



# KIRIN HOLDINGS COMPANY, LIMITED

August 5, 2011

## SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 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:	August 12, 2011
Commencement date of dividend distribution scheduled:	September 5, 2011
Preparation of supplementary documents to the quarterly financial results:	Yes
Holding of quarterly financial results presentation (for institutional investors and analysts):	Yes

## 1. Consolidated business results and financial positions for the first six months of the current fiscal year (January 1, 2011 - June 30, 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)	(%)
Six months ended						
June 30, 2011	1,001,445	(0.9)	72,812	21.7	72,559	28.9
June 30, 2010	1,010,177	(4.7)	59,826	48.9	56,298	(0.2)

	Net income	Percentage change	Net income per share (Primary)	Net income per share (Diluted)
	(¥ millions)	(%)	(¥)	(¥)
Six months ended				
June 30, 2011	17,940	150.7	18.65	18.55
June 30, 2010	7,156	(52.2)	7.51	—

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)	(%)	(¥)
June 30, 2011	2,581,907	1,204,633	38.7	1,038.46
December 31, 2010	2,649,197	1,159,036	36.3	1,000.51

Reference: Equity	June 30, 2011	998,811 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	—	13.50			
Fiscal year ending December 31, 2011 (Forecast)			—	13.50	27.00

Note: Revision of the forecast in the second 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)	(%)
Fiscal year ending December 31, 2011	2,110,000	(3.1)	144,000	(5.0)	138,000	(2.1)

	Net income	Percentage change	Net income per share
	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2011	52,000	356.4	54.06

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

Note: Revision of the forecast in the second quarter of the fiscal year ending December 31, 2011: Yes

Forecast of business results presented in this document does not take into account the effect of the consolidation of the Schincariol Group, which was announced in the timely disclosure "Kirin Consolidates Schincariol Group" on August 2, 2011. For details, please refer to (3) CONSOLIDATED FORECASTS of 1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS FOR THE SIX MONTHS on page 5 of the ATTACHED MATERIALS.

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

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

Newly included: –

Excluded: –

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

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

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

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

i. Changes due to amendment of accounting standards: Yes

ii. Changes due to other reasons: None

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

(4) Number of shares outstanding (common stock)

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

As of June 30, 2011	965,000,000 shares
---------------------	--------------------

As of December 31, 2010	965,000,000 shares
-------------------------	--------------------

ii. Number of treasury stock at the end of period

As of June 30, 2011	3,179,011 shares
---------------------	------------------

As of December 31, 2010	3,010,208 shares
-------------------------	------------------

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

For the six months ended June 30, 2011	961,827,456 shares
--	--------------------

For the six months ended June 30, 2010	953,234,445 shares
--	--------------------

\* Indication regarding execution of quarterly review procedures

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

## INDEX

1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS FOR THE SIX MONTHS .....	2
(1) BUSINESS PERFORMANCE .....	2
(2) FINANCIAL POSITION .....	5
(3) CONSOLIDATED FORECASTS .....	5
2. OTHER INFORMATION .....	6
(1) SUMMARY OF CHANGES IN SIGNIFICANT SUBSIDIARIES .....	6
(2) SUMMARY OF SIMPLIFIED ACCOUNTING AND SPECIFIC ACCOUNTING .....	6
(3) SUMMARY OF CHANGES IN ACCOUNTING POLICIES AND PROCEDURES, AND METHODS OF PRESENTATION .....	6
3. CONSOLIDATED FINANCIAL STATEMENTS .....	7
(1) CONSOLIDATED BALANCE SHEETS .....	7
(2) CONSOLIDATED STATEMENTS OF INCOME .....	9
(3) CONSOLIDATED STATEMENTS OF CASH FLOWS .....	10
(4) NOTES ON PREMISE OF GOING CONCERN .....	12
(5) SEGMENT INFORMATION .....	12
(6) NOTES ON SIGNIFICANT CHANGES IN THE AMOUNT OF SHAREHOLDERS' EQUITY .....	13

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

### (1) BUSINESS PERFORMANCE

The impact of the Great East Japan Earthquake, which struck on March 11, continued to place downward pressure on the Japanese economy during the first six months (January 1, 2011 to June 30, 2011), especially in production. Despite the harsh conditions continuing though, constraints on the supply side have been gradually easing and consumer spending is bottoming out.

Under such economic conditions, the Kirin Group has, in the second year of the second stage "2010-2012 Kirin Group's medium-term business plan", strengthened its approaches for "qualitative expansion" for realizing its long-term business framework, "Kirin Group Vision 2015" (KV2015).

In the Japanese market, we continued to pursue an integrated beverages group strategy focused on Kirin Brewery Company, Limited and Kirin Beverage Company, Limited, and under the direction of functionally organized Cross Company Teams (CCTs), we worked to increase profitability and efficiency across the Group. Furthermore, in order to concentrate its management resources in the Wine and Alcoholic Beverages Business, Mercian Corporation signed an agreement with Mitsui & Co., Ltd. in April regarding the transfer of its Pharmaceuticals and Chemicals Business.

Overseas, and we have been proceeding to strengthen our business in the soft drink markets of China and Southeast Asia, where rapid growth is expected. In January, we reached an agreement with China Resources Enterprise, Limited to establish a joint venture to operate non-alcohol beverage business in China, and in March, we concluded acquiring shares of the Interfood Shareholding Company, a soft drink manufacturer and distributor in Vietnam.

Although the Great East Japan Earthquake affected production, distribution and sales, both at Kirin Brewery Company, Limited and at our other Group companies, operations are gradually being returned to normal.

As a result, sales, operating income, ordinary income and net income increased in the second quarter. As for damage caused to products, equipment and so forth by the earthquake, ¥16.9 billion was recorded under special expenses as a loss related to the Great East Japan Earthquake.

Kirin Holdings Company, Limited 2011 second quarter results:

Consolidated sales	¥1,001.4 billion, down 0.9%
Consolidated operating income	¥72.8 billion, up 21.7%
Consolidated ordinary income	¥72.5 billion, up 28.9%
Consolidated net income	¥17.9 billion, up 150.7%

In August, the Kirin Group acquired a 50.45% shareholding in the Schincariol Group, which has interests in the beer and soft drink industries in Brazil. The acquisition gives the Company a foothold in the fast-growing Brazilian marketplace to complement our existing business operations in Asia and Oceania, and represents a key plank in the deployment of the Company's integrated beverages group strategy in the international arena.

Results by segment are as follows.

Lion Nathan National Foods Pty Ltd has changed its name to LION PTY LTD in May 2011.

#### <Domestic Alcohol Beverages Business>

In the domestic alcohol beverages business, sales volume temporarily decreased at Kirin Brewery Company, Limited following the Great East Japan Earthquake. This was due to production being suspended at a number of factories, a shortage of materials for manufacturing cans, logistical constraints such as the procurement of fuel, and a decline in consumer sentiment. Subsequently, though, manufacturing and supply systems have gradually been restored, and there have also been signs of slow but steady improvements in consumer sentiment.

Amid such conditions, Kirin Brewery Company, Limited put more effort into strengthening core brands, and managed to maintain strong sales in such labels as *Kirin Ichiban Shibori*, *Tanrei Green Label* and *Kirin Nodogoshi Nama*. Furthermore, in the new genre categories, which are continuing to expand, we sought to further increase demand with the February release of *Kirin Koiaji (Zero Sugar)\** (sales were suspended temporarily due to the impact of the earthquake, and the product was relaunched in June), particularly targeted at health-conscious consumers.

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

In the RTD (ready to drink) market, we worked hard to further enhance our market presence. In addition to renewing our *Kirin Chuha Hyoketsu* standard series, we released the *Kirin Chuha Hyoketsu Yasashii Kajitsu no 3%*, the launch of which had been postponed due to the impact of the earthquake.

As a result, sales volume, which had decreased briefly following the earthquake, has slowly but steadily been

recovering. Furthermore, following the earthquake, although production had been suspended at the stricken Sendai and Toride factories, steady progress was made in the repair work at the Toride Plant, and operations resumed in early April. At the more heavily damaged Sendai Plant, as operations remain suspended, we have conducted cleanup work and equipment inspections. With the resumption of the power supply to the plant in July, we are confident that operations can be returned to normal. We plan to resume brewing beer in late September and to complete our first shipment in early November.

