



# KIRIN HOLDINGS COMPANY, LIMITED

May 6, 2011

## SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2011 (UNDER JAPANESE GAAP) (UNAUDITED)

(English Translation)

Fiscal year ending December 31, 2011

### KIRIN HOLDINGS COMPANY, LIMITED

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

Code No.:	2503
Shares Listed:	Tokyo, Osaka, Nagoya, Sapporo and Fukuoka
Representative:	Mr. Senji Miyake, President
For further information, please contact:	Mr. Kensuke Suzuki, General Manager of Corporate Communications
	Telephone: 81-3-5540-3455 from overseas
Submission date of quarterly securities report scheduled:	May 13, 2011
Commencement date of dividend distribution scheduled:	—
Preparation of supplementary documents to the quarterly financial results:	Yes
Holding of quarterly financial results presentation (for institutional investors and analysts):	Yes

## 1. Consolidated business results and financial positions for the first three months of the current fiscal year (January 1, 2011 - March 31, 2011)

[Unit: Japanese yen (¥)]

### (1) Results of operations (cumulative):

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

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Three months ended						
March 31, 2011	488,923	10.4	32,985	38.3	29,396	42.3
March 31, 2010	442,772	(9.1)	23,846	152.2	20,654	56.3

	Net income	Percentage change	Net income per share (Primary)	Net income per share (Diluted)
	(¥ millions)	(%)	(¥)	(¥)
Three months ended				
March 31, 2011	(2,113)	—	(2.20)	—
March 31, 2010	6,157	—	6.46	6.42

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

(2) Financial positions:

	Total assets	Net assets	Ratio of equity to total assets	Net assets per share
	(¥ millions)	(¥ millions)	(%)	(¥)
March 31, 2011	2,649,288	1,167,318	36.3	1,001.16
December 31, 2010	2,649,197	1,159,036	36.3	1,000.51

Reference: Equity	March 31, 2011	962,944 million yen
	December 31, 2010	962,476 million yen

## 2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended December 31, 2010	—	12.50	—	12.50	25.00
Fiscal year ending December 31, 2011	—				
Fiscal year ending December 31, 2011 (Forecast)		13.50	—	13.50	27.00

Note: Revision of the forecast in the first quarter of the fiscal year ending December 31, 2011: None

## 3. Forecast of consolidated business results for the current fiscal year (January 1, 2011 - December 31, 2011)

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Six months ending June 30, 2011	1,030,000	2.0	57,000	(4.7)	58,000	3.0
Fiscal year ending December 31, 2011	2,140,000	(1.7)	152,000	0.3	148,000	5.0

	Net income	Percentage change	Net income per share
	(¥ millions)	(%)	(¥)
Six months ending June 30, 2011	18,000	151.5	18.71
Fiscal year ending December 31, 2011	58,000	409.0	60.29

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

Note: Revision of the forecast in the first quarter of the fiscal year ending December 31, 2011: None

Forecast of business results presented in this document does not take into account the impact of the Great East Japan Earthquake that occurred on March 11, 2011. The Company is now assessing the impact of the earthquake, and will immediately announce any matter that should be disclosed, including a revision to forecast of business results, in the event such matters arise.

For details of potential future impact, please refer to (3) CONSOLIDATE FORECASTS of 1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS FOR THE THREE MONTHS on page 4 of the Attached Materials.

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

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

Newly included: –

Excluded: –

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

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

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

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

i. Changes due to amendment of accounting standards: Yes

ii. Changes due to other reasons: None

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

(4) Number of shares outstanding (common stock)

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

As of March 31, 2011	965,000,000 shares
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As of December 31, 2010	965,000,000 shares
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ii. Number of treasury stock at the end of period

As of March 31, 2011	3,173,769 shares
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As of December 31, 2010	3,010,208 shares
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iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the three months ended March 31, 2011	961,823,573 shares
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For the three months ended March 31, 2010	953,264,517 shares
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\* Indication regarding execution of quarterly review procedures

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

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

The statements concerning future performance that are presented in this document are based on judgments using information available to Kirin Holdings and the Kirin Group as of the release date of this material. Certain risks and uncertainties could cause the results of Kirin Holdings and the Kirin Group to differ materially from any projections presented herein. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses, market trends, and exchange rates.

## ATTACHED MATERIALS

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

### (1) BUSINESS PERFORMANCE

The Japanese economy had been rallying during the first quarter (January 1, 2011 to March 31, 2011) on the back of improvements in overseas economies, but the impact of the Great East Japan Earthquake, which struck on March 11, has resulted in strong downward pressure.

Amidst this economic environment, to mark the second year of the Kirin Group's 2010-2012 medium-term business plan, which is the second stage toward realizing the aims of Kirin Group Vision 2015 (KV2015), Kirin's long-term business framework, we strengthened our efforts aimed at realizing "qualitative expansion." In the Japanese market, we continued to pursue an integrated beverages group strategy, and under the direction of functionally organized Cross Company Teams (CCTs), we worked to increase profitability and efficiency across the Group.

Overseas, and in January, we reached an agreement with China Resources Enterprise, Limited to establish a joint venture to operate non-alcohol beverage business in China. As a result of establishing the joint venture, synergies will be created by combining the Kirin Group's strengths in product development, technology and research/marketing with the China Resources Enterprise's strong business infrastructure including its logistics and sales network. The Chinese soft drink market is expected to grow rapidly, and our aim is for the joint venture to become a leading player in this market.

In March, we concluded acquiring shares of the Interfood Shareholding Company, a soft drink manufacturer and distributor in Vietnam. By exploiting full potential of the company's distribution network and manufacturing facilities, we aim to strengthen our business base in the Vietnamese soft drink market, which is set to rapidly expand on the back of population increases and economic growth.

The Great East Japan Earthquake also affected manufacturing, logistics and sales, both at KIRIN BREWERY COMPANY, LIMITED and at our other Group companies.

