KIRIN

KIRIN HOLDINGS COMPANY, LIMITED

April 30, 2015

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2015 (UNDER JAPANESE GAAP) (UNAUDITED)

(English Translation)

Fiscal year ending December 31, 2015

KIRIN HOLDINGS COMPANY, LIMITED

NAKANO CENTRAL PARK SOUTH, 10-2, Nakano 4-chome, Nakano-ku, Tokyo, Japan (URL http://www.kirinholdings.co.jp/english/)

Code No.: 2503

Shares Listed: Tokyo, Nagoya, Sapporo and Fukuoka

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Submission date of quarterly securities report scheduled: May 14, 2015

Commencement date of dividend distribution scheduled: –

Preparation of supplementary documents to the quarterly financial results: Yes

Holding of quarterly 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, 2015 - March 31, 2015)

[Unit: Japanese yen (¥)]

(1) Results of operations (cumulative): (Fractions less than ¥1 million have been omitted.)

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

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Three months ended						
March 31, 2015	515,298	(2.5)	26,261	(12.6)	25,630	(10.4)
March 31, 2014	528,730	1.5	30,048	24.4	28,597	21.7

Note: Comprehensive income March 31, 2015 ¥15,169 million [(48.1)%]

March 31, 2014 ¥29,232 million [(79.9)%]

	Net income	Percentage change	Net income per share (Basic)	Net income per share (Diluted)
	(¥ millions)	(%)	(¥)	(¥)
Three months ended				
March 31, 2015	13,376	20.5	14.66	14.66
March 31, 2014	11,102	(79.6)	11.95	11.90

Reference: Normalized EBITDA March 31, 2015 ¥56.0 billion [(15.7)%]

March 31, 2014 ¥66.4 billion [13.9%]

Normalized EPS March 31, 2015 ¥25 [(16.7)%]

March 31, 2014 ¥30 [50.0%]

For details of definitions and computation methods for the above indicators, please refer to “BUSINESS PERFORMANCE” on page 2.

(2) Financial position:

	Total assets	Net assets	Ratio of equity to total assets
	(¥ millions)	(¥ millions)	(%)
As of			
March 31, 2015	2,620,009	1,061,957	31.6
December 31, 2014	2,965,868	1,335,711	37.2

Reference: Equity March 31, 2015 ¥828,723 million
December 31, 2014 ¥1,101,833 million

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended December 31, 2014	–	19.00	–	19.00	38.00
Fiscal year ending December 31, 2015	–				
Fiscal year ending December 31, 2015 (Forecast)		19.00	–	19.00	38.00

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

Reference: Dividend pay-out ratio calculated using normalized EPS December 31, 2015 (Forecast) 31.4%

3. Forecast consolidated business results for the current fiscal year (January 1, 2015 - December 31, 2015)

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

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Six months ending June 30, 2015	1,090,000	3.2	54,000	7.5	–	–
Fiscal year ending December 31, 2015	2,270,000	3.4	139,000	21.3	122,000	29.5

	Net income	Percentage change	Net income per share
	(¥ millions)	(%)	(¥)
Six months ending June 30, 2015	–	–	–
Fiscal year ending December 31, 2015	62,000	91.4	67.94

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

Reference: Normalized EBITDA December 31, 2015 (Forecast) ¥276.0 billion [1.0%]
Normalized EPS December 31, 2015 (Forecast) ¥121 [2.5%]

* Notes

(1) Changes in significant subsidiaries for the three months ended March 31, 2015 (Changes in specified subsidiaries accompanying change in scope of consolidation.): None

Newly included: ― Excluded: ―

(2) Application of specific accounting for preparing the quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. SUMMARY INFORMATION (NOTES), (2) APPLICATION OF SPECIFIC ACCOUNTING FOR PREPARING THE QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS” on page 7 of the Attached Materials.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

i. Changes in accounting policies due to amendment of accounting standards: Yes

ii. Changes in accounting policies due to other reasons: Yes

iii. Changes in accounting estimates: Yes

iv. Restatements: None

Note: For details, please refer to “2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS” on page 7 of the Attached Materials.

(4) Number of shares outstanding (common stock)

i. Number of shares outstanding at the end of the period (including treasury stock)

As of March 31, 2015	914,000,000 shares
As of December 31, 2014	965,000,000 shares

ii. Number of treasury stock at the end of the period

As of March 31, 2015	1,457,172 shares
As of December 31, 2014	52,452,089 shares

iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the three months ended March 31, 2015	912,544,780 shares
For the three months ended March 31, 2014	929,321,398 shares

* Explanation regarding performance of quarterly review procedures

This summary of quarterly consolidated financial results is not subject to a quarterly review in accordance with the Financial Instruments and Exchange Law of Japan. At the time of disclosure of this summary of quarterly consolidated financial results, the quarterly review procedures in accordance with the Financial Instruments and Exchange Law of Japan are incomplete.

* 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, April 30, and will post the presentation materials from the financial results presentation (teleconference) to be held on Friday, May 1 and the main Q&A at the meeting as soon as possible on the Company's website.
(URL of the Company's website)
http://www.kirinholdings.co.jp/english/ir/event/explain/index.html

ATTACHED MATERIALS

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1. QUALITATIVE INFORMATION REGARDING CONSOLIDATED RESULTS FOR THE THREE MONTHS

(1) BUSINESS PERFORMANCE

During the first quarter (January 1, 2015 - March 31, 2015), the global economy saw depreciation of crude oil prices and additional monetary easing policies on a global scale, but this did not provide a significant boost to personal consumption in the United States. While suffering from weak performance in parts, such as ongoing stalled growth in China, a gradual recovery is being seen in Europe, and as a whole moderate growth has continued.

Japan's economy experienced a limited lift despite the weaker yen, following a delay in economic recovery after the consumption tax hike in April 2014, but with some companies deciding to increase wages against the backdrop of strong corporate earnings and an increase in purchasing power with depreciation of crude oil prices, etc., a recovery of consumer spending has been seen.

For the Kirin Group, fiscal 2015 is the final year of the "Kirin Group 2013 - 2015 Medium-Term Management Plan," and the first stage of our long-term management vision, the "Kirin Group Vision 2021" (KV2021). Kirin Holdings Co., Ltd. and each regional headquarters have been working together to strengthen each business, positioning 2015 as “year zero” in the next medium-term management plan, which starts in 2016. In particular, we implemented consistent brand investment of a high standard for flagship brands from a medium-term perspective, tackling it with a sense of speed in response to changes in the competitive environment in an effort to achieve renewed growth in the Japan Integrated Beverages Business, which is the Group’s highest priority.

From this first quarter, we have changed our accounting policy. Details are described on page 7 in 2. Summary Information (important points) (3) Changes in accounting policies, Changes in accounting estimates, and restatements, application of the Revision of the Accounting Standards regarding Business Combinations. As a result, operating income, ordinary income and tax adjustments for the consolidated first quarter, and income before income taxes and minority interests increased by 571.4 billion yen respectively.

