



**KIRIN**

Joy brings us together

# **Kirin Group**

## **Financial Results for 2Q FY2023**

August 8, 2023

Kirin Holdings Company, Limited

# Enhancing Corporate Value

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# Drive management to enhance corporate value
















## 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



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

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

# Expand the development pipeline for the future

## 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**

## 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%**



# Maximize value by focusing on PMI at Blackmores

## 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



## Accelerate Blackmores' Growth

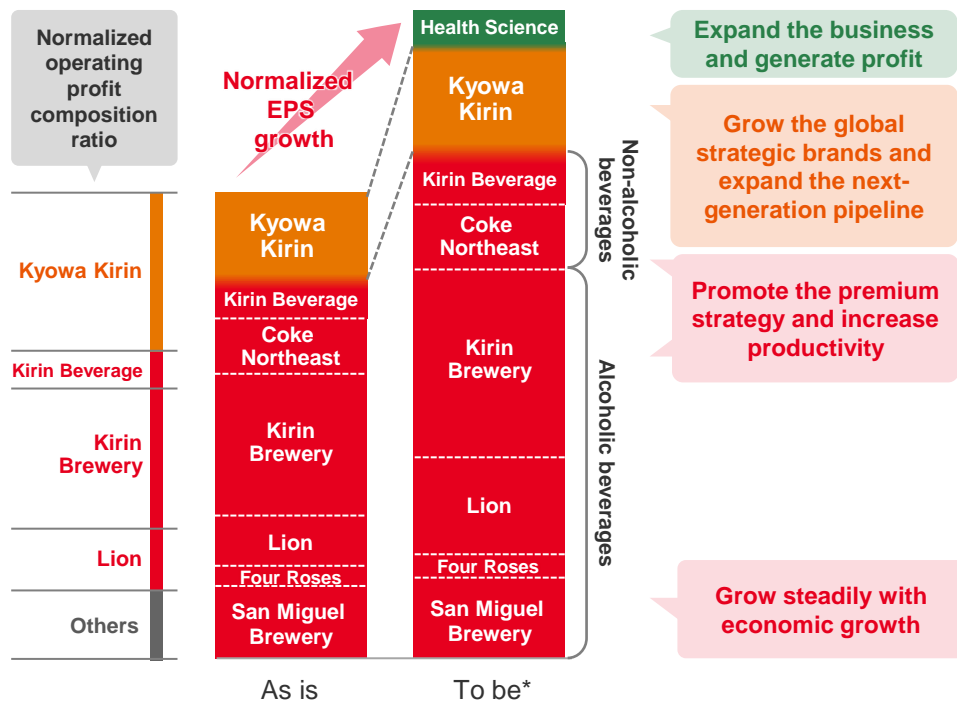
- Offer specialty materials
- Product development, including new product formats, etc.
- Improve SCM and reestablish the quality assurance system, etc.



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

# Achieve improvement in shareholder value by continuing to evolve into an optimal business portfolio

## Image of contribution to Normalized EPS



\* Assumes that each company's shareholding ratio will remain the same

As is

- Health Science domain requires advanced investment and is not contributing to Normalized EPS
- Share of profit/loss of equity-accounted investees and the US business, which contribute significantly to the Normalized EPS, are unlikely to be factored into the corporate value assessment

Initiatives for Improvement to achieve the goal

1

### Achieve and visualize the Normalized EPS contribution of Health Science Domain

Generate profit from the current business and explore further strategic investments

+

Continuous review of the business portfolio

2

### Create and visualize synergy between business domains

Demonstrate a clearer purpose of the current business portfolio



**Significant exposure in Asia-Pacific and the US, where economic growth is expected to be strong**

## Composition by Region FY2022 Results

\*Revenue excluding liquor tax

### Asia-Pacific

Revenue approx. **15%**

Normalized operating profit approx. **15%**

Normalized EPS approx. **25%**



**SAN MIGUEL  
BREWERY INC.**  
A subsidiary of San Miguel Corporation

Expand further  
due to  
Blackmores



### Japan

Revenue approx. **50%**

Normalized operating profit approx. **45%**

Normalized EPS approx. **45%**



**YOWA KIRIN**

### US, etc.

Revenue approx. **35%**

Normalized operating profit approx. **40%**

Normalized EPS approx. **30%**



**YOWA KIRIN**

**Four Roses  
BOURBON**

**Growth rates of overseas  
operations are significant.**

# Continue to enhance corporate value through ESG initiatives

## 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.)



# To Achieve Management with Cost of Capital Consciousness

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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 Evaluated of 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.**

