

KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 (UNDER IFRS)

(UNAUDITED)

November 6, 2020

(English Translation)

Fiscal year ending December 31, 2020

KIRIN HOLDINGS COMPANY, LIMITED

NAKANO CENTRAL PARK SOUTH, 10-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan (URL <https://www.kirinholdings.co.jp/english/>)

Code No.:	2503
Shares Listed:	Tokyo, Nagoya, Sapporo and Fukuoka
Representative:	Mr. Yoshinori Isozaki, President and CEO
For further information, please contact:	Mr. Nobuhiko Hori, General Manager of Corporate Communications Department Telephone: +81-3-6837-7015 from overseas
Submission date of quarterly securities report scheduled:	November 10, 2020
Commencement date of dividend distribution scheduled:	—
Preparation of supplementary documents to the financial results:	Yes
Holding of financial results presentation (for institutional investors and analysts):	Yes

1. Consolidated business results and financial position for the first nine months of the current fiscal year (January 1, 2020 - September 30, 2020)

[Unit: Japanese yen (¥)]

(1) Results of operations (cumulative):

(Amounts are rounded to the nearest ¥1 million)

(Percentage change compares current results with those of the same period of the previous year)

	Revenue (¥ millions)	Percentage change (%)	Normalized operating profit (¥ millions)	Percentage change (%)	Profit before tax (¥ millions)	Percentage change (%)
Nine months ended						
September 30, 2020	1,359,682	(5.4)	130,276	(12.2)	115,201	48.7
September 30, 2019	1,437,835	1.2	148,439	0.8	77,488	(61.0)

	Profit (¥ millions)	Percentage change (%)	Profit attributable to owners of the Company (¥ millions)	Percentage change (%)	Total comprehensive income (¥ millions)	Percentage change (%)
Nine months ended						
September 30, 2020	94,080	90.1	71,751	116.5	73,868	366.9
September 30, 2019	49,483	(68.3)	33,135	(74.3)	15,821	(87.5)

	Basic earnings per share (¥)	Diluted earnings per share (¥)
Nine months ended		
September 30, 2020	85.11	85.09
September 30, 2019	37.74	37.72

Reference: Operating profit	Nine months ended September 30, 2020	¥104,329 million	70.9%
	Nine months ended September 30, 2019	¥61,059 million	(61.9%)

* Normalized operating profit is a profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

(2) Financial position:

	Total assets	Total equity	Equity attributable to owners of the Company	Equity ratio attributable to owners of the Company
	(¥ millions)	(¥ millions)	(¥ millions)	(%)
As of				
September 30, 2020	2,424,471	1,078,017	826,673	34.1
December 31, 2019	2,412,874	1,146,825	906,576	37.6

2. Dividends

	Annual dividends				
	First quarter (¥)	Second quarter (¥)	Third quarter (¥)	Year-end (¥)	Total (¥)
Fiscal year ended December 31, 2019	—	31.50	—	32.50	64.00
Fiscal year ending December 31, 2020	—	32.50	—		
Fiscal year ending December 31, 2020 (Forecast)				32.50	65.00

Note: Revision of the forecast from recently announced figures: None

3. Forecast consolidated business results for the current fiscal year (January 1, 2020 - December 31, 2020)

(Percentage change compares forecast results with actual results of the previous year)

	Revenue	Percentage change	Normalized operating profit	Percentage change	Profit before tax	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Fiscal year ending December 31, 2020	1,828,000	(5.8)	150,000	(21.4)	128,500	10.0

	Profit	Percentage change	Profit attributable to owners of the Company	Percentage change	Basic earnings per share
	(¥ millions)	(%)	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2020	98,000	20.3	72,000	20.7	85.62

Note: Revision of the forecast from recently announced figures: Yes

Reference: Operating profit Fiscal year ending December 31, 2020 ¥107,500 million 22.5%

* Notes

- (1) Changes in significant subsidiaries for the nine months ended September 30, 2020: None
(Changes in specified subsidiaries accompanying change in scope of consolidation)

Newly included: -

Excluded: -

- (2) Changes in accounting policies and changes in accounting estimates

- i. Changes in accounting policies required by IFRS: None
ii. Changes in accounting policies due to other reasons: None
iii. Changes in accounting estimates: None

- (3) Number of shares outstanding (ordinary shares)

- i. Number of shares outstanding at the end of the period (including treasury shares)
- | | |
|--------------------------|--------------------|
| As of September 30, 2020 | 914,000,000 shares |
| As of December 31, 2019 | 914,000,000 shares |
- ii. Number of treasury shares at the end of the period
- | | |
|--------------------------|-------------------|
| As of September 30, 2020 | 79,994,569 shares |
| As of December 31, 2019 | 45,271,331 shares |
- iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)
- | | |
|--|--------------------|
| For the nine months ended September 30, 2020 | 843,004,792 shares |
| For the nine months ended September 30, 2019 | 878,046,274 shares |

* The summary of quarterly consolidated financial results is not subject to a quarterly review by certified public accountants or an audit corporation.

