

KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED JUNE 30, 2021 (UNDER IFRS)

(UNAUDITED)

August 10, 2021

(English Translation)

Fiscal year ending December 31, 2021

KIRIN HOLDINGS COMPANY, LIMITED

NAKANO CENTRAL PARK SOUTH, 10-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan (URL <https://www.kirinholdings.com/en/>)

| | |
|---|--|
| Code No.: | 2503 |
| Shares Listed: | Tokyo, Nagoya, Sapporo and Fukuoka |
| Representative: | Mr. Yoshinori Isozaki, President and CEO |
| For further information, please contact: | Mr. Nobuhiko Hori, General Manager of Corporate Communications Department Telephone: +81-3-6837-7015 from overseas |
| Submission date of quarterly securities report scheduled: | August 11, 2021 |
| Commencement date of dividend distribution scheduled: | September 3, 2021 |
| Preparation of supplementary documents to the financial results: | Yes |
| Holding of financial results presentation (for institutional investors and analysts): | Yes |

1. Consolidated business results and financial position for the first six months of the current fiscal year (January 1, 2021 - June 30, 2021)

[Unit: Japanese yen (¥)]

(1) Results of operations (cumulative):

(Amounts are rounded to the nearest ¥1 million)

(Percentage change compares current results with those of the same period of the previous year)

| | Revenue (¥ millions) | Percentage change (%) | Normalized operating profit (¥ millions) | Percentage change (%) | Profit before tax (¥ millions) | Percentage change (%) |
|------------------|-------------------------|-----------------------------|--|-----------------------------|--------------------------------------|-----------------------------|
| Six months ended | | | | | | |
| June 30, 2021 | 864,024 | (1.0) | 71,914 | 2.9 | 56,509 | 0.9 |
| June 30, 2020 | 872,469 | (6.2) | 69,860 | (23.1) | 56,001 | 147.2 |

| | Profit (¥ millions) | Percentage change (%) | Profit attributable to owners of the Company (¥ millions) | Percentage change (%) | Total comprehensive income (¥ millions) | Percentage change (%) |
|------------------|------------------------|-----------------------------|---|-----------------------------|--|-----------------------------|
| Six months ended | | | | | | |
| June 30, 2021 | 37,548 | (22.9) | 23,748 | (28.7) | 74,766 | 257.8 |
| June 30, 2020 | 48,681 | 328.6 | 33,305 | — | 20,898 | — |

| | Basic earnings per share (¥) | Diluted earnings per share (¥) |
|------------------|------------------------------------|--------------------------------------|
| Six months ended | | |
| June 30, 2021 | 28.49 | 28.48 |
| June 30, 2020 | 39.33 | 39.31 |

| | | | |
|-----------------------------|--------------------------------|-----------------|---------|
| Reference: Operating profit | Six months ended June 30, 2021 | ¥41,824 million | (15.4%) |
| | Six months ended June 30, 2020 | ¥49,441 million | 282.2% |

* Normalized operating profit is a profit indicator for measuring recurring performance which is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

(2) Financial position:

| | Total assets | Total equity | Equity attributable to owners of the Company | Equity ratio attributable to owners of the Company |
|-------------------|--------------|--------------|--|--|
| | (¥ millions) | (¥ millions) | (¥ millions) | (%) |
| As of | | | | |
| June 30, 2021 | 2,429,998 | 1,138,169 | 872,384 | 35.9 |
| December 31, 2020 | 2,459,363 | 1,095,939 | 838,584 | 34.1 |

2. Dividends

| | Annual dividends | | | | |
|---|------------------|----------------|---------------|----------|-------|
| | First quarter | Second quarter | Third quarter | Year-end | Total |
| | (¥) | (¥) | (¥) | (¥) | (¥) |
| Fiscal year ended December 31, 2020 | — | 32.50 | — | 32.50 | 65.00 |
| Fiscal year ending December 31, 2021 | — | 32.50 | | | |
| Fiscal year ending December 31, 2021 (Forecast) | | | — | 32.50 | 65.00 |

Note: Revision of the forecast from recently announced figures: None

3. Forecast consolidated business results for the current fiscal year (January 1, 2021 - December 31, 2021)

(Percentage change compares forecast results with actual results of the previous year)

| | Revenue | Percentage change | Normalized operating profit | Percentage change | Profit before tax | Percentage change |
|--------------------------------------|--------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | (¥ millions) | (%) | (¥ millions) | (%) | (¥ millions) | (%) |
| Fiscal year ending December 31, 2021 | 1,870,000 | 1.1 | 170,000 | 4.9 | 158,000 | 26.9 |

| | Profit | Percentage change | Profit attributable to owners of the Company | Percentage change | Basic earnings per share |
|--------------------------------------|--------------|-------------------|--|-------------------|--------------------------|
| | (¥ millions) | (%) | (¥ millions) | (%) | (¥) |
| Fiscal year ending December 31, 2021 | 112,500 | 12.7 | 86,500 | 20.2 | 103.77 |

Note: Revision of the forecast from recently announced figures: Yes

Reference: Operating profit Fiscal year ending December 31, 2021 ¥125,500 million 21.9%

The impact of spread of COVID-19 is reflected in the consolidated business forecast above, but it is subject to change depending on the situation.

* Notes

- (1) Changes in significant subsidiaries for the six months ended June 30, 2021: Yes
(Changes in specified subsidiaries accompanying change in scope of consolidation)

Newly included: —

Excluded: 2 companies
Lion-Dairy & Drinks Pty Ltd
Berri Pty Limited

- (2) Changes in accounting policies and changes in accounting estimates

- i. Changes in accounting policies required by IFRS: None
ii. Changes in accounting policies due to other reasons: None
iii. Changes in accounting estimates: Yes

For details, please see “NOTES TO CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS (CHANGES IN ACCOUNTING ESTIMATES)” on page 10.

- (3) Number of shares outstanding (ordinary shares)

- i. Number of shares outstanding at the end of the period (including treasury shares)
- | | |
|-------------------------|--------------------|
| As of June 30, 2021 | 914,000,000 shares |
| As of December 31, 2020 | 914,000,000 shares |
- ii. Number of treasury shares at the end of the period
- | | |
|-------------------------|-------------------|
| As of June 30, 2021 | 80,407,792 shares |
| As of December 31, 2020 | 80,385,352 shares |
- iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)
- | | |
|--|--------------------|
| For the six months ended June 30, 2021 | 833,607,211 shares |
| For the six months ended June 30, 2020 | 846,861,187 shares |

Note: Number of treasury shares at June 30, 2021 and December 31, 2020 includes 388,000 shares held in the BIP (Board Incentive Plan) Trust. These shares are excluded in calculation of the average number of shares during the period.

* The summary of quarterly consolidated financial results is not subject to a quarterly review by certified public accountants or an audit corporation.

