



KIRIN HOLDINGS COMPANY, LIMITED

February 14, 2013

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNDER JAPANESE GAAP) (UNAUDITED)

(English Translation)

Fiscal year ended December 31, 2012

KIRIN HOLDINGS COMPANY, LIMITED

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

Code No.:	2503
Shares Listed:	Tokyo, Osaka, Nagoya, Sapporo and Fukuoka
Representative:	Mr. Senji Miyake, President
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Scheduled date of general meeting of shareholders held:	March 28, 2013
Commencement date of dividend distribution scheduled:	March 29, 2013
Submission date of securities report scheduled:	March 28, 2013
Preparation of supplementary documents to the financial results:	Yes
Holding of financial results presentation (for institutional investors and analysts):	Yes

1. Consolidated business results and financial position for the current fiscal year (January 1, 2012 - December 31, 2012)

[Unit: Japanese yen (¥)]

(1) Results of operations: (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, 2012	2,186,177	5.5	153,022	7.1	138,452	1.2
December 31, 2011	2,071,774	(4.9)	142,864	(5.8)	136,818	(2.9)

Note: Comprehensive income	December 31, 2012	¥179,981 million	[- %]
	December 31, 2011	¥(71,920) million	[- %]

	Net income (¥ millions)	Percentage change (%)	Net income per share (Basic) (¥)	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, 2012	56,198	658.7	58.44	57.31	6.2	4.8	7.0
December 31, 2011	7,407	(35.0)	7.70	7.14	0.8	5.0	6.9

Reference: Equity in earnings of affiliates	December 31, 2012	¥(676) million
	December 31, 2011	¥10,541 million

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

(2) Financial position:

	Total assets	Net assets	Ratio of equity to total assets	Net assets per share
	(¥ millions)	(¥ millions)	(%)	(¥)
As of				
December 31, 2012	2,951,061	1,153,901	32.2	986.94
December 31, 2011	2,854,254	1,047,895	29.9	886.86
Reference: Equity	December 31, 2012	¥948,943 million		
	December 31, 2011	¥852,922 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 year
	(¥ millions)	(¥ millions)	(¥ millions)	(¥ millions)
Fiscal year ended December 31, 2012	212,061	(48,379)	(160,008)	78,041
Fiscal year ended December 31, 2011	196,792	(361,658)	193,214	70,847

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended December 31, 2011	—	13.50	—	13.50	27.00
Fiscal year ended December 31, 2012	—	13.50	—	15.50	29.00
Fiscal year ending December 31, 2013 (Forecast)	—	18.00	—	18.00	36.00

	Total amount of dividends	Dividend pay-out ratio	Ratio of dividends to shareholders' equity (%)
	(¥ millions)	(%)	
Fiscal year ended December 31, 2011	25,967	350.6	2.9
Fiscal year ended December 31, 2012	27,886	49.6	3.1
Fiscal year ending December 31, 2013 (Forecast)		38.5	

Reference: Dividend pay-out ratio calculated using normalized EPS

December 31, 2013 (Forecast) 29.8%

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

	Sales (¥ millions)	Percentage change (%)	Operating income (¥ millions)	Percentage change (%)	Ordinary income (¥ millions)	Percentage change (%)
Six months ending June 30, 2013	1,090,000	4.6	58,000	1.4	—	—
Fiscal year ending December 31, 2013	2,290,000	4.7	155,000	1.3	132,000	(4.7)

	Net income (¥ millions)	Percentage change (%)	Net income per share (¥)
Six months ending June 30, 2013	—	—	—
Fiscal year ending December 31, 2013	90,000	60.1	93.60

Reference:	Normalized EBITDA	December 31, 2013 (Forecast)	¥316,000 million (2.8%)
	Normalized EPS	December 31, 2013 (Forecast)	¥121 (3.4%)

For details of definitions and computation methods for the above indicators, please refer to "BUSINESS PERFORMANCE" on page 5.

Notes: The Company estimates ordinary income and net income for fiscal year ending December 31, 2013 only. Therefore, from fiscal year 2013, the disclosed forecast business results for the six months ending June 30, 2013 comprise forecast sales and operating income only.

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

* Notes

- (1) Changes in significant subsidiaries during the year (Changes in specified subsidiaries accompanying change in scope of consolidation.): None
Newly included: — Excluded: —

- (2) Changes in accounting policies, changes in accounting estimates, and restatements

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

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

- i. Number of shares outstanding at the end of the year (including treasury stock)
 - As of December 31, 2012 965,000,000 shares
 - As of December 31, 2011 965,000,000 shares
- ii. Number of treasury stock at the end of the year
 - As of December 31, 2012 3,502,064 shares
 - As of December 31, 2011 3,268,428 shares
- iii. Average number of shares during the year
 - For the fiscal year ended December 31, 2012 961,665,861 shares
 - For the fiscal year ended December 31, 2011 961,805,552 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 25.

1. Non-consolidated business results and financial positions for the current fiscal year (January 1, 2012 - December 31, 2012)

(1) Results of operations:

	Sales (¥ millions)	Percentage change (%)	Operating income (¥ millions)	Percentage change (%)	Ordinary income (¥ millions)	Percentage change (%)
Fiscal year ended						
December 31, 2012	95,888	(25.1)	70,774	(30.2)	64,989	(32.9)
December 31, 2011	128,102	60.2	101,352	96.4	96,880	115.9

	Net income (¥ millions)	Percentage change (%)	Net income per share (Basic) (¥)	Net income per share (Diluted) (¥)
Fiscal year ended				
December 31, 2012	65,172	59.5	67.77	—
December 31, 2011	40,855	(13.3)	42.48	—

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

(2) Financial position:

	Total assets (¥ millions)	Net assets (¥ millions)	Ratio of equity to total assets (%)	Net assets per share (¥)
As of				
December 31, 2012	2,104,999	993,410	47.2	1,033.19
December 31, 2011	2,038,892	918,524	45.1	955.07

Reference: Equity December 31, 2012 ¥993,410 million
 December 31, 2011 ¥918,524 million

* Explanation regarding performance of audit procedures

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

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

- (1) The statements concerning future performance that are presented in this document are based on judgments using information available to Kirin Holdings and the Kirin Group as of the release date of this material. Certain risks and uncertainties could cause the results of Kirin Holdings and the Kirin Group to differ materially from any projections presented herein. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses, market trends, and exchange rates.
- (2) The Company will post the Supplementary Documents to the Financial Results today, Thursday, February 14, and it will post the presentation materials from the financial results presentation held today, the presentation content (video) and the main Q&A at the meeting as soon as possible on the Company's website.

(URL of the Company's website)

<http://www.kirinholdings.co.jp/english/ir/event/explain/index.html>

ATTACHED MATERIALS

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1. BUSINESS RESULTS AND FINANCIAL POSITION

(1) BUSINESS PERFORMANCE

The Japanese economy continued to endure difficult circumstances this consolidated fiscal year due to a slowdown in overseas economies. Consumer spending remained steady, but showed weak movement.

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

In Japan, competition aimed at stimulating demand became more intense as the market matured further. Kirin Brewery Company, Limited, Mercian Corporation and Kirin Beverage Company, Limited continued to make structural changes along the entire value chain, and they drove the integrated beverages group strategy further forward, based on brand-focused management. Moreover, in the pursuit of further growth, preparations were made for the establishment of a new domestic integrated beverage company called "Kirin Company, Limited," which is scheduled to commence operations in January 2013.

Overseas, Lion Pty Ltd and Brasil Kirin Participações e Representações S.A.*—which was added to the Kirin Group last year—worked on measures aimed at improving profitability and efficiency, in the pursuit of growth in the overseas integrated beverages business. Lion implemented measures aimed at stabilizing income, and Brasil Kirin made a smooth start aimed at improving business performance under a new management structure.

As a result of these factors, sales increased, mainly due to the inclusion of Brasil Kirin's profit and loss in the figures for our overseas alcoholic and non-alcoholic beverages business, and to an increase in sales volume in our domestic non-alcohol beverages business. Furthermore, operating income and ordinary income both increased, in part due to realizing improved profits in our overseas beverages business as well as achieving strong sales in our pharmaceuticals business. Net income also increased as a result of a decrease in special expenses.

* In November 2012, the company name was changed from Schincariol to Brasil Kirin.

Kirin Holdings Company, Limited 2012 results:

Consolidated sales	¥2,186.1 billion, up 5.5%
Consolidated operating income	¥153.0 billion, up 7.1%
Consolidated ordinary income	¥138.4 billion, up 1.2%
Consolidated net income	¥56.1 billion, up 658.7%

Results by segment are as follows.

Domestic Alcohol Beverages Business

At Kirin Brewery, we strengthened our core brands through selection and concentration. We also worked to develop brands on a long-term perspective and to create new forms of value that meets customers' needs. In the beer category, we presented a new style of drinking in the form of the draft beer product *KIRIN ICHIBAN Shibori Frozen Beer*, featuring a new tasting experience. In the new genre category, the renewed *Kirin Nodogoshi Nama* further solidified its No.1 position*. In the RTD (ready to drink) category, adding seasonally limited products to the *Kirin Chuha Hyoketsu* series and strengthening the brand did much to help increase sales. Furthermore, at Kirin Beer Marketing Company, Limited—which was established by integrating Kirin Merchandising Company, Limited with the sales division of Kirin Brewery—we built an efficient and solid community-oriented marketing model. Despite having also actively promoted sales with the aim of at reinforcing brands, amid an increasingly competitive market environment, the combined sales volume of beer, *happo-shu* and new genre was less than that of the previous year.

In the non-alcohol beverages category, we introduced the Kirin non-alcohol chuhai brand, *Zero Hai*, in a bid to further invigorate and expand the market, but a decrease in sales of *Kirin FREE* resulted in an overall decrease in sales from the previous year. Meanwhile, overseas, sales performance of *Kirin Ichiban Shibori Frozen Beer* was strong, and in addition to expanding our export area, we began test-marketing *KIRIN ICHIBAN Shibori Frozen Beer*.

At Mercian, we concentrated management resources in the alcohol beverages business focusing on wine, and we worked to develop and enhance our product brands with the aim of being number one in each category. Following the Great East Japan Earthquake, demand for "drinking at home" increased, and as the wine market continued to expand, through our collaboration with Kirin Beer Marketing, sales performance was strong, especially for table wines including *Mercian Bistro*, *Mercian Oishii-Sankaboshizai-Mutenka Wine* (a delicious and antioxidants-free wine) and *Franzia* (a revamped Californian wine). Both domestic wines and

imports saw year-on-year growth.

As a result, sales and operating income both decreased, in part due to the effects of the sales volume decrease at Kirin Brewery.

* Based on the taxed quantity shipped of “Other miscellaneous liquors (2)” in 2005, and “Other brewed liquors (carbonated) (1)” in 2006-2012.

Domestic alcohol beverages business 2012 results:

Consolidated sales	¥851.8 billion, down 1.9%
Consolidated operating income	¥63.3 billion, down 10.2%

Domestic Non-Alcohol Beverages Business

At Kirin Beverage, in addition to maintaining revenue structure reforms, we further strengthened our product value and sales force, thereby achieving increased sales far greater than the market average. We also focused our efforts on sales promotions aimed at developing the brand. *Kirin Mets Cola*, which we released as the first-ever cola drink designated as a food for specified health uses, evoked such a massive response that we established a new segment in the cola drinks market, distinct from the existing “sugared cola” and “zero cola” segments. As for our *Kirin Gogo-no-Kocha* brand, buoyed by the strong sales of *Kirin Gogo-no-Kocha Oishii Sugar-Free*, we set a new sales record for the third year in a row. In addition, there were strong sales for both the *Kirin Sekai-no-Kitchen-Kara* series and products of the water category in the wake of the Great East Japan Earthquake, with the volume of sales significantly surpassing last year’s figures.

