

KIRIN HOLDINGS COMPANY, LIMITED

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022 (UNDER IFRS)

(UNAUDITED)

August 8, 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:	August 10, 2022
Commencement date of dividend distribution scheduled:	September 5, 2022
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, 2022 - June 30, 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 (%)
Six months ended						
June 30, 2022	917,048	6.1	72,080	0.2	95,247	68.6
June 30, 2021	864,024	(1.0)	71,914	2.9	56,509	0.9

	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, 2022	81,039	115.8	55,350	133.1	169,065	126.1
June 30, 2021	37,548	(22.9)	23,748	(28.7)	74,766	257.8

	Basic earnings per share (¥)	Diluted earnings per share (¥)
Six months ended		
June 30, 2022	66.60	66.59
June 30, 2021	28.49	28.48

Reference: Operating profit	Six months ended June 30, 2022	¥76,137 million	82.0%
	Six months ended June 30, 2021	¥41,824 million	(15.4%)

* 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, 2022	2,622,534	1,259,744	981,588	37.4
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	—	32.50			
Fiscal year ending December 31, 2022 (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, 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	1,990,000	9.2	172,000	4.0	227,000	127.9

	Profit	Percentage change	Profit attributable to owners of the Company	Percentage change	Basic earnings per share
	(¥ millions)	(%)	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2022	173,000	152.8	134,000	124.1	162.93

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

Reference: Operating profit Fiscal year ending December 31, 2022 ¥146,000 million 114.4%

* Notes

- (1) Changes in significant subsidiaries for the six months ended June 30, 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: Yes

Note: 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, 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 June 30, 2022 | 92,868,617 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 six months ended June 30, 2022 | 831,023,498 shares |
| For the six months ended June 30, 2021 | 833,607,211 shares |

Note: Number of treasury shares at the end of the period includes shares held in the BIP (Board Incentive Plan) Trust (1,965,900 shares at June 30, 2022 and 385,135 shares at December 31, 2021).
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, Monday, August 8, and will post the presentation materials from the financial results presentation to be held on Tuesday, August 9, 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, 2021	At June 30, 2022
Assets		
Non-current assets		
Property, plant and equipment	533,859	583,412
Goodwill	264,225	313,548
Intangible assets	196,341	232,952
Equity-accounted investees	399,367	340,356
Other financial assets	117,431	120,260
Other non-current assets	24,736	25,293
Deferred tax assets	109,354	121,184
Total non-current assets	1,645,313	1,737,005
Current assets		
Inventories	247,229	288,996
Trade and other receivables	387,921	342,989
Other financial assets	7,910	8,956
Other current assets	34,071	31,327
Cash and cash equivalents	149,488	140,693
(Sub-total)	826,620	812,961
Assets held for sale	—	72,567
Total current assets	826,620	885,528
Total assets	2,471,933	2,622,534

(¥ millions)

	At December 31, 2021	At June 30, 2022
Equity		
Share capital	102,046	102,046
Share premium	25,104	25,274
Retained earnings	998,177	1,028,211
Treasury shares	(201,801)	(226,770)
Reserves	(29,347)	52,827
Equity attributable to owners of the Company	894,179	981,588
Non-controlling interests	253,811	278,156
Total equity	1,147,990	1,259,744
Liabilities		
Non-current liabilities		
Bonds and borrowings	449,970	437,836
Other financial liabilities	145,453	137,753
Defined benefit liability	61,954	63,524
Provisions	4,707	5,137
Liabilities from application of equity method	19,426	17,376
Other non-current liabilities	32,875	28,283
Deferred tax liabilities	10,606	16,057
Total non-current liabilities	724,990	705,966
Current liabilities		
Bonds and borrowings	101,502	194,286
Trade and other payables	229,552	239,236
Other financial liabilities	65,907	76,142
Current tax liabilities	22,162	9,966
Provisions	1,901	1,065
Other current liabilities	177,929	136,128
Total current liabilities	598,953	656,823
Total liabilities	1,323,943	1,362,790
Total equity and liabilities	2,471,933	2,622,534