* Information about proper usage of forecast business results, and other special instructions

- (1) The statements concerning future performance that are presented in this document are based on judgments using information available to Kirin Holdings and the Kirin Group as of the release date of this material. Certain risks and uncertainties could cause the results of Kirin Holdings and the Kirin Group to differ materially from any projections presented herein. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses, market trends, and exchange rates.
- (2) The Company will post the Supplementary Documents to the Financial Results today, Tuesday, August 10, and will post the presentation materials from the financial results presentation to be held on Wednesday, August 11, the presentation content (video) and the main Q&A at the meeting as soon as possible on the Company's website.
(URL of the Company's website)
<https://www.kirinholdings.com/en/investors/>

ATTACHED MATERIALS

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1. CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ millions)

| | At December 31, 2020 | At June 30, 2021 |
|---------------------------------|----------------------|------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 521,919 | 527,690 |
| Goodwill | 245,709 | 230,808 |
| Intangible assets | 209,291 | 212,536 |
| Equity-accounted investees | 387,467 | 403,728 |
| Other financial assets | 105,740 | 100,873 |
| Other non-current assets | 21,162 | 21,241 |
| Deferred tax assets | 101,533 | 105,332 |
| Total non-current assets | 1,592,821 | 1,602,208 |
| Current assets | | |
| Inventories | 217,176 | 245,194 |
| Trade and other receivables | 372,146 | 307,051 |
| Other financial assets | 7,948 | 8,477 |
| Other current assets | 33,941 | 23,164 |
| Cash and cash equivalents | 161,667 | 243,903 |
| (Sub-total) | 792,878 | 827,790 |
| Assets held for sale | 73,664 | — |
| Total current assets | 866,542 | 827,790 |
| Total assets | 2,459,363 | 2,429,998 |

(¥ millions)

| | At December 31, 2020 | At June 30, 2021 |
|---|----------------------|------------------|
| Equity | | |
| Share capital | 102,046 | 102,046 |
| Share premium | 24,940 | 24,987 |
| Retained earnings | 980,903 | 981,816 |
| Treasury shares | (201,783) | (201,797) |
| Reserves | (67,522) | (34,667) |
| Equity attributable to owners of the Company | 838,584 | 872,384 |
| Non-controlling interests | 257,355 | 265,784 |
| Total equity | 1,095,939 | 1,138,169 |
| Liabilities | | |
| Non-current liabilities | | |
| Bonds and borrowings | 393,610 | 447,325 |
| Other financial liabilities | 140,343 | 137,623 |
| Defined benefit liability | 66,890 | 67,752 |
| Provisions | 4,456 | 4,261 |
| Other non-current liabilities | 3,408 | 3,097 |
| Deferred tax liabilities | 17,243 | 17,960 |
| Total non-current liabilities | 625,950 | 678,019 |
| Current liabilities | | |
| Bonds and borrowings | 249,033 | 212,976 |
| Trade and other payables | 220,277 | 208,123 |
| Other financial liabilities | 63,781 | 57,657 |
| Current tax liabilities | 8,707 | 10,347 |
| Provisions | 3,961 | 3,105 |
| Other current liabilities | 164,692 | 121,602 |
| (Sub-total) | 710,451 | 613,810 |
| Liabilities directly associated with assets held for sale | 27,024 | — |
| Total current liabilities | 737,475 | 613,810 |
| Total liabilities | 1,363,424 | 1,291,829 |
| Total equity and liabilities | 2,459,363 | 2,429,998 |

**(2) CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
 COMPREHENSIVE INCOME
 CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 SIX MONTHS ENDED JUNE 30, 2021**

(¥ millions)

| | Six months ended June 30, 2020 | Six months ended June 30, 2021 |
|---|-----------------------------------|-----------------------------------|
| Revenue | 872,469 | 864,024 |
| Cost of sales | 498,729 | 474,980 |
| Gross profit | 373,741 | 389,044 |
| Selling, general and administrative expenses | 303,881 | 317,130 |
| Normalized operating profit | 69,860 | 71,914 |
| Other operating income | 2,268 | 3,105 |
| Other operating expenses | 22,686 | 33,195 |
| Operating profit | 49,441 | 41,824 |
| Finance income | 1,753 | 2,910 |
| Finance costs | 3,551 | 2,555 |
| Share of profit of equity-accounted investees | 8,358 | 14,330 |
| Profit before tax | 56,001 | 56,509 |
| Income tax expense | 7,320 | 18,961 |
| Profit | 48,681 | 37,548 |
| Profit attributable to: | | |
| Owners of the Company | 33,305 | 23,748 |
| Non-controlling interests | 15,377 | 13,799 |
| Profit | 48,681 | 37,548 |
| Earnings per share (¥) | | |
| Basic earnings per share | 39.33 | 28.49 |
| Diluted earnings per share | 39.31 | 28.48 |

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2021

(¥ millions)

| | Six months ended June 30, 2020 | Six months ended June 30, 2021 |
|--|-----------------------------------|-----------------------------------|
| Profit | 48,681 | 37,548 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Net change in equity instruments measured at fair value through other comprehensive income | (9,890) | 1,496 |
| Share of other comprehensive income of equity-accounted investees | (182) | 200 |
| Items that are or may be reclassified to profit or loss | | |
| Foreign currency translation differences on foreign operations | (19,142) | 24,520 |
| Cash flow hedges | (29) | 1,079 |
| Share of other comprehensive income of equity-accounted investees | 1,460 | 9,923 |
| Total other comprehensive income | (27,783) | 37,218 |
| Comprehensive income | 20,898 | 74,766 |
| Comprehensive income attributable to: | | |
| Owners of the Company | 7,250 | 60,860 |
| Non-controlling interests | 13,648 | 13,906 |
| Comprehensive income | 20,898 | 74,766 |

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2020

(¥ millions)

| | Equity attributable to owners of the Company | | | | | |
|---|--|---------------|-------------------|-----------------|--|---|
| | Share capital | Share premium | Retained earnings | Treasury shares | Reserves | |
| | | | | | Net change in equity instruments measured at fair value through other comprehensive income | Remeasurements of defined benefit plans |
| Balance at January 1, 2020 | 102,046 | 24,853 | 958,292 | (124,999) | 41,410 | — |
| Profit | — | — | 33,305 | — | — | — |
| Other comprehensive income | — | — | — | — | (9,695) | (149) |
| Comprehensive income | — | — | 33,305 | — | (9,695) | (149) |
| Dividends from surplus | — | — | (28,234) | — | — | — |
| Acquisition of treasury shares | — | — | — | (76,793) | — | — |
| Disposal of treasury shares | — | (0) | — | 2 | — | — |
| Share-based payments | — | 17 | — | 9 | — | — |
| Changes in the ownership interest in a subsidiary without a loss of control | — | (0) | — | — | (1) | — |
| Transfer from reserves to retained earnings | — | — | (5) | — | (144) | 149 |
| Other | — | 1 | — | — | — | — |
| Total transactions with owners of the Company | — | 17 | (28,238) | (76,782) | (145) | 149 |
| Balance at June 30, 2020 | 102,046 | 24,870 | 963,358 | (201,781) | 31,570 | — |

| | Equity attributable to owners of the Company | | | | Non-controlling interests | Total equity |
|---|--|------------------|----------|-----------|---------------------------|--------------|
| | Reserves | | | Total | | |
| | Foreign currency translation differences on foreign operations | Cash flow hedges | Total | | | |
| Balance at January 1, 2020 | (94,043) | (983) | (53,615) | 906,576 | 240,249 | 1,146,825 |
| Profit | — | — | — | 33,305 | 15,377 | 48,681 |
| Other comprehensive income | (16,182) | (29) | (26,054) | (26,054) | (1,729) | (27,783) |
| Comprehensive income | (16,182) | (29) | (26,054) | 7,250 | 13,648 | 20,898 |
| Dividends from surplus | — | — | — | (28,234) | (5,459) | (33,692) |
| Acquisition of treasury shares | — | — | — | (76,793) | — | (76,793) |
| Disposal of treasury shares | — | — | — | 1 | — | 1 |
| Share-based payments | — | — | — | 26 | (137) | (110) |
| Changes in the ownership interest in a subsidiary without a loss of control | 2 | — | 2 | 1 | 376 | 377 |
| Transfer from reserves to retained earnings | — | — | 5 | — | — | — |
| Other | (0) | — | (0) | 1 | 2 | 2 |
| Total transactions with owners of the Company | 2 | — | 6 | (104,997) | (5,218) | (110,215) |
| Balance at June 30, 2020 | (110,222) | (1,012) | (79,664) | 808,829 | 248,678 | 1,057,507 |

