



KIRIN HOLDINGS COMPANY, LIMITED

May 2, 2012

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2012 (UNDER JAPANESE GAAP) (UNAUDITED)

(English Translation)

Fiscal year ending December 31, 2012

KIRIN HOLDINGS COMPANY, LIMITED

10-1, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan (URL <http://www.kirinholdings.co.jp/english/>)

Code No.:	2503
Shares Listed:	Tokyo, Osaka, Nagoya, Sapporo and Fukuoka
Representative:	Mr. Senji Miyake, President
For further information, please contact:	Ms. Junko Tsuboi, General Manager of Corporate Communications
	Telephone: +81-3-5540-3455 from overseas
Submission date of quarterly securities report scheduled:	May 14, 2012
Commencement date of dividend distribution scheduled:	—
Preparation of supplementary documents to the quarterly financial results:	Yes
Holding of quarterly financial results presentation (for institutional investors and analysts):	Yes

1. Consolidated business results and financial positions for the first three months of the current fiscal year (January 1, 2012 - March 31, 2012)

[Unit: Japanese yen (¥)]

(1) Results of operations (cumulative):

(Fractions less than ¥1 million have been omitted.)

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Three months ended						
March 31, 2012	497,286	1.7	25,313	(23.3)	19,210	(34.6)
March 31, 2011	488,923	10.4	32,985	38.3	29,396	42.3

Note: Comprehensive income	March 31, 2012	¥74,312 million [275.3%]
	March 31, 2011	¥19,800 million [— %]

	Net income	Percentage change	Net income per share (Basic)	Net income per share (Diluted)
	(¥ millions)	(%)	(¥)	(¥)
Three months ended				
March 31, 2012	(3,033)	—	(3.15)	—
March 31, 2011	(2,113)	—	(2.20)	—

Note: Percentage change compares current results with those of the same period of the previous year.

(2) Financial position:

	Total assets	Net assets	Ratio of equity to total assets
	(¥ millions)	(¥ millions)	(%)
As of			
March 31, 2012	2,899,672	1,100,094	31.2
December 31, 2011	2,854,254	1,047,895	29.9
Reference: Equity	March 31, 2012	¥906,140 million	
	December 31, 2011	¥852,922 million	

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended December 31, 2011	—	13.50	—	13.50	27.00
Fiscal year ending December 31, 2012	—				
Fiscal year ending December 31, 2012 (Forecast)		13.50	—	13.50	27.00

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

**3. Forecast consolidated business results for the current fiscal year
(January 1, 2012 - December 31, 2012)**

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Six months ending June 30, 2012	1,060,000	5.8	62,000	(14.8)	53,000	(27.0)
Fiscal year ending December 31, 2012	2,230,000	7.6	162,000	13.4	140,000	2.3

	Net income	Percentage change	Net income per share
	(¥ millions)	(%)	(¥)
Six months ending June 30, 2012	13,000	(27.5)	13.52
Fiscal year ending December 31, 2012	48,000	548.0	49.91

Note: Percentage change compares current results with those of the same period of the previous year.

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

4. Others

(1) Changes in significant subsidiaries for the three months ended March 31, 2012: None

(Changes in specified subsidiaries accompanying change in scope of consolidation.)

Newly included: –

Excluded: –

(2) Application of specific accounting for preparing the quarterly consolidated financial statements: Yes

Note: For details, please refer to (2) APPLICATION OF SPECIFIC ACCOUNTING FOR PREPARING THE QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS on page X of the Attached Materials.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

- | | |
|---|------|
| i. Changes in accounting policies due to amendment of accounting standards: | None |
| ii. Changes in accounting policies due to other reasons: | None |
| iii. Changes in accounting estimates: | None |
| iv. Restatements: | None |

(4) Number of shares outstanding (common stock)

- | | |
|--|--------------------|
| i. Number of shares outstanding at the end of the period (including treasury stock) | |
| As of March 31, 2012 | 965,000,000 shares |
| As of December 31, 2011 | 965,000,000 shares |
| ii. Number of treasury stock at the end of the period | |
| As of March 31, 2012 | 3,289,589 shares |
| As of December 31, 2011 | 3,268,428 shares |
| iii. Average number of shares during the period (cumulative from the beginning of the fiscal year) | |
| For the three months ended March 31, 2012 | 961,716,926 shares |
| For the three months ended March 31, 2011 | 961,823,573 shares |

* Explanation regarding performance of quarterly review procedures

This summary of quarterly consolidated financial results is not subject to a quarterly review in accordance with the Financial Instruments and Exchange Law of Japan. At the time of disclosure of this summary of quarterly consolidated financial results, the quarterly review procedures in accordance with the Financial Instruments and Exchange Law of Japan are incomplete.

* 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 2, and it will post the presentation materials from the financial results presentation (teleconference) held today and the main Q&A at the meeting as soon as possible on the Company's website. (URL of the Company's website)
- <http://www.kirinholdings.co.jp/irinfo/event/explain/index.html>

ATTACHED MATERIALS

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1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS FOR THE THREE MONTHS

(1) BUSINESS PERFORMANCE

Gradual signs of recovery, including firmer consumer spending, could be seen in the Japanese economy during the first quarter (January 1, 2012 to March 31, 2012). This was despite the enduring difficult circumstances due in part to the effects of overseas countries that are yet to emerge from their own economic slowdowns.