* Information about proper usage of forecast business results, and other special instructions

- (1) The statements concerning future performance that are presented in this document are based on judgments using information available to Kirin Holdings and the Kirin Group as of the release date of this material. Certain risks and uncertainties could cause the results of Kirin Holdings and the Kirin Group to differ materially from any projections presented herein. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses, market trends, and exchange rates.
- (2) The Company will post the Supplementary Documents to the Financial Results today, Friday, November 6, and will post the presentation materials and the main Q&A from the financial results presentation (conference call) to be held today on the Company's website as soon as possible.
(URL of the Company's website) <https://www.kirinholdings.co.jp/english/ir/event/explain/index.html>

ATTACHED MATERIALS

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1. CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ millions)

	At December 31, 2019	At September 30, 2020
Assets		
Non-current assets		
Property, plant and equipment	561,253	566,074
Goodwill	233,899	241,923
Intangible assets	168,905	203,383
Equity-accounted investees	384,756	388,893
Other financial assets	139,018	108,113
Other non-current assets	18,248	18,714
Deferred tax assets	94,656	101,030
Total non-current assets	1,600,735	1,628,129
Current assets		
Inventories	219,200	234,292
Trade and other receivables	395,656	325,505
Other financial assets	7,441	9,626
Other current assets	24,171	33,000
Cash and cash equivalents	165,671	193,919
Total current assets	812,139	796,342
Total assets	2,412,874	2,424,471

(¥ millions)

	At December 31, 2019	At September 30, 2020
Equity		
Share capital	102,046	102,046
Share premium	24,853	24,920
Retained earnings	958,292	979,699
Treasury shares	(124,999)	(201,777)
Reserves	(53,615)	(78,215)
Equity attributable to owners of the Company	906,576	826,673
Non-controlling interests	240,249	251,344
Total equity	1,146,825	1,078,017
Liabilities		
Non-current liabilities		
Bonds and borrowings	291,207	414,377
Other financial liabilities	141,058	137,735
Defined benefit liability	65,274	63,698
Provisions	4,816	4,623
Other non-current liabilities	5,538	4,129
Deferred tax liabilities	20,786	14,968
Total non-current liabilities	528,679	639,529
Current liabilities		
Bonds and borrowings	239,644	285,142
Trade and other payables	231,051	204,632
Other financial liabilities	64,658	55,281
Current tax liabilities	23,497	18,948
Provisions	5,690	3,442
Other current liabilities	172,831	139,479
Total current liabilities	737,370	706,925
Total liabilities	1,266,049	1,346,454
Total equity and liabilities	2,412,874	2,424,471

**(2) CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
COMPREHENSIVE INCOME**
CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS
NINE MONTHS ENDED SEPTEMBER 30, 2020

(¥ millions)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Revenue	1,437,835	1,359,682
Cost of sales	807,335	768,836
Gross profit	630,501	590,847
Selling, general and administrative expenses	482,061	460,571
Normalized operating profit	148,439	130,276
Other operating income	3,945	3,760
Other operating expenses	91,325	29,707
Operating profit	61,059	104,329
Finance income	3,181	2,507
Finance costs	7,294	5,537
Share of profit of equity-accounted investees	20,542	13,902
Profit before tax	77,488	115,201
Income tax expense	28,005	21,121
Profit	49,483	94,080
Profit attributable to:		
Owners of the Company	33,135	71,751
Non-controlling interests	16,348	22,329
Profit	49,483	94,080
Earnings per share (¥)		
Basic earnings per share	37.74	85.11
Diluted earnings per share	37.72	85.09

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2020

(¥ millions)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Profit	49,483	94,080
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in equity instruments measured at fair value through other comprehensive income	(39)	(11,888)
Remeasurements of defined benefit plans	(20)	—
Share of other comprehensive income of equity-accounted investees	441	(174)
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	(30,052)	(10,521)
Cash flow hedges	500	337
Share of other comprehensive income of equity-accounted investees	(4,493)	2,034
Total other comprehensive income	(33,662)	(20,213)
Comprehensive income	15,821	73,868
Comprehensive income attributable to:		
Owners of the Company	1,558	52,131
Non-controlling interests	14,262	21,737
Comprehensive income	15,821	73,868

