



KIRIN HOLDINGS COMPANY, LIMITED

August 16, 2010

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2010 (UNDER JAPANESE GAAP) (UNAUDITED)

(English Translation)

Fiscal year ending December 31, 2010

KIRIN HOLDINGS COMPANY, LIMITED

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

Code No.:	2503
Shares Listed:	Tokyo, Osaka, Nagoya, Sapporo and Fukuoka
Representative:	Mr. Senji Miyake, President
For further information, please contact:	Mr. Hiroshi Ogawa, Executive Officer, General Manager of Corporate Communications
	Telephone: 81- 3- 5540- 3455 from overseas
Submission date of quarterly securities report scheduled:	August 16, 2010
Commencement date of dividend distribution scheduled:	September 6, 2010
Preparation of supplementary documents to the quarterly financial results:	Yes
Holding of quarterly financial results presentation (for institutional investors and analysts):	Yes

1. Consolidated business results and financial positions for the first six months of the current fiscal year (January 1, 2010 - June 30, 2010)

[Unit: Japanese yen (¥)]

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

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Six months ended						
June 30, 2010	1,010,177	(4.7)	59,826	48.9	56,298	(0.2)
June 30, 2009	1,060,423	—	40,175	—	56,388	—

	Net income	Percentage change	Net income per share (Primary)	Net income per share (Diluted)
	(¥ millions)	(%)	(¥)	(¥)
Six months ended				
June 30, 2010	7,156	(52.2)	7.51	—
June 30, 2009	14,955	—	15.67	15.67

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

(2) Financial positions:

	Total assets (¥ millions)	Net assets (¥ millions)	Ratio of equity to total assets (%)	Net assets per share (¥)
June 30, 2010	2,765,240	1,207,354	36.0	1,045.56
December 31, 2009	2,861,194	1,198,869	34.3	1,029.35
Reference: Equity	June 30, 2010	996,632 million yen		
	December 31, 2009	981,322 million yen		

2. Dividends

	Annual dividends				
	First quarter (¥)	Second quarter (¥)	Third quarter (¥)	Year-end (¥)	Total (¥)
Fiscal year ended December 31, 2009	—	11.50	—	11.50	23.00
Fiscal year ending December 31, 2010	—	12.50			
Fiscal year ending December 31, 2010 (Forecast)			—	12.50	25.00

Note: Revision of the forecast in the second quarter of the fiscal year ending December 31, 2010: None

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

	Sales (¥ millions)	Percentage change (%)	Operating income (¥ millions)	Percentage change (%)	Ordinary income (¥ millions)	Percentage change (%)
Fiscal year ending December 31, 2010	2,180,000	(4.3)	133,000	3.6	125,000	(13.6)

	Net income (¥ millions)	Percentage change (%)	Net income per share (¥)
Fiscal year ending December 31, 2010	35,000	(28.8)	36.72

Note: Revision of the forecast in the second quarter of the fiscal year ending December 31, 2010: Yes

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

4. Others (For details, please refer to *OTHER INFORMATION* on page 6 of the Attached Materials)

(1) Changes in significant subsidiaries during the period: None

Newly included: –

Excluded: –

Note: Changes in specified subsidiaries accompanying change in scope of consolidation.

(2) Application of simplified accounting and specific accounting: Yes

Note: Application of simplified accounting and specific accounting for preparing the quarterly consolidated financial statements.

(3) Changes in accounting policies and procedures, and methods of presentation

i. Changes due to amendment of accounting standards: Yes

ii. Changes due to other reasons: None

Note: Changes in accounting policies and procedures, and methods of presentation for preparing the quarterly consolidated financial statements described in the section of “Summary of changes in accounting policies and procedures, and methods of presentation.”

(4) Number of shares outstanding (common stock)

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

As of June 30, 2010	984,508,387 shares
As of December 31, 2009	984,508,387 shares

ii. Number of treasury stock at the end of period

As of June 30, 2010	31,307,223 shares
As of December 31, 2009	31,167,235 shares

iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the six months ended June 30, 2010	953,234,445 shares
For the six months ended June 30, 2009	954,298,883 shares

* Indication regarding execution of quarterly review procedures

At the time of disclosure of this summary of quarterly consolidated financial results, the quarterly review procedures in accordance with the Financial Instruments and Exchange Act have been completed.

* 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.

ATTACHED MATERIALS

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1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS FOR THE SIX MONTHS

(1) BUSINESS PERFORMANCE

The global economy throughout the first six months (January 1, 2010 through June 30, 2010) has been slowly recovering, even though there are still some concerns regarding sluggish recovery centering on Europe. The Japanese economy has certainly turned the corner together with the improved overseas economic conditions.

At Kirin Group, we have decisively undertaken its qualitative expansion policy during this first year of the Group's 2010-2012 medium-term business plan, which in turn is the second phase in realizing the "Kirin Group Vision 2015" (KV2015), Kirin Group's long-term business framework.

The "Kirin Health Project" was commenced and the first products from the group-wide "Kirin Plus-i" brand were launched in April by four entities, Kirin Brewery, Kirin Beverage, Koiwai Dairy Products and Kirin Kyowa Foods, to tap the group's synergistic potential and respond to growing demand from customers for health-related products and offer new value.

Furthermore, in order to focus on the food and health field, the existing business portfolio was re-evaluated, resulting in the sale of all stocks of Kirin Agribio and Kirin Agribio EC in March, and the decision in June to sell the food manufacturing and sales business of Nagano Tomato, a consolidated subsidiary.

For the six-month period from January to June, sales decreased, mainly due to the reporting period change for National Foods, but operating income increased as a result of cost reduction measures and recovery of the chemicals business of Kyowa Hakko Kirin. Ordinary income and net income, however, decreased due primarily to the impact of foreign exchange losses.

Kirin Holdings Company, Limited 2010 second quarter results:

Consolidated sales	¥1,010.1 billion, down 4.7%
Consolidated operating income	¥59.8 billion, up 48.9%
Consolidated ordinary income	¥56.2 billion, down 0.2%
Consolidated net income	¥7.1 billion, down 52.2%

Also, on July 26 the decision was made to acquire 14.7% of the stock of Fraser and Neave, the leading beverage company in Malaysia and Singapore, in a direct negotiation with Seletar Investments, a 100% subsidiary of Temasek Holdings (Singapore) that owned the stock of Fraser and Neave. This capital participation offers the opportunity to expand the business base in the fast-growing Southeast Asian markets as well as achieving the enhanced enterprise value of both companies through the coordination with Fraser and Neave and we will discuss with Fraser and Neave about possible areas of collaboration.

Results by business segment are outlined below.

Alcohol Beverages Business

In the domestic alcohol beverages business, Kirin Brewery continued working on three strategic priorities: "strengthening core brands," "improving our response to consumer health consciousness" and "increasing overall demand."

While the beer and happo-shu markets have contracted under the pressure of heightened price-consciousness among consumers, Kirin Brewery was only able to maintain an average market share* in the beer market, despite the reaction from the major brand revamping of *Kirin Ichiban Shibori Nama* in 2009. In happo-shu market, the *Tanrei* series has steadily surpassed the market performance*. (* Based on the shipment volume for liquor-tax for the period to date through the second quarter, January 1 through June 30, 2010)

In the growing new genre market, *Kirin Nodogoshi Nama*, launched in 2005 and which has enjoyed the lion's share in the market where other makers have been trying hard to emulate its success, underwent brand revamping in June to gain further market acceptance.

In the non-alcohol beer-taste beverage market, following the steady performance of *Kirin FREE*, introduced in 2009, *Kirin Yasumu Hi No ALC 0.00%* was launched in April under the common group brand, Kirin Plus-i. Customers have responded favorably to the "alcohol-free day" proposal, with the product achieving the forecasted annual sales volume in just two months after the launch, necessitating an almost doubling of the forecast.

In the RTD (ready to drink) market, *Kirin Sekai no Highball* was launched in February and immediately outperformed its initial forecast, resulting in a significant increase in its annual sales volume forecast.

Further, introduction of cans bearing designs incorporating the uniforms of the Japanese soccer team to date were launched to coincide with the Soccer World Cup, helping encourage public support of the national side.

