

# KIRIN HOLDINGS COMPANY, LIMITED

## SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

### FOR THE YEAR ENDED DECEMBER 31, 2022 (UNDER IFRS)

#### (UNAUDITED)

February 14, 2023

(English Translation)

Fiscal year ended December 31, 2022

**KIRIN HOLDINGS COMPANY, LIMITED**NAKANO CENTRAL PARK SOUTH, 10-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan (URL <https://www.kirinholdings.com/en/>)

Code No.:	2503
Shares Listed:	Tokyo, Nagoya, Sapporo and Fukuoka
Representative:	Mr. Yoshinori Isozaki, President and CEO
For further information, please contact:	Mr. Nobuhiko Hori, General Manager of Corporate Communications Department Telephone: +81-3-6837-7015 from overseas
Scheduled date of general meeting of shareholders held:	March 30, 2023
Commencement date of dividend distribution scheduled:	March 31, 2023
Submission date of securities report scheduled:	March 30, 2023
Preparation of supplementary documents to the financial results:	Yes
Holding of financial results presentation (for institutional investors and analysts):	Yes

## 1. Consolidated business results and financial position for the current fiscal year

### (January 1, 2022 - December 31, 2022)

[Unit: Japanese yen (¥)]

(1) Results of operations:

(Amounts are rounded to the nearest ¥1 million.)

(Percentage change compares current results with those of the same period of the previous year)

	Revenue (¥ millions)	Percentage change (%)	Normalized operating profit (¥ millions)	Percentage change (%)	Profit before tax (¥ millions)	Percentage change (%)
Fiscal year ended						
December 31, 2022	1,989,468	9.2	191,159	15.6	191,387	92.1
December 31, 2021	1,821,570	(1.5)	165,430	2.0	99,617	(20.0)

	Profit (¥ millions)	Percentage change (%)	Profit attributable to owners of the Company (¥ millions)	Percentage change (%)	Total comprehensive income (¥ millions)	Percentage change (%)
Fiscal year ended						
December 31, 2022	143,771	110.1	111,007	85.7	219,836	87.4
December 31, 2021	68,424	(31.5)	59,790	(16.9)	117,316	27.7

	Basic earnings per share (¥)	Diluted earnings per share (¥)	Ratio of profit to equity attributable to owners of the Company (%)	Ratio of profit before tax to total assets (%)	Ratio of normalized operating profit to revenue (%)
Fiscal year ended					
December 31, 2022	135.08	135.07	11.8	7.6	9.6
December 31, 2021	71.73	71.70	6.9	4.0	9.1

Reference: Share of profit of equity-accounted investees

Fiscal year ended December 31, 2022

¥22,780 million

Fiscal year ended December 31, 2021

¥34,490 million

Operating profit	Fiscal year ended December 31, 2022	¥116,019 million	70.4%
	Fiscal year ended December 31, 2021	¥68,084 million	(33.8%)
Ratio of operating profit to revenue	Fiscal year ended December 31, 2022	5.8%	
	Fiscal year ended December 31, 2021	3.7%	

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

## (2) Financial position:

	Total assets (¥ millions)	Total equity (¥ millions)	Equity attributable to owners of the Company (¥ millions)	Equity ratio attributable to owners of the Company (%)	Equity per share attributable to owners of the Company (¥)
As of					
December 31, 2022	2,542,263	1,253,203	980,022	38.5	1,210.16
December 31, 2021	2,471,933	1,147,990	894,179	36.2	1,072.69

## (3) Cash flows:

	Cash flows from operating activities (¥ millions)	Cash flows from investing activities (¥ millions)	Cash flows from financing activities (¥ millions)	Cash and cash equivalents at end of year (¥ millions)
Fiscal year ended December 31, 2022	135,562	(10,399)	(167,835)	88,060
Fiscal year ended December 31, 2021	219,303	(56,408)	(180,463)	149,488

## 2. Dividends

	Annual dividends				
	First quarter (¥)	Second quarter (¥)	Third quarter (¥)	Year-end (¥)	Total (¥)
Fiscal year ended December 31, 2021	—	32.50	—	32.50	65.00
Fiscal year ended December 31, 2022	—	32.50	—	36.50	69.00
Fiscal year ending December 31, 2023 (Forecast)	—	34.50	—	34.50	69.00

	Total amount of dividends (¥ millions)	Dividend pay-out ratio (%)	Ratio of dividends to equity attributable to owners of the Company (%)
Fiscal year ended December 31, 2021	54,208	90.6	6.3
Fiscal year ended December 31, 2022	56,381	51.1	6.0
Fiscal year ending December 31, 2023 (Forecast)		49.5	

## 3. Forecast consolidated business results for the next fiscal year (January 1, 2023 - December 31, 2023)

(Percentage change compares forecast results with actual results of the previous year)

	Revenue (¥ millions)	Percentage change (%)	Normalized operating profit (¥ millions)	Percentage change (%)	Profit before tax (¥ millions)	Percentage change (%)
Fiscal year ending December 31, 2023	2,115,000	6.3	192,000	0.4	196,000	2.4

	Profit (¥ millions)	Percentage change (%)	Profit attributable to owners of the Company (¥ millions)	Percentage change (%)	Basic earnings per share (¥)
Fiscal year ending December 31, 2023	148,500	3.3	113,000	1.8	139.54
Reference: Operating profit			Fiscal year ending December 31, 2023		¥169,000 million 45.7%

## \* Notes

- (1) Changes in significant subsidiaries for the fiscal year ended December 31, 2022  
(Changes in specified subsidiaries accompanying change in scope of consolidation):

None

Newly included: -

Excluded: -

- (2) Changes in accounting policies and changes in accounting estimates

- i. Changes in accounting policies required by IFRS: None
- ii. Changes in accounting policies due to other reasons: None
- iii. Changes in accounting estimates: Yes

For details, please see "NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CHANGES IN ACCOUNTING ESTIMATES)" on page 19.

- (3) Number of shares outstanding (ordinary shares)

- i. Number of shares outstanding at the end of the period (including treasury shares)
- |                         |                    |
|-------------------------|--------------------|
| As of December 31, 2022 | 914,000,000 shares |
| As of December 31, 2021 | 914,000,000 shares |
- ii. Number of treasury shares at the end of the period
- |                         |                    |
|-------------------------|--------------------|
| As of December 31, 2022 | 104,171,578 shares |
| As of December 31, 2021 | 80,414,185 shares  |
- iii. Average number of shares during the period
- |   |                    |
|---|--------------------|
| For the fiscal year ended December 31, 2022 | 821,755,308 shares |
| For the fiscal year ended December 31, 2021 | 833,598,578 shares |

Note: Number of treasury shares at the end of the period includes shares held in the BIP (Board Incentive Plan) Trust (1,965,900 shares at December 31, 2022 and 385,135 shares at December 31, 2021). These shares are excluded in calculation of the average number of shares during the period.

\* The summary of consolidated financial results is not subject to audit by certified public accountants or an audit corporation.

\* Information about proper usage of forecast business results, and other special instructions

- (1) The statements concerning future performance that are presented in this document are based on judgments using information available to Kirin Holdings and the Kirin Group as of the release date of this material. Certain risks and uncertainties could cause the results of Kirin Holdings and the Kirin Group to differ materially from any projections presented herein. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses, market trends, and exchange rates.
- (2) The Company will post the Supplementary Documents to the Financial Results today, Tuesday, February 14, and will post the presentation materials from the financial results presentation to be held on Wednesday, February 15, the presentation content (video) and the main Q&A at the meeting as soon as possible on the Company's website.  
(URL of the Company's website)  
<https://www.kirinholdings.com/en/investors/>

## ATTACHED MATERIALS

### INDEX

1. KIRIN GROUP'S CURRENT BUSINESS PERFORMANCE.....	2
(1) STATEMENT OF BUSINESS ACTIVITIES AND RESULTS.....	2
(2) FINANCIAL POSITION.....	8
(3) BASIC POLICY AND DISTRIBUTION OF PROFITS AND DIVIDEND FOR 2022 AND 2023.....	9
2. BASIC RATIONALE FOR SELECTION OF ACCOUNTING STANDARDS.....	10
3. CONSOLIDATED FINANCIAL STATEMENTS.....	11
(1) CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	11
(2) CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME.....	13
CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....	13
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	14
(3) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	15
(4) CONSOLIDATED STATEMENT OF CASH FLOWS.....	17
(5) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.....	19
(GOING CONCERN ASSUMPTION).....	19
(CHANGES IN ACCOUNTING ESTIMATES).....	19
(SEGMENT INFORMATION).....	19
(PER SHARE INFORMATION).....	23
(SIGNIFICANT SUBSEQUENT EVENTS).....	24
4. OTHER.....	25
CHANGES OF DIRECTORS AND BOARD MEMBERS.....	25

## 1. KIRIN GROUP'S CURRENT BUSINESS PERFORMANCE

### 1) STATEMENT OF BUSINESS ACTIVITIES AND RESULTS

In 2022, in addition to the prolonged COVID-19 pandemic, the emergence of geopolitical risks, global inflation, and the weak yen, among others had a significant impact on corporate management. In terms of consumer behavior, it was a year of major changes in society, including a further increase in health consciousness and further polarization of consumption.

In this environment, the Kirin Group accelerated its efforts to respond to changes in society under its Kirin Group Vision 2027 (KV2027) long-term management plan, including increasing profits in the Food & Beverages domain, strengthening the global foundation of the Pharmaceuticals domain, and expanding the Health Science domain. Kirin Holdings has been developing its pharmaceutical business for more than 40 years on the strength of fermentation and biotechnology cultivated through the beer business, which has continued for more than 100 years since its founding, and Kirin Holdings is promoting its health science business, newly launched under KV2027, by leveraging these core technologies. Kirin Holdings believes that using its superior fermentation technologies and biological knowledge to grow the health science business - leading to solutions to health issues - will ensure the future of the Kirin Group's continued existence and sustainable growth as a company.

Kirin Holdings will use the strengths of the Kirin Group to solve not only health issues, but also other issues facing society, while at the same time creating economic value as a company and maximizing corporate value.

During the year under review, Kirin Holdings pursued the following initiatives under the Kirin Group 2022-2024 Medium-Term Business Plan (2022-2024 MTBP), the second of three medium-term business plans toward achieve KV2027.

#### 1. Food & Beverages Domain

While building a strong brand system by concentrating on its mainstay brands, Kirin Holdings also worked to expand products and services that offer new value propositions. In response to soaring prices of raw materials and fuel prices, each Group company worked to improve profitability through productivity improvements and product price revisions.

