



**KIRIN**

Joy brings us together

# **Kirin Group Financial Results for the 1Q FY2020**

May 12, 2020  
Kirin Holdings Company, Limited

## 1Q Financial result summary

- Consolidated Revenue was -2.3% and consolidated Normalized Operating Profit (OP) was -11.0%.
- We achieved the 1Q plan for consolidated normalized OP, while consolidated revenue fell behind.
- Profit attributable to owners of the Company was increased on the rebound of last year's impairment loss; Normalized EPS increased by 4 yen.

## COVID-19 impact

- The lives and health of employees, their families, and stakeholders will be given top priority. On this basis, we will continue to fulfill our manufacturing and supply responsibilities for the stable supply of food & beverages and drugs by taking measures to reduce infection risk.
- Based on the results in April, we have estimated the impact of sales volume on the main businesses during 2Q (P11 - P13). The decline in demand for restaurants and vending machines is expected to have a broad impact on businesses in each country.
- Impact for full year forecast is under scrutiny. If a fact arises that needs to be disclosed, it will be promptly disclosed.

## Normalized EPS increased by 4 yen due to net profit increase

(bn yen)	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Revenue	424.5	434.3	-9.8	-2.3%
Normalized OP <sup>*1</sup>	32.8	36.9	-4.1	-11.0%
Profit before tax	32.5	-26.0	58.5	—
Profit attributable to owners of the Company <sup>*2</sup>	20.3	-33.9	54.2	—

### Quantitative target

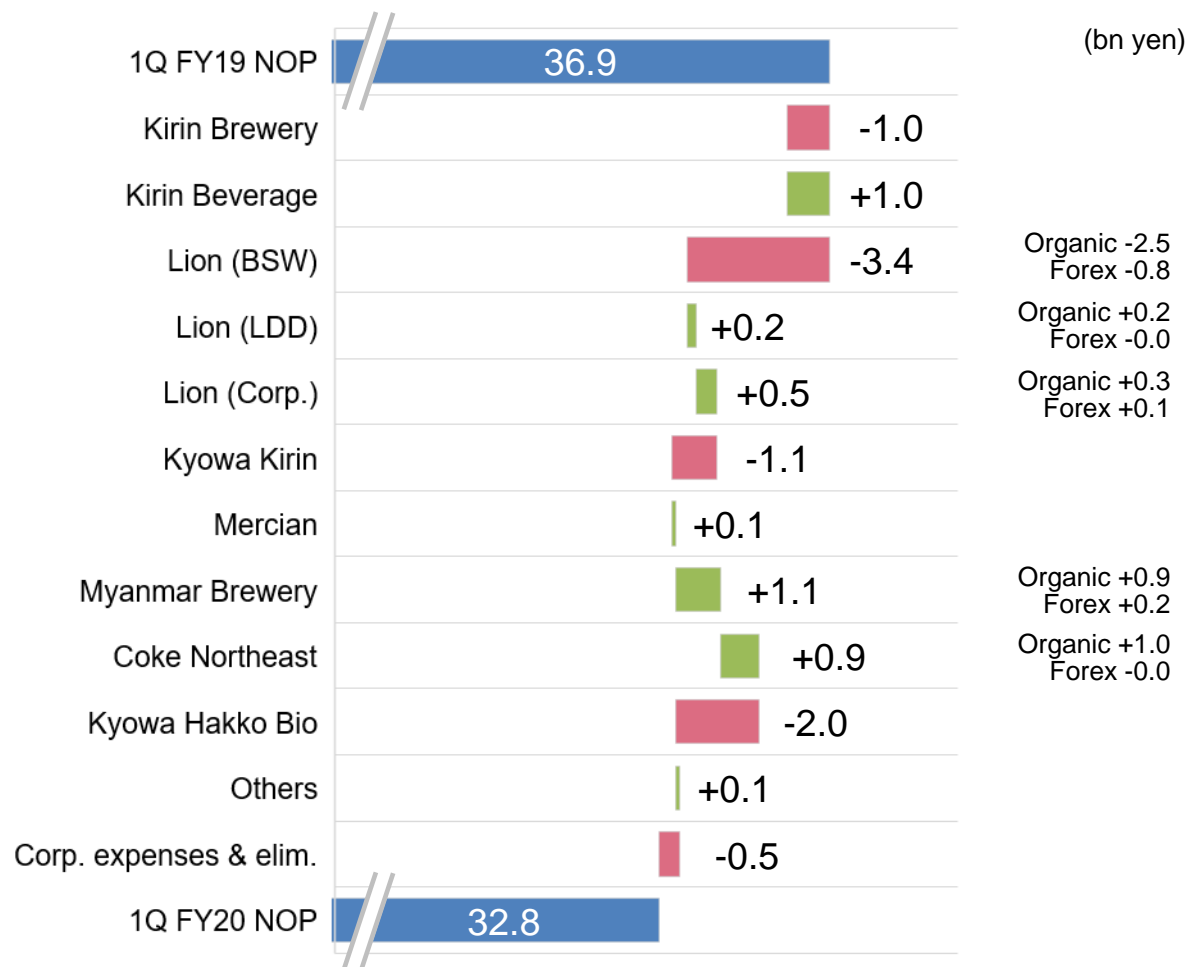
	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Normalized EPS <sup>*3</sup>	29 yen	25 yen	4 yen	16.0%

<sup>\*1</sup> A profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

<sup>\*2</sup> In accordance with changes in accounting policies at the year ended December 31, 2019, three months ending March 31, 2019 have been revised retroactively.

