

KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 (UNDER IFRS)

(UNAUDITED)

November 8, 2023

(English Translation)

Fiscal year ending December 31, 2023

KIRIN HOLDINGS COMPANY, LIMITEDNAKANO CENTRAL PARK SOUTH, 10-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan (URL <https://www.kirinholdings.com/en/>)

Code No.:	2503
Shares Listed:	Tokyo, Nagoya, Sapporo and Fukuoka
Representative:	Mr. Yoshinori Isozaki, President and CEO
For further information, please contact:	Mr. Hidefumi Matsuo General Manager of Finance Department Telephone: +81-3-6837-7015 from overseas
Submission date of quarterly securities report scheduled:	November 10, 2023
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, 2023 - September 30, 2023)

[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, 2023	1,547,871	6.2	141,539	4.7	142,442	(30.3)
September 30, 2022	1,457,154	9.8	135,155	14.5	204,314	103.6

	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, 2023	108,716	(32.4)	83,913	(35.0)	230,620	(15.6)
September 30, 2022	160,777	131.2	129,059	150.0	273,226	204.7

	Basic earnings per share (¥)	Diluted earnings per share (¥)
Nine months ended		
September 30, 2023	103.62	103.60
September 30, 2022	156.37	156.36

Reference: Operating profit	Nine months ended September 30, 2023	¥112,279 million	(12.6%)
	Nine months ended September 30, 2022	¥128,431 million	63.7%

* 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, 2023	2,936,045	1,394,767	1,112,613	37.9
December 31, 2022	2,542,263	1,253,203	980,022	38.5

2. Dividends

	Annual dividends				
	First quarter (¥)	Second quarter (¥)	Third quarter (¥)	Year-end (¥)	Total (¥)
Fiscal year ended December 31, 2022	—	32.50	—	36.50	69.00
Fiscal year ending December 31, 2023	—	34.50	—		
Fiscal year ending December 31, 2023 (Forecast)				34.50	69.00

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

3. Forecast consolidated business results for the current fiscal year (January 1, 2023 - December 31, 2023)

(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, 2023	2,115,000	6.3	192,000	0.4	196,000	2.4

	Profit	Percentage change	Profit attributable to owners of the Company	Percentage change	Basic earnings per share
	(¥ millions)	(%)	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2023	148,500	3.3	113,000	1.8	139.54

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

Reference: Operating profit Fiscal year ending December 31, 2023 ¥169,000 million 45.7%

* Notes

- (1) Changes in significant subsidiaries for the nine months ended September 30, 2023: Yes
(Changes in specified subsidiaries accompanying change in scope of consolidation)

Newly included: 3 companies
Blackmores Limited
Kirin Health Science Australia Pty Ltd
Kirin Holdings Australia Pty Ltd

Excluded: —

- (2) Changes in accounting policies and changes in accounting estimates
- i. Changes in accounting policies required by IFRS: Yes
 - ii. Changes in accounting policies due to other reasons: None
 - iii. Changes in accounting estimates: None

Note: For details, please see “NOTES TO CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS (CHANGES IN ACCOUNTING POLICIES)” on page 10.

- (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, 2023 914,000,000 shares
 - As of December 31, 2022 914,000,000 shares
 - ii. Number of treasury shares at the end of the period
 - As of September 30, 2023 104,123,088 shares
 - As of December 31, 2022 104,171,578 shares
 - iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)
 - For the nine months ended September 30, 2023 809,847,040 shares
 - For the nine months ended September 30, 2022 825,333,125 shares

Note: Number of treasury shares at the end of the period includes shares held in the BIP (Board Incentive Plan) Trust (1,911,065 shares at September 30, 2023 and 1,965,900 shares at December 31, 2022).
These shares are excluded in calculation of the average number of shares during the period.

