

About Kirin Group



The Kirin Group, starting with the fermentation and biotechnology we have elaborated over a century in our founding business—the beer business—has a unique global business portfolio that spans across three domains: Food & Beverages, Pharmaceuticals, and Health Science.

In 2013, we were the first Japanese company to place its strategic pivot on CSV Management*, with a goal to realize sustainable growth, together with society. Then, in 2019 we formulated our new Long-Term Management Vision, Kirin Group Vision 2027 (KV2027). Under our three growth scenarios of “Strengthening the earnings capability of Food & Beverages businesses,” “Leaping of Pharmaceuticals business,” and “Establishing and fostering the Health Science business,” we will strive to become a global leader in CSV by 2027.

*A management strategy unique to the Kirin Group in which we aim to create economic value through the resolution of social issues and continue sustainably growing, together with society. It is an initiative to meet social needs and solve social issues to create economic value and make that value our driver for further growth.

01 The Origin and Progress of CSV Management

Reverence for Life: A Brewing Philosophy that fostered fermentation and biotechnology

Fermentation and biotechnology support the Kirin Group’s unique business portfolio. The birth of this unique technology is heavily tied to our Brewing Philosophy “Reverence for Life,” which has been passed down from generation to generation in the beer business, our founding business.

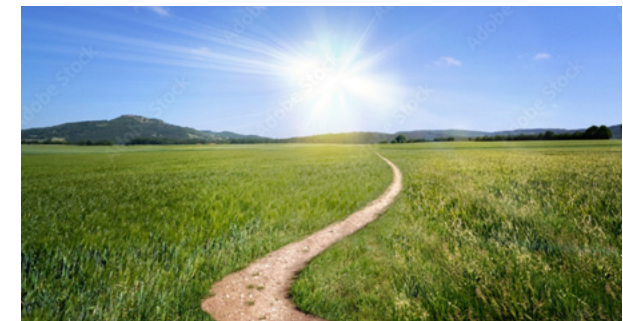
“Reverence for Life (Ehrfurcht vor dem Leben),” was advocated by Dr. Albert Schweitzer, who was awarded the Nobel Peace Prize in 1952. Dr. Schweitzer

said, “I am life that wills to live, in the midst of life that wills to live” and “He accepts as good: preserving life, promoting life, developing all life that is capable of development to its highest possible value.”

Dr. Schweitzer’s words suggest that we humans are a part of life in the natural world, and that all plants, animals, and microorganisms coexist in an interconnected world. Additionally, they suggest that improving all lives and developing them into the best they can be is of the highest value. This concept, Reverence for Life, deeply resonates with the Kirin Group, whose business is relying on the blessings of the nature, such as agricultural products (barley, hops),



The Brewing Standard, established in 1977. The beginning of this document describes “Reverence for Life.”

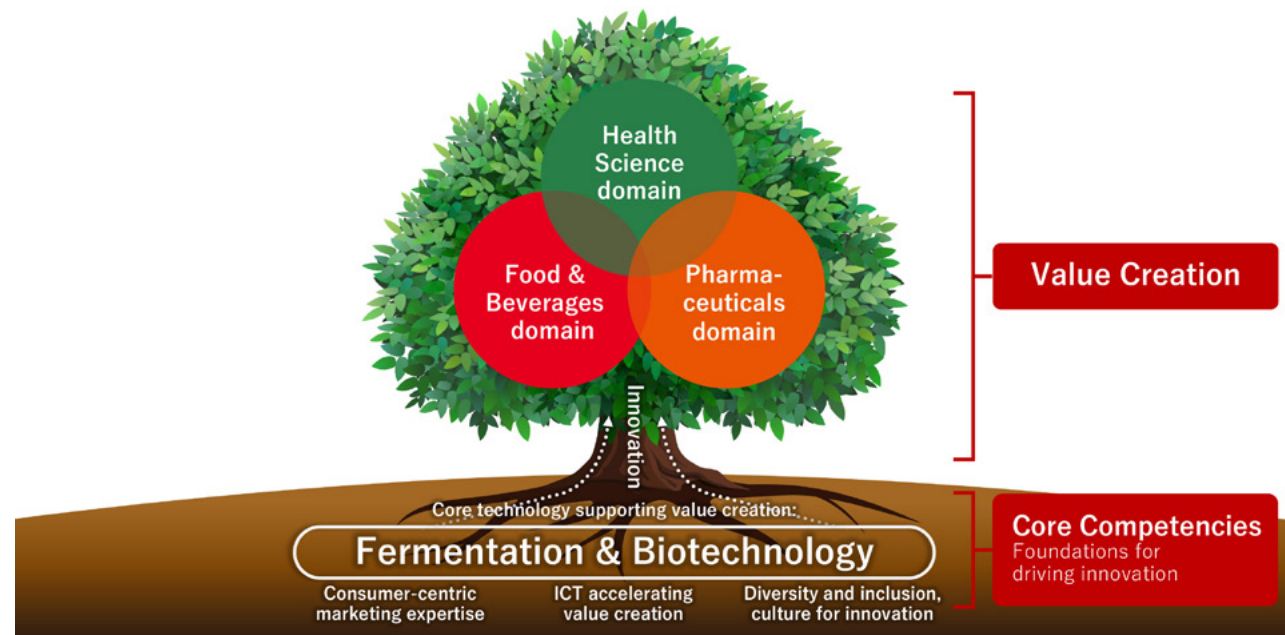


water, and yeast.

This philosophy of respecting life, learning from its mysteries, and maximizing its value has driven the Kirin Group's life science research and fostered our current organizational culture, which puts value on technological and research and development (R&D) capabilities. It was in this rich environment that we spent many years fostering the root of our technological competences: fermentation and biotechnology.

The entry into the life science business (currently the pharmaceuticals business) under our "Long-Term Management Vision," formulated in 1981, was a management strategy to leverage the fermentation and propagation technologies accumulated in the beer business, the origin of our business, to develop pharmaceuticals through biotechnology, with the aim of contributing to solving the social issue of the aging population. Back then, the term "CSV" had not been coined yet, but the current concept of CSV is the idea of realizing corporate growth through the solving of social issues through innovation. Through our partnership with Amgen Inc., we introduced new medicines in the 1990s, and we became the world's only brewer to organically expand into the biopharmaceutical business. Kyowa Kirin Co., Ltd. (Kyowa Hakko Kirin at the time) was established in 2008 through a partnership with Kyowa Hakko Kogyo, and a goal was set to become a Japan-based global specialty pharmaceutical that leverages its cutting-edge biotechnology. They continue, to this day, to contribute to the health of people.

In addition to the Food & Beverages and Pharmaceuticals businesses, we started the Health Science business as a domain between these two to address people's health issues in the second half of the 2010s. We believe the social issue of health will only



continue to grow with the aging population, increase in chronic diseases, and heightened risk of infection. The Kirin Group will leverage the scientific knowledge and experiences we cultivated through pharmaceutical development and the points of customer contact developed through the Foods & Beverages business to create value unique to our Group.