As for Mercian Corporation, sales of our domestic table wines, including *Mercian Oishii-sankaboshizai-mutenka wine* (a delicious and antioxidants - free wine) and *Mercian Bistro*, remained strong, while sales of our Chilean wine *Frontera* and our other imported table wines were also steady. Furthermore, our *St Hallett Tatiara* wines, which were developed in collaboration with a subsidiary winery of LION PTY LTD and released in March, achieved sales of about 35,000 cases up until the end of June, and we revised our annual projection upward accordingly to 100,000 cases. Moreover, although the Great East Japan Earthquake had resulted in partial damage being sustained at the automated warehouse at our Fujisawa Plant, as well as some shipping adjustments being needed due to a short supply of packaging materials, we have resolved these problems as they occur.

As a result,

Domestic alcohol beverages business 2011 second quarter results:

Consolidated sales	¥392.3 billion, down 6.4%
Consolidated operating income	¥28.8 billion, up 29.0%

<Domestic Non-Alcohol Beverages Business>

In the domestic non-alcohol beverages business, in addition to strengthening its product value and sales force, Kirin Beverage Company, Limited has also continued efforts to reform its revenue structure, and is proceeding to rebuild its competitive edge aimed at realizing growth.

As for our core brand *Kirin Gogo-no-Kocha*, besides *Kirin Gogo-no-Kocha Straight Tea* and our two other flagship items, with the new addition of *Kirin Gogo-no-Kocha Espresso Tea*, *Black Sugar-Free* and *Kirin Gogo-no-Kocha Espresso Tea, Ice Latte* to the Espresso Tea series lineup, sales were strong, driving the black tea market.

At the same time, we endeavored to stimulate the coffee market with our *Kirin FIRE* brand. In addition to strong sales of our *Hikitate* series, the *Kirin FIRE Neo* series of PET bottle coffee also received high acclaim. This new series offers a new style of a portable coffee of top-quality aroma and clear flavor attained using a low-temperature aseptic filling technique.

The Great East Japan Earthquake also led to a shortage in the supply of resin caps used for PET bottle drinks in the soft drink industry. As a result we have promoted the use of solid, white caps across the industry, and Kirin Beverage Company, Limited has also proceeded accordingly. Furthermore, in addition to maximizing our manufacturing and shipping efforts for the water category, in which we have sustained a high level of shipment ever since the earthquake, we also put much effort into saving energy on vending machines.

As a result,

Domestic non-alcohol beverages business 2011 second quarter results:

Consolidated sales	¥145.7 billion, down 12.5%
Consolidated operating loss	¥(1.0) billion, up/down -%

With respect to the non-alcohol beverage business in Vietnam, following the dissolution of the contract for Vietnam Kirin Acecook Beverage Co., Ltd., which was a joint venture with Acecook Co., Ltd. and Acecook Vietnam Co., Ltd., Kirin Beverage Company, Limited received transfer of that equity in full, making the company a wholly-owned subsidiary, and the company name was changed to Vietnam Kirin Beverage Co., Ltd. Significant growth is expected for the Vietnam market in the future, and by shifting the business scheme to a wholly-owned subsidiary, we will further strengthen Group cooperation, and we will intensify the building of strategies and the speed of their execution more than ever before.

<Overseas Beverages Business>

In Australia, Lion's alcohol beverages and soft drinks & foods businesses continued to make progress in improving mix and efficiency by pursuing a strategy of investing in people and a focused portfolio of high potential brands to drive sustainable results in the long term.

Conditions in the Oceania market were particularly challenging, compounded by an unusually cold summer, which is a key sales period for alcohol beverages, and two natural disasters – floods in Queensland and the earthquakes in New Zealand.

Conditions in the soft drinks & foods business remained very difficult for farmers and processors alike, driven by

deep discounting of white milk in retail. The business was also impacted by the loss of key private label contracts.

Also, business results have been included since the second quarter for Interfood Shareholding Company, the soft drink manufacturer and distributor in Vietnam for which the acquisition of shares was completed in March. As a result,

Overseas beverages business 2011 second quarter results:

Consolidated sales	¥232.5 billion, up 27.6%
Consolidated operating income	¥11.4 billion, down 22.1%

<Pharmaceuticals and Biochemicals Business>

In the pharmaceuticals business, at Kyowa Hakko Kirin Co., Ltd., sales continued to grow for *Nesp*, a treatment for nephrogenic anemia and *Regpara*, a treatment for treating secondary hyperparathyroidism, a complication arising from dialysis. Moreover, the higher amounts of airborne pollen helped to maintain strong sales of the antiallergic agent *Allelock* and the antiallergic eye drop *Patanol*.

In the biochemicals business, at Kyowa Hakko Bio Co., Ltd., although sales of pharmaceutical and industrial ingredients, centering on amino acid and nucleic acid related materials, were affected by the yen appreciation, sales of intravenous amino acids and pharmaceutical raw materials to overseas customers grew steadily.

Additionally, on March 31, Kyowa Hakko Kirin Co., Ltd. transferred all of its shares held in Kyowa Hakko Chemical Co., Ltd.. Consequently, only results for the first quarter consolidated accounting period (January 1, 2011 to March 31, 2011) have been included for the chemicals business.

Although the factories of some contracted pharmaceuticals manufacturers sustained damage due to the impact of the Great East Japan Earthquake, the extent of the damage was not severe.

As a result,

Pharmaceuticals and biochemicals business 2011 second quarter results:

Consolidated sales	¥181.1 billion, down 9.9%
Consolidated operating income	¥31.3 billion, up 33.0%

Steady progress has been made in the development of new drugs, such as an application for approval being made for KW-0761, a humanized monoclonal antibody that uses proprietary antibody technologies.

In addition, in April, Kyowa Hakko Kirin Co., Ltd. acquired all shares of ProStrakan Group Plc, the UK specialty pharmaceutical company that has development and distribution systems in the US and Europe for cancer-related and other ethical drugs.

<Other Businesses>

As a result, 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,

Other businesses 2011 second quarter results:

Consolidated sales	¥49.6 billion, up 21.0%
Consolidated operating income	¥3.1 billion, down 20.4%

In terms of support for areas affected by the Great East Japan Earthquake, the Kirin Group provided donations of ¥400 million (including ¥100 million from Kyowa Hakko Kirin Co., Ltd.), and provided relief supplies such as the equivalent of 1.15 million 500ml bottles of drinking water. Moreover, the Group resolved to contribute about ¥6.0 billion over the next three years in order for the Group as a whole to work on rebuilding in the affected areas on an ongoing basis.

Support for the rest of FY2011 was determined as follows. The current activities assisting reconstruction have been labeled the Kirin *Kizuna* Project: Support for Rebuilding, a slogan shared by the entire Group as each of these companies unite as one to promote assistance activities.

Under the Kirin *Kizuna* Project: Support for Rebuilding, based on the idea of wanting to work together with the people in affected areas for reconstruction of those areas, we established a theme of “fostering bonds” (“*kizuna*” means ties or bonds). In order to further deepen the *community bonds* and *family bonds* of the people in the affected areas, we will carry out activities in three main parts: assistance for rebuilding regional food culture & food industries, support for putting smiles on children's faces, and support for psychological and

physical health.

Three main areas of activities for reconstruction assistance (FY2011)

(i) Assistance for rebuilding regional food culture & food industries (about ¥900 million)

In the prefectures of Iwate, Miyagi and Fukushima, extensive damage has been sustained particularly in the agricultural and fisheries industries which support the food culture and regional economy of the local Tohoku area. Based on the idea of wanting to contribute to the recovery as a business involved in food, the Kirin Group will conduct continuous support activities over the next three years under an agriculture theme of “infrastructure development for the rebuilding and revival of agriculture” and a fisheries theme of “reconstruction and revitalization of aquaculture.”

(ii) Support for putting smiles on children's faces (about ¥300 million)

Based on our wish of wanting to take good care of learning opportunities for children who will support the future development of the affected areas, the Group will award scholarships to affected high school students studying at an agricultural high school or enrolled in an agricultural course, because these students will play a part in the rehabilitation of regional industries in the prefectures of Iwate, Miyagi and Fukushima. For the next three years, the Group will continue to offer non-repayable scholarships to about 600 students each year up to a maximum of ¥360,000 per student.

(iii) Support for psychological and physical health (about ¥600 million)

The Group will host a circuit of soccer clinics to convey the fun and emotional fulfillment of sport to the children in Iwate, Miyagi, and Fukushima prefectures. Former national team players will be invited to act as coaches, making for fun and memorable soccer clinics. In addition, the balls, goals and other equipment used in the soccer clinics will be donated to the local elementary schools where the clinics are held, thereby helping to create opportunities for children to enjoy soccer anytime. The Group will continue to carry out this activity for the next three years.