In accordance with these results, sales volumes for the Japan Integrated Beverages Business and the Overseas Integrated Beverages Business declined, resulting in lower consolidated sales compared with the previous year. The operating income rose for the Overseas Integrated Beverages Business as a result of early application of the Revision of the Accounting Standards regarding Business Combinations, but fell for the Japan Integrated Beverages Business. Consequently, consolidated operating income fell and consolidated ordinary income declined. Consolidated net income for the quarter increased in comparison with the same period of the previous year, partly owing to gains on sales of property, plant and equipment and intangible assets.

Kirin Holdings Company, Limited 2015 first quarter results:	
Consolidated sales	*¥515.2 billion, down 2.5%*
Consolidated operating income	*¥26.2 billion, down 12.6%*
Consolidated ordinary income	*¥25.6 billion, down 10.4%*
Consolidated net income for the first quarter	*¥13.3 billion, up 20.5%*
(Reference)	
*Normalized EBITDA**	*¥56.0 billion, down 15.7%*
*Normalized EPS**	*¥25, down 16.7%*

* Normalization: Removing special income and expenses and other non-recurring items to reflect actual earnings more accurately.

Normalized EBITDA = Operating income + Depreciation + Amortization of goodwill + Dividends received from entities accounted for by the equity method

Normalized EPS = Adjusted net income/Average number of shares outstanding during period

Adjusted net income = Net income + Amortization of goodwill etc. ± Special income or expenses after income taxes and minority interests

Note that normalized EBITDA has been rounded down to the nearest ¥100 million, and normalized EPS has been rounded to the nearest ¥1.

Results by segment are as follows.

Japan Integrated Beverages Business

In the Japanese alcoholic and standard beverages market, a decline in demand occurred for the first quarter due to recoil from the buying rush before the consumption tax rate hike implemented in April 2014. Against this backdrop, there have been consistent efforts toward the development of strong brands aimed at renewed growth of the Japanese Integrated Beverages Business, continually working to create value that leads to surprise and excitement by offering exceptional quality and taste to customers and society.
Kirin Brewery Company, Limited, has been consistently investing in the high standards of flagship brands from a medium-term perspective and has made it the company's highest priority to raise the level of customer loyalty toward beer products, which has declined continuously since 2010. With *Kirin Ichiban Shibori* being the most important brand, a limited edition beer, *Ichiban Shibori Komugi no Umami* was launched, carefully drawing out the wheat flavor through the *Ichiban Shibori Process*, which worked to strengthen the brand as a whole. Furthermore, in extending the functionality category, *Kirin Nodogoshi All Light*, the world's first*[1] functional new genre beer-flavored beverage with zero sugar, zero purine, and reduced calories was released, and sales were strong. In addition, for other beer types such as the low-malt (*happo*-shu) flagship brands, *Tanrei Nama* has undergone a full revamp to become *Tanrei Gokujo Nama*, and the new genre of *Kirin Nodogoshi Nama* has undergone further refinement of taste, in an effort to boost its presence. Sales were strong in RTD*[2], in particular for *Kirin Honshibori*$_{TM}$ *Chuhai* and *Kirin Chuhai Bitters*, exceeding the previous year. In addition, we have launched a new ultra-light alcohol, Kirin Butterfly, which can be enjoyed more spontaneously compared with previous products.
Mercian Corporation worked to strengthen their flagship brand Chateau Mercian, and at the International Wine Competition "Chardonnay du Monde 2015" held in March in Burgundy, France, *Chateau Mercian Hokushin Chardonnay 2013* received a silver medal, the highest award for a Japanese wine. In addition, the company endeavored to enhance its brands through a revamp of the *Oishii-sankaboshizai-mutenka Wine* and *Ladera Verde* products, expansion of container lines, and the release of the new *Gyu gyu to Shibotta Sangria*.
Kirin Beverage Company celebrated the 30th anniversary of the launch of its flagship brand *Kirin Gogo-no-Kocha*, and worked towards invigorating the tea beverage market even further through revamping of foundational items. In addition, the *Kirin Sekai-no-Kitchen-Kara* brand released new *Sekai-no-Kitchen-Kara Hare-Cha* in February. Focusing on the carbonated beverage category in March, the *Kirin Mets* brand released *Kirin Mets Grape* and *Kirin Mets Orange*, two new strongly carbonated, discreetly sweet, low-calorie designs, in an effort to strengthen the brand, resulting in very strong sales.

With these, the sales volume of the soft drink market as a whole could be maintained at the same level as the previous year.
Effort was made to put CSV*[3] into practice in order to realize sustainable growth, together with other initiatives targeting issues at hand. In the *Kirin Hyoketsu* series, a new limited edition *Kirin Hyoketsu Fukushima Peach* was released, to support Fukushima agriculture, coupled with activities to present the natural blessings of Fukushima and to share tastes of the region.
There have also been continuing efforts to reduce costs in the Japanese Integrated Beverages Business as a whole.
As a result, Kirin Beverage Company, Limited saw increased sales while Kirin Brewery Company, Limited and Mercian Corporation experienced falls in sales volumes, causing reductions to overall sales and operating income.

1 The world's first (according to Kirin estimate) functional new genre beer-flavored beverage with zero sugar, zero purines, and reduced calories.

2 RTD liquors are packaged low-alcohol beverages sold in a prepared "ready-to-drink" form.

3 Creating Shared Value (CSV) is a management concept that combines two ideas: engaging in societal issues to create social value, and improving a company's competitive position.

Japan Integrated Beverages Business 2015 first quarter results:	
Consolidated sales	¥239.7 billion, down 3.6%
Consolidated operating income	¥(1.2) billion, —

Overseas Integrated Beverages Business

In the Australian economy sentiment remains shaky despite successive interest rate cuts, with consumers spending less and saving more as a result. This continues to fuel a highly competitive and deflationary retail market.
As the total Australian beer market continued to contract, Lion's Beer, Spirits and Wine business reported lower sales volumes overall, however through a continued effort to bolster core brands and increase sales of high value categories, such as craft and international premium, key brands such as James Squire and Little Creatures performed well.
In Lion Dairy & Drinks business conditions remained challenging, with overall sales volumes declining. Lion Dairy & Drinks remains focused on its three year turnaround strategy, which includes renewed focus on high-value categories such as milk-based beverages, specialty cheese and yoghurt and ongoing cost reduction initiatives, including a review and optimisation of its supply chain to enhance profitability. Benefiting from this strategy milk-based beverage brand Dare continued to post strong growth.
In the Brazilian economy, business confidence continued to worsen due to declining resource prices, and the inflation rate accelerated due to a bold fiscal consolidation program, so that domestic production and consumer spending remained sluggish. In addition, the real's depreciation is progressing rapidly due to expanding credit risk, and with an intensifying uncertainty toward the economy, the business environment has remained tough.
Brasil Kirin has implemented a detailed strategy adapted to the characteristics of each region. In order to enhance the brand value of their key brand Schin, they have strived to boost sales in strong regions, channels and products. While steadily increasing prices, they boosted profitability through effective use of selling expenses. However there is a continued trend of decreased sales for both beer and carbonated beverages, with results lower than the previous year.

Consequently, the Oceania Integrated Beverages Business saw a fall in sales but due to improvements in profitability of the beverages business and early application of the Revision of the Accounting Standards regarding Business Combinations, operating income increased overall. Other Overseas Integrated Beverages Business experienced a decline in income due to the decrease in sales volume of Brasil Kirin, however owing to the impact of price rises and sales cost controls, profitability and thus profit increased, leading to an overall increase in operating income.