Fermentation and biotechnology, the unique strengths of the Kirin Group, are the foundation of our three businessdomains. We believe, that by engaging in all three of these domains, we can create our own unique value.

On the other hand, the mutualism referred to in "Reverence for Life," is the philosophy of CSV

Management and environmental management, which aim to achieve both corporate growth and prosperity of society as a whole.



02 Corporate Policy

Corporate Philosophy

KIRIN brings joy to society by crafting food and healthcare products inspired by the blessing of nature and the insights of our customers.

We pride ourselves on offering products based on what people want. We pride ourselves on our ability to harness the blessings of nature through innovative technology. We pride ourselves on delivering tangible satisfaction and quality in everything we make. All of which ensures that we exceed customers' expectations. And naturally, we do not stop there. As we look forward with vision and dreams, we aim to continue offering food and healthcare products that bring new joy to people's lives everywhere. Always a step ahead, the Kirin Group supports health, pleasure and comfort in your life.

“One KIRIN” Values

Passion. Integrity. Diversity.

As members of the Kirin Group, our three values are Passion, Diversity, and Integrity.

Passion

Our determination to continuously provide our customers and society with new value propositions based on innovative ideas, and our enthusiasm to meet goals with pride in the companies we work for and the brands we offer.

Integrity

Our gratitude to our stakeholders for always helping us move forward, and our promise to remain honest and humble in every business activity to serve them better.

Diversity

Our respect for different perspectives and values that enable constructive discussions, and our belief that the “differences” have the power to change the world and create better solutions.

Corporate Data

Established on	Share capital	Revenue
Feb 23rd, 1907	¥102.0 billion	¥1,989.5 billion
Normalized Operating Profit	Group Companies	Number of Employees
¥191.2 billion	178 companies	30,538

(FY2022 Results)

03 Key Issues

Management Issues for Sustainable Growth—Group Materiality Matrix (GMM)

Kirin Holdings has organized its Management Issues for Sustainable Growth (Kirin Holdings Materiality Matrix (GMM)), which outlines the challenges it should address to operate and develop sustainably in partnership with society. The Group evaluates the GMM from the two perspectives of impact on its business and impact on stakeholders. As the Group considers that the GMM will

change over time, it re-evaluates and revises the GMM every time it formulates a three-year Medium-Term Business Plan.

In line with the formulation of the 2022–2024 Medium-Term Business Plan, Kirin Holdings made the GMM better meet social demands by refining the aspects of the GMM and re-evaluating the importance of it in light of changes to the business environment, including the COVID-19 pandemic, and stakeholder expectations.

Identifying management issues

Identify issues based on reporting guidelines (ISO26000, GRI, SASB), ESG assessments (FTSE, MSCI, Sustainalytics) and targets of SDGs, etc



Implementation of internal reviews

Discussing the impact of social issues on business activities and the impact of business activities on society at the Group Executive Committee, based on objective information on social issues, including reports from NGOs and NPOs and media information



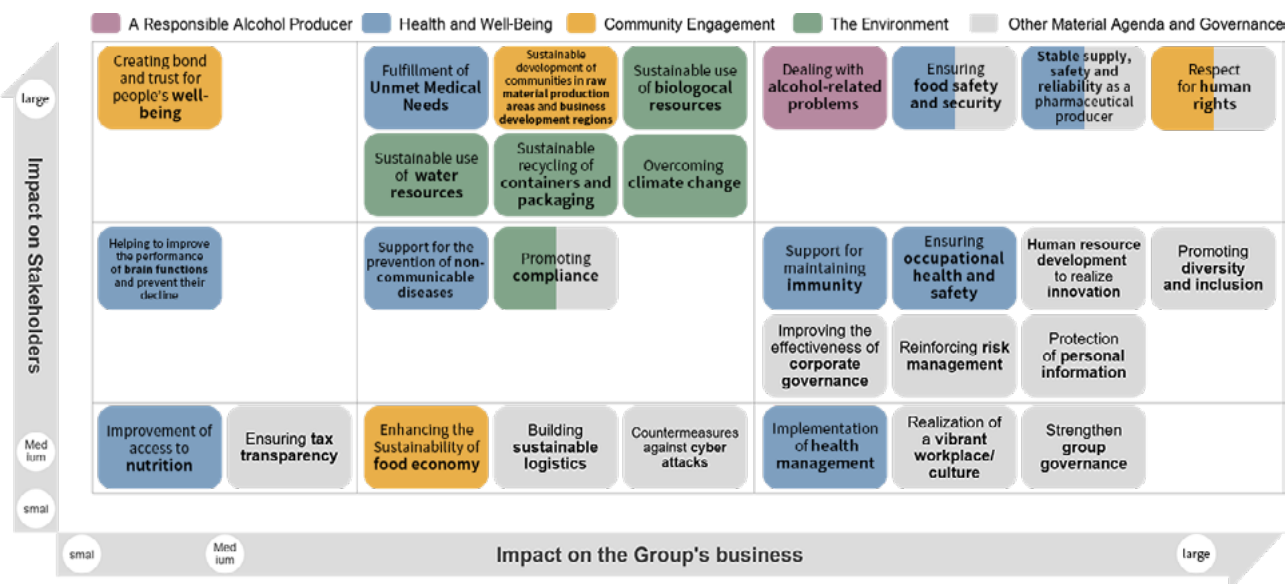
Implementation of stakeholder engagement

Engagement with investors, NGOs, NPOs, and employees (labor unions) based on the results of internal reviews to reflect their opinions



Selecting the Materiality

The results reflecting the opinions of stakeholders were approved by the Board meeting after the Group CSV Committee



04 The Long-term Management Vision, Medium-Term Business Plan, and 2023 Strategy

Long-Term Vision KV2027

Our vision for 2027

Create value across our world of Food & Beverages to Pharmaceuticals, and become a world-leading company in CSV.

CSV Management, which creates economic value through solving social issues, is effective in realizing sustainable growth in this era of unpredictability. We are taking on the challenge of expanding our business through the resolution of social issues under the three growth scenarios in KV2027: Strengthening the earnings capability of Food & Beverages businesses,” “Leaping of Pharmaceuticals business,” and “Establishing and fostering the Health Science business,”

