



KIRIN

Joy brings us together

Kirin Group

Financial Results for 1Q FY2022

May 12, 2022

Kirin Holdings Company, Limited

1Q FY2022 Results

- Consolidated Revenue increased by 1.8% YoY, while consolidated Normalized operating profit (OP) decreased by -21.8% due to prolonged COVID-19 impact mainly in the Food and Beverages domain.
- Profit before tax decreased by -15.1%, despite foreign exchange gains due to yen depreciation.
- Profit attributable to owners of the Company increased by 2.5% due to a decline in the corporate tax rate.
- Normalized EPS decreased by 3 yen YoY due to the decline in consolidated Normalized OP.

1Q FY2022 Results

- Revenue increased YoY due to strong sales in the Pharmaceuticals domain and North American beverage business, but Normalized OP decreased due to deterioration of the external operating environment in the Food and Beverages domain.

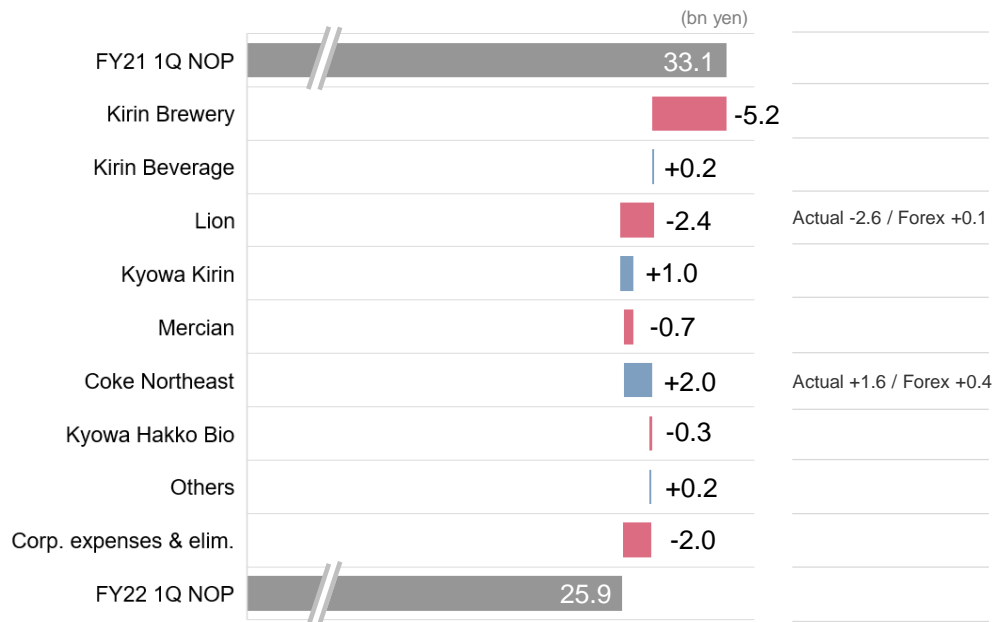
(bn yen)	1Q FY2022 Actual	1Q FY2021 Actual	YoY	%
Revenue	416.7	409.3	7.4	1.8%
Normalized OP ^{*1}	25.9	33.1	-7.2	-21.8%
Profit before tax	28.5	33.6	-5.1	-15.1%
Profit attributable to owners of the Company	17.4	17.0	0.4	2.5%
Quantitative Target	1Q FY2022 Actual	1Q FY2021 Actual	YoY	%
Normalized EPS ^{*2}	24 yen	27 yen	-3 yen	-11.1%

^{*1} A profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

^{*2} See page 12 for details.

Changes in Consolidated Normalized OP by Company

- Kyowa Kirin and Coke Northeast showed great performance, but Normalized OP decreased due to lower profits from impact of COVID-19 in Japan and Australia, etc.



Notes

Kirin Brewery

- Normalized OP decreased due to decrease in sales volume of off-premise channels and increased selling expenses mainly for in-store activities.

Kirin Beverage

- Normalized OP increased due to product and container mix improvement and a reduction in selling expenses despite raw material cost hikes.