As a result, sales, operating income and ordinary income increased in the first quarter. However, net income decreased, partly due to recording ¥5.1 billion as special expenses in the wake of the Great East Japan Earthquake, including a write down of finished goods and work in process at the stricken KIRIN BREWERY Sendai Plant.

Kirin Holdings Company, Limited 2011 first quarter results:

Consolidated sales	¥ 488.9billion, up 10.4%
Consolidated operating income	¥ 32.9billion, up 38.3%
Consolidated ordinary income	¥ 29.3billion, up 42.3%
Consolidated net loss	¥ (2.1) billion, -

Results by segment are as follows.

In accordance with the application of the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information," starting from this first quarter, we have made changes to how the disclosed segments are divided. In describing an overview of the segments, results for the same period of the previous year have been reclassified into the new segmentation for the sake of comparability.

#### <Domestic Alcohol Beverages Business>

In the domestic alcohol beverages business, KIRIN BREWERY COMPANY, LIMITED has proceeded to select and focus on promising brands, and is endeavoring to create new categories. In the new genre categories, which are continuing to expand, we attempted to further stimulate the market by releasing *Kirin Koiaji* <zero-carbohydrate\*> in February, particularly targeted at health-conscious consumers. We also released *Kirin McCoy Umeshu*, targeted at the growing plum wine category. In terms of the effects of the Great East Japan Earthquake, in addition to production being suspended at both the stricken Sendai and Toride factories, a shortage of materials for manufacturing cans, logistical constraints such as the procurement of fuel, and a decline in consumer sentiment especially in the Tokyo metropolitan area resulted in decreases in sales volumes.

\* "zero-carbohydrate" can be displayed on products which contain less than 0.5g of sugar per 100ml (in accordance with nutritional labeling standards).

As for Mercian Corporation, sales of both domestic and imported table wines remained strong, especially in our core products. In an effort to strengthen sales, in March, we released *St Hallett Tatiara*, an Australian wine developed in collaboration with a subsidiary winery of Lion Nathan National Foods Pty Limited. Sales of domestic middle-range and high-end wine also remained strong. In terms of the effects of the Great East Japan Earthquake, our automated warehouse sustained some damage, there were some planned power outages, and some shipping adjustments were needed due to a short supply of packaging materials.

As a result, sales decreased, but operating income increased, in part, due to cuts in sales promotion expenses.

Domestic Alcohol Beverages Business 2011 first quarter results:

Consolidated sales	¥169.3 billion, down 8.2%
Consolidated operating income	¥ 5.0 billion, up 58.8%

<Domestic Non-Alcohol Beverages Business>

In the domestic non-alcohol beverages business, in addition to strengthening its activities centered on its core brands, Kirin Beverage Company, Limited has continued efforts to reform its revenue structure, and is proceeding to rebuild its growth potential. As for our core brands, *Kirin FIRE* and *Kirin Gogo-no-Kocha*, we released *Kirin FIRE Kaoru Hikitate* and *Kirin Gogo-no-Kocha Oishii Sugar-Free* in an effort to further stimulate the market. In the wake of the Great East Japan Earthquake, we maximized our manufacturing and shipping efforts to meet the increased demand for water and green tea. We have also delayed the release of some coffee and black tea products.

As a result, there were decreases in both sales and operating income.

Domestic Non-Alcohol Beverages Business 2011 first quarter results:

Consolidated sales	¥ 65.1 billion, down 12.6%
Consolidated operating loss	¥ (1.9) billion, -

<Overseas Beverages Business>

Both Lion Nathan National Foods Pty Limited' alcohol beverages and soft drinks & foods businesses continued to make progress in improving mix and efficiency through brand focused business strategy. Conditions in Oceania market were particularly challenging with the continuing price competitive retail environment and some key input costs still relatively high by historical standards. Furthermore, the circumstances were compounded by a cold summer and other one-time factors.

As a result, sales increased due to a change of National Foods' accounting period in the previous year, but operating income decreased.

Overseas Beverages Business 2011 first quarter results:

Consolidated sales	¥117.6 billion, up 85.8%
Consolidated operating income	¥ 6.2 billion, down 30.5%

<Pharmaceuticals and Biochemicals Business>

In the pharmaceuticals business, at Kyowa Hakko Kirin Co., Ltd., sales continued to grow for our core products *Nesp* for treating nephrogenic anemia and *Regpara* for treating secondary hyperparathyroidism and higher amounts of airborne pollen helped to maintain strong sales of the antiallergic agent *Allelock* and the antiallergic eye drop *Patanol*. Furthermore, following the earthquake disaster, the sharp increase of shipment of pharmaceutical products resulted in sales increasing significantly from the same period last year.

In the biochemicals business, at KYOWA HAKKO BIO CO., LTD., sales of pharmaceutical and industrial ingredients, centering on amino acid and nucleic acid related materials, decreased from the same period last year, partly due to the effects of the yen appreciation. In the healthcare products business, sales of the mail-order *Remake* series increased, but sales of our health food ingredients decreased from the same period last year.

Sales at Kyowa Hakko Chemical Co., Ltd., which operates our chemicals business, remained strong both for domestic sales and exports, in part due to improvements in the business environment. Additionally, on March 31, Kyowa Hakko Kirin Co., Ltd. transferred all of its shares held in Kyowa Hakko Chemical Co., Ltd..

As a result, there were increases in both sales and operating income.

Pharmaceuticals and Biochemicals Business 2011 first quarter results:

Consolidated sales	¥112.6 billion, up 14.7%
Consolidated operating income	¥22.6 billion, up 84.7%

In addition, in February, Kyowa Hakko Kirin Co., Ltd. agreed to commence buyout procedures for the specialty pharmaceutical company, ProStrakan Group plc, which has development and distribution systems in the US and Europe for cancer-related and other ethical drugs. The buyout became effective in April.