Under such economic conditions, to mark the final year in the Kirin Group's 2010-2012 medium-term business plan, which marks the second stage in realizing the aims of "Kirin Group Vision 2015" (KV2015), Kirin's long-term business framework, we continued to promote measures aimed at improving profitability. At the same time, with an aim of turning sales around, we endeavored to strengthen our brand and sales force and to provide new forms of value to customers.

In Japan, Kirin Brewery Company, Limited, Mercian Corporation and Kirin Beverage Company, Limited continued to make structural changes along the entire value chain, and they drove the integrated beverages group strategy further forward, based on management centered on product brands.

Overseas, Lion Pty Ltd continued endeavoring to improve profitability and efficiency. Furthermore, Schincariol Participações e Representações S.A., which was added to the Kirin Group last year, worked on measures aimed at improving business performance under a new management structure.

As a result, sales in the first quarter increased, in part due to having included Schincariol's profit and loss of in the overseas beverages business, as well as to the increased sales volume in the domestic alcohol beverages and the domestic non-alcohol beverages businesses. However, operating income, ordinary income and net income decreased, partly due to the chemicals business being excluded from consolidation in the pharmaceuticals and bio-chemicals business, and also to the increase in selling expenses in the domestic alcohol beverages and the domestic non-alcohol beverages businesses.

Kirin Holdings Company, Limited 2012 first quarter results:

Consolidated sales	¥497.2 billion, up 1.7%
Consolidated operating income	¥25.3 billion, down 23.3%
Consolidated ordinary income	¥19.2 billion, down 34.6%
Consolidated net loss	¥(3.0) billion, -%

Results by segment are as follows.

Domestic Alcohol Beverages Business

At Kirin Brewery Company, Limited, in addition to strengthening our core brands through selection and concentration, we pursued sales growth by creating new value that meets customers' needs. We released *Kirin Mugj no Gochisou* in the new genre market, and *Kirin Wine Cocktail Wine Spritzer* in the RTD (ready to drink) market, delivering new proposals in each category. In the non-alcohol, beer-tasting beverage market, we sought to enhance our competitiveness through the renewal of *Kirin FREE*. At Kirin Beer Marketing Company, Limited, which was established on January 1, we worked to strengthen our solution-based value proposal marketing based on proposals that are more in line with the customers' perspective. As a result, the total sales volume for beer, happo-shu and new genre and the sales volume for RTD surpassed the results of the previous year, which had been significantly affected by the Great East Japan Earthquake.

As for Mercian Corporation, amid the growing household market, we sought to expand the base of the wine market, such as by releasing *Mercian every* as a wine to be enjoyed on a regular basis, and the sales volumes of both our domestic and imported table wines significantly exceeded the figures for the previous year.

As a result, sales increased, but operating income decreased, in part due to the increase in selling expenses compared to the previous year which had been affected by the Great East Japan Earthquake

Domestic alcohol beverages business 2012 first quarter results:

Consolidated sales	¥170.9 billion, up 0.9%
Consolidated operating income	¥4.3 billion, down 13.8%

Domestic Non-Alcohol Beverages Business

At Kirin Beverage Company, Limited, in addition to continuing to promote revenue structure reforms, we further strengthened our product value and sales force, and we made efforts for measures aimed at boosting earnings based on growth.

In terms of proposals designed to create a new carbonated beverages sector, as well as releasing *Kirin no Awa*, we also released *Karada Omoi-Cha Suutto-Cha* and *Kirin Nama Cha Midori no Yasai Blend Cha plus*,

helping to strengthen our unsweetened tea category. Furthermore, by promoting value proposal marketing and basic sales activities for each channel, sales volumes significantly exceeded the figures for the previous year.

As a result, sales increased, but operating loss increased, in part due to the increase in selling expenses compared to the previous year which had been affected by the Great East Japan Earthquake.

Domestic non-alcohol beverages business 2012 first quarter results:

Consolidated sales	¥66.0 billion, up 1.4%
Consolidated operating loss	¥(3.9) billion, -%

Overseas Beverages Business

Lion's alcohol beverages and soft drinks and foods businesses continued to make progress in improving profitability and efficiency by pursuing a strategy of investing in people and a portfolio of high potential brands to drive sustainable results in the long term. While the Australian economy has benefited from its strong resource sector, the retail, grocery and other consumer goods sectors continue to experience tough market conditions. Despite these challenges, Lion's alcohol beverages business continues to manage its business for the long term through innovation and a sustainable balance of volume, pricing and mix. Lion's core trademarks performed well, with XXXX, Hahn and James Boag in growth. Australia's second largest beer, XXXX GOLD, grew volume and value share off a large base. Benefiting from a new flavour variant and the popularity of cider, now the fastest growing alcohol category, Tooheys 5 Seeds continued its strong growth. Conditions in the soft drinks and foods business remained very difficult for farmers and processors alike. Ongoing low consumer confidence was further intensified by sustained deep discounting on white milk in grocery. The business has made significant progress removing duplication from its network and focusing site investment for future growth and continues to focus on a portfolio of high potential brands to deliver sustainable growth over the long-term. Despite this challenging environment, Lion saw a strong performance in dairy beverages, with Dare increasing value share 26 percent and cementing the number one position in the category, and Specialty cheese brands South Cape, Tasmanian Heritage and King Island also posted strong value growth.