**Optimize the Group's management resources**

**Corporate's Role**



**Strengthen cash generation capabilities and improve efficiency in each business**

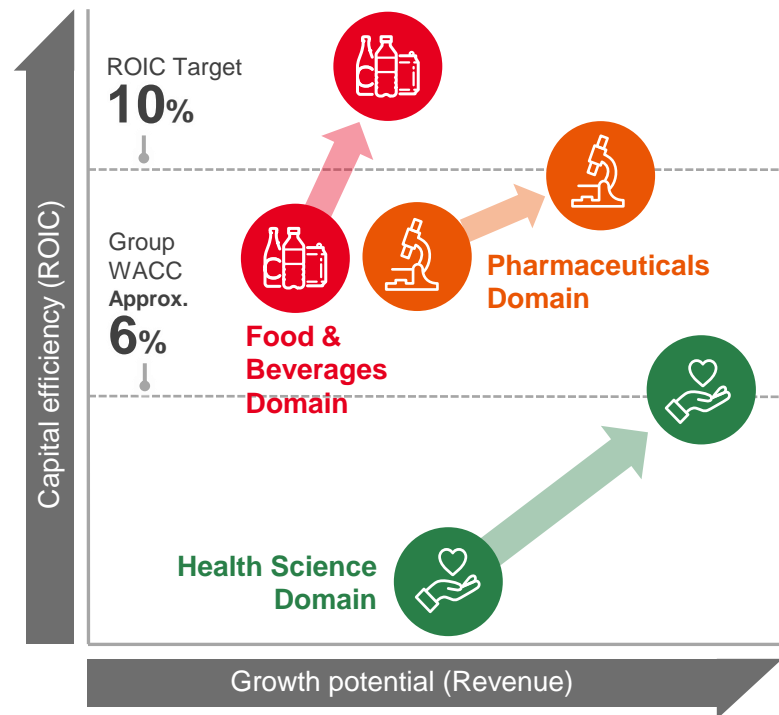
**Business's Role**



**Maximize Corporate Value**

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

## 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

# Financial Results for 2Q 2023

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# Summary of 2Q FY2023 Results and Revision of FY2023 Forecast



## 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.

# 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%

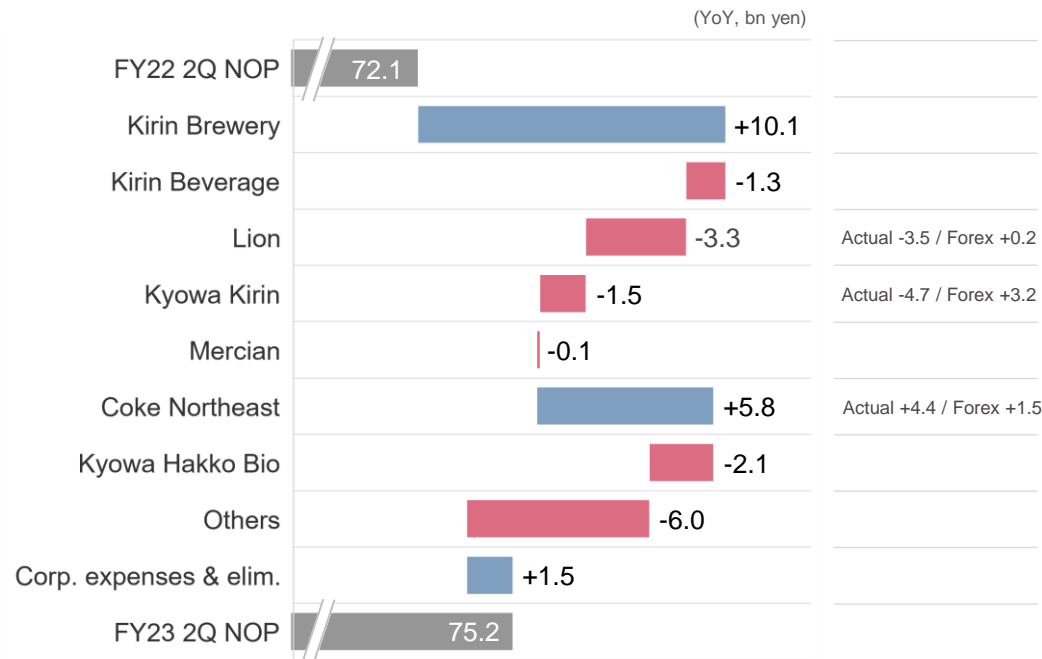
\* A profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

\*\* See p. 26 for details.



