

# 2008 interim results presentation

Interim period of the fiscal year ending December 31, 2008



August 2008

KIRIN HOLDINGS COMPANY, LIMITED

1

#### **Contents**



#### **Overall operations**

Management summary for H1 review and full-year

Alcohol beverages segment review

Soft drinks and foods segment review

Pharmaceuticals segment review

Other segment review

Alcohol beverages segment: Key issues for 2008 H2

Alcohol beverages segment: Sales forecast for Kirin

**Brewery** 

Soft drinks and foods segment: Key issues for 2008 H2

Soft drinks segment: 2008 sales outlook

Pharmaceuticals segment: initiatives for 208

Pharma segment: Pipeline (Kyowa Hakko)

Pharma segment: Pipeline (Kirin Pharma)

Other segment: initiatives for 2008

#### 2008 interim results overview and 2008 forecasts

Trends in interim performance

Full-year results and 2008 forecasts

Consolidated interim sales and operating income by segment

Consolidated forecast sales and operating income by segment

Profit breakdown for interim result (each segment)

Profit breakdown for full-year forecast (each segment)

#### Major overseas subsidiaries and partners

Lion Nathan results overview

**National Foods results and forecasts** 

San Miguel results overview

**Appendix** 

### Management summary: 2008 H1 review



#### **Environment**

- ·Revenues under pressure from larger than expected rise in the cost of raw materials and energy on a global scale
- · Consumer lifestyles are growing more conservative and shifting towards lower-priced goods

#### Achieved record-high consolidated sales and each incomes Benefited by strategic investments

**2008 H1 review** 

Consolidated

Consolidated sales: Increase in revenues from strong sales at Lion Nathan,
National Foods, consolidated sales of Kyowa Hakko since April and other factors
Consolidated operating income: Kirin Beverage, National Foods, etc., endured intensifying competition and soaring prices of raw materials; however, revenues increased due to factors such as strong performance by Lion Nathan and consolidated sales of Kyowa Hakko since April,

\*Kirin Brewery sales, operating income on par with last year (new structure since Jul 2007)

Consolidated net income: significant increase by special income (72.6 billion yen) from stock exchange of Kyowa Hakko and Kirin Pharma

(billion yen)	2008 H1 results	2007 H1 results	Change %	Change in yen	Forecasts announced April 30	Achievement rate*
Sales	1,047.8	836.0	+25.3%	+211.8	1,040.0	100.8%
Operating income	47.5	42.8	+10.9%	+4.7	59.0	80.5%
Ordinary income	47.6	45.6	+4.3%	+2.0	53.0	89.8%
Net income	81.1	16.7	+383%	+64.4	88.0	92.2%

\*Achievement rate is compared to figures announced April 30

#### Results

- · Implemented price increases; strengthened core products, strengthened low carbohydrate products, grew overall demand and continued to reduce costs
- · Strengthened the core revenue base, Lion Nathan continued shift to national premium brands, etc.
- · Kirin Beverage established a new company in Vietnam, further developing Asia strategy
- Kyowa Hakko drew up new medium-term plan; prepared for integration with Kirin Pharma

#### **Issues**

- · Need to strengthen revenue base for each segment in response to higher than assumed cost of raw materials and energy (Particularly Kirin Beverage and National Foods)
- · Explore Group synergies

©2007 Kirin Holdings Company, Limited 3

### Management summary: 2008 full-year plan



#### 2008 full-year plan

### Forecasts have been revised, based on first half performance and the current business environment

- · Kirin Brewery: aiming to reach initial op. income targets by rigorous cost control, despite of lowering volume targets
- · Kirin Beverage: sales and op. income revised downward, with volumes well under initial targets and despite cost cutting measures
- ·National Foods: Operating income being revised with raw material costs exceeding expectations
- ·Kyowa Hakko, Lion Nathan: no changes

#### Consolidated

(billion yen)	Revised 2008 full- year forecast	2007 results	Change in %	Change in yen	2008 forecasts as revised April 30	Change cf. latest forecast
Sales	2,330.0	1,801.1	+29.4%	528.9	2,400.0	(70.0)
Operating income	152.0	120.6	+26.0%	31.4	164.0	(12.0)
Ordinary income	145.0	123.3	+17.5%	21.7	151.0	(6.0)
Net income	124.0	66.7	+85.9%	57.3	130.0	(6.0)

#### **Key issues**

#### Independent growth at operating companies

- · Domestic alcohol: Focus on sales targets; control marketing and ad costs; reduce other costs.
- · Domestic soft drinks: Strengthen foundation on which to base growth leap in after next medium-term plan; focus on profits (aim to utilize group resources to secure profitable growth rather than growth in scale only)
- ·National Foods: Revise prices and adopt channel strategies to improve earnings
- · Pharma: Adopt new structure with launch of Kyowa Hakko Kirin in October 2008

#### **Growth through group synergies**

- · Reform group organizational structure to improve functions (details in revised medium-term plan materials)
- · Enhance alliances bet. Kirin Brewery and Kirin Beverage/ Mercian; aim for sophisticated engagement at operational level

#### **Growth through large-scale investment**

· Focus on Asia, Oceania with high product/distribution synergies with existing core businesses Consider investment opportunities mainly in soft drinks and alcohol (total of ¥300bn including next plan period)

#### Financial strategy to maximum corporate value

### 2008 H1 Review by segment

### 2008 H1: Alcohol segment

# おいしさを笑顔に

### **Alcohol**

Billion yen; consolidated	2008 results	2007 results	% change	Change
Sales	545.3	548.1	(0.5%)	(2.8)
Operating income	42.5	32.9	29.1%	9.6

Operating income is stated prior to all company/eliminations

Large profit increase driven by strong performance from Lion Nathan, success of focus on profit at Kirin Brewery, and reduction of admin. costs at head office due to organizational change

#### **Kirin Brewery**

Total domestic volumes of Beer+ happo-shu + new genre declined (- 5.0% on 07 H1)

Effects of aging and declining population, diversifying tastes, price revisions, etc. led to second Industry

consecutive decline (-4.2%: Taxed basis)

Kirin Brewery Beer: Impact of new product introduction last year (Kirin The Gold) and a sluggish commercial market led to decline of

15.5%.

Happo-shu: declined by 0.5%, but strong performance from low carbohydrate products led to outperformance of market

New genre: Leading product Kirin Nodogoshi performed well and Kirin Sparkling Hop started well; up 8.2%

RTDs: Hyoketsu performed well, and products transferred from Mercian and Two Dogs cocktail contributed; up 5.1%

Shochu, liquors: Large effect from introduction of new transaction system; results lower than plan

Focus on cost control

Despite effects of volumes below plan and higher than expected energy price increases, reduction in sales promotion and advertising expenses meant that profits were close to plan

#### Mercian

#### **Benefits of Kirin Merchandizing**

 Double digit growth from screw cap products such as non-preservative domestic wine, and imported wines (Sunrise, Frontera) Wine sales up 29% partly due to wine products transferred from Kirin Brewery in July 2007

#### **Lion Nathan**

#### **Continued strong performance**

Product mix shift to the national premium beer segment and currency effects led to profit growth (For details see Page 31)

China Sales volumes declined due to intensified competition and impact of earthquake

### 2008 H1: Soft drinks and foods segment



Soft drinks and foods

Billion yen; consolidated	2008 results	2007 results	Change %	Change in yen
Sales	344.0	222.6	+54.6%	121.4
Operating income	(5.6)	4.0	-	(9.6)



Earnings declined due to high material costs and intense competition domestically, while costs at National Foods exceeded expectations. Impacted also from goodwill.

#### **Kirin Beverage**

Domestic soft drink sales volumes proceeded only in line with industry average

- · Mineral waters and tea markets slowed and sales did not reach targets
- · Lifted marketing expenses for core brands, KIRIN LEMON, etc.; reduced advertising expenses

#### **Manufacturing**

·Added Alkali-lon-no-Mizu line at Gotemba plant

#### **Higher cost burden**

· Higher costs for a wide range of raw materials had large impact on earnings

#### Kirin Food-tech

Merging with Kyowa Hakko Foods from April 2009 to become Kirin Kyowa Foods

#### **Kyowa Hakko**

#### Consolidated from April 1, 2008

·In foods, seasonings grew but confectionaries and bread ingredients declined. Overall sales flat.

#### **Kirin Beverage**

#### **Expanded overseas soft drinks business**

- · Further strong sales of Kirin Gogono-kocha milk tea 500ml in China; volumes up significantly
- · Established JV in Vietnam with Acecook Group

#### **National Foods**

Large impact from higher milk and other raw material costs; earnings targets not met

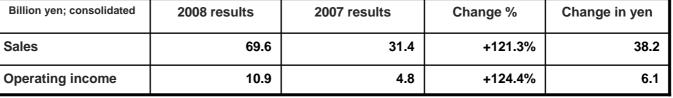
· Steadily implementing price increases

August 3, 2007

company/eliminations

### **Pharma**

Billion yen; consolidated	2008 results	2007 results	Change %	Change in yen
Sales	69.6	31.4	+121.3%	38.2
Operating income	10.9	4.8	+124.4%	6.1



#### Large increase in sales and earnings from consolidation of Kyowa Hakko

- 'Consolidation impact of Kyowa Hakko: Sales approx. ¥42.0 bn, Op. income approx. ¥10.5 bn (Op. income includes goodwill amortization of approx. ¥1.4 bn)
- 'Market share of core anemia products NESP and ESPO up, but sales down with shrinking market, etc.

#### **Kyowa Hakko**

**US\$100** million one-off contract fee from Amgen

One-off fee for licensing out of Potelligent antibody KW-0761

Success from active market introduction

Introduction of products from Arana Therapeutics, Alnylam Pharmaceuticals, joint sales contract with Hisamitsu Pharmaceuticals

#### **Kirin Pharma**

Launched Regpara tablets, a treatment for secondary hyperparathyroidism

Novel, long-acting drug treating secondary hyperparathyroidism during maintenance dialysis providing new treatment option

#### Steady sales growth at local subsidiaries in Asia

- · Good sales at 6 Asian subsidiaries. Despite negative forex impact, total sales of ¥4.0 bn, up ¥0.2 bn
- Kirin Pharma applying for approval to manufacture NESP
  - · In Korea and Taiwan, applied for approval to shift from Amgen-produced Aranesp to Kirin Pharmproduced NESP
  - · In Thailand applied for Kirin Pharma-produced NESP

### 2008 H1: Other businesses segment review



### Other

Billion yen; consolidated	2008 results	2007 results	Change %	Change in yen
Sales	88.7	33.7	+162.8	55.0
Operating income	7.3	2.2	+227.6	5.1

Operating income is stated prior to all company/eliminations

\*Results for 2007 have been restated in line with new business segments applied from 2008

Large increase in sales and earnings from consolidation of Kyowa Hakko

#### **Kyowa Hakko** Newly consolidated from second quarter

- Bio-chemicals business: Good sales and higher revenues from amino acids and medical product raw materials
- Chemicals: Sales volumes down, but revenues up with price revisions to cover higher raw material costs

#### **Agribio**

Good contribution of overseas operations

### 2008 full year Key issues by segment

### Alcohol segment: Key issues for 2008 H2



### **Alcohol**

Billion yen; consolidated	2008 results	2007 results	Change %	Change in yen
Sales	1,185.0	1,189.4	(0.4%)	(4.4)
Operating income	104.5	96.5	+8.2%	7.9

Operating income is stated prior to all company/eliminations

Kirin Brewery aiming to achieve initial operating income targets. Organization changes will reduce head office charges, with profits increasing significantly

#### Kirin Beverage

Have revised sales plan, but by cutting costs aim to achieve initial op. income targets as core group business

Continue strategy of strengthening core products, building presence in low-carbohydrate products, and increasing overall sales to become No. 1 with customers.