**(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, 2022**

(¥ millions)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Revenue	864,024	917,048
Cost of sales	474,980	501,601
Gross profit	389,044	415,448
Selling, general and administrative expenses	317,130	343,368
Normalized operating profit	71,914	72,080
Other operating income	3,105	25,805
Other operating expenses	33,195	21,747
Operating profit	41,824	76,137
Finance income	2,910	9,261
Finance costs	2,555	2,620
Share of profit of equity-accounted investees	14,330	12,470
Profit before tax	56,509	95,247
Income tax expense	18,961	14,208
Profit	37,548	81,039
Profit attributable to:		
Owners of the Company	23,748	55,350
Non-controlling interests	13,799	25,689
Profit	37,548	81,039
Earnings per share (¥)		
Basic earnings per share	28.49	66.60
Diluted earnings per share	28.48	66.59

CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2022

(¥ millions)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Profit	37,548	81,039
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	1,496	106
Share of other comprehensive income of equity-accounted investees	200	665
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences on foreign operations	24,520	85,729
Cash flow hedges	1,079	(9,612)
Share of other comprehensive income of equity-accounted investees	9,923	11,137
Total other comprehensive income	37,218	88,026
Comprehensive income	74,766	169,065
Comprehensive income attributable to:		
Owners of the Company	60,860	139,301
Non-controlling interests	13,906	29,764
Comprehensive income	74,766	169,065

(3) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
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

SIX MONTHS ENDED JUNE 30, 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	—	—	55,350	—	—	—
Other comprehensive income	—	—	—	—	318	665
Comprehensive income	—	—	55,350	—	318	665
Dividends from surplus	—	—	(27,092)	—	—	—
Acquisition of treasury shares	—	—	—	(25,000)	—	—
Disposal of treasury shares	—	(0)	—	1	—	—
Share-based payments	—	75	(1)	30	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	95	—	—	—	—
Transfer from reserves to retained earnings	—	—	1,777	—	(1,111)	(665)
Other	—	—	—	—	—	—
Total transactions with owners of the Company	—	170	(25,316)	(24,968)	(1,111)	(665)
Balance at June 30, 2022	102,046	25,274	1,028,211	(226,770)	17,184	—

	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	—	—	—	55,350	25,689	81,039
Other comprehensive income	92,587	(9,619)	83,951	83,951	4,075	88,026
Comprehensive income	92,587	(9,619)	83,951	139,301	29,764	169,065
Dividends from surplus	—	—	—	(27,092)	(5,716)	(32,807)
Acquisition of treasury shares	—	—	—	(25,000)	—	(25,000)
Disposal of treasury shares	—	—	—	1	—	1
Share-based payments	—	—	—	104	(180)	(76)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	95	367	461
Transfer from reserves to retained earnings	—	—	(1,777)	—	—	—
Other	—	—	—	—	110	110
Total transactions with owners of the Company	—	—	(1,777)	(51,892)	(5,419)	(57,311)
Balance at June 30, 2022	44,652	(9,008)	52,827	981,588	278,156	1,259,744

(4) CONDENSED QUARTERLY CONSOLIDATED STATEMENT OF CASH FLOWS

(¥ millions)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from operating activities		
Profit before tax	56,509	95,247
Depreciation and amortization	39,773	42,345
Impairment losses	22,611	2,392
Gain on reversal of impairment losses	—	(18,383)
Interest and dividends received	(1,283)	(1,621)
Share of profit of equity-accounted investees	(14,330)	(12,470)
Interest paid	2,224	2,221
Gain on sale of property, plant and equipment and intangible assets	(1,357)	(3,376)
Loss on disposal and sale of property, plant and equipment and intangible assets	618	979
Gain on sale of shares of subsidiaries	(23)	—
(Increase) decrease in trade receivables	69,003	59,894
(Increase) decrease in inventories	(20,737)	(27,207)
Increase (decrease) in trade payables	(2,855)	3,744
Increase (decrease) in liquor taxes payable	(28,644)	(28,065)
Increase (decrease) in deposits received	(8,416)	(7,527)
Other	(26,025)	(43,084)
Sub-total	87,068	65,090
Interest and dividends received	10,334	11,496
Interest paid	(2,093)	(2,153)
Income taxes paid	(5,465)	(27,651)
Cash flows from (used in) operating activities	89,844	46,783