Based on these results, both sales and operating income increased.

Domestic non-alcohol beverages business 2012 results:

Consolidated sales	¥335.3 billion, up 6.6%
Consolidated operating income	¥4.4 billion, up 58.8%

Overseas Beverages Business

Despite interest rate relief in Australia from early May, consumer sentiment in our key geographies remained relatively subdued.

In these circumstances, Lion’s Beer, Spirits and Wine division saw earnings return to growth. This reflects a particularly strong performance from the Australian business, which grew volumes and revenue in a declining beer market. XXXX Gold, now Australia’s largest beer, continues to grow volume and value share off a large base, while Lion’s international premium portfolio has been strengthened as international brand owners have chosen to partner with Lion locally, including Corona Extra and Stella Artois. Lion’s James Squire trademark continued to drive growth in the craft market, and has since been joined by Little World Beverages brands to become the most attractive craft beer portfolio in Australia. The soft drinks and foods business has gone through significant structural reform to improve profitability over the long-term. While poor consumer sentiment, deep discounting on white milk, and aggressive competitive activity in juice and everyday cheese continues to impact volumes and margins, Lion remains focused on sustainable cost reduction and innovation, to drive value in the market. Lion innovated across its leading branded white milk products, Dairy Farmers and Pura, making them permeate free, which has seen modest volume growth in branded white milk, and also saw strong performances from specialty cheese and flavoured milk.

Growth in the Brazilian economy appears to be slowing slightly, but consumer spending remained strong. Brasil Kirin Participações e Representações S.A. moved ahead with marketing and sales activities targeting increased growth and greater profitability, such as reinforcement of major brands. Sales were strong in the beer category, especially for the major brand, *Nova Schin*, and for the recently launched *Schin No Grau*. Sales were also strong in the carbonated soft drinks category, particularly for *Schin* products. As such, sales increased in both the alcohol and non-alcohol businesses, with sales volume exceeding last year’s figures. A number of measures were also implemented, including drastically improving the procurement process and strengthening value chain functions, thereby achieving increased profits.

Based on these results, both sales and operating income increased.

Overseas beverages business 2012 results:

Consolidated sales	¥579.3 billion, up 27.6%
Consolidated operating income	¥27.6 billion, up 79.4%

Pharmaceuticals and Bio-chemicals Business

With regard to the pharmaceuticals business, at Kyowa Hakko Kirin Co., Ltd., despite the impact of the reduction in standard drug prices implemented in April, sales remained strong for such core products as *NESP*[®], a treatment for renal anemia, and as a result, domestic sales of pharmaceuticals surpassed last year's figures. In the area of pharmaceutical exports and technology revenue, sales were higher due in part to strong exports together with technology revenue recorded from FUJIFILM KYOWA KIRIN BIOLOGICS Co., Ltd. With respect to research and development, approval was obtained in March for Poteligeo[®]—the therapeutic agent for adult T-cell leukemia-lymphoma (ATL) (a humanized monoclonal antibody that uses proprietary antibody technologies)—and sales were launched in May. In Europe and the United States, we commenced phase II clinical trials of KW-0761 for ATL in August. We also further strengthened our cooperation with the ProStrakan Group plc, a newly consolidated as of June 2011.

In the bio-chemicals business, Kyowa Hakko Bio Co., Ltd. revised its sales expansion and pricing in response to the brisk demand overseas for high-value-added products, such as amino acid and nucleic acid related materials, centered on pharmaceutical and medical applications. However, sales were affected by the strong yen.

Based on these results, and with the exclusion of our chemicals business from consolidation at the end of March 2011, sales decreased. Operating income, however, increased, in part due to the strong sales of our core pharmaceutical products.

Pharmaceuticals and bio-chemicals business 2012:

Consolidated sales	¥322.9 billion, down 3.0%
Consolidated operating income	¥55.5 billion, up 12.2%

Other Businesses

At Kirin Kyowa Foods Company, Limited, despite solid performance in the food services and restaurant foods business, total sales and operating income across this segment were down, due to such factors as a generally sluggish market for our core business of processed food-related products, and a tighter competitive environment for flavor enhancers in overseas markets.

Other businesses 2012:

Consolidated sales	¥96.6 billion, down 5.2%
Consolidated operating income	¥4.8 billion, down 22.3%

Outlook for 2013

The Kirin Group kicked off 2013 as the first year in the Kirin Group Medium-term Business Plan 2013-2015, which marks the first stage in realizing the aims of Kirin Group Vision 2021 ("KV2021"), Kirin's long-term business outlook.

In order to advance our business steadily by making the best use of our business foundation—which was expanded globally under KV2015 with an aim for a new trajectory of growth—in 2013, we will strive to increase sales and improve profitability, by redirecting management toward organic growth, and by establishing and expanding "brand-centered management" to maintain superior competitive positions. In the Japan integrated beverages business, we will accelerate the integrated beverages strategy aimed at further growth in the Group's core business by endeavoring to nurture our product brands on a long-term

perspective through the establishment of Kirin Company. Meanwhile, in the overseas integrated beverages business, we will drive growth of the entire Group by delivering results according to the respective business stage in Oceania, Brazil and Southeast Asia.

Moreover, to further deepen dialogue and collaboration with stakeholders and to promote Kirin's brand-centered management approach, the Kirin Group will take its CSR activities to the next level, especially in the Japan integrated beverages business group, by adopting a CSV* approach to its business. With CSV, Kirin aims to co-create value with a wide range of stakeholders, primarily through its overall business activities along the value chain.

* Creating Shared Value (CSV) is a management concept that combines two ideas: engaging in societal issues to create social value, and improving a company's competitive position.

Consolidated Earnings Forecasts for the Fiscal Year 2013

	2Q ^{*1}		Full year	
	Forecast	YoY change (%)	Forecast	YoY change (%)
Consolidated sales	¥1,090.0 billion	4.6%	¥2,290.0 billion	4.7 %
Consolidated operating income	¥58.0 billion	1.4%	¥155.0 billion	1.3 %
Consolidated ordinary income	-	-	¥132.0 billion	(4.7)%
Consolidated net income	-	-	¥90.0 billion	60.1 %
(Reference)				
Normalized EBITDA ^{*2}	-	-	¥316.0 billion	2.8 %
Normalized EPS ^{*2}	-	-	¥121	3.4 %

*1 With regard to the six months ending June 30, 2013, only forecasts for sales and operating income are shown, because Kirin only calculates forecasts for ordinary income and net income for the full-year.

*2 Normalization: Removing extraordinary gains and losses and other non-operating items to reflect actual earnings more accurately

Normalized EBITDA = operating income + depreciation + goodwill amortization + dividends received from equity method affiliated companies

Normalized EPS = adjusted net income/average number of shares outstanding during period

Adjusted net income = net income + depreciation of goodwill etc. ± extraordinary gains or losses after income taxes and minority interests

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

Japan Integrated Beverages Business

To pursue further growth in the domestic integrated beverage business, under a new structure, Kirin Company will team up with other group companies (Kirin Brewery, Kirin Beverage and Mercian), and bring "brand-centered management" to fruition by creating a virtuous cycle of: creating value for customers; enhancing the value of the corporate brand; and improving the company's competitive position by implementing CSV.

By concentrating management resources on core brands and by increasing consistency among the brand strategies of each business, we will enhance the value of product brands with a long-term perspective, which will lead to an improvement in the value of the corporate brand. Meanwhile, for the purpose of creating new value based on an in-depth understanding of changes in society and in customer needs from an integrated beverages perspective, we will bring together the marketing research functions of each business. We will review our product portfolio looking at integrated beverages as a whole, and we will strategically allocate resources in a decisive yet flexible manner that transcends the alcohol and soft drink categories. Furthermore, by unifying the R&D functions of each business and merging their respective knowledge and information, in addition to promoting technical developments that lead to competitive advantage and cost

reductions, we will also develop an environment in which new ideas not conceivable with traditional ideas and conventional wisdom can be generated, and we will create new categories and business models.

Overseas Integrated Beverages Business

By delivering results in accordance with the development stage of each region overseas, we will drive growth of the entire Group. In addition, we will build a regionally driven “global federation” management structure, providing a foundation for the generation of synergies.

Lion continues to make progress in improving profitability and efficiency by investing in its people and a portfolio of high potential brands. The alcohol beverages business continues to drive value in the market and has strengthened its portfolio through innovation and the addition of new international premium and craft beer brands. The soft drinks and foods business continues to optimize its footprint to improve efficiency, while focusing investment around high potential brands and high growth categories to achieve sustainable growth over the long term.

At Brasil Kirin, in addition to enhancing our presence in both the beer and soft drinks markets, we aim to further increase sales and profit by continuously promoting greater efficiencies along the entire value chain. In the beer business, we aim to establish a stronger market position by constructing a strong brand portfolio, and in the soft drink business, we will work to reinforce our high-value-added product brands.

In Southeast Asia, under the management of Kirin Holdings Singapore, we will build business foundations for the non-alcoholic and alcoholic beverages businesses in each market, with a particular focus on Vietnam and Thailand.

Pharmaceuticals and Bio-chemicals Business

In the pharmaceuticals business of Kyowa Hakko Kirin, we will endeavor to further strengthen our domestic competitiveness in the nephrology, oncology, immunology and allergology, and central nervous system categories, which will help to maximize sales and earn the trust of medical institutions. In research and development, in addition to advancing to the next stage in the clinical development of therapeutic antibodies and promoting the conclusion of license agreements, we will take on the challenge of next-generation research approaches, such as in nucleic acid medicine. In overseas markets, in the pursuit of being a global specialty pharmaceutical company, we will further expand our product lineup and market presence in Europe and the United States, based on the business model used at ProStrakan, and in the United States, we will proceed to build a development and sales structure, aimed at placing therapeutic antibodies on the market. We will also implement strategies in Asia that reflect the prevailing business environment in each country.

In the bio-chemicals business of Kyowa Hakko Bio, we will work to promote further technical developments and to enhance the supply structure centered on the expanding global market for high-value-added amino acids. At the same time, we will also work to build a strong business structure that is not easily affected by foreign exchange rates.

Other Businesses

At Kirin Kyowa Foods, more than just strengthening our core business of processed food-related products by promoting the high-value-proposal approach to marketing activities, we will strive to expand business by positioning the food services and restaurant foods business and business development in China as areas for new growth.

(2) FINANCIAL POSITION

Total assets as of December 31, 2012 stood at ¥2,951.0 billion, an increase of ¥96.8 billion, or 3.4%, compared to December 31, 2011. Current assets increased ¥31.4 billion to ¥789.4 billion. Non-current assets also increased ¥65.3 billion to ¥2,161.5 billion. While property, plant and equipment decreased ¥300 million, intangible assets increased ¥5.6 billion, and investments and other assets increased ¥60.0 billion in part due to the market valuation of investment securities.

Total liabilities as of December 31, 2012 stood at ¥1,797.1 billion, a decrease of ¥9.1 billion, or 0.5%, compared to December 31, 2011. Current liabilities increased ¥2.7 billion to ¥718.1 billion, while non-current liabilities decreased ¥11.9 billion to ¥1,079.0 billion, due in part to the replacement of long-term bonds with short-term ones.

Net assets as of December 31, 2012 stood at ¥1,153.9 billion, an increase of ¥106.0 billion, or 10.1%, compared to December 31, 2011. This was in part due to a ¥62.4 billion increase in foreign currency translation adjustments.