CSV Purpose

Health and Well-Being

Community Engagement

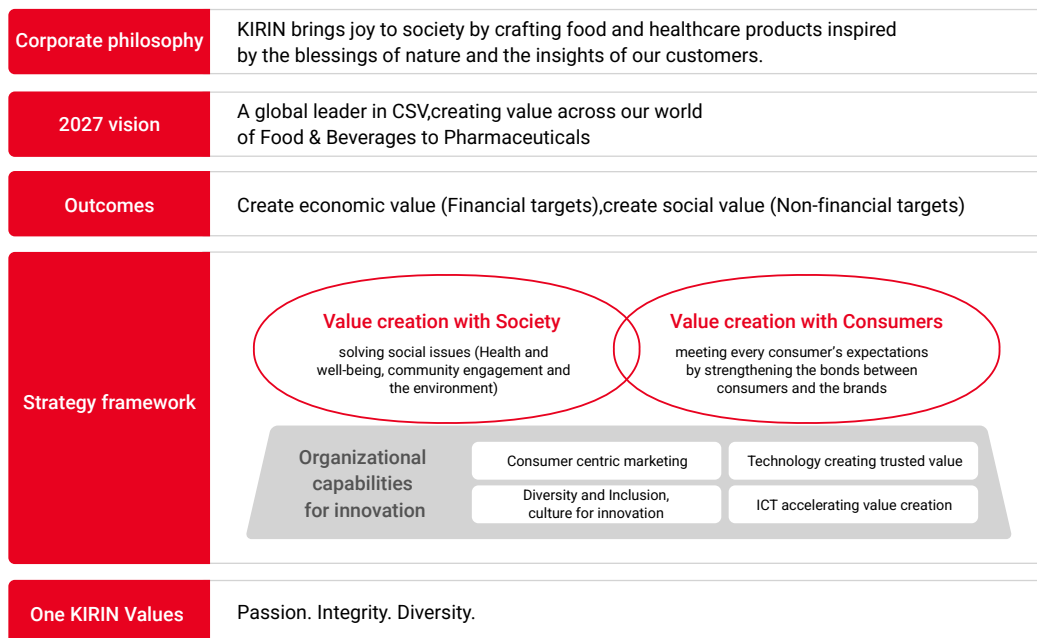
The Environment

A Responsible Alcohol Producer

Our “CSV Purpose” is guiding principles aimed at sustainable growth and creating value together with people and society.

The “CSV Purpose” is based on the GMM, which outlines the key issues that must be addressed in order to exist sustainability and develop together with society. The respective principles are a set of guidelines for the role and purpose expected to us in society for each of the four priority issues: “A Responsible Alcohol Producer,” Health and Well-Being,” Community Engagement,” and “The Environment.” Each business segment makes efforts toward our “CSV Commitment,” an action plan to realize these guidelines.

Long-term Vision Statement: Kirin Group Vision 2027(KV2027)



A Responsible Alcohol Producer

Make steady progress toward eradicating the harmful use of alcohol in all countries of operation (Zero Harmful Drinking).

Health and Well-Being

Raise the number of healthy people, lower the number of sick people, and contribute to the people who are involved in healthcare.

We develop safe, secure products in our food and beverages businesses that both taste great and support self-care. We also provide new products and services and new drug creation that leverage the strengths of our pharmaceutical and bio-chemical businesses. Through these actions, we help our customers develop physical and mental health and improve their quality of life.

Community Engagement

Create positive forces for people’s well-being and society by developing communities.

Connecting with other people makes people positive.

That force makes people’s minds and bodies healthy and creates vitality in society.

The Kirin Group, through its products and services, co-creates a society that connects customers and all people engaged in the value chain with joy, thereby contributing to developing future.

The Environment

Enrich a sustainable Earth for future generations through positive impact.

As a company that benefits from the many blessing of nature, including water and agricultural products, we recognize that the sustainability of the global environment is essential to ensuring the continuity of

our business. By reducing the environmental burden in our value chain through such means as creating eco-friendly containers and packaging and addressing the issue of global warming, we are able to strengthen our business foundation.

Under the Kirin Group Environmental Vision 2050, revised in 2020, we aim to enrich the sustainable Earth for future generations through positive impact.

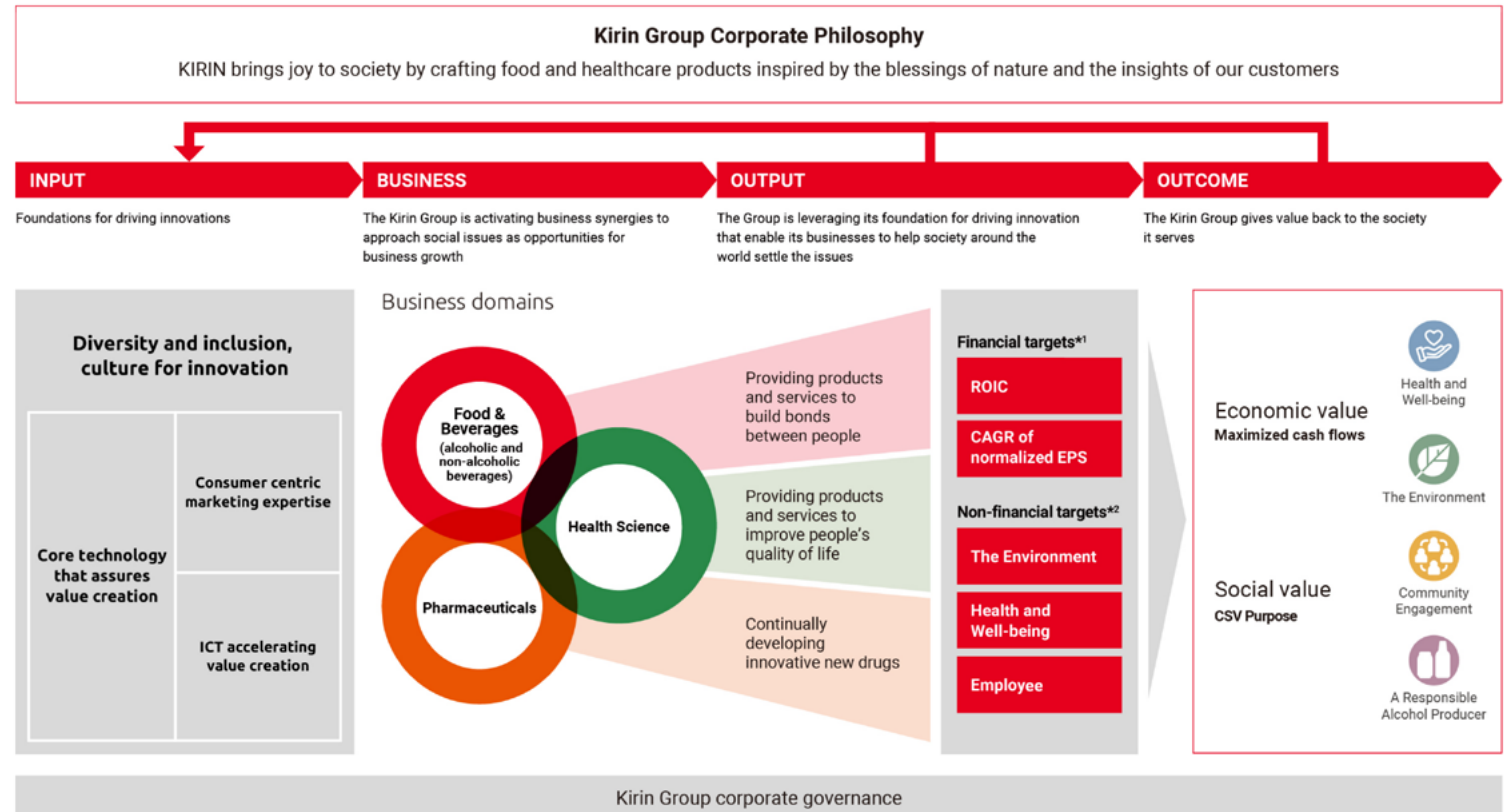


Value Creation Model

We create social value and economic value by solving social issues through our business activities in the Group.