SIX MONTHS ENDED JUNE 30, 2021

(¥ millions)

| | Equity attributable to owners of the Company | | | | | |
|---|--|---------------|-------------------|-----------------|--|---|
| | Share capital | Share premium | Retained earnings | Treasury shares | Reserves | |
| | | | | | Net change in equity instruments measured at fair value through other comprehensive income | Remeasurements of defined benefit plans |
| Balance at January 1, 2021 | 102,046 | 24,940 | 980,903 | (201,783) | 24,757 | — |
| Profit | — | — | 23,748 | — | — | — |
| Other comprehensive income | — | — | — | — | 1,512 | 195 |
| Comprehensive income | — | — | 23,748 | — | 1,512 | 195 |
| Dividends from surplus | — | — | (27,092) | — | — | — |
| Acquisition of treasury shares | — | — | — | (14) | — | — |
| Disposal of treasury shares | — | (0) | — | 0 | — | — |
| Share-based payments | — | 29 | — | — | — | — |
| Changes in the ownership interest in a subsidiary without a loss of control | — | 18 | — | — | — | — |
| Transfer from reserves to retained earnings | — | — | 4,257 | — | (4,062) | (195) |
| Other | — | — | — | — | — | — |
| Total transactions with owners of the Company | — | 47 | (22,835) | (14) | (4,062) | (195) |
| Balance at June 30, 2021 | 102,046 | 24,987 | 981,816 | (201,797) | 22,208 | — |

| | Equity attributable to owners of the Company | | | | Non-controlling interests | Total equity |
|---|--|------------------|----------|----------|---------------------------|--------------|
| | Reserves | | | Total | | |
| | Foreign currency translation differences on foreign operations | Cash flow hedges | Total | | | |
| Balance at January 1, 2021 | (91,702) | (577) | (67,522) | 838,584 | 257,355 | 1,095,939 |
| Profit | — | — | — | 23,748 | 13,799 | 37,548 |
| Other comprehensive income | 34,322 | 1,082 | 37,111 | 37,111 | 107 | 37,218 |
| Comprehensive income | 34,322 | 1,082 | 37,111 | 60,860 | 13,906 | 74,766 |
| Dividends from surplus | — | — | — | (27,092) | (5,466) | (32,559) |
| Acquisition of treasury shares | — | — | — | (14) | — | (14) |
| Disposal of treasury shares | — | — | — | 0 | — | 0 |
| Share-based payments | — | — | — | 29 | (140) | (111) |
| Changes in the ownership interest in a subsidiary without a loss of control | — | — | — | 18 | 100 | 118 |
| Transfer from reserves to retained earnings | — | — | (4,257) | — | — | — |
| Other | — | — | — | — | 31 | 31 |
| Total transactions with owners of the Company | — | — | (4,257) | (27,060) | (5,476) | (32,536) |
| Balance at June 30, 2021 | (57,379) | 505 | (34,667) | 872,384 | 265,784 | 1,138,169 |

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ millions)

| | Six months ended June 30, 2020 | Six months ended June 30, 2021 |
|---|-----------------------------------|-----------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 56,001 | 56,509 |
| Depreciation and amortization | 39,997 | 39,773 |
| Impairment losses | 7,713 | 22,611 |
| Interest and dividends received | (1,417) | (1,283) |
| Share of profit of equity-accounted investees | (8,358) | (14,330) |
| Interest paid | 2,444 | 2,224 |
| Gain on sale of property, plant and equipment and intangible assets | (249) | (1,357) |
| Loss on disposal and sale of property, plant and equipment and intangible assets | 815 | 618 |
| Gain on sale of shares of subsidiaries | (42) | (23) |
| (Increase) decrease in trade receivables | 65,599 | 69,003 |
| (Increase) decrease in inventories | (8,135) | (20,737) |
| Increase (decrease) in trade payables | (12,029) | (2,855) |
| Increase (decrease) in liquor taxes payable | (29,259) | (28,644) |
| Increase (decrease) in deposits received | (10,709) | (8,416) |
| Other | (39,409) | (26,025) |
| Sub-total | 62,962 | 87,068 |
| Interest and dividends received | 11,056 | 10,334 |
| Interest paid | (2,386) | (2,093) |
| Income taxes paid | (23,889) | (5,465) |
| Cash flows from (used in) operating activities | 47,743 | 89,844 |

(¥ millions)

| | Six months ended June 30, 2020 | Six months ended June 30, 2021 |
|---|-----------------------------------|-----------------------------------|
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment and intangible assets | (49,638) | (38,633) |
| Proceeds from sale of property, plant and equipment and intangible assets | 503 | 3,681 |
| Acquisition of investments | (233) | (2,304) |
| Proceeds from sale of investments | 118 | 9,541 |
| Acquisition of shares of subsidiaries, net of cash acquired | (39,628) | — |
| Proceeds from sale of shares of subsidiaries, net of cash disposed of | 18 | 42,886 |
| Acquisition of equity-accounted investees | (729) | (108) |
| Proceeds from sale of equity-accounted investees | — | 5,101 |
| Other | (1,298) | (800) |
| Cash flows from (used in) investing activities | (90,886) | 19,363 |
| Cash flows from financing activities | | |
| Increase (decrease) in short-term borrowings | 69,284 | (215) |
| Increase (decrease) in commercial paper | (57,007) | (45,001) |
| Proceeds from long-term borrowings | 135,000 | — |
| Repayment of long-term borrowings | (10,919) | (10,000) |
| Proceeds from issuance of bonds | 49,961 | 70,000 |
| Payment for redemption of bonds | (20,000) | — |
| Repayment of lease liabilities | (8,544) | (9,080) |
| Payment for acquisition of treasury shares | (76,788) | (18) |
| Payment for acquisition of treasury shares by a consolidated subsidiary | (7) | (11) |
| Dividends paid | (28,234) | (27,092) |
| Dividends paid to non-controlling interests | (9,327) | (5,466) |
| Other | (370) | (258) |
| Cash flows from (used in) financing activities | 43,050 | (27,142) |
| Effect of exchange rate changes on cash and cash equivalents | (2,725) | 171 |
| Net increase (decrease) in cash and cash equivalents | (2,817) | 82,236 |
| Cash and cash equivalents at beginning of period | 165,671 | 161,667 |
| Cash and cash equivalents at end of period | 162,854 | 243,903 |

(5) NOTES TO CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(GOING CONCERN ASSUMPTION)

There are no matters to report under this item.