#### <Other Businesses>

At Kirin Kyowa Foods Company, Limited, we continued to enhance “value proposal” based development and marketing structures, and we endeavored to offer products and services that meet customer needs.

As a result, sales increased, but operating income decreased.

#### Other Businesses 2011 first quarter results:

Consolidated sales	¥ 24.0 billion, up 8.0%
Consolidated operating income	¥ 1.5 billion, down 18.9%

## (2) FINANCIAL POSITION

Total assets as of March 31, 2011 stood at ¥2,649.2 billion, an increase of ¥0billion compared to December 31, 2010. Despite decreases in notes and accounts receivable, trade, property, plant and equipment, and investment securities, total assets increased partly due to increases in cash and other factors.

Total liabilities stood at ¥1,481.9 billion, a decrease of ¥8.1 billion compared to December 31, 2010. Despite increases in interest-bearing debts, total liabilities decreased mainly due to decreases in notes and accounts payable, trade, liquor taxes payable and other factors.

Net assets stood at ¥1,167.3 billion, an increase of ¥8.2 billion compared to December 31, 2010 due in part to an increase in foreign currency translation adjustments.

## (3) CONSOLIDATED FORECASTS

Although there are concerns that the recent Great East Japan Earthquake will lead to further uncertain consumer behavior and declines in economic activity due to power shortages, at this point in time, it is difficult to reasonably estimate the degree of effects on our Group. Therefore, these have not been taken into account in the forecast of business results, and no changes have been made to the forecast of business results announced on February 10 this year. We will continue to carefully examine the effects caused by this earthquake disaster, and if amendments to the forecast of business results or other matters requiring disclosure eventuate, we will announce them immediately.

## 2. OTHER INFORMATION

### (1) SUMMARY OF CHANGES IN SIGNIFICANT SUBSIDIARIES

There is no matter that falls under this item.

### (2) SUMMARY OF SIMPLIFIED ACCOUNTING AND SPECIFIC ACCOUNTING

#### (2)-1 Simplified accounting methods

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

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

2. Valuation of inventories

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

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

3. Calculation of deferred tax assets and liabilities

The Company makes judgments of the recoverability of deferred tax assets based on the future earning forecast and tax planning used in the previous fiscal year, when there have been no

significant changes in the management environment or other circumstances of occurrence of temporary difference since the end of the previous fiscal year.

(2)-2 Specific accounting methods

Calculation of income taxes

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

Deferred income taxes are included in income taxes.

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

(3)-1 Application of the “Accounting Standard for Equity Method of Accounting for Investments” and the “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

Effective from the first quarter ended March 31, 2011, the Company has applied the “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16 of March 10, 2008) and the “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ Practical Issues Task Force (PITF) No. 24 of March 10, 2008).

There was no effect on operating result from this application.

(3)-2 Application of “Accounting Standard for Asset Retirement Obligations”

Effective from the first quarter ended March 31, 2011, the Company has applied the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18 of March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21 of March 31, 2008).

As a result, operating income and ordinary income each decreased by ¥48 million, and income before income taxes and minority interests decreased by ¥1,529 million. In addition, the asset retirement obligation amount has changed by ¥2,854 million upon application of this new accounting standard.



### 3. CONSOLIDATED FINANCIAL STATEMENTS

#### (1) CONSOLIDATED BALANCE SHEETS

(¥ millions)

	As of March 31, 2011	As of December 31, 2010 (Summary)
<b>ASSETS</b>		
Current Assets		
Cash	190,968	51,463
Notes and accounts receivable, trade	316,986	415,268
Merchandise and finished goods	111,431	129,704
Work in process	33,287	19,917
Raw materials and supplies	41,520	38,191
Other	76,756	74,483
Allowance for doubtful accounts	(2,093)	(1,939)
Total Current Assets	768,858	727,088
Fixed Assets		
Property, Plant and Equipment	711,001	739,235
Intangible Assets		
Goodwill	563,383	562,492
Other	93,814	95,864
Total	657,197	658,357
Investments and Other Assets		
Investment securities	414,286	428,383
Other	104,717	103,562
Allowance for doubtful accounts	(6,772)	(7,430)
Total	512,231	524,515
Total Fixed Assets	1,880,429	1,922,108
<b>TOTAL ASSETS</b>	<b>2,649,288</b>	<b>2,649,197</b>

(¥ millions)

	As of March 31, 2011	As of December 31, 2010 (Summary)
<b>LIABILITIES</b>		
Current Liabilities		
Notes and accounts payable, trade	120,904	169,036
Short-term loans payable and long-term debt with current maturities	125,256	181,786
Commercial papers	143,985	10,999
Bonds due within one year	3,250	3,361
Income taxes payable	16,318	26,544
Reserves	18,700	7,491
Other	208,472	280,475
Total Current Liabilities	636,888	679,695
Long-term Liabilities		
Bonds	319,406	320,070
Long-term debt	307,333	262,720
Employees' pension and retirement benefits	63,701	66,882
Other reserves	6,080	6,212
Other	148,558	154,578
Total Long-term Liabilities	845,081	810,464
<b>TOTAL LIABILITIES</b>	<b>1,481,970</b>	<b>1,490,160</b>
<b>NET ASSETS</b>		
Shareholders' Equity		
Common stock	102,045	102,045
Capital surplus	81,416	81,412
Retained earnings	807,381	821,519
Treasury stock, at cost	(3,174)	(2,985)
Total Shareholders' Equity	987,669	1,001,992
Valuation and Translation Adjustments		
Net unrealized holding gains on securities	7,369	7,252
Deferred gains or losses on hedges	1,457	1,285
Land revaluation difference	(4,713)	(4,713)
Foreign currency translation adjustments	(28,838)	(43,341)
Total Valuation and Translation Adjustments	(24,724)	(39,516)
Subscription rights to shares	227	207
Minority interests	204,145	196,352
<b>TOTAL NET ASSETS</b>	<b>1,167,318</b>	<b>1,159,036</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,649,288</b>	<b>2,649,197</b>