Core products: Focus on Ichiban Shibori, Tanrei Nama, and Nodogoshi

Low-carbohydrate market: Introduce Hyoketsu ZERO in July; boost KIRIN ZERO and Tanrei Green Label

Overall demand: Introduce new KIRIN Smooth in new genre category in September

RTDs: Strengthen Hyoketsu brand, and build demand for cocktail drinks in 20s age group

Shochu, western liquors: Focus on core products (e.g. Hakusui for Shochu)

Rigorous cost control, with continued focus on profitability

Cover lower volume targets and high energy costs by controlling marketing, advertising and other costs.

Achieving synergies between Kirin Beverage and Mercian

Cooperation in placement of soft drinks vending machines; wine merchandizing support plans, etc.

#### Mercian

Aim to rapidly achieve strong No. 1 position in wine and processing liquors

Develop merchandizing activities through Kirin Group cooperation

Processing liquors: enhance specialist sales approach; strengthen Group alliances to maximize synergies

#### Lion Nathan: Continue shifting to national premium brands

China: Pursue comprehensive beverage group strategy, and boost collaboration between strong-performing soft drinks business and alcohol operations KCI+JJKBC

August 3, 2007

### Alcohol segment: 2008 sales forecasts for Kirin Brewery

(as revised)



#### Industry

2007 figures based on taxed volumes (excluding RTDs). 2008 forecasts on a sales volume basis

	2007 full-year results	2008 full-year forecast (mid-term revision)	2008 full-year forecast (initial)
Beer, happo-shu, new genre (B, H, NG)	(0.3%)	Approx. (3 ~ 4%)	Approx. (2%)
Beer	(0.9%)	Approx. (7%)	Approx. (3%)
Happo-shu	(2.5%)	Approx. (5%)	Approx. (9%)
New Genre	+4.4%	Approx. +6%	Approx. +9%
RTD total	Approx. (10%)	Approx. (1%)	Approx. +1%

#### **Kirin**

#### Beer, H-shu, NG:

Revised down from 2.35 million KL 2.30 KL

#### RTD:

Revised down from 220,000KL 210,000KL Liquor, others; Sales targets revised down from ¥48 bn to ¥40.7 bn

Domestic sales	2007 full-y	ear results	2008 full	-year forecast (r	2008 full-year forecast (initial)		
	10,000KL	10,000 cases	10,000 KL	10,000 cases	YoY change	10,000KL	10,000 cases
B + H + NG	236.0	18,640	230.0	18,170	(2.5%)	235.0	18,560
Beer	99.2	7,840	89.4	7,060	(9.9%)	93.9	7,420
Happo-shu	82.4	6,510	83.4	6,590	+1.2%	80.2	6,330
New Genre	54.3	4,290	57.2	4,520	+5.4%	60.9	4,810
RTD total	19.9	3,320	21.0	3,500	+5.4%	22.0	3,670

Beer, happo-shu and new genre: 1 case = 12.66L (633ml x 20 bottles)

Chu-hi: 1 case = 6L (250ml x 24 cans)

### Soft drinks and Food segment: Key issues for 2008 H2



Soft drinks and foods

Billion yen; consolidated	2008 results	2007 results	Change %	Change in yen
Sales	731.0	474.5	+54.0	256.5
Operating income	14.2	16.0	(11.4%)	(1.8)



#### Targeting higher earnings in second half by focusing heavily on profitability

#### Kirin Beverage

Exchange personnel with Kirin Brewery as key next step in comprehensive beverages group strategy

·Strengthen research, marketing, R&D structure and sales

Make qualitative shift to profitable growth focus rather than seeking scale only

- ·Product strategy: offer value through core brand extensions; build out under-represented categories with core brand development such as KIRIN LEMON in carbonated drinks and Ururu-cha in blended tea
- Optimize brands, container types and channels by product to improve profitability (eg. Strengthen 190g bottles, small PETs, etc.)
- ·Collaborate within Kirin Group and with other industries to create added value propositions with a focus on in-store promotion
- ·Carefully select and concentrate marketing spend to optimize efficiency

#### Kirin Yakult NextStage

Strengthen alliances with other Group companies such as Kirin Beverage (including Koiwai Dairy Products), Nagano Tomato, and Kirin Food-Tech

#### **Kyowa Hakko**

Make ongoing effort to expand sales of natural seasonings and bread ingredients, while undertaking rigorous cost control measures to counteract high prices for raw ingredients

#### Kirin Beverage

In China, build on customer loyalty developed through Kirin Gogono-kocha to introduce new Kirin brand products and tastes

#### **National Foods**

Strengthen brands and increase prices as necessary as milk prices expected to continue to exceed forecasts

Boost presence in high-margin convenience stores and food and beverage outlets

Implement new IT system to improve efficiency and continue to reduce costs

#### Kirin Food-Tech

Aim to enhance sales of nucleotide seasonings. Commence operations at new subsidiary in Shanghai, Kirin Food-Tech Shanghai Co., Ltd. from July. During 2008 and 2009 shift production of main products to Kirin Miwon Foods in Indonesia to increase profitability.

### Soft drinks segment: 2008 sales outlook (revised)



### **Industry**

Sales volume basis

Category	2008 1H	2008 forecast	Topics
Green tea total	97%	98%	Export volumes decreasing slightly. Consumer sentiment on a recovery trend.
Oolong tea total	90%	93%	Similar levels to 2006.
Blended and other teas total	97%	99%	Total remained level (slightly decreased), picking up pace with new competitors .
Black tea total	103%	103%	Growth driven by chilled.
Coffee total	101%	101%	Similar to the previous year.
Juice total	95%	94%	Decrease from price increases.
Carbonated total	106%	103%	Tough challenges last year, H2 growth was slowed.
Sports drinks/Functional total	93%	96%	No change to consolidation of top brands. Declining trend.
MW total	103%	104%	Consolidated advantage benefited by trend away from imported water.
Vegetable total	89%	87%	Decrease due in part to price increases.
Soft drinks total	100%	99%	Similar to previous year and on track with forecasts.

Source: Food Marketing Institute Kirin estimates

(Unit: 10,000 cases)

### **Kirin**

Co	Soft drinks total			actual	Fiscal 2008 forecast				Ref.
50				% of total	Sales volume	% of total	YonY change	YonY % change	Initial forecast
		Japanese tea	3,036	15%	2,950	14%	(86)	97%	3,150
	Tea drinks	Oolong tea	385	2%	350	1%	(35)	91%	350
		Black tea	3,789	19%	3,900	19%	111	103%	3,900
		Total	7,210	36%	7,200	34%	(10)	100%	7,400
Category	Coffee o	Irinks	3,481	17%	3,700	18%	219	106%	3,800
Catogory	Fruit/Vegetable	juice drinks	2,810	14%	2,800	13%	(10)	100%	3,000
	Carbonate	d drinks	655	3%	900	4%	245	137%	1,000
	Wate	er	3,816	19%	4,000	19%	184	105%	4,900
	Othe	er	1,560	8%	1,550	8%	(10)	99%	1,820
	Domestic marke	et soft drinks	19,532	97%	20,150	96%	618	103%	21,920
Overseas market	Overseas market soft drinks		714	3%	950	4%	236	133%	980
TOTAL	Soft drink	s total	20,246	100%	21,100	100%	854	104%	22,900

©2007 Kirin Holdings Company, Limited 14

### Pharmaceutical segment: Initiatives for 2008



#### **Pharmaceuticals**

Billion yen; consolidated	2008 targets	2007 results	Change %	Change in yen
Sales	175.0	69.9	+150.3%	105.1
Operating income	34.4	13.0	+164.6%	21.4

Operating income is stated prior to all company/eliminations

Consolidation of Kyowa Hakko will also contribute to full-year results, with large increases in sales and earnings

#### **Domestic**

#### Create framework for newly inaugurated companies (Kyowa Hakko Kirin Co., Ltd.)

- Accelerate preparations for rapid deployment of operating activities at start of new company
- · Begin construction of bio production technology research institute (Takasaki) for manufacture of antibody and other medicines
- Accelerate antibody development using both firm's independent technology (KM Mouse, POTELLIGENT, etc.)

#### Achieve customer No. 1 evaluation from improvements to renal area line-up

- · Achieve more than 50% market share for total of NESP/ESPO
- Provide new treatments options with early market penetration of REGPARA

#### **Overseas**

#### **Expand product line-up in Asia / the ASEAN region**

- · Prepare for launching products currently under application (NESP, Gran, etc.)
- · Promote products in development to next stage

### Pharmaceuticals pipeline (Kyowa Hakko)



Category	Category Code name		tage	Indication	Formulation	In-house or	Domonico
Calegory	Code name	Japan	Other countries		Tomidation	licensed	Remarks
	KW-2246	Ph		Cancer pain	Sublingual tablet	Orexo	
	KW-0761	Ph		Cancer (Hematologic tumor)	Injection	In-house	Humanized anti-body*
Cancer	KW-2449		Phase I in China	Cancer	Oral	In-house	
	KW-2478		Phase I In Europe	Cancer	Injection	In-house	
	ARQ 197	Ph		Cancer	Oral	ArQule	
Allergy	KW-4679 ALLELOCK		Preparation for Filing in China	Antiallergic	Oral	In-house	Launched in Japan
CNS	KW-6002	Ph b	Filed in USA Apr/2007	Parkinson's disease	Oral	In-house	Clinical trials for (Mono-Therapy): Phase IIa, in Japan
ONO	KW-6500	Ph		Parkinson's disease	Injection	Britannia Pharma.	
Cardiovascular	KW-3049 CONIEL		Filed in China Jul/2007	Angina	Oral	In-house	Launched for hyper tension in China in December 2004
	Z-206 ASACOL	Ph		Inflammatory bowel disease (Crohn's disease)	Oral (pH depend controlled- release formulation)	Zeria Pharma.	Jointly developed with Zeria Pharma.
Others	KW-7158	Ph a		Bowel disease (Irritable bowel syndrome)	Oral	In-house	Overactive bladder/Urinary incontinence-related development was discontinued in September
	KW-3357	Ph		Blood coagulation factor inhibitor (Disseminated intravascular coagulation)	Injection	In-house	Recombinant antithrombin product

Note: KW-0761 was out licensed to Amgen Inc. in March 2008 with an exclusive right to develop and commercialize KW-0761 worldwide, except for Japan, Korea, China and Taiwan.