## (2) FINANCIAL POSITION

Total assets as of June 30, 2011 stood at ¥2,581.9 billion, a decrease of ¥67.2 billion compared to December 31, 2010. Despite increases in cash and intangible assets, the decrease in total assets was partly due to decreases in notes and accounts receivable, trade, property, plant and equipment, and investment securities. Total liabilities stood at ¥1,377.2 billion, a decrease of ¥112.8 billion compared to December 31, 2010. The decrease was mainly due to decreases in notes and accounts payable, trade, interest-bearing debts, and liquor taxes payable. Net assets stood at ¥1,204.6 billion, an increase of ¥45.5 billion compared to December 31, 2010 due in part to an increase in foreign currency translation adjustments.

## (3) CONSOLIDATED FORECASTS

As a result of taking into account the performance of each business and the revised foreign exchange rates, the forecasts for business results for the full year have been revised as follows.

Forecast of business results presented in this document does not take into account the effect of the consolidation of the Schincariol Group, which was announced in the timely disclosure “Kirin Consolidates Schincariol Group” on August 2, 2011. Given that the period is relatively limited, we do not believe that it will have any significant impact on the business forecasts outlined in this document. Should a revision to these forecasts prove necessary the relevant information will be released as soon as possible.

[Consolidated forecasts for the year ending December 31, 2011]

(Unit: Japanese yen (¥))					
	Sales (¥ millions)	Operating income (¥ millions)	Ordinary income (¥ millions)	Net income (¥ millions)	Net income per share (¥)
Previously announced forecast (A)	2,140,000	152,000	148,000	58,000	60.29
New forecast (B)	2,110,000	144,000	138,000	52,000	54.06
Change (B-A)	(30,000)	(8,000)	(10,000)	(6,000)	-
Change (%)	(1.4)	(5.3)	(6.8)	(10.3)	-
Actual result for previous fiscal year	2,177,802	151,612	140,969	11,394	11.95



## **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, ordinary income and income before income taxes and minority interests decreased by ¥72 million, ¥62 million and ¥1,543 million, respectively. 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 June 30, 2011	As of December 31, 2010 (Summary)
<b>ASSETS</b>		
Current Assets		
Cash	63,107	51,463
Notes and accounts receivable, trade	322,579	415,268
Merchandise and finished goods	121,118	129,704
Work in process	34,395	19,917
Raw materials and supplies	39,493	38,191
Other	73,430	74,483
Allowance for doubtful accounts	(2,237)	(1,939)
Total Current Assets	651,887	727,088
Fixed Assets		
Property, Plant and Equipment	705,163	739,235
Intangible Assets		
Goodwill	599,830	562,492
Other	118,425	95,864
Total	718,255	658,357
Investments and Other Assets		
Investment securities	406,114	428,383
Other	107,237	103,562
Allowance for doubtful accounts	(6,749)	(7,430)
Total	506,602	524,515
Total Fixed Assets	1,930,020	1,922,108
<b>TOTAL ASSETS</b>	<b>2,581,907</b>	<b>2,649,197</b>

(¥ millions)

	As of June 30, 2011	As of December 31, 2010 (Summary)
<b>LIABILITIES</b>		
Current Liabilities		
Notes and accounts payable, trade	136,213	169,036
Short-term loans payable and long-term debt with current maturities	119,925	181,786
Commercial papers	10,000	10,999
Bonds due within one year	3,330	3,361
Income taxes payable	31,898	26,544
Reserves	8,516	7,491
Other	242,451	280,475
Total Current Liabilities	552,334	679,695
Long-term Liabilities		
Bonds	316,558	320,070
Long-term debt	286,325	262,720
Employees' pension and retirement benefits	64,082	66,882
Other reserves	6,072	6,212
Other	151,900	154,578
Total Long-term Liabilities	824,939	810,464
<b>TOTAL LIABILITIES</b>	<b>1,377,274</b>	<b>1,490,160</b>
<b>NET ASSETS</b>		
Shareholders' Equity		
Common stock	102,045	102,045
Capital surplus	81,419	81,412
Retained earnings	827,435	821,519
Treasury stock, at cost	(3,182)	(2,985)
Total Shareholders' Equity	1,007,717	1,001,992
Valuation and Translation Adjustments		
Net unrealized holding gains on securities	5,706	7,252
Deferred gains or losses on hedges	322	1,285
Land revaluation difference	(4,713)	(4,713)
Foreign currency translation adjustments	(10,221)	(43,341)
Total Valuation and Translation Adjustments	(8,906)	(39,516)
Subscription rights to shares	206	207
Minority interests	205,615	196,352
<b>TOTAL NET ASSETS</b>	<b>1,204,633</b>	<b>1,159,036</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,581,907</b>	<b>2,649,197</b>

## (2) CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Six months ended June 30, 2010	Six months ended June 30, 2011
Sales	1,010,177	1,001,445
Cost of sales	608,019	592,047
Gross profit	402,157	409,398
Selling, general and administrative expenses	342,331	336,586
Operating income	59,826	72,812
Non-operating income		
Interest income	750	1,511
Dividend income	1,894	3,368
Equity in earnings of affiliates	7,577	5,701
Other	3,303	1,878
Total	13,526	12,460
Non-operating expenses		
Interest expense	10,828	10,775
Foreign currency translation loss	4,218	—
Other	2,006	1,937
Total	17,054	12,713
Ordinary income	56,298	72,559
Special income		
Gain on sale of fixed assets	2,601	13,646
Gain on sale of investment securities	6,800	1,619
Gain on sale of shares of subsidiaries and affiliates	122	6,604
Other	2,013	3,940
Total	11,537	25,811
Special expenses		
Loss on retirement of fixed assets	2,799	929
Loss on sale of fixed assets	286	583
Loss on impairment	—	1,693
Loss on devaluation of investment securities	2,722	3,515
Loss on sale of investment securities	186	—
Loss on sale of shares of subsidiaries and affiliates	3,824	1,957
Expense of reserve for loss on sale of business	2,719	2,000
Expense of reserve for loss on liquidation of a foreign subsidiary	7,534	—
Loss on revision of retirement benefit plan	6,987	—
Loss on prior periods adjustment	5,300	—
Loss related to the Great East Japan Earthquake	—	16,923
Other	8,693	10,593
Total	41,055	38,197
Income before income taxes and minority interests	26,780	60,173
Income taxes	15,162	32,775
Income taxes for prior years - deferred	1,169	—
Income before minority interests	—	27,397
Minority interests	3,291	9,456
Net income	7,156	17,940

### (3) CONSOLIDATED STATEMENTS OF CASH FLOWS

(¥ millions)

	Six months ended June 30, 2010	Six months ended June 30, 2011
Cash flows from operating activities		
Income before income taxes and minority interests	26,780	60,173
Depreciation and amortization	49,925	49,680
Loss on impairment	—	1,693
Amortization of goodwill	16,655	18,256
Interest and dividend income	(2,644)	(4,880)
Equity in losses (earnings) of affiliates	(7,577)	(5,701)
Interest expense	10,828	10,775
Foreign currency translation loss (gain)	2,575	(138)
Gain on sale of fixed assets	—	(13,646)
Loss on retirement and sale of fixed assets	3,085	1,186
Gain on sale of investment securities	(6,800)	(1,619)
Loss on devaluation of investment securities	—	3,515
Gain on sale of shares of subsidiaries and affiliates	—	(6,604)
Loss on sale of shares of subsidiaries and affiliates	3,824	1,957
Decrease (increase) in notes and accounts receivable, trade	64,890	68,626
Decrease (increase) in inventories	(6,418)	(9,632)
Increase (decrease) in notes and accounts payable, trade	(4,831)	(15,521)
Increase (decrease) in liquor taxes payable	(38,957)	(33,149)
Increase (decrease) in consumption taxes payable	(6,790)	(2,142)
Increase (decrease) in deposits received	(13,915)	(5,350)
Other	2,782	4,277
Sub-total	93,413	121,754
Interest and dividend received	7,626	10,642
Interest paid	(9,253)	(11,100)
Income taxes paid	(6,947)	(28,872)
Net cash provided by operating activities	84,838	92,424
Cash flows from investing activities		
Payment for purchases of property, plant and equipment and intangible assets	(56,416)	(42,126)
Proceeds from sale of property, plant and equipment and intangible assets	6,105	17,480
Payment for purchases of marketable securities and investment securities	(383)	(4,341)
Proceeds from sale and redemption of marketable securities and investment securities	14,497	11,303
Payment for purchases of shares of subsidiaries	(6,000)	(886)
Payment for purchases of shares of subsidiaries with consolidation/de-consolidation	—	(41,157)
Proceeds from sale of shares of subsidiaries with consolidation/de-consolidation	703	55,127
Other	1,624	(7,135)
Net cash used in investing activities	(39,869)	(11,735)

(¥ millions)

	Six months ended June 30, 2010	Six months ended June 30, 2011
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(97,211)	(41,820)
Increase (decrease) in commercial papers	84,997	(999)
Proceeds from long-term debt	14,878	69,558
Repayment of long-term debt	(15,197)	(77,040)
Payment for redemption of bonds	(4,914)	(4,955)
Payment to minority shareholders for capital reduction of consolidated subsidiaries	(2,058)	—
Payment for purchases of treasury stock	(236)	(331)
Proceeds from sale of treasury stock	42	122
Cash dividends paid	(10,963)	(12,025)
Cash dividends paid to minority shareholders	(2,260)	(3,111)
Other	410	(397)
Net cash used in financing activities	(32,513)	(71,000)
Effect of exchange rate fluctuation on cash and cash equivalents	(10,814)	1,026
Net increase (decrease) in cash and cash equivalents	1,640	10,714
Cash and cash equivalents at beginning of year	118,797	45,278
Cash and cash equivalents at end of period	120,438	55,992

#### (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)

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

##### Notes

- 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, etc.