<sup>\*3</sup> See page 16 for details.

## Key businesses outperformed market amid COVID-19 impacts



### Note

#### Kirin Brewery

- Despite strong sales of key products, marginal profits decreased due mainly to decreased sales volume in on-premise channel.

#### Kirin Beverage

- Marginal profit increased by sales volume growth and price revision of large PET, and costs such as advertising expenses decreased.

#### Lion Beer, Spirits and Wine (BSW)

- Price/mix worsened and costs increased due partly to taking back of kegs from on-premise customers.

#### Lion Dairy and Drinks (LDD)

- Sales of key products was steady.

#### Kyowa Kirin

- Despite greater sales of global strategic products, overseas selling and launch readiness expenses increased.

#### Myanmar Brewery

- Sales volume largely increased and raw material market condition was favorable.

#### Coke Northeast

- Sales volume increased due to steady sales performance of new products, etc.

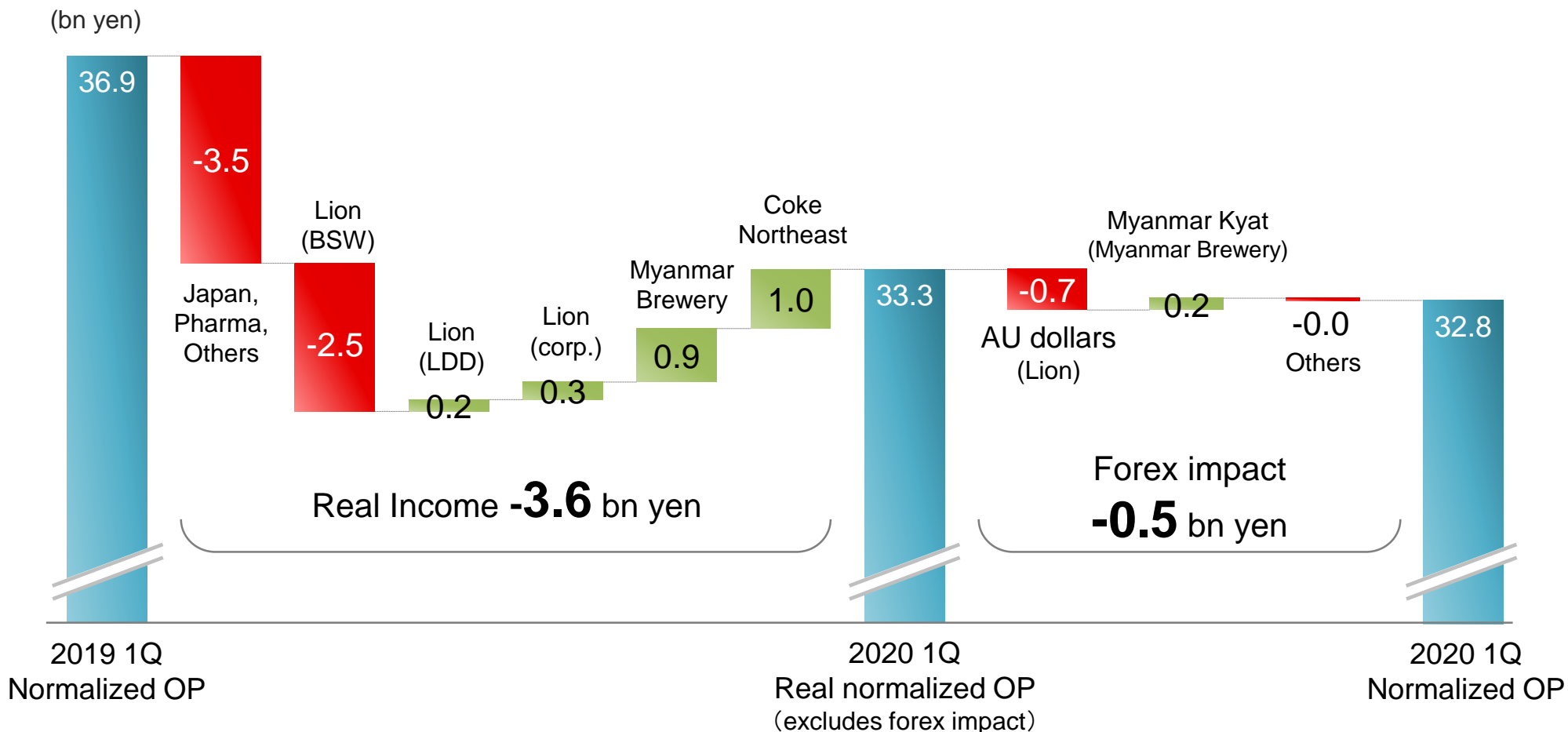
#### Kyowa Hakko Bio

- Production volume decreased.

# Forex impact on Consolidated Results

**Real Normalized OP excluding forex impact decreased by -3.6 bn yen (-9.7%)**

➤ Consolidated forex impact of -0.5 bn yen due to the weakness of the Australian dollar against the yen.



