Kirin Group
Financial Results for 2Q FY2023

August 8, 2023
Kirin Holdings Company, Limited

Enhancing Corporate Value

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- Good morning, everyone. I am Isozaki from Kirin Holdings.
- I would like to thank you for your support of Kirin Group products and your understanding and support of our corporate activities.
- Today’s topic is about "Enhancing Corporate Value".

Management Policy

Drive management to enhance corporate value

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Challenge Our Price/Book value ratio is well over 1, but there is a gap between the corporate value we are aiming for

Enforce Initiatives to Enhance Corporate Value

Food & Beverages Domain	Pharmaceuticals Domain	Health Science Domain
Improve profitability by promoting the premium strategy and increasing productivity	Expand the next- generation pipeline	Focus on business expansion and profitability in Japan and Asia-Pacific

Business Portfolio

Evolve constantly to the optimal state

Contributions from growing domains in addition to existing domains are essential for improving corporate value in the medium to long term

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- Recently, overseas investors have been re-evaluating Japanese listed companies, and "Management that increases corporate value" has become an important theme than ever before.
- We have been pursuing a management with an emphasis on corporate value, and our Price/Book value ratio is over 1, but this is not a satisfactory level considering the corporate value we aim to achieve as the Kirin Group.
- If we only consider short-term profits and EPS stability, we may only need to focus on the Food & Beverages domain, mainly alcoholic and non-alcoholic beverages. However, in these markets where Kirin operates, it is difficult to foresee significant volume growth in the future due to declining birthrates, aging population, and changing values.
- Therefore, the Kirin Group has chosen to take the challenging track to transform its business structure in order to improve corporate value over the medium to long term.
- To enhance the Group's corporate value, we are working on four main challenges.
- First is to improve profitability by promoting a premium strategy and increasing productivity in the Food & Beverages domain, second is to expand the next-generation pipeline in the Pharmaceuticals domain, third is to expand the business and generate profit in the Health Science domain in Japan and Asia-Pacific, and lastly, continuously review the business portfolio.
- Each of these four initiatives will now be described in the following pages.

Food and Beverages Domain: Premium Strategy and Productivity Improvement

Steady progress on initiatives, but plenty of opportunities for further profitability improvement

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		Promote Premium Strategy	Increase Productivity
Alcoholic Beverages Business	Kirin Brewery	**Expand the craft beer business and begin the full-scale export of Japanese whisky** - Steady growth but aiming to achieve market expansion	**Optimize Sales Organization** - Aim for higher profitability, despite a top-class profit margin in Japan
	Lion	**Revitalize the core brands & nurture craft beer** - Continuous brand investment	**Improve profitability through a new operating model** - Completed the plan development and moved to the implementation phase
	Lion/ Four Roses	**Expand craft beer and premium bourbon whiskey**	**Bell's integration nearly complete & increase manufacturing capacity**
Non-Alcoholic Beverages Business	Kirin Beverage	**Strengthen the Health Science Domain** - Shift to mid- to high-end price range in progress	**Optimize Sales Organization** - Aim for higher profitability, despite a top-class profit margin in Japan
	Coke Northeast	**Implement strategic price revisions and focus on high unit price products**	**Maintain high profit margins in the bottling business through cost optimization measures**

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Initiatives with positive results

Initiatives to be accelerated in the future or those in the implementation phase

- For the Food & Beverages domain, I would like to explain our progress in the two areas of promoting the premium strategy and increasing productivity, which we have demonstrated in our financial results in February this year.
- First is the alcoholic beverages business.
- President Mr. Horiguchi presented Kirin Brewery's premium strategy at Investor Day.
- Craft beer market in Japan is a new category and is not an easy one to expand.However, we will continue with our efforts to achieve profitable growth in this mature market.
- We will also aggressively promote exports of Japanese whisky to achieve high unit price sales overseas.
- Although the NOP margin for our domestic alcoholic beverages business is at a level unrivaled by other companies, we will increase productivity to achieve higher profitability and not be satisfied with the current status.
- Specifically, we plan to work on optimizing our organization in accordance to the changes in the market, and we will disclose further details later.
- CEO, Mr. Sam Fischer also presented Lion’s premium strategy and productivity improvement at Investor Day. He has achieved great results globally and will continue to improve profitability through a new operating model.
- The alcoholic beverage businesses in the US, Lion's US craft and Four Roses, are making good progress in both their premium strategies and productivity improvements.
- Next is the non-alcoholic beverages business.
- Kirin Beverage continues to strengthen its health science-related products, and sales of Kirin Oishii Immune Care is particularly strong. We will continue to accelerate these initiatives so that we can achieve an increase in the average sales price per unit of sales for the business as a whole.
- Similar to Kirin Brewery, increasing productivity is an issue that we will address in the future.
- Coke Northeast in the US has been able to implement appropriate price revisions and has achieved higher unit selling prices by prioritizing the sales of high unit priced products. We will also continue to implement cost optimization measures to maintain the profit margin that we have driven over the past several years.

Pharmaceuticals Domain: Expand the Next-Generation Pipeline

Expand the development pipeline for the future

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Steady progress in the development pipeline

KHK 4083 (rocatinlimab)
- Atopic dermatitis Ph3 in progress
- Decision to implement Asthma Ph2

KHK 4951 (tivozanib)
- Neovascular Age-Related Macular Degeneration Ph2 Start within the year

Recently discontinued development

ME-401 (Zandelisib) B-cell malignancies

RTA 402 (Bardoxolone methyl) Diabetic kidney disease

Expand the pipeline to drive medium- to long-term growth

Aim for sustainable growth by expanding the pipeline through both external licensing and in-house development

To Achieve our Goals

Evolve into a value-creating R&D organization with a venture spirit

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- For Kyowa Kirin in the Pharmaceuticals domain, we expect steady performance in the short term due mainly to the global expansion of Crysvita.
- On the other hand, we need to expand the future pipeline to increase corporate value.
- KHK4083 is in Phase 3 trial for the treatment of atopic dermatitis, and in parallel a Phase 2 trial for the treatment of asthma is also underway. Other pipelines, such as KHK4951 for the treatment of ocular vascular disorders, are progressing well, while others have been discontinued this year.
- The pipeline expansion required to increase corporate value will be sought both from external licensing and from in-house development.
- It is needless to say that an eye for good judgement is important to succeed in external licensing. On the other hand, we believe that a venture spirit is necessary as part of the organizational culture of the R&D department in order to promote the development of our own pipeline.
- /Especially for Kyowa Kirin, which deals mainly with rare diseases, it is necessary to have unique human capital to pursue development with freedom. By having such human capital, nurturing them within the organization, and creating a culture that allows for them to freely conduct R&D, the R&D function will become an organization that can create value and enhance the pipeline.

Blackmores: Contribute to business expansion and profitability improvement

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Progress of Acquisition Procedures

All approvals completed

Including Blackmores shareholders' meeting, Australian court, Chinese authorities, etc.

- Scheduled for closing on Aug 10
- Preparing for a **smooth integration from Day 1**

Future Target Scale

Revenue	100 billion yen
Normalized Operating Profit Margin	over 15%

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- For the Health Science domain, I will talk about the status of the Blackmores acquisition process announced in April.
- We have now completed all required regulatory approvals and received the approval of many of the shareholders, including the founder, Mr. Marcus Blackmore, at the local shareholders' meeting in July. Closing is expected to be completed tomorrow, August 10.
- I have expressed that "the acquisition of Blackmores fits an important piece of the puzzle" for business expansion and profitability in the Asia-Pacific region in the Health Science domain, and we are preparing for a smooth integration with Kirin immediately after the completion of the closing.
- Blackmores aims to achieve revenue of 100 billion yen and a NOP margin of 15% or more, which is more than the expected return on the investment capital.

Maximize value by focusing on PMI at Blackmores

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Blackmores PMI*

Organizational Capability

- **Assign several Kirin HD human capital to key positions**
- **Improve organizational capacity in Health Science through integration with the current management**

PMI System

- **Establish a PMI structure with human capital assigned from each function based on past learnings and due diligence**
- **Commit to fulfilling Blackmores' business plan and creating new added value**

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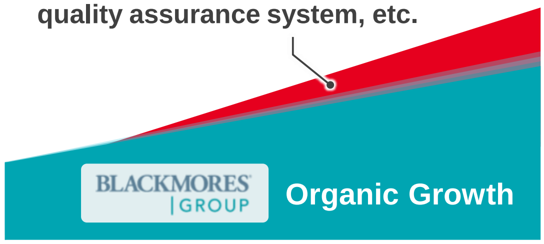
Accelerate Blackmores' Growth

- **Offer specialty materials**
- **Product development, including new product formats, etc.**
- **Improve SCM and reestablish the quality assurance system, etc.**



