

KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

FOR THE THREE MONTHS ENDED MARCH 31, 2022 (UNDER IFRS)

(UNAUDITED)

May 12, 2022

(English Translation)

Fiscal year ending December 31, 2022

KIRIN HOLDINGS COMPANY, LIMITEDNAKANO 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:	May 13, 2022
Commencement date of dividend distribution scheduled:	—
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 three months of the current fiscal year (January 1, 2022 - March 31, 2022)

[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 (%)
Three months ended						
March 31, 2022	416,745	1.8	25,915	(21.8)	28,510	(15.1)
March 31, 2021	409,302	(3.6)	33,142	1.1	33,561	3.1

	Profit (¥ millions)	Percentage change (%)	Profit attributable to owners of the Company (¥ millions)	Percentage change (%)	Total comprehensive income (¥ millions)	Percentage change (%)
Three months ended						
March 31, 2022	25,426	5.3	17,393	2.5	79,316	21.4
March 31, 2021	24,143	(14.8)	16,967	(16.3)	65,309	—

	Basic earnings per share (¥)	Diluted earnings per share (¥)
Three months ended		
March 31, 2022	20.87	20.86
March 31, 2021	20.35	20.35

Reference: Operating profit	Three months ended March 31, 2022	¥20,822 million	(25.7%)
	Three months ended March 31, 2021	¥28,014 million	7.5%

* 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				
March 31, 2022	2,519,107	1,194,878	936,325	37.2
December 31, 2021	2,471,933	1,147,990	894,179	36.2

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended December 31, 2021	—	32.50	—	32.50	65.00
Fiscal year ending December 31, 2022	—				
Fiscal year ending December 31, 2022 (Forecast)		32.50	—	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, 2022 - December 31, 2022)

(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, 2022	1,950,000	7.1	166,000	0.3	177,000	77.7

	Profit	Percentage change	Profit attributable to owners of the Company	Percentage change	Basic earnings per share
	(¥ millions)	(%)	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2022	139,500	103.9	114,500	91.5	137.36

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

Reference: Operating profit Fiscal year ending December 31, 2022 ¥143,000 million 110.0%

* Notes

- (1) Changes in significant subsidiaries for the three months ended March 31, 2022: None
(Changes in specified subsidiaries accompanying change in scope of consolidation)

Newly included: -

Excluded: -

- (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: None

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

- i. Number of shares outstanding at the end of the period (including treasury shares)
- | | |
|-------------------------|--------------------|
| As of March 31, 2022 | 914,000,000 shares |
| As of December 31, 2021 | 914,000,000 shares |
- ii. Number of treasury shares at the end of the period
- | | |
|-------------------------|-------------------|
| As of March 31, 2022 | 80,415,313 shares |
| As of December 31, 2021 | 80,414,185 shares |
- iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)
- | | |
|---|--------------------|
| For the three months ended March 31, 2022 | 833,585,329 shares |
| For the three months ended March 31, 2021 | 833,613,476 shares |

Note: Number of treasury shares at March 31, 2022 and December 31, 2021 includes 385,135 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, Thursday, May 12, and will post the presentation materials and the main Q&A from the financial results presentation (conference call) to be held today on the Company's website as soon as possible.

(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, 2021	At March 31, 2022
Assets		
Non-current assets		
Property, plant and equipment	533,859	562,067
Goodwill	264,225	317,215
Intangible assets	196,341	200,040
Equity-accounted investees	399,367	332,990
Other financial assets	117,431	119,791
Other non-current assets	24,736	25,409
Deferred tax assets	109,354	113,594
Total non-current assets	1,645,313	1,671,107
Current assets		
Inventories	247,229	270,476
Trade and other receivables	387,921	308,177
Other financial assets	7,910	7,419
Other current assets	34,071	35,345
Cash and cash equivalents	149,488	154,015
(Sub-total)	826,620	775,433
Assets held for sale	—	72,567
Total current assets	826,620	848,000
Total assets	2,471,933	2,519,107

(¥ millions)

