



KIRIN

Joy brings us together

Kirin Group Financial Results for the 3Q FY2019

November 7, 2019
Kirin Holdings Company, Limited

3Q Financial result summary

- Consolidated Revenue was +1.2% and consolidated Normalized OP was +0.8%. Increased both in sales and profits YoY.
- While we achieved the 3Q plan for consolidated normalized OP, consolidated revenue fell behind.
- Profit attributable to owners of the parent was declined due to the same reasons as on 2Q FY2019, which includes the impact of recording an impairment loss and reaction to the gain on sale of Kirin Amgen in FY2018.

Others

- Sales process of the Specialty Cheese business of Lion Dairy & Drinks (LDD) is completed. Negotiation on the other businesses continue.
- To further enhance shareholder return, resolved to repurchase own-shares up to 100.0 billion yen.

Increase in both Revenue and Normalized OP in spite of exchange impact

(bn yen)	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Revenue	1,437.8	1,420.7	17.1	1.2%
Normalized OP ^{*1}	148.4	147.2	1.2	0.8%
Profit before tax	77.5	198.7	-121.2	-61.0%
Profit attributable to owners of the Company	26.3	128.9	-102.6	-79.6%

- 3Q 2019 results include the LDD impairment loss of 57.1 bn yen
- 3Q 2018 Include the gain on sale of shares in Kirin Amgen

Quantitative target

	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Normalized EPS ^{*2}	116 yen	122 yen	-6 yen	-4.9%

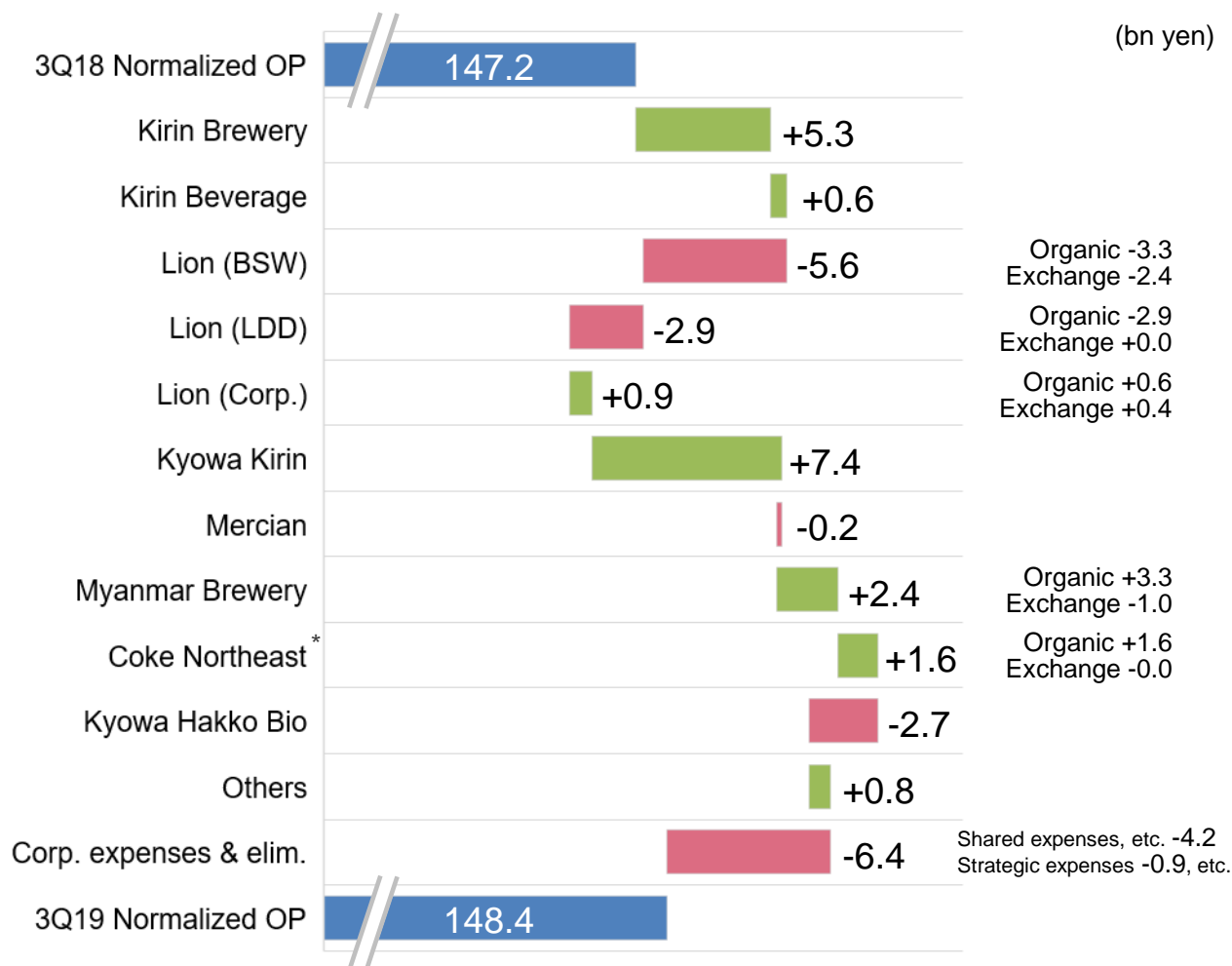
Financial Indicators (Reference)

	3Q FY19 Actual	3Q FY18 Actual	YoY	%
EPS	29.95 yen	143.25 yen	-113.3 yen	-79.1%

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

^{*2} See page 16 for details.

