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Human Rights Activists Respond to Kirin's Myanmar Sales "Surge", Which Netted Approximately USD\$22.77 Million in Q1 2020 Profits for the Myanmar Military

May 12, 2020, Myanmar: Kirin have announced Q1 results, reporting a 28% increase in normalised operating profits of Myanmar Brewery, compared to the first quarter of 2019. Profits from January 1 to March 31, 2020 were JPY5 billion, which amounts to USD\$46.47 million at today's exchange rate. Myanmar Brewery's first quarter revenue was up 18% at JPY10.7 billion, equivalent to USD\$99.46 million. Kirin operates Myanmar Brewery with Myanmar military conglomerate Myanma Economic Holdings Limited (MEHL). Kirin's stake is 51% with MEHL owning 49%.

According to Kirin, Myanmar Brewery's sales volume is up 12.6% (YoY). This "surge" coincides with a spike in war crimes and crimes against humanity in Rakhine and Chin States, with scores of civilians killed, disappearances, torture and mass forced displacement committed by the Myanmar military. An internet shutdown prevents the reporting of continued violations and hampers Covid-19 prevention efforts for some of Myanmar's most vulnerable people.

"It is shocking that Kirin operates a subsidiary with the Myanmar military, despite extensive evidence of the military's crimes. Kirin's business partners are literally war criminals and continue to commit genocide and crimes against humanity, fuelled by profits from their partnership with Kirin. By continuing to operate Myanmar Brewery, Kirin are criminally complicit in the Myanmar military's grave human rights violations. Justice For Myanmar calls on Kirin to live up to their stated values as a responsible business and cut ties with the military," says Justice For Myanmar spokesperson, Yadanar Maung, who is calling on Kirin to divest from the Myanmar military.

<u>Justice For Myanmar</u> is a campaign initiated by a team of human rights activists working for equality, justice and accountability. The campaign exposes the Myanmar military's businesses' link to human rights violations across the country and pressures international businesses, including Kirin, to cut all financial ties.

In 2019, the <u>UN Fact-Finding Mission</u> named Kirin for complicity in genocide, war crimes and crimes against humanity as a result of their joint venture with MEHL. The UN Fact-Finding Mission found that MEHL is a key source of revenue for the military that enables them to commit genocide, war crimes and crimes against humanity. The UN FFM called for Kirin and other international businesses to cut ties with the military.

Yadanar Maung explains: "The USD\$22 million in profits the military gains from the first quarter of 2020 helps the military continue to violate the human rights of indigenous peoples in Myanmar. As Kirin boasts of their earnings, hundreds of thousands remain displaced in western Myanmar and Bangladesh, as victims of



the Myanmar military that involved killings, rape, torture, forced displacement and the destruction of property."

Kirin continues to ignore the UN FFM's recommendation to sever business links, and Kirin's subsidiary remains a major revenue source for the Myanmar military. Senior members of the military, including Commander-in-Chief Min Aung Hlaing, are under investigation for the crime of genocide at the International Criminal Court. Min Aung Hlaing is also a major shareholder in Kirin's Myanmar subsidiary and the Chair of the MEHL Patron Group.

In January, the International Court of Justice imposed provisional measures on the Myanmar government to prevent criminal acts against the Rohingya. Myanmar is required to provide a compulsory report on progress to the ICJ this month. However, there is ample evidence that the military is in violation of the orders. On April 29, 2020, the UN Special Rapporteur on the situation of human rights in Myanmar released a statement calling for action against ongoing war crimes and crimes against humanity in Rakhine and Chin States.

The military's profits from Kirin in the first quarter of 2020 are more than 14 times the USD\$1.4 million of the military's much-publicised Covid-19 donation in April. The donation was supposedly one day's salary for ordinary soldiers and civilian substitute staff and one month's salary for generals, figures dwarfed by the military's massive profits from Kirin, which is only one of many military businesses.

In December 2019, Kirin announced that their International Advisory Board will re-examine their operations and relationships in Myanmar. The re-examination involves prominent business leaders from Australia and New Zealand, Gavin Walker, Sir Rod Eddington and Paula Dwyer, in addition to top Kirin executives. The re-examination was announced as a result of public criticism of Kirin's takeover of New Belgium Brewing, a US-based craft brewery, by Kirin subsidiary Little Lion World, brewer of Little Creatures. The International Advisory Board has failed to disclose detailed information on the re-examination and timeframe for Kirin to decide on their continued business partnership with the criminal Myanmar military.

Kirin's earning report come on the same day as the **Burma Campaign UK** released a new "<u>Dirty List</u>" of companies that do business with the Myanmar military or are linked to projects that violate human rights. The list includes 113 companies, and also names Kirin. ENDS

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