	At December 31, 2021	At March 31, 2022
Equity		
Share capital	102,046	102,046
Share premium	25,104	25,198
Retained earnings	998,177	989,251
Treasury shares	(201,801)	(201,803)
Reserves	(29,347)	21,634
Equity attributable to owners of the Company	894,179	936,325
Non-controlling interests	253,811	258,553
Total equity	1,147,990	1,194,878
Liabilities		
Non-current liabilities		
Bonds and borrowings	449,970	462,280
Other financial liabilities	145,453	137,116
Defined benefit liability	61,954	62,138
Provisions	4,707	4,853
Liabilities from application of equity method	19,426	18,136
Other non-current liabilities	32,875	31,362
Deferred tax liabilities	10,606	12,876
Total non-current liabilities	724,990	728,760
Current liabilities		
Bonds and borrowings	101,502	168,928
Trade and other payables	229,552	208,932
Other financial liabilities	65,907	67,144
Current tax liabilities	22,162	8,190
Provisions	1,901	1,440
Other current liabilities	177,929	140,834
Total current liabilities	598,953	595,469
Total liabilities	1,323,943	1,324,229
Total equity and liabilities	2,471,933	2,519,107

**(2) CONDENSED QUARTERLY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
 COMPREHENSIVE INCOME
 CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 THREE MONTHS ENDED MARCH 31, 2022**

(¥ millions)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Revenue	409,302	416,745
Cost of sales	227,490	230,377
Gross profit	181,812	186,367
Selling, general and administrative expenses	148,671	160,452
Normalized operating profit	33,142	25,915
Other operating income	1,006	4,036
Other operating expenses	6,134	9,129
Operating profit	28,014	20,822
Finance income	1,694	3,405
Finance costs	1,315	1,303
Share of profit of equity-accounted investees	5,169	5,587
Profit before tax	33,561	28,510
Income tax expense	9,418	3,085
Profit	24,143	25,426
Profit attributable to:		
Owners of the Company	16,967	17,393
Non-controlling interests	7,176	8,032
Profit	24,143	25,426
Earnings per share (¥)		
Basic earnings per share	20.35	20.87
Diluted earnings per share	20.35	20.86

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2022

(¥ millions)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	24,143	25,426
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	2,031	853
Share of other comprehensive income of equity-accounted investees	305	661
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	37,227	50,632
Cash flow hedges	936	(2,836)
Share of other comprehensive income of equity-accounted investees	667	4,580
Total other comprehensive income	41,166	53,890
Comprehensive income	65,309	79,316
Comprehensive income attributable to:		
Owners of the Company	54,683	69,146
Non-controlling interests	10,626	10,170
Comprehensive income	65,309	79,316

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 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	—	—	16,967	—	—	—
Other comprehensive income	—	—	—	—	1,630	301
Comprehensive income	—	—	16,967	—	1,630	301
Dividends from surplus	—	—	(27,092)	—	—	—
Acquisition of treasury shares	—	—	—	(6)	—	—
Share-based payments	—	15	—	—	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	36	—	—	—	—
Transfer from reserves to retained earnings	—	—	1,140	—	(839)	(301)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	51	(25,953)	(6)	(839)	(301)
Balance at March 31, 2021	102,046	24,991	971,917	(201,789)	25,548	—

	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	—	—	—	16,967	7,176	24,143
Other comprehensive income	34,850	936	37,716	37,716	3,450	41,166
Comprehensive income	34,850	936	37,716	54,683	10,626	65,309
Dividends from surplus	—	—	—	(27,092)	(5,466)	(32,559)
Acquisition of treasury shares	—	—	—	(6)	—	(6)
Share-based payments	—	—	—	15	(19)	(4)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	36	(169)	(133)
Transfer from reserves to retained earnings	—	—	(1,140)	—	—	—
Other	—	—	—	—	23	23
Total transactions with owners of the Company	—	—	(1,140)	(27,047)	(5,631)	(32,678)
Balance at March 31, 2021	(56,852)	359	(30,945)	866,220	262,349	1,128,570

