

2009 interim results presentation

Interim period of the fiscal year ending December 31, 2009

August 6, 2009



August 2009
KIRIN HOLDINGS COMPANY, LIMITED

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Management summary ~2009 H1 results and key issues going forward

•H1 results exceeded targets

•*Action and qualitative expansion*: Steady progress in developing 2010 medium-term business plan

- Position in 2009 ⇒ Final year of 2007 medium-term business plan, zero year of next medium-term business plan
- 2009 onward topics ⇒ Quantitative expansion → Qualitative expansion:
Focus on ***Proactive management- Decide and Implement*** rather than focusing excessively on changes in our business environment
- 2009 H1 results ⇒ Summary: **Achieved initial profit targets** due to results of Kirin Brewery (No.1 in shipments of beer, happo-shu and new genre products for the first time in 3 years) as well as strong performance of Australia's Lion Nathan and National Foods;
new record for ordinary income
- FY2009 outlook ⇒ Consolidated operating income, ordinary income, net income forecasts revised up (sales and operating income forecasts revised up at Kirin Brewery, Lion Nathan, National Foods)
- 2010 medium-term business plan ⇒ Plan for ***Action and qualitative expansion*** under development; aims to realize KV2015 (To be announced within 2009)
Solving problems ahead of schedule through 8 cross company teams
- Overseas M&A ⇒ making Lion Nathan a 100% owned sub.: Expect to complete share acquisition in October
San Miguel: Acquired shares in SMB and completed sale of shares in SMC in May
- Business merger discussions with Suntory ⇒ Proceeding promptly and in good faith

Generating synergies: 14 key issues and our approach -1

- Top priority is to generate synergies: Each initiative is proceeding as planned
- Cross-company teams (CCT) spanning the group by function and have been formed to strengthen our organization and accelerate the generation of synergies

Build an integrated drinks Group model in Japan and overseas

Issue	2009 approach	2009 H1 progress (2009 target)		
		Sales synergies	Cost synergies	CCT
Strengthen domestic sales channels in the alcohol business	Use the marketing strength of KB—ME KB•KMD to collaborate in wine sales at on-premise and mass retailers (Started in Jan. 2009)	¥0.8 bn (¥2.0 bn)	-	Sales/ Marketing
Collaborate in production and distribution of domestic comprehensive beverages	Reduce KB—KBC outside storage, continue to develop joint procurement initiatives for cartons with other food companies and such KB—ME Joint use of cartons at distribution centers	-	¥0.13 bn (¥0.2 bn)	Production/ Distribution
Strengthen Group marketing and channel functions	Use the marketing strength of KB—ME KB•KMD to expand commercial sales of soft drinks and expand vending machine locations Development and sales of Group synergy products (<i>Kirin Free, Tanrei W, Hyoketsu Aperitif, Tanrei Straight</i>)	KBC: ¥0.4bn (¥0.8bn) KB: ¥12.8bn (¥19.0bn)	-	Sales/ Marketing
Promote soft drinks business in Japan and Australia	Collaborate with KBC to strengthen NFL new product development and expand product categories in Australia	Conclude agreements to make LN a wholly-owned sub. At same time formulating plans for integrated beverage strategy in Australia		-
Promote integrated beverages business in Australia	Ending of LN's acquisition talks with Coca Cola Amatil→LN to become wholly-owned subsidiary of Kirin Holdings			
Promote integrated beverages business in Asia	Strengthen strategic alliance with SMC through investment in SMB including formulation of Group strategy with KBC and NFL (Q1)→Implement	Acquired SMB shares (48.3%) as a platform for promoting integrated beverages business in Asia		-
Restructure China business	Formulate plans for integration of organizations and strategic operations of alcohol and soft drinks business (office integration Q2, implement sales collaboration)	Offices integration completed Considering organizational integration		-

KB: Kirin Brewery, ME: Mercian, KMD: Kirin Merchandising, KBC: Kirin Beverage, LN: Lion Nathan, NFL: National Foods

Generating synergies: 14 key issues and our approach -2

	Issue	2009 approach	2009 H1 progress (2009 target)		
			Sales synergies	Cost synergies	CCT
Optimize Group value chain	Enhance Group procurement aiming to reduce purchasing costs to a certain degree	Pursue policies for reducing Group procurement costs, focusing mainly on KB and KBC (Raw materials, packaging materials, facilities/construction, utilities, advertising and PR, marketing and sales materials, promotional materials, general materials, vehicle fuel, leases, services, etc.)	-	¥1.6 bn (¥0.7 bn) - Front-load 2010 part	Procurement
	Improve production and distribution cost competitiveness with view to developing optimal Group production and distribution system	Fundamentally review production and distribution bases from the perspective of Group optimization, nailing down the details and schedule while formulating the medium-term business plan	Establish group-wide and functional cross-company teams (CCTs) to step up drive to resolve each issue		Production/ Distribution
	Strengthen R&D personnel system and Group technological capabilities that feed through to contributing to the business	Formulate Group R&D strategy, including efficient operations and personnel system (Q3) → Implement			R&D
	Integrate back-office functions to enhance Group management system	Implement as necessary head-office functions integration strategy (KB-KBC, KH-KBE) and transfer of certain operations of KH			Sales/ Marketing/ Production/ Distribution
	Pursue HR initiatives to improve capabilities of group management and organizational operations	(1) Decide core Group personnel and consider management policies; (2) Actively create personnel exchanges among Group companies; (3) Communicate and establish shared Group values (KIRIN WAY, focus on diversity) through recruiting, evaluation and training			HR infrastructure
Other	Develop infrastructure and business models for health and functional foods business	Complete preparations ahead of launching cross-Group products in 2010	Preparing for launch in 2010		R&D
	Accelerate Pharma business integration	Continue to pursue sales synergies with ESA formulations Achieve cost synergies by reorganizing R&D centers, etc.	¥0.8 bn (¥2.0 bn)	¥1.1 bn (¥3.4 bn)	-

Other than those above, we also have business integration, asset reduction, cash flow management and IT CCTs

KB: Kirin Brewery, KBC: Kirin Beverage, KH: Kirin Holdings, KBE: Kirin Business Expert

**2009 interim results overview
2009 full-year forecasts
(Consolidated)**

2009 H1 consolidated review

● Good progress: outperformed initial forecasts in all income categories

Record sales and ordinary income. Targets achieved in all income categories on strong performances by core companies Kirin Brewery, Lion Nathan and National Foods, despite the difficult operating environment

(Billion yen)	FY09 H1 results	YoY change (%)	YoY change (¥)	FY08 H1 results	FY09 initial forecasts	Rate achieved
Sales	1,060.4	+1.2%	+12.6	1,047.8	1,070.0	99.1%
Operating income	40.1	(15.5%)	(7.4)	47.5	36.0	111.6%
Ordinary income	56.3	+18.4%	+8.7	47.6	38.0	148.4%
Net income	14.9	(81.6%)	(66.2)	81.1	10.0	149.6%

Sales

Increase due to consolidation of Kyowa Hakko Kirin and strong performance by Kirin Brewery
(Record high)

Operating income

Outperformed initial forecasts on strong performances by Kirin Brewery and National Foods, which offset declines in domestic soft drinks and chemical. Income without effect of forex and change in accounting rules* increased

Ordinary income

Substantial increase **(record high)** due to factors such as currency translation gains, with the Australian dollar exchange rate recovering (end FY08: ¥62.61, end FY09 H1: ¥77.85)

Net income

Declined, as we recorded a significant extraordinary gain** in FY08 H1

*Change in estimates for the useful lives of beer production facilities

**Gain from changes in equity of affiliates due to exchange of shares in Kyowa Hakko Kogyo, Co., Ltd.

2009 full-year forecasts (consolidated)

● Operating income, ordinary income, net income all upwardly revised

Based on results and operating environment until H1 revisions are as follows.

Kirin Brewery: Sales and operating income upwardly revised due to strong sales

Lion Nathan: Sales and operating income upwardly revised due to recovery in currency exchange rate

Kirin Beverage: Sales and operating income downwardly revised despite cost reduction measures; significant shortfall on initial sales targets

National Foods: Sales and operating income upwardly revised due to recovery in currency exchange rate and synergy effects with Daily Farmers

Kyowa Hakko Kirin: Operating income and ordinary income upwardly revised due to strong performance of pharmaceuticals

(Billion yen)	FY2009 target (revised)	FY2008 actual	YoY change (%)	YoY change (¥)	FY2009 target (initial)	Revision in yen
Sales	2,300.0	2,303.5	(0.2%)	(3.5)	2,300.0	0
Operating income	125.0	145.9	(14.4%)	(20.9)	121.0	+4.0
Ordinary income	136.0	103.0	+32.0%	+33.0	125.0	+11.0
Net income	60.0	80.1	(25.2%)	(20.1)	57.0	+3.0

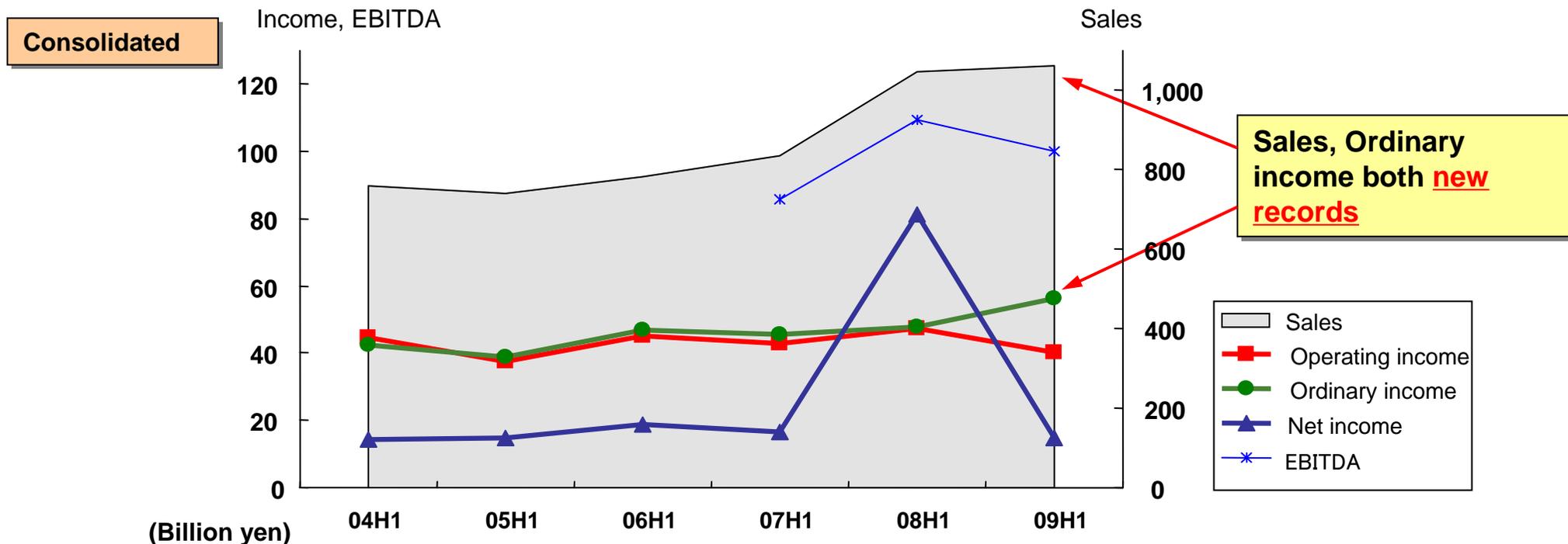
Key issues for Q3 onward

◆ 2009 basic management strategies

Continue to: 1. Realize Group synergies; 2. Create renewed growth in the domestic alcohol beverage business; 3. Pursue a domestic comprehensive beverages group strategy; 4. Pursue an international comprehensive beverages group strategy

(Explanation of key issues for each business in H2 to follow on separate slide)

Performance trends: 2009 H1 results

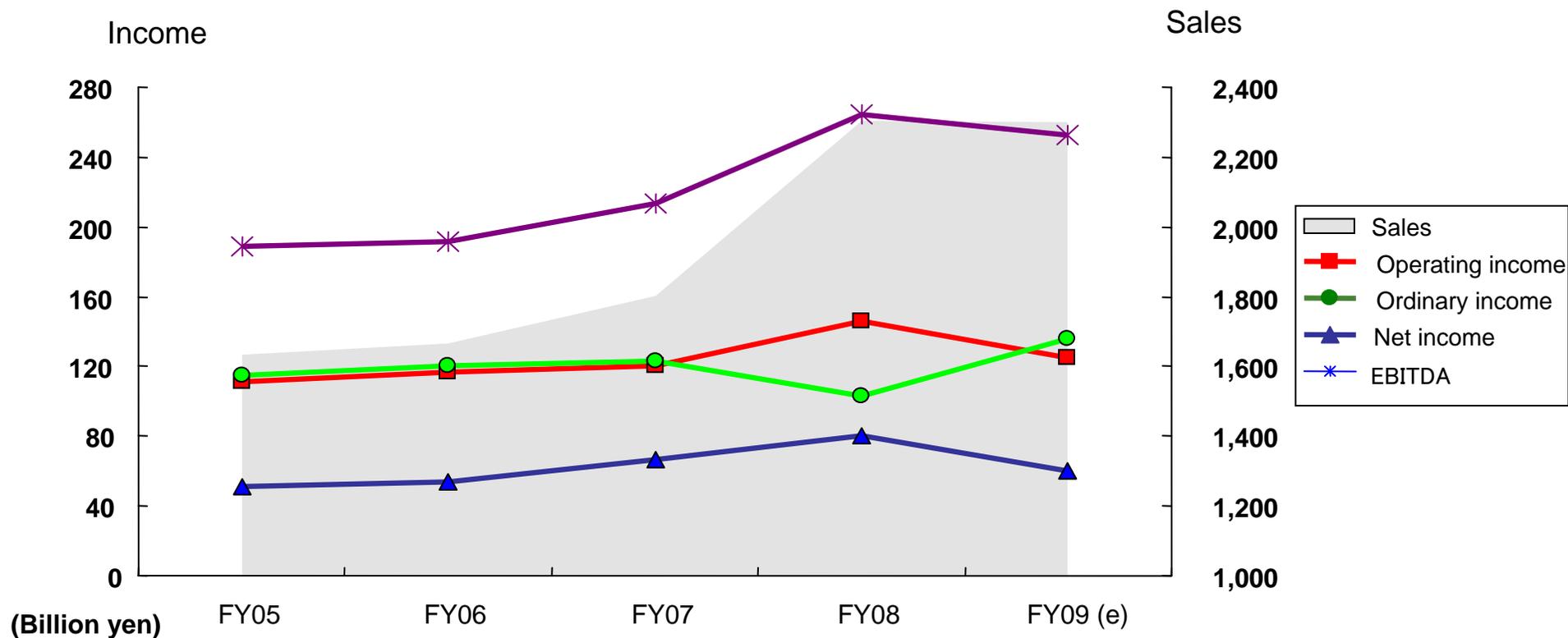


	04 H1	05 H1	06 H1	07 H1	08 H1	09 H1
Sales	759.4	740.2	782.7	836.0	1,047.8	1,060.4
Operating income	44.8	37.5	44.9	42.8	47.5	40.1
Ordinary income	42.4	39.0	47.1	45.6	47.6	56.3
Net income*	14.2	14.9	18.9	16.7	81.1	14.9
EBITDA	—	—	—	85.7	109.3	90.5

