KIRIN

KIRIN HOLDINGS COMPANY, LIMITED

October 31, 2016

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 (UNDER JAPANESE GAAP) (UNAUDITED)

(English Translation)

Fiscal year ending December 31, 2016

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

Representative: Mr. Yoshinori Isozaki, President

For further information, please contact: Mr. Tetsuya Fujiwara, Director of Group Corporate Communications

Telephone: +81-3-6837-7015 from overseas

Submission date of quarterly securities report scheduled: November 10, 2016

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 nine months of the current fiscal year (January 1, 2016 - September 30, 2016)

[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 (¥ millions)	Percentage change (%)	Operating income (¥ millions)	Percentage change (%)	Ordinary income (¥ millions)	Percentage change (%)
Nine months ended						
September 30, 2016	1,542,934	(5.4)	110,660	8.2	108,040	6.0
September 30, 2015	1,630,940	1.4	102,318	26.6	101,878	38.4

Note: Comprehensive income September 30, 2016 (¥33,832) million [—%]

September 30, 2015 ¥3,084 million [(95.5)%]

	Net income attributable to owners of the parent (¥ millions)	Percentage change (%)	Net income per share (Basic) (¥)	Net income per share (Diluted) (¥)
Nine months ended				
September 30, 2016	75,105	36.6	82.31	82.29
September 30, 2015	54,964	149.5	60.23	60.22

(2) Financial position:

	Total assets	Net assets	Ratio of equity to total assets
	(¥ millions)	(¥ millions)	(%)
As of			
September 30, 2016	2,187,308	859,904	27.3
December 31, 2015	2,443,773	938,083	27.2

Reference: Equity September 30, 2016 ¥596,751 million
December 31, 2015 ¥663,842 million

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended December 31, 2015	–	19.00	–	19.00	38.00
Fiscal year ending December 31, 2016	–	19.00	–		
Fiscal year ending December 31, 2016 (Forecast)				19.00	38.00

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

3. Forecast consolidated business results for the current fiscal year (January 1, 2016 - December 31, 2016)

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

	Sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
	(¥ millions)	(%)	(¥ millions)	(%)	(¥ millions)	(%)
Fiscal year ending December 31, 2016	2,090,000	(4.9)	134,000	7.4	132,000	3.0

	Net income attributable to owners of the parent	Percentage change	Net income per share
	(¥ millions)	(%)	(¥)
Fiscal year ending December 31, 2016	85,000	–	93.15

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

* Notes

(1) Changes in significant subsidiaries for the nine months ended September 30, 2016 (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 9 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: None

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 9 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 September 30, 2016	914,000,000 shares
As of December 31, 2015	914,000,000 shares

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

As of September 30, 2016	1,479,373 shares
As of December 31, 2015	1,471,032 shares

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

For the nine months ended September 30, 2016	912,524,658 shares
For the nine months ended September 30, 2015	912,539,931 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, Monday, October 31, and will post the presentation materials from the financial results presentation (teleconference) to be held on Tuesday, November 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 NINE MONTHS

(1) BUSINESS PERFORMANCE

During the third quarter (January 1–September 30, 2016), a modest economic recovery was seen in some parts of the world such as the United States. However, a sense of uncertainty persisted in the global economy due to the downturn in China and other emerging Asian countries as well as in resource-supplying countries, combined with fluctuations in the international financial and capital markets, the United Kingdom's decision to withdraw from the European Union, and the geopolitical concerns and risks in the Middle East.

In Japan, while exports were weak due to the continuing trend of a stronger yen since the beginning of the year and the slowdown in the emerging economies, and although consumer spending remained static against the background of the high appreciation of the yen and weak growth in real wages, the employment environment improved, and the economy maintained a slight recovery trend throughout the period.

As of the fiscal year 2016, the Kirin Group has been executing its Medium-Term Business Plan 2016–2018 ("2016 MTBP") which is the first three-year plan under its new Long-Term Business Plan, the New Kirin Group Vision 2021 ("New KV2021"). Under the 2016 MTBP, highest priority is placed on improving profitability; initiatives are underway to strengthen the competitiveness of existing businesses through clearly prioritized investment and to execute drastic structural reform of low-profit businesses. Regarding investment for growth, top priority is the growth of Kirin Brewery Company, Limited. Kirin Holdings Company, Limited and Kirin Company, Limited, the umbrella company of Japan Integrated Beverages Business, made consolidated efforts to drive those initiatives.

Consolidated sales for the current consolidated third quarter decreased year-on-year due to Kirin Brewery Company's decreased beer product sales volume and a change Kirin Beverage Company's change of accounting process from the second quarter to deduct part of its sales promotion expenses from sales in the Japan Integrated Beverages Business, and to the impact of foreign currency fluctuations in the Overseas Integrated Beverages Business. Consolidated operating income increased as a result of a significant profit increase for Kirin Beverage Company and progress in initiatives to improve the profitability of operating companies. Consolidated ordinary income increased because of the increase in operating income. Quarterly consolidated net income attributable to owners of the parent also increased owing to Lion's special income from the termination of the license agreements for sales of imported beer in Australia.

Kirin Holdings Company, Limited 2016 third quarter results:

Consolidated sales	¥1,542.9 billion, down 5.4%
Consolidated operating income	¥ 110.6 billion, up 8.2%
Consolidated ordinary income	¥ 108.0 billion, up 6.0%
Consolidated net income*[1]	¥ 75.1 billion, up 36.6%

(Reference)

Normalized EPS*2 ¥ 93, up 5.7%

*1 Refers to net income attributable to owners of the parent.

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

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

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

Note that normalized EPS has been rounded to the nearest ¥1.

Results by segment are as follows.

Japan Integrated Beverages Business

In the Japan Integrated Beverages Business, brand development and other business activities were conducted based on the brand message of "Quality with Surprise", through which we surprise and inspire consumers with products and services generated by our core strength, namely, craftsmanship with attention to detail and a passion for the perfection of quality.