(¥ millions)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(38,633)	(37,376)
Proceeds from sale of property, plant and equipment and intangible assets	3,681	3,873
Acquisition of investments	(2,304)	(779)
Proceeds from sale of investments	9,541	4,271
Acquisition of shares of subsidiaries, net of cash acquired	—	(46,183)
Proceeds from sale of shares of subsidiaries, net of cash disposed of	42,886	—
Acquisition of equity-accounted investees	(108)	—
Proceeds from sale of equity-accounted investees	5,101	—
Other	(800)	(2,344)
Cash flows from (used in) investing activities	19,363	(78,539)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(215)	(6,166)
Increase (decrease) in commercial paper	(45,001)	56,991
Proceeds from long-term borrowings	—	21,300
Repayment of long-term borrowings	(10,000)	(21,801)
Proceeds from issuance of bonds	70,000	20,000
Repayment of lease liabilities	(9,080)	(9,621)
Payment for acquisition of treasury shares	(18)	(25,013)
Payment for acquisition of treasury shares by a consolidated subsidiary	(11)	(4)
Dividends paid	(27,092)	(27,092)
Dividends paid to non-controlling interests	(5,466)	(5,716)
Other	(258)	21
Cash flows from (used in) financing activities	(27,142)	2,901
Effect of exchange rate changes on cash and cash equivalents	171	20,061
Net increase (decrease) in cash and cash equivalents	82,236	(8,794)
Cash and cash equivalents at beginning of period	161,667	149,488
Cash and cash equivalents at end of period	243,903	140,693

**(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 fiscal year in principle, except for the following matter.

Since there was an indication from the share transfer process that the amount of impairment losses recognized in prior years related to the Alcoholic Beverages business in Myanmar had decreased, the recoverable amount of the Alcoholic Beverages business in Myanmar was estimated at June 30, 2022. As a result, a gain of 18,158 million yen on reversal of impairment losses for non-current assets except for goodwill in relation to the Alcoholic Beverages business in Myanmar was recognized for the six months ended June 30, 2022. The recoverable amount was measured at fair value less costs of disposal which was calculated based on the share transfer price mutually agreed in the transfer process.

2. OTHER

(1) CONSOLIDATED FORECASTS

The consolidated earnings forecast for the fiscal year ending December 31, 2022 released on February 14, 2022 has been revised as below, considering the progress of each business, business transfer, and revision of exchange rates applied.

Consolidated forecast for the fiscal year ending December 31, 2022

(¥ millions)

	Revenue	Normalized operating profit	Profit before tax	Profit	Profit attributable to owners of the Company	Basic earnings per share
Previous forecast (A)	1,950,000	166,000	177,000	139,500	114,500	¥137.36
Revised forecast (B)	1,990,000	172,000	227,000	173,000	134,000	¥162.93
Change (B-A)	40,000	6,000	50,000	33,500	19,500	—
Change (%)	2.1	3.6	28.2	24.0	17.0	—
Actual result for the fiscal year ended December 31, 2021	1,821,570	165,430	99,617	68,424	59,790	¥71.73

For further information, please refer to the “Notice Regarding Revision of Consolidated Financial Forecast for the Fiscal Year Ending December 2022” released today.

**Supplementary Documents to
the Consolidated Financial Statements
for the Six Months Ended June 30, 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
August 8, 2022**

1. SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(¥ billions)

	As of June 30, 2022, Actual	As of December 31, 2021, Actual	Increase (decrease)	Description of changes
Non-current assets	1,737.0	1,645.3	91.7	
Property, plant and equipment	583.4	533.9	49.6	
Goodwill	313.5	264.2	49.3	
Intangible assets	233.0	196.3	36.6	
Equity-accounted investees	340.4	399.4	(59.0)	Decrease due to transfer to assets held for sale, etc.
Other	266.7	251.5	15.2	
Current assets	885.5	826.6	58.9	
Inventories	289.0	247.2	41.8	
Trade and other receivables	343.0	387.9	(44.9)	
Cash and cash equivalents	140.7	149.5	(8.8)	
Other	112.9	42.0	70.9	Increase in assets held for sale, etc.
Total assets	2,622.5	2,471.9	150.6	
Equity	1,259.7	1,148.0	111.8	
Equity attributable to owners of the Company	981.6	894.2	87.4	Increase in foreign currency translation differences arising from depreciation of yen, etc.
Non-controlling interests	278.2	253.8	24.3	
Non-current liabilities	706.0	725.0	(19.0)	
Bonds and borrowings	437.8	450.0	(12.1)	
Other	268.1	275.0	(6.9)	
Current liabilities	656.8	599.0	57.9	
Bonds and borrowings	194.3	101.5	92.8	Increase in commercial paper, etc.
Trade and other payables	239.2	229.6	9.7	
Other	223.3	267.9	(44.6)	
Total liabilities	1,362.8	1,323.9	38.8	
Total equity and liabilities	2,622.5	2,471.9	150.6	

