

KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

FOR THE THREE MONTHS ENDED MARCH 31, 2023 (UNDER IFRS)

(UNAUDITED)

May 11, 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. Nobuhiko Hori, General Manager of Corporate Communications Department Telephone: +81-3-6837-7015 from overseas
Submission date of quarterly securities report scheduled:	May 12, 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 three months of the current fiscal year (January 1, 2023 - March 31, 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 (%)
Three months ended						
March 31, 2023	450,329	8.1	33,573	29.5	20,063	(29.6)
March 31, 2022	416,745	1.8	25,915	(21.8)	28,510	(15.1)

	Profit (¥ millions)	Percentage change (%)	Profit attributable to owners of the Company (¥ millions)	Percentage change (%)	Total comprehensive income (¥ millions)	Percentage change (%)
Three months ended						
March 31, 2023	11,326	(55.5)	5,591	(67.9)	34,482	(56.5)
March 31, 2022	25,426	5.3	17,393	2.5	79,316	21.4

	Basic earnings per share (¥)	Diluted earnings per share (¥)
Three months ended		
March 31, 2023	6.90	6.90
March 31, 2022	20.87	20.86

Reference: Operating profit	Three months ended March 31, 2023	¥10,992 million	(47.2%)
	Three months ended March 31, 2022	¥20,822 million	(25.7%)

* 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				
March 31, 2023	2,469,555	1,231,729	971,923	39.4
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	—				
Fiscal year ending December 31, 2023 (Forecast)		34.50	—	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 three months ended March 31, 2023: 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 March 31, 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 March 31, 2023 | 104,173,593 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 three months ended March 31, 2023 | 809,827,447 shares |
| For the three months ended March 31, 2022 | 833,585,329 shares |

Note: Number of treasury shares at March 31, 2023 and December 31, 2022 includes 1,965,900 shares held in the BIP (Board Incentive Plan) Trust. 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 Company will post the Supplementary Documents to the Financial Results today, Thursday, May 11, 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.com/en/investors/>

ATTACHED MATERIALS

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1. CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ millions)

	At December 31, 2022	At March 31, 2023
Assets		
Non-current assets		
Property, plant and equipment	560,642	566,459
Goodwill	289,526	290,937
Intangible assets	200,900	202,342
Equity-accounted investees	361,764	356,426
Other financial assets	103,380	106,403
Other non-current assets	27,700	27,655
Deferred tax assets	111,330	112,785
Total non-current assets	1,655,242	1,663,007
Current assets		
Inventories	290,171	306,931
Trade and other receivables	409,168	327,966
Other financial assets	8,376	7,904
Other current assets	41,128	45,108
Cash and cash equivalents	88,060	116,852
(Sub-total)	836,903	804,761
Assets held for sale	50,117	1,786
Total current assets	887,021	806,548
Total assets	2,542,263	2,469,555

(¥ millions)

	At December 31, 2022	At March 31, 2023
Equity		
Share capital	102,046	102,046
Share premium	25,519	20,909
Retained earnings	1,063,823	1,038,562
Treasury shares	(251,788)	(251,792)
Reserves	40,423	62,197
Equity attributable to owners of the Company	980,022	971,923
Non-controlling interests	273,181	259,807
Total equity	1,253,203	1,231,729
Liabilities		
Non-current liabilities		
Bonds and borrowings	408,662	438,590
Other financial liabilities	129,662	126,231
Defined benefit liability	58,084	58,406
Provisions	3,292	3,250
Liabilities from application of equity method	15,529	14,117
Other non-current liabilities	27,572	24,565
Deferred tax liabilities	13,564	15,531
Total non-current liabilities	656,365	680,689
Current liabilities		
Bonds and borrowings	114,459	116,473
Trade and other payables	265,185	228,072
Other financial liabilities	59,824	54,743
Current tax liabilities	4,611	8,736
Provisions	2,970	3,469
Other current liabilities	177,530	145,642
(Sub-total)	624,579	557,136
Liabilities directly associated with assets held for sale	8,116	—
Total current liabilities	632,695	557,136
Total liabilities	1,289,060	1,237,825
Total equity and liabilities	2,542,263	2,469,555

