

KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 (UNDER IFRS) (UNAUDITED)

May 12, 2021

(English Translation)

Fiscal year ending December 31, 2021

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:	May 14, 2021
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, 2021 - March 31, 2021)

[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, 2021	409,302	(3.6)	33,142	1.1	33,561	3.1
March 31, 2020	424,549	(2.3)	32,787	(11.0)	32,538	—

	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, 2021	24,143	(14.8)	16,967	(16.3)	65,309	—
March 31, 2020	28,330	—	20,283	—	(26,446)	—

	Basic earnings per share (¥)	Diluted earnings per share (¥)
Three months ended		
March 31, 2021	20.35	20.35
March 31, 2020	23.68	23.67

Reference: Operating profit	Three months ended March 31, 2021	¥28,014 million	7.5%
	Three months ended March 31, 2020	¥26,071 million	—%

* 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, 2021	2,434,733	1,128,570	866,220	35.6
December 31, 2020	2,459,363	1,095,939	838,584	34.1

2. Dividends

	Annual dividends				
	First quarter (¥)	Second quarter (¥)	Third quarter (¥)	Year-end (¥)	Total (¥)
Fiscal year ended December 31, 2020	—	32.50	—	32.50	65.00
Fiscal year ending December 31, 2021	—				
Fiscal year ending December 31, 2021 (Forecast)		32.50	—	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, 2021 - December 31, 2021)

(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, 2021	1,880,000	1.6	180,000	11.0	177,000	42.1

	Profit	Percentage change	Profit attributable to owners of the Company	Percentage change	Basic earnings per share
	(¥ millions)	(%)	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2021	132,000	32.2	103,000	43.2	123.56

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

Reference: Operating profit Fiscal year ending December 31, 2021 ¥151,000 million 46.7%

The impact of spread of COVID-19 is reflected in the consolidated business forecast above, but it is subject to change depending on the situation.

* Notes

- (1) Changes in significant subsidiaries for the three months ended March 31, 2021: Yes
(Changes in specified subsidiaries accompanying change in scope of consolidation)

Newly included: -

Excluded: 2 companies

Lion-Dairy & Drinks Pty Ltd
Berri Pty Limited

- (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, 2021 | 914,000,000 shares |
| As of December 31, 2020 | 914,000,000 shares |
- ii. Number of treasury shares at the end of the period
- | | |
|-------------------------|-------------------|
| As of March 31, 2021 | 80,388,007 shares |
| As of December 31, 2020 | 80,385,352 shares |
- iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)
- | | |
|---|--------------------|
| For the three months ended March 31, 2021 | 833,613,476 shares |
| For the three months ended March 31, 2020 | 856,597,565 shares |

Note: Number of treasury shares at March 31, 2021 and December 31, 2020 includes 388,000 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, Wednesday, May 12, 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, 2020	At March 31, 2021
Assets		
Non-current assets		
Property, plant and equipment	521,919	533,238
Goodwill	245,709	256,186
Intangible assets	209,291	214,972
Equity-accounted investees	387,467	390,456
Other financial assets	105,740	110,279
Other non-current assets	21,162	21,144
Deferred tax assets	101,533	102,644
Total non-current assets	1,592,821	1,628,919
Current assets		
Inventories	217,176	238,804
Trade and other receivables	372,146	297,286
Other financial assets	7,948	9,897
Other current assets	33,941	35,284
Cash and cash equivalents	161,667	219,447
(Sub-total)	792,878	800,717
Assets held for sale	73,664	5,097
Total current assets	866,542	805,814
Total assets	2,459,363	2,434,733

(¥ millions)