Kirin Brewery Company, Limited continued its endeavors to generate values based on Kirin's core strength that establish it as a "company which cares about consumers most". In the beer category, the company maintained its focus on revitalizing the beer market through strengthening sales of *Kirin Ichiban Shibori* and craft beer.*1 The sales volume of *Kirin Ichiban Shibori* increased year-on-year mainly due to *47 Todofuken no Ichiban Shibori*, which offers different tastes and characteristics for each of the nation's 47 prefectures; the annual sales volume target of *47 Todofuken no Ichiban Shibori* has been revised upwardly by 70% compared to the original target. In the low-malt beer (*happoshu*) category, *Tanrei Green Label* and *Tanrei Platinum Double* which contain fewer carbohydrate, etc., performed favorably. In the new genre category, a seasonal product *Kirin Yoru Nodogoshi* was released to meet consumers' drinking needs. In September, the advertising content of the flagship product *Kirin Nodogoshi Nama* was fully revised, and full product renewal of a year-round product *Kirin Nodogoshi All Light* was undertaken, to further strengthen the *Nodogoshi* brand. Through these efforts, sales of the beer products as a whole were back on a recovery trend compared to the second quarter. However, the recovery was still unable to bridge the decrease in sales volume accumulated through to the second quarter, and thus overall sales volumes in the beer products segment decreased year-on-year. In the ready-to-drink (RTD)*2 category which is continuously expanding due to ever-diversifying consumer tastes, the company launched new products and seasonal products successively for its flagship *Kirin Hyoketsu*®; as a result, with the strengthened brand base offering a wider range of products, the sales volume of the *Kirin Hyoketsu*® series increased year-on-year. In the whiskey, spirits and liqueurs category, sales of both domestic and imported whiskeys were strong.

Mercian Corporation focused its efforts on medium- to long-term expansion of the overall wine market and the promotion of Japanese wine products in order to develop an attractive category/brand portfolio. The company continued to promote the value of its flagship Japanese wine, *Château Mercian*, and it garnered even higher acclaim for winning the largest number of gold medals among participating wineries at the

Japan Wine Competition 2016. Meanwhile, in the additive-free/organic category accounting for the largest percentage of the domestically produced wine market revenue, the company launched a new antioxidant-free wine made from carefully selected grapes, *Oishii-Sankaboshizai-Mutenka Wine Gensensozai*. In the imported wine category, the company continued to focus on sales of the *Casillero del Diablo* series, medium- to high-end products from Chile, which ranked the No.1[*3] country with regard to imported wine products during the period from January to June 2016, and sales volumes were significantly higher than those of the previous year.

Kirin Beverage Company, Limited focused on steady growth in brand value and drastic reform of its revenue structure for profitable growth. The performance of *Kirin Nama-cha*, which underwent a complete product renewal in March 2016 to solidify its brand position in the sugar-free tea market, continued to be very strong, and production was stepped up to meet the increased demand. As to the flagship brand, *Kirin Gogo-no-Kocha*, which this year marks the 30th anniversary of its launch, sales of the four core products, straight tea, milk tea, lemon tea, and *Oishii Muto* (sugar-free) increased due to strong sales at retail stores and via DyDo DRINCO vending machines under a business alliance between the two companies. At the same time, the company launched the *Kirin Gogo-no-Kocha Kodawarisozai* series under the concept of "being gentle to the body" and launched the advertisement of *Kirin Gogo-no-Kocha Oishii Muto* in various parts of Japan as a drink that complements dining occasions in order to boost product appeal, as well as promoting new ways to consume the product. Furthermore, regarding the critical coffee drink category, the company conducted secret tasting of 1 million canned coffees before its launch; at the tasting, consumers were asked to simply evaluate the taste of the coffee without being told the product name or contents, which increased interest in the new canned coffee product. Through these efforts, the overall sales volume of soft drink products increased at a rate significantly exceeding that of the market. It is noticeable that the company continued to ensure its target control system for profitable growth, focusing on the sale of small-package products, and the sales volumes of canned and small PET bottles increased from those of last year. In addition, the company continued to strengthen control over sales promotion costs and to execute its profit structure reform, including cost reductions through improved manufacturing efficiency.

From the first quarter of 2016, the method of calculating depreciation expenses in the Japan Integrated Beverages Business changed from the fixed percentage method to the straight-line method.

As a result, although the sales volume of Kirin Beverage Company's non-alcoholic beverages increased, due to the decreased sales volume of Kirin Brewery Company's beer products, together with the continuing impact of the change within Kirin Beverage Company to deduct part of its sales promotion expenses from sales as of the second quarter, consolidated sales of the Japan Integrated Beverages Business decreased. On the other hand, consolidated operating income increased due to progress in cost reduction efforts by Kirin Brewery Company to strengthen the business base and Kirin Beverage Company's significant profit increase, as well as the positive impact of the stronger yen experienced by Mercian Corporation.

*[1] Kirin uses the term "craft beer" to mean a beer that exhibits the personality of the brewer, as well as attention to detail, promoting enjoyment based on the beer's unique taste and individuality.

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

*[3] Source: Customs and Tariff Bureau, Ministry of Finance, Japan. It is a total of "Wine of fresh grapes (in containers holding 2L or less)" and "Wine of fresh grapes (in containers holding more than 2L and 150L or less)".

Japan Integrated Beverages Business 2016 third quarter results:

Consolidated sales	¥ 851.2 billion, down 2.1%
Consolidated operating income	¥ 52.4 billion, up 61.6%

Overseas Integrated Beverages Business

Lion's Beer, Spirits, and Wine business continued to address the challenge of revitalizing the beer category to achieve sustainable growth, and focused on strengthening sales of its core brands such as *XXXX GOLD.* In the craft beer category, where sales of flagship brands *James Squire* and *Little Creatures* are strong, Lion announced to strengthen its portfolio with the acquisition of Byron Bay Brewery in Australia and Panhead Custom Ales in New Zealand. Meanwhile, as to sales of imported beer brands under a distribution license in Australia, it was also announced that the license agreements will be terminated as of September 30, 2016. In Lion's Dairy & Drinks business, the Turnaround Program to improve profitability continued, with an ongoing focus on cost management and revenue growth. The *Dare* Iced Coffee brand continued to show strong momentum in the quarter with white milk sales holding flat decline.