Solid performance toward the Full-year forecast as a Group



Description

Kirin Brewery

- Increased Revenue and Normalized OP due to volume growth outperforming the market, and other factors

Kirin Beverage

- Volume growth despite unseasonal weather in July; increased Revenue and Normalized OP

Lion Beer, Spirits and Wine (BSW)

- Sales promotion strengthened for recovery of customer base lost in fierce competition in 2Q
- Higher raw material costs and logistics costs, etc. also contributed to decreased Normalized OP

Lion Dairy and Drinks (LDD)

- Decreased Normalized OP due to higher raw material costs by rising milk price, etc.

Kyowa Kirin

- Solid progress on global strategic products

Myanmar Brewery

- Increased Normalized OP due to volume and price increase

Kyowa Hakko Bio

- Increase in COGS caused by manufacturing site transfer and in SG&A due to advertising investment lead to decreased Normalized OP

Corporate expenses / eliminations

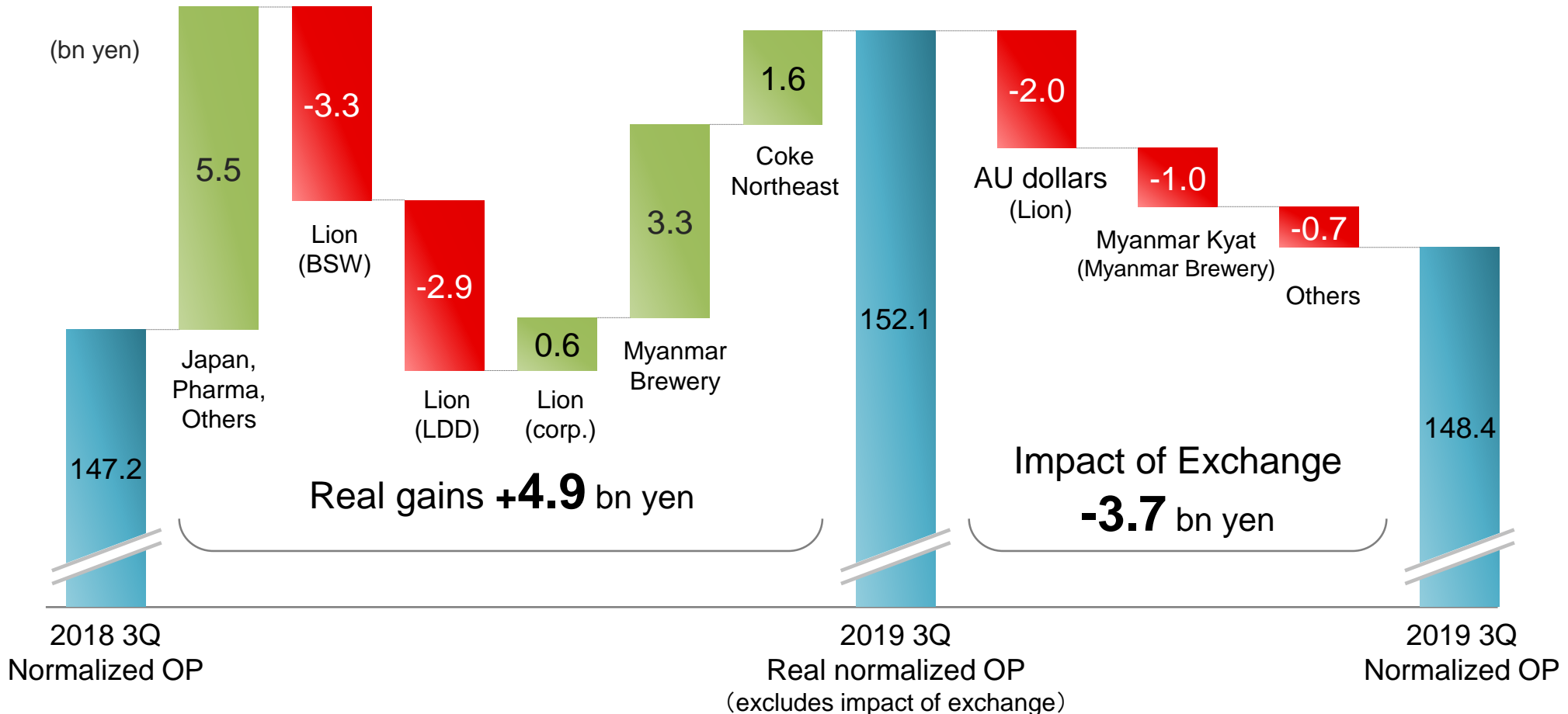
- Showing delayed progress on several projects

*The company name has changed to "Coca-Cola Beverages Northeast, Inc. (Abbreviated name: Coke Northeast)" from "The Coca-Cola Bottling Company of Northern New England, Inc. (Abbreviated name: CCNNE)" in October 1, 2019.

Impact of Foreign Exchange rates

Normalized OP growth +4.9 bn yen (+3.3%). 152.1 bn yen excluding impact of exchange

- Consolidated exchange impact of -3.7 bn yen due to the weakness of the Australian dollar and Myanmar Kyat against the yen.
- Strong performance of domestic beer & spirits, beverages, pharmaceuticals and overseas businesses such as Myanmar Brewery have offset the exchange impact and achieved the growth in Normalized OP.



