



Kirin Group

FY2022 Results & FY2023 Plan

February 14, 2023
Kirin Holdings Company, Limited

FY2022 Results and FY2023 Plan

Joy brings us together

Summary of FY2022 Financial Results and FY2023 Forecast

FY2022 Results

- Consolidated Revenue increased by +9.2% YoY, and consolidated Normalized operating profit (OP) increased by +15.6% YoY.
- Profit before tax increased by +92.1%, mainly due to the gain on the sale of China Resources Kirin Beverages, despite recognition of impairment losses in Kyowa Hakko Bio etc.
- Profit attributable to owners of the Company increased by +85.7% due to higher profit before tax.
- Normalized EPS increased by 15 yen YoY to a record high of 171 yen, mainly due to an increase in consolidated Normalized OP and the impact of the share buyback completed in September. Annual dividend per share is expected to be 69 yen, an increase by 4 yen (dividend payout ratio on Normalized EPS of 40%). ROIC improved to 8.5%.

FY2023 Forecast

- Consolidated Revenue is expected to increase by +6.3%, while Normalized OP and Profit attributable to owners of the Company are planned to increase slightly.
- ROIC outlook is 8.5% against 10%+ target in *2022-2024 Medium-Term Business Plan (MTBP)*.
- Normalized EPS is expected to be 171 yen, the same as the previous year.

FY2022 Results

- Achieved increase in all profit levels. Normalized EPS reached a record high and ROIC improved.

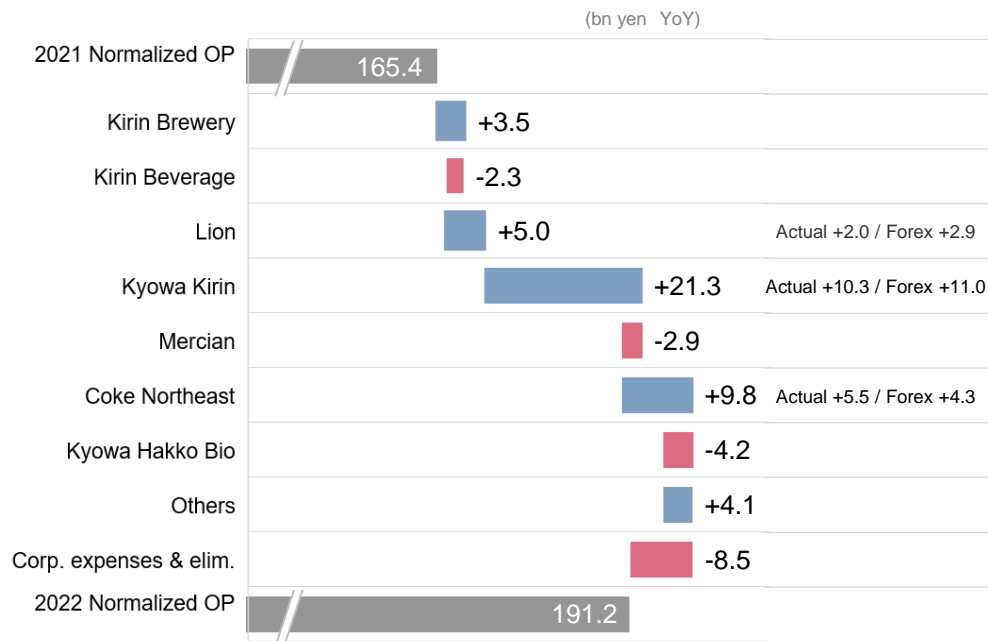
(bn yen)	FY2022 Actual	FY2021 Actual	YoY	%
Revenue	1,989.5	1,821.6	167.9	9.2%
Normalized OP ^{*1}	191.2	165.4	25.7	15.6%
Profit before tax	191.4	99.6	91.8	92.1%
Profit attributable to owners of the Company	111.0	59.8	51.2	85.7%
Quantitative Target	FY2022 Actual	FY2021 Actual	YoY	%
ROIC	8.5%	4.2%	-	-
Normalized EPS ^{*2}	171 yen	156 yen	15 yen	9.6%
Dividend per share	69 yen	65 yen	4 yen	6.2%

^{*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 28 for details.

Changes in Consolidated Normalized OP by Company

- Significant increase due to recovery in the alcoholic beverages business, strong performance in the pharmaceuticals domain and North American beverages business, and the impact of foreign exchange rates etc.



Other" includes "Other" within the "Japan Beer & Spirits" segment.
Myanmar Brewery" is included in "Other" from FY2022.



Notes

Kirin Brewery

- Despite a decrease in sales volume in addition to the impact of higher raw material costs etc., Normalized OP increased due to the effect of price revision and controlling of selling expenses.

Kirin Beverage

- Despite reductions in SG&A and other expenses, Normalized OP decreased due to the impact of higher raw material costs etc.

Lion

- Normalized OP increased due to recovery in the on-premise channels and US Craft growth as well as cost reductions by supply chain optimization etc.

Kyowa Kirin

- Normalized OP increased due to higher overseas sales revenue despite increases in SG&A and R&D expenses.

Coke Northeast

- Normalized OP increased due to higher sales volume even after the implementation of price revisions.

Kyowa Hakko Bio

- Normalized OP decreased due to soaring raw material and fuel costs and the transfer of BtoC business to Kirin Holdings, etc.

Other

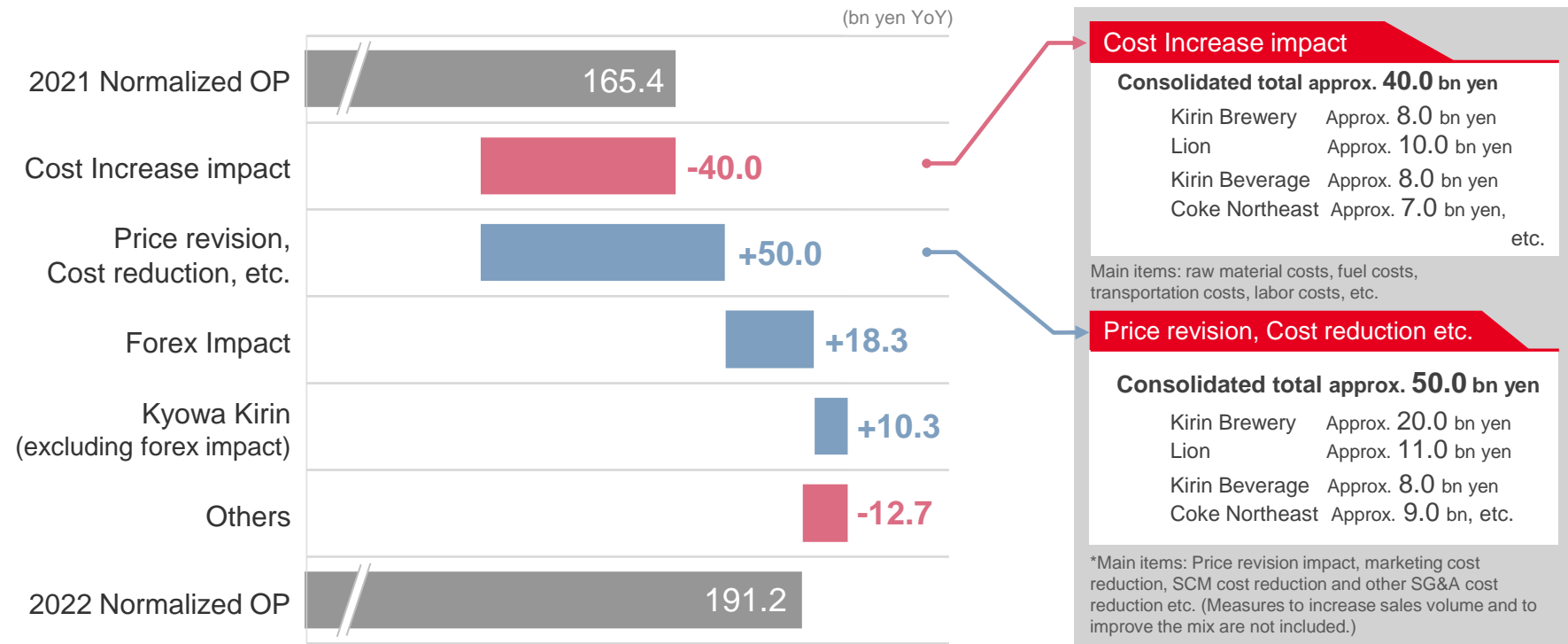
- Includes strong performance of Four Roses Distillery and impact of Myanmar Brewery.

Corporate Expenses and Segment Eliminations

- Information system expenses increased.