Regarding Mercian, although its mid-range to high-end imported wines were negatively affected due to growing budget-conscious consumers, sales of inexpensive table wines, both domestic and imported, held steady. Rosé wine sold well as a result of growing popularity world-wide of wine and promotional efforts. Further, as of July 1, the raw alcohol sales businesses of Mercian and Kyowa Hakko Bio were integrated into Daiichi Alcohol, a joint venture between the two companies.

In the overseas alcohol beverages business, sales of base brand of Lion Nathan National Foods' alcohol beverage business's core Australian beer business remained solid, driven by continued innovation and premiumisation across the market.

In the highly competitive business environment in China, the integrated beverages group strategy has been pursued focusing on increased sales in the Yangtze River Delta, Pearl River Delta, and the three Northeast provinces in China.

Sales and operating income both increased due to favorable foreign exchange rates affecting the alcohol beverages business of Lion Nathan National Foods, and also due to the cost reduction measures at Kirin Brewery.

Alcohol Beverages Business 2010 second quarter results:	
Consolidated sales	¥514.2 billion, up 3.1%
Consolidated operating income	¥45.4 billion, up 18.4%

Soft Drinks and Foods Business

In the domestic soft drinks and foods business, Kirin Beverage has focused on strengthening brands and implementing earning structure reform.

Among its leading brands, efforts were made to enhance the brand value of *Kirin Gogo-no-Kocha* and *Kirin FIRE* based on the idea of proposals reaching beyond the conventional concept their respective categories. Within the *Kirin Gogo-no-Kocha* series, *Kirin Gogo-no-Kocha Espresso Tea*, introduced in February, has been favorably received, surpassing the annual forecasted sales volume in just two months and a half after the launch, resulting in a revised target doubling the forecast. In June, *Kirin Gogo-no-Kocha Muto Plain Tea* was introduced, expanding black tea's potential foray into non-sugar tea market dominated by green tea so far. Within the *Kirin FIRE* series, the very first canned coffee jelly drink *Kirin FIRE Coffee Jelly* was launched in May as a convenient snack and alternative to a full meal, expanding the target customer base and drinking habits. Within the *Kirin Nama-cha* series,

which was totally revamped, *Nama-cha Asa-no Uruou Blend Cha*, introduced in April, made a strong start. Regarding the green tea beverages and mineral water categories, we still face an uphill struggle given the continued slump in the entire market from the previous year. The earning structure reform efforts are continuing on from 2009 with the concrete results.

At Kirin Kyowa Foods, we strengthened the value proposal based development and marketing structure in order to provide attractive products with improved profitability. As of July 1, the company consolidated the processing alcohol and fermented seasoning businesses of Mercian Corporation.

In the overseas soft drinks and foods business, Kirin Beverage revamped the *Kirin Gogo-no-Kocha* brand in its tenth year in China, and engaged in marketing activities centered around special sales campaigns at the same time.

In Oceania, the dairy and juice markets remained challenging due to a continuation of the economic slowdown and a consequent shift to lower equity products. Lion Nathan National Foods' soft drinks and food's division performed on plan and continues to focus around a portfolio of core brands and to drive revenue and mix improvements through innovation. The business unit made further progress on its key business goals, including significant further progress on integration and optimization to deliver synergies

Sales decreased due to the reporting period change for National Foods while operating income increased as a result of cost reduction measures.

Soft Drinks and Foods Business 2010 second quarter results:	
Consolidated sales	¥275.0 billion, down 21.7%
Consolidated operating income	¥2.5 billion

Pharmaceuticals Business

The lowered drug prices mandated in April affected Kyowa Hakko Kirin, but sales of its leading brands, anemia medicine *NESP®* and *ESPO*, and secondary hyperparathyroidism treatment *REGPARA TABLETS* trended favorably. Since the airborne pollen count was lower than the previous year, sales of anti-allergic medicine *ALLELOCK* and anti-allergic eye drop *Petanol* for the first six months were lower than for the same period the previous year. New product launches included *Permax*, a drug for treating Parkinson's Disease, in April, and *Fentos*, a transdermal analgesic for persistent cancer, launched in conjunction with Hisamitsu Pharmaceutical Co., Inc. in June.

Revenues from technology licensing as well as exports of pharmaceuticals increased significantly as a result of one-time initial payments and increased exports to Asia.

Both sales and operating income increased.

Pharmaceuticals Business 2010 second quarter results:	
Consolidated sales	¥103.3 billion, up 2.5%
Consolidated operating income	¥19.7 billion, up 9.6%

Furthermore, development of new medicines in the domestic market progressed well and approval was obtained in South Korea and Taiwan for secondary hyperparathyroidism treatment *Regpara Tablets* in March

Other Businesses

In the biochemical business operated by Kyowa Hakko Kirin, sales in Asia of amino acids for pharmaceuticals and intravenous liquids increased. In the health care products, raw materials connected to the Kirin Health Project *Kirin Plus-i* being offered by various group companies and

mail-order business performed well.

In the chemicals business operated by Kyowa Hakko Kirin, demand for its products increased greatly due to the economic recovery, resulting in significant improvements in both sales and operating income compared to the last year.

Both sales and operating income increased, primarily due to the recovery of the chemicals business of Kyowa Hakko Kirin.

Other Businesses 2010 second quarter results:	
Consolidated sales	¥117.5 billion, up 7.5%
Consolidated operating income	¥2.7 billion

Results by region were as follows.

Japan

In the alcohol beverages business, Kirin Brewery strengthened *Kirin Nodogoshi Nama* and other leading brands, and introduced a number of new products. In the soft drinks and foods business, Kirin Beverage focused on improved profitability and leading brand creation through concept proposals reaching beyond conventional categories. In the pharmaceuticals business, Kyowa Hakko Kirin, in spite of mandated lower drug prices, saw strong sales of leading products. In other businesses, the chemicals business progressed well as economic conditions improved.

Consolidated sales	¥801.4 billion, down 1.8%
Consolidated operating income	¥53.4 billion, up 58.3%

Asia and Oceania

In Asia, Kirin Beverage focused on marketing in China as well as improving profitability. In Oceania, Lion Nathan National Foods' alcohol beverages business maintained favorable sales, and its soft drinks and food business made further progress on its integration to deliver synergies.

Consolidated sales	¥176.5 billion, down 15.3%
Consolidated operating income	¥14.4 billion, up 21.9%

Other regions

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

Consolidated sales	¥32.1 billion, down 9.9%
Consolidated operating income	¥3.0 billion, down 15.7%

(2) FINANCIAL POSITION

Total assets as of June 30, 2010 stood at ¥2,765.2 billion, a decrease of ¥95.9 billion compared to December 31, 2009, due mainly to a decrease in notes and accounts receivable, and in investment securities.

Total liabilities as of June 30, 2010 stood at ¥1,557.8 billion, a decrease of ¥104.4 billion compared to December 31, 2009 due to reductions in accrued liquor taxes, allowance for employees' pension and retirement benefits and interest-bearing debts.

Net assets as of June 30, 2010 stood at ¥1,207.3 billion, an increase of ¥8.4 billion compared to December 31, 2009, due mainly to increases resulting from foreign currency translation adjustments.

(3) CONSOLIDATE FORECASTS

Kirin Group's consolidated forecasts for the full year ending December 31, 2010 have been revised as follows, reflecting a review of foreign exchange rates and progress in each business area.

Revised full-year consolidated forecasts

Unit: million Japanese yen

	Sales	Operating income	Ordinary income	Net income	Net income per share(Yen)
Previously announced forecast (A)	2,220,000	133,000	125,000	48,000	¥50.35
New forecast (B)	2,180,000	133,000	125,000	35,000	¥36.72
Change (B-A)	(40,000)	—	—	(13,000)	—
Change (%)	(1.8)	—	—	(27.1)	—
(Reference) Actual results for the previous fiscal year	2,278,473	128,435	144,614	49,172	¥51.54

2. OTHER INFORMATION

(1) SUMMARY OF CHANGES IN SIGNIFICANT SUBSIDIARIES

There is no matter that falls under this item.

(2) SUMMARY OF SIMPLIFIED ACCOUNTING AND SPECIFIC ACCOUNTING

(2)-1 Simplified accounting methods

1. Allowance for doubtful accounts except for certain identified doubtful receivables

The allowance for doubtful receivables for the period is based on actual default rates in the previous fiscal year unless default rates are deemed to have undergone a material change.