Brasil Kirin continued to work on establishing more efficient corporate management and improving its profit structure by executing a different product strategy for each region while flexibly addressing changes in the market environment. In the northern and north-eastern regions, the company focused sales activities on the core beer brand *Schin*, leading to recovery in sales volume. In the southern and south-eastern regions, the emphasis was placed on product sales in the medium-price to premium beer segment, and sales of the premium brand *Eisenbahn* increased significantly with the launch of cans. Sales of the *Devassa* brand, which had undergone product renewal and repositioning as a product in the medium-price sector, also recorded a significant increase. In the non-alcoholic beverage segment, the carbonated drink *Viva Schin* maintained its solid sales performance. In addition to these sales activities, the company steadily executed initiatives to improve managerial efficiency of its wholesale network, to reform its revenue structure, including cost reductions in its supply chain, and to optimize production sites.

Myanmar Brewery strove to instill a new management philosophy within the company reflecting that of the Kirin group while keeping its original strengths and values in order to maintain and reinforce its current market leader position in Myanmar. To meet growing market demand, the company drove efforts to upgrade its production facilities and improve production efficiency with technological support from Kirin. The company launched premium products, *Myanmar Premium* and *KIRIN ICHIBAN* in kegs in March and in canned and small bottles in June, respectively, to strengthen its product portfolio. Furthermore, it increased the sales volume of the flagship brand *Myanmar Beer*, while achieving solid sales of its low-price product, *Andaman*.

In summary, in the Oceania Integrated Beverages Business, sales in the Beer, Spirits, and Wine business decreased due to the impact of foreign exchange rates despite the strong performance of craft beer, etc. The operating income of the beer, spirits, and wine business also decreased because of the increase in purchase price of imported beer brands resulting from the weak Australian dollar. In the Dairy and Drinks business, operating income increased following cost reductions. However, because of the significant impact of the stronger yen, in the Oceania Integrated Beverages Business both consolidated sales and consolidated operating income decreased.

In the Other Overseas Integrated Beverages Business, notwithstanding Brasil Kirin's recovery in sales volume and further profit structure reform as well as Myanmar Brewery's increased sales volume, a decline in sales was seen due to the impact of deducting some sales promotion expenses from sales since the first quarter in Brasil Kirin as well as to the impact of foreign exchange fluctuations. On the other hand, because Myanmar Brewery's operating income was newly taken into consolidated operating income from the first quarter of 2016 and Brasil Kirin's operating loss decreased in view of a decrease in amortization of goodwill, etc., consolidated operating loss decreased in the Other Overseas Integrated Beverages Business.

Oceania Integrated Beverages Business 2016 third quarter results:	
Consolidated sales	¥287.5 billion, down 15.3%
Consolidated operating income	¥31.4 billion, down 13.4%

Other Overseas Integrated Beverages Business 2016 third quarter results:	
Consolidated sales	¥133.3 billion, down 2.4%
Consolidated operating income	¥ (0) billion, —

Pharmaceuticals and Bio-chemicals Business

In the pharmaceuticals business, Kyowa Hakko Kirin leveraged its unique biotechnologies and worked on developing innovative new antibody drugs with the aim of adding new value in its area of competitive advantage, thereby contributing to the health and wellbeing of people around the world. In the domestic market, sales of new drugs, such as the long-acting G-CSF formula *G-LASTA*, increased. In September, as well as initiating sales of *LUMICEF* for the treatment of psoriasis, the company filed a regulatory application to receive manufacturing and marketing approval for a new formulation of the recombinant antithrombin *ACOALAN*, a 1800 IU vial. Furthermore, the performance of core products, such as the long-acting erythropoiesis-stimulating protein *NESP,* also remained strong. As a result, sales increased year-on-year in spite of the impact of price reductions resulting from the domestic drug price revisions enacted in April. In the overseas market, although the performance of products such as *Abstral* and *PecFent* for cancer pain management expanded in Europe and the United States, sales were lower compared with the same quarter last year in light of the impact of the stronger yen and a decrease in technology revenue.

In the bio-chemicals business, the existing high share in the specialty pharmaceutical, medical, and healthcare arenas was leveraged, and priority was placed on improving brand strength and profitability. In the domestic market, mail-order business sales of the consumer product *Ornithine* and new product *Arginine EX*, were solid. However, year-on-year sales declined because of price drops of pharmaceutical raw materials, as well as due to large shipment of some products during the corresponding quarter last year. Overseas sales were down year-on-year despite strong sales in the United States and Europe, owing to the continuing appreciation of the yen.

As a result, growth in new products aside, both consolidated sales and consolidated operating income in the Pharmaceuticals and Bio-chemicals Business decreased because of the impact of increased research and development costs, as well as due to foreign exchange fluctuations and domestic drug price revisions.

Pharmaceuticals and Bio-chemicals Business 2016 third quarter results:

Consolidated sales	¥252.4 billion, down 5.2%
Consolidated operating income	¥29.1 billion, down 32.5%

Other Businesses

Koiwai Dairy Products Company focused on sales of its unique products such as *Koiwai yogurt made from 100% fresh milk – fat free*, for which the distribution area expanded in March, as well as *Koiwai yogurt made from 100% fresh milk*. As a result, sales were higher than the corresponding period of the previous year. Operating income also increased as a result of boosting the portfolio by placing more focus on existing profitable brands.

Both consolidated sales and consolidated operating income of the Other Businesses as a whole, however, declined due to the impact of a significant decrease in the operating ratio of the facilities operated by Yokohama Arena Company Limited which underwent major renovation.

Other Businesses 2016 third quarter results:

Consolidated sales	¥18.3 billion, down 2.6%
Consolidated operating income	¥2.2 billion, down 23.0%

(2) FINANCIAL POSITION

Total assets at the end of the current consolidated third quarter had decreased by 256.4 billion yen from the end of the previous consolidated fiscal year, to 2.1873 trillion yen. The decrease was the result of a decrease in notes and accounts receivable,trade and intangible assets as well as investment securities, etc.

Liabilities decreased by 178.2 billion yen to 1.3274 trillion yen from the end of the previous consolidated fiscal year, resulting from a decrease in interest-bearing debt and in liquor taxes payable (Current liabilities “Other”), etc.