As of July 31, 2008

### Pharmaceuticals pipeline (Kirin Pharma)



Category	Product Code	S Japan	tage Other countries	Indication	Formulation	In-house or licensed	Remarks
	KRN321 NESP	Ph		Anemia (After chemotherapy for cancer)	Injection	Kirin-Amgen	Long-acting stimulator of red blood cell production. Launched in July, 2007 as a therapeutic substance for patients on dialysis in Japan
	KRN125	Ph		Neutropania	Injection	Kirin-Amgen	Long-acting G-CSF
Homotology/	KRN654	Ph /		Essential thrombocythemia	Oral	Shire	
Hematology/ - Cancer	KRN330		Phase I in USA	Cancer	Injection	In-house	Fully human monoclonal antibody
	AGS-003		Phase II in USA and CANADA	Cancer (Renal cell carcinoma)	Injection	Argos	
	AGS-004		Ph II in USA	Cancer (Renal cell carcinoma) (HIV)	Injection	Argos	
Kidnov	KRN321 NESP	Ph	Phase II in China	Anemia (For CKD patients not on dialysis)	Injection	Kirin-Amgen	Long-acting stimulator of red blood cell production. Launched in July, 2007 as a therapeutic substance for patients on dialysis in Japan
Kidney	PB94 PHOSBLOCK/RENAGEL		Filed in China Jun/2008	Hyperphosphatemia	Oral	Licensed from Chugai	Launched in Japan
Other	NU206		Phase 1	Inflammatory bowel disease	Injection	Nuvelo	

As of July 31, 2008

Updated since February 2008 (Area, Stage, Filed, Approved, Launched, etc. )

(Note) NESP, manufactured by Kirin Pharma, has been filed in Korea, Taiwan and Thailand.

Aranesp, manufactured by Amgen Inc. (U.S.) is currently being marketed in Hong Kong and Singapore. It will be switched to NESP in the near future. NESP will be filed in other the other ASEAN countries.

### Other segment: Initiatives for 2008



### Other

Billion yen; consolidated	2008 targets	2007 results	Change %	Change in yen
Sales	239.0	67.2	+255.6%	171.8
Operating income	16.4	6.3	+159.1%	10.1

Operating income is stated prior to all company/eliminations

Consolidation of Kyowa Hakko will also contribute to full-year results, with large increases in sales and earnings

#### **Kyowa Hakko**

#### **Bio-chemical business**

- Promote expansion of domestic and overseas sales of Pharmaceuticals / industrial
   -use raw materials
- Expand mail-order sales of products in the health care field / Aim to establish position in the new materials market

#### **Chemical business**

- Implement price revisions in response to the high price of Naphtha
- Focus on expanding sales of basic chemicals, functional products

#### **Agri-bio**

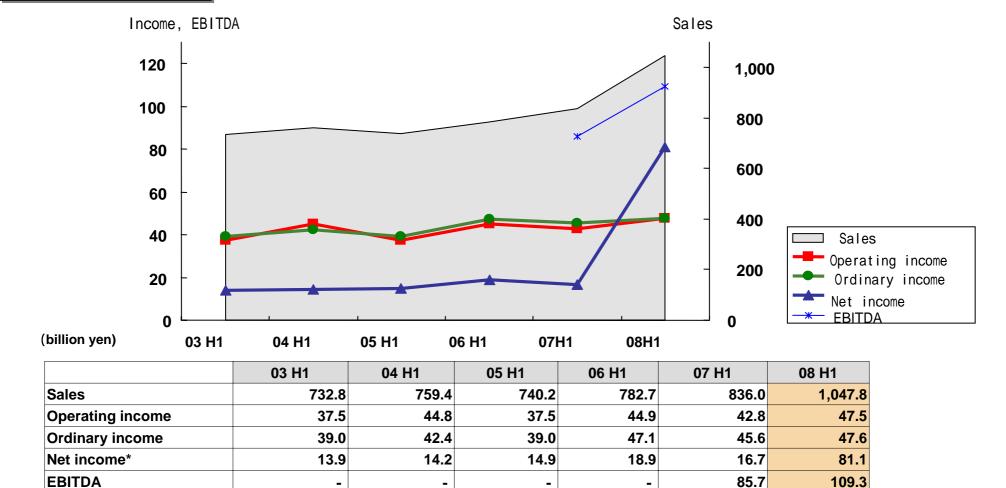
Pursue R&D in value-added products

### 2008 interim results overview 2008 full-year forecasts (Consolidated)

### **Trends in interim performance**



#### Consolidated

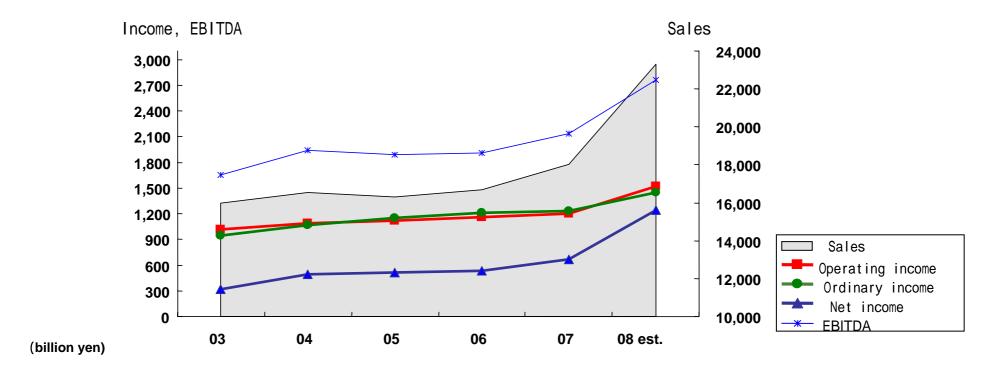


<sup>\*</sup>Net income 81.1bn yen is calculated, included gain on change in equity'72.6bn) arising from the share exchange undertaken btw Kirin Pharma and Kyowa Hakko

### Full-year results and 2008 forecasts



### Consolidated



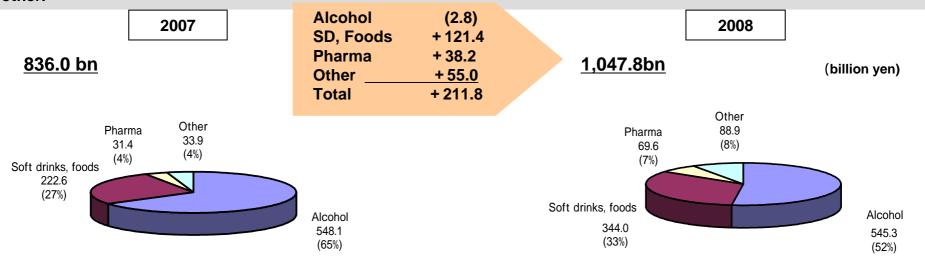
	03	04	05	06	07	08 est.
Sales	1,597.5	1,654.8	1,632.2	1,665.9	1,801.1	2,330.0
Operating income	101.5	109.3	111.7	116.3	120.6	152.0
Ordinary income	94.6	106.5	114.8	120.8	123.3	145.0
Net income	32.3	49.0	51.2	53.5	66.7	124.0
EBITDA	165.4	193.5	188.4	191.1	213.1	275.7

EBITDA: Earnings before interest, tax, depreciation and amortization

### Consolidated interim sales and operating income by segment



Sales boosted by consolidation of Kyowa Hakko and National Foods. Large increases in soft drinks and foods, pharma and other.



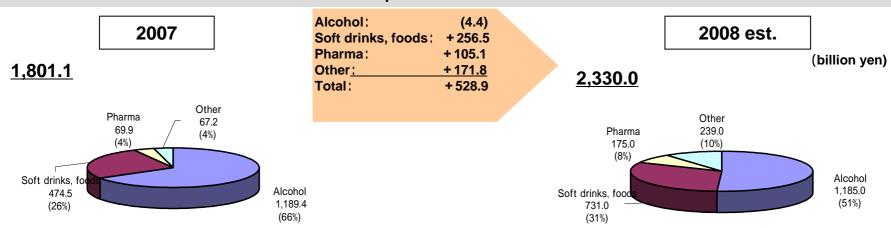
Op. income boosted by Lion Nathan, consolidation of Kyowa Hakko. Earnings up in alcohol, pharma, other.



### Consolidated forecast sales and operating income by segment



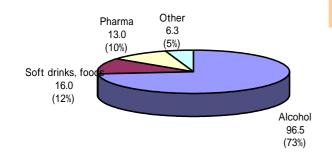
### Sales boosted by consolidation of Kyowa Hakko and National Foods. Large increases in soft drinks and foods, pharma and other.



#### Forecasting improved operating income also in soft drinks and foods from strong focus on profitability

2007

120.6 (Excl. all company, eliminations 131.9)

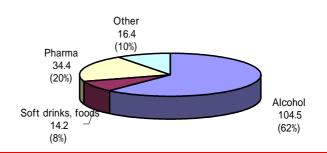


Alcohol: +8.0
Soft drinks, foods (1.8)
Pharma: +21.4
Other: +10.1
All company (6.2)
Total: +31.4

2008 est.