##### b. Geographical segment information

(¥ millions)

(\$ millions)

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

##### Notes

- Geographical distances are considered in classification 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.

##### c. Overseas sales

(¥ millions)

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

##### Notes

- 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.

- 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 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 and logistics.

“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)
Six months ended June 30, 2011							
	Reportable Segment					Adjustment (Note 2)	Amount recorded in the 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	392,308	145,747	232,513	181,187	49,688	—	1,001,445
Inter-segment	17,013	1,808	421	5,180	14,752	(39,175)	—
Total sales	409,322	147,555	232,934	186,367	64,440	(39,175)	1,001,445
Segment income (loss)	28,897	(1,081)	11,451	31,328	3,188	(973)	72,812

Notes

1. “Others” includes food business such as seasonings, and others.
2. The negative ¥973 million adjustment in segment income (loss) includes ¥9,060 million in inter-segment eliminations and negative ¥10,033 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 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 Six Months Ended June 30, 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**

**August 5, 2011**

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

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

(¥ billions)

	Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual	Increase (decrease)	
Sales	1,001.4	1,010.1	(8.7)	(0.9%)
Gross profit	409.3	402.1	7.2	1.8%
Selling, general and administrative expenses	336.5	342.3	(5.7)	(1.7%)
Operating income	72.8	59.8	12.9	21.7%
Non-operating income	12.4	13.5	(1.0)	(7.9%)
Non-operating expenses	12.7	17.0	(4.3)	(25.5%)
Ordinary income	72.5	56.2	16.2	28.9%
Special income	25.8	11.5	14.2	123.7%
Special expenses	38.1	41.0	(2.8)	(7.0%)
Income before income taxes and minority interests	60.1	26.7	33.3	124.7%
Income taxes	32.7	16.3	16.4	100.7%
Minority interests	9.4	3.2	6.1	187.3%
Net income	17.9	7.1	10.7	150.7%
EBITDA *	134.0	104.4	29.5	28.3%

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

		Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual	Increase (decrease)	
Sales	Excluding liquor tax	¥857.1 billion	¥856.2 billion	¥0.9 billion	0.1%
Operating income	Prior to amortization of goodwill etc.	¥95.7 billion	¥79.6 billion	¥16.0 billion	20.1%
Operating income ratio	Excluding liquor tax, prior to amortization of goodwill etc.	11.2%	9.3%		
	Excluding liquor tax, after amortization of goodwill etc.	8.5%	7.0%		
Overseas ratio	Sales excluding liquor tax	32%	24%		
D/E ratio		0.74	0.89		

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

(¥)

	Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual
Lion - Alcohol Beverages (AUD)	82.31	81.69
Lion - Non-alcohol Beverages (AUD)		81.58
San Miguel Brewery (PHP)	1.90	1.96
Fraser and Neave (SD)	64.57	—

	Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual
Lion - Alcohol Beverages	From October 2010 to March 2011	From October 2009 to March 2010
Lion - Non-alcohol Beverages		From January 2010 to March 2010 *1
San Miguel Brewery		From October 2009 to March 2010
Fraser and Neave	From January 2011 to March 2011 *2	—

\*1 Due to the change of fiscal year-end, the three months ended March 31, 2010 is not included.

\*2 Included from the second quarter of the fiscal year ending December 31, 2011.

## 2. Sales Details

(¥ billions)

	Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual	Increase (decrease)	
Sales	1,001.4	1,010.1	(8.7)	(0.9%)
Domestic Alcohol Beverages	392.3	419.1	(26.8)	(6.4%)
Kirin Brewery (non-consolidated)	347.0	372.5	(25.4)	(6.8%)
Mercian	35.7	35.2	0.5	1.6%
Other and elimination	9.5	11.4	(1.9)	(16.9%)
Domestic Non-alcohol Beverages	145.7	166.5	(20.7)	(12.5%)
Kirin Beverage	147.5	165.2	(17.7)	(10.7%)
Other and elimination	(1.8)	1.2	(3.0)	—
Overseas Beverages	232.5	182.2	50.2	27.6%
Lion	215.9	165.9	50.0	30.1%
Alcohol Beverages	96.9	102.6	(5.7)	(5.6%)
Non-alcohol Beverages	118.9	63.2	55.7	88.1%
Other and elimination	16.6	16.3	0.2	1.4%
Pharmaceuticals and Biochemicals	181.1	201.1	(19.9)	(9.9%)
Kyowa Hakko Kirin	186.3	203.4	(17.0)	(8.4%)
Pharmaceutical	112.4	103.3	9.0	8.8%
Biochemical	38.0	39.7	(1.6)	(4.2%)
Chemical, etc.	35.8	60.3	(24.4)	(40.6%)
Other and elimination	(5.1)	(2.3)	(2.8)	—
Other	49.6	41.0	8.6	21.0%

(Reference) Sales excluding liquor tax

(¥ billions)

	Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual
Kirin Brewery (non-consolidated)	206.0	221.5

### 3. Profit Details

#### (1) Operating Income

(¥ billions)			
	Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual	Increase (decrease)
Operating income	72.8	59.8	12.9
Domestic Alcohol Beverages	28.8	22.3	6.5
Kirin Brewery (non-consolidated)	32.4	28.3	4.0
Management fee, etc.	(5.5)	(5.9)	0.4
Total	26.8	22.4	4.4
Mercian	1.0	(1.3)	2.4
Management fee, etc.	(0.2)	—	(0.2)
Total	0.7	(1.3)	2.1
Others	1.2	1.3	(0.1)
Domestic Non-alcohol Beverages	(1.0)	(2.1)	1.0
Kirin Beverage	1.8	0.8	1.0
Management fee, etc.	(1.7)	(1.7)	(0.0)
Amortization of goodwill	(0.9)	(0.9)	(0.0)
Total	(0.8)	(1.9)	1.0
Others	(0.1)	(0.2)	0.0
Overseas Beverages	11.4	14.7	(3.2)
Lion (consolidated after reclassification)	10.6	13.8	(3.2)
Alcohol Beverages	25.3	27.7	(2.4)
Amortization of goodwill	(9.4)	(9.4)	(0.0)
Brand amortization	(3.2)	(3.1)	(0.0)
Total	12.6	15.1	(2.4)
Non-alcohol Beverages	5.1	3.4	1.6
Amortization of goodwill	(3.2)	(1.8)	(1.4)
Brand amortization	(1.4)	(0.9)	(0.4)
Total	0.4	0.6	(0.2)
Corporate expenses	(2.5)	(1.9)	(0.5)
Others	0.8	0.8	(0.0)
Pharmaceuticals and Biochemicals	31.3	23.5	7.7
Kyowa Hakko Kirin (consolidated after reclassification)	31.3	23.5	7.7
Pharmaceutical	25.1	18.3	6.8
Biochemical	2.5	1.8	0.6
Chemical, etc.	2.1	1.8	0.3
Elimination of amortization of goodwill	4.6	4.6	(0.0)
Amortization of goodwill	(3.1)	(3.1)	(0.0)
Other	3.1	4.0	(0.8)
Corporate expenses/inter-segment eliminations	(0.9)	(2.6)	1.7