	At December 31, 2020	At March 31, 2021
Equity		
Share capital	102,046	102,046
Share premium	24,940	24,991
Retained earnings	980,903	971,917
Treasury shares	(201,783)	(201,789)
Reserves	(67,522)	(30,945)
Equity attributable to owners of the Company	838,584	866,220
Non-controlling interests	257,355	262,349
Total equity	1,095,939	1,128,570
Liabilities		
Non-current liabilities		
Bonds and borrowings	393,610	378,008
Other financial liabilities	140,343	137,532
Defined benefit liability	66,890	67,137
Provisions	4,456	4,265
Other non-current liabilities	3,408	3,191
Deferred tax liabilities	17,243	19,233
Total non-current liabilities	625,950	609,365
Current liabilities		
Bonds and borrowings	249,033	295,520
Trade and other payables	220,277	201,471
Other financial liabilities	63,781	59,455
Current tax liabilities	8,707	6,580
Provisions	3,961	3,108
Other current liabilities	164,692	130,664
(Sub-total)	710,451	696,798
Liabilities directly associated with assets held for sale	27,024	—
Total current liabilities	737,475	696,798
Total liabilities	1,363,424	1,306,163
Total equity and liabilities	2,459,363	2,434,733

**(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, 2021**

(¥ millions)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Revenue	424,549	409,302
Cost of sales	238,930	227,490
Gross profit	185,619	181,812
Selling, general and administrative expenses	152,832	148,671
Normalized operating profit	32,787	33,142
Other operating income	1,015	1,006
Other operating expenses	7,731	6,134
Operating profit	26,071	28,014
Finance income	1,292	1,694
Finance costs	1,493	1,315
Share of profit of equity-accounted investees	6,669	5,169
Profit before tax	32,538	33,561
Income tax expense	4,208	9,418
Profit	28,330	24,143
Profit attributable to:		
Owners of the Company	20,283	16,967
Non-controlling interests	8,047	7,176
Profit	28,330	24,143
Earnings per share (¥)		
Basic earnings per share	23.68	20.35
Diluted earnings per share	23.67	20.35

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2021

(¥ millions)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Profit	28,330	24,143
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	(13,064)	2,031
Share of other comprehensive income of equity-accounted investees	(175)	305
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	(45,510)	37,227
Cash flow hedges	46	936
Share of other comprehensive income of equity-accounted investees	3,927	667
Total other comprehensive income	(54,776)	41,166
Comprehensive income	(26,446)	65,309
Comprehensive income attributable to:		
Owners of the Company	(32,933)	54,683
Non-controlling interests	6,487	10,626
Comprehensive income	(26,446)	65,309

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 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	—	—	20,283	—	—	—
Other comprehensive income	—	—	—	—	(12,607)	(142)
Comprehensive income	—	—	20,283	—	(12,607)	(142)
Dividends from surplus	—	—	(28,234)	—	—	—
Acquisition of treasury shares	—	—	—	(64,027)	—	—
Disposal of treasury shares	—	(0)	—	0	—	—
Share-based payments	—	(1)	—	9	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	7	—	—	(0)	—
Transfer from reserves to retained earnings	—	—	(217)	—	75	142
Other	—	1	(392)	—	—	—
Total transactions with owners of the Company	—	7	(28,843)	(64,017)	74	142
Balance at March 31, 2020	102,046	24,860	949,732	(189,016)	28,877	—

	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	—	—	—	20,283	8,047	28,330
Other comprehensive income	(40,514)	48	(53,216)	(53,216)	(1,560)	(54,776)
Comprehensive income	(40,514)	48	(53,216)	(32,933)	6,487	(26,446)
Dividends from surplus	—	—	—	(28,234)	(5,459)	(33,692)
Acquisition of treasury shares	—	—	—	(64,027)	—	(64,027)
Disposal of treasury shares	—	—	—	0	—	0
Share-based payments	—	—	—	9	(83)	(75)
Changes in the ownership interest in a subsidiary without a loss of control	2	—	2	9	316	325
Transfer from reserves to retained earnings	—	—	217	—	—	—
Other	(0)	—	(0)	(392)	2	(390)
Total transactions with owners of the Company	2	—	219	(92,634)	(5,224)	(97,859)
Balance at March 31, 2020	(134,555)	(935)	(106,612)	781,009	241,511	1,022,520