* 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 Supplementary Documents to the Financial Results and the presentation materials for the Financial Conference held today, are posted on November 8, today, and the Minutes of the Conference are posted as soon as possible on the Company’s website.
(URL of the Company’s website)
<https://www.kirinholdings.com/en/investors/>

ATTACHED MATERIALS

INDEX

1. CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS.....	2
(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	2
(2) CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME...	4
(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	6
(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS.....	8
(5) NOTES TO CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS.....	10
(GOING CONCERN ASSUMPTION).....	10
(CHANGES IN ACCOUNTING POLICIES).....	10

1. CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ millions)

	At December 31, 2022	At September 30, 2023
Assets		
Non-current assets		
Property, plant and equipment	560,642	609,032
Goodwill	289,526	390,167
Intangible assets	200,900	306,978
Equity-accounted investees	361,764	373,092
Other financial assets	103,380	108,523
Other non-current assets	27,700	28,094
Deferred tax assets	111,330	115,325
Total non-current assets	1,655,242	1,931,211
Current assets		
Inventories	290,171	345,060
Trade and other receivables	409,168	438,775
Other financial assets	8,376	10,067
Other current assets	41,128	48,306
Cash and cash equivalents	88,060	149,702
(Sub-total)	836,903	991,910
Assets held for sale	50,117	12,924
Total current assets	887,021	1,004,834
Total assets	2,542,263	2,936,045

(¥ millions)

	At December 31, 2022	At September 30, 2023
Equity		
Share capital	102,046	102,046
Share premium	25,519	21,042
Retained earnings	1,063,823	1,092,989
Treasury shares	(251,788)	(251,668)
Reserves	40,423	148,205
Equity attributable to owners of the Company	980,022	1,112,613
Non-controlling interests	273,181	282,153
Total equity	1,253,203	1,394,767
Liabilities		
Non-current liabilities		
Bonds and borrowings	408,662	454,256
Other financial liabilities	129,662	83,265
Defined benefit liability	58,084	58,737
Provisions	3,292	4,208
Liabilities from application of equity method	15,529	12,688
Other non-current liabilities	27,572	22,782
Deferred tax liabilities	13,564	39,983
Total non-current liabilities	656,365	675,919
Current liabilities		
Bonds and borrowings	114,459	291,147
Trade and other payables	265,185	301,333
Other financial liabilities	59,824	59,943
Current tax liabilities	4,611	17,527
Provisions	2,970	4,267
Other current liabilities	177,530	191,143
(Sub-total)	624,579	865,360
Liabilities directly associated with assets held for sale	8,116	—
Total current liabilities	632,695	865,360
Total liabilities	1,289,060	1,541,279
Total equity and liabilities	2,542,263	2,936,045

**(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, 2023**

(¥ millions)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Revenue	1,457,154	1,547,871
Cost of sales	800,495	855,058
Gross profit	656,659	692,813
Selling, general and administrative expenses	521,504	551,274
Normalized operating profit	135,155	141,539
Other operating income	25,424	21,863
Other operating expenses	32,148	51,123
Operating profit	128,431	112,279
Finance income	11,672	8,294
Finance costs	3,915	4,527
Share of profit of equity-accounted investees	20,038	26,395
Gain on sale of equity-accounted investees	48,087	—
Profit before tax	204,314	142,442
Income tax expense	43,537	33,726
Profit	160,777	108,716
Profit attributable to:		
Owners of the Company	129,059	83,913
Non-controlling interests	31,718	24,803
Profit	160,777	108,716
Earnings per share (¥)		
Basic earnings per share	156.37	103.62
Diluted earnings per share	156.36	103.60

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2023

(¥ millions)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	160,777	108,716
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	1,359	7,171
Share of other comprehensive income of equity-accounted investees	686	(1,486)
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	90,406	107,141
Cash flow hedges	(143)	1,612
Share of other comprehensive income of equity-accounted investees	20,142	7,468
Total other comprehensive income	112,449	121,905
Comprehensive income	273,226	230,620
Comprehensive income attributable to:		
Owners of the Company	240,554	194,455
Non-controlling interests	32,672	36,165
Comprehensive income	273,226	230,620