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

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



### 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.

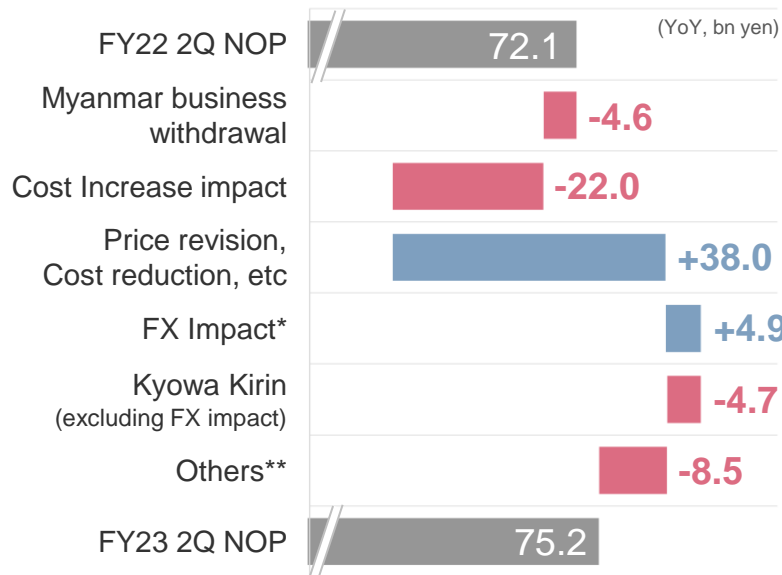
### Corporate Expenses and Inter-Segment Eliminations

- Unused expenses, etc.

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

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

- Increased in Normalized OP due to price revisions, 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.**

# Revision of FY2023 Forecast

➤ 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	%
Revenue	2,115.0	1,989.5	125.5	6.3%
Normalized OP	192.0	191.2	0.8	0.4%
Profit before tax	196.0	191.4	4.6	2.4%
Profit attributable to owners of the Company	113.0	111.0	2.0	1.8%

FY23 (initial) Forecast	Difference	%	Major Revisions
2,115.0	-	-	Coke Northeast +25.5 / Kirin Brewery -25.1 / Kyowa Hakko Bio -7.6 / Kirin Beverage -4.0
192.0	-	-	Coke Northeast +5.5 / Lion-3.0 / Kyowa Hakko Bio -2.0
196.0	-	-	
113.0	-	-	

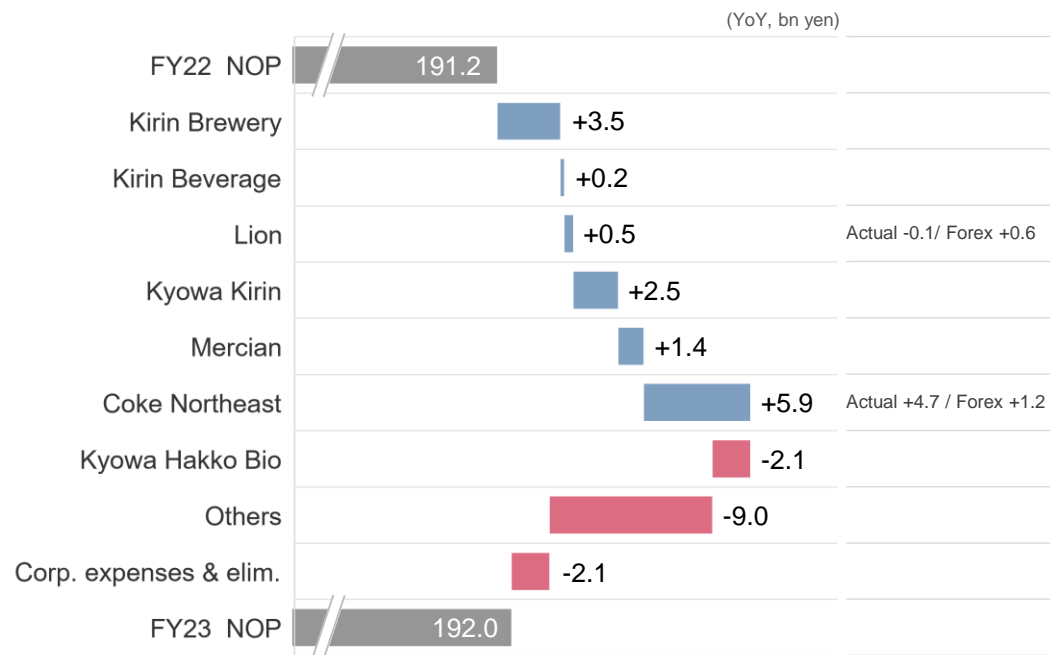
“+” means an increase in profits, “-” a decrease, compared to the initial forecast.