## Outperformed the market amid COVID-19 impact with consistent strategy

**Changes in the market environment that we had anticipated in our initial plan was accelerated, which led us to minimize the COVID-19 impacts.**

### COVID-19 impacts

**Decline in On-premise / Consumption from staying-at-home / Uncertainty**

Diversification of taste x Low-cost orientation x Health consciousness

FY2020 plan  
Market  
environment

### Continued low-cost orientation

Affordability x Added value

### Changes in purchasing behavior

Revision of liquor tax x Diversification of taste



**New Genre Total +5.6%**  
New genre  
**Honkirin +30.1%**

**New genre market +1%\***



Beer  
**Kirin Ichiban (can) -0.1%**  
Happo-shu  
**Green Label -3.3%**

**Beer market -12%\* Happo-shu market -5%\***

\*Estimate

1Q Sales Volume (YoY) **Total Beer Market -5%** ► **Kirin -2.5%**

Sales volume achieved the plan resulting in higher sales and profit YoY, amid COVID-19 impacts from March

**As COVID-19 impact is expected to expand in the 2Q and beyond, we will promote focused strategy and build a robust brand portfolio.**

Focused investment in key brands



Strengthening less or non-sugar category

Developing category of *Health-by-ingestion*

  
**午後の紅茶**  
*Gogo-no Kocho*  
(Black tea)



**Oishii-Muto**  
(Non-sugar)



**The Meister's**  
series



1Q Sales  
Volume (YoY) **+8%** **+159%**

**生茶**

**Nama-Cha**  
(Green tea)



**20<sup>th</sup> anniversary**  
**Kirin Nama-Cha**  
Renewal in March



**Lactococcus lactis strain**  
**Plasma\* related products**

1Q Sales  
Volume (YoY) **+129%**

Volume and revenue up YoY but profit declined due to COVID-19 impacts, etc.

## Bushfire ► Floods ► COVID-19

The external environment has changed significantly in FY2020.  
Lion continues to invest in its focus brands as well as supporting its consumers and customers in these difficult times.



Classic  
**XXXX Gold**



Contemporary  
**Iron Jack**



Premium  
**Furphy**

Sales Volume  
(YoY)

**+29%**

**+2%**

**-3%**

- Sales volume in Australia increased as consumers moved back to brands in the Classic category. Core-brand products remain strong.
- The bushfires, floods and COVID-19 have impacted consumer sentiment in premium brand products, resulting in lower sales of these products.
- On-premise and hospitality venues have been closed since the end of March. To support these customers, Lion was the first supplier to offer to take back full kegs from closed venues.
- The Group exceeded its cost reduction targets in Q1



**Synergy creation is progressing well with FANCL.**  
**Increased attention to Lactococcus lactis strain Plasma (Lactococcus Plasma).**

## Synergy with FANCL

**Mutual customer referrals with online and catalogue from March**



Kyowa Hakko Bio  
Health food online shop



Offering FANCL's supplements for healthy lifestyles such as *Naishi Support* to Kyowa Hakko Bio's customers.



**FANCL**  
ONLINE

キリングループおすすめ商品特別販売!

よろこびが広がる世界へ  
**KIRIN**



Kirin Beverage *Vegetable & Smoothie* and other products at FANCL's ONLINE from April.



Planning to start the cross-border EC to China from May.

## Lactococcus Plasma

**Significant increase in sales volume in both March and cumulative months**

**YoY sales of Lactococcus Plasma Products (total)**

Mar

**+155%**

Jan – Mar

**+102%**

2020  
1.14  
DEBUT



Establish a system for revitalization by further refining the plan and reinforcing personnel with specialized knowledge.

## Implementing initiatives in line with the revitalization plan (master plan)

### Stabilizing Production

#### SOP Compliance

- Review of procedure
- Revision of SOP\* based on practice



### Progress

Progress in refining the manufacturing resumption plan and executing it based on the Sangen\*\* principle

\*\*a problem solving method with three reality principles

### Revitalization

#### Corporate Culture

- Initiatives to ensuring the compliance of GMP\*
- Strengthen employee training



Regular reviews of improvement of communication between the plant and headquarters, and between employees and management.

#### Enhancing HR

- Reinforce knowledgeable and experienced personnel
- Human Resource Development



In addition to three managing executive officers, 31 people from the Kirin Group, mainly production and engineering personnel, have been appointed.

#### Structure Enhance- ment

- Strengthening of QA functions
- Establishment of a strong risk management system



Invited external personnel to serve as managing executive officer in charge of quality

## Continue to fulfill SCM responsibilities by taking measures to reduce infection risk

Basic policy	<ul style="list-style-type: none"><li>➤ The lives and health of our employees and their families, as well as the stakeholders who support the Kirin Group's business activities will be given top priority.</li><li>➤ In order to maintain social activities, we will continue to fulfill our manufacturing and supply responsibilities by taking measures to reduce infection risk in production and distribution activities, which are necessary for the stable supply of food &amp; beverages and drugs.</li></ul>
Supply Chain	<ul style="list-style-type: none"><li>➤ Some temporary effects such as delays in procurement, manufacturing and logistics but no major disruptions to date.</li></ul>
Cash Flow	<ul style="list-style-type: none"><li>➤ Secured adequate liquidity, including cash on hand and credit line agreement with banks.</li><li>➤ In addition, non-urgent investment activities will be suspended for the time being, including those that were already planned.</li></ul>

# 【COVID-19】 Impact on major operating companies

## Calculated impact in the 2Q based on the preliminary sales results in April

### Japan

#### **Kirin Brewery**

Beer category (higher composition ratio of on-premise) continues to decline, while off-premise products to grow steadily. Sales composition ratio of New genre and RTD will likely to be increased.