Lion

- Normalized OP decreased due to a decline in sales volume affected by the Omicron variant and flooding in AU despite strong US Craft performance.

Kyowa Kirin

- Normalized OP increased due to increased overseas revenue despite increased SG&A.

Coke Northeast

- Normalized OP significantly increased due to an increase in sales volume amid price revision.

Kyowa Hakko Bio

- Normalized OP decreased due to the transfer of the BtoC business to Kirin Holdings.

Others

- Includes -0.7 bn yen impact of the Myanmar Brewery business.

Corporate Expenses and Segment Eliminations

- Increase in IT costs.

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

* 'Myanmar Brewery' is included in 'Others' from 2022.

Impact and Countermeasures due to Changes in the Operating Environment

The on-premise channels in Japan and Australia were hit hard by the greater-than-expected impact of COVID-19. Despite the soaring raw material costs, steady progress in profit improvement measures and additional measures will minimize the impact of the changing operating environment.

Omicron Impact

JPN

- Extension of quasi-state of emergency to prevent the spread of the disease in Tokyo and other areas

Period of quasi-state of emergency: Jan 9 - Mar 21 (72 days)

On-premise
market

vs pre-COVID (2019)

approx. -30%

(Initial forecast for the fiscal year)

➔ **approx. -60%**
(1Q results estimate)

AU

- No lockdowns, but impact from voluntary restraint on outings, etc.

On-premise
market

vs pre-COVID (2019)

approx. -10%

(Initial forecast for the fiscal year)

➔ **approx. -20%**
(1Q results estimate)

Raw Material Cost Hike etc.

- **Additional 18.0-21.0 bn yen cost increase** (yearly) from the initial plan due to soaring costs of aluminum, alcohol, fuel, etc.

Profit Improvement Measures

Initiatives to improve earnings by approx. 11.0 bn yen are **progressing well**.

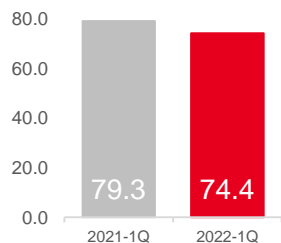
Preparing **additional 14.0-17.0 bn yen** for further measures.

In addition, decided to **revise the price of domestic alcoholic products**.

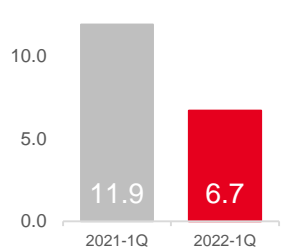
*To be announced when details around price and timings are confirmed.

1Q Results

Liquor tax-excluded
Revenue (bn yen)



Normalized OP (bn yen)



While the year started in a difficult operating environment, sales have been strong since March, and marketing & sales activities will begin in earnest in April as planned. Will concentrate resources on core brands and high value-added products and services.

Progress during Jan. – Mar.

➤ Enhancing main brands

KIRIN ICHIBAN
brand family total (Can) **-10%*** *KIRIN ICHIBAN*
(Can) **+4%***

- No launch of limited product (*KIRIN ICHIBAN Cho-Hojun*) this year
- Mar. MTD: *KIRIN ICHIBAN* brand family total (Can) +1%,
KIRIN ICHIBAN (Can) +15%

Initiatives from April

Boosting marketing & sales activities for the core brands including *Kirin Ichiban Zero Sugar*



➤ Expanding premium brands

SPRING VALLEY Hojun <496> **+23%***



Composition ratio of
High value-added RTD

approx. **5%**

SPRING VALLEY Hojun <496>

Maximizing renewal activities

Kirin Hakko Lemon Sour

➤ Enhancing *Home Tap* CRM

Consumer satisfaction **Maintained over 90%**



Continued CRM enhancement

Expanding the brand lineup

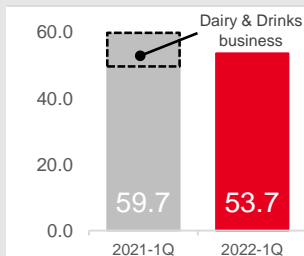


ヤッホーブルーイング
FAR YEAST
BREWING COMPANY

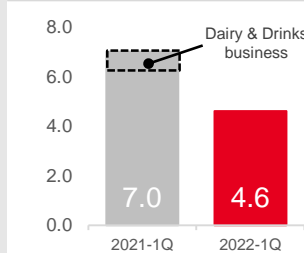
*Year on year growth (sales volume)