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	(9.2)	Sales decrease in beer (20) thousand KL, (2.4) Sales decrease in <i>happo-shu</i> (29) thousand KL, (3.0) Sales decrease in new genre (2) thousand KL, (0.2) Sales decrease in RTD (13) thousand KL, (1.4) 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	0.7	Decrease in price of malt 0.8, Decrease in price for packing materials 0.3, Increase in cost of sugar and liquid sugar (0.2), etc.
	Decrease in selling cost	8.2	Decrease in sales promotion and advertising expenses 8.2 (Beer, <i>happo-shu</i> and new genre 6.4, RTD 1.2, etc.)
	Decrease in other expenses	4.7	Decrease in labor cost 0.5, Decrease in depreciation 1.0, Decrease in public relations expenses 0.4, Decrease in management fee, etc. 0.4, Transfer amount of loss related to the Great East Japan Earthquake 1.5, etc.
Total		4.4	
Kirin Beverage *	Difference in volume of sales	(2.1)	Decrease in domestic sales volume (1.92) million cases
	Cost increase	(0.7)	Increase in raw material cost (1.8), Decrease in raw material cost 1.1, etc.
	Decrease due in change of composition ratio of containers, etc.	(1.3)	
	Decrease in selling cost	3.1	Decrease in sales promotion and advertising expenses 2.7, Decrease in transportation cost 0.3
	Decrease in other expenses	2.0	Decrease in depreciation 0.6, Decrease in miscellaneous expenses 0.2, Decrease in repair expenses 0.1, Decrease in sales equipment cost 0.1, etc.
Total		1.0	

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

## Major operating expenses

(¥ billions)

		Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual
Sales promotion expenses		65.7	74.5
Advertising expenses		29.2	34.7
Kirin Brewery (non-consolidated)	Sales promotion expenses	18.1	18.8
	Advertising expenses	12.3	19.7
Kirin Beverage	Sales promotion expenses	41.3	45.3
	Advertising expenses	3.4	4.5
Research and development expenses		27.1	26.6
Kyowa Hakko Kirin (excluding internal transaction)		21.9	21.1

## (2) Ordinary Income and Net Income

(¥ billions)

	Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual	Increase (decrease)	Description of changes
Non-operating income and expenses	(0.2)	(3.5)	3.2	Equity in earnings or losses of local affiliates (4.7), etc. Equity in earnings or losses of local affiliates 1.4, Amortization of consolidation difference (0.3), etc. Kirin-Amgen, Inc. 2.3, etc.
Financial profit or loss, net	(5.8)	(8.1)	2.2	
Equity in earnings or losses of affiliates	5.7	7.5	(1.8)	
San Miguel Brewery	(0.4)	4.3	(4.8)	
Fraser and Neave	1.0	—	1.0	
Others	5.1	3.2	1.9	
Foreign currency translation gain or loss	(0.0)	(4.2)	4.1	
Other	(0.0)	1.2	(1.3)	
Ordinary income	72.5	56.2	16.2	
Special income and expenses	(12.3)	(29.5)	17.1	
Special income	25.8	11.5	14.2	
Gain on sale of fixed assets	13.6	2.6	11.0	
Gain on sale of investment securities	1.6	6.8	(5.1)	
Gain on sale of shares of subsidiaries and affiliates	6.6	0.1	6.4	
Other	3.9	2.0	1.9	
Special expenses	(38.1)	(41.0)	2.8	
Loss on retirement of fixed assets	(0.9)	(2.7)	1.8	
Loss on sale of fixed assets	(0.5)	(0.2)	(0.2)	
Loss on impairment	(1.6)	—	(1.6)	
Loss on devaluation of investment securities	(3.5)	(2.7)	(0.7)	
Loss on sale of investment securities	—	(0.1)	0.1	
Loss on sale of shares of subsidiaries and affiliates	(1.9)	(3.8)	1.8	
Expense of reserve for loss on sale of business	(2.0)	(2.7)	0.7	
Expense of reserve for loss on liquidation of a foreign subsidiary	—	(7.5)	7.5	
Loss on revision of retirement benefit plan	—	(6.9)	6.9	
Loss on prior periods adjustment	—	(5.3)	5.3	
Loss related to the Great East Japan Earthquake	(16.9)	—	(16.9)	
Other	(10.5)	(8.6)	(1.8)	
Income taxes	(32.7)	(16.3)	(16.4)	
Minority interests	(9.4)	(3.2)	(6.1)	
Net income	17.9	7.1	10.7	

#### 4. Summary of Consolidated Balance Sheets

(¥ billions)

	As of June 30, 2011	As of December 31, 2010	Increase (decrease)	Description of changes
Current Assets	651.8	727.0	(75.2)	
Cash	63.1	51.4	11.6	
Notes and accounts receivable, trade	322.5	415.2	(92.6)	Decrease due to the year-end of previous year being a bank holiday, etc.
Inventories	195.0	187.8	7.1	
Other	71.1	72.5	(1.3)	
Fixed Assets	1,930.0	1,922.1	7.9	
Property, Plant and Equipment	705.1	739.2	(34.0)	Decrease due to sales of chemical business, etc.
Intangible Assets	718.2	658.3	59.8	
Goodwill	599.8	562.4	37.3	Increase due to new consolidated subsidiaries, etc.
Other	118.4	95.8	22.5	Increase due to new consolidated subsidiaries, etc.
Investments and Other Assets	506.6	524.5	(17.9)	Decrease due to sales of chemical business, etc.
TOTAL ASSETS	2,581.9	2,649.1	(67.2)	
Current Liabilities	552.3	679.6	(127.3)	
Notes and accounts payable, trade	136.2	169.0	(32.8)	Decrease due to sales of chemical business, etc.
Interest-bearing liabilities	133.2	196.1	(62.8)	Decrease due to repayment of borrowings made by Kirin Holdings, etc.
Other	282.8	314.5	(31.6)	Decrease in liquor taxes payable due to the year-end of previous year being a bank holiday, etc.
Long-term Liabilities	824.9	810.4	14.4	
Interest-bearing liabilities	602.8	582.7	20.0	Increase due to borrowings made by Kirin Holdings, etc.
Other	222.0	227.6	(5.6)	
TOTAL LIABILITIES	1,377.2	1,490.1	(112.8)	
Shareholders' Equity	1,007.7	1,001.9	5.7	
Valuation and Translation Adjustments	(8.9)	(39.5)	30.6	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	205.6	196.3	9.2	
TOTAL NET ASSETS	1,204.6	1,159.0	45.5	
TOTAL LIABILITIES AND NET ASSETS	2,581.9	2,649.1	(67.2)	



## 5. Summary of Consolidated Statements of Cash Flows

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

(¥ billions)

	Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual	Increase (decrease)
Cash flows from operating activities	92.4	84.8	7.5
Income before income taxes and minority interests	60.1	26.7	33.3
Depreciation and amortization	49.6	49.9	(0.2)
Amortization of goodwill	18.2	16.6	1.6
Other	(35.6)	(8.5)	(27.1)
Cash flows from investing activities	(11.7)	(39.8)	28.1
Capital expenditures	(42.1)	(56.4)	14.2
Other	30.3	16.5	13.8
Cash flows from financing activities	(71.0)	(32.5)	(38.4)
Increase (decrease) in interest-bearing liabilities	(55.2)	(17.4)	(37.8)
Cash dividends paid	(15.1)	(13.2)	(1.9)
Other	(0.6)	(1.8)	1.2
Translation adjustments	1.0	(10.8)	11.8
Net increase (decrease) in cash and cash equivalents	10.7	1.6	9.0

### (2) Information by Segment

Six months ended June 30, 2011, Actual

(¥ billions)

	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages	Overseas Beverages	Pharmaceuticals and Biochemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	15.4	5.8	13.1	10.4	4.1	0.6	49.6
Amortization of goodwill	0.1	1.3	12.9	3.4	0.3	—	18.2
Capital expenditures	17.9	4.1	9.1	8.6	2.0	0.1	42.1
EBITDA *	28.1	4.8	35.7	47.5	8.3	9.3	134.0

Six months ended June 30, 2010, Actual

(¥ billions)

	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages	Overseas Beverages	Pharmaceuticals and Biochemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	17.1	6.7	10.4	10.5	4.1	0.8	49.9
Amortization of goodwill	0.1	1.3	11.4	3.4	0.3	—	16.6
Capital expenditures	16.2	4.4	7.8	21.0	1.7	5.1	56.4
EBITDA *	29.0	4.9	38.3	34.6	7.9	(10.4)	104.4

\* 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 (consolidated after reclassification)

Six months ended June 30, 2011, Actual

<Consolidated subsidiaries>

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kyowa Hakko Kirin	186.3	29.8	30.5	17.7	8.9
Elimination of amortization of goodwill		4.6	4.6	4.6	2.3
Amortization of goodwill		(3.1)	(3.1)	(3.1)	(3.1)
Total included in consolidation	186.3	31.3	32.0	19.2	8.1