#### **Kirin Beverage**

The impact of lower sales at convenience stores and vending machines is expected to continue. This is due to an increase of Work-From-Home and government's Stay-Home measure. Demand increases for healthy products and stock up of bottled water, etc.

#### **Kyowa Kirin**

Market penetrations of new products, clinical trials and approval schedules may be impacted by events such as access restrictions of the medical institutions, the change in patient behaviors, and operational changes of the healthcare authorities. (Same for all countries).

### Overseas

#### **Lion Beer Spirits & Wine (Australia & NZ)**

On-Premise and hospitality venues have been closed since the end of March. These are unlikely to reopen during 2Q. Meanwhile, the Australian federal government announced on May 8 a roadmap for reducing restrictions to resume economic activity, which is expected to lead to a gradual recovery.

#### **Myanmar Brewery (Myanmar)**

Approximately 70% of On and Off premise venues are closed and market is rapidly shrinking. Product mix are likely to be worsened for some time.

#### **Coke Northeast (U.S.)**

Impact of closure of schools and suspension of sports events etc. began to expand from late Mar. Sales expected to continue declining that will be partly offset by an increase in home consumption.

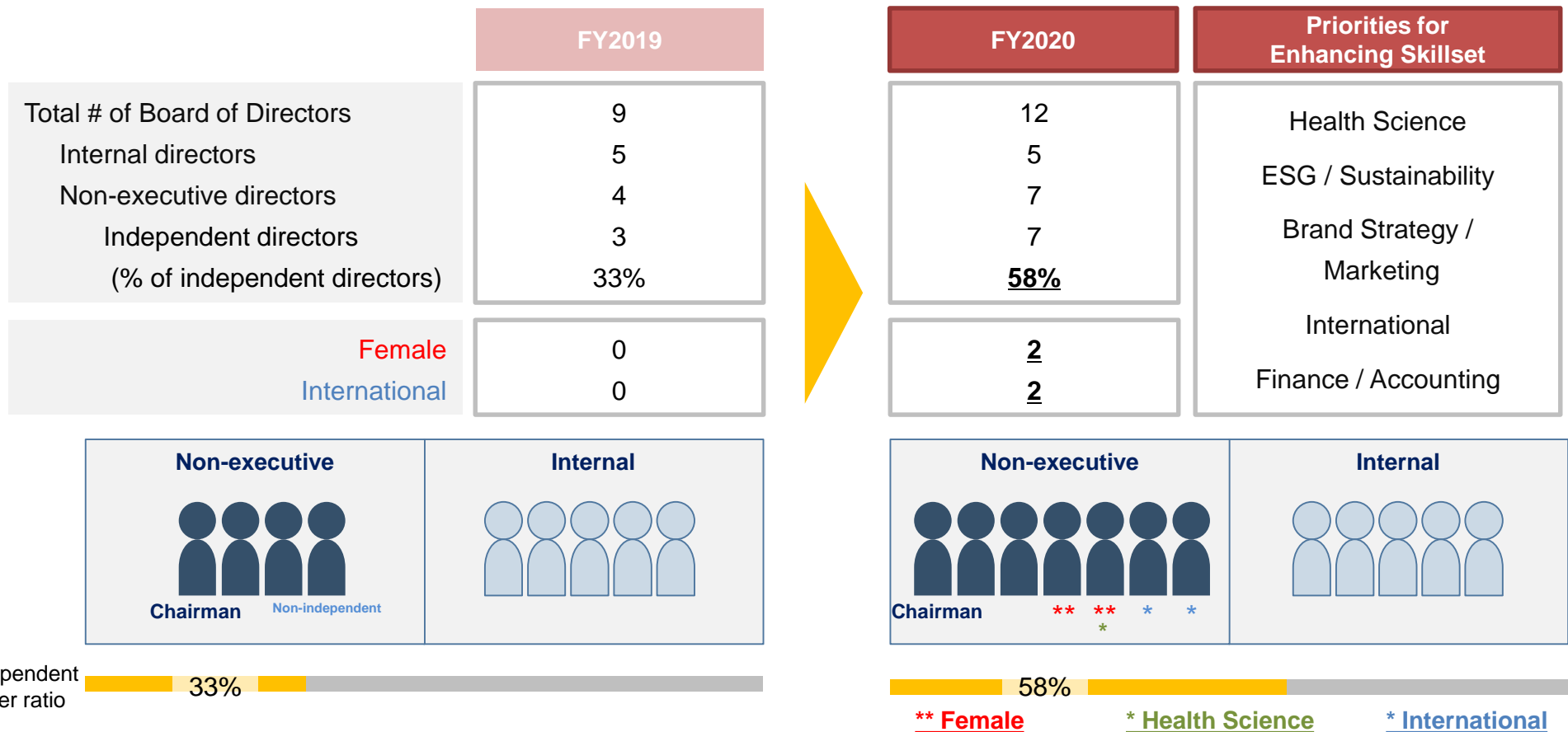
## Calculated impact in the 2Q based on the preliminary sales results in April

- Estimates are based on certain assumptions, and may vary depending on the expansion and convergence of the COVID-19.
- Cost reduction and other measures are under consideration by each company.
- The impact on the revision of the full-year earnings forecast is under scrutiny. We will inform promptly if a fact arises that should be disclosed.