(CHANGES IN ACCOUNTING ESTIMATES)

Estimates and assumptions that have significant effects on the amounts recognized in the condensed quarterly consolidated financial statements are the same as those in the previous year in principle, except for the following matter.

Considering the outlook for a continuing high level of uncertainty of operating environment and increase in the country risk due to the circumstances in Myanmar in turmoil caused by the coup d'état which occurred in February 2021, an impairment test was performed for certain business assets related to the Alcoholic Beverages business in Myanmar based on the latest available information at June 30, 2021. As a result, impairment losses of goodwill for the Alcoholic Beverages business in Myanmar of 21,429 million yen were recognized for the six months ended June 30, 2021. The recoverable amount was measured at value in use which was calculated reflecting past experience and external information, and estimated cash flows based on the business plan approved by management were discounted to the present value.

As stated in the "Statement on the situation in Myanmar" news release published on February 5 2021, Kirin Holdings decided to terminate the current joint-venture partnership with Kirin Holdings and Myanma Economic Holdings Public Company Limited (MEHPCL), and discussions with MEHPCL regarding dissolution continue. Also, dividend payments from Myanmar Brewery Limited to Kirin Holdings and MEHPCL continue to be suspended in view of a significant lack of visibility regarding the future business environment for the Myanmar joint-ventures.

2. OTHER

(1) CONSOLIDATED FORECASTS

The consolidated earnings forecast for the fiscal year ending December 31, 2021 released on February 15, 2021 has been revised as below, considering the financial impact of the current circumstances in Myanmar on Myanmar Brewery Limited.

Consolidated forecast for the fiscal year ending December 31, 2021

(¥ millions)

| | Revenue | Normalized operating profit | Profit before tax | Profit | Profit attributable to owners of the Company | Basic earnings per share |
|---|-----------|-----------------------------|-------------------|----------|--|--------------------------|
| Previous forecast (A) | 1,880,000 | 180,000 | 177,000 | 132,000 | 103,000 | ¥123.56 |
| Revised forecast (B) | 1,870,000 | 170,000 | 158,000 | 112,500 | 86,500 | ¥103.77 |
| Change (B-A) | (10,000) | (10,000) | (19,000) | (19,500) | (16,500) | — |
| Change (%) | (0.5) | (5.6) | (10.7) | (14.8) | (16.0) | — |
| Actual result for the fiscal year ended December 31, 2020 | 1,849,545 | 162,115 | 124,550 | 99,842 | 71,935 | ¥85.57 |

For further information, please refer to the “Notice Regarding Revision of Consolidated Financial Forecast for the Fiscal Year Ending December 2021” released today.

**Supplementary Documents to
the Consolidated Financial Statements
for the Six Months Ended June 30, 2021**

1. Summary of Consolidated Statement of Financial Position
2. Summary of Consolidated Statement of Profit or Loss, Indices, etc.
3. Revenue Details
4. Profit Details
5. Summary of Consolidated Statement of Cash Flows

**KIRIN HOLDINGS COMPANY, LIMITED
August 10, 2021**

1. SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ billions)

| | As of June 30, 2021, Actual | As of December 31, 2020, Actual | Increase (decrease) | Description of changes |
|--|--------------------------------|------------------------------------|------------------------|---|
| Non-current assets | 1,602.2 | 1,592.8 | 9.4 | |
| Property, plant and equipment | 527.7 | 521.9 | 5.8 | |
| Goodwill | 230.8 | 245.7 | (14.9) | |
| Intangible assets | 212.5 | 209.3 | 3.2 | |
| Equity-accounted investees | 403.7 | 387.5 | 16.3 | |
| Other | 227.4 | 228.4 | (1.0) | |
| Current assets | 827.8 | 866.5 | (38.8) | |
| Inventories | 245.2 | 217.2 | 28.0 | |
| Trade and other receivables | 307.1 | 372.1 | (65.1) | Decrease due to the year-end of previous year being a bank holiday, etc. |
| Cash and cash equivalents | 243.9 | 161.7 | 82.2 | |
| Other | 31.6 | 115.6 | (83.9) | Decrease in assets held for sale, etc. |
| Total assets | 2,430.0 | 2,459.4 | (29.4) | |
| Equity | 1,138.2 | 1,095.9 | 42.2 | |
| Equity attributable to owners of the Company | 872.4 | 838.6 | 33.8 | |
| Non-controlling interests | 265.8 | 257.4 | 8.4 | |
| Non-current liabilities | 678.0 | 625.9 | 52.1 | |
| Bonds and borrowings | 447.3 | 393.6 | 53.7 | Increase due to issuance of bonds, etc. |
| Other | 230.7 | 232.3 | (1.6) | |
| Current liabilities | 613.8 | 737.5 | (123.7) | |
| Bonds and borrowings | 213.0 | 249.0 | (36.1) | |
| Trade and other payables | 208.1 | 220.3 | (12.2) | |
| Other | 192.7 | 268.2 | (75.5) | Decrease in accrued liquor tax, decrease in liabilities directly associated with assets held for sale, etc. |
| Total liabilities | 1,291.8 | 1,363.4 | (71.6) | |
| Total equity and liabilities | 2,430.0 | 2,459.4 | (29.4) | |

2. SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS, INDICES, etc.

(1) Condensed Statement of Profit or Loss, Indices, etc.

(¥ billions)

| | Six months ended June 30, 2021, Actual | Six months ended June 30, 2020, Actual | Increase (decrease) | |
|--|--|--|---------------------|---------|
| | | | | |
| Revenue | 864.0 | 872.5 | (8.4) | (1.0%) |
| Gross profit | 389.0 | 373.7 | 15.3 | 4.1% |
| Selling, general and administrative expenses | 317.1 | 303.9 | 13.2 | 4.4% |
| Normalized operating profit | 71.9 | 69.9 | 2.1 | 2.9% |
| Other operating income | 3.1 | 2.3 | 0.8 | 36.9% |
| Other operating expenses | 33.2 | 22.7 | 10.5 | 46.3% |
| Operating profit | 41.8 | 49.4 | (7.6) | (15.4%) |
| Finance income | 2.9 | 1.8 | 1.2 | 66.0% |
| Finance costs | 2.6 | 3.6 | (1.0) | (28.1%) |
| Share of profit of equity-accounted investees | 14.3 | 8.4 | 6.0 | 71.5% |
| Profit before tax | 56.5 | 56.0 | 0.5 | 0.9% |
| Income tax expense | 19.0 | 7.3 | 11.6 | 159.0% |
| Profit | 37.5 | 48.7 | (11.1) | (22.9%) |
| Owners of the Company | 23.7 | 33.3 | (9.6) | (28.7%) |
| Non-controlling interests | 13.8 | 15.4 | (1.6) | (10.3%) |
| | | | | |
| Normalized EPS | ¥65 | ¥56 | ¥9 | 16.1% |
| | | | | |
| Revenue (excluding liquor tax) | 729.9 | 748.6 | (18.7) | (2.5%) |
| Normalized operating profit ratio (excluding liquor tax) | 9.9% | 9.3% | | |
| Normalized EBITDA | 111.8 | 109.9 | 1.8 | 1.7% |
| Gross Debt Equity Ratio | 0.76 | 0.86 | | |

Normalized EPS = Normalized profit / Average number of shares outstanding during the period

Normalized profit = Profit attributable to Owners of the Company ± Other operating income and expenses and other items after income taxes