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, 2022, Actual	Six months ended June 30, 2021, Actual	Increase (decrease)	
Revenue	917.0	864.0	53.0	6.1%
Gross profit	415.4	389.0	26.4	6.8%
Selling, general and administrative expenses	343.4	317.1	26.2	8.3%
Normalized operating profit	72.1	71.9	0.2	0.2%
Other operating income	25.8	3.1	22.7	731.0%
Other operating expenses	21.7	33.2	(11.4)	(34.5%)
Operating profit	76.1	41.8	34.3	82.0%
Finance income	9.3	2.9	6.4	218.2%
Finance costs	2.6	2.6	0.1	2.6%
Share of profit of equity-accounted investees	12.5	14.3	(1.9)	(13.0%)
Profit before tax	95.2	56.5	38.7	68.6%
Income tax expense	14.2	19.0	(4.8)	(25.1%)
Profit	81.0	37.5	43.5	115.8%
Owners of the Company	55.4	23.7	31.6	133.1%
Non-controlling interests	25.7	13.8	11.9	86.2%
Normalized EPS	¥64	¥65	(¥1)	(1.5%)
Revenue (excluding liquor tax)	785.9	729.9	56.0	7.7%
Normalized operating profit ratio (excluding liquor tax)	9.2%	9.9%		
Normalized EBITDA	114.2	111.8	2.5	2.2%
Gross Debt Equity Ratio	0.64	0.76		

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, 2022, Actual	Six months ended June 30, 2021, Actual
Lion (AUD)	88.88	83.37
Coke Northeast (USD)	124.52	108.45

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

	Six months ended June 30, 2022, Actual	Six months ended June 30, 2021, Actual
San Miguel Brewery	From October 2021 to March 2022	From October 2020 to March 2021

3. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

	Six months ended June 30, 2022, Actual	Six months ended June 30, 2021, Actual	Increase (decrease)	
Revenue	917.0	864.0	53.0	6.1%
Japan Beer and Spirits	303.4	310.5	(7.1)	(2.3%)
Kirin Brewery	290.3	300.0	(9.7)	(3.2%)
Other and elimination	13.1	10.5	2.6	24.5%
Japan Non-alcoholic Beverages	113.5	114.2	(0.7)	(0.6%)
Kirin Beverage	114.7	115.3	(0.6)	(0.5%)
Elimination	(1.1)	(1.0)	(0.1)	—
Oceania Adult Beverages	116.3	108.7	7.6	7.0%
Lion	116.3	108.7	7.6	7.0%
Elimination	(0.0)	(0.0)	(0.0)	—
Pharmaceuticals	185.0	164.7	20.3	12.3%
Kyowa Kirin	185.3	165.0	20.2	12.3%
Elimination	(0.2)	(0.3)	0.0	—
Other	198.7	165.8	32.9	19.9%
Mercian	28.2	28.0	0.3	1.0%
Coke Northeast	95.9	71.7	24.1	33.7%
Kyowa Hakko Bio	25.4	24.8	0.6	2.4%
Other and elimination	49.3	41.4	7.9	19.1%

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

(Reference) Revenue excluding liquor tax

(¥ billions)

	Six months ended June 30, 2022, Actual	Six months ended June 30, 2021, Actual
Kirin Brewery	169.8	174.9

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

	Six months ended June 30, 2022		Six months ended June 30, 2021	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	215	2.3%	210	10.2%
<i>Happo-shu</i>	175	(6.3%)	187	2.7%
New genre	321	(6.2%)	343	(10.8%)
Sub-total	712	(3.8%)	740	(2.3%)
RTD	205	(5.7%)	218	13.7%
Non-alcohol beverages	21	(12.2%)	24	13.1%

The sales volume above excludes exports and liquor tax exempts.