Changes in Consolidated Normalized OP by Factor

- Rising costs of raw materials, etc. were offset by price revisions and cost reductions. Achieved significant increase in profit for the entire Group



Forex impact is sum of Lion, Kyowa Kirin and Coke Northeast in page 5.

Kyowa Hakko Bio's Impairment Loss

- Impairment loss was recognized due to deterioration in profitability of the amino acid business as a result of cost increases, etc.
- Accelerate downsizing of the amino acid business while fulfilling supply responsibilities and specialization in specialty materials.

Cost increases beyond the level that can be passed on to customers

- Heavy fixed cost situation in the process of narrowing down the products
- Profit squeeze due to increased costs of raw materials and fuel etc.

Possible measures

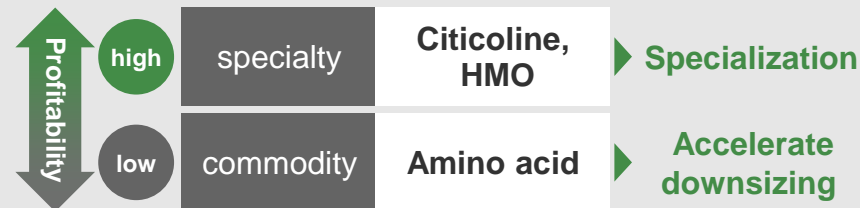
- Price revisions
- Absorb fixed costs through increased production volume

Decision made that expected earnings will not be achieved

Decided to select and concentrate management resources

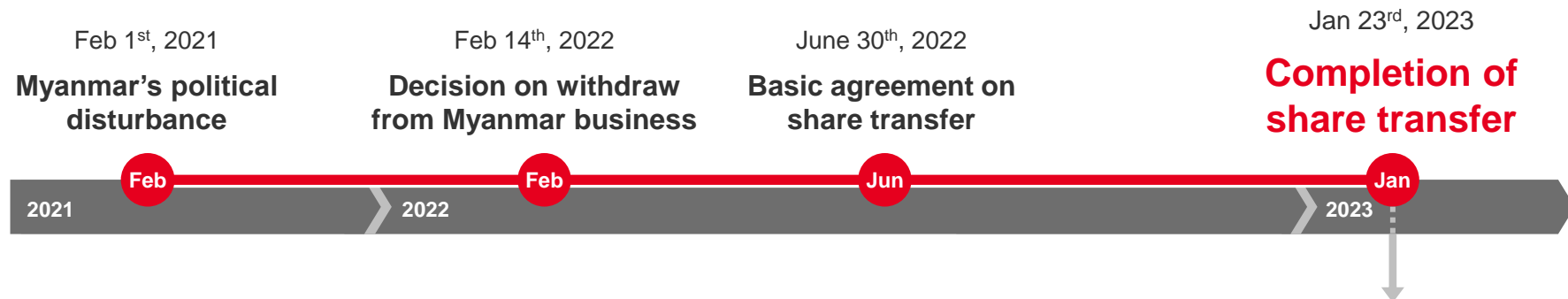
Impairment loss of approx. 43.0 bn yen recognized in fixed assets and goodwill of the amino acid business

Accelerate downsizing amino acid business and specialization in specialty materials



Completion of Myanmar Business Withdrawal and Financial Impact

(realization of foreign currency translation adjustment)



- Regarding all MBL* shares transfer to MBL, the approval of the Myanmar government authorities has been obtained and the legally required procedures have been completed.
- Completed the share transfer agreement on January 23rd in 2023, and the transfer was completed on the same day.

FY2023 Financial Impact

- Myanmar business is deconsolidated from Kirin Group and a foreign currency translation adjustment** of approx. -19.0 billion yen is realized.
- Financial results of the Myanmar business will not be included from 2023.

* Myanmar Brewery Limited

** IFRS name is "Foreign currency translation differences on foreign operations."
Exchange rate difference when converting BS of overseas subsidiaries into yen.

Normally, the accumulated amount is recorded in the equity section of BS every year, but when the company is sold or liquidated, the accumulated amount is recorded in other operating expenses section of PL.

Forecast for FY2023

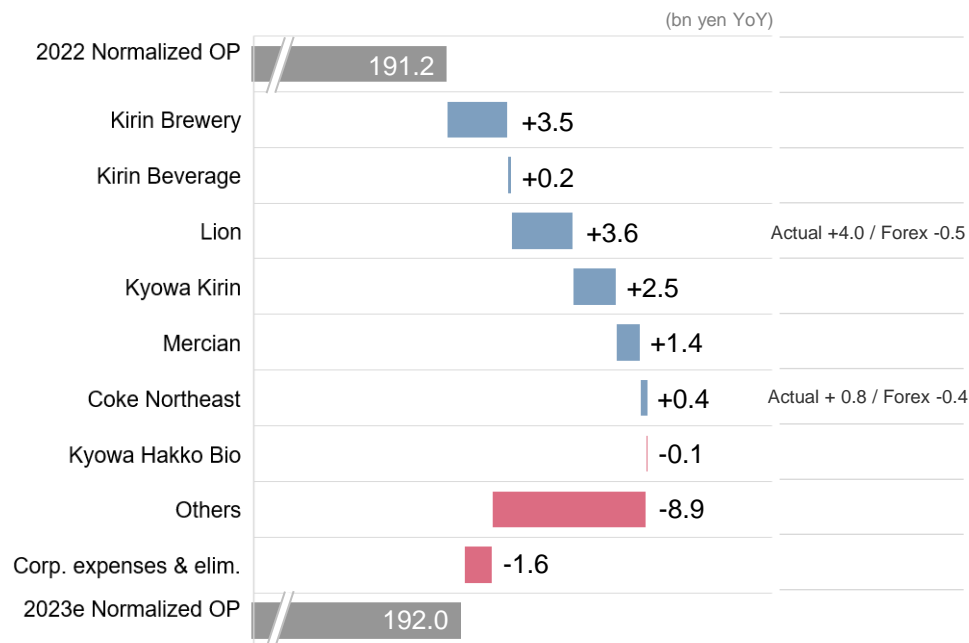
- Normalized OP, Normalized EPS and ROIC are expected to remain flat YoY due to brand investment etc, despite a steady increase in Revenue.

(bn yen)	FY2023 Forecast	FY2022 Actual	YoY	%
Revenue	2,115.0	1,989.5	125.5	6.3%
Normalized OP *	192.0	191.2	0.8	0.4%
Profit before tax	196.0	191.4	4.6	2.4%
Profit attributable to owners of the Company	113.0	111.0	2.0	1.8%
Quantitative Target	FY2023 Forecast	FY2022 Actual	YoY	%
ROIC	8.5%	8.5%	-	-
Normalized EPS	171yen	171 yen	-	-
Dividend per share	FY2023 Forecast	FY2022 Actual	YoY	%
	69 yen	69 yen	-	-

*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

Changes in Consolidated Normalized OP by Company

- Achieve profit growth in each business despite an uncertain business environment and offset the impact of the Myanmar business withdrawal.



"Other" includes "Other" in the "Japan Beer & Spirits" segment.



Kirin Brewery

- Normalized OP is expected to increase by higher pure beer sales with high unit prices while earning funds for responding to high costs and sales promotion expenses through the effect of price revision.

Kirin Beverage

- Normalized OP will increase due to the effect of price revision and an improved mix resulting from an increase in the percentage of small PET products despite the expected sharp rise in raw material costs and increase in sales promotion expenses to nurture brands.

Lion

- While strengthening investments in main brands, Normalized OP is expected to increase by higher sales volume in AU and growing US Craft, as well as by reducing supply chain costs.

Kyowa Kirin

- Although R&D expenses for the next-generation pipeline will increase, growth in global strategic brands will offset this increase, resulting in an increase in Normalized OP.

Coke Northeast

- Normalized OP is expected to increase due to price revisions, efforts to improve the mix, and control of SG&A expenses.

Kyowa Hakko Bio

- Normalized OP is expected to decrease due to soaring raw material and fuel costs etc.