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2019

(¥ millions)

	Equity attributable to owners of the Company					
	Share capital	Share premium	Retained earnings	Treasury shares	Reserves	
					Net change in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2019	102,046	2,238	932,789	(101,904)	56,863	—
Effect of changes in accounting policies	—	—	(1,262)	—	—	—
Restated balance at January 1, 2019	102,046	2,238	931,526	(101,904)	56,863	—
Profit (loss)	—	—	33,135	—	—	—
Other comprehensive income	—	—	—	—	(93)	441
Comprehensive income	—	—	33,135	—	(93)	441
Dividends from surplus	—	—	(51,366)	—	—	—
Acquisition of treasury shares	—	—	—	(20)	—	—
Disposal of treasury shares	—	(0)	—	6	—	—
Share-based payments	—	(13)	—	151	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	22,630	—	—	133	—
Transfer from reserves to retained earnings	—	—	16,428	—	(15,987)	(441)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	22,617	(34,938)	137	(15,853)	(441)
Balance at September 30, 2019	102,046	24,855	929,723	(101,767)	40,917	—

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Reserves			Total		
	Foreign currency translation differences on foreign operations	Cash flow hedges	Total			
Balance at January 1, 2019	(84,189)	(1,263)	(28,590)	906,578	284,840	1,191,418
Effect of changes in accounting policies	—	—	—	(1,262)	(215)	(1,477)
Restated balance at January 1, 2019	(84,189)	(1,263)	(28,590)	905,316	284,625	1,189,941
Profit	—	—	—	33,135	16,348	49,483
Other comprehensive income	(32,426)	501	(31,577)	(31,577)	(2,085)	(33,662)
Comprehensive income	(32,426)	501	(31,577)	1,558	14,262	15,821
Dividends from surplus	—	—	—	(51,366)	(12,217)	(63,584)
Acquisition of treasury shares	—	—	—	(20)	—	(20)
Disposal of treasury shares	—	—	—	6	—	6
Share-based payments	—	—	—	139	(86)	52
Changes in the ownership interest in a subsidiary without a loss of control	(839)	—	(706)	21,925	(55,076)	(33,152)
Transfer from reserves to retained earnings	—	—	(16,428)	—	—	—
Other	—	—	—	—	(1)	(1)
Total transactions with owners of the Company	(839)	—	(17,133)	(29,317)	(67,381)	(96,698)
Balance at September 30, 2019	(117,454)	(763)	(77,300)	877,557	231,507	1,109,064

NINE MONTHS ENDED SEPTEMBER 30, 2020

(¥ millions)

	Equity attributable to owners of the Company					
	Share capital	Share premium	Retained earnings	Treasury shares	Reserves	
					Net change in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at January 1, 2020	102,046	24,853	958,292	(124,999)	41,410	—
Profit	—	—	71,751	—	—	—
Other comprehensive income	—	—	—	—	(11,605)	(141)
Comprehensive income	—	—	71,751	—	(11,605)	(141)
Dividends from surplus	—	—	(55,326)	—	—	—
Acquisition of treasury shares	—	—	—	(76,790)	—	—
Disposal of treasury shares	—	(1)	—	2	—	—
Share-based payments	—	34	—	9	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	33	—	—	(0)	—
Transfer from reserves to retained earnings	—	—	4,982	—	(5,123)	141
Other	—	1	—	—	—	—
Total transactions with owners of the Company	—	67	(50,344)	(76,778)	(5,124)	141
Balance at September 30, 2020	102,046	24,920	979,699	(201,777)	24,682	—

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Reserves			Total		
	Foreign currency translation differences on foreign operations	Cash flow hedges	Total			
Balance at January 1, 2020	(94,043)	(983)	(53,615)	906,576	240,249	1,146,825
Profit	—	—	—	71,751	22,329	94,080
Other comprehensive income	(8,211)	336	(19,620)	(19,620)	(592)	(20,213)
Comprehensive income	(8,211)	336	(19,620)	52,131	21,737	73,868
Dividends from surplus	—	—	—	(55,326)	(10,920)	(66,246)
Acquisition of treasury shares	—	—	—	(76,790)	—	(76,790)
Disposal of treasury shares	—	—	—	1	—	1
Share-based payments	—	—	—	44	(144)	(101)
Changes in the ownership interest in a subsidiary without a loss of control	4	—	4	37	393	429
Transfer from reserves to retained earnings	—	—	(4,982)	—	—	—
Other	0	—	0	1	30	31
Total transactions with owners of the Company	4	—	(4,979)	(132,034)	(10,641)	(142,675)
Balance at September 30, 2020	(102,250)	(647)	(78,215)	826,673	251,344	1,078,017

