



KIRIN

Joy brings us together

Kirin Group

FY2021 Results & FY2022 Plan

February 14, 2022
Kirin Holdings Company, Limited

FY2021 Results & FY2022 Plan

Joy brings us together

Summary of FY2021 Financial Results & FY2022 Forecast

FY2021 Results

- Consolidated Revenue decreased by -2% YoY, while consolidated Normalized operating profit (OP) increased by 2% YoY, achieving an increase in profit despite the impact of the resurgence of COVID-19.
- Profit before tax decreased by -20% YoY due to recording impairment losses related to Myanmar business etc.
- Profit attributable to owners of the company was -17% YoY.
- Normalized EPS increased by 20 yen YoY, due to increase in consolidated Normalized OP and effects of share buybacks conducted in the previous year etc.

FY2022 Forecast

- Consolidated Revenue is expected to increase by 7%, while Normalized OP is planned to slightly increase due to raw material cost hikes. Profit attributable to owners is expected to significantly increase due to rebound of other operating expenses from the previous year.
- ROIC outlook is 8% against 10%+ target in *2022-2024 Medium-Term Business Plan (MTBP)*.
- Normalized EPS is expected to increase by 1 yen to 157 yen. Annual dividend per share is planned to be 65 yen (dividend pay-out ratio = 41%).

FY2021 Results

- While revenue decreased YoY due to the sale of the Lion Dairy Drinks business, Normalized OP increased YoY due to mix improvement and among others.

| (bn yen) | FY2021 Actual | FY2020 Actual | YoY | % |
|--|---------------|---------------|-------|--------|
| Revenue | 1,821.6 | 1,849.5 | -28.0 | -1.5% |
| Normalized OP ^{*1} | 165.4 | 162.1 | 3.3 | 2.0% |
| Profit before tax | 99.6 | 124.6 | -24.9 | -20.0% |
| Profit attributable to owners of the Company | 59.8 | 71.9 | -12.1 | -16.9% |

| Quantitative Target | FY2021 Actual | FY2020 Actual | YoY | % |
|------------------------------|---------------|---------------|--------|-------|
| ROIC | 4.2% | 6.0% | — | — |
| Normalized EPS ^{*2} | 156 yen | 136 yen | 20 yen | 14.7% |

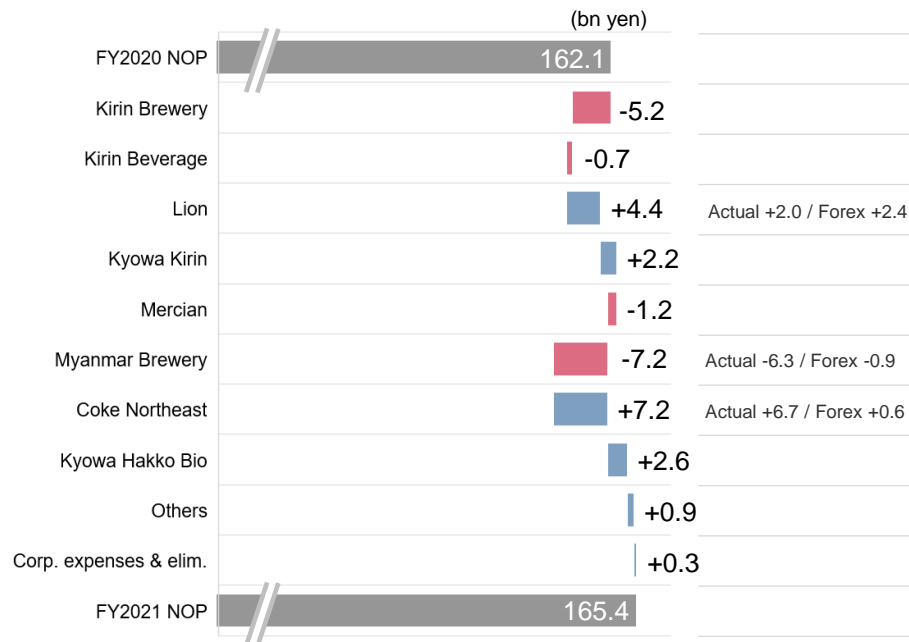
| | FY2021 Actual | FY2020 Actual | YoY | % |
|--------------------|---------------|---------------|-----|---|
| Dividend per share | 65 yen | 65 yen | — | — |

*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 16 for details.

Changes in Consolidated Normalized OP by Company

➤ Overseas businesses (Australia and U.S.) offset the decline in the domestic and Myanmar businesses.



* "Others" includes "Other and elimination" in "Japan beer & spirits" segment.

* Due to the sale of Lion Dairy and Drinks business, Lion's descriptions of "Beer, Spirits, and Wine", "Dairy and Drinks" and "Corporate" of Lion have been omitted from 2021.



Kirin Brewery

- Sales volume of beer, *happo-shu*, and RTDs increased and product mix improved with high-value added products; however Normalized OP decreased due to increased long-term-focused brand investment.

Kirin Beverage

- Normalized OP decreased due to decline in marginal profit and raw material cost hike despite reduction in selling and other expenses.

Lion

- Normalized OP increased due to the recovery in on-premise as well as craft beer growth in U.S. as well as SCM optimization and cost reduction etc.

Kyowa Kirin

- Normalized OP increased due to increased overseas revenue despite increased SG&A and R&D costs.

Myanmar Brewery

- Normalized OP decreased due to lower sales volume and increased raw material costs, among others.

Coke Northeast

- Normalized OP increased due to two price revisions and SG&A reduction by cost control.

Kyowa Hakko Bio

- Normalized OP increased due to cost ratio improvements.

Corporate Expenses and Segment Eliminations

- Company-wide expenses decreased while segment eliminations increased.

Additional Impairment in Myanmar Business and Financial Forecast

Recognized impairment loss assuming exit and anticipate no future results from the business due to uncertainty over outlook for business by the Company.

Decided Exit from Myanmar business

Decided exit since it has been deemed difficult to terminate JV while continuing operation has been the first priority.

Outlook for Myanmar business

Given the aim for early termination of JV assuming withdrawal, there are uncertainties for the outlook.

Future value of Myanmar Business

- In an impairment test, risk factors are maximally included.
- Recognized zero value for medium to long term perspective.

Business Forecast for 2022 onward

- As it is difficult to set future targets, we expect zero revenue and normalized OP from FY2022 onward.

The biggest risk going forward

- Achieved foreign currency translation adjustments* upon deconsolidation from the Kirin Group
- Risk that Kirin's share of cash and current assets and liabilities may become unrecoverable (PL may not be affected in some cases).

Impairment of all property, plant and equipment, intangible assets, and goodwill

2Q : -21.4 bn yen
4Q : -20.2 bn yen
Total : -41.6 bn yen
(Impact on profit attributable to owners)

Expect zero in all future plans

Loss from foreign currency translation adjustments

..... approx.-19.0 bn yen** (Impact on profit attributable to owners)

Unrecoverable risk of residual assets

..... approx.-12.0 bn yen**
(Impact on profit attributable to owners or comprehensive income)

Strive to minimise risk

*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.

**Estimated value at present

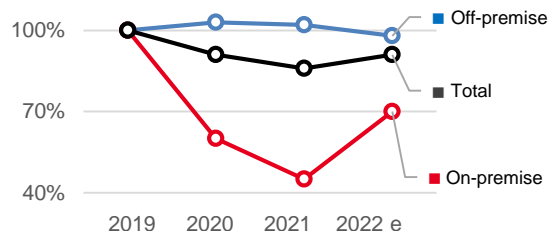
Impact of Changes on the Beer and Beverage Market

vs pre-COVID-19 levels (FY2019)

External factors had a significant impact on on-premise channels in each business in 2021. Although the market environment remains uncertain, a certain recovery is expected in 2022.