Other

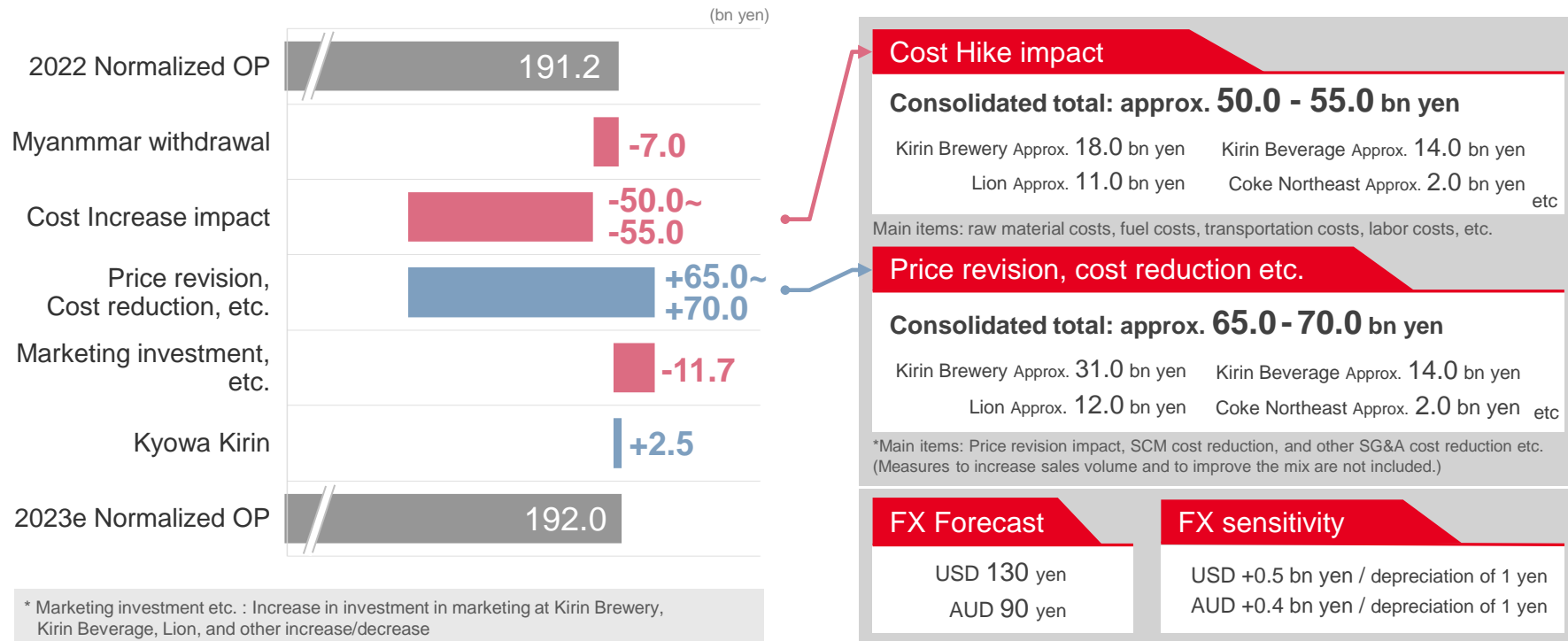
- Includes impact of Myanmar business deconsolidation by -7.0 bn yen.

Corporate Expenses and Segment Eliminations

- Corporate expenses and intersegment eliminations will increase.

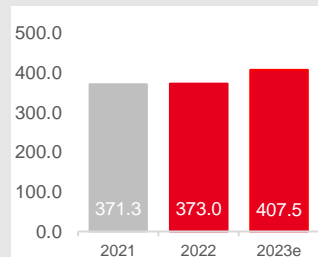
Changes in Consolidated Normalized OP by Factor

- Despite the Myanmar withdrawal and the impact of higher costs, the Group will earn funds for future investment through price revisions and cost reductions, etc.

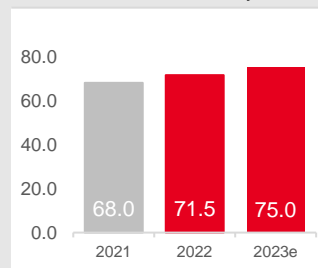


Results / Forecast

Liquor tax-excluded
Revenue (bn yen)



Normalized OP (bn yen)



In addition to the recovery of the on-premise channels, efforts to improve profitability through price revision etc., led to increases in both Revenue and Normalized OP. Continue to challenge initiatives to achieve higher profitability while strengthening our main brands.

2022

2023

Enhancing core brands

KIRIN ICHIBAN brand family total **+3%*** *KIRIN ICHIBAN* brand family total (can) **-10%***

- Jan-Dec : *KIRIN ICHIBAN* family brand (keg) + 50%*.
- Softness in Q4 was due to a reaction to temporary demand for price revision etc.

Stimulation of demand after price revision

KIRIN ICHIBAN brand family total **+11%***

- *KIRIN ICHIBAN* renewal.
- Focus on investment in *KIRIN ICHIBAN* family brand



Expand Craft beer business

SPRING VALLEY Brand total **+16%***

Home Tap **Achieved profitability**



Establishing Craft beer category

SPRING VALLEY Brand Total **over+70%***

- *SPRING VALLEY* <Houjun 496> renewal
- Implement an integrated approach to all consumer contact points, including On/Off premise, Direct Business (*Home Tap*), etc.

Initiatives to improve profitability

Price revision implementation, SCM improvement

- Implemented price revision in October, expected to absorb cost increase in 2023.
- Distribution cost reduction by utilizing RTD line at Sendai brewery

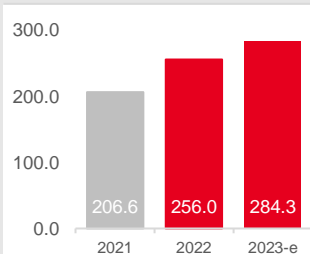
Increasing productivity

Strengthening efforts to improve profitability of RTDs

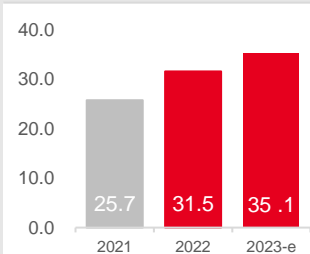
Promoting SCM efficiency

Results / Forecast

Revenue (bn yen)



Normalized OP (bn yen)



Dairy & Drinks results excluded in 2021.

Increased in both Revenue and Normalized OP due to recovery in the on-premise channels in AU and strong performance of US craft. Accelerate brand investment in core brands and growth of craft business in AU and US under new management.

2022

2023

Australia

➤ Growing premium brands and improving channel mix

On-premise channels

over **+20%***

Off-premise channels

-5%*

- Jan. - Dec. Total : Flat from the previous year
- Dec. Off premise: Recovering to the previous year

Craft/International Category Total

+16%*

- Steady growth in newly acquired Fermentum

➤ Aiming for growth by enhancing brands

On/Off premise Total

+4 - 6%*

- Plan to outperform AU beer market

Revitalize core brands

+3 - 5%*



Expand craft beer category

over **+20%***

US

➤ Enhancing US Craft beer strategy

New Belgium Brewing
Bell's Brewery

Total

over **+50%***

- Exceeded plan by Voodoo Ranger family's strong performance and Bell's integration

➤ Maximizing US Platform

New Belgium Brewing
Bell's Brewery

Total

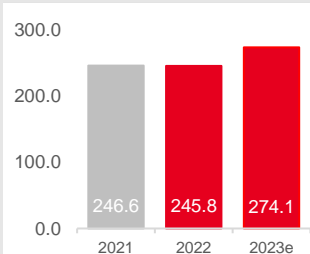
over **+8%***

- Start brewing Voodoo Ranger family at Bell's Brewery

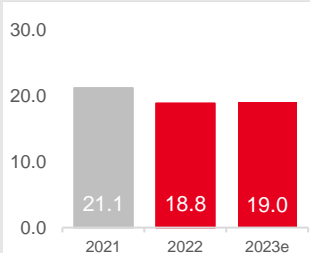
*Year on year growth(sales volume)

Results / Forecast

Revenue (bn yen)



Normalized OP (bn yen)



Achieved profit targets through core brands growth and solid cost management.
Accelerate brand investment to achieve higher profitability through the health science domain.

2022

2023

➤ Focusing on health science area

Lc-Plasma beverages

+26%*

- Year-on-year increase for the third consecutive year

Sales revenue for Health Science domain **over +50%***

- Renewal of Immune care product in ultra-small PET
- Development of the FANCL *Calolimit* brand



➤ Steady growth of main brands

Gogo-no-Kocha **+3%*** *Nama-cha* **+2%***

➤ Strengthening *Gogo-no-Kocha* and *Nama-cha*

Sales revenue growth rate for both brands

+18%**

- *Nama-cha* renewal

From Volume-Based to Value-Based



➤ Initiatives to Improve Profit Margins

Composition ratio increase in Small PET
(Total of 600ml or less PET)

+1.9ppt

Vending machine profitability structure reform

Steady progress

Composition ratio increase in Small PET

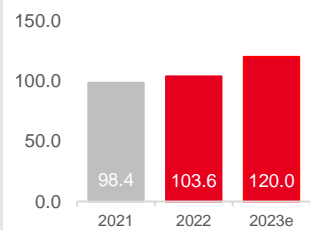
+3~4ppt

- Sales promotion of ultra-small PET (total of 100 ml or less PET)

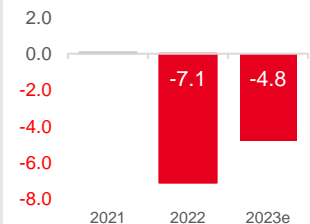


Results / Forecast

Revenue (bn yen)



Normalized OP (bn yen)



Aggregate figures for administrative purposes, including health science related products of Kirin Brewery and Kirin Beverage

Lc-Plasma has been growing while Kyowa Hakko Bio struggles. Aiming for early return to profitability in the domain total through early realization of structural reform of the amino acid business and concentration of resources on specialty materials.

