



KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNDER JAPANESE GAAP)

(UNAUDITED)

August 1, 2013

(English Translation)

Fiscal year ending December 31, 2013

KIRIN HOLDINGS COMPANY, LIMITED

NAKANO CENTRAL PARK SOUTH, 10-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan (URL <http://www.kirinholdings.co.jp/english/>)

Code No.: 2503
 Shares Listed: Tokyo, Nagoya, Sapporo and Fukuoka
 Representative: Mr. Senji Miyake, President
 For further information, please contact: Mr. Tetsuya Fujiwara, Director of Group Corporate Communications
 Telephone: +81- 3- 6837- 7015 from overseas
 Submission date of quarterly securities report scheduled: August 9, 2013
 Commencement date of dividend distribution scheduled: September 5, 2013
 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 six months of the current fiscal year (January 1, 2013 - June 30, 2013)

[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 (%)
Six months ended						
June 30, 2013	1,096,214	5.2	60,416	5.6	55,714	12.6
June 30, 2012	1,041,652	4.0	57,201	(21.4)	49,472	(31.8)
Note: Comprehensive income	June 30, 2013 June 30, 2012		¥219,008 million ¥94,874 million	[130.8%] [65.4%]		

	Net income (¥ millions)	Percentage change (%)	Net income per share (Basic) (¥)	Net income per share (Diluted) (¥)
Six months ended				
June 30, 2013	59,668	355.2	62.41	62.40
June 30, 2012	13,109	(26.9)	13.63	12.92

Reference: Normalized EBITDA	June 30, 2013	¥138.8 billion [4.9%]
	June 30, 2012	¥132.4 billion
Normalized EPS	June 30, 2013	¥51 [13.3%]
	June 30, 2012	¥45

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			
June 30, 2013	2,951,837	1,327,170	37.6
December 31, 2012	2,951,061	1,153,901	32.2
Reference: Equity	June 30, 2013	¥1,111,074 million	
	December 31, 2012	¥948,943 million	

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended December 31, 2012	–	13.50	–	15.50	29.00
Fiscal year ending December 31, 2013	–	18.00			
Fiscal year ending December 31, 2013 (Forecast)			–	18.00	36.00

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

Reference: Dividend pay-out ratio calculated using normalized EPS December 31, 2013 (Forecast) 29.3%

**3. Forecast consolidated business results for the current fiscal year
(January 1, 2013 - December 31, 2013)**

(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, 2013	2,280,000	4.3	150,000	(2.0)	132,000	(4.7)

	Net income	Percentage change	Net income per share
	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2013	90,000	60.1	94.66

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

Reference: Normalized EBITDA December 31, 2013 (Forecast) ¥314.0 billion [2.2%]
Normalized EPS December 31, 2013 (Forecast) ¥123 [5.1%]

* Notes

- (1) Changes in significant subsidiaries for the six months ended June 30, 2013: 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. SUMMARY INFORMATION (NOTES), (2) APPLICATION OF SPECIFIC ACCOUNTING FOR PREPARING THE QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS” on page 5 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: | None |
| iii. Changes in accounting estimates: | Yes |
| iv. Restatements: | None |

Note: Effective from the three month period ended March 31, 2013, the Company and its consolidated domestic subsidiaries have changed the depreciation method. Such change is classified as “changes in accounting policies which are difficult to distinguish from changes in accounting estimates”. For details, please refer to “2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS” on page 5 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 June 30, 2013 | 965,000,000 shares |
| As of December 31, 2012 | 965,000,000 shares |
| ii. Number of treasury stock at the end of the period | |
| As of June 30, 2013 | 19,567,196 shares |
| As of December 31, 2012 | 3,502,064 shares |
| iii. Average number of shares during the period (cumulative from the beginning of the fiscal year) | |
| For the six months ended June 30, 2013 | 956,063,572 shares |
| For the six months ended June 30, 2012 | 961,711,985 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, Thursday, August 1, and it will post the presentation materials from the financial results presentation to be held on Friday, August 2, the presentation content(video) 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>

ATTACHED MATERIALS

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1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS FOR THE SIX MONTHS

(1) BUSINESS PERFORMANCE

Although there were signs of weakness in the European economy and growth slowed in the BRICS countries (particularly China), the global economy as a whole continued moderate growth in the second quarter (January 1 to June 30, 2013) as a result of the ongoing recovery of the U.S. economy and solid growth in Asian economy.

Under these economic circumstances, the Japanese economy has been gradually recovering as a result of improvement in the export environment and the effects of economic stimulus measures, and improving consumer confidence is bolstering stronger personal consumption.

The Kirin Group implemented measures to shift the direction of management towards organic growth and to establish and develop "Brand-centered management" as a source of sustainable competitive superiority during this first year of the Kirin Group Medium-term Business Plan 2013–2015, which covers the initial stage for carrying out the Kirin Group Vision 2021 (KV2021), Kirin's long-term business framework.

During the second quarter, consolidated sales, operating income, and ordinary income all increased as a result of higher sales in the overseas integrated beverage business and the pharmaceuticals and bio-chemicals business. And net income for the quarter was up sharply due to reporting gains from the sale of investment securities in conjunction with the sale of Fraser and Neave, Limited shares.

Kirin Holdings Company, Limited 2013 second quarter results:

Consolidated sales	¥1,096.2 billion, up 5.2%
Consolidated operating income	¥60.4 billion, up 5.6%
Consolidated ordinary income	¥55.7 billion, up 12.6%
Consolidated net income for the second quarter (Reference)	¥59.6 billion, up 355.2%
Normalized EBITDA*	¥ 138.8 billion, up 4.9%
Normalized EPS*	¥ 51, up 13.3%

* Normalization: Removing special income and expenses and other non-operating 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 etc. ± 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.

Under the share buyback commenced in March to provide additional shareholder returns, the total number of shares acquired as of the end of June was 15.91 million shares and the total acquisition cost was 25.8 billion yen.

Segment information is as follows.

Japan Integrated Beverages Business

Kirin Company, Limited was established on January 1, 2013, and in May, the group headquarters were relocated and the headquarters organizations of domestic group companies including the integrated beverages business were consolidated. The entire group worked in close collaboration to develop its brands from a long-term perspective.

Kirin Brewery Company, Limited actively promoted the fun and enjoyment of beer drinking by proposing new drinking styles with products such as *Ichiban Shibori Frozen Nama* and *Ichiban Shibori Two Tone Nama* beer cocktail and by opening KIRIN ICHIBAN GARDEN *Ichiban Shibori* brand concept shops in Japan and overseas. In the growing new genre (non-malt beer, etc.) category, Kirin Brewery launched *Kirin Sumikiri*, which offers the unique flavor of 100% barley without any unpleasant aftertaste and set a sales record of 1 million cases in just one week. The total sales volume for beer, *happo-shu* (low-malt beer), and the new genre category was down from the previous year, but the new genre category and the RTD (ready-to-drink) category, in which new products including the *Kirin Cariboon* series were launched, had higher sales volumes compared to previous year.