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ millions)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Cash flows from operating activities		
Profit before tax	77,488	115,201
Depreciation and amortization	60,396	60,074
Impairment losses	63,649	7,948
Interest and dividends received	(2,905)	(2,027)
Share of profit of equity-accounted investees	(20,542)	(13,902)
Interest paid	5,329	3,614
Gain on sale of property, plant and equipment and intangible assets	(2,349)	(1,229)
Loss on disposal and sale of property, plant and equipment and intangible assets	959	1,209
Gain on sale of shares of subsidiaries	—	(42)
(Increase) decrease in trade receivables	61,499	65,175
(Increase) decrease in inventories	(26,003)	(16,272)
Increase (decrease) in trade payables	(11,354)	(7,623)
Increase (decrease) in liquor taxes payable	(26,745)	(24,319)
Increase (decrease) in deposits received	(24,404)	(11,532)
Other	(24,537)	(23,936)
Sub-total	130,479	152,341
Interest and dividends received	13,566	16,129
Interest paid	(4,351)	(3,613)
Income taxes paid	(20,709)	(40,735)
Cash flows from (used in) operating activities	118,986	124,121

(¥ millions)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(70,847)	(72,777)
Proceeds from sale of property, plant and equipment and intangible assets	3,617	1,549
Acquisition of investments	(287)	(551)
Proceeds from sale of investments	35,809	15,760
Acquisition of shares of subsidiaries, net of cash acquired	(4,503)	(39,628)
Proceeds from sale of shares of subsidiaries, net of cash disposed of	—	18
Acquisition of equity-accounted investees	(134,334)	(1,955)
Other	(2,099)	(2,666)
Cash flows from (used in) investing activities	(172,643)	(100,250)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	3,421	64,986
Increase (decrease) in commercial paper	20,000	(11,998)
Proceeds from long-term borrowings	17,623	135,000
Repayment of long-term borrowings	(28,312)	(45,900)
Proceeds from issuance of bonds	70,000	49,961
Payment for redemption of bonds	—	(20,000)
Repayment of lease liabilities	(12,164)	(13,017)
Payment for acquisition of treasury shares	(34)	(76,797)
Payment for acquisition of treasury shares by a consolidated subsidiary	(22,597)	(9)
Payment for settlement of derivatives	—	(5,018)
Dividends paid	(51,366)	(55,326)
Dividends paid to non-controlling interests	(13,951)	(14,788)
Other	(578)	(498)
Cash flows from (used in) financing activities	(17,959)	6,595
Effect of exchange rate changes on cash and cash equivalents	(1,790)	(2,217)
Net increase (decrease) in cash and cash equivalents	(73,405)	28,248
Cash and cash equivalents at beginning of period	173,102	165,671
Cash and cash equivalents at end of period	99,697	193,919

**(5) NOTES TO CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS
(GOING CONCERN ASSUMPTION)**

There are no matters to report under this item.

2. OTHER

(1) CONSOLIDATED FORECASTS

The consolidated earnings forecast for the fiscal year ending December 31, 2020 released on August 7, 2020 has been revised as below based on the financial results for the nine months ended September 30, 2020.

Consolidated forecast for the fiscal year ending December 31, 2020

(¥ millions)

	Revenue	Normalized operating profit	Profit before tax	Profit	Profit attributable to owners of the Company	Basic earnings per share
Previous forecast (A)	1,824,000	140,000	118,500	90,500	64,500	¥76.70
Revised forecast (B)	1,828,000	150,000	128,500	98,000	72,000	¥85.62
Change (B-A)	4,000	10,000	10,000	7,500	7,500	-
Change (%)	0.2	7.1	8.4	8.3	11.6	-
Actual result for the fiscal year ended December 31, 2019	1,941,305	190,754	116,823	81,438	59,642	¥68.00

For further information, please refer to the “Notice Regarding Revision of Consolidated Forecast for the Fiscal Year Ending December 2020” released today.