2. Valuation of inventories

Valuation of consolidated inventories at the end of the quarterly period is derived from a reasonable calculation based on actual inventories at the end of the previous fiscal year, without undertaking physical inventory count.

Where inventories are deemed to have declined materially in value, the book value of such inventories is written down to estimated net realizable amounts.

3. Calculation of deferred tax assets and liabilities

The Company makes judgments of the recoverability of deferred tax assets based on the future earning forecast and tax planning used in the previous fiscal year, when there have been no significant changes in the management environment or other circumstances of occurrence of temporary difference since the end of the previous fiscal year.

(2)-2 Specific accounting methods

Calculation of income taxes

Income taxes for the period are calculated by multiplying net income before income taxes by effective tax rate estimated reasonably using the estimated income before income taxes for the year after the application of tax effect accounting.

Please note that deferred income taxes are included in income taxes.

(3) SUMMARY OF CHANGES IN ACCOUNTING POLICIES AND PROCEDURES, AND METHODS OF PRESENTATION

(3)-1 Changes in basis of recognizing sales of completed construction contracts and cost of sales of completed construction contracts

Revenues for contract works were previously accounted for mainly by the completed-contract method. From the three months ended March 31, 2010, the Company has applied the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007). For the construction contracts started during the three months ended March 31, 2010, the percentage-of-completion method (the cost proportion method is used to estimate the percentage of completion) is applied to the contracts if the outcome of construction activity is deemed to be definite during the course of the activity by the end of the six months ended June 30, 2010, while the completed-contract method is applied otherwise.

The effect on net income of this change is immaterial.

(3)-2 Application of accounting standards and guidance related to business combinations

From the second quarter ended June 30, 2010, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), the "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

Additional information

[Changes in fiscal year-ends of consolidated subsidiaries]

For the purpose of the further promotion of the Company's integrated beverages group strategy in Oceania, the Company made Lion Nathan Ltd. ("LN") a wholly-owned subsidiary in October 2009. At the same time, in order that Lion Nathan National Foods Pty Ltd ("LNNF") manages all Oceania operations on a unified basis, National Foods Limited ("NFL"), LN and their subsidiaries were made the subsidiaries of LNNF. And the Company has integrated the fiscal year-ends of LNNF, NFL and the subsidiaries ("the companies") from December 31 to September 30 from the current fiscal year.

To prepare the consolidated financial statements for the six months ended June 30, 2010, financial statements of the companies as of March 31, 2010 are used because the difference between the Company's and the companies' year-ends does not exceed three months. However, their profit or loss for the period from October 1, 2009 to December 31, 2009 is not included in the Company's consolidated statement of income for the six months ended June 30, 2010 because their profit or loss for the period has been included in the Company's consolidated statement of income for the fiscal year ended December 31, 2009. Necessary adjustments for consolidation were made for significant transactions that arose at these companies in the period from January 1, 2010 to June 30, 2010.

For the three months ended June 30, 2009, sales and operating loss of the companies were ¥66,038 million and ¥1,946 million, respectively. The effect of this change on segment information is explained in "Segment Information."

[Inappropriate transactions at consolidated subsidiary]

It was revealed that fraudulent actions, such as failure to record the cost of shipment of sample products intentionally, inappropriate accounting of manipulation of sales recording periods and others, and fictitious sales, fictitious manufacturing, and circular transactions combined of these transactions, had been carried out from prior years by the Fish Feedstuffs Division of Mercian Corporation, a consolidated subsidiary of the Company. It was also revealed that in order to conceal these fraudulent actions, falsification of tracking records in internal control and manipulating of stock quantities by imitations had been carried out.

Based on the results of an investigation conducted by an internal investigation committee of Mercian Corporation, it has revised the figures recorded for trade accounts receivable, inventories, sales and cost of sales. Due to this revision, the Company has recognized ¥5,300 million loss for prior years as a loss on prior periods adjustment in special expenses, and a income taxes for prior years-deferred amounted to ¥1,169 million as reversal of deferred tax assets in prior years. The losses incurred during the six months ended June 30, 2010, have been recorded in the respective account items.

(4) OTHERS

With regard to the losses incurred at Mercian Corporation described in “Additional information,” the amounts of loss for prior years and the current fiscal year are included in the Company’s consolidated statement of income for the six months ended June 30, 2010, because the effect on the consolidated financial statements of the Company is considered as within a range that would not cause mis-judgment for interested parties such as investors. As an effect of these losses on the consolidated financial statements of the Company, operating income and ordinary income both decreased by ¥1,079 million, and income before income taxes and minority interests and net income decreased by ¥6,694 million and ¥4,203 million, respectively.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) CONSOLIDATED BALANCE SHEETS

(¥ millions)

	As of June 30, 2010	As of December 31, 2009 (Summary)
ASSETS		
Current Assets		
Cash	126,554	125,558
Notes and accounts receivable, trade	356,740	423,835
Merchandise and finished goods	140,896	138,937
Work in process	21,688	18,319
Raw materials and supplies	41,082	41,261
Other	81,376	93,815
Allowance for doubtful accounts	(2,264)	(2,278)
Total Current Assets	766,074	839,450
Fixed Assets		
Property, Plant and Equipment	763,966	774,274
Intangible Assets		
Goodwill	618,134	605,210
Other	134,011	129,477
Total	752,145	734,688
Investments and Other Assets		
Investment securities	362,989	388,677
Other	127,236	128,511
Allowance for doubtful accounts	(7,172)	(4,407)
Total	483,053	512,781
Total Fixed Assets	1,999,165	2,021,743
TOTAL ASSETS	2,765,240	2,861,194

(¥ millions)

	As of June 30, 2010	As of December 31, 2009 (Summary)
LIABILITIES		
Current Liabilities		
Notes and accounts payable, trade	161,215	169,936
Short-term loans payable and long-term debt with current maturities	197,634	259,425
Commercial papers	84,997	—
Bonds due within one year	13,038	12,521
Income taxes payable	17,396	22,806
Reserves	17,484	9,954
Other	237,570	319,452
Total Current Liabilities	729,338	794,096
Long-term Liabilities		
Bonds	322,226	324,904
Long-term debt	266,817	300,590
Employees' pension and retirement benefits	67,924	85,279
Other reserves	5,688	6,131
Other	165,890	151,322
Total Long-term Liabilities	828,547	868,228
TOTAL LIABILITIES	1,557,886	1,662,324

(¥ millions)

	As of June 30, 2010	As of December 31, 2009 (Summary)
NET ASSETS		
Shareholders' Equity		
Common stock	102,045	102,045
Capital surplus	71,593	71,582
Retained earnings	856,731	860,538
Treasury stock, at cost	(30,691)	(30,486)
Total Shareholders' Equity	999,679	1,003,680
Valuation and Translation Adjustments		
Net unrealized holding gains on securities	8,752	18,279
Deferred gains or losses on hedges	833	(1,548)
Land revaluation difference	(4,713)	(4,713)
Foreign currency translation adjustments	(7,919)	(34,375)
Total Valuation and Translation Adjustments	(3,046)	(22,357)
Subscription rights to shares	167	196
Minority interests	210,553	217,350
TOTAL NET ASSETS	1,207,354	1,198,869
TOTAL LIABILITIES AND NET ASSETS	2,765,240	2,861,194

(2) CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Six months ended June 30, 2009	Six months ended June 30, 2010
Sales	1,060,423	1,010,177
Cost of sales	649,157	608,019
Gross profit	411,265	402,157
Selling, general and administrative expenses	371,089	342,331
Operating income	40,175	59,826
Non-operating income		
Interest income	938	750
Dividend income	4,163	1,894
Equity in earnings of affiliates	3,790	7,577
Foreign currency translation gain	16,418	—
Other	3,267	3,303
Total	28,577	13,526
Non-operating expenses		
Interest expense	9,340	10,828
Foreign currency translation loss	—	4,218
Other	3,024	2,006
Total	12,365	17,054
Ordinary income	56,388	56,298
Special income		
Gain on sale of fixed assets	654	2,601
Reversal of allowance for doubtful accounts	209	—
Gain on sale of investment securities	22,535	6,800
Gain on sale of shares of subsidiaries and affiliates	—	122
Other	—	2,013
Total	23,399	11,537
Special expenses		
Loss on disposal of fixed assets	3,015	2,799
Loss on sale of fixed assets	1,700	286
Loss on impairment	3,793	—
Loss on devaluation of investment securities	1,820	2,722
Loss on sale of investment securities	887	186
Loss on sale of shares of subsidiaries and affiliates	21,018	3,824
Provision of allowance for loss on liquidation of business	—	2,719
Provision of allowance for loss on liquidation of a foreign subsidiary *1	—	7,534
Expenses for integration	2,513	—
Loss on devaluation of inventories	942	—
Loss on revision of retirement benefit plan	—	6,987
Loss on prior periods adjustment *2	—	5,300
Other	155	8,693
Total	35,846	41,055
Income before income taxes and minority interests	43,940	26,780
Income taxes	21,527	15,162
Income taxes for prior years-deferred *2	—	1,169
Minority interests	7,457	3,291
Net income	14,955	7,156

