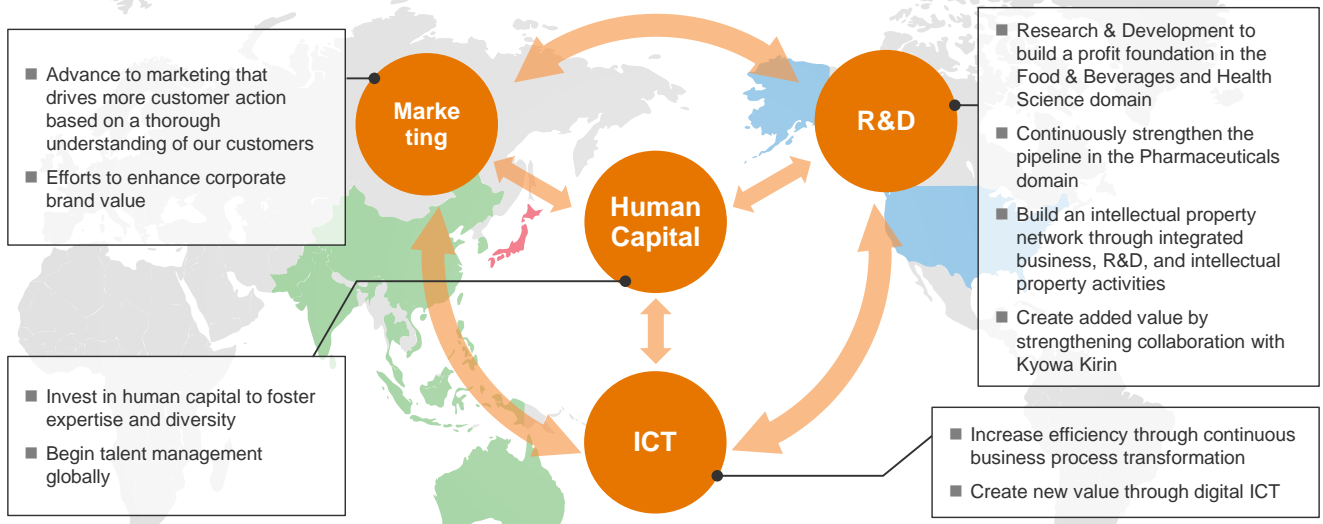
- Just like the Pharmaceuticals business 40 years ago, the Health Science business, which we started in 2019, aims to expand to a scale where it will account for 20% of the Group's total revenue in the future.
- Like the Pharmaceuticals business, the Health Science business is also a management strategy in itself, a CSV that solves the social issue of health and well-being.
- In Japan, in addition to the steadily increasing revenue scale of LC-Plasma, we have created added value in many ways since our partnership with FANCL in 2019.
- And last year, we acquired Blackmores, giving us an operating base in APAC.
- Going forward, the most important priority is for Kirin, Blackmores, and FANCL to work together to grow our brand businesses in Japan and APAC, respectively.
- As for LC-Plasma, we are making progress in expanding the scale of our business, so our next challenge is to generate a solid profit. We will work to increase the ratio of high value-added products so that we will be profitable by 2025.
- Kyowa Hakko Bio is currently in the process of considering structural reforms that take into account all options.

- *All revenue excludes liquor tax



- 10

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

© Kirin Holdings Company, Limited

11

- We will also strengthen our organizational capability, which is the foundation for innovation, from a global perspective.
- The important factor is human capital, which is the key to all organizational capabilities.
- Human capital is becoming increasingly mobile across borders, and we will not only raise wages but also enhance our organizational capabilities through aggressive investment in individuals.
- In addition, in order to attract diverse and professional human capital to the Group, the Kirin Group is acquiring many people from Japan and abroad as career recruits.
- R&D can also create value by expanding the innovations generated in each region across the Group, in addition to each business, such as Pharmaceuticals and Health Science, creating added value beyond their business domains.
- In marketing, efforts are already underway to apply the marketing techniques that have been refined in Japan to Australia.
- ICT will utilize technologies such as generative AI to transform processes in each business domain to improve competitiveness and efficiency.
- By reinvesting the cash generated by our businesses back to these organizational capabilities, we believe we can generate not only short-term profits, but also medium- and long-term profits.
- We will continue to strive to solve social issues without being satisfied with the status quo. We aim to become a global leader in CSV by continuing to communicate with our investors and solving issues one by one. Please look forward to the future growth of the Kirin Group.