1Q Results

Revenue (bn yen)



Normalized OP (bn yen)



Tough start for Australia/NZ due to impacts of Omicron and flooding, while US Craft Beer performed well.

Progress during Jan. – Mar.

Initiatives from April

➤ Growing premium brands and improving channel mix (AU)

On-premise channels

-5%*

Off-premise channels

-8%*

- Omicron and flooding affected both channels
- Flooding near main plant affected production and shipments

Recovery in on-premise channels

Aim for approx. +20%* as initially planned

Craft / International categories

+9%*

- Fermentum integration progressing well

James Squire

Renewal

Fermentum

Generating synergies through integration



➤ Enhancing overseas craft beer strategy

Global craft, etc.

+60% over*

- Voodoo Ranger family continues to show prominent performance.
- Bell's integrated since January.

Promoting US Craft business PMI

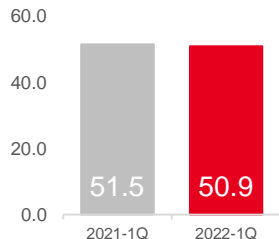
- Bell's PMI to target national sales network, have an attractive brand portfolio, optimize in manufacturing / SCM and back office etc.



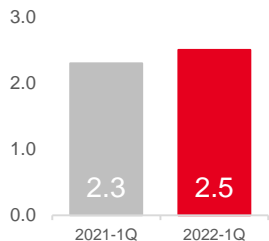
*Year on year growth (sales volume)

1Q Results

Revenue (bn yen)



Normalized OP (bn yen)



Restricted some *Nama-cha* promotional activities prior to renewal. *Gogo-no-Kocha* and *Lactococcus lactis strain Plasma* (LC-Plasma) has been performing well.

Progress during Jan. – Mar.

Initiatives from April

► Revitalizing core brands

Gogo-no-Kocha **+3%***

- Steady growth especially led by 13% increase in *Oishii-Muto* (sugar-free)

Strengthening promotional activities with renewal and extension products

- April 5: New launch of *Milk Tea Bito* (low in sugar)
- Late May: Renewal of *Oishii-Muto* (sugar-free)

Nama-cha **-8%***

- Restricted some promotional activities prior to renewal

Large scale renewal

- Late April: Revamp both the packaging design and taste at a scale not seen since 2016

► Repositioning into health science business

LC-Plasma drinks

+21%*



iMUSE Morning Immune Care
Launching nation wide at the end of March and seeing great initial sales

Mar. 29
Nationwide Launch



► Reforming product mix

Composition ratio of Small PET**

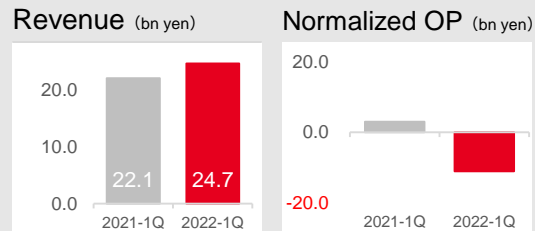
approx. +1.0ppt

*Year on year growth (sales volume)

** Total of 600ml or less PET



Health Science Domain



* Approximate figures

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

Progress during Jan. – Mar.