Revenue and profit grew with above-market growth in sales volume

- Sales volume of *Kirin Ichiban* (can) and *Honkirin* remained strong and drove overall sales.
- Demand growth ahead of the consumption tax hike is estimated at approx. +15% in September and nearly +2% in 3Q (cumulative) for the entire market.

Total Beer Market +1% (Estimate)



Kirin Brewery +2.7%



Market for Beer Category -3%
(3Q・Estimate)

Sales volume of *Kirin Ichiban* (can)

Jul-Sep **+12%** Jan-Sep **+5%**



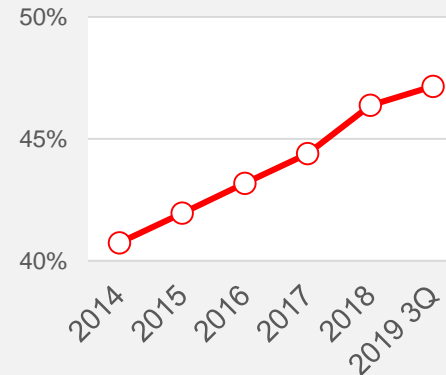
New Genre Category +7.0%
(3Q・Estimate)

Sales volume of *Honkirin*

Jul-Sep **+63%** Jan-Sep **+73%**

Increase in mass sales channel (cans)

Share of cans in the beer category*



Steadily growing share;
Raise profitability by
improving the container
mix.

*Ratio of cans in Kirin Brewery's
beer category products.

Increasing appeal in the On-premise channel

Making steady progress against
the annual goal of installing Tap
Marché in 13,000 stores



Volume and share improved in 3Q recovering from aggressive competition in the market in 1H. However the impact from aggressive competition in 1H still remains.

BSW

- Despite the aggressive competition in the previous quarters, 3Q sales volume and market share is recovering due to implementation of strategic initiatives.
- Decrease of Normalized OP is mainly driven by ongoing increased investment in our brands and increased supply chain costs.
- Continue to manage cost including corporate expenses.

Volume(YoY)	1Q	2Q	3Q
3 months	-14.0%	-3.6%	-0.5%
Cumulative	-14.0%	-9.0%	-6.3%

- 3Q volume in line with FY2018.
- However the impact from aggressive competition in 1H still remains.



Iron Jack +16%

Furphy +15%

(Cumulative Sales Volume, YoY)

LDD

- Completed the sale of the Speciality Cheese business on 28th October.

Revenue and profit rose with +0.3% volume growth despite unfavorable weather in July

- ▶ Sales volume of small PET bottle products (e.g. *Gogo-no-Kocha*, *FIRE ONEDAY BLACK*) exceeded the plan due to our focus on key brands and zero/low-sugar products, boosting our confidence to achieve “growth-based profit generation”.

Non-alcoholic Beverages Market
(3Q cumulative, estimate)

-3%



Kirin Beverage
(3Q cumulative)

+0.3%

**2019
Core brands**



Zero / Low sugar



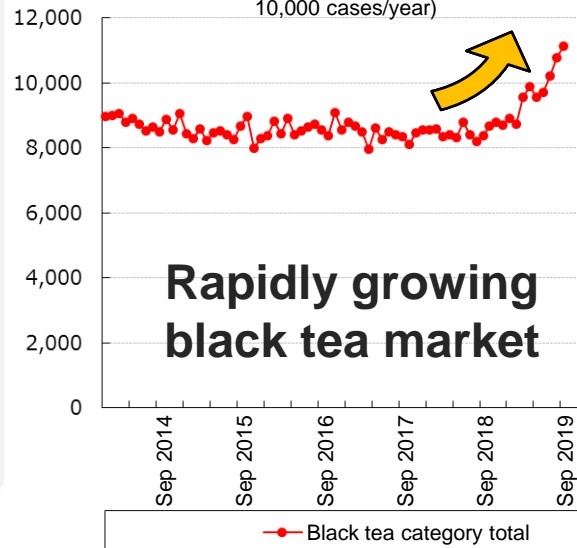
**Revenue & profit
YoY growth in 3Q**
(Normalized OP margin 9.8%)



Gogo-no-Kocha

- Sales volume rose 10% YoY
- Helped raise the ratio of small PET bottle products

Sales trend in the tea category
(Seasonally adjusted, annualized figure;
10,000 cases/year)



Data: Shokuhin Marketing Kenkyujo



**Drive the expansion of
the black tea market
as a leading brand**

Sales volume soared thanks to the ongoing strong performance of key brands and favorable weather. Both revenue and profit increased

- 3Q sales volume soared as in the 2Q which was helped by the delayed rainy season.
- Actively execute necessary brand investments in the increasingly harsh competitive environment.

Market growth

×

**Brand enhancement
+ Increase in
production capacity**



Sales volume

+21% YoY

3Q results

Revenue: 337 bn kyat (up 33.7% YoY)

Normalized OP: 147 bn kyat (up 40.4% YoY)

Normalized OP margin 43.7%



Revenue and profit rose thanks to sales increase in Japan and overseas

➤ KW-6002 was approved in the U.S. Now, the three global strategic products are all on the market.