Mercian Corporation reported a higher sales volume than the previous year in conjunction with market growth, particularly for imported wines. Mercian took active measures including conducting a Mother's Day promotion in May, and sales volumes of its core brands—*Franzia*, *Frontera*, *Oishii-sankaboshizai-mutenka wine*, and *Every*—were up from the previous year, but both domestic and imported wines were affected by rising materials costs and the lower value of the yen.

Kirin Beverage Company, Limited's business continued to be driven by strong sales of the *Kirin Gogo-no-Kocha* brand, particularly *Kirin Gogo-no-Kocha Oishii Sugar-Free*, and sales volumes were up from the previous year. Kirin Beverage launched *Nippon Komecha* in May, bolstering the sugar-free beverage category, and took measures to establish a new category such as updating and re-launching *Kirin Sekai no Kitchen Salt & Litchi*, which sells well throughout the year, prior to the main summer season.

Group companies worked to raise manufacturing efficiency and continue cost-cutting while conducting active sales promotions to reinforce brands.

As a result, sales were down because of lower sales volumes by Kirin Brewery, and operating income fell due primarily to prior investment for reinforcing Group company brands.

Japan integrated beverages business 2013 second quarter results:	
Consolidated sales	¥538.6 billion, down 0.5%
Consolidated operating income	¥16.9 billion, down 13.0%

Overseas Integrated Beverages Business

The retail and consumer goods sectors have continued to experience subdued consumer sentiment in both Australia and New Zealand.

As the total beer market continues to decline, Lion Pty Ltd's Beer, Spirits and Wine business focused on gearing its portfolio to the growth segments of the market. Lion realized volume and revenue increases in the second quarter as a result of the international premium and craft beer brands that joined its portfolio, including Corona Extra, Stella Artois and Little Creatures. While a highly competitive retail environment continues to impact volumes and margins in the soft drink and food business, Lion remained focused on further efficiency improvements to increase competitiveness in the market.

The pace of growth of the Brazilian economy remained slow, and there have been signs of moderate slowdown in personal consumption. Brasil Kirin Participações e Representações S.A. continued to bolster core brands including *Nova Schin* beer and *Schin* carbonated beverages and take active measures to reinforce brands and expand customer touch points throughout Brazil, and as a result, sales volumes of both beer and soft drinks were up from the previous year. Brasil Kirin also raised efficiency and reinforced functions throughout the value chain by improving procurement processes and increased capital investments to respond to growing household consumption.

As a result, sales and operating income in the Oceania integrated beverages business were higher due to higher sales volume in the alcohol beverages business. Sales revenues in the other overseas integrated beverages business were higher as a result of higher sales volumes in Brazil, but operating losses increased due to strategic expenditures to reinforce brands.

Oceania integrated beverages business 2013 second quarter results:	
Consolidated sales	¥244.7 billion, up 18.2%
Consolidated operating income	¥19.9 billion, up 59.0%

Other Overseas integrated beverages business 2013 second quarter results:	
Consolidated sales	¥102.4 billion, up 19.7%
Consolidated operating income	(¥3.6 billion)

Pharmaceuticals and Bio-chemicals Business

In the pharmaceuticals business, Kyowa Hakko Kirin Co., Ltd. reported strong sales in Japan of *Patanol* anti-allergy eye drops as result of high airborne pollen counts, and overseas, sales of ProStrakan Group plc's main products were brisk. Technology licensing revenues from FUJIFILM KYOWA KIRIN BIOLOGICS Co., Ltd. were down from the previous year, but exports of pharmaceutical products were strong, and sales increased from the prior year. With regard to research and development, in the oncology field, approval was requested in June for sustained-duration G-CSF product KRN125's efficacy in treating cancer chemotherapy induced febrile neutropenia. In the central nervous system field, approval was obtained in March for *Nourias*, a therapeutic agent for Parkinson's disease, and the product was launched in May.

In the bio-chemicals business, Kyowa Hakko Bio Co., Ltd. reported a steady increase in sales of pharmaceutical amino acid and nucleic acid related materials and pharmaceutical raw materials. Overseas sales were positively affected by the lower value of the yen, and sales were up from the previous year. As a result, sales and operating income increased due to solid domestic and overseas sales and the lower value of the yen.

Pharmaceuticals and bio-chemicals business 2013 second quarter results:	
Consolidated sales	¥165.1 billion, up 2.2%
Consolidated operating income	¥28.4 billion, up 5.9%

Other Businesses

Kirin Kyowa Foods Company, Limited reported lower sales as a result of declines in sales of its main products including natural seasonings and fermented seasonings, and operating income was down due to softening of the overseas market for nucleic acid savory seasonings and higher costs for supplies and raw materials due to the lower value of the yen. Overall, sales were down, but operating income increased as a result of lower expenses.

Other businesses 2013 second quarter results:	
Consolidated sales	¥45.1 billion, down 2.3%
Consolidated operating income	¥1.9 billion, up 65.1%

(2) FINANCIAL POSITION

Total assets as of June 30, 2013 stood at ¥2,951.8 billion, an increase of ¥0.7 billion compared to December 31, 2012. Despite the decreases in cash, investment securities, total assets increased due to increases in property, plant and equipment and increases in intangible assets.

Total liabilities stood at ¥1,624.6 billion, a decrease of ¥172.4 billion compared to December 31, 2012 due to a decrease in interest-bearing debt.

Net assets stood at ¥1,327.1 billion, up ¥173.2 billion compared to December 31, 2012, due to an increase in foreign currency translation adjustments.

(3) CONSOLIDATED FORECASTS

As a result of taking into account the performance of each business and adjustments to foreign currency exchange rates, the forecasts for the full year have been revised as indicated below.

Consolidated forecasts for the year ending December 31, 2013

(Unit: Japanese yen(¥))

	Sales (¥ millions)	Operating income (¥ millions)	Ordinary income (¥ millions)	Net income (¥ millions)	Net income per share (¥)
Previous forecasts (A)	2,290,000	155,000	132,000	90,000	93.60
Revised forecasts (B)	2,280,000	150,000	132,000	90,000	94.66
Change (B-A)	(10,000)	(5,000)	—	—	—
Change (%)	(0.4)	(3.2)	—	—	—
Actual result for previous fiscal year	2,186,177	153,022	138,452	56,198	58.44

2. SUMMARY INFORMATION (NOTES)

(1) CHANGES IN SIGNIFICANT SUBSIDIARIES FOR THE SIX MONTHS ENDED JUNE 30, 2013

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 which are difficult to distinguish from changes in accounting estimates

Effective from the three month period ended March 31, 2013, the Company and its consolidated domestic subsidiaries have changed the depreciation method for property, plant and equipment acquired on or after January 1, 2013 in accordance with the amendment of the Corporation Tax Act of Japan.

