



# KIRIN HOLDINGS COMPANY, LIMITED

## SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 (UNDER JAPANESE GAAP)

#### (UNAUDITED)

October 30, 2015

(English Translation)

Fiscal year ending December 31, 2015

#### KIRIN HOLDINGS COMPANY, LIMITED

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Code No.: 2503  
 Shares Listed: Tokyo, Nagoya, Sapporo and Fukuoka  
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 Submission date of quarterly securities report scheduled: November 10, 2015  
 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 position for the first nine months of the current fiscal year (January 1, 2015 - September 30, 2015)

[Unit: Japanese yen (¥)]

(1) Results of operations (cumulative): (Fractions less than ¥1 million have been omitted.)

(Percentage change compares current results with those of the same period of the previous year.)

	Sales (¥ millions)	Percentage change (%)	Operating income (¥ millions)	Percentage change (%)	Ordinary income (¥ millions)	Percentage change (%)
Nine months ended						
September 30, 2015	1,630,940	1.4	102,318	26.6	101,878	38.4
September 30, 2014	1,608,226	(4.1)	80,788	(24.8)	73,622	(26.1)

Note: Comprehensive income

September 30, 2015	¥3,084 million	[(95.5)%]
September 30, 2014	¥68,681 million	[(66.7)%]

	Net income (¥ millions)	Percentage change (%)	Net income per share (Basic) (¥)	Net income per share (Diluted) (¥)
Nine months ended				
September 30, 2015	54,964	149.5	60.23	60.22
September 30, 2014	22,029	(73.7)	23.93	23.90

Reference: Normalized EBITDA	September 30, 2015	¥202.4 billion [2.3%]
	September 30, 2014	¥197.8 billion [(12.0)%]
Normalized EPS	September 30, 2015	¥88 [6.0%]
	September 30, 2014	¥83 [(8.8)%]

For details of definitions and computation methods for the above indicators, please refer to "BUSINESS PERFORMANCE" on page 2.

(2) Financial position:

	Total assets	Net assets	Ratio of equity to total assets
	(¥ millions)	(¥ millions)	(%)
As of			
September 30, 2015	2,523,690	1,028,819	31.2
December 31, 2014	2,965,868	1,335,711	37.2
Reference: Equity	September 30, 2015	¥787,653 million	
	December 31, 2014	¥1,101,833 million	

**2. Dividends**

	Annual dividends				
	First quarter (¥)	Second quarter (¥)	Third quarter (¥)	Year-end (¥)	Total (¥)
Fiscal year ended December 31, 2014	—	19.00	—	19.00	38.00
Fiscal year ending December 31, 2015	—	19.00	—		
Fiscal year ending December 31, 2015 (Forecast)				19.00	38.00

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

Reference: Dividend pay-out ratio calculated using normalized EPS December 31, 2015 (Forecast) 34.5%

**3. Forecast consolidated business results for the current fiscal year  
(January 1, 2015 - December 31, 2015)**

(Percentage change compares current results with those of the same period of the previous year.)

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Fiscal year ending December 31, 2015	2,220,000	0.2	130,000	13.5	119,000	26.3

	Net income	Percentage change	Net income per share
	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2015	58,000	79.1	63.56

Note: Revision of the forecast from recently announced figures: Yes

Reference: Normalized EBITDA December 31, 2015 (Forecast) ¥264.0 billion [(3.4)%]

Normalized EPS December 31, 2015 (Forecast) ¥110 [(6.8)%]

## \* Notes

- (1) Changes in significant subsidiaries for the nine months ended September 30, 2015 (Changes in specified subsidiaries accompanying change in scope of consolidation.): None

Newly included: —

Excluded: —

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

Note: For details, please refer to "2. SUMMARY INFORMATION (NOTES), (2) APPLICATION OF SPECIFIC ACCOUNTING FOR PREPARING THE QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS" on page 7 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: Yes
- ii. Changes in accounting policies due to other reasons: Yes
- iii. Changes in accounting estimates: Yes
- iv. Restatements: None

Note: For details, please refer to "2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS" on page 7 of the Attached Materials.

- (4) Number of shares outstanding (common stock)

- i. Number of shares outstanding at the end of the period (including treasury stock)
 

As of September 30, 2015	914,000,000 shares
As of December 31, 2014	965,000,000 shares
- ii. Number of treasury stock at the end of the period
 

As of September 30, 2015	1,465,879 shares
As of December 31, 2014	52,452,089 shares
- iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)
 

For the nine months ended September 30, 2015	912,539,931 shares
For the nine months ended September 30, 2014	920,423,696 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, Friday, October 30, and 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/english/ir/event/explain/index.html>

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## 1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS FOR THE NINE MONTHS

### (1) BUSINESS PERFORMANCE

During the first three quarters (January 1 - September 30, 2015), the sense of a slowdown in the global economy intensified due to a fall in inflation in leading developed countries led by falling crude oil prices and a slowdown in the rate of growth of exports around the world with an uncertain outlook for the timing of an interest rate hike in the United States and the state of the Chinese economy.

In Japan, there were signs of economic slowdown as exports and production slumped due to deteriorating conditions in the global economy. There is also weakness in consumption due to effects from unseasonable weather.

For the Kirin Group, fiscal 2015 is the final year of the “Kirin Group 2013-2015 Medium-term Business Plan” which covers the initial stage of the “Kirin Group Vision 2021” (KV2021), our long-term management vision, as well as “year zero” in our next medium-term management business plan which will start in 2016. Against this backdrop, Kirin Holdings Company, Limited and each regional headquarters have been working together to strengthen each Group business. In particular, we undertook consistent measures by focusing management resources on flagship brands from a medium-term perspective, tackling the issue with a sense of speed in response to changes in the competitive environment in an effort to achieve renewed growth in our Japan Integrated Beverages Business, which is the Group’s highest priority.

As a result, consolidated sales in the third quarter increased compared to the previous year due primarily to sales volumes increases for the Japan Integrated Beverages Business and the Pharmaceuticals and Bio-chemicals Business. Consolidated operating income and ordinary income both increased despite a decrease in our Japan Integrated Beverages Business, due to increases in our Pharmaceuticals and Bio-chemicals Business and our Overseas Integrated Beverages Business as a result of the early application of the Revision of the Accounting Standards regarding Business Combinations. Consolidated net income for the quarter increased compared to the same period last year as a result of several factors including gains from the sale of fixed assets.