Consolidated cash flows were as follows:

Cash flows from operating activities

Net cash provided by operating activities was ¥212.0 billion, an increase of ¥15.2 billion compared to the previous fiscal year. The loss on devaluation of investment securities decreased ¥23.0 billion, and despite deposits received decreasing ¥9.8 billion and other such negative factors, income before income taxes and minority interests increased ¥48.6 billion, income taxes paid decreased ¥21.8 billion, and outflows from working capital due to changes in trade notes and accounts receivable, inventory, trade notes and accounts payable, liquor taxes payable and consumption taxes payable decreased ¥2.7 billion.

Cash flows from investing activities

Net cash used in investing activities decreased ¥313.2 billion to ¥48.3 billion compared to the previous fiscal year. Outflows for the purchase of property, plant and equipment and intangible assets increased ¥19.1 billion to ¥98.9 billion. Outflows of ¥9.6 billion were also recorded for the purchase of marketable securities and investment securities. Meanwhile the sale of property, plant and equipment and intangible assets produced ¥44.2 billion, and the sale of marketable securities and investment securities generated proceeds of ¥24.5 billion.

Cash flows from financing activities

Net cash used in financing activities increased ¥353.2 billion to ¥160.0 billion compared to the previous fiscal year. Repayment of long-term debt was ¥111.4 billion, commercial paper decreased ¥43.9 billion, cash dividends paid totaled ¥25.9 billion, and redemption of bonds was ¥24.9 billion. Meanwhile, proceeds from long-term debt were ¥69.6 billion.

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

	Fiscal year 2010	Fiscal year 2011	Fiscal year 2012
Equity ratio (%)	36.3	29.9	32.2
Equity ratio based on market capitalization (%)	41.4	31.5	33.0
Debt service coverage (%)	384.9	515.2	489.1
Interest coverage ratio (times)	9.9	9.5	12.1

Notes: 1. Equity ratio = Equity / Total assets

2. Equity ratio based on market capitalization = Market capitalization / Total assets

3. Debt service coverage = Interest-bearing liabilities / Operating cash flow

4. Interest coverage ratio = Operating cash flow / Interest expense

* All indices are calculated from consolidated financial data.

* Market capitalization = Market price on last trading day of the period x Total shares outstanding at end of period (excluding treasury stock)

* "Operating cash flow" refers to net cash provided by operating activities in the Consolidated Statements of Cash Flows.

"Interest-bearing liabilities" refer to all liabilities with interest payable recorded on the liabilities section of the Consolidated Balance Sheets.

"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 2012 and FOR 2013

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 taking real earnings into account, and future capital requirements. Retained earnings will be allocated to business and capital investments that contribute to enhancing future enterprise value. Kirin will also consider opportunities to acquire treasury stock, based on financial flexibility and on the progress made in creating free cash flow.

Based on this policy, with respect to the distribution of surplus funds for 2012, Kirin proposes an interim

dividend of ¥13.5 and a year-end dividend of ¥15.5 per share—meaning ¥29.0 per share, an increase of ¥2.0 from the previous year. As for the distribution of surplus funds for 2013, as stated in the Kirin Group Medium-term Business Plan 2013-2015, Kirin is aiming for a 30% consolidated payout ratio* on normalized EPS. As such, the planned full-year dividend for 2013 is ¥36.0 per share.

* Consolidated payout ratio linked to Kirin's actual earning power, whereby the effects of the amortization of goodwill, etc. and the special income and expenses after income taxes and minority interests are eliminated from net income.

2. MANAGEMENT POLICY

(1) BASIC APPROACH

On October 16, 2012, Kirin announced Kirin Group Vision 2021 (“KV2021”), the Kirin Group’s new long-term business outlook for 2021, along with the Kirin Group Medium-term Business Plan 2013-2015, which marks the first stage in realizing the aims of KV2021. In order to advance business steadily by making the best use of our business foundation—which was expanded globally under KV2015 (formulated in 2006) with an aim for a new trajectory of growth—under KV2021, we will strive to increase corporate value through realizing organic and sustainable growth and world-class management excellence.

(2) MEDIUM-TERM AND LONG-TERM MANAGEMENT STRATEGIES, AND TARGET MANAGEMENT INDICES

Kirin Group Vision 2021

In the pursuit of “brand-centered management,” the Kirin Group will leverage a diversity of “brands & businesses,” “communities & markets” and “people & organizations” to co-create value as the “best partner for consumers in their special life moments,” aspiring to grow together with our customers and society.

Kirin will support this vision for growth with a stronger management structure. With Kirin Holdings as global headquarters and core regional headquarters in Japan, Oceania, Brazil and Southeast Asia, the Group’s organization will facilitate making speedy decisions while enabling optimization of the Group performance. Based on this perspective, we will realize the allocation of management resources and the creation of synergies. Furthermore, based on our global common values (known as “One Kirin” Values: “Passion and Integrity”), we will also build stronger links within and between Kirin’s diverse businesses and operating regions, and pursue growth as a global corporate citizen.

KV2021 Vision

- Help people foster stronger bonds by offering customer-oriented and quality-focused value.
- Build a corporate group where a diversity of people enjoy working and businesses grow with local communities, protecting the environment.
- Develop businesses globally in the field of “Food and Well-being,” with each region pursuing self-sustained growth in a locally optimized way.

Kirin Group Medium-term Business Plan 2013-2015

Kirin’s medium-term business plan (MTBP) starting in 2013 is the first stage toward realizing KV2021. Positioned as the “three years for redirecting management toward organic growth,” the plan will achieve increased corporate value by establishing and expanding “brand-centered management” to maintain superior competitive positions.

Basic Policy

- Establish and deploy the Kirin Group’s Brand-Centered Management
- Deliver results according to the business stage at which each region is positioned
- Foster competitiveness and powerful brands that help us promote the further growth of Japan Integrated Beverages Business

Quantitative Targets

- Mid single-digit CAGR in normalized EBITDA
- High single-digit CAGR in normalized EPS

Quantitative Guidance

- 2015 Group consolidated sales ¥2,300 billion plus; operating income ¥180 billion plus
Starting from the 2013 MTBP, MTBP guidance on sales and operating income will be updated every year.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) CONSOLIDATED BALANCE SHEETS

(¥ millions)

	As of December 31, 2011	As of December 31, 2012
ASSETS		
Current Assets		
Cash	76,218	83,916
Notes and accounts receivable, trade	406,448	413,138
Merchandise and finished goods	112,986	122,159
Work in process	30,937	32,684
Raw materials and supplies	49,059	51,658
Deferred tax assets	26,303	25,277
Other	62,361	64,800
Allowance for doubtful accounts	(6,250)	(4,138)
Total Current Assets	758,065	789,496
Non-current Assets		
Property, plant and equipment		
Buildings and structures (Purchase price)	609,927	595,360
Less accumulated depreciation	(361,977)	(359,931)
Buildings and structures (Book value)	247,950	235,429
Machinery, equipment and vehicles (Purchase price)	853,220	898,454
Less accumulated depreciation	(619,948)	(659,022)
Machinery, equipment and vehicles (Book value)	233,271	239,431
Land	201,436	201,513
Construction in progress	47,529	50,578
Other (Purchase price)	177,019	181,657
Less accumulated depreciation	(143,374)	(145,173)
Other (Book value)	33,644	36,483
Total	763,833	763,437
Intangible Assets		
Goodwill	713,749	642,190
Other	102,511	179,758
Total	816,261	821,948
Investments and Other Assets		
Investment securities	417,619	475,157
Deferred tax assets	42,234	47,299
Other	62,922	59,450
Allowance for doubtful accounts	(6,681)	(5,727)
Total	516,094	576,178
Total Non-current Assets	2,096,189	2,161,564
TOTAL ASSETS	2,854,254	2,951,061

	As of December 31, 2011	As of December 31, 2012
LIABILITIES		
Current Liabilities		
Notes and accounts payable, trade	146,955	151,184
Short-term loans payable and long-term debt with current maturities	85,517	37,048
Commercial paper	121,989	77,994
Bonds due within one year	23,111	79,998
Liquor taxes payable	91,800	86,262
Income taxes payable	26,783	39,206
Allowance for employees' bonuses	5,552	5,435
Allowance for bonuses for directors and corporate auditors	246	259
Accrued expenses	92,423	101,180
Other	121,039	139,565
Total Current Liabilities	715,419	718,137
Non-current Liabilities		
Bonds	365,487	285,579
Long-term debt	468,999	483,005
Deferred tax liabilities	21,811	85,268
Deferred tax liability due to land revaluation	1,286	1,361
Employees' pension and retirement benefits	65,516	64,045
Retirement benefits for directors and corporate auditors	260	266
Reserve for repairs and maintenance of vending machines	4,908	4,863
Reserve for environmental measures	2,125	1,600
Reserve for loss on litigation	22,078	25,732
Deposits received	73,222	67,338
Other	65,243	59,960
Total Non-current Liabilities	1,090,939	1,079,022
TOTAL LIABILITIES	1,806,359	1,797,159

	As of December 31, 2011	As of December 31, 2012
NET ASSETS		
Shareholders' Equity		
Common stock	102,045	102,045
Capital surplus	81,417	81,415
Retained earnings	801,856	796,737
Treasury stock, at cost	(3,271)	(3,509)
Total Shareholders' Equity	982,048	976,689
Accumulated Other Comprehensive Income		
Net unrealized gains on securities	11,116	59,113
Deferred gains or losses on hedges	(279)	(9,298)
Land revaluation difference	(2,543)	(2,543)
Foreign currency translation adjustments	(137,419)	(75,017)
Total Accumulated Other Comprehensive Income	(129,126)	(27,746)
Subscription Rights to Shares	250	203
Minority Interests	194,722	204,754
TOTAL NET ASSETS	1,047,895	1,153,901
TOTAL LIABILITIES AND NET ASSETS	2,854,254	2,951,061

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

(¥ millions)

	Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012
Sales	2,071,774	2,186,177
Cost of sales	1,218,851	1,274,472
Gross profit	852,922	911,704
Selling, general and administrative expenses	710,058	758,682
Operating income	142,864	153,022
Non-operating income		
Interest income	3,880	3,822
Dividend income	4,757	3,342
Equity in earnings of affiliates	10,541	—
Other	3,952	10,869
Total	23,133	18,034
Non-operating expenses		
Interest expense	20,915	22,827
Equity in losses of affiliates	—	676
Other	8,264	9,101
Total	29,179	32,605
Ordinary income	136,818	138,452
Special income		
Gain on sale of property, plant and equipment and intangible assets	21,322	16,224
Gain on sale of investment securities	1,619	4,216
Gain on sale of shares of subsidiaries and affiliates	15,399	330
Gain on step acquisitions	—	8,206
Insurance income	2,413	4,454
Other	4,020	598
Total	44,776	34,030
Special expenses		
Loss on disposal of property, plant and equipment and intangible assets	2,651	6,447
Loss on sale of property, plant and equipment and intangible assets	2,738	1,073
Loss on impairment	16,895	9,848
Loss on devaluation of investment securities	24,119	1,028
Loss on sale of investment securities	692	1,123
Loss on sale of shares of subsidiaries and affiliates	4,396	1,252
Business restructuring expense	6,073	10,862
Loss related to the Great East Japan Earthquake	19,832	—
Other	19,276	7,254
Total	96,675	38,890
Income before income taxes and minority interests	84,918	133,592
Income taxes - current	56,578	61,907
Income taxes - deferred	5,088	(1,778)
Total	61,666	60,128
Income before minority interests	23,251	73,463
Minority interests	15,844	17,265
Net income	7,407	56,198

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(¥ millions)

	Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012
Income before minority interests	23,251	73,463
Other comprehensive income		
Net unrealized gains on securities	2,610	48,994
Deferred gains or losses on hedges	(1,465)	(9,117)
Land revaluation difference	109	—
Foreign currency translation adjustments	(86,939)	56,163
Share of other comprehensive income of equity-method affiliates	(9,487)	10,477
Total other comprehensive income	(95,172)	106,517
Comprehensive income	(71,920)	179,981
Comprehensive income attributable to:		
Owners of the parent	(84,589)	157,715
Minority interests	12,669	22,266