2022

2023

› Lc-Plasma business expansion

Lc-Plasma related sales revenue (YoY)

 **+40%**

Recognition rate of Lc-Plasma name *

70% as planned

Recognition rate of Lc-Plasma function**

Record high 32%

*Percentage of respondents who know the name

**Percentage of respondents who know specific functions and benefits

› Accelerating growth of Lc-Plasma

Lc-Plasma related sales revenue (YoY) **over+30%**

Recognition rate of Lc-Plasma function ** **40%**

- Immunity market expansion through needs creation marketing
- Accelerate out-licensing business to domestic and overseas markets

› Kyowa Hakko Bio

Decided to quickly downsize the amino acid business and specialize in specialty materials

- Decided to select and concentrate management resources due to the impact of cost increases that exceeded the level at which price transfers were possible.

› Steady progress in specialty materials

Citicoline



US customer development

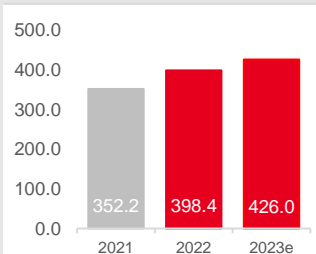
Human Milk Oligosaccharide (HMO)

Steady progress toward market launch in 2023

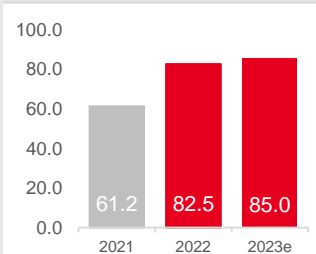
***Cognizin is our brand name of citicoline

Results / Forecast

Revenue (bn yen)



Normalized OP (bn yen)



Achieve growth as a global specialty pharmaceuticals company by maximizing the value of global strategic brands, continuing to create innovative drugs and expanding next-generation pipeline.

2022

2023

▶ Maximize value of global strategic brands



Crysvita

+49%*



Poteligeo

+40%*

**Achieved sales of
over 100 billion yen in
5 years after launch**

+17%*

+22%*

▶ Continuous creation of innovative drugs



- KHK4083: Ph3 program Initiation
- Development discontinued: KW-6356, ME-401 (U.S. and Europe)

- KHK4083: Promotion of development in collaboration with Amgen
- Accelerate development of next-generation pipeline
- Strategic investments to enhance the development pipeline

▶ Investment to quickly establish business foundation



- Steady preparation for the transition of *Crysvita*'s sales in the US
- Capital investment in Takasaki Plant for stable supply of medical products

- Start of own sales of *Crysvita* in the US
- Investment in human capital, digital and other infrastructure to realize life-changing value creation

Toward Achieving KV2027

Joy brings us together

Achieving the Kirin Group Vision 2027

Responded to rapid changes in the environment, and convinced that we are in the right direction toward the future we aim for.

Uncertain events may occur

Rapid cost increase due to prolonged Ukraine risk

Increase in geopolitical risks such as Myanmar's political disturbance

Changes in Consumer Behavior due to COVID-19

2019

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

Health Science domain

Food & Beverages domain

Pharmaceuticals domain

Core Competence

Fermentation & Biotechnology



Alcoholic Beverages Business: Tackling Strategic Issues Common to Mature Markets

Initiatives for 2023-2024

	Strategic Issues I	Promote Premiumization Strategy	Strategic Issues II	Increase Productivity
Kirin Brewery 	Craft beer Integrate all consumer contact points, such as Off-premise, On-premise, Direct Business (<i>Home Tap</i>) etc. Others Expand Japanese Whiskey domestically and internationally		SCM Optimize production lines, distribution networks, etc., according to production volume and category composition Others Optimize the sales organization - Aim for an organization that is appropriate for market demand and composition	
Lion 	Craft beer Further development of market-leading brands Others Development of premium spirits and RTDs		SCM Increase efficiency and agility in supply chain to improve customer service and cost reductions Others Optimize Head Office functions - Aim for Corporate functions to be better suited to the alcoholic beverage business	
Lion & Four Roses 	Craft beer Accelerate US expansion while respecting its own craft identities Others Enhance the premium category of bourbon whiskey		SCM Maximize sales opportunities by increasing manufacturing capacity Others Promote the establishment of US craft beer business platform	

Beverages Business: Tackling Strategic Issues Common to Mature Markets

Initiatives for 2023-2024

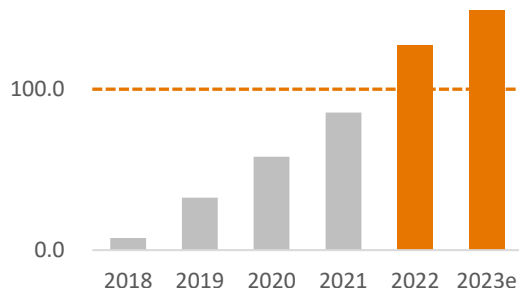
	Strategic Issues I	Promote Premiumization Strategy	Strategic Issues II	Increase Productivity
Kirin Beverage 	Margin improvement Expand product mix in health science domain	Others Development of products utilizing FANCL's brands, original technologies, and knowhow	SCM Strengthen cost competitiveness of production and logistics - Self-manufacturing of 100ml PET bottled beverages etc.	Others Optimize the sales organization - Improve sales process using ICT
Coke Northeast 	Margin improvement Improve margins per case through focus on core brands and appropriate pricing and promotion strategies	Others Selection and concentration of areas and channels to focus on	SCM Establish optimal production and logistics system - Increase delivery efficiency by adding automated warehouses	Others Process improvement in each function by utilizing ERP etc.

Maximize value of Global Strategic Brands



Sales in 2023

Approx. **150.0** bn yen



Invest in business infrastructure centered on global production and sales

Start of *Crysvita*'s own sales in North America.



Establish a global supply system optimized for expanding business scale

Steady development progress of next-generation pipeline

- **KHK4083** (rocatinlimab)
Atopic dermatitis: Ph3 Initiation
- **KHK4951**
Neovascular age-related macular degeneration*: Ph2 Preparation

	Expected year of approval	Market size**	Number of Patients
KHK4083	2026-2027	More than 1 trillion yen	16,000K
KHK4951	TBD	500 bn yen - 1 trillion yen	2,300K~

Sales Revenue CAGR

Average revenue growth rate from 2021-2025 based on 2020

10% +

FY2025*** NOP margin

(Normalized Operating Profit Margin)

24% +
(NOP margin of 21% in 2022)

* A disease in which the macula is affected by abnormal angiogenesis. Rapid progression leads to significant vision loss. Number of drug-treated patients Domestic: approx. 0.2 million, Global: approx. 1.6 million

** This is the total addressable market potential expected from the sum of all products and is not a sales forecast or target that can be achieved by our products alone.