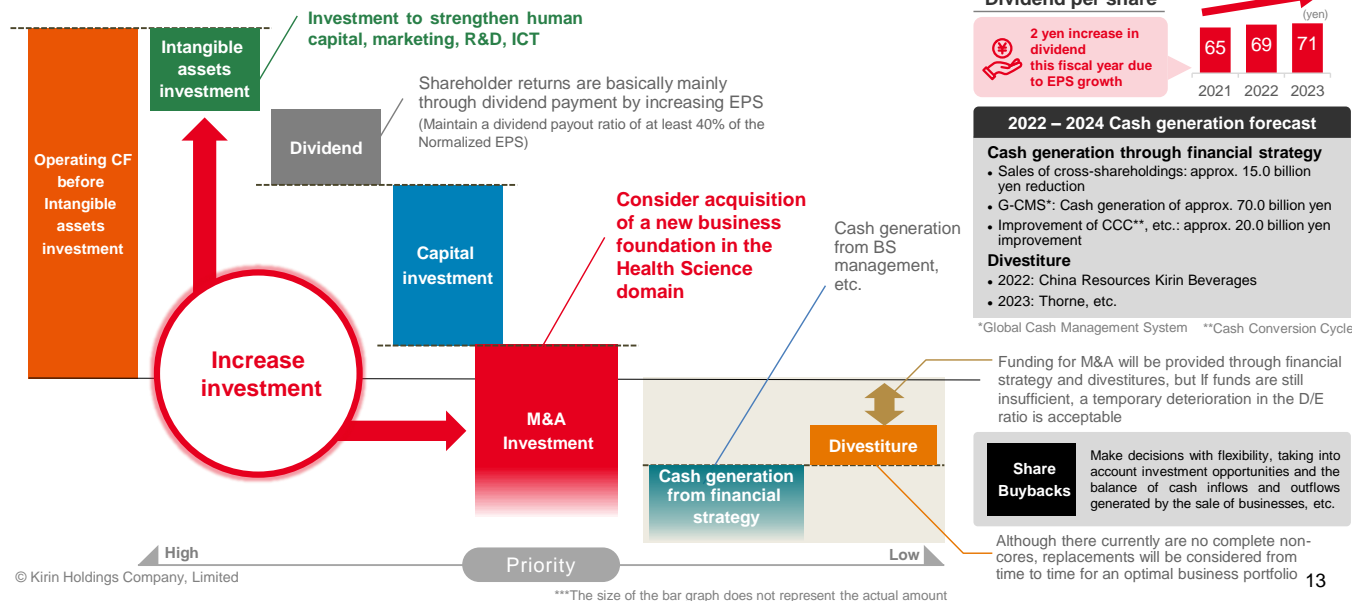
Financial Strategy Update

Joy brings us together

- Good morning, everyone. I am Akieda from Kirin Holdings.
- I will begin with an update on our financial strategy, followed by an overview of our financial results.
- Please refer to page 13 of the financial results presentation.

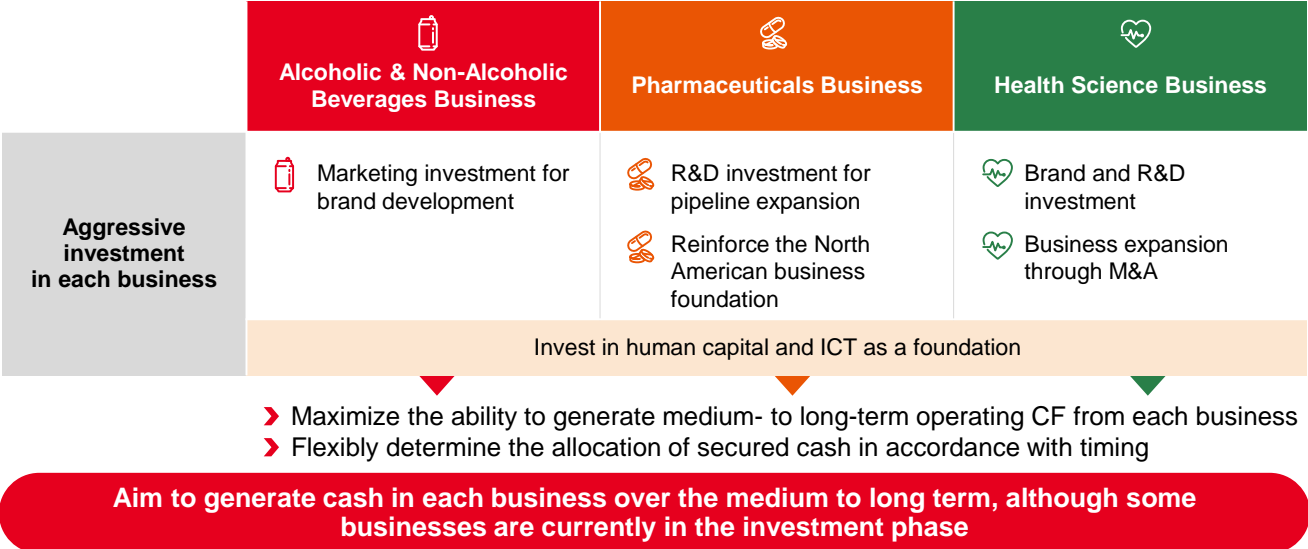
Allocate cash to intangible assets and future business platform acquisitions

- While cash allocation priorities remain unchanged, we will allocate more resources to intangible assets and M&A investments for medium- to long-term growth