2008 H1 net income includes a substantial gain from changes in equity of affiliates (72.6 billion yen) due to the share exchange between Kyowa Hakko and Kirin Pharma

Performance trends (revised FY forecasts)

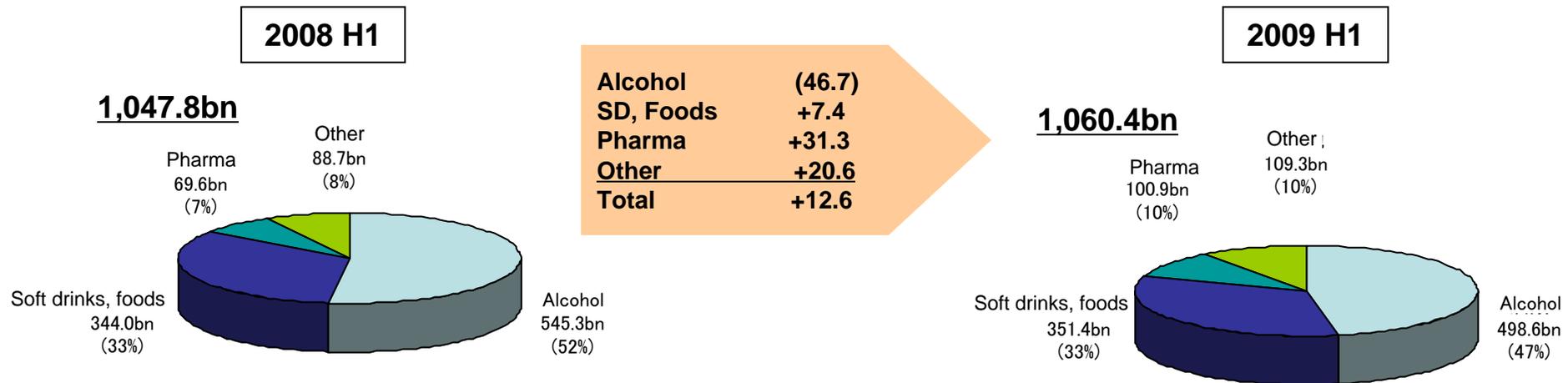
Continue strong performance of H1; aim to achieve upwardly revised targets



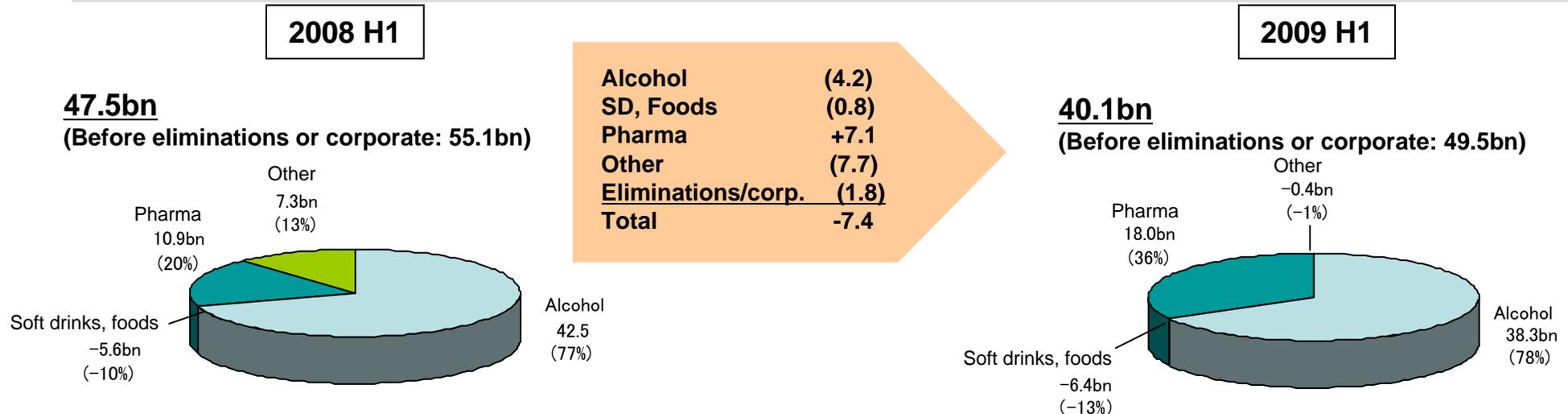
	2005	2006	2007	2008	2009 e
Sales	1,632.2	1,665.9	1,801.1	2,303.5	2,300.0
Operating income	111.7	116.3	120.6	145.9	125.0
Ordinary income	114.8	120.8	123.3	103.0	136.0
Net income	51.2	53.5	66.7	80.1	60.0
EBITDA	188.4	191.1	213.1	264.6	252.2

Consolidated interim sales and operating income by segment

■ Sales: Grew steadily in all segments except alcohol, which decreased due to currency exchange rates

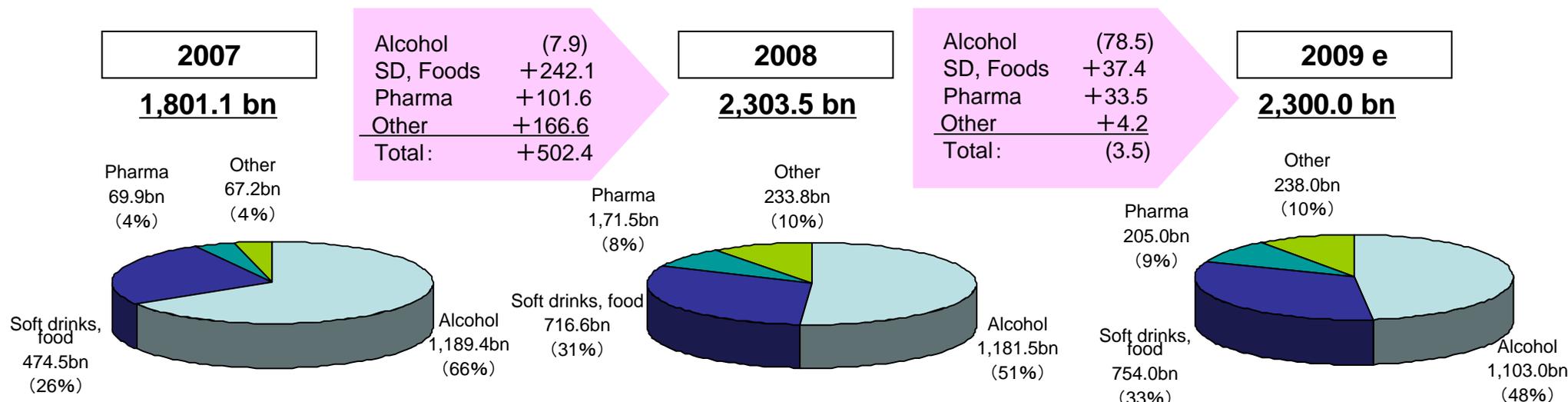


■ Operating income: Effects from consolidation of Kyowa Hakko Kirin, but impacted by currency exchange rates and economic downturn

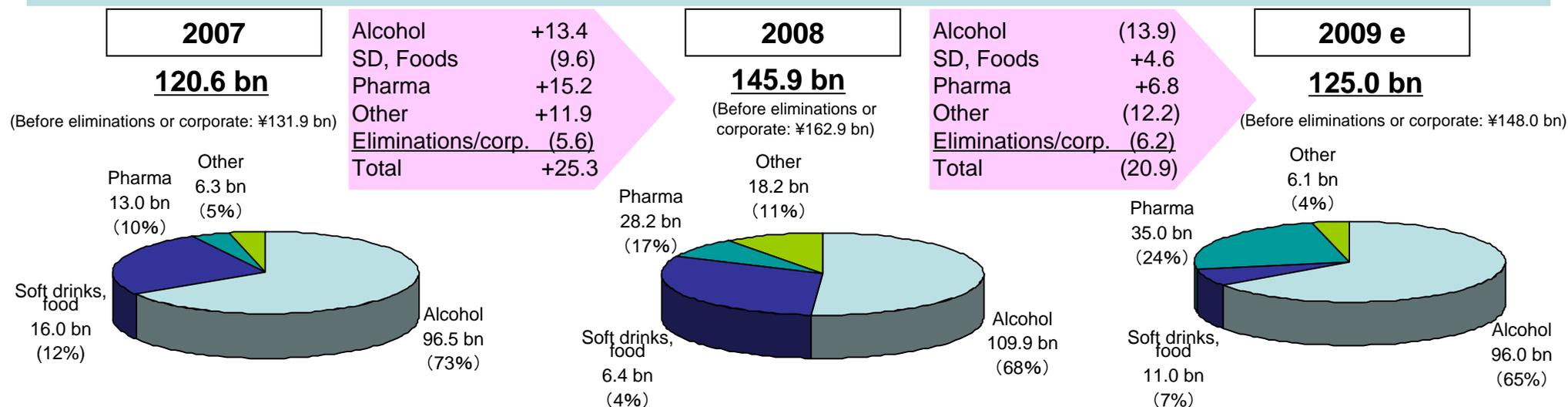


Sales and operating income by segment (2007, 2008, 2009 forecasts)

■ Sales: Alcohol segment decreased in sales composition due to growth in Soft drinks, foods, Pharma, and Other segments



■ Operating income: Increased in Soft drinks & foods, Pharma segments, but declined in Alcohol, Other segments due to impact of currency exchange rates and economic downturn





**2009 H1
Review by segment**

2009 H1: Alcohol segment

Alcohol

Billion yen; consolidated	2009 H1 results	2008 H1 results	Change %	Change in yen
Sales	498.6	545.3	(8.6)%	(46.7)
Operating income	38.3	42.5	(9.8)%	(4.2)

Operating income is
stated prior to All
company/eliminations

Domestic

Kirin Brewery

- Successful renewal of *Ichiban Shibori*
- Major hit with *Kirin Free*
- Strong sales of leading brands *Nodogoshi* and *Tanrei*
 Regained No.1* share after 3 years

*On a taxed volume shipment basis for H1 beer + happo-shu + new genre

- Reductions in sales expenses proceeding smoothly

Mercian

- Strong sales of daily wine (household and commercial)/
difficult market for mid- to high-priced wines /improved
profitability of the wine businesses

Key changes in profits (2009 vs. 2008)

(Billions of yen)

Company name	Item	Change	Comments
Kirin Brewery	Increase in marginal profit of alcohol beverages	5.0	Sales vol. down in beer (-23,000 KL; -¥2.6bn) Sales vol. down in <i>happo-shu</i> (-30,000 KL; -¥3.0bn) Sales vol. up in new genre (+ 61,000 KL; +¥6.5bn) Sales vol. up in RTD (+8,000; +¥0.7bn) Decrease in marginal profit of <i>Shochu</i> , whisky and spirits (-¥0.1bn) Increase due to revision of prices and difference of change in products mix, etc
	Cost reduction	0.3	Energy reduction ¥0.3bn
	Increase in raw material cost of alcohol beverages	(0.8)	Price of malt (0.7), Increase in price for packaging materials (0.7); starches 0.5, etc.
	Decrease in selling cost	2.6	Decrease in sales promotion and advertising expenses 1.7; beer, <i>happo-shu</i> and new genre 1.3, RTD 0.2, <i>shochu</i> , whiskey and spirits 1.3, etc. Decrease in transportation cost 1.0, etc.
	Increase in other expenses	(3.9)	Increase in depreciation (2.9) (of which, due to changes in years of useful life (2.5))
Total		3.3	
Lion Nathan	Decrease in operating income	(8.7)	27.6 => 18.9
	Amortization of goodwill	0.2	(2.4) => (2.2)
	Brand amortization	1.2	(3.6) => (2.4)
Total		(7.1)	
Mercian		0.0	(0.7)=> (0.7)
Others		(0.4)	
Total		(4.2)	FY2008 1st half 42.5 => FY2009 1st half 38.3

Overseas

Lion Nathan

- Australian market environment: Effects of the economic
recession were relatively low compared to other countries
- Beer business was strong (shift to premium and added value
product strategy progressed well)
- Benefited from consolidation of J. Boag

China and Taiwan

- In China, competition intensified and the economy
worsened particularly in Zhuhai region / in Taiwan sales of Bar
beer boomed despite a sluggish market

2009 H1: Soft drinks and foods segment

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Operating income is stated prior to All company/eliminations

Soft drinks and foods

Billion yen; consolidated	2009 H1 results	2008 H1 results	Change %	Change in yen
Sales	351.4	344.0	+2.1%	7.4
Operating income	(6.4)	(5.6)	--%	(0.8)