*** Final year of Kyowa Kirin's medium-term business plan

Structural Reform Accelerated in Response to Environmental Changes

Previous Strategy

Improve profitability of amino acid business and expand specialty materials

Achieving Profit Improvement

1

Achieve structural reform ahead of schedule

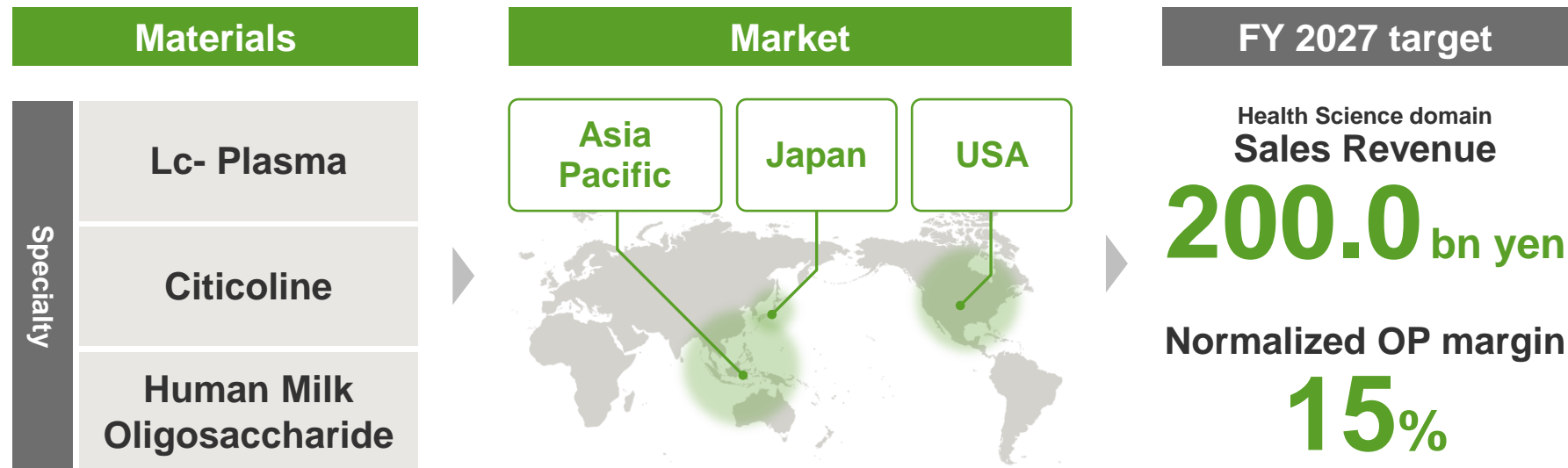
- Significantly downsize the amino acid business
- Implement fundamental structural reforms with all options in mind

2

Specialize in specialty materials

- Focus resources on Citicoline and Human Milk Oligosaccharides

Achieve profitability by 2024
Steadily improve profitability onward



**Create economic and social value
by solving health issues**

Strengthening Initiatives for Future Business Expansion



Lc- Plasma

Aggressive marketing investments to expand the immune-care market

➤ **Accelerate development of Lc-Plasma* related products**

- Expand in-house product lineup
- Expand out-licensing partners

➤ **The 11th Technology Management and Innovation Award
Minister of Education, Culture, Sports, Science and Technology Award**

- Evaluated not only for research, but also for commercialization.

*Lactococcus lactis strain Plasma

Cognizin®

Citicoline



Developing the US market with the strength of scientific evidence

➤ **Accelerate customer acquisition**

- Develop customers in the growing beverage market in addition to the supplement market

➤ **Start production at the expanded production facility within the year.**

Human Milk Oligosaccharide



Steady preparation for market launch

➤ **Pass safety evaluation in China**

- Passed the first stage of screening for launch in the Chinese market

➤ **Start production sequentially at a new plant in Thailand**

Leading ESG Initiatives and Becoming a Global Leader in CSV

Index rating / External evaluation

MSCI ESG Ratings :
Earned AA for the
2nd year in a row
following last year.



CDP :
Climate Change and
Water Security
Highest A-list



Nikkei SDGs: Strategy and
Economic Value Award &
Highest overall ranking for
four consecutive years



2022 Highlights

SBT Net Zero certification obtained for the first time in the world in the food industry

World's first to disclose natural capital information based on TNFD's LEAP approach

Environment

NEW!

Participation in the 30 by 30 Alliance for Biodiversity

**Mariko Vineyard's Environment Becomes Equivalent to
Certification as a Site in Harmony with Nature***

Promoting 100% renewable energy at group company plants

- All electricity purchased at Kirin Brewery's Okayama and Fukuoka breweries, Kyowa Kirin's Takasaki plant, and Lion's Australia/NZ plants will be 100% renewable energy.

NEW!

Social

**Withdrawal from Myanmar business completed
in January 2023**

**Join "Japan Center for Engagement and Remedy
on Business and Human Rights" (JaCER) as its
first member.**

- Establish a human rights grievance mechanism** for all stakeholders (acceptance to begin at the end of February 2023)



Research Update on AMED* Project to Promote
COVID-19 Drug Development**

- In vitro study confirms mechanism of inhibition of COVID-19 growth by Lc-Plasma

* Names of areas certified by the Ministry of the Environment as "areas where biodiversity is being conserved through the efforts of the private sector and others.

**Mechanisms to ensure that access to appropriate and effective remedies is provided in the event of human rights violations

*** Japan Agency for Medical Research and Development



よろこびがつなぐ世界へ Joy brings us together

Appendix

Joy brings us together

Normalized EPS Details

(bn yen)		FY2022	FY2021
Profit attributable to Owners of the Company	①	111.0	59.8
Other operating income/expenses after taxes and other adjustments	②	29.7	70.5
Normalized profit	③ = ① + ②	140.7	130.3
Average number of shares during the period ('000)	④	821,755	833,599
Normalized EPS (yen)	③ / ④	171	156

Revenue by segments

(bn yen)

		FY2022 Actual	FY2021 Actual	YoY	%
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.

Revenue by segments

(bn yen)

		FY2023 Forecast	FY2022 Actual	YoY	%
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%

Normalized OP by segments

(bn yen)

	FY2022 Actual	FY2021 Actual	YoY	%
Normalized OP	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	—
Other	15.7	12.2	3.5	28.8%
Corporate expenses/inter-segment	-53.8	-45.3	-8.5	—

* "Myanmar Brewery" is included in "Other" in "Other" from 2022.

Normalized OP by segments

(bn yen)

	FY2023 Forecast	FY2022 Actual	YoY	%
Normalized OP	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	—
Other	6.6	15.7	-9.0	-57.6%
Corporate expenses/inter-segment	-55.5	-53.8	-1.6	—

(1,000 KL)	FY2022 Actual	FY2021 Actual	YoY %
Beer products total	1,532	1,571	-2.5%
Beer	492	475	3.7%
Happo-shu	367	387	-5.3%
New genre	673	709	-5.1%
RTD	435	449	-3.3%
Non-alcohol beverages	46	49	-6.9%

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.

(bn yen)	FY2022 Actual	FY2021 Actual	YoY	%
Revenue	635.1	638.3	-3.2	-0.5%
Revenue excl. liquor tax	373.0	371.3	1.8	0.5%
Normalized OP	71.5	68.0	3.5	5.2%

FY2021 Normalized OP (bn yen)	
YoY change (bn yen)	Increase in marginal profit of alcohol beverages, etc.
	Increase in raw material cost
	decrease in selling expenses
	Increase in other expenses
Subtotal	
FY2022 Normalized OP	

68.0	Description
0.7	Beer total -4.0 (increase in beer 18,000KL, decrease in happo-shu -21,000KL, decrease in new genre -36,000KL)
	Non-beer total -0.3 (decrease in RTD -15,000KL, decrease in non-alcohol beverages -3,000KL, etc.)
	Price revision and difference of change in composite of products, etc. 5.0
-5.7	Increase in market prices, etc.
8.9	Increase in sales promotion -1.9, decrease in advertising +10.9 (Total 66.5 ⇒ 57.6)
-0.4	Increase in electricity and fuel costs, etc.
3.5	
71.5	



Note

Japan Alcoholic Beverage Market

- ▶ Beer market sales volume was up by approx. +2% YoY.
- ▶ Sales volume in on-premise channels increased by approx. +40% YoY.
- ▶ Sales volume in off-premise channels was down by approx. -3% YoY.
- ▶ Pure beer grew significantly as the on-premise channels recovered.

Sales Volume and Revenue

- ▶ Sales volume in on-premise channels increased by approx. +40% YoY due to a rebound from last year, which is same as the market.
- ▶ Sales volume in off-premise channels was down by -6% YoY due to the impact of the recovery of the on-premise channels and the impact of lower demand after the price revision.
- ▶ Despite a decrease in sales volume, revenue excluding liquor tax increased due to an increase in pure beer sales, etc.

Details on Financial Performance

- ▶ Although sales volume decreased, marginal profit increased by 0.7 bn yen due to an increase in sales volume of pure beer and the impact of price revision.
- ▶ Raw material costs increased by 5.7 bn yen due to the impact of market price hikes.
- ▶ Selling expenses decreased by 8.9 bn yen due to cost controls implemented in response to the impact of market price hikes for raw materials etc.