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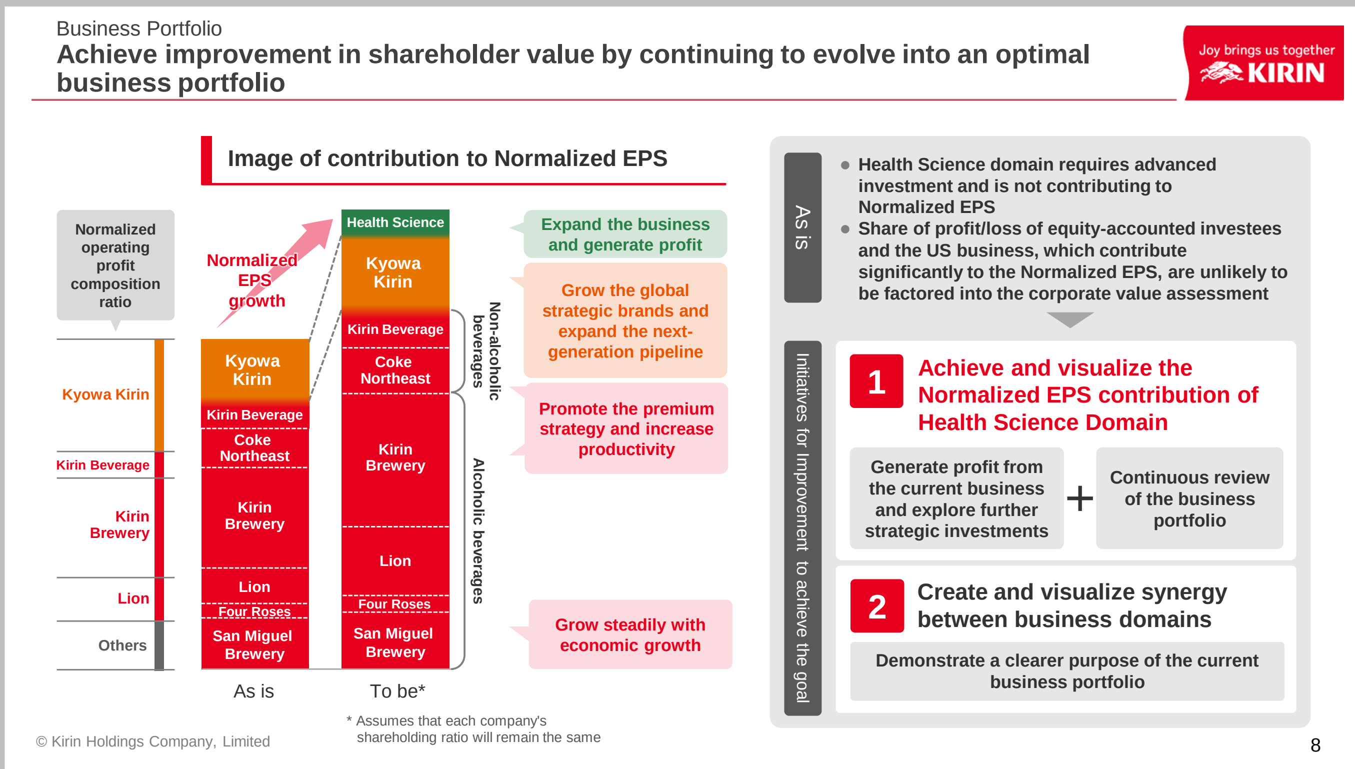
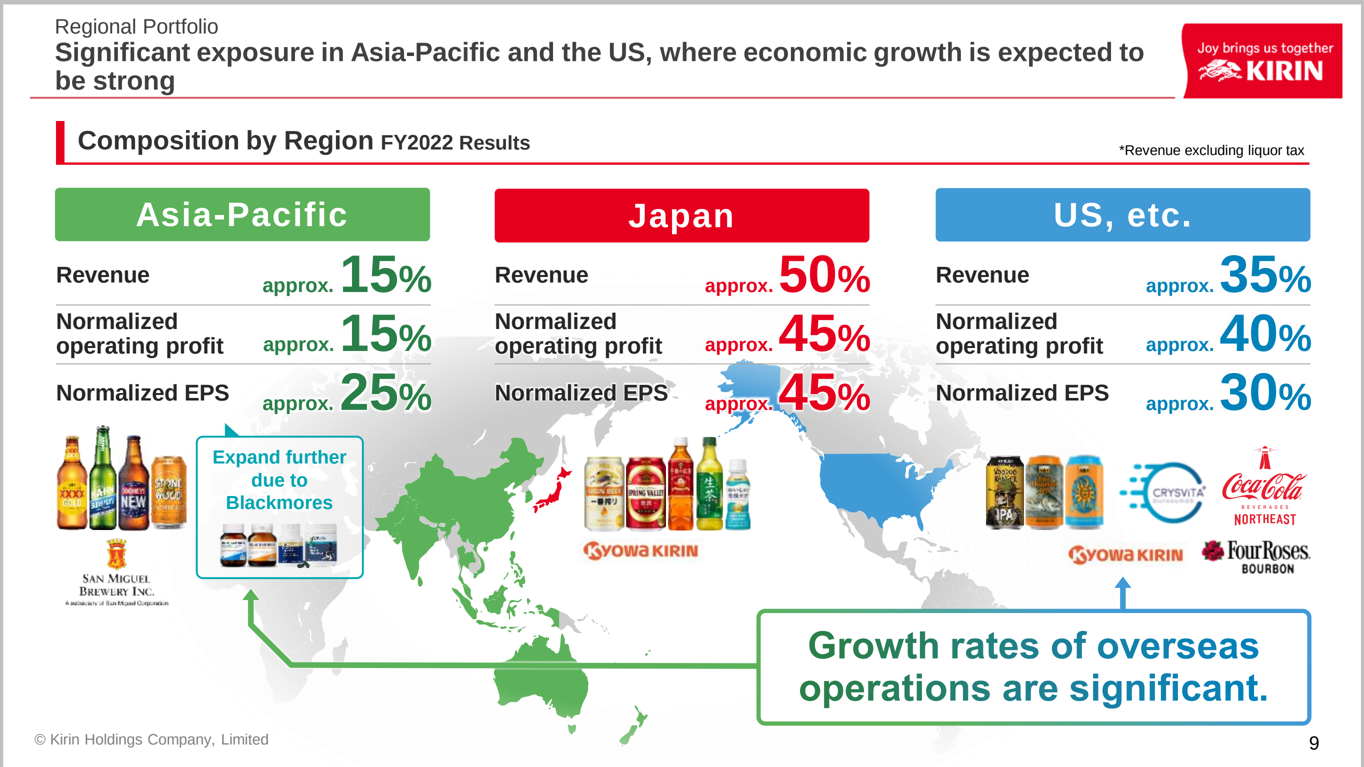
* The details stated are tentative as of now, and will be implemented after closing

- We would like to explain further about the PMI, etc. with Blackmores at the IR event in September, so today I will go over the key points.
- The first point is organizational capability. We will select and assign excellent human capital from Kirin to key local positions immediately after closing. We will work together with the current management team to create additional added value, and as a Group, we will strengthen the organizational capability of Health Science.
- Regarding PMI, in addition to the expatriate employees, the Kirin Group's production, logistics, R&D, etc. will work closely together with each function in Blackmores to create value. Through this PMI structure, we are committed to achieving Blackmores' business plan, which we will announce at a later time.
- To give an example of what we will work on together to create an integrated premium, we will first offer Kirin Group's specialty ingredients. We will provide Kirin's high value-added ingredients such as LC-Plasma to Blackmores' highly effective and reliable brand. We will also be actively involved in the development of product formats other than supplements.
- In addition to this, we believe that there is plenty of room to generate cost benefits from the integration by leveraging the strengths of the Kirin Group to achieve higher productivity in SCM and Quality Assurance. We will maximize the value of our Health Science business in Asia and Oceania by combining the Group's strengths.



- In order to increase Kirin Group's corporate value, it is important for each domain to pursue its own initiatives, but it is also necessary to constantly review the business portfolio as a Group.
- Looking at Kirin Group's business portfolio, Kirin Brewery and Kyowa Kirin account for a large portion of the Normalized operating profit, which measures the recurring business performance, while the remainder is largely made up of various businesses in the Food & Beverages domain.
- However, when we look at it in terms of contribution to Normalized EPS, which we use as an important financial KPI to show the contribution to our shareholders, it is slightly different.
- First, we can see that San Miguel Brewery contributes significantly despite its corporate value, not being included in the Normalized operating profit because it is an equity accounted investee.
- In the US, Coke Northeast and Four Roses, the bourbon business, have made significant contributions to the EPS as well as to the Normalized operating profit. On the other hand, the contribution of Health Science is yet to come.
- For our future, our first priority is to build the Health Science business into a business that can contribute to EPS. We must also make our Health Science business performance visible to our investors.
- For Health Science, we will focus on maximizing the value of Blackmores for the time being, but we believe it is necessary to explore further strategic investments in order to further increase its contribution to EPS in the future. Depending on the scale of the new investments, we will consider replacing our existing businesses, while also considering the impact on EPS and ROIC.
- The business portfolio is frequently discussed by the Board of Directors and will continue to be discussed on an ongoing basis to ensure that it is optimized to enhance shareholder value.
- It is also necessary to clearly explain not only the growth of each business, but also how that businesses can continue to create added value by being in the Group.
- We aim to become a Group in which the Alcoholic Beverages, Non-Alcoholic Beverages, Pharmaceuticals, and Health Science businesses are organically linked to increase shareholder value.



- Regarding the business portfolio, I would also like to share the Kirin Group's portfolio by region.
- Japan is of course the largest contributor to the Group's performance, but in terms of Normalized operating profit, the US is also a major contributor.
- In the Food & Beverages domain in the US, US craft as well as Coke Northeast and Four Roses is growing significantly, and for the Pharmaceuticals domain in the US, Crysvita is expanding steadily.
- Meanwhile, in Asia and Oceania, San Miguel has been contributing significantly to EPS.
- Although the current contribution to Normalized operating profit is not as strong, the composition ratio is expected to rise in the future as Lion's profitability improves and Blackmores' growth accelerates.
- We will discuss our business portfolio while also taking into account the characteristics of each region, such as the high growth expected in the US and Asia-Pacific in the future.

Progress in CSV Management

Continue to enhance corporate value through ESG initiatives

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Environment

Will Publish the Environmental Report 2023 around September

- Disclosed better integrated environmental management information based on TCFD, TNFD, etc.
- Disclosed a transition plan for climate change, including investment and financing plans

Kirin Beverage Shonan Factory to utilize solar-generated electricity through the introduction of the PPA*-certified model

Scheduled to begin in May 2024

Social

Awarded the "Imperial Invention Prize" at the "2023 National Commendation for Invention" for the discovery and commercialization of LC-Plasma**

- First ever health food ingredient and first food company in 59 years to receive the award
- A symbolic award of the National Commendation for Invention, given by the Imperial Household to the most outstanding inventor
- Achieved competitive advantage through a combination of R&D, commercialization, and intellectual property strategies

Updated the Human Impact Assessment Report for Sri Lankan Tea Plantations

More information

Published the Integrated Report 2023

- Explained our efforts to create value in the three business domains of "Food & Beverages, Pharmaceuticals, and Health Science" based on our strengths in fermentation and biotechnology, along with specific examples
- Updated the human capital strategy with a focus on expertise and diversity. Set Kirin Group's original indicators in addition to comparable quantitative information
- Expanding the scope of obtaining third-party assurance of non-financial information to include data on water, containers, and employees, in addition to GHG emissions.

More information

Video explanation (approx. 10 min.)

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*Power Purchase Agreement **L. lactis strain Plasma

- Finally, I will share from an ESG perspective.
- I would like to share about our invention of food products utilizing LC-Plasma being selected for the “Imperial Invention Prize”, the highest level of the award. This is a very prestigious and amazing award given by the Imperial Household to honor outstanding inventions that contribute to the improvement and development of science and technology in Japan.
- This award is the first ever for a health food ingredient and the first in 59 years for a food company, since 1964.
- We feel that this is the result of the persistent research efforts of Kirin Holdings' researchers.
- We believe that only those companies that can identify opportunities for growth in the midst of major changes in the world will be able to survive and sustainably increase their corporate value.
- We will continue to strive to solve social issues without being satisfied with the status quo. We aim to become one of the world's leading CSV companies by continuing to communicate with our investors and solve our issues one by one. Please look forward to the future growth of the Kirin Group!

- Good morning, everyone. I am Akieda from Kirin Holdings.
- First, I will talk about the management with cost of capital consciousness, followed by an overview of the financial results.
- Now, please turn to page 12 of the financial results presentation.