(3) CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ millions)

	Six months ended June 30, 2009	Six months ended June 30, 2010
Cash flows from operating activities		
Income before income taxes and minority interests	43,940	26,780
Depreciation and amortization	48,040	49,925
Amortization of goodwill	11,013	16,655
Interest and dividend income	(5,101)	(2,644)
Equity in losses (earnings) of affiliates	(3,790)	(7,577)
Interest expense	9,340	10,828
Foreign currency translation loss (gain)	(15,847)	2,575
Gain on sale of marketable securities and investment securities	(22,535)	(6,800)
Loss on disposal and sale of fixed assets	4,715	3,085
Loss on sale of shares of subsidiaries and affiliates	21,018	3,824
Decrease (increase) in notes and accounts receivable, trade	92,351	64,890
Decrease (increase) in inventories	(2,366)	(6,418)
Increase (decrease) in notes and accounts payable, trade	(30,444)	(4,831)
Increase (decrease) in liquor taxes payable	(38,097)	(38,957)
Increase (decrease) in consumption taxes payable	(10,921)	(6,790)
Increase (decrease) in deposits received	(13,065)	(13,915)
Other	(1,002)	2,782
Sub-total	87,247	93,413
Interest and dividend received	7,173	7,626
Interest paid	(10,628)	(9,253)
Income taxes paid	(29,349)	(6,947)
Net cash provided by (used in) operating activities	54,443	84,838
Cash flows from investing activities		
Payment for purchases of property, plant and equipment and intangible assets	(51,091)	(56,416)
Proceeds from sale of property, plant and equipment and intangible assets	16,710	6,105
Payment for purchases of marketable securities and investment securities	(136,509)	(383)
Proceeds from sale and redemption of marketable securities and investment securities	132,883	14,497
Payment for purchases of shares of subsidiaries	—	(6,000)
Proceeds from sale of shares of subsidiaries with consolidation/de-consolidation	2,176	703
Other	(191)	1,624
Net cash provided by (used in) investing activities	(36,021)	(39,869)

(¥ millions)

	Six months ended June 30, 2009	Six months ended June 30, 2010
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	20,563	(97,211)
Increase (decrease) in commercial papers	114,968	84,997
Proceeds from long-term debt	62,083	14,878
Repayment of long-term debt	(37,936)	(15,197)
Payment for redemption of bonds	(43,862)	(4,914)
Payment to minority shareholders for capital reduction of consolidated subsidiaries	—	(2,058)
Payment for purchase of treasury stock	(217)	(236)
Proceeds from sale of treasury stock	113	42
Payment for purchase of treasury stock by the consolidated subsidiary	(3,874)	—
Cash dividends paid	(10,975)	(10,963)
Cash dividends paid to minority shareholders	(11,858)	(2,260)
Other	(516)	410
Net cash provided by (used in) financing activities	88,487	(32,513)
Effect of exchange rate fluctuation on cash and cash equivalents	4,430	(10,814)
Net increase (decrease) in cash and cash equivalents	111,339	1,640
Cash and cash equivalents at beginning of year	68,457	118,797
Net increase (decrease) in cash and cash equivalents from new consolidation/de-consolidation of subsidiaries	178	—
Net increase (decrease) in cash and cash equivalents from merger of a consolidated subsidiary	23	—
Cash and cash equivalents at end of period	179,999	120,438

(4) NOTES ON PREMISE OF GOING CONCERN

There is no matter that falls under this item.

(5) SEGMENT INFORMATION

a. Business segment information

(¥ millions)

Six months ended June 30, 2009							
	Alcohol Beverages	Soft Drinks and Foods	Pharmaceuticals	Others	Total	Eliminations or Corporate	Consolidated
Sales							
Unaffiliated customers	498,693	351,429	100,909	109,391	1,060,423	–	1,060,423
Inter-segment	14,477	2,817	413	15,934	33,642	(33,642)	–
Total sales	513,170	354,246	101,322	125,326	1,094,065	(33,642)	1,060,423
Operating income (loss)	38,384	(6,496)	18,003	(408)	49,483	(9,307)	40,175

(¥ millions)

Six months ended June 30, 2010							
	Alcohol Beverages	Soft Drinks and Foods	Pharmaceuticals	Others	Total	Eliminations or Corporate	Consolidated
Sales							
Unaffiliated customers	514,216	275,007	103,383	117,570	1,010,177	–	1,010,177
Inter-segment	12,498	2,824	95	15,805	31,223	(31,223)	–
Total sales	526,715	277,831	103,478	133,375	1,041,401	(31,223)	1,010,177
Operating income	45,463	2,505	19,737	2,732	70,439	(10,613)	59,826

Notes

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

3. Changes in fiscal year-ends of consolidated subsidiaries

Six months ended June 30, 2010

As described in "Additional information," the fiscal year-ends, December 31, of Lion Nathan National Foods Pty Ltd ("LNNF"), National Foods Limited ("NFL") and its subsidiaries ("the companies") were changed to September 30 from the current fiscal year.

To prepare the consolidated financial statements for the six months ended June 30, 2010, financial statements of the companies as of March 31, 2010 were used because the difference between the Company's and the companies' year-ends does not exceed three months. However, their profit or loss for the period from October 1, 2009 to December 31, 2009 was not included in the Company's consolidated statement of income for the six months ended June 30, 2010 as their profit or loss for the period has been included in the Company's consolidated statement of income for the fiscal year ended December 31, 2009.

For the three months ended June 30, 2009, sales and operating loss of the companies included in the "Soft Drinks and Foods" segment were ¥66,038 million and ¥1,946 million, respectively.

4. Changes in business segmentation of consolidated subsidiaries

Six months ended June 30, 2010

LNNF has become a company managing all Oceania operations (NFL, LION NATHAN LTD. and their subsidiaries) including the "Alcohol Beverages" and "Soft Drinks and Foods" businesses on a unified basis. Consequently, the business segment to which LNNF belongs has changed from the "Soft Drinks and Foods" segment to the "Others" segment from the three months ended March 31, 2010. As a result, operating income of the "Others" segment decreased by ¥1,987 million.

b. Geographical segment information

(¥ millions)

Six months ended June 30, 2009						
	Japan	Asia/ Oceania	Others	Total	Eliminations or Corporate	Consolidated
Sales						
Unaffiliated customers	816,300	208,441	35,680	1,060,423	–	1,060,423
Inter-segment	11,041	1,663	3,780	16,485	(16,485)	–
Total sales	827,341	210,105	39,461	1,076,908	(16,485)	1,060,423
Operating income	33,740	11,838	3,602	49,181	(9,005)	40,175

(¥ millions)

Six months ended June 30, 2010						
	Japan	Asia/ Oceania	Others	Total	Eliminations or Corporate	Consolidated
Sales						
Unaffiliated customers	801,438	176,578	32,161	1,010,177	–	1,010,177
Inter-segment	16,037	2,135	4,345	22,518	(22,518)	–
Total sales	817,475	178,713	36,507	1,032,696	(22,518)	1,010,177
Operating income	53,404	14,428	3,035	70,867	(11,041)	59,826

Notes:

- 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.

3. Changes in fiscal year-ends of consolidated subsidiaries

Six months ended June 30, 2010

As discussed in "Additional information," the fiscal year-ends, December 31, of Lion Nathan National Foods Pty Ltd ("LNNF") and National Foods Limited ("NFL") and its subsidiaries ("the companies") were changed to September 30 from the current fiscal year.