(3) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(¥ millions)

	Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012
Shareholders' equity		
Common stock		
Balance at beginning of year	102,045	102,045
Changes of items during the period		
Total changes of items during the period	—	—
Balance at end of year	102,045	102,045
Capital surplus		
Balance at beginning of year	81,412	81,417
Changes of items during the period		
Disposal of treasury stock	5	(2)
Total changes of items during the period	5	(2)
Balance at end of year	81,417	81,415
Retained earnings		
Balance at beginning of year	821,519	801,856
Changes of items during the period		
Dividends from surplus	(25,009)	(25,966)
Net income	7,407	56,198
Change in scope of consolidation	—	584
Acquisition of non-controlling interests by foreign subsidiaries	—	(32,986)
Change in scope of entities accounted for by the equity method	—	(2,948)
Reversal of land revaluation difference on sale	(2,060)	—
Total changes of items during the period	(19,662)	(5,118)
Balance at end of year	801,856	796,737
Treasury stock		
Balance at beginning of year	(2,985)	(3,271)
Changes of items during the period		
Acquisition of treasury stock	(544)	(315)
Disposal of treasury stock	257	77
Total changes of items during the period	(286)	(237)
Balance at end of year	(3,271)	(3,509)
Total shareholders' equity		
Balance at beginning of year	1,001,992	982,048
Changes of items during the period		
Dividends from surplus	(25,009)	(25,966)
Net income	7,407	56,198
Change in scope of consolidation	—	584
Acquisition of non-controlling interests by foreign subsidiaries	—	(32,986)
Change in scope of entities accounted for by the equity method	—	(2,948)
Acquisition of treasury stock	(544)	(315)
Disposal of treasury stock	262	75

(¥ millions)

	Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012
Reversal of land revaluation difference on sale	(2,060)	—
Total changes of items during the period	(19,944)	(5,358)
Balance at end of year	982,048	976,689
Accumulated other comprehensive income		
Net unrealized gains on securities		
Balance at beginning of year	7,252	11,116
Changes of items during the period		
Net changes of items during the period	3,863	47,997
Total changes of items during the period	3,863	47,997
Balance at end of year	11,116	59,113
Deferred gains or losses on hedges		
Balance at beginning of year	1,285	(279)
Changes of items during the period		
Net changes of items during the period	(1,565)	(9,018)
Total changes of items during the period	(1,565)	(9,018)
Balance at end of year	(279)	(9,298)
Land revaluation difference		
Balance at beginning of year	(4,713)	(2,543)
Changes of items during the period		
Net changes of items during the period	2,169	—
Total changes of items during the period	2,169	—
Balance at end of year	(2,543)	(2,543)
Foreign currency translation adjustments		
Balance at beginning of year	(43,341)	(137,419)
Changes of items during the period		
Net changes of items during the period	(94,077)	62,401
Total changes of items during the period	(94,077)	62,401
Balance at end of year	(137,419)	(75,017)
Total accumulated other comprehensive income		
Balance at beginning of year	(39,516)	(129,126)
Changes of items during the period		
Net changes of items during the period	(89,609)	101,380
Total changes of items during the period	(89,609)	101,380
Balance at end of year	(129,126)	(27,746)
Subscription rights to shares		
Balance at beginning of year	207	250
Changes of items during the period		
Net changes of items during the period	42	(47)
Total changes of items during the period	42	(47)
Balance at end of year	250	203

(¥ millions)

	Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012
Minority interests		
Balance at beginning of year	196,352	194,722
Changes of items during the period		
Net changes of items during the period	(1,629)	10,031
Total changes of items during the period	(1,629)	10,031
Balance at end of year	194,722	204,754
Total net assets		
Balance at beginning of year	1,159,036	1,047,895
Changes of items during the period		
Dividends from surplus	(25,009)	(25,966)
Net income	7,407	56,198
Change in scope of consolidation	—	584
Acquisition of non-controlling interests by foreign subsidiaries	—	(32,986)
Change in scope of entities accounted for by the equity method	—	(2,948)
Acquisition of treasury stock	(544)	(315)
Disposal of treasury stock	262	75
Reversal of land revaluation difference on sale	(2,060)	—
Net changes of items during the period	(91,197)	111,364
Total changes of items during the period	(111,141)	106,006
Balance at end of year	1,047,895	1,153,901

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

(¥ millions)

	Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012
Cash flows from operating activities		
Income before income taxes and minority interests	84,918	133,592
Depreciation and amortization	103,871	103,428
Loss on impairment	16,895	9,848
Amortization of goodwill	38,891	42,934
Interest and dividend income	(8,638)	(7,164)
Equity in losses (earnings) of affiliates	(10,541)	676
Interest expense	20,915	22,827
Foreign currency translation loss (gain)	(29)	(117)
Gain on sale of property, plant and equipment and intangible assets	(21,322)	(16,224)
Loss on disposal and sale of property, plant and equipment and intangible assets	4,538	6,365
Gain on sale of investment securities	(1,619)	(4,216)
Loss on devaluation of investment securities	24,119	1,028
Gain on sale of shares of subsidiaries and affiliates	(15,399)	(330)
Loss on sale of shares of subsidiaries and affiliates	4,396	1,252
Insurance income	(2,413)	(4,454)
Decrease (increase) in notes and accounts receivable, trade	2,622	(2,260)
Decrease (increase) in inventories	(2,941)	(5,998)
Increase (decrease) in notes and accounts payable, trade	(11,005)	(366)
Increase (decrease) in liquor taxes payable	(3,310)	(2,961)
Increase (decrease) in consumption taxes payable	1,955	1,637
Increase (decrease) in deposits received	8,067	(1,739)
Other	29,221	(24,806)
Sub-total	263,192	252,950
Interest and dividends received	18,895	16,164
Interest paid	(20,808)	(17,473)
Proceeds from insurance income	1,765	4,794
Income taxes paid	(66,253)	(44,374)
Net cash provided by operating activities	196,792	212,061
Cash flows from investing activities		
Payment for purchases of property, plant and equipment and intangible assets	(79,830)	(98,977)
Proceeds from sale of property, plant and equipment and intangible assets	29,405	44,257
Payment for purchases of marketable securities and investment securities	(44,326)	(9,639)
Proceeds from sale and redemption of marketable securities and investment securities	12,895	24,566
Payment for purchases of shares of subsidiaries	(886)	(1,573)
Payment for acquisition of shares of newly consolidated subsidiaries	(344,355)	(111)
Proceeds from sale of shares of subsidiaries excluded from the scope of consolidation	70,423	981
Other	(4,983)	(7,882)
Net cash used in investing activities	(361,658)	(48,379)

(¥ millions)

	Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(103,193)	(7,250)
Increase (decrease) in commercial paper	110,989	(43,994)
Proceeds from long-term debt	283,366	69,605
Repayment of long-term debt	(117,586)	(111,474)
Proceeds from issuance of bonds	70,000	—
Payment for redemption of bonds	(5,014)	(24,907)
Payment for acquisition of treasury stock	(544)	(315)
Proceeds from sale of treasury stock	244	75
Payment for acquisition of treasury stock by a consolidated subsidiary	(12,582)	(7,511)
Cash dividends paid	(25,009)	(25,966)
Cash dividends paid to minority shareholders	(6,086)	(5,722)
Other	(1,368)	(2,546)
Net cash provided by (used in) financing activities	193,214	(160,008)
Effect of exchange rate changes on cash and cash equivalents	(2,833)	3,272
Net increase (decrease) in cash and cash equivalents	25,513	6,945
Cash and cash equivalents at beginning of year	45,278	70,847
Net increase (decrease) in cash and cash equivalents from new consolidation/de-consolidation of subsidiaries	—	175
Net increase in cash and cash equivalents from merger of non-consolidated subsidiaries by consolidated subsidiaries	55	73
Cash and cash equivalents at end of year	70,847	78,041

(5) GOING CONCERN ASSUMPTION

There are no matters to report under this item.

(6) ADDITIONAL INFORMATION

Application of accounting standard for accounting changes and error corrections

Effective from January 1, 2012, the Company has applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24 of December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24 of December 4, 2009) for accounting changes and corrections of prior period errors which are made from the fiscal year beginning on January 1, 2012..

(7) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEGMENT INFORMATION

a. Segment information

1. Summary of reportable segments

The reportable segments of the Kirin Group are constituent units of the Group whose separate financial information is readily available and which are periodically examined by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating the business results.

The Kirin Group comprises, under a holding company structure, various business companies including Kirin Brewery Company, Limited engaging in the Domestic Alcohol Beverages business, Kirin Beverage Company, Limited engaging in the Domestic Non-alcohol Beverages business, LION PTY LTD engaging in the Overseas Beverages business, and Kyowa Hakko Kirin Co., Ltd. engaging in the Pharmaceuticals and Bio-chemicals business. Each of these business companies work out a comprehensive strategy applicable to their products and services and carries out their business activities.

Consequently, the Kirin Group has identified four reportable segments, namely, Domestic Alcohol Beverages, Domestic Non-alcohol Beverages, Overseas Beverages, and Pharmaceuticals and Bio-chemicals, by combining the business companies with the emphasis on the business company units and in consideration of the similarity of their economic characteristics.

"Domestic Alcohol Beverages" conducts production and sale of alcohol beverages, such as beer, sparkling malt liquor (*happo-shu*), new genre, whiskey, spirits and wine, and includes such businesses as engineering and logistics.

"Domestic Non-alcohol Beverages" conducts production and sale of soft drinks.

"Overseas Beverages" conducts overseas production and sale of beer, whiskey, spirits, wine, soft drinks, dairy products, and other products.

"Pharmaceuticals and Bio-chemicals" conducts production and sale of pharmaceutical and bio-chemical products, and other products..

"Domestic Alcohol Beverages" and "Domestic Non-alcohol Beverages" include certain overseas companies.

2. Basis of measurement of sales, income or loss, assets and other item amounts by reportable segment

The accounting method for the business segments that are reported is generally the same as the method applied to prepare consolidated financial statements.

The segment income figures stated in the reportable segments are based on operating income.

The inter-segment sales or the inter-segment figures are based on actual market prices.

3. Information about sales, income or loss, assets and other item amounts by reportable segment

(¥ millions)

Fiscal year ended December 31, 2011							
	Reportable Segment						Amount recorded in the consolidated financial statements (Note 3)
	Domestic Beverages		Overseas Beverages	Pharmaceuticals and Bio-chemicals	Others (Note 1)	Adjustment (Note 2)	
	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages					
Sales							
Unaffiliated customers	868,233	314,568	454,216	332,843	101,912	—	2,071,774
Inter-segment	36,222	2,865	974	10,879	28,767	(79,710)	—
Total sales	904,455	317,434	455,190	343,722	130,680	(79,710)	2,071,774
Segment income	70,580	2,802	15,388	49,447	6,259	(1,613)	142,864
Segment assets	563,296	207,055	1,239,872	639,704	236,584	(32,259)	2,854,254
Other items							
Depreciation and amortization	31,995	12,463	26,941	22,833	8,450	1,186	103,871
Amortization of goodwill	223	2,630	26,185	7,659	754	—	37,453
Investments in equity-method affiliates	1,397	744	165,107	30,894	88,735	—	286,878
Increase of property, plant and equipment and intangible assets	22,785	7,849	20,917	19,528	6,292	695	78,069

Notes

1. "Others" includes food business, such as seasonings, and others.
2. The adjustments are as follows;
 - (1) The negative ¥1,613 million adjustment in segment income includes ¥19,503 million in inter-segment eliminations and negative ¥21,117 million in corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses due to the Company's transfer to a pure holding company and research and development expenses for basic technologies.
 - (2) The negative ¥32,259 million adjustment in segment assets includes negative ¥307,181 million in inter-segment asset and liability eliminations, ¥274,921 million in corporate assets not attributable to any reportable segment. Corporate assets mainly consist of surplus funds (cash), long-term investments (investment securities) of the Company, and assets which belong to the administrative department of the Company, a pure holding company.
 - (3) The ¥1,186 million adjustment in depreciation and amortization mainly consists of depreciation and amortization of corporate assets.
 - (4) The ¥695 million adjustment in increase of property, plant and equipment and intangible assets mainly consists of the acquisitions of property, plant and equipment and intangible assets that are treated as corporate assets.
3. Segment income is reconciled to operating income described in the consolidated statements of income.