(1,000 KL)	FY2023 Forecast	FY2022 Actual	YoY %
Beer products total	1,513	1,532	-1.3%
Beer	537	492	9.1%
Happo-shu	350	367	-4.7%
New genre	626	673	-7.0%
RTD	444	435	2.1%
Non-alcohol beverages	53	46	15.4%

(bn yen)	FY2023 Forecast	FY2022 Actual	YoY	%
Revenue	675.3	635.1	40.2	6.3%
Revenue excl. liquor tax	407.5	373.0	34.5	9.2%
Normalized OP	75.0	71.5	3.5	4.8%



Sales Volume Target

- › Sales volume in on-premise channels is expected to increase by more than 10% YoY (a level approx. 30% lower vs 2019).
- › Sales volume in off-premise channels is expected to outperform the market by focusing investment on pure beer and RTD categories, which are expected to grow.

Revenue and Normalized OP

- › Revenue is expected to increase due to higher volume of pure beer etc.
- › Marginal profit is expected to increase by 30.5 bn yen due to the effects of increased volume of pure beer and price revisions.
- › Raw material costs are expected to increase by 13.9 bn yen due to the continued impact of market price hikes.
- › Selling expenses are expected to increase by 6.4 bn yen due to increased investment in core brands and craft beer products and services, which will drive future profit growth.
- › Aim to increase profit by offsetting the impact of cost increases and generating sources for selling expenses by an increase in marginal profit.

FY2022 Normalized OP (bn yen)		71.5	Description
YoY change (bn yen)	Increase in marginal profit of alcohol bevs., etc	30.5	Beer total 0.9 (increase in beer 45,000KL, decrease in happo-shu -17,000KL, decrease in new genre -47,000KL) Non-beer total 2.2 (increase in RTD 9,000KL, increase in non-alcohol beverages 7,000KL, etc.) Price revision and difference of change in composite of products, etc. 27.4
	Increase in raw material cost	-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 general expenses, etc.
Subtotal		3.5	
FY2023 Normalized OP (Forecast)		75.0	

Sales Volume (10,000 cases)		FY2022 Actual	FY2021 Actual	YoY %
Category	Black tea	5,177	4,991	3.7%
	Japanese tea	3,061	3,104	-1.4%
	Coffee	2,461	2,585	-4.8%
	Fruit and veg. juice	2,280	2,407	-5.3%
	Carbonated beverages	1,232	1,313	-6.2%
	Water	3,214	3,673	-12.5%
	Others	2,868	2,702	6.2%
By Container	Can	2,319	2,421	-4.2%
	Large PET bottle	6,182	6,726	-8.1%
	Small PET bottle	9,905	9,726	1.8%
	Others	1,887	1,903	-0.8%
By Domain	Food & Beverage	18,194	18,739	-2.9%
	Health science	2,099	2,036	3.1%
	(Lc-Plasma)	660	523	26.2%
Total		20,293	20,775	-2.3%

(bn yen)	FY2022 Actual	FY2021 Actual	YoY	%
Revenue	245.8	246.6	-0.8	-0.3%
Normalized OP	18.8	21.1	-2.3	-11.0%

* 'Functional beverage' is included in "Others" from 2022.

FY20 Normalized OP (bn yen)		21.1	Description
YoY change (bn yen)	Increase in marginal profit of soft drinks	1.9	Decrease in sales volume -4.83 million cases, -2.2 Difference of change in products mix and in composition ratio of containers, etc. 4.1
	Increase in raw material costs, 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	
Subtotal		-2.3	
FY21 Normalized OP		18.8	



Note

Soft Drink Market

- ▶ The soft drink market was up by approx. +2% YoY.

Sales Volume and Revenue

- ▶ In the health science domain, sales volume of Lc-Plasma related products increased by +26% YoY.
- ▶ In the food & beverage domain, sales volume of both *Gogo-no Kocha* and *Nama-cha* increased YoY.
- ▶ Revenue decreased due to lower sales volume.

Normalized OP

- ▶ Although sales volume decreased, marginal profit increased due to the effect of price revision and efforts to increase the percentage of small PET products, which led to an improvement in the difference of change in product mix and in composition ration of containers.
- ▶ Normalized OP decreased due to the impact of higher raw material and other costs resulting from soaring market prices, despite efforts to control selling and other expenses, as well as the increase in marginal profit.

Sales Volume (10,000 cases)		FY2023 Forecast	FY2022 Actual	YoY %
Category	Black tea	5,612	5,177	8.4%
	Japanese tea	3,423	3,061	11.8%
	Coffee	2,515	2,461	2.2%
	Fruit and veg. juice	2,192	2,280	-3.9%
	Carbonated beverages	1,331	1,232	8.1%
	Water	2,616	3,214	-18.6%
	Others	3,074	2,868	7.2%
By Container	Can	2,305	2,319	-0.6%
	Large PET bottle	5,767	6,182	-6.7%
	Small PET bottle	10,899	9,905	10.0%
	Others	1,792	1,887	-5.0%
By Domain	Food & Beverage	17,930	18,194	-1.5%
	Health science	2,834	2,099	35.0%
	(LC-Plasma)	1,006	660	52.5%
Total		20,763	20,293	2.3%

(bn yen)		FY2023 Forecast	FY2022 Actual	YoY	%
Revenue		274.1	245.8	28.4	11.5%
Normalized OP		19.0	18.8	0.2	1.1%

FY2022 Normalized OP (bn yen)		18.8	Description
YoY change (bn yen)	Increase in marginal profit of soft drinks	20.0	Increase in sales volume 4.70 million cases, 2.1, Difference of change in products mix and in composition ratio of containers, etc. 17.9
	Increase in raw material costs, 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	
	Subtotal	0.2	
FY2023 Normalized OP (Forecast)		19.0	



Note

Soft Drink Market

- ▶ The soft drink market is expected to be down by approx. -2% YoY.

Sales Volume and Revenue

- ▶ In the health science domain, sales volume of Lc-Plasma related beverages is expected to increase by +53%.
- ▶ In the food & beverage domain, sales volumes of both *Gogo-no Kocha* and *Nama-cha* are expected to increase, aiming for further growth of both brands.
- ▶ Aim to increase revenue through higher sales volume.

Normalized OP

- ▶ Marginal profit is expected to increase due to higher sales volume, the impact of price revision, and improvement in difference of change in product mix and in composition ration of containers due to a higher percentage of small PET products.
- ▶ In addition to higher raw material costs, selling expenses are expected to increase due to further strengthening of the health science domain and strategic investments for the growth of core brands, resulting in higher expenses than in the previous year.

Yen base (bn yen)

	FY22 Actual	FY21 Actual	YoY	%
Revenue	256.0	216.3	39.7	18.3%
Normalized OP	31.5	26.6	5.0	18.8%

AUD base (million \$)

	FY22 Actual	FY21 Actual	YoY	%
Revenue	2,808	2,617	191	7.3%
Normalized OP	346	321	25	7.7%

Dairy & Drinks results (Revenue \$117m, Normalized OP \$11m) included in FY21 Actual.
Revenue +12.3% YoY and Normalized OP +11.4% YoY without Dairy & Drinks results (AUD base).

Change in sales volume*	8.3%
FY21 Actual	321
Normalized OP YoY (million AUD)	
Sales Volume	2
Other	14
US Craft, etc.**	52
Others***	-43
FY22 Actual	346

* Includes US Craft etc. volume. YoY change in sales volume excluding US Craft etc. was flat.

** Includes Normalized OP impact derived from sales volume changes and the impact of other factors.

*** Includes Corporate expenses and one month of Dairy & Drinks NOP

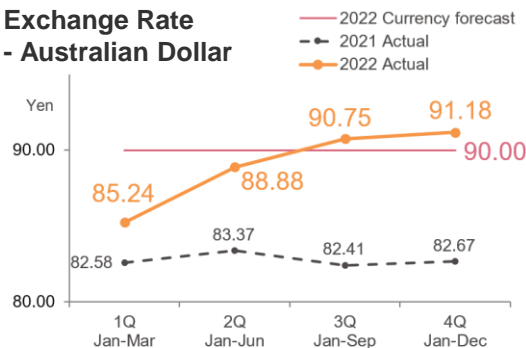


Note

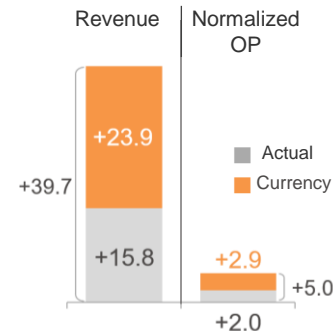
Revenue

- ▶ Total revenue increased by \$191m, with the alcoholic beverages business growing by \$308m, given the sale of LDD (\$-117m).
- ▶ Unit prices in Australia and NZ increased YoY due to price revisions. Australia's off-premise channels were soft due to inflation etc., but the on-premise channels continued to recover.
- ▶ US Craft, etc. revenue increased, driven by the acquisition of Bell's, and the continued strong performance of New Belgium Brewing's Voodoo Ranger family.