To prepare the consolidated financial statements for the six months ended June 30, 2010, financial statements of the companies as of March 31, 2010 were used because the difference between the Company's and the companies' year-ends does not exceed three months. However, their profit or loss for the period from October 1, 2009 to December 31, 2009 was not included in the Company's consolidated statement of income for the six months ended June 30, 2010 because their profit or loss for the period has been included in the Company's consolidated statement of income for the fiscal year ended December 31, 2009.

For the three months ended June 30, 2009, sales and operating loss of the companies included in the "Asia/Oceania" segment were ¥66,038 million and ¥1,946 million, respectively.

c. Overseas sales

(¥ millions)

Six months ended June 30, 2009			
	Asia/ Oceania	Others	Total
Overseas sales	218,157	46,535	264,693
Consolidated sales	—	—	1,060,423
Percentage of overseas sales over consolidated sales	20.6%	4.4%	25.0%

(¥ millions)

Six months ended June 30, 2010			
	Asia/ Oceania	Others	Total
Overseas sales	191,070	44,929	236,000
Consolidated sales	—	—	1,010,177
Percentage of overseas sales over consolidated sales	18.9%	4.5%	23.4%

Notes

1. Geographical distances are considered in classification of country or area.
2. 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

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

4. Changes in fiscal year-ends of consolidated subsidiaries

Six months ended June 30, 2010

As discussed in "Additional information," the fiscal year-ends, December 31, of Lion Nathan National Foods Pty Ltd ("LNNF"), National Foods Limited ("NFL") and the subsidiaries ("the companies") were changed to September 30 from the current fiscal year.

To prepare the consolidated financial statements for the six months ended June 30, 2010, financial statements of the companies as of March 31, 2010 were used because the difference from the Company's to the companies' year-ends does not exceed three months. However, their profit or loss for the period from October 1, 2009 to December 31, 2009 was not included in the Company's consolidated statement of income for the six months ended June 30, 2010 because their profit or loss for the period has been included in the Company's consolidated statement of income for the fiscal year ended December 31, 2009.

For the three months ended June 30, 2009, sales of the companies included in the "Asia/Oceania" and "Others" segments were ¥65,459 million and ¥218 million, respectively.

(6) NOTES ON SIGNIFICANT CHANGES IN THE AMOUNT OF SHAREHOLDERS' EQUITY

There is no matter that falls under this item.

(7) OTHER NOTES

Consolidated statements of income

*1. Provision of allowance for loss on liquidation of a foreign subsidiary

For a foreign consolidated subsidiary scheduled for liquidation, the loss that is expected to occur at the time of liquidation due to a reversal of foreign currency translation adjustments is recorded.

*2. Loss on prior periods adjustment, Income taxes for prior years-deferred

As described in "Additional information", loss on prior periods adjustment at Mercian Corporation, a consolidated subsidiary, is recorded as loss on prior periods adjustment and Income taxes for prior years-deferred.

Supplementary Documents to the Financial Statements for the Six Months Ended June 30, 2010

1. Results of Operations
2. Sales Details
3. Profit Breakdown for the Six Months Ended June 30, 2010 (Actual)
4. Major Expenses and Others
5. Major Fluctuations of Balance Sheets
6. Major Changes in Income (Forecasts)

(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, Limited)
5. Sales Details of Soft Drink Beverages (Kirin Beverage Group)
6. Sales of Major Pharmaceuticals (Kyowa Hakko Kirin Company, Limited)

KIRIN HOLDINGS COMPANY, LIMITED

August 16, 2010

1. Results of Operations

(¥ billions)

	2009				2010			
	Six months ended June 30, Actual		Annual Actual		Six months ended June 30, Actual		Annual Forecast	
(year-on-year rate)								
Sales	1,060.4	1.2%	2,278.4	(1.1%)	1,010.1	(4.7%)	2,180.0	(4.3%)
Operating income	40.1	(15.5%)	128.4	(12.0%)	59.8	48.9%	133.0	3.6%
Ordinary income	56.3	18.4%	144.6	40.3%	56.2	(0.2%)	125.0	(13.6%)
Net income	14.9	(81.6%)	49.1	(38.7%)	7.1	(52.2%)	35.0	(28.8%)
EBITDA *	90.5	(17.2%)	212.8	(19.6%)	104.4	15.3%	252.0	18.4%

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

2. Sales Details

	2009				2010			
	Six months ended June 30, Actual		Annual Actual		Six months ended June 30, Actual		Annual Forecast	
Sales volume (year-on-year rate)								
Alcohol beverages	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)
Beer, <i>Happo-shu</i> , and New genre	1,557	0.4%	3,259	(2.0%)	1,513	(2.8%)	3,176	(2.6%)
	Million cases		Million cases		Million cases		Million cases	
Soft drinks *1	107	(5.1%)	225	(6.6%)	101	(5.7%)	219	(2.5%)
Sales by business segment (year-on-year rate)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)
Total sales	1,060.4	1.2%	2,278.4	(1.1%)	1,010.1	(4.7%)	2,180.0	(4.3%)
Alcohol beverages	498.6	(8.6%)	1,097.6	(7.1%)	514.2	3.1%	1,095.5	(0.2%)
Beer, <i>Happo-shu</i> and New genre	408.7	(7.6%)	891.7	(7.1%)	413.9	1.3%	887.0	(0.5%)
Other alcohol beverages *2	76.1	(4.4%)	170.2	(1.8%)	83.6	9.8%	177.5	3.1%
Other	13.7	(40.9%)	35.6	(26.3%)	16.6	20.5%	33.0	(7.4%)
Soft drinks and Foods	351.4	2.1%	735.0	2.6%	275.0	(21.7%)	650.0	(11.6%)
Pharmaceuticals	100.9	44.8%	206.7	20.5%	103.3	2.5%	205.0	(0.9%)
Other business	109.3	23.3%	238.9	2.2%	117.5	7.5%	229.5	(4.0%)
Biochemical	36.8	82.4%	79.4	34.4%	38.2	3.7%	70.0	(12.0%)
Chemical	23.8	10.0%	55.7	(17.0%)	57.9	142.5%	121.0	117.1%
Other	48.6	3.8%	103.7	(3.5%)	21.4	(56.0%)	38.5	(62.9%)

*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 Six Months Ended June 30, 2010 (Actual)

(¥ billions)

Segment	Company name	Major factors	Difference	Description
Alcohol beverages	Kirin Brewery	Decrease in marginal profit of alcohol beverages	(2.0)	Sales decrease in beer (27) thousand KL, (3.3) Sales decrease in <i>happo-shu</i> (37) thousand KL, (3.6) Sales increase in new genre 12 thousand KL, 1.3 Sales increase in RTD 4 thousand KL, 0.5 Decrease in marginal profit of <i>shochu</i> , whiskey and spirits (0.8) Difference of change in products mix, etc.
		Decrease in raw material cost of alcohol beverages	1.7	Decrease in cost of sugar and liquid sugar 0.5 Decrease in price for packing materials 1.0, etc.
		Decrease in selling cost	1.3	Decrease in sales promotion and advertising expenses 1.1 (Beer, <i>happo-shu</i> and new genre 1.3, RTD (0.7), <i>shochu</i> , whiskey and spirits 1.1, etc.)
		Decrease in other expenses	2.9	Decrease in employees' pension and retirement benefits expenses 1.2, Decrease in supplies expenses 1.0 , Decrease in depreciation 0.3, Decrease in information processing fee 0.3, Increase in management fee (1.7), etc.
	Total		3.9	
	Lion Nathan National Foods *1	Increase in operating income	8.7	18.9 => 27.7
		Amortization of goodwill	(7.2)	(2.2) => (9.4)
		Brand amortization	(0.7)	(2.4) => (3.1)
	Total		0.8	
	Mercian		0.6	(0.7) => (0.1)
	Others		1.7	
Total			7.0	Six months ended June 30, 2009 Actual 38.3 => Six months ended June 30, 2010 Actual 45.4
Soft drinks and Foods	Kirin Beverage	Difference in volume of sales	(7.0)	Decrease in sales volume down 6.43 million cases
		Cost reduction	1.0	Decrease in raw material cost, etc.
		Decrease due in change of composition ratio of containers, etc.	(0.5)	Deduction of sales promotion expenses from sales (1.1), etc.
		Decrease in selling cost	9.2	Decrease in sales promotion and advertising expenses 8.0 (Deduction of sales promotion expenses from sales 1.1, etc.) Decrease in transportation cost 1.2
		Decrease in other expenses	0.2	Decrease in depreciation 0.4, Increase in management fee (0.4), etc.
	Total		2.9	
	Lion Nathan National Foods *2	Increase in operating income	1.7	1.7 => 3.4
		Amortization of goodwill	1.9	(3.7) => (1.8)
		Brand amortization	0.1	(1.1) => (0.9)
	Total		3.8	
	Others		2.2	
Total			9.0	Six months ended June 30, 2009 Actual (6.4) => Six months ended June 30, 2010 Actual 2.5
Pharmaceuticals	Kyowa Hakko Kirin *1		1.7	Increase in gross profit 2.5 Increase in R&D expenses (1.0) Decrease in other expenses 0.2
Total			1.7	Six months ended June 30, 2009 Actual 18.0=> Six months ended June 30, 2010 Actual 19.7