Expanding LC-Plasma business

LC-Plasma related sales (YoY) **+37%**

Kyowa Hakko Bio & Other Initiatives

Transfer of the BtoC business to Kirin Holdings

Focus on BtoB business

Human Milk Oligosaccharide (HMO) Production Facilities

Steady progress toward operation this summer

Initiatives from April

Increasing in sales revenue, consumption, and awareness

- In-store activities and TVCM for the launch of *iMUSE Morning Immune Care*
- Immunity awareness raising activities in elementary schools across Japan

FANCL Synergy

Launch of Kirin Gogo-no-Kocha Apple Tea Plus

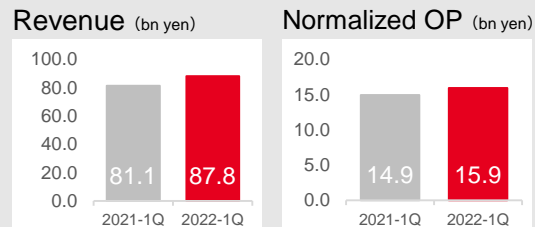
午後の紅茶 × FANCL

Great tasting intestinal care*

May 10 New Launch



Kyowa Kirin



Driving growth of three global strategic brands (YoY Growth rate for Japan and Overseas, Yen-basis)



+36%



+29%



+2%

* Improved intestinal environment by increasing bifidobacteria [galactooligosaccharides work].

Environment

GPIF Announced Excellent TCFD Disclosure

– Selected with high evaluations by 8 institutions –

Reasons

- › For having progressive initiatives and being the only Japanese company selected for interviews from 15 companies around the world by TCFD in 2020.
- › Disclosing the impact on enterprise value in an easy-to-understand manner, such as disclosing quantitative financial impact in a scenario analysis.
- › Sharing progress in the annual CSV DAY event etc.

Selected for FTSE Blossom Japan Sector Relative Index

- › GPIF adopted the index as a new comprehensive ESG index, based on its evaluation of companies' management stance toward climate change risks and opportunities.

Joined 30 by 30 Alliance for Biodiversity

- › Joined the alliance, considering it can contribute to OECMs* thorough its biodiversity conservation activity area (Mariko Vineyard) and the knowledge.



*OECMs: Other Effective area-based Conservation Measures

Social

Issuing the First Social Bond from the Food Sector in Japan

- › Plan to issue a social bond in June, where expenditures will be used as funds relating to LC-Plasma, HMO and *Citicoline* to provide solutions for the “Health and Well-Being” issue.

Conducting Clinical Trials of LC-Plasma in Vietnam

- › The cumulative number of days of cold-like symptoms (fever, diarrhea, etc.) and days absent from school were significantly reduced in the trial group that consumed beverages containing LC-Plasma (approx. 100.0 billion pieces).

Selected as a 2022 Nadeshiko Brand**

- › Selected as in previous years.
- › Governance, promotion system, and information disclosure were particularly highly commended.



Labeling of Net Alcohol Content on Products

- › Starting in May 2022 and to be completed by the end of 2023.
- › Will cover major alcohol products sold by Kirin Brewery in Japan.

** The Nadeshiko Brand recognizes companies that take initiatives that help women succeed and shine.

Appendix

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Normalized EPS Details

(bn yen)		1Q FY2022	1Q FY2021
Profit attributable to Owners of the Company	①	17.4	17.0
Other operating income/expenses after taxes and other adjustments	②	2.7	5.5
Normalized profit	③ = ① + ②	20.0	22.4
Average number of shares during the period ('000)	④	833,585	833,613
Normalized EPS (yen)	③ / ④	24	27

Revenue by segments

(bn yen)		1Q FY2022 Actual	1Q FY2021 Actual	YoY	%
Revenue		416.7	409.3	7.4	1.8%
Japan Beer and Spirits		132.8	140.7	-7.9	-5.6%
	Kirin Brewery	127.2	136.2	-9.1	-6.7%
	Other and elimination	5.7	4.5	1.2	27.1%
Japan Non-alcoholic Beverages		50.5	51.0	-0.6	-1.1%
	Kirin Beverage	50.9	51.5	-0.6	-1.1%
	Elimination	-0.5	-0.5	-0.0	—
Oceania Adult Beverages		53.6	59.7	-6.0	-10.1%
	Lion	53.7	59.7	-6.0	-10.1%
	Elimination	-0.0	-0.0	-0.0	—
Pharmaceuticals		87.6	81.0	6.7	8.2%
	Kyowa Kirin	87.8	81.1	6.6	8.2%
	Elimination	-0.1	-0.2	0.0	—
Other		92.2	77.0	15.2	19.8%
	Mercian	13.2	13.6	-0.4	-2.9%
	Coke Northeast	41.6	31.7	9.9	31.1%
	Kyowa Hakko Bio	13.0	11.0	2.0	17.9%
	Other and elimination	24.5	20.7	3.8	18.3%