#### Kirin Holdings Company, Limited 2015 Third Quarter Results:

Consolidated sales	¥ 1,630.9 billion, up 1.4%
Consolidated operating income	¥ 102.3 billion, up 26.6%
Consolidated ordinary income	¥ 101.8 billion, up 38.4%
Consolidated net income for the second quarter	¥ 54.9 billion, up 149.5%
(Reference)	
Normalized EBITDA *	¥ 202.2 billion, up 2.3%
Normalized EPS *	¥ 88, up 6.0%

\* Normalization: Removing special income and expenses and other non-recurring items to reflect actual earnings more accurately

Normalized EBITDA = Operating income + Depreciation + Amortization of goodwill + Dividends received from entities accounted for by the equity method

Normalized EPS = Adjusted net income / Average number of shares outstanding during period

Adjusted net income = Net income + Amortization of goodwill.± Special income or expenses after income taxes and minority interests

Note that normalized EBITDA has been rounded down to the nearest ¥100 million, and normalized EPS has been rounded to the nearest ¥1.

Results by segment are as follows.

### **Japan Integrated Beverages Business**

Kirin Group has made consistent efforts toward strengthening our brands aiming at renewed business growth and has worked continuously to create value that leads to surprise and inspiration by offering exceptional quality and taste to our consumers and society as a whole.

Kirin Brewery Company, Limited has been consistently focusing its management resources on its flagship brands from a medium-term perspective and has made it the company's highest priority to raise the market share of its beer products, which has declined continuously since 2010. Sales volumes of beer products were lower due to unseasonable weather during the peak season, but they stayed firm and the decrease was less than the decline of the beer market as a whole. *Kirin Ichiban Shibori*, the most important brand, continued its positive trend from the first half, and a sales campaign that started in September was also successful in increasing sales volumes year-on-year. In the growing functional categories, *Tanrei Green Label*, *Tanrei Platinum Double*, and *Kirin Nodogoshi All Light* continued to gain high levels of market share. In the RTD\* category, new product proposals were made for the three leading brands—*Kirin Hyoketsu*, *Kirin Honshibori*<sup>TM</sup> *Chuhai*, and *Kirin Chuhai Bitters*—and sales all increased year-on-year. In the whiskey and spirits category, *Fujisanroku*, our domestic whiskey brand, continued to perform extremely well and sales in the category as a whole increased year-on-year.

Two products of Mercian Corporation's flagship brand *Château Mercian* won gold medals in the Japan Wine Competition 2015, Japan's largest wine competition, and sales were brisk. However, sales volumes as a whole were slightly down from the previous year due to an increasingly competitive environment. Sales of *Gyu gyu to Shibotta Sangria*, a new product, were strong, and the annual sales plan, which was previously revised upwards, was achieved in August, so the plan was again revised upwards to 2.5 times the projected figure at the time of the launch. We also continued our efforts to develop imported wine brands, particularly expanding our lineup of Chilean wines, which are growing as a whole.

Kirin Beverage Company, Limited took measures to further invigorate the black tea beverage market, which is led by its *Kirin Gogo-no-Kocha* flagship brand, launching *Kirin Gogo-no-Kocha Kodawari Sozai no Apple Tea* as part of a series of products with carefully-selected ingredients. In the carbonated beverage category, we launched new products including the Food with Functional Claims (FFC) *Kirin Mets Plus Sparkling Water* in order to boost the *Kirin Mets* brand. As a result, our sales volumes increased substantially more than the growth of the overall beverage market. Further, Kirin Beverage Value Vendor Company, Limited was established in July to handle our vending machine related operations from product planning and marketing to sales, and the new company began taking measures

to offer new value that can be provided only by vending machines. The *Fire* coffee brand, with an expanded lineup of vending machine exclusive products, achieved sales volumes higher than the previous year.

The Kirin Group introduced new hands-on tour facilities at our Kirin Beverage Shonan Plant and our Kirin Distillery Fuji-Gotemba Distillery to create opportunities for consumers to personally experience the safety, security, and attention to flavor of Kirin products, offering new value to our consumers.

In summary, while Kirin Brewery Company, Limited had strong sales in the beer and RTD categories, and Kirin Beverage Company, Limited experienced an increase in sales volumes and saw increased sales exceeding the previous year, factors such as an increase in selling expenses caused a reduction to overall operating income.

\* RTD liquors are packaged low-alcohol beverages sold in prepared "ready-to-drink" form.

Japan Integrated Beverages Business 2015 Third Quarter Results:

Consolidated sales	¥ 869.8 billion, up 3.7%
Consolidated operating income	¥ 32.4 billion, down 10.9%

**Overseas Integrated Beverages Business**

While Lion's Beer, Spirits and Wine Business continued to bolster its core brands in the higher value growth segments of the market, the business reported lower sales volumes overall in line with the total beer market decline. Despite the challenging market conditions, craft beers such as *James Squire* and *Little Creatures* performed very well. Lion's Beverages Business is on plan one year into its three year turnaround and remains focused on optimizing the performance of its supply chain and manufacturing footprint. While overall sales volumes declined from the previous year, the focus on high value product categories is showing positive signs, with *Dare* iced coffee (a milk-based beverage) continuing its strong growth trajectory.

In Brazil, the top priority for Brasil Kirin is to stop the decline in its sales volume amidst an economic slowdown and a fierce competitive environment. Accordingly, Brasil Kirin made efforts to reinforce the brand strength of core brand *Schin*, implemented detailed sales strategies tailored to the characteristics of each region, and took measures to bolster its distribution network. As a result, the rate of decline in sales volume has decreased.

In summary, our Oceania Integrated Beverages Business experienced a decrease in overall sales due to lower sales volumes, but overall operating income increased as a result of ongoing improvements in the profitability of the Dairy and Drinks Business and the early application of the Revision of the Accounting Standards regarding Business Combinations. Our Other Overseas Integrated Beverages Business reported a decline in sales volume and the lower value of the Brazilian *real* caused raw materials costs to increase, resulting in declines in both sales and operating income.

Oceania Integrated Beverages Business 2015 Third Quarter Results:

Consolidated sales	¥ 339.3 billion, down 5.6%
Consolidated operating income	¥ 36.3 billion, up 53.8%

Other Overseas Integrated Beverages Business 2015 Third Quarter Results:

Consolidated sales	¥ 136.7 billion, down 14.0%
Consolidated operating income	¥ (7.8 billion)

On August 19<sup>th</sup>, Kirin Holdings Singapore Pte. Ltd. acquired 55% of all outstanding shares in Myanmar Brewery Limited from Fraser and Neave, Limited, after being nominated by Myanmar Economic Holdings as its nominee to carry out the acquisition. Myanmar is a promising market with considerable prospects. High growth and increasing consumption are expected following the country's recent democratization and the lifting of economic sanctions. With Myanmar Brewery's business as a foundation, Kirin will seek further growth in the region by leveraging Kirin Group brands and our expertise in technology, product development, and marketing research.