Pursue a management that focuses on capital efficiency and shareholder value as before

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Current Status

- Adopted **ROIC** as an indicator for financial targets from the 2019 Medium-Term Business Plan, along with the **Normalized EPS growth rate.**
- In the 2022 results, return on capital (ROIC: 8.5%) exceeded the cost of capital (Group WACC: approx. 6%)
- Analyzed and Evaluted stock price and market capitalization **during business portfolio discussions at board meetings** multiple times a year
- Operated a **remuneration system for executive officers linked to the medium-term financial targets**

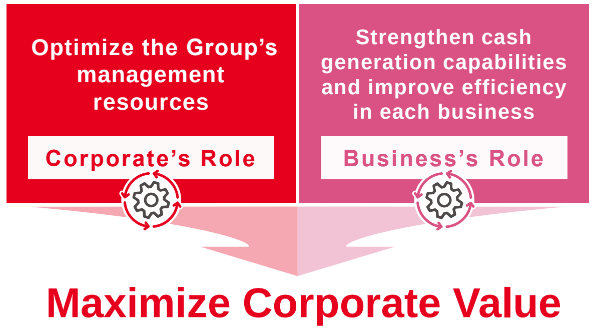
Policies and Objectives

Normalized EPS

- Achieve profitable growth by promoting strategies in each business domain and creating synergies among business domains *See p.8

ROIC

- Increase the excess of ROIC over the cost of capital (ROIC spread) and continue to aim **above 10%**
- Set medium- to long-term ROIC targets **for each operating company in accordance with its business stage, and work to improve them.**



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- The Kirin Group has long promoted management that is conscious of the cost of capital and corporate value.
- Since the previous Medium-Term Business Plan, we have adopted ROIC in addition to the Normalized EPS growth rate as the financial KPIs, and the stock price and market capitalization have been regularly discussed by the Board of Directors, along with the business portfolio.
- We have also designed the renumeration system for our executive directors to be linked to Normalized EPS, ROIC, and non-financial indicators so that we can manage the Group from a shareholder's perspective.
- We will continue to aim for ROIC of 10% or higher and will explain on the next page how we aim to improve it.

Set targets for each business stage and promote improvement measures to continuously improve ROIC

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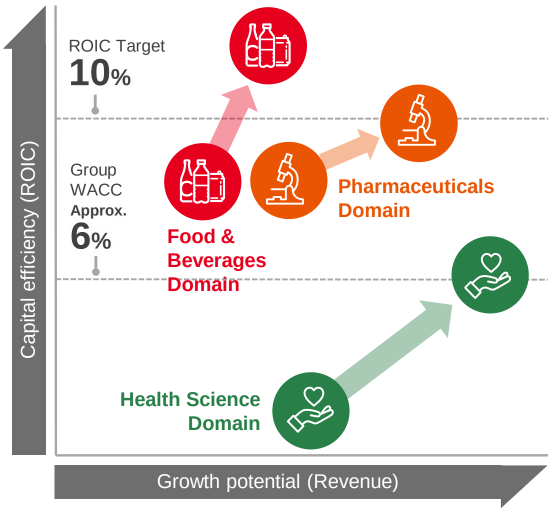
Aimed direction of ROIC and growth potential for each business domain



Future initiatives to improve ROIC

Optimize of the Group's management resources

- Continuous review of the business portfolio
- Disciplined investment decisions based on ROIC
- Improve capital efficiency by global CMS, etc.

Strengthen cash generation capabilities and improve efficiency in each business

- Improve profitability by promoting a premium strategy and productivity improvement, and pursue management that emphasizes capital efficiency through adequate capital investment, etc.
- Expand revenue through growth of global strategic brands, and accelerate strategic investments* and development to enhance the development pipeline
- Earn profit quickly through creating added value with Blackmores and Kyowa Hakko Bio's structural reforms, and explore strategic investment* opportunities

* Temporary decline in ROIC is permissible when strategic investments occur

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- The chart on the left shows the current status and the direction we are aiming for in the future of ROIC and growth potential of each business domain.
- In the Food & Beverages domain, the focus is not on volume growth, but on increasing revenue and profitability through higher unit prices. This domain will drive the Group's ROIC improvement through business operations that focus on capital efficiency, such as making capital investments with an emphasis on return on invested capital.
- In the Pharmaceuticals domain, while global strategic products are generating cash, we will continue to drive the cycle of investment for the expansion of the next-generation pipeline.
- The Health Science domain must first turn profit as soon as possible and generate returns exceeding WACC. At the same time, we will also explore strategic investment opportunities to achieve greater scale.
- Thus, on the business aspect, we will set medium- and long-term ROIC targets by domain and by company, and work to improve them by increasing our ability to generate cash and improving our efficiency.
- Simultaneously, from a Group management perspective, we are working to optimize allocation of the overall management resources through continuous review of our business portfolio and appropriate investment decisions.
- While we will allow for a temporary decline in ROIC when we make large strategic investments, the Group as a whole will always aim for ROIC above 10%, which exceeds the cost of capital of approximately 6%, to further increase corporate value.

Financial Results for 2Q 2023

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- From here, I will provide an overview of the financial results.

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2Q FY2023 Results

- Consolidated Revenue increased by +5.8% YoY and consolidated Normalized operating profit (OP) increased by +4.3% YoY.
- Profit before tax decreased by -40.1%, mainly due to the foreign currency translation difference resulting from the exclusion of the Myanmar business in 1Q.
- Profit attributable to owners of the Company decreased by -42.2% due to the decrease in profit before tax.
- Normalized EPS increased by +9 yen YoY due to an increase in consolidated Normalized OP and share of profit of equity-accounted investees.

Revision of FY2023 Forecast

- No revision to the full-year forecast as of 2Q.
- Although some operating companies will revise their Revenue and Normalized OP forecast, they will supplement each other's business portfolios and will aim to achieve 192.0 billion yen in consolidated Normalized OP as planned at the beginning of the year.

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- Consolidated Revenue increased by +5.8% to 970.2 billion yen, and consolidated Normalized operating profit increased +4.3% to 75.2 billion yen.
- Profit before tax for the quarter was 57.1 billion yen, down -40.1% from the previous year, mainly due to the foreign currency translation difference of approximately 19 billion yen resulting from the withdrawal from the Myanmar business that was occurred in the first quarter.
- Profit attributable to owners of the Company for the quarter amounted to 32.0 billion yen, down -42.2% from the previous year, mainly due to a decrease in profit before tax for the quarter.
- Normalized EPS was 73 yen, up +9 yen from the previous year, mainly due to an increase in consolidated Normalized operating profit and share of profit of equity-accounted investees.
- There is no revision to the consolidated full-year forecast as of the second quarter.
- We will continue to aim for our Normalized operating profit target of 192.0 billion yen.

2Q FY2023 Results

- All major companies increased in Revenue due to the premium strategy and price revisions, etc.
- Achieved increase in the Consolidated Normalized OP despite the continuous impact of higher raw materials and other costs.

(bn yen)	2Q FY2023 Actual	2Q FY2022 Actual	YoY	%
Revenue	970.2	917.0	53.2	5.8%
Normalized OP *	75.2	72.1	3.1	4.3%
Profit before tax	57.1	95.2	-38.2	-40.1%
Profit attributable to owners of the Company	32.0	55.4	-23.4	-42.2%

Quantitative Target	2Q FY2023 Actual	2Q FY2022 Actual	YoY	%
Normalized EPS **	73 yen	64 yen	9 yen	14.1%

* A profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
** See p. 26 for details.

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2Q FY2023 Results:
Changes in Consolidated Normalized OP by Operating Company

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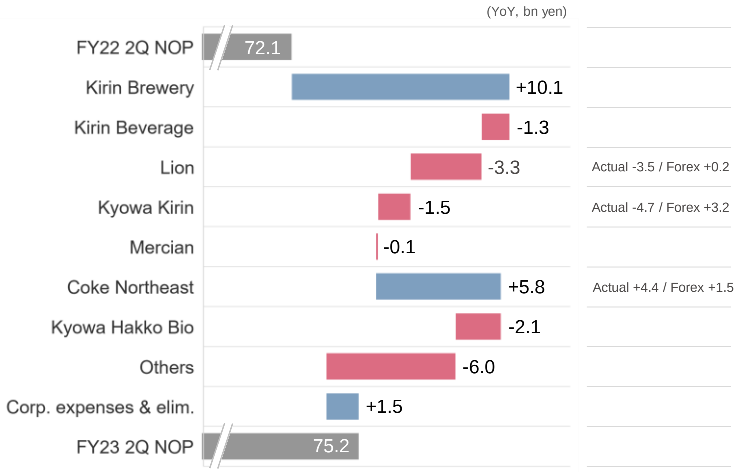
- Continuing from 1Q, Consolidated Normalized OP increased driven by Kirin Brewery and Coke Northeast



"Other" includes "Other" within the "Japan Beer and Spirits" segment.

Note

Kirin Brewery
- Increased due to the effect of price revisions exceeding the increase in raw material costs and cost management.

Kirin Beverage
- Decreased due to lower sales volume mainly in large PET bottles, despite the effect of price revisions exceeding the increase in raw material costs.

Lion
- Decreased due to continuous increase in marketing investment in the core brands since 1Q,despite an increase in revenue.

Kyowa Kirin
- Decreased due to an increase in SG&A and R&D expenses despite an increase in overseas sales revenue and technology out-licensing revenue.

Coke Northeast
- Increased due to revenue growth resulting from price revisions and cost optimization measures.

Kyowa Hakko Bio
- Decreased due to lower-than-expected sales of amino acids.

Others
- Including - 4.6 billion yen impact of the exclusion of Myanmar Brewery.

Corporate Expenses and Inter-Segment Eliminations
- Unused expenses, etc.

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- Page 17 shows the changes in Normalized operating profit by operating company, please check the details later.

2Q FY2023 Results: Changes in Consolidated Normalized OP by Factor

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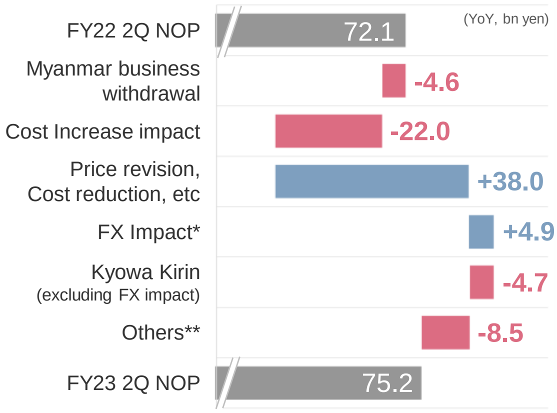
› Increased in Normalized OP due to price rivisions,cost reductions,etc. outweighing the impact of raw materials and other cost hikes.



* Forex impact is the total of the forex impact of Lion, Kyowa Kirin, and Coke Northeast shown on page 17. Foreign exchange impact of imported raw materials, etc., mainly in the domestic business is included in the "cost increase impact".
** "Others" is the total impact of increase/decrease in sales volume, marketing investment, corporate expenses, etc. in each business.

