



**KIRIN**

Joy brings us together

# **Kirin Group**

## **FY2020 Results & FY2021 Plan**

February 15, 2021  
Kirin Holdings Company, Limited



# Summary of FY2020 Financial Results & FY2021 Outlook

## FY2020 Results

- Successful in keeping the impact of COVID-19 to a minimum, resulting in consolidated revenue -4.7% and consolidated normalized operating profit -15.0% YoY.
- Profit before tax was +6.6% YoY due to the previous year's impairment losses at Lion Dairy and Drinks in spite of a decline in equity method affiliates' earnings affected by COVID-19.
- Profit attributable to owners of the company was +20.6% YoY.

## FY2021 Outlook

- Consolidated revenue and consolidated normalized operating profit are expected to increase by +1.6% and +11.0% YoY respectively.
- Profit before tax and Profit attributable to owners of the company are expected to increase by +42.1% and +43.2% YoY respectively, due to decrease of other operating expenses, etc.
- The dividend per share is planned to stay as 65 yen on a normalized EPS of 147 yen dividend (dividend payout ratio = 44%).



# FY2020 Results

- Successful in minimizing the negative impact of COVID-19 on normalized OP through cost management

(bn yen)	FY20 Actual	FY19 Actual	YoY	%
Revenue	1,849.5	1,941.3	-91.8	-4.7%
Normalized OP <sup>*1</sup>	162.1	190.8	-28.6	-15.0%
Profit before tax	124.6	116.8	7.7	6.6%
Profit attributable to owners of the Company	71.9	59.6	12.3	20.6%

Quantitative target	FY20 Actual	FY19 Actual	YoY	%
ROIC	6.0%	5.2%	—	—
Normalized EPS <sup>*2</sup>	136 yen	158 yen	-22 yen	-13.9%

	FY20 Actual	FY19 Actual	YoY	%
Dividend per share	65 yen	64 yen	1 yen	1.6%

Full year impact for consolidated normalized OP by COVID-19 (Result)

Appx. **-66.0** bn yen

Amount of full-year cost reduction (Result)

Appx. **30.0** bn yen

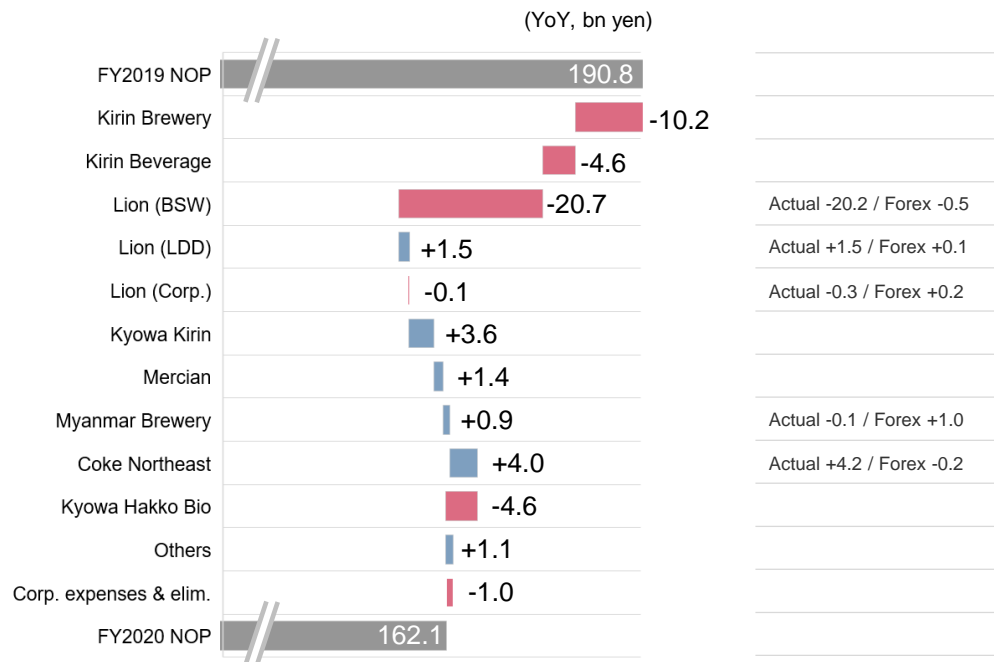
<sup>\*1</sup> A profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

<sup>\*2</sup> See page 36 for details.



# Changes in Consolidated Normalized OP by Company

## ➤ Normalized OP down due largely to decreased sales volume in on-premise channels in Oceania



### Kirin Brewery

- Decline in marginal profit due to lower beer sales volume, etc.

### Kirin Beverage

- Deterioration in product and container structure due to a change in the channel mix, etc., in addition to a decline in sales volume.

### Lion Beer, Spirits and Wine (BSW)

- Decrease in sales volume in on-premise channels severely affected by COVID-19 in Australia and NZ

### Lion Dairy and Drinks (LDD)

- Strong sales in key products

### Kyowa Kirin

- Increase in overseas sales, mainly of global strategic products

### Myanmar Brewery

- Appreciation of kyat despite lower sales volume and deterioration in product mix

### Coke Northeast

- Efficiency through PMIs and cost management

### Kyowa Hakko Bio

- Decrease in gross profit due to lower production volume

### Corporate expenses and elimination

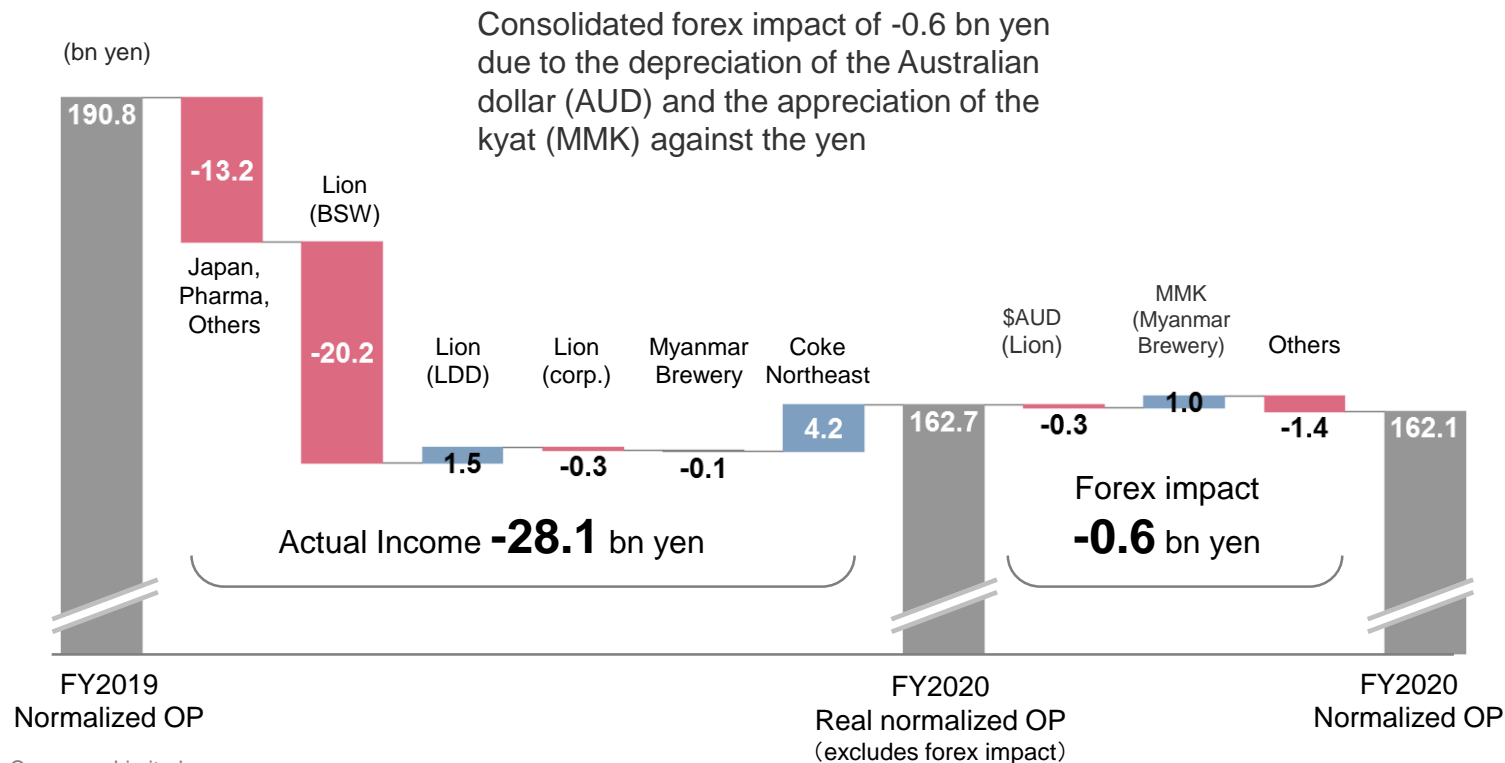
- Increased expenses in ICT and R&D

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



# Changes in Consolidated Normalized OP by Company

➤ Normalized OP excl. forex impact decreased by 28.1 bn yen, -14.7% YoY

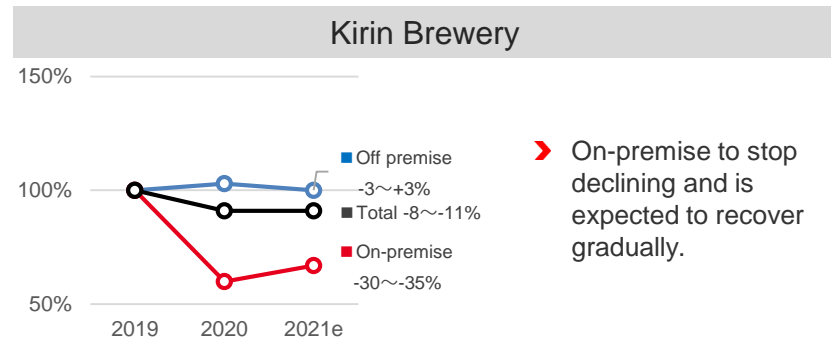




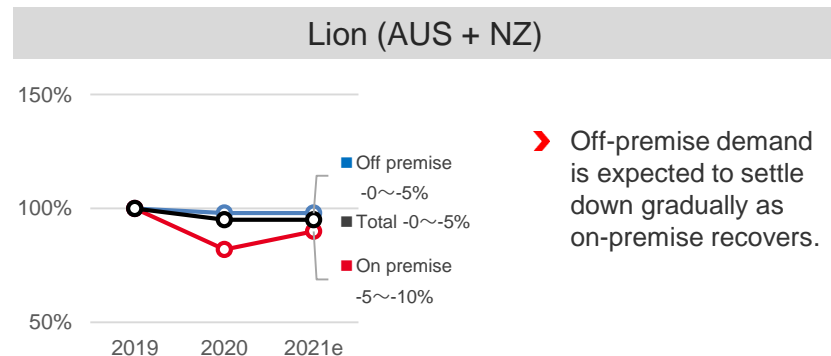
# Outlook for the beer and beverage market recovery (FY2021)

- Depending on the situation with the COVID-19, the market environment may change significantly.