Japanese Beer Market

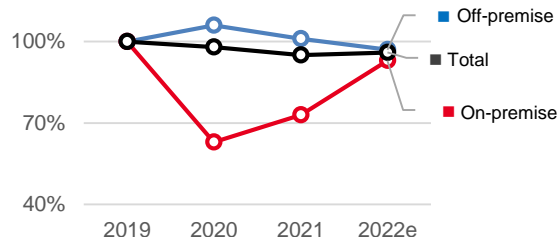
Annual Sales Volume vs FY2019



- The on-premise market was approx. 50% of pre-COVID level due to the government's state of emergency in many areas and bad weather in 2021. Although the off-premise market remained flat due to demand for home consumption, the overall volume declined.
- Although there are ongoing concerns about the impact of Omicron variant, we expect a recovery in 2022 to around a 30% decline in on-premise and less than 10% decline in total beer sales compared to pre-COVID levels (vs 2019).

Australian Beer Market

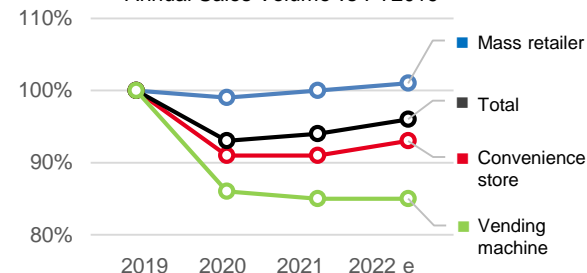
Annual Sales Volume vs FY2019



- The on-premise channels slowed down again in Q3 FY2021 due to lockdowns in major cities in Australia, but annually recovered from the previous year.
- Although the recent spread of Omicron variant should be monitored carefully, it does not yet cause a lockdown and we expect the on-premise channels to continue recovering through 2022. Still, neither on-premise nor off-premise sales will reach the pre-COVID level.

Japanese Soft Drinks Market

Annual Sales Volume vs FY2019



- The impact of COVID-19 eased, but sales were lower than pre-COVID level due to people refraining from going out, continued decline in demand in offices, and bad weather in 2021.
- Although demand is expected to recover from the previous year, it is estimated to be around -4% compared to pre-COVID levels due to WFH demand and changes in consumer lifestyles in 2022.

Forecast for FY2022

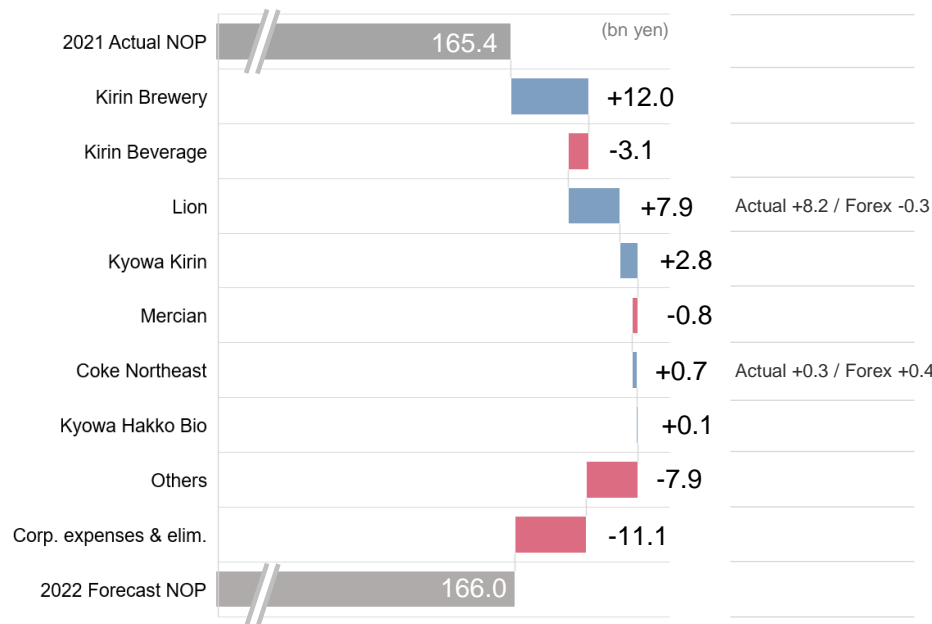
- Increases in all phase profits are expected; ROIC and Normalized EPS expected to improve as well.

| (bn yen) | FY2022 Forecast | FY2021 Actual | YoY | % |
|--|-----------------|---------------|-------|-------|
| Revenue | 1,950.0 | 1,821.6 | 128.4 | 7.1% |
| Normalized OP* | 166.0 | 165.4 | 0.6 | 0.3% |
| Profit before tax | 177.0 | 99.6 | 77.4 | 77.7% |
| Profit attributable to owners of the Company | 114.5 | 59.8 | 54.7 | 91.5% |
| | | | | |
| Quantitative targets | FY2022 Forecast | FY2021 Actual | YoY | % |
| ROIC | 8.3% | 4.2% | — | — |
| Normalized EPS | 157 yen | 156 yen | 1 yen | 0.6% |
| | | | | |
| | FY2022 Forecast | FY2021 Actual | YoY | % |
| Dividend per share | 65 yen | 65 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

- Normalized OP is expected to increase YoY due to increased profits in Kirin Brewery and Lion despite the impact of raw material cost hike.



* "Others" includes "Other and elimination" in "Japan beer & spirits" segment.

* There occurs significant uncertainty on business forecast for Myanmar Brewery Limited. Considering the possible events that will occur in the future, the financial impact of Myanmar Brewery Limited is not expected to be material, so both sales revenue and normalized operating profit is set nil, leading to be inclusion in 'Others.'



Kirin Brewery

- Normalized OP is expected to increase due to increase in marginal profit with higher sales volume despite increased selling expenses.

Kirin Beverage

- Normalized OP is expected to decrease due to increased raw material costs and selling expenses while marginal profit is increased due to higher sales volume and improvement of difference of change in products mix and in composition ratio of containers, etc.

Lion

- Normalized OP is expected to increase due to improved mix with recovery in on-premise channels as well as cost reduction through value chain and consolidation of two acquired companies.

Kyowa Kirin

- Normalized OP is expected to increase due to increased revenue despite increased SG&A and R&D costs.

Coke Northeast

- Normalized OP is expected to increase due to price revisions, product mix improvement and cost control despite increased raw material costs and labor costs.

Kyowa Hakko Bio

- Although the transfer of BtoC business to Kirin Holdings had a negative impact on profit by approx. 2.0 bn yen, overall profit increased due to an improved profit margin resulting from the transfer of manufacturing.

Others

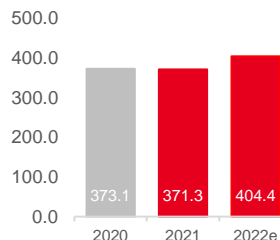
- -6.6 bn yen impact of Myanmar Brewery is included.

Corporate Expenses and Segment Eliminations

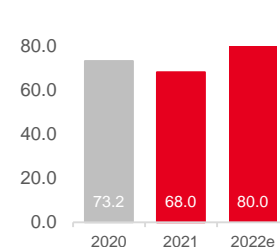
- Increase in IT costs.