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2022

(¥ 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, 2022	102,046	25,104	998,177	(201,801)	17,978	—
Profit	—	—	129,059	—	—	—
Other comprehensive income	—	—	—	—	1,813	686
Comprehensive income	—	—	129,059	—	1,813	686
Dividends from surplus	—	—	(53,778)	—	—	—
Acquisition of treasury shares	—	—	—	(50,013)	—	—
Disposal of treasury shares	—	(0)	—	1	—	—
Share-based payments	—	150	(1)	30	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	125	—	—	—	—
Transfer from reserves to retained earnings	—	—	1,395	—	(709)	(686)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	275	(52,385)	(49,981)	(709)	(686)
Balance at June 30, 2022	102,046	25,379	1,074,851	(251,782)	19,082	—

	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, 2022	(47,935)	610	(29,347)	894,179	253,811	1,147,990
Profit	—	—	—	129,059	31,718	160,777
Other comprehensive income	109,140	(144)	111,495	111,495	954	112,449
Comprehensive income	109,140	(144)	111,495	240,554	32,672	273,226
Dividends from surplus	—	—	—	(53,778)	(11,686)	(65,464)
Acquisition of treasury shares	—	—	—	(50,013)	—	(50,013)
Disposal of treasury shares	—	—	—	1	—	1
Share-based payments	—	—	—	179	(180)	(1)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	125	962	1,087
Transfer from reserves to retained earnings	—	—	(1,395)	—	—	—
Other	—	—	—	—	6	6
Total transactions with owners of the Company	—	—	(1,395)	(103,486)	(10,898)	(114,384)
Balance at September 30, 2022	61,205	466	80,753	1,031,247	275,585	1,306,832

NINE MONTHS ENDED SEPTEMBER 30, 2023

(¥ 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, 2023	102,046	25,519	1,063,823	(251,788)	16,826	—
Profit	—	—	83,913	—	—	—
Other comprehensive income	—	—	—	—	6,821	(1,486)
Comprehensive income	—	—	83,913	—	6,821	(1,486)
Dividends from surplus	—	—	(57,500)	—	—	—
Acquisition of treasury shares	—	—	—	(14)	—	—
Disposal of treasury shares	—	(0)	—	0	—	—
Change in scope of consolidation	—	—	—	—	—	—
Share-based payments	—	129	(7)	132	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	(4,606)	—	—	—	—
Transfer from reserves to retained earnings	—	—	2,760	—	(4,246)	1,486
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	(4,477)	(54,746)	119	(4,246)	1,486
Balance at September 30, 2023	102,046	21,042	1,092,989	(251,668)	19,401	—

	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, 2023	24,585	(988)	40,423	980,022	273,181	1,253,203
Profit	—	—	—	83,913	24,803	108,716
Other comprehensive income	103,604	1,603	110,543	110,543	11,362	121,905
Comprehensive income	103,604	1,603	110,543	194,455	36,165	230,620
Dividends from surplus	—	—	—	(57,500)	(13,518)	(71,017)
Acquisition of treasury shares	—	—	—	(14)	—	(14)
Disposal of treasury shares	—	—	—	0	—	0
Change in scope of consolidation	—	—	—	—	(18,723)	(18,723)
Share-based payments	—	—	—	255	(116)	139
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	(4,606)	5,164	558
Transfer from reserves to retained earnings	—	—	(2,760)	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	—	(2,760)	(61,864)	(27,193)	(89,057)
Balance at September 30, 2023	128,189	615	148,205	1,112,613	282,153	1,394,767

