

Creating new value in the Health Science domain

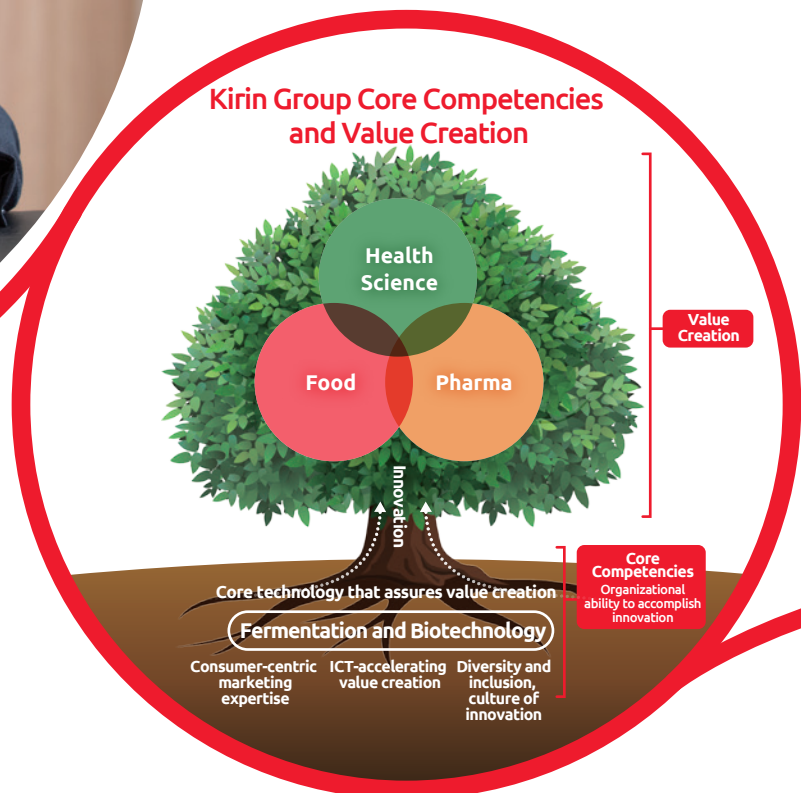


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We will seek to achieve sustainable growth by addressing social issues in the health field

The Kirin Group aims to become a global leader in CSV by using its business activities to provide various types of value to society. We place the greatest value on the health of people. Many countries and regions around the world are seeking ways to address various social health issues, such as finding ways to extend healthy life expectancy and reduce the prevalence of lifestyle-related diseases. By addressing health issues like these, the Kirin Group is seeking to provide economic and social value and generate sustaining business growth.

The source of our competitiveness in value creation is the fermentation methods and biotechnology we have cultivated over more than a century. Based on these core technologies, the Kirin Group evolved into a business entity with strengths in fields spanning Food & Beverages



and Pharmaceuticals. We are now starting to focus our strengths to create and provide value in the new field called Health Science.

**Approach 1
Contribute to preventive medicine**

The Kirin Group is taking two approaches to strategically grow its business in the Health Science domain. The first is in the area of preventive medicine. In addition to treating illness, modern medical treatment considers the prevention of sickness to be an integral part of health care. Disease prevention can be applied in various ways due to the seamless connections between the levels and stages of health between being healthy and being sick.

The Kirin Group has been providing food and beverages with function claims and other products and services that promote health, and we are now reframing our products and services to pursue business opportunities in the area of preventive medicine.

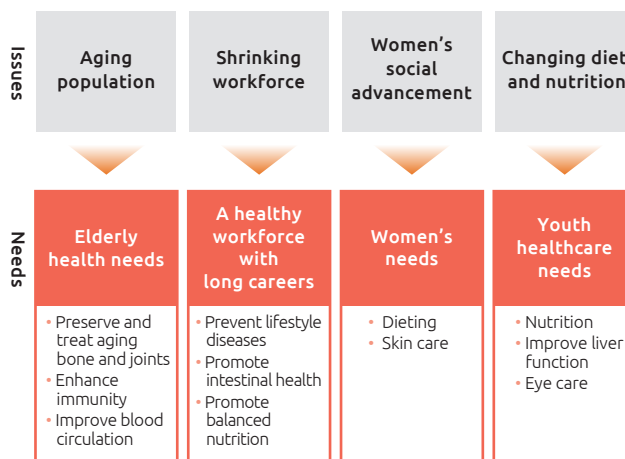
**Approach 2
Meet the health needs of individual patients**

The second approach is to focus on individual needs. This involves taking a holistic view the symptoms and the environment of individual patients. For example, lifestyle diseases and dementia are related to multiple factors in a person’s environment, such as their lifestyle, social environment, and psychosomatic conditions.

An individual approach like this is important not only when treating a disease but also for the prevention of disease, which is the realm of Health Science. Through a capital alliance, we are teaming with FANCL to strengthen our abilities to develop and market products and services catered specifically to the health needs of individual customers. We are also looking further to develop new business that uses genomes (genetic information) and other vital data specific to each individual.

We are also strengthening our ability to apply big data in the development of individualized products and services. Big data is essential to understanding certain conditions. For example, a huge amount of data collected from healthy individuals is needed to determine what is a “normal state” for intestinal bacteria. We are concentrating the Group’s R&D

Issues and needs the Kirin Group is addressing



resources on developing our big data capabilities in addition to forming alliances with our partner firms, participating in public projects, and employing AI and other technologies to accumulate and analyze big data.

We will use the Kirin Group’s R&D capabilities to continue providing new value to society

The presence of Kyowa Kirin and its pharmaceuticals business gives the Group a major advantage for advancing the Health Science domain. For legal reasons, we have been operating our Pharmaceuticals and Food & Beverages businesses separate, so creating a seamless bridge between them will be key to creating value in the future.

The Kirin Group is uniquely positioned to advance a dual food and pharmaceutical approach to health. When developing a material for a product, the objective can be completely different if it is being developed for medical purposes or for food. This also means that a material that we approached as having potential for use as a pharmaceutical product could lead us to new value when we switch to considering its potential as a food product. In addition, basic research in the Pharmaceuticals and Food & Beverages business domains has many common elements, and we see significant synergy potential from collaborations between Group companies. We will continue directing the Kirin Group’s R&D capabilities to address health issues and create new value.