Operating Companies	Reference Index	April Sales volume (YoY, preliminary results)	Apr – Jun Sales Volume (YoY, outlook)
Kirin Brewery	Beer products total	<b>-14%</b>	<b>-10 ~ -20%</b>
	Beer	-49%	-40 ~ -50%
	Happo-shu	+0%	-5 ~ +5%
	New Genre	+6%	+5 ~ +15%
Kirin Beverage	Total sales volume	<b>-23%</b>	<b>-20 ~ -30%</b>
	Retail	-13%	-10 ~ -20%
	Convenience Store	-40%	-30 ~ -40%
	Vending Machine	-38%	-50 ~ -60%
Lion BSW	Total sales volume	<b>-45%</b>	<b>-25 ~ -35%</b>
Myanmar Brewery	Beer Total	<b>-55%</b>	<b>-50 ~ -60%</b>
Coke Northeast	Soft Drinks total	<b>-11%</b>	<b>-10 ~ -15%</b>
Kyowa Kirin	-	Under scrutiny	

The new board of directors has been in place since March 27.

**Considering measures to further strengthen the management oversight function of the Board of Directors, such as creating opportunities for dialogue only by independent non-executive directors.**



# Appendices

## Normalized EPS

(bn yen)		1Q FY20	1Q FY19
Profit attributable to Owners of the Company	①	20.3	-33.9
Profit from discontinued operations	②	-	-
Other operating income/expenses after taxes and other adjustments	③	4.1	56.0
Normalization profit	④ = (① - ②) + ③	24.4	22.1
Average number of shares during the period ('000)	⑤	856,598	877,997
Normalized EPS (yen)	④ / ⑤	29	25

\* In accordance with changes in accounting policies at the year ended December 31, 2019, three months ending March 31, 2019 have been revised retroactively.



## Revenue by segments

(bn yen)	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Revenue	424.5	434.3	-9.8	-2.3%
Japan Beer and Spirits	134.0	139.9	-5.9	-4.2%
Kirin Brewery	130.4	136.3	-5.9	-4.3%
Other and elimination	3.6	3.6	0.0	0.8%
Japan Non-alcoholic Beverages	59.5	58.7	0.9	1.5%
Kirin Beverage	60.0	59.1	0.9	1.5%
Elimination	-0.5	-0.4	-0.0	—
Oceania Integrated Beverages	68.9	73.5	-4.6	-6.3%
Lion	68.9	73.5	-4.6	-6.3%
Beer, Spirits, and Wine	41.1	39.8	1.2	3.0%
Dairy and Drinks	27.9	33.7	-5.8	-17.2%
Elimination	-0.0	-0.0	0.0	—
Pharmaceuticals	77.2	75.6	1.6	2.1%
Kyowa Kirin	77.3	75.8	1.5	1.9%
Elimination	-0.1	-0.3	0.1	—
Other	84.9	86.7	-1.8	-2.1%
Mercian	13.9	14.1	-0.3	-1.9%
Myanmar Brewery	10.7	9.1	1.6	18.0%
Coke Northeast	31.7	29.8	1.9	6.4%
Kyowa Hakko Bio	15.0	18.8	-3.9	-20.5%
Other and elimination	13.6	14.8	-1.2	-8.2%

Bio-chemicals Business is now classified in "Others" as Kyowa Hakko Bio from 2Q FY2019

## Normalized OP by segments

(bn yen)	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Normalized OP	32.8	36.9	-4.1	-11.0%
Japan Beer and Spirits	11.2	12.2	-1.0	-8.2%
Kirin Brewery	10.7	11.8	-1.0	-8.9%
Other and elimination	0.4	0.4	0.1	13.3%
Japan Non-alcoholic Beverages	3.8	2.8	1.0	37.0%
Kirin Beverage	3.8	2.8	1.0	37.0%
Oceania Integrated Beverages	5.7	8.5	-2.7	-32.2%
Lion	5.7	8.5	-2.7	-32.2%
Beer, Spirits, and Wine	6.8	10.2	-3.4	-32.9%
Dairy and Drinks	0.1	-0.1	0.2	—
Corporate	-1.2	-1.7	0.5	—
Pharmaceuticals	16.4	17.5	-1.1	-6.4%
Kyowa Kirin	16.4	17.5	-1.1	-6.4%
Other	5.7	5.4	0.3	5.0%
Mercian	0.0	-0.1	0.1	—
Myanmar Brewery	5.0	3.9	1.1	28.0%
Coke Northeast	1.0	0.0	0.9	—
Kyowa Hakko Bio	-1.4	0.6	-2.0	—
Other and elimination	1.1	0.9	0.2	18.3%
Corporate expenses/inter-segment	-10.0	-9.5	-0.5	—

Bio-chemicals Business is now classified in “Others” as Kyowa Hakko Bio from 2Q FY2019

# 1Q FY2020 Results

## Kirin Brewery



(1,000 HL)	1Q FY20 Actual	1Q FY19 Actual	YoY
Beer products total	—	—	-2.5%
Beer	—	—	-10.9%
Happo-shu	—	—	-6.1%
New genre	—	—	5.6%
RTD	820	810	1.2%
Non-alcohol beverages	90	70	30.2%

\* In accordance with the agreement made by the Brewers Association of Japan, sales volume of beer products will only be disclosed in the 2Q and 4Q.