#### 2. Pharmaceuticals Domain

As a Japan-based Global Specialty Pharmaceutical company\*1, Kirin Holdings worked to strengthen the foundation in Japan as well as overseas. In addition to steadily growing global strategic products, Kirin Holdings promoted the development of next-generation strategic products.

#### 3. Health Science Domain

Kirin Holdings accelerated the development of Lactococcus lactis strain Plasma\*2 (LC-Plasma) to expand its business domain. In addition to the development of its own group products such as beverages and supplements, Kirin Holdings promoted sales of raw material to external partner companies and expanded the number of functional food products. As a result, the sales amount of LC-Plasma-related business increased 40% from the previous year. In addition, Kirin Holdings continued its efforts to raise awareness of "immune care" and contributed to solving consumers' health issues.

1 A pharmaceutical company that continuously creates, develops, and markets innovative new drugs on a global scale by utilizing cutting-edge biotechnology with antibody technology at its core in the fields of nephrology, oncology, immunology/allergy, and the central nervous system.

2 A lactic acid bacterium that supports the maintenance of immune function in healthy people. Named after plasma cytotid dendritic cells (pDCs), which are immune cells, the Kirin Group has published many papers and presented at many conferences in collaboration with universities and research institutions in Japan and overseas.

Kirin Holdings has also received high praise from outside the company in terms of ESG. For the second year in a row, Kirin Holdings received an "AA" rating in the MSCI ESG Ratings<sup>3</sup> by the U.S.-based Morgan Stanley Capital International (MSCI), Inc. on a par with the world's leading CSV<sup>4</sup> companies. In a survey conducted by CDP<sup>5</sup>, an international non-profit organization, Kirin Holdings also received the highest rating of "A-List" in the two themes of "climate change" and "water security" for four consecutive years. In Japan, Kirin Holdings also received the highest overall ranking in the Nikkei SDGs Management Survey for four consecutive years, as well as the "SDGs Strategy and Economic Value Award" at the 4th Nikkei SDGs Management Grand Prix. In response to increasing demands for disclosure of non-financial information, Kirin Holdings has been proactive in disclosing non-financial indicators. Kirin Holdings has set non-financial targets in the areas of "Environment," "Health," and "Employees" as key performance indicators in the 2022-2024 MTBP, and have promoted specific initiatives.

<sup>3</sup> A rating by Morgan Stanley Capital International (MSCI), Inc. of the United States, as measured by resilience to significant long-term environmental, social, and governance risks, with a scale of AAA-CCC.

<sup>4</sup> Creating Shared Value: combined added value for consumers as well as for society at large.

<sup>5</sup> A non-profit organization that, at the request of institutional investors and major purchasing companies around the world, requires companies and municipalities to disclose information regarding their measures to combat climate change, protect water resources, preserve forests, and other environmental issues, and encourages them to take action.

Consolidated revenue	1,989.5 billion yen, up 9.2%
Consolidated normalized operating profit	191.2 billion yen, up 15.6%
Consolidated profit before tax	191.4 billion yen, up 92.1%
Consolidated profit attributable to owners of the Company (Key performance indicators)	111.0 billion yen, up 85.7%
ROIC	8.5%
Normalized EPS*	171 yen, up 9.6%

Normalization: Non-recurring items such as Other operating income or expenses, etc. have been removed to more accurately reflect actual earnings.

Normalized EPS = Normalized profit / Average number of shares outstanding during period.

Normalized profit = Profit attributable to Owners of the Company + Other operating income and expenses and other items after income taxes

Results by segment are as follows.

### Japan Beer and Spirits Business: Kirin Brewery Company, Limited (Kirin Brewery)

The domestic alcoholic beverages market was affected by soaring raw material and fuel prices as well as the prolonged COVID-19, but overall the market was on a recovery trend. Kirin Brewery focused on its mainstay brand KIRIN ICHIBAN and KIRIN ICHIBAN Zero Sugar<sup>6</sup>, to capture health-conscious consumers. As a result, overall sales volume of the KIRIN ICHIBAN brand increased 3% year-on-year. In the craft beer category, Kirin Brewery focused on efforts to broaden the appeal of a variety of beers. From the SPRING VALLEY brand, in addition to SPRING VALLEY Hojun <496>, SPRING VALLEY Silk Ale [White] was newly launched. Kirin Home Tap, a beer server for home use that allows consumers to enjoy authentic draft and craft beer at home, delivered the taste of freshly brewed beer to consumers nationwide. The Tap Marché beer server for restaurants, which can serve four kinds of craft beer from various regions of Japan, brought the enjoyment of a wide range of craft beer to consumers with 14 participating breweries.

In addition, Kirin Brewery has been rolling out TAPPY, a next-generation beer server that maintains the freshness of beer and helps reduce food loss, and the number of restaurants that have installed TAPPY has surpassed 10,000.

In the RTD<sup>7</sup> category, the mainstay Kirin Hyoketsu® brand sold well. In particular, the Hyoketsu® Sugar Free series received strong support, with sales exceeding 14 million cases<sup>8</sup>, approximately 1.2 times the target set at the beginning of the year.

In the non-alcoholic beer-taste beverage category, Kirin Brewery revamped Kirin GREENS FREE, which helped revitalize the market.

<sup>6</sup> According to food labeling standards products containing less than 0.5g of sugar per 100ml can be labeled "zero sugar."

<sup>7</sup> Abbreviation for Ready to Drink, a canned cocktail.

<sup>8</sup> Equivalent to 24 bottles of 250ml each

#### Japan Beer and Spirits Business 2022 results:

Consolidated revenue	663.5 billion yen, up 0.3%
Consolidated normalized operating profit	74.7 billion yen, up 5.8%

#### Japan Non-alcoholic Beverages Business: Kirin Beverage Company, Limited (Kirin Beverage)

The domestic beverage market is on a recovery trend due to increased opportunities to go out, but the external environment surrounding the market became more intense due to soaring raw material and fuel prices, etc.

At Kirin Beverage, sales of mainstay brands were strong, with sales of both Kirin Gogo-no-Kocha and Kirin Nama-cha exceeding those of the previous year. In particular, sales of Kirin Gogo-no-Kocha Oishii Muto (sugar free) were up 17% from the previous year. In the Health Science area, where Kirin Beverage is focusing its efforts, Kirin iMUSE Morning Immune Care, a small-volume PET-bottled beverage, was launched nationwide to strengthen efforts to make "immune care" a habit in consumers. In addition, Kirin Beverage renewed and strengthened sales of Kirin iMUSE Lemon and Kirin iMUSE Yogurt Taste, resulting in a 23% year-on-year growth in sales volume of beverages containing LC-Plasma. On top of that, KIRIN naturals, a service for corporate consumers to promote health management, was renewed as a service to improve employees' lifestyle habits and raise their health awareness.

#### Japan Non-alcoholic Beverages Business 2022 results:

Consolidated revenue	243.3 billion yen, down 0.5%
Consolidated normalized operating profit	18.8 billion yen, down 11.0%

#### Oceania Adult Beverages Business: Lion Pty Limited (Lion)

In the Australian alcoholic beverage market, while the on-premise market was recovering from the impact of COVID-19, the off-premise market remained soft. Lion strengthened marketing activities centered on its mainstay XXXX ("four-ex") and worked to revitalize the brand. In the craft beer business, which is positioned and focused as a growth area, Lion acquired Fermentum Pty Ltd. in Australia in 2021 and expanded its premium portfolio. In 2022, Lion acquired Bell's Brewery, Inc. in the United States, and together with New Belgium Brewing Company, proceeded to build a craft platform in North America.

#### Oceania Adult Beverages Business 2022 results:

Consolidated revenue	255.9 billion yen, up 18.3%
Consolidated normalized operating profit	31.5 billion yen, up 18.8%

#### Pharmaceuticals Business: Kyowa Kirin Co., Ltd. (Kyowa Kirin)

In 2022, the second year of the company's 2021-2025 Medium Term Business Plan, Kyowa Kirin continued its efforts to grow as a Japan-based Global Specialty Pharmaceutical company.

While the global therapeutic environment is changing due to COVID-19, global strategic products Crysvida\*9 and Poteligeo\*10 continued to show steady growth. As for next-generation strategic products, development of KHK4083 (generic name: Rocatinlimab)\*11 and KHK7791 (generic name: Tenapanor Hydrochloride)\*12 made steady progress. On the other hand, the development of KW-6356\*13 was discontinued, and the decision was made to discontinue the development of ME-401\*14 outside Japan. In Kyowa Kirin's "patient advocacy" activities, which aim to resolve business and social issues by listening to the voices of people facing illnesses, Kyowa Kirin actively promoted support for rare and intractable diseases in Japan and overseas, including participation in the community of ASrid, a Japanese non-profit organization.

9 A drug for the treatment of rare diseases that cause disorders of bone growth and metabolism mainly due to genetic causes. In Japan, it is marketed under the CRYSVITA product name.

10 A drug for the treatment of certain types of leukemia. It is already marketed in Japan under the POTELIGEO brand name.

11 A drug for the treatment of atopic dermatitis.

12 A treatment that inhibits phosphorus absorption for hemodialysis patients.

13 The next-generation KW-6002 product (Japanese product name: Nouriastr), used for the treatment of Parkinson's disease.

14 A drug for the treatment of certain types of leukemia.

## Pharmaceuticals Business 2022 results:

Consolidated revenue	397.9 billion yen, up 13.1%
Consolidated normalized operating profit	82.5 billion yen, up 34.7%

## **Other Businesses**

	428.9 billion yen, up 23.3%
Consolidated revenue	
Consolidated normalized operating profit	37.5 billion yen, up 19.8%
Share of Revenue	21.6%

### ■ **KYOWA HAKKO BIO CO., LTD. (Kyowa Hakko Bio)**

Kyowa Hakko Bio was forced to suspend manufacturing at its Shanghai plant in China (SHANGHAI KYOWA AMINO ACID CO., LTD.), one of its production bases, following the spread of a new COVID-19 strain, and sales were also constrained. In addition, sales of Citicoline\*15, a key ingredient, were weak due to factors such as the impact of inflation in the United States, the largest dietary supplement market. Profitability was also affected by soaring raw material and fuel prices. On the R&D front, Kyowa Hakko Bio built a foundation for medium- to long-term growth in the Kirin Group's Health Science domain. On the other hand, despite the severe business environment, Kyowa Hakko Bio completed a production facility for HMOs\*17 (human milk oligosaccharides) - for which demand is expected to grow worldwide - in its own factory in Thailand (THAI KYOWA BIOTECHNOLOGIES CO., LTD.).