At Schincariol Participações e Representações S.A., although the sales volumes of both the alcohol beverages and soft drinks businesses were affected by the unseasonable weather especially in southern Brazil, under a new management structure, we promoted marketing and sales activities designed to improve profitability, such as strengthening core brands. In addition, we also implemented such measures as drastically improving the procurement process and strengthening value chain functions.

As a result, both sales and operating income increased as a result of including Schincariol's profit and loss and promoting structural reform at Lion.

Overseas beverages business 2012 first quarter results:

Consolidated sales	¥152.9billion, up 30.0%
Consolidated operating income	¥6.5 billion, up 5.2%

Pharmaceuticals and Bio-chemicals Business

In the pharmaceuticals business, at Kyowa Hakko Kirin Co., Ltd., sales remained strong for such core products as *NESP*[®], a treatment for renal anemia. However, lower amounts of airborne pollen this period and the one-off increase in shipments following the Great East Japan Earthquake during the same period last year meant that shipments of the antiallergic agent *ALLELOCK*[®] and other products were below last year's figures. Furthermore, in March, together with the Fujifilm Corporation, we launched Fujifilm Kyowa Kirin Biologics Co., Ltd., a joint venture company for the development, manufacture and sales of biosimilar pharmaceutical products.

Exports of pharmaceuticals remained steady, and we also recorded revenue from technology licensing from Fujifilm Kyowa Kirin Biologics Co., Ltd.

As for research and development, in March, we acquired approval for the therapeutic agent for adult T-cell leukemia-lymphoma (ATL), *POTELIGEO*[®](KW-0761, a humanized monoclonal antibody that uses proprietary antibody technologies).

In the bio-chemicals business, at Kyowa Hakko Bio Co., Ltd., despite the effects of the appreciation of the yen on pharmaceuticals and industrial ingredients, centered on amino acid and nucleic acid related materials, exports to Asia performed well, and the sales volume exceeded the figures for the previous year.

As a result, both sales and operating income decreased, in part due to the effects of having excluded the chemicals business from consolidation at the end of March 2011.

Pharmaceuticals and bio-chemicals business 2012 first quarter results:

Consolidated sales	¥84.8 billion, down 24.7%
Consolidated operating income	¥18.7 billion, down 17.4%

Other Businesses

At Kirin Kyowa Foods, sales volumes fell on a year-on-year basis due to the one-off increase in shipments following the Great East Japan Earthquake during the same period last year. However, we proceeded to solidify and strengthen the "value proposal" type development and sales structures for our core business in industrial-use seasonings and food ingredients for processed food makers.

As for other businesses in total, both sales and operating income decreased due primarily to the effects of the decrease in sales volume at Kirin Kyowa Foods.

Other businesses 2012 first quarter results:

Consolidated sales	¥22.4 billion, down 6.4%
Consolidated operating income	¥0.4 billion, down 70.7%

(2) FINANCIAL POSITION

Total assets as of March 31, 2012 stood at ¥2,899.6 billion, an increase of ¥45.4 billion compared to December 31, 2011. Despite decreases in notes and accounts receivable, trade and in property, plant and equipment the increase in total assets was partly due to increases in cash, intangible assets and investment securities.

Total liabilities stood at ¥1,799.5 billion, a decrease of ¥6.7 billion compared to December 31, 2011. Despite increases in interest-bearing debts, total liabilities decreased mainly due to decreases in liquor taxes payable and income taxes payable.

Net assets stood at ¥1,100.0 billion, an increase of ¥52.1 billion compared to December 31, 2011 due in part to an increase in foreign currency translation adjustments.

(3) CONSOLIDATED FORECAST

Kirin Group's consolidated forecasts for the full year ending December 31, 2012, as announced on February 10, 2012, have not been revised.

2. SUMMARY INFORMATION (OTHER ITEMS)

(1) CHANGES IN SIGNIFICANT SUBSIDIARIES FOR THE THREE MONTHS ENDED MARCH 31, 2012

There are no matters to report under this item.

(2) APPLICATION OF SPECIFIC ACCOUNTING FOR PREPARING THE QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

Calculation of income taxes

Income taxes for the period are calculated by multiplying net income before income taxes for the period by the estimated annual effective rate which is calculated based on the estimated income before taxes for the full year and the estimated annual income taxes after the application of tax effect accounting.