THREE MONTHS ENDED MARCH 31, 2022

(¥ 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, 2022	102,046	25,104	998,177	(201,801)	17,978	—
Profit	—	—	17,393	—	—	—
Other comprehensive income	—	—	—	—	984	661
Comprehensive income	—	—	17,393	—	984	661
Dividends from surplus	—	—	(27,092)	—	—	—
Acquisition of treasury shares	—	—	—	(2)	—	—
Disposal of treasury shares	—	(0)	—	0	—	—
Share-based payments	—	29	—	—	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	65	—	—	—	—
Transfer from reserves to retained earnings	—	—	772	—	(112)	(661)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	94	(26,319)	(2)	(112)	(661)
Balance at March 31, 2022	102,046	25,198	989,251	(201,803)	18,850	—

	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, 2022	(47,935)	610	(29,347)	894,179	253,811	1,147,990
Profit	—	—	—	17,393	8,032	25,426
Other comprehensive income	52,945	(2,837)	51,753	51,753	2,137	53,890
Comprehensive income	52,945	(2,837)	51,753	69,146	10,170	79,316
Dividends from surplus	—	—	—	(27,092)	(5,716)	(32,807)
Acquisition of treasury shares	—	—	—	(2)	—	(2)
Disposal of treasury shares	—	—	—	0	—	0
Share-based payments	—	—	—	29	(65)	(36)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	65	350	415
Transfer from reserves to retained earnings	—	—	(772)	—	—	—
Other	—	—	—	—	3	3
Total transactions with owners of the Company	—	—	(772)	(26,999)	(5,428)	(32,427)
Balance at March 31, 2022	5,010	(2,226)	21,634	936,325	258,553	1,194,878

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ millions)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Cash flows from operating activities		
Profit before tax	33,561	28,510
Depreciation and amortization	19,450	20,471
Impairment losses	302	472
Interest and dividends received	(404)	(641)
Share of profit of equity-accounted investees	(5,169)	(5,587)
Interest paid	1,177	1,141
Gain on sale of property, plant and equipment and intangible assets	(47)	(1,104)
Loss on disposal and sale of property, plant and equipment and intangible assets	340	123
(Increase) decrease in trade receivables	78,278	85,908
(Increase) decrease in inventories	(14,056)	(16,267)
Increase (decrease) in trade payables	(7,452)	(6,142)
Increase (decrease) in liquor taxes payable	(24,341)	(32,356)
Increase (decrease) in deposits received	(8,727)	(6,642)
Other	(28,954)	(35,234)
Sub-total	43,958	32,653
Interest and dividends received	4,794	5,334
Interest paid	(1,283)	(1,108)
Income taxes paid	(10,714)	(20,332)
Cash flows from (used in) operating activities	36,755	16,547

(¥ millions)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(18,943)	(17,909)
Proceeds from sale of property, plant and equipment and intangible assets	779	1,517
Acquisition of investments	(1,853)	(405)
Proceeds from sale of investments	1,839	989
Acquisition of shares of subsidiaries, net of cash acquired	—	(46,208)
Proceeds from sale of shares of subsidiaries, net of cash disposed of	42,892	—
Acquisition of equity-accounted investees	(107)	—
Other	(1,865)	(472)
Cash flows from (used in) investing activities	22,742	(62,487)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	2,790	(4,450)
Increase (decrease) in commercial paper	35,001	79,997
Proceeds from long-term borrowings	—	20,428
Repayment of long-term borrowings	(10,000)	(19,995)
Repayment of lease liabilities	(4,287)	(4,710)
Payment for acquisition of treasury shares	(7)	(5)
Payment for acquisition of treasury shares by a consolidated subsidiary	(5)	(1)
Dividends paid	(27,092)	(27,092)
Dividends paid to non-controlling interests	(5,463)	(5,716)
Other	0	(4)
Cash flows from (used in) financing activities	(9,063)	38,453
Effect of exchange rate changes on cash and cash equivalents	7,347	12,014
Net increase (decrease) in cash and cash equivalents	57,780	4,527
Cash and cash equivalents at beginning of period	161,667	149,488
Cash and cash equivalents at end of period	219,447	154,015

**(5) NOTES TO CONDENSED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS
(GOING CONCERN ASSUMPTION)**

There are no matters to report under this item.