**Exchange Rate
- Australian Dollar**



Forex Impact (bn yen)



Normalized OP

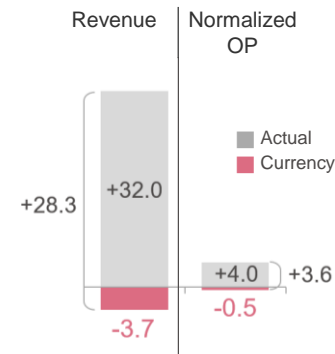
- ▶ Total Normalized OP increased by 7.7% YoY.
- ▶ Normalized OP increased despite the decrease caused by the sale of LDD (\$-11m). Downside caused by LDD sale was offset by the recovery in the on-premise channels in Australia and NZ, the contribution of Bell's and Fermentum acquisitions, and by overall cost management.
- ▶ Input cost continued to increase in all markets (AU, NZ, and US) but mitigated the impact by implementing pricing strategies and cost optimization.

	Yen base (bn yen)				AUD base (million \$)			
	FY2023 Forecast	FY2022 Actual	YoY	%	FY2023 Forecast	FY2022 Actual	YoY	%
Revenue	284.3	256.0	28.3	11.1%	3,159	2,808	351	12.5%
Australia & NZ	206.6	185.8	20.8	11.2%	2,296	2,038	258	12.7%
US Craft etc.	77.7	70.2	7.5	10.7%	863	770	93	12.1%
Normalized OP	35.1	31.5	3.6	11.3%	390	346	44	12.7%
Australia & NZ	25.3	23.9	1.4	5.8%	281	262	19	7.2%
US Craft etc.	9.8	7.6	2.2	28.4%	109	84	25	30.1%

* The details of "Australia & NZ" and "US Craft etc." are disclosed from 2023. (Corporate costs are included in "Australia & NZ")

Assumed exchange rate:
¥90.00 (AUD)

Forex Impact (bn yen)



Sales Volume and Revenue

- ▶ Sales volume of Australia is expected to increase by +4-6%.
- ▶ Lion's total revenue will increase by capturing the market share through focus on core brands and pricing strategy in Australia.
- ▶ Drive long term sustainable revenue growth and brand health in Australia.
- ▶ US Craft, etc. is also expected to achieve growth, driven by strong performance of New Belgium Brewing's Voodoo Ranger family.

Normalized OP

- ▶ Normalized OP will increase despite continued input costs hike and brand investment increase by higher sales volume and profit improvement measures such as pricing strategy and cost reductions.
- ▶ Strong momentum is expected to continue in the US, with each brand (centered on Voodoo Ranger family) to maximize the value of US platform.

(bn yen)	FY2022 Actual	FY2021 Actual	YoY	%
Revenue	397.9	351.7	46.2	13.1%
Kyowa Kirin	398.4	352.2	46.1	13.1%
Elimination	-0.5	-0.5	0	—
Normalized OP	82.5	61.2	21.3	34.7%
Kyowa Kirin	82.5	61.2	21.3	34.7%



Revenue (FY2022 Results)

- ▶ Sales revenue in Japan decreased due to the impact of the NHI price revision, etc. in addition to decrease in sales of *Patanol*, for which a generic version was launched in December 2021, despite factors to increase sales of *Duvroq*, *G-lasta*, and *Crysvita* and *Romiplat*, which are steadily penetrating the market.
- ▶ Overseas revenue increased due to year-on-year growth in sales of global strategic brands of *Crysvita* and *Poteligeo* in North America and EMEA as well as growth in sales of *Gran* and other products in Asia/Oceania.
- ▶ Other revenues increased due to sales royalties of benralizumab and deferred revenue from the upfront payment of KHK4083.

Normalized OP (FY2022 Results)

- ▶ While SG&A expenses increased due to investments in IT and human capital to maximize the value of global strategic brands and to quickly establish a global business foundation, Normalized OP increased significantly due to an increase in overseas sales revenue, mainly from global strategic brands.

(bn yen)	FY2023 Forecast	FY2022 Actual	YoY	%
Revenue	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	—
Normalized OP	85.0	82.5	2.5	3.1%
Kyowa Kirin	85.0	82.5	2.5	3.1%



Revenue (FY2023 Forecast)

- ▶ Revenue is expected to increase YoY.
- ▶ Sales revenue in Japan is expected to decrease due to the impact of the NHI price revision scheduled in April, although sales of new products are expected to increase.
- ▶ Overseas sales revenue is expected to increase due to growth in global strategic brands of *Crysvita* and *Poteligeo*.
- ▶ Technology licensing revenue is expected to increase due to an increase in sales royalties of benralizumab etc.

Normalized OP (FY2023 Forecast)

- ▶ Normalized OP is expected to increase due to an increase in revenue despite an increase in R&D expenses such as initiation of Ph3 of KHK4083.

	Yen base (bn yen)				USD base (million \$)			
	FY2022 Actual	FY2021 Actual	YoY	%	FY2022 Actual	FY2021 Actual	YoY	%
Revenue	216.2	154.9	61.3	39.6%	1,637	1,403	233	16.6%
Normalized OP	26.3	16.5	9.8	59.3%	199	150	50	33.1%

	Yen base (bn yen)				USD base (million \$)			
	FY2023 Forecast	FY2022 Actual	YoY	%	FY2023 Forecast	FY2022 Actual	YoY	%
Revenue	218.4	216.2	2.2	1.0%	1,680	1,637	43	2.7%
Normalized OP	26.7	26.3	0.4	1.4%	205	199	6	3.0%

Assumed exchange rate: ¥130.00 (USD)



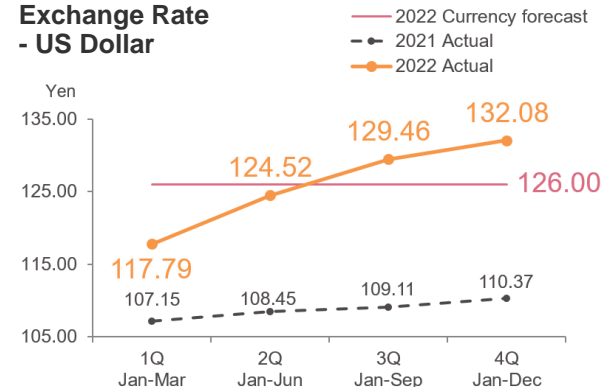
FY2022 Results

- › Sales volume increased even after the price revision was implemented.
- › Revenue increased due to price revisions and efforts to improve the product mix.
- › Normalized OP increased significantly due to price revisions and higher sales volume as well as ongoing efforts to reduce SG&A expenses despite the rising raw material costs and labor costs. Normalized OP margin remained above 10%.

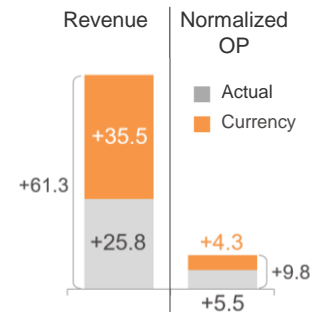
FY2023 Forecast

- › The strong sales momentum is expected to continue through the first half of 2023 while consumer demand setbacks will be closely monitored.
- › Revenue and Normalized OP are expected to increase by continuing price revisions, efforts to improve the mix, and cost controls, although there are some cost-increasing factors such as higher raw material costs and labor costs etc. due to soaring market prices.

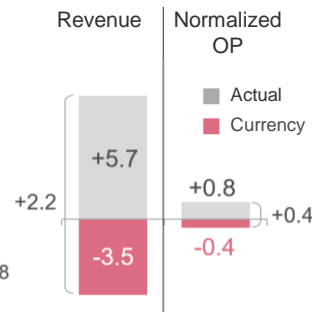
Exchange Rate - US Dollar



Forex FY2022 Impact (bn yen)



Forex FY2023 Impact (bn yen)



Performance of San Miguel Brewery

- Secured increase in sales and operating income despite the impact of COVID-19. Cash dividends per share unchanged YoY.