Normalized EBITDA = Normalized operating profit + Depreciation and amortization* + Dividends received from equity-accounted investees

* Depreciation and amortization exclude those from right-of-use assets

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

(¥)

| | Six months ended June 30, 2021, Actual | Six months ended June 30, 2020, Actual |
|------------------------------|---|---|
| Lion (AUD) | 83.37 | 69.91 |
| Myanmar Brewery (MMK ('000)) | 72.93 | 76.61 |
| Coke Northeast (USD) | 108.45 | 108.24 |

(3) Period for the Consolidation of Profit or Loss of the Major Overseas Company

| | Six months ended June 30, 2021, Actual | Six months ended June 30, 2020, Actual |
|--------------------|---|---|
| San Miguel Brewery | From October 2020 to March 2021 | From October 2019 to March 2020 |

3. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

| | Six months ended June 30, 2021, Actual | Six months ended June 30, 2020, Actual | Increase (decrease) | |
|-------------------------------|---|---|---------------------|---------|
| Revenue | 864.0 | 872.5 | (8.4) | (1.0%) |
| Japan Beer and Spirits | 310.5 | 295.9 | 14.6 | 4.9% |
| Kirin Brewery | 300.0 | 287.2 | 12.8 | 4.4% |
| Other and elimination | 10.5 | 8.7 | 1.9 | 21.7% |
| Japan Non-alcoholic Beverages | 114.2 | 118.8 | (4.6) | (3.8%) |
| Kirin Beverage | 115.3 | 119.7 | (4.5) | (3.8%) |
| Elimination | (1.0) | (1.0) | (0.1) | — |
| Oceania Adult Beverages | 108.7 | 131.9 | (23.1) | (17.5%) |
| Lion | 108.7 | 131.9 | (23.2) | (17.6%) |
| Elimination | (0.0) | (0.0) | 0.0 | — |
| Pharmaceuticals | 164.7 | 157.5 | 7.2 | 4.6% |
| Kyowa Kirin | 165.0 | 157.8 | 7.2 | 4.6% |
| Elimination | (0.3) | (0.3) | 0.0 | — |
| Other | 165.8 | 168.4 | (2.6) | (1.5%) |
| Mercian | 28.0 | 30.0 | (2.0) | (6.7%) |
| Myanmar Brewery | 11.1 | 16.3 | (5.2) | (31.8%) |
| Coke Northeast | 71.7 | 63.9 | 7.8 | 12.2% |
| Kyowa Hakko Bio | 24.8 | 31.8 | (7.0) | (22.2%) |
| Other and elimination | 30.3 | 26.4 | 3.8 | 14.5% |

Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.

In addition, the descriptions of "Beer, Spirits, and Wine" and "Dairy and Drinks" of Lion have been omitted from 2021.

(Reference) Revenue excluding liquor tax

(¥ billions)

| | Six months ended June 30, 2021, Actual | Six months ended June 30, 2020, Actual |
|---------------|---|---|
| Kirin Brewery | 174.9 | 171.7 |

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

| | Six months ended June 30, 2021 | | Six months ended June 30, 2020 | |
|-----------------------|--------------------------------|---------------------|--------------------------------|---------------------|
| | Actual | Increase (decrease) | Actual | Increase (decrease) |
| Sales volume | Thousand KL | | Thousand KL | |
| Beer | 210 | 10.2% | 191 | (24.3%) |
| <i>Happo-shu</i> | 187 | 2.7% | 182 | (2.1%) |
| New genre | 343 | (10.8%) | 384 | 8.5% |
| Sub-total | 740 | (2.3%) | 757 | (4.4%) |
| RTD | 218 | 13.7% | 191 | 8.2% |
| Non-alcohol beverages | 24 | 13.1% | 21 | 22.0% |

The sales volume above excludes exports and liquor tax exempts.

b. Kirin Beverage Group

| | Six months ended June 30, 2021 | | Six months ended June 30, 2020 | |
|--|--------------------------------|---------------------|--------------------------------|---------------------|
| | Actual | Increase (decrease) | Actual | Increase (decrease) |
| Category | 10,000 cases | | 10,000 cases | |
| Black tea | 2,309 | (5.4%) | 2,440 | (8.5%) |
| Japanese tea | 1,400 | (5.6%) | 1,482 | (7.2%) |
| Coffee | 1,217 | 8.0% | 1,127 | (12.7%) |
| Fruit and vegetable juice | 1,190 | 7.2% | 1,110 | (6.3%) |
| Carbonated beverage | 646 | (11.7%) | 731 | (25.1%) |
| Functional beverage | 547 | 13.7% | 481 | (4.3%) |
| Water | 1,720 | (15.7%) | 2,042 | 3.2% |
| Other | 649 | (13.7%) | 753 | (8.8%) |
| Total | 9,679 | (4.8%) | 10,166 | (7.7%) |
| Container Type | | | | |
| Can | 1,185 | (5.3%) | 1,251 | (20.3%) |
| Large-sized PET bottles (2L, 1.5L, etc.) | 3,137 | (16.3%) | 3,747 | 2.0% |
| Small-sized PET bottles (500ml, 280ml, etc.) | 4,465 | 3.0% | 4,334 | (10.0%) |
| Other | 892 | 7.0% | 834 | (13.2%) |
| Total | 9,679 | (4.8%) | 10,166 | (7.7%) |

4. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

| | Six months ended June 30, 2021, Actual | Six months ended June 30, 2020, Actual | Increase (decrease) | |
|---|--|--|---------------------|---------|
| Normalized operating profit | 71.9 | 69.9 | 2.1 | 2.9% |
| Japan Beer and Spirits | 26.7 | 32.8 | (6.1) | (18.5%) |
| Kirin Brewery | 25.4 | 31.5 | (6.1) | (19.3%) |
| Others | 1.3 | 1.3 | (0.0) | (0.5%) |
| Japan Non-alcoholic Beverages | 8.0 | 7.5 | 0.5 | 7.2% |
| Kirin Beverage | 8.0 | 7.5 | 0.5 | 7.2% |
| Oceania Adult Beverages | 12.8 | 4.4 | 8.4 | 192.9% |
| Lion | 12.8 | 4.4 | 8.4 | 192.9% |
| Pharmaceuticals | 30.1 | 34.6 | (4.5) | (13.0%) |
| Kyowa Kirin | 30.1 | 34.6 | (4.5) | (13.0%) |
| Other | 16.4 | 11.9 | 4.5 | 38.0% |
| Mercian | 1.1 | 1.1 | (0.0) | (4.1%) |
| Myanmar Brewery | 4.7 | 7.1 | (2.5) | (34.6%) |
| Coke Northeast | 7.0 | 3.5 | 3.5 | 99.7% |
| Kyowa Hakko Bio | 0.3 | (1.9) | 2.3 | — |
| Others | 3.3 | 2.1 | 1.3 | 63.0% |
| Corporate expenses and inter-segment eliminations | (22.1) | (21.2) | (0.9) | — |

Each normalized operating profit in each segment is calculated by adding back management fees paid to the Company to normalized operating profit.

Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.

In addition, the descriptions of "Beer, Spirits, and Wine", "Dairy and Drinks" and "Corporate" of Lion have been omitted from 2021.