(3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS

There are no matters to report under this item.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) CONSOLIDATED BALANCE SHEETS

(¥ millions)

	As of December 31, 2011	As of March 31, 2012
ASSETS		
Current Assets		
Cash	76,218	84,276
Notes and accounts receivable, trade	406,448	380,484
Merchandise and finished goods	112,986	128,183
Work in process	30,937	33,636
Raw materials and supplies	49,059	46,118
Other	88,664	89,779
Allowance for doubtful accounts	(6,250)	(6,754)
Total Current Assets	758,065	755,723
Non-current Assets		
Property, plant and equipment (Net of accumulated depreciation and accumulated loss from impairment)	763,833	762,665
Intangible Assets		
Goodwill	713,749	740,654
Other	102,511	104,973
Total	816,261	845,628
Investments and Other Assets		
Investment securities	417,619	436,098
Other	105,156	106,091
Allowance for doubtful accounts	(6,681)	(6,534)
Total	516,094	535,655
Total Non-current Assets	2,096,189	2,143,948
TOTAL ASSETS	2,854,254	2,899,672

	As of December 31, 2011	As of March 31, 2012
LIABILITIES		
Current Liabilities		
Notes and accounts payable, trade	146,955	138,878
Short-term loans payable and long-term debt with current maturities	85,517	79,239
Commercial papers	121,989	155,986
Bonds due within one year	23,111	103,095
Income taxes payable	26,783	13,647
Reserves	7,549	14,920
Other	303,512	259,301
Total Current Liabilities	715,419	765,070
Non-current Liabilities		
Bonds	365,487	285,435
Long-term debt	468,999	489,135
Employees' pension and retirement benefits	65,516	62,284
Other reserves	29,458	32,088
Other	161,478	165,564
Total Non-current Liabilities	1,090,939	1,034,507
TOTAL LIABILITIES	1,806,359	1,799,577
NET ASSETS		
Shareholders' Equity		
Common stock	102,045	102,045
Capital surplus	81,417	81,417
Retained earnings	801,856	786,252
Treasury stock, at cost	(3,271)	(3,291)
Total Shareholders' Equity	982,048	966,424
Accumulated Other Comprehensive Income		
Net unrealized gains on securities	11,116	23,887
Deferred gains or losses on hedges	(279)	(617)
Land revaluation difference	(2,543)	(2,543)
Foreign currency translation adjustments	(137,419)	(81,010)
Total Accumulated Other Comprehensive Income	(129,126)	(60,283)
Subscription Rights to Shares	250	129
Minority Interests	194,722	193,824
TOTAL NET ASSETS	1,047,895	1,100,094
TOTAL LIABILITIES AND NET ASSETS	2,854,254	2,899,672

(2) CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Three months ended March 31, 2011	Three months ended March 31, 2012
Sales	488,923	497,286
Cost of sales	292,515	290,541
Gross profit	196,408	206,744
Selling, general and administrative expenses	163,422	181,431
Operating income	32,985	25,313
Non-operating income		
Interest income	122	527
Dividend income	1,951	529
Foreign currency translation gain	679	1,673
Other	902	1,886
Total	3,656	4,617
Non-operating expenses		
Interest expense	5,361	5,219
Equity in losses of affiliates	421	2,894
Other	1,462	2,605
Total	7,245	10,719
Ordinary income	29,396	19,210
Special income		
Gain on sale of fixed assets	3,911	593
Gain on sale of investment securities	261	14
Gain on sale of shares of subsidiaries and affiliates	6,771	—
Other	1,052	51
Total	11,995	659
Special expenses		
Loss on disposal of fixed assets	439	419
Loss on sale of fixed assets	179	123
Loss on devaluation of investment securities	1,928	1
Loss on sale of investment securities	—	324
Expenses of reserve for loss on liquidation of business	3,555	—
Loss related to the Great East Japan Earthquake	5,146	—
Business restructuring expense	892	950
Other	2,978	138
Total	15,119	1,957
Income before income taxes and minority interests	26,272	17,913
Income taxes	21,682	15,600
Income before minority interests	4,590	2,312
Minority interests	6,703	5,345
Net loss	(2,113)	(3,033)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(¥ millions)

	Three months ended March 31, 2011	Three months ended March 31, 2012
Income before minority interests	4,590	2,312
Other comprehensive income		
Net unrealized gains on securities	101	13,252
Deferred gains or losses on hedges	171	(368)
Foreign currency translation adjustments	14,517	55,287
Share of other comprehensive income of equity-method affiliates	419	3,829
Total other comprehensive income	15,210	72,000
Comprehensive income	19,800	74,312
Comprehensive income attributable to:		
Owners of the parent	12,678	65,809
Minority interests	7,122	8,503

(3) GOING CONCERN ASSUMPTION

There are no matters to report under this item.

(4) SEGMENT INFORMATION

I Three months ended March 31, 2011

1. Information regarding sales and income or loss by reportable segment

(¥ millions)

(4 millions)							
Three months ended March 31, 2011							
	Reportable Segment					Adjustment (Note 2)	Amount recorded in the quarterly consolidated statements of income (Note 3)
	Domestic Beverages		Overseas Beverages	Pharmaceuticals and Bio-chemicals	Others (Note 1)		
	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages					
Sales							
Unaffiliated customers	169,385	65,157	117,675	112,672	24,032	—	488,923
Inter-segment	7,588	1,274	142	2,189	7,619	(18,813)	—
Total sales	176,974	66,431	117,817	114,862	31,651	(18,813)	488,923
Segment income (loss)	5,078	(1,997)	6,271	22,654	1,577	(599)	32,985

Notes

1. "Others" includes food business, such as seasonings, and others.
2. The negative ¥599 million adjustment in segment income (loss) includes ¥4,105 million in inter-segment eliminations and negative ¥4,705 million in corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses due to the Company's transfer to a pure holding company and research and development expenses for basic technologies.
3. Segment income (loss) is reconciled to operating income described in the quarterly consolidated statements of income.