(¥ millions)

Fiscal year ended December 31, 2012

	Reportable Segment						Amount recorded in the consolidated financial statements (Note 3)
	Domestic Beverages		Overseas Beverages	Pharmaceuticals and Bio-chemicals	Others (Note 1)	Adjustment (Note 2)	
	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages					
Sales							
Unaffiliated customers	851,818	335,340	579,391	322,976	96,650	—	2,186,177
Inter-segment	38,281	1,955	1,270	10,182	24,568	(76,258)	—
Total sales	890,100	337,296	580,661	333,158	121,218	(76,258)	2,186,177
Segment income	63,357	4,450	27,610	55,503	4,865	(2,764)	153,022
Segment assets	557,984	215,465	1,330,032	664,471	123,416	59,691	2,951,061
Other items							
Depreciation and amortization	29,083	11,129	33,384	20,904	7,892	1,033	103,428
Amortization of goodwill	191	2,434	30,536	9,153	618	—	42,934
Investments in equity-method affiliates	1,448	490	159,606	33,674	3,968	—	199,189
Increase of property, plant and equipment and intangible assets	17,928	14,329	34,402	27,480	8,209	(123)	102,227

Notes

1. "Others" includes food business, such as seasonings, and others.

2. The adjustments are as follows;

- (1) The negative ¥2,764 million adjustment in segment income includes ¥19,281 million in inter-segment eliminations and negative ¥22,046 million in corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses due to the Company's transfer to a pure holding company and research and development expenses for basic technologies.
- (2) The ¥59,691 million adjustment in segment assets includes negative ¥369,002 million in inter-segment asset and liability eliminations, ¥428,693 million in corporate assets not attributable to any reportable segment. Corporate assets mainly consist of surplus funds (cash), long-term investments (investment securities) of the Company, and assets which belong to the administrative department of the Company, a pure holding company.
- (3) The ¥1,033 million adjustment in depreciation and amortization mainly consists of depreciation and amortization of corporate assets.
- (4) The negative ¥123 million adjustment in increase of property, plant and equipment and intangible assets includes negative ¥515 million in inter-segment asset and liability eliminations, ¥392 million in the acquisitions of property, plant and equipment and intangible assets that are treated as corporate assets.

3. Segment income is reconciled to operating income in the consolidated statements of income.

b. Related Information

Fiscal year ended December 31, 2011

1. Information by product and service

Information is omitted since similar information is disclosed in the segment information.

2. Information by region

(1) Sales

(¥ millions)			
Japan	Asia/Oceania	Others	Total
1,531,467	461,325	78,980	2,071,774

Note: Sales are classified by country or area based on customer location.

(2) Property, Plant and Equipment

(¥ millions)			
Japan	Asia/Oceania	Others	Total
481,116	153,260	129,455	763,833

3. Information by major customer

There is no major unaffiliated customer which accounts for 10% or more of the net sales on the consolidated statements of income.

Fiscal year ended December 31, 2012

1. Information by product and service

Information is omitted since similar information is disclosed in the segment information.

2. Information by region

(1) Sales

(¥ millions)			
Japan	Asia/Oceania	Others	Total
1,520,757	427,299	238,121	2,186,177

Note: Sales are classified by country or area based on customer location.

(2) Property, Plant and Equipment

(¥ millions)			
Japan	Asia/Oceania	Others	Total
440,376	167,611	155,449	763,437

3. Information by major customer

There is no major unaffiliated customer which accounts for 10% or more of the net sales on the consolidated statements of income.

c. Information about loss on impairment of non-current assets by reportable segment

(¥ millions)

Fiscal year ended December 31, 2011							
	Reportable Segment				Others	Adjustment	Total
	Domestic Beverages		Overseas Beverages	Pharmaceuticals and Bio-chemicals			
	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages					
Loss on impairment	7,084	11	8,888	769	26	115	16,895

Note: "Others" includes food business, such as seasonings, and others.

(¥ millions)

Fiscal year ended December 31, 2012							
	Reportable Segment				Others	Adjustment	Total
	Domestic Beverages		Overseas Beverages	Pharmaceuticals and Bio-chemicals			
	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages					
Loss on impairment	1,260	—	2,717	1,341	4,528	—	9,848

Note: "Others" includes food business, such as seasonings, and others.

d. Information about amortization of goodwill and remaining goodwill balance by reportable segment

(¥ millions)

December 31, 2011							
	Reportable Segment				Others	Adjustment	Total
	Domestic Beverages		Overseas Beverages	Pharmaceuticals and Bio-chemicals			
	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages					
Balance at the end of current period	1,942	29,979	541,913	129,909	10,004	—	713,749

Note: Information about amortization of goodwill is omitted since similar information is disclosed in the segment information.

Note: "Others" includes food business, such as seasonings, and others.

(¥ millions)

(+ millions)

December 31, 2012							
	Reportable Segment				Others	Adjustment	Total
	Domestic Beverages		Overseas Beverages	Pharmaceuticals and Bio-chemicals			
	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages					
Balance at the end of current period	1,751	27,311	478,695	125,046	9,385	—	642,190

Note: Information about amortization of goodwill is omitted since similar information is disclosed in the segment information.

Note: "Others" includes food business, such as seasonings, and others.

e. Information about gain on negative goodwill by reportable segment

Fiscal year ended December 31, 2011

Disclosure is omitted since the aggregate value is immaterial.

Fiscal year ended December 31, 2012

There are no matters to report under this item.

PER SHARE INFORMATION

Fiscal year ended December 31, 2011		Fiscal year ended December 31, 2012	
Net assets per share:	¥886.86	Net assets per share:	¥986.94
Net income per share (Basic):	¥7.70	Net income per share (Basic):	¥58.44
Net income per share (Diluted)	¥7.14	Net income per share (Diluted):	¥57.31

Note 1: The basis for calculation was as follows:

		Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012
Total net assets	(¥ millions)	1,047,895	1,153,901
Amounts deducted from total net assets	(¥ millions)	194,973	204,957
[Subscription rights to shares included in the above]	(¥ millions)	[250]	[203]
[Minority interests included in the above]	(¥ millions)	[194,722]	[204,754]
Net assets attributable to common stock at the end of year	(¥ millions)	852,922	948,943
Number of common stock used to calculate net assets per share at the end of year	(thousands of shares)	961,731	961,497

Note 2: The basis for calculation of Net income per share (Basic) and Net income per share (Diluted) was as follows:

		Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012
Net income per share (Basic)			
Net income	(¥ millions)	7,407	56,198
Amounts not attributable to common stock	(¥ millions)	–	–
Net income attributable to common stock	(¥ millions)	7,407	56,198
Average number of common stock outstanding during the year	(thousands of shares)	961,805	961,665
Net income per share (Diluted)			
Adjustment on Net income	(¥ millions)	(543)	(1,088)
[Minority interests included in the above]	(¥ millions)	[(11)]	[(13)]
[Change in equity in subscription rights to shares issued by consolidated subsidiaries included in the above]	(¥ millions)	[(24)]	[(16)]
[Equity in earnings of affiliates included in the above]	(¥ millions)	[(44)]	[(53)]
[Change in equity in subscription rights to shares issued by equity-method affiliates included in the above]	(¥ millions)	[(462)]	[(1,004)]
Increase in common stock	(thousands of shares)	–	–
Outline of potential common shares outstanding that were not used in calculating Net income per share (Diluted) because they have no dilutive effects		–	–

SUBSEQUENT EVENTS

1. Sale of investment securities

On February 1, 2013, the Company decided to accept the tender offer for shares in Fraser and Neave Limited by TCC Assets Limited, and applied to sell its entire holding of shares in Fraser and Neave Limited on the same date. This tender offer was concluded as of January 30, 2013, and accordingly the Company will report a gain on sale of investment securities resulting from the transfer of shares under special income for the fiscal year ending December 31, 2013.

(1) Buyer	TCC Assets Limited
(2) Date of share transfer	Mid-February 2013 (Tentative)
(3) Number of shares sold	212,773,000 shares
(4) Sale value	SGD2,031 million (SGD9.55 per share)
(5) Gain on sale	¥47,000 million (Estimated)

2. Changes in classification of segments

The reportable segments of the Kirin Holdings Group through the year ended December 31, 2012 were "Domestic Alcohol Beverages," "Domestic Non-alcohol Beverages," "Overseas Beverages," and "Pharmaceuticals and Bio-chemicals." However, starting from the year ending December 31, 2013, the segments will be changed to "Japan Integrated Beverages," "Oceania Integrated Beverages," "Other Overseas Integrated Beverages," and "Pharmaceuticals and Bio-chemicals."

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

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

Supplementary Documents to the Financial Statements for the Year Ended December 31, 2012

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

KIRIN HOLDINGS COMPANY, LIMITED

February 14, 2013

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

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

(¥ billions)

	Fiscal year ended December 31, 2012, Actual	Fiscal year ended December 31, 2011, Actual	Increase (decrease)	
Sales	2,186.1	2,071.7	114.4	5.5%
Gross profit	911.7	852.9	58.7	6.9%
Selling, general and administrative expenses	758.6	710.0	48.6	6.8%
Operating income	153.0	142.8	10.1	7.1%
Non-operating income	18.0	23.1	(5.0)	(22.0%)
Non-operating expenses	32.6	29.1	3.4	11.7%
Ordinary income	138.4	136.8	1.6	1.2%
Special income	34.0	44.7	(10.7)	(24.0%)
Special expenses	38.8	96.6	(57.7)	(59.8%)
Income before income taxes and minority interests	133.5	84.9	48.6	57.3%
Income taxes	60.1	61.6	(1.5)	(2.5%)
Minority interests	17.2	15.8	1.4	9.0%
Net income	56.1	7.4	48.7	658.7%
EBITDA *	297.1	247.6	49.5	20.0%

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

(Note that loss on impairment regarding goodwill, etc. are excluded.)

		Fiscal year ended December 31, 2012, Actual	Fiscal year ended December 31, 2011, Actual	Increase (decrease)	
Sales	Excluding liquor tax	¥1,870.6 billion	¥1,748.3 billion	¥122.2 billion	7.0%
Operating income	Prior to amortization of goodwill etc.	¥202.6 billion	¥189.8 billion	¥12.8 billion	6.8%
Operating income ratio	Excluding liquor tax, prior to amortization of goodwill etc.	10.8%	10.9%		
	Excluding liquor tax, after amortization of goodwill etc.	8.2%	8.2%		
ROE	Prior to amortization of goodwill etc. *	12.4%	6.9%		
	After amortization of goodwill etc.	6.2%	0.8%		
EPS	Prior to amortization of goodwill etc. *	¥124	¥71		
	After amortization of goodwill etc.	¥58	¥8		
Overseas ratio	Sales excluding liquor tax	36%	31%		
D/E ratio		1.02	1.25		
Turnover of total assets	Sales excluding liquor tax	0.64	0.64		

* Includes goodwill etc. related to equity-method affiliates.