Net assets decreased by 78.1 billion yen from the end of the previous consolidated fiscal year to 859.9 billion yen, due to a decrease in foreign currency translation adjustments, etc.

(3) CONSOLIDATED FORECASTS

Having taken account of the revisions of the full-year consolidated forecasts for operating income in the Japan Integrated Beverages Business (Kirin Beverage Company, Mercian Corporation, and other), the forecasts for the full year ending December 31, 2016, as announced on August 4, 2016, have been revised as indicated below.

Consolidated earnings forecast for year ending December 31, 2016

	Sales (¥ millions)	Operating income (¥ millions)	Ordinary income (¥ millions)	Net income attributable to owners of the parent (¥ millions)	Net income per share (¥)
Previous forecasts (A)	2,080,000	127,000	125,000	80,000	87.67
Revised (B)	2,090,000	134,000	132,000	85,000	93.15
Change (B-A)	10,000	7,000	7,000	5,000	—
Change (%)	0.5	5.5	5.6	6.3	—
Actual result for previous fiscal year	2,196,925	124,751	128,199	(47,329)	(51.87)

2. SUMMARY INFORMATION (NOTES)

(1) CHANGES IN SIGNIFICANT SUBSIDIARIES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

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 which are difficult to distinguish from changes in accounting estimates)

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

With respect to the depreciation method for property, plant and equipment, the Company and its consolidated subsidiaries that belong to the Japan Integrated Beverages Business 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, 2016, the method has been changed to the straight-line method for all assets.

At the companies that belong to the Japan Integrated Beverages Business, stable operation has become possible with appropriate production capacity to meet demand, as a result of the optimization of production capacity through the concentration of manufacturing sites and other means. Accordingly, the depreciation method has been reviewed in conjunction with the formulation of the Medium-Term Business Plan 2016-2018. Consequently, as stable operation of existing domestic facilities is anticipated, the Company has determined that the allocation of costs through depreciation over the useful life on a straight-line basis would be more appropriate for the companies that belong to Japan Integrated Beverages.

In addition, this change will contribute to unification of the accounting policies adopted by the Group companies, including those overseas, and enhance the comparability among the Group companies.

At the same time, the useful lives for certain property, plant and equipment have been revised.

As a result of this change, for the nine months ended September 30, 2016, operating income, ordinary income and income before income taxes increased by ¥7,322 million, as compared to the amounts calculated by the previous method.

3. CONSOLIDATED FINANCIAL STATEMENTS
(1) CONSOLIDATED BALANCE SHEETS

(¥ millions)

	As of December 31, 2015	As of September 30, 2016
ASSETS		
Current assets		
Cash and time deposits	66,465	56,524
Notes and accounts receivable, trade	397,692	317,880
Merchandise and finished goods	153,901	139,017
Work in process	25,482	22,983
Raw materials and supplies	48,343	47,245
Other	94,529	88,514
Allowance for doubtful accounts	(4,479)	(5,803)
Total current assets	781,933	666,360
Non-current assets		
Property, plant and equipment (Net of accumulated depreciation and accumulated loss on impairment)	711,763	687,565
Intangible assets		
Goodwill	269,215	229,955
Other	189,331	171,470
Total	458,546	401,426
Investments and other assets		
Investment securities	408,888	347,042
Net defined benefit asset	9,891	11,830
Other	78,065	78,320
Allowance for doubtful accounts	(5,317)	(5,236)
Total	491,528	431,956
Total non-current assets	1,661,839	1,520,947
Total assets	2,443,773	2,187,308

(¥ millions)

	As of December 31, 2015	As of September 30, 2016
LIABILITIES		
Current liabilities		
Notes and accounts payable, trade	142,052	120,081
Short-term loans payable and long-term debt with current maturities	128,160	82,662
Commercial paper	–	38,000
Bonds due within one year	30,000	–
Income taxes payable	20,281	24,062
Reserves	7,887	16,766
Other	337,531	261,708
Total current liabilities	665,913	543,282
Non-current liabilities		
Bonds	194,991	194,993
Long-term debt	403,952	368,795
Reserve for loss on litigation	18,018	17,896
Other reserves	7,447	7,039
Net defined benefit liability	59,034	57,523
Other	156,331	137,872
Total non-current liabilities	839,775	784,121
Total liabilities	1,505,689	1,327,403
NET ASSETS		
Shareholders' equity		
Common stock	102,045	102,045
Capital surplus	–	3
Retained earnings	545,711	585,971
Treasury stock, at cost	(2,103)	(2,117)
Total shareholders' equity	645,653	685,902
Accumulated other comprehensive income		
Net unrealized gains on securities	59,836	39,772
Deferred gains or losses on hedges	2,396	(3,557)
Land revaluation difference	(2,020)	(1,959)
Foreign currency translation adjustments	(28,468)	(111,589)
Remeasurements of defined benefit plans	(13,555)	(11,817)
Total accumulated other comprehensive income	18,188	(89,151)
Subscription rights to shares	430	529
Non-controlling interests	273,810	262,623
Total net assets	938,083	859,904
Total liabilities and net assets	2,443,773	2,187,308

(2) CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF INCOME

(¥ millions)

	Nine months ended September 30, 2015	Nine months ended September 30, 2016
Sales	1,630,940	1,542,934
Cost of sales	910,400	861,213
Gross profit	720,540	681,720
Selling, general and administrative expenses	618,222	571,060
Operating income	102,318	110,660
Non-operating income		
Interest income	2,527	2,659
Dividend income	2,791	1,657
Equity in earnings of affiliates	9,256	8,988
Other	6,444	2,770
Total	21,020	16,076
Non-operating expenses		
Interest expense	14,901	10,708
Net foreign currency translation loss	3,827	4,242
Other	2,731	3,746
Total	21,460	18,696
Ordinary income	101,878	108,040
Special income		
Gain on sale of property, plant and equipment and intangible assets	16,613	8,155
Gain on sale of investment securities	6,661	7,144
Gain on termination of license agreements	–	20,967
Other	2,356	1,724
Total	25,631	37,991
Special expenses		
Loss on disposal of property, plant and equipment and intangible assets	1,519	2,177
Loss on sale of property, plant and equipment and intangible assets	535	508
Loss on impairment	3,498	233
Loss on devaluation of investment securities	35	44
Loss on sale of investment securities	–	276
Business restructuring expense	4,760	7,934
Other	2,799	4,231
Total	13,149	15,406
Income before income taxes	114,360	130,625
Income taxes	43,481	42,497
Net income	70,878	88,127
Net income attributable to non-controlling interests	15,914	13,022
Net income attributable to owners of the parent	54,964	75,105