<p>Supplementary Documents to the Consolidated Financial Statements for the Nine Months Ended September 30, 2020</p>

1. Summary of Consolidated Statement of Financial Position
2. Summary of Consolidated Statement of Profit or Loss, Indices, etc.
3. Revenue Details
4. Profit Details
5. Summary of Consolidated Statement of Cash Flows

KIRIN HOLDINGS COMPANY, LIMITED
November 6, 2020

1. SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ billions)

	As of September 30, 2020, Actual	As of December 31, 2019, Actual	Increase (decrease)	Description of changes
Non-current assets	1,628.1	1,600.7	27.4	
Property, plant and equipment	566.1	561.3	4.8	
Goodwill	241.9	233.9	8.0	
Intangible assets	203.4	168.9	34.5	
Equity-accounted investees	388.9	384.8	4.1	
Other	227.9	251.9	(24.1)	
Current assets	796.3	812.1	(15.8)	
Inventories	234.3	219.2	15.1	
Trade and other receivables	325.5	395.7	(70.2)	Decrease due to the year-end of previous year being a bank holiday, etc.
Cash and cash equivalents	193.9	165.7	28.2	
Other	42.6	31.6	11.0	
Total assets	2,424.5	2,412.9	11.6	
Equity	1,078.0	1,146.8	(68.8)	
Equity attributable to owners of the Company	826.7	906.6	(79.9)	Acquisition of treasury shares, etc.
Non-controlling interests	251.3	240.2	11.1	
Non-current liabilities	639.5	528.7	110.9	
Bonds and borrowings	414.4	291.2	123.2	Increase due to new borrowings, etc.
Other	225.2	237.5	(12.3)	
Current liabilities	706.9	737.4	(30.4)	
Bonds and borrowings	285.1	239.6	45.5	
Trade and other payables	204.6	231.1	(26.4)	
Other	217.1	266.7	(49.5)	Decrease in accrued liquor tax, etc.
Total liabilities	1,346.5	1,266.0	80.4	
Total equity and liabilities	2,424.5	2,412.9	11.6	

2. SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS, INDICES, etc.

(1) Condensed Statement of Profit or Loss, Indices, etc.

(¥ billions)

	Nine months ended September 30, 2020, Actual	Nine months ended September 30, 2019, Actual	Increase (decrease)	
Revenue	1,359.7	1,437.8	(78.2)	(5.4%)
Gross profit	590.8	630.5	(39.7)	(6.3%)
Selling, general and administrative expenses	460.6	482.1	(21.5)	(4.5%)
Normalized operating profit	130.3	148.4	(18.2)	(12.2%)
Other operating income	3.8	3.9	(0.2)	(4.7%)
Other operating expenses	29.7	91.3	(61.6)	(67.5%)
Operating profit	104.3	61.1	43.3	70.9%
Finance income	2.5	3.2	(0.7)	(21.2%)
Finance costs	5.5	7.3	(1.8)	(24.1%)
Share of profit of equity-accounted investees	13.9	20.5	(6.6)	(32.3%)
Profit before tax	115.2	77.5	37.7	48.7%
Income tax expense	21.1	28.0	(6.9)	(24.6%)
Profit (loss)	94.1	49.5	44.6	90.1%
Owners of the Company	71.8	33.1	38.6	116.5%
Non-controlling interests	22.3	16.3	6.0	36.6%
Normalized EPS	¥106	¥116	(¥10)	(8.6%)
Revenue (excluding liquor tax)	1,159.9	1,219.5	(59.7)	(4.9%)
Normalized operating profit ratio (excluding liquor tax)	11.2%	12.2%		
Normalized EBITDA	190.0	209.3	(19.4)	(9.3%)
Gross Debt Equity Ratio	0.85	0.56		

* The numbers above for the nine months ended September 30, 2019 have been revised retroactively, since changes in accounting policies was made at the fiscal year end of 2019.

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

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

Normalized EBITDA = Normalized operating profit + Depreciation and amortization* + Dividends received from equity-accounted investees

* Depreciation and amortization exclude those from right-of-use assets

(2) Exchange Rate for the Consolidation of Profit or Loss of the Major Overseas Companies

(¥)

	Nine months ended September 30, 2020, Actual	Nine months ended September 30, 2019, Actual
Lion (AUD)	73.23	76.41
Myanmar Brewery (MMK (`000))	77.37	71.87
Coke Northeast (USD)	107.25	109.20

(3) Period for the Consolidation of Profit or Loss of the Major Overseas Company

	Nine months ended September 30, 2020, Actual	Nine months ended September 30, 2019, Actual
San Miguel Brewery	From October 2019 to June 2020	From October 2018 to June 2019

3. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

	Nine months ended September 30, 2020, Actual	Nine months ended September 30, 2019, Actual	Increase (decrease)	
Revenue	1,359.7	1,437.8	(78.2)	(5.4%)
Japan Beer and Spirits	479.2	510.7	(31.5)	(6.2%)
Kirin Brewery	464.2	497.8	(33.6)	(6.7%)
Other and elimination	15.0	12.9	2.1	16.2%
Japan Non-alcoholic Beverages	190.6	215.0	(24.4)	(11.4%)
Kirin Beverage	192.1	216.5	(24.4)	(11.3%)
Elimination	(1.5)	(1.5)	(0.1)	—
Oceania Integrated Beverages	205.7	215.1	(9.4)	(4.4%)
Lion	205.7	215.1	(9.4)	(4.4%)
Beer, Spirits, and Wine	122.0	118.6	3.4	2.9%
Dairy and Drinks	83.7	96.5	(12.8)	(13.3%)
Elimination	(0.0)	(0.0)	(0.0)	—
Pharmaceuticals	233.6	224.7	8.9	4.0%
Kyowa Kirin	234.0	225.5	8.5	3.8%
Elimination	(0.4)	(0.8)	0.4	—
Other	250.6	272.4	(21.8)	(8.0%)
Mercian	43.9	45.3	(1.3)	(2.9%)
Myanmar Brewery	24.2	24.2	(0.0)	(0.2%)
Coke Northeast	98.8	100.3	(1.5)	(1.5%)
Kyowa Hakko Bio	43.4	56.5	(13.1)	(23.2%)
Other and elimination	40.3	46.1	(5.8)	(12.5%)

(Reference) Revenue excluding liquor tax

(¥ billions)

	Nine months ended September 30, 2020, Actual	Nine months ended September 30, 2019, Actual
Kirin Brewery	277.4	292.2

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

	Nine months ended September 30, 2020		Nine months ended September 30, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	—	(25.0%)	—	(4.4%)
<i>Happo-shu</i>	—	(4.0%)	—	(5.3%)
New genre	—	8.6%	—	13.7%
Sub-total	—	(5.0%)	—	2.7%
RTD	309	9.4%	282	7.1%
Non-alcohol beverages	33	21.3%	28	(7.4%)

Kirin Brewery's sales volume will only be disclosed in the 2nd and 4th quarter in accordance with the agreement made by the Brewers Association of Japan,

b. Kirin Beverage Group

	Nine months ended September 30, 2020		Nine months ended September 30, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	3,702	(9.4%)	4,088	10.3%
Japanese tea	2,489	(5.3%)	2,629	(0.5%)
Coffee	1,706	(12.5%)	1,951	2.9%
Fruit and vegetable juice	1,783	(5.3%)	1,883	(5.0%)
Carbonated beverage	1,230	(21.4%)	1,564	(7.0%)
Functional beverage	872	(5.9%)	927	(8.7%)
Water	3,292	1.7%	3,236	(3.4%)
Other	1,329	(11.8%)	1,508	3.3%
Total	16,404	(7.8%)	17,785	0.3%
Container Type				
Can	1,934	(16.7%)	2,321	(10.7%)
Large-sized PET bottles (2L, 1.5L, etc.)	6,037	(0.1%)	6,045	(1.2%)
Small-sized PET bottles (500ml, 280ml, etc.)	7,071	(10.5%)	7,900	8.0%
Other	1,362	(10.3%)	1,519	(10.9%)
Total	16,404	(7.8%)	17,785	0.3%

4. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

	Nine months ended September 30, 2020, Actual	Nine months ended September 30, 2019, Actual	Increase (decrease)	
Normalized operating profit	130.3	148.4	(18.2)	(12.2%)
Japan Beer and Spirits	63.2	65.5	(2.3)	(3.5%)
Kirin Brewery	60.9	63.9	(2.9)	(4.6%)
Others	2.3	1.7	0.6	38.3%
Japan Non-alcoholic Beverages	18.4	21.2	(2.8)	(13.3%)
Kirin Beverage	18.4	21.2	(2.8)	(13.3%)
Oceania Integrated Beverages	9.7	24.2	(14.5)	(59.9%)
Lion	9.7	24.2	(14.5)	(59.9%)
Beer, Spirits, and Wine	14.0	28.9	(14.9)	(51.6%)
Dairy and Drinks	0.4	(0.4)	0.9	—
Corporate	(4.7)	(4.2)	(0.5)	—
Pharmaceuticals	50.2	46.6	3.6	7.7%
Kyowa Kirin	50.2	46.6	3.6	7.7%
Other	19.8	22.6	(2.8)	(12.6%)
Mercian	1.8	0.9	0.9	105.2%
Myanmar Brewery	10.7	10.6	0.2	1.5%
Coke Northeast	6.6	3.8	2.8	73.4%
Kyowa Hakko Bio	(3.6)	3.3	(6.9)	—
Others	4.2	4.1	0.2	3.9%
Corporate expenses and inter-segment eliminations	(31.0)	(31.8)	0.7	—

Each normalized operating profit in each segment is calculated by adding back management fees paid to the Company to normalized operating profit.