* 'Myanmar Brewery' is included in 'Other and elimination' in 'Other' from 2022.

Normalized OP by segments

(bn yen)

		1Q FY2022 Actual	1Q FY2021 Actual	YoY	%
Normalized OP		25.9	33.1	-7.2	-21.8%
Japan Beer and Spirits		7.4	12.4	-5.0	-40.1%
	Kirin Brewery	6.7	11.9	-5.2	-43.5%
	Others	0.7	0.5	0.2	41.2%
Japan Non-alcoholic Beverages		2.5	2.3	0.2	9.2%
	Kirin Beverage	2.5	2.3	0.2	9.2%
Oceania Adult Beverages		4.6	7.0	-2.4	-34.6%
	Lion	4.6	7.0	-2.4	-34.6%
Pharmaceuticals		15.9	14.9	1.0	6.8%
	Kyowa Kirin	15.9	14.9	1.0	6.8%
Other		7.9	7.0	0.9	12.8%
	Mercian	-0.3	0.4	-0.7	—
	Coke Northeast	4.3	2.3	2.0	87.9%
	Kyowa Hakko Bio	-0.6	-0.4	-0.3	—
	Others	4.5	4.6	-0.1	-2.7%
Corporate expenses/inter-segment		-12.4	-10.4	-2.0	—

* 'Myanmar Brewery' is included in 'Others' in 'Other' from 2022.

1Q FY2022 Results: Kirin Brewery



(1,000 HL)	1Q FY22 Actual	1Q FY21 Actual	YoY %
Beer products total	—	—	-6.6%
Beer	—	—	-6.1%
Happo-shu	—	—	-4.9%
New genre	—	—	-7.7%
RTD	970	1,040	-6.5%
Non-alcohol beverages	70	100	-22.4%

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.

(bn yen)	1Q FY22 Actual	1Q FY21 Actual	YoY	%
Revenue	127.2	136.2	-9.1	-6.7%
Revenue excl. liquor tax	74.4	79.3	-4.9	-6.2%
Normalized OP	6.7	11.9	-5.2	-43.5%

1Q FY21 Normalized OP (bn yen)
YoY change (bn yen)
Decrease in marginal profit of alcohol beverages, etc.
Decrease in raw material cost
Increase in selling expenses
Increase in other expenses
Subtotal
1Q FY22 Normalized OP

11.9	Description
	Total beer products -1.7 (decrease in beer -60,000HL, decrease in happo-shu -40,000HL, decrease in new genre -120,000HL)
-3.9	Total other than beer products -0.8 (decrease in RTD -70,000HL, decrease in non-alcohol beverages -20,000HL, etc.)
	Difference of change in composite of products, etc. -1.4
0.1	
-0.8	Increase in sales promotion -0.9, decrease in advertising 0.1 (Total 13.4 ⇒ 14.2)
-0.6	
-5.2	
6.7	



Japan alcoholic beverages market

- › Sales volume remained almost unchanged in both off-premise and on-premise channels.
- › Beer products significantly increased.

Sales Volume

- › On-premise channels, along with the market in general were affected by the issuance of quasi-state of emergency to prevent the spread of COVID-19, and remained at about the same level as the previous year.
- › Sales volume in off-premise channels were negative YoY due to deteriorating operating environment, while the flagship brand *KIRIN ICHIBAN* (Can) continued to perform well from the previous year by +4%.