The Value Creation Model is our business model that amplifies the two values through a sustainable cycle of reinvesting the economic value in our drivers.

Kirin Group is aiming to partner with society in achieving mutual growth by placing CSV at the core of its management.



2022 MTBP

In the 2019–2021 Medium-Term Business Plan (2019 MTBP), we established the foundation for change, such as by organizing our business portfolio and improving the quality of governance. The 2022–2024 Medium-Term Business Plan (2022 MTBP), which will solidify the story of our journey to realizing KV2027, is the next step toward new growth following the 2019 MTBP. Specifically, our strategy is centered around three important commitments: (1) increase profit in the Food & Beverages domain, (2) Strengthen global base in the

Pharmaceuticals domain, and (3) Scale up business in the Health Science domain. We aim to grow the three businesses to improve corporate value by concentrating management resources through strengthening portfolio management and clarifying investment priorities.

Meanwhile, we will build a solid organizational foundation by strengthening our organizational capabilities to achieve innovation, thoroughly utilizing Kirin Holdings’DNA of focusing on quality, building an SCM (Supply Chain Management) system that balances efficiency and sustainability, and strengthening governance to support value creation.

Basic Policy

- Implementing business structure reforms with an eye to post-COVID-19
- Creating new value

Important Commitments

1. Increase profit in the Food & Beverages domain that leads cash generation
2. Strengthen global base in the Pharmaceuticals domain that establishes our position as a Global Specialty Pharmaceutical Company
3. Scale up business in the Health Science domain that will become a large pillar of the future

Kirin Group 2022-2024 Medium-Term Business Plan
~Three-year plan for the second stage of KV2027~



Financial targets*1

Normalized*2 EPS CAGR (vs FY2021)
11%+

ROIC*3 Fiscal year 2024
10%+

Non-financial targets

Item	Theme	
Environment	Climate change	GHG
	Containers and Packaging	PET bottles
	Water resources	Water
Health	Progress of mid-term health science strategy	Supporting the maintenance of immune function New value creation in the immunity, brain function, and intestinal environment domains. And collaboration with pharmaceuticals domain
	Organizational culture	Employee engagement
Employees	Diversity	Increasing diversity
	Occupational health and safety	Lost time injury frequency

*1 Financial indicators are evaluated by excluding the impact of exchange rate fluctuations when overseas subsidiaries are consolidated, etc.

*2 By removing other operating income or expenses, etc and other non-recurring items, it is adjusted to reflect actual earnings more accurately

*3 ROIC=Earnings before interest and after tax / (Average interest bearing debt between the beginning and the end of the FY+ average total equity between the beginning and the end of the FY)

2022–2024 CSV Commitments

The CSV Commitment is a medium- to long-term action plan for each business to realize the CSV Purpose, which is the translation of the Group's management philosophy into a social purpose based on the GMM.

For internal management purposes, annual targets are set, and the status of their implementation is monitored on a quarterly basis and reported to the Board of Directors of Kirin Holdings.

A Responsible Alcohol Producer

Group Materiality Matrix		Particularly contribute to SDG targets	CSV Commitment					
Medium items	Theme		approach	Our Achievements	Company/ Department	Target Value	Target Year	Latest Achievements (2022)
Dealing with alcohol-related problems	Raising awareness of responsible drinking	3.5	By providing customers with information on responsible drinking and raising awareness, we aim to eradicate the harmful use of alcohol. In addition we will fulfill our social responsibility as an alcohol producer, and maintain the alcoholic beverage business environment.	Participation of responsible drinking programs and number of visitors to the awareness raising content on the website	Kirin Brewery	750,000 participants / viewers	Cumulative total 2022-2024	1,060,000 participants / viewers
					Mercian	7,200 participants / viewers	Cumulative total 2022-2024	4,530 participants / viewers
					Lion	100,000 participants / viewers	Cumulative total 2022-2024	42,223 participants / viewers
					Kirin Holdings CSV Strategy Dept.	135,000 participants / viewers	Cumulative total 2022-2024	81,554 participants / viewers
	Expansion of sales of non and low alcohol products	3.5	Strengthening non and low alcohol products will expand the range of options available to meet customers' objectives and enable customers to control their alcohol consumption. This will also lead to business growth of non and low alcohol products	Sales volume growth ratio of non-alcohol beverages	Kirin Brewery	117% (compared to 2021)	2024	93%(compared to 2021)
					Mercian	115% (compared to 2021)	2024	79%(compared to 2021)
					Lion	NZ: 4% Australia: 7%	2024	NZ: 2.7% Australia: 4%
	Labelling of alcohol content	3.5	Labelling with the amount of alcohol will help customers understand and control their alcohol intake. In addition, we will fulfill our social responsibility as an alcohol producer, and maintain the alcoholic beverage business environment.	Percentage of products with alcohol content labelling	Kirin Brewery	To be started in 2022	2022	started
					Lion	100%	2024	100%