2Q Results: Cost hike impact

Group total: approx. 22.0 billion yen

Kirin Brewery Approx. 8.0 billion yen Kirin Beverage Approx. 6.0 billion yen
Lion Approx. 6.0 billion yen Coke Northeast Approx. 1.0 billion yen etc

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

2Q Results: Price revisions, cost reductions, etc.

Group total: approx. 38.0 billion yen

Kirin Brewery Approx. 18.0 billion yen Kirin Beverage Approx. 8.0 billion yen
Lion Approx. 6.0 billion yen Coke Northeast Approx. 3.0 billion yen etc

Main items: Impact of price revisions, SCM cost reductions, other SG&A cost reductions, etc. (Measures to increase sales volume and to improve the mix are not included.)

Annual Forecast

Impact of soaring costs : Approx. 46.0-49.0 billion yen

Price revision, cost reduction, etc : Approx. 71.0-74.0 billion yen

2024 Forecast

Depending on future negotiations. At this point in time, a year-on-year cost reduction is not expected compared to 2023.

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- Please see page 18.
- Looking at the Normalized operating profit changes by factor, the negative impact of cost hikes was approximately 22 billion yen, but the positive impact of price revisions and cost reductions was approximately 38 billion yen, which continues to offset the negative impact.
- There is no significant change in the annual cost increase forecast at this time.
- The cost impact for 2024 will fluctuate due to negotiations, but we do not expect the costs to be lower than that of 2023.

Revision of FY2023 Forecast

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- No revision to the full-year forecasts as of 2Q

FY2023 Forecast

Revised the full-year exchange rate forecasts as follows
AUD 90 yen⇒93 yen USD 130 yen⇒137 yen

(bn)	FY23 Forecast (No change)	FY22 Actual	YoY	%	FY23 (initial) Forecast	Difference	%	Major Revisions
Revenue	2,115.0	1,989.5	125.5	6.3%	2,115.0	-	-	Coke Northeast +25.5 / Kirin Brewery -25.1 / Kyowa Hakko Bio -7.6 / Kirin Beverage -4.0
Normalized OP	192.0	191.2	0.8	0.4%	192.0	-	-	Coke Northeast +5.5 / Lion-3.0 / Kyowa Hakko Bio -2.0
Profit before tax	196.0	191.4	4.6	2.4%	196.0	-	-	
Profit attributable to owners of the Company	113.0	111.0	2.0	1.8%	113.0	-	-	

"+" means an increase in profits, "-" a decrease, compared to the initial forecast.

Quantitative Targets / Dividend Forecast (per share)

	FY23 Forecast (No change)	FY22 Actual	YoY	FY23 (initial) Forecast	Difference
ROIC	8.5%	8.5%	-	8.5%	-
Normalized EPS	171 yen	171 yen	-	171 yen	-
Dividend per share	69 yen	69 yen	-	69 yen	-

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- Please see page 19.
- As previously mentioned, there is no revision to the consolidated full-year forecast.
- However, we have revised the forecast for some of the operating companies.
- The main revisions include upward revisions for Coke Northeast, which is performing well, while downward revisions were made for Lion and Kyowa Hakko Bio, as well as a revision to the foreign exchange assumptions.

Revision of FY2023 Forecast: Changes in Consolidated Normalized OP by Operating Company

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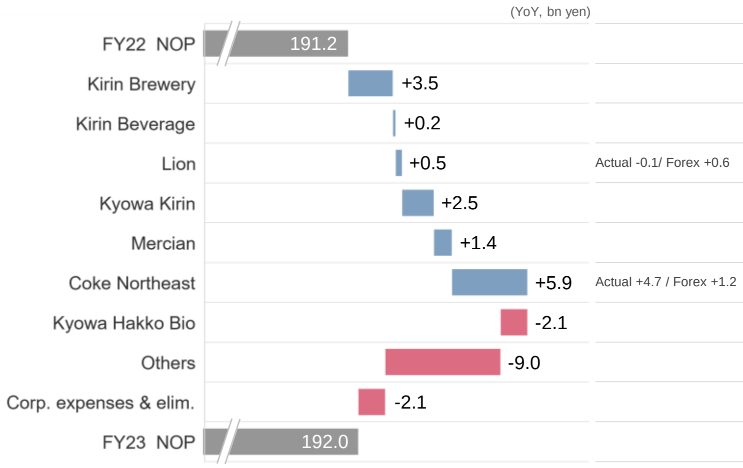
› Aim to achieve the initial consolidated Normalized OP plan by supplementing the Group as a whole



"Others" includes "Others" within the "Japan Beer and Spirits" segment.

See p. 30 for the amount of revision from the initial forecast.

Note

Kirin Brewery
- Aim to achieve the initial plan through cost management and other measures, despite the downward revision of the sales volume forecast.

Kirin Beverage
- Aim to achieve the initial plan by increasing revenue and profit by executing marketing investments as planned.

Lion
- Downward revision due to lower sales volume resulting from softening consumption trends. Will continue to invest in brands while reducing costs.

Kyowa Kirin
- No revision from the initial plan and expected to increase profit YoY.

Coke Northeast
- Upward revision reflecting strong performance in the first half of the year.

Kyowa Hakko Bio
- Downward revision due to lower-than-expected sales of amino acids.

Others
- Includes exclusion of Myanmar Brewery -7.0 billion yen. Slight decrease from the initial plan is expected.

Corporate Expenses and Inter-Segment Eliminations
- Slight increase from the initial plan is expected.

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- Page 20 shows the changes in the revised forecast for each operating company, but I will omit the explanation.
- Please see page 21 for an explanation of the initiatives for the second half of the year for the major companies.

Kirin Brewery

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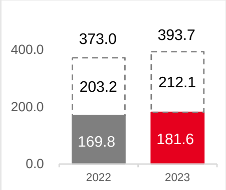
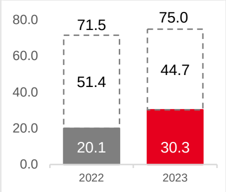
Results and Forecast

Liquor tax-excluded Revenue (bn yen)



Normalized OP (bn yen)



Revenue and Normalized OP increased due to the effect of price revisions and cost management, while core brands in the off-premise channels remained steady . We will aim to achieve the Normalized OP as planned at the beginning of the year by focusing on the changes in demand before and after the revision of the liquor tax.

Progress in the first half of the year	Initiatives for the second half of the year

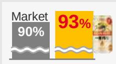
Establish a strong brand system

Progress in the first half of the year

Off-Premise Channels Beer Total — **In line with the market**

KIRIN ICHIBAN Brand Family Total — **+6%***

- *KIRIN ICHIBAN* cans: Steady growth** exceeding the market's canned beer sales (excluding new products).



Initiatives for the second half of the year

Continue to strengthen the *KIRIN ICHIBAN* brand — Annual plan **+4%***

- Continue to strengthen the brand as a top-priority investment by focusing on advertisement and enhancing in-store exposure of new and renewal products.

Strengthen off-premise channels products

- Economy category: Maximize demand before and after the liquor tax revision.
- RTD: Expand the lineup of the successful *Hyoketsu Sugar Free* series.

Establish the craft beer category

Progress in the first half of the year

SPRING VALLEY Brand Total — approx. **+20%***

- Promoted "diverse tastes" by launching a limited *Summer Craft Ale <Kaoru>* and expanding the lineup for Home Tap and TAPPY.
- There is still potential for growth in product lineups and exposure in stores.

Initiatives for the second half of the year

Expand the number of entry-level drinkers into the category

- Refresh the communication and promote the appeal of the category.
- Promote integrated activities such as establishing craft sections in stores and expanding points of contact at restaurant and bar contacts, etc., in cooperation with other breweries.
- Launch a new regular product from *SPRING VALLEY* brand.

Nurture and enforce premiumization of Japanese whisky

Progress in the first half of the year

Japanese Whisky *Fuji* — **Signed a contract with Pernod Ricard to expand sales in Europe**

Initiatives for the second half of the year

Promote higher unit prices by expanding exports

- Expand exports to over 18 countries, mainly in Europe.

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*Year on year growth (sales volume) **Intage SRI Jan-Jun existing canned beer products

- Firstly, Kirin Brewery is scheduled to undergo a liquor tax revision and price revision in October, and we will work to capture demand around that time.
- While we will continue to place the highest priority on nurturing our core brand KIRIN ICHIBAN, we will also implement initiatives to capture the changes in consumer consumption behavior due to inflation and changes in retail prices across our entire product portfolio, including economy brands and RTDs.
- For craft beer, we will actively work to expand the number of entry-level drinkers in the category through initiatives such as collaborating with other breweries to promote the appeal of the craft category.
- And for Japanese whisky, we will partner with oversea companies such as Pernod Ricard to expand the number of exporting countries, mainly in Europe and the US, and achieve high unit prices.

Lion

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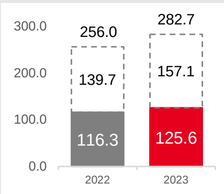
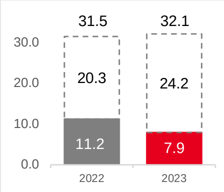
Results and Forecast

H2 Forecast
H1 Results

Revenue (bn yen)



Normalized OP (bn yen)



Addition to US Craft, which continues to perform well, some brands are performing well in Australia, where the market cooled off in April-June, but the effects of marketing revoluton on all brands will be felt in the future. We will continue to invest in brands and improve profitability by implementing a new operating model.