b. Kirin Beverage Group

	Six months ended June 30, 2022		Six months ended June 30, 2021	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	2,401	4.0%	2,309	(5.4%)
Japanese tea	1,407	0.5%	1,400	(5.6%)
Coffee	1,187	(2.5%)	1,217	8.0%
Fruit and vegetable juice	1,116	(6.2%)	1,190	7.2%
Carbonated beverage	583	(9.7%)	646	(11.7%)
Water	1,654	(3.9%)	1,720	(15.7%)
Other	1,223	2.2%	1,196	(3.0%)
Total	9,571	(1.1%)	9,679	(4.8%)
Container Type				
Can	1,126	(4.9%)	1,185	(5.3%)
Large-sized PET bottles (2L, 1.5L, etc.)	2,981	(5.0%)	3,137	(16.3%)
Small-sized PET bottles (500ml, 280ml, etc.)	4,557	2.1%	4,465	3.0%
Other	906	1.6%	892	7.0%
Total	9,571	(1.1%)	9,679	(4.8%)
Domain				
Food & Beverage domain	8,552	(1.8%)	8,708	(7.1%)
Health science domain	1,019	4.9%	971	23.1%
Lactococcus lactis strain Plasma	304	38.0%	220	48.2%
Total	9,571	(1.1%)	9,679	(4.8%)

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

4. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

	Six months ended June 30, 2022, Actual	Six months ended June 30, 2021, Actual	Increase (decrease)	
Normalized operating profit	72.1	71.9	0.2	0.2%
Japan Beer and Spirits	22.0	26.7	(4.7)	(17.5%)
Kirin Brewery	20.1	25.4	(5.3)	(20.9%)
Others	1.9	1.3	0.6	51.4%
Japan Non-alcoholic Beverages	6.8	8.0	(1.2)	(14.8%)
Kirin Beverage	6.8	8.0	(1.2)	(14.8%)
Oceania Adult Beverages	11.2	12.8	(1.7)	(13.0%)
Lion	11.2	12.8	(1.7)	(13.0%)
Pharmaceuticals	37.6	30.1	7.5	24.9%
Kyowa Kirin	37.6	30.1	7.5	24.9%
Other	19.9	16.4	3.5	21.0%
Mercian	(0.3)	1.1	(1.4)	—
Coke Northeast	10.9	7.0	4.0	56.9%
Kyowa Hakko Bio	(1.0)	0.3	(1.3)	—
Others	10.3	8.0	2.2	27.8%
Corporate expenses and inter-segment eliminations	(25.4)	(22.1)	(3.3)	—

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.	(5.0)	Total beer products (1.9) Sales increase in beer 5 thousand KL Sales decrease in <i>happo-shu</i> (12) thousand KL Sales decrease in new genre (21) thousand KL Total products other than beer products (0.8) Sales decrease in RTD (12) thousand KL Sales decrease in non-alcohol beverages (3) thousand KL, etc. Difference of change in composite of products, etc. (2.3)
	Increase in raw material cost of alcohol beverages	(1.2)	
	Decrease in selling expenses	1.5	Increase in sales promotion (2.2), and decrease in advertising 3.6 (Total 34.4→33.0)
	Increase in other expenses	(0.6)	
Total		(5.3)	
Kirin Beverage	Increase in marginal profit of soft drink beverages	1.2	Decrease in sales volume (1.08) million cases (0.5) Difference of change in products mix and composition ratio of containers, etc. 1.7
	Increase in raw material cost, etc.	(3.1)	Increase in raw material cost (2.0), increase in material cost (0.3), and increase in processing cost (0.8)
	Decrease in selling expenses	1.2	Decrease in sales promotion 1.4, and increase in advertising (0.1) (Total 12.9→11.7)
	Increase in other expenses	(0.5)	
Total		(1.2)	

(3) Other Operating Income and Other Operating Expenses

(¥ billions)

	Six months ended June 30, 2022, Actual	Six months ended June 30, 2021, Actual	Increase (decrease)
Other operating income	25.8	3.1	22.7
Gain on sale of property, plant and equipment and intangible assets	3.4	1.4	2.0
Gain on sale of shares of subsidiaries	—	0.0	(0.0)
Gain on reversal of impairment losses	18.4	—	18.4
Other	4.0	1.7	2.3
Other operating expenses	21.7	33.2	(11.4)
Impairment losses	2.4	22.6	(20.2)
Business restructuring expenses	0.3	0.7	(0.4)
Software development expenses	5.5	6.6	(1.0)
Loss on disposal and sale of property, plant and equipment and intangible assets	1.4	0.7	0.7
Other	12.1	2.6	9.5

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

(¥ billions)