15 An ingredient found in the body that maintains the cell membranes of the brain and nerve cells, and has been used for many years around the world in medicines for brain diseases and health foods that support the improvement of cognitive functions. In Japan, it is currently classified as a pharmaceutical product. 17 A generic term for oligosaccharides contained in breast milk. More than 200 kinds are contained in breast milk, and the results of research contributing to immunity and brain function, among others, have been reported.

### ■ **Mercian Corporation (Mercian)**

At Mercian, while its mainstay wine business was greatly affected by the sharp depreciation of the yen, it worked to nurture its own highly profitable brands. Mercian began developing a new brand, Mercian Wines, co-created with winemakers around the world, and responded to ethical consumption which has been on the rise in recent years.

In Japanese wines, Mercian has strengthened its efforts with the Château Mercian flagship brand. Mercian also launched a consulting business to raise the standard of the Japanese wine industry as a whole. Mercian aims to grow Château Mercian while contributing to local economies.

### ■ **Myanmar Brewery Ltd. (Myanmar Brewery)**

With regard to Myanmar Brewery Kirin Holdings reached an agreement to transfer all shares of Myanmar Brewery held by its subsidiary Kirin Holdings Singapore Pte, Ltd. (Myanmar Brewery's acquisition of its own shares). Accordingly, a share transfer agreement was signed with Myanmar Brewery on January 23, 2023, and the transfer was completed.

### ■ **Coca-Cola Beverages Northeast, Inc. (Coke Northeast)**

In the United States, the beverage market grew significantly, as strong consumer demand continued despite rising inflation. Coke Northeast also worked to increase demand while revising product prices, and as a result, sales remained strong. The company also improved profitability by working on a more profitable product mix.



## <Outlook for 2023>

While social activities are recovering from the effects of COVID-19, outbreaks of infectious diseases will continue to be unavoidable. In addition, heightened geopolitical risks may cause raw material and fuel prices to soar and other commodity prices to rise, making the business environment increasingly unpredictable. Against this backdrop, the Kirin Group will work to grow in the Pharmaceutical and Health Science domains and to improve profitability in the Food & Beverages domain while facing social issues head-on.

The Kirin Group's growth is supported by four organizational capabilities: human resources, ICT, marketing, in addition to technological capabilities based on fermentation and biotechnology. In the area of human capital, which has been attracting increasing attention in recent years, Kirin Holdings will increase the number of highly specialized and diverse human capital and reform the Group's human capital strategy to foster an organizational culture that enables growth through taking on challenges. Under the new strategy, Kirin Holdings will link investment in human capital to increased corporate value.

Kirin Holdings will also strengthen human rights initiatives in its global supply chain. It will reduce human rights risks by conducting human rights due diligence on tea plantations in Sri Lanka and other raw material suppliers, and by utilizing the grievance mechanism of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER).

Under the new strategy, Kirin Holdings will link investment in human capital to the enhancement of corporate value. In addition, Kirin Holdings will promote initiatives aimed at creating a positive impact on a global level to address environmental issues that must be addressed on a global scale.

Through these efforts, Kirin Holdings aims to achieve its financial targets of an average annual growth rate of at least 11% in Normalized EPS by 2024\*1 and an ROIC of 10% by 2024, as well as its non-financial targets for the environment, health, and employees.

1 Standard is for FY2023.

### Consolidate Earnings Forecasts for the Fiscal Year 2023:

Consolidated revenue	2,115.0 billion yen, up 6.3%
Consolidated normalized operating profit	192.0 billion yen, up 0.4%
Consolidated profit before tax	196.0 billion yen, up 2.4%
Consolidated profit attributable to owners of the Company (Key performance indicators)	113.0 billion yen, up 1.8%
ROIC	8.5%
Normalized EPS*	171 yen, -

## 1. Food & Beverages Domain

In the Food & Beverages domain, Kirin Holdings will continue to build a strong brand system, nurture growth engines, and improve profitability.

Kirin Brewery will work to "make beer more appealing" in response to rising demand for beer due to the upcoming liquor tax revision in October. Focusing on the renewal of KIRIN ICHIBAN, we will strengthen our mainstay brands such as KIRIN ICHIBAN, KIRIN ICHIBAN Zero Sugar, and the Kirin Hyoketsu® RTD. In craft beer, which is positioned as a growth engine, Kirin Brewery will focus on the SPRING VALLEY brand, strengthen partnerships with other craft breweries, and expand the Tap Marché and Kirin Home Tap services.

Kirin Beverage has positioned "Health with good taste for everyone's daily life" as its pledge to its consumers in response to growing health consciousness. Kirin Beverage will focus on expanding the immune care market by strengthening its lineup of LC-Plasma-containing beverages, centered on the newly launched Kirin Oishii Immune Care. In its mainstay brands, Kirin Beverage will work to enhance the intrinsic value of black tea through the Kirin Gogo-no-Kocha mainstay brand and will also work on evolving taste and reducing environmental impact with Kirin Nama-cha.

Lion will strengthen marketing activities in priority brands such as XXXX. In the well-performing craft beer area, Lion will focus on strengthening its operating base in Australia and the United States. Lion will also pursue sustainable growth through transformation to a new business operation model.

Mercian will focus on Mercian Wines and Château Mercian to strengthen profitability.

Coke Northeast will work to build a continuous, stable, and highly profitable structure.

## **2. Pharmaceuticals Domain**

Kyowa Kirin aims to maximize the value of its global strategic products, Crysvida and Poteligeo. For Crysvida in particular, Kyowa Kirin will switch its sales promotion activities in North America from Ultragenyx, its previous outsourcing partner, to in-house, aiming for further growth and improved profitability.

The pharmaceutical industry is experiencing severe changes in the business environment, such as reduced spending on pharmaceuticals due to measures to control drug costs and promote the use of generics, as well as increased costs in new drug development. At the same time, there are moves to encourage new drug discovery methods that will enable innovative treatments.

We will steadily conduct clinical trials for KHK4083 and KHK4951 (generic name: Tibozanib)\*2, which are being co-developed with Amgen, along with promoting R&D to further enhance the product pipeline.

2 A treatment for exudative age-related macular degeneration (a disease that causes abnormal angiogenesis in the area called the macula, where photoreceptor cells are densely located, resulting in rapid vision loss).

## **3. Health Science Domain**

While the effects of COVID-19 linger, people's interest in health and wellness is growing year by year, and in 2023, Kirin Holdings will continue its efforts to raise awareness of "immune care," which enhances people's innate immune ability.

In addition to Kirin Holdings' own products, it will work with external partners to develop a wide range of functional food products, such as beverages, candies, and supplements containing LC-Plasma, to expand the environment in which consumers can easily and habitually take care of their immune systems. Kirin Holdings will utilize the knowledge gained from selling its own products to develop a proposal-based B-to-B business that is not limited to sales of raw material. Overseas, Kirin Holdings will accelerate expansion to Southeast Asia, the U.S., Europe, and other regions to convey the importance of "immune care" to people around the world.

Kyowa Hakko Bio will strengthen sales of Citicoline in the United States, and will aim to roll out HMOs (human milk oligosaccharides), a nutritional ingredient unique to breast milk, in Southeast Asia.

Kirin Holdings will accelerate joint research and new product development with FANCL by leveraging the strengths of both companies. In addition to expanding synergies by broadening the scope of joint research and increasing synergies, Kirin Beverage will utilize FANCL's Calolimit® brand to develop high value-added products. In addition, by sharing FANCL's expertise in e-commerce sales, Kirin Holdings will enhance its ability to respond to and make proposals to consumers.

### **In Closing**

The Kirin Group will promote CSV management that creates social and economic value in the areas of Food & Beverages, Pharmaceuticals, and Health Science domains, centered on its strengths in fermentation and biotechnology. The foundation of the business portfolio aimed for in KV2027 is being built, and Kirin Holdings aims to achieve sustainable growth and increase corporate value by accelerating growth and increasing the degree of strategy execution in each domain.

Kirin Holdings sincerely thanks the Kirin Group's shareholders for their continued understanding and support.

## **(2) FINANCIAL POSITION**

Total assets at the end of the current consolidated fiscal year were 2,542.3 billion yen, an increase of 70.3 billion yen from the end of the previous consolidated fiscal year mainly due to an increase in inventories, property, plant and equipment, and goodwill which more than offset a decrease in equity-accounted investees.

Equity increased by 105.2 billion yen from the end of the previous consolidated fiscal year to 1,253.2 billion yen mainly due to an increase in reserves due to foreign exchange fluctuations.

Liabilities decreased by 34.9 billion yen from the end of the previous consolidated fiscal year to 1,289.1 billion yen mainly due to a decrease in bonds and borrowings principally caused by a decrease in commercial papers.

The balance of cash and cash equivalents (hereinafter referred to as “net cash”) at the end of the current consolidated fiscal year was 88.1 billion yen, a decrease of 61.4 billion yen from the end of the previous consolidated fiscal year. Consolidated cash flows were as follows:

### Cash flows from operating activities

Net cash provided by operating activities decreased by 83.7 billion yen year on year to 135.6 billion yen. Outflow of working capital increased by 12.6 billion yen, while income taxes paid increased by 39.2 billion yen.

### Cash flows from investing activities

Net cash used in investing activities decreased by 46.0 billion yen year on year to 10.4 billion yen. There was an inflow of 122.2 billion yen for sale of equity-accounted investees and 11.3 billion yen for sale of property, plant and equipment and intangible assets, while there was an outflow of 98.5 billion yen for acquisition of property, plant and equipment and intangible assets, representing an increase by 12.1 billion yen year on year, and 46.2 billion yen for acquisition of shares of subsidiaries.

### Cash flows from financing activities

Net cash used in financing activities decreased by 12.6 billion yen year on year to 167.8 billion yen. Proceeds of 71.9 billion yen was received from long-term borrowings and 20.0 billion yen from issuance of bonds, while there was an outflow of 67.6 billion yen for repayment of long-term borrowings, 65.5 billion yen for dividends paid, 55.0 billion yen for decrease in commercial paper, and 50.0 billion yen for acquisition of treasury shares.

### **(3) BASIC POLICY AND DISTRIBUTION OF PROFITS AND DIVIDEND FOR 2022 AND 2023**

Based on the capital policy formulated in the 2022-2024 MTBP, Kirin will allocate resources to its businesses and distribute profits to its shareholders as set out below.

Regarding resource allocation to businesses, giving top priority to investments that contribute to further developing businesses with a focus on the Health Science domain, Kirin will make investments that contribute to enhancement of existing businesses and profit improvement. Kirin will also implement a stable and continuous allocation of resources to intangible assets (such as brands, research and development, information and communication technology (ICT), and human resources) that sustain the growth of future cash flows. Kirin will take a disciplined approach to investments in terms of maintaining and improving the Kirin Group's capital efficiency.