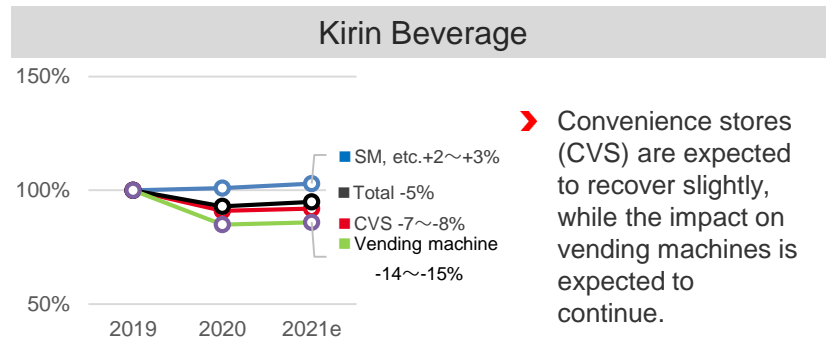
Estimated sales volumes on the market setting 2019 as 100%.



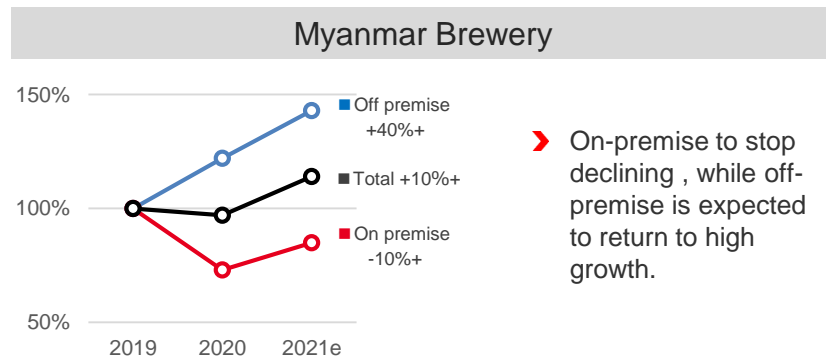
- On-premise to stop declining and is expected to recover gradually.



- Off-premise demand is expected to settle down gradually as on-premise recovers.



- Convenience stores (CVS) are expected to recover slightly, while the impact on vending machines is expected to continue.



- On-premise to stop declining, while off-premise is expected to return to high growth.



# Forecast for FY2021

- An increase in revenue, normalized OP, and profits expected; ROIC and normalized EPS expected to improve as well

(bn yen)	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue	1,880.0	1,849.5	30.5	1.6%
Normalized OP	180.0	162.1	17.9	11.0%
Profit before tax	177.0	124.6	52.4	42.1%
Profit attributable to owners of the Company	103.0	71.9	31.1	43.2%

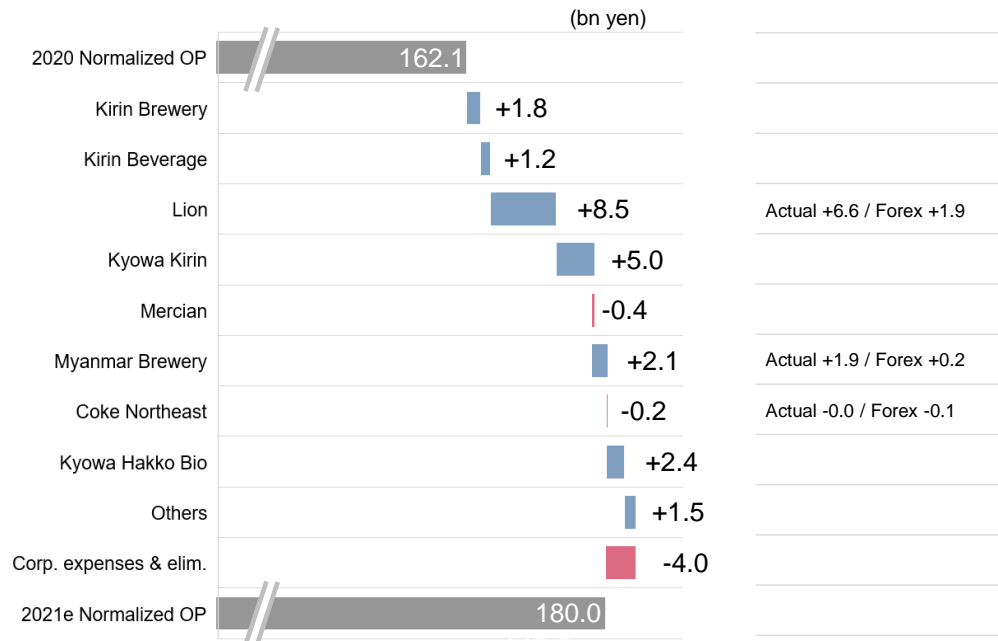
Quantitative targets	FY2021 Forecast	FY2020 Actual	YoY	%
ROIC	7.6%	6.0%	—	—
Normalized EPS	147 yen	136 yen	11 yen	8.1%

	FY2021 Forecast	FY2020 Actual	YoY	%
Dividend per share	65 yen	65 yen	—	—



# Changes in Consolidated Normalized OP by Company

- A recovery from the previous year expected throughout the Group, particularly in the food domain businesses in Japan and Oceania



## Kirin Brewery

- Increase in marginal profit due to higher sales volume of beer products

## Kirin Beverage

- Improvement of products and containers mix as well as increase in sales volume

## Lion

- Impact of the sale of Lion Dairy and Drinks and increase in corporate expenses to be exceeded by the recovery of on-premise channels

## Kyowa Kirin

- Increase in overseas sales despite increase in expenses

## Myanmar Brewery

- Reopening of on-premise channels, aiming to grow at a faster rate than the market

## Cork Northeast

- Cost increases due to resumption of business activities to be covered by other cost reductions

## Kyowa Hakko Bio

- Increase in volume and reduction of costs, aiming to return to profitability

## Corporate expenses and Segment Eliminations

- Increase in information system development and R&D expenses

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

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

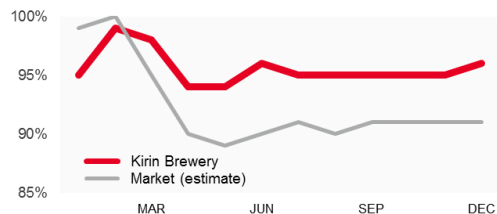


# Kirin Brewery FY2020 Results / FY2021 Plan

- Strategies to anticipate changes in the business environment have been successful, continuing to outperform the market.

## FY2020 Results

YoY change in volume of beer product total (YTD)



- Consistently outperformed the market under COVID-19



- All three of the major new products performed well above their targets.

	Kirin Beer Ichiban	Kirin Beer Honkirin	Kirin Beer Mizumaru
Initial target	1.20 million cases	0.38 million cases	0.67 million cases
Revised target	-	1.00 million cases	1.65 million cases
Result	1.93 million cases	1.12 million cases	1.86 million cases

### Units

Beer: 633ml x 20 bottles  
RTD: 250ml x 24 cans

## FY2021 Plan

### Core Brands

- Advertising expenses for core brands are expected to decrease by approx. 4.0 billion yen YoY, improving normalized OPM by approx. 1%.

*Kirin Ichiban* brand cans **+24%**

*Honkirin* **+12%**

(YoY sales volume growth)



### growth drivers

- From establishment to full-scale promotion of craft beer business and Home Tap, which are more profitable than the core brands

	Mainstream beer	Craft beer	Home Tap
selling price*	200 yen	250 yen	400 yen

- Home Tap has a high degree of satisfaction. Satisfaction degree **98%**

\*(Reference) retail price per 350ml (excluding tax)

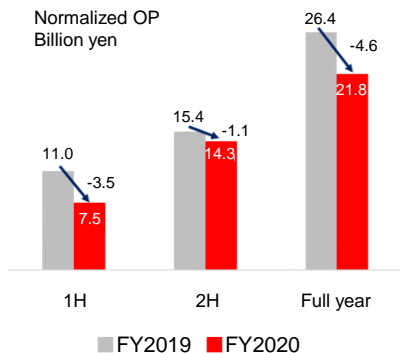


# Kirin Beverage FY2020 Results / FY2021 Plan

- Aim to increase volume by expanding priority categories, while continuing to work on cost reduction

## FY2020 Results

Minimized the impact  
of COVID-19



- Although there was a significant drop in demand due to COVID-19 from April to June, its impact was minimized through cost control mainly in the 3Q.

## FY2021 Plan

Aim for sales volume to  
outperform the market

2021 Market*1 (Estimated) YoY change	2021 Target (Year-on-year change)	
Black tea approx. +1%	Gogo-no-Kocha	+11%
Non-sugar tea approx. +1%	Namacha	+6%
Drink with positive health effects *2 approx. +7%	Lactococcus lactis strain Plasma beverage	+28%
Total market approx. +2%	Soft drink total	+3%

Structural reform of the vending  
machine business



By reducing fixed costs and eliminating unprofitable machines, we expect to improve profitability by **approx. 2.0 billion yen** in 2021.

\*1 Source: Inryou Souken, Diet and Drink Marketing Institute

\*2 Drink with health effects: FOSHU and Foods with Function Claims

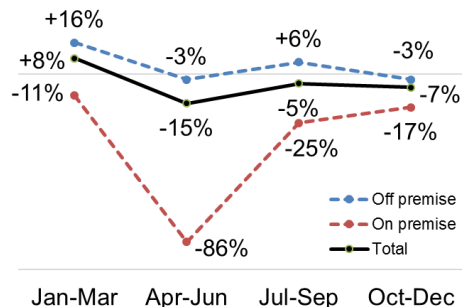


# Lion Pty Limited FY2020 Results / FY2021 Plan

- Target achieved due to recovery in the on-premise business and strong performance in North American craft beer. Lion will continue to invest in core brands in FY2021.