Results / Forecast





Liquor tax-excluded
Revenue (bn yen)



Normalized OP (bn yen)



Continue the strategy of enhancing main brands fostering high value-added products and services

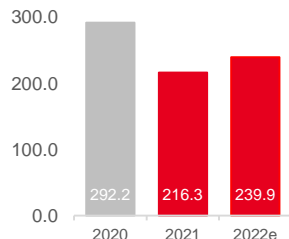
| | 2021 | 2022 |
|--|--|---|
|  | ➤ Enhance main brands <i>KIRIN ICHIBAN</i> brand family total (Can) (YoY) +22% | ➤ Further enhance main brands <i>KIRIN ICHIBAN</i> brand family total (Can) (YoY) +10% |
|  | ➤ Launch and expansion of premium products Craft Beer (Can) driven by <i>Hojun 496</i> (YoY) approx. 12x Portion of High value-added RTD approx. 7% | ➤ Further expansion <i>SPRING VALLEY Hojun <496></i> sales volume (YoY) approx. 1.5x Portion of High value-added RTD 10%+ |
|  | ➤ Nurture Home Tap Initial target number of subscribers Reached 100,000 | ➤ Bring Home Tap to the next stage CRM enhancement Achieve profitability |
|  | ➤ Cost reduction under COVID-19 COGS, other expenses etc. approx. 2.5 bn yen | ➤ Countermeasures against rising raw material prices COGS and SCM costs reduction etc. 2.5 bn yen* |

Renewal of both brands

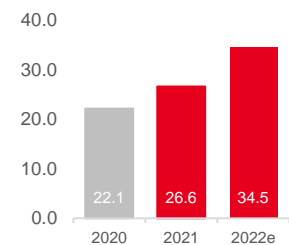
* Excluding mix improvement

Results / Forecast




Revenue (bn yen)



Normalized OP (bn yen)



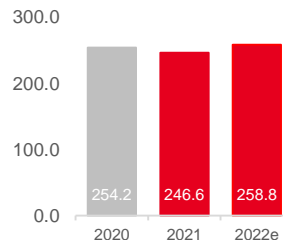
Achieve profit growth through premiumisation with a focus on craft beer and profit improvement measures.

| | 2021年 | 2022年 |
|--|--|--|
| | ➤ Growth of premium categories and channel mix improvement (AU) | ➤ Enhance brands by focused investment in core brands on growth categories (AU) |
|  | Craft / International categories +3% On-premise channels +15% Off-premise channels -5% | Craft / International categories +20% over On-premise channels +20% over Off-premise channels Slight Increase <small>Year on Year growth (sales volume)</small> |
| | ➤ Select and concentration of business | ➤ Promote overseas craft beer strategy |
|  | Sale of LDD, One Brewery Reorganization Complete Acquisition of Fermentum Brewery (AU) Complete | Acquisition of Bell's Brewery (U.S.) Complete Global craft, etc. +40% over <small>Bell's: Completion on January 1st 2022. Year on Year growth (sales revenue)</small> |
| | ➤ Cost reduction | ➤ Profit improvement measures |
|  | Corporate expenses and SKU reduction etc. approx. 5.0 bn yen | SCM cost reduction etc. approx. 5.0 bn yen |

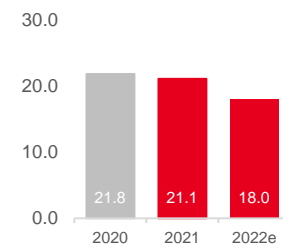


Results / Forecast





Revenue (bn yen)



Normalized OP (bn yen)

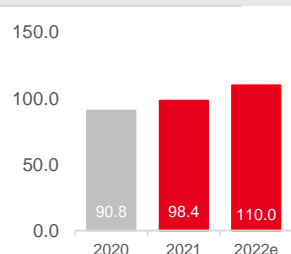


Achieve sustainable growth in both Food & beverages and Health science domains

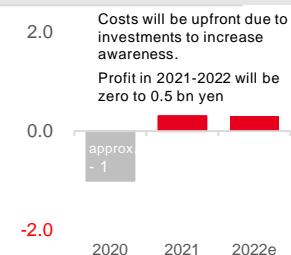
| | 2021 | 2022 |
|--|--|--|
|  | Focus on core brands <i>Gogo-no-Kocha</i> -1% <i>Nama-cha</i> -2% (YoY) | Revitalize <i>Gogo-no-Kocha</i> and <i>Nama-cha</i> Sales volume increase (YoY) of both brands +9% |
|  | Reposition into health science business LC-Plasma drinks sales target achievement 5,230,000 cases +65% YoY | LC-Plasma drinks sales target 7,580,000 cases +42% YoY |
|  | Reform production mix Portion of Small PET* approx. +3ppt | Portion of Small PET* approx. +3ppt |
| *Total of 600ml or less PET | | |
|  | Cost reduction under COVID-19 Profit improvement effect in vending machines 2.0 bn yen | Further improve profitability Continue structural reform of vending machines, raw material cost reduction etc. 0.9 bn yen |

Results / Forecast

Revenue (bn yen)





Normalized OP (bn yen)



* Approximate figures

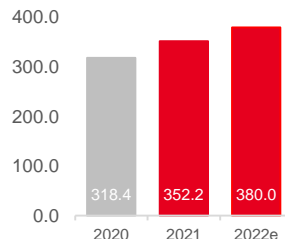
* Aggregate figures for administrative purposes, including health science related products of Kirin Brewery and Kirin Beverage

Aim to drive sales and profits through continued growth of *LC-Plasma* and revitalization of Kyowa Hakko Bio

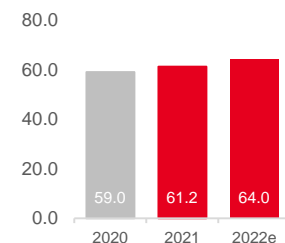
| | 2021 | 2022 |
|---|---|--|
| | ➤ LC-Plasma business expansion | |
|  | LC-Plasma related Sales (YoY) +56% | LC-Plasma related sales (YoY) approx. +40% |
| | Number of consumers regularly consuming LC-Plasma 580,000 people | Targeted number of consumers regularly consuming LC-Plasma 750,000 people |
| | Specific clinical research for COVID-19 patients using LC-Plasma started with Nagasaki University | Recognition rate of LC-Plasma Name* 70% Recognition rate of LC-Plasma function** 36% |
| | <p>* % who know the name ** % who know specific functions and effects</p> | |
| | ➤ Revitalization Initiative of Kyowa Hakko Bio | |
|  | Target to be profitable in 2021 Achieved | Keep profitable even after transfer of BtoC business Steady growth in profit |
| | | Start HMO production (in Thailand) Scheduled to start operation in 2022 |

Results / Forecast







Revenue (bn yen)



Normalized OP (bn yen)



Drive growth as a Global Specialty Pharma Company by maximizing value of three global strategic brands and developing Next-generation Strategic Products.

| 2021 | | 2022 | |
|--|--|--|------------|
| ▶ Drive growth of three global strategic brands | | | |
|  | Crysvita | +47% (YoY) | +35% (YoY) |
|  | Poteligeo | +27% (YoY) | +42% (YoY) |
|  | Nourianz | +10% (YoY) | +14% (YoY) |
| ▶ Make progress of Next-generation Strategic Products development | | | |
|  Atopic Dermatitis  Cellular lymphoma | KHK4083: favorable results from Phase 2b study, Collaboration with Amgen | KHK4083, KW-6356: Start Phase 3 study ME-401: Announce results from Phase 2 study | |
| ▶ Continue to invest aggressively to establish a global operating base as quickly as possible | | | |
|  | Increase in SG&A and R&D | Preparing to begin sales of Crysvita in the U.S. by its own in 2023. Late stage development costs for next generation strategic products | |

Appendix

Joy brings us together

Normalized EPS Details

| (bn yen) | | FY2021 | FY2020 |
|---|-----------|---------|---------|
| Profit attributable to Owners of the Company | ① | 59.8 | 71.9 |
| Other operating income/expenses after taxes and other adjustments | ② | 70.5 | 42.7 |
| Normalized profit | ③ = ① + ② | 130.3 | 114.7 |
| Average number of shares during the period ('000) | ④ | 833,599 | 840,689 |
| Normalized EPS (yen) | ③ / ④ | 156 | 136 |