Progress in the first half of the year	Initiatives for the second half of the year
Australia – Growth through brand enhancement	
Total On/Off-premise ▲3%* • On-premise: + single-digit %*	Total On/Off-premise Annual plan **Slight increase** **Continued focus on core brands brand investment** Strengthen the brand by launching a new product from Tooheys. **Kirin's RTD Brand First Expansion in Australia** In the growing RTD market, leverage Kirin Group's assets
Core brands**. ▲Low-digit %* • Hahn's new low carb product performed well, contributing to a brand total of approx. +10%*.	
Craft beer category **Slight decrease*** Refresh • Revenue increased middle-digit% year-on-year • Fermentum sales were extremely strong, up more than 30%*	**Further expansion of Fermentum's flagship brand Stone&Wood**
US – Maximaizing US Platform	
US Craft Total +6%* • Continued growth in a soft market, thanks to the strong Voodoo Ranger brand as well as new Two Hearted brand products from Bell's.	**Further growth of core brands by strengthening manufacturing capacity**
New Operating Model	
Completed the planning as scheduled	Shift to the execution phase As planed Contributed **20+ million AUD** profit

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*Sales volume % change from previous year **Total of 3 brands: XXXX, Tooheys, Hahn

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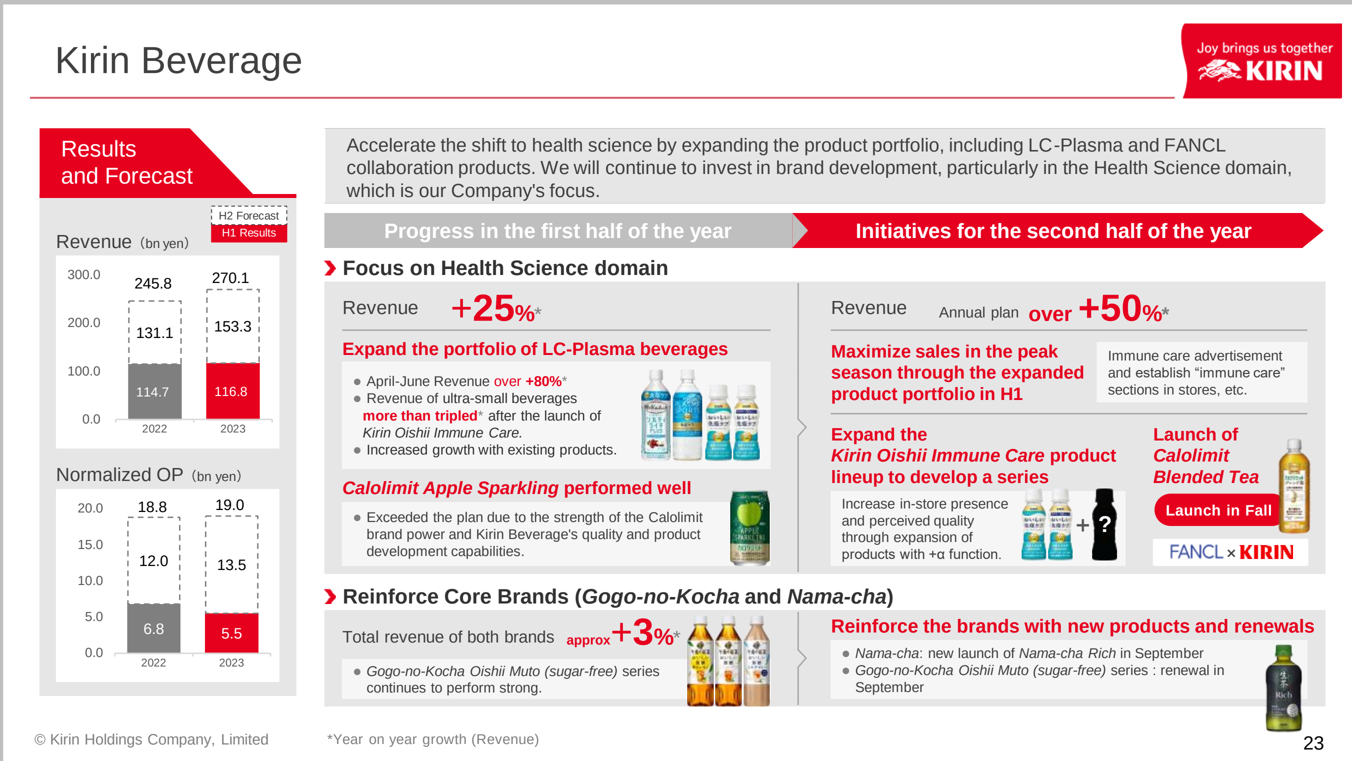
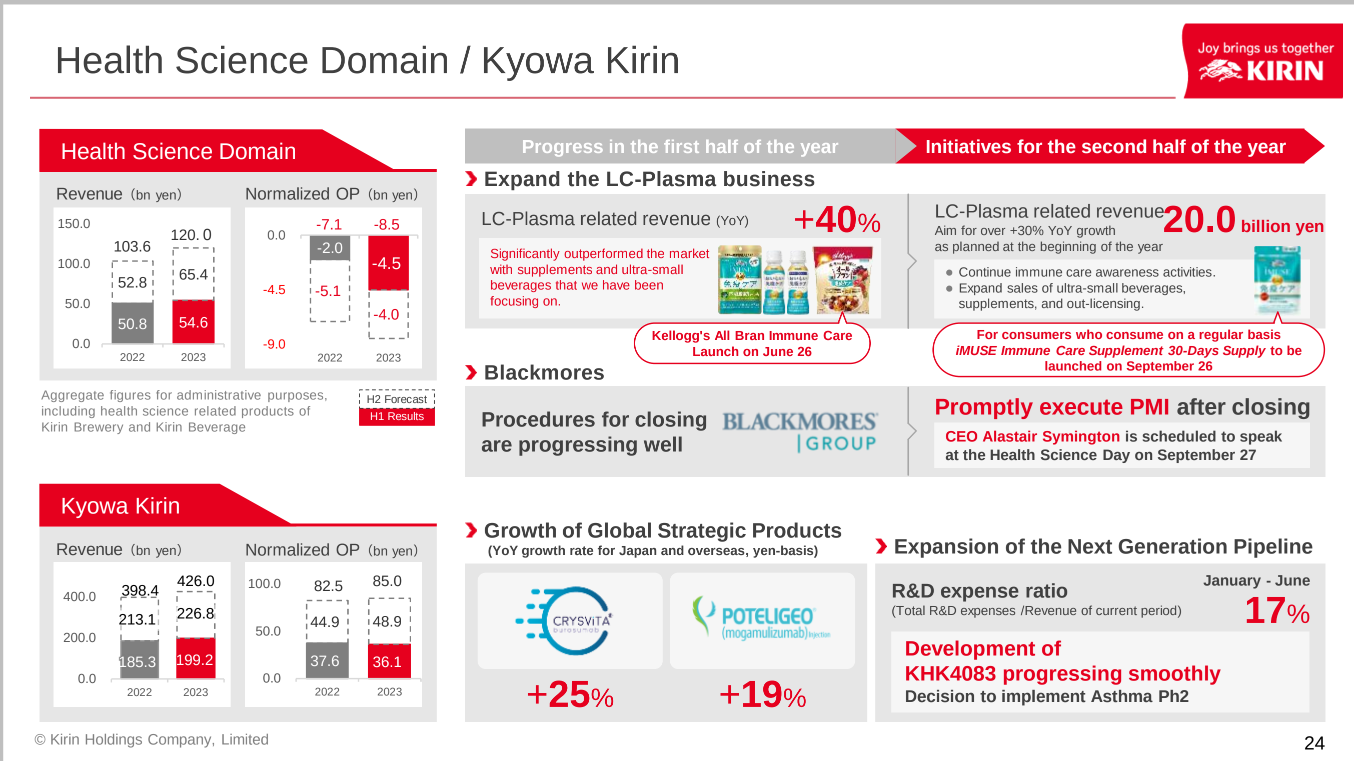
- Next is Lion, please see page 22.
- In Australia, despite the softening market, there have been some strong brands such as Hahn and Stone&Wood, but it will require more time for the overall brand momentum to change.
- In the US, growth continues to be driven by Voodoo Ranger, even within a soft market.
- We will move into the implementation phase of the new operating model, which will allow us to earn resources for brand development and create an environment that will strengthen our business.
- We also plan to launch a "new brand" that leverages Kirin's assets in the growing RTD market to compensate for the soft beer sales.



- Please see page 23.
- Kirin Beverage launched several new products in the first half of the year, including LC-Plasma related products and FANCL collaboration products. In the second half of the year, we will work to maximize sales of the launched products, mainly during the peak season.
- The successful Kirin Oishii Immune Care brand aims to expand the brand's overall in-store presence by launching a calorie-off product followed by additional product with another function.
- FANCL collaboration products will also accelerate the shift to health science with the launch of a blended tea from the successful Calolimit brand.



- Please see page 24.
- In the Health Science domain, we will continue to expand sales of supplements and strain in addition to non-alcoholic beverages to achieve 20 billion yen in revenue from LC-Plasma related products.
- As for Blackmores, CEO Mr. Alastair Symington will discuss their future growth strategies at the IR event on September 27.
- As for Kyowa Kirin in the Pharmaceuticals domain, we will continue to aim for growth of the global strategic products, strengthen sales, and expand the next-generation pipeline with a focus on KHK4083 from the second half of the year and onwards.
- This concludes my presentation. Thank you.

APPENDIX

Joy brings us together

2Q FY2023 Results: Normalized EPS Details

Joy brings us together KIRIN

(bn yen)		2Q FY2023	2Q FY2022
Profit attributable to Owners of the Company	①	32.0	55.4
Other operating income/expenses after taxes and other adjustments	②	27.4	-2.3
Normalized profit	③＝①＋②	59.4	53.0
Average number of shares during the period (‘000)	④	809,834	831,023
Normalized EPS (yen)	③÷④	73yen	64yen

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2Q FY2023 Results: Revenue by Segments

(bn yen)		2Q FY2023 Actual	2Q FY2022 Actual	YoY	%
Revenue		970.2	917.0	53.2	5.8%
Japan Beer and Spirits		318.0	303.4	14.5	4.8%
	Kirin Brewery	300.5	290.3	10.2	3.5%
	Other and elimination	17.5	13.1	4.4	33.3%
Japan Non-alcoholic Beverages		115.4	113.5	1.8	1.6%
	Kirin Beverage	116.8	114.7	2.1	1.8%
	Elimination	-1.4	-1.1	-0.3	—
Oceania Adult Beverages		125.5	116.3	9.2	7.9%
	Lion	125.6	116.3	9.3	8.0%
	Elimination	-0.1	-0.0	-0.0	—
Pharmaceuticals		199.0	185.0	14.0	7.6%
	Kyowa Kirin	199.2	185.3	13.9	7.5%
	Elimination	-0.2	-0.2	0.0	—
Other		212.4	198.7	13.6	6.9%
	Mercian	30.5	28.2	2.3	8.2%
	Coke Northeast	120.6	95.9	24.7	25.8%
	Kyowa Hakko Bio	26.2	25.4	0.8	3.3%
	Other and elimination	35.0	49.3	-14.3	-28.9%

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Revisions of FY2023 Forecast: Revenue by Segments

(bn yen)		FY2023 New Forecast	FY2022 Actual	YoY	%	FY2023 Initial Forecast	Difference	%
Revenue		2,115.0	1,989.5	125.5	6.3%	2,115.0	―	―
Japan Beer and Spirits		687.8	663.5	24.2	3.7%	709.3	-21.5	-3.0%
	Kirin Brewery	650.2	635.1	15.1	2.4%	675.3	-25.1	-3.7%
	Other and elimination	37.5	28.4	9.1	32.0%	34.0	3.5	10.4%
Japan Non-alcoholic Beverages		267.4	243.3	24.1	9.9%	271.7	-4.3	-1.6%
	Kirin Beverage	270.1	245.8	24.4	9.9%	274.1	-4.0	-1.5%
	Elimination	-2.8	-2.5	-0.3	―	-2.5	-0.3	―
Oceania Adult Beverages		282.6	255.9	26.7	10.5%	284.3	-1.6	-0.6%
	Lion	282.7	256.0	26.7	10.4%	284.3	-1.6	-0.6%
	Elimination	0.0	-0.1	0.1	―	0.0	―	―
Pharmaceuticals		425.2	397.9	27.4	6.9%	425.2	―	―
	Kyowa Kirin	426.0	398.4	27.6	6.9%	426.0	―	―
	Elimination	-0.8	-0.5	-0.3	―	-0.8	―	―
Other		452.0	428.9	23.1	5.4%	424.6	27.4	6.5%
	Mercian	65.0	60.5	4.5	7.4%	65.5	-0.5	-0.7%
	Coke Northeast	243.9	216.2	27.7	12.8%	218.4	25.5	11.7%
	Kyowa Hakko Bio	55.2	51.1	4.2	8.2%	62.8	-7.6	-12.1%
	Other and elimination	87.9	101.2	-13.3	-13.1%	77.9	10.1	12.9%