(bn yen)	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Revenue	130.4	136.3	-5.9	-4.3%
Revenue excl. liquor tax	77.1	80.0	-2.9	-3.6%
Normalized OP	10.7	11.8	-1.0	-8.9%

### Note

#### Domestic Alcoholic Beverages Markets

- Total beer sales volume decreased by 5% YoY (estimate)
- On-premise volume started to decline from late February and worsened in March due to COVID-19 impact.

#### Sales Volume

- Although sales of keg products for on-premise channel were impacted in the same way as the market (around -40% YoY in March), sales of focused *Kirin Ichiban* (can) were at the same level as in the previous year, and sales of *Honkirin* grew significantly. As a result, the sales volume of Total beer outperformed the market (-2.5% YoY).

#### Revenue and Normalized OP

- Revenue declined due to decreased volume of Total Beer.
- Normalized OP decreased as marginal profit declined as a result of lower sales volumes of Total beer, as well as increase of raw material costs such as barley and malt.

1Q FY19 Normalized OP (bn yen)		11.8	Description
YoY change (bn yen)			<b>Total beer products -1.6</b> (decrease in beer -120,000HL, decrease in happo-shu -50,000HL, increase in new genre 90,000HL)
	Decrease in marginal profit of alcohol beverages, etc.	-2.5	<b>Total other than beer products 0.3</b> (increase in RTD 10,000HL, increase in non-alcohol beverages 20,000HL, etc.)
	Increase in raw material cost	-0.9	<b>Difference of change in composite of products, etc. -1.2</b>
	Decrease in selling expenses	2.0	Decrease in sales promotion 2.2, increase in advertising -0.2 (Total 13.8 ⇒ 11.9)
	Decrease in other expenses	0.4	
Subtotal		-1.0	
1Q FY20 Normalized OP		10.7	

# 1Q FY2020 Results

## Kirin Beverage



Sales Volume (10,000 cases)		1Q FY20 Actual	1Q FY19 Actual	YoY
Category	Black tea	1,313	1,341	-2.1%
	Japanese tea	709	707	0.3%
	Coffee	574	565	1.5%
	Fruit and veg. juice	507	500	1.4%
	Carbonated bevarages	299	383	-21.9%
	Functional bevarages	226	181	24.6%
	Water	968	892	8.5%
	Others	314	299	5.0%
By Container	Can	622	735	-15.4%
	Large PET bottle	1,682	1,639	2.6%
	Small PET bottle	2,222	2,088	6.4%
	Others	383	406	-5.6%
Total		4,909	4,868	0.9%

(bn yen)	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Revenue	60.0	59.1	0.9	1.5%
Normalized OP	3.8	2.8	1.0	37.0%

1Q FY19 Normalized OP (bn yen)		2.8	Description
YoY change (bn yen)	Increase in marginal profit	0.5	Increase in sales volume 0.42 million cases, 0.2 Difference of change in products mix and in composition ratio of containers, etc. 0.3
	Decrease in raw material costs, etc.	0.5	Decrease in raw material cost 0.1, Decrease in material cost 0.4, increase in processing cost -0.1
	Decrease in selling expenses	0.1	Increase in sales promotion -0.3, Decrease in advertising 0.4 (Total 7.4 ⇒ 7.3)
	Increase in other expenses	-0.1	Increase in depreciation of vending machines, etc.
Subtotal		1.0	
1Q FY20 Normalized OP		3.8	

### Note

#### Soft drinks market

- The soft drinks market shrank by 2%.
- In March, sales at convenience stores and vending machines declined due to an increase of Work-From-Home and government's Stay-Home measure. On the other hand, demand in off-premise channel is increasing there is stock demand.

#### Sales volume

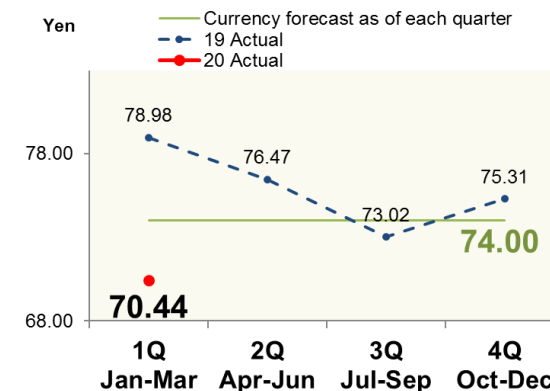
- Total soft drinks volume slightly increased YoY.
- *Gogo-no-Kocha* and *Namacha* (brand total) slightly declined due to warmer winter and market trend, but *FIRE ONEDAY BLACK* (launched April last year) and products related to Lactococcus Plasma (more than doubled its volume YoY) contributed to volume growth.