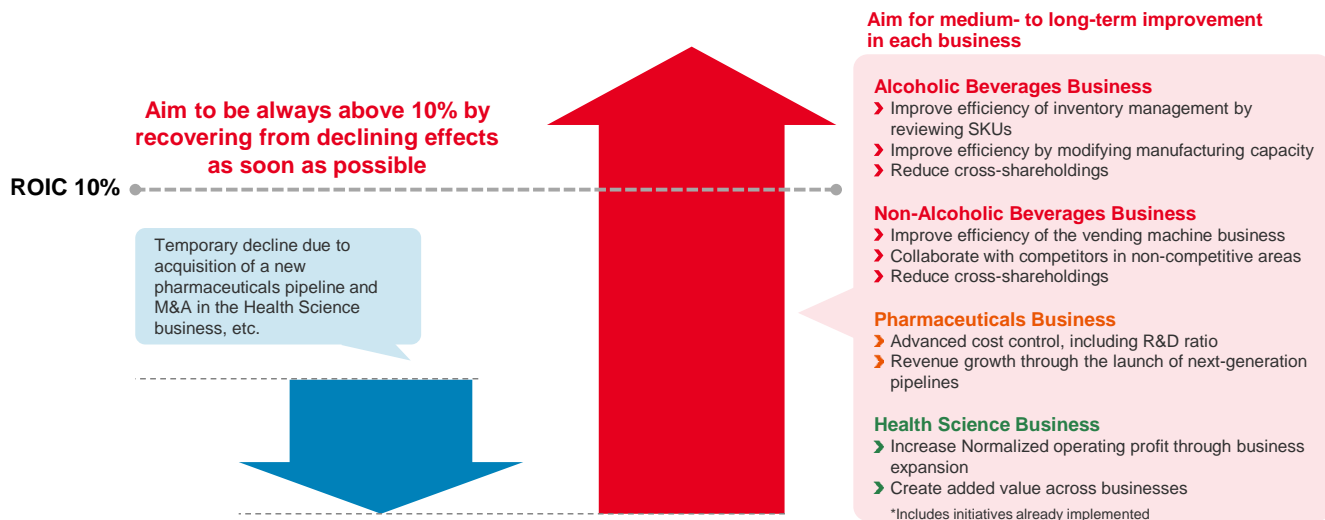
- This is an updated version of a slide presented two years ago when we announced the Medium-Term Business Plan.
- There are no changes to our cash allocation priorities. Our top priority is to return profits to our shareholders through “annual dividend per share”, and we have continued to increase dividends through EPS growth over the past three years.
- At the same time, we believe we are in a phase where we should allocate cash more heavily to investments in intangible assets such as human capital, R&D, and marketing, as well as M&A to expand our Health Science business foundation, in order to achieve medium- to long-term growth.
- The net cash required for M&A will basically be used to generate cash through improving the balance sheet and new borrowings. Currently, the Company's financial health is strong, and a temporary deterioration in the DE ratio due to increased debt is tolerable.
- Regarding the sale of businesses, we do not have any businesses that we position as non-core at this time, but we are constantly considering replacements in order to build an optimal business portfolio.
- In 2022, we conducted Share Buybacks of 50 billion yen. While our basic policy is to return profits to shareholders through dividends, we will make decisions on Share Buybacks in a flexible manner, taking into consideration the balance with other investments.

➤ 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



- This slide shows the details of key investments for each segment.
- It is necessary to invest appropriately to each part of the business that need to be strengthened and in accordance to the stage of the business.
- In our core Alcoholic and Non-Alcoholic Beverages business, competition is intensifying, so we will invest sufficiently in marketing and continuously nurture our brands.
- The Pharmaceuticals business will invest in the expansion of the future pipeline as well as in the foundation to expand sales of strategic products on a global scale.
- In the Health Science business, in addition to brand and R&D investments for organic growth, we will continue to explore strategic investment opportunities to expand the scale of the business.
- We will increase the competitiveness of each business and maximize operating cash flow by allocating appropriate investments according to the situation of each business. The allocation of free cash flow secured through these efforts will be determined strategically.
- Allocations will be made across businesses, but in the future, aim to generate cash in each business over the medium to long term.

- 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



- The Kirin Group has adopted ROIC as one of its financial KPIs and is continuously working to improve ROIC.
- Specific improvement initiatives vary depending on business characteristics but must be carefully addressed from a medium- to long-term perspective.
- On the other hand, the Health Science business, which is in a growth phase, is in a position where bold strategic investments such as M&A are required.
- In such cases, ROIC will inevitably decline temporarily, but by increasing the cash flow of each business and achieving profit growth, we will reduce the increased debt and restore ROIC to the 10% level as soon as possible.

FY2023 Results and FY2024 Plan

Joy brings us together

- I will now explain the financial summary.

➤ 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%
Dividend per share	FY2023 Actual	FY2022 Actual	YoY	%
	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%).

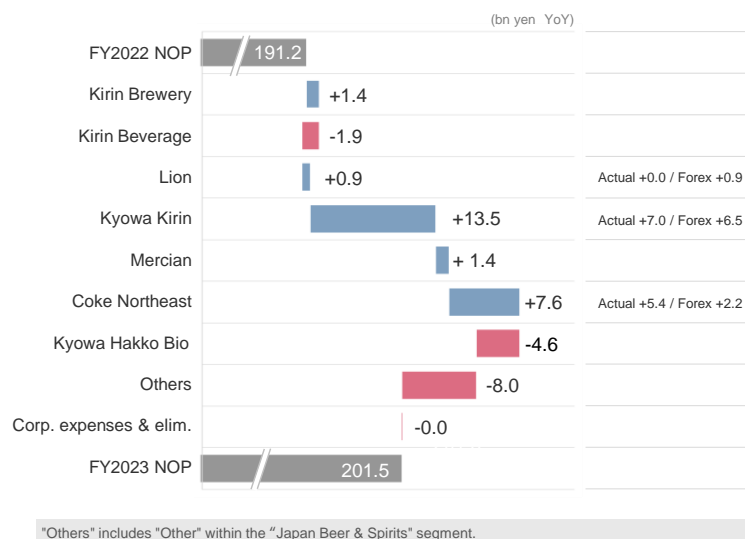
*1 A profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

*2 See page 32 for details.

- Consolidated Revenue was 2,134.4 billion yen, up +7.3% YoY, and Consolidated NOP was 201.5 billion yen, up +5.4% YoY. Revenue exceeded 2 trillion yen and NOP reached a record high.
- Profit before tax increased +3.0% YoY to 197.0 billion yen, due to the absence of approximately 48.0 billion yen gain from the sale of China Resources Kirin Beverages in the previous year being offset by the sale of Kyowa Kirin's business in Europe and the increase in contribution to NOP from San Miguel Brewery.
- Profit attributable to owners of the Company was 112.7 billion yen, up +1.5% YoY, with an increase in all profit levels.
- ROIC, a financial KPI, decreased slightly from the previous year to 8.0% due to the investment in Blackmores and other factors, but Normalized EPS increased by 6 yen to a record high of 177 yen.
- Therefore, annual dividend per share is expected to increase by 2 yen to 71 yen.