The effect of this change on the operating income, ordinary income, and income before income taxes and minority interests for the six months ended June 30, 2013 was immaterial.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) CONSOLIDATED BALANCE SHEETS

(¥ millions)

	As of December 31, 2012	As of June 30, 2013
ASSETS		
Current assets		
Cash and time deposits	83,916	49,933
Notes and accounts receivable, trade	413,138	414,112
Merchandise and finished goods	122,159	140,405
Work in process	32,684	37,822
Raw materials and supplies	51,658	53,083
Other	90,078	82,861
Allowance for doubtful accounts	(4,138)	(4,395)
Total current assets	789,496	773,822
Non-current assets		
Property, plant and equipment (Net of accumulated depreciation and accumulated loss on impairment)	763,437	805,021
Intangible assets		
Goodwill	642,190	706,644
Other	179,758	197,298
Total	821,948	903,943
Investments and other assets		
Investment securities	475,157	366,081
Other	106,749	108,667
Allowance for doubtful accounts	(5,727)	(5,698)
Total	576,178	469,050
Total non-current assets	2,161,564	2,178,015
Total assets	2,951,061	2,951,837

	As of December 31, 2012	As of June 30, 2013
LIABILITIES		
Current liabilities		
Notes and accounts payable, trade	151,184	152,172
Short-term loans payable and long-term debt with current maturities	37,048	102,862
Commercial paper	77,994	29,999
Bonds due within one year	79,998	—
Income taxes payable	39,206	34,060
Reserves	6,679	6,638
Other	326,024	299,494
Total current liabilities	718,137	625,227
Non-current liabilities		
Bonds	285,579	288,744
Long-term debt	483,005	410,241
Employees' pension and retirement benefits	64,045	64,916
Other reserves	32,525	35,837
Other	213,866	199,699
Total non-current liabilities	1,079,022	999,440
Total liabilities	1,797,159	1,624,667
NET ASSETS		
Shareholders' equity		
Common stock	102,045	102,045
Capital surplus	81,415	81,417
Retained earnings	796,737	841,502
Treasury stock, at cost	(3,509)	(29,627)
Total shareholders' equity	976,689	995,338
Accumulated other comprehensive income		
Net unrealized gains on securities	59,113	36,759
Deferred gains or losses on hedges	(9,298)	(491)
Land revaluation difference	(2,543)	(2,543)
Foreign currency translation adjustments	(75,017)	82,011
Total accumulated other comprehensive income	(27,746)	115,735
Subscription rights to shares	203	241
Minority interests	204,754	215,853
Total net assets	1,153,901	1,327,170
Total liabilities and net assets	2,951,061	2,951,837

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

(¥ millions)

	Six months ended June 30, 2012	Six months ended June 30, 2013
Sales	1,041,652	1,096,214
Cost of sales	609,746	629,908
Gross profit	431,905	466,305
Selling, general and administrative expenses	374,704	405,888
Operating income	57,201	60,416
Non-operating income		
Interest income	1,204	2,265
Dividend income	1,821	1,645
Equity in earnings of affiliates	—	944
Other	4,999	3,911
Total	8,025	8,767
Non-operating expenses		
Interest expense	10,429	10,824
Equity in losses of affiliates	128	—
Other	5,196	2,646
Total	15,754	13,470
Ordinary income	49,472	55,714
Special income		
Gain on sale of property, plant and equipment and intangible assets	3,587	15,821
Gain on sale of investment securities	2,698	46,933
Other	906	732
Total	7,191	63,487
Special expenses		
Loss on disposal of property, plant and equipment and intangible assets	2,633	1,440
Loss on sale of property, plant and equipment and intangible assets	295	825
Loss on impairment	—	288
Loss on devaluation of investment securities	4	1
Loss on sale of investment securities	326	19
Business restructuring expense	1,972	3,203
Loss on applying special taxation measures of foreign subsidiaries	—	8,822
Other	1,362	3,684
Total	6,595	18,285
Income before income taxes and minority interests	50,068	100,915
Income taxes	28,844	30,780
Income before minority interests	21,223	70,135
Minority interests	8,114	10,467
Net income	13,109	59,668

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(¥ millions)

	Six months ended June 30, 2012	Six months ended June 30, 2013
Income before minority interests	21,223	70,135
Other comprehensive income		
Net unrealized gains on securities	4,122	(20,815)
Deferred gains or losses on hedges	(611)	8,807
Foreign currency translation adjustments	55,804	142,882
Share of other comprehensive income of entities accounted for by the equity method	14,336	17,998
Total other comprehensive income	73,651	148,872
Comprehensive income	94,874	219,008
Comprehensive income attributable to:		
Owners of the parent	85,897	203,150
Minority interests	8,976	15,858

(3) CONSOLIDATED STATEMENTS OF CASH FLOWS

(¥ millions)

	Six months ended June 30, 2012	Six months ended June 30, 2013
Cash flows from operating activities		
Income before income taxes and minority interests	50,068	100,915
Depreciation and amortization	47,338	49,537
Loss on impairment	—	288
Amortization of goodwill	24,020	24,021
Interest and dividend income	(3,025)	(3,911)
Equity in losses (earnings) of affiliates	128	(944)
Interest expense	10,429	10,824
Foreign currency translation gain	(10)	(1,070)
Gain on sale of property, plant and equipment and intangible assets	(3,587)	(15,821)
Loss on disposal and sale of property, plant and equipment and intangible assets	2,482	2,191
Gain on sale of investment securities	(2,698)	(46,933)
Loss on devaluation of investment securities	4	1
Gain on sale of shares of subsidiaries and affiliates	(269)	—
Loss on sale of shares of subsidiaries and affiliates	64	—
Decrease (increase) in notes and accounts receivable, trade	20,504	14,940
Decrease (increase) in inventories	(11,099)	(7,084)
Increase (decrease) in notes and accounts payable, trade	(807)	(7,910)
Increase (decrease) in liquor taxes payable	(4,470)	(4,852)
Increase (decrease) in consumption taxes payable	(4,671)	(5,590)
Increase (decrease) in deposits received	(10,222)	(4,373)
Other	(21,495)	(6,037)
Sub-total	92,685	98,191
Interest and dividends received	9,187	7,620
Interest paid	(8,891)	(8,346)
Income taxes paid	(16,176)	(33,409)
Net cash provided by operating activities	76,803	64,055
Cash flows from investing activities		
Payment for purchases of property, plant and equipment and intangible assets	(45,832)	(57,281)
Proceeds from sale of property, plant and equipment and intangible assets	22,932	21,231
Payment for acquisition of marketable securities and investment securities	(4,606)	(2,461)
Proceeds from sale and redemption of marketable securities and investment securities	7,417	140,692
Payment for purchases of shares of subsidiaries	(982)	(25,206)
Payment for acquisition of shares of newly consolidated subsidiaries	(111)	(725)
Other	(981)	3,810
Net cash provided by (used in) investing activities	(22,164)	80,058