### **Pharmaceuticals and Bio-chemicals Business**

In our Pharmaceuticals Business, the domestic sales of the core product for Kyowa Hakko Kirin Company, Limited, the long-acting erythropoiesis stimulating agent *NESP*<sup>®</sup>, have remained strong, and new drugs such as the long-acting G-CSF formula *G-LASTA* have also achieved steady market penetration. As a result, domestic sales of pharmaceuticals were higher than the previous year. Overseas, ProStrakan Group plc's core products grew steadily, and with the contribution of consolidated company Archimedes Pharma Limited from August of last year, sales were higher than the previous year. Also, in licensing revenue, we booked sales from an up-front option fee related to an option agreement signed with Astra Zeneca for *Benralizumab* (KHK4563).

In the Bio-chemicals Business, Kyowa Hakko Bio Company, Limited reported a year-on-year decline in domestic sales of its pharmaceutical amino acids and other drug substances, but overseas sales were higher due to effects from currency exchange rates as well as an increase in amino acid sales, mainly in Europe and the United States, and as a result, overall sales were up from the previous year.

In summary, both sales and operating income in the Pharmaceuticals and Bio-chemicals Business overall increased.

Pharmaceuticals and Bio-chemicals Business 2015 Third Quarter Results:

Consolidated sales	¥ 266.2 billion, up 14.4%
Consolidated operating income	¥ 43.1 billion, up 52.7%

### **Other Businesses**

Koiwai Dairy Product Company, Limited had higher costs because of rising distribution expenses, but the company focused its efforts on *Koiwai Yogurt made from 100% fresh milk*, its flagship product, and launched *Koiwai Yogurt made from 100% fresh milk Creamy Zero Fat* to reinforce the 100% fresh milk brand, and as a result both sales and operating income increased.

In summary, sales and operating income of Koiwai Dairy Products increased, and sales and operating income for other businesses overall increased.



Other Businesses 2015 Third Quarter Results:

Consolidated sales	¥ 18.8 billion, up 4.6%
Consolidated operating income	¥ 2.8 billion, up 20.5%

## (2) FINANCIAL POSITION

Total assets at the end of the current consolidated third quarter increased by 442.1 billion yen from the end of the previous consolidated fiscal year, to 2.5236 trillion yen. The increase was the result of increases in cash and deposits as well as decreases in notes and accounts receivable, tangible fixed assets, and intangible fixed assets, and other factors.

Debt decreased by 135.2 billion yen to 1.4948 trillion yen from the end of the previous consolidated fiscal year. The decrease was the result of decreases in trade notes and accounts payable and liquor tax payable (current liabilities “others”), while interest-bearing debt increased.

Due to such factors as decreased retained earnings, net assets decreased 306.8 billion yen from the end of the previous consolidated fiscal year to 1.0288 trillion yen.

## (3) CONSOLIDATED FORECASTS

Following a review of the performance of each business and other factors, the forecasts for the full year have been revised as indicated below.

### Consolidated earnings forecast for year ending December 31, 2015

(Unit: Japanese yen (¥))

	Sales (¥ millions)	Operating income (¥ millions)	Ordinary income (¥ millions)	Net income (¥ millions)	Net income per share (¥)
Previous forecasts (A)	2,220,000	139,000	128,000	67,000	73.42
Revised (B)	2,200,000	130,000	119,000	58,000	63.56
Change (B-A)	(20,000)	(9,000)	(9,000)	(9,000)	—
Change (%)	(0.9)	(6.5)	(7.0)	(13.4)	—
Actual result for previous fiscal year	2,195,795	114,549	94,211	32,392	35.27

## **2. SUMMARY INFORMATION (NOTES)**

### **(1) CHANGES IN SIGNIFICANT SUBSIDIARIES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015**

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 estimated annual income after the application of tax effect accounting.

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

(Changes in accounting policies)

(Application of Accounting Standards regarding Business Combinations)

As the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013; hereinafter the "Business Combinations Accounting Standard"), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013; hereinafter the "Consolidation Accounting Standard"), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013; hereinafter the "Business Divestitures Accounting Standard") and other standards became applicable from the beginning of fiscal years commencing on or after April 1, 2014, these accounting standards (except for the provisions stated in article 39 of the Consolidation Accounting Standard) have been applied from the three months ended March 31, 2015. Accordingly, the accounting method has been changed such that the difference associated with changes in equity in subsidiaries remaining under the control of the Company is recorded as capital surplus, and acquisition-related costs are recorded as expenses for the fiscal year in which the costs are incurred. For business combinations implemented on or after January 1, 2015, the accounting method has been changed to reflect the adjustments to the allocated amount of acquisition costs on the finalization of provisional accounting treatment in the consolidated financial statements for the quarter containing the date of the business combinations.

With respect to application of the Accounting Standards regarding Business Combinations, the transitional treatment as prescribed in article 58-2 (3) of the Business Combinations Accounting Standard, article 44-5 (3) of the Consolidation Accounting Standard and article 57-4 (3) of the Business Divestitures Accounting Standard was applied. The cumulative impact of the retroactive application of the new accounting policies over all past periods at January 1, 2015 was reflected in capital surplus and retained earnings.

As a result of this change, as of January 1, 2015, goodwill, capital surplus, retained earnings, foreign currency translation adjustments, and minority interests decreased by ¥263,906 million, ¥81,417 million, ¥143,232 million, ¥39,191 million, and ¥65 million, respectively. Additionally, operating income, ordinary income, and income before income taxes and minority interests for the nine months ended September 30, 2015 all increased by ¥16,686 million.

(Application of Accounting Standards regarding Retirement Benefits)

Effective from the three months ended March 31, 2015, the Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012; hereinafter the "Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012; hereinafter the "Guidance"), in respect of the provisions stated in article 35 of the Standard and article 67 of the Guidance, whereby the method of calculating retirement benefit obligation and current service costs have been revised. Based on this revision, the method of attributing expected retirement

benefits to periods has been changed from the straight-line basis to the benefit formula basis, while the method of determining discount rates has been changed from the method based on the average period until the expected timing of retirement benefits payment to the method using a single weighted average discount rate reflecting the period up to the expected timing of retirement benefits payment and the amount of retirement benefits payment for each period.

With respect to application of the Standard and the Guidance, the transitional treatment as prescribed in article 37 of the Standard was applied. As of January 1, 2015, the effect of the change in the method of calculating retirement benefit obligation and current service costs was reflected in retained earnings.