Oceania Integrated Beverages Business 2015 first quarter results:	
Consolidated sales	¥132.8 billion, down 1.4%
Consolidated operating income	¥17.5 billion, up 17.6%
Other Overseas Integrated Beverages business 2015 first quarter results:	
Consolidated sales	¥49.4 billion, down 11.5%
Consolidated operating income	¥0.2 billion, —

Pharmaceuticals and Bio-chemicals Business

In the pharmaceuticals business, despite the impact of the reduction in drug price revisions last April, domestic sales of the flagship product for Kyowa Hakko Kirin Co., Ltd., a long-acting erythropoiesis stimulating agent NESP®, have remained strong, and new drugs such as the long-acting G-CSF formula G-LASTA have seen steady market penetration. In addition, domestic approval was received in February for the 12.5mg formulation of the calcium receptor agonist *Regpara*. Overseas, ProStrakan Group plc's flagship products expanded smoothly, and with the influence of Archimedes Pharma Limited from August of last year, sales were higher than those of the previous year.

In the bio-chemicals business, although demand for pharmaceutical amino acid and other drug substances remained strong, there was also recoil due to the centralized shipment of goods during the same period last year to China, and so sales were lower than the previous year.

As a result, sales increased for the pharmaceutical and bio-chemical business as a whole, but operating income declined, primarily due to an increase in overseas research and development expenses in the pharmaceutical business.

Pharmaceuticals and Bio-chemicals Business 2015 first quarter results:	
Consolidated sales	¥87.4 billion, up 4.2%
Consolidated operating income	¥10.1 billion, down 22.8%

Other Businesses

Koiwai Dairy Products Company, Limited saw sales volumes exceed the previous year due to further strengthening sales of its core yogurt product *Koiwai Yogurt made from 100% fresh milk*. On the other hand, they have been affected by higher imported raw materials costs due to exchange rate fluctuation, and a short supply of domestic raw materials, though they are working to reduce production and logistics costs.

As a result, sales and operating income of Koiwai Dairy Products increased, and both sales and operating income increased for other businesses as a whole.

Other Businesses 2015 first quarter results:	
Consolidated sales	¥5.8 billion, up 7.2%

Consolidated operating income ¥0.8 billion, up 18.6%

(2) Qualitative information on consolidated financial conditions

Total assets at the end of the current consolidated first quarter decreased 345.8 billion yen from the end of the previous consolidated fiscal year to 2.6200 trillion yen. This was due to increases in cash and deposits, merchandise and finished goods together with investment securities, and decreases in notes and accounts receivable, property, plant and equipment, and intangible fixed assets.

Debt decreased 72.1 billion yen to 1.5580 trillion yen from the end of the previous consolidated fiscal year. This was because, although interest-bearing debt increased, trade notes and accounts payable, liquor tax payable (current liabilities “others”) decreased.

Owing to such factors as decreased retained earnings, net assets decreased 273.7 billion yen from the end of the previous consolidated fiscal year to 1.0619 trillion yen.

(3) Qualitative information on consolidated earnings forecast

As a result of early and retroactive application of the Revision of the Accounting Standards regarding Business Combinations, we revised goodwill amortization and thus we have revised the earnings projections for the full fiscal year and for the second quarter (cumulative) as shown below.

Revision of non-consolidated forecasts (January 1, 2015 to December 31, 2015)

	Sales	Operating income	Ordinary income	Net income	EPS (Net income per share)
Previous forecasts (A)	¥2,270.0 billion	¥117.0 billion	¥100.0 billion	¥40.0 billion	¥43.83
Revised (B)	¥2,270.0 billion	¥139.0 billion	¥122.0 billion	¥62.0 billion	¥67.94
Change (B—A)	—	¥22.0 billion	¥22.0 billion	¥22.0 billion	—
Change (%)	—	18.8%	22.0%	55.0%	—
Previous results for year ended December 31, 2014	¥2,195.7 billion	¥114.5 billion	¥94.2 billion	¥32.3 billion	¥35.27

Consolidated earnings forecast for year ended December 31, 2015 (second quarter (cumulative))

	Sales	Operating income
Previous forecasts (A)	¥1,090.0 billion	¥43.0 billion
Revised (B)	¥1,090.0 billion	¥54.0 billion
Change (B—A)	—	¥11.0 billion
Change (%)	—	25.6%
Previous results for year ended December 31, 2014	¥1,056.2 billion	¥50.2 billion

* Because the company only calculates year-long results forecasts for consolidated ordinary income and consolidated net income, the second quarter (cumulative) results only indicate forecasts for consolidated sales and consolidated operating income.

2. SUMMARY INFORMATION (NOTES)

(1) CHANGES IN SIGNIFICANT SUBSIDIARIES FOR THE THREE MONTHS ENDED MARCH 31, 2015

There are no matters to report under this item.

(2) APPLICATION OF SPECIFIC ACCOUNTING FOR PREPARING THE QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

Calculation of income taxes

Income taxes for the period are calculated by multiplying net income before income taxes for the period by the estimated annual effective rate which is calculated based on the estimated income before taxes for the full year and estimated annual income after the application of tax effect accounting.

(3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS

(Changes in accounting policies)

(Application of Accounting Standards regarding Business Combinations)

As the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013; hereinafter the "Business Combinations Accounting Standard"), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013; hereinafter the "Consolidation Accounting Standard"), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013; hereinafter the "Business Divestitures Accounting Standard") and other standards became applicable from the beginning of fiscal years commencing on or after April 1, 2014, these accounting standards (except for the provisions stated in article 39 of the Consolidation Accounting Standard) have been applied from the three months ended March 31, 2015. Accordingly, the accounting method has been changed that the difference associated with changes in equity in subsidiaries remaining under the control of the Company is recorded as capital surplus, and acquisition-related costs are recorded as expenses for the fiscal year in which the costs are incurred. For business combinations implemented on or after the beginning of the three months ended March 31, 2015, the accounting method has been changed to reflect the adjustments to the allocated amount of acquisition costs on the finalization of provisional accounting treatment in the consolidated financial statements for the quarter containing the date of the business combinations.

With respect to application of the Accounting Standards regarding Business Combinations, the transitional treatment as prescribed in article 58-2 (3) of the Business Combinations Accounting Standard, article 44-5 (3) of the Consolidation Accounting Standard and article 57-4 (3) of the Business Divestitures Accounting Standard was applied. The cumulative impact of the retroactive application of the new accounting policies over all past periods at the beginning of the three months ended March 31, 2015 was reflected in capital surplus and retained earnings.

As a result of this change, as of the beginning of the three months ended March 31, 2015, goodwill, capital surplus, retained earnings, foreign currency translation adjustments, and minority interests decreased by ¥263,906 million, ¥81,417 million, ¥143,232 million, ¥39,191 million, and ¥65 million, respectively. Additionally, operating income, ordinary income, and income before income taxes and minority interests for the three months ended March 31, 2015 all increased by ¥5,714 million.