**(2) CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
 COMPREHENSIVE INCOME
 CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 THREE MONTHS ENDED MARCH 31, 2023**

(¥ millions)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Revenue	416,745	450,329
Cost of sales	230,377	245,883
Gross profit	186,367	204,446
Selling, general and administrative expenses	160,452	170,873
Normalized operating profit	25,915	33,573
Other operating income	4,036	3,222
Other operating expenses	9,129	25,803
Operating profit	20,822	10,992
Finance income	3,405	1,949
Finance costs	1,303	1,363
Share of profit of equity-accounted investees	5,587	8,485
Profit before tax	28,510	20,063
Income tax expense	3,085	8,737
Profit	25,426	11,326
Profit attributable to:		
Owners of the Company	17,393	5,591
Non-controlling interests	8,032	5,736
Profit	25,426	11,326
Earnings per share (¥)		
Basic earnings per share	20.87	6.90
Diluted earnings per share	20.86	6.90

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2023

(¥ millions)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	25,426	11,326
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	853	2,926
Share of other comprehensive income of equity-accounted investees	661	(1,476)
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	50,632	26,916
Cash flow hedges	(2,836)	857
Share of other comprehensive income of equity-accounted investees	4,580	(6,067)
Total other comprehensive income	53,890	23,156
Comprehensive income	79,316	34,482
Comprehensive income attributable to:		
Owners of the Company	69,146	26,073
Non-controlling interests	10,170	8,409
Comprehensive income	79,316	34,482

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 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	—	—	17,393	—	—	—
Other comprehensive income	—	—	—	—	984	661
Comprehensive income	—	—	17,393	—	984	661
Dividends from surplus	—	—	(27,092)	—	—	—
Acquisition of treasury shares	—	—	—	(2)	—	—
Disposal of treasury shares	—	(0)	—	0	—	—
Share-based payments	—	29	—	—	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	65	—	—	—	—
Transfer from reserves to retained earnings	—	—	772	—	(112)	(661)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	94	(26,319)	(2)	(112)	(661)
Balance at March 31, 2022	102,046	25,198	989,251	(201,803)	18,850	—

	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	—	—	—	17,393	8,032	25,426
Other comprehensive income	52,945	(2,837)	51,753	51,753	2,137	53,890
Comprehensive income	52,945	(2,837)	51,753	69,146	10,170	79,316
Dividends from surplus	—	—	—	(27,092)	(5,716)	(32,807)
Acquisition of treasury shares	—	—	—	(2)	—	(2)
Disposal of treasury shares	—	—	—	0	—	0
Share-based payments	—	—	—	29	(65)	(36)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	65	350	415
Transfer from reserves to retained earnings	—	—	(772)	—	—	—
Other	—	—	—	—	3	3
Total transactions with owners of the Company	—	—	(772)	(26,999)	(5,428)	(32,427)
Balance at March 31, 2022	5,010	(2,226)	21,634	936,325	258,553	1,194,878

THREE MONTHS ENDED MARCH 31, 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	—	—	5,591	—	—	—
Other comprehensive income	—	—	—	—	2,668	(1,476)
Comprehensive income	—	—	5,591	—	2,668	(1,476)
Dividends from surplus	—	—	(29,559)	—	—	—
Acquisition of treasury shares	—	—	—	(4)	—	—
Disposal of treasury shares	—	(0)	—	0	—	—
Change in scope of consolidation	—	—	—	—	—	—
Share-based payments	—	63	—	—	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	(4,673)	—	—	—	—
Transfer from reserves to retained earnings	—	—	(1,293)	—	(184)	1,476
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	(4,610)	(30,851)	(4)	(184)	1,476
Balance at March 31, 2023	102,046	20,909	1,038,562	(251,792)	19,311	—

	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	—	—	—	5,591	5,736	11,326
Other comprehensive income	18,439	851	20,482	20,482	2,674	23,156
Comprehensive income	18,439	851	20,482	26,073	8,409	34,482
Dividends from surplus	—	—	—	(29,559)	(6,729)	(36,288)
Acquisition of treasury shares	—	—	—	(4)	—	(4)
Disposal of treasury shares	—	—	—	0	—	0
Change in scope of consolidation	—	—	—	—	(19,799)	(19,799)
Share-based payments	—	—	—	63	(98)	(35)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	(4,673)	4,843	170
Transfer from reserves to retained earnings	—	—	1,293	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	—	1,293	(34,173)	(21,783)	(55,956)
Balance at March 31, 2023	43,024	(137)	62,197	971,923	259,807	1,231,729