As a result of this change, as of January 1, 2015, net defined benefit asset decreased by ¥328 million, net defined benefit liability increased by ¥6,160 million and retained earnings decreased by ¥4,465 million. The effect of this change on operating income, ordinary income, and income before income taxes and minority interests for the nine months ended September 30, 2015 is immaterial.

As the effect of this change on segment information is immaterial, such disclosure is omitted.

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)

(Changes in depreciation method for property, plant and equipment)

With respect to the depreciation method for property, plant and equipment, the Company's consolidated subsidiary, Kyowa Hakko Kirin Co., Ltd. and its consolidated domestic subsidiaries had previously adopted the declining-balance method except for buildings (excluding building fixtures) acquired on or after April 1, 1998, which were depreciated using the straight-line method. However, starting from the three months ended March 31, 2015, the method has been changed to the straight-line method.

This consolidated subsidiary group conducted a review of its depreciation method in conjunction with the completion of a considerable part of the capital investments in the large-scale new manufacturing facilities in line with the reorganization of manufacturing sites based on the "Basic Production Strategy" (formulated in 2009, pharmaceuticals business) and the "Reorganization Plan of Yamaguchi Production Center" (formulated in 2010, bio-chemicals business).

In the pharmaceuticals business, the Company anticipates stable operation of manufacturing facilities as it expects long-term steady manufacturing due to improved efficiency as a result of the concentration of manufacturing sites through the reorganization, further progress in automation of manufacturing facilities and the outsourcing of smaller volume products, as well as the effect of recently-launched new drugs and others. Furthermore, in terms of research and development, the Company anticipates stable operation of research and development facilities as a result of efforts to reduce the uncertainty risk of research and development by introducing drug-discovery technologies at the early stages of development in addition to the promotion of proprietary drug-discovery research.

In the bio-chemicals business, the Company anticipates stable operation of manufacturing facilities in conjunction with the multi-purpose plant and the acceleration of automation, which will enable the manufacturing of multiple products.

The Company, upon comprehensively taking into account the above factors, has determined that the allocation of costs through depreciation over the useful life on a straight-line basis starting from the three months ended March 31, 2015 at the consolidated subsidiary group would better reflect the actual conditions. As a result of this change, for the nine months ended September 30, 2015, operating income increased by ¥1,365 million, and ordinary income and income before income taxes and minority interests increased by ¥1,390 million.

### 3. CONSOLIDATED FINANCIAL STATEMENTS

#### (1) CONSOLIDATED BALANCE SHEETS

(¥ millions)

	As of December 31, 2014	As of September 30, 2015
<b>ASSETS</b>		
Current assets		
Cash and time deposits	49,450	177,909
Notes and accounts receivable, trade	408,709	323,088
Merchandise and finished goods	161,391	156,893
Work in process	35,670	28,254
Raw materials and supplies	49,203	47,291
Other	101,025	76,277
Allowance for doubtful accounts	(3,620)	(2,871)
Total current assets	801,830	806,845
Non-current assets		
Property, plant and equipment (Net of accumulated depreciation and accumulated loss on impairment)	798,398	726,427
Intangible assets		
Goodwill	642,470	324,930
Other	206,886	176,053
Total	849,356	500,984
Investments and other assets		
Investment securities	403,467	396,712
Net defined benefit asset	6,830	8,100
Other	111,229	89,894
Allowance for doubtful accounts	(5,243)	(5,275)
Total	516,283	489,432
Total non-current assets	2,164,038	1,716,844
Total assets	2,965,868	2,523,690

	As of December 31, 2014	As of September 30, 2015
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable, trade	160,106	122,805
Short-term loans payable and long-term debt with current maturities	99,096	145,534
Commercial paper	83,994	100,991
Bonds due within one year	51,832	54,465
Income taxes payable	12,154	22,737
Reserves	7,577	16,280
Other	369,909	270,217
Total current liabilities	784,671	733,033
Non-current liabilities		
Bonds	209,988	194,990
Long-term debt	359,012	328,562
Reserve for loss on litigation	25,116	17,409
Other reserves	8,130	7,781
Net defined benefit liability	60,483	57,701
Other	182,754	155,391
Total non-current liabilities	845,485	761,837
Total liabilities	1,630,157	1,494,870
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	102,045	102,045
Capital surplus	81,417	—
Retained earnings	848,381	648,120
Treasury stock, at cost	(74,797)	(2,094)
Total shareholders' equity	957,047	748,071
Accumulated other comprehensive income		
Net unrealized gains on securities	49,556	53,759
Deferred gains or losses on hedges	827	2,191
Land revaluation difference	(2,140)	(2,020)
Foreign currency translation adjustments	110,259	(601)
Remeasurements of defined benefit plans	(13,716)	(13,746)
Total accumulated other comprehensive income	144,786	39,582
Subscription rights to shares	332	398
Minority interests	233,544	240,766
Total net assets	1,335,711	1,028,819
Total liabilities and net assets	2,965,868	2,523,690

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

(¥ millions)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015
Sales	1,608,226	1,630,940
Cost of sales	922,108	910,400
Gross profit	686,118	720,540
Selling, general and administrative expenses	605,329	618,222
Operating income	80,788	102,318
Non-operating income		
Interest income	2,832	2,527
Dividend income	1,500	2,791
Equity in earnings of affiliates	4,901	9,256
Other	4,227	6,444
Total	13,462	21,020
Non-operating expenses		
Interest expense	15,128	14,901
Other	5,499	6,558
Total	20,628	21,460
Ordinary income	73,622	101,878
Special income		
Gain on sale of property, plant and equipment and intangible assets	2,807	16,613
Gain on sale of investment securities	178	6,661
Other	438	2,356
Total	3,424	25,631
Special expenses		
Loss on disposal of property, plant and equipment and intangible assets	2,441	1,519
Loss on sale of property, plant and equipment and intangible assets	179	535
Loss on impairment	863	3,498
Loss on devaluation of investment securities	0	35
Loss on sale of investment securities	22	—
Business restructuring expense	6,915	4,760
Other	1,632	2,799
Total	12,055	13,149
Income before income taxes and minority interests	64,992	114,360
Income taxes	33,423	43,481
Income before minority interests	31,568	70,878
Minority interests	9,539	15,914
Net income	22,029	54,964

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(¥ millions)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015
Income before minority interests	31,568	70,878
Other comprehensive income		
Net unrealized gains on securities	(104)	3,967
Deferred gains or losses on hedges	(1,146)	1,364
Land revaluation difference	—	119
Foreign currency translation adjustments	35,370	(82,224)
Remeasurements of defined benefit plans	—	(216)
Share of other comprehensive income of entities accounted for by the equity method	2,992	9,195
Total other comprehensive income	37,112	(67,794)
Comprehensive income	68,681	3,084
Comprehensive income attributable to:		
Owners of the parent	57,680	(10,979)
Minority interests	11,001	14,064

### (3) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### (GOING CONCERN ASSUMPTION)

There are no matters to report under this item.