THREE MONTHS ENDED MARCH 31, 2021

(¥ 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, 2021	102,046	24,940	980,903	(201,783)	24,757	—
Profit	—	—	16,967	—	—	—
Other comprehensive income	—	—	—	—	1,630	301
Comprehensive income	—	—	16,967	—	1,630	301
Dividends from surplus	—	—	(27,092)	—	—	—
Acquisition of treasury shares	—	—	—	(6)	—	—
Share-based payments	—	15	—	—	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	36	—	—	—	—
Transfer from reserves to retained earnings	—	—	1,140	—	(839)	(301)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	51	(25,953)	(6)	(839)	(301)
Balance at March 31, 2021	102,046	24,991	971,917	(201,789)	25,548	—

	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, 2021	(91,702)	(577)	(67,522)	838,584	257,355	1,095,939
Profit	—	—	—	16,967	7,176	24,143
Other comprehensive income	34,850	936	37,716	37,716	3,450	41,166
Comprehensive income	34,850	936	37,716	54,683	10,626	65,309
Dividends from surplus	—	—	—	(27,092)	(5,466)	(32,559)
Acquisition of treasury shares	—	—	—	(6)	—	(6)
Share-based payments	—	—	—	15	(19)	(4)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	36	(169)	(133)
Transfer from reserves to retained earnings	—	—	(1,140)	—	—	—
Other	—	—	—	—	23	23
Total transactions with owners of the Company	—	—	(1,140)	(27,047)	(5,631)	(32,678)
Balance at March 31, 2021	(56,852)	359	(30,945)	866,220	262,349	1,128,570

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ millions)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Cash flows from operating activities		
Profit before tax	32,538	33,561
Depreciation and amortization	19,921	19,450
Impairment losses	138	302
Interest and dividends received	(561)	(404)
Share of profit of equity-accounted investees	(6,669)	(5,169)
Interest paid	1,386	1,177
Gain on sale of property, plant and equipment and intangible assets	(26)	(47)
Loss on disposal and sale of property, plant and equipment and intangible assets	507	340
Gain on sale of shares of subsidiaries	(42)	—
(Increase) decrease in trade receivables	76,354	78,278
(Increase) decrease in inventories	(13,726)	(14,056)
Increase (decrease) in trade payables	(9,966)	(7,452)
Increase (decrease) in liquor taxes payable	(32,676)	(24,341)
Increase (decrease) in deposits received	(11,475)	(8,727)
Other	(27,562)	(28,954)
Sub-total	28,141	43,958
Interest and dividends received	4,887	4,794
Interest paid	(783)	(1,283)
Income taxes paid	(23,466)	(10,714)
Cash flows from (used in) operating activities	8,779	36,755

(¥ millions)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(22,048)	(18,943)
Proceeds from sale of property, plant and equipment and intangible assets	64	779
Acquisition of investments	(87)	(1,853)
Proceeds from sale of investments	118	1,839
Acquisition of shares of subsidiaries, net of cash acquired	(39,628)	—
Proceeds from sale of shares of subsidiaries, net of cash disposed of	18	42,892
Acquisition of equity-accounted investees	(711)	(107)
Other	(153)	(1,865)
Cash flows from (used in) investing activities	(62,428)	22,742
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	2,865	2,790
Increase (decrease) in commercial paper	112,933	35,001
Proceeds from long-term borrowings	75,000	—
Repayment of long-term borrowings	(10,919)	(10,000)
Payment for redemption of bonds	(20,000)	—
Repayment of lease liabilities	(4,161)	(4,287)
Payment for acquisition of treasury shares	(64,030)	(7)
Payment for acquisition of treasury shares by a consolidated subsidiary	(4)	(5)
Dividends paid	(28,234)	(27,092)
Dividends paid to non-controlling interests	(9,327)	(5,463)
Other	(591)	0
Cash flows from (used in) financing activities	53,532	(9,063)
Effect of exchange rate changes on cash and cash equivalents	(6,261)	7,347
Net increase (decrease) in cash and cash equivalents	(6,377)	57,780
Cash and cash equivalents at beginning of period	165,671	161,667
Cash and cash equivalents at end of period	159,294	219,447

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

There are no matters to report under this item.