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2Q FY2023 Results: Normalized OP by Segments

(bn yen)		2Q FY2023 Actual	2Q FY2022 Actual	YoY	%
Normalized OP		75.2	72.1	3.1	4.3%
Japan Beer and Spirits		32.7	22.0	10.6	48.4%
	Kirin Brewery	30.3	20.1	10.1	50.4%
	Others	2.4	1.9	0.5	26.5%
Japan Non-alcoholic Beverages		5.5	6.8	-1.3	-19.4%
	Kirin Beverage	5.5	6.8	-1.3	-19.4%
Oceania Adult Beverages		7.9	11.2	-3.3	-29.3%
	Lion	7.9	11.2	-3.3	-29.3%
Pharmaceuticals		36.1	37.6	-1.5	-3.9%
	Kyowa Kirin	36.1	37.6	-1.5	-3.9%
Other		16.8	19.9	-3.0	-15.2%
	Mercian	-0.5	-0.3	-0.1	–
	Coke Northeast	16.7	10.9	5.8	53.4%
	Kyowa Hakko Bio	-3.0	-1.0	-2.1	–
	Other	3.6	10.3	-6.6	-64.8%
Corporate expenses/inter-segment		-23.9	-25.4	1.5	–

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Revisions of FY2023 Forecast: Normalized OP by Segments

(bn yen)

		FY2023 New Forecast	FY2022 Actual	YoY	%	FY2023 Initial Forecast	Difference	%
Normalized OP		**192.0**	191.2	0.8	0.4%	**192.0**	—	—
Japan Beer and Spirits		**79.2**	74.7	4.5	6.1%	**78.3**	0.9	1.2%
	Kirin Brewery	**75.0**	71.5	3.5	4.8%	**75.0**	—	—
	Others	**4.2**	3.1	1.1	34.2%	**3.3**	0.9	27.6%
Japan Non-alcoholic Beverages		**19.0**	18.8	0.2	1.1%	**19.0**	—	—
	Kirin Beverage	**19.0**	18.8	0.2	1.1%	**19.0**	—	—
Oceania Adult Beverages		**32.1**	31.5	0.5	1.7%	**35.1**	-3.0	-8.6%
	Lion	**32.1**	31.5	0.5	1.7%	**35.1**	-3.0	-8.6%
Pharmaceuticals		**85.0**	82.5	2.5	3.1%	**85.0**	—	—
	Kyowa Kirin	**85.0**	82.5	2.5	3.1%	**85.0**	—	—
Other		**32.7**	37.5	-4.8	-12.9%	**30.1**	2.6	8.7%
	Mercian	**0.8**	-0.6	1.4	—	**0.8**	—	—
	Coke Northeast	**32.2**	26.3	5.9	22.4%	**26.7**	5.5	20.8%
	Kyowa Hakko Bio	**-6.0**	-3.9	-2.1	—	**-4.0**	-2.0	—
	Other	**5.7**	15.7	-10.0	-63.6%	**6.6**	-0.9	-14.2%
Corporate expenses/inter-segment		**-56.0**	-53.8	-2.1	—	**-55.5**	-0.5	—

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2Q FY2023 Results: Kirin Brewery

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(bn yen)	2Q FY23 Actual	2Q FY22 Actual	YoY	%
Revenue	300.5	290.3	10.2	3.5%
Revenue excl. liquor tax	181.6	169.8	11.8	7.0%
Normalized OP	30.3	20.1	10.1	50.4%

	2Q FY2022 Normalized OP (bn yen)	20.1	Description
YoY change (bn yen)	Increase in marginal profit of alcoholic beverages, etc.	14.5	**Total beer products -3.6** (Decrease in beer -33,000 kl) **Total other than beer products -0.4** (Decrease in RTD -12,000 kl, Decrease in non-alcoholic beverages -2,000 kl) **Difference of change in composite of products, etc. 18.5**
	Increase in raw material cost	-7.5	Increase in market prices, etc.
	Decrease in selling expenses	4.6	Decrease in advertising 2.3, Decrease in sales promotion 2.3 (Total 33.0 → 28.4)
	Increase in other expenses	-1.5	Increase in electricity and fuel costs, etc.
	Subtotal	10.1	
	2Q FY2023 Normalized OP	30.3	

(1,000 KL)	2Q FY23 Actual	2Q FY22 Actual	YoY%	Market (Category)
Beer products total*	679	712	-4.6%	-1%
RTD	194	205	-5.8%	0%
Non-alcoholic beverage	19	21	-9.5%	-4%
KIRIN ICHIBAN Brand Family Total	164	155	5.8%	6%
SPRING VALLEY Brand Total	10	9	17.6%	6%
Kirin Tanrei Green Label	70	77	-7.9%	10%
Honkirin	91	107	-14.4%	-12%
Kirin Hyoketsu Brand Total	128	124	3.2%	0%

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

Sales volume	YoY %	Market
On-premise beer **	Approx. +30%	Approx. +30%
Off-premise beer **	-8%	-7%

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

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

Note

Revenue

- Revenue increased due to higher sales volume in the on-premise channels as a result of recovery in demand to dine out and higher unit prices due to the price revisions implemented in the previous year.
- In the on-premise channels, sales volume increased by approx.30% from the previous year due to a recovery in demand to dine out with the shift of the COVID-19 classification to "Class 5".
- In the off-premise channels, sales volume fell from the previous year remained at the same level as the market due to the impact of a decline in demand of at-home consumption as a result of the recovery in demand for dining out.
- The core brand "*KIRIN ICHIBAN* Brand" performed well, driven mainly by the on-premise channels.
- In addition, focus brand "*SPRING VALLEY* Brand" performed strong due to an increase in sales of *SPRING VALLEY Silk Ale <White>*, which launched in the previous year, and the launch of *Summer Craft Ale <Kaoru>*.

Normalized OP

- Normalized OP increased due to the effect of price revisions etc., exceeding the impact of the sharp rise in raw material costs.
- In addition, selling expenses decreased as a reaction to the high investment allocated in the first half of the previous fiscal year, but we will enforce brand investment in accordance to the annual plan.

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Revisions of FY2023 Forecast: Kirin Brewery

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(bn yen)	FY2023 New Forecast	FY2022 Actual	YoY	%	FY2023 Initial Forecast	Difference
Revenue	650.2	635.1	15.1	2.4%	675.3	-25.1
Revenue excl. liquor tax	393.7	373.0	20.7	5.5%	407.5	-13.8
Normalized OP	75.0	71.5	3.5	4.8%	75.0	–

2Q FY2022 Normalized OP (bn yen)		71.5	Description
YoY change (bn yen)	Increase in marginal profit of alcoholic beverages, etc.	25.3	**Total beer products -6.6** (decrease in beer -80,000 kl) **Non-beer total -0.7** (decrease in RTD -13,000 kl, Decrease in non-alcoholic -5,000 kl) **Difference in product mix, etc. 32.5**
	Increase in raw material cost	-13.6	Soaring market prices, etc.
	Increase in selling expenses	-4.0	Increase in sales promotion and advertising expenses (Total 57.6 billion → 61.5 billion)
	Increase in other expenses	-4.2	Increase in expenses, etc.
	Subtotal	3.5	
FY2023 Normalized OP New Forecast		75.0	

2Q FY2022 Normalized OP		71.5
YoY change (bn yen)	Increase in marginal profit of alcoholic beverages, etc.	30.5
	Increase in raw material cost	-13.9
	Increase in selling expenses	-6.4
	Increase in other expenses	-6.7
	Subtotal	3.5
FY2023 Normalized OP Initial Forecast		75.0

(1,000 KL)	FY2023 New Forecast	FY2022 Actual	YoY %	FY2023 Initial Forecast	Difference
Beer products total*	1,452	1,532	-5.2%	1,513	-61
RTD	422	435	-2.9%	444	-22
Non-alcoholic beverage	41	46	-10.8%	53	-12
KIRIN ICHIBAN Brand Family Total	364	351	3.5%	390	-26
SPRING VALLEY Brand Total	29	21	36.5%	37	-7
Kirin Tanrei Green Label	147	158	-7.0%	155	-8
Honkirin	192	215	-10.6%	210	-18
Kirin Hyoketsu Brand Total	273	270	0.8%	270	+3

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

Note

Revenue

- In the on-premise channels, sales volume is expected to increase by mid-10% YoY (down 30% from 2019).
- In the off-premise channels, sales volume is expected to decrease due to the recovery in demand in the on-premise channels and the impact of price revisions.
- Revenue will be revised downward due to the decrease in sales volume but is expected to increase by 2.4% YoY.

Normalized OP

- Marginal profit will increase YoY due to the impact of price revisions, despite a downward revision of sales volume.
- Raw material costs will increase by 13.6 billion yen due to the impact of higher market prices for raw materials.
- Selling expenses will be revised downward from the initial plan but will increase by 4.0 billion yen from the previous year.

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2Q FY2023 Results: Kirin Beverage

(bn yen)	2Q FY23 Actual	2Q FY22 Actual	YoY	%
Revenue	116.8	114.7	2.1	1.8%
Normalized OP	5.5	6.8	-1.3	-19.4%

	2Q FY22 Normalized OP (bn yen)	6.8	Description
YoY change (bn yen)	Increase in marginal profit of soft drinks	4.5	Decrease in sales volume -9.46 million cases -4.2 Difference in product and in composition ratio of containers, etc. 8.7
	Increase in raw material costs, etc.	-5.7	Increase in raw material cost -1.9, Increase in material cost -2.8, Increase in processing cost -1.0
	Increase in selling expenses	-0.4	Decrease in sales promotion 0.3, Increase in advertising -0.7 (Total 11.7 → 12.1)
	Decrease in other expenses	0.3	
	Subtotal	-1.3	
	2Q FY23 Normalized OP	5.5	

Sales volume (10,000 cases)		2Q FY23 Actual	2Q FY22 Actual	YoY%
By Domain	Food & Beverages	7,483	8,552	-12.5%
	Health Science	1,143	1,019	12.1%
	LC-Plasma products	405	304	33.3%
By Container	Can	1,072	1,126	-4.8%
	Large PET bottle	2,140	2,981	-28.2%
	Small PET bottle	4,521	4,557	-0.8%
	Others	893	906	-1.4%
	Subtotal	8,626	9,571	-9.9%

Sales volume (10,000 cases)		2Q FY23 Actual	2Q FY22 Actual	YoY%
By Brand	*Gogo-no-Kocha*	2,293	2,324	-1.3%
	Nama-cha	1,185	1,310	-9.5%

Note

Revenue

- Revenue increased mainly due to the effect of price revisions implemented in the previous year.
- Revenue from sales of LC-Plasma beverages increased significantly compared to the same period last year, due to the contribution of new products in addition to the strong sales of existing products.
- Revenue from sales of core brands, *Gogo-no-Kocha* and *Nama-cha*, also increased, despite a decline in volume due to price revisions implemented in the previous year.