#### (SIGNIFICANT CHANGES IN SHAREHOLDERS' EQUITY)

Effective from the three months ended March 31, 2015, the Company has applied the Accounting Standards regarding Retirement Benefits and the Accounting Standards regarding Business Combinations. The effect of the application of these standards is described in "(Changes in accounting policies) in 2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS." The Company retired 51,000,000 shares of treasury stock based on the resolution of the Board of Directors of the Company on February 12, 2015. As a result of this retirement, retained earnings and treasury stock both decreased by ¥72,726 million during the nine months ended September 30, 2015.

#### (SEGMENT INFORMATION)

##### I. Nine months ended September 30, 2014

##### 1. Information about sales and income or loss amounts by reportable segment

							(¥ millions)
Nine months ended September 30, 2014							
	Reportable Segment				Others (Note 1)	Adjustment (Note 2)	Amount recorded in the quarterly consolidated statements of income (Note 3)
	Integrated Beverages			Pharmaceuticals and Bio-chemicals			
	Japan	Oceania	Overseas -other				
Sales							
Unaffiliated customers	839,077	359,457	158,906	232,794	17,990	—	1,608,226
Inter-segment	2,586	71	147	6,142	994	(9,942)	—
Total sales	841,664	359,529	159,054	238,936	18,985	(9,942)	1,608,226
Segment income (loss)	36,445	23,637	(5,486)	28,293	2,375	(4,478)	80,788

##### Notes

- "Others" includes food business, such as dairy products, and others.
- The negative ¥4,478 million adjustment in segment income (loss) includes ¥756 million in inter-segment eliminations and negative ¥5,234 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.
- Segment income (loss) is reconciled to operating income in the consolidated statements of income.

##### 2. Information about loss on impairment of non-current assets, goodwill and others by reportable segment

There is no significant recognition or change during the period.



## II. Nine months ended September 30, 2015

### 1. Information about sales and income or loss amounts by reportable segment

(¥ millions)

Nine months ended September 30, 2015							
	Reportable Segment				Others (Note 1)	Adjustment (Note 2)	Amount recorded in the quarterly consolidated statements of income (Note 3)
	Integrated Beverages			Pharmaceuticals and Bio-chemicals			
	Japan	Oceania	Overseas -other				
Sales							
Unaffiliated customers	869,806	339,327	136,719	266,263	18,824	—	1,630,940
Inter-segment	1,853	87	193	6,679	787	(9,602)	—
Total sales	871,659	339,415	136,912	272,943	19,612	(9,602)	1,630,940
Segment income (loss)	32,465	36,348	(7,844)	43,194	2,863	(4,709)	102,318

#### Notes

1. “Others” includes food business, such as dairy products, and others.
2. The negative ¥4,709 million adjustment in segment income (loss) includes ¥494 million in inter-segment eliminations and negative ¥5,204 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.
3. Segment income (loss) is reconciled to operating income in the consolidated statements of income.

### 2. Information regarding loss on impairment of non-current assets, goodwill and others by reportable segment

(Significant changes in goodwill)

As noted in “(Changes in accounting policies) in 2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS,” the Company has applied the Accounting Standards regarding Business Combinations, in compliance with the transitional treatment as prescribed in article 58-2 (3) of the Business Combinations Accounting Standard, article 44-5 (3) of the Consolidation Accounting Standard and article 57-4 (3) of the Business Divestitures Accounting Standard.

As a result, goodwill decreased by ¥25,883 million, ¥229,480 million, ¥3,489 million and ¥5,053 million in the “Integrated Beverages-Japan” segment, the “Integrated Beverages-Oceania” segment, the “Integrated Beverages-Overseas-other” segment and the “Pharmaceuticals and Bio-chemicals” segment, respectively at January 1, 2015.

### 3. Changes in basis of measurement of income or loss by reportable segment

(Application of Accounting Standards regarding Business Combinations)

As noted in “(Changes in accounting policies) in 2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS,” the Company has applied the Accounting Standards regarding Business Combinations, in compliance with transitional treatment as prescribed in article 58-2 (3) of the Business Combinations Accounting Standard, article 44-5 (3) of the Consolidated Accounting Standard and article 57-4 (3) of the Business Divestitures Accounting Standard.

As a result, as compared to the amounts calculated by the previous method, segment income for the nine months ended September 30, 2015 increased by ¥1,674 million, ¥14,279 million, ¥180 million and ¥552 million in the “Integrated Beverages-Japan” segment, the “Integrated Beverages-Oceania” segment, the “Integrated Beverages-Overseas-other” segment and the “Pharmaceuticals and Bio-chemicals” segment, respectively.

(Changes in depreciation method for property, plant and equipment)

As noted in “(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates) in 2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS,” with respect to the depreciation method for property, plant and equipment, the Company’s consolidated subsidiary, Kyowa Hakko Kirin Co., Ltd. and its consolidated domestic subsidiaries had previously adopted the declining-balance method except for buildings (excluding building fixtures) acquired on or after April 1, 1998, which were depreciated using the straight-line method. However, starting from the three months ended March 31, 2015, the method has been changed to the straight-line method.

As a result of this change, as compared to the amounts calculated by the previous method, segment income for the nine months ended September 30, 2015 increased by ¥1,365 million in the “Pharmaceuticals and Bio-chemicals” segment.

#### **(ADDITIONAL INFORMATION)**

(Impact of change in corporation tax rate)

Following the promulgation of the “Partial Revision of Income Tax Act, etc.” (Act No. 9 of 2015) on March 31, 2015, the statutory tax rate will be lowered in stages from the fiscal years beginning on or after April 1, 2015. As a result of this change, during the nine months ended September 30, 2015, corporate tax receivable (Current assets “Other”) and deferred tax liability decreased by ¥2,206 million and ¥3,380 million, respectively. Additionally, income taxes, income taxes payable, net unrealized gains on securities, and remeasurements of defined benefit plans increased by ¥2,190 million, ¥1,327 million, 2,488 million, and ¥451 million, respectively. In addition, deferred tax liability related to revaluation and land revaluation difference both decreased by ¥119 million.

