



KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 (UNAUDITED)

February 10, 2010

(English Translation)

Fiscal year ended December 31, 2009

KIRIN HOLDINGS COMPANY, LIMITED

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

Code No.:	2503
Shares Listed:	Tokyo, Osaka, Nagoya, Fukuoka and Sapporo
Representative:	Mr. Kazuyasu Kato, President
For further information, please contact:	Mr. Ippei Maeda, General Manager, Corporate Communications
	Telephone: 81- 3- 5540- 3455 from overseas
Scheduled date of regular shareholders' meeting held:	March 26, 2010
Submission date of annual securities report scheduled:	March 26, 2010
Commencement date of dividend distribution scheduled:	March 29, 2010

1. Consolidated business results and financial positions for the fiscal year (January 1, 2009 - December 31, 2009)

[Unit: Japanese yen (¥)]

(1) Results of operations (cumulative):

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

	Sales (¥ millions)	Percentage change (%)	Operating income (¥ millions)	Percentage change (%)	Ordinary income (¥ millions)	Percentage change (%)
Fiscal year ended						
December 31, 2009	2,278,473	(1.1)	128,435	(12.0)	144,614	40.3
December 31, 2008	2,303,569	27.9	145,977	21.0	103,065	(16.5)

	Net income (¥ millions)	Percentage change (%)	Net income per share (Primary) (¥)	Net income per share (Diluted) (¥)	Ratio of net income to shareholders' equity (%)	Ratio of ordinary income to total assets (%)	Ratio of operating income to sales (%)
Fiscal year ended							
December 31, 2009	49,172	(38.7)	51.54	-	5.2	5.3	5.6
December 31, 2008	80,182	20.2	84.01	-	8.1	4.1	6.3

Reference: Equity in earnings of affiliates	December 31, 2009	¥8,902 million
	December 31, 2008	¥11,833 million

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

(2) Financial positions:

	Total assets	Net assets	Ratio of equity to total assets	Net assets per share
	(¥ millions)	(¥ millions)	(%)	(¥)
December 31, 2009	2,861,194	1,198,869	34.3	1,029.35
December 31, 2008	2,619,623	1,149,998	35.4	972.19
Reference: Equity	December 31, 2009	¥981,322 million		
	December 31, 2008	¥927,812 million		

(3) Cash flows:

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
Fiscal year ended December 31, 2009	189,907	(321,654)	174,208	118,797
Fiscal year ended December 31, 2008	131,281	(169,330)	26,684	68,457

2. Dividends

Record date	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total (Annual)
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended December 31, 2008	-	11.50	-	11.50	23.00
Fiscal year ended December 31, 2009	-	11.50	-	11.50	23.00
Fiscal year ending December 31, 2010 (Forecast)	-	12.50	-	12.50	25.00

Record date	Total amount of dividends	Dividend pay-out ratio	Ratio of dividends to shareholders' equity (%)
	(¥ millions)	(%)	(%)
Fiscal year ended December 31, 2008	21,950	27.4	2.2
Fiscal year ended December 31, 2009	21,937	44.6	2.3
Fiscal year ending December 31, 2010 (Forecast)	-	49.7	-

**3. Forecast of consolidated business results for the next fiscal year
(January 1, 2010 - December 31, 2010)**

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Six months ending June 30, 2010	1,030,000	(2.9)	50,000	24.5	46,000	(18.4)
Year ending December 31, 2010	2,220,000	(2.6)	133,000	3.6	125,000	(13.6)

	Net income	Percentage change	Net income per share
	(¥ millions)	(%)	(¥)
Six months ending June 30, 2010	10,000	(33.1)	10.49
Year ending December 31, 2010	48,000	(2.4)	50.35

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

4. Others

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries accompanying change in scope of consolidation): None

(2) Changes in accounting policies, procedures, and methods of presentation for preparing the consolidated financial statements

(those to be described in the section of Significant Accounting Policies)

i. Changes due to amendment of accounting standards: Yes

ii. Changes due to other reasons: None

Note: For details, please refer to "CHANGES IN SIGNIFICANT ACCOUNTING POLICIES" on page 33.

(3) Number of shares outstanding (common stock)

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

As of December 31, 2009 984,508,387 shares

As of December 31, 2008 984,508,387 shares

ii. Number of treasury stock at the end of period

As of December 31, 2009 31,167,235 shares

As of December 31, 2008 30,157,914 shares

Note: For the number of shares as a basis of calculating net income per share (consolidated), please refer to "PER SHARE INFORMATION" on page 38.

Reference: SUMMARY OF NON-CONSOLIDATED FINANCIAL STATEMENTS

1. Non-consolidated business results and financial positions for the fiscal year

(January 1, 2009 - December 31, 2009)

(1) Results of operations:

	Sales (¥ millions)	Percentage change (%)	Operating income (¥ millions)	Percentage change (%)	Ordinary income (¥ millions)	Percentage change (%)
Fiscal year ended						
December 31, 2009	108,093	45.0	84,191	57.4	84,529	79.6
December 31, 2008	74,536	(83.0)	53,495	279.9	47,074	52.5

	Net income (¥ millions)	Percentage change (%)	Net income per share (Primary) (¥)	Net income per share (Diluted) (¥)
Fiscal year ended				
December 31, 2009	81,972	196.1	85.92	-
December 31, 2008	27,684	(17.3)	29.00	-

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

(2) Financial positions:

	Total assets	Net assets	Ratio of equity to total assets	Net assets per share
	(¥ millions)	(¥ millions)	(%)	(¥)
December 31, 2009	1,721,886	874,090	50.8	916.87
December 31, 2008	1,403,882	818,147	58.3	857.28
Reference: Equity	December 31, 2009	¥874,090 million		
	December 31, 2008	¥818,147 million		

**2. Forecast of non-consolidated business results for the next fiscal year
(January 1, 2010 - December 31, 2010)**

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Six months ending June 30, 2010	50,000	(38.3)	34,000	(51.3)	33,000	(54.8)
Year ending December 31, 2010	85,000	(21.4)	54,000	(35.9)	50,000	(40.8)

	Net income	Percentage change	Net income per share
	(¥ millions)	(%)	(¥)
Six months ending June 30, 2010	28,000	(44.1)	29.37
Year ending December 31, 2010	55,000	(32.9)	57.69

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

Information about proper usage of forecast of business results, and other special instructions

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.

BUSINESS RESULTS AND FINANCIAL POSITION

1. BUSINESS PERFORMANCE

Financial instability stemming from the sub-prime loan problem in the U.S. spread widely during the global economy remained in a serious condition throughout this consolidated fiscal year, in spite of indications that the downturn might have bottomed out. In Japan, economic stimulus plans and other measures had positive effects leading to a mild recovery but the unemployment rate and such continue to be less than favorable.

At Kirin Group, we regarded the three-year period from 2007 through 2009 as the first stage of the long-term business framework “Kirin Group Vision 2015” (KV2015). As the final year of this first stage, fiscal 2009 targeted expanding the business bases necessary for the quantum leap in growth and engaging ‘qualitative expansion’ to improve profitability. As a part of these efforts, we pursued development of group synergies, promoted an integrated beverages group strategy aimed at fusing together the value chains of alcohol and other beverages.

In the Japanese market, the foundation for our quantum leap in growth, further efforts were expended to ensure a solid footing. Kirin Brewery has received a level of high customer support for meeting customer needs in the midst of a difficult consumer market throughout the year.

In overseas markets, we strengthened relationships with our well-established partners, especially in Asia and Oceania, promoting an integrated beverages group strategy.

In May we acquired shares in San Miguel Brewery, the dominant market leader in the Philippines, and made it an affiliated company to which the equity method is applied. In December, San Miguel Brewery concluded an agreement to purchase all shares of San Miguel Brewing International, the company responsible for San Miguel Corporation’s overseas beer business, from San Miguel Corporation. These acquisitions resulted in our establishing invaluable operating bases in Asia for the Kirin Group.

In October Lion Nathan was made a wholly owned subsidiary to promote our integrated beverages group strategy in Oceania. At the same time, Lion Nathan and National Foods were consolidated under Kirin Holdings (Australia) Pty Ltd., the name of which was then changed to Lion Nathan National Foods Pty Ltd., as our holding company in Australia effective October 21. These companies are to pursue organic growth utilizing their existing management capabilities as well as pursue synergy with each other.

Consolidated sales for fiscal 2009 declined slightly due to foreign exchange effects despite good progress in the Soft Drinks and Food Business in Australia and inclusion of Kyowa Hakko Kirin as a consolidated subsidiary. Operating income also declined due to foreign currency translations, albeit good progress was seen in the Alcohol Beverages Business in Japan and overseas. Ordinary income increased considerably with the foreign currency translation gains. The net income for the fiscal year declined due to gain on change in equity recorded on the share exchange in the second quarter of 2008.

Kirin Holdings Company, Limited 2009 results:

Consolidated sales	¥2,278.4 billion, down 1.1%
Consolidated operating income	¥128.4 billion, down 12.0%
Consolidated ordinary income	¥144.6 billion, up 40.3%
Consolidated net income	¥49.1 billion, down 38.7%

Alcohol Beverages Business

In the domestic alcoholic beverages market, Kirin Brewery has received a high level of customer support during the year through initiatives focusing on three strategic priorities: strengthening core brands, improving our response to consumer health consciousness, and increasing overall demand.

In the beer market, strong sales of *Kirin Ichiban Shibori* continued following its re-launch in March 2009. In the happo-shu category our *Kirin Tanrei* series enjoyed growing customer support in the on-premise market, as well as its traditional retail market. In the fast-growing new genre market, the dominant brand *Kirin Nodogoshi Nama* was able to achieve its largest annual sales volume since it was first introduced, due to heightened price sensitivity among consumers keeping a close eye on their purse strings. In this market of new genre products, in addition to the core brand, the new brands *Kirin Koku no Jikan* and *Kirin Hoppu no Shinjitsu* were introduced in an effort to increase overall demand.

Furthermore, as a product responding to the heightened social awareness calling for zero tolerance of drunk driving, *Kirin FREE*, a non-alcohol beer-taste beverage launched in April, has grown in popularity, greatly surpassing the original forecast, and became a major hit product in 2009, creating a market of new value, namely for 0.00% alcohol beer-taste beverages.

In the rapidly growing RTD* market, we have strengthened the *Hyoketsu* series, and launched *Kirin Cola Shock* with the aim of rejuvenating the market as well as expanding overall demand. In the shochu business, we focused sales efforts on the *Hakusui* series as the core product. In the western liquor business, a new alliance was formed with Diageo in England, enabling us to include the leading brands of the world in our product lineup as an all-around alcohol business.

*RTD: Ready to Drink

As part of pursuing a lean management approach under the Kirin Group medium-term business plan for 2010-2012, which was announced on October 26, we have decided to rationalize and optimize our manufacturing capacity utilization by reorganizing two plants, the Tochigi Plant (Takanezawa-machi, Shioya-gun, Tochigi Prefecture) and the Hokuiku Plant (Hakusan-shi, Ishikawa Prefecture). Both plants are scheduled to cease production after the end of the peak season period of 2010. The RTD manufacturing capabilities at the Tochigi Plant and other useful functions will be transferred to other existing plants.

At Mercian Corporation, we strove to solidify our position as the market leader in the wine business by strengthening the Mercian brand, and we made progress in adopting “value proposal marketing” by liaising with Kirin Brewery and Kirin Merchandising.

Sales for mid-range to high-end wines for restaurants were negatively affected by factors stemming from consumers not dining out due to a heightened sense of frugality. Conversely, consumers are purchasing more day-to-day table wines in the less expensive price range, which has led to an expansion of the household market and as such we recorded healthy sales in inexpensive table wines. Improved profitability was sought by reducing the cost structure of the wine business.

In our overseas alcohol beverages business, we continued to pursue our strategy of focusing on enhancing our business foundation in Asia and Oceania.

At Lion Nathan in Oceania, the core beer business continued to perform strongly, supported by the shift to premium beers as well as efforts made by the consolidated subsidiary, J. Boag & Son.

In China, the business environment was somber, especially along the coastal regions, and intense price competition impacted the sales environment negatively. However we continued efforts to bolster sales, particularly in the three regions of the Yangtze Delta, the Pearl River Delta and Northeast China, to solidify the foundation of our existing business.

As a result of these factors, sales in the Alcohol Beverages business decreased, primarily due to the impact of foreign currency translation adjustments, although both Kirin Brewery and Lion Nathan experienced favorable sales. Further, due to a change in accounting methods, the increase in depreciation and amortization caused operating income to decline from the previous year.

Lion Nathan achieved great results, followed by Kirin Brewery. Sales in the Alcohol Beverages Business declined overall due to foreign currency translations, however. Operating income reflected the strong results of Lion Nathan and Kirin Brewery but volatile foreign exchange rates and increased depreciation due to changes in the accounting system caused it to decline.

Alcohol Beverages Business 2009 results:

Consolidated sales	¥1,097.6 billion, down 7.1%
Consolidated operating income	¥102.8 billion, down 6.5%

Soft Drinks and Food Business

In the domestic soft drinks and food market, Kirin Beverage tenaciously continued initiatives to reform our earning structure through cost reductions and other measures, and focused on increasing the value of leading brands such as *Kirin Gogono-Kocha* and *Kirin FIRE*.

August marked the 10th anniversary of *Kirin FIRE* and in addition to the flagship *Kirin FIRE Hikitate Bito*, we enhanced our product lineup by launching the new *Kirin FIRE Hi no Megumi*. In the black tea beverages, we continued a range of value proposals to promote our market-leading *Kirin Gogono-Kocha* series, including revamping the chilled drink *Kirin Gogono-Kocha Bito Straight Tea*, and pursued initiatives to further strengthen our top black tea beverage brand and secure customer support. In the green tea beverages and mineral water, the economic slowdown sharply impacted sales since frugally-minded consumers reduced spending in this category considerably.

At Kirin Kyowa Foods, which was established April 1 by integrating Kirin Food-Tech and Kyowa Hakko

Food Specialties, both specializing in seasoning and flavoring, we endeavored to improve the foundation of the business of proposing and offering food ingredients in pursuit of taste and health, utilizing the fermentation technologies which both companies have fostered to date.

In the overseas soft drinks and food business, Kirin Beverage developed new products in Thailand and Vietnam, responding to the local needs of the respective markets, thereby further expanding the business. In China where the *Kirin Gogono-Kocha* and *Kirin FIRE* brands are the focus of our product deployments, Kirin (China) Investment Co., Ltd. decided in December to make a capital investment in Shanghai JinJiang Kirin Beverages and Food Co., Ltd., which handles sales in Shanghai and other major cities in Eastern China, in order to promote an integrated beverages group strategy in China.

At National Foods, weak consumer sentiment as a result of the economic slowdown caused a shift to lower-price products in milk, the core product. Raw dairy input costs, which had risen sharply from the second half of 2007, eased, leading to improved profitability. Also, overhead cost reduction measures arising from integration of Dairy Farmers have been progressing steadily since its 100% acquisition by National Foods in November 2008.

Both sales and operating income in the soft drinks and food business increased, mainly due to the strong performance of National Foods, in spite of a decline in Kirin Beverage sales and foreign exchange translation adjustments.

Both sales and operating income in the Soft Drinks and Food Business increased due to strong results shown by National Foods, while Kirin Beverage experienced a decline in sales volume and unfavorable foreign exchange rates.