Domestic

Kirin Beverage

- Benefited from strengthening of core brands:
 - *Fire* and *Gogo-no-kocha* series strong
- Focused on reducing variable sales costs in volume sales channels and other activities that emphasize profitability, but y-on-y sales volumes, primarily in water and green tea, were down ⇒ Operating income down

Kirin Kyowa Foods

- Strong start since launch on April 1

Overseas

Kirin Beverage

- Vietnam: Launched business through JV with Ace Cook. Began selling milk based beverages
- Competition intensifying in the Chinese market

National Foods – profit growth higher than forecast

- Milk cost steadied after rapid rise
- Integration with Dairy Farmers proceeding smoothly
- Shift to low-priced dairy products due to worsening economy / Juice beverages were sluggish

Key changes in profits (2009 vs. 2008)

(Billions of yen)

Company name	Item	Change	Comments
Kirin Beverage	Difference in volume of sales	(4.9)	Decrease in sales volume (-4.36m cases)
	Cost reduction	0.7	Decrease in cost of raw materials, etc.
	Decrease in change of composition ratio of containers, etc.	(1.0)	Deduction of sales promotion expenses from sales(-¥1.2bn), etc.
	Decrease in selling cost	2.3	Decrease in sales promotion and advertising expenses ¥1.5bn (Deduction from sales: ¥1.2bn and influence of new consolidation -¥0.6bn) Decrease in transportation cost ¥0.8bn
	Decrease in other expenses	0.1	Increase in labor cost -¥0.4bn; Decrease in transportation and communication expenses +¥0.2bn; Decrease in sales equipment cost +¥0.2bn Influence of new consolidation -¥0.6bn, etc.
Total		(2.8)	
National Foods	Increase in operating income	1.6	¥0.1 ⇒ ¥1.7
	Amortization of goodwill	0.3	-*¥4.0bn ⇒ -¥3.7bn
	Brand amortization	0.3	-¥1.4bn ⇒ -¥1.1bn
Total		2.2	
Others		(0.2)	
Total		(0.8)	FY2008 1st half -¥5.6bn ⇒ FY2009 1st half -¥6.4bn

2009 H1: Pharmaceuticals segment

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Operating income is stated prior to all company/eliminations

Pharma

Billion yen; consolidated	2009 H1 results	2008 H1 results	Change %	Change in yen
Sales	100.9	69.6	+44.8%	31.3
Operating income	18.0	10.9	+64.7%	7.1

*Consolidated Kyowa Hakko from April 2008 (became Kyowa Hakko Kirin as of October 2008). 2009 Q1 figures have been added to y-on-y comparisons

Key changes in profits (2009 vs. 2008)

(Billions of yen)

Company name	Change	Comments
Kyowa Hakko Kirin	7.1	Increase in gross profit +¥18.7bn Increase in R&D expenses -¥0.0bn Increase in other expenses -¥10.2bn Amortization of goodwill -¥1.4bn
Total	7.1	FY2008 1st half ¥10.9bn => FY2009 1st half ¥18.0bn

Domestic

【Kyowa Hakko Kirin】

Sales:

- Sales Growth of major products: ESAs, Allelock, Patanol and Regpara.
- Increased market share of ESA products (ESPO and NESP) due to strong sales promotion by nephrology MRs.

Development:

- Initiated phase II study for POTELLIGENT antibody KW-0761 (a drug for adult T-cell leukemia/lymphoma)

Licensing:

- License agreement with sanofi-aventis for joint development and sales of KHK's anti-LIGHT human monoclonal antibody

Overseas

【Kyowa Hakko Kirin】

Development:(US)

- Initiated phase I study for POTELLIGENT antibody BIW-8962 (a drug for multiple myeloma)
- Initiated phase I study for POTELLIGENT antibody KW-0761 (for a drug for peripheral T-cell lymphoma)
- Initiated phase I/IIa study of KW-2449 (a drug for acute myeloid leukemia)
- Initiated phase I/IIa study of human monoclonal antibody KRN330 (a drug for colorectal cancer)

2009 H1: Other business segment review

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Operating income is stated prior to All company/eliminations

Other

Billion yen; consolidated	2009 H1 results	2008 H1 results	Change %	Change in yen
Sales	109.3	88.7	+23.3%	20.6
Operating income	(0.4)	7.3	--%	(7.7)

Kyowa Hakko Bio

- Sales up significantly due to April 2008 consolidation. Sales of amino acids for pharmaceutical use raw materials and intravenous liquids, primarily in Europe, progressed well. Operating income decreased affected by the rapid appreciation of the yen from last autumn

Kyowa Hakko Chemical

- Sales increased due to April 2008 consolidation, however demand rapidly dropped due to the global economic recession that began last autumn, large fall in profits due to sluggish product markets stemming from the sudden drop in fuel and raw material prices

Agri-bio business

- European overseas businesses struggled due to global economic slowdown, pursued cost reduction initiatives at domestic businesses

Key changes in profits (2009 vs. 2008)

(Billions of yen)

Item	Change	Comments
Kyowa Hakko Kirin Biochemical	(0.8)	¥2.9bn => ¥2.1bn
Kyowa Hakko Kirin Chemical	(6.1)	¥0.5bn => -¥5.6bn
Others	(0.8)	
Total	(7.7)	FY2008 1st half ¥7.3bn => FY2009 1st half -¥0.4bn

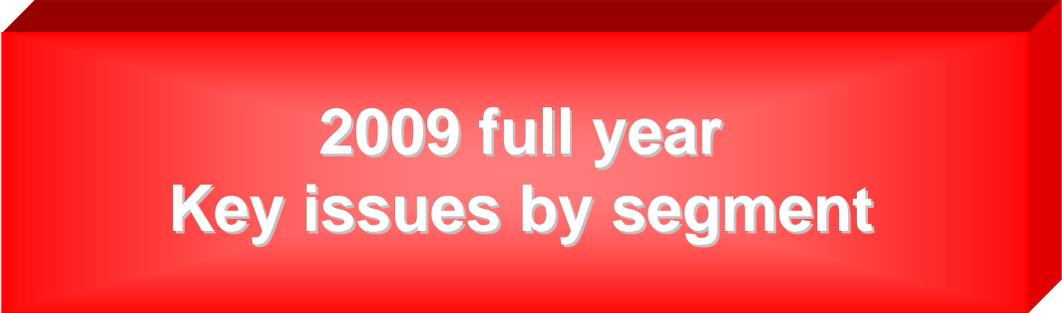
2009 H1: Profit breakdown (Ordinary income and net income)

Ordinary income

Non-operating income and expenses	Financial profit or loss, net	4.5	(8.7) => (4.2)
	Equity in earnings or losses of affiliates	0.8	San Miguel (1.5) Kyowa Hakko Kogyo 1.2 (Including amortization of consolidation difference for prior year 1.0), etc.
	Foreign currency translation gain	10.9	5.5 => 16.4
	Others	(0.1)	
Total		16.1	
Increase in ordinary income		8.7	Six months ended June 30, 2008 Actual 47.6 => Six months ended June 30, 2009 Actual 56.3

Net Income

Special income and expenses	Gain on sale of fixed assets	(9.5)	
	Gain on sale of investment securities	22.4	
	Loss on sale of fixed assets	(1.6)	
	Loss on impairment	(2.5)	
	Loss on devaluation of investment securities	(1.7)	
	Loss on sale of shares of subsidiaries and affiliates	(21.0)	
	Expenses for integration	(2.5)	
	Gain on change in equity	(72.6)	Share exchange with Kyowa Hakko Kogyo for prior years
	Other	(2.0)	
Total		(91.0)	
Income taxes and minority interests	Income taxes	11.1	
	Minority interests	5.1	
Total		16.1	
Decrease in net income		(66.2)	Six months ended June 30, 2008 Actual 81.1 => Six months ended June 30, 2009 Actual 14.9



**2009 full year
Key issues by segment**

Key issues for 2009 H2 by segment and by major operating company

Alcohol	<p><u>Kirin Brewery</u></p> <ul style="list-style-type: none"> • Maintain momentum of strong sales achieved up to H1 • Continue effective sales promotions of core brands (<i>Ichiban Shibori, Nodogoshi Nama, Tanrei</i>) and maintain strong performance of Kirin Free • Further strengthen sales framework through Kirin/ Diageo JV, launched in June <p><u>Lion Nathan</u></p> <ul style="list-style-type: none"> • Strong sales, mainly in Australia, for third quarter (three month period from April to June 2009). Reconfirm full-year NPAT guideline target of A\$305~315m • Scheduled to be consolidated as a wholly owned subsidiary in Oct. 2009 <p><u>Mercian</u></p> <ul style="list-style-type: none"> • Maintain strong wine sales through collaboration with Kirin Brewery, continue to improve profitability in pursuit of strong No.1 position in wine business
	<p><u>Kirin Beverage</u></p> <ul style="list-style-type: none"> • Implement thorough measures to improve revenue and earnings • Enhance brand value by strengthening core brands <p><u>National Foods</u></p> <ul style="list-style-type: none"> • Pursue further integration with Dairy Farmers / raw material costs expected to remain stable
	<p><u>Kyowa Hakko Kirin</u></p> <ul style="list-style-type: none"> • Sales growth of major products by strong sales promotion • Movement of human antibody products into late clinical phase trials
Soft drinks & food	
Pharmaceuticals, Other	

Alcohol segment: Outlook for the full year

Alcohol

Billion yen; consolidated	2009 current forecast	2009 initial forecast	2008 results	Change %	Change in yen	Change to forecast in yen
Sales	1,103.0	1,095.0	1,181.5	(6.6)%	¥(78.5) bn	+¥8.0bn
Operating income	96.0	90.0	109.9	(12.7)%	¥(13.9) bn	+¥6.0bn

Main differences to initial forecast

- Strong sales at Kirin Brewery and reduced upward pressure on raw material costs
- Strong sales at Lion Nathan and review of forex forecasts (Full year A\$ forecast ¥62.00→¥70.00)

Main profit changes (2009 original forecast vs. 2008 result)

Segment	Major factors	Difference	Description
Alcohol beverages	Increase in marginal profit of alcohol beverages	2.1	Sales decrease in beer: down 65,000 KL, (¥7.7 bn) Sales decrease in <i>happo-shu</i> : down 21,000 KL, (¥2.1 bn) Sales increase in new genre: up 74,000 KL, ¥8.1 bn Sales increase in RTD: Up 19,000 KL, ¥1.9 bn Sales increase in beer-flavored beverages: ¥0.8 bn Increase in marginal profit of <i>shochu</i> , whisky, spirits and wines: ¥0.2 bn Influence of revision of prices and difference of change in products mix, etc.
	Cost reduction	0.2	Energy reduction ¥0.2 bn, etc.
	Increase in raw material cost of alcohol beverages	0.25	Increase in cost of malt, packing materials
	Decrease in selling cost	6.2	Decrease in sales promotion and advertising expenses: ¥4.9 bn Decrease in transportation cost: ¥1.2 bn, etc.
	Increase in other expenses	(11.7)	Increase in depreciation: (¥6.8 bn) Increase in information processing fee: (¥0.7 bn) Increase in utility fees, fuel costs: (¥0.7 bn), etc.
Total		(5.7)	
Lion Nathan		(14.2)	Foreign currency translation difference, etc.
Others		0	Mercian ¥1.2 bn, etc.
Total		(19.9)	FY2008 Actual ¥109.9 bn => FY2009 Forecast ¥90.0 bn

Main profit changes (2009 revised forecast vs. 2008 result)

(Billions of yen)

Segment	Company Name	Major factors	Difference	Description
Alcohol beverages	Kirin Brewery	Increase in marginal profit of alcohol beverages	4.3	Sales decrease in beer: Down 46,000 KL, (¥5.4 bn) Sales decrease in <i>happo-shu</i> : down 66,000 KL, (¥6.6 bn) Sales increase in new genre: up 100,000 KL, ¥10.9 bn Sales increase in RTD: up 1,000 KL, ¥0.3 bn Influence of revision of prices and difference of change in products mix, etc.
		Cost reduction	0.2	Energy reduction ¥0.2 bn, etc.
		Increase in raw material cost of alcohol beverages	0.0	Increase in cost of malt Increase in price for packing materials Decrease in price of hops Decrease in cost of starch, etc.
		Decrease in selling cost	6.6	Decrease in sales promotion and advertising expenses: ¥4.7 bn Decrease in transportation cost: ¥1.8 bn, etc.
		Increase in other expenses	(13.6)	Increase in depreciation: (¥6.1 bn) Increase in labor cost: (¥1.9 bn) Increase in information processing fee: (¥0.5 bn), etc.
Total			(2.5)	
Lion Nathan			(11.1)	Foreign currency translation difference, etc.
Others			(0.3)	Mercian ¥1.2 bn, etc.
Total			(13.9)	FY2008 Actual ¥109.9 bn=> FY2009 Forecast ¥96.0 bn

Soft Drinks & Food segment: Outlook for the full year

Soft Drinks & Food

Billion yen; consolidated	2009 current forecast	2009 initial forecast	2008 results	Change %	Change in yen	Change to forecast in yen
Sales	754.0	740.0	716.6	+5.2%	+¥37.4bn	+¥14.0bn
Operating income	110	120	64	+71.0%	+¥4.6bn	¥(1.0)bn

Main differences to initial forecast

- Lower Kirin Beverage sales volumes and accompanying lower sales promotion and ad. expenses
- Recovery in milk cost at National Foods and benefits from its integration with Dairy Farmers/ Review of forex forecasts (Full year A\$ forecast ¥62.00→¥73.00)

Main profit changes (2009 original forecast vs. 2008 result)