(¥ billions)

Segment	Major factors	Difference	Description
Others	Kyowa Hakko Kirin Biochemical	(0.3)	2.1 => 1.8
	Kyowa Hakko Kirin Chemical	7.2	(5.6) => 1.5
	Mercian	(1.6)	0.4 => (1.2)
	Others	(2.0)	Lion Nathan National Foods corporate expenses, etc.
Total		3.1	Six months ended June 30, 2009 Actual (0.4)=> Six months ended June 30, 2010 Actual 2.7
Eliminations or Corporate		(1.3)	Six months ended June 30, 2009 Actual (9.3) => Six months ended June 30, 2010 Actual (10.6)
Increase in operating income		19.6	Six months ended June 30, 2009 Actual 40.1 => Six months ended June 30, 2010 Actual 59.8
Non-operating income and expenses	Financial profit or loss, net	(3.9)	(4.2) => (8.1)
	Equity in earnings or losses of affiliates	3.7	San Miguel 0.6, San Miguel Brewery 4.3 (Including equity in earnings of local affiliates 8.1, Amortization of consolidation difference (2.9), Brand amortization (0.8)), Kirin-Amgen, Inc. (2.0), etc.
	Foreign currency translation gain or loss	(20.6)	16.4 => (4.2)
	Others	1.0	
Total		(19.7)	
Decrease in ordinary income		(0.0)	Six months ended June 30, 2009 Actual 56.3 => Six months ended June 30, 2010 Actual 56.2
Special income and expenses	Gain on sale of investment securities	(15.7)	
	Loss on impairment	3.7	
	Loss on sale of shares of subsidiaries and affiliates	17.1	
	Provision of allowance for loss on liquidation of a foreign subsidiary	(7.5)	
	Loss on revision of retirement benefit plan	(6.9)	
	Loss on prior periods adjustment	(5.3)	Mercian
	Other	(2.5)	
Total		(17.0)	
Income taxes and minority interests	Income taxes	6.3	
	Income taxes for prior years-deferred	(1.1)	Mercian
	Minority interests	4.1	
Total		9.3	
Decrease in net income		(7.7)	Six months ended June 30, 2009 Actual 14.9=> Six months ended June 30, 2010 Actual 7.1

*1 The Company reclassified certain amounts in the consolidated statements of income. The above figures are presented after reclassification.

*2 For the effects of changes in fiscal year-ends of consolidated subsidiaries, please refer to Information by Segment on page 15.

Exchange rate for overseas company	Six months ended June 30, 2009, Actual	Six months ended June 30, 2010, Actual
Lion Nathan National Foods (Alcohol Beverages) (AUD)	¥63.20	¥81.69
Lion Nathan National Foods (Soft Drinks and Foods) (AUD)	¥68.87	¥81.58
San Miguel Brewery (PHP)	—	¥1.96

4. Major Expenses and Others

(¥ billions)

	2009		2010	
	Six months ended June 30, Actual	Annual Actual	Six months ended June 30, Actual	Annual Forecast
Sales promotion expenses	91.8	192.7	74.5	} 229.0
Advertising expenses	36.2	68.2	34.7	
(Sales promotion and advertising expenses include in the above)				
Kirin Brewery				
Sales promotion expenses	19.5	45.2	18.8	} 78.8
Advertising expenses	20.1	37.6	19.7	
Kirin Beverage *1				
Sales promotion	52.0	104.2	45.3	} 107.5
Advertising expenses	5.8	9.6	4.5	
Research and development expenses	26.5	58.5	26.6	60.0
Depreciation *2	48.0	105.8	49.9	110.0
Amortization of goodwill *3	11.0	21.6	16.6	33.0
Financial profit or loss, net	(4.2)	(11.4)	(8.1)	(17.0)
Capital expenditures	51.0	110.2	56.4	100.0
Cash flows	111.3	51.5	1.6	(30.0)
Operating activities	54.4	189.9	84.8	210.0
Investing activities	(36.0)	(321.6)	(39.8)	(145.0)
Financing activities	88.4	174.2	(32.5)	(95.0)

*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, "Goodwill" amortization

5. Major Fluctuations of Balance Sheets

(¥ billions)

	As of December 31, 2009	As of June 30, 2010	Increase (Decrease)	Description
ASSETS				
Current Assets				
Notes and accounts receivable, trade	423.8	356.7	(67.0)	Decrease due to the year-end of previous year being a bank holiday, etc.
Other	93.8	81.3	(12.4)	Decrease in income tax receivable due to refund made for income tax of Kirin Holdings, etc.
Fixed Assets				
Property, Plant and Equipment	774.2	763.9	(10.3)	Decrease due to sales of agribio business, etc.
Goodwill	605.2	618.1	12.9	Increase due to an effect of currency exchanges at consolidated subsidiaries in Australia, etc.
Investments securities	388.6	362.9	(25.6)	Decrease due to a decrease in net unrealized holding gains affected by fluctuations in stock prices of equity securities held by Kirin Holdings, etc.
LIABILITIES				
Current Liabilities				
Short-term loans payable and long-term debt with current maturities	259.4	197.6	(61.7)	Decrease at Kirin Holdings, etc.
Commercial papers	—	84.9	84.9	Increase due to issue of commercial papers by Kirin Holdings
Others	319.4	237.5	(81.8)	Decrease in liquor taxes payable due to the year-end of previous year being a bank holiday, etc.
Long-term Liabilities				
Long-term debt	300.5	266.8	(33.7)	Decrease due to transfer to short-term loans payable, etc.
Employees' pension and retirement benefits	85.2	67.9	(17.3)	Decrease due to transfer to long-term liabilities, for the revision of retirement benefit plan, etc.
Other	151.3	165.8	14.5	Increase due to transfer from employees' pension and retirement benefits to long-term liabilities, for the revision of retirement benefit plan, etc.
NET ASSETS				
Foreign currency translation adjustments	(34.3)	(7.9)	26.4	Increase affected by weaker yen against AUD, etc.

6. Major Changes in Income (Forecasts)

(¥ billions)

Segment	Company Name	Major factors	Difference	Description
Alcohol beverages	Kirin Brewery	Decrease in marginal profit of alcohol beverages	(7.9)	Sales decrease in beer (60) thousand KL, (7.5) Sales decrease in <i>happo-shu</i> (79) thousand KL, (8.2) Sales increase in new genre 32 thousand KL, 3.5 Sales increase in RTD 4 thousand KL, 0.5 Decrease in marginal profit of shochu, whiskey and spirits (0.7) Difference of change in products mix, etc.
		Decrease in raw material cost of alcohol beverages	3.9	Decrease in cost of malt, Decrease in cost of sugar and liquid sugar, Decrease in price for packing materials, etc.
		Decrease in selling cost	4.0	Decrease in sales promotion and advertising expenses 4.1, etc.
		Decrease in other expenses	2.1	Decrease in employees' pension and retirement benefits expenses 2.4 Decrease in supplies expenses 1.4, Decrease in information processing fee 1.2, Decrease in depreciation 1.0 Increase in management fee (3.7), etc.
	Total		2.1	
	Lion Nathan National Foods *1		(3.0)	28.4 => 25.4
	Others		3.6	Change in management fees and others, etc.
Total			2.7	FY2009 Actual 102.8 => FY2010 Forecast 105.5
Soft drinks and Foods	Kirin Beverage	Difference in volume of sales	(6.4)	Decrease in sales volume 6.12 million cases
		Cost reduction	1.0	Decrease in cost of raw materials, etc.
		Decrease due in change of composition ratio of containers, etc.	(0.5)	Deduction of sales promotion expenses from sales (1.1), etc.
		Decrease in selling cost	8.1	Decrease in sales promotion and advertising expenses 6.3 (Deduction of sales promotion expenses from sales 1.1, etc.), Decrease in transportation cost 1.8
		Increase in other expenses	(0.9)	Increase in R&D expenses (0.3), Decrease in depreciation 0.8, Increase in management fee (1.2), etc.
	Total		1.3	
	Lion Nathan National Foods		2.6	1.3 => 3.9
	Others		2.0	Change in management fees and others, etc.
Total			5.9	FY2009 Actual 7.0 => FY2010 Forecast 13.0
Pharmaceuticals	Kyowa Hakko Kirin *1		(2.3)	Decrease in gross profit (1.3) Increase in R&D expenses (0.4) Increase in other expenses (0.6)
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		9.5	(5.5) => 4.0
	Others		(7.9)	Lion Nathan National Foods corporate expenses, etc.
Total			1.6	FY2009 Actual 3.8 => FY2010 Forecast 5.5
Eliminations or Corporate			(3.3)	FY2009 Actual (19.6) => FY2010 Forecast (23.0)
Increase in operating income			4.5	FY2009 Actual 128.4 => FY2010 Forecast 133.0