(¥ millions)

	Six months ended June 30, 2012	Six months ended June 30, 2013
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(10,863)	13,051
Increase (decrease) in commercial paper	(22,994)	(47,995)
Proceeds from long-term debt	41,846	13,885
Repayment of long-term debt	(46,425)	(40,257)
Payment for redemption of bonds	(4,955)	(80,000)
Payment for acquisition of treasury stock	(61)	(26,132)
Proceeds from sale of treasury stock	44	16
Payment for acquisition of treasury stock by a consolidated subsidiary	(7,482)	(66)
Cash dividends paid	(12,983)	(14,903)
Cash dividends paid to minority shareholders	(2,954)	(3,446)
Other	(980)	(1,311)
Net cash used in financing activities	(67,810)	(187,160)
Effect of exchange rate changes on cash and cash equivalents	1,401	7,139
Net decrease in cash and cash equivalents	(11,769)	(35,905)
Cash and cash equivalents at beginning of year	70,847	78,041
Net increase in cash and cash equivalents from new consolidation/de-consolidation of subsidiaries	175	—
Cash and cash equivalents at end of period	59,253	42,135

(4) GOING CONCERN ASSUMPTION

There are no matters to report under this item.

(5) SEGMENT INFORMATION

I. Six months ended June 30, 2012

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

(¥ millions)

Six months ended June 30, 2012							Amount recorded in the quarterly consolidated statements of income (Note 3)
Reportable Segment				Other (Note 1)	Adjustment (Note 2)		
Integrated Beverages			Pharmaceuticals and Bio-chemicals				
Japan	Oceania	Overseas -other					
Sales							
Unaffiliated customers	541,145	207,084	85,647	161,570	46,203	–	1,041,652
Inter-segment	7,614	46	73	4,719	2,031	(14,485)	–
Total sales	548,760	207,130	85,720	166,290	48,235	(14,485)	1,041,652
Segment income (loss)	19,519	12,563	(858)	26,879	1,182	(2,084)	57,201

Notes

1. "Other" includes food business, such as seasonings, and others.
2. The negative ¥2,084 million adjustment in segment income (loss) includes ¥8,820 million in inter-segment eliminations and negative ¥10,904 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 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. Six months ended June 30, 2013

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

(¥ millions)

Six months ended June 30, 2013							
	Reportable Segment				Other (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	538,695	244,713	102,498	165,171	45,134	—	1,096,214
Inter-segment	4,220	48	116	4,535	1,963	(10,886)	—
Total sales	542,916	244,762	102,614	169,707	47,098	(10,886)	1,096,214
Segment income (loss)	16,983	19,979	(3,628)	28,457	1,951	(3,327)	60,416

Notes

1. "Other" includes food business, such as seasonings, and others.
2. The negative ¥3,327 million adjustment in segment income (loss) includes ¥1,090 million in inter-segment eliminations and negative ¥4,417 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 about loss on impairment of non-current assets, goodwill and others by reportable segment

There is no significant recognition or change during the period.

3. Changes in reportable segments

The reportable segments of the Kirin Group through the year ended December 31, 2012 were “Domestic Alcohol Beverages,” “Domestic Non-alcohol Beverages,” “Overseas Beverages,” and “Pharmaceuticals and Bio-chemicals.” However, effective from the three month period ended March 31, 2013, the Company changed such segments to “Integrated Beverages-Japan,” “Integrated Beverages-Oceania,” “Integrated Beverages-Overseas-other,” and “Pharmaceuticals and Bio-chemicals.”

This change is in conjunction with the establishment of Kirin Company, Limited in January 2013, as the regional headquarters in Japan, which marks the completion of a new management structure in the integrated beverages business to promote federal management between the Company, as the global headquarters, and the regional headquarters in Japan, Oceania, Brazil and Southeast Asia.

Major changes include the integration of the former “Domestic Alcohol Beverages” and “Domestic Non-alcohol Beverages” into “Integrated Beverages-Japan.” In addition, “Integrated Beverages-Oceania,” which had been included under the former “Overseas Beverages,” has become an independent reportable segment, and the other regions have been included under “Integrated Beverages-Overseas-other.”

The segment information for the six months ended June 30, 2012 included in “1. Information about sales and income or loss amounts by reportable segment” is prepared according to the new reportable segments.

(6) NOTES ON SIGNIFICANT CHANGES IN SHAREHOLDERS' EQUITY

The Company resolved at the Board of Directors Meeting held on March 18, 2013 to approve matters related to the acquisition of its treasury stock, based on the provisions of Article 156 of the Japanese Corporation Law (“the Law”), applied pursuant to Article 165, Paragraph 3 of the Law. In accordance with the resolution, the Company acquired 15,911,000 shares of its common stock for ¥25,878 million through the market, during the period from March 19, 2013 to June 30, 2013.

Supplementary Documents to the Financial Statements for the Six Months Ended June 30, 2013

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

KIRIN HOLDINGS COMPANY, LIMITED

August 1, 2013

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

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

(¥ billions)

	Six months ended June 30, 2013, Actual	Six months ended June 30, 2012, Actual	Increase (decrease)	
Sales	1,096.2	1,041.6	54.5	5.2%
Gross profit	466.3	431.9	34.3	8.0%
Selling, general and administrative expenses	405.8	374.7	31.1	8.3%
Operating income	60.4	57.2	3.2	5.6%
Non-operating income	8.7	8.0	0.7	9.2%
Non-operating expenses	13.4	15.7	(2.2)	(14.5%)
Ordinary income	55.7	49.4	6.2	12.6%
Special income	63.4	7.1	56.2	782.8%
Special expenses	18.2	6.5	11.6	177.2%
Income before income taxes and minority interests	100.9	50.0	50.8	101.6%
Income taxes	30.7	28.8	1.9	6.7%
Minority interests	10.4	8.1	2.3	29.0%
Net income	59.6	13.1	46.5	355.2%
Normalized EBITDA	138.8	132.4	6.4	4.9%
Normalized EPS	¥51	¥45	¥6	13.3%
Sales (Excluding liquor tax)	955.4	895.6	59.8	6.7%
Operating income (Prior to amortization of goodwill etc.)	88.1	83.1	4.9	6.0%
Operating income ratio (Excluding liquor tax, prior to amortization of goodwill etc.)	9.2%	9.3%		

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

(¥)

	Six months ended June 30, 2013, Actual	Six months ended June 30, 2012, Actual
Lion (AUD)	91.01	82.38
Brasil Kirin (BRL)	46.72	42.91