## FY2020 Results

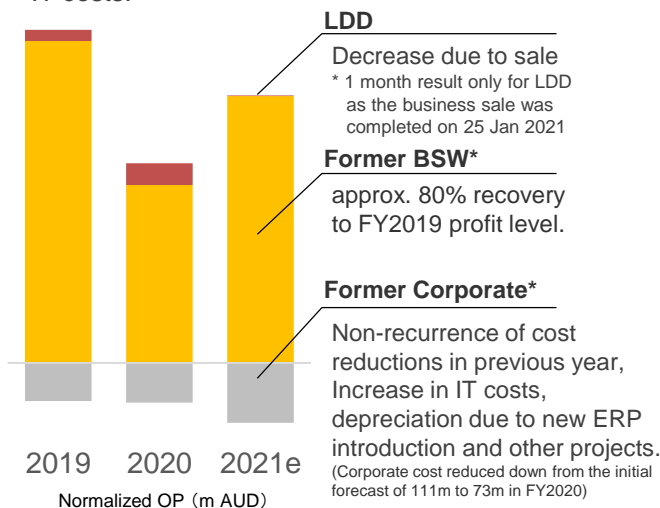
### AUS + NZ quarterly results



- On-premise sales recovered at a faster pace than expected due to the Australian and NZ Government's strong management of Covid-19.
- Strong performance of New Belgium Brewing in North America despite Covid-19.
- \$80m cost reduction plan achieved.

## FY2021 Plan

- Strong recovery of alcohol business
- Increase in corporate costs due to the non-recurrence of cost reductions achieved in the previous year, ERP introduction and increased IT costs.
- Focus on enhancing core brands
- Further growth of Hard Seltzer category





# Kyowa Hakko Bio FY2020 Results / FY2021 Plan

- The revitalization plan has been executed on track, and FY2020 results were almost in line with the plan. Continue to implement business structural reforms to achieve profitability in 2021 and improve the operating structure to become a highly profitable business.

## FY2020

Executed the revitalization plan on track

Financial results mostly in line with the plan

Formulated a structural reform plan



### Restoring Trust

- Establish a stable supply system
- Strengthen the foundation for quality assurance
- Promote the corporate culture change project



### Implementing Business Structural Reforms

- Narrow down production items
- Build new HMO production facilities in Thailand, and expand citicoline production facilities in Hofu (Japan)
- Transfer B to C product manufacturing to FANCL

### Return to profitability

- Increase in production volume
- Cost optimization
- Revision of price condition

### Transform into a highly profitable business

- Highly profitable portfolio
- Development of new functional materials



# Health Science Domain FY2020 Results / FY2021 Plan



➤ Achieved synergy creation with FANCL in all areas. The scope of initiatives has become wider than anticipated.

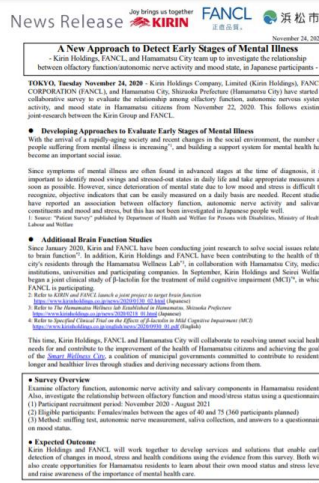
## FY2020 Results



FANCL + Kirin Base  
Peach and Pomegranate  
Hyorei Calolimit

Mutual utilization of  
channels

Launch of jointly  
developed products



Joint research  
in brain function  
area, etc.

## FY2021 Plan



Meneki Support



Daily Amino

New value proposition



# Progress of Medium-term Business Plan

Joy brings us together

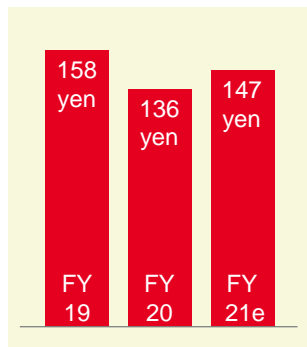


# Financial and Non-Financial Targets of MTBP

➤ Employee Engagement scored record high amidst COVID-19 pandemic

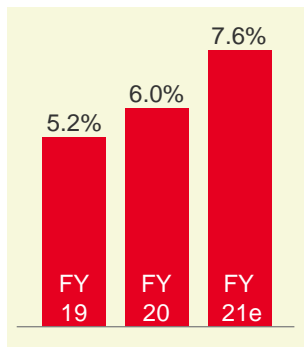
## Financial targets

### Normalized EPS



Decline in Normalized OP pushed down the Normalized EPS.

### ROIC



The company estimates to fall short of its mid-term target of 10% due to the impact of COVID-19, etc.

## Non-financial targets

### CSV Commitment



Made steady progress toward the mid-term targets.



Detailed results are shown on the left.  
See the QR code

### Corporate Brand Value



Achieved the mid-term target of US\$2,200m one year ahead of schedule.

### Employee Engagement



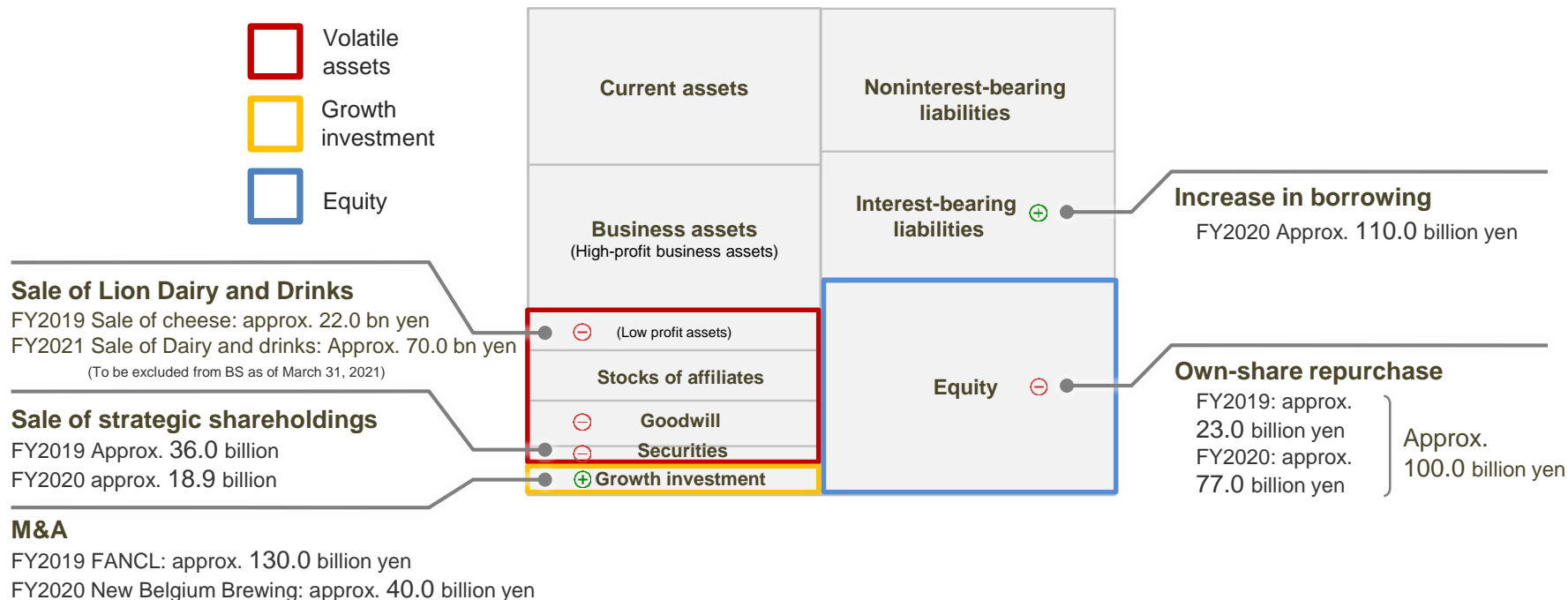
Achieved the mid-term target of 72% one year ahead of schedule.

Group-wide surveys have been conducted since 2019.



# Balance Sheet as of the End of 2020

- The sum of growth investment and volatile assets managed at a level that does not depend on interest-bearing liability

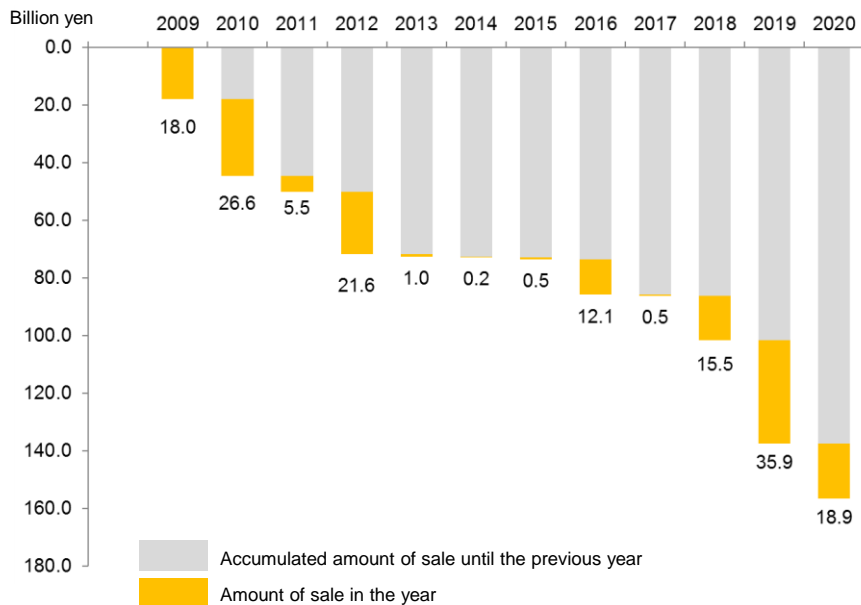




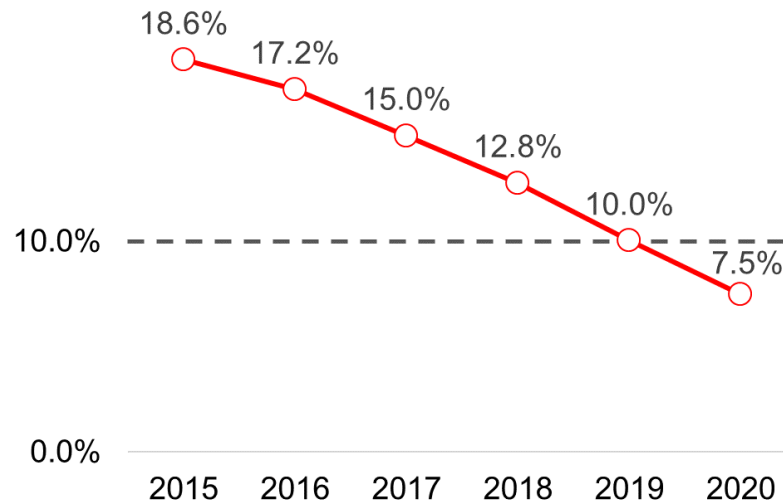
# Reduction of Strategic Shareholdings

## ➤ Steady reduction of strategic shareholdings through disciplined financial management

Sold strategic shareholdings worth of 150.0 bn yen in the past 12 years



Ratio of strategic shareholdings\* to equity declined to 7.5%



\* Percentage of shareholdings held for purposes other than pure investment  
\* Reference figures for 2015 and 2016 are based on J-GAAP.