(Application of Accounting Standards regarding Retirement Benefits)

Effective from the three months ended March 31, 2015, the Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012; hereinafter the "Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012; hereinafter the "Guidance"), in respect of the provisions stated in article 35 of the Standard and article 67 of the Guidance, whereby the method of calculating retirement benefit obligation and current service costs have been revised. Based on this revision, the method of attributing expected retirement benefits to periods has been changed from the straight-line basis to the benefit formula basis, while the method of determining discount rates has been changed from the method based on the average period until the expected timing of retirement benefits payment to the method using a single weighted average discount rate reflecting the period up to the expected timing of retirement benefits payment and the amount of retirement benefits payment for each period.

With respect to application of the Standard and the Guidance, the transitional treatment as prescribed in article 37 of the Standard was applied. As of the beginning of the three months ended March 31, 2015, the effect of the change in the method of calculating retirement benefit obligation and current service costs was reflected in retained earnings.

As a result of this change, as of the beginning of the three months ended March 31, 2015, net defined benefit asset decreased by ¥328 million, net defined benefit liability increased by ¥6,160 million and retained earnings decreased by ¥4,465 million. The effect of this change on operating income, ordinary income, and income before income taxes and minority interests for the three months ended March 31, 2015 is immaterial.
As the effect of this change on segment information is immaterial, such disclosure is omitted.

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates)
(Changes in depreciation method for property, plant and equipment)
With respect to the depreciation method for property, plant and equipment, the Company's consolidated subsidiary, Kyowa Hakko Kirin Co., Ltd. and its consolidated domestic subsidiaries had previously adopted the declining-balance method except for buildings (excluding building fixtures) acquired on or after April 1, 1998, which were depreciated using the straight-line method. However, starting from the three months ended March 31, 2015, the method has been changed to the straight-line method.
This consolidated subsidiary group conducted a review of its depreciation method in conjunction with the completion of a considerable part of the capital investments in the large-scale new manufacturing facilities in line with the reorganization of manufacturing sites based on the "Basic Production Strategy" (formulated in 2009, pharmaceuticals business) and the "Reorganization Plan of Yamaguchi Production Center" (formulated in 2010, bio-chemicals business).
In the pharmaceuticals business, the Company anticipates stable operations of manufacturing facilities as it expects long-term steady manufacturing due to improved efficiency as a result of the concentration of manufacturing sites through the reorganization, further progress in automation of manufacturing facilities and the outsourcing of smaller volume products, as well as the effect of recently-launched new drugs and others. Furthermore, in terms of research and development, the Company anticipates stable operation of research and development facilities as a result of efforts to reduce the uncertainty risk of research and development by introducing drug-discovery technologies at the early stages of development in addition to the promotion of proprietary drug-discovery research.
In the bio-chemicals business, the Company anticipates stable operation of manufacturing facilities in conjunction with the multi-purpose plant and the acceleration of automation, which will enable the manufacturing of multiple products.
The Company, upon comprehensively taking into account the above factors, has determined that the allocation of costs through depreciation over the useful life on a straight-line basis starting from the three months ended March 31, 2015 at the consolidated subsidiary group would better reflect the actual condition. As a result of this change, operating income increased by ¥296 million, and ordinary income and income before income taxes and minority interests increased by ¥298 million, respectively.

3. CONSOLIDATED FINANCIAL STATEMENTS
(1) CONSOLIDATED BALANCE SHEETS

(¥ millions)

	As of December 31, 2014	As of March 31, 2015
ASSETS		
Current assets		
Cash and time deposits	49,450	55,826
Notes and accounts receivable, trade	408,709	342,697
Merchandise and finished goods	161,391	166,778
Work in process	35,670	38,816
Raw materials and supplies	49,203	49,919
Other	101,025	102,653
Allowance for doubtful accounts	(3,620)	(3,298)
Total current assets	801,830	753,393
Non-current assets		
Property, plant and equipment (Net of accumulated depreciation and accumulated loss on impairment)	798,398	778,993
Intangible assets		
Goodwill	642,470	357,994
Other	206,886	189,809
Total	849,356	547,804
Investments and other assets		
Investment securities	403,467	434,045
Net defined benefit asset	6,830	7,539
Other	111,229	103,543
Allowance for doubtful accounts	(5,243)	(5,311)
Total	516,283	539,817
Total non-current assets	2,164,038	1,866,615
Total assets	2,965,868	2,620,009

(¥ millions)

	As of December 31, 2014	As of March 31, 2015
LIABILITIES		
Current liabilities		
Notes and accounts payable, trade	160,106	137,018
Short-term loans payable and long-term debt with current maturities	99,096	120,818
Commercial paper	83,994	118,987
Bonds due within one year	51,832	23,925
Income taxes payable	12,154	5,912
Reserves	7,577	14,450
Other	369,909	276,952
Total current liabilities	784,671	698,063
Non-current liabilities		
Bonds	209,988	224,992
Long-term debt	359,012	371,598
Reserve for loss on litigation	25,116	21,076
Other reserves	8,130	7,992
Net defined benefit liability	60,483	59,163
Other	182,754	175,164
Total non-current liabilities	845,485	859,988
Total liabilities	1,630,157	1,558,051
NET ASSETS		
Shareholders' equity		
Common stock	102,045	102,045
Capital surplus	81,417	–
Retained earnings	848,381	623,999
Treasury stock, at cost	(74,797)	(2,079)
Total shareholders' equity	957,047	723,965
Accumulated other comprehensive income		
Net unrealized gains on securities	49,556	66,253
Deferred gains or losses on hedges	827	2,188
Land revaluation difference	(2,140)	(2,020)
Foreign currency translation adjustments	110,259	51,395
Remeasurements of defined benefit plans	(13,716)	(13,058)
Total accumulated other comprehensive income	144,786	104,758
Subscription rights to shares	332	335
Minority interests	233,544	232,898
Total net assets	1,335,711	1,061,957
Total liabilities and net assets	2,965,868	2,620,009

(2) CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Three months ended March 31, 2014	Three months ended March 31, 2015
Sales	528,730	515,298
Cost of sales	302,053	290,505
Gross profit	226,676	224,793
Selling, general and administrative expenses	196,628	198,531
Operating income	30,048	26,261
Non-operating income		
Interest income	930	921
Dividend income	218	223
Gain on derivative instruments	511	1,796
Equity in earnings of affiliates	2,186	3,310
Other	2,127	1,118
Total	5,973	7,370
Non-operating expenses		
Interest expense	4,979	5,158
Net foreign currency exchange loss	533	1,385
Other	1,912	1,457
Total	7,425	8,001
Ordinary income	28,597	25,630
Special income		
Gain on sale of property, plant and equipment and intangible assets	324	4,535
Gain on sale of investment securities	69	3
Other	310	1,013
Total	703	5,553
Special expenses		
Loss on disposal of property, plant and equipment and intangible assets	469	583
Loss on sale of property, plant and equipment and intangible assets	153	285
Loss on impairment	–	205
Loss on sale of investment securities	21	–
Business restructuring expense	860	502
Other	506	621
Total	2,011	2,199
Income before income taxes and minority interests	27,289	28,984
Income taxes	11,963	12,234
Income before minority interests	15,326	16,750
Minority interests	4,223	3,373
Net income	11,102	13,376

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(¥ millions)

	Three months ended March 31, 2014	Three months ended March 31, 2015
Income before minority interests	15,326	16,750
Other comprehensive income		
Net unrealized gains on securities	(7,863)	17,835
Deferred gains or losses on hedges	(39)	1,360
Land revaluation difference	–	119
Foreign currency translation adjustments	17,244	(29,676)
Remeasurements of defined benefit plans	–	439
Share of other comprehensive income of entities accounted for by the equity method	4,564	8,341
Total other comprehensive income	13,906	(1,580)
Comprehensive income	29,232	15,169
Comprehensive income attributable to:		
Owners of the parent	26,187	12,608
Minority interests	3,045	2,561

(3) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(GOING CONCERN ASSUMPTION)

There are no matters to report under this item.