(¥ billions)

<Affiliates accounted for by the equity method>

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
San Miguel Brewery	68.9	19.2	15.9	6.9	3.3
Equity in earnings or losses of local affiliates			3.3	3.3	3.3
Brand amortization			(0.8)	(0.8)	(0.8)
Amortization of consolidation difference			(2.9)	(2.9)	(2.9)
Total included in consolidation			(0.4)	(0.4)	(0.4)

(¥ billions)

### (2) Net Sales and Operating Income on a Local Currency Basis of Lion (consolidated after reclassification)

	Six months ended June 30, 2011, Actual	Six months ended June 30, 2010, Actual	Increase (decrease)	
Sales	2,623	2,031	591	29.1%
Alcohol Beverages	1,178	1,256	(78)	(6.3%)
Non-alcohol Beverages	1,444	774	669	86.5%
Operating income (Prior to amortization of goodwill and brand)	339	358	(18)	(5.3%)
Alcohol Beverages	308	340	(31)	(9.4%)
Non-alcohol Beverages	62	42	19	46.5%
Corporate expenses	(31)	(24)	(6)	—

(AUD millions)

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

#### a. Kirin Brewery

	Six months ended June 30, 2011		Six months ended June 30, 2010	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	310	(6.1%)	330	(7.7%)
<i>Happo-shu</i>	281	(9.5%)	310	(10.7%)
New genre	322	(0.5%)	324	4.0%
Sub-total	914	(5.3%)	966	(5.1%)
RTD	82	(13.2%)	95	4.2%
Beer-taste beverages	24	(28.7%)	33	126.7%
Breakdown of sales	¥ billions		¥ billions	
Beer	128.1	(6.0%)	136.3	(7.4%)
<i>Happo-shu</i>	85.7	(9.5%)	94.8	(10.7%)
New genre	84.7	(0.5%)	85.1	3.9%
Sub-total	298.6	(5.6%)	316.3	(5.7%)
RTD	22.8	(12.6%)	26.1	6.2%
<i>Shochu</i> , Whiskey and Spirits, etc. *	25.6	(15.0%)	30.1	13.2%
Total sales	347.0	(6.8%)	372.5	(3.6%)

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			Six months ended June 30, 2011				Six months ended June 30, 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	921	11%	(129)	88%	1,050	12%	(152)	87%
		Oolong tea	128	2%	(11)	92%	139	2%	(16)	90%
		Black tea	2,248	27%	243	112%	2,005	24%	233	113%
		Sub-total	3,297	40%	103	103%	3,194	38%	65	102%
	Coffee		1,579	19%	(67)	96%	1,646	20%	(115)	93%
	Fruit and vegetable juice		787	9%	(151)	84%	938	11%	(160)	85%
	Carbonated beverage		296	4%	(127)	70%	423	5%	68	119%
	Water		1,493	18%	197	115%	1,296	15%	(330)	80%
	Other		450	5%	(147)	75%	597	7%	(138)	81%
	Domestic soft drink beverage market total		7,902	95%	(192)	98%	8,094	96%	(610)	93%
Overseas soft drink beverage market total			402	5%	63	119%	339	4%	(33)	91%
Soft drink beverages total			8,304	100%	(129)	98%	8,433	100%	(643)	93%

### <Container Type>

Soft drink beverages			Six months ended June 30, 2011				Six months ended June 30, 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	2,102	25%	(92)	96%	2,194	26%	(92)	96%
PET bottles	Large-sized PET bottles	2L	1,488	18%	179	114%	1,309	16%	(304)	81%
		1.5L, 1L, 900ml, 750ml	658	8%	(15)	98%	673	8%	(71)	90%
		Large-sized PET bottles total	2,146	26%	164	108%	1,982	24%	(375)	84%
	Small-sized PET bottles	500ml	2,086	25%	(188)	92%	2,274	27%	(110)	95%
		350ml or less	731	9%	88	114%	643	8%	37	106%
		Small-sized PET bottles total	2,817	34%	(100)	97%	2,917	35%	(73)	98%
	PET bottles total		4,963	60%	64	101%	4,899	59%	(448)	92%
Other containers	One-way/Returnable bottles, paper, gifts, etc.		837	10%	(164)	84%	1,001	11%	(70)	93%
Overseas soft drink beverage market total			402	5%	63	119%	339	4%	(33)	91%
Soft drink beverages total			8,304	100%	(129)	98%	8,433	100%	(643)	93%

c. Kyowa Hakko Kirin

Sales		Six months ended June 30, 2011		Six months ended June 30, 2010	
		Actual	Percentage over the previous year	Actual	Percentage over the previous year
Area	Major product name	¥ billions		¥ billions	
Nephrology	NESP <sup>®</sup>	25.4	144%	17.7	112%
	ESPO <sup>®</sup>	2.7	48%	5.7	91%
	[NESP <sup>®</sup> / ESPO <sup>®</sup> ]	[28.2]	[120%]	[23.4]	[106%]
	REGPARA <sup>®</sup>	5.3	124%	4.3	147%
Immunology / allergology	Allelock <sup>®</sup>	18.1	130%	13.9	92%
	Patanol <sup>®</sup>	8.6	183%	4.7	89%
Oncology	GRAN <sup>®</sup> / Neu-up <sup>®</sup> *	6.7	93%	7.3	96%
Cardiovascular system	Coniel <sup>®</sup>	9.6	93%	10.3	94%

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

## **Supplementary Documents to the Forecast of Consolidated Business Results for the Fiscal Year Ending December 31, 2011**

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

**KIRIN HOLDINGS COMPANY, LIMITED**

**August 5, 2011**

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

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

(¥ billions)

	Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual	Increase (decrease)	
Sales	2,110.0	2,177.8	(67.8)	(3.1%)
Operating income	144.0	151.6	(7.6)	(5.0%)
Non-operating income and expenses	(6.0)	(10.6)	4.6	—
Ordinary income	138.0	140.9	(2.9)	(2.1%)
Special income and expenses	(8.0)	(60.6)	52.6	—
Income before income taxes and minority interests	130.0	80.3	49.6	61.8%
Income taxes	61.8	57.8	4.0	7.0%
Minority interests	16.1	11.1	5.0	45.1%
Net income	52.0	11.3	40.6	356.4%
EBITDA *	294.0	269.3	24.6	9.1%

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

(Actual figures for the fiscal year ended December 31, 2010 exclude loss on impairment regarding goodwill, etc. of Lion (Non-alcohol Beverages), gain on negative goodwill incurred by making Mercian the Company's wholly owned subsidiary and others.)

		Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual	Increase (decrease)	
Sales	Excluding liquor tax	¥1,782.0 billion	¥1,835.2 billion	¥(53.2) billion	(2.9%)
Operating income	Prior to amortization of goodwill etc.	¥191.3 billion	¥193.6 billion	¥(2.2) billion	(1.1%)
Operating income ratio	Excluding liquor tax, prior to amortization of goodwill etc.	10.7%	10.5%		
	Excluding liquor tax, after amortization of goodwill etc.	8.1%	8.3%		
ROE	Prior to amortization of goodwill etc.*	10.4%	8.8%		
	After amortization of goodwill etc.	5.3%	1.2%		
EPS	Prior to amortization of goodwill etc.*	¥112	¥94		
	After amortization of goodwill etc.	¥54	¥12		
Overseas ratio	Sales excluding liquor tax	30%	25%		
D/E ratio		0.94	0.81		
Turnover of total assets	Sales excluding liquor tax	0.64	0.67		

\* Includes goodwill etc. related to affiliates accounted for by the equity method.

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

(¥)

	Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual
Lion - Alcohol Beverages (AUD)	85.00	80.42
Lion - Non-alcohol Beverages (AUD)		79.95
San Miguel Brewery (PHP)	1.90	1.96
Fraser and Neave (SD)	66.00	—

	Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual
Lion - Alcohol Beverages	From October 2010 to September 2011	From October 2009 to September 2010
Lion - Non-alcohol Beverages		From January 2010 to September 2010 *1
San Miguel Brewery		From October 2009 to September 2010
Fraser and Neave	From January 2011 to September 2011 *2	—

\*1 Due to the change of fiscal year-end, the three months ended March 31, 2010 is not included.

\*2 Included from the second quarter of the fiscal year ending December 31, 2011.