# Strengthening the Foundation for New Growth toward the KV2027

Joy brings us together



# What We Can Do Now

Joy brings us together

**KIRIN**



Providing *Lactococcus lactis* strain Plasma to people in the Kirin Group  
and people who support Japan and society

## The Kirin Group

*Lactococcus lactis* strain Plasma to maintain immunity is distributed free of charge to domestic Group employees who need to come to work continuously in order to fulfill our responsibility for supplying products.

### Employees

Manufacturing,  
logistics, and  
accounting  
department, etc.

Kirin Brewery, Kirin Beverage, Kyowa Kirin,  
Kyowa Hakko Bio, Mercian, Kirin Group Logistics,  
etc.

The number of employees:  
approximately **12,000**

approx.  
**210,000**  
bags



iMUSE supplement

## Community

*Lactococcus lactis* strain Plasma beverage iMUSE is donated to medical personnel and employees of railroad companies who support the country's infrastructure.

### Outside of the Group

Medical  
professionals,  
railroad  
companies, etc.

Approximately  
**150,000**  
bottles



iMUSE beverages



# In Response to the COVID-19 Pandemic

Looking at the positive impacts rather than the negative ones for opportunities for transformation

Restrictions on going out,  
increase in at-home demand, and  
restraints of immigration, etc.

## Negative impact

- Decline in the real economy
- Significant decrease in opportunities to eat out
- Decline in demand for soft drinks at office vending machines, convenience stores, and for alcoholic beverages and soft drinks at events
- Restrictions on employee activities

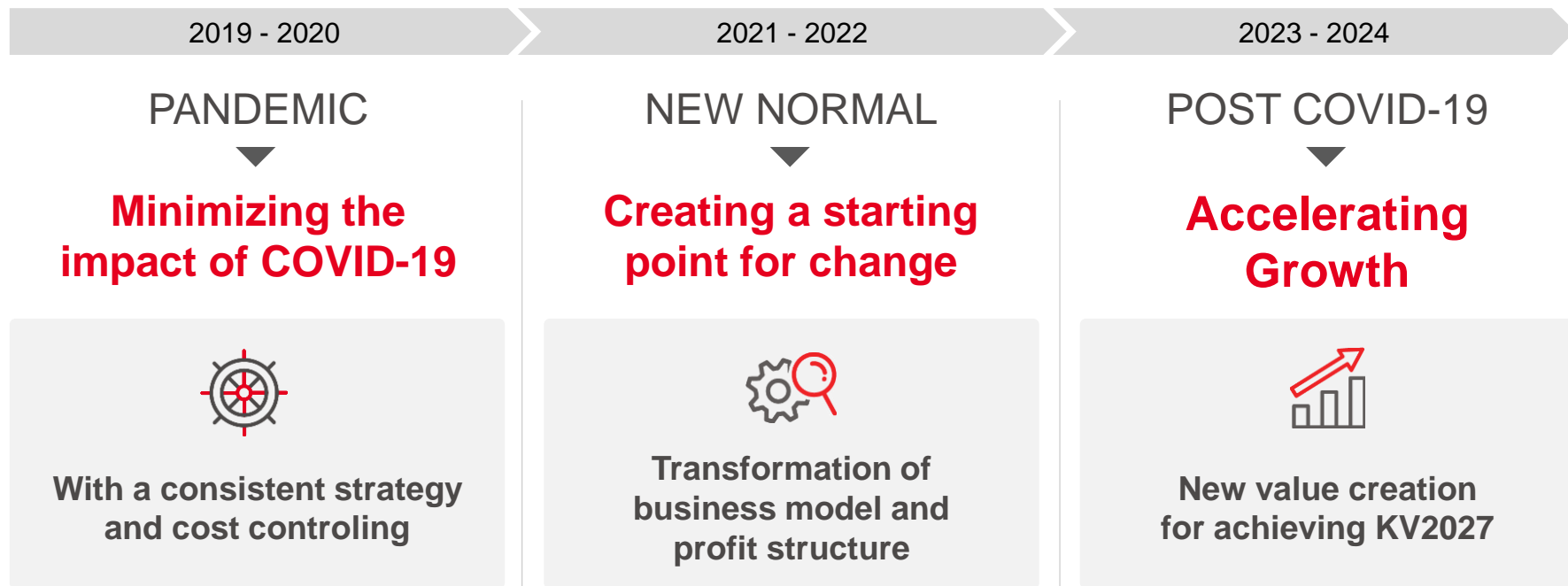
## Positive impact

- Strong sales of health-related products and *Lactococcus lactis strain Plasma* related products due to growing immunity and health needs
- Increase in off-premise channel driven by at-home demand
- Review of cost reduction
- Job Satisfaction Reform



# Accelerating Growth in the Age of the New Normal

Our long-term vision remains unchanged. Seeing changes in the environment as an opportunity for transformation, aiming to accelerate growth toward 2027.



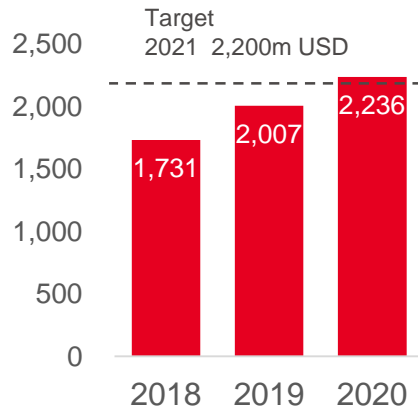


# Intangible Value to Drive Growth

Organizational capacities for innovation have become a source of competitive advantage

## Marketing

Kirin's brand value assessment in Interbrand Japan's "Brand Ranking" exceeded the mid-term target of US\$2.2 billion in its second year.



## Technology and R&D capabilities

### Development of innovative and eco-friendly packaging and servers

We have developed innovative containers and servers that can be used safely by customers while keeping beer quality fresh. Environmentally friendly by reducing transportation costs.

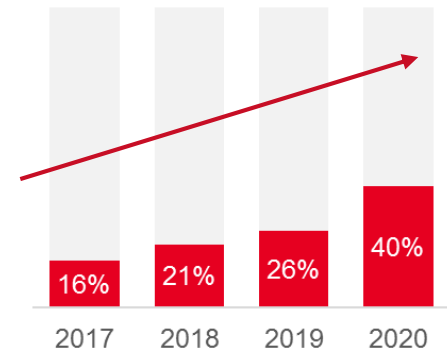


### Registration of Food with Functional Claim for Lactococcus lactis strain Plasma

As a result of 35 years of immunity research, we discovered lactic acid bacteria that challenged common perceptions on the immune system. Plasma lactic acids activate immune cells. With solid evidence of a variety of published studies on plasma lactic acid and the immune system is unprecedented for a food product.

## Diversity

The ratio of mid-career hires to the total number of hires at major companies in Japan is increasing every year. The ratio of mid-career hires to the total number of hires vs. new graduate hires major Japanese companies is increasing every year.





# 2019-2021 Medium-Term Business Plan Basic Policy

Steady progress has been made in line with the basic policy set forth in 2019 MTBP despite the impact of COVID-19





Consumer-centric marketing and consistent strategy have made significant progress

Basic policy of 2019 MTBP

## Kirin Brewery

### Build model for increase in revenue and profit

- Concentrate investment in core brands
- Expansion of craft beer business
- Improvement of marketing ROI
- Improvement of marginal profit of RTD
- Search for future growth drivers

Review of 2019-2020

Accelerated growth of core brands by seizing opportunities presented by Japan's liquor tax revision, health-consciousness, etc.

Expansion of craft beer business with Tap Marché performing well even amidst COVID-19 crisis

Kirin Ichiban brand (can)  
Sales volume YoY

Honkirin (can)  
Sales volume YoY

+9.0%

+31.9%



Added 6 new brands in 2020

MURAKAMI SEVEN IPA

銀河高原ビール  
GINGA KOGEN BEER



Michinoku  
Red Ale



Total **28** brands



# Progress and Achievements of 2019 MTBP Toward 2027 (Food domain): Kirin Brewery



Expand investment to create new value in future growth drivers while maintaining basic strategy

## Towards 2027

### Strengthening marketing for core brands



### Promote the next growth drivers

Acceleration of craft beer strategy, expanding into home-use channels

More investment in Home Tap



### Improve profitability of RTDs

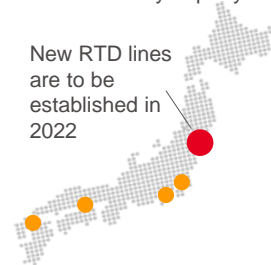
Expansion of high value-added products

Logistics cost reduction and supply chain strengthening



New RTD production lines are to be established at the Sendai Plant in 2022, leading to reduction of more than 1.0 billion yen per year

New RTD lines are to be established in 2022



Kōji Lemon Sour



Continued disciplined cost management. Promptly respond to consumers' health-consciousness

Basic policy of 2019 MTBP

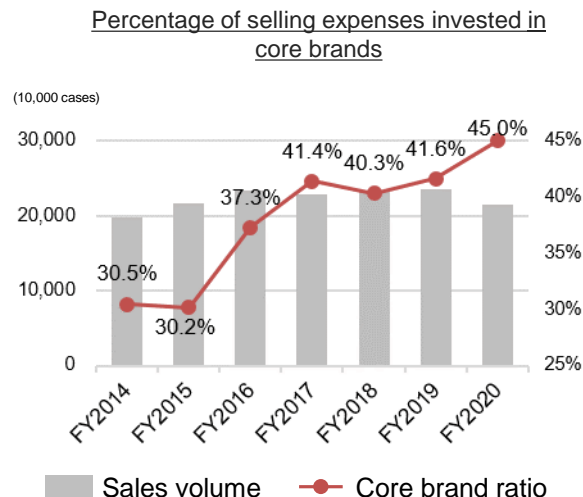
Review of 2019-2020

## Kirin Beverage

### Pursue high-profit business model

- Continue to focus investment on core brands
- Increase cost competitiveness through supply chain optimization and SKU reduction
- Cultivate additional sugar-free and healthy brands as pillars of future growth