Revenue by segments

| (bn yen) | | FY2021 Actual | FY2020 Actual | YoY | % |
|-------------------------------|-----------------------|---------------|---------------|-------|--------|
| Revenue | | 1,821.6 | 1,849.5 | -28.0 | -1.5% |
| Japan Beer and Spirits | | 661.3 | 651.4 | 9.9 | 1.5% |
| | Kirin Brewery | 638.3 | 632.2 | 6.1 | 1.0% |
| | Other and elimination | 23.0 | 19.3 | 3.8 | 19.6% |
| Japan Non-alcoholic Beverages | | 244.4 | 252.2 | -7.8 | -3.1% |
| | Kirin Beverage | 246.6 | 254.2 | -7.6 | -3.0% |
| | Elimination | -2.2 | -2.0 | -0.2 | — |
| Oceania Adult Beverages | | 216.3 | 292.1 | -75.9 | -26.0% |
| | Lion | 216.3 | 292.2 | -75.9 | -26.0% |
| | Elimination | -0.1 | -0.0 | -0.0 | — |
| Pharmaceuticals | | 351.7 | 317.8 | 33.9 | 10.7% |
| | Kyowa Kirin | 352.2 | 318.4 | 33.9 | 10.6% |
| | Elimination | -0.5 | -0.6 | 0.0 | — |
| Other | | 347.9 | 336.0 | 11.9 | 3.5% |
| | Mercian | 57.9 | 62.1 | -4.2 | -6.8% |
| | Myanmar Brewery | 19.3 | 31.8 | -12.5 | -39.3% |
| | Coke Northeast | 154.9 | 129.4 | 25.5 | 19.7% |
| | Kyowa Hakko Bio | 53.0 | 57.3 | -4.3 | -7.5% |
| | Other and elimination | 62.8 | 55.4 | 7.4 | 13.3% |

* Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.

Revenue by segments

| (bn yen) | | FY2022 Forecast | FY2021 Actual | YoY | % |
|-------------------------------|-----------------------|-----------------|---------------|-------|-------|
| Revenue | | 1,950.0 | 1,821.6 | 128.4 | 7.1% |
| Japan Beer and Spirits | | 721.7 | 661.3 | 60.4 | 9.1% |
| | Kirin Brewery | 695.5 | 638.3 | 57.2 | 9.0% |
| | Other and elimination | 26.2 | 23.0 | 3.1 | 13.6% |
| Japan Non-alcoholic Beverages | | 256.7 | 244.4 | 12.3 | 5.0% |
| | Kirin Beverage | 258.8 | 246.6 | 12.2 | 4.9% |
| | Elimination | -2.1 | -2.2 | 0.1 | — |
| Oceania Adult Beverages | | 239.9 | 216.3 | 23.6 | 10.9% |
| | Lion | 239.9 | 216.3 | 23.6 | 10.9% |
| | Elimination | -0.0 | -0.1 | 0.0 | — |
| Pharmaceuticals | | 379.3 | 351.7 | 27.6 | 7.9% |
| | Kyowa Kirin | 380.0 | 352.2 | 27.8 | 7.9% |
| | Elimination | -0.7 | -0.5 | -0.1 | — |
| Other | | 352.4 | 347.9 | 4.5 | 1.3% |
| | Mercian | 60.4 | 57.9 | 2.5 | 4.3% |
| | Coke Northeast | 160.3 | 154.9 | 5.5 | 3.5% |
| | Kyowa Hakko Bio | 55.6 | 53.0 | 2.6 | 4.9% |
| | Other and elimination | 76.1 | 82.1 | -6.0 | -7.3% |

* Business forecast for Myanmar Brewery Limited includes significant uncertainty. Considering the possible events that will occur in the future, the financial impact of Myanmar Brewery Limited is not expected to be material, thus both sales revenue and normalized operating profit is set nil, leading to be included in 'Other and elimination' from 2022.

Normalized OP by segments

| (bn yen) | | FY2021 Actual | FY2020 Actual | YoY | % |
|----------------------------------|-----------------|---------------|---------------|------|--------|
| Normalized OP | | 165.4 | 162.1 | 3.3 | 2.0% |
| Japan Beer and Spirits | | 70.5 | 75.5 | -5.0 | -6.6% |
| | Kirin Brewery | 68.0 | 73.2 | -5.2 | -7.1% |
| | Others | 2.6 | 2.3 | 0.3 | 11.0% |
| Japan Non-alcoholic Beverages | | 21.1 | 21.8 | -0.7 | -3.0% |
| | Kirin Beverage | 21.1 | 21.8 | -0.7 | -3.0% |
| Oceania Adult Beverages | | 26.6 | 22.1 | 4.4 | 20.0% |
| | Lion | 26.6 | 22.1 | 4.4 | 20.0% |
| Pharmaceuticals | | 61.2 | 59.0 | 2.2 | 3.7% |
| | Kyowa Kirin | 61.2 | 59.0 | 2.2 | 3.7% |
| Other | | 31.3 | 29.3 | 2.0 | 7.0% |
| | Mercian | 2.3 | 3.6 | -1.2 | -35.1% |
| | Myanmar Brewery | 6.6 | 13.8 | -7.2 | -52.2% |
| | Coke Northeast | 16.5 | 9.3 | 7.2 | 78.3% |
| | Kyowa Hakko Bio | 0.4 | -2.3 | 2.6 | — |
| | Other | 5.6 | 4.9 | 0.6 | 13.0% |
| Corporate expenses/inter-segment | | -45.3 | -45.6 | 0.3 | — |

* Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.

Normalized OP by segments

| (bn yen) | | FY2022 Forecast | FY2021 Actual | YoY | % |
|----------------------------------|-----------------|-----------------|---------------|-------|--------|
| Normalized OP | | 166.0 | 165.4 | 0.6 | 0.3% |
| Japan Beer and Spirits | | 82.5 | 70.5 | 11.9 | 16.9% |
| | Kirin Brewery | 80.0 | 68.0 | 12.0 | 17.7% |
| | Others | 2.5 | 2.6 | -0.1 | -3.3% |
| Japan Non-alcoholic Beverages | | 18.0 | 21.1 | -3.1 | -14.7% |
| | Kirin Beverage | 18.0 | 21.1 | -3.1 | -14.7% |
| Oceania Adult Beverages | | 34.5 | 26.6 | 7.9 | 29.8% |
| | Lion | 34.5 | 26.6 | 7.9 | 29.8% |
| Pharmaceuticals | | 64.0 | 61.2 | 2.8 | 4.6% |
| | Kyowa Kirin | 64.0 | 61.2 | 2.8 | 4.6% |
| Other | | 23.5 | 31.3 | -7.9 | -25.1% |
| | Mercian | 1.5 | 2.3 | -0.8 | -34.2% |
| | Coke Northeast | 17.2 | 16.5 | 0.7 | 4.0% |
| | Kyowa Hakko Bio | 0.5 | 0.4 | 0.1 | 38.0% |
| | Other | 4.3 | 12.2 | -7.9 | -64.8% |
| Corporate expenses/inter-segment | | -56.4 | -45.3 | -11.1 | — |

* Business forecast for Myanmar Brewery Limited includes significant uncertainty. Considering the possible events that will occur in the future, the financial impact of Myanmar Brewery Limited is not expected to be material, thus both sales revenue and normalized operating profit is set nil, leading to be included in 'Other and elimination' from 2022.