Global strategic products

Hereditary rickets

KRN23 / Burosumab

Crysvita

Quarterly sales

(bn yen, cumulative, overseas only)

	1Q	2Q	3Q	4Q	Total
2018	-	0.8	3.2	7.7	7.7
2019	5.7	13.4	21.6		21.6

Blood cancer

KW-0761 / Mogamulizumab

Poteligeo

Quarterly sales

(bn yen, cumulative, overseas only)

	1Q	2Q	3Q	4Q	Total
2018	-	-	-	2.1	2.1
2019	2.4	5.4	8.0		8.0

Parkinson's disease

KW-6002 / Istradefylline

Nourianz ^{New}

- Approved by FDA in August
- Started sale under the product name "Nourianz" in October

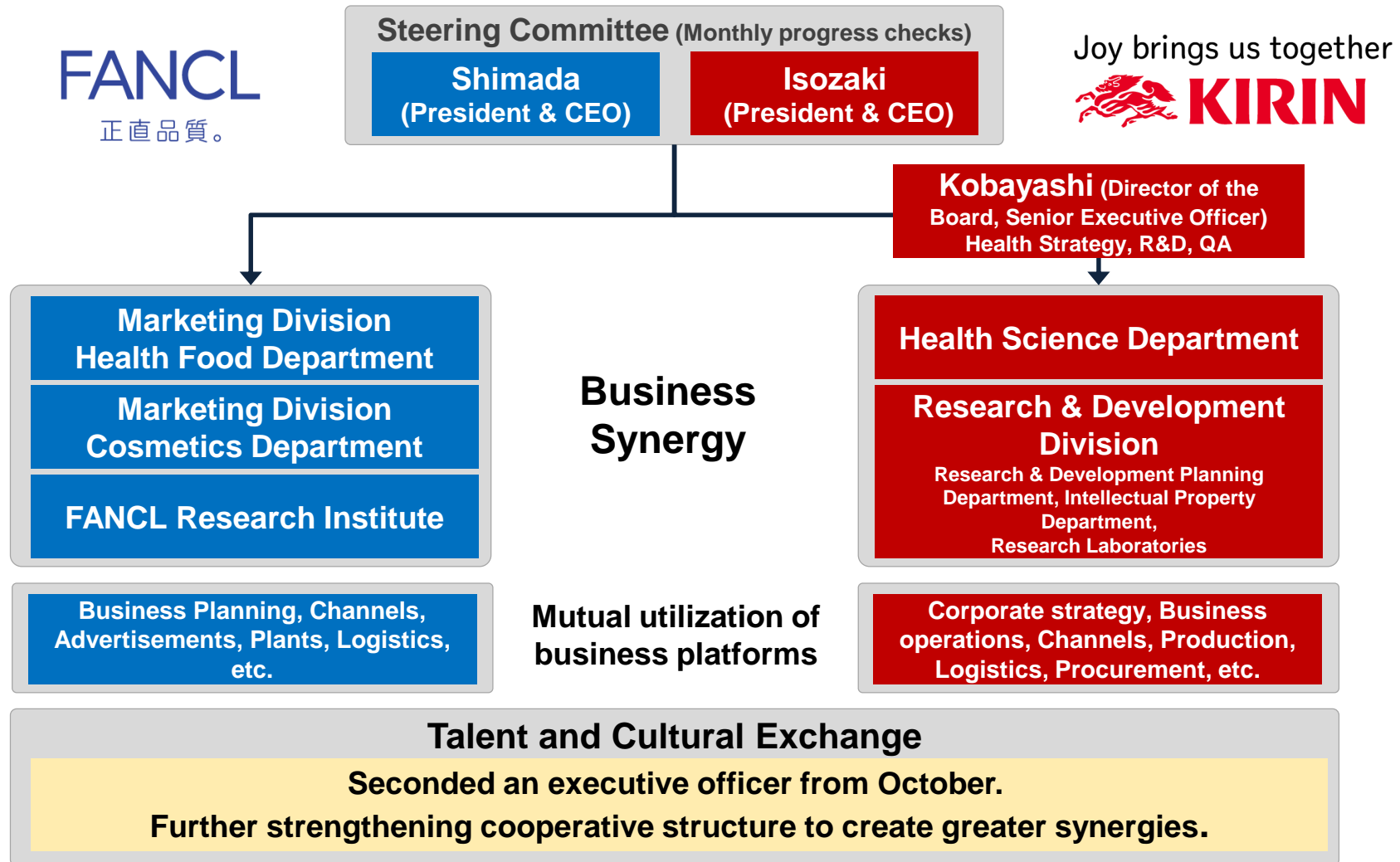
3Q FY18 Normalized OP	39.2	
Gross profit		+24.6
SG&A		-11.6
R&D		-5.6
3Q FY19 Normalized OP	46.6	

(bn yen)

- Profit grew due to larger sales; the gross profit margin rose by 2%.
- selling and launch readiness expenses grew in the U.S. and Europe.
- Increase in R&D costs related to KW- 4083 (Atopic dermatitis), RTA402 (diabetic kidney disease), KW-6356 (Parkinson's disease).

Collaboration with FANCL

Established a structure to generate synergies. Committed at every level from top to field



Resolved to repurchase own-share up to 100.0 billion yen

- Utilizing the cash generated from sale of LDD's cheese business and shares held under the cross-shareholding policy, we will implement the share buy-back.
- We will aim to maximize shareholder benefits as well as increase capital efficiency by slimming the balance sheet.