### Focus investment on core brands



### Success in sugar-free / low-sugar products



- Sugar-free and low-sugar products under Gogo-no-Kocha brand grew 6% YoY.
- New product *Namacha Roasted Green Tea* is a hit.
- *Fire One Day Black*, non-sugar coffee, increased in volume by approx. 10% YoY

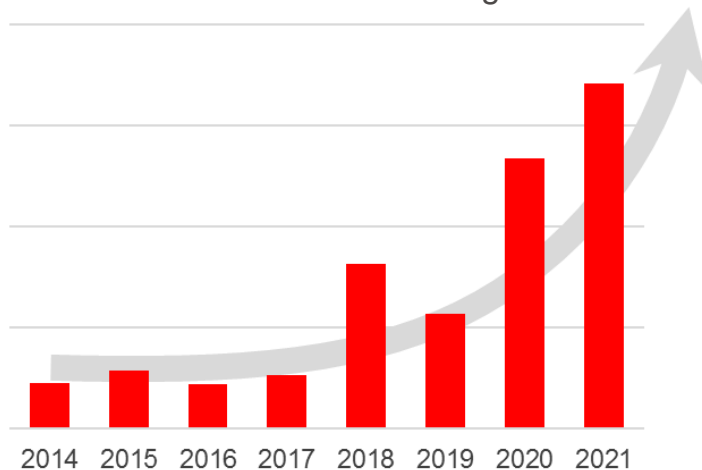


Kirin Beverage to carry an important role in health science strategy

Towards 2027



Sales volume trend for *Lactococcus lactis* strain Plasma beverages







Sale of LDD business completed. New start as Oceania Adult beverages.

Basic policy of 2019 MTBP

Review of 2019-2020

Towards 2027

**Lion**

**Maintain high profit margins and acquiring a foundation for new growth**

- Establish a competitive position in the overseas craft beer market.
- Improve supply chain efficiency to insulate profits from downward pressure due to changes in external environment.
- Improve product mix.



Lion Dairy & Drinks

Completed the sale at the end of January 2021

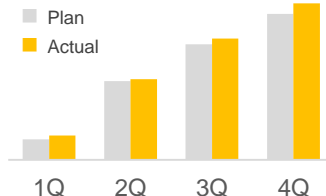


**Bega Cheese**

**Strong Performance amid COVID-19**

New Belgium Brewing results

(FY2020 sales volume, cumulative)



Collaborate with Kirin Brewery to leverage their marketing expertise

Focused investment in core brands, craft beer and hard seltzer to drive product mix improvements



Optimization of supply chain through closure of West End brewery in Adelaide, Australia

West End brewery to be closed in June 2021.







Steady progress has been made in line with the basic policy set forth in the 2019 MTBP despite the impact of COVID-19

Basic policy of 2019 MTBP

Review of 2019-2020

Towards 2027

### Kyowa Kirin

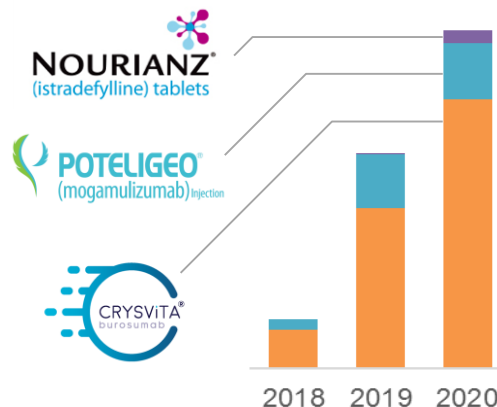
## Make a leap forward for GSP\* company

- Maximize the value of global products
- Expand product pipeline through the development of new global products

\* Global Specialty Pharmaceutical company

Global strategic products have steadily grown

Overseas sales of global strategic products



Maximize the value of global products and Accelerate growth by Next-generation Global products \*

**KW-6356**

Parkinson's disease

**KHK 4083**

Atopic dermatitis

**ME-401**

Follicular lymphoma  
Marginal zone lymphoma

New vision toward 2030

**Address society's medical needs beyond pharmaceuticals**

Solve issues in areas surrounding our pharmaceutical products

Use Group synergies to solve issues

Create Life-changing value beyond pharmaceuticals

\* This is the expected indication at the time of publication of this document.  
Indications may differ from those that are ultimately approved by regulatory authorities



# Initiatives to create synergies with the pharmaceutical business

## Value creation through group synergies

- Global B-to-B sales channels
- Development of functional substances by creating strains.
- Industrial production based on unique manufacturing process building capabilities and high-purity purification technology
- Plant engineering capabilities developed through the brewing business



- Practical knowledge of the pharmaceutical business
- Capability to develop drugs on a global scale
- Ability to comply with pharmaceutical regulations

## Optimal allocation and management of group resources

The creation of new value that can only be achieved by combining fermentation biotechnology and pharmaceutical business knowledge





Established a competitive value chain with investments in Kyowa Hakko Bio and FANCL

Basic policy of 2019 MTBP

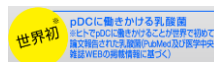
Review of 2019-2020

## Health science

### Establish and foster new pillars

- Construct a unique Kirin business model
- Boost marketability of ingredients with health benefits

We have established a unique business model in which Group companies complement their competitive edges with each other in the value chain.  
The development of the proprietary *Lactococcus lactis* strain Plasma drives further growth.



健康な人の免疫機能  
の維持をサポート  
【プラズマ乳酸菌の研究報告】

**KIRIN**

**FANCL**



**SYOWA KIRIN**

	Basic Research	Applied Research	Product Development	Production	Channels
KIRIN	●		●	●	
FANCL		●	●	Marketing	●
KYOWA	●			●	●
SYOWA KIRIN	●				




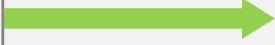

Foods with Functional  
Clams Labels



Launching and growing the Health Science business is on the horizon. Moving to a stage of market expansion with a strategy based on clear priorities.

Towards the year 2027

### Clear Priorities

	2019-2021	2022-2024	2025-2027
Immunity			
Brain Function			
Intestinal Environment			

### Global strategic ingredients

Immunity

***Lactococcus lactis strain Plasma***

Brain

**Citicoline**

Immunity

Brain

**Human milk oligosaccharide**

### *Lactococcus lactis strain Plasma* B-to-B business

There have been many requests from domestic and overseas pharmaceutical, supplement, confectionery, beverage, and food manufacturers.



Diligently working on initiatives with partners that will lead to medium- to long-term growth.



## Awarded Grand Prize for Corporate Governance of the Year® 2020 sponsored by The Japan Association of Corporate Directors

### Environment

#### **Named to the “A List” for Climate Change and Water Security by CDP in 2020**

Named to the “A List” companies for Climate Change for two consecutive years and for the Water Security for five consecutive years, and received the highest rating of “Leader Board” in the CDP Supplier Engagement Assessment for three consecutive years.



#### **Nikkei SDGs Management Survey 2020 Highest rating for two consecutive years, Environmental Value Award as well**

In a survey compiled by Nikkei, Kirin Holdings received the top rating in all four evaluation indicators: SDGs Strategy and Economic Value, Social Value, Environmental Value, and Governance. At the same time, the company received the Environmental Value Award.

### Social

#### **Nikkei Smart Work Management Survey Highest rating (5 stars) for four consecutive years**

Selected by Nikkei Inc. as one of the top 22 companies out of the 710 companies surveyed, with a deviation score of 70 or higher, and won S++ in three of the four evaluation criteria: “market development capability,” “management base,” and “ability to utilize human resources.”

#### **Lion recognized as an Employer of Choice for Gender Equality for three consecutive years**

Recognized by the Workplace Gender Equality Agency (WGEA), an Australian federal government agency, as a leading company in gender equality.



### Governance

#### **Grand Prize for Corporate Governance of the Year® 2020**

Awarded the “Grand Prize Company” at the Corporate Governance of the Year 2020 held by The Japan Association of Corporate Directors, which is given to only one company out of approximately 2,000 companies listed on the First Section of the Tokyo Stock Exchange.

#### **Excerpt from acclaims:**

Based on its core competencies of fermentation and biotechnology, the company has clarified its corporate purpose of contributing to society by creating value that society demands, and in practicing this purpose, it has invited highly diverse and skilled external personnel to manage the company and established a highly transparent governance system.



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



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## Appendices



# Normalized EPS Details

(bn yen)		FY2020	FY2019
Profit attributable to Owners of the Company	①	71.9	59.6
Profit from discontinued operations	②	—	—
Other operating income/expenses after taxes and other adjustments	③	42.7	79.1
Normalized profit	④ = (① - ②) + ③	114.7	138.7
Average number of shares during the period ('000)	⑤	840,689	877,038
Normalized EPS (yen)	④ / ⑤	136	158



## Revenue by segments

(bn yen)

	FY2020 Actual	FY2019 Actual	YoY	%
Revenue	1,849.5	1,941.3	-91.8	-4.7%
Japan Beer and Spirits	651.4	681.9	-30.5	-4.5%
Kirin Brewery	632.2	665.0	-32.9	-4.9%
Other and elimination	19.3	16.9	2.4	14.1%
Japan Non-alcoholic Beverages	252.2	286.8	-34.6	-12.1%
Kirin Beverage	254.2	288.8	-34.6	-12.0%
Elimination	-2.0	-2.0	-0.0	—
Oceania Integrated Beverages	292.1	299.7	-7.6	-2.5%
Lion	292.2	299.8	-7.6	-2.5%
Beer, Spirits, and Wine	177.5	171.5	5.9	3.4%
Dairy and Drinks	114.7	128.2	-13.5	-10.5%
Elimination	-0.0	-0.0	-0.0	—
Pharmaceuticals	317.8	304.9	12.9	4.2%
Kyowa Kirin	318.4	305.8	12.5	4.1%
Elimination	-0.6	-1.0	0.4	—
Other	336.0	368.0	-32.0	-8.7%
Mercian	62.1	63.9	-1.8	-2.7%
Myanmar Brewery	31.8	32.6	-0.7	-2.2%
Coke Northeast	129.4	132.6	-3.2	-2.4%
Kyowa Hakko Bio	57.3	74.9	-17.6	-23.5%
Other and elimination	55.4	64.2	-8.8	-13.7%



# FY2021 Forecasts

## Revenue by segments

(bn yen)		FY2021 Forecast	FY2020 Actual	YoY	%
Revenue		1,880.0	1,849.5	30.5	1.6%
Japan Beer and Spirits		694.4	651.4	43.0	6.6%
	Kirin Brewery	673.6	632.2	41.4	6.6%
	Other and elimination	20.9	19.3	1.6	8.2%
Japan Non-alcoholic Beverages		265.3	252.2	13.2	5.2%
	Kirin Beverage	267.1	254.2	12.9	5.1%
	Elimination	-1.7	-2.0	0.3	—
Oceania Adult Beverages		212.2	292.1	-79.9	-27.3%
	Lion	212.3	292.2	-79.9	-27.3%
	Beer, Spirits, and Wine	—	177.5	—	—
	Dairy and Drinks	—	114.7	—	—
	Elimination	-0.1	-0.0	-0.0	—
Pharmaceuticals		350.3	317.8	32.5	10.2%
	Kyowa Kirin	351.0	318.4	32.6	10.3%
	Elimination	-0.7	-0.6	-0.1	—
Other		357.6	336.0	21.6	6.4%
	Mercian	62.1	62.1	-0.0	-0.1%
	Myanmar Brewery	38.6	31.8	6.8	21.4%
	Coke Northeast	130.0	129.4	0.6	0.5%
	Kyowa Hakko Bio	57.8	57.3	0.5	0.9%
	Other and elimination	69.1	55.4	13.7	24.7%

\* Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.  
In addition, the descriptions of "Beer, Spirits, and Wine " and "Dairy and Drinks" of Lion have been omitted from 2021.