#### **(SUBSEQUENT EVENTS)**

(Acquisition of shares in Myanmar Brewery Limited)

The Company’s subsidiary Kirin Holdings Singapore Pte, Ltd. (hereinafter, “KHSPL”) has, as of August 19, 2015, acquired from Fraser and Neave, Limited (hereinafter “F&N”) 55% of all outstanding shares in Myanmar Brewery Limited, a major beer company in Myanmar, which was all shares that F&N held. The share acquisition price was US\$560 million (¥697 million\*).

Since the fiscal year-end of KHSPL is different from that of the Company, the consolidated financial statements of the Company for the nine months ended September 30, 2015 were prepared using KHSPL’s financial statements for the nine months ended June 30, 2015, and therefore, this acquisition is noted as a subsequent event.

\* One US dollar = 124.45 yen (as of August 18, 2015)

**Supplementary Documents to  
the Consolidated Financial Statements  
for the Nine Months Ended September 30, 2015**

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**

**October 30, 2015**

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

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

(¥ billions)

	Nine months ended September 30, 2015, Actual	Nine months ended September 30, 2014, Actual	Increase (decrease)	
Sales	1,630.9	1,608.2	22.7	1.4%
Gross profit	720.5	686.1	34.4	5.0%
Selling, general and administrative expenses	618.2	605.3	12.8	2.1%
Operating income	102.3	80.7	21.5	26.6%
Non-operating income	21.0	13.4	7.5	56.1%
Non-operating expenses	21.4	20.6	0.8	4.0%
Ordinary income	101.8	73.6	28.2	38.4%
Special income	25.6	3.4	22.2	648.4%
Special expenses	13.1	12.0	1.0	9.1%
Income before income taxes and minority interests	114.3	64.9	49.3	76.0%
Income taxes	43.4	33.4	10.0	30.1%
Minority interests	15.9	9.5	6.3	66.8%
Net income	54.9	22.0	32.9	149.5%
Normalized EBITDA	202.4	197.8	4.5	2.3%
Normalized EPS	¥88	¥83	¥5	6.0%
Sales (Excluding liquor tax)	1,410.5	1,390.0	20.5	1.5%
Operating income (Prior to amortization of goodwill etc.)	128.1	122.9	5.2	4.2%
Operating income ratio (Excluding liquor tax, prior to amortization of goodwill etc.)	9.1%	8.8%		

Normalized EBITDA = Operating income + Depreciation + Amortization of goodwill + Dividends received from entities accounted for by the equity method

Normalized EPS = Adjusted net income / Average number of shares outstanding during period

Adjusted net income = Net income + Amortization of goodwill etc. ± Special income or expenses after income taxes and minority interests

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

(¥)

	Nine months ended September 30, 2015, Actual	Nine months ended September 30, 2014, Actual
Lion (AUD)	95.19	93.64
Brasil Kirin (BRL)	37.94	45.03

	Nine months ended September 30, 2015 Actual	Nine months ended September 30, 2014, Actual
Lion	From October 2014 to June 2015	From October 2013 to June 2014
San Miguel Brewery		

## 2. Sales Details

(¥ billions)

	Nine months ended September 30, 2015, Actual	Nine months ended September 30, 2014, Actual	Increase (decrease)	
Sales	1,630.9	1,608.2	22.7	1.4%
Japan Integrated Beverages	869.8	839.0	30.7	3.7%
Kirin Brewery *	513.9	508.3	5.6	1.1%
Kirin Beverage	276.3	254.8	21.5	8.4%
Mercian	48.2	47.2	1.0	2.3%
Other and elimination	31.2	28.6	2.5	8.9%
Overseas Integrated Beverages	476.0	518.3	(42.3)	(8.2%)
Lion	339.4	359.5	(20.1)	(5.6%)
Brasil Kirin	98.4	127.4	(28.9)	(22.7%)
Other and elimination	38.1	31.4	6.7	21.5%
Pharmaceuticals and Bio-chemicals	266.2	232.7	33.4	14.4%
Kyowa Hakko Kirin	272.9	238.9	34.0	14.2%
Pharmaceutical	208.1	177.7	30.3	17.1%
Bio-chemical	64.8	61.1	3.6	6.0%
Other and elimination	(6.6)	(6.1)	(0.5)	—
Other	18.8	17.9	0.8	4.6%

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

### (Reference) Sales excluding liquor tax

(¥ billions)

	Nine months ended September 30, 2015, Actual	Nine months ended September 30, 2014, Actual
Kirin Brewery	302.3	298.5

### 3. Profit Details

#### (1) Operating Income

	(¥ billions)		
	Nine months ended September 30, 2015, Actual	Nine months ended September 30, 2014, Actual	Increase (decrease)
Operating income	102.3	80.7	21.5
Japan Integrated Beverages	32.4	36.4	(3.9)
Kirin Brewery *	47.0	50.1	(3.0)
Kirin Beverage *	0.9	4.0	(3.0)
Mercian *	0.1	0.0	0.0
Others **	(15.6)	(16.2)	0.5
Total		37.9	
Amortization of goodwill	—	(1.4)	1.4
Overseas Integrated Beverages	28.5	18.1	10.3
Lion (consolidated after reclassification)	48.5	49.9	(1.4)
Amortization of goodwill	(9.3)	(23.2)	13.9
Brand amortization	(2.8)	(3.0)	0.2
Total	36.3	23.6	12.7
Brasil Kirin (consolidated after reclassification)	(5.4)	(0.6)	(4.7)
Amortization of goodwill	(3.3)	(4.0)	0.6
Brand amortization	(1.9)	(2.3)	0.3
Total	(10.7)	(7.0)	(3.7)
Others	2.9	1.5	1.3
Pharmaceuticals and Bio-chemicals	43.1	28.2	14.9
Kyowa Hakko Kirin (consolidated after reclassification)	43.1	28.2	14.9
Pharmaceutical	34.9	20.6	14.3
Bio-chemical	6.4	5.6	0.7
Other/elimination of amortization of goodwill	6.4	6.6	(0.2)
Amortization of goodwill	(4.6)	(4.6)	0.0
Other	2.8	2.3	0.4
Corporate expenses/inter-segment eliminations	(4.7)	(4.4)	(0.2)

\* Effective from the fiscal year ending December 31, 2015, figures presented are before deducting management fee paid to the holding company. (The figures for the previous fiscal year are reclassified accordingly.)

\*\* Including expenses of the holding company and income (loss) of other subsidiaries.