## 2. Sales Details

(¥ billions)

	Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual	Increase (decrease)	
Sales	2,110.0	2,177.8	(67.8)	(3.1%)
Domestic Alcohol Beverages	878.0	928.4	(50.4)	(5.4%)
Kirin Brewery (non-consolidated)	782.1	826.0	(43.8)	(5.3%)
Mercian	73.0	77.7	(4.7)	(6.1%)
Other and elimination	22.8	24.6	(1.8)	(7.4%)
Domestic Non-alcohol Beverages	327.0	347.7	(20.7)	(6.0%)
Kirin Beverage	329.5	350.0	(20.5)	(5.9%)
Other and elimination	(2.5)	(2.2)	(0.2)	—
Overseas Beverages	468.0	403.9	64.0	15.8%
Lion	432.7	371.6	61.0	16.4%
Alcohol Beverages	196.3	185.8	10.5	5.7%
Non-alcohol Beverages	236.3	185.8	50.5	27.2%
Other and elimination	35.2	32.3	2.9	9.2%
Pharmaceuticals and Biochemicals	333.0	405.6	(72.6)	(17.9%)
Kyowa Hakko Kirin	342.0	413.7	(71.7)	(17.3%)
Pharmaceutical	224.8	210.1	14.6	7.0%
Biochemical	76.7	75.5	1.1	1.5%
Chemical, etc.	40.5	128.0	(87.5)	(68.4%)
Other and elimination	(9.0)	(8.1)	(0.8)	—
Other	104.0	91.9	12.0	13.1%

(Reference) Sales excluding liquor tax

(¥ billions)

	Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual
Kirin Brewery (non-consolidated)	459.8	490.1

### 3. Profit Details

#### (1) Operating Income

(¥ billions)

	Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual	Increase (decrease)
Operating income	144.0	151.6	(7.6)
Domestic Alcohol Beverages	70.0	73.2	(3.2)
Kirin Brewery (non-consolidated)	78.4	83.1	(4.6)
Management fee, etc.	(12.4)	(13.1)	0.6
Total	66.0	69.9	(3.9)
Mercian	1.5	0.2	1.3
Management fee, etc.	(0.5)	—	(0.5)
Total	1.0	0.2	0.8
Others	2.9	3.0	(0.1)
Domestic Non-alcohol Beverages	4.0	2.4	1.5
Kirin Beverage	10.0	8.4	1.5
Management fee, etc.	(4.0)	(3.8)	(0.1)
Amortization of goodwill	(1.9)	(1.9)	—
Total	4.0	2.6	1.3
Others	(0.0)	(0.2)	0.1
Overseas Beverages	17.0	22.9	(5.9)
Lion (consolidated after reclassification)	14.3	20.4	(6.0)
Alcohol Beverages	49.5	50.5	(0.9)
Amortization of goodwill	(19.4)	(18.6)	(0.7)
Brand amortization	(6.6)	(6.2)	(0.3)
Total	23.4	25.5	(2.1)
Non-alcohol Beverages	7.7	7.8	(0.1)
Amortization of goodwill	(6.6)	(5.3)	(1.3)
Brand amortization	(2.8)	(2.8)	(0.0)
Total	(1.8)	(0.3)	(1.4)
Corporate expenses	(7.2)	(4.8)	(2.4)
Others	2.6	2.4	0.1
Pharmaceuticals and Biochemicals	46.5	48.7	(2.2)
Kyowa Hakko Kirin (consolidated after reclassification)	46.5	48.7	(2.2)
Pharmaceutical	37.5	36.1	1.3
Biochemical	3.5	3.2	0.2
Chemical, etc.	2.5	6.2	(3.7)
Elimination of amortization of goodwill	9.2	9.3	(0.0)
Amortization of goodwill	(6.2)	(6.3)	0.0
Other	8.0	8.1	(0.1)
Corporate expenses/inter-segment eliminations	(1.5)	(3.8)	2.3

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	(16.0)	Sales decrease in beer (29) thousand KL, (3.8) Sales decrease in <i>happo-shu</i> (64) thousand KL, (6.7) Sales decrease in new genre (5) thousand KL, (0.6) Sales decrease in RTD (8) thousand KL, (0.9) Difference of change in products mix, etc.
	Decrease in raw material cost of alcohol beverages	0.5	Decrease in price of malt, Decrease in price for packing materials, Increase in cost of sugar and liquid sugar, etc.
	Decrease in selling cost	5.2	Decrease in sales promotion and advertising expenses 5.2, etc.
	Decrease in other expenses	6.4	Decrease in labor cost 1.1, Decrease in depreciation 1.5, Decrease in public relations expenses 0.5, Decrease in management fee, etc. 0.7, Increase in information processing fee (0.8), Transfer amount of loss related to the Great East Japan Earthquake 2.7, etc.
Total		(3.9)	
Kirin Beverage *	Difference in volume of sales	1.1	Increase in domestic sales volume 0.99 million cases
	Cost increase	(1.8)	Increase in raw material cost (3.7), Decrease in raw material cost (1.9)
	Decrease due in change of composition ratio of containers, etc.	(1.1)	
	Decrease in selling cost	0.9	Decrease in sales promotion and advertising expenses 0.7, Decrease in transportation cost 0.2
	Decrease in other expenses	2.2	Decrease in depreciation 1.0, Decrease in sales equipment cost 0.4, Decrease in information processing fee 0.1, etc.
Total		1.3	

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

## Major operating expenses

(¥ billions)

		Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual
Sales promotion expenses		220.0	157.0
Advertising expenses			64.3
Kirin Brewery (non-consolidated)	Sales promotion expenses	74.8	45.4
	Advertising expenses		34.5
Kirin Beverage	Sales promotion expenses	100.3	97.4
	Advertising expenses		8.6
Research and development expenses		60.0	55.6
Kyowa Hakko Kirin (excluding internal transaction)		48.2	43.8

## (2) Ordinary Income and Net Income

(¥ billions)

	Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual	Increase (decrease)	Description of changes
Non-operating income and expenses	(6.0)	(10.6)	4.6	Equity in earnings or losses of local affiliates (4.9), etc. Equity in earnings or losses of local affiliates 5.4, Amortization of consolidation difference (1.1), etc.
Financial profit or loss, net	(13.0)	(17.2)	4.1	
Equity in earnings or losses of affiliates	10.0	9.4	0.5	
San Miguel Brewery	*0.7	5.6	(4.9)	
Fraser and Neave	*4.2	—	4.2	
Others	5.1	3.8	1.3	
Foreign currency translation gain or loss	(1.1)	(4.9)	3.8	
Other	(1.9)	1.9	(3.8)	
Ordinary income	138.0	140.9	(2.9)	
Special income and expenses	(8.0)	(60.6)	52.6	
Income taxes	(61.8)	(57.8)	(4.0)	
Minority interests	(16.1)	(11.1)	(5.0)	
Net income	52.0	11.3	40.6	

\*Since forecasts of business results are undisclosed, figures are based on actual results which have been disclosed.

#### 4. Summary of Consolidated Statements of Cash Flows

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

(¥ billions)

	Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual	Increase (decrease)
Cash flows from operating activities	199.0	218.0	(19.0)
Income before income taxes and minority interests	130.0	80.3	49.6
Depreciation and amortization	110.0	105.2	4.7
Amortization of goodwill	37.8	34.7	3.1
Other	(78.8)	(2.2)	(76.6)
Cash flows from investing activities	(262.0)	(140.9)	(121.0)
Capital expenditures	(85.0)	(106.6)	21.6
Other	(177.0)	(34.2)	(142.7)
Cash flows from financing activities	63.0	(140.1)	203.1
Increase (decrease) in interest-bearing liabilities	94.0	(118.5)	212.5
Cash dividends paid	(31.0)	(28.0)	(2.9)
Other	—	6.4	(6.4)
Translation adjustments	—	(10.4)	10.4
Net increase (decrease) in cash and cash equivalents	—	(73.5)	73.5

##### (2) Information by Segment

##### Fiscal year ending December 31, 2011, Forecast

(¥ billions)

	Domestic Alcohol Beverages	Domestic Non-alcohol Beverages	Overseas Beverages	Pharmaceuticals and Biochemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	36.0	12.7	27.5	23.0	9.1	1.4	110.0
Amortization of goodwill	0.2	2.6	26.6	7.6	0.7	—	37.8
Capital expenditures	31.5	7.9	15.4	21.0	6.9	2.0	85.0
EBITDA *	95.4	16.8	67.1	78.2	24.5	11.7	294.0

##### Fiscal year ended December 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)	35.0	14.2	23.7	22.1	8.4	1.5	105.2
Amortization of goodwill	0.2	2.7	24.2	6.9	0.5	—	34.7
Capital expenditures	31.0	9.4	21.5	33.2	2.9	8.4	106.6
EBITDA *	97.3	18.1	66.5	74.1	15.5	(2.3)	269.3

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

(Actual figures for the fiscal year ended December 31, 2010 exclude loss on impairment regarding goodwill, etc. of Lion (Non-alcohol Beverages), gain on negative goodwill incurred by making Mercian the Company's wholly owned subsidiary and others.)