# Normalized OP by segments

(bn yen)		FY2020 Actual	FY2019 Actual	YoY	%
Normalized OP		162.1	190.8	-28.6	-15.0%
Japan Beer and Spirits		75.5	85.2	-9.7	-11.4%
	Kirin Brewery	73.2	83.3	-10.2	-12.2%
	Others	2.3	1.8	0.5	26.2%
Japan Non-alcoholic Beverages		21.8	26.4	-4.6	-17.4%
	Kirin Beverage	21.8	26.4	-4.6	-17.4%
Oceania Integrated Beverages		22.1	41.4	-19.2	-46.5%
	Lion	22.1	41.4	-19.2	-46.5%
	Beer, Spirits, and Wine	24.4	45.1	-20.7	-45.9%
	Dairy and Drinks	3.1	1.6	1.5	96.8%
	Corporate	-5.4	-5.3	-0.1	—
Pharmaceuticals		59.0	55.4	3.6	6.6%
	Kyowa Kirin	59.0	55.4	3.6	6.6%
Other		29.3	27.0	2.2	8.3%
	Mercian	3.6	2.2	1.4	63.3%
	Myanmar Brewery	13.8	12.9	0.9	7.2%
	Coke Northeast	9.3	5.3	4.0	75.1%
	Kyowa Hakko Bio	-2.3	2.3	-4.6	—
	Other and elimination	4.9	4.4	0.5	12.3%
Corporate expenses/inter-segment		-45.6	-44.6	-1.0	—



# FY2021 Forecasts

## Normalized OP by segments

(bn yen)		FY2021 Forecast	FY2020 Actual	YoY	%
Normalized OP		180.0	162.1	17.9	11.0%
Japan Beer and Spirits		76.8	75.5	1.3	1.7%
	Kirin Brewery	75.0	73.2	1.8	2.5%
	Others	1.8	2.3	-0.5	-21.9%
Japan Non-alcoholic Beverages		23.0	21.8	1.2	5.7%
	Kirin Beverage	23.0	21.8	1.2	5.7%
Oceania Adult Beverages		30.6	22.1	8.5	38.5%
	Lion	30.6	22.1	8.5	38.5%
	Beer, Spirits, and Wine	—	24.4	—	—
	Dairy and Drinks	—	3.1	—	—
	Corporate	—	-5.4	—	—
Pharmaceuticals		64.0	59.0	5.0	8.4%
	Kyowa Kirin	64.0	59.0	5.0	8.4%
Other		35.2	29.3	5.9	20.1%
	Mercian	3.2	3.6	-0.4	-11.3%
	Myanmar Brewery	16.0	13.8	2.1	15.5%
	Coke Northeast	9.1	9.3	-0.2	-1.7%
	Kyowa Hakko Bio	0.1	-2.3	2.4	—
	Other	6.9	4.9	1.9	39.6%
Corporate expenses/inter-segment		-49.6	-45.6	-4.0	—

\* Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.  
In addition, the descriptions of "Beer, Spirits, and Wine", "Dairy and Drinks" and "Corporate" of Lion have been omitted from 2021.



# FY2020 Results

## Kirin Brewery



(1,000 HL)	FY2020 Actual	FY2019 Actual	YoY %
Beer products total	16,380	17,150	-4.5%
Beer	4,560	5,600	-18.6%
Happo-shu	3,840	3,920	-2.1%
New genre	7,980	7,630	4.6%
RTD	4,290	3,820	12.3%
Non-alcohol beverages	440	400	10.8%

(bn yen)	FY2020 Actual	FY2019 Actual	YoY	%
Revenue	632.2	665.0	-32.9	-4.9%
Revenue excl. liquor tax	373.1	390.1	-17.1	-4.4%
Normalized OP	73.2	83.3	-10.2	-12.2%



Note

### Japan alcoholic beverages market

- Beer market sales volume is estimated to be down approx. 9%.
- Sales volumes in on-premise channels declined by approx. 40%.
- Health-consciousness and low-cost orientation increased.

### Sales Volume

- Outperformed the market in all categories except happo-shu, and new genre products sold well.
- Sales volume of canned beer mainly in off-premise channels increased 5%.

### FY2019 Normalized OP (bn yen)

FY2019 Normalized OP (bn yen)		83.3	Description
YoY change (bn yen)	Decrease in marginal profit of alcohol beverages, etc.	-15.2	<b>Total beer products -11.3</b> (decrease in beer -1,040,000HL, decrease in happo-shu -80,000HL, increase in new genre 350,000HL) <b>Total other than beer products 3.5</b> (increase in RTD 470,000HL, increase in non-alcohol beverages 40,000HL, etc.) <b>Difference of change in composite of products, etc. -7.4</b>
	Increase in raw material cost	-1.0	
	Decrease in selling expenses	0.3	Decrease in sales promotion 8.3, increase in advertising -7.9 (Total 59.6 ⇒ 59.2)
	Decrease in other expenses	5.7	Decrease in labor costs and travel expense, etc.
Subtotal		-10.2	
FY2020 Normalized OP		73.2	

### Details on Financial Performance

- Marginal profit declined by 15.2 bn yen due to lower beer sales volume, reclassification of a part of sales promotion expenses from fixed costs to variable costs, and increase in logistics costs.
- Advertising expenses increased by 7.9 bn yen due to increased brand investment from a long-term perspective in the second half of the year amid a challenging market environment.
- Other expenses decreased by 5.7 bn yen, mainly due to a decrease in expenses caused by restrictions on sales activities.



# FY2021 Forecasts

## Kirin Brewery

(1,000 HL)	FY2021 Forecast	FY2019 Actual	YoY %
Beer products total	16,650	16,380	1.6%
Beer	5,340	4,560	17.1%
Happo-shu	3,610	3,840	-6.1%
New genre	7,700	7,980	-3.5%
RTD	4,500	4,290	4.9%
Non-alcohol beverages	550	440	24.4%

(bn yen)	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue	673.6	632.2	41.4	6.6%
Revenue excl. liquor tax	392.3	373.1	19.2	5.1%
Normalized OP	75.0	73.2	1.8	2.5%



### Note

#### Sales Volume Target

- Sales volume in on-premise channels are expected to increase by approx. 10% year-on-year; down about 30% from 2019.
- Focus on the key products, *Kirin Ichiban*, *Kirin Ichiban Sugar Free*, *Hon Kirin* and *Hyoketsu* contributes to an increase in sales volume over the market in addition to a rebound from the previous year

#### FY2020 Normalized OP (bn yen)

YoY change (bn yen)	
	Increase in marginal profit of alcohol bevs., etc
	Decrease in raw material cost
	Increase in selling expenses
	Decrease in other expenses
	Subtotal

#### FY2021 Normalized OP (Forecast)

#### 73.2 Description

	<b>Total beer products 6.2</b> (increase in beer 780,000HL, decrease in happo-shu -230,000HL, decrease in new genre -280,000HL)
10.3	<b>Total other than beer products 3.8</b> (increase in RTD 210,000HL, increase in non-alcohol beverages 110,000HL, etc.)
	<b>Difference of change in composite of products, etc. 0.3</b>
0.8	
-9.3	<b>Increase in sales promotion and advertising</b> (Total 59.2 ⇒ 68.6)
0.0	
1.8	

#### 75.0

#### Revenue and Normalized Operating Profit

- Marginal profit is expected to increase by 10.3 bn yen due to an increase in sales volume.
- Selling expenses are expected to increase by 9.3 bn yen from the previous year due to an accelerated investment in new brands and services that are potential drivers for future growth from a long-term perspective, while keeping the beer, RTD and non-alcoholic beverages as the foundation of the business.



# FY2020 Results

## Kirin Beverage



Sales Volume (10,000 cases)		FY2020 Actual	FY2019 Actual	YoY %
Category	Black tea	5,064	5,711	-11.3%
	Japanese tea	3,257	3,419	-4.7%
	Coffee	2,334	2,758	-15.4%
	Fruit and veg. juice	2,314	2,453	-5.7%
	Carbonated bevarages	1,529	1,929	-20.7%
	Functional bevarages	1,141	1,144	-0.2%
	Water	4,169	4,256	-2.0%
	Others	1,630	1,912	-14.7%
By Container	Can	2,603	3,166	-17.8%
	Large PET bottle	7,624	7,864	-3.1%
	Small PET bottle	9,416	10,551	-10.8%
	Others	1,796	2,001	-10.3%
Total		21,439	23,583	-9.1%

(bn yen)	FY2020 Actual	FY2019 Actual	YoY	%
Revenue	254.2	288.8	-34.6	-12.0%
Normalized OP	21.8	26.4	-4.6	-17.4%

### FY2019 Normalized OP (bn yen)

YoY change (bn yen)	Decrease in marginal profit	-15.6
	Decrease in raw material costs, etc.	0.8
	Decrease in selling expenses	6.6
	Decrease in other expenses	3.6
Subtotal		-4.6

### FY2020 Normalized OP

### 26.4 Description

-15.6	Decrease in sales volume -21.44 million cases, -10.4 Difference of change in products mix and in composition ratio of containers, etc. -5.2
0.8	Decrease in raw material cost 0.7, decrease in material cost 1.0, increase in processing cost -0.9
6.6	Decrease in sales promotion 3.2, decrease in advertising 3.3 (Total 37.2 ⇒ 30.7)
3.6	Decrease in sales machine costs and labor costs, etc.