Company name	Major factors	Difference	Description
Kirin Beverage	Change in volume	6.4	Sales volume up 5,850,000 cases
	Cost reduction	2.2	Increased factory productivity, etc.
	Increase in raw material cost of alcohol beverages	(3.0)	
	Decrease in selling cost	1.9	
	Increase in other expenses	(0.3)	Increase in sales promotion, advertising costs: 0.5bn; new consolidation: (0.9 bn)
		(4.1)	Increase in labor costs: (1.2 bn) Increase in R&D costs: (0.6 bn) Increase in depreciation costs and sales equipment costs due to investment in vending machines: (0.5 bn) Increase in IT costs: (0.2 bn) New consolidation: down (1.8 bn)
Total		3.1	
National Foods		(1.7)	8.1bn →6.4 bn
		0.4	(6.8 bn) → (6.4 bn)
		0.7	(2.7 bn) → (2.0 bn)
Total		(0.6)	
Others		3.1	
Total		5.6	FY2008 Actual 6.4=> FY2009 Forecast 12.0

Main profit changes (2009 revised forecast vs. 2008 result)

Company Name	Major factors	Difference	Description
Kirin Beverage	Difference in volume of sales	(5.8)	Decrease in sales volume: down 5.15 million cases
	Cost reduction	2.5	Decrease in cost of raw materials, etc.
	Decrease in change of composition ratio of containers, etc.	(4.2)	Deduction of sales promotion expenses from sales: (¥3.8 bn), etc.
	Decrease in selling cost	9.4	Decrease in sales promotion and advertising expenses: ¥7.8 bn (Deduction from sales ¥3.8 bn, influence of new consolidation: (¥0.9 bn), etc.)
	Increase in other expenses	(1.7)	Decrease in transportation cost: ¥1.5 bn, etc.
Total		0.2	
National Foods	Increase in operating income	1.9	¥8.1 bn => ¥10.0 bn
	Amortization of goodwill	(0.8)	(¥6.8 bn) => (¥7.6 bn)
	Brand amortization	0.4	(¥2.7 bn) => (¥2.3 bn)
Total		1.4	
Others		3.0	
Total		4.6	FY2008 Actual ¥6.4 bn => FY2009 Forecast ¥11.0 bn

Pharmaceuticals segment: Outlook for the full year

Pharma

Billion yen; consolidated	2009 current forecast	2009 initial forecast	2008 results	Change %	Change in yen	Change to forecast in yen
Sales	205.0	200.0	171.5	+19.5%	+33.5bn	+5.0bn
Operating income	35.0	28.0	28.2	+24.1%	+6.8bn	+7.0bn

Main differences to initial forecast

- Increased gross profit by sales growth of major products (ESAs, Allelock, Patanol, Regapara)
- Reduced R&D expenses

Main profit changes (2009 original forecast vs. 2008 result)

Main profit changes (2009 revised forecast vs. 2008 result)

(Billions of yen)

Company name	Change	Breakdown
Kyowa Hakko Kirin	(0.2)	Increase in gross profit on sales 16.3 Increase in R&D expense (6.0) Increase in other expenses (9.1) Amortization of goodwill (1.4)
Total	(0.2)	FY2008 actual 28.2 => FY2009 Actual 28.0

(Billions of yen)

Company name	Change	Breakdown
Kyowa Hakko Kirin	6.8	Increase in gross profit on sales 22.4 Increase in R&D expense (3.4) Increase in other expenses (10.8) Amortization of goodwill (1.4)
Total	6.8	FY2008 Actual 28.2 => FY2009 Actual 35.0

Expected Topics

Domestic:

Sales: ①Sales growth of major products, ESAs (Nesp and Espo anti-anemia), Allelock and Patanol (anti-allergy), and Regpara (anti-secondary hyperparathyroidism)

Production: ①Progress of plant construction for antibody products (for clinical studies)

R&D: ①Speed up clinical studies of antibody products. ②Initiate phase III clinical study of KW-6002 for Parkinson's disease treatment

International:

①Expand total product sales in Asian subsidiaries, ②Accerelate clinical trials conducted in Asia, EU and US

Other segment: Outlook for the full year

Other

Billion yen; consolidated	2009 central forecast	2009 initial forecast	2008 results	Change %	Change in yen	Change to forecast in yen
Sales	238.0	265.0	233.8	+1.8%	+4.2bn	(27.0)bn
Operating income	6.0	13.0	18.2	(67.2)%	(12.2)bn	(7.0)bn

Main differences to initial forecast

• In the Chemicals business the initial forecast was revised down because prices for naphtha were lower than planned. Improvement is expected after July, but trends in the economy, and in prices of fuel and raw materials are unclear.

Main profit changes (2009 original forecast vs. 2008 result)

(Billions of yen)

Company name	Change	Breakdown
Kyowa Hakko Kirin Bio-Chemical	(3.2)	7.4→4.2
Kyowa Hakko Kirin Chemical	(2.2)	3.5→1.3
Other	0.2	
Total	(5.2)	FY2008 Actual 18.2 → FY 2009 forecast 13.0

Main profit changes (2009 revised forecast vs. 2008 result)

(Billions of yen)

Company name	Change	Breakdown
Kyowa Hakko Kirin Bio-Chemical	(2.7)	7.4→4.7
Kyowa Hakko Kirin Chemical	(8.0)	3.5→(4.5)
Other	(1.5)	
Total	(12.2)	FY2008 Actual 18.2 → FY 2009 forecast 6.0

Other segment: Core company topics

Kyowa Hakko Bio

• Plan to continue expanding sales primarily of amino acids for the pharma and health food markets which are forecast to grow despite the global economic recession

Kyowa Hakko Kirin Chemical

• Challenges in the operating environment remain, however we are continuing to see gradual signs of recovery and are aiming to stabilize revenues by strengthening existing core products and generating unique products such as those with environment-related functionalities

Agri-bio business

• Focus on the domestic nursery business, review existing products and promote the launch of new and effective breed varieties

Profit breakdown (Ordinary income and net income): Outlook for the full year

Ordinary income

Non-operating income and expenses	Financial profit or loss, net	3.9	(16.4) => (12.5)
	Equity in earnings or losses of affiliates	(3.5)	San Miguel (4.5) (Including elimination of unrealized gain on sale of investment securities for prior years 4.3) San Miguel Brewery 0.7 (Including amortization of consolidation difference (2.9) and brand amortization (0.7)) Kyowa Hakko Kogyo 1.2 (Including amortization of consolidation difference for prior year 1.0), etc.
	Foreign currency translation gain or loss	53.0	
	Others	0.5	
	Total	53.9	
Increase in ordinary income		33.0	FY2008 Actual 103.0 => FY2009 Forecast 136.0

Net Income

Special income and expenses	Gain on change in equity	(72.6)	Share exchange with Kyowa Hakko Kogyo for prior years
	Compensation for expropriation	(9.5)	
	Loss on devaluation of investment securities	4.1	
	Loss on liquidation of business	2.7	
	Others	9.6	
Total	(65.7)		
Income taxes and minority interests	Income taxes	13.9	
	Minority interests	(1.3)	
Total	12.5		
Decrease in net income		(20.1)	FY2008 Actual 80.1 => FY2009 Forecast 60.0

Supplementary materials

National Foods 2009 interim results

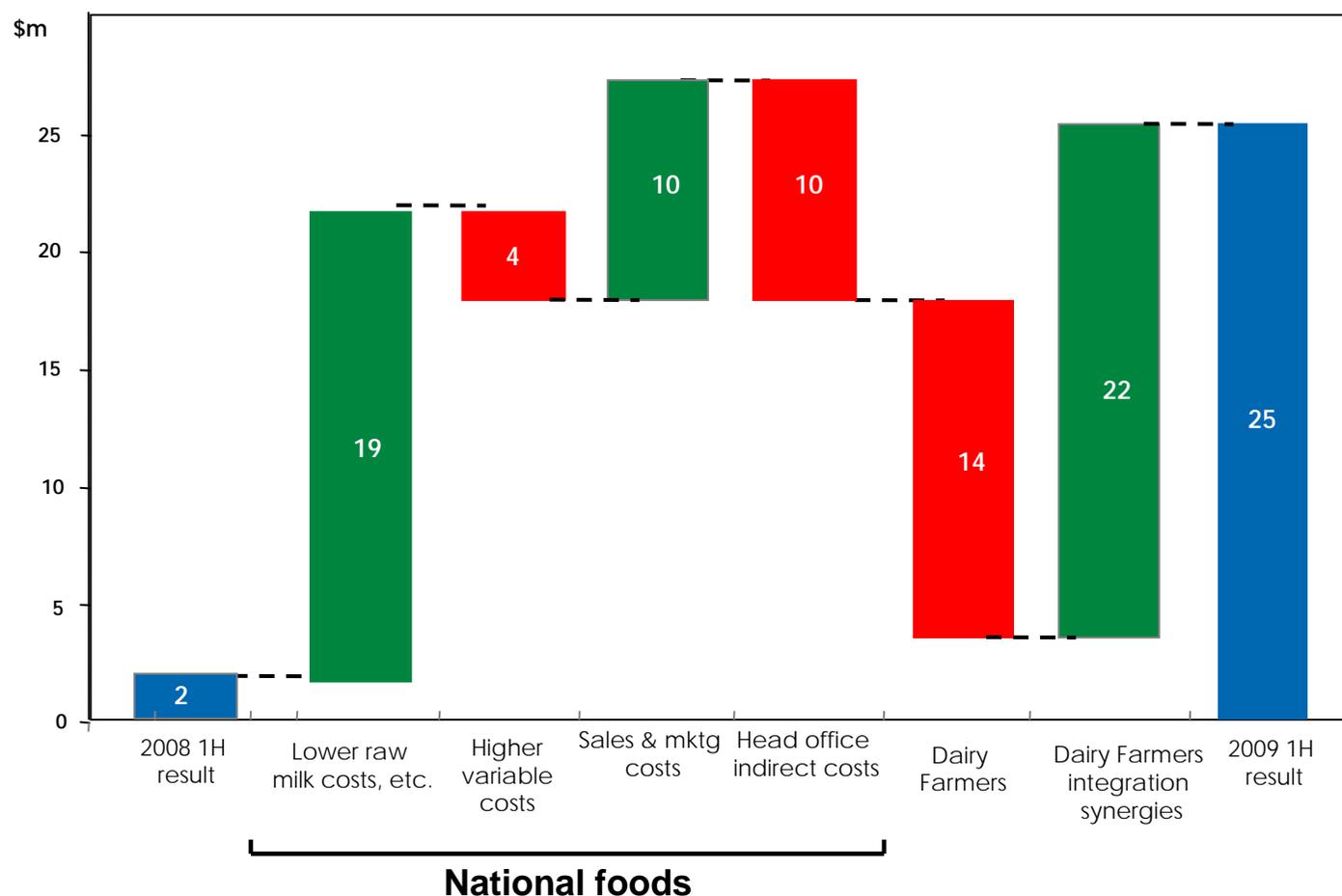
Reference: Local Operational Base

Unit: A\$ million	Results			Forecast		
	2008 First half	2009 First half	Change	2009 Initial full-year forecast	2009 Revised full-year forecast	Change
Sales	1,145	1,804	58%	3,487	3,523	+36
EBIT (operating income)	2	25	1150%	104	140	+36
EBITDA (incl. restructuring)	21	48	129%	142	178	+36
Amortization	19	37	95%	72	79	+7
Restructuring/integration costs	-	△14	-	△34	△41	△7

*Restructuring / integration costs are not included in EBIT

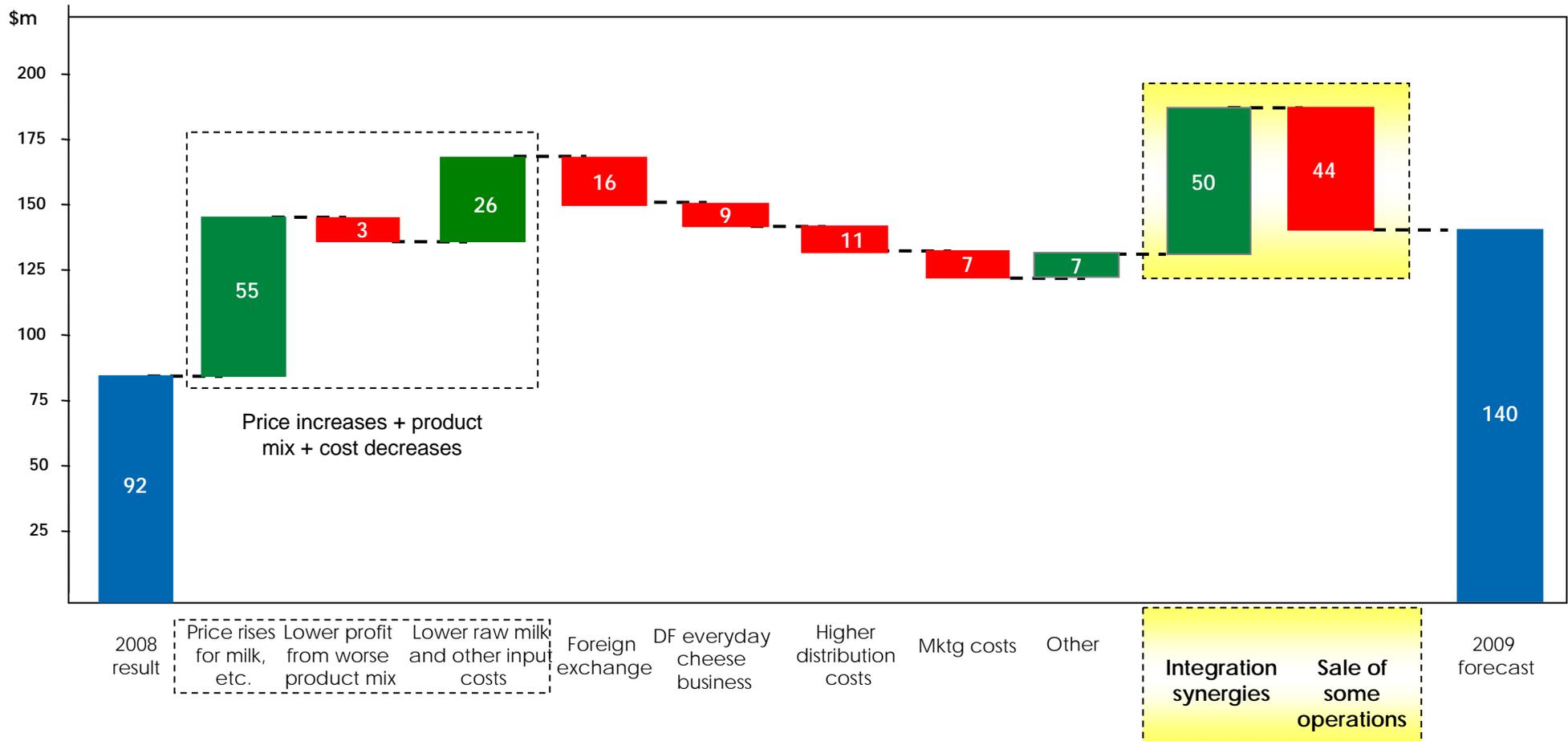
National Foods 2009 first half: analysis of operating income (EBIT)