## (2) CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Three months ended March 31, 2010	Three months ended March 31, 2011
Sales	442,772	488,923
Cost of sales	265,723	292,515
Gross profit	177,048	196,408
Selling, general and administrative expenses	153,202	163,422
Operating income	23,846	32,985
Non-operating income		
Interest income	333	122
Dividend income	347	1,951
Equity in earnings of affiliates	1,544	—
Other	1,674	1,581
Total	3,900	3,656
Non-operating expenses		
Interest expense	5,507	5,361
Equity in losses of affiliates	—	421
Other	1,583	1,462
Total	7,091	7,245
Ordinary income	20,654	29,396
Special income		
Gain on sale of fixed assets	48	3,911
Gain on sale of investment securities	4,544	261
Gain on sale of shares of subsidiaries and affiliates	122	6,771
Other	615	1,052
Total	5,331	11,995
Special expenses		
Loss on retirement of fixed assets	840	439
Loss on sale of fixed assets	28	179
Loss on devaluation of investment securities	142	1,928
Loss on sale of investment securities	2	—
Loss on sale of shares of subsidiaries and affiliates	3,801	—
Expense of reserve for loss on sale of business	—	3,555
Loss related to the Great East Japan Earthquake	—	5,146
Other	2,149	3,870
Total	6,964	15,119
Income before income taxes and minority interests	19,021	26,272
Income taxes	8,812	21,682
Income before minority interests	—	4,590
Minority interests	4,051	6,703
Net income (loss)	6,157	(2,113)

### (3) CONSOLIDATED STATEMENTS OF CASH FLOWS

(¥ millions)

	Three months ended March 31, 2010	Three months ended March 31, 2011
Cash flows from operating activities		
Income before income taxes and minority interests	19,021	26,272
Depreciation and amortization	22,283	24,887
Amortization of goodwill	7,251	9,018
Interest and dividend income	(680)	(2,074)
Equity in losses (earnings) of affiliates	(1,544)	421
Interest expense	5,507	5,361
Foreign currency translation loss (gain)	(728)	(230)
Gain on sale of fixed assets	—	(3,911)
Gain on sale of investment securities	(4,544)	(261)
Gain on sale of shares of subsidiaries and affiliates	—	(6,771)
Loss on sale of shares of subsidiaries and affiliates	3,801	—
Decrease (increase) in notes and accounts receivable, trade	77,197	71,389
Decrease (increase) in inventories	(9,349)	(6,924)
Increase (decrease) in notes and accounts payable, trade	(18,893)	(28,638)
Increase (decrease) in liquor taxes payable	(45,407)	(44,128)
Increase (decrease) in consumption taxes payable	(4,452)	50
Increase (decrease) in deposits received	(13,534)	(5,987)
Other	(4,957)	4,432
Sub-total	30,968	42,905
Interest and dividend received	3,278	2,947
Interest paid	(4,995)	(6,047)
Income taxes paid	(21,808)	(31,857)
Net cash provided by operating activities	7,444	7,947
Cash flows from investing activities		
Payment for purchases of property, plant and equipment and intangible assets	(26,572)	(22,506)
Proceeds from sale of property, plant and equipment and intangible assets	1,237	3,626
Payment for purchases of marketable securities and investment securities	(308)	(8,188)
Proceeds from sale and redemption of marketable securities and investment securities	8,775	2,555
Payment for purchases of shares of subsidiaries	(2,139)	(9)
Proceeds from sale of shares of subsidiaries with consolidation/de-consolidation	89	54,847
Other	(867)	(3,318)
Net cash provided by (used in) investing activities	(19,784)	27,006

(¥ millions)

	Three months ended March 31, 2010	Three months ended March 31, 2011
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(13,124)	(32,506)
Increase (decrease) in commercial papers	39,998	132,985
Proceeds from long-term debt	12,404	58,034
Repayment of long-term debt	(10,246)	(37,972)
Payment to minority shareholders for capital reduction of consolidated subsidiaries	(2,058)	—
Payment for purchase of treasury stock	(152)	(288)
Proceeds from sale of treasury stock	13	86
Cash dividends paid	(10,963)	(12,025)
Cash dividends paid to minority shareholders	(2,169)	(3,061)
Other	598	(194)
Net cash provided by financing activities	14,299	105,056
Effect of exchange rate fluctuation on cash and cash equivalents	(2,076)	908
Net increase (decrease) in cash and cash equivalents	(117)	140,919
Cash and cash equivalents at beginning of year	118,797	45,278
Cash and cash equivalents at end of period	118,680	186,197

#### (4) NOTES ON PREMISE OF GOING CONCERN

There is no matter that falls under this item.

#### (5) SEGMENT INFORMATION

(Segment information, etc.)

##### a. Business segment information

(¥ millions)

Three months ended March 31, 2010							
	Alcohol Beverages	Soft Drinks and Foods	Pharma- ceuticals	Others	Total	Eliminations or Corporate	Consolidated
Sales							
Unaffiliated customers	236,429	95,552	49,645	61,144	442,772	—	442,772
Inter-segment	5,752	1,359	29	7,866	15,007	(15,007)	—
Total sales	242,181	96,912	49,674	69,010	457,779	(15,007)	442,772
Operating income	15,891	124	10,359	2,125	28,502	(4,655)	23,846

##### Notes

- Business segments are classified based on business management framework in consideration of the type and nature of products.
- Main products by each business segment are as follows:

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

##### b. Geographical segment information

(¥ millions)

Three months ended March 31, 2010						
	Japan	Asia/ Oceania	Others	Total	Eliminations or Corporate	Consolidated
Sales						
Unaffiliated customers	364,851	60,865	17,054	442,772	—	442,772
Inter-segment	7,832	1,024	2,111	10,968	(10,968)	—
Total sales	372,684	61,890	19,165	453,740	(10,968)	442,772
Operating income	18,105	9,199	1,152	28,457	(4,610)	23,846