(2) Normalized Operating Profit Breakdown of Major Business Companies

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Decrease in marginal profit of alcohol beverages, etc.	(12.2)	Total beer products (9.5) Sales decrease in beer (103) thousand KL Sales decrease in <i>happo-shu</i> (12) thousand KL Sales increase in new genre 50 thousand KL Total products other than beer products 2.6 Sales increase in RTD 27 thousand KL Sales increase in non-alcohol beverages 6 thousand KL, etc. Difference of change in composite of products, etc. (5.3)
	Increase in raw material cost of alcohol beverages	(1.3)	
	Decrease in selling expenses	6.8	Decrease in sales promotion 7.0, and increase in advertising (0.2) (Total 45.0→38.2)
	Decrease in other expenses	3.8	
	Total	(2.9)	
Kirin Beverage	Decrease in marginal profit of soft drink beverages	(11.0)	Decrease in sales volume (13.81) million cases (6.7) Difference of change in products mix and composition ratio of containers, etc. (4.4)
	Decrease in raw material cost, etc.	0.8	Decrease in raw material cost 0.7, decrease in material cost 0.8, and increase in processing cost (0.7)
	Decrease in selling expenses	5.0	Decrease in sales promotion 2.3, and decrease in advertising 2.6 (Total 27.0→22.0)
	Decrease in other expenses	2.4	
	Total	(2.8)	

(3) Other Operating Income and Other Operating Expenses

(¥ billions)

	Nine months ended September 30, 2020, Actual	Nine months ended September 30, 2019, Actual	Increase (decrease)
Other operating income	3.8	3.9	(0.2)
Gain on sale of property, plant and equipment and intangible assets	1.2	2.3	(1.1)
Gain on sale of shares of subsidiaries	0.0	—	0.0
Other	2.5	1.6	0.9
Other operating expenses	29.7	91.3	(61.6)
Impairment losses	7.9	63.6	(55.7)
Business restructuring expenses	4.0	10.3	(6.3)
Software development expenses	10.9	8.1	2.8
Loss on disposal and sale of property, plant and equipment and intangible assets	1.3	1.2	0.1
Other	5.6	8.1	(2.6)

(4) Finance Income, Finance Costs, Share of Profit of Equity-accounted Investees, etc.

(¥ billions)

	Nine months ended September 30, 2020, Actual	Nine months ended September 30, 2019, Actual	Increase (decrease)
Finance income	2.5	3.2	(0.7)
Interest income	1.3	1.2	0.1
Dividend income	0.7	1.7	(0.9)
Other	0.5	0.3	0.2
Finance costs	5.5	7.3	(1.8)
Interest paid	3.6	5.3	(1.7)
Foreign exchange losses (net)	0.4	1.3	(0.9)
Other	1.6	0.7	0.9
Share of profit of equity-accounted investees	13.9	20.5	(6.6)
San Miguel Brewery	12.8	19.6	(6.9)
Other	1.1	0.9	0.2

5. SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ billions)

	Nine months ended September 30, 2020, Actual	Nine months ended September 30, 2019, Actual	Increase (decrease)
Cash flows from operating activities	124.1	119.0	5.1
Profit before tax	115.2	77.5	37.7
Depreciation and amortization	60.1	60.4	(0.3)
Other	(51.2)	(18.9)	(32.3)
Cash flows from investing activities	(100.3)	(172.6)	72.4
Acquisition of property, plant and equipment and intangible assets	(72.8)	(70.8)	(1.9)
Other	(27.5)	(101.8)	74.3
Cash flows from financing activities	6.6	(18.0)	24.6
Increase (decrease) in interest-bearing liabilities	172.0	82.7	89.3
Dividends paid	(70.1)	(65.3)	(4.8)
Other	(95.3)	(35.4)	(60.0)
Exchange rate changes.	(2.2)	(1.8)	(0.4)
Net increase (decrease) in cash and cash equivalents	28.2	(73.4)	101.7