Soft Drinks and Foods Business 2009 results:

Consolidated sales	¥735.0 billion, up 2.6%
Consolidated operating income	¥7.0 billion, up 10.4%

Pharmaceuticals Business

At Kyowa Hakko Kirin, sales of anti-anemia medicines *NESP®* and *ESPO* trended favorably helped by the impact of *NESP Injection Plastic Syringe*, which was launched in May, while sales of the anti-allergic medicine *ALLELOCK* and anti-allergic eye drop *Patanol* maintained good levels in part due to a much higher level of pollen in the air than normal in Japan. The secondary hyperparathyroidism treatment *REGPARA TABLETS*, which were launched in January 2008 to combat complications arising from blood dialysis, also witnessed further acceptance in the market. In December we started marketing the ulcerative colitis medicine *Asacol* together with Zeria Pharmaceutical Co., Ltd.

With respect to R&D, we also made progress in the discovery of new candidate drugs both in Japan and overseas: filing in Japan for additional applications of anti-anemia medicine *NESP®* and starting Phase II clinical trials in Japan for KW-0761, a humanized monoclonal antibody with uniquely developed immune technology.

Resulting sales and operating income in the Pharmaceuticals business both increased mainly due to the strong sales of Kyowa Hakko Kirin's main products.

Both sales and operating income in the Pharmaceuticals Business increased due to Kyowa Hakko Kirin being included in the consolidated results and strong performance of leading products.

Pharmaceuticals Business 2009 results:

Consolidated sales	¥206.7 billion, up 20.5%
Consolidated operating income	¥34.3 billion, up 21.8%

Other Businesses

In the Biochemical business operated by Kyowa Hakko Bio Co., Ltd., sales of amino acids for overseas medical and industrial use were affected negatively by the global economic recession and unfavorable foreign currency exchange rates. In the area of the supplements-related healthcare business in Japan, synergy effects are beginning to show through raw material supply transactions with group companies.

The Chemicals business operated by Kyowa Hakko Chemical Co., Ltd. was affected by the sharp plunge in demand due to the worsening global economy and a sensitive market for these products. In the fourth quarter, however, a recovery in demand in China and other regions, as well as a stabilizing market, were noted.

In the Agribio business, a tough market created by global economic stagnation continued in Europe and other regions, while in Japan we continued to pursue cost reduction measures.

In Other business, sales increased due to the effects of including Kyowa Hakko Kogyo Co., Ltd. in the consolidated reporting from the second quarter of the previous year, but operating income declined due to the drop in product demand resulting of the weakening chemicals business, among other factors.

Although sales in Other Businesses increased due to the consolidation of Kyowa Hakko Kirin, the Chemicals Business experienced a difficult fiscal year, resulting in an overall decline in operating income.

Other Business 2009 results:

Consolidated sales	¥238.9 billion, up 2.2%
Consolidated operating income	¥3.8 billion, down 78.9%

A basic agreement was reached in consolidating the raw alcohol business of Mercian and Kyowa Hakko Bio to a newly established joint company, Daiichi Alcohol Co., Ltd., while Mercian's industrial-use alcohol and fermented seasoning businesses will be integrated into Kirin Kyowa Foods Co., Ltd. This consolidation and integration will enable us to further strengthen the foundations of each business and to generate group synergies.

Results by region were as follows.

Japan

In the alcohol beverages business, in addition to strong sales of core products in each of the beer, happo-shu and new genre markets, Kirin Brewery astutely identified consumer needs despite the challenging environment, launching new value products, including *Kirin FREE*, to win strong customer support. In the soft drinks and food business, Kirin Beverage worked hard to improve the value of its core brands and implemented income structure reforms. In the pharmaceuticals business, Kyowa Hakko Kirin maintained steady sales of its leading products and made progress in new drug discovery. In the other businesses segment, Kyowa Hakko Kirin's bio-chemical business and chemical business were both affected by the global recession and foreign exchange translations.

Consolidated sales	¥1,759.6 billion, down 1.6%
Consolidated operating income	¥109.1 billion, down 8.8%

Asia and Oceania

Lion Nathan maintained its strong sales. National Foods progressed well because of the market recovery of raw dairy prices and also integration with Dairy Farmers.

Consolidated sales	¥443.8 billion, up 1.3%
Consolidated operating income	¥31.0 billion, down 13.2%

Other regions

Sales in the United States, Europe and other regions were as follows.

Consolidated sales	¥74.9 billion, down 3.4%
Consolidated operating income	¥7.2 billion, down 8.3%

Outlook for 2010

2010 is the first year of Kirin Group's 2010-2012 three-year medium-term business plan, and also marks the second stage in realizing the aims of Kirin Group Vision 2015 ("KV2015"), Kirin's long-term management vision for the period through to 2015.

In 2009, which we positioned as 'year zero' in the lead-up to the new medium-term business plan, the business environment was severe. Our focus during the year was to continue building the Group's business foundation for a leap in growth while at the same time commencing a clear shift from quantitative expansion to qualitative expansion.

In 2010, management will pursue further qualitative expansion by focusing on *generating Group synergies* and *realizing lean management*, with the aim of improving profitability and asset efficiency. At the same time we will build further momentum for the KIRIN brand by continuing to develop products that inspire customers with new value propositions, and pursuing CSR initiatives that build public trust in Kirin Group as a corporate entity.

Outline of 2010 Business Plan

Basic management strategies

- Increase Group enterprise value by realizing growth and synergies at operating companies
 1. Pursue an integrated beverages group strategy
 2. Accelerate growth in pharmaceuticals business
 3. Develop the health food and functional food business
 4. Generate growth through Group synergies
 5. Realize lean management by eliminating strain, waste and irregularity
- Pursue a financial strategy that supports higher enterprise value
- Engage in CSR activities that enhance Kirin's coexistence with society

■ Alcoholic Beverages Business

In the domestic alcohol beverages market, our efforts at Kirin Brewery will continue to be focused on three strategic priorities with a long-term outlook in order to foster No. 1 leading brands in the categories of beer/happo-shu/new genre products, and RTDs: strengthening core brands, improving our response to consumer health consciousness, and increasing overall demand. In strengthening the core brands, we will strive to enhance brand value by improving the taste and emphasizing the individual product value of *Kirin Ichiban Shibori*, *Kirin Lager*, *Kirin Tanrei*, and *Kirin Nodogoshi Nama*. In improving our response to consumer health consciousness, we aim to develop a full lineup of products within the *Tanrei Green Label* as the core brand. In increasing overall demand, we will introduce *Kirin 1000*, an epoch-making new product in the new genre market, as a value-proposing product by employing the "evidence marketing"^{*1} technique that was used for *Kirin FREE*. In the RTDs segment, which has the largest future growth potential, we will promote the *Hyoketsu* brand, as well as entirely new concept products, in addition to conventional products centered on fruit juices.

^{*1} A marketing technique that promotes products by providing customers with easy-to-understand information and product value that is supported by technological or other forms of supporting data.

Furthermore, we will expand our western liquor lineup, including Diageo brands, in an effort to greatly enhance our appeal as an integrated alcohol beverages enterprise.

Kirin Brewery is now in a position to collaborate with group companies like Mercian and Kirin Beverage in every value chain in order to create synergistic, while reforming cost structures to improve profitability.

At Mercian, all management resources will continue to be concentrated into the wine business in order to solidify our position as the market leader in the industry. We will also work to enhance profitability, and aim to create group synergy through even greater collaboration with Kirin Brewery and Kirin Merchandising.

In our overseas alcohol beverages business, Lion Nathan will continue to shift our product mix into the premium beer category by improving value to the customers.

In China, we will roll out initiatives to establish a unique business model with an integrated beverages group strategy as the main pillar, focusing on the regions we are currently operating in: the Yangtze Delta, the Pearl River Delta, and the three Northeast China provinces.

■ Soft Drinks and Food Business

In our domestic soft drinks and food operations, Kirin Beverage will put further effort into strong brand creation as part of its initiatives to restructure competitiveness and reform earning structure. Towards restructuring competitiveness, Kirin Beverage will implement a selection and concentration strategy, review resource allocation and enter new categories. We are aiming to establish a value proposal marketing, rigorously reviewing our cost structure and developing a robust business structure that can be profitable even in a harsh operating environment. In China, we will promote an integrated beverages group strategy to improve earnings.

At Kirin Kyowa Foods, we will endeavor to improve our value proposal marketing and development structure in order to promote distinctive products to increase earnings. We will continue to solidify the business infrastructure in the wake of integration of the industrial-use alcohol and fermented seasoning businesses, in order to maximize group synergies.

In the overseas market, we will strengthen core brands at National Foods and aim to enter new growth categories as well. Further integration with Dairy Farmers will be pursued to create synergy effects in the process.

■ Pharmaceuticals Business

In the Pharmaceuticals business operated by Kyowa Hakko Kirin, with anticipated medicine price revision, we will aim to strengthen our main products such as those focusing on kidney conditions, as well as market new products by establishing a more efficient and effective business system. In R&D, we regard cancer, kidney and immunity/infectious diseases as our priority areas, and will follow through with clinical trials in both Japan and overseas according to a specific timeline and also aggressively pursue licensing activities.

■ Other Businesses

In the Biochemical business operated by Kyowa Hakko Bio, we will strive to expand the sales of value-added amino acids in the areas of medicine and healthcare, and also to streamline our overseas

sales and marketing structure.

In the Chemicals business operated by Kyowa Hakko Chemical, we will focus on strengthening functional product lines which are environmentally considerate, thereby building a business model less susceptible to economic fluctuations.

■ CSR initiatives

CSR is an important management issue within Kirin Group. We are striving to incorporate the development of a sustainable society into our business operations—*CSR through business*—while also pursuing *CSR as a corporate citizen*.

In *CSR through Business*, we are undertaking further initiatives to become a low-carbon corporate group. We are reducing our use of water and other resources, reducing energy consumption at factories by converting machinery to alternative fuels, and targeting a 35% reduction in CO₂ emissions from manufacturing, distribution and office activities by 2015 compared to 1990. We are also developing products that have a lower environmental burden, and across the procurement-to-consumption value chain of the entire Group, both in Japan and in our international operations, we aim to halve total CO₂ emissions by 2050 compared to 1990 levels.

As a Group, we are actively involved in initiatives to resolve social issues. For example, with the launch of *Kirin FREE*, a 0.00% alcohol beer-taste beverage, we are helping address drink driving, while other measures include CSR-based procurement and initiatives for diversity in human resources. We have advanced risk management and compliance systems in place within the Group, and we are implementing a range of measures to strengthen systems for group-wide quality control and environmental management.

With regard to *CSR as a Corporate Citizen*, we have supported Japan's national soccer team continuously for more than 30 years, with the focus this year on the World Cup in June. We support a number of initiatives to allow children to experience the joy of sport, including our nationwide *Kirin Soccer Field* training program. We also contribute to society through forestry and watershed management and employee volunteer activities.

2. FINANCIAL POSITION

Total assets as of December 31, 2009 stood at ¥2,861.1 billion, an increase of ¥241.5 billion, or 9.2%, compared to December 31, 2008. Current assets increased ¥13.2 billion to ¥839.4 billion. Fixed assets also increased ¥228.3 billion, to ¥2,021.7 billion, consisting of a ¥17.0 billion decrease in property, plant and equipment through impairment, etc., a ¥285.2 billion increase in intangible assets due to the recognition of goodwill arising out of making Lion Nathan Ltd. a wholly-owned subsidiary, and a ¥39.8 billion decrease in investments and other assets resulting from sales and other dispositions of investment securities by some of the consolidated subsidiaries.

Total liabilities as of December 31, 2009 stood at ¥1,662.3 billion, an increase of ¥192.6 billion, or 13.1%, compared to December 31, 2008. Current liabilities increased ¥74.4 billion to ¥794.0 billion due mainly to increased short-term loans payable in connection with the acquisition of additional shares of Lion Nathan Ltd. Fixed liabilities increased ¥118.2 billion to ¥868.2 billion by incurring long-term loans and issuing bonds in order to repay short-term loans.

Net assets as of December 31, 2009 stood at ¥1,198.8 billion, an increase of ¥48.8 billion, or 4.2%, compared to December 31, 2008. Retained earnings increased ¥21.2 billion from net income recorded for the period under review, foreign currency translation adjustments increased ¥54.3 billion, while net unrealized holding gains on securities decreased ¥19.1 billion due to sales or other dispositions of investment securities held by some of the consolidated subsidiaries.

Consolidated cash flows were as follows:

Cash flow from operating activities

Net cash provided by operating activities was ¥189.9 billion, an increase of ¥58.6 billion, compared to the previous fiscal year. Income before income taxes and minority interests decreased ¥73.1 billion, foreign currency translation gain increased ¥54.2 billion, equity in earnings of affiliates decreased ¥72.6 billion, loss on impairment increased ¥35.2 billion, loss on sale of shares of subsidiaries and affiliates increased by ¥21.6 billion, inflows from working capital due to changes in trade notes and accounts receivable, inventory, trade notes and accounts payable and liquor taxes payable increased ¥21.3 billion, income taxes paid decreased by ¥12.0 billion, and interest and dividends received increased ¥10.3 billion.

Cash flow from investing activities

Net cash used in investing activities increased ¥152.3 billion to ¥321.6 billion compared to the previous fiscal year. Outflows for the acquisition of property, plant and equipment and intangible assets decreased ¥15.8 billion to ¥110.2 billion. Outflows of ¥263.0 billion for the acquisition of shares of subsidiaries, and of ¥137.3 billion for the purchase of marketable securities and investment securities were recorded, while the sale of marketable securities and investment securities generated proceeds of ¥152.3 billion, while the sale of property, plant and equipment and intangible assets produced ¥31.7 billion.

Cash flow from financing activities

Financing activities produced a net cash inflow of ¥174.2 billion, ¥147.5 billion more than in the previous fiscal year. Inflows increased by ¥173.0 billion in additional borrowings and by ¥100.0 billion in bond issuance, while for cash outflows, cash dividends paid totaled ¥48.5 billion and bond redemption was ¥44.2 billion.

Trends in Kirin Group's cash flow indices are as follows:

	2007	2008	2009
Equity ratio (%)	42.7	35.4	34.3
Equity ratio based on market capitalization (%)	63.4	42.8	49.6
Debt service coverage (%) (%)	588.1	552.1	507.1
Interest coverage ratio (times)	9.9	5.6	9.4

All indices are calculated from consolidated financial data.

Notes:

1. Equity ratio = (Net assets – Minority interests)/Total assets.
2. Equity ratio based on market capitalization = Market capitalization/Total assets
[Market capitalization = market price on last trading day of period X total shares outstanding at end of period (excluding treasury stock)]
3. Debt service coverage = Interest-bearing liabilities/Operating cash flow
[Interest-bearing liabilities refers to all liabilities with interest payable recorded on the liabilities section of the consolidated balance sheets. Operating cash flow refers to Net cash provided by operating activities in the consolidated statements of cash flows]
4. Interest coverage ratio = Operating cash flow/Interest expense
[Interest expense refers to the interest expense figure recorded in the consolidated statements of cash flows]

3. BASIC POLICY ON DISTRIBUTION OF PROFITS; DIVIDEND FOR 2009 AND FOR 2010

Kirin views the appropriate distribution of profits to shareholders as a key management issue, and has distributed a dividend to shareholders in every financial period since establishment in 1907. Management believes that shareholders' needs can be met by providing a stable, continuous dividend based in each period on a comprehensive assessment of business performance, the target payout ratio, and future capital requirements. Under the "2010-2012 Kirin Group Medium-Term Business Plan" (KV2015 Stage II), the Company has set a guideline consolidated payout ratio of 30%, and seeks to increase dividends concomitant with increases in actual profitability. Retained earnings will be allocated to business and capital investments that contribute to enhancing future enterprise value, principally in the alcohol beverages, soft drinks and foods, and pharmaceuticals businesses. The Company will consider opportunities to acquire treasury stock as appropriate, based on the maintenance of medium-term to long-term credit standing and on progress in qualitative expansion for growth.