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ millions)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Cash flows from operating activities		
Profit before tax	204,314	142,442
Depreciation and amortization	64,693	63,352
Impairment losses	6,721	10,135
Gain on reversal of impairment losses	(15,979)	(64)
Interest and dividends received	(2,514)	(2,480)
Share of profit of equity-accounted investees	(20,038)	(26,395)
Interest paid	3,377	4,160
Gain on sale of property, plant and equipment and intangible assets	(3,657)	(1,351)
Loss on disposal and sale of property, plant and equipment and intangible assets	1,821	1,099
Gain on sale of shares of subsidiaries	—	(14,822)
Loss on sale of shares of subsidiaries	—	19,358
Gain on sale of equity-accounted investees	(48,087)	—
(Increase) decrease in trade receivables	44,414	(5,739)
(Increase) decrease in inventories	(33,796)	(29,935)
Increase (decrease) in trade payables	286	5,697
Increase (decrease) in liquor taxes payable	(21,402)	7,695
Increase (decrease) in deposits received	(8,565)	(5,832)
Other	(40,587)	(29,506)
Sub-total	131,001	137,811
Interest and dividends received	17,448	20,212
Interest paid	(3,147)	(3,927)
Income taxes paid	(58,113)	(26,101)
Cash flows from (used in) operating activities	87,188	127,995

(¥ millions)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(63,334)	(83,508)
Proceeds from sale of property, plant and equipment and intangible assets	4,903	1,720
Acquisition of investments	(1,504)	(995)
Proceeds from sale of investments	4,524	6,393
Acquisition of shares of subsidiaries, net of cash acquired	(46,183)	(162,097)
Payment for sale of shares of subsidiaries, net of cash disposed of	(442)	(5,006)
Proceeds from sale of shares of subsidiaries, net of cash disposed of	—	8,024
Acquisition of equity-accounted investees	—	(19)
Proceeds from sale of equity-accounted investees	122,249	42
Other	(1,718)	4,459
Cash flows from (used in) investing activities	18,495	(230,986)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(6,148)	575
Increase (decrease) in commercial paper	13,991	157,000
Proceeds from long-term borrowings	41,748	119,174
Repayment of long-term borrowings	(64,462)	(32,695)
Proceeds from issuance of bonds	20,000	—
Payment for redemption of bonds	—	(30,000)
Repayment of lease liabilities	(14,799)	(13,354)
Payment for acquisition of treasury shares	(50,031)	(16)
Payment for acquisition of treasury shares by a consolidated subsidiary	(8)	(8)
Proceeds from settlement of derivatives	4,072	—
Dividends paid	(53,778)	(57,500)
Dividends paid to non-controlling interests	(11,686)	(13,468)
Other	15	(55)
Cash flows from (used in) financing activities	(121,086)	129,653
Effect of exchange rate changes on cash and cash equivalents	19,943	9,497
Net increase (decrease) in cash and cash equivalents	4,541	36,159
Cash and cash equivalents at beginning of period	149,488	88,060
Net increase (decrease) in cash and cash equivalents resulting from transfers to assets held for sale	—	25,484
Cash and cash equivalents at end of period	154,028	149,702

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

There are no matters to report under this item.

(CHANGES IN ACCOUNTING POLICIES)

(Amendments to IAS 12 Income Taxes)

The Company has adopted the 'International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)' published on May 23, 2023, from the six months ended June 30, 2023. The Company applies the exception stipulated in the amended IAS 12 and does not recognize or disclose information about deferred tax assets and liabilities related to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules.