**Supplementary Documents to
the Financial Forecast
for the Fiscal Year Ending December 31, 2020**

1. Revenue Details
2. Profit Details

**KIRIN HOLDINGS COMPANY, LIMITED
November 6, 2020**

1. REVENUE DETAILS

(¥ billions)

	Fiscal year ending December 31, 2020, Revised Forecast	Fiscal year ended December 31, 2019, Actual	Increase (decrease)		Fiscal year ending December 31, 2020, Previous forecast	Increase (decrease)
Revenue	1,828.0	1,941.3	(113.3)	(5.8%)	1,824.0	4.0
Japan Beer and Spirits	648.6	681.9	(33.3)	(4.9%)	649.7	(1.2)
Kirin Brewery	629.0	665.0	(36.0)	(5.4%)	631.5	(2.5)
Other and elimination	19.6	16.9	2.7	16.0%	18.2	1.4
Japan Non-alcoholic Beverages	254.2	286.8	(32.6)	(11.4%)	249.7	4.5
Kirin Beverage	255.8	288.8	(33.0)	(11.4%)	251.3	4.5
Elimination	(1.6)	(2.0)	0.4	-	(1.6)	-
Oceania Integrated Beverages	279.5	299.7	(20.2)	(6.7%)	276.1	3.4
Lion	279.6	299.8	(20.2)	(6.7%)	276.2	3.4
Beer, Spirits, and Wine	168.1	171.5	(3.4)	(2.0%)	164.8	3.4
Dairy and Drinks	111.4	128.2	(16.8)	(13.1%)	111.4	-
Elimination	(0.1)	(0.0)	(0.0)	-	(0.1)	-
Pharmaceuticals	312.1	304.9	7.2	2.4%	312.1	-
Kyowa Kirin	313.0	305.8	7.2	2.3%	313.0	-
Elimination	(0.9)	(1.0)	0.0	-	(0.9)	-
Other	333.7	368.0	(34.4)	(9.3%)	336.4	(2.7)
Mercian	61.8	63.9	(2.1)	(3.2%)	61.9	(0.1)
Myanmar Brewery	29.0	32.6	(3.5)	(10.8%)	30.5	(1.4)
Coke Northeast	128.4	132.6	(4.2)	(3.1%)	129.1	(0.7)
Kyowa Hakko Bio	59.0	74.9	(15.9)	(21.2%)	59.0	-
Other and elimination	55.4	64.2	(8.7)	(13.6%)	56.0	(0.5)

2. PROFIT DETAILS

(¥ billions)

	Fiscal year ending December 31, 2020, Revised Forecast	Fiscal year ended December 31, 2019, Actual	Increase (decrease)		Fiscal year ending December 31, 2020, Previous forecast	Increase (decrease)
Normalized operating profit	150.0	190.8	(40.8)	(21.4%)	140.0	10.0
Japan Beer and Spirits	73.9	85.2	(11.3)	(13.2%)	71.6	2.3
Kirin Brewery	72.0	83.3	(11.3)	(13.6%)	70.0	2.0
Others	1.9	1.8	0.1	5.2%	1.6	0.3
Japan Non-alcoholic Beverages	22.0	26.4	(4.4)	(16.5%)	20.0	2.0
Kirin Beverage	22.0	26.4	(4.4)	(16.5%)	20.0	2.0
Oceania Integrated Beverages	18.3	41.4	(23.1)	(55.8%)	16.2	2.1
Lion	18.3	41.4	(23.1)	(55.8%)	16.2	2.1
Beer, Spirits, and Wine	23.9	45.1	(21.2)	(47.0%)	21.8	2.1
Dairy and Drinks	0.3	1.6	(1.3)	(83.8%)	0.3	-
Corporate	(5.8)	(5.3)	(0.5)	-	(5.8)	-
Pharmaceuticals	57.0	55.4	1.6	2.9%	57.0	-
Kyowa Kirin	57.0	55.4	1.6	2.9%	57.0	-
Other	24.8	27.0	(2.2)	(8.3%)	21.3	3.5
Mercian	3.3	2.2	1.1	52.3%	2.9	0.4
Myanmar Brewery	11.3	12.9	(1.5)	(12.0%)	11.3	-
Coke Northeast	7.9	5.3	2.6	49.7%	6.0	2.0
Kyowa Hakko Bio	(2.0)	2.3	(4.3)	-	(2.0)	-
Others	4.2	4.4	(0.2)	(3.5%)	3.1	1.1
Corporate expenses and inter-segment eliminations	(46.0)	(44.6)	(1.4)	-	(46.1)	0.1