##### Notes

- Geographical distances are considered in classification by country or area.
- Major countries or areas included in each segment except for Japan are as follows:

Geographical segment	Major countries or areas
Asia/Oceania	East Asia, Southeast Asia, Oceania
Others	U.S.A., Europe

##### c. Overseas sales

(¥ millions)

Three months ended March 31, 2010			
	Asia/ Oceania	Others	Total
Overseas sales	68,715	22,114	90,829
Consolidated sales	—	—	442,772
Percentage of overseas sales over consolidated sales	15.5%	5.0%	20.5%

##### Notes

- Geographical distances are considered in classification by country or area.
- Major countries or areas included in each segment are as follows:

Geographical segment	Major countries or areas
Asia/Oceania	East Asia, Southeast Asia, Oceania
Others	U.S.A., Europe

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

[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 obtainable. These segments 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 Nathan National Foods Pty Ltd engaging in the Overseas Beverages business, and Kyowa Hakko Kirin Co., Ltd. engaging in the Pharmaceuticals and Biochemicals 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 decided its four reportable segments, namely, Domestic Alcohol Beverages, Domestic Non-alcohol Beverages, Overseas Beverages, and Pharmaceuticals and Biochemicals, 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, logistics, etc.

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

“Overseas Beverages” conducts production and sale of beer, whiskey, spirits, wine, soft drinks, dairy products, etc. in overseas.

“Pharmaceuticals and Biochemicals” conducts production and sale of pharmaceutical products, biochemical products, etc.

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

2. Information regarding sales and income or loss amount by reportable segment

							(¥ millions)
Three months ended March 31, 2011							
	Reportable Segment					Adjustment (Note 2)	Amount recorded in the quarterly consolidated statements of income (Note 3)
	Domestic Beverages		Overseas Beverages	Pharmaceuticals and Biochemicals	Others (Note 1)		
	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages					
Sales							
Unaffiliated customers	169,385	65,157	117,675	112,672	24,032	—	488,923
Inter-segment	7,588	1,274	142	2,189	7,619	(18,813)	—
Total sales	176,974	66,431	117,817	114,862	31,651	(18,813)	488,923
Segment income (loss)	5,078	(1,997)	6,271	22,654	1,577	(599)	32,985

Notes

1. “Others” includes food business such as seasonings.
2. The negative ¥599 million adjustment in segment income (loss) includes ¥4,105 million in inter-segment eliminations and negative ¥4,705 million in corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses due to the Company’s transfer to a pure holding company and research and development expenses for basic technologies.
3. Segment income (loss) is adjusted for operating income described in the quarterly consolidated statements of income.

Additional information

Effective from the first quarter ended March 31, 2011, the Company has applied the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17 of March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20 of March 21, 2008).

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

There is no matter that falls under this item.

## **Supplementary Documents to the Financial Statements for the Three Months Ended March 31, 2011**

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**

**May 6, 2011**



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

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

(¥ billions)

	Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual	Increase (decrease)	
Sales	488.9	442.7	46.1	10.4%
Gross profit	196.4	177.0	19.3	10.9%
Selling, general and administrative expenses	163.4	153.2	10.2	6.7%
Operating income	32.9	23.8	9.1	38.3%
Non-operating income	3.6	3.9	(0.2)	(6.2%)
Non-operating expenses	7.2	7.0	0.1	2.2%
Ordinary income	29.3	20.6	8.7	42.3%
Special income	11.9	5.3	6.6	125.0%
Special expenses	15.1	6.9	8.1	117.1%
Income before income taxes and minority interests	26.2	19.0	7.2	38.1%
Income taxes	21.6	8.8	12.8	146.0%
Minority interests	6.7	4.0	2.6	65.4%
Net income (loss)	(2.1)	6.1	(8.2)	—
EBITDA *	63.3	53.2	10.0	18.9%

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

		Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual	Increase (decrease)	
Sales	Excluding liquor tax	¥427.2 billion	¥375.4 billion	¥51.8 billion	13.8%
Operating income	Prior to amortization of goodwill etc.	¥43.6 billion	¥32.3 billion	¥11.3 billion	35.0%
Operating income ratio	Excluding liquor tax, prior to amortization of goodwill etc.	10.2%	8.6%		
	Excluding liquor tax, after amortization of goodwill etc.	7.7%	6.4%		
Overseas ratio	Sales excluding liquor tax	34.0%	24.2%		
D/E ratio		0.93	0.94		

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

(¥)

	Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual
Lion Nathan National Foods - Alcohol Beverages (AUD)	81.20	81.81
Lion Nathan National Foods - Non-alcohol Beverages (AUD)		— *
San Miguel Brewery (PHP)	1.90	1.93

	Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual
Lion Nathan National Foods - Alcohol Beverages	From October 2010 to December 2010	From October 2009 to December 2009
Lion Nathan National Foods - Non-alcohol Beverages		— *
San Miguel Brewery		From October 2009 to December 2009

\* Due to the change of fiscal year-end, the three months ended March 31, 2010 is not included.