## 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	-

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

➤ 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.



## 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.

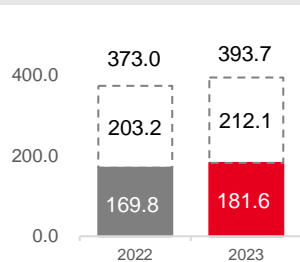
## Corporate Expenses and Inter-Segment Eliminations

- Slight increase from the initial plan is expected.

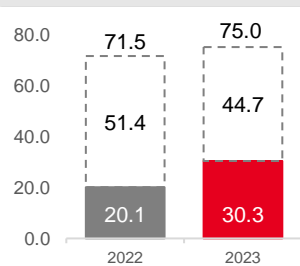
## Results and Forecast

Liquor tax-excluded  
Revenue (bn yen)

H2 Forecast  
H1 Results



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

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).



**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

*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.



**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

Japanese  
Whisky *Fuji*

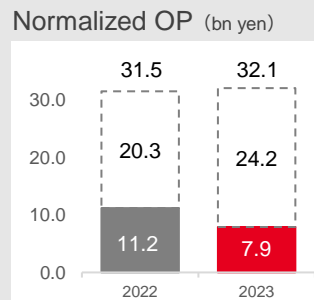
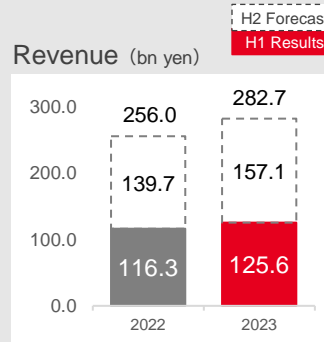
**Signed a contract with Pernod Ricard to expand sales in Europe**

**Promote higher unit prices by expanding exports**

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



## Results and Forecast



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 revolution 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

#### ➤ Growth through brand enhancement

Total On/Off-premise

- On-premise: + single-digit %\*

▲ 3%\*

Core brands\*\*.

- Hahn's new low carb product performed well, contributing to a brand total of approx. +10%\*.

▲ Low-digit %\*

Craft beer category

Slight decrease\*

- Revenue increased middle-digit% year-on-year
- Fermentum sales were extremely strong, up more than 30%\*

Refresh



Total On/Off-premise

Annual plan

Slight increase

Continued focus on core brands brand investment



Kirin's RTD Brand First Expansion in Australia

Strengthen the brand by launching a new product from Tooheys.

In the growing RTD market, leverage Kirin Group's assets



Further expansion of Fermentum's flagship brand Stone&Wood

#### ➤ Maximizing US Platform

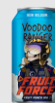
US Craft Total

+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

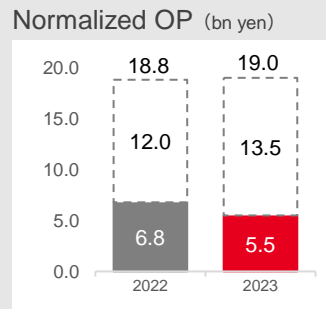
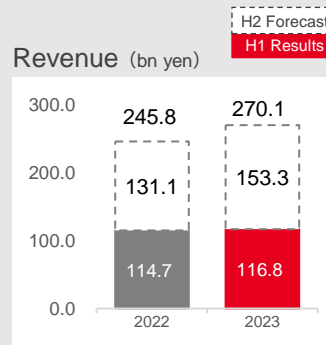
Completed the planning as scheduled

Shift to the execution phase

As planned

Contributed  
**20+ million AUD** profit

## Results and Forecast



Accelerate the shift to health science by expanding the product portfolio, including LC-Plasma and FANCL collaboration products. We will continue to invest in brand development, particularly in the Health Science domain, which is our Company's focus.