Based on this policy, and taking into account the effects of amortization of goodwill arising from investments made in pursuit of a quantum leap in growth, Kirin proposes a year-end dividend of ¥11.5 per share, which results in ¥23.0 per share for 2009, unchanged from the previous year. The planned consolidated payout ratio for the 2009 fiscal year is therefore 44.6%. The planned full-year dividend for 2010 is ¥25.0 per share.

4. BUSINESS RISKS

Outlined below are the main risks faced by Kirin Group in its business activities that have been identified as having the potential to have a significant impact on the decisions of investors. Information is also presented with regard to matters that are not necessarily risk factors, with the aim of promoting active disclosure of information to investors. Based on an awareness and understanding of these risks, Kirin Group takes measures to prevent and reduce risks, and to respond appropriately in the case that any such risks eventuate.

The future risk items outlined below are those identified by the Company as of December 31, 2009.

(1) Weather and natural disasters

Kirin Group's business operations are subject to the influence of weather. Examples of weather risks include unusually cold summers, drought and typhoons, along with the impact of global warming and other such factors. Furthermore, earthquakes and other natural disasters, outbreaks of diseases such as new strains of influenza, and accidents on a large scale could damage facilities, resulting in production levels falling short of requirements.

(2) Revision of laws and regulations

Kirin Group's business operations are subject in Japan to a number of laws and regulations, including those relating to liquor tax, food sanitation, pharmaceuticals and fair trading. Kirin Group is also subject to local laws and regulations in each of the other countries in which it operates. An example of a risk is the potential for alcohol consumption to decline if revisions to liquor taxes result in higher consumer prices. In pharmaceutical business, examples of risk include the potential for changes to the Pharmaceutical Affairs Law or related regulations and ordinances to impact or delay the development of new products. Unforeseen revisions to laws could result in the curtailment of Group activities, adversely impacting the Group's financial position and business performance.

(3) Strengthening of regulations

Kirin Group's business operations are undertaken in accordance with various laws and regulations. For example, advertising and publicity is conducted in accordance with strict voluntary industry standards in order for Kirin Group to meet social responsibilities as a manufacturer and vendor of alcohol products. However, international standards in respect of the sale of alcohol products are under consideration by the World Health Organization, and Kirin faces the risk that sales of alcohol beverages could decline if guidelines were implemented that were significantly stricter than currently envisaged.

(4) Increase in the price of oil and other raw materials

Important raw materials used by Kirin Group, such as oil, aluminum, malt, corn and fresh dairy produce in Australia, are subject to changes in price depending on market conditions. Increases in the cost of these raw materials may lead to higher procurement and manufacturing costs, adversely impacting Kirin's business performance and financial position.

(5) Changes in foreign currency exchange rates and interest rates

Kirin Group, in procuring raw materials and undertaking overseas business centered on Asia and Oceania, may be exposed to sudden and unforeseen changes in foreign currency exchange rates, along with changes in interest rates relating to funding procurement domestically and overseas. These changes could adversely impact the Group's business performance and financial position.

(6) Impact on asset values from equity market movements and other changes

The value of marketable securities and other such assets held by Kirin are subject to changes in market price, and a decrease in market values could have an adverse impact on the Group's business performance and financial position.

(7) Changes in the business environment

Kirin Group's business operations are significantly influenced by economic conditions and related trends

in personal consumption. Simultaneous worldwide falls in consumption and demand could have an adverse impact on the Group's business performance and financial position. In addition, Kirin Group faces the risk that the overall market in Japan could decline as a result of Japan's declining birth rate and aging population profile.

(8)Litigation risk

Kirin Group's business operations incorporate a range of measures to reduce the likelihood of employees acting in contravention of laws and regulations. These measures include engaging in a risk management cycle and promoting compliance via employee training seminars. However, in the course of the Group's operations in Japan and overseas, there is a possibility that litigation could be brought against the Group or its employees for real or supposed infringements of product liability, intellectual property or other laws. In such cases, either directly as a result of legal proceedings or as the result of the loss of trust from customers resulting from such proceedings, legal proceedings could have an adverse impact on the Group's business performance and financial situation.

(9)Business and capital alliances

In line with Kirin Group's medium-term management strategy, the Group is actively promoting the development of business and capital alliances with other companies in Japan and overseas, as part of measures to improve Kirin's competitive position and achieve growth. In undertaking this approach, however, Kirin faces the risk that due to changing economic and other circumstances in Japan and elsewhere it may not be able to exercise sufficient control over the management, operations or assets of business alliance partners, and that Kirin could be affected by circumstances at allied companies. Any such cases could have an adverse impact on the Group's business performance and financial situation.

(10)Government, economic and social unrest

Kirin Group recognizes that there is a risk to business continuity in the event that any of the following situations occur, either in Japan or particularly overseas, and their effects exceed that which has been predicted by Kirin:

- The emergence of unforeseeable political, economic or social developments
- Social or economic turmoil resulting from the outbreak of war, terrorist activity

(11)Food safety and quality

Kirin Group is engaged in continuous efforts to monitor and improve quality throughout the Group in order to offer customers 'safety in food', as part of which Kirin has implemented an improved product quality management system that encompasses goods manufactured at Kirin's own factories as well as those goods manufactured at or imported under agreements with other companies. In recent years, however, various issues have arisen in relation to food safety in the food and beverage industry sector, and if an unexpected problem were to arise at Kirin, the Group's business performance and financial position could be adversely affected.

(12)Pharmaceutical product quality

In Kirin Group's pharmaceutical business strenuous efforts are made to ensure that pharmaceuticals manufactured at Kirin's own facilities or procured from other companies meet stringent quality control standards and pass all appropriate tests. However, the risk remains that serious side effects or other unforeseen product defects or problems could emerge, which could have a serious impact on Kirin's reputation in society and results in the Group's business performance and financial position being adversely affected.

(13)Environmental issues

Kirin Group currently complies with all laws regarding waste disposal and sanitation, and engages in comprehensive manifesto management. Kirin also strictly complies with various environment laws concerning the atmosphere, water quality, noise pollution, vibrations, odor pollution, soil contamination and land subsidence, and other matters relating to industrial waste. However, the risk remains that human error or other factors could cause environmental pollution or other adverse impacts, and revisions

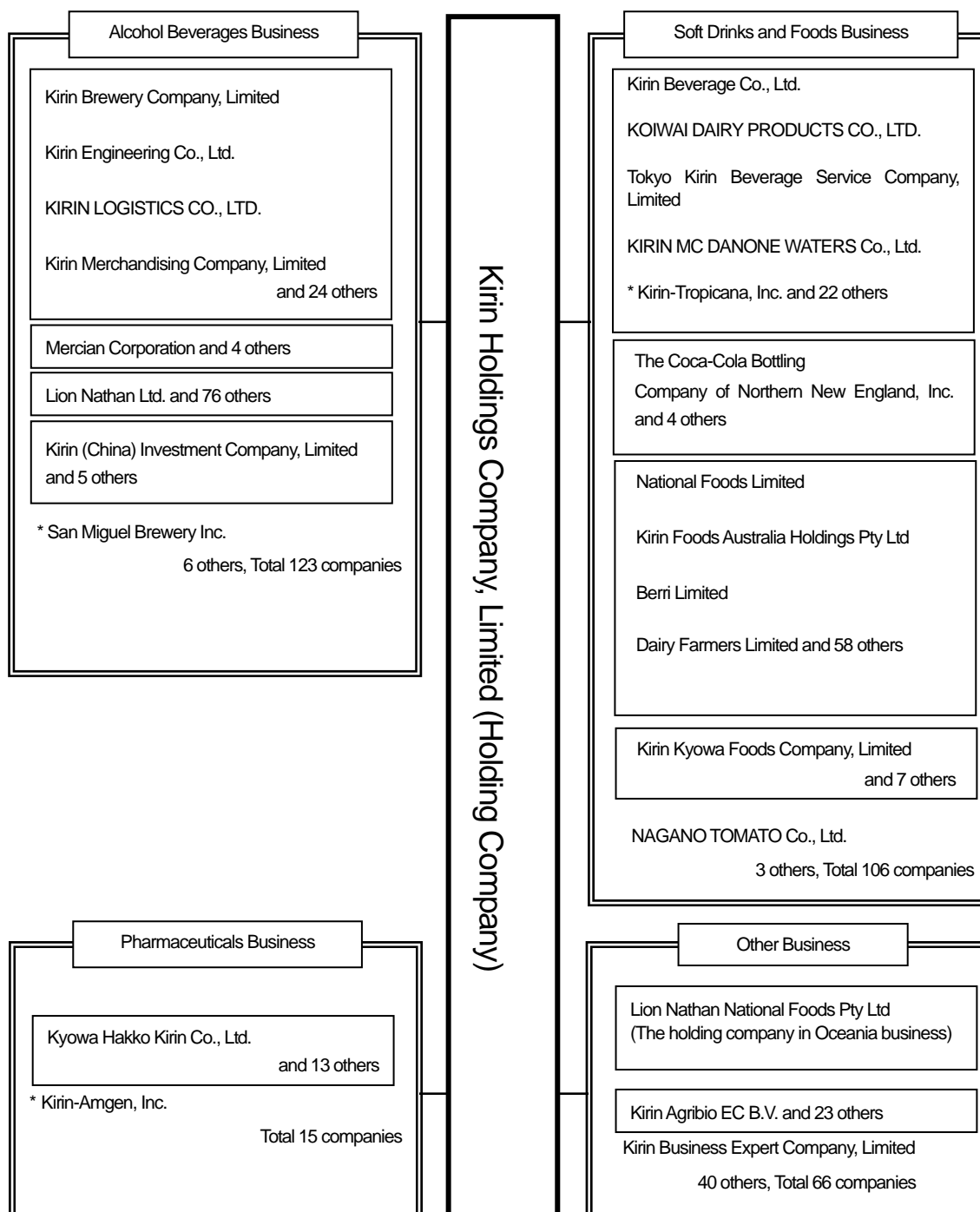
to relevant laws and regulations may necessitate additional capital expenditure, raising costs and negatively impacting Kirin's business performance and financial situation.

(14)Information management

Kirin Group, in addition to holding important information relating to Group management, is privy to a range of other detailed information about companies and individuals. Kirin Group manages such information in accordance with applicable laws and regulations, and through employee training programs and other such measures emphasizes the importance of correct information management, as well as having systems-related security policies and structures in place. However, the risk remains that computer viruses, unauthorized access or other occurrences could cause loss, leakage, or alternations to information, or that systems could be improperly used or become temporarily unserviceable. Any such problems could lead to a loss of trust from transaction partners and other stakeholders, and could have an adverse impact on the Group's management, business performance and financial position.

CORPORATE GROUP

The corporate group has implemented a pure holding company system, consisting of Kirin Holdings Company, Limited ("the Company"), 285 consolidated subsidiaries, 1 unconsolidated subsidiary accounted for by the equity method and 24 affiliates to which the equity method is applied at December 31, 2009. The major group companies in the respective business segments are as follows:



Consolidated subsidiaries are stated above, except for * marked affiliates to which the equity method is applied.

Management Policy

(1) Basic approach

Kirin aims to become a leading food and health company in Asia and Oceania, positioning KIRIN as a brand that symbolizes *trust* and *vitality* and earning customer support under the general theme of *taste that makes you smile*. Reflecting this aim, in May 2006 Kirin announced Kirin Group Vision 2015 ("KV2015"), a long-term strategic roadmap to put Kirin on a new trajectory of growth.

(2) Targets and management indices, (3) Medium-Term Management Strategy and (4) Key issues to address

■ Kirin Group Medium-term Business Plan 2010-2012 (announced on October 26, 2009)

Kirin Holdings Company, Limited ("Kirin") has formulated its medium-term business plan for the three years 2010 through 2012, as the second stage of the goals of Kirin Group's long-term business framework, Kirin Group vision 2015 ("KV2015").

Outline of 2010 – 2012 Medium-Term Business Plan

The 2010 medium-term business plan represents the next stage in realizing KV2015, and is aimed at continuing to expand Group synergies and reform Kirin's business structure to enable a substantial increase in overall group earnings. Kirin will continue to develop products with new value that contribute to the enjoyment of food and health, and through all its activities will contribute to the maintenance and development of a safe and amenable society.

Kirin will pursue a financial strategy that emphasizes both returns to shareholders and the maintenance of a sound financial position while achieving strong profitability and efficiency. Quantitative targets in the plan for the year ending December 31, 2012 are for consolidated sales excluding liquor tax of ¥2,130 billion, consolidated operating income of ¥188.0 billion, and an operating income ratio (excluding liquor tax) or 8.8%. The ROE target for 2012 is for 10% plus (prior to amortization of goodwill, etc).

Goals

- Through all the Group's activities promote KIRIN as a brand that symbolizes *trust* and *vitality*
- Market products and services that increase customer's enjoyment of food and health
- Contribute to the maintenance and development of a safe and amenable society, and earn the trust of communities as a sound corporate citizen

Basic policy

1. Increase Group enterprise value by realizing growth and synergies at operating companies
 - (1) Pursue an integrated beverages group strategy
 - (2) Generate Group synergies
 - (3) Realize lean management
 - (4) Strengthen technical capabilities and customer relationships
2. Pursue a financial strategy to increase Group enterprise value
3. Engage in CSR activities that enhance Kirin Group's coexistence with society

Quantitative targets

	2012 target	2009 actual	Difference between 2009 and 2012	KV2015 target
Consolidated sales (excl. liquor tax)	¥2,130 billion	¥1,918.7 billion	¥211.3 billion	¥2,500 billion
Operating income	¥188.0 billion	¥128.4 billion	¥59.6 billion	¥250.0 billion
Operating income ratio (excl. liquor tax)	8.8%	6.7%	2.1%	10% plus
ROE*	10% plus	8.3%	—	—

*ROE is prior to amortization of goodwill, etc.