**Supplementary Documents to
the Consolidated Financial Statements
for the Nine Months Ended September 30, 2023**

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 8, 2023**

1. SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ billions)

	As of September 30, 2023, Actual	As of December 31, 2022, Actual	Increase (decrease)	Description of changes
Non-current assets	1,931.2	1,655.2	276.0	
Property, plant and equipment	609.0	560.6	48.4	
Goodwill	390.2	289.5	100.6	Acquisition of a subsidiary, etc.
Intangible assets	307.0	200.9	106.1	Acquisition of a subsidiary, etc.
Equity-accounted investees	373.1	361.8	11.3	
Other	251.9	242.4	9.5	
Current assets	1,004.8	887.0	117.8	
Inventories	345.1	290.2	54.9	Increase by acquisition of a subsidiary and yen depreciation, etc.
Trade and other receivables	438.8	409.2	29.6	
Cash and cash equivalents	149.7	88.1	61.6	
Other	71.3	99.6	(28.3)	
Total assets	2,936.0	2,542.3	393.8	
Equity	1,394.8	1,253.2	141.6	
Equity attributable to owners of the Company	1,112.6	980.0	132.6	Increase in foreign currency translation differences arising from yen depreciation, etc.
Non-controlling interests	282.2	273.2	9.0	
Non-current liabilities	675.9	656.4	19.6	
Bonds and borrowings	454.3	408.7	45.6	
Other	221.7	247.7	(26.0)	
Current liabilities	865.4	632.7	232.7	
Bonds and borrowings	291.1	114.5	176.7	Increase in commercial paper for acquisition of a subsidiary, etc.
Trade and other payables	301.3	265.2	36.1	
Other	272.9	253.1	19.8	
Total liabilities	1,541.3	1,289.1	252.2	
Total equity and liabilities	2,936.0	2,542.3	393.8	

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, 2023, Actual	Nine months ended September 30, 2022, Actual	Increase (decrease)	
Revenue	1,547.9	1,457.2	90.7	6.2%
Gross profit	692.8	656.7	36.2	5.5%
Selling, general and administrative expenses	551.3	521.5	29.8	5.7%
Normalized operating profit	141.5	135.2	6.4	4.7%
Other operating income	21.9	25.4	(3.6)	(14.0%)
Other operating expenses	51.1	32.1	19.0	59.0%
Operating profit	112.3	128.4	(16.2)	(12.6%)
Finance income	8.3	11.7	(3.4)	(28.9%)
Finance costs	4.5	3.9	0.6	15.6%
Share of profit of equity-accounted investees	26.4	20.0	6.4	31.7%
Gain on sale of equity-accounted investees	—	48.1	(48.1)	—
Profit before tax	142.4	204.3	(61.9)	(30.3%)
Income tax expense	33.7	43.5	(9.8)	(22.5%)
Profit	108.7	160.8	(52.1)	(32.4%)
Owners of the Company	83.9	129.1	(45.1)	(35.0%)
Non-controlling interests	24.8	31.7	(6.9)	(21.8%)
Normalized EPS	¥134	¥122	¥12	9.8%
Revenue (excluding liquor tax)	1,338.0	1,240.8	97.3	7.8%
Normalized operating profit ratio (excluding liquor tax)	10.6%	10.9%		
Normalized EBITDA	208.1	199.2	8.9	4.5%
Gross Debt Equity Ratio	0.67	0.55		

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, 2023, Actual	Nine months ended September 30, 2022, Actual
Lion (AUD)	92.68	90.75
Coke Northeast (USD)	139.55	129.46

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

	Nine months ended September 30, 2023, Actual	Nine months ended September 30, 2022, Actual
San Miguel Brewery	From October 2022 to June 2023	From October 2021 to June 2022

3. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

	Nine months ended September 30, 2023, Actual	Nine months ended September 30, 2022, Actual	Increase (decrease)	
Revenue	1,547.9	1,457.2	90.7	6.2%
Japan Beer and Spirits	515.7	502.0	13.6	2.7%
Kirin Brewery	487.1	480.4	6.7	1.4%
Other and elimination	28.6	21.7	6.9	32.0%
Japan Non-alcoholic Beverages	190.9	182.7	8.2	4.5%
Kirin Beverage	193.0	184.6	8.4	4.5%
Elimination	(2.1)	(1.9)	(0.2)	—
Oceania Adult Beverages	196.7	178.9	17.9	10.0%
Lion	196.8	179.0	17.8	10.0%
Elimination	(0.1)	(0.1)	0.0	—
Pharmaceuticals	305.8	283.4	22.4	7.9%
Kyowa Kirin	306.1	283.8	22.3	7.9%
Elimination	(0.3)	(0.4)	0.1	—
Other	338.8	310.1	28.7	9.3%
Mercian	45.2	42.2	3.1	7.3%
Coke Northeast	187.7	158.2	29.5	18.6%
Kyowa Hakko Bio	38.1	37.5	0.6	1.7%
Other and elimination	67.8	72.3	(4.4)	(6.1%)