Details on Financial Performance

- › Marginal profit decreased by 3.9 bn yen due to lower sales volume in off-premise channels and higher costs associated with the deteriorating operating environment.
- › Selling expenses increased by 0.8 bn yen, mainly due to increased investments in core brands in an increasingly competitive environment.
- › Other expenses increased by 0.6 bn yen due to higher fuel costs.

1Q FY2022 Results: Kirin Beverage



Sales Volume (10,000 cases)		1Q FY22 Actual	1Q FY21 Actual	YoY %	
Category *	Black tea	1,172	1,131	3.6%	
	Japanese tea	571	632	-9.7%	
	Coffee	559	544	2.6%	
	Fruit and veg. juice	464	485	-4.4%	
	Carbonated beverages	234	260	-10.1%	
	Water	780	793	-1.6%	
	Others	495	491	0.8%	
By Container	Can	529	555	-4.6%	
	Large PET bottle	1,352	1,427	-5.3%	
	Small PET bottle	1,998	1,983	0.8%	
	Others	394	372	5.8%	
By Domain	Food & Beverage	3,818	3,912	-2.4%	
	Health science	455	425	7.1%	
	(LC-Plasma)	158	130	21.4%	
Total		4,273	4,337	-1.5%	
(bn yen)		1Q FY22 Actual	1Q FY21 Actual	YoY	%
Revenue		50.9	51.5	-0.6	-1.1%
Normalized OP		2.5	2.3	0.2	9.2%

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

1Q FY21 Normalized OP (bn yen)		2.3	Description
YoY change (bn yen)	Increase in marginal profit	0.6	Decrease in sales volume -0.63 million cases, -0.3 Difference of change in products mix and in composition ratio of containers, etc. 0.9
	Increase in raw material costs, etc.	-1.4	Increase in raw material cost -0.8, increase in material cost -0.0, increase in processing cost -0.6
	Decrease in selling expenses	1.2	Decrease in sales promotion 0.6, decrease in advertising 0.6 (Total 5.4 ⇒ 4.2)
	Increase in other expenses	-0.2	
	Subtotal	0.2	
1Q FY22 Normalized OP		2.5	



Note

Soft Drink Market

- Soft drink market increased by 2%.

Sales Volume and Revenue

- Among the core brands, sales volume of *Nama-cha* declined due to restricting some promotional activities prior to its renewal in April, while *Gogo-no-Kocha* increased due to the strong sales of *Oishii Muto* (sugar-free).
- Sales volume of LC-Plasma related products increased by 21% due to the rise in consumer health awareness.
- Sale revenue decreased due to decline in sales volume despite the increased sales unit price.

Normalized OP

- Marginal profit increased due to an improved product and container mix variance resulting from changes in container mix despite decline in sales volume.
- Normalized OP increased due to decline in sales promotion expenses and advertising expenses etc., despite raw material cost hike.

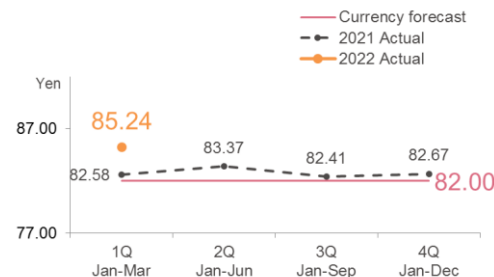
Yen base (bn yen)

	1Q FY22 Actual	1Q FY21 Actual	YoY	%
Revenue	53.7	59.7	-6.0	-10.1%
Normalized OP	4.6	7.0	-2.4	-34.6%

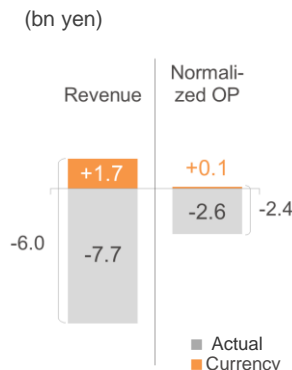
AUS dollar base (million AUS\$)

	1Q FY22 Actual	1Q FY21 Actual	YoY	%
Revenue	629	723	-93	-12.9%
Normalized OP	54	85	-31	-36.7%

Exchange Rate - Australian Dollar



Forex Impact



Change in sales volume*

4.4%



	1Q FY21 Actual	85
Normalized OP YoY (million AUS\$)	AU&NZ Sales Volume	-19
	Other	-7
	Global craft, etc.**	9
	Others***	-14
	1Q FY22 Actual	54

* Includes Global Craft etc. volume.