Kirin also views the appropriate distribution of profits to shareholders as a key management matter. Kirin has stably and continuously provided dividends based on a consolidated dividend payout ratio on normalized EPS of at least 40%. In addition, Kirin will consider opportunities to acquire treasury shares as additional shareholder returns, comprehensively taking into account various factors including optimum capital structure, market conditions and reserve funds after investments.

With regard to the distribution of surplus funds for 2022, based on a consolidated dividend payout ratio on normalized EPS of at least 40%, Kirin's Board of Directors made a resolution for an interim dividend of 32.5 yen per share and a year-end dividend of 36.5 yen per share, for an annual dividend totaling 69 yen per share (an increase of 4 yen per share from the previous year). The year-end dividend will be determined at the 184th General Meeting of Shareholders scheduled for March 30, 2023.

Regarding the distribution of surplus funds for 2023, Kirin aims for a consolidated dividend payout ratio on normalized EPS of at least 40%, and plans to pay a full-year dividend of 69 yen per share.

## **2. BASIC RATIONALE FOR SELECTION OF ACCOUNTING STANDARDS**

The Kirin Group has adopted International Financial Reporting Standards (“IFRS”) from the fiscal year ended December 31, 2017 to enhance the international comparability of its financial information in the capital market.

### 3. CONSOLIDATED FINANCIAL STATEMENTS

#### (1) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ millions)

	At December 31, 2021	At December 31, 2022
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	533,859	560,642
Goodwill	264,225	289,526
Intangible assets	196,341	200,900
Equity-accounted investees	399,367	361,764
Other financial assets	117,431	103,380
Other non-current assets	24,736	27,700
Deferred tax assets	109,354	111,330
Total non-current assets	1,645,313	1,655,242
Current assets		
Inventories	247,229	290,171
Trade and other receivables	387,921	409,168
Other financial assets	7,910	8,376
Other current assets	34,071	41,128
Cash and cash equivalents	149,488	88,060
(Sub-total)	826,620	836,903
Assets held for sale	—	50,117
Total current assets	826,620	887,021
<b>Total assets</b>	<b>2,471,933</b>	<b>2,542,263</b>

(¥ millions)

	At December 31, 2021	At December 31, 2022
<b>Equity</b>		
Share capital	102,046	102,046
Share premium	25,104	25,519
Retained earnings	998,177	1,063,823
Treasury shares	(201,801)	(251,788)
Reserves	(29,347)	40,423
Equity attributable to owners of the Company	894,179	980,022
Non-controlling interests	253,811	273,181
<b>Total equity</b>	<b>1,147,990</b>	<b>1,253,203</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Bonds and borrowings	449,970	408,662
Other financial liabilities	145,453	129,662
Defined benefit liability	61,954	58,084
Provisions	4,707	3,292
Liabilities from application of equity method	19,426	15,529
Other non-current liabilities	32,875	27,572
Deferred tax liabilities	10,606	13,564
<b>Total non-current liabilities</b>	<b>724,990</b>	<b>656,365</b>
<b>Current liabilities</b>		
Bonds and borrowings	101,502	114,459
Trade and other payables	229,552	265,185
Other financial liabilities	65,907	59,824
Current tax liabilities	22,162	4,611
Provisions	1,901	2,970
Other current liabilities	177,929	177,530
(Sub-total)	598,953	624,579
Liabilities directly associated with assets held for sale	—	8,116
<b>Total current liabilities</b>	<b>598,953</b>	<b>632,695</b>
<b>Total liabilities</b>	<b>1,323,943</b>	<b>1,289,060</b>
<b>Total equity and liabilities</b>	<b>2,471,933</b>	<b>2,542,263</b>

**(2) CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

(¥ millions)

	Year ended December 31, 2021	Year ended December 31, 2022
Revenue	1,821,570	1,989,468
Cost of sales	998,728	1,083,755
Gross profit	822,842	905,713
Selling, general and administrative expenses	657,412	714,554
Normalized operating profit	165,430	191,159
Other operating income	8,239	29,454
Other operating expenses	105,585	104,594
Operating profit	68,084	116,019
Finance income	4,087	10,978
Finance costs	7,044	6,478
Share of profit of equity-accounted investees	34,490	22,780
Gain on sale of equity-accounted investees	—	48,088
Profit before tax	99,617	191,387
Income tax expense	31,193	47,615
Profit	68,424	143,771
Profit attributable to:		
Owners of the Company	59,790	111,007
Non-controlling interests	8,634	32,764
Profit	68,424	143,771
Earnings per share (Yen)		
Basic earnings per share	71.73	135.08
Diluted earnings per share	71.70	135.07



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(¥ millions)

	Year ended December 31, 2021	Year ended December 31, 2022
Profit	68,424	143,771
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in equity instruments measured at fair value through other comprehensive income	(1,824)	1,937
Remeasurements of defined benefit plans	6,592	5,126
Share of other comprehensive income of equity-accounted investees	203	694
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	31,843	48,639
Cash flow hedges	1,185	(1,600)
Share of other comprehensive income of equity-accounted investees	10,892	21,269
Total other comprehensive income	48,891	76,065
Comprehensive income	117,316	219,836
Comprehensive income attributable to:		
Owners of the Company	109,631	189,195
Non-controlling interests	7,685	30,641
Comprehensive income	117,316	219,836

**(3) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Year ended December 31, 2021

(¥ millions)

	Equity attributable to owners of the Company					
	Share capital	Share premium	Retained earnings	Treasury shares	Reserves	
					Net change in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2021	102,046	24,940	980,903	(201,783)	24,757	—
Profit	—	—	59,790	—	—	—
Other comprehensive income	—	—	—	—	(1,251)	6,137
Comprehensive income	—	—	59,790	—	(1,251)	6,137
Dividends from surplus	—	—	(54,184)	—	—	—
Acquisition of treasury shares	—	—	—	(27)	—	—
Disposal of treasury shares	—	(0)	—	1	—	—
Share-based payments	—	83	2	7	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	81	—	—	—	—
Transfer from reserves to retained earnings	—	—	11,666	—	(5,529)	(6,137)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	164	(42,516)	(18)	(5,529)	(6,137)
Balance at December 31, 2021	102,046	25,104	998,177	(201,801)	17,978	—

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Reserves			Total		
	Foreign currency translation differences on foreign operations	Cash flow hedges	Total			
Balance at January 1, 2021	(91,702)	(577)	(67,522)	838,584	257,355	1,095,939
Profit	—	—	—	59,790	8,634	68,424
Other comprehensive income	43,767	1,187	49,841	49,841	(950)	48,891
Comprehensive income	43,767	1,187	49,841	109,631	7,685	117,316
Dividends from surplus	—	—	—	(54,184)	(11,182)	(65,366)
Acquisition of treasury shares	—	—	—	(27)	—	(27)
Disposal of treasury shares	—	—	—	1	—	1
Share-based payments	—	—	—	92	(181)	(89)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	81	104	185
Transfer from reserves to retained earnings	—	—	(11,666)	—	—	—
Other	—	—	—	—	31	31
Total transactions with owners of the Company	—	—	(11,666)	(54,036)	(11,228)	(65,265)
Balance at December 31, 2021	(47,935)	610	(29,347)	894,179	253,811	1,147,990

Year ended December 31, 2022

(¥ millions)

	Equity attributable to owners of the Company					
	Share capital	Share premium	Retained earnings	Treasury shares	Reserves	
					Net change in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2022	102,046	25,104	998,177	(201,801)	17,978	—
Profit	—	—	111,007	—	—	—
Other comprehensive income	—	—	—	—	1,881	5,386
Comprehensive income	—	—	111,007	—	1,881	5,386
Dividends from surplus	—	—	(53,778)	—	—	—
Acquisition of treasury shares	—	—	—	(50,018)	—	—
Disposal of treasury shares	—	(0)	—	1	—	—
Share-based payments	—	229	(1)	30	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	186	—	—	—	—
Transfer from reserves to retained earnings	—	—	8,419	—	(3,033)	(5,386)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	415	(45,361)	(49,987)	(3,033)	(5,386)
Balance at December 31, 2022	102,046	25,519	1,063,823	(251,788)	16,826	—

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Reserves			Total		
	Foreign currency translation differences on foreign operations	Cash flow hedges	Total			
Balance at January 1, 2022	(47,935)	610	(29,347)	894,179	253,811	1,147,990
Profit	—	—	—	111,007	32,764	143,771
Other comprehensive income	72,520	(1,598)	78,188	78,188	(2,124)	76,065
Comprehensive income	72,520	(1,598)	78,188	189,195	30,641	219,836
Dividends from surplus	—	—	—	(53,778)	(11,688)	(65,466)
Acquisition of treasury shares	—	—	—	(50,018)	—	(50,018)
Disposal of treasury shares	—	—	—	1	—	1
Share-based payments	—	—	—	257	(196)	62
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	186	632	818
Transfer from reserves to retained earnings	—	—	(8,419)	—	—	—
Other	—	—	—	—	(20)	(20)
Total transactions with owners of the Company	—	—	(8,419)	(103,352)	(11,271)	(114,623)
Balance at December 31, 2022	24,585	(988)	40,423	980,022	273,181	1,253,203

**(4) CONSOLIDATED STATEMENT OF CASH FLOWS**

(¥ millions)

	Year ended December 31, 2021	Year ended December 31, 2022
Cash flows from operating activities		
Profit before tax	99,617	191,387
Depreciation and amortization	81,130	85,937
Impairment losses	77,390	66,200
Gain on reversal of impairment losses	—	(13,152)
Interest and dividends received	(2,718)	(4,497)
Share of profit of equity-accounted investees	(34,490)	(22,780)
Interest paid	4,448	4,894
Gain on sale of property, plant and equipment and intangible assets	(3,061)	(9,512)
Loss on disposal and sale of property, plant and equipment and intangible assets	1,782	4,571
Gain on sale of shares of subsidiaries	(23)	—
Gain on sale of equity-accounted investees	—	(48,088)
(Increase) decrease in trade receivables	(9,106)	(8,455)
(Increase) decrease in inventories	(20,353)	(39,490)
Increase (decrease) in trade payables	3,514	18,384
Increase (decrease) in liquor taxes payable	1,586	(7,383)
Other	32,289	(34,002)
Sub-total	232,004	184,014
Interest and dividends received	21,036	24,731
Interest paid	(4,145)	(4,367)
Income taxes paid	(29,592)	(68,815)
Cash flows from (used in) operating activities	219,303	135,562

(¥ millions)