(Reference) Revenue excluding liquor tax

(¥ billions)

	Nine months ended September 30, 2023, Actual	Nine months ended September 30, 2022, Actual
Kirin Brewery	294.6	280.4

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

	Nine months ended September 30, 2023		Nine months ended September 30, 2022	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Total beer products	—	(6.3%)	—	2.0%
RTD	309	(6.4%)	330	(2.1%)
Non-alcohol beverages	32	(11.1%)	36	(4.9%)
Sales volume by main brands	Thousand KL		Thousand KL	
<i>KIRIN ICHIBAN</i> brand family total	263	0.3%	263	11.9%
<i>SPRING VALLEY</i> brand total	15	(3.5%)	16	19.3%
<i>Kirin Tanrei Green Label</i>	115	(6.9%)	123	(4.3%)
<i>Honkirin</i>	157	(9.6%)	174	(0.9%)
<i>Kirin Hyoketsu</i> brand total	209	3.8%	201	6.3%

Sales volume of total beer products is disclosed only 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, 2023		Nine months ended September 30, 2022	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Domain	10,000 cases		10,000 cases	
Food & Beverage domain	12,636	(10.4%)	14,111	(0.4%)
Health science domain	1,845	16.4%	1,585	9.8%
Lactococcus lactis strain Plasma	630	39.9%	450	44.6%
Total	14,481	(7.7%)	15,696	0.6%
Container Type	10,000 cases		10,000 cases	
Can	1,593	(6.3%)	1,699	(4.5%)
Large-sized PET bottles (2L, 1.5L, etc.)	3,893	(23.3%)	5,076	(1.7%)
Small-sized PET bottles (500ml, 280ml, etc.)	7,603	2.0%	7,453	3.3%
Other	1,393	(5.1%)	1,467	1.4%
Total	14,481	(7.7%)	15,696	0.6%

	Nine months ended September 30, 2023		Nine months ended September 30, 2022	
	Actual	Increase (decrease)	Actual	Increase(decrease)
Brands	10,000 cases		10,000 cases	
<i>Kirin Gogo-no-Kocha</i>	3,629	(1.1%)	3,668	—
<i>Kirin Nama-cha</i>	2,076	(6.1%)	2,211	—

4. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

	Nine months ended September 30, 2023, Actual	Nine months ended September 30, 2022, Actual	Increase (decrease)	
Normalized operating profit	141.5	135.2	6.4	4.7%
Japan Beer and Spirits	60.6	53.0	7.6	14.4%
Kirin Brewery	56.2	50.0	6.3	12.5%
Others	4.4	3.0	1.4	45.8%
Japan Non-alcoholic Beverages	14.9	15.3	(0.4)	(2.7%)
Kirin Beverage	14.9	15.3	(0.4)	(2.7%)
Oceania Adult Beverages	16.9	18.1	(1.2)	(6.6%)
Lion	16.9	18.1	(1.2)	(6.6%)
Pharmaceuticals	58.9	58.3	0.7	1.1%
Kyowa Kirin	58.9	58.3	0.7	1.1%
Other	26.7	29.6	(2.8)	(9.6%)
Mercian	(0.6)	(0.8)	0.2	—
Coke Northeast	26.5	19.1	7.5	39.2%
Kyowa Hakko Bio	(5.1)	(1.6)	(3.5)	—
Others	5.9	12.9	(6.9)	(53.9%)
Corporate expenses and inter-segment eliminations	(36.6)	(39.1)	2.6	—