2. Information of reportable segment regarding loss on impairment of fixed assets or goodwill and others

There is no significant recognition or change during the period.

II Three months ended March 31, 2012

1. Information regarding sales and income or loss by reportable segment

(¥ millions)

(¥ millions)

Three months ended March 31, 2012							
	Reportable Segment					Adjustment (Note 2)	Amount recorded in the quarterly consolidated statements of income (Note 3)
	Domestic Beverages		Overseas Beverages	Pharmaceuticals and Bio-chemicals	Others (Note 1)		
	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages					
Sales							
Unaffiliated customers	170,963	66,038	152,919	84,866	22,499	–	497,286
Inter-segment	7,562	234	265	2,244	5,855	(16,163)	–
Total sales	178,526	66,272	153,185	87,111	28,354	(16,163)	497,286
Segment income (loss)	4,377	(3,905)	6,595	18,709	462	(926)	25,313

Notes

1. "Others" includes food business, such as seasonings, and others.
2. The negative ¥926 million adjustment in segment income (loss) includes ¥4,021 million in inter-segment eliminations and negative ¥4,947 million in corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses due to the Company's transfer to a pure holding company and research and development expenses for basic technologies.
3. Segment income (loss) is reconciled to operating income described in the quarterly consolidated statements of income.

2. Information of reportable segment regarding loss on impairment of fixed assets or goodwill and others

There is no significant recognition or change during the period.

(5) NOTES ON SIGNIFICANT CHANGES IN SHAREHOLDERS' EQUITY

There are no matters to report under this item.

Supplementary Documents to the Financial Statements for the Three Months Ended March 31, 2012

1. Summary of Consolidated Statements of Income, Indices, etc.
2. Sales Details
3. Profit Details
4. Summary of Consolidated Balance Sheets
5. Other Information

KIRIN HOLDINGS COMPANY, LIMITED

May 2, 2012

1. Summary of Consolidated Statements of Income, Indices, etc.

(1) Summary of Statements of Income, Indices, etc.

(¥ billions)

	Three months ended March 31, 2012, Actual	Three months ended March 31, 2011, Actual	Increase (decrease)	
Sales	497.2	488.9	8.3	1.7%
Gross profit	206.7	196.4	10.3	5.3%
Selling, general and administrative expenses	181.4	163.4	18.0	11.0%
Operating income	25.3	32.9	(7.6)	(23.3%)
Non-operating income	4.6	3.6	0.9	26.3%
Non-operating expenses	10.7	7.2	3.4	47.9%
Ordinary income	19.2	29.3	(10.1)	(34.6%)
Special income	0.6	11.9	(11.3)	(94.5%)
Special expenses	1.9	15.1	(13.1)	(87.1%)
Income before income taxes and minority interests	17.9	26.2	(8.3)	(31.8%)
Income taxes	15.6	21.6	(6.0)	(28.0%)
Minority interests	5.3	6.7	(1.3)	(20.3%)
Net loss	(3.0)	(2.1)	(0.9)	—
EBITDA *	56.3	63.3	(7.0)	(11.1%)

* EBITDA = Operating income + equity in earnings or losses of affiliates + depreciation + amortization of goodwill + special income and expenses

		Three months ended March 31, 2012, Actual	Three months ended March 31, 2011, Actual	Increase (decrease)	
Sales	Excluding liquor tax	¥433.5 billion	¥427.2 billion	¥6.3 billion	1.5%
Operating income	Prior to amortization of goodwill etc.	¥38.2 billion	¥43.6 billion	(¥5.4 billion)	(12.4%)
Operating income ratio	Excluding liquor tax, prior to amortization of goodwill etc.	8.8%	10.2%		
	Excluding liquor tax, after amortization of goodwill etc.	5.8%	7.7%		
Overseas ratio	Sales excluding liquor tax	40.1%	34.0%		
D/E ratio		1.23	0.93		

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

(¥)

	Three months ended March 31, 2012, Actual	Three months ended March 31, 2011, Actual
Lion (AUD)	80.18	81.20
Schincariol (BRL)	45.42	*1 _
San Miguel Brewery (PHP)	1.81	1.90
Fraser and Neave (SD)	60.89	*2 _

	Three months ended March 31, 2012, Actual	Three months ended March 31, 2011, Actual
Lion	From October 2011 to December 2011	From October 2010 to December 2010
San Miguel Brewery		
Fraser and Neave		_ *2

*1 Included from the first quarter ended March 31, 2012.

*2 Included from the second quarter ended June 30, 2011.