| (1,000 HL) | FY2021 Actual | FY2020 Actual | YoY % |
|-----------------------|---------------|---------------|--------|
| Beer products total | 15,710 | 16,380 | -4.1% |
| Beer | 4,750 | 4,560 | 4.1% |
| Happo-shu | 3,870 | 3,840 | 0.9% |
| New genre | 7,090 | 7,980 | -11.2% |
| RTD | 4,490 | 4,290 | 4.7% |
| Non-alcohol beverages | 490 | 440 | 10.9% |

| (bn yen) | FY2021 Actual | FY2020 Actual | YoY | % |
|--------------------------|---------------|---------------|------|-------|
| Revenue | 638.3 | 632.2 | 6.1 | 1.0% |
| Revenue excl. liquor tax | 371.3 | 373.1 | -1.8 | -0.5% |
| Normalized OP | 68.0 | 73.2 | -5.2 | -7.1% |

| FY2020 Normalized OP (bn yen) | | 73.2 | Description |
|-------------------------------|--|------|---|
| YoY change (bn yen) | Increase in marginal profit of alcohol beverages, etc. | 0.7 | Total beer products -3.9 (increase in beer 190,000HL, increase in happo-shu 40,000HL, decrease in new genre -900,000HL) Total other than beer products 2.0 (increase in RTD 200,000HL, increase in non-alcohol beverages 50,000HL, etc.) Difference of change in composite of products, etc. 2.6 |
| | Increase in raw material cost | -0.4 | |
| | Increase in selling expenses | -7.3 | Increase in sales promotion -2.0, increase in advertising -5.2 (Total 59.2 ⇒ 66.5) |
| | Decrease in other expenses | 1.8 | |
| | Subtotal | -5.2 | |
| FY2021 Normalized OP | | 68.0 | |



Japan alcoholic beverages market

- › Beer market sales volume declined by approx. -5%.
- › Sales volume in on-premise channels declined by approx. -20 to -30 %.
- › Sales volume in off-premise channels slightly declined.
- › Health consciousness among consumers remains high.

Sales Volume

- › Beer products in off-premise channels sold well and beer products in total outperformed the market.
- › Sales volume of *KIRIN ICHIBAN* (total brand) (can) significantly increased by 22%.
- › Total number of units of *KIRIN ICHIBAN Zero Sugar* sold surpassed 250 million (350ml can conversion).

Details on Financial Performance

- › Sales volume in on-premise channels and new genre beer decreased in a more challenging environment than expected, while marginal profit increased by 0.7 bn yen due to positive impact of product mix with high value-added products / services.
- › Selling expenses increased by 7.3 bn yen due to strengthened investment in brands from a long-term perspective.
- › Other expenses decreased by 1.8 bn yen due to restrictions on sales activities etc.

| (1,000 HL) | FY2022 Forecast | FY2021 Actual | YoY % | |
|-----------------------|-----------------|---------------|-------|--|
| Beer products total | 16,750 | 15,710 | 6.6% | |
| Beer | 5,980 | 4,750 | 25.9% | |
| Happo-shu | 3,610 | 3,870 | -6.8% | |
| New genre | 7,160 | 7,090 | 1.0% | |
| RTD | 4,920 | 4,490 | 9.5% | |
| Non-alcohol beverages | 580 | 490 | 17.8% | |

| (bn yen) | FY2022 Forecast | FY2021 Actual | YoY | % |
|--------------------------|-----------------|---------------|------|-------|
| Revenue | 695.5 | 638.3 | 57.2 | 9.0% |
| Revenue excl. liquor tax | 404.4 | 371.3 | 33.1 | 8.9% |
| Normalized OP | 80.0 | 68.0 | 12.0 | 17.7% |

| FY2021 Normalized OP (bn yen) | 68.0 | Description |
|--|-------------|--|
| YoY change (bn yen) | | Total beer products 16.2 (increase in beer 1,230,000HL, decrease in happo-shu -260,000HL, increase in new genre 70,000HL) |
| | 19.5 | Total other than beer products 4.8 (increase in RTD 430,000HL, increase in non-alcohol beverages 90,000HL, etc.) |
| | | Difference of change in composite of products, etc. -1.5 |
| | -3.0 | Increase in market prices, etc. |
| | -0.6 | Increase in sales promotion and advertising -0.6 (Total 66.5 ⇒ 67.1) |
| | -3.9 | Increase in general expenses, etc. |
| Subtotal | 12.0 | |
| FY2022 Normalized OP (Forecast) | 80.0 | |



Note

Sales Volume Target

- › Sales volume in on-premise channels is expected to increase by approx. 60% YoY (approx. -30% decrease as compared with FY2019).
- › Aim to outperform the market in off-premise channels by focusing investments on main / growth brands.

Revenue and Normalized OP

- › Marginal profit is expected to increase by 19.5 bn yen with higher sales volume.
- › Selling expenses are planned to remain at the same level as the previous year with continuing investments on new growth brands.

FY2021 Results: Kirin Beverage



| Sales Volume (10,000 cases) | | FY2021 Actual | FY2020 Actual | YoY % |
|--------------------------------|----------------------|------------------|------------------|--------|
| Category | Black tea | 4,991 | 5,064 | -1.4% |
| | Japanese tea | 3,104 | 3,257 | -4.7% |
| | Coffee | 2,585 | 2,334 | 10.7% |
| | Fruit and veg. juice | 2,407 | 2,314 | 4.0% |
| | Carbonated beverages | 1,313 | 1,529 | -14.2% |
| | Functional beverages | 1,177 | 1,141 | 3.1% |
| | Water | 3,673 | 4,169 | -11.9% |
| | Others | 1,525 | 1,630 | -6.5% |
| By Container | Can | 2,421 | 2,603 | -7.0% |
| | Large PET bottle | 6,726 | 7,624 | -11.8% |
| | Small PET bottle | 9,726 | 9,416 | 3.3% |
| | Others | 1,903 | 1,796 | 5.9% |
| Total | | 20,775 | 21,439 | -3.1% |

| (bn yen) | | FY2021 Actual | FY2020 Actual | YoY | % |
|---------------|--|------------------|------------------|------|-------|
| Revenue | | 246.6 | 254.2 | -7.6 | -3.0% |
| Normalized OP | | 21.1 | 21.8 | -0.7 | -3.0% |

| FY20 Normalized OP (bn yen) | | 21.8 | Description |
|-----------------------------|--|------|---|
| YoY change (bn yen) | Decrease in marginal profit of soft drinks | -4.2 | Decrease in sales volume -6.63 million cases, -3.1 Difference of change in products mix and in composition ratio of containers, etc. -1.1 |
| | Increase in raw material costs, etc. | -0.4 | Increase in raw material cost -0.8, decrease in material cost 0.7, increase in processing cost -0.3 |
| | Decrease in selling expenses | 3.4 | Decrease in sales promotion 3.4, advertising 0.0 (Total 30.7 ⇒ 27.2) |
| | Decrease in other expenses | 0.5 | |
| | Subtotal | -0.7 | |
| FY21 Normalized OP | | 21.1 | |



Note

Soft Drink Market

- Soft drink market slightly increased by approx. 1%.

Sales Volume and Revenue

- Core brands *Kirin Gogo-no-Kocha* and *Nama-cha* decreased YoY due to consumers refraining from going outdoors and an increase in telecommuting.
- Sales volume of LC-Plasma related products significantly increased by 65% due to the rise in consumer health awareness.
- Sales revenue decreased YoY due to decline in sales volume.

Normalized OP

- Marginal profit decreased due to a decline in sales volume and a deterioration in difference of change in products mix and container mix ratio etc. due to fierce competitive environment.
- Normalized OP decreased due to decline in marginal profits as well as increased raw material costs despite efforts to control selling and other expenses.