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(¥ millions)

	Nine months ended September 30, 2015	Nine months ended September 30, 2016
Net income	70,878	88,127
Other comprehensive income		
Net unrealized gains on securities	3,967	(20,596)
Deferred gains or losses on hedges	1,364	(5,957)
Land revaluation difference	119	61
Foreign currency translation adjustments	(82,224)	(68,150)
Remeasurements of defined benefit plans	(216)	1,641
Share of other comprehensive income of entities accounted for by the equity method	9,195	(28,959)
Total other comprehensive income	(67,794)	(121,960)
Comprehensive income	3,084	(33,832)
Comprehensive income attributable to:		
Owners of the parent	(10,979)	(32,234)
Non-controlling interests	14,064	(1,597)

(3) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(GOING CONCERN ASSUMPTION)

There are no matters to report under this item.

(SIGNIFICANT CHANGES IN SHAREHOLDERS' EQUITY)

There are no matters to report under this item.

(SEGMENT INFORMATION)

I. Nine months ended September 30, 2015

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

(¥ millions)

	Nine months ended September 30, 2015						
	Reportable Segment						Amount recorded in the quarterly consolidated statement of income (Note 3)
	Integrated Beverages			Pharmaceuticals and Bio-chemicals	Others (Note 1)	Adjustment (Note 2)	
	Japan	Oceania	Overseas -other				
Sales							
Unaffiliated customers	869,806	339,327	136,719	266,263	18,824	–	1,630,940
Inter-segment	1,853	87	193	6,679	787	(9,602)	–
Total sales	871,659	339,415	136,912	272,943	19,612	(9,602)	1,630,940
Segment income (loss)	32,465	36,348	(7,844)	43,194	2,863	(4,709)	102,318

Notes

1. "Others" includes food business, such as dairy products, and others.
2. The negative ¥4,709 million adjustment in segment income (loss) includes ¥494 million in inter-segment eliminations and negative ¥5,204 million in corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses incurred in the Company, a pure holding company.
3. Segment income (loss) is reconciled to operating income in the consolidated statement of income.

II. Nine months ended September 30, 2016

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

(¥ millions)

	Nine months ended September 30, 2016						
	Reportable Segment						Amount recorded in the quarterly consolidated statement of income (Note 3)
	Integrated Beverages			Pharmaceuticals and Bio-chemicals	Others (Note 1)	Adjustment (Note 2)	
	Japan	Oceania	Overseas -other				
Sales							
Unaffiliated customers	851,223	287,521	133,375	252,477	18,336	–	1,542,934
Inter-segment	1,643	86	195	5,283	666	(7,875)	–
Total sales	852,867	287,607	133,571	257,761	19,002	(7,875)	1,542,934
Segment income (loss)	52,465	31,472	(86)	29,163	2,204	(4,559)	110,660

Notes

1. "Others" includes food business, such as dairy products, and others.
2. The negative ¥4,559 million adjustment in segment income (loss) includes ¥563 million in inter-segment eliminations and negative ¥5,122 million in corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses incurred in the Company, a pure holding company.
3. Segment income (loss) is reconciled to operating income in the consolidated statement of income.

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

There is no significant recognition or change during the period.

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

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

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 and its consolidated subsidiaries that belong to the "Integrated Beverages-Japan" segment 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, 2016, the method has been changed to the straight-line method for all assets. In addition, useful lives of certain property, plant and equipment have also been changed.

As a result of this change, as compared to the amounts calculated by the previous method, segment income for the nine months ended September 30, 2016 increased by ¥7,222 million in the "Integrated Beverages-Japan" segment, and ¥100 million in the "Other" segment.

(ADDITIONAL INFORMATION)

(Impact of change in corporation tax rate)

Following the promulgation of the “Partial Revision of Income Tax Act, etc.” (Act No. 15 of 2016) and the “Partial Revision of Local Tax Act, etc.” (Act No. 13 of 2016) on March 31, 2016, the statutory tax rate will be lowered from fiscal years beginning on or after April 1, 2016.
As a result of this change, during the nine months ended September 30, 2016, corporate tax receivable (Current assets “Other”) and deferred tax liabilities decreased by ¥481 million and ¥1,214 million, respectively. Additionally, income taxes, income taxes payable, net unrealized gains on securities and remeasurements of defined benefit plans increased by ¥712 million, ¥787 million, ¥869 million and ¥211 million, respectively.
In addition, deferred tax liability due to land revaluation and land revaluation difference both decreased by ¥61 million.

(Application of Accounting Standards regarding Consolidated Financial Statements)

The Company has applied the provisions stated in article 39 of the “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) from the three months ended March 31, 2016. Accordingly, the presentation of net income, and other statement of income line items was changed and the presentation of minority interests was changed to non-controlling interests. In order to reflect these changes in presentation, reclassifications were made to the quarterly consolidated financial statements for the nine months ended September 30, 2015 and the consolidated financial statements for the fiscal year ended December 31, 2015.