2. Sales Details

(¥ billions)

	Three months ended March 31, 2012, Actual	Three months ended March 31, 2011, Actual	Increase (decrease)	
Sales	497.2	488.9	8.3	1.7%
Domestic Alcohol Beverages	170.9	169.3	1.5	0.9%
Kirin Brewery *	150.3	147.9	2.4	1.6%
Mercian	15.4	16.4	(1.0)	(6.2%)
Other and elimination	5.1	4.9	0.1	3.8%
Domestic Non-alcohol Beverages	66.0	65.1	0.8	1.4%
Kirin Beverage	66.2	66.4	(0.1)	(0.2%)
Other and elimination	(0.2)	(1.2)	1.0	—
Overseas Beverages	152.9	117.6	35.2	30.0%
Lion	107.0	111.2	(4.1)	(3.8%)
Schincariol	38.2	—	38.2	—
Other and elimination	7.6	6.4	1.1	17.6%
Pharmaceuticals and Bio-chemicals	84.8	112.6	(27.8)	(24.7%)
Kyowa Hakko Kirin	87.1	114.8	(27.7)	(24.2%)
Pharmaceutical	64.8	63.3	1.4	2.3%
Bio-chemical	20.1	17.7	2.3	13.4%
Chemical, etc.	2.1	33.7	(31.6)	(93.7%)
Other and elimination	(2.2)	(2.1)	(0.0)	—
Other	22.4	24.0	(1.5)	(6.4%)

* The figures are combined value of Kirin Brewery and Kirin Beer Marketing.

(Reference) Sales excluding liquor tax

(¥ billions)

	Three months ended March 31, 2012, Actual	Three months ended March 31, 2011, Actual
Kirin Brewery	89.6	87.9

3. Profit Details

(1) Operating Income

	(¥ billions)		
	Three months ended March 31, 2012, Actual	Three months ended March 31, 2011, Actual	Increase (decrease)
Operating income	25.3	32.9	(7.6)
Domestic Alcohol Beverages	4.3	5.0	(0.7)
Kirin Brewery	6.0	7.3	(1.2)
Management fee, etc.	(2.4)	(2.3)	(0.0)
Total	3.6	4.9	(1.3)
Mercian	0.2	0.0	0.2
Management fee, etc.	(0.1)	(0.1)	0.0
Total	0.1	(0.0)	0.2
Others	0.6	0.1	0.4
Domestic Non-alcohol Beverages	(3.9)	(1.9)	(1.9)
Kirin Beverage	(2.4)	(0.4)	(2.0)
Management fee, etc.	(0.7)	(0.7)	(0.0)
Amortization of goodwill	(0.4)	(0.4)	–
Total	(3.7)	(1.7)	(2.0)
Others	(0.1)	(0.2)	0.1
Overseas Beverages	6.5	6.2	0.3
Lion (consolidated after reclassification)	16.3	14.4	1.8
Amortization of goodwill	(6.1)	(6.2)	0.0
Brand amortization	(0.9)	(2.1)	1.2
Total	9.2	6.0	3.2
Schincariol	(0.0)	–	(0.0)
Amortization of goodwill	(2.5)	–	(2.5)
Total	(2.6)	–	(2.6)
Others	(0.0)	0.2	(0.2)
Pharmaceuticals and Bio-chemicals	18.7	22.6	(3.9)
Kyowa Hakko Kirin (consolidated after reclassification)	18.7	22.6	(3.9)
Pharmaceutical	16.6	18.4	(1.7)
Bio-chemical	1.3	1.2	0.0
Chemical, etc.	0.0	2.2	(2.2)
Elimination of amortization of goodwill	2.3	2.3	(0.0)
Amortization of goodwill	(1.5)	(1.5)	0.0
Other	0.4	1.5	(1.1)
Corporate expenses/inter-segment eliminations	(0.9)	(0.5)	(0.3)

Management fee, etc.: Group management fee and Kirin brand royalty paid to Kirin Holdings

Operating income breakdown

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Increase in marginal profit of alcohol beverages	0.6	Sales increase in beer 0 thousand KL, 0.0 Sales decrease in <i>happo-shu</i> (3) thousand KL, (0.3) Sales increase in new genre 10 thousand KL, 1.1 Sales increase in RTD 4 thousand KL, 0.3 Difference of change in products mix, etc.
	Decrease in raw material cost of alcohol beverages	0.2	Decrease in price of malt 0.2, etc.
	Increase in selling expenses	(2.7)	Increase in sales promotion and advertising, etc. (3.2) (Beer, <i>happo-shu</i> and new genre (1.8), RTD (1.3), etc.)
	Decrease in other expenses	0.6	Decrease in labor cost 0.3, Decrease in depreciation 0.3, Decrease in information processing fee 0.5, Transfer amount of loss related to the Great East Japan Earthquake in the last fiscal year (0.6), etc.
Total		(1.3)	
Kirin Beverage	Difference in volume of sales	2.2	Increase in sales volume 2.07 million cases
	Cost increase	(0.0)	Increase in raw material cost (0.6), Decrease in raw material cost 0.5
	Decrease due in change of composition ratio of containers, etc.	(1.0)	
	Increase in selling expenses	(4.1)	Decrease in sales promotion and advertising (4.0), Increase in freight (0.2)
	Decrease in other expenses	0.9	Decrease in depreciation 0.2, Decrease in miscellaneous expenses 0.2, Decrease in sales equipment cost 0.1, etc.
Total		(2.0)	

Major operating expenses

(¥ billions)