	Six months ended June 30, 2022, Actual	Six months ended June 30, 2021, Actual	Increase (decrease)
Finance income	9.3	2.9	6.4
Interest income	1.3	0.8	0.5
Dividend income	0.3	0.5	(0.2)
Foreign exchange gains (net)	7.1	1.2	5.9
Other	0.5	0.4	0.1
Finance costs	2.6	2.6	0.1
Interest paid	2.2	2.2	(0.0)
Other	0.4	0.3	0.1
Share of profit of equity-accounted investees	12.5	14.3	(1.9)
San Miguel Brewery	12.3	12.5	(0.2)
Other	0.2	1.8	(1.6)

5. SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(1) Summary of Statement of Cash Flows

(¥ billions)

	Six months ended June 30, 2022, Actual	Six months ended June 30, 2021, Actual	Increase (decrease)
Cash flows from operating activities	46.8	89.8	(43.1)
Profit before tax	95.2	56.5	38.7
Depreciation and amortization	42.3	39.8	2.6
Other	(90.8)	(6.4)	(84.4)
Cash flows from investing activities	(78.5)	19.4	(97.9)
Acquisition of property, plant and equipment and intangible assets	(37.4)	(38.6)	1.3
Other	(41.2)	58.0	(99.2)
Cash flows from financing activities	2.9	(27.1)	30.0
Increase (decrease) in interest-bearing liabilities	70.3	14.8	55.5
Dividends paid	(32.8)	(32.6)	(0.2)
Other	(34.6)	(9.4)	(25.2)
Exchange rate changes	20.1	0.2	19.9
Net increase (decrease) in cash and cash equivalents	(8.8)	82.2	(91.0)

(2) Information by Segment

As of June 30, 2022, Actual

(¥ billions)

	Japan Beer and Spirits	Japan Non-alcoholic Beverages	Oceania Adult Beverages	Pharmaceuticals	Others	Adjustment	Total
Depreciation and amortization	6.1	3.0	5.7	7.6	7.5	2.7	32.6
Acquisition of property, plant and equipment and intangible assets	8.1	4.1	3.3	8.3	12.7	0.8	37.4
Normalized EBITDA	28.1	9.8	16.9	45.2	36.9	(22.6)	114.2

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

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.

**Supplementary Documents to
the Financial Forecast
for the Fiscal Year Ending December 31, 2022**

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 8, 2022**

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, 2022, Revised Forecast	Fiscal year ended December 31, 2021, Actual	Increase (decrease)		Fiscal year ending December 31, 2022, Initial forecast	Increase (decrease)
Revenue	1,990.0	1,821.6	168.4	9.2%	1,950.0	40.0
Normalized operating profit	172.0	165.4	6.6	4.0%	166.0	6.0
Other operating income	25.5	8.2	17.3	209.7%	3.1	22.4
Other operating expenses	51.5	105.6	(54.1)	(51.2%)	26.1	25.4
Operating profit	146.0	68.1	77.9	114.4%	143.0	3.0
Finance income	8.7	4.1	4.6	112.4%	2.1	6.6
Finance costs	5.7	7.0	(1.3)	(19.1%)	4.5	1.2
Share of profit of equity-accounted investees	28.0	34.5	(6.5)	(18.8%)	36.4	(8.4)
Gain on sale of equity-accounted investees	50.0	—	50.0	—	—	50.0
Profit before tax	227.0	99.6	127.4	127.9%	177.0	50.0
Income tax expense	54.0	31.2	22.8	73.1%	37.5	16.5
Profit	173.0	68.4	104.6	152.8%	139.5	33.5
Owners of the Company	134.0	59.8	74.2	124.1%	114.5	19.5
Non-controlling interests	39.0	8.6	30.4	351.7%	25.0	14.0
ROIC	10.2%	4.2%			8.3%	
Normalized EPS	¥157	¥156	¥1	0.6%	¥157	—
Revenue (excluding liquor tax)	1,697.0	1,536.0	161.0	10.5%	1,637.0	60.0
Normalized operating profit ratio (excluding liquor tax)	10.1%	10.8%			10.1%	
ROE	14.1%	6.9%			12.6%	
Normalized EBITDA	259.4	245.9	13.5	5.5%	250.6	8.8
Gross Debt Equity Ratio	0.49	0.62			0.56	

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

	Fiscal year ending December 31, 2022, Revised Forecast
Normalized operating profit	158.5
ROIC	9.7%
Normalized EPS	¥151

* Converted foreign currency amounts of the revised forecast at the exchange rate of the initial forecast released on February 14

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, 2022, Revised Forecast	Fiscal year ended December 31, 2021, Actual	Fiscal year ending December 31, 2022, Initial forecast
Lion (AUD)	90.00	82.67	82.00
Coke Northeast (USD)	126.00	110.37	113.00