(¥ billions)

Segment	Major factors	Difference	Description
Non-operating income and expenses	Financial profit or loss, net	(5.5)	(11.4) => (17.0)
	Equity in earnings or losses of affiliates	2.2	San Miguel Brewery *2 3.8 (Including equity in earnings of local affiliates 7.7, Amortization of consolidation difference (3.0), Brand amortization (0.9)), etc.
	Foreign currency translation gain or loss	(20.8)	
	Others	0.0	
Total		(24.1)	
Decrease in ordinary income		(19.6)	FY2009 Actual 144.6 => FY2010 Forecast 125.0
Special income and expenses	Gain on sale of investment securities	(23.1)	Mercian
	Loss on impairment	38.8	
	Loss on sale of shares of subsidiaries and affiliates	15.1	
	Loss on revision of retirement benefit plan	(6.9)	
	Loss on prior periods adjustment	(5.3)	
	Loss on liquidation of a foreign subsidiary	(7.5)	
	Others	6.0	
Total		17.0	
Income taxes and minority interests	Income taxes	(15.8)	
	Minority interests	4.2	
Total		(11.5)	
Decrease in net income		(14.1)	FY2009 Actual 49.1 => FY2010 Forecast 35.0

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

*2 The forecast for the year ending December 31 2010 are based on the operating results in foreign currency from October 2008 to September 2009 (foreign exchange rates were reviewed) because the forecast is undisclosed.

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) *2	¥1.99	¥2.00

(Reference Material)

1. Guide to Kirin Group Consolidated Financial Indices

(¥ billions)

			2009 Actual	Six months ended June 30, 2010, Actual	2010 Annual Forecast Disclosed on February 10, 2010	2010 Annual Forecast
Quantitative targets	Consolidated sales	Excluding liquor tax	1,918.7	856.2	1,860.0	1,835.0
	Operating income	Prior to amortization of goodwill etc.	157.7	79.6	175.0	175.0
		After amortization of goodwill etc.	128.4	59.8	133.0	133.0
	Operating income ratio	Excluding liquor tax, prior to amortization of goodwill etc.	8.2%	9.3%	9.4%	9.5%
		Excluding liquor tax, after amortization of goodwill etc.	6.7%	7.0%	7.2%	7.3%
	ROE	Prior to amortization of goodwill etc.	8.3%	3.0%	9.5%	8.3%

Guideline	Sales by segment	Alcohol beverages	1,097.6	514.2	1,115.0	1,095.5
		Soft drinks and Foods	735.0	275.0	672.0	650.0
		Pharmaceuticals	206.7	103.3	205.0	205.0
		Others	238.9	117.5	228.0	229.5
	Operating income by segment	Alcohol beverages	102.8	45.4	105.0	105.5
		Soft drinks and Foods	7.0	2.5	13.0	13.0
		Pharmaceuticals	34.3	19.7	32.0	32.0
		Others	3.8	2.7	6.0	5.5
		Eliminations or Corporate	(19.6)	(10.6)	(23.0)	(23.0)
	Sales	Including liquor tax	2,278.4	1,010.1	2,220.0	2,180.0
	Overseas ratio	Sales excluding liquor tax	27.0%	24.0%	25.0%	25.0%
	EBITDA		212.8	104.4	280.0	252.0
	Amortization of goodwill etc.		33.0	23.7	49.3	* 49.6
	EPS (¥)	Prior to amortization of goodwill etc.	82	32	102	88
	D/E ratio		0.91	0.89	0.72	0.84
	Turnover of total assets	Sales excluding liquor tax	0.70	0.30	0.67	0.65

* Amortization of goodwill etc.:

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	¥7.6 billion	(brand amortization ¥1.6 billion, amortization of consolidation difference ¥5.9 billion) etc.

	2009 Actual	Six months ended June 30, 2010, Actual	2010 Annual Forecast Disclosed on February 10, 2010	2010 Forecast
Exchange rate for overseas company				
Lion Nathan National Foods (Alcohol Beverages) (AUD)	¥70.04	¥81.69	¥80.00	¥80.00
Lion Nathan National Foods (Soft Drinks and Foods) (AUD)	¥74.57	¥81.58	¥80.00	¥80.00
San Miguel Brewery (PHP)	¥1.99	¥1.96	¥1.80	¥2.00

2. Information by Segment

<FY2009>

(¥ billions)

	Alcohol beverages		Soft drinks and Foods		Pharmaceuticals		Others		Eliminations or Corporate		Total	
	Six months ended June 30, Actual	Annual Actual	Six months ended June 30, Actual	Annual Actual	Six months ended June 30, Actual	Annual Actual	Six months ended June 30, Actual	Annual Actual	Six months ended June 30, Actual	Annual Actual	Six months ended June 30, Actual	Annual Actual
Depreciation *1	22.9	48.4	12.4	27.7	3.4	10.9	7.9	17.0	1.1	1.7	48.0	105.8
Amortization of goodwill *2	2.3	5.0	5.3	9.9	3.0	6.0	0.2	0.6	-	-	11.0	21.6
EBITDA *3	61.5	118.7	7.7	34.1	24.1	47.1	5.7	18.7	(8.6)	(6.0)	90.5	212.8
Capital expenditures	24.4	50.2	9.0	17.7	4.8	15.9	8.0	15.3	4.8	10.9	51.0	110.2
R&D expenses	2.4	5.4	1.4	2.9	18.6	41.9	2.7	5.3	1.2	2.7	26.5	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	
	Six months ended June 30, Actual	Annual Forecast	Six months ended June 30, Actual	Annual Forecast	Six months ended June 30, Actual	Annual Forecast	Six months ended June 30, Actual	Annual Forecast	Six months ended June 30, Actual	Annual Forecast	Six months ended June 30, Actual	Annual Forecast
Depreciation *1	24.0	50.8	10.4	26.4	4.5	11.5	10.0	19.4	0.8	1.7	49.9	110.0
Amortization of goodwill *2	9.5	18.9	3.6	7.8	3.0	5.8	0.4	0.4	-	-	16.6	33.0
EBITDA *3	76.2	167.3	15.2	40.5	26.7	50.5	4.5	16.6	(18.4)	(23.0)	104.4	252.0
Capital expenditures	20.5	41.4	6.5	15.7	16.3	21.0	7.8	13.7	5.0	7.9	56.4	100.0
R&D expenses	2.4	5.5	1.3	3.1	19.3	42.1	2.3	6.1	1.1	3.0	26.6	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)

<Six Months Ended June 30, 2010 Actual>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kirin Brewery (consolidated subsidiary) *1	372.5	28.3	—	—	—
Management fee, etc. *2		(5.9)	—	—	—
After adjustments of the above	372.5	22.4	—	—	—
Mercian (consolidated subsidiary)	35.2	(1.3)	(1.3)	(2.5)	(1.3)
Lion Nathan National Foods *3	165.9	29.2	—	—	—
Brand amortization		(4.1)	—	—	—
Amortization of goodwill		(11.2)	—	—	—
After adjustments of the above	165.9	13.8	—	—	—
Kirin Beverage (consolidated subsidiary)	165.2	0.8	—	—	—
Management fee, etc. *2		(1.7)	—	—	—
Amortization of goodwill		(0.9)	—	—	—
After adjustments of the above	165.2	(1.9)	—	—	—
Kyowa Hakko Kirin (consolidated subsidiary)	203.4	21.6	22.3	9.9	5.0
Elimination of amortization of goodwill		4.6	4.6	4.6	2.3
Amortization of goodwill		(3.1)	(3.1)	(3.1)	(3.1)
After adjustments of the above	203.4	23.1	23.8	11.4	4.2
San Miguel Brewery (affiliated company)	58.9	18.3	21.6	16.8	*8.1
Equity in earnings and losses of affiliates *			*8.1	8.1	8.1
Brand amortization *4			(0.8)	(0.8)	(0.8)
Amortization of consolidation difference *4			(2.9)	(2.9)	(2.9)
After adjustments of the above			4.3	4.3	4.3

*1 The amounts are non-consolidated.