-4.6

21.8



#### Note

#### Soft Drink Market

- Soft drink market is estimated to have shrunk by 7%.

#### Sales Volume

- Core brands *Gogo-no-Kocha* and *Nama-cha* decreased from the previous year due to consumer self-restraint from going outside and an increase in work-from-home.
- Sales volume of plasma lactic acid related products more than doubled due to relaunch with Foods with Functional Claim labeling in addition to a response to the rise in consumer health awareness.

#### Details on Financial Performance

- Normalized profit decreased due to a decline in sales volume and a deterioration in the product/container mix stemming from a change in the channel mix.
- Despite an increase in processing cost due to a decrease in production volume, normalized OP margin was 8.6% due to cost controls in sales promotion and advertising.



# FY2021 Forecasts

## Kirin Beverage

Sales Volume (10,000 cases)		FY2021 Forecast	FY2020 Actual	YoY %
Category	Black tea	5,635	5,064	11.3%
	Japanese tea	3,420	3,257	5.0%
	Coffee	2,379	2,334	1.9%
	Fruit and veg. juice	2,247	2,314	-2.9%
	Carbonated bevarages	1,552	1,529	1.5%
	Funcnional bevarages	1,389	1,141	21.7%
	Water	3,907	4,169	-6.3%
	Others	1,627	1,630	-0.2%
By Container	Can	2,647	2,603	1.7%
	Large PET bottle	7,483	7,624	-1.9%
	Small PET bottle	10,219	9,416	8.5%
	Others	1,808	1,796	0.7%
Total		22,157	21,439	3.3%

(bn yen)	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue	267.1	254.2	12.9	5.1%
Normalized OP	23.0	21.8	1.2	5.7%

### FY2020 Normalized OP (bn yen)

YoY change (bn yen)	Increase in marginal profit	7.1
	Decrease in raw material costs, etc.	0.8
	Increase in selling expenses	-3.9
	Increase in other expenses	-2.8
	Subtotal	1.2

### FY2021 Normalized OP (Forecasts)

### 21.8 Description

7.1	Increase in sales volume 7.18 million cases, 3.3, Difference of change in products mix and in composition ratio of containers, etc. 3.8
0.8	Decrease in raw material cost 0.3, increase in material cost -0.1, decrease in processing cost 0.5
-3.9	Increase in sales promotion and advertising -3.9 (Total 30.7→34.6)
-2.8	Increase in labor costs, etc.
1.2	



Note

### Soft Drink Market

- Domestic soft drink market is forecasted to be up 2%.

### Sales Volume and Revenue

- Focus on the “Health and Well-being” and “the Environment” related products contributes to an increase in sales volume and revenue in addition to a rebound from the previous year.
- In terms of brand, core brands *Gogo-no-Kocha* and *Nama-cha* are expected to recover from the impact of COVID-19, and plasma lactic acid related products are to be promoted to take advantage of growing health consciousness among consumers.

### Normalized Operating Profits

- An increase in sales volume as well as an improvement of product and container mix through a rise in ratio of small PET bottles will increase marginal profit.
- Selling expenses will increase compared to the previous year, when nonessential costs will be cut to minimize the impact of COVID-19, and effectively optimizing investment in brands and channels.
- Normalized OP margin is expected to be 8.6%, the same level as the previous year.



### Yen base (bn yen)

	FY2020 Actual	FY2019 Actual	YoY	%
Revenue	292.2	299.8	-7.6	-2.5%
BSW	177.5	171.5	5.9	3.4%
LDD	114.7	128.2	-13.5	-10.5%
Normalized OP	22.1	41.4	-19.2	-46.5%
BSW	24.4	45.1	-20.7	-45.9%
LDD	3.1	1.6	1.5	96.8%
Corporate	-5.4	-5.3	-0.1	—

### AUS dollar base (million AUS\$)

	FY2020 Actual	FY2019 Actual	YoY	%
Revenue	3,958	3,949	8	0.2%
BSW	2,402	2,261	141	6.2%
LDD	1,556	1,689	-132	-7.8%
Normalized OP	295	545	-250	-45.9%
BSW	328	593	-266	-44.8%
LDD	40	21	19	90.7%
Corporate	-73	-70	-3	—

		BSW	LDD
Change in sales volume *		9.9%	-2.9%
	FY2019 Actual	593	21
Normalized OP YoY	Sales Volume	-58	-14
Australian dollars (million AUS\$)	Other	-230	33
	Global craft, etc. **	22	-
	<b>FY2020 Actual</b>	<b>328</b>	<b>40</b>

\* Inclusive of newly acquired New Belgium Brewing volume. YoY change in sales volume for BSW excluding Global Craft etc, was -4.8%

\*\* Includes newly acquired NBB sales



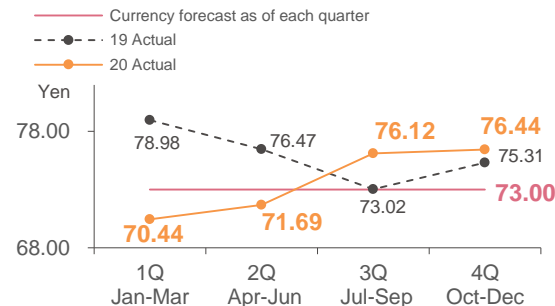
### Beer, Spirits & Wine (BSW)

- Increase in revenue YoY is primarily driven by the acquisition of New Belgium Brewing which more than offset the declines in sales volume in Australia and NZ.
- Normalized OP was significantly impacted by COVID-19 on-premise restrictions in Australia and New Zealand from Q2 onwards.
- These restrictions were gradually reduced during Q3 and Q4 in Australia and NZ resulting in on-premise volumes returning to 85% of plan by the end of the year.

### Dairy & Drinks (LDD)

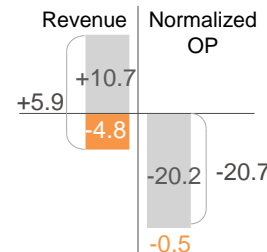
- Decrease in revenue due to sale of specialty cheese business. Normalized OP improved due to strong year end performance across key categories as well as delivery of cost optimisation plans.
- Lion completed the sale of LDD to Bega Cheese on January 25, 2021.

### Exchange Rate - Australian Dollar

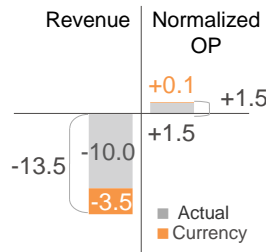


Lion's currency is calculated by accumulating the average rate for each of the three months.

### Forex Impact BSW (bn yen)



### Forex Impact LDD (bn yen)





### Yen base (bn yen)

	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue	212.3	292.2	-79.9	-27.3%
Normalized OP	30.6	22.1	8.5	38.5%

### AUS dollar base (million AU\$)

	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue	2,654	3,958	-1,304	-33.0%
Normalized OP	383	295	88	30.0%

Assumed exchange rate: ¥80.00 (AUD)

(Ref.) formerly segmentation

	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue (BSW)	202.7	177.5	25.2	14.2%
Revenue (LDD)	9.6	114.7	-105.1	-91.6%
Normalized OP (BSW)	39.3	24.4	14.9	61.2%
Normalized OP (LDD)	0.1	3.1	-3.0	-97.4%
Normalized OP (Corporate)	-8.8	-5.4	-3.4	—

	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue (BSW)	2,534	2,402	132	5.5%
Revenue (LDD)	120	1,556	-1,436	-92.3%
Normalized OP (BSW)	492	328	164	50.1%
Normalized OP (LDD)	1	40	-39	-97.5%
Normalized OP (Corporate)	-110	-73	-36	—



### Note

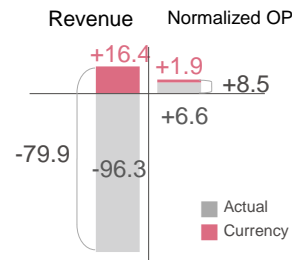
#### Revenue

- Lion's FY2021 total sales revenue will significantly decline due to the sale of the LDD business.
- Revenue from the alcoholic beverages business is expected to increase driven by the lessening impact of COVID-19 as vaccines are rolled out across key markets and restrictions reduce. In addition, we expect to see strong growth in the new Hard Seltzer category driven by the launch of White Claw in Australia.

#### Normalized OP

- Lion's total business profit is expected to increase with improved profits in the alcoholic beverages business due to a recovery in on premise channel and the continued growth of NBB, offsetting a decrease due to the sale of the LDD business and an increase in head office costs.
- The increase in head office costs is mainly due to the non-recurrence of cost reductions (Approx. 30m AUD) achieved in the previous year and higher IT costs.

### Impact of Currency (bn yen)



Revenue decrease due to the sale of LDD business.

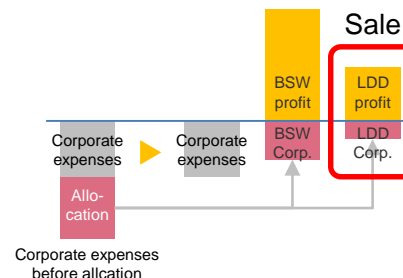
### Change of segment

~2020  
BSW LDD Corp.

2021~  
OAB  
(BSW+Corp.)  
Oceania Adult Beverages

Segment changed from "Oceania Integrated Beverages" to "Oceania Adult beverages" following the sale of the Lion beverage business.

### Corporate cost



Limited impact on corporate expenses, as head office costs relating to the LDD had always been allocated to LDD. (Conversely, costs tend to increase as we lose volume benefit of IT system, etc.)



# FY2020 Results / FY2021 Forecast

## Kyowa Kirin

(bn yen)

	FY2020 Actual	FY2019 Actual	YoY	%
Revenue	317.8	304.9	12.9	4.2%
Kyowa Kirin	318.4	305.8	12.5	4.1%
Elimination	-0.6	-1.0	0.4	—
Normalized OP	59.0	55.4	3.6	6.6%
Kyowa Kirin	59.0	55.4	3.6	6.6%

(bn yen)

	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue	350.3	317.8	32.5	10.2%
Kyowa Kirin	351.0	318.4	32.6	10.3%
Elimination	-0.7	-0.6	-0.1	—
Normalized OP	64.0	59.0	5.0	8.4%
Kyowa Kirin	64.0	59.0	5.0	8.4%



### Revenue (FY2020 results)

- ▶ The decline in revenue in Japan was due largely to the NHI price-cut and decreased demand of *Nesp*, a treatment for renal anemia, by the shift to *Nesp-AG* although sales of the new product line were steady; *Crysvita* grew while *Hauropi* and *Duvroq* steadily penetrated the domestic market.
- ▶ Overseas sales increased due to steady growth in global strategic products, *Crysvita*, *Poteligeo* and *Nourianz*.
- ▶ Technology licensing revenue decreased due to lower contract manufacturing, etc. despite an increase in royalties related to *Fasenra*.