	Year ended December 31, 2021	Year ended December 31, 2022
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(86,335)	(98,479)
Proceeds from sale of property, plant and equipment and intangible assets	6,977	11,324
Acquisition of investments	(2,907)	(2,425)
Proceeds from sale of investments	22,122	7,884
Acquisition of shares of subsidiaries, net of cash acquired	(45,455)	(46,183)
Proceeds from sale of shares of subsidiaries, net of cash disposed of	42,886	—
Acquisition of equity-accounted investees	(162)	(9,382)
Proceeds from sale of equity-accounted investees	5,101	122,249
Other	1,365	4,612
Cash flows from (used in) investing activities	(56,408)	(10,399)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	4,641	(6,083)
Increase (decrease) in commercial paper	(81,994)	(55,009)
Proceeds from long-term borrowings	1,000	71,851
Repayment of long-term borrowings	(50,000)	(67,612)
Proceeds from issuance of bonds	70,000	20,000
Payment for redemption of bonds	(40,000)	—
Repayment of lease liabilities	(18,420)	(19,387)
Payment for acquisition of treasury shares	(34)	(50,040)
Payment for acquisition of treasury shares by a consolidated subsidiary	(23)	(11)
Proceeds from settlement of derivatives	—	4,072
Dividends paid	(54,184)	(53,778)
Dividends paid to non-controlling interests	(11,182)	(11,688)
Other	(266)	(151)
Cash flows from (used in) financing activities	(180,463)	(167,835)
Effect of exchange rate changes on cash and cash equivalents	5,388	6,728
Net increase (decrease) in cash and cash equivalents	(12,180)	(35,944)
Cash and cash equivalents at beginning of year	161,667	149,488
Net increase (decrease) in cash and cash equivalents resulting from transfers to assets held for sale	—	(25,484)
Cash and cash equivalents at end of year	149,488	88,060

## **(5) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **(GOING CONCERN ASSUMPTION)**

There are no matters to report under this item.

### **(CHANGES IN ACCOUNTING ESTIMATES)**

(Bio-chemicals business)

In light of a decline in profitability due to the impact of an increase in raw material and fuel prices globally caused by the COVID-19 pandemic and the emergence of geopolitical risks, an impairment test was performed for certain business assets related to the Bio-chemicals business. As a result, 42,957 million yen of impairment losses for non-current assets of the Bio-chemicals business was recognized for the year ended December 31, 2022. The recoverable amount was measured at value in use which was calculated considering past experience and external information, and discounting the forecast five-year cash flows based on the management approved business plan to the present value.

(Alcoholic Beverages business in Myanmar)

Since there was an indication from the share transfer process that the amount of impairment losses recognized in prior years related to the Alcoholic Beverages business in Myanmar had decreased, the recoverable amount of the Alcoholic Beverages business in Myanmar was estimated at December 31, 2022. As a result, a gain of 12,921 million yen on reversal of impairment losses for non-current assets (excluding goodwill) of the Alcoholic Beverages business in Myanmar was recognized for the year ended December 31, 2022. The recoverable amount was measured at fair value less costs of disposal which was calculated based on the share transfer price mutually agreed in the transfer process.

### **(SEGMENT INFORMATION)**

#### **(1) Summary of reportable segments**

The reportable segments of the Group are determined based on the operating segments which are constituent units of the Group whose separate financial information is readily available, and which are periodically examined by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating the business results. The Group has identified four reportable segments, namely, "Japan Beer and Spirits Businesses," "Japan Non-alcoholic Beverages Business," "Oceania Adult Beverages Business" and "Pharmaceuticals Business."

"Japan Beer and Spirits Businesses," for which Kirin Brewery Company, Limited oversees the operations, conducts production and sale of alcoholic beverages, such as beer, happo-shu, new genre, whiskey and spirits, in Japan.

"Japan Non-alcoholic Beverages Business," for which Kirin Beverage Company, Limited oversees the operations, conducts production and sale of soft drinks in Japan.

"Oceania Adult Beverages Business," for which Lion Pty Limited oversees the operations, conducts production and sale of beer, whiskey, spirits and other products in the Oceania region.

"Pharmaceuticals Business," for which Kyowa Kirin Co., Ltd. oversees the operations, conducts production and sale of pharmaceutical products.

Accounting policies for segment information are generally the same as those in the Company's consolidated financial statements.

Inter-segment revenue is based on actual market prices.

(2) Information on reportable segments

Information related to each reportable segment is set out below.

At and for the fiscal year ended December 31, 2021

(¥ millions)

	Reportable segment				Others (Note 1)	Adjustment (Note 2)	Consolidated
	Japan Beer and Spirits	Japan Non- alcoholic Beverages	Oceania Adult Beverages	Pharmaceu- ticals			
Revenue from unaffiliated customers	661,326	244,386	216,258	351,696	347,902	—	1,821,570
Inter-segment revenue	1,784	2,208	55	550	70,293	(74,890)	—
Total revenue	663,111	246,594	216,314	352,246	418,196	(74,890)	1,821,570
Segment income (Note 3)	70,541	21,099	26,562	61,197	31,334	(45,303)	165,430
Other operating income							8,239
Other operating expenses							105,585
Finance income							4,087
Finance costs							7,044
Share of profit of equity- accounted investees							34,490
Profit before tax							99,617

(¥ millions)

	Reportable segment				Others (Note 1)	Adjustment (Note 2)	Consolidated
	Japan Beer and Spirits	Japan Non- alcoholic Beverages	Oceania Adult Beverages	Pharmaceu- ticals			
Segment assets	432,806	139,176	475,861	862,091	859,811	(297,812)	2,471,933
Other items							
Depreciation and amortization	15,053	7,100	13,337	19,341	20,021	6,279	81,130
Impairment losses (excluding financial assets)	—	70	624	5,286	69,679	1,730	77,390
Equity-accounted investees	13,343	—	8,837	—	377,188	—	399,367
Capital expenditures	24,739	7,212	13,298	29,258	25,959	18,522	118,987

Notes: 1. "Others" mainly includes the Wine business in Japan, the Non-alcoholic Beverage business in North America, and the Bio-chemicals business.

2. Adjustments are as follows:

(1) Adjustment in segment income mainly includes inter-segment eliminations and corporate expenses not attributable to any reportable segment. The expenses are mainly group administrative expenses incurred in the Company, a holding company, and administrative expenses relating to some reportable segments incurred in shared services companies.

(2) Adjustment in segment assets includes inter-segment asset and liability eliminations and corporate assets not attributable to any reportable segment. The assets mainly consist of surplus funds (cash), long-term investments (equity instruments) and assets of the administrative department of the Company, a holding company, and shared services companies.

3. Segment income represents normalized operating profit which is calculated by deducting the total of cost of sales and selling, general and administrative expenses from revenue.

At and for the fiscal year ended December 31, 2022

(¥ millions)

	Reportable segment				Others (Note 1)	Adjustment (Note 2)	Consolidated
	Japan Beer and Spirits	Japan Non- alcoholic Beverages	Oceania Adult Beverages	Pharmaceu- ticals			
Revenue from unaffiliated customers	663,522	243,257	255,900	397,863	428,925	—	1,989,468
Inter-segment revenue	1,976	2,513	91	507	74,819	(79,907)	—
Total revenue	665,498	245,770	255,991	398,371	503,744	(79,907)	1,989,468
Segment income (Note 3)	74,660	18,786	31,545	82,462	37,545	(53,838)	191,159
						Other operating income	29,454
						Other operating expenses	104,594
						Finance income	10,978
						Finance costs	6,478
						Share of profit of equity- accounted investees	22,780
						Gain on sale of equity- accounted investees	48,088
						Profit before tax	191,387

(¥ millions)

	Reportable segment				Others (Note 1)	Adjustment (Note 2)	Consolidated
	Japan Beer and Spirits	Japan Non- alcoholic Beverages	Oceania Adult Beverages	Pharmaceu- ticals			
Segment assets	432,140	133,184	546,729	880,281	885,775	(335,845)	2,542,263
Other items							
Depreciation and amortization	16,409	6,982	15,106	18,319	18,922	10,199	85,937
Impairment losses (excluding financial assets)	—	—	3,525	17,979	44,696	—	66,200
Gain on reversal of impairment losses	—	—	231	—	12,921	—	13,152
Equity-accounted investees	10,090	—	8,960	—	342,714	—	361,764
Capital expenditures	17,940	9,326	13,107	33,298	30,421	12,708	116,799

Notes: 1. "Others" mainly includes the Wine business in Japan, the Non-alcoholic Beverage business in North America, and the Bio-chemicals business.

2. Adjustments are as follows:

(1) Adjustment in segment income mainly includes inter-segment eliminations and corporate expenses not attributable to any reportable segment. The expenses are mainly group administrative expenses incurred in the Company, a holding company, and administrative expenses relating to some reportable segments incurred in shared services companies.

(2) Adjustment in segment assets includes inter-segment asset and liability eliminations and corporate assets not attributable to any reportable segment. The assets mainly consist of surplus funds (cash), long-term investments (equity instruments) and assets of the administrative department of the Company, a holding company, and shared services companies.

3. Segment income represents normalized operating profit which is calculated by deducting the total of cost of sales and selling, general and administrative expenses from revenue.



### (3) Geographic information

#### 1) Revenue

(¥ millions)

	Year ended December 31, 2021	Year ended December 31, 2022
Japan	1,167,445	1,159,427
Oceania	175,048	184,343
America	318,221	459,346
Others	160,856	186,353
Total	1,821,570	1,989,468

Note: Revenue is classified by country or area based on customer location.

#### 2) Non-current assets

(¥ millions)

	At December 31, 2021	At December 31, 2022
Japan	510,385	486,545
Oceania	277,730	300,413
America	119,266	202,612
Others	90,626	67,572
Total	998,008	1,057,142

Note: Non-current assets exclude financial instruments, deferred tax assets and defined benefit assets.