Health and Well-being

Group Materiality Matrix	Particularly contribute to SDG targets	CSV Commitment					
		approach	Our Achievements	Company/Department	Target Value	Target Year	Latest Achievements(2022)
Ensuring food safety and security	2.4	We promote hygiene management and food safety management systems globally using international certification (GFSI recognized scheme and ISO 22000 scheme) to ensure the safety and security of our customers.	Acquisition rate of international food safety certification (GFSI certification and ISO 22000)	Kirin Holdings Quality Assurance Dept.	96%	2024	87%
Provide pharmaceuticals for Unmet Medical Needs	3.8	By providing Crysvida as a life changing value to as many patients as possible and contributing to their health and well-being, we will lead to the expansion of our business.	Number of countries/regions where Crysvida has launched	Kyowa Kirin	50 or more countries/regions	2025	40countries/regions
Support for maintaining the immune system Support for the prevention of non-communicable diseases	3.3	We will contribute to global health by implementing Japan-originated immunological research in society. We will use Lactococcus lactis stain Plasma to support the maintenance of customers' immune function, promote the development of proper immune care habits, and develop new markets in Japan and overseas through product development that leverages the Group's assets.	Recognition rate of the function of Lactococcus lactis strain Plasma	Kirin Holdings Health Science business Dept.	50% 45%	2027 2024	32%
			Number of people who continue to consume Lactococcus lactis strain Plasma in Japan and overseas.		1.9 million people	2024	0.64 million people
	3.3 3.4	By developing, and expanding products in the health domain, we will contribute to the maintenance of customers' health through their daily eating habits, leading to business growth.	Sales composition ratio of products that contribute to health(sugar-free / low-sugar products, health science domain products)	Kirin Beverage	49%	2024	45%
			Sales of sugar-free / low-sugar products		110% (compared to 2021)	2024	101% (compared to 2021)
Sales of health science domain products	145% (compared to 2021)	2024	107% (compared to 2021)				
3.3 3.4	Through products using Lactococcus lactis stain Plasma that supports the maintenance of immune functions and sugar-free, non and low fat products that support the prevention of lifestyle-related diseases, we will contribute to the maintenance of customers' health and lead to the growth of our business.	Sales of products that contribute to health	Koiwai Dairy Products	120% (compared to 2021)	2024	106% (compared to 2021)	
Support for maintaining the immune system Helping to improve the performance of brain function and prevent decline Improvement of access to nutrition	2.2 3.3 3.4 9.5	By supplying high-quality Human Milk Oligosaccharide (HMO) to a wide range of markets, from infant formula to health foods, we will contribute to the improvement of customers' health in a wide range of regions and age groups, leading to the growth of our business.	Number of users of HMO-containing products (infant formula, health foods, etc.) in Japan and overseas	Kyowa Hakko Bio	2 million people	2027	Completion of HMOs production facility
Implementation of health management	3.4	As a corporate group that delivers "health" to customers, we aim to create an environment where employees and their families can spend the rest of their lives in good health and mental well-being, and where employees can demonstrate their individual abilities.	Survey score of presenteeism*2 in targeted companies*1	Kirin Holdings People & Culture Dept.	Improvement from 2022	2024	62.55
			Percentage of people who maintain appropriate weight in targeted companies*1		Improvement from 2020 (63.8%)	2024	63.9% (2021)
			Percentage of employees of domestic business companies with responsible alcohol consumption (Percentage of people whose score is less than 8 on AUDIT)		73% or more	2024	72.5%
Helping to improve the performance of brain function and prevent decline	2.2 3.4 9.5	By supplying Citicoline, a brain-health nutrient, we will be able to support our customers' healthy lifestyles and expand our market by prescribing it to patients and meeting the needs of the health food market for brain function.	Number of users of Citicoline-containing products (pharmaceuticals, health foods, etc.) in Japan and overseas	Kyowa Hakko Bio	4 million people	2027	1.53 million people

*1 Target Company: Kirin Holdings, Kirin Brewery, Kirin Beverage, Mercian, Kyowa Hakko Bio, Kyowa Kirin

*2 presenteeism: A condition in which a person is working while having health problems.

Community Engagement

Group Materiality Matrix	Particularly contribute to SDG targets	CSV Commitment					
		approach	Our Achievements	Company/ Department	Target Value	Target Year	Latest Achievements (2022)
Respect for human rights	8.7 8.8 12.7	We will comply with the Australian Modern Slavery Act to address human rights and modern slavery in the supply chain.	Compliance rate with the Australian Modern Slavery Act	Lion	100%	2024	100%
	8.7 8.8 12.6	We will work to reduce the risk of human rights issues and prevent crisis in the supply chain of major raw materials, leading to the sustainable procurement of raw materials.	Number of initiated human rights due diligence on supply chains for agricultural products with high human rights risk	Kirin Holdings Procurement Dept.	3 cases	Cumulative total 2022-2024	1 case
Sustainable development of communities in raw material production areas and business development regions	2.3 17.17	By resolving issues surrounding the cultivation of Japanese hops, we will contribute to the revitalization of communities and economies, leading to the sustainability of raw material production and the growth of our business.	Japanese hop production volume	Kirin Brewery	100t	2027	105t
	2.3 4.5 17.16	By expanding our support for acquiring Rainforest Alliance certification for “KIRIN Gogo-no-Kocha”, we will contribute to the sustainable development and stable procurement of tea leaves in Sri Lanka.	Number of farms supported to obtain RA Certification for sustainable development of Sri Lankan tea plantations	Kirin Beverage	Farms: 15 Small farms: 5,350	Cumulative total 2022-2024	Farms : 4 Small farms : 9
	2.3 15.4 17.17	Through the cultivation of high-quality grapes and the expansion of vineyards, we will contribute to environmental conservation and the revitalization of local agriculture and economies, leading to the sustainability of raw material production and stable procurement.	Grape yield from company-managed vineyards	Mercian	160t	2024	167t
	12.6 17.17	With our business partners, we will increase the transparency of our raw material and other goods/services procurement and improve the sustainability of our supply chain.	SEDEX (or equivalent) compliance rate of key suppliers	Lion	95%	2024	68%
Creating bonds and trust for people’s well-being	11.a	Through “KIRIN Gogo-no-Kocha HAPPINESS Project”, we will bring joy to society by connecting people who are moving forward with reconstruction with the support of the entire country, which will lead to the growth of “KIRIN Gogo-no-Kocha” brand.	Sales volume of “KIRIN Gogo-no-Kocha HAPPINESS Project”	Kirin Beverage	115% (compared to 2021)	2024	120% (compared to 2021)
	11.a	Through creating connections between people with wine, we will provide our customers with enjoyable times filled with smiles, thereby enhancing our brand value and strengthening our business foundation.	Consumption rate of wine in Japan	Mercian	32.3%	2024	30.7%
	11.a	With our community investment partners, we will contribute to the mental health of people through the communities of our customers and local communities.	Number of people reached by community investment programs	Lion	8,000 people	Cumulative total 2022-2024	2,498 people
	11.a	By supporting people’s mental and physical health through sponsorship, events, and community football activities, we will bring joy to society and enhance our corporate brand value.	<ul style="list-style-type: none"> “Kirin Family Challenge Cup” to be held throughout Japan, KIRIN’s corporate imagescore “Connections with People and Society” through the participant Survey 	Kirin Holdings Strategic Marketing Dept.	<ul style="list-style-type: none"> Held at 4 venues throughout Japan Averagescore over 70% 	2024	-
Enhancing the sustainability of food economy	8.9 11.a 17.17	Through the expansion of the craft beer category, we will spread the joy of beer drinking and contribute to the revitalization of business partners and industries while developing beer and food culture, and lead to business growth.	Market size of Japanese craft beer	Kirin Brewery	150% (compared to 2021)	2024	confirming
	2.3 4.5 17.16	By growing the Japanese black tea market through the brand activities of “KIRIN Gogo-no-Kocha”, we will increase the purchase of Sri Lankan tea leaves and contribute to the development of the tea industry and the growth of our business.	Black tea market share within Japanese soft drink market	Kirin Beverage	4.91%	2024	4.81%
	8.9 11.a 17.17	Through the creation and energizing of communities where Château Mercian wineries are located, we will contribute to the regional development and the Japanese wine industry, leading to the growth of our business.	Awareness of Japanese wine	Mercian	31.4%	2024	Setting the target