CONSOLIDATED FINANCIAL STATEMENTS **CONSOLIDATED BALANCE SHEETS**

(¥ millions)

	As of December 31, 2008	As of December 31, 2009
ASSETS		
Current Assets		
Cash	72,662	125,558
Notes and accounts receivable, trade	446,630	423,835
Marketable securities	762	-
Inventories	219,320	-
Merchandise and finished goods	-	138,937
Work in process	-	18,319
Raw materials and supplies	-	41,261
Deferred tax assets	22,991	24,146
Other	65,735	69,668
Allowance for doubtful accounts	(1,879)	(2,278)
Total Current Assets	826,222	839,450
Fixed Assets		
Property, Plant and Equipment		
Buildings and structures (Purchase price)	624,928	631,286
Less accumulated depreciation	(395,308)	(403,723)
Buildings and structures (Book value)	229,619	227,563
Machinery, equipment and vehicles (Purchase price)	939,185	948,436
Less accumulated depreciation	(721,313)	(744,934)
Machinery, equipment and vehicles (Book value)	217,872	203,502
Land	244,240	227,671
Construction in progress	57,244	75,235
Other (Purchase price)	187,092	188,286
Less accumulated depreciation	(144,757)	(147,985)
Other (Book value)	42,335	40,300
Total	791,311	774,274
Intangible Assets		
Goodwill	343,975	605,210
Other	105,493	129,477
Total	449,469	734,688
Investments and Other Assets		
Investment securities	425,384	388,677
Long term loans receivable	9,343	9,555
Deferred tax assets	34,700	59,096
Other	87,139	59,858
Allowance for doubtful accounts	(3,947)	(4,407)
Total	552,619	512,781
Total Fixed Assets	1,793,400	2,021,743
TOTAL ASSETS	2,619,623	2,861,194

	As of December 31, 2008	As of December 31, 2009
LIABILITIES		
Current Liabilities		
Notes and accounts payable, trade	189,589	169,936
Short-term loans payable and long-term debt with current maturities	119,197	259,425
Bonds due within one year	44,112	12,521
Liquor taxes payable	104,245	99,489
Income taxes payable	28,495	22,806
Allowance for employees' bonuses	5,647	5,713
Allowance for bonuses for directors and corporate auditors	257	276
Reserve for repair and maintenance	-	1,051
Accrued expenses	116,569	105,520
Deposits received	26,773	23,732
Other	84,725	93,621
Total Current Liabilities	719,613	794,096
Long-term Liabilities		
Bonds	242,850	324,904
Long-term debt	257,731	300,590
Deferred tax liabilities	55,780	32,083
Deferred tax liabilities due to land revaluation	1,471	1,471
Employees' pension and retirement benefits	82,704	85,279
Retirement benefits for directors and corporate auditors	673	415
Reserve for repair and maintenance of vending machines	4,756	4,545
Reserve for loss on repurchase of land	1,068	1,170
Deposits received	67,093	73,303
Other	35,882	44,464
Total Long-term Liabilities	750,012	868,228
TOTAL LIABILITIES	1,469,625	1,662,324

(¥ millions)

	As of December 31, 2008	As of December 31, 2009
NET ASSETS		
Shareholders' Equity		
Common stock	102,045	102,045
Capital surplus	71,536	71,582
Retained earnings	839,248	860,538
Treasury stock, at cost	(29,058)	(30,486)
Total Shareholders' Equity	983,772	1,003,680
Valuation and Translation Adjustments		
Net unrealized holding gains on securities	37,430	18,279
Deferred gains or losses on hedges	79	(1,548)
Land revaluation difference	(4,713)	(4,713)
Foreign currency translation adjustments	(88,756)	(34,375)
Total Valuation and Translation Adjustments	(55,959)	(22,357)
Subscription rights to shares	162	196
Minority interests	222,023	217,350
TOTAL NET ASSETS	1,149,998	1,198,869
TOTAL LIABILITIES AND NET ASSETS	2,619,623	2,861,194

CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Sales	2,303,569	2,278,473
Cost of sales	1,392,895	1,383,821
Gross profit	910,673	894,652
Selling, general and administrative expenses	764,696	766,216
Operating income	145,977	128,435
Non-operating income		
Interest income	2,399	2,573
Dividend income	6,566	5,573
Equity in earnings of affiliates	11,833	8,902
Foreign currency translation gain	-	*1 18,909
Other	7,027	6,656
Total	27,827	42,615
Non-operating expenses		
Interest expense	25,385	19,617
Loss on sale and disposal of finished goods	1,073	-
Foreign currency translation loss	37,287	-
Other	6,994	6,818
Total	70,739	26,435
Ordinary income	103,065	144,614
Special income		
Gain on sale of fixed assets	11,016	8,054
Reversal of allowance for doubtful accounts	222	-
Gain on sale of investment securities	2,313	34,631
Gain on sale of shares of subsidiaries and affiliates	-	1,005
Gain on change in equity	72,654	-
Reversal of reserve for repair and maintenance of vending machines	787	-
Compensation income for expropriation	9,591	-
Other	-	862
Total	96,585	44,553

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Special expenses		
Loss on retirement of fixed assets	5,320	5,997
Loss on sale of fixed assets	322	2,007
Loss on impairment	3,564	*2 38,843
Loss on devaluation of investment securities	5,878	8,363
Loss on sale of investment securities	607	2,038
Loss on sale of shares of subsidiaries and affiliates	-	21,661
Business restructuring expense	3,451	1,513
Loss of equity method investments	3,180	-
Amortization of goodwill	1,531	-
Loss on liquidation of business	2,714	-
Expenses for integration	4,643	5,623
Non-recurring depreciation on fixed assets	762	3,299
Compensation for damage	1,937	-
Loss on devaluation of inventories	-	942
Other	-	6,263
Total	33,915	96,554
Income before income taxes and minority interests	165,735	92,613
Income taxes		
Income taxes - current	64,026	57,023
Income taxes - deferred	4,366	(28,108)
Total	68,392	28,914
Minority interests	17,160	14,526
Net income	80,182	49,172

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Shareholders' equity		
Common stock		
Balance at the end of previous period	102,045	102,045
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	102,045	102,045
Capital surplus		
Balance at the end of previous period	71,353	71,536
Changes of items during the period		
Disposal of treasury stock	182	45
Total changes of items during the period	182	45
Balance at the end of current period	71,536	71,582
Retained earnings		
Balance at the end of previous period	781,499	839,248
Change due to adoption of ASBJ Practical Issues Task Force (PITF) No. 18	-	(6,355)
Changes of items during the period		
Dividends from surplus	(22,432)	(21,949)
Net income	80,182	49,172
Change in scope of consolidation	-	(411)
Increase due to merger	-	55
Prior year adjustments for deferred taxes etc. of foreign affiliates	-	778
Total changes of items during the period	57,749	27,646
Balance at the end of current period	839,248	860,538
Treasury stock		
Balance at the end of previous period	(28,170)	(29,058)
Changes of items during the period		
Acquisition of treasury stock	(1,372)	(1,625)
Disposal of treasury stock	484	198
Total changes of items during the period	(887)	(1,427)
Balance at the end of current period	(29,058)	(30,486)

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Total shareholders' equity		
Balance at the end of previous period	926,727	983,772
Change due to adoption of ASBJ Practical Issues Task Force (PITF) No. 18	-	(6,355)
Changes of items during the period		
Dividends from surplus	(22,432)	(21,949)
Net income	80,182	49,172
Change in scope of consolidation	-	(411)
Increase due to merger	-	55
Prior year adjustments for deferred taxes etc. of foreign affiliates	-	778
Acquisition of treasury stock	(1,372)	(1,625)
Disposal of treasury stock	667	243
Total changes of items during the period	57,044	26,264
Balance at the end of current period	983,772	1,003,680
Valuation and translation adjustments		
Net unrealized holding gains on securities		
Balance at the end of previous period	124,743	37,430
Changes of items during the period		
Net changes of items other than shareholders' equity	(87,313)	(19,150)
Total changes of items during the period	(87,313)	(19,150)
Balance at the end of current period	37,430	18,279
Deferred gains or losses on hedges		
Balance at the end of previous period	370	79
Changes of items during the period		
Net changes of items other than shareholders' equity	(290)	(1,628)
Total changes of items during the period	(290)	(1,628)
Balance at the end of current period	79	(1,548)
Land revaluation difference		
Balance at the end of previous period	(4,713)	(4,713)
Changes of items during the period		
Net changes of items other than shareholders' equity	-	-
Total changes of items during the period	-	-
Balance at the end of current period	(4,713)	(4,713)
Foreign currency translation adjustments		
Balance at the end of previous period	7,683	(88,756)
Changes of items during the period		
Net changes of items other than shareholders' equity	(96,439)	54,380
Total changes of items during the period	(96,439)	54,380
Balance at the end of current period	(88,756)	(34,375)

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Total valuation and translation adjustments		
Balance at the end of previous period	128,083	(55,959)
Changes of items during the period		
Net changes of items other than shareholders' equity	(184,043)	33,602
Total changes of items during the period	(184,043)	33,602
Balance at the end of current period	(55,959)	(22,357)
Subscription rights to shares		
Balance at the end of previous period	-	162
Changes of items during the period		
Net changes of items other than shareholders' equity	162	33
Total changes of items during the period	162	33
Balance at the end of current period	162	196
Minority interests		
Balance at the end of previous period	44,744	222,023
Changes of items during the period		
Net changes of items other than shareholders' equity	177,279	(4,672)
Total changes of items during the period	177,279	(4,672)
Balance at the end of current period	222,023	217,350
Total net assets		
Balance at the end of previous period	1,099,555	1,149,998
Change due to adoption of ASBJ Practical Issues Task Force (PITF) No. 18	-	(6,355)
Changes of items during the period		
Dividends from surplus	(22,432)	(21,949)
Net income	80,182	49,172
Change in scope of consolidation	-	(411)
Increase due to merger	-	55
Prior year adjustments for deferred taxes etc. of foreign affiliates	-	778
Acquisition of treasury stock	(1,372)	(1,625)
Disposal of treasury stock	667	243
Net changes of items other than shareholders' equity	(6,602)	28,963
Total changes of items during the period	50,442	55,227
Balance at the end of current period	1,149,998	1,198,869

CONSOLIDATED STATEMENTS OF CASH FLOWS

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Cash flows from operating activities		
Income before income taxes and minority interests	165,735	92,613
Depreciation and amortization	95,948	105,874
Loss on impairment	3,564	38,843
Amortization of goodwill	22,376	21,627
Increase (decrease) in employees' pension and retirement benefits	134	2,796
Interest and dividend income	(8,966)	(8,147)
Equity in losses (earnings) of affiliates	(11,833)	(8,902)
Interest expense	25,385	19,617
Foreign currency translation loss (gain)	35,957	(18,339)
Gain on sale of fixed assets	(11,016)	(8,054)
Gain on sale of marketable securities and investment securities	(2,313)	(34,631)
Gain (loss) on change in equity	(72,654)	-
Compensation for expropriation	(9,591)	-
Loss on disposal and sale of fixed assets	5,643	8,004
Loss on sale of shares of subsidiaries and affiliates	-	21,661
Loss on devaluation of investment securities	5,878	8,363
Decrease (increase) in notes and accounts receivable, trade	17,120	32,096
Decrease (increase) in inventories	(11,755)	22,120
Increase (decrease) in notes and accounts payable, trade	986	(25,577)
Increase (decrease) in liquor taxes payable	(3,735)	(4,706)
Increase (decrease) in consumption taxes payable	(1,136)	(6,140)
Increase (decrease) in deposits received	935	(4,032)
Other	(24,192)	414
Sub-total	222,471	255,502
Interest and dividend received	13,068	23,465
Interest paid	(23,308)	(20,153)
Income taxes paid	(80,948)	(68,906)
Net cash provided by operating activities	131,281	189,907
Cash flows from investing activities		
Payment for purchases of property, plant and equipment and intangible assets	(126,063)	(110,246)
Proceeds from sale of property, plant and equipment and intangible assets	26,506	31,705
Payment for purchases of marketable securities and investment securities	(2,144)	(137,318)
Proceeds from sale of marketable securities and investment securities	7,150	152,365
Payment for purchases of shares of subsidiaries	(1,663)	(263,034)
Payment for acquisition of shares of newly consolidated subsidiaries	(73,407)	-
Proceeds from acquisition of shares of newly consolidated subsidiaries	1,880	-
Proceeds from sale of shares of subsidiaries with consolidation/de-consolidation	-	6,061
Other	(1,590)	(1,187)
Net cash used in investing activities	(169,330)	(321,654)

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(232,766)	82,675
Proceeds from long-term debt	199,969	147,059
Repayment of long-term debt	(94,699)	(56,684)
Proceeds from issue of bonds	199,934	100,000
Payment for redemption of bonds	(5,888)	(44,273)
Payment for purchase of treasury stock	(1,372)	(1,625)
Proceeds from sale of treasury stock	667	243
Payment for purchase of treasury stock by the consolidated subsidiary	(976)	(4,747)
Cash dividends paid	(22,432)	(21,949)
Cash dividends paid to minority shareholders	(19,104)	(26,645)
Other	3,354	155
Net cash provided by financing activities	26,684	174,208
Effect of exchange rate fluctuation on cash and cash equivalents	(16,226)	9,091
Net increase (decrease) in cash and cash equivalents	(27,590)	51,553
Cash and cash equivalents at beginning of year	52,307	68,457
Net increase (decrease) in cash and cash equivalents from new consolidation/de-consolidation of subsidiaries	43,740	(1,505)
Net increase (decrease) in cash and cash equivalents from merger of a consolidated subsidiaries	-	292
Cash and cash equivalents at end of year	68,457	118,797

NOTES ON PREMISE OF GOING CONCERN

There is no matter that fall under this item.

SIGNIFICANT ACCOUNTING POLICIES

1. Scope of consolidation

(1) Consolidated subsidiaries: 285 companies

Major consolidated subsidiaries: Kirin Brewery Company, Limited, Kyowa Hakko Kirin Co., Ltd., Kirin Beverage Co., Ltd., Mercian Corporation, Lion Nathan National Foods Pty Ltd

The following table shows changes in the consolidation scope for the fiscal year.

	Reason for the change	Companies	Major subsidiaries
Increase	Increase in materiality	1	Subsidiary of Kyowa Hakko Kirin Co., Ltd.
	Additional acquisition of shares	2	Affiliated company of Kirin Beverage Co., Ltd. Affiliated company of Kirin Kyowa Foods Company, Limited
Decrease	Sale of shares	6	Kirin Hotels Development Co., Ltd. Kirin Yakult NextStage Company, Limited Tsurumi Warehouse Co., Ltd. Raymond Vineyard & Cellar, Inc. 2 subsidiaries of Lion Nathan National Foods Pty Ltd
	Liquidation, etc.	79	Kirin International Trading Inc. Subsidiary of Kirin Beverage Co., Ltd. Subsidiary of Kyowa Hakko Kirin Co., Ltd. 76 subsidiaries of Lion Nathan Ltd.
	Merger	4	Kirin Food-Tech Company, Limited Subsidiary of Kirin Techno-System Company, Limited Subsidiary of Kirin Agribio EC B.V. Subsidiary of The Coca-Cola Bottling Company of Northern New England, Inc.

(2) Major unconsolidated subsidiaries: Koiwai Shokuhin Corporation

Certain subsidiaries are excluded from the scope of consolidation scope because the effect of their total assets, sales, net income or losses (amount corresponding to interests), and retained earnings (amount corresponding to interests) on the accompanying consolidated financial statements are immaterial.

2. Scope of application of equity method

(1) Unconsolidated subsidiaries accounted for by the equity method: 1 company

Unconsolidated subsidiary: Japan Synthetic Alcohol Co., Ltd.

The Company has obtained the majority of the voting rights of Japan Synthetic Alcohol Co., Ltd., however, the company is regarded as an unconsolidated subsidiary accounted for by the equity method because its equity interest is low and its effect on the consolidated financial statements is immaterial.

(2) Affiliated companies accounted for by the equity method: 24 companies

Major affiliated companies: San Miguel Brewery, Inc.

The following table shows changes in the scope of application of the equity method for the fiscal year.

	Reason for the change	Companies	Major affiliated companies
Increase	New acquisition	1	San Miguel Brewery Inc.
	New establishment	2	Diageo Kirin Company, Limited Affiliate of Lion Nathan National Foods Pty Ltd
Decrease	Sales of shares	3	San Miguel Corporation 2 affiliates of Lion Nathan National Foods Pty Ltd
	Additional acquisition of shares	2	Affiliate of Kirin Beverage Co., Ltd. Affiliate of Kirin Kyowa Foods Company, Limited

(3) Certain investments in unconsolidated subsidiaries including Koiwai Shokuhin Corporation and affiliates including Diamond Sports Club Co., Ltd. were not accounted for by the equity method, and were stated at cost because the effects of their net income or losses and retained earnings on the accompanying consolidated financial statements are immaterial.