Normalized OP

- Normalized OP decreased due to a decline in sales volume and an increase in selling expenses to strengthen the brands, although the impacts of higher raw materials, etc. were offset by the effect of price revisions.

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Revisions of FY2023 Forecast: Kirin Beverage

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(bn yen)	FY2023 New Forecast	FY2022 Actual	YoY	%	FY2023 Initial Forecast	Difference
Revenue	270.1	245.8	24.4	9.9%	274.1	-4.0
Normalized OP	19.0	18.8	0.2	1.1%	19.0	–

	2Q FY2022 Normalized OP (bn yen)	18.8	Description
YoY change (bn yen)	Increase in marginal profit of soft drinks	18.3	Increase in sales volume 6.42 million cases, -2.8, Difference in product and in composition ratio of containers, etc. 21.1
	Increase in raw material costs, etc.	-12.1	Increase in raw material cost -3.4, Increase in material cost -5.8, Increase in processing cost -2.8
	Increase in selling expenses	-4.8	Decrease in sales promotion and advertising -4.8 (Total: 23.0 → 27.8)
	Increase in other expenses	-1.2	
	Subtotal	0.2	
	FY2023 Normalized OP New Forecast	19.0	

	2Q FY2022 Normalized OP	18.8
YoY change (bn yen)	Increase in marginal profit of soft drinks	20.0
	Increase in raw material costs, etc.	-13.6
	Increase in selling expenses	-5.2
	Increase in other expenses	-1.0
	Subtotal	0.2
	FY2023 Normalized OP Initial Forecast	19.0

Sales volume (10,000 cases)		FY2023 New Forecast	FY2022 Actual	YoY %	FY2023 Initial Forecast	Difference
By Domain	Food & Beverages	16,959	18,194	-6.8%	17,930	-971
	Health Science	2,691	2,099	28.2%	2,834	-143
	LC-Plasma products	1,132	660	71.6%	1,006	126
By Container	Can	2,185	2,319	-5.8%	2,305	-120
	Large PET bottle	4,865	6,182	-21.3%	5,767	-902
	Small PET bottle	10,932	9,905	10.4%	10,899	33
	Others	1,668	1,887	-11.6%	1,792	-124
	Subtotal	19,651	20,293	-3.2%	20,763	1,112

Sales volume (10,000 cases)		FY2023 New Forecast	FY2022 Actual	YoY %	FY2023 Initial Forecast	Difference
By Brand	*Gogo-no-Kocha*	5,507	4,995	10.3%	5,200	307
	Nama-cha	2,835	2,832	0.1%	3,230	-395

Note

Sales volume and Revenue

- Revenue was revised downward from the initial forecast due to the review of sales volume.
- Revenue from sales in the Health Science domain is targeted at +50% as planned at the beginning of the year. In addition to LC-Plasma beverages such as *Kirin Oishii Immune Care*, which has been selling well since its launch, and the FANCL brand will also expand by launching new products.
- We aim to increase year-on-year revenue for *Gogo-no-Kocha* and *Nama-cha*. In the second half of the year, we will continue to strengthen its presence in stores with new products and renewals.

Normalized OP

- We aim for a Normalized OP in line with the initial plan.
- Although volume has been revised downward, we aim to maintain the same performance as in the previous year due to the smller impact of raw material cost hikes aspected and the effect of price revisions.

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2Q FY2023 Results: Lion

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Yen base (bn yen) / **AUD base** (million AUD$)

	Yen base: 2Q FY23 Actual	Yen base: 2Q FY22 Actual	Yen base: YoY	Yen base: %	AUD base: 2Q FY23 Actual	AUD base: 2QFY22 Actual	AUD base: YoY	AUD base: %
Revenue	125.6	116.3	9.3	8.0%	1,372	1,309	63	4.8%
Australia & NZ	87.0	82.6	4.3	5.2%	950	930	20	2.1%
US Craft etc.	38.6	33.7	4.9	14.7%	422	379	43	11.3%
Normalized OP	7.9	11.2	-3.3	-29.3%	86	125	-39	-31.3%
Australia & NZ	3.7	7.1	-3.5	-47.4%	41	79	-39	-48.9%
US Craft etc.	4.2	4.1	0.1	0.2%	46	46	-0	-1.0%

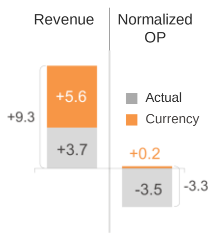
Changes in Normalized OP Australia & NZ (million $)

2QFY22 Normalized OP		79
Australia & NZ	Sales Volume	-10
	Other*	-29
2QFY23 Normalized OP		41

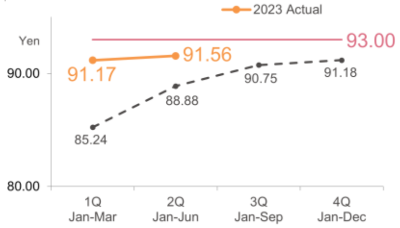
* Includes Corporate costs

・Sales volume growth rate vs. previous year was -1% for AU, NZ, and US Craft combined, and -3% for AU alone.
・The details of "AU & NZ" and "US Craft etc." are disclosed from 2023.

Forex Impact (bn yen)



Exchange Rate - Australian Dollar



Note

Revenue

- Revenue in both AUD and yen bases increased (+4.8% on an AUD base and +8.0% on a yen base YoY).
- In AU and NZ, sales revenue increased due to the effect of price revisions ,and growth in Fermentum sales volume as well as strong sales in Hahn,despite the impact of 30-year low consumer sentiment in AU,.
- In US, sales revenue of craft beer increased due to strong sales of the Voodoo Ranger brand, improvement in Bell's brands, as well as the effect of price revisions.

Normalized OP

- Normalized OP decreased in both AUD and yen bases -31.3% on an AUD base and -29.3% on a yen base YoY).
- Although price revisions offset the steep rise in raw material prices, Normalized OP declined as a result of increased marketing investment in core brands and other products.

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Revisions of FY2023 forecast: Lion

Yen base (bn yen)

	FY2023 New Forecast	FY2022 Actual	YOY	%	FY2023 Intial forecast	change
Revenue	**282.7**	256.0	26.7	10.4%	**284.3**	-1.6
Australia, NZ	**200.5**	185.8	14.7	7.9%	**206.6**	-6.1
US Crafts, etc.	**82.2**	70.2	12.0	17.1%	**77.7**	4.5
Normalized OP	**32.1**	31.5	0.5	1.7%	**35.1**	-3.0
Australia, NZ	**22.0**	23.9	-1.9	-8.0%	**25.3**	-3.3
US Crafts, etc.	**10.1**	7.6	2.4	32.0%	**9.8**	0.3

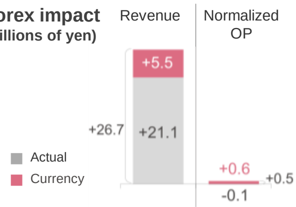
*The details of "AU & NZ" and "US Craft etc." are disclosed from 2023..

AUD base (million $)

	FY2023 New Forecast	FY2022 Actual	YoY	%	FY2023 Intial forecast	change
Revenue	**3,040**	2,808	232	8.3%	**3,159**	119
Australia, NZ	**2,156**	2,038	118	5.8%	**2,296**	-140
US Crafts, etc.	**884**	770	114	14.8%	**863**	21
Normalized OP	**345**	346	-1	-0.3%	**390**	-45
Australia, NZ	**236**	262	-26	-7.2%	**281**	-45
US Crafts, etc.	**109**	84	25	30.1%	**109**	0

Estimated full-year rate: 93.00 yen (AUD)

Forex impact
(Billions of yen)



Note

Revenue

- Revenue forecast is revised downward due to the decrease in sales volume, but plans to increase revenue by 8.3% YoY.
- In Australia, the consumer sentiment index was at a 30-year low, which reduced demand for alcohol and affected sales volume.
- In US, despite a weak market, the company plans +14.8% revenue growth, led by New Belgium Brewing's Voodoo Ranger brand, which continues to grow.

Normalized OP

- Normalized OP is also revised down due to lower sales volume and higher raw material costs, but is expected to remain flat YoY for the full year.
- Despite the severe external impact, Lion aims to increase profit in the second half of the fiscal year by realizing a new operating model, in addition to improving the mix by expanding the Craft category.

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2Q FY2023 Results / Revisions of FY2023 Forecast : Kyowa Kirin

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(bn yen)	2Q FY23 Actual	2Q FY22 Actual	YoY	%
Revenue	199.0	185.0	14.0	7.6%
Kyowa Kirin	199.2	185.3	13.9	7.5%
Elimination	-0.2	-0.2	0.0	–
Normalized OP	36.1	37.6	-1.5	-3.9%
Kyowa Kirin	36.1	37.6	-1.5	-3.9%

	FY2023 New Forecast	2Q FY22 Actual	YoY	%	FY2023 Initial Forecast	Difference
Revenue	425.2	397.9	27.4	6.9%	425.2	–
Kyowa Kirin	426.0	398.4	27.6	6.9%	426.0	–
Elimination	-0.8	-0.5	-0.3	–	-0.8	–
Normalized OP	85.0	82.5	2.5	3.1%	85.0	–
Kyowa Kirin	85.0	82.5	2.5	3.1%	85.0	–

Revenue of Global Strategic Products

	Crysvita		Poteligeo	
(bn yen)	2Q 2023	2Q 2022	2Q 2023	2Q 2022
Japan	4.8	4.1	0.9	1.0
North America	46.0	35.9	9.4	8.1
EMEA	15.3	13.5	3.1	2.1
APAC	0.6	0.1	–	–
Total	66.7	53.5	13.4	11.3

Read Kyowa Kirin's earnings announcement here. https://ir.kyowakirin.com/en/library.html

Note

2023 2Q Actual

- In Japan, revenue decreased due to the impact of NHI drug price revisions in April 2022 and April 2023, despite growth in sales of *Duvroq*, *Romiplate*, *Crysvita*, etc.
- Overseas revenue increased due to higher sales of *Crysvita* and *Poteligeo*, global strategic products in North America and EMEA, and higher sales of *Crysvita* in Asia/Oceania, despite lower sales of established drugs in EMEA and lower sales of *Gran* in China due to the centralized purchasing system that began in some regions.
- Other revenue increased due to higher technology revenues from *Benralizumab*, etc.
- Normalized OP decreased YoY despite growth in revenue from sales of global strategic products, especially in North America, and higher technology revenue, due to an increase in labor and other expenses in preparation for the launch of the direct sales force of *Crysvita* in North America from April 27,2023, as well as an increase in SG&A expenses due to investments in IT digital infrastructure and human capital to establish a global business foundation. In addition, R&D expenses increased due to the progress of the development of *KHK4083* and other products.