FY2023 Results: Changes in Consolidated Normalized OP by Company

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



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 Crysvida has began 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

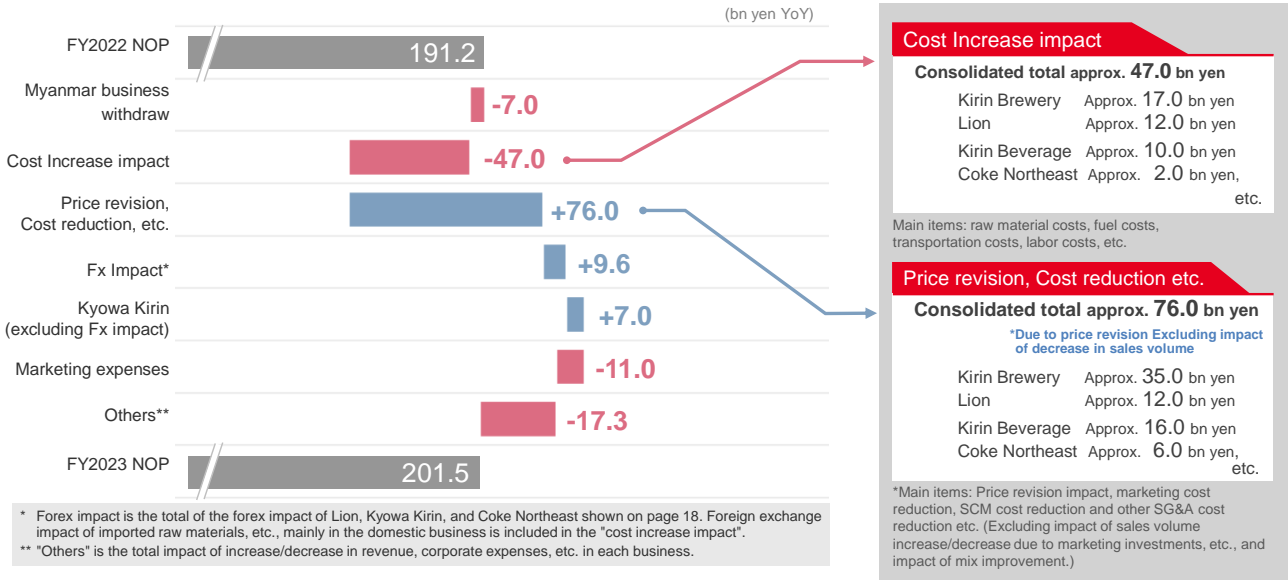
➤ Includes -7.0 billion yen impact of the exclusion of Myanmar Brewery.

- Pages 18 and 19 show the changes in NOP by operating company and factor.
- I will not go into the details, but I will explain the situation regarding Kyowa Hakko Bio, which continues to be in the red.

Changes in Consolidated Normalized OP by Factor



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



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

- First, let me explain once again the current status of Kyowa Hakko Bio and the background that led us to this point.
- Kirin Holdings acquired Kyowa Hakko Bio from Kyowa Kirin in April 2019.
- The internal Group restructuring had two goals: to make Kyowa Hakko Bio a catalyst for the newly established Health Science business, and to concentrate Kyowa Kirin's efforts on drug discovery and global business expansion.
- However, immediately after the restructuring, in September, Kyowa Hakko Bio identified quality issues and temporarily suspended operations. Drastic measures were necessary, such as rebuilding the quality assurance system and reacquiring GMP for all products.
- Although we have been working on revitalizing the business since 2020, it has been more challenging than expected to reacquire customers lost due to lack of supply, and we are having a hard time recovering our top line growth. In addition, manufacturing efficiency has declined due to production process optimization, resulting in higher manufacturing costs and a significant deterioration in profitability.
- Under these challenging conditions, demand for raw materials for COVID-19 vaccines dropped sharply last year, and costs, including fuel costs, increased significantly, while price competition with competitors intensified.
- These recent changes in the environment have also delayed the implementation of the revitalization plan that we originally planned, and since last year we have been considering a structural reform of the amino acid business with all options in mind.
- We apologize for your concern that we have not been able to show you progress, but it will take a certain amount of time to proceed with a structural reform, especially with amino acids for pharmaceutical use, because we have a social responsibility to supply them to our suppliers and patients.
- While we seek a structural reform, we will also continue to revitalize the business on our own as we reacquire new customers, reduce costs, etc.

- 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

- I will also explain the impairment loss on specialty materials for Kyowa Hakko Bio.
- With regard to specialty materials, we have focused our efforts mainly on Citicoline and HMO with the expectation that the future market for these products will grow significantly and that we will be able to secure a certain market share.
- While this assumption has not changed significantly, the current situation has led to some changes from our previous assumptions. Specifically, as in the amino acid business, there is now a risk that we will not be able to expand in the originally envisioned time frame and secure the expected profitability due to cost increases centered on fuel costs and intensified competition.
- Based on a conservative review of the future forecast based on current conditions, we have decided to recognize an impairment loss of approximately 12 billion yen, mainly on property, plant, and equipment of Citicoline.
- Originally, Citicoline had two applications: one for pharmaceutical use for the treatment of cerebral infarction and the other for the use in health foods, such as for improving concentration. In the future, we will focus more on the application for health foods, and will also work to make other materials profitable as soon as possible.