(2) Normalized Operating Profit Breakdown of Major Business Companies

(¥ billions)

| Company name | Major factors | Increase (decrease) | Description |
|----------------|--|---------------------|---|
| Kirin Brewery | Increase in marginal profit of alcohol beverages, etc. | 2.1 | Total beer products (0.7) Sales increase in beer 19 thousand KL Sales increase in <i>happo-shu</i> 5 thousand KL Sales decrease in new genre (42) thousand KL Total products other than beer products 1.7 Sales increase in RTD 26 thousand KL Sales increase in non-alcohol beverages 3 thousand KL, etc. Difference of change in composite of products, etc. 1.1 |
| | Decrease in raw material cost of alcohol beverages | 0.7 | |
| | Increase in selling expenses | (8.8) | Increase in sales promotion (1.9), and increase in advertising (6.9) (Total 25.6→34.4) |
| | Increase in other expenses | (0.1) | |
| Total | | (6.1) | |
| Kirin Beverage | Decrease in marginal profit of soft drink beverages | (2.9) | Decrease in sales volume (4.88) million cases (2.2) Difference of change in products mix and composition ratio of containers, etc. (0.6) |
| | Decrease in raw material cost, etc. | 0.4 | Increase in raw material cost (0.0), decrease in material cost 0.4, and increase in processing cost (0.0) |
| | Decrease in selling expenses | 2.6 | Decrease in sales promotion 1.9, and decrease in advertising 0.8 (Total 15.5→12.9) |
| | Decrease in other expenses | 0.4 | |
| Total | | 0.5 | |

(3) Other Operating Income and Other Operating Expenses

(¥ billions)

| | Six months ended June 30, 2021, Actual | Six months ended June 30, 2020, Actual | Increase (decrease) |
|--|---|---|---------------------|
| Other operating income | 3.1 | 2.3 | 0.8 |
| Gain on sale of property, plant and equipment and intangible assets | 1.4 | 0.2 | 1.1 |
| Gain on sale of shares of subsidiaries | 0.0 | 0.0 | (0.0) |
| Other | 1.7 | 2.0 | (0.3) |
| Other operating expenses | 33.2 | 22.7 | 10.5 |
| Impairment losses | 22.6 | 7.7 | 14.9 |
| Business restructuring expenses | 0.7 | 3.5 | (2.8) |
| Software development expenses | 6.6 | 7.0 | (0.5) |
| Loss on disposal and sale of property, plant and equipment and intangible assets | 0.7 | 0.9 | (0.2) |
| Other | 2.6 | 3.5 | (1.0) |

(4) Finance Income, Finance Costs, Share of Profit of Equity-accounted Investees, etc.

(¥ billions)

| | Six months ended June 30, 2021, Actual | Six months ended June 30, 2020, Actual | Increase (decrease) |
|---|---|---|---------------------|
| Finance income | 2.9 | 1.8 | 1.2 |
| Interest income | 0.8 | 0.8 | (0.1) |
| Dividend income | 0.5 | 0.6 | (0.1) |
| Foreign exchange gains (net) | 1.2 | 0.1 | 1.1 |
| Other | 0.4 | 0.3 | 0.2 |
| Finance costs | 2.6 | 3.6 | (1.0) |
| Interest paid | 2.2 | 2.4 | (0.2) |
| Other | 0.3 | 1.1 | (0.8) |
| Share of profit of equity-accounted investees | 14.3 | 8.4 | 6.0 |
| San Miguel Brewery | 12.5 | 11.5 | 1.0 |
| Other | 1.8 | (3.2) | 4.9 |

5. SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(1) Summary of Statement of Cash Flows

(¥ billions)

| | Six months ended June 30, 2021, Actual | Six months ended June 30, 2020, Actual | Increase (decrease) |
|---|---|---|---------------------|
| Cash flows from operating activities | 89.8 | 47.7 | 42.1 |
| Profit before tax | 56.5 | 56.0 | 0.5 |
| Depreciation and amortization | 39.8 | 40.0 | (0.2) |
| Other | (6.4) | (48.3) | 41.8 |
| Cash flows from investing activities | 19.4 | (90.9) | 110.2 |
| Acquisition of property, plant and equipment and intangible assets | (38.6) | (49.6) | 11.0 |
| Other | 58.0 | (41.2) | 99.2 |
| Cash flows from financing activities | (27.1) | 43.1 | (70.2) |
| Increase (decrease) in interest-bearing liabilities | 14.8 | 166.3 | (151.5) |
| Dividends paid | (32.6) | (37.6) | 5.0 |
| Other | (9.4) | (85.7) | 76.3 |
| Exchange rate changes. | 0.2 | (2.7) | 2.9 |
| Net increase (decrease) in cash and cash equivalents | 82.2 | (2.8) | 85.1 |

(2) Information by Segment

As of June 30, 2021, Actual

(¥ billions)

| | Japan Beer and Spirits | Japan Non-alcoholic Beverages | Oceania Adult Beverages | Pharmaceuticals | Others | Adjustment | Total |
|--|------------------------------|-------------------------------------|-------------------------------|-----------------|--------|------------|-------|
| Depreciation and amortization | 5.7 | 3.2 | 5.4 | 7.6 | 8.0 | 0.9 | 30.8 |
| Acquisition of property, plant and equipment and intangible assets | 7.4 | 5.7 | 3.0 | 7.6 | 8.5 | 6.4 | 38.6 |
| Normalized EBITDA | 32.4 | 11.2 | 18.3 | 37.6 | 33.5 | (21.2) | 111.8 |

Depreciation and amortization exclude those from right-of-use assets.

Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.

As of June 30, 2020, Actual

(¥ billions)

| | Japan Beer and Spirits | Japan Non-alcoholic Beverages | Oceania Adult Beverages | Pharmaceuticals | Others | Adjustment | Total |
|--|------------------------------|-------------------------------------|-------------------------------|-----------------|--------|------------|-------|
| Depreciation and amortization | 5.8 | 3.2 | 5.4 | 7.6 | 8.2 | 1.2 | 31.5 |
| Acquisition of property, plant and equipment and intangible assets | 6.2 | 4.4 | 3.7 | 18.7 | 11.2 | 5.3 | 49.6 |
| Normalized EBITDA | 38.6 | 10.7 | 9.8 | 42.1 | 28.7 | (20.0) | 109.9 |

Depreciation and amortization exclude those from right-of-use assets.

Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.

**Supplementary Documents to
the Financial Forecast
for the Fiscal Year Ending December 31, 2021**

1. Summary of Consolidated Statements of Profit or Loss, Indices, etc.
2. Revenue Details
3. Profit Details
4. Information by Segment

**KIRIN HOLDINGS COMPANY, LIMITED
August 10, 2021**

1. SUMMARY OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS, INDICES, etc.

(1) Condensed Statement of Profit or Loss, Indices, etc.