152.0

(Excl. all company, eliminations 169.5)



### Profit breakdown for interim result (Alcohol Beverages)



		1		1
Alcohol	Kirin Brewery	Increase in marginal profit	2.5	Sales decrease in beer (67) thousand KL, (7.5)
beverages		of alcohol beverages		Sales decrease in happo-shu (2) thousand KL, (0.2)
				Sales increase in new genre 19 thousand KL, 2.0
				Sales increase in RTD 4 thousand KL, 0.0
				Increase in marginal profit of shochu, whiskey, spirits
				and wines 1.2
				Increase due to revision of prices and difference of
				change in products mix, etc.
		Cost reduction	0.3	Energy reduction 0.3
		Increase in raw material	(3.7)	Increase in price for cans and cartons (1.4)
		cost of alcohol beverages		Increase in price of sugar and liquid sugar (0.9)
				Increase in price of malt (0.6), etc.
		Decrease in selling cost	3.5	Decrease in sales promotion and advertising expenses
				3.3; beer, happo-shu and new genre 5.1, RTD (0.8),
				shochu, whiskey, spirits and wines (1.0), etc.
				Decrease in transportation cost 0.3, etc.
		Increase in other expenses	(2.7)	Increase in depreciation (1.1)
				Increase in electric cost and fuel cost (0.9)
				Increase in repair expenses (0.4), etc.
	Total		(0.1)	
	Lion Nathan *1	Increase in operating	3.4	24.2 => 27.6
		income		
		Amortization of goodwill	(0.4)	(2.0) => (2.4)
		Brand amortization	(0.3)	(3.3) => (3.6)
	Total		2.6	
	Mercian		0.1	(0.8)=> (0.7)
	Effect of organizati	onal change	6.4	*2
	others		0.6	
Total			9.6	FY2007 the 1st half Actual 32.9 => FY2008 the 1st half
·otai			0.0	Actual 42.5 *2

### **Profit breakdown for interim result (Soft Drinks and Foods)**



Soft drinks and	Kirin Beverage	Difference in volume of	1.3	Increase in sales volume 1,210 thousands cases
Foods		sales		
		Cost reduction	0.5	Improvement of production efficiency at its own
				factories, etc.
		Increase in raw material	(1.2)	
		cost		
		Increase in change of	(1.8)	
		composition ratio of		
		containers, etc.		
		Increase in selling cost	(1.7)	Increase in sales promotion and advertising expenses
				(1.4)
				Increase in transportation cost (0.3)
		Increase in other expenses	(2.3)	Increase in depreciation cost and sales equipment cos
				due to increase in vending machine input (0.6)
				Increase in expenses due to new consolidation (0.6)
				Increase in information processing fee (0.4)
				Increase in miscellaneous expenses (0.2)
				Increase in R&D expenses (0.1), etc.
	Total		(5.2)	
	National Foods	Increase in operating	0.1	0.0 => 0.1
		income		
		Amortization of goodwill	(4.0)	0.0 => (4.0) *3
		Brand amortization	(1.4)	0.0 => (1.4) *3
	Total		(5.3)	
	Kyowa Hakko Foo	ods	0.3	0.0 => 0.3
	Others		0.6	
Total			(0.6)	FY2007 the 1st half Actual 4.0 => FY2008 the 1st half
Total			(9.6)	Actual (5.6) *2

### **Profit breakdown for interim result (Pharmaceuticals and Others)**



Pharmaceuticals	Kyowa Hakko and Kirin Pharma *4	5.7	Increase in gross profit 29.2 Increase in R&D expenses (9.7) Increase in other expenses (12.4) Amortization of goodwill (1.4)
	Effect of organizational change	0.4	*2
Total		6.1	FY2007 the 1st Half Actual 4.8 => FY2008 the 1st half Actual 10.9 *2
Others	Kyowa Hakko Biochemical	2.9	0.0 => 2.9
	Kyowa Hakko Chemicals	0.5	0.0 => 0.5
	Others	1.7	
Total		5.1	FY2007 the 1st Half Actual 2.2 => FY2008 the 1st half Actual 7.3 *2
Eliminations or Corporate	Increase of unallocable operating expenses due to the organizational change	(7.0)	*2
	Others	0.7	
Total		(6.3)	FY2007 the 1st half Actual (1.2) => FY2008 the 1st half Actual (7.5) *2
Increase in operation	ng income	4.7	FY2007 the 1st Half Actual 42.8 => FY2008 the 1st half Actual 47.5

### Profit breakdown for interim result (Op. income and ordinary income)



Increase in operating income	4.7	FY2007 the 1st Half Actual 42.8 => FY2008 the 1st half Actual 47.5
Financial profit (loss), net	(5.3)	(3.4) => (8.7)
Equity in earnings of affiliates	(3.1)	San Miguel (2.2) (Including elimination of unrealized gain on sale of investment securities (4.5)), Kyowa Hakko (1.2) (Including amortization of consolidation difference (1.0)), etc.
Foreign currency transaction gain	4.7	0.8 => 5.5
Others	1.0	
	(2.7)	
Increase in ordinary income	2.0	FY2007 the 1st Half Actual 45.6 => FY2008 the 1st Half Actual 47.6
Gain on sale of fixed assets	8.2	
Gain on change in equity	72.6	Share exchange with Kyowa Hakko
Others	(0.2)	
	80.6	
Income taxes	(9.6)	
Income taxes for prior years	(1.9)	Lion Nathan
Minority interests	(6.6)	
	(18.1)	
Increase in net income	64.4	FY2007 the 1st half Actual 16.7 => FY2008 the 1st half Actual 81.1

### Exchange rate for overseas company (1H 08 and full year)



	2007 The 1st	2008 The 1st
	half	half
Exchange rate for overseas company	(Actual)	(Actual)
Lion Nathan (AUD)	¥93.10	¥98.11
National Foods (AUD)	-	¥97.59
San Miguel (PHP)	¥2.44	¥2.61

	2007	2008
Exchange rate for overseas company	Actual	Forecast
Lion Nathan (AUD)	¥96.72	¥98.00
National Foods (AUD)	-	¥98.00
San Miguel (PHP) *4	¥2.51	¥2.50

### Profit breakdown for full year forecast (Alcohol Beverages)



Alcohol beverages	Kirin Brewery	Increase in marginal profit of alcohol beverages	11.6	Sales decrease in beer (97) thousand KL, (11.2) Sales increase in happo-shu 10 thousand KL, 0.9 Sales increase in new genre 29 thousand KL, 3.1 Sales increase in RTD 11 thousand KL, 1.5 Increase in marginal profit of Shochu, Whiskey, Spirits and Wines 0.8 Increase due to revision of prices and difference of change in products mix, etc.
		Cost reduction	1.7	Improvement of production efficiency at its factories 1.0 Energy reduction 0.7
		Increase in raw material cost of alcohol beverages	(9.2)	Increase in price for cans and cartons Increase in price of malt Increase in price of sugar and liquid sugar, etc.
		Decrease in selling cost	6.5	Decrease in sales promotion and advertising expenses 6.9 Increase in transportation cost (0.4), etc.
		Increase in other expenses	(9.4)	Increase in depreciation (2.8) Increase in electric cost and fuel cost (2.2) Increase in repair expenses (0.7) Increase in miscellaneous expenses (0.4), etc.
	Total		1.2	
	Lion Nathan		(1.1)	Translation difference *1 Increase in amortization of goodwill, etc.
	Effect of organizat	tional change	6.4	*2
	Others		1.5	Mercian, etc.
Total			8.0	FY2007 Annual Actual 96.5=> FY2008 Annual Forecast 104.5 *2

### Profit breakdown for full year forecast (Soft Drinks)



Soft drinks and	Kirin Beverage	Difference in volume of	8.7	Increase in sales volume 8,540 thousands cases
Foods		sales		
		Cost reduction	1.2	Improvement of production efficiency at its own
				factories, etc.
		Increase in raw material	(3.8)	
		cost		
		Decrease in change of	0.6	
		composition ratio of		
		containers, etc.		
		Increase in selling cost	(3.0)	Increase in sales promotion and advertising expenses
				(2.3)
				Increase in transportation cost due to increase in sales
				volume (0.7)
		Increase in other expenses	(6.0)	Increase in expenses due to new consolidation (1.9)
				Increase in information processing fee (1.0)
				Increase in depreciation cost and sales equipment cost
				due to increase in vending machine input (0.8)
				Increase in labor cost (0.7)
				Increase in R&D expenses (0.5), etc.
	Total	1	(2.3)	
	National Foods	Increase in operating	9.8	0.0 => 9.8
		income		
		Amortization of goodwill	(8.1)	0.0 => (8.1) *3
		Brand amortization	(2.9)	0.0 => (2.9) *3
	Total  Kyowa Hakko Foods		(1.2)	
			1.2	0.0 => 1.2
	Others		0.5	
Total			(1.8)	FY2007 Annual Actual 16.0 => FY2008 Annual Forecast 14.2 *2

### Profit breakdown for full year forecast (Pharmaceuticals and Others)



Pharmaceuticals	Kyowa Hakko and Kirin Pharma	21.0	Increase in gross profit 78.7 Increase in R&D expenses (20.8) Increase in other expenses (32.6) Amortization of goodwill (4.3)
	Effect of organizational change		*2
Total		21.4	FY2007 Annual Actual 13.0=> FY2008 Annual Forecast 34.4 *2
Others	Kyowa Hakko Biochemical	6.5	0.0 => 6.5
	Kyowa Hakko Chemicals	4.5	0.0 => 4.5
	Others	(0.9)	
Total		10.1	FY2007 Annual Actual 6.3=> FY2008 Annual Forecast 16.4 *2
Eliminations or Corporate	Increase of unallocable operating expenses due to the organizational change	(7.0)	*2
	Others	0.8	
Total		(6.2)	FY2007 Annual Actual (11.3) => FY2008 Annual Forecast (17.5) *2
Increase in operating income		31.4	FY2007 Annual Actual 120.6 => FY2008 Annual Forecast 152.0

August 3, 2007 Kirin Holdings Company, Limited 31

## Profit breakdown for full year forecast (Op. income and ordinary income

Increase in operating income		31.4	FY2007 Annual Actual 120.6 => FY2008 Annual Forecast 152.0
Non-operating	Financial profit, net	(9.7)	(5.3) => (15.0)
income and	Equity in earnings of affiliates	(3.5)	Kyowa Hakko (1.2) (Including amortization of
expenses			consolidation difference (1.0))
			Kirin-Amgen (2.4), etc.
	Others	3.5	
Total		(9.7)	
Increase in ordinary income		21.7	FY2007 Annual Actual 123.3 => FY2008 Annual Forecast 145.0
Special income	Gain on change in equity	72.6	Share exchange with Kyowa Hakko
and expenses			
	Equity losses of affiliate for prior years	1.9	
	Others	(8.6)	Gain on sale of fixed assets for prior years, etc.
Total		65.9	
Income taxes	Income taxes	(15.4)	
and minority			
interests	Minority interests	(14.9)	(11.3) => (26.2)
Total		(30.3)	
Increase in net income		57.3	FY2007 Annual Actual 66.7 => FY2008 Annual Forecast 124.0

# Major overseas subsidiaries and partners

### **Lion Nathan results overview**



#### 2008 H1 results (Oct. 2007 - Mar. 2008) Unit: A\$ million

#### Net sales: 1,144.1 (increase of 7.8% on the previous comparable period)

Group sales increased 7.8% from acquisition of J. Boag (3 months worth of sales reflected in the consolidate financial report), strong sales, Easter sales not aligned (H2 last year), etc.

<u>Australia</u>: Sales increased 9.6% from acquisition of J. Boag, a shift towards high value added products, strong sales of core products and despite a cool summer.

Began sale J. Boag's products in place of Fosters. Business integration proceeding smoothly.

New Zealand: Indications of end to the downward trend. Achieved increases in sales volumes and market share.

Wine: Decrease in exports to the U.S., made 100% subsidiary of wine retailer previously owned 50% Sales up 19% as strong performance continued with booming Australian business counter-balancing lower U.S. sales

#### Operating EBIT: 287.8 (increase of 6.9% on the previous comparable period)

Earnings increased as consolidation of J. Boag, shifting to national premium brands, etc. outweighed high cost of raw materials and energy.