### Progress in the first half of the year

### Initiatives for the second half of the year

#### ► Focus on Health Science domain

Revenue **+25%\***

##### Expand the portfolio of LC-Plasma beverages

- April-June Revenue **over +80%\***
- Revenue of ultra-small beverages **more than tripled\*** after the launch of Kirin Oishii Immune Care.
- Increased growth with existing products.



##### Calolimit Apple Sparkling performed well

- Exceeded the plan due to the strength of the Calolimit brand power and Kirin Beverage's quality and product development capabilities.



Revenue Annual plan **over +50%\***

##### Maximize sales in the peak season through the expanded product portfolio in H1

Immune care advertisement and establish "immune care" sections in stores, etc.

##### Expand the Kirin Oishii Immune Care product lineup to develop a series

Increase in-store presence and perceived quality through expansion of products with +α function.



##### Launch of Calolimit Blended Tea

Launch in Fall

FANCL x KIRIN



#### ► Reinforce Core Brands (Gogo-no-Kocha and Nama-cha)

Total revenue of both brands **approx +3%\***

- Gogo-no-Kocha Oishii Muto (sugar-free) series continues to perform strong.

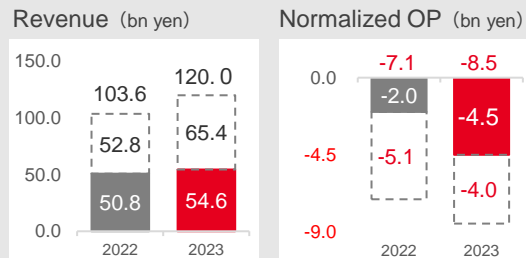


##### Reinforce the brands with new products and renewals

- Nama-cha: new launch of Nama-cha Rich in September
- Gogo-no-Kocha Oishii Muto (sugar-free) series : renewal in September



## Health Science Domain



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

H2 Forecast  
H1 Results

## Progress in the first half of the year

### Expand the LC-Plasma business

LC-Plasma related revenue (YoY) **+40%**

Significantly outperformed the market with supplements and ultra-small beverages that we have been focusing on.



Kellogg's All Bran Immune Care  
Launch on June 26

## Initiatives for the second half of the year

LC-Plasma related revenue **20.0 billion yen**  
Aim for over +30% YoY growth as planned at the beginning of the year

- Continue immune care awareness activities.
- Expand sales of ultra-small beverages, supplements, and out-licensing.



For consumers who consume on a regular basis  
**iMUSE Immune Care Supplement 30-Days Supply to be launched on September 26**

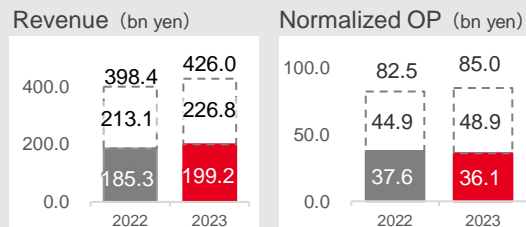
### Blackmores

Procedures for closing are progressing well **BLACKMORES GROUP**

**Promptly execute PMI after closing**

**CEO Alastair Symington** is scheduled to speak at the Health Science Day on September 27

## Kyowa Kirin



### Growth of Global Strategic Products (YoY growth rate for Japan and overseas, yen-basis)



**+25%**



**+19%**

### Expansion of the Next Generation Pipeline

**R&D expense ratio**

(Total R&D expenses /Revenue of current period)

January - June

**17%**

**Development of KHK4083 progressing smoothly**  
Decision to implement Asthma Ph2



# APPENDIX

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# 2Q FY2023 Results: Normalized EPS Details

(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

# 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%

# 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%

# 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	—

# 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	—

# 2Q FY2023 Results: Kirin Brewery

(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)	14.5	<b>Total beer products -3.6</b> (Decrease in beer -33,000 kl) <b>Total other than beer products -0.4</b> (Decrease in RTD -12,000 kl, Decrease in non-alcoholic beverages -2,000 kl) <b>Difference of change in composite of products, etc. 18.5</b>
	-7.5	Increase in market prices, etc.
	4.6	Decrease in advertising 2.3, Decrease in sales promotion 2.3 (Total 33.0 → 28.4)
	-1.5	Increase in electricity and fuel costs, etc.
	10.1	Subtotal
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%
*In accordance with the agreement made by the Brewers Association of Japan, sales volume of beer products will only be disclosed in the 2Q and 4Q.				
KIRIN ICHIBAN Brand Family Total	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%



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>*.