(million PHP)	Oct.-Dec. 2021		Jan.-Mar. 2022		Apr.-Jun. 2022		Jul.-Sep. 2022		FY2022 Total	
	Actual	YoY %	Actual	YoY %	Actual	YoY %	Actual	YoY %	Actual	YoY %
Sales *	34,204	-4%	29,659	3%	35,326	39%	34,007	23%	133,196	13%
Operating Income *	8,733	-10%	6,751	0%	7,975	50%	7,500	23%	30,959	11%
Operating Income Ratio	25.5%	—	22.8%	—	22.6%	—	22.1%	—	23.2%	—
Depreciation & Amortization*	1,635	6%	1,211	16%	1,134	-5%	1,832	51%	5,812	16%
EBITDA (Operating Income + Depreciation Amortization etc.)	10,368	-7%	7,962	2%	9,109	40%	9,332	27%	36,771	12%

* Based on disclosure of San Miguel Brewery Inc. (Incorporation period: October 2021 - September 2022)

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

Equity-method Incorporation (October 2021 - September 2022)

(bn yen)	FY2022	FY2021	YoY
Net income (SMB)	52.4	44.7	17%
Consolidated net income (included in the consolidated results)	25.4	21.7	17%

Exchange rate: 1 peso = ¥2.38(previous year: ¥2.23)
(Incorporation period: October 2021 - September 2022)

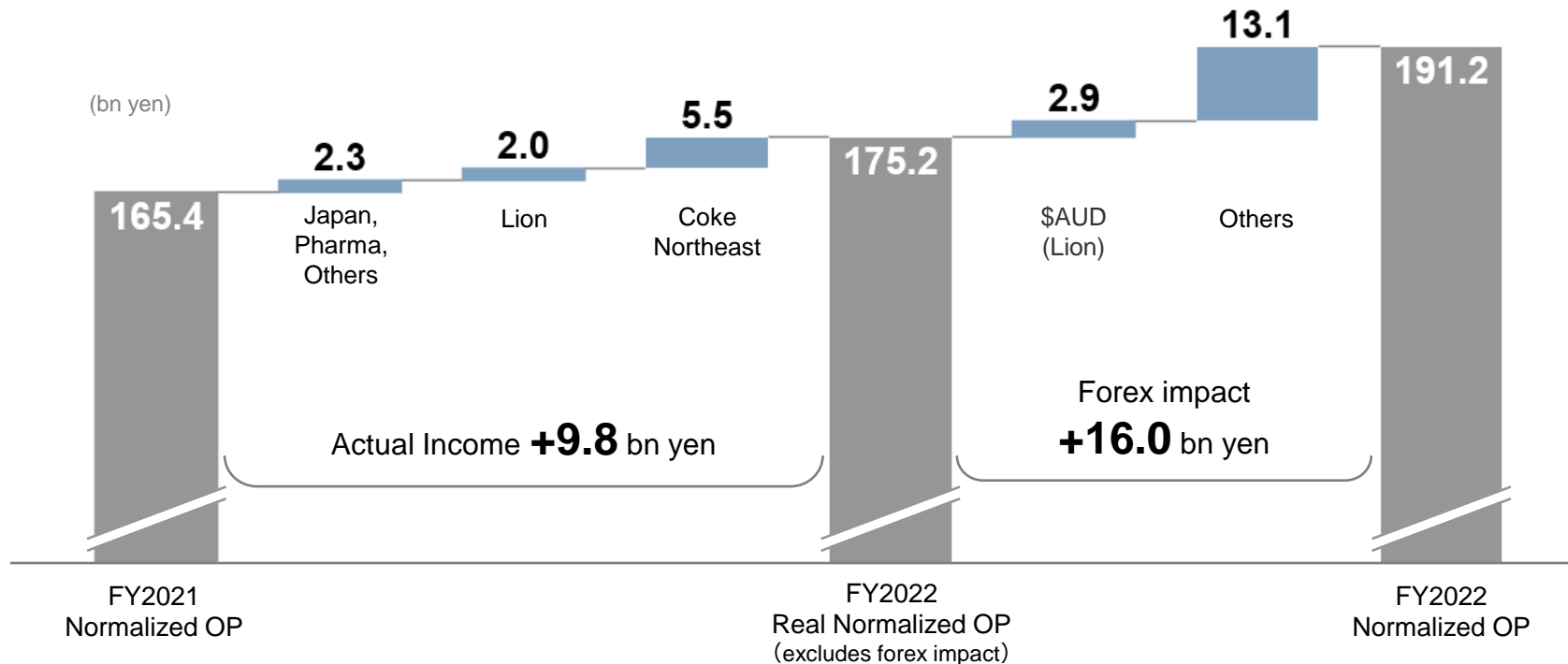
Kirin Holdings' dividend income from San Miguel Brewery

	FY2022	FY2021	YoY
Dividends (bn yen)	18.9	16.7	13%
Cash dividends declared per share (PHP)	1.04	1.00	4%

Dividends are recorded on a cash-in basis.

Forex Impact on Consolidated Results

- Consolidated forex impact was +16.0 bn yen due to the depreciation of yen and appreciation of AUD.

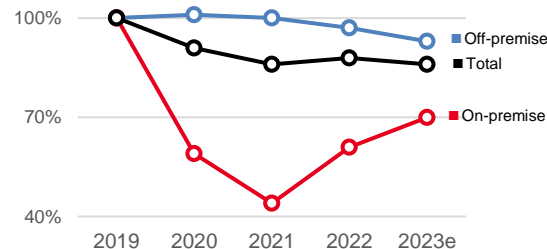


Impact of Changes on the Beer and Beverage Market

Vs pre-COVID-19 levels (FY2019)

Japanese Beer Market

Annual Sales Volume vs FY2019



FY2022

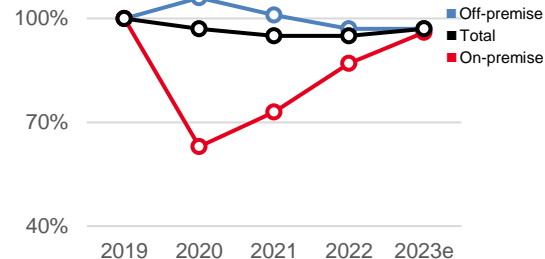
Although the spread of the Omicron variant had a negative impact in Q1, on-premise channels recovered to 60% vs 2019 level.

FY2023

While on-premise channels are expected to recover to 70% of the 2019 level, demand in off-premise channels is expected to decline due to the price revision implemented last year, resulting in a downward trend in total demand compared to the pre-COVID level.

Australian Beer Market

Annual Sales Volume vs FY2019



FY2022

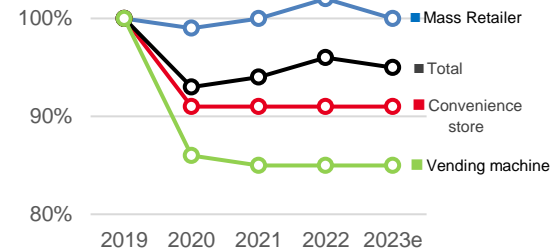
Despite the impact of Omicron variant and the flood in Q1, on-premise channels recovered steadily, landing at slightly less than 90% vs 2019 level. Total sales declined slightly YoY due to softness in off-premise channels.

FY2023

On-premise channels are expected to recover to almost the pre-COVID level, but off-premise channels will remain soft due to the impact of price hikes etc., and the market total is expected to slightly fall short of the 2019 level.

Japanese Soft Drinks Market

Annual Sales Volume vs FY2019.



FY2022

Despite the impact of a recovery in human flow and favorable weather during the peak season, the market total landed in the mid-90% range vs. 2019 due to a slight decrease in demand caused by price revisions.

FY2023

Mass retailer market had been rising due to increased off-premise demand since the expansion of COVID-19, but will result in the level of 2019 and the market total is expected to remain below the pre-COVID level due to the impact of the price revision implemented last year.

Generally on track to reach FY2024 target level

Items	Themes	Non-financial Indicators	Actual results for 2021	Actual results for 2022	Target Level in 2024
Environment	Climate Change	Reduction rate of GHG emissions (Scope1+2 vs. 2019)	13%	18% ^{*4}	23% (50% in 2030)
	Containers and Packaging	Recycling rate of resin for PET bottles	5%	8%	38% (50% in 2027)
	Water Resources	Water use intensity at manufacturing sites with high water stress Lion (Australia) (Water use intensity = Water usage / Production amount)	3.5 kl/kl	3.7 kl/kl	Under 3.0 kl/kl (2025: 2.4 kl/kl or less)
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) 31% (2) 580,000 people	(1) 32% (2) 640,000 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	72%	70% ^{*5}	75%
	Diversity	Achievement level in Increasing Diversity ^{*2} (1) Ratio of female managers in Japan (2) Ratio of career hires in Japan	(1) 10.2% (2) 26.8%	(1) 10.6% (2) 27.3%	(1) 15.0% (2) 30.0%
	Occupational health and safety	Lost time injury frequency rate ^{*3}	1.42	0.90 ^{*4}	0.95 (Japan: 0.40)

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

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

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

^{*4} Current forecast before actual results are finalized

^{*5} Kyowa Kirin and Coke Northeast are newly included from 2022. Myanmar Brewery is not included.

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