(SIGNIFICANT CHANGES IN SHAREHOLDERS' EQUITY)

Effective from the three months ended March 31, 2015, the Company has applied the Accounting Standards regarding Retirement Benefits and the Accounting Standards regarding Business Combinations. The effect of the application of these standards is described in "(Changes in accounting policies) in 2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS." The Company retired 51,000,000 shares of treasury stock based on the resolution of the Board of Directors of the Company on February 12, 2015. As a result of this retirement, retained earnings and treasury stock both decreased by ¥72,726 million during the three months ended March 31, 2015.

(SEGMENT INFORMATION)

I. Three months ended March 31, 2014

1. Information about sales and income or loss amounts by reportable segment

(¥ millions)

	Three months ended March 31, 2014						
	Reportable Segment						
	Integrated Beverages			Pharmaceuticals and Bio-chemicals	Others (Note 1)	Adjustment (Note 2)	Amount recorded in the quarterly consolidated statements of income (Note 3)
	Japan	Oceania	Overseas -other				
Sales							
Unaffiliated customers	248,746	134,679	55,853	83,983	5,467	–	528,730
Inter-segment	695	20	32	2,095	327	(3,171)	–
Total sales	249,441	134,699	55,886	86,079	5,794	(3,171)	528,730
Segment income (loss)	2,761	14,925	(279)	13,108	729	(1,197)	30,048

Notes

1. "Others" includes food business, such as dairy products, and others.
2. The negative ¥1,197 million adjustment in segment income (loss) includes ¥216 million in inter-segment eliminations and negative ¥1,413 million in corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses due to the Company's transfer to a pure holding company.
3. Segment income (loss) is reconciled to operating income in the consolidated statements of income.

2. Information about loss on impairment of non-current assets, goodwill and others by reportable segment
There is no significant recognition or change during the period.

II. Three months ended March 31, 2015

1. Information about sales and income or loss amounts by reportable segment

(¥ millions)

	Three months ended March 31, 2015						
	Reportable Segment						Amount recorded in the quarterly consolidated statements of income (Note 3)
	Integrated Beverages			Pharmaceuticals and Bio-chemicals	Others (Note 1)	Adjustment (Note 2)	
	Japan	Oceania	Overseas -other				
Sales							
Unaffiliated customers	239,703	132,837	49,423	87,471	5,861	–	515,298
Inter-segment	540	30	42	2,127	256	(2,997)	–
Total sales	240,244	132,868	49,465	89,598	6,118	(2,997)	515,298
Segment income (loss)	(1,261)	17,553	243	10,113	864	(1,251)	26,261

Notes

1. "Others" includes food business, such as dairy products, and others.
2. The negative ¥1,251 million adjustment in segment income (loss) includes ¥151 million in inter-segment eliminations and negative ¥1,403 million in corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses due to the Company's transfer to a pure holding company.
3. Segment income (loss) is reconciled to operating income in the consolidated statements of income.

2. Information regarding loss on impairment of non-current assets, goodwill and others by reportable segment

(Significant changes in goodwill)

As noted in "(Changes in accounting policies) in 2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS," the Company has applied the Accounting Standards regarding Business Combinations, in compliance with the transitional treatment as prescribed in article 58-2 (3) of the Business Combinations Accounting Standard, article 44-5 (3) of the Consolidation Accounting Standard and article 57-4 (3) of the Business Divestitures Accounting Standard.

As a result, goodwill decreased by ¥25,883 million, ¥229,480 million, ¥3,489 million and ¥5,053 million in the "Integrated Beverages-Japan" segment, the "Integrated Beverages-Oceania" segment, the "Integrated Beverages-Overseas-other" segment and the "Pharmaceuticals and Bio-chemicals" segment, respectively at the beginning of the three months ended March 31, 2015.

3. Changes in basis of measurement of income or loss by reportable segment

(Application of Accounting Standards regarding Business Combinations)

As noted in "(Changes in accounting policies) in 2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS," the Company has applied the Accounting Standards regarding Business Combinations, in compliance with transitional treatment as prescribed in article 58-2 (3) of the Business Combinations Accounting Standard, article 44-5 (3) of the Consolidated Accounting Standard and article 57-4 (3) of the Business Divestitures Accounting Standard.

As a result, as compared to the amounts calculated by the previous method, segment income for the three months ended March 31, 2015 increased by ¥564 million, ¥4,921 million, ¥60 million and ¥167 million in the "Integrated Beverages-Japan" segment, the "Integrated Beverages-Oceania" segment, the "Integrated Beverages-Overseas-other" segment and the "Pharmaceuticals and Bio-chemicals" segment, respectively.

(Changes in depreciation method for property, plant and equipment)

As noted in "(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates) in 2. SUMMARY INFORMATION (NOTES), (3) CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES, AND RESTATEMENTS," with respect to the depreciation method for property, plant and equipment, the Company's consolidated subsidiary, Kyowa Hakko Kirin Co., Ltd. and its consolidated domestic subsidiaries had previously adopted the declining-balance method except for buildings (excluding building fixtures) acquired on or after April 1, 1998, which were depreciated using the straight-line method. However, starting from the three months ended March 31, 2015, the method has been changed to the straight-line method.

As a result of this change, as compared to the amounts calculated by the previous method, segment income for the three months ended March 31, 2015 increased by ¥296 million in the "Pharmaceuticals and Bio-chemicals" segment.

(ADDITIONAL INFORMATION)

(Impact of change in corporation tax rate)

Following the promulgation of the "Partial Revision of Income Tax Act, etc." (Act No. 9 of 2015) on March 31, 2015, the statutory tax rate will be lowered in stages from the fiscal years beginning on or after April 1, 2015. As a result of this change, during the three months ended March 31, 2015, income taxes, corporate tax receivable (Current assets "Other"), and deferred tax liability decreased by ¥742 million, ¥290 million, and ¥4,081 million, respectively. Additionally, income taxes payable, net unrealized gains on securities, foreign currency translation adjustments, and remeasurements of defined benefit plans increased by ¥315 million, ¥3,217 million, 23 million, and ¥508 million, respectively. In addition, deferred tax liability related to revaluation and land revaluation difference both decreased by ¥119 million.

Supplementary Documents to the Consolidated Financial Statements for the Three Months Ended March 31, 2015

1. Summary of Consolidated Statements of Income, Indices, etc.
2. Sales Details
3. Profit Details
4. Summary of Consolidated Balance Sheets
5. Other Information

KIRIN HOLDINGS COMPANY, LIMITED

April 30, 2015

1. Summary of Consolidated Statements of Income, Indices, etc.

(1) Summary of Statements of Income, Indices, etc.