#### Additional comment on performance

- Higher marginal profit due to increased volume and price revisions to large PET bottle products in last year, etc.
- Lower ad cost driven by focused brand investment and favorable raw material cost including commodity price.

	Yen base (bn yen)				AUS dollar base (million AUS\$)			
	1Q FY20 Actual	1Q FY19 Actual	YoY	%	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Revenue	68.9	73.5	-4.6	-6.3%	979	931	48	5.1%
BSW	41.1	39.8	1.2	3.0%	583	505	78	15.5%
LDD	27.9	33.7	-5.8	-17.2%	396	427	-31	-7.2%
Normalized OP	5.7	8.5	-2.7	-32.2%	81	107	-26	-24.0%
BSW	6.8	10.2	-3.4	-32.9%	97	129	-32	-24.7%
LDD	0.1	-0.1	0.2	—	1	-1	2	—
Corporate	-1.2	-1.7	0.5	—	-17	-21	4	—

## Exchange Rate - Australian Dollar



Lion's currency is calculated by accumulating the average rate for each of the three months.

	BSW	LDD
Change in sales volume	+17.8%	-1.1%
Normalized OP YoY Australian dollars (million AUS\$)		
1Q FY19 Actual	129	-1
Change in sales volume	+69	+1
Other	-101	+1
1Q FY20 Actual	97	1

## Change in sales volume (BSW)

- Sales volume has increased due to a sales rebound in early Q1 compared to Q1F19, the impact of consumer purchasing in late March and the acquisition of New Belgium Brewing in the US.

## Note

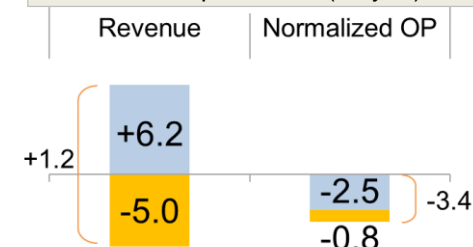
## Beer, Spirits &amp; Wine (BSW)

- Increase in revenue YoY is mainly due to the acquisition of New Belgium Brewing in the US as well as growth in Australian beer volume.
- Normalized OP decreased due to mix changes driven by the recent Australian bushfires and floods making consumers more value conscious, as well as the impact of COVID-19 including the decision to take back full kegs from our pubs and bar customers.

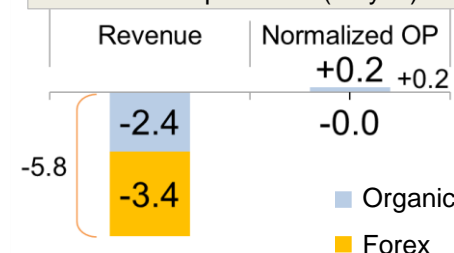
## Dairy and Drinks (LDD)

- Decrease in revenue mainly due to sale of Cheese business in last October.
- Increase in Normalized OP due to improved gross margin driven by solid performance of Milk Based Beverages such as "Dare", as well as cost savings.

## Forex Impact BSW (bn yen)



## Forex Impact LDD (bn yen)



■ Organic  
■ Forex

# 1Q FY2020 Results

## Kyowa Kirin



(bn yen)	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Revenue	77.2	75.6	1.6	2.1%
Kyowa Kirin	77.3	75.8	1.5	1.9%
Elimination	-0.1	-0.3	0.1	—
Normalized OP	16.4	17.5	-1.1	-6.4%
Kyowa Kirin	16.4	17.5	-1.1	-6.4%

### Revenue by key items

(billion yen)

Item (Japan)	1Q FY20 Actual	1Q FY19 Actual	YoY
Nesp + AG version*	7.5	11.8	-4.3
Regpara	1.0	1.8	-0.9
Orkedia	2.0	1.2	0.7
G-Lasta	6.1	5.3	0.9
Rituximab BS	2.6	1.8	0.7
Allelock	3.0	4.0	-1.0
Patanol	5.9	8.5	-2.6
Nourias	2.2	2.2	-0.0
Technology licensing	0.3	0.9	-0.6

\* AG stands for Authorized Generic. Official product name is Darbepoetin Alfa Injection Syringe [KKF].  
Kyowa Kirin Frontier is a marketing authorization holder; Kyowa Kirin is a distributor.

### Note

#### Revenue

- While *G-Lasta* and *Rituximab BS* performed well, domestic revenue declined due to the pharmaceutical price revision (Oct 2019), declined sales of *Patanol* impacted by less pollen, as well as less outpatient due to government's direction to refrain from going outside, related to COVID-19.
- However Kyowa Kirin's 1Q total revenue was up driven by stronger sales of global strategic products *Crysvita*, *Poteligeo* and *Nouriaz* in overseas markets.

#### Normalized OP

- Profit declined despite of greater sales of global strategic products, due to the rising overseas selling and launch readiness expenses.