- Contribution from price rises implemented from 2008 and stabilization of raw milk input costs from 2008 2H on
- Negative exchange rate impact from concentrated fruit juice purchased in US\$ but integration benefits from Dairy Farmers were larger and operating income rose significantly year on year



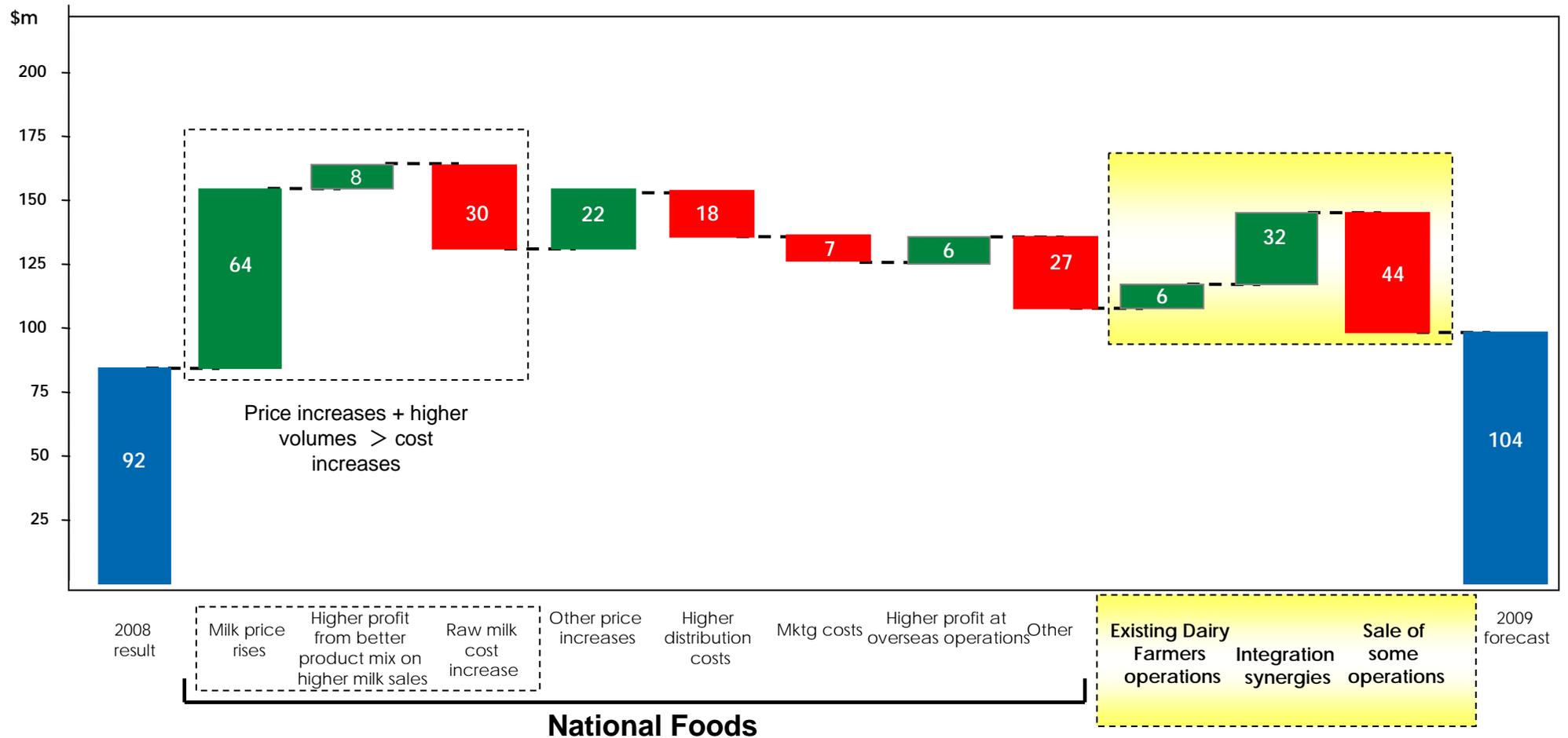
Operating income (EBIT) analysis: 2009 revised full-year forecast cf. 2008 results

- Raw milk prices for 2010 (July 2009—June 2010) are expected to be lower and more stable than initially forecast
- Aiming to generate major increase in income despite consumer shift to lower priced products, with ongoing implementation of price rises planned at start of period and full-year synergy benefits from Dairy Farmers running ahead of plan



Operating income (EBIT) analysis: 2009 initial forecast cf. 2008 results

- Milk costs forecast to rise A\$30M despite signs of easing in market—includes raw milk contracts already signed
- Aiming to cover above milk cost pressure and restore performance through measures such as: strengthening brands through active marketing; increasing prices of NB and PB; growing overseas operations



National Foods (+ DF) 2009 interim results review by segment

	2009 1H	2008 1H	Change	Comment
Total				Volume in million liters; sales in A\$million (2008 1H results does not include DF)
Sales volume	1,057	764	293	
Net sales	1,625	1,059	566	
Milk				<ul style="list-style-type: none"> Continuing price increases to pass on previous raw milk cost hikes How ever, earnings dow n from consumer shift to low -priced private brands Flavoured milk performed w ell
Sales volume	702	434	268	
Net sales	821	484	337	
Juice				<ul style="list-style-type: none"> Volumes dow n from reassessment of PB contracts w ith least profitable volume retailers Despite easing of share loss amid severe price competition, S&M costs increased significantly and volumes, sales and profit margin w ere all low er year on year
Sales volume	196	232	-36	
Net sales	227	254	-27	
Dairy				<ul style="list-style-type: none"> Although issues arose w ith shelf allocation and price competition at some supermarkets, volumes and sales hit targets
Sales volume	90	43	47	
Net sales	261	139	122	
Cheese & Gourmet				<ul style="list-style-type: none"> Performance of DF Everyday cheese w as weak due to ongoing consumer shift to low price products along w ith costs from partial reorganization of production process
Sales volume	36	10	26	
Net sales	249	106	143	
International and New Zealand				<ul style="list-style-type: none"> Volumes fell from dissolution of milk JV in New Zealand Net sales pushed dow n by sale overseas of excess Everyday cheese inventory
Sales volume	31	42	-11	
Net sales	66	74	-8	

*Based on managerial accounting

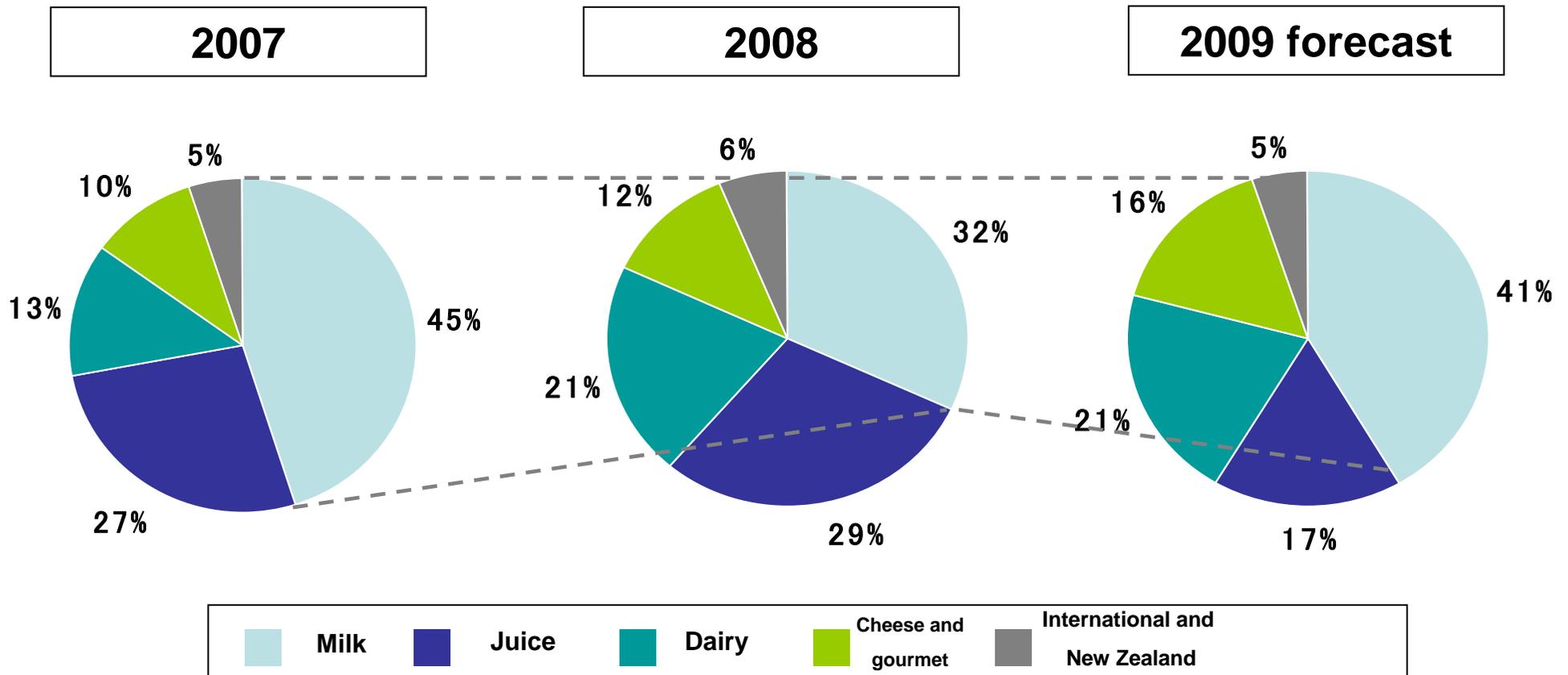
National Foods (+ DF) 2009 full-year forecast by segment

	2009	2008	Change	Comments
Total				
Sales volume	2,115	1,495	620	Volume in million liters; sales in A\$million (2008 1H results do not include Dairy Farmers)
Net sales	3,284	2,124	1,160	
Milk				
Sales volume	1,364	864	500	<ul style="list-style-type: none"> • Milk costs becoming more stable but implementing NB and PB price increases while monitoring ongoing consumer shift to lower priced products • Working to strengthen flavored milk brands in each region
Net sales	1,594	973	621	
Juice				
Sales volume	423	443	-20	<ul style="list-style-type: none"> • Positioning Berri as master brand over long term. Working to enhance product lineup • Pursuing balance between reducing S&M costs and maintaining share
Net sales	486	497	-11	
Dairy				
Sales volume	181	84	97	<ul style="list-style-type: none"> • Renewing Yoplait (Original and Lite) package and recipe • Strengthening portfolio by coordinating products with Dairy Farmers • Working to improve shelf allocation at certain supermarkets
Net sales	517	276	241	
Cheese & Gourmet				
Sales volume	64	22	42	<ul style="list-style-type: none"> • Aiming to improve by separating everyday and specialty cheese operations • Working to improve shelf allocation at certain supermarkets
Net sales	506	226	280	
International and New Zealand				
Sales volume	82	82	0	<ul style="list-style-type: none"> • Marketing new juice drink in SE Asia markets, expanding business with local production
Net sales	181	152	29	

*Based on managerial accounting

Trends in contribution to earnings by brand segment

■ 2009 full year forecast: Milk segment to improve further with more stable raw milk input costs but contribution from juice to decrease



Lion Nathan results overview

2009 H1 results (Oct. 2008 – Mar. 2009) Unit: A\$ million

Achieved fifth consecutive period of increased earnings (EBIT) as Australian Beer Business raised prices and shifted towards premium products, absorbing higher raw material prices and increased depreciation costs stemming from higher capex

■ **Net revenue: 1,185.3 (up 5.7%)**

Australian Beer Business sales increased 11.3% driving overall growth due to higher pricing, shift to premium products, strong draft beer sales, and contribution from J. Boag. The New Zealand Business saw a small decrease in sales as higher sales volumes of wine and RTDs offset by lower sales in the retail sector. Wine Business sales decreased amid a severe operating environment marked by excess supply. Sales in the distribution segment declined substantially while sales of LN brand products stayed level.

■ **EBIT: 307.0 (up 8.4%)**

The Australian Beer Business performed strongly and drove overall earnings, absorbing increases in raw materials costs and depreciation expenses. New Zealand Business earnings increased on a local currency basis due to cost control measures, but earnings in A\$ decreased due to a weak NZ\$. Wine Business earnings decreased substantially due to the economic downturn and the impact of market price valuation of agricultural products (SGARA).

■ **NPAT (Net profit after taxes): 178.0* (up 6.1%)** *Excluding extraordinary gains / losses

NPAT, including extraordinary gains / losses, was 176.0m (up 6.9%). 2009: Proposal cost of acquisition of CCA was recorded. / 2008: Restructuring cost of acquisition of J.Boag was recorded.