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

	Fiscal year ending December 31, 2022, Revised Forecast	Fiscal year ended December 31, 2021, Actual
San Miguel Brewery	From October 2021 to September 2022	From October 2020 to September 2021

2. REVENUE DETAILS

(1) Revenue Details

(¥ billions)

	Fiscal year ending December 31, 2022, Revised Forecast	Fiscal year ended December 31, 2021, Actual	Increase (decrease)		Fiscal year ending December 31, 2022, Initial forecast	Increase (decrease)
Revenue	1,990.0	1,821.6	168.4	9.2%	1,950.0	40.0
Japan Beer and Spirits	685.1	661.3	23.7	3.6%	721.7	(36.6)
Kirin Brewery	655.7	638.3	17.4	2.7%	695.5	(39.8)
Other and elimination	29.3	23.0	6.3	27.3%	26.2	3.2
Japan Non-alcoholic Beverages	253.0	244.4	8.7	3.5%	256.7	(3.6)
Kirin Beverage	255.3	246.6	8.7	3.5%	258.8	(3.4)
Elimination	(2.3)	(2.2)	(0.1)	—	(2.1)	(0.2)
Oceania Adult Beverages	256.7	216.3	40.4	18.7%	239.9	16.8
Lion	256.7	216.3	40.4	18.7%	239.9	16.8
Elimination	(0.0)	(0.1)	0.0	—	(0.0)	(0.0)
Pharmaceuticals	399.3	351.7	47.6	13.5%	379.3	20.0
Kyowa Kirin	400.0	352.2	47.8	13.6%	380.0	20.0
Elimination	(0.7)	(0.5)	(0.1)	—	(0.7)	—
Other	395.9	347.9	48.0	13.8%	352.4	43.5
Mercian	58.5	57.9	0.6	1.0%	60.4	(1.9)
Coke Northeast	196.4	154.9	41.6	26.8%	160.3	36.1
Kyowa Hakko Bio	53.3	53.0	0.3	0.5%	55.6	(2.3)
Other and elimination	87.7	82.1	5.6	6.8%	76.1	11.6

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

(Reference) Revenue excluding liquor tax

	(¥ billions)		
	Fiscal year ending December 31, 2022 Revised Forecast	Fiscal year ended December 31, 2021 Actual	Fiscal year ending December 31, 2022 Initial forecast
Kirin Brewery	384.9	371.3	404.4

(2) Sales Volume Details of Major Business Companies

a. Kirin Brewery

	Fiscal year ending December 31, 2022		Fiscal year ended December 31, 2021	
	Revised forecast	Increase (decrease)	Actual	Increase (decrease)
Sales volume	Thousand KL		Thousand KL	
Beer	524	10.4%	475	4.1%
<i>Happo-shu</i>	369	(4.8%)	387	0.9%
New genre	695	(2.0%)	709	(11.2%)
Sub-total	1,588	1.1%	1,571	(4.1%)
RTD	442	(1.6%)	449	4.7%
Non-alcohol beverages	53	8.1%	49	10.9%

The above sales volume excludes exports and liquor tax exempts.

b.Kirin Beverage Group

	Fiscal year ending December 31, 2022		Fiscal year ended December 31, 2021	
	Revised forecast	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	5,280	5.8%	4,991	(1.4%)
Japanese tea	3,283	5.8%	3,104	(4.7%)
Coffee	2,527	(2.2%)	2,585	10.7%
Fruit and vegetable juice	2,302	(4.4%)	2,407	4.0%
Carbonated beverage	1,287	(2.0%)	1,313	(14.2%)
Water	3,279	(10.8%)	3,673	(11.9%)
Other	2,855	5.7%	2,702	(2.5%)
Total	20,813	0.2%	20,775	(3.1%)
Container Type				
Can	2,409	(0.5%)	2,421	(7.0%)
Large-sized PET bottles (2L, 1.5L, etc.)	6,248	(7.1%)	6,726	(11.8%)
Small-sized PET bottles (500ml, 280ml, etc.)	10,290	5.8%	9,726	3.3%
Other	1,867	(1.9%)	1,903	5.9%
Total	20,813	0.2%	20,775	(3.1%)
Domain				
Food & Beverage domain	18,534	(1.1%)	18,739	(5.1%)
Health science domain	2,279	12.0%	2,036	20.9%
Lactococcus lactis strain Plasma	762	45.7%	523	65.1%
Total	20,813	0.2%	20,775	(3.1%)