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%
	FY2024 Forecast	FY2023 Actual	YoY	%
Quantitative Target				
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

- Please see page 22.
- This is the forecast for FY2024. We are aiming for Consolidated Revenue of 2,270 billion yen, an increase of +6.4% YoY, and Consolidated Normalized operating profit of 202 billion yen, a slight increase from the previous year.
- The main reasons for the slight increase from the previous year are an increase in marketing investment to nurture brands in the Alcoholic Beverages business and an increase in R&D investment due to the acquisition of Orchard by Kyowa Kirin.
- ROIC is projected to be 8.0%, and Normalized EPS is projected to be 177 yen, on par with the previous year.

- 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
Non-Alcoholic Beverages	Other and elimination
	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

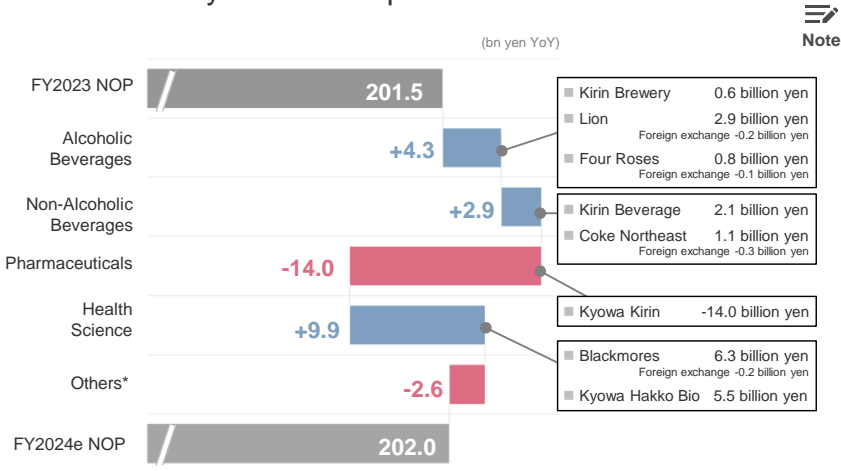
- Reorganized what used to be the main business = segment into four segments, "Alcoholic Beverages," "Non-Alcoholic Beverages," "Pharmaceuticals," and "Health Science," in line with the Group's strategy.
- The Health Science segment includes only the operating companies with a large portion of their 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.

- Next, I will explain the changes in disclosure segment.
- From this announcement, we have revised the disclosure segment to be more straightforward and in line with the Kirin Group's business strategy.
- We have organized our segments in a manner similar to the Kirin Group's three business domains: Food & Beverages, Pharmaceuticals, and Health Science. In consideration of the growing interest in alcohol issues, the Food & Beverages domain will be disclosed separately as Alcoholic and Non-Alcoholic Beverages.
- In addition, we have received many requests for a Health Science segment for some time, and with the acquisition of Blackmores last year, we finally have the scale to meet these requests.
- Please note that in order to make the segmentation easier to understand on a domain and operating company basis, the Health Science related products of Kirin Brewery and Kirin Beverage are not included in the new Health Science segment, though they were previously included.
- We look forward to engage in a deeper dialogue with our stakeholders with these new segments that are consistent with the strategy.

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.



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

© Kirin Holdings Company, Limited



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.

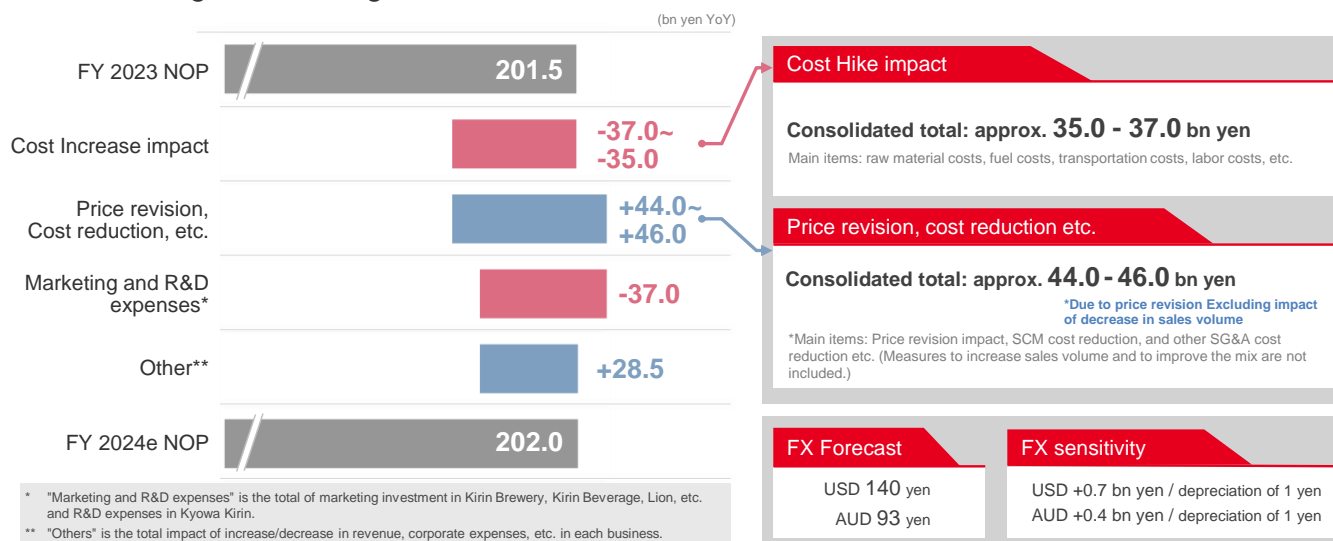
Others

➤ Increase in corporate expenses and inter-segment elimination.