(4) Where fiscal year-ends of the affiliated companies accounted for by the equity method are different from that of the Company, the Company mainly uses their financial statements as of their fiscal year-ends.

- (5) The Company recognized San Miguel Brewery Inc. (the fiscal year-end is December 31) acquired in the second quarter of the Company in equity of earnings of its financial statements based on its third quarter financial statements. It is difficult for the Company to prepare its consolidated financial statements based on the final year-end figures of San Miguel Brewery Inc. due to the early disclosure of the consolidated business performance. As a result, the consolidated statements of income of the Company for the year ended December 31, 2009 includes the financial results of San Miguel Brewery Inc. for six months from April 1, 2009 to September 30, 2009

3. Fiscal year-end of the consolidated subsidiaries

The following table shows the main consolidated subsidiaries whose fiscal year-ends are different from that of the Company.

Consolidated subsidiaries	Fiscal year-end
Lion Nathan Ltd. (i and ii)	September 30
Kirin Agribio Company, Limited (i)	September 30
Kirin Agribio EC B.V. (i)	September 30

- (i) The Company used the financial statements of the companies as of their fiscal year-ends and for the years then ended for consolidation. However, if there were significant transactions between their fiscal year-ends and that of the Company, necessary adjustments were made.
- (ii) Lion Nathan Ltd. was acquired on October 1, 2009 (the deemed acquisition date) and became a wholly-owned subsidiary. The Company records goodwill incurred from additional acquisition in the consolidated balance sheet of the fiscal year. The beginning for amortization of goodwill corresponds to the inception of consolidation of Lion Nathan Ltd. in the following fiscal year.
- (iii) Kyowa Hakko Kirin Co., Ltd. changed its fiscal year-end from March 31 to December 31 effective from the fiscal year. As the Company has used the financial statements of Kyowa Hakko Kirin Co., Ltd. based on preliminary statements as of the Company's fiscal year-end and for the years then ended for consolidation since Kyowa Hakko Kirin Co., Ltd. became a subsidiary, there is no effect on the net income or retained earnings of the Company as of December 31, 2009.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

1. Changes in valuation standards and methods

Inventories

Inventories held for sale in the ordinary course of business were previously stated using mainly the cost method. From the fiscal year the Company has applied the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 of July 5 2006), and inventories are now valued mainly using the cost method with book value written down to the net realizable value in cases where there has been a material decline in value.

As a result of this change, operating income decreased by ¥1,715 million, ordinary income decreased by ¥208 million and income before income taxes and minority interests decreased by ¥1,150 million for the fiscal year.

2. Adoption of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

From the fiscal year, the Company has applied the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No. 18 of May 17, 2006), and made the necessary adjustments to its financial statements.

As a result, beginning retained earnings decreased by ¥6,355 million due to the amortization of goodwill at overseas subsidiaries. The effect on net income for the fiscal year of this change is immaterial.

3. Adoption of accounting standard for lease transactions

Finance leases, except for those leases under which the ownership of the leased assets was considered to be transferred to the lessee, were accounted for in the same method as operating leases. However, from the fiscal year the Company has applied the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 of June 17, 1993 (First Committee of the Business Accounting Council); revised on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 of January 18, 1994 (Japanese Institute of Certified Public Accountants, Committee on Accounting Systems); revised on March 30, 2007), and accordingly such transactions are now based on capital lease method. For finance lease transactions other than those involving a transfer of title that began prior to the application of the new accounting standards, the previous operating lease method will continue to be applied.

The effect on net income for the fiscal year of this change is immaterial.

(Additional information)

Change in useful life of property, plant and equipment

In line with a revision of the Corporation Tax Law in fiscal 2008, from the fiscal year the Company and its consolidated subsidiaries in Japan have changed their estimates for the useful lives of part of machinery.

As a result, operating income decreased by ¥5,304 million, and ordinary income and income before income taxes and minority interests each decreased by ¥5,301 million for the fiscal year.

CHANGES IN PRESENTATION

(CONSOLIDATED BALANCE SHEET)

From the fiscal year, the Company has applied the "Cabinet Office Ordinance No. 50 for Practical Amendment to the Regulation for Terminology, Forms and Preparation of Financial Statements (August 7, 2008)," and the accounts presented as "Inventories" in the fiscal year ended December 31, 2008 have been reclassified into "Merchandise and finished goods," "Work in process" and "Raw materials and supplies." "Merchandise and finished goods," "Work in process" and "Raw materials and supplies" included in "Inventories" for the prior fiscal year amounted to ¥152,289 million, ¥24,141 million and ¥42,889 million, respectively.

Also, "Marketable securities" which amounted to ¥128 million for the fiscal year is included in "Other" of "Current Assets," because it became immaterial. And "Reserve for repair and maintenance" which amounted to ¥831 million, which was included in "Other" of "Current Liabilities" for the fiscal year ended December 31, 2008, is separately presented in "Reserve for repair and maintenance" of "Current Liabilities," because it became material.

(CONSOLIDATED STATEMENTS OF INCOME)

"Loss on sale and disposal of finished goods" which amounted to ¥114 million for the fiscal year is included in "Other" of "Non-operating expenses," because it became immaterial.

Also, "Reversal of allowance for doubtful accounts" which amounted to ¥45 million and "Gain on change in equity" which amounted to ¥42 million for the fiscal year are included in "Other" of "Special income," because they became immaterial.

(CONSOLIDATED STATEMENTS OF CASH FLOWS)

"Proceeds from sale of shares of subsidiaries with consolidation/de-consolidation" amounted to ¥101 million which was included in "Other" of "Cash flows from investing activities" for the fiscal year ended December 31, 2008, is separately presented in "Proceeds from sale of shares of subsidiaries with consolidation/de-consolidation" of "Cash flows from investing activities," because it became material.

"Gain or loss on change in equity" which amounted to (¥42) million for the fiscal year is included in "Other" of "Cash flows from operating activities," because it became immaterial.

"Proceeds from acquisition of shares of newly consolidate subsidiaries" which amounted to ¥63 million for the fiscal year is included in "Other" of "Cash flows from investing activities," because it became immaterial.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(CONSOLIDATED STATEMENTS OF INCOME)

*1. Foreign currency translation gain

Loss on currency swaps and forward foreign exchange contracts (¥16,597 million) that are carried to hedge the foreign exchange rates fluctuation risks for loans receivable in foreign currency is presented in "Foreign currency translation gain" of "Non-operating income" after offsetting foreign currency translation gain.

*2 Loss on impairment

In 2009, the Company and its consolidated subsidiaries classified fixed assets into groups by the respective type of business (Alcohol Beverages, Soft Drinks and Foods, Pharmaceuticals, and Other), which are the units making investment decisions.

Use	Location	Type
Alcohol Beverages production equipment	Shioya-gun, Tochigi and 7 others	Buildings and structures, machinery, equipment and vehicles, land and other
Soft Drinks and Foods production equipment	South Australia, Australia and 2 others	Buildings and structures, machinery, equipment and vehicles, and tools
Rental property	Taisho-ku, Osaka	Buildings and structures, and land
Idle properties	Itabashi-ku, Tokyo and 3 others	Buildings and structures, machinery, equipment and vehicles, land and other

For fixed assets in the real estate business included in others, the restaurant business and idle properties along with individual properties or stores are considered to constitute a group. Head office and welfare facilities are classified as corporate assets because they do not generate cash flows independent of other assets or group of assets.

Carrying amounts of certain assets were devalued to their memorandum value or recoverable amount because (i) It became clear that Tochigi and Hokuriku plants of Kirin Brewery Company, Limited in Alcohol Beverages business would no longer be utilized as a result of their reorganization and Kirin Hiroshima Brewery would no longer be utilized as a result of the plan of its shutting down, (ii) Some of assets used for Soft Drinks and Foods business are being reorganized as production equipment, (iii) carrying amounts of rental properties were not recovered by estimated future cash flows, and (iv) carrying amounts of idle properties were devalued to their recoverable amounts, owing to substantial decline in their fair market value.

During the fiscal year ended December 31, 2009, the Company and its consolidated subsidiaries recognized loss on impairment on the following group of assets.

As a result, the Company recognized a loss on impairment, recorded under special expenses, comprising ¥13,319 million for buildings and structures, ¥9,351 million for machinery, equipment and vehicles, ¥7,534 million for land, ¥144 million for other property, plant and equipment, ¥379 million for other intangible assets, and ¥7,815 million for removal costs.

The recoverable amount of each group of assets is the higher of net selling price (fair value less cost to sell) or value in use calculated

by discounting future cash flows at an interest rate of 5.0 %.

For the Kirin Brewery Company, Limited, value in use of the depreciation assets related to the plants reorganization is calculated by the depreciation expense equivalents until the cessation of manufacture.

Besides the above, due to a decline in premium brand profitability at consolidated subsidiaries in Australia, loss on impairment of other intangible assets, in the amount of ¥299 million, was recognized.

(SEGMENT INFORMATION)

a. Business segment information

(¥ millions)

Fiscal year ended December 31, 2008							
	Alcohol Beverages	Soft Drinks and Foods	Pharma- ceuticals	Others	Total	Eliminations or Corporate	Consolidated
1. Sales and operating income:							
Sales							
Unaffiliated customers	1,181,509	716,688	171,517	233,853	2,303,569	-	2,303,569
Inter-segment	37,046	4,845	428	33,334	75,654	(75,654)	-
Total sales	1,218,556	721,533	171,946	267,187	2,379,223	(75,654)	2,303,569
Operating expenses	1,108,566	715,102	143,745	248,907	2,216,321	(58,730)	2,157,591
Operating income	109,989	6,431	28,200	18,280	162,901	(16,924)	145,977
2. Assets, depreciation, loss on impairment and capital expenditures:							
Assets	1,075,161	607,995	401,978	368,909	2,454,045	165,578	2,619,623
Depreciation and amortization	47,422	26,450	7,628	12,341	93,843	1,908	95,751
Loss on impairment	1,418	26	1,751	367	3,564	-	3,564
Capital expenditures	60,834	30,450	5,267	14,830	111,383	17,058	128,441

Business segments are classified based on business management framework in consideration of the type and nature of products.

Main products by each business segment are as follows:

Business segment	Main products
Alcohol Beverages	Beer, sparkling malt liquor (<i>happo-shu</i>), new genre, whiskey, spirits, wine, engineering, logistics, etc.
Soft Drinks and Foods	Soft drinks, foods, health foods & functional foods, etc.
Pharmaceuticals	Pharmaceutical products
Others	Biochemical, chemical, floriculture, etc.

Unallocable operating expenses included in "Eliminations or Corporate" amount to ¥17,854 million, mainly consist of ¥14,779 million for Group administrative expenses due to the Company's transfer to a pure holding company and ¥3,074 million for research and development of basic technologies.

Corporate assets included in "Eliminations or Corporate" mainly consist of surplus funds (cash and marketable securities), long-term investments (investment securities and life insurance investments), and assets which belong to administrative department of the Company.

Year ended December 31, 2008 ¥576,293 million

(¥ millions)

Fiscal year ended December 31, 2009							
	Alcohol Beverages	Soft Drinks and Foods	Pharmaceuticals	Others	Total	Eliminations or Corporate	Consolidated
1. Sales and operating income:							
Sales							
Unaffiliated customers	1,097,694	735,032	206,760	238,986	2,278,473	-	2,278,473
Inter-segment	35,639	5,760	622	32,227	74,250	(74,250)	-
Total sales	1,133,333	740,793	207,383	271,213	2,352,724	(74,250)	2,278,473
Operating expenses	1,030,532	733,693	173,048	267,359	2,204,634	(54,595)	2,150,038
Operating income	102,800	7,099	34,334	3,854	148,089	(19,654)	128,435
2. Assets, depreciation, loss on impairment and capital expenditures:							
Assets	1,305,175	661,590	421,781	372,036	2,760,582	100,611	2,861,194
Depreciation and amortization	48,441	27,716	10,913	17,036	104,107	1,766	105,874
Loss on impairment	28,265	5,838	4,290	111	38,507	336	38,843
Capital expenditures	51,853	17,816	17,152	18,418	105,239	13,008	118,248

Business segments are classified based on business management framework in consideration of the type and nature of products.

Main products by each business segment are as follows:

Business segment	Main products
Alcohol Beverages	Beer, sparkling malt liquor (<i>happo-shu</i>), new genre, whiskey, spirits, wine, engineering, logistics, etc.
Soft Drinks and Foods	Soft drinks, foods, health foods & functional foods, etc.
Pharmaceuticals	Pharmaceutical products
Others	Biochemical, chemical, floriculture, etc.

Unallocable operating expenses included in "Eliminations or Corporate" amount to ¥19,441 million, mainly consist of ¥16,380 million for Group administrative expenses due to the Company's transfer to a pure holding company and ¥3,060 million for research and development of basic technologies.

Corporate assets included in "Eliminations or Corporate" mainly consist of surplus funds (cash and marketable securities), long-term investments (investment securities and life insurance investments), and assets which belong to administrative department of the Company.

Year ended December 31, 2009 ¥484,893 million

b. Geographical segment information

(¥ millions)

Fiscal year ended December 31, 2008						
	Japan	Asia / Oceania	Others	Total	Eliminations or Corporate	Consolidated
1. Sales and operating income:						
Sales						
Unaffiliated customers	1,787,875	438,097	77,596	2,303,569	-	2,303,569
Inter-segment	20,332	3,726	7,781	31,840	(31,840)	-
Total sales	1,808,208	441,823	85,377	2,335,409	(31,840)	2,303,569
Operating expenses	1,688,591	406,063	77,428	2,172,083	(14,491)	2,157,591
Operating income	119,616	35,760	7,949	163,326	(17,349)	145,977
2. Assets	1,659,115	632,128	174,351	2,465,594	154,029	2,619,623

(¥ millions)

Fiscal year ended December 31, 2009						
	Japan	Asia / Oceania	Others	Total	Eliminations or Corporate	Consolidated
1. Sales and operating income:						
Sales						
Unaffiliated customers	1,759,670	443,835	74,967	2,278,473	-	2,278,473
Inter-segment	26,020	3,596	8,283	37,900	(37,900)	-
Total sales	1,785,691	447,431	83,251	2,316,374	(37,900)	2,278,473
Operating expenses	1,676,573	416,380	75,960	2,168,913	(18,874)	2,150,038
Operating income	109,118	31,051	7,291	147,461	(19,025)	128,435
2. Assets	1,613,391	998,601	155,536	2,767,529	93,665	2,861,194

Geographical distances are considered in classification of country or area.

Major countries or areas included in each segment except for Japan are as follows:

Asia/Oceania	East Asia, Southeast Asia, Oceania
Others	U.S.A., Europe

Amounts and major items included in "Eliminations or Corporate" are the same as those described in "a. Business segment information."

c. Overseas sales

(¥ millions)			
Fiscal year ended December 31, 2008			
	Asia/ Oceania	Others	Total
Overseas sales	465,604	107,191	572,795
Consolidated sales	-	-	2,303,569
Percentage of overseas sales over consolidated sales	20.2%	4.7%	24.9%

(¥ millions)			
Fiscal year ended December 31, 2009			
	Asia/ Oceania	Others	Total
Overseas sales	468,881	95,063	563,945
Consolidated sales	-	-	2,278,473
Percentage of overseas sales over consolidated sales	20.6%	4.2%	24.8%

Geographical distances are considered in classification of country or area.

Major countries or areas included in each segment except for Japan are as follows:

Asia/Oceania	East Asia, Southeast Asia, Oceania
Others	U.S.A., Europe

Overseas sales represent sales of the Company and its consolidated subsidiaries to countries and areas outside of Japan.