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

3. PROFIT DETAILS

(1) Normalized Operating Profit Details

(¥ billions)

	Fiscal year ending December 31, 2022, Revised Forecast	Fiscal year ended December 31, 2021, Actual	Increase (decrease)		Fiscal year ending December 31, 2022, Initial forecast	Increase (decrease)
Normalized operating profit	172.0	165.4	6.6	4.0%	166.0	6.0
Japan Beer and Spirits	75.5	70.5	5.0	7.0%	82.5	(7.0)
Kirin Brewery	73.0	68.0	5.0	7.4%	80.0	(7.0)
Others	2.5	2.6	(0.0)	(1.6%)	2.5	0.0
Japan Non-alcoholic Beverages	18.0	21.1	(3.1)	(14.6%)	18.0	—
Kirin Beverage	18.0	21.1	(3.1)	(14.6%)	18.0	—
Oceania Adult Beverages	34.2	26.6	7.7	28.8%	34.5	(0.3)
Lion	34.2	26.6	7.7	28.8%	34.5	(0.3)
Pharmaceuticals	73.0	61.2	11.8	19.3%	64.0	9.0
Kyowa Kirin	73.0	61.2	11.8	19.3%	64.0	9.0
Other	27.7	31.3	(3.7)	(11.7%)	23.5	4.2
Mercian	(1.4)	2.3	(3.7)	—	1.5	(2.9)
Coke Northeast	22.1	16.5	5.5	33.6%	17.2	4.9
Kyowa Hakko Bio	(1.0)	0.4	(1.4)	—	0.5	(1.5)
Others	8.0	12.2	(4.2)	(34.5%)	4.3	3.7
Corporate expenses and inter-segment eliminations	(56.4)	(45.3)	(11.1)	—	(56.4)	—

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	Increase in marginal profit of alcohol beverages, etc.	9.9	Total beer products 2.8 Sales increase in beer 49 thousand KL Sales decrease in <i>happo-shu</i> (18) thousand KL Sales decrease in new genre (14) thousand KL Total other than beer products 0.7 Sales decrease in RTD (7) thousand KL Sales increase in non-alcohol beverages 4 thousand KL, etc. Price change and difference of change in composite of products, etc. 6.4
	Increase in raw material cost of alcohol beverages	(8.5)	Increase in market prices, etc.
	Decrease in selling expenses	7.7	Decrease in sales promotion and advertising 7.7 (Total 66.5→58.8)
	Increase in other expenses	(4.1)	Increase in expenditures, etc.
	Total		5.0
Kirin Beverage	Increase in marginal profit of soft drink beverages	6.0	Increase in sales volume 0.38 million cases, 0.2 Difference of change in products mix and composition ratio of containers, etc. 5.8
	Increase in raw material cost, etc.	(8.0)	Increase in raw material cost (4.3), increase in material cost (2.0), and increase in processing cost (1.7)
	Decrease in selling expenses	0.6	Decrease in sales promotion and advertising 0.6 (Total 27.2→26.6)
	Increase in other expenses	(1.7)	Increase in sales equipment cost (0.7) and increase in business consignment expenses (0.8).
Total		(3.1)	

4. INFORMATION BY SEGMENT

Fiscal year ending December 31, 2022, Revised forecast

(¥ billions)

	Japan Beer and Spirits	Japan Non-alcoholic Beverages	Oceania Adult Beverages	Pharmaceuticals	Others	Adjustment	Total
Depreciation and amortization	12.6	6.4	10.1	16.8	15.5	6.2	67.7
Acquisition of property, plant and equipment and intangible assets	19.2	8.7	14.6	25.6	38.1	5.6	111.6
Normalized EBITDA	88.1	24.4	44.4	89.8	62.9	(50.2)	259.4

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

Fiscal year ended December 31, 2021, Actual

(¥ billions)

	Japan Beer and Spirits	Japan Non-alcoholic Beverages	Oceania Adult Beverages	Pharmaceuticals	Others	Adjustment	Total
Depreciation and amortization	12.4	6.3	10.3	15.9	16.2	1.3	62.4
Acquisition of property, plant and equipment and intangible assets	17.4	8.0	9.3	19.3	18.5	13.9	86.3
Normalized EBITDA	82.9	27.4	36.8	77.1	65.5	(44.0)	245.9

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