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	Increase in marginal profit of alcohol beverages, etc.	19.9	Total beer products (7.9) Sales decrease in total beer products (74) thousand KL Total products other than beer products (1.4) Sales decrease in RTD (21) thousand KL Sales decrease in non-alcohol beverages (4) thousand KL, etc. Impact of price revision and difference of change in composite of products, etc. 29.2
	Increase in raw material cost of alcohol beverages	(11.6)	Increase in market prices, etc.
	Increase in selling expenses	(0.3)	Increase in advertising (1.5) and decrease in sales promotion 1.1 (Total 45.0→45.3)
	Increase in other expenses	(1.7)	Increase in electricity and fuel prices, etc.
Total		6.3	
Kirin Beverage	Increase in marginal profit of soft drink beverages	9.6	Decrease in sales volume (12.15) million cases (5.2) Difference of change in products mix and composition ratio of containers, etc. 14.8
	Increase in raw material cost, etc.	(8.5)	Increase in raw material cost (3.0), increase in material cost (4.1), and increase in processing cost (1.4)
	Increase in selling expenses	(1.8)	Decrease in sales promotion 0.2 and increase in advertising (2.1) (Total 16.1→17.9)
	Decrease in other expenses	0.3	
Total		(0.4)	

(3) Other Operating Income and Other Operating Expenses

(¥ billions)

	Nine months ended September 30, 2023, Actual	Nine months ended September 30, 2022, Actual	Increase (decrease)
Other operating income	21.9	25.4	(3.6)
Gain on sale of property, plant and equipment and intangible assets	1.4	3.7	(2.3)
Gain on sale of shares of subsidiaries	14.8	—	14.8
Gain on reversal of impairment losses	0.1	16.0	(15.9)
Other	5.6	5.8	(0.2)
Other operating expenses	51.1	32.1	19.0
Impairment losses	10.1	6.7	3.4
Business restructuring expenses	2.5	0.2	2.3
Software development expenses	0.3	6.0	(5.7)
Loss on disposal and sale of property, plant and equipment and intangible assets	1.3	2.3	(1.1)
Loss on sale of shares of subsidiaries	19.4	—	19.4
Other	17.5	16.9	0.6

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

(¥ billions)

	Nine months ended September 30, 2023, Actual	Nine months ended September 30, 2022, Actual	Increase (decrease)
Finance income	8.3	11.7	(3.4)
Interest income	2.0	2.3	(0.3)
Dividend income	0.5	0.2	0.3
Foreign exchange gains (net)	5.3	8.0	(2.7)
Other	0.5	1.2	(0.7)
Finance costs	4.5	3.9	0.6
Interest paid	4.2	3.4	0.8
Other	0.4	0.5	(0.2)
Share of profit of equity-accounted investees	26.4	20.0	6.4
San Miguel Brewery	22.9	19.1	3.8
Other	3.5	1.0	2.5
Gain on sale of equity-accounted investees	—	48.1	(48.1)

5. SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ billions)

	Nine months ended September 30, 2023, Actual	Nine months ended September 30, 2022, Actual	Increase (decrease)
Cash flows from operating activities	128.0	87.2	40.8
Profit before tax	142.4	204.3	(61.9)
Depreciation and amortization	63.4	64.7	(1.3)
Other	(77.8)	(181.8)	104.0
Cash flows from investing activities	(231.0)	18.5	(249.5)
Acquisition of property, plant and equipment and intangible assets	(83.5)	(63.3)	(20.2)
Other	(147.5)	81.8	(229.3)
Cash flows from financing activities	129.7	(121.1)	250.7
Increase (decrease) in interest-bearing liabilities	214.1	5.1	208.9
Dividends paid	(71.0)	(65.5)	(5.5)
Other	(13.4)	(60.8)	47.3
Exchange rate changes	9.5	19.9	(10.4)
Net increase (decrease) in cash and cash equivalents	36.2	4.5	31.6
Net increase (decrease) in cash and cash equivalents resulting from transfers to assets held for sale	25.5	—	25.5