The Environment

Group Materiality Matrix		Particularly contribute to SDG targets	CSV Commitment					
Medium items	Theme		approach	Our Achievements	Company/Department	Target Value	Target Year	Latest Achievements(2022)
Sustainable use of biological resources	Tea leaves	2.3 4.6 15.4	We will expand our support for acquiring Rainforest Alliance certification, which will lead to the stable procurement of tea leaves by solving environmental problems in production areas.	Number of farms supported to obtain Sri Lanka RA certification	Kirin Beverage	Farms : 15 Small farms : 5,350	Cumulative total 2022-2024	Farms : 4 Small farms : 9
	Paper	15.4	Through the procurement of FSC® certified paper and other means, we will work to ensure the sustainability of raw materials that may otherwise be destroyed by deforestation.	Usage ratio of FSC-certified paper or recycled paper for paper containers and packaging*3	Kirin Brewery	100%	2024	100%
					Mercian	100%	2024	100%
					Koiwai Dairy Products	100%	2030	Implementation of switching of 4 products
					Kyowa Hakko Bio	100%	2030	80%
					Kyowa Kirin	100%	2030	50%
Kirin Holdings Health Science Business Dept.	①Adoption of FSC-certificated paper : 100% ②Switch to FSC-certified paper: 4 products ③Switch to non-metallic packaging materials: 2 products	Cumulative total 2022-2024	①100% ②2 Products ③1 Product					
Food waste	12.3	We will promote the reduction of product disposal and recycling, which will lead to a reduction in food waste generated by production activities.	Amount of product waste reduction rate	Kirin Brewery	50%(compared to 2015)	2024	confirming	
				Kirin Beverage	50% or more(compared to 2015)	2030	50% or more achieved	
Sustainable use of water resources		6.4	By reducing the amount of water used in our business activities, we will ensure the sustainability of water resources by conducting water resource preservation activities and other measures.	Water intensity	Kirin Brewery	5.6m ³ /kl or less	2024	5.6m ³ /kl or less
					Mercian *Fujisawa Plant	3.41m ³ /kl or less	2024	3.54m ³ /kl
					Lion	Less than 2.4kl/kl	2025	3.6kl/kl
				Reduction rate of water use volumes	Kirin Beverage *Shonan Plant, Shinshu Beverage	Less than 2023	2024	1,977,000m ³
					Kyowa Hakko Bio	-32%(compared to 2015)	2030	-51.7%
					Kyowa Kirin	-40%(compared to 2019)	2030	33%

*3 Paper containers and packaging handled by each operating company, with targets determined by each operating company.
Kirin Beverage will continue to use 100% of FSC-certified paper for paper containers and packaging.
Overseas target companies will check the status of sustainable paper resource procurement and set targets for the future.

Group Materiality Matrix		Particularly contribute to SDG targets	CSV Commitment				
Medium items	Theme		approach	Our Achievements	Company/ Department	Target Value	Target Year
Sustainable recycling of containers and packaging	12.4 14.1	In addition to the use of recycled materials and biomass, and the development of new containers and services, we will help improve the sustainability of the PET resource cycle by building recycling systems and developing resource recovery and recycling infrastructure in the regions where we operate.	Percentage of plastic bottle recycled resin used	Kirin Brewery	50%	2027	8%
				Kirin Beverage			
				Mercian			
			Reduction of one-way plastic volume Reduction of PET volume	Mercian	PET bottles 93t Other plastic bottles 34.5t (compared to 2020)	2024	66t 13.2t
Percentage of containers and packaging materials that can be reused, recycled, or composted	Lion	100%	2025	99%			
Percentage of container materials that can be recycled	Lion	More than 50%	2030	62%			
Overcoming climate change	7.2 13.1	In addition to achieving RE100 at an early stage and making 100% of the energy used by our company come from renewable energy sources, we will expand the use of renewable energy in society and work with stakeholders to build a business model that contributes to a decarbonized society.	GHG (Green House Gas) emission reduction rate: Scope 1+2	Kirin Brewery	55%(compared to 2019) 30%(compared to 2019)	2030 2024	10%
				Kirin Beverage	55%(compared to 2019) 17%(compared to 2019)	2030 2024	11%
				Mercian	55%(compared to 2019) 25%(compared to 2019)	2030 2024	6%
				Lion	55%(compared to 2019) 35%(compared to 2019)	2030 2024	26%
				Kyowa Hakko Bio	55%(compared to 2019) 32%(compared to 2019)	2030 2024	32%
				Kyowa Kirin	55%(compared to 2019) 51%(compared to 2019)	2030 2024	42%
			Ratio of renewable energy to electricity used by the entire Group	Kirin Holdings CSV strategy Dept.	100%	2040	27%
GHG (Green House Gas) emission reduction rate: Scope 3	Kirin Holdings CSV strategy Dept.	30%(compared to 2019)	2030	1%			

2023 Strategy

While social activities are recovering from the effects of COVID-19, outbreaks of infectious diseases will continue to be unavoidable. In addition, heightened geopolitical risks may cause raw material and fuel prices to soar and other commodity prices to rise, making the business environment increasingly unpredictable. Against this backdrop, the Kirin Group will work to grow in the Pharmaceutical and Health Science domains and to improve profitability in the Food & Beverages domain while facing social issues head-on.

The Kirin Group’s growth is supported by four organizational capabilities: human resources, ICT, marketing, in addition to technological capabilities based on fermentation and biotechnology. In the area of human capital, which has been attracting increasing attention in recent years, Kirin Holdings will increase the number of highly specialized and diverse human capital and reform the Group’s human capital strategy to foster an organizational culture that enables growth through taking on challenges. Under the new strategy, Kirin Holdings will link investment in human capital to increased corporate value.

Kirin Holdings will also strengthen human rights initiatives in its global supply chain and reduce human rights risks. In addition, Kirin Holdings will promote initiatives aimed at creating a positive impact on a global level to address environmental issues that must be addressed on a global scale.

Strategies by domain

05 KPIs

Financial indicators*1

ROIC*2	FY2024	10%+
Normalized EPS*3	CAGR	11%+

*1 Financial indicators are evaluated by excluding the impact of exchange rate fluctuations when overseas subsidiaries are consolidated, etc.