- In conjunction with the changes in segment, this page shows the details by segment.
- In 2024, the Health Science segment's NOP will improve significantly due to Blackmores' full-year profit contribution and Kyowa Hakko Bio's improved profitability, while the Alcoholic and Non-Alcoholic Beverages segment will also see an increase in NOP. On the other hand, the Pharmaceuticals segment will see a decrease in NOP due to a significant increase in R&D costs from the acquisition of Orchard and an increase in clinical trials for KHK4083, which is in its final phase. As a result, we expect a slight increase in NOP for the Group as a whole.
- Please review the details of each operating company later.

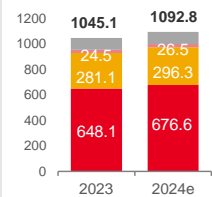
Changes in Consolidated Normalized OP by Factor

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

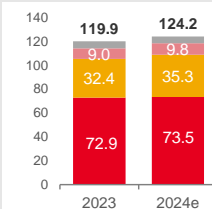


- This slide shows the changes in NOP by factor.
- Although the situation differs for each business, we believe that the Group as a whole will be able to offset the impact of soaring costs and increased marketing and R&D expenses through price revisions and cost reductions.
- In the following pages, we will explain the main companies by segment.

Revenue (bn yen)



Normalized OP (bn yen)



■ Kirin Brewery ■ Four Roses
■ Lion ■ Other

© Kirin Holdings Company, Limited

2023 Review

2024 Plan

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

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

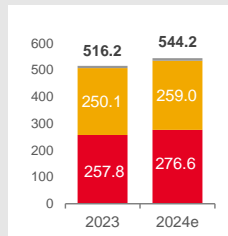
- Continue to grow faster than the market by strengthening the sales structure and expanding the **Voodoo Ranger** brand



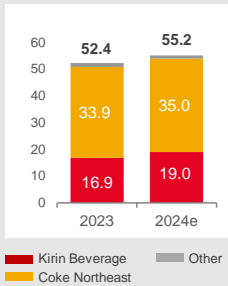
*Year on year growth **Revenue Growth Management 26

- First is the Alcoholic Beverages business.
- As I have mentioned over the last year, both Kirin Brewery and Lion have been reevaluating their marketing methods and challenging to apply their new approaches to each of their brands. For competitive reasons, I cannot explain the details of our methods, but some of our brands, such as KIRIN ICHIBAN Zero Sugar and Hyoketsu in Japan and Hahn in Australia, are beginning to outperform our plans.
- In 2024, Kirin Brewery will make further efforts to provide new offerings to our consumers, including the launch of a new product in the beer category for the first time in 17 years. We will also continue to expand our products with high profit margins, including the overseas expansion of Japanese whisky.
- In Australia, Lion will continue its efforts to revitalize main brands with high volume, while aiming for growth in the RTD segment with the Hyoketsu brand. In North America, Lion will further grow Voodoo Ranger, which is performing well.

Revenue (bn yen)



Normalized OP (bn yen)



© Kirin Holdings Company, Limited

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

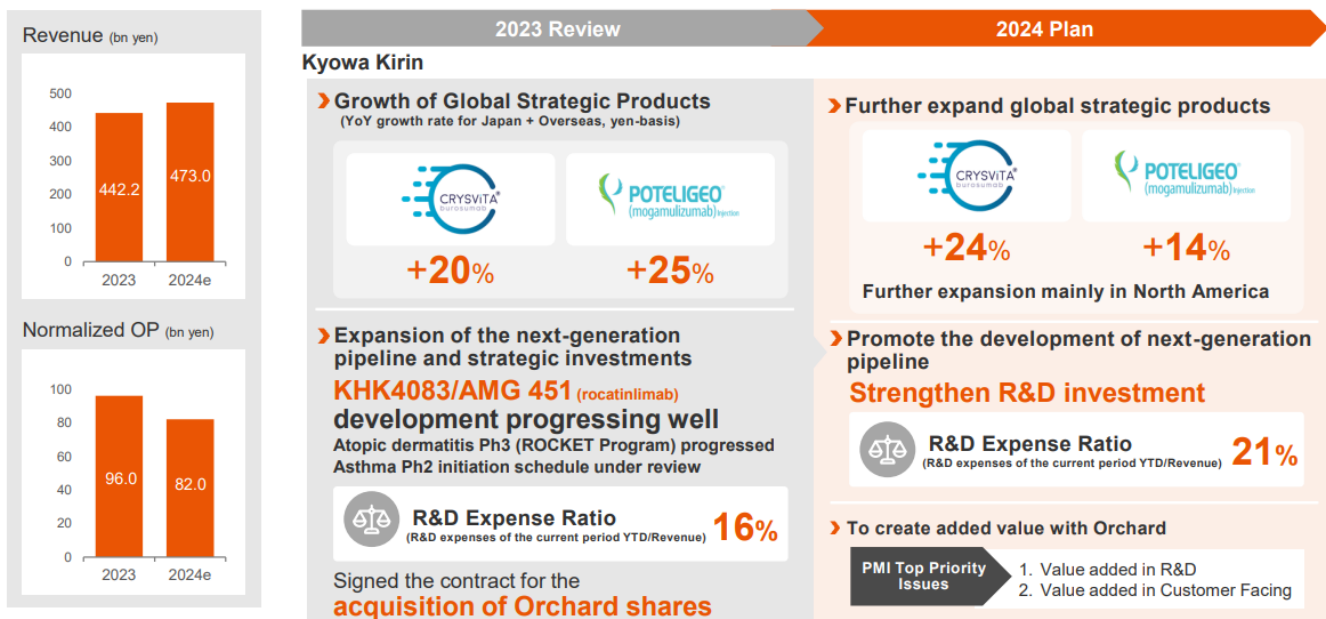
- Further promote SCM efficiency



*Year on year growth

27

- Next is the Non-Alcoholic Beverages business.
- Kirin Beverage focused on Health Science products and mid- to high-priced products in 2023 and made well-focused brand investments, resulting in improved unit prices and expansion of Health Science products.
- In 2024, we will continue this policy and make maximum use of the newly acquired Healthya brand to further promote our high-value-added strategy centered on health and well-being.
- Coke Northeast has improved its management over the past few years to become a high level of profitability bottlers in the US. Going forward, we expect a steady increase in market share and continued cost reductions through SCM optimization to contribute to stable profits.