Australia: Earnings up 7.3% contributed to by J. Boag

New Zealand: Earnings up 4.2% supported by launch of new product Steinlager Pure as robust sales

Wine: Earnings up 25.4% from booming sales in Australia

#### Operating NPAT (Net profit after taxes): 167.7 (increase of 7.0% on the previous comparable period)

Final NPAT (after extraordinary income) was relatively flat increasing 1.6% from an increase in income taxes payable on funds procured for J. Boag acquisition and integration expenses

#### **Results by business:**

- · Australia (beer): sales volume + 3.4%, net sales +9.6%, EBIT +7.3%
- · New Zealand (beer, wine, RTD, other): Sales volume + 4.6%, net sales\* +2.1%, EBIT\* +4.2% (\*NZ\$ base)
- · Wine: Sales volume +8.5%, net sales +19.3%, EBIT +37.7%

#### 2008 full year profit guide (Oct. 2007 to Sept. 2008) (As announced by LN, includes J. Boags, Unit: A\$ millions)

NPAT (Net profit after taxes) \$265 - \$275 (pre one-time and significant items)

\*Forecasts for LN in Kirin's consolidated forecasts are calculated by simply reflecting forecast exchanged rates on 2007 results. (See next page)

#### Inclusion of Lion Nathan in Kirin's consolidated results



		Operating	Ordinary		Consolidated
2008 H1	Sales	income	income	Net income	net income
LN P/L	110.0	27.6	23.5	16.1	7.4
Amortization of consol. Adjust account		(1.2)	(1.2)	(1.2)	(1.2)
Brand amortization		(3.6)	(3.6)	(3.6)	(1.7)
Amortization of goodwill		(1.1)	(1.1)	(1.1)	(0.5)
Net	110.0	21.4	17.4	10.0	3.9
1 101	110.0	<b>~</b> 1. 1	17.1	10.0	0.0
1101	110.0	Operating	Ordinary	10.0	Consolidated
2007 H1	Sales			Net income	
		Operating	Ordinary		Consolidated
2007 H1	Sales	Operating income	Ordinary income	Net income	Consolidated net income
2007 H1 LN P/L Amortization of consol. Adjust	Sales	Operating income 24.2	Ordinary income 20.4	Net income 15.0	Consolidated net income 6.9
2007 H1 LN P/L Amortization of consol. Adjust account	Sales	Operating income 24.2 (1.2)	Ordinary income 20.4 (1.2)	Net income 15.0 (1.2)	Consolidated net income 6.9 (1.2)

Average rates during period	ı
as used in Lion Nathan P&L	

2008 H1 1A\$ = ¥98.11 2007 H1 1A\$ = ¥93.10

(hillion van)

### March 31 rate (used in Lion Nathan B/S)

2008 H1 1A\$ = ¥91.74 2007 H1 1A\$ = ¥95.36

### June 30 rate (used in Kirin B/S)

2008 H1 1A\$ = ¥102.38 2007 H1 1A\$ = ¥104.45

2008 full year forecast	Sales	Operating income	Ordinary income	Net income	Consolidated net income
LN P&L	192.7	45.7	36.7	27.6	12.7
Amortization of consol. Adjust account		(2.5)	(2.5)	(2.5)	(2.5)
Brand amortization		(7.5)	(7.5)	(7.5)	(3.4)
Amortization of goodwill		(2.6)	(2.6)	(2.6)	(1.2)
Net	192.7	33.0	24.0	14.9	5.4

Average rates during period as used in Lion Nathan P&L 2008 forecast 1A\$ = \frac{498}{98}

Consolidated adjustments: 20-year amortization of ¥51.0 bn premium paid at time of acquisition (approx. ¥2.5 billion per year).

Brand amortization: Amortization of non-tangible assets acquired by LN through M&A, etc. Subject to changes in appraisal value and exchange rates. Amortization of goodwill: From the period to Sep. 2006 LN has discontinued this in line with international accounting standards. However, Kirin is continuing amortization in its interim consolidated accounts. J. Boag is included in the full year forecast.

<sup>\*</sup> In LN's P/L statements, part of operating profit/loss is on consolidation reassigned as extraordinary profit/loss. The above figures reflect this change. Since LN has not announced its results forecasts, FY 2007 actual foreign currency amounts will be forecasted as probable amounts for FY 2008.

### **National Foods 2008 interim results**

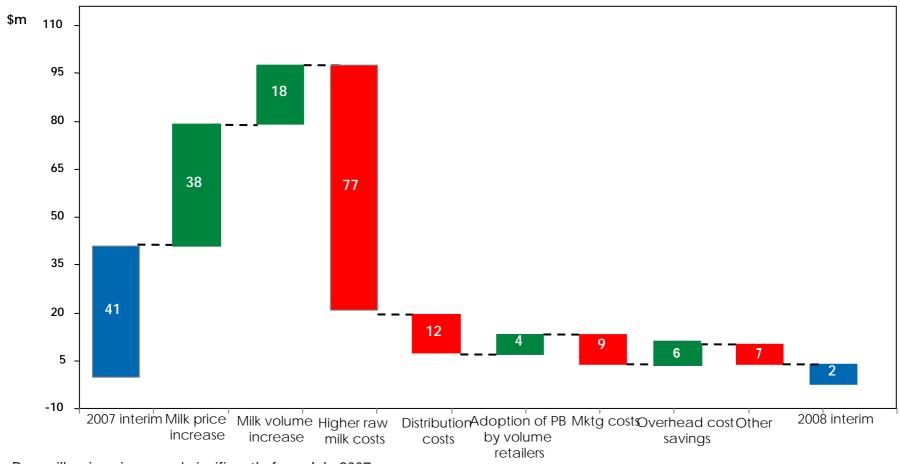


\$AU million	2008 H1	YoY
Sales volume (million liters)	764	6%
GROSS SALES	1,281	8%
NET SALES	1,059	9%
EBIT	2	-95%
% to Net Sales	0%	
EBITDA	21	-64%
% to Net Sales	2%	

## National Foods 2008 H1 analysis of operating income (EBIT)



Large impact from milk costs in drought, distribution costs from high oil prices. Targeted efficiency by reducing overheard costs but EBIT decreased A\$39m.



- Raw milk prices increased significantly from July 2007
- Extra costs from budget-exceeding milk cost and mix shift have yet to be off-set, will continue to focus on brand strategy, strategic price increases and effective marketing
- Oil costs greatly impacting distribution. Reviewing distribution network to reduce costs from 2009-2010.

## National Foods 2008 interim results review by segment



	2008 H1	2007 H1	Change	Comment
	Tot			(Volume in million liters, sales in \$AU million)
Sales volume	765	725	40	
Net sales	1,059	968	91	
	Mill	k		
Sales volume	435	399	36	Volumes increased from new PB contracts with volume outlets and sales up on 2007
Net sales	484	420	64	H1, but mix trend is worsening. Raising prices to cover higher raw material costs.
				Focusing on own brand processed milk to boost profits and share.
	Juice	9		
Sales volume	233	236	(2)	As with milk, juice category is seen shifting to lower margin products.
Net sales	256	251	5	Price increases drove sales but worsening mix meant only slight increase overall.
				Aiming to improve profitability in H2 by reviewing low-margin PBs,
				improving marketing efficiency
	Dair	У		
Sales volume	44	39	5	Cream volumes good. Yoghurt down on last year.
Net sales	140	124	16	Large packs driving net sales but profitability worsened.
				Aiming to increase volumes in H2 through twin pack products
	Cheese & C	ourmet		
Sales volume	10	12	(1)	Shift seen from commodity cheeses to specialty cheeses.
Net sales	106	111	(5)	Price increases in specialty cheeses but volumes restrained.
				Focusing on Christmas strategy for 2008 H2.
Internation	onal and Nev	w Zealand		
Sales volume	42	39	3	Australian dollar strength large impact, but NZ, int'l results strong.
Net sales	73	62	11	Trend remains positive and expecting to meet budget for H2.

## National Foods 2008 full-year forecasts

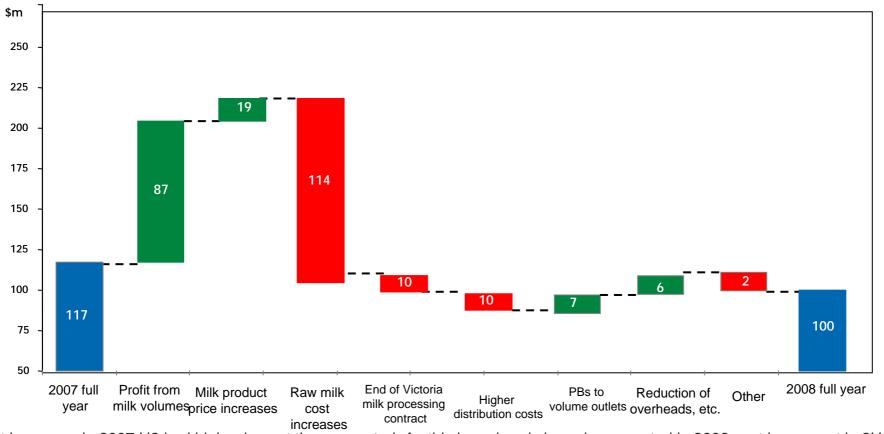


\$AU million	2008 est.	YoY
Sales volume Million liters	1,503	2%
GROSS SALES	2,608	6%
NET SALES	2,143	7%
EBIT	100	-15%
% to Net Sales	5%	
EBITDA	143	-8%
% to Net Sales	7%	

### National Foods 2008 full-year operating income (EBIT) forecast



For 2008 H2, raw milk cost increases expected to ease, with improving trend in profits as price increases take effect. Control of SG&A and other expenses expected to reduce decrease on 2007 to \$AU17 million.



- Cost increases in 2007 H2 had higher impact than expected. As this has already been incorporated in 2008 cost base, cost in 2H 2008 will not increase YoY compared to 1H 2008.
- A\$ Exchange gain at Juice COGS and improvement of production efficiency at all category are expected to counteract lower gross profit
  margin and product mix worsening compared to 2007. Sales and marketing teams targeting higher volumes through investing in profitable
  house brands and enhancing brand strategy.
- Large impact from oil prices, with distribution costs remaining an issue. Plans to reduce costs toward 2009-10 by reviewing dist. network.