Supplementary Documents to the Consolidated Financial Statements for the Nine Months Ended September 30, 2016

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

October 31, 2016

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

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

(¥ billions)

	Nine months ended September 30, 2016, Actual	Nine months ended September 30, 2015, Actual	Increase (decrease)	
Sales	1,542.9	1,630.9	(88.0)	(5.4%)
Gross profit	681.7	720.5	(38.8)	(5.4%)
Selling, general and administrative expenses	571.0	618.2	(47.1)	(7.6%)
Operating income	110.6	102.3	8,3	8.2%
Non-operating income	16.0	21.0	(4.9)	(23.5%)
Non-operating expenses	18.6	21.4	(2.7)	(12.9%)
Ordinary income	108.0	101.8	6.1	6.0%
Special income	37.9	25.6	12.3	48.2%
Special expenses	15.4	13.1	2.2	17.2%
Income before income taxes	130.6	114.3	16.2	14.2%
Income taxes	42.4	43.4	(0.9)	(2.3%)
Net income attributable to non-controlling interests	13.0	15.9	(2.8)	(18.2%)
Net income attributable to owners of the parent	75.1	54.9	20.1	36.6%
Normalized EPS	¥93	¥88	¥5	5.7%
Sales (Excluding liquor tax)	1,327.3	1,410.5	(83.2)	(5.9%)
Operating income (Prior to amortization of goodwill etc.)	131.9	128.1	3.7	2.9%
Operating income ratio (Excluding liquor tax, prior to amortization of goodwill etc.)	9.9%	9.1%		
Normalized EBITDA	194.9	202.4	(7.5)	(3.7%)
EPS(Prior to amortization of goodwill etc.)	¥114	¥98	¥16	16.8%

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

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

(¥)

	Nine months ended September 30, 2016, Actual	Nine months ended September 30, 2015, Actual
Lion (AUD)	83.87	95.19
Brasil Kirin (BRL)	31.12	37.94
Myanmar Brewery (MMK('000))	92.62	–

	Nine months ended September 30, 2016 Actual	Nine months ended September 30, 2015, Actual
Lion	From October 2015 to June 2016	From October 2014 to June 2015
Myanmar Brewery		–
San Miguel Brewery		From October 2014 to June 2015

2. Sales Details

(¥ billions)

	Nine months ended September 30, 2016, Actual	Nine months ended September 30, 2015, Actual	Increase (decrease)	
Sales	1,542.9	1,630.9	(88.0)	(5.4%)
Japan Integrated Beverages	851.2	869.8	(18.5)	(2.1%)
Kirin Brewery *	502.8	513.9	(11.0)	(2.2%)
Kirin Beverage * *	267.7	276.3	(8.5)	(3.1%)
Mercian	45.8	48.2	(2.4)	(5.1%)
Other and elimination	34.7	31.2	3.5	11.4%
Overseas Integrated Beverages	420.8	476.0	(55.1)	(11.6%)
Lion	287.6	339.4	(51.8)	(15.3%)
Brasil Kirin	79.1	98.4	(19.2)	(19.6%)
Myanmar Brewery	18.0	–	18.0	–
Other and elimination	36.0	38.1	(2.1)	(5.5%)
Pharmaceuticals and Bio-chemicals	252.4	266.2	(13.7)	(5.2%)
Kyowa Hakko Kirin	257.7	272.9	(15.1)	(5.6%)
Pharmaceutical	195.8	208.1	(12.2)	(5.9%)
Bio-chemical	61.9	64.8	(2.9)	(4.5%)
Other and elimination	(5.2)	(6.6)	1.3	–
Other	18.3	18.8	(0.4)	(2.6%)

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

** Sales promotion expenses of ¥23.8 billion is deducted from sales for fiscal year 2016.

(Reference) Sales excluding liquor tax

(¥ billions)

	Nine months ended September 30, 2016, Actual	Nine months ended September 30, 2015, Actual
Kirin Brewery	295.8	302.3

3. Profit Details

(1) Operating Income

(¥ billions)

	Nine months ended September 30, 2016, Actual	Nine months ended September 30, 2015, Actual	Increase (decrease)
Operating income	110.6	102.3	8.3
Japan Integrated Beverages	52.4	32.4	19.9
Kirin Brewery	51.0	47.0	3.9
Kirin Beverage	15.6	0.9	14.6
Mercian	1.7	0.1	1.6
Others *	(15.8)	(15.6)	(0.1)
Overseas Integrated Beverages	31.3	28.5	2.8
Lion (consolidated after reclassification)	42.0	48.5	(6.4)
Amortization of goodwill	(8.1)	(9.3)	1.1
Brand amortization	(2.4)	(2.8)	0.4
Total	31.4	36.3	(4.8)
Brasil Kirin (consolidated after reclassification)	(8.1)	(5.4)	(2.6)
Amortization of goodwill	–	(3.3)	3.3
Brand amortization	(0.5)	(1.9)	1.4
Total	(8.6)	(10.7)	2.1
Myanmar Brewery (consolidated after reclassification)	7.8	–	7.8
Amortization of goodwill	(1.2)	–	(1.2)
Brand amortization	(1.2)	–	(1.2)
Total	5.3	–	5.3
Others	3.2	2.9	0.3
Pharmaceuticals and Bio-chemicals	29.1	43.1	(14.0)
Kyowa Hakko Kirin (consolidated after reclassification)	29.1	43.1	(14.0)
Pharmaceutical	22.0	34.9	(12.9)
Bio-chemical	4.7	6.4	(1.6)
Other/elimination of amortization of goodwill	6.9	6.4	0.5
Amortization of goodwill	(4.6)	(4.6)	(0.0)
Other	2.2	2.8	(0.6)
Corporate expenses/inter-segment eliminations	(4.5)	(4.7)	0.1

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

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Operating income breakdown

(¥ billions)

Company name	Major factors	Increase (decrease)	Description
Kirin Brewery	Decrease in marginal profit of alcohol beverages	(3.8)	Sales decrease in beer 2 thousand KL, (0.2) Sales decrease in *happo-shu* 19 thousand KL, (2.0) Sales decrease in new genre 36 thousand KL, (4.1) Sales increase in RTD 8 thousand KL, 0.7 Difference of change in products mix, etc.
	Decrease in raw material cost of alcohol beverages	2.9	Decrease in material cost 2.4, Decrease in wrapping material cost 0.6, etc.
	Increase in selling expenses	(1.3)	Increase in sales promotion (3.4), Decrease in avertising 2.4, etc (Total 70.0→71.0) (Beer, *happo-shu and* new genre (0.4), RTD (0.5), etc)
	Decrease in other expenses	6.1	Decrease in depreciation 4.4, Decrease in labor cost 1.5, Decrease in electric cost and fuel cost 1.0, etc.
Total		3.9	* Including an influence of change in depreciation method 3.2
Kirin Beverage *	Increase in marginal profit of soft drink beverages	4.4	Increase in sales volume 14.65 million cases 6.4 Difference of change in products mix and in composition ratio of containers, etc. (2.0)
	Decrease in raw material cost, etc.	4.9	Decrease in material cost 1.7, Decrease in wrapping material cost 1.0, Decrease in processing cost 2.1
	Decrease in selling expenses	2.7	Decrease in sales promotion 0.6, Decrease in advertising 2.1(Total 29.0→26.2)
	Decrease in other expenses	2.5	Decrease in sales equipment cost, etc.
Total		14.6	* Including an influence of change in depreciation method 3.3