FY2022 Forecast: Kirin Beverage



Sales Volume
(10,000 cases)

| | | FY2022 Forecast | FY2021 Actual | YoY % |
|--------------|----------------------|--------------------|------------------|--------|
| Category | Black tea | 5,541 | 4,991 | 11.0% |
| | Japanese tea | 3,381 | 3,104 | 8.9% |
| | Coffee | 2,584 | 2,585 | -0.0% |
| | Fruit and veg. juice | 2,345 | 2,407 | -2.6% |
| | Carbonated beverages | 1,369 | 1,313 | 4.3% |
| | Water | 3,301 | 3,673 | -10.1% |
| | Others | 2,618 | 2,702 | -3.1% |
| By Container | Can | 2,534 | 2,421 | 4.7% |
| | Large PET bottle | 6,309 | 6,726 | -6.2% |
| | Small PET bottle | 10,417 | 9,726 | 7.1% |
| | Others | 1,878 | 1,903 | -1.3% |
| By Domain | Food & Beverage | 18,820 | 18,739 | 0.4% |
| | Health science | 2,318 | 2,036 | 13.9% |
| | (LC-Plasma) | 758 | 523 | 45.0% |
| | Total | 21,138 | 20,775 | 1.7% |

(bn yen)

| | FY2022 Forecast | FY2021 Actual | YoY | % |
|---------------|--------------------|------------------|------|--------|
| Revenue | 258.8 | 246.6 | 12.2 | 4.9% |
| Normalized OP | 18.0 | 21.1 | -3.1 | -14.7% |

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

| FY2021 Normalized OP (bn yen) | | 21.1 | Description |
|---------------------------------|--|------|---|
| YoY change (bn yen) | Increase in marginal profit of soft drinks | 7.6 | Increase in sales volume 3.62 million cases, 1.7, Difference of change in products mix and in composition ratio of containers, etc. 5.9 |
| | Increase in raw material costs, etc. | -5.3 | Increase in raw material cost -3.7, increase in material cost -0.5, increase in processing cost -1.1 |
| | Increase in selling expenses | -2.5 | Increase in sales promotion and advertising -2.5 (Total 27.2→29.7) |
| | Increase in other expenses | -2.9 | Increase in sales equipment cost -0.8, and business consignment expenses -0.8 |
| | Subtotal | -3.1 | |
| FY2022 Normalized OP (Forecast) | | 18.0 | |



Note

Soft Drink Market

- Soft drinks market is forecasted to increase by 2% YoY.

Sales Volume and Revenue

- Core brands *Kirin Gogo-no-Kocha* and *Nama-cha* sales volume are both expected to increase by 9% due to improved efficiency of management resources through focusing on brand strengthen and revitalization of core brands.
- Sales volume of LC-Plasma related products is planned to increase by 45% due to focused efforts in health science domain.
- Sales revenue is expected to increase due to higher sales volume and unit price.

Normalized OP

- Marginal profit is planned to increase due to a sales volume increase as well as an improvement of product and container mix through a rise in ratio of small PET bottles.
- Selling expenses are expected to increase due to revitalization of core brands and focused efforts in health science domain, which however, are lower than the FY2020 level due to improved selling expense efficiency through structural reform of vending machines.
- Normalized OP is expected to decrease due to increased selling and other expenses as well as the impact of surging raw material costs.

Yen base (bn yen)

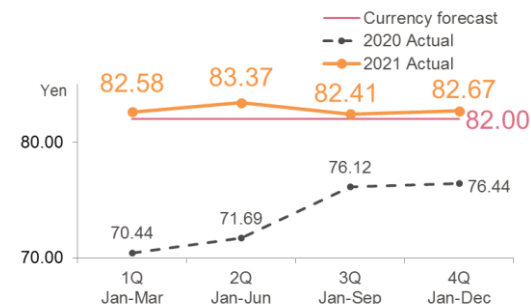
| | FY2021 Actual | FY2020 Actual | YoY | % |
|------------------------------|---------------|---------------|--------|--------|
| Revenue | 216.3 | 292.2 | -75.9 | -26.0% |
| Normalized OP | 26.6 | 22.1 | 4.4 | 20.0% |
| (Ref.) formerly segmentation | | | | |
| | FY2021 Actual | FY2020 Actual | YoY | % |
| Revenue (BSW) | 206.6 | 177.5 | 29.2 | 16.4% |
| Revenue (LDD) | 9.7 | 114.7 | -105.0 | -91.5% |
| Normalized OP (BSW) | 33.2 | 24.4 | 8.7 | 35.8% |
| Normalized OP (LDD) | 0.9 | 3.1 | -2.3 | -72.0% |
| Normalized OP (Corporate) | -7.5 | -5.4 | -2.1 | - |

BSW = Beer, Spirits & Wine, LDD = Lion Dairy & Drinks

AUS dollar base (million AUS\$)

| | FY2021 Actual | FY2020 Actual | YoY | % |
|------------------------------|---------------|---------------|--------|--------|
| Revenue | 2,617 | 3,958 | -1,341 | -33.9% |
| Normalized OP | 321 | 295 | 27 | 9.0% |
| (Ref.) formerly segmentation | | | | |
| | FY2021 Actual | FY2020 Actual | YoY | % |
| Revenue (BSW) | 2,499 | 2,402 | 98 | 4.1% |
| Revenue (LDD) | 117 | 1,556 | -1,439 | -92.5% |
| Normalized OP (BSW) | 401 | 328 | 73 | 22.4% |
| Normalized OP (LDD) | 11 | 40 | -30 | -73.8% |
| Normalized OP (Corporate) | -90 | -73 | -17 | - |

Exchange Rate - Australian Dollar



From 1Q FY2021, the average AUD rate was changed from every three months to cumulative monthly average. Results for the 2020 are based on a three-month average rate.

| | | |
|--|----------------------|------|
| Change in sales volume* | | 0.1% |
| Adult Beverages Normalized OP YoY (million AUS\$) | FY2020 Actual | 328 |
| | Sales | -19 |
| | AU&NZ Volume | |
| | Other | 85 |
| | Global craft, etc.** | 7 |
| | FY2021 Actual | 401 |

* Inclusive of Global Craft etc. volume among others. YoY change in sales volume for excluding Global Craft etc, was -1.7%

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



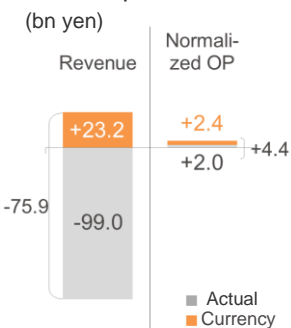
Revenue

- Total revenue decreased from FY20 driven by the sale of LDD (-\$1,439m AUD). Revenue of alcoholic beverage business increased by \$98m.
- Australia & NZ revenue growth was driven by improved trading conditions in the on-premise after the national closures in F20. Q3 FY21 was severely impacted with the re-closure across key markets in the on-premise and Q4 has remained subdued due to the bad weather and the spreading Omicron variant.
- Global craft and other sales increased by approx. +10%. Sales volume of New Belgium Brewing increased due to its outstanding performance of the Voodoo Ranger family and increased its share in the U.S. craft market.

Normalized OP

- Total Normalized OP increased by 9% YoY.
- FY21 growth was driven by revenue growth as the on premise begins to recover and US Craft growth, supply chain optimization and cost reduction etc.
- Pallet shortages have been occurring in the industry since November, but the impact is managed to be minimum.
- Ongoing focus on cost optimization to partially offset COVID impacts.

Forex Impact



| | Yen base (bn yen) | | | | AUS dollar base (million AUS\$) | | | |
|---------------|--------------------|------------------|------|-------|---------------------------------|------------------|-----|-------|
| | FY2022 Forecast | FY2021 Actual | YoY | % | FY2022 Forecast | FY2021 Actual | YoY | % |
| Revenue | 239.9 | 216.3 | 23.6 | 10.9% | 2,926 | 2,617 | 309 | 11.8% |
| Normalized OP | 34.5 | 26.6 | 7.9 | 29.8% | 420 | 321 | 99 | 30.8% |

Assumed exchange rate: ¥82.00 (AUD)

* Due to the sale of Lion Dairy and Drinks business, the descriptions of “Beer, Spirits, and Wine”, “Dairy and Drinks” and “Corporate” of Lion have been omitted from 2022.