#### (4) Major customer

The unaffiliated customer which accounted for 10% or more of revenue on the consolidated statement of profit or loss was as follows:

(¥ millions)

	Related segment	Year ended December 31, 2021	Year ended December 31, 2022
Mitsubishi Shokuhin Co., Ltd.	Japan Beer and Spirits, Japan Non-alcoholic Beverages, and others	225,518	220,074

**(PER SHARE INFORMATION)****(1) Basis of calculation of basic earnings per share**

The basis of calculation of basic earnings per share was as follows:

**1) Profit attributable to ordinary shareholders of the Company (basic)**

(¥ millions)

	Year ended December 31, 2021	Year ended December 31, 2022
Profit attributable to owners of the Company	59,790	111,007
Profit not attributable to ordinary shareholders of the Company	—	—
Profit attributable to ordinary shareholders of the Company	59,790	111,007

**2) Weighted-average number of ordinary shares (basic)**

(Thousands of shares)

	Year ended December 31, 2021	Year ended December 31, 2022
Weighted-average number of ordinary shares	833,599	821,755

**(2) Basis of calculation of diluted earnings per share**

Diluted earnings per share were calculated as follows based on profit attributable to ordinary shareholders of the Company and weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares:

**1) Profit attributable to ordinary shareholders of the Company (diluted)**

(¥ millions)

	Year ended December 31, 2021	Year ended December 31, 2022
Profit attributable to ordinary shareholders of the Company	59,790	111,007
Adjustments for potential ordinary shares issued by subsidiary	(18)	(15)
Profit attributable to ordinary shareholders of the Company (diluted)	59,772	110,992

**2) Weighted-average number of ordinary shares (diluted)**

(Thousands of shares)

	Year ended December 31, 2021	Year ended December 31, 2022
Weighted-average number of ordinary shares (basic)	833,599	821,755
Effect of dilution	—	—
Weighted-average number of ordinary shares (diluted)	833,599	821,755

**(SIGNIFICANT SUBSEQUENT EVENTS)**

(Share Transfer of Alcoholic Beverages Business in Myanmar)

Kirin reached an agreement with Myanmar Economic Holdings Public Company Limited (MEHPCL), a joint venture partner of its consolidated subsidiaries, Myanmar Brewery Limited (MBL) and Mandalay Brewery Limited (MDL), to transfer all shares of MBL and MDL held by Kirin Holdings Singapore Pte (KHSPL), a subsidiary of Kirin Holdings, representing 51% of MBL and MDL's outstanding shares, and completed the share transfer in a share buyback transaction on January 23, 2023.

The total share transfer price is approximately 20.5 billion yen and approximately 19.0 billion yen of loss on sale of shares of subsidiaries is expected to be recognized for the three months ending March 31, 2023.

Assets and liabilities of the Alcoholic Beverages business in Myanmar at the end of the year were transferred to assets held for sale and liabilities directly associated with assets held for sale, respectively.

## Changes of Directors and Board Members

Kirin Holdings Company, Limited hereby announces the changes of Directors and Board Members as follows (Scheduled at the end of March 2023).

### 1. Changes of Representatives

- (1) New Representative Director  
None
- (2) Retiring Representative Director  
None

Note: Yoshinori Isozaki (President & CEO) and Keisuke Nishimura (Representative Director of the Board, Executive Vice President) are scheduled to be reappointed.

### 2. Changes of Other Directors of the Board

- (1) New Director of the Board

Name	New appointment	Current title
Junko Tsuboi	Director of the Board, Senior Executive Officer of Kirin Holdings	Senior Executive Officer of Kirin Holdings
Shinya Katanozaka	Non-executive Director of the Board of Kirin Holdings	Chairman of the Board of Directors, ANA HOLDINGS INC.

- (2) Retiring Director of the Board

Name	New appointment	Current title
Noriya Yokota	Retirement	Director of the Board, Senior Executive Officer of Kirin Holdings
Kaoru Kato	Retirement	Non-executive Director of the Board of Kirin Holdings

Note: (i) Toshiya Miyoshi, Takeshi Minakata; and (ii) Masakatsu Mori, Hiroyuki Yanagi, Chieko Matsuda, Noriko Shiono, Rod Eddington, George Olcott are scheduled to be reappointed as (i) Director of the Board, Senior Executive Officer, and (ii) Non-executive Director of the Board, respectively.

### 3. Changes of Audit & Supervisory Board Members

- (1) New Audit & Supervisory Board Members

Name	New appointment	Current title
Toru Ishikura	Standing Audit & Supervisory Board Member of Kirin Holdings	Executive Officer, General Manager of Health Science Business Department, Health Science Business Division of Kirin Holdings

- (2) Retiring Audit & Supervisory Board Members

Name	New appointment	Current title
Keiji Kuwata	Retirement	Standing Audit & Supervisory Board Member of Kirin Holdings

Note: Shobu Nishitani as Standing Audit & Supervisory Board Member, and Kaoru Kashima and Kenichi Fujinawa as Audit & Supervisory Board Member are during their term of office, and Yoshiko Ando are scheduled to be reappointed as Audit & Supervisory Board Member.

## Profile of candidates for the new Director of the Board

### **Junko Tsuboi**

**Date of birth:** August 8, 1962

**Experience:**

March 2022-present Senior Executive Officer of Kirin Holdings Company, Limited

June 2020-present Non-executive Director of the Board, FANCL CORPORATION

March 2019 Senior Executive Officer, General Manager of Strategic Branding Department of Kirin Holdings Company, Limited

March 2014 Executive Officer, General Manager of Strategic Branding Department, CSV Division of Kirin Company, Limited

January 2013 General Manager of Strategic Branding Department, CSV Division of Kirin Company, Limited

November 2012 General Manager of Corporate Communications Department of Kirin Holdings Company, Limited

March 2012 General Manager of CSR Promotion Department And Corporate Communications Department of Kirin Holdings Company, Limited

March 2010 Director of the Board, President and CEO of Yokohama Akarenga Inc..

March 2005 General Manager of Corporate Communications Department of Kirin Beverage Company, Limited

April 1985 Joined Kirin Brewery Company, Limited

## Shinya Katanozaka

**Date of birth:** July 4, 1955

**Experience:**

April 2022-present	Chairman of the Board of Directors, ANA HOLDINGS INC.
June 2020-present	Outside Director, Tokio Marine Holdings, Inc.
April 2017	Chairman, ALL NIPPON AIRWAYS CO., LTD
April 2015	Representative Director, President & Chief Executive Officer, ANA HOLDINGS INC.
April 2013	Representative Director, Senior Executive Vice President, ANA HOLDINGS INC.
June 2009	Member of the Board of Directors, Executive Vice President, ALL NIPPON AIRWAYS CO., LTD.
April 2007	Executive Vice President, ALL NIPPON AIRWAYS CO., LTD.
April 2004	Director of Personnel, ALL NIPPON AIRWAYS CO., LTD.
April 1979	Joined ALL NIPPON AIRWAYS CO., LTD.

## Profile of candidate for the new Audit & Supervisory Board Member

### Toru Ishikura

<b>Date of birth:</b>	November 30, 1963
<b>Experience:</b>	
April 2022-present	Executive Officer, General Manager of Health Science Business Department , Health Science Business Division of Kirin Holdings
April 2020	Executive Officer, General Manager of Health Business Strategy Office , Corporate Strategy Department of Kirin Holdings
March 2020	Director of the Board, Kyowa Hakko Bio Co., Ltd.
April 2019	Executive Officer, Vice President of Research & Development Division and General Manager of Research & Development Strategy Department of Kirin Holdings.
March 2018	Executive Officer, General Manager of Research & Development Strategy Department of Research & Development Division of Kirin Company, Limited
April 2015	General Manager of Research & Development Strategy Department of Research & Development Division of Kirin Company, Limited
March 2015	Deputy General Manager of Technology Management Department of Research & Development Division of Kirin Company, Limited
April 1989	Joined Kirin Brewery Company, Limited

**Supplementary Documents to  
the Consolidated Financial Statements  
for the Year Ended December 31, 2022**

1. Summary of Consolidated Statement of Financial Position
2. Summary of Consolidated Statement of Profit or Loss, Indices, etc.
3. Revenue Details
4. Profit Details
5. Summary of Consolidated Statement of Cash Flows

**KIRIN HOLDINGS COMPANY, LIMITED  
February 14, 2023**



## 1.SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ billions)

	As of December 31, 2022, Actual	As of December 31, 2021, Actual	Increase (decrease)	Description of changes
Non-current assets	1,655.2	1,645.3	9.9	
Property, plant and equipment	560.6	533.9	26.8	
Goodwill	289.5	264.2	25.3	
Intangible assets	200.9	196.3	4.6	
Equity-accounted investees	361.8	399.4	(37.6)	
Other	242.4	251.5	(9.1)	
Current assets	887.0	826.6	60.4	
Inventories	290.2	247.2	42.9	
Trade and other receivables	409.2	387.9	21.2	
Cash and cash equivalents	88.1	149.5	(61.4)	Transfer to assets held for sale. Decrease in funds for acquisition of subsidiary , etc.
Other	99.6	42.0	57.6	Assets held for sale, etc.
Total assets	2,542.3	2,471.9	70.3	
Equity	1,253.2	1,148.0	105.2	
Equity attributable to owners of the Company	980.0	894.2	85.8	Increase in foreign currency translation differences arising from depreciation of yen, etc.
Non-controlling interests	273.2	253.8	19.4	
Non-current liabilities	656.4	725.0	(68.6)	
Bonds and borrowings	408.7	450.0	(41.3)	
Other	247.7	275.0	(27.3)	
Current liabilities	632.7	599.0	33.7	
Bonds and borrowings	114.5	101.5	13.0	
Trade and other payables	265.2	229.6	35.6	
Other	253.1	267.9	(14.8)	
Total liabilities	1,289.1	1,323.9	(34.9)	
Total equity and liabilities	2,542.3	2,471.9	70.3	

## 2.SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS, INDICES, etc.

### (1) Summary of Statement of Profit or Loss, Indices, etc.

(¥ billions)

	Year ended December 31, 2022, Actual	Year ended December 31, 2021, Actual	Increase (decrease)	
Revenue	1,989.5	1,821.6	167.9	9.2%
Gross profit	905.7	822.8	82.9	10.1%
Selling, general and administrative expenses	714.6	657.4	57.1	8.7%
Normalized operating profit	191.2	165.4	25.7	15.6%
Other operating income	29.5	8.2	21.2	257.5%
Other operating expenses	104.6	105.6	(1.0)	(0.9%)
Operating profit	116.0	68.1	47.9	70.4%
Finance income	11.0	4.1	6.9	168.6%
Finance costs	6.5	7.0	(0.6)	(8.0%)
Share of profit of equity-accounted investees	22.8	34.5	(11.7)	(34.0%)
Gain on sale of equity-accounted investees	48.1	—	48.1	—
Profit before tax	191.4	99.6	91.8	92.1%
Income tax expense	47.6	31.2	16.4	52.6%
Profit	143.8	68.4	75.3	110.1%
Owners of the Company	111.0	59.8	51.2	85.7%
Non-controlling interests	32.8	8.6	24.1	279.5%
ROIC	8.5%	4.2%		
Normalized EPS	¥171	¥156	¥15	9.6%
Revenue (excluding liquor tax)	1,705.0	1,536.0	169.1	11.0%
Normalized operating profit ratio (excluding liquor tax)	11.2%	10.8%		
ROE	11.8%	6.9%		
Normalized EBITDA	277.7	245.9	31.8	12.9%
Gross Debt Equity Ratio	0.53	0.62		

(Reference) Indices excluding the impact of fluctuation in exchange rate \*

	Year ended December 31, 2022, Actual
Normalized operating profit	171.3
ROIC	7.8%
Normalized EPS	¥153

\* Converted foreign currency amounts of the actual results at the exchange rate of the initial forecast announced on February 14, 2022.