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.

## 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.

# Revisions of FY2023 Forecast: Kirin Brewery

(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			2Q FY2022 Normalized OP	71.5	
YoY change (bn yen)	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			YoY change (bn yen)	Increase in marginal profit of alcoholic beverages, etc.	30.5
Increase in marginal profit of alcoholic beverages, etc.							
Increase in raw material cost	-13.6	Soaring market prices, etc.			Increase in raw material cost	-13.9	
Increase in selling expenses	-4.0	Increase in sales promotion and advertising expenses (Total 57.6 billion → 61.5 billion)			Increase in selling expenses	-6.4	
Increase in other expenses	-4.2	Increase in expenses, etc.			Increase in other expenses	-6.7	
Subtotal	3.5				Subtotal	3.5	
FY2023 Normalized OP New Forecast	75.0				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.



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



## 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.

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%

## 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.

# Revisions of FY2023 Forecast: Kirin Beverage

(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	2Q FY2022 Normalized OP	18.8
YoY change (bn yen)			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 marginal profit of soft drinks	20.0
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 raw material costs, etc.	-13.6
Increase in selling expenses	-4.8	Decrease in sales promotion and advertising -4.8 (Total: 23.0 → 27.8)	Increase in selling expenses	-5.2
Increase in other expenses	-1.2		Increase in other expenses	-1.0
Subtotal	0.2		Subtotal	0.2
FY2023 Normalized OP New Forecast	19.0		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 smaller impact of raw material cost hikes and the effect of price revisions.

# 2Q FY2023 Results: Lion

	Yen base (bn yen)				AUD base (million AUD\$)			
	2Q FY23 Actual	2Q FY22 Actual	YoY	%	2Q FY23 Actual	2QFY22 Actual	YoY	%
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%

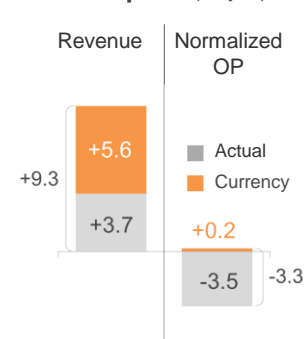
## Changes in Normalized OP Australia & NZ (million \$)

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

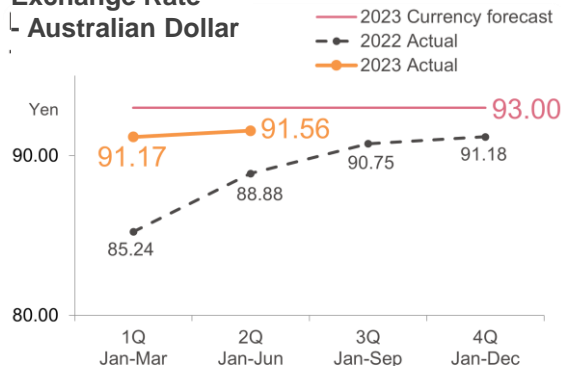
\* Includes Corporate costs

• 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.

# Revisions of FY2023 forecast: Lion

Yen base (bn yen)

	FY2023 New Forecast	FY2022 Actual	YOY	%	FY2023 Initial 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

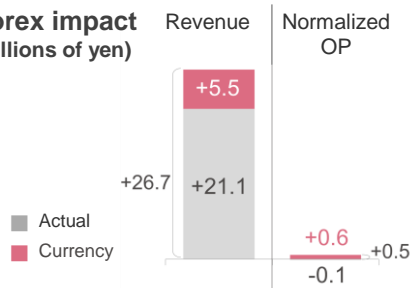
\*The details of "AU & NZ" and "US Craft etc." are disclosed from 2023..

AUD base (million \$)

	FY2023 New Forecast	FY2022 Actual	YoY	%	FY2023 Initial 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.