Note

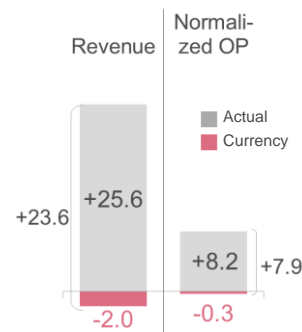
Sales volume & Revenue

- Sales volume of Australia is expected to increase by 6%; +20% over and slight increase in on-premise and off-premise channels, respectively.
- Lion's FY2022 total revenue will increase due to volume growth mainly driven by on-premise channels recovery in Australia and pricing strategy etc.
- In addition to the strong performance of New Belgium Brewing, Bell's Brewery, which has been consolidated since January 2022, will also contribute to sales growth.

Normalized OP

- In addition to channel mix improvement by a recovery in on-premise channels, profit improvement measures will be implemented such as cost reductions in the value chain.
- Normalized OP will significantly increase by over 30% YoY partly boosted by the acquisitions of Fermentum in Australia and Bell's Brewery in the United States.

Forex Impact (bn yen)



| (bn yen) | FY2021 Actual | FY2020 Actual | YoY | % |
|---------------|------------------|------------------|------|-------|
| Revenue | 351.7 | 317.8 | 33.9 | 10.7% |
| Kyowa Kirin | 352.2 | 318.4 | 33.9 | 10.6% |
| Elimination | -0.5 | -0.6 | 0.0 | — |
| Normalized OP | 61.2 | 59.0 | 2.2 | 3.7% |
| Kyowa Kirin | 61.2 | 59.0 | 2.2 | 3.7% |

| (bn yen) | FY2022 Forecast | FY2021 Actual | YoY | % |
|---------------|--------------------|------------------|------|------|
| Revenue | 379.3 | 351.7 | 27.6 | 7.9% |
| Kyowa Kirin | 380.0 | 352.2 | 27.8 | 7.9% |
| Elimination | -0.7 | -0.5 | -0.1 | — |
| Normalized OP | 64.0 | 61.2 | 2.8 | 4.6% |
| Kyowa Kirin | 64.0 | 61.2 | 2.8 | 4.6% |



Note

Revenue (FY2021 Results)

- › Decrease of *Nesp-AG* & *Nourias* (Competitors) etc. and negative impact by NHI price-cut in 2020/2021 were offset by increase of *Crysvita*, *Haruopi*, *Duvroq* (New products) and *G-Lasta* (Market's recovery & penetration), etc. However, co-promotion termination of *Asacol*, *Minirin* and *Desmopressin* was not offset and total revenue in Japan decreased.
- › Overseas sales increased due to steady growth in three global strategic brands, *Crysvita*, *Poteligeo* and *Nourianz*.
- › Sales royalties of *Fasenra* increased. Received \$10M upfront regarding license-out of anti-LIGHT antibody. Initiated to recognize deferred revenue of upfront payment from KHK4083 joint development/commercial agreement (\$400M) from July.

Normalized OP (FY2021 Results)

- › Normalized OP increased YoY due to an increase in overseas sales revenue mainly from three global strategic brands despite an increase in SG&A expenses and research and development expenses etc. for maximizing the value of three global strategic brands and quickly establishing a competitive global business foundation.



Note

Revenue (FY2022 Forecast)

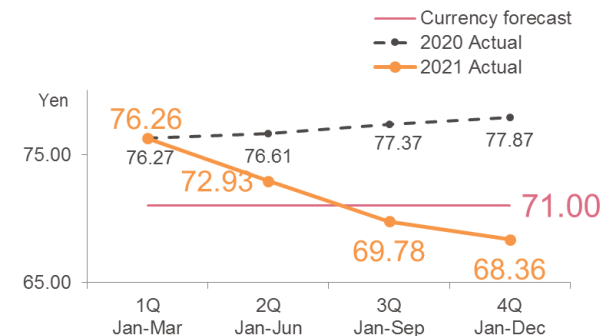
- › Revenue is expected to increase YoY.
- › Sales in Japan is expected to decrease due to the impact of the NHI price-cut scheduled in April although sales of new products are expected to increase.
- › Overseas sales are expected to increase due to growth of three global strategic brands, *Crysvita*, *Poteligeo* and *Nourianz*.
- › Technology licensing revenue is expected to increase due to an increased royalties related to *Fasenra* and deferred revenue of upfront payment from KHK4083.

Normalized OP (FY2022 Forecast)

- › Normalized OP is expected to increase due to increased revenue and gross profit despite increased SG&A and R&D costs.

| | Yen base (bn yen) | | | | Kyat base (bn MMK) | | | |
|---------------|-------------------|---------------|-------|--------|--------------------|---------------|------|--------|
| | FY2021 Actual | FY2020 Actual | YoY | % | FY2021 Actual | FY2020 Actual | YoY | % |
| Revenue | 19.3 | 31.8 | -12.5 | -39.3% | 283 | 409 | -126 | -30.8% |
| Normalized OP | 6.6 | 13.8 | -7.2 | -52.2% | 97 | 177 | -81 | -45.6% |

Exchange Rate - 1,000 Myanmar Kyat



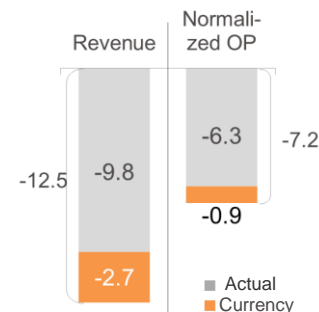
Note

FY2021 Results

- › In the beer market, annual sales volume declined by nearly 20% due to the spread of COVID-19 as well as the impact of the political upheaval and supply chain disruption in Myanmar.
- › The sales volume of Myanmar Brewery was also down approx. 30% YoY.
- › Sales revenue declined due to a decrease in sales volume. Normalized OP decreased due to drop in sales revenue and increase in raw material costs.

FY2022 Forecast

- › Zero revenue / profit is expected in FY2022 due to significant uncertainty over future results from the business.

Forex FY2021 Impact
(bn yen)

Yen base (bn yen)

| | FY2021 Actual | FY2020 Actual | YoY | % |
|---------------|---------------|---------------|------|-------|
| Revenue | 154.9 | 129.4 | 25.5 | 19.7% |
| Normalized OP | 16.5 | 9.3 | 7.2 | 78.3% |

U.S. dollar base (million \$)

| | FY2021 Actual | FY2020 Actual | YoY | % |
|---------------|---------------|---------------|-----|-------|
| Revenue | 1,403 | 1,216 | 187 | 15.4% |
| Normalized OP | 150 | 87 | 63 | 71.9% |

Yen base (bn yen)

| | FY2022 Forecast | FY2021 Actual | YoY | % |
|---------------|-----------------|---------------|-----|------|
| Revenue | 160.3 | 154.9 | 5.5 | 3.5% |
| Normalized OP | 17.2 | 16.5 | 0.7 | 4.0% |

U.S. dollar base (million \$)

| | FY2022 Forecast | FY2021 Actual | YoY | % |
|---------------|-----------------|---------------|-----|------|
| Revenue | 1,419 | 1,403 | 16 | 1.1% |
| Normalized OP | 152 | 150 | 2 | 1.6% |

Assumed exchange rate: ¥113.00 (USD)



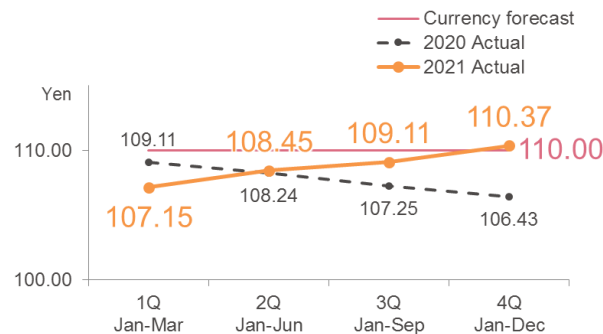
FY2021 Results

- Sales volume increased by 5.4% in on-premise and off-premise channels with recovery from COVID-19.
- Achieved significant increase YoY in both revenue and Normalized OP with substantial increase in top line sales due to implementation of two price revisions as well as reductions in SG&A etc. by continuous cost control efforts from the previous year.