(OMISSION OF DISCLOSURE)

Disclosure of information regarding lease transactions, related parties transaction, deferred income taxes, securities, derivative transactions, employees' pension and retirement benefits, stock options and business combinations are omitted because the need for such disclosure in the Summary of Consolidated Financial Statements is considered immaterial.

(PER SHARE INFORMATION)

Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Net assets per share: ¥ 972.19	Net assets per share: ¥ 1,029.35
Net income per share (Primary): ¥ 84.01	Net income per share (Primary): ¥ 51.54
Net income per share (Diluted) was not presented because there was no potential common stock outstanding which is dilutive.	Same as on the left

Note 1: The basis for calculation was as follows:

		Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Total net assets	(¥ millions)	1,149,998	1,198,869
Amounts deducted from total net assets	(¥ millions)	222,185	217,546
(Subscription rights to shares included in the above)	(¥ millions)	(162)	(196)
(Minority interests included in the above)	(¥ millions)	(222,023)	(217,350)
Net assets attributable to common stock at the end of year	(¥ millions)	927,812	981,322
Number of common stock used to calculate net assets per share at the end of year	(thousands of shares)	954,350	953,341

Note 2: The basis for calculation of Net income per share was as follows:

		Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Net income per share			
Net income	(¥ millions)	80,182	49,172
Amounts not attributable to common stock	(¥ millions)	-	-
Net income attributable to common stock	(¥ millions)	80,182	49,172
Average number of common stock outstanding during the year	(thousands of shares)	954,466	954,063

(SIGNIFICANT SUBSEQUENT EVENTS)

There is no matter that fall under this item.

NON-CONSOLIDATED FINANCIAL STATEMENTS **NON-CONSOLIDATED BALANCE SHEETS**

(¥ millions)

	As of December 31, 2008	As of December 31, 2009
ASSETS		
Current Assets		
Cash	20,866	15,325
Accounts receivable, trade	328	318
Deferred tax assets	3,215	629
Short-term loans receivable from subsidiaries and affiliates	182,569	270,735
Income tax receivable	9,070	16,935
Consumption tax receivable	8,140	-
Other	10,545	15,139
Allowance for doubtful accounts	(5,554)	(1,111)
Total Current Assets	229,181	317,973
Fixed Assets		
Property, Plant and Equipment		
Buildings (Purchase price)	82,271	101,654
Less accumulated depreciation	(45,730)	(46,722)
Buildings (Book value)	36,541	54,931
Structures (Purchase price)	6,796	7,003
Less accumulated depreciation	(4,719)	(4,812)
Structures (Book value)	2,076	2,191
Machinery and equipment (Purchase price)	2,029	1,883
Less accumulated depreciation	(1,756)	(1,667)
Machinery and equipment (Book value)	272	215
Vehicles (Purchase price)	74	75
Less accumulated depreciation	(45)	(56)
Vehicles (Book value)	28	18
Tools (Purchase price)	9,263	9,382
Less accumulated depreciation	(6,558)	(6,733)
Tools (Book value)	2,704	2,649
Land	26,717	24,886
Construction in progress	12,738	2,603
Total	81,080	87,496
Intangible Assets		
Leasehold rights	60	60
Trademarks	9	24
Utility rights	17	32
Total	87	117

(¥ millions)

	As of December 31, 2008	As of December 31, 2009
Investments and Other Assets		
Investment securities	124,442	112,799
Investments in subsidiaries and affiliates (capital stock)	756,271	1,141,942
Other investments	6	6
Investments in equity of subsidiaries and affiliates (other than capital stock)	18,620	21,343
Long-term loans receivable	338	338
Long-term loans receivable from subsidiaries and affiliates	141,076	9,105
Receivables from debtors in bankruptcy or reorganization proceedings	12,141	3,139
Deferred tax assets	22,861	23,484
Currency swap	20,085	-
Other	7,585	7,116
Allowance for doubtful accounts	(9,897)	(2,976)
Total	1,093,533	1,316,299
Total Fixed Assets	1,174,700	1,403,912
TOTAL ASSETS	1,403,882	1,721,886

(¥ millions)

	As of December 31, 2008	As of December 31, 2009
LIABILITIES		
Current Liabilities		
Notes payable, trade	120	105
Short-term loans payable and long-term debt with current maturities	78,900	224,287
Short-term loans payable to subsidiaries and affiliates	62,399	78,774
Bonds due within one year	40,000	-
Other accounts payable	5,077	6,896
Accrued expenses	2,582	2,510
Income taxes payable	1,052	-
Allowance for employees' bonuses	506	438
Allowance for bonuses for directors and corporate auditors	137	165
Other	381	2,310
Total Current Liabilities	191,156	315,490
Long-term Liabilities		
Bonds	199,941	299,950
Long-term debt	163,887	199,400
Long-term debt from subsidiaries and affiliates	3,195	3,400
Employees' pension and retirement benefits	263	224
Reserve for loss on repurchase of land	1,068	1,170
Other	26,223	28,160
Total Long-term Liabilities	394,578	532,306
TOTAL LIABILITIES	585,734	847,796

(¥ millions)

	As of December 31, 2008	As of December 31, 2009
NET ASSETS		
Shareholders' Equity		
Common stock	102,045	102,045
Capital surplus		
Additional paid-in capital	70,868	70,868
Other capital surplus	668	713
Total capital surplus	71,536	71,582
Retained earnings		
Legal reserve	25,511	25,511
Other retained earnings		
Reserve for special depreciation	27	4
Reserve for deferred gain on sale of property	1,336	1,299
General reserve	554,367	540,367
Retained earnings brought forward	76,081	150,164
Total retained earnings	657,325	717,348
Treasury stock, at cost	(29,058)	(30,485)
Total shareholders' equity	801,849	860,490
Valuation and Translation Adjustments		
Net unrealized holding gains on securities	16,306	13,599
Deferred gains or losses on hedges	(7)	-
Total Valuation and Translation Adjustments	16,298	13,599
TOTAL NET ASSETS	818,147	874,090
TOTAL LIABILITIES AND NET ASSETS	1,403,882	1,721,886

NON-CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Operating revenue		
Group management revenue	13,075	12,100
Revenue from real estate business	5,735	6,230
Dividends revenue from subsidiaries and affiliates	55,725	89,762
Total	74,536	108,093
Operating expenses		
Expenses on real estate business	2,947	3,672
General and administrative expenses	18,093	20,230
Total	21,041	23,902
Operating income	53,495	84,191
Non-operating income		
Interest income	7,602	5,902
Security interest	96	13
Dividend income	3,346	2,472
Rental income	1,726	1,136
Foreign currency translation gain	-	2,909
Other	1,554	966
Total	14,325	13,400
Non-operating expenses		
Interest expense	7,619	5,614
Interest on bonds	2,691	3,109
Doubtful accounts expense	6,939	2
Expenses of reserve for loss on repurchase of land	332	102
Other	3,164	4,232
Total	20,746	13,061
Ordinary income	47,074	84,529

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Special income		
Gain on sale of fixed assets	4,143	5,334
Reversal of allowance for doubtful accounts	-	8,579
Gain on sale of investment securities	2,250	10,689
Gain on sale of shares of subsidiaries and affiliates	-	1,748
Compensation income for expropriation	332	-
Other	-	129
Total	6,726	26,481
Special expenses		
Loss on retirement of fixed assets	439	196
Loss on sale of fixed assets	51	487
Loss on impairment	187	336
Loss on devaluation of investment securities	9	1,065
Loss on sale of investment securities	600	-
Loss on devaluation of investments in subsidiaries and affiliates	22,902	1,437
Loss on sale of investments in subsidiaries and affiliates	-	23,498
Doubtful accounts expense on receivables from subsidiaries and affiliates	2,649	-
Total	26,841	27,022
Income before income taxes	26,959	83,988
Income taxes		
Income taxes - current	6,300	-
Refund of Income taxes	-	(1,800)
Income taxes - deferred	(7,024)	3,816
Total	(724)	2,016
Net income	27,684	81,972

NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Shareholders' equity		
Common stock		
Balance at the end of previous period	102,045	102,045
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	102,045	102,045
Capital surplus		
Additional paid-in capital		
Balance at the end of previous period	70,868	70,868
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	70,868	70,868
Other capital surplus		
Balance at the end of previous period	485	668
Changes of items during the period		
Disposal of treasury stock	182	45
Total changes of items during the period	182	45
Balance at the end of current period	668	713
Total capital surplus		
Balance at the end of previous period	71,353	71,536
Changes of items during the period		
Disposal of treasury stock	182	45
Total changes of items during the period	182	45
Balance at the end of current period	71,536	71,582
Retained earnings		
Legal reserve		
Balance at the end of previous period	25,511	25,511
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	25,511	25,511
Other retained earnings		
Reserve for special depreciation		
Balance at the end of previous period	71	27
Changes of items during the period		
Reversal of reserve for special depreciation	(43)	(23)
Total changes of items during the period	(43)	(23)
Balance at the end of current period	27	4

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Reserve for deferred gain on sale of property		
Balance at the end of previous period	1,412	1,336
Changes of items during the period		
Reversal of reserve for deferred gain on sale of property	(76)	(36)
Total changes of items during the period	(76)	(36)
Balance at the end of current period	1,336	1,299
General reserve		
Balance at the end of previous period	531,367	554,367
Changes of items during the period		
Provision for general reserve	23,000	-
Reversal of general reserve	-	(14,000)
Total changes of items during the period	23,000	(14,000)
Balance at the end of current period	554,367	540,367
Retained earnings brought forward		
Balance at the end of previous period	93,709	76,081
Changes of items during the period		
Reversal of reserve for special depreciation	43	23
Reversal of reserve for deferred gain on sale of property	76	36
Provision for general reserve	(23,000)	-
Reversal of general reserve	-	14,000
Dividends from surplus	(11,456)	(10,975)
Dividends from surplus (interim dividends)	(10,975)	(10,973)
Net income	27,684	81,972
Total changes of items during the period	(17,628)	74,083
Balance at the end of current period	76,081	150,164
Total retained earnings		
Balance at the end of previous period	652,073	657,325
Changes of items during the period		
Reversal of reserve for special depreciation	-	-
Reversal of reserve for deferred gain on sale of property	-	-
Provision for general reserve	-	-
Reversal of general reserve	-	-
Dividends from surplus	(11,456)	(10,975)
Dividends from surplus (interim dividends)	(10,975)	(10,973)
Net income	27,684	81,972
Total changes of items during the period	5,251	60,023
Balance at the end of current period	657,325	717,348

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Treasury stock		
Balance at the end of previous period	(28,170)	(29,058)
Changes of items during the period		
Acquisition of treasury stock	(1,372)	(1,625)
Disposal of treasury stock	484	198
Total changes of items during the period	(887)	(1,427)
Balance at the end of current period	(29,058)	(30,485)
Total shareholders' equity		
Balance at the end of previous period	797,302	801,849
Changes of items during the period		
Dividends from surplus	(11,456)	(10,975)
Dividends from surplus (interim dividends)	(10,975)	(10,973)
Net income	27,684	81,972
Acquisition of treasury stock	(1,372)	(1,625)
Disposal of treasury stock	667	243
Total changes of items during the period	4,546	58,641
Balance at the end of current period	801,849	860,490
Valuation and translation adjustments		
Net unrealized holding gains on securities		
Balance at the end of previous period	74,169	16,306
Changes of items during the period		
Net changes of items other than shareholders' equity	(57,863)	(2,706)
Total changes of items during the period	(57,863)	(2,706)
Balance at the end of current period	16,306	13,599
Deferred gains or losses on hedges		
Balance at the end of previous period	(41)	(7)
Changes of items during the period		
Net changes of items other than shareholders' equity	34	7
Total changes of items during the period	34	7
Balance at the end of current period	(7)	-
Total valuation and translation adjustments		
Balance at the end of previous period	74,127	16,298
Changes of items during the period		
Net changes of items other than shareholders' equity	(57,828)	(2,699)
Total changes of items during the period	(57,828)	(2,699)
Balance at the end of current period	16,298	13,599

(¥ millions)

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Total net assets		
Balance at the end of previous period	871,430	818,147
Changes of items during the period		
Dividends from surplus	(11,456)	(10,975)
Dividends from surplus (interim dividends)	(10,975)	(10,973)
Net income	27,684	81,972
Acquisition of treasury stock	(1,372)	(1,625)
Disposal of treasury stock	667	243
Net changes of items other than shareholders' equity	(57,828)	(2,699)
Total changes of items during the period	(53,282)	55,942
Balance at the end of current period	818,147	874,090

NOTES ON PREMISE OF GOING CONCERN

There is no matter that fall under this item.

Supplementary Documents to the Financial Statements for the Year Ended December 31, 2009

1. Results of Operations
2. Sales Details
3. Profit Breakdown for the Fiscal Year (Actual)
4. Major Expenses and Others
5. Major Fluctuations of Balance Sheets
6. Profit Breakdown for the Next Fiscal Year (Forecast)

(Reference Material)

1. Guide to Kirin Group Consolidated Financial Indices
2. Information by Segment
3. Results of Operations by Major Companies (Consolidated)
4. Sales Details of Alcohol Beverages (Kirin Brewery Company, Ltd.)
5. Sales Details of Soft Drink Beverages (Kirin Beverage Group)
6. Sales of Major Pharmaceuticals (Kyowa Hakko Kirin Co., Ltd.)
7. New Group Structure in Oceania

KIRIN HOLDINGS COMPANY, LIMITED

February 10, 2010

1. Results of Operations

(¥ billions)					
	2008		2009		2010
	Actual		Actual		Forecast
(year-on-year rate)					
Sales	2,303.5	27.9%	2,278.4	(1.1%)	2,220.0 (2.6%)
Operating income	145.9	21.0%	128.4	(12.0%)	133.0 3.6%
Ordinary income	103.0	(16.5%)	144.6	40.3%	125.0 (13.6%)
Net income	80.1	20.2%	49.1	(38.7%)	48.0 (2.4%)
EBITDA *	264.6	24.2%	212.8	(19.6%)	280.0 31.6%

2008 Annual Actual EBITDA = ¥264.6 billion (excluding non-recurring depreciation and gain on change in equity):

Operating income ¥145.9 billion + equity in earnings of affiliates ¥11.8 billion + depreciation ¥95.9 billion + amortization of goodwill ¥20.8 billion + special income and expenses (¥9.9) billion

2009 Annual Actual EBITDA = ¥212.8 billion:

Operating income ¥128.4 billion + equity in earnings of affiliates ¥8.9 billion + depreciation ¥105.8 billion + amortization of goodwill ¥21.6 billion + special income and expenses (¥52.0) billion

2010 Annual Forecast EBITDA = ¥280.0 billion:

Operating income ¥133.0 billion + equity in earnings of affiliates ¥9.0 billion + depreciation ¥110.0 billion + amortization of goodwill ¥33.0 billion + special income and expenses (¥5.0) billion

2. Sales Details

	2008		2009		2010	
	Actual		Actual		Forecast	
(year-on-year rate)						
Sales volume	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)
Alcohol beverages						
Beer, <i>Happo-shu</i> and New genre	3,325	(1.8%)	3,259	(2.0%)	3,295	1.1%
Million cases			Million cases		Million cases	
Soft drinks *1	241	0.5%	225	(6.6%)	226	0.6%
Sales by business segment	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)
(year-on-year rate)						
Total sales	2,303.5	27.9%	2,278.4	(1.1%)	2,220.0	(2.6%)
Alcohol Beverages	1,181.5	(0.7%)	1,097.6	(7.1%)	1,115.0	1.6%
Beer, <i>Happo-shu</i> and New genre	959.7	(1.1%)	891.7	(7.1%)	915.0	2.6%
Other alcohol beverages *2	173.4	(6.0%)	170.2	(1.8%)	167.0	(1.9%)
Other	48.3	41.7%	35.6	(26.3%)	33.0	(7.4%)
Soft Drinks and Foods	716.6	51.0%	735.0	2.6%	672.0	(8.6%)
Pharmaceuticals	171.5	145.3%	206.7	20.5%	205.0	(0.9%)
Other business	233.8	247.9%	238.9	2.2%	228.0	(4.6%)
Biochemical	59.1	-	79.4	34.4%	71.0	(10.7%)
Chemical	67.1	-	55.7	(17.0%)	115.0	106.3%
Other	107.5	60.0%	103.7	(3.5%)	42.0	(59.5%)

*1 The figures do not include the Soft Drinks business of Lion Nathan National Foods Pty Ltd.