**Supplementary Documents to
the Consolidated Financial Statements
for the Three Months Ended March 31, 2022**

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
May 12, 2022**

1. SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ billions)

	As of March 31, 2022, Actual	As of December 31, 2021, Actual	Increase (decrease)	Description of changes
Non-current assets	1,671.1	1,645.3	25.8	
Property, plant and equipment	562.1	533.9	28.2	
Goodwill	317.2	264.2	53.0	Increase due to acquisition of a subsidiary, etc.
Intangible assets	200.0	196.3	3.7	Decrease due to transfer to non-current assets held for sale, etc.
Equity-accounted investees	333.0	399.4	(66.4)	
Other	258.8	251.5	7.3	
Current assets	848.0	826.6	21.4	
Inventories	270.5	247.2	23.2	
Trade and other receivables	308.2	387.9	(79.7)	Decrease due to the year-end of previous year being a bank holiday, etc.
Cash and cash equivalents	154.0	149.5	4.5	
Other	115.3	42.0	73.3	Increase in assets held for sale, etc.
Total assets	2,519.1	2,471.9	47.2	
Equity	1,194.9	1,148.0	46.9	
Equity attributable to owners of the Company	936.3	894.2	42.1	
Non-controlling interests	258.6	253.8	4.7	
Non-current liabilities	728.8	725.0	3.8	
Bonds and borrowings	462.3	450.0	12.3	
Other	266.5	275.0	(8.5)	
Current liabilities	595.5	599.0	(3.5)	
Bonds and borrowings	168.9	101.5	67.4	Increase in commercial paper, etc.
Trade and other payables	208.9	229.6	(20.6)	
Other	217.6	267.9	(50.3)	Decrease in accrued liquor tax, etc.
Total liabilities	1,324.2	1,323.9	0.3	
Total equity and liabilities	2,519.1	2,471.9	47.2	

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

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

(¥ billions)

	Three months ended March 31, 2022, Actual	Three months ended March 31, 2021, Actual	Increase (decrease)	
Revenue	416.7	409.3	7.4	1.8%
Gross profit	186.4	181.8	4.6	2.5%
Selling, general and administrative expenses	160.5	148.7	11.8	7.9%
Normalized operating profit	25.9	33.1	(7.2)	(21.8%)
Other operating income	4.0	1.0	3.0	301.2%
Other operating expenses	9.1	6.1	3.0	48.8%
Operating profit	20.8	28.0	(7.2)	(25.7%)
Finance income	3.4	1.7	1.7	101.0%
Finance costs	1.3	1.3	(0.0)	(0.9%)
Share of profit of equity-accounted investees	5.6	5.2	0.4	8.1%
Profit before tax	28.5	33.6	(5.1)	(15.1%)
Income tax expense	3.1	9.4	(6.3)	(67.2%)
Profit	25.4	24.1	1.3	5.3%
Owners of the Company	17.4	17.0	0.4	2.5%
Non-controlling interests	8.0	7.2	0.9	11.9%
Normalized EPS	¥24	¥27	(¥3)	(11.1%)
Revenue (excluding liquor tax)	359.2	348.2	11.0	3.2%
Normalized operating profit ratio (excluding liquor tax)	7.2%	9.5%		
Normalized EBITDA	45.7	52.3	(6.6)	(12.6%)
Gross Debt Equity Ratio	0.67	0.78		

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

(¥)

	Three months ended March 31, 2022, Actual	Three months ended March 31, 2021, Actual
Lion (AUD)	85.24	82.58
Coke Northeast (USD)	117.79	107.15

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

	Three months ended March 31, 2022, Actual	Three months ended March 31, 2021, Actual
San Miguel Brewery	From October 2021 to December 2021	From October 2020 to December 2020

3. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

	Three months ended March 31, 2022, Actual	Three months ended March 31, 2021, Actual	Increase (decrease)	
Revenue	416.7	409.3	7.4	1.8%
Japan Beer and Spirits	132.8	140.7	(7.9)	(5.6%)
Kirin Brewery	127.2	136.2	(9.1)	(6.7%)
Other and elimination	5.7	4.5	1.2	27.1%
Japan Non-alcoholic Beverages	50.5	51.0	(0.6)	(1.1%)
Kirin Beverage	50.9	51.5	(0.6)	(1.1%)
Elimination	(0.5)	(0.5)	(0.0)	—
Oceania Adult Beverages	53.6	59.7	(6.0)	(10.1%)
Lion	53.7	59.7	(6.0)	(10.1%)
Elimination	(0.0)	(0.0)	(0.0)	—
Pharmaceuticals	87.6	81.0	6.7	8.2%
Kyowa Kirin	87.8	81.1	6.6	8.2%
Elimination	(0.1)	(0.2)	0.0	—
Other	92.2	77.0	15.2	19.8%
Mercian	13.2	13.6	(0.4)	(2.9%)
Coke Northeast	41.6	31.7	9.9	31.1%
Kyowa Hakko Bio	13.0	11.0	2.0	17.9%
Other and elimination	24.5	20.7	3.8	18.3%

'Myanmar Brewery' is included in 'Other and elimination' in 'Other' from 2022.

(Reference) Revenue excluding liquor tax

(¥ billions)

	Three months ended March 31, 2022, Actual	Three months ended March 31, 2021, Actual
Kirin Brewery	74.4	79.3

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

	Three months ended March 31, 2022		Three months ended March 31, 2021	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	—	(6.1%)	—	(4.4%)
<i>Happo-shu</i>	—	(4.9%)	—	9.1%
New genre	—	(7.7%)	—	(5.3%)
Sub-total	—	(6.6%)	—	(1.7%)
RTD	97	(6.5%)	104	26.6%
Non-alcohol beverages	7	(22.4%)	10	1.6%

Kirin Brewery's sales volume will only be disclosed in the 2nd and 4th quarter in accordance with the agreement made by the Brewers Association of Japan.

b. Kirin Beverage Group

	Three months ended March 31, 2022		Three months ended March 31, 2021	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	1,172	3.6%	1,131	(13.9%)
Japanese tea	571	(9.7%)	632	(10.8%)
Coffee	559	2.6%	544	(5.2%)
Fruit and vegetable juice	464	(4.4%)	485	(4.3%)
Carbonated beverage	234	(10.1%)	260	(12.9%)
Water	780	(1.6%)	793	(18.1%)
Other	495	0.8%	491	(9.0%)
Total	4,273	(1.5%)	4,337	(11.7%)
Container Type				
Can	529	(4.6%)	555	(10.8%)
Large-sized PET bottles (2L, 1.5L, etc.)	1,352	(5.3%)	1,427	(15.2%)
Small-sized PET bottles (500ml, 280ml, etc.)	1,998	0.8%	1,983	(10.8%)
Other	394	5.8%	372	(2.9%)
Total	4,273	(1.5%)	4,337	(11.7%)
Domain				
Food & Beverage domain	3,818	(2.4%)	3,912	(13.6%)
Health science domain	455	7.1%	425	11.5%
Lactococcus lactis strain Plasma	158	21.4%	130	30.0%
Total	4,273	(1.5%)	4,337	(11.7%)

'Functional beverage' is included in 'Other' in 'Category' from 2022.

4. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

	Three months ended March 31, 2022, Actual	Three months ended March 31, 2021, Actual	Increase (decrease)	
Normalized operating profit	25.9	33.1	(7.2)	(21.8%)
Japan Beer and Spirits	7.4	12.4	(5.0)	(40.1%)
Kirin Brewery	6.7	11.9	(5.2)	(43.5%)
Others	0.7	0.5	0.2	41.2%
Japan Non-alcoholic Beverages	2.5	2.3	0.2	9.2%
Kirin Beverage	2.5	2.3	0.2	9.2%
Oceania Adult Beverages	4.6	7.0	(2.4)	(34.6%)
Lion	4.6	7.0	(2.4)	(34.6%)
Pharmaceuticals	15.9	14.9	1.0	6.8%
Kyowa Kirin	15.9	14.9	1.0	6.8%
Other	7.9	7.0	0.9	12.8%
Mercian	(0.3)	0.4	(0.7)	—
Coke Northeast	4.3	2.3	2.0	87.9%
Kyowa Hakko Bio	(0.6)	(0.4)	(0.3)	—
Others	4.5	4.6	(0.1)	(2.7%)
Corporate expenses and inter-segment eliminations	(12.4)	(10.4)	(2.0)	—

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

'Myanmar Brewery' is included in 'Others' in 'Other' from 2022.