(billion yen)

Item (Overseas)	1Q FY20 Actual	1Q FY19 Actual	YoY
Crysvita *1 North America EMEA	12.0 9.2 2.8	5.7	6.3
Poteligeo	2.9	2.4	0.5
Nouriaz	0.4	-	0.4
Abstral	2.8	3.1	-0.3
Technology licensing Benralizumab Royalty *2	2.7	2.0	0.7

\*1 Launched countries as of March 31, 2020 (excluding South America):  
USA, Canada, Germany, Netherlands, Luxembourg, England, Wales, North Ireland,  
Slovakia, Sweden, Israel, UAE, Czech, Denmark, Italy, Japan, Norway, Bahrain  
\*2 Sales royalties of Fasenna, marketed by AstraZeneca. Includes our own estimation.

# 1Q FY2020 Results

## Myanmar Brewery



	Yen base (bn yen)			
	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Revenue	10.7	9.1	1.6	18.0%
Normalized OP	5.0	3.9	1.1	28.0%

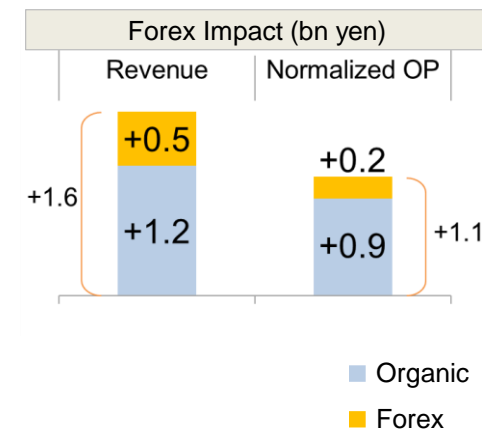
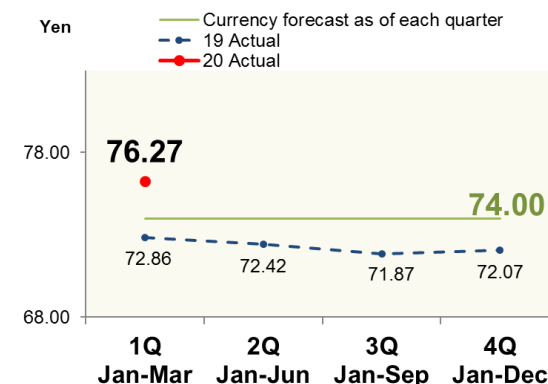
	Kyat base (bn MMK)			
	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Revenue	140	125	16	12.7%
Normalized OP	65	54	12	22.3%

### Note

#### 1Q Results

- As in the trend of previous year, the market expanded significantly due to factors such as the growing alcohol drinking population, enhanced sales promotion measures of beer companies in its peak seasons. However the speed of growth started to slow down from mid February due to COVID-19.
- Myanmar Brewery's sales volume surged (up 12.6% YoY), centered on its key product, *Myanmar Beer*, and *Andaman Gold*.
- Revenue grew thanks to the larger sales volume.
- Normalized OP also increased due to larger sales volume as well as favorable raw material market condition.

#### Exchange Rate - 1,000 Myanmar Kyat



# 1Q FY2020 Results

## Coke Northeast (Coca-Cola Beverages Northeast)



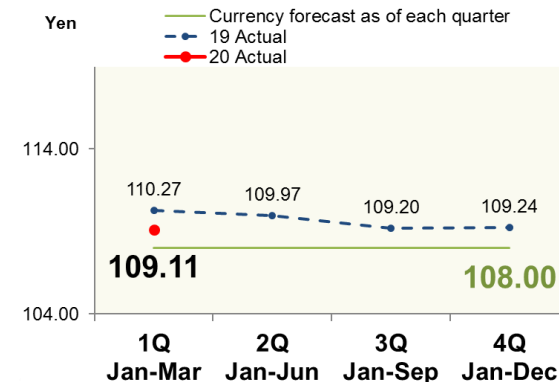
	Yen base (bn yen)				U.S. dollar base (million \$)			
	1Q FY20 Actual	1Q FY19 Actual	YoY	%	1Q FY20 Actual	1Q FY19 Actual	YoY	%
Revenue	31.7	29.8	1.9	6.4%	291	270	20	7.6%
Normalized OP	1.0	0.0	0.9	—	9	0	9	—

### Note

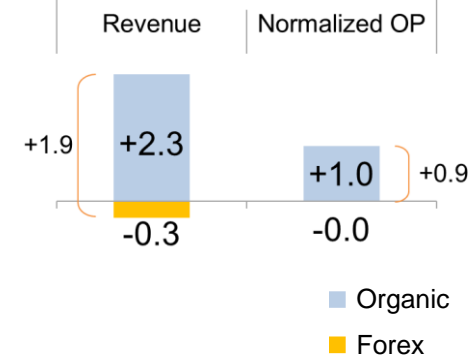
#### 1Q Performance

- Revenue increased due to a strong sales volume (+8.1%), to which successful new product launches contributed, as well as price increase.
- The impacts of COVID-19 on 1Q results were negligible as although there were temporary higher demand for water, closures of restaurants etc. negatively affected on-premise sales at the same time in the late March.
- PMI implementation also went well, and Normalized OP largely increased.

#### Exchange Rate - US Dollar



#### Forex Impact (bn yen)





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



よろこびがつなぐ世界へ

Joy brings us together