■ **Results by business:**

- Australia Business: Sales volume: up 4.6% (Excluding J. Boag: up 0.5%), Net revenue: up 11.3%, EBIT up 12.7%* *Excluding extraordinary losses
- New Zealand Business (beer, wine, RTDs, etc.): Sales volume down 0.4%; Net revenue: down 0.6%; EBIT up 3.1% (NZ\$ basis)
- Wine Business: Sales volume: up 3.1%; Net revenue: down 8.0%; EBIT down 66.7%

2009 full year profit guidance (Oct. 2008 – Sept. 2009) (As announced by LN, Unit: A\$ million)

■ **NPAT (Net profit after taxes): 305-315**

Increased Boag brand sales, the delay of Easter to April, and the effects of investment in 2008 4Q are expected to result in higher profit growth in the second half than in the first half. Initial NPAT guideline target upwardly revised (300-315→305-315)

Note: Forecasts for LN in Kirin's consolidated results are calculated by simply reflecting renewed forecasted exchange rates on 2008 results. (See next page)

Inclusion of Lion Nathan in Kirin's consolidated results

(Unit: billion yen)

2009 H1	Sales	Operating income	Ordinary income	Net income	Consolidated net income
LN P/L	74.9	18.9	15.5	11.1	5.1
Brand amortization		(2.4)	(2.4)	(2.4)	(1.1)
Amortization of goodwill		(2.2)	(2.2)	(2.2)	(1.7)
Net	74.9	14.3	10.8	6.4	2.2
2008 H1	Sales	Operating income	Ordinary income	Net income	Consolidated net income
LN P/L	110.0	27.6	23.5	16.1	7.4
Brand amortization		(3.6)	(3.6)	(3.6)	(1.7)
Amortization of goodwill		(2.4)	(2.4)	(2.4)	(1.8)
Net	110.0	21.4	17.4	10.0	3.9

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

2009 H1 1A\$ = ¥63.20
2008 H1 1A\$ = ¥98.11

Note: Forecasts for LN in Kirin's consolidated results are calculated by simply reflecting renewed forecasted exchange rates on 2008 results.

2009 full year forecast	Sales	Operating income	Ordinary income	Net income	Consolidated net income
LN P/L	146.5	34.8	27.8	19.1	8.8
Brand amortization		(5.4)	(5.4)	(5.4)	(2.5)
Amortization of goodwill		(4.6)	(4.6)	(4.6)	(3.5)
Net	146.5	24.7	17.7	8.9	2.7

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

2009 forecast 1A\$ = ¥70.00

Notes:

1. Brand amortization: Amount of amortization of non-tangible fixed assets acquired by LN through M&A, etc. Subject to changes in appraisal values/exchange rates.
2. Amortization of goodwill: 20-year amortization of ¥51.0 bn premium paid at time of purchase (approx. ¥2.5 bn annually). From the period to Sep. 2006 LN has discontinued this practice in line with international accounting standards. However, Kirin is continuing to amortize on consolidation.
3. 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.
4. As LN does not release results forecasts, forecasts for LN in Kirin's consolidated results are calculated by simply reflecting forecast exchanged rates on 2008 results.

Consolidation of Lion Nathan as a wholly owned subsidiary

<p>Background and aims</p>	<ul style="list-style-type: none"> ➤ Matches Kirin's business strategy KV2015, which targets shift to qualitative growth with the aim of becoming leading company in food and health in Asia and Oceania ➤ Strengthens Kirin's broad business platform in Australia that includes alcohol beverages, dairy products and soft drinks ➤ Implementing a strategic review of all Kirin Group operations in Oceania, streamline operations while tapping into the growth potential of Australia and New Zealand. Leverage LN's strong business expertise throughout Oceania
<p>Outline of transaction</p>	<ul style="list-style-type: none"> ➤ Concluded acquisition contract with LN on May 10 to purchase all shares not held by Kirin (53.87% of total issued shares) ➤ Scheme of arrangement involves proposed acquisition price of A\$11.50 per share; funding necessary for purchase amounts to A\$3.3 billion (approx. ¥230.0 billion) ➤ Plan to fund acquisition fund by external borrowing
<p>Effect on Kirin's consolidated results</p>	<ul style="list-style-type: none"> ➤ Goodwill amortization of approx. A\$3.19 bn (approx. ¥220.0 bn*), approx. ¥11.0 bn annually* ➤ Combined with existing goodwill amortization of ¥10.0 billion, results in annual goodwill amortization of around ¥21.0 billion* ➤ Despite recording lower accounting profit, 100% access to LN cash flow will substantially improve Kirin's cash flow <p style="text-align: right;">*Provisional figures; may be adjusted</p>
<p>Schedule (Planned)</p>	<ul style="list-style-type: none"> --Approved by Australian Competition and Consumer Commission: June 29, 2009 --Submitted Scheme Booklet to Australian Securities and Investments Commission: July 16, 2009 --Distribute Scheme Booklet to LN shareholders: August 2009 --Extraordinary shareholders' meeting: September 17, 2009 --Apply for court approval to the Australian Securities and Investments Commission (date of scheme becoming effective): October 7, 2009 --Record date (date for deciding shareholders affected by scheme): October 14, 2009 --Date for acquisition of shares: October 21, 2009

*A\$1=¥69.5 (As of April 24, 2009)

San Miguel business overview, results

SMC results (inclusion in Kirin's consolidated interim results)

Since FY2006 the period of SMC results (SMC's year end is December) included in Kirin's interim results has changed. Kirin's interim results for 2009 and 2008 reflect SMC's results between October 2008 and March 2009, and between October 2007 and March 2008 respectively.

Oct. 2008 to Mar. 2009: 1 peso=1.99 yen (average rate)

Sales: 877.78 bn peso (Approx. ¥174.6 bn)

Operating income: 73.59 bn peso (Approx. ¥14.6 bn)

Net income: 11.89 bn peso (Approx. ¥2.3 bn)*

* Large decline in net income due to decline in currency exchange gains/losses and extraordinary gain on sale of J.Boag in January 2008

Oct. 2007 to Mar. 2008: 1 peso = 2.61 yen (average rate)

Net sales: 83.849 bn peso (Approx ¥218.8 bn)

Operating income: 6.348 bn peso (Approx. ¥16.5 bn)

Net income: 12.592 bn peso (Approx ¥32.8 bn)

SMC 1Q results (January 1 to March 31, 2009)

SMC 2009 1Q (January to March) sales and earnings from its domestic beer (SMB), Western liquor, packaging and food businesses increased compared with the comparable period in the previous year. Consolidated sales and earnings also increased, net sales + 8% and operating income +11%. Net income, excluding one-time income and the effect of currency exchange gains/losses, increased 25%.

Domestic beer (SMB) recorded higher cost of sales and lower sales volume resulting from increased taxation, but these were offset by price revisions from April 2008 and cost reduction resulting in increased revenue and earnings. FY2009 results are expected to bring further increases in revenue and earnings due to the effects of the fiesta season and the 2010 presidential election. Overseas beer (San Miguel Beer International) recorded lower revenue and earnings due to declines in sales volume in China and other markets.

Reference: SMC net sales, operating income by main Group company (FY2008 Jan-Dec)

Each main division recorded increases in net sales, achieving growth of 14% on a consolidated basis.

Overseas beer sales contributed to operating income, which increased 26%.

Net income increased 124% due to the sale of non-core businesses and the IPO of SMB.

Unit (except Cons., Beer International): millions of pesos

	Group company	2008	2007	Change
Net sales	Cons. (Peso billion)	168.0	148.0	+14%
	San Miguel Brewery	48,787	44,139	+11%
	Beer International (US\$ million)	282.9	228.9	+24%
	Ginebra SM	15,428	13,111	+18%
	San Miguel Food	73,233	63,806	+15%
	San Miguel Packaging	19,862	18,778	+6%
Operating income	Cons. (peso billion)	14.8	11.7	+26%
	San Miguel Brewery	15,636	12,273	+27%
	Beer International (US\$ million)	1.97	(4.35)	+145%
	Ginebra SM	431	643	-33%
	San Miguel Food	2,011	2,822	-29%
	San Miguel Packaging	1,369	425	+222%
Net income	Cons. (Peso billion)	19.3	8.6	+124%

Inclusion of SMC in Kirin's consolidated results

Kirin's FY2009 consolidated results will reflect SMC's results between October 2008 and March 2009, and SMB's results between April 2009 and September 2009

2009 H1	Sales	Operating income	Ordinary income	Net income	Consolidated net income
SMC P&L	174.6	14.6	3.0	2.3	0.4*
Equity in earnings of affiliates*			0.4*	0.4	0.4
Amortization of investment amount differences			(1.0)	(1.0)	(1.0)
Net			(0.6)	(0.6)	(0.6)
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
2009 full year forecast (Apr.-Sep, 2009 of SMB)	Sales	Operating income	Ordinary income	Net income	Consolidated net income
SMB P&L	45.9	14.0	13.9	9.0	4.3*
Equity in earnings of affiliates*			4.3*	4.3	4.3
Brand amortization			(0.7)	(0.7)	(0.7)
Amortization of investment amount differences			(2.9)	(2.9)	(2.9)
Net			0.7	0.7	0.7

Average rates during the period as used in SMC P&L
2009 1H 1PHP = ¥1.99
2008 1H 1PHP = ¥2.61

Forecast rates during period as used in SMB P&L
2009 forecast 1PHP = ¥2.00

Notes:

1. Brand amortization: Amortization of brands held at SMB, about ¥1.5 bn annually
2. Amortization of investment amount differences (SMC): 20-year amortization of ¥42.8 bn premium paid at time of SMC share purchase in 2002 & 2005, about ¥2.1 bn annually
3. Amortization of investment amount differences (SMB): 20-year amortization of ¥116.0 bn premium paid at time of SMC share purchase in 2009, about ¥5.8 bn annually
4. Since FY2006 the period of SMC results (SMC's year end is December) included in Kirin's interim results has changed. Kirin's interim results for 2009 and 2008 reflect SMC's results between October 2008 and March 2009, and between October 2007 and March 2008 respectively.
5. As SMB does not release results forecasts, forecasts for SMB in Kirin's consolidated results are calculated by simply reflecting forecast exchanged rates on SMB results between April 2008 and September 2008.

Acquisition of San Miguel Brewery (SMB) shares

<p>Background and aims</p>	<p>As SMC is actively pursuing entry into the infrastructure businesses, Kirin has bought shares in San Miguel Brewery (SMB), which had been established as a separate company through a spin-off</p> <ul style="list-style-type: none"> ▶ Strengthen alcohol beverages operations in Asia ▶ Pursue strategy of becoming a comprehensive beverages group in Asia and Oceania ▶ Taking in high-margin business
<p>Outline of transaction</p>	<ul style="list-style-type: none"> ➢ Acquired 48.304% of SMB shares as of May 22 at 65.81 billion peso (approx. ¥131.6 billion*) ➢ Simultaneously sold all SMC shares to Q-Tech Alliance Holdings for 39.61 billion peso (approx. ¥79.2 billion*). The sales proceeds will be used to partially fund the acquisition of SMB shares, the remainder of funding will be procured via external borrowing ➢ Secured priority negotiation rights with regard to the sale of SMC overseas beer company to SMB
<p>Effect on Kirin's consolidated results</p>	<ul style="list-style-type: none"> ➢ SMB investment amount differences ¥116.0 billion*, annual amortization approx. ¥5.8 billion* (over 20 yrs) Brand amortization expense of approx. ¥1.5 bn* (Reference: FY2008 SMC annual amortization of investment amount differences approx. ¥2.1 billion) <ul style="list-style-type: none"> →Accounting profit will be lower but expect higher cash flow from increased dividends ➢ Loss on sale of SMC shares approx. ¥21.0 billion recorded in Q2 ➢ In FY2009 consolidated results are included as equity method affiliates, for the periods of October 2008 to March 2009 for SMC, and April to October 2009 for SMB

《Reference: San Miguel Brewery Inc.》

The domestic beer company owned by San Miguel Corporation, approx. 95% share of Philippines beer market

Net sales**: Approx. 48.8 bn peso (approx. ¥97.6 bn*)

Employees: 2,644 (As of end 2008)

Operating income**: Approx. 15.6 bn peso (approx. ¥31.2 bn*)

Main brands: San Miguel Pale Pilsen, San Mig Light, Red Horse, Gold Eagle

Net income**: Approx. 10.0 bn peso (approx. ¥20.0 bn*)

Beer production locations: 5 factories

*1 PHP=¥2.0; ** Period ended December 31, 2008

Reference materials

- R&D pipeline
- Goodwill amortization
- Impact of foreign exchange

Pharmaceuticals Pipeline (Phase II, Phase III)

As of July 31, 2009

Category	Code Name Product Name	Generic Name	Stage		Indication	Formulation	In-house or Licensed	Remarks
			Japan	Other countries				
Cancer/ Hematology	KW-0761		Phase II	Phase I in USA	Cancer (Hematologic tumor)	Injection	Developed In-house	Humanized monoclonal antibody
	KRN321 NESP	Darbepoetin Alfa	Filed Nov/2008		☆ Chemotherapy induced anemia	Injection	Kirin-Amgen	Long-acting erythropoiesis stimulating protein An approval has been given in Japan for anemia of CKD patients on dialysis.
	AMG531	Romiplostim	Phase III		Immune thrombocytopenic purpura	Injection	Kirin-Amgen	Thrombopoiesis stimulating peptibody The clinical development is being conducted by Amgen Development KK as per agreement
	KW-2246	Fentanyl citrate	Phase III		Cancer pain	Sublingual tablet	Licensed from Orexo	
	KRN125	Pegfilgrastim	Phase II		Neutropenia	Injection	Kirin-Amgen	Long-acting G-CSF
	AGS-003			Phase II in USA and Canada	Renal Cell Carcinoma	Injection	Developed with Argos.	Dendritic cell-based immunotherapeutics
	AGS-004			Phase II in Canada	HIV	Injection	Developed with Argos.	Dendritic cell-based immunotherapeutics
Kidney	PB94 PHOSBLOCK (RENAGEL)	Sevelamer Hydrochloride		Filed in China Jun/2008	Hyperphosphatemia	Oral	Licensed from Chugai.	Launched in Japan
	KRN321 NESP	Darbepoetin Alfa	Filed Dec/2008	Phase II in China	☆ Anemia (not on dialysis) ☆ Anemia (on dialysis)	Injection	Kirin-Amgen	Long-acting erythropoiesis stimulating protein An approval has been given in Japan for anemia of CKD patients on dialysis
Immunology/ Allergy	KW-4679 ALLELOCK	Olopatadine Hydrochloride		Filed in China Jul/2008	Allergy	Oral	Developed In-house	Launched in Japan
	Z-206 ASACOL	Mesalazine	Phase III		Inflammatory bowel disease (Crohn's disease)	Oral (pH depend controlled- release formulation)	Licensed from Zeria Pharma.	Jointly developed with Zeria Pharma
CNS	KW-6002	Istradefylline	Phase II b	Filed in USA Apr/2007	Parkinson's disease	Oral	Developed In-house	☆ Clinical trials for Mono-Therapy: Phase II a, in Japan
	KW-6500	Apomorphine Hydrochloride	Phase II		Parkinson's disease	Injection	Licensed from Britannia Pharma.	