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

*3 As for the period for the consolidation of profit or loss of this company in consolidated statements of income, please refer to "Additional information" on page 7.

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

<FY2010 Forecast>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kirin Brewery (consolidated subsidiary) *1	817.2	75.0	—	—	—
Management fee, etc. *2		(13.0)	—	—	—
After adjustments of the above	817.2	62.0	—	—	—
Mercian (consolidated subsidiary)	79.0	(0.4)	(0.3)	(2.3)	(1.1)
Lion Nathan National Foods *3	385.0	57.5	—	—	—
Brand amortization		(9.0)	—	—	—
Amortization of goodwill		(24.0)	—	—	—
After adjustments of the above	385.0	24.3	—	—	—
Kirin Beverage (consolidated subsidiary)	357.6	7.5	—	—	—
Management fee, etc. *2		(3.9)	—	—	—
Amortization of goodwill		(1.9)	—	—	—
After adjustments of the above	357.6	1.6	—	—	—
Kyowa Hakko Kirin (consolidated subsidiary)	407.0	37.5	39.0	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	407.0	40.5	42.0	23.0	8.5
San Miguel Brewery (affiliated company) *4	101.0	32.2	33.8	24.9	* 12.0
Equity in earnings and losses of affiliates *			* 12.0	12.0	12.0
Brand amortization *5			(1.6)	(1.6)	(1.6)
Amortization of consolidation difference *5			(5.9)	(5.9)	(5.9)
After adjustments of the above			4.4	4.4	4.4

*1 The amounts are non-consolidated.

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

*3 As for the period for the consolidation of profit or loss of this company in consolidated statements of income, please refer to “Additional information” on page 7.

*4 The forecast for the year ending December 31 2010 are based on the operating results in foreign currency from October 2008 to September 2009.

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

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

	2009				2010			
	Six months ended June 30, Actual		Annual Actual		Six months ended June 30, Actual		Annual Forecast	
Sales volume (year-on-year rate)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)
Beer	358	(6.2%)	799	(7.9%)	330	(7.7%)	739	(7.6%)
<i>Happo-shu</i>	348	(8.1%)	726	(10.4%)	310	(10.7%)	647	(11.0%)
New genre	312	24.0%	714	17.8%	324	4.0%	746	4.5%
Sub-total	1,018	0.6%	2,240	(2.0%)	966	(5.1%)	2,132	(4.8%)
RTD	91	9.6%	199	(1.9%)	95	4.2%	203	1.8%
Beer-taste beverages	14	497.8%	51	807.1%	33	126.7%	75	46.2%
Breakdown of sales (year-on-year rate)	¥ billions		¥ billions		¥ billions		¥billions	
Beer	147.2	(5.5%)	329.8	(7.5%)	136.3	(7.4%)	305.3	(7.5%)
<i>Happo-shu</i>	106.1	(7.5%)	221.7	(10.1%)	94.8	(10.7%)	197.2	(11.1%)
New genre	81.9	24.5%	187.4	18.1%	85.1	3.9%	195.8	4.4%
Sub-total	335.3	(0.3%)	739.1	(3.0%)	316.3	(5.7%)	698.3	(5.5%)
RTD	24.5	9.6%	54.1	(0.5%)	26.1	6.2%	55.6	2.7%
Shochu, Whiskey and Spirits, etc.	22.3	4.0%	52.2	19.7%	26.6	18.8%	56.6	8.4%

* The above sales volume and sales include exports.

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

<Category>

Soft drink beverages			2009 Six months ended June 30, Actual		2010 Six months ended June 30, Actual				2009 Annual Actual		2010 Annual Forecast
			Sales volume	Composition ratio	Sales volume	Composition ratio	Increase (Decrease)	Percentage over the previous year	Sales volume	Composition ratio	Sales volume
Category	Tea drink	Japanese tea	1,202	13%	1,050	12%	(152)	87%	2,475	13%	2,300
		Oolong tea	155	2%	139	2%	(16)	90%	342	2%	280
		Black tea	1,772	20%	2,005	24%	233	113%	3,798	20%	4,150
		Sub-total	3,129	35%	3,194	38%	65	102%	6,615	35%	6,730
	Coffee		1,761	19%	1,646	20%	(115)	93%	3,692	19%	3,700
	Fruit and vegetable juice		1,098	12%	938	11%	(160)	85%	2,312	12%	1,950
	Carbonated beverage		355	4%	423	5%	68	119%	821	4%	1,000
	Water		1,626	18%	1,296	15%	(330)	80%	3,364	18%	2,950
	Other		735	8%	597	7%	(138)	81%	1,502	8%	1,340
	Domestic soft drink beverage market total		8,704	96%	8,094	96%	(610)	93%	18,306	96%	17,670
Overseas soft drink beverage market total			372	4%	339	4%	(33)	91%	706	4%	730
Soft drink beverages total			9,076	100%	8,433	100%	(643)	93%	19,012	100%	18,400

<Container Type>

Soft drink beverages			2009 Six months ended June 30, Actual		2010 Six months ended June 30, Actual				2009 Annual Actual		(10,000 cases) 2010 Annual Forecast
Container type	Category	Details	Sales volume	Composition ratio	Sales volume	Composition ratio	Increase (Decrease)	Percentage over the previous year	Sales volume	Composition ratio	Sales volume
Cans	Can	Including bottle styled cans	2,286	25%	2,194	26%	(92)	96%	4,787	25%	4,600
PET bottles	Large-sized PET bottles	2L	1,613	18%	1,309	16%	(304)	81%	3,368	18%	3,100
		1.5L, 1L, 900ml, 750ml	744	8%	673	8%	(71)	90%	1,553	8%	1,500
		Large-sized PET bottles total	2,357	26%	1,982	24%	(375)	84%	4,921	26%	4,600
	Small-sized PET bottles	500ml	2,384	26%	2,274	27%	(110)	95%	4,986	26%	4,900
		350ml or less	606	7%	643	8%	37	106%	1,279	7%	1,400
		Small-sized PET bottles total	2,990	33%	2,917	35%	(73)	98%	6,265	33%	6,300
	PET bottles total	5,347	59%	4,899	59%	(448)	92%	11,186	59%	10,900	
Other containers	One-way/Returnable bottles, paper, gifts, etc.	1,071	12%	1,001	11%	(70)	93%	2,333	12%	2,170	
Overseas soft drink beverages total			372	4%	339	4%	(33)	91%	706	4%	730
Soft drink beverages total			9,076	100%	8,433	100%	(643)	93%	19,012	100%	18,400

6. Sales of Major Pharmaceuticals (Kyowa Hakko Kirin Company, Limited)

(¥ billions)

	2009		2010	
	Six months ended June 30, Actual	Annual Actual	Six months ended June 30, Actual	Annual Forecast
NESP [®] / ESPO [®]	22.1	48.9	23.4	48.3
GRAN [®] / Neu-up [®]	7.6	17.0	7.3	15.1
Coniel [®]	11.0	23.3	10.3	21.3
Allelock [®]	15.2	26.7	13.9	26.0
REGPARA [®]	2.9	6.8	4.3	8.6
Patanol [®]	5.3	7.4	4.7	7.5
Topina [®]	0.6	1.5	0.9	1.9

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