ROIC= 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)

Normalized EPS = Normalized profit / Average number of shares outstanding during period

Normalized profit = Profit attributable to Owners of the Company ± Other operating income and expenses and other items after income taxes

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

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

## (2) Exchange Rate for the Consolidation of Profit or Loss of the Major Overseas Companies

(¥)

	Year ended December 31, 2022, Actual	Year ended December 31, 2021, Actual
Lion (AUD)	91.18	82.67
Coke Northeast (USD)	132.08	110.37

## (3) Period for the Consolidation of Profit or Loss of the Major Overseas Company

	Year ended December 31, 2022, Actual	Year ended December 31, 2021, Actual
San Miguel Brewery	From October 2021 to September 2022	From October 2020 to September 2021

### 3. REVENUE DETAILS

#### (1) Revenue Details

(¥ billions)

	Year ended December 31, 2022, Actual	Year ended December 31, 2021, Actual	Increase (decrease)	
Revenue	1,989.5	1,821.6	167.9	9.2%
Japan Beer and Spirits	663.5	661.3	2.2	0.3%
Kirin Brewery	635.1	638.3	(3.2)	(0.5%)
Other and elimination	28.4	23.0	5.4	23.5%
Japan Non-alcoholic Beverages	243.3	244.4	(1.1)	(0.5%)
Kirin Beverage	245.8	246.6	(0.8)	(0.3%)
Elimination	(2.5)	(2.2)	(0.3)	—
Oceania Adult Beverages	255.9	216.3	39.6	18.3%
Lion	256.0	216.3	39.7	18.3%
Elimination	(0.1)	(0.1)	(0.0)	—
Pharmaceuticals	397.9	351.7	46.2	13.1%
Kyowa Kirin	398.4	352.2	46.1	13.1%
Elimination	(0.5)	(0.5)	0.0	—
Other	428.9	347.9	81.0	23.3%
Mercian	60.5	57.9	2.6	4.5%
Coke Northeast	216.2	154.9	61.3	39.6%
Kyowa Hakko Bio	51.1	53.0	(2.0)	(3.7%)
Other and elimination	101.2	82.1	19.1	23.2%

Myanmar Brewery is included in 'Other and elimination' in 'Other' from 2022.

#### (Reference) Revenue excluding liquor tax

(¥ billions)

	Year ended December 31, 2022, Actual	Year ended December 31, 2021, Actual
Kirin Brewery	373.0	371.3

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

	Year ended December 31, 2022		Year ended December 31, 2021	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	492	3.7%	475	4.1%
<i>Happo-shu</i>	367	(5.3%)	387	0.9%
New genre	673	(5.1%)	709	(11.2%)
Sub-total	1,532	(2.5%)	1,571	(4.1%)
RTD	435	(3.3%)	449	4.7%
Non-alcohol beverages	46	(6.9%)	49	10.9%

The above sales volume excludes exports and liquor tax exempts.

b. Kirin Beverage Group

	Year ended December 31, 2022		Year ended December 31, 2021	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	5,177	3.7%	4,991	(1.4%)
Japanese tea	3,061	(1.4%)	3,104	(4.7%)
Coffee	2,461	(4.8%)	2,585	10.7%
Fruit and vegetable juice	2,280	(5.3%)	2,407	4.0%
Carbonated beverage	1,232	(6.2%)	1,313	(14.2%)
Water	3,214	(12.5%)	3,673	(11.9%)
Other	2,868	6.2%	2,702	(2.5%)
Total	20,293	(2.3%)	20,775	(3.1%)
Container Type				
Can	2,319	(4.2%)	2,421	(7.0%)
Large-sized PET bottles (2L, 1.5L, etc.)	6,182	(8.1%)	6,726	(11.8%)
Small-sized PET bottles (500ml, 280ml, etc.)	9,905	1.8%	9,726	3.3%
Other	1,887	(0.8%)	1,903	5.9%
Total	20,293	(2.3%)	20,775	(3.1%)
Domain				
Food & Beverage domain	18,194	(2.9%)	18,739	(5.1%)
Health science domain	2,099	3.1%	2,036	20.9%
Lactococcus lactis strain Plasma	660	26.2%	523	65.1%
Total	20,293	(2.3%)	20,775	(3.1%)

'Functional beverage' is included in 'Other' in 'Category' from 2022.

#### 4. PROFIT DETAILS

##### (1) Normalized Operating Profit Details

(¥ billions)

	Year ended December 31, 2022, Actual	Year ended December 31, 2021, Actual	Increase (decrease)	
Normalized operating profit	191.2	165.4	25.7	15.6%
Japan Beer and Spirits	74.7	70.5	4.1	5.8%
Kirin Brewery	71.5	68.0	3.5	5.2%
Others	3.1	2.6	0.6	22.7%
Japan Non-alcoholic Beverages	18.8	21.1	(2.3)	(11.0%)
Kirin Beverage	18.8	21.1	(2.3)	(11.0%)
Oceania Adult Beverages	31.5	26.6	5.0	18.8%
Lion	31.5	26.6	5.0	18.8%
Pharmaceuticals	82.5	61.2	21.3	34.7%
Kyowa Kirin	82.5	61.2	21.3	34.7%
Other	37.5	31.3	6.2	19.8%
Mercian	(0.6)	2.3	(2.9)	—
Coke Northeast	26.3	16.5	9.8	59.3%
Kyowa Hakko Bio	(3.9)	0.4	(4.2)	—
Others	15.7	12.2	3.5	28.8%
Corporate expenses and inter-segment eliminations	(53.8)	(45.3)	(8.5)	—

Each normalized operating profit in each segment is calculated by adding back management fees paid to the Company to normalized operating profit.

\*Myanmar Brewery\* is included in 'Others' in 'Other' from 2022.

## (2) Normalized Operating Profit Breakdown of Major Business Companies

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Increase in marginal profit of alcohol beverages, etc.	0.7	Total beer products (4.0) Sales increase in beer 18 thousand KL Sales decrease in happo-shu (21) thousand KL Sales decrease in new genre (36) thousand KL
			Total other than beer products (0.3) Sales decrease in RTD (15) thousand KL Sales decrease in non-alcohol beverages (3) thousand KL, etc.
			Impact of price revision and difference of change in composite of products, etc. 5.0
			Increase in raw material cost of alcohol beverages (5.7) Increase in market prices, etc.
			Decrease in selling expenses 8.9 Increase in sales promotion (1.9), decrease in advertising 10.9 (Total 66.5→57.6)
Total	Increase in other expenses (0.4) Increase in electricity and fuel prices, etc.	3.5	
Kirin Beverage	Increase in marginal profit of soft drink beverages	1.9	Decrease in sales volume (4.83) million cases (2.2) Difference of change in products mix and composition ratio of containers, etc. 4.1
			Increase in raw material cost, etc. (8.0) Increase in raw material cost (4.4), increase in material cost (1.8), Increase in processing cost (1.8)
			Decrease in selling expenses 4.2 Decrease in sales promotion 2.9, decrease in advertising 1.3 (Total 27.2→23.0)
			Increase in other expenses (0.4)
Total		(2.3)	

## (3) Other Operating Income and Other Operating Expenses

(¥ billions)

	Year ended December 31, 2022, Actual	Year ended December 31, 2021, Actual	Increase (decrease)
Other operating income	29.5	8.2	21.2
Gain on sale of property, plant and equipment and intangible assets	9.5	3.1	6.5
Gain on sale of shares of subsidiaries	—	0.0	(0.0)
Gain on reversal of impairment losses	13.2	—	13.2
Other	6.8	5.2	1.6
Other operating expenses	104.6	105.6	(1.0)
Impairment losses	66.2	77.4	(11.2)
Business restructuring expenses	0.7	2.0	(1.3)
Software development expenses	7.1	14.8	(7.7)
Loss on disposal and sale of property, plant and equipment and intangible assets	5.0	2.0	3.0
Other	25.5	9.3	16.2

## (4) Finance Income, Finance Costs, Share of Profit of Equity-accounted Investees, etc.

(¥ billions)

	Year ended December 31, 2022, Actual	Year ended December 31, 2021, Actual	Increase (decrease)
Finance income	11.0	4.1	6.9
Interest income	4.0	2.0	2.0
Dividend income	0.5	0.7	(0.2)
Foreign exchange gains (net)	5.3	0.9	4.4
Other	1.2	0.5	0.7
Finance costs	6.5	7.0	(0.6)
Interest paid	4.9	4.4	0.4
Change in the fair value of contingent consideration	0.7	1.3	(0.6)
Other	0.9	1.3	(0.4)
Share of profit of equity-accounted investees	22.8	34.5	(11.7)
San Miguel Brewery	25.4	21.7	3.7
Others	(2.7)	12.8	(15.4)
Gain on sale of equity-accounted investees	48.1	—	48.1



## 5. SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

### (1) Summary of Statement of Cash Flows

(¥ billions)

	Year ended December 31, 2022, Actual	Year ended December 31, 2021, Actual	Increase (decrease)
Cash flows from operating activities	135.6	219.3	(83.7)
Profit before tax	191.4	99.6	91.8
Depreciation and amortization	85.9	81.1	4.8
Other	(141.8)	38.6	(180.3)
Cash flows from investing activities	(10.4)	(56.4)	46.0
Acquisition of property, plant and equipment and intangible assets	(98.5)	(86.3)	(12.1)
Other	88.1	29.9	58.2
Cash flows from financing activities	(167.8)	(180.5)	12.6
Increase (decrease) in interest-bearing liabilities	(36.9)	(96.4)	59.5
Dividends paid	(65.5)	(65.4)	(0.1)
Other	(65.5)	(18.7)	(46.8)
Exchange rate changes.	6.7	5.4	1.3
Net increase (decrease) in cash and cash equivalents	(35.9)	(12.2)	(23.8)
Net increase (decrease) in cash and cash equivalents resulting from transfers to assets held for sale	(25.5)	—	(25.5)

### (2) Information by Segment

As of December 31, 2022, Actual

(¥ billions)