## Operating income breakdown

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Increase in marginal profit of alcohol beverages	1.8	Sales increase in beer 1 thousand KL, 0.0 Sales increase in <i>happo-shu</i> 1 thousand KL, 0.0 Sales decrease in new genre (4) thousand KL, (0.6) Sales increase in RTD 17 thousand KL, 1.6 Difference of change in products mix, etc.
	Increase in raw material cost of alcohol beverages	(0.9)	Increase in malt cost (1.7), Decrease in wrapping material cost 0.8, etc.
	Increase in selling expenses	(9.5)	Increase in sales promotion and advertising (9.5), etc. (Beer, <i>happo-shu</i> and new genre (6.8), RTD (1.5), etc.)
	Decrease in other expenses	5.6	Decrease in labor cost 2.5, Decrease in depreciation 1.5, Decrease in repair expenses 0.7, etc.
Total		(3.0)	
Kirin Beverage	Difference in volume of sales	16.2	Increase in sales volume 15,820 thousand cases
	Decrease in raw material cost, etc.	1.7	Increase in material cost (0.7), Decrease in wrapping material cost 0.4, Decrease in processing cost 2.0
	Decrease due in change of composition ratio of containers, etc.	(3.8)	
	Increase in selling expenses	(16.4)	Increase in sales promotion and advertising (14.7), Increase in freight (1.6)
	Other expenses	(0.7)	Increase in sales equipment cost, etc.
Total		(3.0)	

## Major operating expenses

(¥ billions)

		Nine months ended September 30, 2015, Actual	Nine months ended September 30, 2014, Actual
Sales promotion		176.9	152.1
Advertising		54.5	61.0
Kirin Brewery	Sales promotion / Advertising	70.0	60.5
Kirin Beverage	Sales promotion / Advertising	104.8	90.0
Research and development		43.0	39.3
Kyowa Hakko Kirin (excluding internal transaction)		35.6	31.9

## (2) Ordinary Income and Net Income

(¥ billions)

	Nine months ended September 30, 2015, Actual	Nine months ended September 30, 2014, Actual	Increase (decrease)	Description of changes
Non-operating income and expenses	(0.4)	(7.1)	6.7	Equity in earnings or losses of local affiliates 3.1, etc. Kirin-Amgen, Inc. 1.0, etc.
Financial profit or loss, net	(9.5)	(10.7)	1.2	
Equity in earnings or losses of affiliates	9.2	4.9	4.3	
San Miguel Brewery	7.5	4.7	2.8	
Others	1.6	0.1	1.4	
Foreign exchange gains and losses	(3.8)	0.1	(4.0)	
Other	3.7	(1.4)	5.1	
Ordinary income	101.8	73.6	28.2	
Special income and expenses	12.4	(8.6)	21.1	
Special income	25.6	3.4	22.2	
Gain on sale of property, plant and equipment and intangible assets	16.6	2.8	13.8	
Gain on sale of investment securities	6.6	0.1	6.4	
Other	2.3	0.4	1.9	
Special expenses	(13.1)	(12.0)	(1.0)	
Loss on disposal of property, plant and equipment and intangible assets	(1.5)	(2.4)	0.9	
Loss on sale of property, plant and equipment and intangible assets	(0.5)	(0.1)	(0.3)	
Loss on impairment	(3.4)	(0.8)	(2.6)	
Loss on devaluation of investment securities	(0.0)	(0.0)	(0.0)	
Loss on sale of investment securities	—	(0.0)	0.0	
Business restructuring expense	(4.7)	(6.9)	2.1	
Other	(2.7)	(1.6)	(1.1)	
Income taxes	(43.4)	(33.4)	(10.0)	
Minority interests	(15.9)	(9.5)	(6.3)	
Net income	54.9	22.0	32.9	



#### 4. Summary of Consolidated Balance Sheets

(¥ billions)

	As of September 30, 2015	As of December 31, 2014	Increase (decrease)	Description of changes
Current assets	806.8	801.8	5.0	
Cash and time deposits	177.9	49.4	128.4	
Notes and accounts receivable, trade	323.0	408.7	(85.6)	Decrease due to the year-end of previous year being a bank holiday, etc.
Inventories	232.4	246.2	(13.8)	
Other	73.4	97.4	(23.9)	
Non-current assets	1,716.8	2,164.0	(447.1)	
Property, plant and equipment	726.4	798.3	(71.9)	Decrease due to the influence of exchange rate changes in evaluation of foreign subsidiaries, etc.
Intangible assets	500.9	849.3	(348.3)	
Goodwill	324.9	642.4	(317.5)	Decrease due to application of new accounting standards, etc.
Other	176.0	206.8	(30.8)	Decrease due to the influence of exchange rate changes in evaluation of foreign subsidiaries, etc.
Investments and other assets	489.4	516.2	(26.8)	
Total assets	2,523.6	2,965.8	(442.1)	
Current liabilities	733.0	784.6	(51.6)	
Notes and accounts payable, trade	122.8	160.1	(37.3)	
Interest-bearing debt	300.9	234.9	66.0	Increase due to issue of commercial paper and increase due to replacement of long-term bonds and debt with short-term ones, etc.
Other	309.2	389.6	(80.4)	Decrease in liquor taxes payable due to the year-end of previous year being a bank holiday, etc.
Non-current liabilities	761.8	845.4	(83.6)	
Interest-bearing debt	523.5	569.0	(45.4)	Decrease due to replacement of long-term bonds and debt with short-term ones, etc.
Other	238.2	276.4	(38.2)	Decrease due to the influence of exchange rate changes in evaluation of foreign subsidiaries, etc.
Total liabilities	1,494.8	1,630.1	(135.2)	
Shareholders' equity	748.0	957.0	(208.9)	Decrease due to application of new accounting standards, etc.
Accumulated other comprehensive income	39.5	144.7	(105.2)	Decrease in foreign currency transaction adjustments due to exchange rate changes, etc.
Subscription rights to shares	0.3	0.3	0.0	
Minority interests	240.7	233.5	7.2	
Total net assets	1,028.8	1,335.7	(306.8)	
Total liabilities and net assets	2,523.6	2,965.8	(442.1)	

## 5. Other Information

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

Nine months ended September 30, 2015, Actual

<Consolidated subsidiaries>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kyowa Hakko Kirin	272.9	40.8	37.2	26.0	13.7
Elimination of amortization of goodwill		6.9	6.9	6.9	3.6
Amortization of goodwill		(4.6)	(4.6)	(4.6)	(4.6)
Total included in consolidation	272.9	43.1	39.5	28.3	12.7

<Equity-method affiliates>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
San Miguel Brewery	168.1	47.1	42.9	28.5	13.8
Equity in earnings or losses of local affiliates			13.8	13.8	13.8
Brand amortization			(1.7)	(1.7)	(1.7)
Amortization of goodwill			(4.5)	(4.5)	(4.5)
Total included in consolidation			7.5	7.5	7.5