Details of Repurchasing Own-Share

1. Reason	:	Further enhance shareholder return
2. Total cost	:	Maximum 100.0 billion yen
3. Total shares	:	Maximum 60 million shares (6.8% of the outstanding shares as of Sep. 2019)
4. Timing	:	By Nov 7 th , 2020

Appendices

Strengths

Joy brings us together



- **Brands** (*Gogo-no-Kocha, Namacha*, etc.)
- **R & D** (fermentation, cultivation, production of non-alcoholic beverages)
- **Materials** (amino acids, immune system, brain health, etc.)
- **Channels** (vending machines)

Complement



FANCL

正直品質。

- **Brands** (*Fancl, Attenir*, etc.)
- **R & D** (*Mutenka* technology, formulation and processing technology)
- **Use of materials** (supplements for healthy lifestyles)
- **Channels** (direct sales through stores and online)

Health Products

Establish themes, needs and targets to be addressed based on the scale of health needs and the degree of unmet health needs for different age groups and genders

- Life-induced diseases
- Health of the brain
- Frailty
- Physical therapy
- Immune system
- Intestinal environment

Cosmetics

Kirin suggests materials and technologies to FANCL.
FANCL breaks down these ideas for commercialization.

(Past Example) Two-component mixed serum '*BC INTENSIVE SKIN BOOSTER*'
Kyowa Pharma Chemical and FANCL applied for a joint patent for freeze-drying formulation

Mutual utilization of business platforms with FANCL (proposed)

	Area	Item	Implementation Plans
Sales Synergy	Own channels	Sharing of online and catalogue customers	<ul style="list-style-type: none"> — Sharing FANCL and Kyowa Hakko Bio customers — Handling both companies' products
		Utilization of vending machines	<ul style="list-style-type: none"> — Supplement sales in office vending machines
	Retail	Development of new retail channels	<ul style="list-style-type: none"> — Joint sales via channels where each company is strong FANCL: drugstores / Kirin: supermarkets, etc.
	Corporate	Health promotion business collaboration	<ul style="list-style-type: none"> — Proposals to Kirin customers — Collaboration between FANCL health management promotion business and <i>Kirin Naturals</i>, etc.
	Promotion and PR	Shared sales promotion and PR initiatives	<ul style="list-style-type: none"> — Joint promotion of both companies' products
Cost Synergy	Shared procurement	Materials/goods	<ul style="list-style-type: none"> — Cosmetics, supplement ingredients, raw materials, etc.
	Production	Sharing production consignment	<ul style="list-style-type: none"> — Consign production of formulations in which mutual strengths exist FANCL: Tablets / Kirin: Drinks
	Other	Logistics optimization, etc.	<ul style="list-style-type: none"> — Consider joint logistics initiatives

Details of the Normalized EPS

Normalized EPS			
(bn yen)		3Q FY19	3Q FY18
Profit attributable to Owners of the Company	①	26.3	128.9
Profit attributable to Non-controlling interests	②	-	-
Other operating income/expenses after taxes and other adjustments	③	75.8	-18.7
Normalization profit	④ = (① - ②) + ③	102.1	110.2
Average number of shares during the period ('000)	⑤	878,046	900,008
Normalized EPS (yen)	④ / ⑤	116	122

Revenue by segments

(bn yen)	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Revenue	1,437.8	1,420.7	17.1	1.2%
Japan Beer and Spirits	510.7	505.1	5.6	1.1%
Kirin Brewery	497.8	492.1	5.7	1.2%
Other and elimination	12.9	13.1	-0.1	-1.0%
Japan Non-alcoholic Beverages	215.0	213.6	1.5	0.7%
Kirin Beverage	216.5	215.0	1.5	0.7%
Elimination	-1.5	-1.4	-0.1	—
Oceania Integrated Beverages	215.1	237.7	-22.6	-9.5%
Lion	215.1	237.7	-22.6	-9.5%
Beer, Spirits, and Wine	118.6	129.6	-11.0	-8.5%
Dairy and Drinks	96.5	108.2	-11.6	-10.7%
Elimination	-0.0	-0.0	-0.0	—
Pharmaceuticals	224.7	196.9	27.7	14.1%
Kyowa Kirin	225.5	197.7	27.7	14.0%
Elimination	-0.8	-0.8	-0.0	—
Other	272.4	267.4	5.0	1.9%
Mercian	45.3	44.3	1.0	2.2%
Myanmar Brewery	24.2	19.8	4.4	22.4%
Coke Northeast	100.3	99.7	0.6	0.6%
Kyowa Hakko Bio	56.5	58.9	-2.4	-4.1%
Other and elimination	46.1	44.7	1.4	3.1%

Normalized OP by segments

(bn yen)	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Normalized OP	148.4	147.2	1.2	0.8%
Japan Beer and Spirits	65.5	60.3	5.2	8.7%
Kirin Brewery	63.9	58.6	5.3	9.1%
Other and elimination	1.7	1.7	-0.1	-4.8%
Japan Non-alcoholic Beverages	21.2	20.7	0.6	2.7%
Kirin Beverage	21.2	20.7	0.6	2.7%
Oceania Integrated Beverages	24.2	31.8	-7.6	-23.8%
Lion	24.2	31.8	-7.6	-23.8%
Beer, Spirits, and Wine	28.9	34.5	-5.6	-16.3%
Dairy and Drinks	-0.4	2.4	-2.9	—
Corporate	-4.2	-5.1	0.9	—
Pharmaceuticals	46.6	39.2	7.4	18.8%
Kyowa Kirin	46.6	39.2	7.4	18.8%
Other	22.6	20.6	2.0	9.6%
Mercian	0.9	1.1	-0.2	-19.3%
Myanmar Brewery	10.6	8.2	2.4	28.6%
Coke Northeast	3.8	2.2	1.6	72.4%
Kyowa Hakko Bio	3.3	6.0	-2.7	-45.1%
Others	4.1	3.1	1.0	30.8%
Corporate expenses/inter-segment	-31.8	-25.4	-6.4	—