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ millions)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Cash flows from operating activities		
Profit before tax	28,510	20,063
Depreciation and amortization	20,471	19,860
Impairment losses	472	1,315
Interest and dividends received	(641)	(819)
Share of profit of equity-accounted investees	(5,587)	(8,485)
Interest paid	1,141	1,327
Gain on sale of property, plant and equipment and intangible assets	(1,104)	(1,155)
Loss on disposal and sale of property, plant and equipment and intangible assets	123	195
Loss on sale of shares of subsidiaries	—	19,358
(Increase) decrease in trade receivables	85,908	79,681
(Increase) decrease in inventories	(16,267)	(15,744)
Increase (decrease) in trade payables	(6,142)	(24,875)
Increase (decrease) in liquor taxes payable	(32,356)	(23,280)
Increase (decrease) in deposits received	(6,642)	(4,813)
Other	(35,234)	(16,789)
Sub-total	32,653	45,838
Interest and dividends received	5,334	6,310
Interest paid	(1,108)	(491)
Income taxes paid	(20,332)	(9,801)
Cash flows from (used in) operating activities	16,547	41,857

(¥ millions)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(17,909)	(28,933)
Proceeds from sale of property, plant and equipment and intangible assets	1,517	1,390
Acquisition of investments	(405)	(226)
Proceeds from sale of investments	989	155
Acquisition of shares of subsidiaries, net of cash acquired	(46,208)	—
Payment for sale of shares of subsidiaries, net of cash disposed of	—	(5,006)
Acquisition of equity-accounted investees	—	(18)
Proceeds from sale of equity-accounted investees	—	12
Other	(472)	1,217
Cash flows from (used in) investing activities	(62,487)	(31,409)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(4,450)	(30)
Increase (decrease) in commercial paper	79,997	(8,000)
Proceeds from long-term borrowings	20,428	50,000
Repayment of long-term borrowings	(19,995)	(10,000)
Repayment of lease liabilities	(4,710)	(4,307)
Payment for acquisition of treasury shares	(5)	(6)
Payment for acquisition of treasury shares by a consolidated subsidiary	(1)	(2)
Dividends paid	(27,092)	(29,559)
Dividends paid to non-controlling interests	(5,716)	(6,713)
Other	(4)	0
Cash flows from (used in) financing activities	38,453	(8,617)
Effect of exchange rate changes on cash and cash equivalents	12,014	1,477
Net increase (decrease) in cash and cash equivalents	4,527	3,309
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	154,015	116,852

(5) NOTES TO CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(GOING CONCERN ASSUMPTION)

There are no matters to report under this item.

(SUBSEQUENT EVENTS)

(Agreement to acquire shares)

The Company entered into an agreement to acquire 100% of the outstanding shares of Blackmores Limited, an Australian-based company, on April 26, 2023. The implementation of the share acquisition requires the satisfaction of certain conditions, including the approval of the proposed acquisition at a general meeting of Blackmores' shareholders, the approval of the Australian Federal Court and other necessary approvals through a Scheme of Arrangement (SOA) procedure under the Australian Corporations Act, which is one of the methods of acquiring 100% of the shares of an Australian listed company.

(1) Reason for Share Acquisition

The acquisition of Blackmores will expand the product range and capabilities of the Company's Health Science business and broaden its geographic profile. The acquisition will also enhance its proposed solutions by utilizing the access to a large number of consumers in the Asia-Pacific region through Blackmores' distribution network, benefiting from Blackmores' knowledge of consumer demands and its deep understanding of country-specific regulations. The Company aims to deliver continuous growth in the Health Science business through the evolution of the B2B and B2C businesses, which leads to solutions for the social issues related to people's health.