(¥ billions)

| | Fiscal year ending December 31, 2021, Revised Forecast | Fiscal year ended December 31, 2020, Actual | Increase (decrease) | | Fiscal year ending December 31, 2021, Initial forecast | Increase (decrease) |
|---|---|---|---------------------|---------|---|------------------------|
| | | | | | | |
| Revenue | 1,870.0 | 1,849.5 | 20.5 | 1.1% | 1,880.0 | (10.0) |
| Normalized operating profit | 170.0 | 162.1 | 7.9 | 4.9% | 180.0 | (10.0) |
| Other operating income | 4.2 | 6.4 | (2.1) | (33.6%) | 1.7 | 2.5 |
| Other operating expenses | 48.7 | 65.6 | (16.8) | (25.7%) | 30.7 | 18.0 |
| Operating profit | 125.5 | 102.9 | 22.6 | 21.9% | 151.0 | (25.5) |
| Finance income | 3.9 | 5.4 | (1.5) | (28.1%) | 3.3 | 0.6 |
| Finance costs | 4.5 | 8.5 | (4.1) | (47.6%) | 4.9 | (0.5) |
| Share of profit of equity-accounted investees | 33.1 | 24.8 | 8.3 | 33.7% | 27.6 | 5.4 |
| Profit before tax | 158.0 | 124.6 | 33.4 | 26.9% | 177.0 | (19.0) |
| Income tax expense | 45.5 | 24.7 | 20.8 | 84.1% | 45.0 | 0.5 |
| Profit | 112.5 | 99.8 | 12.7 | 12.7% | 132.0 | (19.5) |
| Owners of the Company | 86.5 | 71.9 | 14.6 | 20.2% | 103.0 | (16.5) |
| Non-controlling interests | 26.0 | 27.9 | (1.9) | (6.8%) | 29.0 | (3.0) |
| ROIC | 6.5% | 6.0% | | | 7.6% | |
| Normalized EPS | ¥148 | ¥136 | ¥12 | 8.8% | ¥147 | ¥1 |
| Revenue (excluding liquor tax) | 1,570.0 | 1,572.6 | (2.6) | (0.2%) | 1,581.0 | (11.0) |
| Normalized operating profit ratio (excluding liquor tax) | 10.8% | 10.3% | | | 11.4% | |
| ROE | 10.0% | 8.2% | | | 11.9% | |
| Normalized EBITDA | 253.1 | 244.0 | 9.1 | 3.7% | 262.9 | (9.8) |
| Gross Debt Equity Ratio | 0.73 | 0.77 | | | 0.72 | |

(Reference) Indices excluding the impact of fluctuation in exchange *

| | Fiscal year ending December 31, 2021, Revised Forecast |
|-----------------------------|---|
| Normalized operating profit | 169.0 |
| ROIC | 6.5% |
| Normalized EPS | ¥146 |

* Converted foreign currency amounts of the revised forecast at the exchange rate of the initial forecast released on February 15

ROIC = Profit after tax before interest / (Average total interest-bearing liabilities at beginning and end of the period + Average total equity at beginning and end of the period)

Normalized EPS = Normalized profit / Average number of shares outstanding during the period

Normalized profit = Profit attributable to Owners of the Company ± Other operating income and expenses and other items after income taxes

Normalized EBITDA = Normalized operating profit + Depreciation and amortization* + Dividends received from equity-accounted investees

* Depreciation and amortization exclude those from right-of-use assets.

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

(¥)

| | Fiscal year ending December 31, 2021, Revised Forecast | Fiscal year ended December 31, 2020, Actual | Fiscal year ending December 31, 2021, Initial forecast |
|------------------------------|--|---|--|
| Lion (AUD) | 82.00 | 75.09 | 80.00 |
| Myanmar Brewery (MMK ('000)) | 71.00 | 77.87 | 79.00 |
| Coke Northeast (USD) | 110.00 | 106.43 | 105.00 |

(3) Period for the Consolidation of Profit or Loss of the Major Overseas Company

| | Fiscal year ending December 31, 2021, Revised Forecast | Fiscal year ended December 31, 2020, Actual |
|--------------------|--|---|
| San Miguel Brewery | From October 2020 to September 2021 | From October 2019 to September 2020 |

2. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

| | Fiscal year ending December 31, 2021, Revised Forecast | Fiscal year ended December 31, 2020, Actual | Increase (decrease) | | Fiscal year ending December 31, 2021, Initial forecast | Increase (decrease) |
|-------------------------------|--|---|------------------------|---------|---|------------------------|
| Revenue | 1,870.0 | 1,849.5 | 20.5 | 1.1% | 1,880.0 | (10.0) |
| Japan Beer and Spirits | 697.5 | 651.4 | 46.1 | 7.1% | 694.4 | 3.1 |
| Kirin Brewery | 674.5 | 632.2 | 42.3 | 6.7% | 673.6 | 0.9 |
| Other and elimination | 23.0 | 19.3 | 3.8 | 19.6% | 20.9 | 2.2 |
| Japan Non-alcoholic Beverages | 254.6 | 252.2 | 2.4 | 1.0% | 265.3 | (10.7) |
| Kirin Beverage | 256.7 | 254.2 | 2.5 | 1.0% | 267.1 | (10.4) |
| Elimination | (2.1) | (2.0) | (0.0) | — | (1.7) | (0.3) |
| Oceania Adult Beverages | 220.3 | 292.1 | (71.9) | (24.6%) | 212.2 | 8.0 |
| Lion | 220.3 | 292.2 | (71.8) | (24.6%) | 212.3 | 8.0 |
| Elimination | (0.1) | (0.0) | (0.0) | — | (0.1) | (0.0) |
| Pharmaceuticals | 350.3 | 317.8 | 32.5 | 10.2% | 350.3 | — |
| Kyowa Kirin | 351.0 | 318.4 | 32.6 | 10.3% | 351.0 | — |
| Elimination | (0.7) | (0.6) | (0.1) | — | (0.7) | — |
| Other | 347.3 | 336.0 | 11.3 | 3.4% | 357.6 | (10.4) |
| Mercian | 58.7 | 62.1 | (3.4) | (5.5%) | 62.1 | (3.4) |
| Myanmar Brewery | 20.6 | 31.8 | (11.2) | (35.2%) | 38.6 | (18.0) |
| Coke Northeast | 142.5 | 129.4 | 13.1 | 10.1% | 130.0 | 12.4 |
| Kyowa Hakko Bio | 57.8 | 57.3 | 0.5 | 0.9% | 57.8 | — |
| Other and elimination | 67.7 | 55.4 | 12.3 | 22.2% | 69.1 | (1.4) |

Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.

In addition, the descriptions of "Beer, Spirits, and Wine" and "Dairy and Drinks" of Lion have been omitted from 2021.

(Reference) Revenue excluding liquor tax

(¥ billions)

| | Fiscal year ending December 31, 2021 Revised Forecast | Fiscal year ended December 31, 2020 Actual | Fiscal year ending December 31, 2021 Initial forecast |
|---------------|---|--|---|
| Kirin Brewery | 393.1 | 373.1 | 392.3 |

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

| | Fiscal year ending December 31, 2021 | | Fiscal year ended December 31, 2020 | |
|-----------------------|--------------------------------------|---------------------|-------------------------------------|---------------------|
| | Revised forecast | Increase (decrease) | Actual | Increase (decrease) |
| Sales volume | Thousand KL | | Thousand KL | |
| Beer | 519 | 13.8% | 456 | (18.6%) |
| <i>Happo-shu</i> | 380 | (1.1%) | 384 | (2.1%) |
| New genre | 760 | (4.9%) | 798 | 4.6% |
| Sub-total | 1,658 | 1.2% | 1,638 | (4.5%) |
| RTD | 470 | 9.5% | 429 | 12.3% |
| Non-alcohol beverages | 51 | 15.3% | 44 | 10.8% |

The above sales volume excludes exports and liquor tax exempts.