## 2. Sales Details

(¥ billions)

	Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual	Increase (decrease)	
Sales	488.9	442.7	46.1	10.4%
Domestic Alcohol Beverages	169.3	184.4	(15.0)	(8.2%)
Kirin Brewery (non-consolidated)	147.9	162.6	(14.6)	(9.0%)
Mercian	16.4	16.8	(0.4)	(2.6%)
Other and elimination	4.9	4.9	0.0	0.1%
Domestic Non-alcohol Beverages	65.1	74.5	(9.3)	(12.6%)
Kirin Beverage	66.4	73.7	(7.3)	(10.0%)
Other and elimination	(1.2)	0.7	(1.9)	—
Overseas Beverages	117.6	63.3	54.3	85.8%
Lion Nathan National Foods	111.2	56.2	54.9	97.8%
Alcohol Beverages	51.7	56.2	(4.5)	(8.0%)
Non-alcohol Beverages	59.4	—	59.4	—
Other and elimination	6.4	7.1	(0.6)	(9.0%)
Pharmaceuticals and Biochemicals	112.6	98.1	14.4	14.7%
Kyowa Hakko Kirin	114.8	99.2	15.6	15.7%
Pharmaceutical	63.3	49.6	13.6	27.6%
Biochemical	17.7	19.7	(1.9)	(9.8%)
Chemical, etc.	33.7	29.8	3.8	12.8%
Other and elimination	(2.1)	(1.0)	(1.1)	—
Other	24.0	22.2	1.7	8.0%

(Reference) Sales excluding liquor tax

(¥ billions)

	Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual
Kirin Brewery (non-consolidated)	87.9	96.5

### 3. Profit Details

#### (1) Operating Income

	(¥ billions)		
	Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual	Increase (decrease)
Operating income	32.9	23.8	9.1
Domestic Alcohol Beverages	5.0	3.1	1.8
Kirin Brewery (non-consolidated)	7.1	5.8	1.2
Management fee, etc.	(2.3)	(2.5)	0.2
Total	4.7	3.2	1.4
Mercian	0.0	(0.6)	0.6
Management fee, etc.	(0.1)	–	(0.1)
Total	(0.0)	(0.6)	0.5
Others	0.4	0.5	(0.1)
Domestic Non-alcohol Beverages	(1.9)	(1.5)	(0.4)
Kirin Beverage	(0.4)	(0.0)	(0.4)
Management fee, etc.	(0.7)	(0.7)	(0.0)
Amortization of goodwill	(0.4)	(0.4)	(0.0)
Total	(1.7)	(1.2)	(0.4)
Others	(0.2)	(0.2)	0.0
Overseas Beverages	6.2	9.0	(2.7)
Lion Nathan National Foods (consolidated after reclassification)	6.0	8.9	(2.9)
Alcohol Beverages	12.7	15.8	(3.0)
Amortization of goodwill	(4.6)	(4.6)	(0.0)
Brand amortization	(1.5)	(1.6)	0.0
Total	6.4	9.6	(3.1)
Non-alcohol Beverages	2.7	–	2.7
Amortization of goodwill	(1.5)	–	(1.5)
Brand amortization	(0.5)	–	(0.5)
Total	0.6	–	0.6
Corporate expenses	(1.0)	(0.6)	(0.4)
Others	0.2	0.0	0.1
Pharmaceuticals and Biochemicals	22.6	12.2	10.3
Kyowa Hakko Kirin (consolidated after reclassification)	22.6	12.2	10.3
Pharmaceutical	18.4	9.6	8.7
Biochemical	1.2	1.0	0.2
Chemical, etc.	2.2	0.8	1.3
Elimination of amortization of goodwill	2.3	2.3	0.0
Amortization of goodwill	(1.5)	(1.5)	0.0
Other	1.5	1.9	(0.3)
Corporate expenses/inter-segment eliminations	(0.5)	(1.0)	0.4

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 (non-consolidated)	Decrease in marginal profit of alcohol beverages	(5.0)	Sales decrease in beer (12) thousand KL, (1.3) Sales decrease in <i>happo-shu</i> (18) thousand KL, (1.8) Sales decrease in new genre (9) thousand KL, (1.0) Sales decrease in RTD (4) thousand KL, (0.4) Decrease in marginal profit of <i>shochu</i> , whiskey and spirits (0.2) Difference of change in products mix, etc.
	Decrease in raw material cost of alcohol beverages	0.4	Decrease in price of malt 0.3, Decrease in price for packing materials 0.2, Increase in cost of sugar and liquid sugar (0.1)
	Decrease in selling cost	3.9	Decrease in sales promotion and advertising expenses 3.9 (Beer, <i>happo-shu</i> and new genre 3.3, RTD 0.9, etc.)
	Decrease in other expenses	2.1	Decrease in labor cost 0.5, Decrease in depreciation 0.4, Decrease in repair expenses 0.2, Decrease in public relations expenses 0.2, Decrease in management fee etc. 0.2, etc.
Total		1.4	
Kirin Beverage *	Difference in volume of sales	(0.6)	Decrease in sales volume (0.58) million cases
	Cost increase	(0.4)	Increase in raw material cost (0.8), Decrease in raw material cost 0.4, etc.
	Decrease due in change of composition ratio of containers, etc.	(1.0)	
	Decrease in selling cost	1.2	Decrease in sales promotion and advertising expenses 0.9, Decrease in transportation cost 0.2
	Decrease in other expenses	0.4	
Total		(0.4)	

\* Koiwai Dairy Products CO.,LTD is included in "Other" from 2011 fiscal year.

## Major operating expenses

(¥ billions)

		Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual
Sales promotion expenses		30.2	33.4
Advertising expenses		15.7	17.1
Kirin Brewery	Sales promotion expenses	15.9	19.8
	Advertising expenses		
Kirin Beverage	Sales promotion expenses	19.5	21.3
	Advertising expenses		
Research and development expenses		13.1	11.6
Kyowa Hakko Kirin (excluding internal transaction)		10.6	9.0

## (2) Ordinary Income and Net Income

(¥ billions)

	Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual	Increase (decrease)	Description of changes
Non-operating income and expenses	(3.5)	(3.1)	(0.3)	Equity in earnings or losses of local affiliates (2.0), Amortization of consolidation difference (0.0), Brand amortization (0.0) Kirin-Amgen, Inc. 0.1, etc.
Financial profit or loss, net	(3.2)	(4.8)	1.5	
Equity in earnings or losses of affiliates	(0.4)	1.5	(1.9)	
San Miguel Brewery	(1.3)	0.8	(2.1)	
Others	0.8	0.7	0.1	
Foreign currency translation gain or loss	0.6	0.7	(0.0)	
Other	(0.5)	(0.6)	0.0	
Ordinary income	29.3	20.6	8.7	
Special income and expenses	(3.1)	(1.6)	(1.4)	
Special income	11.9	5.3	6.6	
Gain on sale of fixed assets	3.9	0.0	3.8	
Gain on sale of investment securities	0.2	4.5	(4.2)	
Gain on sale of shares of subsidiaries and affiliates	6.7	0.1	6.6	
Other	1.0	0.6	0.4	
Special expenses	(15.1)	(6.9)	(8.1)	
Loss on disposal of fixed assets	(0.4)	(0.8)	0.4	
Loss on sale of fixed assets	(0.1)	(0.0)	(0.1)	
Loss on devaluation of investment securities	(1.9)	(0.1)	(1.7)	
Loss on sale of investment securities	—	(0.0)	0.0	
Loss on sale of shares of subsidiaries and affiliates	—	(3.8)	3.8	
Expense of reserve for loss on sale of business	(3.5)	—	(3.5)	
Loss related to the Great East Japan Earthquake	(5.1)	—	(5.1)	
Other	(3.8)	(2.1)	(1.7)	
Income taxes	(21.6)	(8.8)	(12.8)	
Minority interests	(6.7)	(4.0)	(2.6)	
Net income (loss)	(2.1)	6.1	(8.2)	

#### 4. Summary of Consolidated Balance Sheets

(¥ billions)

	As of March 31, 2011	As of December 31, 2010	Increase (decrease)	Description of changes
Current Assets	768.8	727.0	41.7	
Cash	190.9	51.4	139.5	Increase due to sales of chemical business, etc. Decrease due to the year-end of previous year being a bank holiday, etc.
Notes and accounts receivable, trade	316.9	415.2	(98.2)	
Inventories	186.2	187.8	(1.5)	
Other	74.6	72.5	2.1	
Fixed Assets	1,880.4	1,922.1	(41.6)	
Property, Plant and Equipment	711.0	739.2	(28.2)	Decrease due to sales of chemical business, etc.
Intangible Assets	657.1	658.3	(1.1)	
Goodwill	563.3	562.4	0.8	
Other	93.8	95.8	(2.0)	Decrease due to sales of chemical business, etc.
Investments and Other Assets	512.2	524.5	(12.2)	
TOTAL ASSETS	2,649.2	2,649.1	0.0	
Current Liabilities	636.8	679.6	(42.8)	
Notes and accounts payable, trade	120.9	169.0	(48.1)	Decrease due to sales of chemical business, etc. Increase due to issue of commercial papers by Kirin Holdings, etc. Decrease in liquor taxes payable due to the year-end of previous year being a bank holiday, etc.
Interest-bearing liabilities	272.4	196.1	76.3	
Other	243.4	314.5	(71.0)	
Long-term Liabilities	845.0	810.4	34.6	
Interest-bearing liabilities	626.7	582.7	43.9	Increase due to borrowings made by Kirin Holdings, etc.
Other	218.3	227.6	(9.3)	
TOTAL LIABILITIES	1,481.9	1,490.1	(8.1)	
Shareholders' Equity	987.6	1,001.9	(14.3)	
Valuation and Translation Adjustments	(24.7)	(39.5)	14.7	Increase in foreign currency translation adjustments due to yen's depreciation against AUD, etc.
Subscription rights to shares	0.2	0.2	0.0	
Minority interests	204.1	196.3	7.7	
TOTAL NET ASSETS	1,167.3	1,159.0	8.2	
TOTAL LIABILITIES AND NET ASSETS	2,649.2	2,649.1	0.0	

## 5. Summary of Consolidated Statements of Cash Flows

### (1) Summary of Statements of Cash Flows

(¥ billions)

	Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual	Increase (decrease)
Cash flows from operating activities	7.9	7.4	0.5
Income before income taxes and minority interests	26.2	19.0	7.2
Depreciation and amortization	24.8	22.2	2.6
Amortization of goodwill	9.0	7.2	1.7
Other	(52.2)	(41.1)	(11.1)
Cash flows from investing activities	27.0	(19.7)	46.7
Capital expenditures	(22.5)	(26.5)	4.0
Other	49.5	6.7	42.7
Cash flows from financing activities	105.0	14.2	90.7
Increase (decrease) in interest-bearing liabilities	120.5	29.0	91.5
Cash dividends paid	(15.0)	(13.1)	(1.9)
Other	(0.3)	(1.5)	1.2
Translation adjustments	0.9	(2.0)	2.9
Net increase (decrease) in cash and cash equivalents	140.9	(0.1)	141.0

### (2) Information by Segment

Three months ended March 31, 2011, Actual

(¥ billions)

	Domestic Alcohol Beverages	Domestic Non- alcohol Beverages	Overseas Beverages	Pharmaceuticals and Biochemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	7.4	2.7	6.8	5.4	2.0	0.3	24.8
Amortization of goodwill	0.0	0.6	6.3	1.7	0.1	—	9.0
Capital expenditures	10.7	1.7	3.8	4.5	1.4	0.1	22.5
EBITDA *	7.2	0.5	20.3	30.7	3.6	0.6	63.3

Three months ended March 31, 2010, Actual

(¥ billions)

	Domestic Alcohol Beverages	Domestic Non- alcohol Beverages	Overseas Beverages	Pharmaceuticals and Biochemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	8.1	3.2	4.0	4.2	2.1	0.4	22.2
Amortization of goodwill	0.0	0.6	4.6	1.6	0.1	—	7.2
Capital expenditures	7.8	1.5	4.4	7.8	0.8	4.1	26.5
EBITDA *	11.4	2.3	18.9	17.6	4.2	(1.3)	53.2