*2 The figures include beer-taste beverages.

3. Profit Breakdown for the Fiscal Year (Actual)

(¥ billions)

Segment	Company name	Major factors	Difference	Description
Alcohol Beverages	Kirin Brewery	Increase in marginal profit of alcohol beverages	5.0	Sales decrease in beer (68) thousand KL, (8.0) Sales decrease in <i>happo-shu</i> (85) thousand KL, (8.4) Sales increase in new genre 108 thousand KL, 11.8 Sales decrease in RTD (4) thousand KL, (0.2) Decrease in marginal profit of <i>shochu</i> , whiskey and spirits (0.7) Influence of revision of prices, Difference of change in products mix, etc.
		Cost reduction	0.4	Energy reduction 0.4
		Decrease in raw material cost of alcohol beverages	0.3	Increase in cost of malt (1.6), Increase in price for packing materials (0.9), Decrease in cost of starch 1.4, Decrease in cost of sugar and liquid sugar 1.0, Decrease in price of hops 0.3, etc.
		Decrease in selling cost	3.0	Decrease in sales promotion and advertising expenses 1.2; beer, <i>happo-shu</i> and new genre 0.5, RTD 1.1, <i>shochu</i> , whiskey and spirits 2.3, etc. Decrease in transportation cost 1.8
		Increase in other expenses	(7.3)	Increase in depreciation (5.5) (Including changes in useful lives (5.2)), etc.
	Total		1.4	
	Lion Nathan *1	Decrease in operating income	(9.8)	48.5 => 38.7
		Amortization of goodwill	0.5	(5.2) => (4.7)
		Brand amortization	2.0	(7.4) => (5.4)
	Total		(7.4)	
	Mercian		0.1	(0.0) => 0.1
	Others		(1.2)	
Total			(7.1)	FY2008 Actual 109.9 => FY2009 Actual 102.8
Soft Drinks and Foods	Kirin Beverage	Difference in volume of sales	(15.7)	Decrease in sales volume (14.03) million cases
		Cost reduction	2.0	Decrease in raw material cost, etc.
		Decrease in change of composition ratio of containers, etc.	(3.1)	Deduction of sales promotion expenses from sales (3.7), etc.
		Decrease in selling cost	13.9	Decrease in sales promotion and advertising expenses 11.6 (Deduction of sales promotion expenses from sales 3.7, Influence of new consolidation (0.7), etc.) Decrease in transportation cost 2.3
		Decrease in other expenses	0.0	Increase in labor cost (0.4), miscellaneous expenses 0.2, Transportation expenses 0.2, Influence of new consolidation (0.7), etc.
	Total		(3.0)	
	National Foods *1	Increase in operating income	3.5	8.1 => 11.6
		Amortization of goodwill	0.0	(6.8) => (6.8)
		Brand amortization	(0.8)	(2.7) => (3.5)
	Total		2.7	
	Others		0.9	
Total			0.6	FY2008 Actual 6.4 => FY2009 Actual 7.0
Pharmaceuticals	Kyowa Hakko Kirin *1 *2		6.1	Increase in gross profit 22.3 Increase in R&D expenses (3.5) Increase in other expenses (11.3) Amortization of goodwill (1.2)
Total			6.1	FY2008 Actual 28.2 => FY2009 Actual 34.3

(¥ billions)

Segment	Major factors	Difference	Description
Others	Kyowa Hakko Kirin Biochemical	(3.5)	7.4 => 3.9
	Kyowa Hakko Kirin Chemical	(9.0)	3.5 => (5.5)
	Others	(1.9)	
Total		(14.4)	FY2008 Actual 18.2 => FY2009 Actual 3.8
Eliminations or Corporate		(2.7)	FY2008 Actual (16.9) => FY2009 Actual (19.6)
Decrease in operating income		(17.5)	FY2008 Actual 145.9 => FY2009 Actual 128.4
Non-operating income and expenses	Financial profit or loss, net	5.0	(16.4) => (11.4)
	Equity in earnings and losses of affiliates	(2.9)	San Miguel *3 (4.5), San Miguel Brewery *3 0.5 (Equity in earnings of local affiliates 4.3, Amortization of consolidation difference (2.9), Brand amortization (0.7)), Kirin-Amgen (0.6), Former Kyowa Hakko Kogyo 1.2 (Including amortization of consolidation difference for prior year 1.0), etc.
	Foreign currency translation gain or loss	56.1	(37.2) => 18.9
	Others	0.8	
Total		59.0	
Increase in ordinary income		41.6	FY2008 Actual 103.0 => FY2009 Actual 144.6
Special income and expenses	Gain on sale of fixed assets	(2.9)	Share exchange with former Kyowa Hakko Kogyo for prior year
	Gain on sale of investment securities	32.3	
	Loss on sale of fixed assets	(1.6)	
	Loss on impairment	(35.2)	
	Loss on sale of shares of subsidiaries and affiliates	(21.6)	
	Loss on devaluation of investment securities	(2.4)	
	Loss on sale of investment securities	(1.4)	
	Gain on change in equity	(72.6)	
	Compensation for expropriation	(9.5)	
	Other	0.2	
Total		(114.7)	
Income taxes and minority interests	Income taxes	39.4	
	Minority interests	2.6	
Total		42.1	
Decrease in net income		(31.0)	FY2008 Actual 80.1 => FY2009 Actual 49.1

*1 The above figures are reclassified for consolidated financial statements and presented after reclassification.

*2 The figures shown include those of former Kirin Pharma for the three months ended March 31, 2008 (actual). On October 1, 2008, former Kyowa Hakko Kogyo and former Kirin Pharma merged to a new company, Kyowa Hakko Kirin.

*3 In May 2009, the Company completed the sale of San Miguel's shares and the acquisition of San Miguel Brewery's shares. For the actual results of fiscal year 2009, with regard to San Miguel, the Company uses its operating results for six months from October 2008 to March 2009, while with regard to San Miguel Brewery, the Company uses its operating results for six months from April 2009 to September 2009.

Exchange rate for overseas company	2008 Actual	2009 Actual
Lion Nathan (AUD)	¥97.38	¥70.04
National Foods (AUD)	¥88.00	¥74.57
San Miguel (PHP)	¥2.50	¥1.99
San Miguel Brewery (PHP)	-	¥1.99

4. Major Expenses and Others

(¥ billions)

	2008	2009	2010
	Actual	Actual	Forecast
Sales promotion	201.2	192.7	252.0
Advertising	72.0	68.2	
(Sales promotion and advertising expenses include in the above)			
Kirin Brewery			
Sales promotion	47.6	45.2	79.7
Advertising expenses	36.4	37.6	
Kirin Beverage *1			
Sales promotion	114.2	104.2	110.9
Advertising expenses	11.2	9.6	
Research and development expenses	54.0	58.5	60.0
Depreciation *2	95.9	105.8	110.0
Amortization of goodwill *3	22.3	21.6	33.0
Financial profit, net	(16.4)	(11.4)	(17.5)
Capital expenditures	126.0	110.2	100.0
Cash flows	(27.5)	51.5	(50.0)
Operating activities	131.2	189.9	210.0
Investing activities	(169.3)	(321.6)	(60.0)
Financing activities	26.6	174.2	(200.0)

*1 The amounts of Soft Drinks and Foods are those of consolidated Kirin Beverage.

*2 This amount includes brand amortization.

*3 Amortization of consolidation difference (including non-recurring depreciation), "Goodwill" amortization

5. Major Fluctuations of Balance Sheets

(¥ billions)

	As of December 31, 2008	As of December 31, 2009	Increase (Decrease)	Reference
ASSETS				
Current Assets				
Notes and accounts receivable, trade	446.6	423.8	(22.7)	Decrease in sales, etc.
Fixed Assets				
Machinery, equipment and vehicles	217.8	203.5	(14.3)	Decrease due to recording of loss on impairment at consolidated subsidiaries
Land	244.2	227.6	(16.5)	Decrease due to recording of loss on impairment at consolidated subsidiaries
Construction in progress	57.2	75.2	17.9	Increase due to capital expenditures at consolidated subsidiaries
Goodwill	343.9	605.2	261.2	Increase due to Australian subsidiary becoming a wholly-owned subsidiary, etc.
Other intangible assets	105.4	129.4	23.9	Increase due to influence of exchange rate fluctuations at consolidated subsidiaries in Australia, etc.
Investment securities	425.3	388.6	(36.7)	Decrease due to sale of investment securities at consolidated subsidiaries, etc.
LIABILITIES				
Current Liabilities				
Notes and accounts payable, trade	189.5	169.9	(19.6)	Decrease in amount of purchased goods
Short-term loans payable	119.1	259.4	140.2	Increase at Kirin Holdings, etc.
Bonds due within one year	44.1	12.5	(31.5)	Decrease due to redemption of bonds at Kirin Holding
Long-term Liabilities				
Bonds	242.8	324.9	82.0	Increase due to issuance of bonds at Kirin Holding, etc.
Long-term debt	257.7	300.5	42.8	Increase at Kirin Holdings, etc.
NET ASSETS				
Net unrealized holding gains on securities	37.4	18.2	(19.1)	Decrease due to sale of investment securities at consolidated subsidiaries, etc.
Foreign currency translation adjustments	(88.7)	(34.3)	54.3	Increase due to the yen depreciation, etc.

6. Profit Breakdown for the Next Fiscal Year (Forecast)

(¥ billions)

Segment	Company name	Major factors	Difference	Description
Alcohol Beverages	Kirin Brewery	Increase in marginal profit of alcohol beverages	0.0	Sales decrease in beer (44) thousand KL, (5.4) Sales decrease in <i>happo-shu</i> (69) thousand KL, (7.0) Sales increase in new genre 106 thousand KL, 11.7 Sales decrease in RTD (1) thousand KL, 0.0 Decrease in marginal profit of <i>shochu</i> , whiskey and spirits (0.7) Difference of change in products mix, etc.
		Decrease in raw material cost of alcohol beverages	2.2	Decrease in cost of sugar and liquid sugar, Decrease in cost of malt, Decrease in price for packing materials, Increase in cost of barley, etc.
		Decrease in selling cost	3.1	Decrease in sales promotion and advertising expenses 3.1, etc.
		Increase in other expenses	(3.2)	Decrease in depreciation 0.6 Increase in management fees and others (4.1), etc.
	Total		2.1	
	Lion Nathan National Foods *1 *2		(3.0)	28.4=> 25.4
	Others		3.1	Change in management fees and others, etc.
Total			2.2	FY2009 Actual 102.8 => FY2010 Forecast 105.0
Soft Drinks and Foods	Kirin Beverage	Difference in volume of sales	0.9	Increase in sales volume 0.88 million cases
		Cost reduction	1.0	Decrease in raw material cost, etc.
		Decrease in change of composition ratio of containers, etc.	(1.6)	Deduction of sales promotion expenses from sales (1.5), etc.
		Decrease in selling cost	4.0	Decrease in sales promotion and advertising expenses 3.0 (Deduction of sales promotion expenses from sales 1.5, etc.), Decrease in transportation cost 1.0
		Increase in other expenses	(3.1)	Increase in sales equipment cost (0.7), Increase in R&D expenses (0.4), Increase in information processing fee (0.4), Increase in labor cost (0.2), Increase in repair expenses (0.1), Decrease in depreciation 0.4, Increase in management fees and others (1.2), etc.
	Total		1.2	
	Lion Nathan National Foods *1 *2		2.6	1.3 => 3.9
Others		2.2	Change in management fees and others, etc.	
Total			6.0	FY2009 Actual 7.0 => FY2010 Forecast 13.0
Pharmaceuticals	Kyowa Hakko Kirin *1		(2.3)	Decrease in gross profit (1.7) Decrease in R&D expenses 0.2 Increase in other expenses (0.8)
Total			(2.3)	FY2009 Actual 34.3 => FY2010 Forecast 32.0
Others	Kyowa Hakko Kirin	Biochemical	0.1	3.9 => 4.0
	Kyowa Hakko Kirin	Chemical	8.5	(5.5) => 3.0
	Others		(6.4)	Lion Nathan National Foods corporate expenses, etc. *2
Total			2.2	FY2009 Actual 3.8 => FY2010 Forecast 6.0
Eliminations or Corporate			(3.4)	FY2009 Actual (19.6) => FY2010 Forecast (23.0)
Increase in operating income			4.6	FY2009 Actual 128.4 => FY2010 Forecast 133.0

(¥ billions)

Segment	Major factors	Difference	Description
Non-operating income and expenses	Financial profit or loss, net	(6.1)	(11.4) => (17.5)
	Equity in earnings and losses of affiliates	0	San Miguel Brewery *3 0.9 (Equity in earnings of local affiliates 4.5, Amortization of consolidation difference (3.0), Brand amortization (0.6)), etc.
	Foreign currency translation gain or loss	(18.9)	
	Others	0.8	
Total		(24.2)	
Decrease in ordinary income		(19.6)	FY2009 Actual 144.6 => FY2010 Forecast 125.0
Special income and expenses	Gain on sale of investment securities	(34.6)	
	Loss on impairment	38.8	
	Loss on devaluation of investment securities	8.3	
	Loss on sale of shares of subsidiaries and affiliates	21.6	
	Other	12.9	
Total		47.0	
Income taxes and minority interests	Income taxes	(27.5)	
	Minority interests	(1.0)	
Total		(28.5)	
Decrease in net income		(1.1)	FY2009 Actual 49.1 => FY2010 Forecast 48.0

*1 The above figures are reclassified for consolidated financial statements and presented after reclassification.

*2 For detail of new business structure for Oceania business, please refer to (Reference Material) 7. New Group Structure in Oceania on page 66.

*3 In May 2009, the Company completed the sale of San Miguel's shares and the acquisition of San Miguel Brewery's shares. For the forecasts for the year ending December 2010, with regard to San Miguel Brewery, since it has not disclosed its forecasts of business results, the Company uses its operating results in foreign currency for twelve months from October 2008 to September 2009.