### Normalized OP (FY2020 results)

- ▶ Despite lower gross profits in Japan due to a decrease in revenue and higher SG&A expenses as an expansion of global strategic products, normalized OP increased due to a higher gross profit from an increased overseas revenue including global strategic products.



### FY2021 forecasts

- ▶ Revenue is expected to increase year-on-year.
- ▶ Sales in Japan is expected to slightly decrease due to the impact of the NHI price-cut scheduled for April although sales of new products are expected to increase.
- ▶ Overseas sales are expected to increase due to significant growth of *Crysvita*, *Poteligeo* and *Nourianz*.
- ▶ Technology licensing revenue is expected to increase due to an increased royalties related to *Fasenra*.
- ▶ Normalized OP is expected to increase due to an increase in overseas sales revenue, despite an increase in SG&A expenses. A competitive global business foundation will be quickly established, as well as a significant increase in R&D expenses in late-stage development projects.



# FY2020 Results / FY2021 Forecast

## Myanmar Brewery

### Yen base (bn yen)

	FY2020 Actual	FY2019 Actual	YoY	%
Revenue	31.8	32.6	-0.7	-2.2%
Normalized OP	13.8	12.9	0.9	7.2%

### Kyat base (bn MMK)

	FY2020 Actual	FY2019 Actual	YoY	%
Revenue	409	452	-43	-9.5%
Normalized OP	177	179	-1	-0.8%

### Yen base (bn yen)

	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue	38.6	31.8	6.8	21.4%
Normalized OP	16.0	13.8	2.1	15.5%

### Kyat base (bn MMK)

	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue	489	409	80	19.7%
Normalized OP	202	177	25	13.9%

Assumed exchange rate: ¥79.00 ('000 MMK)



#### Note

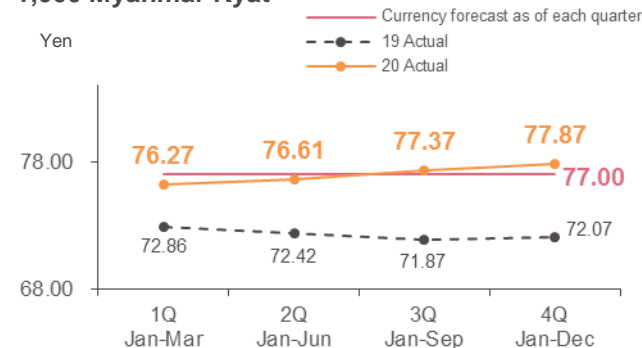
#### FY2020 Results

- The beer market shrank because of significant decreases in Apr-Jun and Oct-Dec when the impact of COVID-19 intensified, despite increases Jan-Mar and Jul-Sep. Myanmar Brewery's sales volumes were down 5.8% year-on-year, in line with market performance.
- Revenue declined due to lower sales volumes. Normalized operating profit slightly declined on a kyat basis, due mainly to lower revenues and a product mix deterioration. The appreciation of the kyat resulted in higher profits on a yen basis.

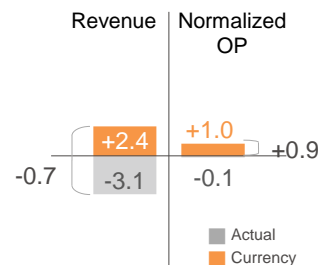
#### FY2021 Forecasts

- The beer market is expected to expand more than 10% year-on-year due to reopening of on-premise channels, although the impact of COVID-19 will continue to some extent.
- Myanmar Brewery aims to grow faster than the market in an increasingly challenging market environment.

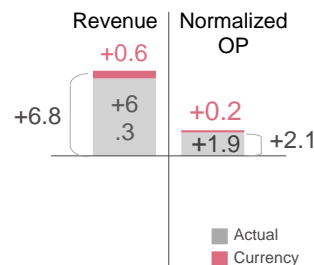
### Exchange Rate - 1,000 Myanmar Kyat



### Forex FY2020 Impact (bn yen)



### Forex FY2021 Impact (bn yen)





# FY2020 Results / FY2021 Forecast

## Coke Northeast

### Yen base (bn yen)

	FY2020 Actual	FY2019 Actual	YoY	%
Revenue	129.4	132.6	-3.2	-2.4%
Normalized OP	9.3	5.3	4.0	75.1%

### U.S. dollar base (million \$)

	FY2020 Actual	FY2019 Actual	YoY	%
Revenue	1,216	1,213	2	0.2%
Normalized OP	87	48	39	79.8%

### Yen base (bn yen)

	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue	130.0	129.4	0.6	0.5%
Normalized OP	9.1	9.3	-0.2	-1.7%

### U.S. dollar base (million \$)

	FY2021 Forecast	FY2020 Actual	YoY	%
Revenue	1,238	1,216	22	1.8%
Normalized OP	87	87	-0	-0.4%

Assumed exchange rate: ¥105.00 (USD)



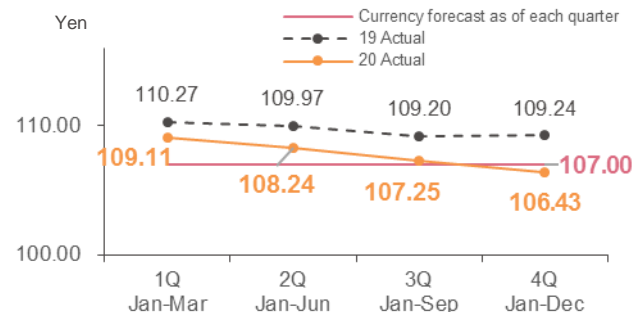
### FY2020 Results

- › Sales volumes remained almost the same as the previous year, offsetting a decrease in on-premise channels by an increase in home market channels. Revenue increased due to higher price.
- › Normalized operating profit increased year-on-year due to decreased SG&A expenses by tailoring business activities to the market in the midst of the COVID-19 crisis in addition to operational efficiencies from PMI. Normalized OP margin rose to 7.2%.

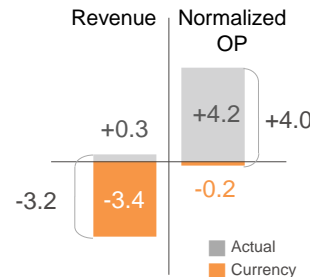
### FY2021 Forecasts

- › Revenue is expected to increase through disciplined pricing.
- › Although OH and other expenses will increase compared to the previous year due to the resumption of some operating activities that were temporarily halted, other SG&A expenses will be kept at almost normal levels, thereby maintaining normalized OP margin at the same level as the previous year.

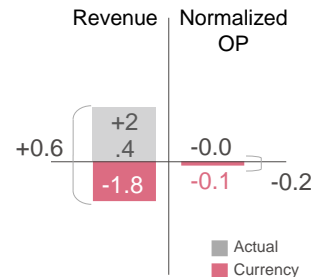
### Exchange Rate - US Dollar



### Forex FY2020 Impact (bn yen)



### Forex FY2021 Impact (bn yen)





# Performance of San Miguel Brewery

- The impact of COVID-19 felt in earnest from March, 2020, resulting in a large decrease in operating income, but the dividend was maintained

## San Miguel Brewery domestic consolidated results (October 2019 - September 2020)

(million PHP)	Oct.-Dec. 2019		Jan.-Mar. 2020		Apr.-Jun. 2020		Jul.-Sep. 2020		FY2020 Total	
	Actual	YoY %	Actual	YoY %	Actual	YoY %	Actual	YoY %	Actual	YoY %
Sales *	38,389	7%	28,404	-18%	14,389	-59%	29,689	-12%	110,871	-21%
Operating Income *	10,520	12%	5,383	-44%	1,976	-79%	7,450	-20%	25,329	-33%
Operating Income Ratio	27.4%	—	19.0%	—	13.7%	—	25.1%	—	22.8%	—

\* Based on disclosure Source: San Miguel Brewery Inc. Financial Highlights, Quarterly Reports

## Equity-method Incorporation (October 2019 - September 2020)

(bn yen)	FY2020	FY2019	YoY
Net income (SMB)	39.3	54.1	-27%
Consolidated net income (included in the consolidated results)	19.1	26.3	-27%

Exchange rate: 1 peso = ¥2.17 (previous year: ¥2.13)

## Kirin Holdings' dividend income from San Miguel Brewery

	FY2020	FY2019	YoY
Dividends (bn yen)	16.1	15.7	3%
Cash dividends declared per share (peso)	1.00	1.00	—

Dividends are recorded on a cash-in basis.



	Country / region*1	Indication*2	Approval year*3	Total addressable market*4	No. of patients*5
<b>KHK4083</b>	NA/EU/JP	Atopic dermatitis	2025/2026	★★★	16,000K
<b>KW-6356</b>	NA/EU/JP	Parkinson's disease	2025	★★★	3,500K
<b>ME-401</b>	NA/EU/JP	Follicular lymphoma Marginal zone lymphoma	2023	★★★	~800K
<b>RTA 402</b>	JP/Asia	Alport syndrome Diabetic kidney disease Autosomal dominant polycystic kidney disease (ADPKD)	2022 2023 2025	★★★	2,500K~
<b>KHK7791</b>	JP	Hyperphosphatemia under maintenance dialysis	2023	★★☆	250K

\*1 Countries or regions where Kyowa Kirin currently has marketing rights and will launch products (or will conduct marketing activities); products may not be launched in all countries or regions shown in the table

\*2 Expected indications as of the date of this document; indications may ultimately differ to expectations due to status of approvals from regulatory authorities

\*3 Expected year of first approval

\*4 Expected total addressable market, which is the sum of all products for the indications shown in \*2, in all countries or regions defined in \*1, not projected sales or the Company's targets; ★ = less than ¥50bn, ★★ = ¥50-100bn, ★★★ = Over ¥100bn

\*5 Total number of estimated patients in all countries or regions defined in \*1.

\*6 The size of the total addressable market and patient numbers are based on our estimates



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