■ Updated since February, 2009 (Area, Stage, Filed, Approved, Launched etc.)

☆ New indication

Pharmaceuticals Pipeline (Phase I)

As of July 31, 2009

Category	Code Name Product Name	Generic Name	Stage		Indication	Formulation	In-house or Licensed	Remarks
			Japan	Other countries				
Cancer/ Hematology	KW-2450			Phase I in USA	Cancer	Oral	Developed In-house	
	KRN654	anagrelide hydrochloride	Phase I/II		Essential thrombocytopenia	Oral	Licensed from Shire.	
	KW-2449			Phase I/II a in USA	Cancer	Oral	Developed In-house	
	KW-2478			Phase I in Europe	Cancer	Injection	Developed In-house	
	ARQ197		Phase I		Cancer	Oral	Licensed from ArQule.	
	KRN330			Phase I/II a in USA	Cancer	Injection	Developed In-house	Fully human monoclonal antibody
	BIW-8962			Phase I in USA	Cancer	Injection	Developed In-house	Humanized monoclonal antibody
Immunology/ Allergy	NU206			Phase I in Australia	Inflammatory bowel disease	Injection	Developed with ARCA biopharma (the former Nuvelo)	
	ASKP1240			Phase I in USA	Organ Transplant Rejection	Injection	Developed with Astellas.	Fully human monoclonal antibody
Cardio- vascular	KW-3902	rolofylline	Phase I		Acute heart failure with renal impairment	Injection	Developed In-house	
Other	KW-3357	Antithrombin	Phase I		Disseminated intravascular coagulation, Congenital antithrombin deficiency	Injection	Developed In-house	Recombinant antithrombin product
	KRN23			Phase I in USA	Hypophosphatemic disease such as X-linked Hypophosphatemia (XLH)	Injection	Developed In-house	Fully human monoclonal antibody

(Note)

In the Philippines, an NDA of Filgrastim(G-CSF) has been filed for neutropenia.

In Korea, Hong Kong,Thailand, NESP(Long-acting erythropoiesis stimulating protein) has been filed. In Taiwan, NESP was approved.

In Korea and Taiwan, REGPARA(Calcimimetic agent) has been filed.In Macau and Hong Kong, REGPARA was approved.

■ Updated since February, 2009 (Area, Stage, Filed, Approved, Launched etc.)

☆ New indication

Discontinued

Category	Code Name Product Name	Generic Name	Stage		Indication	Formulation	In-house or Licensed	Reason
			Japan	Other countries				
Other	KW-7158		Phase II a		Bowel disease (Irritable bowel syndrome)	Oral	Developed In-house	The profile of this product did not meet the criteria to support continuation of further development.

Goodwill amortization (2009 full-year actual)

(Billion yen)

	Kirin Holding Investment				Goodwill			Brand			Total amortization
	Year of investment	Amortization	Balance remaining	Years remaining	Amortization	Balance remaining	Years remaining	Amortization	Balance remaining	Years remaining	
LION NATHAN LTD.	1998	2.5	22.0	9	0.9	3.5	3	5.0	21.0	3	8.6
Kirin Beverage	2006	1.9	32.8	17	—	—	—	—	—	—	1.9
Other		0.1			—	—	—	—	—	—	0.1
Total: Arising before 2006		4.7			0.9			5.0			10.7
Kyowa Hakko Kirin *1	2007	6.6	122.4	18	—	—	—	—	—	—	6.6
National Foods Limited *2	2007	5.6	109.2	18	1.9	38.0	18	2.3	45.2	18	10.0
J. Boag & Son Pty Limited	2008	1.1	10.5	8	—	—	—	0.4	3.9	8	1.5
San Miguel Brewery Inc.	2009	2.9	113.1	20	—	—	—	0.7	30.1	20	3.6
Total: Investments after 2007		16.3			1.9			3.5			21.8
Total		21.0			2.9			8.6			32.6

*1. Includes Kyowa Kirin Foods

*2. Includes Dairy Farmers

Impact of foreign exchange (Australian dollar)

Impact of changes in foreign exchange (AU \$) on operating results (compared to previous fiscal year)

(Billion yen)

	Interim	Full year	
		Pre-revisions	Post-revision
Sales	(93.0)	(164.0)	(110.0)
Operating income	(7.0)	(12.0)	(10.0)
Foreign currency lending	13.0	—	13.0
*(Non-operating income/loss)			

Reference: Increase of 1 yen in the AU\$/¥ exchange rate equates a loss in sales of ¥5.5 billion, a loss in operating of ¥0.4 billion income and a loss in foreign currency lending of ¥0.85 billion *

*Australian consolidated subsidiaries have Group loans of AU \$850 million and consolidated foreign exchange gains/losses are calculated using changes in the future AU\$/yen exchange rate. Impact of changes in foreign exchange on transactions: A change of 10 yen equates to ¥8.5 billion in ordinary income.

Foreign exchange chart

(Yen)

Average rate for the period used for the income statement:	FY 2008 interim period	FY 2008 Full year	FY 2009 interim period	FY 2009 full-year forecast (Initial)	FY 2009 full-year forecast (Revised)
Lion Nathan	98.11	97.38	63.20	62.00	70.00
National Foods	97.59	88.00	68.87	62.00	73.00
Rate used on the balance sheet date:		FY 2008 ended Dec. 31 2008	FY 2009 Interim period ended June 30, 2009	FY 2009 full-year forecast (Initial)	FY 2009 full-year forecast (Revised)
National Foods		62.61	77.85	62.00	77.85

Supplementary materials

Results of Operations

(¥ billions)

	2008				2009			
	Six months ended June 30, Actual		Annual Actual		Six months ended June 30, Actual		Annual Forecast	
	(year-on-year rate)							
Sales	1,047.8	25.3%	2,303.5	27.9%	1,060.4	1.2%	2,300.0	(0.2%)
Operating income	47.5	10.9%	145.9	21.0%	40.1	(15.5%)	125.0	(14.4%)
Ordinary income	47.6	4.3%	103.0	(16.5%)	56.3	18.4%	136.0	32.0%
Net income	81.1	383.0%	80.1	20.2%	14.9	(81.6%)	60.0	(25.2%)
EBITDA*1	109.3	27.6%	264.6	24.2%	90.5	(17.2%)	252.2	(4.7%)

*1 2008 Six months ended June 30, Actual EBITDA = ¥109.3 billion (excluding gain on change in equity):

Operating income ¥47.5 billion + equity in earnings of affiliates ¥2.9 billion + depreciation ¥43.0 billion + amortization of goodwill ¥9.9 billion + special income and expenses ¥5.9 billion

2008 Annual Actual EBITDA = ¥264.6 billion (excluding non-recurring depreciation and gain on change in equity):

Operating income ¥145.9 billion + equity in earnings of affiliates ¥11.8 billion + depreciation ¥95.9 billion + amortization of goodwill ¥20.8 billion + special income and expenses (¥9.9) billion

2009 Six months ended June 30, Actual EBITDA = ¥90.5 billion:

Operating income ¥40.1 billion + equity in earnings of affiliates ¥3.7 billion + depreciation ¥48.0 billion + amortization of goodwill ¥11.0 billion + special income and expenses (¥12.4) billion.

2009 Annual Forecast EBITDA = ¥252.2 billion:

Operating income ¥125.0 billion + equity in earnings of affiliates ¥8.2 billion + depreciation ¥100.0 billion + amortization of goodwill ¥22.0 billion + special income and expenses (¥3.0) billion

Sales Details

	2008				2009			
	Six months ended June 30, Actual		Annual Actual		Six months ended June 30, Actual		Annual Forecast	
Sales volume (year-on-year rate)								
Alcohol beverages	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)
Beer, <i>Happo-shu</i> , and New genre	1,552	(3.3%)	3,325	(1.8%)	1,557	0.4%	3,277	(1.4%)
	Million cases		Million cases		Million cases		Million cases	
Soft drinks *1	113	1.0%	241	0.5%	107	(5.1%)	235	(2.4%)
Sales by business segment (year-on-year rate)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)	¥ billions	Increase (Decrease)
Total sales	1,047.8	25.3%	2,303.5	27.9%	1,060.4	1.2%	2,300.0	(0.2%)
Alcohol beverages	545.3	(0.5%)	1,181.5	(0.7%)	498.6	(8.6%)	1,103.0	(6.6%)
Beer, <i>Happo-shu</i> and New genre	442.3	(1.1%)	959.7	(1.1%)	408.7	(7.6%)	894.0	(6.8%)
Other alcohol beverages *2	79.7	(5.3%)	173.4	(6.0%)	76.1	(4.4%)	172.0	(0.9%)
Other	23.3	39.5%	48.3	41.7%	13.7	(40.9%)	37.0	(23.4%)
Soft drinks and Foods	344.0	54.6%	716.6	51.0%	351.4	2.1%	754.0	5.2%
Pharmaceuticals	69.6	121.3%	171.5	145.3%	100.9	44.8%	205.0	19.5%
Other business	88.7	162.8%	233.8	247.9%	109.3	23.3%	238.0	1.8%
Biochemical	20.2	-	59.1	-	36.8	82.4%	81.0	37.0%
Chemical	21.7	-	67.1	-	23.8	10.0%	54.0	(19.6%)
Agribio	11.9	(1.1%)	21.0	(2.5%)	9.2	(22.7%)	16.0	(23.9%)
Other	34.9	60.6%	86.4	89.5%	39.3	12.9%	87.0	0.6%

*1 These figures do not include the sales volume in soft drinks business of National Foods (235,018 KL for the six months ended June 30, 2008 (actual), 442,828 KL for the fiscal year 2008 (annual actual), 228,264 KL for the six months ended June 30, 2009 (actual) and 411,991 KL for the fiscal year 2009 (annual forecast)).

*2 The figures include beer-taste beverages.

Major Expenses and Others

(¥ billions)

	2008		2009	
	Six months ended June 30, Actual	Annual Actual	Six months ended June 30, Actual	Annual Forecast
Sales promotion expenses	92.2	201.2	91.8	} 261.5
Advertising expenses	41.1	72.0	36.2	
(Sales promotion and advertising expenses include in the above)				
Kirin Brewery				} 79.3
Sales promotion expenses	20.3	47.6	19.5	
Advertising expenses	21.0	36.4	20.1	
Kirin Beverage *1				} 117.6
Sales promotion	52.5	114.2	52.0	
Advertising expenses	6.8	11.2	5.8	
Research and development expenses	25.1	54.0	26.5	60.5
Depreciation *2	43.0	95.9	48.0	100.0
Amortization of goodwill *3	9.9	22.3	11.0	22.0
Financial profit or loss, net	(8.7)	(16.4)	(4.2)	(12.5)
Capital expenditures	62.6	126.0	51.0	125.0
Cash flows	(7.4)	(27.5)	111.3	77.0
Operating activities	39.8	131.2	54.4	166.0
Investing activities	(66.0)	(169.3)	(36.0)	(86.0)
Financing activities	21.5	26.6	88.4	(0.6)

*1 The amounts of Soft drinks and Foods are those of consolidated Kirin Beverage.

*2 This amount includes brand amortization.

*3 Amortization of consolidation difference (including non-recurring depreciation), "Goodwill" amortization

Major Fluctuations of Balance Sheets

(¥ billions)

	As of December 31, 2008	As of June 30, 2009	Increase (Decrease)	Description
ASSETS				
Current Assets				
Cash	72.6	185.6	113.0	Increase due to issue of commercial papers by Kirin Holdings and Kyowa Hakko Kirin, etc.
Notes and accounts receivable, trade	446.6	357.0	(89.6)	Decrease due to the year-end of previous year being a bank holiday, etc.
Fixed Assets				
Goodwill	343.9	359.1	15.2	Increase due to influence of exchange rate fluctuations at consolidated subsidiaries in Australia, etc.
LIABILITIES				
Current Liabilities				
Notes and accounts payable, trade	189.5	160.9	(28.6)	Decrease due to the year-end of previous year being a bank holiday, etc.
Commercial papers	-	114.9	114.9	Increase due to issue of commercial papers by Kirin Holdings and Kyowa Hakko Kirin.
Bonds due within one year	44.1	3.8	(40.3)	Decrease due to redemption of bonds at Kirin Holdings
Other	330.9	262.3	(68.6)	Decrease in liquor taxes payable due to the year-end of previous year being a bank holiday, etc.
Long-term Liabilities				
Long-term debt	257.7	287.3	29.6	Increase at Kirin Holdings, etc.
NET ASSETS				
Net unrealized holding gains on securities	37.4	24.2	(13.2)	Decrease due to sale of investment securities at consolidated subsidiaries, etc.
Foreign currency translation adjustments	(88.7)	(42.5)	46.2	Increase due to the yen depreciation, etc.

* From the current fiscal year, comparison is made against the previous year-end (December 31).