	Six months ended June 30, 2013, Actual	Six months ended June 30, 2012, Actual
Lion	From October 2012 to March 2013	From October 2011 to March 2012
San Miguel Brewery		

2. Sales Details

(¥ billions)

	Six months ended June 30, 2013, Actual	Six months ended June 30, 2012, Actual	Increase (decrease)	
Sales	1,096.2	1,041.6	54.5	5.2%
Japan Integrated Beverages	538.6	541.1	(2.4)	(0.5%)
Kirin Brewery *	333.6	344.8	(11.1)	(3.2%)
Kirin Beverage	159.7	152.0	7.6	5.0%
Mercian	31.2	32.3	(1.0)	(3.3%)
Other and elimination	14.0	11.9	2.1	18.0%
Overseas Integrated Beverages	347.2	292.7	54.4	18.6%
Lion	244.7	207.1	37.6	18.2%
Brasil Kirin	84.0	69.8	14.1	20.3%
Other and elimination	18.4	15.7	2.6	17.0%
Pharmaceuticals and Bio-chemicals	165.1	161.5	3.6	2.2%
Kyowa Hakko Kirin	169.7	166.2	3.4	2.1%
Pharmaceutical	129.2	126.9	2.2	1.8%
Bio-chemical	40.5	39.3	1.1	3.0%
Other and elimination	(4.5)	(4.7)	0.1	—
Other	45.1	46.2	(1.0)	(2.3%)

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

(Reference) Sales excluding liquor tax

(¥ billions)

	Six months ended June 30, 2013, Actual	Six months ended June 30, 2012, Actual
Kirin Brewery	198.7	205.1

3. Profit Details

(1) Operating Income

	(¥ billions)		
	Six months ended June 30, 2013, Actual	Six months ended June 30, 2012, Actual	Increase (decrease)
Operating income	60.4	57.2	3.2
Japan Integrated Beverages	16.9	19.5	(2.5)
Kirin Brewery *	16.8	19.3	(2.4)
Kirin Beverage *	(3.7)	(1.5)	(2.1)
Amortization of goodwill	(0.9)	(0.9)	(0.0)
Total	(4.7)	(2.5)	(2.1)
Mercian *	0.0	0.5	(0.4)
Others	4.7	2.2	2.5
Overseas Integrated Beverages	16.3	11.7	4.6
Lion (consolidated after reclassification)	37.0	27.2	9.8
Amortization of goodwill	(15.0)	(12.7)	(2.2)
Brand amortization	(2.0)	(1.9)	(0.1)
Total	19.9	12.5	7.4
Brasil Kirin (consolidated after reclassification)	0.1	3.0	(2.9)
Amortization of goodwill	(2.7)	(4.8)	2.0
Brand amortization	(1.6)	—	(1.6)
Total	(4.2)	(1.7)	(2.4)
Others	0.6	0.9	(0.2)
Pharmaceuticals and Bio-chemicals	28.4	26.8	1.5
Kyowa Hakko Kirin (consolidated after reclassification)	28.4	26.8	1.5
Pharmaceutical	24.1	23.5	0.5
Bio-chemical	3.1	2.0	1.0
Other/elimination of amortization of goodwill	4.3	4.4	(0.0)
Amortization of goodwill	(3.1)	(3.1)	—
Other	1.9	1.1	0.7
Corporate expenses/inter-segment eliminations	(3.3)	(2.0)	(1.2)

* Excluding management fee paid to the holding company.

Operating income breakdown

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Decrease in marginal profit of alcohol beverages	(3.2)	Sales decrease in beer (9) thousand KL, (1.2) Sales decrease in <i>happo-shu</i> (14) thousand KL, (1.5) Sales increase in new genre 3 thousand KL, 0.4 Sales increase in RTD 5 thousand KL, 0.5 Difference of change in products mix, etc.
	Increase in raw material cost of alcohol beverages	(0.5)	Increase in price of sugar and liquid sugar (0.4), Increase in price of malt (0.4), etc.
	Increase in selling expenses	(0.4)	Increase in sales promotion and advertising (0.3), etc. (Beer, <i>happo-shu</i> and new genre (1.5), RTD 0.3, etc.)
	Decrease in other expenses	1.7	Decrease in depreciation 1.5, Decrease in repair expenses 0.5, Increase in management fees (1.1), etc.
Total		(2.4)	
Kirin Beverage	Difference in volume of sales	5.3	Increase in sales volume 5.93 million cases
	Decrease in raw material cost	1.8	Decrease in material cost 0.9, Decrease in wrapping material cost 0.8, etc.
	Decrease due in change of composition ratio of containers, etc.	(1.1)	
	Increase in selling expenses	(7.5)	Increase in sales promotion and advertising (7.2), Increase in freight (0.3)
	Increase in other expenses	(0.6)	Increase in information processing fee (0.2), Increase in miscellaneous expenses (0.2), etc.
Total		(2.1)	

Major operating expenses

(¥ billions)

		Six months ended June 30, 2013, Actual	Six months ended June 30, 2012, Actual
Sales promotion		86.3	76.9
Advertising		52.4	45.5
Kirin Brewery	Sales promotion	24.5	23.1
	Advertising	15.9	17.0
Kirin Beverage	Sales promotion	52.3	46.4
	Advertising	6.5	5.1
Research and development		25.8	26.9
Kyowa Hakko Kirin (excluding internal transaction)		20.6	21.8

(2) Ordinary Income and Net Income

(¥ billions)

	Six months ended June 30, 2013, Actual	Six months ended June 30, 2012, Actual	Increase (decrease)	Description of changes
Non-operating income and expenses	(4.7)	(7.7)	3.0	Equity in earnings or losses of local affiliates 2.4, etc. Equity in earnings or losses of local affiliates (1.8) Amortization of goodwill 0.8 Kirin-Amgen, Inc. (0.1), etc.
Financial profit or loss, net	(6.9)	(7.4)	0.4	
Equity in earnings or losses of affiliates	0.9	(0.1)	1.0	
San Miguel Brewery	4.4	2.1	2.2	
Fraser and Neave	—	1.0	(1.0)	
Others	(3.4)	(3.3)	(0.1)	
Foreign currency translation gain or loss	0.3	(0.8)	1.2	
Other	0.8	0.6	0.2	
Ordinary income	55.7	49.4	6.2	
Special income and expenses	45.2	0.5	44.6	
Special income	63.4	7.1	56.2	
Gain on sale of property, plant and equipment and intangible assets	15.8	3.5	12.2	
Gain on sale of investment securities	46.9	2.6	44.2	
Other	0.7	0.9	(0.1)	
Special expenses	(18.2)	(6.5)	(11.6)	
Loss on disposal of property, plant and equipment and intangible assets	(1.4)	(2.6)	1.1	
Loss on sale of property, plant and equipment and intangible assets	(0.8)	(0.2)	(0.5)	
Loss on impairment	(0.2)	—	(0.2)	
Loss on devaluation of investment securities	(0.0)	(0.0)	0.0	
Loss on sale of investment securities	(0.0)	(0.3)	0.3	
Business restructuring expense	(3.2)	(1.9)	(1.2)	
Loss on applying special taxation measures of foreign subsidiaries	(8.8)	—	(8.8)	
Other	(3.6)	(1.3)	(2.3)	
Income taxes	(30.7)	(28.8)	(1.9)	
Minority interests	(10.4)	(8.1)	(2.3)	
Net income	59.6	13.1	46.5	