(2) Overview of the acquisition

Name of the Company to be acquired	Blackmores Limited
Date of transfer	August 2023 (planned)
Number of shares acquired	19,450,635 Shares (100% of issued shares)
Acquisition cost	AUD 1,880 million (approximately JPY 169.2 billion)*

*calculated at the rate of AUD=JPY 90

(3) Overview of Blackmores Limited

Company name	Blackmores Limited
Head office	20 Jubilee Ave, Warriewood, NSW 2102, Australia
Representative	Chief Executive Officer and Managing Director: Alastair Symington
Description of business	Manufacture and sale of nutritional supplements, etc.
Capital	AUD 201 million (as of June 2022)
Founded	1932

**Supplementary Documents to
the Consolidated Financial Statements
for the Three Months Ended March 31, 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
May 11, 2023**

1. SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ billions)

	As of March 31, 2023, Actual	As of December 31, 2022, Actual	Increase (decrease)	Description of changes
Non-current assets	1,663.0	1,655.2	7.8	
Property, plant and equipment	566.5	560.6	5.8	
Goodwill	290.9	289.5	1.4	
Intangible assets	202.3	200.9	1.4	
Equity-accounted investees	356.4	361.8	(5.3)	
Other	246.8	242.4	4.4	
Current assets	806.5	887.0	(80.5)	
Inventories	306.9	290.2	16.8	
Trade and other receivables	328.0	409.2	(81.2)	Decrease due to the year-end of previous year being a bank holiday, etc.
Cash and cash equivalents	116.9	88.1	28.8	
Other	54.8	99.6	(44.8)	
Total assets	2,469.6	2,542.3	(72.7)	
Equity	1,231.7	1,253.2	(21.5)	
Equity attributable to owners of the Company	971.9	980.0	(8.1)	
Non-controlling interests	259.8	273.2	(13.4)	
Non-current liabilities	680.7	656.4	24.3	
Bonds and borrowings	438.6	408.7	29.9	
Other	242.1	247.7	(5.6)	
Current liabilities	557.1	632.7	(75.6)	
Bonds and borrowings	116.5	114.5	2.0	
Trade and other payables	228.1	265.2	(37.1)	
Other	212.6	253.1	(40.5)	
Total liabilities	1,237.8	1,289.1	(51.2)	
Total equity and liabilities	2,469.6	2,542.3	(72.7)	

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

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

(¥ billions)

	Three months ended March 31, 2023, Actual	Three months ended March 31, 2022, Actual	Increase (decrease)	
Revenue	450.3	416.7	33.6	8.1%
Gross profit	204.4	186.4	18.1	9.7%
Selling, general and administrative expenses	170.9	160.5	10.4	6.5%
Normalized operating profit	33.6	25.9	7.7	29.5%
Other operating income	3.2	4.0	(0.8)	(20.2%)
Other operating expenses	25.8	9.1	16.7	182.6%
Operating profit	11.0	20.8	(9.8)	(47.2%)
Finance income	1.9	3.4	(1.5)	(42.8%)
Finance costs	1.4	1.3	0.1	4.6%
Share of profit of equity-accounted investees	8.5	5.6	2.9	51.9%
Profit before tax	20.1	28.5	(8.4)	(29.6%)
Income tax expense	8.7	3.1	5.7	183.2%
Profit	11.3	25.4	(14.1)	(55.5%)
Owners of the Company	5.6	17.4	(11.8)	(67.9%)
Non-controlling interests	5.7	8.0	(2.3)	(28.6%)
Normalized EPS	¥32	¥24	¥8	33.3%
Revenue (excluding liquor tax)	391.2	359.2	32.0	8.9%
Normalized operating profit ratio (excluding liquor tax)	8.6%	7.2%		
Normalized EBITDA	54.2	45.7	8.5	18.5%
Gross Debt Equity Ratio	0.57	0.67		

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

(¥)

	Three months ended March 31, 2023, Actual	Three months ended March 31, 2022, Actual
Lion (AUD)	91.17	85.24
Coke Northeast (USD)	133.44	117.79

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

	Three months ended March 31, 2023, Actual	Three months ended March 31, 2022, Actual
San Miguel Brewery	From October 2022 to December 2022	From October 2021 to December 2021

3. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

	Three months ended March 31, 2023, Actual	Three months ended March 31, 2022, Actual	Increase (decrease)	
Revenue	450.3	416.7	33.6	8.1%
Japan Beer and Spirits	144.0	132.8	11.1	8.4%
Kirin Brewery	136.4	127.2	9.2	7.3%
Other and elimination	7.6	5.7	1.9	33.6%
Japan Non-alcoholic Beverages	51.3	50.5	0.8	1.6%
Kirin Beverage	51.9	50.9	0.9	1.8%
Elimination	(0.6)	(0.5)	(0.1)	—
Oceania Adult Beverages	62.7	53.6	9.0	16.8%
Lion	62.7	53.7	9.0	16.8%
Elimination	(0.0)	(0.0)	(0.0)	—
Pharmaceuticals	93.4	87.6	5.8	6.6%
Kyowa Kirin	93.5	87.8	5.8	6.6%
Elimination	(0.1)	(0.1)	0.0	—
Other	99.0	92.2	6.8	7.4%
Mercian	14.4	13.2	1.2	9.3%
Coke Northeast	54.5	41.6	13.0	31.2%
Kyowa Hakko Bio	12.7	13.0	(0.3)	(2.2%)
Other and elimination	17.4	24.5	(7.1)	(29.1%)

(Reference) Revenue excluding liquor tax

(¥ billions)

	Three months ended March 31, 2023, Actual	Three months ended March 31, 2022, Actual
Kirin Brewery	82.6	74.4

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

	Three months ended March 31, 2023		Three months ended March 31, 2022	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Total beer products	—	(1.5%)	—	(6.6%)
RTD	92	(5.4%)	97	(6.5%)
Non-alcohol beverages	8	4.4%	7	(22.4%)
Sales volume by main brands	Thousand KL		Thousand KL	
<i>KIRIN ICHIBAN</i> brand family total	69	11.5%	62	(7.4%)
<i>SPRING VALLEY</i> brand total	5	6.1%	5	22.7%
<i>Kirin Tanrei Green Label</i>	33	(9.2%)	36	(6.3%)
<i>Honkirin</i>	40	(16.4%)	47	(8.5%)
<i>Kirin Hyoketsu</i> brand total	60	2.2%	58	1.6%

Sales volume of total beer products 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

	Three months ended March 31, 2023		Three months ended March 31, 2022	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Domain	10,000 cases		10,000 cases	
Food & Beverage domain	3,331	(12.8%)	3,818	(2.4%)
Health science domain	457	0.5%	455	7.1%
Lactococcus lactis strain Plasma	171	8.5%	158	21.4%
Total	3,788	(11.3%)	4,273	(1.5%)
Container Type	10,000 cases		10,000 cases	
Can	509	(3.9%)	529	(4.6%)
Large-sized PET bottles (2L, 1.5L, etc.)	903	(33.2%)	1,352	(5.3%)
Small-sized PET bottles (500ml, 280ml, etc.)	2,000	0.1%	1,998	0.8%
Other	376	(4.5%)	394	5.8%
Total	3,788	(11.3%)	4,273	(1.5%)

	Three months ended March 31, 2023		Three months ended March 31, 2022	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Brands	10,000 cases		10,000 cases	
<i>Kirin Gogo-no-Kocha</i>	1,112	(2.4%)	1,138	—
<i>Kirin Nama-cha</i>	489	(8.0%)	532	—

4. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

	Three months ended March 31, 2023, Actual	Three months ended March 31, 2022, Actual	Increase (decrease)	
Normalized operating profit	33.6	25.9	7.7	29.5%
Japan Beer and Spirits	15.2	7.4	7.8	105.1%
Kirin Brewery	14.2	6.7	7.5	111.5%
Others	1.0	0.7	0.3	44.2%
Japan Non-alcoholic Beverages	2.5	2.5	0.0	0.7%
Kirin Beverage	2.5	2.5	0.0	0.7%
Oceania Adult Beverages	3.5	4.6	(1.1)	(23.0%)
Lion	3.5	4.6	(1.1)	(23.0%)
Pharmaceuticals	16.2	15.9	0.3	1.8%
Kyowa Kirin	16.2	15.9	0.3	1.8%
Other	7.5	7.9	(0.3)	(4.2%)
Mercian	(0.3)	(0.3)	(0.0)	—
Coke Northeast	6.9	4.3	2.6	61.1%
Kyowa Hakko Bio	(1.2)	(0.6)	(0.5)	—
Others	2.1	4.5	(2.4)	(52.6%)
Corporate expenses and inter-segment eliminations	(11.4)	(12.4)	1.0	—