## National Foods 2008 full-year forecasts by segment



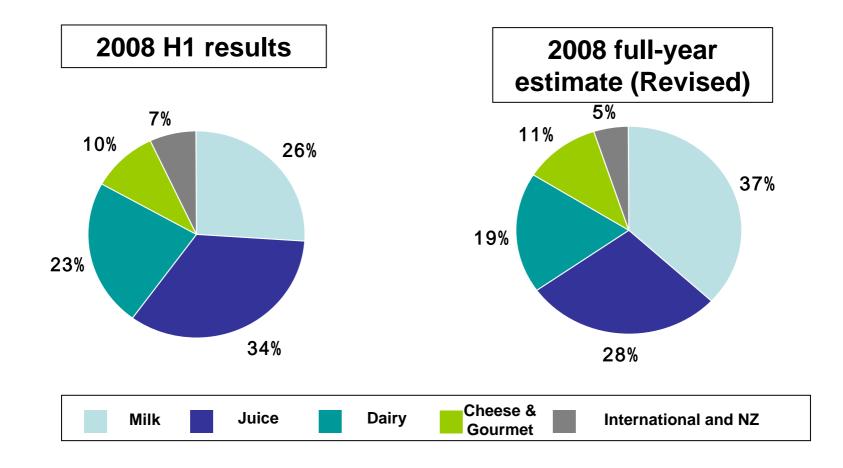
	2008	2007	YoY change	Comment					
	Tota	al		(Volume in million liters, sales in \$AU million)					
Sales volume	1,503	1,466	37						
Net sales	2,143	2,006	137						
	Mill	K							
Sales volume	857	800	57	PBs from volume outlets expected to continue driving volumes.					
Net sales	974	863	111	Focusing on own-brand products. Planning to launch new product.					
	Juice	<u> </u>							
Sales volume	465	476	(10)	Reviewing low margin brands, focusing on own brands in H2 and 2009.					
Net sales	521	510	10	Aiming to increase sales volume by constructing low cost, high margin structure,					
				change product sizes and adding new products.					
	Dair	У							
Sales volume	78	78	(0)	Increasing cream prices further. Yoghurt still presenting issues, but aiming for					
Net sales	273	244	28	high gross margin with twin pack product development.					
				Some brand increase from change in accounting standards with SAP going live.					
	Cheese & G	Sourmet							
Sales volume	18	26	(8)	Creating high margin structure with sale of fish business and shift from					
Net sales	216	247	(30)	commodity to specialty cheeses.					
				Volumes lower but earnings expected to increase significantly.					
International and New Zealand									
		\ /	Reviewing non-core operations and focusing on top customers.						
Net sales	160	142	17	Specialty cheeses expected to continue performing well.					

#### National Foods 2008 interim and full-year brand contribution by segment



In H1, raw milk price increases limited brand contribution from milk segment to 26%.

Return on milk price increases expected to bring recover to 37% for the full year.



#### San Miguel results overview



#### As of Aug. 2008 Business progress and topics

- Sold National Foods in Dec. 2007 and J. Boag & Son Pty Limited in Jan. 2008 (Gain from sale recorded as net income for the period Oct. 2007 to Mar. 2008)
- · Conducted an IPO for San Miguel Brewery Inc. (SMB), on May 12. About 5% of SMB issued shares were offered at 8PHP per share. All shares were sold.
- · Held the Ordinary General Meeting of Shareholders July 24: Approvals for IPO of main subsidiaries, formulation of strategic partnerships and the restructuring plan received
- · Domestic beer business was strong (Jan. to Jun.\*): Sales volumes increased (+7%) reflected directly in sales
  - -Revenues up 9%, operating income up 7%
  - -Burdened by high price of raw materials, balanced by cost reductions

#### **Results overview**

**Jan. 2007 to Dec. 2007** (Reference) \*1 PHP = ¥2.58 (Avg. 2007 rate)

Net sales: 154.8 bn peso (About ¥399.6 bn) +10% Operating income: 12.0 bn peso (About ¥31.1 bn) -8%

Net income: 8.3 bn peso (About ¥21.5 bn) -16%

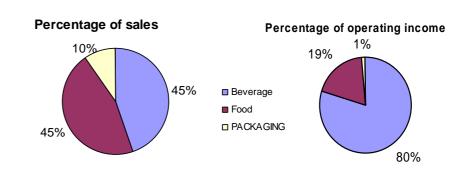
Oct. 2007 to Mar. 2008

\*1 PHP = ¥ 2.61 (Avg. Oct. 2007 to Mar. 2008 rate) Net sales: 83.8 bn peso (About ¥218.8 bn) Operating income:6.3 bn peso (About ¥16.5 bn)

Net income: 12.5 bn peso (About ¥32.8 bn) +54.3%

#### San Miguel: Net sales and operating income by segment (FY2007)

Taken from Annual Report, Segment Information: Does not include Others, Eliminations Calculations based on composition of only three business segments



#### Inclusion of San Miguel in Kirin's consolidated results



2008 H1	Sales	Operating income	Ordinary income	Net income	Consolidated net income
SMC P&L	218.8	16.5	30.8	32.8	* 6.5
Equity in earnings of affiliates*			6.5	6.5	6.5
Amortization of investment amount differences			(1.0)	(1.0)	(1.0)
Net			5.4	5.4	5.4
2007 H1	Sales	Operating income	Ordinary income	Net income	Consolidated net income
SMC P&L	297.7	23.5	20.1	21.2	* 4.2
Equity in earnings of affiliates*			4.2	4.2	4.2
investment amount differences			(1.0)	(1.0)	(1.0)
Net			3.1	3.1	3.1

Average rates during the period as used in SMC P&L										
2008 1H 1PHP= ¥2.61										
2007 1H 1PHP =¥2.44										
March 31 rate (used in SMC B/S)										
2008 1H 1PHP = ¥2.40										
2007 1H 1PHP = ¥2.46										

2008 full year forecast	Sales	Operating income	Ordinary income	Net income	Consolidated net income
SMC P&L	590.9	45.3	38.7	28.6	* 5.7
Equity in earnings of affiliates*			5.7	5.7	5.7
investment amount differences			(2.1)	(2.1)	(2.1)
Net			3.6	3.6	3.6

Forecast rates during period as used in SMC P&L 2008forecast 1PHP = 2.5

From fiscal 2006, the financial reporting period for San Miguel has changed. Calculations for 2008 H1 are of San Miguel's results for the period from Oct. 2007 to Mar. 2008, while calculations for 2007 H1 are results for the period from Oct. 2006 to Mar. 2007. 2008 full-year forecasts are for Oct. 2007 to Sept. 2008.

Amortization of investment amount difference: 20-year amortization of ¥42.8 bn premium paid at time of purchase in 2002 and 2005 (about ¥1.2 bn annually)

San Miguel actual foreign currency amounts for the period Oct. 2006 to Sep. 2007 are forecasted as probable amounts for fiscal 2008

2008 1H figures are before elimination of unrealized profit on disposal of J. Boag



# Appendix

#### **Results of Operations**



(¥ billions)

		20	07		2008				
	The 1st ha	The 1st half Actual		Annual Actual		The 1st half Actual		orecast	
(year-on-year rate)									
Sales	836.0	6.8%	1,801.1	8.1%	1,047.8	25.3%	2,330.0	29.4%	
Operating income	42.8	(4.7%)	120.6	3.7%	47.5	10.9%	152.0	26.0%	
Ordinary income	45.6	(3.1%)	123.3	2.1%	47.6	4.3%	145.0	17.5%	
Net income	16.7	(11.5%)	66.7	24.7%	81.1	383.0%	124.0	85.9%	
EBITDA	*1 85.7	(1.6%)	*1 213.1	11.5%	*2 109.3	27.6%	*2 275.7	29.4%	

<sup>\*1</sup> EBITDA = Income before income taxes and minority interests + interest expense - interest and dividend income + depreciation + amortization of goodwill

<sup>\*2</sup> EBITDA = Operating income + equity in earnings of affiliates + depreciation + amortization of goodwill + special income and expenses (excluding gain on change in equity) Resource: Financial Statement

#### **Sales Details**



		20	07			20	008	
	The 1st h	alf Actual	Annual <i>i</i>	Actual	The 1st ha	alf Actual	Annual I	Forecast
Sales volume								
(year-on-year rate)								
Alcohol beverages	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)
Beer, Happo-shu, and New genre	1,605	(0.9%)	3,388	(0.3%)	1,552	(3.3%)	3,330	(1.7%)
	Million cases		Million cases		Million cases		Million cases	
Soft drinks	112	4.8%	239	4.5%	113	*1 1.0%	249	*1 4.1%
Sales by business segments (year-on-year rate)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)
Total sales	836.0	6.8%	1,801.1	8.1%	1,047.8	25.3%	2,330.0	29.4%
Alcohol beverages	548.1	6.6%	1,189.4	8.2%	545.3	(0.5%)	1,185.0	(0.4%)
Beer, Happo-shu and New genre	447.2	0.9%	970.8	2.4%	442.3	(1.1%)	962.0	(0.9%)
Other alcohol beverages	84.1	58.0%	184.5	59.8%	79.7	(5.3%)	174.5	(5.4%)
Other *2	16.7	(3.6%)	34.0	(5.3%)	23.3	39.5%	48.5	42.3%
Soft drinks and Foods *2	222.6	4.0%	474.5	3.1%	344.0	54.6%	731.0	54.0%
Pharmaceuticals	31.4	0.7%	69.9	4.0%	69.6	121.3%	175.0	150.3%
Other business *2	33.7	45.0%	67.2	71.3%	88.7	162.8%	239.0	255.6%
Biochemical	-	-	-	-	20.2	-	59.0	-
Chemical	-	-	-	-	21.7	-	78.0	-
Agribio	12.0	(12.5%)	21.5	14.6%	11.9	(1.1%)	19.5	(9.6%)
Other	21.7	127.9%	45.6	123.6%	34.9	60.6%	82.5	80.8%

<sup>\*1</sup> These figures do not include 235,018 KL for the first half of fiscal 2008 (actual) and 465,962 KL for the fiscal 2008 (annual forecast) in soft drinks business of National Foods.

<sup>\*2</sup> Please refer to (SEGMENT INFORMATION) on pages 27, 28 and 29 for "(SEGMENT INFORMATION) a. Business segment information". The actual results for fiscal year 2007 are shown in reclassified business segment.

## **Major Expense and Others**



(¥ billions)

	20	07	20	(# 011110118	
	The 1st half Actual	Annual Actual	The 1st half Actual	Annual Forecast	
Sales promotion	83.6	181.4	92.2	268.0	
Advertising	38.5	69.0	41.1	200.0	
(Sales promotion and advertising expenses include in the above)					
Kirin Brewery Domestic alcohol beverages					
Sales promotion	44.6	92.3	20.3	85.4	
advertising expenses	44.0	92.3	21.0	65.4	
Kirin Beverage *1					
Sales promotion	57.9	121.2	52.5	123.5	
advertising expenses	07.5	121.2	6.8	120.0	
Research and development expenses	13.7	28.5	25.1	56.0	
Depreciation *2	34.6	71.9	43.0	97.0	
Amortization of goodwill *3	3.8	7.4	9.9	21.6	
Financial profit, net	(3.4)	(5.3)	(8.7)	(15.0)	
Capital expenditures	26.2	66.8	62.6	113.0	
Cash flows	(8.6)	(34.2)	(7.4)	31.0	
Operating activities	18.1	114.5	39.8	160.0	
Investing activities	(0.1)	(269.6)	(66.0)	(126.0)	
Financing activities	(26.4)	121.5	21.5	(2.0)	

<sup>\*1</sup> The amounts of Soft drinks and Foods are consolidated Kirin Beverage.