*2 ROIC = 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)

*3 Normalized EPS = Normalized profit / Average number of shares outstanding during period

Normalized profit = Profit attributable to owners of the Company ± Other operating income and expenses and other items after income taxes

Non-financial indicators

Items	Themes	Non-financial Indicators	Links to Economic Value	Target Level in 2024
Environment	Climate Change	Reduction rate of GHG emissions	Reduction of cost increases when introducing carbon tax with energy saving effect	23% (50% in 2030)
	Containers and Packaging	Percentage of recycled resin used in PET bottles	Profit generation through value creation and stable procurement of PET raw materials	38% (50% in 2027)
	Water resources	Water use intensity at manufacturing sites with high water stress*5	Reduction of production cost and production risk due to drought	3.0kL/kL (Under 2.4kL/kL in 2025)
Health	Progress of mid-term health science strategy	Achievement level in supporting the maintenance of immune function 1. Recognition rate of Lactococcus lactis strain Plasma function in Japan 2. Number of people continuing to take Lactococcus lactis strain Plasma	Increase in revenue and operating profit	1. 45% 2. 1,900,000 people (1. 50% in 2027)
		Achievement level of new value creation in the immunity, brain function, and intestinal environment domains and Achievement level of promotion of collaboration with pharmaceuticals domain	Profit generation by satisfying unmet needs and creating new health value	Not disclosed*4
Employees	Organizational Culture	Employee engagement score	Profit generation through value creation and productivity improvement	75%
	Diversity	Achievement level in "Increasing diversity"*6 1. Ratio of female managers in Japan 2. Ratio of career hires in Japan	Profit generation through value creation and productivity improvement	1. 15% 2. 30%
	Occupational health and safety	Lost time injury frequency rate*7	Raise motivation and productivity by improving working environment	0.95 (0.40 in Japan)

*4 Specific indicators and target levels are not disclosed for strategic reasons, as they include content related to intellectual property.

*5 Tooheys Brewery, Castlemaine Perkins, James Boag Brewery (LION).

*6 The target group is employees of Kirin Holdings.

*7 Major group companies that have production and logistics functions within the group will be included. Partner companies within the plant premises are also included.

KIRIN'S HISTORY

This section chronicles the Kirin Group's history of challenges and achievements spanning more than a century.

Over its history of more than a century, Kirin Group has grown from a Japan-based brewer to a global enterprise with a diverse range of businesses. Kirin has established itself as one of the prominent beer brands in Japan and overseas, and is continuing to expand its brewing business globally by acquiring leading beer brands in Asia and Oceania. The Group has leveraged its wealth of experience and expertise gained from the brewing business to diversify into the soft drink business and other areas of the Food & Beverages Business. Furthermore, since the 1980s onward, we have made inroads into the Pharmaceuticals and Health Science Businesses.

Kirin Group's Three Business Domains

Food & Beverages

This business domain, which includes our founding brewing business, constitutes the backbone of the Group. Since the 1990s onward, we have expanded our Food & Beverages Business into Asia, Oceania, and other parts of the world, manufacturing and marketing products under a broad range of value-added brands.

Health Science

Our years of research in the Food & Beverages domain into naturally derived materials as well as into fermentation and cultivation has led to discoveries of *Lactococcus lactis* strain Plasma (LC-Plasma) and other substances proven to be beneficial to human bodies. We intend to continue to make the best use of these assets to evolve the Health Science Business into a growth driver for the Group.

Pharmaceuticals

We combined our proprietary fermentation and cultivation technologies acquired from the brewing business with biotechnologies to launch research and development of pharmaceutical products in the 1980s. The Pharmaceuticals Business has since grown to one of the Group's core businesses, marketing biomedicines and other products in the global arena.

1907-1980

Spanning the years from the foundation of Kirin Brewery to the expansion of the Food & Beverages Business

Kirin Brewery was established in 1907, taking over the business of Japan Brewery Company, which had been founded in 1885. When Japan began to enjoy soaring economic growth in the mid-1950s, consumer demand for beer skyrocketed at an average annual rate of 20.6% from 1956 to 1964. Riding on the success of the brewing business, the company began to diversify its business in the Food & Beverages domain, under its long-term management plan "A Transformation Initiative: Laying the Groundwork for Achieving Consistent Growth" announced in 1975.

KIRIN'S HISTORY

1907 Food

Kirin Brewery Co., Ltd. established.

Kirin Beer was well received by Japanese consumers for its authentic German beer taste, which had been made possible by a brewing process operated by German engineers using raw materials imported from Germany. (Kirin Brewery Yokohama Yamate Plant in its earliest days)



1928 Food

Kirin Lemon introduced.

Kirin Lemon, a lemon-flavored carbonated drink, marked our foray into the soft drink business. It was sold in a translucent glass bottle, which was unheard of in the beverage industry those days, to visually demonstrate our commitment to never using artificial coloring for beverages. Every bottle of *Kirin Lemon* was wrapped in paper when shipped from the factory to preserve the quality of the contents.



1943 Food

Kirin Science Institute (the forerunner of Kirin Central Research Institute) established.

Kirin Brewery's research department history dates back to 1918 when a research department was established. In 1943, this department gained independence and was renamed the Kirin Science Institute.



1907-1980

KIRIN's HISTORY

1963 Food

Vending Machine Services Co., Ltd. (the forerunner of Kirin Beverage Co., Ltd.) established.

A subsidiary (currently known as Kirin Beverage) was established, responsible for selling soft drinks through vending machines. (*Kirin Lemon* vending machine)



1972 Food

Kirin Seagram Co., Ltd. (the forerunner of Kirin Distillery Co., Ltd.) established.

We launch a whisky business. Kirin Seagram (currently known as Kirin Distillery) introduces *Robert Brown*, the first whisky made in Japan.



1976 Food

Koiwai Dairy Products Co., Ltd. established.

We make a foray into the food business. Koiwai Dairy Products starts marketing cheese, butter, and other dairy products nationally.



1977 Food

KW Inc. (the forerunner of Coca-Cola Bottling Company of Northern New England, Inc.) established.

KW Inc. (currently known as Coca-Cola Beverages Northeast) starts the Coca-Cola bottling business in New England, the United States.



1981-2005

Diversifying into the Pharmaceuticals and Health Science Businesses

Following two oil crises in the 1970s, it became obvious that the Japanese beer market had reached maturity. Faced with this reality, we formulated the Long-Term Management Vision in 1981. In this go-forward plan, we established the goal of expanding our businesses into areas related to food & beverages, health, and culture to become a company that offered customers beer and other comforts of life that made their lives more fulfilling and enjoyable. To achieve this goal, we chose to diversify our business lines—reducing an overdependence on the brewing business so as to build and maintain a well-balanced portfolio expected of a financially sound enterprise. Under this vision, we diversified into the Pharmaceuticals and Health Science Businesses.

KIRIN's HISTORY

1982 Pharma

Research and Development Division established.

An idea proposed by Kirin Brewery employees materializes into a pharmaceutical research and development project focused on biotechnologies.



1983 Health Science

A health food project team is formed under Kirin Brewery's Business Development Division.

We leverage our wealth of technologies and expertise accumulated from years of experience in the brewing and soft drink businesses to make a foray into the Health Science Business with the launch of a project team tasked with using yeast to develop health food.



1983 Food

Kirin City Co., Ltd. established.

We start a restaurant business with the opening of Kirin City restaurants that serve draft beer from barrels using a triple-pouring process, which is a traditional way of pouring German pilsner beer from the tap into a glass.



1981-2005

KIRIN's HISTORY

1984 Pharma

Kirin-Amgen, Inc. established

Kirin-Amgen, a joint venture company established by Kirin and Amgen, Inc., a U.S. biotech company, starts mass-production of erythropoietin (EPO), following research conducted by our R&D Division.

*The joint venture was dissolved in 2017.