* The income breakdown has been changed to be based on marginal profit from the second quarter and thus a portion of selling expenses is included in “Increase (decrease) in marginal profit of soft drink beverages.”

(2) Ordinary Income and Net Income

(¥ billions)

	Nine months ended September 30, 2016, Actual	Nine months ended September 30, 2015, Actual	Increase (decrease)	Description of changes
Non-operating income and expenses	(2.6)	(0.4)	(2.1)	
Financial profit or loss, net	(6.3)	(9.5)	3.1	
Equity in earnings or losses of affiliates	8.9	9.2	(0.2)	
San Miguel Brewery	7.4	7.5	(0.1)	Equity in earnings or losses of local affiliates (0.2),etc.
Others	1.5	1.6	(0.1)	
Foreign exchange gains and losses	(4.2)	(3.8)	(0.4)	
Other	(0.9)	3.7	(4.6)	
Ordinary income	108.0	101.8	6.1	
Special income and expenses	22.5	12.4	10.1	
Special income	37.9	25.6	12.3	
Gain on sale of property, plant and equipment and intangible assets	8.1	16.6	(8.4)	
Gain on sale of investment securities	7.1	6.6	0.4	
Gain on termination of license agreements	20.9	–	20.9	
Other	1.7	2.3	(0.6)	
Special expenses	(15.4)	(13.1)	(2.2)	
Loss on disposal of property, plant and equipment and intangible assets	(2.1)	(1.5)	(0.6)	
Loss on sale of property, plant and equipment and intangible assets	(0.5)	(0.5)	0.0	
Loss on impairment	(0.2)	(3.4)	3.2	
Loss on devaluation of investment securities	(0.0)	(0.0)	(0.0)	
Loss on sale of investment securities	(0.2)	–	(0.2)	
Business restructuring expense	(7.9)	(4.7)	(3.1)	
Other	(4.2)	(2.7)	(1.4)	
Income taxes	(42.4)	(43.4)	0.9	
Net income attributable to non-controlling interests	(13.0)	(15.9)	2.8	
Net income attributable to owners of the parent	75.1	54.9	20.1	

4. Summary of Consolidated Balance Sheets

(¥ billions)

	As of September 30, 2016	As of December 31, 2015	Increase (decrease)	Description of changes
Current assets	666.3	781.9	(115.5)	
Cash and time deposits	56.5	66.4	(9.9)	
Notes and accounts receivable, trade	317.8	397.6	(79.8)	Decrease due to the year-end of previous year being a bank holiday, etc.
Inventories	209.2	227.7	(18.4)	
Other	82.7	90.0	(7.3)	
Non-current assets	1,520.9	1,661.8	(140.8)	
Property, plant and equipment	687.5	711.7	(24.1)	
Intangible assets	401.4	458.5	(57.1)	
Goodwill	229.9	269.2	(39.2)	Decrease due to the influence of exchange rate changes in evaluation of foreign subsidiaries, etc.
Other	171.4	189.3	(17.8)	
Investments and other assets	431.9	491.5	(59.5)	Decrease due to fair valuation of shares held,etc.
Total assets	2,187.3	2,443.7	(256.4)	
Current liabilities	543.2	665.9	(122.6)	
Notes and accounts payable, trade	120.0	142.0	(21.9)	
Interest-bearing debt	120.6	158.1	(37.4)	Decrease due to redemption of bonds and debt, etc.
Other	302.5	365.7	(63.1)	Decrease in liquor taxes payable due to the year-end of previous year being a bank holiday, etc.
Non-current liabilities	784.1	839.7	(55.6)	
Interest-bearing debt	563.7	598.9	(35.1)	Decrease due to replacement of long-term bonds with short-term ones, etc.
Other	220.3	240.8	(20.4)	
Total liabilities	1,327.4	1,505.6	(178.2)	
Shareholders' equity	685.9	645.6	40.2	.
Accumulated other comprehensive income	(89.1)	18.1	(107.3)	Decrease in foreign currency transaction adjustments due to exchange rate changes, Decrease in valuation variance for other securities, etc.
Subscription rights to shares	0.5	0.4	0.0	
Minority interests	262.6	273.8	(11.1)	
Total net assets	859.9	938.0	(78.1)	
Total liabilities and net assets	2,187.3	2,443.7	(256.4)	

5. Other Information

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

Nine months ended September 30, 2016, Actual

<Consolidated subsidiaries>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
Kyowa Hakko Kirin	257.7	26.8	23.1	16.4	8.6
Elimination of amortization of goodwill		6.9	6.9	6.9	3.6
Amortization of goodwill		(4.6)	(4.6)	(4.6)	(4.6)
Total included in consolidation	257.7	29.1	25.4	18.8	7.7

<Equity-method affiliates>

(¥ billions)

	Sales	Operating income	Ordinary income	Net income	Consolidated net income
San Miguel Brewery	173.9	47.3	43.4	27.9	13.5
Equity in earnings or losses of local affiliates			13.5	13.5	13.5
Brand amortization			(1.5)	(1.5)	(1.5)
Amortization of goodwill			(4.5)	(4.5)	(4.5)
Total included in consolidation			7.4	7.4	7.4