	Japan Beer and Spirits	Japan Non-alcoholic Beverages	Oceania Adult Beverages	Pharmaceuticals	Others	Adjustment	Total
Depreciation and amortization	13.1	6.3	11.9	14.5	14.8	5.7	66.3
Acquisition of property, plant and equipment and intangible assets	16.9	6.4	11.5	28.5	26.7	8.5	98.5
Normalized EBITDA	87.7	25.0	43.4	97.0	72.6	(48.1)	277.7

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

As of December 31, 2021, Actual

(¥ billions)

	Japan Beer and Spirits	Japan Non-alcoholic Beverages	Oceania Adult Beverages	Pharmaceuticals	Others	Adjustment	Total
Depreciation and amortization	12.4	6.3	10.3	15.9	16.2	1.3	62.4
Acquisition of property, plant and equipment and intangible assets	17.4	8.0	9.3	19.3	18.5	13.9	86.3
Normalized EBITDA	82.9	27.4	36.8	77.1	65.5	(44.0)	245.9

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

**Supplementary Documents to the Forecast  
Consolidated Business Results  
for the Year Ending December 31, 2023**

1. Summary of Consolidated Statements of Profit or Loss, Indices, etc.
2. Revenue Details
3. Profit Details
4. Information by Segment

**KIRIN HOLDINGS COMPANY, LIMITED  
February 14, 2023**

## 1. SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS, INDICES, etc.

### (1) Summary of Statement of Profit or Loss, Indices, etc.

(¥ billions)

	Year ending December 31, 2023, Forecast	Year ended December 31, 2022, Actual	Increase (decrease)	
Revenue	2,115.0	1,989.5	125.5	6.3%
Normalized operating profit	192.0	191.2	0.8	0.4%
Other operating income	19.4	29.5	(10.0)	(34.0%)
Other operating expenses	42.4	104.6	(62.2)	(59.4%)
Operating profit	169.0	116.0	53.0	45.7%
Finance income	4.2	11.0	(6.8)	(62.2%)
Finance costs	5.8	6.5	(0.7)	(10.1%)
Share of profit of equity-accounted investees	28.7	22.8	5.9	25.9%
Gain on sale of equity-accounted investees	—	48.1	(48.1)	—
Profit before tax	196.0	191.4	4.6	2.4%
Income tax expense	47.5	47.6	(0.1)	(0.2%)
Profit	148.5	143.8	4.7	3.3%
Owners of the Company	113.0	111.0	2.0	1.8%
Non-controlling interests	35.5	32.8	2.7	8.3%
ROIC	8.5%	8.5%		
Normalized EPS	¥171	¥171	—	—
Revenue (excluding liquor tax)	1,824.0	1,705.0	119.0	7.0%
Normalized operating profit ratio (excluding liquor tax)	10.5%	11.2%		
ROE	11.2%	11.8%		
Normalized EBITDA	286.7	277.7	9.0	3.3%
Gross Debt Equity Ratio	0.50	0.53		

ROIC = 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)

Normalized EPS = Normalized profit / Average number of shares outstanding during period

Normalized profit = Profit attributable to Owners of the Company ± Other operating income and expenses and other items after income taxes

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

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

## (2) Exchange Rate for the Consolidation of Profit or Loss of the Major Overseas Companies

(¥)

	Year ending December 31, 2023, Forecast	Year ended December 31, 2022, Actual
Lion (AUD)	90.00	91.18
Coke Northeast (USD)	130.00	132.08

## (3) Period for the Consolidation of Profit or Loss of the Major Overseas Company

	Year ending December 31, 2023, Forecast	Year ended December 31, 2022, Actual
San Miguel Brewery	From October 2022 to September 2023	From October 2021 to September 2022

## 2. REVENUE DETAILS

## (1) Revenue Details

(¥ billions)

	Year ending December 31, 2023, Forecast	Year ended December 31, 2022, Actual	Increase (decrease)	
Revenue	2,115.0	1,989.5	125.5	6.3%
Japan Beer and Spirits	709.3	663.5	45.7	6.9%
Kirin Brewery	675.3	635.1	40.2	6.3%
Other and elimination	34.0	28.4	5.5	19.5%
Japan Non-alcoholic Beverages	271.7	243.3	28.4	11.7%
Kirin Beverage	274.1	245.8	28.4	11.5%
Elimination	(2.5)	(2.5)	0.1	—
Oceania Adult Beverages	284.3	255.9	28.4	11.1%
Lion	284.3	256.0	28.3	11.1%
Elimination	(0.0)	(0.1)	0.1	—
Pharmaceuticals	425.2	397.9	27.4	6.9%
Kyowa Kirin	426.0	398.4	27.6	6.9%
Elimination	(0.8)	(0.5)	(0.3)	—
Other	424.6	428.9	(4.4)	(1.0%)
Mercian	65.5	60.5	5.0	8.2%
Coke Northeast	218.4	216.2	2.2	1.0%
Kyowa Hakko Bio	62.8	51.1	11.8	23.1%
Other and elimination	77.9	101.2	(23.3)	(23.1%)

## (Reference) Revenue excluding liquor tax

(¥ billions)

	Year ending December 31, 2023, Forecast	Year ended December 31, 2022, Actual
Kirin Brewery	407.5	373.0

## (2) Sales Details of Major Business Companies

### a. Kirin Brewery

	Year ending December 31, 2023		Year ended December 31, 2022	
	Forecast	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	537	9.1%	492	3.7%
<i>Happo-shu</i>	350	(4.7%)	367	(5.3%)
New genre	626	(7.0%)	673	(5.1%)
Sub-total	1,513	(1.3%)	1,532	(2.5%)
RTD	444	2.1%	435	(3.3%)
Non-alcohol beverages	53	15.4%	46	(6.9%)

The above sales volume excludes exports and liquor tax exempts.

### b. Kirin Beverage Group

	Year ending December 31, 2023		Year ended December 31, 2022	
	Forecast	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	5,612	8.4%	5,177	3.7%
Japanese tea	3,423	11.8%	3,061	(1.4%)
Coffee	2,515	2.2%	2,461	(4.8%)
Fruit and vegetable juice	2,192	(3.9%)	2,280	(5.3%)
Carbonated beverage	1,331	8.1%	1,232	(6.2%)
Water	2,616	(18.6%)	3,214	(12.5%)
Other	3,074	7.2%	2,868	6.2%
Total	20,763	2.3%	20,293	(2.3%)
Container Type				
Can	2,305	(0.6%)	2,319	(4.2%)
Large-sized PET bottles (2L, 1.5L, etc.)	5,767	(6.7%)	6,182	(8.1%)
Small-sized PET bottles (500ml, 280ml, etc.)	10,899	10.0%	9,905	1.8%
Other	1,792	(5.0%)	1,887	(0.8%)
Total	20,763	2.3%	20,293	(2.3%)
Domain				
Food & Beverage domain	17,930	(1.5%)	18,194	(2.9%)
Health science domain	2,834	35.0%	2,099	3.1%
Lactococcus lactis strain Plasma	1,006	52.5%	660	26.2%
Total	20,763	2.3%	20,293	(2.3%)

### 3. PROFIT DETAILS

#### (1) Normalized Operating Profit Details

(¥ billions)

	Year ending December 31, 2023, Forecast	Year ended December 31, 2022, Actual	Increase (decrease)	
Normalized operating profit	192.0	191.2	0.8	0.4%
Japan Beer and Spirits	78.3	74.7	3.6	4.9%
Kirin Brewery	75.0	71.5	3.5	4.8%
Others	3.3	3.1	0.2	5.2%
Japan Non-alcoholic Beverages	19.0	18.8	0.2	1.1%
Kirin Beverage	19.0	18.8	0.2	1.1%
Oceania Adult Beverages	35.1	31.5	3.6	11.3%
Lion	35.1	31.5	3.6	11.3%
Pharmaceuticals	85.0	82.5	2.5	3.1%
Kyowa Kirin	85.0	82.5	2.5	3.1%
Other	30.1	37.5	(7.5)	(19.9%)
Mercian	0.8	(0.6)	1.4	—
Coke Northeast	26.7	26.3	0.4	1.4%
Kyowa Hakko Bio	(4.0)	(3.9)	(0.1)	—
Others	6.6	15.7	(9.0)	(57.6%)
Corporate expenses and inter-segment eliminations	(55.5)	(53.8)	(1.6)	—

(2) Normalized Operating Profit Breakdown of Major Business Companies

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Increase in marginal profit of alcohol beverages, etc.	30.5	Total beer products 0.9 Sales increase in beer 45 thousand KL Sales decrease in <i>happo-shu</i> (17) thousand KL Sales decrease in new genre (47) thousand KL Total other than beer products 2.2 Sales increase in RTD 9 thousand KL Sales increase in non-alcohol beverages 7 thousand KL, etc. Impact of price revision and difference of change in composite of products, etc. 27.4
	Increase in raw material cost of alcohol beverages	(13.9)	Increase in market prices, etc.
	Increase in selling expenses	(6.4)	Increase in sales promotion and advertising (6.4) (Total 57.6→64.0)
	Increase in other expenses	(6.7)	Increase in expenditures, etc.
Total		3.5	
Kirin Beverage	Increase in marginal profit of soft drink beverages	20.0	Increase in sales volume 4.70 million cases 2.1 Difference of change in products mix and composition ratio of containers, etc. 17.9
	Increase in raw material cost, etc.	(13.6)	Increase in raw material cost (4.6), increase in material cost (5.2), increase in processing cost (3.8)
	Increase in selling expenses	(5.2)	Increase in sales promotion and advertising (5.2) (Total 23.0→28.2)
	Increase in other expenses	(1.0)	
Total		0.2	

#### 4. INFORMATION BY SEGMENT

Year ending December 31, 2023, Forecast

(¥ billions)

	Japan Beer and Spirits	Japan Non-alcoholic Beverages	Oceania Adult Beverages	Pharmaceuticals	Others	Adjustment	Total
Depreciation and amortization	15.1	6.8	13.2	16.6	16.5	6.6	74.8
Acquisition of property, plant and equipment and intangible assets	15.6	14.2	16.3	46.7	44.9	8.6	146.3
Normalized EBITDA	93.4	25.8	48.3	101.6	66.6	(48.9)	286.7

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

Year ended December 31, 2022, Actual

(¥ billions)

	Japan Beer and Spirits	Japan Non-alcoholic Beverages	Oceania Adult Beverages	Pharmaceuticals	Others	Adjustment	Total
Depreciation and amortization	13.1	6.3	11.9	14.5	14.8	5.7	66.3
Acquisition of property, plant and equipment and intangible assets	16.9	6.4	11.5	28.5	26.7	8.5	98.5
Normalized EBITDA	87.7	25.0	43.4	97.0	72.6	(48.1)	277.7

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