2023 Forecast

- We aim to achieve the initial plan without making any revisions considering the results up to the 2Q and the absence of other factors that may cause significant fluctuations.

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2Q FY2023 Results / Revisions of FY2023 Forecast: Coke Northeast

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Yen base (bn yen)

	2Q FY23 Actual	2Q FY22 Actual	YoY	%
Revenue	120.6	95.9	24.7	25.8%
Normalized OP	16.7	10.9	5.8	53.4%

USD base (million $)

	2Q FY23 Actual	2Q FY22 Actual	YoY	%
Revenue	883	770	113	14.7%
Normalized OP	123	88	35	39.9%

Yen base (bn yen)

	FY2023 New Forecast	FY2022 Actual	YoY	%	FY2023 Initial Forecast	Difference
Revenue	243.9	216.2	27.7	12.8%	218.4	25.5
Normalized OP	32.2	26.3	5.9	22.4%	26.7	5.5

USD base (million $)

	FY2023 New Forecast	FY2022 Actual	YoY	%	FY2023 Initial Forecast	Difference
Revenue	1,780	1,637	143	8.8%	1,680	100
Normalized OP	235	199	36	18.0%	205	30

Estimated full-year rate: ¥137.00 (US$)

Note

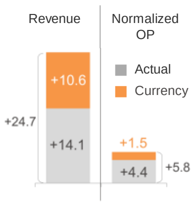
FY 2Q Actual

- Revenue increased as consumption remained steady even after the implementation of the price revisions (Revenue increased by +14.7% on a USD base and by +25.8% on a yen base compared to the same period of the previous year).
- Normalized OP increased year-on-year due to the increase in revenue and the stabilization of raw material costs, in addition to cost optimization measures, despite the higher labor costs. (Normalized OP increased by +39.9% on a USD base and +53.4% on a yen base compared to the same period of the previous year)

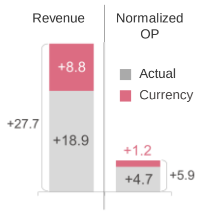
2023 Forecast

- Although there are still some concerns, such as rising labor costs, Revenue and Normalized OP will be revised upward from the initial plan due to the results achieved up to the first half of the year, as well as the achievement of price revision effects and continued efforts to control costs adequately.

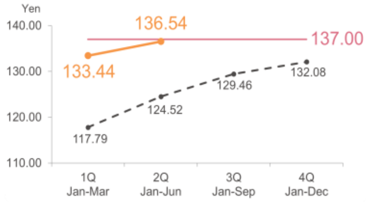
Forex 2Q FY2023 Impact (bn yen)



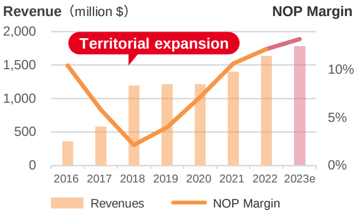
Forex FY2023 Impact (bn yen)



Exchange Rate - US Dollar



Revenue and NOP Margin



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Performance of San Miguel Brewery

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- Stable growth in both EBITDA and dividends received, despite a temporary decline due to COVID-19

(million PHP)	October 2022 – March 2023 Actual	October 2022 – March 2023 YoY%	same period of the previous year Actual
Sales*	75,578	18.3%	63,863
Operating Income*	15,728	1.6%	15,484
Operating Income Ratio	20.8%	-	24.2%
Depreciation & Amortization*	3,212	12.9%	2,846
EBITDA (Operating Income + Depreciation Amortization etc.)	19,309	5.3%	18,330

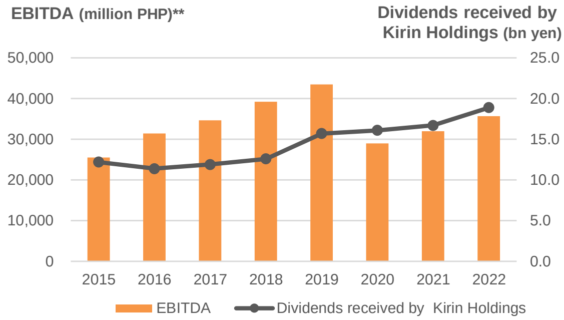
*Based on local disclosure (Kirin Holdings 2Q FY2023 financial results incorporation period: October 2022 - March 2023)
Source: San Miguel Brewery Inc. Financial Highlights, Quarterly Reports

Equity-method Incorporationand Kirin Holdings' dividend income

(bn yen)	2Q FY23	2Q FY22	YoY%
Net income (SMB)	30.6	25.4	21%
Consolidated net income (Included in the consolidated results)	14.9	12.3	21%
Dividends (bn yen)	10.9	8.9	22%
Cash dividends declared per share (pesos)	0.60	0.51	18%

Exchange rate: 1 peso = 2.47 yen (previous year: 2.28 yen)
(Kirin Holdings FY2023 financial results incorporation period: October 2022 - March 2023)
Dividends are recorded on a cash-in basis.

EBITDA and Dividends Received



- Philippines GDP forecast for 2023 is about 6%***.
- Strong domestic demand is widely expected to drive growth and economic growth is expected to remain at a similar rate until around 2025.
- San Miguel Brewery has over 90% market share in the Philippines.

** Based on local disclosure(January-December) ***The World Bank forecast

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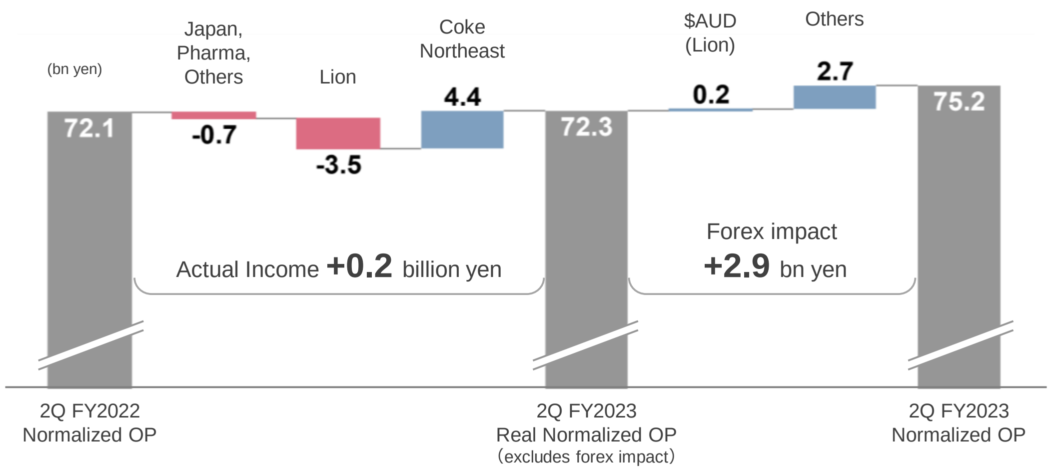
2Q FY2023 Results: Forex Impact on Consolidated Results

- Consolidated foreign exchange impact of +2.9 bn yen due to yen depreciation, etc.



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Statement of Financial Position / Statement of Cash flows

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(bn yen)	2Q FY23 Actual	4Q FY22 Actual	YoY
Total assets	2,597.6	2,542.3	55.3
Total equity	1,332.3	1,253.2	79.1
Total liabilities	1,265.3	1,289.1	-23.7
ROIC ※1	-	8.5	-
Gross Debt Equity Ratio	0.55	0.53	-
Net Debt / Normalized EBITDA ※2	-	1.6	-
PBR (Price book-value ratio) ※3	1.6	1.7	-

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

(bn yen)	2Q FY23 Actual	2Q FY22 Actual	YoY
CF from operating activities	58.9	46.8	12.1
CF from investing activities	-56.0	-78.5	22.6
Free CF	2.9	-31.8	34.7
CF from financing activities	15.6	2.9	12.7

*1 Profit after tax before interest / (Average total interest-bearing liabilities at beginning and end of the period + Average total equity at beginning and end of the period)
*2 Normalized EBITDA = Normalized operating profit + Depreciation and amortization**** + Dividends received from equity-accounted investees
*3 Share price at the end of the period / (Profit attributable to owners of the Company / Number of shares outstanding at the end of the period (excluding treasury shares))
*4 Depreciation and amortization exclude those from right-of-use assets.

Note

Statement of Financial Position

- **Total assets**: Increased by 55.3 billion yen from the end of the previous fiscal year to 2,597.6 billion yen, mainly due to an increase in cash and cash equivalents and inventories, decrease in trade and other receivables, due to the end of the previous fiscal year being a national holiday.
- **Total equity**: Amounted to 1,332.3 billion yen, an increase of 79.1 billion yen from the end of the previous year, mainly due to an increase reserves from the effect of foreign currency translation differences.
- **Total liabilities**: Decreased by 23.7 billion yen from the end of the previous year to 1,265.3 billion yen mainly due to a decrease in other financial liabilities (non-current) and other current liabilities, despite an increase in bonds and borrowings (current) due to an increase in commercial paper.
- **Gross DE ratio**: Decreased compared to the end of the period due to a 3% increase in interest-bearing liabilities and an 8% increase in profit attributable to owners of the Company.
- **PBR**: Decreased from the end of the previous year due to an 8% increase in profit attributable to owners of the Company while the closing share price at the end of the period increased by 7%.

Statement of Cash Flows

- **CF from operating activities**: Cash inflows increased by 12.1 billion yen from the same period last year to 58.9 billion yen. Working capital outflow increased by 14.9 billion yen and income taxes paid decreased by 18.0 billion yen.
- **CF from investing activities**: Cash outflow decreased by 22.6 billion yen from the same period last year to 56.0 billion yen. Proceeds from sales of investment amounted to 6.4 billion yen. On the other hand, acquisition of property, plant and equipment and intangible assets increased by 21.7 billion yen from the same period last year to 59.1 billion yen, and payment for sale of shares of subsidiaries resulted in a net cash outflow of 5.0 billion yen.
- **CF from financing activities**: Cash inflow increased by 12.7 billion yen from the same period last year to 15.6 billion yen. Cash outflow included 36.3 billion yen for dividends paid, 31.7 billion yen for repayment of long-term borrowings, and 30.0 billion yen for matured bonds. On the other hand, there were cash inflows of 72.0 billion yen from an increase in commercial paper, and 50.3 billion yen from long-term borrowings.

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