		Three months ended March 31, 2012, Actual	Three months ended March 31, 2011, Actual
Sales promotion		40.1	30.2
Advertising		19.5	15.7
Kirin Brewery	Sales promotion / Advertising	19.0	15.9
Kirin Beverage	Sales promotion / Advertising	23.2	19.5
Research and development		13.4	13.1
Kyowa Hakko Kirin (excluding internal transaction)		10.9	10.6

(2) Ordinary Income and Net Income

(¥ billions)

	Three months ended March 31, 2012, Actual	Three months ended March 31, 2011, Actual	Increase (decrease)	Description of changes
Non-operating income and expenses	(6.1)	(3.5)	(2.5)	Equity in earnings or losses of local affiliates 2.3, etc. Equity in earnings or losses of local affiliates 1.2 Amortization of goodwill (0.3) Kirin-Amgen, Inc. (2.6), etc.
Financial profit or loss, net	(4.1)	(3.2)	(0.8)	
Equity in earnings or losses of affiliates	(2.8)	(0.4)	(2.4)	
San Miguel Brewery	1.0	(1.3)	2.4	
Fraser and Neave	0.8	–	0.8	
Others	(4.8)	0.8	(5.7)	
Foreign currency translation gain or loss	1.6	0.6	0.9	
Other	(0.7)	(0.5)	(0.1)	
Ordinary income	19.2	29.3	(10.1)	
Special income and expenses	(1.2)	(3.1)	1.8	
Special income	0.6	11.9	(11.3)	
Gain on sale of fixed assets	0.5	3.9	(3.3)	
Gain on sale of investment securities	0.0	0.2	(0.2)	
Gain on sale of shares of subsidiaries and affiliates	–	6.7	(6.7)	
Other	0.0	1.0	(1.0)	
Special expenses	(1.9)	(15.1)	13.1	
Loss on disposal of fixed assets	(0.4)	(0.4)	0.0	
Loss on sale of fixed assets	(0.1)	(0.1)	0.0	
Loss on devaluation of investment securities	(0.0)	(1.9)	1.9	
Loss on sale of investment securities	(0.3)	–	(0.3)	
Expense of reserve for loss on liquidation of business	–	(3.5)	3.5	
Loss related to the Great East Japan Earthquake	–	(5.1)	5.1	
Business restructuring expense	(0.9)	(0.8)	(0.0)	
Other	(0.1)	(2.9)	2.8	
Income taxes	(15.6)	(21.6)	6.0	
Minority interests	(5.3)	(6.7)	1.3	
Net loss	(3.0)	(2.1)	(0.9)	

4. Summary of Consolidated Balance Sheets

(¥ billions)

	As of March 31, 2012	As of December 31, 2011	Increase (decrease)	Description of changes
Current Assets	755.7	758.0	(2.3)	
Cash	84.2	76.2	8.0	
Notes and accounts receivable, trade	380.4	406.4	(25.9)	Decrease in sales due to seasonal variations, etc.
Inventories	207.9	192.9	14.9	Increase due to the influences of seasonal variations and exchange rate fluctuations in evaluation of overseas subsidiaries, etc.
Other	83.0	82.4	0.6	
Non-current Assets	2,143.9	2,096.1	47.7	
Property, Plant and Equipment	762.6	763.8	(1.1)	
Intangible Assets	845.6	816.2	29.3	
Goodwill	740.6	713.7	26.9	Increase due to the influence of exchange rate fluctuations in evaluation of overseas subsidiaries, etc.
Other	104.9	102.5	2.4	
Investments and Other Assets	535.6	516.0	19.5	Increase due to a rise in the market value of shares held by Kirin Holdings resulting from fluctuations in the prices, etc.
TOTAL ASSETS	2,899.6	2,854.2	45.4	
Current Liabilities	765.0	715.4	49.6	
Notes and accounts payable, trade	138.8	146.9	(8.0)	
Interest-bearing debt	338.3	230.6	107.7	Increase due to replacement of long-term bonds with short-term ones and issue of commercial papers by Kirin Holdings, etc.
Other	287.8	337.8	(49.9)	Decrease in liquor taxes payable due to seasonal variations, etc.
Non-current Liabilities	1,034.5	1,090.9	(56.4)	
Interest-bearing debt	774.5	834.4	(59.9)	Decrease due to replacement of long-term bonds with short-term ones, etc.
Other	259.9	256.4	3.4	
TOTAL LIABILITIES	1,799.5	1,806.3	(6.7)	
Shareholders' Equity	966.4	982.0	(15.6)	
Accumulated Other Comprehensive Income	(60.2)	(129.1)	68.8	Increase in foreign currency translation adjustments due to yen's depreciation against AUD and BRL, etc.
Subscription rights to shares	0.1	0.2	(0.1)	
Minority interests	193.8	194.7	(0.8)	
TOTAL NET ASSETS	1,100.0	1,047.8	52.1	
TOTAL LIABILITIES AND NET ASSETS	2,899.6	2,854.2	45.4	

5. Other Information

(1) Profit or Loss of Major Publicly-Listed Consolidated Companies (Consolidated after Reclassification)

Three months ended March 31, 2012, Actual

<Consolidated subsidiaries>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kyowa Hakko Kirin	87.1	17.9	16.6	8.4	4.3
Elimination of amortization of goodwill		2.3	2.3	2.3	1.2
Amortization of goodwill		(1.5)	(1.5)	(1.5)	(1.5)
Total included in consolidation	87.1	18.7	17.3	9.2	4.0