YoY change in sales volume excluding Global Craft etc, was -5.9%.

** Includes Normalized OP impact derived from sales

volume changes and the impact of other factors.

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

Revenue

- Total revenue declined from the sale of LDD (-\$117m AUD), therefore underlying growth is \$24m AUD from FY21 driven by the acquisitions of US Bell's and AU Fermentum, and strength of US Craft.
- Australia & NZ's core business revenue was severely affected by the spread of Omicron and the floods which also negatively impacted the production and shipment line while there was incremental gain from the Fermentum acquisition. Further downside from NZ caused by disposal of retailer business.
- Global craft and other sales revenue increased, driven by the acquisition of US Bell's and continued outperformance of New Belgium Brewing's Voodoo Ranger family.

Normalized OP

- Total Normalized OP decreased by 36.7% YoY.
- Decrease was caused by the sale of LDD which was completed in January 25th, 2021 (-\$11m AUD) and lower sales volume in Australia & NZ business, partially offset by revenue growth from the acquisition of US Bell's and AU Fermentum, and cost reduction etc.
- Pallet supply is improving but new challenges from NSW/QLD floods are putting pressure on supply chain. A plan is in place to ensure stable supply.
- Ongoing focus on profit improvement measures to partially offset negative operating environment.

(bn yen)	1Q FY22 Actual	1Q FY21 Actual	YoY	%
Revenue	87.6	81.0	6.7	8.2%
Kyowa Kirin	87.8	81.1	6.6	8.2%
Elimination	-0.1	-0.2	0.0	—
Normalized OP	15.9	14.9	1.0	6.8%
Kyowa Kirin	15.9	14.9	1.0	6.8%

Revenue by regional control function of the three global strategic brands

(bn yen)	Crysvita		Poteligeo		Nourianz	
	1Q FY22	1Q FY21	1Q FY22	1Q FY21	1Q FY22	1Q FY21
Japan	2.0	1.5	0.5	0.5	1.8	1.9
NA	15.8	11.7	3.3	2.6	1.1	1.0
EMEA	6.3	4.5	0.9	0.6	—	—
APAC	0.0	—	—	—	—	—
Total	24.2	17.8	4.7	3.7	2.9	2.9



Note

Revenue

- › Total revenue in Japan declined; while there were factors to increase sales of new product groups such as *Duvroq*, which is steadily penetrating in the market, sales revenue of *Patanol*, for which a generic version was launched in December 2021, decreased, and the NHI price revision had a negative impact on sales.
- › Overseas sales increased due to growth in global strategic brands, *Crysvita*, *Poteligeo* and *Nourianz* in North America and EMEA as well as an increase in Gran in Asia and Oceania regions.
- › Other sales revenue increased due to increase in technology licensing revenue mainly from KHK4083, for which an agreement was signed last year with Amgen for co-development and co-marketing.

Normalized OP

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

1Q FY2022 Results: Coke Northeast

Yen base (bn yen)

	1Q FY22 Actual	1Q FY21 Actual	YoY	%
Revenue	41.6	31.7	9.9	31.1%
Normalized OP	4.3	2.3	2.0	87.9%

U.S. dollar base (million \$)

	1Q FY22 Actual	1Q FY21 Actual	YoY	%
Revenue	353	296	57	19.2%
Normalized OP	37	21	15	70.9%