**Supplementary Documents to
the Consolidated Financial Statements
for the Three Months Ended March 31, 2021**

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 12, 2021**

1. SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ billions)

	As of March 31, 2021, Actual	As of December 31, 2020, Actual	Increase (decrease)	Description of changes
Non-current assets	1,628.9	1,592.8	36.1	
Property, plant and equipment	533.2	521.9	11.3	
Goodwill	256.2	245.7	10.5	
Intangible assets	215.0	209.3	5.7	
Equity-accounted investees	390.5	387.5	3.0	
Other	234.1	228.4	5.6	
Current assets	805.8	866.5	(60.7)	
Inventories	238.8	217.2	21.6	
Trade and other receivables	297.3	372.1	(74.9)	Decrease due to the year-end of previous year being a bank holiday, etc.
Cash and cash equivalents	219.4	161.7	57.8	
Other	50.3	115.6	(65.3)	Decrease in assets held for sale, etc.
Total assets	2,434.7	2,459.4	(24.6)	
Equity	1,128.6	1,095.9	32.6	
Equity attributable to owners of the Company	866.2	838.6	27.6	
Non-controlling interests	262.3	257.4	5.0	
Non-current liabilities	609.4	625.9	(16.6)	
Bonds and borrowings	378.0	393.6	(15.6)	
Other	231.4	232.3	(1.0)	
Current liabilities	696.8	737.5	(40.7)	
Bonds and borrowings	295.5	249.0	46.5	
Trade and other payables	201.5	220.3	(18.8)	
Other	199.8	268.2	(68.4)	Decrease in accrued liquor tax, decrease in liabilities directly associated with assets held for sale, etc.
Total liabilities	1,306.2	1,363.4	(57.3)	
Total equity and liabilities	2,434.7	2,459.4	(24.6)	

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, 2021, Actual	Three months ended March 31, 2020, Actual	Increase (decrease)	
Revenue	409.3	424.5	(15.2)	(3.6%)
Gross profit	181.8	185.6	(3.8)	(2.1%)
Selling, general and administrative expenses	148.7	152.8	(4.2)	(2.7%)
Normalized operating profit	33.1	32.8	0.4	1.1%
Other operating income	1.0	1.0	(0.0)	(0.9%)
Other operating expenses	6.1	7.7	(1.6)	(20.7%)
Operating profit	28.0	26.1	1.9	7.5%
Finance income	1.7	1.3	0.4	31.2%
Finance costs	1.3	1.5	(0.2)	(11.9%)
Share of profit of equity-accounted investees	5.2	6.7	(1.5)	(22.5%)
Profit before tax	33.6	32.5	1.0	3.1%
Income tax expense	9.4	4.2	5.2	123.8%
Profit	24.1	28.3	(4.2)	(14.8%)
Owners of the Company	17.0	20.3	(3.3)	(16.3%)
Non-controlling interests	7.2	8.0	(0.9)	(10.8%)
Normalized EPS	¥27	¥29	(¥2)	(6.9%)
Revenue (excluding liquor tax)	348.2	367.4	(19.2)	(5.2%)
Normalized operating profit ratio (excluding liquor tax)	9.5%	8.9%		
Normalized EBITDA	52.3	52.8	(0.5)	(0.9%)
Gross Debt Equity Ratio	0.78	0.88		

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, 2021, Actual	Three months ended March 31, 2020, Actual
Lion (AUD)	82.58	70.44
Myanmar Brewery (MMK ('000))	76.26	76.27
Coke Northeast (USD)	107.15	109.11

(¥)

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

	Three months ended March 31, 2021, Actual	Three months ended March 31, 2020, Actual
San Miguel Brewery	From October 2020 to December 2020	From October 2019 to December 2019

3. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

	Three months ended March 31, 2021, Actual	Three months ended March 31, 2020, Actual	Increase (decrease)	
Revenue	409.3	424.5	(15.2)	(3.6%)
Japan Beer and Spirits	140.7	134.0	6.6	5.0%
Kirin Brewery	136.2	130.4	5.8	4.5%
Other and elimination	4.5	3.6	0.8	22.0%
Japan Non-alcoholic Beverages	51.0	59.5	(8.5)	(14.3%)
Kirin Beverage	51.5	60.0	(8.5)	(14.2%)
Elimination	(0.5)	(0.5)	(0.0)	—
Oceania Adult Beverages	59.7	68.9	(9.2)	(13.4%)
Lion	59.7	68.9	(9.2)	(13.4%)
Elimination	(0.0)	(0.0)	0.0	—
Pharmaceuticals	81.0	77.2	3.8	4.9%
Kyowa Kirin	81.1	77.3	3.8	4.9%
Elimination	(0.2)	(0.1)	(0.0)	—
Other	77.0	84.9	(7.9)	(9.3%)
Mercian	13.6	13.9	(0.3)	(2.1%)
Myanmar Brewery	5.7	10.7	(5.0)	(46.7%)
Coke Northeast	31.7	31.7	(0.0)	(0.1%)
Kyowa Hakko Bio	11.0	15.0	(4.0)	(26.4%)
Other and elimination	15.0	13.6	1.4	10.0%

Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021. In addition, the descriptions of "Beer, Spirits, and Wine" and "Dairy and Drinks" of Lion have been omitted from 2021.

(Reference) Revenue excluding liquor tax

(¥ billions)

	Three months ended March 31, 2021, Actual	Three months ended March 31, 2020, Actual
Kirin Brewery	79.3	77.1

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

	Three months ended March 31, 2021		Three months ended March 31, 2020	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	—	(4.4%)	—	(10.9%)
<i>Happo-shu</i>	—	9.1%	—	(6.1%)
New genre	—	(5.3%)	—	5.6%
Sub-total	—	(1.7%)	—	(2.5%)
RTD	104	26.6%	82	1.2%
Non-alcohol beverages	10	1.6%	9	30.2%

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

	Three months ended March 31, 2021		Three months ended March 31, 2020	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	1,131	(13.9%)	1,313	(2.1%)
Japanese tea	632	(10.8%)	709	0.3%
Coffee	544	(5.2%)	574	1.5%
Fruit and vegetable juice	485	(4.3%)	507	1.4%
Carbonated beverage	260	(12.9%)	299	(21.9%)
Functional beverage	234	3.5%	226	24.6%
Water	793	(18.1%)	968	8.5%
Other	257	(17.9%)	314	5.0%
Total	4,337	(11.7%)	4,909	0.9%
Container Type				
Can	555	(10.8%)	622	(15.4%)
Large-sized PET bottles (2L, 1.5L, etc.)	1,427	(15.2%)	1,682	2.6%
Small-sized PET bottles (500ml, 280ml, etc.)	1,983	(10.8%)	2,222	6.4%
Other	372	(2.9%)	383	(5.6%)
Total	4,337	(11.7%)	4,909	0.9%

4. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

	Three months ended March 31, 2021, Actual	Three months ended March 31, 2020, Actual	Increase (decrease)	
Normalized operating profit	33.1	32.8	0.4	1.1%
Japan Beer and Spirits	12.4	11.2	1.2	10.7%
Kirin Brewery	11.9	10.7	1.1	10.5%
Others	0.5	0.4	0.1	15.3%
Japan Non-alcoholic Beverages	2.3	3.8	(1.5)	(40.5%)
Kirin Beverage	2.3	3.8	(1.5)	(40.5%)
Oceania Adult Beverages	7.0	5.7	1.3	22.4%
Lion	7.0	5.7	1.3	22.4%
Pharmaceuticals	14.9	16.4	(1.5)	(9.0%)
Kyowa Kirin	14.9	16.4	(1.5)	(9.0%)
Other	7.0	5.7	1.3	22.4%
Mercian	0.4	0.0	0.4	—
Myanmar Brewery	2.5	5.0	(2.5)	(49.6%)
Coke Northeast	2.3	1.0	1.3	136.6%
Kyowa Hakko Bio	(0.4)	(1.4)	1.0	—
Others	2.1	1.1	1.0	93.1%
Corporate expenses and inter-segment eliminations	(10.4)	(10.0)	(0.4)	—

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

Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021. In addition, the descriptions of "Beer, Spirits, and Wine", "Dairy and Drinks" and "Corporate" of Lion have been omitted from 2021.