(¥ billions)

	Three months ended March 31, 2015, Actual	Three months ended March 31, 2014, Actual	Increase (decrease)	
Sales	515.2	528.7	(13.4)	(2.5%)
Gross profit	224.7	226.6	(1.8)	(0.8%)
Selling, general and administrative expenses	198.5	196.6	1.9	1.0%
Operating income	26.2	30.0	(3.7)	(12.6%)
Non-operating income	7.3	5.9	1.3	23.4%
Non-operating expenses	8.0	7.4	0.5	7.8%
Ordinary income	25.6	28.5	(2.9)	(10.4%)
Special income	5.5	0.7	4.8	688.8%
Special expenses	2.1	2.0	0.1	9.3%
Income before income taxes and minority interests	28.9	27.2	1.6	6.2%
Income taxes	12.2	11.9	0.2	2.3%
Minority interests	3.3	4.2	(0.8)	(20.1%)
Net income	13.3	11.1	2.2	20.5%
Normalized EBITDA	56.0	66.4	(10.4)	(15.7%)
Normalized EPS	¥25	¥30	(¥5)	(16.7%)
Sales (Excluding liquor tax)	454.2	463.4	(9.1)	(2.0%)
Operating income (Prior to amortization of goodwill etc.)	35.1	43.9	(8.8)	(20.1%)
Operating income ratio (Excluding liquor tax, prior to amortization of goodwill etc.)	7.7%	9.5%		

Normalized EBITDA = Operating income + Depreciation + Amortization of goodwill + Dividends received from entities accounted for by the equity method

Normalized EPS = Adjusted net income / Average number of shares outstanding during period

Adjusted net income = Net income + Amortization of goodwill etc. ± Special income or expenses after income taxes and minority interests

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

(¥)

	Three months ended March 31, 2015, Actual	Three months ended March 31, 2014, Actual
Lion (AUD)	98.42	93.31
Brasil Kirin (BRL)	41.11	43.86

	Three months ended March 31, 2015, Actual	Three months ended March 31, 2014, Actual
Lion	From October 2014 to December 2014	From October 2013 to December 2013
San Miguel Brewery		

2. Sales Details

(¥ billions)

	Three months ended March 31, 2015, Actual	Three months ended March 31, 2014, Actual	Increase (decrease)	
Sales	515.2	528.7	(13.4)	(2.5%)
Japan Integrated Beverages	239.7	248.7	(9.0)	(3.6%)
Kirin Brewery *	141.8	151.9	(10.0)	(6.6%)
Kirin Beverage	73.0	72.2	0.8	1.2%
Mercian	15.3	15.8	(0.5)	(3.3%)
Other and elimination	9.4	8.7	0.6	7.6%
Overseas Integrated Beverages	182.2	190.5	(8.2)	(4.3%)
Lion	132.8	134.6	(1.8)	(1.4%)
Brasil Kirin	39.0	46.8	(7.8)	(16.8%)
Other and elimination	10.3	8.9	1.4	15.8%
Pharmaceuticals and Bio-chemicals	87.4	83.9	3.4	4.2%
Kyowa Hakko Kirin	89.5	86.0	3.5	4.1%
Pharmaceutical	67.8	62.8	4.9	7.9%
Bio-chemical	21.7	23.1	(1.4)	(6.2%)
Other and elimination	(2.1)	(2.0)	(0.0)	—
Other	5.8	5.4	0.3	7.2%

* The figures are combined value of Kirin Brewery and Kirin Beer Marketing.

(Reference) Sales excluding liquor tax

(¥ billions)

	Three months ended March 31, 2015, Actual	Three months ended March 31, 2014, Actual
Kirin Brewery	83.4	89.1

3. Profit Details

(1) Operating Income

(¥ billions)

	Three months ended March 31, 2015, Actual	Three months ended March 31, 2014, Actual	Increase (decrease)
Operating income	26.2	30.0	(3.7)
Japan Integrated Beverages	(1.2)	2.7	(4.0)
Kirin Brewery *	6.8	9.8	(2.9)
Kirin Beverage *	(2.8)	(1.9)	(0.8)
Mercian *	(0.1)	0.1	(0.2)
Others **	(5.2)	(4.7)	(0.4)
Total		3.2	
Amortization of goodwill	—	(0.4)	0.4
Overseas Integrated Beverages	17.7	14.6	3.1
Lion (consolidated after reclassification)	21.7	23.6	(1.8)
Amortization of goodwill	(3.2)	(7.7)	4.4
Brand amortization	(0.9)	(1.0)	0.0
Total	17.5	14.9	2.6
Brasil Kirin (consolidated after reclassification)	1.7	1.6	0.0
Amortization of goodwill	(1.2)	(1.3)	0.0
Brand amortization	(0.7)	(0.7)	0.0
Total	(0.1)	(0.3)	0.1
Others	0.4	0.0	0.3
Pharmaceuticals and Bio-chemicals	10.1	13.1	(2.9)
Kyowa Hakko Kirin (consolidated after reclassification)	10.1	13.1	(2.9)
Pharmaceutical	7.7	9.4	(1.6)
Bio-chemical	1.4	3.0	(1.5)
Other/elimination of amortization of goodwill	2.4	2.1	0.2
Amortization of goodwill	(1.5)	(1.5)	0.0
Other	0.8	0.7	0.1
Corporate expenses/inter-segment eliminations	(1.2)	(1.1)	(0.0)

* Effective from the fiscal year ending December 31, 2015, figures presented are before deducting management fee paid to the holding company. (The figures for the previous fiscal year are reclassified accordingly.)

** Including expenses of the holding company and income (loss) of other subsidiaries.

Operating income breakdown

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Decrease in marginal profit of alcohol beverages	(3.7)	Sales decrease in beer (13) thousand KL, (1.7) Sales decrease in *happo-shu* (7) thousand KL, (0.7) Sales decrease in new genre (13) thousand KL, (1.6) Sales increase in RTD 5 thousand KL, 0.6 Difference of change in products mix, etc.
	Decrease in raw material cost of alcohol beverages	0.1	
	Increase in selling expenses	(1.1)	Increase in sales promotion and advertising (1.0), etc. (Beer, *happo-shu* and new genre 0.2, RTD (1.4), etc.)
	Decrease in other expenses	1.8	Decrease in labor cost 0.8, Decrease in depreciation 0.5, Decrease in repair expenses 0.4, etc.
Total		(2.9)	
Kirin Beverage	Difference in volume of sales	0.0	Increase in sales volume 20 thousand cases
	Decrease in raw material cost, etc.	0.4	Increase in material cost (0.3), Decrease in wrapping material cost 0.4, etc.
	Decrease due in change of composition ratio of containers, etc.	0.3	
	Increase in selling expenses	(1.4)	Increase in sales promotion and advertising (1.2), Increase in freight (0.1)
	Other expenses	0.0	
Total		(0.8)	

Major operating expenses

(¥ billions)