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

(¥)

	Fiscal year ended December 31, 2012, Actual	Fiscal year ended December 31, 2011, Actual
Lion (AUD)	81.58	83.30
Brasil Kirin (BRL)	41.08	*1 —
San Miguel Brewery (PHP)	1.86	1.88
Fraser and Neave (SGD)	62.54	64.31

	Fiscal year ended December 31, 2012, Actual	Fiscal year ended December 31, 2011, Actual
Lion	From October 2011 to September 2012	From October 2010 to September 2011
San Miguel Brewery		
Fraser and Neave		From January 2011 to September 2011 *2

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

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

2. Sales Details

(¥ billions)

	Fiscal year ended December 31, 2012, Actual	Fiscal year ended December 31, 2011, Actual	Increase (decrease)	
Sales	2,186.1	2,071.7	114.4	5.5%
Domestic Alcohol Beverages	851.8	868.2	(16.4)	(1.9%)
Kirin Brewery *	752.4	775.2	(22.8)	(2.9%)
Mercian	69.7	71.8	(2.1)	(2.9%)
Other and elimination	29.6	21.0	8.5	40.5%
Domestic Non-alcohol Beverages	335.3	314.5	20.7	6.6%
Kirin Beverage	336.8	317.0	19.7	6.2%
Other and elimination	(1.5)	(2.5)	0.9	—
Overseas Beverages	579.3	454.2	125.1	27.6%
Lion	396.6	421.3	(24.6)	(5.8%)
Brasil Kirin	148.8	—	148.8	—
Other and elimination	33.8	32.9	0.9	2.9%
Pharmaceuticals and Bio-chemicals	322.9	332.8	(9.8)	(3.0%)
Kyowa Hakko Kirin	333.1	343.7	(10.5)	(3.1%)
Pharmaceutical	249.6	229.1	20.5	9.0%
Bio-chemical	75.1	74.3	0.7	1.0%
Chemical, etc.	8.3	40.1	(31.8)	(79.3%)
Other and elimination	(10.1)	(10.8)	0.6	—
Other	96.6	101.9	(5.2)	(5.2%)

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

(Reference) Sales excluding liquor tax

(¥ billions)

	Fiscal year ended December 31, 2012, Actual	Fiscal year ended December 31, 2011, Actual
Kirin Brewery	445.8	459.1

3. Profit Details

(1) Operating Income

(¥ billions)

	Fiscal year ended December 31, 2012, Actual	Fiscal year ended December 31, 2011, Actual	Increase (decrease)
Operating income	153.0	142.8	10.1
Domestic Alcohol Beverages	63.3	70.5	(7.2)
Kirin Brewery	69.9	79.0	(9.1)
Management fee, etc.	(12.0)	(12.3)	0.3
Total	57.8	66.6	(8.7)
Mercian	2.6	1.7	0.9
Management fee, etc.	(0.5)	(0.5)	(0.0)
Total	2.1	1.2	0.8
Others	3.3	2.6	0.6
Domestic Non-alcohol Beverages	4.4	2.8	1.6
Kirin Beverage	10.0	8.4	1.6
Management fee, etc.	(4.1)	(3.8)	(0.3)
Amortization of goodwill	(1.9)	(1.9)	(0.0)
Total	3.9	2.6	1.3
Others	0.5	0.1	0.3
Overseas Beverages	27.6	15.3	12.2
Lion (consolidated after reclassification)	49.6	49.1	0.4
Amortization of goodwill	(25.2)	(25.7)	0.5
Brand amortization	(3.8)	(9.4)	5.5
Total	20.5	13.9	6.5
Brasil Kirin (consolidated after reclassification)	13.0	—	13.0
Amortization of goodwill	(4.8)	—	(4.8)
Brand amortization	(2.8)	—	(2.8)
Total	5.2	—	5.2
Others	1.7	1.3	0.3
Pharmaceuticals and Bio-chemicals	55.5	49.4	6.0
Kyowa Hakko Kirin (consolidated after reclassification)	55.5	49.4	6.0
Pharmaceutical	50.3	41.3	9.0
Bio-chemical	2.1	2.8	(0.7)
Chemical, etc.	(0)	2.1	(2.2)
Elimination of amortization of goodwill	9.2	9.2	(0.0)
Amortization of goodwill	(6.2)	(6.2)	0.0
Other	4.8	6.2	(1.3)
Corporate expenses/inter-segment eliminations	(2.7)	(1.6)	(1.1)

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

Operating income breakdown

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Decrease in marginal profit of alcohol beverages	(8.6)	Sales decrease in beer (15) thousand KL, (2.0) Sales decrease in <i>happo-shu</i> (35) thousand KL, (3.7) Sales decrease in new genre (5) thousand KL, (0.7) Sales increase in RTD 15 thousand KL, 1.3 Difference of change in products mix, etc.
	Decrease in raw material cost of alcohol beverages	0.5	Decrease in price of malt 0.5, etc.
	Increase in selling expenses	(2.4)	Increase in sales promotion and advertising, (4.4) etc. (Beer, <i>happo-shu</i> and new genre (3.0), RTD (1.3), etc.)
	Decrease in other expenses	1.8	Decrease in labor cost 0.9, Decrease in depreciation 2.1, Decrease in information processing fee 1.6, Decrease in business consignment expenses 0.4, Increase in public relations expenses (0.3), Increase in electric cost and fuel cost (0.7), Transfer amount of loss related to the Great East Japan Earthquake in the last fiscal year (3.3), etc.
Total		(8.7)	
Kirin Beverage	Difference in volume of sales	16.1	Increase in sales volume 16.66 million cases
	Cost decrease	0.1	Decrease in raw material cost 1.8, Increase in raw material cost (1.7)
	Decrease due in change of composition ratio of containers, etc.	(0.8)	
	Increase in selling expenses	(16.6)	Increase in sales promotion and advertising (15.0), Increase in freight (1.6)
	Decrease in other expenses	2.5	Decrease in depreciation 0.6, Decrease in miscellaneous expenses 0.5, Decrease in sales equipment cost 0.1
Total		1.3	

Major operating expenses

(¥ billions)

		Fiscal year ended December 31, 2012, Actual	Fiscal year ended December 31, 2011, Actual
Sales promotion		170.2	151.1
Advertising		79.9	59.0
Kirin Brewery	Sales promotion	50.7	45.8
	Advertising	28.6	29.1
Kirin Beverage	Sales promotion	103.7	90.5
	Advertising	8.6	6.8
Research and development		55.0	58.2
Kyowa Hakko Kirin (excluding internal transaction)		44.1	47.4

(2) Ordinary Income and Net Income

(¥ billions)

	Fiscal year ended December 31, 2012, Actual	Fiscal year ended December 31, 2011, Actual	Increase (decrease)	Description of changes
Non-operating income and expenses	(14.5)	(6.0)	(8.5)	Equity in earnings or losses of local affiliates 2.9, etc. Equity in earnings or losses of local affiliates (0.8) Amortization of goodwill (0.3) Kirin-Amgen, Inc. (5.8), etc.
Financial profit or loss, net	(15.6)	(12.2)	(3.3)	
Equity in earnings or losses of affiliates	(0.6)	10.5	(11.2)	
San Miguel Brewery	3.7	0.7	3.0	
Fraser and Neave	2.4	3.6	(1.2)	
Others	(6.9)	6.0	(12.9)	
Other	1.7	(4.3)	6.0	
Ordinary income	138.4	136.8	1.6	
Special income and expenses	(4.8)	(51.8)	47.0	
Special income	34.0	44.7	(10.7)	
Gain on sale of property, plant and equipment and intangible assets	16.2	21.3	(5.0)	
Gain on sale of investment securities	4.2	1.6	2.5	
Gain on sale of shares of subsidiaries and affiliates	0.3	15.3	(15.0)	
Gain on step acquisitions	8.2	—	8.2	
Insurance income	4.4	2.4	2.0	
Other	0.5	4.0	(3.4)	
Special expenses	(38.8)	(96.6)	57.7	
Loss on disposal of property, plant and equipment and intangible assets	(6.4)	(2.6)	(3.7)	
Loss on sale of property, plant and equipment and intangible assets	(1.0)	(2.7)	1.6	
Loss on impairment	(9.8)	(16.8)	7.0	
Loss on devaluation of investment securities	(1.0)	(24.1)	23.0	
Loss on sale of investment securities	(1.1)	(0.6)	(0.4)	
Loss on sale of shares of subsidiaries and affiliates	(1.2)	(4.3)	3.1	
Business restructuring expense	(10.8)	(6.0)	(4.7)	
Loss related to the Great East Japan Earthquake	—	(19.8)	19.8	
Other	(7.2)	(19.2)	12.0	
Income taxes	(60.1)	(61.6)	1.5	
Minority interests	(17.2)	(15.8)	(1.4)	
Net income	56.1	7.4	48.7	

4. Summary of Consolidated Balance Sheets

(¥ billions)

	As of December 31, 2012	As of December 31, 2011	Increase (decrease)	Description of changes
Current Assets	789.4	758.0	31.4	
Cash	83.9	76.2	7.6	
Notes and accounts receivable, trade	413.1	406.4	6.6	
Inventories	206.5	192.9	13.5	
Other	85.9	82.4	3.5	
Non-current Assets	2,161.5	2,096.1	65.3	
Property, Plant and Equipment	763.4	763.8	(0.3)	
Intangible Assets	821.9	816.2	5.6	
Goodwill	642.1	713.7	(71.5)	Decrease due to the purchase price allocation for business combinations, etc.
Other	179.7	102.5	77.2	Increase due to the purchase price allocation for business combinations, etc.
Investments and Other Assets	576.1	516.0	60.0	Increase due to fair valuation of shares held, etc.
TOTAL ASSETS	2,951.0	2,854.2	96.8	
Current Liabilities	718.1	715.4	2.7	
Notes and accounts payable, trade	151.1	146.9	4.2	
Interest-bearing debt	195.0	230.6	(35.5)	Increase due to replacement of long-term bonds with short-term ones.
Other	371.9	337.8	34.0	Decrease due to redemption of commercial papers and repayment of loans payable, etc.
Non-current Liabilities	1,079.0	1,090.9	(11.9)	
Interest-bearing debt	768.5	834.4	(65.9)	Increase in accounts payable related to the purchase of shares in subsidiaries, etc.
Other	310.4	256.4	53.9	Decrease due to replacement of long-term bonds with short-term ones, etc.
TOTAL LIABILITIES	1,797.1	1,806.3	(9.1)	Increase in deferred tax liabilities as a result of the purchase price allocation for business combinations and fair valuation of shares held, etc.
Shareholders' Equity	976.6	982.0	(5.3)	
Accumulated Other Comprehensive Income	(27.7)	(129.1)	101.3	Increases in foreign currency adjustments and unrealized holding gains on securities, etc.
Subscription Rights to Shares	0.2	0.2	0.0	
Minority Interests	204.7	194.7	10.0	
TOTAL NET ASSETS	1,153.9	1,047.8	106.0	
TOTAL LIABILITIES AND NET ASSETS	2,951.0	2,854.2	96.8	

5. Summary of Consolidated Statements of Cash Flows

(1) Summary of Statements of Cash Flows

(¥ billions)

	Fiscal year ended December 31, 2012, Actual	Fiscal year ended December 31, 2011, Actual	Increase (decrease)
Cash flows from operating activities	212.0	196.7	15.2
Income before income taxes and minority interests	133.5	84.9	48.6
Depreciation and amortization	103.4	103.8	(0.4)
Amortization of goodwill	42.9	38.8	4.0
Other	(67.8)	(30.8)	(37.0)
Cash flows from investing activities	(48.3)	(361.6)	313.2
Capital expenditures	(98.9)	(79.8)	(19.1)
Other	50.5	(281.8)	332.4
Cash flows from financing activities	(160.0)	193.2	(353.2)
Increase (decrease) in interest-bearing debt	(118.0)	238.5	(356.5)
Cash dividends paid	(31.6)	(31.0)	(0.5)
Other	(10.2)	(14.2)	3.9
Translation adjustments	3.2	(2.8)	6.1
Net increase (decrease) in cash and cash equivalents	6.9	25.5	(18.5)

(2) Information by Segment

Fiscal year ended December 31, 2012, Actual

(¥ billions)

	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages	Overseas Beverages	Pharmaceuticals and Bio-chemicals	Others	Adjustment	Total
Depreciation and amortization (including brand amortization)	29.0	11.1	33.3	20.9	7.8	1.0	103.4
Amortization of goodwill	0.1	2.4	30.5	9.1	0.6	—	42.9
Capital expenditures	18.8	13.9	32.8	26.7	6.7	(0.3)	98.9
EBITDA *	97.4	17.3	93.1	74.8	11.0	3.3	297.1

Fiscal year ended December 31, 2011, Actual

(¥ billions)

	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages	Overseas Beverages	Pharmaceuticals and Bio-chemicals	Others	Adjustment	Total
Depreciation and amortization (including brand amortization)	31.9	12.4	26.9	22.8	8.4	1.1	103.8
Amortization of goodwill	0.2	2.6	27.0	7.7	1.3	—	38.8
Capital expenditures	27.4	7.7	21.1	17.3	4.6	1.4	79.8
EBITDA *	87.8	14.8	55.4	78.4	19.1	(8.0)	247.6

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

(Note that loss on impairment regarding goodwill, etc. are excluded.)