<Equity-method affiliates>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
San Miguel Brewery	35.8	10.5	8.8	6.1	2.9
Equity in earnings or losses of local affiliates			2.9	2.9	2.9
Brand amortization			(0.3)	(0.3)	(0.3)
Amortization of goodwill			(1.4)	(1.4)	(1.4)
Total included in consolidation			1.0	1.0	1.0

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Fraser and Neave	82.6	15.2	14.5	8.5	1.2
Equity in earnings or losses of local affiliates			1.2	1.2	1.2
Amortization of goodwill			(0.3)	(0.3)	(0.3)
Total included in consolidation			0.8	0.8	0.8

(2) Sales Details of Major Business Companies

a. Kirin Brewery

	Three months ended March 31, 2012		Three months ended March 31, 2011	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	132	0.2%	131	(8.1%)
<i>Happo-shu</i>	116	(2.3%)	119	(13.2%)
New genre	144	7.5%	134	(5.9%)
Sub-total	393	2.0%	385	(9.0%)
RTD	43	9.3%	39	(8.2%)
Beer-taste beverages	9	(11.0%)	10	(10.9%)
Breakdown of sales	¥ billions		¥ billions	
Beer	54.4	0.6%	54.0	(8.0%)
<i>Happo-shu</i>	35.5	(2.4%)	36.4	(13.2%)
New genre	37.8	7.2%	35.3	(6.0%)
Sub-total	127.7	1.6%	125.8	(9.0%)
RTD	11.9	9.4%	10.9	(8.1%)
<i>Shochu</i> , Whiskey and Spirits, etc. *	10.6	(5.3%)	11.2	(9.8%)
Total sales	150.3	1.6%	147.9	(9.0%)

The above sales volume and sales include exports.

* This item includes sales of soft drink beverages to Group companies

b. Kirin Beverage Group

<Category>

Non-alcohol beverages			Three months ended March 31, 2012				Three months ended March 31, 2011			
			Actual	Composition ratio	Increase (decrease)	Percentage over the previous year	Actual	Composition ratio	Increase (decrease)	Percentage over the previous year
			10,000 cases		10,000 cases		10,000 cases		10,000 cases	
Category	Tea drink	Japanese tea	428	12%	44	111%	384	11%	(25)	94%
		Oolong tea	59	1%	(2)	97%	61	2%	0	100%
		Black tea	974	26%	(16)	98%	990	28%	43	105%
		Sub-total	1,461	39%	26	102%	1,435	41%	18	101%
	Coffee		707	19%	(12)	98%	719	21%	(69)	91%
	Fruit and vegetable juice		444	12%	32	108%	412	12%	21	105%
	Carbonated beverage		142	4%	28	125%	114	3%	(9)	93%
	Water		729	20%	125	121%	604	17%	14	102%
	Other		225	6%	8	104%	217	6%	(53)	80%
Domestic non-alcohol beverage market total			3,708	100%	207	106%	3,501	100%	(78)	98%

<Container Type>

Non-alcohol beverages			Three months ended March 31, 2012				Three months ended March 31, 2011			
			Actual	Composition ratio	Increase (decrease)	Percentage over the previous year	Actual	Composition ratio	Increase (decrease)	Percentage over the previous year
Container type	Category	Details	10,000 cases		10,000 cases		10,000 cases		10,000 cases	
Cans	Can	Including bottle styled cans	928	25%	(26)	97%	954	27%	(93)	91%
PET bottles	Large-sized PET bottles	2L	819	22%	222	137%	597	17%	28	105%
		1.5L, 1L, 900ml, 750ml	299	8%	(19)	94%	318	9%	8	103%
		Large-sized PET bottles total	1,118	30%	203	122%	915	26%	36	104%
	Small-sized PET bottles	500ml	875	24%	10	101%	865	25%	11	101%
		350ml or less	404	11%	23	106%	381	11%	1	100%
		Small-sized PET bottles total	1,279	35%	33	103%	1,246	36%	12	101%
		PET bottles total	2,397	65%	236	111%	2,161	62%	48	102%
Other containers	One-way/Returnable bottles, paper, gifts, etc.	383	10%	(3)	99%	386	11%	(33)	92%	
Domestic non-alcohol beverage market total			3,708	100%	207	106%	3,501	100%	(78)	98%

c. Kyowa Hakko Kirin

Sales		Three months ended March 31, 2012		Three months ended March 31, 2011	
		Actual	Percentage over the previous year	Actual	Percentage over the previous year
Area	Major product name	¥ billions		¥ billions	
Nephrology	NESP [®]	13.8	116%	11.9	154%
	ESPO [®]	0.9	72%	1.3	51%
	[NESP [®] / ESPO [®]]	[14.8]	[111%]	[13.3]	[130%]
	REGPARA [®]	2.8	112%	2.5	129%
Immunology / allergology	Allelock [®]	9.9	72%	13.7	168%
	Patanol [®]	5.4	74%	7.3	204%
Oncology	GRAN [®]	2.9	89%	3.3	99%
Cardiovascular system	Coniel [®]	4.2	90%	4.6	97%