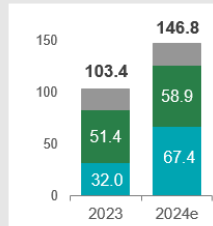


© Kirin Holdings Company, Limited

28

- In the Pharmaceuticals business, global strategic products are growing as planned, and the development of KHK4083, our most anticipated new drug candidate, has entered its final phase and is progressing smoothly in clinical trials.
- Therefore, as Kyowa Kirin explained in its recent financial results announcement, R&D expenses will increase and profitability will decline in the short term, but we believe that this investment is necessary for sustainable growth.
- In the Pharmaceuticals business, investment from a medium- to long-term perspective in preparation for patent cliffs is extremely important, and Kyowa Kirin will balance short-term profit control with investment from a medium- to long-term perspective.

Revenue (bn yen)



Normalized OP (bn yen)



■ Blackmores ■ Kyowa Hakkio Bio ■ Other

© Kirin Holdings Company, Limited

2023 Review

2024 Plan

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.

- **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

Improve profitability

Revenue +30%(YoY)

Aim to return to profitability by 2025

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

- In the Health Science business, Blackmores will contribute to the full year results from this year.
- PMI after the completion of the acquisition has been completed as planned, and we are finally entering the value creation phase with becoming a part of the Kirin Group.
- While cutting costs through SCM optimization and other measures ahead of schedule, we will drive product development that will contribute to top-line growth toward a product launch in 2025.
- LC-Plasma has been steadily expanding its scale to date, and we will leverage Blackmores' capabilities to accelerate overseas expansion, which has been lagging behind, to return to profitability as soon as possible and to expand its contribution to profits.

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

Otsuka Pharmaceutical Factory, Inc.

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 yearsRead the Kirin
Group Human
Rights Policy here.

- Finally, an ESG update.
- Today, I would like to inform you on the results of a R&D at Kirin Biomaterials, which is responsible for the API business I mentioned two years ago.
- Otsuka Pharmaceutical Factory, Inc. had been developing a drug with the same efficacy as existing drugs for many years and since 2017, the Kirin Group has participated in a collaborative development of the compound and obtained a patent for the bio manufacturing process of the compound.
- I can't give you the specific name of the compound yet, but I can tell you that this is an initiative made possible by Kirin Group's dual capabilities in Pharmaceuticals and Health Science, and it is the result of a steady research with a strong partnership with Otsuka Pharmaceutical Factory, Inc. We believe that We can make this happen by working even more closely together in the future.
- This project is an initiative of high social significance that aims to reduce the quality and stable supply risks of existing pharmaceuticals derived from raw materials. As shown in this case, the Kirin Group will continue to promote CSV management, using fermentation and biotechnology to solve social issues and develop sustainable, highly profitable businesses. This concludes my presentation.
- Thank you for your attention.

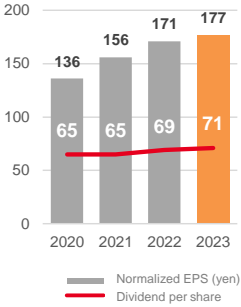
Appendix

Joy brings us together



(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



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

FY2023 Results

Normalized OP by segments



(bn yen)		FY2023 Actual	FY2022 Actual	YoY	%
Normalized OP		201.5	191.2	10.3	5.4%
Japan Beer and Spirits		77.7	74.7	3.1	4.1%
	Kirin Brewery	72.9	71.5	1.4	1.9%
	Others	4.8	3.1	1.7	54.5%
Japan Non-alcoholic Beverages		16.9	18.8	-1.9	-10.1%
	Kirin Beverage	16.9	18.8	-1.9	-10.1%
Oceania Adult Beverages		32.4	31.5	0.9	2.7%
	Lion	32.4	31.5	0.9	2.7%
Pharmaceuticals		96.0	82.5	13.5	16.4%
	Kyowa Kirin	96.0	82.5	13.5	16.4%
Others		32.4	37.5	-5.2	-13.8%
	Mercian	0.8	-0.6	1.4	—
	Coke Northeast	33.9	26.3	7.6	29.0%
	Kyowa Hakko Bio	-8.5	-3.9	-4.6	—
	Other	6.1	15.7	-9.6	-61.3%
Corporate expenses/inter-segment		-53.9	-53.8	-0.0	—

FY2024 Forecast

Revenue by segments



(bn yen)		FY2024 Forecast	FY2023 Actual	YoY	%
Revenue		2,270.0	2,134.4	135.6	6.4%
Alcoholic Beverages		1,092.8	1,045.1	47.7	4.6%
	Kirin Brewery	676.6	648.1	28.5	4.4%
	Lion	296.3	281.1	15.2	5.4%
	Australia and NZ	204.9	198.8	6.1	3.1%
	US Craft, etc.	91.4	82.3	9.1	11.1%
	Four Roses	26.5	24.5	1.9	7.8%
	Other and elimination	93.5	91.4	2.0	2.2%
Non-Alcoholic Beverages		544.2	516.2	28.1	5.4%
	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%
	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%
	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%

FY2024 Forecast

Normalized OP by segments



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

© Kirin Holdings Company, Limited

(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%

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

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.