4. Summary of Consolidated Balance Sheets

(¥ billions)

	As of June 30, 2013	As of December 31, 2012	Increase (decrease)	Description of changes
Current assets	773.8	789.4	(15.6)	
Cash and time deposits	49.9	83.9	(33.9)	
Notes and accounts receivable, trade	414.1	413.1	0.9	
Inventories	231.3	206.5	24.8	
Other	78.4	85.9	(7.4)	
Non-current assets	2,178.0	2,161.5	16.4	
Property, plant and equipment	805.0	763.4	41.5	Increase due to the influence of exchange rate fluctuations in evaluation of foreign subsidiaries, etc.
Intangible assets	903.9	821.9	81.9	
Goodwill	706.6	642.1	64.4	Increase due to the influence of exchange rate fluctuations in evaluation of foreign subsidiaries, etc.
Other	197.2	179.7	17.5	
Investments and other assets	469.0	576.1	(107.1)	Decrease due to sale of investment securities, etc.
Total assets	2,951.8	2,951.0	0.7	
Current liabilities	625.2	718.1	(92.9)	
Notes and accounts payable, trade	152.1	151.1	0.9	Decrease due to redemption of bonds and commercial papers and increase due to replacement of long-term debt with short-term one, etc. Decrease in accounts payable related to the acquisition of shares in subsidiaries, etc.
Interest-bearing debt	132.8	195.0	(62.1)	
Other	340.1	371.9	(31.7)	
Non-current liabilities	999.4	1,079.0	(79.5)	
Interest-bearing debt	698.9	768.5	(69.5)	Decrease due to replacement of long-term debt with short-term one, etc.
Other	300.4	310.4	(9.9)	
Total liabilities	1,624.6	1,797.1	(172.4)	
Shareholders' equity	995.3	976.6	18.6	Increases in foreign currency translation adjustments due to exchange rate changes, etc.
Accumulated other comprehensive income	115.7	(27.7)	143.4	
Subscription rights to shares	0.2	0.2	0.0	
Minority interests	215.8	204.7	11.0	
Total net assets	1,327.1	1,153.9	173.2	
Total liabilities and net assets	2,951.8	2,951.0	0.7	

5. Summary of Consolidated Statements of Cash Flows

(1) Summary of Statements of Cash Flows

(¥ billions)

	Six months ended June 30, 2013, Actual	Six months ended June 30, 2012, Actual	Increase (decrease)
Cash flows from operating activities	64.0	76.8	(12.7)
Income before income taxes and minority interests	100.9	50.0	50.8
Depreciation and amortization	49.5	47.3	2.1
Amortization of goodwill	24.0	24.0	0.0
Other	(110.4)	(44.6)	(65.7)
Cash flows from investing activities	80.0	(22.1)	102.2
Capital expenditures	(57.2)	(45.8)	(11.4)
Other	137.3	23.6	113.6
Cash flows from financial activities	(187.1)	(67.8)	(119.3)
Increase (decrease) in interest-bearing debt	(141.3)	(43.3)	(97.9)
Cash dividends paid	(18.3)	(15.9)	(2.4)
Other	(27.4)	(8.4)	(19.0)
Translation adjustments	7.1	1.4	5.7
Net decrease in cash and cash equivalents	(35.9)	(11.7)	(24.1)

(2) Information by Segment

Six months ended June 30, 2013, Actual

(¥ billions)

	Japan Integrated Beverages	Overseas Integrated Beverages	Pharmaceuticals and Bio-chemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	18.2	18.7	9.9	2.1	0.4	49.5
Amortization of goodwill	1.3	18.0	4.3	0.3	—	24.0
Capital expenditures	13.4	20.6	22.9	0.8	(0.6)	57.2
Normalized EBITDA	36.5	58.0	42.7	4.4	(2.8)	138.8

Six months ended June 30, 2012, Actual

(¥ billions)

	Japan Integrated Beverages	Overseas Integrated Beverages	Pharmaceuticals and Bio-chemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	20.5	14.2	9.6	2.3	0.5	47.3
Amortization of goodwill	1.3	17.7	4.6	0.3	—	24.0
Capital expenditures	15.2	14.7	14.4	2.2	(0.8)	45.8
Normalized EBITDA	41.3	47.6	41.1	3.8	(1.4)	132.4

6. Other Information

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

Six months ended June 30, 2013, Actual

<Consolidated subsidiaries>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kyowa Hakko Kirin	169.7	26.9	26.6	17.6	9.2
Elimination of amortization of goodwill		4.6	4.6	4.6	2.4
Amortization of goodwill		(3.1)	(3.1)	(3.1)	(3.1)
Total included in consolidation	169.7	28.4	28.1	19.1	8.5

<Equity-method affiliates>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
San Miguel Brewery	85.2	25.5	22.2	17.2	8.3
Equity in earnings or losses of local affiliates			8.3	8.3	8.3
Brand amortization			(0.9)	(0.9)	(0.9)
Amortization of goodwill			(2.9)	(2.9)	(2.9)
Total included in consolidation			4.4	4.4	4.4

(2) Sales Details of Major Business Companies

a. Kirin Brewery

	Six months ended June 30, 2013		Six months ended June 30, 2012	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	299	(3.1%)	308	(0.3%)
<i>Happo-shu</i>	247	(5.4%)	261	(7.1%)
New genre	335	1.0%	332	2.9%
Sub-total	881	(2.3%)	902	(1.3%)
RTD	101	5.3%	96	16.3%
Non-alcohol beverages	18	(10.6%)	20	(15.3%)
Breakdown of sales	¥ billions		¥ billions	
Beer	123.8	(3.1%)	127.8	(0.1%)
<i>Happo-shu</i>	75.4	(5.4%)	79.6	(7.1%)
New genre	88.0	1.2%	87.0	2.7%
Sub-total	287.3	(2.4%)	294.5	(1.3%)
RTD	27.8	5.7%	26.3	15.6%
<i>Shochu</i> , Whiskey and Spirits, etc. *	18.4	(23.0%)	23.9	(7.1%)
Total sales	333.6	(3.2%)	344.8	(0.6%)

The above sales volume excludes exports.