3Q FY2019 Results

Kirin Brewery



(1,000 KL)	3Q FY19 Actual	3Q FY18 Actual	YoY
Beer products total	—	—	2.7%
Beer	—	—	-4.4%
Happo-shu	—	—	-5.3%
New genre	—	—	13.7%
RTD	282	263	7.1%
Non-alcohol beverages	28	30	-7.4%

* In accordance with the agreement made by the Brewers Association of Japan, sales volume of beer products will only be disclosed in the 2Q and 4Q.

(bn yen)	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Revenue	497.8	492.1	5.7	1.2%
Revenue excl. liquor tax	292.2	287.8	4.4	1.5%
Normalized OP	63.9	58.6	5.3	9.1%

Description

- The beer market expanded slightly year on year.
- It is estimated that demand surge before the consumption tax hike accounted for approx. 15% of the entire market in September on a single month basis and increased the market around 2% in 3Q.
- Kirin Brewery had the above-market sales volume rise of 2.7% YoY led by *Kirin Ichiban* (can) and *Honkirin*.
- *Kirin Ichiban* (can) continued strong performance with a 5% YoY growth.
- Sales revenue rose thanks to the sales volume increase.
- Profit grew 9.1% YoY as lower fixed expenses incl. SG&A made up for a drop in marginal profit.
- SG&A shrank by ¥3.0bn YoY due to efficiency improvements and the delayed posting of some items.

3Q FY18 Normalized OP (bn yen)		58.6	Description
YoY change (bn yen)			Total beer products -0.8 (decrease in beer -19,000KL, decrease in happo-shu -17,000KL, increase in new genre 70,000KL)
	Decrease in marginal profit of alcohol beverages, etc.	-1.1	Total other than beer products 1.0 (increase in RTD 19,000KL, decrease in non-alcohol beverages -2,000KL, etc.)
			Difference of change in composite of products, etc. -1.2
	Decrease in raw material cost	0.8	
	Decrease in selling expenses	3.0	Decrease in sales promotion 2.4, decrease in advertising 0.7 (Total 48.0 ⇒ 45.0)
	Decrease in other expenses	2.6	Decrease in allocated corporate expenses 1.8, etc.
	Subtotal	5.3	
3Q FY19 Normalized OP		63.9	

3Q FY2019 Results

Kirin Beverage



Sales Volume (10,000 cases)		3Q FY19 Actual	3Q FY18 Actual	YoY
Category	Black tea	4,088	3,707	10.3%
	Japanese tea	2,629	2,643	-0.5%
	Coffee	1,951	1,896	2.9%
	Fruit and veg. juice	1,883	1,982	-5.0%
	Carbonated bevarages	1,564	1,682	-7.0%
	Functional bevarages	927	1,015	-8.7%
	Water	3,236	3,350	-3.4%
	Others	1,508	1,460	3.3%
By Container	Can	2,321	2,601	-10.7%
	Large PET bottle	6,045	6,117	-1.2%
	Small PET bottle	7,900	7,312	8.0%
	Others	1,519	1,705	-10.9%
Total		17,785	17,735	0.3%

(bn yen)	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Revenue	216.5	215.0	1.5	0.7%
Normalized OP	21.2	20.7	0.6	2.7%

3Q FY18 Normalized OP (bn yen)		20.7	Description
YoY change (bn yen)	Increase in marginal profit	3.2	Increase in sales volume 0.5 million cases, 0.2 Difference of change in products mix and in composition ratio of containers, etc. 2.9
	Increase in raw material costs, etc.	-0.5	Decrease in raw material cost 0.5, increase in material cost -0.7, increase in processing cost -0.2
	Increase in selling expenses	-1.6	Increase in sales promotion -1.5, increase in advertising -0.1 (Total 25.4 ⇒ 27.0)
	Increase in other expenses	-0.5	Decrease in allocated corporate expenses 0.6, increase in depreciation of vending machines, etc.
Subtotal		0.6	
3Q FY19 Normalized OP		21.2	

Description

Soft drinks market

- The soft drinks market shrank 3%.

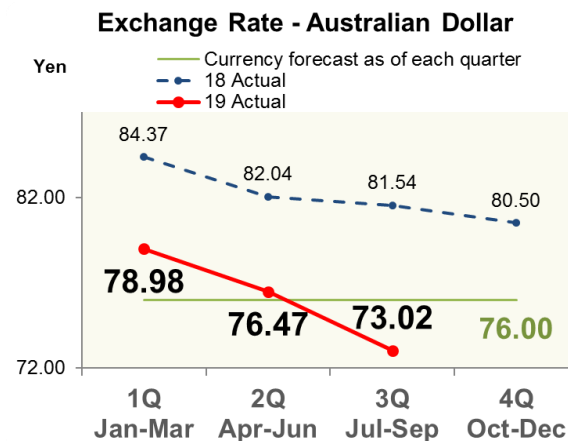
Sales volume

- 10% growth for the *Gogo-no-Kocha* brand thanks to the strong sales of *The Meister's Milk Tea* launched in March and surge in sales of *Oishii-mutou*
- 2% YoY growth for the *FIRE* brand due to the healthy sales of *ONEDAY BLACK* (sugarless PET bottle coffee)

Additional comment on performance

- More small PET bottle products, price revisions to large PET bottle products, and a higher marginal profit of *Tropicana* offset the impact of larger logistics costs, creating a better product and container mix.
- *Tropicana*'s revised sales scheme positively impacted overall profit despite a brief hike in SG&A/Other Costs.