## (2) Sales Details of Major Business Companies

### a. Kirin Brewery

	Nine months ended September 30, 2015		Nine months ended September 30, 2014	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Breakdown of sales	¥ billions		¥ billions	
Beer	196.8	0.4%	196.0	(3.8%)
<i>Happo-shu</i>	111.9	0.0%	111.9	(5.3%)
New genre	122.7	(1.1%)	124.1	(12.0%)
Sub-total	431.5	(0.1%)	432.1	(6.7%)
RTD	57.4	9.0%	52.7	14.9%
Whiskey and Spirits, etc. *	24.9	6.7%	23.3	(20.3%)
Total sales	513.9	1.1%	508.3	(5.6%)

b. Kirin Beverage Group

	Nine months ended September 30, 2015		Nine months ended September 30, 2014	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	340.3	2.4%	332.2	(0.9%)
Japanese tea	158.6	7.5%	147.5	(14.0%)
Coffee	215.5	5.5%	204.2	(4.9%)
Fruit and vegetable juice	204.5	10.6%	184.9	(0.1%)
Carbonated beverage	186.9	60.8%	116.2	(3.6%)
Functional beverage	62.9	12.5%	55.9	(18.2%)
Water	296.4	16.1%	255.4	(3.0%)
Other	159.4	(6.2%)	170.0	8.6%
Total	1,624.5	10.8%	1,466.3	(3.2%)
Container Type				
Can	273.7	9.0%	251.2	(6.4%)
Large-sized PET bottles (2L, 1.5L, etc.)	531.9	15.2%	461.7	(0.6%)
Small-sized PET bottles (500ml, 280ml, etc.)	650.0	9.2%	595.1	(4.0%)
Other	168.9	6.7%	158.3	(2.6%)
Total	1,624.5	10.8%	1,466.3	(3.2%)

**Supplementary Documents to the Forecast  
Consolidated Business Results  
for the Fiscal Year Ending December 31, 2015**

1. Sales Details
2. Profit Details
3. Other Information

**KIRIN HOLDINGS COMPANY, LIMITED**

**October 30, 2015**

## 1. Sales Details

(¥ billions)

	Fiscal year ending December 31, 2015, Revised forecast	Fiscal year ended December 31, 2014 Actual	Increase (decrease)		Fiscal year ending December 31, 2015, Medium-term forecast	Increase (decrease)
Sales	2,200.0	2,195.7	4.2	0.2%	2,220.0	(20.0)
Japan Integrated Beverages	1,190.0	1,152.9	37.0	3.2%	1,190.0	–
Kirin Brewery *	711.3	698.7	12.6	1.8%	711.3	–
Kirin Beverage	368.3	345.7	22.6	6.6%	368.3	–
Mercian	69.4	69.1	0.2	0.4%	69.4	–
Other and elimination	40.7	39.3	1.3	3.5%	40.7	–
Overseas Integrated Beverages	634.0	693.1	(59.1)	(8.5%)	654.0	(20.0)
Lion	442.5	470.2	(27.6)	(5.9%)	442.5	–
Brasil Kirin	138.7	179.9	(41.1)	(22.9%)	162.2	(23.4)
Other and elimination	52.7	42.9	9.7	22.6%	49.2	3.4
Pharmaceuticals and Bio-chemicals	351.0	325.1	25.8	8.0%	351.0	–
Kyowa Hakko Kirin	360.0	333.4	26.5	8.0%	360.0	–
Pharmaceutical	275.0	251.8	23.1	9.2%	275.0	–
Bio-chemical	85.0	81.5	3.4	4.2%	85.0	–
Other and elimination	(9.0)	(8.2)	(0.7)	–	(9.0)	–
Other	25.0	24.5	0.4	2.0%	25.0	–

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

## 2. Profit Details

(¥ billions)					
	Fiscal year ending December 31, 2015, Revised forecast	Fiscal year ended December 31, 2014 Actual	Increase (decrease)	Fiscal year ending December 31, 2015, Medium-term forecast	Increase (decrease)
Operating income	130.0	114.5	15.4	139.0	(9.0)
Japan Integrated Beverages	42.0	48.1	(6.1)	42.0	—
Kirin Brewery *	58.9	66.4	(7.5)	58.9	—
Kirin Beverage *	6.9	5.3	1.5	6.9	—
Mercian *	1.4	1.4	(0.0)	1.4	—
Others **	(25.2)	(23.0)	(2.2)	(25.2)	—
Total		50.1			
Amortization of goodwill	—	(1.9)	1.9	—	—
Overseas Integrated Beverages	41.5	31.2	10.2	51.0	(9.5)
Lion (consolidated after reclassification)	63.8	62.9	0.9	63.8	—
Amortization of goodwill	(12.1)	(31.1)	19.0	(12.1)	—
Brand amortization	(3.7)	(4.1)	0.4	(3.7)	—
Total	47.9	27.5	20.4	47.9	—
Brasil Kirin (consolidated after reclassification)	(3.0)	9.9	(13.0)	7.3	(10.4)
Amortization of goodwill	(4.2)	(5.3)	1.1	(4.5)	0.3
Brand amortization	(2.5)	(3.1)	0.6	(2.7)	0.2
Total	(9.8)	1.4	(11.2)	0.0	(9.8)
Others	3.3	2.2	1.1	2.9	0.3
Pharmaceuticals and Bio-chemicals	50.0	38.8	11.1	50.0	—
Kyowa Hakko Kirin (consolidated after reclassification)	50.0	38.8	11.1	50.0	—
Pharmaceutical	38.5	29.0	9.4	38.5	—
Bio-chemical	8.5	7.2	1.2	8.5	—
Other/elimination of amortization of goodwill	9.1	8.7	0.3	9.1	—
Amortization of goodwill	(6.1)	(6.2)	0.0	(6.1)	—
Other	3.5	3.0	0.4	3.0	0.5
Corporate expenses/inter-segment eliminations	(7.0)	(6.8)	(0.1)	(7.0)	—

\* Effective from the fiscal year ending December 31, 2015, figures presented are before deducting management fee paid to the holding company. (The figures for the previous fiscal year are reclassified accordingly.)

\*\* Including expenses of the holding company and income (loss) of other subsidiaries.

## 3. Other Information

### Exchange Rate for the Consolidation of Profit or Loss of the Major Overseas Companies

(¥)			
	Fiscal year ending December 31, 2015, Revised forecast	Fiscal year ended December 31, 2014, Actual	Fiscal year ending December 31, 2015, First quarter forecast
Lion (AUD)	93.00	94.24	93.00
Brasil Kirin (BRL)	36.00	45.13	39.00