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	Increase in marginal profit of alcohol beverages, etc.	8.0	Total beer products (0.8) Sales decrease in total beer products (5) thousand KL Total products other than beer products 0.0 Sales decrease in RTD (5) thousand KL Sales increase in non-alcohol beverages 0 thousand KL, etc. Difference of change in composite of products, etc. 8.8
	Increase in raw material cost of alcohol beverages	(3.6)	Increase in market prices, etc.
	Decrease in selling expenses	4.2	Decrease in advertising (3.0) and decrease in sales promotion (1.3) (Total 14.2→9.9)
	Increase in other expenses	(1.1)	Increase in electricity and fuel prices, etc.
Total		7.5	
Kirin Beverage	Increase in marginal profit of soft drink beverages	1.7	Decrease in sales volume (4.85) million cases (2.1) Difference of change in products mix and composition ratio of containers, etc. 3.8
	Increase in raw material cost	(2.2)	Increase in raw material cost (0.8), increase in material cost (1.0), and increase in processing cost (0.4)
	Decrease in selling expenses	0.2	Decrease in sales promotion 0.5 and increase in advertising (0.3) (Total 4.2→4.0)
	Decrease in other expenses	0.3	
Total		0.0	

(3) Other Operating Income and Other Operating Expenses

(¥ billions)

	Three months ended March 31, 2023, Actual	Three months ended March 31, 2022, Actual	Increase (decrease)
Other operating income	3.2	4.0	(0.8)
Gain on sale of property, plant and equipment and intangible assets	1.2	1.1	0.1
Other	2.1	2.9	(0.9)
Other operating expenses	25.8	9.1	16.7
Impairment losses	1.3	0.5	0.8
Business restructuring expenses	1.2	0.2	1.0
Software development expenses	0.1	3.9	(3.8)
Loss on disposal and sale of property, plant and equipment and intangible assets	0.3	0.2	0.1
Loss on sale of shares of subsidiaries	19.4	—	19.4
Other	3.6	4.4	(0.8)

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

(¥ billions)

	Three months ended March 31, 2023, Actual	Three months ended March 31, 2022, Actual	Increase (decrease)
Finance income	1.9	3.4	(1.5)
Interest income	0.7	0.6	0.1
Dividend income	0.1	0.0	0.0
Foreign exchange gains (net)	1.0	2.7	(1.7)
Other	0.1	0.1	0.0
Finance costs	1.4	1.3	0.1
Interest paid	1.3	1.1	0.2
Other	0.0	0.2	(0.1)
Share of profit of equity-accounted investees	8.5	5.6	2.9
San Miguel Brewery	6.9	6.9	0.0
Other	1.5	(1.3)	2.9

5. SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ billions)

	Three months ended March 31, 2023, Actual	Three months ended March 31, 2022, Actual	Increase (decrease)
Cash flows from operating activities	41.9	16.5	25.3
Profit before tax	20.1	28.5	(8.4)
Depreciation and amortization	19.9	20.5	(0.6)
Other	1.9	(32.4)	34.4
Cash flows from investing activities	(31.4)	(62.5)	31.1
Acquisition of property, plant and equipment and intangible assets	(28.9)	(17.9)	(11.0)
Other	(2.5)	(44.6)	42.1
Cash flows from financing activities	(8.6)	38.5	(47.1)
Increase (decrease) in interest-bearing liabilities	32.0	76.0	(44.0)
Dividends paid	(36.3)	(32.8)	(3.5)
Other	(4.3)	(4.7)	0.4
Exchange rate changes	1.5	12.0	(10.5)
Net increase (decrease) in cash and cash equivalents	3.3	4.5	(1.2)
Net increase (decrease) in cash and cash equivalents resulting from transfers to assets held for sale	25.5	—	25.5