<sup>\*2</sup> This amount includes brand amortization

<sup>\*3</sup> Amortization of consolidation difference, "Goodwill" amortization

## **Major Fluctuations of Balance Sheets**



	2007 The 1st	2008 The 1st	Increase	(¥ billion
	half Actual	half Actual	(Decrease)	T.C.I.G.I.G.I.G.
ASSETS				
Current Assets			1	h
Notes and accounts receivable, trade	318.2	388.9	70.7	Increase due to addition of newly consolidated subsidiaries * and decrease due to the 1st half-end of previous year being a bank holiday, etc.
Other (excluding Notes and accounts receivable, trade)	271.2	392.4	121.2	Increase due to addition of newly consolidated subsidiaries *, etc.
Fixed Assets				
Property, Plant and Equipment				
Total Property, plant and equipment	600.7	800.1	199.4	Increase due to addition of newly consolidated subsidiaries *, etc.
Intangible Assets				
Goodwill	97.1	397.8	300.7	Increase due to addition of newly consolidated subsidiaries *, etc.
Other	68.1	133.9	65.8	Increase due to addition of newly consolidated subsidiaries *, etc.
Investments and Other Assets				
Investment securities	587.3	575.9	(11.4)	Decrease in net unrealized holding gains on securities held by Kirin Holdings along with the fluctuations in stock price, etc.
Life insurance investments	14.4	-	(14.4)	Decrease due to change in presentation, etc.
Other	64.9	112.9	48.0	Increase due to addition of newly consolidated subsidiaries * and increase due to change in presentation, etc.
IABILITIES				presentation, etc.
Current Liabilities				
Notes and accounts payable, trade	118.4	198.0	79.6	Increase due to addition of newly consolidated subsidiaries *, etc.
Short-term loans payable and long-term debt with current maturities	15.9	210.4	194.5	Increase at Kirin Holdings, etc.
Bonds due to within one year	-	44.0	44.0	Increase due to transfer from bonds
Liquor taxes payable	102.7	64.2	(38.5)	Influence due to the 1st half-end of previous year being a bank holiday, etc.
Accrued expenses	82.3	101.2	18.9	Increase due to addition of newly consolidated subsidiaries *, etc.
Other	66.3	93.0	26.7	Increase due to addition of newly consolidated subsidiaries *, etc.
Long-term Liabilities				
Bonds	98.8	242.3	143.5	Increase due to issue of bonds at Kirin Holdings
Long-term debt	124.7	159.9	35.2	Increase at Lion Nathan, etc.
Employees' pension and retirement benefits	59.3	81.9	22.6	Increase due to addition of newly consolidated subsidiaries *, etc.
Other	132.7	150.3	17.6	Increase due to addition of newly consolidated subsidiaries *, etc.
NET ASSETS				
Net unrealized holding gains on securities	158.5	103.4	(55.1)	Decrease in net unrealized holding gains on securities held by Kirin Holdings along with the fluctuations in stock price, etc.
			ı	Increase due to addition of newly consolidated

<sup>\* &</sup>quot;Increase due to addition of newly consolidated subsidiaries" was resulted from the stock acquisition of Kyowa Hakko and National Foods.

#### **Guide to Kirin Group Consolidated Financial Indices**



(¥ billions)

			2007 Actual	2008 The 1st half Actual	2008 Annual Forecast Disclosed on April 30, 2008	2008 Annual Forecast	2009 Revised medium-term business plan
	Consolidated	Including liquor tax	1,801.1	1,047.8	2,400.0	2,330.0	2,500.0
steg.	sales	Excluding liquor tax	1,400.6	883.3	1,986.0	1,929.7	2,100.0
/e tar	Operating income		120.6	47.5	164.0	152.0	175.0
Quantitative targets	Operating income	Including liquor tax	6.7%	4.5%	6.8%	6.5%	7.0% plus
Quar	ratio	Excluding liquor tax	8.6%	5.4%	8.3%	7.9%	8.3% plus
	ROE		6.5%	7.5%	11.7%	11.2%	7.0% plus
		Alcohol beverages	1,189.4	545.3	1,223.0	1,185.0	1,210.0
	Sales by segment	Soft drinks and Foods	474.5	344.0	769.0	731.0	780.0
	Sales by segment	Pharmaceuticals	69.9	69.6	175.0	175.0	210.0
		Others	67.2	88.7	233.0	239.0	300.0
		Alcohol beverages	96.5	42.5	107.3	104.5	100.0
		Soft drinks and Foods	16.0	(5.6)	23.7	14.2	28.0
	Operating income by segment	Pharmaceuticals	13.0	10.9	34.6	34.4	38.0
		Others	6.3	7.3	16.4	16.4	23.0
Suideline		Eliminations or Corporate	(11.3)	(7.5)	(18.0)	(17.5)	(14.0)
Guid	Overseas ratio	Sales excluding liquor tax	19%	31%	26%	27%	Approx. 26%
	EBITDA		213.1	*1 109.3	*1 285.0	*1 275.7	330.0
		Future portion (before 2006)	13.9	6.9	13.5	*2 13.7	13.8
	Amortization of goodwill etc.	Investment after     2007	-	8.7	17.1	*3 18.7	19.8
		Total amortization of goodwill (1.+2.)	13.9	15.6	30.6	32.4	33.6
	EPS(¥)	Prior to 2. amortization of goodwill etc.	70	*1 18	*1 76	*1 72	Approx. 105
		After amortization of goodwill etc.	70	85	136	130	Approx. 85
	D/E ratio	ated, excluding gain or	0.58	0.60	0.56	0.55	Approx. 0.50

Lion Nathan ¥10.8 billion (brand amortization ¥7.0 billion, amortization of consolidation difference ¥2.5 billion, "Goodwill"

National Foods ¥11.0 billion (brand amortization ¥2.9 billion, amortization of consolidation difference ¥0.5 billion,

<sup>\*2</sup> Amortization of goodwill etc. Future portion (before 2006) ¥13.7 billion:

Kirin Beverages ¥1.9 billion (amortization of consolidation difference), etc.

<sup>\*3</sup> Amortization of goodwill etc. After investments in 2007 ¥18.7 billion:

<sup>&</sup>quot;Goodwill" amortization ¥7.6 billion)

Kyowa Hakko ¥5.9 billion (amortization of consolidation difference)

J. Boag &Son ¥1.7 billion (brand amortization ¥0.4 billion, amortization of consolidation difference ¥1.2 billion)

### **Information by Segment**



#### <FY2008>

(¥ billions)

	Alcohol beverages		Soft drinks and Foods		Pharmaceuticals		Others		Eliminations or Corporate		Total	
	The 1st half Actual	Annual Forecast	The 1st half Actual	Annual Forecast	The 1st half Actual	Annual Forecast	The 1st half Actual	Annual Forecast	The 1st half Actual	Annual Forecast	The 1st half Actual	Annual Forecast
Depreciation *1	21.5	47.4	12.2	26.9	3.0	7.2	4.9	13.0	1.1	2.3	43.0	97.0
Amortization of goodwill *2	2.5	5.5	5.5	11.4	1.5	4.3	0.2	0.3	-	-	9.9	21.6
EBITDA *3	65.9	156.5	12.3	51.8	15.8	44.7	18.9	34.1	(3.6)	(11.5)	109.3	275.7
Capital expenditures	31.0	52.7	16.3	26.4	2.3	6.0	12.8	26.3	0.1	1.3	62.6	113.0
R&D expenses	2.6	4.8	0.9	3.0	18.3	39.2	1.7	5.7	1.4	3.1	25.1	56.0

<sup>\*1</sup> This amount Includes brand amortization.

<sup>\*2</sup> Amortization of consolidation difference, "Goodwill" amortization

<sup>\*3</sup> EBITDA = Operating income + equity in earnings of affiliates + depreciation + amortization of goodwill + special income and expenses (excluding gain on change in equity)

## Results of operations by Major Companies (Consolidated) <FY2008 The first half Actual>



					(¥ billions)
	Sales	Operating income	Ordinary income	Net income	Consolidated Net income
Kirin Brewery (consolidated subsidiary) *1	384.7	15.2	-	-	-
Mercian (consolidated subsidiary)	43.5	(0.3)	(0.3)	(0.2)	(0.1)
Lion Nathan (consolidated subsidiary) *2	110.0	27.6	23.5	16.1	7.4
Brand amortization		(3.6)	(3.6)	(3.6)	(1.7)
Amortization of goodwill *3		(2.4)	(2.4)	(2.4)	(1.8)
After adjustments of the above	110.0	21.4	17.4	10.0	3.9
Kirin Beverage (consolidated subsidiary)	187.7	(1.0)	-	-	-
Amortization of goodwill		(0.9)	-	-	-
After adjustments of the above	187.7	(2.0)	-	-	-
National Foods (consolidated subsidiary)	111.7	0.1	-	-	-
Brand amortization *4		(1.4)	-	-	-
Amortization of goodwill *3*4		(4.0)	-	-	-
After adjustments of the above	111.7	(5.3)	-	-	-
Kyowa Hakko and Kirin Pharma	125.4	17.0	18.7	9.5	4.8
(consolidated subsidiaries) *5	125.4	17.0	10.7	9.5	4.0
Elimination of amortization of goodwill at Kyowa Hakko		2.3	2.3	2.3	1.2
Amortization of goodwill		(1.6)	(1.6)	(1.6)	(1.6)
After adjustments of the above	125.4	17.8	19.5	10.3	4.4
Kirin Pharma (consolidated subsidiary) *1*5	9.1	(3.4)	-	-	-
Kyowa Hakko (affiliated company) *5	94.4	6.9	5.2	(0.6)	* (0.1)
Equity in earnings of affiliates *			* (0.1)	(0.1)	(0.1)
Amortization of consolidation difference *6			(1.0)	(1.0)	(1.0)
After adjustments of the above			(1.2)	(1.2)	(1.2)
San Miguel (affiliated company)	218.8	16.5	30.8	32.8	* 6.5
Equity in earnings of affiliates *			* 6.5	6.5	6.5
Amortization of consolidation difference *6			(1.0)	(1.0)	(1.0)
After adjustments of the above			5.4	5.4	5.4

<sup>\*1</sup> The amounts of Kirin Brewery and Kirin Pharma are non-consolidated.