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



(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	%
Revenue	425.2	397.9	27.4	6.9%
Kyowa Kirin	426.0	398.4	27.6	6.9%
Elimination	-0.8	-0.5	-0.3	—
Normalized OP	85.0	82.5	2.5	3.1%
Kyowa Kirin	85.0	82.5	2.5	3.1%

FY2023 Initial Forecast	Difference
425.2	—
426.0	—
-0.8	—
85.0	—
85.0	—

## Revenue of Global Strategic Products

(bn yen)	Crysvita		Poteligeo	
	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	—	—
<b>Total</b>	<b>66.7</b>	<b>53.5</b>	<b>13.4</b>	<b>11.3</b>



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.

Read Kyowa Kirin's earnings announcement here.

<https://ir.kyowakirin.com/en/library.html>



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

	Yen base (bn yen)				USD base (million \$)			
	2Q FY23 Actual	2Q FY22 Actual	YoY	%	2Q FY23 Actual	2Q FY22 Actual	YoY	%
Revenue	120.6	95.9	24.7	25.8%	883	770	113	14.7%
Normalized OP	16.7	10.9	5.8	53.4%	123	88	35	39.9%

	Yen base (bn yen)				USD base (million \$)							
	FY2023 New Forecast	FY2022 Actual	YoY	%	FY2023 Initial Forecast	Difference	FY2023 New Forecast	FY2022 Actual	YoY	%	FY2023 Initial Forecast	Difference
Revenue	243.9	216.2	27.7	12.8%	218.4	25.5	1,780	1,637	143	8.8%	1,680	100
Normalized OP	32.2	26.3	5.9	22.4%	26.7	5.5	235	199	36	18.0%	205	30

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



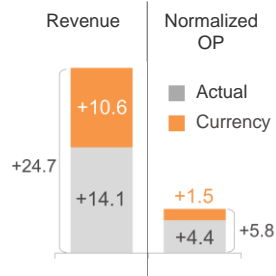
## FY 2Q Actual

- 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)

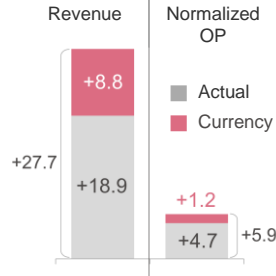
## 2023 Forecast

- 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.

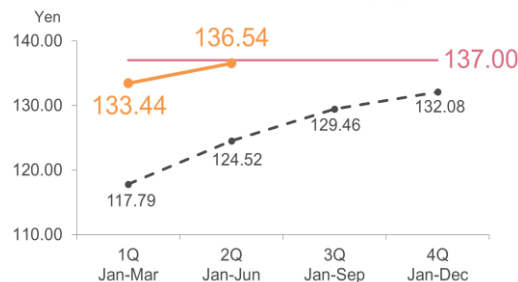
## Forex 2Q FY2023 Impact (bn yen)



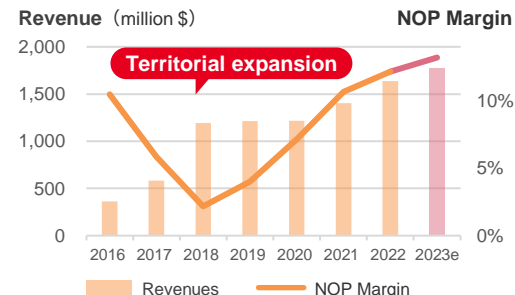
## Forex FY2023 Impact (bn yen)



## Exchange Rate - US Dollar



## Revenue and NOP Margin



# Equity-method Affiliate Performance of San Miguel Brewery

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

(million PHP)	October 2022 – March 2023		same period of the previous year
	Actual	YoY%	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 Incorporation and 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)

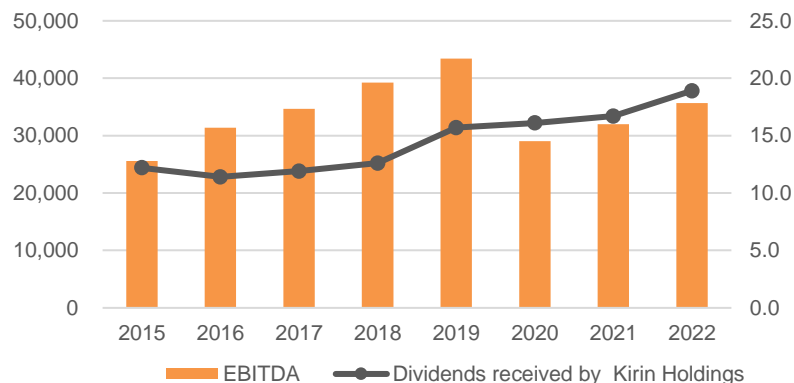
(Kirin Holdings FY2023 financial results incorporation period: October 2022 - March 2023)

Dividends are recorded on a cash-in basis.