		Three months ended March 31, 2015, Actual	Three months ended March 31, 2014, Actual
Sales promotion		50.7	45.9
Advertising		18.0	25.3
Kirin Brewery	Sales promotion / Advertising	22.1	21.1
Kirin Beverage	Sales promotion / Advertising	28.0	26.7
Research and development		14.0	12.4
Kyowa Hakko Kirin (excluding internal transaction)		11.9	10.2

(2) Ordinary Income and Net Income

(¥ billions)

	Three months ended March 31, 2015, Actual	Three months ended March 31, 2014, Actual	Increase (decrease)	Description of changes
Non-operating income and expenses	(0.6)	(1.4)	0.8	
Financial profit or loss, net	(4.0)	(3.8)	(0.1)	
Equity in earnings or losses of affiliates	3.3	2.1	1.1	
San Miguel Brewery	2.8	2.0	0.8	Equity in earnings or losses of local affiliates 0.8, etc.
Others	0.4	0.1	0.3	Kirin-Amgen, Inc. (0.1), etc.
Foreign exchange gains and losses	(1.3)	(0.5)	(0.8)	
Other	1.4	0.7	0.7	
Ordinary income	25.6	28.5	(2.9)	
Special income and expenses	3.3	(1.3)	4.6	
Special income	5.5	0.7	4.8	
Gain on sale of property, plant and equipment and intangible assets	4.5	0.3	4.2	
Gain on sale of investment securities	0.0	0.0	(0.0)	
Other	1.0	0.3	0.7	
Special expenses	(2.1)	(2.0)	(0.1)	
Loss on disposal of property, plant and equipment and intangible assets	(0.5)	(0.4)	(0.1)	
Loss on sale of property, plant and equipment and intangible assets	(0.2)	(0.1)	(0.1)	
Loss on impairment	(0.2)	—	(0.2)	
Loss on sale of investment securities	—	(0.0)	0.0	
Business restructuring expense	(0.5)	(0.8)	0.3	
Other	(0.6)	(0.5)	(0.1)	
Income taxes	(12.2)	(11.9)	(0.2)	
Minority interests	(3.3)	(4.2)	0.8	
Net income	13.3	11.1	2.2	

4. Summary of Consolidated Balance Sheets

(¥ billions)

	As of March 31, 2015	As of December 31, 2014	Increase (decrease)	Description of changes
Current assets	753.3	801.8	(48.4)	
Cash and time deposits	55.8	49.4	6.3	
Notes and accounts receivable, trade	342.6	408.7	(66.0)	Decrease due to the year-end of previous year being a bank holiday, etc.
Inventories	255.5	246.2	9.2	
Other	99.3	97.4	1.9	
Non-current assets	1,866.6	2,164.0	(297.4)	
Property, plant and equipment	778.9	798.3	(19.4)	
Intangible assets	547.8	849.3	(301.5)	
Goodwill	357.9	642.4	(284.4)	Decrease due to application of new accounting standards, etc.
Other	189.8	206.8	(17.0)	
Investments and other assets	539.8	516.2	23.5	Increase in fair value due to price fluctuations in stocks held, etc.
Total assets	2,620.0	2,965.8	(345.8)	
Current liabilities	698.0	784.6	(86.6)	
Notes and accounts payable, trade	137.0	160.1	(23.0)	
Interest-bearing debt	263.7	234.9	28.8	Increase due to issue of commercial paper, increase due to replacement of long-term debt with short-term debt, and decrease due to redemption of bonds, etc.
Other	297.3	389.6	(92.3)	Decrease in liquor taxes payable due to the year-end of previous year being a bank holiday, etc.
Non-current liabilities	859.9	845.4	14.5	
Interest-bearing debt	596.5	569.0	27.5	Increase due to issue of bonds and borrowings and decrease due to replacement of long-term debt with short-term debt, etc.
Other	263.3	276.4	(13.0)	
Total liabilities	1,558.0	1,630.1	(72.1)	
Shareholders' equity	723.9	957.0	(233.0)	Decrease due to application of new accounting standards, etc.
Accumulated other comprehensive income	104.7	144.7	(40.0)	Decrease in foreign currency transaction adjustments due to exchange rate changes, etc.
Subscription rights to shares	0.3	0.3	0.0	
Minority interests	232.8	233.5	(0.6)	
Total net assets	1,061.9	1,335.7	(273.7)	
Total liabilities and net assets	2,620.0	2,965.8	(345.8)	

5. Other Information

(1) Profit or Loss of Major Publicly-Listed Consolidated Companies (Consolidated after Reclassification)

Three months ended March 31, 2015, Actual

<Consolidated subsidiaries>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kyowa Hakko Kirin	89.5	9.3	8.1	4.6	2.4
Elimination of amortization of goodwill		2.3	2.3	2.3	1.2
Amortization of goodwill		(1.5)	(1.5)	(1.5)	(1.5)
Total included in consolidation	89.5	10.1	8.9	5.3	2.1

<Equity-method affiliates>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
San Miguel Brewery	59.3	17.6	16.2	10.0	4.9
Equity in earnings or losses of local affiliates			4.9	4.9	4.9
Brand amortization			(0.5)	(0.5)	(0.5)
Amortization of goodwill			(1.5)	(1.5)	(1.5)
Total included in consolidation			2.8	2.8	2.8

(2) Sales Details of Major Business Companies

a. Kirin Brewery

	Three months ended March 31, 2015		Three months ended March 31, 2014	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Breakdown of sales	¥ billions		¥ billions	
Beer	51.1	(9.2%)	56.2	6.1%
Happo-shu	32.6	(6.4%)	34.9	4.6%
New genre	34.9	(9.6%)	38.6	7.9%
Sub-total	118.7	(8.5%)	129.8	6.2%
RTD	16.4	11.0%	14.7	20.2%
Whiskey and Spirits, etc.	6.6	(8.2%)	7.2	(7.5%)
Total sales	141.8	(6.6%)	151.9	6.6%

b. Kirin Beverage Group

	Three months ended March 31, 2015		Three months ended March 31, 2014	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	1,091	(0.9%)	1,101	3.8%
Japanese tea	343	(15.1%)	404	6.0%
Coffee	652	(9.8%)	723	5.4%
Fruit and vegetable juice	518	3.4%	501	5.9%
Carbonated beverage	404	62.9%	248	(9.5%)
Functional beverage	108	(4.4%)	113	13.0%
Water	728	(5.6%)	771	15.8%
Other	330	6.5%	310	16.5%
Total	4,174	0.1%	4,171	6.8%
Container Type				
Can	775	(2.3%)	793	(0.4%)
Large-sized PET bottles (2L, 1.5L, etc.)	1,303	(0.1%)	1,304	19.2%
Small-sized PET bottles (500ml, 280ml, etc.)	1,656	0.7%	1,645	3.7%
Other	440	2.6%	429	(0.5%)
Total	4,174	0.1%	4,171	6.8%

Supplementary Documents to the Forecast Consolidated Business Results for the Fiscal Year Ending December 31, 2015

1. Summary of Consolidated Statements of Income, Indices, etc.
2. Profit Details
3. Information by Segment
4. Other Information

KIRIN HOLDINGS COMPANY, LIMITED

April 30, 2015

The forecast consolidated business results for the fiscal year ending December 31, 2015 have been revised as a result of having re-examined the amount of amortization of goodwill in conjunction with the early and retrospective application of the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) and other standards.