	Yen base (bn yen)				AUS dollar base (million AUS\$)			
	3Q FY19 Actual	3Q FY18 Actual	YoY	%	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Revenue	215.1	237.7	-22.6	-9.5%	2,826	2,876	-50	-1.7%
BSW	118.6	129.6	-11.0	-8.5%	1,558	1,567	-9	-0.6%
LDD	96.5	108.2	-11.6	-10.7%	1,268	1,309	-41	-3.2%
Normalized OP	24.2	31.8	-7.6	-23.8%	317	385	-68	-17.6%
BSW	28.9	34.5	-5.6	-16.3%	378	417	-39	-9.4%
LDD	-0.4	2.4	-2.9	—	-5	30	-35	—
Corporate	-4.2	-5.1	0.9	—	-55	-62	7	—



Lion's currency is calculated by accumulating the average rate for each of the three months.

	BSW	LDD
Change in sales volume	-6.3%	-3.9%

Normalized OP YoY Australian dollars (million AUS\$)	3Q FY18 Actual	417	30
	Change in sales volume	-51	-12
	Other	11	-23
	3Q FY19 Actual	378	-5

Description

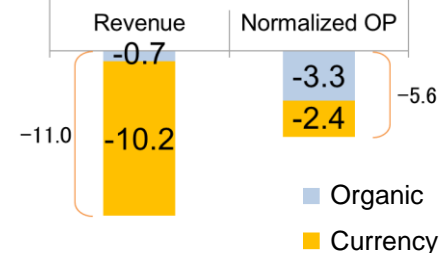
Lion Beer, Spirits & Wine (Lion BSW)

- Decline in revenue year on year due to the aggressive competition seen in the Australian market in 1H offset by strong performance of Furphy and Iron Jack and contributions from our fast growing craft adult beverages business.
- Normalized operating profit decreased driven by the aggressive competition seen in the Australian market in 1H requiring additional ongoing investment in our brands and increased supply chain costs.

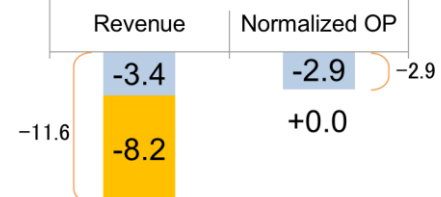
Lion Dairy and Drinks (LDD)

- Revenue and normalized operating profit continue to be impacted by the severe drought in Australia driving up the cost of milk due to a fall in availability across most dairy regions in Australia.

Impact of Currency BSW (bn yen)



Impact of Currency LDD (bn yen)



3Q FY2019 Results

Kyowa Kirin



(bn yen)	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Revenue	224.7	196.9	27.7	14.1%
Kyowa Kirin	225.5	197.7	27.7	14.0%
Elimination	-0.8	-0.8	-0.0	—
Normalized OP	46.6	39.2	7.4	18.8%
Kyowa Kirin	46.6	39.2	7.4	18.8%

Revenue by item

(billion yen, rounded)

Item (Japan)	3Q FY19 Actual	3Q FY18 Actual	YoY	4Q 2019 Plan	Progress
Nesp + Authorized version*	37.6	39.2	-1.6	48.4	78%
Regpara	5.2	10.7	-5.4	5.1	103%
Orkedia	4.8	1.1	3.7	9.5	51%
G-Lasta	18.3	14.8	3.5	22.8	80%
Rituximab BS	6.8	2.4	4.3	8.4	81%
Allelock	8.5	9.7	-1.3	9.3	91%
Patanol	11.7	11.5	0.2	11.3	103%
Nourias	7.3	6.8	0.5	10.0	73%
Technology licensing	3.7	2.2	1.5	4.4	84%

* Official product name is Darbepoetin Alfa Injection Syringe [KKF]. Kyowa Kirin Frontier is a marketing authorization holder; Kyowa Kirin is a distributor.

Description

Revenue

- Larger sales of G-Lasta, Orkedia, Rituximab BS, etc., increased sales revenue in Japan, despite the pharmaceutical price revision (Apr/2018) and market penetration of generic drugs.
- Global strategic products (e.g. Crysvita, Poteligeo) steadily penetrated the overseas markets.

Normalized OP

- Profit grew despite the rising overseas selling and launch readiness expenses as sales revenue rose and the cost-to-sales ratio fell due to greater new product sales overseas.

(billion yen, rounded)

Item (Overseas)	3Q FY19 Actual	3Q FY18 Actual	YoY	4Q 2019 Plan	Progress
Crysvita *1 North America Europe & others	21.6 16.3 5.3	3.2	18.4	Undisclosed	—
Poteligeo	8.0	—	8.0	10.0	80%
Abstral	8.3	9.5	-1.2	12.3	68%
Technology licensing Benralizumab Royalty *2	7.9	13.9	-6.0	12.9	62%

*1 -In January, sales started in England at the list price of GBP2,992 per 10mg vial.