6. Other Information

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

Fiscal year ended December 31, 2012, Actual

<Consolidated subsidiaries>

	(¥ billions)				
	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kyowa Hakko Kirin	333.1	52.4	49.6	24.0	12.4
Elimination of amortization of goodwill		9.2	9.2	9.2	4.8
Amortization of goodwill		(6.2)	(6.2)	(6.2)	(6.2)
Total included in consolidation	333.1	55.5	52.6	27.0	11.0

<Equity-method affiliates>

	(¥ billions)				
	Sales	Operating income	Ordinary income	Net income	Consolidated net income
San Miguel Brewery	137.0	39.5	34.1	23.4	11.3
Equity in earnings or losses of local affiliates			11.3	11.3	11.3
Brand amortization			(1.5)	(1.5)	(1.5)
Amortization of goodwill			(5.9)	(5.9)	(5.9)
Total included in consolidation			3.7	3.7	3.7
Fraser and Neave	224.9	26.8	24.6	27.0	4.0
Equity in earnings or losses of local affiliates			4.0	4.0	4.0
Amortization of goodwill			(1.6)	(1.6)	(1.6)
Total included in consolidation			2.4	2.4	2.4

(2) Sales Details of Major Business Companies

a. Kirin Brewery

	Fiscal year ended December 31, 2012		Fiscal year ended December 31, 2011	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	699	(2.1%)	714	(4.7%)
<i>Happo-shu</i>	560	(5.9%)	595	(9.9%)
New genre	714	(0.7%)	719	(2.8%)
Sub-total	1,974	(2.7%)	2,029	(5.7%)
RTD	209	7.4%	194	(3.0%)
Non-alcohol beverages	44	(18.9%)	55	(28.5%)
Breakdown of sales	¥ billions		¥ billions	
Beer	290.4	(2.0%)	296.3	(4.6%)
<i>Happo-shu</i>	171.0	(5.9%)	181.7	(9.9%)
New genre	187.2	(0.9%)	188.9	(2.8%)
Sub-total	648.8	(2.7%)	667.0	(5.6%)
RTD	56.9	6.7%	53.4	(3.2%)
<i>Shochu</i> , Whiskey and Spirits, etc. *	46.6	(15.0%)	54.8	(14.7%)
Total sales	752.4	(2.9%)	775.2	(6.1%)

The above sales volume excludes exports.

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

b. Kirin Beverage Group

<Category>

Non-alcohol beverages			Fiscal year ended December 31, 2012				Fiscal year ended December 31, 2011			
			Actual	Composition ratio	Increase (decrease)	Percentage over the previous year	Actual	Composition ratio	Increase (decrease)	Percentage over the previous year
			10,000 cases		10,000 cases		10,000 cases		10,000 cases	
Category	Tea drink	Japanese tea	1,996	11%	(70)	97%	2,066	12%	(151)	93%
		Oolong tea	283	1%	0	100%	283	1%	(17)	94%
		Black tea	4,638	24%	2	100%	4,636	27%	197	104%
		Sub-total	6,917	36%	(68)	99%	6,985	40%	29	100%
	Coffee		3,028	16%	(120)	96%	3,148	19%	(188)	94%
	Fruit and vegetable juice		2,327	12%	436	123%	1,891	11%	(251)	88%
	Carbonated beverage		1,491	8%	742	199%	749	4%	(233)	76%
	Water		3,458	19%	144	104%	3,314	19%	467	116%
	Other		1,734	9%	532	144%	1,202	7%	(96)	93%
	Domestic non-alcohol beverage market total		18,955	100%	1,666	110%	17,289	100%	(272)	98%

<Container Type>

Non-alcohol beverages			Fiscal year ended December 31, 2012				Fiscal year ended December 31, 2011			
			Actual	Composition ratio	Increase (decrease)	Percentage over the previous year	Actual	Composition ratio	Increase (decrease)	Percentage over the previous year
Container type	Category	Details	10,000 cases		10,000 cases		10,000 cases		10,000 cases	
Cans	Can	Including bottle styled cans	3,920	21%	(344)	92%	4,264	25%	(258)	94%
PET bottles	Large-sized PET bottles	2L	3,887	21%	381	111%	3,506	20%	567	119%
		1.5L, 1L, 900ml, 750ml	1,544	8%	60	104%	1,484	9%	7	100%
		Large-sized PET bottles total	5,431	29%	441	109%	4,990	29%	574	113%
	Small-sized PET bottles	500ml	5,854	31%	1,125	124%	4,729	28%	(279)	94%
		350ml or less	1,600	8%	134	109%	1,466	8%	63	104%
		Small-sized PET bottles total	7,454	39%	1,259	120%	6,195	36%	(216)	97%
	PET bottles total		12,885	68%	1,700	115%	11,185	65%	358	103%
Other containers	One-way/Returnable bottles, paper, gifts, etc.		2,150	11%	310	117%	1,840	10%	(372)	83%
Domestic non-alcohol beverage market total			18,955	100%	1,666	110%	17,289	100%	(272)	98%

c. Kyowa Hakko Kirin

Sales		Fiscal year ended December 31, 2012		Fiscal year ended December 31, 2011	
		Actual	Percentage over the previous year	Actual	Percentage over the previous year
Area	Major product name	¥ billions		¥ billions	
Nephrology	NESP [®]	58.1	103%	56.4	135%
	ESPO [®]	3.9	73%	5.3	49%
	[NESP [®] / ESPO [®]]	[62.0]	[100%]	[61.8]	[117%]
	REGPARA [®]	13.4	116%	11.5	121%
Immunology / allergology	Allelock [®]	29.9	103%	29.1	109%
	Patanol [®]	10.2	90%	11.4	152%
Oncology	GRAN [®]	13.5	92%	14.8	103%
Cardiovascular system	Coniel [®]	17.1	87%	19.7	94%

<p>Supplementary Documents to the Forecast of Consolidated Business Results for the Fiscal Year Ending December 31, 2013</p>

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

KIRIN HOLDINGS COMPANY, LIMITED

February 14, 2013

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

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

(¥ billions)

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual	Increase (decrease)	
Sales	2,290.0	2,186.1	103.8	4.7%
Operating income	155.0	153.0	1.9	1.3%
Non-operating income and expenses	(23.0)	(14.5)	(8.4)	—
Financial profit or loss, net	(15.8)	(15.6)	(0.2)	—
Equity in earnings or losses of affiliates	(4.3)	(0.6)	(3.6)	—
Ordinary income	132.0	138.4	(6.4)	(4.7%)
Special income and expenses	41.0	(4.8)	45.8	—
Gain on sale of investment securities	47.0	4.2	42.7	1,014.7%
Income before income taxes and minority interests	173.0	133.5	39.4	29.5%
Income taxes	64.4	60.1	4.2	7.1%
Minority interests	18.5	17.2	1.3	7.6%
Net income	90.0	56.1	33.8	60.1%
Normalized EBITDA	316.0	307.3	8.6	2.8%
Normalized EPS	¥121	¥117	¥4	3.4%
Sales (Excluding liquor tax)	1,978.0	1,870.6	107.3	5.7%
Operating income (Prior to amortization of goodwill etc.)	208.7	202.6	6.0	3.0%
Operating income ratio (Excluding liquor tax, prior to amortization of goodwill etc.)	10.6%	10.8%		
Normalized ROE	11.0%	11.6%		

Normalized EBITDA = operating income + depreciation + amortization of goodwill + dividends received from equity method affiliated companies

Normalized EPS = adjusted net income / average number of shares outstanding during period

Adjusted net income = net income + depreciation of goodwill, etc. ± special income or losses after income taxes and minority interests

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

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

(¥)

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual
Lion (AUD)	90.00	81.58
Brasil Kirin (BRL)	43.00	41.08

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

2. Sales Details

(¥ billions)

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual	Increase (decrease)	
Sales	2,290.0	2,186.1	103.8	4.7%
Japan Integrated Beverages	1,188.0	1,190.0	(2.0)	(0.2%)
Kirin Brewery *	743.1	752.4	(9.3)	(1.2%)
Kirin Beverage	351.3	336.8	14.4	4.3%
Mercian	68.2	69.7	(1.4)	(2.1%)
Other and elimination	25.2	30.9	(5.6)	(18.2%)
Overseas Integrated Beverages	677.0	577.0	99.9	17.3%
Lion	467.2	396.6	70.5	17.8%
Brasil Kirin	176.8	148.8	28.0	18.8%
Other and elimination	32.9	31.5	1.3	4.4%
Pharmaceuticals and Bio-chemicals	329.0	322.9	6.0	1.9%
Kyowa Hakko Kirin	338.0	333.1	4.8	1.5%
Pharmaceutical	250.7	249.6	1.0	0.4%
Bio-chemical	79.3	75.1	4.1	5.5%
Other	8.0	8.3	(0.3)	(4.0%)
Other and elimination	(9.0)	(10.1)	1.1	—
Others	96.0	96.1	(0.1)	(0.1%)

* Combined total of Kirin Brewery and Kirin Beer Marketing.

(Reference) Sales excluding liquor tax

(¥ billions)

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual
Kirin Brewery	440.5	445.8

3. Profit Details

(¥ billions)

	Fiscal year ending December 31, 2013, Forecast	Fiscal year ended December 31, 2012, Actual	Increase (decrease)
Operating income	155.0	153.0	1.9
Japan Integrated Beverages	60.5	68.9	(8.4)
Kirin Brewery *	51.7	57.8	(6.1)
Kirin Beverage *	3.6	5.9	(2.3)
Amortization of goodwill	(1.9)	(1.9)	(0.0)
Total	1.6	3.9	(2.3)
Mercian *	1.8	2.1	(0.2)
Other	5.3	4.9	0.3
Overseas Integrated Beverages	38.0	27.6	10.3
Lion (consolidated after reclassification)	62.7	49.6	13.1
Amortization of goodwill	(29.6)	(25.2)	(4.4)
Brand amortization	(4.0)	(3.8)	(0.1)
Total	29.0	20.5	8.5
Brasil Kirin	15.6	13.0	2.6
Amortization of goodwill	(5.1)	(4.8)	(0.2)
Brand amortization	(2.9)	(2.8)	(0.1)
Total	7.5	5.2	2.2
Other	1.3	1.7	(0.4)
Pharmaceuticals and Bio-chemicals	58.0	55.5	2.4
Kyowa Hakko Kirin (consolidated after reclassification)	58.0	55.5	2.4
Pharmaceutical	49.0	50.3	(1.3)
Bio-chemical	5.8	2.1	3.6
Other/Elimination of amortization of goodwill	9.4	9.1	0.2
Amortization of goodwill	(6.2)	(6.2)	—
Others	5.0	3.7	1.2
Corporate expenses/inter-segment eliminations	(6.5)	(2.8)	(3.6)

* Excluding management fee paid to the holding company.