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

b. Kirin Beverage Group

<Category>

Non-alcohol beverages			Six months ended June 30, 2013				Six months ended June 30, 2012			
			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	929	10%	23	103%	906	11%	(15)	98%
		Oolong tea	126	1%	(6)	95%	132	2%	4	103%
		Black tea	2,175	24%	99	105%	2,076	24%	(172)	92%
		Sub-total	3,230	35%	116	104%	3,114	37%	(183)	94%
	Coffee		1,423	16%	(65)	96%	1,488	17%	(91)	94%
	Fruit and vegetable juice		1,283	14%	256	125%	1,027	12%	240	130%
	Carbonated beverage		698	8%	40	106%	658	8%	362	222%
	Water		1,574	17%	(28)	98%	1,602	19%	109	107%
	Other		876	10%	274	146%	602	7%	152	134%
Domestic non-alcohol beverage market total			9,084	100%	593	107%	8,491	100%	589	107%

<Container Type>

Non-alcohol beverages			Six months ended June 30, 2013				Six months ended June 30, 2012			
			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	1,765	19%	(182)	91%	1,947	23%	(155)	93%
PET bottles	Large-sized PET bottles	2L	1,938	22%	134	107%	1,804	21%	316	121%
		1.5L, 1L, 900ml, 750ml	754	8%	77	111%	677	8%	19	103%
		Large-sized PET bottles total	2,692	30%	211	109%	2,481	29%	335	116%
	Small-sized PET bottles	500ml	2,796	31%	334	114%	2,462	29%	376	118%
		350ml or less	860	9%	172	125%	688	8%	(43)	94%
		Small-sized PET bottles total	3,656	40%	506	116%	3,150	37%	333	112%
		PET bottles total	6,348	70%	717	113%	5,631	66%	668	113%
Other containers	One-way/Returnable bottles, paper, gifts, etc.		971	11%	58	106%	913	11%	76	109%
Domestic non-alcohol beverage market total			9,084	100%	593	107%	8,491	100%	589	107%

**Supplementary Documents to the Forecast
Consolidated Business Results
for the Fiscal Year Ending December 31, 2013**

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

KIRIN HOLDINGS COMPANY, LIMITED

August 1, 2013

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

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

(¥ billions)

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual	Increase (decrease)	
Sales	2,280.0	2,186.1	93.8	4.3%
Operating income	150.0	153.0	(3.0)	(2.0%)
Non-operating income and expenses	(18.0)	(14.5)	(3.4)	—
Financial profit or loss, net	(16.1)	(15.6)	(0.4)	—
Equity in earnings or losses of affiliates	0.4	(0.6)	1.1	—
Ordinary income	132.0	138.4	(6.4)	(4.7%)
Special income and expenses	36.0	(4.8)	40.8	—
Income before income taxes and minority interests	168.0	133.5	34.4	25.8%
Income taxes	60.5	60.1	0.3	0.7%
Minority interests	17.4	17.2	0.2	1.2%
Net income	90.0	56.1	33.8	60.1%
Normalized EBITDA	314.0	307.3	6.6	2.2%
Normalized EPS	¥123	¥117	¥6	5.1%
Sales (Excluding liquor tax)	1,965.0	1,870.6	94.3	5.0%
Operating income (Prior to amortization of goodwill etc.)	205.8	202.6	3.2	1.6%
Operating income ratio (Excluding liquor tax, prior to amortization of goodwill etc.)	10.5%	10.8%		
Normalized ROE	11.1%	11.6%		

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

Normalized ROE = Adjusted net income / Normalized average amount of equity during period

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

(¥)

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual
Lion (AUD)	93.00	81.58
Brasil Kirin (BRL)	46.00	41.08

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual
Lion	From October 2012 to September 2013	From October 2011 to September 2012
San Miguel Brewery		

2. Sales Details

(¥ billions)

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual	Increase (decrease)	
Sales	2,280.0	2,186.1	93.8	4.3%
Japan Integrated Beverages	1,190.0	1,190.0	(0.0)	(0.0%)
Kirin Brewery *	744.7	752.4	(7.6)	(1.0%)
Kirin Beverage	351.4	336.8	14.5	4.3%
Mercian	67.7	69.7	(2.0)	(2.9%)
Other and elimination	26.1	30.9	(4.8)	(15.5%)
Overseas Integrated Beverages	704.0	577.0	126.9	22.0%
Lion	483.3	396.6	86.6	21.8%
Brasil Kirin	183.5	148.8	34.7	23.3%
Other and elimination	37.1	31.5	5.5	17.7%
Pharmaceuticals and Bio-chemicals	330.0	322.9	7.0	2.2%
Kyowa Hakko Kirin	339.0	333.1	5.8	1.8%
Pharmaceutical	256.8	258.0	(1.2)	(0.5%)
Bio-chemical	82.2	75.1	7.0	9.4%
Other and elimination	(9.0)	(10.1)	1.1	—
Other	56.0	96.1	(40.1)	(41.8%)

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

(Reference) Sales excluding liquor tax

(¥ billions)

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual
Kirin Brewery	439.6	445.8

3. Profit Details

(¥ billions)

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual	Increase (decrease)
Operating income	150.0	153.0	(3.0)
Japan Integrated Beverages	59.5	68.9	(9.4)
Kirin Brewery *	51.7	57.8	(6.1)
Kirin Beverage *	2.8	5.9	(3.1)
Amortization of goodwill	(1.9)	(1.9)	(0.0)
Total	0.8	3.9	(3.1)
Mercian *	0.1	2.1	(2.0)
Others	6.8	4.9	1.9
Overseas Integrated Beverages	39.5	27.6	11.8
Lion (consolidated after reclassification)	64.9	49.6	15.3
Amortization of goodwill	(30.6)	(25.2)	(5.4)
Brand amortization	(4.2)	(3.8)	(0.4)
Total	30.0	20.5	9.4
Brasil Kirin (consolidated after reclassification)	16.7	13.0	3.7
Amortization of goodwill	(5.4)	(4.8)	(0.5)
Brand amortization	(3.2)	(2.8)	(0.3)
Total	8.0	5.2	2.7
Others	1.3	1.7	(0.4)
Pharmaceuticals and Bio-chemicals	54.0	55.5	(1.5)
Kyowa Hakko Kirin (consolidated after reclassification)	54.0	55.5	(1.5)
Pharmaceutical	45.0	50.7	(5.7)
Bio-chemical	6.0	2.1	3.8
Other/elimination of amortization of goodwill	9.2	8.8	0.3
Amortization of goodwill	(6.2)	(6.2)	—
Other	4.0	3.7	0.2
Corporate expenses/inter-segment eliminations	(7.0)	(2.8)	(4.1)

* Excluding management fee paid to the holding company.