-Since May, the List price in Germany has been revised to €2,550 per 10mg vial (from €3,388).

-Launched countries as of September 30, 2019:

USA, Canada, Germany, Netherlands, Luxembourg, England, Wales, North Ireland, Slovakia, Sweden, Israel, UAE

*2 Sales royalties of "Fasenra" marketed by AstraZeneca. Includes our own estimation.

Referenced from 3Q financial results documents of Kyowa Kirin

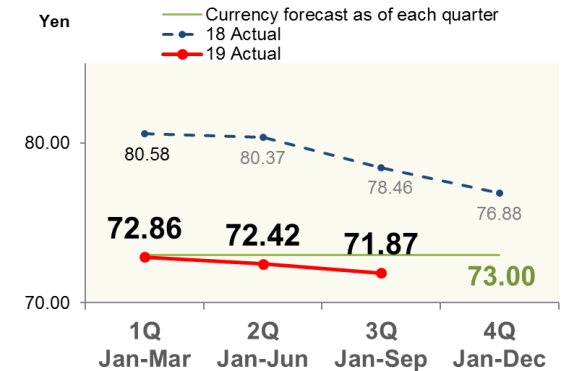
3Q FY2019 Results

Myanmar Brewery

	Yen base (bn yen)			
	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Revenue	24.2	19.8	4.4	22.4%
Normalized OP	10.6	8.2	2.4	28.6%

	Kyat base (bn MMK)			
	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Revenue	337	252	85	33.7%
Normalized OP	147	105	42	40.4%

Exchange Rate - 1,000 Myanmar Kyat

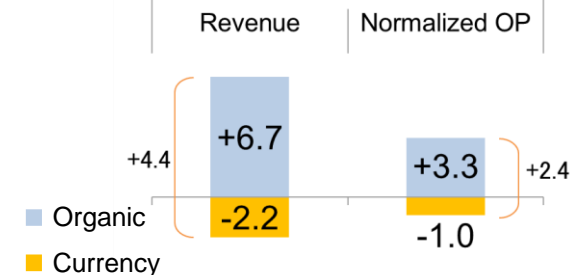


Description

3Q Results

- As in the 2Q, the market expanded significantly due to factors such as economic growth, the growing alcohol drinking population, enhanced sales promotion measures of beer companies.
- Myanmar Brewery's sales volume surged (up 21.0%), centered on its key product, *Myanmar Beer*, and *Andaman Gold* in the growing economy category.
- Both revenue and profit grew thanks to the larger sales volume and the price hike implemented at the beginning of the year. Making a good progress against the plan revised at 2Q.
- Enhance investments in the brand to maintain and increase its dominant share in the increasingly competitive environment.

Impact of Exchange (bn yen)



3Q FY2019 Results

Coke Northeast (Coca-Cola Beverages Northeast)



* The company name has changed to "Coca-Cola Beverages Northeast, Inc. (Abbreviated name: Coke Northeast)" from "The Coca-Cola Bottling Company of Northern New England, Inc. (Abbreviated name: CCNNE)".

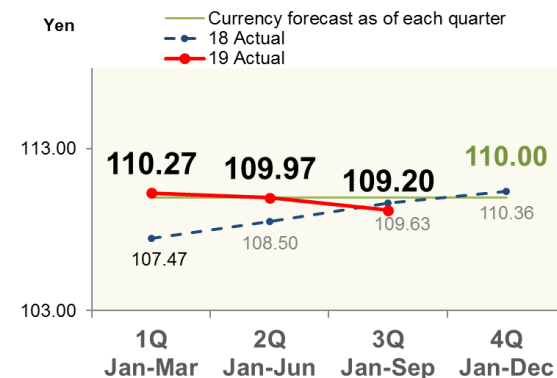
	Yen base (bn yen)				U.S. dollar base (million \$)			
	3Q FY19 Actual	3Q FY18 Actual	YoY	%	3Q FY19 Actual	3Q FY18 Actual	YoY	%
Revenue	100.3	99.7	0.6	0.6%	918	909	9	1.0%
Normalized OP	3.8	2.2	1.6	72.4%	35	20	15	73.1%

Description

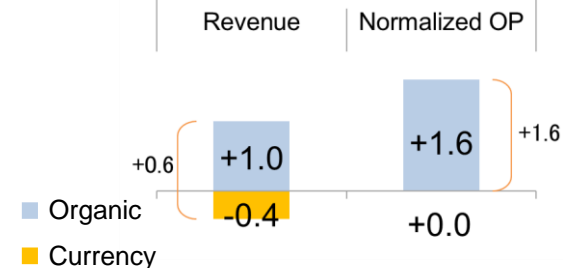
3Q Performance

- Revenue grew due to price revisions and larger sales volume (up 1.8%).
- Profit rose significantly and the profit margin improved to 3.8% owing to factors such as sales activities focusing on profitability, efforts to raise supply chain/operation efficiency (e.g. last year's manufacturing site restructuring), and ingredient cost decreased.

Exchange Rate - US Dollar



Impact of Exchange (bn yen)



This material is intended for informational purposes only and is not a solicitation or offer to buy or sell securities or related financial instruments.



よろこびがつなぐ世界へ Joy brings us together