(2) Sales Details of Major Business Companies

a. Kirin Brewery

	Nine months ended September 30, 2016		Nine months ended September 30, 2015	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Breakdown of sales	¥ billions		¥ billions	
Beer	197.0	0.1%	196.8	0.4%
Happo-shu	106.1	(5.2%)	111.9	0.0%
New genre	113.1	(7.8%)	122.7	(1.1%)
Sub-total	416.3	(3.5%)	431.5	(0.1%)
RTD	59.4	3.5%	57.4	9.0%
Whiskey and Spirits, etc.	26.9	8.4%	24.9	6.7%
Total sales	502.8	(2.2%)	513.9	1.1%

b. Kirin Beverage Group

	Nine months ended September 30, 2016		Nine months ended September 30, 2015	
	Actual	Increase (decrease)	Actual	Increase (decrease)
Category	10,000 cases		10,000 cases	
Black tea	3,743	10.0%	3,403	2.4%
Japanese tea	2,159	36.1%	1,586	7.5%
Coffee	2,242	4.0%	2,155	5.5%
Fruit and vegetable juice	2,112	3.3%	2,045	10.6%
Carbonated beverage	1,863	(0.3%)	1,869	60.8%
Functional beverage	681	8.3%	629	12.5%
Water	3,221	8.7%	2,964	16.1%
Other	1,689	6.0%	1,594	(6.2%)
Total	17,710	9.0%	16,245	10.8%
Container Type				
Can	2,962	8.2%	2,737	9.0%
Large-sized PET bottles (2L, 1.5L, etc.)	5,866	10.3%	5,319	15.2%
Small-sized PET bottles (500ml, 280ml, etc.)	7,038	8.3%	6,500	9.2%
Other	1,844	9.2%	1,689	6.7%
Total	17,710	9.0%	16,245	10.8%

Supplementary Documents to the Forecast Consolidated Business Results for the Fiscal Year Ending December 31, 2016

1. Sales Details
2. Profit Details

KIRIN HOLDINGS COMPANY, LIMITED

October 31, 2016

1. Sales Details

(¥ billions)

	Fiscal year ending December 31, 2016, Revised forecast	Fiscal year ended December 31, 2015 Actual	Increase (decrease)		Fiscal year ending December 31, 2016, Medium-term forecast	Increase (decrease)
Sales	2,090.0	2,196.9	(106.9)	(4.9%)	2,080.0	10.0
Japan Integrated Beverages	1,174.0	1,191.5	(17.5)	(1.5%)	1,164.0	10.0
Kirin Brewery *	705.1	707.2	(2.1)	(0.3%)	705.1	–
Kirin Beverage**	350.6	372.0	(21.4)	(5.8%)	342.7	7.9
Mercian	67.4	69.3	(1.9)	(2.9%)	67.4	–
Other and elimination	50.8	42.8	7.9	18.7%	48.7	2.0
Overseas Integrated Beverages	555.0	624.1	(69.1)	(11.1%)	555.0	–
Lion	374.5	438.7	(64.1)	(14.6%)	374.5	–
Brasil Kirin	112.9	134.2	(21.3)	(15.9%)	112.9	–
Myanmar Brewery	22.8	–	22.8	–	22.8	–
Other and elimination	44.6	51.1	(6.5)	(12.8%)	44.6	–
Pharmaceuticals and Bio-chemicals	336.0	355.7	(19.7)	(5.6%)	336.0	–
Kyowa Hakko Kirin	344.0	364.3	(20.3)	(5.6%)	344.0	–
Pharmaceutical	263.0	278.4	(15.4)	(5.5%)	263.0	–
Bio-chemical	81.0	85.9	(4.9)	(5.7%)	81.0	–
Other and elimination	(8.0)	(8.5)	0.5	–	(8.0)	–
Other	25.0	25.4	(0.4)	(1.7%)	25.0	–

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

** Sales promotion expenses of ¥33.2 billion is deducted from sales for fiscal year 2016.

2. Profit Details

(¥ billions)

	Fiscal year ending December 31, 2016, Revised forecast	Fiscal year ended December 31, 2015 Actual	Increase (decrease)	Fiscal year ending December 31, 2016, Medium-term forecast	Increase (decrease)
Operating income	134.0	124.7	9.2	127.0	7.0
Japan Integrated Beverages	63.0	47.9	15.0	56.0	7.0
Kirin Brewery	70.8	62.6	8.1	70.8	–
Kirin Beverage	15.5	5.6	9.8	11.1	4.4
Mercian	2.5	1.9	0.5	1.7	0.8
Others *	(25.8)	(22.2)	(3.5)	(27.6)	1.7
Overseas Integrated Beverages	42.0	33.2	8.7	42.0	–
Lion (consolidated after reclassification)	56.4	63.9	(7.5)	56.4	–
Amortization of goodwill	(10.8)	(12.1)	1.3	(10.8)	–
Brand amortization	(3.0)	(3.7)	0.6	(3.0)	–
Total	42.5	48.0	(5.5)	42.5	–
Brasil Kirin (consolidated after reclassification)	(8.9)	(11.7)	2.8	(8.9)	–
Amortization of goodwill	–	(4.2)	4.2	–	–
Brand amortization	(0.6)	(2.5)	1.8	(0.6)	–
Total	(9.5)	(18.5)	8.9	(9.5)	–
Myanmar brewery (consolidated after reclassification)	8.8	–	8.8	8.8	–
Amortization of goodwill	(1.6)	–	(1.6)	(1.6)	–
Brand amortization	(1.6)	–	(1.6)	(1.6)	–
Total	5.6	–	5.6	5.6	–
Others	3.4	3.6	(0.2)	3.4	–
Pharmaceuticals and Bio-chemicals	35.0	46.8	(11.8)	35.0	–
Kyowa Hakko Kirin (consolidated after reclassification)	35.0	46.8	(11.8)	35.0	–
Pharmaceutical	27.5	36.2	(8.7)	27.5	–
Bio-chemical	4.5	8.1	(3.6)	4.5	–
Other/elimination of amortization of goodwill	9.1	8.6	0.5	9.1	–
Amortization of goodwill	(6.1)	(6.1)	–	(6.1)	–
Other	2.0	3.8	(1.8)	2.0	–
Corporate expenses/inter-segment eliminations	(8.0)	(7.1)	(0.8)	(8.0)	–

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