## EBITDA and Dividends Received

EBITDA (million PHP)\*\*

Dividends received by  
Kirin Holdings (bn yen)

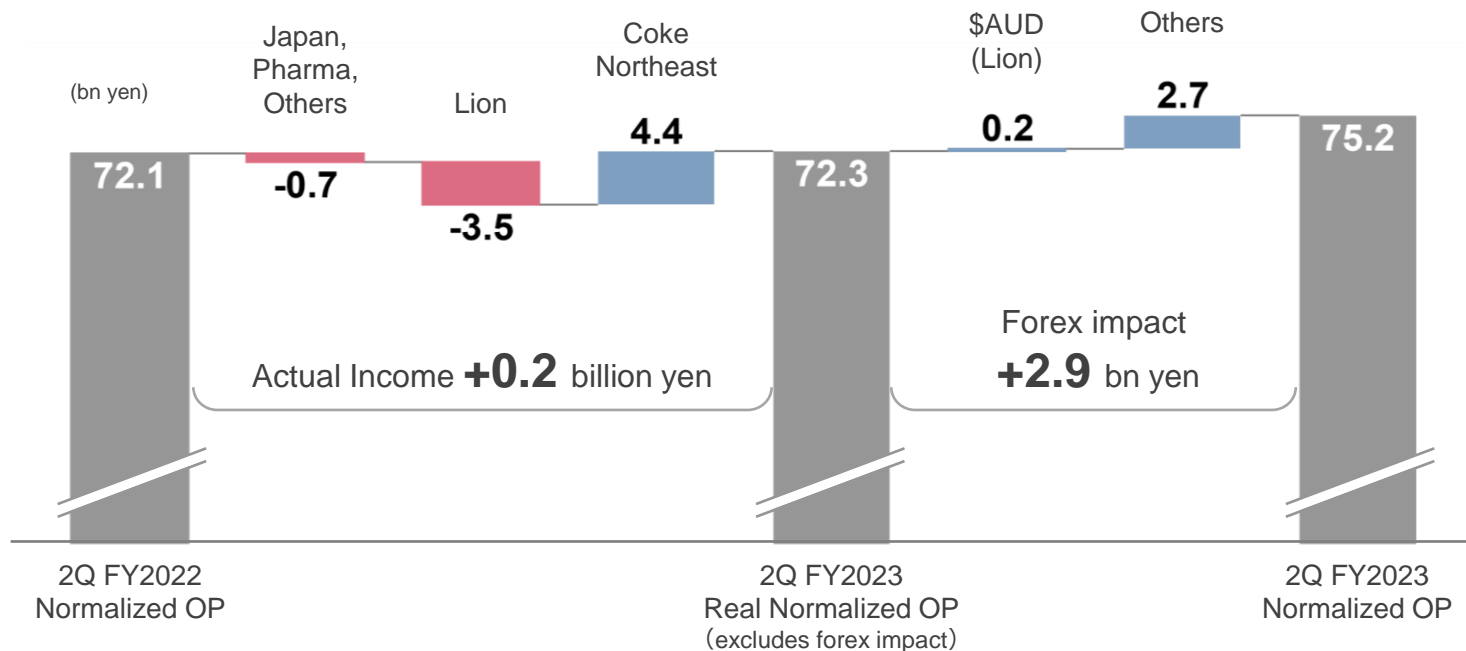


- Philippines GDP forecast for 2023 is about 6%\*\*\*
- Strong domestic demand is widely expected to drive growth and economic growth is expected to remain at a similar rate until around 2025.
- San Miguel Brewery has **over 90% market share** in the Philippines.

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

# 2Q FY2023 Results: Forex Impact on Consolidated Results

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





# Statement of Financial Position / Statement of Cash flows

(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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