1988 Health Science

Supported the establishment of La Jolla Institute for Immunology (the forerunner of La Jolla Institute for Allergy and Immunology)

Research on immunity led to *Lactococcus lactis* strain Plasma, *Lactobacillus paracasei* KW3110.



1990 Pharma

Kirin Brewery introduces ESPO[®], an erythropoietin (EPO) medicine effective on nephrogenic anemia.

The first medicine we introduced—just eight years after starting pharmaceutical research in 1982.



1998 Food

Acquires a stake in Lion Nathan Limited (the forerunner of Lion Pty Limited) in New Zealand.

We acquire a stake in Lion Nathan (current Lion) to gain a foothold in Oceania.



2002 Food

Acquired the business rights of *Four Roses*.

We acquire the business rights to *Four Roses* bourbon, born in Kentucky, the United States, in 1888.



1981-2005

KIRIN's HISTORY

2002 Food

Acquires a stake in San Miguel Corp. in the Philippines.

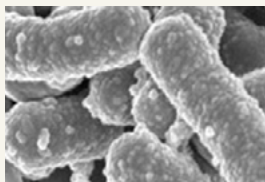
We establish a foothold in the Philippines in the middle of surging economic and population growth.



2002 Health Science

Kirin Brewery's Fundamental Technology Research Laboratories, in collaboration with Koiwai Dairy Products and Showa Women's University Graduate School of Life Sciences, discovers *Lactobacillus paracasei* KW3110., which improves allergy symptoms.

The Kirin Group's immunological research was recognized for its excellence when the development and commercialization of *Lactobacillus paracasei* KW3110 was awarded the 2022 Technology Award for Agricultural Chemistry from the Japan Society for Bioscience, Biotechnology, and Agrochemistry.



2006-2015

Aggressively pursuing M&A opportunities to become a major player in the global arena

We unveil the Kirin Group Vision 2015 (KV2015) long-term management plan in 2006, which outlines initiatives to achieve quantum-leap growth by broadening and strengthening our business foundation. In the Pharmaceuticals Business, Kirin Pharma merges with Kyowa Hakko Kogyo, a Japanese biotechnology company, to become Kyowa Hakko Kirin (current Kyowa Kirin). We also expand our Food & Beverages Business through mergers and acquisitions—making the Japanese wine maker Mercian Corporation one of our consolidated subsidiaries, bolstering our Australian business, and gaining a foothold in Brazil.

KIRIN's HISTORY

2006 Food

Makes Mercian Corporation a consolidated subsidiary.

We add a wine business to our alcoholic beverage business portfolio as part of our efforts to become an integrated beverage group which covers both the alcoholic beverage and the soft drink businesses.



2006-2015

KIRIN's HISTORY

2007 Pharma

Kirin Pharma Co., Ltd. established.

Kirin Pharma was established as a pharmaceutical manufacturing and sales company to take over Kirin Brewery's pharmaceutical business.



2008 Health Science

Kyowa Hakko Bio Co., Ltd. established.

The biochemical business of Kyowa Hakko Kogyo is spun off to pursue greater result by working with Kirin Group.



2008 Pharma

Kyowa Hakko Kirin Co., Ltd. (the forerunner of Kyowa Kirin Co., Ltd.) established.

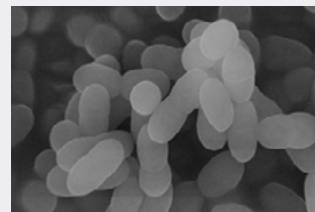
Kyowa Hakko Kogyo and Kirin Pharma merge to pursue a pharmaceuticals business based on antibody and other leading-edge biotechnologies.



2010 Health Science

Lactococcus lactis strain Plasma discovered.

Kirin Holdings Company and Koiwai Dairy Products discover a lactic acid bacterium that activates the immune cells responsible for virus infection defense (later named "LC-Plasma")



2015 Health Science

Kyowa Hakko Bio's Thai subsidiary, Thai Kyowa Biotechnologies Co., Ltd. completes construction of amino acid production plant.

In November 2022, this plant also completed production facilities for HMO (Human Milk Oligosaccharide) and started commercial production.



2016-2018

Restructuring and revitalizing Kirin Group

The fast growth of groupwide net sales comes with profitability of widely varying degrees among business units. In addition, Kirin Brewery, one of the core companies in the Group, struggles as its sales of beer slows. To overcome these challenges, we update KV2021, originally announced in 2012, to a new KV2021 in 2016 and set out to restructure and revitalize Kirin Group.

KIRIN's HISTORY

2016

Formulates corporate governance policy.

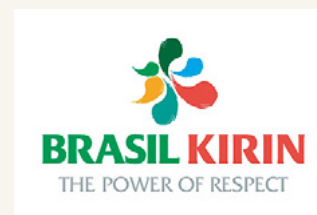
We have since been stepping up our efforts to enforce robust corporate governance practices as a basis of sound corporate management.



2017 Food

Transfer of Brasil Kirin's Shares

As part of implementing strategic initiatives outlined in KV2021, we sell the struggling Brasil Kirin.



2017 Health Science

Launches a new brand *iMUSE*.

We launch a new brand, *iMUSE*, for products that contain our proprietary LC-Plasma. In 2020 *iMUSE*-branded products are authorized, for the first time in the Japanese food industry, registered as functional foods with immune support function, which helps bolster their sales substantially.



2019~

Evolving to become a global leader in CSV

The completion of strategic initiatives to restructure and revitalize Kirin Group, including sales of unprofitable businesses and bolstering profitability across the board, set the stage for a new round of growth under Kirin Group Vision 2027 (KV2027). The key objective outlined in KV2027 is to resolve social issues to achieve sustainable growth and become a global leader in CSV. In addition to the two core businesses—the Food & Beverage Business and the Pharmaceuticals Business—we have been establishing and fostering the Health Science Business to turn it into another core of the Group.

KIRIN's HISTORY

2019

Kirin Group defines CSV Purpose.

We define our CSV Purpose as a guiding principle to achieve sustainable growth and create value together with people across society.



2017 Health Science

Kirin Holdings Company establishes the *iMUSE* Health Science Factory, a new base for manufacturing lactic acid bacteria raw materials, and commences production.

In response to the increased demand for LC-Plasma, Kirin Holdings Company announced the expansion of this manufacturing site in 2021, leading to expanded annual production capacity of LC-Plasma.



2019~

KIRIN's HISTORY

2017 Health Science

Make a capital and business alliance with FANCL Corporation.

We enter into alliance with FANCL, which complements our capabilities in the Health Science domain.

FANCL
正直品質。

2020 Health Science

iMUSE accepts notification as Japan's first* foods with functional claims for immune support function

Kirin Holdings Company accepted a notification from the Consumer Affairs Agency that *iMUSE* was accepted for the "Foods with Functional Claims for Immune support function" label under the Foods with Functional Claims System.

*Japan's first registered brand with the "Foods with Functional Claims for Immune support function" label on its products