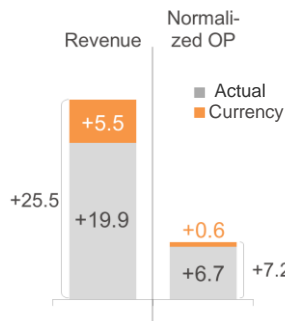
FY2022 Forecasts

- The strong sales momentum is expected to continue through the first half of 2022 despite concerns over the continued uncertainty caused by COVID-19 and the receding consumer demand due to inflation.
- Normalized OP is managed to increase by taking continuous efforts in price revisions, mix-up and cost control despite cost increase factors such as surging raw material costs and labor costs.

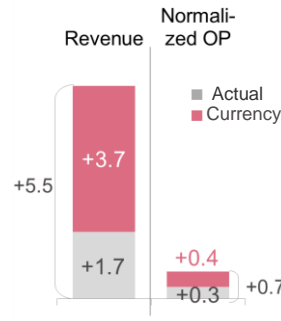
Exchange Rate - US Dollar



Forex FY2021 Impact (bn yen)



Forex FY2022 Impact (bn yen)



Performance of San Miguel Brewery

- Sales and operating income increased despite the impact of COVID-19. Cash dividends per share unchanged YoY.

San Miguel Brewery domestic consolidated results (October 2020 - September 2021)

| (million PHP) | Oct.-Dec. 2020 | | Jan.-Mar. 2021 | | Apr.-Jun. 2021 | | Jul.-Sep. 2021 | | FY2021 Total | |
|--|----------------|-------|----------------|-------|----------------|-------|----------------|-------|--------------|-------|
| | Actual | YoY % | Actual | YoY % | Actual | YoY % | Actual | YoY % | Actual | YoY % |
| Sales * | 35,446 | -8% | 28,846 | 2% | 25,486 | 77% | 27,750 | -7% | 117,528 | 6% |
| Operating Income * | 9,658 | -8% | 6,751 | 25% | 5,326 | 170% | 6,105 | -18% | 27,840 | 10% |
| Operating Income Ratio | 27.2% | — | 23.4% | — | 20.9% | — | 22.0% | — | 23.7% | — |
| Depreciation & Amortization* | 1,543 | 10% | 1,044 | 107% | 1,189 | -21% | 1,215 | 23% | 4,991 | 13% |
| EBITDA (Operating Income + Depreciation Amortization etc.) | 11,201 | -6% | 7,795 | 32% | 6,515 | 87% | 7,320 | -13% | 32,831 | 10% |

* Based on disclosure

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

Equity-method Incorporation (October 2020 - September 2021)

| (bn yen) | FY2021 | FY2020 | YoY |
|--|--------|--------|-----|
| Net income (SMB) | 44.7 | 39.3 | 14% |
| Consolidated net income (included in the consolidated results) | 21.7 | 19.1 | 14% |

Exchange rate: 1 peso = ¥2.23(previous year: ¥2.17)

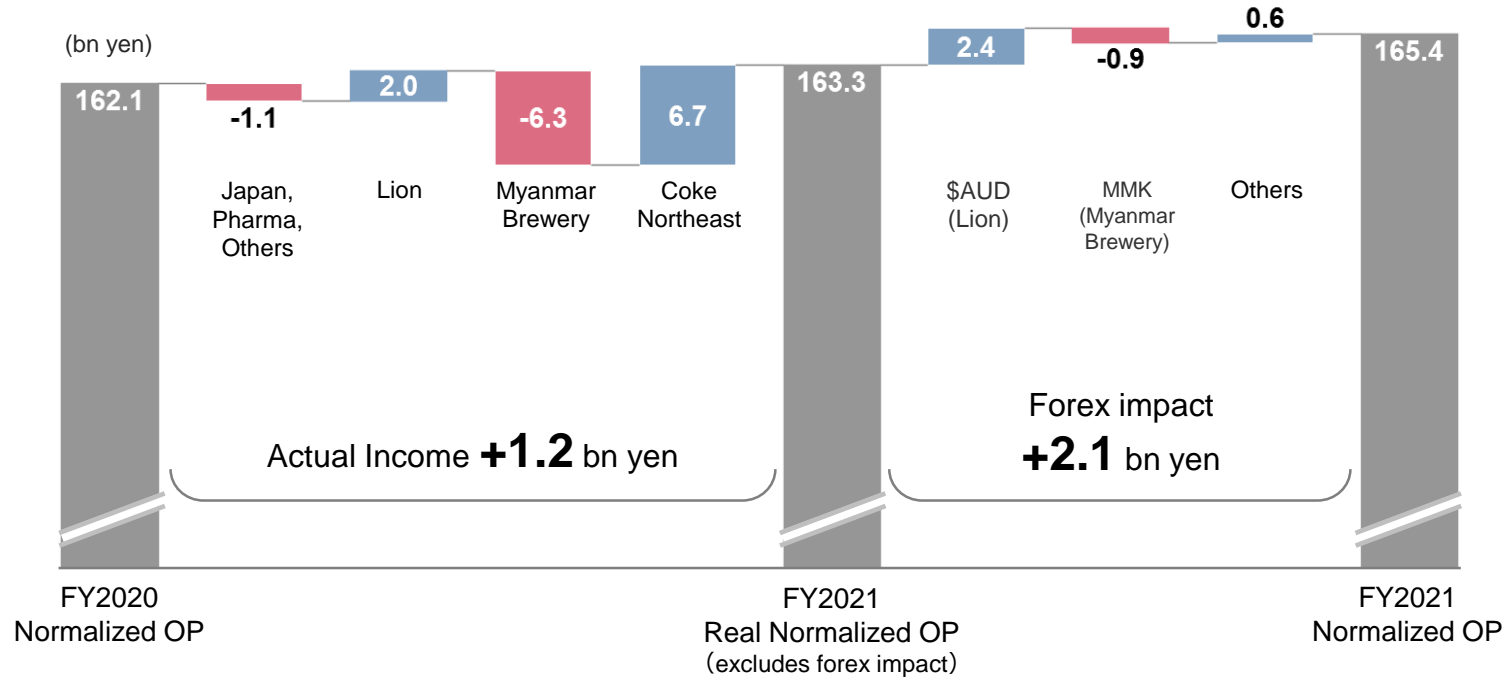
Kirin Holdings' dividend income from San Miguel Brewery

| | FY2021 | FY2020 | YoY |
|--|--------|--------|-----|
| Dividends (bn yen) | 16.7 | 16.1 | 4% |
| Cash dividends declared per share (peso) | 1.00 | 1.00 | — |

Dividends are recorded on a cash-in basis.

Forex Impact on Consolidated Results

- Consolidated forex impact of +2.1 bn yen due to the appreciation of the Australian dollar (AUD) against the yen.



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



よろこびがつなぐ世界へ Joy brings us together