



February 14, 2025

To whom it may concern

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Differences between Forecasts and Actual Consolidated Financial Results for the Fiscal Year Ended December 31, 2024, Recognition of Business Restructuring Expenses, etc., and Recognition of Losses on Devaluation of Subsidiaries and Affiliates, etc., in Unconsolidated Financial Results

Kirin Holdings Company, Limited (President and COO: Takeshi Minakata; hereinafter "the Company") recognized as business restructuring expenses, etc., for the fiscal year ended December 31, 2024. As a result, there is a difference between the forecast announced on November 7, 2024, and the actual financial results.

In addition, the Company's unconsolidated financial results were affected by losses on devaluation of subsidiaries and affiliates, etc., of Lion Pty Ltd (hereinafter "Lion"), an Australian subsidiary. However, there was no impact on consolidated financial results.

1. Differences between forecasts and actual consolidated financial results for the fiscal year ended December 31, 2024

Consolidated financial results for the fiscal year ended December 31, 2024 (January 1, 2024 - December 31, 2024)

	Revenue	Normalized operating profit	Profit before tax	Profit	Profit attributable to owners of the Company	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Million yen	yen
Previous forecast (A)	2,300,000	202,000	198,000	127,000	96,000	118.20
Results (B)	2,338,385	210,968	139,721	85,811	58,214	71.87
Change (B-A)	38,385	8,968	-8,279	-41,189	-37,786	—
Change (%)	1.7	4.4	-29.4	-32.4	-39.4	—
(Reference) Results of the fiscal year ended December 31, 2024	2,134,393	201,495	197,049	150,438	112,697	139.16

2. Reasons for the differences

As announced in "Kyowa Hakko Bio to Transfer Part of its Business and Recognize Business Structure Improvement Expenses" dated November 22, 2024, Kyowa Hakko Bio Co., Ltd. (hereinafter "Kyowa Hakko Bio") has entered into an agreement to transfer Kyowa Hakko Bio's amino acid and Human Milk Oligosaccharide businesses. Accordingly, the Company recognized approximately 27.0 billion yen in provisions for a loss on transfer and one-time expenses in Normalized Operating Profit and business restructuring expenses, etc. of "Other operating expenses" in the consolidated statements of profit or loss in the fiscal year ending December 2024. In addition, the company recognized approximately 19.0 billion yen as "Impairment loss on equity-method affiliates" in the overseas beer businesses. As a result, there is a difference between the forecast and actual financial results.

3. Recognition of losses on devaluation of subsidiaries and affiliates, etc., in unconsolidated financial results

Reflecting the impact of decreased sales volume in the Australian market, the impairment test conducted at Lion based on IFRS resulted in the estimated fair value of the company's business in Australia (approximately 3,200 million AUD) falling below the pre-impairment net asset value (approximately 5,100 million AUD). This was mainly due to continued decline in alcohol consumption driven by reduced household spending, and soaring cost of sales due to inflationary pressures. Therefore, Lion recognized an impairment loss of approximately 1,900 million AUD (approximately 190.0 billion yen) for the fiscal year ended December 31, 2024. Consequently, the Company recognized approximately 394.0 billion yen as "Loss on devaluation of shares of subsidiaries and affiliates" in unconsolidated financial results.

In addition, approximately 53.0 billion yen was recognized as "Provision for doubtful accounts" in the Company's unconsolidated financial results due to the bad debt provision for Kyowa Hakko Bio following the transfer of part of its businesses of Kyowa Hakko Bio.

The impairment loss at Lion, the loss on devaluation of subsidiaries and affiliates related to Lion in the Company's unconsolidated financial results, and the provision for doubtful accounts related to Kyowa Hakko Bio have no impact on the Company's consolidated financial results.

4. Other

The dividend (year-end dividend of 35.5 yen and annual dividend of 71.0 yen) remains unchanged despite the differences between forecasts and actual consolidated financial results.