Kyowa Hakko and Kirin Pharma (consolidated subsidiary)

April to June

(Kyowa Hakko consolidated, including Kirin Pharma),

Kirin Pharma (consolidated subsidiary) January to March Kyowa Hakko (affiliated company) January to March

<sup>\*2</sup> As for information of the Lion Nathan, the Company reclassified certain amount of operating income and expenses into special income and expenses in the consolidated statements of income. The above figures are presented after reclassification.

<sup>\*3</sup> Amortization of consolidation difference, "Goodwill" amortization

<sup>\*4</sup> Market value and others adapted to calculation of these figures are tentative.

<sup>\*5</sup> The Company prepared the financial statements after the adjustments of accounting period of Kyowa Hakko and Kirin Pharma as follows:

<sup>\*6</sup> Account title: Equity in earnings of affiliates

#### <FY2008 Forecasts>



(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated Net income
Kirin Brewery (consolidated subsidiary) *1	882.8	56.0	-	-	-
Mercian (consolidated subsidiary)	98.0	1.6	1.5	1.2	0.6
Lion Nathan (consolidated subsidiary) *2	192.7	45.7	36.7	27.6	12.7
Brand amortization		(7.5)	(7.5)	(7.5)	(3.4)
Amortization of goodwill *3		(5.1)	(5.1)	(5.1)	(3.7)
After adjustments of the above	192.7	33.0	24.0	14.9	5.4
Kirin Beverage (consolidated subsidiary)	418.0	11.8	-	-	-
Amortization of goodwill		(1.9)	-	-	-
After adjustments of the above	418.0	9.8	-	-	-
National Foods (consolidated subsidiary)	210.0	9.8	-	-	-
Brand amortization *4		(2.9)	-	-	-
Amortization of goodwill *3*4		(8.1)	-	-	-
After adjustments of the above	210.0	(1.2)	-	-	-
Kyowa Hakko and Kirin Pharma (consolidated subsidiaries) *5	371.0	47.3	46.8	25.0	12.5
Elimination of amortization of goodwill at Kyowa Hakko *6		7.1	7.1	7.1	3.6
Amortization of goodwill		(4.8)	(4.8)	(4.8)	(4.8)
After adjustments of the above	371.0	49.6	49.1	27.3	11.3
San Miguel (affiliated company) *7	590.9	45.3	38.7	28.6	* 5.7
Equity in earnings of affiliates *			* 5.7	5.7	5.7
Amortization of consolidation difference *8			(2.1)	(2.1)	(2.1)
After adjustments of the above			3.6	3.6	3.6

<sup>&#</sup>x27;1 The amounts of Kirin Brewery are non-consolidated.

<sup>\*2</sup> As for 2008 forecast of operation of Lion Nathan, the Company reclassified certain amount of operating income and expenses into special income and expenses and others in the consolidated statements of income. The above figures are presented after reclassification. Since Lion Nathan has not disclosed its forecast of business performance, the Company uses operating results in foreign currency for the year ended 2007 as the forecast for the year ending December 31, 2008.

<sup>\*3</sup> Amortization of consolidation difference, "Goodwill" amortization

<sup>\*4</sup> Market value and others adapted to calculation of these figures are tentative.

<sup>\*5</sup> The forecast of Kyowa Hakko (consolidated, including Kirin Pharma), contains only those from April to December 2008.

<sup>\*6</sup> Amortization of goodwill arose from to the share exchange undertaken between Kyowa Hakko and Kirin Pharma, which is posted as expense at Kyowa Hakko (consolidated), has been eliminated at the settlement of Kirin Holdings on a consolidated basis.

<sup>\*7</sup> The Company uses operating results of San Miguel in foreign currency from October 2006 to September 2007 as the forecast for the year ending December 31, 2008.

<sup>\*8</sup> Account title: Equity in earnings of affiliates

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



		20	07					
	The 1st h	alf Actual	Annual	Actual	The 1st ha	alf Actual	Annual Forecast	
Sales volume (year-on-year rat	Thousand KL Increase (Decrease)		Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)
Beer	451	(0.7%)	1,001	(1.8%)	381	(15.5%)	899	(10.2%)
Happo-shu	380	(6.0%)	824	(4.9%)	378	(0.5%)	834	1.2%
New genre	232	(1.2%)	543	10.4%	251	8.2%	572	5.3%
Subtotal	1,065	(2.7%)	2,369	(0.4%)	1,012	(5.0%)	2,305	(2.7%)
RTD	79	(24.1%)	200	(12.5%)	83	5.1%	210	5.0%
Breakdown of sales								
(year-on-year rat	e) ¥ billions		¥ billions		¥ billions		¥ billions	
Beer	180.2	(0.7%)	402.5	(1.5%)	155.8	(13.5%)	370.0	(8.1%)
Happo-shu	112.2	(5.9%)	243.1	(4.8%)	114.7	2.2%	253.0	4.1%
New genre	59.7	2.4%	139.6	12.3%	65.8	10.2%	150.0	7.4%
Subtotal	352.2	(1.9%)	785.4	(0.4%)	336.4	(4.5%)	773.0	(1.6%)
RTD	21.5	(21.7%)	53.2	(11.9%)	22.4	4.2%	57.0	7.1%
Shochu, Whiskey, Spirits and Wines, etc	16.2	(0.1%)	42.4	17.7%	21.5	32.7%	45.0	6.1%

The above sales volume and sales include exports.

## Sales Details of Soft Drink Beverages (Kirin Beverage Group)



#### <Category >

(10,000 cases)

Softdrink beuerages		2007 The 1s i half Actual		ZIDB The Is Hahi Adual			ZIDS Annual Forecasi				ZICI7 Annual Actual			
	SOLEGILIN DEBELONES		Sales Volume	Compositon Isla	Sales Volume	Compositor cato	homas (Decembe)	Pricentage over the previous year	Sales Volume	Composition (also	(December)	Percentage over the previous year	Sales Volume	Congeston Isla
		Japanese Tea	1,499	18%	1,991	15%	[102)	99%	2,950	14.%	( <b>25</b> )	gr%.	9,098	15%
	Tea drinks	Oolong Tea	120	1%	151	17%	(29)	34%	960	1.8	(25)	21%	225	2%
	Black lea	Black lea	1,605	12%	i, ri <b>s</b>	18%	91	102%	9,900	19%	111	100%	9,739	19%
		Sub-1088	9,910	95 X	9,284	94 %	[10 <b>8</b> 0	978	1,250	94 %	כםי ן	100%	r,210	98%
Calenory	Category Fruil and usgs table luice		1,89 r	12%	1,831	18%	44	109%	9,700	13%	219	108%	9,431	11%
			1,250	14%	i, i ma	12%	[114)	91%	2,300	19%	כסי ן	100%	2,810	14%
	Cart	onaled beverage	270	9%	491	4.7%	181	180%	900	4 %	245	rans.	83	9%
		Water	פסי.י	18%	i, raz	19%	75	184%	4,000	19%	1 74	105%	9,316	19%
	O her		rai	3%	rag	ax	(95)	96%	1,560	ax	כסי ן	22 %	1,560	2%
	Domes Ic sofidrink beverage marke i lold		9,05 r	98%	9,032	25%	25	(aax	20,150	98 X	818	100%	19,592	91%
Ouerseas marke k	The contract of the contract o		294	4%	490	5%	28	129%	950	4.%	295	122%	ri 4.	9%
Total	Sorii dir	ink beverages lotal	9,991	100%	9,512	100%	121	inix.	21,100	100 %	354	104%	20,248	100%

## Sales Details of Soft Drink Beverages (Kirin Beverage Group)



#### <Container type >

#### (10,000 cases)

	Soft driek beue rages			OT Yali Adual	ZIDE The 1s I hahi Actual			ZITE Annual : orecas (				207 Annual Actual		
Contami fygs	Cabgoy	Dataita	Sales Volume	Composito n 1310	Sales Volume	Compositor exic	homa (Decembe)	Percentige over the previouslyser	Sales Volume	Composion Isla	(December)	Percentage over the previouslysm	Sales Volume	Camposion Isla
Care	Can	heludag bolls skied care	1,917	20%	1,566	21%	872	104%	+,300	21%	332	102%	3,962	20%
		<b>a</b> .	1,206	19%	1,792	19%	0.40	99%	3,900	19%	(52)	99%	3,968	20%
	Laige-auad PEr Bolles	1.5L, L, 900ml, 150ml	682	7%	782	2%	100	115%	1,200	2%	20	115%	1,990	7%
		Lago-arei PEr Bolles lobi	Z,488	26%	2,57 +	27%	36	103%	5,700	27%	182	103%	5,518	Z7%
PET Boilles		200ml	2, <b>35</b> 7	25%	2,394	25%	77	102%	5,400	26%	265	105%	5,134	26%
	Smalleund PEr Bolles	25.0mlo: 10.20	1,181	13%	1,103	12%	(B)	90%	2,400	11%	(201)	92%	2,601	13%
		Smal-arei PEr Bolles lobi	3,538	38%	3,497	37%	(+1)	99%	7,200	37%	65	101%	7,735	39%
		PC / Ballies latel	6,026	64%	6,071	64%	s	101%	13,500	64%	ZØ	102%	13,253	66%
Olive contanues	Ges-vayiRaluna	العلم ا	1,114	12%	1,012	10%	(102)	91%	2,350	11%	39	102%	2,311	11%
Ouerseas Sali durk taranagan bisi		334	4%	430	5%	96	129%	950	4%	<b>Z</b> 5	133%	714	3%	
A colones	Ali contarens Contaren Idal		9,391	100%	9,512	100%	121	101%	21,100	100%	3354	104%	20,246	100%

## **Sales Details of Pharmaceuticals** (KYOWA HAKKO KOGYO CO., LTD. and Kirin Pharma Company, Ltd.) [RIN



(¥ billions)

	20	07	2008	3
	The 1st half Actual	Annual Actual	The 1st half Actual	Annual Forecast
ESPO®/NESP®	19.8	44.9	15.7	41.0
GRAN® / Neu-up®	6.4	14.8	6.6	16.0
Coniel®	-	-	6.0	17.6
Allelock <sup>®</sup>	-	-	5.1	15.6
REGPARA®	-	-	1.4	5.5
Patanol <sup>®</sup>	-	-	0.6	2.6
Topina <sup>®</sup>	-	-	0.1	0.8

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

The amounts for the first half of fiscal 2007 (actual) and the fiscal 2007 (annual actual) shown above are the actual results of operation of Kirin Pharma. The second quarter in the first half of fiscal 2008 (actual) and the fiscal 2008 (annual forecast) is those of Kyowa Hakko (including Kirin Pharma).

# おいしさを笑顔に

この資料は投資判断の参考となる情報の提供を目的としたものであり、投資勧誘を目的としたものではありません。 銘柄の選択、投資の最終決定は、ご自身の判断でなさるようにお願いいたします。

This material is intended for informational purposes only and is not a solicitation or offer to buy or sell securities or related financial instruments.