(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.	0.9	Total beer products (0.7) Sales decrease in beer (4) thousand KL Sales increase in <i>happo-shu</i> 7 thousand KL Sales decrease in new genre (9) thousand KL Total products other than beer products 1.6 Sales increase in RTD 22 thousand KL Sales increase in non-alcohol beverages 0 thousand KL, etc. Difference of change in composite of products, etc. 0.0
	Decrease in raw material cost of alcohol beverages	0.5	
	Increase in selling expenses	(1.5)	Increase in sales promotion (0.1) and increase in advertising (1.4) (Total 11.9→13.4)
	Decrease in other expenses	1.2	Decrease in travel expense, etc.
Total		1.1	
Kirin Beverage	Decrease in marginal profit of soft drink beverages	(4.3)	Decrease in sales volume (5.73) million cases (2.7) Difference of change in products mix and composition ratio of containers, etc. (1.6)
	Decrease in raw material cost	0.0	Decrease in raw material cost 0.0, decrease in material cost 0.1, and increase in processing cost (0.1)
	Decrease in selling expenses	1.9	Decrease in sales promotion 1.5 and decrease in advertising 0.4 (Total 7.3→5.4)
	Decrease in other expenses	0.9	Decrease in sales machine costs, labor costs, etc.
Total		(1.5)	

(3) Other Operating Income and Other Operating Expenses

(¥ billions)

	Three months ended March 31, 2021, Actual	Three months ended March 31, 2020, Actual	Increase (decrease)
Other operating income	1.0	1.0	(0.0)
Gain on sale of property, plant and equipment and intangible assets	0.0	0.0	0.0
Gain on sale of shares of subsidiaries	—	0.0	(0.0)
Other	1.0	0.9	0.0
Other operating expenses	6.1	7.7	(1.6)
Impairment losses	0.3	0.1	0.2
Business restructuring expenses	0.2	2.2	(2.0)
Software development expenses	3.8	3.7	0.1
Loss on disposal and sale of property, plant and equipment and intangible assets	0.4	0.6	(0.2)
Other	1.5	1.2	0.3

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

(¥ billions)

	Three months ended March 31, 2021, Actual	Three months ended March 31, 2020, Actual	Increase (decrease)
Finance income	1.7	1.3	0.4
Interest income	0.4	0.4	(0.0)
Dividend income	0.0	0.1	(0.1)
Foreign exchange gains (net)	1.2	0.6	0.6
Other	0.1	0.1	(0.0)
Finance costs	1.3	1.5	(0.2)
Interest paid	1.2	1.4	(0.2)
Other	0.1	0.1	0.0
Share of profit of equity-accounted investees	5.2	6.7	(1.5)
San Miguel Brewery	6.7	7.7	(1.0)
Other	(1.5)	(1.0)	(0.5)

5. SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ billions)

	Three months ended March 31, 2021, Actual	Three months ended March 31, 2020, Actual	Increase (decrease)
Cash flows from operating activities	36.8	8.8	28.0
Profit before tax	33.6	32.5	1.0
Depreciation and amortization	19.5	19.9	(0.5)
Other	(16.3)	(43.7)	27.4
Cash flows from investing activities	22.7	(62.4)	85.2
Acquisition of property, plant and equipment and intangible assets	(18.9)	(22.0)	3.1
Other	41.7	(40.4)	82.1
Cash flows from financing activities	(9.1)	53.5	(62.6)
Increase (decrease) in interest-bearing liabilities	27.8	159.9	(132.1)
Dividends paid	(32.6)	(37.6)	5.0
Other	(4.3)	(68.8)	64.5
Exchange rate changes	7.3	(6.3)	13.6
Net increase (decrease) in cash and cash equivalents	57.8	(6.4)	64.2