Guide to Kirin Group Consolidated Financial Indices

(¥ billions)

		2008 Actual	Six months ended June 30, 2009 Actual	2009 Annual Forecast Disclosed on February 10, 2009	2009 Annual Forecast	
Quantitative targets	Consolidated sales	Including liquor tax	2,303.5	1,060.4	2,300.0	2,300.0
		Excluding liquor tax	1,922.8	895.7	1,930.0	1,930.0
	Operating income		145.9	40.1	121.0	125.0
	Operating income ratio	Including liquor tax	6.3%	3.8%	5.3%	5.4%
		Excluding liquor tax	7.6%	4.5%	6.3%	6.5%
	ROE		8.1%	1.6%	6.0%	6.2%
Guideline	Sales by segment	Alcohol beverages	1,181.5	498.6	1,095.0	1,103.0
		Soft drinks and Foods	716.6	351.4	740.0	754.0
		Pharmaceuticals	171.5	100.9	200.0	205.0
		Others	233.8	109.3	265.0	238.0
	Operating income by segment	Alcohol beverages	109.9	38.3	90.0	96.0
		Soft drinks and Foods	6.4	(6.4)	12.0	11.0
		Pharmaceuticals	28.2	18.0	28.0	35.0
		Others	18.2	(0.4)	13.0	6.0
	Eliminations or Corporate		(16.9)	(9.3)	(22.0)	(23.0)
	Overseas ratio	Sales excluding liquor tax	27%	27%	24%	26%
	EBITDA		*1 264.6	90.5	269.1	252.2
	Amortization of goodwill etc.	1. Future portion (before 2006)	13.6	5.0	10.0	*2 10.7
		2. Investment after 2007	17.4	8.8	16.3	*3 21.8
		Total amortization of goodwill (1. + 2.)	31.0	13.9	26.4	32.6
	EPS (¥)	Prior to 2. amortization of goodwill etc.	*1 25	25	76	85
		After amortization of goodwill etc.	84	16	60	63
D/E ratio		0.72	0.80	0.69	0.78	

*1 The figures are calculated, excluding gain on change in equity (¥72.6 billion) arising from the share exchange with former Kyowa Hakko Kogyo.

*2 Amortization of goodwill etc. Future portion (before 2006) ¥10.7 billion:
Lion Nathan ¥8.6 billion (brand amortization ¥5.0 billion, amortization of consolidation difference ¥2.5 billion, "Goodwill" amortization ¥0.9 billion)
Kirin Beverage ¥1.9 billion (amortization of consolidation difference), etc.

*3 Amortization of goodwill etc. After investments in 2007 ¥21.8 billion:
National Foods ¥10.0 billion (brand amortization ¥2.3 billion, amortization of consolidation difference ¥7.6 billion)
Kyowa Hakko Kirin and Kirin Kyowa Foods ¥6.6 billion (amortization of consolidation difference)
J. Boag & Son ¥1.5 billion (brand amortization ¥0.4 billion, amortization of consolidation difference ¥1.1 billion)
San Miguel Brewery ¥3.6 billion (brand amortization ¥0.7 billion, amortization of consolidation difference ¥2.9 billion)

Information by Segment

<FY2009>

(¥ billions)

	Alcohol beverages		Soft drinks and Foods		Pharmaceuticals		Others		Eliminations or Corporate		Total	
	Six months ended June 30, Actual	Annual Forecast	Six months ended June 30, Actual	Annual Forecast	Six months ended June 30, Actual	Annual Forecast	Six months ended June 30, Actual	Annual Forecast	Six months ended June 30, Actual	Annual Forecast	Six months ended June 30, Actual	Annual Forecast
Depreciation *1	22.9	48.7	12.4	24.9	3.4	7.4	7.9	17.0	1.1	1.8	48.0	100.0
Amortization of goodwill *2	2.3	5.0	5.3	10.4	3.0	5.9	0.2	0.5	-	-	11.0	22.0
EBITDA *3	61.5	145.5	7.7	39.8	24.1	47.5	5.7	23.2	(8.6)	(3.8)	90.5	252.2
Capital expenditures	24.4	51.0	9.0	20.3	4.8	21.5	8.0	18.9	4.8	13.0	51.0	125.0
R&D expenses	2.4	5.7	1.4	3.1	18.6	41.5	2.7	6.2	1.2	3.7	26.5	60.5

*1 This amount includes brand amortization.

*2 Amortization of consolidation difference, "Goodwill" amortization

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

Results of operations by Major Companies (2009 H1)

<The Six Months Ended June 30, 2009 Actual>

	(¥ billions)				
	Sales	Operating income	Ordinary income	Net income	Consolidated Net income
Kirin Brewery (consolidated subsidiary) *1	386.4	18.5	-	-	-
Mercian (consolidated subsidiary)	39.0	(0.3)	(0.2)	(0.0)	(0.0)
Lion Nathan (consolidated subsidiary)	74.9	18.9	15.5	11.1	5.1
Brand amortization		(2.4)	(2.4)	(2.4)	(1.1)
Amortization of goodwill		(2.2)	(2.2)	(2.2)	(1.7)
After adjustments of the above	74.9	14.3	10.8	6.4	2.2
Kirin Beverage (consolidated subsidiary)	178.7	(3.8)	-	-	-
Amortization of goodwill		(0.9)	-	-	-
After adjustments of the above	178.7	(4.8)	-	-	-
National Foods (consolidated subsidiary)	124.2	1.7	-	-	-
Brand amortization		(1.1)	-	-	-
Amortization of goodwill		(3.7)	-	-	-
After adjustments of the above	124.2	(3.1)	-	-	-
Kyowa Hakko Kirin (consolidated subsidiary) *2	194.7	13.5	15.6	6.9	3.4
Elimination of amortization of goodwill		4.7	4.7	4.7	2.3
Amortization of goodwill		(3.1)	(3.1)	(3.1)	(3.1)
After adjustments of the above	194.7	15.1	17.2	8.4	2.7
San Miguel (affiliated company)	174.6	14.6	3.0	2.3	* 0.4
Equity in earnings and losses of affiliates *			* 0.4	0.4	0.4
Amortization of consolidation difference *3			(1.0)	(1.0)	(1.0)
After adjustments of the above			(0.6)	(0.6)	(0.6)

*1 The amounts are non-consolidated.

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

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

Results of operations by Major Companies (FY2009 Forecast)

<FY2009 Forecast>

	(¥ billions)				
	Sales	Operating income	Ordinary income	Net income	Consolidated Net income
Kirin Brewery (consolidated subsidiary) *1	862.4	56.0	-	-	-
Mercian (consolidated subsidiary)	87.0	2.1	2.0	0.9	0.4
Lion Nathan (consolidated subsidiary) *2	146.5	34.8	27.8	19.1	8.8
Brand amortization		(5.4)	(5.4)	(5.4)	(2.5)
Amortization of goodwill		(4.6)	(4.6)	(4.6)	(3.5)
After adjustments of the above	146.5	24.7	17.7	8.9	2.7
Kirin Beverage (consolidated subsidiary)	391.5	5.5	-	-	-
Amortization of goodwill		(1.9)	-	-	-
After adjustments of the above	391.5	3.5	-	-	-
National Foods (consolidated subsidiary)	257.1	10.0	-	-	-
Brand amortization		(2.3)	-	-	-
Amortization of goodwill		(7.6)	-	-	-
After adjustments of the above	257.1	0.0	-	-	-
Kyowa Hakko Kirin (consolidated subsidiary)	402.9	32.6	34.6	15.2	7.6
Elimination of amortization of goodwill		9.3	9.3	9.3	4.7
Amortization of goodwill		(6.2)	(6.2)	(6.2)	(6.2)
After adjustments of the above	402.9	35.7	37.7	18.3	6.0
San Miguel Brewery (affiliated company) *3	45.9	14.0	13.9	9.0	* 4.3
Equity in earnings and losses of affiliates *			* 4.3	4.3	4.3
Brand amortization *4			(0.7)	(0.7)	(0.7)
Amortization of consolidation difference *4			(2.9)	(2.9)	(2.9)
After adjustments of the above			0.7	0.7	0.7

*1 The amounts are non-consolidated.

*2 The above figures are reclassified for consolidated financial statements and presented after reclassification. Since Lion Nathan has not disclosed its forecast of business results, the Company uses operating results in foreign currency for the year ended 2008 as the forecast for the year ending December 31, 2009.

*3 The Company uses operating results in foreign currency from April 2008 to September 2008 as the forecast for the year ending December 31 2009.

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

Sales Details of Alcohol Beverages (Kirin Brewery)

	2008				2009			
	Six months ended June 30, Actual		Annual Actual		Six months ended June 30, Actual		Annual Forecast	
Sales volume (year-on-year rate)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)	Thousand KL	Increase (Decrease)
Beer	381	(15.5%)	867	(13.4%)	358	(6.2%)	821	(5.4%)
<i>Happo-shu</i>	378	(0.5%)	811	(1.6%)	348	(8.1%)	745	(8.2%)
New genre	251	8.2%	606	11.5%	312	24.0%	706	16.5%
Subtotal	1,012	(5.0%)	2,285	(3.5%)	1,018	0.6%	2,272	(0.6%)
RTD	83	5.1%	203	1.6%	91	9.6%	204	0.1%
Beer-taste beverages	2	(15.5%)	5	(15.4%)	14	497.8%	33	487.7%
Breakdown of sales (year-on-year rate)	¥ billions		¥ billions		¥ billions		¥ billions	
Beer	155.8	(13.5%)	356.7	(11.4%)	147.2	(5.5%)	339.0	(5.1%)
<i>Happo-shu</i>	114.7	2.2%	246.6	1.4%	106.1	(7.5%)	227.0	(8.0%)
New genre	65.8	10.2%	158.7	13.7%	81.9	24.5%	185.0	16.7%
Subtotal	336.4	(4.5%)	762.0	(3.0%)	335.3	(0.3%)	751.0	(1.5%)
RTD	22.4	4.2%	54.4	2.2%	24.5	9.6%	55.0	2.3%
Shochu, Whiskey and Spirits, etc.	21.5	32.7%	43.6	2.8%	22.3	4.0%	47.0	7.5%

The above sales volume and sales include exports.

Sales Details of Soft Drinks Beverages (Kirin Beverage Group)

<Category>

Soft drink beverages			2008		2009				2008		2009
			Six months ended June 30, Actual		Six months ended June 30, Actual				Annual Actual		Annual Forecast
			Sales Volume	Composition ratio	Sales Volume	Composition ratio	Increase (Decrease)	Percentage over the previous year	Sales Volume	Composition ratio	Sales Volume
Category	Tea drinks	Japanese Tea	1,391	15%	1,202	13%	(189)	86%	2,911	14%	2,400
		Oolong Tea	157	1%	155	2%	(2)	99%	329	2%	350
		Black tea	1,716	18%	1,772	20%	56	103%	3,763	18%	3,800
		Sub-total	3,264	34%	3,129	35%	(135)	96%	7,003	34%	6,550
		Coffee	1,881	18%	1,761	19%	80	105%	3,518	17%	3,700
		Fruit and vegetable juice	1,176	12%	1,098	12%	(78)	93%	2,484	12%	2,200
		Carbonated beverage	431	4%	355	4%	(76)	82%	926	5%	900
		Water	1,784	19%	1,626	18%	(158)	91%	3,943	20%	3,700
		Other	746	8%	735	8%	(11)	99%	1,731	8%	1,870
	Domestic soft drink beverage market total	9,082	95%	8,704	96%	(378)	96%	19,805	96%	18,920	
Overseas markets	Overseas soft drink beverage market total	430	5%	372	4%	(58)	87%	810	4%	980	
Total	Soft drink beverages total	9,512	100%	9,076	100%	(436)	95%	20,415	100%	19,900	

<Container Type>

Soft drink beverages			2008		2009				2008		2009
			Six months ended June 30, Actual		Six months ended June 30, Actual				Annual Actual		Annual Forecast
Container Type	Category	Details	Sales Volume	Composition ratio	Sales Volume	Composition ratio	Increase (Decrease)	Percentage over the previous year	Sales Volume	Composition ratio	Sales Volume
Cans	Can	Including bottle styled cans	1,999	21%	2,286	25%	287	114%	4,390	22%	4,800
PET Bottles	Large-sized PET Bottles	2L	1,792	19%	1,613	18%	(179)	90%	3,947	19%	3,500
		1.5L, 1L, 900ml, 750ml	782	8%	744	8%	(38)	95%	1,724	8%	1,600
		Large-sized PET Bottles total	2,574	27%	2,357	26%	(217)	92%	5,671	27%	5,100
	Small-sized PET Bottles	500ml	2,394	25%	2,384	26%	(10)	100%	5,363	26%	5,400
		350ml or less	1,103	12%	606	7%	(497)	55%	1,952	10%	1,400
		Small-sized PET Bottles total	3,497	37%	2,990	33%	(507)	86%	7,315	36%	6,800
	PET Bottles total	6,071	64%	5,347	59%	(724)	88%	12,986	63%	11,900	
Other containers	One-way/Returnable bottles, paper, gifts, etc.		1,012	10%	1,071	12%	59	106%	2,229	11%	2,220
Overseas markets	Soft drink beverages total		430	5%	372	4%	(58)	87%	810	4%	980
All containers	Container total		9,512	100%	9,076	100%	(436)	95%	20,415	100%	19,900

Sales of Major Pharmaceuticals (Kyowa Hakko Kirin Co., Ltd.)

(¥ billions)

	2008		2009	
	Six months ended June 30, Actual	Annual Actual	Six months ended June 30, Actual	Annual Forecast
NESP [®] / ESPO [®]	15.7	39.9	22.1	46.2
GRAN [®] / Neu-up [®]	6.6	16.5	7.6	16.6
Coniel [®]	6.0	18.1	11.0	22.7
Allelock [®]	5.1	15.6	15.2	26.4
REGPARA [®]	1.4	3.9	2.9	6.3
Patanol [®]	0.6	2.2	5.3	7.6
Topina [®]	0.1	0.6	0.6	1.4

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

The figures shown include those of former Kirin Pharma for the three months ended March 31, 2008 (actual).

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