Operating income breakdown

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Decrease in marginal profit of alcohol beverages	(2.2)	Sales decrease in beer (29) thousand KL, (3.8) Sales decrease in happo-shu (35) thousand KL, (3.8) Sales increase in new genre 41 thousand KL, 4.6 Sales increase in RTD 23 thousand KL, 1.9 Difference of change in products mix, etc.
	Increase in raw material cost of alcohol beverages	(0.8)	Increase in price of malt, etc.
	Increase in selling cost	(2.2)	Increase in sales promotion and advertising expenses (2.8), etc.
	Increase in other expenses	(0.9)	Decrease in depreciation 3.0, Increase in R&D expenses (0.4), Increase in miscellaneous expenses (0.4), Increase in repair expenses (0.8), Increase in public relations expenses (0.8), Increase in management fees (0.8), etc.
Total		(6.1)	
Kirin Beverage	Difference in volume of sales	8.5	Increase in domestic sales volume 8.15 million cases
	Cost decrease	2.4	Decrease in raw material cost 3.5, Increase in raw material cost (1.1), etc.
	Decrease due in change of composition ratio of containers, etc.	0.8	
	Increase in selling cost	(11.5)	Increase in sales promotion and advertising expenses (11.3), Increase in transportation cost (0.2)
	Increase in other expenses	(2.5)	Decrease in management fees 0.8, Increase in R&D expenses (0.6), Increase in repair expenses (0.4), Increase in miscellaneous expenses (0.4), Increase in information processing fee (0.3) etc.
Total		(2.3)	

Major operating expenses

(¥ billions)

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

4. Information by Segment

Fiscal year ending December 31, 2013, Forecast

(¥ billions)

	Japan Integrated Beverages	Overseas Integrated Beverages	Pharmaceuticals and Bio-chemicals	Others	Adjustment	Total
Depreciation and amortization (including brand amortization)	39.5	40.0	21.2	4.5	0.8	106.0
Amortization of goodwill	2.2	35.2	8.5	0.6	—	46.7
Capital expenditures	32.5	67.5	35.0	2.5	2.5	140.0
Normalized EBITDA	102.2	121.5	87.7	10.1	(5.7)	316.0

Fiscal year ended December 31, 2012, Actual

(¥ billions)

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

5. Other Information

(1) Information Regarding Amortization of Major Goodwill etc.

Fiscal year ending December 31, 2013, Forecast

(¥ billions)

		Year incurred	Total amortization of goodwill etc. (A) + (B)						
			Goodwill			Brands			
			Amortized amount (A)	Balance to be amortized	Years remaining	Amortized amount (B) *	Balance to be amortized	Years remaining	
Consolidated subsidiaries	Lion	1998 to 2012	29.6	387.1	13	4.0	42.5	1～19	33.6
	Kirin Beverage	2006	1.9	25.0	13	—	—	—	1.9
	Kyowa Hakko Kirin	2007	6.2	88.5	15	—	—	—	6.2
	Brasil Kirin	2011	5.1	91.8	18	2.9	53.9	18	8.1
	Other		3.7	—	—	—	—	—	3.7
	Consolidated subsidiaries total		46.7			7.0			53.7
Equity method	San Miguel Brewery	2009	5.9	92.7	16	1.7	26.4	16	7.6
	China Resources Kirin Beverages	2011	1.7	32.0	18	—	—	—	1.7
	Equity-method affiliates total		7.7			1.7			9.4

* Account title: Depreciation

(2) Sales Details of Major Business Companies

a. Kirin Brewery

	Fiscal year ending December 31, 2013		Fiscal year ended December 31, 2012	
	Forecast	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	670	(4.2%)	699	(2.1%)
Happo-shu	525	(6.4%)	560	(5.9%)
New genre	755	5.7%	714	(0.7%)
Sub-total	1,950	(1.2%)	1,974	(2.7%)
RTD	232	11.0%	209	7.4%
Non-alcohol beverages	45	0.1%	44	(18.9%)
Breakdown of sales	¥ billions		¥ billions	
Beer	277.9	(4.3%)	290.4	(2.0%)
Happo-shu	160.1	(6.4%)	171.0	(5.9%)
New genre	198.0	5.7%	187.2	(0.9%)
Sub-total	636.1	(2.0%)	648.8	(2.7%)
RTD	63.1	10.9%	56.9	6.7%
Shochu, Whiskey and Spirits, etc. *	43.8	(6.0%)	46.6	(15.0%)
Total sales	743.1	(1.2%)	752.4	(2.9%)

The above sales volume excludes exports.

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

b. Kirin Beverage Group

<Category>

Non-alcohol beverages			Fiscal year ending December 31, 2013				Fiscal year ended December 31, 2012			
			Forecast	Composition ratio	Increase (decrease)	Percentage over the previous year	Actual	Composition ratio	Increase (decrease)	Percentage over the previous year
			10,000 cases		10,000 cases		10,000 cases		10,000 cases	
Category	Tea drink	Japanese tea	2,000	10%	4	100%	1,996	11%	(70)	97%
		Oolong tea	280	1%	(3)	99%	283	1%	0	100%
		Black tea	4,700	24%	62	101%	4,638	24%	2	100%
		Sub-total	6,980	35%	63	101%	6,917	36%	(68)	99%
	Coffee		3,100	16%	72	102%	3,028	16%	(120)	96%
	Fruit and vegetable juice		2,400	12%	73	103%	2,327	12%	436	123%
	Carbonated beverage		1,800	9%	309	121%	1,491	8%	742	199%
	Water		3,400	17%	(58)	98%	3,458	19%	144	104%
	Other		2,090	11%	356	121%	1,734	9%	532	144%
	Domestic non-alcohol beverage market total		19,770	100%	815	104%	18,955	100%	1,666	110%

<Container Type>

Non-alcohol beverages			Fiscal year ending December 31, 2013				Fiscal year ended December 31, 2012			
			Forecast	Composition ratio	Increase (decrease)	Percentage over the previous year	Actual	Composition ratio	Increase (decrease)	Percentage over the previous year
Container type	Category	Details	10,000 cases		10,000 cases		10,000 cases		10,000 cases	
Cans	Can	Including bottle styled cans	3,900	20%	(20)	99%	3,920	21%	(344)	92%
PET bottles	Large-sized PET bottles	2L	4,200	21%	313	108%	3,887	21%	381	111%
		1.5L, 1L, 900ml, 750ml	1,700	9%	156	110%	1,544	8%	60	104%
		Large-sized PET bottles total	5,900	30%	469	109%	5,431	29%	441	109%
	Small-sized PET bottles	500ml	6,300	32%	446	108%	5,854	31%	1,125	124%
		350ml or less	1,400	7%	(200)	88%	1,600	8%	134	109%
		Small-sized PET bottles total	7,700	39%	246	103%	7,454	39%	1,259	120%
	PET bottles total		13,600	69%	715	106%	12,885	68%	1,700	115%
Other containers	One-way/Returnable bottles, paper, gifts, etc.		2,270	11%	120	106%	2,150	11%	310	117%
Domestic non-alcohol beverage market total			19,770	100%	815	104%	18,955	100%	1,666	110%

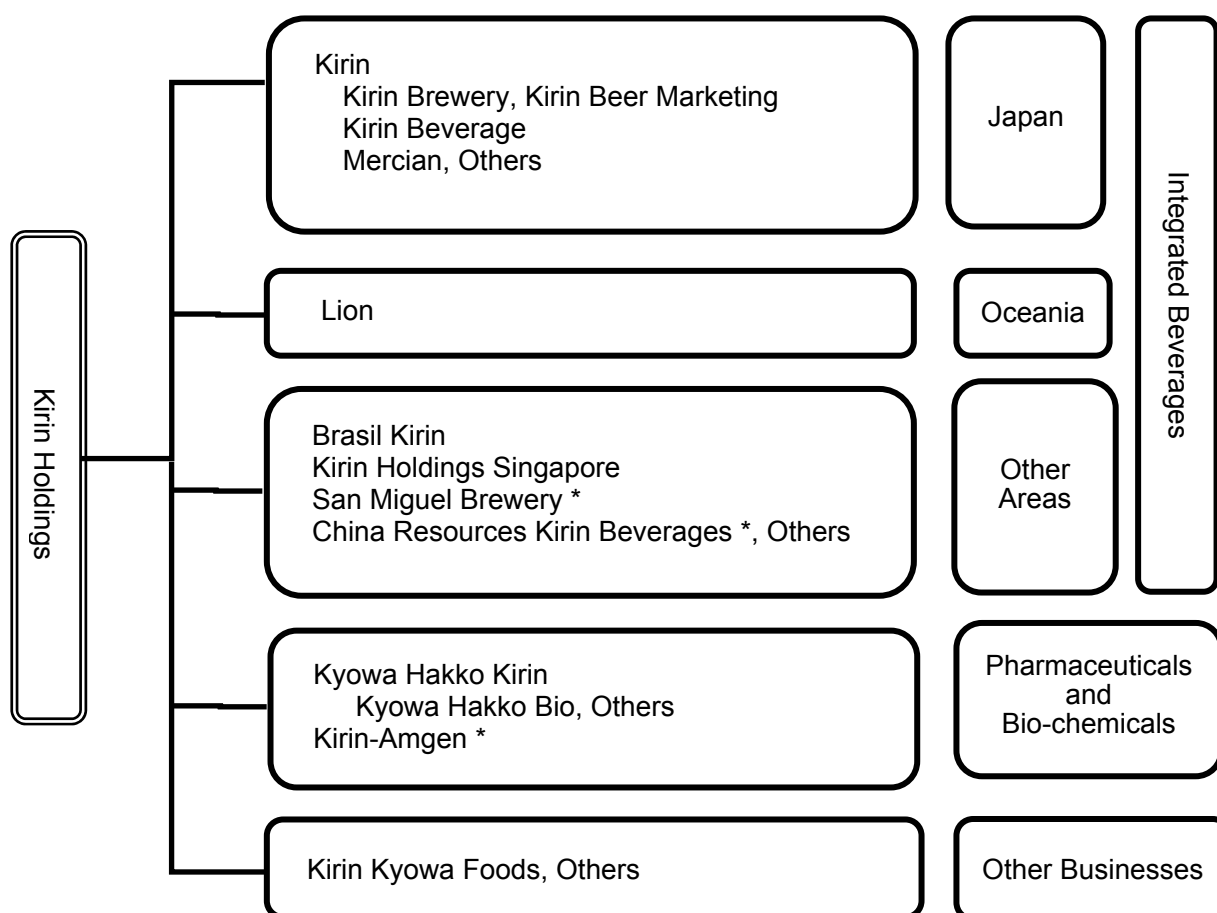
6. Changes in Reportable Segments

The reportable segments of the Kirin Holdings Group through 2012 were “Domestic Alcohol Beverages,” “Domestic Non-alcohol Beverages,” “Overseas Beverages,” and “Pharmaceuticals and Bio-chemicals.” However, starting from 2013, the segments will be changed to “Japan Integrated Beverages,” “Oceania Integrated Beverages,” “Other Overseas Integrated Beverages,” and “Pharmaceuticals and Bio-chemicals.”

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

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

Organization chart reflecting new reportable segments



* Equity-method affiliates