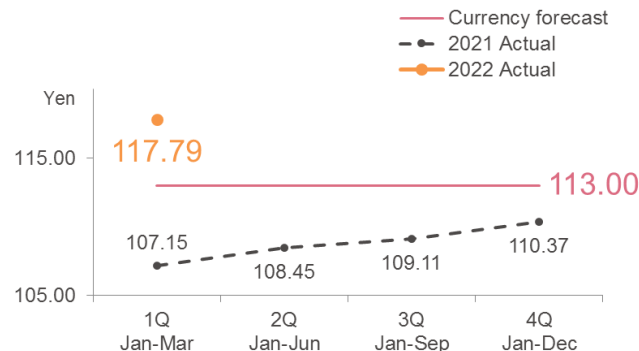


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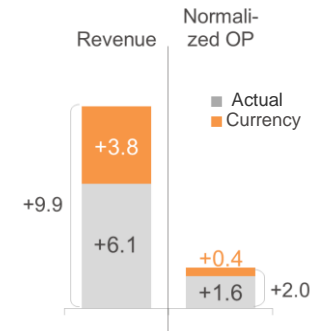
1Q FY22 Results

- Sales volume increased by 8.7% in on-premise and off-premise channels with recovery from COVID-19 and rebound from the insufficient supply of aluminum can that occurred in the previous year.
- Although external changes in the operating environment have led to higher procurement and labor costs, the implementation of price revisions and an improvement in the product mix have resulted in a significant increase in both Revenue and Normalized OP.

Exchange Rate - US Dollar

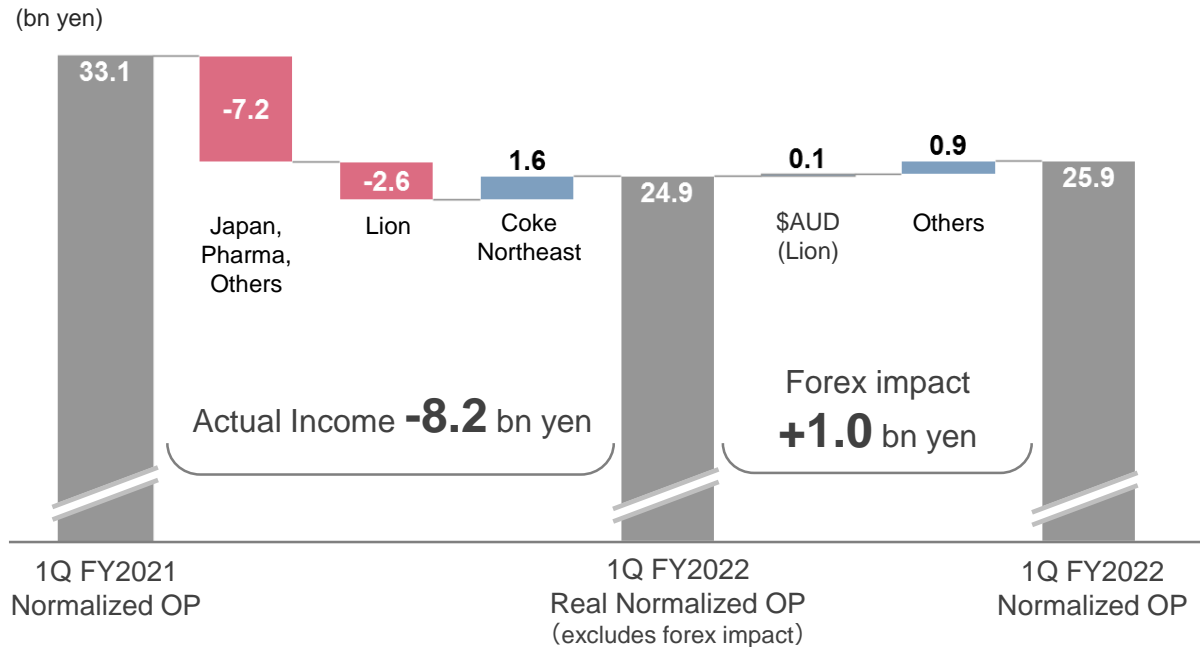


Forex Impact (bn yen)



Forex Impact on Consolidated Results

- Consolidated forex impact of +1.0 bn yen due to the depreciation of the yen.



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