Operating income breakdown

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Decrease in marginal profit of alcohol beverages	(2.5)	Sales decrease in beer (10) thousand KL, (1.2) Sales decrease in <i>happo-shu</i> (34) thousand KL, (3.6) Sales increase in new genre 20 thousand KL, 2.2 Sales increase in RTD 22 thousand KL, 2.0 Difference of change in products mix, etc.
	Increase in raw material cost of alcohol beverages	(2.0)	Increase in price of malt, Increase in price of sugar and liquid sugar, etc.
	Increase in selling expenses	(2.4)	Increase in sales promotion and advertising (2.7), etc.
	Decrease in other expenses	0.8	Decrease in depreciation 3.6, Increase in repair expenses (0.8), Increase in management fees (0.8), etc.
Total		(6.1)	
Kirin Beverage	Difference in volume of sales	9.6	Increase in sales volume 8.95 million cases
	Decrease in raw material cost	2.1	Decrease in material, wrapping material and other cost
	Decrease due in change of composition ratio of containers, etc.	(1.6)	
	Increase in selling expenses	(11.6)	Increase in sales promotion and advertising (11.3), Increase in freight (0.3)
	Increase in other expenses	(1.6)	Decrease in management fees 0.7, Increase in miscellaneous expenses (0.4), Increase in information processing fee (0.3), Increase in R&D expenses (0.2), etc.
Total		(3.1)	

Major operating expenses

(¥ billions)

		Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual
Kirin Brewery	Sales promotion	82.1	50.7
	Advertising		28.6
Kirin Beverage	Sales promotion	123.8	103.7
	Advertising		8.6

4. Information by Segment

Fiscal year ending December 31, 2013, Forecast

(¥ billions)

	Japan Integrated Beverages	Overseas Integrated Beverages	Pharmaceuticals and Bio-chemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	39.0	41.5	21.7	3.0	0.8	106.0
Amortization of goodwill	2.7	36.7	8.6	0.3	—	48.4
Capital expenditures	32.5	68.5	36.5	1.0	1.5	140.0
Normalized EBITDA	101.2	127.4	84.3	7.3	(6.2)	314.0

Fiscal year ended December 31, 2012, Actual

(¥ billions)

	Japan Integrated Beverages	Overseas Integrated Beverages	Pharmaceuticals and Bio-chemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	43.4	33.1	20.9	4.7	1.1	103.4
Amortization of goodwill	2.6	30.5	9.1	0.6	—	42.9
Capital expenditures	36.4	32.8	26.7	3.4	(0.5)	98.9
Normalized EBITDA	114.9	99.2	85.5	9.1	(1.6)	307.3

5. Other Information

(1) Information Regarding Amortization of Major Goodwill etc.

Fiscal year ending December 31, 2013, Forecast

(¥ billions)

		Year incurred	Total amortization of goodwill etc. (A) + (B)						
			Goodwill			Brands			
			Amortized amount (A)	Balance to be amortized	Years remaining	Amortized amount (B)*	Balance to be amortized	Years remaining	
Consolidated subsidiaries	Lion	1998 to 2012	30.6	400.4	13	4.2	44.1	1~19	34.9
	Kirin Beverage	2006	1.9	25.0	13	—	—	—	1.9
	Kyowa Hakko Kirin	2007	6.2	88.5	15	—	—	—	6.2
	Brasil Kirin	2011	5.4	98.2	18	3.2	57.7	18	8.6
	Other		4.0	—	—	—	—	—	4.0
	Consolidated subsidiaries total		48.4			7.4			55.8
Equity method	San Miguel Brewery	2009	5.9	92.7	16	1.9	30.3	16	7.9
	China Resources Kirin Beverages	2011	2.0	37.0	18	—	—	—	2.0
	Equity-method affiliates total		8.0			1.9			10.0
Total			56.4			9.4			65.8

* Account title: Depreciation.

(2) Sales Details of Major Business Companies

a. Kirin Brewery

	Fiscal year ending December 31, 2013		Fiscal year ended December 31, 2012	
	Forecast	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	689	(1.4%)	699	(2.1%)
<i>Happo-shu</i>	526	(6.1%)	560	(5.9%)
New genre	734	2.8%	714	(0.7%)
Sub-total	1,950	(1.2%)	1,974	(2.7%)
RTD	231	10.8%	209	7.4%
Non-alcohol beverages	42	(6.6%)	44	(18.9%)
Breakdown of sales	¥ billions		¥ billions	
Beer	286.0	(1.5%)	290.4	(2.0%)
<i>Happo-shu</i>	160.4	(6.2%)	171.0	(5.9%)
New genre	192.6	2.9%	187.2	(0.9%)
Sub-total	639.2	(1.5%)	648.8	(2.7%)
RTD	63.8	12.1%	56.9	6.7%
<i>Shochu</i> , Whiskey and Spirits, etc. *	41.6	(10.7%)	46.6	(15.0%)
Total sales	744.7	(1.0%)	752.4	(2.9%)

The above sales volume excludes exports.

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

b. Kirin Beverage Group

<Category>

Non-alcohol beverages			Fiscal year ending December 31, 2013				Fiscal year ended December 31, 2012			
			Forecast	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	1,900	10%	(96)	95%	1,996	11%	(70)	97%
		Oolong tea	280	1%	(3)	99%	283	1%	0	100%
		Black tea	4,850	24%	212	105%	4,638	24%	2	100%
		Sub-total	7,030	35%	113	102%	6,917	36%	(68)	99%
	Coffee		3,100	16%	72	102%	3,028	16%	(120)	96%
	Fruit and vegetable juice		2,400	12%	73	103%	2,327	12%	436	123%
	Carbonated beverage		1,700	8%	209	114%	1,491	8%	742	199%
	Water		3,500	18%	42	101%	3,458	19%	144	104%
	Other		2,120	11%	386	122%	1,734	9%	532	144%
	Domestic non-alcohol beverage market total		19,850	100%	895	105%	18,955	100%	1,666	110%

<Container Type>

Non-alcohol beverages			Fiscal year ending December 31, 2013				Fiscal year ended December 31, 2012			
			Forecast	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	3,800	19%	(120)	97%	3,920	21%	(344)	92%
PET bottles	Large-sized PET bottles	2L	4,200	21%	313	108%	3,887	21%	381	111%
		1.5L, 1L, 900ml, 750ml	1,700	9%	156	110%	1,544	8%	60	104%
		Large-sized PET bottles total	5,900	30%	469	109%	5,431	29%	441	109%
	Small-sized PET bottles	500ml	6,300	32%	446	108%	5,854	31%	1,125	124%
		350ml or less	1,800	9%	200	113%	1,600	8%	134	109%
		Small-sized PET bottles total	8,100	41%	646	109%	7,454	39%	1,259	120%
	PET bottles total		14,000	71%	1,115	109%	12,885	68%	1,700	115%
Other containers	One-way/Returnable bottles, paper, gifts, etc.		2,050	10%	(100)	95%	2,150	11%	310	117%
Domestic non-alcohol beverage market total			19,850	100%	895	105%	18,955	100%	1,666	110%