Exchange rate for overseas company	2009 Actual	2010 Forecast
Lion Nathan National Foods (Alcohol Beverages) (AUD)	¥70.04	¥80.00
Lion Nathan National Foods (Soft Drinks and Foods) (AUD)	¥74.57	¥80.00
San Miguel Brewery (PHP) *3	¥1.99	¥1.80

(Reference Material)

1. Guide to Kirin Group Consolidated Financial Indices

			(¥ billions)		
			2008 Actual	2009 Actual	2010 Annual Forecast
Quantitative targets	Consolidated sales	Including liquor tax	2,303.5	2,278.4	
		Excluding liquor tax	1,922.8	1,918.7	1,860.0
	Operating income	Prior to amortization of goodwill etc.		157.7	175.0
		After amortization of goodwill etc.	145.9	128.4	133.0
	Operating income ratio	Including liquor tax/ After amortization of goodwill etc.	6.3%	5.6%	
		Excluding liquor tax/ After amortization of goodwill etc.	7.6%	6.7%	7.2%
		Excluding liquor tax/ Before amortization of goodwill etc.		8.2%	9.4%
	ROE	Prior to amortization of goodwill etc.		8.3%	9.5%
		After amortization of goodwill etc.	8.1%	5.2%	

Guideline	Sales by segment	Alcohol Beverages	1,181.5	1,097.6	1,115.0
		Soft Drinks and Foods	716.6	735.0	672.0
		Pharmaceuticals	171.5	206.7	205.0
		Others	233.8	238.9	228.0
	Operating income by segment	Alcohol Beverages	109.9	102.8	105.0
		Soft Drinks and Foods	6.4	7.0	13.0
		Pharmaceuticals	28.2	34.3	32.0
		Others	18.2	3.8	6.0
		Eliminations or Corporate	(16.9)	(19.6)	(23.0)
	Consolidated sales	Including liquor tax	2,303.5	2,278.4	2,220.0
	Overseas ratio	Sales excluding liquor tax	27%	27%	25%
	EBITDA		*1 264.6	212.8	280.0
	Amortization of goodwill etc.	1. Future portion (before 2006)	13.6	10.8	
		2. Investment after 2007	17.4	22.2	
		Total amortization of goodwill (1. + 2.)	31.0	33.0	*2 49.3
	EPS (¥)	Prior to amortization of goodwill etc.		82	102
		Prior to 2. amortization of goodwill etc.	*1 25	74	
		After amortization of goodwill etc.	84	52	
	D/E ratio		0.72	0.91	0.72
	Turnover of total assets	Sales excluding liquor tax		0.70	0.67

*1 The figures are calculated, excluding gain on change in equity (¥72.6 billion) arising from the share exchange with former Kyowa Hakko Kogyo.

*2 Amortization of goodwill etc. ¥49.3 billion:

Lion Nathan ¥23.1 billion (brand amortization ¥5.7 billion, amortization of consolidation difference ¥16.2 billion, "Goodwill" amortization ¥1.1 billion)
Kirin Beverage ¥1.9 billion (amortization of consolidation difference)

National Foods ¥8.1 billion (brand amortization ¥2.8 billion, amortization of consolidation difference ¥5.3 billion)
Kyowa Hakko Kirin and Kirin Kyowa Foods ¥6.7 billion (amortization of consolidation difference)
J. Boag & Son ¥1.8 billion (brand amortization ¥0.4 billion, amortization of consolidation difference ¥1.3 billion)
San Miguel Brewery ¥7.3 billion (brand amortization ¥1.3 billion, amortization of consolidation difference ¥5.9 billion),
etc.

2. Information by Segment

<FY2009>

(¥ billions)

	Alcohol Beverages	Soft Drinks and Foods	Pharmaceuticals	Others	Eliminations or Corporate	Total
Depreciation *1	48.4	27.7	10.9	17.0	1.7	105.8
Amortization of goodwill *2	5.0	9.9	6.0	0.6	-	21.6
EBITDA *3	118.7	34.1	47.1	18.7	(6.0)	212.8
Capital expenditures	50.2	17.7	15.9	15.3	10.9	110.2
R&D expenses	5.4	2.9	41.9	5.3	2.7	58.5

*1 This amount includes brand amortization.

*2 Amortization of consolidation difference, "Goodwill" amortization

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

<FY2010>

(¥ billions)

	Alcohol Beverages	Soft Drinks and Foods	Pharmaceuticals	Others	Eliminations or Corporate	Total
Depreciation *1	50.8	26.5	11.5	19.2	1.7	110.0
Amortization of goodwill *2	18.0	8.7	5.7	0.4	-	33.0
EBITDA *3	167.1	48.1	53.3	22.4	(11.1)	280.0
Capital expenditures	42.2	17.8	15.6	15.9	8.4	100.0
R&D expenses	5.5	3.9	41.5	5.7	3.2	60.0

*1 This amount includes brand amortization.

*2 Amortization of consolidation difference, "Goodwill" amortization

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

3. Results of Operations by Major Companies (Consolidated)

< FY2009 Actual >

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kirin Brewery *1	853.7	69.2	-	-	-
Management fees, etc. *2		(9.3)	-	-	-
After adjustments of the above	853.7	59.9	-	-	-
Mercian	83.2	0.5	0.8	0.0	0.0
Lion Nathan *3	157.0	38.7	-	-	-
Brand amortization		(5.4)	-	-	-
Amortization of goodwill		(4.7)	-	-	-
After adjustments of the above	157.0	28.4	-	-	-
Kirin Beverage	371.6	5.0	-	-	-
Management fees, etc. *2		(2.7)	-	-	-
Amortization of goodwill		(1.9)	-	-	-
After adjustments of the above	371.6	0.3	-	-	-
National Foods *3	265.6	11.6	-	-	-
Brand amortization		(3.5)	-	-	-
Amortization of goodwill		(6.8)	-	-	-
After adjustments of the above	265.6	1.3	-	-	-
Kyowa Hakko Kirin *3	407.0	30.7	32.6	10.0	5.0
Elimination of amortization of goodwill		9.3	9.3	9.3	4.7
Amortization of goodwill		(6.2)	(6.2)	(6.2)	(6.2)
After adjustments of the above	407.0	33.8	35.7	13.1	3.4
San Miguel (affiliated company) *4	174.6	14.6	3.0	2.3	* 0.4
Equity in earnings and losses of affiliates *			* 0.4	0.4	0.4
Amortization of consolidation difference *5			(1.0)	(1.0)	(1.0)
After adjustments of the above			(0.6)	(0.6)	(0.6)
San Miguel Brewery (affiliated company) *4	48.8	14.7	12.1	8.9	* 4.3
Equity in earnings and losses of affiliates *			* 4.3	4.3	4.3
Brand amortization *5			(0.7)	(0.7)	(0.7)
Amortization of consolidation difference *5			(2.9)	(2.9)	(2.9)
After adjustments of the above			0.5	0.5	0.5

*1 The amounts are non-consolidated.

*2 Group management fee and Kirin brand royalty paid to Kirin Holdings

*3 The above figures are reclassified for consolidated financial statements and presented after reclassification.

*4 The Company prepared the financial statements after the adjustments of accounting period of each company as follows:

San Miguel October 2008 to March 2009

San Miguel Brewery April to September 2009

*5 Account title: Equity in earnings and losses of affiliates

<FY2010 Forecast>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kirin Brewery *1	840.0	75.4	-	-	-
Management fees, etc. *2		(13.4)	-	-	-
After adjustments of the above	840.0	62.0	-	-	-
Mercian	83.6	2.0	2.0	0.8	0.4
Lion Nathan National Foods *3	389.0	57.5	-	-	-
Brand amortization		(9.0)	-	-	-
Amortization of goodwill		(24.0)	-	-	-
After adjustments of the above	389.0	24.3	-	-	-
Kirin Beverage	368.4	7.5	-	-	-
Management fees, etc. *2		(4.0)	-	-	-
Amortization of goodwill		(1.9)	-	-	-
After adjustments of the above	368.4	1.5	-	-	-
Kyowa Hakko Kirin	400.0	36.0	37.5	20.0	10.1
Elimination of amortization of goodwill		9.3	9.3	9.3	4.7
Amortization of goodwill		(6.2)	(6.2)	(6.2)	(6.2)
After adjustments of the above	400.0	39.0	40.5	23.0	8.6
San Miguel Brewery (affiliated company) *4	90.9	29.0	26.3	18.3	* 8.8
Equity in earnings and losses of affiliates *			* 8.8	8.8	8.8
Brand amortization *5			(1.3)	(1.3)	(1.3)
Amortization of consolidation difference *5			(5.9)	(5.9)	(5.9)
After adjustments of the above			1.5	1.5	1.5

*1 The amounts are non-consolidated.

*2 Group management fee and Kirin brand royalty paid to Kirin Holdings

*3 For detail of new business structure for Oceania business, please refer to (Reference Material) 7. New Group Structure in Oceania on page 66.

*4 The Company uses operating results in foreign currency from October 2008 to September 2009 as the forecast for the year ending December 31 2010.

*5 Account title: Equity in earnings and losses of affiliates

4. Sales Details of Alcohol Beverages (Kirin Brewery Company, Ltd.)

	2008		2009		2010	
	Actual		Actual		Forecast	
Sales volume						
(year-on-year rate)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)
Beer	867	(13.4%)	799	(7.9%)	755	(5.6%)
<i>Happo-shu</i>	811	(1.6%)	726	(10.4%)	657	(9.6%)
New genre	606	11.5%	714	17.8%	820	14.8%
Sub-total	2,285	(3.5%)	2,240	(2.0%)	2,232	(0.4%)
RTD	203	1.6%	199	(1.9%)	198	(0.7%)
Beer-taste beverages	5	(15.4%)	51	807.1%	60	17.3%
Breakdown of sales						
(year-on-year rate)	¥ billions		¥ billions		¥ billions	
Beer	356.7	(11.4%)	329.8	(7.5%)	312.0	(5.4%)
<i>Happo-shu</i>	246.6	1.4%	221.7	(10.1%)	201.0	(9.4%)
New genre	158.7	13.7%	187.4	18.1%	215.0	14.7%
Sub-total	762.0	(3.0%)	739.1	(3.0%)	728.0	(1.5%)
RTD	54.4	2.2%	54.1	(0.5%)	54.0	(0.3%)
<i>Shochu</i> , Whiskey, Spirits and wines etc.	43.6	2.8%	52.2	19.7%	51.0	(2.3%)

The above sales volume and sales include exports.

5. Sales Details of Soft Drink Beverages (Kirin Beverage Group)

<Category>

(10,000 cases)

Soft drink beverages			2008 Actual		2009 Actual				2010 Forecast			
			Sales volume	Composition ratio	Sales volume	Composition ratio	Increase (Decrease)	Percentage over the previous year	Sales volume	Composition ratio	Increase (Decrease)	Percentage over the previous year
Category	Tea drink	Japanese tea	2,911	14%	2,475	13%	(436)	85%	2,200	12%	(275)	89%
		Oolong tea	329	2%	342	2%	13	104%	280	1%	(62)	82%
		Black tea	3,763	18%	3,798	20%	35	101%	3,860	20%	62	102%
		Sub-total	7,003	34%	6,615	35%	(388)	94%	6,340	33%	(275)	96%
	Coffee		3,518	17%	3,692	19%	174	105%	3,800	20%	108	103%
	Fruit and vegetable juice		2,484	12%	2,312	12%	(172)	93%	2,100	11%	(212)	91%
	Carbonated beverage		926	5%	821	4%	(105)	89%	950	5%	129	116%
	Water		3,943	20%	3,364	18%	(579)	85%	3,400	18%	36	101%
	Other		1,731	8%	1,502	8%	(229)	87%	1,580	8%	78	105%
	Domestic soft drink beverage market total		19,605	96%	18,306	96%	(1,299)	93%	18,170	95%	(136)	99%
Overseas markets	Overseas soft drink beverage market total		810	4%	706	4%	(104)	87%	930	5%	224	132%
Total	Soft drink beverages total		20,415	100%	19,012	100%	(1,403)	93%	19,100	100%	88	100%

<Container Type>

(10,000 cases)

Soft drink beverages			2008 Actual		2009 Actual				2010 Forecast			
Container type	Category	Details	Sales volume	Composition ratio	Sales volume	Composition ratio	Increase (Decrease)	Percentage over the previous year	Sales volume	Composition ratio	Increase (Decrease)	Sales volume
Cans	Can	Including bottle styled cans	4,390	22%	4,787	25%	397	109%	4,800	25%	13	100%
PET bottles	Large-sized PET bottles	2L	3,947	19%	3,368	18%	(579)	85%	3,300	17%	(68)	98%
		1.5L, 1L, 900ml, 750ml	1,724	8%	1,553	8%	(171)	90%	1,600	8%	47	103%
		Large-sized PET bottles total	5,671	27%	4,921	26%	(750)	87%	4,900	25%	(21)	100%
	Small-sized PET bottles	500ml	5,363	26%	4,986	26%	(377)	93%	5,100	27%	114	102%
		350ml or less	1,952	10%	1,279	7%	(673)	66%	1,300	7%	21	102%
		Small-sized PET bottles total	7,315	36%	6,265	33%	(1,050)	86%	6,400	34%	135	102%
	PET bottles total		12,986	63%	11,186	59%	(1,800)	86%	11,300	59%	114	101%
Other containers	One-way/Returnable bottles, paper, gifts, etc.		2,229	11%	2,333	12%	104	105%	2,070	11%	(263)	89%
Overseas markets	Soft drink beverages total		810	4%	706	4%	(104)	87%	930	5%	224	132%
All containers	Container total		20,415	100%	19,012	100%	(1,403)	93%	19,100	100%	88	100%

6. Sales of Major Pharmaceuticals (Kyowa Hakko Kirin Co., Ltd.)

(¥ billions)

	2008	2009	2010
	Actual	Actual	Forecast
NESP [®] / ESPO [®]	39.9	48.9	49.7
GRAN [®] / Neu-up [®]	16.5	17.0	15.1
Coniel [®]	18.1	23.3	21.3
Allelock [®]	15.6	26.7	26.0
REGPARA [®]	3.9	6.8	7.3
Patanol [®]	2.2	7.4	7.9
Topina [®]	0.6	1.2	1.9

Actual and forecast amounts are based on domestic settlement price except for rebates.

The figures shown include those of former Kirin Pharma for the three months ended March 31, 2008 (actual).

7. New Group Structure in Oceania

Kirin Group changed the status of Kirin's consolidated subsidiary Lion Nathan Limited (Sydney, Australia), a major alcohol beverage company operating primarily in Australia and New Zealand, into a wholly-owned subsidiary in October 2009. Under this new group structure, Lion Nathan Limited and National Foods Limited (Melbourne, Australia) was brought under Kirin's wholly owned subsidiary Kirin Holdings (Australia) Pty Ltd, and at the same time, the company name of Kirin Holdings (Australia) Pty Ltd was changed to "Lion Nathan National Foods Pty Ltd." This group structure has been adopted to further the pursuit of Kirin's comprehensive beverages group strategy, and will bring all Kirin's operations in Oceania* under the overall management of a single entity, Lion Nathan National Foods Pty Ltd.

* Excluding Kirin Australia Pty Ltd, a malt producer owned 100% by Kirin Brewery Company, Limited.

In the segment classification by business, profit/loss and assets of Lion Nathan National Foods Pty Ltd (holding company) previously included in the Alcohol Beverages business and the Soft Drinks and Foods business are now included in the Other businesses. The effects of this change in segment classification on net income will occur in the fiscal year ending December 31, 2010 and later.

In the consolidated results of operations for the fiscal year ended December 31, 2009 and the annual forecasts of consolidated business results for the fiscal year ending December 31, 2010, the figures in the following periods are included.

Consolidated results of operations for the fiscal year ended December 31, 2009

Lion Nathan (Alcohol Beverages): October 2008 to September 2009

National Foods (Soft Drinks and Foods): January to December 2009

Annual forecasts of consolidated business results for the fiscal year ending December 31, 2010

Lion Nathan National Foods (Alcohol Beverages): October 2009 to September 2010

Lion Nathan National Foods (Soft Drinks and Foods): January to September 2010

Lion Nathan National Foods (Holding company): January to September 2010