1. Summary of Consolidated Statements of Income, Indices, etc.

(1) Summary of Statements of Income, Indices, etc.

(¥ billions)

	Fiscal year ending December 31, 2015, Revised forecast	Fiscal year ended December 31, 2014, Actual	Increase (decrease)		Fiscal year ending December 31, 2015, Initial forecast	Increase (decrease)
Sales	2,270.0	2,195.7	74.2	3.4%	2,270.0	—
Operating income	139.0	114.5	24.4	21.3%	117.0	22.0
Non-operating income and expenses	(17.0)	(20.3)	3.3	—	(17.0)	—
Financial profit or loss, net	(15.5)	(17.9)	2.3	—	(15.5)	—
Equity in earnings or losses of affiliates	1.6	2.9	(1.2)	(43.5%)	1.6	—
Ordinary income	122.0	94.2	27.7	29.5%	100.0	22.0
Special income and expenses	(4.0)	(16.3)	12.3	—	(4.0)	—
Income before income taxes and minority interests	118.0	77.8	40.1	51.5%	96.0	22.0
Income taxes	42.5	33.0	9.5	28.8%	42.5	—
Minority interests	13.4	12.4	1.0	8.1%	13.4	—
Net income	62.0	32.3	29.6	91.4%	40.0	22.0
Normalized EBITDA	276.0	273.1	2.8	1.0%	276.0	—
Normalized EPS	¥121	¥118	¥3	2.5%	¥121	—
Sales (Excluding liquor tax)	1,963.0	1,894.4	68.5	3.6%	1,963.0	—
Operating income (Prior to amortization of goodwill etc.)	175.2	171.5	3.6	2.1%	175.2	—
Operating income ratio (Excluding liquor tax, prior to amortization of goodwill etc.)	8.9%	9.1%			8.9%	
ROE (Prior to amortization of goodwill etc.)	11.9%	8.6%			9.2%	
Normalized ROE	12.0%	9.5%			9.3%	
Net interest-bearing debt / Normalized EBITDA	2.57	2.76			2.57	

Normalized EBITDA = Operating income + Depreciation + Amortization of goodwill + Dividends received from entities accounted for by the equity method

Normalized EPS = Adjusted net income / Average number of shares outstanding during period

Adjusted net income = Net income + Amortization of goodwill etc. ± Special income or expenses after income taxes and minority interests

Normalized ROE = Adjusted net income / Normalized average amount of equity during period

2. Profit Details

(¥ billions)

	Fiscal year ending December 31, 2015, Revised forecast	Fiscal year ended December 31, 2014, Actual	Increase (decrease)	Fiscal year ending December 31, 2015, Initial forecast	Increase (decrease)
Operating income	139.0	114.5	24.4	117.0	22.0
Japan Integrated Beverages	40.0	48.1	(8.1)	38.0	2.0
Kirin Brewery *	57.1	66.4	(9.3)	57.1	—
Kirin Beverage *	6.9	5.3	1.5	6.9	—
Mercian *	1.4	1.4	(0.0)	1.4	—
Others **	(25.4)	(23.0)	(2.4)	(25.4)	0.0
Total		50.1		39.9	
Amortization of goodwill	—	(1.9)	1.9	(1.9)	1.9
Overseas Integrated Beverages	58.0	31.2	26.7	38.5	19.5
Lion (consolidated after reclassification)	66.6	62.9	3.6	66.6	—
Amortization of goodwill	(12.6)	(31.1)	18.4	(32.0)	19.4
Brand amortization	(3.9)	(4.1)	0.2	(3.9)	—
Total	50.0	27.5	22.4	30.6	19.4
Brasil Kirin (consolidated after reclassification)	14.3	9.9	4.4	14.3	—
Amortization of goodwill	(5.3)	(5.3)	(0.0)	(5.4)	0.0
Brand amortization	(3.2)	(3.1)	(0.0)	(3.2)	—
Total	5.7	1.4	4.3	5.6	0.0
Others	2.2	2.2	0.0	2.2	0.0
Pharmaceuticals and Bio-chemicals	45.0	38.8	6.1	44.5	0.5
Kyowa Hakko Kirin (consolidated after reclassification)	45.0	38.8	6.1	44.5	0.5
Pharmaceutical	32.0	29.0	2.9	32.0	—
Bio-chemical	9.5	7.2	2.2	9.5	—
Other/elimination of amortization of goodwill	9.2	8.7	0.4	9.2	—
Amortization of goodwill	(5.7)	(6.2)	0.5	(6.2)	0.5
Other	3.0	3.0	(0.0)	3.0	—
Corporate expenses/inter-segment eliminations	(7.0)	(6.8)	(0.1)	(7.0)	—

* Effective from the fiscal year ending December 31, 2015, figures presented are before deducting management fee paid to the holding company. (The figures for the previous fiscal year are reclassified accordingly.)

** Including expenses of the holding company and income (loss) of other subsidiaries.

3. Information by Segment

Fiscal year ending December 31, 2015, Forecast

(¥ billions)

	Japan Integrated Beverages	Overseas Integrated Beverages	Pharmaceuticals and Bio-chemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	36.2	36.5	22.6	1.1	0.3	97.0
Amortization of goodwill	0.4	18.6	9.9	—	—	29.0
Capital expenditures	39.5	44.0	24.0	2.5	—	110.0
Normalized EBITDA	76.7	124.1	77.5	4.1	(6.6)	276.0

Fiscal year ended December 31, 2014, Actual

(¥ billions)

	Japan Integrated Beverages	Overseas Integrated Beverages	Pharmaceuticals and Bio-chemicals	Other	Adjustment	Total
Depreciation and amortization (including brand amortization)	35.2	37.7	23.8	1.7	0.2	98.9
Amortization of goodwill	2.5	37.2	9.9	0.0	—	49.6
Capital expenditures	35.2	50.7	35.2	0.6	(1.3)	120.4
Normalized EBITDA	85.8	116.2	72.7	4.8	(6.5)	273.1

4. Other Information

(1) Information Regarding Amortization of Major Goodwill etc.

Fiscal year ending December 31, 2015, Forecast

(¥ billions)

		Year incurred	Total amortization of goodwill etc. (A) + (B)						
			Goodwill			Brands			
			Amortized amount (A)	Balance to be amortized	Years remaining	Amortized amount (B) *	Balance to be amortized	Years remaining	
Consolidated subsidiaries	Lion	1998 to 2012	12.6	140.2	11	3.9	35.4	1~17	16.5
	Kyowa Hakko Kirin	2007	5.7	75.2	13	—	—	—	5.7
	Brasil Kirin	2011	5.3	86.3	16	3.2	51.3	16	8.6
	Other		5.3	—	—	—	—	—	5.3
	Consolidated subsidiaries total		29.0			7.1			36.2
Equity method	San Miguel Brewery	2009	6.0	81.6	14	2.3	31.3	14	8.3
	China Resources Kirin Beverages	2011	2.3	37.2	16	—	—	—	2.3
	Equity-method affiliates total		8.3			2.3			10.6
Total			37.4			9.4			46.9

* Account title: Depreciation.