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)			Total beer products 5.7 (Sales increase in total beer products 37,000 kl)
	Increase in marginal profit of alcoholic beverages, etc.	11.9	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
	Increase in raw material cost	-7.2	Increase in market prices, etc.
	Increase in selling expenses	-3.2	Increase in sales promotion and advertising (Total 62.3→65.4)
	Increase in other expenses	-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%
KIRIN ICHIBAN Brand Family Total	370	370	-0.0%
SPRING VALLEY Brand Total	26	21	20.3%
Kirin Tanrei Green Label	147	146	0.9%
Honkirin	188	194	-3.5%
Kirin Hyoketsu Brand Total	273	288	-5.2%

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%

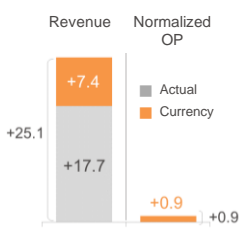
Changes in Normalized OP
Australia & NZ (million \$)

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

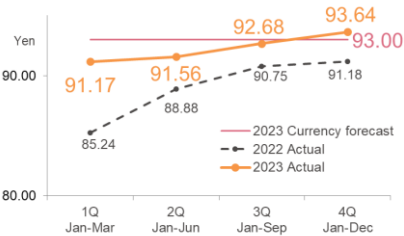
* Includes Corporate costs

- 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)

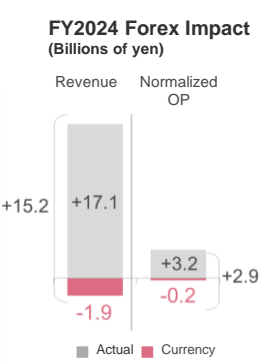


Exchange Rate
- Australian Dollar



	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)



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)	Description
YoY change (bn yen)	16.9	
	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
	-7.7	Increase in raw material cost -2.8 Increase in material cost -3.1 Increase in processing cost -1.8
	-2.4	Increase in sales promotion and advertising -2.4 (Total 25.6 → 28.0)
	-3.0	Increase in sales equipment costs, outsourcing fees, etc.
	2.1	
	19.0	

FY2024 Normalized OP Forecast	19.0
----------------------------------	------

© Kirin Holdings Company, Limited

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%
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 %
Gogo-no-Kocha	5,104	5,092	0.2%
Nama-cha	2,767	2,781	-0.5%

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%

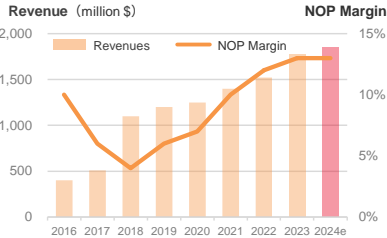
Yen base (bn yen)				
	FY2024 Forecast	FY2023 Actual	YoY	%
Revenue	259.0	250.1	8.9	3.5%
Normalized OP	35.0	33.9	1.1	3.2%

USD base (million \$)				
	FY2023 Actual	FY2022 Actual	YoY	%
Revenue	1,772	1,637	135	8.2%
Normalized OP	240	199	41	20.7%

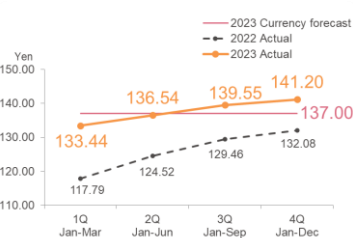
USD base (million \$)				
	FY2024 Forecast	FY2023 Actual	YoY	%
Revenue	1,850	1,772	78	4.4%
Normalized OP	250	240	10	4.1%

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

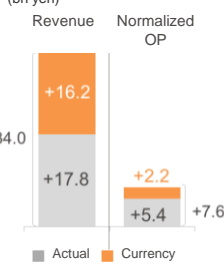
Revenue and NOP Margin



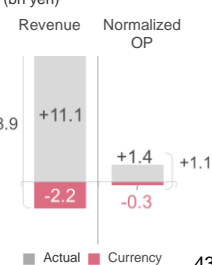
Exchange Rate - US Dollar



FY2023 Forex Impact



FY2024 Forex Impact



(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)

	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.

➤ 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

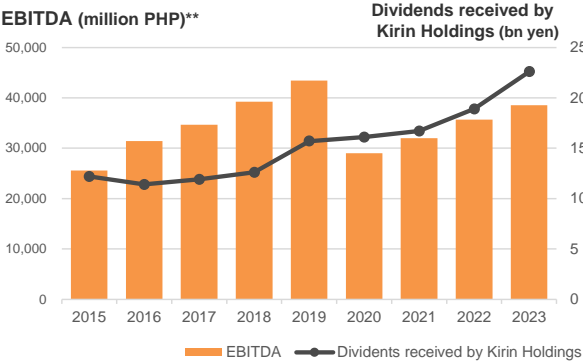
*Based on local disclosure (Kirin Holdings FY2023 financial results incorporation period: October 2022 - September 2023)
Source: San Miguel Brewery Inc. Financial Highlights, Quarterly Reports

Equity-method Incorporationand 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))



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 113.6 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 <small>Lion (Australia) (Water use intensity = Water usage / Production amount)</small>	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.

© Kirin Holdings Company, Limited

^{*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

This material is intended for informational purposes only and is not a solicitation or offer to buy or sell securities or related financial instruments.



よろこびがつなぐ世界へ Joy brings us together