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



## 6. Other Information

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

Three months ended March 31, 2011, Actual

<Consolidated subsidiaries>

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kyowa Hakko Kirin (consolidated after reclassification)	114.8	21.9	22.3	10.3	4.9
Elimination of amortization of goodwill		2.3	2.3	2.3	1.1
Amortization of goodwill		(1.5)	(1.5)	(1.5)	(1.5)
Total included in consolidation	114.8	22.6	23.1	11.0	4.5

(¥ billions)

<Affiliates accounted for by the equity method>

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
San Miguel Brewery	35.5	9.6	7.6	1.2	0.5
Equity in earnings or losses of local affiliates			0.5	0.5	0.5
Brand amortization			(0.4)	(0.4)	(0.4)
Amortization of consolidation difference			(1.4)	(1.4)	(1.4)
Total included in consolidation			(1.3)	(1.3)	(1.3)

(¥ billions)

### (2) Net Sales and Operating Income on a Local Currency Basis of Lion Nathan National Foods

(consolidated after reclassification)

	Three months ended March 31, 2011, Actual	Three months ended March 31, 2010, Actual	Increase (decrease)	
Sales	1,369	687	682	99.2%
Alcohol Beverages	636	687	(50)	(7.3%)
Non-alcohol Beverages	732	—	732	—
Operating income (Prior to amortization of goodwill and brand)	178	185	(7)	(4.0%)
Alcohol Beverages	157	193	(36)	(18.8%)
Non-alcohol Beverages	34	—	34	—
Corporate expenses	(13)	(7)	(5)	—

(AUD millions)

### (3) Sales Details of Major Business Companies

#### a. Kirin Brewery

	Three months ended March 31, 2011		Three months ended March 31, 2010	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	131	(8.1%)	143	(6.9%)
<i>Happo-shu</i>	119	(13.2%)	137	(11.5%)
New genre	134	(5.9%)	143	11.4%
Sub-total	385	(9.0%)	424	(3.1%)
RTD	39	(8.2%)	43	4.5%
Beer-taste beverages	10	(10.9%)	11	1,116.6%
Breakdown of sales	¥ billions		¥ billions	
Beer	54.0	(8.0%)	58.7	(6.4%)
<i>Happo-shu</i>	36.4	(13.2%)	41.9	(11.4%)
New genre	35.3	(6.0%)	37.5	11.4%
Sub-total	125.8	(9.0%)	138.2	(3.9%)
RTD	10.9	(8.1%)	11.8	7.1%
<i>Shochu</i> , Whiskey and Spirits, etc. *	11.2	(9.8%)	12.4	19.0%

The above sales volume and sales include exports.

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

## b. Kirin Beverage Group

### <Category>

Soft drink beverages			Three months ended March 31, 2011				Three months ended March 31, 2010			
			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	384	10%	(25)	94%	409	11%	(116)	78%
		Oolong tea	61	2%	0	100%	61	2%	(7)	90%
		Black tea	990	27%	43	105%	947	25%	146	118%
		Sub-total	1,435	39%	18	101%	1,417	38%	23	102%
	Coffee		719	20%	(69)	91%	788	21%	(67)	92%
	Fruit and vegetable juice		412	11%	21	105%	391	10%	(73)	84%
	Carbonated beverage		114	3%	(9)	93%	123	3%	18	117%
	Water		604	16%	14	102%	590	16%	(67)	90%
	Other		217	6%	(53)	80%	270	7%	(77)	78%
	Domestic soft drink beverage market total		3,501	95%	(78)	98%	3,579	95%	(243)	94%
Overseas soft drink beverage market total			198	5%	20	111%	178	5%	(19)	90%
Soft drink beverages total			3,699	100%	(58)	98%	3,757	100%	(262)	93%

### <Container Type>

Soft drink beverages			Three months ended March 31, 2011				Three months ended March 31, 2010			
			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	954	26%	(93)	91%	1,047	28%	(30)	97%
PET bottles	Large-sized PET bottles	2L	597	16%	28	105%	569	15%	(112)	84%
		1.5L, 1L, 900ml, 750ml	318	9%	8	103%	310	8%	(16)	95%
		Large-sized PET bottles total	915	25%	36	104%	879	23%	(128)	87%
		Small-sized PET bottles	500ml	865	24%	11	101%	854	23%	(83)
	Small-sized PET bottles	350ml or less	381	10%	1	100%	380	10%	17	105%
		Small-sized PET bottles total	1,246	34%	12	101%	1,234	33%	(66)	95%
		PET bottles total	2,161	59%	48	102%	2,113	56%	(194)	92%
	Other containers	One-way/Returnable bottles, paper, gifts, etc.		386	10%	(33)	92%	419	11%	(19)
Overseas soft drink beverage market total			198	5%	20	111%	178	5%	(19)	90%
Soft drink beverages total			3,699	100%	(58)	98%	3,757	100%	(262)	93%

c. Kyowa Hakko Kirin

Sales		Three months ended March 31, 2011		Three months ended March 31, 2010	
		Actual	Percentage over the previous year	Actual	Percentage over the previous year
Area	Major product name	¥ billions		¥ billions	
Nephrology	NESP <sup>®</sup>	11.9	154%	7.7	118%
	ESPO <sup>®</sup>	1.3	51%	2.7	96%
	[NESP <sup>®</sup> / ESPO <sup>®</sup> ]	[13.3]	[130%]	[10.3]	[112%]
	REGPARA <sup>®</sup>	2.5	129%	1.9	158%
Immunology / allergology	Allelock <sup>®</sup>	13.7	168%	8.2	88%
	Patanol <sup>®</sup>	7.3	204%	3.5	80%
Oncology	GRAN <sup>®</sup> / Neu-up <sup>®</sup> *	3.3	99%	3.3	103%
Cardiovascular system	Coniel <sup>®</sup>	4.6	97%	4.8	96%

\* The manufacturing and sales right of Neu-up<sup>®</sup> was taken over by YAKULT HONSHA CO., LTD. as of March 1, 2010.