## 5. Other Information

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

Fiscal year ending December 31, 2011, Forecast

<Consolidated subsidiaries>

	(¥ billions)				
	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kyowa Hakko Kirin	342.0	43.5	44.5	25.5	12.9
Elimination of amortization of goodwill		9.2	9.2	9.2	4.6
Amortization of goodwill		(6.2)	(6.2)	(6.2)	(6.2)
Total included in consolidation	342.0	46.5	47.4	28.4	11.3

<Affiliates accounted for by the equity method>

	(¥ billions)				
	Sales	Operating income	Ordinary income	Net income	Consolidated net income
San Miguel Brewery*	131.2	36.0	30.9	17.1	8.3
Equity in earnings or losses of local affiliates			8.3	8.3	8.3
Brand amortization			(1.6)	(1.6)	(1.6)
Amortization of consolidation difference			(5.9)	(5.9)	(5.9)
Total included in consolidation			0.7	0.7	0.7

\* Since the forecast of business results is undisclosed, figures are based on actual results from April 2010 to March 2011.

### (2) Net Sales and Operating Income on a Local Currency Basis of Lion (consolidated after reclassification)

	(AUD millions)			
	Fiscal year ending December 31, 2011, Forecast	Fiscal year ended December 31, 2010, Actual	Increase (decrease)	
Sales	5,090	4,635	455	9.8%
Alcohol Beverages	2,309	2,310	(0)	(0.0%)
Non-alcohol Beverages	2,781	2,324	456	19.6%
Operating income (Prior to amortization of goodwill and brand)	588	666	(77)	(11.7%)
Alcohol Beverages	582	628	(45)	(7.2%)
Non-alcohol Beverages	91	98	(7)	(7.3%)
Corporate expenses	(85)	(59)	(25)	—

### (3) Information Regarding Amortization of Major Goodwill etc.

Fiscal year ending December 31, 2011, Forecast

(¥ billions)

		Year incurred	Total amortization of goodwill etc. (A) + (B) *1						
			Goodwill			Brands			
			Amortized amount (A)	Balance to be amortized	Years remaining	Amortized amount (B) *2	Balance to be amortized	Years remaining	
Consolidated subsidiaries	Lion Nathan	1998	2.5	16.8	7	6.1	7.2	11	8.7
	Lion Nathan ("Goodwill")	1998	1.0	1.0	1	–	–	–	1.0
	Lion Nathan (the Company's wholly owned subsidiary)	2009	14.3	258.2	18	–	–	–	14.3
	J. Boag & Son	2008	1.4	8.9	7	0.5	3.2	7	1.9
	National Foods	2007	6.6	108.8	17	2.8	40.2	17	9.5
	Kirin Beverage	2006	1.9	28.9	15	–	–	–	1.9
	Kyowa Hakko Kirin	2007	6.2	100.9	17	–	–	–	6.2
	Others		3.5	–	–	–	–	–	3.5
	Consolidated subsidiaries total		37.8			9.5			47.3
Equity Method	San Miguel Brewery	2009	5.9	104.7	18	1.6	28.4	18	7.6
	Fraser and Neave	2011	1.1	28.3	20	–	–	–	1.1
	Affiliates accounted for by the equity method total		7.0			1.6			8.7
Total			44.9			11.1			56.1

\*1 "Amortization of goodwill etc." in indices etc.

\*2 Account title: Depreciation and amortization

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

#### a. Kirin Brewery

	Fiscal year ending December 31, 2011		Fiscal year ended December 31, 2010	
	Forecast	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	722	(3.9%)	751	(6.0%)
Happo-shu	597	(9.7%)	661	(9.0%)
New genre	735	(0.7%)	740	3.7%
Sub-total	2,054	(4.6%)	2,153	(3.9%)
RTD	192	(4.0%)	200	0.7%
Beer-taste beverages	58	(25.1%)	77	50.6%
Breakdown of sales	¥ billions		¥ billions	
Beer	298.4	(4.0%)	310.8	(5.8%)
Happo-shu	182.0	(9.7%)	201.6	(9.0%)
New genre	193.0	(0.7%)	194.3	3.7%
Sub-total	673.5	(4.7%)	706.8	(4.4%)
RTD	53.2	(3.5%)	55.1	1.8%
Shochu, Whiskey and Spirits, etc. *	55.3	(13.5%)	63.9	5.7%
Total sales	782.1	(5.3%)	826.0	(3.3%)

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			Fiscal year ending December 31, 2011				Fiscal year ended December 31, 2010			
			Forecast	Composition ratio	Increase (decrease)	Percentage over the previous year	Actual	Composition ratio	Increase (decrease)	Percentage over the previous year
			10,000 cases		10,000 cases		10,000 cases		10,000 cases	
Category	Tea drink	Japanese tea	2,150	12%	(67)	97%	2,217	12%	(258)	90%
		Oolong tea	320	2%	20	107%	300	2%	(42)	88%
		Black tea	4,680	26%	241	105%	4,439	24%	641	117%
		Sub-total	7,150	40%	194	103%	6,956	38%	341	105%
	Coffee		3,670	20%	334	110%	3,336	18%	(356)	90%
	Fruit and vegetable juice		1,620	8%	(522)	76%	2,142	12%	(170)	93%
	Carbonated beverage		690	4%	(292)	70%	982	5%	161	120%
	Water		3,460	19%	613	122%	2,847	16%	(517)	85%
	Other		1,070	6%	(228)	82%	1,298	7%	(204)	86%
	Domestic soft drink beverage market total		17,660	97%	99	101%	17,561	96%	(745)	96%
Overseas soft drink beverage market total			540	3%	(155)	78%	695	4%	(11)	98%
Soft drink beverages total			18,200	100%	(56)	100%	18,256	100%	(756)	96%

### <Container Type>

Soft drink beverages			Fiscal year ending December 31, 2011				Fiscal year ended December 31, 2010			
			Forecast	Composition ratio	Increase (decrease)	Percentage over the previous year	Actual	Composition ratio	Increase (decrease)	Percentage over the previous year
Container type	Category	Details	10,000 cases		10,000 cases		10,000 cases		10,000 cases	
Cans	Can	Including bottle styled cans	4,300	24%	(222)	95%	4,522	25%	(265)	94%
PET bottles	Large-sized PET bottles	2L	3,300	18%	361	112%	2,939	16%	(429)	87%
		1.5L, 1L, 900ml, 750ml	1,600	9%	123	108%	1,477	8%	(76)	95%
		Large-sized PET bottles total	4,900	27%	484	111%	4,416	24%	(505)	90%
	Small-sized PET bottles	500ml	5,000	27%	(8)	100%	5,008	27%	22	100%
		350ml or less	1,500	8%	97	107%	1,403	8%	124	110%
		Small-sized PET bottles total	6,500	35%	89	101%	6,411	35%	146	102%
	PET bottles total		11,400	62%	573	105%	10,827	59%	(359)	97%
Other containers	One-way/Returnable bottles, paper, gifts, etc.		1,960	11%	(252)	89%	2,212	12%	(121)	95%
Overseas soft drink beverage market total			540	3%	(155)	78%	695	4%	(11)	98%
Soft drink beverages total			18,200	100%	(56)	100%	18,256	100%	(756)	96%



c. Kyowa Hakko Kirin

Sales		Fiscal year ending December 31, 2011		Fiscal year ended December 31, 2010	
		Forecast	Percentage over the previous year	Actual	Percentage over the previous year
Area	Major product name	¥ billions		¥ billions	
Nephrology	NESP <sup>®</sup>	50.8	122%	41.7	118%
	ESPO <sup>®</sup>	5.3	49%	10.8	80%
	[NESP <sup>®</sup> / ESPO <sup>®</sup> ]	[56.1]	[107%]	[52.6]	[107%]
	REGPARA <sup>®</sup>	11.1	117%	9.5	140%
Immunology / allergology	Allelock <sup>®</sup>	29.0	108%	26.8	100%
	Patanol <sup>®</sup>	11.6	154%	7.5	101%
Oncology	GRAN <sup>®</sup> / Neu-up <sup>®</sup> *	14.5	101%	14.4	85%
Cardiovascular system	Coniel <sup>®</sup>	19.7	94%	21.0	90%

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