b. Kirin Beverage Group

| | Fiscal year ending December 31, 2021 | | Fiscal year ended December 31, 2020 | |
|--|--------------------------------------|---------------------|-------------------------------------|---------------------|
| | Revised forecast | Increase (decrease) | Actual | Increase (decrease) |
| Category | 10,000 cases | | 10,000 cases | |
| Black tea | 5,494 | 8.5% | 5,064 | (11.3%) |
| Japanese tea | 3,266 | 0.3% | 3,257 | (4.7%) |
| Coffee | 2,407 | 3.1% | 2,334 | (15.4%) |
| Fruit and vegetable juice | 2,379 | 2.8% | 2,314 | (5.7%) |
| Carbonated beverage | 1,385 | (9.4%) | 1,529 | (20.7%) |
| Functional beverage | 1,148 | 0.6% | 1,141 | (0.2%) |
| Water | 3,938 | (5.5%) | 4,169 | (2.0%) |
| Other | 1,572 | (3.6%) | 1,630 | (14.7%) |
| Total | 21,589 | 0.7% | 21,439 | (9.1%) |
| Container Type | | | | |
| Can | 2,525 | (3.0%) | 2,603 | (17.8%) |
| Large-sized PET bottles (2L, 1.5L, etc.) | 7,337 | (3.8%) | 7,624 | (3.1%) |
| Small-sized PET bottles (500ml, 280ml, etc.) | 9,876 | 4.9% | 9,416 | (10.8%) |
| Other | 1,851 | 3.1% | 1,796 | (10.3%) |
| Total | 21,589 | 0.7% | 21,439 | (9.1%) |

3. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

| | Fiscal year ending December 31, 2021, Revised Forecast | Fiscal year ended December 31, 2020, Actual | Increase (decrease) | | Fiscal year ending December 31, 2021, Initial forecast | Increase (decrease) |
|--|---|--|------------------------|---------|---|------------------------|
| | | | | | | |
| Normalized operating profit | 170.0 | 162.1 | 7.9 | 4.9% | 180.0 | (10.0) |
| Japan Beer and Spirits | 77.3 | 75.5 | 1.8 | 2.4% | 76.8 | 0.5 |
| Kirin Brewery | 75.0 | 73.2 | 1.8 | 2.5% | 75.0 | — |
| Others | 2.3 | 2.3 | 0.0 | 1.9% | 1.8 | 0.5 |
| Japan Non-alcoholic Beverages | 20.5 | 21.8 | (1.3) | (5.8%) | 23.0 | (2.5) |
| Kirin Beverage | 20.5 | 21.8 | (1.3) | (5.8%) | 23.0 | (2.5) |
| Oceania Adult Beverages | 29.7 | 22.1 | 7.6 | 34.1% | 30.6 | (1.0) |
| Lion | 29.7 | 22.1 | 7.6 | 34.1% | 30.6 | (1.0) |
| Pharmaceuticals | 64.0 | 59.0 | 5.0 | 8.4% | 64.0 | — |
| Kyowa Kirin | 64.0 | 59.0 | 5.0 | 8.4% | 64.0 | — |
| Other | 26.9 | 29.3 | (2.4) | (8.2%) | 35.2 | (8.3) |
| Mercian | 2.6 | 3.6 | (0.9) | (26.1%) | 3.2 | (0.5) |
| Myanmar Brewery | 6.2 | 13.8 | (7.6) | (55.3%) | 16.0 | (9.8) |
| Coke Northeast | 12.7 | 9.3 | 3.4 | 36.6% | 9.1 | 3.6 |
| Kyowa Hakko Bio | 0.1 | (2.3) | 2.4 | — | 0.1 | — |
| Others | 5.3 | 4.9 | 0.4 | 8.7% | 6.9 | (1.5) |
| Corporate expenses and inter-segment eliminations | (48.4) | (45.6) | (2.8) | — | (49.6) | 1.2 |

Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.

In addition, the descriptions of "Beer, Spirits, and Wine", "Dairy and Drinks" and "Corporate" of Lion have been omitted from 2021.

(2) Normalized Operating Profit Breakdown of Major Business Companies

(¥ billions)

| Company name | Major factors | Increase (decrease) | Description |
|----------------|--|---------------------|--|
| Kirin Brewery | Increase in marginal profit of alcohol beverages, etc. | 10.6 | Total beer products 6.5 Sales increase in beer 63 thousand KL Sales decrease in <i>happo-shu</i> (4) thousand KL Sales decrease in new genre (39) thousand KL Total other than beer products 3.9 Sales increase in RTD 41 thousand KL Sales increase in non-alcohol beverages 7 thousand KL, etc. Difference of change in composite of products, etc. 0.2 |
| | Decrease in raw material cost of alcohol beverages | 0.0 | |
| | Increase in selling expenses | (10.4) | Increase in sales promotion and advertising (10.4) (Total 59.2→69.6) |
| | Decrease in other expenses | 1.6 | |
| Total | | 1.8 | |
| Kirin Beverage | Increase in marginal profit of soft drink beverages | 1.4 | Increase in sales volume 1.5 million cases, 0.7 Difference of change in products mix and composition ratio of containers, etc. 0.7 |
| | Decrease in raw material cost, etc. | 0.1 | Increase in raw material cost (0.7), decrease in material cost 0.6, and decrease in processing cost 0.2 |
| | Increase in selling expenses | (1.7) | Increase in sales promotion and advertising (1.7) (Total 30.7→32.4) |
| | Increase in other expenses | (1.1) | Increase in labor costs, etc. |
| Total | | (1.3) | |

4. INFORMATION BY SEGMENT

Fiscal year ending December 31, 2021, Revised forecast

(¥ billions)

| | Japan Beer and Spirits | Japan Non-alcoholic Beverages | Oceania Adult Beverages | Pharmaceuticals | Others | Adjustment | Total |
|--|------------------------------|-------------------------------------|-------------------------------|-----------------|--------|------------|-------|
| Depreciation and amortization | 12.3 | 6.4 | 10.9 | 17.2 | 15.1 | 3.0 | 64.9 |
| Acquisition of property, plant and equipment and intangible assets | 18.5 | 9.1 | 13.2 | 26.1 | 37.4 | 15.4 | 119.6 |
| Normalized EBITDA | 89.6 | 26.9 | 40.6 | 81.2 | 60.2 | (45.4) | 253.1 |

Depreciation and amortization exclude those from right-of-use assets.

Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.

Fiscal year ended December 31, 2020, Actual

(¥ billions)

| | Japan Beer and Spirits | Japan Non-alcoholic Beverages | Oceania Adult Beverages | Pharmaceuticals | Others | Adjustment | Total |
|--|------------------------------|-------------------------------------|-------------------------------|-----------------|--------|------------|-------|
| Depreciation and amortization | 12.7 | 6.4 | 10.6 | 15.8 | 16.7 | 2.2 | 64.4 |
| Acquisition of property, plant and equipment and intangible assets | 11.2 | 6.6 | 8.2 | 32.8 | 19.3 | 14.9 | 93.0 |
| Normalized EBITDA | 88.2 | 28.2 | 32.7 | 74.8 | 63.4 | (43.3) | 244.0 |

Depreciation and amortization exclude those from right-of-use assets.

Oceania Integrated Beverages has been renamed Oceania Adult Beverages due to the sale of Lion Dairy and Drinks business, effective from 2021.