(2) Normalized Operating Profit Breakdown of Major Business Companies

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Decrease in marginal profit of alcohol beverages, etc.	(3.9)	Total beer products (1.7) Sales decrease in beer (6) thousand KL Sales decrease in <i>happo-shu</i> (4) thousand KL Sales decrease in new genre (12) thousand KL Total products other than beer products (0.8) Sales decrease in RTD (7) thousand KL Sales decrease in non-alcohol beverages (2) thousand KL, etc. Difference of change in composite of products, etc. (1.4)
	Decrease in raw material cost of alcohol beverages	0.1	
	Increase in selling expenses	(0.8)	Increase in sales promotion (0.9) and decrease in advertising 0.1 (Total 13.4→14.2)
	Increase in other expenses	(0.6)	
Total		(5.2)	
Kirin Beverage	Increase in marginal profit of soft drink beverages	0.6	Decrease in sales volume (0.63) million cases (0.3) Difference of change in products mix and composition ratio of containers, etc. 0.9
	Increase in raw material cost	(1.4)	Increase in raw material cost (0.8), increase in material cost (0.0), and increase in processing cost (0.6)
	Decrease in selling expenses	1.2	Decrease in sales promotion 0.6 and decrease in advertising 0.6 (Total 5.4→4.2)
	Increase in other expenses	(0.2)	
Total		0.2	

(3) Other Operating Income and Other Operating Expenses

(¥ billions)

	Three months ended March 31, 2022, Actual	Three months ended March 31, 2021, Actual	Increase (decrease)
Other operating income	4.0	1.0	3.0
Gain on sale of property, plant and equipment and intangible assets	1.1	0.0	1.1
Other	2.9	1.0	2.0
Other operating expenses	9.1	6.1	3.0
Impairment losses	0.5	0.3	0.2
Business restructuring expenses	0.2	0.2	0.0
Software development expenses	3.9	3.8	0.1
Loss on disposal and sale of property, plant and equipment and intangible assets	0.2	0.4	(0.2)
Other	4.4	1.5	2.9

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

(¥ billions)

	Three months ended March 31, 2022, Actual	Three months ended March 31, 2021, Actual	Increase (decrease)
Finance income	3.4	1.7	1.7
Interest income	0.6	0.4	0.2
Dividend income	0.0	0.0	0.0
Foreign exchange gains (net)	2.7	1.2	1.5
Other	0.1	0.1	(0.0)
Finance costs	1.3	1.3	(0.0)
Interest paid	1.1	1.2	(0.0)
Other	0.2	0.1	0.0
Share of profit of equity-accounted investees	5.6	5.2	0.4
San Miguel Brewery	6.9	6.7	0.2
Other	(1.3)	(1.5)	0.2

5. SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ billions)

	Three months ended March 31, 2022, Actual	Three months ended March 31, 2021, Actual	Increase (decrease)
Cash flows from operating activities	16.5	36.8	(20.2)
Profit before tax	28.5	33.6	(5.1)
Depreciation and amortization	20.5	19.5	1.0
Other	(32.4)	(16.3)	(16.2)
Cash flows from investing activities	(62.5)	22.7	(85.2)
Acquisition of property, plant and equipment and intangible assets	(17.9)	(18.9)	1.0
Other	(44.6)	41.7	(86.3)
Cash flows from financing activities	38.5	(9.1)	47.5
Increase (decrease) in interest-bearing liabilities	76.0	27.8	48.2
Dividends paid	(32.8)	(32.6)	(0.3)
Other	(4.7)	(4.3)	(0.4)
Exchange rate changes	12.0	7.3	4.7
Net increase (decrease) in cash and cash equivalents	4.5	57.8	(53.3)